NEWS RELEASE

AAON Reports First Quarter 2026 Results with Record Sales and Backlog, Robust Earnings Growth, and Raises Full-Year Guidance

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First Quarter 2026 Results
All comparisons are year-over-year, unless otherwise noted

- Delivered record sales and accelerated earnings growth on strong demand and expanding production throughput
  - Net sales grew 54.3% to a record $496.9 million
  - Operating margins reflected early benefits from improving utilization, with margin improvement expected to build as capacity absorption improves
  - GAAP diluted EPS increased 37.1% to $0.48 reflecting strong earnings growth on higher volume
- Total backlog increased 107.4% to a record $2.1 billion, driven by continued strength from the data center market

Raises 2026 Outlook

2026 outlook now reflects revenue growth of 40%-45%% and gross margins of approximately 27-28%, supported by record backlog, expanded capacity, and improving operational execution.

TULSA, Okla., May 7, 2026 - AAON, INC. (NASDAQ-AAON), a leader in high-performing, energy-efficient HVAC solutions that bring long-term value to customers and owners, today announced its results for the first quarter of 2026.

First Quarter 2026 Results

Net sales for the first quarter of 2026 increased 54.3% to $496.9 million, from $322.1 million in the first quarter of 2025. This growth was driven by strong demand across both the AAON and BASX brands, and accelerating production throughput made possible by investments made in capacity and operational execution. BASX-branded sales increased 72.4% to $228.6 million, reflecting continued strength in data center cooling demand, higher production volumes, and increased utilization of recently commissioned capacity. AAON-branded sales increased 41.6% to $268.4 million, supported by a strong backlog and accelerating production rates. Booking activity remained solid across both brands, supporting continued share gains and elevated backlog levels. BASX-branded products ended the quarter with backlog up 160.0%, while AAON-branded bookings demonstrated continued resilience in a softer market environment.

Gross profit margin in the quarter was 25.1%, compared to 26.8% in the prior-year period. The year-over-year decline reflected unabsorbed fixed costs associated with recent capacity investments, temporary outsourcing used to support accelerated growth, and transitory price and cost timing dynamics. These effects are intentional and temporary, and are expected to unwind as internal capacity scales and utilization improves.

Selling, general and administrative expenses as a percent of sales declined 220 basis points to 13.7%, demonstrating strong operating leverage and disciplined cost management.

Earnings per diluted share were $0.48, an increase of 37.1% from $0.35 in the first quarter of 2025.

“First-quarter results demonstrate strong earnings growth driven by higher volume, improved execution, and continued share gains,” said President and CEO Matt Tobolski. “We delivered record sales, improved cash flow, and higher production throughput across our manufacturing network. Importantly, the additional volume we are taking on is carrying attractive incremental contribution, allowing earnings to grow while we intentionally sequence margin improvement during this phase of capacity ramp.

"Our backlog provides exceptional visibility, particularly across the BASX-brand, and positions us to drive continued growth as we move through the year. At the same time, increasing utilization across existing capacity is expected to support margin improvement over time as fixed costs are absorbed, equipment comes fully online, and productivity continues to improve.

"As we progress through 2026, our priorities are clear and unchanged. Drive throughput, convert backlog, and deliver disciplined margin progression over time. We have built the foundation, and we are now focused on converting that foundation into durable earnings power and long-term returns."

Backlog

Total backlog increased 107.4% year-over-year to $2.13 billion, and increased 16.5% sequentially. The sequential growth was driven entirely by the BASX brand, with backlog increasing 24.4% from the prior quarter. Sustained data center demand and BASX's custom-engineered solutions continue to support share gains. As planned, AAON-branded products backlog declined sequentially 3.1%, reflecting a deliberate increase in production to address extended lead times, with manufacturing output exceeding order intake during the quarter. Order activity of AAON equipment remained solid, supporting continued share gains despite softer end-market conditions.

2026 Outlook

Dr. Tobolski concluded, “We are encouraged by the start of the year and the momentum we are seeing across the business. Backlog and demand remain exceptionally strong, providing the visibility and stability needed to maintain

a sharp focus on execution, production ramp-up, and customer fulfillment. We are pleased with the benefits we are starting to see from operational investments, and we have meaningful opportunity ahead to further increase production volumes and enhance productivity, which support improved results over time.

