Company Update

August 2022

LEG (NYSE)
www.leggett.com

Forward-Looking Statements

Statements in this presentation, either written or oral, that are not historical in nature are "forward-looking." These statements are identified either by their context or by use of words such as "anticipate," "believe," "estimate or E," "expect," "forecasted," "intend," "may," "plan," "should," "guidance" or the like and include, but are not limited to, sales, net trade sales and growth, Company and segment volume growth, EPS, EBIT, depreciation and amortization, net interest expense, tax rate, diluted shares, operating cash, capital expenditures, dividends, dividend growth and yield, net earnings, return on invested capital, EBIT margins, segment EBIT margins, adjusted EBIT margins, stock repurchases, prior acquisition sales, uses of cash, deferred income taxes, impairments, working capital, investment grade credit rating, inflationary and currency impacts, metal margin expansion, and operating cash flow in excess of capital expenditures and dividends. All such forward-looking statements are expressly qualified by the cautionary statements described in this provision. We do not have, and do not undertake, any duty to update any forward-looking statement. Forward-looking statements should not be relied upon as a prediction of actual future events or results. Any forward-looking statement reflects only the beliefs of Leggett at the time the statement is made. All forward-looking statements are subject to risks and uncertainties which might cause actual events or results to differ materially from the forward-looking statements. Some of these risks and uncertainties include: the demand for our products; our ability to obtain raw materials and parts and their increased cost; maintain appropriate labor levels and ship finished products to customers due to supply chain disruptions; our ability to collect receivables in accordance with their terms; impairment of goodwill and long-lived assets; restructuring and related charges; access to the commercial paper market or our ability to borrow under our credit facility; our ability to pass through increased costs to our customers; our ability to comply with restrictive financial covenants; impacts from the COVID-19 pandemic; market conditions; disruption to our rod mill; our ability to manage working capital; antidumping and countervailing duties; cybersecurity breaches; our information system technology failures; customer losses; price and product competition; cost and availability of labor; fuel and energy; impacts from the Russian invasion of Ukraine; climate change laws and regulations; ESG risks; political risks; tax law changes; foreign currency fluctuation; cash repatriation; privacy laws; litigation risks; tariffs; and other risk factors in Leggett's most recent Form 10-K and Form 10-Q.

Market and Industry Data
Unless we indicate otherwise, we base the information concerning our markets/industry contained herein on our general knowledge of and expectations concerning those markets/industry, on data from various industry analyses, on our internal research, and on adjustments and assumptions that we believe to be reasonable. However, we have not independently verified data from market/industry analyses and cannot guarantee their accuracy or completeness.

Leggett Distinctives

Strong balance sheet and cash flow

Disciplined use of cash

>**4% dividend yield**; 51 consecutive annual increases

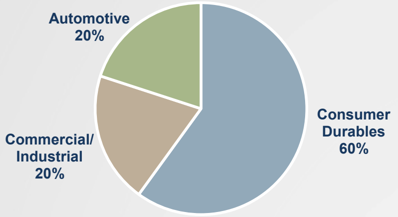
Leader in most markets; few large competitors

Opportunities for **long-term growth**
- Internal initiatives + market growth + acquisitions
- Large addressable markets

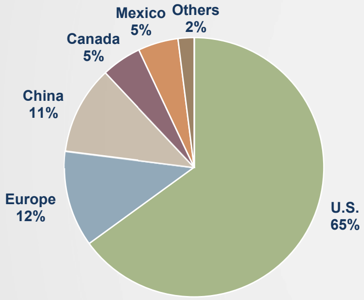
Management has "**skin in the game**"
- Significant stock owners; forego comp in exchange for shares
- Incentive comp aligned with TSR focus

Our Markets

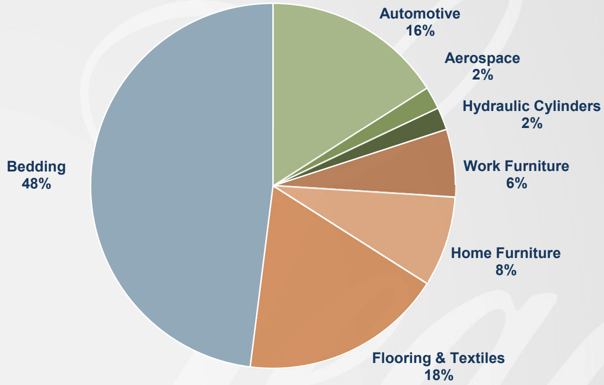
Macro Market Exposure



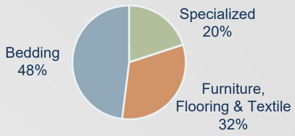
Geographic Split
(based on production)



Product Mix
(based on 2022 estimated net trade sales)



% of 2022e net trade sales



Segments

Bedding Products

- Mattress springs
- Private label finished mattresses, mattress toppers, pillows
- Specialty bedding foams
- Foundations
- Adjustable beds
- Drawn steel wire
- Steel rod
- Quilting & sewing machinery for bedding mfg.
- Mattress packaging and glue-drying equipment

Specialized Products

Automotive

- Auto seat support & lumbar systems
- Motors, actuators & cables

Aerospace

- Tubing
- Tube assemblies
- Flexible joints

Hydraulic Cylinders

- Hydraulic cylinders primarily for material handling, transportation & construction equipment

Furniture, Flooring & Textile Products

Home Furniture

- Recliner mechanisms
- Seating and sofa sleeper components

Work Furniture

- Chair controls, bases, frames
- Private label finished seating

Flooring & Textiles

- Flooring underlayment
- Textile converting
- Geo components

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Long Term
Value Creation

Total Shareholder Return

SOURCES

Revenue Growth

Target:
6–9% annually

Margin Improvement

Target:
11.5–12.5%

Dividend Yield

Payout target:
~50% of earnings

Stock Buybacks

With available cash

Total Shareholder Return = (Δ Stock Price + Dividends) / Initial Price

Growth Framework

6–9%
Average Annual Revenue Growth

Organic + Acquisition

1	2	3
Increasing Content and New Programs	Expanding Addressable Markets	Identifying Strategic Acquisitions

