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FOURTH QUARTER 2025 EARNINGS RELEASE

JANUARY 28, 2026



FORWARD-LOOKING STATEMENTS & NON-GAAP FINANCIAL MEASURES

The statements in this presentation that are not historical statements, including statements regarding the 2026 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, ROS, 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.

2025 FINANCIAL HIGHLIGHTS

RECORD FULL YEAR MARGINS: RESILIENT PROFITS IN CHALLENGING MARKETS



2025 Adjusted
Earnings Per Share*

Q4	Full Year
\$4.45	\$23.16
(22%) YoY	+2% YoY

REVENUE

\$1.2B
(11%) YoY

Q4

SEGMENT
PROFIT MARGIN

17.7%
(110 bps) YoY

OPERATING
CASH FLOW

\$406M
+\$74M YoY

REVENUE

\$5.2B
(3%) YoY

Full Year

SEGMENT
PROFIT MARGIN

20.4%
+90 bps YoY

OPERATING
CASH FLOW

\$758M
(\$188M) YoY

HEADWINDS EASING, OPPORTUNITIES EMERGING



	2025 Impact	2026 Outlook
Destocking post regulatory transition	Red	1H Red 2H Green
R454B cannister shortage impact	Red	Green
Lower consumer confidence	Red	Yellow
Residential new construction	Red	Yellow
Ductless and parts growth	Grey	Green

	2025 Impact	2026 Outlook
Commercial HVAC industry softness	Red	Green
Emergency replacement & national account wins	Yellow	Green
Consumer confidence & retail channel strength	Yellow	Yellow
Parts and services growth	Grey	Green

● Headwind ● Transitional / Stabilizing ● Tailwind ● Neutral

FUELING GROWTH ACCELERATION

Investments made, expected returns in 2026+

Front End Excellence

Sales excellence, Revenue Ops

AI tools and e-commerce

Samsung and Ariston

Manufacturing & Distribution

Commercial, Heat Pump, A2L

Hub and spoke distribution

Digital / AI infrastructure

Planned investment with attractive returns

Customer Training and Engagement

5+ New training centers

Commercial engagement hub

Technology upgrades

Development and Testing

Automate and upgrade labs

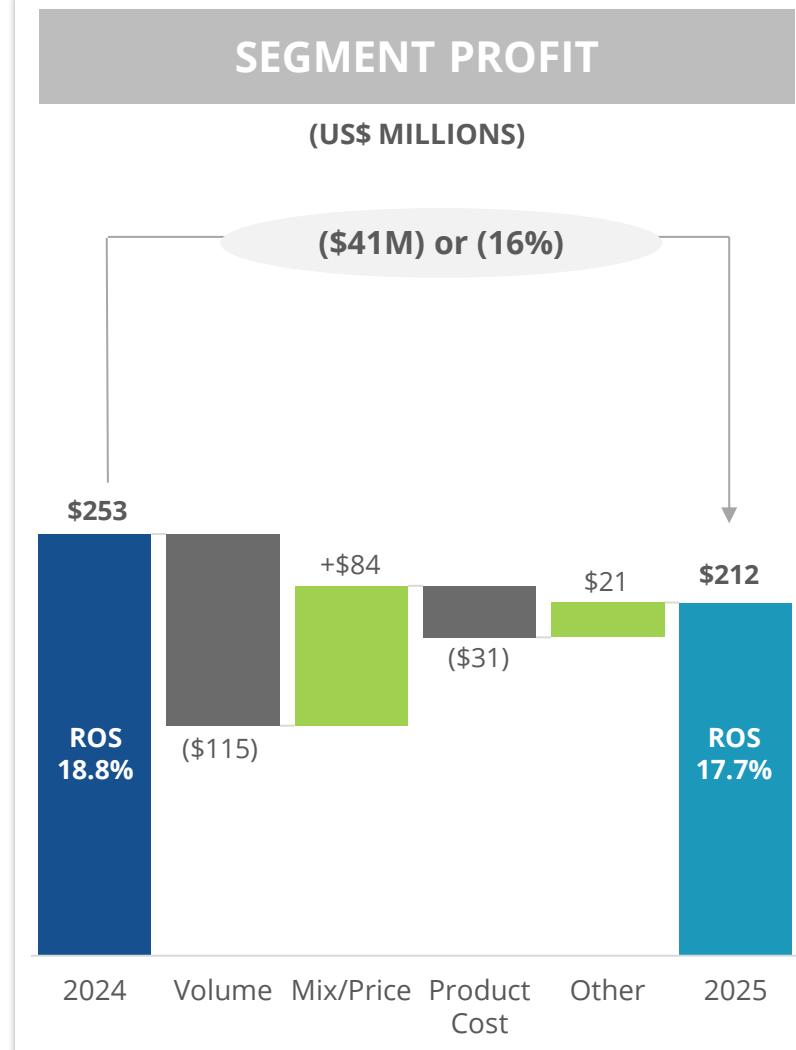
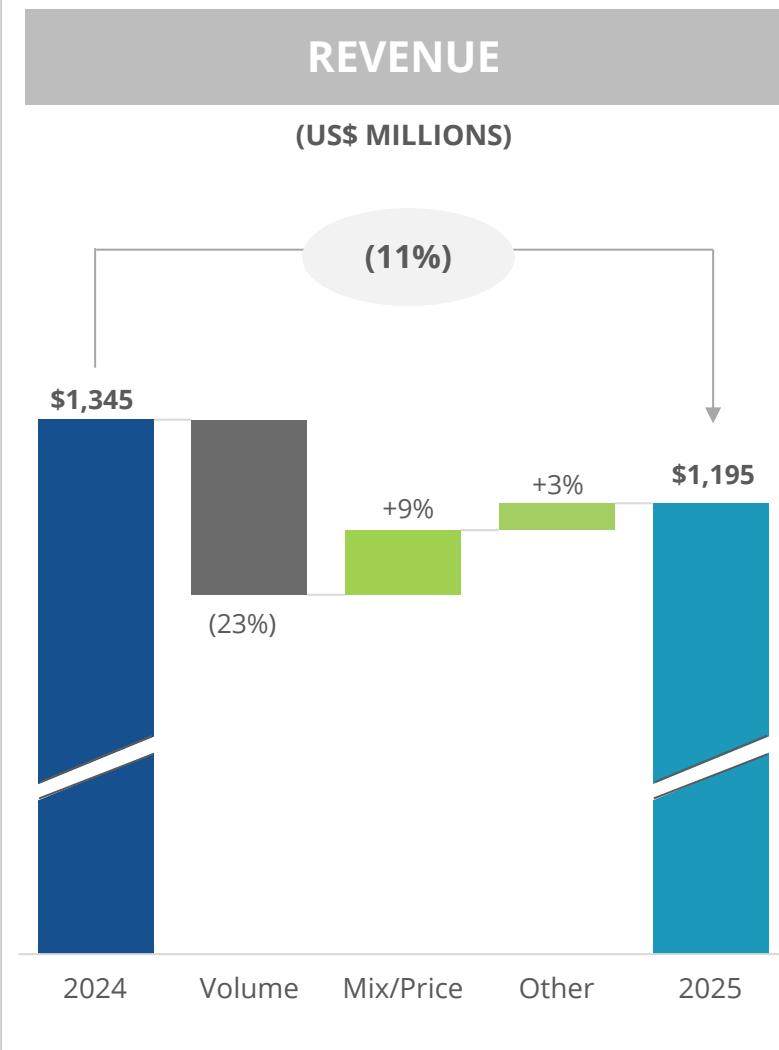
Insource certification, testing

