

Investor Day

September 14, 2016



LEG (NYSE)
www.leggett.com

Leggett & Platt
INCORPORATED

Meeting Agenda

8:30: Welcome/Intro – Susan McCoy, VP IR

8:35: TSR Framework – Karl Glassman, CEO

9:00: Automotive – Mitch Dolloff, Sr VP, Specialized Products

9:30: Bedding – Eric Rhea, VP, Bedding Group

10:00: Break

10:15: Adjustable Bed – Jay Thompson, VP, Adjustable Bed

10:45: Home Furniture – Perry Davis, Sr VP, Residential Furnishings

11:15: 3-year Targets and Capital Structure – Matt Flanigan, CFO

11:30: Q&A

Noon: Conclude formal meeting & webcast

Other Leggett & Platt Participants:

Jack Crusa – Sr VP, Industrial Materials

Dennis Park – Sr VP, Commercial Products

Dave DeSonier – Sr VP, Strategy & Investor Relations

Russell Iorio – Sr VP, Corporate Development

Forward Looking Statements

Statements in this presentation that are not historical in nature are “forward-looking.” These statements about targets, plans, goals, objectives, strategies, and future stock price involve uncertainties and risks, including changes in demand for the company’s products, cost and availability of raw materials and labor, price and product competition from foreign and domestic competitors, the company’s ability to improve operations and realize cost savings, general economic conditions, fuel and energy costs, foreign currency fluctuation, litigation risks, and other factors described in the company’s Form 10-K. Any forward-looking statement reflects only the company’s beliefs when the statement is made. Actual results could differ materially from expectations, and the company undertakes no duty to update these statements.

Market and Industry Data

Unless we indicate otherwise, we base the information concerning our markets on our general knowledge of those markets, on data from various industry sources, on our internal research, and on assumptions that we believe to be reasonable. We have not independently verified data from outside sources and cannot guarantee its accuracy or completeness.

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FOR ADDITIONAL INFORMATION

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Find our Fact Book at www.leggett.com.

Susan McCoy
Dave DeSonier

VP, Investor Relations
Sr VP, Corporate Strategy & IR

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TSR Framework

Karl Glassman President & CEO



Karl Glassman – President, Chief Executive Officer

Karl Glassman, 57, joined Leggett & Platt in 1982 in Bedding Group sales and served in various positions of increasing responsibility within the Bedding Group over the following 17 years. Karl was appointed Senior Vice President and President of the Residential Furnishings Segment in 1999, Executive Vice President in 2002, Chief Operating Officer in 2006, President in 2013, and Chief Executive Officer in 2016.

Karl holds a degree in business management and finance from California State University – Long Beach. Prior to Leggett, he worked for Federal Express and DeLamar Bed Spring. Karl also serves on the Board of Directors of the National Association of Manufacturers.

Overview

1. Principal Financial Goal is TSR in top third of S&P 500
2. Growth Targets Revised Moderately Higher
3. Maintaining Vigilant Capital Discipline
 - ❑ Enhancing processes to support consistent, disciplined long-term **profitable growth**; organic + acquisition
 - ❑ Maintaining **balance sheet strength**
 - ❑ **Dividend growth** remains a top priority
 - ❑ **Excess cash** used for **stock buybacks**

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Strategic Shift Outlined in 2007

What We Said:

Goal = TSR in top third of S&P 500

Sources: **Growth**, **Margin Improvement**,
Dividend Yield, and **Share Buybacks**

3 STEPS:

1. **FOCUS** by divesting low performing businesses
2. **IMPROVE** margins & returns on assets we keep
3. **GROW** revenue, long-term, at 4-5% annually

- ❑ Successfully executed **“Focus”** and **“Improve”**
- ❑ Now turning more attention to **Growth**

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TSR in Top Third of S&P 500

Sources of TSR: Growth, Margin Improvement, Dividend Yield, and Share Buybacks

$$\text{Total Shareholder Return} = (\Delta \text{ Stock Price} + \text{Dividends}) / \text{Initial Price}$$

Revenue Growth Target: 6-9% annually

Margin Improvement: Growth in attractive markets, product development, cost savings, efficiency impr.

Dividend Payout Target: 50-60% of earnings

Excess Cash Use: Stock Buyback

Moderately higher revenue growth required with less margin improvement opportunity

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TSR Performance

	07-16 Target	3-year CAGR				Revised Target
		11-14	12-15	13-16 ²	16-19 Est ⁴	
Revenue Change	4-5	5	5	4	7	6-9
<i>ex divest/deflation/currency</i>		5	7	8		
Margin Change	2-3	6	11	10	2	1
Change in Multiple	--	12	(2)	4	--	--
Dividend Yield	3-4	4	4	3	3	3
Stock Buyback	2-4	1	2	1	1	1
Annual TSR	12-15	28	20	22	13	11-14
% Rank in S&P 500 ¹		25%	31%	6% ³		

¹ 1% is best.

² TSR estimate based on mid-point of 2016 guidance and assumes a \$52 year-end share price.

³ Relative TSR performance through August 2016.

⁴ Estimated 3-year TSR based on approximate 2019 operating targets.

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Growth Framework

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

**Enhancing framework for consistent, disciplined
long-term profitable growth**

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1. Recent Growth Sources

- ❑ Unit volume growth in recent years supported by recovering market demand + **Other Sources**
 - Organic unit volume **+6% in 2014/2015**; guiding **+4-5% in 2016**
- ❑ **Other Sources** of growth should continue:
 - Content gains in Automotive & Bedding businesses
 - Adjustable Bed market growth
 - Powered motion growth in Home Furniture
- ❑ Program awards, customer focus, consumer preference trends provide good visibility for next 2-3+ years
- ❑ Acquisitions should also contribute to growth
 - Averaged ~3% acquisition growth over past 3 years

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2. Growth Identification Process

- ❑ Implementing **Growth Toolkit** to generate profitable growth initiatives in current markets
- ❑ Toolkit framework:
 1. Understand where we are starting and define potentially attractive spaces for growth
 2. Identify specific opportunities for profitable growth within spaces of interest
 3. Prioritize opportunities based on value creation
 4. Determine action plans
- ❑ Initiatives should be **Organic & Acquisition**

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3. Styles of Competition

- ❑ Defines and measures **“fit”** based on fundamentals of where and how we currently compete
- ❑ Lens used to identify, screen, and pursue opportunities across **more diverse spaces**
- ❑ Guides growth identification process in current markets
- ❑ Leggett’s predominant style is **Critical Components**
 - ~60% of sales; typically higher margins/returns
 - Majority of recent sales growth

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Critical Components Style Defined

		Dimension	Characteristic
Where we compete	Product / service / Solution	1. Role in value chain	Translate RM or components into critical component
		2. Functional role	Functionally essential to end product
		3. % of finished COGS	<25% of finished COGS
	Industry Structure	4. Customer set	Concentrated in few large customers
		5. Competitive set	Small private companies w/ single focus
	Econ-omics	6. Gross margin	Earns attractive returns at ~20-30% GM
		7. Asset intensity	Light manufacturing ~2x asset turns
How we compete		8. Deep customer engagements	Deep understanding of customer design, production pain points, long-term relationships
		9. Collaborative design	Co-design products/components for better functionality and lower total cost
		10. Flexible mfg	Long-run SKUs that can be adjusted to deliver custom specs w/minimal additional capital
		11. Continuous cost improvement	Continuous cost improvement throughout life of long run-length SKU

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Acquisition Criteria Unchanged

- ❑ Strategy: clear strategic rationale; sustainable competitive advantage; strong “fit” with L&P
- ❑ Financials: TSR accretive; IRR > 10%
- ❑ **New Platforms**: revenue > \$50m; strong management; subsequent growth opportunity
 - Mkt size > \$250m; growing > GDP; industry EBIT margin approximates Leggett’s average
- ❑ **Add-on** businesses: revenue > \$15m; significant synergy; strategic fit in an existing BU

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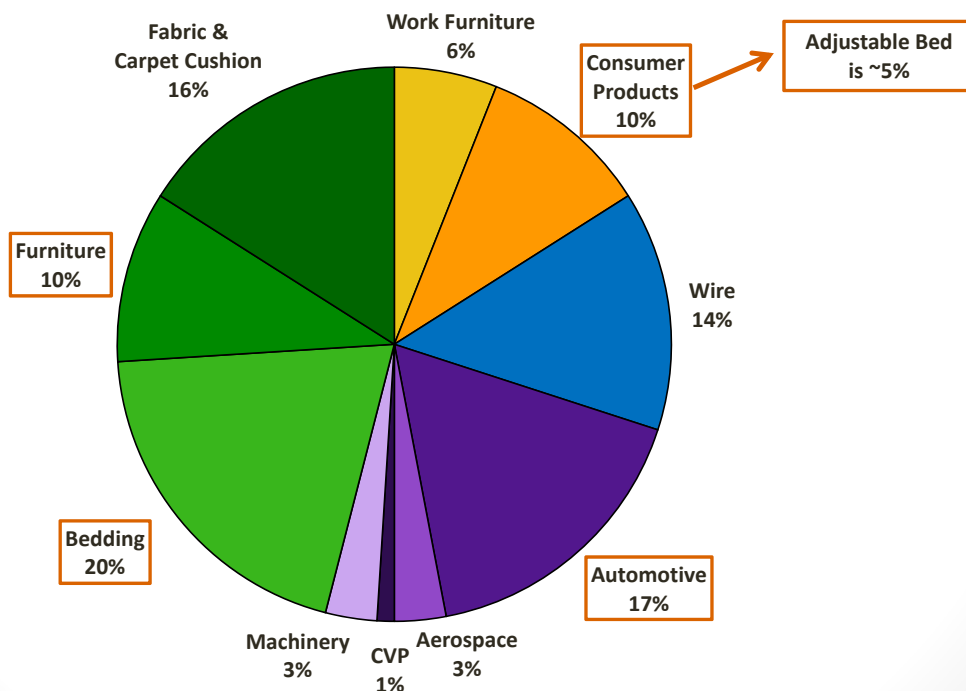
Resources, Comp, and Tracking

