

Edgar Filing: AAON INC - Form 8-K

AAON INC  
Form 8-K  
July 21, 2004

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C.

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 20, 2004

AAON, INC.  
-----

(Exact name of registrant as specified in its charter)

|  |   |   |
|--|---|---|
| Nevada<br>-----<br>(State or other jurisdiction<br>of incorporation) | 0-18953<br>-----<br>(Commission<br>File Number) | 87-0448736<br>-----<br>(IRS Employer<br>Identification No.) |
|--|---|---|

2425 South Yukon, Tulsa, Oklahoma 74107  
-----

(Address of principal executive offices)

Registrant's telephone number, including area code: (918) 583-2266

Item 12. Results of Operations and Financial Condition.

On July 20, 2004, Registrant issued a press release on its results of operations and financial condition for the three and six month periods ended and at June 30, 2004. A copy of such press release is attached as Exhibit "A" hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AAON, INC.

Date: July 21, 2004

By: /s/ John B. Johnson, Jr.

Edgar Filing: AAON INC - Form 8-K

-----  
John B. Johnson, Jr., Secretary

(1)

EXHIBIT "A"

NEWS BULLETIN  
FOR IMMEDIATE RELEASE  
July 20, 2004

AAON, Inc.  
2425 South Yukon Ave. o Tulsa, OK 74107-2728  
o Ph: (918) 583-2266 o Fax: (918) 583-6094 o  
o <http://www.aaon.com> o

-----  
For Further Information:  
Jerry R. Levine o Phone: (914) 244-0292 o Fax: (914) 244-0295  
Email: [jerry.levine@worldnet.att.net](mailto:jerry.levine@worldnet.att.net)  
-----

AAON REPORTS SECOND QUARTER  
RECORD SALES AND LOWER EARNINGS

Tulsa, OK, July 20, 2004 - AAON, Inc. (NASDAQ-AAON) today announced operating results for the second quarter and six-month period ended June 30, 2004.

In the quarter, revenues reached a record level, \$43,019,000, up 15.6% from \$37,222,000 during the corresponding period in 2003, and net income decreased 53.2% to \$1,571,000 or \$0.12 per share compared to \$3,357,000 or \$0.25 per share for the same period a year ago.

Norman H. Asbjornson, President and CEO, pointed out that "the higher sales were attributable to a record backlog and a small (1%) contribution of revenues from AAON Canada, Inc., acquired on May 5, 2004, despite closings of the Company's Tulsa plant for four days during the period due to computer and electrical outages. The lower earnings resulted from the continued impact of higher steel and copper prices and startup costs associated with a new coil project, equipment failures at the Company's Longview, Texas plant, which prevented coil production needed by the Tulsa facility, and the above-referenced plant closings, all of which combined to reduce margins from 23.7% in the second quarter of 2003 to 14.8% in 2004; and AAON Canada, Inc., incurred a loss of approximately \$100,000."

Net sales for the first six months of 2004 were up 14.9%, \$80,513,000, compared to \$70,078,000 in 2003, whereas earnings were down 43.0% from \$6,852,000 or \$0.51 per share, compared to \$3,908,000 or \$0.30 per share. All per share earnings are on a diluted basis.

Mr. Asbjornson said that, "the outlook is for higher sales and improved earnings during the last half of 2004, compared to the first half year results."

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.

Edgar Filing: AAON INC - Form 8-K

(2)

AAON, Inc.  
Consolidated Statements of Operations

|  | Three Months Ended                    |                | June 30, 2003* |
|--|---------------------------------------|----------------|----------------|
|  | June 30, 2004*                        | June 30, 2003* |                |
|  | (In thousands, except share and per s |                |                |
| Net sales                                    | \$ 43,019                             | \$ 37,222      | \$ 8           |
| Cost of Sales                                | 36,664                                | 28,414         | 6              |
| Gross profit                                 | 6,355                                 | 8,808          | 1              |
| Selling, general and administrative expenses | 3,791                                 | 3,512          |                |
| Income from operations                       | 2,564                                 | 5,296          |                |
| Interest expense                             | 10                                    | 9              |                |
| Interest income                              | (83)                                  | (117)          |                |
| Other expense (income)                       | 27                                    | (38)           |                |
| Income before income taxes                   | 2,610                                 | 5,442          |                |
| Income tax provision                         | 1,039                                 | 2,085          |                |
| Net Income                                   | \$ 1,571                              | \$ 3,357       | \$             |
| Earnings Per Share:                          |                                       |                |                |
| Basic  | \$ 0.13                               | \$ 0.26        | \$             |
| Diluted                                      | \$ 0.12                               | \$ 0.25        | \$             |
| Weighted Average Shares Outstanding:         |                                       |                |                |
| Basic  | 12,457,309                            | 12,738,484     | 12,46          |
| Diluted                                      | 12,967,457                            | 13,239,864     | 12,98          |
| *Unaudited                                   |                                       |                |                |