New R&D center, India TC

~\$300M+ Strategic Investments

~\$125M+ Strategic Investments

Q4 2025 LENNOX RESULTS

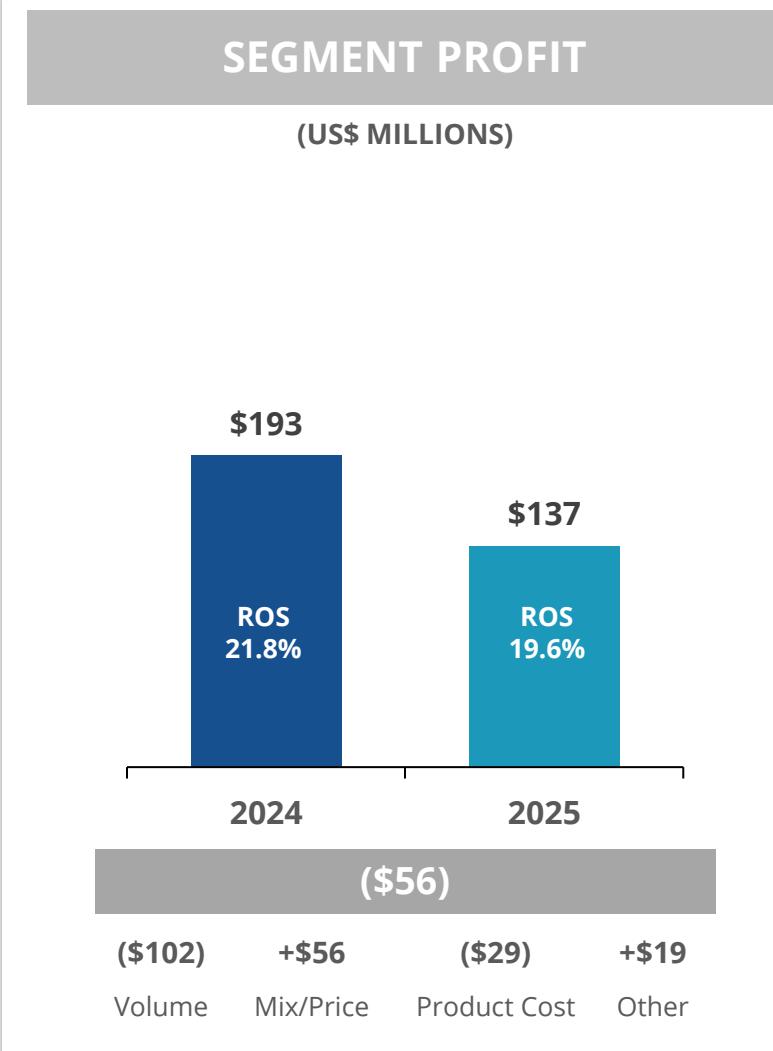
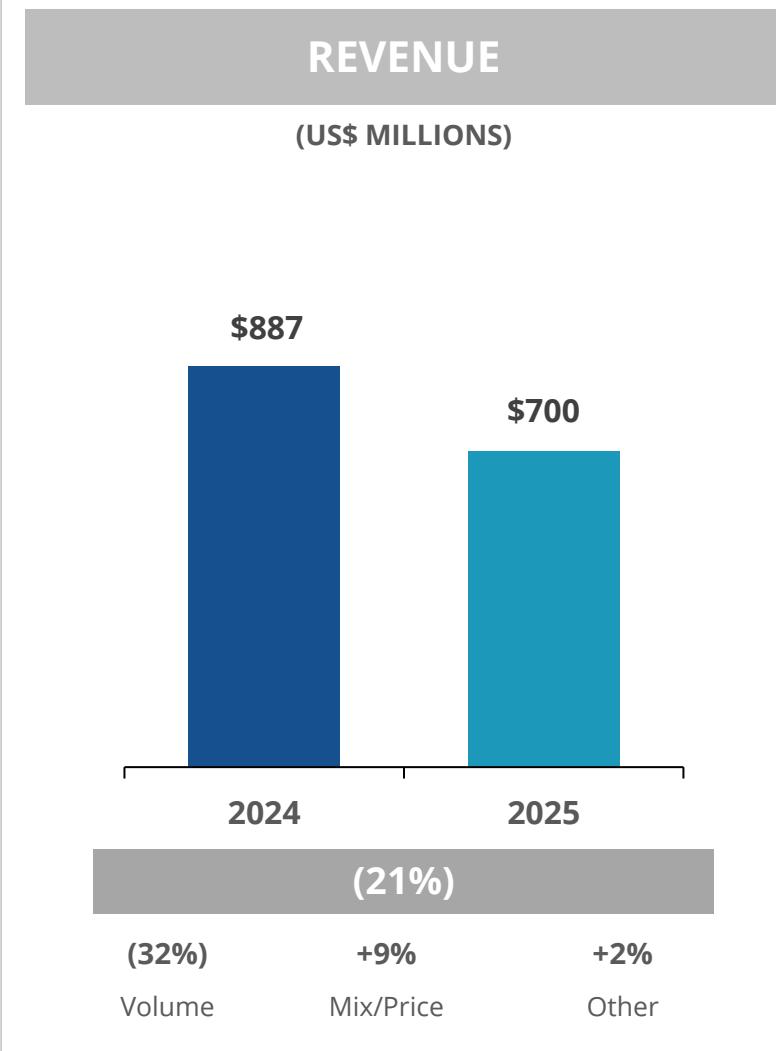