- ❑ Dedicate resources to opportunity identification and analysis; fill gaps in growth skill sets
- ❑ Align compensation with profitable growth
- ❑ Track progress & ensure accountability for value creation

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Operations Presenting Today

- ❑ 4 operations represent ~52% of 2016 est. total sales



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Automotive

Mitch Dolloff

Sr VP-Specialized Products



Mitch Dolloff – Senior Vice President, Specialized Products Segment

Mitch Dolloff, 50, joined the company in 2000 in the Mergers & Acquisitions Department and then served as President of the Tubular Products Division from 2001 to 2007. In 2007, he assumed the role of Director of Business Development for the Specialized Products Segment. Mitch was appointed President of the Automotive Asia Division in 2011, President of the Automotive Group in 2014, and Senior Vice President and President of the Specialized Products Segment in 2016.

Mitch holds both a law degree and an MBA from Vanderbilt University. His prior work experience included several years in mergers & acquisitions and securities at the law firm of Gibson, Dunn & Crutcher LLP in New York.

What We Do in Automotive

Comfort Systems Lumbar & Seat Suspension

- Mechanical and pneumatic lumbar and massage systems



- Wire forms used in seat cushions and backs



Cables

- Cables used for hood and trunk release, door latch, seats, etc.



Motors & Actuators

- Motors & actuators used in powered seats, doors, lift gates, etc.

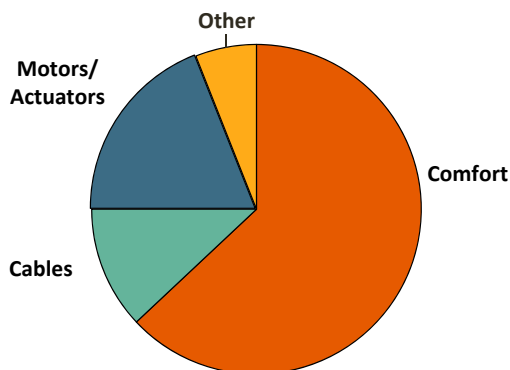


Global sales of ~\$700 million
resides in Specialized Products Segment

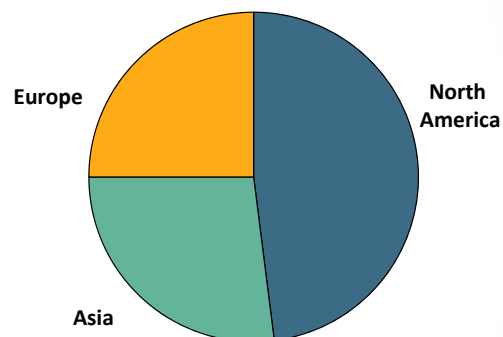
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L&P Automotive Sales Mix

Product Segment (\$'s)



Market Exposure
\$'s where consumed



- Lumbar systems are currently our largest product category
- Significant growth potential in motors, actuators, and cables
- Global manufacturing footprint
- Customers are global auto OEMs and Tier 1 suppliers

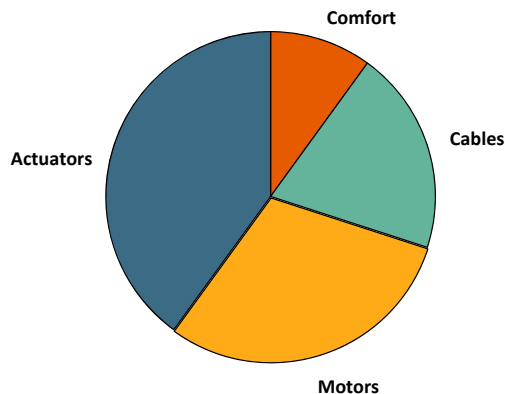
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Global Market Overview

Comfort (lumbar, suspension) + Motors/Actuators + Cables

- Addressable market: ~\$10 billion
- CAGR: ~4%; ~5% comfort/motors/actuators; ~2% cables; comfort/power content growth outpacing vehicle production
- Trends: Seat as differentiator; more content in less space; more global programs; more OEM directed business

Market Segments (\$'s)



Market segments have similar margins

Competitors:

- Comfort – several
- Cables – many, fragmented
- Motors – many; tech. vs cost
- Actuators – many; make vs buy

L&P Advantage:

- Technical prowess
- Customization – OEM/Tier 1 engagement
- Development & launch capability
- Global reach

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Sustaining Growth

- Growth should exceed global market by **~1000 bps** for foreseeable future; excellent visibility
- Target > \$200 million in annual new program awards; partially offset by programs that are ending
- Continue to broaden addressable market

Primary growth sources (organic):

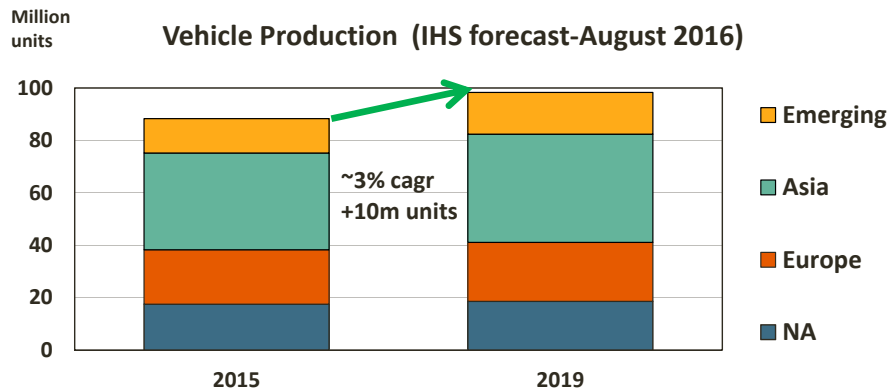
1. More vehicle production
2. Increased content
3. Market share gains

- Potential additional growth from strategic acquisitions

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1. More Vehicle Production

- ❑ ~3% global vehicle production growth forecasted through 2019; 10 million more vehicles produced



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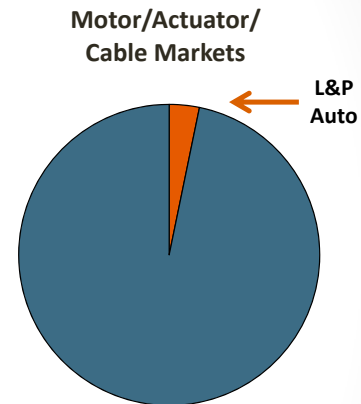
2. Increased Content

- ❑ Lumbar growth into more seats
 - Currently in only 35% of driver's seats globally; 15% of front passenger seats; higher in North America and Europe
- ❑ Upgrade features
 - 2-way manual to 2-way power to 4-way power to massage
- ❑ More powered features drives motor/actuator growth
 - Power lift gate; 2nd/3rd row seat fold; seat height, tilt and recline; headrest adjust; door handle presenter

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3. Market Share Gains

- ❑ Main opportunity is in motors, actuators, and cables
- ❑ Relatively small player in very large, fragmented markets
- ❑ Compete on engineering/customization; moderate capital intensity



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Strategic Acquisitions

- ❑ Monitor acquisition targets that enhance technology or capability
- ❑ Highly selective – not interested in commodity automotive products
- ❑ Significant opportunity for synergies

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What Keeps Me Up At Night?

