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 September 30, 1997

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
September 30, 1997	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 October 31, 1997: 96,044,122

PART I. FINANCIAL INFORMATION
LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
ITEM 1. FINANCIAL STATEMENTS
CONSOLIDATED CONDENSED BALANCE SHEETS
(Unaudited)

(Amounts in millions)

	September 30, 1997	December 31, 1996
CURRENT ASSETS		
Cash and cash equivalents	$ 9.5	$ 3.7
Accounts and notes receivable	474.3	343.9
Allowance for doubtful accounts	(12.4)	(8.6)
Inventories	417.5	379.6
Other current assets	53.6	44.7
Total current assets	942.5	763.3
PROPERTY, PLANT & EQUIPMENT, NET	674.8	582.9
OTHER ASSETS		
Excess cost of purchased companies over net assets acquired, less accumulated amortization of $35.4 in 1997 and $28.4 in 1996	387.6	290.3
Other intangibles, less accumulated amortization of $33.6 in 1997 and $30.3 in 1996	33.6	30.2
Sundry	46.3	46.2
Total other assets	467.5	366.7
TOTAL ASSETS	$ 2,084.8	$ 1,712.9

CURRENT LIABILITIES		
Accounts and notes payable	$ 142.0	$ 110.3
Accrued expenses	178.9	140.1
Other current liabilities	57.6	42.4
	---------	---------
Total current liabilities	378.5	292.8
LONG-TERM DEBT	487.0	388.5
OTHER LIABILITIES	37.2	36.0
DEFERRED INCOME TAXES	61.5	54.5
SHAREHOLDERS' EQUITY		
Common stock	1.0	.9
Additional contributed capital	294.7	240.2
Retained earnings	829.0	704.4
Cumulative translation adjustment	(4.0)	(4.2)
Treasury stock	(.1)	(.2)
	---------	---------
Total shareholders' equity	1,120.6	941.1
	---------	---------
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 2,084.8	$ 1,712.9
	=========	=========

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)

	Nine Months Ended September 30,		Three Months Ended September 30,	
	1997	1996	1997	1996
Net sales	$2,141.4	$1,839.8	$ 747.0	$ 628.6
Cost of goods sold	1,599.3	1,380.3	558.5	471.3
Gross profit	542.1	459.5	188.5	157.3
Selling, distribution and administrative expenses	262.1	222.6	91.8	74.9
Interest expense	23.3	22.9	8.0	7.0
Merger expense	-	26.6	-	-
Other deductions (income), net	10.8	10.3	4.8	3.5
Earnings before income taxes and extraordinary item	245.9	177.1	83.9	71.9
Income taxes	92.7	68.8	31.1	27.9
Net earnings before extraordinary item	153.2	108.3	52.8	44.0
Extraordinary item	-	12.5	-	-
NET EARNINGS	$ 153.2	$ 95.8	$ 52.8	$ 44.0
Earnings Per Share (Exhibit 11)				
Net earnings before extraordinary item	$ 1.60	$ 1.19	$ .54	$ .48
Net earnings	$ 1.60	$ 1.05	$ .54	$ .48
Cash Dividends Declared Per Share	$ .40	$ .34	$ .14	$ .12
Average Common and Common Equivalent Shares Outstanding	96.0	91.1	98.1	92.0

See accompanying notes to consolidated condensed financial statements.

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

(Amounts in millions)

