



First Quarter Summary Financial Information

May 2, 2022



Forward-Looking Statements

Statements in this presentation that are not historical in nature are “forward-looking.” These statements include future EPS, sales, volume, inflationary impact from raw material price increases, currency benefits, acquisition and divestitures impacts, higher volume, depreciation and amortization, net interest expense, tax rate, diluted shares outstanding, operating cash, capital expenditures, amount of dividends, implied EBIT margin, and share repurchases. 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, the adverse impact caused by the COVID-19 pandemic, including demand for our products, our manufacturing facilities’ ability to remain open and fully operational, inability to collect receivables, goodwill and long-lived asset impairment, inability to issue commercial paper or borrow under the credit facility; 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

- Record Q1 sales¹ of \$1.32 billion, a 15% increase vs. Q1-21
 - Volume was down 4%
 - Raw material-related price increases added 18%
 - Currency impact decreased sales 1%
 - Acquisitions, net of divestitures, added 2% to sales
- Record Q1 EBIT of \$138 million, up \$10 million vs. Q1-21 EBIT
- EBIT margin 10.4%, down 70 bps vs. Q1-21 EBIT margin of 11.1%
- Record Q1 EPS of \$.66, up \$.02 vs. Q1-21 EPS of \$.64
- 2022 guidance unchanged
 - Sales: \$5.3–\$5.6 billion
 - EPS: \$2.70–\$3.00

¹ Sales from continuing operations

3

Q1 2022 Financial Highlights

<u>\$'s in millions (except EPS)</u>	<u>Q1-22</u>	<u>Q1-21</u>	<u>Change</u>
Sales	\$1,322	\$1,151	15%
EBIT	138	128	8%
EBIT Margin	10.4%	11.1%	(70 bps)
EPS	.66	.64	3%
Cash from Operations	\$39	\$(11)	468%
EBITDA	183	174	5%
EBITDA margin	13.9%	15.1%	(120 bps)

4

Q1 2022 Sales & EBIT Bridge

Sales:	<u>mIn \$'s</u>	<u>% change</u>
1 st Qtr 2021	\$1,151	
Approx volume decrease	(42)	(4%)
Approx raw material-related pricing and currency impact	196	17%
Organic Sales	1,305	13%
Acquisitions, net of divestitures	17	2%
1 st Qtr 2022	\$1,322	15%
 EBIT:		<u>margin</u>
1 st Qtr 2021	\$128	11.1%
Primarily higher metal margin and pricing discipline partially offset by lower volume primarily in Bedding, higher costs in Automotive, and production inefficiencies in a North American Automotive facility	10	
1 st Qtr 2022	\$138	10.4%

5

Q1 2022 Earnings

\$'s in millions	<u>Q1-22</u>	<u>Q1-21</u>	<u>Change</u>
EBIT	\$138	\$128	8%
Net interest	20	18	
Pre-tax earnings	118	109	8%
Income taxes	28	22	
<i>Tax rate</i>	23.5%	19.9%	
Net earnings	90	88	3%
Noncontrolling interests	—	—	
Net earnings attributable to L&P	90	88	3%
EPS	.66	.64	3%

6

Adjusted Working Capital

	3/31	12/31	3/31
\$'s in millions	<u>2022</u>	<u>2021</u>	<u>2021</u>
Cash & equivalents	\$327	\$362	\$334
Accounts receivable, net	705	652	603
Inventories, net	1,046	993	802
Other current assets	<u>60</u>	<u>59</u>	<u>51</u>
Total current assets	<u>2,138</u>	<u>2,065</u>	<u>1,789</u>
Current debt maturities	(301)	(301)	(51)
Current operating lease liabilities	(46)	(45)	(43)
Accounts payable	(622)	(614)	(536)
Accrued and other current liabilities	<u>(382)</u>	<u>(377)</u>	<u>(366)</u>
Total current liabilities	<u>(1,351)</u>	<u>(1,336)</u>	<u>(996)</u>
Working capital	787	730	793
% of annualized sales ¹	14.9%	13.7%	17.2%
W/C, excl. cash & current debt/lease	807	713	553
% of annualized sales ¹	15.2%	13.4%	12.0%

