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AAON, Inc. Investor Presentation

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Safe Harbor Statement

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- Certain statements and information set forth in this presentation contains “forward-looking statements” and “forward-looking information” within the meaning of the Private Securities Litigation Reform Act of 1995. Except for statements of historical fact, certain information contained herein constitutes forward-looking statements which include management’s assessment of future plans and operations and are based on current internal expectations, estimates, projections, assumptions and beliefs, which may prove to be incorrect. Forward-looking statements are provided to allow potential investors the opportunity of management’s beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment. Some of the forward-looking statements may be identified by words such as “may”, “plan”, “foresee”, “will”, “should”, “could”, “anticipate,” “believe,” “expect,” “intend,” “potential,” “continue,” and similar expressions. While the Company’s management believes that these forward-looking statements are reasonable as and when made, these statements are not guarantees of future performance and undue reliance should not be placed on them. The Company’s forward-looking statements involve significant risks and uncertainties (some of which are beyond the Company’s control) and assumptions that could cause actual future results to differ materially from the Company’s historical experience and its present expectations or projections. For additional information regarding known material factors that could cause the Company’s results to differ from its projected results, please see its filings with the SEC, including its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K. The reader is cautioned not to place undue reliance on forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statement after they are made, whether as a result of new information, future events, or otherwise.

AAON is a premium provider of commercial heating, ventilation and air conditioning (HVAC) products.

Company Position

- AAON provides designs of the highest quality and performance that lead the HVAC industry
- AAON offers innovative and differentiated products
- Provide more than just equipment; provide solutions

Market Opportunities

- Energy efficiency and “green” features currently drive the market – AAON is a leader in both
- Markets increasingly demand features offered by AAON, leading to increased market share

Manufacturing Locations

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- Two Facilities:
 - ▣ Tulsa, Oklahoma
 - Current
 - 1.37M Sq. Ft.
 - WSHP Manufacturing Line
 - Initiated Production
 - R&D Laboratory
 - 75,000 Sq. Ft
 - Expected Completion: 2018
 - ▣ Longview, Texas
 - Current
 - 263,000 Sq. Ft.

































Rooftop Units, Outdoor Mechanical Rooms, Large Self-Contained Units, Large Split Systems and Geothermal/Water-Source Heat Pumps



Split Systems, Small Chillers, Small Self-Contained Units and Coils

Product Families

<p>ROOFTOP UNITS (2-240 tons)</p>  RZ/RL SERIES  RN SERIES  RQ SERIES		<p>OUTDOOR AIR HANDLING UNITS (800 - 100,000 + cfm)</p>  RZ/RL SERIES  RN SERIES  RQ SERIES	<p>CONDENSING UNITS (2-230 tons)</p>  CB SERIES  CF SERIES  CN SERIES  CL SERIES
<p>PACKAGED OUTDOOR MECHANICAL ROOMS (4-540 tons)</p>  BOILER MECHANICAL ROOM  LF SERIES  LN SERIES  LZ SERIES	<p>SELF-CONTAINED UNITS (3-70 tons)</p>  SB SERIES  SA SERIES  M2 SERIES	<p>COILS</p>  BOOSTER, HYDRONIC, & DX	
<p>INDOOR AIR HANDLING UNITS (800 - 100,000 + cfm)</p>  F1 SERIES  H3 SERIES  V3 SERIES  SA SERIES  M2 SERIES  M3 SERIES	<p>WATER-SOURCE HEAT PUMPS (½ - 230 tons)</p>  RQ SERIES  RN SERIES  RZ/RL SERIES  M2 SERIES  SA SERIES  SB SERIES		

AAON Business Strategy

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- Mass customization
 - Uses flexible computer-aided manufacturing systems to produce custom outputs
 - Combines the low unit costs of mass production processes with the flexibility of individual customization
- Collaborative effort
 - AAON sales offices work with individual customers to determine the precise product offering that best serves the customer's needs
 - Information gathered is used to specify and manufacture a product that suits that specific customer



AAON Market Strategy

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- Focus upon underserved market niches
- Establish manufacturing methodologies to support market niche products
- Develop company culture focused upon customer satisfaction
- Reduce product delivery channel time and cost
- Continue with the goal of product and manufacturing technology leadership

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- **AAON, WITH A FOCUS ON ENERGY EFFICIENCY, THE ENVIRONMENT, AND AIR QUALITY = GROWTH AND PROFIT**
 - **HEAVY INVESTMENT IN RESEARCH & DEVELOPMENT**
 - ▣ (\$5.2 M, \$6.3 M & \$7.5 M in 2013, 2014 & 2015, respectively)



AAON Served Market Growth

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■ Rooftops	\$ 3.2 B
■ Chillers	\$ 1.0 B *
■ Air Handling Units	\$ 2.0 B
■ Split Systems	\$ 5.4 B **
■ Geothermal/WSHP	\$ 0.5 B ***
□ 2016 Served Market -	\$ 12.1 B
□ 1988 Served Market -	\$ 50 M

