LENNOX

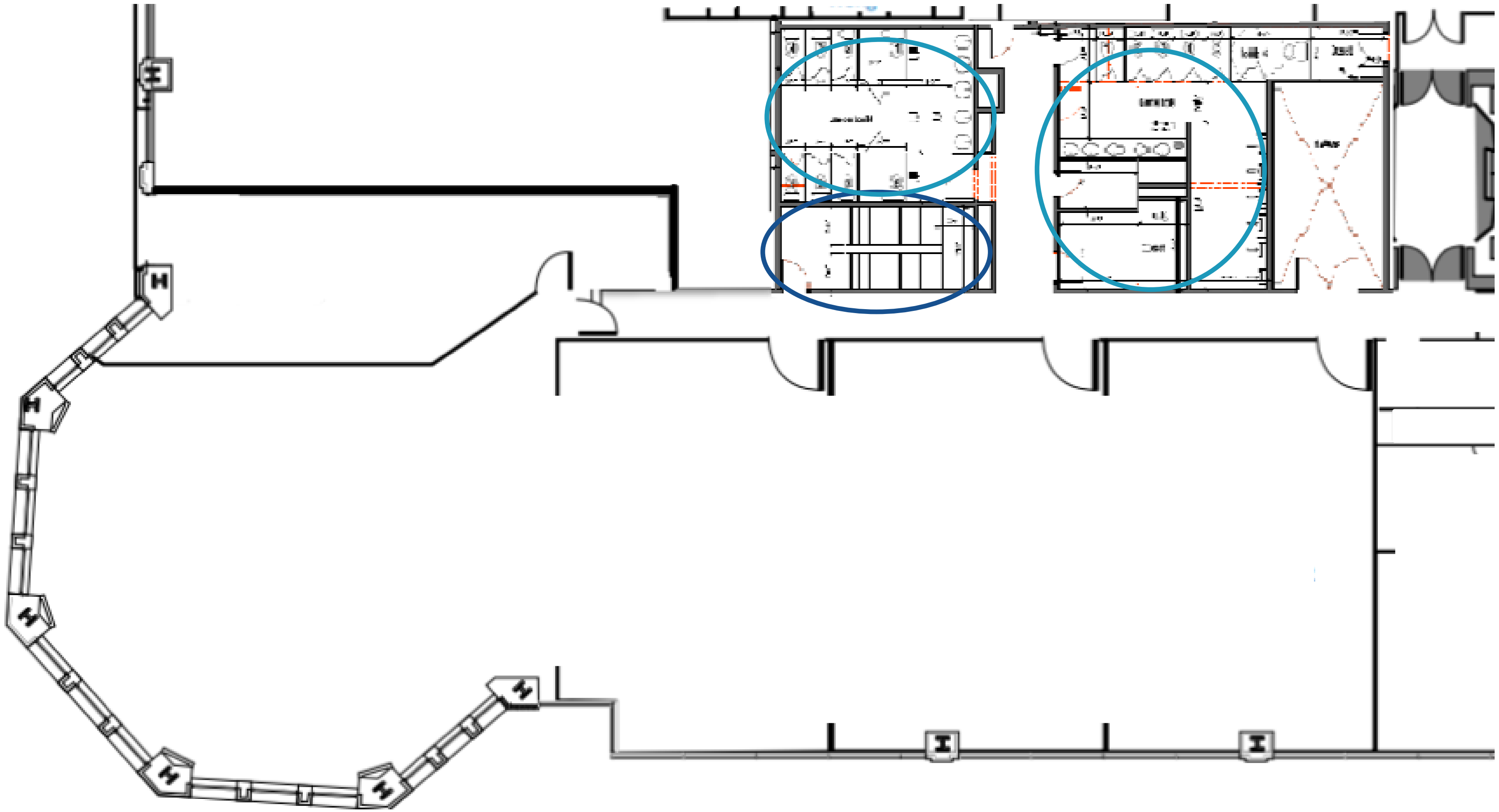
Investor Day

March 04, 2026

ROOM SAFETY OVERVIEW

Emergency

In the event of an emergency, an alarm will sound. 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 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, return on sales, 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.

OUR CORE VALUES AND GUIDING BEHAVIORS

INTEGRITY

Accountability
We deliver on our commitments.

Positive Engagement
We energize and motivate others.

Trust
We are honest, ethical and safe.

RESPECT

Customer Experience
We earn the loyalty of our customers.

Sustainability
We care for our community and planet.

Talent
We foster belonging
and create opportunities to grow.

EXCELLENCE

Innovation
We embrace original ideas and creative solutions.

Quality
We strive for continuous improvements.

Results
We prioritize superior outcomes for our stakeholders.

LENNOX LEADERSHIP TEAM

Alok Maskara
Chief Executive Officer

Prakash Bedapudi
Chief Technology Officer

Sarah Martin
President, Home Comfort Solutions

Dan Sessa
Chief Human Resources Officer

Joe Nassab
President, Building Climate Solutions

Monica Brown
Chief Legal Officer

Michael Quenzer
Chief Financial Officer

Mary Ellen Mondi
VP, Marketing

John MacQuarrie
President, Contractor Supply Solutions

TODAY'S AGENDA

ALOK MASKARA Chief Executive Officer	Overview and Strategy
SARAH MARTIN Home Comfort Solutions	Transforming to Accelerate Growth
JOE NASSAB Building Climate Solutions	Scaling Up
	Break & Mingle
PRAKASH BEDAPUDI Chief Technology Officer	Innovating Sustainable Technologies
MICHAEL QUENZER Chief Financial Officer	Driving Performance and Long-Term Shareholder Value
ALOK MASKARA Chief Executive Officer	Closing Remarks
ALL PRESENTERS	Q&A

ALOK MASKARA
Chief Executive Officer

OVERVIEW AND STRATEGY

KEY MESSAGES

01 Lennox's **competitive differentiation** will be even more powerful in the future

02 North American HVAC industry remains **attractive long term**

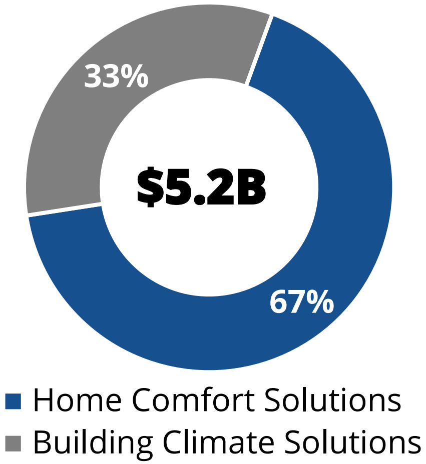
03 Differentiated initiatives drive above **industry growth for Lennox**

04 Enhanced shareholder value with consistent execution and **disciplined capital deployment**

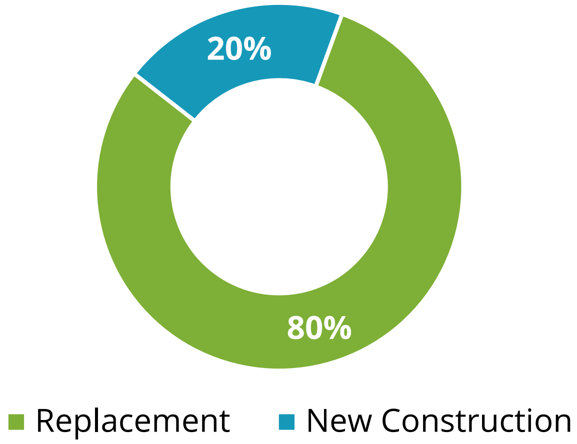
LENNOX AT A GLANCE - 2025 (NYSE: LII)

Employees	Adj. Segment Profit Margin	ROIC	Net Debt to Adj. EBITDA
~13K	20.4%	~39%	1.2X

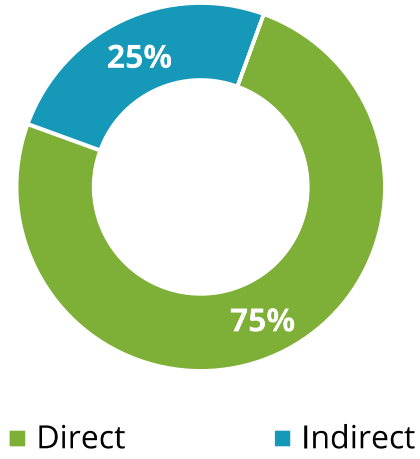
REVENUE BY SEGMENT



REVENUE BY APPLICATION



REVENUE BY DISTRIBUTION MODEL



See appendix for non-GAAP reconciliation

INNOVATION FUELS GROWTH

1895

Founded by Dave Lennox

1904

D.W. Norris buys Lennox

1935

Pioneered residential forced-air furnace

1943

Produced heating equipment for WW2

1965

First packaged direct multi-zone rooftop units

1972

First two-speed hermetic compressor

1991

Opened HQ in Dallas, TX

1999

Lennox IPO on NYSE

2003

First 19.2 SEER air conditioner

2007

First Residential Saltillo Plant

2010

Lennox India Technology Center (LITC) opens

2020

Launched ductless heat pumps

2022

Launched SL25XPV heat pump

2023

- New S40 thermostat
- AES acquired

2024

- Residential CCHP
- Commercial Saltillo Plant
- Lennox Powered by Samsung JV

2025

- Low GWP products
- Commercial CCHP
- Ariston water heater JV
- DuroDyne and Supco acquired

1890s – 1940s | **1950s – 2000s** | **2000s – 2020s** | **2021 – 2025**

KEY COMPETITIVE DIFFERENTIATORS

WELL POSITIONED TO SUCCEED WITH INDUSTRY TRENDS

LARGEST MANUFACTURING DIRECT–DEALER BASE

~10K
Lennox dealers

FULL LIFECYCLE COMMERCIAL HVAC SOLUTIONS

Manufacture, install, service, recycle

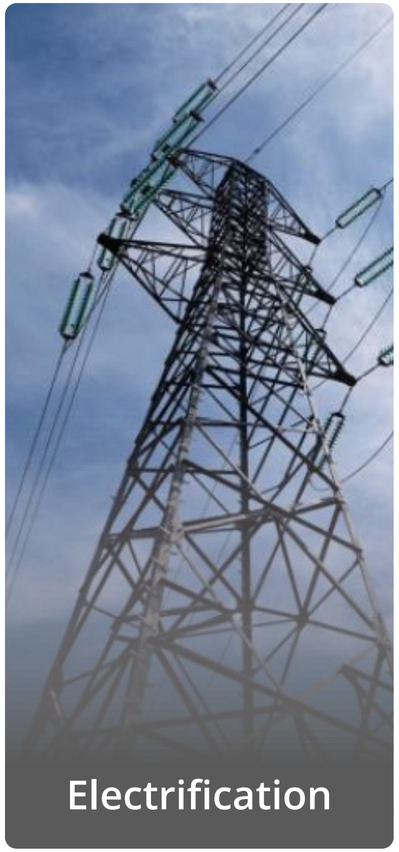
ONE STOP PARTNER FOR PARTS, DUCTLESS, WATER HEATERS

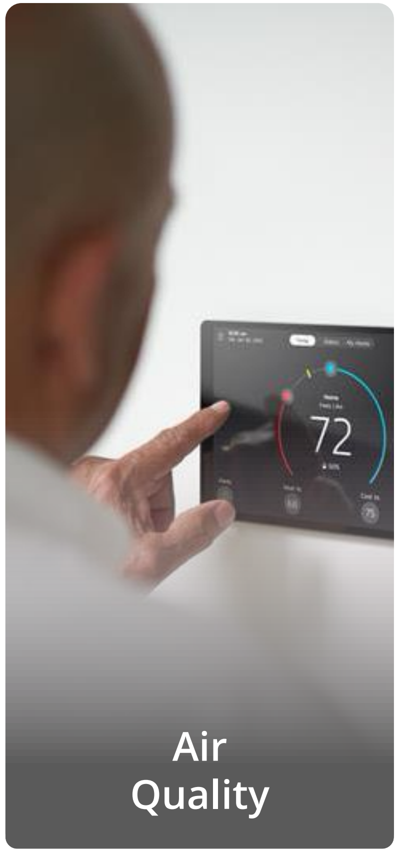
~250 owned distribution outlets

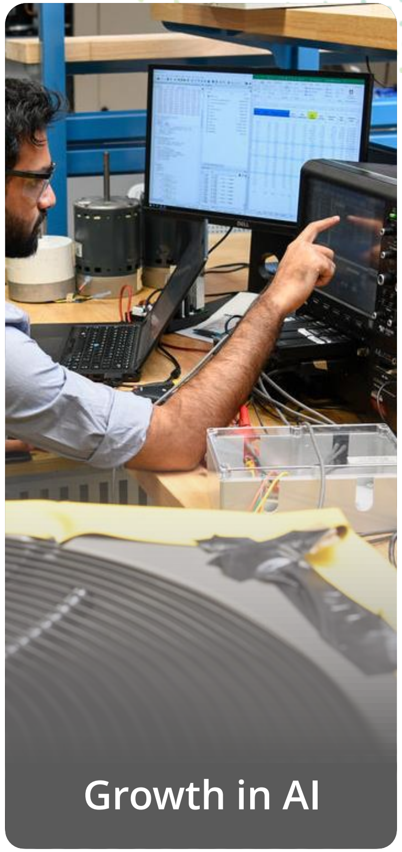
SCALED DIGITAL DATA PLATFORMS

~50% E-commerce direct to dealer sales

LONG-TERM MACRO GROWTH DRIVERS







Macro trends are expanding HVAC demand

MOVING BEYOND 2025 TO LONG-TERM VALUE CREATION

INDUSTRY TRENDS DRIVING GROWTH

2025 RESET AND BEYOND

OEM consolidation is improving brands, efficiencies, and quality

Aging installed base and heat pumps accelerating replacement demand

Trade convergence (Plumbing, HVAC) leading to contractor and channel consolidation

Skilled labor shortage leading to more system replacements versus complex repairs

Post-install engagement and connectivity are expanding lifecycle value

Industry structure to support durable growth

INDUSTRY LONG-TERM GROWTH TRENDS ARE STILL ATTRACTIVE

VARIABLES

Install Base
New Construction
Skilled Labor Shortage
Housing Shortage
Migration to the South
Extreme Weather
Repair Cost
Electrification
Replacement Rate
Low GWP

MODELS

- Useful Life
- Failure Rate Curve
- Installed Base Approach
- AHRI/HARDI Data Regression

