



COMPANY UPDATE

March 2023

LEG (NYSE)
www.leggett.com



FORWARD-LOOKING STATEMENTS

Statements in this presentation that are not historical in nature are “forward-looking.” These statements include future sales, net trade sales and growth, product mix sales, Company and segment volume, EPS, EBIT, depreciation and amortization, net interest expense, tax rate, diluted shares, operating cash, capital expenditures, dividends, minimal acquisition and share repurchases, dividend growth and yield, dividend payout percentage of EPS and adjusted EPS, net earnings, return on invested capital, EBIT margins, segment EBIT margins, segment sales, acquisition sales growth, total shareholder return or TSR, adjusted EBIT, adjusted EBIT margins, adjusted EBITDA, adjusted EBITDA margin, adjusted earnings, adjusted EPS, net operating profit after tax, average invested capital, uses of cash, working capital, investment grade credit rating, inflationary and currency impacts, operating cash flow in excess of capital expenditures and dividends, raw material-related price decreases, lower metal margins in our Steel Rod business, and moderate pricing pressure from deflation. 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 Russian invasion of Ukraine; global inflationary impacts; macro-economic impacts; the COVID-19 pandemic; demand for our products and our customers’ products; our manufacturing facilities’ ability to remain open and fully operational; goodwill and long-lived asset impairment; inability to issue commercial paper or borrow under the credit facility; inability to collect receivables; inability to pass along raw material price increases; inability to maintain profit margins; conflict between China and Taiwan; changes in our capital needs; our capital expenditures; changing tax rates; market conditions; increased trade costs; foreign country operational risks; price and product competition; cost and availability of raw materials and labor and energy costs; cash generation to pay the dividend; political risks; ability to grow acquired businesses; amount of share repurchases; disruption to our rod mill; disruption to our operations and supply chain from weather-related events and other impacts; restructuring-related costs; foreign currency fluctuation; labor disputes; our ability to manage working capital; anti-dumping duties; data privacy; cybersecurity breaches; customer losses; climate change regulations; ESG risks; cash repatriation; litigation risks; and other risk factors in Leggett’s most recent Form 10-K and subsequent 10-Qs.

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



~5% **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



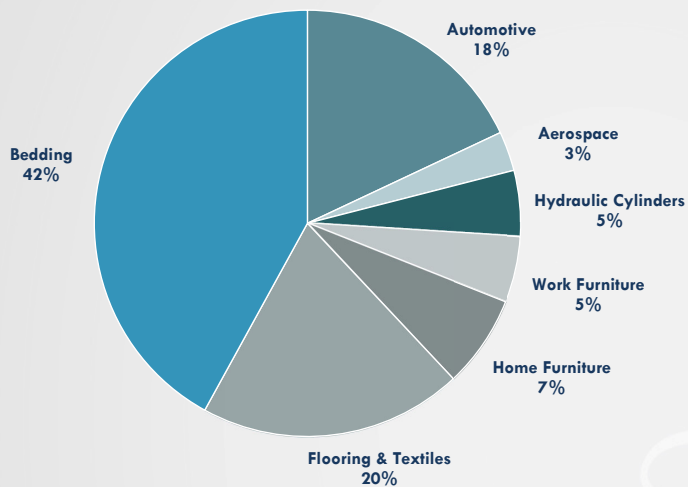
Management has **“skin in the game”**

- Significant stock owners; forego comp in exchange for shares
- Incentive comp aligned with TSR focus

DIVERSE PORTFOLIO

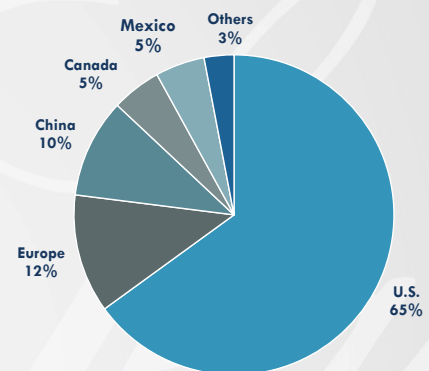
Product Mix

(based on 2023 estimated net trade sales)

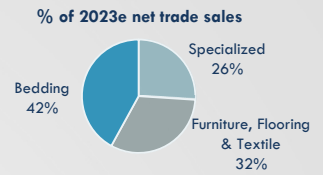


Geographic Split

(based on production)



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 & heavy construction equipment



Furniture, Flooring & Textile Products

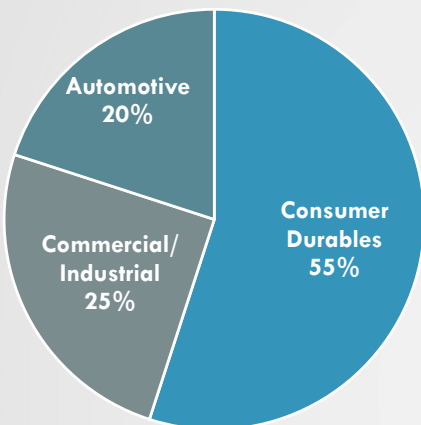
- Home Furniture
 - Recliner mechanisms
 - Seating and sofa sleeper components
- Work Furniture
 - Chair controls, bases, frames
 - Private label finished seating
- Flooring & Textiles
 - Flooring underlayment
 - Textile converting
 - Geo components



Leggett & Platt

MACRO MARKET EXPOSURE

Key Economic Indicators



- **Consumer confidence**
 - More crucial than home sales since majority (~2/3rds) of bedding/furniture purchases are replacement of existing product
 - “Large ticket” purchases are deferrable
- **Total housing turnover**
 - Combination of new and existing home sales
- **Employment levels**
- **Consumer discretionary spending**
- **Interest rate levels**