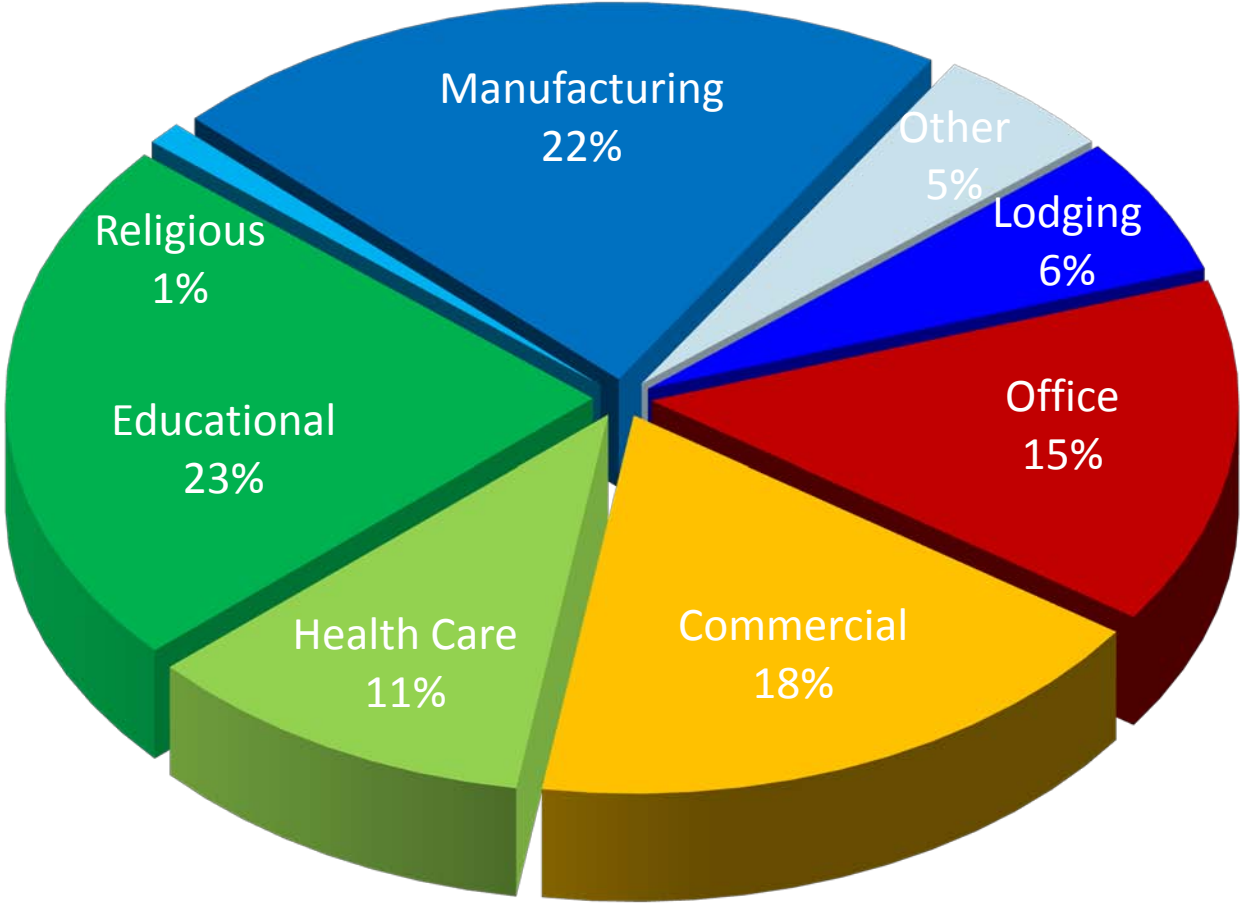
* Chiller market estimate based on industry news articles and reports.

** AHRI data includes both commercial and residential systems. Residential systems likely account for a large portion of this number

*** Entering the mass produced geothermal/water-source heat pump market in 2016. Units shipping November 2016.



AAON Sales Mix by Business Segment



May not add to 100% due to rounding



U.S. Construction - 2008 to 2015

U.S. Census Bureau Value of Construction (Annual) - AAON Sales Segments -

<http://www.census.gov/construction/c30/c30index.html>

Construction Type	Annual Value of Construction (Millions \$)							
	Year							
	2008	2009	2010	2011	2012	2013	2014	2015
Lodging	35,806	25,499	11,635	9,129	10,836	13,484	16,124	21,074
Office	68,563	51,908	37,850	36,011	37,800	37,979	46,056	56,203
Commercial	86,212	54,737	40,100	42,816	47,335	53,159	62,708	67,346
Health Care	46,902	44,845	39,344	40,204	42,544	40,689	38,410	40,013
Educational	104,890	103,202	88,405	84,985	84,672	79,060	79,700	84,958
Religious	7,225	6,192	5,288	4,239	3,846	3,590	3,248	3,376
Manufacturing	54,105	57,895	41,178	40,559	47,741	50,458	57,761	83,389
Total	403,703	344,278	263,800	257,943	274,774	278,419	304,007	356,359
AAON Sales (Millions \$)	279.7	245.3	244.6	266.2	303.1	321.1	356.3	358.6



U.S. Construction - 2008 to 2015

U.S. Census Bureau Value of Construction (Annual) - AAON Sales Segments -

<http://www.census.gov/construction/c30/c30index.html>

Construction Type	Percent Change of 2008 Spending							
	Year							
	2008	2009	2010	2011	2012	2013	2014	2015
Lodging	100%	71%	32%	25%	30%	38%	45%	59%
Office	100%	76%	55%	53%	55%	55%	67%	82%
Commercial	100%	63%	47%	50%	55%	62%	73%	78%
Health Care	100%	96%	84%	86%	91%	87%	82%	85%
Educational	100%	98%	84%	81%	81%	75%	76%	81%
Religious	100%	86%	73%	59%	53%	50%	45%	47%
Manufacturing	100%	107%	76%	75%	88%	93%	107%	154%
Total	100%	85%	65%	64%	68%	69%	75%	88%
AAON	100%	88%	87%	95%	108%	115%	127%	128%
Differential		3%	22%	31%	40%	46%	52%	40%



U.S. Construction – 9M 2008 to 2016

U.S. Census Bureau Value of Construction -
AAON Sales Segments - <http://www.census.gov/construction/c30/c30index.html>

	Value of Construction (Millions \$)		
	9 Months		
Construction Type	9M 2008	9M 2015	9M 2016
Lodging	36,686	20,381	26,818
Office	72,291	54,549	65,913
Commercial	87,996	65,920	72,307
Health Care	45,560	40,184	40,722
Educational	103,571	83,267	87,717
Religious	6,959	3,314	3,818
Manufacturing	60,498	84,369	76,137
Total	413,561	351,984	373,432
AAON Sales (Millions \$)	219.5	261.4	292.3