Adjusted EPS* (22%) to \$4.45

Broad residential market weakness influenced profit, though indicators point to gradual improvement

* See appendix for reconciliation to GAAP performance

Q4 2025 HOME COMFORT SOLUTIONS



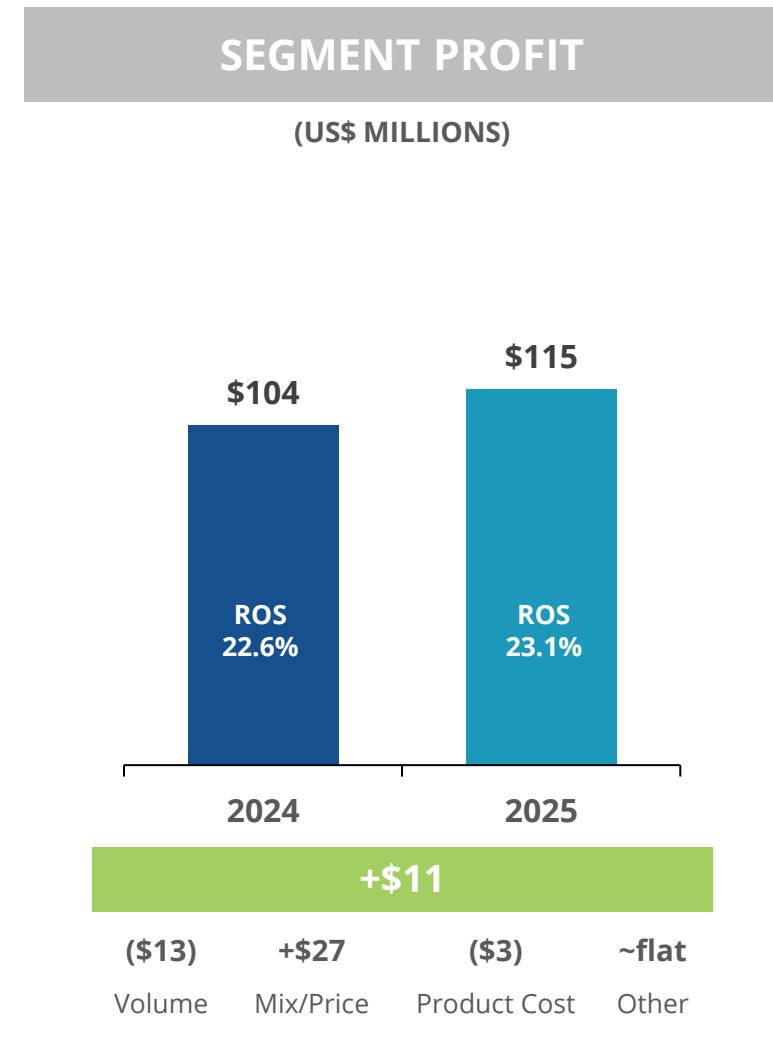
Volume: Distributor and contractor destocking, weak new construction and more repairs vs. replace

