

Leggett & Platt®

Company Update

November 2024

LEG (NYSE)
www.leggett.com

Forward-Looking Statements



Statements in this presentation that are not historical in nature are “forward-looking” such as restructuring plan (“Restructuring Plan”) impacts, including higher output manufacturing locations, aligning capacity with future market demand, a more efficient, regional distribution network, a reduction of facilities from 50 to ~30–35, amount and timing of annual EBIT benefit, amount of annual sales reduction, amount and timing of cash from real estate sales, number of properties to be listed or planned for sale, amount and timing of cash and non-cash restructuring and restructuring related costs, meaningful profitability improvement, adjusted EPS, adjusted EBIT margin, sales, volume for Company and per segment, raw material-related price decreases, currency impacts, operating cash, uses of cash flow, net debt to adjusted EBITDA, full emission inventory completion, return on invested capital, and net trade sales. Such forward-looking statements are expressly qualified by the cautionary statements described in this provision and reflect only the current expectations of Leggett at the time the statement is made. Because forward-looking statements deal with the future, they are subject to risks, uncertainties and developments which might cause actual events or results to differ materially from those reflected in any forward-looking statement. Moreover, we do not have, and do not undertake, any duty to update or revise any forward-looking statement to reflect events or circumstances after the date on which the statement was made. Some of these risks and uncertainties include: our Restructuring Plan estimates may change; our ability to implement the Restructuring Plan or sell real estate and obtain expected proceeds in a timely manner; impact of the Restructuring Plan on the Company's employees', customers' and vendors' relationships; adverse impact caused by: global inflationary and deflationary impacts; macroeconomic impacts; demand for our products and our customers' products; growth rates and opportunities in industries in which we participate; our ability to obtain necessary raw materials and parts, maintain appropriate labor levels and ship finished products; impairment of goodwill and long-lived assets; access to the commercial paper market and debt markets and increased borrowing costs due to credit rating changes; our ability to borrow under our credit facility, including compliance with restrictive covenants; our ability to simplify our portfolio through our strategic review; adverse impact from supply chain shortages and disruptions; our ability to manage working capital; our ability to collect receivables; market conditions; price and product competition; cost and availability of raw materials due to supply chain disruptions or otherwise; labor and energy costs; whether we will continue to pay cash dividends on our common stock; cash repatriation from foreign accounts; our ability to pass along raw material cost increases through increased selling prices; conflict between China and Taiwan; our ability to maintain profit margins if customers change the quantity or mix of our products; political risks; changing tax rates; increased trade costs; foreign operating risks; cybersecurity incidents; customer bankruptcies, losses and insolvencies; disruption to our steel rod mill, other operations and supply chains; ability to develop innovative products; foreign currency fluctuation;; imposition or continuation of anti-dumping and/or countervailing duties on innersprings, steel wire rod and mattresses; tariffs imposed by the U.S. government; data privacy; direct and indirect physical effects of climate change; climate change compliance costs and regulatory, market, technological and reputational impacts; our ESG obligations; litigation risks; and risk factors in the "Forward-Looking Statements" and "Risk Factors" sections in Leggett's most recent Form 10-K and subsequent Form 10-Qs filed with the SEC.

Market and Industry Data

Unless we indicate otherwise, we base the information concerning our markets/industry contained herein on our general knowledge of and expectations concerning those markets/industry, on data from various industry analyses, on our internal research, and on adjustments and assumptions that we believe to be reasonable. However, we have not independently verified data from market/industry analyses and cannot guarantee their accuracy or completeness.

Leggett at a Glance

A diversified manufacturer that designs and produces a broad variety of engineered components and products

Strong competitive positions with
broad customer base



- Few large competitors
- Large addressable markets

Solid operating cash flow



- Long history of strong cash generation to support investment in our business and shareholder returns

Healthy balance sheet



- Priority on investment grade credit rating
- Long-term leverage target of 2.0x Net Debt to Adjusted EBITDA

Engaged management team



- Deep company knowledge and understanding of our diverse portfolio of businesses
- Commitment to sustainability through our people, our products, and our processes