U.S. Construction – 9M 2008 to 2016

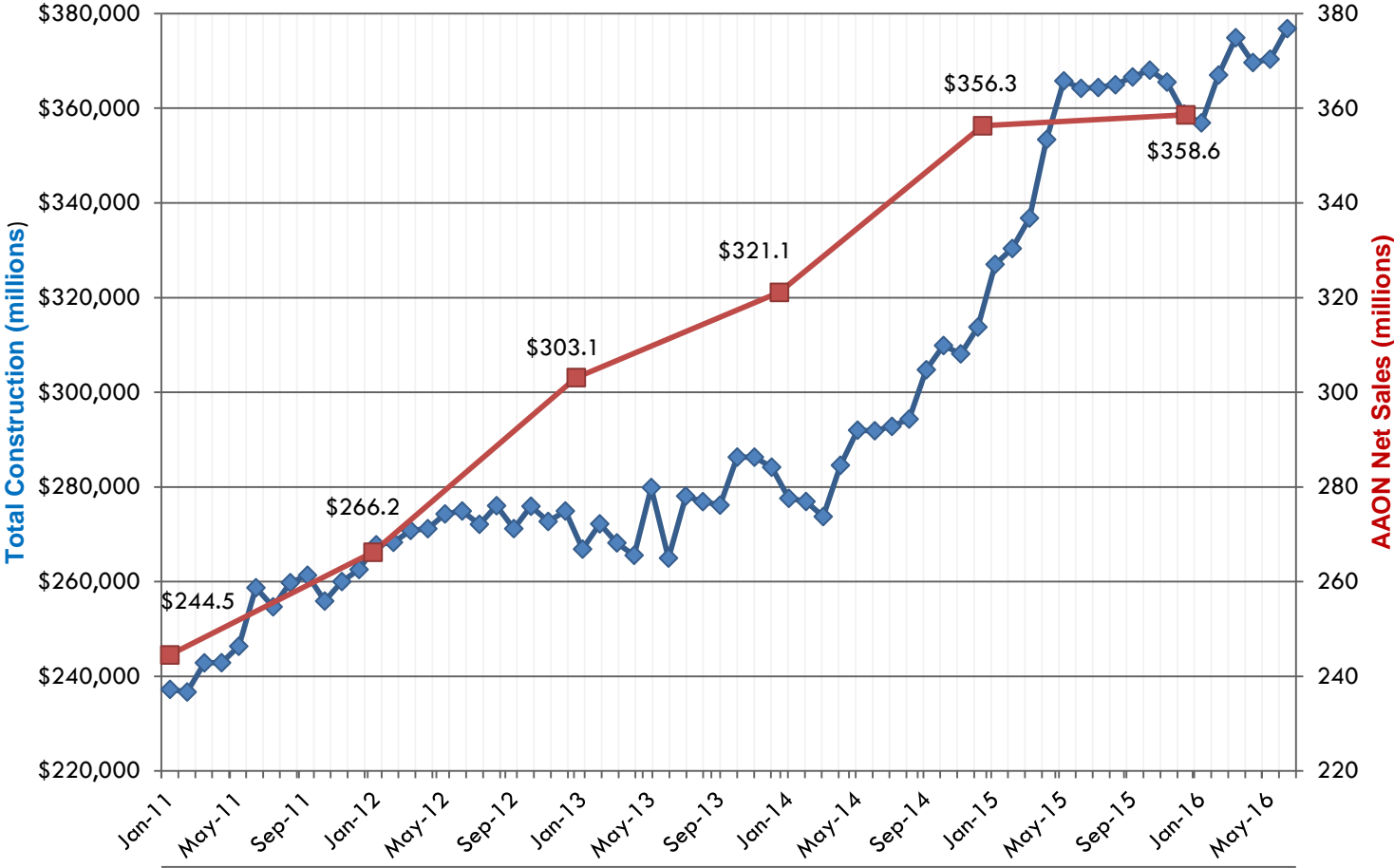
U.S. Census Bureau Value of Construction -
AAON Sales Segments - <http://www.census.gov/construction/c30/c30index.html>

	Percent Change of 2008 Spending		
	9 Months		
Construction Type	9M 2008	9M 2015	9M 2016
Lodging	100%	56%	73%
Office	100%	75%	91%
Commercial	100%	75%	82%
Health Care	100%	88%	89%
Educational	100%	80%	85%
Religious	100%	48%	55%
Manufacturing	100%	139%	126%
Total	100%	85%	90%
AAON	100%	119%	133%
Differential		34%	43%