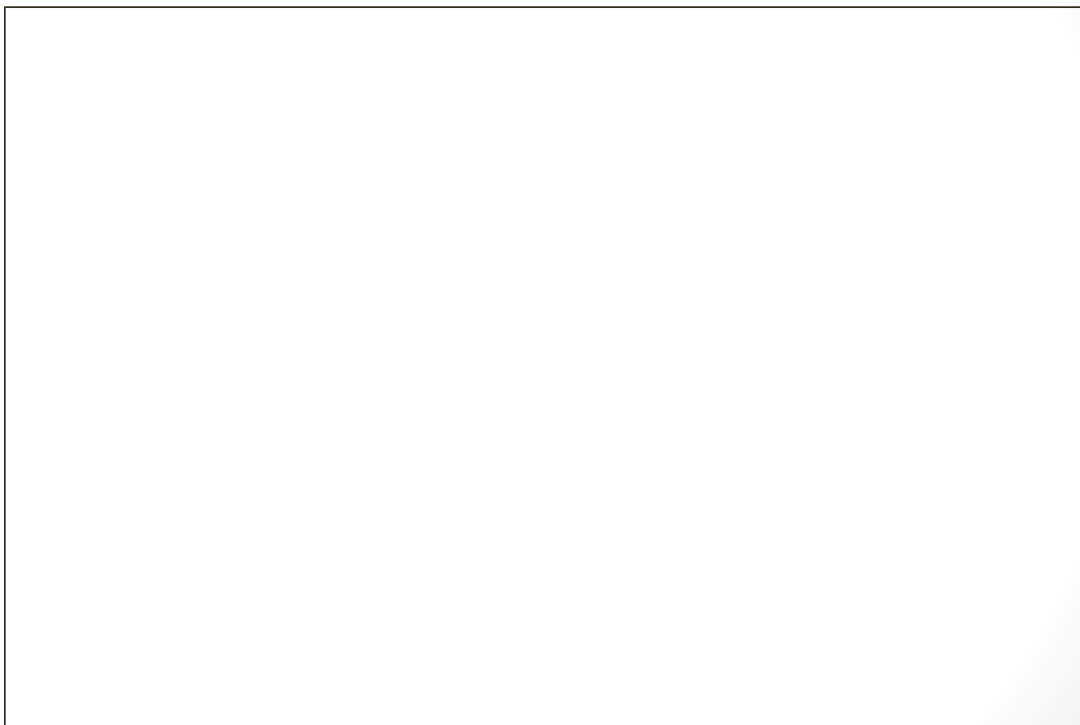
1. Adding/developing talent to support global growth
2. Continuing to push technology advancement
3. Navigating path between OEMs and Tier 1s

Key Take-Aways:

- ❑ Large addressable market; lots of room to grow
- ❑ Compete on differentiation rather than price
- ❑ Growing ~1000 bps above market and expect to continue
- ❑ Proven growth strategy; organic + strategic acquisitions

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Notes:



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Global Bedding

Eric Rhea

VP-Bedding



Eric Rhea – Vice President, Bedding Group

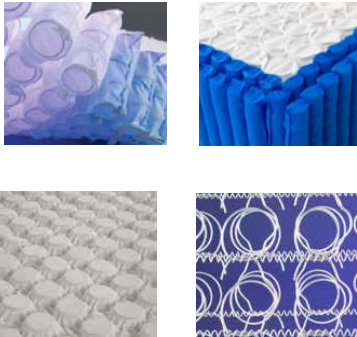
Eric Rhea, 51, joined Leggett & Platt in 1988 and served in various capacities in operations and product development within the company's Bedding Group. He managed Leggett's largest bedding facility from 1999 to 2004, and served as President of the Bedding Group's Central Division from 2004 to 2012. Eric was appointed President of the Bedding Group in 2012.

Eric holds both an MBA and an industrial management degree from Missouri State University, and a design degree from Missouri Southern State University.

What We Do in Bedding

Mattress Innersprings

- Comfort Core and open coil innersprings used in mattresses



Boxsprings

- Wire forms used in boxsprings/ foundations

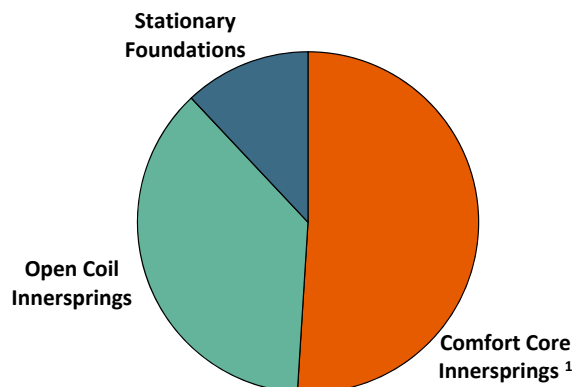


Global sales of ~\$900 million
resides in Residential Furnishings Segment

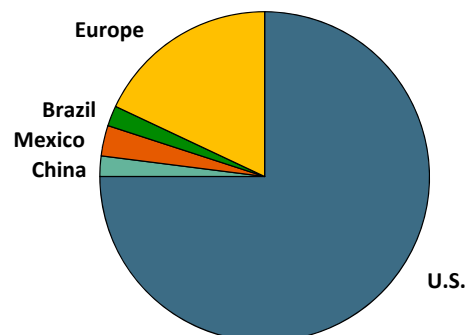
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L&P Global Bedding Sales Mix

Product Segment \$'s



Geographic Split \$'s



- AUSP in Comfort Core > open coil > stationary foundations
- Three-quarters of Bedding Group sales are in U.S.
- Customers are producers of finished mattresses and flat foundations

¹ Comfort Core is currently ~35% of units in U.S.; ~75% of units in Europe.

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U.S. Market Overview

All Mattress Cores + Stationary Foundations

- ❑ Total market: ~\$2.4 billion
 - We currently participate in roughly half of the market
- ❑ CAGR: ~5% (2016-2019)
- ❑ Trends: Growth of hybrid; R&D focus at higher AUSP; expanding e-commerce offering into innerspring

Competitors:

- Specialty (foam and air)
- Maker-users
- Imports & small domestic co's
- Wood foundation producers

L&P Advantage:

- Cost, scale, vertical integration
- R&D, machinery support
- Breadth of product offering
- Distribution model

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Growth Drivers

- ❑ Content opportunities support meaningful growth potential for next 2-3 years
- ❑ Working to improve longer-term visibility

Primary growth sources:

1. Increased content
2. Product R&D
3. Market growth

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1. Increased Content

- ❑ Content per mattress is growing in both U.S. and Europe
- ❑ Comfort Core innersprings replacing open coil innersprings in mattress support layers @ ~2x selling price
 - Currently ~35% of our U.S. innerspring **units** are Comfort Core; ~75% in Europe
- ❑ Perimeter springs (Quantum Edge) replacing foam encasement
 - Adds ~30% more LEG content per mattress
- ❑ Micro springs replacing portion of foam/latex in premium mattress comfort layers
 - Adds ~50% more LEG content per mattress

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2. Product R&D

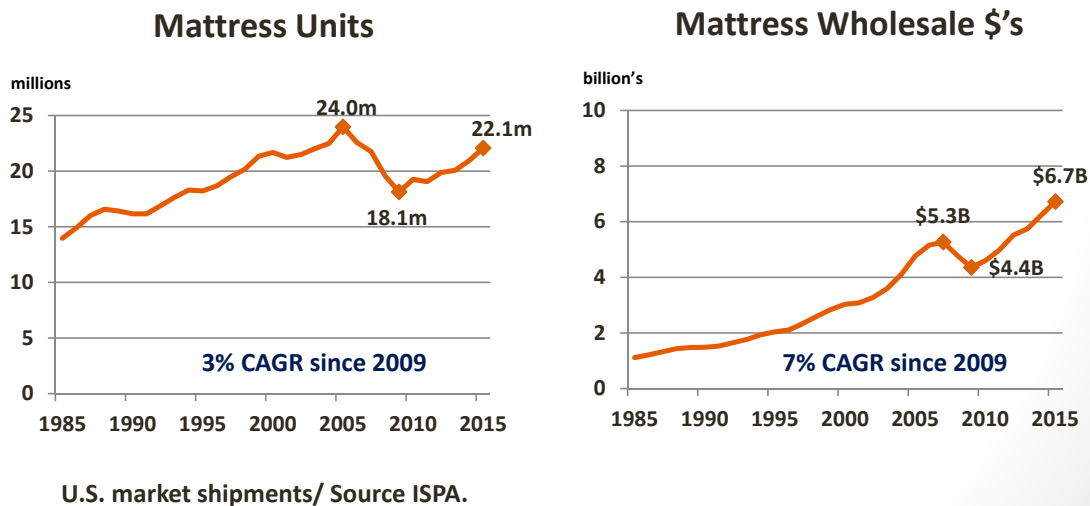
- ❑ Critical part of our historical success
 - We typically lead R&D process; often work in collaboration with customers but also develop new concepts on our own
 - Provide customers greater flexibility and speed to market; enabling them to focus on branding and assembly
 - Machinery capability is unique advantage; supports product R&D
- ❑ Creating structure to focus on longer-term development projects; bring more focus to the 3-5 year time frame
 - Adjustable comfort: variable support, heat/cool
 - Opportunities in e-commerce
- ❑ Sleep Geek website is one of the tools we use
 - Provides visibility into retail/consumer issues/trends; helps guide development priorities



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3. Market Growth

- ❑ U.S. mattress industry unit volume below historical peak
- ❑ AUSP growth supports higher value components



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What Keeps Me Up At Night?

1. Maintaining and growing market share
2. Expanding market definition to provide additional opportunities for long-term growth

Key Take-Aways:

- ❑ Content gains remain a significant growth opportunity
- ❑ Expanding our addressable market
- ❑ Sustainable competitive advantage supported by R&D

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Notes:



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Adjustable Bed

Jay Thompson

VP-Adjustable Bed



Jay Thompson – Vice President, Adjustable Bed Group

Jay Thompson, 44, joined Leggett & Platt in 2003 as an attorney in the company's Legal Department. Jay then served as Staff Vice President of operations within the Fixture & Display Group from 2005 to 2007. In 2007, he assumed the role of Director of Business Development for the Commercial Products Segment. Jay was appointed President of the Adjustable Bed Group in 2011.

Jay earned a degree in economics from the University of Missouri and a law degree from the University of Pennsylvania. Prior to joining Leggett, he practiced law, with a concentration in real estate, for the law firm Winstead Sechrest & Minick P.C., and served as inside counsel for Centex Development Company, both in Dallas, TX.

