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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.

(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 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>

For Further Information:
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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 authorized, no shares issued	-
Common Stock, \$.004 par, 50,000,000 shares authorized, and 12,469,158 and 12,519,733 issued and outstanding at March 31, 2004, 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 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
Investing Activities	
Proceeds from sale of property, plant and equipment	1
Capital expenditures	(664)
Net cash used in investing activities	(663)
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