U.S. Construction - 5+ year

U.S. Census Bureau Value of Construction

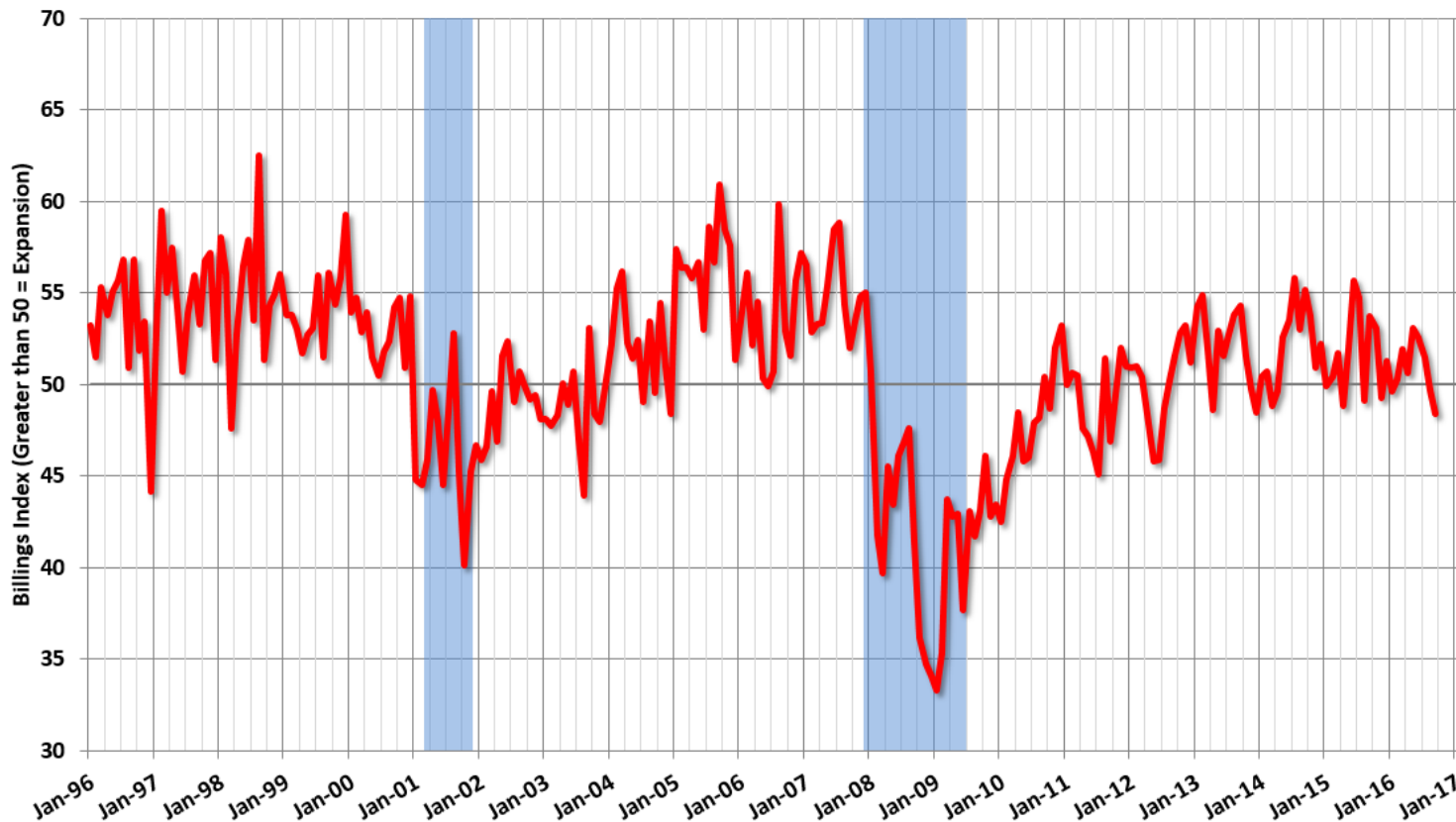


Office, Commercial, Health Care, Educational, Manufacturing, Lodging, & Religious Non-residential Segments



Architecture Billings Index

Architecture Billings Index



<http://www.calculatedriskblog.com/>

ABI reflects the approximate nine to twelve month lead time between architecture billings and construction spending.

Any score above 50 indicates an increase in billings.



Financial Information

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CASH FLOW FROM OPERATIONS (in thousands)

2011	2012	2013	2014	2015	9M 2016
\$26,484	\$51,167	\$53,592	\$52,279	\$52,910	\$47,007

CAPITAL EXPENDITURES (in thousands)

2011	2012	2013	2014	2015	9M 2016
\$35,914	\$14,147	\$9,041	\$16,127	\$20,967	\$23,627

• Semi-Annual Cash Dividend increased to \$0.13/share, starting with the December 23, 2016 payment date

DIVIDENDS (in thousands)

2011	2012	2013	2014	2015	9M 2016
\$5,935	\$8,840	\$7,428	\$9,656	\$11,857	\$5,820

EBITDAX (in thousands)

2011	2012	2013	2014	2015	9M 2016
\$33,769	\$58,976	\$70,148	\$81,701	\$85,810	\$74,550

STOCK BUYBACKS* (in thousands)	2011	2012	2013	2014	2015	9M 2016
Dollars	\$3.7 M	\$6.7 M	\$8.2 M	\$29.3 M	\$37.1 M	\$15.1 M
Shares Bought	475,574	757,632	533,489	1,488,229	1,576,090	575,257
Shares Outstanding	55,391,229	55,164,936	55,067,031	54,041,829	53,012,363	52,783,642
Shares Bought Shares Outstanding	0.86%	1.37%	0.97%	2.75%	2.97%	1.09%

*Reflects 3-for-2 stock splits in July 2014, July 2013 and June 2011



Ratio Analysis

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<i>Profitability</i>	2011	2012	2013	2014	2015	9M 2016
Return on Average Equity	11.7%	21.1%	24.8%	26.1%	25.9%	21.9%
Return on Average Assets	8.4%	15.1%	18.8%	20.2%	19.9%	17.1%
Pre-Tax Income on Sales	8.1%	14.6%	17.5%	19.2%	19.9%	21.2%
Net Income on Sales	5.3%	9.1%	11.7%	12.4%	12.8%	14.4%
<i>Debt Management</i>						
Total Liabilities to Equity	0.4	0.4	0.3	0.3	0.3	0.3
<i>Liquidity</i>						
Quick Ratio ¹	1.1	1.6	2.5	2.2	2.1	2.2
Current Ratio	2.1	2.2	3.0	2.9	2.9	3.3
<i>Market Value</i>						
Year-End Price Earnings Ratio ²	35	19	31	28	27	-

