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For Immediate Release

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Paul Mueller Company Announces Its Fourth Quarter Earnings of 2023

**PAUL MUELLER COMPANY
TWELVE-MONTH REPORT
(In thousands)**

CONSOLIDATED STATEMENTS OF INCOME				
	Three Months Ended December 31		Twelve Months Ended December 31	
	2023	2022	2023	2022
Net Sales	\$ 55,786	\$ 59,002	\$ 229,156	\$ 191,520
Cost of Sales	38,744	50,082	158,625	152,286
Gross Profit	\$ 17,042	\$ 8,920	\$ 70,531	\$ 39,234
Selling, General and Administrative Expense	51,723	4,679	88,269	35,011
Operating Income (Loss)	\$ (34,681)	\$ 4,241	\$ (17,738)	\$ 4,223
Interest Expense	(91)	(87)	(350)	(697)
Other Income	856	939	2,666	1,115
Income (Loss) before Provision (Benefit) for Income Taxes	\$ (33,916)	\$ 5,093	\$ (15,422)	\$ 4,641
Provision (Benefit) for Income Taxes	(10,042)	1,193	(5,532)	1,032
Net Income (Loss)	\$ (23,874)	\$ 3,900	\$ (9,890)	\$ 3,609
Earnings (Loss) per Common Share - Basic and Diluted	(\$21.99)	\$3.59	(\$9.11)	\$3.32

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME			
	Twelve Months Ended December 31		
	2023	2022	
Net Income (Loss)	\$ (9,890)	\$ 3,609	
Other Comprehensive Income (Loss), Net of Tax:			
Foreign Currency Translation Adjustment	677	(1,416)	
Change in Pension Liability	33,322	1,262	
Comprehensive Income	\$ 24,109	\$ 3,455	

CONSOLIDATED BALANCE SHEETS			
	December 31		
	2023	2022	
Cash	\$ 1,883	\$ 679	
Marketable Securities	32,042	37,497	
Accounts Receivable	25,166	20,580	
Inventories (FIFO)	45,910	48,515	
LIFO Reserve	(21,774)	(21,691)	
Inventories (LIFO)	24,136	26,824	
Current Net Investments in Sales-Type Leases	27	24	
Other Current Assets	3,537	3,156	
Current Assets	\$ 86,791	\$ 88,760	
Net Property, Plant, and Equipment	42,011	41,511	
Right of Use Assets	2,421	2,304	
Other Assets	2,590	5,041	
Long-Term Net Investments in Sales-Type Leases	456	312	
Total Assets	\$ 134,269	\$ 137,928	
Accounts Payable	\$ 11,041	\$ 11,802	
Current Maturities and Short-Term debt	640	628	
Current Lease Liabilities	402	448	
Advance Billings	27,383	41,288	
Pension Liabilities	32	11,558	
Other Current Liabilities	19,599	20,062	
Current Liabilities	\$ 59,097	\$ 85,786	
Long-Term Debt	8,880	9,349	
Long-Term Pension Liabilities	233	236	
Other Long-Term Liabilities	1,768	1,737	
Lease Liabilities	775	762	
Total Liabilities	\$ 70,753	\$ 97,870	
Shareholders' Investment	63,516	40,058	
Total Liabilities and Shareholders' Investment	\$ 134,269	\$ 137,928	

SELECTED FINANCIAL DATA

	December 31 2023	December 31 2022
Book Value per Common Share	\$58.50	\$36.90
Total Shares Outstanding	1,085,711	1,085,711
Backlog	\$ 97,350	\$ 132,829

CONSOLIDATED STATEMENT OF SHAREHOLDERS' INVESTMENT

	Common Stock	Paid-in Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total
Balance, December 31, 2022	\$ 1,508	\$ 9,708	\$ 75,721	\$ (10,787)	\$ (36,092)	\$ 40,058
Add (Deduct):						
Net (Loss)			(9,890)			(9,890)
Other Comprehensive Income, Net of Tax			2,001		31,998	33,999
Dividends, \$.60 per Common Share			(651)			(651)
Treasury Stock Acquisition						
Balance, December 31, 2023	\$ 1,508	\$ 9,708	\$ 67,181	\$ (10,787)	\$ (4,094)	\$ 63,516