What We Do in Adjustable Bed

Adjustable Bed Finished Product



**Total group sales >\$200 million
resides in Commercial Products Segment**

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Market Overview

Motorized Adjustable Bed Bases sold in U.S. and Canada

- ❑ Addressable market: ~\$800 million (at producer level)
- ❑ CAGR: ~15% (2016-2019)
- ❑ Trends: growth at lower AUSPs; increased category emphasis at retail; renewed focus by retailers on private label and customized product
- ❑ Customers are primarily bedding specialty retailers

Competitors:

- Mattress brands, 2 types: i) internal producers; ii) purchasers of adjustable bases
- Bedding product distributors (typically importers)
- Low-cost-country manufacturers

L&P Advantage:

- Large N. American manufacturing and distribution network
- Broad, customizable product line supported by R&D
- Steady support in store and in home (post sale)

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Growth Drivers

- ❑ Attachment rate continues to grow; assisted by increasing consumer acceptance, lower A USP
- ❑ Distribution channels are changing as retailers increase private-label and customization focus

Primary growth sources:

1. Market growth
2. Evolving channels of distribution
3. Product R&D

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1. Market Growth

- ❑ Expecting **mid-teen** market growth for next few years
 - Industry units and dollars up 30+% annually since 2011
- ❑ Attachment rate should continue to increase
 - Currently in single digits; much higher w/ specialty and premium mattresses
- ❑ Industry changes that support market growth:
 - Increasing consumer awareness
 - Consumer acceptance driven by innovation in functionality and aesthetics
 - Category emphasis at retail
 - Floor placements, selling sequence, metrics
 - Products becoming more affordable to consumers
 - Scale benefits, supply chain efficiency

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2. Evolving Channels of Distribution

- ❑ Retailer focus on private-label and customized products provides growth opportunities
 - Good/Better/Best model lineup
- ❑ We are well-positioned to support national programs
 - Large North American footprint (across businesses)
 - Accommodate short lead times; forward distribution capability
 - Provide in-store support; training; after-sale consumer care
 - Reputation for high quality; strength/durability

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3. Product R&D

- ❑ Product uniqueness/ability to customize is critical source of differentiation in a cost competitive market
- ❑ Co-development capability supports our customers' desire for unique features and exclusive offerings
- ❑ Partnering with outside resources: electronics and controls experts, design firms, etc.
- ❑ R&D activity is occurring across retail price points
 - Feature enhancement at higher AUSP
 - Value engineering at lower AUSP

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What Keeps Me Up At Night?

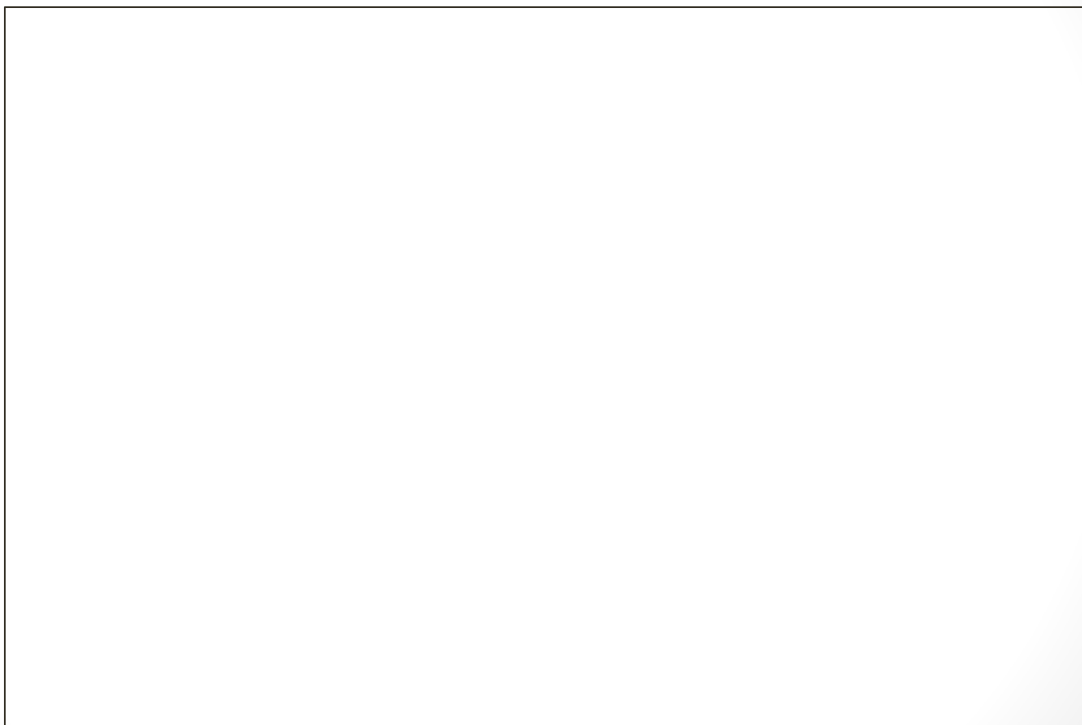
1. Staying ahead of the competition with innovation/service/cost
2. Growing the business consistently and profitably

Key Take-Aways:

- ❑ Mid-teens market growth via higher attachment rate
- ❑ Uniquely well-positioned to serve direct-to-retail model

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Notes:



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Home Furniture

Perry Davis

Sr VP-Residential Furnishings



Perry Davis –

Senior Vice President, Residential Furnishings Segment

Perry Davis, 57, joined Leggett & Platt in 1981 and served in various capacities within the company's Bedding Group. He became President of the Bedding Group's Central Division in 2000, Executive Vice President of the Bedding Group in 2004, and President of the Bedding Group in 2006. In 2012, he was appointed Senior Vice President, and President of the Residential Furnishings Segment.

Perry holds a degree in business administration from Missouri Southern State University.

What We Do in Home Furniture

Motion Components

- Motion mechanisms for reclining chairs, sofas, and sleepers



Stationary Components

- Wire forms, seating suspensions, and other components for upholstered furniture

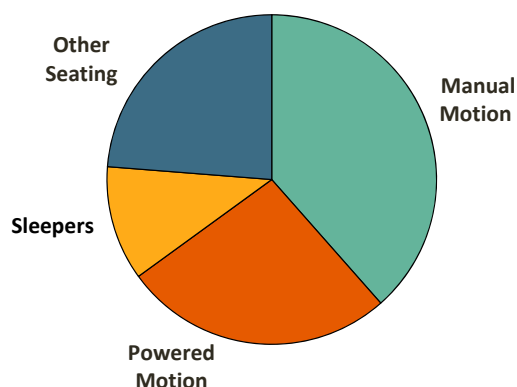


**Global sales of ~\$400 million
resides in Residential Furnishings Segment**

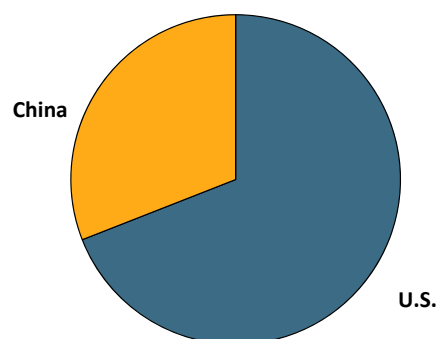
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L&P Home Furniture Sales Mix

Product Segment (\$'s)



Geographic Split
\$'s where produced



- Majority of our sales are in motion components
 - Manual motion + powered motion + sleepers = ~85% of sales
- Production footprint split between U.S. and China; design/distribution capability in Europe
- Customers are global producers of finished upholstered furniture

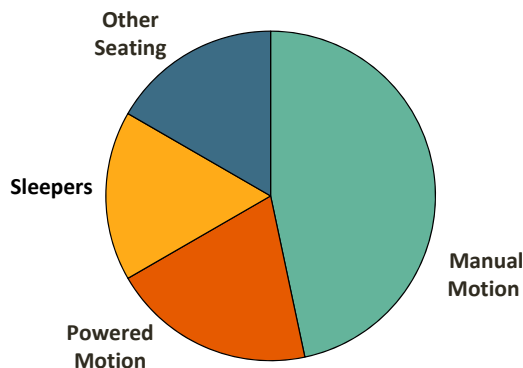
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Global Market Overview

Steel and Related Components for Upholstered Furniture

- Addressable market: ~\$1.2 billion
- CAGR: ~3% (2016-2019)
- Trends: Powered motion growth; personalized comfort; technology integration; China production

Market Segments (\$'s)



Market segments have similar margins

Competitors:

- Asian: Cenro, HHC, RMT
- Maker-users
- Small regional players

L&P Advantage:

- Product differentiation/ R&D
- Breadth of offering
- Dual-source manufacturing
- Global distribution and customer support

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Growth Drivers

- Consumer desire for adjustability and technology integration extends to upholstered furniture

Primary growth sources:

1. Category growth of powered motion
2. Product R&D to expand motion/functionality into stationary upholstered furniture
3. Increase global market share

