

**BURNHAM HOLDINGS**

PERFORMANCE PROVEN • TECHNOLOGY FORWARD

Villanova School of Business

Philadelphia, PA

April 2, 2014

OTC: BURCA

Statements in this presentation that are not historical are “forward-looking statements” and are subject to change. These statements are subject to risks and uncertainties that could cause the Company’s actual operating results to differ materially from those contemplated by the forward-looking statements. Certain non-GAAP financial measures may also be used. For further information on risk factors affecting the Company’s business, or reconciliation to appropriate GAAP measures, please refer to our most recent annual and quarterly reports available on our website at [www.burnhamholdings.com](http://www.burnhamholdings.com). The company expressly disclaims any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

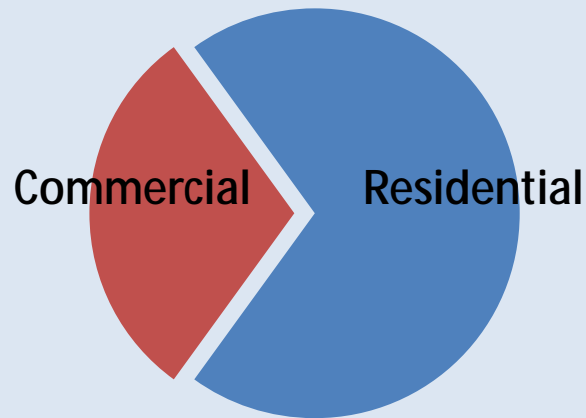
Burnham Holdings, Inc. (“BHI”) is a holding company owning multiple, separate subsidiaries that each do business in the HVAC industry. All products, services and related activities referred to herein are the products, services and related activities of the applicable subsidiary, and not of BHI.

*"...Leaders in Providing Thermal Solutions to Residential, Commercial, and Industrial Applications..."*



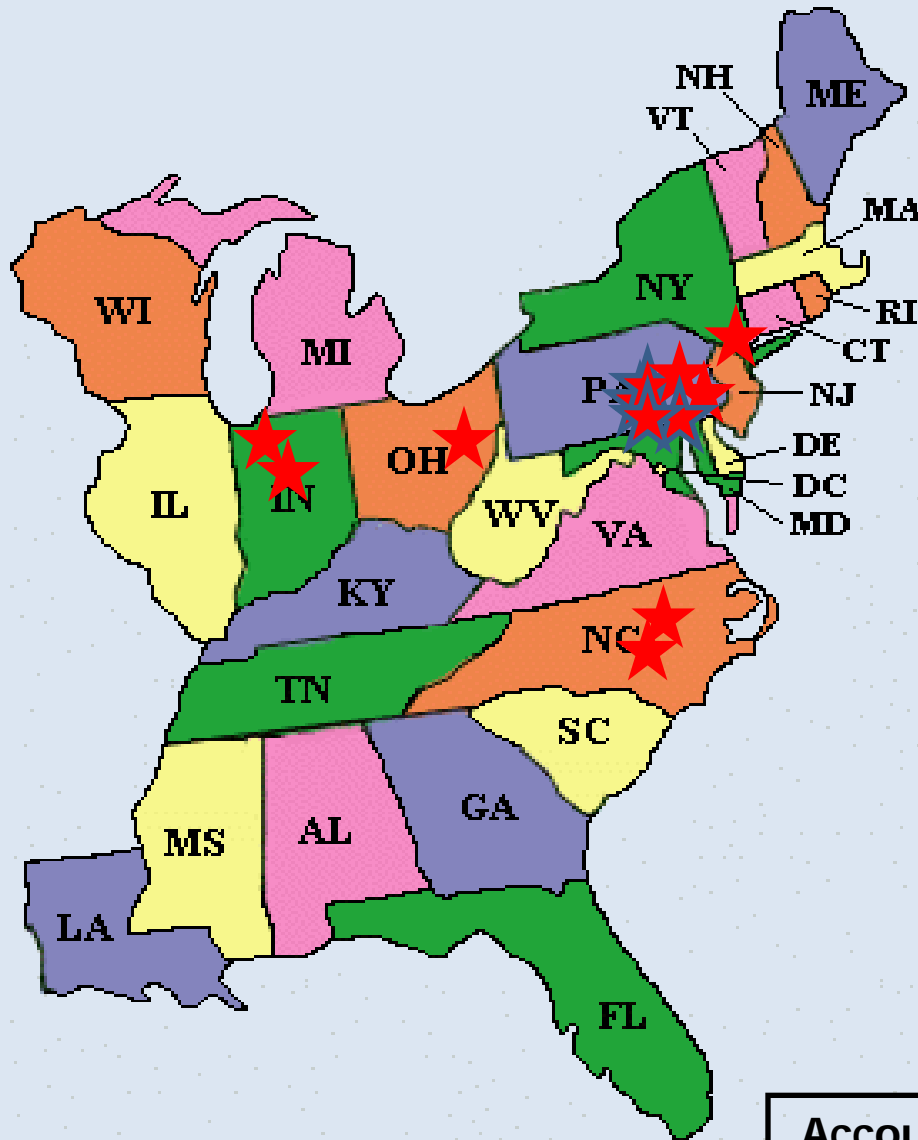
### Commercial Markets:

- Ø Schools
- Ø Office
- Ø Healthcare
- Ø Military Bases
- Ø Hospitality
- Ø Energy & Industry



### Residential Markets:

- Ø Single Family
- Ø Multi-Family/Condos
- Ø Mobile Homes



## BURNHAM HOLDINGS, INC.

HDQ: LANCASTER, PA

OTC: BURCA

MARKET CAP: \$85MM

YE Pr: \$19.00/sh Div: \$0.80/sh

### Residential Businesses

- U.S. Boiler Co. - PA
- Crown Boiler Co. - PA
- New Yorker Boiler Co. - PA
- Governale Company - NYC
- Thermo Products – IN & NC

### Commercial Businesses

- Bryan Steam, LLC - IN
- Burnham Commercial - PA
- Thermal Solutions Products - PA

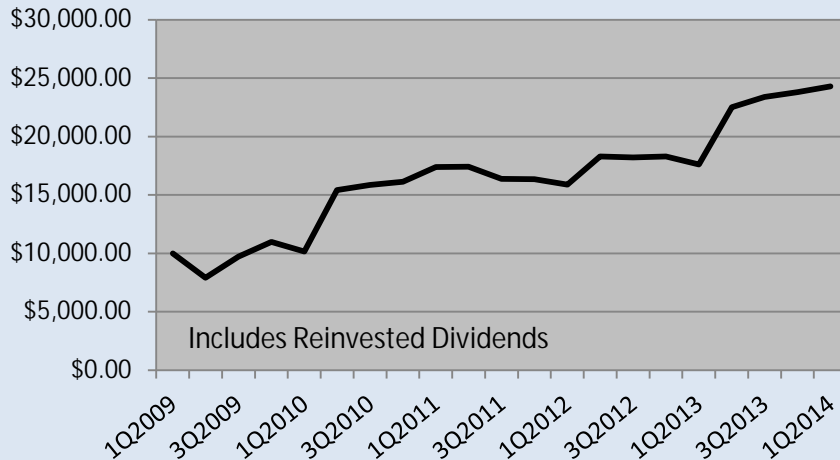
### Supporting Businesses

- Casting Solutions, LLC - OH
- Lancaster Metal Manuf. - PA
- Norwood Manufacturing - NC

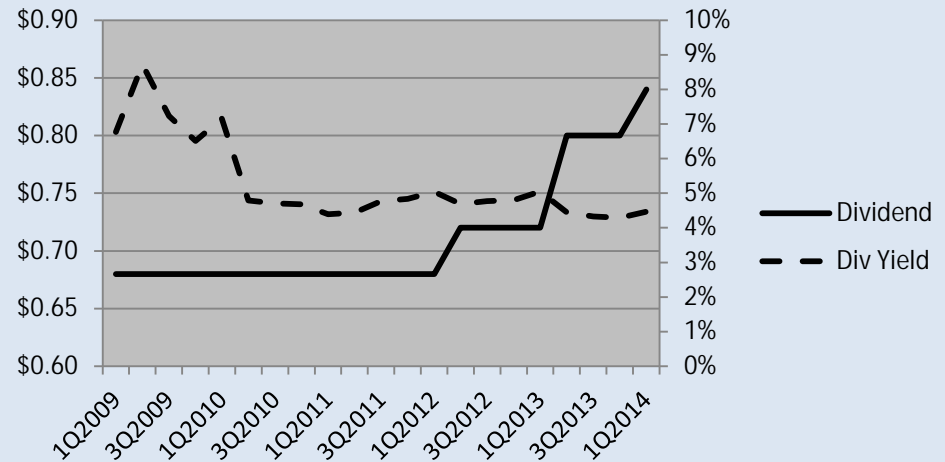
**Accountability at Individual Business Level**

