# First Quarter 2024
# Summary Financial Information and Strategic Business Update

*April 30, 2024*

## Forward-Looking Statements

Statements in this presentation that are not historical in nature are "forward-looking." These statements are identified either by the context in which they appear or by use of words such as "anticipate," believe," "estimate," "expect," "guidance," "intend," "may," "plan," "project," "should," or the like. These statements include, but are not limited to, future EPS, adjusted EPS, sales, volume for the Company and per segment, raw material-related price decreases, currency impacts, depreciation and amortization, net interest expense, tax rate, diluted shares outstanding, operating cash, capital expenditures, amount of dividends, minimal acquisitions and share repurchases, implied adjusted EBIT margin, restructuring costs, gain from the sale of real estate, sales attrition and EBIT benefit from the restructuring plan, per share impacts from restructuring plan costs and sales of real estate, pricing responses to global steel cost differentials and metal margin compression, and lower amortization from long-lived asset impairment. 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 preliminary nature of the estimates related to the Restructuring Plan, and the possibility that all or some of the estimates may change as the Company's analysis develops, and additional information is obtained; our ability to timely implement the Restructuring Plan in a manner that will positively impact our financial condition and results of operation; our ability to timely dispose of real estate pursuant to the Restructuring Plan, or otherwise obtain expected proceeds; the impact of the Restructuring Plan on the Company's relationships with its employees, customers and vendors; global inflationary and deflationary impacts; macro-economic impacts; demand for our products and our customers' products; our manufacturing facilities' ability to obtain necessary raw materials and parts, maintain appropriate labor levels and ship finished products to customers; 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; changing tax rates; restructuring-related costs in addition to the Restructuring Plan; market conditions; increased trade costs; foreign country operational risks; price and product competition; cost and availability of raw materials, parts, labor, and energy costs; cash generation to pay the dividend; political risks; ability to grow acquired businesses; disruption to our rod mill; disruption to our operations and supply chain from weather-related events and other impacts; foreign currency fluctuation; our ability to manage working capital; anti-dumping duties; data privacy; cybersecurity incidents; unauthorized use of artificial intelligence; customer bankruptcies and losses; climate change regulations; ESG risks; cash repatriation; litigation risks; and other risk factors in Leggett's most recent Form 10-K.

# Financial Summary

## Overview

- Q1 sales of $1.1 billion, a 10% decrease vs. Q1-23
  - Volume was down 6%
  - Raw material-related price decreases reduced sales 4%
- Q1 adjusted[1] EBIT of $64 million, down $25 million vs. Q1-23 EBIT
- Adjusted[1] EBIT margin 5.8%, down 160 bps vs. Q1-23 EBIT margin of 7.4%
- Q1 adjusted[1] EPS of $.23, down $.16 vs. Q1-23 EPS of $.39
- 2024 sales and EPS guidance unchanged
  - Sales: $4.35–$4.65 billion
  - EPS: $.95–$1.25
  - Adjusted EPS: $1.05–$1.35
  - Cash Flow: $300–$350 million (vs previous guidance of $325–$375 million)

[1] See slides 5 and 26 for calculation of adjusted EBIT, adjusted EBIT margin, and adjusted EPS

# Q1 2024 Financial Highlights

| $'s in millions (except EPS) | Reported Q1-24 | Adj.[1] | Adj. Q1-24 | Q1-23 | Change |
|---|---|---|---|---|---|
| Sales | $1,097 | | $1,097 | $1,214 | (10%) |
| EBIT | 63 | 1 | 64 | 89 | (29%) |
| EBIT Margin | 5.7% | | 5.8% | 7.4% | (160 bps) |
| EPS | .23 | .00 | .23 | .39 | (41%) |
| Cash from Operations | ($6) | | ($6) | $97 | (106%) |
| EBITDA | 96 | 1 | 97 | 135 | (28%) |
| EBITDA margin | 8.7% | | 8.8% | 11.1% | (230 bps) |