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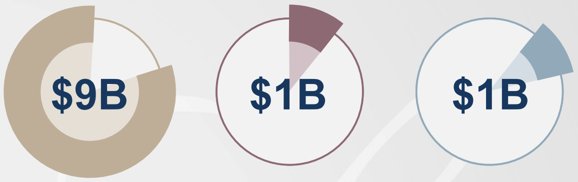
U.S. Bedding Market Overview

Finished Mattresses & Foundations at Wholesale Addressable Market



APPROXIMATE MARKET SIZE	$9B	$1B	$1B
SEGMENT	**MATTRESSES**	**ADJUSTABLE FOUNDATIONS**	**STATIC FOUNDATIONS**

COMPETITORS

Innerspring maker-users and foam component suppliers

Importers of innersprings, finished mattresses and adjustable foundations

Private label mattress manufacturers, primarily all foam

Source: ISPA, internal analysis

Bedding Trends

Consumers accept online purchasing and compressed mattresses

- Changed traditional mattress route-to-market, number of brands and product types
- Growth of hybrid mattresses
- Compressed mattresses roughly half of the market

Omnichannel presence is increasingly important

Mattress replacement cycles have shortened

Consumer focus on health and wellness supporting demand for premium mattresses

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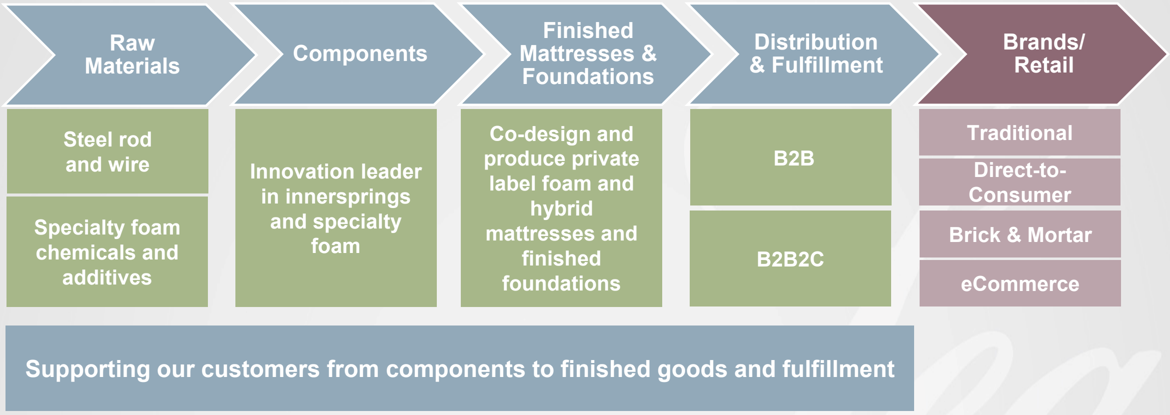
L&P Bedding Value Chain



Raw Materials	Components	Finished Mattresses & Foundations	Distribution & Fulfillment	Brands/ Retail
Steel rod and wire Specialty foam chemicals and additives	Innovation leader in innersprings and specialty foam	Co-design and produce private label foam and hybrid mattresses and finished foundations	B2B B2B2C	Traditional Direct-to-Consumer Brick & Mortar eCommerce

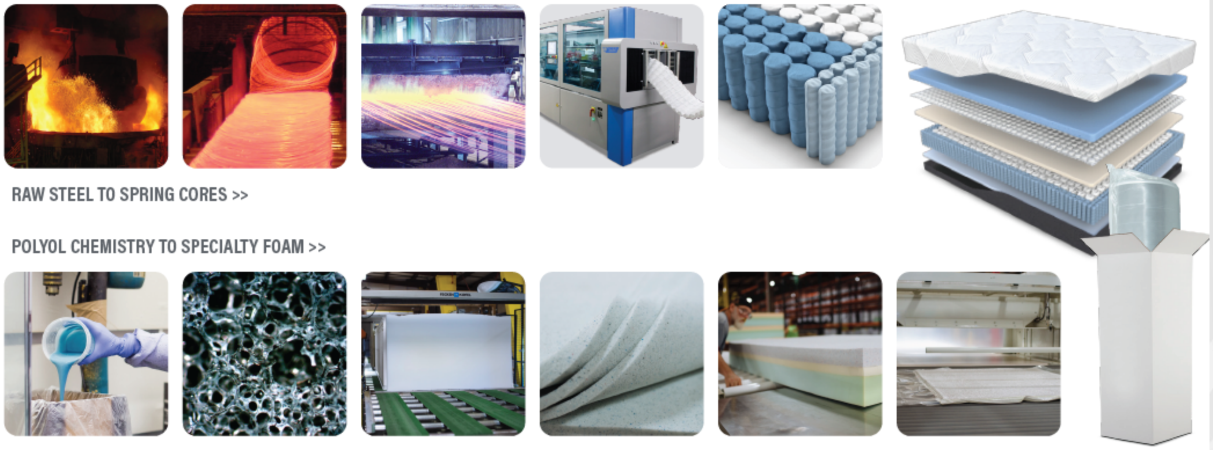
Supporting our customers from components to finished goods and fulfillment

Vertical Integration in Bedding Products

Each year at our rod mill in Sterling, Illinois, approximately 550,000 tons of steel scrap are melted and formed into billets. The billets are then used to make around 500,000 tons of steel rod.

The majority of the rod goes to our two domestic wire mills to be drawn into various gauges of wire, while most of the wire goes to our spring-making plants to be coiled into innersprings on wire-forming machines manufactured by our Spühl facility in Switzerland.

Our innersprings are sold to most U.S. bedding manufacturers and used in private label finished hybrid compressed mattresses produced in our facilities across the country.