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1. Powered Motion

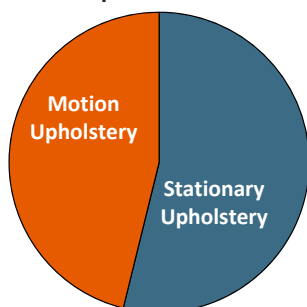
- ❑ Powered motion has been fastest growing upholstered furniture category in recent years
 - Increasingly becoming standard feature
 - Recent introductions expand powered features beyond recline to head tilt, lumbar, lift, etc
- ❑ Demand increasing in non-residential environments
 - Used in theatre seating to allow customer adjustability
- ❑ Opportunity to expand our content in the category
 - Smart technology; LP Sense, memory
 - Integrated motor and mechanism packages

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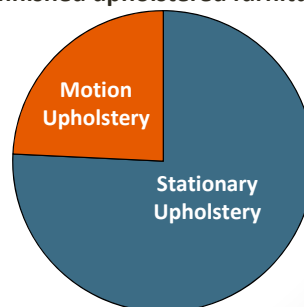
2. Product R&D

- ❑ Support current business with product innovation
 - 56% of our recliner mechanism sales in 2015 were from patented product (vs ~20% in 2011)
- ❑ Further expand motion/functionality into large stationary upholstered furniture market
 - Approximately half of U.S. market and three-quarters of global market is stationary upholstery

U.S. market \$'s
finished upholstered furniture



Global market \$'s
finished upholstered furniture



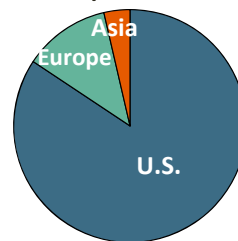
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3. Global Market Share

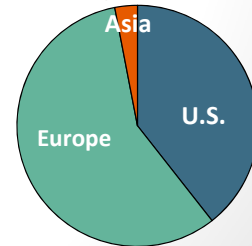
- ❑ Our footprint enables global market participation
 - Produce in U.S. and China; currently sell primarily to U.S. market
- ❑ We currently have a small share of large European market
- ❑ Our design/development scope now includes high-end, European-styled motion components
 - Allows us to meet varying design preferences
 - Opportunity to leverage with global customers
- ❑ Asian domestic market is longer-term potential



Leggett \$'s
where purchased



Market \$'s
where purchased



(Mkt where purchased by consumer) ⁶¹

What Keeps Me Up At Night?

1. Maintaining and growing market share, while preserving margins and returns
2. Balancing global production with changing commodity cost in China
3. Growth of e-commerce

Key Take-Aways:

- ❑ Powered motion category should continue to outpace industry growth; supported by consumer desire for adjustability and technology integration
- ❑ Working to expand our content in global markets

3-Year Targets and Capital Structure

Matt Flanigan
EVP & CFO

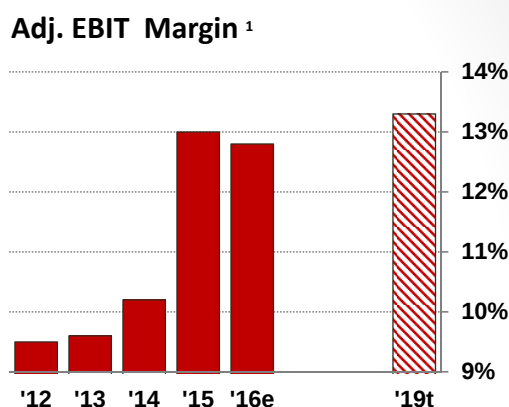
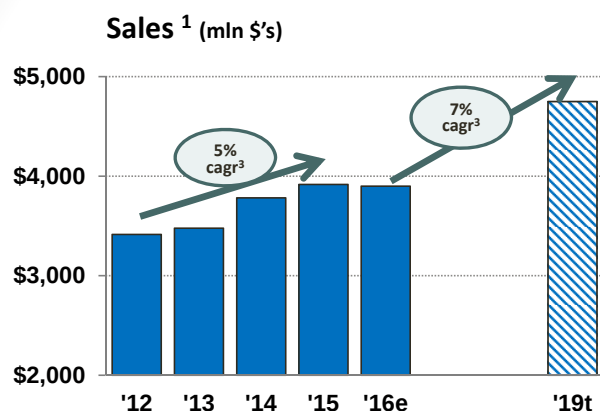


Matt Flanigan – Executive Vice President & Chief Financial Officer

Matt Flanigan, 54, joined Leggett & Platt in 1997 as Staff Vice President of Operations. He served as Vice President and President of the Office Furniture Components Group from 1999 to 2003. Matt was appointed Chief Financial Officer in 2003, Senior Vice President in 2005, and Executive Vice President in 2013.

Matt holds a degree in finance and business administration from the University of Missouri. His previous work experience includes 13 years in the banking industry at Société Générale and InterFirst Bank, both in Dallas, TX. Matt also serves as lead director of Jack Henry & Associates, Inc. (JKHY), a provider of core information processing solutions for financial institutions.

2019 Operating Targets



□ Sales growth assumptions through 2019:

- Macro environment should support reasonable strength in market demand
- Sales should continue to benefit from content gains and new program awards
- Organic sales growth should be augmented by strategic acquisitions
- No significant impact from inflation, deflation, currency, or divestitures

□ Expect EBIT margin to benefit from volume growth and sales mix

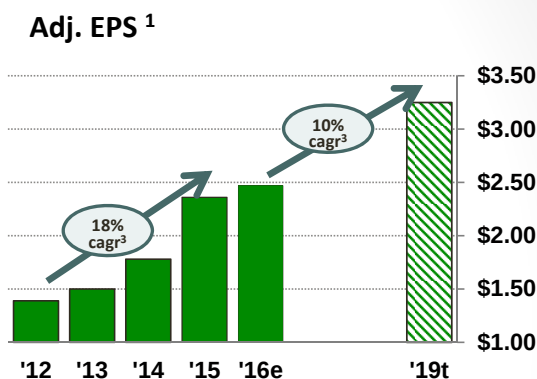
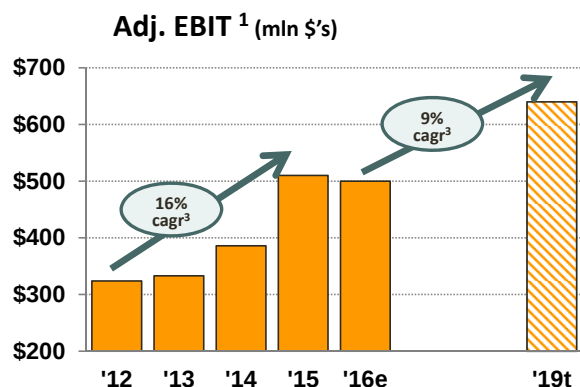
¹ Amounts are from continuing operations and exclude unusual items. See Appendix F for non-GAAP reconciliations.

² 2016 estimates based on mid-point of guidance.

³ CAGRs are 3-year.

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2019 Operating Targets



□ EBIT is based on sales and margin targets

□ EPS also assumes slight annual reduction in outstanding shares; no significant change in tax rate; slight increase in interest expense

¹ Amounts are from continuing operations and exclude unusual items. See Appendix F for non-GAAP reconciliations.

² 2016 estimates based on mid-point of guidance.

³ CAGRs are 3-year.

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TSR Performance

- Estimated 3-year TSR based on 2019 operating targets

	07-16 Target	3-year CAGR			16-19 Est	Revised Target
		11-14	12-15	13-16²		
Revenue Change <i>ex divest/deflation/currency</i>	4-5	5 5	5 7	4 8	7	6-9
Margin Change	2-3	6	11	10	2	1
Change in Multiple	--	12	(2)	4	--	--
Dividend Yield	3-4	4	4	3	3	3
Stock Buyback	<u>2-4</u>	<u>1</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>1</u>
Annual TSR	12-15	28	20	22	13	11-14
% Rank in S&P 500 ¹		25%	31%	6%³		

¹ 1% is best.

² TSR estimate based on mid-point of 2016 guidance and assumes a \$52 year-end share price.

³ Relative TSR performance through August 2016.

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Priorities for Use of Cash Unchanged

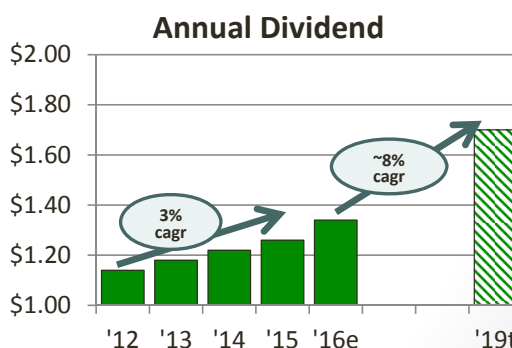
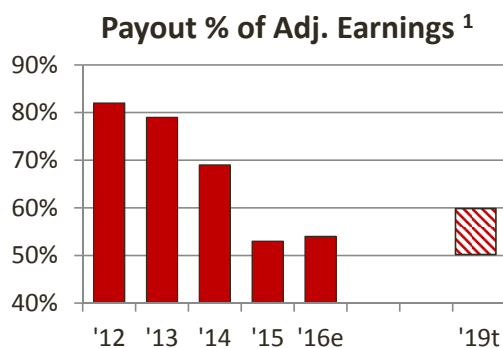
1. Fund capital expenditures
 - Support organic growth in attractive businesses
2. Increase dividends
 - **45 year history** of dividend increases
 - Member of S&P Dividend Aristocrats
3. Fund selective growth (acquisitions, new growth platforms)
4. Excess cash (if any) used to repurchase stock

**Operating Cash has exceeded Dividends &
Capital Expenditures every year for over 25 years**

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Dividend Growth

- Dividend payout target is **50-60% of earnings**
- Recent earnings growth moved dividend payout into the target range
- Expect future dividend growth more closely aligned w/ earnings growth



¹ Earnings from continuing ops; exclude unusual items. See Appendix F for non-GAAP reconciliations.

