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For Immediate Release

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**Paul Mueller Company Announces Its First Quarter Earnings of 2024**

**PAUL MUELLER COMPANY**

**THREE-MONTH REPORT**

(In thousands)

CONSOLIDATED STATEMENTS OF INCOME				
	Three Months Ended March 31		Twelve Months Ended March 31	
	2024	2023	2024	2023
Net Sales	\$ 50,356	\$ 56,351	\$ 223,161	\$ 207,096
Cost of Sales	34,560	39,554	153,631	159,979
Gross Profit	\$ 15,796	\$ 16,797	\$ 69,530	\$ 47,117
Selling, General and Administrative Expense	10,358	12,587	86,040	37,358
Operating Income (Loss)	\$ 5,438	\$ 4,210	\$ (16,510)	\$ 9,759
Interest Expense	(1,248)	(97)	(1,501)	(406)
Other Income	1,544	720	3,491	1,571
Income (Loss) before Provision (Benefit) for Income Taxes	\$ 5,734	\$ 4,833	\$ (14,520)	\$ 10,924
Provision (Benefit) for Income Taxes	1,285	1,166	(5,413)	2,526
Net Income (Loss)	\$ 4,449	\$ 3,667	\$ (9,107)	\$ 8,398
Earnings (Loss) per Common Share – Basic and Diluted	\$4.10	\$3.38	(\$8.39)	\$7.74

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME			
	Three Months Ended March 31		
	2024	2023	
Net Income	\$ 4,449	\$ 3,667	
Other Comprehensive Income (Loss), Net of Tax:			
Foreign Currency Translation Adjustment	(239)	164	
Comprehensive Income	\$ 4,210	\$ 3,831	

CONSOLIDATED BALANCE SHEETS			
	March 31		December 31
	2024	2023	
Cash	\$ 5,644	\$ 1,883	
Marketable Securities	31,687	32,042	
Accounts Receivable	25,209	25,166	
Inventories (FIFO)	47,689	45,910	
LIFO Reserve	(21,557)	(21,774)	
Inventories (LIFO)	26,132	24,136	
Current Net Investments in Sales-Type Leases	28	27	
Other Current Assets	7,344	3,537	
Current Assets	\$ 96,044	\$ 86,791	
Net Property, Plant, and Equipment	42,854	42,011	
Right of Use Assets	2,322	2,421	
Other Assets	2,372	2,590	
Long-Term Net Investments in Sales-Type Leases	480	456	
Total Assets	\$ 144,072	\$ 134,269	
Accounts Payable	\$ 11,993	\$ 11,041	
Current Maturities and Short-Term debt	632	640	
Current Lease Liabilities	364	402	
Advance Billings	33,434	27,383	
Pension Liabilities	32	32	
Other Current Liabilities	18,722	19,599	
Current Liabilities	\$ 65,177	\$ 59,097	
Long-Term Debt	8,616	8,880	
Long-Term Pension Liabilities	225	233	
Other Long-Term Liabilities	1,775	1,768	
Lease Liabilities	722	775	
Total Liabilities	\$ 76,515	\$ 70,753	
Shareholders' Investment	67,557	63,516	
Total Liabilities and Shareholders' Investment	\$ 144,072	\$ 134,269	