Mix/Price: New R-454B product

Product Cost: Materials inflation and factory absorption, partially offset by commodities

Other Cost: SG&A cost reductions

Q4 2025 BUILDING CLIMATE SOLUTIONS

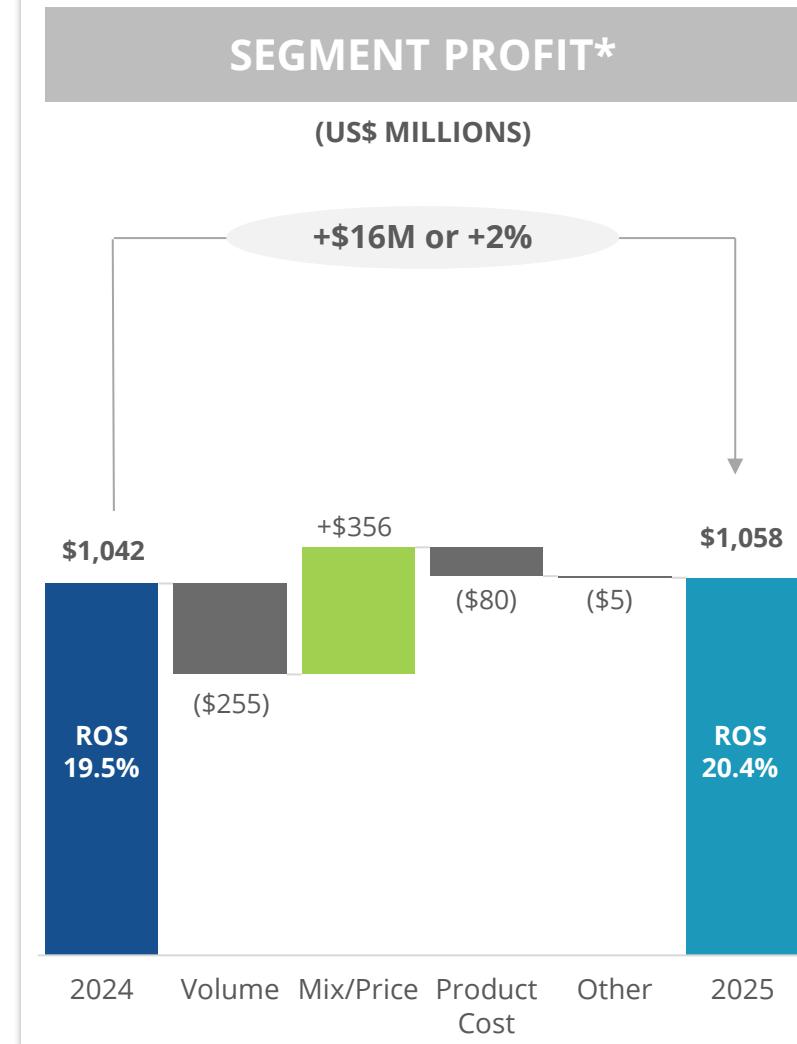
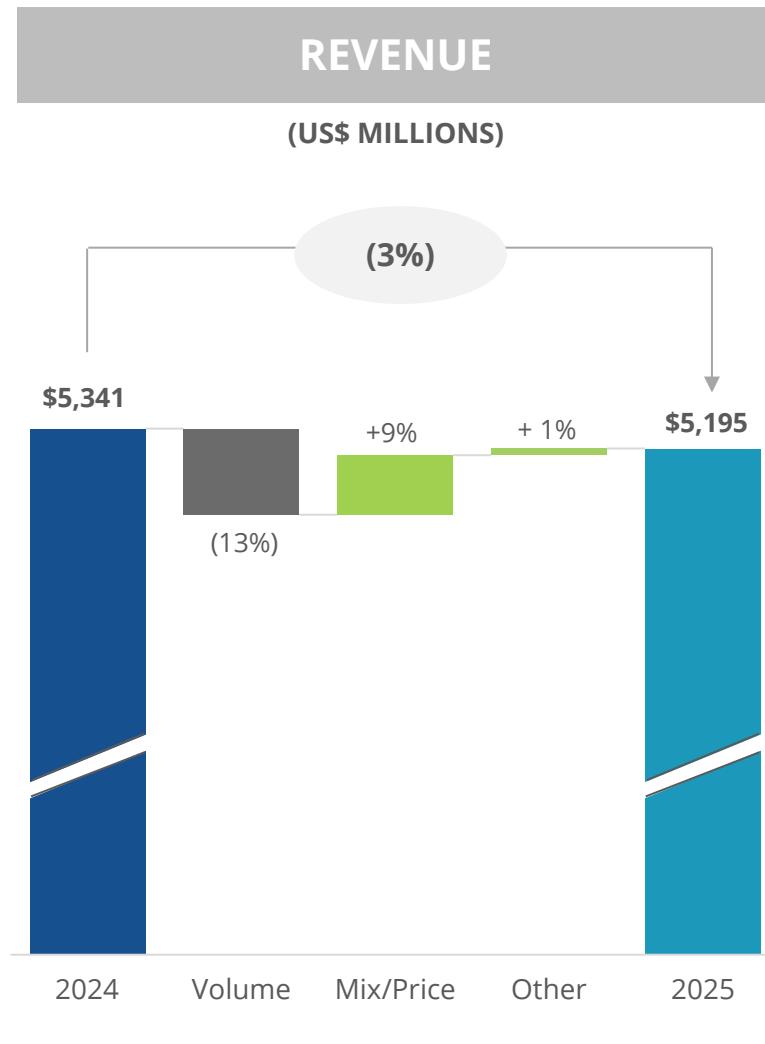


