NEWS RELEASE

AAON Reports Earnings, Record Sales & Backlog For the First Quarter of 2022

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TULSA, OK, May 5, 2022 - AAON, INC. (NASDAQ-AAON), a leader in innovation and production of premium quality, highly energy efficient HVAC equipment for nonresidential buildings, today announced its results for the first quarter of 2022.

Net sales for the first quarter of 2022 increased 57.8% to $182.8 million from $115.8 million in the first quarter of 2021. Organic volume growth contributed approximately 21.3% to net sales in the quarter and the addition of BasX Solutions added 18.1%, with the rest of the growth coming from price increases. Despite the robust growth in net sales, gross profit contracted 340 basis points to 25.2%. Gross profit was impacted primarily by higher material costs as well as supply chain issues that continue to adversely affect operational efficiencies, albeit to a smaller degree than during the second half of 2021. On a sequential basis, gross profit improved 570 basis points from the fourth quarter of 2021. Selling, general and administrative costs increased 56.9% to $23.1 million. Excluding $5.3 million of costs related to BasX Solutions, acquired in December 2021, SG&A costs increased 20.9%. All in, including a doubling of our effective tax rate, this resulted in diluted EPS of $0.33, up 10.0% from $0.30 in the prior year period.

The Company finished the first quarter of 2022 with a record backlog of $461.4 million, up 377.0% from $96.7 million a year ago, and up 77.3% from $260.2 million at the end of the fourth quarter of 2021. Excluding BasX Solutions' backlog, organic backlog was also a record, up 305.0% from the prior year quarter.

As of March 31, 2022, the Company had cash and cash equivalents of $5.6 million and total debt of $65.0 million. Rebecca Thompson, CFO, commented, “Within the quarter, we drew down $25.0 million from our line of credit to finance investments in working capital and capital expenditures. We are investing in working capital to facilitate the robust growth we are experiencing while overcoming supply chain issues and inflation. Capital expenditures, which we continue to expect will be $100.4 million for 2022, are mostly investments to increase manufacturing capacity.”

Ms. Thompson continued, “Our balance sheet remains in a very strong position. At the end of the first quarter, our leverage ratio was 0.63. In Q2, we expect to close on the $22.0 million purchase of real estate related to the acquisition of BasX Solutions which will increase debt modestly in the second quarter. However, we anticipate cash flow will improve in the second half of the year, allowing us to start reducing net debt by year-end. Overall, we are very comfortable with our financial position and liquidity, and we will continue to invest in our long-term growth plans.”

Gary Fields, President and CEO, stated, “I am very pleased with the growth we continue to see in our backlog. New bookings in the first quarter grew organically year over year 150%, marking an acceleration from the robust growth we were already experiencing in recent quarters. I was especially glad to see this considering the year-over-year comparison in bookings in the first quarter was our toughest comparison in two years. We are clearly taking market share. Many factors are playing a role in this success, including our highly attractive lead times, which have provided us with a big advantage in the current market that continues to experience severe supply pressures.”

Mr. Fields continued, “Our lead times are a testament to how well we have managed our operations through a very challenging environment. While supply chain issues have eased some, they remain a day-to-day issue. The investments we have made in our facilities, our people, and our operations led to record production rates and net sales in the first quarter. This has helped us manage our order book on a timely basis and maintain competitive lead times.”

Mr. Fields continued, “I was also pleased to see our margins improve in the first quarter after experiencing such a difficult fourth quarter of 2021. Gross margins were still below our target of 28%-32%, but we are managing well through the supply chain difficulties and we maintain a disciplined pricing strategy to offset inflationary headwinds. As a result, we continue to believe we are on track to return to target margins later this year. We anticipate net sales, margin, and earnings will improve throughout 2022.”

Mr. Fields concluded, “Long-term, we are very optimistic with the Company’s outlook. The innovations of our customized product offering combined with our advanced manufacturing process and strong independent sales channel fully support the secular market trends related to decarbonization and indoor air quality. Our recent

acquisition of BasX Solutions is also an integral component to our long-term strategy. Since acquiring the business nearly five months ago, backlog at BasX has nearly doubled and new bookings are up significantly from a year ago. The pipeline of construction projects for BasX's data center and cleanroom end-markets is immense. We have also learned the revenue synergies related to the acquisition are greater than we initially estimated. Overall, the fundamentals of the Company have never been better."

The Company will host a conference call and webcast today at 5:15 P.M. ET to discuss the first quarter 2022 results and outlook. The conference call will be accessible via a dial-in for those who wish to participate in Q&A as well as a listen-only webcast. To access either mode, register at **https://connect.beacon360.com/ses/RWuvrKRXN7eRHOe6k-3uyQ~~**. After registering, participants will receive an email with instructions on how to access the dial-in and webcast. On the next business day following the call, a replay of the call will be available on the Company's website at https://AAON.com/Investors.

About AAON

AAON, Inc. is engaged in the engineering, manufacturing, marketing, and sale of air conditioning and heating equipment consisting of standard, semi-custom, and custom rooftop units, data center cooling systems, cleanroom systems, chillers, packaged outdoor mechanical rooms, air handling units, makeup air units, energy recovery units, condensing units, geothermal/water-source heat pumps, coils, and controls. Since the founding of AAON in 1988, AAON has maintained a commitment to design, develop, manufacture, and deliver heating and cooling products to perform beyond all expectations and demonstrate the value of AAON to our customers. For more information, please visit www.AAON.com.

Forward-Looking Statements

Certain statements in this news release may be "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933. Statements regarding future prospects and developments are based upon current expectations and involve certain risks and uncertainties that could cause actual results and developments to differ materially from the forward-looking statements.

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