Polyols and foam additives that improve durability, increase airflow, and decrease odor are developed at Peterson Chemical Technology.

Specialty foam is produced at our domestic pouring and fabrication facilities and either used in private label fully finished products such as compressed mattresses, mattress toppers and pillows, or sold to bedding and furniture manufacturers.

L&P Positioned to Win in Omni-Channel Environment

- Innovation and low-cost production advantage from integrated rod-wire-machinery-innerspring value chain
- Innovation advantage from ECS chemical-specialty foam value chain
- Innovation and value engineering advantage in private label finished mattress production, particularly innerspring and foam hybrids
- Pair with adjustable and static ready-to-assemble foundations
- Ability to ship direct-to-consumer on behalf of our customers

Global Automotive Market Overview

Cabin Comfort & Convenience Addressable Market

~$20B

APPROXIMATE MARKET SIZE	**$1B**	**$2B**	**$3B**	**$4B**	**$10B**
SEGMENT	**COMFORT**	**CABLES**	**MOTORS**	**ACTUATORS**	**ELECTRONICS/ SOFTWARE ENABLERS**
COMPETITORS	Few, single-product focus	Many; fragmented	Many; functionality vs. cost	Many; make vs. buy	Many; make vs. buy
CAGR	**5%**	**2%**	**5%**	**5%**	**9%**

~6% CAGR
outpacing vehicle production

Market Trends

- Consumer demands for additional comfort, convenience, and connectivity
- Increasing global programs and platform sharing
- OEM directed sourcing
- Stricter standards drive innovation in lightweighting, efficiency, noise, and sustainability
- Large share of the value chain is shifting to C.A.S.E. (Connected, Autonomous, Shared, Electrification)
- Significant growth in electrification strategies and infrastructure commitments

Technological advances will have significant consumer and industry impacts over next 5-10 years – industry is transforming to our space in comfort and convenience

Trends Play to our Strengths

Advantages Are Rooted In Our Deep Industry Knowledge and Customer Engagement

- ✓ Brand Reputation in Comfort Products
- ✓ Vertical Integration
- ✓ Intellectual Property/ Trade Secrets
- ✓ Flexible Global Manufacturing

The Results

- The most complete seat comfort subsystem supplier
- Long-term growth above industry production
- Share leader in targeted segments
- Share leader in fast growing SUV and CUV segments
- Positioned for growth in convenience and electronics/ software enablers

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Acquisition Strategy

Strong Strategic Fit	Disciplined Financial Screen	Cultural Alignment
• Growth in attractive markets • Sustainable competitive advantage • Enhance current capabilities or product offerings • Meaningful synergies • Low risk of disruption	• Solid, above-market growth opportunities • Accretive to GAAP EPS and cash flow within one year of acquisition • Returns well above WACC	• Ethics and integrity • Safety prioritization • Strong, committed leadership team • Customer focus • Continuous improvement

Acquisitions are most often bolt-on to existing businesses but could also include opportunities in new markets that leverage our key competencies.

Sources of Margin Improvement

Near-Term Opportunities

- **Increasing volume** as supply chain constraints improve
- **Improving operational efficiency** in businesses impacted by supply chain issues
- **Maintaining pricing discipline** to recover cost inflation
- **Adjusting variable costs** in businesses with softer demand; managing carefully given large demand swings over last two years

Ongoing Opportunities

- **Portfolio Management**
- **Growth in Attractive Markets**
- **Product Innovation**
- **Continuous Improvement**

Long-Term Disciplined Use of Cash

1. Fund organic growth
2. Pay dividends
    - **51-year history** of dividend increases
    - A member of the *Dividend Kings*
    - Payout target is **~50% of earnings**
3. Fund strategic acquisitions
4. Repurchase stock with available cash

Debt, Liquidity, and Cash Flow

Debt and Liquidity

- **Maintaining priority on Investment Grade** credit rating
- **$1.2 billion revolving credit facility** in place
- Comfortably supports **dividend funding**

Cash Flow

- Long history of **strong Operating Cash Flow**
- Exceeded capital expenditures + dividends in 32 of last 33 years
  - Expect to exceed in 2022

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Sustainability

Our Commitment to Enhancing Lives

Investing in our People to Attract and Retain Talent for Long-Term Success

Innovative Products Deliver Positive Sustainability Impact for our Customers

Focus on Resource Efficiency, Waste Reduction, and Renewables Protects Environment and Reduces Costs

Enhancing Lives through our People, our Products, and our Processes

Investing in our People to Attract and Retain Talent for Long-Term Success

- 77% internal promotion rate for corporate officer positions over the last three years
- Newly created positions including our first Chief Human Resources Officer, Inclusion, Diversity, and Equity (ID&E) Director, and Sustainability Manager help bolster our human capital management, ID&E, and ESG efforts
- ID&E strategy and action plan designed to foster an inclusive and diverse culture that aligns with our values and priorities
- Global Frontline Supervisor Training Program designed to help managers in our operations build strong employee engagement

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Innovative Products Deliver Positive Sustainability Impact for our Customers

- Lightweight automotive components help to reduce overall vehicle weight, improve fuel efficiency, and reduce noise
- Specialty foam products meet the highest standards for chemical safety with CertiPUR-US® certification
- Carpet cushion products make a direct contribution towards Leadership in Energy and Environmental Design (LEED) green building certification, are Carpet and Rug Institute (CRI) Green Label Plus-certified, and are recyclable
- Geotextile products, such as erosion-control blankets and silt fencing, address the challenges of land at risk of natural or man-made erosion

Focus on Resource Efficiency, Waste Reduction, and Renewables Protects Environment and Reduces Costs