Volume: Share gains during challenging light commercial end markets

Product Cost: Materials inflation and factory absorption, partially offset by commodities

Other: SG&A cost reductions offset inflation

FULL YEAR 2025 LENNOX RESULTS



Adjusted EPS* **+2% to \$23.16**

Solid results in a challenging market and an industry refrigerant transition

* See appendix for reconciliation to GAAP performance

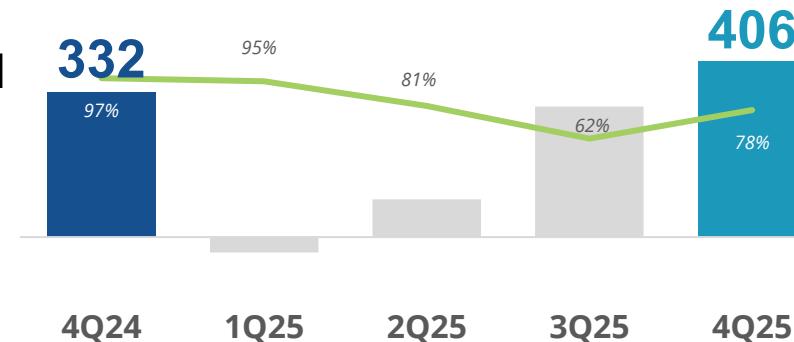
CASH FLOW AND CAPITAL DEPLOYMENT



CASH CONVERSION

OPERATING CASH FLOW
(US\$ MILLIONS)

TTM FCF CONVERSION %*



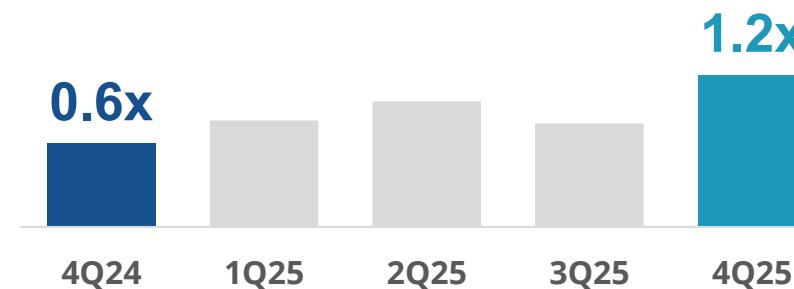
Cash Conversion Temporarily Constrained

- Inventory expected to normalize by Q2 2026
- Strong collections and payments helped offset



LEVERAGE

NET DEBT TO
ADJUSTED
EBITDA*
(TTM)



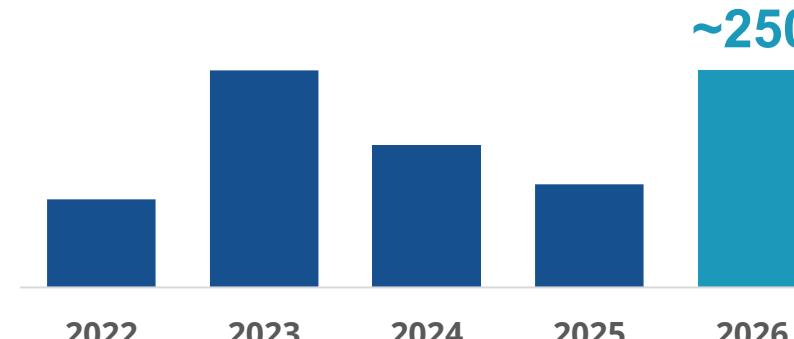
Maintain a Strong Balance Sheet

- Share repurchases: ~\$482M in 2025
- Dividend: Double digit increase, May 2025
- "Bolt-on" M&A execution: ~\$545M, Q4 2025



INVESTING FOR GROWTH

CAPEX
(US\$ MILLIONS)



Focus on Customer Experience and Cost efficiency

- Innovation and training centers
- Digital tech stack and data platforms
- Distribution network expansion & optimization
- ERP modernization and AI tools

2026 FINANCIAL GUIDANCE

GROWTH

	Revenue Δ YoY	<i>Segment Profit Incremental*</i>
Volume	(LSD)	(~35%)
Price Mix	+MSD	~75%
M&A	+MSD	~30%
Total LII	6% - 7%	
HCS	~2%	
BCS	~15%	

OTHER GUIDANCE ITEMS

COST Δ YoY	Inflation	~+2.5%
	Investments	+\$35M
	M&A Amortization	+\$15M
	Productivity	(\$75M)
<hr/>		
Interest		\$65M
<hr/>		
Tax Rate		~20%
<hr/>		
Share Count		~35M
<hr/>		
Adjusted EPS		\$23.50 – \$25.00
<hr/>		
Free Cash Flow		\$750M to \$850M

