



Fourth Quarter Summary Financial Information *February 8, 2021*



Forward-Looking Statements

Statements in this presentation that are not historical in nature are “forward-looking.” These statements include future EPS, sales, volume, consumer demand for home-related items and global automotive, progress with supply chain constraints, modest improvement in COVID-19 impacted businesses, raw material price increases, currency benefits, acquisition and divestitures impacts, LIFO impacts, EBIT margin, depreciation and amortization, net interest expense, tax rate, diluted shares outstanding, operating cash, capital expenditures, amount of dividends, and debt repayments. 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. These risks and uncertainties include: the adverse impact caused by the COVID-19 pandemic, including demand for our products, our manufacturing facilities’ ability to stay fully operational, the functioning of our supply and distribution chains, employee costs, inability to collect receivables, goodwill and long-lived asset impairment, inability to issue commercial paper or borrow under the credit facility; COVID-19 vaccination timing and effectiveness; uncertainty of financial performance; changes in our capital needs; market conditions; price and product competition; cost and availability of raw materials and labor and energy costs; disruption to our rod mill; restructuring-related costs; our ability to manage working capital; anti-dumping duties; cybersecurity breaches; customer losses; climate change regulations, ESG risks; foreign currency fluctuation; cash repatriation; litigation risks; and other risk factors in Leggett’s most recent Form 10-K and subsequent 10-Qs.

Overview

4th Quarter:

- Sales increased 3%, to \$1.182 billion
 - Volume was up 1%; exited business -1%
 - Raw material-related price increases and currency benefit added 2%
 - Acquisitions and divestitures offset
- EBIT of \$150 million, up \$10 million vs. Q4-19 adj.¹ EBIT
- EBIT margin 12.7%, up 50 bps vs. Q4-19 adj.¹ EBIT margin of 12.2%
- Q4 record EPS of \$.76, up \$.08 vs. adj.¹ EPS of \$.68 in Q4-19
- Fixed cost savings ~\$25 million

Full Year:

- Sales were down 10%, to \$4.28 billion
 - Acquisitions, net of divestitures, added 1%
- Adj.¹ EBIT of \$446 million, down \$83 million vs. 2019
- Adj.¹ EPS of \$2.13, down 17% vs. 2019
- Fixed cost savings ~\$90 million
- Cash from operations was \$603 million
- 2021 EPS guidance of \$2.30–\$2.60 on sales of \$4.6–\$4.9 billion

¹ See slides 4 and 24 for calculation for adjusted EPS, adjusted EBIT and adjusted EBIT margin

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Q4 2020 Financial Highlights

<u>\$'s in millions (except EPS)</u>	<u>Reported Q4-20</u>	<u>Adj¹</u>	<u>Adj Q4-20</u>	<u>Reported Q4-19</u>	<u>Adj¹</u>	<u>Adj Q4-19</u>	<u>Change</u>
Sales	\$1,182		\$1,182	\$1,145		\$1,145	3%
EBIT	150		150	135	5	140	7%
EBIT Margin	12.7%		12.7%	11.8%		12.2%	50 bps
EPS	.76		.76	.64	.04	.68	12%
Cash from Operations	\$219		\$219	\$251		\$251	(13%)
EBITDA	198		198	182	5	187	6%
EBITDA margin	16.8%		16.8%	15.9%		16.4%	40 bps

¹ See slide 24 for non-GAAP adjustments

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Q4 2020 Sales & EBIT Bridge

Sales:	<u>mln \$'s</u>	<u>% change</u>
4 th Qtr 2019	\$1,145	
Approx volume growth ¹	15	1%
Approx raw material-related pricing and currency benefit	27	2%
Organic Sales	42	3%
Acquisitions, net of divestitures	(5)	—%
4 th Qtr 2020	\$1,182	3%
EBIT:		<u>margin</u>
Adjusted ² 4 th Qtr 2019	\$140	12.2%
Other: primarily fixed cost reductions partially offset by LIFO change	10	
4 th Qtr 2020	\$150	12.7%

¹ (1%) from exited business

² See slide 4 for calculation of adjusted EBIT and adjusted EBIT margin

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Q4 2020 Non-Operating & Taxes

