



Investor Day

June 10, 2025

Forward-looking statements and other references

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This presentation includes references to calculations that are not based on generally accepted accounting principles (“GAAP”). Reconciliations of each of those non-GAAP measures to the most directly comparable GAAP measures have been included in the Appendix. When forward-looking non-GAAP measures are provided, the Company does not provide quantitative reconciliations of forward-looking non-GAAP measures to the most directly comparable GAAP measures, because it cannot, without unreasonable effort, predict the timing and amounts of certain items taken into account in the computations of each of these measures.

Experienced executive team



Matt Tobolski

Chief Executive Officer



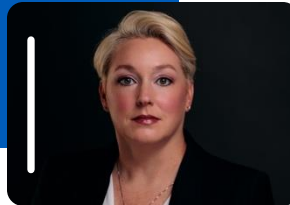
Stephen Wakefield

Executive Vice President & General
Manager, AAON Business Unit



Matt Shaub

Executive Vice President & General
Manager, BASX Business Unit



Rebecca Thompson

Chief Financial Officer and Treasurer



Today's agenda

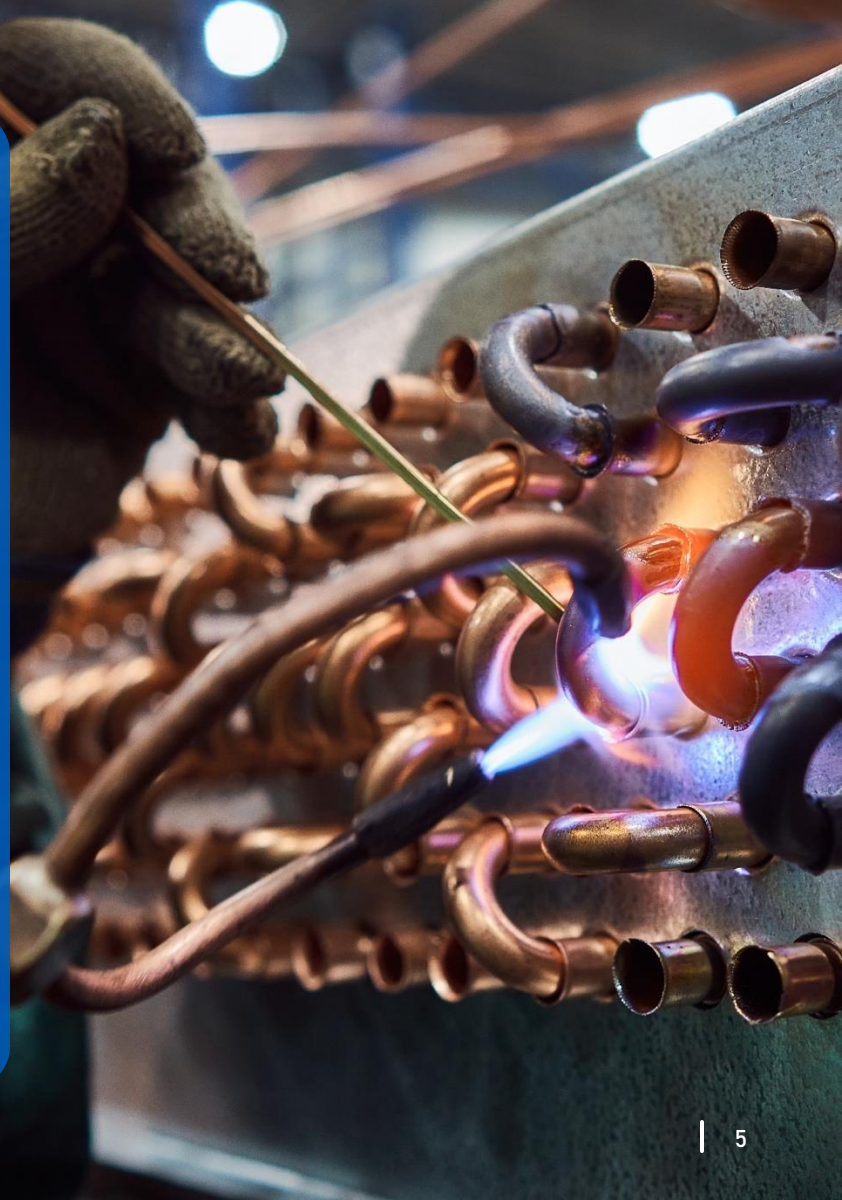


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|-----------|---------------------------------|---|
| ○ 9:00am | Welcome & Agenda | Joseph Mondillo
IR & Corporate Strategy Director |
| ○ 9:05am | Company Overview | Matt Tobolski
CEO |
| ○ 10:00am | AAON Overview | Stephen Wakefield
EVP of AAON |
| ● | BREAK | |
| ○ 10:45am | BASX Overview | Matt Shaub
EVP of BASX |
| ○ 11:15am | Financial Overview
& Outlook | Rebecca Thompson
CFO & Treasurer |
| ○ 11:35am | Closing Remarks | Matt Tobolski
CEO |
| ○ 11:40am | Q&A | Panel |



Matt Tobolski

Chief Executive Officer



Who we are...

We are not your
typical HVAC company

We are an entrepreneurial
disruptor with a focus
on providing value for
our customers

We are agile,
innovative & creative

We are best-in-class
operators to support it



...that's why we consistently outperform



AAON: an overview

At AAON, we don't just respond to the world's demand for better solutions—we lead the charge

We are dedicated to advancing the HVAC industry with efficient, cutting-edge technologies for commercial, industrial and data center buildings

Founded in 1988

4.0 million sq ft
of manufacturing

World's most capable
HVAC test lab

Winning with two differentiated brands:



End markets
education, retail, healthcare,
manufacturing, office, lodging

Products
rooftop units, air handlers,
condensing units

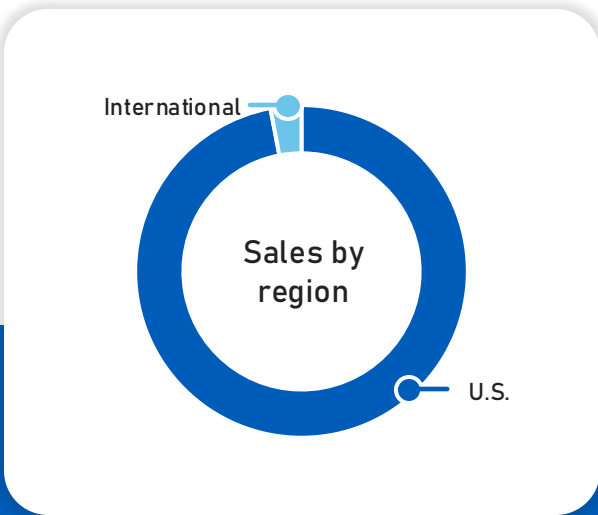
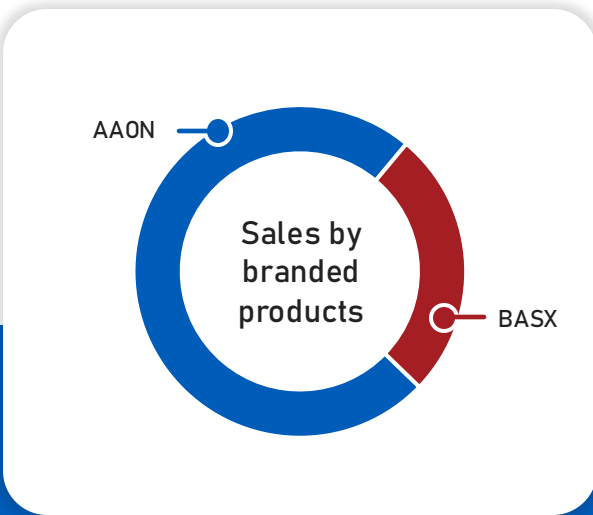
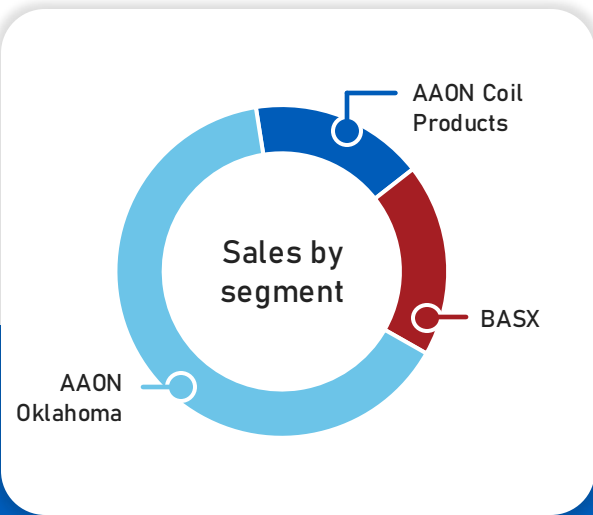


End markets
data centers, cleanroom
environments

Products
air handling, liquid cooling,
cleanroom environments



AAON: an overview



\$1.0B
Order backlog

31.0%
Gross margin

21.1%
EBITDA margin

21.6%
CapEx and R&D as
a percent of sales

\$1.90
EPS

16.7%
ROIC



Note: Data is based on trailing twelve months as of March 31, 2025. See Non-GAAP Financial Measures in Appendix.

Our strategic pillars

01

Winning with
superior
engineering,
innovation,
customization
and automation

02

Optimizing the
organization to
drive results and
empower
leaders to drive
value

03

Capitalize on the
value proposition
of our mission
critical solutions
in a dynamically
growing data center
market

04


Capitalize on
industry leading
innovation and
secular trends in
the commercial and
industrial markets

05


Be a **best in
class** operator and
make strategic
investments to
support profitable
growth

Winning with superior engineering, innovation, customization and automation

AAON delivers unmatched efficiency, customization and quality, driven by automation and engineering excellence

A man with glasses and a blue shirt is sitting at a desk with multiple computer monitors. One monitor displays a technical drawing or software interface. He is looking at the screens.

Superior engineering and quality = longer life and efficiency

A welder wearing a blue protective suit and a welding mask is working on a large metal structure. Sparks are visible from the welding process.

Industry leading customization for customer needs

A large industrial facility with a high ceiling. In the foreground, there is a long, dark metal structure, possibly a conveyor belt or a large machine component. In the background, there are various industrial machines and equipment.

Automation-driven manufacturing excellence

Reorganizing for sustainable growth

WHAT WE'RE DOING

Transitioning from a facility-based organizational structure to a brand-based structure

WHY

Enable us to manage the business more efficiently, particularly as facilities become more heterogeneous with product manufacturing

BENEFITS

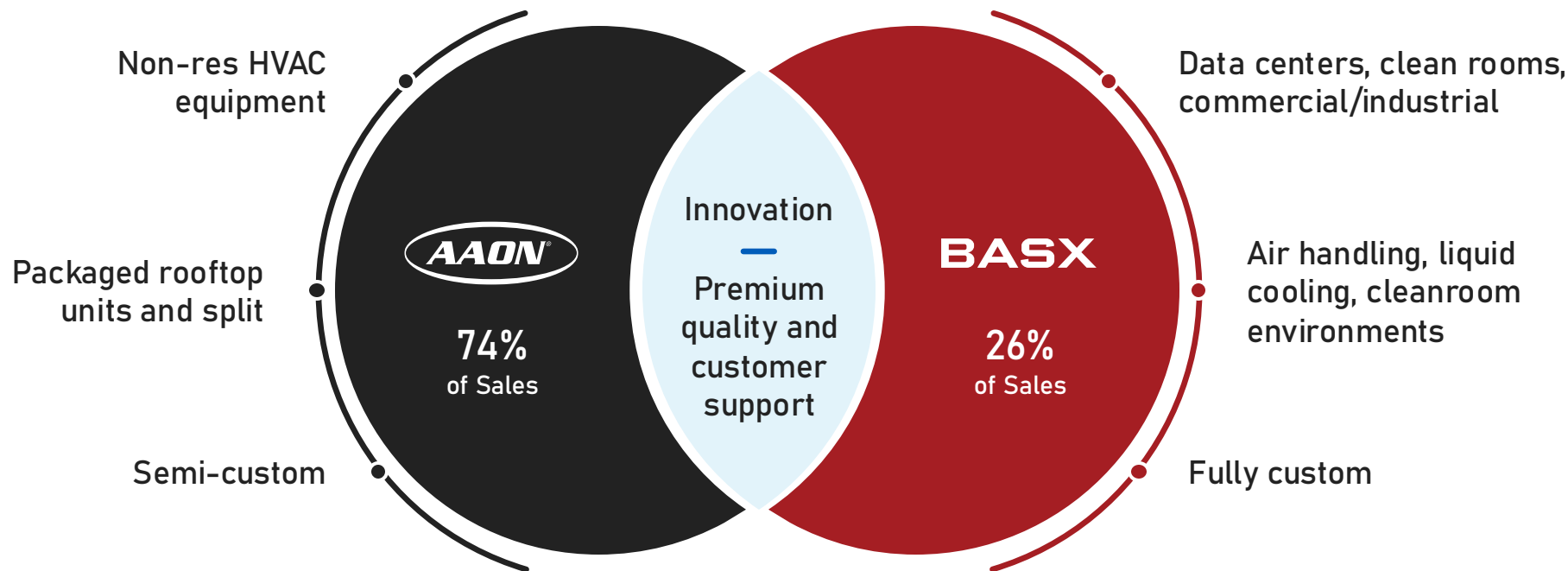
Heightened focus on driving value in products and customer execution