# Increasing Shareholder Value...

**\$10,000 Investment on Jan 1, 2009**



**Annual Dividend & Yield**



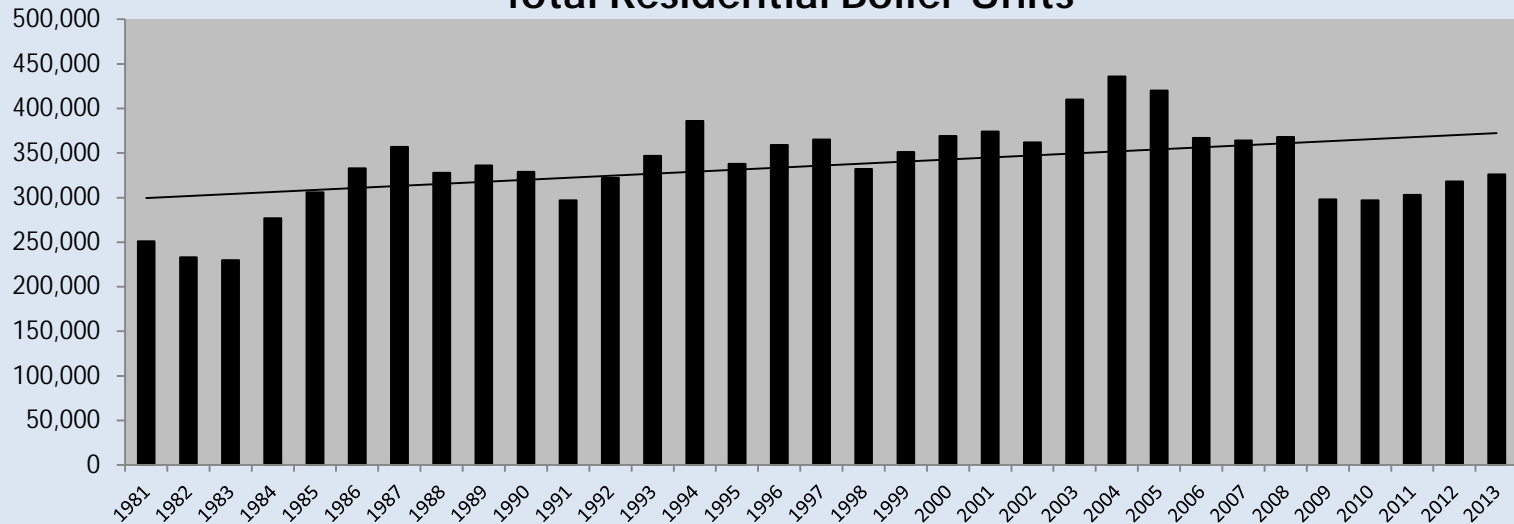
**Annualized Rate  
of Return**

One Year	35%
Three Year	13%
Five Year	22%

**24% Dividend  
Growth in Last  
3 years**

**Five Year Gain of 143% with Attractive Dividend Yield**

## Total Residential Boiler Units



### Residential Market Statistics

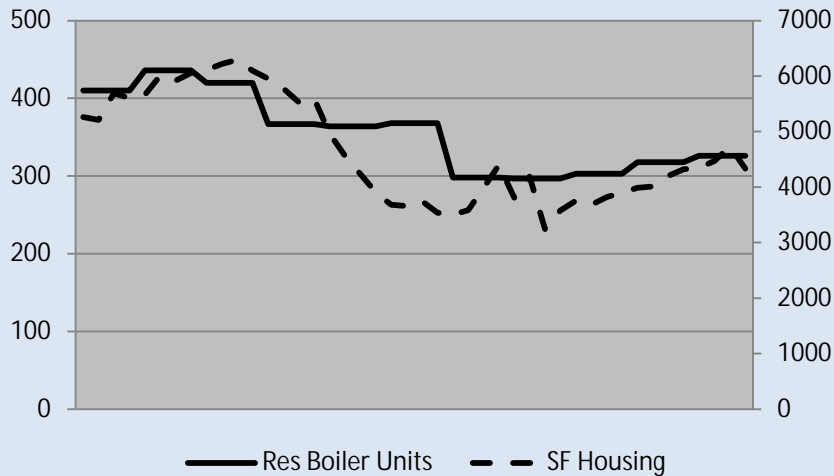
- Installed Boiler Base approx. 10mm Units
- 2012 Annual Volume was 315,000 Units

### Market Drivers

- Rebates on High Efficiency Equipment
- Oil to Gas Conversions
- Consumer Confidence
- Existing home sales in NE
- Remodeling Activity
- Weather

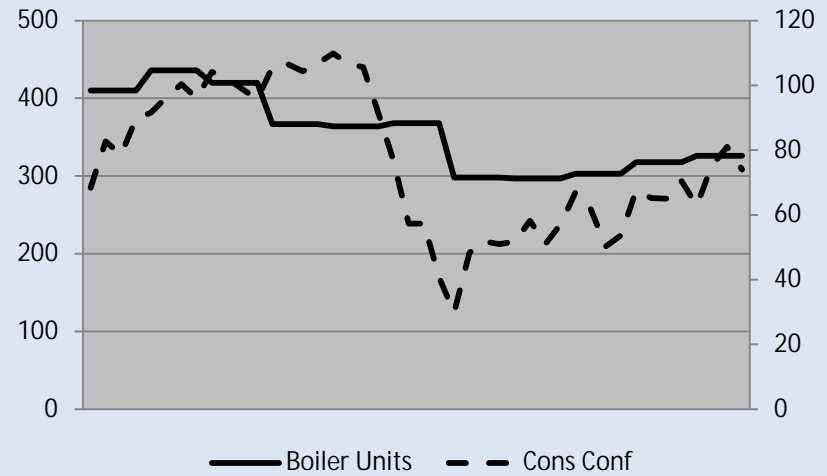
**Significant Market Share of Cyclical Market  
with Large Installed Base**

US Ex SF Home Sales v Res Boiler Units  
 2003-2013



SOURCE: National Association of Realtors; The PNC Financial Services Group

US Cons Conf. Index v Res Boiler Units  
 2003-2013



SOURCE: Conference Board, The PNC Financial Services Group

**Residential Boiler Industry Tracks General Economic Cycle, Specifically Existing Home Sales and Consumer Confidence**



## Positioning

- Limited product line
- Solid performance
- Value price point
- Complement to U.S. Boiler brand

