

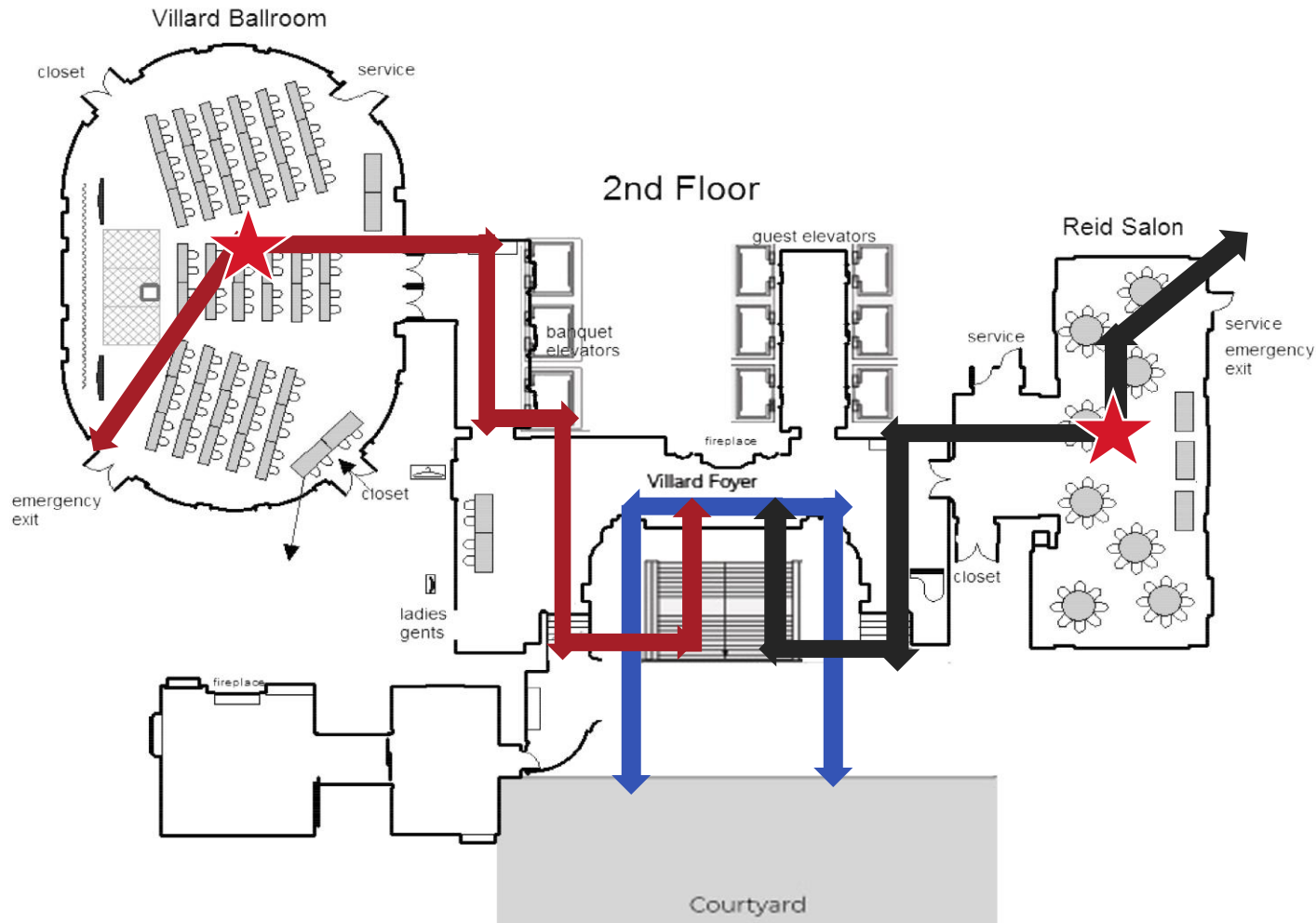


INVESTOR DAY // DECEMBER 14, 2022

Winning, Accelerating, and Optimizing Profitable Growth



ROOM SAFETY OVERVIEW



Emergency

In the event of an emergency the hotel will make an announcement over the PA (public address) system. Stay calm and proceed to the evacuation routes.

FORWARD LOOKING STATEMENTS; NON-GAAP FINANCIAL MEASURES



The statements in this presentation that are not historical statements, including statements regarding the 2023 full-year outlook and expected consolidated and segment financial results for 2023, as well as financial targets for future years, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on information currently available as well as management's assumptions and beliefs today. These statements are subject to numerous risks and uncertainties that could cause actual results to differ materially from the results expressed or implied by the statements, and investors should not place undue reliance on them. Risks and uncertainties that could cause actual results to differ materially from such statements include risks that the North American unitary HVAC and refrigeration markets perform worse than current assumptions. Additional risks include, but are not limited to: the impact of higher raw material prices, availability and timely delivery of raw materials and other components, the impact of new or increased trade tariffs, LII's ability to implement price increases for its products and services, economic conditions in our markets, regulatory changes, the impact of unfavorable weather, a decline in new construction activity resulting from increased interest rates or otherwise and related demand for products and services, and any resurgence of the Covid-19 pandemic and its economic impact on the company and its employees and customers. For information concerning these and other risks and uncertainties, see LII's publicly available filings with the Securities and Exchange Commission. LII disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Use of Non-GAAP Financial Measures

A reconciliation of non-GAAP financial measures appearing in this presentation to financial measures prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) are included in the Annex to this presentation and the company's SEC filings.

AGENDA



- 8:30 am ● Registration and Solutions Showcase
- 9:00 am ● **Winning, Accelerating, and Optimizing Profitable Growth**
Overview and Strategy
Alok Maskara | CEO
- Expanding Share and Profitability**
Residential Heating and Cooling
Gary Bedard | President, Residential
- Driving Efficiencies through Scale**
Commercial Heating and Cooling
Joe Nassab | President, Commercial
- 10:15 am ● Q&A

- 10:35 am ● Break
- 10:45 am ● **Positioning to Deliver Leading Sustainable Solutions**
Innovating Sustainable Technologies
Prakash Bedapudi | CTO
- Outlining Clear Path to Margin Expansion**
Long-Term Financial Outlook
Joe Reitmeier | CFO
- Closing Remarks**
Alok Maskara | CEO
- 11:30 am ● Q&A
- 12:00 pm ● Lunch and Solutions Showcase

EXPERIENCED EXECUTIVE LEADERSHIP TEAM



Alok Maskara
CEO



Prakash Bedapudi
CTO



Gary Bedard
President, Residential



Mary Ellen Mond
VP, Marketing



Joe Nassab
President, Commercial



Joe Reitmeier
CFO



Dan Sessa
CHRO



Jessica Smith
VP, Worldwide Sourcing



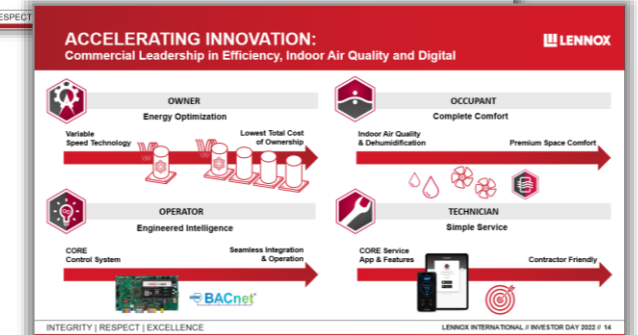
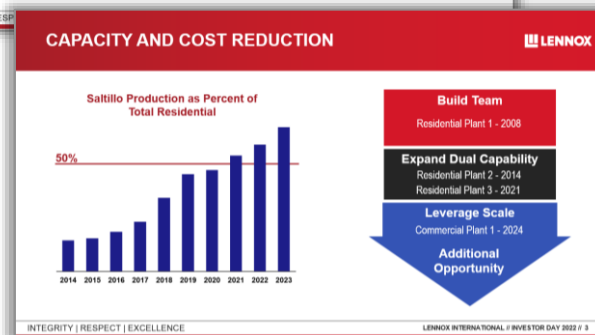
John Torres
CLO

SOLUTIONS SHOWCASE



DIRECT MODEL MAGNIFIED BY DIGITAL CAPABILITIES

- Single Lennoxpros.com Platform
 - Industry-leading E-commerce capabilities
 - Internet-of-things access and insight
 - Installation and commissioning support
 - Service insights and remote access



Growth Results Excellence

- Quan Nguyen - VP/GM, LII Residential
- Angela Chapoy - VP/GM, Allied Air

Quality and Operational Excellence

- Jessica Smith – VP, Global Sourcing
- David DeRoussel - VP, Operations
- Craig Fairley – VP, Operations (Residential)
- Miguel Gutierrez – VP, Operations (Commercial)

Innovation Excellence

- John Whinery - VP, Product Mgmt. (Residential)
- Shailesh Manohar – VP, Engineering (Residential)
- Keith Mowery - VP, LII Controls Engineering

WINNING, ACCELERATING, AND OPTIMIZING PROFITABLE GROWTH

Overview and Strategy



Alok Maskara

CEO

KEY MESSAGES



1 **Building from a strong foundation** to enhance value creation

2 **Implementing near-term initiatives** to streamline portfolio and increase margins

3 **Executing on growth operating system** to accelerate profitable growth

4 **Driving shareholder value** with robust FCF and strategic capital deployment

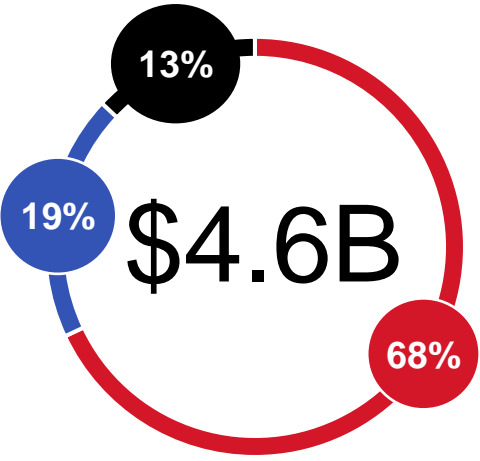


LENNOX AT A GLANCE (NYSE: LII)



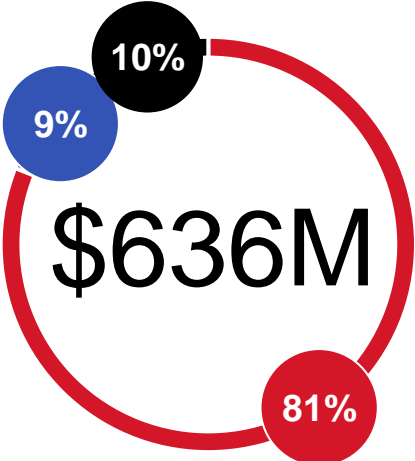
\$9.4B Market Cap ¹	11K Employees	Revenue: 95% North America 5% Europe	13.8% EBIT Margin	41% ROIC	\$185M FCF	\$13.78 Adjusted EPS
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REVENUE BY SEGMENT²

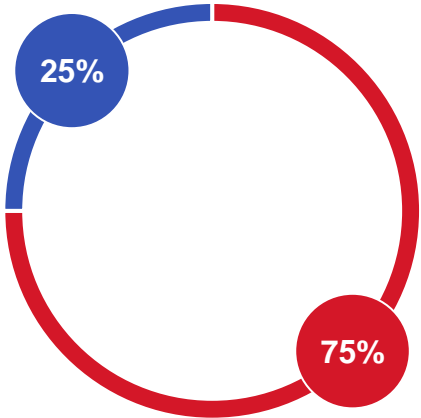


■ Residential ■ Commercial ■ Refrigeration

EBIT BY SEGMENT²



REVENUE BY APPLICATION



■ Replacement ■ New Construction

Note: All figures TTM unless otherwise noted; ¹As of Dec. 2, 2022; ²Figures based on old segment breakdown, new segment breakdown effective Jan. 1, 2023

DRIVEN BY OUR CORE VALUES



Integrity

Trust

Gain trust of others by being honest, ethical, and safe

Accountability

Hold ourselves and others accountable to meet commitments

Positive Engagement

Foster positive energy and motivate others to do their best



Respect

Customer Experience

Improve the experience of our customers to gain their loyalty

Talent

Develop ourselves and our teams while fostering a diverse and inclusive workplace

Sustainability

Impact long-term value creation by supporting our communities and the environment



Excellence

Quality

Continuously improve our operations to excel in quality, delivery, cost, and cash

Innovation

Provide innovative solutions and look for new and better ways to be successful

Results

Drive superior results to win in growth, productivity, and everything else we do

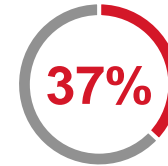
STRONG ESG FOUNDATION



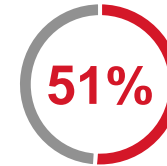
2021 KEY STATS

ENVIRONMENTAL

- Solve customers' ESG goals by providing best-in-class environmentally-friendly solutions aiding decarbonization
- Utilize a comprehensive Environment Management System to monitor and improve environmental footprint of our facilities



Revenue from highly-efficient solutions



Residential ENERGY STAR¹



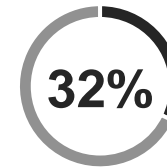
Commercial ENERGY STAR¹

SOCIAL

- Industry leader in safety with commitment to maintaining a safe and supportive workplace
- Champion diversity and inclusion with employees and supply chain
- Support communities where we live and work with contributions and volunteerism

0.50

Recordable Frequency Rate²



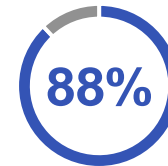
Female Employees



Racial Diversity³

GOVERNANCE

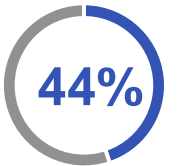
- Board oversees ESG strategy including product efficiency and innovation
- Adding revenue as a metric of Annual Incentive Program in 2023



Independent Directors

9.75

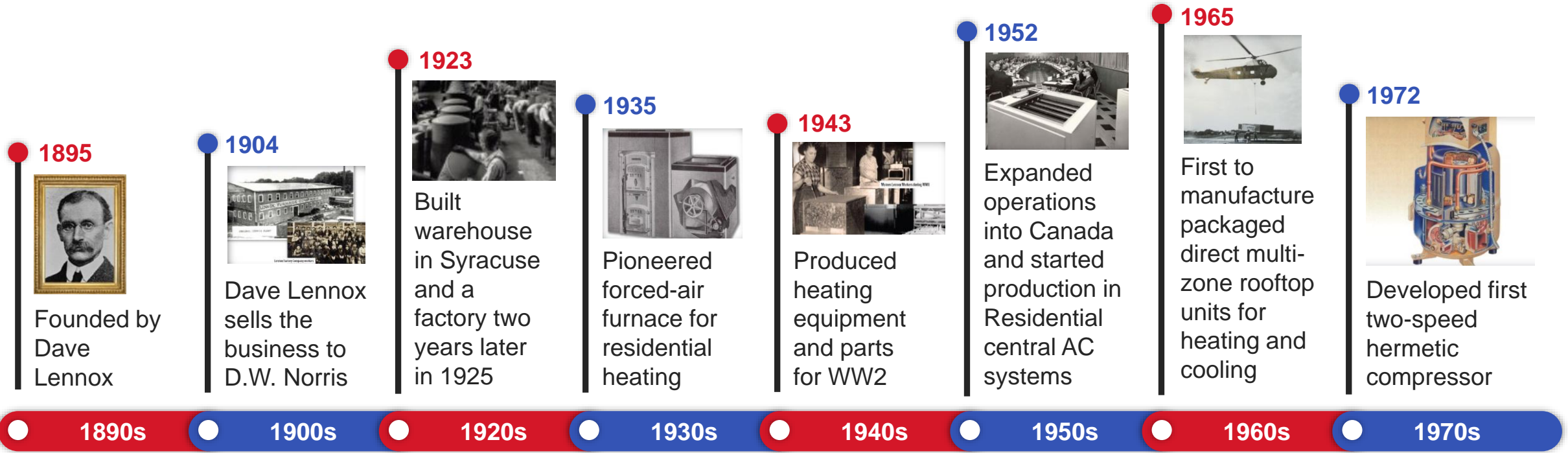
Average Tenure (Years)



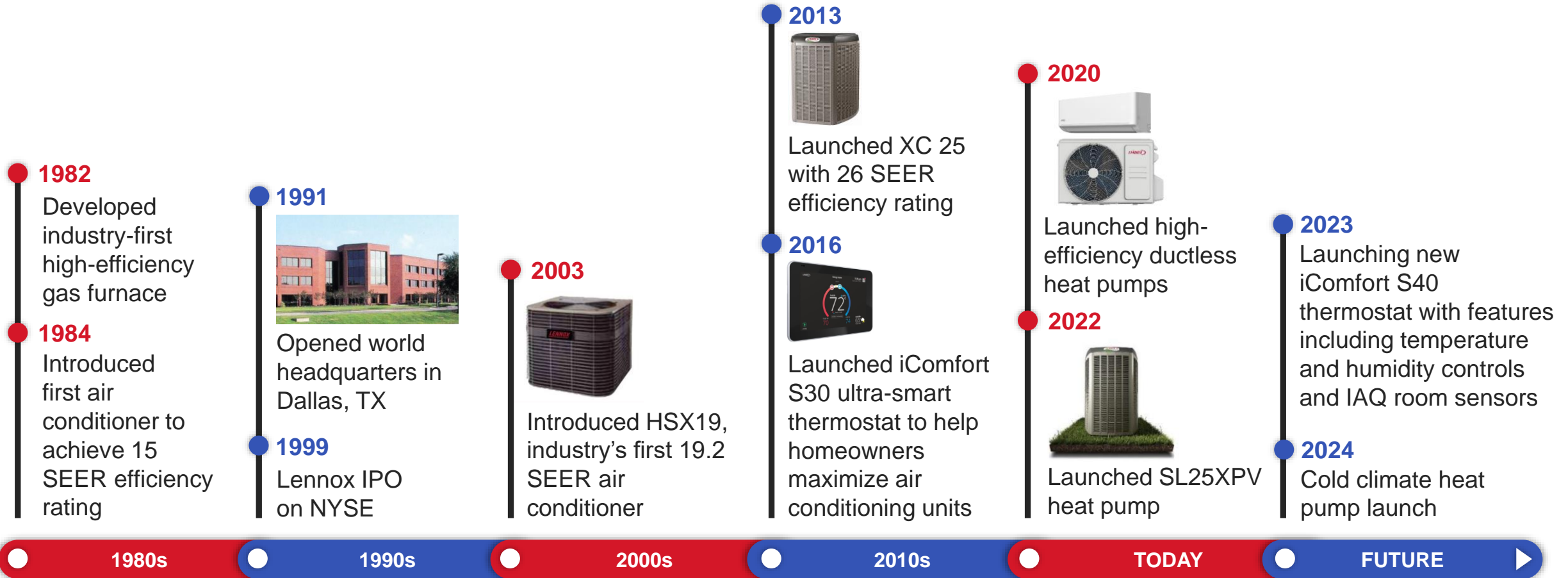
Female Directors

¹51% and 65% of our eligible Residential and Commercial products by revenue, respectively, meet ENERGY STAR criteria; ²Recordable injuries per 200,000 hours worked; ³African American, Hispanic, Asian, and Other in the U.S.