[1] See slide 26 for non-GAAP adjustments



# Q1 2024 Sales & EBIT Bridge

| Sales: | mln $'s | % change |
|---|---|---|
| 1st Qtr 2023 | $1,214 | |
| Approx volume decrease | (73) | (6%) |
| Approx raw material-related pricing and currency impact | (44) | (4%) |
| Organic Sales | (117) | (10%) |
| Acquisitions | — | —% |
| **1st Qtr 2024** | **$1,097** | **(10%)** |

| EBIT: | | margin |
|---|---|---|
| 1st Qtr 2023 | $89 | 7.4% |
| Primarily lower volume and several higher expense items partially offset by lower amortization expense | (25) | |
| **Adjusted[1] 1st Qtr 2024** | **$64** | **5.8%** |

[1] See slide 5 for calculation of adjusted EBIT and adjusted EBIT margin

# Q1 2024 Earnings

| $'s in millions (except EPS) | Reported Q1-24 | Adj.[1] | Adj. Q1-24 | Q1-23 | Change |
|---|---|---|---|---|---|
| EBIT | $63 | $1 | $64 | $89 | (29%) |
| Net interest | 21 | | 21 | 21 | |
| Pre-tax earnings | 42 | 1 | 43 | 68 | (37%) |
| Income taxes | 11 | 0 | 11 | 15 | |
| *Tax rate* | | | *25.5%* | *21.7%* | |
| Net earnings | 32 | 0 | 32 | 54 | (40%) |
| Noncontrolling interests | — | | — | — | |
| Net earnings attributable to L&P | 32 | 0 | 32 | 54 | (40%) |
| EPS | .23 | .00 | .23 | .39 | (41%) |

[1] See slide 26 for non-GAAP adjustments



# Adjusted Working Capital

| $'s in millions | 3/31 2024 | 12/31 2023 | 3/31 2023 |
|---|---|---|---|
| Cash & equivalents | $361 | $365 | $345 |
| Accounts receivable, net | 635 | 637 | 718 |
| Inventories, net | 807 | 820 | 893 |
| Other current assets | 57 | 59 | 59 |
| Total current assets | 1,860 | 1,881 | 2,015 |
| Current debt maturities | (304) | (308) | (9) |
| Current operating lease liabilities | (58) | (57) | (55) |
| Accounts payable | (496) | (536) | (552) |
| Accrued and other current liabilities | (331) | (361) | (352) |
| Total current liabilities | (1,188) | (1,263) | (969) |
| Working capital | 672 | 619 | 1,046 |
| % of annualized sales [1] | 15.3% | 13.9% | 21.6% |
| W/C, excl. cash & current debt/lease | 673 | 619 | 766 |
| *% of annualized sales* [1] | *15.3%* | *13.9%* | *15.8%* |

*[1] Annualized sales: 1Q24: $1,097x4=$4,388; 4Q23: $1,115x4=$4,460; 1Q23: $1,214x4=$4,854*

# Net Debt to Adjusted EBITDA

| $'s in millions | 3/31 2024 | 12/31 2023 | 3/31 2023 |
|---|---|---|---|
| Long-term debt | $1,773 | $1,680 | $2,109 |
| Current maturities | 304 | 308 | 9 |
| Total debt | 2,077 | 1,988 | 2,118 |
| Less: Cash & equivalents | (361) | (365) | (345) |
| Net debt | 1,715 | 1,622 | 1,773 |
| | | | |
| EBIT, trailing 12 months | (117) | (90) | 437 |
| Depreciation & amortization | 167 | 180 | 179 |
| EBITDA | 51 | 90 | 616 |
| Non-GAAP adjustments (pretax) [1] | 425 | 424 | — |
| Adjusted EBITDA, trailing 12 months | 475 | 513 | 616 |
| | | | |
| Net debt to 12-month adjusted EBITDA [2] | 3.61x | 3.16x | 2.88x |

[1] 3/31/24 Non-GAAP adjustments include $444 long-lived asset impairment, $11 restructuring charges, ($19) gain on sale of real estate, and ($11) gain from net insurance proceeds; 12/31/23 Non-GAAP adjustments include $444 long-lived asset impairment, ($11) gain on sale of real estate, and ($9) gain from net insurance proceeds. For additional non-GAAP reconciliation information, see page 8 of the press release.