CONSOLIDATED STATEMENT OF CASH FLOWS

	Twelve Months Ended December 31, 2023	Twelve Months Ended December 31, 2022
Operating Activities:		
Net Income (Loss)	\$ (9,890)	\$ 3,609
Adjustment to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:		
Pension Contributions (Greater) Less than Expense	21,793	(4,980)
Bad Debt Expense	275	81
Depreciation & Amortization	6,641	6,156
Deferred Tax (Benefit) Expense	(9,230)	831
Loss (Gain) on Disposal of Equipment	796	(1)
Change in Assets and Liabilities		
(Inc) Dec in Accts and Notes Receivable	(4,861)	5,113
Dec (Inc) in Inventories	2,688	(370)
Dec (Inc) in Prepayments	394	(1,052)
(Inc) in Net Investment in Sales-Type Leases	(147)	(149)
Dec in Other Assets	381	347
Dec in Deferred Taxes	11,550	437
(Dec) in Accounts Payable	(761)	(2,668)
Inc in Accrued Income Tax	1,536	-
Inc in Accrued Expenses	5,014	414
(Dec) Inc in Advanced Billings	(13,905)	22,693
(Dec) Inc in Billings in Excess of Costs and Estimated Earnings	(7,013)	10,552
Inc in Lease Liability for Operating	-	421
Inc in Lease Liability for Financing	133	33
Principal payments on Lease Liability for Operating	(85)	(350)
(Dec) in Long Term Liabilities	(1,058)	(111)
Net Cash Provided by Operating Activities	\$ 4,251	\$ 41,006
Investing Activities		
Proceeds from Sales of Equipment	171	26
Investments in Marketable Securities	5,455	(29,466)
Additions to Property, Plant, and Equipment	(7,704)	(9,067)
Net Cash (Required) for Investing Activities	\$ (2,078)	\$ (38,507)
Financing Activities		
Principal payments on Lease Liability for Financing	(116)	(201)
(Repayment) of Short-Term Borrowings, Net	-	(642)
(Repayment) of Long-Term Debt	(634)	(4,045)
Dividends paid	(651)	(652)
Treasury Stock Acquisitions	-	(38)
Net Cash (Required) for Financing Activities	\$ (1,401)	\$ (5,578)
Effect of Exchange Rate Changes	432	508
Net Increase (Decrease) in Cash	\$ 1,204	\$ (2,571)
Cash at Beginning of Year	679	3,250
Cash at End of Year	\$ 1,883	\$ 679

PAUL MUELLER COMPANY
SUMMARIZED NOTES TO THE FINANCIAL STATEMENTS
(In thousands)

- A. The chart below depicts the net revenue on a consolidating basis for the three months ended December 31.

Three Months Ended December 31		
Revenue	2023	2022
Domestic	\$43,082	\$47,299
Mueller BV	\$12,967	\$12,002
Eliminations	(\$263)	(\$299)
Net Revenue	\$55,786	\$59,002

The chart below depicts the net revenue on a consolidating basis for the twelve months ended December 31.

Twelve Months Ended December 31		
Revenue	2023	2022
Domestic	\$183,006	\$145,193
Mueller BV	\$47,710	\$47,356
Eliminations	(\$1,560)	(\$1,029)
Net Revenue	\$229,156	\$191,520

The chart below depicts the net income (loss) on a consolidating basis for the three months ended December 31.

Three Months Ended December 31		
Net Income	2023	2022
Domestic	(\$25,561)	\$3,861
Mueller BV	\$1,711	\$52
Eliminations	(\$24)	(\$13)
Net Income (Loss)	(\$23,874)	\$3,900

The chart below depicts the net income (loss) on a consolidating basis for the twelve months ended December 31.

Twelve Months Ended December 31		
Net Income	2023	2022
Domestic	(\$11,328)	\$4,517
Mueller BV	\$1,477	(\$903)
Eliminations	(\$39)	(\$5)
Net Income (Loss)	(\$9,890)	\$3,609

- B. Please refer to the President's letter and footnotes in the 2023 Annual Report for relevant management discussion and analysis.
- C. The Company successfully terminated two defined benefit pension plans on December 18, 2023; only a small SERP plan remains. The Company annually contributed an average of \$4.7 million to these plans during 2018–2022, a use of cash that will not be required in the future. The 2023 termination of these plans required an additional cash contribution of \$11.1 million and resulted in a non-cash reduction of pretax earnings of \$41.8 million. This non-cash settlement charge resulted in a 2023 net loss of \$9.9 million. Excluding this settlement charge, net income would have been a record of \$21.0 million.
- D. The pre-tax results for the three months ended December 31, 2023, were favorably affected by a \$0.5 million decrease in the LIFO reserve. The pre-tax results for the twelve months ended December 31, 2023, were unfavorably affected by a \$83,000 increase in the LIFO reserve. The pre-tax results for the three months ended December 31, 2022, were unfavorably affected by a \$0.4 million increase in the LIFO reserve. The pre-tax results for the twelve months ended December 31, 2022, were unfavorably affected by a \$4.8 million increase in the LIFO reserve.
- E. The consolidated financials are affected by the euro to dollar exchange rate when consolidating Mueller B.V., the Dutch subsidiary. The month end euro to dollar exchange rate was \$1.07 for December, 2022 and \$1.10 for December, 2023, respectively.

This press release contains forward-looking statements that provide current expectations of future events based on certain assumptions. All statements regarding future performance growth, conditions, or developments are forward-looking statements. Actual future results may differ materially from those described in the forward-looking statements due to a variety of factors, including, but not limited to, the factors described in the Company's Annual Report under "Safe Harbor for Forward-Looking Statements", which is available at paulmueller.com. The Company expressly disclaims any obligation or undertaking to update these forward-looking statements to reflect any future events or circumstances.

The accounting policies related to this report and additional management discussion and analysis are provided in the 2023 annual report, available at www.paulmueller.com/investors.