SELECTED FINANCIAL DATA						
			March 31 2024	December 31 2023		
Book Value per Common Share			\$62.22	\$58.50		
Total Shares Outstanding			1,085,711	1,085,711		
Backlog			\$ 95,196	\$ 97,350		
CONSOLIDATED STATEMENT OF SHAREHOLDERS' INVESTMENT						
	Common Stock	Paid-in Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total
Balance, December 31, 2023	\$ 1,508	\$ 9,708	\$ 67,181	\$ (10,787)	\$ (4,094)	\$ 63,516
Add (Deduct):						
Net Income			4,449			4,449
Other Comprehensive (Loss) Net of Tax					(239)	(239)
Dividends, \$.60 per Common Share			(163)			(163)
Other			\$ (6)			(6)
Balance, March 31, 2024	\$ 1,508	\$ 9,708	\$ 71,461	\$ (10,787)	\$ (4,333)	\$ 67,557
CONSOLIDATED STATEMENT OF CASH FLOWS						
	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023				
<b>Operating Activities:</b>						
Net Income	\$ 4,449	\$ 3,667				
Adjustment to Reconcile Net Income to Net Cash Provided by Operating Activities:						
Pension Contributions (Greater) Less than Expense	(8)	(409)				
Bad Debt Expense	-	15				
Depreciation & Amortization	1,736	1,560				
Loss (Gain) on Disposal of Equipment	18	9				
Change in Assets and Liabilities						
(Inc) in Accts and Notes Receivable	(42)	(2,634)				
(Inc) in Cost in Excess of Estimated Earnings and Billings	(35)	-				
(Inc) in Inventories	(1,901)	-				
(Inc) in Prepayments	(3,772)	(2,937)				
(Inc) in Net Investment in Sales-Type Leases	(25)	(1,122)				
Dec (Inc) in Other Assets	469	(46)				
Dec in Deferred Taxes	-	240				
(Dec) Inc in Accounts Payable	952	(204)				
Inc in Accrued Income Tax	1,501	430				
Inc (Dec) in Accrued Expenses	(654)	3,622				
(Dec) Inc in Advanced Billings	6,051	(1,088)				
(Dec) in Billings in Excess of Costs and Estimated Earnings	(1,730)	(736)				
Inc in Lease Liability for Operating	24	-				
Inc in Lease Liability for Financing	-	131				
Principal payments on Lease Liability for Operating	(41)	(65)				
(Dec) in Long Term Liabilities	(12)	(58)				
(Dec) in Long Term Deferred Tax Liabilities	(82)	-				
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 6,898</b>	<b>\$ 375</b>				
<b>Investing Activities</b>						
Intangibles	-	(62)				
Proceeds from Sales of Equipment	15	2				
Purchases in Marketable Securities	(12,221)	(5,676)				
Proceeds from Sales of Marketable Securities	12,575	8,496				
Additions to Property, Plant, and Equipment	(3,064)	(1,589)				
<b>Net Cash (Required) for Investing Activities</b>	<b>\$ (2,695)</b>	<b>\$ 1,171</b>				
<b>Financing Activities</b>						
Principal payments on Lease Liability for Financing	(52)	(46)				
Proceeds from Short-Term Borrowings	277	1,407				
(Repayment) of Short-Term Borrowings	(277)	(1,407)				
(Repayment) of Long-Term Debt	(158)	(158)				
Dividends paid	(163)	(163)				
<b>Net Cash (Required) for Financing Activities</b>	<b>\$ (373)</b>	<b>\$ (367)</b>				
<b>Effect of Exchange Rate Changes</b>	<b>(69)</b>	<b>64</b>				
<b>Net Increase in Cash</b>	<b>\$ 3,761</b>	<b>\$ 1,243</b>				
<b>Cash at Beginning of Year</b>	<b>1,883</b>	<b>679</b>				
<b>Cash at End of Quarter</b>	<b>\$ 5,644</b>	<b>\$ 1,922</b>				

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 March 31.

Three Months Ended March 31			
Revenue	2024		2023
Domestic	\$ 38,877	\$	45,585
Mueller BV	\$ 11,825	\$	11,304
Eliminations	\$ (346)	\$	(538)
Net Revenue	\$ 50,356	\$	56,351

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

Twelve Months Ended March 31			
Revenue	2024		2023
Domestic	\$ 176,298	\$	162,662
Mueller BV	\$ 48,231	\$	45,680
Eliminations	\$ (1,368)	\$	(1,246)
Net Revenue	\$ 223,161	\$	207,096

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

Three Months Ended March 31			
Net Income	2024		2023
Domestic	\$ 4,048	\$	4,450
Mueller BV	\$ 374	\$	(770)
Eliminations	\$ 27	\$	(13)
Net Income	\$ 4,449	\$	3,667