CURRENT TOPICS

2022 HIGHLIGHTS

Sales

\$5.15B

EBIT

\$485M

EBIT margin

9.4%

EBITDA

\$665M

EBITDA margin

12.9%

EPS

\$2.27

Cash from operations

\$441M

Declared dividend

\$1.74

Consecutive dividend increases

51 years

2023 GUIDANCE (ISSUED 2/6/23 AND NOT UPDATED SINCE)

- Sales: \$4.8–\$5.2 billion; down 7% to up 1% versus 2022, reflecting macro uncertainty across our markets
 - Volume at the mid-point expected to be down low single digits:
 - Down low single digits in Bedding Products Segment
 - Up high single digits in Specialized Products Segment
 - Down low single digits in Furniture, Flooring & Textile Products Segment
 - Raw material-related price decreases and currency impact combined expected to reduce sales mid-single digits
 - Acquisitions completed in 2022 expected to add ~3% to sales
- EPS: \$1.50–\$1.90
 - Mid-point reflects lower metal margins in our Steel Rod business, lower volume in some of our businesses, and moderate pricing pressure from deflation
 - 1Q23 earnings expected to be down meaningfully from 4Q22, primarily due to timing of performance-based compensation accruals and normal seasonality in some of our businesses
- Implied EBIT margin of 7.5%–8.0%

9

2023 GUIDANCE (CONTINUED)

- Depreciation and amortization ~\$200 million
- Net interest expense ~\$85 million
- Tax rate ~24%
- Operating cash \$450–\$500 million
- Cap-ex ~\$100 million
- Dividends ~\$240 million
- Diluted shares ~137 million
- Minimal acquisitions and share repurchases

10

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

ACTIONS WE ARE TAKING



**Driving strong
cash
management**



**Working with
customers on new
product
opportunities**



**Continuing our
focus on
improving
operational
efficiency**

Our financial strength gives us confidence in our ability to successfully navigate challenging markets while investing in long-term opportunities

ENDURING FUNDAMENTALS

CASH FLOW & BALANCE SHEET STRENGTH

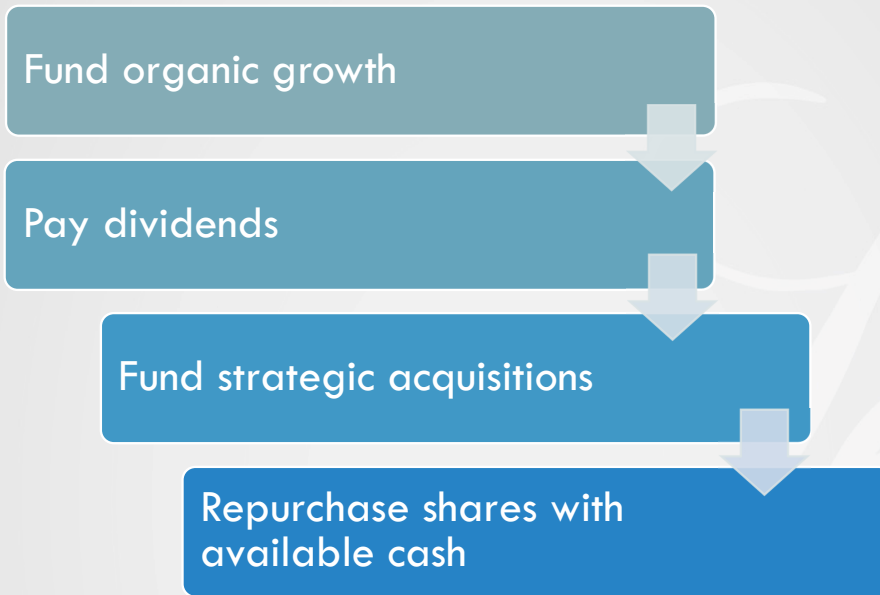
Cash Flow

- Long history of **strong cash generation**
- **Resilient cash flow** in economic downturns
- Focus on **optimizing working capital**
- Exceeded capital expenditures + dividends in 33 of last 34 years
 - Expect to exceed again in 2023

Debt and Liquidity

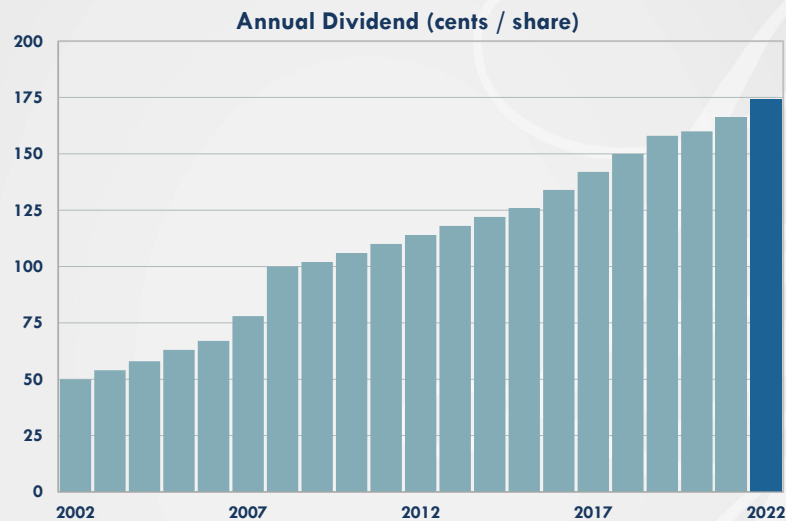
- **Maintaining priority on investment grade** credit rating
- **\$1.2 billion revolving credit facility** in place
- Comfortably supports **dividend funding**
- **No significant maturities** until November 2024

DISCIPLINED USE OF CASH



DIVIDEND GROWTH

- Committed to extending 51-year history of consecutive annual increases
- Member of the *Dividend Kings*
- ~5% dividend yield; one of the highest yields among the *Dividend Kings*



PROFITABLE GROWTH



Total Shareholder Return

Revenue Growth

Target: 6–9% annually

- Increasing content and new programs
- Expanding addressable markets
- Identifying strategic acquisitions

