

AAON INC
Form 10-Q
August 03, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q
 QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the quarterly period ended June 30, 2017
or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the transition period from _____ to _____

Commission file number: 0-18953

AAON, INC.
(Exact name of registrant as specified in its charter)
Nevada 87-0448736
(State or other jurisdiction (IRS Employer
of incorporation or organization) Identification No.)
2425 South Yukon, Tulsa, Oklahoma 74107
(Address of principal executive offices)
(Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No Not Applicable

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definition of "large accelerated filer", "accelerated filer", "small reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company
Emerging growth company

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If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes

No

As of July 28, 2017, registrant had outstanding a total of 52,603,622 shares of its \$.004 par value Common Stock.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

AAON, Inc. and Subsidiaries

Consolidated Balance Sheets

(Unaudited)

	June 30, 2017	December 31, 2016
	(in thousands, except share and per share data)	
Assets		
Current assets:		
Cash and cash equivalents	\$33,552	\$ 24,153
Certificates of deposit	5,520	5,512
Investments held to maturity at amortized cost	12,732	14,083
Accounts receivable, net	43,114	43,001
Income tax receivable	809	6,239
Note receivable	26	25
Inventories, net	63,075	47,352
Prepaid expenses and other	888	616
Total current assets	159,716	140,981
Property, plant and equipment:		
Land	2,233	2,233
Buildings	83,401	78,806
Machinery and equipment	168,375	158,216
Furniture and fixtures	13,458	12,783
Total property, plant and equipment	267,467	252,038
Less: Accumulated depreciation	142,839	137,146
Property, plant and equipment, net	124,628	114,892
Note receivable	667	657
Total assets	\$285,011	\$ 256,530
Liabilities and Stockholders' Equity		
Current liabilities:		
Revolving credit facility	\$—	\$ —
Accounts payable	14,108	7,102
Dividends payable	6,849	—
Accrued liabilities	34,293	31,940
Total current liabilities	55,250	39,042
Deferred revenue	1,542	1,498
Deferred tax liabilities	9,895	9,531
Donations	577	561
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, 52,615,921 and 52,651,448 issued and outstanding at June 30, 2017 and December 31, 2016, respectively	210	211
Additional paid-in capital	—	—
Retained earnings	217,537	205,687

Total stockholders' equity	217,747	205,898
Total liabilities and stockholders' equity	\$285,011	\$ 256,530

The accompanying notes are an integral part of these consolidated financial statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	(in thousands, except share and per share data)			
Net sales	\$101,326	\$102,319	\$187,404	\$187,741
Cost of sales	69,648	69,572	130,740	129,263
Gross profit	31,678	32,747	56,664	58,478
Selling, general and administrative expenses	11,971	10,561	22,501	19,474
Loss (gain) on disposal of assets	48	(12)	47	(20)
Income from operations	19,659	22,198	34,116	39,024
Interest income, net	71	67	131	141
Other income, net	34	10	45	127
Income before taxes	19,764	22,275	34,292	39,292
Income tax provision	5,970	7,550	10,281	13,016
Net income	\$13,794	\$14,725	\$24,011	\$26,276
Earnings per share:				
Basic	\$0.26	\$0.28	\$0.46	\$0.47
Diluted	\$0.26	\$0.27	\$0.45	\$0.47
Cash dividends declared per common share:	\$0.13	\$0.11	\$0.13	\$0.11
Weighted average shares outstanding:				
Basic	52,615,366	53,036,009	52,624,782	53,028,224
Diluted	53,151,134	53,574,702	53,176,425	