*Before the impact of cost: inflation, investments, productivity, and M&A amortization

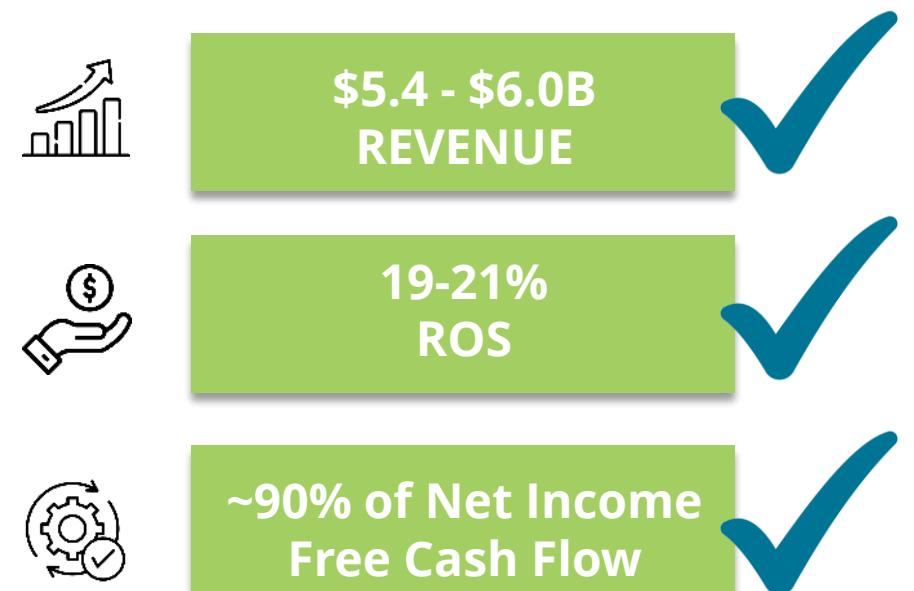
** Impact on Total Cost

ON TRACK TO DELIVER ON 2022 COMMITMENTS

SELF-HELP TRANSFORMATION PLAN



**2026 set to
deliver on all
Long-Term
targets**



**Updated
Long-Term targets
will be shared at
the 2026 Lennox
Investor Day
March 2026**

ATTRACTIVE INVESTMENT OPPORTUNITY





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THANK YOU!



LIFO TO FIFO – ACCOUNTING CONVERSION

01

Reduced Complexity

Eliminates detailed inventory layer tracking and simplifies accounting and audit processes.

02

Price and Cost Matching

FIFO aligns pricing gains with cost increases more effectively, as price improvements typically lag behind LIFO cost changes.

03

Enhanced Comparability

Consistent with peers and accurately represents FIFO inventory movement, aligning accounting with the actual physical flow of goods.

Adopting FIFO increased 2024 FY EPS by +\$0.12 and Q1-Q3 2025 EPS by +\$0.55

LIFO TO FIFO ADJUSTED OPERATING PROFIT & NET INCOME

2024

	For the Three Months Ended December 31,			For the Years Ended December 31,		
	2024			2024		
	As Reported	Effect of Change	As Adjusted	As Reported	Effect of Change	As Adjusted
Net sales	\$ 1,345.0	\$ -	\$ 1,345.0	\$ 5,341.3	\$ -	\$ 5,341.3
Cost of goods sold	889.7	(5.6)	884.1	3,569.4	(5.6)	3,563.8
Gross profit	455.3	5.6	460.9	1,771.9	5.6	1,777.5
Operating income	244.6	5.6	250.2	1,034.8	5.6	1,040.4
Income before income taxes	238.7	5.6	244.3	993.8	5.6	999.4
Provision for income taxes	41.0	1.4	42.4	186.9	1.4	188.3
Net income	197.7	4.2	201.9	806.9	4.2	811.1
Earnings per share - Basic	\$ 5.55	\$ 0.11	\$ 5.67	\$ 22.67	\$ 0.11	\$ 22.78
Earnings per share - Diluted	\$ 5.52	\$ 0.12	\$ 5.64	\$ 22.54	\$ 0.12	\$ 22.66

2025

Three months ended (In millions, except per share data)	For the Three Months Ended March 31, 2025 ⁽¹⁾				For the Three Months Ended June 30, 2025 ⁽¹⁾				For the Three Months Ended September 30, 2025 ⁽¹⁾			
	As Reported		Immaterial Error Correction	Impact of Change LIFO	As Reported		Immaterial Error Correction	Impact of Change LIFO	As Reported		Immaterial Error Correction	Impact of Change LIFO
	As Reported	As Adjusted			As Reported	As Adjusted			As Reported	As Adjusted		
Net sales	\$ 1,072.6	\$ -	- \$	- \$ 1,072.6	\$ 1,500.9	\$ -	- \$	- \$ 1,500.9	\$ 1,426.8	\$ -	- \$	- \$ 1,426.8
Cost of goods sold	744.1	(5.1)	(7.3)	731.7	978.4	1.5	3.5	983.4	958.2	(5.4)	(13.2)	939.6
Gross profit	328.5	5.1	7.3	340.9	522.5	(1.5)	(3.5)	517.5	468.6	5.4	13.2	487.2
Operating income	155.6	5.1	7.3	168.0	354.0	(1.5)	(3.5)	349.0	310.2	5.4	13.2	328.8
Income before income taxes	148.4	5.1	7.3	160.8	345.0	(1.5)	(3.5)	340.0	298.8	5.4	13.2	317.4
Provision for income taxes	28.1	1.3	1.8	31.2	67.4	(0.4)	(0.9)	66.1	53.0	1.3	3.2	57.5
Net income	120.3	3.9	5.5	129.7	277.6	(1.2)	(2.7)	273.7	245.8	4.1	10.0	259.9
Earnings per share - Basic	\$ 3.39	\$ 0.11	\$ 0.15	\$ 3.65	\$ 7.86	\$ (0.03)	\$ (0.08)	\$ 7.75	\$ 7.01	\$ 0.12	\$ 0.28	\$ 7.41
Earnings per share - Diluted	\$ 3.37	\$ 0.11	\$ 0.15	\$ 3.63	\$ 7.82	\$ (0.03)	\$ (0.08)	\$ 7.71	\$ 6.98	\$ 0.12	\$ 0.28	\$ 7.38

