

GOLDMAN SACHS CONFERENCE

DEC 4, 2024

DRIVEN BY OUR CORE VALUES

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.

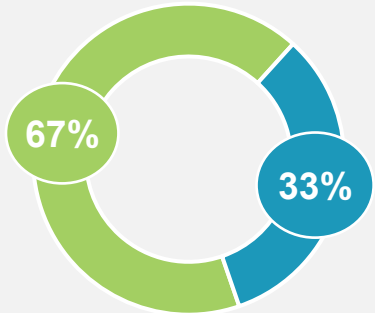
Results

We prioritize superior outcomes for our stakeholders.

FINANCIAL SUMMARY



Core Revenue*



- Home Comfort Solutions
- Building Climate Solutions

TTM - Q3 2024

Core Revenue*

\$5.1B

+9% YoY

Adjusted Segment Profit Margin*

18.9%

+160 bps YoY

Adjusted EPS*

\$20.61

+22% YoY

Operating Cash Flow

\$920M

+\$358M YoY

Key Markets

Home Comfort Solutions

With high-efficiency ratings and the latest innovative, mobile technology, our home heating and cooling equipment for the residential replacement and new construction markets in the United States and Canada provide the ultimate in comfort and climate control. Our product lines include air conditioners, furnaces, heat pumps, comfort controls, and indoor air quality equipment.



Building Climate Solutions

We provide indoor comfort solutions and services plus refrigeration systems for office buildings, schools, supermarkets restaurants, retail establishments, and other light commercial applications in North America. Products include packaged rooftop units, curb adaptors, split systems, chillers, commercial controls, indoor air quality systems, coolers, condensing units, packaged systems, and related equipment.



INVESTING FOR GROWTH

DISTRIBUTION PROFITABILITY

- Regional P&L autonomy
- Heat pump and parts growth
- Network and freight efficiency
- Pricing talent & business dev.



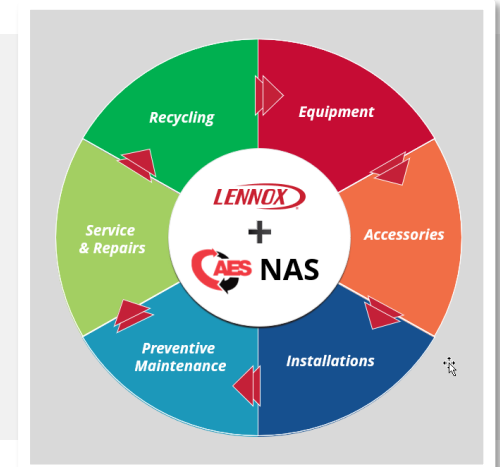
EMERGENCY REPLACEMENT

- Factory capacity addition
- Customer charters
- Lead time reduction
- Front end talent & digital process



BOLT-ON ACQUISITIONS

- Commercial Services (AES)
- Heat pumps (Samsung JV)
- Expand BCS product range
- Controls / Indoor Air Quality



2026 LONG TERM TARGET UPDATE

Execution of Strategic Objectives Will Deliver...

\$5.4B - \$6.0B

Revenue

19% - 21%

ROS*

Home Comfort
20% - 22%

Building Climate
22% - 24%

**~90% of Net
Income**

Free Cash Flow



OPTIMIZING PROFITABLE GROWTH



Alok Maskara
Chief Executive Officer



Michael Quenzer
Chief Financial Officer



FORWARD-LOOKING STATEMENTS & NON-GAAP FINANCIAL MEASURES

The statements in this presentation that are not historical statements, including statements regarding the outlook for 2024 full-year and beyond 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 intellectual property rights; our ability to attract, motivate, develop, and retain our employees, as well as labor relations problems; 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; changes in environmental and climate-related legislation or government regulations or policies; changes in tax legislation; the impact of new or increased trade tariffs; warranty, intellectual property infringement, product liability and other claims; litigation risks; general economic conditions in the United States and abroad; extraordinary events beyond our control; foreign currency fluctuations and changes in local government regulation associated with our international operations; cyber attacks and other disruptions or misuse of information systems; our ability to successfully realize, complete and integrate acquisitions; and impairment of the value of our goodwill. 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 core revenue, segment profit, adjusted segment profit, adjusted net income, adjusted diluted earnings per share, 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. Core revenue, adjusted segment profit, and adjusted diluted earnings per share exclude net sales and profit/(loss) from our European portfolio, which was sold in 4Q 2023. 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.

CORE REVENUE AND ADJUSTED SEGMENT PROFIT

	TTM 2024	TTM 2023
Net Sales		
Home Comfort Solutions	\$ 3,399	\$ 3,217
Building Climate Solutions	1,697	1,449
Corporate and other (1)	55	255
Net sales, a GAAP measure	\$ 5,151	\$ 4,921
Net sales from non-core business (1)	55	255
Core net sales, a non-GAAP measure	\$ 5,096	\$ 4,666
Segment Profit		
Home Comfort Solutions	\$ 682	\$ 614
Building Climate Solutions	\$ 389	296
Corporate and other (1)	\$ (105)	(98)
Segment profit, a Non-GAAP measure	\$ 965	\$ 812
Profit from non-core business (1)	\$ 2	7
Adjusted segment profit, a non-GAAP measure	\$ 964	\$ 805
Profit from non-core business (1)	(2)	(7)
Impairment on assets held for sale	-	63
Gain on sale from previous dispositions	(16)	-
Items in Losses (gains) and other expenses, net which are excluded from segment profit (2)	3	12
Restructuring charges	3	1
Operating income	\$ 975	\$ 737

(1) Net sales and segment profit from our European portfolio are included in the Corporate and other segment and are considered non-core. European operations were divested in the fourth quarter of 2023.

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

ADJUSTED EPS

	For the Twelve Months Ended September 30, (Unaudited)			
	2024		2023	
	After Tax Amount	Per Diluted Share	After Tax Amount	Per Diluted Share
Net income, a GAAP measure	\$ 753.7	\$ 21.06	\$ 540.0	\$ 15.15
Restructuring charges	2.2	\$ 0.06	0.5	0.02
Pension settlements	-	-	0.2	0.01
Items in Losses (gains) and other expenses, net which are excluded from segment profit (loss) (a)	1.5	\$ 0.05	8.1	0.23
Excess tax expense from share-based compensation (b)	(2.8)	\$ (0.08)	(3.3)	(0.09)
Impairment on assets held for sale (c)	-	-	62.0	1.74
Gain on sale from previous dispositions	(12.7)	\$ (0.35)	-	-
Other tax items, net (b)	(4.1)	\$ (0.11)	0.3	0.01
Non-core business results (d)	(0.6)	\$ (0.02)	(5.2)	(0.14)
Adjusted net income, a non-GAAP measure	\$ 737.2	\$ 20.61	\$ 602.6	\$ 16.93

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

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

(c) Impairment on assets held for sale related to the divestiture of our European operations that were divested in the fourth quarter of 2023.

(d) Non-core business results represent activity related to our business operations in Europe not included elsewhere in the reconciliations. European operations were divested in the fourth quarter of 2023.