- Recycled materials used in our products
  - Over 90% of our steel rod is produced from primarily locally-sourced, recycled steel scrap
  - Bonded carpet cushion is produced primarily from repurposed foam sourced from U.S. foam manufacturers, including our Specialty Foam business
  - Post-consumer plastics used to manufacture molded parts for work furniture applications
- Approximately 17% of U.S. and 29% of Canadian electric consumption was supplied by renewable energy
- Reducing lighting energy and maintenance costs through LED lighting retrofits
  - Installation in five facilities projected to decrease lighting energy consumption by 58% and avoid 1,358 metric tons of CO_2 emissions each year

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Governance/Directors

10 Non-Management Directors (out of 12 total)

Only Non-Management Directors on Key Board Committees

7 out of 12 Directors Diverse by Race/Ethnicity or Gender

Non-Management			Age	Joined	Position	Firm
Angela Barbee		◆	56	2022	Former SVP	Weber, Inc.
Mark Blinn	¤	◆	60	2019	Retired President & CEO	Flowserve
Robert Brunner	¤	◆	64	2009	Retired EVP	ITW
Mary Campbell	¤	⚹	55	2019	President–Streaming and Digital Ventures	Quarate Retail, Inc.
Manuel Fernandez		◆ ⚹	76	2014	Managing Director	SI Ventures
Joe McClanathan		◆ ⚹	70	2005	Retired President & CEO	Energizer Household Products
Judy Odom †		◆ ⚹	69	2002	Retired Chair & CEO	Software Spectrum
Srikanth Padmanabhan	¤	⚹	58	2018	Vice President	Cummins Inc.
Jai Shah	¤	◆	56	2019	Group President	Masco
Phoebe Wood	¤	⚹	69	2005	Principal	CompaniesWood
Management						
Karl Glassman			63	2002	Executive Chairman	Leggett & Platt
Mitch Dolloff			56	2020	President & CEO	Leggett & Platt

† Lead Director

Committees: ¤ Audit ◆ Human Resources & Compensation ⚹ Nominating, Governance & Sustainability

Compensation Rewards Strong Performance

Annual Incentive

- Based on current year **ROCE** and **free cash flow**

Performance Stock Units

- Long-term equity-based, significant portion of total comp for execs
- Three-year performance period with two equal measures
  - **Relative TSR performance** (vs. peer group of ~300 companies)
  - Company or segment **EBIT CAGR**

Deferred Comp Program

- Opportunity (in December) to **forego** a portion of next year's cash salary and bonus to **buy** stock units

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Current Topics

Second Quarter Highlights

- Q2 sales[1] were a quarterly record $1.33 billion, a 5% increase vs. Q2-21
  - Volume was down 6%
  - Raw material-related price increases added 13% to sales
  - Currency impact decreased sales 2%
  - Acquisitions and divestitures offset
- Q2 EBIT of $143 million, down $1 million vs. Q2-21 adj.[2] EBIT
- EBIT margin 10.7%, down 60 bps vs. Q2-21 adj.[2] EBIT margin of 11.3%
- Q2 EPS of $.70, up $.04 vs. Q2-21 adj.[2] EPS of $.66
- 2022 guidance lowered
  - Sales: $5.2–$5.4 billion
  - EPS: $2.65–$2.80

[1] Sales from continuing operations

[2] See appendix for non-GAAP reconciliations

2022 Guidance (issued 8/1/22 and not updated since)

- Sales lowered to $5.2–$5.4 billion (vs. prior range of $5.3–$5.6 billion); up 2%–6% versus 2021
  - Volume expected to be down low-to-mid single digits (vs. roughly flat):
    - Down low double digits (vs. flat to down mid single digits) in Bedding Products Segment
    - Up low double digits (vs. mid-to-high single digits) in Specialized Products Segment
    - Roughly flat (unchanged) in Furniture, Flooring & Textile Products Segment
  - Inflationary impact expected primarily from raw material-related price increases, including those implemented as we moved through 2021
  - Currency expected to negatively impact sales
  - Acquisitions completed in 2021 are expected to mostly offset divestitures
- EPS lowered to $2.65–$2.80 (vs. prior range of $2.70–$3.00)
  - Change reflects lower volume partially offset by metal margin expansion in our Steel Rod business
- Implied EBIT margin of 10.5%–10.7%

2022 Guidance (continued)

- Depreciation and amortization ~$200 million
- Net interest expense ~$80 million
- Tax rate ~23%
- Operating cash $550–$600 million (vs. ~$600 million)
- Cap-ex ~$130 million (vs. ~$150 million)
- Dividends ~$230 million
- Diluted shares ~137 million

Commodity Impact

Steel

- Main categories are scrap, rod, and flat-rolled
- Impact from inflation/deflation
  - Typically pass through; lag is ~90 days
- Change in metal margin (mkt price for rod – mkt price for scrap) also impacts earnings
  - Our scrap cost and rod pricing moves with the market; large swings could cause Bedding Products segment earnings volatility

Chemicals

- Main types are TDI, MDI, and polyols
- Impact from inflation/deflation
  - Typically pass through; lag is ~30 days

Macro Indicators

Consumer confidence

- More crucial than home sales since majority (~2/3rds) of bedding/furniture purchases are replacement of existing product
- “Large ticket” purchases that are deferrable

Total **housing** turnover

- Combination of **new and existing** homes sales

Employment levels

Consumer discretionary spending

Interest rate levels

Key Take-Aways

- Strong businesses with compelling **market advantages**
- Opportunities for long-term **profitable growth**
- Maintaining **capital discipline**
- **Dividend growth** remains a top priority
  - 51 years of annual increases
  - Attractive yield >4%
- Commitment to **sustainability** through our people, our products, and our processes

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FOR ADDITIONAL INFORMATION

Ticker:	LEG (NYSE)
Website:	www.leggett.com
Email:	invest@leggett.com
Phone:	(417) 358-8131

Find our Fact Book and Sustainability Report
at www.leggett.com

Susan McCoy	Senior Vice President, Investor Relations
Cassie Branscum	Senior Director, Investor Relations

Additional Information

Cost Structure

- Costs are roughly 75% variable, 25% fixed
- Incremental/decremental volume
  - 25–35% contribution margin
- Cost of Goods Sold composition (approximate):
  - 60% Materials, composed of:
    - Steel ~25% of RMs
    - Chemicals ~15% of RMs
    - Woven & nonwoven fabrics ~15% of RMs
    - Foam scrap, fibers ~3% of RMs
    - Metals (titanium, nickel, stainless, chrome bar), wood – each ~2% of RMs
    - Others, including sub-assemblies, hardware, components, finished products purchased for resale, etc. ~40% of RMs
  - 20% Labor (includes all burden and overhead)
  - 20% Other, composed of:
    - Depreciation, supplies – each ~3% of COGS
    - Utilities, maintenance – each ~2% of COGS
    - Shipping/transportation ~10% of COGS
    - Other also includes rent, insurance, property tax, etc.