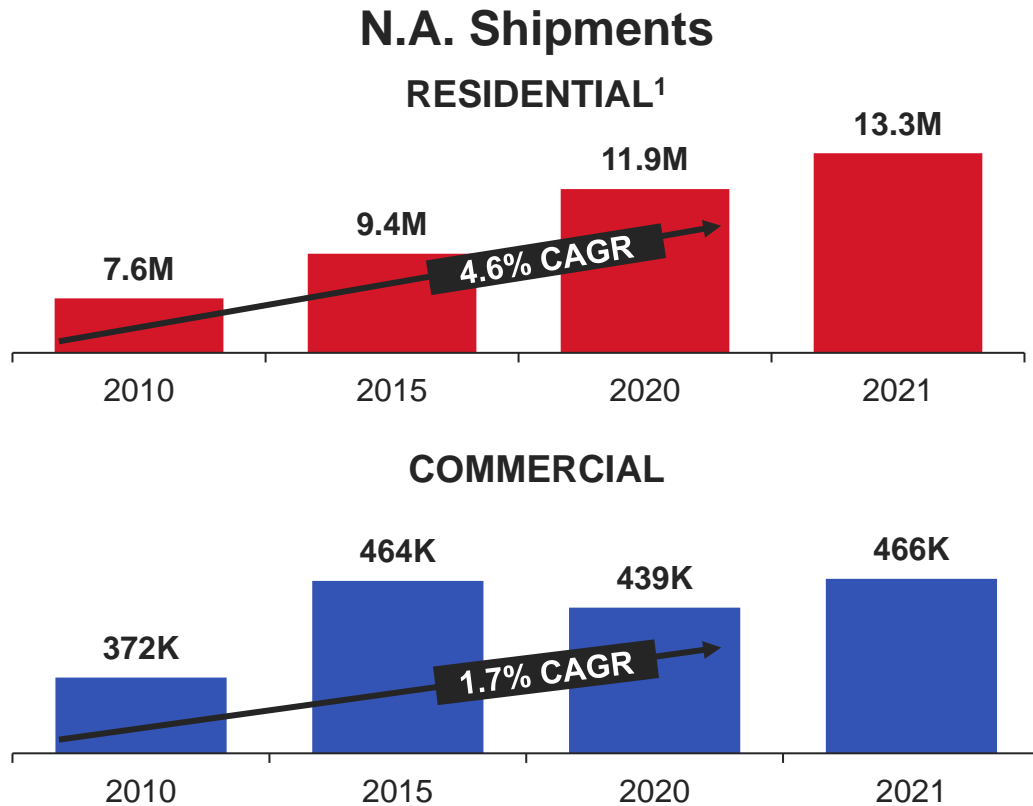
COMPANY HISTORY IS ROOTED IN INNOVATION...



... SET UP FOR GROWTH FUELED BY SUSTAINABILITY



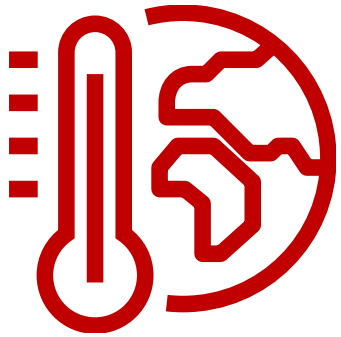
TOP TIER PARTICIPANT IN ATTRACTIVE INDUSTRY



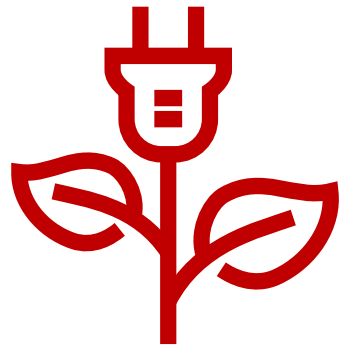
Uniquely Positioned to Gain Share in North America Equipment Market

¹Residential shipment units include ducted AC, HP, and Furnace; ²Based on internal company estimates for Residential, Light Commercial, and Commercial Refrigeration equipment; parts & supplies; and Light Commercial services.

MEGATRENDS DRIVING FUTURE INDUSTRY GROWTH



Climate change and customer Net Zero goals driving greater demand for eco-friendly HVAC especially in underpenetrated geographies



Regulatory intervention accelerating transition to low GWP refrigerants, mandating higher efficiency, and incentivizing electrification



Housing shortage combined with HVAC necessity continues need for HVAC in the North American market and supports long-term growth



Advancements in technology with connected, energy-efficient products that promote more comfortable indoor climate for consumers

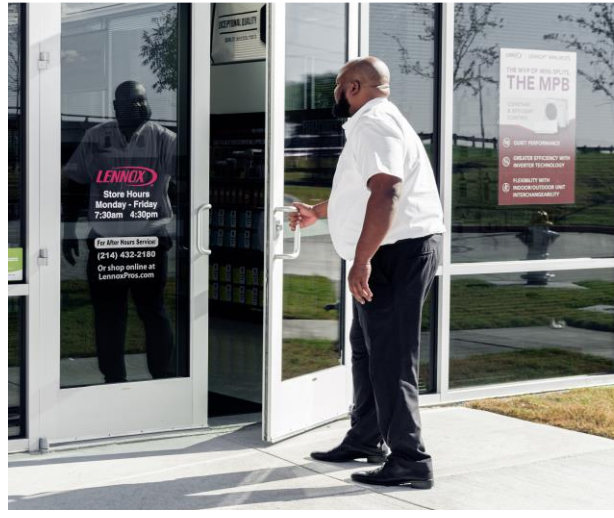
Competitive Position in Core Markets Provides Long Tailwind for Growth

KEY SUSTAINABLE COMPETITIVE DIFFERENTIATORS



DEEP RELATIONSHIPS CREATE SUPERIOR CUSTOMER EXPERIENCE

- 125+ years serving Residential and Commercial HVAC customers
- Focused sales structure, customer support, and e-commerce capabilities



DIRECT NETWORK TO BETTER SERVE CUSTOMERS

- National, regional, and local locations for distribution, service, and parts across North America
- Comprehensive coverage through company owned Lennox Stores and Distribution Partners

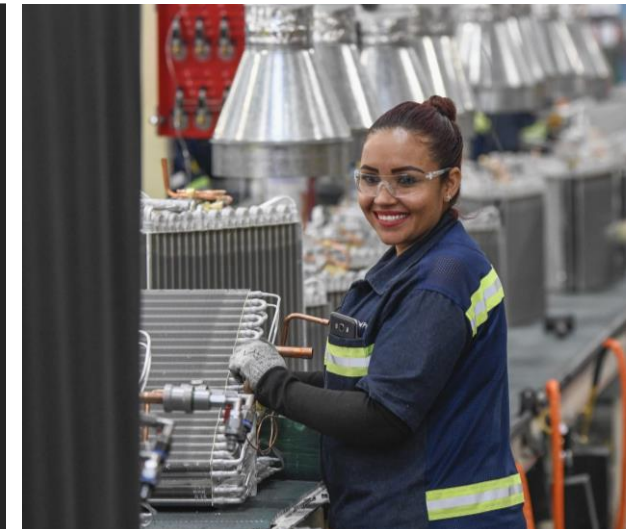
BEST-IN-CLASS PRODUCTS THAT EXCEED CUSTOMER EXPECTATIONS

- Industry leading high-efficiency solutions (Residential Dave Lennox Signature series and Commercial Model L)
- First to complete U.S. Department of Energy (DOE) cold climate heat pump technology challenge



DIGITAL LEADERSHIP DRIVES CUSTOMER LOYALTY

- Industry leading digital platforms drive customer engagement and intimacy (e.g. LennoxPros)
- Innovative digital control platforms in all segments deliver differentiated customer experience



DRIVING NEAR-TERM PROFITABILITY



EUROPEAN DIVESTITURE AND CONSOLIDATED COMMERCIAL SEGMENT GENERATE EFFICIENCIES



Strategic Rationale

- North America presents greater growth opportunity and higher ROI
- New, consolidated Commercial segment with additional talent and scale is better positioned for success
- Lennox European business will be a good addition to other companies that have larger scale in Europe

~100 bps EBIT Margin Improvement



Enables stronger leadership focus in North America



Segment consolidation drives net ~\$20M productivity by end of 2023



Attractive path ahead with strong ability to gain share in North America

Enabling North America Focus to Drive Share

COMMERCIAL EBIT RECOVERY ON TRACK



2022 Accomplishments

- ✓ Reinforced leadership talent
- ✓ Achieved desired hourly staffing levels
- ✓ Continually increasing manufacturing output and labor efficiency
- ✓ Driving greater price realization
- ✓ Started construction on 2nd factory

2023 - 2025 Focus Areas

Labor and Manufacturing Efficiency

- Improving Stuttgart processes
- Continuing recruitment and training of talent

Supply Chain Resiliency

- Dual source critical components
- Eliminate supply chain inefficiencies

Share Recovery and Price Realization

- Re-enter emergency replacement market
- Re-tool sales to add more customer facing roles while optimizing back-office functions

Ramp up Saltillo Factory

- Ramp up production at new factory in Saltillo on-schedule and on-budget

Execution of Strategic Actions Drives \$100M EBIT Recovery by 2025

POISED TO CAPTURE MARKET SHARE IN RESIDENTIAL

Near-Term Environment





Mixed economic indicators likely to lead to lower YOY unit sales in 2023

2023: Department of Energy driven increase in minimum efficiency of products

2025: Largest regulatory change towards low GWP refrigerants over past two decades

Inflation Reduction Act to incentivize higher mix and replacement starting 2H 2023

Actions to Grow Revenue and Profitability

-  Capture benefit of mix and price given SEER transition and ongoing component inflation
-  Win share by focusing on simplicity in solutions offerings and increasing points of distribution
-  Capture demand and growth while delivering cost-containment initiatives to drive productivity
-  Positively influence repair vs. replacement dynamics given benefit of energy-efficiency, warranty, and government incentives

Aiming to Mitigate the Impact of Near-Term Residential Volume Concerns

STRONG FOUNDATION TO GAIN SHARE



Residential

- Industry leading OEM dealer network with ~250 outlets
- 1,000 distributor and owned outlets
- Innovative leadership solutions
- Well positioned to win during regulatory transitions
- 75% replacement revenue

Company Wide

- Proven winner with innovative solutions portfolio that sets new standards in energy efficiency
- Efficient cost structure with demonstrated track record of generating productivity and offsetting inflation
- Focus on North America with scale to support growth investment

Commercial

- Industry leading Commercial national accounts
- Positioned to capture macro tailwinds with eco-friendly technologies
- Share opportunity in Light Commercial replacements with improved manufacturing capacity

Initiatives in Place to Capture our Growth Potential in Attractive Industry

LONG-TERM RESULTS DRIVEN BY GROWTH OPERATING SYSTEM



GROWTH OPERATING SYSTEM DRIVING VALUE CREATION



Sustaining Elevated Performance

QUALITY

Improving continuously in quality, delivery, and cost

INNOVATION

Expanding share through leading innovative solutions

RESULTS

Driving superior results to win in growth, productivity and everything we do



Building Competitive Advantage

CUSTOMER EXPERIENCE

Focusing on delivering world-class customer experience

TALENT DEVELOPMENT AND DIVERSITY

Reinforcing talent development and culture

SUSTAINABILITY

Impacting long-term value creation by supporting our communities and environment

GROWTH RESULTS EXCELLENCE



GROWTH LEADERSHIP

GROWTH STRATEGY

- Share gain through business development
- Increase attachment rates for parts and services
- Digital plus physical customer engagement score to foster loyalty

STRUCTURE

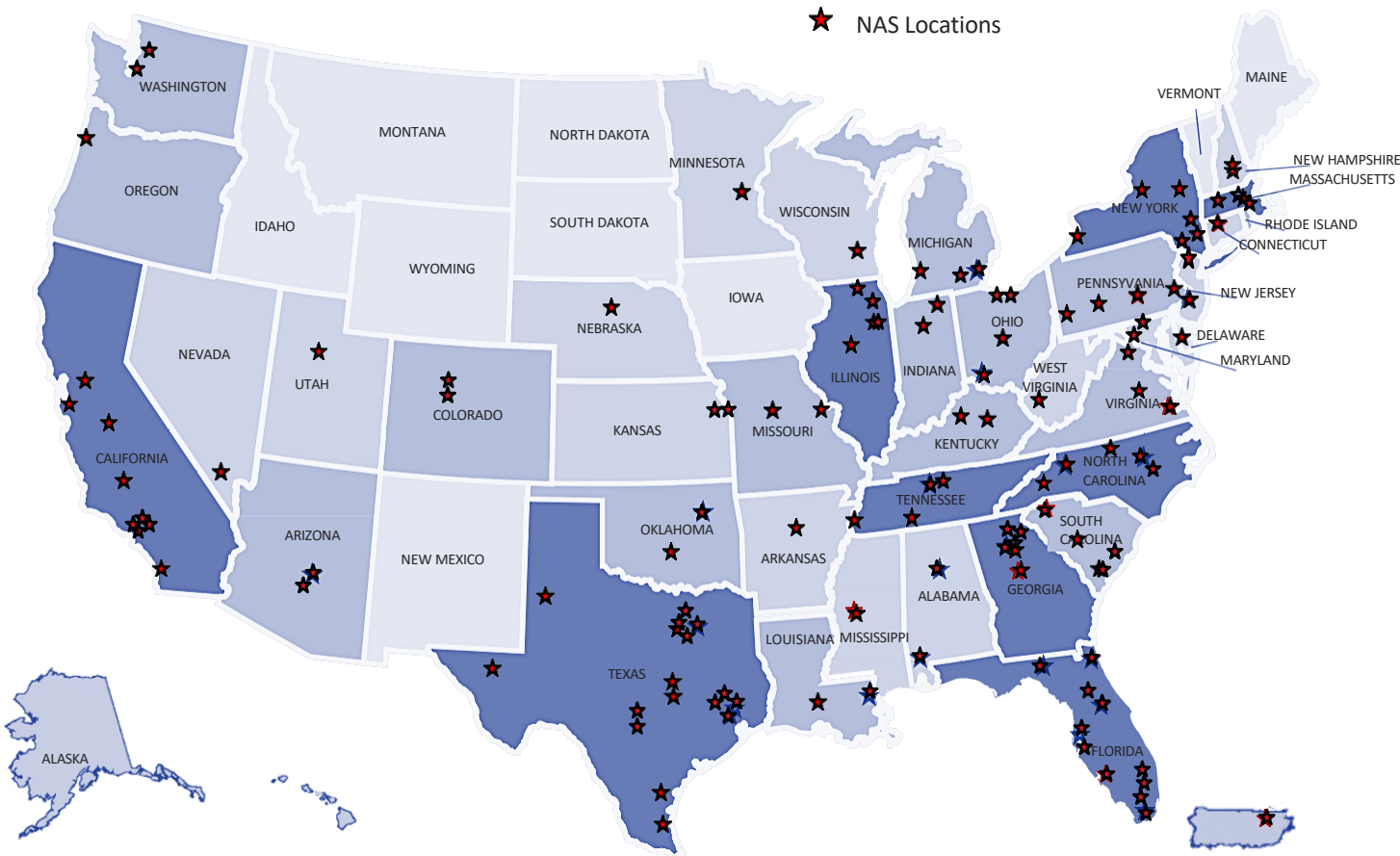
- Marketing and digital talent
- Manufacturing growth capacity
- Rapid innovation capabilities
- Digital brand value proposition

MANAGEMENT ENABLERS

- Growth compensation metrics
- Growth focused business units enabled to make decentralized decisions closest to customers

STANDARD AND DIGITIZED SALES AND MARKETING OPERATIONS

COMMERCIAL SERVICE GROWTH



Current Service Map Locations

2010 year 2022

2x Locations
3x Technicians
3x Revenue

Core Services Offered

- Preventative maintenance and emergency service
- Equipment repair and replacement
- Energy monitoring

Strategic Initiatives for Future Growth

- Expand into underpenetrated regions

Leveraging Industry Leading Services to Expand Customer Base

Discover *Strong Product Lifecycle Management*

- Direct network provides insights into changing needs of dealers and consumers
- Recent talent additions for marketing and digital product management
- Increasing focus on new HVAC, IAQ applications

Define *Enviably Talent and Expertise*

- Establishing global talent and expertise footprint
- Increasing customer base by filling product and service gaps
- Deploying digital modeling capability to increase quality and shorten development time

Develop *Global Technology Partnerships*

- Shorten development time using lean process and digital technology
- Strengthening value proposition through strategic partnerships
- Focus on increasing supply resiliency

Deploy *New Solutions*

- Driving increased mix and higher quality customer sale through our core solutions
- Growth products for electrification and high energy efficiency, increasing indoor air quality and comfort

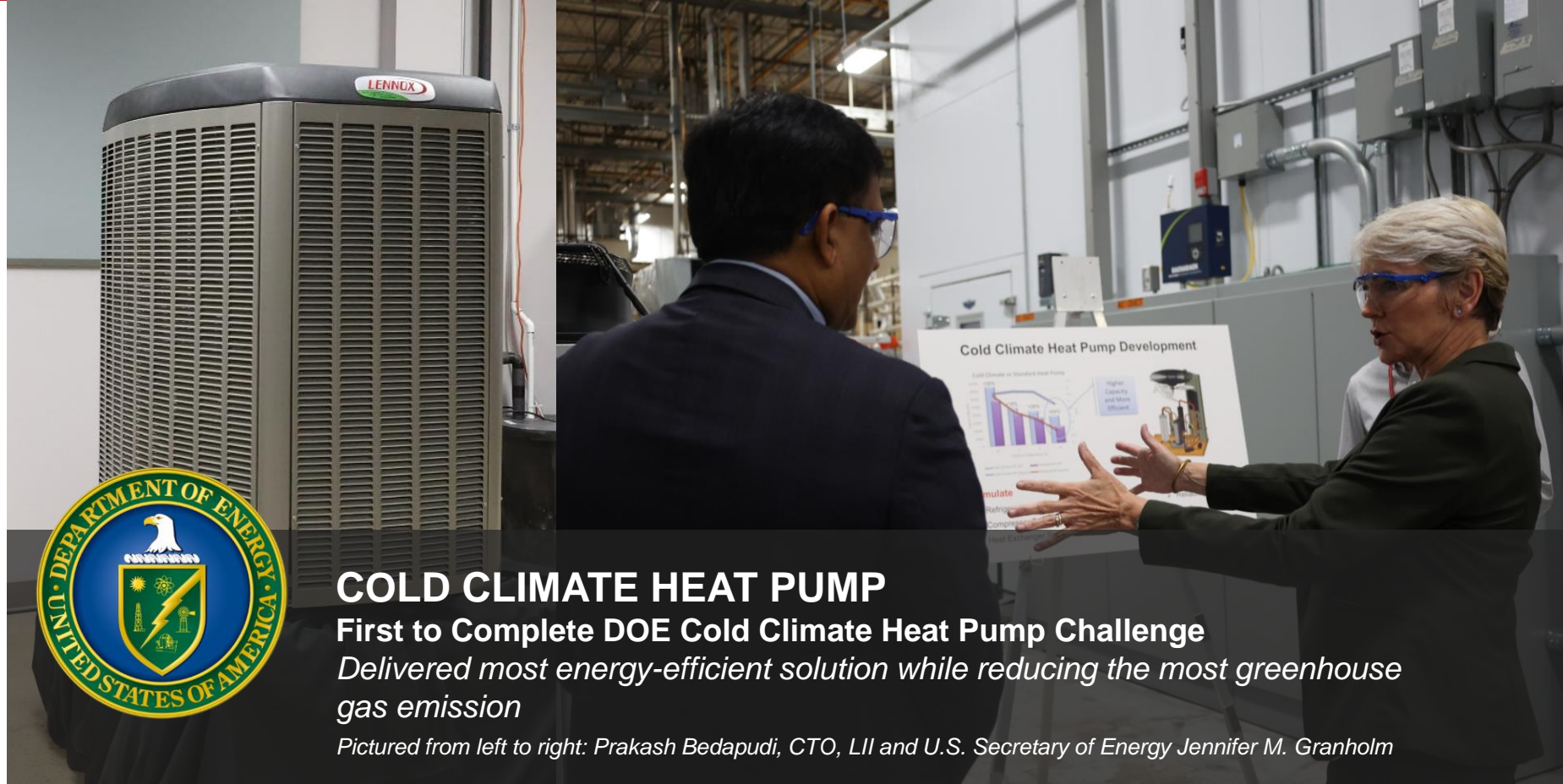
New Products to Drive 50-55% of Revenue by 2026 (Excluding Low GWP Transition)

HEAT PUMP PROVIDES TAILWIND TO GAIN SHARE



Heat Pump Market Opportunity

- Beginning stages of journey in heat pumps with great runway for growth
- Foundation of leadership in efficiency and greenhouse gas emission reduction
- Continually investing in technology and developing partnerships to capitalize on large upside potential
- Currently undersized and well-positioned to expand share in heat pump market



COLD CLIMATE HEAT PUMP

First to Complete DOE Cold Climate Heat Pump Challenge

Delivered most energy-efficient solution while reducing the most greenhouse gas emission

Pictured from left to right: Prakash Bedapudi, CTO, LII and U.S. Secretary of Energy Jennifer M. Granholm

Heat Pump as Percentage of Total Sales to be 25-30% by 2026

MANUFACTURING: QUALITY AND OPERATIONAL EXCELLENCE



Supply Chain Resiliency

- Transitioning to dual source suppliers closer to Lennox
- Digital processes for supply visibility and supplier coordination
- Rapid redesign of components to mitigate microchip shortages
- Material cost reduction by value engineering
- Expanding Mexico and developing suppliers in India/SEA to reduce China exposure

LEAN Automation

- Reinforcing LEAN manufacturing focus on bottom quartile factories
- Investing in U.S. automation to mitigate labor shortages
- Continually expanding Saltillo to generate labor productivity
- Diversified footprint to enable faster recovery after natural disasters

Digital Enablement

- Digitizing planning and factory floor visual management
- Digitizing interactions with customers and suppliers
- Upgrading digital fulfillment capability to attract, retain, and expand dealer and consumer relationship
- Expanding India Technology Center for digital talent

2026 Goals:

75% of spend dual sourced

50+% Earned hours in Mexico

60% Digital supplier interaction

ELEVATING CUSTOMER EXPERIENCE

Digital

- Investing for growth in e-commerce to drive increased visits and loyalty
- Designed e-commerce platform to improve user experience and increase ease of use



Physical

- Positioning storefront locations near distributors leads to increased sales
- Expanding to provide easy access for all contractor sizes to sell

Leading through our Foundational Approach to Marketing and Technology

- Enacting common brand strategy to establish consistent and seamless best-in-class customer experience
- Creating marketing center of excellence to distribute guidelines, information, and best practices to implement

DEVELOPING LEADERS ACROSS LENNOX...



