



Fourth Quarter Summary Financial Information

February 7, 2022



Forward-Looking Statements

Statements in this presentation that are not historical in nature are “forward-looking.” These statements include future EPS, adjusted EPS, sales, volume, raw material price increases, currency benefits, acquisition and divestitures impacts, higher volume, adjusted EBIT margin, depreciation and amortization, net interest expense, tax rate, diluted shares outstanding, operating cash, capital expenditures, and amount of 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. 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; our ability to pass along raw material price increases; disruption to our supply chain; 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 were a quarterly record¹ \$1.33 billion, a 13% increase vs. Q4-20
 - Volume was down 5%
 - Raw material-related price increases and currency benefit added 16%
 - Acquisitions, net of divestitures, added 2% to sales
- EBIT of \$152 million, down \$4 million vs. Q4-20 EBIT of \$156 million
- EBIT margin of 11.4%, down 180 bps vs. Q4-20 EBIT margin of 13.2%
- Q4 EPS of \$.77, down \$.02 vs. EPS of \$.79 in Q4-20

Full Year:

- Sales were a record¹ \$5.07 billion, a 19% increase vs. 2020
 - Volume was up 4%
 - Raw material-related price increases and currency benefit added 14%
 - Acquisitions, net of divestitures, added 1% to sales
- Adj.² EBIT of \$568 million, up \$115 million vs. 2020
- Record adj.² EPS of \$2.78, up 29% vs. 2020
- Maintained ~\$80 million of ~\$90 million fixed cost savings taken in 2020
- Cash from operations was \$271 million
- 2022 EPS guidance of \$2.70–\$3.00 on sales of \$5.3–\$5.6 billion

¹ Record is from continuing operations

² See slides 10 and 24 for calculation of adjusted EPS, adjusted EBIT, and adjusted EBIT margin

Q4 2021 Financial Highlights

<u>\$'s in millions (except EPS)</u>	<u>Q4-21</u>	<u>Q4-20</u>	<u>Change</u>
Sales	\$1,333	\$1,182	13%
EBIT	152	156	(2%)
EBIT Margin	11.4%	13.2%	(180 bps)
EPS	.77	.79	(3%)
Cash from Operations	\$191	\$219	(13%)
EBITDA	199	204	(3%)
EBITDA margin	14.9%	17.3%	(240 bps)

Q4 2021 Sales & EBIT Bridge

Sales:	<u>mln \$'s</u>	<u>% change</u>
4 th Qtr 2020	\$1,182	
Approx volume decrease	(64)	(5%)
Approx raw material-related pricing and currency benefit	193	16%
Organic Sales	129	11%
Acquisitions, net of divestitures	22	2%
4 th Qtr 2021	\$1,333	13%
 EBIT:		<u>margin</u>
4 th Qtr 2020	\$156	13.2%
Primarily lower volume partially offset by higher metal margin and pricing discipline	(4)	
4 th Qtr 2021	\$152	11.4%

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Q4 2021 Non-Operating & Taxes

\$'s in millions	<u>Q4-21</u>	<u>Q4-20</u>	<u>Change</u>
EBIT	\$152	\$156	(2%)
Net interest	18	19	
Pre-tax earnings	134	137	(2%)
Income taxes	28	29	
<i>Tax rate</i>	21.1%	21.3%	
Earnings	106	108	(2%)
Net earnings	106	108	(2%)
Noncontrolling interests	—	—	
Net earnings attributable to L&P	106	108	(2%)
EPS	.77	.79	(3%)

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Adjusted Working Capital

	12/31	9/30	12/31
\$'s in millions	<u>2021</u>	<u>2021</u>	<u>2020</u>
Cash & equivalents	\$362	\$235	\$349
Accounts receivable, net	652	699	564
Inventories, net	993	970	692
Other current assets	<u>59</u>	<u>80</u>	<u>54</u>
Total current assets	<u>2,065</u>	<u>1,984</u>	<u>1,658</u>
Current debt maturities	(301)	(300)	(51)
Current operating lease liabilities	(45)	(44)	(42)
Accounts payable	(614)	(607)	(552)
Accrued and other current liabilities	<u>(377)</u>	<u>(387)</u>	<u>(361)</u>
Total current liabilities	<u>(1,336)</u>	<u>(1,338)</u>	<u>(1,006)</u>
Working capital	730	646	652
% of annualized sales ¹	13.7%	12.2%	13.8%
W/C, excl. cash & current debt/lease	713	755	397
% of annualized sales ¹	13.4%	14.3%	8.4%