	Nine Months Ended September 30, 1997	Nine Months Ended September 30, 1996
OPERATING ACTIVITIES		
Net Earnings	$ 153.2	$ 95.8
Adjustments to reconcile net earnings to net cash provided by operating activities		
Depreciation	64.5	55.3
Amortization	12.0	12.3
Merger expense (non-cash portion)	-	24.4
Extraordinary item (non-cash portion)	-	4.0
Other	2.7	1.4
Other changes, net of effects from purchases of companies		
Increase in accounts receivable, net	(88.8)	(63.1)
Decrease in inventories	1.6	2.3
Increase in other current assets	(5.5)	(2.7)
Increase in current liabilities	70.3	32.4
NET CASH PROVIDED BY OPERATING ACTIVITIES	210.0	162.1
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(86.7)	(72.8)
Purchases of companies, net of cash acquired	(149.1)	(88.9)
Other	4.6	(.8)
NET CASH USED FOR INVESTING ACTIVITIES	(231.2)	(162.5)
FINANCING ACTIVITIES		
Additions to debt	208.6	287.6
Payments on debt	(134.7)	(254.8)
Dividends paid	(48.6)	(30.0)
Sales of common stock	5.5	4.4
Purchases of common stock	(5.4)	(9.9)
Other	1.6	(.5)
NET CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES	27.0	(3.2)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5.8	(3.6)
CASH AND CASH EQUIVALENTS - January 1,	3.7	8.2
CASH AND CASH EQUIVALENTS - September 30,	$ 9.5	$ 4.6

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").

2. INVENTORIES

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

	September 30, 1997	December 31, 1996
At First-In, First-Out (FIFO) cost		
Finished goods	$ 209.3	$ 204.2
Work in process	53.3	39.4
Raw materials	170.2	147.7
	432.8	391.3
Excess of FIFO cost over LIFO cost	15.3	11.7
	$ 417.5	$ 379.6

3. PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment comprised the following:

	September 30, 1997	December 31, 1996
Property, plant and equipment, at cost	$ 1,172.6	$ 1,015.1
Less accumulated depreciation	497.8	432.2
	$ 674.8	$ 582.9

4. CONTINGENCIES

The Company is involved in numerous environmental, employment, intellectual property and other claims and legal proceedings. When it appears probable in management's judgement that the Company will incur monetary damages or other costs in connection with such claims and proceedings, and the costs can be reasonably estimated, appropriate liabilities are recorded in the financial statements and charges are made against earnings. No claim or proceeding has resulted in a material charge against earnings, nor are the total liabilities recorded material to the Company's financial position. While the results of any ultimate resolution cannot be predicted, management believes the possibility of a material adverse effect on the Company's consolidated financial position, results of operations and cash flows from these claims and proceedings is remote. The more significant claims and proceedings are briefly described in the following paragraphs.

One of the Company's subsidiaries is performing an environmental investigation at a Florida plant site pursuant to a negotiation with local and Federal environmental authorities. The costs of the investigation and any remediation actions will be shared equally by the Company and a former joint owner of the plant site.

In connection with an acquisition, one of the Company's subsidiaries is involved in an unfair labor complaint filed by the National Labor Relations Board. An administrative decision has been rendered against the subsidiary, which decision was recently upheld by the appellate court. The Company is currently considering additional legal and other actions to resolve this matter.

A former supplier has brought several lawsuits against the Company and others alleging breach of contract and patent infringement. The Company has countersued in certain cases. None of these lawsuits have been tried at this time.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Capital Resources and Liquidity

The Company's total capitalization at September 30, 1997 and December 31, 1996 is shown in the table below. The table also shows the amount of unused committed credit available through the Company's revolving bank credit agreements.

(Dollar amounts in millions)	September 30, 1997	December 31, 1996
Long-term debt outstanding:		
Scheduled maturities	$ 429.1	$ 332.4
Revolving credit/commercial paper	57.9	56.1
Total long-term debt	487.0	388.5
Deferred income taxes and other liabilities	98.7	90.5
Shareholders' equity	1,120.6	941.1
Total capitalization	$ 1,706.3	$ 1,420.1
Unused committed credit	$ 240.0	$ 215.0

The Company's internal investments to modernize and expand manufacturing capacity were $86.7 million in the first nine months of 1997. The Company also invested $149.1 million in cash (net of cash acquired) and issued 2.9 million shares of common stock to make 24 acquisitions. Cash provided by operating activities provided a majority of the funds required for these investments. Increased borrowing under the Company's commercial paper program initially provided the balance. In April 1997, the Company issued $100 million in medium-term notes. These notes have average lives of 6.25 years and fixed interest rates averaging 7.24%. Proceeds from the notes were used to repay commercial paper outstanding.