Developing Leadership

- Utilizing Global Engagement Survey to improve management and processes
- Developed framework focused on four tops: Attract, Inspire, Deliver, and Develop
- Partnered with expert agencies to expand development programs



Building Bench Strength

- Developing ready-now successors for all executive roles
- Additional emphasis on individual development programs for all employees
- Investing in structured senior leadership development program(s)



Strengthening Culture

- Implemented cultural reinforcement program
- Focused on training and development through partnerships such as Project Unity
- Semi-annual talent development and review identifying key talent/retention plans
- Established employee resource groups promoting further engagement





Fostering Inclusion

- Purposeful focus on increasing diversity of our employees, suppliers, and partners
- Robust policies and practices to support Diversity and Inclusion



Supporting our Communities

- Focus on environment, health, and education for volunteering and charitable donations
- Leadership on social justice causes



Feel the Love Program

- Supporting local heroes by providing new HVAC system to recipients at no cost
- Proudly supported 140 equipment installations last year



INVESTING IN OUR FUTURE



Core Philosophies



STRONG BALANCE SHEET

Target net debt / EBITDA ratio of 1.0-1.5x



STRONG CASH CONVERSION

Effectively managing capital for strategic optionality



GROWING DIVIDEND

Deliver consistent, sustainable dividend

Uses of Free Cash



ORGANIC GROWTH

Develop innovative, sustainable solutions for customers



BOLT-ON M&A

Target synergistic acquisitions consistent with strategic criteria



SHARE REPURCHASE PROGRAM

Supplement dividend with share repurchases

Prudent Capital Management to Grow through Organic and Inorganic Opportunities

STRATEGIC M&A FILTERS

HVACR Focus



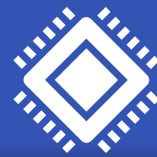
- Enhance leadership position
- Natural portfolio fit
- Strong combination logic

Strategic Value Creation



- Service expansion opportunities
- Parts and accessories penetration
- Geographical coverage

Technology to Win



- Digital capability enhancement
- Electrification acceleration
- Customer experience improvements

Financial Case



- Accretive in two years
- ROIC > WACC

LAUNCHING 2023 OUTLOOK



Revenue & Earnings

Revenue Growth Flat to up 4%

GAAP and Adjusted EPS \$14.25 - \$15.25

Other Guidance Points

Free Cash Flow \$250M - \$350M

Capital Expenditures ~\$250M

Tax Rate 19% - 21%

Corporate Expenses ~\$80M

Interest Expense \$55M - \$60M

Share Repurchases \$100M - \$200M

Share Count 35M - 36M

End Market / Revenue Assumptions

- Residential unit volume down MSD
- Residential revenue flat to up LSD on price and mix
- Commercial end markets up HSD
- Commercial revenue up HSD / LDD including price and share gains

Other Key Plan Assumptions

- Price increases of \$150M
- Commodity cost benefit of \$35M
- Component cost increases \$80M
- Product / material cost reduction \$30M
- Mix benefit from regulatory changes

Execution of Key Initiatives Will Deliver...

18% - 20%
EBIT Margin

\$5.0 - \$5.5B
Revenue

90-100% of
Net Income
Free Cash Flow

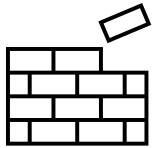
Winning, Accelerating and Optimizing Profitable Growth

Note: Projections net of European businesses divestiture

LENNOX HAS A BRIGHT FUTURE

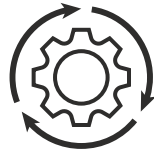


1



Building from a strong foundation
to enhance value creation

2



Implementing near-term initiatives
to streamline portfolio and increase margins

3



Executing on growth operating system
to accelerate profitable growth

4



Driving shareholder value
with robust FCF and strategic capital deployment

EXPANDING SHARE AND PROFITABILITY

Residential Heating and Cooling



Gary Bedard

President, Residential

KEY MESSAGES

1

Positioning business to address near-term secular trends and **capture incremental share opportunities**

2

Creating **industry leading sustainable and digital solutions** to best service customer needs

3

Utilizing unique distribution model to strengthen dealer engagement and expand customer reach

4

Accelerating growth and operational excellence through new applications and marketing expansion



RESIDENTIAL OVERVIEW



Manufactures and distributes industry leading HVAC systems direct to dealer

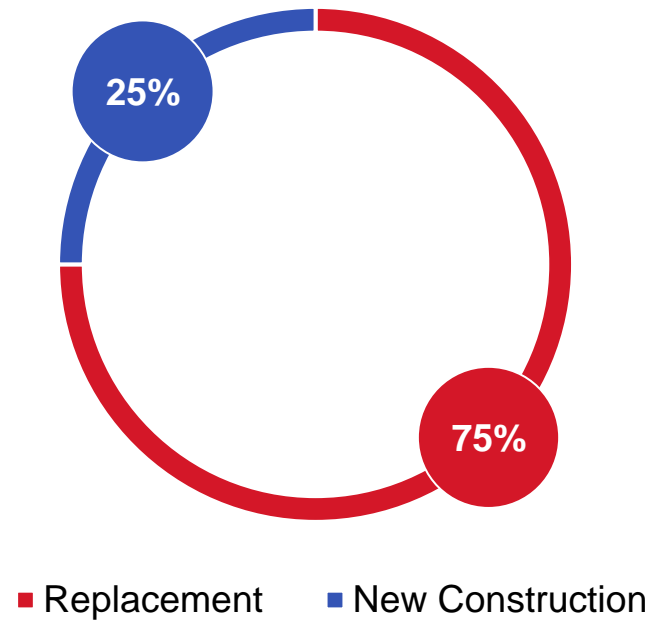


Services two step HVAC equipment market creating distributor relationships in attractive markets

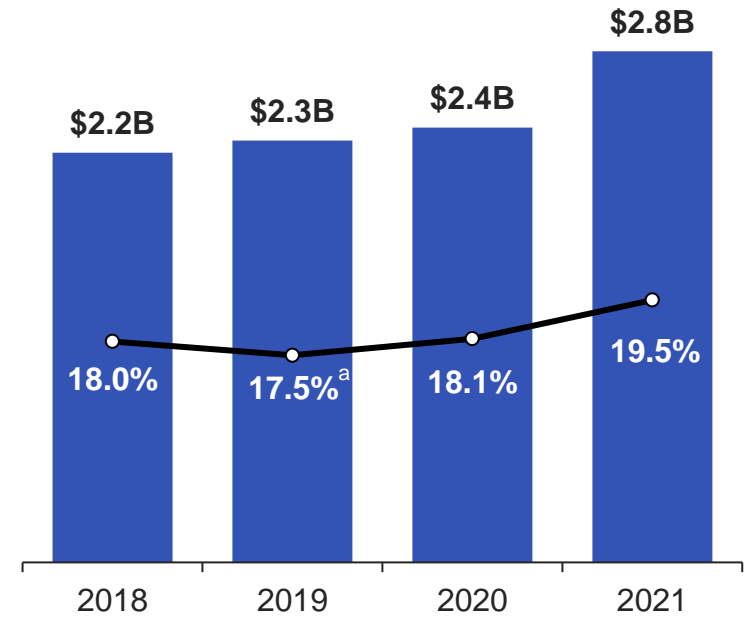


Services distributor and dealer needs via unique indoor HVAC solutions, honing Lennox expertise in indoor home comfort market

REVENUE BY APPLICATION



REVENUE AND ROS



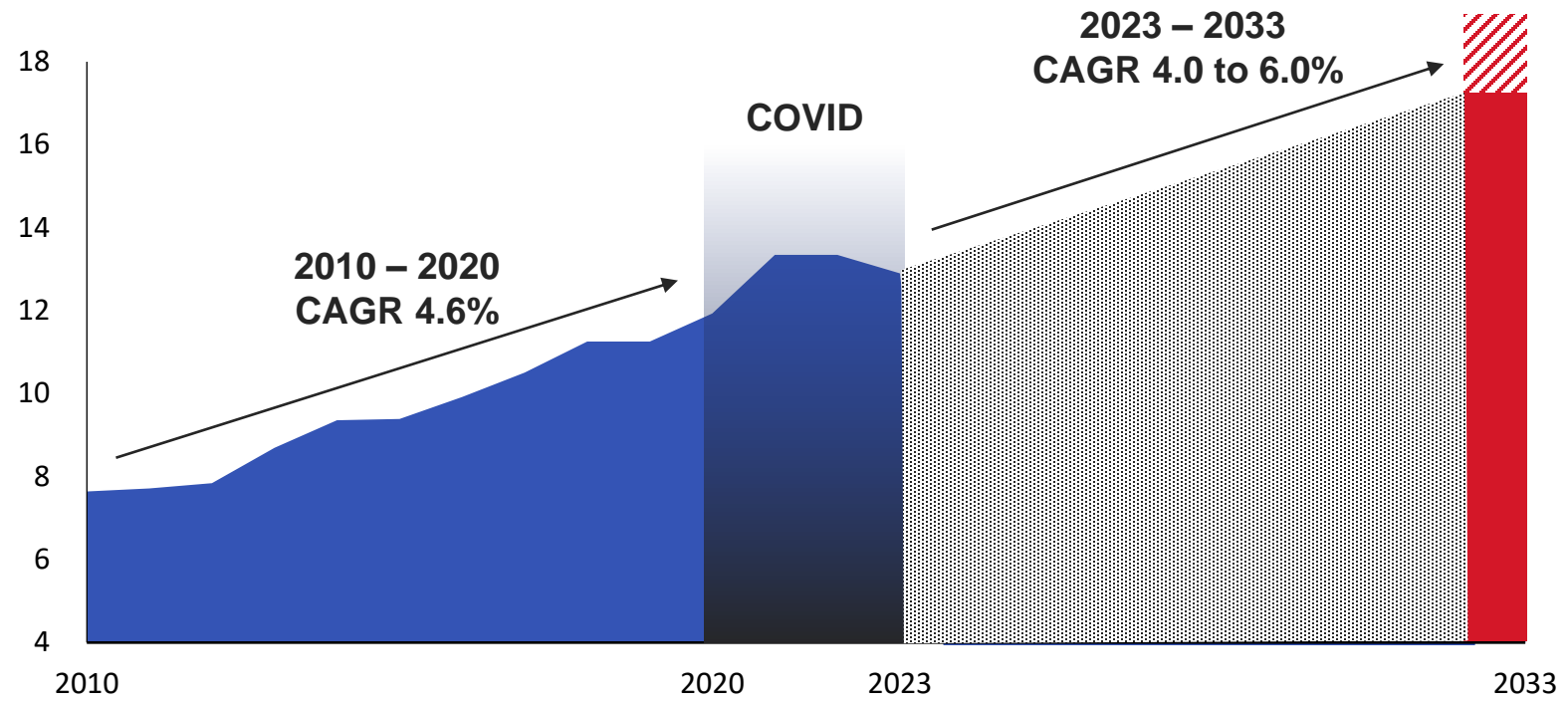
Accelerating Growth Applications Across Core Geographies to Gain Share

^(a) 2019 ROS% excludes insurance proceeds for lost profits due to tornado.

LONG-TERM GROWTH TRENDS MAKE INDUSTRY ATTRACTIVE



TOTAL INDUSTRY UNITS (M)



Key Tailwinds

Increased unit stress and runtimes

- Work-from-home is long-term trend
- Summers are longer and hotter

Regulations drive repair costs

- Significant R22 population

Heat pump growth

- Heat pump runtime higher than AC only, leading to shorter lifetime

Electrification/Decarbonization

- Long-term move to heat pumps
- Inflation Reduction Act

Housing deficit 2007-2020

Industry Tailwinds Provide Confidence in Long-Term Growth Trends

Note: Shipment units include ducted AC, HP, and Furnace

WELL-POSITIONED TO NAVIGATE NEAR-TERM RESIDENTIAL MARKET TRENDS



Near-Term Environment





Short-term fall in consumer confidence

Higher interest rates reduce consumer buying power

Receding COVID-based home improvement spending

Higher regulatory driven equipment first costs

Actions to Navigate

-  **Generating growth during regulatory changes and focusing on simplicity in solutions offerings**
-  **Continuing to deliver pricing actions to offset inflation and enhance profitability**
-  **Maintaining disciplined approach to organic investments to drive long-term share gains**
-  **Utilizing cost containment initiatives to lower productivity costs while keeping up with demand**

Executing for Performance Despite Short-Term Headwinds and Complexity

Background

Two programs under the Inflation Reduction Act umbrella



High-Efficiency Electric Home Rebate Program (HEEHRP)

- Designed to incent consumers toward electrification (heat pumps)
- Covers up to 100% of installed cost for lower income consumers
- Capped at \$4.3B
- Federally funded, State run

Drives Industry Volume



25C Tax Credit Extension and Rebate Increase

- 25C – 10-year extension and higher tax rebate of pre-existing 25C program
- Designed to incent consumers to mix up to higher efficiency equipment
- Tax rebate with expiration in 2032

Drives Industry Mix

Lennox Opportunity

- Provides up to ½ million-unit market tailwind while funding lasts
- Lennox product line uniquely suited for high-efficiency 25C rebate structure
- 10-year time horizon gives Lennox outsized mix advantage

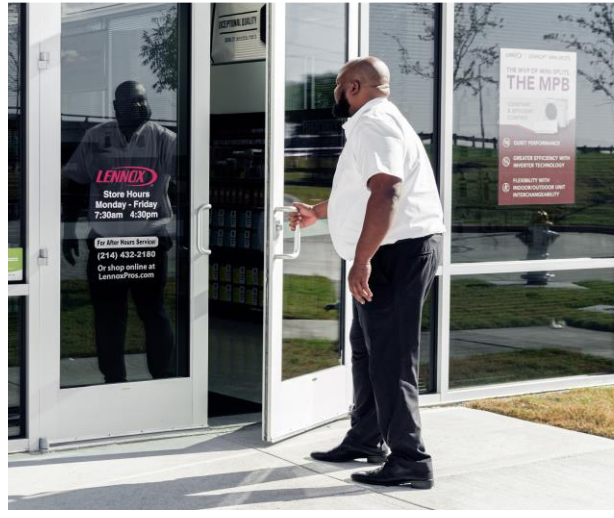


KEY SUSTAINABLE COMPETITIVE DIFFERENTIATORS



DEEP RELATIONSHIPS CREATE SUPERIOR CUSTOMER EXPERIENCE

- 125+ years serving Residential and Commercial HVAC customers
- Focused sales structure, customer support, and e-commerce capabilities



DIRECT NETWORK TO BETTER SERVE CUSTOMERS

- National, regional, and local locations for distribution, service, and parts across North America
- Comprehensive coverage through company owned Lennox Stores and Distribution Partners

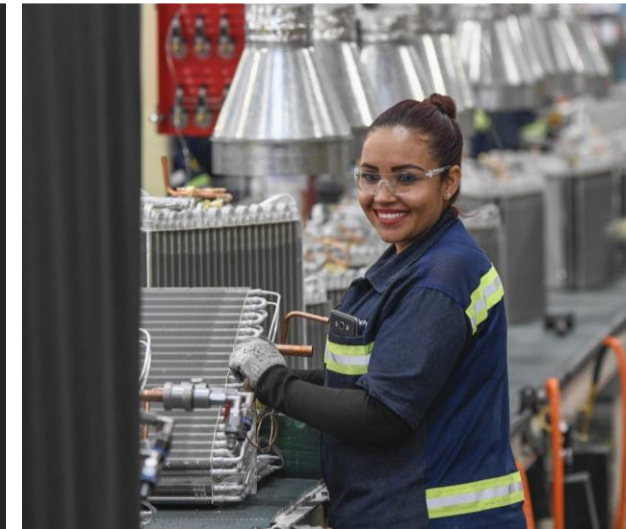
BEST-IN-CLASS PRODUCTS THAT EXCEED CUSTOMER EXPECTATIONS

- Industry leading high-efficiency solutions (Residential Dave Lennox Signature series and Commercial Model L)
- First to complete U.S. Department of Energy (DOE) cold climate heat pump technology challenge

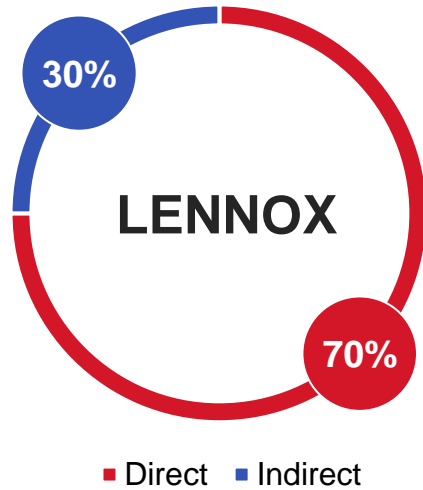


DIGITAL LEADERSHIP DRIVES CUSTOMER LOYALTY

- Industry leading digital platforms drive customer engagement and intimacy (e.g. LennoxPros)
- Innovative digital control platforms in all segments deliver differentiated customer experience



UNIQUE INDUSTRY DISTRIBUTION MODEL



Vs.

