



Second Quarter Summary Financial Information

August 2, 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, consumer demand for home-related items and global automotive, progress with supply chain constraints, modest improvement in COVID-19 impacted businesses, raw material price increases, currency benefits, acquisition and divestitures impacts, fixed cost savings, higher volume, higher metal margin, adjusted EBIT margin, depreciation and amortization, net interest expense, tax rate, diluted shares outstanding, operating cash, capital expenditures, amount of dividends, and debt repayments. 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; 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 \$1.27 billion, a 50% increase vs Q2-20
 - Volume was up 31%
 - Raw material-related price increases added 16%
 - Currency benefit added 3%
 - Acquisitions and divestitures offset each other
- 2Q record adjusted² EBIT was \$144 million, up \$94 million vs. Q2-20
- Adjusted² EBIT margin 11.3%, up 530 bps vs. 6.0% in Q2-20
- Adjusted² EPS of \$.66, up \$.51 vs. \$.15 in Q2-20
- Acquired Kayfoam, an Ireland-based provider of specialty foam and finished mattresses
- Increasing 2021 guidance: sales of \$4.9–5.1 billion; adjusted EPS of \$2.70–\$2.90

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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Q2 2021 Financial Highlights

<u>\$'s in millions (except EPS)</u>	<u>Reported Q2-21</u>	<u>Adj¹</u>	<u>Adj Q2-21</u>	<u>Reported Q2-20</u>	<u>Adj¹</u>	<u>Adj Q2-20</u>	<u>Change</u>
Sales	\$1,270		\$1,270	\$845		\$845	50%
EBIT	172	(28)	144	23	27	50	186%
EBIT Margin	13.5%		11.3%	2.7%		6.0%	530 bps
EPS	.82	(.16)	.66	(.05)	.20	.15	340%
Cash from Operations	\$41		\$41	\$112		\$112	(64%)
EBITDA	220	(28)	192	69	27	97	98%
EBITDA margin	17.3%		15.1%	8.2%		11.5%	360 bps

¹ See slide 25 for non-GAAP adjustments

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Q2 2021 Sales & EBIT Bridge

Sales:	<u>mln \$'s</u>	<u>% change</u>
2 nd Qtr 2020	\$845	
Approx volume growth	259	31%
Approx raw material-related pricing and currency benefit	165	19%
Organic Sales	424	50%
Acquisitions, net of divestitures	1	—%
2 nd Qtr 2021	\$1,270	50%
EBIT:		<u>margin</u>
Adjusted ¹ 2 nd Qtr 2020	\$50	6.0%
Primarily volume growth and metal margin expansion	94	
Adjusted ¹ 2 nd Qtr 2021	\$144	11.3%

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

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Q2 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>Q2-21</u>	<u>Adj¹</u>	<u>Q2-21</u>	<u>Q2-20</u>	<u>Adj¹</u>	<u>Q2-20</u>	
EBIT	\$172	(\$28)	\$144	\$23	\$27	\$50	186%
Net interest	19		19	20		20	
Pre-tax earnings	153	(28)	125	2	27	30	318%
Income taxes	41	(7)	34	8	1	9	
<i>Tax rate</i>			27.1%			28.8%	
Earnings	112	(21)	91	(6)	27	21	327%
Net earnings	112	(21)	91	(6)	27	21	327%
Non-controlling interests	—		—	—		—	
Net earnings attributable to L&P	112	(21)	91	(6)	27	21	327%
EPS	.82	(.16)	.66	(.05)	.20	.15	340%

¹ See slide 25 for non-GAAP adjustments

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Adjusted Working Capital

	6/30	3/31	6/30
\$'s in millions	<u>2021</u>	<u>2021</u>	<u>2020</u>
Cash & equivalents	\$232	\$334	\$209
Accounts receivable, net	705	603	577
Inventories, net	893	802	611
Other current assets	<u>65</u>	<u>51</u>	<u>50</u>
Total current assets	<u>1,895</u>	<u>1,789</u>	<u>1,447</u>
Current debt maturities	(51)	(51)	(51)
Current operating lease liabilities	(44)	(43)	(42)
Accounts payable	(612)	(536)	(361)
Accrued and other current liabilities	<u>(400)</u>	<u>(366)</u>	<u>(321)</u>
Total current liabilities	<u>(1,107)</u>	<u>(996)</u>	<u>(776)</u>
Working capital	788	793	672
% of annualized sales ¹	15.5%	17.2%	19.9%
W/C, excl. cash & current debt/lease	651	553	556
% of annualized sales ¹	12.8%	12.0%	16.4%