Margin Improvement

Target: 11.5–12.5%

Dividend Yield

Payout Target: ~50% of earnings

Stock Buybacks with available cash

LARGE ADDRESSABLE MARKETS

U.S. BEDDING

Finished Mattresses & Foundations at Wholesale Addressable Market



GLOBAL AUTOMOTIVE

Cabin Comfort & Convenience Addressable Market



COMPETITIVE ADVANTAGES IN BEDDING

Breadth of product offering and ability to service customers anywhere in the value chain

Industry leading R&D yields innovative products

Vertical integration provides cost advantage in steel rod and wire production

High-speed and flexible machine technology supports innerspring innovation and production efficiency

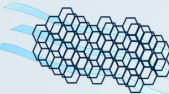
Our Bedding business is positioned unlike any other in the world

BEDDING INNOVATION

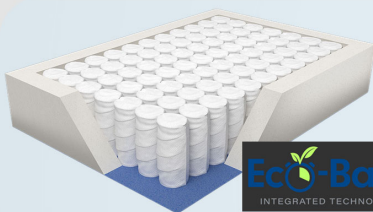
THE MARKET LEADER IN SPECIALTY FOAM & INNERSPRING TECHNOLOGIES



CoolFlow™



The foam that changed everything.
Breathable, cooling, durable.

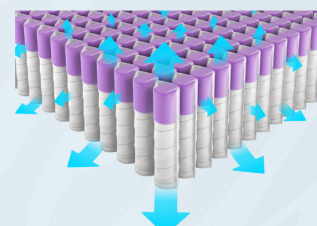


Eco-Base
INTEGRATED TECHNOLOGY



Gorilla Foam™

Super Strong Specialty Foam



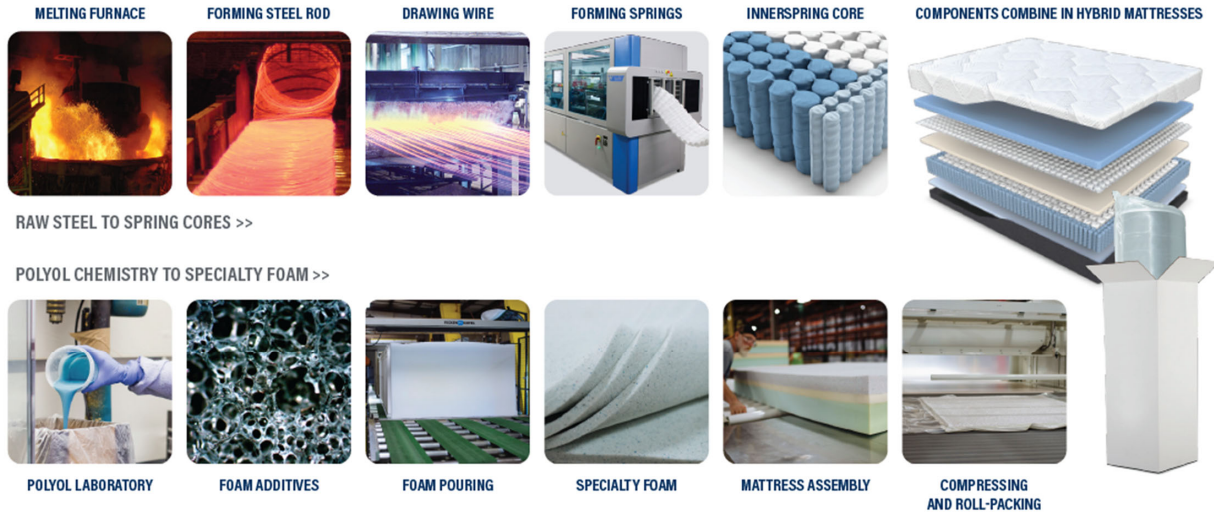
Combination Pocket

BEDDING VALUE CHAIN

Our rod mill in Sterling, Illinois, has the capacity to melt approximately 550,000 tons of steel scrap. Billets are formed from the melted scrap and can then be 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.



RAW STEEL TO SPRING CORES >>

POLYOL CHEMISTRY TO SPECIALTY FOAM >>

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

Specialty foam is produced at our 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.

COMPETITIVE ADVANTAGES IN AUTOMOTIVE

Customer engagement

Engineering and technical prowess

Program launch and product reliability

Deep industry knowledge

Global footprint, local expertise

Our Automotive business continues to meet the ever-changing requirements of the industry


COMFORT & CONVENIENCE CONTINUE TO GROW

COMFORT AND WELLNESS FOR ALL MARKET SEGMENTS

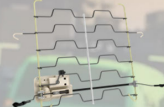
MODULARITY AND LIGHTWEIGHT FOR SUSTAINABILITY

POWERED ACTUATION FOR CONVENIENCE


Mid-Class Luxury Massage




CP5 Lumbar Support



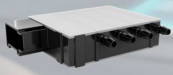
BLDC Motors




Harmonic Massage




Modular SMA Valve




Smart Latch Actuator



Advanced/Vibration Massage



Power Liftgate Actuator



23

ACQUISITION STRATEGY

Strong Strategic Fit	Disciplined Financial Screen	Cultural Alignment
<ul style="list-style-type: none"> ▪ Growth in attractive markets ▪ Sustainable competitive advantage ▪ Enhance current capabilities or product offerings ▪ Meaningful synergies ▪ Low risk of disruption 	<ul style="list-style-type: none"> ▪ Solid, above-market growth opportunities ▪ Accretive to GAAP EPS and cash flow within one year of acquisition ▪ Returns well above WACC 	<ul style="list-style-type: none"> ▪ 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.