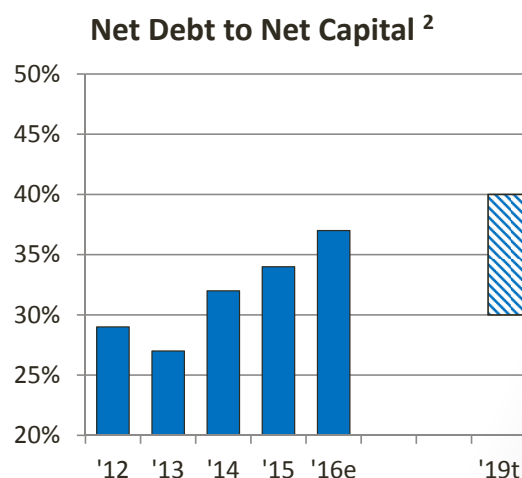
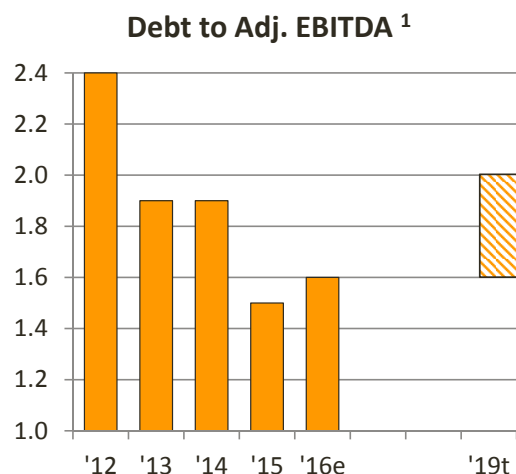
² 2016 estimates based on mid-point of guidance.

³ 2019 dividend target based on combination of EPS target and target payout range.

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Strong Balance Sheet

- Maintaining long-held priority on financial strength
- Flexibility to capture attractive investment opportunities



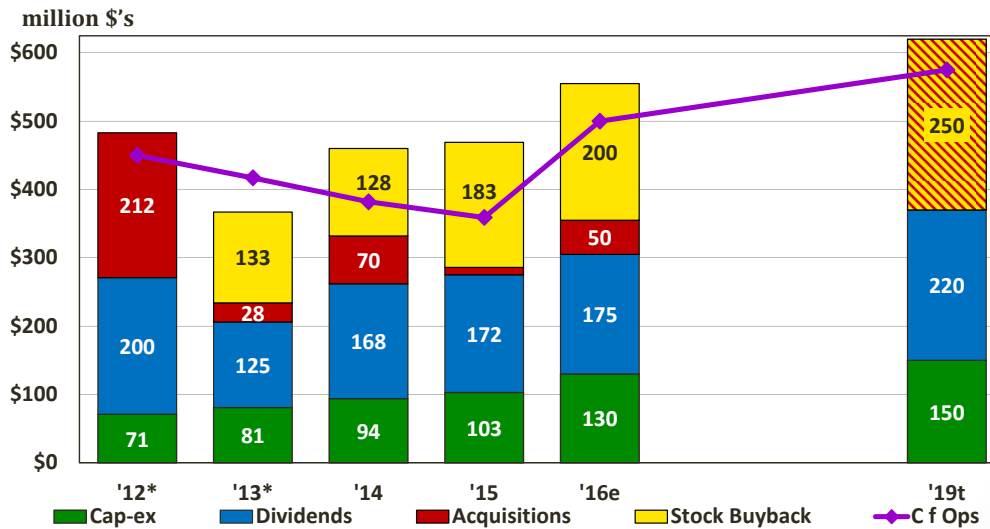
¹ EBITDA amounts are from continuing operations and exclude unusual items. See Appendix F for non-GAAP reconciliations.

² See Appendix F for calculation of Net Debt to Net Capital.

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Operating Cash & Uses

- Continued strong cash from operations
- Cash use consistent with stated priorities



* 5 qtr dividends paid in 2012 and 3 qtr dividends paid in 2013; accelerated the Jan-2013 dividend payment of \$41 million into Dec 2012 in anticipation of higher tax rates.

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Key Macro Indicators

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

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Conclusion

- ❑ **TSR in top-third of S&P 500** remains our key financial goal
- ❑ Enhancing framework for **profitable growth**
- ❑ Maintaining vigilant **capital discipline**
- ❑ **Dividend growth** remains a top priority
- ❑ **Excess cash** used for **stock buybacks**

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Meeting Agenda

8:30: Welcome/Intro – Susan McCoy, VP IR

8:35: TSR Framework – Karl Glassman, CEO

9:00: Automotive – Mitch Dolloff, Sr VP, Specialized Products

9:30: Bedding – Eric Rhea, VP, Bedding Group

10:00: Break

10:15: Adjustable Bed – Jay Thompson, VP, Adjustable Bed

10:45: Home Furniture – Perry Davis, Sr VP, Residential Furnishings

11:15: 3-year Targets and Capital Structure – Matt Flanigan, CFO

11:30: Q&A

Noon: Conclude formal meeting & webcast

Other Leggett & Platt Participants:

Jack Crusa – Sr VP, Industrial Materials

Dennis Park – Sr VP, Commercial Products

Dave DeSonier – Sr VP, Strategy & Investor Relations

Russell Iorio – Sr VP, Corporate Development

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Appendix A Aerospace

Leggett & Platt
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What We Do in Aerospace

Welded Tubing

- Thin-walled, large diameter welding tubing for low pressure applications



Seamless Tubing

- Small diameter, high pressure seamless tubing



Tube Fabrication & Assembly

- Formed tube and tube assemblies



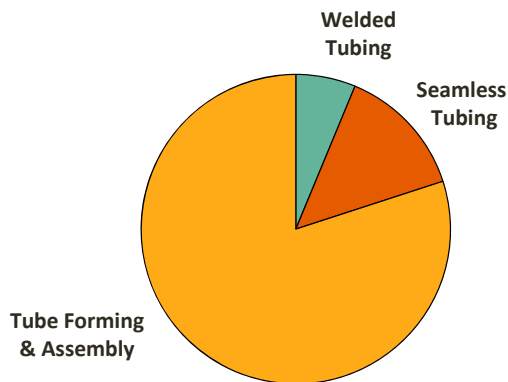
Global sales of ~\$150 million

Global Market Overview

Aerospace Tubing, Formed Tube, & Tube Assemblies

- Addressable market: ~\$2 billion
- CAGR: ~4% (2016-2019)
- Trends: Strong industry order backlog; new program launches
- Customers are aerospace system integrators

Market Segments (\$'s)



Market segments have similar margins

Competitors:

- Welded: small, few, maker-users
- Seamless: several
- TF&A: many small players; a few mid-sized players

L&P Advantage:

- High market share in welded tube
- Extensive tubing portfolio
- Vertical integration
- Strong reputation for quality/reliability/on time delivery
- US and European presence

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Growth Drivers

- Industry order backlog supports strong demand for the next 5 to 6 years

Primary growth sources:

1. Global market growth
2. Acquire complementary tubing forming and assembly operations

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1. Global Market Growth

- ❑ Forecasting industry growth of ~4% through 2019
- ❑ Order backlog supports strong long-term demand
 - Growing global demand
 - Continued interest in improving fuel efficiency

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2. Expand Tube Forming & Assembly

- ❑ Acquire fabricators of welded or seamless tubing
 - Capture synergies from our vertical position in raw tubing
 - Moves us up the value chain to component design; expands production capability; improves demand visibility
- ❑ Acquisition targets typically add new process capabilities, access to new aerospace customers, or access to adjacent markets
 - Acquired Pegasus in 2016; small operation added precision machining to our aerospace platform
 - Acquired DHAP in 2013; expanded our tube forming capability

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Appendix B

Work Furniture

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What We Do in Work Furniture

Seating Components

- Chair mechanisms, bases, casters, armrests, and molded plywood seat forms



Private-Label Finished Seating

- Private-label manufacturing of specialty finished seating



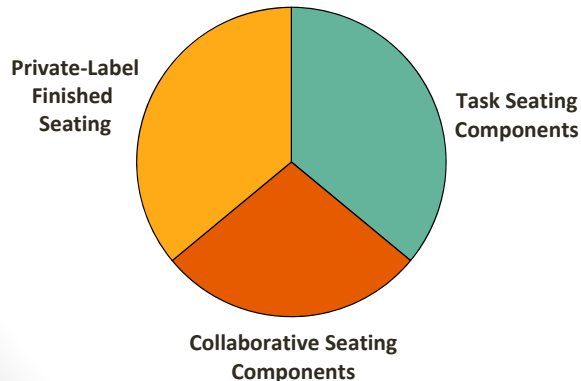
Global sales of ~\$250 million

Global Market Overview

Global Seating Components & Private-Label Finished Seating

- Addressable market: ~\$5 billion
- CAGR: ~5% (2016-2019); private-label CAGR ~8%
- Trends: flexible work spaces; customers outsourcing; commoditization of task seating components
- Customers are global work seating manufacturers