Better leveraging of manufacturing scale and best practices

Enable investors to better understand and analyze the financials

Propelling the organization with an entrepreneurial mindset

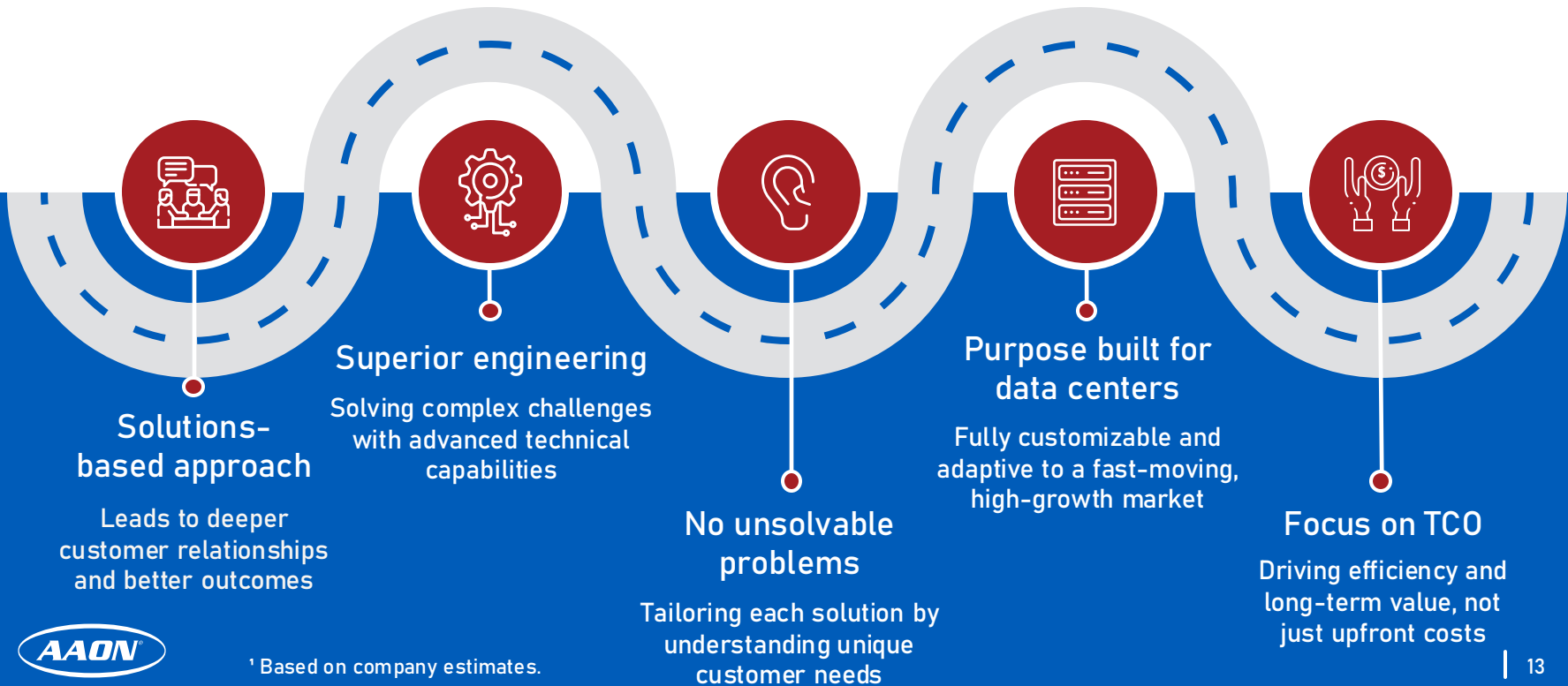
Future structure: Leveraging two strong brands



Note: Data is based on trailing twelve months as of March 31, 2025.

BASX wins with a full custom solutions offering

BASX has had a three-year CAGR of ~40% in a market¹ growing ~10%



BASX's focus and opportunity is data centers

Leveraging existing air-side DC cooling and newly introduced liquid cooling solutions

Air-side DC cooling

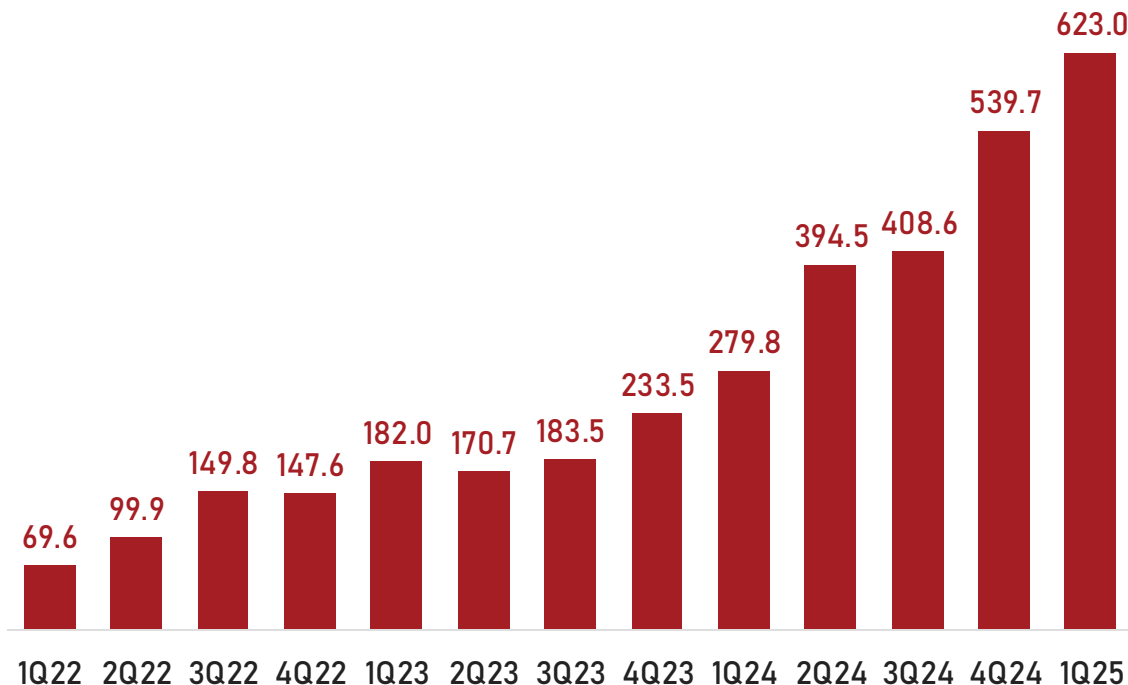
Highly engineered,
custom designed capabilities are
a proven success factor

Liquid DC cooling

BASX is leading the industry in
developing these innovative
solutions for AI DCs

Growth in cloud compute continues with even more
growth from AI data centers

Dynamic growth in the BASX backlog (\$M)



Expanding and diversifying solutions



BASX is creating a **new semi-custom, configurable product offering**, similar to AAON



This offering would be more custom than most standard offerings in the market, but **more cost effective** than a fully custom solution



BASX's future is bright



Growing TAM



Solutions-based, as opposed to product-based



Custom engineering and manufacturing



Leading innovation in both air-side and liquid cooling



Premium customer service



Strong backlog supported by expanding capacity

What does the AAON brand represent?



Multiple drivers of growth

- Most superior rooftop and split systems on the market
- Industry leading innovation
- Premium quality
- Advanced technology and performance



Leading value proposition for customers

- Lowest total cost of ownership
 - Not just upfront cost thinking
- Customer exploration center as proof of concept



AAON's differentiators

- Innovation and engineering
- Semi-custom engineering & manufacturing
- Built for application
- Performance and energy efficiency

Favorable secular market trends



Decarbonization/ electrification

Focus on energy efficiency and electrification has driven a replacement cycle



Regulation

Stricter regulation, such as lower GWP refrigerants, has been a driver of our growth



Economics

Customers' attractive total cost of ownership of our products have supported demand

Multiple drivers to our target of **MSD** growth

Capitalizing on innovative heat pumps and national account opportunities



- ✓ Recently, AAON established an internal national account sales team
- ✓ Targeting national accounts and their multi-year replacement programs from a centralized standpoint expands our SAM
- ✓ Leveraging heat pump capabilities gives AAON an edge
- ✓ Multi-hundred million dollar pipeline established

These strategies are mutually exclusive but complement each other to drive growth

The refrigerant transition was disruptive in 2024...

Unprecedented regulation by the EPA was disruptive in many ways

Transition to a new mildly flammable refrigerant (R-454B) forced an update to building codes, the first time in history this happened during a refrigerant change

Slow adoption of the new refrigerant equipment in late 2024 and supply chain issues in early 2025, caused a temporary slowdown in orders and production





...But it was temporary, and AAON's competitiveness has never been stronger

We were always **confident** this was going to be a temporary impact

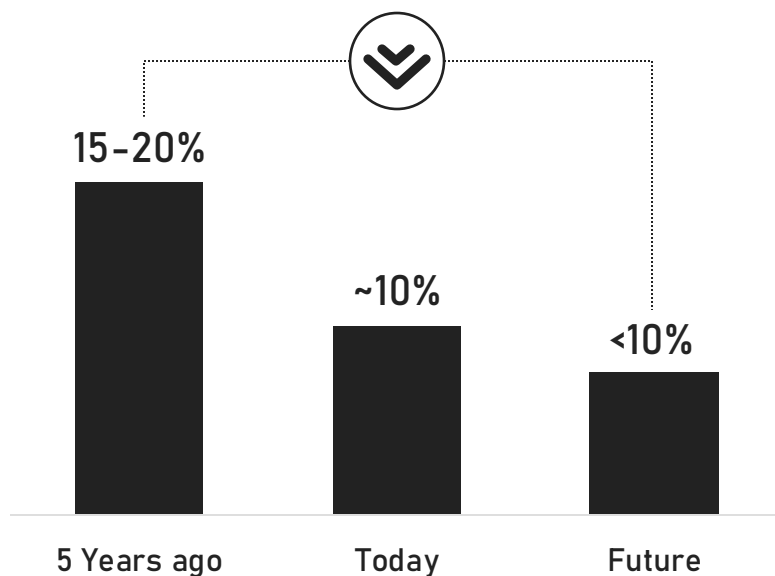
AAON's cost of manufacturing the new refrigerant equipment is **unchanged**, whereas most competition has indicated increases to costs

This has led to AAON being **more competitive with price and our value proposition**

Potential result: **accelerated share gains and margin expansion**

Our premium offering has never been more attractive

The price premium to peers¹ has narrowed




¹ Price premium reflects AAON's price relative to the closest alternative in the market.

Our unique product offering, unmatched by competitors, proves to be of **higher quality** relative to market alternatives, justifying a price premium

The value proposition has **never been more attractive**

Share gains **are accelerating** as the price premium **narrows**



Fundamentals of the AAON brand are the strongest ever



Leading innovation with
high barriers to entry



Competitive value proposition



Favorable secular trends
with a 'Made in America'
advantage



National account opportunity



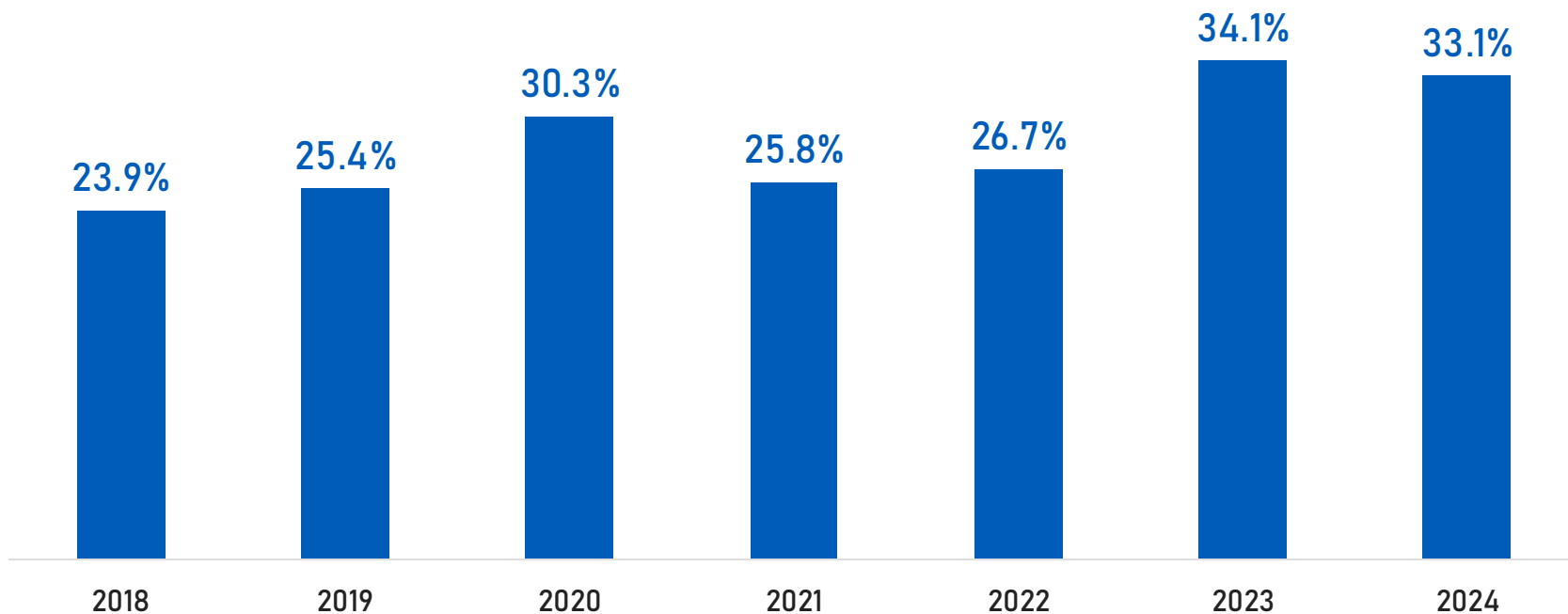
Cold climate heat pumps



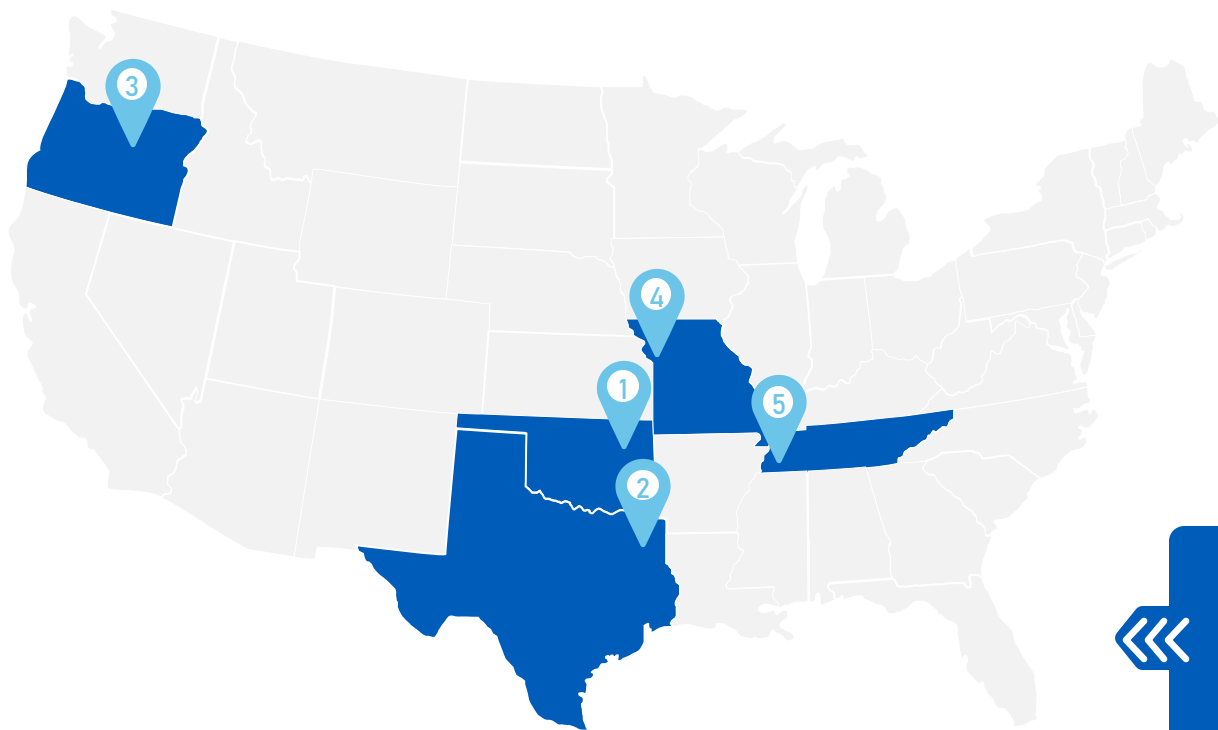
Operational excellence

Being a best-in-class operator

Delivering steady improvement in gross margin



Balancing and expanding our manufacturing footprint



1

Tulsa, OK
(2.0M sq ft)

