



Third Quarter Summary Financial Information

November 1, 2021



Forward-Looking Statements

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

- Sales were a quarterly record¹ \$1.32 billion, a 9% increase vs Q3-20
 - Volume was down 6%
 - Raw material-related price increases added 13%
 - Currency benefit added 1%
 - Acquisitions, net of divestitures, added 1% to sales
- 3Q EBIT was \$144 million, down \$12 million vs. adjusted² Q3-20 EBIT
- EBIT margin 10.9%, down 200 bps vs. 12.9% adjusted² Q3-20
- EPS of \$.71, down \$.11 vs. adjusted² Q3-20 EPS
- 2021 guidance:
 - Narrowing sales guidance range to \$5.0–\$5.1 billion
 - Narrowing adjusted EPS range to \$2.70–\$2.80

¹ Record is from continuing operations

² See slides 4 and 25 for calculation of adjusted EPS, adjusted EBIT, and adjusted EBIT margin

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Q3 2021 Financial Highlights

<u>\$'s in millions (except EPS)</u>	<u>Reported Q3-21</u>	<u>Adj¹</u>	<u>Adj Q3-21</u>	<u>Reported Q3-20</u>	<u>Adj¹</u>	<u>Adj Q3-20</u>	<u>Change</u>
Sales	\$1,319		\$1,319	\$1,208		\$1,208	9%
EBIT	144		144	150	6	156	(8%)
EBIT Margin	10.9%		10.9%	12.4%		12.9%	(200 bps)
EPS	.71		.71	.79	.03	.82	(13%)
Cash from Operations	\$50		\$50	\$261		\$261	(81%)
EBITDA	191		191	197	6	203	(6%)
EBITDA margin	14.5%		14.5%	16.3%		16.8%	(230 bps)

¹ See slide 25 for non-GAAP adjustments

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Q3 2021 Sales & EBIT Bridge

Sales:	<u>mIn \$'s</u>	<u>% change</u>
3 rd Qtr 2020	\$1,208	
Approx volume decrease	(68)	(6%)
Approx raw material-related pricing and currency benefit	168	14%
Organic Sales	100	8%
Acquisitions, net of divestitures	11	1%
3 rd Qtr 2021	\$1,319	9%
EBIT:		<u>margin</u>
Adjusted ¹ 3 rd Qtr 2020	\$156	12.9%
Primarily lower volume partially offset by higher metal margin	(12)	
3 rd Qtr 2021	\$144	10.9%

¹ See slide 4 for calculation of adjusted EBIT and adjusted EBIT margin

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Q3 2021 Non-Operating & Taxes

\$'s in millions	<u>Reported</u>	<u>Adj</u>	<u>Reported</u>	<u>Adj</u>	<u>Adj</u>	<u>Change</u>	
	<u>Q3-21</u>	<u>Adj¹</u>	<u>Q3-21</u>	<u>Q3-20</u>	<u>Adj¹</u>	<u>Q3-20</u>	
EBIT	\$144		\$144	\$150	\$6	\$156	(8%)
Net interest	18		18	20		20	
Pre-tax earnings	126		126	130	6	136	(7%)
Income taxes	29		29	23	1	24	
<i>Tax rate</i>			22.7%			17.7%	
Earnings	97		97	107	4	112	(13%)
Net earnings	97		97	107	4	112	(13%)
Non-controlling interests	—		—	—		—	
Net earnings attributable to L&P	97		97	107	4	111	(13%)
EPS	.71		.71	.79	.03	.82	(13%)

¹ See slide 25 for non-GAAP adjustments

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Adjusted Working Capital

	9/30	6/30	9/30
\$'s in millions	<u>2021</u>	<u>2021</u>	<u>2020</u>
Cash & equivalents	\$235	\$232	\$245
Accounts receivable, net	699	705	642
Inventories, net	970	893	625
Other current assets	<u>80</u>	<u>65</u>	<u>46</u>
Total current assets	<u>1,984</u>	<u>1,895</u>	<u>1,558</u>
Current debt maturities	(300)	(51)	(51)
Current operating lease liabilities	(44)	(44)	(42)
Accounts payable	(607)	(612)	(494)
Accrued and other current liabilities	<u>(387)</u>	<u>(400)</u>	<u>(360)</u>
Total current liabilities	<u>(1,338)</u>	<u>(1,107)</u>	<u>(947)</u>
Working capital	646	788	611
% of annualized sales ¹	12.2%	15.5%	12.6%
W/C, excl. cash & current debt/lease	755	651	459
% of annualized sales ¹	14.3%	12.8%	9.5%

