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THIRD QUARTER 2026

EARNINGS RELEASE

OCTOBER 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 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 acquisitions of Duro Dyne, Supco, and Heat Controller. 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.

Q3 2026 FINANCIAL HIGHLIGHTS

Navigating competitive dynamics and continued inflation



*Updating
EPS Guidance*

Full Year
Adj. Earnings Per Share*

\$21.00 - \$21.50

Prior \$23.00 - \$24.00

REVENUE

\$1.6B

+10% YoY

**TOTAL SEGMENT
PROFIT***

\$323M

(2%) YoY

**TOTAL SEGMENT
PROFIT MARGIN***

20.6%

(240 bps) YoY

ADJUSTED EPS*

\$6.84

(7%) YoY

**OPERATING
CASH FLOW**

\$395M

+\$95M YoY

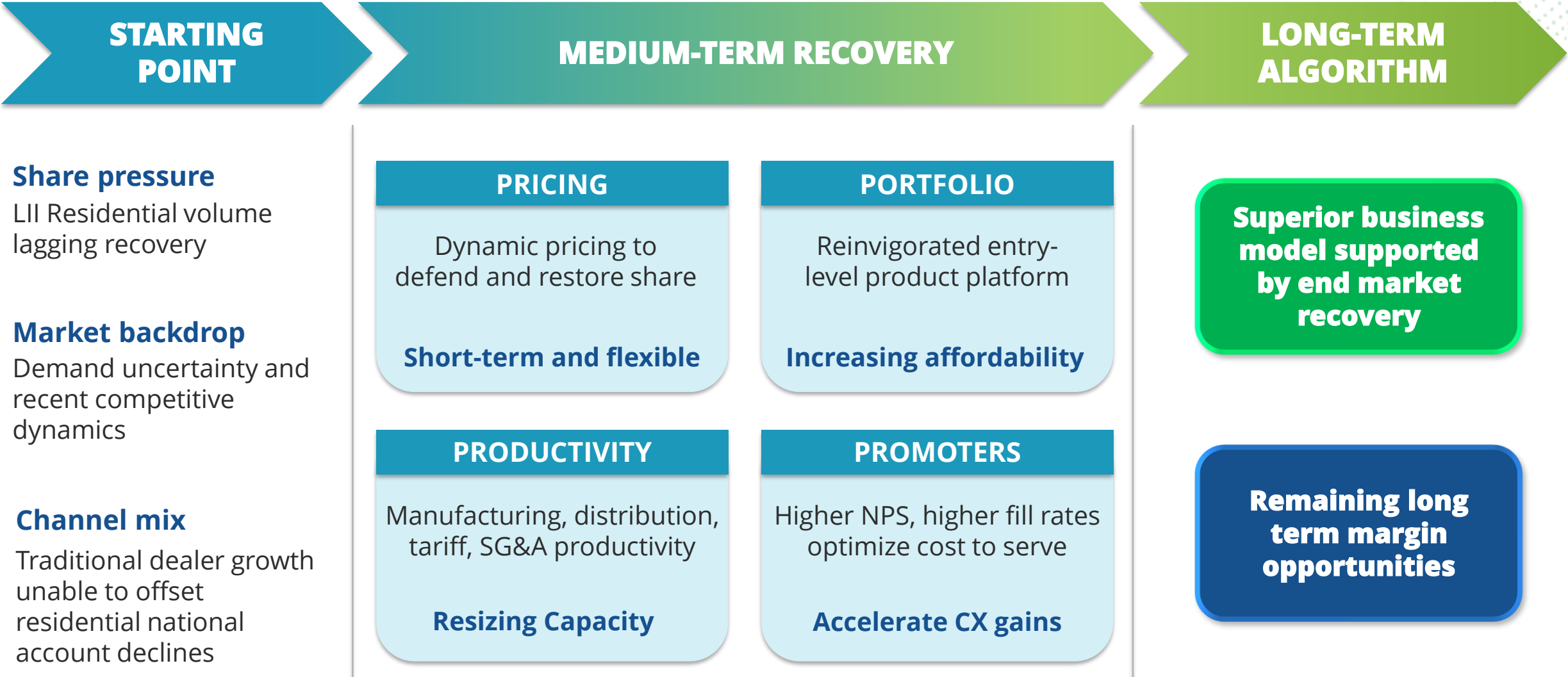
**NET DEBT /
ADJ. EBITDA***

1.4x

+0.6x YoY

* See appendix for reconciliation to GAAP performance; total segment profit includes unallocated corporate expenses