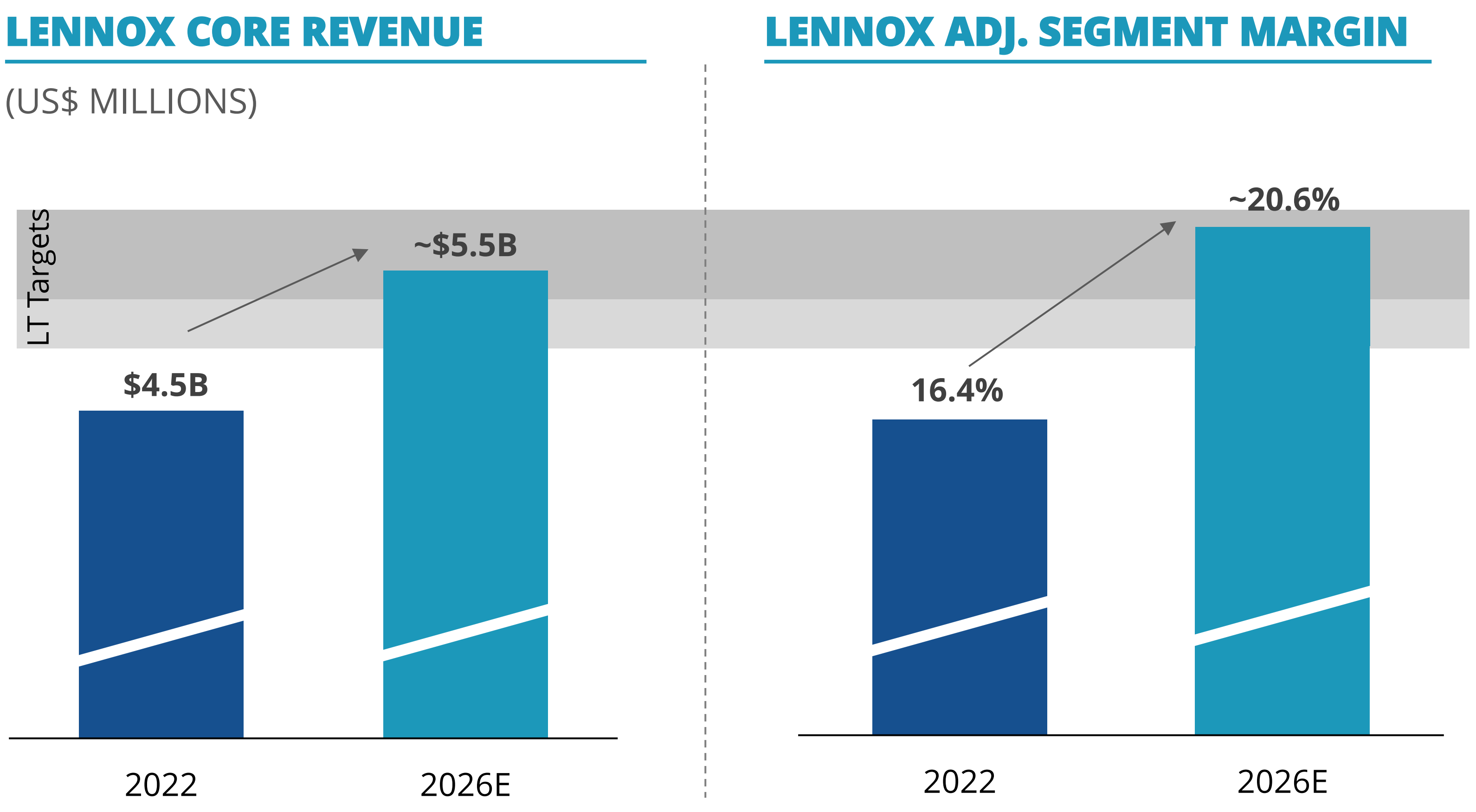
3+% Industry Unit Growth 2026-2030

2022 Investor Day Commitments

- Focus on North America HVACR
- Invest in manufacturing, innovation and distribution
- Free Cash Flow conversion > 90%
- Recover Commercial growth and margins
- Relentless execution of self-help transformation plan

INVESTOR DAY

PROMISES MADE,PROMISES KEPT



See appendix for non-GAAP reconciliation

OUR TRANSFORMATION JOURNEY

FOUNDATION FOR FUTURE SUCCESS

Core Revenue and Adj. Segment Profit Margin

$4.5B
16.4%
2022

- Emergency Replacement Growth
- Strategic Acquisition of AES
- JV with Samsung & Ariston
- Acquisition of NSI HVAC Division

5% Revenue CAGR

- Distribution Network Improvements
- Expansion of Commercial HVAC Factory in Mexico
- Pricing Discipline & Supply-Chain Resiliency

$5.2B
20.4%
2025

See appendix for non-GAAP reconciliation

2026-2030 TRANSFORMATION PLAN

Growth Acceleration 2026	Expansion 2027 – 2028	Elevation 2029 +
• Improve NPS scores • Better availability / fill rate • Drive productivity gains post-regulatory changes	• Increase share of wallet • Drive ease of doing business through digital • Expand margins consistently	• One-stop customer value proposition • Win regulatory transition • Technology advancements

LENNOX VALUE CREATION FRAMEWORK

DIFFERENTIATED GROWTH

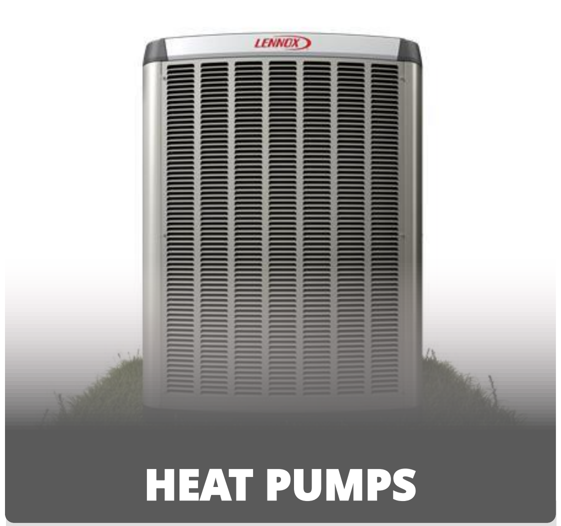
- Heat Pumps
- Emergency Replacement
- Parts And Services Attachment
- Market Reach JVs/Partnerships

MARGIN EXPANSION

- Relentless Productivity
- Distribution Efficiency
- Pricing Excellence

ENABLERS: Digital Technologies | Talent | LUMS

DIFFERENTIATED GROWTH ACCELERATION PLAN



HEAT PUMPS

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

EMERGENCY REPLACEMENT

- Customer charters
- Factory capacity addition
- Lead time reduction
- Inventory deployment

ATTACHMENT OF PARTS, SUPPLIES, AND SERVICES

- One-stop solution
- Parts and accessories
- Services for installation, maintenance, recycle

TAM/ SHARE OF WALLET EXPANSION

- Ductless portfolio
- Water heater integration
- Indoor Air Quality
- Monitoring and EMS

Each growth vector to unlock ~50 bps of differentiated growth potential

RESILIENT MARGIN EXPANSION PLAN

DISTRIBUTION PROFITABILITY

- Customer retention, higher fill rates
- 98% coverage for one-day delivery
- Warehouse productivity
- Transportation cost reduction
- Logistics and freight optimization

PRICING & MIX WINS

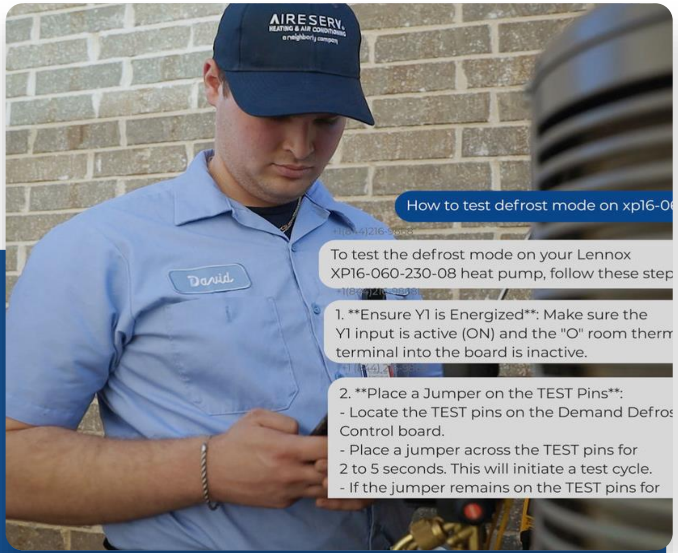
- Improved customer quote response
- Pricing processes and digital tools
- Regional P&L autonomy
- Incentive plan optimization
- Regulatory transition mix

PRODUCTIVITY

- Optimize factory efficiency
- Value-added engineering
- Material cost reduction
- SG&A operating leverage
- Inventory and forecast accuracy

DIGITAL TECHNOLOGIES ENABLER

FRONT END CUSTOMER EXPERIENCE



ARTIFICIAL INTELLIGENCE / AUTOMATION

SUSTAINABLE PRODUCT INNOVATION

Well-positioned to capitalize on digital innovation and sustainable growth

AI ACCELERATORS AT LENNOX

Employee Productivity
- Employees embracing AI productivity tools
- Upgrade analytics and reporting

Customer Experience
- Make it easier for customer to work with Lennox
- Increase customer's efficiency and win rate

Process Excellence
- Rewire processes for step change improvement
- Upgrade tools to fully leverage AI capabilities

Products for Data Centers
- Applications for existing products and services
- Invest in future value proposition

AI Ready Data and Processes

Best Positioned to Leverage AI

Lennox
Unified
Management
System

DIGITAL OPERATING SYSTEM FOR BEST PRACTICES

- Scorecards and KPIs for accountability
- Critical for acquisition integration
- Disciplined operating cadence
- Knowledge sharing for employees

MAKING IT EASIER FOR CUSTOMER TO WORK WITH LENNOX

LUMS: IMPROVING CUSTOMER EXPERIENCE

ATTRACT	**Enter the customer's mindset** as the one-stop leader	**2x** traffic at Lennox.com Improved SEO
CONVERT	**Drive digital excellence** with seamless experience	**~50%** LRH sales at LennoxPros Introduced Commercial Quotes
SERVE	**Transition into a loyal customer** by being easy to do business with	**400+ Courses** available 22% CAGR in participants
RETAIN	**Strengthen customer engagement**	**60 to 75** NPS scores +2.5 average improvement

WE ARE CONFIDENT IN THE FUTURE

SARAH MARTIN

President & EVP,
Home Comfort Solutions

TRANSFORMING TO ACCELERATE GROWTH

KEY MESSAGES

01

Expanding the core Direct-to-Dealer model

Distribution network & digital infrastructure

02

Differentiated growth initiatives

Attachment & TAM expansion

03

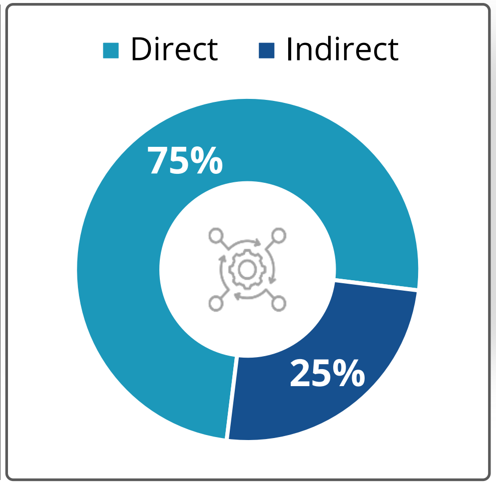
Margin expansion relentless execution

Productivity & pricing

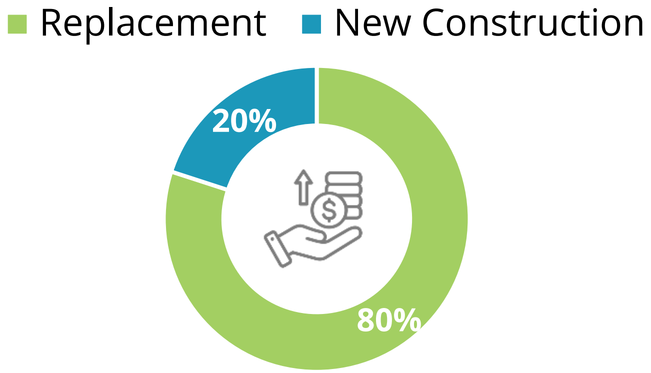
HOME COMFORT SOLUTIONS OVERVIEW

LENNOX — **Direct to Dealer/Contractor**

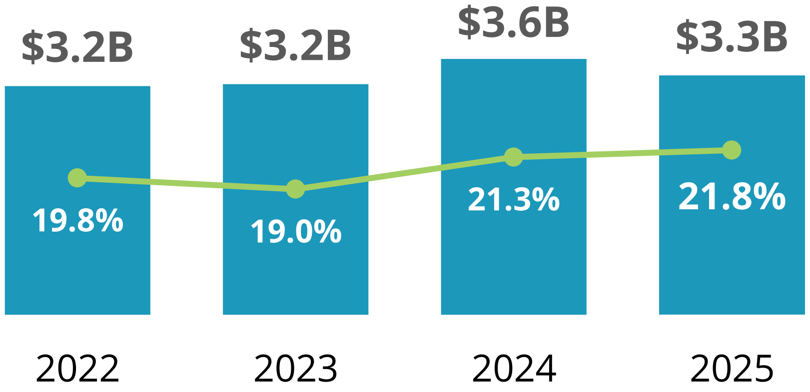
ALLIED Air Enterprises / ADP Advanced Distributor Products — **Two-Step Distribution**



Revenue By Application



Core Revenue and Adj. Segment Margin



See appendix for non-GAAP reconciliation

5 Factory Locations

28 Distribution Sites

~250 Lennox Stores

~6,300 Employees

WINNING REGULATORY TRANSITIONS

NAVIGATING NEAR-TERM UNCERTAINTIES

- Winning during regulatory changes
- Pricing excellence and mix benefits
- Maintain investments to drive future growth
- Enhanced productivity and cost controls

BULLISH LONG-TERM OUTLOOK

- Gradual rebound in consumer confidence
- Lower interest rates to increase consumer buying power
- Improved new and existing home sales
- Higher repair costs especially for R22/R410 units

Solid execution positions Lennox for differentiated growth as industry normalizes

TRANSFORMATION JOURNEY

Winning in Regulatory Changes

- ✓ SEER2 standard
- ✓ Low GWP transition
- ✓ Heat pump portfolio

Customer Experience

- ✓ Manufacturing capacity adds (Coils, air handlers, MagicPak)
- ✓ CX digital investments
- ✓ NPS improvements

Promises Made, Promises Kept

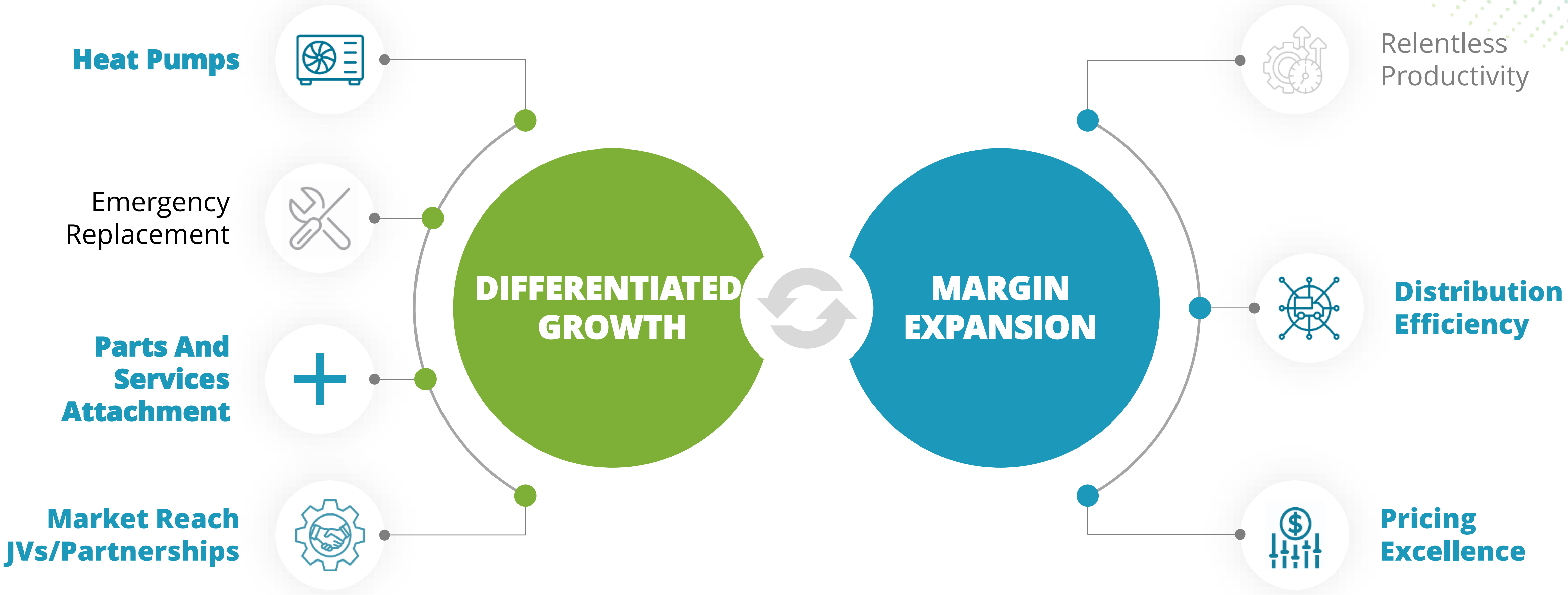
Revenue Excellence

- ✓ Pricing optimization
- ✓ National accounts team
- ✓ New business development

Retooled Distribution Org.