RECENT ACQUISITIONS



Hydraulic Cylinders

- Global manufacturer of hydraulic cylinders for heavy construction equipment
- Builds scale in our Hydraulic Cylinders' growth platform
- Attractive segment of market that aligns well with trends in automation and autonomous equipment



Geo Components

- Two Canadian-based distributors of products for erosion control, stormwater management, and various other applications
- Expands our geographic scope and product offerings
- Leverages our textiles supply chain expertise



Fabric Converting

- Converter and distributor of construction fabrics for the furniture and bedding industries
- Adds needed capacity and equipment
- Leverages our textile supply chain expertise

SOURCES OF MARGIN IMPROVEMENT

Near-Term Opportunities

- **Improving operational efficiency** in a lower demand environment
- **Adjusting variable costs** to align with demand
- **Increasing volume** as supply chain constraints improve
- **Maintaining pricing discipline**

Ongoing Opportunities

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

SUSTAINABILITY

OUR VALUES

Put People First

- Prioritize safety and care for each other
- Offer growth and development opportunities at all levels
- Create an inclusive environment of mutual respect, empathy, and belonging
- Demonstrate trustworthiness through our words and actions

Do the Right Thing

- Act with honesty and integrity
- Deliver results the right way, always
- Take pride in our work
- Speak the truth: good news or bad, openly, candidly, and without fear

Do Great Work Together

- Engage without hierarchy
- Collaborate as a team
- Embrace challenges with a sense of urgency and agility
- Work for the good of all of us, rather than any single one of us

Take Ownership and Raise the Bar

- Embrace responsibility for adding value and making a difference
- Challenge the status quo and biases to make things better
- Explore new perspectives and embrace change
- Foster innovative and creative solutions to drive impact

OUR COMMITMENT TO ENHANCING LIVES



Investing in our People to Attract and Retain a Diverse Pool of 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 A DIVERSE POOL OF TALENT FOR LONG-TERM SUCCESS

- Global Frontline Supervisor Training Program designed to help managers in our operations build strong employee engagement
- ID&E strategy and action plan designed to foster an inclusive and diverse culture that aligns with our values and priorities
- Recently 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
- 88% internal promotion rate for corporate officer positions over the last three years

CEO Action Pledge for Diversity & Inclusion

1

Making our workplace a trusting environment in which we can have ongoing conversations about diversity and inclusion

2

Expanding our awareness and understanding of implicit bias

3

Sharing our best – and unsuccessful – practices with others

4

Engaging our Board in discussing and prioritizing strategies and actions that grow our inclusive culture



INNOVATIVE PRODUCTS DELIVER POSITIVE SUSTAINABILITY IMPACT FOR OUR CUSTOMERS

Lightweight automotive components help to reduce overall vehicle weight, improve fuel efficiency, and reduce noise



- Innovation in product design has led to reduction in the weight of our mechanical lumbar support product by 70% over time
- Evolution in product design has resulted in the use of ferrite magnets vs rare earth magnets, helping reduce the use of rare earth minerals

Helping reduce the petroleum-based materials used in many foam products by utilizing plant-based, renewable seed oil as an alternative solution



- Every 100 queen mattresses constructed with Quantum Edge® and Caliber Edge™ conserves 40 gallons of petrochemical contents, compared to 3-inch/1.5-lb commodity poly foam encasement
- Lightweight and compressible nature of our specialty foams leads to shipping and storage efficiency

Our Flooring Products business manufactures carpet underlay products that make a direct contribution towards LEED green building certification for our customers



- All products can be 100% recycled at the end of their useful life
- Bonded/Bonded Plus carpet cushions consist of 100% recycled foam
- Rubber XD/Rubber Plus carpet cushions contain no less than 20% pre-consumer recycled material
- Fiber carpet cushion is composed of a high percentage of industry-derived recycled fibers

Our geotextile products, such as erosion-control blankets and silt fencing, address the challenges of land at risk of natural or man-made erosion



- Using a geogrid or geotextile fabrics for subgrade stabilization significantly lowers the amount of energy expended from extracting the rock and delivering it for our customers, which reduces their carbon footprint



FOCUS ON RESOURCE EFFICIENCY, WASTE REDUCTION, AND RENEWABLES PROTECTS ENVIRONMENT AND REDUCES COSTS

Steel

- In 2021, 93% of the steel rod we produced is from steel scrap, of which the majority is postconsumer
- At our rod mill, the majority of the scrap steel used is shipped from less than 120 miles away with 15% shipped from within five miles

Wood

- In 2021, our U.S. Spring business's spend with Forest Stewardship Council® (FSC®)-certified sources increased by approximately 33% to 65%
- We are increasing the use of FSC®-certified wood products in our Work Furniture business

Chemicals

- Specialty foam products meet the highest standards for chemical safety with CertiPUR-US® certification
- ThermaGel™ Bio additive is a member of our recently defined EcoFlow® Family that is a new line of products containing eco-friendly alternatives to existing raw materials such as polyols, particle gels, phase-change materials (PCMs), and coatings

Plastic

- In our Automotive business, post-consumer-grade recycled nylon and plastic are used to manufacture components
- An operation in our Work Furniture business uses more than one million pounds of 100% post-consumer plastics and post-industrial waste each year to create high-quality structural components

Foam Scrap

- In our Flooring Products business, the bonded carpet cushion we produce is primarily from repurposed foam that is sourced from foam manufacturers across the U.S., including our Specialty Foam business

Conservation

- LED retrofits installed in 2021 avoided 1,358 metric tons of CO2 emissions and 2.7 million kWh saved annually

CORPORATE GOVERNANCE

Board Independence	Board Practices	Board Accountability	Compensation / Ownership
<ul style="list-style-type: none"> Lead Independent Director with significant responsibilities Independent Board (10 of 12 directors are independent) All Board committees are composed of independent directors Independent directors conduct regular executive sessions called by the Lead Independent Director 	<ul style="list-style-type: none"> Annual Board and committee assessments Risk oversight and strategic planning by full Board and committees Independent director service limited to three additional Boards Longstanding internal succession planning efforts which led to seamless CEO transition from Karl Glassman to Mitch Dolloff in January 2022 	<ul style="list-style-type: none"> Annual election of all directors Majority vote standard to elect directors Proxy access right for shareholders Shareholders can call special meetings Positive annual say-on-pay vote Board reviews evolving shareholder feedback 	<ul style="list-style-type: none"> Robust stock ownership guidelines for all Directors and Executive Officers Clawback policy in place Maintain restrictions on hedging and pledging shares of our stock Double trigger equity vesting provisions in place for change in control No repricing of options or cash buyouts No tax gross-ups