Working capital at September 30, 1997 was $564.0 million, up from $470.5 million at year-end. Total current assets increased $179.2 million, due primarily to increases in accounts receivable and inventories attributable to increased sales. Total current liabilities increased $85.7 million, due primarily to increases in accounts payable and accrued expenses.

During this year's third quarter, the Company increased the amount of committed credit available through revolving bank credit agreements to $240.0 million, up from the previous $215.0 million. The Company also has the availability of short-term uncommitted credit from several banks. However, there was no short-term bank debt outstanding at quarter-end, or at year-end. Given this strong financial position and the continuing strong coverage of interest expense, the Company has substantial capital resources and flexibility to provide for projected internal cash needs and additional acquisitions consistent with management's goals and objectives.

Results of Operations

The Company's results of operations for the first nine months of 1997 increased to record levels. Sales were $2.14 billion (up 16%), net earnings were $153.2 million (up 23%), and earnings per share were $1.60 (up 17%) all compared with the first nine months of 1996. This year's earnings are compared with 1996 results before non-recurring costs. The non-recurring costs, as reported last year, totaled $28.9 million after-tax, or $.32 per share. They consisted of $16.4 million, or $.18 per share, in merger related costs for the Company's May 1996 acquisition of Pace Holdings, Inc., and $12.5 million, or $.14 per share in an extraordinary item for the mid-year refinancing of Pace debt. Including the non-recurring costs, net earnings in the first nine months of 1996 were $95.8 million, or $1.05 per share.

The Company's results of operations in the third quarter of 1997 increased to record levels for the quarter. Sales were $747.0 million (up 19%), net earnings were $52.8 million (up 20%), and earnings per share were $.54 (up 13%) all compared to the third quarter of 1996. Additional year-to-year comparisons show that pre-tax earnings for the quarter increased 17%. However, the Company's previously announced acquisition of Cambridge Tool & Mfg. Co. this past July resulted in pre-tax merger costs of $2.4 million being charged to the quarter. Absent this charge, pre-tax earnings increased 20%, net earnings increased 23% and earnings per share increased 15%.

The Company's 1997 sales growth reflected ongoing benefits from acquisitions and improved performance in existing operations. Acquisitions accounted for more of the sales growth than other factors. The balance of the sales growth primarily reflected increased unit volumes.

Net earnings increased faster than sales, reflecting an improvement in 1997 net profit margins. The following table shows various measures of earnings as a percentage of sales for the first nine months and the third quarter of the last two years. It also shows the effective income tax rate and the coverage of interest expense by pre-tax earnings plus interest in each respective period.

	Nine Months Ended September 30,		Quarter Ended September 30,	
	1997	1996	1997	1996
Gross profit margin	25.3%	25.0%	25.2%	25.0%
Pre-tax profit margin-reported	11.5	9.6	11.2	11.4
Impact of non-recurring costs	--	1.5	--	--
Excluding non-recurring costs	11.5	11.1	11.2	11.4
Net profit margin-reported	7.2	5.2	7.1	7.0
Impact of non-recurring costs	--	1.6	--	--
Excluding non-recurring costs	7.2	6.8	7.1	7.0
Effective income tax rate	37.7	38.8	37.1	38.8
Interest coverage ratio	11.6x	8.7x	11.5x	11.3x

As shown above, the net profit margin for the first nine months of 1997 was 7.2%. In 1996, the net profit margin for the same period was 6.8%, excluding the impact of non-recurring costs. Most of this improvement was due to an increase in the gross profit margin, reflecting the benefits from acquisitions and enhanced efficiencies in many existing operations. The 1997 net margin also benefited from little year-to-year change in interest expense and other deductions, net of other income, plus a slightly lower effective income tax rate.

