

April 25, 2017



Mueller Industries, Inc. Reports First Quarter 2017 Earnings

MEMPHIS, Tenn., April 25, 2017 -- Mueller Industries, Inc. (NYSE: MLI) announced today operating income of \$45.6 million for the first quarter of 2017, a 10 percent increase over the same period in 2016. Net income for the period was \$30.0 million, or 52 cents per diluted share, compared with net income of \$28.6 million, or 50 cents per diluted share in the prior year. Net sales for the first quarter of 2017 were \$577.9 million compared with \$532.8 million in the same quarter of 2016.

Financial and Operating Highlights for the first quarter of 2017:

- The first quarter of 2017 contained one less week compared with the first quarter of 2016, a 7 percent decrease in shipping days.

- Net sales impacts:
 - The average price of copper rose 26 percent, or 55 cents per pound, compared with the same period of 2016. This positively influenced net sales to the tune of \$66.8 million.

 - The aforementioned shorter period in 2017 resulted in a reduction in net sales of approximately \$31.0 million.

- The period included a loss of \$1.2 million from Tecumseh Products Co., an unconsolidated affiliate, versus net income of \$2.9 million in the same period of 2016.

- At quarter end, cash totaled \$146.9 million, equal to \$2.55 per share, after the \$179.8 million in cash dividends distributed during the quarter.

- On March 9, 2017, the Company distributed a special dividend of \$8.00 per share, consisting of \$3.00 in cash and \$5.00 in principal amount of the Company's 6% Subordinated Debentures due in 2027. The effect of the special dividend was a decrease in stockholders' equity of approximately \$458.7 million, an increase in long-term debt of approximately \$284.5 million, and a decrease in cash of approximately \$174.2 million.

- The Company also paid a regular quarterly cash dividend of 10 cents per share.

Regarding the outlook, Greg Christopher, Mueller CEO, said, "The year started where 2016 left off. The primary drivers of the U.S. businesses continue on a path of steady improvement and we remain optimistic that the international markets will improve over time."

Mueller Industries, Inc. is an industrial manufacturer that specializes in copper and copper alloy manufacturing while also producing goods made from aluminum, steel, and plastics. It is headquartered in Memphis, Tennessee and comprises a network of operations in the United States, Canada, Mexico, Great Britain, South Korea, and China. Its products include tubing, fittings, valves, vessels, and related items for plumbing and HVACR related piping systems, as well as rod, forgings, extrusions, and various components for OEM applications. Products are distributed into sectors such as building construction, appliance, defense, energy, and automotive.

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.

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MUELLER INDUSTRIES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

	For the Quarter Ended	
	April 1, 2017	April 2, 2016
<i>(In thousands, except per share data)</i>		
Net sales	\$ 577,920	\$ 532,809
Cost of goods sold	488,427	446,642
Depreciation and amortization	8,355	8,920
Selling, general, and administrative expense	35,531	35,780
Operating income	45,607	41,467
Interest expense	(2,531)	(1,848)
Other income, net	551	245
Income before income taxes	43,627	39,864
Income tax expense	(11,929)	(14,121)
(Loss) income from unconsolidated affiliates, net of tax	(1,243)	2,922

Consolidated net income	30,455	28,665
Net income attributable to noncontrolling interests	<u>(468)</u>	<u>(35)</u>
Net income attributable to Mueller Industries, Inc.	<u>\$ 29,987</u>	<u>\$ 28,630</u>
Weighted average shares for basic earnings per share	56,780	56,467
Effect of dilutive stock-based awards	<u>658</u>	<u>495</u>
Adjusted weighted average shares for diluted earnings per share	<u>57,438</u>	<u>56,962</u>
Basic earnings per share	<u>\$ 0.53</u>	<u>\$ 0.51</u>
Diluted earnings per share	<u>\$ 0.52</u>	<u>\$ 0.50</u>
Dividends per share	<u>\$ 8.100</u>	<u>\$ 0.075</u>
Summary Segment Data:		
Net sales:		
Piping Systems Segment	\$ 398,775	\$ 368,890
Industrial Metals Segment	149,837	134,521
Climate Segment	34,279	30,706
Elimination of intersegment sales	<u>(4,971)</u>	<u>(1,308)</u>
Net sales	<u>\$ 577,920</u>	<u>\$ 532,809</u>
Operating income:		
Piping Systems Segment	\$ 30,366	\$ 31,159