(1) In the fourth quarter of 2025, we changed the method of accounting for our inventories from LIFO to FIFO, the effects of the change in accounting principle have retroactively applied.

LIFO TO FIFO ADJUSTED SEGMENT PROFIT

2024

	Three Months Ended December 31, 2024			Twelve Months Ended December 31, 2024		
	As Reported	Effect of Change	As Adjusted	As Reported	Effect of Change	As Adjusted
Segment Profit ⁽¹⁾						
Home Comfort Solutions	\$192.6	\$0.8	\$193.4	\$759.7	\$0.8	\$760.5
Building Climate Solutions	98.8	4.8	103.6	396.9	4.8	401.7
Corporate and other	(43.7)	-	(43.7)	(120.3)	-	(120.3)
Segment profit, a Non-GAAP measure	\$247.7	\$5.6	\$253.3	\$1,036.3	\$5.6	\$1,041.9

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

- Restructuring charges,
- Gain (loss) on sale of previous dispositions, and;
- Acquisition costs

2025

	Three Months Ended March 31, 2025			Three Months Ended June 30, 2025			Three Months Ended September 30, 2025		
	As Reported	Effect of Change	As Adjusted	As Reported	Effect of Change	As Adjusted	As Reported	Effect of Change	As Adjusted
Segment Profit ⁽¹⁾									
Home Comfort Solutions	\$116.8	\$7.0	\$123.8	\$255.2	(\$3.2)	\$252.0	\$202.9	\$12.4	\$215.3
Building Climate Solutions	53.5	5.3	58.8	122.5	(1.9)	120.6	134.0	6.2	140.2
Corporate and other	(14.7)	-	(14.7)	(23.7)	-	(23.7)	(26.7)	-	(26.7)
Segment profit, a Non-GAAP measure	\$155.6	\$12.3	\$167.9	\$354.0	(\$5.1)	\$348.9	\$310.2	\$18.6	\$328.8

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

- Restructuring charges,
- Gain (loss) on sale of previous dispositions, and;
- Acquisition costs

LIFO TO FIFO ADJUSTED BALANCE SHEET

2024

The effect of the changes made to our Consolidated Balance Sheet was as follows (in millions):

	As of December 31, 2024		
	As Reported	Effect of Change	As Adjusted
Inventories, net	704.8	148.2	853.0
Total assets	3,471.8	148.2	3,620.0
Deferred income taxes (Other liabilities)	188.7	36.3	225.0
Retained earnings	4,150.8	111.9	4,262.7
Total liabilities and stockholders' equity	3,471.8	148.2	3,620.0

2025

	As of March 31, 2025			As of June 30, 2025			As of September 30, 2025		
	As Reported	Effect of Change	As Adjusted	As Reported	Effect of Change	As Adjusted	As Reported	Effect of Change	As Adjusted
Inventories, net	902.3	160.5	1,062.8	1,001.9	155.5	1,157.4	991.5	174.1	1,165.6
Total assets	3,455.4	160.5	3,615.9	3,652.7	155.5	3,808.2	3,524.6	174.1	3,698.7
Deferred income taxes (Other liabilities)	190.5	39.3	229.8	191.9	38.1	230.0	191.3	42.7	234.0
Retained earnings	4,230.3	121.2	4,351.5	4,462.1	117.4	4,579.5	4,662.5	131.4	4,793.9
Total liabilities and stockholders' equity	3,455.4	160.5	3,615.9	3,652.7	155.5	3,808.2	3,524.6	174.1	3,698.7