"We now expect 2026 sales to grow 40%-45%, with gross margin of 27%-28%, reflecting intentional ramp decisions early in the year and improving margin as utilization and productivity increases through the year. We anticipate SG&A expenses as a percentage of sales will be 14%-15% and expect depreciation and amortization expenses of $95-$100 million."

Segment Results
AAON Oklahoma

Net sales for the AAON Oklahoma segment totaled $244.0 million, an increase of 50.7% year-over-year, driven by a strong starting backlog and ongoing production enhancements that improved backlog conversion despite a challenging industry environment. First-quarter 2026 results also benefited from an easier year-over-year comparison, as the prior-year period was disrupted by the industry's refrigerant transition, contributing to regained market share.

Gross margin for the segment was 26.3%, compared to 25.1% in the first quarter of 2025. Overhead expenses associated with the new Memphis facility impacted segment margin by $9.8 million. Excluding these costs, segment margins were 29.6%. During the quarter, the segment was impacted by elevated outsourcing levels, price-cost timing dynamics, and tariff-related costs, all of which are temporary and do not change the long-term earnings power of the segment.

AAON Coil Products

Net sales for the AAON Coil Products segment totaled $117.6 million, up 25.1% compared to the same period last year. Growth was driven primarily by BASX-branded liquid cooling sales of $93.2 million, up 40.5% during the period, while AAON-branded sales declined 11.8% year-over-year.

AAON Coil Products gross margin was 24.1%, declining year-over-year from 31.8%, but increasing sequentially from 21.3%. The sequential margin expansion reflected improved operating leverage on higher throughput at the Longview facility, including a favorable mix of higher-margin BASX sales.

BASX

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Balance Sheet & Cash Flow

As of March 31, 2026, the company had cash, cash equivalents and restricted cash of $1.1 million and a balance on its revolving credit facility of $425.2 million. Andy Cheung, CFO and Treasurer, commented, "During the first quarter, operating cash flow totaled $34.0 million, representing the highest level since the third quarter of 2024. This improvement reflected higher earnings and enhanced working capital efficiency. Capital expenditures totaled $52.9 million, primarily reflecting continued investments in incremental capacity to support future growth. As improvements in profitability and productivity continue, we expect these trends to support stronger cash flow and a healthier balance sheet over time."

Conference Call

The company will host a conference call and webcast this morning at 9:00 a.m. EST to discuss the first quarter of 2026 results and outlook. The conference call will be accessible via dial-in for those who wish to participate in Q&A as well as a listen-only webcast. The dial-in is accessible at 1-888-880-3330. To access the listen-only webcast, please register at **https://app.webinar.net/x89XOEkP41z**. On the next business day following the call, a replay of the call will be available on the company's website at **https://investors.aaon.com**.

Supplemental financial tables are available in PDF version of this **press release**.

About AAON

Founded in 1988, AAON is a global leader in HVAC solutions for commercial, industrial and data center indoor environments. The company's industry-leading approach to designing and manufacturing highly configurable and custom-made equipment to meet exact needs creates a premier ownership experience with greater efficiency, performance and long-term value. Its highly engineered equipment is sold under the AAON and BASX brands. 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. For more information, please visit **www.aaon.com**.

Forward-Looking Statements

This press release includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “seeks”, “estimates”, “should”, “will”, and variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions, which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. We undertake no obligations to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Important factors that could cause results to differ materially from those in the forward-looking statements include (1) the timing and extent of changes in raw material and component prices, (2) the effects of fluctuations in the commercial/industrial new construction market, (3) the timing and extent of changes in interest rates, as well as other competitive factors during the year, and (4) general economic, market or business conditions. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in any forward-looking statements, see “Risk Factors” and “Forward Looking Statements” in AAON’s Annual Report on Form 10-K for the most recent fiscal year, as may be revised and updated by AAON’s Quarterly Reports on Form 10-Q, and AAON’s Current Reports on Form 8-K.

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