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THIRD QUARTER 2025

EARNINGS RELEASE

OCT 22, 2025



FORWARD-LOOKING STATEMENTS & NON-GAAP FINANCIAL MEASURES

The statements in this presentation that are not historical statements, including statements regarding the 2025 full-year outlook and expected consolidated and segment financial results, 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 competition in the HVACR business; our ability to successfully develop and market new products or execute our business strategy; our ability to meet and anticipate customer demands; our ability to continue to license or enforce our IP rights; our ability to attract, motivate, develop, and retain our employees, as well as labor relations problems; AI technologies; a decline in new construction activity and related demand for our products and services; the impact of weather on our business; the impact of higher raw material prices and significant supply interruptions; product liability, warranty claims, or recalls; changes in environmental and climate-related legislation or government regulations or policies; changes in tax legislation; the impact of new or increased trade tariffs; improper conduct by our employees, agents, or business partners; litigation risks; general economic conditions in the US and abroad; extraordinary events beyond our control; risks associated with our international operations; cyber attacks and other disruptions or misuse of information systems; and our ability to successfully realize, complete and integrate acquisitions, including the acquisition of Duro Dyne and Supco. 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.

A reconciliation of non-GAAP financial measures appearing in this document to financial measures prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) are included in the Annex to this document.

This document includes forward-looking statements regarding segment profit, adjusted net income, adjusted earnings per share, free cash flow and Debt to EBITDA, which are non-GAAP financial measures. These non-GAAP financial measures are derived by excluding certain amounts from the corresponding financial measures determined in accordance with GAAP. The determination of the amounts excluded is a matter of management judgment and depends upon, among other factors, the nature of the underlying expense or income amounts recognized in a given period and the high variability of certain amounts, such as unusual gains and losses, the ultimate outcome of pending litigation, fluctuations in foreign currency exchange rates, changes in environmental liabilities, the impact and timing of potential acquisitions and divestitures, future restructuring costs, and other structural changes or their probable significance. We are unable to present a quantitative reconciliation of the aforementioned forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures because such information is not available, and management cannot reliably predict the necessary components of such GAAP measures without unreasonable effort or expense. The unavailable information could have a significant impact on LII's full year GAAP financial results.

Q3 2025 FINANCIAL HIGHLIGHTS

Maintaining resilient margins and high service levels during industry headwinds



Updating Guidance

Full Year
Adjusted
Earnings Per Share*

\$22.75 - \$23.25

REVENUE

\$1.4B

(5%) YoY

**SEGMENT
PROFIT***

\$310

+2% YoY

**SEGMENT
PROFIT MARGIN***

21.7%

+150 bps YoY

ADJUSTED EPS*

\$6.98

+4% YoY

**OPERATING
CASH FLOW**

\$301M

(\$151M) YoY

**Net Debt/
Adj. EBITDA***

0.8x

Flat YoY

ATTACHMENT RATE GROWTH: PARTS & SUPPLIES



Leading North American manufacturer and distributor of HVAC parts and accessories