REVENUE AND SEGMENT PROFIT

	Change Year-over-Year						Change Year-over-Year							
	Q4 2025	Q4 2024	Volume	Mix/Price	Other	Total	FY 2025	FY 2024	Volume	Mix/Price	Other	Total		
Net Sales														
Home Comfort Solutions	\$ 700	\$ 887	(32%)	9%	2%	(21%)	\$ 3,343	\$ 3,577	(17%)	10%	0%	(7%)		
Building Climate Solutions	495	458	(7%)	8%	7%	8%	1,852	1,764	(5%)	8%	2%	5%		
Net sales, a GAAP measure	\$ 1,195	\$ 1,345	(23%)	9%	3%	(11%)	\$ 5,195	\$ 5,341	(13%)	9%	1%	(3%)		
Segment Profit⁽¹⁾														
Home Comfort Solutions	\$ 137	\$ 193	\$ (102)	\$ 56	\$ (29)	\$ 19	\$ (56)	\$ 729	\$ 761	\$ (224)	\$ 256	\$ (64)	\$ (0)	\$ (32)
Building Climate Solutions	115	104	(13)	27	(3)	\$ (0)	11	434	402	(31)	100	(16)	(20)	33
Corporate and other	(40)	(44)	-	-	-	\$ 4	4	(105)	(120)	-	-	-	15	15
Segment profit, a Non-GAAP measure	\$ 212	\$ 253	\$ (115)	\$ 84	\$ (31)	\$ 21	\$ (41)	\$ 1,058	\$ 1,042	\$ (255)	\$ 356	\$ (80)	\$ (5)	\$ 16
Loss (gain) on sale from previous dispositions	(1)	3						(1)	2					
Acquisition costs ⁽²⁾	10	-						10	-					
Restructuring charges	7	-						7	-					
Operating income	\$ 196	\$ 250						\$ 1,042	\$ 1,040					

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

- Restructuring charges,
- Gain (loss) on sale of previous dispositions, and;
- Acquisition costs

(2) Recorded in Losses and other expenses, net in the accompanying Consolidated Statement of Operations.

Note: The 2024 and 2025 amounts are adjusted to reflect the accounting method change from LIFO to FIFO.

ADJUSTED EPS

	For the Three Months Ended December 31, (Unaudited)				For the Years Ended December 31, (Unaudited)			
	2025		2024		2025		2024	
	After Tax Amount	Per Diluted Share	After Tax Amount	Per Diluted Share	After Tax Amount	Per Diluted Share	After Tax Amount	Per Diluted Share
Net income, a GAAP measure	\$ 142.5	\$ 4.07	\$ 201.9	\$ 5.64	\$ 805.8	\$ 22.79	\$ 811.1	\$ 22.66
Restructuring charges	5.1	\$ 0.15	-	-	5.1	\$ 0.14	-	-
Acquisition costs (a)	8.9	\$ 0.25	-	-	8.9	\$ 0.25	-	-
Loss (gain) on sale from previous dispositions	(0.7)	\$ (0.02)	\$ 3.1	0.08	(0.7)	\$ (0.02)	\$ 1.5	0.04
Adjusted net income, a non-GAAP measure	\$ 155.8	\$ 4.45	\$ 205.0	\$ 5.72	\$ 819.1	\$ 23.16	\$ 812.6	\$ 22.70

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

Note: The 2024 and 2025 amounts are adjusted to reflect the accounting method change from LIFO to FIFO.

NET DEBT TO ADJUSTED EBITDA

For the Twelve Months
Ended December 31,
(Unaudited)

	2025	2024
Income before taxes, a GAAP Measure	\$ 996.8	\$ 999.4
Restructuring charges, before tax	6.8	-
Interest expense, net	40.9	38.7
Pension settlements, before tax	0.4	0.4
Other expense (income), net before tax	3.4	1.9
Loss (gain) on sale from previous dispositions	(0.9)	1.5
Depreciation and amortization expense	112.5	95.1
Adjusted EBITDA, a non-GAAP measure	\$ 1,159.9	\$ 1,137.0

	As of December 31, (Unaudited)	
	2025	2024
Total Debt	\$ 1,388.4	\$ 1,147.6
Less Cash	34.2	415.1
Less Short-term investments	0.5	7.2
Net Debt, a non-GAAP measure	\$ 1,353.7	\$ 725.3
Debt to Adjusted EBITDA ratio	1.2	0.6

Note: The 2024 and 2025 amounts are adjusted to reflect the accounting method change from LIFO to FIFO.

FREE CASH FLOW & FCF CONVERSION

	For the Three Months Ended December 31, (Unaudited)		For the Twelve Months Ended (Unaudited)				
	2025	2024	4Q 2024	1Q 2025	2Q 2025	3Q 2025	4Q 2025
	\$ 405.9	\$ 332.4	\$ 945.7	\$ 932.7	\$ 835.5	\$ 684.1	\$ 757.6
Net Cash provided by operating activities, a GAAP measure							
Purchases of property, plant and equipment	(29.2)	(60.2)	(163.6)	(159.6)	(155.4)	(149.8)	(118.8)
Proceeds from the disposal of property, plant and equipment	0.3	0.6	2.5	2.5	2.3	1.7	1.4
Free cash flow, a Non-GAAP measure	\$ 377.0	\$ 272.8	\$ 784.6	\$ 775.6	\$ 682.4	\$ 536.0	\$ 640.2
				After Tax Amount	After Tax Amount	After Tax Amount	After Tax Amount
Net income, a GAAP measure				\$ 811.1	\$ 816.4	\$ 844.3	\$ 865.1
Restructuring charges				-	-	-	5.1
Acquisition costs (a)				-	-	-	8.9
Loss (gain) on sale from previous dispositions				1.5	1.5	3.1	3.1
Adjusted net income, a non-GAAP measure				\$ 812.6	\$ 817.9	\$ 847.4	\$ 868.2
FCF Conversion				97%	95%	81%	62%
							78%

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

Note: The 2024 and 2025 amounts are adjusted to reflect the accounting method change from LIFO to FIFO.