

**PAUL MUELLER COMPANY  
SIX-MONTH REPORT**

Unaudited  
(In thousands)

**CONSOLIDATED STATEMENTS OF INCOME**

	Three Months Ended June 30		Six Months Ended June 30		Twelve Months Ended June 30	
	2024	2023	2024	2023	2024	2023
Net Sales	\$ 65,670	\$ 59,931	\$ 116,026	\$ 116,282	\$ 228,900	\$ 221,050
Cost of Sales	45,871	41,379	80,431	80,933	158,123	165,816
Gross Profit	\$ 19,799	\$ 18,552	\$ 35,595	\$ 35,349	\$ 70,777	\$ 55,234
Selling, General and Administrative Expense	11,417	12,714	21,775	25,301	84,743	39,675
Operating Income (Loss)	\$ 8,382	\$ 5,838	\$ 13,820	\$ 10,048	\$ (13,966)	\$ 15,559
Interest Income (Expense)	70	(80)	(1,178)	(177)	(1,351)	(369)
Other Income	506	613	2,050	1,333	3,383	2,310
Income (Loss) before Provision (Benefit) for Income Taxes	\$ 8,958	\$ 6,371	\$ 14,692	\$ 11,204	\$ (11,934)	\$ 17,500
Provision (Benefit) for Income Taxes	2,154	1,558	3,439	2,724	(4,817)	4,140
Net Income (Loss)	\$ 6,804	\$ 4,813	\$ 11,253	\$ 8,480	\$ (7,117)	\$ 13,360
Earnings (Loss) per Common Share — Basic and Diluted	\$7.26	\$4.43	\$11.13	\$7.81	(\$6.79)	\$12.31

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	Six Months Ended June 30	
	2024	2023
Net Income	\$ 11,253	\$ 8,480
Other Comprehensive Income (Loss), Net of Tax:		
Foreign Currency Translation Adjustment	(780)	441
Comprehensive Income	\$ 10,473	\$ 8,921

**CONSOLIDATED BALANCE SHEETS**

	June 30 2024	December 31 2023
Cash and Short-Term Investments	\$ 3,409	\$ 1,883
Marketable Securities	18,169	32,042
Accounts Receivable	35,662	25,166
Reserve for Doubtful Accounts	(1,141)	
Inventories (FIFO)	44,379	45,910
LIFO Reserve	(21,310)	(21,774)
Inventories (LIFO)	23,069	24,136
Current Net Investments in Sales-Type Leases	29	27
Other Current Assets	5,920	3,537
Current Assets	\$ 85,117	\$ 86,791
Net Property, Plant, and Equipment	44,253	42,011
Right of Use Assets	2,280	2,421
Other Assets	2,823	2,590
Long-Term Net Investments in Sales-Type Leases	-	456
Total Assets	\$ 134,473	\$ 134,269
Accounts Payable	\$ 15,284	\$ 11,041
Current Maturities and Short-Term Debt	631	640
Current Lease Liabilities	350	402
Advance Billings	18,865	27,383
Pension Liabilities	32	32
Other Current Liabilities	26,520	19,599
Current Liabilities	\$ 61,682	\$ 59,097
Long-Term Debt	8,407	8,880
Long-Term Pension Liabilities	217	233
Other Long-Term Liabilities	1,696	1,768
Lease Liabilities	777	775
Total Liabilities	\$ 72,779	\$ 70,753
Shareholders' Investment	61,694	63,516
Total Liabilities and Shareholders' Investment	\$ 134,473	\$ 134,269

**SELECTED FINANCIAL DATA**

	June 30 2024	December 31 2023
Book Value per Common Share	\$65.85	\$58.50
Total Shares Outstanding	936,837	1,085,711
Backlog	\$ 187,336	\$ 97,350

