NEWS RELEASE

# AAON Reports Earnings, Record Sales & Backlog for the Second Quarter of 2022

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TULSA, OK, August 8, 2022 - AAON, INC. (NASDAQ-AAON), a provider of premier, configurable HVAC solutions that bring long-term value to customers and owners, today announced its results for the second quarter of 2022.

Net sales for the second quarter of 2022 increased 45.1% to $208.8 million from $143.9 million in the second quarter of 2021. The additional sales from BasX of $24.6 million is the largest contributing factor to our year-over-year growth. Revenue synergies from this acquisition have materialized faster than expected. Subsequent to quarter end, we have already received an order for $16.2 million of BasX equipment that we plan to build in our Longview, TX facility in order to free up capacity at our Redmond, OR facility for the overwhelming demand BasX is experiencing. The legacy business also had strong organic volume growth of 10.3% during the quarter.

Gross profit margin for the quarter decreased due to increased material, component, labor, and freight costs. Similar to the first quarter of 2022, the second quarter was impacted by lower-priced orders in our backlog. However, gross profit margin improved materially throughout the second quarter, a trend we expect will continue through the second half of the year as higher-priced orders in our backlog hit the production floor.

Earnings per diluted share for the second quarter of 2022 declined 21.1% to $0.30 from $0.38 in the second quarter of 2021. The decline in earnings was primarily due to the contraction in gross profit. As a percent of sales, SG&A expenses, excluding BasX, were down 20 basis points from a year ago.

The Company finished the second quarter of 2022 with a record backlog of $464.0 million, up 235.9% from $138.1 million a year ago, and up 78.4% from $260.2 million at the end of the fourth quarter of 2021. Excluding BasX's

backlog, organic backlog was up 163.6% from the prior year quarter.

Gary Fields, President and CEO, stated, “Despite lower second-quarter margin and earnings, we are very optimistic on the outlook for the second half of the year. Moreover, the outlook for the next several years has continued to improve since earlier in the year. I am very pleased to report our backlog remains robust. Our total backlog is up 235.9% and organically up 163.6% from the prior year, which positions us well as we enter the second half of the year. Most important though, the margin profile of the backlog is improving substantially. The majority of the Company's backlog at the end of June 2022 will ship within the next twelve months. At June 30, 2022, our backlog of $464.0 million mostly relates to our legacy business, which includes both the 8% price increase from January 2022 and 7% price increase from March 2022. Beginning in June, we implemented a 1% per month price increase, which we expect to begin realizing in the fourth quarter of this year. Given this, the pricing of orders within the backlog relative to our cost of inventory and trending prices of raw materials has significantly improved from just three to six months ago. As such, we are positioned to hit our target margins in the second half of the year.”

Mr. Fields continued, “We continue to successfully add incremental headcount, which is helping drive record production rates. Total headcount for the legacy business at the end of the second quarter was up approximately 20% from a year ago. Supply chain constraints remain a week-to-week issue, resulting in inefficiencies and larger than normal inventory. However, the combination of our unique configurable manufacturing operations and flexible engineering team allows us to cope better than most of our competitors. This, along with the incremental headcount additions, is helping us maintain competitive lead times, which is allowing us to continue to take market share.”

Mr. Fields continued, “The BasX acquisition, which we closed on in December, has progressed very well. While supply chain issues and inflation have caused similar issues that our legacy business is realizing, I am pleased with how BasX has been so flexible to adapt to challenges. I cannot say enough about how the revenue synergies related to the acquisition are being realized and am pleased with the integration progress. At the end of the second quarter, the backlog at BasX was nearly triple from what it was at the end of 2021. Along with the orders for a new data center project received subsequent to the end of the second quarter, the pipeline of construction projects for BasX's data center and clean room end-markets is robust. Overall, we are excited about the growth opportunities that BasX is bringing to AAON."

Mr. Fields concluded, “While the market dynamics over the past year proved to be a challenge, they forced us to make certain changes to our organization, helping us emerge as a much stronger company. Near-term, our robust backlog with an improving margin profile and increased production headcount positions us for improved financial results in the second half of the year.  Long-term, we remain very optimistic with the Company’s outlook. The

innovations of our premier product offering combined with our advanced manufacturing process and strong independent sales channel positions us to fully take advantage of the secular market trends related to decarbonization and indoor air quality. Leveraging BasX as well as many other initiatives and changes we are making to the AAON organization adds to the opportunities.  Overall, we continue to believe the fundamentals of the Company have never been better."

As of June 30, 2022, the Company had cash and cash equivalents of $17.6 million and total debt of $106.2 million. Rebecca Thompson, CFO, commented, "Within the quarter, we had net borrowings of $41.2 million from our line of credit to finance the purchase of the BasX building and meet our working capital needs. We are investing in working capital to facilitate the robust growth we are experiencing, while overcoming supply chain issues."

Ms. Thompson continued, "Our balance sheet remains strong. At the end of the second quarter, our leverage ratio increased to 1.06, from 0.63 at the end of the first quarter. We continue to anticipate cash flow will improve significantly 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."

Conference Call

The Company will host a conference call and webcast today at 5:15 P.M. ET to discuss the second 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. The accessible dial-in is 1-833-630-1956 for domestic callers or 1-412-317-1837 for international callers. To access the listen-only webcast, please register at https://edge.media-server.com/mmc/p/vppmz7k5.

About AAON

Founded in 1988, AAON is a world leader in HVAC solutions for commercial and industrial indoor environments. The Company's industry-leading approach to designing and manufacturing highly configurable equipment to meet exact needs creates a premier ownership experience with greater efficiency, performance, and long-term value. AAON is headquartered in Tulsa, Oklahoma, where its world-class innovation center and testing lab allows AAON engineers to continuously push boundaries and advance the industry. AAON's culture of 360° innovation empowers its team to deliver solutions that lead to a cleaner and more sustainable future. 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.

Contact Information

Joseph Mondillo
Director of Investor Relations
Phone: (617) 877-6346
Email: **joseph.mondillo@aaon.com**