Market Segments (\$'s)



Competitors:

- Components: Maker-users, Donati, Cofemo, Bock
- Private-label: Customer make/buy, small regional companies

L&P Advantage:

- Global footprint; design, development, manufacturing, supply chain management
- Finished goods highly-skilled labor
- Financial strength

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Growth Drivers

- Workspaces are changing; move to residential design
- The new workforce has dramatically different expectations; connectivity/work from anywhere
- Global brands outsourcing specialty lines of finished seating that require high craftsmanship to produce

Primary growth sources:

1. Outsourced private-label finished seating
2. High-value components

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1. Private-Label Finished Seating

- ❑ Major customers focused on brand building and global expansion increasingly seeking to outsource specialty lines of finished seating that require high craftsmanship to produce
- ❑ We have an established global capability for private-label finished seating production, product development, sourcing, and distribution
 - Expanding our North American business
 - Acquired a European company in 2015 (based in Poland)
 - Affiliated operation in China provides further global reach
 - Allows us to support major customers' global growth strategies
- ❑ Investing to support growth (new programs) with both North American and European customers

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2. High-Value Components

- ❑ Component strategy focused on growing high-value, quality-sensitive components
 - Complements finished seating strategy
- ❑ Integrated development of components to fit specific function/demand of end product helps increase final program “win rate”

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Appendix C

Geo Components

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What We Do in Geo Components

Geo Components

- Distribute products for erosion control, subgrade stabilization, and storm water management



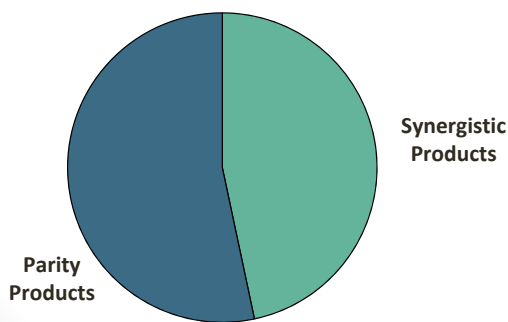
Group sales >\$170 million

Global Market Overview

Products for erosion control, subgrade stabilization, and storm water management

- Addressable market: ~\$1.5 billion
- CAGR: ~2% (2016-2019)
- Trends: environmental regulations; water quality management; construction spending; infrastructure investment
- Customers include contractors, landscapers, road construction companies, and government agencies

Market Segments (\$'s)



Competitors:

- Small, regional players

L&P Advantage:

- Purchasing leverage on synergistic products (~80% of Geo sales)
- Product management and distribution expertise
- Financial strength
- Geographic and product scope

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Growth Drivers

- Industry demand is impacted by:
 - Spending on infrastructure and road construction
 - Private construction and development spending
 - Government regulations related to protection of waterways

Our primary growth sources:

1. Geographic expansion
2. Product portfolio extension

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1. Geographic Expansion

- ❑ Expanding in the U.S. and Canadian markets through targeted acquisitions and selective greenfielding
 - Regional markets; customers require on-site, JIT product delivery
- ❑ Geographic expansion increases our scale and enables optimization of our purchase leverage



Hanes Geo Components serves the U.S. and Canada through 32 regional distribution sites.

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2. Product Portfolio Extension

- ❑ Expanding product offering; potentially through acquisitions
- ❑ Broad offering, access to “application approved” products, and a competitive cost position are crucial to market success
 - Access to “application approved” product may be gained through acquisitions, especially if patent protected
 - Broad product offering allows consolidation of product deliveries
- ❑ Product line depth enables greater leveraging of synergistic/cost advantaged products

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Appendix D

Cost Structure & Commodities



Cost Structure

Cost of Goods Sold composition (approximate):

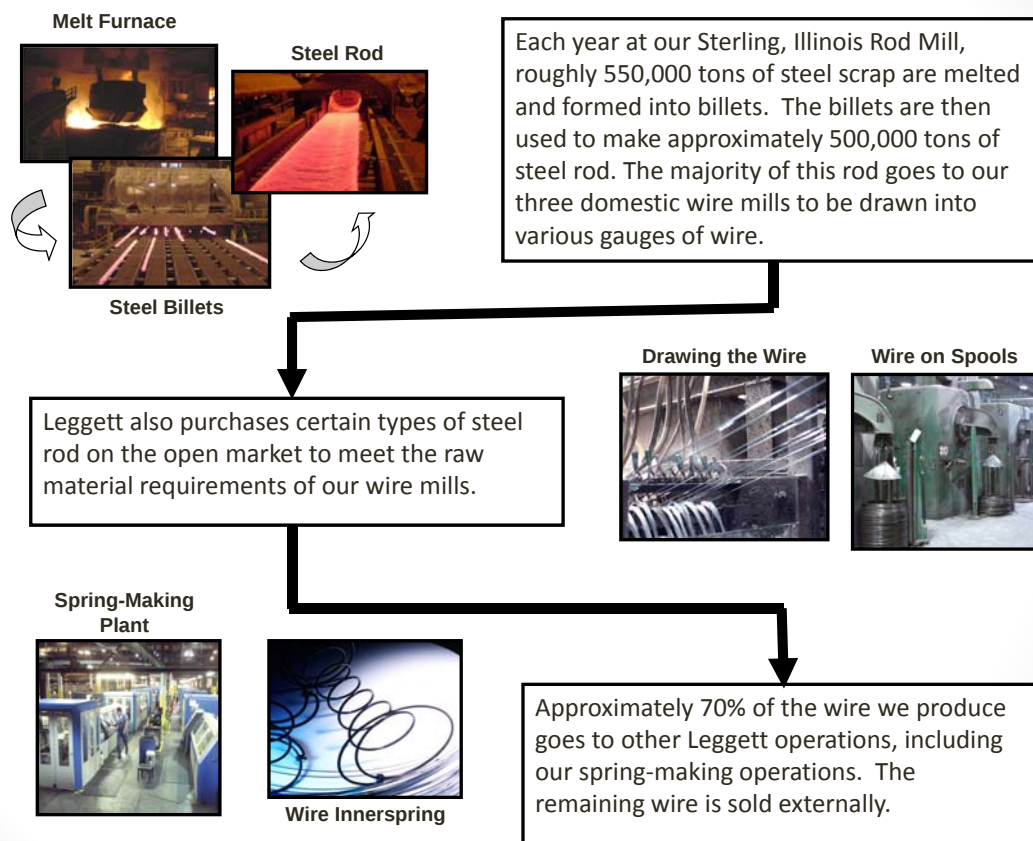
- ❑ 55% Materials, composed of:
 - Steel ~25% of RMs
 - Woven & non-woven fabrics ~15% of RMs
 - Foam scrap, fibers, chemicals ~10% of RMs
 - Titanium, nickel, stainless ~2% of RMs
 - Others, including sub-assemblies, hardware, components, finished products purchased for resale, etc. ~50% of RMs
- ❑ 20% Labor (includes all burden and overhead)
- ❑ 25% Other, composed of:
 - Depreciation, utilities, maintenance, supplies -- each ~3% of COGS
 - Shipping/transportation ~10% of COGS
 - Other also includes rent, insurance, property tax, etc.
- ❑ Costs are roughly 75% variable, 25% fixed
- ❑ \$100 million of incremental unit volume (produced utilizing spare capacity) yields ~\$25-\$35 million of additional EBIT

Commodity Impact

- ❑ Primary commodity exposure is steel; ~25% of RM's
- ❑ Main categories are scrap, rod, and flat-rolled
 - Many grades of scrap, market data is generally available
 - Limited credible data to track moves in other types of steel
- ❑ Impact from inflation/deflation
 - Typically pass through and maintain/improve margin; lag is ~90 days
 - Majority of our customer pricing is negotiated vs contractual
 - Residential & Industrial segments are most impacted by steel
- ❑ LIFO accelerates earnings impact from inflation/deflation
- ❑ Changes in metal margin (mkt price for rod - mkt price for scrap) also impact earnings
 - Our scrap cost and rod pricing moves with the market; large swings cause Industrial segment earnings volatility

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Vertical Integration in Steel



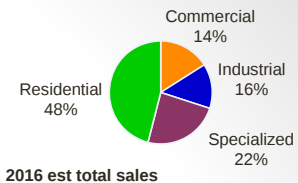
96

Appendix E

Additional Information

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Segments



Residential

Bedding

- Mattress springs
- Foundations

Furniture

- Recliner mechanisms
- Seating and sofa sleeper components

Fabric & Carpet Cushion

- Textile converting
- Carpet cushion
- Geo components



Commercial

Work Furniture

- Chair controls, bases, frames
- Private-label finished seating

Consumer Products

- Adjustable beds
- Fashion beds
- Bed frames



Industrial

Wire

- Drawn steel wire
- Steel rod
- Wire products
- Transportation



Specialized

Automotive

- Auto seat support and lumbar systems
- Motors, actuators & cables

Aerospace

- Tubing
- Fabricated tube components

Machinery

- Quilting and sewing machinery for bedding mfg.