2

Longview, TX
(791,500 sq ft)

3

Redmond, OR
(363,000 sq ft)

4

Kansas City, MO
(86,000 sq ft)

5

Memphis, TN
(787,000 sq ft)



All facilities are set up with similar manufacturing equipment and processes

Future state of production

AAON

BASX

Tulsa, OK



Longview, TX
(250,000 sq ft of expansion)



Redmond, OR



Kansas City, MO



Memphis, TN
(800,000 sq ft of expansion)



Building capacity for efficient growth

In our view, the data center HVAC supply chain will remain tight for years

Prioritizing aggressive growth in an efficient way

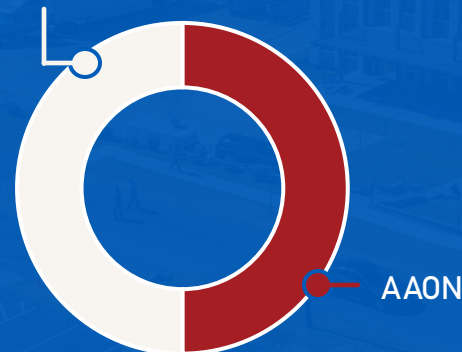
~1M sq ft total incremental manufacturing space

- Designing our first ideally arranged manufacturing facility in Memphis with 787,000 sq ft
- Opened 240,000 sq ft in Longview in January 2025



Added capacity:
2022-2024

Three largest
peers combined





Investment thesis

Leader in innovation

with high barriers to entry and competitive pricing

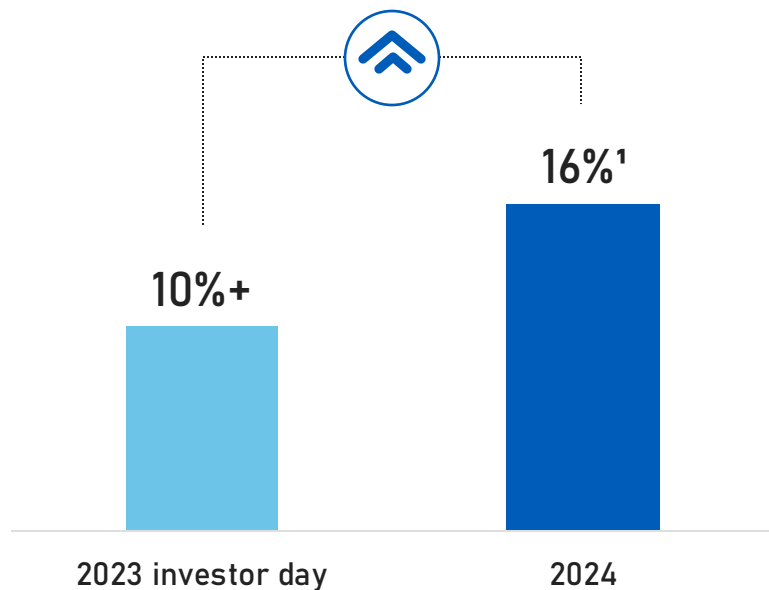
Customized solutions provider

Capitalizing on decarbonization and data center opportunities

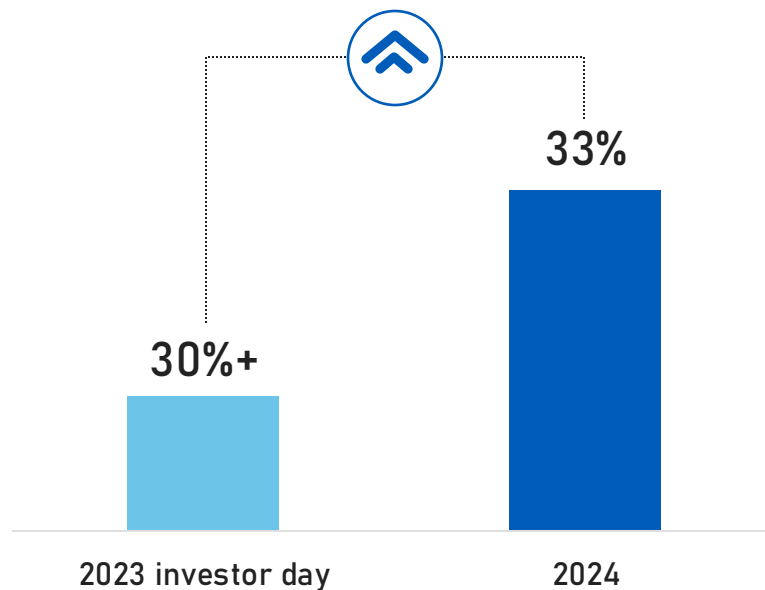
Robust growth, with strong margins and balance sheet

Delivering on our commitments

Sales CAGR



Gross margin



Affirming our 3-year targets

Organic sales
CAGR 12.5%-plus



mid-single
digits

BASX

~40%

Gross margin
32%-35%



Note: The three-year organic sales CAGR is assuming a base year of 2024.



Stephen Wakefield

Executive Vice President & General
Manager, AAON Business Unit

Key takeaways

Leading in **innovation** featuring products like **Alpha Class**

Solutions-based customization from a **best-in-class** operator

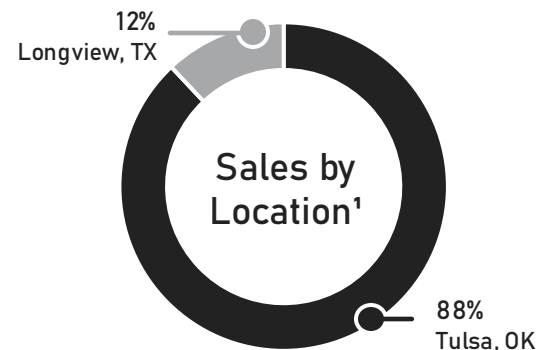
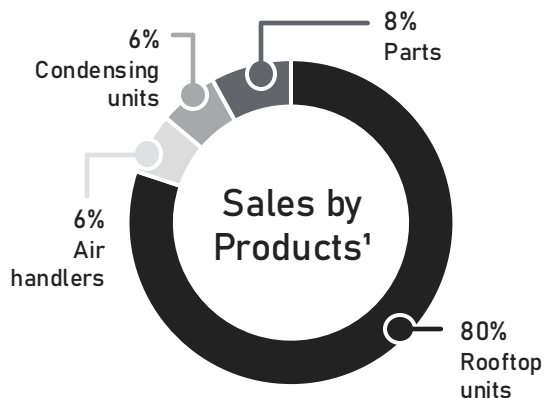
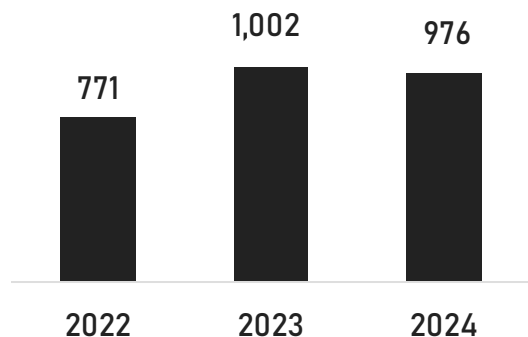
Narrowing price premium allows us to take **market share**

Strong sales channel with a push into **national accounts**



AAON brand overview

AAON brand sales (\$M)



History

Bridging the gap between basic, standard equipment and fully custom solutions for a compelling value



¹ Data is based on 2024.

Today

A semi-custom, highly configurable solutions provider for commercial and industrial markets

Products to meet a range of customer needs



Packaged
Rooftop
Unit
2-6 tons



Outdoor
Rooftop Air
Handling Unit
800-2400 cfm



Packaged
Rooftop
Unit
9-15 tons



Condensing
Units
2-60 tons



Packaged
Rooftop
Unit
16-30 tons



Vertical Indoor
Air Handling
Unit
450-10,000
cfm



Horizontal
Indoor Air
Handling
Unit 450-
10,000 cfm



Evaporative
Condenser
Unit
51-261 tons



Packaged
Rooftop
Unit
26-70 tons

What makes the AAON brand special?



Innovation and engineering

Leading in innovation and engineering is at AAON's core, and it enables us to fully support all our customers



Semi-custom engineering & manufacturing

A proprietary, hard-to-replicate process that seamlessly integrates deep customization within a highly automated production environment



Built for application

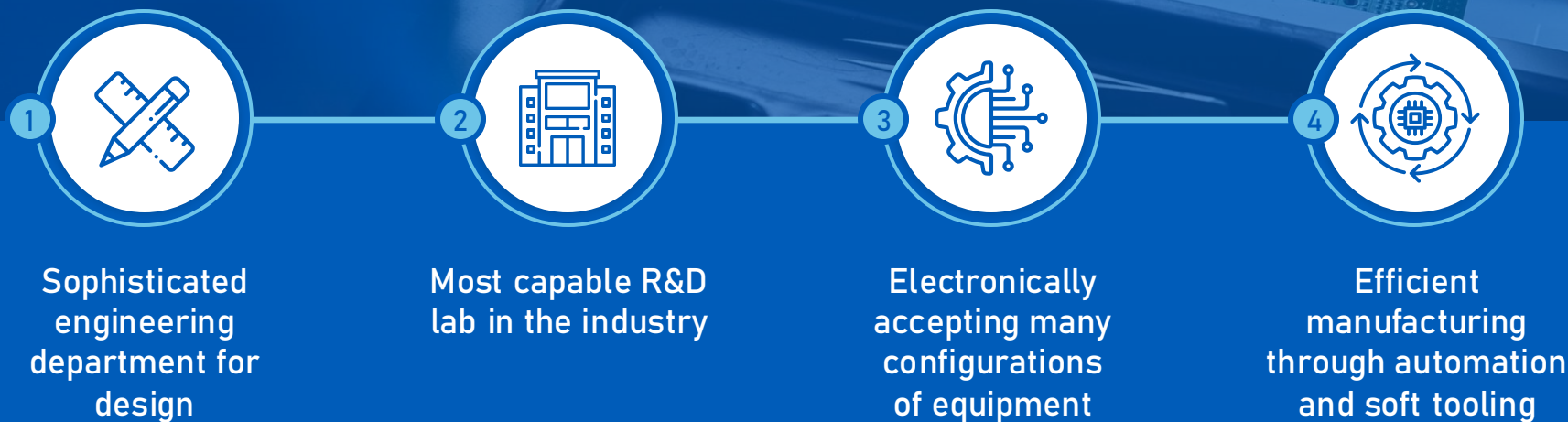
A highly configurable product line allows customers to fit-for-purpose, which maximizes performance and efficiency



Performance and energy efficiency

Innovations such as DOAS (dedicated outdoor air systems) and advanced heat pump capabilities have contributed to leading the industry in quality and performance

Our competitive advantage: The unique integrated process



High barriers to entry with a model that is difficult to copy and perfect

AAON equipment versus the alternative

Feature	Low-quality products	AAON's custom products
Production	Mass production, standardized process	Soft-tooled, highly automated processes
Price	Affordable, budget-friendly	Premium, reflects higher quality
Durability	Not as durable, shorter lifespan	Durable and long-lasting, with a lifespan up to 2x the competition
Customization	Limited or no customization options	Highly customizable, tailored to individual needs and preferences
Maintenance	Difficult, cumbersome	Designed for ease of maintenance

AAON products have **lower TCO** through higher **efficiency**,
longer **lifespan** and greater **reliability**





AAON is able to test units **much greater in size than AHRI¹ can**

AHRI can only test and certify units up to **63 tons** because they **do not have the testing capacity that we do**

The Norman Asbjornson Innovation Center

World's most capable HVAC laboratory



Statistics

134,000
sq ft

7.25
megawatts

Staffing

39
test technicians

30
engineers

Operates
7 days a week,
12 hours per day

Uses



new product
development



customer
witness testing



reliability
testing



certification
testing

¹ The Air Conditioning, Heating, and Refrigeration Institute

Proving and showcasing AAON's superiority



The Gary D. Fields Exploration Center is the only showroom in the world where customers can see all the major brands of rooftop equipment side-by-side, with our products next to the alternatives

It doesn't take an engineer to quickly understand the premium quality

This showroom along with new investments in marketing campaigns will lead to market share gains

Offering a solutions-based sales channel model



Building owners prefer this approach more than contracting with multiple sub-contractors



Sales reps use AAON equipment to **customize the ideal solution**

AAON sells through an independently owned sales channel, with one representative firm in every region of North America

Reps utilize a line card of 20-30 complimentary OEMs that help provide an overall solution to the end customer

This solutions-based sales channel is **superior to most factory products-based sales channels** that we compete against

Building strength in our go-to-market strategy

Focus on parts and service

AAON selling parts and supporting our sales channel in building a world class services operation is key to our solutions-based offering

Providing resources to the sales channel

Customer Exploration Center

Mobile experience

Training (new academy)

Support services

Investing in sales

Account management

National Account director

Leveraging the marketing function set up in 2022

Marketing budget up 10x since creation, strengthening market penetration by increasing brand recognition

AAON's go-to-market strategy is significantly more advanced than in the past, and key to contributing to the company's **market share gains and 12.5%-plus sales growth target**



Total addressable market and share gain opportunity¹

Nonresidential HVAC market
\$14.5B²



\$875M⁴

The addressable market of AAON's commercial HVAC products, including rooftop units, air handlers and condensing units, is ~16x the size of our rooftop sales

Positioned to take share as demand trends shift to meet energy efficiency and decarbonization requirements

6%
market share
and growing

mid-single
digits
3-year sales target

9%
rooftop market
share³

¹ All data on this slide is based on 2024.