- ✓ Regional P&L
- ✓ Growth and margin incentive
- ✓ Upgraded facilities
- ✓ Fill rate improvement

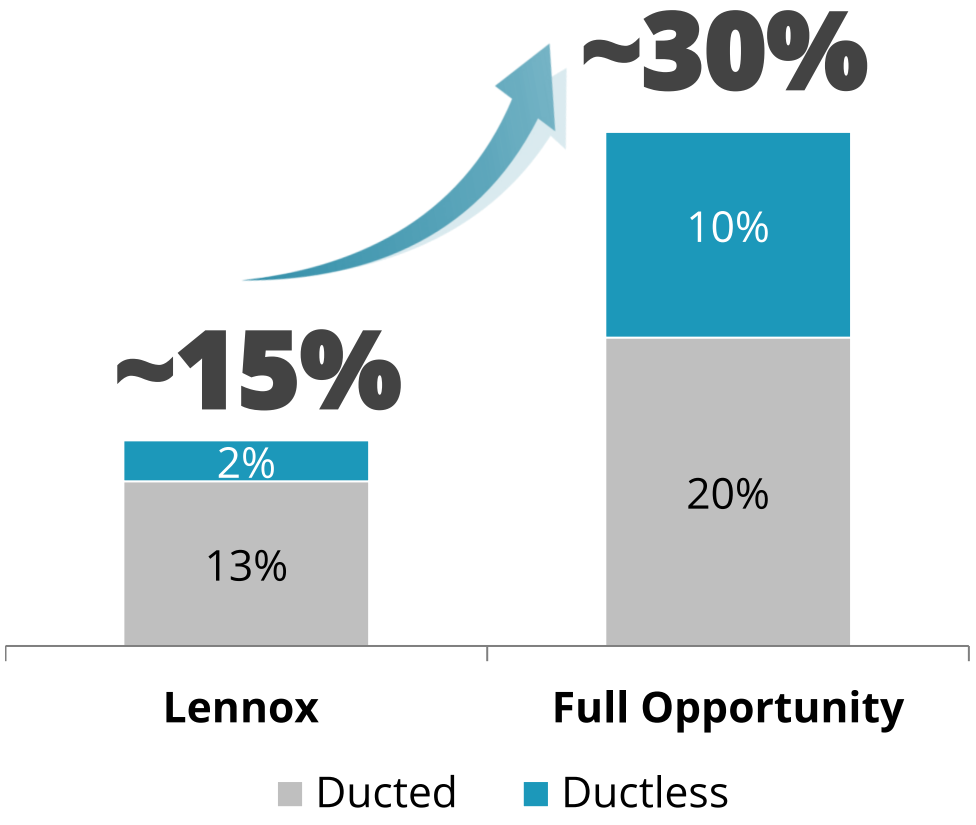
STRATEGIC FRAMEWORK



ENABLERS | **Digital Technologies** | Talent | **LUMS**

RUNWAY FOR HEAT PUMP GROWTH

HEAT PUMPS % OF SALES



DUCTED HEAT PUMPS

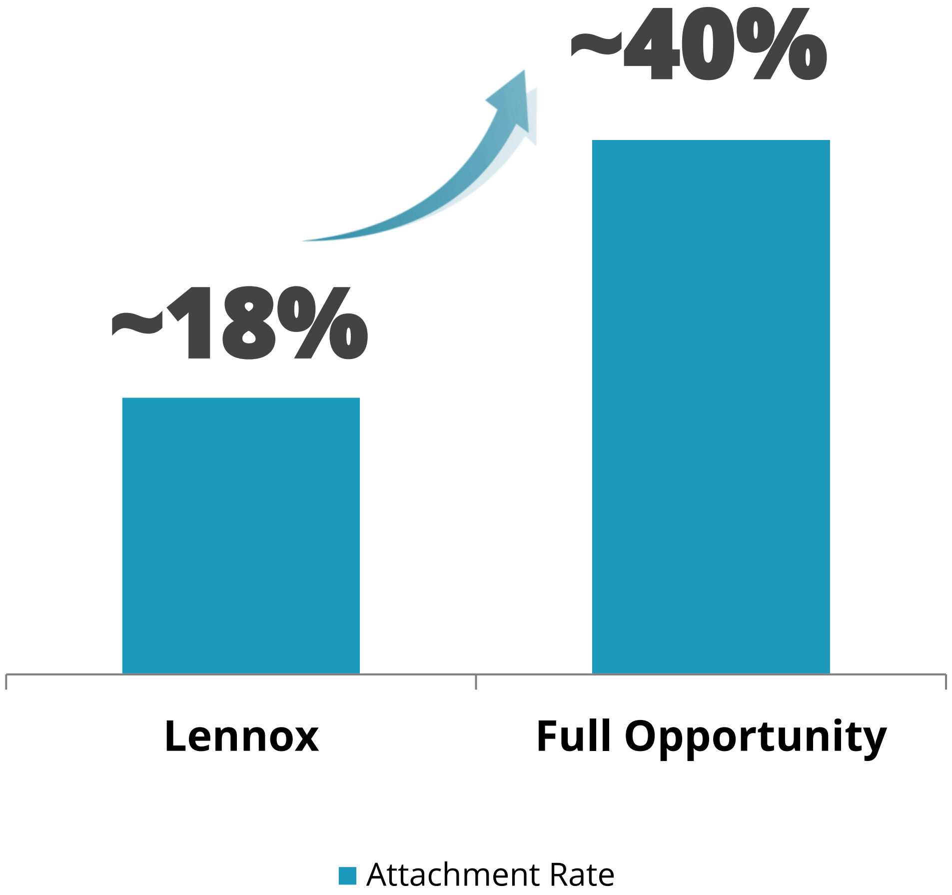
Under penetrated in southern climates
- Stronger product portfolio

Improved Cold Climate Heat Pump technology shifts share opportunity

DUCTLESS HEAT PUMPS

Samsung JV creates opportunity
- High quality offering
- Brand recognition
- Integrated controls

ATTACHMENT CREATES MORE OPPORTUNITY
THE PARTNER DEALERS RELY ON



EXPANDING BEYOND EQUIPMENT

Scale the attachment engine

- Expands addressable parts and accessory categories
- ADP brings distribution reach
- Extend to Water Heater market

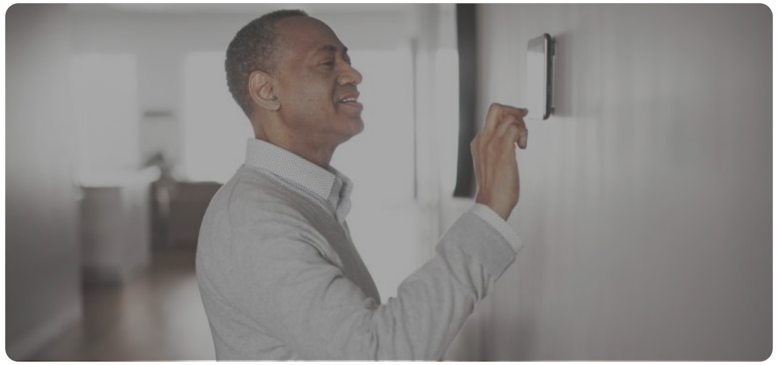
Data-enabled attachment through PIM

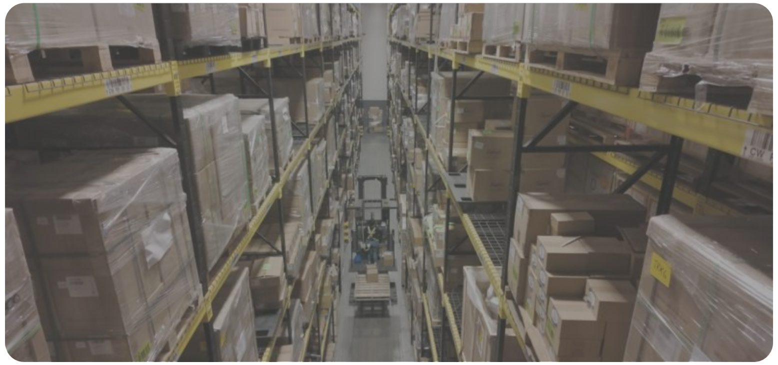
- Compatibility, and cross-reference data embedded at POS
- Faster part identification
- Less friction for contractors

TWO STEP CHANNEL GROWTH DRIVERS

Strategic Partnerships

Customer experience and digital offerings





New Business

Gaining share with independent partners

Product Portfolio

Multi-family, heat pumps & air handlers

Leveraging scale and shared platforms for a unified experience across brands

LENNOX

(VIDEO)

JOINT VENTURES UNLOCK MARKETS

EXPANDS TOTAL ADDRESSABLE MARKET

<5% → **~10%**

Lennox Sales come from ductless units

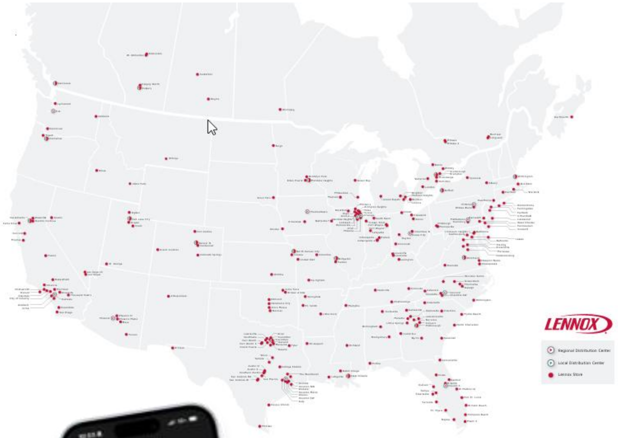
Industry Sales come from ductless units

4.3% → **8%**

US water heater market CAGR '19-'24

'28-'33 CAGR driven by heat pump growth

LEVERAGES PHYSICAL & DIGITAL INFRASTRUCTURE



TECH & CHANNEL CONVERGENCE

- Increasing energy efficiency requirements, electrification and technology overlap with heat pump adoption
- Integration with controls and home automation platform
- Hybrid side discharge introduction

Note: Market size and growth figures represent US residential storage water heaters
Source: HARDI State of the Channel 2025; Internal estimates

TRANSFORMING DISTRIBUTION

FACTORY OUTLETS TO ONE STOP CUSTOMER FULFILMENT CENTER

Investments made and best practices adopted…

- Organizational redesign
  - Regional autonomy
  - Sales and stores alignment
- Standardized dashboards
- New WMS, TMS, POS, Contact Center
- Enhanced focus on parts & accessories

Margin and customer service benefits emerging…

- Manufacturer + distributor margins
- AOR share gain with improved fill rates
- Accelerated growth in parts & accessories
- Stronger connection with dealers

Runway remains

- Fill rate improvements
- Hub and Spoke network efficiencies (FDC)
- Margin entitlement
- Automation opportunities
- Attach-rate expansion

PRICING EXCELLENCE JOURNEY

Central Decisions
Manual

2022

Limited automation and basic reporting

Balanced Decision
Semi-automated

2025

AI-powered reporting for better insights

Hybrid control
Human Oversight + Automation

2026

Deployment of new hybrid pricing tools

System control
AI Driven

Beyond

Fully system-controlled, real-time, hyper personalization pricing powered by AI

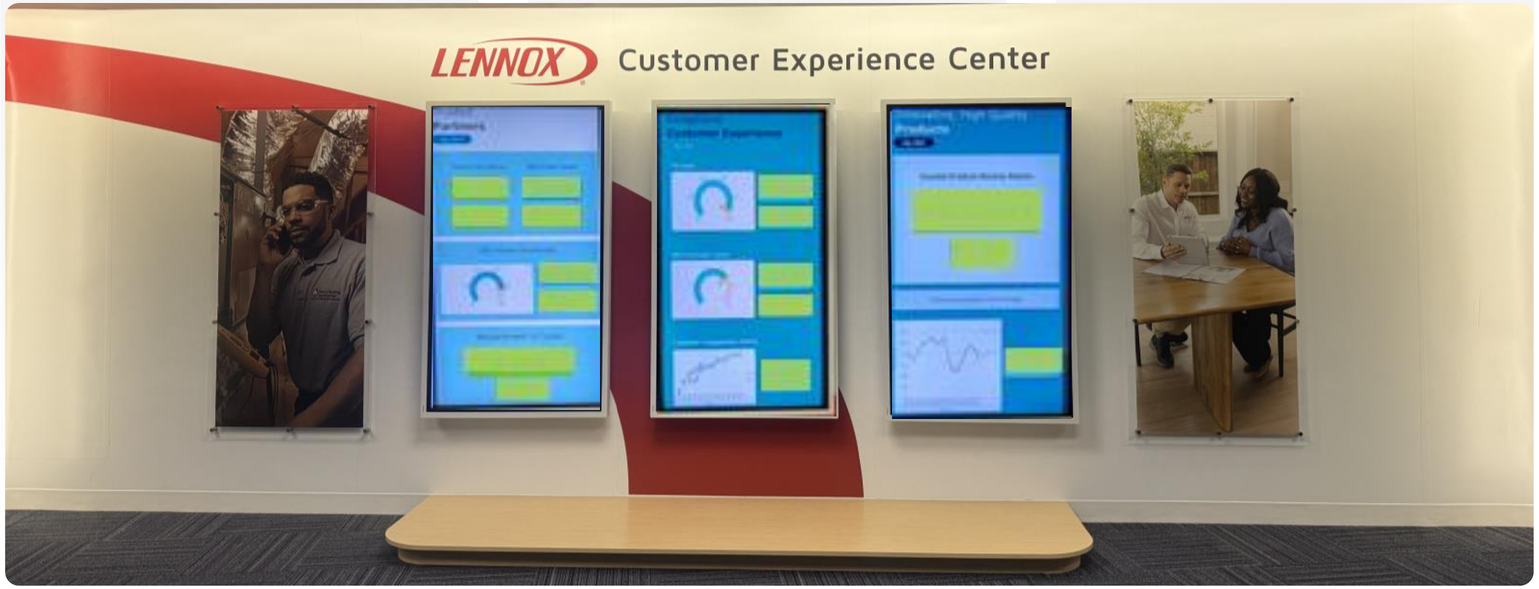
From manual to AI-driven dynamic pricing

LUMS CUSTOMER CHARTER

Our documented commitment to customer service levels

PREMIUM PARTNER EXPERIENCE, HIGHEST LEVEL OF SUPPORT

2024	2025	2026
Written Commitment	Analytical Improvement	LIVE Deep Insights



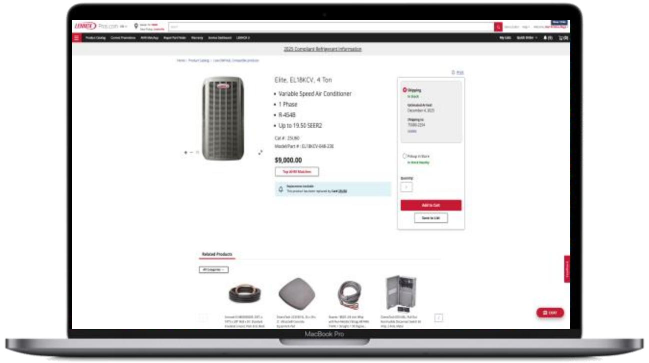
(VIDEO)

DEALER & TECHNICIAN JOURNEY

MAKING IT EASY FOR DEALERS WITH INNOVATIVE DIGITAL SOLUTIONS

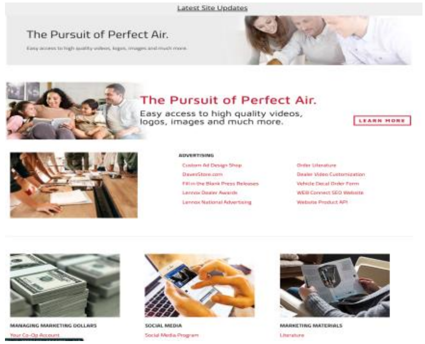
eCommerce & Delivery

AI driven attachment suggestions and AHRI Match



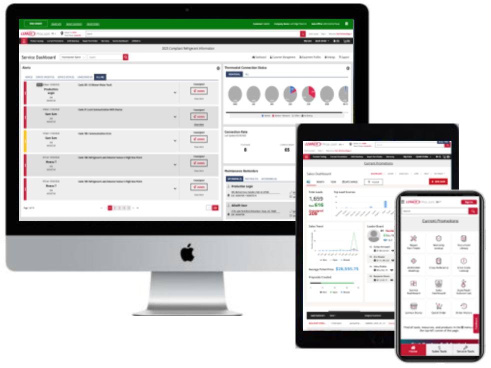
Training & Resources

AI self-service to meet dealers needs, anytime, anywhere



Sales & Service Tools

AI Chat bot to help dealers save time



DIGITAL SALES ~50% of Residential Sales (excl. EDI)