Industrial Metals Segment	20,666	19,912
Climate Segment	5,610	3,879
Unallocated expenses	<u>(11,035)</u>	<u>(13,483)</u>
Operating income	<u>\$ 45,607</u>	<u>\$ 41,467</u>

MUELLER INDUSTRIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

<i>(In thousands)</i>	April 1, 2017	December 31, 2016
ASSETS		
Cash and cash equivalents	\$ 146,891	\$ 351,317
Accounts receivable, net	312,095	256,291
Inventories	251,958	242,013
Other current assets	45,141	44,702
Total current assets	756,085	894,323
Property, plant, and equipment, net	296,360	295,231
Other assets	252,476	257,922
	\$ 1,304,921	\$ 1,447,476
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current portion of debt	\$ 14,939	\$ 13,655
Accounts payable	117,251	103,175
Other current liabilities	99,498	102,162
Total current liabilities	231,688	218,992
Long-term debt	489,787	213,709
Pension and postretirement liabilities	31,012	31,273
Environmental reserves	20,993	21,208
Deferred income taxes	18,249	19,573
Other noncurrent liabilities	6,447	6,284
Total liabilities	798,176	511,039

Total Mueller Industries, Inc. stockholders' equity	467,875	898,684
Noncontrolling interests	<u>38,870</u>	<u>37,753</u>
Total equity	<u>506,745</u>	<u>936,437</u>
	<u>\$ 1,304,921</u>	<u>\$ 1,447,476</u>

MUELLER INDUSTRIES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	For the Quarter Ended	
	April 1, 2017	April 2, 2016

(In thousands)

Cash flows from operating activities

Consolidated net income	\$ 30,455	\$ 28,665
Reconciliation of consolidated net income to net cash provided by operating activities:		

Depreciation and amortization	8,419	9,011
Stock-based compensation expense	1,736	1,236
Loss (income) from unconsolidated affiliates	1,243	(2,922)
Gain on disposals of assets	(16)	(23)
Gain on sales of securities	(254)	—
Deferred income taxes	(80)	1,895
Income tax benefit from exercise of stock options	—	(96)
Changes in assets and liabilities, net of businesses acquired:		
Receivables	(53,756)	(25,089)
Inventories	(6,991)	(1,631)
Other assets	1,205	(370)
Current liabilities	8,215	655
Other liabilities	(668)	(704)
Other, net	(930)	(291)
Net cash (used in) provided by operating activities	<u>(11,422)</u>	<u>10,336</u>
Cash flows from investing activities		
Capital expenditures	(7,345)	(5,892)
Net (deposits in) withdrawals from restricted cash balances	(1,403)	84
Proceeds from sales of assets	192	1
Proceeds from sales of securities	<u>1,444</u>	<u>—</u>
Net cash used in investing activities	<u>(7,112)</u>	<u>(5,807)</u>

Cash flows from financing activities

Dividends paid to stockholders of Mueller Industries, Inc.	(179,848)	(4,236)
Issuance of long-term debt	—	2,000
Repayment of debt by consolidated joint ventures, net	(7,367)	(7,024)
Net cash (used) received to settle stock-based awards	(870)	361
Repayments of long-term debt	(306)	(250)
Income tax benefit from exercise of stock options	<u>—</u>	<u>96</u>
Net cash used in financing activities	<u>(188,391)</u>	<u>(9,053)</u>
Effect of exchange rate changes on cash	<u>2,499</u>	<u>(171)</u>
Decrease in cash and cash equivalents	(204,426)	(4,695)
Cash and cash equivalents at the beginning of the period	<u>351,317</u>	<u>274,844</u>
Cash and cash equivalents at the end of the period	<u>\$ 146,891</u>	<u>\$ 270,149</u>