Revenue

~ \$225M

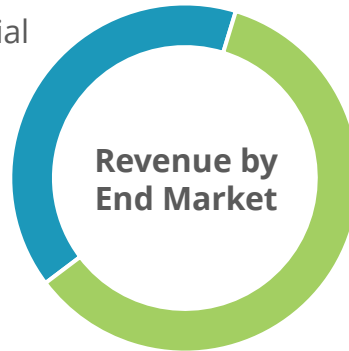
Purchase Price

~ \$550M

Highlights

- ✓ EPS Accretive in 2026
- ✓ ~10X 2024 EBITDA of ~\$55M

~40% Residential



~60% Commercial

~50% In-house Manufacturing



~50% Sourced

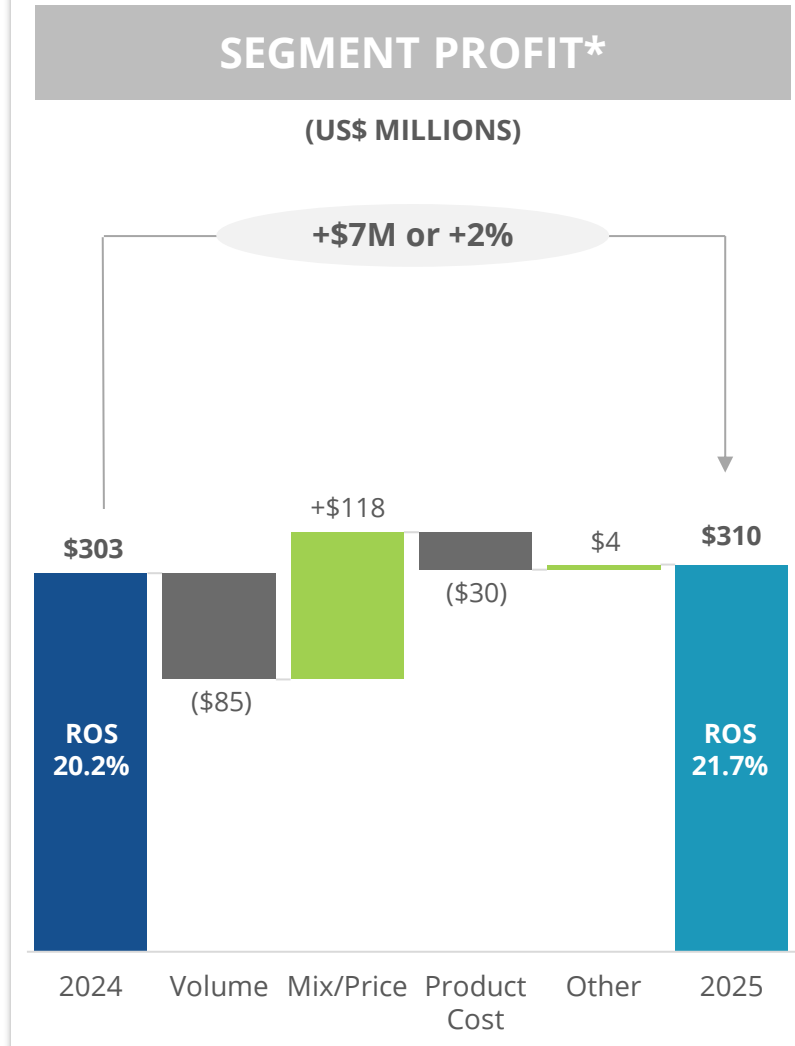
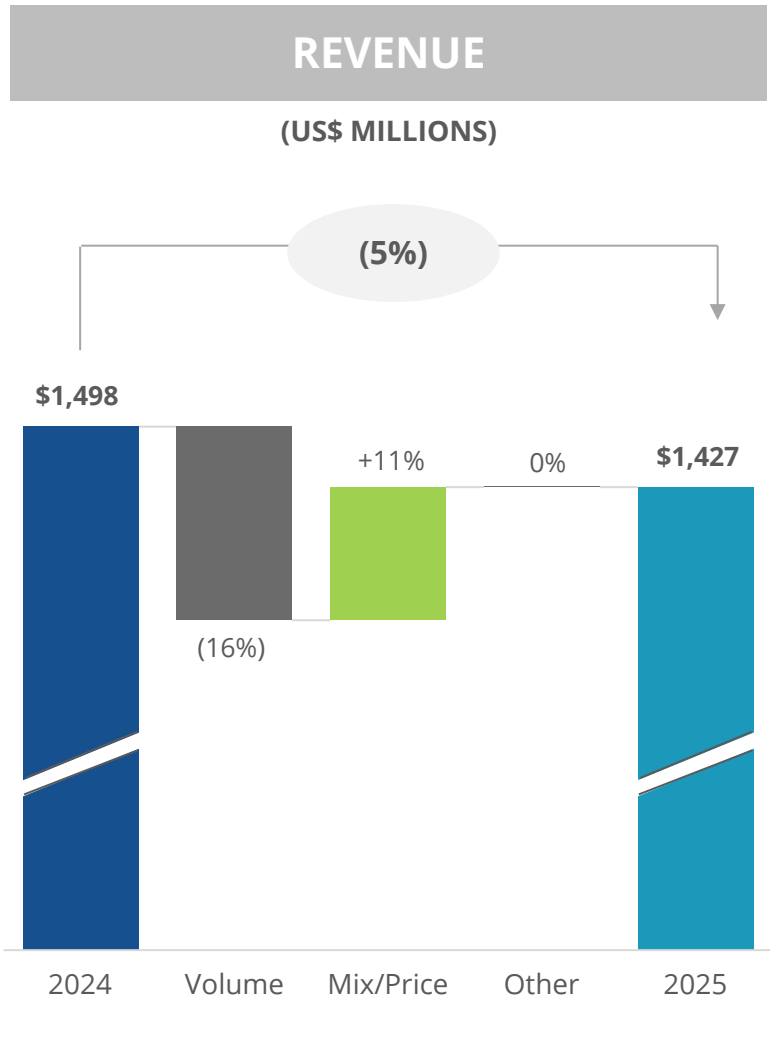
Sources of Synergies

