

THE TIME IS NOW



2022 ANNUAL REPORT





Recently, the HVAC industry has been undergoing a historic shift led by secular demand trends associated with decarbonization, electrification, energy efficiency, and indoor air quality. This shift naturally puts AAON in an advantageous position due to our leadership in manufacturing the highest performing, most energy efficient equipment in the commercial HVAC industry.

Higher minimum energy efficiency standards that went into effect January 1, 2023 are intensifying the situation by adding new layers of complexity at a time when the industry is already facing challenges related to supply chain issues and inflation. Thus far, these challenges have had minimal effects here at AAON, particularly regarding new regulations, which have not impacted our company.

In 2022, AAON shipped approximately 30% more volume of equipment than the previous year, while industry volumes were down 1% on average.

**These favorable secular trends and regulations led AAON to realize early in 2022 that if we were to achieve our goal of transitioning from niche to mainstream player, the time is now.**

# ABOUT AAON

AAON is a leader in HVAC solutions for commercial and industrial indoor environments.

**Our industry-leading approach to designing and manufacturing highly configurable equipment to meet exact needs creates a premier ownership experience with greater efficiency, performance, and long-term value.**

# PRODUCT FAMILY

AIR HANDLING UNITS  
INDOOR AND OUTDOOR (800-72,000 CFM)



AIR-SOURCE HEAT PUMPS  
(2-70 TONS)



CONDENSERS AND  
CONDENSING UNITS  
(2-70 TONS)



CONTROLS

CUSTOM AIR HANDLING UNITS  
-BASX



DATA CENTER AND  
CLEANROOM UNITS  
-BASX

GEOHERMAL AND WATER-  
SOURCE HEAT PUMPS  
(2-70 TONS)

SELF-CONTAINED UNITS  
(3-70 TONS)

ROOFTOP UNITS  
(2-240 TONS)









# FINANCIAL HIGHLIGHTS

	2022	2021	2020	2019	2018
<b>INCOME DATA</b> (\$000 except per share data)					
NET SALES	888,788	534,517	514,551	469,333	433,947
GROSS PROFIT	237,572	137,830	155,849	119,425	103,533
OPERATING INCOME	126,761	69,253	101,836	67,011	55,351
INTEREST INCOME (EXPENSE), NET	(2,627)	(132)	88	66	196
DEPRECIATION AND AMORTIZATION	35,106	30,343	25,634	22,766	17,655
PRE-TAX INCOME	124,533	69,182	101,975	67,031	55,500
NET INCOME	100,376	58,758	79,009	53,711	42,329
EARNINGS PER SHARE-BASIC	1.89	1.12	1.51	1.03	0.81
EARNINGS PER SHARE-DILUTED	1.86	1.09	1.49	1.02	0.80
<b>BALANCE SHEET</b> (\$000 except per share data)					
WORKING CAPITAL	203,549	131,312	161,218	131,521	93,167
CURRENT ASSETS	349,116	218,080	220,251	187,549	140,658
NET FIXED ASSETS	304,745	258,062	223,340	178,094	163,003
ACCUMULATED DEPRECIATION	245,026	224,146	203,125	179,242	166,880
CASH AND CASH EQUIVALENTS	5,451	2,859	79,025	26,797	1,994
TOTAL ASSETS	813,903	650,180	449,008	371,424	307,994
CURRENT LIABILITIES	145,567	86,768	59,033	56,028	47,491
LONG-TERM DEBT	77,453	46,406	6,363	6,320	—
STOCKHOLDERS' EQUITY	560,714	466,170	350,865	290,140	249,443
STOCKHOLDERS' EQUITY PER DILUTED SHARE	10.36	8.68	6.61	5.51	4.74
<b>FUNDS FLOW DATA</b> (\$000)					
OPERATIONS	61,318	61,183	128,814	97,925	54,856
INVESTMENTS	(76,213)	(158,719)	(61,273)	(37,046)	(34,635)
FINANCING	17,357	18,735	(29,626)	(18,500)	(39,684)
NET INCREASE (DECREASE) IN CASH	2,462	(78,801)	37,915	42,379	(19,463)
<b>RATIO ANALYSIS</b>					
GROSS PROFIT	26.7%	25.8%	30.3%	25.4%	23.9%
RETURN ON AVERAGE EQUITY	19.5%	14.4%	24.7%	19.9%	17.3%
RETURN ON AVERAGE ASSETS	13.7%	10.7%	19.3%	15.8%	14.0%
PRE-TAX INCOME ON SALES	14.0%	12.9%	19.8%	14.3%	12.8%
NET INCOME ON SALES	11.3%	11.0%	15.4%	11.4%	9.8%
TOTAL LIABILITIES TO EQUITY	45.2%	39.5%	28.0%	28.0%	23.5%
QUICK RATIO <sup>1</sup>	0.9	1.0	2.3	2.0	1.3
CURRENT RATIO	2.4	2.5	3.7	3.3	3.0
YEAR-END PRICE EARNINGS RATIO	40.5	72.9	44.7	48.4	43.8

<sup>1</sup> = (Cash & cash equivalents + investments + receivables)/current liabilities

# TIMELINE

## 1988

AAON, an Oklahoma corporation, was founded.

Purchase of John Zink Air Conditioning Division.



## 1989

AAON purchased, renovated, and moved into a 184,000 square foot plant in Tulsa, Oklahoma.

Introduced a new product line of rooftop heating and air conditioning units 2-140 tons.



## 1990

Listed on NASDAQ Small Cap-Symbol "AAON".

## 1991

Formed AAON Coil Products, a Texas Corporation, as a subsidiary to AAON, Inc. (Nevada) and purchased coil making assets of Coil Plus.

## 1992

AAON acquires Coils Plus, Inc. and renovates the 110,000 sq/ft plant in Longview, Texas.



## 1993

Listed on the NASDAQ National Market System.

## 1995

Completed expansion of the Tulsa facility to 332,000 square feet.

## 1996

Purchased 40 acres with 457,000 square foot plant and 22,000 square foot office space located across from the Tulsa facility.

## 1998

AAON yearly shipments exceed \$100 million.

Received U.S. patent for Dimple Heat Exchanger Tube.



## 1999

Completed Tulsa, Oklahoma and Longview, Texas plant additions yielding a total exceeding one million square feet.

## 2001

Introduced evaporative-cooled condensing energy savings feature.



# 2003

Started production of polyurethane foam-filled double-wall construction panels for rooftop and chiller products using newly purchased manufacturing equipment.

# 2010

AAON RQ Series win ACHR News Dealer Design award.

AAON RN Series rooftop unit named 2010 Product of the Year –Silver by Consulting-Specifying Engineer Magazine.

# 2012

AAON yearly shipments exceed \$300 million.



# 2015

AAON Low Leakage Dampers voted “Product of the Year” by Consulting Specifying Engineer magazine.

# 2018

AAON acquires WattMaster Controls, Inc.

# 2019

AAON Breaks Ground on New Facility in Longview.

AAON Opens Norman Asbjornson Innovation Center.



# 2020

Founder Norman H. Asbjornson Transitions to Executive Chairman. Gary D. Fields assumes new role as CEO.



AAON exceeds \$500 million in sales.

AAON RN Series with Variable Speed Compressors voted “Most Valuable Product”.

# 2021

AAON introduces new low ambient air-source heat pump rooftop units.

AAON introduces the AAON Mobile Experience tour trailer.

AAON RZ Series Rooftop Unit named “Product of the Year” by readers of Consulting-Specifying Engineer magazine.

AAON acquires BASX Solutions.



# 2022

AAON Zero Degree Cold Climate AirSource Heat Pumps win ACHR Dealer Design award.

AAON exceeds \$880 million in sales.

FROM THE PRESIDENT

**“We finished  
2022 with  
record sales,  
earnings,  
and backlog.”**



## DEAR SHAREHOLDERS,

At AAON, 2022 started off slow but finished with a bang. Hyperinflation and supply chain issues that weighed on our performance at the end of 2021 accelerated in the early months of 2022. In response, our team pivoted quickly and made necessary adjustments, resulting in profitability improving significantly throughout the year.

**By the third quarter, we achieved record sales and earnings, quickly followed with another record in the fourth quarter.**

We finished 2022 with record sales, earnings, and backlog. Our backlog finished up year-over-year 110% and increased sequentially every quarter even while we increased capacity and production rates. Overall, our operational teams performed extremely well and I am proud of what we were able to accomplish.

## A MAINSTREAM PLAYER

In 2022, AAON began embarking on a historic transition. As the broader industry was in a defensive stance brought on by extended lead times, inflation, supply chain issues, and challenges related to increased minimum energy efficiency government regulations, AAON went on the offensive. We seized the opportunity and began the transition from a niche to mainstream industry player.

**During 2022, AAON had the shortest lead times in the industry, an unmatched ability to overcome supply chain issues due to our custom engineering capabilities, significant pricing power to absorb inflationary pressures, and a product portfolio years ahead of the higher minimum energy efficiency standards that went into effect on January 1, 2023.**

These factors provided the company with distinct advantages compared to our competition. Most meaningfully, the higher energy efficiency standards implemented by the Department of Energy forced many of our competitors to redesign a large percentage of their equipment and utilize more costly components, increasing their cost of manufacturing, which was then offset with price increases. As a result, our product offerings now present an even more compelling value proposition as our historical price premium has narrowed. With a more attractive value proposition, competitive lead times, and equipment that best serves the increasing decarbonization and indoor air quality demands, we are positioned to take a meaningful amount of market share.

To capitalize on the robust growth that we anticipate, we continue investing in manufacturing capacity. This includes finding ways to increase the capacity of our current manufacturing footprint for the short-term and investing in new facilities for the long-term. To that end, we estimate a capital expenditure budget for 2023 of \$135.0 million, which represents a 150.0% year-over-year increase.





## MARKET LEADING INNOVATION

Innovation has been the backbone of AAON's success to date and will continue to be in the future. In 2022, we introduced revolutionary air-source heat pump equipment that is operable down to zero degrees Fahrenheit. We now offer this configuration in a majority of our portfolio of packaged rooftop units. This is a revolutionary advancement because while heat pump technology is fully electric, up until now, the technology was only operable down to around 30 degrees Fahrenheit, preventing a large percentage of the North American market from efficiently utilizing air-source heat pump technology. The introduction of this new technology expands the total addressable heat pump market immensely. Additionally, being first to market and the only offering in the industry gives us a big advantage. We continue to make research and development a high priority in AAON's growth strategy. R&D expenses were \$46.8 million in 2022, up 180% from 2021.



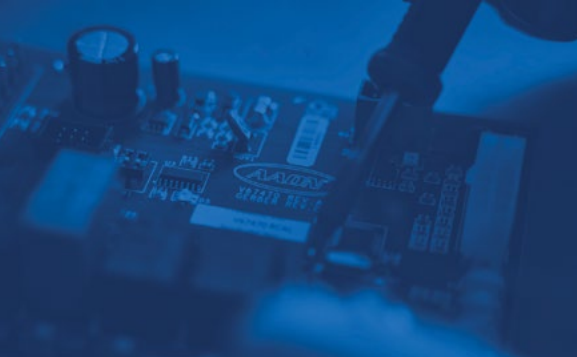
RN SERIES  
AIR-SOURCE HEAT PUMP

## INVESTING IN MARKETING

To leverage our market position and help drive growth, we are increasingly investing to support our sales channel. In 2022, we made the decision to "Level Up" our marketing approach and allocate additional resources to branding, advertising, and marketing tools. Our total addressable market is significantly larger in comparison to our current market share and we believe a renewed focus on marketing will help our sales channel close this gap and better demonstrate the value of AAON equipment to our customers.

Included in these marketing investments is our new Exploration Center, which was under construction in 2022. This building, which opened in March 2023 at our Tulsa facility, is our home base for customer visits and showcases our products alongside their respective market alternatives. Customers will now have the most interactive showcase of what the industry has to offer and will be able to experience first-hand the high quality and compelling value that AAON provides versus the competition.







## LOOKING FORWARD

In 2023, we anticipate AAON will generate another year of record sales and earnings. Entering the year, our backlog was a record in size, the margin profile of the backlog has never been better, production rates and productivity continue to increase, and order trends have been very positive through the early months of the year. Long-term, we are the most optimistic we have been in years. The time is now.

To our stakeholders, we cannot achieve these results without your support and commitment. We continue to benefit from the total cooperation and dedicated service of our employees and independent sales representatives.

To our shareholders, we are honored to have each of you with us and look forward to delivering the returns that will justify your ownership.

*Lang D. Fields*



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

**FORM 10-K**

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

For the fiscal year ended December 31, 2022  
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 of incorporation or organization)	(IRS Employer Identification No.)
2425 South Yukon Ave., Tulsa, Oklahoma	74107
(Address of principal executive offices) (Zip Code)	

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	AAON	NASDAQ

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes     No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.

Yes     No

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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes     No



Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934).

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Act.)  Yes  No

The aggregate market value of the common equity held by non-affiliates computed by reference to the closing price of registrant's common stock on the last business day of registrant's most recently completed second quarter June 30, 2022 was \$2,388.5 million based upon the closing price reported for such date on the Nasdaq Global Select Market.

As of February 22, 2023, registrant had outstanding a total of 53,481,412 shares of its \$.004 par value Common Stock.

#### DOCUMENTS INCORPORATED BY REFERENCE

Portions of registrant's definitive Proxy Statement to be filed in connection with the 2023 Annual Meeting of Stockholders to be held May 16, 2023, incorporated herein by reference in Part III of this Annual Report on Form 10-K to the extent stated herein.

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## Forward-Looking Statements

This Annual Report on Form 10-K (or statements otherwise made by the Company or on the Company's behalf from time to time in other reports, filings with the Securities and Exchange Commission ("SEC"), news releases, conferences, website postings, presentations or otherwise) includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements contained herein that are not historical facts are forward-looking statements and involve risks and uncertainties. For all of these forward-looking statements, we claim the protection of the safe harbor for forward-looking statements contained in the U.S. Private Securities Litigation Reform Act of 1995. Words such as "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates", "confident", "outlook", "project", "should", "will", and variations of such words and other words of similar meaning or similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions, which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Important factors that could cause results to differ materially from those in the forward-looking statements include, among others:

- market conditions and customer demand for our products;
- the timing and extent of changes in raw material and component prices;
- naturally-occurring events, pandemics, and other disasters causing disruption to our manufacturing operations, product deliveries and production capacity;
- the impact caused by inflationary cost pressures, national or global health issues, such as the coronavirus pandemic ("COVID-19"), any variants or similar outbreaks (including the response thereto) and their effects on, among other things, demand for our products, supply chain disruptions, our liquidity and financial position, results of operations, stock price, payment of dividends, our ability to secure new orders, our ability to convert backlog to revenue and impacts to the operations status of our facilities;
- natural disasters and extreme weather conditions, including, without limitation, their effects on locations where our products are manufactured;
- the effects of fluctuations in the commercial/industrial new construction market;
- the timing of introduction and market acceptance of new products;
- the timing and extent of changes in interest rates, as well as other competitive factors during the year;
- general economic, market or business conditions;
- creditworthiness of our customers and their access to capital;
- changing technologies;
- the material failure, interruption of service, compromised data or information technology security, phishing emails, cybersecurity breaches or other impacts to our information technology and related systems and networks (including any of the foregoing of third-party vendors and other contractors who provide information technology or other services);
- costs and results of litigation, including trial and appellate costs;
- economic, market or business conditions in the specific industry and market in which our businesses operate;
- future levels of capital expenditures, research and development and indebtedness, including, without limitation, our ability to reduce indebtedness and risks associated with the same;
- legal, regulatory, and environmental issues, including, without limitation, compliance of our products with mandated standards and specifications; and
- integration of acquired businesses and our ability to realize synergies and cost savings.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. Except as required by federal securities laws, we undertake no obligation to update any forward-looking statement to reflect events, occurrences or developments after the date on which such statement is made. For a discussion of risks and uncertainties which could cause actual results to differ from those contained in the forward-looking statements, please see Item 1A "Risk Factors" included in this Annual Report on Form 10-K, and as otherwise disclosed from time to time in our other filings with the SEC.

## **PART I**

### **Item 1. Business.**

#### **Overview**

AAON, Inc., a Nevada corporation, (“AAON Nevada”) was incorporated on August 18, 1987. Our operating subsidiaries include AAON, Inc., an Oklahoma corporation ("AAON Oklahoma"), AAON Coil Products, Inc., a Texas corporation ("AAON Coil Products"), and BasX, Inc., an Oregon corporation ("BASX"). Unless the context otherwise requires, references in this Annual Report to “AAON”, the “Company”, “we”, “us”, “our”, or “ours” refer to AAON Nevada and our subsidiaries.

We are engaged in the engineering, manufacturing, marketing, and sale of premium air conditioning and heating equipment consisting of standard, semi-custom, and custom rooftop units, data center cooling solutions, cleanroom systems, packaged outdoor mechanical rooms, air handling units, makeup air units, energy recovery units, condensing units, geothermal/water-source heat pumps, coils, and controls.

#### ***Business Segments***

The Company conducts its business through three business segments: AAON Oklahoma, AAON Coil Products, and BASX.

*AAON Oklahoma:* AAON Oklahoma designs, manufactures, sells, and services standard, semi-custom, and custom heating, ventilation, and air conditioning ("HVAC") systems, designs and produces controls solutions for all of our HVAC units, and sells retail parts to customers through our two retail part stores in Tulsa, Oklahoma as well as online. Through our Norman Asbjornson Innovation Center ("NAIC") research and development laboratory facility in Tulsa, Oklahoma, the Company is able to test units under various environmental conditions. AAON Oklahoma includes the operations of our Tulsa, Oklahoma and Parkville, Missouri facilities, our NAIC research and development laboratory facility and two retail parts locations.

*AAON Coil Products:* AAON Coil Products designs and manufactures a selection of our standard, semi-custom, and custom HVAC systems. AAON Coil Products also designs and manufactures various heating and cooling coils to be used in HVAC systems, mostly for the benefit of AAON Oklahoma and AAON Coil Products. AAON Coil Products consists of operations at our Longview, Texas facilities.

*BASX:* BASX provides product development design and manufacturing of custom engineered air handling systems including high efficiency data center cooling solutions, cleanroom HVAC systems, commercial/industrial HVAC systems, and modular solutions. Additionally, BASX designs and manufactures cleanroom environmental control systems to support hospital surgical suites, pharmaceutical process facilities, semiconductor and electronics manufacturing, laboratory and isolation and modular cleanrooms for facility flexibility. BASX consists of operations at our Redmond, Oregon facility.

For more information on our business segments' financial position and results of operations, refer to Note 22, "Segments," of the notes to consolidated financial statements.

#### ***Business and Marketing Strategy***

Our products serve the commercial, industrial, data center cooling solutions, and cleanroom new construction and replacement markets within the HVAC equipment industry. Our business strategy involves mass customization that uses flexible computer-aided manufacturing systems to produce standard, semi-custom, and custom equipment and combines the low unit costs of mass production processes with the flexibility of individual customization. Through a collaborative effort with our independent representative sales offices, we design and manufacture the precise semi-custom product offering that best serves the customer's needs.



Our marketing strategy focuses on customers and markets that demand HVAC equipment with higher performance, greater energy efficiency, and best indoor air quality. We manufacture equipment with more capabilities than the standard offerings found in the HVAC equipment industry. We further focus on developing a company culture focused upon customer satisfaction, reducing product delivery channel time and cost, and continuing with the goal of product and manufacturing technology leadership and innovation. Our product mix, with a heavy investment in research and development, has an emphasis on energy efficiency, environment, and indoor air quality.

We are committed to designing and manufacturing innovative HVAC products of the highest quality, efficiency, and performance. As such, we are committed to meeting certification standards of the relevant standard setting bodies, including the Air-Conditioning, Heating, and Refrigeration Institute (“AHRI”); the American National Standards Institute (“ANSI”); American Society of Heating, Refrigeration and Air-Conditioning Engineers (“ASHRAE”); the Air Movement and Control Association (“AMCA”) and the International Organization for Standardization (“ISO”).

To date, our sales have been primarily derived from the domestic market. Foreign sales accounted for approximately \$27.6 million, \$14.8 million, and \$11.7 million of our net sales in 2022, 2021, and 2020, respectively. As a percentage of net sales, foreign sales accounted for approximately 3.1%, 3.0%, and 2.0% of our net sales in each of those years, respectively.

### ***Products - AAON Oklahoma and AAON Coil Products***

Our rooftop and condensing unit markets primarily consist of units installed on commercial or industrial structures of generally less than ten stories in height. Our air handling units, self-contained units, geothermal/water-source heat pumps, and coils are suitable for all sizes of commercial and industrial buildings.

The size of these markets is determined primarily by the number of commercial and industrial building completions and replacement demand from existing buildings. The replacement market consists of products installed to replace existing units/components that are worn or damaged and products to upgrade certain components, such as low leakage dampers, high efficiency heat exchangers and modern controls components.

The commercial and industrial new construction markets are subject to cyclical fluctuations in that they generally lag behind the housing market. The housing market, in turn, is influenced by cyclical factors such as interest rates, inflation, consumer spending habits, employment rates, the state of the economy and other macroeconomic factors. When new construction is down, we emphasize the replacement market.

Based on our 2022 combined sales of \$771.1 million at AAON Oklahoma and AAON Coil Products, we estimate that we have approximately a 12% share of the greater than five ton rooftop market and a 2% share of the less than five ton market. The ratio of sales for new construction versus replacement is related to various factors. Generally, the cyclical nature of the new construction market impacts this ratio the most over an economic cycle.

We purchase certain components, fabricate sheet metal and tubing and then assemble and test the finished products. Our primary finished products consist of a single unit system containing heating and cooling in a self-contained cabinet, referred to in the industry as “unitary products”. Our other finished products are coils, air handling units, condensing units, makeup air units, energy recovery units, rooftop units, geothermal/water-source heat pumps, and controls.

We offer three groups of rooftop units: the RQ Series, consisting of five cooling sizes ranging from two to six tons; the RN Series, offered in 28 cooling sizes ranging from six to 140 tons; and the RZ Series, which is offered in 15 cooling sizes ranging from 45 to 261 tons.

The RQ series and RN Series, 2 to 50 tons, feature the option of our Zero Degree Cold Climate Air-Source Heat Pumps. Our Zero Degree Cold Climate Air-Source Heat Pumps are a critical solution to meet the increasing demand for building decarbonization in cold climates. With variable speed operation, these heat pumps provide energy efficient heating and cooling throughout the seasons and the heat pump heating performance has been tested in the NAIC down to an ambient temperature of 0°F.

We also offer the SA, SB and M2 Series as indoor packaged, water-cooled or geothermal/water-source heat pump self-contained units with cooling capacities of three to 70 tons.

Our condensing unit, the CF Series, is available from 2 to 70 tons.

Our air handling units consist of the indoor H3 and V3 Series and the modular M2 Series, as well as air handling unit configurations of the RQ, RN, RZ, and SA Series units.

Our energy recovery option applicable to our RQ, RN, RZ, and SB units, as well as our H3, V3, and M2 Series air handling units, responds to the U.S. Clean Air Act mandate to increase fresh air in commercial structures. Our products are designed to compete on the higher quality end of standardized products.

Our RN, RQ, M2, and SB Series, are AHRI certified in accordance with ANSI/AHRI/ASHRAE/ISO 13256.

Our unitary products (RQ and RN Series) are certified with AHRI and the US Department of Energy to ANSI/AHRI 210/240 up to 5 tons capacity and ANSI/AHRI 340/360 up to 63 tons capacity.

Performance characteristics of our products range in cooling capacity from 2 to 261 tons and in heating capacity from 7,200 to 4,500,000 British Thermal Units ("BTUs"). Many of our products far exceed these minimum standards and are among the highest efficiency products currently available in the market.

A typical commercial building installation requires one ton of air conditioning for every 300-400 square feet or, for a 100,000 square foot building, 250 tons of air conditioning, which can involve multiple units.

Our packaged rooftop units with two stage or variable speed compressors are optimized with high efficiency evaporator and condenser coils and variable speed fans, leading to an AHRI Certified performance up to 20.3 SEER and 22.5 IEER. AAOH H3/V3 Series energy recovery wheel air handling units provide energy efficient 100% outside air ventilation by recovering energy that would otherwise be exhausted from a building.

We design and produce controls solutions for all of our HVAC units including rooftop units, air handlers and water-source heat pumps. We provide factory-developed and tested controls options for variable air volume systems associated with those units and other HVAC related equipment.

We offer several controls options: the Orion Controller, Pioneer Gold, Pioneer Silver, terminal block for field installed controls, and factory installed customer provided controls. Most of our controls are Underwriters Laboratories category ZPVI2 compliant and BACnet Testing Laboratories certified which ensures our products meet internationally recognized standards for safety, traceability, conformance, and production quality. Our economizer function is California Title 24 certified to minimize energy consumption. Our proven sequences of operation optimize the performance of our HVAC units.

Out of the box, our controls are user-friendly and configurable to provide a variety of HVAC unit application options, but we are also able to customize our controls to meet customers' unique requirements. We have controls solutions that enhance our products unique features and capabilities.

### ***Products - BASX***

The products BASX manufactures are highly engineered and customized products, fully complementing our existing business. BASX data center cooling solutions are focused on providing highly configurable, purpose-built equipment with a focus on efficiency, speed of deployment, and quality. High-performance air-cooled chiller solutions are provided with indirect airside economization and optional adiabatic assisted cooling, and are designed to integrate with high performance computing systems requiring direct to chip cooling. White space process cooling solutions include fan coil walls, computer room air handling ("CRAH") units, overhead fan coils, in-row coolers, and chilled water air handlers. Packaged solutions include coupled economizing chillers with integrated air handling units, direct evaporative coolers, and packaged direct expansion ("DX") solutions with airside economizers.

BASX cleanroom products are built to provide environmental control serving critical processes and high-fidelity control for precise industry requirements. Process cooling solutions include recirculation air handling units and make up air handling units including integration of piping systems and controls. Environmental control solutions include modular cleanroom environments, fan filter units, filtered ceiling grids with integral flush mount lighting, pressurized plenums with integral ceiling grids, and hospital surgical suites.

BASX custom air handling products are primarily used in commercial, industrial, healthcare, and institutional facilities employing chilled water cooling, packaged direct expansion, heating hot water, indirect gas direct heat, humidification, dehumidification, filtration, and integrated controls. BASX manufactures plenum fans for

integration into air handling units as well as for replacement applications. BASX also offers integrated sound performance solutions.

### ***Air Quality Products***

The Coronavirus Disease 2019 ("COVID-19") pandemic fueled a great deal of concern over best practices in the design and operation of building HVAC systems. In order to mitigate the spread of COVID-19, influenza, and other similar type respiratory diseases, we have performed significant research on what affects the transmission of these diseases and how AAON HVAC systems can be best designed. The American Society of Heating, Refrigeration and Air-Conditioning Engineers ("ASHRAE"), a professional association with a goal of advancing HVAC systems designs and construction, established an Epidemic Task Force in 2020 and determined several recommendations to mitigate the spread of the virus, including humidity control, air filtration, increased outdoor air ventilation, and air disinfection.

*Humidity control* - We continue to lead the market in developing energy efficient humidity control with the use of variable capacity compressors and modulating hot gas reheat. Designing HVAC systems with superior humidity control allows building management to maintain ASHRAE's recommended ambient relative humidity levels of 40%-60%, the ideal level to inactivate viruses in the air and on surfaces.

*Air Filtration* - We standardized a design that uses a backward curved fan wheel, which can accommodate higher airflow and static pressure required for the ASHRAE recommended MERV 13 filtration, the minimum filter level for virus mitigation, with very little reconfiguration. Prior to 2020, a vast majority of commercial buildings used filtration levels of MERV 4 to MERV 8, which has always been acceptable for filtering out typical particulates in the air stream.

*Outdoor Air Ventilation* - Our innovative use of energy recovery wheels and energy recovery plates combined with its superior humidity control design can help building management follow outdoor ventilation air recommendations while limiting an increase of energy usage and maintaining recommended humidity levels.

*Air Disinfection* - Our basic design characteristics allow for an easy installation of ultraviolet lighting equipment. In addition to this equipment offered as options in new units sold, our basic design characteristics allow for easy installation in units already used in the field.

Overall, we are well positioned to accommodate the heightened demand for features that can help mitigate virus transmission and improve indoor air quality. The features that ASHRAE recommends require premium designs and configurations that are standard in our units. As a result, we are able to incorporate air quality features into our units at a minimal price premium and with no delivery delay.

### ***Representatives***

As of December 31, 2022, we employ a sales staff of 69 individuals and utilize approximately 64 independent manufacturer representatives' organizations ("Representatives") having 127 offices to market our products primarily in the United States and Canada. Sales are made directly to the contractor or end user, with shipments being made from our Tulsa, Oklahoma, Longview, Texas, Parkville, Missouri, or Redmond, Oregon facilities to the job site.

Historically, our products and sales strategy focused on niche markets. However, market trends related to the COVID-19 pandemic and indoor air quality, decarbonization and energy efficiency, and higher energy prices, have positioned us to focus on a wider spectrum of the nonresidential HVAC equipment industry. The targeted markets for our equipment are customers seeking products of higher performance and better quality than those offered, and/or options not offered, by standardized manufacturers.

To support and service our customers and the ultimate consumer, we provide parts availability through our Representatives' sales offices, as well as our two Tulsa, Oklahoma operated retail parts stores, to serve the local markets. We also have factory service organizations at each of our facilities. Additionally, a number of the Representatives we utilize have their own service organizations, which, in connection with us, provide the necessary warranty work and/or normal service to customers.



We have a program focused on increasing service capabilities across our North America Representative network, by assisting Representatives with business plans, providing training, and creating a cohesive network of service organizations to better meet the operational and maintenance needs of our customer base.

### ***Warranties***

Our product warranty policy is the earlier of one year from the date of first use or 18 months from date of shipment for parts only, including controls; 18 months for data center cooling solutions and cleanroom systems; five years for compressors (if applicable); 15 years on aluminized steel gas-fired heat exchangers (if applicable); 25 years on stainless steel heat exchangers (if applicable); and ten years on gas-fired heat exchangers in our historical RL products (if applicable). Our warranty policy for the RQ series covers parts for two years from date of unit shipment. Our warranty policy for the WH and WV Series geothermal/water-source heat pumps covers parts for five years from the date of installation.

The Company also sells extended warranties on parts for various lengths of time ranging from six months to ten years. Revenue for these separately priced warranties is deferred and recognized on a straight-line basis over the separately priced warranty period.

### ***Major Customers***

One customer, Texas AirSystems LLC, accounted for 10% or more of our sales during 2022, 2021, and 2020. No other customer accounted for more than 10% of our sales during 2022, 2021, and 2020. One customer, Texas AirSystems LLC, accounted for more than 10% of our accounts receivable balance at December 31, 2022. No customers accounted for more than 10% of our accounts receivable balance at December 31, 2021.

### ***Backlog***

Our backlog as of February 1, 2023 was approximately \$547.3 million, compared to approximately \$347.6 million as of February 1, 2022. The current backlog consists of orders considered by management to be firm and our goal is to fill orders within approximately 25 weeks after an order is deemed to become firm; however, the orders are subject to cancellation by the customers in which case, cancellation charges apply up to the full price of the equipment.

### ***Competition***

Our AAON Oklahoma and AAON Coil Products product offerings primarily compete with Lennox (Lennox International, Inc.), Trane (Trane Technologies plc), York International (Johnson Controls International PLC), Carrier (Carrier Global Corporation), and Daikin (Daikin Industries). Our BASX product offerings primarily compete with Vertiv (Vertiv Holdings Co.), STULZ (STULZ Air Technology Systems, Inc.), Munters, Silent Aire (Johnson Controls International PLC), Nortek (Nortek Air Management), and Engineered Air.

All of our publicly traded competitors are substantially larger and have greater resources than we do. Our products compete on the basis of total value, quality, function, serviceability, efficiency, availability of product, reliability, product line recognition, and acceptability of sales outlets. Historically, our premium equipment was sold at a higher average price compared to most of the competition. In the replacement market and other owner-controlled purchases, we have been successful at taking market share due to the total value proposition and lower cost of ownership our products provide to building owners over the life span of the equipment. In the new construction market where the contractor is the purchasing decision maker, we were often at a competitive disadvantage because of the emphasis placed on initial cost. However, due to operational efficiency improvements we made over the last several years, the cost of our semi-custom equipment is more comparable to the standard equipment market. As a result, the value proposition of our higher quality equipment is now more attractive, making us more competitive in both the new construction and replacement markets.

## **Resources**

### ***Sources and Availability of Raw Materials***

The most important materials we purchase are steel, copper, and aluminum. We also purchase from other manufacturers certain components, including coils, compressors, electric motors, and electrical controls used in our products. We attempt to obtain the lowest possible cost in our purchases of raw materials and components, consistent with meeting specified quality standards. We are not dependent upon any one source for raw materials or the major components of our manufactured products. By having multiple suppliers, we believe that we will have adequate sources of supplies to meet our manufacturing requirements for the foreseeable future.

We attempt to limit the impact of price fluctuations on these materials by entering into cancellable and non-cancellable contracts with our major suppliers for periods of six to 18 months. We expect to receive delivery of raw materials from our contracts for use in our manufacturing operations.

### ***Working Capital Practices***

Working capital practices in the industry center on inventories and accounts receivable. Our management regularly reviews our working capital with a view of maintaining the lowest level consistent with requirements of anticipated levels of operation and expected supply chain restraints. Our working capital requirements are generally met by cash flow from operations and a bank revolving credit facility, which currently permits borrowings up to \$200.0 million and had a \$71.0 million outstanding balance at December 31, 2022. Borrowings available under the revolving credit facility at December 31, 2022, were \$128.2 million. We believe that we will have sufficient funds available to meet our working capital needs for the foreseeable future.

### ***Research and Development***

Our products are engineered for performance, flexibility, and serviceability. This has become a critical factor in competing in the HVAC equipment industry. We must continually develop new and improved products in order to compete effectively and to meet evolving regulatory standards in all of our major product lines.

We self-sponsor our Research and Development (“R&D”) activities, rather than needing to be customer-sponsored. R&D activities have involved the RQ, RN, and RZ (rooftop units), H3, SA, V3, and M2 (air handling units), CB (condensing unit), and the SA and SB (self-contained units), as well as component evaluation and refinement, development of control systems and new product development. R&D expenses incurred were approximately \$46.8 million, \$16.6 million, and \$17.4 million in 2022, 2021, and 2020, respectively. The significant increase for the year ended December 31, 2022 was related to the inclusion of a full year of operations of BASX (Note 4) as well as our commitment to product performance and innovation.

Our NAIC research and development laboratory facility includes many unique capabilities, which, to our knowledge, exist nowhere else in the world. A few features of the NAIC include supply, return, and outside sound testing at actual load conditions, testing of up to a 300 ton air conditioning system, up to a 540 ton chiller system, and 80 million BTU/hr of gas heating test capacity. Environmental application testing capabilities include -20 to 140°F testing conditions, up to 8 inches per hour rain testing, up to 2 inches per hour snow testing, and up to 50 mph wind testing. We believe we have the largest sound-testing chamber in the world for testing heating and air conditioning equipment and are not aware of any similar labs that can conduct this testing while putting the equipment under full environmental load. The unique capabilities of the NAIC will enable us to lead the industry in the development of quiet, energy efficient commercial and industrial heating and air conditioning equipment.