## Positioning

- Broad Product Line
- Basic technology
- Mid-Size distributors
- Inventory availability
- Customized Service

## Positioning

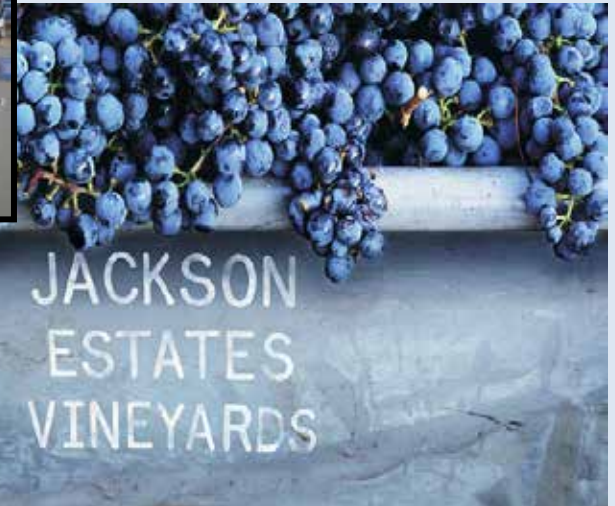
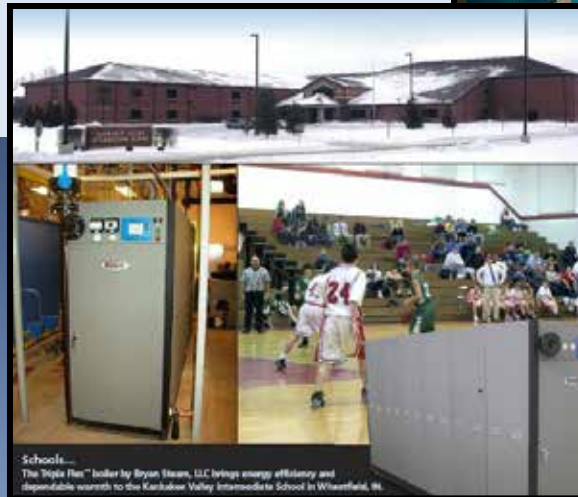
- Ø Broadest product line
- Ø Premium price point
- Ø Advanced technology
- Ø Tier 1 distributors
- Ø Extensive field support

Distinct Brand Strategy for Variable Customers and Markets



## Commercial Product Applications:

- Office/Commercial Buildings
- Hospitality/Hotels
- Schools & Institutional Facilities
- Hospitals & Military Bases
- Stadiums
- Domestic Hot Water Applications





## Positioning

- Ø Broad array of cast iron and steel products
- Ø Competitive price points
- Ø Extensive distribution & Rep Force



## Positioning

- Ø Advanced light commercial copper and condensing boilers
- Ø High efficiency technology
- Ø Extensive Rep Force