\$'s in millions	Reported	Adj	Reported	Adj	Adj	Change	
	<u>Q4-20</u>	<u>Adj ¹</u>	<u>Q4-20</u>	<u>Q4-19</u>	<u>Adj ¹</u>	<u>Q4-19</u>	
EBIT	\$150		\$150	\$135	\$5	\$140	7%
Net interest	19		19	20		20	
Pre-tax earnings	131		131	115	5	120	9%
Income taxes	28		28	28		28	
<i>Tax rate</i>	21.2%		21.2%	24.3%		23.4%	
Earnings	103		103	87	5	92	12%
Net earnings	103		103	87	5	92	12%
Non-controlling interests	—		—	—		—	
Net earnings attributable to L&P	103		103	87	5	92	12%
EPS	.76		.76	.64	.04	.68	12%

¹ See slide 24 for non-GAAP adjustments

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Adjusted Working Capital

	12/31	9/30	12/31
\$'s in millions	<u>2020</u>	<u>2020</u>	<u>2019</u>
Cash & equivalents	\$349	\$245	\$248
Accounts receivable, net	564	642	592
Inventories, net	646	585	637
Other current assets	<u>54</u>	<u>46</u>	<u>62</u>
Total current assets	<u>1,612</u>	<u>1,518</u>	<u>1,538</u>
Current debt maturities	(51)	(51)	(51)
Current operating lease liabilities	(42)	(42)	(39)
Accounts payable	(552)	(494)	(463)
Accrued and other current liabilities	<u>(361)</u>	<u>(360)</u>	<u>(374)</u>
Total current liabilities	<u>(1,006)</u>	<u>(947)</u>	<u>(928)</u>
Working capital	606	571	610
% of annualized sales ¹	12.8%	11.8%	13.3%
W/C, excl. cash & current debt/lease	351	419	453
% of annualized sales ¹	7.4%	8.7%	9.9%

¹ Annualized sales: 4Q20: \$1,182x4=\$4,728; 3Q20: \$1,208x4=\$4,830; 4Q19: \$1,145x4=\$4,580

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Net Debt to Adjusted EBITDA

	12/31	9/30	12/31
\$'s in millions	<u>2020</u>	<u>2020</u>	<u>2019</u> ¹
Long-term debt	\$1,849	\$1,909	\$2,067
Current maturities	<u>51</u>	<u>51</u>	<u>51</u>
Total debt	1,900	1,960	2,118
Less: Cash & equivalents	<u>(349)</u>	<u>(245)</u>	<u>(248)</u>
Net debt	1,551	1,715	1,870
EBIT, trailing 12 months	401	386	513
Depreciation & amortization	<u>189</u>	<u>188</u>	<u>192</u>
EBITDA	590	574	705
Non-GAAP adjustments (pretax)	<u>46</u>	<u>51</u>	<u>16</u>
Leggett reported adjusted EBITDA, trailing 12 months	636	625	721
ECS pre-acquisition adjusted EBITDA ²			<u>1</u>
Leggett & ECS pro forma adjusted EBITDA, trailing 12 months			722
Net debt to Leggett reported 12-month adjusted EBITDA ³	2.44x	2.74x	2.59x
Net debt to Leggett & ECS 12-month pro forma adjusted EBITDA ³			2.59x

¹ Leggett's reported adjusted EBITDA includes ECS from January 16, 2019

² 12/31/2019: January 1, 2019 to January 16, 2019

³ These debt to adjusted EBITDA ratios are calculated differently than the Company's credit facility covenant ratio. For additional non-GAAP reconciliation information, see page 8 of the press release.