Growth Acceleration

Sourcing Savings

Distribution Scale

Q3 2025 LENNOX RESULTS

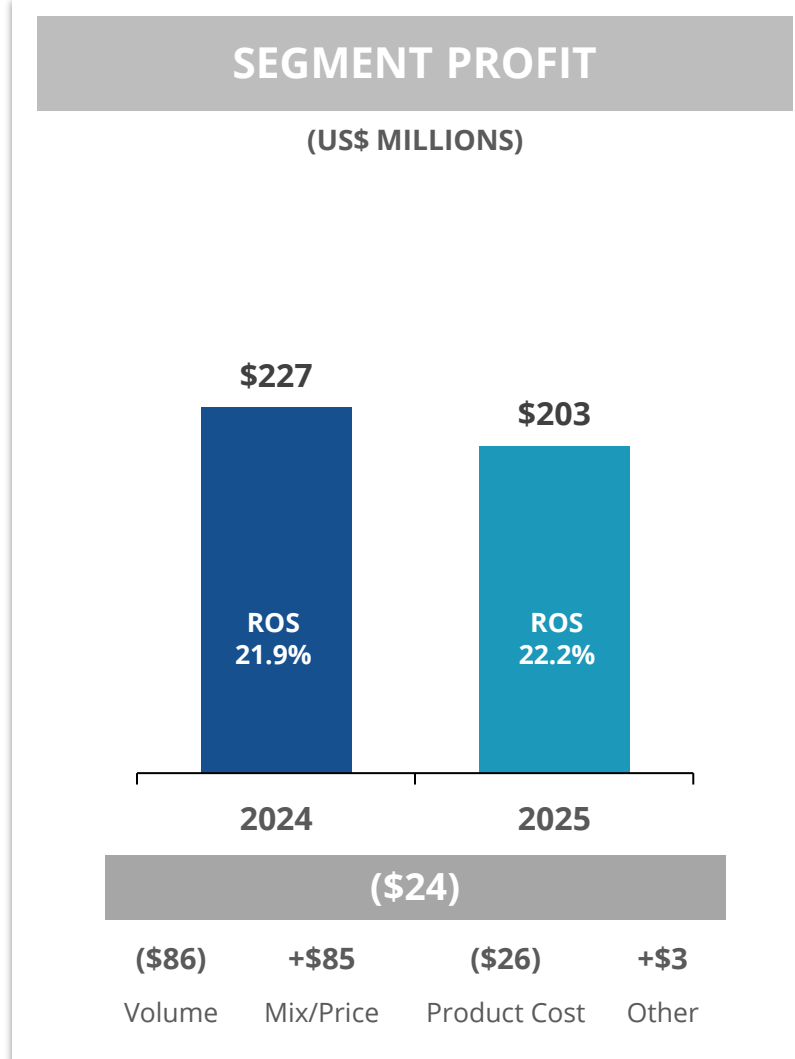
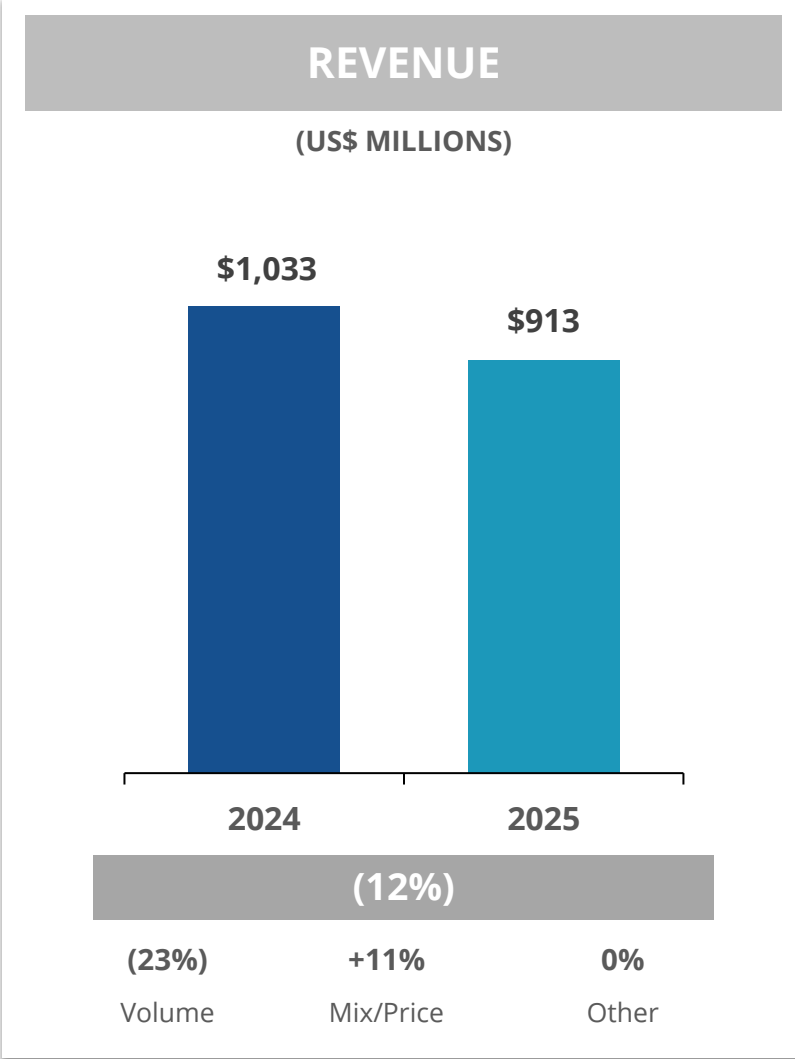