¹ Annualized sales: 3Q21: \$1,319x4=\$5,276; 2Q21: \$1,270x4=\$5,080; 3Q20: \$1,208x4=\$4,832

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Net Debt to Adjusted EBITDA

	9/30	6/30	9/30
\$'s in millions	<u>2021</u>	<u>2021</u>	<u>2020</u>
Long-term debt	\$1,766	\$1,975	\$1,909
Current maturities	<u>300</u>	<u>51</u>	<u>51</u>
Total debt	2,066	2,026	1,960
Less: Cash & equivalents	<u>(235)</u>	<u>(232)</u>	<u>(245)</u>
Net debt	1,831	1,794	1,715
EBIT, trailing 12 months	600	606	374
Depreciation & amortization	<u>189</u>	<u>190</u>	<u>188</u>
EBITDA	789	795	563
Non-GAAP adjustments (pretax)	<u>(28)</u>	<u>(22)</u>	<u>48</u>
Leggett reported adjusted EBITDA, trailing 12 months	761	773	611
Net debt to Leggett reported 12-month adjusted EBITDA ¹	2.41x	2.32x	2.81x

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

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Cash Flow

\$'s in millions	3 rd Qtr		YTD	
	2021	2020	2021	2020
Net earnings	\$97	\$107	\$297	\$145
D&A	47	47	141	141
Impairment, write-offs & other	2	—	8	58
Other non-cash	9	—	2	20
Changes in working capital:				
Accounts receivable	(4)	(57)	(125)	(70)
Inventory	(86)	(11)	(278)	36
Other current assets	1	5	(11)	6
Accounts payable	(2)	128	56	38
Other current liabilities	<u>(14)</u>	<u>42</u>	<u>(10)</u>	<u>9</u>
Cash from operations	50	261	80	384
Capital expenditures	27	9	76	52
Acquisitions	—	—	152	—
Dividends	56	53	162	159
Share repurchases (issuances), net	—	1	7	9
Proceeds from asset sales	8	2	39	6
Additions (repayments) of debt, net	34	(173)	165	(165)

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YTD 2021 Financial Summary

\$'s in millions (except EPS)	Reported		Adj	Reported		Adj	Change
	2021	Adj ¹	2021	2020	Adj ¹	2020	
Sales	\$3,740		\$3,740	\$3,098		\$3,098	21%
EBIT	444	(28)	416	252	45	297	40%
EBIT Margin	11.9%		11.1%	8.1%		9.6%	150 bps
EPS	2.17	(.16)	2.01	1.07	.30	1.37	47%
Cash from Operations	\$80		\$80	\$384		\$384	(79%)
EBITDA	585	(28)	556	393	45	438	27%
EBITDA margin	15.6%		14.9%	12.7%		14.1%	80 bps

¹ See slide 25 for non-GAAP adjustments

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YTD 2021 Sales & EBIT Bridge

Sales:	<u>mln \$'s</u>	<u>% change</u>
YTD 2020	\$3,098	
Approx volume growth	235	8%
Approx raw material-related pricing and currency impact	404	13%
Organic Sales	639	21%
Acquisitions, net of divestitures	3	–%
YTD 2021	\$3,740	21%
EBIT:		<u>margin</u>
Adjusted YTD 2020 ¹	\$297	9.6%
Primarily volume growth and metal margin expansion	119	
Adjusted YTD 2021 ¹	\$416	11.1%

¹ See slide 10 for calculation of adjusted EBIT and adjusted EBIT margin

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YTD 2021 Non-Operating & Taxes

\$'s in millions	Reported		Adj	Reported		Adj	Change
	2021	Adj ¹	2021	2020	Adj ¹	2020	
EBIT	\$444	\$(28)	\$416	\$252	\$45	\$297	40%
Net interest	56		56	61		61	
Pre-tax earnings	388	(28)	360	191	45	236	53%
Income taxes	91	(7)	84	46	4	50	
<i>Tax rate</i>			23.4%			21.2%	
Earnings	297	(21)	276	145	41	186	48%
Net earnings	297	(21)	276	145	41	186	48%
Non-controlling interests	—		—	—		—	
Net earnings attributable to L&P	297	(21)	276	145	41	186	48%
EPS	2.17	(.16)	2.01	1.07	.30	1.37	47%