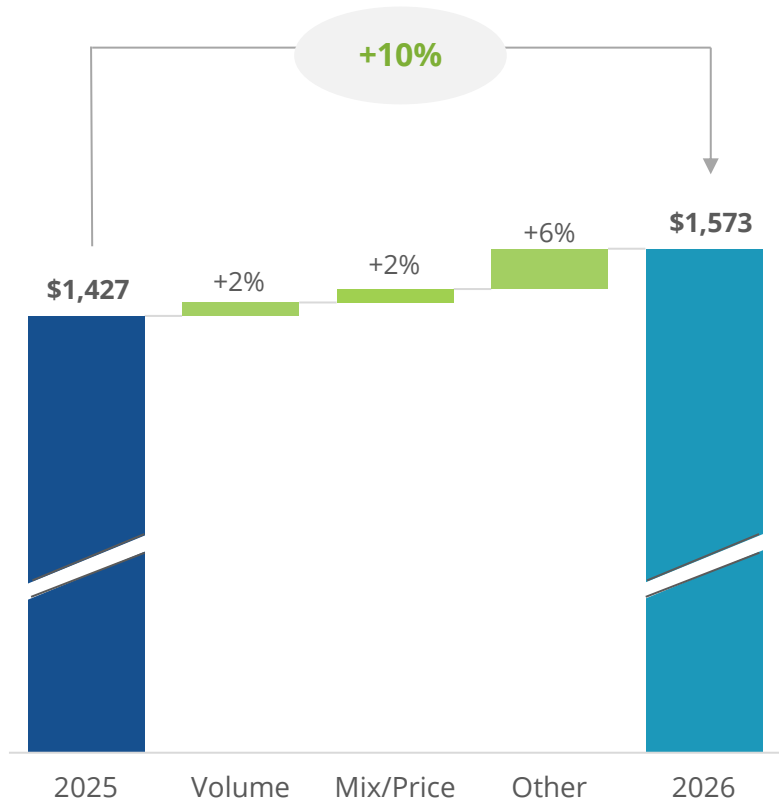
RECOVERY PLAN: REGAINING SHARE, RESTORING MARGINS



Q3 2026 LENNOX RESULTS

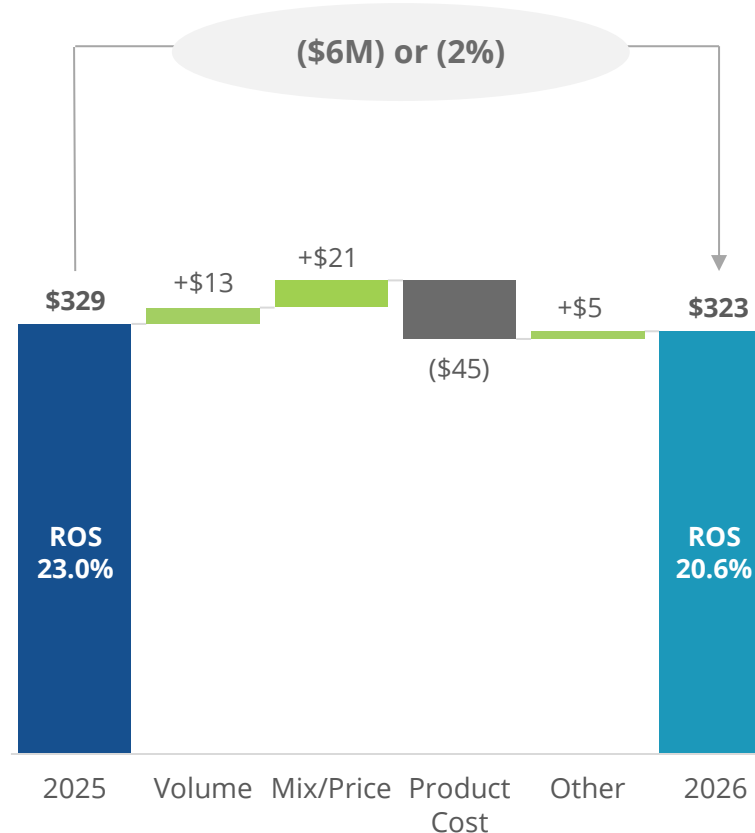
REVENUE

(US\$ MILLIONS)



TOTAL SEGMENT PROFIT*

(US\$ MILLIONS)



Adjusted
EPS*

\$6.84, (7%)