¹ Annualized sales: 4Q21: \$1,333x4=\$5,332; 3Q21: \$1,319x4=\$5,276; 4Q20: \$1,182x4=\$4,728

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Net Debt to Adjusted EBITDA

	12/31	9/30	12/31
\$'s in millions	<u>2021</u>	<u>2021</u>	<u>2020</u>
Long-term debt	\$1,790	\$1,766	\$1,849
Current maturities	<u>301</u>	<u>300</u>	<u>51</u>
Total debt	2,090	2,066	1,900
Less: Cash & equivalents	<u>(362)</u>	<u>(235)</u>	<u>(349)</u>
Net debt	1,729	1,831	1,551
EBIT, trailing 12 months	596	600	408
Depreciation & amortization	<u>187</u>	<u>189</u>	<u>189</u>
EBITDA	783	789	597
Non-GAAP adjustments (pretax)	<u>(28)</u>	<u>(28)</u>	<u>45</u>
Leggett reported adjusted EBITDA, trailing 12 months	755	761	642
Net debt to Leggett reported 12-month adjusted EBITDA ¹	2.29x	2.41x	2.42x

¹ 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	
	2021	2020	2021	2020
Net earnings	\$106	\$108	\$403	\$253
D&A	46	48	187	189
Impairment, write-offs & other	2	2	10	60
Other non-cash	7	—	9	20
Changes in working capital:				
Accounts receivable	50	94	(75)	24
Inventory	(27)	(68)	(305)	(32)
Other current assets	4	(2)	(7)	5
Accounts payable	8	45	64	83
Other current liabilities	<u>(4)</u>	<u>(9)</u>	<u>(14)</u>	<u>—</u>
Cash from operations	191	219	271	603
Capital expenditures	31	14	107	66
Acquisitions	—	—	153	—
Dividends	56	53	218	212
Share repurchases (issuances), net	—	—	6	9
Proceeds from asset sales	—	9	39	15
Additions (repayments) of debt, net	20	(63)	185	(228)

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YTD 2021 Financial Summary

\$'s in millions (except EPS)	Reported		Adj	Reported		Adj	Change
	2021	Adj ¹	2021	2020	Adj ¹	2020	
Sales	\$5,073		\$5,073	\$4,280		\$4,280	19%
EBIT	596	(28)	568	408	45	453	25%
EBIT Margin	11.7%		11.2%	9.5%		10.6%	60 bps
EPS	2.94	(.16)	2.78	1.86	.30	2.16	29%
Cash from Operations	\$271		\$271	\$603		\$603	(55%)
EBITDA	783	(28)	755	597	45	642	18%
EBITDA margin	15.4%		14.9%	13.9%		15.0%	(10 bps)

¹ See slide 24 for non-GAAP adjustments

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YTD 2021 Sales & EBIT Bridge

Sales:	<u>mln \$'s</u>	<u>% change</u>
YTD 2020	\$4,280	
Approx volume growth	172	4%
Approx raw material-related pricing and currency impact	597	14%
Organic Sales	769	18%
Acquisitions, net of divestitures	24	1%
YTD 2021	\$5,073	19%
EBIT:		<u>margin</u>
Adjusted YTD 2020 ¹	\$453	10.6%
Primarily volume growth, metal margin expansion, and pricing discipline	115	
Adjusted YTD 2021 ¹	\$568	11.2%

¹ See slide 10 for calculation of adjusted EBIT and adjusted EBIT margin

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YTD 2021 Non-Operating & Taxes