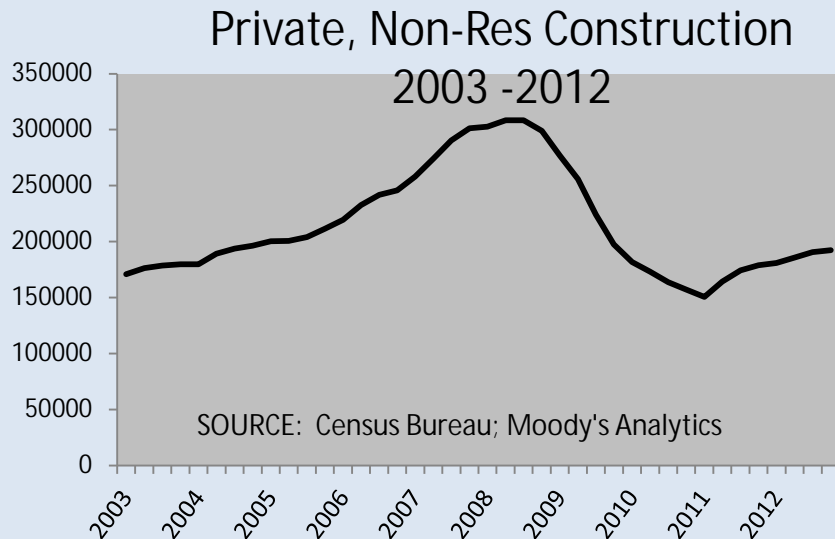
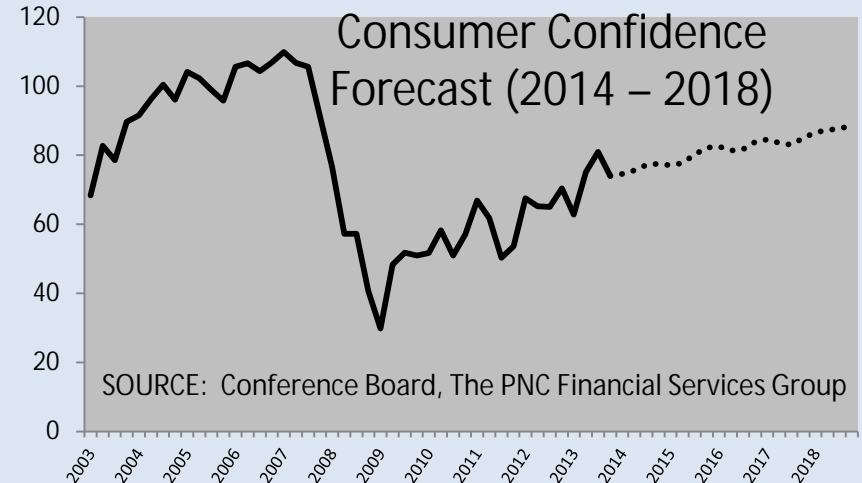
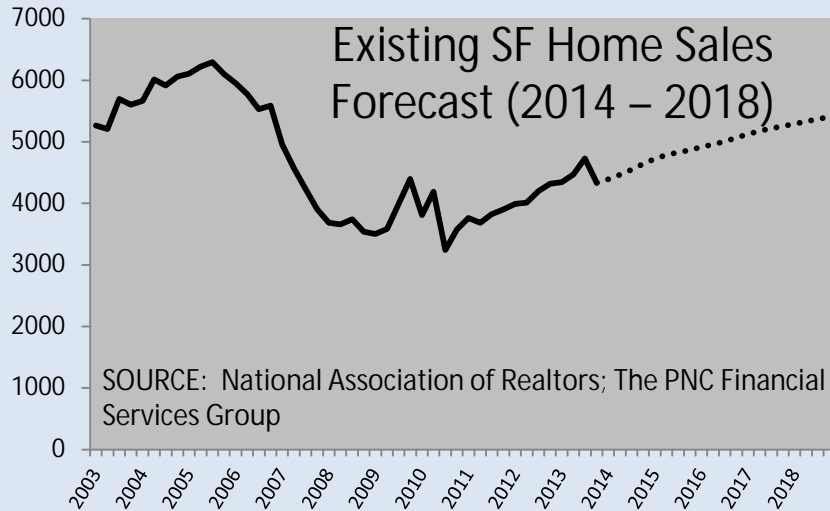


## Positioning

- Ø Industry leader in Bent Water Tube Boilers
- Ø Advanced technology
- Ø Broad array of boiler room accessories
- Ø Extensive Rep Force

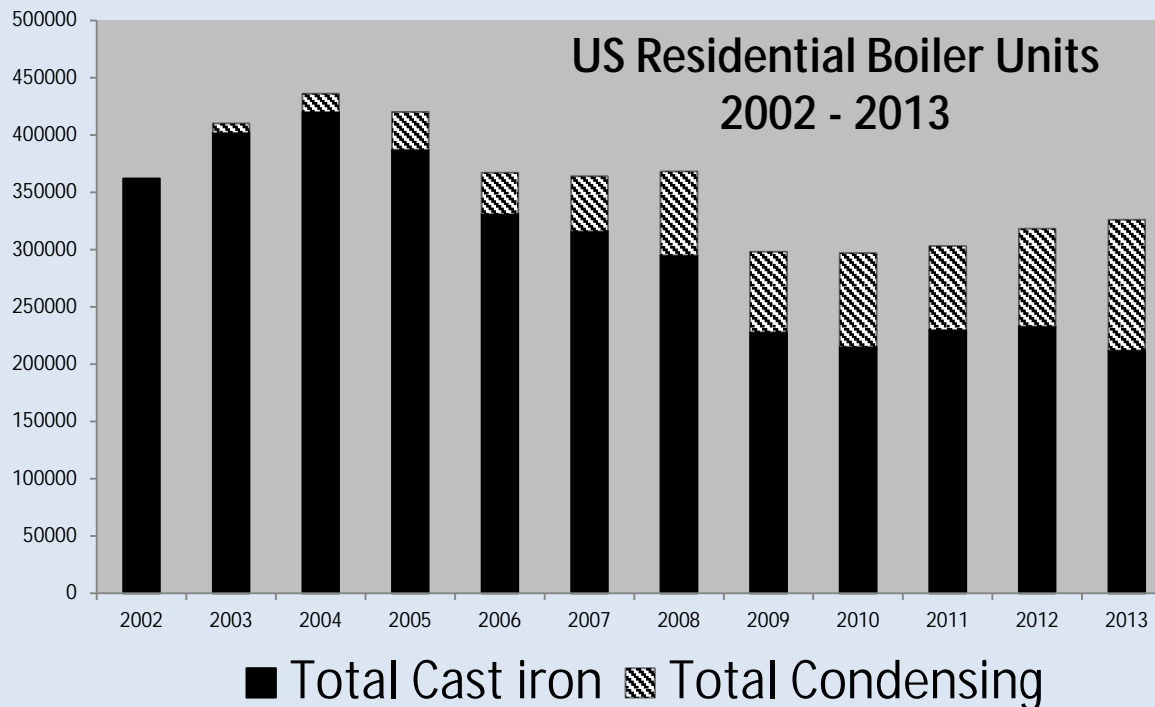
**Diversified Commercial Product Offering**

## Indications of Positive Macro-Economic Trends...



**Realization of Expected Improvement  
would Benefit our Residential and  
Commercial markets**

US Market shift to high efficiency, higher priced condensing units...