² Sources: Grand View Research, Next Move Strategy Consulting, SNS Insider Report

³ In 2024, the size of the rooftop unit market was \$8.5B, compared to AAON's rooftop unit sales of \$768M.

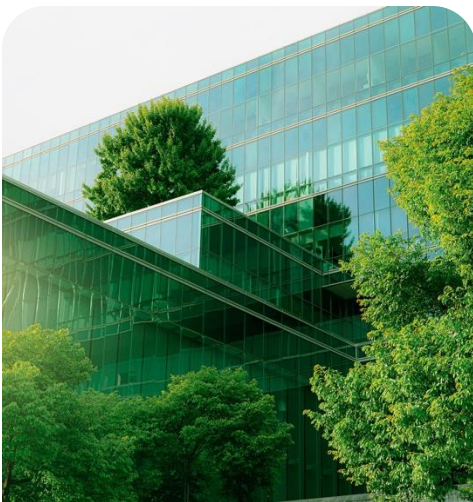
⁴ Sales only include equipment sales, and exclude parts, freight and other items.



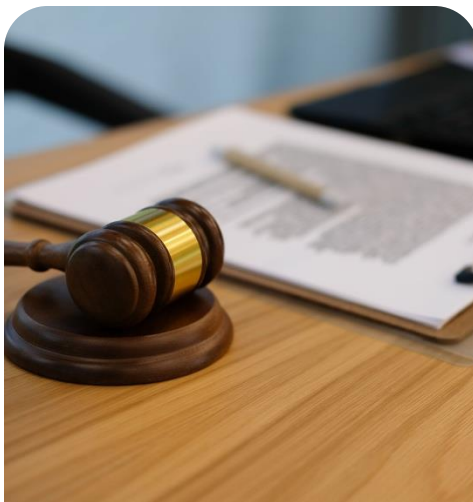
Favorable secular trends



Decarbonization



Energy efficiency



Government regulations



Total cost of ownership focus

Our customized, **highly automated platform** allows us to adapt to these secular trends much more efficiently

These secular trends are **driving up the cost of manufacturing** across the industry much more than what we are experiencing

Continuously becoming more competitive

As the price premium narrows, we expand margins and increase our market share



No competitor can truly match AAON's premium product offering, justifying the price premium. Price premium reflects AAON's price relative to the closest alternative in the market.



Operationally, we've never been stronger

Productivity gains and scaling the operations efficiently

AAON Oklahoma gross margin transformed

30.5%
2020



Continuously finding
ways to increase
productivity and
throughput



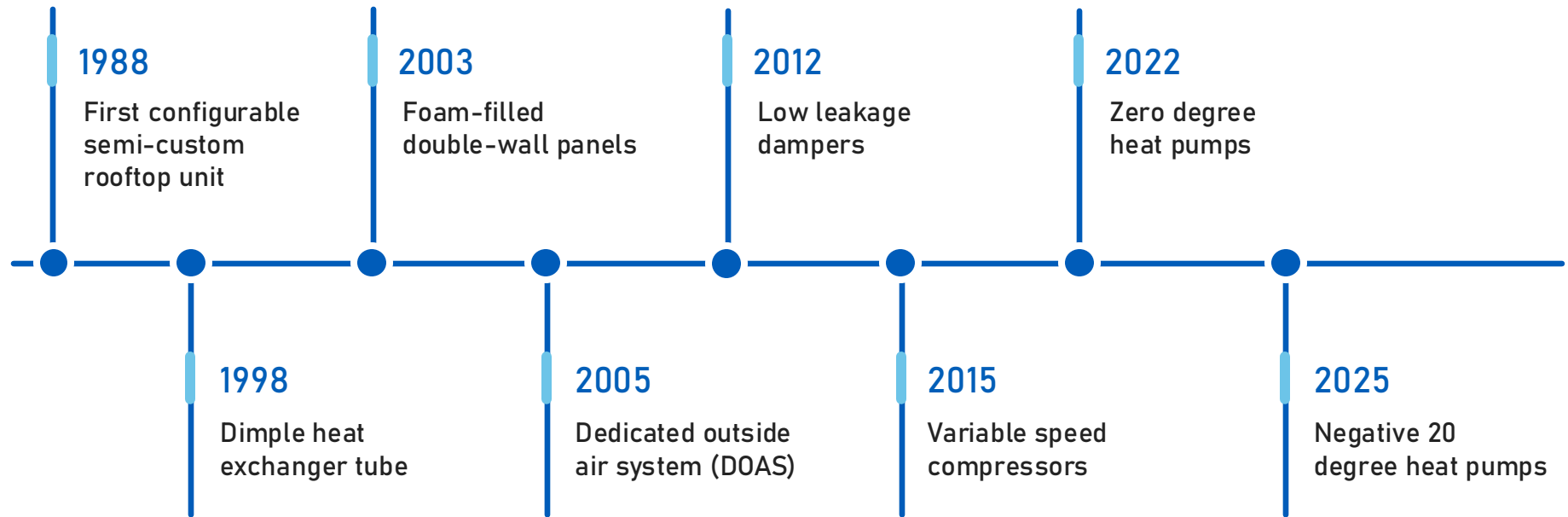
35.2%
2024

At the Tulsa facility, we could increase production
volumes by ~40% with minimal additional fixed costs



A history of innovation

Innovation of premier solutions is the foundational principle of the company



Continuing to innovate with Alpha Class and heat pumps



Alpha Class

is a product category of the AAON brand that includes commercial HVAC equipment fueled by a fully electric heat pumps

There is a large pipeline of customers interested in decarbonizing and electrifying their HVAC systems

2023

AAON's Alpha Class were the only heat pumps operable below 30°F, and were operable all the way down to 0°F

2024

AAON's total rooftop sales were down 5%
The Alpha Class category was up 39%

2025

Introducing Alpha Class with operability down to -20°F, meeting the Department of Energy's challenge two years ahead of requirement

~15%
of rooftop
sales¹

10%
of total
company
sales¹



¹ All data is based on 2024.

National account opportunity



A substantial percentage of this pipeline is focused on multi-year programs

Landing just one or two national accounts per year could be meaningful and incremental to traditional growth

Many are interested in electrifying their HVAC systems, with Alpha Class giving us an advantage



Impacts from the recent refrigerant regulation

Planning production and management inventory was **incredibly challenging**

On a positive note, our semi-custom platform was **able to handle the transition** better than most of the competition

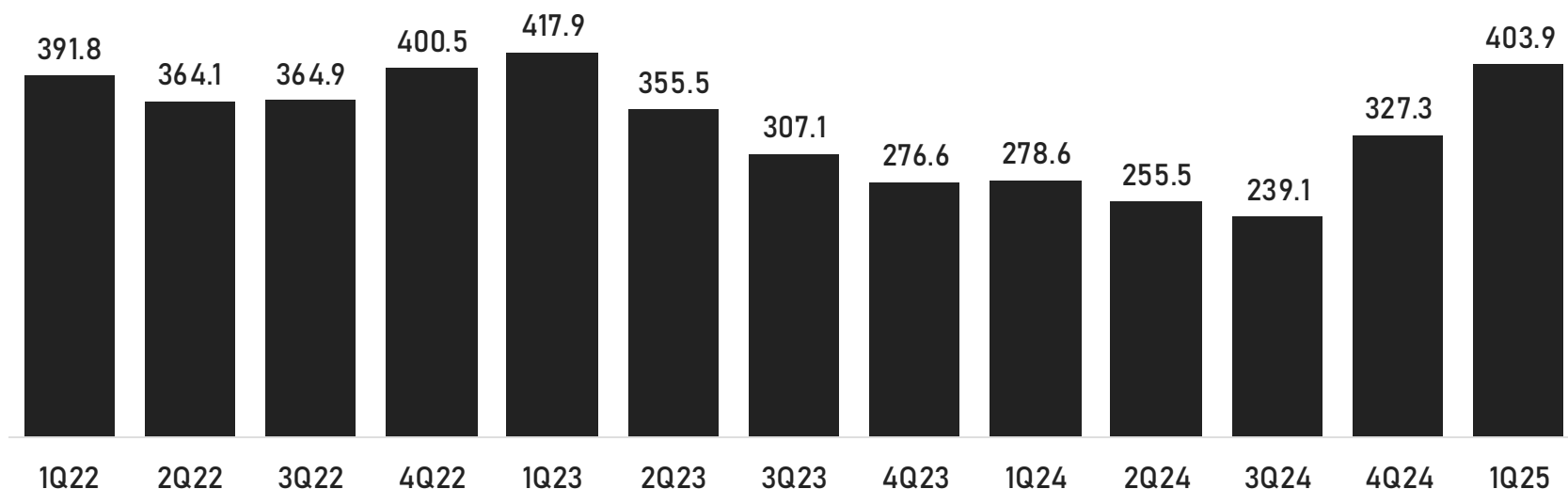
The weak Q4 and Q1 we experienced was **temporary**

Our YTD book of orders implies that we are already **back to taking market share**



Our bookings are recovering from the refrigerant transition

AAON backlog (\$M)



Key takeaways

Leading in **innovation** featuring products like **Alpha Class**

Solutions-based customization from a **best-in-class** operator

Narrowing price premium allows us to take **market share**

Strong sales channel with a push into **national accounts**

...leading us to a
MSD
sales growth
target for
AAON brand



Break



Matt Shaub

Executive Vice President & General
Manager, BASX Business Unit

A close-up photograph of a person's shoulder and upper arm wearing a dark blue polo shirt. The shirt features the "BASX" logo embroidered in white thread, with a red "X" at the end. The background is blurred, showing bokeh light effects from an indoor setting.

BASX

Key takeaways

Fully custom solutions – providing innovative solutions, not just products

Premier customer service – setting the industry standard for customer experience

Aggressively capturing market share – leveraging our unique offering to take share from a large, growing market

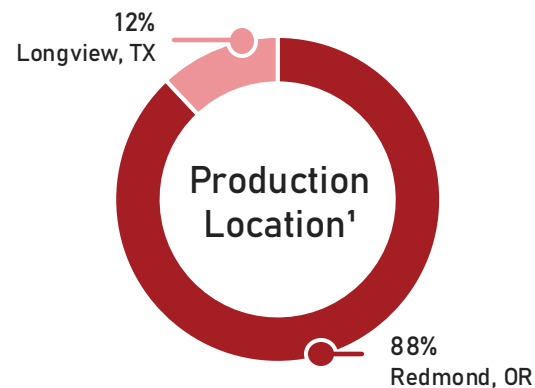
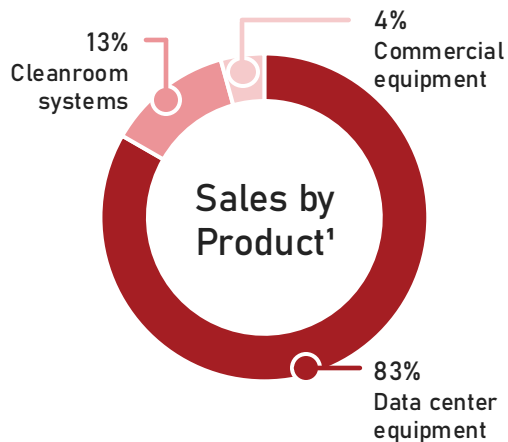
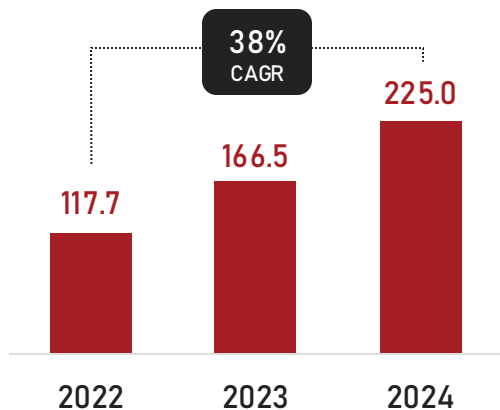
Robust growth – generating extraordinary growth with data center solutions

Expanding capacity – accelerated capacity expansion with strategic oversight



BASX brand overview

BASX brand sales (\$M)



History

Founded in 2014 and acquired by AAON in 2021, largely focused on the data center market, but a history of strength with cleanroom systems and custom air handlers for commercial markets



¹ Data is based on 2024.

\$623.0M

Backlog at 1Q25
(up 123% year over year)

BASX strategic plan

Platform

Leveraging the BASX platform to drive high win rates in data center projects

Capacity

Focus on expanding production capacity and operational efficiencies to increase throughput and maximize profit margins

Solutions

Developing solutions and product offerings amongst diversified end-markets

...all contributing to our sales CAGR target of ~40% growth

What makes BASX special?