(3)

AAON, Inc.  
Consolidated Balance Sheets

June 30, 2004\*

Edgar Filing: AAON INC - Form 8-K

(in thousands, except share and

ASSETS

CURRENT ASSETS

|                           |        |
|---------------------------|--------|
| Cash and cash equivalents | \$ 17  |
| Certificate of deposit    | 3,500  |
| Accounts receivable, net  | 24,623 |
| Inventories, net          | 21,917 |
| Prepaid expenses          | 762    |
| Deferred income tax       | 3,532  |
|                           | -----  |
| Total current assets      | 54,351 |
|                           | -----  |

PROPERTY, PLANT AND EQUIPMENT, at cost:

|                         |        |
|-------------------------|--------|
| Land                    | 1,254  |
| Buildings               | 22,022 |
| Machinery and equipment | 49,872 |
| Furniture and fixtures  | 4,046  |
|                         | -----  |

|                                     |        |
|-------------------------------------|--------|
| Total property, plant and equipment | 77,194 |
| Less: accumulated depreciation      | 34,373 |
|                                     | -----  |

|                                   |        |
|-----------------------------------|--------|
| Net property, plant and equipment | 42,821 |
|-----------------------------------|--------|

|          |       |
|----------|-------|
| Goodwill | 115   |
|          | ----- |

|              |           |
|--------------|-----------|
| Total assets | \$ 97,287 |
|              | =====     |

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

|                           |        |
|---------------------------|--------|
| Revolving credit facility | \$ -   |
| Accounts payable          | 9,798  |
| Accrued liabilities       | 13,113 |
|                           | -----  |

|                           |        |
|---------------------------|--------|
| Total current liabilities | 22,911 |
|                           | -----  |

DEFERRED TAX LIABILITY

5,391

STOCKHOLDERS' EQUITY

|  |    |
|--|----|
| Preferred Stock, \$.001 par, 5,000,000 shares authorized, no shares issued   | -  |
| Common Stock, \$.004 par, 50,000,000 shares authorized, and 12,441,432 and 12,519,733 issued and outstanding at June 30, 2004, and December 31, 2003, respectively | 50 |

|                            |   |
|----------------------------|---|
| Additional paid-in capital | - |
|----------------------------|---|

|                                      |     |
|--------------------------------------|-----|
| Accumulated other comprehensive loss | (6) |
|--------------------------------------|-----|

|                   |        |
|-------------------|--------|
| Retained earnings | 68,941 |
|                   | -----  |

|                            |        |
|----------------------------|--------|
| Total stockholders' equity | 68,985 |
|                            | -----  |

|  |           |
|--|-----------|
| Total Liabilities and Stockholders' Equity | \$ 97,287 |
|  | =====     |

\*Unaudited

# Edgar Filing: AAON INC - Form 8-K

## AAON, Inc. Consolidated Statements of Cash Flows

|   | Six Months Ended*<br>June 30, 2004 |
|---|------------------------------------|
|   | (in thousands)                     |
| <b>Operating Activities</b>   |                                    |
| Net income  | \$ 3,908                           |
| Adjustments to reconcile net income to net cash provided by operating activities: |                                    |
| Depreciation  | 3,088                              |
| Provision for losses on accounts receivable                                       | 282                                |
| Loss on disposition of assets   | 4                                  |
| Changes in assets and liabilities, net of effects of acquisition:                 |                                    |
| Accounts receivable   | (1,265)                            |
| Inventories   | (1,862)                            |
| Prepaid expenses  | 1,891                              |
| Accounts payable  | (1,755)                            |
| Accrued liabilities   | 711                                |
| Net cash provided by operating activities   | 5,002                              |
| <b>Investing Activities</b>   |                                    |
| Cash paid for acquisition   | (1,778)                            |
| Proceeds from sale of property, plant and equipment                               | 13                                 |
| Proceeds from matured certificate of deposit                                      | 6,500                              |
| Capital expenditures  | (8,199)                            |
| Net cash used in investing activities   | (3,464)                            |
| <b>Financing Activities</b>   |                                    |
| Borrowings under revolving credit facility  | 29,265                             |
| Payments under revolving credit facility  | (34,621)                           |
| Payments on long-term debt  | -                                  |
| Stock options exercised   | 632                                |
| Repurchase of stock   | (2,977)                            |
| Net cash used in financing activities   | (7,707)                            |
| Effect of exchange rate on cash   | (6)                                |
| Net decrease in cash and cash equivalents   | (6,169)                            |
| Cash and cash equivalents, beginning of year                                      | 6,186                              |
| Cash and cash equivalents, end of year  | \$ 17                              |

\*Unaudited