¹ Annualized sales: 1Q22: \$1,322x4=\$5,288; 4Q21: \$1,333x4=\$5,332; 1Q21: \$1,151x4=\$4,604

7

Net Debt to Adjusted EBITDA

	3/31	12/31	3/31
\$'s in millions	<u>2022</u>	<u>2021</u>	<u>2021</u>
Long-term debt	\$1,803	\$1,790	\$1,953
Current maturities	<u>301</u>	<u>301</u>	<u>51</u>
Total debt	2,104	2,090	2,004
Less: Cash & equivalents	<u>(327)</u>	<u>(362)</u>	<u>(334)</u>
Net debt	1,777	1,729	1,670
EBIT, trailing 12 months	606	596	457
Depreciation & amortization	<u>187</u>	<u>187</u>	<u>188</u>
EBITDA	793	783	645
Non-GAAP adjustments (pretax)	<u>(28)</u>	<u>(28)</u>	<u>33</u>
Adjusted EBITDA, trailing 12 months	765	755	678
Net debt to 12-month adjusted EBITDA ¹	2.32x	2.29x	2.46x

¹ Calculated differently than the Company's credit facility covenant ratio
For additional non-GAAP reconciliation information, see page 7 of the press release

8

Cash Flow

\$'s in millions	1 st Qtr	
	2022	2021
Net earnings	\$90	\$88
D&A	46	46
Impairment, write-offs & other	4	—
Other non-cash	13	9
Changes in working capital:		
Accounts receivable	(58)	(35)
Inventory	(58)	(107)
Other current assets	(1)	3
Accounts payable	11	(13)
Other current liabilities	<u>(8)</u>	<u>(1)</u>
Cash from operations	39	(11)
Capital expenditures	19	24
Acquisitions	—	27
Dividends	56	53
Share repurchases (issuances), net	22	7
Proceeds from asset sales	2	—
Additions (repayments) of debt, net	21	109

9

2022 Guidance Unchanged

- Sales of \$5.3–\$5.6 billion; up 4%–10% versus 2021
 - Volume growth expected to be roughly flat, with:
 - Flat to down mid-single digits in Bedding Products Segment
 - Up mid- to high-single digits in Specialized Products Segment
 - Roughly flat in Furniture, Flooring & Textile Products Segment
 - Continued inflationary impact primarily from raw material-related price increases, including those implemented as we moved through 2021
 - Acquisitions completed in 2021, net of divestitures, expected to add 1% to sales

- EPS of \$2.70–\$3.00
 - Mid-point reflects higher volume, particularly in Automotive, and metal margin expansion in our Steel Rod business, partially offset by increased transportation and labor costs and reduced overhead absorption as we continue to balance inventory levels

- Implied EBIT margin of 10.5%–11.0%

10

2022 Guidance (continued)

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

Slide intentionally blank

Segments

Q1 2022 Segment Summary

	<u>Q1-22 Organic Sales Growth</u> ^{1, 2}	<u>Q1-22 EBIT Margin</u>	<u>Δ vs Q1-21 EBIT Margin</u>	<u>Q1-22 EBITDA Margin</u>	<u>Δ vs Q1-21 EBITDA Margin</u>
Bedding Products	16%	11.9%	— bps	16.0%	-80 bps
Specialized Products	2%	7.7%	-600 bps	11.8%	-620 bps
Furniture, Flooring & Textile Products	17%	10.2%	+230bps	11.6%	+200 bps
Total Consolidated	13%	10.4%	-70 bps	13.9%	-120 bps

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

² See slides 15, 17, and 19 for non-GAAP reconciliations

Bedding Products

Trade Sales:	<u>mln \$'s</u>	<u>% change</u>
1 st Qtr 2021	\$536	
Organic Sales ¹	88	16%
Acquisitions, net of divestitures	15	3%
1 st Qtr 2022	\$639	19%