PRODUCT CATALOG ~35,000 active products and parts

REGISTERED USERS ~100,000

HOME COMFORT SOLUTIONS RECAP

01 **Structurally resilient and operationally improving**

02 **Focused on sustained long-term margins**

03 **Investing in differentiated initiatives**

JOE NASSAB

President & EVP,
Building Climate Solutions

SCALING UP

KEY MESSAGES

01 **Sustainable growth initiatives underway**

02 **Margin expansion driven by execution**

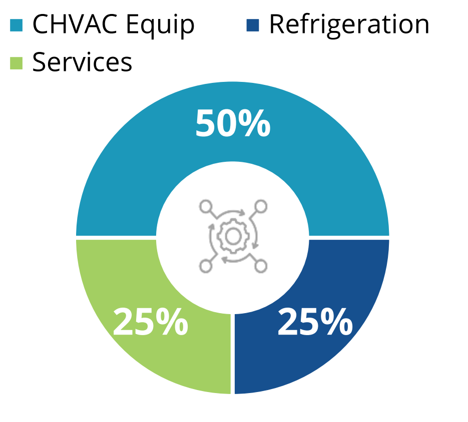
03 **Scaling up with a resilient core**

BUILDING CLIMATE SOLUTIONS OVERVIEW

Commercial Equipment

Refrigeration

Commercial Services



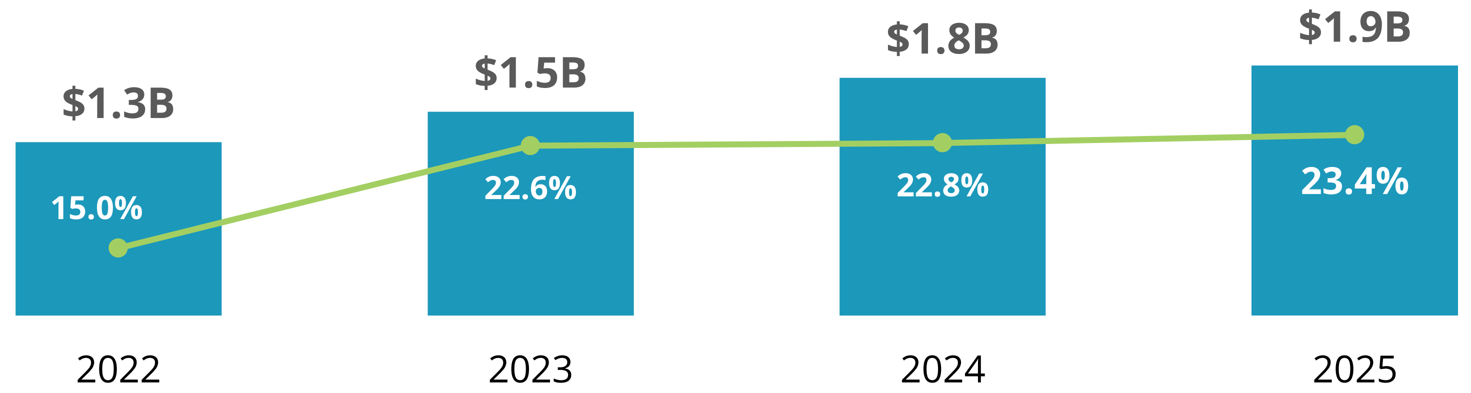
4 Factory Locations

19 Distribution Sites

140 Service Locations

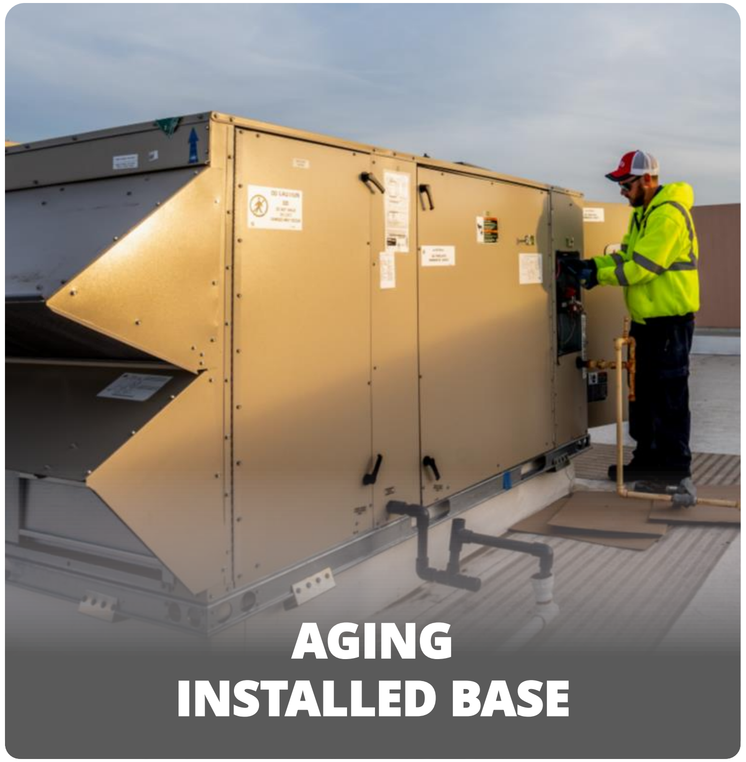
~4,400 Employees

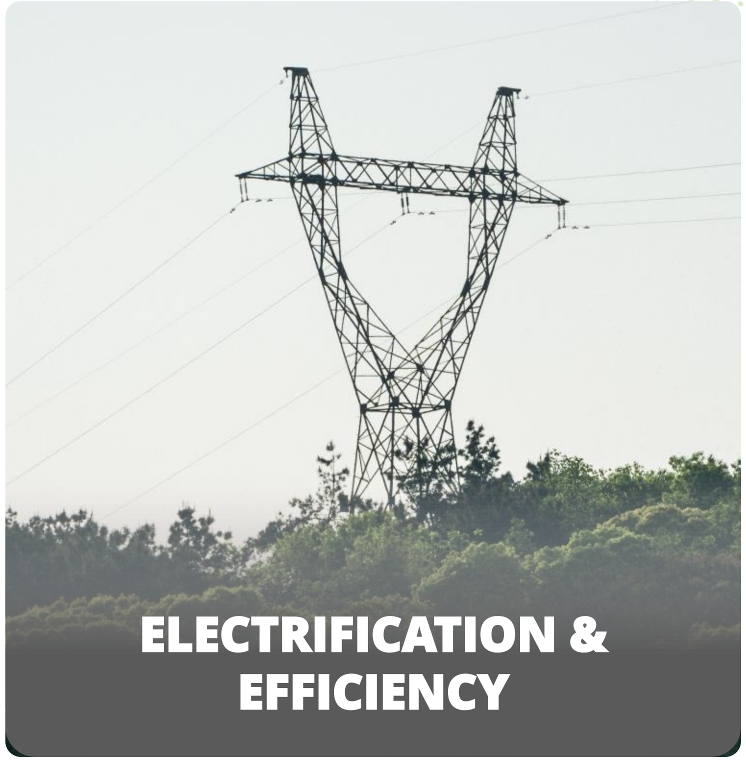
Core Revenue and Adj. Segment Margin



See appendix for non-GAAP reconciliation

MARKET OUTLOOK: LIGHT COMMERCIAL





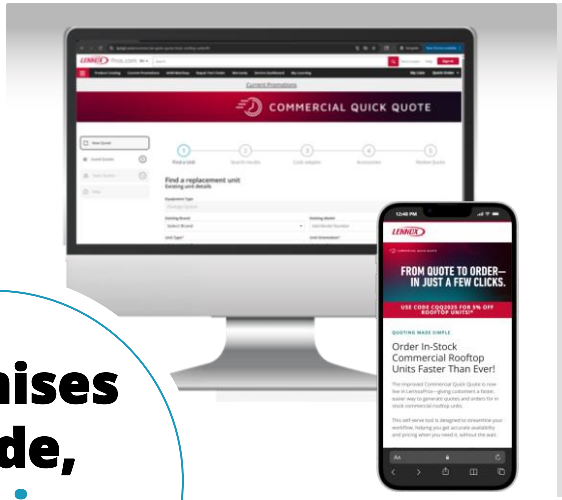
Megatrends provide sustained tailwinds

TRANSFORMATION JOURNEY

Supply Chain Resiliency

- ✓ New Saltillo factory
- ✓ Dual sourced critical components
- ✓ Labor productivity

Promises Made, Promises Kept



Customer Experience

- ✓ Improved quality, delivery, lead times
- ✓ Investing in digital infrastructure

Portfolio Refinement

- ✓ Divested non-core European businesses
- ✓ Acquired AES Services / DuroDyne parts business

E.R. Share Recovery

- ✓ Team to grow emergency replacement sales
- ✓ Optimized quote process

STRATEGIC FRAMEWORK

Heat Pumps

Emergency Replacement

Parts And Services Attachment

Market Reach JVs/Partnerships

DIFFERENTIATED GROWTH

MARGIN EXPANSION

Relentless Productivity

Distribution Efficiency

Pricing Excellence

ENABLERS | Digital Technologies | Talent | LUMS

WINNING PRODUCTS

Ultra High Efficiency Heat Pump

- Co-developed with major customer
- Backwards-compatible electrical design

XION Rooftop Units

- Award-winning, service-friendly platform
- Ideal for emergency replacement

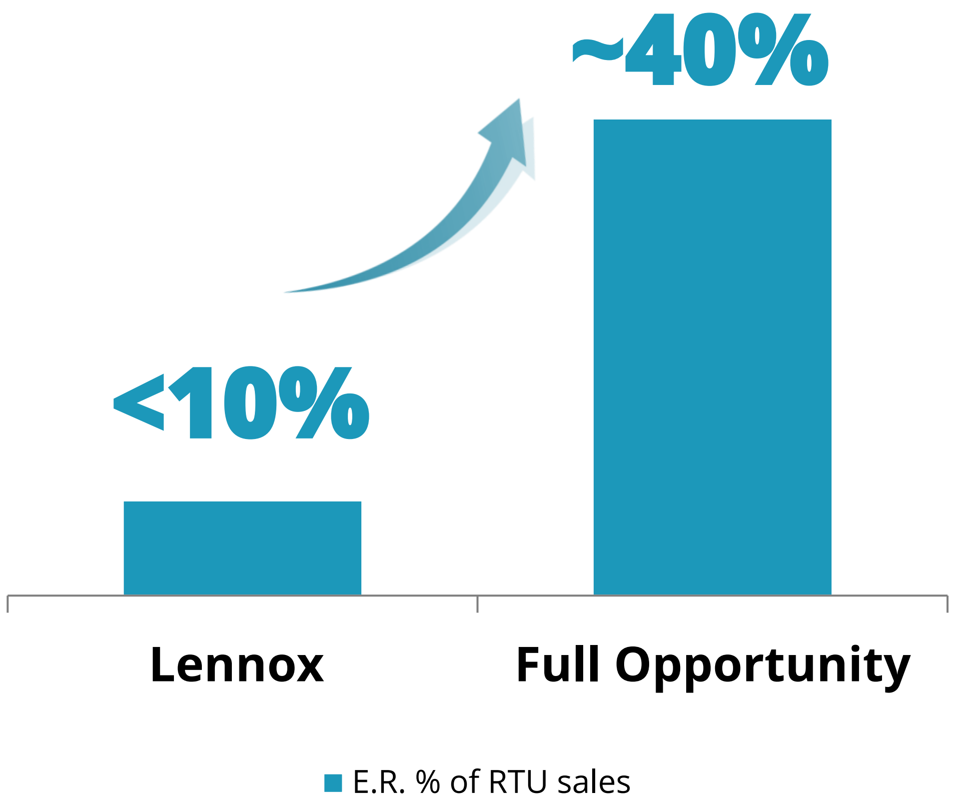
Heatcraft Dual-Convertible Refrigerant

- First OEM with A2L-ready solution
- Install A1 today; upgrade to A2L later

Innovating to deliver what customers value most

EMERGENCY REPLACEMENT

CAPACITY ENABLES SHARE RECOVERY AND GROWTH



Regaining Share

- New Factory doubled capacity
- Xion and Raider Platforms
- 40% more distribution sites
- Commercial Quick Quote Tool

OPERATIONS DRIVING PRODUCTIVITY

Dual-sourced Critical Components | Labor Productivity | Focused Factories

2X Light Commercial Production Capacity

From Scarcity to Abundance

COMMERCIAL SERVICES

140 branch locations

1,000 technicians employed

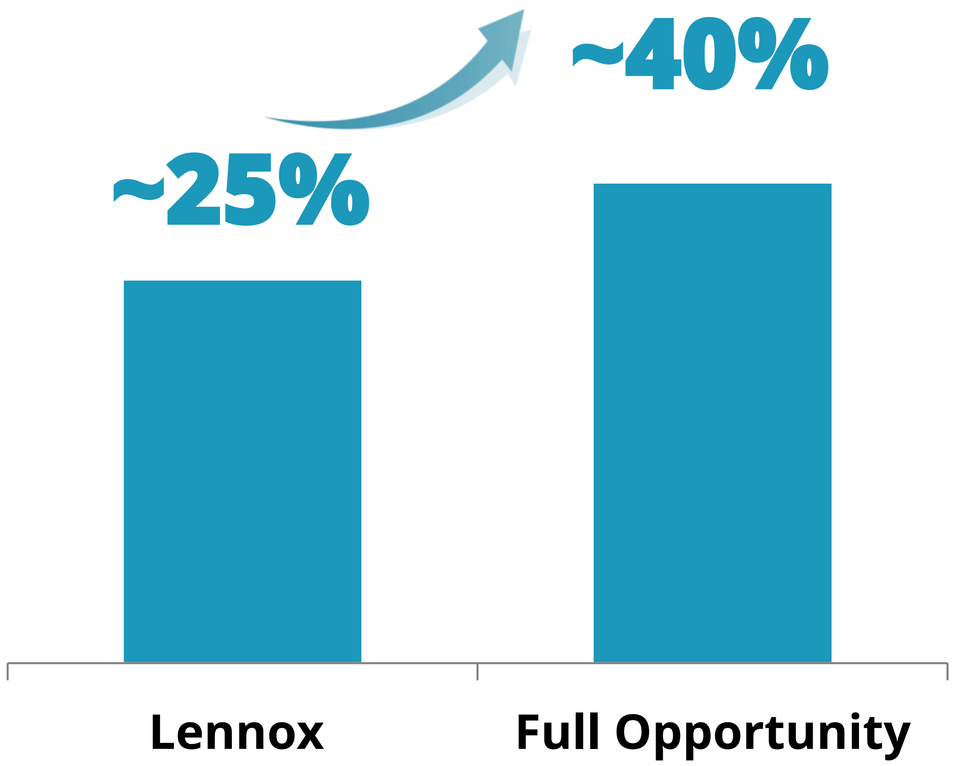
900,000 units under contract

180,000 buildings serviced

15,000 HVAC units recycled

200,000 lbs of refrigerant recovered

SERVICES AND ATTACHMENT OPPORTUNITY
FULL LIFECYCLE OFFERING DRIVES CROSS SELLING



Services % of Sales

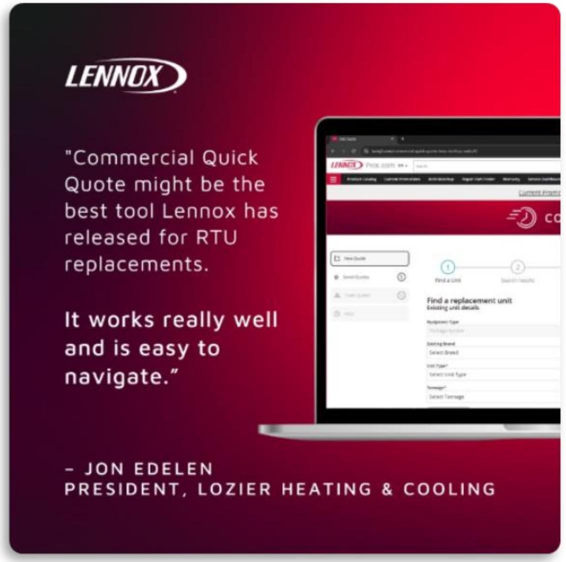
Winning Offerings

- AES acquisition enables increased cross selling
- Growth and synergies through DuroDyne acquisition
- New business and national account expansion