Commercial Vehicle Products

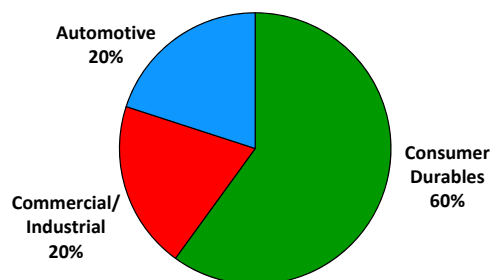
- Service van interiors



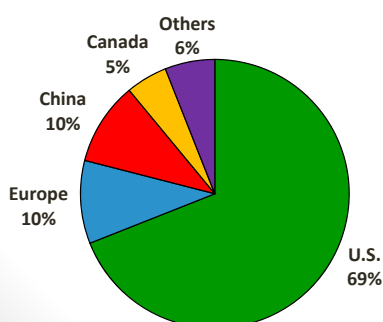
Our Markets

Fraction of 2016 est. total sales

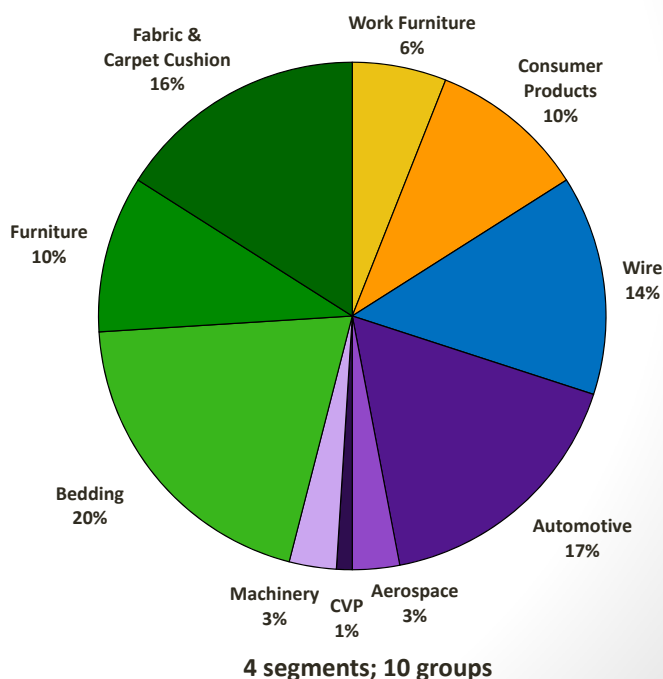
Macro Market Exposure



Geographic Split
(based on production)



Product Mix



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Cash Flow Details

<u>\$'s in millions</u>	<u>'12</u>	<u>'13</u>	<u>'14</u>	<u>'15</u>	<u>'16e¹</u>	<u>'19t²</u>
Net Income	251	200	101	329	345	445
Deprec & Amort	116	123	118	113	115	125
Def Income Taxes	(22)	(33)	(40)	24	-	-
Impairment & Other	17	83	124	19	-	-
Working Capital	57	26	54	(171)	(20)	(30)
Other Non-Cash	<u>31</u>	<u>18</u>	<u>25</u>	<u>45</u>	<u>60</u>	<u>35</u>
Cash from Operations	450	417	382	359	500	575
Adds to PP&E	(71)	(81)	(94)	(103)	(130)	(150)
Dividends **	<u>(200)</u>	<u>(125)</u>	<u>(168)</u>	<u>(172)</u>	<u>(175)</u>	<u>(220)</u>
Operating Cash after Adds to PP&E & Dividends	179	211	120	84	195	205

¹ 2016 estimated net income is based on mid-point of guidance.

² 2019 net income is based on operating targets outlined on slides 65 and 66.

** 5 qtr dividends paid in 2012 and 3 qtr dividends paid in 2013; accelerated the Jan-2013 dividend payment of \$41 million into Dec-2012 in anticipation of higher tax rates.

Appendix F

Non-GAAP Reconciliations



Non-GAAP Adjustments, Continuing Ops

(\$ millions, except EPS)	2012	2013	2014	2015	2016e
Non-GAAP Adjustments (\$'s)					
Impairment charges	-	67	-	5	4
Litigation accruals	-	-	54	6	-
Acq-related bargain purchase gain	-	(9)	-	-	-
Pension lump-sum buyout charge	-	-	-	12	-
Gain from sale of business	-	-	-	-	(11)
Litigation settlement gain	-	-	-	-	(7)
Non-GAAP adjustments (pre-tax \$'s)	-	58	54	23	(14)
Income tax impact	-	(22)	(21)	(9)	5
Unusual tax benefit	(27)	-	-	-	-
Non-GAAP adjustments (after tax \$'s)	(27)	36	33	14	(9)
Diluted shares outstanding	146.0	147.2	143.2	142.9	140.0
EPS impact of non-GAAP adjustments	\$ (.18)	\$.25	\$.23	\$.09	\$ (.06)

Reconciliation of Adjusted EBIT, Adjusted EBIT Margin, and Adjusted EPS

(\$ millions, except EPS)	2012	2013	2014	2015	2016e ²
EBIT (continuing operations)	\$324	\$275	\$332	\$487	\$514
Non-GAAP adjustments, pre-tax ¹	-	58	54	23	(14)
Adjusted EBIT (cont. operations)	\$324	\$333	\$386	\$510	\$500
Net sales	\$3,415	\$3,477	\$3,782	\$3,917	\$3,900
Adjusted EBIT margin	9.5%	9.6%	10.2%	13.0%	12.8%
Diluted EPS from cont. operations	\$1.57	\$1.25	\$1.55	\$2.27	\$2.53
EPS impact from non-GAAP adjs ¹	(.18)	.25	.23	.09	(.06)
Adjusted EPS from cont. operations	\$1.39	\$1.50	\$1.78	\$2.36	\$2.47

¹ See slide 102 for adjustment details.

² 2016 estimate based on mid-point of guidance

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Calculation of Dividend Payout % of Adjusted EPS

	2012	2013	2014	2015	2016e ²
Diluted EPS from cont. operations	\$1.57	\$1.25	\$1.55	\$2.27	\$2.53
EPS impact from non-GAAP adjs ¹	(.18)	.25	.23	.09	(.06)
Adjusted EPS from cont. operations	\$1.39	\$1.50	\$1.78	\$2.36	\$2.47
Annual dividend per share	\$1.14	\$1.18	\$1.22	\$1.26	\$1.34
Dividend payout % of diluted EPS from continuing operations	73%	94%	79%	56%	53%
Dividend payout % of adjusted EPS	82%	79%	69%	53%	54%

¹ See slide 102 for adjustment details.

² 2016 estimate based on mid-point of guidance

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Calculation of Debt to Adjusted EBITDA

(\$ millions)	2012	2013	2014	2015	2016e ²
EBIT (cont. operations)	\$324	\$275	\$332	\$487	\$514
Non-GAAP adjustments, pre-tax ¹	-	58	54	23	(14)
Adjusted EBIT (cont. operations)	324	333	386	510	500
Depreciation and amortization ³	111	116	118	113	115
Adjusted EBITDA	\$435	\$449	\$504	\$623	\$615
Total Debt (long-term + current)	\$1,056	\$870	\$968	\$949	\$1,000
Debt to Adjusted EBITDA	2.4	1.9	1.9	1.5	1.6

¹ See slide 102 for adjustment details.

² 2016 estimate based on mid-point of guidance.

³ D&A is from continuing operations.

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Calculation of Net Debt to Net Capital

Net Debt (\$ millions)	2012	2013	2014	2015	2016e
Current Maturities of Long-Term Debt	\$202	\$181	\$202	\$3	\$3
Long-Term Debt	854	689	766	946	997
Total Debt	1,056	870	968	949	1,000
<u>Less:</u>					
Cash and Cash Equivalents	(359)	(273)	(333)	(253)	(250)
Net Debt	\$697	\$597	\$635	\$696	\$750
Net Capital (\$ millions)	2012	2013	2014	2015	2016e
Long-Term Debt	\$854	\$689	\$766	\$946	\$997
<u>Plus:</u>					
Deferred Income Taxes	70	63	42	39	40
Other Long-Term Liabilities	158	128	185	185	185
Total Equity	1,442	1,399	1,155	1,098	1,070
Total Capital	2,524	2,279	2,148	2,268	2,292
<u>Add:</u>					
Current Maturities of Long-Term Debt	202	181	202	3	3
<u>Less:</u>					
Cash and Cash Equivalents	(359)	(273)	(333)	(253)	(250)
Net Capital	\$2,367	\$2,187	\$2,017	\$2,018	\$2,045
Long-term Debt to Total Capital	34%	30%	36%	42%	43%
Net Debt to Net Capital	29%	27%	32%	34%	37%

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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**, 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.

Other non-GAAP measures included in this presentation are **net debt**, **net capital**, and **adjusted EBITDA**. We believe the presentation of net debt to net capital provides investors a useful way to evaluate the company's debt leverage if we were to use cash to pay down debt. Our cash has fluctuated, sometimes significantly, from period to period. We use this ratio as supplemental information to track leverage trends across time periods with variable levels of cash. Because we may not be able to use our cash to reduce our debt on a dollar-for-dollar basis, the net debt to net capital ratio may have material limitations.

We also believe the presentation of debt to adjusted EBITDA provides investors a useful way to assess the time it would take the Company to pay off all of its debt, ignoring various factors including interest and taxes. Management uses this ratio as supplemental information to assess its ability to pay off its incurred debt.

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.