Customers Include

In North America:

Adient
Ashley Furniture
Berkshire Hathaway
Best Home Furnishings
Casper
Eaton
Ford
GE Aviation
General Motors
Haworth
HNI
Home Depot
JLG (Oshkosh)
La-Z-Boy
Lear
Lincoln Electric
Lowe’s
Magna
Mattress Firm
MCF
MillerKnoll
Purple
Resident Home
Serta Simmons
Sleep Number
Steelcase
Stellantis
Tempur Sealy
Toyota Industrial Equip
Tuft & Needle
Walmart

In Europe and Asia:

Bensons
Dreams
Emma
Faurecia
Fritz Hansen
Hay
Hilding Anders
Honda
Howe
Hyundai
Kuka
Natuzzi
Nissan
Profim
Recticel
Sanyo
Silentnight Beds
Sleepeezee
Toyota
Volkswagen

Diverse Customer Base – Low Concentration

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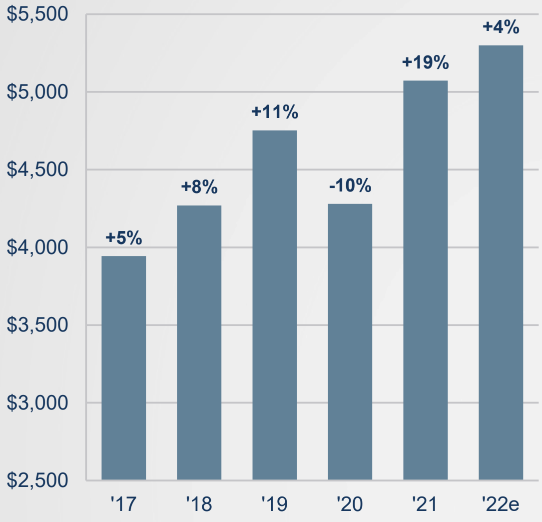
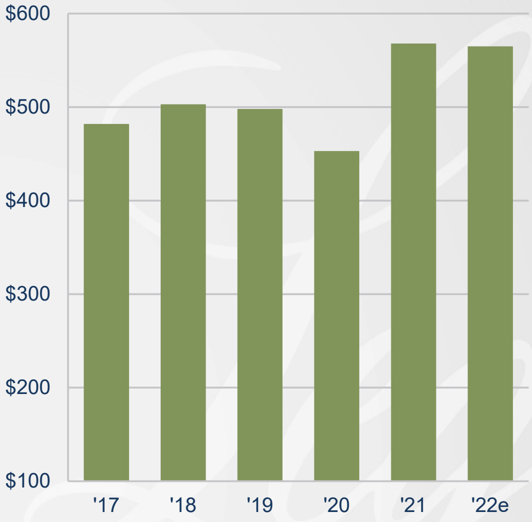
Financial Information

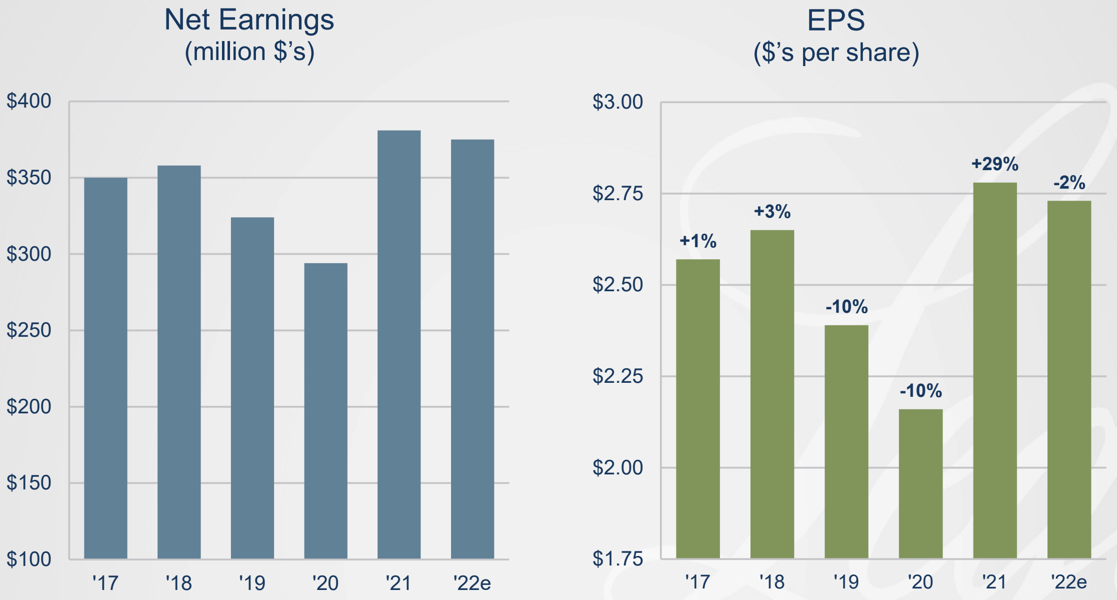
Sales and EBIT


Net Trade Sales
(million $'s)


EBIT
(million $'s)