¹ (Cash, cash investments + receivables)/current liabilities

² Reflects 3-for-2 stock splits in July 2014, July 2013 and June 2011

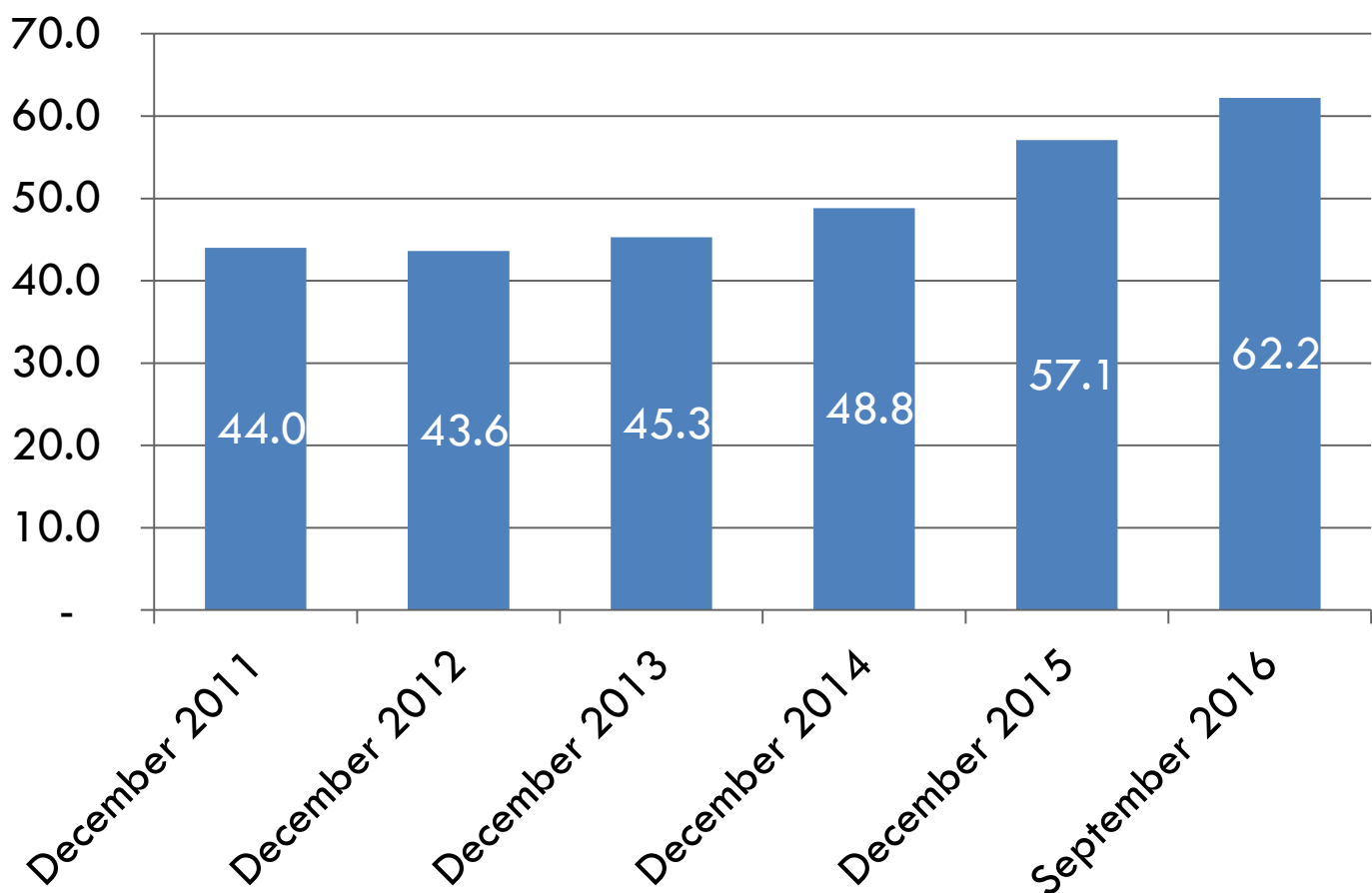


Company Backlog

September 30, 2016 backlog of \$62.2 M

