

Edgar Filing: AAON INC - Form 8-K

AAON INC
Form 8-K
October 20, 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): October 19, 2004

AAON, INC.

(Exact name of registrant as specified in its charter)

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

2425 South Yukon, Tulsa, Oklahoma 74107

(Address of principal executive offices)

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

Item 2.02 Results of Operations and Financial Condition.

On October 19, 2004, Registrant issued a press release concerning its results of operations for the three and nine month periods ended and at September 30, 2004.

Item 9.01 Financial Statements and Exhibits.

A copy of Registrant's October 19, 2004, 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.

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AAON, INC.

Date: October 19, 2004

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

John B. Johnson, Jr., Secretary

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EXHIBIT "A"

NEWS BULLETIN
FOR IMMEDIATE RELEASE
October 19, 2004

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o Ph: (918) 583-2266 o Fax: (918) 583-6094 o
o <http://www.aaon.com> o

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AAON REPORTS THIRD QUARTER RECORD SALES AND LOWER EARNINGS

Tulsa, OK, October 19, 2004 - AAON, Inc. (NASDAQ-AAON)

In the quarter, revenues reached a record level, \$47,733,000, up 16.4% from \$41,003,000 during the corresponding period in 2003, and net income decreased 58.0% to \$1,527,000 or \$0.12 per share compared to \$3,635,000 or \$0.27 per share for the same period a year ago.

Norman H. Asbjornson, President and CEO, stated that, "due to further increases in material costs during the third quarter, recent product price increases did not yield the anticipated margin improvement and additional product price increases will be necessary. It is unclear what impact further product price increases will have on sales volume in the future."

Net sales for the first nine months of 2004 were up 15.5%, \$128,246,000, compared to \$111,081,000 in 2003, whereas earnings were down 48.2% from \$10,487,000 or \$0.79 per share, to \$5,435,000 or \$0.42 per share. All per share earnings are on a diluted basis.

Mr. Asbjornson said, "sales in the third quarter, together with the Company's current backlog, will produce record second half of 2004 and yearly sales; however, due to ongoing material cost increases, earnings in the second half of 2004 will only approximate earnings in the first half of the year."

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.

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AAON, Inc. Consolidated Statements of Operations

	Three Months Ended		
	Sept. 30, 2004*	Sept. 30, 2003*	Sept. 30, 2002*
	(in thousands, except share and per share amounts)		
Net sales	\$ 47,733	\$ 41,003	\$ 128,000
Cost of Sales	41,639	31,491	108,000
Gross profit	6,094	9,512	20,000
Selling, general and administrative expenses	3,405	3,861	11,000
Income from operations	2,689	5,651	8,000
Interest expense	8	6	
Interest income	(10)	(84)	
Other expense (income)	(13)	(45)	
Income before income taxes	2,704	5,774	9,000
Income tax provision	1,177	2,139	3,000
Net Income	\$ 1,527	\$ 3,635	\$ 5,000
Earnings Per Share:			
Basic	\$ 0.12	\$ 0.29	\$ 0.12
Diluted	\$ 0.12	\$ 0.27	\$ 0.12
Weighted Average Shares Outstanding:			
Basic	12,420,941	12,593,711	12,453,000
Diluted	12,898,497	13,292,444	12,954,000

*Unaudited

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AAON, Inc. Consolidated Balance Sheets

September 30, 2004*

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(in thousands, except share and

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	13	
Certificate of deposit		2,000	
Accounts receivable, net		31,292	
Inventories, net		21,657	
Prepaid expenses		440	
Deferred income tax		3,781	
Total current assets		59,183	

PROPERTY, PLANT AND EQUIPMENT:

Land		2,045	
Buildings		24,914	
Machinery and equipment		51,363	
Furniture and fixtures		3,880	
Total property, plant & equipment		82,202	
Less: accumulated depreciation		35,760	
Net property, plant & equipment		46,442	
Total assets	\$	105,625	

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Revolving credit facility	\$	3,203	
Accounts payable		11,020	
Accrued liabilities		16,872	
Total current liabilities		31,095	
DEFERRED TAX LIABILITY		4,685	

STOCKHOLDERS' EQUITY

Preferred Stock, \$.001 par, 5,000,000 shares authorized, no shares issued		-	
Common Stock, \$.004 par, 50,000,000 shares authorized, and 12,405,598 and 12,519,733 issued and outstanding at September 30, 2004, and December 31, 2003, respectively		50	
Additional paid-in capital		-	
Accumulated other comprehensive income		24	
Retained Earnings		69,771	
Total stockholders' equity		69,845	
Total liabilities and stockholders' equity	\$	105,625	

*Unaudited

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AAON, Inc. Consolidated Statements of Cash Flows

	Nine Months Ended Sept. 30, 2004*	
		(in thousands)
Operating Activities		
Net income	\$ 5,435	
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	4,474	
Provision for losses on accounts receivable	535	
Loss on disposition of assets	4	
Deferred income taxes	(955)	
Changes in assets and liabilities net of effects of acquisition:		
Accounts receivable	(8,187)	
Inventories	(1,487)	
Prepaid expenses	2,213	
Accounts payable	(533)	
Accrued liabilities	4,470	
Net cash provided by operating activities	5,969	
Investing Activities		
Cash paid for acquisition	(1,778)	
Proceeds from sale of property, plant and equipment	13	
Proceeds from matured certificate of deposit	10,000	
Investment in certificate of deposit	(2,000)	
Capital expenditures	(13,206)	
Net cash used in investing activities	(6,971)	
Financing Activities		
Borrowings under revolving credit agreement	42,759	
Payments under revolving credit agreement	(44,912)	
Stock options exercised	965	
Repurchase of stock	(4,007)	
Net cash used in financing activities	(5,195)	
Effect of exchange rate on cash	24	
Net decrease in cash and cash equivalents	(6,173)	
Cash and cash equivalents, beginning of year	6,186	
Cash and cash equivalents, end of year	\$ 13	

*Unaudited