BCS growth

M&A accretion

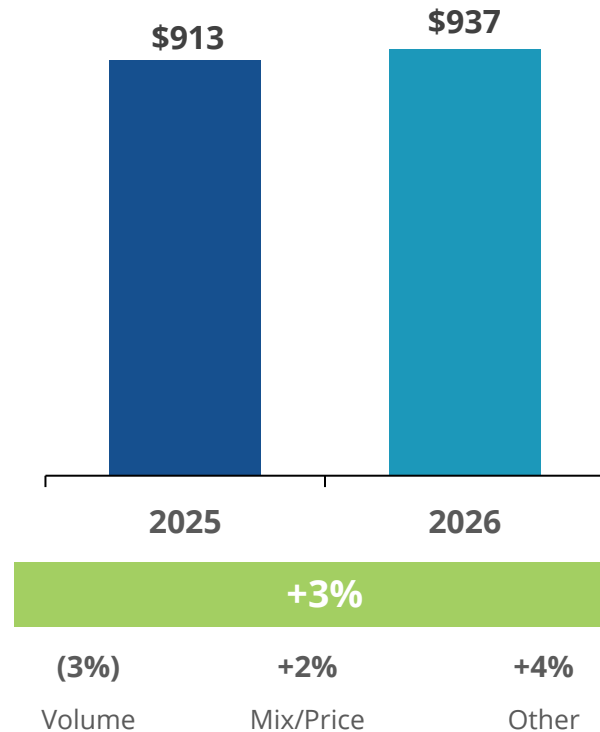
Tariff and inflation related costs

* See appendix for reconciliation to GAAP performance; total segment profit includes unallocated corporate expenses

Q3 2026 HOME COMFORT SOLUTIONS

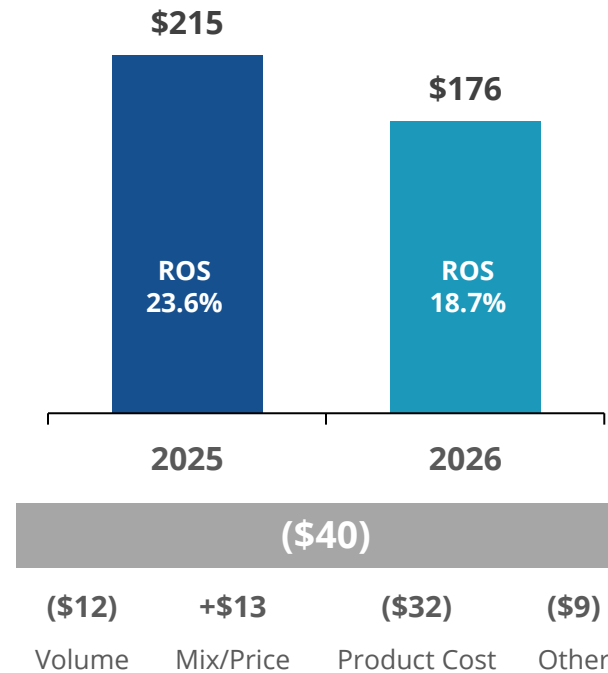
REVENUE

(US\$ MILLIONS)



SEGMENT PROFIT

(US\$ MILLIONS)



Organic Revenue:

YoY decline narrows to 1% in Q3

Product Cost: Higher tariffs and material inflation

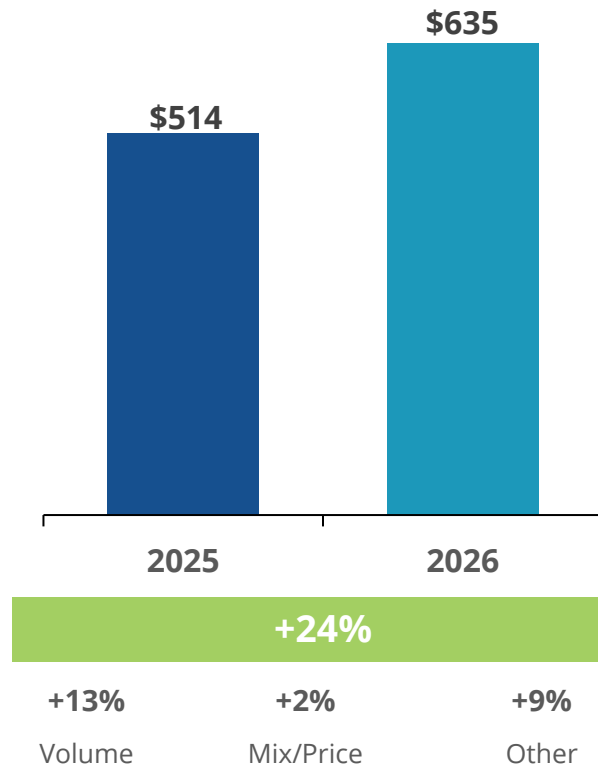
Other Cost: ~\$6M M&A accretion; higher fuel logistic inflation and SG&A