\$'s in millions	Reported		Adj	Reported		Adj	Change
	2021	Adj ¹	2021	2020	Adj ¹	2020	
EBIT	\$596	\$(28)	\$568	\$408	\$45	\$453	25%
Net interest	74		74	80		80	
Pre-tax earnings	522	(28)	494	328	45	373	32%
Income taxes	120	(7)	113	75	4	79	
<i>Tax rate</i>			22.8%			21.2%	
Earnings	403	(21)	381	253	41	294	30%
Net earnings	403	(21)	381	253	41	294	30%
Noncontrolling interests	—		—	—		—	
Net earnings attributable to L&P	403	(21)	381	253	41	294	30%
EPS	2.94	(.16)	2.78	1.86	.30	2.16	29%

¹ See slide 24 for non-GAAP adjustments

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2022 Guidance

- Sales of \$5.3–\$5.6 billion; up 4%–10% versus 2021
 - Volume growth expected to be flat to mid-single digits, from:
 - Continued recovery in the businesses in Specialized Products that were most negatively impacted by the effects of the pandemic
 - Improved operating conditions and stabilized demand in Bedding
 - Continued inflationary impact primarily from raw material-related price increases implemented in 2021 expected to add sales growth
 - Acquisitions completed in 2021 expected to add 1% to sales

- EPS of \$2.70–\$3.00
 - Mid-point reflects higher volume and metal margins in our Steel Rod business to expand modestly, partially offset by increased transportation and labor costs and reduced overhead absorption as inventory levels are right-sized

- Implied EBIT margin of 10.5%–11.0%

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2022 Guidance (continued)

- Depreciation and amortization ~\$200 million
- Net interest expense ~\$80 million
- Tax rate ~23%
- Diluted shares ~137 million
- Operating cash ~\$600 million
- Cap-ex ~\$150 million
- Dividends ~\$230 million

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Segments

Q4 2021 Segment Summary

	<u>Q4-21 Organic Sales Growth</u> ^{1, 2}	<u>Q4-21 EBIT Margin</u>	<u>Δ vs Q4-20 EBIT Margin</u>	<u>Q4-21 EBITDA Margin</u>	<u>Δ vs Q4-20 EBITDA Margin</u>
Bedding Products	15%	11.7%	-100 bps	15.9%	-170 bps
Specialized Products	(4%)	11.7%	-710 bps	15.4%	-780 bps
Furniture, Flooring & Textile Products	17%	10.8%	110 bps	12.2%	80 bps
Total Consolidated	11%	11.4%	-180 bps	14.9%	-240 bps

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

² See slides 17, 19, and 21 for non-GAAP reconciliations

Bedding Products

Trade Sales:	<u>mln \$'s</u>	<u>% change</u>
4 th Qtr 2020	\$548	
Organic Sales ¹	82	15%
Acquisitions, net of divestitures	17	3%
4 th Qtr 2021	\$647	18%

¹ Raw material-related price increases 25% partially offset by lower volume (10%)

mln \$'s	<u>EBIT</u>	<u>EBIT margin</u>	<u>D&A</u>	<u>EBITDA</u>	<u>EBITDA margin</u>
4 th Qtr 2020	\$69	12.7%	\$27	\$96	17.6%
Change	<u>7</u>		<u>—</u>	<u>7</u>	
4 th Qtr 2021	\$76	11.7%	\$27	\$103	15.9%

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Bedding – Key Points

- Q4 organic sales were up 15%:
 - > Volume decreased 10%, primarily from challenges with chemical and labor availability in the U.S. market early in the quarter and softness in U.S. and European market demand later in the quarter
 - > Raw material-related selling price increases added 25% to sales
- The Kayfoam acquisition, net of divestitures of small operations in Drawn Wire, increased sales 3%

- Sales trends by business unit:

	<u>Q4</u>	<u>Q4</u>	<u>2021</u>	<u>2021</u>
	<u>Organic Sales</u>	<u>Volume¹</u>	<u>Organic Sales</u>	<u>Volume¹</u>
Steel Rod	185%	76%	83%	28%
Drawn Wire	58%	4%	35%	6%
U.S. Spring	8%	(18%)	14%	(5%)
Specialty Foam	3%	(21%)	14%	(8%)
Adjustable Bed	18%	3%	18%	11%
International Bedding	(4%)	(16%)	24%	3%