- Amounts are from continuing operations and exclude unusual items. See appendix for non-GAAP reconciliations.
- 2017–2020 financial data has been adjusted to apply the effects of the change from LIFO to FIFO
- 2022 estimates are based on mid-point of guidance

Net Earnings and EPS



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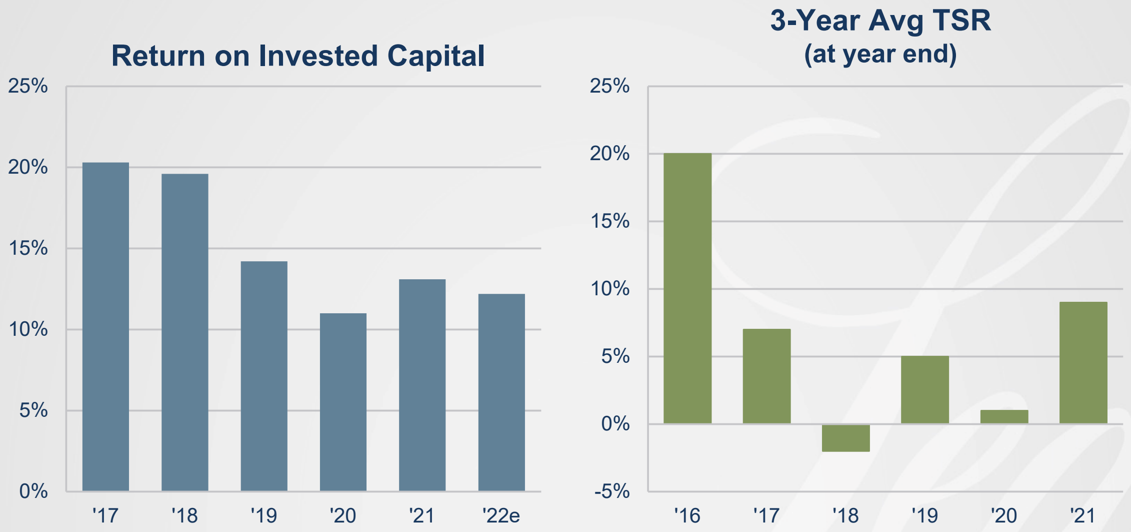
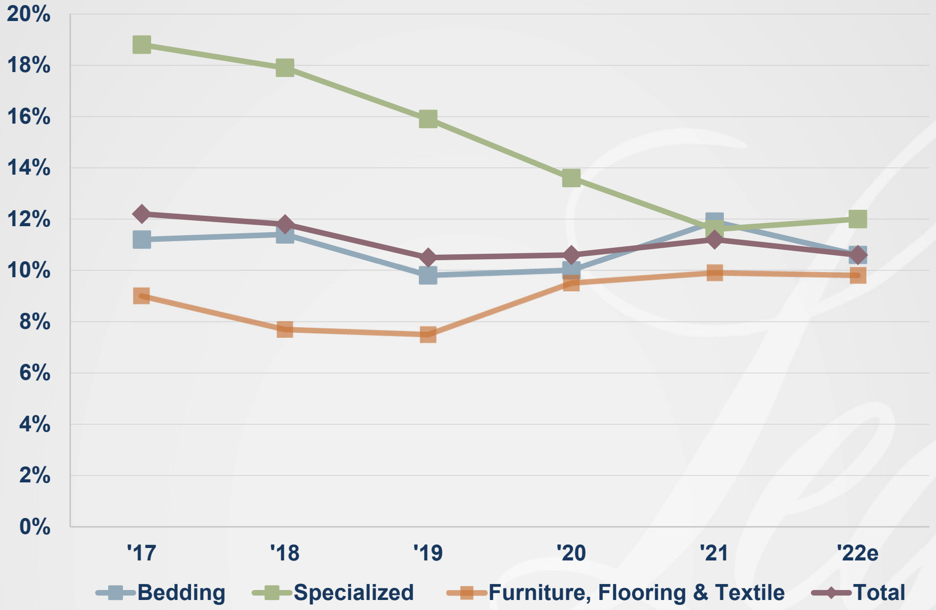
Returns and TSR



- See appendix for return calculation
- TSR assuming dividends continually reinvested
- 2017–2020 financial data has been adjusted to apply the effects of the change from LIFO to FIFO
- 2022 estimates are based on mid-point of guidance

Segment EBIT Margins



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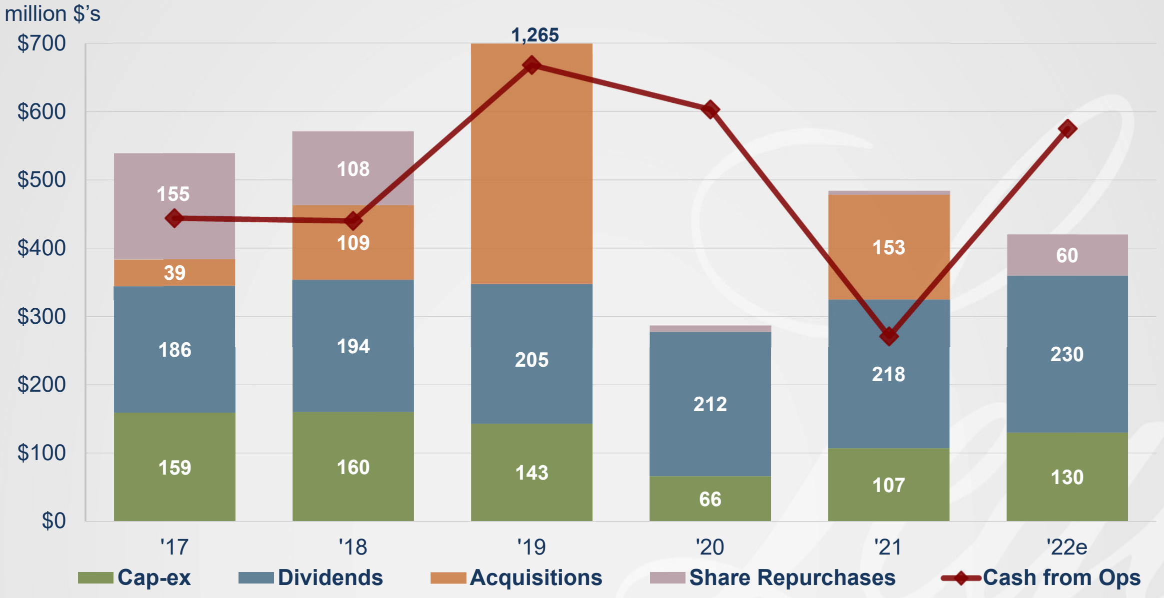
Uses of Cash Flow