BOARD OF DIRECTORS

- 5 new independent directors since 2018
- 40% of independent directors are women
- Female Lead independent director
- 4 directors identify as racial / ethnic minorities
- 33% of governing committees chaired by women

<p>Angela Barbee ♦</p> <p>Former SVP – Technology and Global R&D at Weber Director since: 2022</p>  <p>Knowledge of manufacturing, engineering, management, and operations in the consumer and automotive industries</p>	<p>Mark A. Blinn ♣ ♦</p> <p>Retired President & CEO at Flowserve Director since: 2019</p>  <p>Leadership experience in operations and finance, as well as strategic planning and risk management; Public company Board experience</p>	<p>Robert E. Brunner ♣ ♦</p> <p>Retired Executive VP at Illinois Tool Works Director since: 2009</p>  <p>Experience at ITW provides insight on automotive strategy, business development, M&A, operations, and international issues</p>	<p>Mary Campbell ♣ ✧</p> <p>President – vCommerce Ventures at Qurate Retail Director since: 2019</p>  <p>Knowledge in consumer driven product innovation, marketing and brand building, and traditional and media platforms</p>
<p>J. Mitchell Dolloff</p> <p>President & CEO Director since: 2020</p>  <p>Provides insight from strategic planning to implementation, as well as relationships with investors, financial community and other key stakeholders</p>	<p>Manuel A. Fernandez ♦ ✧</p> <p>Managing Director at SI Ventures Director since: 2014</p>  <p>CEO experience and public board experience offers insight into corporate strategy and development, IT and international growth</p>	<p>Karl G. Glassman</p> <p>Executive Chairman Director since: 2002</p>  <p>Previous CEO; Brings knowledge of the Company's operations, strategy and governance, as well as its customers and end markets</p>	<p>Joseph W. McClanathan ♦ ✧</p> <p>Retired President & CEO Household Products Division at Energizer Director since: 2005</p>  <p>Brings perspective to the Board on manufacturing operations, marketing and development of international capabilities</p>
<p>July C. Odom ♦ ✧</p> <p>Lead Independent Director, Retired Chair & CEO at Software Spectrum Director since: 2002</p>  <p>Offers a broad leadership perspective on strategic and operating issues; Brings insight of a long-serving CEO</p>	<p>Srikanth Padmanabhan ♣ ✧</p> <p>VP & President – Engine Business Segment at Cummins Director since: 2018</p>  <p>Knowledge of automotive and industrial industries; Experience in operations and innovation at a multi-billion-dollar business</p>	<p>Jai Shah ♣ ♦</p> <p>Group President at Masco Director since: 2019</p>  <p>Perspective on issues such as growth strategy development and implementation, talent management, and adapting to market innovations</p>	<p>Phoebe A. Wood ♣ ✧</p> <p>Retired Vice Chair & CFO at Brown-Forman Director since: 2005</p>  <p>Understanding of the strategic, financial and accounting issues the Board addresses in its oversight role</p>

COMPENSATION REWARDS STRONG PERFORMANCE

Annual Incentive

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

Long-Term Incentive

- Long-term equity-based, significant portion of total comp for execs
- **Performance Stock Units (60%)**
 - Three-year performance period with two equal measures and subject to a relative TSR performance multiplier (vs peer group of ~300 companies)
 - **EBITDA**
 - **ROIC**
- **Restricted Stock Units (40%)**
 - 1/3 of award vests each year following the grant date, with the value of the award depending upon the share price at time of vesting

Deferred Comp Program

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

35

KEY TAKE-AWAYS



Near-term focus on **improving the things we can control** and mitigating the impacts of a dynamic macroeconomic and geopolitical environment on our businesses



Our **enduring fundamentals** enable us to withstand economic cycles

- Strong **cash flow**
- **Balance sheet** strength
- Commitment to **growing our dividend**
- **Profitable growth** through organic investments and acquisitions



Commitment to **sustainability** through our people, our products, and our processes

36



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



Slide intentionally blank

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

In North America:

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

In Europe and Asia:

Bensons	Hay	Natuzzi	Sleepeeze
Dreams	Hilding Anders	Nissan	Toyota
Emma	Honda	Recticel	Volkswagen
Faurecia	Hyundai	Sanyo	Volvo Construction Equip
Fritz Hansen	Kuka	Silentnight Beds	

Diverse Customer Base – Low Concentration

41

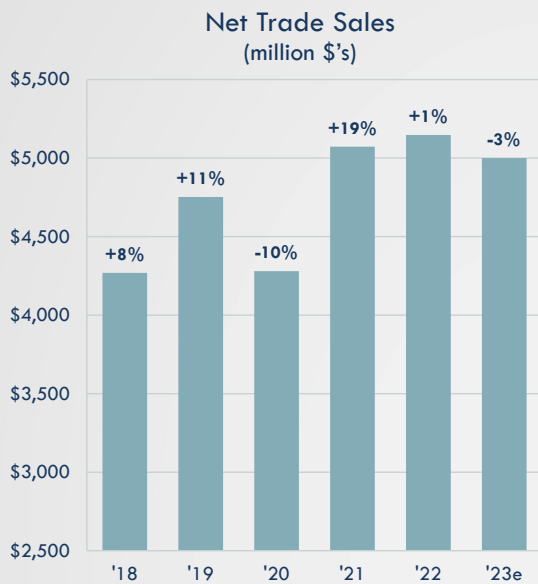
FINANCIAL METRICS DEFINED

- **TSR: Total Shareholder Return**
 - Total benefit investor realizes from owning our stock
 - $(\Delta \text{ stock price} + \text{dividends}) / \text{initial stock price}$
- **EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization**
 - Drives 65% of annual bonus at operating level and corporate
- **FCF: Free Cash Flow**
 - Drives 35% of annual bonus at operating level and corporate
 - $\text{EBITDA} - \text{capex} + / - \Delta \text{ working capital (ex cash \& current debt)}$
- **ROIC: Return on Invested Capital**
 - $\text{Net operating profit after tax} / \text{invested capital (shareholder equity} + \text{debt} - \text{cash)}$