Industry
20% Direct
80% Indirect



Distribution Approach	Direct	Indirect
Key Advantages	<ul style="list-style-type: none"> • Manage brand identity, merchandising, and new product introduction • Manage dealer quality • Uniform execution for National players • Pair leading e-commerce with integrated fulfillment network • Can independently invest in any geography we choose. 	<ul style="list-style-type: none"> • Complementary independent distribution through dedicated business • Leverage platforms and technology over wider scale • Cost-effective reach for low- and mid-tier • Private label offering
Continued Focus Areas	<ul style="list-style-type: none"> • Additional stores • Delivery optimization • Self-service tools 	<ul style="list-style-type: none"> • Distributor and dealer tools • Identify and grow partners • Additional distribution points

PRODUCT LEADERSHIP ATTRACTS CUSTOMERS



SL25 Cold Climate Heat Pump



- Industry leading heat pump products provide high-efficiency heating
- Enhanced heating for cold climates
- Existing product which was the base design for DOE winning product concept

DOE Cold Climate Heat Pump Challenge

First company to meet DOE exacting standards

Commercializing in 2024

Ultimate Home Comfort System



- Combines industry leading efficient air conditioners and furnaces to create whole-home intelligent comfort system
- Delivers critical consumer attributes with leadership in efficiency, sound, and indoor air quality

Awards and Recognition

17 external awards from 2013-2022:
double the nearest competitor

Highest percentage of product line qualifies for rebates and tax credits

Product Leadership Drives Market Share and Mix Growth

PureAir™

- Whole-home solution makes cleaner air in every room
- Hospital-grade filtration featuring Lennox Healthy Climate™ Carbon Clean 16® air filter

Only system in industry to address all three types of indoor air pollutants



Removes 99.99% **airborne particles** such as pollen, dust, and pet dander



Removes >90.00% of **germs and bacteria** of viruses such as MRSA, Flu, and Cold



Removes unpleasant **chemical odors and vapors**



DIGITAL FOUNDATION PROPELS INDUSTRY LEADING TECHNOLOGY



Deploying Digital Tools to Amplify and Complete Industry Leading Product Line

Smart Thermostat

Configures and controls heating and cooling system for highest comfort, performance, and efficiency

Smart Zoning System

Enables whole-home zoning with complete control from smart thermostat

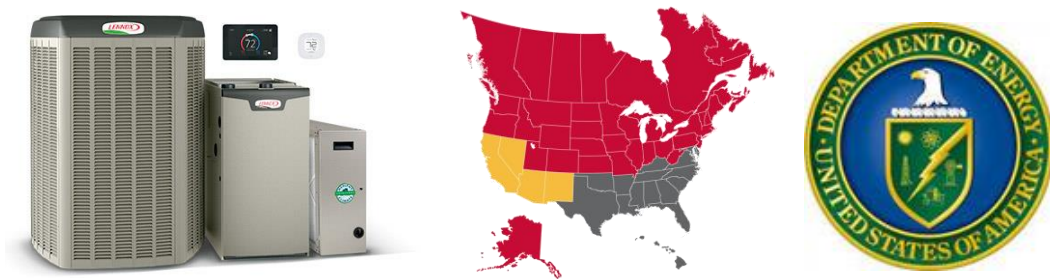
Smart Away™

Uses geo-fencing technology to determine if homeowner is within distance of house to determine when to operate system most effectively

Digital Tools Enable Unique Competitive Differentiation

New 2023 Minimum Efficiency

Department of Energy increasing minimum efficiency ratings for HVAC systems in 2023



New design optimized for inventory transition

- Matches to existing coils, gas furnaces, and air handlers

New design optimized for cost

- All models use single stage compressors
- Achieve utility rebates with high-efficiency indoor match

New 2025 Low GWP Refrigerant

Current proposal to limit GWP in new air conditioning equipment to 700



- New entry level designs optimized for replacement and cost
- New premium level designs optimized for leadership in comfort and efficiency
- Manufacturing operations being updated for 2025 refrigerant transition
- Anticipate industry pre-build
- Production begins mid-year 2024

EXTENSIVE AND GROWING CUSTOMER REACH... BEYOND STORES



Lennox Stores

- Unlocks conversion possibilities from proximity to accounts
- Optimizes inventory and service in local markets, critical for dealers
- Drives share of wallet on parts and supplies
- Allows easier conversion of smaller accounts oriented towards Lennox

Distribution Operations

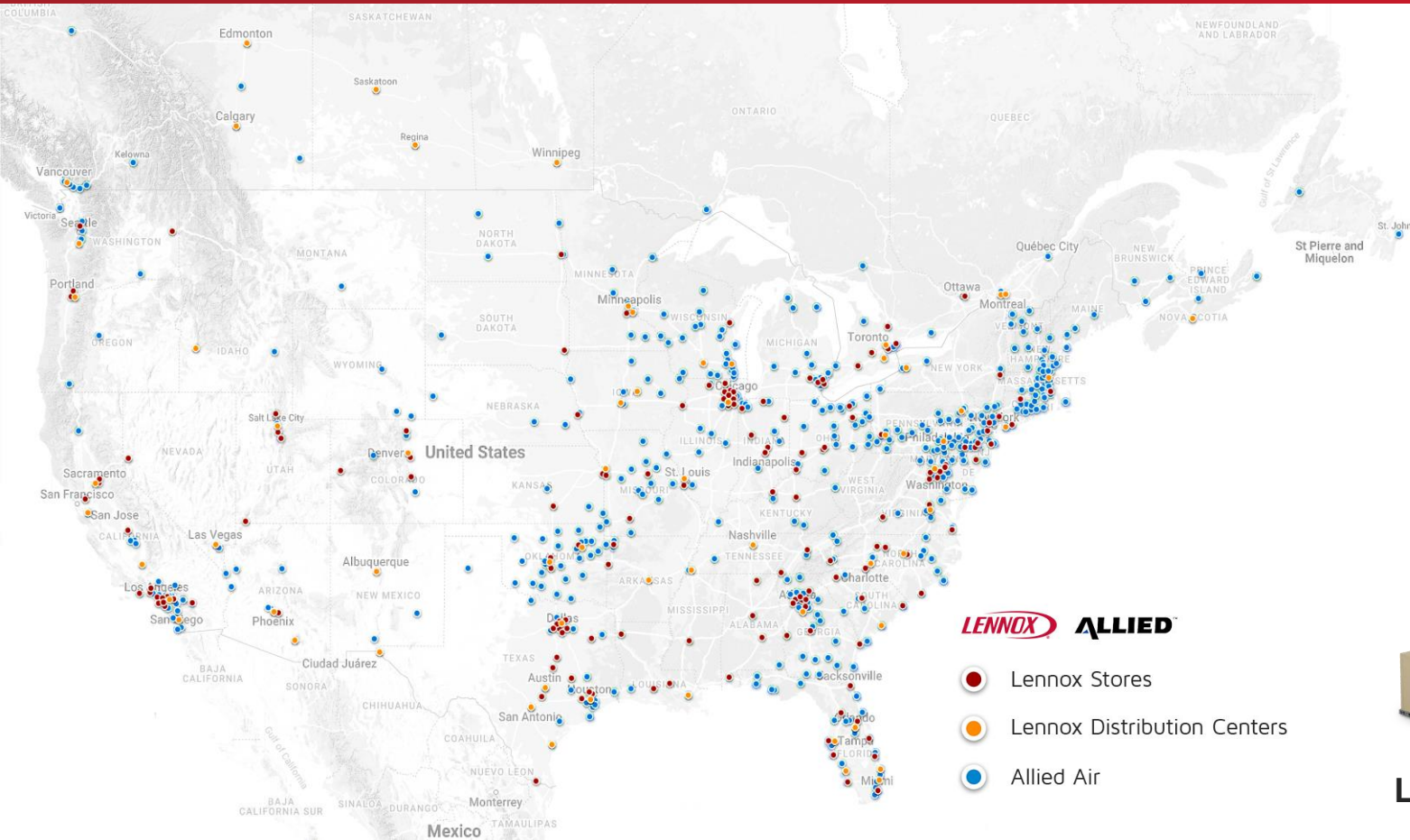
- Largest nationwide network
- Larger facilities, closer to customers
 - 80% of demand can be fulfilled same business day
 - 98% of demand reachable next day
- Faster speeds and service levels, and greater diversity of offerings

E-commerce

- Dealer engagement in LennoxPros sharply higher since COVID-19
- Growing digital administration, engagement, and ordering
- Product functionality provides similar functions as stores, from ordering to technical information

Uniquely Target and Invest Resources in Promising Geographies

ALLIED AUGMENTS CAPTIVE DISTRIBUTION ~ 1,000 LOCATIONS



- Lennox Stores
- Lennox Distribution Centers
- Allied Air



- Creates complementary market segments with partnership mindset
- Enables leading product line-up vs. competitors
- Strong business development focus
- Growth in traditional distributor segments and private label
- Large market with accretive opportunities



Expanding Reach Supports Lennox Annual Objective: 50 bps Share Gain

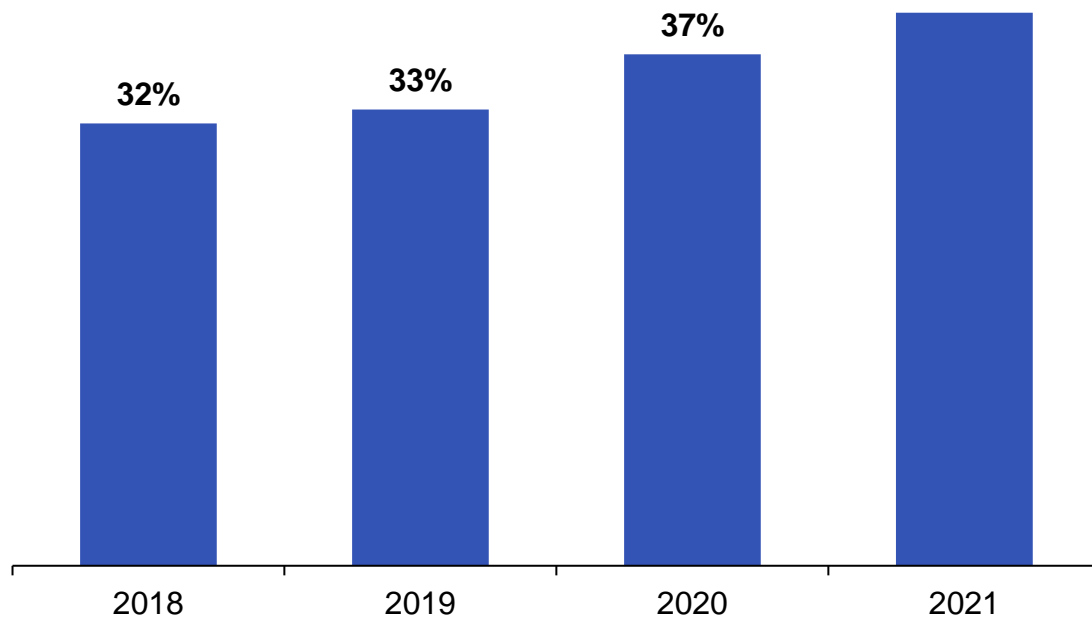
INCREASED DEALER ENGAGEMENT ONLINE



E-COMMERCE AS % OF TOTAL REVENUE



*COVID-19 sparked
a step change in
usage*



Key Advantages

Leading e-commerce functionality online and mobile

Targets administrative functions for dealers, allowing business efficiency while driving loyalty

- Price, availability, and ordering for parts and equipment
- Warranty history and fulfillment
- Service dashboards for Lennox smart systems
- Field scanning capability to order parts or look up documentation and parts lists
- Dealer employee portal to access online training

Designed to engage dealers at multiple points and functions in the business and simplify e-commerce

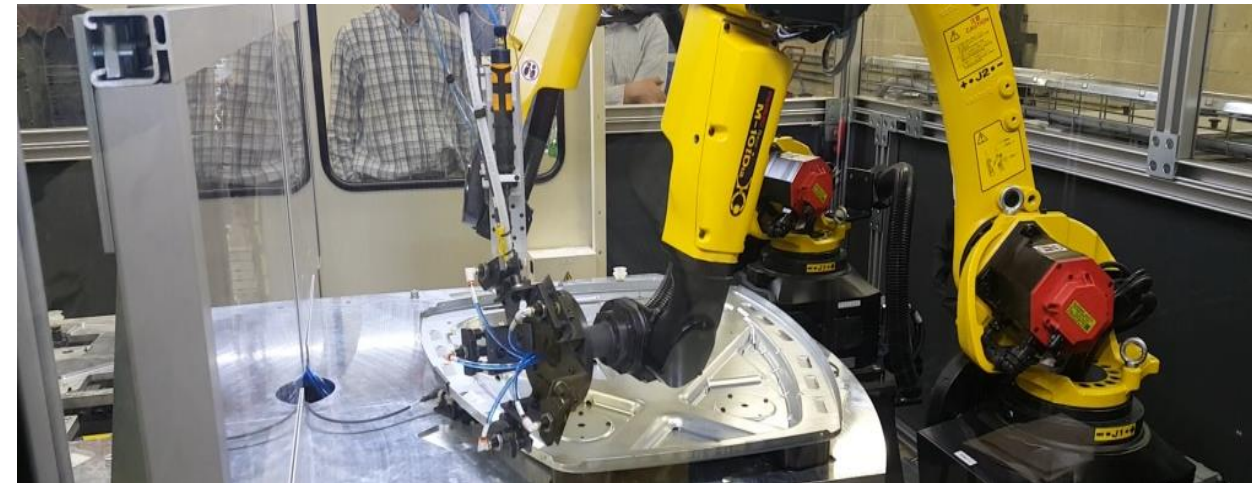
LennoxPros Places Lennox Virtual Store and Technical Support Resource in Dealer Pocket

Quality and Resiliency

- Built redundant capabilities across footprint to match quality and process discipline
- Created production duplication with rigorous focus on quality
- Hardened supply chain through broader sourcing arrangements
- Leveraged standardization across safety, quality, cost, and talent

Cost and Productivity

- Producing 60% of units at lower cost in Saltillo
- Growing productivity and capacity through standardized work
- Increasing factory automation and digitalization
- Driving lean transformation across all value streams



Operations Teams Safely Drive Quality, Delivery, and Cost to Support Growth

POSITIONING PORTFOLIO TO GAIN SHARE IN ATTRACTIVE INDUSTRY

1



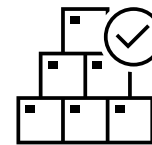
Positioning business to address near-term secular trends and **capture incremental share opportunities**

2



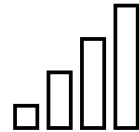
Creating **industry leading sustainable and digital solutions** to best service customer needs

3



Utilizing unique distribution model to strengthen dealer engagement and expand customer reach

4



Accelerating growth and operational excellence through new product applications and marketing expansion

DRIVING EFFICIENCIES THROUGH SCALE

Commercial Heating and Cooling



Joe Nassab

President, Commercial

KEY MESSAGES

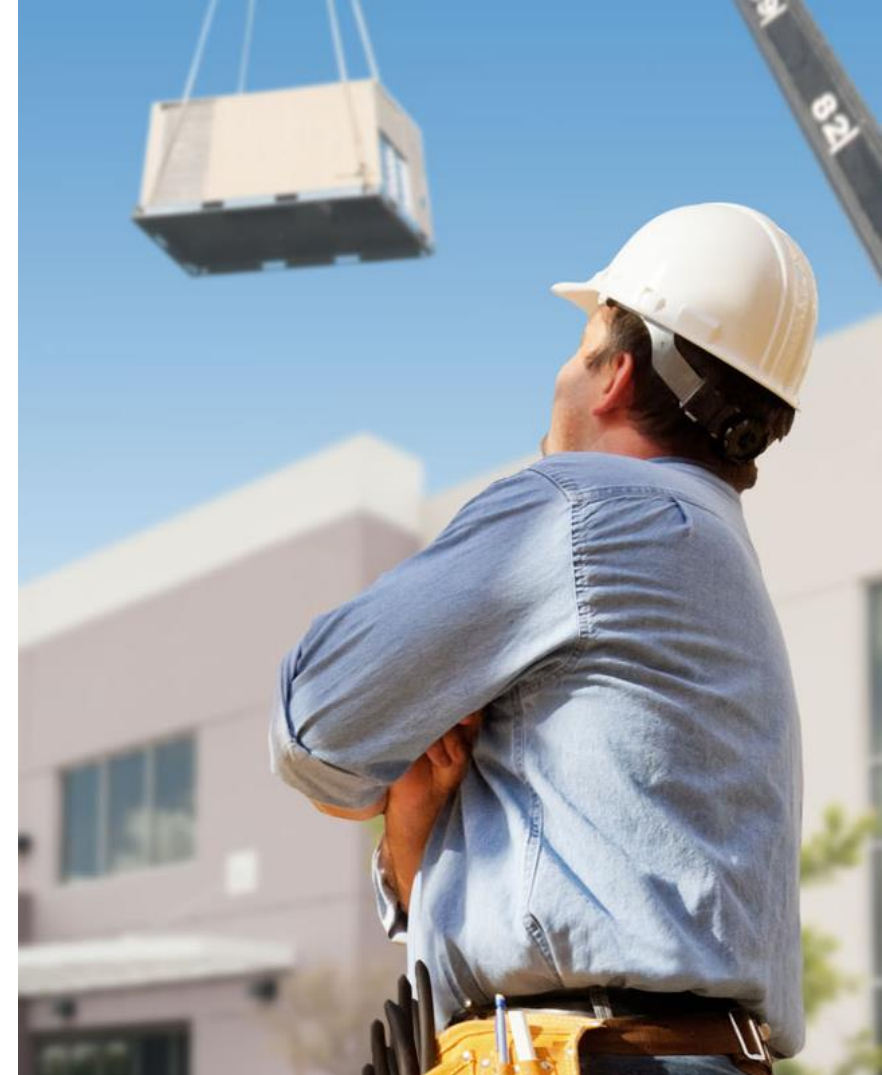


1 **Optimizing manufacturing and quality** to enable efficiencies within operations and drive profit

2 **Delivering best-in-class solutions** with industry-leading products and services

3 **Accelerating growth in large markets** fueled by proactive positioning to capture industry megatrends

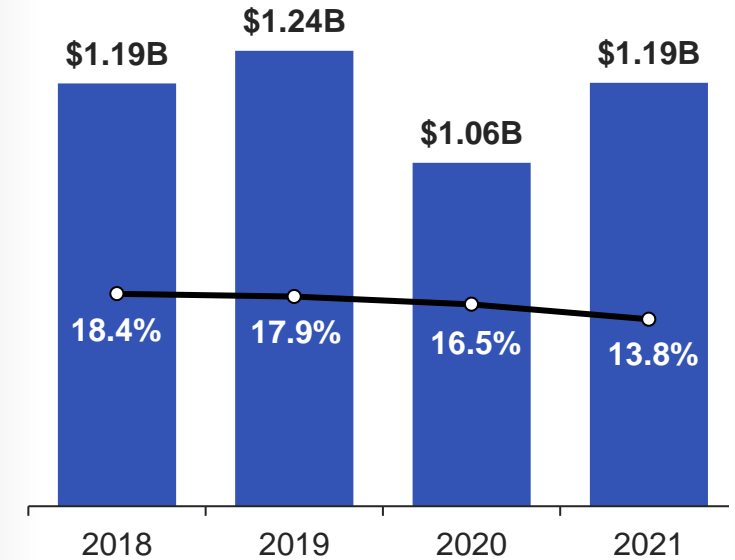
4 **Expanding margins** through optimization and execution



COMMERCIAL OVERVIEW



REVENUE AND ROS¹



HVAC
Rooftop equipment used
in light commercial
applications

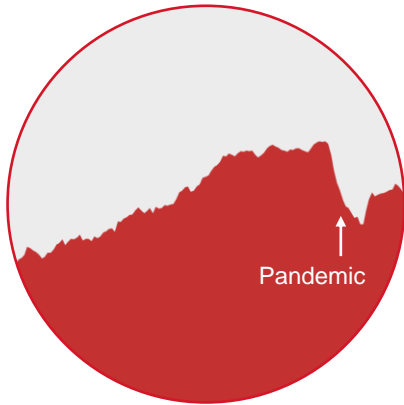
Refrigeration
Cold storage equipment
protecting food chains,
pharma, and data centers

Services
Service and maintain
commercial rooftop equipment

Three Essential Businesses Drive Share Across Segment

¹ Financial figures above include our Heatcraft business which was previously reported in our Refrigeration segment.

