April 19, 2022

# Mueller Industries, Inc. Reports First Quarter 2022 Earnings

COLLIERVILLE, Tenn.--(BUSINESS WIRE)-- Mueller Industries, Inc. (NYSE: MLI) announces results for the first quarter of 2022. (All comparisons are to the prior year quarter.)

- Operating Income of $212.7 million versus $92.5 million
- Net Income of $158.3 million versus $63.1 million
- EPS of $2.78 versus $1.11
- Net Sales of $1.01 billion versus $818.1 million

*First Quarter Financial and Operating Highlights:*

- Higher commodity prices, which are passed through in the selling prices of our products, were the primary reason for the increase in net sales, along with volume growth from recently acquired businesses.
    - COMEX copper averaged $4.54 per pound during the quarter, 18 percent higher than the first quarter of 2021.
    - Gross margin improved 800 basis points, and reflected our effective price management in response to significant inflation in wages, and material, consumable, freight and distribution costs.
- Cash at quarter end was $139 million, with no net debt.
- During the period, we announced an increase in our quarterly dividend from $.13 per share to $.25 per share.

Regarding the quarter performance and outlook, Greg Christopher, Mueller's CEO said, "Building construction, the primary market we serve, remains healthy. The continued expansion of residential construction, along with the development of the infrastructure necessary to support local communities, will continue to drive demand for our portfolio of products. We believe we are well poised to benefit from both this ongoing trend, and from the anticipated recovery of other markets we serve that have been impacted by labor and supply chain issues. All in all, our performance remains consistent with the outlook we provided in our year-end report."

*Mueller Industries, Inc. (NYSE: MLI) is an industrial corporation whose holdings manufacture vital goods for important markets such as air, water, oil and gas distribution; climate comfort; food preservation; energy transmission; medical; aerospace; and automotive. It includes a network of companies and brands throughout North America, Europe, Asia, and the Middle East.*

Statements in this release that are not strictly historical may be "forward-looking" statements, which involve risks and uncertainties. These include economic and currency conditions, continued availability of raw materials and energy, market demand, pricing, competitive and technological factors, and the availability of financing, among others, as set forth in the Company's SEC filings. The words "outlook," "estimate," "project," "intend," "expect," "believe," "target," "encourage," "anticipate," "appear," and similar expressions are intended to identify forward-looking statements. The reader should not place undue reliance on forward-looking statements, which speak only as of the date of this report. The Company has no obligation to publicly update or revise any forward-looking statements to reflect events after the date of this report.

**MUELLER INDUSTRIES, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**
**(Unaudited)**

| | For the Quarter Ended | |
|---|---|---|
| *(In thousands, except per share data)* | March 26, 2022 | March 27, 2021 |
| Net sales | $1,010,002 | $ 818,148 |
| Cost of goods sold | 744,511 | 668,418 |
| Depreciation and amortization | 10,841 | 11,755 |
| Selling, general, and administrative expense | 47,456 | 45,435 |
| Gain on sale of assets | (5,507) | — |
| Operating income | 212,701 | 92,540 |
| Interest expense | (158) | (4,469) |
| Other income, net | 780 | 577 |
| Income before income taxes | 213,323 | 88,648 |
| Income tax expense | (54,199) | (21,761) |
| Income (loss) from unconsolidated affiliates, net of foreign tax | 124 | (1,649) |
| Consolidated net income | 159,248 | 65,238 |
| Net income attributable to noncontrolling interests | (932) | (2,131) |
| Net income attributable to Mueller Industries, Inc. | $ 158,316 | $ 63,107 |
| Weighted average shares for basic earnings per share | 56,100 | 55,916 |
| Effect of dilutive stock-based awards | 810 | 756 |
| Adjusted weighted average shares for diluted earnings per share | 56,910 | 56,672 |

| | | |
|---|---|---|
| Basic earnings per share | $ 2.82 | $ 1.13 |
| Diluted earnings per share | $ 2.78 | $ 1.11 |
| Dividends per share | $ 0.25 | $ 0.13 |

**MUELLER INDUSTRIES, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME, CONTINUED**
**(Unaudited)**

| | For the Quarter Ended | |
|---|---|---|
| *(In thousands)* | March 26, 2022 | March 27, 2021 |
| Summary Segment Data: | | |
| Net sales: | | |
| Piping Systems Segment | $ 703,430 | $ 547,748 |
| Industrial Metals Segment | 174,312 | 164,852 |
| Climate Segment | 140,622 | 111,026 |
| Elimination of intersegment sales | (8,362) | (5,478) |
| Net sales | $1,010,002 | $ 818,148 |
| Operating income: | | |
| Piping Systems Segment | $ 160,488 | $ 67,098 |
| Industrial Metals Segment | 23,259 | 18,847 |
| Climate Segment | 36,700 | 17,335 |
| Unallocated income (expenses) | (7,746) | (10,740) |
| Operating income | $ 212,701 | $ 92,540 |