¹ Annualized sales: 2Q21: \$1,270x4=\$5,080; 1Q21: \$1,151x4=\$4,604; 2Q20: \$845x4=\$3,380

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Net Debt to Adjusted EBITDA

	6/30	3/31	6/30
\$'s in millions	<u>2021</u>	<u>2021</u>	<u>2020</u>
Long-term debt	\$1,975	\$1,953	\$2,083
Current maturities	<u>51</u>	<u>51</u>	<u>51</u>
Total debt	2,026	2,004	2,134
Less: Cash & equivalents	<u>(232)</u>	<u>(334)</u>	<u>(209)</u>
Net debt	1,794	1,670	1,926
EBIT, trailing 12 months	606	457	362
Depreciation & amortization	<u>190</u>	<u>188</u>	<u>190</u>
EBITDA	795	645	552
Non-GAAP adjustments (pretax)	<u>(22)</u>	<u>33</u>	<u>44</u>
Leggett reported adjusted EBITDA, trailing 12 months	773	678	596
Net debt to Leggett reported 12-month adjusted EBITDA ¹	2.32x	2.46x	3.23x

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	2 nd Qtr		YTD	
	2021	2020	2021	2020
Net earnings	\$112	\$(6)	\$200	\$38
D&A	48	47	94	94
Impairment, write-offs & other	7	31	6	58
Other non-cash	(15)	20	(7)	20
Changes in working capital:				
Accounts receivable	(86)	(6)	(121)	(13)
Inventory	(86)	80	(193)	47
Other current assets	(15)	5	(12)	1
Accounts payable	70	(62)	58	(90)
Other current liabilities	<u>5</u>	<u>4</u>	<u>4</u>	<u>(33)</u>
Cash from operations	41	112	30	123
Capital expenditures	25	19	49	43
Acquisitions	125	—	152	—
Dividends	53	53	106	106
Share repurchases (issuances), net	—	—	7	8
Proceeds from asset sales	31	3	31	4
Additions (repayments) of debt, net	22	(332)	131	8

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YTD 2021 Financial Summary

\$'s in millions (except EPS)	Reported	Adj	Reported	Adj	Change		
	2021	Adj ¹	2020	2020			
Sales	\$2,421		\$1,891	\$1,891	28%		
EBIT	300	(28)	271	101	40	141	93%
EBIT Margin	12.4%		11.2%	5.4%		7.4%	380 bps
EPS	1.46	(.16)	1.30	.28	.27	.55	136%
Cash from Operations	\$30		\$30	\$123		\$123	(75%)
EBITDA	394	(28)	366	195	40	235	56%
EBITDA margin	16.3%		15.1%	10.3%		12.4%	270 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	\$1,891	
Approx volume growth	303	16%
Approx raw material-related pricing and currency impact	235	13%
Organic Sales	538	29%
Acquisitions, net of divestitures	(8)	(1%)
YTD 2021	\$2,421	28%
EBIT:		<u>margin</u>
Adjusted YTD 2020 ¹	\$141	7.4%
Primarily volume growth and metal margin expansion	131	
Adjusted YTD 2021 ¹	\$271	11.2%

² 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	\$300	\$(28)	\$271	\$101	\$40	\$141	93%
Net interest	37		37	40		40	
Pre-tax earnings	263	(28)	234	61	40	100	133%
Income taxes	63	(7)	56	23	3	26	
<i>Tax rate</i>			23.8%			25.9%	
Earnings	200	(21)	179	38	36	74	140%
Net earnings	200	(21)	179	38	36	74	140%
Non-controlling interests	—		—	—		—	
Net earnings attributable to L&P	200	(21)	179	38	36	74	140%
EPS	1.46	(.16)	1.30	.28	.27	.55	136%

