



Alok Maskara, CEO

Baird 2022 Global Industrial Conference

November 8, 2022



LENNOX INTERNATIONAL OVERVIEW

Company Snapshot

Founded	1895
Principle Executive Offices	Texas
Equity Market Capitalization ¹	\$8.3B
Net Debt / Adjusted EBITDA ²	2.3X
ROIC on Adjusted Earnings ²	51%
Number of Employees	~11,000

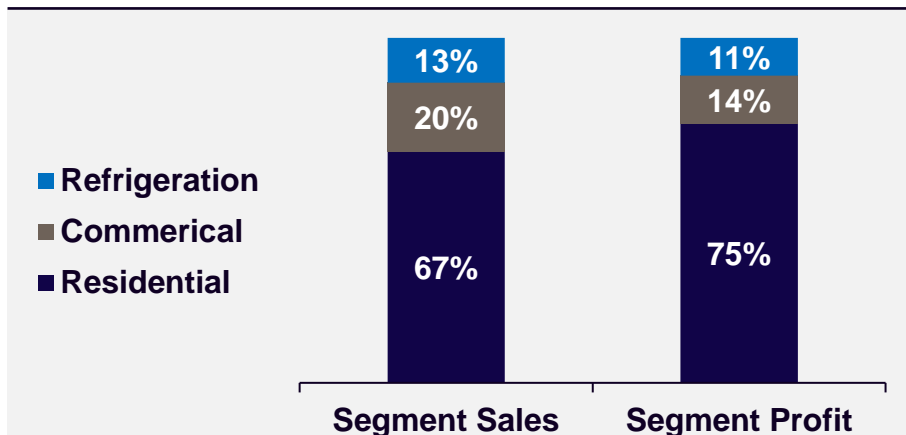
Income Statement

	Last 12 Months	2017-2021 Change
Revenue	\$4.59B	↑ 5% CAGR
Adjusted EBITDA	\$709M	↑ 5% CAGR
Adjusted Diluted EPS	\$13.78	↑ 13% CAGR

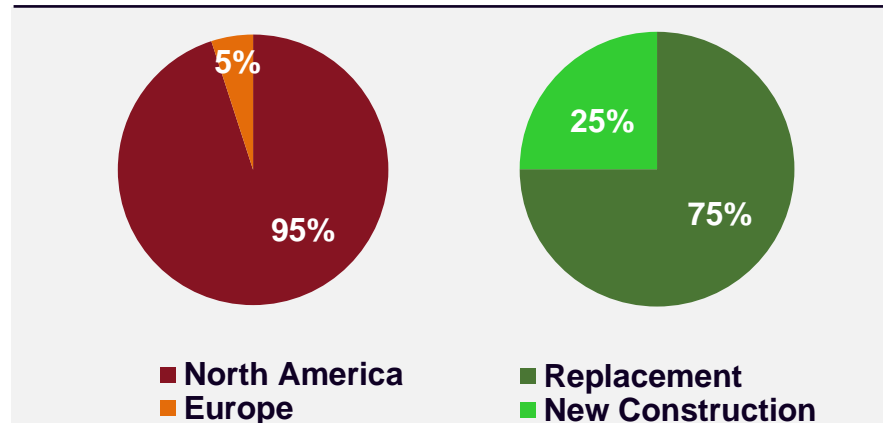
Balance Sheet

	Q3 2022	Year End 2017
Net Debt	\$1.56B	\$936M

Q3 2022 Segment Sales & Profit




Q3 2022 Sales by End Market



Leading HVACR Company with Strong Revenue & Profit Growth Opportunities

¹As of 11-03-22 ²Non-GAAP; reconciliations in Appendix.

HVAC TECHNOLOGY & DISTRIBUTION LEADERSHIP

Residential	Lennox	Energy-efficiency HVAC leader with direct-to-dealer distribution, including >240 stores across North America.	
	Allied Air	Six HVAC equipment brands sold through independent distribution partners at >1,000 locations across North America.	
	Advanced Distributor Products	ADP manufactures evaporator coils, air handlers and unit heaters and sells to independent distribution partners across North America.	
Commercial	Rooftop Equipment	Energy-efficiency leader in commercial unitary HVAC with direct distribution across North America.	
	National Account Services	NAS installs, services and provides preventative maintenance for commercial HVAC national account customers across North America.	
Refrigeration	Heatcraft North America	Commercial stationary refrigeration leader in North America with direct and independent distribution.	
	Europe	Commercial stationary refrigeration for food and industrial applications, as well as commercial unitary and applied HVAC across Europe.	



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Appendix

GAAP / Non-GAAP

Reconciliations

EARNINGS & EPS RECONCILIATION

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

	Trailing Twelve Months to September 30, 2022	
	Amount	Per Diluted Share
Income from continuing operations, a GAAP Measure	\$ 486.2	\$ 13.49
Special quality adjustments, after tax	(1.0)	(0.03)
Restructuring charges, after tax	1.2	0.03
Excess tax benefits from share-based compensation, including impact on share count, after tax	1.0	0.03
Other tax items, net	(0.8)	(0.02)
Items in Losses (gains) and other expenses, net which are excluded from segment profit (loss)	10.0	0.27
Pension settlements	0.2	0.01
Adjusted ("Core") income from continuing operations, a non-GAAP measure	\$ 496.8	\$ 13.78

ADJUSTED EBITDA

(\$US in Millions)

	Trailing Twelve Months to September 30, 2022
Income from continuing operations before income taxes, a GAAP measure	\$ 586.5
Items in Losses (gains) and other expenses, net which are excluded from segment profit	13.4
Special product quality adjustments	(1.4)
Restructuring charges	1.4
Interest expense, net	32.3
Pension settlements	0.4
Other expense (income), net	3.0
Adjusted EBIT, a Non-GAAP measure	\$ 635.6
Depreciation and amortization expense	73.1
Adjusted EBITDA, a Non-GAAP measure	\$ 708.7

NET DEBT

(\$US in Millions)

	As of September 30, 2022	As of December 31, 2017
Short-term debt	0.0	0.9
Current maturities of long-term debt	11.1	32.6
Long-term debt	1,593.4	970.5
Total Debt	1,604.5	1,004.0
Less: Cash and cash equivalents	(40.7)	(68.2)
Less: Short-term investments	(7.5)	0.0
Net Debt	1,556.3	935.8