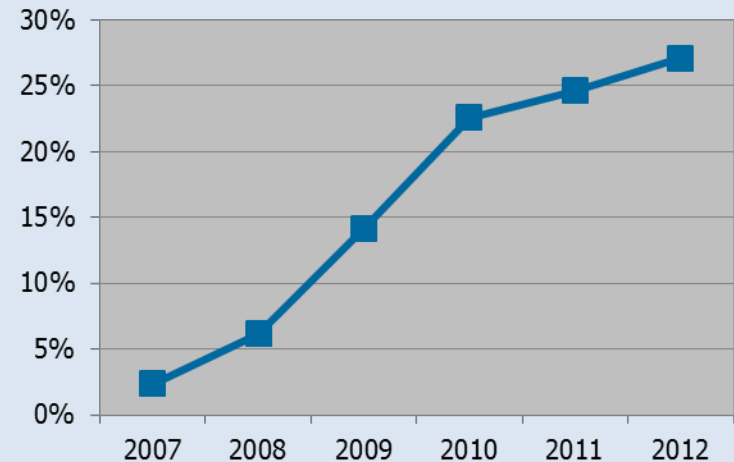
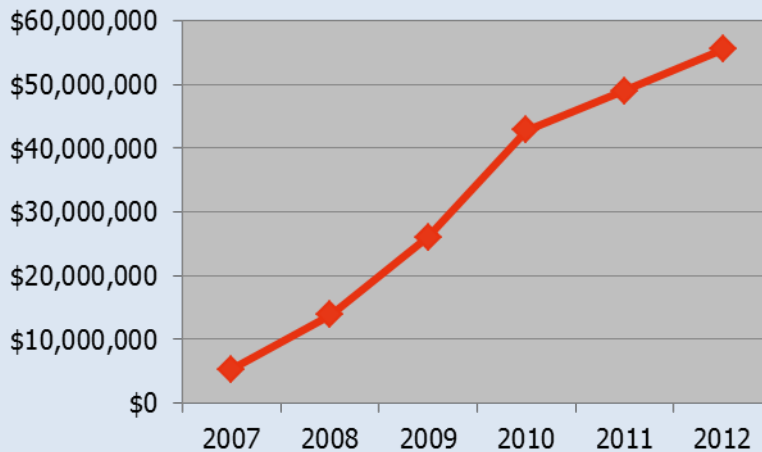


**Opportunity to Capture High Value Product Segment by Leveraging Distribution Strength**

## Increasing Participation in High Efficiency Product Segment:

### New Product Sales

(Products Intro. In Prev 5 yrs.)



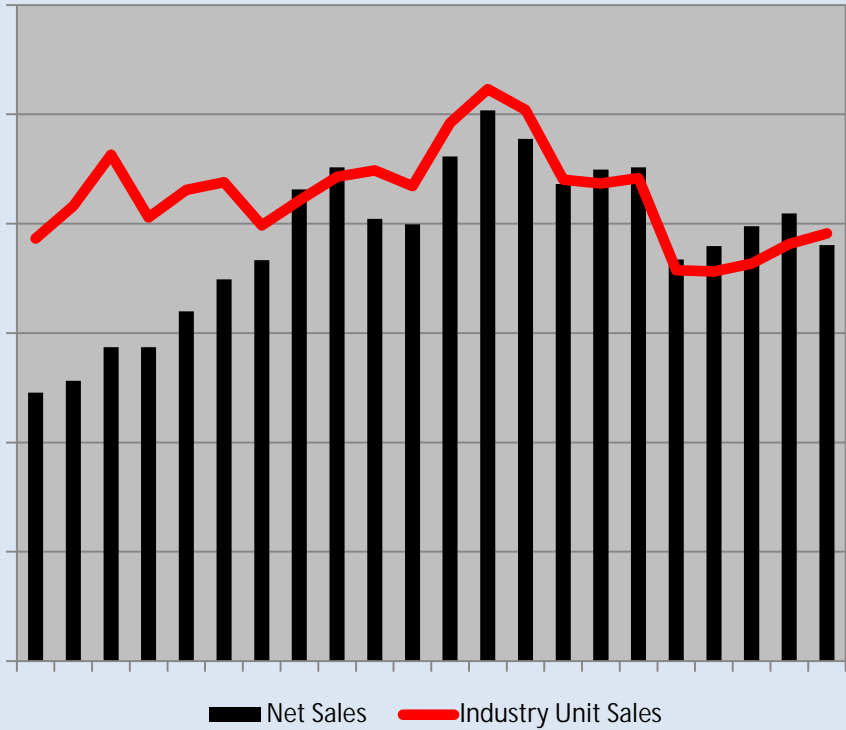
**Continue to Investment in New Product Development and Operations to Capture High Value, High Efficiency Product Segment**