Adjusted EPS* **+4% to \$6.98**

Resilient margins and profit growth despite lower volumes

* See appendix for reconciliation to GAAP performance

Q3 2025 HOME COMFORT SOLUTIONS



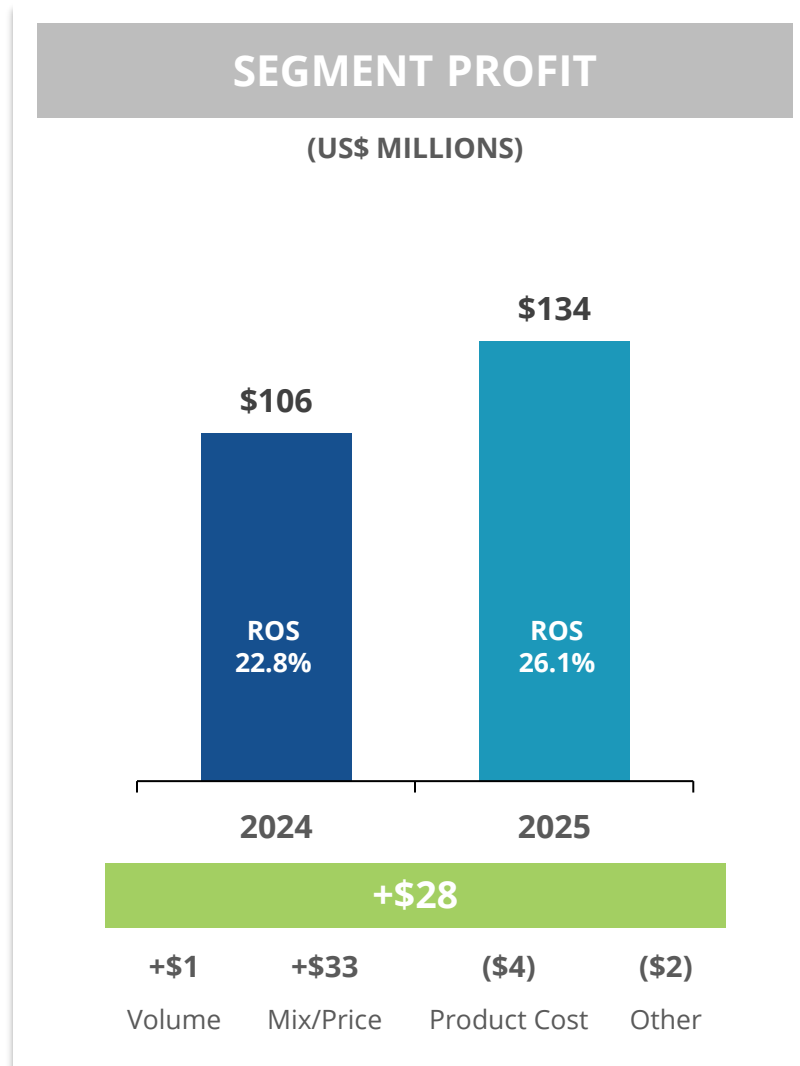
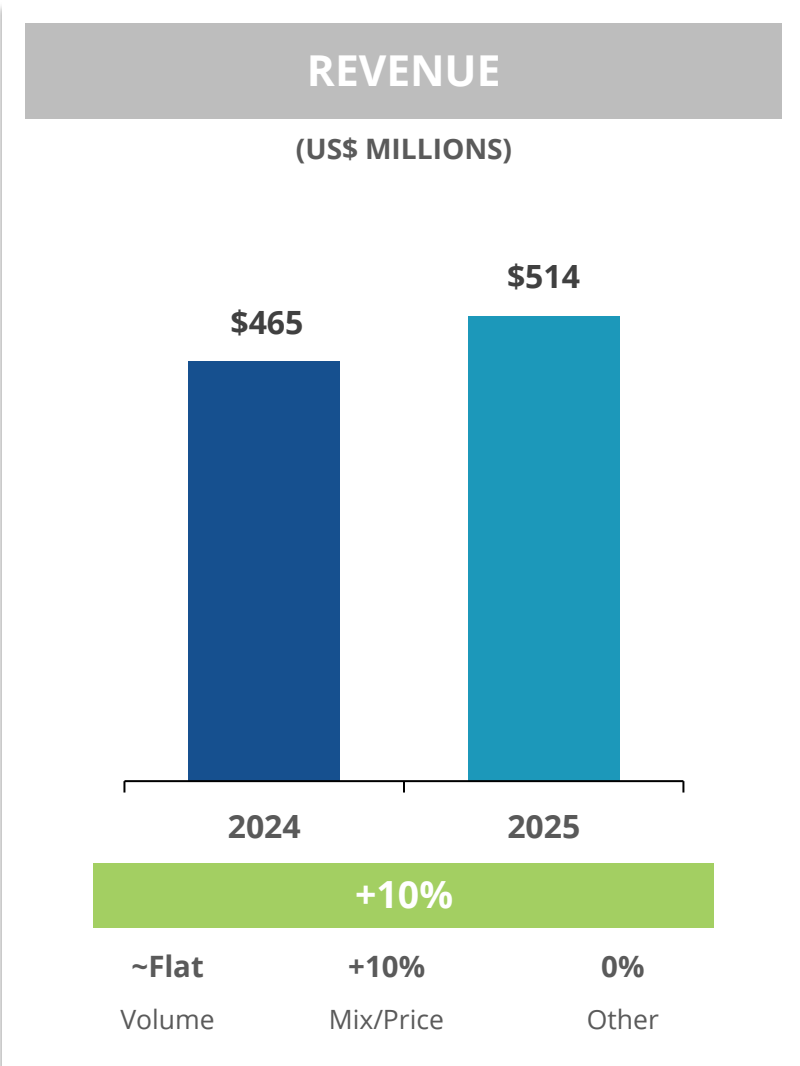
Volume: Distributor and contractor destocking, weak new construction and more repairs vs. replace