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Cash Flow

\$'s in millions	4 th Qtr		YTD	
	2020	2019	2020	2019
Net earnings	\$103	\$87	\$248	\$334
D&A	48	47	189	192
Impairment, write-offs & other	—	4	57	20
Other non-cash	(3)	13	16	42
Changes in working capital:				
Accounts receivable	94	98	24	53
Inventory	(58)	6	(20)	53
Other current assets	(2)	(2)	5	(3)
Accounts payable	45	(9)	83	(39)
Other current liabilities	<u>(9)</u>	<u>9</u>	<u>—</u>	<u>16</u>
Cash from operations	219	251	603	668
Capital expenditures	14	40	66	143
Acquisitions	—	21	—	1,265
Dividends	53	53	212	205
Share repurchases (issuances), net	—	3	9	7
Proceeds from asset sales	9	—	15	5
Additions (repayments) of debt, net	(63)	(128)	(228)	947

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YTD 2020 Financial Summary

\$'s in millions (except EPS)	Reported		Adj	Reported		Adj	Change
	2020	Adj ¹	2020	2019	Adj ¹	2019	
Sales	\$4,280		\$4,280	\$4,753		\$4,753	(10%)
EBIT	401	46	446	513	16	529	(16%)
EBIT Margin	9.4%		10.4%	10.8%		11.1%	-70 bps
EPS	1.82	.31	2.13	2.47	.10	2.57	(17%)
Cash from Operations	\$603		\$603	\$668		\$668	(10%)
EBITDA	590	46	636	705	16	721	(12%)
EBITDA margin	13.8%		14.9%	14.8%		15.2%	-30 bps

¹ See slide 24 for non-GAAP adjustments

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YTD 2020 Sales & EBIT Bridge

Sales:	<u>mln \$'s</u>	<u>% change</u>
YTD 2019	\$4,753	
Approx volume decline ¹	(483)	(10%)
Approx raw material-related pricing and currency impact	(32)	(1%)
Organic Sales	(515)	(11%)
Acquisitions, net of divestitures	42	1%
YTD 2020	\$4,280	(10%)
 EBIT:		<u>margin</u>
Adjusted YTD 2019 ²	\$529	11.1%
Other: primarily lower volume and LIFO change, partially offset by fixed cost reductions	(83)	
Adjusted YTD 2020 ²	\$446	10.4%

¹ (2%) from exited business

² See slide 10 for calculation of adjusted EBIT and adjusted EBIT margin

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YTD 2020 Non-Operating & Taxes

\$'s in millions	Reported		Adj	Reported		Adj	Change
	2020	Adj ¹	2020	2019	Adj ¹	2019	
EBIT	\$401	\$46	\$446	\$513	\$16	\$529	(16%)
Net interest	80		80	83		83	
Pre-tax earnings	321	46	367	430	16	446	(18%)
Income taxes	73	5	78	96	2	99	
<i>Tax rate</i>	22.8%		21.2%	22.4%		22.1%	
Earnings	248	41	289	334	14	348	(17%)
Net earnings	248	41	289	334	14	348	(17%)
Non-controlling interests	—		—	—		—	
Net earnings attributable to L&P	248	41	289	334	14	348	(17%)
EPS	1.82	.31	2.13	2.47	.10	2.57	(17%)

¹ See slide 24 for non-GAAP adjustments

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2021 Guidance

- Sales of \$4.6–\$4.9 billion; up 7%–14% versus 2020
 - Volume expected to grow mid-single-digits, a result of:
 - Strong consumer demand for home-related items and global automotive
 - Progress with supply chain constraints
 - Modest improvement in businesses in industries that have been negatively impacted by effects of COVID-19
 - Raw material-related price increases and currency benefit expected to add sales growth
 - Small acquisitions expected to be largely offset by prior year divestitures

- EPS of \$2.30–\$2.60
 - Reflects higher volume, partially offset by increasing steel, chemical, and other raw material costs, as well as the pricing lag associated with passing along these costs, particularly in 1Q 2021
 - Assumes no LIFO impact in 2021

- Implied EBIT margin of 10.5%–11.0%

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2021 Guidance (continued)

- Depreciation and amortization ~\$195 million
- Net interest expense ~\$75 million
- Tax rate ~23%
- Diluted shares ~137 million
- Operating cash ~\$450 million
- Capital expenditures ~\$150 million
- Dividends ~\$220 million
- Debt repayments at least \$51 million