## Burnham Holdings, Inc.

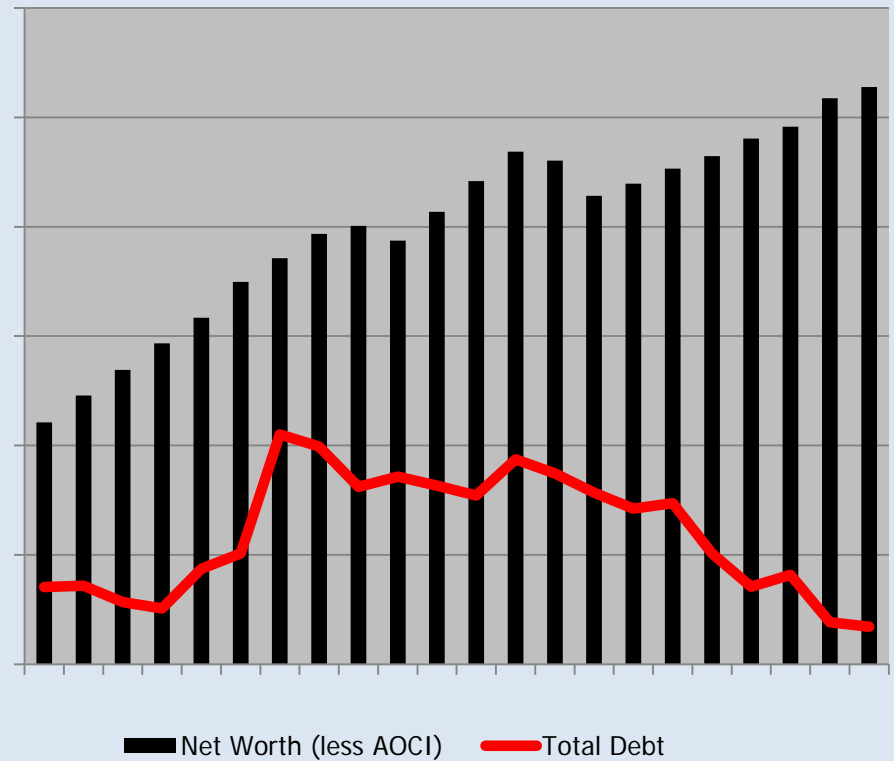
(In thousands, except per share data)

	#	2008	2009	2010	2011	2012	2013
Net Sales		\$ 225,805	\$ 183,678	\$ 189,707	\$ 198,842	\$ 204,762	\$ 190,181
Gross Profit %		22.1%	23.4%	22.6%	22.7%	24.1%	23.7%
Basic EPS		1.30	1.20	1.39	1.13	1.83	1.18
Basic EPS (2013 adjusted for one-time items of pension withdraw liability and gain on sale of property)							1.69
Dividends Paid		0.68	0.68	0.68	0.68	0.72	0.80
EBITDA (excluding unusual)		16,436	14,422	13,941	13,913	18,411	16,630
Cash Flow from Operations		5,681	14,360	12,388	6,498	13,999	6,480
Total Debt		29,460	20,229	14,143	16,320	7,692	6,865

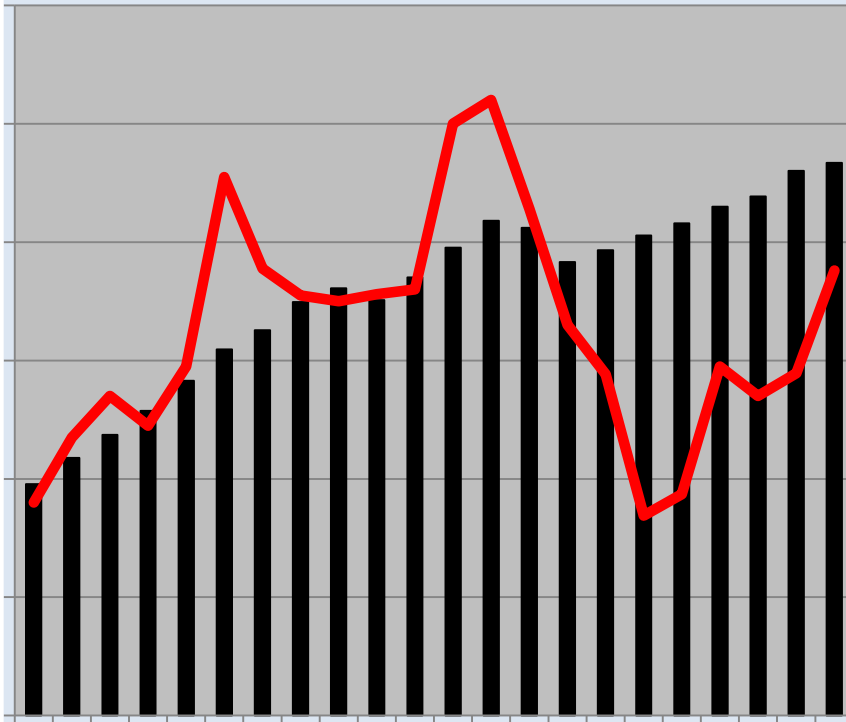
## Net Sales v Res Boiler Units 1992-2013