¹ See slide 25 for non-GAAP adjustments

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2021 Updated Guidance

- Increasing full year 2021 sales guidance to \$4.9–\$5.1 billion (vs. prior range of \$4.8–\$5.0 billion); up 14%–19% versus 2020
 - Increase reflects higher raw material-related price increases and acquisition sales
 - Volume expectations unchanged with mid-to-high-single-digit growth due to:
 - Strong consumer demand for home-related items and global automotive
 - Progress with supply chain constraints
 - Modest improvement in businesses in industries that have been negatively impacted by effects of COVID-19
 - 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 raised to \$2.70–\$2.90 (vs. prior range of \$2.55–\$2.75)
 - Increase driven primarily by higher metal margin
 - Excludes 2Q gain from real estate sale of \$0.16 per share

- Implied adjusted EBIT margin of 11.4%–11.6%

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2021 Guidance (continued)

- Depreciation and amortization ~\$195 million
- Net interest expense ~\$75 million
- Tax rate ~23%
 - 1Q = 20%; 2Q = 27%; 3Q-4Q = ~23%
- Diluted shares ~137 million
- Operating cash ~\$450 million; down \$50 million from prior guidance
- Cap-ex ~\$140 million; down \$10 million from prior guidance
- Dividends ~\$215 million
- Debt repayments at least \$51 million

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Segments

Q2 2021 Segment Summary

	Q2-21 Organic Sales Growth ¹	Q2-21 Adj. EBIT ² Margin	Δ vs Q2-20 Adj. EBIT ² Margin	Q2-21 Adj. EBITDA ² Margin	Δ vs Q2-20 Adj. EBITDA ² Margin
Bedding Products	50%	11.9%	680 bps	16.2%	470 bps
Specialized Products	69%	11.3%	730 bps	16.4%	480 bps
Furniture, Flooring & Textile Products	43%	10.7%	280 bps	12.1%	200 bps
Total Consolidated	50%	11.3%	530 bps	15.1%	360 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>
2 nd Qtr 2020	\$411	
Organic Sales ¹	201	50%
Acquisitions, net of divestitures	(3)	(2%)
2 nd Qtr 2021	\$609	48%

¹ Raw material-related price increases 26%, higher volume 22%, and currency benefit 2%

mln \$'s	<u>EBIT</u>	<u>EBIT</u>	<u>D&A</u>	<u>EBITDA</u>	<u>EBITDA</u>
	<u>margin</u>	<u>margin</u>		<u>margin</u>	<u>margin</u>
Adjusted 2 nd Qtr 2020 ²	\$21	5.1%	\$26	\$47	11.5%
Change	<u>51</u>		<u>—</u>	<u>52</u>	
Adjusted 2 nd Qtr 2021 ³	\$72	11.9%	\$26	\$99	16.2%

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

³ Adjusted to exclude gain on sale of real estate \$(28m)

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Bedding – Key Points

- Q2 organic sales were up 50%:
 - Volume was up 22%, driven by strong demand for home-related products
 - Raw material-related selling price increases added 26% to sales
 - Currency benefit increased sales 2%
- Divestitures (small operations in Drawn Wire and former Fashion Bed business), net of Kayfoam acquisition, reduced sales 2%
- Sales trends by business unit:

	<u>Organic Sales</u>	<u>Volume¹</u>
Steel Rod	101%	38%
Drawn Wire	53%	26%
U.S. Spring	30%	5%
Specialty Foam	38%	6%
Adjustable Bed	66%	64%
International Bedding	109%	66%

¹ Volume represents organic sales excluding raw materials and currency

- Q2 adjusted EBIT increased primarily from volume growth, pricing discipline, and higher metal margin

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Specialized Products

Trade Sales:	mln \$'s	% change
2 nd Qtr 2020	\$141	
Organic Sales ¹	97	69%
Acquisitions	4	3%
2 nd Qtr 2021	\$242	72%

¹ Higher volume 58%, currency benefit 10%, and raw material-related price increases 1%

mln \$'s	EBIT	EBIT	D&A	EBITDA	EBITDA
	margin	margin		margin	margin
Adjusted 2 nd Qtr 2020 ²	\$6	4.0%	\$11	\$16	11.6%
Change	21		1	24	
2 nd Qtr 2021	\$27	11.3%	\$12	\$40	16.4%