Mix: R-454B product introduction

Product Cost: Inflationary impact net of cost actions

Other Cost: SG&A cost reductions partially offset with distribution investments

Q3 2025 BUILDING CLIMATE SOLUTIONS



Volume: Share gains during challenging end markets with solid growth in refrigeration and service

Product Cost: Inflation partially offset with factory productivity

Other: Distribution and selling investments and inflation

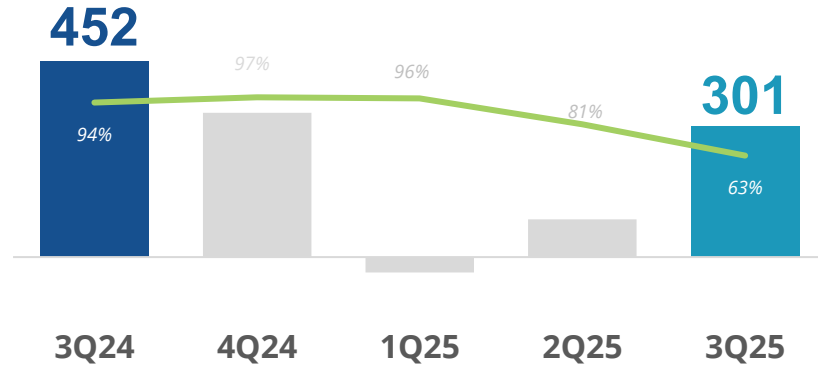
CASH FLOW AND CAPITAL DEPLOYMENT



CASH CONVERSION

OPERATING CASH FLOW
(US\$ MILLIONS)

TTM FCF CONVERSION %*



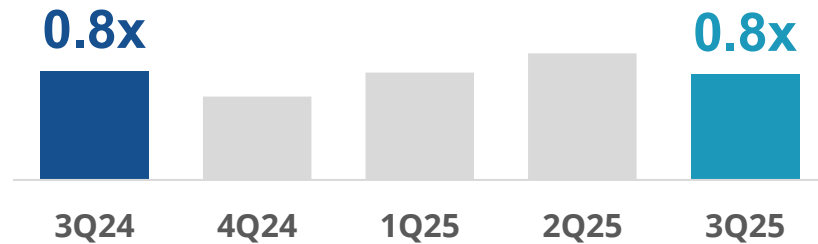
Temporarily elevated inventory levels

- Weak 2025 summer selling season
- Preparation for regulatory transition, emergency replacement & Samsung JV
- Inventory levels will return to normal in 2026