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Segments

Q4 2020 Segment Summary

	<u>Q4-20 Organic Sales Growth</u> ¹	<u>Q4-20 EBIT Margin</u>	<u>Δ vs Q4-19 Adj. EBIT</u> ² <u>Margin</u>	<u>Q4-20 EBITDA Margin</u>	<u>Δ vs Q4-19 Adj. EBITDA</u> ² <u>Margin</u>
Bedding Products	5%	11.6%	40 bps	16.5%	20 bps
Specialized Products	1%	18.8%	70 bps	23.1%	100 bps
Furniture, Flooring & Textile Products	3%	9.6%	60 bps	11.4%	60 bps
Total Consolidated	3%	12.7%	50 bps	16.8%	40 bps

¹ Includes raw material-related selling price impact and currency impact

² See slides 17, 21 and 24 for non-GAAP adjustments

Bedding Products

Trade Sales:	<u>mIn \$'s</u>	<u>% change</u>
4 th Qtr 2019	\$530	
Divestitures	(10)	(2%)
Adjusted Q4-19 Sales	520	
Organic Sales ¹	28	5%
4 th Qtr 2020	\$548	3%

¹ Higher volume 2% and raw material-related price increases 3%

mIn \$'s	<u>EBIT</u>	<u>EBIT margin</u>	<u>D&A</u>	<u>EBITDA</u>	<u>EBITDA margin</u>
Adjusted 4 th Qtr 2019 ²	\$60	11.2%	\$27	\$86	16.3%
Change	4		—	4	
4 th Qtr 2020	\$64	11.6%	\$27	\$91	16.5%

² Adjusted to exclude restructuring-related charges \$2m

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Bedding – Key Points

- Q4 organic sales were up 5%:
 - Volume was up 2% with growth in ECS, European Spring, and U.S. Spring partially offset by lower volume in Adjustable Bed and exited volume in Drawn Wire
 - Raw material-related selling price increases added 3% to sales
- Organic sales trends excluding raw materials and currency:
 - Steel Rod sales increased 23%; down 2% full year
 - Drawn Wire sales decreased 4%; down 21% full year
 - U.S. Spring sales increased 2%; down 3% full year
 - Specialty Foam sales increased 8%; down 1% full year
 - Adjustable Bed sales decreased 5%; down 9% full year
 - International Spring sales increased 8%; down 6% full year
- Divestitures of small operations in Drawn Wire and former Fashion Bed business reduced sales 2%
- Q4 EBIT increased primarily from fixed cost reductions and volume growth, partially offset by change in LIFO impact

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Specialized Products

Trade Sales:	<u>mIn \$'s</u>	<u>% change</u>
4 th Qtr 2019	\$270	
Organic Sales ¹	<u>3</u>	<u>1%</u>
4 th Qtr 2020	\$273	1%

¹ Lower volume (2%) and currency benefit 3%

mIn \$'s	<u>EBIT</u>	<u>EBIT margin</u>	<u>D&A</u>	<u>EBITDA</u>	<u>EBITDA margin</u>
4 th Qtr 2019	\$49	18.1%	\$11	\$60	22.1%
Change	<u>2</u>		<u>1</u>	<u>3</u>	
4 th Qtr 2020	\$51	18.8%	\$12	\$63	23.1%

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Specialized – Key Points

- Q4 organic sales increased 1%:
 - Volume was down 2%; growth in Automotive was more than offset by weak demand in Aerospace
 - Currency benefit increased sales 3%
- Organic sales trends excluding currency:
 - Automotive sales increased 6%; down 13% full year
 - Aerospace sales decreased 45%; down 35% full year
 - Hydraulic Cylinders sales decreased 5%; down 25% full year
- Q4 EBIT increased, primarily from fixed cost reductions partially offset by lower volume

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Furniture, Flooring & Textile Products

Trade Sales:	<u>mln \$'s</u>	<u>% change</u>
4 th Qtr 2019	\$345	
Acquisitions	5	2%
Organic Sales ¹	11	3%
4 th Qtr 2020	\$361	5%