¹ Volume represents organic sales excluding raw material-related selling price impact and currency impact

- Q4 EBIT increased primarily from higher metal margin and pricing discipline, partially offset by lower volume, investments to maintain labor, and higher transportation costs

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Specialized Products

Trade Sales:	<u>mln \$'s</u>	<u>% change</u>
4 th Qtr 2020	\$273	
Organic Sales ¹	(13)	(4%)
Acquisitions	4	1%
4 th Qtr 2021	\$264	(3%)

¹ Lower volume (5%) partially offset by raw material-related selling price increases and currency benefit 1%

mln \$'s	<u>EBIT</u>	<u>EBIT margin</u>	<u>D&A</u>	<u>EBITDA</u>	<u>EBITDA margin</u>
4 th Qtr 2020	\$51	18.8%	\$12	\$63	23.2%
Change	<u>(20)</u>		<u>(2)</u>	<u>(22)</u>	
4 th Qtr 2021	\$31	11.7%	\$10	\$41	15.4%

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Specialized – Key Points

- Q4 organic sales were down 4%:
 - Volume was down 5% from declines in Automotive partially offset by growth in Hydraulic Cylinders and Aerospace
 - Automotive industry significantly impacted by semiconductor shortage
 - Raw material-related selling price increases and currency benefit added 1%
- Aerospace acquisition, completed Jan. 30, 2021, added 1% to sales
- Sales trends by business unit:

	<u>Q4</u>	<u>Q4</u>	<u>2021</u>	<u>2021</u>
	<u>Organic Sales</u>	<u>Volume¹</u>	<u>Organic Sales</u>	<u>Volume¹</u>
Automotive	(10%)	(11%)	11%	6%
Aerospace	7%	8%	(12%)	(13%)
Hydraulic Cylinders	39%	34%	35%	30%

¹ Volume represents organic sales excluding raw material-related selling price impact and currency impact

- Q4 EBIT decreased primarily from lower volume and higher raw material and transportation costs in Automotive

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Furniture, Flooring & Textile Products

Trade Sales:	<u>mIn \$'s</u>	<u>% change</u>
4 th Qtr 2020	\$361	
Organic Sales ¹	60	17%
Acquisitions	1	–%
4 th Qtr 2021	\$422	17%

¹ Raw material-related price increases 16% and higher volume 1%

mIn \$'s	<u>EBIT</u>	<u>EBIT margin</u>	<u>D&A</u>	<u>EBITDA</u>	<u>EBITDA margin</u>
4 th Qtr 2020	\$35	9.7%	\$6	\$41	11.4%
Change	<u>10</u>		<u>—</u>	<u>10</u>	
4 th Qtr 2021	\$45	10.8%	\$6	\$51	12.2%

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Furniture, Flooring & Textile – Key Points

- Q4 organic sales were up 17%:
 - Volume was up 1%, with growth in Work Furniture partially offset by declines in Flooring and Textiles
 - Flooring volume was down due to labor availability and transportation disruptions
 - Textiles volume declined primarily due to the non-recurrence of the surge in medical and filtration sales last year
 - Raw material-related selling price increases added 16%
- Sales trends by business unit:

	<u>Q4</u>	<u>Q4</u>	<u>2021</u>	<u>2021</u>
	<u>Organic Sales</u>	<u>Volume¹</u>	<u>Organic Sales</u>	<u>Volume¹</u>
Home Furniture	22%	1%	34%	20%
Work Furniture	24%	19%	22%	17%
Flooring	10%	(10%)	14%	1%
Textiles	11%	(4%)	12%	1%

¹ Volume represents organic sales excluding raw material-related selling price impact and currency impact

- Q4 EBIT increased primarily from pricing discipline

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Webcast replay is available at
www.leggett.com