The NAIC currently houses twelve testing chambers. These testing chambers allow us to meet and maintain AHRI and U.S. Department of Energy (“DOE”) certification and solidify the Company’s industry position as a technological leader in the manufacturing of HVAC equipment. Current voluntary industry certification programs and government regulations only go up to 63 tons of air conditioning as that is the largest environmental chamber currently available for testing outside of our facility. The NAIC contains both a 100 ton and a 540 ton chamber, allowing us to uniquely prove to customers our capacity and efficiency on these larger units.

The NAIC was designed to test products well beyond the standard AHRI rating points and allows us to offer testing services on our equipment throughout our range of product application. This capability is vital for critical facilities where the units must perform properly and allows our customers to verify the performance of our units in advance, rather than after installation. These same capabilities will enable AAON to develop a new extended range of operational products and prove their capabilities.

Our Parkville, Missouri location is home to our new Electronics Prototyping Lab ("Lab") featuring a fully functional SMD (Surface Mount Device) production line. The production line incorporates automated pick-and-place equipment able to quickly and accurately place devices as small as 0.1mm by 0.2mm, the same technology scale used in cell phones. The production line also includes a profiled reflow oven to assure reliability in the finished prototypes. The Lab has allowed us to increase our speed to market and incorporate cutting-edge technology into our control designs. In addition, it allows our Controls Engineering team to utilize their hardware and software skills to outpace our Competitors in responding to market changes and upsets.

### ***Patents, Trademarks, Licenses, and Concessions***

We do not consider any patents, trademarks, licenses, or concessions to be material to our business operations, other than those described below.

We hold several patents that relate to the design and use of our products. We consider these patents important, but no single patent is material to the overall conduct of our business. We proactively obtain patents to further our strategic intellectual property objectives. We own certain trademarks we consider important in the marketing of our products and services, and we protect our marks through national registrations and common law rights. Our patents have legal terms of 20 years with expiration dates ranging from 2023 to 2039.

The Company's trademarks, certain of which are material to its business, are registered or otherwise legally protected in the U.S.

### **Seasonality**

Historically, sales of our products were moderately seasonal with the peak period being May-October of each year due to timing of construction projects being directly related to warmer weather. However, in recent years, given the increase in demand of our products and increase in our backlog, sales has become more constant throughout the year.

### **Environmental & Regulatory Matters**

Laws concerning the environment that affect or could affect our operations include, among others, the Clean Water Act, the Clean Air Act, the Resource Conservation and Recovery Act, the Occupational Safety and Health Act, the National Environmental Policy Act, the Toxic Substances Control Act, regulations promulgated under these Acts and any other federal, state or local laws or regulations governing environmental matters. We believe that we are in compliance with these laws and that future compliance will not materially affect our earnings or competitive position.

Since our founding in 1987, we have maintained a commitment to design, develop, manufacture, and deliver heating and cooling products to perform beyond all expectations and to demonstrate our quality and value to our customers. Our equipment is designed with energy efficiency in mind, without sacrificing premium features and options. In addition to our high standard of product performance, is a commitment to sustainability for our employees, our stockholders, and our customers. We strive to conduct our business in a socially responsible and ethical manner with a focus on environmental stewardship, team member safety and community engagement. We comply with industry regulations and requirements while pursuing responsible economic growth and profitability.

In 2022, we published our fourth annual environmental, social, and governance ("ESG") report sharing our approach in the material areas of stakeholder engagement, innovation and efficiency, environmental responsibility, climate change, occupational health and safety, talent attraction and retention, diversity and inclusion, community engagement and investment, corporate governance and ethics and compliance. The report also highlights achievements and long-term targets related to greenhouse gas emissions, hazardous waste recycling, and non-fossil fuel consuming products. We participate in a sustainability benchmarking initiative (The Sustainability Alliance Scor3card) through which we monitor and report in the material areas of energy, material management, water,



community stewardship, transportation, communication, and health. We achieved Platinum level in this program in 2022 and 2021. Our ESG committee provides oversight for ESG activities, ESG report development and an internal grassroots sustainability committee provides education opportunities, communications and recommendations to the Company on a regular basis.

We are committed to environmental responsibility and continue to make progress toward reducing greenhouse gas ("GHG") emissions, increasing hazardous waste recycling from our facilities and increasing the percentage of non-fossil fuel powered units we produce. Our approach toward emissions reduction and climate change includes product solutions for our customers and improvements to our own facilities. Approximately one-quarter of our energy portfolio is currently derived from renewable sources, and the Company's Scope 1 and 2 emissions (emissions that occur from sources that are controlled or owned by an organization and emissions associated with the purchase of electricity, steam, heat, or cooling) are being tracked. We opted into an additional percentage of renewable energy at our Tulsa, Oklahoma facilities in 2022, continued to invest and partner on projects that reduce GHG emissions globally and selected to begin the transition to the lower global warming potential R-454B refrigerant starting in 2023. We continue to develop and manufacture non-fossil fuel consuming units to provide the most sustainable commercial HVAC equipment in the market and announced the zero degree cold air-source heat pump in 2022 as a critical solution that meets the increasing demand for building decarbonization in cold climates.

In the area of energy efficiency and conservation, our Tulsa, Oklahoma and Longview, Texas facilities have transitioned to over 95% LED lighting in our facilities leading to considerable cost savings and reduced energy consumption. Our Redmond, Oregon facilities are installing LED lights into any new fixtures in their current facility and working towards retrofitting old fixtures to LED. We participate in an energy demand response program through the public utility provider to reduce demand during peak hours. Energy efficiency has been a priority not only in product development, but also in overall capital investments which include the acquisition of new, energy efficient equipment for the production floor, new high-speed overhead facility doors, the installation of new HVAC equipment, building control systems, the application of heat and light reflective material to production facilities, along with other behavioral-based energy efficiency changes. We are tracking our energy usage intensity before and after these updates.

In the area of material management, we focus on recycling, reducing, reusing and sourcing more environmentally-friendly materials into our processes. At our Tulsa, Oklahoma and Longview, Texas facilities, we recycled over 14,928 tons and 13,793 tons of metal in 2022 and 2021, respectively. Also, through our partnership with a waste to energy facility, we successfully diverted over 668 tons and 460 tons of waste from landfills in 2022 and 2021, respectively. We have identified hazardous waste recycling partners for paint products at both our Tulsa, Oklahoma and Longview, Texas facilities. We also recycle paper, wood, and cardboard where available. We continue to innovate ways to reduce and reuse shipping packaging between facilities and identify new opportunities to reduce or reuse items in our production and administrative areas.

## Human Capital Resources

Our employees are not represented by unions or other collective bargaining agreements. Management considers its relations with our employees to be good. The following table represents the number of our direct employees and contract personnel we employed on each respective date:

	As of February 22, 2023	As of February 22, 2022	As of February 23, 2021
AAON Oklahoma	2,474	1,979	1,778
AAON Coil Products	681	574	490
BASX <sup>1</sup>	511	328	—
Total employees	3,666	2,881	2,268

<sup>1</sup> BASX was acquired by the Company on December 10, 2021.

Our key human capital measures include employee safety, turnover, absenteeism, and production. We frequently benchmark our compensation practices and benefits programs against those of comparable industries and in the geographic areas where our facilities are located. We believe that our compensation and employee benefits are competitive and allow us to attract and retain skilled and unskilled labor throughout our organization. Some of our notable health, welfare, and retirement benefits include:

- Employee medical plan (with 175% employer health saving plan match)
- 401(k) Plan (with 175% employer match)
- Profit sharing bonus plan
- Tuition assistance program
- Paid time off
- Paid parental leave
- Military pay

#### **Available Information**

Our Internet website address is <http://www.aaon.com>. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, will be available free of charge through our Internet website as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. The information on our website is not a part of, or incorporated by reference into, this annual report on Form 10-K.

Copies of any materials we file with the SEC can also be obtained free of charge through the SEC's website at <http://www.sec.gov>, at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549, or by calling the SEC at 1-800-732-0330.

#### **Item 1A. Risk Factors.**

The following risks and uncertainties may affect our performance and results of operations. The discussion below contains "forward-looking statements" as outlined in the Forward-Looking Statements section above. Our ability to mitigate risks may cause our future results to materially differ from what we currently anticipate. Additionally, the ability of our competitors to react to material risks will affect our future results.

#### **Risks Related to the COVID-19 Pandemic**

#### **Our business, results of operations, financial condition, cash flows, and stock price can be adversely affected by pandemics, epidemics, or other public health emergencies, such as COVID-19.**

In March 2020, the World Health Organization characterized COVID-19 as a pandemic, and the President of the United States declared the COVID-19 outbreak a national emergency. The outbreak resulted in governments around the world implementing increasingly stringent measures to help control the spread of the virus, including quarantines, "shelter in place" and "stay at home" orders, travel restrictions, business curtailments, school closures, vaccination or testing mandates and other measures. In addition, governments and central banks in several parts of the world enacted fiscal and monetary stimulus measures to counteract the impacts of COVID-19.

We are considered a critical infrastructure industry, as defined by the U.S. Department of Homeland Security. Although we have continued to operate our facilities to date consistent with federal guidelines and state and local orders, the outbreak of COVID-19 and any preventive or protective actions taken by governmental authorities may have a material adverse effect on our operations, supply chain, customers, and transportation networks, including business shutdowns or disruptions. During 2022 and 2021 we experienced price increases in our components and raw materials, especially copper and steel, which appear to be a result of COVID-19, as well supply chain challenges related to certain manufacturing parts.

Even though the COVID-19 pandemic has subsided, we may experience materially adverse impacts to our business due to any resulting economic recession or depression. Additionally, concerns over the economic impact of COVID-19 have caused extreme volatility in financial and other capital markets which may adversely impact our stock price and our ability to access capital markets. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this Annual Report, such as those relating to our products and financial performance.

## **Risks Related to Our Business**

### **Our business can be hurt by economic conditions.**

Our business is affected by a number of economic factors, including the level of economic activity in the markets in which we operate. Sales in the commercial and industrial new construction markets correlate to the number of new homes and buildings that are built, which in turn is influenced by cyclical factors such as interest rates, inflation, consumer spending habits, employment rates, and other macroeconomic factors over which we have no control. In the HVAC business, a decline in economic activity as a result of these cyclical or other factors typically results in a decline in new construction and replacement purchases which could impact our sales volume and profitability.

### **Our results of operations and financial condition could be negatively impacted by the loss of a major customer.**

From time to time in the past we derived a significant portion of our sales from a limited number of customers, and such concentration may continue in the future. In 2022, 2021, and 2020, one customer, Texas AirSystems LLC accounted for more than 10% of our sales. The loss of, or significant reduction in sales to, a major customer could have a material adverse effect on our results of operations, financial condition and cash flow. Further, the addition of new major customers in the future could increase our customer concentration risks as described above.

### **Our results of operations and financial condition could be negatively impacted by the loss of a major third-party representative.**

We are dependent on our third-party representatives to market and sell our products. If such relationships were terminated for any reason, it could materially and adversely affect our ability to generate revenues and profits. Certain of our competitors with greater financial resources than us could target our third-party representatives for exclusive sales channels. We may not be able to secure additional third-party representatives who will effectively market our products in certain geographical areas. In addition, adding new representatives requires additional administrative efforts and costs. If we are unable to establish new representative relationships or continue current relationships, our business, financial condition, and results of operations could be materially and adversely affected.

### **We may incur material costs as a result of warranty and product liability claims that would negatively affect our profitability.**

The development, manufacture, sale and use of our products involve a risk of warranty and product liability claims. Our product liability insurance policies have limits that, if exceeded, may result in material costs that would have an adverse effect on our future profitability. An excess of or significant claim(s) could lead to the cancellation of our policies and the loss of and inability to find additional insurance carriers. In addition, warranty claims are not covered by our product liability insurance and there may be types of product liability claims that are also not covered by our product liability insurance.

### **We depend on our senior leadership team and the loss of our Chief Executive Officer or one or more key employees or an inability to attract and retain highly skilled employees could adversely affect our business.**

Our success depends largely upon the continued services of our officers and senior leadership team. In particular, our Chief Executive Officer ("CEO"), Gary D. Fields, is critical to our vision, strategic direction, culture, and overall business success. Furthermore, Mr. Fields' extensive industry knowledge and sales-channel experience would be difficult to replace. We also rely on our senior leadership team in the areas of research and development, marketing, production, sales, and general and administrative functions. From time to time, there may be changes in our senior leadership team resulting from the hiring or departure of senior leadership team members, which could disrupt our business. While we have a robust succession plan in place for each one of our officers and senior leadership team members, the loss of one or more could have a serious adverse effect on our business.



We do not maintain key-man insurance for Gary D. Fields or any other member of our senior leadership team. Other than the employment agreements negotiated with certain employees of BASX, we do not have employment agreements with our officers or senior leadership team members that require them to continue to work for us for any specified period and, therefore, they could terminate their employment with us at any time. The employment agreements with the employees of BASX guarantee certain compensation, such as salary and benefits, and employment terms. We do not believe the terms or conditions of these agreements are outside the standard expectation of another employee at a similar level.

**Operations may be affected by natural disasters, especially since most of our operations are performed at a single location.**

Natural disasters such as tornadoes, ice storms and fires, as well as accidents, acts of terror, infection, and other factors beyond our control could adversely affect our operations. Our facilities are in areas where tornadoes are likely to occur, and the majority of our operations are at our Tulsa, Oklahoma facilities. With the acquisition of BASX in 2021, we now have operations in an area that is, historically, effected by wild fires. The effects of natural disasters and other events could damage our facilities and equipment and force a temporary halt to manufacturing and other operations, and such events could consequently cause severe damage to our business. We maintain insurance against these sorts of events; however, this is not guaranteed to cover all the losses and damages incurred. Furthermore, we may experience increases in our insurance premium costs in relation to these matters that may have a material adverse effect upon our business, liquidity, financial condition, or results of operations.

**If we are unable to hire, develop or retain employees, it could have an adverse effect on our business.**

We compete to hire new employees and then seek to train them to develop their skills. We may not be able to successfully recruit, develop, and retain the personnel we need. Unplanned turnover or failure to hire and retain a diverse, skilled workforce, could increase our operating costs and adversely affect our results of operations.

**Variability in self-insurance liability estimates could impact our results of operations.**

We self-insure for certain employee health insurance and workers' compensation insurance coverage up to a predetermined level, beyond which we maintain stop-loss insurance from a third-party insurer. Our aggregate exposure varies from year to year based upon the number of participants in our insurance plans. We estimate our self-insurance liabilities using an analysis provided by our claims administrator and our historical claims experience. Our accruals for insurance reserves reflect these estimates and other management judgments, which are subject to a high degree of variability. If the number or severity of claims for which we self-insure increases, it could cause a material and adverse change to our reserves for self-insurance liabilities, as well as to our earnings.

**Risks Related to Our Brand and Product Offerings**

**We may not be able to compete favorably in the highly competitive HVAC business.**

Competition in our various markets could cause us to reduce our prices or lose market share, which could have an adverse effect on our future financial results. Substantially all of the markets in which we participate are highly competitive. The most significant competitive factors we face are product reliability, product performance, service, manufacturing lead-times, and price, with the relative importance of these factors varying among our product line. Other factors that affect competition in the HVAC market include the development and application of new technologies and an increasing emphasis on the development of more efficient HVAC products. Moreover, new product introductions are an important factor in the market categories in which our products compete. Several of our competitors have greater financial and other resources than we have, allowing them to invest in more extensive research and development. We may not be able to compete successfully against current and future competition and current and future competitive pressures faced by us may materially adversely affect our business and results of operations.

**We may not be able to successfully develop and market new products.**

Our future success will depend upon our continued investment in research and new product development and our ability to continue to achieve new technological advances in the HVAC industry. Our inability to continue to successfully develop and market new products or our inability to implement technological advances on a pace consistent with that of our competitors could lead to a material adverse effect on our business and results of operations. Furthermore, our continued investment in new product development may render certain legacy products and components obsolete resulting in increased inventory obsolescence expense that may have a material adverse effect upon our financial condition or results of operations.

**Risks Related to Material Sourcing and Supply**

**We may be adversely affected by problems in the availability, or increases in the prices, of raw materials and components.**

Problems in the availability, or increases in the prices, of raw materials or components could depress our sales or increase the costs of our products. We are dependent upon components purchased from third parties, as well as raw materials such as steel, copper and aluminum. Occasionally, we enter into cancellable and non-cancellable contracts on terms from six to 18 months for raw materials and components. However, if a key supplier is unable or unwilling to meet our supply requirements, we could experience supply interruptions or cost increases, either of which could have an adverse effect on our gross profit.

**We risk having losses resulting from the use of non-cancellable contracts.**

Historically, we have attempted to limit the impact of price fluctuations on commodities by entering into non-cancellable contracts with our major suppliers for periods of six to 18 months. We expect to receive delivery of raw materials from our contracts for use in our manufacturing operations. These contracts are not accounted for using hedge accounting since they meet the normal purchases and sales exemption.

**Risks Related to Electronic Data Processing and Digital Information**

**Our business is subject to the risks of interruptions by cybersecurity attacks.**

We depend upon information technology infrastructure, including network, hardware and software systems to conduct our business. Despite our implementation of network and other cybersecurity measures, our information technology system and networks could be disrupted due to technological problems, a cyber-attack, acts of terrorism, severe weather, a solar event, an electromagnetic event, a natural disaster, the age and condition of information technology assets, human error, or other reasons. To date, we have not experienced a material impact to our business or operations resulting from cyber-security or other similar information attacks, but due to the ever-evolving attack methods, as well as the increased amount and level of sophistication of these attacks, our security measures may not be adequate to protect against highly targeted sophisticated cyber-attacks, or other improper disclosures of confidential and/or sensitive information. Additionally, we may have access to confidential or other sensitive information of our customers, which, despite our efforts to protect, may be vulnerable to security breaches, theft, or other improper disclosure. Any cyber-related attack or other improper disclosure of confidential information could have a material adverse effect on our business, as well as other negative consequences, including significant damage to our reputation, litigation, regulatory actions, and increased cost.

**We are reliant on information technology.**

We are reliant on information technology in all aspects of our business, operated and maintained by the Company as well as under control of third parties. If we do not invest sufficient capital in a timely manner to acquire, develop, or implement new information technologies or maintain or upgrade current information technologies, we could suffer outages as well as be at a competitive disadvantage within our industry which could have a material adverse effect upon our financial condition and results of operations.

**Risks Related to Governmental Regulation and Policies**

**Exposure to environmental liabilities could adversely affect our results of operations.**

Our future profitability could be adversely affected by current or future environmental laws. We are subject to extensive and changing Federal, state and local laws and regulations designed to protect the environment in the United States and in other parts of the world. These laws and regulations could impose liability for remediation costs and result in civil or criminal penalties in case of non-compliance. Compliance with environmental laws increases our costs of doing business. Because these laws are subject to frequent change, we are unable to predict the future costs resulting from environmental compliance.

**We are subject to potentially extreme governmental regulations and policies.**

We always face the possibility of new governmental regulations, policies and trade agreements which could have a substantial or even extreme negative effect on our operations and profitability. Several intrusive component part governmental regulations are in process. If these proposals become final rules, the effect would be the regulation of compressors and fans in products for which the Department of Energy does not have current authority. This could affect equipment we currently manufacture and could have an impact on our product design, operations, and profitability.

The Dodd-Frank Wall Street Reform and Consumer Protection Act contains provisions to improve transparency and accountability concerning the supply of certain minerals, known as “conflict minerals”, originating from the Democratic Republic of Congo and adjoining countries. As a result, in August 2012, the SEC adopted annual disclosure and reporting requirements for those companies who use conflict minerals in their products. Accordingly, we began our reasonable country of origin inquiries in fiscal year 2013, with initial disclosure requirements beginning in May 2014. There are costs associated with complying with these disclosure requirements, including for due diligence to determine the sources of conflict minerals used in our products and other potential changes to products, processes or sources of supply as a consequence of such verification activities. The implementation of these rules could adversely affect the sourcing, supply, and pricing of materials used in our products. As there may be only a limited number of suppliers offering “conflict free” conflict minerals, we cannot be sure that we will be able to obtain necessary conflict minerals from such suppliers in sufficient quantities or at competitive prices. Also, we may face reputational challenges if we determine that certain of our products contain minerals not determined to be conflict free or if we are unable to sufficiently verify the origins for all conflict minerals used in our products through the procedures we may implement.

Our operations could be negatively impacted by new legislation as well as changes in regulations and trade agreements, including tariffs and taxes. Unfavorable conditions resulting from such changes could have a material adverse effect on our business, financial condition and results of operations.

**We are subject to adverse changes in tax laws.**

Our tax expense or benefits could be adversely affected by changes in tax provisions, unfavorable findings in tax examinations, or differing interpretations by tax authorities. We are unable to estimate the impact that current and future tax proposals and tax laws could have on our results of operations. We are currently subject to state and local tax examinations for which we do not expect any major assessments.

**We are subject to international regulations that could adversely affect our business and results of operations.**

Due to our use of Representatives in foreign markets, we are subject to many laws governing international relations, including those that prohibit improper payments to government officials and commercial customers, and restrict



where we can do business, what information or products we can supply to certain countries and what information we can provide to a non-U.S. government, including but not limited to the Foreign Corrupt Practices Act, U.K. Bribery Act and the U.S. Export Administration Act. Violations of these laws, which are complex, may result in criminal penalties or sanctions that could have a material adverse effect on our business, financial condition and results of operations.

**Changes in legislation or government regulations or policies could adversely effect on our results of operations.**

Our sales, gross margins and profitability could be directly impacted by changes in legislation or government regulations or policies. Specifically, changes in environmental and energy efficiency standards and regulations related to global climate change are being implemented to curtail the use of hydrofluorocarbons which are used in refrigerants that are essential to many of our products. Our inability or delay in developing or marketing products that match customer demand while also meeting applicable efficiency and environmental standards may negatively impact our results.

We are transitioning to a new refrigerant with lower global warming potential for our HVAC systems and must be fully compliant under current governmental regulations by 2025. We expect to incur costs associated with this transition related to the purchase of the new refrigerant as well as additional sensors and detectors on our HVAC systems. In addition, we expect to incur cost to our facilities, specifically costs to store and use the new refrigerant in production; however, we do not expect these costs to be significant. Due to the increased flammability of the new refrigerant, the insurance industry may require higher premiums for companies once the conversion begins. Furthermore, due to the expected increased demand of the newer refrigerants as well as the older hydrofluorocarbon refrigerants (as they are phased out), we expect to see increased manufacturing costs related to purchases of refrigerants and could see higher costs for future warranty claims.

Future legislation or regulations relating to environmental policies, product certification, product liability, taxes, amount and availability of tax incentives and other matters, may impact the results of each of our operating segments and our consolidated results.

**Item 1B. Unresolved Staff Comments.**

None.

**Item 2. Properties.**

Our manufacturing areas are heavy industrial type buildings, with some coverage by overhead cranes, containing manufacturing equipment designed for sheet metal fabrication, metal stamping and tube forming. The manufacturing equipment contained in the facilities consists primarily of automated sheet metal fabrication equipment, supplemented by presses and tube bending equipment. Assembly lines consist of cart-type and roller-type conveyor lines with variable line speed adjustment. Subassembly areas and production line manning are based upon line rates set by production management.

We own and lease our properties and facilities, as further described below. We believe that all of our facilities are well maintained and are in good condition and suitable for the conduct of our business.

***AAON Oklahoma***

Our plant and office facilities in Tulsa, Oklahoma, consist of a 342,000 square foot building (327,000 square feet of manufacturing/warehouse space and 15,000 square feet of office space) located on a 12-acre tract of land at 2425 South Yukon Avenue; a 940,000 square foot manufacturing/warehouse building and a 70,000 square foot office building located on an approximately 79-acre tract of land across the street from the original facility (2440 South Yukon Avenue); and a 40,000 square foot building used as warehouse space located on a 6-acre tract. We also lease a 198,000 square foot warehouse space which is used for additional inventory storage.

In addition to a retail parts store location at our Tulsa facilities, we also own a 13,500 square foot stand alone building (7,500 square foot warehouse and 6,000 square foot office) which is utilized as an additional retail parts store to provide our customers more accessibility to our products. The stand alone parts store building is on approximately one acre and is located at 9528 E 51st St in Tulsa, Oklahoma.

Our Tulsa location is also home to our engineering research and development laboratory, the Norman Asbjornson Innovation Center ("NAIC"). The three-story, 134,000 square foot stand alone facility is both an acoustical and a performance measuring laboratory. This facility currently consists of twelve test chambers, allowing AAON to meet and maintain industry certifications. This facility is located west of the 940,000 square foot manufacturing/warehouse building at 2440 South Yukon Avenue.

In 2023, our Exploration Center will open at our Tulsa location. The Exploration Center is a 28,000 square foot facility located adjacent to the NAIC. The Exploration Center will provide an immersive and educational experience of our products, solutions and our people and also serve as an event hub for our stakeholders, including our customers, employees, Representatives and investors. The Exploration Center will add a dimension of customer engagement that doesn't currently exist, showcasing our products and our competitors products and allowing our customers to interact with our employees.

Our operations in Parkville, Missouri, are conducted in a leased plant/office at 8500 NW River Park Drive, containing approximately 51,000 square feet. This location is home to our Controls design and manufacturing facilities. In October 2022, we modified the existing lease to expand to approximately 86,000 square feet and expect to be able to utilize the additional space beginning in the second quarter of 2023.

#### ***AAON Coil Products***

Our plant and office facilities in Longview, Texas, consist of a 263,000 square foot building (256,000 square feet of manufacturing/warehouse space and 7,000 square feet of office space) located on a 13-acre tract of land, a 222,000 square foot building (210,000 square feet of manufacturing/warehouse space and 12,000 square feet of office space) located on an approximately 22-acre tract of land, and a 5,000 square foot building utilized as a retail parts store which we lease to a Representative of the Company. All of these facilities are located on Gum Springs Road.

In January 2023, we purchased additional real property and improvements consisting of 64,000 square feet of warehouse space located on a 10-acre tract of land at 115 Kodak Boulevard in Longview, Texas.

#### ***BASX***

Our operations in Redmond, Oregon, are conducted in a plant/office at 3500 SW 21st Place, containing approximately 194,000 square feet (169,000 square feet of manufacturing/warehouse space and 25,000 square feet of office space) on a 13-acre tract of land and a leased manufacturing/warehouse building containing approximately 15,000 square feet at 2895 SW 13th Street. Additionally, we lease an office of approximately 4,000 square feet located at 1725 Blankenship Road, West Linn, Oregon.

In August 2022, we purchased additional real property of approximately one-acre adjacent to the plant/office at 3500 SW 21st Place, to facilitate future growth of our operations at BASX.

#### **Item 3. Legal Proceedings.**

See Note 18 of the Consolidated Financial Statements.

#### **Item 4. Mine Safety Disclosure.**

Not applicable.

## **PART II**

**Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.**

**Market Information** - Our common stock is quoted on the NASDAQ Global Select Market under the symbol “AAON”. As of the close of business on February 22, 2023, there were 955 holders of record of our common stock.

**Dividends** - At the discretion of the Board of Directors, we pay cash dividends. Board approval is required to determine the date of declaration and amount for each cash dividend payment.

Our cash dividends for the three years ended December 31, 2022 are as follows:

Declaration Date	Record Date	Payment Date	Dividend per Share
May 15, 2020	June 3, 2020	July 1, 2020	\$0.19
November 10, 2020	November 27, 2020	December 18, 2020	\$0.19
May 17, 2021	June 3, 2021	July 1, 2021	\$0.19
November 9, 2021	November 26, 2021	December 17, 2021	\$0.19
May 18, 2022	June 3, 2022	July 1, 2022	\$0.19
November 8, 2022	November 28, 2022	December 16, 2022	\$0.24

The following is a summary of our share-based compensation plans as of December 31, 2022:

**EQUITY COMPENSATION PLAN INFORMATION**

Plan category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
The 2007 Long-Term Incentive Plan	119,208	\$ 22.62	—
The 2016 Long-Term Incentive Plan	1,257,805	\$ 42.31	3,599,896

Repurchases during the fourth quarter of 2022, which include repurchases from our open market, 401(k) and employee repurchase programs, were as follows:

**ISSUER PURCHASES OF EQUITY SECURITIES**

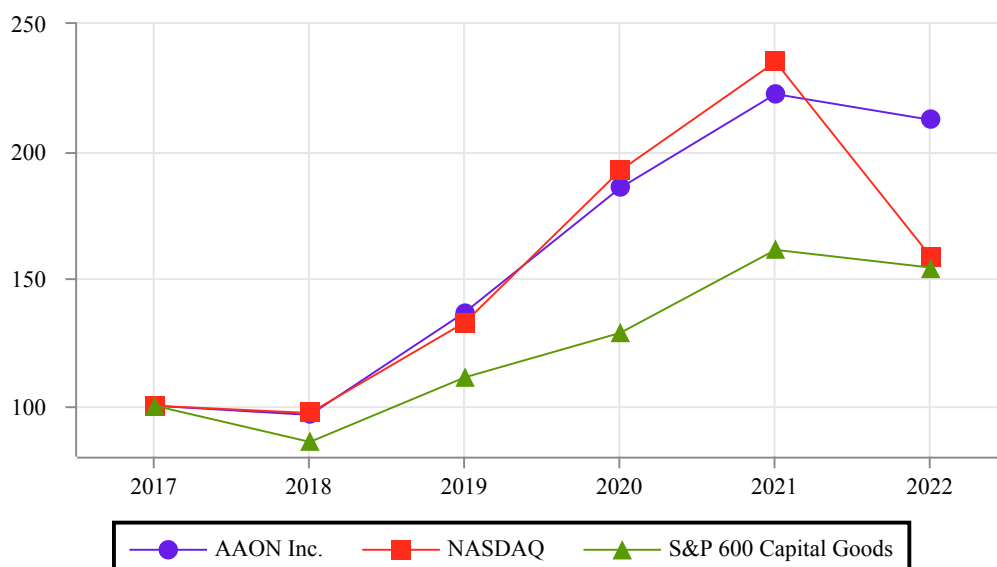
Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid (Per Share or Unit)	(c) Total Number of Shares (or Units) Purchased as part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that may yet be Purchased under the Plans or Programs
October 2022	87,049	\$ 55.33	87,049	—
November 2022	23	65.00	23	—
December 2022	196	76.66	196	—
Total	87,268	\$ 55.38	87,268	—



### Comparative Stock Performance Graph

The following performance graph compares our cumulative total shareholder return for the Company’s common stock for the five-year period ending on December 31, 2022, compared to an overall stock market index (the NASDAQ Composite Index) and the Company’s peer group index (S&P 600 Capital Goods Industry Group Index). We believe the S&P 600 Capital Goods Industry Group Index best represents our relative peer group based on our current business and market capitalization. The graph assumes that \$100 was invested at the close of trading December 31, 2017, with the reinvestment of dividends since that date. This table is not intended to forecast future performance of our Common Stock.

### Comparison of Five Year Cumulative Total Return Assumes Initial Investment of \$100 December 31, 2017



This stock performance graph is not deemed to be “soliciting material” or otherwise be considered to be “filed” with the SEC or subject to Regulation 14A or 14C under the Securities Exchange Act of 1934 (Exchange Act) or to the liabilities of Section 18 of the Exchange Act, and should not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent the Company specifically incorporates it by reference into such a filing.

**Item 6. Reserved.**

**Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.**

## Overview

The following discussion summarizes the significant factors affecting the consolidated operating results, financial condition and liquidity of the Company for the year ended December 31, 2022. This discussion should be read in conjunction with the other sections of this Annual Report on Form 10-K, including the consolidated financial statements and related notes contained in Item 8, *Financial Statements and Supplementary Data*. A detailed discussion of the year to year changes for the years ended December 31, 2021 and 2020 is not included herein and can be found in Part II, Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations* section of the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

## Description of the Company

We engineer, manufacture, market, and sell premium air conditioning and heating equipment consisting of standard, semi-custom, and custom rooftop units, data center cooling solutions, cleanroom systems, packaged outdoor mechanical rooms, air handling units, makeup air units, energy recovery units, condensing units, geothermal/water-source heat pump, coils, and controls. These products are marketed and sold to retail, manufacturing, educational, lodging, supermarket, data centers, medical and pharmaceutical, and other commercial industries. We market our products to all 50 states in the United States and certain provinces in Canada.

Our business can be affected by a number of economic factors, including the level of economic activity in the markets in which we operate. The uncertainty of the economy negatively impacted the commercial and industrial new construction markets in 2020 and the first half of 2021. Since August 2021, however, nonresidential construction has been recovering. In the third quarter of 2022, the market returned to pre-pandemic levels. Currently, architectural billings and nonresidential construction starts are at historically high levels, signaling the nonresidential construction market will continue to be strong over the next nine to 12 months. Furthermore, although some economic indicators are suggesting the general economy is slowing, the replacement market remains strong. Nevertheless, both the new construction and replacement markets are cyclical. If the domestic economy were to slow or enter a recession, this could result in a decrease in our sales volume and profitability. Sales in the commercial and industrial new construction markets generally lag the housing market, which in turn is influenced by cyclical factors such as interest rates, inflation, consumer spending habits, employment rates, the state of the economy and other macroeconomic factors over which we have no control. Sales in the replacement markets are driven by various factors, including general economic growth, the Company's new product introductions, fluctuations in the average age of existing equipment in the market, government regulations and stimulus, change in market demand between more customized, higher performing HVAC equipment and lower priced standard equipment, as well as many other factors. When new construction is down, we emphasize the replacement market.

We sell our products to property owners and contractors mainly through a network of independent manufacturers' Representatives. This go-to-market strategy is unique compared to most of our larger competitors in that most control their sales channel. We value the independent sales channel as we think it is a more effective way of increasing market share. Although we concede full control of the sales process with this strategy, the entrepreneurial aspect of the independent sales channel attracts the most talent and provides greater financial incentives for its salespeople. Furthermore, the independent sales channel sells different types of equipment from various manufacturers, allowing it to operate with more of a solutions-based mindset, as opposed to an internal sales department of a manufacturing company that is incentivized to only sell its equipment regardless if it is the best solution for the end customer. We also have a small internal sales force that supports the relationships between the Company and our sales channel partners. BASX sells highly customized products for unique applications for a more concentrated customer base and an internal sales force is more effective for such products.

The principal components of cost of sales are labor, raw materials, component costs, factory overhead, freight out, and engineering expense. The principal high volume raw materials used in our manufacturing processes are steel, copper, and aluminum, and are obtained from domestic suppliers. We also purchase from domestic manufacturers certain components, including coils, compressors, motors, and electrical controls.

The price levels of our raw materials fluctuate given that the market continues to be volatile and unpredictable as a result of the uncertainty related to the U.S. economy and global economy. For the year ended December 31, 2022, the prices for copper, galvanized steel, stainless steel and aluminum increased approximately 13.4%, 14.5%, 61.0%, and 14.0%, respectively, from 2021.

We attempt to limit the impact of price fluctuations on these materials by entering into cancellable and non-cancellable contracts with our major suppliers for periods of six to 18 months. We expect to receive delivery of raw materials from our contracts for use in our manufacturing operations.

We occasionally increase the price of our products to help offset any inflationary headwinds. In 2021, we implemented three price increases. In 2022, we implemented two significant price increases as well as a recurring 1% monthly price increase effective June 1, 2022.

Additionally, we continue to experience challenges in a tight labor market, especially the hiring of both skilled and unskilled production labor. We have implemented the following wage increases to remain competitive and to attract and retain employees:

- In March 2021, we awarded annual merit raises for an overall 5.0% increase to wages.
- In July 2021, we increased starting wages for our production workforce by 7.0%.
- In October 2021, we implemented a cost of living increase of 3.5% in place for all employees below our Senior Leadership Team ("SLT") which consists of officers and key members of management.
- In March 2022, we awarded annual merit raises for an overall 3.0% increase to wages.
- In October 2022, we implemented a cost of living increase of 3.5% in place for all employees below the SLT level.