LEVERAGE

NET DEBT TO
ADJUSTED
EBITDA*
(TTM)



Maintain a Strong Balance Sheet

- Share repurchases ~\$350M YTD
- Double digit dividend increase - May 2025
- “Bolt-on” M&A focus



INVESTING FOR GROWTH

Growth capacity through ROI-focused investments

- 2025 Capital Expenditures ~ \$150M
- Digital data & tech stack for customer experience
- Distribution Network – expansion & efficiency
- Innovation and training centers

2025 FINANCIAL GUIDANCE

REVENUE

	Prebuy	Volume	Mix/Price	M&A	Total
Home Comfort Solutions	(HSD)	(HSD)	+ LDD	+0.5%	(~4%)
Building Climate Solutions	(LSD)	(LSD)	+ HSD	+1.5%	+ ~6%
Total LII Revenue Growth	(6%)	(5%)	+ 9%	+1%	(~1%)
<i>Segment Profit Incremental*</i>	~ (35%)	~ (35%)	~ 70%	0%	

*Before the impact of cost: inflation, investments and productivity

OTHER GUIDANCE ITEMS

		Prior Guide
COST Δ YoY	Inflation	~5% ~6%
	Investments	~\$25M ~\$25M
	Productivity/ Cost Actions	~(\$90M) ~(\$75M)
Interest	~\$40M	~\$30M
Tax Rate	~19.3%	~19-20%
Share Count	~35.5M	~36M
Adjusted EPS	\$22.75 – \$23.25	\$23.25 – \$24.25
Free Cash Flow	~\$550M	\$650M – \$800M

2026 EARLY THINKING

REVENUE GROWTH



End Markets

- Post '25 destock normal
- Lower interest rates
New & Existing Home sales
- New refrigerant and component availability



Share Gains

- Parts growth accretion
- Emergency replacement
- Meaningful JV growth
Samsung '26, Ariston '27



Consumer Mix

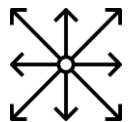
- Growth in value tier
- System repair trend over replace



Other

- Federal heat pump and energy efficiency incentives
- Rationalizing low margin RNC accounts

MARGIN EXPANSION



Price

- Carryover R-454B mix
- Annual price increase



Cost Productivity

- Lower logistics costs with better fill rate
- Saltillo at full efficiency
- SG&A cost actions



Investments

- Digital front-end tools
- Distribution network for equipment & parts
- Innovation and customer training centers



Inflation

- Tariffs, components & commodities
- Healthcare & benefits costs

ATTRACTIVE INVESTMENT OPPORTUNITY





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THANK YOU!



REVENUE AND SEGMENT PROFIT

	Q3 2025	Q3 2024	Change Year-over-Year				
			Volume	Mix/Price	Other	Total	
Net Sales							
Home Comfort Solutions	\$ 913	\$ 1,033	(23%)	11%	-	(12%)	
Building Climate Solutions	514	465	0%	10%	-	10%	
Net sales, a GAAP measure	\$ 1,427	\$ 1,498	(16%)	11%	-	(5%)	
Segment Profit ⁽¹⁾	Q3 2025	Q3 2024	Volume	Mix/Price	Product Cost	Other	Total
Home Comfort Solutions	\$ 203	\$ 227	\$ (86)	\$ 85	\$ (26)	\$ 3	\$ (24)
Building Climate Solutions	134	106	1	33	(4)	(2)	28
Corporate and other	(27)	(29)	-	-	-	2	2
Segment profit, a Non-GAAP measure	\$ 310	\$ 303	\$ (85)	\$ 118	\$ (30)	\$ 4	\$ 7
Loss (gain) on sale from previous dispositions	-	-					
Restructuring charges	-	-					
Operating income	\$ 310	\$ 303					

