Form 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1995

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

for the transition period from to

For Quarter Ended	Commission File Number
June 30, 1995	1-7845

LEGGETT & PLATT, INCORPORATED
(Exact name of registrant as specified in its charter)

Missouri	44-0324630
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

No. 1 Leggett Road Carthage, Missouri	64836
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (417) 358-8131

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities and Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Common stock outstanding as of August 8, 1995: 83,987,436
(Adjusted for stock split-see Part I, Item I, Note 5)

PART I. FINANCIAL INFORMATION
LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
ITEM I. FINANCIAL STATEMENTS
CONSOLIDATED CONDENSED BALANCE SHEETS
(Unaudited)

(Amounts in millions)

	June 30, 1995	December 31, 1994
CURRENT ASSETS		
Cash and cash equivalents	$ 4.5	$ 2.7
Accounts and notes receivable	291.0	261.8
Allowance for doubtful accounts	(9.9)	(7.5)
Inventories	275.0	255.5
Other current assets	33.3	32.2
Total current assets	593.9	544.7
PROPERTY, PLANT & EQUIPMENT, NET	428.3	396.0
OTHER ASSETS		
Excess cost of purchased companies over net assets acquired, less accumulated amortization of $16.0 in 1995 and $14.4 in 1994	120.0	115.1
Other intangibles, less accumulated amortization of $12.8 in 1995 and $12.5 in 1994	25.4	27.4
Sundry	36.0	36.7
Total other assets	181.4	179.2
TOTAL ASSETS	$ 1,203.6	$ 1,119.9
CURRENT LIABILITIES		
Accounts and notes payable	$ 89.8	$ 89.9
Accrued expenses	113.0	106.0
Other current liabilities	28.3	37.0
Total current liabilities	231.1	232.9
LONG-TERM DEBT	224.3	204.9
OTHER LIABILITIES	13.6	14.7

DEFERRED INCOME TAXES	44.7	42.2
SHAREHOLDERS' EQUITY		
Common stock	0.8	0.4
Additional contributed capital	153.0	134.7
Retained earnings	545.8	496.5
Cumulative translation adjustment	(5.0)	(6.1)
Less treasury stock	(4.7)	(0.3)
Total shareholders' equity	689.9	625.2
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 1,203.6	$ 1,119.9

Items excluded are either not applicable or de minimis in amount and, therefore, are not shown separately.

See accompanying notes to consolidated condensed financial statements.

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS
(Unaudited)

(Amounts in millions, except per share data)

	Six Months Ended June 30,		Three Months Ended June 30,	
	1995	1994	1995	1994
Net sales	$ 1,040.8	$ 883.4	$ 517.7	$ 448.8
Cost of goods sold	795.7	680.5	394.5	344.5
Gross profit	245.1	202.9	123.2	104.3
Selling, distribution and administrative expenses	127.9	107.3	64.4	54.5
Interest expense	6.5	3.8	3.5	2.0
Other deductions, net	2.3	2.4	1.1	1.2
Earnings before income taxes	108.4	89.4	54.2	46.6
Income taxes	42.5	35.2	21.2	18.4
NET EARNINGS	$ 65.9	$ 54.2	$ 33.0	$ 28.2
Earnings Per Share (Exhibit 11)	$ 0.78	$ 0.65	$ 0.39	$ 0.34
Cash Dividends Declared Per Share	$ 0.18	$ 0.15	$ 0.09	$ 0.075
Average Common and Common Equivalent Shares Outstanding	84.7	82.8	84.9	82.8

See accompanying notes to consolidated condensed financial statements.

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

(Amounts in millions)	Six Months Ended June 30, 1995	1994
OPERATING ACTIVITIES		
Net Earnings	$ 65.9	$ 54.2
Adjustments to reconcile net earnings to net cash provided by operating activities		
Depreciation	28.2	22.5
Amortization	4.0	3.8
Deferred income tax benefit	(0.9)	(3.2)
Other	0.5	0.6
Other changes, net of effects from purchases of companies		
Increase in accounts receivable, net	(22.7)	(34.1)
Increase in inventories	(14.4)	(8.0)
Increase in other current assets	(2.4)	(3.8)
Increase in current liabilities	8.1	34.3
NET CASH PROVIDED BY OPERATING ACTIVITIES	66.3	66.3
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(52.0)	(37.6)
Purchases of companies, net of cash acquired	(1.6)	(33.8)
Other	0.9	0.6
NET CASH USED FOR INVESTING ACTIVITIES	(52.7)	(70.8)
FINANCING ACTIVITIES		
Additions to debt	25.3	35.9
Payments on debt	(14.7)	(11.0)
Dividends paid	(15.0)	(12.2)
Net (purchases) sales of common stock	(6.1)	0.6
Other	(1.3)	(0.4)
NET CASH (USED FOR) PROVIDED BY FINANCING ACTIVITIES	(11.8)	12.9
INCREASE IN CASH AND CASH EQUIVALENTS	1.8	8.4
CASH AND CASH EQUIVALENTS - January 1,	2.7	0.4
CASH AND CASH EQUIVALENTS - June 30,	$ 4.5	$ 8.8

See accompanying notes to consolidated condensed financial statements.