42

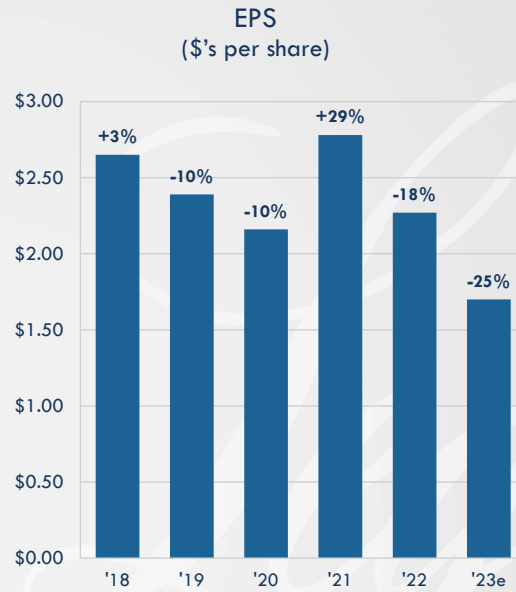
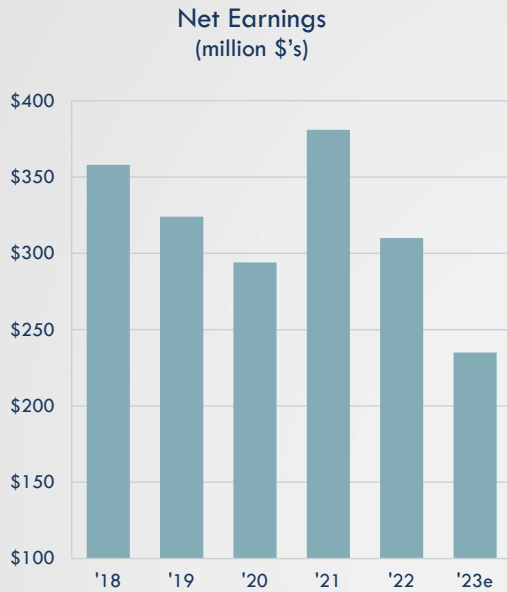
FINANCIAL INFORMATION

SALES AND EBIT



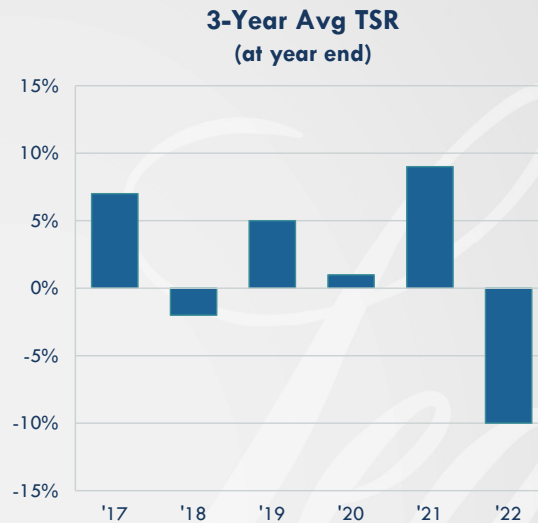
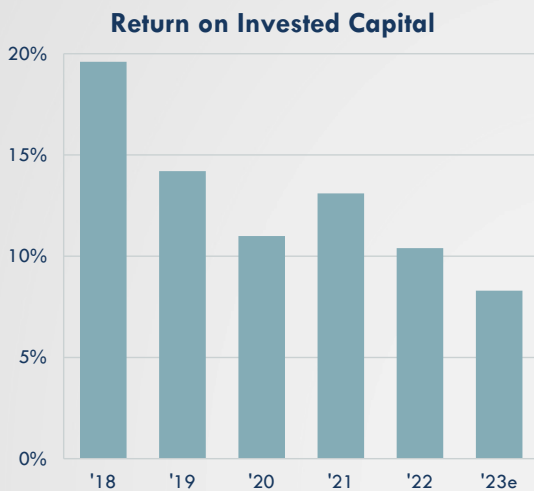
- Amounts are from continuing operations and exclude unusual items. See appendix for non-GAAP reconciliations.
- 2018–2020 financial data has been adjusted to apply the effects of the change from LIFO to FIFO
- 2023 estimates are based on mid-point of guidance

NET EARNINGS AND EPS



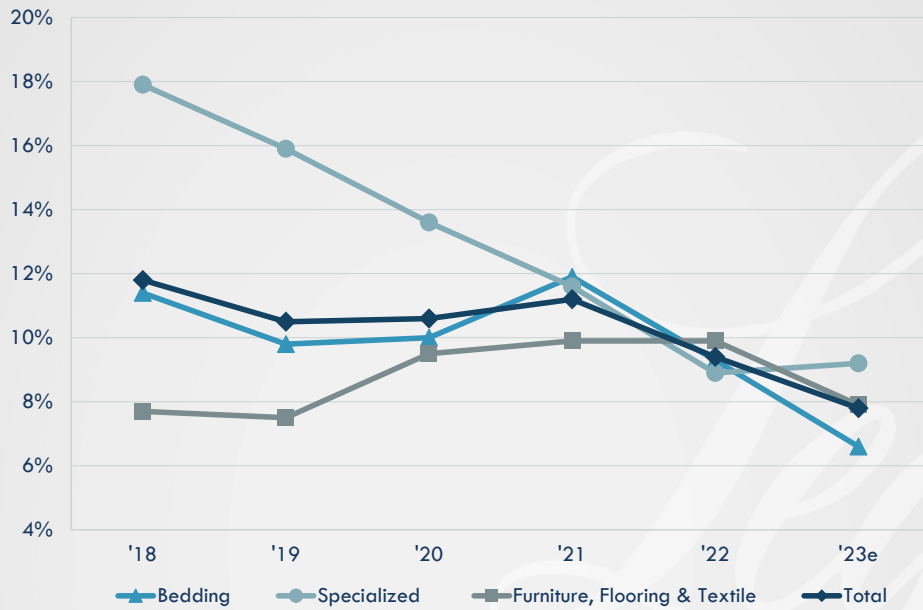
- Amounts are from continuing operations and exclude unusual items. See appendix for non-GAAP reconciliations.
- 2018–2020 financial data has been adjusted to apply the effects of the change from LIFO to FIFO
- 2023 estimates are based on mid-point of guidance