**CONSOLIDATED STATEMENT OF SHAREHOLDERS' INVESTMENT**

	Common Stock	Paid-in Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total
<b>Balance, December 31, 2023</b>	\$ 1,508	\$ 9,708	\$ 67,181	\$ (10,787)	\$ (4,094)	\$ 63,516
<b>Add (Deduct):</b>						
Net Income			11,253			11,253
Other Comprehensive Income, Net of Tax					(780)	(780)
Dividends, \$.30 per Common Share			(378)			(378)
Treasury Stock Acquisition				(11,910)		(11,910)
Other			(7)			(7)
<b>Balance, June 30, 2024</b>	\$ 1,508	\$ 9,708	\$ 78,049	\$ (22,697)	\$ (4,874)	\$ 61,694

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
<b>Operating Activities:</b>		
Net Income	\$ 11,253	\$ 8,480
Adjustment to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Pension Contributions (Greater) Less than Expense	(16)	(818)
Bad Debt (Recovery) Expense	-	(19)
Depreciation & Amortization	3,427	3,027
Loss (Gain) on Disposal of Equipment	175	-
(Gain) on Sales of Equipment	(106)	(33)
Change in Assets and Liabilities		
(Inc) in Accts and Notes Receivable	(9,354)	(3,854)
Dec (Inc) in Inventories	1,290	(3,444)
(Inc) in Prepayments	(2,389)	(643)
(Inc) in Net Investment in Sales-type leases	(80)	(69)
Dec in Other Assets	738	307
Inc in Accounts Payable	4,242	1,330
(Dec) Inc in Accrued Income Tax	(1,165)	1,911
(Dec) Inc in Other Accrued Expenses	(227)	4,919
(Dec) in Advanced Billings	(8,519)	(4,647)
Inc (Dec) in Billings in Excess of Costs and Estimated Earnings	8,306	(2,927)
Inc in Lease Liability for Operating	57	-
Inc in Lease Liability for Financing	-	133
Principal payments of Lease Liability for Operating	(53)	(137)
(Dec) Inc in Long Term Deferred Tax Liabilities	(78)	8
(Dec) Inc in Other Long-Term Liabilities	(93)	599
<b>Net Cash Provided by Operating Activities</b>	\$ 7,408	\$ 4,123
<b>Investing Activities</b>		
Intangibles	-	(62)
Purchases of Marketable Securities	(24,649)	-
Proceeds from Sales of Marketable Securities	38,522	-
Proceeds from Sales of Equipment	131	67
Additions to Property, Plant, and Equipment	(6,612)	(3,190)
<b>Net Cash (Required) for Investing Activities</b>	\$ 7,392	\$ (3,185)
<b>Financing Activities</b>		
Principal payments of Lease Liability for Financing	(22)	(98)
(Repayment) of Short-Term Borrowings, Net	(751)	(1,673)
Proceeds of Short-Term Borrowings, Net	754	1,673
(Repayment) of Long-Term Debt	(422)	(318)
Dividends Paid	(378)	(326)
Treasury Stock Acquisitions	(11,910)	-
<b>Net Cash (Required) for Financing Activities</b>	\$ (12,729)	\$ (742)
<b>Effect of Exchange Rate Changes</b>	(545)	535
<b>Net Increase in Cash and Cash Equivalents</b>	\$ 1,526	\$ 731
<b>Cash and Cash Equivalents at Beginning of Year</b>	1,883	38,176
<b>Cash and Cash Equivalents at End of Quarter</b>	\$ 3,409	\$ 38,907

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 June 30.

Three Months Ended June 30			
<i>Revenue</i>	2024		2023
Domestic	\$ 52,830	\$	48,295
Mueller BV	\$ 13,164	\$	12,073
Eliminations	\$ (324)	\$	(437)
Net Revenue	\$ 65,670	\$	59,931

The chart below depicts the net revenue on a consolidating basis for the six months ended June 30.

Six Months Ended June 30			
<i>Revenue</i>	2024		2023
Domestic	\$ 91,707	\$	93,880
Mueller BV	\$ 24,989	\$	23,377
Eliminations	\$ (670)	\$	(975)
Net Revenue	\$ 116,026	\$	116,282

The chart below depicts the net revenue on a consolidating basis for the twelve months ended June 30.