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

Twelve Months Ended March 31			
Net Income	2024		2023
Domestic	\$ (11,730)	\$	9,852
Mueller BV	\$ 2,621	\$	(1,435)
Eliminations	\$ 2	\$	(19)
Net Income (Loss)	\$ (9,107)	\$	8,398

- B.** March 31, 2024 backlog is \$95.2 million compared to \$122.8 million at March 31, 2023. The majority of this backlog is in the U.S. where the backlog is \$87.8 million at March 31, 2024 compared to \$115.4 million at March 31, 2023. The \$27.6 million reduction in U.S. backlog is from all segments but primarily from the pharmaceutical, food and beverage, and component divisions coming off of record high backlogs. In the Netherlands, the backlog is relatively flat -- \$7.9 million at March 31, 2024 versus \$8.2 million on March 31, 2023.
- C.** Revenue is down from the previous year by \$6 million on a three-month basis but up \$16.1 million on trailing twelve months. The lower first quarter revenue from last year is primarily from the timing of revenue recognition on the larger pharmaceutical projects and lower revenue from the components division coming off record revenue in late 2022 and early 2023. In the Netherlands, revenue is above last year by \$0.5 million and \$2.1 million on a three-month and twelve-month basis, respectively. The Dutch market is improving.

Net Income is up \$0.8 million on a three-month and down \$17.5 million on a twelve-month basis before removing the pension settlement charges. In the Netherlands, earnings are up year over year by \$1.1 million for three months and \$4.1 million over twelve months. One-time restructuring charges accrued in March 2023 and the subsequent efficiencies achieved from the restructuring along with a price increase taken in the first quarter of 2023 on slightly higher volumes led to the improved earnings.

We manage our business in the U.S. looking at earnings before tax (EBT) and excluding the effects of LIFO and non-reoccurring events such as the pension settlement. This non-GAAP adjusted EBT (as shown in the table below) is down \$0.7 million for the three months but up \$9.7 million for the trailing twelve months primarily from strong results in the pharmaceutical, food and beverage, and components divisions.

(In Thousands)	Three Months Ended March 31		Twelve Months Ended March 31	
	2024	2023	2024	2023
Domestic Net Income	\$ 4,048	\$ 4,450	\$ (11,730)	\$ 9,852
Income Tax Expense	\$ 1,171	\$ 1,405	\$ (4,991)	\$ 3,020
Domestic EBT - GAAP	\$ 5,219	\$ 5,855	\$ (16,721)	\$ 12,872
LIFO Adjustment	\$ (217)	\$ (185)	\$ 51	\$ 2,577
Pension Adjustment	\$ -	\$ -	\$ 41,774	\$ -
Domestic EBT - Non-GAAP	\$ 5,002	\$ 5,670	\$ 25,104	\$ 15,449

- D.** On March 12, 2024, the Board of Directors authorized a tender offer effective from March 15, 2024, through May 7, 2024, for up to \$10 million with the option to go to \$15 million of the Company's common stock at a price of \$80. As of April 26, 2024, \$5.88 million in shares are tendered to the Company's depository agent. On April 26, 2024, the Company announced that the limit was increased to \$15 million.

- E. Effective March 14, 2024, the Company amended its domestic bank borrowing facility to extend the agreement until March 31, 2025, with the following changes:
1. Capacity was reduced from \$15 million to \$10 million.
  2. Interest rate spread was changed from “SOFR+10” plus 1.15% to “SOFR+10” plus 1.35%.
  3. Financial leverage test of trailing twelve-month Debt/EBITDA was eliminated.
- F. The pre-tax results for the three months ended March 31, 2024, were favorably affected by \$0.2 million decrease in the LIFO reserve. The pre-tax results for the twelve months ended March 31, 2024, were unfavorably affected by \$0.1 million increase in the LIFO reserve. The pre-tax results for the three months ended March 31, 2023, were favorably affected by \$0.2 million increase in the LIFO reserve. The pre-tax results for the twelve months ended March 31, 2023 were unfavorably affected by \$2.6 million increase in the LIFO reserve.
- G. 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 1.09 for March 2023, 1.10 for December 2023, and 1.08 for March 2024, 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](http://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](http://www.paulmueller.com).**