NEWS RELEASE

AAON Reports Fourth Quarter and Full Year 2025 Results, Carries Record Backlog into 2026

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Full Year 2025 Results
All comparisons are year-over-year, unless otherwise noted

- Delivered strong sales growth in 2025, while margins and earnings reflected strategic investments in production expansion and ERP implementation to support future growth
    - Net sales increased 20.1% to $1.44 billion compared to $1.20 billion in 2024
    - Gross margin was 26.7% compared to 33.1% in 2024
    - GAAP diluted EPS was $1.29 compared to $2.02 in 2024
- Robust bookings trends of both AAON- and BASX-branded equipment support continued market share gains
- Record year-end backlog of $1.83 billion, up 110.9% year-over-year, providing strong visibility entering 2026

Fourth Quarter 2025 Results
All comparisons are year-over-year, unless otherwise noted

- Delivered strong sales growth in the quarter, while margins reflected capacity expansions and upfront fixed costs absorption associated with production ramp-up
    - Net sales increased 42.5% to $424.2 million compared to $297.7 million in the fourth quarter of 2024

- Gross margin was 25.9% compared to 26.1% in the fourth quarter of 2024
- GAAP diluted EPS was $0.39 compared to $0.30 in the fourth quarter of 2024

Company Introduces 2026 Outlook

2026 outlook reflects revenue growth of 18-20% and gross margins of approximately 29-31%, supported by record backlog, expanded capacity, and improving operational execution

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TULSA, Okla., March 2, 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 fourth quarter and full year 2025.

Full Year 2025 Results

“2025 represented a year of record growth for AAON, driven by strong bookings and sales reflecting expanding market share and growing demand for our products and custom solutions,” said AAON President and CEO Matt Tobolski. “During the year, we executed on targeted investments to support long-term growth and profitability. These actions included strengthening our leadership team, enhancing supply chain management capabilities, and expanding manufacturing capacity. These investments have increased production throughput and expanded our ability to serve customers at scale, although lead times have remained extended as a result of strong order activity and recovery from prior production challenges. Our manufacturing footprint increased approximately 25%, and our production capacity for BASX-branded data center equipment more than doubled following the renovation and commissioning of our new 787,000-square-foot Memphis, Tennessee facility. Together, these investments have significantly strengthened the Company's operating foundation and position us well for continued growth and margin improvement in 2026 and beyond.

“The BASX brand more than doubled revenue and ended the year with backlog up 141.3%, reflecting strong adoption of our customized air-side and liquid cooling solutions in the data center market. Demand for AAON-branded equipment also remained strong, and production increased steadily throughout the year, with additional ramping planned. We made substantial progress stabilizing and advancing the implementation of our new Enterprise Resource Planning ("ERP") system. While the ERP rollout initially impacted production at our Longview, TX facility, operating performance improved consistently over time, reinforcing our confidence in execution as we focus on continued operational improvement and meeting customer commitments.”

Fourth Quarter 2025 Results

Net sales for the fourth quarter of 2025 increased 42.5% to $424.2 million, from $297.7 million in the fourth quarter of 2024. BASX-branded sales increased 138.8% to $181.4 million, reflecting strong demand for both air-side and liquid cooling equipment for data center applications. AAON-branded sales increased 9.5% to $242.8 million, supported by a strong backlog and favorable comparison to the prior-year period, which was adversely impacted by the industry's refrigerant transition. Booking activity remained solid across both brands, led by the BASX brand, which ended the quarter with backlog up 141.3%, while AAON-branded bookings increased approximately 20% compared to the prior-year period.

Gross profit margin in the quarter was 25.9%, compared to 26.1% in the prior-year period. The modest year-over-year decline primarily reflected unabsorbed fixed-cost investments at the Company's new Memphis facility as production capacity was brought online to support a significant ramp of BASX-branded data center equipment, positioning the business for improved operating leverage as volume scales.

Earnings per diluted share were $0.39, an increase of 30.0% year-over-year.

Dr. Tobolski added, “During the quarter, we made meaningful progress expanding production capacity and further advanced our operational readiness for sustained long-term growth. Production at our new Memphis facility is ramping rapidly, while our Longview, Texas facility continues to scale, increasing our ability to support accelerating demand for our data center equipment. BASX-branded equipment sales increased 138.8% year-over-year in the fourth quarter, and backlog increased 141.3%, providing strong visibility as we enter 2026.

“AAON-branded equipment sales increased 9.5% year-over-year, representing our strongest quarterly growth since the second quarter of 2024. Despite typical seasonal headwinds, we ended the year with backlog up 60.8%, underscoring the strength and durability of underlying demand. We have a clear and disciplined operational plan in place to continue ramping production in 2026, positioning the Company to deliver solid growth and margin expansion.