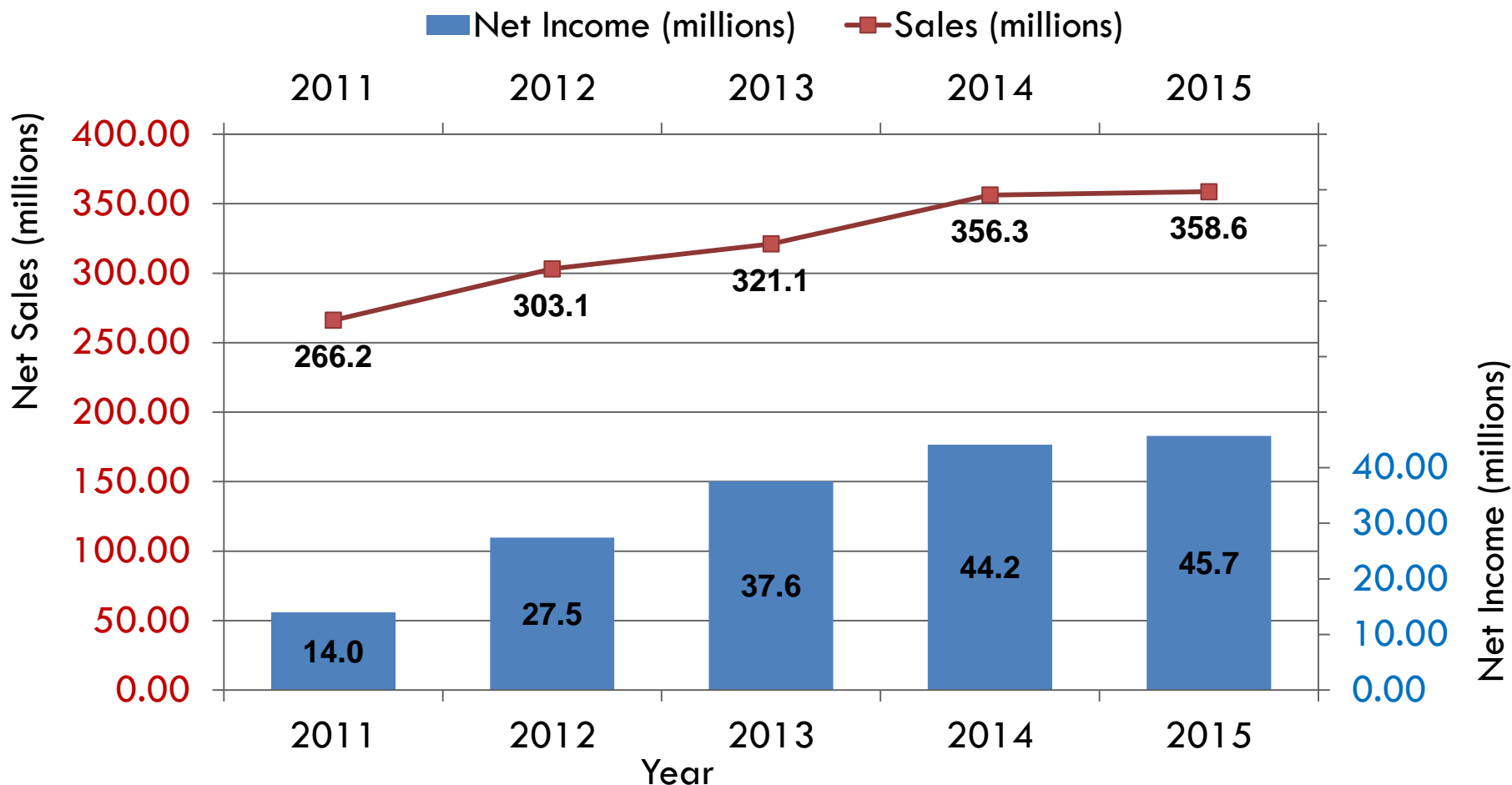
September 30, 2015 backlog of \$60.4 M

Order Backlog (millions)





Sales Performance



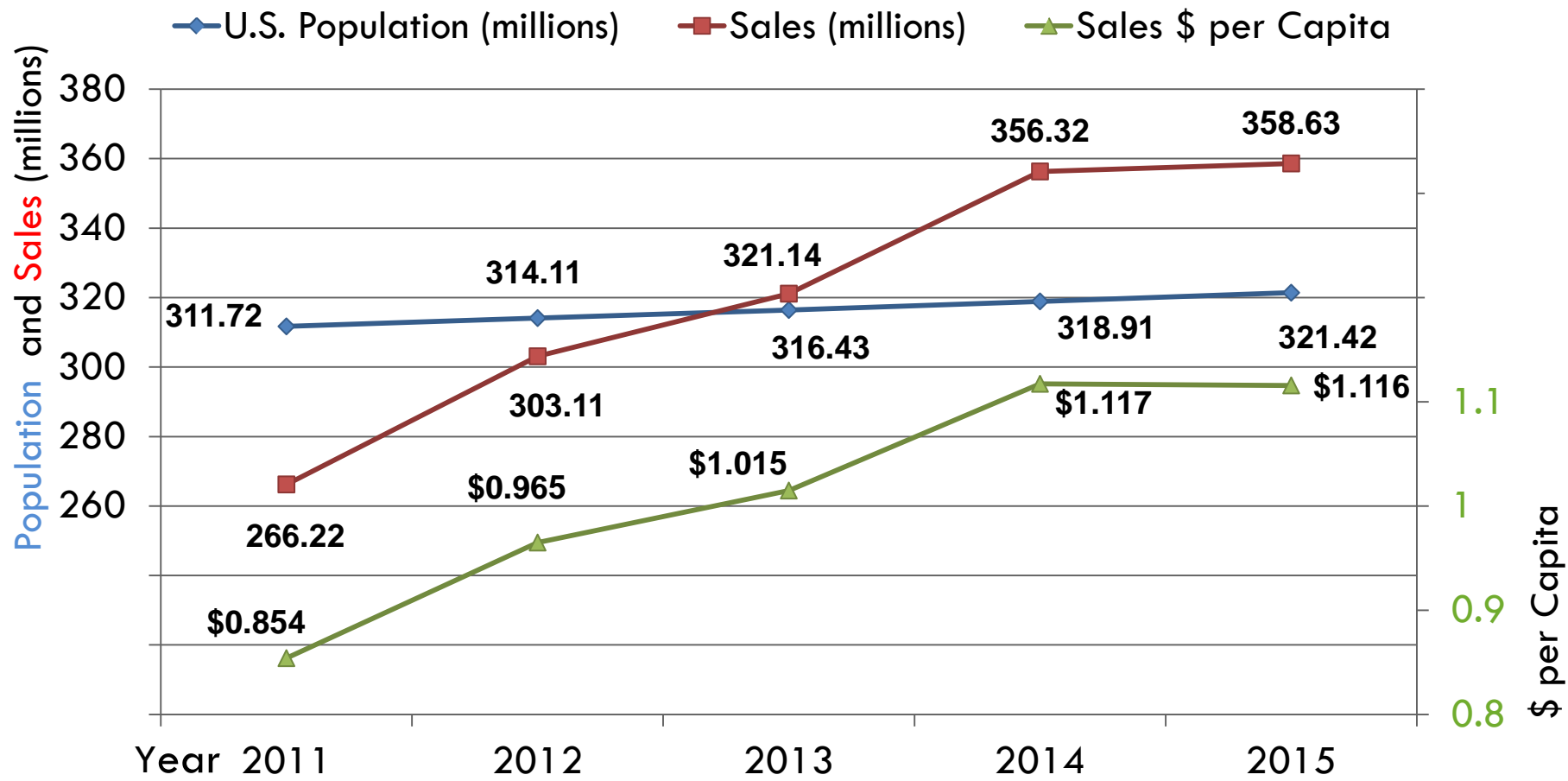
9M 2015 Sales (millions) = \$261.4
9M 2015 Net Income (millions) = \$32.8