Provides solutions not just products

BASX is the only player in the industry that specializes in providing solutions, as opposed to standard products



Full customization

BASX offers a fully customized solution that maximizes operating performance and efficiency, and ease of maintenance



High quality manufacturing

The manufacturing is of the highest quality in the industry, ensuring minimal maintenance and downtime, and extended longevity



Premier customer care

A foundational principle at BASX is providing the customer the best customer experience



Superior customer support

BASX focuses greatly on the aftermarket, ensuring its customers are well handled throughout the life of the equipment

Providing the best customer experience



Elite engineering and innovation drives BASX



Focused teams for both customer solutions and product development

Dedicated R&D space for concept development, validation and customer witness testing

Decades of experienced industry leadership

Entrepreneurial and fast-paced development culture, blended with appropriate process discipline

Unique engagement with component vendors' product development programs



Adding value through customized solutions

WHAT IS IT

Innovative design to
customer specifications

Fully customized design
& production

First of kind build with
validation testing

Parts and after
market service

ASPECTS

High efficiency / Total cost
of ownership conscious

Innovative designs

Flexible future proof design /
Density change flexibility

Low environmental impact

Reliable operations

Out of the box thinking
and engineering



BENEFITS

To customers

Unique to customer
requirements

Total cost of
ownership advantage

Energy efficiency
supporting uptime and
lower costs

To the facility

Improves overall
facility performance

Maximizes energy
efficiency

Improves air quality

Maximizes comfort
for occupants

Ease of maintenance

High quality manufacturing



Superior fan and air handler designs



Highly vertically integrated



Automated manufacturing



State of the art production facilities



Durable, long-lasting equipment



Customer care and support



Customer case study

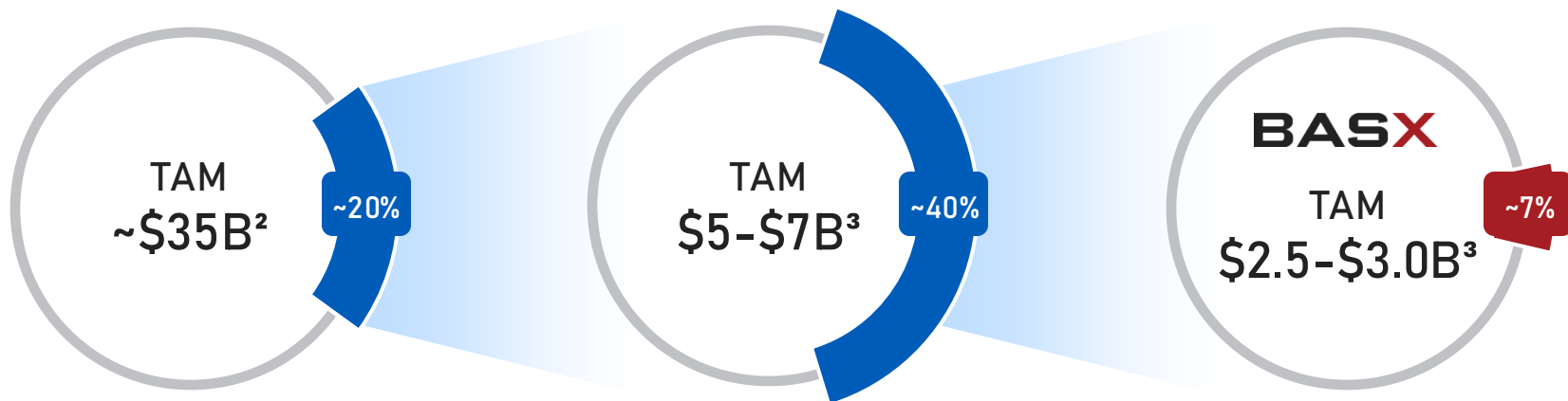


Data centers are a huge and growing market

Total North America data center construction put in place in 2024¹

Total cooling equipment & infrastructure

BASX-specific thermal management equipment



¹ The total cost of constructing data centers in 2024

² Source: U.S. Census Bureau

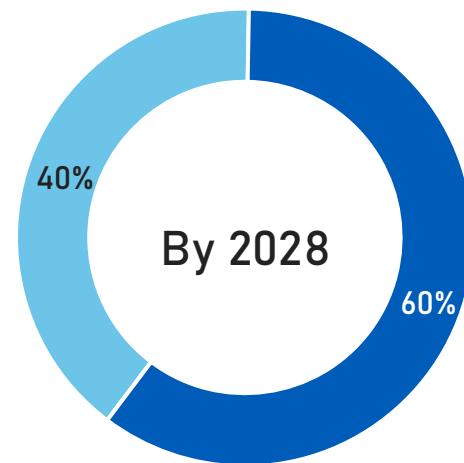
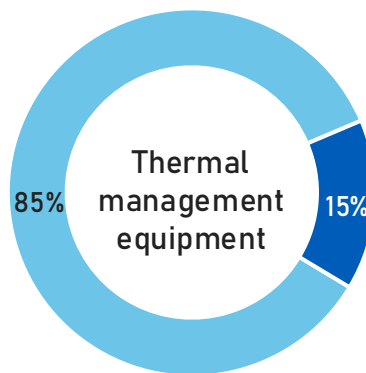
³ Source: Company estimates. Our 2024 estimated TAM is related to the products BASX provides to data centers.

Data center TAM is shifting to liquid cooling

BASX-specific thermal management equipment



■ Liquid cooling ■ Air-cooled



To date, a vast majority of **TAM** is cloud compute data centers cooled by **air-side equipment**

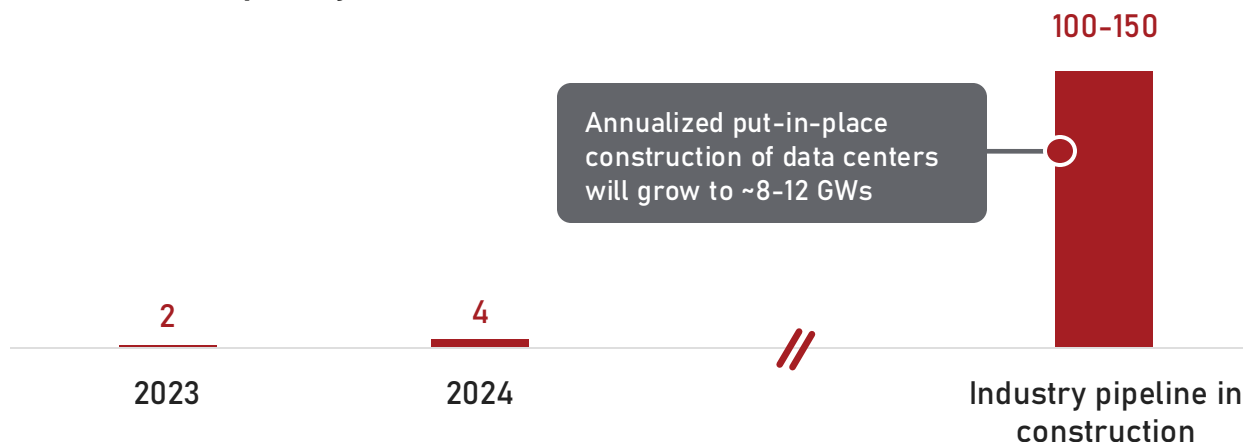
By 2028 we anticipate the split to be **60% liquid** and **40% air-cooled**

Data center pipeline underpins growth

In 2023, compute power of data centers put-in-place in the industry was ~2GW

In 2024, it was ~4GW and currently, there is a pipeline of projects in development totaling 100-150 GWs

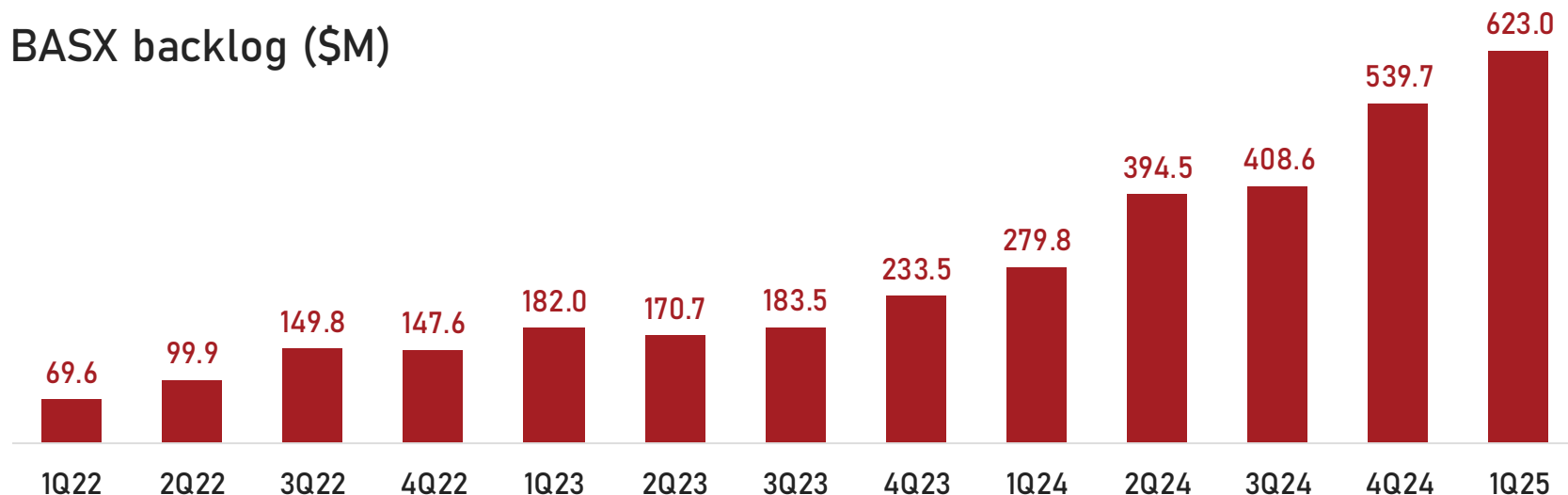
Installed capacity (GW)



Data center pipeline from a macro perspective is large and growing

Long-term value creation of data center opportunity

BASX backlog (\$M)



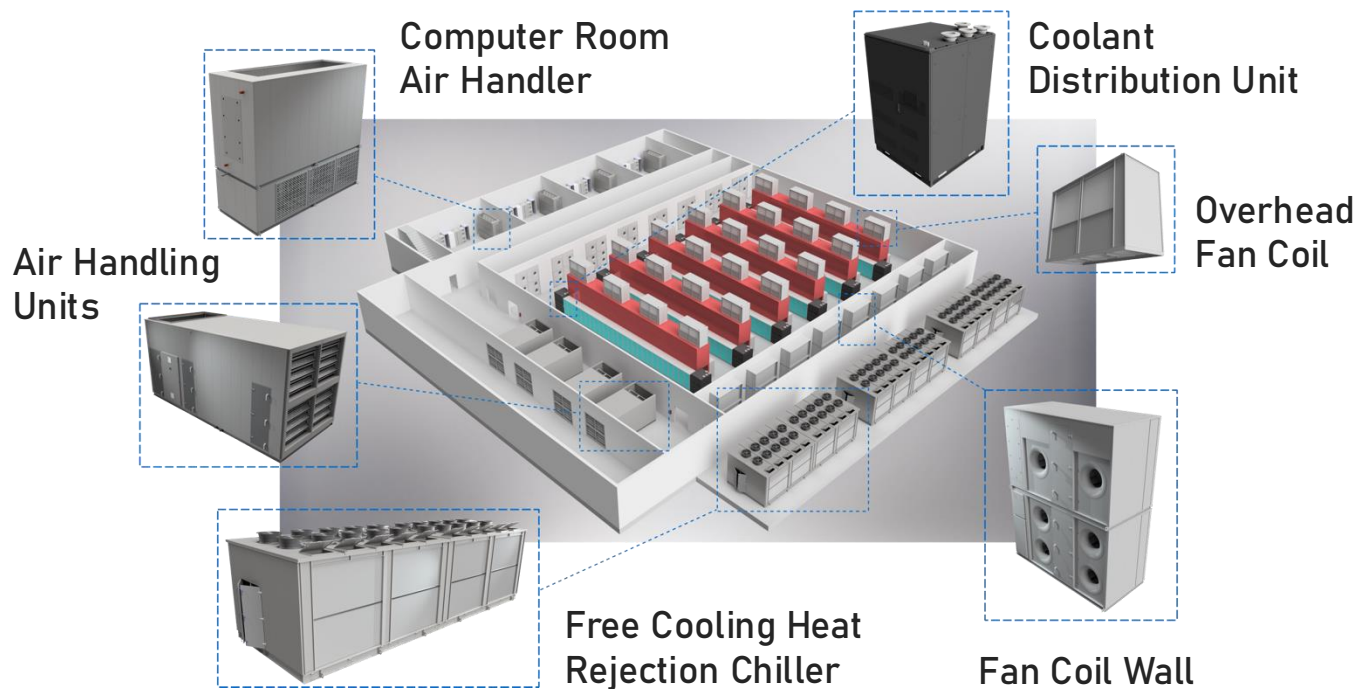
Significant visibility into our customers' projects, extending out multiple years

Pipeline is large and growing, aligning to what we're seeing from a macro perspective

Demand outweighs HVAC market supply



BASX product offerings provide end-to-end solution for data centers



BASX
opportunity is
~\$1.0B - \$1.5B
per GW¹



¹ Note: Opportunity is based on full utilization of manufacturing square footage described on slide 74

Leading in
innovation
with both
air-side cooling...



