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AAON INC  
Form 8-K  
May 03, 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): April 19, 2004

AAON, INC.  
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(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  
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(Address of principal executive offices)

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

Item 12. Results of Operations and Financial Condition.

On April 19, 2004, Registrant issued a press release on its results of operation and financial condition for the three months ended and at March 31, 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: April 27, 2004

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

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John B. Johnson, Jr., Secretary

(1)

EXHIBIT "A"

NEWS BULLETIN  
FOR IMMEDIATE RELEASE  
April 19, 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>

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For Further Information:  
Jerry R. Levine o Phone: (914) 244-0292 o Fax: (914) 244-0295  
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AAON REPORTS HIGHER SALES  
AND LOWER EARNINGS

Tulsa, OK, April 19, 2004 - AAON, Inc. (NASDAQ-AAON) today announced its operating results for the three months ended March 31, 2004, of \$37.5 million in sales and \$2.3 million of net income, \$0.18 per share, compared to \$32.9 million in sales and \$3.5 million of net income, \$0.26 per share a year ago. Per share earnings are on a diluted basis.

Norman H. Asbjornson, President and CEO, stated that "The decrease in earnings was attributable primarily to an 11.5% decline in gross profit from \$8.7 million (or 26.5% of net sales) in 2003 compared to \$7.7 million (or 20.5% of net sales) in 2004 and a \$771,000 (24.1%) increase in SG&A (from \$3.2 million in 2003 to \$4.0 million in 2004)." He noted that "The drop in gross profit was principally due to the continuation of startup costs associated with a new coil project and sharp increases in steel and copper prices. These higher material costs are expected to further impact profitability for the remainder of the year. However, price increases which go into effect in April together with anticipated reduction of start-up costs of the new coil project, should more than offset these increased raw material costs by the third quarter. He said that, "The increase in SG&A was mainly the result of additional warranty expense on repairs of older units, which will continue at a reduced amount in the second quarter of 2004, and an increase in bad debt expense."

Mr. Asbjornson pointed out that, "Net sales for the first quarter of 2004 increased by \$4.6 million or 14.1% compared to the first quarter of 2003." He said that, "In spite of such sales increase, backlog has continued to rise to its current record level." He added that, "Based on our current backlog level and improving outlook for the U.S. economy, we believe sales should remain higher in 2004, compared to 2003."

This press release contains "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.

(1)

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AAON, Inc.  
Consolidated Statements of Operations

|  | Three Months Ended*             |
|--|---------------------------------|
|  | March 31, 2004                  |
|  | -----                           |
|  | (in thousands, except share and |
| Net sales                                    | \$ 37,494                       |
| Cost of Sales                                | 29,793                          |
|  | -----                           |
| Gross profit                                 | 7,701                           |
| Selling, general and administrative expenses | 3,967                           |
|  | -----                           |
| Income from operations                       | 3,734                           |
| Interest expense                             | 17                              |
| Interest income                              | (81)                            |
| Other income                                 | (2)                             |
|  | -----                           |
| Income before income taxes                   | 3,800                           |
| Income tax provision                         | 1,463                           |
|  | -----                           |
| Net Income                                   | \$ 2,337                        |
|  | =====                           |
| Earnings Per Share:                          |                                 |
| Basic  | \$ 0.19                         |
|  | =====                           |
| Diluted                                      | \$ 0.18                         |
|  | =====                           |
| Weighted Average Shares Outstanding:         |                                 |
| Basic  | 12,482,186                      |
|  | =====                           |
| Diluted                                      | 12,997,022                      |
|  | =====                           |
| *Unaudited                                   |                                 |

(2)

AAON, Inc.  
Consolidated Balance Sheets

|                           | March 31, 2004*             |
|---------------------------|-----------------------------|
|                           | -----                       |
|                           | (In thousands, except share |
| ASSETS                    |                             |
| CURRENT ASSETS            |                             |
| Cash and cash equivalents | \$ 201                      |

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|  |           |
|--|-----------|
| Certificate of deposit   | 10,000    |
| Accounts receivable, net   | 22,123    |
| Inventories, net   | 22,223    |
| Prepaid expenses   | 2,948     |
| Deferred income tax  | 3,532     |
|  | -----     |
| Total current assets   | 61,027    |
|  | -----     |
| PROPERTY, PLANT AND EQUIPMENT  |           |
| Land   | 874       |
| Buildings  | 19,837    |
| Machinery and equipment  | 44,704    |
| Furniture and fixtures   | 3,976     |
|  | -----     |
| Total property, plant & equipment  | 69,391    |
| Less: accumulated depreciation   | 32,834    |
|  | -----     |
| Net property, plant & equipment  | 36,557    |
|  | -----     |
| Total Assets   | \$ 97,584 |
|  | =====     |
| LIABILITIES AND STOCKHOLDERS' EQUITY   |           |
| CURRENT LIABILITIES  |           |
| Revolving credit facility  | \$ 882    |
| Accounts payable   | 10,987    |
| Accrued liabilities  | 12,244    |
|  | -----     |
| Total current liabilities  | 24,113    |
|  | -----     |
| DEFERRED TAX LIABILITY   | 5,391     |
|  | -----     |
| STOCKHOLDERS' EQUITY   |           |
| Preferred Stock, \$.001 par, 5,000,000 shares<br>authorized, no shares issued  | -         |
| Common Stock, \$.004 par, 50,000,000 shares<br>authorized, and 12,469,158 and 12,519,733<br>issued and outstanding at March 31, 2004,<br>and December 31, 2003, respectively | 50        |
| Additional paid-in capital   | -         |
| Retained earnings  | 68,030    |
|  | -----     |
| Total stockholders' equity   | 68,080    |
|  | -----     |
| Total Liabilities and Stockholders' Equity   | \$ 97,584 |
|  | =====     |
| *Unaudited   |           |

(3)

AAON, Inc.  
Consolidated Statements of Cash Flows

Three Months Ended  
March 31, 2004\*

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Operating Activities

|  |          |
|--|----------|
| Net income   | \$ 2,337 |
| Adjustments to reconcile net income to net cash provided<br>by operating activities: |          |
| Depreciation   | 1,552    |
| Provision for losses on accounts receivable  | 470      |
| Loss on disposition of assets  | 4        |
| Changes in assets and liabilities:   |          |
| Accounts receivable  | (40)     |
| Inventories  | (2,512)  |
| Prepaid expenses   | (295)    |
| Accounts payable   | (566)    |
| Accrued liabilities  | 241      |
|  | -----    |
| Net cash provided by operating activities  | 1,191    |
| <br>Investing Activities   |          |
| Proceeds from sale of property, plant and equipment                                  | 1        |
| Capital expenditures   | (664)    |
|  | -----    |
| Net cash used in investing activities  | (663)    |
| <br>Financing Activities   |          |
| Borrowings under revolving credit agreement  | 12,968   |
| Payments under revolving credit agreement  | (17,442) |
| Stock options exercised  | 224      |
| Repurchase of stock  | (2,263)  |
|  | -----    |
| Net cash used in financing activities  | (6,513)  |
|  | -----    |
| Net decrease in cash   | (5,985)  |
|  | -----    |
| Cash and cash equivalents, beginning of period                                       | 6,186    |
|  | -----    |
| Cash and cash equivalents, end of period   | \$ 201   |
|  | =====    |

\*Unaudited