² Adjusted to exclude goodwill impairment charge \$25m

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Specialized – Key Points

- Q2 organic sales were up 69%:
 - Volume was up 58% from strong recovery in Automotive and Hydraulic Cylinders and modest recovery in Aerospace
 - Raw material-related selling price increases added 1% to sales
 - Currency benefit increased sales 10%
- An Aerospace acquisition completed January 30, 2021 added 3% to sales growth
- Sales trends by business unit:

	<u>Organic Sales</u>	<u>Volume¹</u>
Automotive	80%	68%
Aerospace	4%	3%
Hydraulic Cylinders	68%	59%

¹ Volume represents organic sales excluding raw materials and currency

- Q2 adjusted EBIT increased primarily from volume growth

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Furniture, Flooring & Textile Products

Trade Sales:	<u>mln \$'s</u>	<u>% change</u>
2 nd Qtr 2020	\$294	
Organic Sales ¹	125	43%
2 nd Qtr 2021	\$419	43%

¹ Higher volume 30%, raw material-related price increases 10%, and currency benefit 3%

mln \$'s	<u>EBIT</u>	<u>EBIT margin</u>	<u>D&A</u>	<u>EBITDA</u>	<u>EBITDA margin</u>
Adjusted 2 nd Qtr 2020 ²	\$23	7.9%	\$6	\$30	10.1%
Change	<u>22</u>		<u>—</u>	<u>21</u>	
2 nd Qtr 2021	\$45	10.7%	\$6	\$51	12.1%

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

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Furniture, Flooring & Textile – Key Points

- Q2 organic sales were up 43%:
 - Volume was up 30%, primarily from strong demand in Home Furniture, Geo Components, and the residential components of our Flooring Products and Work Furniture businesses
 - Raw material-related selling price increases added 10%
 - Currency benefit increased sales 3%

- Sales trends by business unit:

	<u>Organic Sales</u>	<u>Volume¹</u>
Home Furniture	108%	89%
Work Furniture	51%	43%
Flooring	32%	21%
Textiles	22%	10%

¹ Volume represents organic sales excluding raw materials and currency

- Q2 adjusted EBIT increased primarily from volume growth

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Webcast replay is available at
www.leggett.com

FOR ADDITIONAL INFORMATION

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Q2 2021 vs Q2 2019 Financial Highlights

<u>\$'s in millions (except EPS)</u>	<u>Reported Q2-21</u>	<u>Adj¹</u>	<u>Adj Q2-21</u>	<u>Reported Q2-19</u>	<u>Adj²</u>	<u>Adj Q2-19</u>	<u>Change</u>
Sales	\$1,270		\$1,270	\$1,213		\$1,213	5%
EBIT	172	(28)	144	127	(0)	126	14%
EBIT Margin	13.5%		11.3%	10.4%		10.4%	90 bps
EPS	.82	(.16)	.66	.59	—	.59	12%
EBITDA	220	(28)	192	177	(0)	176	9%
EBITDA margin	17.3%		15.1%	14.5%		14.5%	60 bps

¹ See slide 25 for non-GAAP adjustments

² Adjustment for restructuring-related charges <\$1m

Non-GAAP Adjustments

(\$ millions, except EPS)	Q2-21	Q2-20	YTD 2021	YTD 2020
Non-GAAP Adjustments (\$'s)^{1,2}				
Goodwill impairment ³	—	25	—	25
Note impairment ⁴	—	—	—	8
Stock write-off for prior year divestiture ⁵	—	—	—	4
Restructuring-related charges ⁶	—	2	—	2
Gain on sale of real estate ⁷	(28)	—	(28)	—
Non-GAAP adjustments (pre-tax \$'s)	(28)	27	(28)	40
Income tax impact	7	—	7	(3)
Non-GAAP adjustments (after tax \$'s)	(21)	27	(21)	36
Diluted shares outstanding	136.8	135.7	136.6	135.7
EPS impact of non-GAAP adjustments	\$(.16)	\$.20	\$(.16)	\$.27

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: Q2-20/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: Q2-20/YTD 2020: Other Expense \$2

⁷ Gain on sale of real estate affected the following line item on the income statement: Q2-21/YTD 2021: Other Income \$28