Cash Flow Details

$'s in millions	2017[1]	2018[1]	2019[1]	2020[1]	2021	2022e[3]
Net Earnings	307	324	314	253	403	375
Deprec & Amort	126	136	192	189	187	200
Def Income Taxes	17	3	1	(21)	(9)	—
Impairments	5	5	8	29	—	—
Working Capital	(99)	(77)	101	80	(338)	(30)
Other Non-Cash[2]	88	49	52	73	28	30
Cash from Operations	**444**	**440**	**668**	**603**	**271**	**575**
Uses of Cash						
Capital Expenditures	(159)	(160)	(143)	(66)	(107)	(130)
Dividends	(186)	(194)	(205)	(212)	(218)	(230)
Acquisitions	(39)	(109)	(1,265)	—	(153)	—
Share Repurchases	(155)	(108)	(7)	(9)	(6)	(60)

[1] Adjusted to apply the effects of the change from LIFO to FIFO

[2] 2017 Other Non-Cash includes $67 million in deemed repatriation taxes as a result of the Tax Cuts and Jobs Act

[3] 2022 estimated net income is based on mid-point of guidance

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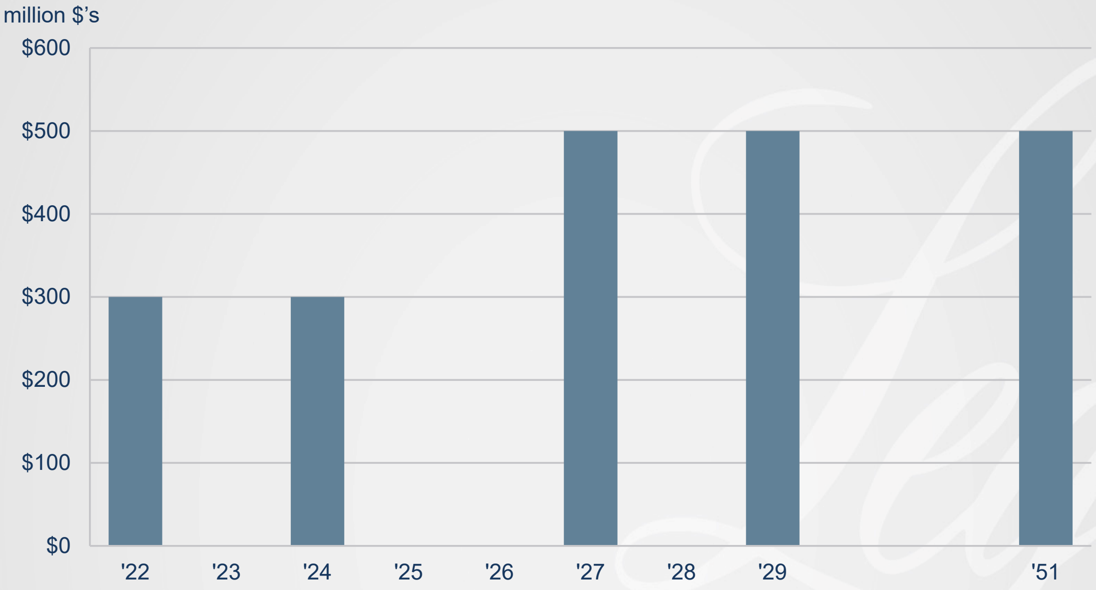
Debt Maturities



- Weighted average rate: 3.7%; Weighted average maturity: 10.3 years; excludes commercial paper borrowings

Financial Metrics Defined

- TSR: Total Shareholder Return
  - Total benefit investor realizes from owning our stock
  - (Δ stock price + dividends) / initial stock price
- EBIT CAGR: Compound Annual Growth Rate of EBIT
- ROCE: Return on Capital Employed
  - Drives ~60% of annual bonus at operating level and corporate
  - EBIT / (working capital (ex cash & current debt) + net PP&E)
- FCF: Free Cash Flow
  - Drives ~40% of annual bonus at operating level and corporate
  - EBITDA – capex +/– Δ working capital (ex cash & current debt)

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Appendix
Non-GAAP Reconciliations

Non-GAAP Adjustments

($ millions, except EPS)	2017[4]	2018[4]	2019[4]	2020[4]	2021
Non-GAAP Adjustments ($'s)[1]					
Impairment charges	5	-	-	25	-
Note impairment	-	16	-	8	-
Stock write-off from 2008 divestiture	-	-	-	4	-
Restructuring-related charges	-	23	10	8	-
ECS transaction costs[2]	-	7	1	-	-
Gain from real estate sale	(20)	-	-	-	(28)
Pension settlement charge	15	-	-	-	-
Non-GAAP adjustments (pre-tax $'s)	**-**	**46**	**11**	**45**	**(28)**
Income tax impact	-	(9)	(1)	(4)	7
TCJA impact[3]	50	(2)	-	-	-
Unusual tax items	(8)	-	-	-	-
Non-GAAP adjustments (after tax $'s)	**42**	**35**	**10**	**41**	**(21)**
Diluted shares outstanding	137.3	135.2	135.4	135.9	136.7
EPS impact of non-GAAP adjustments	**$.32**	**$.26**	**$.07**	**$.30**	**$(.16)**