[2] Calculated differently than the Company's credit facility covenant ratio.



# Cash Flow

| $'s in millions | 1st Qtr 2024 | 1st Qtr 2023 |
|---|---|---|
| Net earnings | $32 | $54 |
| D&A | 33 | 45 |
| Impairment, write-offs & other | 14 | 2 |
| Other non-cash | (2) | 14 |
| Changes in working capital: | | |
| Accounts receivable | (29) | (38) |
| Inventory | 1 | 14 |
| Other current assets | 1 | — |
| Accounts payable | (36) | 31 |
| Other current liabilities | (20) | (25) |
| Cash from operations | (6) | 97 |
| | | |
| Capital expenditures | 26 | 38 |
| Acquisitions | — | — |
| Dividends | 61 | 58 |
| Share repurchases (issuances), net | 4 | 5 |
| Proceeds from asset sales | 15 | 1 |
| Additions (repayments) of debt, net | 85 | 29 |

# 2024 Sales and EPS Guidance Unchanged

- **Sales: $4.35–$4.65 billion; down 2% to down 8% versus 2023**
  - Volume is expected to be down low to mid-single digits
  - Volume at the midpoint:
    - Down high single digits in Bedding Products Segment
    - Up low 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 low single digits
- **EPS: $.95–$1.25**
  - Includes $.20–$.25 per share negative impact from restructuring costs
  - Includes $.10–$.15 per share gain from sales of real estate, consisting of idle real estate and real estate exited from restructuring plan initiatives
- **Adjusted EPS: $1.05–$1.35**
  - Decrease versus 2023 is primarily from lower expected volume in our Bedding Products and Furniture, Flooring & Textile Products segments, pricing responses related to global steel cost differentials, and metal margin compression partially offset by lower amortization from the long-lived asset impairment
- **Implied adjusted EBIT margin of 6.4%–7.2%**



# 2024 Guidance (continued)

- Depreciation and amortization ~$135 million
- Net interest expense ~$85 million
- Tax rate ~25%
- Operating cash $300–$350 million (vs prior guidance of $325–$375 million)
  - Decrease due to less benefit from working capital than previously expected
- Cap-ex $100–$120 million
- Dividends ~$135 million (vs prior guidance of $245 million)
- Diluted shares ~138 million
- Minimal acquisitions and share repurchases

# Strategic Business Update

## Refreshed Capital Allocation Priorities

*A* ***balanced approach*** *focused on* ***driving shareholder value***

**Near Term Focus:**
- ✓ Upholding long-held balance sheet strength and continuing to invest in our businesses
- ✓ Targeting long-term ratio of 2.0x Net Debt to Adjusted EBITDA

**Long Term Priorities**

**ORGANIC GROWTH**
- ✓ Investing in our businesses for the future

**STRATEGIC ACQUISITIONS**
- ✓ Primarily bolt-on opportunities complementing our existing portfolio of businesses

**SHAREHOLDER RETURNS**
- ✓ Dividends
- ✓ Opportunistic share repurchases

# Restructuring Initiatives Are Underway

## Bedding Products

- ✓ Closed four small U.S. Spring distribution facilities
- ✓ Shifted manufacturing from three U.S. Spring facilities to remaining operations
- ✓ Closed one small Specialty Foam plant
- ✓ Currently downsizing innerspring operations in China
- ✓ Two additional Specialty Foam consolidations underway
- ✓ Preparing to list 5 properties for sale