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(Unaudited)

(Amounts in millions)

1. STATEMENT

In the opinion of management, the accompanying consolidated condensed financial statements contain all adjustments necessary for a fair statement of results of operations and financial position of Leggett & Platt, Incorporated and Consolidated Subsidiaries (the "Company"). The consolidated condensed financial statements include accounts of the Company and its majority-owned subsidiaries.

2. INVENTORIES

Inventories, using principally the Last-In, First-Out (LIFO) cost method, comprised the following:

	June 30, 1995	December 31, 1994
At First-In, First-Out (FIFO) cost		
Finished goods	$ 142.8	$ 134.5
Work in process	34.0	32.1
Raw materials	120.2	103.1
	297.0	269.7
Excess of FIFO cost over LIFO cost	22.0	14.2
	$ 275.0	$ 255.5

3. PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment comprised the following:

	June 30, 1995	December 31, 1994
Property, plant and equipment, at cost	$ 758.1	$ 699.5
Less accumulated depreciation	329.8	303.5
	$ 428.3	$ 396.0

4. LOAN AGREEMENTS

In connection with various notes payable, the related loan agreements, among other restrictions, limit the amount of additional debt, require working capital to be maintained at specified amounts, and restrict payment of dividends. Unrestricted retained earnings available for dividends at June 30, 1995 were approximately $203.1.

5. STOCK SPLIT

On August 9, 1995, the Board of Directors of the Company declared a two-for-one stock split in the form of a stock dividend for shareholders of record on August 25, 1995. The shares will be distributed to shareholders on September 15, 1995. Common Stock and Additional Contributed Capital as of June 30, 1995, and all references to share and per share amounts in the the accompanying financial statements have been restated to reflect the split.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

All share and per share amounts have been adjusted for the stock split discussed in Item I, Note 5.

Capital Resources and Liquidity

The Company's capitalization at June 30, 1995 and December 31, 1994 is shown in millions of dollars in the table below. The amount of additional capital available through the Company's revolving bank credit agreements and commercial paper program is also shown, along with the amount of cash and cash equivalents.

	June 30, 1995	December 31, 1994
Long-term debt outstanding:		
Scheduled maturities	$172.2	$146.6
Revolving credit/commercial paper	52.1	58.3
Total long-term debt	224.3	204.9
Deferred income taxes and other liabilities	58.3	56.9
Shareholders' equity	689.9	625.2
Unused committed credit	162.9	156.7
Cash and cash equivalents	4.5	2.7

Capital investments to modernize and expand capacity internally were $52.0 million in the first six months of 1995. In addition, the Company paid $1.6 million cash, net of cash acquired, and issued .7 million shares of common stock to acquire four businesses during this period. Funds for these investments were largely provided by operating activities, as total long-term debt outstanding increased $19.4 million since the end of 1994.

During the second quarter of 1995, the Company issued $25 million of medium term notes with a 10 year maturity and a fixed interest rate of 7%. Proceeds from these notes were used to repay debt outstanding under the Company's revolving bank credit/commercial paper arrangements.

Working capital at June 30, 1995 was $362.8 million, up from $311.8 million at the end of 1994. Total current assets increased $49.2 million, due primarily to increases in accounts and notes receivable and inventories. Total current liabilities decreased $1.8 million, as accounts and notes payable were approximately unchanged and an increase in accrued expenses was substantially offset by a decrease in other current liabilities. There was no short-term debt outstanding at the end of the second quarter or at year-end.

With anticipated cash flows, plus additional debt capacity within management's guidelines, the Company has substantial capital resources and flexibility for acquisitions while continuing to pursue opportunities for growth and profitability through improved operating efficiencies and internal expansion.

Results of Operations

The Company had record sales and earnings for the first six months of 1995. Sales were $1.04 billion (up 18%) and earnings were $.78 per share (up 20%) -- both compared with records for the first half of 1994. Second quarter results also set new highs for the quarter. Earnings were $.39 per share on sales of $517.7 million, both up 15% from the second quarter records achieved in 1994.

Despite some further softening in the economy, the Company's second quarter sales, when compared with last year's second quarter, continued to benefit from internal growth and several acquisitions, most of which were completed in the second and third quarters of 1994. Acquisitions contributed 11 percentage points to the increase in sales for the quarter and 13 percentage points to the increase for the first half of 1995. Internal growth contributed 4 and 5 percentage points, respectively, to the increases in sales for each of these periods.