We will continue to implement human resource initiatives to retain and attract labor to further improve productivity and production efficiencies.

## Backlog

The following table shows our historical backlog levels:

<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
<i>(in thousands)</i>	
\$ 548,022	\$ 260,164

The Company has increased our backlog both through the acquisition of BASX and organic growth due primarily to favorable lead times and increased overall demand.

## Consolidated Results of Operations

	<b>Years Ended December 31,</b>	
	<u>2022</u>	<u>2021</u>
	<i>(in thousands)</i>	
Net Sales	\$ 888,788	\$ 534,517
Cost of Sales	651,216	396,687
Gross Profit	237,572	137,830
Selling, general and administrative expenses	110,823	68,598
Gain on disposal of assets	(12)	(21)
Income from operations	<u>\$ 126,761</u>	<u>\$ 69,253</u>

The following are highlights of our results of operations, cash flows, and financial condition:

- Our backlog has been at record levels during all of 2022. New bookings from BASX were a record for that business as it benefited from a strong pipeline of projects in the data center and semiconductor markets. Revenue synergies from the BASX acquisition has increased bookings for AAON Coil Products as well. Bookings continue to be strong primarily due to our favorable lead times and strong end-market demand.
- Net sales for 2022 grew 66.3% to \$888.8 million due to organic growth, the addition of BASX revenues and price increases realized during the year.
- Overall gross margin increased 90 basis points in 2022, as the increased costs of material and labor were offset by increased efficiencies of operations as well as price increases.
- We continue to invest in the future growth of the Company as evidenced by our \$54.0 million in capital expenditures and \$22.0 million for the purchase of the BASX building.

We report our financial results based on three reportable segments: AAON Oklahoma, AAON Coil Products, and BASX, which are further described in Item 1 and Item 8. The Company's chief decision maker ("CODM"), our CEO, allocates resources and assesses the performance of each operating segment using information about the operating segment's net sales and income from operations. The CODM does not evaluate operating segments using asset or liability information.

#### Segment Operating Results for the Years Ended December 31, 2022 and 2021

	For the years ended December 31,					
	2022	Percent of Sales <sup>2</sup>	2021	Percent of Sales <sup>2</sup>	\$ Change	% Change
	<i>(in thousands)</i>					
<b>Net Sales<sup>3</sup></b>						
AAON Oklahoma	\$ 663,845	74.7 %	\$ 463,845	86.8 %	\$ 200,000	43.1 %
AAON Coil Products	107,290	12.1 %	66,589	12.5 %	40,701	61.1 %
BASX <sup>1</sup>	117,653	13.2 %	4,083	0.8 %	113,570	2781.5 %
Net sales	\$ 888,788		\$ 534,517		\$ 354,271	66.3 %
<b>Cost of Sales<sup>3</sup></b>						
AAON Oklahoma	\$ 490,862	73.9 %	336,977	72.6 %	\$ 153,885	45.7 %
AAON Coil Products	73,979	69.0 %	56,514	84.9 %	17,465	30.9 %
BASX <sup>1</sup>	86,375	73.4 %	3,196	78.3 %	83,179	2602.6 %
Cost of sales	\$ 651,216	73.3 %	\$ 396,687	74.2 %	\$ 254,529	64.2 %
<b>Gross Profit<sup>3</sup></b>						
AAON Oklahoma	\$ 172,983	26.1 %	\$ 126,868	27.4 %	\$ 46,115	36.3 %
AAON Coil Products	33,311	31.0 %	10,075	15.1 %	23,236	230.6 %
BASX <sup>1</sup>	31,278	26.6 %	887	21.7 %	30,391	3426.3 %
Gross profit	\$ 237,572	26.7 %	\$ 137,830	25.8 %	\$ 99,742	72.4 %

<sup>1</sup> BASX was acquired on December 10, 2021. We have included the results of BASX's operations in our consolidated financial statements as of December 11, 2021.

<sup>2</sup> Cost of sales and gross profit for each segment are calculated as a percentage of the respective segment's net sales. Total cost of sales and total gross profit are calculated as a percentage of total net sales.

<sup>3</sup> Presented after intercompany eliminations.



Total net sales increased \$354.3 million, or 66.3%, with the addition of inorganic sales from the acquisition of BASX contributing to 19.5% of our growth. Net sales also grew through price increases of \$100.0 million and organic sales volumes, product mix and other of \$149.8 million.

AAON Coil Products gross profit increased significantly to 31.0%. Price increases were realized more quickly for AAON Coil Products given their smaller backlog, which is the primary driver of the increase in gross margin for this segment. Additionally, the new manufacturing building for AAON Coil Products was completed in early 2021, resulting in increased capacity and operational efficiencies during 2022 as compared to 2021.

As shown in the table below, we've experienced increases in the cost of our raw materials. We have implemented multiple price increases during 2021 and 2022 to counteract the increased cost of material. Some of the 2022 price increases have yet to be realized. Additionally, in order to attract new employees and remain competitive in tight labor markets, we implemented several wage increases in late 2021 and throughout 2022.

### Raw Material Costs

Twelve month average raw material cost per pound as of December 31:

	2022		2021		% Change
Copper	\$	5.60	\$	4.94	13.4 %
Galvanized Steel	\$	0.95	\$	0.83	14.5 %
Stainless Steel	\$	3.30	\$	2.05	61.0 %
Aluminum	\$	2.20	\$	1.93	14.0 %

### Selling, General and Administrative Expenses

	Years Ended December 31,		Percent of Sales			
	2022	2021	2022	2021		
	<i>(in thousands)</i>					
Warranty	\$	8,497	\$	6,351	1.0 %	1.2 %
Profit Sharing		14,009		8,526	1.6 %	1.6 %
Salaries & Benefits		41,351		23,458	4.7 %	4.4 %
Stock Compensation		7,025		5,543	0.8 %	1.0 %
Advertising		2,353		1,616	0.3 %	0.3 %
Depreciation & Amortization		8,050		2,924	0.9 %	0.5 %
Insurance		3,755		3,010	0.4 %	0.6 %
Professional Fees		5,754		7,245	0.6 %	1.4 %
Donations		1,134		738	0.1 %	0.1 %
Other		18,895		9,187	2.1 %	1.7 %
Total SG&A	\$	110,823	\$	68,598	12.5 %	12.8 %

Warranty expense increased consistent with our increase in net sales but decreased as a percentage of sales, as we continue to focus on our commitment to reliability and quality.

Salaries and benefits increased \$17.9 million, with a full year of BASX included accounting for \$10.5 million of the increase. The remaining increase was primarily attributable to overall increased headcount and the impact of employee pay increases that went into effect during 2021 and in 2022.

Depreciation and amortization expense at BASX was \$4.5 million, accounting for the majority of the change period over period. Profit sharing increased for AAON Oklahoma and AAON Coil Products by \$4.8 million due to increased operating results, while profit sharing at BASX increased by \$0.7 million as a result of a full year of BASX's employee incentive program.

Professional fees decreased mostly due to the transaction costs associated with the acquisition of BASX (Note 4) of \$4.4 million included in 2021. Excluding \$3.8 million of other SG&A at BASX, other SG&A increased \$5.9 million attributable mainly to consulting services and increased travel expenses due to lighter COVID-19 restrictions in 2022.

### Income Taxes

	Years Ended December 31,		Effective Tax Rate	
	2022	2021	2022	2021
	<i>(in thousands)</i>			
Income tax provision	\$ 24,157	\$ 10,424	19.4 %	15.1 %

During the year ended December 31, 2022, the Company recorded an excess tax benefit of \$3.0 million as compared to \$5.4 million in 2021, a decrease of 45.3%. The decrease was primarily due to timing of stock option exercises and restricted stock vesting and our high stock price during the first and second quarter of 2021.

The decrease in excess tax benefits was partially offset by an increase of \$1.8 million in research and development tax credits as defined under Section 41 of the Internal Revenue Code. To qualify for the research and development tax credits, we perform annual studies that identifies, documents, and supports eligible expenses related to qualified research and development activities. Eligible expenses include but are not limited to supplies, material and internal wages. With the addition of BASX in December 2021 (Note 4), we identified additional eligible expenses related to qualified research and development activities.

### Liquidity and Capital Resources

Our working capital and capital expenditure requirements are generally met through net cash provided by operations and the use of the revolving bank line of credit based on our current liquidity at the time.

**Working Capital** - Our unrestricted cash and cash equivalents increased \$2.6 million from December 31, 2021 to December 31, 2022. As of December 31, 2022, we had \$5.9 million in cash and cash equivalents and restricted cash.

**Revolving Line of Credit** - Our revolving credit facility ("Revolver"), as amended and restated, provides for maximum borrowings of \$200.0 million. As of December 31, 2022 and December 31, 2021, we had an outstanding balance under the Revolver of \$71.0 million and \$40.0 million, respectively. We had one standby letter of credit totaling \$0.8 million as of December 31, 2022 and 2021, respectively. Borrowings available under the Revolver at December 31, 2022, were \$128.2 million. The Revolver expires on May 27, 2027.

Any outstanding loans under the Revolver bear interest at the daily compounded secured overnight financing rate ("SOFR") plus the applicable margin. Applicable margin, ranging from 1.25% - 1.75%, is determined quarterly based on the Company's leverage ratio. The Company is also subject to letter of credit fees, ranging from 1.25% - 1.75%, and a commitment fee, ranging from 0.10% - 0.20%. The applicable fee percentage is determined quarterly based on the Company's leverage ratio. At December 31, 2022 and 2021, the weighted average interest rate of our Revolver was 3.0% and 1.3%, respectively. Fees associated with the unused portion of the committed amount are included in interest expense on our consolidated statements of income and were not material for the years ended December 31, 2022 and 2021.

If SOFR cannot be determined pursuant to the definition, as defined by the Revolver agreement, any outstanding effected loans will be deemed to have been converted into alternative base rate ("ABR") loans. ABR loans would bear interest at a rate per annum equal to the highest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Rate in effect on such day plus 0.50%, or (c) daily simple SOFR for a one-month tenor in effect on such day plus 1.00%.

At December 31, 2022, we were in compliance with our financial covenants, as defined by the Revolver. These covenants require that we meet certain parameters related to our leverage ratio. At December 31, 2022, our leverage ratio was 0.46 to 1.0, which meets the requirement of not being above 3 to 1.

**New Market Tax Credit Obligation** - On October 24, 2019, the Company entered into a transaction with a subsidiary of an unrelated third-party financial institution (the “Investor”) and a certified Community Development Entity under a qualified New Markets Tax Credit (“NMTC”) program pursuant to Section 45D of the Internal Revenue Code of 1986, as amended, related to an investment in plant and equipment to facilitate the expansion of our Longview, Texas manufacturing operations (the “Project”). In connection with the NMTC transaction, the Company received a \$23.0 million NMTC allocation for the Project and secured low interest financing and the potential for future debt forgiveness related to the Project.

Upon closing of the NMTC transaction, the Company provided an aggregate of approximately \$15.9 million to the Investor, in the form of a loan receivable, with a term of twenty-five years, bearing an interest rate of 1.0%. This \$15.9 million in proceeds plus capital contributed from the Investor was used to make an aggregate \$22.5 million loan to a subsidiary of the Company. This financing arrangement is secured by equipment at the Company's Longview, Texas facilities and a guarantee from the Company, including an unconditional guarantee of NMTCs.

**Stock Repurchase** - The Board has authorized stock repurchase programs for the Company. The Company may purchase shares on the open market from time to time. The Board must authorize the timing and amount of these purchases and all repurchases are in accordance with the rules and regulations of the SEC allowing the Company to repurchase shares from the open market.

Our open market repurchase programs are as follows:

Agreement Execution Date	Authorized Repurchase \$	Expiration Date
March 13, 2020	\$20 million	November 9, 2022
November 3, 2022	\$50 million	**1

<sup>1</sup> Expiration Date is at Board's discretion. The Company is authorized to effectuate repurchases of the Company's common stock on terms and conditions approved in advance by the Board.

The Company also had a stock repurchase arrangement by which employee-participants in our 401(k) Plan were entitled to have shares in AAON, Inc. stock in their accounts sold to the Company. The 401(k) Plan was amended in June 2022 to discontinue this program. No additional shares have been purchased by the Company under this arrangement since June 2022.

Lastly, the Company repurchases shares of AAON, Inc. stock from certain of its directors and employees for payment of statutory tax withholdings on stock transactions. All other repurchases from directors or employees are contingent upon Board approval. All repurchases are done at current market prices.

Our repurchase activity is as follows:

Program	2022			2021		
	Shares	Total \$	\$ per share	Shares	Total \$	\$ per share
Open market	122,112	\$ 6,823	\$ 55.87	—	\$ —	\$ —
401(k)	103,936	5,913	56.89	297,772	20,876	70.11
Directors and employees	17,228	1,019	59.15	22,526	1,590	70.59
Total	243,276	\$ 13,755	\$ 56.54	320,298	\$ 22,466	\$ 70.14

Program	Inception to Date		
	Shares	Total \$	\$ per share
Open market	4,327,367	\$ 81,616	\$ 18.86
401(k)	8,308,368	171,789	20.68
Directors and employees	2,044,955	23,360	11.42
Total	14,680,690	\$ 276,765	\$ 18.85

**Dividends** - At the discretion of the Board of Directors, we pay cash dividends. Board approval is required to determine the date of declaration and amount for each cash dividend payment.

Our recent dividends are as follows:

<b>Declaration Date</b>	<b>Record Date</b>	<b>Payment Date</b>	<b>Dividend per Share</b>
May 17, 2021	June 3, 2021	July 1, 2021	\$0.19
November 9, 2021	November 26, 2021	December 17, 2021	\$0.19
May 18, 2022	June 3, 2022	July 1, 2022	\$0.19
November 8, 2022	November 28, 2022	December 16, 2022	\$0.24

Based on historical performance and current expectations, we believe our cash and cash equivalents balance, the projected cash flows generated from our operations, our existing committed revolving credit facility (or comparable financing), and our expected ability to access capital markets will satisfy our working capital needs, capital expenditures and other liquidity requirements associated with our operations in 2023 and the foreseeable future.

**Off-Balance Sheet Arrangements** - We are not party to any off-balance sheet arrangements that have or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues, expenses, results of operations, liquidity, capital expenditures, or capital resources.

## Statement of Cash Flows

The table below reflects a summary of our net cash flows provided by operating activities, net cash flows used in investing activities, and net cash flows provided by financing activities for the years indicated.

	<u>2022</u>	<u>2021</u>
	<i>(in thousands)</i>	
<b>Operating Activities</b>		
Net Income	\$ 100,376	\$ 58,758
Income statement adjustments, net	38,516	46,566
Changes in assets and liabilities:		
Accounts receivable	(56,306)	(9,737)
Income taxes	18,195	(1,136)
Inventories	(71,409)	(45,955)
Contract assets	(9,402)	1,886
Prepaid expenses and other long-term assets	(2,367)	1,374
Accounts payable	11,574	10,899
Contract liabilities	13,882	(229)
Extended warranties	1,314	447
Accrued liabilities and other long-term liabilities	16,945	(1,690)
Net cash provided by operating activities	<u>61,318</u>	<u>61,183</u>
<b>Investing Activities</b>		
Capital expenditures	(54,024)	(55,362)
Cash paid for building (Note 4)	(22,000)	—
Cash paid in business combination, net of cash acquired	(249)	(103,430)
Other	60	73
Net cash used in investing activities	<u>(76,213)</u>	<u>(158,719)</u>
<b>Financing Activities</b>		
Borrowings under revolving credit facility	225,758	40,000
Payments under revolving credit facility	(194,754)	—
Principal payments on financing lease	(115)	—
Stock options exercised	23,140	21,148
Repurchase of stock	(12,737)	(20,876)
Employee taxes paid by withholding shares	(1,018)	(1,590)
Cash dividends paid to stockholders	(22,917)	(19,947)
Net cash provided by financing activities	<u>\$ 17,357</u>	<u>\$ 18,735</u>



### Cash Flows from Operating Activities

The Company currently manages cash needs through working capital as well as drawing on its line of credit as needed. Collections and payments cycles are on a normal pattern and fluctuate due to timing of receipts and payments.

The decrease in cash flows from receivables was a result of a larger volume of sales in the fourth quarter of 2022 in addition to higher priced receivables at the end of 2022. The Company has also increased the purchase of inventory to take advantage of favorable pricing opportunities and also to mitigate the impact of future supply chain disruptions on our operations. Payment terms for BASX jobs typically require upfront cash to fund the job resulting in cash inflows related to our contract liabilities.

The increase in cash flows from income taxes is primarily due to the 2017 Tax Cuts & Jobs Act, which requires research and development expenses incurred after December 31, 2021 to be capitalized and amortized over 5 years. This defers our current period income tax deduction which increased our income tax payments for 2022.

The increase in cash flows from accrued and other long-term liabilities is primarily related to the increase in amounts due to Representatives (timing of receipts and payments), employee profit sharing, and increases in accrued payroll and employee benefits.

### Cash Flows from Investing Activities

Net cash outflows from investing activities decreased in 2022 as compared to 2021 primarily due to the cash paid for the acquisition of BASX (Note 4) in December 2021. The cash paid for building is related to the purchase of the BASX office and manufacturing facility in May 2022 (Note 4).

Our capital expenditure program for 2023 is estimated to be approximately \$135.0 million. Many of these projects are subject to review and cancellation at the discretion of our CEO and Board of Directors without incurring substantial charges.

### Cash Flows from Financing Activities

The change in cash from financing activities in 2022 is primarily related to borrowings under our revolving credit facility to manage our working capital needs, especially strategic purchases of inventory to avoid supply chain delays and the funding of the BASX building in May 2022, offset by repayments we were able to make due to our increased operating results and financial condition.

Cash flow changes related to stock option exercised is affected by the timing of stock options exercised by our employees. The decrease in our repurchase of stock was the result of the discontinuance of the 401(k) buyback program in June 2022. Cash dividends paid to stock holders increased to \$22.9 million both due to the increase in number of shares outstanding and the increase in dividend per share from \$0.19 to \$0.24 for the December 2022 dividend payment. We expect to continue paying cash dividends.

### **Commitments and Contractual Agreements**

We are occasionally party to short-term, cancellable and occasionally non-cancellable, contracts with major suppliers for the purchase of raw material and component parts. We expect to receive delivery of raw materials for use in our manufacturing operations. These contracts are not accounted for as derivative instruments because they meet the normal purchase and normal sales exemption. We had no material contractual purchase obligations as of December 31, 2022, except as noted below.

On April 27, 2022, the Company entered into a purchase and sale agreement with a third party manufacturer to purchase certain assets to design and manufacture fan wheels for the purchase price of \$6.5 million. As of December 31, 2022, we have paid approximately \$3.5 million related to this agreement, which is included in other long-term assets and property, plant and equipment with the remaining \$3.0 million included in accounts payable and other long-term assets on our consolidated balance sheets. The final payment will be made in 2023.

## Contingencies

We are subject to various claims and legal actions that arise in the ordinary course of business. We closely monitor these claims and legal actions and frequently consult with our legal counsel to determine whether they may, when resolved, have a material adverse effect on our financial position, results of operations or cash flows and we accrue and/or disclose loss contingencies as appropriate. See Note 18 of the Consolidated Financial Statements for additional information with respect to specific legal proceedings.

## Critical Accounting Estimates

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America (“US GAAP”) and the Company’s discussion and analysis of its financial condition and operating results require management to make estimates and assumptions about future events, and apply judgments that affect the reported amounts of assets, liabilities, revenue, and expenses in our consolidated financial statements and related notes. We base our estimates, assumptions, and judgments on historical experience, current trends, and other factors believed to be relevant at the time our consolidated financial statements are prepared. However, because future events and their effects cannot be determined with certainty, actual results could differ from our estimates and assumptions, and such differences could be material. We believe the following critical accounting policies affect our more significant estimates, assumptions and judgments used in the preparation of our consolidated financial statements. We discuss these estimates with the Audit Committee of the Board of Directors periodically.

**Inventory** - Inventories are valued at the lower of cost or net realizable value using the first-in, first-out (“FIFO”) method. Raw material or component inventory typically transfers from one stage of manufacturing to another at a standard cost. The standard cost is set by management to reflect the actual costs incurred. We continually monitor standard costs to ensure that standard costs reasonably reflect the FIFO value of the inventory produced and make manual adjustments the value of inventory accordingly. Our manual adjustments from standards to actual inventory costs require applying judgment regarding a number of factors, including changes in inventory quantities during the period and recent versus historical inventory purchase costs.

Raw material or component inventory typically transfers from one stage of manufacturing to another where it accumulates additional costs directly incurred with the production of finished goods, including estimated standard labor and overhead costs. Labor and overhead costs associated with the manufacturing of our products are capitalized into inventory on an estimated standard basis. These include certain direct and indirect costs such as compensation, manufacturing, and facility costs associated with manufacturing support functions. We continually monitor our labor and overhead standard costs to ensure that standard costs reasonably reflects our actual costs and make manual adjustments the value of inventory accordingly. Our manual adjustments from standard to actual labor and overhead costs contain uncertainties that require management to make assumptions and to apply judgment regarding a number of factors, including inventory turns, supply usage, manufacturing efficiencies, and historical production costs.

**Inventory Reserves** – We establish a reserve for inventories based on the change in inventory requirements due to product line changes, the feasibility of using obsolete parts for upgraded part substitutions, the required parts needed for part supply sales and replacement parts, and for estimated shrinkage. Assumptions used to estimate inventory reserves include future manufacturing requirements and industry trends. Evolving technology and changes in product mix or customer demand can significantly affect the outcome of this analysis.

**Warranty Accrual** – A provision is made for estimated warranty costs at the time the product is shipped and revenue is recognized. Our product warranty policy is the earlier of one year from the date of first use or 18 months from date of shipment for parts only; 18 months for data center cooling solutions and cleanroom systems; an additional four years for compressors (if applicable); 15 years on aluminized steel gas-fired heat exchangers (if applicable); 25 years on stainless steel heat exchangers (if applicable); and ten years on gas-fired heat exchangers in our historical RL products (if applicable). Our warranty policy for the RQ series covers parts for two years from date of unit shipment. Our warranty policy for the WH and WV Series geothermal/water-source heat pumps covers parts for five years from the date of installation. Warranty expense is estimated based on the warranty period, historical warranty trends and associated costs, and any known identifiable warranty issue.

Due to the absence of warranty history on new products, an additional provision may be made for such products. Our estimated future warranty cost is subject to adjustment from time to time depending on changes in actual warranty trends and cost experience. Should actual claim rates differ from our estimates, revisions to the estimated product warranty liability would be required.

**Share-Based Compensation** – We measure and recognize compensation expense for all share-based payment awards made to our employees and directors, including stock options, restricted stock awards, performance stock units ("PSUs"), and key employee awards ("Key Employee Awards") based on their fair values at the time of grant. Compensation expense is recognized on a straight-line basis over the service period of stock options, restricted stock awards, and PSUs. Compensation expense is recognized for the Key Employee Awards on a straight line basis over the service period when the performance condition is determined to be probable. Forfeitures are accounted for as they occur. The fair value of each option award is estimated on the date of grant using the Black-Scholes-Merton option pricing model. The fair value of the PSUs is estimated on the date of grant using the Monte Carlo Model. The use of the Black-Scholes-Merton option valuation model and the Monte Carlo Model requires the input of subjective assumptions such as: the expected volatility, the expected term of the grant, forward-looking market conditions, risk-free rate, and expected dividend yield for stock options. The fair value of restricted stock awards and Key Employee Awards is based on the fair market value of AAON common stock on the respective grant dates. The fair value of restricted stock awards is reduced for the present value of dividends.

**Definite-Lived Intangible Assets** – Definite-lived intangible assets include various customer relationships and intellectual property acquired in business combinations. The fair value of customer relationships and intellectual property is estimated based on management's judgments and assumptions or third party valuation models. These models requires the use of subjective inputs and assumptions such as expected useful lives, growth of existing customers, attrition of customers, future margins and expenses, discount rates, and future revenue growth. These inputs and assumptions can be inherently uncertain and can significantly affect the outcome of the estimates and analysis. We amortize our definite-lived intangible assets on a straight-line basis over the estimated useful lives of the assets. Our definite-lived intangible assets have estimated used lives of between 14 and 30 years. We evaluate the carrying value of our amortizable intangible assets for potential impairment when events and circumstances warrant such a review.

**Goodwill and Indefinite-Lived Intangible Assets** – Goodwill represents the excess of the consideration paid for the acquired businesses over the fair value of the individual assets acquired, net of liabilities assumed. Indefinite-lived intangible assets consist of trademarks and trade names. The fair value of trademarks and trade names is estimated based on management's judgments and assumptions or third party valuations. These models require the use of subjective inputs such as royalty rate, discount rate, and terminal value.

Goodwill and indefinite-lived intangible assets are not amortized, but instead are evaluated for impairment at least annually. We perform our annual assessment of impairment during the fourth quarter of our fiscal year, and more frequently if circumstances warrant.

To perform this assessment, we first consider qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit and indefinite-lived intangible assets exceeds their carrying amount. If we conclude that it is more likely than not that the fair value of a reporting unit and indefinite-lived assets does not exceed their carrying amount, we calculate the fair value for the reporting unit and indefinite-lived assets and compare the amount to their carrying amount. If the fair value of a reporting unit and indefinite-lived asset exceeds their carrying amount, the reporting unit and indefinite-lived assets are not considered impaired. If the carrying amount of the reporting unit and indefinite-lived assets exceeds their fair value, the reporting unit and indefinite-lived assets are considered to be impaired and the balance is reduced by the difference between the fair value and carrying amount of the reporting unit and indefinite-lived assets.

We performed a qualitative assessment as of December 31, 2022 to determine whether it was more likely than not that the fair value of the reporting unit and indefinite-lived assets was greater than the carrying value of the reporting unit and indefinite-lived assets. Based on these qualitative assessments, we determined that the fair value of the reporting unit and indefinite-lived assets was more likely than not greater than the carrying value of the reporting unit and indefinite-lived assets.

Estimates and assumptions used to perform the impairment evaluation are inherently uncertain and can significantly affect the outcome of the analysis. The estimates and assumptions we use in the annual impairment assessment

included macro-industry trends, market participant considerations, historical profitability, including free cash flows, and forecasted multi-year operating results. Changes in operating results and other assumptions could materially affect these estimates. A considerable amount of management judgment and assumptions are required in performing the impairment tests.

**Contingent Consideration** – As part of a business combination, we agreed to issue shares of the Company's common stock based on certain milestones in accordance with the acquisition agreement. This contingent consideration is valued at fair value on the acquisition date and is included in goodwill and additional paid-in capital on the consolidated balance sheets.

The fair value of the contingent consideration was determined using the Option Pricing Method through a Monte Carlo simulation, as this model is appropriate for contingent considerations for which the payoff structure is nonlinear. The use of this model requires the input of subjective inputs and assumptions such as: future earnings, the expected volatility of future earnings, risk-free rate, discount rate, and future stock performance. These inputs and assumptions can be inherently uncertain and can significantly affect the outcome of the estimates and analysis.

### **New Accounting Pronouncements**

Changes to U.S. GAAP are established by the Financial Accounting Standards Board (“FASB”) in the form of accounting standards updates (“ASUs”) to the FASB’s Accounting Standards Codification.

We consider the applicability and impact of all ASUs. ASUs not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on our consolidated financial statements and notes thereto.

## **Item 7A. Quantitative and Qualitative Disclosures About Market Risk.**

### **Commodity Price Risk**

We are exposed to volatility in the prices of commodities used in some of our products and, occasionally, we use cancellable and non-cancellable contracts with our major suppliers for periods of six to 18 months to manage this exposure.

### **Interest Rate Risk**

We are exposed to changes in interest rates related to our outstanding debt. As of December 31, 2022, we had an outstanding balance of \$71.0 million. For each one percentage point increase in the interest rate applicable to our outstanding debt, our annual income before taxes would decrease by approximately \$0.7 million.

**Item 8. Financial Statements and Supplementary Data.**

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders  
AAON, Inc.

### Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of AAON, Inc. (a Nevada corporation) and subsidiaries (the “Company”) as of December 31, 2022 and 2021, the related consolidated statements of income, stockholders’ equity, and cash flows for each of the three years in the period ended December 31, 2022, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the Company’s internal control over financial reporting as of December 31, 2022, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”), and our report dated February 27, 2023 expressed an unqualified opinion.

### Basis for opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical audit matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

#### *Inventory – manual inventory adjustments*

As described in Note 2 to the financial statements, the Company reports inventory using the first in, first out (“FIFO”) method, which involves manual adjustments recorded to the general ledger such as inventory variance, inventory allowance and labor and overhead adjustments, which had the potential to be larger or require more judgment during the year ended December 31, 2022, where the Company experienced changes in the prices of certain raw materials due to the COVID-19 pandemic, as well as supply chain challenges. These manual adjustments have been identified as a critical audit matter.

The principal considerations for our determination such manual inventory adjustments are a critical audit matter are these manual adjustments require substantial use of management estimates and require the Company to have effective inventory valuation processes. Significant management judgments and estimates utilized to determine manual inventory adjustments are subject to estimation uncertainty and require significant auditor subjectivity in evaluating the reasonableness of those judgments and estimates.

Our audit procedures related to the manual inventory adjustments included the following, among others.

- We tested the design and operating effectiveness of controls over inventory valuation, including the standard cost updates in the accounting system and the completeness and accuracy of the inputs to the inventory variance calculation and any related adjustments.

- We recalculated the Company's standard costing of inventory which approximated FIFO by obtaining FIFO buildups and inspected underlying documents for a sample of raw materials.
- We assessed the reasonableness of management's inventory reserve by recalculating the reserve using management's inputs.
- We tested labor and overhead rate changes by recalculating the rates used and tested any adjustments recorded to the general ledger.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2004.

Tulsa, Oklahoma  
February 27, 2023

**AAON, Inc. and Subsidiaries**  
**Consolidated Balance Sheets**

	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<i>(in thousands, except share and per share data)</i>	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 5,451	\$ 2,859
Restricted cash	498	628
Accounts receivable, net of allowance for credit losses of \$477 and \$549, respectively	127,158	70,780
Income tax receivable	—	5,723
Inventories, net	198,939	130,270
Contract assets	15,151	5,749
Prepaid expenses and other	1,919	2,071
Total current assets	<u>349,116</u>	<u>218,080</u>
Property, plant and equipment:		
Land	8,537	5,016
Buildings	169,156	135,861
Machinery and equipment	342,045	318,259
Furniture and fixtures	30,033	23,072
Total property, plant and equipment	<u>549,771</u>	<u>482,208</u>
Less: Accumulated depreciation	<u>245,026</u>	<u>224,146</u>
Property, plant and equipment, net	304,745	258,062
Intangible assets, net	64,606	70,121
Goodwill	81,892	85,727
Right of use assets	7,123	16,974
Other long-term assets	6,421	1,216
Total assets	<u>\$ 813,903</u>	<u>\$ 650,180</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 45,513	\$ 29,020
Accrued liabilities	78,630	50,206
Contract liabilities	21,424	7,542
Total current liabilities	<u>145,567</u>	<u>86,768</u>
Revolving credit facility, long-term	71,004	40,000
Deferred tax liabilities	18,661	31,993
Other long-term liabilities	11,508	18,843
New market tax credit obligation (a)	6,449	6,406
Commitments and contingencies (Note 18)		
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, 53,425,184 and 52,527,985 issued and outstanding at December 31, 2022 and 2021, respectively	214	210
Additional paid-in capital	98,735	81,654
Retained earnings	461,765	384,306
Total stockholders' equity	<u>560,714</u>	<u>466,170</u>
Total liabilities and stockholders' equity	<u>\$ 813,903</u>	<u>\$ 650,180</u>
(a) Held by variable interest entities (Note 17)		

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

**AAON, Inc. and Subsidiaries**  
**Consolidated Statements of Income**

**Years Ended December 31,**

	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<i>(in thousands, except share and per share data)</i>		
Net sales	\$ 888,788	\$ 534,517	\$ 514,551
Cost of sales	651,216	396,687	358,702
Gross profit	237,572	137,830	155,849
Selling, general and administrative expenses	110,823	68,598	60,491
Gain on disposal of assets and insurance recoveries	(12)	(21)	(6,478)
Income from operations	126,761	69,253	101,836
Interest (expense) income, net	(2,627)	(132)	88
Other income, net	399	61	51
Income before taxes	124,533	69,182	101,975
Income tax provision	24,157	10,424	22,966
Net income	<u>\$ 100,376</u>	<u>\$ 58,758</u>	<u>\$ 79,009</u>
Earnings per share:			
Basic	<u>\$ 1.89</u>	<u>\$ 1.12</u>	<u>\$ 1.51</u>
Diluted	<u>\$ 1.86</u>	<u>\$ 1.09</u>	<u>\$ 1.49</u>
Cash dividends declared per common share:	<u>\$ 0.43</u>	<u>\$ 0.38</u>	<u>\$ 0.38</u>
Weighted average shares outstanding:			
Basic	<u>53,054,986</u>	<u>52,404,199</u>	<u>52,168,679</u>
Diluted	<u>54,097,072</u>	<u>53,728,989</u>	<u>53,061,169</u>

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

**AAON, Inc. and Subsidiaries**  
**Consolidated Statements of Stockholders' Equity**

	<u>Common Stock</u>		<u>Paid-in</u>	<u>Retained</u>	
	<u>Shares</u>	<u>Amount</u>	<u>Capital</u>	<u>Earnings</u>	<u>Total</u>
	<i>(in thousands)</i>				
Balance at December 31, 2019	52,079	\$ 208	\$ 3,631	\$ 286,301	\$ 290,140
Net income	—	—	—	79,009	79,009
Stock options exercised and restricted	712	3	21,415	—	21,418
stock awards granted					
Share-based compensation	—	—	11,342	—	11,342
Stock repurchased and retired	(566)	(2)	(31,227)	—	(31,229)
Dividends	—	—	—	(19,815)	(19,815)
Balance at December 31, 2020	52,225	209	5,161	345,495	350,865
Net income	—	—	—	58,758	58,758
Stock options exercised and restricted	623	2	21,146	—	21,148
stock awards granted					
Share-based compensation	—	—	11,812	—	11,812
Stock repurchased and retired	(320)	(1)	(22,465)	—	(22,466)
Contingent consideration (Note 4)	—	—	66,000	—	66,000
Dividends	—	—	—	(19,947)	(19,947)
Balance at December 31, 2021	52,528	210	81,654	384,306	466,170
Net income	—	—	—	100,376	100,376
Stock options exercised and restricted	1,140	5	23,135	—	23,140
stock awards granted					
Share-based compensation	—	—	13,700	—	13,700
Stock repurchased and retired	(243)	(1)	(13,754)	—	(13,755)
Contingent consideration (Note 4)	—	—	(6,000)	—	(6,000)
Dividends	—	—	—	(22,917)	(22,917)
Balance at December 31, 2022	<u>53,425</u>	<u>\$ 214</u>	<u>\$ 98,735</u>	<u>\$ 461,765</u>	<u>\$ 560,714</u>

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



**AAON, Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows**

	Years Ended December 31,		
	2022	2021	2020
<b>Operating Activities</b>	<i>(in thousands)</i>		
Net income	\$ 100,376	\$ 58,758	\$ 79,009
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	35,106	30,343	25,634
Amortization of debt issuance costs	43	43	43
Amortization of right of use assets	324	73	—
Provision for credit losses on accounts receivable, net of adjustments	(72)	43	153
Provision for excess and obsolete inventories	2,740	629	1,108
Share-based compensation	13,700	11,812	11,342
Gain on disposition of assets and insurance recoveries	(12)	(21)	(6,478)
Foreign currency transaction loss (gain)	41	(1)	(12)
Interest income on note receivable	(22)	(24)	(24)
Deferred income taxes	(13,332)	3,669	13,027
Changes in assets and liabilities:			
Accounts receivable	(56,306)	(9,737)	19,859
Income taxes	18,195	(1,136)	(3,815)
Inventories	(71,409)	(45,955)	(9,726)
Contract assets	(9,402)	1,886	—
Prepaid expenses and other long-term assets	(2,367)	1,374	(2,364)
Accounts payable	11,574	10,899	(2,155)
Contract liabilities	13,882	(229)	—
Extended warranties	1,314	447	1,010
Accrued liabilities and other long-term liabilities	16,945	(1,690)	2,203
Net cash provided by operating activities	<u>61,318</u>	<u>61,183</u>	<u>128,814</u>
<b>Investing Activities</b>			
Capital expenditures	(54,024)	(55,362)	(67,802)
Cash paid for building (Note 4)	(22,000)	—	—
Cash paid in business combination, net of cash acquired	(249)	(103,430)	—
Proceeds from sale of property, plant and equipment	12	19	60
Insurance proceeds	—	—	6,417
Principal payments from note receivable	48	54	52
Net cash used in investing activities	<u>(76,213)</u>	<u>(158,719)</u>	<u>(61,273)</u>
<b>Financing Activities</b>			
Borrowings under revolving credit facility	225,758	40,000	—
Payments under revolving credit facility	(194,754)	—	—
Principal payments on financing lease	(115)	—	—
Stock options exercised	23,140	21,148	21,418
Repurchase of stock	(12,737)	(20,876)	(30,060)
Employee taxes paid by withholding shares	(1,018)	(1,590)	(1,169)
Dividends paid to stockholders	(22,917)	(19,947)	(19,815)
Net cash provided by (used in) financing activities	<u>17,357</u>	<u>18,735</u>	<u>(29,626)</u>
<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	<u>2,462</u>	<u>(78,801)</u>	<u>37,915</u>
<b>Cash, cash equivalents and restricted cash, beginning of year</b>	<u>3,487</u>	<u>82,288</u>	<u>44,373</u>
<b>Cash, cash equivalents and restricted cash, end of year</b>	<u>\$ 5,949</u>	<u>\$ 3,487</u>	<u>\$ 82,288</u>

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

**AAON, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**December 31, 2022**

**1. Business Description**

AAON, Inc. is a Nevada corporation which was incorporated on August 18, 1987. Our operating subsidiaries include AAON, Inc., an Oklahoma corporation, AAON Coil Products, Inc., a Texas corporation, and BasX, Inc., an Oregon corporation (collectively, the “Company”). The consolidated financial statements include our accounts and the accounts of our subsidiaries.