## Home Furniture

- ✓ Closed one plant and shifted production to remaining facilities
- ✓ Engineering team relocating to nearby location
- ✓ Property expected to be listed for sale by Q3 2024

## Flooring Products

- ✓ Closed one production line and transferred manufacturing to other locations
- ✓ Redeploying equipment from closed line to another facility



# Restructuring Plan Is On Track

- EBIT Benefit:
  - Annualized EBIT benefit of $40-$50 million realized after initiatives are fully implemented in late 2025
  - Approximately $5-$10m EBIT benefit expected in 2H 2024
  - Minimal benefit in 1Q 2024
- Sales Attrition:
  - $100m annual sales attrition expected once initiatives are fully implemented in late 2025
  - Approximately $40m sales attrition expected in 2024
  - No impact to 1Q 2024 results

## Restructuring Costs

- 1Q 2024: $11m
- 1H 2024: $20–$25m
- 2024: $40–$50m
- 2025: $25–$35m
- Total: $65–$85m

## Cash from Real Estate

- 1Q 2024: $—
- 2024: $0–$10m
- 2025: $50–$80m
- Total: $60–$80m

# Segment Detail

## Q1 2024 Segment Summary

| | Q1-24 Organic Sales Growth [1, 2] | Q1-24 Adj. EBIT [2] Margin | Δ vs Q1-23 EBIT Margin | Q1-24 Adj. EBITDA [2] Margin | Δ vs Q1-23 EBITDA [2] Margin |
|---|---|---|---|---|---|
| Bedding Products | (15%) | 3.8% | -250 bps | 7.1% | -400 bps |
| Specialized Products | (1%) | 7.5% | -140 bps | 10.7% | -160 bps |
| Furniture, Flooring & Textile Products | (9%) | 6.9% | -90 bps | 8.5% | -90 bps |
| Total Consolidated | (10%) | 5.8% | -160 bps | 8.8% | -230 bps |

[1] Includes raw material-related selling price impact and currency impact
[2] See slides 19, 21, 23, and 26 for non-GAAP reconciliations

# Bedding Products

| Trade Sales | mln $'s | % change |
|---|---|---|
| 1st Qtr 2023 | $528 | |
| Organic Sales [1] | (80) | (15%) |
| 1st Qtr 2024 | $448 | (15%) |

[1] Lower volume (10%) and raw material-related selling price decreases (5%)

| mln $'s | EBIT | EBIT margin | D&A | EBITDA | EBITDA margin |
|---|---|---|---|---|---|
| 1st Qtr 2023 | $33 | 6.3% | $26 | $59 | 11.1% |
| Change [2] | (16) | | (11 ) | (27) | |
| Adjusted [3] 1st Qtr 2024 | $17 | 3.8% | $15 | $32 | 7.1% |

[2] Calculations impacted by rounding
[3] Adjusted to exclude restructuring charges $9m and gain on sale of real estate ($8m)



# Bedding – Key Points

- Q1 organic sales were down 15%:
  - Volume decreased 10% from continued demand softness in U.S. and European bedding markets
  - Raw material-related selling price decreases, net of currency benefit, reduced sales 5%
- Sales trends:

| | Q1 Organic Sales | Q1 Volume[1] |
|---|---|---|
| Steel Rod | (1%) | 12% |
| Drawn Wire | (18%) | (7%) |
| U.S. Spring | (19%) | (15%) |
| Specialty Foam | (13%) | (5%) |
| Adjustable Bed | (16%) | (16%) |
| International Bedding | (15%) | (11%) |

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

- Q1 adjusted EBIT decreased primarily from lower volume, increased bad debt expense, and steel-related pricing adjustments partially offset by lower amortization expense

# Specialized Products

| Trade Sales | mln $'s | % change |
|---|---|---|
| 1st Qtr 2023 | $321 | |
| Organic Sales [1] | (5) | (1%) |
| 1st Qtr 2024 | $316 | (1%) |