**MUELLER INDUSTRIES, INC.**
**CONDENSED CONSOLIDATED BALANCE SHEETS**

| | (Unaudited) March 26, 2022 | December 25, 2021 |
|---|---|---|
| *(In thousands)* | | |
| **ASSETS** | | |
| Cash and cash equivalents | $ 139,255 | $ 87,924 |
| Accounts receivable, net | 588,397 | 471,859 |
| Inventories | 471,949 | 430,244 |
| Other current assets | 40,947 | 28,976 |

| | | |
|---|---|---|
| Total current assets | 1,240,548 | 1,019,003 |
| Property, plant, and equipment, net | 380,711 | 385,562 |
| Operating lease right-of-use assets | 21,965 | 23,510 |
| Other assets | 302,726 | 300,861 |
| Total assets | $ 1,945,950 | $ 1,728,936 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Current portion of debt | $ 812 | $ 811 |
| Accounts payable | 226,712 | 180,793 |
| Current portion of operating lease liabilities | 5,650 | 6,015 |
| Other current liabilities | 218,422 | 194,820 |
| Total current liabilities | 451,596 | 382,439 |
| Long-term debt | 1,098 | 1,064 |
| Pension and postretirement liabilities | 16,518 | 17,533 |
| Environmental reserves | 17,137 | 17,678 |
| Deferred income taxes | 15,861 | 14,347 |
| Noncurrent operating lease liabilities | 16,010 | 17,099 |
| Other noncurrent liabilities | 21,586 | 21,813 |
| Total liabilities | 539,806 | 471,973 |
| Total Mueller Industries, Inc. stockholders' equity | 1,370,400 | 1,222,118 |
| Noncontrolling interests | 35,744 | 34,845 |
| Total equity | 1,406,144 | 1,256,963 |
| Total liabilities and equity | $ 1,945,950 | $ 1,728,936 |

**MUELLER INDUSTRIES, INC.**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

**(Unaudited)**

| | For the Quarter Ended | |
|---|---|---|
| *(In thousands)* | March 26, 2022 | March 27, 2021 |

| | | |
|---|---|---|
| **Cash flows from operating activities** | | |
| Consolidated net income | $ 159,248 | $ 65,238 |
| Reconciliation of consolidated net income to net cash provided by (used in) operating activities: | | |
| Depreciation and amortization | 10,930 | 11,775 |
| Stock-based compensation expense | 2,573 | 2,109 |
| Provision for doubtful accounts receivable | 125 | 1,631 |
| (Income) loss from unconsolidated affiliates | (124) | 1,649 |
| Gain on disposals of properties | (5,507) | (936) |
| Deferred income tax expense | 258 | 142 |
| Changes in assets and liabilities, net of effects of businesses acquired and sold: | | |
| Receivables | (116,610) | (89,972) |
| Inventories | (40,803) | (45,590) |
| Other assets | 314 | 1,230 |
| Current liabilities | 54,344 | 33,941 |
| Other liabilities | (1,752) | (3,703) |
| Other, net | (137) | (95) |
| Net cash provided by (used in) operating activities | 62,859 | (22,581) |
| **Cash flows from investing activities** | | |
| Capital expenditures | (5,259) | (9,227) |
| Acquisition of businesses, net of cash acquired | — | (14,029) |
| Proceeds from sales of properties | 6,219 | 1,730 |
| Dividends from unconsolidated affiliates | 959 | — |
| Net cash provided by (used in) investing activities | 1,919 | (21,526) |
| **Cash flows from financing activities** | | |
| Repurchase of common stock | (3,972) | — |
| Issuance of debt | — | 100,000 |
| Repayments of debt | (56) | (35,288) |
| Issuance of debt by consolidated joint ventures, net | — | 45 |
| Net cash (used) received to settle stock-based awards | (230) | 221 |
| Net cash (used in) provided by financing activities | (4,258) | 64,978 |
| Effect of exchange rate changes on cash | 301 | 784 |
| Increase in cash, cash equivalents, and restricted cash | 60,821 | 21,655 |

| | | |
|---|---|---|
| Cash, cash equivalents, and restricted cash at the beginning of the period | 90,376 | 127,376 |
| Cash, cash equivalents, and restricted cash at the end of the period | $ 151,197 | $149,031 |

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