RETURNS AND TSR



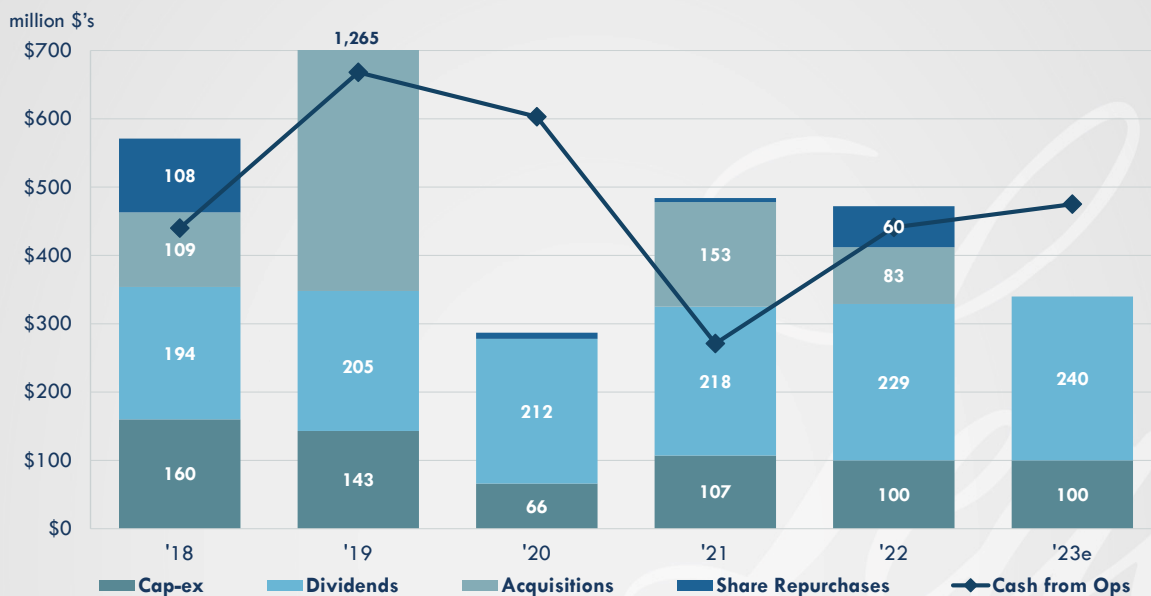
- See appendix for return calculation
- TSR assuming dividends continually reinvested
- 2018–2020 financial data has been adjusted to apply the effects of the change from LIFO to FIFO
- 2023 estimates are based on mid-point of guidance

SEGMENT EBIT MARGINS



- Amounts exclude unusual items. See appendix for non-GAAP reconciliations.
- 2018–2020 financial data has been adjusted to apply the effects of the change from LIFO to FIFO
- 2023 estimates are based on mid-point of guidance

USES OF CASH FLOW



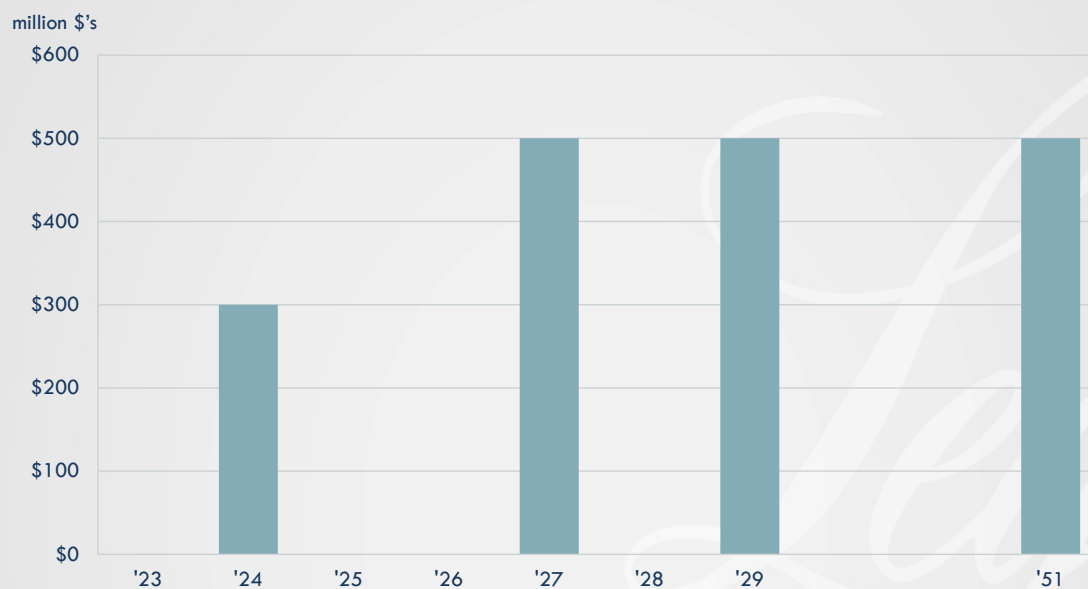
CASH FLOW DETAILS

\$'s in millions	2018 ¹	2019 ¹	2020 ¹	2021	2022	2023e ²
Net Earnings	324	314	253	403	310	235
Deprec & Amort	136	192	189	187	180	200
Def Income Taxes	3	1	(21)	(9)	(16)	—
Impairments	5	8	29	—	—	—
Working Capital	(77)	101	80	(338)	(78)	10
Other Non-Cash	49	52	73	28	45	30
Cash from Operations	440	668	603	271	441	475
Uses of Cash						
Capital Expenditures	(160)	(143)	(66)	(107)	(100)	(100)
Dividends	(194)	(205)	(212)	(218)	(229)	(240)
Acquisitions	(109)	(1,265)	—	(153)	(83)	—
Share Repurchases	(108)	(7)	(9)	(6)	(60)	—