Replacement Cycle



- ~75% industry shipments
- Pent-up demand

Regulations



- 2023 efficiency standards
- 2025 low GWP refrigerant

ESG



- Stated sustainability goals by leading national accounts
- Industry leading solutions

Megatrends Provide Sustained Tailwinds for Commercial Growth

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STUTTGART TRANSFORMATION DRIVES INCREASED EFFICIENCY AND COST SAVINGS



Leadership

Performance Culture

- Lean principles focused on productivity, output, and quality

Talent Investments

- Highly trained, skilled leadership

Staffing

Fully Staffed

- Hiring and headcount levels meet current needs

Output

Steady Improvements

- Output up 30% from 1H 2022
- Capacity growth in 2023 and beyond

Built in
1974

750K
Square Feet

1,500
Employees

INVESTING IN NEW COMMERCIAL FACTORY IN MEXICO



Location Drivers

- 1 Labor Pool**
 - Growing population with higher skill set
 - Cost benefit due to labor arbitrage
- 2 Experience**
 - Established local supply base with strong relationships
 - Strong brand reputation in region

Manufacturing Strategy

- 1 Stuttgart, AR**
 - Premium products focused on national accounts
 - High-efficiency and configured-to-order
- 2 Saltillo, MX**
 - Stocked products for emergency replacement
 - Standard-efficiency with limited options

Timing

- Groundbreaking** ○
Q4 '22
- Building Complete** ○
Q4 '23
- 1st Production** ○
Q4 '24



\$125 - \$150M Investment Delivering Revenue Growth and Cost Savings

CREATING INDUSTRY LEADING SOLUTIONS TO MEET CUSTOMER NEEDS



MODEL / L

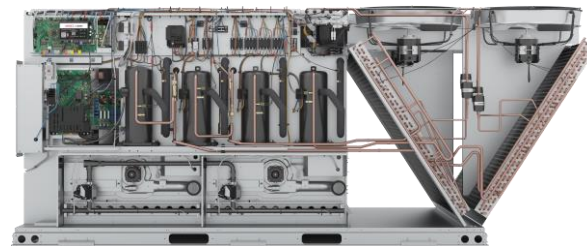
CORE
CONTROL SYSTEM



intelliGen®
BY HEATCRAFT REFRIGERATION PRODUCTS

- High-efficiency (22.5 SEER, 23.3 IEER, 15.0 EER)
- Lowest total cost of ownership
- Lennox® CORE control system

- Industry leading user interface
- Unlocks energy savings
- Simple to setup and troubleshoot



LIGHT BAR
System Status at a Glance

TEXT DISPLAY
Readable and actionable error codes, Password Protected, Field Resettable

QUICK SETUP OPTION
Less than 2 minutes of configuration time

ON BOARD USB PORT
Download Logs
Update Firmware

DOOR SWITCH
Monitoring & Alarm

PRODUCT LOADING MODE

2+2 SYSTEM SETUP
Less than 2 minutes of configuration time

30% ENERGY COST REDUCTION

LESS THAN 1 YEAR PAYBACK

30 MINUTES TO 3 HOURS
DESIRED STABLE OPERATING CONDITIONS

Innovative Solutions Drive Value for Lennox Customers

High-Efficiency Heat Pumps



ENLIGHT

- Launches Q1 2023
- Supports national account ESG goals
- Access to new markets

Variable Refrigerant Flow



- Leading VRF and rooftop unit bundle
- Drives Lennox basis of design
- Fastest growing product with double digit growth

Targeted Actions



Large, Underpenetrated Geographies

Emergency Replacement

Vertical Expansion

New Customers

EXECUTION DRIVING MARGIN EXPANSION



Cost Efficiencies

Labor arbitrage

Stuttgart efficiency improvement

Material cost reduction

Segment consolidation

Price and Mix

Regulatory impact

Large customer
ESG commitments

Equipment and service bundle

Share

Volume increase from Stuttgart
efficiencies and 2nd factory

Pent-up replacement demand

Best-in-class solutions

Investment in sales and support

Accelerating Profitable Growth through Targeted Efficiencies

DRIVING NEAR-TERM PROFITABILITY THROUGH MEASURED INITIATIVES



1



Optimizing manufacturing and quality to enable efficiencies within operations and drive profit

2



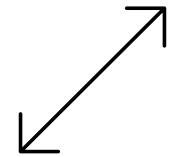
Delivering best-in-class solutions with industry-leading products and services

3



Accelerating growth in large markets fueled by proactive positioning to capture industry megatrends

4



Expanding margins through optimization and execution

Q&A

BREAK

POSITIONING TO DELIVER LEADING SUSTAINABLE SOLUTIONS

Innovating Sustainable Technologies



Prakash Bedapudi

CTO

KEY MESSAGES

1

Building innovation capability, capacity, and culture to accelerate introduction of industry-leading technologies

2

Developing common technology building blocks to leverage across product lines accelerating growth and driving profitability

3

Commercializing innovative technologies and leadership solutions to address megatrends and gain market share

4

Increasing investment in digital solutions to enhance customer experience and deepen relationships



GLOBAL TECHNOLOGY CAPABILITY AND CAPACITY



1300+
Technologists

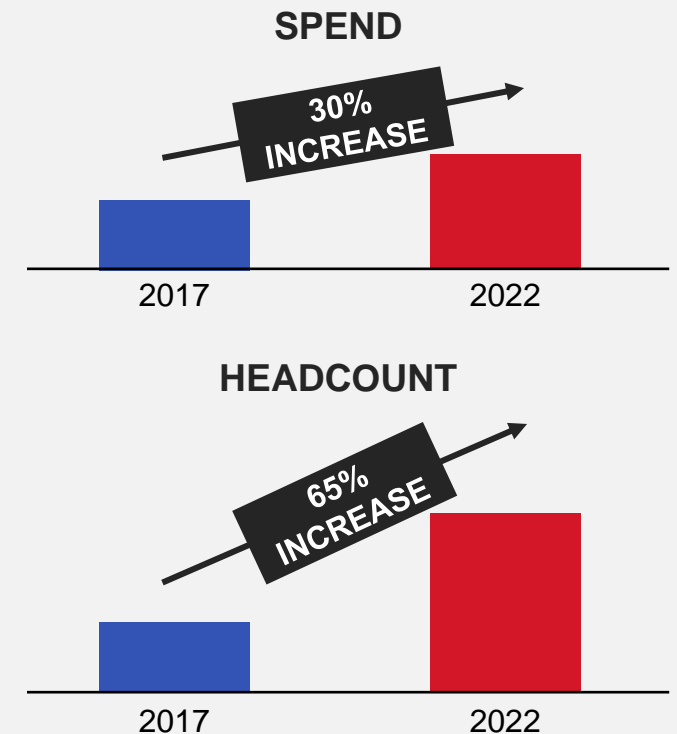
>500K
Sq. Ft Lab Space

70+
Patents / Year

>48%
Product Vitality¹



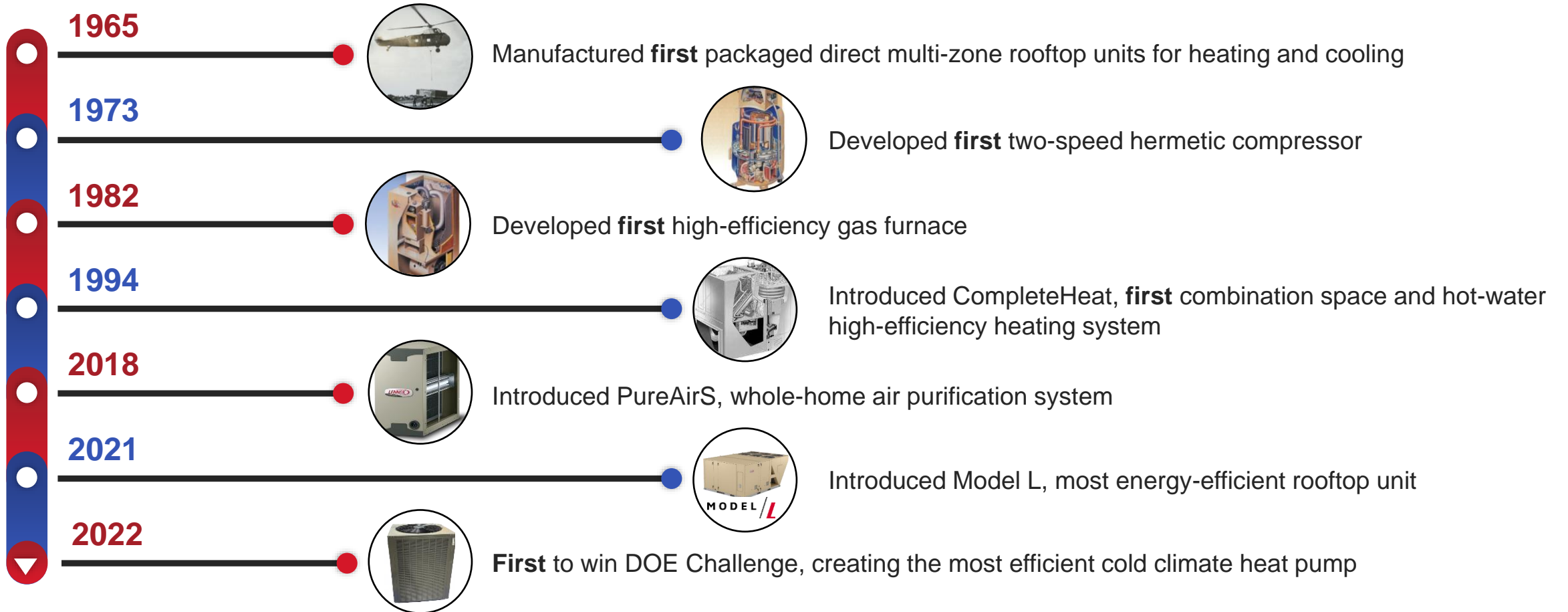
Expanded Innovation Capacity



World-Class Talent Delivering Industry Leading Solutions

¹Product Vitality – Percentage of sales from new products launched in the last 3 years / Total product sales

COMPANY HISTORY IS ROOTED IN CREATING INDUSTRY-FIRST TECHNOLOGIES...



Proven History of First-to-Market Innovative Solutions

...WITH SIGNIFICANT OPPORTUNITIES AHEAD TO DRIVE VALUE AND PIONEER NEW TECHNOLOGY



2023



Launch of Enlight rooftop unit and heat pump line



Launch of 23 SEER variable speed heat pump AC and 22 SEER variable speed heat pump

2024



Launch of standard-efficiency AC and heat pump low GWP refrigerant



Launch of cold climate heat pump with low GWP

Creating Industry Leading Technologies to Meet Upcoming Regulations

RECOGNIZED FOR INDUSTRY LEADING SUSTAINABLE SOLUTIONS



Residential



High-Efficiency Residential Equipment Gold Award

- Inverter Heat Pump - LYNX 18

Best-in-Class Cooling / Heating Efficiency

- 28 SEER DLSC / 99% AFUE Furnace

Comprehensive IAQ Solutions

- Wireless IAQ Sensors
- Bi-Polar Ionization

Commercial



Industry Leading Energy-Efficient Roof Top Commercial HVAC Unit

- 22.5 SEER
- 23.1 IEER Model L

Heatcraft Dealer Design Awards

- ½ - 6HP Air-Cooled Condensing Units
 - Gold - 2020
- Low Profile Unit Cooler
 - Silver - 2021
- Refrigeration Toolkit APP
 - Bronze – 2021

PR Daily Awards

- Refrigeration Toolkit APP
 - Gold - 2021

Awards and Recognition



Best-In-Class Innovation Resulted in 29 Dealer Design Awards Over Last Decade

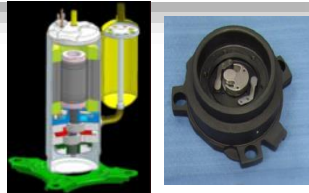
COMMON TECHNOLOGY BUILDING BLOCKS POWERING INDUSTRY LEADING SOLUTIONS



Variable Speed Drives



Compression



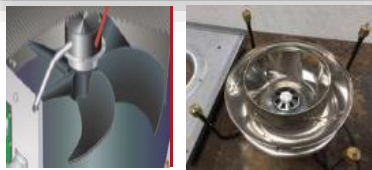
Heat Exchanger Surfaces



Connected Controls



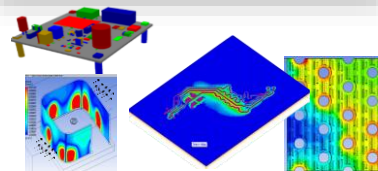
Fans and Blowers



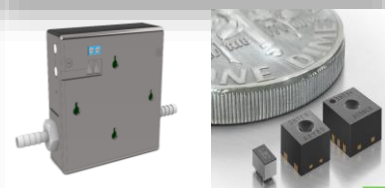
Filtration



Simulation Models



Advanced Sensors

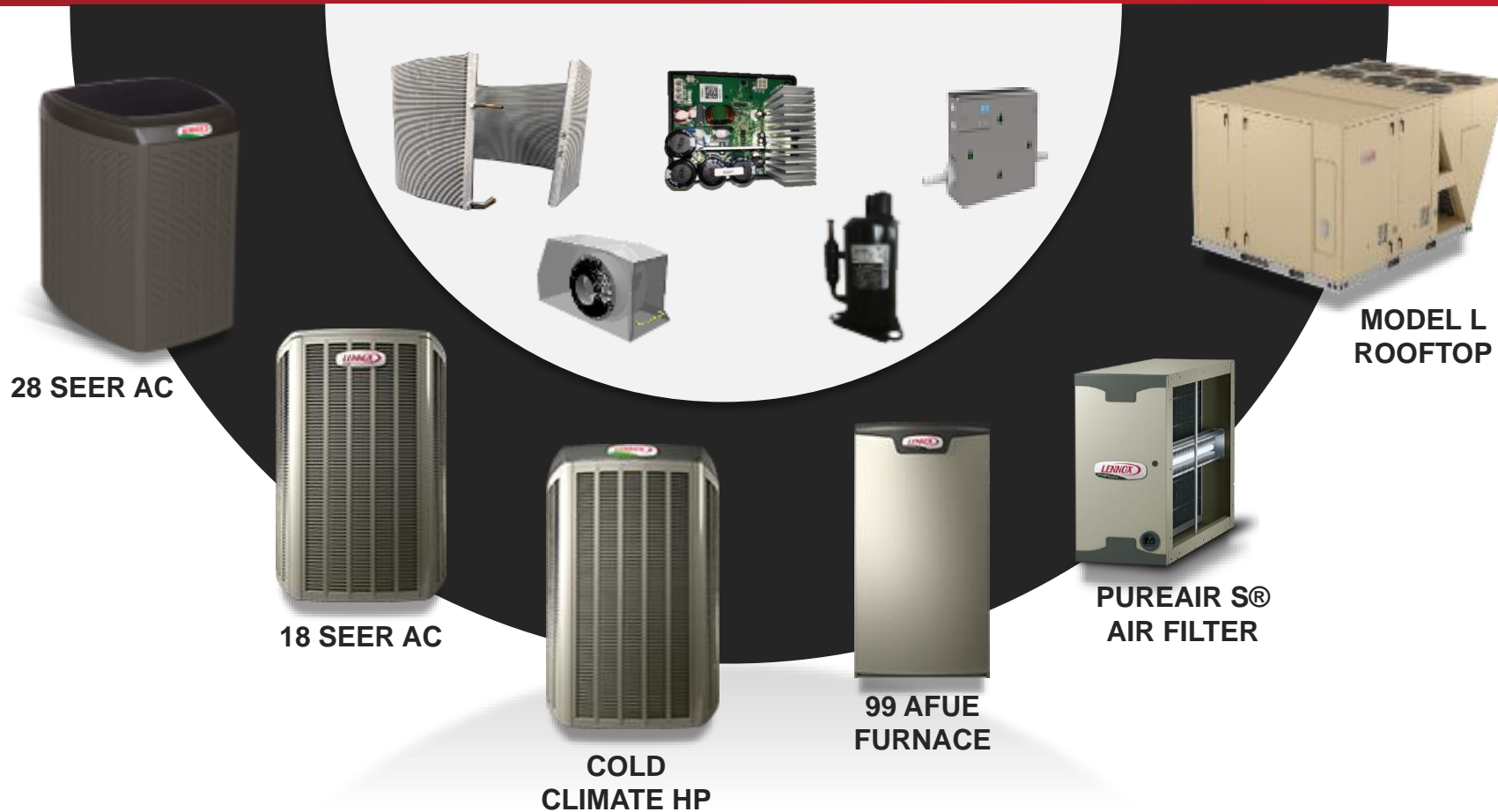


Key Innovation Themes

- Energy-efficiency leadership
- Lowest carbon footprint
- Holistic indoor air quality
- Digital twins
- Analyses led design
- Wireless measurement and control

Leveraging Common Technologies Across Segments to Drive Efficiencies and Bolster Profitability

FLAGSHIP SOLUTIONS LAUNCHED IN LAST 3 YEARS AIDED BY COMMON TECHNOLOGY BUILDING BLOCKS



28 SEER AC

18 SEER AC

COLD CLIMATE HP

99 AFUE FURNACE

PUREAIR S® AIR FILTER

MODEL L ROOFTOP

Common Advanced Technologies

- Microchannel heat exchangers
- Aluminum outdoor coils
- Rotary scroll compression
- Variable speed motors / drives
- Wireless mesh controls (BLE 5.0)
- Indoor air quality
- Photocatalytic oxidization

Leadership Claims

- Highest cooling efficiency
- Highest heating efficiency
- Best cold climate heat pump
- Highest efficiency rooftop unit
- Quietest furnace / AC units
- Best whole-house air cleaning solution

Recent New Product Launches Leverage Common Technology Building Blocks

UNIQUE CAPABILITIES TO RAPIDLY COMMERCIALIZE NEW TECHNOLOGIES



Compressor Qualification

- 24 months → 16 weeks



Control Qualification

- 2 – 3 years → 12 weeks



Motor Qualification

- 15 months → 3 weeks



Corrosion Qualification

- 3 years → 10 weeks

Improved Component Validation Drives Greater Quality while Accelerating New Product Launches

LEADERSHIP SOLUTIONS FURTHER POSITION LENNOX TO CAPITALIZE ON MEGATRENDS



Megatrends



Climate change and customer Net Zero goals driving greater demand for eco-friendly HVAC especially in underpenetrated geographies



Regulatory intervention accelerating transition to low GWP refrigerants, mandating higher efficiency, and incentivizing electrification



Housing shortage combined with HVAC necessity continues need for HVAC in the North American market and supports long-term growth



Advancements in technology with connected, energy-efficient products that promote more comfortable indoor climate for consumers