Note: Totals above may not foot due to rounding

Q3 2026 BUILDING CLIMATE SOLUTIONS

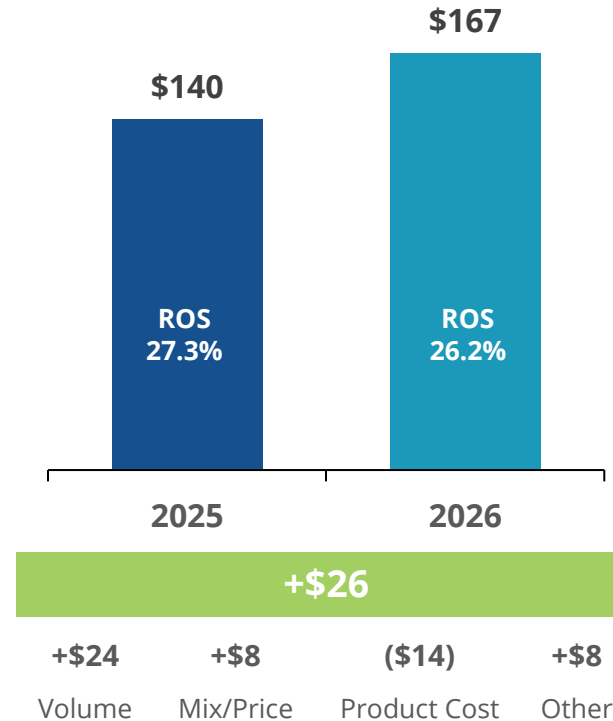
REVENUE

(US\$ MILLIONS)



SEGMENT PROFIT

(US\$ MILLIONS)



Volume: Strong light commercial equipment and service

Product Cost: Higher tariffs and material inflation

Other: ~\$13M M&A accretion partially offset by logistic and SG&A inflation

Note: Totals above may not foot due to rounding

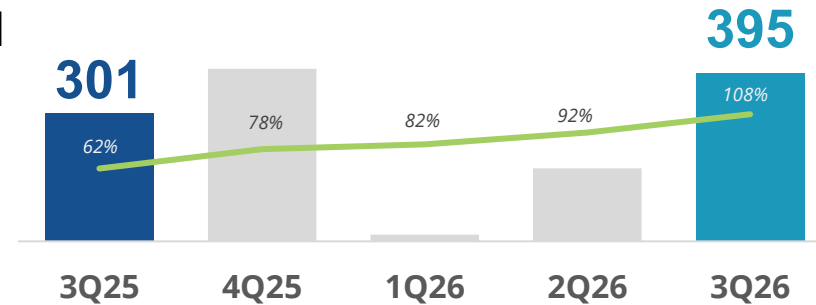
CASH FLOW AND CAPITAL DEPLOYMENT



CASH CONVERSION

OPERATING CASH FLOW
(US\$ MILLIONS)

TTM FCF CONVERSION %*



Continued Cash Conversion Improvement

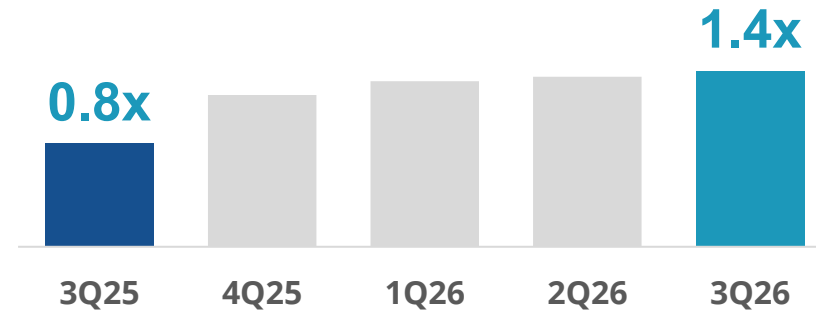
Inventory \$ up slightly YoY

- \$100M acquisition-related inventory plus inflation largely offset by ~15% lower organic units YoY



