

Leggett & Platt (NYSE: LEG) is a diversified manufacturer that conceives, designs and produces a broad variety of engineered components and products that can be found in most homes and automobiles. The 136-year-old company is comprised of 15 business units, 23,000 employee-partners, and 145 manufacturing facilities located in 18 countries.

Leggett & Platt is the leading U.S.-based manufacturer of: a) bedding components; b) automotive seat support and lumbar systems; c) specialty bedding foams and private-label finished mattresses; d) components for home furniture and work furniture; e) flooring underlayment; f) adjustable beds; g) high-carbon drawn steel wire; and h) bedding industry machinery.

STRATEGY:

- Total Shareholder Return (TSR) is our primary financial objective. [TSR=(Change in Stock Price + Dividends) / Beginning Stock Price]
- Goal is TSR in the top third of S&P 500
- TSR derived from: 1) revenue growth, 2) margin improvement, 3) dividend yield, and 4) stock buyback.
- Business units each have a specific “role” in portfolio (Grow, Core, Fix, or Divest) based on their competitive advantages, market position, and financial health.

GROWTH FRAMEWORK:

- Targeting 6-9% average annual revenue growth (organic + acquisition).
- Three avenues of growth:
 1. Recent growth sources should continue for next few years.
 2. Growth Identification Process used to generate profitable growth initiatives in current markets.
 3. Styles of Competition used longer term to identify new attractive markets.

LONG-TERM CASH USE PRIORITIES:

1. Fund organic growth.
2. Pay dividends.
3. Fund strategic acquisitions and new growth platforms.
4. Use remaining cash to repurchase stock.

DIVIDENDS:

- Dividend payout target is ~50% of net earnings.
- Increased annual dividend for 48 consecutive years.
- One of the highest dividend yields among the S&P 500 Dividend Aristocrats
- Dividend yield is ~ 4.0% (on a \$40 stock price).

RECOGNITION:

- Included as one of the Standard & Poor's “*Dividend Aristocrats*”
- Included in *Nasdaq's Dividend Achievers* list of consistent dividend growers