Competitive Advantages



Recognized as delivering **best-in-class, high-efficiency heating and cooling solutions** among competitors



Proven track record of innovating in advance of regulatory changes



Long standing dealer relationships and proven ability to be the **first-to market with sustainable solutions**



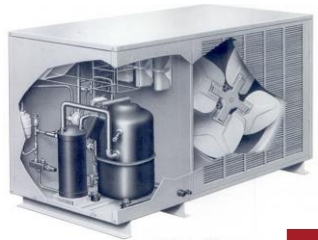
Intuitive user interface offers **simplification for dealers, customers, and consumers**

World-Class Talent and Focus on Common Technology Enable Unique Position to Capitalize on Megatrends

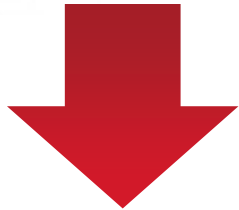
LENNOX IS POSITIONED FOR HEAT PUMP LEADERSHIP



Product Journey

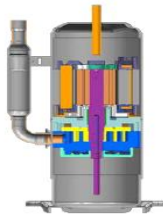


Launched our first Split heat pump HP3 in 1958

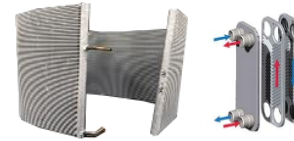


Launched industry leading cold climate heat pump in 2022

Key Technologies



Compression



Heat exchangers



Variable speed drives



Electronically controlled valves

Leading Into the Future



U.S. DEPARTMENT OF ENERGY

Energy Efficiency & Renewable Energy



Winner of DOE cold climate heat pump challenge in 2022

Technology Leadership is Winning the Transition to Sustainable HVAC Decarbonization and Electrification

STATE OF THE ART S40 THERMOSTAT LEARNS THE HOMEOWNER'S LIFESTYLE



Leading in Controls to Provide Ultimate Comfort



Wireless Technology

Long range wireless mesh

- Simple and cost-effective installation
- Wireless zone sensors provide comfort based on occupancy and activity
- Ventilation and air purification activated by indoor air quality monitor

Sustainability

- Adaptive algorithms (Climate IQ, Smart-away) reduce energy consumption by 30%
- Industry leading prognostics/diagnostics to ensure peak efficiency through the lifecycle

Future Opportunities

- Drives higher mix, premium equipment pull through
- Potential opportunity for recurring service/revenue
- Subscription model “comfort as a service”

Best Indoor Air Quality Control Solution Delivering Ultimate Home Comfort and Lowest Energy Consumption

LENNOX SOLUTION TO LOWERING REFRIGERANT: ENVIRON™ COIL TECHNOLOGY

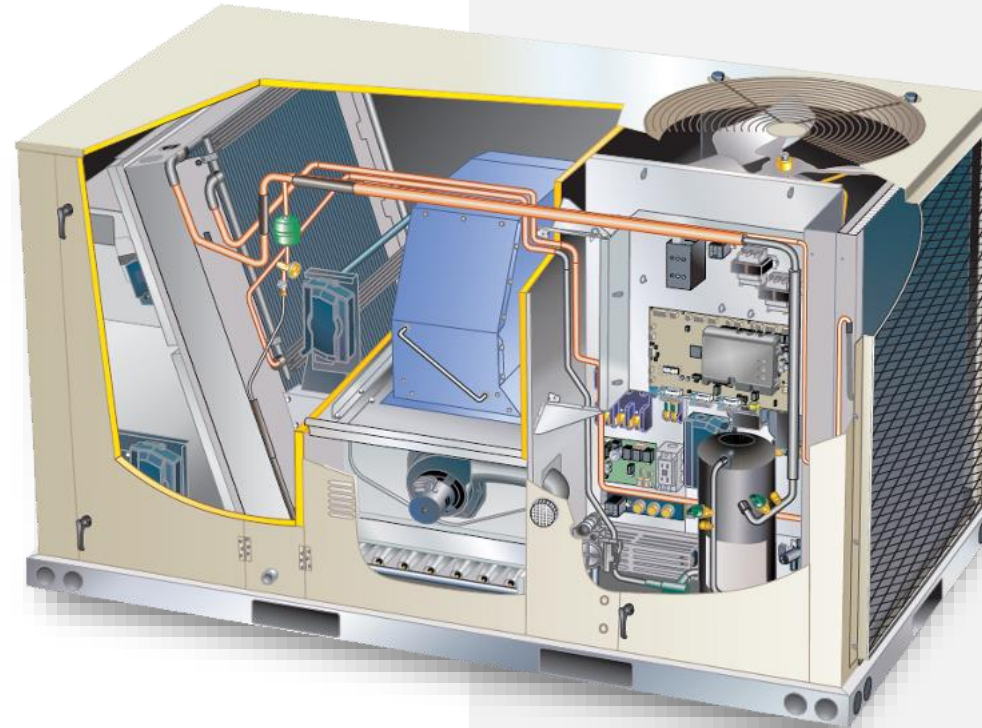


Market Differentiator

- Leads the industry with outdoor Microchannel Coils
- Introducing all Microchannel Coil offering
- Industry leading compact footprint and lightest unit

Positive Environmental Impact

- ~70% reduction in refrigerant-driven carbon footprint
- ~30% weight reduction from less material; lowers shipping carbon footprint
- ~90% less joints and leak opportunity reduction

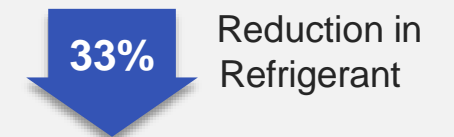


Results

Standard 5 Ton RTU : 14 lbs.



Lennox RTU OD Environ: 7.2 lbs.



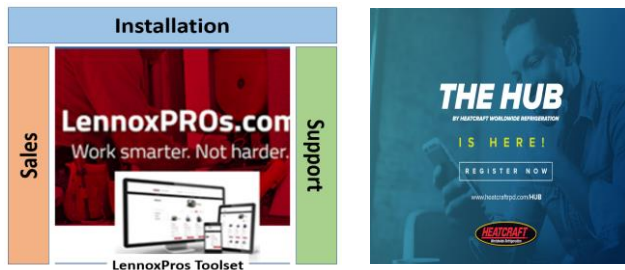
Lennox RTU OD/ID Environ: 4.8 lbs.

70% Less Refrigerant and Lower Unit Weight Reduces Carbon Footprint while Improving Quality and Reliability

INCREASING DIGITAL INVESTMENTS TO DRIVE REVENUE AND PROFITABILITY

E-commerce

- Digitization of dealer journey
- Digital tools to help dealers in sales, (AHRI match-up) service, and install
- Personalized marketing and promotions



- ✓ ~\$1B online revenue through LennoxPros for 2022
- ✓ Average order value higher by +15% for online orders

IoT and Data

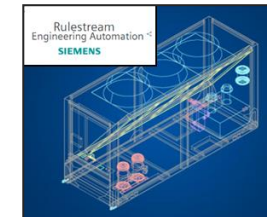
- Self-service analytics capability
- AI/ML algorithms for personalized marketing and promotions
- Remote diagnostics of HVAC equipment by dealers through LennoxPros
- API first architecture wherever possible



- ✓ Improved decisions based on easy access to data
- ✓ IoT – scalability, reusability, resiliency

Automation

- Standardization and modernization of supply chain systems from factory to customers including in 230 stores – warehouse management, demand management, and supply management
- Automation through Rulestream engine



- ✓ Agility in supply chain management
- ✓ Productivity improvement
- ✓ Infrastructure modernization and Total Cost of Ownership reduction

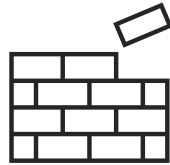
Digital Investments Delivering on Customer Experience and Productivity

1



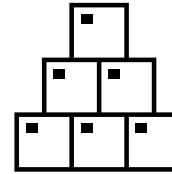
Building innovation capability, capacity, and culture to accelerate introduction of industry-leading technologies

2



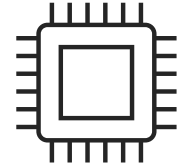
Developing common technology building blocks to leverage across product lines accelerating growth and driving profitability

3



Commercializing innovative technologies and leadership solutions to address megatrends and gain market share

4



Increasing investment in digital solutions to enhance customer experience and deepen relationships

FINANCIAL OVERVIEW



Joe Reitmeier

CFO

KEY MESSAGES

1

Focus on North American end markets by divesting our European operations, intensifies our focus on more attractive North American HVAC and Refrigeration markets

2

Driving market share gains with industry leading innovative products, services, distribution and digital capabilities

3

Deliver best-in-class margins with a continued focus on innovative solutions that create value for our customers along with productivity initiatives that enhance profitability

4

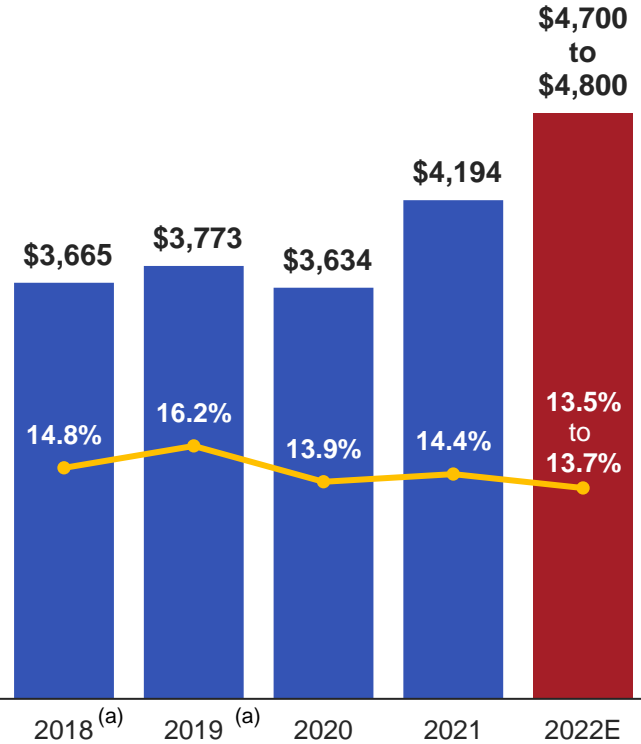
Sustaining a **disciplined capital allocation philosophy** that allows investment flexibility and optimizes long-term profitable growth while delivering superior shareholder returns



HISTORICAL CORE FINANCIAL PERFORMANCE

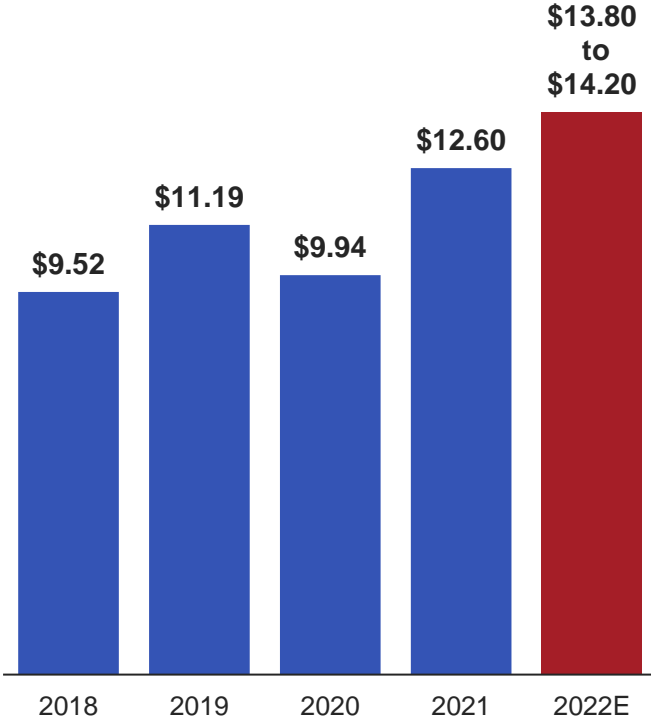


ADJUSTED NET SALES (\$M) AND RETURN ON SALES

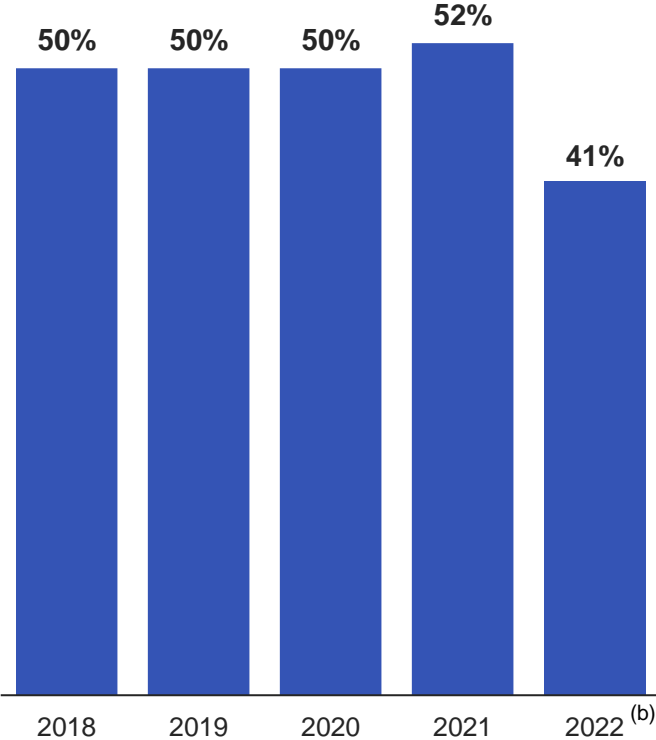


(a) Excludes the Net Sales and segment profit from divested operations

ADJUSTED CORE EARNINGS PER SHARE



RETURN ON INVESTED CAPITAL

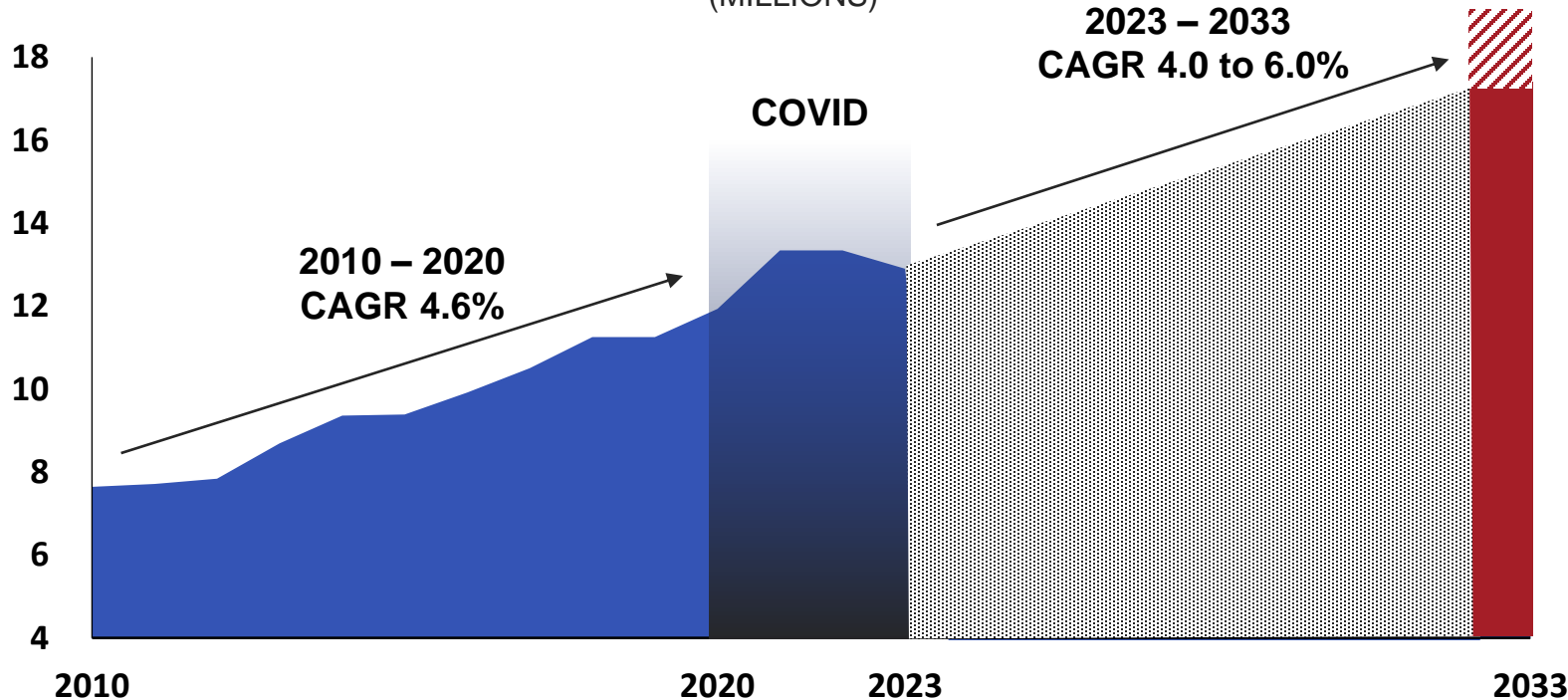


(b) Trailing twelve months ending 9/30/2022

RESIDENTIAL POISED TO WITHSTAND HOUSING SOFTNESS...