Air-side data center cooling

Highly engineered, custom designed capabilities a proven success factor

Nearly all of BASX's growth (3-year trailing sales CAGR of 40%, including 35% in 2024) has been driven by providing custom air-side cooling solutions for cloud compute DCs

Cloud compute market growth plus BASX share gains drives robust growth

BASX air-side cooling sales (~\$166M in 2024) expected to grow >20% for the next three years

Air-side cooling is also required in AI DCs, needing 1x-2x the amount of air-side cooling equipment in a cloud compute DC

...And liquid cooling data center solutions



Liquid data center cooling

Being on the cutting edge of liquid cooling is extremely advantageous in a rapidly evolving market

BASX is a leading provider as shown by recent order wins

Liquid cooling is incremental growth to air-side cooling, as it is utilized in AI data centers

Since last October, BASX has secured orders exceeding \$400M for a liquid cooling solutions

The technology in AI data centers is changing so rapidly, providing custom designs and manufacturing for our customers is a significant advantage

Shift to AI inference models will sustain growth

Consistent growth despite concerns around Deepseek

Low-cost models is a good thing, not a bad thing

Transitioning from constructing training models to inference models will result in **more data center construction**

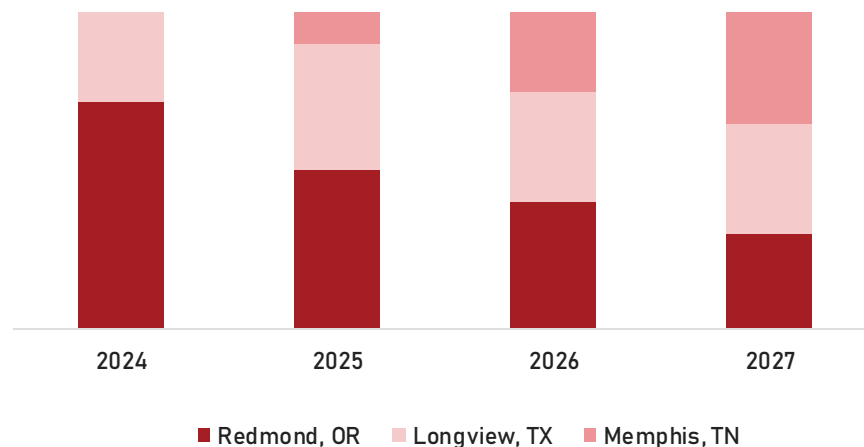
BASX content in inference data centers is modestly smaller than training, but the **volume of inference data centers** will be greater



BASX production expanding across AAON locations



BASX production allocation by site (%)



BASX's production capacity will double by 2027, facilitating robust annual production growth

Longview and Memphis will be transformational as they ramp up in coming 2-3 years, giving BASX cutting-edge production at the scale it needs

Status of BASX production at each location

Facility	Dedicated BASX sq ft	Max production capacity	2024 sales	% to full capacity	Current status
Redmond, OR	240,000	~\$250M	\$198.1M	100%	Increasing throughput; maximizing productivity
Longview, TX	250,000	~\$500M	\$26.9M	70%	Ramping up production in 2-3 years
Memphis, TN	490,000	~\$750M	\$0	5%	Ramping up production in 3-5 years

Margins to improve as utilization increases

Current state

Right-sizing capacity at Redmond facility and ramping up production at the Longview and Memphis facilities

The ramp to full utilization impacts margins in the near term

By end of 2025

Volumes and productivity in Redmond and Longview will be meeting target margins

Memphis will be ramping up production and will be profitable; margins will improve as the facility gets to full utilization

By end of 2026

Cumulative volumes and productivity across all facilities will be much higher and will be meeting target gross margins of >30%

Memphis doubles BASX's production capacity



Facility with 787,000 sq ft, of which 490,000 sq ft is dedicated to BASX DC equipment

Production to start in Q4 2025, ramp up in 2026

Flexibility with 297,000 sq ft of undedicated space:
More data center equipment
New solutions/products

Client segmentation

Hyperscale

Dominated by tech giants

Massive power requirements
(200+ MW facilities)

Custom-built infrastructure
at massive scale

Emphasis on PUE
(Power Utilization Effectiveness)

Drive industry innovation
in cooling technology

Colocation

Multi-tenant facilities

Diverse customer
requirements

Various scale operations
(regional to global)

Versatility and flexibility
in infrastructure



Enterprise

Owned and operated by a single facility for its own use



Colocation

Owned and developed by a third party and leased to multiple businesses



Hyperscale

Owned and operated by the companies they support on a large scale

Reducing our reliance on large customers over time

Large hyperscalers

Non-hyperscale customers



A few large hyperscale customers dominate the backlog



Hyperscalers will make up a smaller percentage as we reach new customers

Opportunities exist in diversified end markets

BASX has experience in other markets beyond data center equipment

Growth opportunities:



Custom air handlers is core to our DNA and could be expanded into the commercial market



R&D working on new products for multiple end markets



Data centers

83% of 2024 sales



Cleanroom equipment

13% of 2024 sales

Semiconductor | medical
pharmaceutical | industrial markets

Has been less of a focus given DC growth



Commercial equipment

4% of 2024 sales



“Productizing” for scale and diversification

Actively **reducing cost and standardizing select DC product offerings** for the masses

Pursuing a **new semi-custom AHU** that bridges the gap between the standard market and BASX's fully custom offering

Like AAON, the focus is on **configurability and options**, with tools and collateral allowing independent reps to self-perform design, selection, and pricing

Utilizing parametric/3D design and automated manufacturing to **increase scale, allowing for lower priced products that generate compelling margins**



**Air-side
cooling**



**Liquid
cooling**

Key takeaways

Fully custom solutions – providing innovative solutions, not just products

Premier customer service – setting the industry standard for customer experience

Aggressively capturing market share – leveraging our unique offering to take share from a large, growing market

Robust growth – generating extraordinary growth with data center solutions

Expanding capacity – accelerated capacity expansion with strategic oversight

...leading us to a

~40%

sales CAGR
target for BASX



Rebecca Thompson

Chief Financial Officer &
Treasurer

Key takeaways

Three-year organic sales CAGR of 12.5%-plus

Driving gross margins to 32%-35%

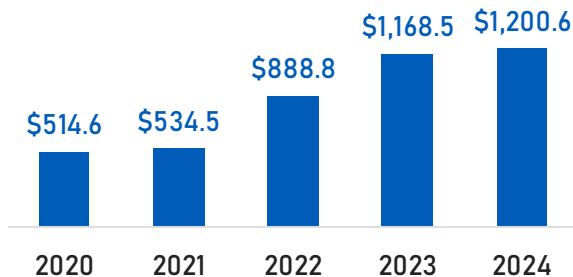
Operating leverage through disciplined SG&A

Managing a balanced capital allocation
after increased CapEx spend in 2024-25

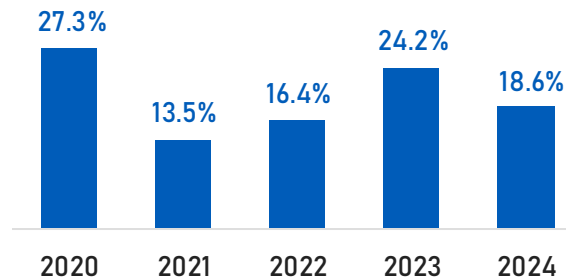


Financial highlights¹

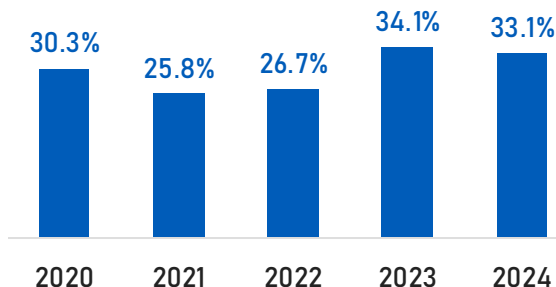
Net sales
(\$M)



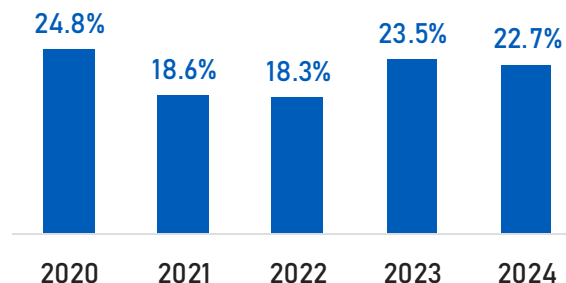
ROIC
(Non-GAAP)



Gross
margin



EBITDA
margin
(Non-GAAP)



Consistently **delivering results** throughout the cycle



¹ See Non-GAAP Financial Measures in Appendix.

2025 outlook



Sales

Sales growth in the mid-to high-teens



Expenses

Gross margin at similar levels we realized in 2024

SG&A as a percent of sales to decline 25 to 50 basis points



CapEx

Approximately \$220.0 million



Affirming our 3-year targets

Organic sales
CAGR
12.5%-plus



mid-single
digits

BASX

~40%

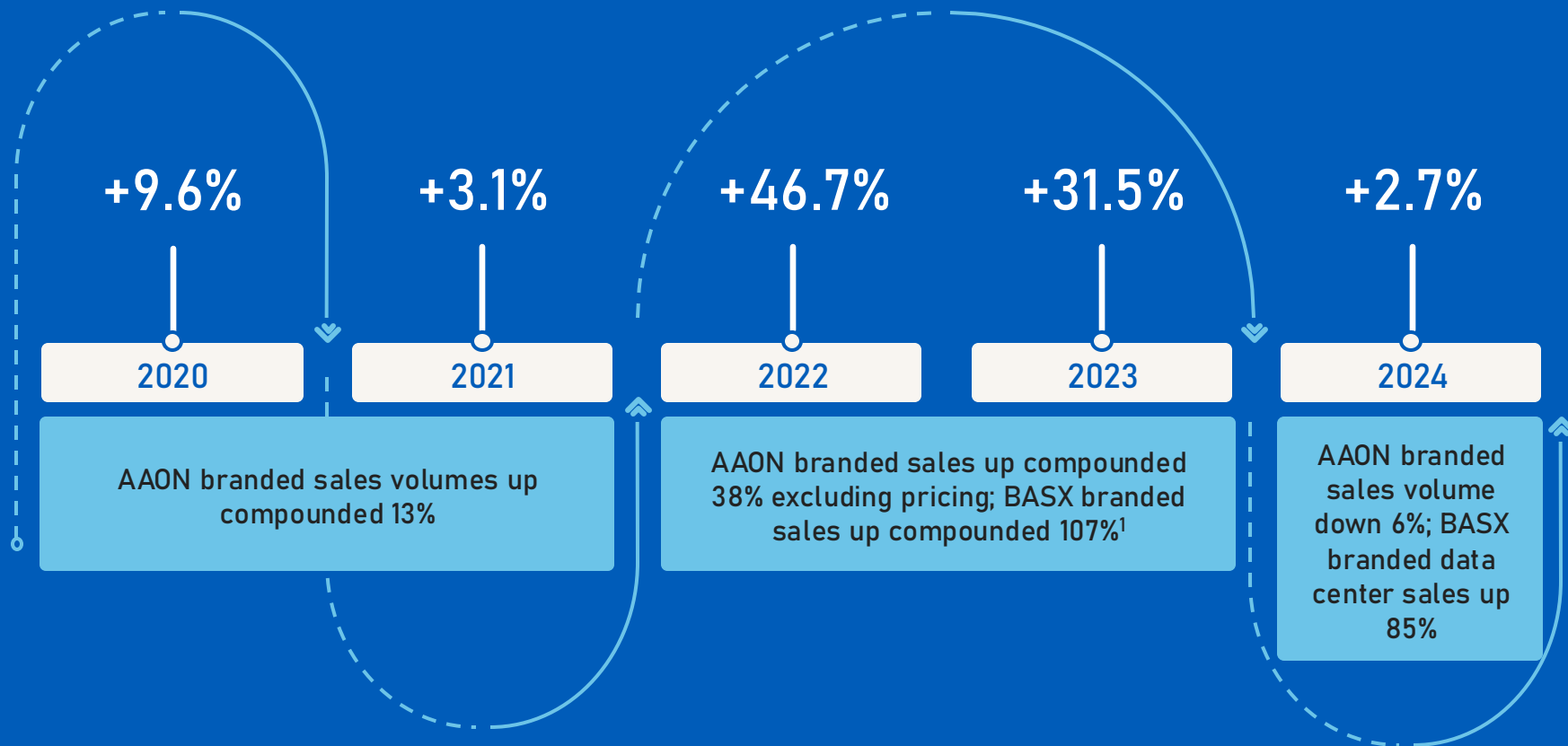
Gross margin
32%-35%

SG&A as a
percent of sales
13%-14%



Note: The three-year organic sales CAGR is assuming a base year of 2024.

Where we are in the business cycle



Note: Top figures are organic sales growth.

1: Compared to full year 2021 which includes sales of BASX products prior to acquisition.

Strong growth track record

5-year organic
sales CAGR

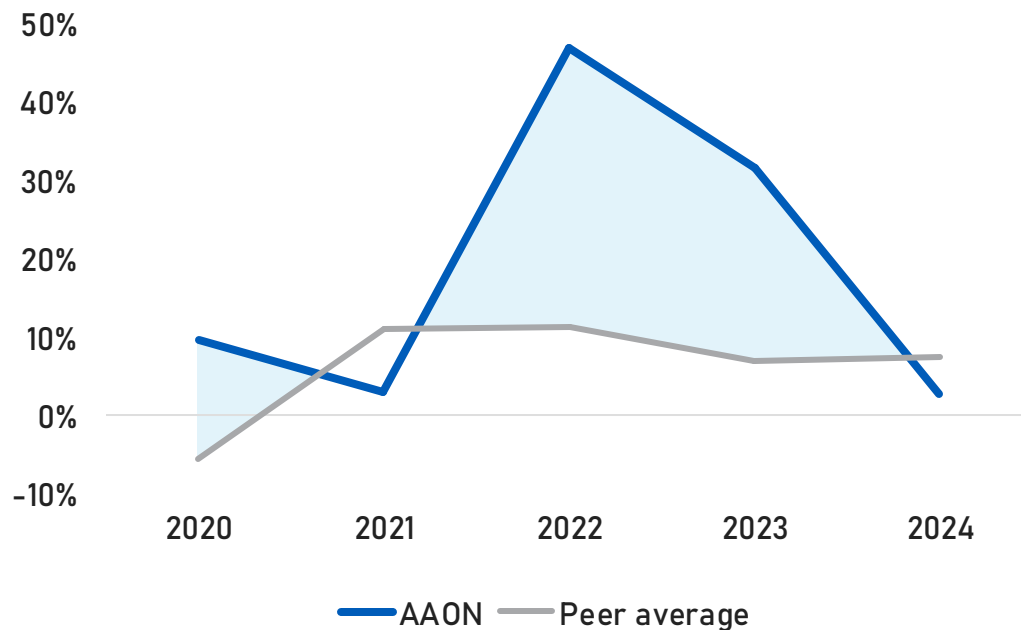


20.7%

Peers

6.0%

Sales growth: AAON vs peer group

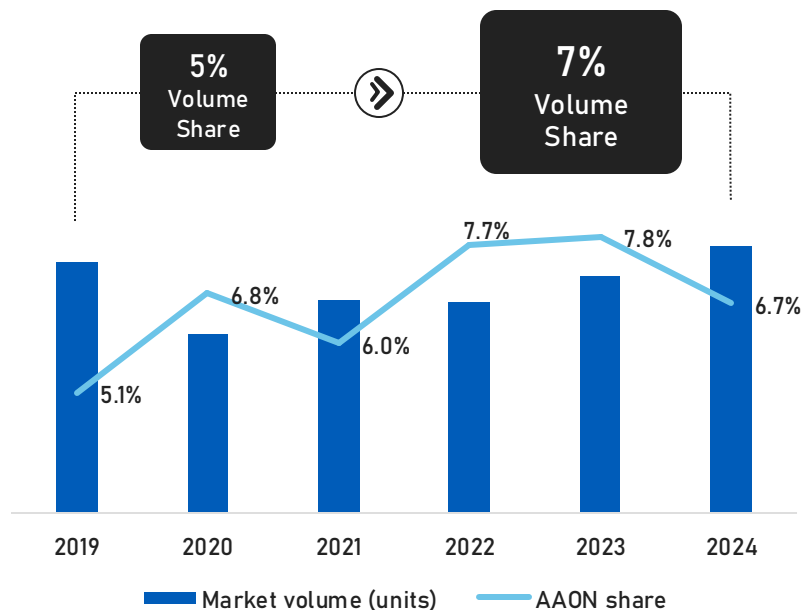


Note: Peer average is composed of Lennox, Trane, Carrier and Johnson Controls.