LEVERAGE

NET DEBT TO
ADJUSTED
EBITDA*
(TTM)



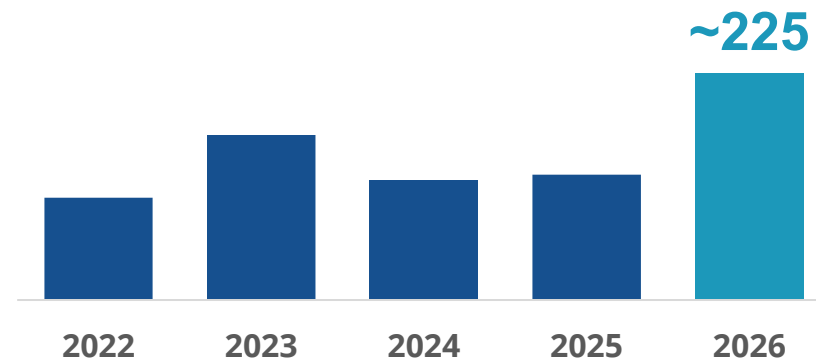
Maintain a Strong Balance Sheet

- Q3 Comfort-Aire and Century brands acquisition
- Increased share repurchases focus



INVESTING FOR GROWTH

CAPEX
(US\$ MILLIONS)



Customer Experience and Cost Efficiency

- Entry-tier product portfolio
- Contractor training facilities
- Innovation labs for data center cooling solutions
- AI growth and productivity tools

* See appendix for reconciliation to GAAP performance. Net debt is net of cash balances

2026 FINANCIAL GUIDANCE

GROWTH

	<i>Current</i>		<i>Prior</i>	
	Revenue Δ YoY	Segment Profit Incremental*	Revenue Δ YoY	Segment Profit Incremental*
Volume	(LSD)	(~35%)	(LSD)	(~35%)
Price Mix	+LSD	~90%	+MSD	~90%
M&A	+MSD	~25%	+MSD	~25%
Total LII	~6%		~8%	
HCS	~(4%)		~1%	
BCS	~23%		~20%	

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

OTHER GUIDANCE ITEMS

	<i>Current</i>	<i>Prior</i>
COST Δ YoY	Inflation**	~+5%
	Investments	+\$35M
	M&A Amortization	+\$25M
	Productivity	(\$60M)
Interest	\$70M	\$70M
Tax Rate	~21%	~20%
Share Count	~35M	~35M
Adjusted EPS	\$21.00 – \$21.50	\$23.00 – \$24.00
Free Cash Flow	\$700M to \$750M	\$750M to \$850M

** Impact on Total Cost

2027 EARLY THINKING

HEADWIND

NEUTRAL

OUR FOCUS



PRICE / INFLATION

- Input inflation continues — tariffs, components and commodities
- Price realization builds through the year
- Dynamic price-cost discipline

Price-cost narrows but not immediately



SALES VOLUMES

- Industry demand remains muted
- Replacement resilient; new construction soft
- HCS: share recapture, value tier, parts, JVs
- BCS: national accounts, emergency replacement & services

Growth driven by self-help and portfolio



COST PRODUCTIVITY

- New products with lower material cost
- Manufacturing productivity, including Saltillo at full efficiency
- Distribution productivity, logistics efficiency and fill rates

Controllable margin lever

ATTRACTIVE INVESTMENT OPPORTUNITY





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THANK YOU!



REVENUE AND SEGMENT PROFIT

	Q3 2026	Q3 2025	Change Year-over-Year				
			Volume	Mix/Price		Other	Total
Net Sales							
Home Comfort Solutions	\$ 937	\$ 913	(3%)	2%		4%	3%
Building Climate Solutions	635	514	13%	2%		9%	24%
Net sales, a GAAP measure	\$ 1,573	\$ 1,427	2%	2%		6%	10%
Segment Profit ⁽¹⁾	Q3 2026	Q3 2025	Volume	Mix/Price	Product Cost	Other	Total
Home Comfort Solutions	\$ 176	\$ 215	\$ (12)	\$ 13	\$ (32)	\$ (9)	\$ (40)
Building Climate Solutions	167	140	\$ 24	\$ 8	\$ (14)	\$ 8	\$ 26
Total segment profit, a Non-GAAP measure	\$ 342	\$ 356	\$ 13	\$ 21	\$ (45)	\$ (2)	\$ (14)
Corporate and other ⁽³⁾	(19)	(27)	-	-	-	\$ 8	\$ 8
Total segment profit, including unallocated Corporate and other expenses, a Non-GAAP measure	\$ 323	\$ 329	\$ 13	\$ 21	\$ (45)	\$ 5	\$ (6)
Gain on sale from previous dispositions	(4)	-					
Acquisition costs ⁽²⁾	4	-					
Restructuring charges	8	-					
Special litigation charges ⁽²⁾	3	-					
Operating income	\$ 312	\$ 329					