¹ Higher volume 2% and currency benefit 1%

mln \$'s	<u>EBIT</u>	<u>margin</u>	<u>D&A</u>	<u>EBITDA</u>	<u>margin</u>
Adjusted 4 th Qtr 2019 ²	\$31	9.0%	\$6	\$37	10.8%
Change	4		—	4	
4 th Qtr 2020	\$35	9.6%	\$6	\$41	11.4%

² Adjusted to exclude restructuring-related charges \$3m

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Furniture, Flooring & Textile – Key Points

- Q4 organic sales increased 3%:
 - Volume increased 2% with strong demand in Fabric Converting, Geo Components, and Home Furniture partially offset by weak demand in Work Furniture and Flooring Products' hospitality business
 - Currency benefit increased sales 1%
- Organic sales trends excluding raw materials and currency:
 - Home Furniture sales increased 6%; down 10% full year
 - Work Furniture sales decreased 15%; down 23% full year
 - Flooring sales decreased 1%; down 8% full year
 - Textile sales increased 11%; up 3% full year
- A small Geo Components acquisition completed in December 2019 added 2% to sales growth
- Q4 EBIT increased, primarily from fixed cost reductions partially offset by change in LIFO impact

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Webcast replay is available at
www.leggett.com

FOR ADDITIONAL INFORMATION

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Non-GAAP Adjustments

(\$ millions, except EPS)	Q4-20	Q4-19	YTD 2020	YTD 2019
Non-GAAP Adjustments (\$'s)^{1,2}				
Goodwill impairment ³	\$—	\$—	\$25	\$—
Note impairment ⁴	—	—	8	—
Stock write-off for prior year divestiture ⁵	—	—	4	—
Restructuring-related charges ⁶	—	5	9	15
ECS transaction costs ⁷	—	—	—	1
Non-GAAP adjustments (pre-tax \$'s)	—	5	46	16
Income tax impact	—	—	(5)	(2)
Non-GAAP adjustments (after tax \$'s)	—	5	41	14
Diluted shares outstanding	136.2	135.8	135.9	135.4
EPS impact of non-GAAP adjustments	\$—	\$0.04	\$0.31	\$0.10

¹ For additional non-GAAP reconciliation information, see page 8 of the press release

² Calculations impacted by rounding

³ Goodwill impairment affected the following line item on the income statement: YTD 2020: Other Expense \$25

⁴ Note impairment affected the following line item on the income statement: YTD 2020: SG&A \$8

⁵ Stock write-off affected the following line item on the income statement: YTD 2020: Other Expense \$4

⁶ Restructuring-related charges affected the following line items on the income statement:
 YTD 2020: COGS \$1, Other Expense \$8; Q4-19: Other Expense \$5; YTD 2019: COGS (\$1), Other Expense \$16

⁷ ECS transaction costs affected the following line item on the income statement: YTD 2019: SG&A \$1

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Reconciliation of Full Year Adj EBIT & EBITDA

(\$ millions) ¹	Bedding Products	Specialized Products	Furniture, Flooring & Textile Products
2019 EBIT	\$236	\$171	\$107
Restructuring-related charges	9	—	6
ECS transaction costs	1	—	—
2019 Adjusted EBIT	\$246	\$171	\$114
Depreciation & amortization	107	42	26
2019 Adjusted EBITDA	\$353	\$212	\$139
2020 EBIT	\$186	\$92	\$126
Goodwill impairment	—	25	—
Restructuring-related charges	3	4	2
Note impairment	8	—	—
2020 Adjusted EBIT	\$198	\$121	\$128
Depreciation & amortization	107	44	26
2020 Adjusted EBITDA	\$304	\$165	\$153
2019 Total Sales	\$2,254	\$1,067	\$1,431
2020 Total Sales	\$2,039	\$891	\$1,350
2019 EBIT Margin	10.5%	16.0%	7.5%
2019 Adjusted EBIT Margin	10.9%	16.0%	7.9%
2019 Adjusted EBITDA Margin	15.7%	19.9%	9.7%
2020 EBIT Margin	9.1%	10.3%	9.4%
2020 Adjusted EBIT Margin	9.7%	13.6%	9.5%
2020 Adjusted EBITDA Margin	14.9%	18.6%	11.4%

¹ Calculations impacted by rounding