¹ See slide 25 for non-GAAP adjustments

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2021 Updated Guidance

- Full year 2021 sales guidance narrowed to \$5.0–\$5.1 billion (vs. prior range of \$4.9–\$5.1 billion); up 17%–19% versus 2020
 - Reflects higher raw material-related price increases and lower volume
 - Volume expectations changed to mid-single-digit from mid-to-high-single-digit growth primarily from lower volume in Automotive as a result of semiconductor shortages impacting global auto production
 - Raw material-related price increases expected to add significant sales growth
 - Currency expected to benefit sales
 - Acquisitions, net of divestitures, expected to add 1%

- Adjusted EPS narrowed to \$2.70–\$2.80 (vs. prior range of \$2.70–\$2.90)
 - Change reflects lower volume in Automotive
 - Excludes 2Q gain from real estate sale of \$0.16 per share

- Implied adjusted EBIT margin of 11.1%–11.2%

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2021 Guidance (continued)

- Depreciation and amortization ~\$190 million
- Net interest expense ~\$75 million
- Tax rate ~23%
 - 1Q = 20%; 2Q = 27%; 3Q = 23%; 4Q = ~23%
- Diluted shares ~137 million
- Operating cash ~\$350 million; down \$100 million from prior guidance
- Cap-ex ~\$120 million; down \$20 million from prior guidance
- Dividends ~\$220 million

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Segments

Q3 2021 Segment Summary

	Q3-21 Organic Sales Growth^{1, 2}	Q3-21 EBIT Margin	Δ vs Q3-20 Adj. EBIT² Margin	Q3-21 EBITDA Margin	Δ vs Q3-20 Adj. EBITDA² Margin
Bedding Products	12%	12.2%	-80 bps	16.3%	-120 bps
Specialized Products	(4%)	9.5%	-550 bps	14.5%	-490 bps
Furniture, Flooring & Textile Products	12%	9.8%	-190 bps	11.2%	-210 bps
Total Consolidated	8%	10.9%	-200 bps	14.5%	-230 bps

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

² See slides 17, 19, 21, and 25 for non-GAAP adjustments

Bedding Products

Trade Sales:	<u>mln \$'s</u>	<u>% change</u>
3 rd Qtr 2020	\$590	
Organic Sales ¹	67	12%
Acquisitions, net of divestitures ²	7	1%
3 rd Qtr 2021	\$664	13%

¹ Raw material-related price increases 19% and currency benefit 1% partially offset by lower volume (8%)

² Acquisitions 3% partially offset by divestitures (2%)

mln \$'s	<u>EBIT</u>	<u>EBIT margin</u>	<u>D&A</u>	<u>EBITDA</u>	<u>EBITDA margin</u>
Adjusted 3 rd Qtr 2020 ³	\$76	13.0%	\$27	\$103	17.5%
Change	<u>5</u>		<u>—</u>	<u>5</u>	
3 rd Qtr 2021	\$81	12.2%	\$27	\$108	16.3%

³ Adjusted to exclude restructuring-related charges \$1m

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Bedding – Key Points

- Q3 organic sales were up 12%:
 - Volume decreased 8%, primarily from challenges with chemical and labor availability in the U.S. bedding market and European demand returning to more normal seasonal levels
 - Raw material-related selling price increases added 19% to sales
 - Currency benefit increased sales 1%
- Acquisitions, net of divestitures, increased sales 1%
 - The Kayfoam acquisition, completed June 4, 2021, contributed 3% to sales
 - Divestitures of small operations in Drawn Wire decreased sales by 2%
- Sales trends by business unit:

	<u>Organic Sales</u>	<u>Volume¹</u>
Steel Rod	37%	6%
Drawn Wire	35%	1%
U.S. Spring	11%	(7%)
Specialty Foam	5%	(17%)
Adjustable Bed	8%	flat
International Bedding	10%	(13%)

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

- Q3 EBIT increased primarily from higher metal margin, partially offset by lower volume, production inefficiencies driven by supply chain constraints, and higher freight costs

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Specialized Products

Trade Sales:	mln \$'s	% change
3 rd Qtr 2020	\$243	
Organic Sales ¹	(10)	(4%)
Acquisitions	3	1%
	<hr/>	<hr/>
3 rd Qtr 2021	\$236	(3%)

¹ Lower volume (7%) and currency benefit 3%

mln \$'s	EBIT	EBIT	D&A	EBITDA	EBITDA
	margin	margin		margin	margin
Adjusted 3 rd Qtr 2020 ²	\$36	15.0%	\$11	\$47	19.4%
Change	<u>(14)</u>		<u>1</u>	<u>(13)</u>	
3 rd Qtr 2021	\$22	9.5%	\$12	\$34	14.5%

