

**NEWS
BULLETIN**

AAON, Inc.

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**FOR IMMEDIATE RELEASE
May 5, 2016**

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AAON REPORTS RECORD FIRST QUARTER SALES AND EARNINGS

TULSA, OK, May 5, 2016 - AAON, Inc. (NASDAQ-AAON) today announced its operating results for the first quarter ended March 31, 2016.

Net sales in the first quarter were \$85.4 million, up 11.3% from \$76.8 million in 2015. Net income was \$10.8 million, up 28.7% from \$8.4 million in the same period a year ago.

Earnings per diluted share in the first quarter of 2016 were \$0.20, up 33.3% from \$0.15 for the same period the previous year, based upon 53.4 million and 54.6 million shares outstanding at March 31, 2016 and 2015, respectively.

Both sales and earnings in 2016 were all-time records for any first quarter in the history of AAON.

Norman H. Asbjornson, President and CEO, stated, "The first quarter of 2016 gains in sales and income from operations primarily reflect increases in volume, in addition to a decline in the cost of materials, with gross profit as a percentage of sales increasing to 30.1% of sales as compared to 28.4% of sales a year ago. Our SG&A expense as a percentage of sales declined from 10.8% to 10.4% for the first quarter."

Mr. Asbjornson further added, "Our financial condition at March 31, 2016 remained quite strong with a current ratio of 3.4:1 (including cash and short-term investments totaling \$43.2 million). We also remain debt free. Our backlog at March 31, 2016 increased 8.8% to \$60.3 million, from \$55.4 million for the same period a year ago."

Mr. Asbjornson continued, "The year is off to a strong start and we expect the rest of the year to remain firm. Work continues on our new Water Source Heat Pump line and while we are excited by the outlook for this product, significant sales from this product line will not be witnessed until mid-2017, with related profits making an impact in 2018."

The Company will host a conference call today at 4:15 P.M. Eastern Time to discuss the first quarter results. To participate, call 1-888-241-0551 (code 3226942); or, for rebroadcast, call 1-855-859-2056 (code 3226942).

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, chillers, packaged outdoor mechanical rooms, air handling units, makeup air units, energy recovery units, condensing units, geothermal heat pumps and coils. Its products serve the new construction and replacement markets. The Company has successfully gained market share through its "semi-custom" product lines, which offer the customer value, quality, function, serviceability and efficiency.

Certain statements in this news release may be "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended. 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.

AAON, Inc. and Subsidiaries
Consolidated Statements of Income
(Unaudited)

Three Months Ended
March 31,

| | 2016 | 2015 |
|--|--|-------------|
| | <i>(in thousands, except share and per share data)</i> | |
| Net sales | \$ 85,422 | \$ 76,768 |
| Cost of sales | 59,691 | 54,970 |
| Gross profit | 25,731 | 21,798 |
| Selling, general and administrative expenses | 8,913 | 8,317 |
| (Gain) loss on disposal of assets | (8) | 5 |
| Income from operations | 16,826 | 13,476 |
| Interest income | 74 | 44 |
| Other income (expense), net | 117 | (75) |
| Income before taxes | 17,017 | 13,445 |
| Income tax provision | 6,211 | 5,046 |
| Net income | \$ 10,806 | \$ 8,399 |
| Earnings per share: | | |
| Basic | \$ 0.20 | \$ 0.16 |
| Diluted | \$ 0.20 | \$ 0.15 |
| Cash dividends declared per common share: | \$ — | \$ — |
| Weighted average shares outstanding: | | |
| Basic | 53,061,058 | 54,083,897 |
| Diluted | 53,430,103 | 54,640,389 |

AAON, Inc. and Subsidiaries
Consolidated Balance Sheets
(Unaudited)

| | March 31, 2016 | December 31, 2015 |
|---|--|--------------------------|
| | <i>(in thousands, except share and per share data)</i> | |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 17,248 | \$ 7,908 |
| Certificates of deposit | 10,760 | 10,080 |
| Investments held to maturity at amortized cost | 15,195 | 12,444 |
| Accounts receivable, net | 42,001 | 50,024 |
| Income tax receivable | — | 4,702 |
| Note receivable | 25 | 23 |
| Inventories, net | 42,479 | 38,499 |
| Prepaid expenses and other | 2,483 | 533 |
| Total current assets | 130,191 | 124,213 |
| Property, plant and equipment: | | |
| Land | 2,233 | 2,233 |
| Buildings | 70,655 | 68,806 |
| Machinery and equipment | 148,645 | 143,100 |
| Furniture and fixtures | 11,661 | 11,270 |
| Total property, plant and equipment | 233,194 | 225,409 |
| Less: Accumulated depreciation | 127,417 | 124,348 |
| Property, plant and equipment, net | 105,777 | 101,061 |
| Certificates of deposit | — | 1,880 |
| Investments held to maturity at amortized cost | — | 5,039 |
| Note receivable | 701 | 661 |
| Total assets | \$ 236,669 | \$ 232,854 |
| Liabilities and Stockholders' Equity | | |
| Current liabilities: | | |
| Revolving credit facility | \$ — | \$ — |
| Accounts payable | 3,604 | 6,178 |
| Accrued liabilities | 34,435 | 37,235 |
| Total current liabilities | 38,039 | 43,413 |
| Deferred revenue | 1,154 | 698 |
| Deferred tax liabilities | 7,676 | 8,706 |
| Donations | 1,130 | 1,119 |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Preferred stock, \$.001 par value, 5,000,000 shares authorized, no shares issued | — | — |
| Common stock, \$.004 par value, 100,000,000 shares authorized, 53,059,669 and 53,012,363 issued and outstanding at March 31, 2016 and December 31, 2015, respectively | 212 | 212 |
| Additional paid-in capital | — | — |
| Retained earnings | 188,458 | 178,706 |
| Total stockholders' equity | 188,670 | 178,918 |
| Total liabilities and stockholders' equity | \$ 236,669 | \$ 232,854 |