(1) We define segment profit (loss) as a segment's operating income (loss) included in the accompanying Consolidated Statements of Operations, excluding:

- Restructuring charges, and;
- Loss (gain) on sale of previous dispositions

ADJUSTED EPS

	For the Three Months Ended September 30, (Unaudited)			
	2025		2024	
	After Tax Amount	Per Diluted Share	After Tax Amount	Per Diluted Share
Net income, a GAAP measure	\$ 245.8	\$ 6.98	\$ 239.0	\$ 6.68
Adjusted net income, a non-GAAP measure	\$ 245.8	\$ 6.98	\$ 239.0	\$ 6.68

NET DEBT TO ADJUSTED EBITDA

For the Twelve Months
Ended September 30,
(Unaudited)

	2025	2024
Income before taxes, a GAAP Measure	\$ 1,030.9	\$ 928.6
Items in losses (gains) and other expenses, net before taxes	-	2.7
Restructuring charges, before tax	-	2.8
Interest expense, net	30.5	44.5
Pension settlements, before tax	0.3	0.6
Other expense (income), net before tax	2.7	1.6
Impairment on assets held for sale	-	-
Loss (gain) on sale from previous dispositions	3.1	(15.7)
Depreciation and amortization expense	104.9	93.6
Adjusted EBITDA, a non-GAAP measure	\$ 1,172.4	\$ 1,058.7

As of September 30,
(Unaudited)

	2025	2024
Total Debt	\$ 1,012.1	\$ 1,140.3
Less Cash	52.9	243.1
Less Short-term investments	6.3	12.6
Net Debt, a non-GAAP measure	\$ 952.9	\$ 884.6
Debt to Adjusted EBITDA ratio	0.8	0.8

FREE CASH FLOW & FCF CONVERSION

	For the Three Months Ended September 30, (Unaudited)		For the Twelve Months Ended (Unaudited)				
	2025	2024	3Q 2024	4Q 2024	1Q 2025	2Q 2025	3Q 2025
Net Cash provided by operating activities, a GAAP measure	\$ 300.7	\$ 452.1	\$ 919.6	\$ 945.7	\$ 932.7	\$ 835.5	\$ 684.1
Purchases of property, plant and equipment	(35.6)	(41.2)	(228.6)	(163.6)	(159.6)	(155.4)	(149.8)
Proceeds from the disposal of property, plant and equipment	0.2	0.8	2.4	2.5	2.5	2.3	1.7
Free cash flow, a Non-GAAP measure	\$ 265.3	\$ 411.7	\$ 693.4	\$ 784.6	\$ 775.6	\$ 682.4	\$ 536.0
			After Tax Amount	After Tax Amount	After Tax Amount	After Tax Amount	After Tax Amount
Net income, a GAAP measure			\$ 753.7	\$ 806.9	\$ 802.9	\$ 834.6	\$ 841.4
Restructuring charges			2.1	-	-	-	-
Pension settlements			(0.2)	-	-	-	-
Items in Losses (gains) and other expenses, net which are excluded from segment profit (loss) (a)			3.0	-	-	-	-
Excess tax expense from share-based compensation (b)			(2.8)	-	-	-	-
Loss (gain) on sale from previous dispositions			(12.7)	1.5	1.5	3.1	3.1
Other tax items, net (b)			(3.8)	-	-	-	-
Non-core business results (c)			(2.1)	-	-	-	-
Adjusted net income, a non-GAAP measure			\$ 737.2	\$ 808.4	\$ 804.4	\$ 837.7	\$ 844.5
FCF Conversion			94%	97%	96%	81%	63%

(a) Recorded in Losses (gains) and other expenses, net in the Consolidated Statement of Operations

(b) Recorded in Provision for income taxes in the Consolidated Statements of Operations

(c) Non-core business results represent activity related to our business operations in Europe not included elsewhere in the reconciliations. European operations were divested in the fourth quarter of 2023.