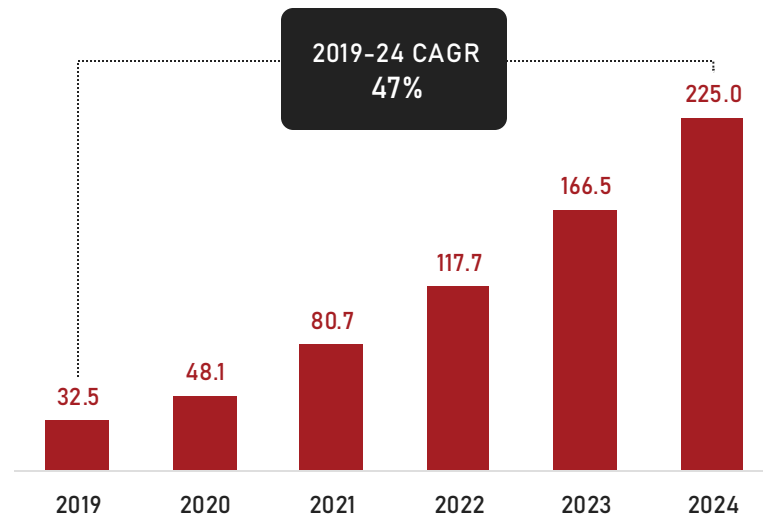


Steady market share gains at AAON brand, close to 50% CAGR at BASX

Taking share in a growing market¹



BASX-branded sales (\$M)²

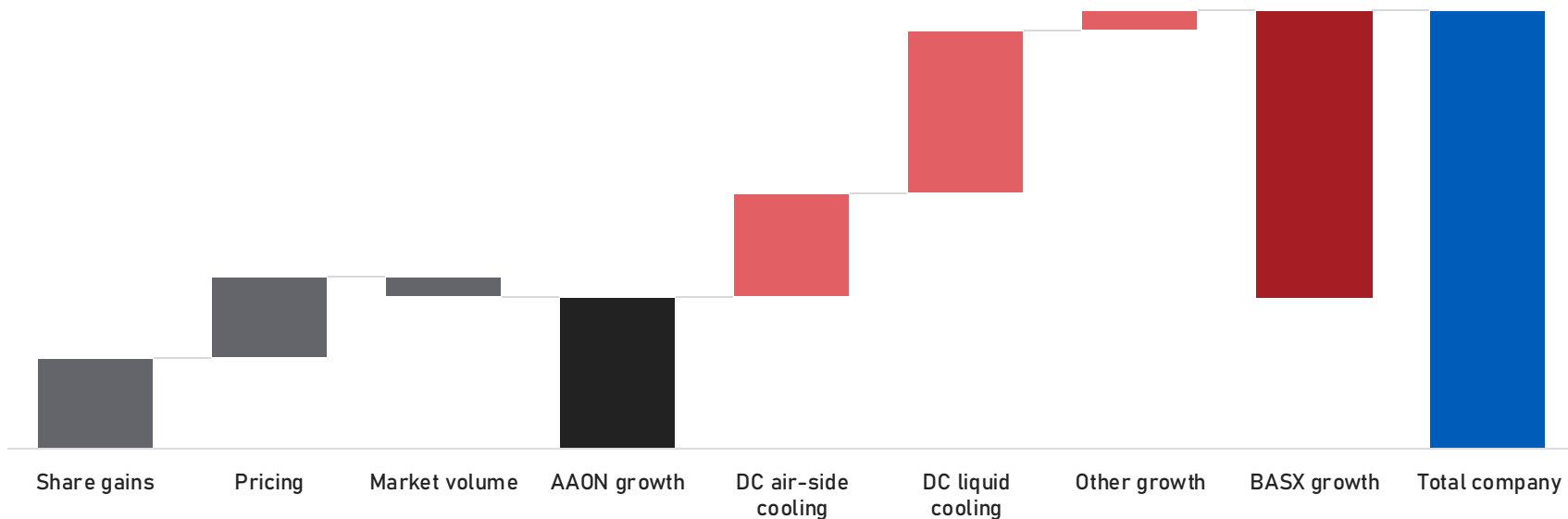


¹ Source: Market volumes are based on AHRI data.

² BASX was acquired in December 2021. Sales figures for the periods prior to the acquisition in 2019 - 2021 are unaudited.

Drivers to 12.5%+ sales growth

AAON and BASX growth drivers



Market volumes will be flattish in 2025-2027, continuing to take share beyond that growth



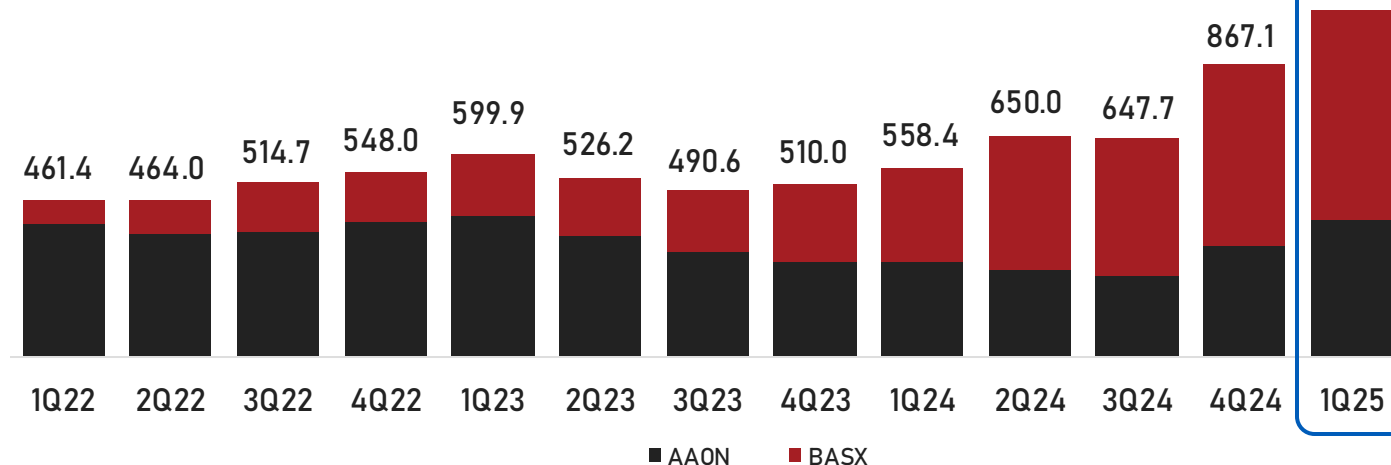
Data center air-side cooling and liquid cooling equipment will drive growth, for both cloud compute and AI data centers



Both brands contributing to our strong backlog

Backlog remains strong despite changes in the cycle

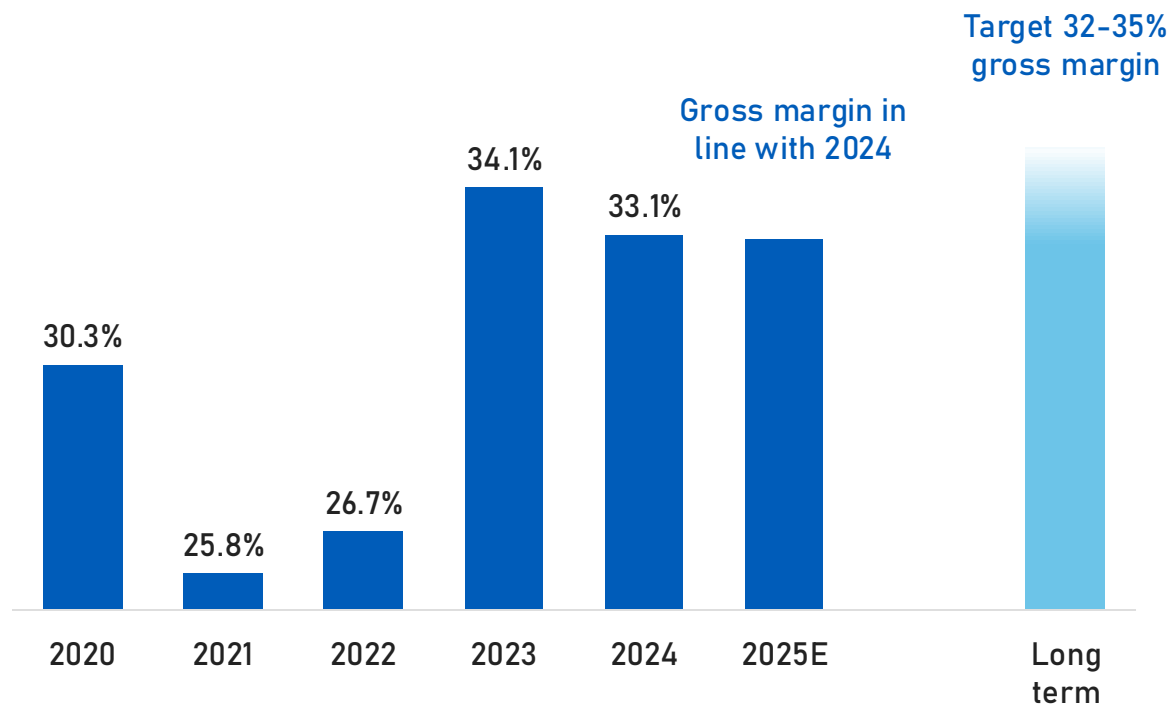
Backlog (\$M)



Ended 1Q25
at record
\$1,026.9M

Margin expansion opportunity

Gross margin



Drivers of gross margin

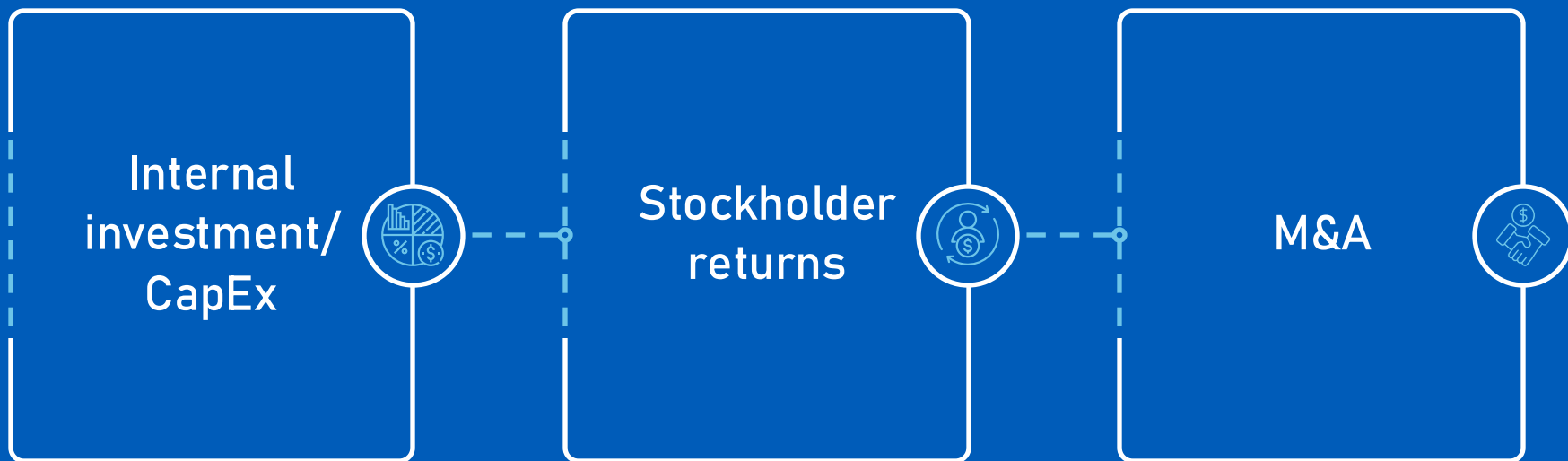
Leveraging sales growth

Operational productivity gains

Increased mix of high-volume orders

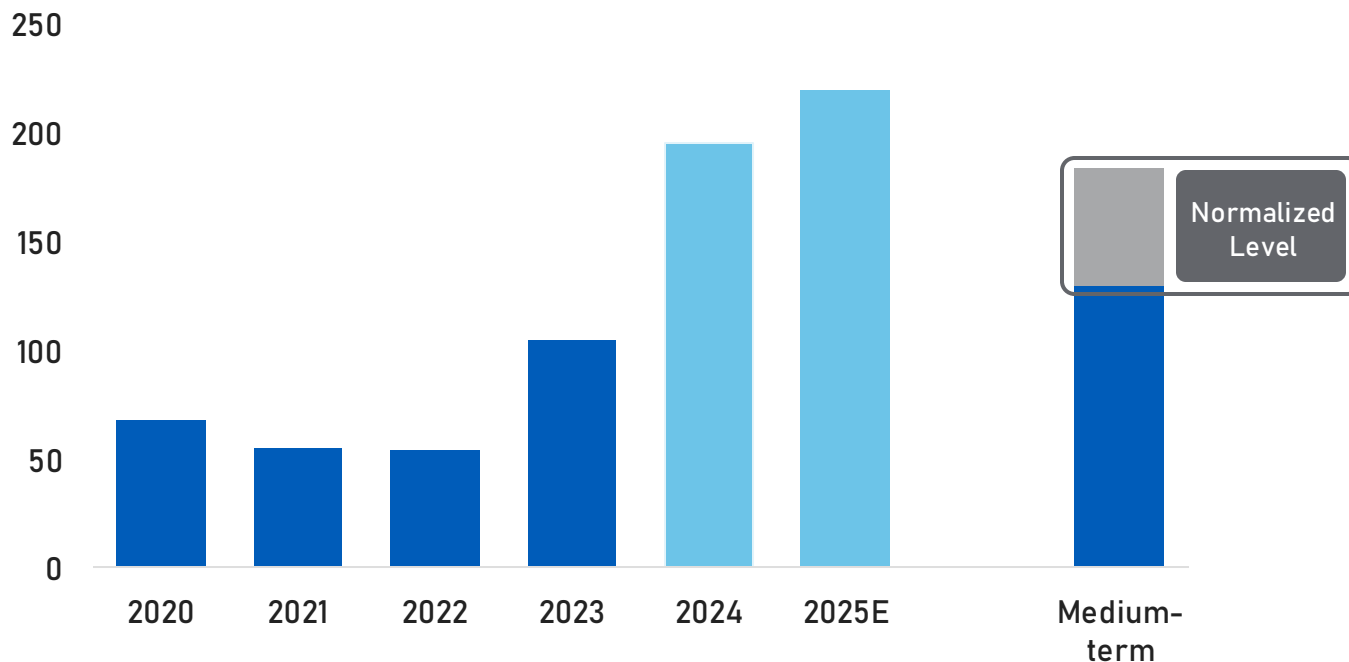
Product-based organization that will unlock efficiency