TOTAL INDUSTRY UNITS
(MILLIONS)



2023 Tailwinds

- Price increases
- Regulatory changes increasing new minimum efficiency requirements
- Productivity gains
- Share gains

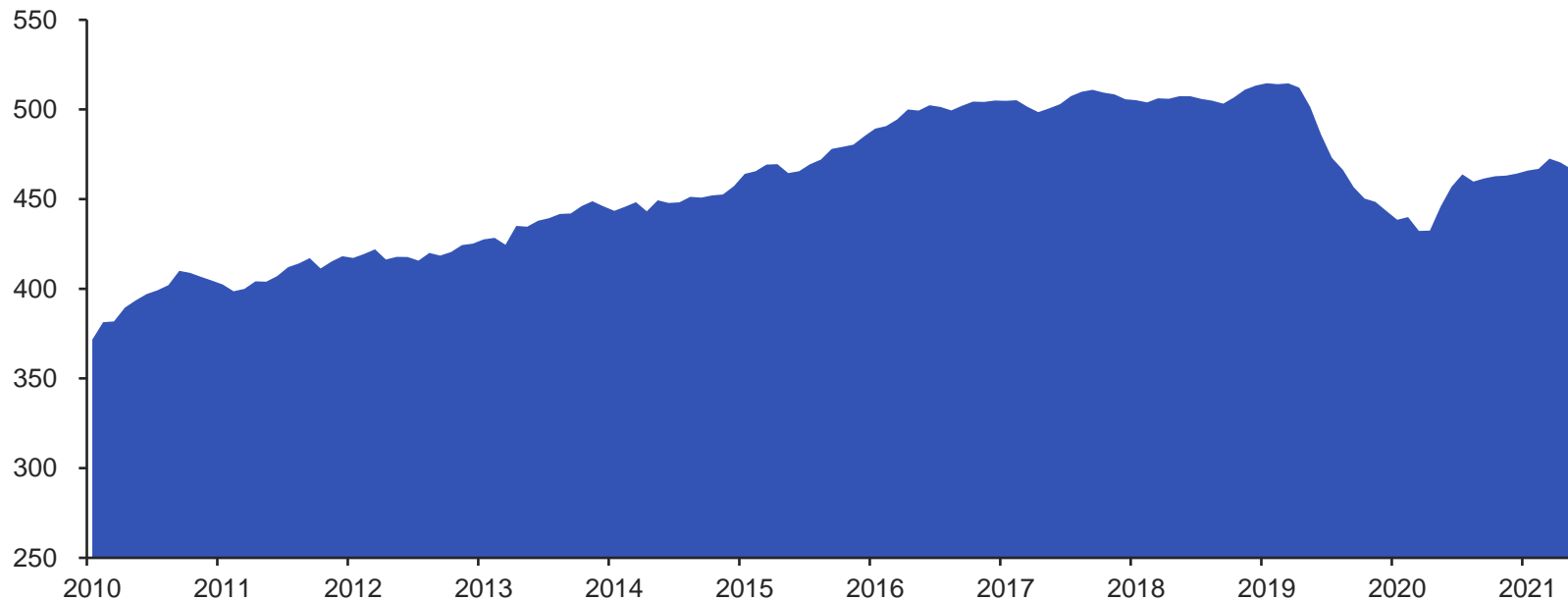
2023 Headwinds

- New home construction
- Interest rates
- Consumer confidence
- Inflation
- Supply chain disruptions

...WHILE REPLACEMENT DEMAND WILL BOLSTER COMMERCIAL GROWTH



**INDUSTRY SHIPMENTS
(THOUSANDS)**



Key Tailwinds

- Pent up demand resulting from supply chain shortages limiting industry production in 2022
- Increased factory output
- Re-engage in supplying emergency replacement market
- Sustainability initiatives driving demand for more energy efficient and environmentally friendly products

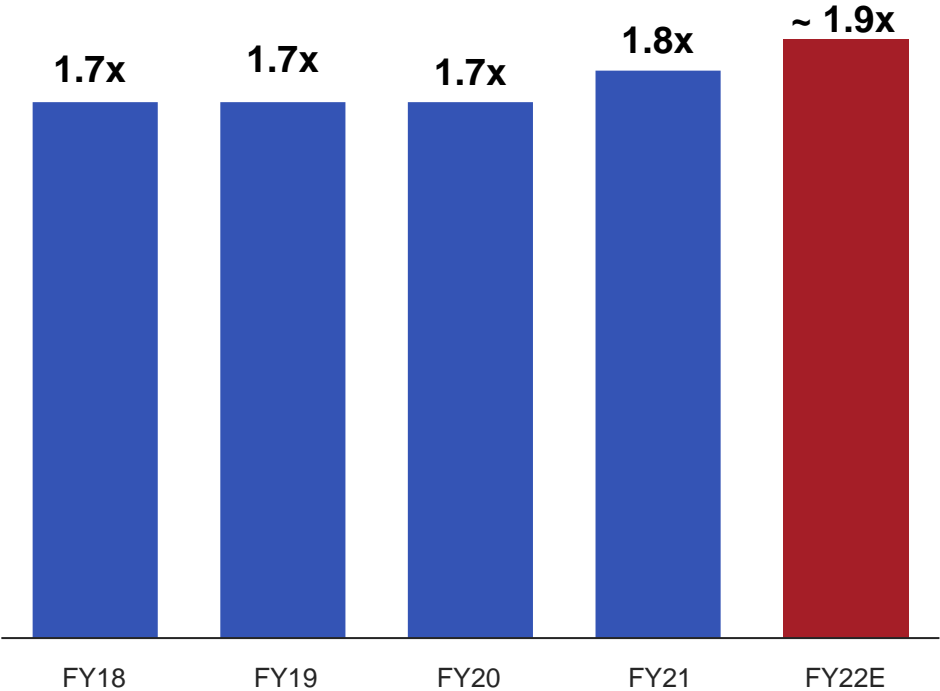
Key Headwinds

- Commercial new construction
- Consumer spending
- Inflation
- Supply chain disruptions

DISCIPLINED CAPITAL ALLOCATION FRAMEWORK PROVIDES DURABLE BALANCE SHEET



NET LEVERAGE RATIO
[DEBT / ADJ EBITDA]



Target Leverage Ratio
1.0x – 1.5x
Going Forward

Capital Allocation Priorities

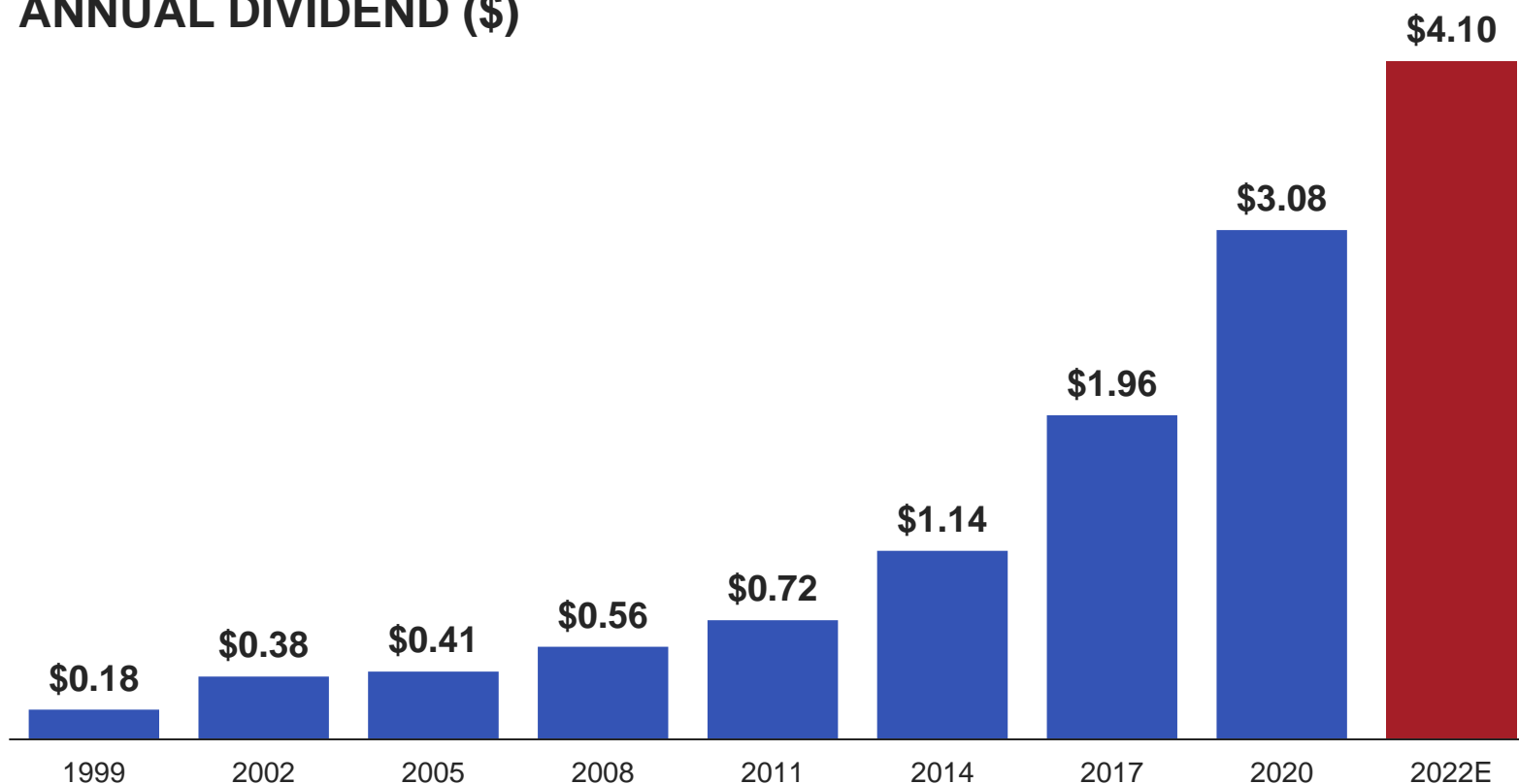
- ✓ Maintaining net debt / EBITDA leverage within targeted range of 1.0x to 1.5x
- ✓ Investments in high ROI projects to support profitable growth
- ✓ Sustainable dividend that increases in line with earnings
- ✓ Efficiently return capital to shareholders by supplementing dividend with share repurchases

Consistent Capital Allocation Priorities

RETURNING CAPITAL TO SHAREHOLDERS REMAINS A STRATEGIC PRIORITY



ANNUAL DIVIDEND (\$)



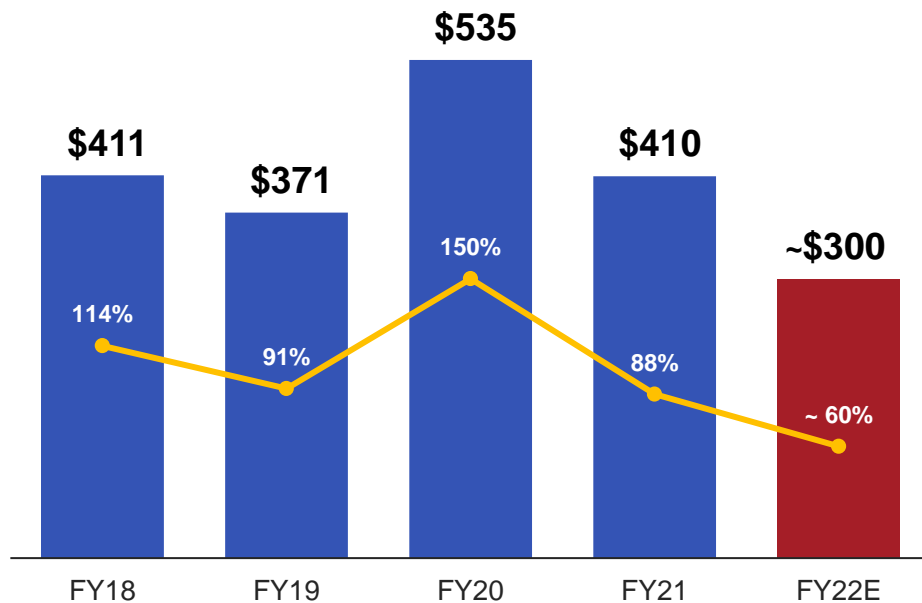
Efficiently Return Capital to Shareholders by Supplementing Competitive Dividend with Share Repurchases

- Dividends have grown 18% annually over the last 10 years
- Last dividend increase was 15% in May 2022
- Dividend yield is 1.7%
- Dividend payout ratio is 30%
- Share repurchases of \$3.0 billion over last 10 years at an average price of \$172
- Current share repurchase authorization of ~\$500 million

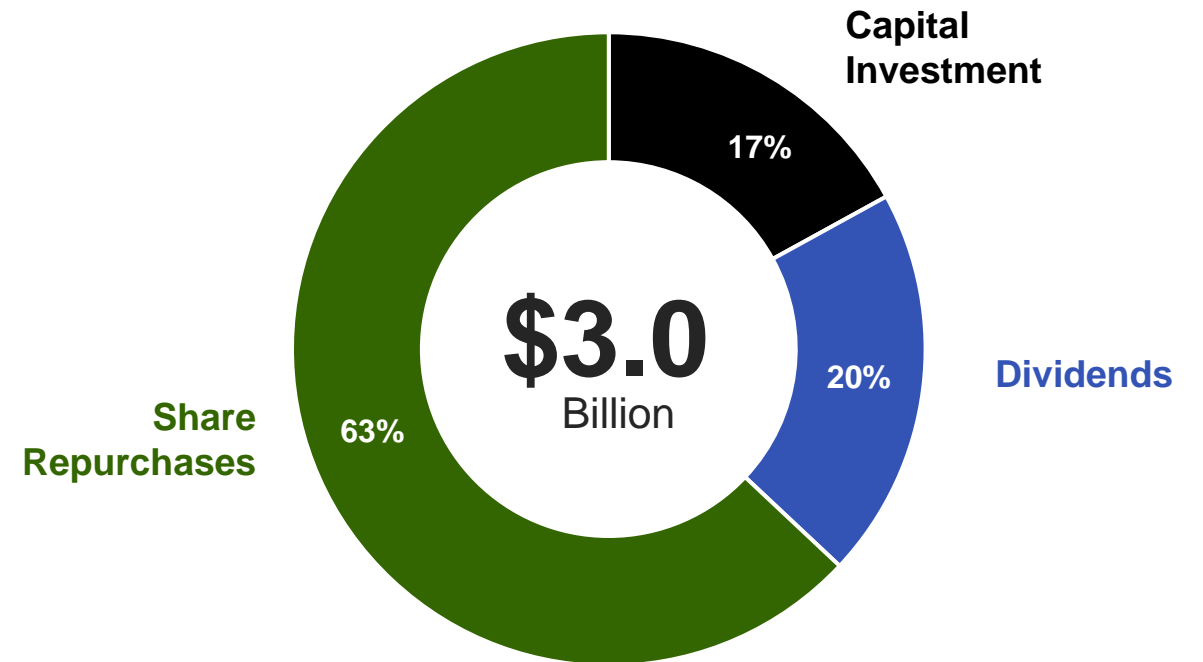
STRONG CASH FLOW SUPPORTS FINANCIAL FLEXIBILITY



FREE CASH FLOW (\$M) AND FCF AS A % OF NET INCOME
(2018-2022E)



CAPITAL DEPLOYMENT
(2018-2022E)



LAUNCHING 2023 OUTLOOK



Revenue & Earnings

Revenue Growth Flat to up 4%

GAAP and Adjusted EPS \$14.25 - \$15.25

Other Guidance Points

Free Cash Flow \$250M - \$350M

Capital Expenditures ~\$250M

Tax Rate 19% - 21%

Corporate Expenses ~\$80M

Interest Expense \$55M - \$60M

Share Repurchases \$100M - \$200M

Share Count 35M - 36M

End Market / Revenue Assumptions

- Residential unit volume down MSD
- Residential revenue flat to up LSD on price and mix
- Commercial end markets up HSD
- Commercial revenue up HSD / LDD including price and share gains

Other Key Plan Assumptions

- Price increases of \$150M
- Commodity cost benefit of \$35M
- Component cost increases \$80M
- Product / material cost reduction \$30M
- Mix benefit from regulatory changes

Execution of Key Initiatives Will Deliver...

\$5.0B - \$5.5B

Revenue

18% - 20%

ROS

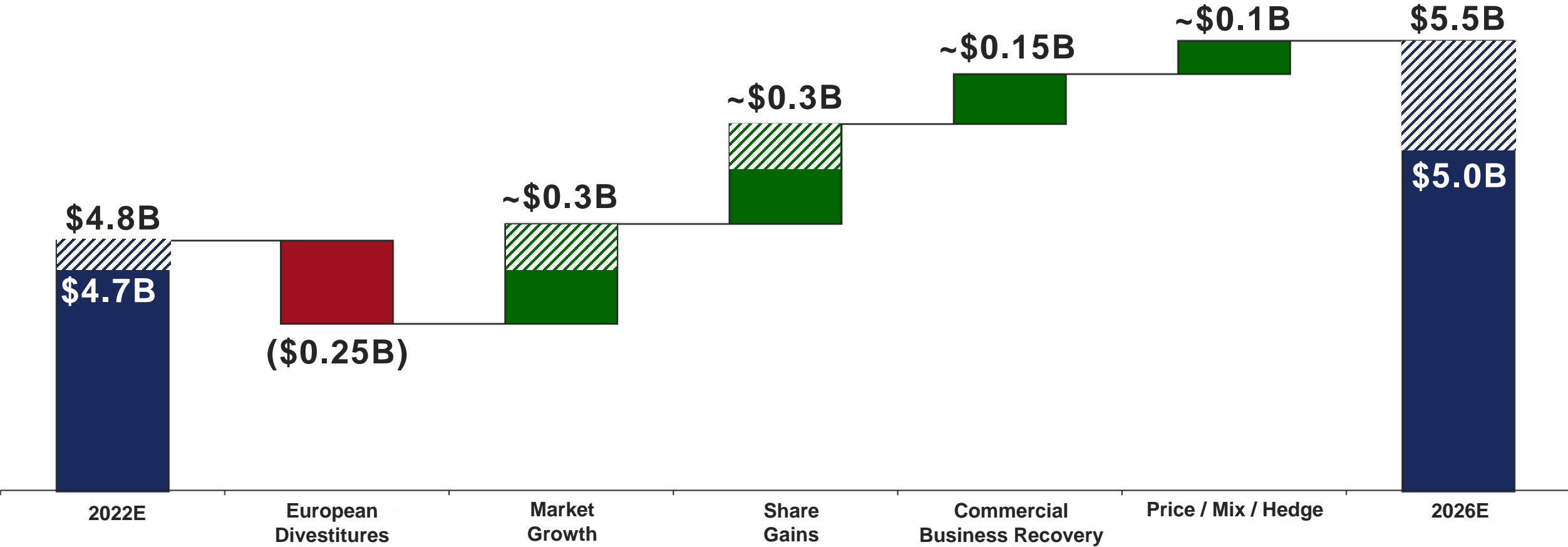
90% - 100%
of Net Income

Free Cash Flow

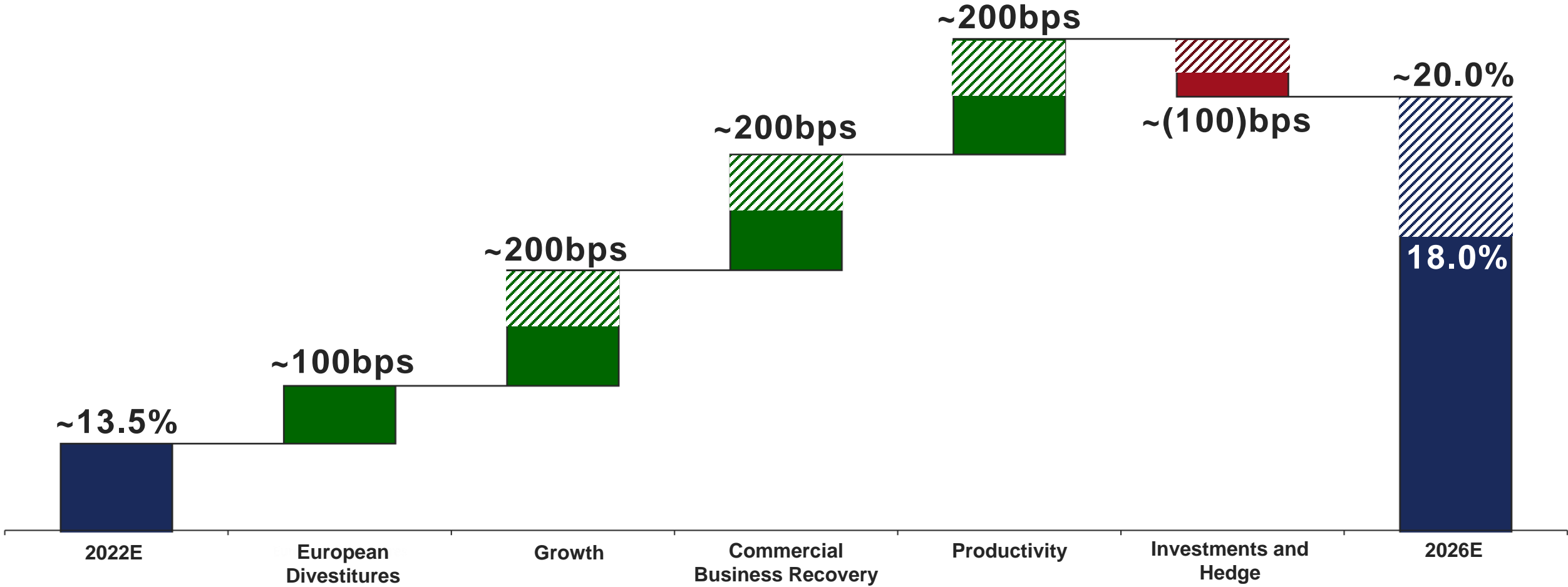
Executing Clear Initiatives to Drive Long-Term Growth

Note: Projections net of European businesses divestiture

PATH TO ACHIEVE TARGET REVENUE



PATH TO ACHIEVE TARGET MARGINS



DELIVERING VALUE FOR OUR CUSTOMERS AND SHAREHOLDERS

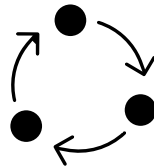


1



Focus on North American end markets by divesting our European operations it intensifies our focus on more attractive North American HVAC and Refrigeration end markets

2



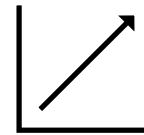
Driving market share gains with industry leading innovative products, services, distribution and digital capabilities

3



Deliver best in class margins with a continued focus on innovative solutions that create value for our customers along with productivity initiatives that enhance profitability

4



Sustaining a disciplined capital allocation philosophy that allows investment flexibility and optimizes long-term profitable growth while delivering superior shareholder returns


CLOSING REMARKS



Alok Maskara

CEO

CLOSING REMARKS

-  **Building from a strong foundation** to enhance value creation
-  **Implementing near-term initiatives** to streamline portfolio and increase margins
-  **Executing on growth operating system** to accelerate profitable growth
-  **Driving shareholder value** with robust FCF and strategic capital deployment

Thank You

Q&A

SPEAKER AND LEADERSHIP TEAM BIOS

SPEAKER AND LEADERHIP BIOS



Alok Maskara

CEO

Alok Maskara joined Lennox as Chief Executive Officer on May 9, 2022. Most recently he served for five years as CEO of Luxfer Holdings PLC, an international industrial company focused on advanced materials. Mr. Maskara also served for nearly a decade as president of several global business units at Pentair PLC, a leading provider of water treatment and sustainable applications. Previously, he held various leadership positions at General Electric Corporation and McKinsey & Company. Mr. Maskara graduated with a bachelor of technology degree in chemical engineering from the Indian Institute of Technology in 1992 and a master's degree in chemical engineering from the University of New Mexico in 1994. In 2000, he earned an MBA from the Kellogg School of Management at Northwestern University.