[1] Calculations impacted by rounding

[2] 2018 includes $4 million in SG&A charges and $3 million of financing-related charges in interest expense

[3] Tax Cuts and Jobs Act of 2017

[4] Adjusted for effects of change from LIFO to FIFO

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Reconciliation of Adj EBIT, Adj EBIT Margin, Adj EBITDA, and Adj EBITDA Margin

($ millions, except EPS)	2017[2]	2018[2]	2019[2]	2020[2]	2021	2022e[3]
Net trade sales	$3,944	$4,270	$4,753	$4,280	$5,073	$5,300
EBIT (continuing operations)	$482	$460	$487	$408	$596	$565
Non-GAAP adjustments, pre-tax[1]	—	42	11	45	(28)	—
Adjusted EBIT (cont. operations)	**$482**	**$503**	**$498**	**$453**	**$568**	**$565**
Adjusted EBIT margin	***12.2%***	***11.8%***	***10.5%***	***10.6%***	***11.2%***	***10.6%***
Adjusted EBIT (cont. operations)	$482	$503	$498	$453	$568	$565
Depreciation & amortization	126	136	192	189	187	200
Adjusted EBITDA (cont. operations)	**$608**	**$639**	**$690**	**$642**	**$755**	**$765**
Adjusted EBITDA margin	***15.4%***	***15.0%***	***14.5%***	***15.0%***	***14.9%***	***14.4%***

[1] See slide 54 for adjustment details
[2] Adjusted for effects of change from LIFO to FIFO
[3] 2022 estimates are based on mid-point of guidance

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Reconciliation of Adj Earnings and Adj EPS

($ millions, except EPS)	2017[2]	2018[2]	2019[2]	2020[2]	2021	2022e[3]
Earnings (continuing operations)	$307	$324	$314	$253	$403	$375
Non-GAAP adjustments, after tax[1]	42	35	10	41	(21)	—
Adjusted Earnings (cont. operations)	**$350**	**$358**	**$324**	**$294**	**$381**	**$375**
Diluted EPS (continuing operations)	$2.25	$2.39	$2.32	$1.86	$2.94	$2.73
EPS impact from non-GAAP adjs[1]	.32	.26	.07	.30	(.16)	—
Adjusted EPS (cont. operations)	**$2.57**	**$2.65**	**$2.39**	**$2.16**	**$2.78**	**$2.73**

[1] See slide 54 for adjustment details
[2] Adjusted for effects of change from LIFO to FIFO
[3] 2022 estimates are based on mid-point of guidance

Calculation of Return on Invested Capital

	2017[4]	2018[4]	2019[4]	2020[4]	2021	2022e[5]
Adjusted EBIT (cont. operations)[1]	**$482**	**$503**	**$498**	**$453**	**$568**	**$565**
Tax rate	*21.5%*	*21.0%*	*21.8%*	*21.2%*	*22.8%*	*23.0%*
Net Operating Profit After Tax (NOPAT)[2]	**379**	**397**	**389**	**357**	**438**	**435**
Total debt (long-term + current)	$1,252	$1,169	$2,118	$1,900	$2,090	$2,000
Operating lease liabilities[3]	-	-	161	165	198	200
Equity	1,222	1,207	1,342	1,425	1,649	1,650
Less: Cash & Cash equivalents	(526)	(268)	(248)	(349)	(362)	(300)
Invested Capital	$1,948	$2,108	$3,373	$3,141	$3,575	$3,550
Average Invested Capital	**$1,869**	**$2,028**	**$2,740**	**$3,257**	**$3,358**	**$3,562**
Return on Invested Capital (ROIC)	**20.3%**	**19.6%**	**14.2%**	**11.0%**	**13.1%**	**12.2%**

[1] See slide 54 for adjustment details

[2] NOPAT = Adjusted EBIT x (1 – tax rate)

[3] New lease accounting rules adopted January 1, 2019. Prior year data is not available.

[4] Adjusted for effects of change from LIFO to FIFO

[5] 2022 estimates are based on mid-point of guidance

Calculation of Dividend Payout % of Adjusted EPS

	2017[2]	2018[2]	2019[2]	2020[2]	2021	2022e[3]
Diluted EPS from cont. operations	**$2.25**	**$2.39**	**$2.32**	**$1.86**	**$2.94**	**$2.73**
EPS impact from non-GAAP adjs[1]	.32	.26	.07	.30	(.16)	—
Adjusted EPS from cont. operations	**$2.57**	**$2.65**	**$2.39**	**$2.16**	**$2.78**	**$2.73**
Annual dividend per share	**$1.42**	**$1.50**	**$1.58**	**$1.60**	**$1.66**	**$1.74**
Dividend payout % of diluted EPS from continuing operations	**63%**	**63%**	**68%**	**86%**	**56%**	**64%**
Dividend payout % of adjusted EPS	**55%**	**57%**	**66%**	**74%**	**60%**	**64%**

[1] See slide 54 for adjustment details

[2] Adjusted for effects of change from LIFO to FIFO

[3] 2022 estimates are based on mid-point of guidance

Non-GAAP Financial Measures

While we report financial results in accordance with accounting principles generally accepted in the U.S. ("GAAP"), this presentation includes non-GAAP measures. These include **adjusted EBIT**, **adjusted EBIT margin**, **adjusted EBITDA, adjusted EBITDA margin, adjusted earnings**, and **adjusted EPS**. We believe these non-GAAP measures are useful to investors in that they assist investors' understanding of underlying operational profitability. Management uses these non-GAAP measures as supplemental information to assess the company's operational performance.

We believe the presentation of **return on invested capital (ROIC)** provides investors a useful way to assess how efficiently the Company uses investors' funds to generate income. Management uses this ratio as supplemental information to assess how effectively its invested capital is utilized.

The above non-GAAP measures may not be comparable to similarly titled measures used by other companies and should not be considered a substitute for, or more meaningful than, their GAAP counterparts.