TRAINING AND CUSTOMER EXPERIENCE
COMMERCIAL DIGITAL AND LEARNING SOLUTIONS MAKING IT EASY

Commercial Quote Engine

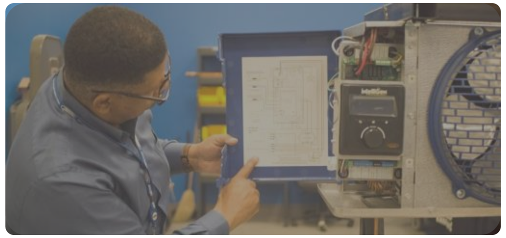
Quotes for products with accessory recommendations and fast-access



Training & Experience Centers

Enhanced hands-on learning and training programs

Refrigeration & Technician Training Centers



Commercial Customer Experience Center

Quick Quotes — **Growing**
Utilization and Sentiment

Training Growth — **5x participants**

Training growth Fiscal Year 2022 – 2025

BUILDING CLIMATE SOLUTIONS RECAP

01 **Resilient foundation with power of direct model**

02 **Operational focus to drive margins**

03 **Growth engines scaling up**

LENNOX

(VIDEO)

LENNOX

BREAK

Presentation will resume at 11:10 AM CT

(VIDEO)

PRAKASH BEDAPUDI

Chief Technology Officer

INNOVATING SUSTAINABLE TECHNOLOGIES

KEY MESSAGES

01

Front end customer experience
Smart thermostats and digital platforms

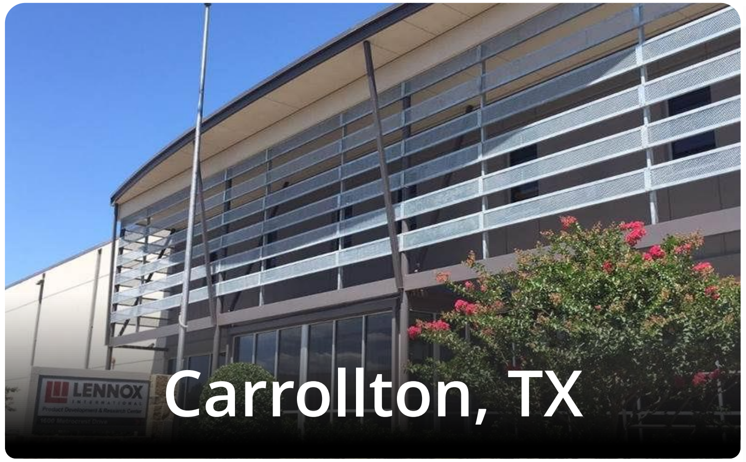
02

Artificial Intelligence / Automation
AI-Driven diagnostics and faster service

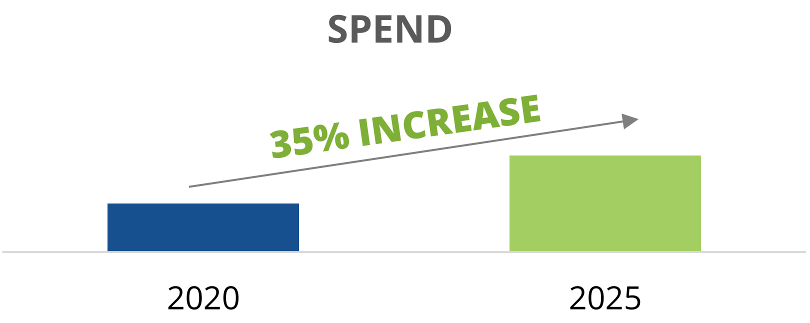
03

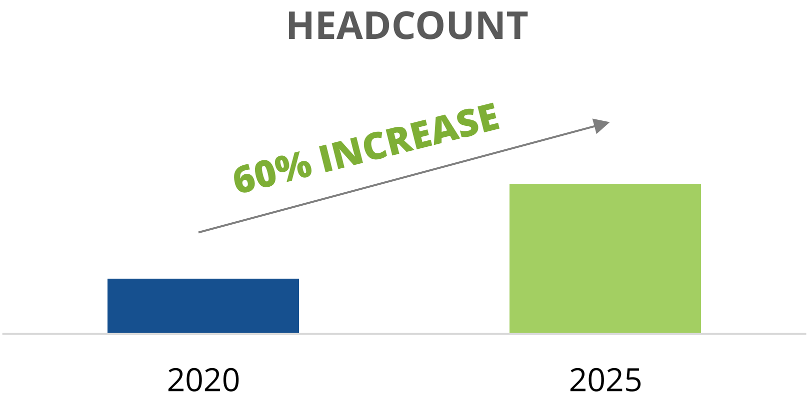
Sustainable Product Innovation
Regulatory wins and next-gen solutions

GLOBAL TECHNOLOGY FOOTPRINT
DELIVERING INDUSTRY LEADING SOLUTIONS



EXPANDED INNOVATION CAPACITY





>48%
Product Vitality[1]

75+
Patents / Year

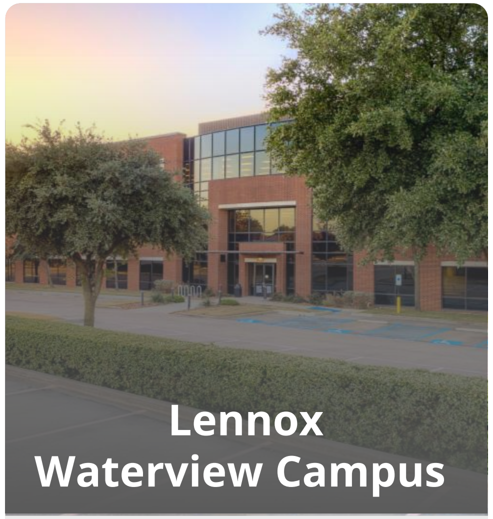
>500K
Sq. Ft Lab Space

1,500+
Technologists

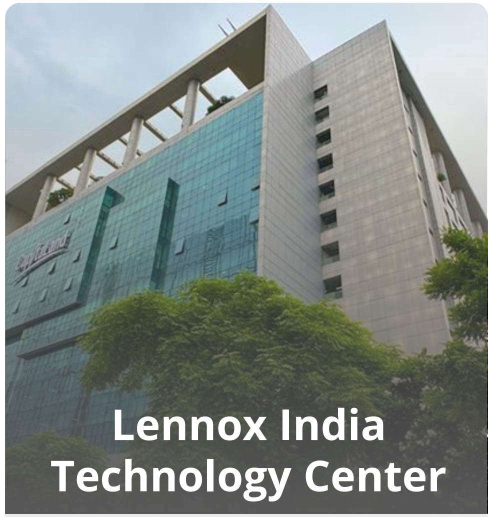
1. Product Vitality – Percentage of sales from new products (excluding regulatory changes) launched in the last 3 years / Total product sales.

DEVELOPMENT AND TESTING FACILITIES

Accelerating the launch of innovative, reliable, and cost-effective solutions



- Enhancing training for commercial customers
- Expanded Engineering Validation Lab
- Accelerating product development



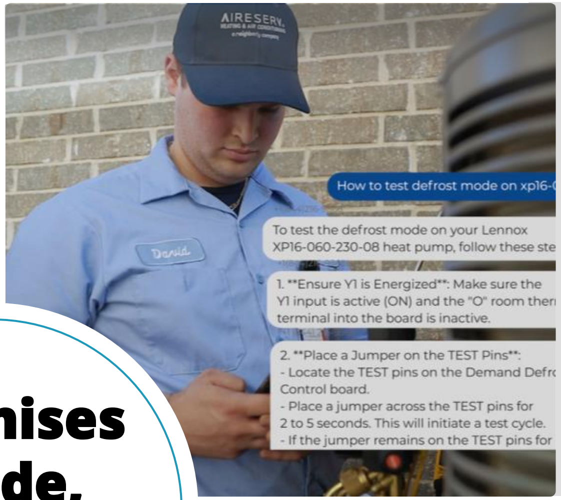
- Advanced simulation, controls / component test and automated full-system validation
- 24 x 7 project execution, remote test / monitoring

- Developing modular and scalable HFC / CO_2 liquid cooling
- Digital twins to optimize performance
- Enhancing customer & partner engagement

TRANSFORMATION JOURNEY

Regulatory Transitions

- ✓ Completed SEER2 and A2L transition flawlessly
- ✓ Scaling New Product Vitality toward 50–55% of revenue by 2026



Advanced Digital Solutions

- ✓ Added AI-enabled digital diagnostics across product platforms
- ✓ Strengthened e-commerce platforms, online tools for product access & quoting

Promises Made, Promises Kept

Product Leadership

- ✓ Launched full line of Cold Climate Heat Pumps
- ✓ Introduced award-winning smart thermostats

Supply Chain Excellence

- ✓ Delivered engineering- and sourcing-led cost reductions
- ✓ Achieved factory productivity improvements

INDUSTRY LEADING SUSTAINABLE SOLUTIONS

Best-In-Class Innovation Led to 40+ Dealer Design/HVAC All Star Awards Over Last Decade

Awards & Recognition

GREEN SEAL CERTIFIED

GREEN BUILDER HOT50 PRODUCTS

GOOD DESIGN

BEST OF IBS AWARDS
FINALIST BEST GREEN BUILDING PRODUCT
IBS

BEST COMPANIES TO WORK FOR
U.S.News
MANUFACTURING 2024-2025

AHR EXPO INNOVATION AWARDS

IoT BREAKTHROUGH AWARD 2023

WINNING REGULATORY TRANSITIONS

MET REGULATORY REQUIREMENTS

ACROSS INDUSTRY

- Large multi-year effort involving global engineering, product management, marketing, operations, and sourcing
- Redesigned AC and Heat Pump portfolio to meet the transition
- Addressed refrigerant canister shortage pre-charging for 30-ft line sets

PERFORMANCE LEADERSHIP

High quality • Greater efficiency • Easier installs

UNIQUE TO LENNOX

- Took a strong approach to product safety
- Built refrigerant detection into furnace and air-handler control for simpler dealer installs
- Introduced Flex Coil to allow for dealer transition
- Commercialized DOE challenge winning cold-climate heat pump technology

NEW PRODUCTS FOCUS POST A2L CONVERSION

Product Differentiation

Industry leading cooling, heating, and furnace efficiency

Cost, Reliability, Quality

Value engineering entry level products
In-house variable speed technology

- IAQ, smart thermostats, wireless zoning
- Colder climate heat pump (CCHP)
- Lead in cooling, heating, and furnace efficiency
- Most efficient commercial HVAC roof top

Controls & Integrated Solutions

Leader in OEM manufactured thermostats with highest attachment

Regulatory Compliance

Advanced architectures for Lower GWP and natural refrigerant needs

SOLUTIONS THAT ALIGN WITH THE CONSUMER

Lean – routine processes

Automate – bandwidth, error reduction

Collaborate – best practices

Elevate – innovative technology, NPI

USING AI TO ACCELERATE PRODUCT DEVELOPMENT

M0 → DPA → M1 → DP1 → M2 → DP2 → M3 → DP3 → M4 → DP4

- M0 → DPA: **IDEATION**
- M1 → DP1: **NPI KICK-OFF**
- M2 → DP2: **DESIGN CONCEPT**
- M3 → DP3: **PRODUCT LAUNCH**
- M4 → DP4: **REFLECTION**

M – Marketing stage gate
DP – Decision Point stage gate

Reduced development time by **10 weeks** → **Redeployed 10 weeks for design optimization … Better performance at a lower cost**

WINNING HEAT PUMP SYSTEMS PORTFOLIO

OUTDOOR UNITS

Material Cost Reduction

Own IP w/Power Electronics

Differentiated Side Discharge

Regional Optimization

Lowest Tier Product Line

Successfully launched full line of heat pumps, focusing on regional optimization

INDOOR UNITS

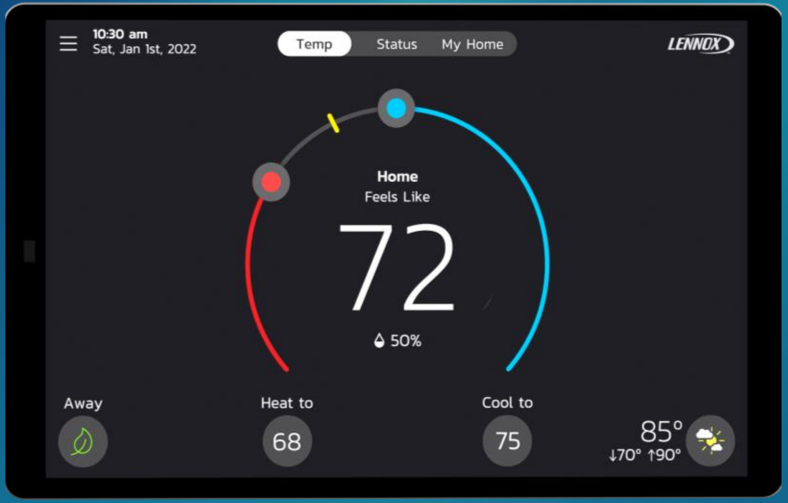
Wall Mount Air Handlers

Shortest Air Handler in Industry

Ceiling Mount

Furnace Replacement Air Handler

Optimizing indoor air-handler portfolio to be size and cost competitive



Top OEM in thermostat attachment

CONTROLS & CONNECTIVITY

L40 Thermostat	Leading thermostat portfolio with entry level options
Refined in-home experience	Unified app with advanced UI/UX refreshes
M40 / E40 Thermostats	Improved experience for superior HVAC performance

Connectivity

- Samsung SmartThings
- Ariston Platform
- Matter integration

Opportunity

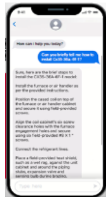
- Drives higher mix, premium pull through
- Opportunity for recurring revenue
- Increase penetration of dealer service dashboard

AI DRIVING CUSTOMER EXPERIENCE

GROWTH & CUSTOMER DELIGHT


LennoxPros AI


New Business Leads


Technical Support

Customer Contact SAAS


Homeowner Support


Dynamic Promotions & Pricing

EFFICIENCY & PRODUCTIVITY


Process Automation

Genie Spaces


SIOP Improvement

GitHub Co-pilot

AI Companion

HR Chatbot

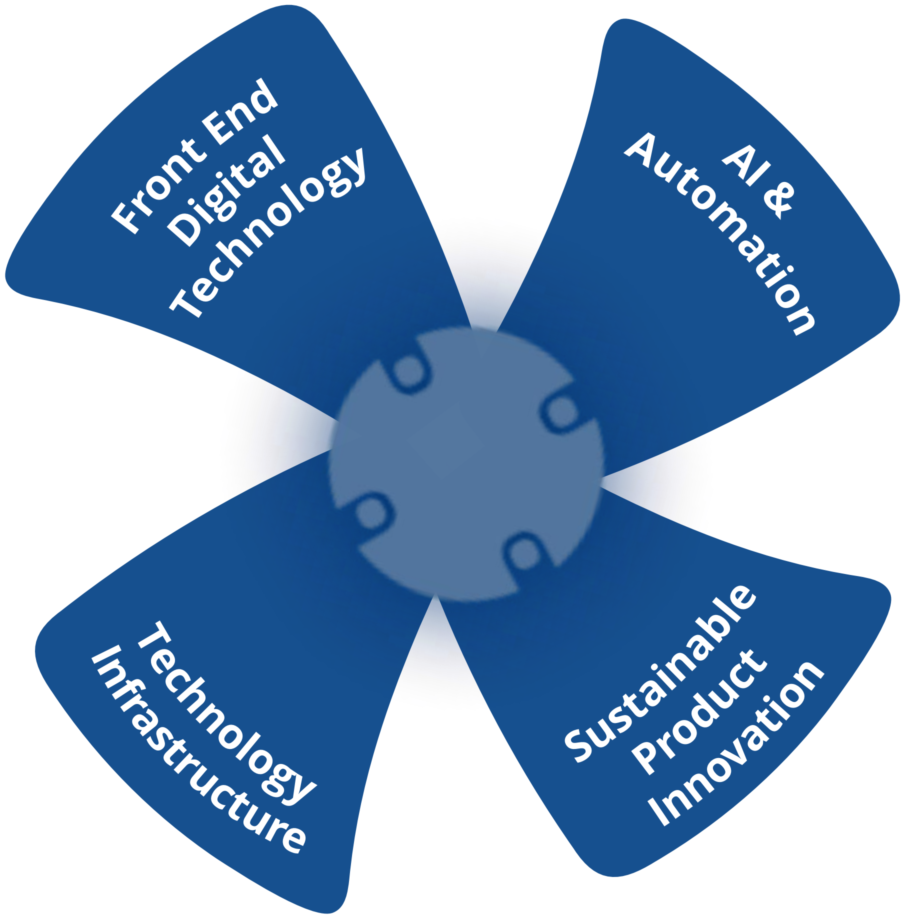
9,000+
technicians actively using the AI tool

41,500+
support sessions logged (Technicians + Homeowners)

250+
error codes recognized and interpreted

95%
positive feedback, improved satisfaction

WELL POSITIONED TO WIN WITH AI AND FUTURE REGULATIONS



Deliver the best customer experience.
Be easiest to do business with by being fast and reliable.
Ensure secure information technology infrastructure.