Twelve Months Ended June 30			
<i>Revenue</i>	2024		2023
Domestic	\$ 180,833	\$	176,642
Mueller BV	\$ 49,322	\$	45,695
Eliminations	\$ (1,255)	\$	(1,287)
Net Revenue	\$ 228,900	\$	221,050

The chart below depicts the net income (loss) on a consolidating basis for the three months ended June 30.

Three Months Ended June 30			
<i>Net Income</i>	2024		2023
Domestic	\$ 6,027	\$	4,705
Mueller BV	\$ 774	\$	110
Eliminations	\$ 3	\$	(2)
Net Income (Loss)	\$ 6,804	\$	4,813

The chart below depicts the net income on a consolidating basis for the six months ended June 30.

Six Months Ended June 30				
<i>Net Income</i>	2024		2023	
Domestic	\$	10,075	\$	9,155
Mueller BV	\$	1,148	\$	(660)
Eliminations	\$	30	\$	(15)
Net Income (Loss)	\$	11,253	\$	8,480

The chart below depicts the net income on a consolidating basis for the twelve months ended June 30.

Twelve Months Ended June 30				
<i>Net Income</i>	2024		2023	
Domestic	\$	(10,408)	\$	14,322
Mueller BV	\$	3,285	\$	(941)
Eliminations	\$	6	\$	(21)
Net Income Loss	\$	(7,117)	\$	13,360

- B.** June 30, 2024 backlog is \$187.3 million compared to \$106.0 million at June 30, 2023. The majority of this backlog is in the U.S. where backlog is \$181.2 million at June 30, 2024 compared to \$98.7 million at June 30, 2023. The \$82.5 million increase in U.S. backlog is from the pharmaceutical divisions. In the Netherlands, backlog is down slightly with \$6.5 million on June 30, 2024 versus \$7.7 million on June 30, 2023.
- C.** Compared to last year, revenue is up \$5.7 million (9.6%) on a three-month basis; flat on a six-month basis and up \$7.9 million (3.6%) for the trailing twelve months. In the U.S., revenues show a similar pattern. Increased revenue from the pharmaceutical and food and beverage divisions are partially offset by the lower revenue from the components division coming off record revenue in late 2022 and early 2023. In the Netherlands business continues to improve with revenue above last year for all three timeframes.

Net Income is up \$2.0 million for three-months; \$2.8 million for six months but down \$20.4 million before removing the pension settlement charges incurred in December 2023. In the Netherlands, earnings continue to improve following the business restructuring in the Spring of 2023. Efficiencies achieved from the restructuring along with strategic price increases have 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) show improved results from the strong 2023 for all three timeframes primarily from the pharmaceutical and food and beverage divisions.

Results Ending June 30th						
	For Three Months		For Six Months		For Twelve Months	
(In Thousands)	2024	2023	2024	2023	2024	2023
Domestic Net Income	\$ 6,027	\$ 4,705	\$ 10,075	\$ 9,155	\$ (10,408)	\$14,322
Income Tax Expense	1,899	1,468	3,070	2,873	(4,560)	4,430
Domestic EBT - GAAP	7,926	6,173	13,145	12,028	(14,968)	18,752
LIFO Adjustment	(246)	424	(463)	239	(619)	1,528
Pension Adjustment	-	-	-	-	41,774	-
Domestic EBT - Non-GAAP	\$ 7,680	\$ 6,597	\$ 12,682	\$ 12,267	\$ 26,187	\$20,280

- D.** On July 26, 2024, the Company announced construction of a new \$20 million facility adding 100,000 square feet of additional space to expand production and research and development. The new facility will be funded through cash and potential new debt. Construction is expected to begin in the fall of 2024 and complete in the fall of 2025.
- E.** 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 per share. On April 26, 2024, the Company announced that it would purchase shares up to \$15 million. On May 7, 2024, the Company announced that the tender offer had expired with 148,874 shares tendered for \$11.9 million. After the completion of the tender offer, cash and marketable securities are \$21.6 million as of June 30, 2024.
- F.** 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 June, 2023; 1.10 for December, 2023 and 1.07 for June, 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).**