We are engaged in the engineering, manufacturing, marketing, and sale of premium air conditioning and heating equipment consisting of standard, semi-custom, and custom rooftop units, data centers cooling solutions, cleanroom systems, packaged outdoor mechanical rooms, air handling units, makeup air units, energy recovery units, condensing units, geothermal/water-source heat pumps, coils, and controls.

***Impact of COVID-19 Pandemic***

The magnitude of the impact of the COVID-19 pandemic remains unpredictable and could unfavorably impact our business. However, the direct effects of the COVID-19 pandemic has had no significant impact on our planned cash outflows for raw materials, dividend payments, or capital expenditures.

Although future disruptions and costs are expected to be temporary, there is still significant uncertainty around the duration and overall impacts to our business operations. We are continually monitoring the progression of the pandemic, including new COVID-19 variants, and their potential effect on our consolidated financial position, results of operations and cash flows.

***Inflation and Labor Market***

In late 2021 and throughout 2022, we have witnessed increases in our raw material and component prices. Due to our favorable liquidity position, we continue to make strategic purchases of materials when we see opportunities. We continue to manage the increase in the cost of raw materials through price increases for our products. We have also experienced supply chain challenges related to specific manufacturing parts, which we have managed through our strong vendor relationships as well as expanding our list of vendors.

Additionally, we continue to experience challenges in a tight labor market, especially the hiring of both skilled and unskilled production labor. We have implemented the following wage increases to remain competitive and to attract and retain employees:

- In March 2021, we awarded annual merit raises for an overall 5.0% increase to wages.
- In July 2021, we increased starting wages for our production workforce by 7.0%.
- In October 2021, we implemented a cost of living increase of 3.5% in place for all employees below our Senior Leadership Team (“SLT”) which consists of officers and key members of management.
- In March 2022, we awarded annual merit raises for an overall 3.0% increase to wages.
- In October 2022, we implemented a cost of living increase of 3.5% in place for all employees below the SLT level.

We will continue to implement human resource initiatives to retain and attract labor to further improve productivity and production efficiencies.

Despite efforts to mitigate the impact of inflation, supply chain issues and the tight labor market, future disruptions, while temporary, could negatively impact our consolidated financial position, results of operations and cash flows.

### ***First Quarter 2021 Planned Maintenance and Adverse Weather***

During the fourth quarter of 2020, we made the strategic decision to shut down our Tulsa, OK and Longview, TX manufacturing facilities to perform planned and necessary maintenance during the last week of December 2020 as well several days in early January 2021.

In February 2021, record-breaking winter storms affected Oklahoma and Texas, causing sustained below freezing temperatures, hazardous driving conditions, rolling blackouts, water main breaks, and a host of other weather related issues. In addition to significant absenteeism as a result of employees being unable to travel to and from work due to inadequate transportation and/or hazardous road conditions, the Company made the decision to shut down the Tulsa, OK and Longview, TX plants for several days. This decision was based on the expected employee absenteeism as well as the expected rolling blackouts caused by the increased demand on the electrical and natural gas power grids.

### ***WH Series and WV Series Water Source Heat Pump Units***

As part of the normal course of business, management is continually monitoring the profitability of the Company's various product series offerings. During the third quarter of 2022, management made the decision to no longer produce our small packaged geothermal/water-source heat pump units consisting of the WH Series horizontal configuration and WV Series vertical configuration, from one-half to 12 1/2 tons ("WH/WV"). These WH/WV units are produced solely out of the AAON Oklahoma facility. Production of the remaining WH/WV backlog is expected to continue through the first quarter of 2023.

A majority of the long-lived assets used in the production of these units will be immediately reallocated to other product production, providing us additional manufacturing capacity with minimal costs. The workforce from the these production lines will also be reallocated to other product production lines. Management has identified some related components and parts that cannot be used in other products or sold through our parts business; therefore, we have increased our provision for excess and obsolete inventory (Note 7), within cost of sales on our consolidated statements of income, by approximately \$1.2 million during the year ended December 31, 2022.

### ***Change in Estimate***

During the first quarter of 2022, a review of the Company's useful lives for certain sheet metal manufacturing equipment at our Longview, Texas facilities resulted in a change in estimate that increased the useful lives from between ten and twelve years to fifteen years. This determination was based on recent and estimated future production levels as well as management's knowledge of the equipment and historical and future use of the equipment. The change in estimate was made prospectively and resulted in a decrease to depreciation expense within cost of sales on our consolidated statements of income of \$1.8 million during the year ended December 31, 2022.

We do not believe the impact of these events had a material adverse effect on our consolidated financial position, results of operations and cash flows.

## **2. Summary of Significant Accounting Policies**

### ***Principles of Consolidation***

These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All inter-company accounts and transactions have been eliminated.

Our financial statements consolidate all of our affiliated entities in which we have a controlling financial interest. Because we hold certain rights that give us the power to direct the activities of two variable interest entities ("VIEs") (Note 17) that most significantly impact the VIEs economic performance, combined with a variable interest that gives us the right to receive potentially significant benefits or the obligation to absorb potentially significant losses, we have a controlling financial interest in those VIEs.

On December 10, 2021, we closed on the acquisition of all of the issued and outstanding equity ownership of BasX, LLC, doing business as BASX Solutions. (Note 4). On December 29, 2021, BasX, LLC converted to a C-Corporation, BasX, Inc. ("BASX"), and is subject to income tax. We have included the results of BASX's operations in our consolidated financial statements beginning December 11, 2021.

### ***Cash and Cash Equivalents***

We consider all highly liquid temporary investments with original maturity dates of three months or less to be cash equivalents. Cash and cash equivalents consist of bank deposits and highly liquid, interest-bearing money market funds.

The Company's cash and cash equivalents are held in a few financial institutions in amounts that exceed the insurance limits of the Federal Deposit Insurance Corporation. However, management believes that the Company's counterparty risks are minimal based on the reputation and history of the institutions selected.

### ***Restricted Cash***

Restricted cash held at December 31, 2022 and December 31, 2021 consists of bank deposits and highly liquid, interest-bearing money market funds held for the purpose of the Company's qualified New Markets Tax Credit program (Note 17) to benefit an investment in plant and equipment to facilitate the expansion of our Longview, Texas manufacturing operations.

The Company's restricted cash is held in a financial institutions in amounts that exceed the insurance limits of the Federal Deposit Insurance Corporation. However, management believes that the Company's counterparty risks are minimal based on the reputation and history of the institutions selected.

### ***Accounts and Note Receivable***

Accounts and note receivable are stated at amounts due from customers, net of an allowance for credit losses. We generally do not require that our customers provide collateral; however, our billings and customer payment terms can vary based on product type as a way to manage collections risk. The Company determines its allowance for credit losses by considering a number of factors, including the credit risk of specific customers, the customer's ability to pay current obligations, historical trends, economic and market conditions, and the age of the receivable. Accounts are considered past due when the balance has been outstanding for ninety days past negotiated credit terms. Past due accounts are generally written-off against the allowance for credit losses only after all collection attempts have been exhausted.

### ***Concentration of Credit Risk***

Our customers are concentrated primarily in the domestic commercial and industrial new construction and replacement markets. To date, our sales have been primarily to the domestic market, with foreign sales accounting for approximately 3.1%, 3.0%, and 2.0% of revenues for the years ended December 31, 2022, 2021, and 2020, respectively.

One customer, Texas AirSystems LLC, accounted for more than 10.0% of our sales during 2022, 2021, and 2020. No other customer accounted for more than 10.0% of our sales during 2022, 2021, and 2020. One customer, Texas AirSystems LLC, accounted for more than 10.0% of our accounts receivable balance at December 31, 2022. No customers accounted for more than 10.0% of our accounts receivable balance at December 31, 2021.

### ***Inventories***

Inventories are valued at the lower of cost or net realizable value using the first-in, first-out ("FIFO") or average cost method. Cost in inventory includes purchased parts and materials, direct labor and applied manufacturing overhead. We establish an allowance for excess and obsolete inventories based on product line changes, the feasibility of substituting parts and the need for supply and replacement parts.

### ***Property, Plant and Equipment***

Property, plant, and equipment, including significant improvements, are recorded at cost, net of accumulated depreciation; except for property, plant, and equipment acquired in a business combination which is recorded at fair value. Repairs and maintenance and any gains or losses on disposition are included in operations.

Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings and leasehold improvements	3 - 40 years
Machinery and equipment	3 - 20 years
Furniture and fixtures	3 - 15 years

On April 22, 2020, our plant and office facilities in Tulsa, Oklahoma experienced hail related weather damage and we filed a property insurance claim which carried a \$500,000 deductible. We did not experience any significant structural damage or any operational interruption as a result of this weather event. In November 2020, we reached a final settlement with our insurance carrier, resulting in a net cumulative gain of \$6.4 million, which is included in the consolidated statements of income. The received proceeds were used to make improvements to the current roof at our plant and office facilities in Tulsa, Oklahoma to extend the overall useful life.

In January 2023, we purchased additional real property and improvements for our AAON Coil Products operations in Longview, Texas for \$3.6 million. This additional property consists of 64,000 square feet of warehouse space that will enable the continued growth of our AAON Coil Products operations.

### ***Business Combinations***

The Company applies the acquisition method of accounting for business acquisitions. The results of operations of the businesses acquired by the Company are included as of the respective acquisition date. The acquisition date fair value of the consideration transferred, including the fair value of any contingent consideration, is allocated to the underlying assets acquired and liabilities assumed based upon their estimated fair values at the date of acquisition. To the extent the acquisition date fair value of the consideration transferred exceeds the fair value of the identifiable tangible and intangible assets acquired and liabilities assumed, such excess is allocated to goodwill. The Company may adjust the preliminary purchase price allocation, as necessary, as it obtains more information regarding asset valuations and liabilities assumed that existed but were not available at the acquisition date, which is generally up to one year after the acquisition closing date. Acquisition related expenses are recognized separately from the business combination and are expensed as incurred.

### ***Fair Value Financial Instruments and Measurements***

The carrying amounts of cash and cash equivalents, receivables, accounts payable, and accrued liabilities approximate fair value because of the short-term maturity of the items. The carrying amount of the Company's revolving line of credit, and other payables, approximate their fair values either due to their short term nature, the variable rates associated with the debt or based on current rates offered to the Company for debt with similar characteristics.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. Fair value is based upon assumptions that market participants would use when pricing an asset or liability. We use the following fair value hierarchy, which prioritizes valuation technique inputs used to measure fair value into three broad levels:

- Level 1: Quoted prices in active markets for identical assets and liabilities that we have the ability to access at the measurement date.
- Level 2: Inputs (other than quoted prices included within Level 1) that are either directly or indirectly observable for the asset or liability, including (i) quoted prices for similar assets or liabilities in active markets, (ii) quoted prices for identical or similar assets or liabilities in inactive markets, (iii) inputs other than quoted prices that are observable for the asset or liability, and (iv) inputs that are derived from observable market data by correlation or other means.
- Level 3: Unobservable inputs for the asset or liability including situations where there is little, if any, market activity for the asset or liability. Items categorized in Level 3 include the estimated fair values of

property, plant and equipment, intangible assets, contingent consideration, and goodwill acquired in a business combination.

The fair value hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable inputs (Level 3). In some cases, the inputs used to measure fair value might fall into different levels of the fair value hierarchy. The lowest level input that is significant to a fair value measurement determines the applicable level in the fair value hierarchy. Assessing the significance of a particular input to a fair value measurement requires judgment, considering factors specific to the asset or liability.

#### ***Definite-Lived Intangible Assets***

Our definite-lived intangible assets include various trademarks, service marks, and technical knowledge acquired in business combinations (Note 4). We amortize our definite-lived intangible assets on a straight-line basis over the estimated useful lives of the assets. We evaluate the carrying value of our amortizable intangible assets for potential impairment when events and circumstances warrant such a review.

Amortization is computed using the straight-line method over the following estimated useful lives:

Intellectual property	30 years
Customer relationships	14 years

#### ***Goodwill and Indefinite-Lived Intangible Assets***

Goodwill represents the excess of the consideration paid for the acquired businesses over the fair value of the individual assets acquired, net of liabilities assumed. Indefinite-lived intangible assets consist of trademarks and trade names and are also subject to at least annual impairment testing. Goodwill and indefinite-lived intangible assets are not amortized, but instead are evaluated for impairment at least annually. We perform our annual assessment of impairment during the fourth quarter of our fiscal year, and more frequently if circumstances warrant.

To perform this assessment, we first consider qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit and indefinite-lived intangible assets exceeds their carrying amount. If we conclude that it is more likely than not that the fair value of a reporting unit and indefinite-lived assets does not exceed their carrying amount, we calculate the fair value for the reporting unit and indefinite-lived assets and compare the amount to their carrying amount. If the fair value of a reporting unit and indefinite-lived asset exceeds their carrying amount, the reporting unit and indefinite-lived assets are not considered impaired. If the carrying amount of the reporting unit and indefinite-lived assets exceeds their fair value, the reporting unit and indefinite-lived assets are considered to be impaired and the balance is reduced by the difference between the fair value and carrying amount of the reporting unit and indefinite-lived assets.

We performed a qualitative assessment as of December 31, 2022 to determine whether it was more likely than not that the fair value of the reporting unit and indefinite-lived assets was greater than the carrying value of the reporting unit and indefinite-lived assets. Based on these qualitative assessments, we determined that the fair value of the reporting unit and indefinite-lived assets was more likely than not greater than the carrying value of the reporting unit and indefinite-lived assets.

Estimates and assumptions used to perform the impairment evaluation are inherently uncertain and can significantly affect the outcome of the analysis. The estimates and assumptions we use in the annual impairment assessment included market participant considerations and future forecasted operating results. Changes in operating results and other assumptions could materially affect these estimates. A considerable amount of management judgment and assumptions are required in performing the impairment tests.



The changes in the carrying amount of goodwill were as follows:

	<b>Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<i>(in thousands)</i>	
Balance, beginning of period	\$ 85,727	\$ 3,229
Additions due to acquisitions (Note 4)	—	82,498
Decreases due to acquisition adjustments (Note 4)	(3,835)	—
Balance, end of period	<u>81,892</u>	<u>85,727</u>

### ***Contingent Consideration***

As part of a business combination, we agreed to issue shares of the Company's common stock based on certain milestones in accordance with the acquisition agreement. This contingent consideration is valued at fair value on the acquisition date and is included in additional paid-in capital on the consolidated balance sheets.

### ***Impairment of Long-Lived Assets***

We review long-lived assets for possible impairment when events or changes in circumstances indicate, in management's judgment, that the carrying amount of an asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount of an asset or asset group to its estimated undiscounted future cash flows expected to be generated by the asset or asset group. If the undiscounted cash flows are less than the carrying amount of the asset or asset group, an impairment loss is recognized for the amount by which the carrying amount of the asset or asset group exceeds its fair value.

### ***Research and Development***

The costs associated with research and development for the purpose of developing and improving new products are expensed as incurred. For the years ended December 31, 2022, 2021, and 2020 research and development costs amounted to approximately \$46.8 million, \$16.6 million, and \$17.4 million, respectively. The significant increase for the year ended December 31, 2022 was related to the inclusion of a full year of operations of BASX (Note 4), as well as our commitment to product performance and innovation.

### ***Advertising***

Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2022, 2021, and 2020 was approximately \$2.4 million, \$1.6 million, and \$0.8 million, respectively.

### ***Shipping and Handling***

We incur shipping and handling costs in the distribution of products sold that are recorded in cost of sales. Shipping charges that are billed to the customer are recorded in revenues and as an expense in cost of sales. For the years ended December 31, 2022, 2021, and 2020 shipping and handling fees amounted to approximately \$24.4 million, \$14.4 million, and \$14.3 million, respectively.

### ***Income Taxes***

Income taxes are accounted for under the asset and liability method. The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the book carrying amounts and the tax basis of assets and liabilities. Excess tax benefits and deficiencies are reported as an income tax benefit or expense on the statement of income and are treated as discrete items to the income tax provision in the reporting period in which they occur. We establish accruals for unrecognized tax positions when it is more likely than not that our tax return positions may not be fully sustained. The Company records a valuation allowance for deferred tax assets when, in the opinion of management, it is more likely than not that deferred tax assets will not be realized.

### ***Share-Based Compensation***

The Company recognizes expense for its share-based compensation based on the fair value of the awards that are granted. The Company's share-based compensation plans provide for the granting of stock options, restricted stock, and performance stock units ("PSUs"). In conjunction with the acquisition of BASX (Note 4), we awarded performance awards to key employees ("Key Employee Awards") of BASX.

The fair values of stock options are estimated at the date of grant using the Black-Scholes-Merton option valuation model. The fair value of the PSUs is estimated on the date of grant using the Monte Carlo Model. The use of the Black-Scholes-Merton option valuation model and the Monte Carlo Model requires the input of subjective assumptions such as: the expected volatility, the expected term of the grant, expected market performance, risk-free rate, and expected dividend yield for stock options. The fair value of restricted stock awards and Key Employee Awards is based on the fair market value of AAON common stock on the respective grant dates. The fair value of restricted stock awards is reduced for the present value of dividends. The Key Employee Awards do not accrue dividends.

Share-based compensation expense is recognized on a straight-line basis over the service period of the related share-based compensation award. Historically, stock options and restricted stock awards, granted to employees, vested at a rate of 20% per year. Restricted stock awards granted to directors historically vest over the shorter of directors' remaining elected term or one-third each year. Beginning March 2021, all new grants of stock options and restricted stock awards granted to employees, vest at a rate of 33.3% per year. Forfeitures are accounted for as they occur.

Historically, if the employee or director is retirement eligible (as defined by the Long Term Incentive Plans) or becomes retirement eligible during service period of the related share-based compensation award, the service period is the lesser of 1) the grant date, if retirement eligible on grant date, or 2) the period between grant date and retirement eligible date. All share-based compensation awards granted on or after March 1, 2020 to retirement eligible employees or directors contain a one-year employment requirement (minimum service period) or the entire award is forfeited. Forfeitures are accounted for as they occur.

The PSUs cliff vest at the end of their respective service period. Share-based compensation expense is recognized on a straight-line basis over the service period of PSUs. The PSUs are subject to several service and market conditions, as defined by the PSU agreement, which allows the holder to retain a pro-rata amount of awards as a result of certain termination conditions, retirement, change in common control, or death. Forfeitures are accounted for as they occur.

The Key Employee Awards cliff vest on December 31, 2023. Share-based compensation expense is recognized on a straight-line basis over the service period of the Key Employee Awards when it is probable that the performance conditions will be satisfied. The Key Employee Awards are subject to several service and performance conditions, as defined by the Key Employee Award agreement, which allows the holder to retain an amount of the awards as a result of certain termination conditions or change in common control. Forfeitures are accounted for as they occur.

### ***Derivative Instruments***

In the course of normal operations, the Company occasionally enters into contracts such as forward priced physical contracts for the purchase of raw materials that qualify for and are designated as normal purchase or normal sale contracts. Such contracts are exempted from the fair value accounting requirements and are accounted for at the time product is purchased or sold under the related contract. The Company does not engage in speculative transactions, nor does the Company hold or issue financial instruments for trading purposes.

### ***Revenue Recognition***

Due to the highly customized nature of many of the Company's products and each product not having an alternative use to the Company without significant costs to the Company, the Company recognizes revenue over time as progress is made toward satisfying the performance obligations of each contract. The Company has formal cancellation policies and generally does not accept returns on these units. As a result, many of the Company's products do not have an alternative use and therefore, for these products we recognize revenue over the time it takes to produce the unit.

Contract costs include direct materials, direct labor, installation, freight and delivery, commissions and royalties. Other costs not related to contract performance, such as indirect labor and materials, small tools and supplies,

operating expenses, field rework and back charges are charged to expense as incurred. Provisions for estimated losses on contracts in progress are made in the period in which such losses are determined. Changes in job performance, job conditions, and estimated profitability, including those arising from contract penalty provisions and final contract settlements, may result in revisions to costs and income, and are estimated and recognized by the Company throughout the life of the contract. The aggregate of costs incurred and income recognized on uncompleted contracts in excess of billings is shown as a contract asset within our consolidated balance sheets, and the aggregate of billings on uncompleted contracts in excess of related costs incurred and income recognized is shown as a contract liability within our consolidated balance sheets.

For all other products that are part sales or standardized units, the Company recognizes revenue, presented net of sales tax, when it satisfies the performance obligation in its contracts. As the primary performance obligation in such a contract is delivery of the requested manufactured equipment, we satisfy the performance obligation when the control is passed to the customer, generally at time of shipment. Final sales prices are fixed based on purchase orders.

Sales allowances and customer incentives are treated as reductions to sales and are provided for based on historical experiences and current estimates.

Historically, sales of our products were moderately seasonal with the peak period being May-October of each year due to timing of construction projects being directly related to warmer weather. However, in recent years, given the increases in demand of our product and increases in our backlog, sales has become more constant throughout the year.

#### ***Product Warranties***

A provision is made for the estimated cost of maintaining product warranties to customers at the time the product is sold based upon historical claims experience by product line. The Company records a liability and an expense for estimated future warranty claims based upon historical experience and management's estimate of the level of future claims. Changes in the estimated amounts recognized in prior years are recorded as an adjustment to the liability and expense in the current year.

The Company also sells extended warranties on parts for various lengths of time ranging from six months to 10 years. Revenue for these separately priced warranties is deferred and recognized on a straight-line basis over the separately priced warranty period.

#### ***Representatives and Third Party Products***

We are responsible for billings and collections resulting from all sales transactions, including those initiated by our independent manufacturer representatives ("Representatives"). Representatives are national companies that are in the business of providing heating, ventilation, and air conditioning ("HVAC") units and other related products and services to customers. The end user customer orders a bundled group of products and services from the Representative and expects the Representative to fulfill the order. These other related products and services may include controls purchased from another manufacturer to operate the unit, start-up services, and curbs for supporting the unit ("Third Party Products"). All are associated with the purchase of a HVAC unit but may be provided by the Representative or another third party. Only after the specifications are agreed to by the Representative and the customer, and the decision is made to use an AAON HVAC unit, will we receive notice of the order. We establish the amount we must receive for our HVAC unit ("minimum sales price"), but do not control the total order price that is negotiated by the Representative with the end user customer. The Representatives submit the total order price to us for invoicing and collection. The total order price includes our minimum sales price and an additional amount which may include both the Representatives' fee and amounts due for additional products and services required by the customer. The Company is considered the principal for the equipment we design and manufacture and records that revenue gross. The Company has no control over the Third Party Products to the end customer and the Company is under no obligation related to the Third Party Products. Amounts related to Third Party Products are not recognized as revenue but are recorded as a liability and are included in accrued liabilities on the consolidated balance sheets.

The Representatives' fee and Third Party Products amounts ("Due to Representatives") are paid only after all amounts associated with the order are collected from the customer. The amount of payments to our Representatives was \$39.1 million, \$43.9 million, and \$50.0 million for each of the years ended December 31, 2022, 2021, and 2020, respectively.

### ***Insurance Reserves***

Under the Company's insurance programs, coverage is obtained for significant liability limits as well as those risks required to be insured by law or contract. It is the policy of the Company to self-insure a portion of certain expected losses related primarily to workers' compensation and medical liability. Provisions for losses expected under these programs are recorded based on the Company's estimates of the aggregate liabilities for the claims incurred.

### ***Leases***

New leases entered into by the Company are assessed at lease inception for proper lease classification. At December 31, 2022, all of our leases are classified as operating leases.

We have entered into various short-term operating leases with an initial term of twelve months or less. These leases are not recorded on our consolidated balance sheets as of December 31, 2022 and 2021, and the rent expense for these short-term leases is not significant.

As our leases do not provide an implicit interest rate, we use our incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. Our incremental borrowing rate represents the interest rate which we would pay to borrow, on a collateralized basis, an amount equal to the lease payments over a similar term in a similar economic environment.

Expense related to these leases is recognized on straight-line basis over the lease term. Certain of our leases contain escalating lease payments based on predefined increases. Most leases contain options to renew or terminate. Right-of-use assets and lease liabilities reflect only the options which the Company is reasonably certain to exercise.

The Company's leases generally require us to pay for insurance, taxes, utilities, and other operating costs. These payments are not included in the right-of-use asset or lease liability and are expensed as incurred.

### ***Use of Estimates***

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Because these estimates and assumptions require significant judgment, actual results could differ from those estimates and could have a significant impact on our results of operations, financial position, and cash flows. We reevaluate our estimates and assumptions as needed, but at a minimum on a quarterly basis. The most significant estimates include, but are not limited to, inventory valuation, inventory reserves, warranty accrual, workers' compensation accrual, medical insurance accrual, income taxes, useful lives of property, plant, and equipment, estimated future use of leased property, share-based compensation, business combinations, revenue percentage of completion and estimated costs to complete. Actual results could differ materially from those estimates.

### 3. Revenue Recognition

The following tables show disaggregated net sales by reportable segment (Note 22) by major source, net of intercompany sales eliminations.

	Year Ended December 31, 2022			
	AAON Oklahoma	AAON Coil Products	BASX <sup>1</sup>	Total
	<i>(in thousands)</i>			
Rooftop Units	\$ 579,363	\$ —	\$ —	\$ 579,363
Condensing Units	302	46,287	—	46,589
Air Handlers	—	47,442	14,434	61,876
Outdoor Mechanical Rooms	612	855	—	1,467
Cleanroom Systems	—	—	47,020	47,020
Data Center Cooling Solutions	—	—	53,522	53,522
Water-Source Heat Pumps	11,529	8,797	—	20,326
Part Sales	52,927	—	671	53,598
Other	19,112	3,909	2,006	25,027
	<u>\$ 663,845</u>	<u>\$ 107,290</u>	<u>\$ 117,653</u>	<u>\$ 888,788</u>
	Year Ended December 31, 2021			
	AAON Oklahoma	AAON Coil Products	BASX <sup>1</sup>	Total
	<i>(in thousands)</i>			
Rooftop Units	\$ 398,461	\$ —	—	\$ 398,461
Condensing Units	762	25,989	—	26,751
Air Handlers	—	26,589	95	26,684
Outdoor Mechanical Rooms	820	464	—	1,284
Cleanroom Systems	—	—	2,288	2,288
Data Center Cooling Solutions	—	—	1,688	1,688
Water-Source Heat Pumps	10,831	10,343	—	21,174
Part Sales	41,127	1	—	41,128
Other	11,844	3,203	12	15,059
	<u>\$ 463,845</u>	<u>\$ 66,589</u>	<u>\$ 4,083</u>	<u>\$ 534,517</u>
	Year Ended December 31, 2020			
	AAON Oklahoma	AAON Coil Products	BASX <sup>1</sup>	Total
	<i>(in thousands)</i>			
Rooftop Units	\$ 400,946	\$ —	—	\$ 400,946
Condensing Units	900	20,249	—	21,149
Air Handlers	—	23,931	—	23,931
Outdoor Mechanical Rooms	2,355	487	—	2,842
Water-Source Heat Pumps	10,663	8,390	—	19,053
Part Sales	32,561	—	—	32,561
Other	11,532	2,537	—	14,069
	<u>\$ 458,957</u>	<u>\$ 55,594</u>	<u>—</u>	<u>\$ 514,551</u>

<sup>1</sup> BASX was acquired by the Company on December 10, 2021, as such, the only applicable periods presented for BASX is the year ended December 31, 2022 and December 11, 2021 through December 31, 2021.

Other sales include freight, extended warranties and miscellaneous revenue.

#### **4. Business Combination**

On November 18, 2021, the Company entered into a membership interest purchase agreement (the "MIPA Agreement") to acquire all of the issued and outstanding equity ownership of BasX, LLC, an Oregon limited liability company, doing business as BASX Solutions. We closed this transaction on December 10, 2021 for a purchase price of (i) \$100.0 million payable in cash (not including working capital adjustments), and (ii) up to \$80.0 million in the aggregate of contingent consideration payable in shares of the Company's stock, par value \$0.004 per share (the "Shares").

The \$80.0 million of contingent consideration payable consists of \$78.0 million payable to the former owners of BasX, LLC and \$2.0 million payable to key employees of BasX, LLC who are now employed by the Company. The potential future issuance of the Shares is contingent upon BASX meeting certain post-closing earn-out milestones during each of 2021, 2022, and 2023 under the terms of the MIPA Agreement (Note 16). The Company funded the acquisition cash portion of the purchase price and related transaction costs with cash on hand.

Additionally, as a condition to closing, the Company entered into a real estate purchase agreement with BasX Properties, LLC, an affiliate of BasX, LLC, to acquire the principal real property and improvements utilized by BASX for an additional \$22.0 million, subject to customary closing conditions and adjustments. The Company closed this real estate transaction on May 31, 2022, which terminated the related lease (Note 5).

We incurred \$4.4 million in transaction fees related to the acquisition which are included in selling, general, and administrative expenses on our consolidated statement of income for the year ended December 31, 2021. We have included the results of BASX's operations in our consolidated financial statements beginning December 11, 2021.

We applied pushdown accounting, allowable under ASC 805 "Business Combinations," to "pushdown" our stepped-up basis in the assets acquired and liabilities assumed to BASX's subsidiary financial statements. The decision to apply pushdown accounting is irrevocable. Goodwill was calculated and recognized consistent with acquisition accounting, resulting in the pushdown of \$78.7 million in goodwill as of December 31, 2022.



The following table presents the allocation of the consideration paid to the assets acquired and liabilities assumed in the acquisition described above, which was still preliminary at December 31, 2021. The revisions indicated below were recorded during the first quarter of 2022. The revisions were the result of updates to our preliminary estimates and third party valuation models. The impact of such revisions on consolidated net income were not significant.

	<u>Final Allocation</u>	<u>Estimated Allocation as of December 31, 2021</u>	<u>Revisions</u>
		<i>(in thousands)</i>	
Accounts receivable	13,699	\$ 13,699	\$ —
Inventories	2,725	2,725	—
Contract assets	7,635	7,635	—
Prepaid expenses and other	341	341	—
Property, plant and equipment	15,611	15,611	—
Right of use assets	13,169	13,169	—
Intangible assets	68,413	70,329	(1,916)
Goodwill	78,663	82,498	(3,835)
Accounts payable	(9,388)	(9,388)	—
Accrued liabilities	(3,807)	(3,807)	—
Contract liabilities	(7,771)	(7,771)	—
Lease liabilities	(15,611)	(15,611)	—
Contingent Consideration - shares of AAON	(60,000)	(66,000)	6,000
Consideration paid	<u>\$ 103,679</u>	<u>\$ 103,430</u>	<u>\$ 249</u>

The Company recognized the following definite and indefinite-lived intangible assets as part of the acquisition:

	<u>Final Allocation</u>	<u>Estimated Allocation as of December 31, 2021</u>	<u>Revisions</u>
		<i>(in thousands)</i>	
<b>Definite-lived intangible assets</b>			
Intellectual property	\$ 6,295	\$ 6,479	\$ (184)
Customer relationships	47,547	48,684	(1,137)
	<u>53,842</u>	<u>55,163</u>	<u>(1,321)</u>
<b>Indefinite-lived intangible assets</b>			
Trademarks	14,571	15,166	(595)
Total intangible assets acquired	<u>\$ 68,413</u>	<u>\$ 70,329</u>	<u>\$ (1,916)</u>

Goodwill is the excess of the consideration paid for the acquired businesses over the fair value of the individual assets acquired, net of liabilities assumed. Goodwill represents a premium paid to acquire the skilled workforce and expanded market opportunities. Goodwill of \$47.1 million was tax deductible upon completion of the final allocation of consideration paid to the assets acquired and liabilities acquired. Future additional amounts of goodwill related to the contingent consideration may become tax deductible in the future if the earn out provisions of the MIPA are achieved.

*Pro Forma Results of Operations (unaudited)*

The operations of BASX have been included in our consolidated statements of income since the closing date on December 10, 2021. The following unaudited pro forma consolidated results of operations for the years ended December 31, 2021 and 2020 are presented as if the combination had been made on January 1, 2020.

	<i>(unaudited)</i>	
	<b>Years ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
	<i>(in thousands, except per share data)</i>	
Revenues	\$ 611,158	\$ 562,563
Net income	63,491	80,507
Earnings per share:		
Basic	\$ 1.21	\$ 1.54
Dilutive	\$ 1.18	\$ 1.52

These unaudited pro forma results include adjustments necessary in connection with the acquisition.

The unaudited consolidated pro forma financial information was prepared in accordance with GAAP and is not necessarily indicative of the results of operations that would have occurred if the acquisition had been completed on the date indicated, nor is it indicative of the future operating results of the Company.

The unaudited pro forma results do not reflect events that either have occurred or may occur after the acquisition date, including, but not limited to, the anticipated realization of operating synergies in subsequent periods. These results also do not give effect to certain charges that the Company expects to incur in connection with the acquisition, including, but not limited to, additional professional fees and employee integration.

## 5. Leases

The Company has lease arrangements for certain administrative, manufacturing and warehousing facilities and equipment. Currently, all leases are classified as operating leases.