Michael Quenzer

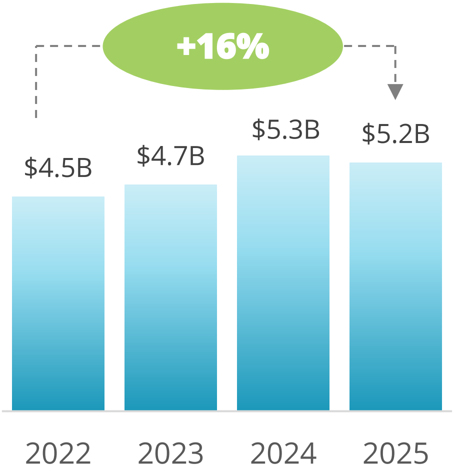
Chief Financial Officer

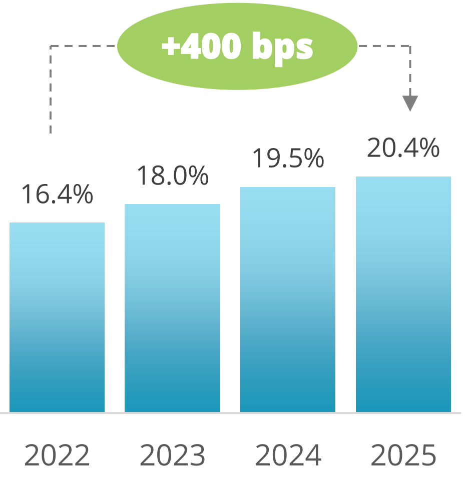
DRIVING PERFORMANCE AND LONG-TERM SHAREHOLDER VALUE

PROMISES MADE PROMISES KEPT

Core Revenue Growth

- ✓ Successful navigation of regulatory destocking
- ✓ Favorable regulatory mix benefits



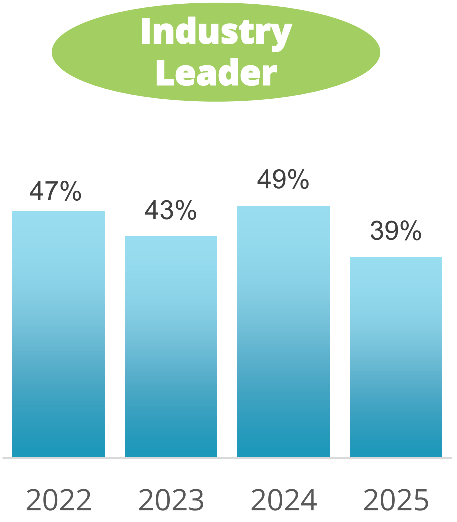


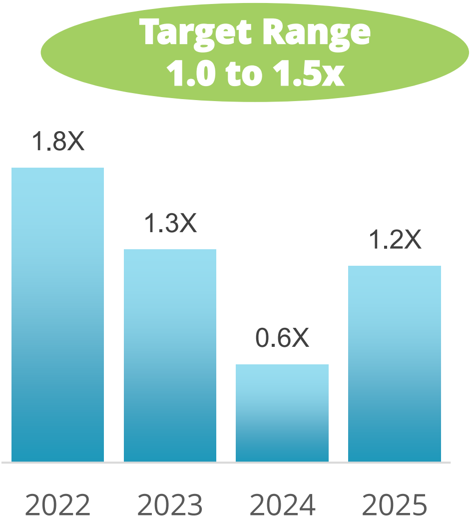
Margin Expansion

- ✓ Disciplined pricing
- ✓ Productivity and cost actions

ROIC

- ✓ Strategic investments in innovation, capacity, and digital capabilities
- ✓ Disciplined Bolt-on acquisitions



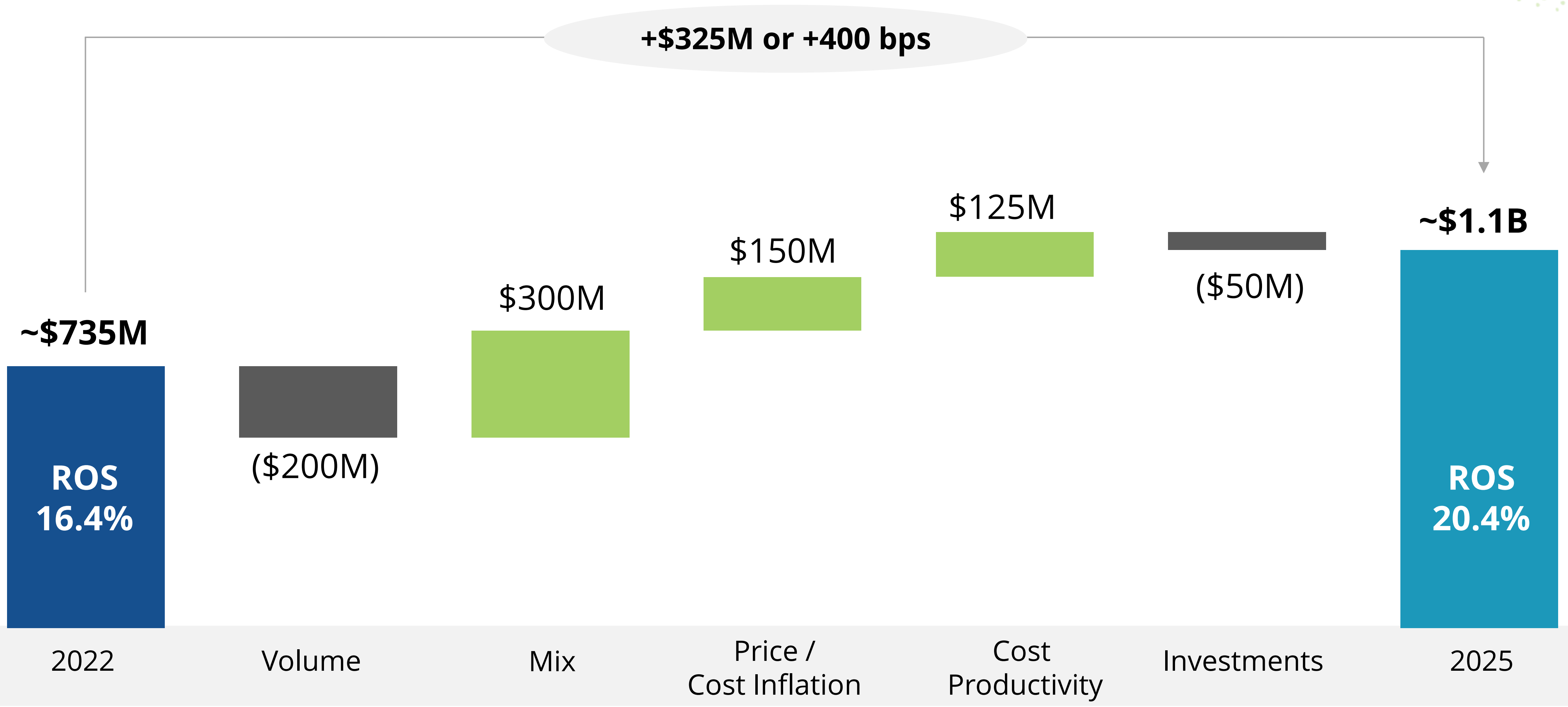


Net debt to Adj. EBITDA

- ✓ Healthy leverage supports: Dividend growth, share repurchases & Bolt-on M&A
- ✓ Optimized our cost of debt

See appendix for non-GAAP reconciliation

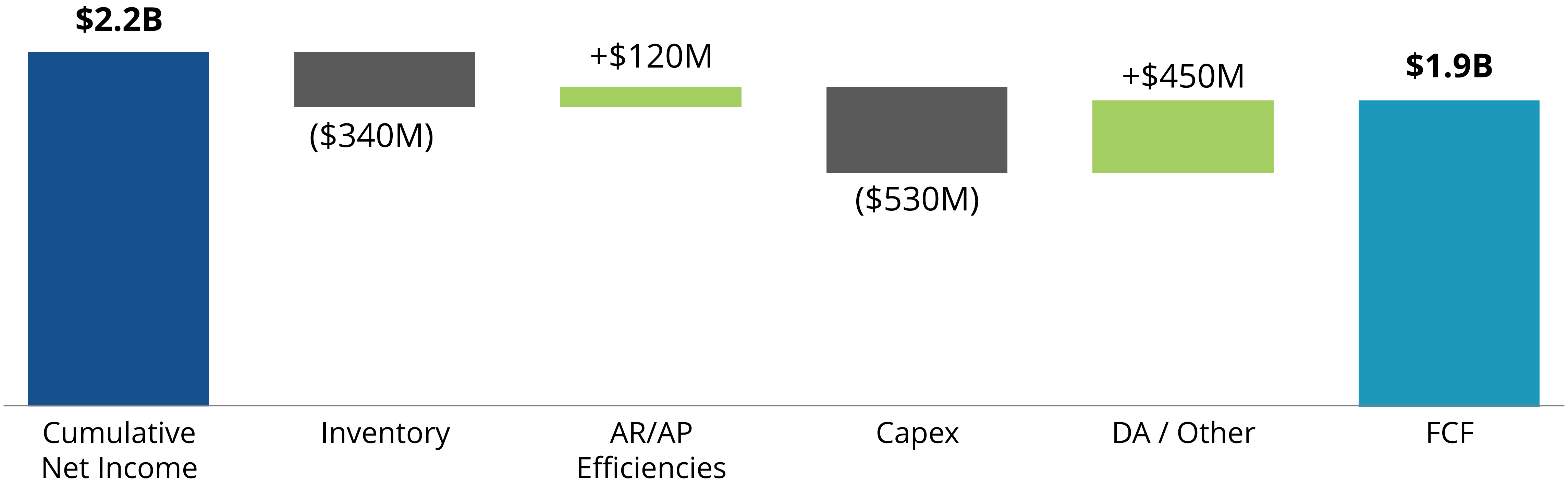
PROFIT GROWTH



See appendix for non-GAAP reconciliation

FREE CASH FLOW

FISCAL YEARS [2023 – 2025]

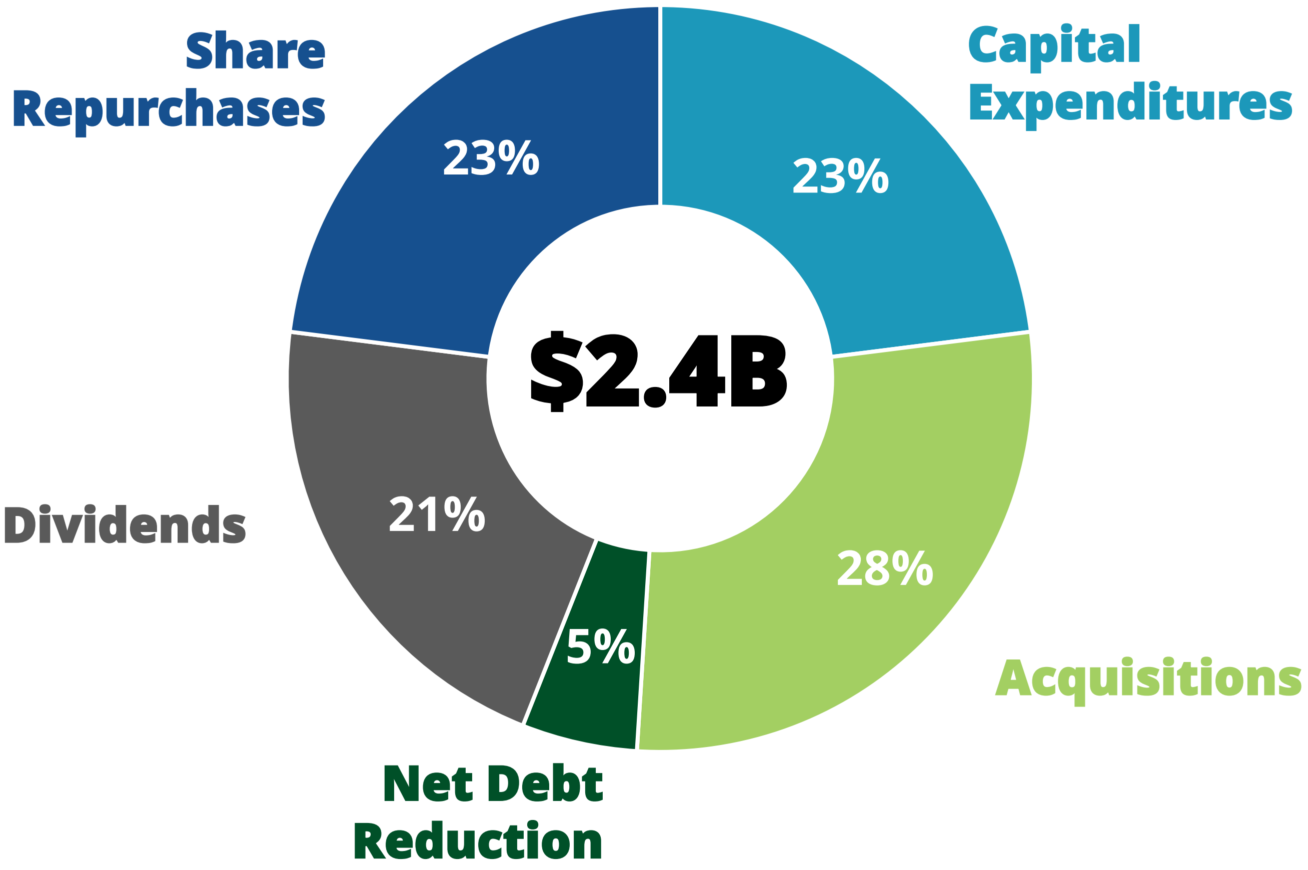


Strong Free Cash Flow conversion while investing for Long-Term growth

See appendix for non-GAAP reconciliation

CAPITAL DEPLOYMENT PRIORITIES

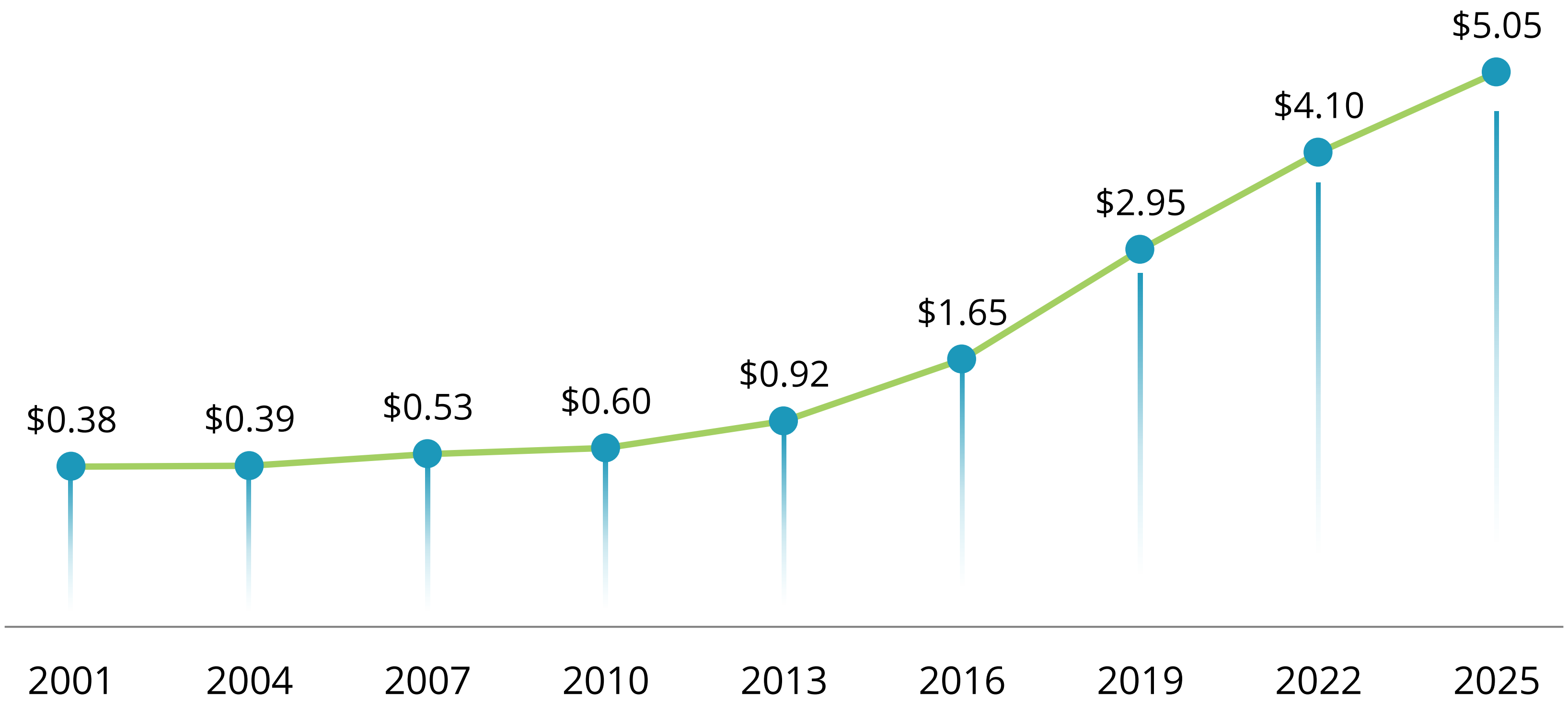
CAPITAL DEPLOYMENT (2023-2025)