The Company's 1995 growth in earnings per share reflected a sustained improvement in profit margins. The following table shows various measures of earnings as a percentage of sales in the first six months and second quarters of both of the last two years. It also shows the Company's effective income tax rate in each respective period.

	Six Months Ended June 30,		Quarter Ended June 30,	
	1995	1994	1995	1994
Gross profit margin	23.5%	23.0%	23.8%	23.2%
Pre-tax profit margin	10.4	10.1	10.5	10.4
Net profit margin	6.3	6.1	6.4	6.3
Effective income tax rate	39.2	39.4	39.1	39.5

The year-to-year increases in net profit margins primarily reflected improvements in gross profit margins. Efficiencies gained on increased sales and production in many operations contributed to these improvements. Although the Company experienced increasing prices for raw materials, these higher costs have been approximately offset by modest increases in the Company's selling prices.

Selling, distribution and administrative expenses were 12.3% of sales in the first half of 1995 and 12.1% in the same period of 1994. In the second quarter, these expenses were 12.4% of sales in 1995 and 12.1% in 1994. These increases reflected somewhat higher selling expense.

Interest expense increased to $6.5 million in the first half of 1995, up from $3.8 million in the first half of 1994. In the second quarter, interest expense was $3.5 million this year and $2.0 million in 1994. These increases primarily reflected increased borrowings for acquisitions and partially offset some of the improvements in operating profit margins.

Cash dividends declared on the Company's common stock were $.09 per share in both of the first two quarters of 1995. These dividends were 20% higher than the dividends for the same 1994 periods. Dividends on the stock have been increased for 24 consecutive years.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The EPA has alleged that two of the Company's facilities in Grafton, Wisconsin violated wastewater pretreatment requirements under the Clean Water Act. No action is pending. However, on August 8, 1995, the EPA proposed to settle this matter if the Company pays a civil penalty of $495,000. The Company has not yet responded to the EPA's offer. If this matter cannot be settled, the EPA has indicated it intends to bring an action. Management believes the cost to resolve this matter will not have a material adverse effect on the consolidated financial condition or results of operations of the Company.

Item 4. Submission of Matters to a Vote of Security Holders

The Company held its annual meeting of shareholders on May 10, 1995. Matters voted upon were (1) election of directors, and (2) ratification of Price Waterhouse as the Company's independent auditors.

The number of votes cast (not adjusted for the stock split discussed in Part I, Item I, Note 5) for, against or withheld, as well as abstentions, with respect to each matter are set out below.

1. Election of Directors

DIRECTOR	FOR	WITHHELD
Raymond F. Bentele	34,576,465	267,484
Harry M. Cornell, Jr.	34,471,407	372,542
R. Ted Enloe, III	34,556,229	277,720
Richard T. Fisher	34,579,362	264,587
Frank E. Ford, Jr.	34,467,998	375,951
Robert A. Jefferies, Jr.	34,472,826	371,123
Alexander M. Levine	33,925,329	918,620
Richard L. Pearsall	34,578,712	265,237
Maurice E. Purnell, Jr.	34,460,890	383,059
Felix E. Wright	34,472,440	371,509

2. Ratification of Independent Auditors

FOR	AGAINST	ABSTAIN
34,810,305	13,788	19,856

Item 6. Exhibits and Reports on Form 8-K

(A) Exhibit 11 - Computations of Earnings Per Share

(B) Exhibit 27 - Financial Data Schedule

(C) No reports on Form 8-K have been filed during the quarter for which this report is filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LEGGETT & PLATT, INCORPORATED

DATE: August 9, 1995 By: /s/ HARRY M. CORNELL, JR.

Harry M. Cornell, Jr.
Chairman of the Board
and Chief Executive Officer

DATE: August 9, 1995 By: /s/ MICHAEL A. GLAUBER

Michael A. Glauber
Senior Vice President,
Finance and Administration

EXHIBIT INDEX

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES Exhibit 11

COMPUTATIONS OF EARNINGS PER SHARE

(Amounts in millions, except per share data)

	Six Months Ended June 30,		Three Months Ended June 30,	
	1995	1994	1995	1994
EARNINGS PER SHARE				
Weighted average number of common shares outstanding	83.5	81.5	83.7	81.6
Dilution from outstanding stock options-computed using the "treasury stock" method	1.2	1.3	1.2	1.2
Weighted average number of common shares outstanding as adjusted	84.7	82.8	84.9	82.8
Net Earnings	$ 65.9	$ 54.2	$ 33.0	$ 28.2
Earnings Per Share	$ 0.78	$ 0.65	$ 0.39	$ 0.34

All share and per share amounts in this schedule have been adjusted for the stock split discussed in Part I, Item I, Note 5.

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JUN-30-1995
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Amounts reflect the stock split discussed in Part I, Item I, Note 5.