	Balance Sheet Classification	December 31,	
		2022	2021
		<i>(in thousands)</i>	
Right-of-use assets	Right of use assets	\$ 7,123	\$ 16,974
Current lease liability	Accrued liabilities	1,254	1,580
Noncurrent lease liability	Other long-term liabilities	5,993	15,467

Through the acquisition of BASX (Note 4), we acquired various leases for plant/office space and equipment, which were classified as operating leases. Through May 2022, BASX's manufacturing and office facility in Redmond, Oregon was leased from a related party (Note 21). On May 31, 2022, we completed the real estate transaction discussed in Note 4 and the associated operating lease was terminated.

Since 2018, the Company has leased the manufacturing, engineering and office space used by our operations in Parkville, Missouri. In October 2022, the Parkville, Missouri lease was amended to expand our manufacturing and office space from 51,000 square feet to 86,000 square feet. The amended lease will provide for 31,000 square feet of additional manufacturing and engineering space and for 4,000 square feet of additional office space. The amended lease extends the lease term through December 31, 2032.

In November 2022, the Company entered into a lease arrangement for additional storage facilities in Tulsa, Oklahoma to support our operations. The lease will add an additional 198,000 square feet to our operations. The lease term will expire October 31, 2025.

In June 2022, the Company entered into a lease agreement for land and facilities in Tulsa, Oklahoma to support our manufacturing operations. This lease was classified as a finance lease as the Company had the option to and was reasonably certain to purchase the underlying assets in 2023. However, during the third quarter of 2022, it was determined that the Company would no longer purchase the land or facility and terminate the lease due to unforeseen facility structural issues. We vacated the property and cancelled the lease at the end of 2022.

## 6. Accounts Receivable

Accounts receivable and the related allowance for credit losses are as follows:

	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<i>(in thousands)</i>	
Accounts receivable	\$ 127,635	\$ 71,329
Less: Allowance for credit losses	(477)	(549)
Total, net	<u>\$ 127,158</u>	<u>\$ 70,780</u>

	<b>Years Ended December 31,</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<i>(in thousands)</i>		
Allowance for credit losses:			
Balance, beginning of period	\$ 549	\$ 506	\$ 353
Provisions for expected credit losses, net of adjustments	359	43	153
Accounts receivable written off, net of recoveries	(431)	—	—
Balance, end of period	<u>\$ 477</u>	<u>\$ 549</u>	<u>\$ 506</u>

## 7. Inventories

The components of inventories and the related changes in the allowance for excess and obsolete inventories are as follows:

	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<i>(in thousands)</i>	
Raw materials	\$ 194,159	\$ 124,480
Work in process	3,501	3,049
Finished goods	5,806	4,528
	203,466	132,057
Less: Allowance for excess and obsolete inventories	(4,527)	(1,787)
Total, net	<u>\$ 198,939</u>	<u>\$ 130,270</u>

	<b>Years Ended December 31,</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<i>(in thousands)</i>		
Allowance for excess and obsolete inventories:			
Balance, beginning of period	\$ 1,787	\$ 3,261	\$ 2,644
Provisions for excess and obsolete inventories	2,852	629	1,108
Inventories written off	(112)	(2,103)	(491)
Balance, end of period	<u>\$ 4,527</u>	<u>\$ 1,787</u>	<u>\$ 3,261</u>

During the third quarter of 2022, we made the decision to no longer produce our small packaged geothermal/water-source heat pump units consisting of the WH Series horizontal configuration and WV Series vertical configuration (Note 1). Some related components and parts cannot be used in other products or sold through our parts business. As a result, we increased our provision for excess and obsolete inventory, within cost of sales on our consolidated statements of income, by approximately \$1.2 million during the year ended December 31, 2022.

## 8. Intangible Assets

Our intangible assets consist of the following:

	December 31,	
	2022	2021
Definite-lived intangible assets	<i>(in thousands)</i>	
Intellectual property	\$ 6,295	\$ 6,479
Customer relationships	47,547	48,684
Less: Accumulated amortization	(3,807)	(208)
Total, net	<u>50,035</u>	<u>54,955</u>
Indefinite-lived intangible assets		
Trademarks	14,571	15,166
Total intangible assets, net	<u>\$ 64,606</u>	<u>\$ 70,121</u>

Amortization expense recorded in cost of sales is as follows:

	Years Ended December 31,		
	2022	2021	2020
Amortization expense	\$ 3,599	\$ 246	\$ 234

Excluding the impact of any future acquisitions, the Company anticipates amortization expense to be approximately \$3.6 million for each of the years ended 2023 through 2027.

## 9. Supplemental Cash Flow Information

	Years Ended December 31,		
	2022	2021	2020
Supplemental disclosures:	<i>(in thousands)</i>		
Interest paid	\$ 2,412	\$ —	\$ —
Income taxes paid, net	19,293	7,891	13,754
Non-cash investing and financing activities:			
Non-cash capital expenditures	1,919	(3,714)	2,843

## 10. Warranties

The Company has product warranties with various terms from one year from the date of first use or 18 months for parts, data center cooling solutions, and cleanroom systems to 25 years for certain heat exchangers. The Company has an obligation to replace parts if conditions under the warranty are met. A provision is made for estimated warranty costs at the time the related products are sold based upon the warranty period, historical trends, new products, and any known identifiable warranty issues.

Changes in the warranty accrual are as follows:

	Years Ended December 31,		
	2022	2021	2020
Warranty accrual:	<i>(in thousands)</i>		
Balance, beginning of period	\$ 13,769	\$ 13,522	\$ 12,652
Payments made	(6,584)	(6,734)	(5,751)
Provisions	8,497	6,351	6,621
Assumed in business combination (Note 4)	—	630	—
Balance, end of period	<u>\$ 15,682</u>	<u>\$ 13,769</u>	<u>\$ 13,522</u>
Warranty expense:	\$ 8,497	\$ 6,351	\$ 6,621



## 11. Accrued Liabilities and Other Long-Term Liabilities

Accrued liabilities were comprised of the following:

	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<i>(in thousands)</i>	
Warranty	\$ 15,682	\$ 13,769
Due to representatives	15,545	7,995
Payroll	11,901	8,423
Profit sharing	5,451	1,489
Workers' compensation	367	308
Medical self-insurance	1,178	1,943
Customer prepayments	3,750	5,931
Donations, short-term	637	438
Accrued income taxes	12,472	—
Employee vacation time	6,329	4,362
Extended warranties, short-term	1,330	1,593
Lease liability, short-term	1,254	1,580
Other	2,734	2,375
Total	<u>\$ 78,630</u>	<u>\$ 50,206</u>

Other long-term liabilities were comprised of the following:

	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<i>(in thousands)</i>	
Lease liability	\$ 5,993	\$ 15,467
Extended warranties	4,539	3,042
Donations and other	976	334
Total	<u>\$ 11,508</u>	<u>\$ 18,843</u>

## 12. Revolving Credit Facility

On November 24, 2021, we amended our revolving credit facility to provide for maximum borrowings of \$100.0 million, with an option to increase to \$200.0 million. On May 27, 2022, we amended our \$100.0 million Amended and Restated Loan Agreement dated November 24, 2021 ("Revolver"), to provide for maximum borrowings of \$200.0 million. As of December 31, 2022 and December 31, 2021, we had an outstanding balance under the Revolver of \$71.0 million and \$40.0 million, respectively. We had one standby letter of credit totaling \$0.8 million as of December 31, 2022 and 2021, respectively. Borrowings available under the Revolver at December 31, 2022, were \$128.2 million. The Revolver expires on May 27, 2027.

Any outstanding loans under the Revolver bear interest at the daily compounded secured overnight financing rate ("SOFR") plus the applicable margin. Applicable margin, ranging from 1.25% - 1.75%, is determined quarterly based on the Company's leverage ratio. The Company is also subject to letter of credit fees, ranging from 1.25% - 1.75%, and a commitment fee, ranging from 0.10% - 0.20%. The applicable fee percentage is determined quarterly based on the Company's leverage ratio. At December 31, 2022 and 2021, the weighted average interest rate of our Revolver was 3.0% and 1.3%, respectively. Fees associated with the unused portion of the committed amount are included in interest expense on our consolidated statements of income and were not material for the years ended December 31, 2022 and 2021, respectively.

If SOFR cannot be determined pursuant to the definition, as defined by the Revolver agreement, any outstanding effected loans will be deemed to have been converted into alternative base rate ("ABR") loans. ABR loans would bear interest at a rate per annum equal to the highest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Rate in effect on such day plus 0.50%, or (c) daily simple SOFR for a one-month tenor in effect on such day plus 1.00%.

At December 31, 2022, we were in compliance with our financial covenants, as defined by the Revolver. These covenants require that we meet certain parameters related to our leverage ratio. At December 31, 2022, our leverage ratio was 0.46 to 1.0, which meets the requirement of not being above 3 to 1.

The previous revolving credit facility, prior to November 24, 2021, allowed for maximum borrowings of \$30.0 million with an interest rate of LIBOR plus 2.0%. There were no fees associated with the unused portion of committed amounts under the previous revolving credit facility.

### 13. Income Taxes

The provision for income taxes consists of the following:

	<b>Years Ended December 31,</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<i>(in thousands)</i>		
Current	\$ 37,489	\$ 6,755	\$ 9,939
Deferred	(13,332)	3,669	13,027
Income tax provision	<u>\$ 24,157</u>	<u>\$ 10,424</u>	<u>\$ 22,966</u>

The provision for income taxes differs from the amount computed by applying the statutory Federal income tax rate before the provision for income taxes.

The reconciliation of the Federal statutory income tax rate to the effective income tax rate is as follows:

	<b>Years Ended December 31,</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
Federal statutory rate	21.0 %	21.0 %	21.0 %
State income taxes, net of Federal benefit	4.1 %	1.8 %	5.3 %
Change in valuation allowance	— %	1.0 %	— %
Excess tax benefits related to share-based compensation (Note 14)	(2.4)%	(7.8)%	(3.2)%
Return to provision	(0.3)%	— %	0.1 %
Research and development tax credits	(2.1)%	(1.1)%	(0.9)%
Other	(0.9)%	0.2 %	0.2 %
Effective tax rate	<u>19.4 %</u>	<u>15.1 %</u>	<u>22.5 %</u>

On May 21, 2021, the State of Oklahoma enacted House Bill 2960, effectively reducing the corporate income tax rate in Oklahoma from 6% to 4%. This resulted in a benefit of \$0.8 million included in the table above under State income taxes, net of Federal benefit, for the year ending December 31, 2021.

We earn investment tax credits from the state of Oklahoma's investment tax credit program. We use the flow-through method of accounting for the investment tax credits earned on eligible tangible asset expenditures. Under this method, the investment tax credits are recognized as a reduction to our Oklahoma income tax expense in the year they are used. As of December 31, 2022, we have credit carryforwards totaling \$3.1 million that have estimated expirations starting in 2035.

We also earn research and development tax credits as defined under Section 41 of the Internal Revenue Code. To qualify for the research and development tax credits, we perform annual studies that identifies, documents, and

supports eligible expenses related to qualified research and development activities. Eligible expenses include but are not limited to supplies, material and internal wages. With the addition of BASX in December 2021 (Note 4), we identified additional eligible expenses related to qualified research and development activities.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for income tax purposes.

The significant components of the Company's deferred tax assets and liabilities are as follows:

	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<i>(in thousands)</i>	
<b>Deferred income tax assets (liabilities):</b>		
Allowance for credit losses and inventory reserves	\$ 1,337	\$ 625
Warranty accrual	4,184	3,675
Other accruals	4,814	1,406
Share-based compensation	7,440	7,568
Research & development expenses	11,265	—
Oklahoma investment credit carryforward	3,115	3,404
Other, net	2,339	4,112
	<u>34,494</u>	<u>20,790</u>
Valuation allowance	<u>(3,115)</u>	<u>(3,404)</u>
<b>Net deferred income tax assets</b>	<b>31,379</b>	<b>17,386</b>
Property & equipment	<u>(50,040)</u>	<u>(49,379)</u>
<b>Total deferred income tax liabilities</b>	<b><u>(50,040)</u></b>	<b><u>(49,379)</u></b>
<b>Net deferred income tax liabilities</b>	<b><u>\$ (18,661)</u></b>	<b><u>\$ (31,993)</u></b>

In accordance with the 2017 Tax Cuts & Jobs Act, under Internal Revenue Code Section 174, research and development expenses incurred after December 31, 2021 are required to be capitalized and amortized over 5 years. The amortization requirements for tax purposes is a mid-year convention, meaning that the tax amortization is 10% in the year of acquisition, 20% in the following 4 years, and 10% in the final year. Estimated Section 174 research and developments costs for the year ended December 31, 2022 were \$46.8 million. This resulted in a reduction of our deferred tax liability of approximately \$11.3 million for the year ended December 31, 2022.

Realization of deferred tax assets, including the associated credit carryforwards, is dependent upon generating sufficient taxable income in the appropriate tax jurisdiction. We believe that it is more likely than not that we may not realize the benefit of our Oklahoma investment tax credit carryforward and, accordingly, have established a valuation allowance against this deferred tax asset.

The amount of income tax that we pay annually is dependent on various factors, including the timing of certain deductions. These deductions can vary from year to year and, consequently, the amount of income taxes paid in future years will vary from the amounts paid in prior years.

We file income tax returns in the U.S., state and foreign income tax jurisdictions. We are subject to U.S. income tax examinations for the tax years 2018 to present, and to non-U.S. income tax examinations for the tax years 2017 to present. In addition, we are subject to state and local income tax examinations for tax years 2017 to present. The Company continues to evaluate its need to file returns in various state jurisdictions. Any interest or penalties would be recognized as a component of income tax expense.

## 14. Share-Based Compensation

On May 22, 2007, our stockholders adopted a Long-Term Incentive Plan (as amended, “LTIP”) which provided an additional 3.3 million shares that could be granted in the form of stock options, stock appreciation rights, restricted stock awards, performance units, and performance awards. Under the LTIP, the exercise price of shares granted may not be less than 100% of the fair market value at the date of the grant.

On May 24, 2016, our stockholders adopted the 2016 Long-Term Incentive Plan (“2016 Plan”) which provides for approximately 8.9 million shares, comprised of 3.4 million new shares provided for under the 2016 Plan, approximately 0.4 million shares that were available for issuance under the previous LTIP that are now authorized for issuance under the 2016 Plan, approximately 2.6 million shares that were approved by the stockholders on May 15, 2018, and an additional 2.5 million shares that were approved by the stockholders on May 12, 2020.

Under the 2016 Plan, shares can be granted in the form of stock options, stock appreciation rights, restricted stock awards, performance awards, dividend equivalent rights, and other awards. Under the 2016 Plan, the exercise price of shares granted may not be less than 100% of the fair market value at the date of the grant. The 2016 Plan is administered by the Compensation Committee of the Board of Directors or such other committee of the Board of Directors as is designated by the Board of Directors (the “Committee”). Membership on the Committee is limited to independent directors. The Committee may delegate certain duties to one or more officers of the Company as provided in the 2016 Plan. The Committee determines the persons to whom awards are to be made, determines the type, size and terms of awards, interprets the 2016 Plan, establishes and revises rules and regulations relating to the 2016 Plan and makes any other determinations that it believes necessary for the administration of the 2016 Plan.

### Options

The following weighted average assumptions were used to determine the fair value of the stock options granted on the original grant date for expense recognition purposes for options granted during the years ended December 31, 2022, 2021, and 2020 using a Black Scholes-Merton Model:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Directors and SLT<sup>1</sup>:</b>			
Expected dividend yield	\$ 0.38	\$ 0.38	\$ 0.33
Expected volatility	36.07 %	35.78 %	31.63 %
Risk-free interest rate	2.31 %	0.51 %	0.64 %
Expected life (in years)	4.0	4.0	5.0
<b>Employees:</b>			
Expected dividend yield	\$ 0.39	\$ 0.38	\$ 0.32
Expected volatility	37.49 %	38.67 %	31.39 %
Risk-free interest rate	2.35 %	0.32 %	0.67 %
Expected life (in years)	3.0	3.0	5.0
<sup>1</sup> Senior Leadership Team (“SLT”) consists of officers and key members of management.			

The expected term of the options is based on evaluations of historical and expected future employee exercise behavior. The risk-free interest rate is based on the U.S. Treasury rates at the date of grant with maturity dates approximately equal to the expected life at the grant date. Volatility is based on historical volatility of our stock over time periods equal to the expected life at grant date.

The following is a summary of stock options vested and exercisable as of December 31, 2022:

<b>Range of Exercise Prices</b>	<b>Number of Shares</b>	<b>Weighted Average Remaining Contractual Life</b>	<b>Weighted Average Exercise Price</b>	<b>Intrinsic Value</b>
				<i>(in thousands)</i>
\$20.92 - 41.37	1,031,134	5.14	\$ 36.60	\$ 39,926
\$42.42 - 54.20	247,535	7.03	44.68	7,583
\$54.29 - 79.92	98,344	8.10	72.38	294
Total	<u>1,377,013</u>	<u>5.69</u>	<u>\$ 40.61</u>	<u>\$ 47,803</u>

A summary of option activity under the plans is as follows:

<b>Options</b>	<b>Shares</b>	<b>Weighted Average Exercise Price</b>
Outstanding at December 31, 2021	3,365,469	\$ 42.88
Granted	465,515	55.40
Exercised	(597,761)	38.71
Forfeited or Expired	(192,876)	49.56
Outstanding at December 31, 2022	<u>3,040,347</u>	<u>\$ 45.20</u>
Exercisable at December 31, 2022	<u>1,377,013</u>	<u>\$ 40.61</u>

The total pre-tax compensation cost related to unvested stock options not yet recognized as of December 31, 2022 is \$12.9 million and is expected to be recognized over a weighted-average period of 1.6 years.

The total intrinsic value of options exercised during the years ended December 31, 2022, 2021, and 2020 was \$16.0 million, \$22.6 million, and \$15.5 million, respectively. The cash received from options exercised during the year ended December 31, 2022, 2021, and 2020 was \$23.1 million, \$21.1 million, and \$21.4 million, respectively. The impact of these cash receipts is included in financing activities in the accompanying consolidated statements of cash flows.

### **Restricted Stock**

The fair value of restricted stock awards is based on the fair market value of AAON common stock on the respective grant dates, reduced for the present value of dividends. At December 31, 2022, unrecognized compensation cost related to unvested restricted stock awards was approximately \$4.4 million which is expected to be recognized over a weighted average period of 1.6 years.

A summary of the unvested restricted stock awards is as follows:

<b>Restricted stock</b>	<b>Shares</b>	<b>Weighted Average Grant Date Fair Value</b>
Unvested at December 31, 2021	161,225	\$ 46.08
Granted	68,020	53.97
Vested	(72,936)	45.31
Forfeited	(11,483)	48.23
Unvested at December 31, 2022	144,826	\$ 50.00

### **PSUs**

We have awarded performance restricted stock units ("PSUs") to certain officers and employees under our 2016 Plan. Unlike our restricted stock awards, these PSUs are not considered legally outstanding and do not accrue dividends during the vesting period. These PSUs vest based on the level of achievement with respect to the Company's total shareholder return ("TSR") benchmarked against similar companies included in the capital goods sector of the S&P Smallcap 600 Index. The TSR measurement period is three years. At the end of the measurement period, each award will be converted into AAON common stock at 0% to 200% of the PSUs held, depending on overall TSR as compared to the S&P SmallCap 600 Index benchmark companies.

The total pre-tax compensation cost related to unvested PSUs not yet recognized as of December 31, 2022 is \$2.0 million and is expected to be recognized over a weighted average period of approximately 2.0 years.

The following weighted average assumptions were used to determine the fair value of the PSUs granted on the original grant date for expense recognition purposes for PSUs granted during the years ended December 31, 2022 and 2021, using a Monte Carlo Model:

	<b>2022</b>	<b>2021</b>
Expected dividend rate	\$ 0.38	\$ 0.38
Expected volatility	37.60 %	39.10 %
Risk-free interest rate	2.00 %	0.28 %
Expected life (in years)	2.80	2.80

The expected term of the PSUs is based on their remaining performance period. The risk-free interest rate is based on the U.S. Treasury rates at the date of grant with maturity dates approximately equal to the expected life at the grant date. Volatility is based on historical volatility of our stock over time periods equal to the expected life at grant date.



A summary of the unvested PSUs is as follows:

	Shares	Weighted Average Grant Date Fair Value
Unvested at December 31, 2021	16,851	\$ 87.78
Granted	50,839	44.74
Vested	—	—
Forfeited	(5,031)	62.14
Unvested at December 31, 2022 <sup>1</sup>	<u>62,659</u>	<u>\$ 54.92</u>

<sup>1</sup> Consists of 14,817 PSUs cliff vesting December 31, 2024 and 47,842 PSUs cliff vesting December 31, 2025.

### ***Key Employee Awards***

Subject to the MIPA Agreement (Note 4), the Company granted awards to key employees of BASX ("Key Employee Awards"). Unlike our restricted stock awards under the 2016 Plan, the Key Employee Awards are not considered legally outstanding and do not accrue dividends during the vesting period. The potential future issuance of the Key Employee Awards is contingent upon BASX meeting certain post-closing earn-out milestones during each of the years ending 2021, 2022, and 2023 as defined by the MIPA Agreement and continued employment with the Company. At the end of the earn-out period, ending December 31, 2023, each eligible Key Employee Award will vest and be converted into AAON common stock. The fair value of Key Employee Awards was based on the fair market value of AAON common stock on the grant date.

The total pre-tax compensation cost related to unvested Key Employee Awards not yet recognized as of December 31, 2022 is \$1.0 million and is expected to be recognized over a weighted average period of approximately 1.0 year.

A summary of the unvested Key Employee Awards is as follows:

	Shares	Weighted Average Grant Date Fair Value
Unvested at December 31, 2021	26,599	\$ 80.18
Granted	—	—
Vested	—	—
Forfeited	—	—
Unvested at December 31, 2022	<u>26,599</u>	<u>\$ 80.18</u>

## Summary of Share-based Compensation

A summary of share-based compensation is as follows for the years ended December 31, 2022, 2021, and 2020:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Grant date fair value of awards during the period:</b>	<i>(in thousands)</i>		
Options	\$ 6,522	\$ 7,010	\$ 12,615
Restricted stock	3,671	2,517	3,316
PSUs	2,275	1,622	—
Key employee awards	—	1,572	—
<b>Total</b>	<u>\$ 12,468</u>	<u>\$ 12,721</u>	<u>\$ 15,931</u>

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Share-based compensation expense:</b>	<i>(in thousands)</i>		
Options	\$ 8,585	\$ 8,724	\$ 8,312
Restricted stock	3,105	2,519	3,030
PSUs	958	525	—
Key employee awards	1,052	44	—
<b>Total</b>	<u>\$ 13,700</u>	<u>\$ 11,812</u>	<u>\$ 11,342</u>

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Income tax benefit related to share-based compensation:</b>	<i>(in thousands)</i>		
Options	\$ 2,715	\$ 4,571	\$ 2,698
Restricted stock	241	837	519
<b>Total</b>	<u>\$ 2,956</u>	<u>\$ 5,408</u>	<u>\$ 3,217</u>

## 15. Employee Benefits

### Defined Contribution Plan - 401(k)

We sponsor a defined contribution plan (the “Plan”). Eligible employees may make contributions in accordance with the Plan and IRS guidelines. In addition to the traditional 401(k), eligible employees are given the option of making an after-tax contribution to a Roth 401(k) or a combination of both. The Plan provides for automatic enrollment and for an automatic increase to the deferral percentage at January 1st of each year and each year thereafter. Eligible employees are automatically enrolled in the Plan at a 6.0% deferral rate and currently contributing employees deferral rates will be increased to 6.0% unless their current rate is above 6.0% or the employee elects to decline the automatic enrollment or increase. Administrative expenses are paid for by Plan participants. The Company paid no administrative expenses for the years ended 2022, 2021, and 2020.

The Company matches 175.0% up to 6.0% of employee contributions of eligible compensation. Additionally, Plan participant forfeitures are used to reduce the cost of the Company contributions.

	<b>Years Ended December 31,</b>		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
	<i>(in thousands)</i>		
Contributions, net of forfeitures, made to the defined contribution plan	\$ 15,475	\$ 9,724	\$ 9,091

### ***Profit Sharing Bonus Plans***

We maintain a discretionary profit sharing bonus plan under which approximately 10.0% of pre-tax profit from AAON Oklahoma and AAON Coil Products is paid to eligible employees on a quarterly basis in order to reward employee productivity. Eligible employees are regular full-time employees of AAON Oklahoma or AAON Coil Products who are actively employed and working on the first and last days of the calendar quarter and who were employed full-time for at least three full months prior to the beginning of the calendar quarter, excluding the Company's senior leadership team.

BASX has a separate employee incentive program (EIP), under which 5.0% of BASX's pre-tax profit, plus certain add backs, is paid ratably to eligible employees based on days-of-pay during the fiscal year. Eligible employees are regular full-time and part-time employees who have worked during the year and are still employed when the EIP payment is made following the end of the fiscal year, excluding members of BASX's senior leadership team and any employee paid commissions or royalties.

	<b>Years Ended December 31,</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<i>(in thousands)</i>		
Profit sharing bonus plan and employee incentive plan expense	\$ 14,009	\$ 8,526	\$ 11,593

### ***Employee Medical Plan***

At AAON Oklahoma and AAON Coil Products, we self-insure for our employees' health insurance, and make medical claim payments up to certain stop-loss amounts. We estimate our self-insurance liabilities using an analysis provided by our claims administrator and our historical claims experience. Eligible employees are regular full-time employees who are actively employed and working. Participants are expected to pay a portion of the premium costs for coverage of the benefits provided under the Plan. In addition, the Company matches 175.0% of a participating AAON Oklahoma and AAON Coil Products employee's allowed contributions to a qualified health saving account to assist employees with our health insurance plan deductibles.

BASX is insured for healthcare coverage through a third party. Eligible employees are regular full-time employees who are actively employed and working. Participants are expected to pay a portion of the premium costs for coverage of the benefits provided under the Plans. In addition, the Company contributes certain amounts for BASX's employees enrolled in a high deductible plan to a qualified health savings account to assist employees with health insurance plan deductibles.

	<b>Years Ended December 31,</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<i>(in thousands)</i>		
Medical claim payments	\$ 10,459	\$ 9,640	\$ 9,060
Health saving account contributions	3,862	3,482	3,476

## **16. Stockholders' Equity**

### ***Stock Repurchase***

The Board has authorized two active stock repurchase programs for the Company. The Company may purchase shares on the open market from time to time. The Board must authorize the timing and amount of these purchases and all repurchases are in accordance with the rules and regulations of the SEC allowing the Company to repurchase shares from the open market.

Our open market repurchase programs are as follows:

Agreement Execution Date	Authorized Repurchase \$	Expiration Date
March 5, 2019 <sup>1</sup>	\$20 million	March 4, 2020
March 13, 2020	\$20 million	November 9, 2022
November 3, 2022	\$50 million	**2

<sup>1</sup> The 2018 and 2019 purchase authorizations were executed under 10b5-1 programs.

<sup>2</sup> Expiration Date is at Board's discretion. The Company is authorized to effectuate repurchases of the Company's common stock on terms and conditions approved in advance by the Board.

The Company repurchases shares of AAON stock from employees for payment of statutory tax withholdings on stock transactions. All other repurchases from directors or employees are contingent upon Board approval. All repurchases are done at current market prices.

Lastly, the Company also had a stock repurchase arrangement by which employee-participants in our 401(k) Plan were entitled to have shares of AAON stock in their accounts sold to the Company. The 401(k) Plan was amended in June 2022 to discontinue this program. No additional shares have been purchased by the Company under this arrangement since June 2022.

Our repurchase activity is as follows:

Program	2022			2021			2020		
	Shares	Total \$	\$ per share	Shares	Total \$	\$ per share	Shares	Total \$	\$ per share
<i>(in thousands, except share and per share data)</i>									
Open market	122,112	\$ 6,823	\$ 55.87	—	\$ —	\$ —	103,689	\$ 4,987	\$ 48.10
401(k)	103,936	5,913	56.89	297,772	20,876	70.11	438,921	25,073	57.12
Directors & employees	17,228	1,019	59.15	22,526	1,590	70.59	23,272	1,169	50.23
Total	243,276	\$ 13,755	\$ 56.54	320,298	\$ 22,466	\$ 70.14	565,882	\$ 31,229	\$ 55.19

Our repurchase activity since Company inception, including our current authorized stock repurchase programs are as follows:

Program	Inception to Date		
	Shares	Total \$	\$ per share
<i>(in thousands, except share and per share data)</i>			
Open market	4,327,367	\$ 81,616	\$ 18.86
401(k)	8,308,368	171,789	20.68
Directors & employees	2,044,955	23,360	11.42
Total	14,680,690	\$ 276,765	\$ 18.85

### Dividends

At the discretion of the Board of Directors, we pay cash dividends. Board approval is required to determine the date of declaration and amount for each cash dividend payment.

Our cash dividends for the three years ended December 31, 2022 are as follows:

Declaration Date	Record Date	Payment Date	Dividend per Share
May 15, 2020	June 3, 2020	July 1, 2020	\$0.19
November 10, 2020	November 27, 2020	December 18, 2020	\$0.19
May 17, 2021	June 3, 2021	July 1, 2021	\$0.19
November 9, 2021	November 26, 2021	December 17, 2021	\$0.19
May 18, 2022	June 3, 2022	July 1, 2022	\$0.19
November 8, 2022	November 28, 2022	December 16, 2022	\$0.24

We paid cash dividends of \$22.9 million, \$19.9 million, and \$19.8 million in 2022, 2021, and 2020, respectively.

#### ***Contingent Shares Issued in BASX Acquisition***

On December 10, 2021, we closed on the acquisition of BASX (Note 4). Under the MIPA Agreement, we committed to \$78.0 million in the aggregate of contingent consideration to the former owners of BASX, which is payable in approximately 1,037,000 shares of AAON stock, par value \$0.004 per share. The shares do not accrue dividends.

Under the MIPA Agreement, the potential future issuance of the shares is contingent upon BASX meeting certain post-closing earn-out milestones during each of the years ended 2021, 2022, and 2023. We estimated the fair value of contingent consideration related to these shares to be approximately \$60.0 million, which is included in additional paid-in capital on the consolidated balance sheets. As of December 31, 2022, 486,286 shares related to the 2021 earn-out milestone have been issued to the former owners of BASX as part of a private placement exempt from registration with the SEC under Rule 506(b), which are included in common stock on the consolidated statements of stockholders' equity. No additional shares have been issued as of February 22, 2023.

#### **17. New Markets Tax Credit**

On October 24, 2019, the Company entered into a transaction with a subsidiary of an unrelated third-party financial institution (the "Investor") and a certified Community Development Entity under a qualified New Markets Tax Credit ("NMTC") program pursuant to Section 45D of the Internal Revenue Code of 1986, as amended, related to an investment in plant and equipment to facilitate the expansion of our Longview, Texas manufacturing operations (the "Project"). In connection with the NMTC transaction, the Company received a \$23.0 million NMTC allocation for the Project and secured low interest financing and the potential for future debt forgiveness related to the Project.

Upon closing of the NMTC transaction, the Company provided an aggregate of approximately \$15.9 million to the Investor, in the form of a loan receivable, with a term of twenty-five years, bearing an interest rate of 1.0%. This \$15.9 million in proceeds plus capital contributed from the Investor was used to make an aggregate \$22.5 million loan to a subsidiary of the Company. This financing arrangement is secured by equipment at the Company's Longview, Texas facilities and a guarantee from the Company, including an unconditional guarantee of NMTCs.

This transaction also includes a put/call feature that either of which can be exercised at the end of the seven-year compliance period. The Investor may exercise its put option or the Company can exercise the call, both of which could serve to trigger forgiveness of a portion of the debt. The value attributable to the put/call is nominal. The Investor's interest of \$6.4 million is recorded in New market tax credit obligation on the consolidated balance sheets. The Company incurred approximately \$0.3 million of debt issuance costs related to the above transactions, which are being amortized over the life of the transaction.

The Investor is subject to 100 percent recapture of the NMTC it receives for a period of seven years, as provided in the Internal Revenue Code and applicable U.S. Treasury regulations in the event that the financing facility of the Borrower under the transaction (AAON Coil Products, Inc.) becomes ineligible for NMTC treatment per the Internal Revenue Code requirements. The Company is required to be in compliance with various regulations and contractual provisions that apply to the NMTC arrangement. Noncompliance with applicable requirements could result in the Investor's projected tax benefits not being realized and, therefore, require the Company to indemnify the Investor for any loss or recapture of the NMTC related to the financing until such time as the recapture provisions have expired.

under the applicable statute of limitations. The Company does not anticipate any credit recapture will be required in connection with this financing arrangement.

The Investor and its majority owned community development entity are considered VIEs and the Company is the primary beneficiary of the VIEs. This conclusion was reached based on the following:

- the ongoing activities of the VIEs, collecting and remitting interest and fees and NMTC compliance, were all considered in the initial design and are not expected to significantly affect performance throughout the life of the VIE;
- contractual arrangements obligate the Company to comply with NMTC rules and regulations and provide various other guarantees to the Investor and community development entity;
- the Investor lacks a material interest in the underlying economics of the project; and
- the Company is obligated to absorb losses of the VIEs.

Because the Company is the primary beneficiary of the VIEs, they have been included in the consolidated financial statements. There are no other assets, liabilities or transaction in these VIEs outside of the financing transactions executed as part of the NMTC arrangement.

## **18. Commitments and Contingencies**

### ***Havtech Litigation***

On January 24, 2022, one of the Company's former independent sales representative firms, Havtech, LLC (and its affiliate, Havtech Parts Division, LLC, collectively "Plaintiffs"), filed a complaint (the "Complaint") in the Circuit Court for Howard County, Maryland (*Havtech, LLC, et al., v. AAON, Inc., et al.*). The Complaint challenged the Company's termination of its business relationship with Plaintiffs. The Company removed the action to the United States District Court for the District of Maryland (Northern Division) and moved to dismiss the Complaint. Plaintiffs' First Amended Complaint ("First Amended Complaint") was entered by the court on July 28, 2022. The First Amended Complaint asserts that the Company improperly terminated Plaintiffs and seeks damages alleged to be no less than \$48.6 million, plus fees and costs. The Company filed its Answer to First Amended Complaint on January 31, 2023. The Company believes that Plaintiffs' claims are without merit and intends to vigorously defend itself.

### ***Other Matters***

The Company is involved from time to time in claims and lawsuits incidental to our business arising from various matters, including alleged violations of contract, product liability, warranty, environmental, regulatory, personal injury, intellectual property, employment, tax and other laws. We closely monitor these claims and legal actions and frequently consult with our legal counsel to determine whether they may, when resolved, have a material adverse effect on our financial position, results of operations or cash flows and we accrue and/or disclose loss contingencies as appropriate. We do not believe these matters will have a material adverse effect on our business, financial position, results of operations or cash flows.

We are occasionally party to short-term, cancellable and occasionally non-cancellable, fixed price contracts with major suppliers for the purchase of raw material and component parts. We expect to receive delivery of raw materials for use in our manufacturing operations. These contracts are not accounted for as derivative instruments because they meet the normal purchase and normal sales exemption. We had no material contractual purchase obligations as of December 31, 2022, except as noted below.

On April 27, 2022, the Company entered into a purchase and sale agreement with a third-party manufacturer to purchase certain assets to design and manufacture fan wheels for the purchase price of \$6.5 million. As of December 31, 2022, we have paid approximately \$3.5 million related to this agreement, which is included in other long-term assets and property, plant and equipment, with the remaining \$3.0 million included in accounts payable and other long-term assets on our consolidated balance sheets. The final payment will be made in 2023.