- Investments in high ROI projects to support profitable growth
- Efficiently return capital to shareholders by supplementing dividend with share repurchases
- Invest in high quality Bolt-on M&A opportunities to improve portfolio
- Maintaining net debt / EBITDA leverage within targeted range of 1.0x to 1.5x

CONSISTENT DIVIDEND GROWTH
DISCIPLINED, SUSTAINABLE SHAREHOLDER RETURNS

Annual Dividend ($)

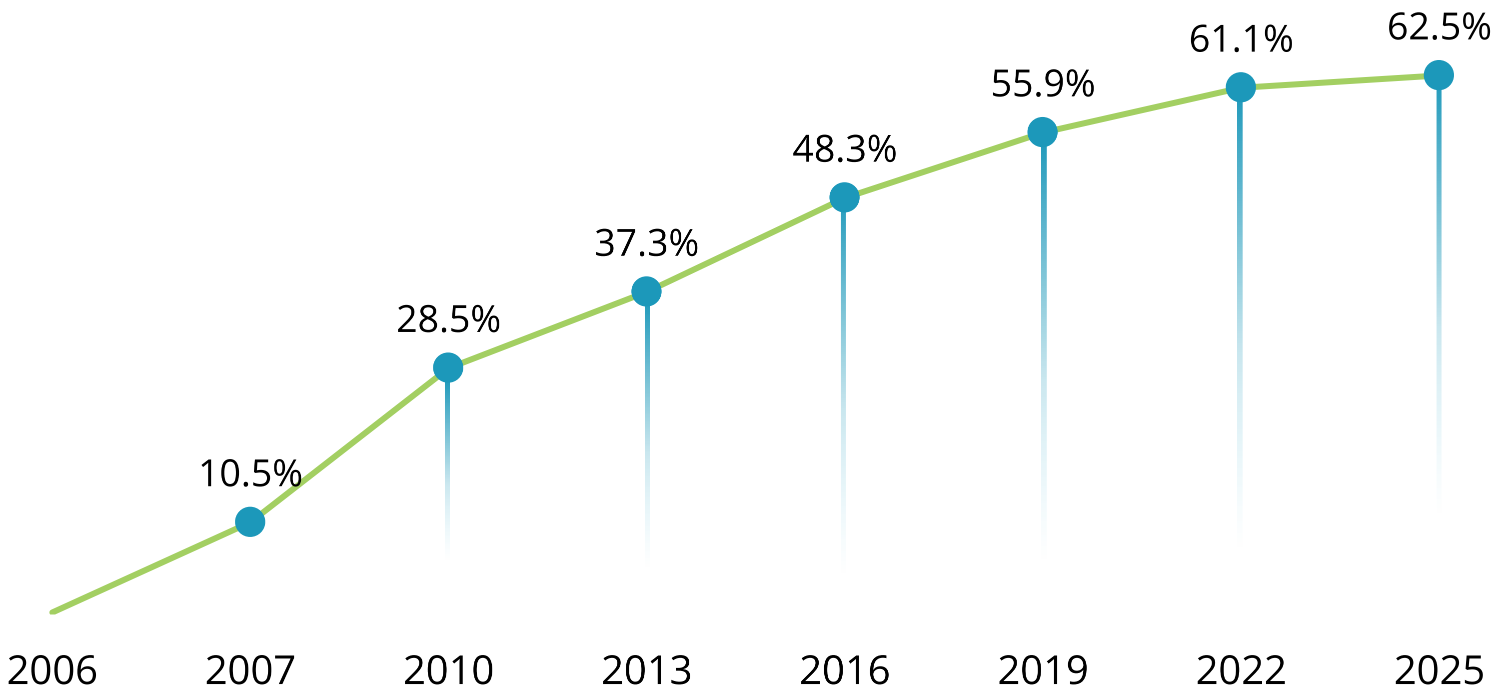


13.7%
CAGR from 1999 to 2025

SHARE REPURCHASE TRACK RECORD

DRIVEN BY VALUATION AND LONG-TERM CONFIDENCE

Cumulative Shares Repurchased As % Of 2006 Shares Outstanding



Diluted Shares Outstanding 000's [End of Year]	67,895	62,053	53,696	49,103	42,975	38,594	35,470	34,796

$1B

left on Board Authorization approved in 2025

STRATEGIC PARTNERSHIP & ACQUISITION

North American Focused

Strategic Value Creation

Technology to Win

Strong Financial Case

2022

Announced Divestiture of European HVAC / Refrigeration Business And Process Cooling Business

2023

6x EBITDA multiple

AES

2024

New JV

LENNOX Powered by SAMSUNG

2025

10x EBITDA multiple

DURO DYNE Supco

New JV

ARISTON GROUP

2026-2030

M&A Pipeline Focus

- Parts and Accessories
- Commercial Services
- System Controls & IAQ
- Advanced Technology

LONG TERM TARGETS

EXECUTION OF KEY INITIATIVES WILL DELIVER…

$6.5B - $7.5B

Revenue

22% - 23%

Profit Margin*

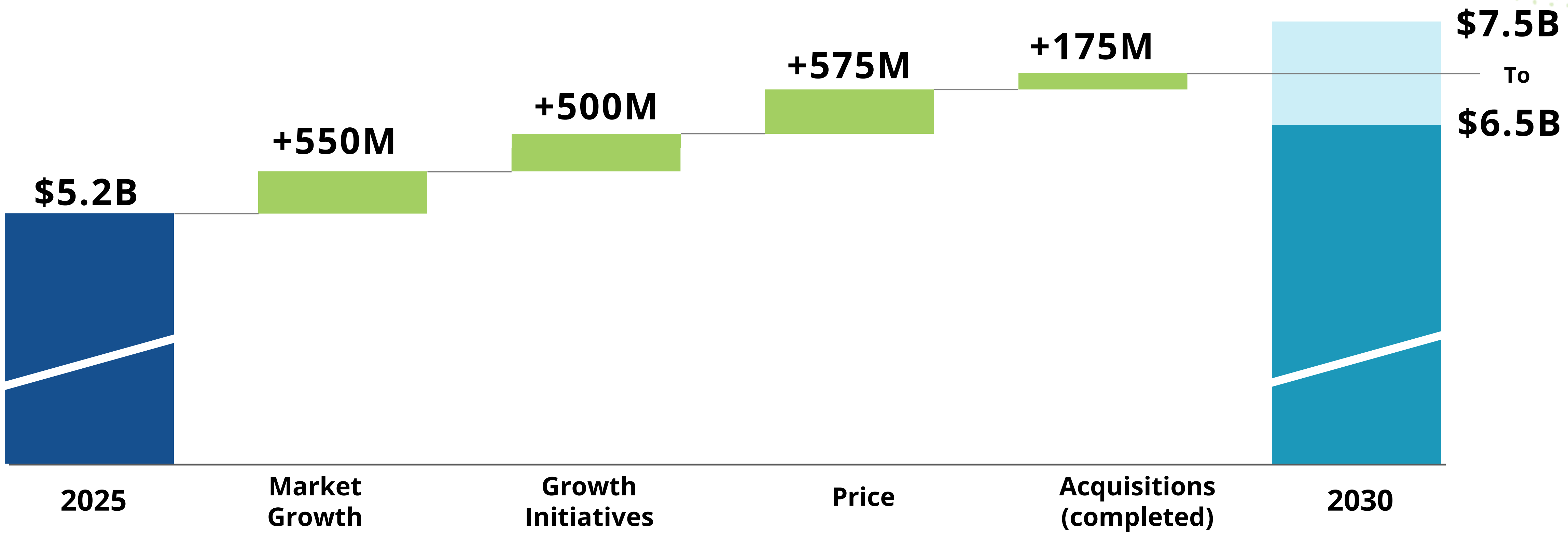
+90%

Net Income Conversion

Free Cash Flow

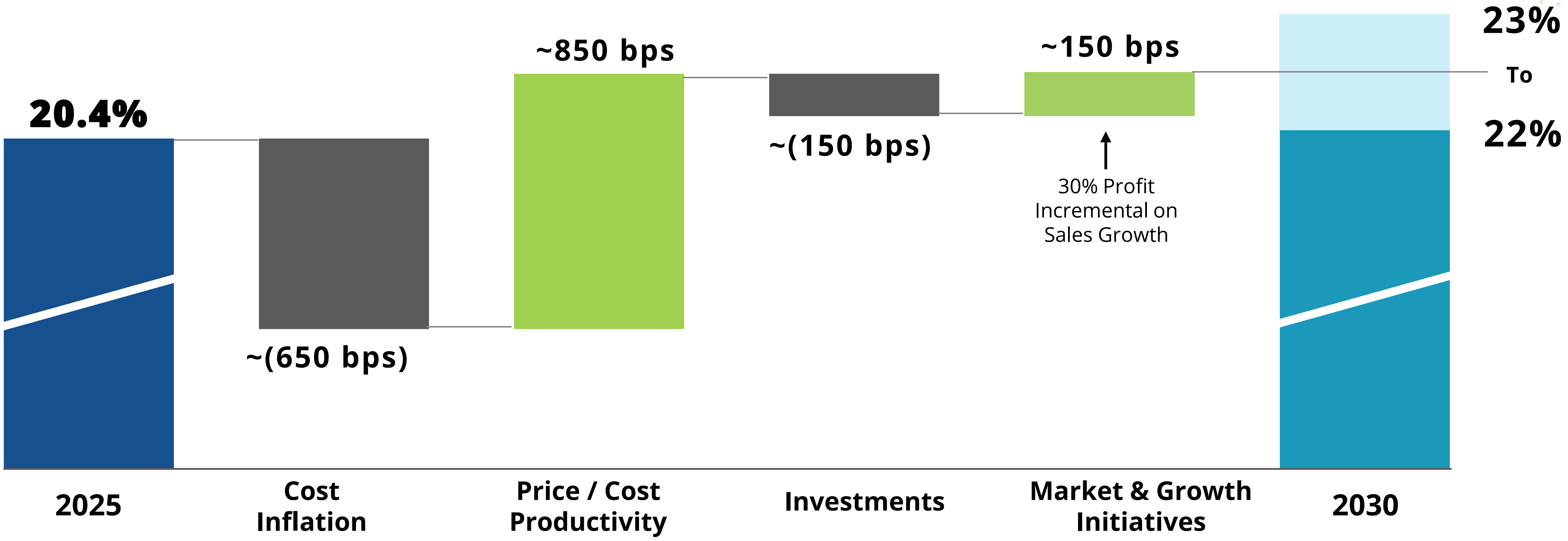
* Segment profit margin

PATH TO ACHIEVE TARGET REVENUE



Revenue Assumption *CAGR*	~1% to 3%	~1% to 2%	~1.5% to 2.5%	~0.5%	~4% to 8%

PATH TO ACHIEVE TARGET MARGIN

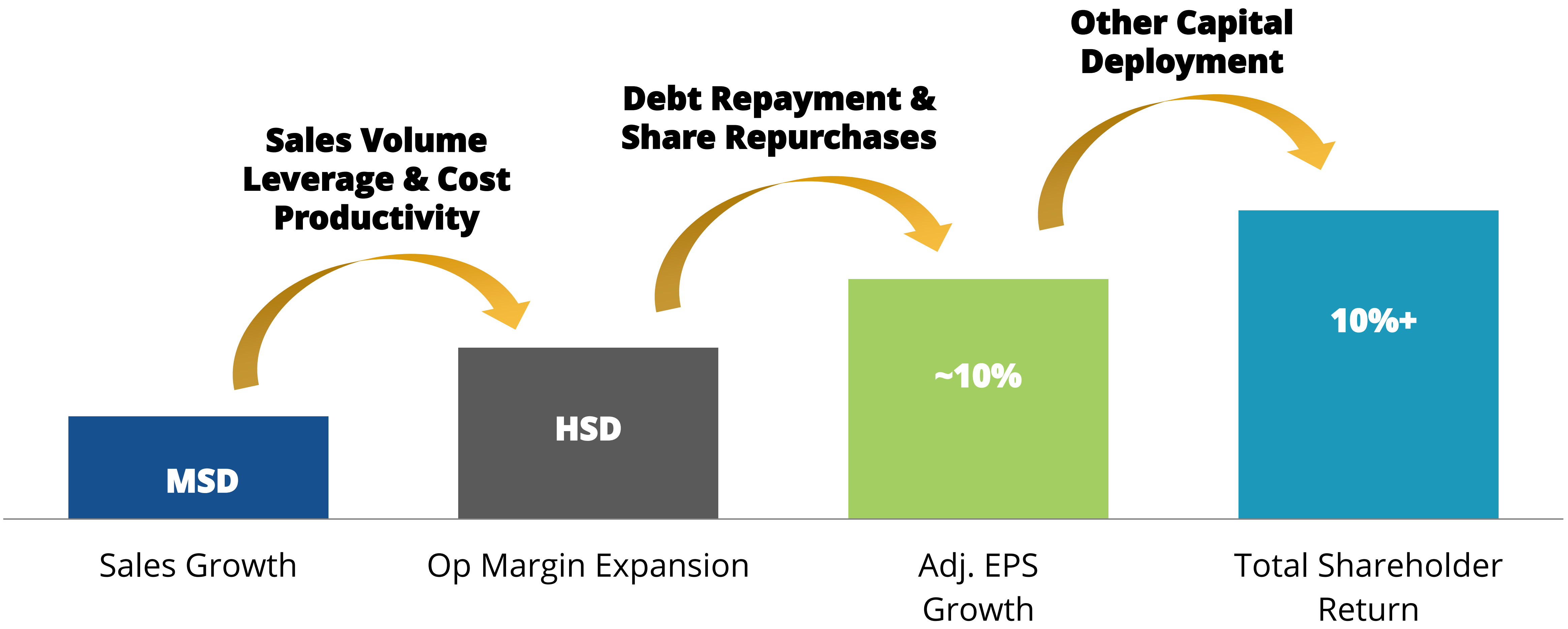


Cost* Assumption *CAGR*	1.5% to 3%	(1%) to (1.5%)	~0.5%

*Cost: Cost of Goods Sold and SG&A

OUR LONG-TERM OBJECTIVES

A STEADY, COMPELLING, AND COMPOUNDING ALGORITHM



ALOK MASKARA

Chief Executive Officer

CLOSING REMARKS

NEXT-PHASE VALUE DRIVERS: SUMMARY

Driving above-market growth
Heat Pump, ER, Attachment, TAM expansion

Expanding margins with discipline
Productivity, distribution efficiency and pricing excellence

Innovating for competitive advantage
Product leadership, digital, and AI

Executing on full-lifecycle customer model
Make it easier for customers to work with Lennox

Powered by
Talent and Values

Disciplined strategy for long-term shareholder value creation

TALENT ENABLES SUCCESS

DEVELOPING LEADERSHIP

- Continuously improve with regular two-way feedback
- Promote employee upskilling and learning
- Invest in structured leadership development programs

BUILDING BENCH STRENGTH

- Achieve 60%+ internal promotions for Manager-and-above roles
- Conduct semi-annual talent reviews focused on succession and growth
- Individual development plans and programs for all employees

STRENGTHENING CULTURE

- Core Values and Guiding Behaviors define how we work and win
- Engage with Employee Value Proposition
- Leverage employee-led networks
- Community impact and employee engagement e.g. “Lennox Days of Good”

WE ARE CONFIDENT IN THE FUTURE

QUESTION & ANSWERS

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 spent nearly a decade as president of several global business units at Pentair PLC, a leading provider of water treatment and sustainable applications. Earlier in his career, he held various leadership roles at General Electric Corporation and McKinsey & Company. Mr. Maskara earned a Bachelor of Technology degree in chemical engineering from the Indian Institute of Technology in 1992, followed by a master's degree in chemical engineering from the University of New Mexico in 1994. He earned his MBA from the Kellogg School of Management at Northwestern University in 2000.