## Net Worth v Total Debt 1992-2013

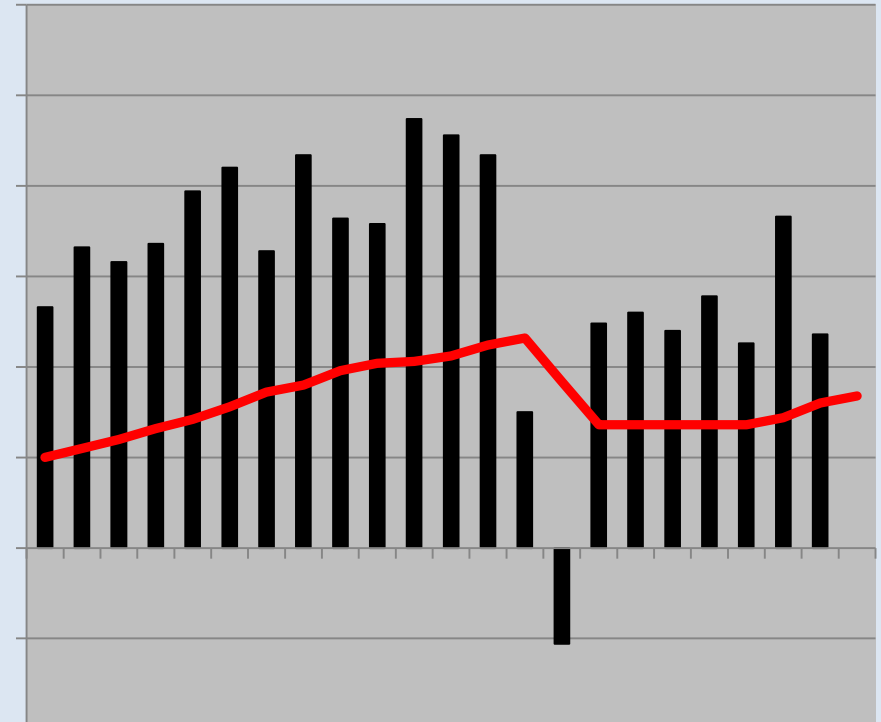


## Book Value v YE Share Price 1992-2013



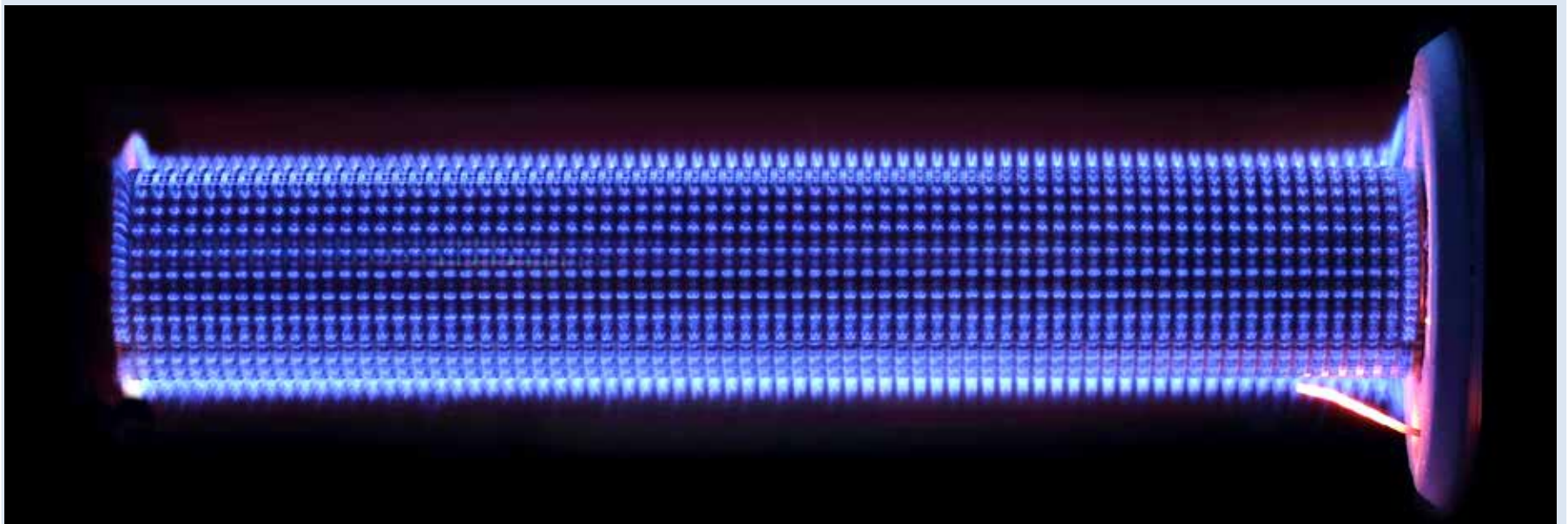
■ Book Value Less AOCI    — Year-end Bid Price

## EPS v Dividend 1992-2013



■ EPS (cont. OPS)    — Dividends Paid





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