## 19. New Accounting Pronouncements

Changes to U.S. GAAP are established by the FASB in the form of accounting standards updates (“ASUs”) to the FASB’s Accounting Standards Codification. We consider the applicability and impact of all ASUs. ASUs not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on our consolidated financial statements and notes thereto.

## 20. Earnings Per Share

Basic net income per share is calculated by dividing net income by the weighted average number of shares of common stock outstanding during the period. Diluted net income per share assumes the conversion of all potentially dilutive securities and is calculated by dividing net income by the sum of the weighted average number of shares of common stock outstanding plus all potentially dilutive securities. Dilutive common shares consist primarily of stock options and restricted stock awards.

The following table sets forth the computation of basic and diluted earnings per share:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Numerator:</b>	<i>(in thousands, except share and per share data)</i>		
Net income	\$ 100,376	\$ 58,758	\$ 79,009
<b>Denominator:</b>			
Basic weighted average shares	53,054,986	52,404,199	52,168,679
Effect of dilutive shares related to stock based compensation <sup>1</sup>	842,783	1,301,698	892,490
Effect of dilutive shares related contingent consideration <sup>2</sup>	199,303	23,092	—
Diluted weighted average shares	54,097,072	53,728,989	53,061,169
<b>Earnings per share:</b>			
Basic	\$ 1.89	\$ 1.12	\$ 1.51
Dilutive	\$ 1.86	\$ 1.09	\$ 1.49
<b>Anti-dilutive shares:</b>			
Shares	605,480	304,029	364,787

<sup>1</sup> Dilutive shares related to stock options, restricted stock, PSUs and Key Employee Awards (Note 14)

<sup>2</sup> Dilutive shares related to contingent shares issued to former owners of BASX (Note 4)

## 21. Related Parties

The Company sells units to an entity owned by a member of the CEO/President’s immediate family. This entity is also one of the Company’s Representatives and as such, the Company makes payments to the entity for third party products. Additionally, the Company purchases some supplies from entities controlled by two of the Company’s board members and a member of the Company’s executive management team. The Company also periodically makes sales to a board member for parts. From December 10, 2021 through May 31, 2022 (Note 4), the Company leased a manufacturing and office facility in Redmond, Oregon from an entity in which certain members of BASX management have an ownership interest. This facility was purchased 100% by the Company on May 31, 2022.



Following is a summary of transactions and balances with affiliates:

	<b>Years Ended December 31,</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<i>(in thousands)</i>		
Sales to affiliates	\$ 5,789	\$ 3,752	\$ 3,475
Payments to affiliates	1,318	185	256

	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<i>(in thousands)</i>	
Due from affiliates	\$ 432	\$ 547

## 22. Segments

The Company has determined that it has three reportable segments for financial reporting purposes. Management evaluates the performance of its business segments primarily on gross profit. The Company's chief decision maker ("CODM"), our CEO, allocates resources and assesses the performance of each operating segment using information about the operating segment's net sales and income from operations. The CODM does not evaluate operating segments using asset or liability information.

*AAON Oklahoma:* AAON Oklahoma designs, manufactures, sells, and services standard, semi-custom, and custom heating, ventilation, and air conditioning ("HVAC") systems, designs and produces controls solutions for all of our HVAC units, and sells retail parts to customers through our two retail part stores in Tulsa, Oklahoma as well as online. Through our Norman Asbjornson Innovation Center ("NAIC") research and development laboratory facility in Tulsa, Oklahoma, the Company is able to test units under various environmental conditions. AAON Oklahoma includes the operations of our Tulsa, Oklahoma and Parkville, Missouri facilities, our NAIC research and development laboratory facility and two retail parts locations.

*AAON Coil Products:* AAON Coil Products designs and manufactures a selection of our standard, semi-custom, and custom HVAC systems. AAON Coil Products also designs and manufactures various heating and cooling coils to be used in HVAC systems, mostly for the benefit of AAON Oklahoma and AAON Coil Products. AAON Coil Products consists of operations at our Longview, Texas facilities.

*BASX:* BASX provides product development design and manufacturing of custom engineered air handling systems including high efficiency data center cooling solutions, cleanroom HVAC systems, commercial/industrial HVAC systems, and modular solutions. Additionally, BASX designs and manufactures cleanroom environmental control systems to support hospital surgical suites, pharmaceutical process facilities, semiconductor and electronics manufacturing, laboratory and isolation and modular cleanrooms for facility flexibility. BASX consists of operations at our Redmond, Oregon facility.

The following table summarizes certain financial data related to our segments. Transactions between segments are recorded based on prices negotiated between the segments. The Gross Profit amounts shown below are presented after elimination entries.

	<b>Years Ended December 31,</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<i>(in thousands)</i>		
<b>Net Sales</b>			
<b>AAON Oklahoma</b>			
External sales	\$ 663,845	\$ 463,845	\$ 458,957
Inter-segment sales	3,251	2,504	2,683
<b>AAON Coil Products</b>			
External sales	107,290	66,589	55,594
Inter-segment sales	30,932	24,250	21,552
<b>BASX<sup>1</sup></b>			
External sales	117,653	4,083	—
Inter-segment sales	79	—	—
Eliminations	(34,262)	(26,754)	(24,235)
Net sales	<u>\$ 888,788</u>	<u>\$ 534,517</u>	<u>\$ 514,551</u>
<b>Gross Profit</b>			
AAON Oklahoma	\$ 172,983	\$ 126,868	\$ 140,099
AAON Coil Products	33,311	10,075	15,750
BASX <sup>1</sup>	31,278	887	—
Gross profit	<u>\$ 237,572</u>	<u>\$ 137,830</u>	<u>\$ 155,849</u>

	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<i>(in thousands)</i>	
<b>Long-lived assets</b>		
AAON Oklahoma	\$ 213,731	\$ 183,840
AAON Coil Products	68,013	62,534
BASX	35,578	28,662
Total long-lived assets	<u>\$ 317,322</u>	<u>\$ 275,036</u>

<b>Intangible assets and goodwill</b>		
AAON Oklahoma	\$ 3,229	\$ 3,229
AAON Coil Products	—	—
BASX	143,269	152,619
Total intangible assets and goodwill	<u>\$ 146,498</u>	<u>\$ 155,848</u>

<sup>1</sup> BASX was acquired on December 10, 2021. We have included the results of BASX's operations in our consolidated financial statements beginning December 11, 2021.

#### **Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.**

None.

## **Item 9A. Controls and Procedures.**

### *(a) Evaluation of Disclosure Controls and Procedures*

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2022.

Based upon the evaluation, our principal executive and principal financial officers have concluded that our disclosure controls and procedures were effective at December 31, 2022 to ensure the information required to be disclosed by us in reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure and is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC.

### *(b) Management's Annual Report on Internal Control over Financial Reporting*

Our management is responsible for establishing and maintaining adequate internal control over our financial reporting as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Our internal control over financial reporting is a process designed by, or under the supervision of, our principal executive and principal financial officers, and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In making our assessment of internal control over financial reporting, management has used the criteria issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in the 2013 *Internal Control—Integrated Framework*. Based on our assessment, our management concluded that the Company maintained effective internal control over financial reporting as of December 31, 2022.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2022 has been audited by Grant Thornton LLP, our independent registered public accounting firm, as stated in their report which is included in this Item 9A of this report on Form 10-K.

### *(c) Changes in Internal Control over Financial Reporting*

There have been no changes in internal control over financial reporting that occurred during the fourth quarter of 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders  
AAON, Inc.

### **Opinion on internal control over financial reporting**

We have audited the internal control over financial reporting of AAON, Inc. (a Nevada corporation) and subsidiaries (the “Company”) as of December 31, 2022, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the consolidated financial statements of the Company as of and for the year ended December 31, 2022, and our report dated February 27, 2023 expressed an unqualified opinion on those financial statements.

### **Basis for opinion**

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Annual Report on Internal Control over Financial Reporting (“Management’s Report”). Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### **Definition and limitations of internal control over financial reporting**

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ GRANT THORNTON LLP

Tulsa, Oklahoma  
February 27, 2023

**Item 9B. Other Information.**

None.

**PART III****Item 10. Directors, Executive Officers and Corporate Governance.**

The information required by Items 401, 405, 406 and 407(c)(3), (d)(4) and (d)(5) of Regulation S-K is incorporated by reference to the information contained in our definitive Proxy Statement to be filed with the Securities and Exchange Commission in connection with our annual meeting of stockholders scheduled to be held on May 16, 2023.

**Code of Ethics**

We adopted a code of ethics that applies to our principal executive officer, principal financial officer, and principal accounting officer or persons performing similar functions, as well as other employees and directors. Our code of ethics can be found on our website at [www.aaon.com](http://www.aaon.com). We will also provide any person without charge, upon request, a copy of such code of ethics. Requests may be directed to AAON, Inc., 2425 South Yukon Avenue, Tulsa, Oklahoma 74107, attention Rebecca A. Thompson, or by calling (918) 382-6216.

**Item 11. Executive Compensation.**

The information required by Items 402 and 407(e)(4) and (e)(5) of Regulation S-K is incorporated by reference to the information contained in our definitive Proxy Statement to be filed with the Securities and Exchange Commission in connection with our annual meeting of stockholders scheduled to be held on May 16, 2023.

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.**

The information required by Item 403 and Item 201(d) of Regulation S-K is incorporated by reference to the information contained in our definitive Proxy Statement to be filed with the Securities and Exchange Commission in connection with our annual meeting of stockholders scheduled to be held May 16, 2023.

**Item 13. Certain Relationships and Related Transactions, and Director Independence.**

The information required to be reported pursuant to Item 404 of Regulation S-K and paragraph (a) of Item 407 of Regulation S-K is incorporated by reference in our definitive proxy statement relating to our annual meeting of stockholders scheduled to be held May 16, 2023.

Our Code of Conduct guides the Board of Directors in its actions and deliberations with respect to related party transactions. Under the Code, conflicts of interest, including any involving the directors or any Named Officers, are prohibited except under any guidelines approved by the Board of Directors. Only the Board of Directors may waive a provision of the Code of Conduct for a director or a Named Officer, and only then in compliance with all applicable laws, rules and regulations. We have not entered into any new material related party transactions and have no preexisting material related party transactions in 2022, 2021, or 2020.

**Item 14. Principal Accountant Fees and Services.**

This information is incorporated by reference in our definitive Proxy Statement to be filed with the Securities and Exchange Commission in connection with our annual meeting of stockholders scheduled to be held May 16, 2023.

## PART IV

### Item 15. Exhibits and Financial Statement Schedules.

- (a) Financial statements.
- (1) The consolidated financial statements and the report of independent registered public accounting firm are included in Item 8 of this Form 10-K.
- (2) The consolidated financial statements other than those listed at item (a)(1) above have been omitted because they are not required under the related instructions or are not applicable.
- (3) The exhibits listed at item (b) below are filed as part of, or incorporated by reference into, this Form 10-K.
- (b) Exhibits:
- (3) (A) Amended and Restated Articles of Incorporation (ii)  
(B) Amended and Restated Bylaws (i)
- (4.1) Amended and Restated Loan Agreement (dated November 24, 2021) and related documents (iii)
- (4.2) First Amendment to the Amended and Restated Loan Agreement (dated May 27, 2022) and related documents (viii)
- [\(4.16\)](#) Description of Securities
- (10.1) AAON, Inc. 1992 Stock Option Plan, as amended (v)
- (10.2) AAON, Inc. 2007 Long-Term Incentive Plan, as amended (vi)
- (10.3) AAON, Inc. 2016 Long-Term Incentive Plan (iv)
- [\(21\)](#) List of Subsidiaries
- [\(23\)](#) Consent of Grant Thornton LLP
- [\(31.1\)](#) Certification of CEO
- [\(31.2\)](#) Certification of CFO
- [\(32.1\)](#) Section 1350 Certification – CEO
- [\(32.2\)](#) Section 1350 Certification – CFO
- [\(99.1\)](#) Membership Interest Purchase Agreement - Acquisition of BASX, LLC (dated November 18, 2021) (vii)
- (101) (INS) Inline XBRL Instance Document
- (101) (SCH) Inline XBRL Taxonomy Extension Schema
- (101) (CAL) Inline XBRL Taxonomy Extension Calculation Linkbase
- (101) (DEF) Inline XBRL Taxonomy Extension Definition Linkbase
- (101) (LAB) Inline XBRL Taxonomy Extension Label Linkbase
- (101) (PRE) Inline XBRL Taxonomy Extension Presentation Linkbase
- (104) Cover Page Interactive Data File (embedded within the Inline XBRL Document and included in Exhibit 101)
- 
- (i) Incorporated herein by reference to the exhibits to our Form 8-K dated May 15, 2020.
- (ii) Incorporated herein by reference to exhibits to our Annual Report on Form 10-K for the fiscal year ended December 31, 2014.
- (iii) Incorporated herein by reference to exhibit to our Form 8-K dated November 24, 2021.

- (iv) Incorporated herein by reference to our Form S-8 Registration Statement No. 333-212863 dated August 2, 2016, our Form S-8 Registration Statement No. 333-226512 dated August 2, 2018, and our Form S-8 Registration Statement No. 333-241538 dated August 6, 2020.
- (v) Incorporated herein by reference to exhibits to our Annual Report on Form 10-K for the fiscal year ended December 31, 1991, and to our Form S-8 Registration Statement No. 333-52824.
- (vi) Incorporated herein by reference to our Form S-8 Registration Statement No. 333-151915, Form S-8 Registration Statement No. 333-207737.
- (vii) Incorporated herein by reference to exhibits to our Annual Report on Form 10-K for the fiscal year ended December 31, 2021.
- (viii) Incorporated herein by reference to the exhibits to our Form 8-K dated May 27, 2022.





Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Dated: February 27, 2023

/s/ Gary D. Fields

Gary D. Fields  
Chief Executive Officer, President, and Director  
(principal executive officer)

Dated: February 27, 2023

/s/ Rebecca A. Thompson

Rebecca A. Thompson  
Chief Financial Officer  
(principal financial officer)

Dated: February 27, 2023

/s/ Christopher D. Eason

Christopher D. Eason  
Chief Accounting Officer  
(principal accounting officer)

Dated: February 27, 2023

/s/ Norman H. Asbjornson

Norman H. Asbjornson  
Director

Dated: February 27, 2023

/s/ Angela E. Kouplén

Angela E. Kouplén  
Director

Dated: February 27, 2023

/s/ Caron A. Lawhorn

Caron A. Lawhorn  
Director

Dated: February 27, 2023

/s/ Stephen O. LeClair

Stephen O. LeClair  
Director

Dated: February 27, 2023

/s/ A.H. McElroy II

A.H. McElroy II  
Director

Dated: February 27, 2023

/s/ David R. Stewart

David R. Stewart  
Director

Dated: February 27, 2023

/s/ Bruce Ware

Bruce Ware  
Director

Dated: February 27, 2023

/s/ Luke A. Bomer

Luke A. Bomer  
Secretary

**DESCRIPTION OF THE REGISTRANT'S SECURITIES  
REGISTERED PURSUANT TO SECTION 12 OF THE  
SECURITIES EXCHANGE ACT OF 1934**

As of February 27, 2023, AAON, Inc., a Nevada corporation, ("AAON") has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), our Common Stock.

**Description of Common Stock**

The following description of our Common Stock is a summary based on and qualified by our Amended and Restated Articles of Incorporation of AAON, Inc. (as further amended to date, the "Articles of Incorporation") and our Bylaws (as amended to date, the "Bylaws").

**Authorized Capital Shares**

Our authorized capital shares consist of 100,000,000 shares of common stock, \$0.004 par value per share ("Common Stock"), and 5,000,000 shares of series preferred stock, \$0.001 par value per share ("Preferred Stock"). The outstanding shares of our Common Stock are fully paid and nonassessable.

**Voting Rights**

Holders of Common Stock are entitled to one vote per share on all matters voted on by the stockholders, including the election of directors. Our Common Stock does not have cumulative voting rights.

**Dividend Rights**

Subject to the rights of holders of outstanding shares of Preferred Stock, if any, the holders of Common Stock are entitled to receive dividends, if any, as may be declared from time to time by the Board of Directors in its discretion out of funds legally available for the payment of dividends.

**Liquidation Rights**

Subject to any preferential rights of outstanding shares of Preferred Stock, if any, holders of Common Stock will share ratably in all assets legally available for distribution to our stockholders in the event of dissolution.

**Other Rights and Preferences**

Our Common Stock has no sinking fund or redemption provisions or preemptive, conversion or exchange rights.

**Listing**

The Common Stock is traded on The Nasdaq Stock Market LLC under the trading symbol "AAON."

## LIST OF SUBSIDIARIES OF AAON, INC.

<b>Subsidiary</b>	<b>Jurisdiction of Organization</b>
AAON, Inc.	Oklahoma
AAON Coil Products, Inc.	Texas
BasX, Inc.	Oregon

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We have issued our reports dated February 27, 2023, with respect to the consolidated financial statements and internal control over financial reporting included in the Annual Report of AAON, Inc. on Form 10-K for the year ended December 31, 2022. We consent to the incorporation by reference of said reports in the Registration Statements of AAON, Inc. on Forms S-8 (File No. 333-151915, File No. 333-207737, File No. 333-212863, File No. 333-226512, and File No. 333-241538).

/s/ GRANT THORNTON LLP

Tulsa, Oklahoma  
February 27, 2023

## CERTIFICATION

I, Gary D. Fields, certify that:

1. I have reviewed this Annual Report on Form 10-K of AAON, Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including our consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
  - d) disclosed in this report any change in the registrant's internal controls over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 27, 2023

/s/ Gary D. Fields

---

Gary D. Fields  
Chief Executive Officer

## CERTIFICATION

I, Rebecca A. Thompson, certify that:

1. I have reviewed this Annual Report on Form 10-K of AAON, Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including our consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
  - d) disclosed in this report any change in the registrant's internal controls over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 27, 2023

/s/ Rebecca A. Thompson

Rebecca A. Thompson  
Chief Financial Officer



**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of AAON, Inc. (the “Company”), on Form 10-K for the year ended December 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Gary D. Fields, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and our results of operations.

Dated: February 27, 2023

/s/ Gary D. Fields

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Gary D. Fields  
Chief Executive Officer

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of AAON, Inc. (the “Company”), on Form 10-K for the year ended December 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Rebecca A. Thompson, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and our results of operations.

Dated: February 27, 2023

/s/ Rebecca A. Thompson

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Rebecca A. Thompson  
Chief Financial Officer

# AAON OFFICERS

## **GARY FIELDS** PRESIDENT AND CHIEF EXECUTIVE OFFICER

---

Gary Fields has served as Chief Executive Officer of AAON, Inc., a Nevada corporation (“AAON” or the “Company”), since 2020, as President of the Company since 2016, and a director of the Company since 2015. Mr. Fields also serves as the President and Chief Executive Officer of AAON, Inc, an Oklahoma Corporation (“AAON-Oklahoma”), Chief Executive Officer of AAON Coil Products, Inc. (“AAON Coil Products”), and Chief Executive Officer of BASX, Inc. (“BASX”). Mr. Fields served as President of AAON Coil Products from 2018 to March 2020. Mr. Fields has been involved in the HVAC industry for over 35 years. From 1983 to 2012, he was an HVAC equipment sales representative at Texas AirSystems, and from 2002 to 2012, a member of the ownership group of Texas AirSystems; the largest independent HVAC equipment and solutions provider in the state of Texas.

## **REBECCA THOMPSON** CHIEF FINANCIAL OFFICER AND TREASURER

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Rebecca Thompson has served as Vice President, Finance, and Chief Financial Officer of AAON since 2021. Prior to this promotion, Ms. Thompson served as Treasurer of the Company since 2017, and Chief Accounting Officer of the Company since 2012. Ms. Thompson also serves as Chief Financial Officer and Treasurer of AAON-Oklahoma and AAON Coil Products, inc., and Chief Financial Officer of BASX, Inc. Ms. Thompson previously served as a Senior Manager at Grant Thornton, LLP where she had 11 years of experience in the assurance division. Ms. Thompson is a licensed certified public accountant.

## **STEPHEN WAKEFIELD** VICE PRESIDENT AND CHIEF OPERATING OFFICER

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Stephen Wakefield has served as Vice President and Chief Operating Officer of AAON since May 2020. Prior to his appointment at Chief Operating Officer, he most recently served as Vice President of Engineering of the Company since 2018; served as the Company’s Director of Engineering; and held several engineering roles, including Director of Design and Engineering Operations from 2017 to 2018, Senior Manager of Research and Development from 2015 to 2017, and Design Engineering Manager from 2005 to 2015. Mr. Wakefield also serves as Chief Operating Officer of AAON-Oklahoma and AAON Coil Products. Mr. Wakefield has been with the Company since 1999. Mr. Wakefield has extensive knowledge and experience with all aspects of AAON operations and engineering and product design processes.

## **CASEY KIDWELL** VICE PRESIDENT, ADMINISTRATION

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Casey Kidwell has served as Vice President, Administration of AAON since May 2022. Prior to this promotion, Mr. Kidwell served as Director of Administration of the Company since 2021. Mr. Kidwell previously served almost 10 years in various roles at WPX Energy, including most recently as Human Resources Operations Manager.

## **ROB TEIS** VICE PRESIDENT, SALES AND MARKETING

Rob Teis has served as Vice President, Sales and Marketing of AAON since August 2022. Prior to this promotion, Mr. Teis served as Director of Sales of the Company since 2017. Prior to that, he served as an Applied Equipment Sales Engineer for the Company for 15 years. Mr. Teis is a registered professional engineer in the state of Oklahoma and worked as a consulting engineer prior to joining AAON.

## **DOUG WICHMAN** VICE PRESIDENT AND PRESIDENT, AAON COIL PRODUCTS

Doug Wichman has served as Vice President of AAON since 2022 and President of AAON Coil Products since February 2023. Prior to this promotion, he served as Executive Vice President of AAON Coil Products, Director of Manufacturing of AAON-Oklahoma, and prior to that held several roles, including Plant Manager from 2017 to 2018 and Manufacturing Engineer from 2013 to 2017. Mr. Wichman has extensive knowledge and experience with all aspects of AAON manufacturing processes.

## **XERXES GAZDER** CHIEF INFORMATION OFFICER

Xerxes Gazder has served as Chief Information Officer of AAON since July 2022. Mr. Gazder came to AAON with nearly 30 years of leadership experience in information systems across a wide range of industries, including manufacturing, financial services, insurance, healthcare, telecommunications, energy services and logistics.

## **CHRIS EASON** CHIEF ACCOUNTING OFFICER

Chris Eason has served as Chief Accounting Officer of AAON since 2021. Prior to this promotion, Mr. Eason served as Controller and Financial Reporting Manager of the Company since 2018. Mr. Eason previously served as a Senior Manager at Grant Thornton, LLP where he had over 13 years of experience in the assurance division. Mr. Eason is a licensed certified public accountant.

TRANSFER AGENT  
AND REGISTRAR

### **Issuer Direct**

One Glenwood Avenue, Suite 1001  
Raleigh, NC 27603

AUDITORS

### **Grant Thornton LLP**

2431 East 61st Street, Suite 500  
Tulsa, Oklahoma 74136

GENERAL COUNSEL

### **Johnson & Jones, P.C.**

Two Warren Place  
6120 South Yale Avenue, Suite 500  
Tulsa, Oklahoma 74136

COMMON STOCK

### **NASDAQ-AAON**

INVESTOR RELATIONS

### **Joseph Mondillo**

Director of Investor Relations  
(617)877-6346  
joseph.mondillo@AAON.com

EXECUTIVE OFFICES

2425 South Yukon Avenue  
Tulsa, Oklahoma 74107

# BOARD OF DIRECTORS

## **GARY FIELDS** PRESIDENT AND CHIEF EXECUTIVE OFFICER

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## **NORMAN ASBJORNSON**

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Mr. Asbjornson has served as a director of AAON since 1989. He retired as Executive Chairman in May 2022. Mr. Asbjornson also served as President of AAON from its inception until November 2016, and Chief Executive Officer of AAON from its inception until May 2020. Additionally, Mr. Asbjornson served as the Executive Chairman of the Board of AAON–Oklahoma and Chairman of AAON Coil Products, Inc., both our wholly-owned subsidiaries until his retirement in May 2022. Mr. Asbjornson the founder of the Company, and his intimate knowledge of the HVAC industry, both from a technical and a business perspective, brings to the Board a unique insight into the Company’s operations in particular, as well as the environment in which the Company operates.

## **ANGELA KOUPLEN**

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Ms. Kouplen was elected as a director of the Company in 2016. She serves as a member of the Audit Committee and Chair of the Compensation Committee. Ms. Kouplen has over 20 years of experience at multiple energy companies, with an emphasis on information technology, contract management, sourcing/vendor relations, human resource management, strategy, and governance. From 2012 through 2014, Ms. Kouplen served as Director–Talent Acquisition and Leadership of WPX Energy, and from 2015 to 2016, Ms. Kouplen served as Vice President–Information Technology of WPX Energy. From 2016 to November 2018, Ms. Kouplen served as Vice President of Administration and Chief Information Officer of WPX Energy and from November 2018 to March 2021 served as Senior Vice President of Administration and Chief Information Officer. Since August 2021, Ms. Kouplen has served as the interim Chief Information Officer at the University of Tulsa. Ms. Kouplen now serves as the Vice President of Administration and Chief Information Officer at the University of Tulsa.

## **CARON LAWHORN**

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Ms. Lawhorn was elected as a director of the Company in 2019 and currently serves as a member of the Governance Committee and Chair of the Audit Committee. Ms. Lawhorn was elected Independent Vice Chair of the Board in 2022. Ms. Lawhorn is a certified public accountant, and currently serves as Senior Vice President and Chief Financial Officer, of ONE Gas, Inc., a standalone one hundred percent regulated publicly traded natural gas utility. Prior to her current role, she served as Senior Vice President, Commercial, a position she held from ONE Gas’s separation from ONEOK in 2014. She served in the same position at ONEOK, since 2013.

## **STEPHEN LECLAIR**

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Mr. LeClair was elected as a director of the Company in 2017. He is a member of the Audit Committee and Governance Committee. Mr. LeClair has over 25 years of experience in various executive, manufacturing, finance, sales, and operational positions. Mr. LeClair currently serves as Chief Executive Officer of Core & Main, Inc., a position he has held since 2017. In such role, he is responsible for leading the nation's largest distributor of water, sewer, storm and fire protection products. Prior to his current role, he served as President of HD Supply Waterworks from 2011 to 2017, Chief Operating Officer of HD Supply Waterworks from 2008 to 2011, and President of HD Supply Lumber and Building Materials from April 2007 until its divestiture to ProBuild Holdings in 2008. Mr. LeClair joined HD Supply in 2006 as Senior Director of Operations. Prior to joining HD Supply, Mr. LeClair held various roles at General Electric in 2002–2005.

## **A.H. MCELROY II**

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Mr. McElroy was elected as a director of the Company in 2007 and is a member of the Compensation Committee and Chair of the Governance Committee. Mr. McElroy was elected as Independent Chair of the Board in 2022. Since 1997, Mr. McElroy has served as President, Chief Executive Officer and Chairman of McElroy Manufacturing, Inc., a privately held manufacturer of fusion equipment and fintube machines.

## **DAVID STEWART**

---

Mr. Stewart was elected as a director of the Company in October 2021. Mr. Stewart serves as a member of the Audit Committee and Governance Committee. He brings over 40 years of professional experience to the Board. Mr. Stewart currently serves as Chief Administrative Officer and Trustee of the Oklahoma Ordnance Works Authority located in Pryor, Oklahoma, an industrial public trust that owns and operates MidAmerica Industrial Park. Mr. Stewart was appointed to his current position in December 2012 by the former Governor of Oklahoma, Mary Fallin. MidAmerica Industrial Park consists of 9,000 acres and is home to over 80 companies in diverse industries (including Google, DuPont, and Chevron Phillips), employing approximately 4,500 people. MidAmerica Industrial Park is one of the largest industrial parks in the U.S. and top ten in the world with on-site rail, water, and electric power. Prior to his current position, Mr. Stewart served as Chief Executive Officer of Cherokee Nation Businesses, LLC.

## **BRUCE WARE**

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Mr. Ware was elected as a director of AAON in October 2021. Mr. Ware serves as a member of the Audit Committee and Compensation Committee. Mr. Ware brings significant experience serving in multiple executive and leadership roles at publicly traded companies. Currently, he serves as a Corporate Vice President and Group Head of Joint Venture Capital Raising for DaVita Inc. DaVita is a Fortune 500 NYSE publicly traded health care services company and one of the largest providers of kidney care services in the U.S., with over 2,800 outpatient dialysis centers in the U.S. and over 330 outpatient dialysis centers in ten other countries.

# THE AAON TEAM



**The ongoing success of our company can be directly attributed to our employees.**



GARY ABBE  
TIM ABRAHAM  
RAUL ACEDO ZELAYARAN  
ANGEL ACEDO  
CHRISTOPHER ACKLEY  
MA ACOSTA DE AGUAYO  
ALFREDO JIMENEZ  
ANDRES ACOSTA LUJAN  
MIRIAN ACOSTA  
RAQUEL ACUNA SEGURA  
DAKOTA ADAMS  
DAVID ADAMS  
DERRICK ADAMS  
GARY ADAMS  
HALASIA ADAMS  
JAMILAH ADAMS  
PAUL ADAMS  
REBECCA ADAMS  
RUSTY ADAMS  
RYAN ADAMS  
AARON ADKINS  
ASLAM AFGHAN  
HAZRATA AFGHAN  
YOLIMAR AGELVIS ARELLANO  
MARIE AGUERO  
ELIZABETH AGUILAR GUZMAN  
JUAN AGUIRRE-RODRIGUEZ  
AHMAD AHMADI  
BERNY AIEN  
ARLEEN AIZAWA  
HARRY AIZAWA  
EMILY AKIN  
NATHANAEL AKUMA  
NADER AL HASHMI  
AUSS AL SULTAN  
DANIEL ALAGDON  
ALEXIS ALBIN  
ALEJANDRA ALEGRIA REYES  
MAURICIO ALEMAN SANCHEZ  
GREGG ALEMV  
ELYSIA ALEXANDER  
JOSIAH ALEXANDER  
ZACHARY ALEXANDER  
SHANNON ALFORD  
CHARLES ALLEN  
DANIEL ALLEN  
HAILEY ALLEN  
JOHN-PAUL ALLEN  
KATHERINE ALLEN  
DECARTIYAY ALLISON  
ZAHIDULLAH ALMAS  
SONIA ALTER ESPINA  
YACKSENDEL ALVARADO  
MALDONADO  
ADRIAN ALVARADO MONZON  
JOSE ALVARADO  
NATALIE ALVARADO  
BILLY ALVERSON III  
DELAJAN AMIRI  
KHALUDIN AMIRI  
MOHAMMAD AMIRI  
WAISULLAH AMIRI  
JENS ANDERSEN  
SARAH ANDERSEN  
PERRY ANDERSON JR  
BRENT ANDERSON  
CHRISTOPHER ANDERSON  
SETH ANDERSON  
WANDA ANDERSON  
DAVID ANDREWS  
JOSEPH ANDRUS  
RODLY ANGEI  
THOMAS ANGEI  
WESLEY ANSELME  
WILLIAM APPELDORN  
SAMRA ARAIN  
LAURA ARAUJO GONZALEZ  
CLYDE ARCHER  
JESUS ARELLANES RAMIREZ  
FIDEL ARGUMEDO RANGEL  
JORGE ARIZMENDI  
BAKHT ARMANI  
JOSHUA ARMAS

DAVID ARMSTRONG  
JERI ARMSTRONG  
KRISTAL ARMSTRONG  
JASON ARNOLD  
KIMBERLY ARNONE  
CONNER ARP  
CLARISSA ARRIAGA  
ROSA ARROYO SANCHEZ  
GERARDO ARROYO  
ROGELIO ARTEAGA  
BRANDON ARTHUR  
MARIA ASENSIO  
MATT ASHER  
JOHN ASHLEY JR  
DAVID ASHLOCK  
TIMOTHY ASIMAKIS  
FOSTINO ATAN  
LEELAND ATEN  
MAY AUNG  
VUNG AUNG  
WUT AUNG  
ROBERT AUSMUS  
STEVEN AUTEN  
NOLA AVANT  
YOLANDA AVILA CASTANEDA  
GUSTAVO AVILA GARCIA  
JOSE AVILA  
JOSEPH AVILA  
ZIN AW  
ORLANDO AYALA  
ROBYN AYDELOTT  
JASON AYDELOTTE  
ASHA AYERS  
KRISTIN AYLETT  
SHAHABUDDIN AZIZI  
ANTHONY BABCOCK  
NORA BACKUS  
CLAUDIA BAEZA  
AMY ALF  
JACOB BAIER  
ABEL BAKER  
ARIANN BAKER  
JUAN BALANDRAN  
JOHN BALDWIN  
CHANDEL BALLARD  
PEDRO BALTAZAR  
AMISS BANDA  
CLAUDIA BANDA  
WILLIE BANKS  
RAMON BARAZARTE MENDOZA  
BLAKE BARBER  
JESSICA BARBER  
MYLES BARBER  
CHETT SR  
CJ BARCELONA  
BLAYNE BAREFIELD  
BRYCE BARKER  
DAVID BARKLEY  
JUSTIN BARLETT  
LEROY BARNABAS  
DALLAS BARNES  
DAVID BARNETT  
ANA BARRAGAN DE ALTENEH  
LITZY BARRERA ROMERO  
TERESA BARRON  
QURON BARRYER  
HANNAH BARTELS  
CHRIS BARTH  
FRANCISCO BARTOLO GAONA  
MATTHEW BASCO  
KEYANDRAE BASHAM  
SHERRY BATES  
PHIL BATTERSON  
JAMES BAUGH  
LESLIE BAUGH  
JOSHUA BAWI LING  
JESSICA BEALL  
CHRISTOPHER BEATTY  
SHANNON BECK  
LIONEL BECKMAN  
MARK BEHN JR  
LEGEN BELCHER  
EFTON BELL

ETHAN BELL  
JASON BELL  
SHAWNTELLE BELL  
ZAKEVIA BELL  
RUBEN BELLIDO FERRER  
AARON BENITEZ  
FRANCIS BENNETT JR  
DONNA BENNETT  
JOSEPH BENOIT  
BONNIE BENSON  
DANIEL BENSON  
DAVID BENSON  
SHELLIE BENSON  
BRANSON BENTLEY  
JARED BENTON  
TYUANNA BENTON  
MARC BERBIG  
CHRISTIAN BERGER  
KRISTOFER BERGGREN  
IDA BERMUDEZ  
LIDIA BERNAL BECERRA  
DAVID BERRY  
MICHAEL BERRY  
ELLIOT BERRYHILL  
ANTHONY BERTON  
NATHANIEL BERTON  
SERGIO BESERRA  
DANIEL BIGBY  
KENNETH BIGHAM JR  
JAMES BILBREY  
PHILLIP BINFORD  
BLAKE BISHOP  
BRADLEY BISHOP  
ROBERTT BISHOP  
DONALD BLACK JR  
JOSHUA BLACK  
ETHAN BLACKMAN  
MARVIN BLADES JR  
CAMDEN BLAKELY  
MAXIMILLIAN BLAKEMORE  
JOSE BLANCO  
JAPATRICK BLANTON  
LACRETIA BLANTON  
DAVID BLEVINS  
DEVON BLOOD  
DUSTIN BLOOD  
JACK BOBADILLA  
JAMES BOBBITT  
NICHOLAS BOBBITT  
DANIEL BOELK  
LAM BOI  
LHING BOI  
THANG BOI  
DAMIAN BOLDEN  
JACQUELYN BOLDEN  
ADELTRUDES BOND  
RISCHA BONDS  
JOSHUA BONEY  
MICHAEL BONEY  
JOSE BONILLA CANIZALEZ  
ROGER BORJA BARREIRO  
JOE BOSS  
CINDY BOSTICK  
AUSTIN BOWERS  
DANIEL BOWERS  
LARRY BOWERS  
ALEXANDER BOWKER  
LONNIE BOWLER  
EUGENE BOWMAN  
KYLE BOWMAN  
ALICE BOYCE  
JOHN BOYD  
JUSTIN BOYD  
DARRYL BOYNTON  
ERIK BOYNTON  
JOHNNY BOZMAN  
MARC BRADBURY  
SHAVESHIA BRADLEY  
FRANCISCO BRAMBILA  
ERIK BRANTNER  
JUAN BRAVO SANCHEZ  
JAIRO BRAVO  
DEMETHRIA BRAZZELL