9M 2016 Sales (millions) = \$292.3
9M 2016 Net Income (millions) = \$42.0



Sales Dollars Per Capita

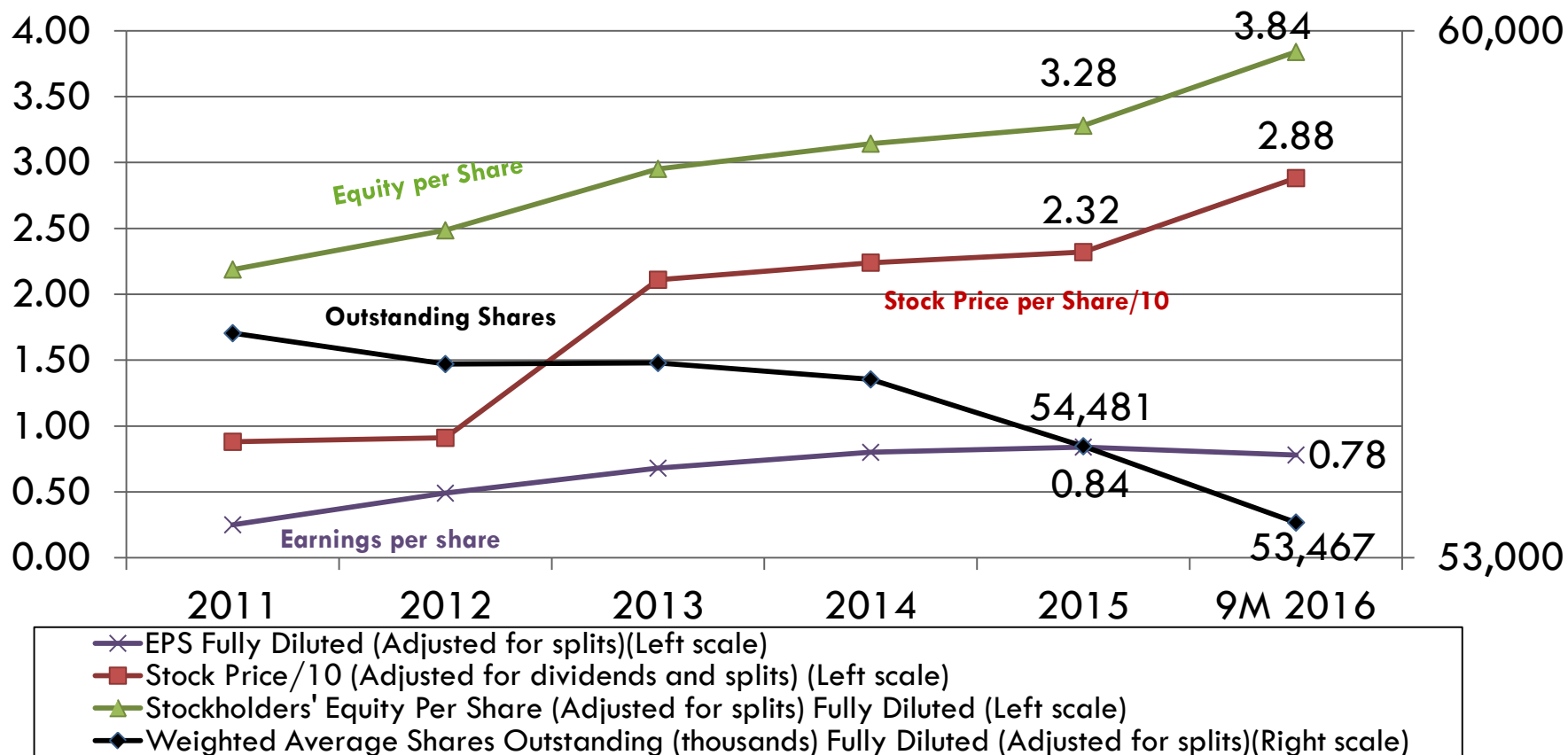
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2003 Sales (millions) = \$148.85
2003 = \$0.51 per Capita

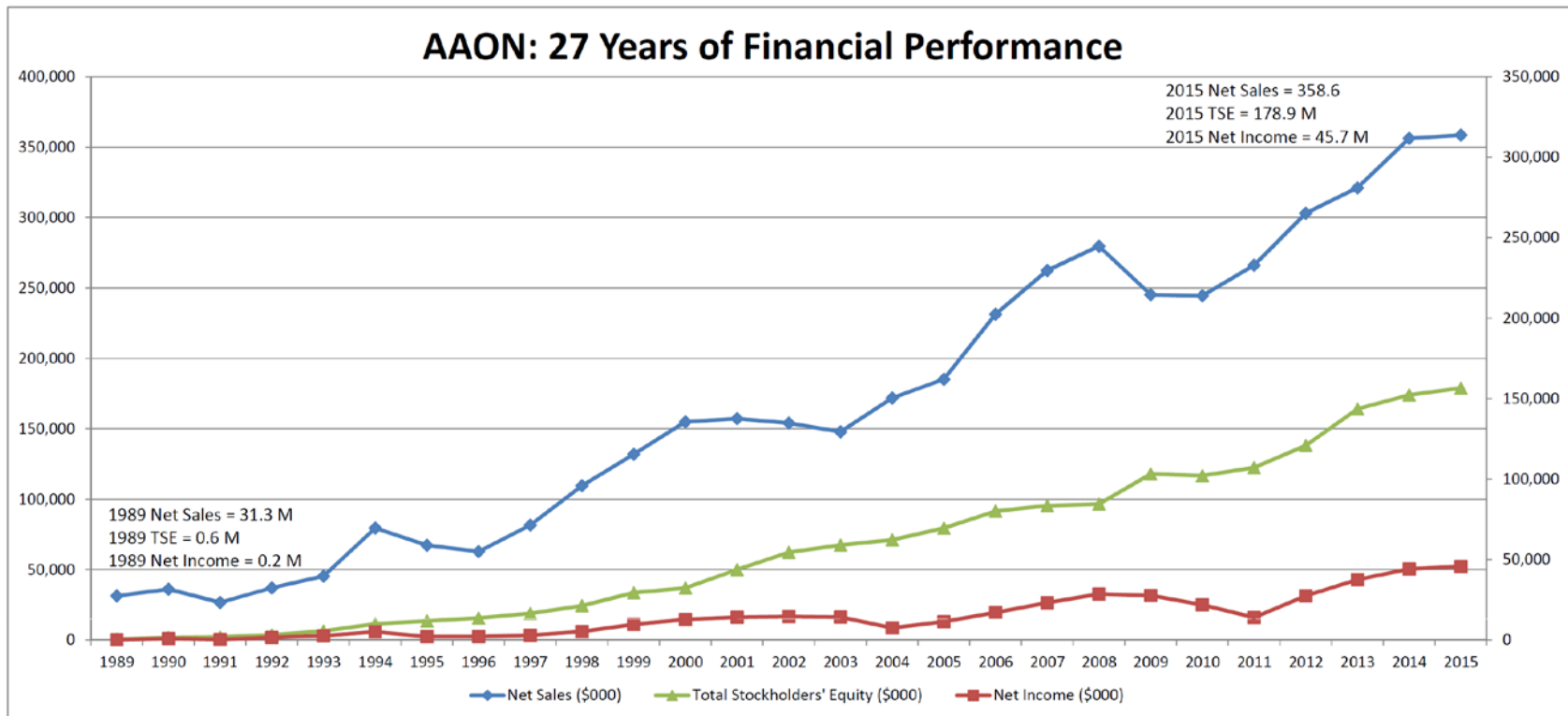
2014 Population Increase 1% 2015 Population Increase 1%
2014 Sales Increase 5.9% 2015 Sales Increase 1%
2014 \$0.102 per Capita Increase 2015 -\$0.015 per Capita Increase