MICHAEL QUENZER

CFO

Michael Quenzer was appointed Executive Vice President and Chief Financial Officer in January 2024. He joined Lennox in 2004 and has held several key leadership roles, including Vice President of Investor Relations and Financial Planning and Analysis, and Vice President of Finance for the Lennox Building Climate Solutions commercial business segment. Before joining Lennox, he worked at Morningstar Inc. Mr. Quenzer holds a bachelor's degree in finance from Coastal Carolina University, as well as an MBA and a master's degree in accounting from the University of Texas at Dallas.

SPEAKER AND LEADERHIP BIOS

SARAH MARTIN

President, Home Comfort Solutions

Sarah Martin was appointed Executive Vice President and President of the Lennox Home Comfort Solutions business segment in April 2025. She spent 13 years in leadership roles at Honeywell International Inc., including serving as President of Honeywell Sensing Solutions, Honeywell Sensing and Safety Technologies, and Honeywell Advanced Sensing Technologies. Before joining Honeywell in 2012, she worked in the electronic manufacturing industry in commercial and operational leadership roles. Ms. Martin holds a master's degree in language and business from Heriot-Watt University and an MBA from Edinburgh Business School at Heriot-Watt University.

JOE NASSAB

President, Building Climate Solutions

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

SPEAKER AND LEADERHIP BIOS

PRAKASH BEDAPUDI

CTO

Prakash Bedapudi became Executive Vice President and Chief Technology Officer in July 2008. He previously served as Vice President of Global Engineering and Program Management for Trane Inc. Commercial Systems from 2006 to 2008, and as Vice President of Engineering and Technology for Trane's Residential Systems division from 2003 to 2006. Before his tenure at Trane, Mr. Bedapudi held senior engineering leadership roles at GE Transportation Systems, a division of General Electric Company, and at Cummins Engine Company. Mr. Bedapudi holds a Bachelor of Science in mechanical and automotive engineering from Karnataka University in India and a Master of Science in aeronautical engineering from the University of Cincinnati.

MONICA BROWN

CLO

Monica Brown was appointed Executive Vice President and Chief Legal Officer in January 2025. She joined Lennox in 2012 and has served in a range of leadership roles, including Vice President and Deputy General Counsel, lead securities attorney, lead attorney for the Lennox Home Comfort Solutions segment, and lead attorney for the former Worldwide Refrigeration business segment. Before joining Lennox, Ms. Brown practiced complex commercial litigation at Jones Day for nearly 13 years and clerked for the Honorable Lee Yeakel on the Third Court of Appeals. Ms. Brown is well respected in the legal field and was recognized for her contributions when she was named to Lawyers of Color's inaugural "Wonderful Women" list in 2023. She earned a Bachelor of Science in mathematics from Howard University and a law degree from the University of Texas School of Law.

SPEAKER AND LEADERHIP BIOS

DANIEL SESSA

CHRO

Daniel Sessa was appointed Executive Vice President and Chief Human Resources Officer in June 2007. Before joining Lennox, he held numerous senior human resources and legal leadership roles at United Technologies Corporation, where he served from 1996 to 2007. These roles included Vice President of Human Resources for Otis Elevator Company Americas from 2005 to 2007, Director of Employee Benefits and Human Resources Systems for United Technologies Corporation from 2004 to 2005, and Director of Human Resources for Pratt & Whitney from 2002 to 2004. Mr. Sessa holds a Bachelor of Arts in Law and Society from the State University of New York at Binghamton and a Juris Doctor from the Maurice A. Deane School of Law at Hofstra University.

MARY ELLEN MONDI

VP, Marketing

Mary Ellen Mondi was appointed Vice President of Marketing and Communications in December 2022. She began her career in consulting at Booz Allen Hamilton. She then spent 10 years at Emerson Electric in a range of marketing roles, ultimately serving as Vice President of Marketing Communications and Digital Experience. Following her time at Emerson, she held senior marketing leadership roles at XPO Logistics and, most recently, Office Depot Business Solutions. Ms. Mondi holds a bachelor's degree in environmental science and public policy from Harvard University and an MBA from Harvard Business School.

SPEAKER AND LEADERHIP BIOS

JOHN MACQUARRIE

President, Contractor Supply Solutions

John MacQuarrie joined Lennox as President of Lennox Contractor Supply Solutions in October 2025, following Lennox's acquisition of NSI Industries' HVAC division. Previously, he was President of NSI Industries HVAC division, where he led the platform's growth through multiple acquisitions. Earlier in his career, he held senior leadership roles across manufacturing and distribution businesses, including Ingersoll Rand, Stanley Black & Decker, and Corning. Mr. McQuarrie holds a bachelor's degree in Economics and Management from the University of Notre Dame.

FINANCIAL APPENDIX

CORE REVENUE AND SEGMENT PROFIT

Net Sales	2022	2023	2024	2025
Home Comfort Solutions	$ 3,198	$ 3,223	$ 3,577	$ 3,343
Building Climate Solutions	1,286	1,512	1,764	1,852
Corporate and other (1)	234	247	-	-
Net sales, a GAAP measure	**$ 4,718**	**$ 4,982**	**$ 5,341**	**$ 5,195**
Net sales from non-core business (1)	234	247	-	-
Core net sales, a non-GAAP measure	**$ 4,485**	**$ 4,734**	**$ 5,341**	**$ 5,195**

Segment Profit	FY	FY	FY	FY
Home Comfort Solutions	$ 634	$ 612	$ 761	$ 729
Building Climate Solutions	193	341	402	434
Corporate and other (1)	(94)	(94)	(120)	(105)
Segment profit, a Non-GAAP measure	**$ 733**	**$ 859**	**$ 1,042**	**$ 1,058**
(Loss) Profit from non-core business (1)	(3)	8	-	-
Adjusted segment profit, a non-GAAP measure	**$ 736**	**$ 851**	**$ 1,042**	**$ 1,058**
Loss (Profit) from non-core business (1)	3	(8)	-	-
Impairment on assets held for sale	-	63	-	-
Loss (gain) on sale from previous dispositions	-	(14)	2	(1)
Items in Losses (gains) and other expenses, net which are excluded from segment profit (2)	8	14	-	-
Acquisition costs (2)	-	-	-	10
Restructuring charges	2	3	-	7
Operating income	**$ 723**	**$ 793**	**$ 1,040**	**$ 1,042**

(1) Net sales and segment profit from our European portfolio are included in the Corporate and other segment and are considered non-core

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

Note: Amounts are adjusted to reflect the accounting method change from LIFO to FIFO.

Note: Totals above may not foot due to rounding

ADJUSTED EPS

	2022		2023		2024		2025	
	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	**$ 547.8**	**$ 15.30**	**$ 591.2**	**$ 16.58**	**$ 811.1**	**$ 22.66**	**$ 805.8**	**$ 22.79**
Restructuring charges	1.2	0.03	2.4	0.07	-	-	5.1	0.14
Pension settlements	(0.1)	-	0.3	0.01	-	-	-	-
Items in Losses (gains) and other expenses, net which are excluded from segment profit (loss) (a)	6.6	0.19	11.1	0.31	-	-	-	-
Excess tax expense from share-based compensation (b)	(0.6)	(0.02)	(5.2)	(0.15)	-	-	-	-
Acquisition costs (a)	-	-	-	-	-	-	8.9	0.25
Impairment on assets held for sale	-	-	62.0	1.74	-	-	-	-
(Gain) Loss on sale from previous dispositions	-	-	(11.1)	(0.31)	1.5	0.04	(0.7)	(0.02)
Other tax items, net (c)	(0.5)	(0.01)	(3.7)	(0.10)	-	-	-	-
Non-core business results (d)	4.3	0.11	(5.4)	(0.15)	-	-	-	-
Adjusted net income, a non-GAAP measure	**$ 558.7**	**$ 15.60**	**$ 641.6**	**$ 18.00**	**$ 812.6**	**$ 22.70**	**$ 819.1**	**$ 23.16**

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

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

(c) Tax impact based on the applicable tax rate relevant to the location and nature of the adjustment

(d) Non-core business results represent activity related to our business operations in Europe not included elsewhere in the reconciliations

Note: Amounts are adjusted to reflect the accounting method change from LIFO to FIFO.

Note: Totals above may not foot due to rounding

NET DEBT TO ADJ. EBITDA

	2022	2023	2024	2025
Income before taxes, a GAAP Measure	**$ 682.8**	**$ 738.9**	**$ 999.4**	**$ 996.8**
Items in losses (gains) and other expenses, net before taxes	8.1	14.8	-	-
Restructuring charges, before tax	1.5	3.1	-	6.8
Interest expense, net	38.7	51.7	38.7	40.9
Pension settlements, before tax	(0.2)	0.8	0.4	0.4
Other expense (income), net before tax	1.9	0.1	1.9	3.4
(Loss) Profit from non-core business	3.3	(7.6)	-	-
Impairment on assets held for sale	-	63.2	-	-
Loss (gain) on sale from previous dispositions	-	(14.1)	1.5	(0.9)
Depreciation and amortization expense	77.9	86.0	95.1	112.5
Adjusted EBITDA, a non-GAAP measure	**$ 814.0**	**$ 936.9**	**$ 1,137.0**	**$ 1,159.9**

Total Debt	$ 1,524.8	$ 1,305.2	$ 1,147.6	$ 1,388.4
Less Cash	52.6	60.7	415.1	34.2
Less Short-term investments	8.5	8.4	7.2	0.5
Net Debt, a non-GAAP measure	$ 1,463.7	$ 1,236.1	$ 725.3	$ 1,353.7
Debt to Adjusted EBITDA ratio	**1.8**	**1.3**	**0.6**	**1.2**

Note: Amounts are adjusted to reflect the accounting method change from LIFO to FIFO.

Note: Totals above may not foot due to rounding

RETURN ON INVESTED CAPITAL

	2022	2023	2024	2025
Operating income, a GAAP Measure	**$ 723.2**	**$ 791.5**	**$ 1,040.4**	**$ 1,041.5**
Restructuring Charges, before tax	1.5	3.1	-	6.8
Special product quality adjustments, before tax	-	-	-	-
Insurance recoveries received for property damage incurred from natural disaster, before tax	-	-	-	-
Items in Losses (gains) and other expenses, net before taxes	8.1	14.8	-	-
Impairment on assets held for sale	-	63.2	-	-
(Gain) Loss on sale from previous dispositions	-	(14.1)	1.5	(0.9)
Acquisition Costs	-	-	-	10.3
Non-core business results, after tax	3.3	(7.5)	-	-
Adjusted Segment profit, a non-GAAP measure	**$ 736.1**	**$ 851.0**	**$ 1,041.9**	**$ 1,057.7**
Tax on adjusted Segment profit	144.3	174.1	200.0	200.9
Net operating profit after taxes, a non-GAAP measure	**$ 591.8**	**$ 676.9**	**$ 841.9**	**$ 856.8**

	4 Qtr Avg 2022	4 Qtr Avg 2023	4 Qtr Avg 2024	4 Qtr Avg 2025
Total assets, a GAAP measure	**$ 2,612.7**	**$ 2,905.3**	**$ 3,285.1**	**$ 3,801.9**
Less: Cash	46.3	71.1	187.9	88.4
Short-term investments	6.8	8.1	10.5	4.6
Accounts payable	450.2	408.9	464.0	518.9
Accrued expenses	374.1	398.0	393.9	371.1
Income taxes payable	17.3	13.4	18.6	18.2
Liabilities held for sale	-	17.4	-	-
Current operating lease liabilities	60.7	61.2	66.1	80.7
Long-term operating lease liabilities	153.1	161.5	218.0	280.7
Pensions	74.1	33.7	17.7	18.7
Restricted Cash	-	-	-	4.6
Other long-term liabilities	177.9	161.6	181.7	241.9
Invested capital, a non-GAAP measure	**$ 1,252.2**	**$ 1,561.7**	**$ 1,726.8**	**$ 2,174.3**
Net operating profit after taxes, a non-GAAP measure	**$ 591.8**	**$ 676.9**	**$ 841.9**	**$ 856.8**
Return on invested capital	**47%**	**43%**	**49%**	**39%**

Note: Amounts are adjusted to reflect the accounting method change from LIFO to FIFO.

Note: Totals above may not foot due to rounding

FREE CASH FLOW

	For the Years Ended December 31, (Unaudited)			
	2022	2023	2024	2025
Net Cash provided by operating activities, a GAAP measure	**$ 302.3**	**$ 736.2**	**$ 945.7**	**$ 757.6**
Purchases of property, plant and equipment	(101.1)	(250.2)	(163.6)	(118.8)
Proceeds from the disposal of property, plant and equipment	1.6	2.1	2.5	1.4
Free cash flow, a Non-GAAP measure	**$ 202.8**	**$ 488.1**	**$ 784.6**	**$ 640.2**

Note: Totals above may not foot due to rounding

2022 LIFO TO FIFO ADJUSTMENT

Adjusted Operating Profit & Net Income

	Twelve Months Ended December 31, 2022		
	As Reported	Effect of Change	As Adjusted
Net sales	$ 4,718.4	$ -	$ 4,718.4
Cost of goods sold	3,433.7	(67.0)	3,366.7
Gross profit	1,284.7	67.0	1,351.7
Operating income	656.2	67.0	723.2
Income before income taxes	615.8	67.0	682.8
Provision for income taxes	118.7	16.4	135.1
Net income	$ 497.1	$ 50.6	$ 547.8
Earnings per share - Basic	$ 13.92	$ 1.42	$ 15.34
Earnings per share - Diluted	$ 13.88	$ 1.42	$ 15.30

Adjusted Segment Profit

	Twelve Months Ended December 31, 2022		
	As Reported	Effect of Change	As Adjusted
Segment Profit (1)			
Home Comfort Solutions	$ 597	$ 37	$ 634
Building Climate Solutions	163	30	193
Corporate and other	(94)	-	(94)
Segment profit, a Non-GAAP measure	**$ 666**	**$ 67**	**$ 733**

(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

Balance Sheet

	As of December 31, 2022		
	As Reported	Effect of Change	As Adjusted
Inventories, net	$ 753.0	$ 141.3	$ 894.3
Total assets	2,567.6	141.3	2,708.9
Deferred income taxes (Other liabilities)	158.9	74.6	193.5
Retained earnings	3,070.6	106.7	3,177.3
Total liabilities and stockholders' equity	2,567.6	141.3	2,708.9

Note: Totals above may not foot due to rounding