KATHLEAN BRELAND  
BENJAMIN BREMER  
SETH BRESSLER  
BRANDON BRIGGS  
CRYSTAL BRIGGS  
CRAIG BRIGHTWELL  
MARY BRIGHTWELL  
TASHIKA BRINKLEY  
BRISA BRISENO  
WENDY BRITO  
WILLIAM BRITO  
QUINTON BROADNAX  
NICHOLAS BROCKWAY  
DUSTIN BROD  
THAD BROLLIER  
ARLUNDA BROOKS  
KYLEE BROOKS  
WINSTON BROSEKE  
JAVAN BROWN II  
ALAN BROWN  
CHARLES BROWN  
CHRISTOPHER BROWN  
LONNIE BROWN  
MITCHELL BROWN  
QUINTELLA BROWN  
RIKO BROWN  
SHELIA BROWN  
SHENEQUA BROWN  
STEVEN BROWN  
WESLY BROWNING  
JERRILIUS BRUCE  
CHRISTOPHER BRYANT  
DERRICK BUCHANAN  
SEQUOYAH BUCHANAN  
CODY BUCKHANON  
VAN BUI  
JAMES BUIE  
JAMES BUIE  
HAYDEN BULLINGER  
BAILEY BUNKERS  
JASON BUNNELL  
SCOTT BURGESS  
CESAR BURGUEÑO LIZARRAGA  
RAYON BURKE  
MARISA BURNES  
KAYLA BURNETT  
ROBYN BURNETTE  
SADAYA BURNS  
COREY BURRELL  
CLIFTON BURRUS  
ROBERT BURT  
CHRISTOPHER BURTON  
DEREKE BUSBY  
SAMUEL BUSH  
WAYNE BUSH  
ADRIAN BUTLER  
CORTNEY BUTLER  
MATTHEW BUTLER  
ROSA BUTLER  
JOSEPH BUXTON  
JUSTIN BYRD  
ARMANDINA DE GUZMAN  
JESSEE CABLE  
ELSA CABRERA  
ISABELLE CABRERA  
JANIBAL CABUDOY  
ALEJANDRO CADENA  
MARBELLA CADENA  
JESUS CADENAS  
CLEVELAND CAGE JR  
KOBE CAGLE  
STEVEN CAGLE  
ANDREW CAIL  
JASON CALDER  
YOSMAR CALDERA HERNANDEZ  
MARGARITO CALDERON  
SANDRA CALDWELL  
TYLER CALICO  
JORGE CALIXTO  
GUY CALLAHAN  
JOHN CALLAHAN  
EDWARD CALLOWAY  
MARIA CAMACHO

TEVIN CAMERON  
JEFFREY CAMPBELL  
ROBERT CAMPBELL  
RUSTI CAMPBELL  
TOMMY CAMPBELL  
ODESS CAMREN  
GILDA CANNADY  
MARIKIA CAPERS  
CHARLES CAPPS  
ROSIE CARDENAS  
BILLY CARDER  
DREW CARDOZA  
TODD CARNER  
WILLIAM CARNLEY  
LISA CARRIERO  
MICHAEL CARRILLO  
VINCENT CARSON  
BRIDGET CARTER  
KENDRIX CARTER  
ROBERT CARTER  
TIANA CARTER  
CRISTOBAL CARVAJAL COLORADO  
ARACELI CARVAJAL MENDOZA  
ISMAEL CARVAJAL  
TESS CARVER  
BEATRIZ CASIANO  
JAMES CASIANO  
ANDRES CASTELLANOS  
JORGE CASTELLANOS  
MARIO CASTRO JR  
ESTEPHANY CAVELLO GONZALEZ  
MARGARITO CAVELLO PENALOZA  
JASON CAVIN  
SHAWN CAVIN  
BRIAN CAVNER  
JEREMY CAVNESS  
HECTOR CAZARES  
BRANSON CECIL  
CORNELIO CEJA GRIMALDO  
FRANCISCO CERVANTES  
LILIA CERVANTES  
SAVANNA CERVANTES  
BRYAN CHADWELL  
GUADALUPE CHAIREZ GALAN  
LARRY CHALK  
ZO CHAMA  
RICKY CHAMBLISS  
DELK CHANDLER  
ROBERT CHANEY  
PATRICK CHAPMAN  
ALEEX CHATKEHOODLE  
EDGAR CHAVEZ  
GREGORY CHAVEZ  
JOSELYN CHAVEZ  
CLAY CHEATHAM  
KARI CHEE  
ZHENYU CHEN  
KEVIN CHESTNUT  
RANCE CHILDS  
DENNIS CHISM III  
SAW HLA CHIT  
CASEY CHOATE  
CHRISTOPHER CHOATE  
CONNER CHOATE  
EDDIE CHOATES  
MANGKHONGAM CHONGLOI  
KAREN CHRISTENSON  
JAMES CHRISTIAN  
RICHARD CHRISTIANSEN  
AWI CIANG  
LUN CIANG  
CING CIIN  
CING NGAIH CIIN  
MAU CIIN  
NING CIIN  
NUAM CIIN  
KAM CIN  
KHAI CIN  
KHAM CIN  
LANGH CIN  
LUAN CIN  
PAU CIN  
PAUL CIN

PUM KHAN CIN  
SUAN CIN  
THANGHAU CIN  
TUAN CIN  
VUNGH CIN  
ZA CIN  
THERESA CING KOK  
AIH CING  
ANGELA MAN CING  
AWI CING  
CIANG CING  
CIN CING  
CING CING  
DIM D CING  
DIM K CING  
DON CING  
GLORY CING  
HUAI CING  
LAM CING  
LIAN HAU CING  
LIAN LUN CING  
LUN CING  
LUN LAM CING  
MAN CING  
MAN LUN CING  
MAN ZA CING  
NANG CING  
NEM GIN CING  
NEM K CING  
NGOIH CING  
NIANG LAM CING  
NIANG LUN CING  
NIANG LUN CING  
NIANG SAN CING  
NING HAU CING  
NING SAWM CING  
NUAM CING  
NUAM SUAN CING  
SAN CING  
THANG LAM CING  
THANG ZA CING  
VERONICA CING  
VUNG CING  
ZEN CING  
ZEN NEM CING  
ZING CING  
MARLA CIONI OHARA  
DAVID CIRIACO  
JUSTIN CLAIBORNE  
AMANDA CLAITOR  
LOURDES CLANCE  
CHARLIE CLARK  
GEORGE CLARK  
JASON CLARK  
KENDRA CLARK  
MOLLY CLARK  
PATRICK CLARK  
NIKOLAI CLAWSON  
BRYANT CLAY HOPKINS  
TONYA CLEEK  
JUAN CLEMENTE VALLADARES  
WILLIAM CLEVELAND  
CLIFTON CLINE  
TERRY CLONTZ  
RONNIE CLOWERS  
MARK COBB  
ROBBIE COBBLE  
JEROMY COCKRELL  
TROY COCKRUM  
DENA COFFEE  
DONAVON COLE  
JACOB COLE  
MICHAEL COLE  
ROBERT COLE  
CLAYTON COLLINS  
JENNIFER COLLINS  
MYRA COLLINS  
BERNIE COLMENARES  
AARON COLUMBUS  
DAVID COMER  
JOSHUA COMPTON  
BOBBY CONDITT  
DALE CONKWRIGHT

DAMON CONN  
JUDE CONNOLLY  
AJ CONTRERAS  
YESENIA CONTRERAS  
STEPHEN COOK JR  
CURTIS COOK  
MARK COOK  
MICHAEL COOK  
RAYMOND COOK  
ALAINA COOKS  
ALFRED COOKS  
GRANT COOLIDGE  
MICHAEL COOLIDGE  
SCOTT COON  
BRANDIE COOPER  
GREGORY COOPER  
JAMES COOPER  
STACEY CORDELL  
CRYSTAL CORDOVA  
MARIANA CORDOVA  
JUSTIN CORLEY  
JAMES CORNETT  
GENOVEVA CORONA DE RIVERA  
MARIA CORONA  
CRYSTAL GONZALEZ  
MICHAEL CORTEZ  
CALEB COTTON  
FRED COTTON  
MEAGAN COTTON  
CAMERON COX  
DUSTIN COX  
STEVEN COX  
KATLIN COYLE  
ADRIAN CRABTREE  
JACOB CRABTREE  
KATHLEEN CRABTREE  
STEPHAN CRABTREE  
SHELBY CRAIG  
CHRISTINA CRAIN  
JERRY CRANE  
DEON CRAVEN  
ALBERT CRAWFORD  
BRADLEY CRAWFORD  
THOMAS CRAWFORD  
ZEUS CRAWFORD  
WALTER CRAWLEY  
COURTNEY CRAYNE  
JACOB CRAYNE  
MARCO CRISP  
JAKE CRISS  
ZOEY CRITES  
HEATH CRITTENDEN  
CHAD CROOM  
JON CROSS  
SHERYL CROSS  
TYLER CROSS  
MATTHEW CROUCH  
DARRELL CROW  
MARIA CUELLAR  
CALVIN CUMMINGS  
CHRIS CUMMINGS  
ROBERT CUMMINGS  
DAISY CUNNINGHAM  
JONATHAN CUNNINGHAM  
BRANDON CURTIS  
JUSTIN CURTIS  
TYLER CURTIS  
KEVIN CYRUS  
MARCO DABNEY  
ZIRAM DAHKUM  
ZAWNG DAI  
CING DAL  
GIN DAL  
GO DAL  
JOHN DAL  
LIAN DAL  
NANG DAL  
NENG DAL  
BIRESH DALBOT  
HENLEY DANG  
JUSTIN DANIELS  
LAQUENTIN DANIELS  
MAQUEL DANIELS

RODNEY DARDEN  
SCOTT DAVEY  
JENIFUR DAVIDSON  
JOHN DAVIDSON  
AMANDA DAVIDSON-GOLIEEN  
BILLY DAVIS JR  
RANDALL DAVIS JR  
BAILEY DAVIS  
BESSIE DAVIS  
CAMERON DAVIS  
DARRYL DAVIS  
DIANE DAVIS  
HERBERT DAVIS  
JASON DAVIS  
JERRY DAVIS  
LESLEY DAVIS  
MATTHEW DAVIS  
NIAZ WALI DAWLAT ZOY  
JEFFERY DAWSON  
JORGE DE LA PAZ  
KRISTOPHER DE LA ROSA  
EVA DE LA TORRE  
YOANA DE LA TORRE  
ROBERT DEAN  
JAMES DEATHERAGE  
RICK DECAMP  
BRENNAN DECLUE  
AMANDA DEHART  
ISMAEL DELAPAZ  
MATIAS DELAPENA JR  
DOREEN DELEO  
JUANA DELOBO  
RAQUEL DELUNA  
MATTHEW DEMAREE  
SETH DEMAREE  
RUSSELL DEMOSS  
BARRY DENNIS  
ELIAS DENNIS  
HELEN DENNIS  
MICHAEL DENNIS  
JOSEPH DENTON  
JOSHUA DESHAZER  
MATTHEW DESHAZER  
CALEB DEVENNY  
BRANDON KIEFER DEVEY  
AUDENCIA DEVILLA  
ROY DEVILLE  
SRIJAN DHAKAL  
JONATHAN DIAZ  
JOSE DIAZ  
DERICK DICKENSON  
WILL DICKEY  
KAINOA DICKSON  
CARRINGTON DIGGS JR  
JUSTIN DILLON  
CIANG DIM  
CING DIM  
DAW DIM  
DON DIM  
HAU SAN DIM  
HAU SIAN DIM  
MAN DIM  
MONICA CING DIM  
NIANG DIM  
THANG DIM  
VUNG DIM  
JOHAN DINH  
LIAN DING  
CONG DINH  
QUANG DINH  
TIEN DINH  
DOMINIC DIONNE  
ERIC DIXON  
DANE DIXSON  
CIN DO  
KAM DO  
AUSTIN DODSON  
DOMINGO TINOCO  
SOL DOMINGUEZ  
CIN DON  
CING DON  
CING Z DON  
ZAM DON

CIN DONG  
KIMBERLY DONICA  
MKSING DOPMUL  
NANG DOPMUL  
NGAILAM DOPMUL  
NIANGNUAM DOPMUL  
THANGMINLIAM DOPMUL  
VUNGLAM DOPMUL  
TIMOTHY DOWNS  
JACOB DOWTY  
JUSTIN DOYLE  
JORDAN DOZIER  
ROGER DRAINE  
DION DRANGSTVEIT  
CATHRYN DUBBS  
LAQUETTA DUBLISKY  
ZACHARY DUBOIS  
ADAM DUBOS  
BRANDON DUBUC  
DOUGLAS DUBUC  
SAMUEL DUELL HARRIS  
JANEIRO DUFFIE  
THERESA DUGAN  
KENNETH DULANEY  
DUMMY DUMMY  
THANG DUN  
JARRED DUNBAR  
CHRISTOPHER DUNCAN  
GUY DUNN  
KELSON DUNN  
LANIKA DUNN  
APRIL DUNTEN  
RALPH DURBIN  
KYLE DURNING  
MATTHEW DURRANCE  
DANNY DUVALL  
MELISSA DUWE  
JUSTIN DYKMAN  
KEVIN DYKSTRA  
JOSHUA EAGLIN  
CHRISTOPHER EASON  
KEVIN EASTERWOOD  
TREELA EASTOM  
KRYSTLE EDENS  
DAVID EDGINGTON  
ANDREW EDMONDSON  
JAMAL EDWARDS  
JEREMY EDWARDS  
MARDIN EJERCITO  
BLAKE ELBERT  
JESUS ELIAS  
LIPSINA ELIMO  
MARSITA ELIMO  
REIPIN ELIMO  
SINTINA ELIMO  
CHRISTOPHER ELLERS  
JIMMY ELLIOTT  
JEANNE ELLIS RAPSON  
JAMES ELLIS  
NOEL ELLSBURY  
DANA ELMER  
AUSTIN EMBRY  
KHAM EN THANG  
TAMMY ENDICOTT  
TINISHA ENGLISH  
KENDALL ENGRAM  
BENJAMIN ERNST  
STEVEN ERVIN  
KYLE ESCAMILLA  
CARLOS ESCOBAR KANAN  
ISRRAEL ESCOBAR  
SAHIB ESHAN  
JUWANGIU ESIWILI  
DWIGHT ESKEW  
ADRIAN ESPINOZA  
LEON ESPINOZA  
COLBY ESPREE  
PABLO JR  
DELIA ESTRADA  
GUSTABO ESTRADA  
PATRICIA ESTRADA  
JOHN EVANS  
JUSTIN EVANS

TYLER EVANS  
ZACHARY EVANS  
CHAD EVERS  
KYLE EVITT II  
KURTIS EWING  
JESSE EWTON  
TROY EZELL  
EMAINSON EZRA  
ARACELY FAGLIE  
JOHN FAIR  
NATE FAIRBROTHER  
SHAWN FAIRLEY  
MUHAMMAD FAIZI  
MUHAMMAD FAIZY  
JESSICA FARIA PORTILLO  
SUSAN FARRIS  
RAY FATTABI  
KELLY FAULKNER  
RYAN FEARS  
AMY FEHREL  
JEFF FEHR  
DIANA FERNANDEZ  
MARCOS FERNANDEZ  
CARLOS FERREBUS RIVAS  
WILLIAM FERRELL  
GUSTAVO FERRER ARBAIZA  
ALFRED FETTERHOFF JR  
GARY FIELDS  
THOMAS FIERROS  
MIKA FIGURES  
V CHOK FILIPUS  
CARLINTA FILLAS  
ANDREW FINCH  
JESSICA FINKBINER  
JEFFREY FISHER  
SAMUEL FISHER  
JOHN FLETCHER III  
PHILIP FLOOD  
JOEL FLORES ROBLES  
CAROLINA FLORES  
EFIGENIA FLORES  
GLORIA FLORES  
LAURA FLORES  
JIM FLOYD  
JON FLOYD  
MARCUS FLOYD  
MARK FLY  
RENA FONTENOT  
AARON FORBIS  
CARLOS FORD  
DEJUAN FORD  
REBECCA FORD  
FRANKLIN FOREMAN  
GULLIVER FORRESTER  
DEVANTE FORSHEE  
CHRISTOPHER FOSTER  
FREDERICK FOSTER  
JAKE FOSTER  
WYEATHA FOSTER  
XAVIER FOSTER  
STEVEN FOWKE  
BRANDON FOWLER  
LORETTA FOWLKES  
KENNETH FOYIL  
RUBEN FRANCO GOMEZ  
EYLIDD FRANCO  
PHILLIP FRANK  
CAROLYN FRANKLIN  
JIMIAL FRANKLIN  
WARREN FRANKLIN  
DOUGLAS FRANZ  
GREGORY FRAZER  
MICHAEL FRAZIER  
BRANDON FREEL  
JOSE FREGOSO  
RICK FRENCH  
ANGEL FRIAS  
TIMOTHY FRIAS  
BRANDON FRICK  
BARRY FRIEND  
ALEK FUCHIK  
JONAH FULLERTON  
BRANDON FULLINGTON

LUIS FUMERO PEREZ  
ANDRE FURMAN  
DANIEL FYFFE  
SARA GAITHER  
CECILIO GALAN  
GREGORY GALUSHA  
ALEJANDRO GAMEZ GARZA  
JAVIER GAMEZ  
SARAH GAMMON  
LINDSY GANTZ  
JUNIOR GAONA  
FRANCISCO GARAY CORONA  
MARIA GARAY  
ISIDRO GARCIA ARRIAGA  
TERESITA GARCIA DIAZ  
JUAN GARCIA RAMIREZ  
LESLIE GARCIA TAPIA  
ANGEL GARCIA  
ANGELINA GARCIA  
CODY GARCIA  
ESTEBAN GARCIA  
JOE GARCIA  
JOSE GARCIA  
NAYEELI GARCIA  
RICARDO GARCIA  
ROSA GARCIA  
YARITZA GARCIA  
QUINCY GARDNER  
NORMA GARIBAY VILLENA  
MICHAEL GARLAND JR  
JAMES GARNER  
CASON GAROUTTE  
MATTHEW GARRISON  
FAITH GAYLOR  
XERXES GAZDER  
CHASTON GEORGE  
JAMES GEORGE  
KURSTON GERTY  
MAHDI GHAZNAWI  
GABRIEL GIACHINO  
DEWAYNE GIBBS  
CHARLES GIBSON  
KENNETH GILES  
WILLIAM GILL  
JENNA GLOVER  
RUSSELL GOFF  
JACOB GOLIEN  
MARIA GOMEZ MEDINA  
JOSE GOMEZ  
MARIA GOMEZ  
REIQUEL GOMEZ  
MIGUEL GONZALES  
SAMUEL GONZALES  
SERGIO G GONZALES  
SHELBY GONZALES  
ABRUM GONZALEZ ALTER  
MARIA GONZALEZ DE CAVELLO  
ISMAEL GONZALEZ LOEZA  
VICTOR GONZALEZ PAOLINI  
GRISELDA GONZALEZ RAMIREZ  
LIDIA GONZALEZ RIVERA  
DELFIN GONZALEZ VILLAMIZAR  
ADRIAN GONZALEZ  
ADRIANA GONZALEZ  
IMELDA GONZALEZ  
JAMES GONZALEZ  
LETICIA GONZALEZ  
MARISELA GONZALEZ  
OSCAR GONZALEZ  
PILAR GONZALEZ  
ROBERTO GONZALEZ  
DAMON GOODAY  
AARON GOODMAN  
DEVIN GORDON  
DEVON GORDON  
LATOYA GORDON  
CHARLES GRACE  
SHYNETTE GRACE  
JERRY GRAHAM II  
ASHLEY GRAHAM  
JASON GRAHAM  
JOSEPH GRAHAM  
LESLIE GRAHAM

JOSE GRAIBAY  
MARLEITTA GRAMMER  
CLOTHERE GRAMMONT  
BUENAVENTURA GRANADOS  
RUBIOS  
SHAWN GRANT  
APRIL GRAUGNARD  
IRIS GRAVES  
REBECCA HEITZMAN  
DREW GRAY  
ROBERT GREBE  
WILLIAM GREEN III  
GAGE GREEN  
JONATHAN GREEN  
LARRY GREEN  
SHEMITA GREER  
KENDRA GRIDER  
STARLA GRIFFIN  
KENNETH GRIFFITH  
RONALD GRIMES  
DANIEL GROSS  
RAY GRUBER  
JOHN GRUNDMANN  
RACHEL GRUNDMANN  
JUAN GUERRA MEDINA  
GERARDO GUERRERO  
CASTELLANOS  
LUIS GUEVARA  
MARIA GUEVARA  
RODOLFO GUEVARA  
CAROLINA GUILLEN  
VERNICE GUINN  
AZIZ GUL DAR KHAN  
MIR GULAMZOI  
JOHN GULDEN  
STEPHEN GUNN  
BRANDON GUNTER  
AUSTIN GURROLA  
SILVIA GUTIERREZ MENDOZA  
GILBERTO GUTIERREZ  
EUGENE GUY  
DIEGO GUZMAN  
GEORGINA GUZMAN  
LUIS GUZMAN  
STANLEY HA  
SCOTTY HAGLER  
NGAM HAK  
JOSEPH HALBERT HELTON  
TIMOTHY HALBERT  
REBECCA HALE  
JOSHUA HALFPAP  
MUHAMMAD HALIMI  
STEPHANIE HALL BERGMAN  
ANGELA HALL  
CODY HALL  
DENNIS HALL  
GENE HALL  
KELLY HALL  
ROMUND HALL  
STEPHANIE HALL  
STEPHEN HALL  
ZACHARY HALSEY  
DANIEL HALTERMAN  
TOLOVE HAM  
FARIDULLAH HAMDERD  
G SCOTT HAMILTON  
SHELLIE HAMMERS  
JEFFREY HAMMONS  
ANDEREAS HAMO  
CHRISTOPHER HAMON  
ROBERT HAMPTON  
CIN HAN  
KRISTA HANCOCK  
JASON HANEY  
MUNG HANG  
THANG HANG  
LAL HANGSAWK  
LAM HANGSAWK  
KAITLYNN HANNA  
ROBERT H HANSEN  
ROBERT T HANSEN  
CAITLYN HANSON  
TONG HAO

CHIN HAOKIP  
HOLKHOSEI HAOKIP  
LHUN HAOKIP  
PAO HAOKIP  
VAHNEILHING HAOKIP  
DEREK HARBIN SR  
CHRISTOPHER HARDEE  
DANIEL HARDIN  
NATALIE HARDIN  
JOHN HARDT  
SABRINA HARDT  
SCOTT HARJO  
BRUCE HARMAN II  
DAVID HARPER JR  
BRANDON HARPER  
JERRY HARRIS  
RICHARD HARRIS  
SIERRA HARRIS  
STACEY HARRIS  
STEVEN HARRIS  
TERRY HARRIS  
LEVI HARTLEY  
RUSTY HARTLEY  
SARA HARTLEY  
JOSHUA HARTMAN  
JORDAN HARVEY  
DUSTIN HASBROUCK  
HEATHER HASKINS  
COREY HASSELL  
BIAK HATLANG  
CHAUNCEY HATTEN  
NENG HAU LIAN  
CIN HAU  
CING HAU  
CING NGAIH HAU  
CING NGAIH HAU  
KAM HAU  
THANG KHAN HAU  
THANG LIAN HAU  
THANG SUAN HAU  
MATTHEW HAUETER  
PAUL HAVENS  
DESTINY HAWKINS  
BILLY HAWLEY JR  
CORY HAYES  
CHRISTOPHER HAYS  
LUCAS HAYS  
RYAN HEDRICK  
THAN HEIN  
TERRENCE HEINBERG  
TRAVIS HELZER  
LUKE HEMPHILL  
CHAKIRIS HENDERSON  
COLLIN HENDERSON  
ERIC HENDERSON  
SUSAN HENDERSON  
MELISSA HENLEY  
KENNETH HENRY  
YER HER  
CHRIS HERMAN  
CESAR HERNANDEZ DOMINGUEZ  
ARMANDO HERNANDEZ  
ASCENSION HERNANDEZ  
CORCINA HERNANDEZ  
JOSE HERNANDEZ  
KAILA HERNANDEZ  
KARI HERNANDEZ  
LUIS HERNANDEZ  
MARIANO HERNANDEZ  
LUKE HERNDON  
AXEL HERRERA BAEZ  
RICO HERRERA  
JAYE HERRMANN  
BRIAN HESS  
MARK HESTON  
CAMERON HETTICK  
SAMUEL HIBBARD  
MICHAEL HICKMAN  
MASON HIDALGO  
LARRY HIGHFIELD  
DAVY HILL JR  
CARLOS HILL  
DESMOND HILL

DONALD HILL  
LAUREN HILL  
RUSSELL HILL  
SANTANYA HILL  
SONYA HILL  
TAMARA HILL  
TAMERA HILL  
GINA HILLSMAN  
DANNA HILTON  
MICHAEL HINDS  
LAMONT HINES  
TYSON HINTHER  
KIRMAT HISAM  
DEJA HIXON  
MIN HLA  
THANG HMUNG  
TUANG HNIN  
SIEW HO  
JACOB HOBBS  
ANDREW HODGES  
TAQUISA HODNETT SMITH  
ANDREW HOFFMAN  
MEGAN HOFLAND  
AARON HOFSTROM  
LENA HOGAN  
SIAN HOIH  
CHRISTOPHER HOLBROOKS  
RICKEY HOLCOMB II  
JOHN HOLLAND  
MARCUS HOLLAND  
SEDRIC HOLLAND  
SUMMER HOLLIDAY  
KELSEY HOLMES  
LAWRENCE HONEL  
ZACHERY HONEL  
DILLON HONEYMAN  
ANASTASIA HONN  
STEPHEN HOOVER  
DEREK HOPKINS  
NICKILIS HOPPER  
ANGELA HORELLOU  
TODD HORELLOU  
SHELBY HORNBERGER  
STANLEY HORTON  
NICHOLAS HOSLEY  
TINNER HOU KIP  
NU HOU  
SANDRA HOUSE  
JERRY HOUSEMAN  
MATTHEW HOUSTON  
MELISSA HOUSTON  
RICHARD HOUSTON  
ANTHONY HOWARD  
DAVID HOWARD  
MADI HOWARD  
MICHAEL HOWARD  
PHYLLIS HOWARD  
DARIN HOWELL  
DEVONA HOWELL  
JESSE HOWELL  
SAW HTOO  
YEAUNG HTWE  
CIIN HUAI  
CING NGAIH HUAI  
CING SIAN HUAI  
CING ZA HUAI  
DIM HUAI  
JULIA HUAI  
KAM HUAI  
MUAN HUAI  
NIAL HUAI  
NUAM HUAI  
VERONICA HUAI  
ZEN HUAI  
THANG HUAT  
SCOTT HUBER  
JOHNNY HUDDLESTON  
DAWN HUDSON  
DANNY HUELSENBECK  
CHRISTOPHER HUFF  
DESTINY HUFFORD  
KENNETH HUGHES  
NORMAN HUGHES

TRACY HUGHES  
JERAD HUMPHREY  
LARRY HUMPHREY  
LATARCHA HUMPHRIES  
VINCENT HUNDL JR  
KHAN HUNG  
CRYSTAL HUNTER  
DAMICO HUNTER  
JACOB HUNTINGTON  
KEYONDRE HUNTLEY  
DEKEVIAN HURD  
MICHAEL HURD  
ABDUL HUSSAINI  
RONALD HUTCHCRAFT  
DUNG HUYNH  
LOC HUYNH  
THANH HUYNH  
JERROD HYNES  
ETHAN IAROSSE  
ROHULLAH IBRAHIMI  
JESUS IDROGO BLANCO  
NANG ING  
OTILIA IOWANES  
REGINALD ISAAC SR  
KERAMUDIN ISLAMUDDIN  
ISLAM ISMAIL KHIL  
KHAJ JA KHUP  
BELINDA JACKSON  
BRAD JACKSON  
DENISE JACKSON  
JACE JACKSON  
JAMES JACKSON  
JASMINE JACKSON  
JEFF JACKSON  
MARY JACKSON  
NATHAN JACKSON  
TEAA JACKSON  
CAMERON JAEGER  
BAILEY JAGER  
ZAR WALI JALAL ZAI  
JAN JALALI  
JOSE JAMAICA CARRENO  
JOSE JAMAICA  
WILLIAM JAMES  
DELBAR JAN  
MUSAFAR JAN  
FRANCES JARAMILLO  
ESTHER JASUAN  
STEPHEN JEFFERS  
DENNIS JEFFERSON  
BILLY JENKINS  
CURTIS JENKINS  
DESIREE JENKINS  
WADE JENKINS  
TERRIELLE JENNINGS  
STEVE JENSEN  
CODY JEWELL  
CARMEN JIMENEZ  
FREDERICK JIMMERSON  
CHAITANYA JOHAR  
ALEXIS JOHNSON  
ARMAND JOHNSON  
BOB JOHNSON  
CALEB JOHNSON  
CARDALEOUS JOHNSON  
CHARLES JOHNSON  
DANIEL JOHNSON  
EBONI JOHNSON  
JEREMIAH JOHNSON  
KEITH JOHNSON  
KENDAL JOHNSON  
LESTER JOHNSON  
MARJORIE JOHNSON  
SHAKEIYTRA JOHNSON  
SHEREKA JOHNSON  
SOPHIA JOHNSON  
TEDDY JOHNSON  
TRISTAN JOHNSON  
ZACHARY JOHNSON  
WADE JOLLEY  
JAMES JONES III  
DANNY JONES JR  
CHEKESHA JONES

CLARISSA JONES  
CONNIE JONES  
DANNY JONES  
DAVID JONES  
DAVID ANTONIO JONES  
DERRIC JONES  
DUSTY JONES  
DYLAN JONES  
GARON JONES  
KATHY JONES  
KEVIN JONES  
MATTHEW JONES  
RAYMON JONES  
KACY JORDAN BATES  
JESSICA JORDAN  
RONALD JORDAN  
SEAN JORDAN  
AFINO JOSEPH  
RELEEN JOSEPH  
TJ JOSEPH  
KRYSTAL JOWERS  
MARIA JUAREZ RIVERA  
MARTIN JUAREZ  
YOLANDA JUAREZ  
DERMIDIO JUEZ PEREZ  
MICHAEL JULIAN  
LEANDRO JUMELLES NUNEZ  
CHRISTOPHER JUSTICE  
LASHETIA JUSTICE  
DO KA  
DAVID KAHURA  
ZAM KAI  
MUSTAFA KAIHAN  
GARRETT KAISER  
JASON KALE  
LIAN KAM  
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KERSON KANSOU  
SIAN KAP LIAN  
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THANG SUAN KAP  
THANG ZA KAP  
THONG KAP  
ZAM KAP  
JAMIE KAPULE  
SUZANNE KARNOFSKI  
ODINATUS KASMR  
BRIAN KASTL  
SAMUEL KASUNI  
JEFFREY KAUFMAN  
ERYN KAVANAUGH  
LIA KAW  
TUANG KAWI  
NENGLIAN KAWNGTE  
TYLER KELLAR  
KENNETH KELLY JR  
BELINDA KELLY  
CORY KEMPER  
FITI KENCHY  
DAKEYLON KENNEDY  
DRAPER KENNEDY  
GREGG KENNEDY  
BROCK KENT  
RICHARD KERNAL  
NITEL KETON  
STEVLAND KEY  
ZAM KHAI ZOMI  
ABRAHAM KHAI  
DAL KHAI  
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PAU KHAM  
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KHAMID KHAN  
KHWAJA KHAN  
NASEEB KHAN  
THAWNG KHAN  
SIFATULLAH KHANKSAR  
FAIZULLAH KHAROOTY  
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CING DON KHAWL  
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LIAN KHUP  
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PAU LIAN KHUP  
SUAN KHUP  
THANG KHUP  
THAWNG KHUP  
ZEN KHUP  
RIAN KIDD  
CASEY KIDWELL  
BIAK KIL  
ANDREW KILGORE  
CHIN KIM  
CIIN SAN KIM

CIIN SAN KIM  
CING K KIM  
CING MUAN KIM  
DAI KIM  
DIM LIAN KIM  
DIM NGAIH KIM  
EDWARD KIM  
KAM KIM  
MAN KIM  
MANG KIM  
NANG KIM  
NIANG KIM  
NICOLAS KIM  
NING KIM  
PA VAN KIM  
SIAN KIM  
THANG KIM  
TUANG KIM  
ZAM KIM  
ERICA KIMBLE  
JOE KINCADE  
KENOSHA KINDLE  
BRANDY KING  
CODY KING  
RODERICK KING  
STACEY KING  
ROGER KINKADE JR  
KORBY KINKADE  
NICOLAS KINKADE  
JUSTIN KINNEY  
MANGNEO KIPGEN  
CORY KISSLER  
ALAN KIZER  
MORGAN KIZER  
SPENCER KIZER  
JENNIFER KLAASSEN  
TSOLMON KLEINERT  
DANIEL KLINE  
STEPHEN KLING  
ROBERT KNEBEL  
ALICIA KNOPIK  
ARIELLE KNUDSEN  
GARY KNUDSEN  
LAURA KNUDSEN  
COURTNEY KNUDSON  
REBECCA KOCHER  
KIFAYATULLAH KOHISTANI  
BRANDON KOHLMAN  
EMANUEL KOLMAN  
KINTU KONMAN  
BUDDY KONS  
IVAN KOVOSAN  
JAMES KOSS  
DAVID KOSTA  
STEVE KOSTA  
JULIUS KOTO  
ROBERT KRAFJACK  
NICHOLAS KRAUSE  
NEBOJSA KRESOVIC  
JONATHAN KROBLIN  
MARIA KRUCKENBERG  
MIKHAIL KRUPENYA  
ADAM KUBICKI  
RAYMOND KUHN  
JAY KUS  
SANCHES KUS  
SERLYN KUS  
DAVIS KUSS  
DERA KUSS  
LIANA KUSS  
SCRAM KUSS  
CASSY KUYKENDALL  
NICHOLAS KUYKENDALL  
ALEX KUZNETSOV  
AUNG KYI  
NGIN LAANG  
RONALD LABOUBE  
THOMAS LABOUBE  
MATTHEW LACEY  
BOBBY LACY  
BLAKE LAGERS  
ANTONIO LAGRONE  
LUIS LAGUNAS