Clear capital allocation priorities



Focus on investing for growth

Historical and future CapEx¹



Detail on Memphis expansion:

- Building acquired Dec. 2024
- Equipment assembly began early 2025
- Installation of vertically integrated production in Q2-Q3 2025
- Full production accelerates starting in Q4 2025

CapEx elevated in 2024-25 to support capacity expansion

Then returning to more normalized levels

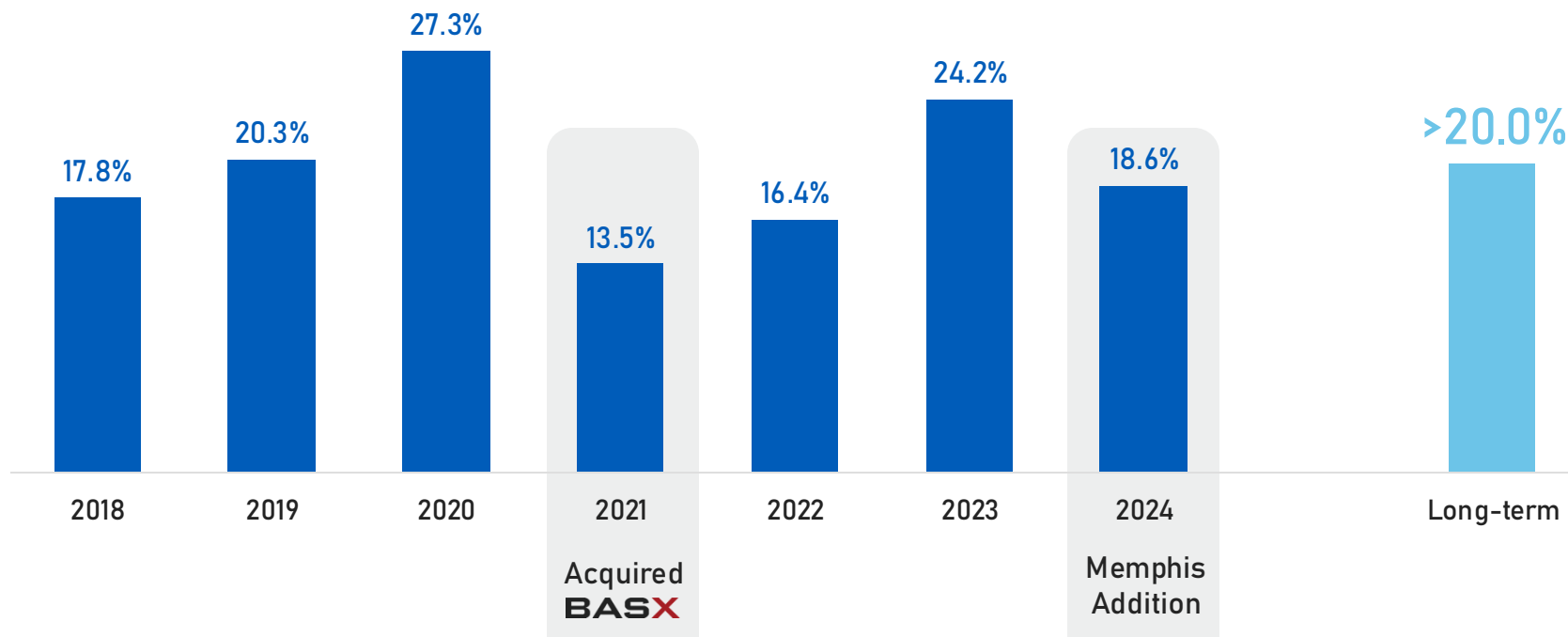


¹ CapEx includes acquisitions of intangible assets

Compelling ROIC

Consistent stewardship of capital through economic cycles

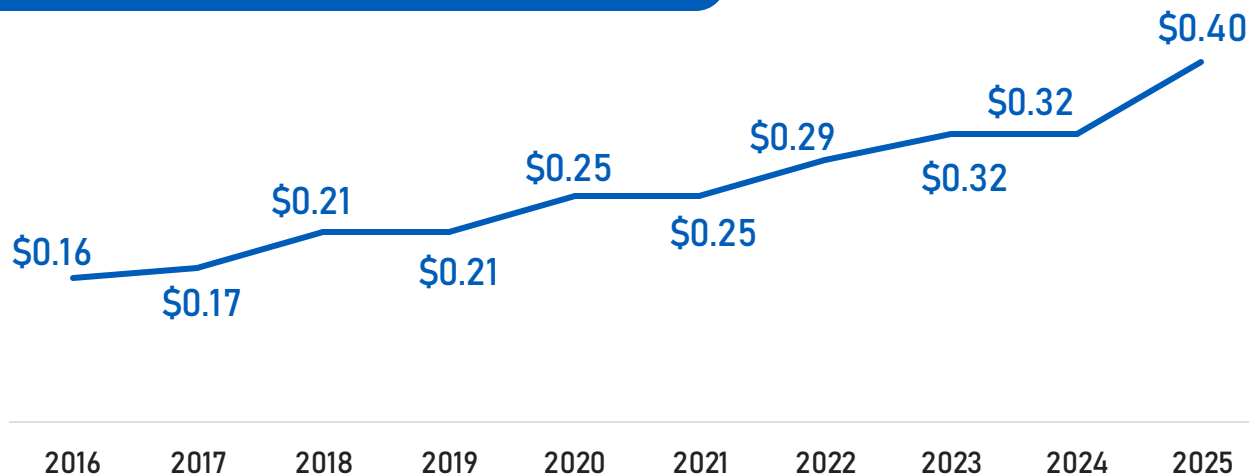
ROIC¹



¹ See Non-GAAP Financial Measures in Appendix.

Consistent annual dividend increases and measured stock buybacks

Dividends: expect consistent annual increases



Opportunistic buybacks:

\$70M

remaining on the authorization

Measured approach to M&A



Near-term, we do not anticipate any major M&A



Given organic growth opportunities, we intend to be patient



Small vertical integration plays are always a consideration



Building internal resources and strategy to be well positioned

Qualitative considerations include:

Product or market diversification

Custom or semi-custom solutions

Strategic synergies associated with product portfolio

Vertical integration

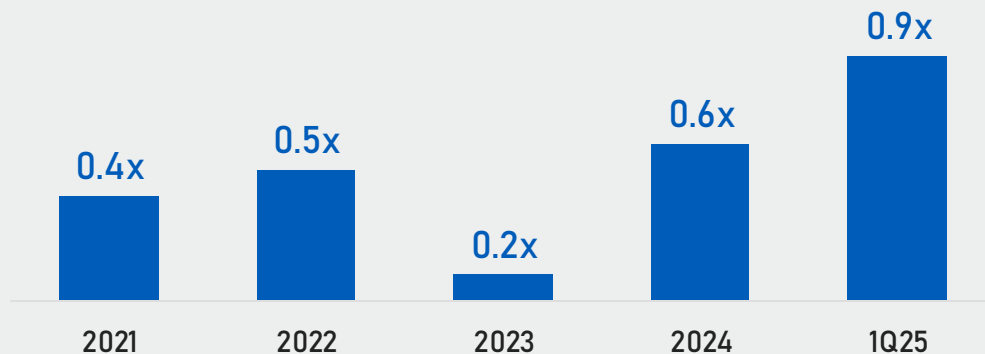
Cost structure

Track record of low debt levels

AAON has historically
operated debt-free

Memphis capacity
increases debt slightly,
but will decrease soon

Leverage ratio



Key takeaways

Three-year organic sales CAGR **12.5%-plus**

Driving **gross margins** to 32%-35%

Operating leverage through **disciplined SG&A**

Managing a **balanced capital allocation**
after increased CapEx spend in 2024-25

Driving value

The AAON investment thesis



Q&A

Appendix

Non-GAAP Financial Measures

The following table provides a reconciliation of net income (GAAP) to EBITDA (non-GAAP) and EBITDA margin (non-GAAP) for the periods indicated. The trailing twelve months ("TTM") period presented is a non-GAAP reconciliation period.

	Q1 2025	Q4 2024	Q3 2024	Q2 2024	March 31, 2025 (TTM)	2024	Year Ended December 31,				2020
					(in thousands)		2023	2022	2021		
Net income, a GAAP measure	\$ 29,292	\$ 24,690	\$ 52,625	\$ 52,228	\$ 158,835	\$ 168,559	\$ 177,623	\$ 100,376	\$ 58,758	\$ 79,009	
Depreciation and amortization	18,943	17,550	17,262	14,486	68,241	62,735	46,468	35,106	30,343	25,634	
Interest expense, net	2,802	1,208	1,091	367	5,468	2,905	4,843	2,627	132	88	
Income tax expense	3,191	3,576	11,885	14,779	33,431	38,032	45,531	24,157	10,424	22,966	
EBITDA, a non-GAAP measure	\$ 54,228	\$ 47,024	\$ 82,863	\$ 81,860	\$ 265,975	\$ 272,231	\$ 274,465	\$ 162,266	\$ 99,657	\$ 127,697	
Net sales, a GAAP measure	\$ 322,054	\$ 297,718	\$ 327,252	\$ 313,566	\$ 1,260,590	\$ 1,200,635	\$ 1,168,518	\$ 888,788	\$ 534,517	\$ 514,551	
EBITDA, a non-GAAP measure	\$ 54,228	\$ 47,024	\$ 82,863	\$ 81,860	\$ 265,975	\$ 272,231	\$ 274,465	\$ 162,266	\$ 99,657	\$ 127,697	
EBITDA margin	16.8%	15.8%	25.3%	26.1%	21.1%	22.7%	23.5%	18.3%	18.6%	24.8%	
Diluted EPS	\$0.35	\$0.30	\$0.63	\$0.62	\$1.90	\$ 2.02	\$ 2.13	\$ 1.24	\$ 0.73	\$ 0.99	



Non-GAAP Financial Measures

The following table provides a net sales (GAAP), gross profit (GAAP) and gross margin for the periods indicated. The trailing twelve months ("TTM") period presented is a non-GAAP reconciliation period.

	Q1 2025	Q4 2024	Q3 2024	Q2 2024	March 31, 2025 (TTM)
	<i>(in thousands)</i>				
Net sales	\$ 322,054	\$ 297,718	\$ 327,252	\$ 313,566	\$ 1,260,590
Gross profit	\$ 86,364	\$ 77,615	\$ 114,158	\$ 113,094	\$ 391,231
Gross margin	26.8%	26.1%	34.9%	36.1%	31.0%

The following table provides a reconciliation to capex and research and development as a percent of sales for the periods indicated. The trailing twelve months ("TTM") period presented is a non-GAAP reconciliation period.

	Q1 2025	Q4 2024	Q3 2024	Q2 2024	March 31, 2025 (TTM)
	<i>(in thousands)</i>				
Capex	\$ 50,440	\$ 99,344	\$ 38,368	\$ 36,696	\$ 224,848
R&D	16,500	9,500	13,000	8,200	47,200
Total capex and R&D	\$ 66,940	\$ 108,844	\$ 51,368	\$ 44,896	\$ 272,048
Net sales	\$ 322,054	\$ 297,718	\$ 327,252	\$ 313,566	\$ 1,260,590
Capex and R&D as a percent of sales	20.8%	36.6%	15.7%	14.3%	21.6%

Non-GAAP Financial Measures

The following table provides a reconciliation of total assets (GAAP) to invested capital (non-GAAP), averaged invested capital (non-GAAP) and return on invested capital (non-GAAP) for the periods indicated. The trailing twelve months ("TTM") period presented is a non-GAAP reconciliation period.

	March 31, 2025	March 31, 2024
	<i>(in thousands)</i>	
Total assets, a GAAP measure	\$ 1,300,193	\$ 952,921
Less: Cash and cash equivalents	994	8,385
Less: Restricted cash	1,389	19,982
Less: Accounts payable	77,155	15,438
Less: Accrued liabilities	97,041	93,198
Less: Contract liabilities	16,421	16,527
Invested capital, a non-GAAP measure	\$ 1,107,193	\$ 799,391
Net income (TTM), a non-GAAP measure	\$ 158,835	
Average invested capital, a non-GAAP measure	\$ 953,292	
TTM Return on invested capital	16.7%	

The following table provides a reconciliation of total assets (GAAP) to invested capital (non-GAAP), averaged invested capital (non-GAAP) and return on invested capital (non-GAAP) for the periods indicated.

	Year Ended December 31,						
	2024	2023	2022	2021	2020	2019	2018
	<i>(in thousands)</i>						
Total assets, a GAAP measure	\$ 1,175,234	\$ 941,436	\$ 813,903	\$ 650,180	\$ 449,008	\$ 371,424	\$ 307,994
Less: Cash and cash equivalents	14	287	5,451	2,859	79,025	26,797	1,994
Less: Restricted cash	6,500	8,736	498	628	3,263	17,576	-
Less: Certificates of deposits	-	-	-	-	-	-	-
Less: Investments held to maturity	-	-	-	-	-	-	-
Less: Accounts payable	44,645	27,484	45,513	29,020	12,447	11,759	10,616
Less: Accrued liabilities	99,347	85,508	78,630	50,206	46,586	44,269	36,875
Less: Contract liabilities	14,913	13,757	21,424	7,542	-	-	-
Invested capital, a non-GAAP measure	\$ 1,009,815	\$ 805,664	\$ 662,387	\$ 559,925	\$ 307,687	\$ 271,023	\$ 258,509
Net income, a GAAP measure	\$ 168,559	\$ 177,623	\$ 100,376	\$ 58,758	\$ 79,009	\$ 53,711	\$ 42,329
Average invested capital, a non-GAAP measure	\$ 907,740	\$ 734,026	\$ 611,156	\$ 433,806	\$ 289,355	\$ 264,766	\$ 237,405
Return on invested capital	18.6%	24.2%	16.4%	13.5%	27.3%	20.3%	17.8%