Financial Performance





Financial Performance - 27 Year



27 Year Average Annual Sales Growth = 9%
27 Year Average Annual Net Income Growth = 22%
27 Year Average Stockholders' Equity Growth = 23%



Stock Performance – 25+ year

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Chart available from www.google.com/finance
- Stock Splits and Dividends shown

Stock Price 1991 = ~ 0.10
Stock Price November 1, 2016 = 29.08



Stock Performance – 25+ year

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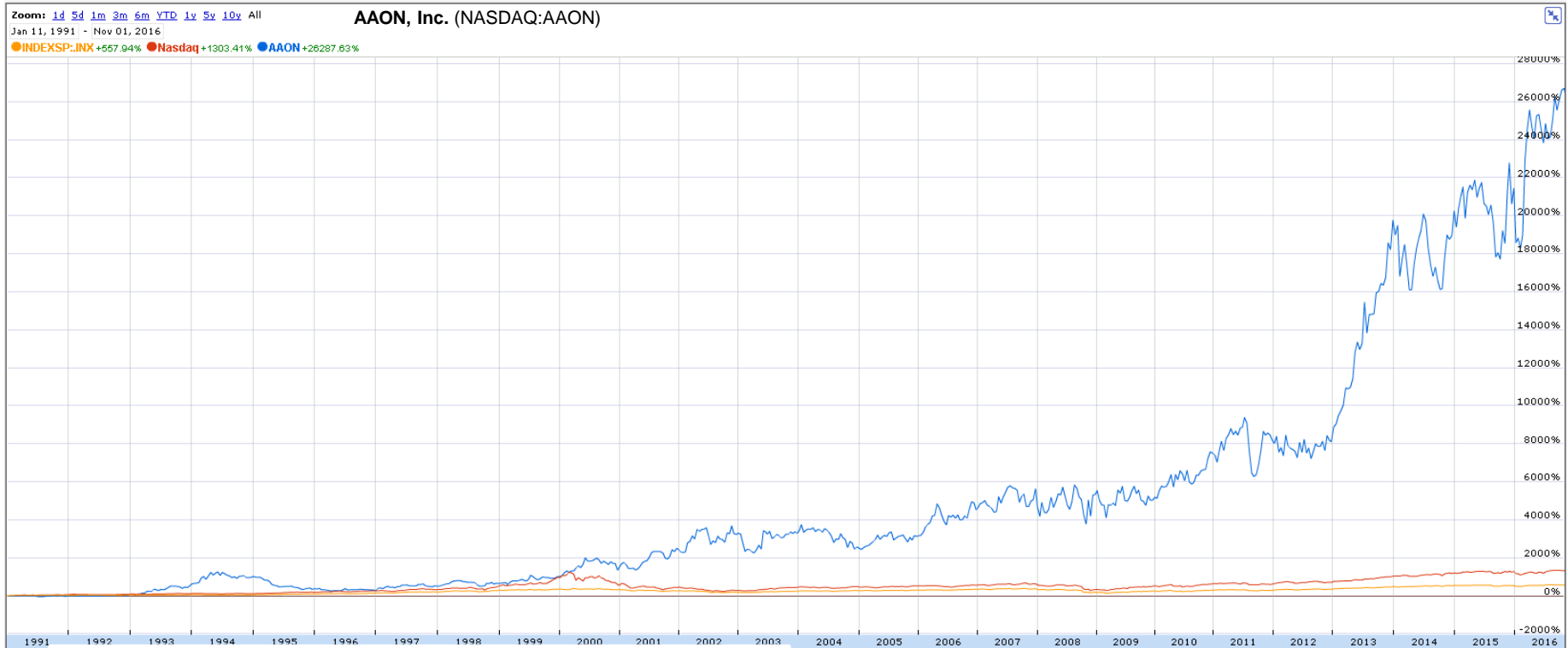


Chart available from www.google.com/finance

- Comparison with
- NASDAQ
- .INX = S&P 500

Stock Price 1991 = ~ 0.10
Stock Price November 1, 2016 = 29.08



AAON

Defining Quality. Building Comfort.