¹ Raw material-related price increases 26% partially offset by lower volume (9%) and currency (1%)

mln \$'s	<u>EBIT</u>	<u>EBIT margin</u>	<u>D&A</u>	<u>EBITDA</u>	<u>EBITDA margin</u>
1 st Qtr 2021	\$64	11.9%	\$26	\$90	16.8%
Change	<u>12</u>		<u>—</u>	<u>12</u>	
1 st Qtr 2022	\$76	11.9%	\$26	\$102	16.0%

15

Bedding – Key Points

- Q1 organic sales were up 16%:
 - Volume decreased 9%, primarily due to demand softness in U.S. and European bedding markets
 - Raw material-related selling price increases added 26%
 - Currency impact decreased sales 1%
- The Kayfoam acquisition, net of divestitures of small operations in Drawn Wire and International Bedding, increased sales 3%
- Sales trends by business unit:

	<u>Q1 Organic Sales</u>	<u>Q1 Volume¹</u>
Steel Rod	73%	16%
Drawn Wire	100%	36%
U.S. Spring	15%	(13%)
Specialty Foam	(3%)	(20%)
Adjustable Bed	23%	1%
International Bedding	(5%)	(14%)

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

- Q1 EBIT increased primarily from higher metal margin, partially offset by lower volume and lower absorption as production and inventory levels were adjusted to meet reduced demand

16

Specialized Products

Trade Sales:	<u>mln \$'s</u>	<u>% change</u>
1 st Qtr 2021	\$258	
Organic Sales ¹	6	2%
Acquisitions	—	—%
1 st Qtr 2022	\$264	2%

¹ Higher volume 3% and raw material-related selling price increases 1% partially offset by currency (2%)

<u>mln \$'s</u>	<u>EBIT</u>	<u>EBIT margin</u>	<u>D&A</u>	<u>EBITDA</u>	<u>EBITDA margin</u>
1 st Qtr 2021	\$35	13.7%	\$11	\$46	18.0%
Change	<u>(15)</u>		<u>—</u>	<u>(15)</u>	
1 st Qtr 2022	\$20	7.7%	\$11	\$31	11.8%

17

Specialized – Key Points

- Q1 organic sales were up 2%:
 - Volume was up 3% from growth in Aerospace and Hydraulic Cylinders, partially offset by slightly lower sales in Automotive due to multiple supply chain constraints impacting global production
 - Raw material-related selling price increases added 1%
 - Currency impact decreased sales 2%

- Sales trends by business unit:

	<u>Q1</u>	<u>Q1</u>
	<u>Organic Sales</u>	<u>Volume¹</u>
Automotive	(2%)	(1%)
Aerospace	21%	25%
Hydraulic Cylinders	19%	7%

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

- Q1 EBIT decreased primarily from higher raw material and transportation costs in Automotive generally, and production inefficiencies and related premium freight costs in a North American Automotive facility

18

Furniture, Flooring & Textile Products

Trade Sales:	<u>mIn \$'s</u>	<u>% change</u>
1 st Qtr 2021	\$357	
Organic Sales ¹	61	17%
Acquisitions	1	—%
1 st Qtr 2022	\$419	17%

¹ Raw material-related price increases 17%

mIn \$'s	<u>EBIT</u>	<u>EBIT margin</u>	<u>D&A</u>	<u>EBITDA</u>	<u>EBITDA margin</u>
1 st Qtr 2021	\$28	7.9%	\$6	\$34	9.6%
Change	<u>15</u>		<u>—</u>	<u>15</u>	
1 st Qtr 2022	\$43	10.2%	\$6	\$49	11.6%

19

Furniture, Flooring & Textile – Key Points

- Q1 organic sales were up 17%:
 - Volume was flat, with growth in Work Furniture offset by declines in Flooring, Textiles, and Home Furniture
 - Raw material-related selling price increases added 17%

- Sales trends by business unit:

	<u>Q1 Organic Sales</u>	<u>Q1 Volume¹</u>
Home Furniture	19%	(1%)
Work Furniture	29%	20%
Flooring	5%	(14%)
Textiles	12%	(3%)

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

- Q1 EBIT increased primarily from pricing discipline

20

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 at www.leggett.com

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