



## Lennox International Announces Planned Sale of Refrigeration Businesses in Australia, Asia and South America

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DALLAS, March 14, 2018 /PRNewswire/ -- Lennox International Inc. (NYSE: LII) today announced the planned sale of its Australia, Asia, and South America businesses as the company streamlines its Refrigeration portfolio to focus on its strong market position in North America and Europe.

For the sale of the Australia and Asia businesses, the company has signed a binding agreement with Beijer Ref AB. The transaction is expected to close in the second quarter of 2018. Separately, Lennox International is in the process of selling real estate in the Sydney area formerly related to its business operations there. For the sale of the South America business, the company is far along in the process and expects that transaction to be concluded in the second quarter of 2018 as well.

In total, the businesses being divested contributed \$187 million in revenue and \$6.4 million in profit to the company's Refrigeration segment in 2017. Beginning with the first quarter of 2018, these businesses will be designated as non-core and excluded from the company's core adjusted revenue and earnings reported each quarter. Adjusted revenue and earnings in the corresponding prior-year period also will be updated for this move.

Off the lower 2017 base from these divestitures, Lennox International reiterates 3-7% revenue growth guidance for 2018 and EPS from continuing operations of \$9.75-\$10.35. The company is raising its 2020 margin target for the Refrigeration segment from 12-14% to a new range of 14-16%.

Total net proceeds from the transactions are broadly estimated to be approximately \$110 million. With strong cash generation, Lennox International will continue to invest in the organic growth and profitability of its Residential and Commercial HVAC businesses as well as Refrigeration, grow dividends with earnings over time, and repurchase company stock.

"Divesting the Australia, Asia, and South America refrigeration businesses will enable us to focus even more on North America and Europe, where we have significant opportunities and strong market positions," said Lennox International Chairman and CEO Todd Bluedorn. "Our strong refrigeration brands, innovation, and leadership in equipment and advanced controls, position us well to drive growth and margin expansion in our Refrigeration business as we look ahead."

Additional information on Lennox International – including 2017 revenue and profit by quarter for the Refrigeration businesses being divested – is available at [www.lennoxinternational.com](http://www.lennoxinternational.com). Lennox International Inc. is a global leader in the heating, air conditioning, and refrigeration markets. Lennox International stock is listed on the New York Stock Exchange and traded under the symbol "LII". Contact: Steve Harrison, Vice President, Investor Relations, 972-497-6670.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Statements in this press release regarding Lennox International's business which are not historical facts are "forward-looking statements" that involve risks and uncertainties. Examples of forward-looking statements include the expected net proceeds from these planned dispositions and the anticipated timing of the transactions. Important risk factors relating to these dispositions include (a) the risk that the closing conditions (including regulatory approvals) for the sale of the Australia and Asia businesses are not satisfied or delayed, and (b) the ability to enter into definitive agreements and close transactions to sell the South America business and the real property in the Sydney area. For a discussion of other risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see "Risk Factors" in the Company's Annual Report on Form 10-K for the most recently ended fiscal year.



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