² Adjusted to exclude restructuring-related charges \$4m

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Specialized – Key Points

- Q3 organic sales were down 4%:
 - Volume was down 7% from declines in Automotive partially offset by growth in Hydraulic Cylinders and Aerospace
 - Automotive industry significantly impacted by semiconductor shortage
 - Currency benefit increased sales 3%
- Aerospace acquisition, completed Jan. 30, 2021, added 1% to sales
- Sales trends by business unit:

	<u>Organic Sales</u>	<u>Volume¹</u>
Automotive	(11%)	(14%)
Aerospace	9%	8%
Hydraulic Cylinders	47%	41%

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

- Q3 EBIT decreased primarily from lower volume in Automotive

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Furniture, Flooring & Textile Products

Trade Sales:	<u>mln \$'s</u>	<u>% change</u>
3 rd Qtr 2020	\$375	
Organic Sales ¹	44	12%
Acquisitions	1	–%
3 rd Qtr 2021	\$420	12%

¹ Raw material-related price increases 13% and lower volume (1%)

mln \$'s	<u>EBIT</u>	<u>margin</u>	<u>D&A</u>	<u>EBITDA</u>	<u>margin</u>
Adjusted 3 rd Qtr 2020 ²	\$44	11.7%	\$6	\$50	13.3%
Change	<u>(3)</u>		<u>—</u>	<u>(3)</u>	
3 rd Qtr 2021	\$41	9.8%	\$6	\$47	11.2%

² Adjusted to exclude restructuring-related charges \$1m

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Furniture, Flooring & Textile – Key Points

- Q3 organic sales were up 12%:
 - Volume was down 1%, with growth in Work Furniture and Home Furniture more than offset by declines in Textiles and Flooring
 - Textiles volume declined as retail sales normalized after a surge in home improvement demand and the non-recurrence of the surge in medical and filtration sales last year
 - Flooring volume was down due to limited chemical supply, labor availability, and transportation disruptions
 - Raw material-related selling price increases added 13%
- Sales trends by business unit:

	<u>Organic Sales</u>	<u>Volume¹</u>
Home Furniture	23%	7%
Work Furniture	21%	17%
Flooring	13%	(5%)
Textiles	flat	(12%)

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

- Q3 EBIT decreased primarily from lower volume

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Webcast replay is available at
www.leggett.com

FOR ADDITIONAL INFORMATION

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Q3 2021 vs Q3 2019 Financial Highlights

<u>\$'s in millions (except EPS)</u>	<u>Reported</u> <u>Q3-21</u>	<u>Adj</u>	<u>Adj</u> <u>Q3-21</u>	<u>Reported</u> <u>Q3-19</u>	<u>Adj</u> ¹	<u>Adj</u> <u>Q3-19</u>	<u>Change</u>
Sales	\$1,319		\$1,319	\$1,239		\$1,239	6%
EBIT	144		144	138	2	140	3%
EBIT Margin	10.9%		10.9%	11.2%		11.3%	(40 bps)
EPS	.71		.71	.70	.01	.71	—%
EBITDA	191		191	187	2	189	1%
EBITDA margin	14.5%		14.5%	15.1%		15.2%	(70 bps)

¹ Adjustment for restructuring-related charges \$2m

Non-GAAP Adjustments

(\$ millions, except EPS)	Q3-21	Q3-20	YTD 2021	YTD 2020
Non-GAAP Adjustments (\$'s)^{1,2}				
Goodwill impairment ³	—	—	—	25
Note impairment ⁴	—	—	—	8
Stock write-off for prior year divestiture ⁵	—	—	—	4
Restructuring-related charges ⁶	—	6	—	8
Gain on sale of real estate ⁷	—	—	(28)	—
Non-GAAP adjustments (pre-tax \$'s)	—	6	(28)	45
Income tax impact	—	(1)	7	(4)
Non-GAAP adjustments (after tax \$'s)	—	4	(21)	41
Diluted shares outstanding	136.9	136.1	136.7	135.8
EPS impact of non-GAAP adjustments	\$—	\$0.03	\$(-.16)	\$0.30

¹ For additional non-GAAP reconciliation information, see page 7 of the press release

² Calculations impacted by rounding

³ Goodwill impairment affected the following line item on the income statement: YTD 2020: Other Expense \$25

⁴ Note impairment affected the following line item on the income statement: YTD 2020: SG&A \$8

⁵ Stock write-off affected the following line item on the income statement: YTD 2020: Other Expense \$4

⁶ Restructuring-related charges affected the following line item on the income statement: Q3-20: Other Expense \$5, COGS \$1; YTD 2020: Other Expense \$8

⁷ Gain on sale of real estate affected the following line item on the income statement: YTD 2021: Other Income \$28