In this year's third quarter, the net profit margin was 7.1%, up slightly from 7.0% in the third quarter of 1996. This improvement resulted from the lower effective income tax rate in 1997. The year-to-year improvement in the gross profit margin for the quarter was more than offset by a somewhat higher operating expense ratio. Thus, the pre-tax profit margin for the quarter was 11.2% in 1997, including the previously noted charge for the merger costs this past July. Absent this charge, the pre-tax margin was 11.6%. In 1996, the third quarter pre-tax margin was 11.4%.

Compared to the prior year, earnings per share grew at a lower rate than net earnings for the quarter and nine months ended September 30, 1997 due to a greater number of weighted average shares outstanding. The increase in shares outstanding is primarily a result of shares issued in the Company's acquisition program.

Consistent cash flow, a prudent capital policy and long-term profitable growth have allowed the Company to sustain a 26-year record of increasing dividends. In August 1997, the quarterly dividend was increased to $.14 per share. This action marked the second dividend increase in 1997. In the first two quarters, the rate was $.13 per share. The current quarterly dividend is 8% higher than the previous rate and 17% above the dividends declared in the third and fourth quarters of 1996.

Statements of Financial Accounting Standards Not Yet Adopted
- --
Statement of Financial Accounting Standards No. 128, which will be effective for the fourth quarter of 1997, establishes new standards for reporting earnings per share. The new standard requires dual presentation of basic (no dilution) and diluted (assuming full dilution) earnings per share. The earnings per share under the new standard will not be significantly different than what is currently being reported.

PART II. OTHER INFORMATION

ITEM 2. CHANGES IN SECURITIES

During the third quarter of 1997 the Company issued 1,797,227 shares of its common stock in transactions which qualified for exemption from registration under the Securities Act by virtue of Regulation D and Section 4(2) of the Securities Act. These securities were issued in connection with the acquisition of two businesses. On July 9, 1997, 8,642 shares were issued pursuant to Section 4(2) to acquire Family Frames, Inc. from its sole shareholder. On July 15, 1997, 1,788,585 shares were issued pursuant to Section 4(2) and Regulation D to acquire Cambridge Tool and Manufacturing Co., Inc. from its shareholders.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(A) Exhibit 11 - Computations of Earnings Per Share

Exhibit 27 - Financial Data Schedule

(B) 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: November 10, 1997

By: /s/ HARRY M. CORNELL, JR.

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

DATE: November 10, 1997

By: /s/ MICHAEL A. GLAUBER

Michael A. Glauber
Senior Vice President,
Finance and Administration

EXHIBIT INDEX

Exhibit		Page
11	Computations of Earnings Per Share	13
27	Financial Data Schedule	14

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES Exhibit 11

COMPUTATIONS OF EARNINGS PER SHARE

(Amounts in millions, except per share data)

	Nine Months Ended September 30,		Three Months Ended September 30,	
	1997	1996	1997	1996
EARNINGS PER SHARE				
Weighted average number of common shares outstanding	93.7	89.3	95.7	89.8
Dilution from outstanding stock options-computed using the "treasury stock" method	2.3	1.8	2.4	2.2
Weighted average number of common shares outstanding as adjusted	96.0	91.1	98.1	92.0
Net Earnings Before Extraordinary Item	$153.2	$108.3	$ 52.8	$ 44.0
Net Earnings	$153.2	$ 95.8	$ 52.8	$ 44.0
Earnings Per Share				
Net Earnings Before Extraordinary Item	$ 1.60	$ 1.19	$ .54	$ .48
Net Earnings	$ 1.60	$ 1.05	$ .54	$ .48

5
1000

9-MOS
DEC-31-1997
SEP-30-1997
9500
0
474300
12400
417500
942500
1172600
497800
2084800
378500
487000
0
0
1000
1119600
2084800
2141400
2141400
1599300
1599300
0
0
23300
245900
92700
153200
0
0
0
153200
1.6
0