GIANG LAI  
LAIQ LAIQ  
MARK LAKE  
KAP LAL  
ZVJEZDANA LALIC  
GIN LAM  
MUNG LAM  
ANGELA LAMBERT  
ANNETTE LAMBERT  
GARY LAMBERT  
JOHN LAMP  
JAMMIE LAMPKIN  
CANDACE LANCE  
JEFFERY LANDRUM  
MYOSHIA LANDRUM  
ROADY LANDTISER  
DEBORAH LANE  
GIN LANG  
PUM LANG  
DO LANGH  
HAU LANGH  
HAWM LANGH  
KAMSIAN LANGH  
KAP LANGH  
THANG LANGH  
THAWNG LANGH  
DAKOTA LANGSTON  
HAYDEN LANKIE  
MICHAEL LANTZ  
HANDSOME LANWE  
SENG LAO  
CAMERON LAPOLLA  
DAWN LAPOLLA  
DANIEL LAPRES  
AMANDA LARANCE  
GINNY LARRABEE  
HUGH LASATER  
SENG LASI  
KATHRYN LAUE  
SHAWN LAUSCHER  
JUAN LAVEZZARI  
JENNIFER LAW  
DIM LAWH  
MAN LAWH  
ETHEN LAWLER  
STEVE LAWRENCE JR  
JOYCE LAWRENCE  
JEFFREY LAWSON  
STEPHEN LAWSON  
ANH LE  
LAI LE  
JACOB LEACH  
LINDSEY LOPEZ  
CATALINO LECLAIRE  
PETE LEDBETTER  
ALLEN LEE  
PO LEE  
MATTHEW LEEPER  
ARIEL LEFF  
GREGORY LEFFLER  
KANDIS LEFFLER  
MARK LEHMAN  
NICKLAS LEISHMAN  
LUN LEK  
CLIFFORD LEMAY  
LAURIN LEMLEY  
BRANDAN LEON  
ADUNTE LEWIS  
ALICE LEWIS  
JOE LEWIS  
CYNTHIA LEYVA  
DAVID LEZAMA  
VAH LHING  
AWI D LIAN  
AWI NGAIH LIAN  
CIN KAP LIAN  
CIN SUAN LIAN  
CIN ZA LIAN  
CING KHAWM LIAN  
CING NGAIH LIAN  
CING THEIH LIAN  
GIN DON LIAN  
GIN KHAN LIAN

GIN TUANG LIAN  
GO LIAN  
HUAI LIAN  
ISAAC LIAN  
JOSEPH LIAN  
KAM LIAN  
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KHUAL LIAN  
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LANG LIAN  
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NUAM LIAN  
PAU DAL LIAN  
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SIAN LIAN  
SUANG LIAN  
THANG HAN LIAN  
THANG KHEN LIAN  
THANG NGAIH LIAN  
THANG SAWM LIAN  
ZAM LIAN  
ZEN LIAN  
LAL LIANA  
SAWM LIANA  
SIAN LIEN  
JAKOREAN LILLY  
LAKESHIA LILLY  
PING LIN  
MISHAELA LINDSEY  
KEITH LINKER  
DREW LINWOOD  
BRIAN LITTLE  
EDWARD LITRELL COLEMAN  
SERGEI LITVINOV  
ANGELICA LIZARRAGA OLIVAS  
EMILLIC LO  
BENJAMIN LOGSDON  
NICKOLAS LOGSDON  
SCOTTY LOGSDON  
JAMES LONDONO CORO  
DANIEL LONGORIA  
ALAN LONGWORTH  
BENNY LONSDALE  
JASON LOPES  
JOSE LOPEZ AZUAJE  
ISELA LOPEZ HERNANDEZ  
EDUARDO LOPEZ OLIVARES  
JOSE LOPEZ OLIVARES  
ANGEL LOPEZ  
BENJAMIN LOPEZ  
JESUS LOPEZ  
MARGARITO LOPEZ  
MARIO LOPEZ  
NICELT LOPEZ  
OMAR LOPEZ  
REBECCA LOPEZ  
RUBEN LOPEZ  
SEBASTIAN LOPEZ  
THOMAS LOPEZ  
HEAVEN LORD  
KOLBY LOUIS  
JARED LOVE  
JASON LOVETT  
CING LUAN  
DANIEL LUCAS IV  
DANIJELA LUCIC  
FRANK LUCIO  
JARROD LUDLOW  
QUANNAH LUDLOW  
DAKOTA LUELLEN  
EVELYN LUGO ORTIZ  
JORGHELYS LUJAN GOMEZ  
KELLI LUMPKIN  
CING KHAWM LUN  
CING N LUN  
CING SAN LUN

CING ZA LUN  
 DIM KHAW LUN  
 DIM LAM LUN  
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 LIAN LUN  
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 NIANG NGAIH LUN  
 THANG LUN  
 TUAL LUN  
 VAN LUN  
 VUUM LUN  
 HECTOR LUNA  
 DAMEON LUNDY  
 JAMMIE LUNFORD  
 MALORIE LUNSFORD  
 THANG LUONG  
 DAKOTA LUSK  
 JONATHAN LUSUN  
 THI LUU  
 JACOB LUZIER  
 SI LWIN  
 BOI LY  
 SAMUEL LYNCH JR  
 NELTIANA LYNCH  
 HAMSAR MABU  
 KATHY MACARTHUR  
 WYLAN MACHUTTA  
 JORDAN MACK  
 RUSTIN MACKAY  
 LARRY MADALONE II  
 DENA MAHAN  
 CORY MAHONEY  
 JAYDON MAHR  
 TAM MAI  
 CHRISTOPHER MAIDHER  
 RANDALL MAIN  
 NAFES MALKYAN  
 LARRY MALONE II  
 CARLOS MALONE  
 LARRY MALONE  
 JEFFREY MALLY  
 KHAN ZAMAN MAMOON  
 CING MAN  
 LIAN MAN  
 NEM MAN  
 NIANG MAN  
 ZEN MAN  
 TAM MANA  
 ALEJANDRO MANCILLA  
 DANIEL MANCILLA  
 MARIA MANCILLA  
 CHIN MANG  
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 CIN KHAN MANG  
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 THANG MANG  
 ZAM MANG  
 ZEN KHANG MANG  
 ZEN KIM MANG  
 ZOM MANG  
 SHANNA MANNS  
 ZAU MARAN  
 JACKELINE MARCANO  
 APRIL MARGWARTH  
 PAUL MARGWARTH  
 ALEXANDRU MARIN-SERGHEI  
 DARRYL MARKS  
 ELIJAH MARLER  
 MARIA MARQUEZ DE GILBREATH  
 MARIANA MARQUEZ MARQUEZ  
 FRANCISCO MARRUFO JR  
 VICKEY MARS  
 BILLY MARSH  
 STACIE MARSH  
 ERROL MARSHALL  
 MAHJAI MARSHALL  
 OB MARSHALL  
 FLORENTINO MARTIN ROMO  
 ANTONIO MARTIN  
 KERRY MARTIN  
 MICHAEL MARTIN  
 MICHAEL DESHANE MARTIN  
 NARWIN MARTIN  
 WILLIAM MARTIN  
 JAZMINE MARTINEZ ENRRIQUEZ  
 ALEJANDRO MARTINEZ HAROS  
 HECTOR MARTINEZ MOLINA  
 ALICIA MARTINEZ SUAREZ  
 AMANDA MARTINEZ  
 DANIEL MARTINEZ  
 DARREN MARTINEZ  
 PAUL MARTINEZ  
 GUL MASHWANI  
 BEVERLEY MASON  
 CHRISTINE MASON  
 DAVID MASON  
 JAMES MASON  
 SHERIDAN MASON  
 CRISTIE MASSEY  
 CRYSTAL MASTERS  
 MARCELINO MATA  
 ZAMKHOZANG MATE  
 SANTIAGO MATEUS  
 LOVESON MATHEUS  
 LENASJA MATHEWS  
 TONY MATHIAS  
 ADRIAN MATHIS  
 ELVIN MATHIS  
 DONALD MATTHEWS  
 KENNETH MATTHEWS  
 ANDREW MATZKE  
 RON MAUCH  
 MAY MAW  
 DON MAWI  
 HANAH MAWI  
 RAM MAWI  
 VAN MAWI  
 VUNG MAWI  
 STEPHAN MAXEY  
 PATRICIA MAXIMO  
 DEBBIE MAXON  
 LEONARD MAXWELL  
 SHANE MAYHUGH  
 DEANDRE MCAFFEE  
 BRIDGET MCALISTER  
 RICHARD MCANINCH  
 TINA MCBEATH  
 DYLAN MCCALL  
 BRENT MCCARTY  
 CHRISTOPHER KEITH MCCLAIN  
 CHRISTOPHER ROSS MCCLAIN

FRANCIS MCCLAIN  
 KONNER MCCLAIN  
 KRISTOPHER MCCLAIN  
 ROBERT MCCLEARY  
 DIRK MCCLELLAN  
 SUMMER MCCLELLAN  
 KENTAVIOUS MCCOLLINS  
 KIERI MCCOMMAS  
 ANDREW MCCOMMON  
 AARON MCCONNELL  
 MICHAEL MCCONNELL  
 WESLEY MCCOWAN JR  
 DEBRA MCCOWAN  
 ALLEN MCCREARY  
 MICHAEL MCCUIN  
 BRADEN MCDOWELL  
 BRAYDON MCELROY  
 NICHOLAS MCELROY  
 CLAYTON MCFALL  
 DAKODA MCFARLAND  
 JEFFERY MCGEE  
 RONNIE MCGEE  
 RONNIE MCGEE  
 ARTONIO MCGILBRA  
 DARREN MCGINTY  
 REIS MCGREW  
 JASON MCINTIRE  
 AIMEE MCINTOSH  
 DANIEL MCKEE  
 GLORIA MCKEE  
 JT MCKINLEY  
 ETHAN MCKINNEY  
 LAMAR MCLEMORE  
 MICHAEL MCMILLAN  
 ALEIA MCNANEY DEVORE  
 JOSHUA MCPETERS  
 KEENAN MCPHETRIDGE  
 TESTY MCTESTERSON  
 RICH MCTESTINCH  
 JOSIAH MEADE  
 ANTHONY MEANS  
 GINA MEANS  
 JON MEDEIROS  
 ALEXZANDER MEDINA  
 ASHTON MEDINA  
 JULIE MEDINA  
 SARAH MEDINA  
 SULANDER MELENGNA  
 MICHAEL MELLOTT  
 SILVESTRE MENDEZ GONZALES  
 DESTINY MENDEZ  
 ANGELA MENDOZA  
 RAQUEL DE MARIA MENJIVAR  
 JUSTIN MENNING  
 JESUS MERCADO  
 JOHNNY MERRELL JR  
 BILLY MERRELL  
 RYAN MERRITT  
 HERNAN MESA SAEZ  
 STEVEN METCALF  
 JENNIFER METCALFE  
 ANDREA MIESNER  
 FRED MILAM  
 GLENN MILAM  
 MICHAEL MILES JR  
 ANTONIO MILLER  
 CHLOE MILLER  
 MYA MILLER  
 RUTH MILLER  
 SHELLY MILLER  
 PHIL MILLMAKER  
 ASHLEY MILLS  
 JOE MILLS  
 TYRELL MIMS  
 AUNG MIN  
 JERRIC MINOR  
 ALFREDA MITCHELL  
 BRYCE MITCHELL  
 DALLAS MITCHELL  
 JOE MITCHELL  
 PORSHA MITCHELL  
 ROBERT MITCHELL  
 DYLAN MITTAG

HANNAH MIZELL  
 ROBERT MOCK  
 JAY MODISETTE  
 ATA MOHAMMAD  
 BAKHTIAR MOHAMMAD  
 ALI MOHAMMADI  
 HAJI MOHAMMAD MOHAMMADI  
 BIASNEY MOJICA CASTANEDA  
 JOSUE MOJICA TORRES  
 CINDY MOLINA  
 TEODORO MOLINA  
 JOSEPH MONDILLO  
 JARED MONDRAGON  
 JOSEPH MONFORTE  
 OFELIA MONREAL  
 DEXTER MONROE JR  
 DINORA MONROY DE DIAZ  
 DANIA MONSIVAIS NAVARRO  
 KARINA MONSIVAIS NAVARRO  
 KELLY MONSIVAIS  
 FIORELA MONTANO  
 NATALIE MONTANO  
 MAGDALENA MONTOYA TOVAR  
 BLANCA MONTOYA  
 JOHNNY MONTOYA  
 RAYMOND MOON  
 CHARLES MOORE  
 CORDELL MOORE  
 HERBERT MOORE  
 KIMBERLY MOORE  
 PHILLIP MOORE  
 TONY MOORE  
 BRIJIDO MORALES GUTIERREZ  
 ALFONSO MORAN  
 TONY MOREHEAD  
 WARD MOREHOUSE  
 MARCINA MORELAND  
 RANDY MORENO  
 LUKE MOREY  
 ELROY MORGAN  
 DARRELL MORRIS II  
 GARRETT MORRIS  
 LATASHA MORRIS  
 REGINALD MORRIS  
 RODNEY MORRIS  
 JAMES MORROW  
 ANNETTE MOSELEY  
 MANX MOSES  
 PHILLIP MOSS JR  
 BERNARD MOSS  
 TAMMY MOSS  
 MICHAEL MOTA  
 CLAYTON MOTE  
 ELVIS MOUA  
 LATON MUALIA  
 KAM MUAN  
 PASIAN MUAN  
 THAWNG MUAN  
 KAM MUANG  
 KHUAL MUANG  
 KHUP MUANG  
 MUA MUANG  
 ZAM MUANG  
 FRANCIS MUDD  
 TERESA MUKES  
 MICHELLE MULLINS  
 ALONZO MUMPHREY  
 SHIRIKA MUMPHREY  
 THANG LUM MUN  
 THANG SIAN MUN  
 CIN KHAN MUNG  
 CIN SIAN MUNG  
 CIN SIAN MUNG  
 DAI MUNG  
 GINDAL MUNG  
 HAU SUAN MUNG  
 HAU SUAN MUNG  
 HERO MUNG  
 JACOB MUNG  
 JAMES MUNG  
 JAMESKANG MUNG  
 KAI MUNG  
 KAM MUNG

KAP MUNG  
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 THANG DEIH MUNG  
 THANG KHAN MUNG  
 THANG SUAN MUNG  
 YUM MUNG  
 ZO MUNG  
 GABRIEL MUNIZ GONZALEZ  
 JESUS MUNOZ  
 AARON MUNTZ  
 JEFFREY MURDOCK  
 GEORGE MURPHY  
 AUDIE MURRAY  
 ERICA MURRAY  
 JAMARIS MURRAY  
 TABITHA MURRAY  
 MA MUSHRUSH  
 JOHN MUTANDA  
 PHILLIP MYER  
 CAROLYN MYERS  
 JUSTIN MYERS  
 YEE MYINT  
 KUNI MYO  
 MASOOD NADEEM  
 RAPHAEL NAHATO  
 CING NAING  
 MANHNWIN NAING  
 SAW NAING  
 CRISTIAN NAJERA OLIVAN  
 PAU KHAN NANG  
 PAU SAWM NANG  
 PAU SUAN NANG  
 THOMAS NANG  
 TUN NANG  
 NOORY NARTIN  
 JAMES NASH  
 PATRICK NATION  
 THANG NAULAK  
 ZAM NAULAK  
 MARIA NAVA  
 MICHAEL NAVARRETE  
 JARED NAVARRO  
 STEFANY NAVARRO  
 BAWK NAW  
 KHAUNG NAW  
 SAID NAZARMOHMAD  
 BRANDI NEAL  
 CLAYTON NEAL  
 ROBERT NEDROW  
 MARIA NEI THIEM  
 NIANG NEL  
 ERIC NELSON  
 GREG NELSON  
 LEONUNDRIA NELSON  
 SHAIKERRA NELSON  
 CING NEM  
 DIM NEM  
 DEI NENG  
 JOSHUA NETTEN  
 SETH NETTEN  
 TYE NEVEL  
 PEDRO NEWMAN TORRES  
 ROBERT NEWSOM  
 ICSHA NEWSOME  
 ROBERT NEZ



NUAM NGIN  
ZAM NGIN  
ALVIN NGIRATEBL  
EN NGO  
NANG NGO  
PAU NGO  
LINDA NGUYEN MORGAN  
A VAN NGUYEN  
BICH NGUYEN  
HUNG NGUYEN  
HUU NGUYEN  
TAM NGUYEN  
THANH NGUYEN  
THI NGUYEN  
TUONG NGUYEN  
VIET NGUYEN  
LA JA NI MA  
CING NI  
CIN MAN NIANG  
CIN NGAIH NIANG  
CING LAM NIANG  
CING SIAN NIANG  
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DIM MAN NIANG  
DIM NGAIH NIANG  
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ESTHER NIANG  
ESTHER HAU NIANG  
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KAP NIANG  
KHEM NIANG  
LAM NIANG  
NEM NIANG  
NGO NIANG  
NUAM NIANG  
PUM NIANG  
TUAL NIANG  
VUNG DON NIANG  
VUNG LAM NIANG  
VUNG MAN NIANG  
JACOB NICHOLS  
JUSTIN NICHOLSON  
ABDULRAUFKHAN NICKMAL  
NOUNG NIE  
TRAVIS NIEDERHOFER  
BRANDY NIETO  
EMILY NIETO  
TARREN NIETO  
THANG NING  
ZAM NING  
CING NO  
CING NO  
JACOB NOE  
SAIFULLAH NOORISTANI  
BRANDON NORDSTROM  
MARK NORDSTROM  
WILLIAM NORFLEET  
WILLIE NORFLEET  
CARL NORRED  
DAVINA NORRIS  
JODY NORTHRUP  
SALYER NORTON  
JERRY NOWEL  
SAILER NOWELL  
TUMAI NPAWT  
NGIN NTEM  
KIM NU  
KIM NU  
LIAN NU  
NEM NU  
SEN NU  
CIIN NUAM  
CING DO NUAM  
CING KHAN NUAM  
CING SAN NUAM  
CING SIAN NUAM  
CING ZA NUAM  
LAWH NUAM  
NING NUAM  
THANG NUAM  
CING NUAMBOIH  
EDUARDO NUNEZ MALPICA

DENISE NUNEZ  
JHOANA NUNEZ  
NGIN NUNG  
KHAUNG NYWE  
FAITH OAKS  
MICHAEL OBRIEN  
THOMAS ODOM II  
ALEXANDER OFOSU  
WILLIAM OGDEN  
UDUIHAYE OGEDENGBE  
WYATT OGLE  
BRANDON OHARA  
SEAN OHEARN  
TYESHA OLDEN  
ERICK VALERIO  
ANTWANETTE OLIVER  
BRYSTON OLIVER  
HAILEIGH OLIVER  
ANTHONY OLIVERAS  
JIM OLSEN  
ERIC OLSON  
KEITH OLSON  
MAROOF OMAR  
AMANDA ONEAL  
JAMES ONEILL JR  
CHRISTINE ONEY  
CHRISTOPHER ONLEY  
PROVINA ONOPWI  
PAUL ONYENHO  
GRASITER OO  
SAW OO  
WAI OO  
AVERY OPPEGARD  
JAVIER ORONA  
LETICIA ORONA  
RACHEL ORONA  
ELISA OROZCO  
ESMERELDA OROZCO  
LUPITA OROZCO  
DAJUAN OSBY  
BRYAN OSOMAI  
JACINTA OSOMAI  
LENA OSS  
VERONICA OSTAPOWICH  
NATHAN OTERO  
JJ OTIS  
TIMOTHY OURS  
JENNIFER OVERMEYER  
TERRELL OWENS  
GO PAA  
MIGUEL PABON  
EARNEST PACE JR  
DAVID PACQUETTE  
HAKIM PAEE KHAN  
JOHN PAGE  
LAUREN PALACIOS  
TIMOTHY PALLOZZI  
ALICIA PALMER  
CODY PALMER  
TINA PALMER  
CASEY PAPPAS  
ANA PAREDES  
JORDY PAREDES  
HEIDI PARK  
AARON PARKER  
BILLY PARKER  
GOLDIED PARKER  
JAKE PARKER  
KEYANNA PARKER  
LAMAREO PARKER  
MICHAEL PARKER  
ROBERT PARKER  
WALI PARKER  
HARRY PARRISH  
ANDRES PARTIDAS AGELVIS  
DIMAS PARTIDAS PAZ  
JHERMIKAL PARTNER  
JASON PATE  
CALEB PATERIK  
KY PATRICK  
PAUL PATTERSON  
CEDRIC PATTON  
CIN KHAN PAU

CIN N PAU  
DAI PAU  
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ZOO PAU  
TERESA PAUL  
CHRISTOPHER PAULI  
DEMI PAULUS  
SAWLER PAW  
CORY PEDERSEN  
ANTHONY PEDONE  
JUAN PENA  
ERIC PENICK  
ARTHUR PENNINGTON  
RICHARD PENROSE  
QUNICY PEOPLES  
SHAQUILYA PEOPLES  
JONATHAN PEPPER  
ROSALINA PERDOMO PERDOMO  
PERLA PEREZ ARIAS  
CHRISTIAN PEREZ GUTIERREZ  
PEDRO PEREZ PAEZ  
FRANCISCO PEREZ SANCHEZ  
ANDREA PEREZ  
CHRISTOPHER PEREZ  
ERIK PEREZ  
JOE PEREZ  
MARCO PEREZ  
SERGIO PEREZ  
WILLIAM PEREZ  
JAMES PERGESON  
DAYLAN PERRY  
JOHN PERRY  
MILES PERRY  
DAVID PERRYMAN  
MATTHEW PESCHONG  
AUSTIN PETERS  
BRITANY PETERSON  
DAVID PETERSON  
HUNTER PETERSON  
ROBERT PETERSON  
TIMMY PETERSON  
PAUL PETTY  
DANIEL PEURIFOY  
KY PHAM  
LINH PHAM  
QUOC PHAM  
PHUOC PHAN  
NAW PHAW  
LIANKHAN PHAWNG  
SANTINO PHILLIP  
NATHANIEL PHILLIPS  
TRAVIS PHILLIPS  
TROY PHILLIPS  
CIN PI  
HAU PI  
HELEN PI  
MUAN PI  
NIANG PI  
PETER PI  
SB PI  
SING PI  
TUANG PI  
TUN PI

CIN PIANG  
DO PIANG  
GIN PIANG  
GOH PIANG  
KHUP DAIH PIANG  
KHUP LIAN PIANG  
LIAN PIANG  
SUAN PIANG  
THANG PIANG  
VAN PIANG  
CHRISTOPHER PICKENS  
SKYE TOINESHEA PICKRON  
MALAYSHIA PIERCE  
MISAEI PIMENTEL  
MIGLANIA PIRONA GONZALEZ  
HAROLD PITTS II  
CANDY PITTSER  
EMILIA PLATA VASQUEZ  
MICHEAL PLUMMER  
RANDALL PLUSH  
JASON POBLETE  
KEVIN POBUDA  
MERLE POFFENBERGER  
SHELBEY POINDEXTER  
SUSANNE POINDEXTER  
TROY POINTS  
BASANT POKHREL  
RENU POKHREL  
JANICE POLK  
MILTON POLLOCK  
TAYLOR POMAVILLE  
MARK POOL  
RODNEY POPE  
HENDERSON PORTER JR  
RAMONDA PORTER  
ALEXANDER PORTILLOZ  
ASHLEY POWELL  
DEMYKLE POWELL  
ROSELLE POWELL  
RUDY POWELL  
MICHAEL POYNTER  
NATHAN PRADMORE  
JOSE PRADO  
KENNETH PRENTICE JR  
DANIEL PRESSLER JR  
DUSTIN PRESSLER  
MICHAEL PRIESTER II  
MALINDA PRIESTER  
MICHAEL PROVENCE  
KHAI PU  
KHAM PU  
LIAN PU  
MANG PU  
MANG PU  
MUANG PU  
TUANG PU  
TUN PU  
CALEB PUDDEN  
ALMA PUGA  
JERRY PUGH JR  
KHAI PUI  
THANG PUI  
KAM PUM  
THANG PUNO  
MICHAEL PUTNAM  
ABDUL QAZIZADA  
JOHN QUANG  
CANDELARIA QUICK  
BRENDA QUINTANILLA GARCIA  
WASEL QURAISHI  
JAMES RABURN  
CHRISTOPHER RACE  
FLARA RACHU  
FRANCIS RACHU  
MARIA RACHU  
VINA RACHU  
VINCENT RACHU  
ERIC RACINE  
EVA RAGLAND  
RETSIAN RAIN  
JOSEPH RAINBOLT  
FRANKLIN RAINBOTH  
BRANDON RALPH

BRIAN RAMBO  
SUSAN RAMBO  
ROSA RAMIREZ AGUINAGA  
ENRIQUE RAMIREZ MORALES  
PATRICIA RAMIREZ NAVARR  
MANUELA RAMIREZ SOBERANIS  
ANGEL RAMIREZ  
EDGAR RAMIREZ  
ELISHA RAMIREZ  
EVA RAMIREZ  
MARTINELLY RAMIREZ  
RIGO RAMIREZ  
GERMAN RAMOS ALONSO  
MARCUS RAMSEY  
HEIDI RAMZEL  
KARLY RANCK  
COURTNEY RANDALL  
JEFFREY RANDALL  
TIMOTHY RANEY  
CHRISTIAN RANSMEIER  
SEEDAK RASOOLUDEEN  
ROBERT RATLIFF  
TOMMY RATLIFF  
KYLE RATZLAFF  
RYAN RAUSCH  
JOHN RAVELLI  
STACEY RAVENCRAFT  
CURTIS RAYON  
THOMAS READ  
JOHN REASOR  
FLOR REBOLLAR  
DAVID RECCA  
ELIZABETH RECORD  
SHAGLENDIA REDDIX  
BELINDA REED  
MICHAEL REED  
CHARLES REESE  
CLINTON REESE  
WENDY REEVES  
STEPAN REGUS  
ETHAN REICHERT  
JOHN REID  
RAMIRO REINA  
HARREY RENCHY  
RENCHENINA RENCHY  
RODOLFO RENTERIA  
JOHN RENTKO JR  
JAKOB RESSLER  
AGUSTIN REYES JR  
CLARA REYES  
LA REYES  
PABLO REYES  
STACIE REYNA SALAS  
DAICHI REYNA  
WILLIAM REYNOLDS II  
JOSHUA REYNOLDS  
JUNIOR REYNOSO  
DANIEL RHOADES  
EFFIE RHODES  
JEFFREY RHODES  
SKYLER RHODES  
SHERRI RICH  
RIELOSE RICHARD  
BRIAN RICKETT JR  
RANDALL RIDENOUR  
ANGELA RIDEOUT  
COREY RIDER  
KATHRYN RINGER  
ISAAC RINKE  
MARTHA RIOS DE PAZ  
DINA RISING  
CORY RISINGER  
HILLARY RITE  
VILMA RIVAS SANCHEZ  
MELISSA CRUZ  
LUIS RIVERA  
RAMON RIVERA  
SIGFREDO RIVERA  
RILEY ROARK  
JAMEL ROBERSON  
CARL ROBERTS  
BRANDON ROBERTSON  
EMILE ROBERTSON

TRAVASIL ROBERTSON  
DAVID ROBINSON JR  
BYRON ROBINSON  
ISAAC ROBINSON  
JEREMIAH ROBISON  
ABRAHAM ROBLES  
RICHARD RODGERS JR  
ANTWONNE RODGERS  
TERRENCE RODGERS  
BRAD RODRIGUES  
KRISTOPHER RODRIGUES  
ESTEPFANI LOPEZ  
DANIEL RODRIGUEZ  
EVELYN RODRIGUEZ  
HECTOR RODRIGUEZ  
JESUS RODRIGUEZ  
JOSHUA RODRIGUEZ  
MARIA RODRIGUEZ  
MARIA G RODRIGUEZ  
NELSON RODRIGUEZ  
OSWALDO RODRIGUEZ  
RICARDO RODRIGUEZ  
ALESHA ROESCHKE  
BRIAN ROGERS  
DON ROGERS  
DYLAN ROGERS  
TONY ROGERS  
NANG ROI  
GABRIEL ROJAS DAVILA  
IVAN ROJAS  
LIDIA ROJAS  
NELSON ROJAS  
ALEXANDRA ROLSETH  
TONY RONGEY  
MAKINTA ROOSEVELT  
ROYCE ROPER  
ERIK ROSALES  
JORGE ROSALES  
JOSE ROSALES  
MAURICIO SANCHEZ  
CORTNEY ROSE  
OSCAR ROSE  
REAGAN ROSELL  
STEPHANIE ROSELL  
ROBERT ROSENCUTTER  
CASEY ROSS  
JAMIESON ROSSER  
MORNIS ROTENIS  
FINIKSIANO ROUND  
LANDYMENTA ROUND  
MICHELLE ROUSSEAU  
SHADE ROWBOTHAM  
RYAN RUGGLES  
MA RUIZ ORTEGA  
CARLOS RUIZ  
TERENCE RUSHING  
CADE RUSSELL  
DERICK RUSSELL  
JAMES RUSSELL  
MARK RUTTAN  
SLAVIC RYCHKO  
SA SAAN  
TANYA SABADO  
TRISA SACK  
ASADULLAH SADIQ  
KARINA SAENZ ACOSTA  
CESAR SAENZ RODRIGUEZ  
SHIR SAIL  
EDSON SAK  
MOHAMMAD SAKHIZADA  
RAEES SALARZAI  
DANIEL SALAS  
MARIANGEL SALAZAR GONZALEZ  
JORGE SALAZAR MARTINEZ  
JORGE SALAZAR SOARES  
ABELINO SALAZAR  
DAVID SALAZAR  
NOAH SALAZAR  
JOSE SALDIVAR OROPEZA  
MARIA SALDIVAR  
MIGUEL SALDIVAR  
VICTOR SALDIVAR  
DAVID SALEGO

NAEL SALEM  
DIANA SALINAS  
CARSON SALSABURY  
IM SAMMY  
IOMITA SAMMY  
MARLEEN SAMMY  
THANG SAMTE  
ANDREINA SANCHEZ BOLIVAR  
ALEXANDER SANCHEZ  
BEATRIZ SANCHEZ  
CHRIS SANCHEZ  
CRISTAL SANCHEZ  
EMANUEL SANCHEZ  
GIOVANY SANCHEZ  
ISELA SANCHEZ  
JEREMY SANCHEZ  
JOSE SANCHEZ  
JOYCE SANCHEZ  
MAYRA SANCHEZ  
ANTONIO SANCHEZ-GIRON  
TANNER SANDE  
TRAVES SANDY  
CIN SANG  
LIAN SANG  
MANG SANG  
PAU SANG  
TUAN SANG  
RAIS SANGHEEN  
LAL SANGI  
JAYCI SANGOWOYE  
WILLIAM SANGSTER  
WENCESLAO SANTIAGO  
NADELIN SANTOS  
VIPENTA SAPURO  
NANG SAR  
JANGIZ SARDAR SUBHAN  
SR SATO  
JAMES SATRE  
ALVIN SAURES TIMOTHY  
ERICK SAWYER  
BRYAN SCANLON  
AUDREY SCHAMING  
WILLIAM SCHAROSCH  
CALEB SCHMELING  
CONNOR SCHOENE  
DALE SCHOENE  
AUSTIN SCHROEDER  
MARK SCOFIELD  
JERRY SCOTT  
SHANTEL SCOTT  
SPENCER SCOTT  
TIERRA SCOTT  
RONA SEAGO  
SOVATNITA SEAMAN  
CATHY SECHRIST  
JAVIER SEDANO  
QUINTIN SEDBERRY  
KHWAJA SEDIQI  
MICHAEL SEEVER  
ALONDRA SEGOVIANO  
HOU SEI  
THANG SEI  
THONG SEI  
THONGKU SEI  
ALEXA SEIDEL  
GAGE SEIDEL  
MARCUS SEIP  
KAYUN SENG  
ROI SENG  
ANNETTE SERNA  
OSCAR SERNA  
JACOB SHAFER  
AUSTIN SHAHAN  
RODNEY SHAHAN  
KODY SHARP  
THOMAS SHAW  
TRENT SHAW  
KHAIR SHEER MOHAMMAD  
CHANNA SHELTON  
VASILIY SHEREMERKO  
LARRY SHEPHERD  
LILLIAN SHEPHERD  
DUSTIN SHERIER

RAEES SHERIN  
SHAH WAZIR SHINWARI  
ZARMEN SHAH SHINWARI  
BRUCE SHIPLEY  
ZAMARY SHIRZAD  
TAYLOR SHISLER  
SHAWN SHOULDERS  
RAYMOND SHUNOWSKI JR  
MAW SI  
CING SIAM  
NAA SIAM  
ZAM SIAM  
CIIN SIAN  
NGIN SIAN  
ON SIAN  
PAU SIAN  
MICHAEL SICKING  
N NES SIECH  
ANA SIGALA  
HECTOR SILIET  
ROBERTO SILVA RUVALCABA  
BLAINE SIMMONS  
DERON SIMMONS  
JERRY SIMMONS  
TYREC SIMMONS  
WILLIAM SIMMS  
JUSTIN SIMON  
WILL SIMONTON  
DWAYNE SIMPSON  
ANTHONY SING  
DAAI SING  
DAL SING  
DO SING  
PAU SING  
THANG SING  
THAWN SING  
BRANDON SINGENES  
ELIZABETH SINGLEY  
ADRIANA SIPES  
CHRISTOPHER SISSOM  
MICHAEL SITTERLY  
IAN SLATTERY  
RICO SLATTERY  
ANDREW SLAVENS  
MARY SMALL  
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DENNIS SMITH JR  
MARK SMITH JR  
WILBERT SMITH JR  
CLAYTON SMITH  
DAVID K SMITH  
DAVID M P SMITH  
GRAYHAWK SMITH  
HEIDI SMITH  
JEFFERY SMITH  
JOHN SMITH  
JORDAN SMITH  
KATHERINE SMITH  
KEITH SMITH  
KERRY SMITH  
KYLE SMITH  
MARY SMITH  
ONTWANE SMITH  
RANDY SMITH  
RENALDO SMITH  
TONY SMITH  
DAVONNA SMITLEY  
JACINTA SNAL  
BRANDY SNIDER  
JEREME SNIDER  
ROGER SNOW  
JERRY SNYDER  
BADDY SOCHIRO  
BERNIE SOICHY  
JOSE SOLARES  
NEMISIA SOLIS  
VERONICA SOLIS  
HENRY SOLL JR.  
KELLY SONGER  
BRADLEY SOOTER  
BENDY SOTEN  
MYANN SOTEN

MARIELA SOTO DE DIAZ  
CLENT SOUTHERLAND II  
CARRIE SOUTHERN  
KEVIN SOUVANNASING  
RICK SOWAS  
DENNEY SOWDER  
TERRY SOWEKA  
JOHN SPAIN III  
KYLE SPANSEL  
SIERRA SPARKS  
JAMESON SPIRES  
JOHN SPOONER  
RICHARD SPRADLING  
SEVERINO STAGNOLI  
CHRISTY STANDBERRY  
MARCUS STANDBERRY  
LAWANA STANE  
TERRY STAPLETON  
NICHOLAS STAPP  
DEMETRIUS STARLING  
KAVONTAE STARLING  
JAMES STASZKO  
LACEY STEADMAN  
SHAUN STEARNS  
JOHNNY STEDMAN  
SPENCER STEFFEY  
ARREST STEPHEN  
MARNINTA STEPHEN  
MELVIN STEPHENS  
CHARLES STEPHENSON  
NICK STEWART  
DAVID STIEWE  
CHARLES STINECIPHER  
BRENT STOCKTON  
JOEL STOCKTON  
JACOB STODDARD  
ANDREA STOLTZFUS  
ALLEN STONE  
DYLAN STONE  
TIMOTHY STOUT  
JULIAN STRADER  
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