[1] Raw material-related selling price decreases and currency impact (1%)

| mln $'s | EBIT | EBIT margin | D&A | EBITDA | EBITDA margin |
|---|---|---|---|---|---|
| 1st Qtr 2023 | $29 | 8.9% | $11 | $39 | 12.3% |
| Change [2] | (5) | | (1) | (6) | |
| 1st Qtr 2024 | $24 | 7.5% | $10 | $34 | 10.7% |

[2] Calculations impacted by rounding



# Specialized – Key Points

- Q1 organic sales were down 1%:
  - Volume was flat with growth in Aerospace offset by declines in Hydraulic Cylinders
  - Raw material-related selling price decreases and currency impact reduced sales 1%
- Sales trends:

| | Q1 Organic Sales | Q1 Volume[1] |
|---|---|---|
| Automotive | (2%) | —% |
| Aerospace | 20% | 13% |
| Hydraulic Cylinders | (13%) | (8%) |

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

- Q1 EBIT decreased with improvements in Automotive and Aerospace more than offset by less benefit from a reduction to a contingent purchase price liability associated with a prior year acquisition, the lag associated with passing through raw material-related price changes in Hydraulic Cylinders, and other smaller items.

# Furniture, Flooring & Textile Products

| Trade Sales | mln $'s | % change |
|---|---|---|
| 1st Qtr 2023 | $364 | |
| Organic Sales [1] | (31) | (9%) |
| 1st Qtr 2024 | $333 | (9%) |

[1] Lower volume (5%) and raw material-related price decreases (4%)

| mln $'s | EBIT | EBIT margin | D&A | EBITDA | EBITDA margin |
|---|---|---|---|---|---|
| 1st Qtr 2023 | $28 | 7.8% | $6 | $34 | 9.4% |
| Change [2] | (5) | | (1) | (6) | |
| Adjusted [3] 1st Qtr 2024 | $23 | 6.9% | $5 | $28 | 8.5% |

[2] Calculations impacted by rounding
[3] Adjusted to exclude restructuring charges $2m and gain from net insurance proceeds ($2m)



# Furniture, Flooring & Textile – Key Points

- Q1 organic sales were down 9%:
  - Volume decreased 5% from continued weakness in residential end market demand
  - Raw material-related selling price decreases reduced sales 4%
- Sales trends:

| | Q1 Organic Sales | Q1 Volume[1] |
|---|---|---|
| Home Furniture | (10%) | (9%) |
| Work Furniture | (1%) | (3%) |
| Flooring | (13%) | (7%) |
| Textiles | (9%) | (4)% |

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

- Q1 adjusted EBIT decreased primarily from lower volume

# Contact Us for Additional Information

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Webcast replay and Company Fact Book are available at www.leggett.com

# Non-GAAP Adjustments

| $'s in millions (except EPS) | Q1-24 | Q1-23 |
|---|---|---|
| Non-GAAP Adjustments ($'s)[1,2] | | |
| Restructuring, restructuring-related and impairment charges [3] | 11 | — |
| Gain on sale of real estate[4] | (8) | — |
| Gain from net insurance proceeds from tornado damage[4] | (2) | — |
| **Non-GAAP adjustments (pre-tax $'s)** | 1 | — |
| Income tax impact | 0 | — |
| Non-GAAP adjustments (after tax $'s) | 0 | — |
| Diluted shares outstanding | 137.3 | |
| **EPS impact of non-GAAP adjustments** | $.00 | — |

[1] For additional non-GAAP reconciliation information, see page 8 of the press release
[2] Calculations impacted by rounding
[3] Restructuring charges affected the following line items on the income statement: Q1-24 – COGS ($2), G&A ($1), Other Income (expense) ($8)
[4] Gains affected the Other Income (expense) line on the income statement: Q1-24 $10