Prakash Bedapudi

CTO

Prakash Bedapudi became Executive Vice President and Chief Technology Officer in July 2008. He had previously served as Vice President, Global Engineering and Program Management for Trane Inc. Commercial Systems from 2006 through 2008, and as Vice President, Engineering and Technology for Trane's Residential Systems division from 2003 through 2006. Prior to his career at Trane, Mr. Bedapudi served in senior engineering leadership positions for GE Transportation Systems, a division of General Electric Company, and for Cummins Engine Company. He holds a bachelor of science in mechanical/automotive engineering from Karnataka University, India and a master of science in mechanical/aeronautical engineering from the University of Cincinnati.

SPEAKER AND LEADERSHIP BIOS



Gary Bedard

President, Residential

Gary Bedard was appointed Executive Vice President and President of LII's Residential business late in 2022, with an effectivity date of January 1, 2023. Previously, Mr. Bedard served as EVP and President of the LII's Worldwide Refrigeration business for the last five years and as Vice President and General Manager for Lennox' Residential Business Unit from 2007-2017. He has also held several different functional leadership positions in sales and marketing for Lennox Residential, including Vice President, Sales; Vice President, Residential Product Management; Director, Brand and Product Management; and District Manager for Lennox' New York District. Prior to joining LII in 1998, Mr. Bedard spent eight years at York International in product management and sales leadership roles for commercial applied and unitary systems as well as residential systems. Mr. Bedard has a bachelor's degree in engineering management from the United States Military Academy at West Point. Mr. Bedard serves on the Board of Directors of the Air-Conditioning, Heating, and Refrigeration Institute (AHRI), an industry organization.



Steve Harrison

VP, Investor Relations

Steve Harrison was appointed Vice President, Investor Relations, in June 2008. Prior to joining the company, he was Vice President, Investor Relations, for Qimonda AG since 2006. He previously served as Vice President, Investor Relations, for International Rectifier Corporation from 2000 to 2006. Mr. Harrison also served as Director of Investor Relations, Americas, for STMicroelectronics NV, and as Senior Analyst, Investor Relations, for Electronic Data Systems Corporation. He holds a bachelor of science from Oklahoma State University and an MBA from The University of Texas at Dallas.

SPEAKER AND LEADERSHIP BIOS



Mary Ellen Mondy

VP, Marketing

Mary Ellen Mondy was appointed as Vice President, Marketing and Communications in December 2022. After starting her career in consulting with Booz Allen Hamilton, Mary Ellen spent 10 years at Emerson Electric working in several marketing roles eventually serving as vice president, marketing communications and digital experience. Following her time at Emerson, she held marketing senior leadership roles at XPO Logistics and most recently at Office Depot Business Solutions. Mary Ellen holds a bachelor's degree from Harvard University in environmental science and public policy and an MBA from Harvard Business School.



Joe Nassab

President, Commercial

Joe Nassab was appointed President and Chief Operating Officer of our North America Commercial Heating and Cooling business on May 4, 2022. He joined LII in 2010 as Vice President and General Manager of Allied Air. Before joining LII, Joe worked for 20 years at General Electric Company in a variety of general management, product management, and marketing leadership roles. Joe has a bachelor's degree in finance from the University of Michigan.

SPEAKER AND LEADERSHIP BIOS



Joe Reitmeier

CFO

Joe Reitmeier was appointed Executive Vice President and Chief Financial Officer in July 2012. He has served as Vice President of Finance for LII's Commercial Heating and Cooling segment since 2007 and as Director of Internal Audit from 2005 to 2007. Before joining the company, he held financial leadership roles at Cummins Inc. and PolyOne Corporation. Mr. Reitmeier holds a bachelor's degree in accounting from the University of Akron and an MBA from Case Western Reserve University. He is also a Certified Public Accountant. Mr. Reitmeier serves on the Board of Directors of Watts Water Technologies, Inc.



Daniel Sessa

CHRO

Daniel Sessa was appointed Executive Vice President and Chief Human Resources Officer in June 2007. He had previously served in numerous senior human resources and legal leadership positions for United Technologies Corporation since 1996, including Vice President, Human Resources for Otis Elevator Company - Americas from 2005 to 2007, Director, Employee Benefits and Human Resources Systems for United Technologies Corporation from 2004 to 2005, and Director, Human Resources for Pratt & Whitney from 2002 to 2004. He holds a bachelor of arts in law and society from the State University of New York at Binghamton and a juris doctor from the Hofstra University School of Law.

SPEAKER AND LEADERSHIP BIOS



Jessica Smith

VP, Worldwide Sourcing

Jessica Smith was appointed as Vice President, Worldwide Supply Chain & Logistics in March 2022. She initially joined LII in 2013 in our Residential business, serving as Director, Finance for Lennox Stores and as Director, Financial Planning & Analysis for the Residential segment. In 2020, Jessica was promoted to Vice President, Financial Planning & Analysis for LII and served in that role for about one year before leaving for a finance leadership role outside of LII. Prior to joining LII, Jessica held finance leadership roles at Carrier Enterprise. Jessica holds a master's degree in accounting from Strayer University and a bachelor's degree in accounting from East Carolina University.



John Torres

CLO

John Torres was appointed Chief Legal Officer and Secretary in December 2008. He had previously served as Senior Vice President, General Counsel and Secretary for Freescale Semiconductor, a semiconductor manufacturer that was originally part of Motorola. He joined Motorola's legal department as Senior Counsel in 1996 and was appointed Vice President, General Counsel of the company's semiconductor business in 2001. Prior to joining Motorola, Mr. Torres served 13 years in private practice in Phoenix, specializing in commercial law. He holds a bachelor of arts from Notre Dame and juris doctor from the University of Chicago.

FINANCIAL APPENDIX

ADJUSTED EARNINGS AND ADJUSTED EPS RECONCILIATION



(\$US in Millions, except per share amounts)

	2018		2019		2020		2021		TTM 9/30/22	
	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share
Income from continuing operations, a GAAP Measure	\$ 360.3	\$ 8.77	\$ 408.8	\$ 10.38	\$ 357.1	\$ 9.26	\$ 464.0	\$ 12.39	\$ 486.2	\$ 13.49
Restructuring charges, after tax	2.3	0.06	7.7	0.20	8.4	0.22	1.4	0.04	1.2	0.03
Excess tax benefits from share-based compensation, including impact on share count, after tax	(10.5)	(0.26)	(10.9)	(0.28)	(4.2)	(0.11)	(5.7)	(0.15)	1.0	0.03
Special product quality adjustments, after tax	-	-	(0.5)	(0.01)	0.8	0.02	(1.8)	(0.05)	(1.0)	(0.03)
Other tax items, net	5.8	0.14	3.9	0.10	8.5	0.23	2.1	0.06	(0.8)	(0.02)
Items in losses (gains) and other expenses, net after tax,	10.1	0.28	8.8	0.23	9.8	0.25	10.5	0.29	10.0	0.27
Pension settlement, after tax	0.4	0.01	74.4	1.89	0.4	0.01	0.9	0.02	0.2	0.01
Loss (gain), net on sale of businesses and related property	26.0	0.63	6.5	0.17	-	-	-	-	-	-
Non-core business results, after tax	3.5	0.09	1.0	0.03	-	-	-	-	-	-
(Gain) loss from natural disaster , net of insurance recoveries, after tax	(8.2)	(0.20)	(59.8)	(1.52)	2.3	0.06	-	-	-	-
Adjusted ("Core") income from continuing operations, a non-GAAP measure	\$ 389.7	\$ 9.52	\$ 439.9	\$ 11.19	\$ 383.1	\$ 9.94	\$ 471.4	\$ 12.60	\$ 496.8	\$ 13.78

FREE CASH FLOW

(\$US in Millions)



	2018	2019	2020	2021	TTM 9/30/22	2022E
Net cash provided by operating activities, a GAAP measure	\$495.5	\$396.1	\$612.4	\$515.5	289.3	~\$425
Proceeds from the disposal of property, plant and equipment	0.1	1.3	1.0	0.9	1.4	-
Insurance recoveries received for property damage incurred from natural disaster	10.9	79.6	-	-	-	-
Purchase of property, plant and equipment	<u>(95.2)</u>	<u>(105.6)</u>	<u>(78.5)</u>	<u>(106.8)</u>	<u>(105.3)</u>	<u>(125)</u>
Free cash flow	\$411.3	\$371.4	\$534.9	\$409.6	185.4	~\$300

RECAST HISTORICAL SEGMENT RESULTS (2018-2021)



(\$US in Millions)

	2018 (a)		2019 (a)		2020		2021	
	As Reported	As Adjusted	As Reported	As Adjusted	As Reported	As Adjusted	As Reported	As Adjusted
Residential Segment Net Sales	2,225.0	2,225.0	2,291.1	2,291.1	2,361.5	2,361.5	2,775.6	2,775.6
Residential Segment Profit	399.4	399.4	464.6	464.6	428.5	428.5	540.3	540.3
Commercial Segment Net Sales	900.7	1,188.3	947.4	1,240.7	800.9	1,058.9	864.8	1,188.8
Commercial Segment Profit	157.5	218.9	165.4	221.9	136.9	174.3	110.9	164.6
Refrigeration Segment Net Sales	758.2	-	568.7	-	471.7	-	553.7	-
Refrigeration Segment Profit	68.1	-	61.3	-	32.8	-	49.1	-
Corporate net sales	-	-	-	-	-	-	-	-
Net sales from divested businesses	-	470.6	-	275.4	-	213.7	-	229.7
Corporate and other net sales	-	470.6	-	275.4	-	213.7	-	229.7
Corporate costs	(84.4)	(84.4)	(82.4)	(82.4)	(91.5)	(91.5)	(96.4)	(96.4)
Segment profit from divested businesses	-	6.7	-	4.8	-	(4.6)	-	(4.7)
Corporate and other segment profit	(84.4)	(77.7)	(82.4)	(77.6)	(91.5)	(96.1)	(96.4)	(101.1)
LII Total Net Sales	3,883.9	3,883.9	3,807.2	3,807.2	3,634.1	3,634.1	4,194.1	4,194.1
LII Total Segment Profit	540.6	540.6	608.9	608.9	506.7	506.7	603.9	603.9

(a) Includes the results of previously disposed businesses

RECAST HISTORICAL SEGMENT RESULTS (2021)

(\$US in Millions)



	Q1 2021		Q2 2021		Q3 2021		Q4 2021	
	As Reported	As Adjusted	As Reported	As Adjusted	As Reported	As Adjusted	As Reported	As Adjusted
Residential segment net sales	606.3	606.3	838.0	838.0	711.0	711.0	620.3	620.3
Residential segment profit	96.4	96.4	189.7	189.7	144.0	144.0	110.3	110.3
Commercial segment net sales	199.2	274.8	252.8	335.0	211.5	292.7	201.4	286.3
Commercial segment profit	27.4	39.6	45.3	58.9	22.6	36.3	15.6	29.8
Refrigeration segment net sales	125.0	0.0	148.2	0.0	137.4	0.0	143.1	0.0
Refrigeration segment profit	7.9	0.0	13.5	0.0	14.5	0.0	13.2	0.0
Corporate net sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net sales from divested businesses	0.0	49.4	0.0	66.0	0.0	56.2	0.0	58.2
Corporate and other net sales	0.0	49.4	0.0	66.0	0.0	56.2	0.0	58.2
Corporate costs	(16.0)	(16.0)	(26.9)	(26.9)	(16.3)	(16.3)	(37.2)	(37.2)
Segment profit from divested businesses	0.0	(4.4)	0.0	(0.1)	0.0	0.8	0.0	(1.0)
Corporate and other segment profit	(16.0)	(20.4)	(26.9)	(27.0)	(16.3)	(15.5)	(37.2)	(38.2)
LII net sales	930.5	930.5	1239.0	1239.0	1059.9	1059.9	964.8	964.8
LII segment profit	115.7	115.6	221.6	221.6	164.8	164.8	101.9	101.9

RECAST HISTORICAL SEGMENT RESULTS (2022)

(\$US in Millions)



	Q1 2022		Q2 2022		Q3 2022	
	As Reported	As Adjusted	As Reported	As Adjusted	As Reported	As Adjusted
Residential segment net sales	682.2	682.2	977.5	977.5	835.3	835.3
Residential segment profit	107.6	107.6	216.3	216.3	153.8	153.8
Commercial segment net sales	187.7	279.5	219.6	327.4	252.9	352.3
Commercial segment profit	6.3	23.8	17.2	41.2	29.6	52.4
Refrigeration segment net sales	143.5	0.0	169.2	0.0	156.7	0.0
Refrigeration segment profit	14.1	0.0	23.4	0.0	22.4	0.0
Corporate net sales	0.0	0.0	0.0	0.0	0.0	0.0
Net sales from divested businesses	0.0	51.7	0.0	61.4	0.0	57.3
Corporate and other net sales	0.0	51.7	0.0	61.4	0.0	57.3
Corporate costs	(13.4)	(13.4)	(27.1)	(27.1)	(16.5)	(16.5)
Segment profit from divested businesses	0.0	(3.4)	0.0	(0.5)	0.0	(0.4)
Corporate and other segment profit	(13.4)	(16.8)	(27.1)	(27.6)	(16.5)	(16.9)
LII net sales	1,013.4	1,013.4	1,366.3	1,366.3	1,244.9	1,244.9
LII segment profit	114.6	114.6	229.8	229.9	189.3	189.3

CALCULATION OF DEBT TO ADJUSTED EBITDA RATIO



(\$US in Millions)

	2018	2019	2020	2021
	Amount	Amount	Amount	Amount
Income from continuing operations before taxes, a GAAP Measure	\$ 467.9	\$ 507.9	\$ 445.2	\$ 560.1
Items in Losses (gains) and other expenses, net before taxes	11.4	11.3	13.3	14.3
Special product quality adjustments, before tax	0.2	(0.6)	1.0	(2.5)
Restructuring charges, before tax	3.0	10.3	10.8	1.8
Interest expense, net	38.3	47.5	28.3	25.0
Pension settlements, before tax	0.4	99.2	0.6	1.2
Other expense (income), net before tax	3.3	2.3	4.4	4.0
Insurance recoveries received for property damage incurred from natural disaster, before tax	(10.9)	(79.6)	3.1	-
Non-core business results, before tax	2.6	1.0	-	-
Loss on sale of business and related property, before tax	27.0	10.6	-	-
Depreciation and amortization expense	65.0	70.1	71.0	69.9
Adjusted EBITDA, a non-GAAP measure	\$608.2	\$680.0	\$577.7	\$673.8
Total Debt	\$1,041.3	\$1,171.2	\$980.6	\$1,237.8
Total Debt to adjusted EBITDA ratio	1.7	1.7	1.7	1.8

RETURN ON INVESTED CAPITAL

(\$US in Millions)



	2018	2019	2020	2021	TTM 9/30/22
Operating income, a GAAP Measure	\$ 509.9	\$ 656.9	\$ 478.5	\$ 590.3	\$ 622.2
Restructuring Charges, before tax	3.0	10.3	10.8	1.8	1.4
Special product quality adjustments, before tax	0.2	(0.6)	1.0	(2.5)	(1.4)
Insurance recoveries received for property damage incurred from natural disaster, before tax	(10.9)	(79.6)	3.1	-	-
Items in Losses (gains) and other expenses, net before taxes	11.4	11.3	13.3	14.3	13.4
Loss on sale of business and related property, before tax	27.0	10.6	-	-	-
Non-core business results, after tax	2.6	1.0	-	-	-
Adjusted Segment profit, a non-GAAP measure	\$543.2	\$609.9	\$506.7	\$603.9	\$635.6
Tax on adjusted Segment profit	(122.7)	(131.1)	(91.2)	(115.8)	(119.5)
Net operating profit after taxes, a non-GAAP measure	\$420.5	\$478.8	\$415.5	\$488.1	\$516.1
Total assets, a GAAP measure	\$1,817.2	\$2,034.9	\$2,032.5	\$2,171.9	\$2,625.8
Less: Cash	(46.3)	(37.3)	(123.9)	(31.0)	(40.7)
Short-term investments	-	(2.9)	(5.1)	(5.5)	(7.5)
Accounts payable	(433.3)	(372.4)	(340.3)	(402.1)	(430.5)
Accrued expenses	(272.3)	(255.7)	(296.1)	(358.9)	(409.6)
Income taxes payable	(2.1)	-	-	-	(19.2)
Current operating lease liabilities	-	(52.7)	(55.0)	(54.8)	(61.3)
Long-term operating lease liabilities	-	(131.0)	(142.8)	(145.0)	(143.6)
Pensions	(82.8)	(87.4)	(92.5)	(83.3)	(86.5)
Other long-term liabilities	(135.0)	(134.7)	(142.3)	(159.0)	(175.8)
Invested capital, a non-GAAP measure	\$845.4	\$960.8	\$834.5	\$932.3	\$1,251.1
Net operating profit after taxes, a non-GAAP measure	\$420.5	\$478.8	\$415.5	\$488.1	\$516.1
Invested capital, a non-GAAP measure	\$845.4	\$960.8	\$834.5	\$932.3	\$1,251.1
Return on invested capital	50%	50%	50%	52%	41%

ADJUSTED NET SALES AND ADJUSTED SEGMENT PROFIT



(\$US in Millions)

	2018	2019	2020	2021
Net sales, a GAAP measure	3,883.9	3,807.2	3,634.1	4,194.1
Net sales from non-core businesses (a)	399.4	464.6	428.5	540.3
Adjusted net sales, a non-GAAP measure	3,664.5	3,772.9	3,634.1	4,194.1
Segment profit, a non-GAAP measure	540.6	608.9	506.7	603.9
Loss from non-core businesses (a)	(2.6)	(1.0)	-	-
Adjusted segment profit, a non-GAAP measure	543.2	609.9	506.7	603.9

(a) Includes the results of previously disposed businesses