FOR ADDITIONAL INFORMATION

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

Find our [Fact Book](http://www.leggett.com) at www.leggett.com

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

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Non-GAAP Adjustments

(\$ millions, except EPS)	Q4-21	Q4-20	YTD 2021	YTD 2020
<u>Non-GAAP Adjustments (\$'s)^{1,2}</u>				
Goodwill impairment ³	—	—	—	25
Note impairment ⁴	—	—	—	8
Stock write-off for prior year divestiture ⁵	—	—	—	4
Restructuring-related charges ⁶	—	—	—	8
Gain on sale of real estate ⁷	—	—	(28)	—
Non-GAAP adjustments (pre-tax \$'s)	—	—	(28)	45
Income tax impact	—	—	7	(4)
Non-GAAP adjustments (after tax \$'s)	—	—	(21)	41
Diluted shares outstanding	137.0	136.2	136.7	135.9
EPS impact of non-GAAP adjustments	\$—	\$—	\$(.16)	\$\$.30

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 item on the income statement: YTD 2020: Other Expense \$8

⁷ Gain on sale of real estate affected the following line item on the income statement: YTD 2021: Other Income \$28

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Reconciliation of Full Year Adj EBIT & EBITDA

(\$ millions) ¹	Bedding Products	Specialized Products	Furniture, Flooring & Textile Products
2020 EBIT	\$192	\$92	\$126
Goodwill impairment	—	25	—
Restructuring-related charges	3	4	2
Note impairment	8	—	—
2020 Adjusted EBIT	\$203	\$121	\$128
Depreciation & amortization	107	44	26
2020 Adjusted EBITDA	\$310	\$165	\$153
2021 EBIT	\$321	\$116	\$159
Gain on sale of real estate	(28)	—	—
2021 Adjusted EBIT	\$293	\$116	\$159
Depreciation & amortization	107	45	24
2021 Adjusted EBITDA	\$400	\$161	\$183
2020 Total Sales	\$2,039	\$891	\$1,350
2021 Total Sales	\$2,456	\$999	\$1,618
2020 EBIT Margin	9.4%	10.3%	9.4%
2020 Adjusted EBIT Margin	10.0%	13.6%	9.5%
2020 Adjusted EBITDA Margin	15.2%	18.6%	11.4%
2021 EBIT Margin	13.1%	11.6%	9.9%
2021 Adjusted EBIT Margin	11.9%	11.6%	9.9%
2021 Adjusted EBITDA Margin	16.3%	16.1%	11.3%

¹ Calculations impacted by rounding

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Q4 2021 vs Q4 2019 Financial Highlights

<u>\$'s in millions (except EPS)</u>	<u>Reported Q4-21</u>	<u>Reported Q4-19</u>	<u>Adj¹</u>	<u>Adj Q4-19</u>	<u>Change</u>
Sales	\$1,333	\$1,145		\$1,145	16%
EBIT	152	123	3	126	21%
EBIT Margin	11.4%	10.7%		11.0%	40 bps
EPS	.77	.57	.02	.59	31%
EBITDA	199	170	3	173	15%
EBITDA margin	14.9%	14.8%		15.1%	(20 bps)

¹ Adjustment for restructuring-related charges \$3m

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2021 vs 2019 Financial Highlights

<u>\$'s in millions (except EPS)</u>	<u>Reported 2021</u>	<u>Adj</u>	<u>Adj 2021</u>	<u>Reported 2019</u>	<u>Adj¹</u>	<u>Adj 2019</u>	<u>Change</u>
Sales	\$5,073		\$5,073	\$4,753		\$4,753	7%
EBIT	596	(28)	568	487	11	498	14%
EBIT Margin	11.7%		11.2%	10.2%		10.5%	70 bps
EPS	2.94	(.16)	2.78	2.32	.07	2.39	16%
EBITDA	783	(28)	755	679	11	690	9%
EBITDA margin	15.4%		14.9%	14.3%		14.5%	40 bps

¹ Adjustment for restructuring-related charges \$10m and ECS transaction costs \$1m