



William Blair Conference

June 03, 2026



LENNOX AT A GLANCE (NYSE: LII)

Employees

~13K

Adj. Segment Profit Margin

20%

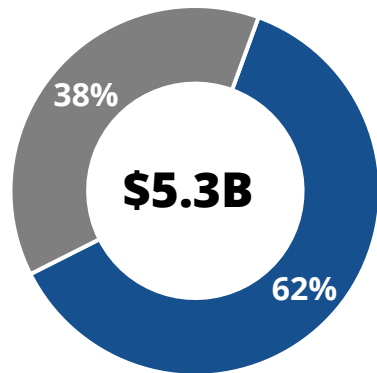
ROIC

~36%

Net Debt to Adj. EBITDA

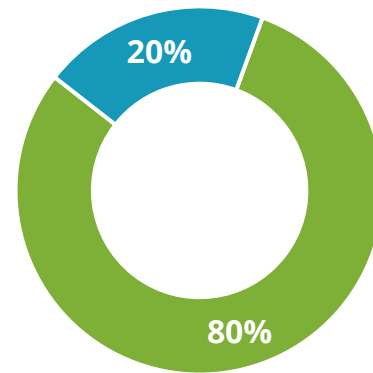
1.3X

REVENUE BY SEGMENT



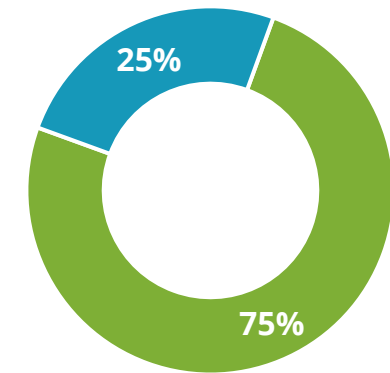
■ Home Comfort Solutions
■ Building Climate Solutions

REVENUE BY APPLICATION



■ Replacement ■ New Construction

REVENUE BY DISTRIBUTION MODEL



■ Direct ■ Indirect

KEY COMPETITIVE DIFFERENTIATORS

WELL POSITIONED TO SUCCEED WITH INDUSTRY TRENDS



**LARGEST MANUFACTURING
DIRECT-DEALER BASE**

**FULL LIFECYCLE COMMERCIAL
HVAC SOLUTIONS**

**ONE STOP PARTNER FOR PARTS,
DUCTLESS, WATER HEATERS**

**SCALED DIGITAL DATA
PLATFORMS**

~10K

Lennox dealers

Manufacture, install,
service, recycle

~250 owned

distribution outlets

~50% E-commerce

direct to dealer sales

2026-2030 TRANSFORMATION PLAN

Growth Acceleration 2026

- Improve NPS scores
- Better availability / fill rate
- Drive productivity gains post-regulatory changes

Expansion 2027 – 2028

- Increase share of wallet
- Drive ease of doing business through digital
- Expand margins consistently

Elevation 2029 +

- One-stop customer value proposition
- Win regulatory transition
- Technology advancements

DIFFERENTIATED GROWTH & MARGIN EXPANSION

DIFFERENTIATED GROWTH



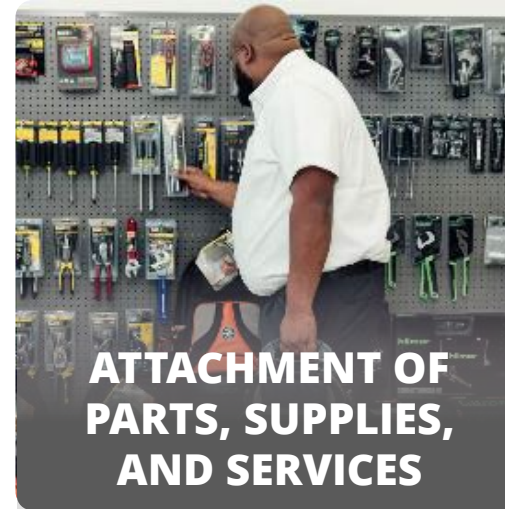
HEAT PUMPS

- Local / utility rebates
- Cold Climate Heat Pumps
- Heat pump roof-top units



EMERGENCY REPLACEMENT

- Factory capacity addition
- Lead time reduction
- Inventory deployment



ATTACHMENT OF PARTS, SUPPLIES, AND SERVICES

- One-source partner
- Parts and accessories
- Commercial Services



TAM/ SHARE OF WALLET EXPANSION

- Ductless portfolio
- Water heater integration
- IAQ, Monitoring and EMS

MARGIN EXPANSION

DISTRIBUTION PROFITABILITY



- Customer retention, higher fill rates
- One-day delivery coverage
- Freight & logistics cost optimization

PRICING & MIX WINS



- Faster quote response + pricing tools
- Regional P&L autonomy
- Incentive plan optimization

PRODUCTIVITY



- Factory efficiency + value engineering
- Material cost reduction
- SG&A operating leverage

LONG TERM TARGETS

EXECUTION OF KEY INITIATIVES WILL DELIVER...

\$6.5B - \$7.5B

Revenue

22% - 23%

Profit Margin*

+90%

Net Income Conversion

Free Cash Flow

* Segment profit margin

WE ARE CONFIDENT IN THE FUTURE



FINANCIAL APPENDIX

RETURN ON INVESTED CAPITAL

	LTM 2026
Operating income, a GAAP Measure	\$ 1,037.0
Restructuring Charges, before tax	6.8
Gain on sale from previous dispositions	(0.9)
Adjusted Segment profit, a non-GAAP measure	\$ 1,042.9
Tax on adjusted Segment profit	200.3
Net operating profit after taxes, a non-GAAP measure	\$ 842.6

	4 Qtr Avg 2026
Total assets, a GAAP measure	\$ 3,971.1
Less: Cash	46.1
Short-term investments	3.7
Accounts payable	490.9
Accrued expenses	364.9
Income taxes payable	34.1
Current operating lease liabilities	82.5
Long-term operating lease liabilities	301.7
Pensions	18.7
Restricted Cash	4.6
Other long-term liabilities	253.1
Invested capital, a non-GAAP measure	\$ 2,371.0

Net operating profit after taxes, a non-GAAP measure	\$ 842.6
Return on invested capital	36%