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

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

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

(3) Corporate and other expenses include unallocated corporate costs related to corporate administrative functions such as tax, treasury, accounting, internal audit, legal and human resources.

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

Note: Totals above may not foot due to rounding

ADJUSTED EPS

	For the Three Months Ended September 30, (Unaudited)			
	2026		2025	
	After Tax Amount	Per Diluted Share	After Tax Amount	Per Diluted Share
Net income, a GAAP measure	\$ 221.2	\$ 6.41	\$ 259.9	\$ 7.38
Restructuring charges	6.4	\$ 0.19	-	-
Acquisition costs (a)	8.6	\$ 0.25	-	-
Loss (gain) on sale from previous dispositions	(3.0)	\$ (0.09)	-	-
Special Litigation Charge (a)	2.7	\$ 0.08	-	-
Adjusted net income, a non-GAAP measure	\$ 235.9	\$ 6.84	\$ 259.9	\$ 7.38

(a) Recorded in Losses and other expenses, net in the Consolidated Statements of Operations
 Note: The 2025 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 ADJUSTED EBITDA

For the Twelve Months
Ended September 30,
(Unaudited)

	2026	2025
Income before taxes, a GAAP Measure	\$ 958.5	\$ 1,062.5
Restructuring charges, before tax	15.0	-
Interest expense, net	63.3	30.5
Pension settlements, before tax	0.7	0.3
Other expense (income), net before tax	3.9	2.7
Loss (gain) on sale from previous dispositions	(4.7)	3.1
Depreciation and amortization expense	129.5	104.9
Adjusted EBITDA, a non-GAAP measure	\$ 1,166.2	\$ 1,204.0

As of September 30,
(Unaudited)

	2026	2025
Total Debt	\$ 1,621.4	\$ 1,012.1
Less Cash	43.3	52.9
Less Short-term investments	2.2	6.3
Net Debt, a non-GAAP measure	\$ 1,575.9	\$ 952.9
Debt to Adjusted EBITDA ratio	1.4	0.8

Note: Totals above may not foot due to rounding

FREE CASH FLOW & FCF CONVERSION

	For the Three Months Ended September 30, (Unaudited)		For the Twelve Months Ended (Unaudited)				
	2026	2025	3Q 2025	4Q 2025	1Q 2026	2Q 2026	3Q 2026
Net Cash provided by operating activities, a GAAP measure	\$ 395.3	\$ 300.7	\$ 684.1	\$ 757.6	\$ 809.5	\$ 894.7	\$ 989.3
Purchases of property, plant and equipment	(33.2)	(35.6)	(149.8)	(118.8)	(148.8)	(156.0)	(153.6)
Proceeds from the disposal of property, plant and equipment	0.6	0.2	1.7	1.4	1.6	1.9	2.3
Free cash flow, a Non-GAAP measure	\$ 362.7	\$ 265.3	\$ 536.0	\$ 640.2	\$ 662.3	\$ 740.6	\$ 838.0
			After Tax Amount	After Tax Amount	After Tax Amount	After Tax Amount	After Tax Amount
Net income, a GAAP measure			\$ 865.1	\$ 805.8	\$ 793.3	\$ 788.5	\$ 749.9
Restructuring charges			-	5.1	5.1	5.1	11.5
Acquisition costs (a)			-	8.9	8.9	8.9	17.5
Loss (gain) on sale from previous dispositions			3.1	(0.7)	(0.7)	(0.7)	(3.7)
Special litigation charges (a)			-	-	-	-	2.7
Adjusted net income, a non-GAAP measure			\$ 868.2	\$ 819.1	\$ 806.6	\$ 801.8	\$ 777.9
FCF Conversion			62%	78%	82%	92%	108%

(a) Recorded in Losses and other expenses, net in the Consolidated Statements of Operations
Note: The 2025 amounts are adjusted to reflect the accounting method change from LIFO to FIFO.

Note: Totals above may not foot due to rounding