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

² 2023 estimated net income is based on mid-point of guidance

DEBT MATURITIES



▪ Weighted average rate: 3.8%; Weighted average maturity: 11.5 years; excludes commercial paper borrowings

APPENDIX

NON-GAAP RECONCILIATIONS

NON-GAAP ADJUSTMENTS

(\$ millions, except EPS)	2018 ⁴	2019 ⁴	2020 ⁴	2021	2022
Non-GAAP Adjustments (\$'s)¹					
Impairment charges	—	—	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	—	—	—	(28)	—
Non-GAAP adjustments (pre-tax \$'s)	46	11	45	(28)	—
Income tax impact	(9)	(1)	(4)	7	—
TCJA impact ³	(2)	—	—	—	—
Unusual tax items	—	—	—	—	—
Non-GAAP adjustments (after tax \$'s)	35	10	41	(21)	—
Diluted shares outstanding	135.2	135.4	135.9	136.7	136.5
EPS impact of non-GAAP adjustments	\$.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

RECONCILIATION OF ADJ EBIT, ADJ EBIT MARGIN, ADJ EBITDA, AND ADJ EBITDA MARGIN

(\$ millions, except EPS)	2018 ²	2019 ²	2020 ²	2021	2022	2023e ³
Net trade sales	\$4,270	\$4,753	\$4,280	\$5,073	\$5,147	\$5,000
EBIT (continuing operations)	\$460	\$487	\$408	\$596	\$485	\$390
Non-GAAP adjustments, pre-tax ¹	42	11	45	(28)	—	—
Adjusted EBIT (cont. operations)	\$503	\$498	\$453	\$568	\$485	\$390
Adjusted EBIT margin	11.8%	10.5%	10.6%	11.2%	9.4%	7.8%
Adjusted EBIT (cont. operations)	\$503	\$498	\$453	\$568	\$485	\$390
Depreciation & amortization	136	192	189	187	180	200
Adjusted EBITDA (cont. operations)	\$639	\$690	\$642	\$755	\$665	\$590
Adjusted EBITDA margin	15.0%	14.5%	15.0%	14.9%	12.9%	11.8%

¹ See slide 52 for adjustment details

² Adjusted for effects of change from LIFO to FIFO

³ 2023 estimates are based on mid-point of guidance

RECONCILIATION OF ADJ EARNINGS AND ADJ EPS

(\$ millions, except EPS)	2018 ²	2019 ²	2020 ²	2021	2022	2023e ³
Earnings (continuing operations)	\$324	\$314	\$253	\$403	\$310	\$235
Non-GAAP adjustments, after tax ¹	35	10	41	(21)	—	—
Adjusted Earnings (cont. operations)	\$358	\$324	\$294	\$381	\$310	\$235
Diluted EPS (continuing operations)	\$2.39	\$2.32	\$1.86	\$2.94	\$2.27	\$1.70
EPS impact from non-GAAP adjs ¹	.26	.07	.30	(.16)	—	—
Adjusted EPS (cont. operations)	\$2.65	\$2.39	\$2.16	\$2.78	\$2.27	\$1.70

¹ See slide 52 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

	2018 ⁴	2019 ⁴	2020 ⁴	2021	2022	2023e ⁵
Adjusted EBIT (cont. operations)¹	\$503	\$498	\$453	\$568	\$485	\$390
Tax rate	21.0%	21.8%	21.2%	22.8%	23.2%	24.0%
Net Operating Profit After Tax (NOPAT)²	397	389	357	438	372	296
Total debt (long-term + current)	\$1,169	\$2,118	\$1,900	\$2,090	\$2,084	\$2,000
Operating lease liabilities ³	-	161	165	198	203	200
Equity	1,207	1,342	1,425	1,649	1,641	1,650
Less: Cash & Cash equivalents	(268)	(248)	(349)	(362)	(317)	(300)
Invested Capital	\$2,108	\$3,373	\$3,141	\$3,575	\$3,612	\$3,550
Average Invested Capital	\$2,028	\$2,740	\$3,257	\$3,358	\$3,593	\$3,581
Return on Invested Capital (ROIC)	19.6%	14.2%	11.0%	13.1%	10.4%	8.3%

¹ See slide 52 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 2023 estimates are based on mid-point of guidance

55

CALCULATION OF DIVIDEND PAYOUT % OF ADJUSTED EPS

	2018 ²	2019 ²	2020 ²	2021	2022	2023e ³
Diluted EPS from cont. operations	\$2.39	\$2.32	\$1.86	\$2.94	\$2.27	\$1.70
EPS impact from non-GAAP adjs ¹	.26	.07	.30	(.16)	—	—
Adjusted EPS from cont. operations	\$2.65	\$2.39	\$2.16	\$2.78	\$2.27	\$1.70
Annual dividend per share	\$1.50	\$1.58	\$1.60	\$1.66	\$1.74	\$1.82
Dividend payout % of diluted EPS from continuing operations	63%	68%	86%	56%	77%	107%
Dividend payout % of adjusted EPS	57%	66%	74%	60%	77%	107%

¹ See slide 52 for adjustment details

² Adjusted for effects of change from LIFO to FIFO

³ 2023 estimates are based on mid-point of guidance

56

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.