“Fourth-quarter margins reflected mixed operating dynamics across our facilities. While production volumes in Tulsa were below plan, Memphis reached profitability earlier than expected, validating our investment strategy. Fixed-cost under-absorption continues to pressure consolidated margins in the near term; however, these impacts are largely transitory and directly tied to capacity ramp-up that is already underway, positioning the Company for improved operating leverage as volumes scale. With capacity in place and execution continuing to improve, we remain confident in our path toward meaningful margin expansion throughout 2026."

Backlog

Total backlog increased 110.9% year-over-year to $1.83 billion, and increased 38.5% sequentially. Growth was driven primarily by the BASX-brand, with backlog increasing 141.3% from the prior year and 45.2% from the prior quarter, while AAON-branded equipment backlog increased 60.8% year-over-year. The Company's growing backlog and robust order activity demonstrate meaningful market share capture as customers prioritize high-performance, energy-efficient, and reliable infrastructure solutions. A significant portion of the BASX-branded backlog is slated for production at the Memphis facility, which will support a steady ramp in production in 2026.

2026 Outlook

Dr. Tobolski concluded, “As we enter early 2026, we are positioned to build on the investments made throughout 2025 in our people, products, manufacturing capabilities, and working capital. While these initiatives carried upfront costs and impacted near-term results, they have meaningfully strengthened AAON's operating foundation and positioned the Company to meet the growing demand in the data center market.

Our ERP upgrade presented short-term challenges, which are now largely behind us, and is expected to deliver lasting benefits through improved production throughput, operating efficiency, and margin expansion. We begin 2026 with record backlog, allowing us to remain sharply focused on execution and customer delivery. To support a disciplined ramp in production throughput and accelerate margin improvement, we have moderated the pace of near-term ERP rollouts, enhancing returns on our recent investments while ensuring the Company remains well positioned for future IT system upgrade.

"With these actions in place, and with operational execution continuing to improve, we expect 2026 sales to grow 18%-20%, with gross margin of 29%-31%. We also anticipate SG&A expenses as a percentage of sales will be approximately 16% and expect depreciation and amortization expenses of $95-$100 million.”

Segment Results

AAON Oklahoma

Net sales for the AAON Oklahoma segment totaled $215.5 million, an increase of 11.1% year-over-year, driven by a

strong starting backlog and ongoing production enhancements that improved backlog conversion despite a challenging industry environment. Results in the fourth quarter of 2025 also benefited from a favorable comparison to the prior-year period, which saw disruption due to the industry's refrigerant transition in the prior-year period.

Gross margin for the segment was 27.5%, compared to 30.7% in the fourth quarter of 2024. The year-over-year decrease was fully attributable to $6.4 million of incremental overhead associated with the Company's new Memphis facility, reflecting investments made to support future production growth and operating leverage.

AAON Coil Products

Net sales for the AAON Coil Products segment totaled $102.6 million, up 93.6% compared to the same period last year. Growth was driven primarily by $75.3 million in BASX-branded liquid cooling sales, which increased 198.7% during the period. AAON-branded sales declined 1.8% year-over-year, but increased 15.2% sequentially, highlighting strengthening production momentum.

AAON Coil Products gross margin was 21.3%, increasing year-over-year from 16.1% and sequentially from 11.0%. The year-over-year margin expansion reflected improved operating leverage on higher throughput at the Longview facility, along with a favorable mix of higher-margin BASX sales. This was partially offset by a full five-day plant shutdown at Longview at year-end to conduct a wall-to-wall inventory count.

BASX
Net sales for the BASX segment increased 109.1% to $106.1 million, compared to $50.7 million in the prior-year period. The year-over-year increase was driven by continued strong demand for data center equipment, supported by robust order intake and elevated backlog levels. Increased production from the Company's new Memphis facility played a key role in expanding capacity and driving higher sales.

BASX segment gross margin was 27.1%, compared to 18.8% in the prior-year period. The year-over-year improvement reflected a favorable comparison and accelerating production at the Memphis facility.

Balance Sheet & Cash Flow
As of December 31, 2025, the company had cash, cash equivalents and restricted cash of $1.2 million and a balance on its revolving credit facility of $398.3 million. Rebecca Thompson, AAON CFO and Treasurer, commented, “In 2025, we made substantial capacity and working-capital investments to support our expanding backlog and ongoing market share gains. As returns on these investments begin to materialize, we expect operating cash flow to improve significantly in 2026, supported by higher earnings and improved working-capital efficiency. This gives us flexibility to continue to focus on our investment in growth for the future with capital expenditure plans of $190.0 million in 2026.”

Supplemental financial tables are available in the PDF release.

Conference Call
The company will host a conference call and webcast this morning at 9:00 a.m. EST to discuss the fourth quarter of 2025 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/X2DbRx9Pk8v. On the next business day following the call, a replay of the call will be available on the **company’s website**.

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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Supplemental financial tables are available in the PDF release.