AAON, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(Unaudited)

**Three Months Ended
March 31,**

| | 2016 | 2015 |
|---|-----------------------|------------------|
| | <i>(in thousands)</i> | |
| Operating Activities | | |
| Net income | \$ 10,806 | \$ 8,399 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation | 3,171 | 2,804 |
| Amortization of bond premiums | 83 | 61 |
| Provision for losses on accounts receivable, net of adjustments | 123 | (59) |
| Provision for excess and obsolete inventories | 137 | 41 |
| Share-based compensation | 948 | 438 |
| Excess tax benefits from stock options exercised and restricted stock awards vested | (745) | (1,098) |
| (Gain) loss on disposition of assets | (8) | 5 |
| Foreign currency transaction (gain) loss | (48) | 70 |
| Interest income on note receivable | (7) | (8) |
| Deferred income taxes | (1,030) | (443) |
| Changes in assets and liabilities: | | |
| Accounts receivable | 7,900 | 4,286 |
| Income taxes | 6,734 | 1,286 |
| Inventories | (4,117) | (6,969) |
| Prepaid expenses and other | (1,950) | (301) |
| Accounts payable | (3,129) | (1,316) |
| Deferred revenue | 110 | 64 |
| Accrued liabilities and donations | (3,730) | (2,925) |
| Net cash provided by operating activities | <u>15,248</u> | <u>4,335</u> |
| Investing Activities | | |
| Capital expenditures | (7,332) | (3,587) |
| Proceeds from sale of property, plant and equipment | 8 | — |
| Maturities of certificates of deposits | 1,200 | 2,638 |
| Maturities of investments | 1,700 | 8,445 |
| Proceeds from called investments | 505 | 504 |
| Principal payments from note receivable | 13 | 14 |
| Net cash (used in) provided by investing activities | <u>(3,906)</u> | <u>8,014</u> |
| Financing Activities | | |
| Stock options exercised | 709 | 1,082 |
| Excess tax benefits from stock options exercised and restricted stock awards vested | 745 | 1,098 |
| Repurchase of stock | (3,456) | (2,955) |
| Net cash used in financing activities | <u>(2,002)</u> | <u>(775)</u> |
| Net increase in cash and cash equivalents | <u>9,340</u> | <u>11,574</u> |
| Cash and cash equivalents, beginning of period | <u>7,908</u> | <u>21,952</u> |
| Cash and cash equivalents, end of period | <u>\$ 17,248</u> | <u>\$ 33,526</u> |

Use of Non-GAAP Financial Measures

To supplement the Company's consolidated financial statements presented in accordance with generally accepted accounting principles ("GAAP"), an additional non-GAAP financial measure is provided and reconciled in the following table. The Company believes that this non-GAAP financial measure, when considered together with the GAAP financial measures, provides information that is useful to investors in understanding period-over-period operating results. The Company believes that this non-GAAP financial measure enhances the ability of investors to analyze the Company's business trends and operating performance.

EBITDAX

EBITDAX (as defined below) is presented herein and reconciled from the GAAP measure of net income because of its wide acceptance by the investment community as a financial indicator of a company's ability to internally fund operations.

The Company defines EBITDAX as net income, plus (1) depreciation, (2) amortization of bond premiums, (3) share-based compensation, (4) interest (income) expense and (5) income tax expense. EBITDAX is not a measure of net income or cash flows as determined by GAAP.

The Company's EBITDAX measure provides additional information which may be used to better understand the Company's operations. EBITDAX is one of several metrics that the Company uses as a supplemental financial measurement in the evaluation of its business and should not be considered as an alternative to, or more meaningful than, net income, as an indicator of operating performance. Certain items excluded from EBITDAX are significant components in understanding and assessing a company's financial performance. EBITDAX, as used by the Company, may not be comparable to similarly titled measures reported by other companies. The Company believes that EBITDAX is a widely followed measure of operating performance and is one of many metrics used by the Company's management team and by other users of the Company's consolidated financial statements.

The following table provides a reconciliation of net income (GAAP) to EBITDAX (non-GAAP) for the periods indicated:

| | Three Months Ended March 31, | |
|-------------------------------|---------------------------------|-----------|
| | 2016 | 2015 |
| | <i>(in thousands)</i> | |
| Net Income, a GAAP measure | \$ 10,806 | \$ 8,399 |
| Depreciation | 3,171 | 2,804 |
| Amortization of bond premiums | 83 | 61 |
| Share-based compensation | 948 | 438 |
| Interest income | (157) | (105) |
| Income tax expense | 6,211 | 5,046 |
| EBITDAX, a non-GAAP measure | \$ 21,062 | \$ 16,643 |