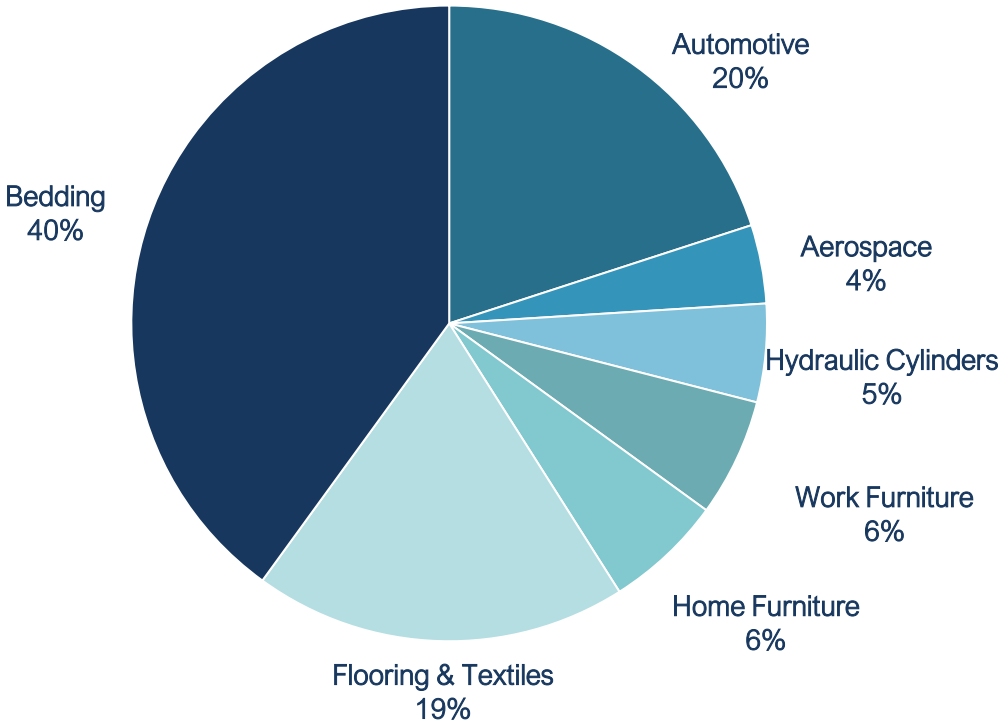
Focused on **improving long-term profitability**



- Execution of restructuring plan and operational efficiency improvements are on track
- Strategic portfolio review is underway

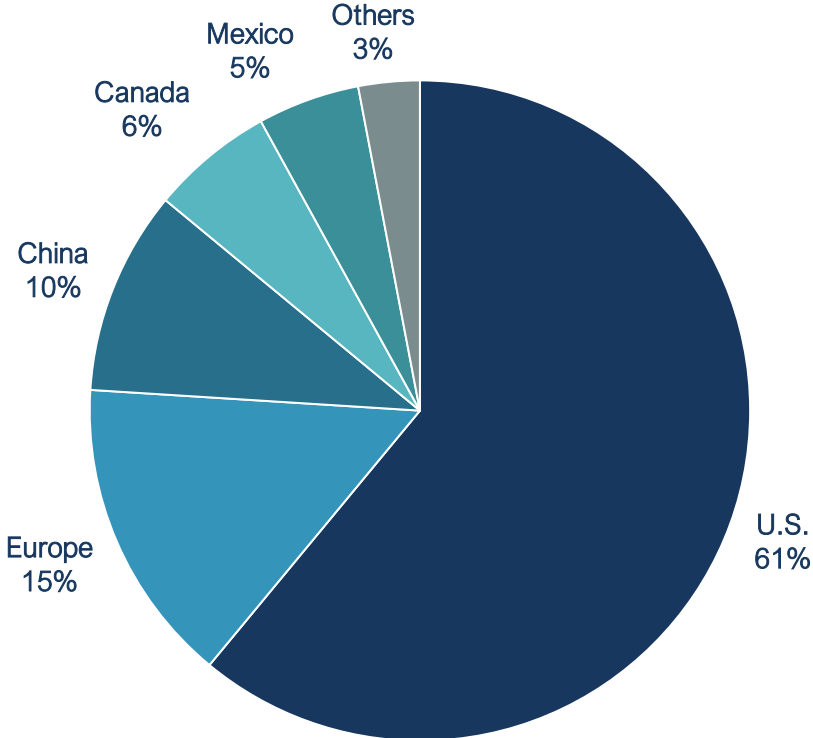
Product Mix

(based on 2024 estimated net trade sales)



Geographic Split

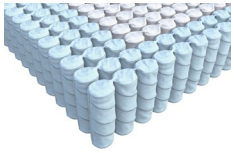
(based on production)



Segments

Bedding Products

40% of 2024e net trade sales



Components

- Mattress springs
- Specialty bedding foams
- Semi-finished mattresses
- Drawn steel wire
- Steel rod



Finished Products

- Private label compressed mattresses
- Mattress toppers and pillows
- Adjustable beds
- Foundations



Specialized Products

29% of 2024e net trade sales



Automotive

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



Aerospace

- Tubing
- Tube assemblies
- Flexible joints



Hydraulic Cylinders

- Hydraulic cylinders primarily for material handling, transportation, and heavy construction equipment

Furniture, Flooring & Textile Products

31% of 2024e net trade sales



Home Furniture

- Recliner mechanisms
- Seating and sofa sleeper components



Work Furniture

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



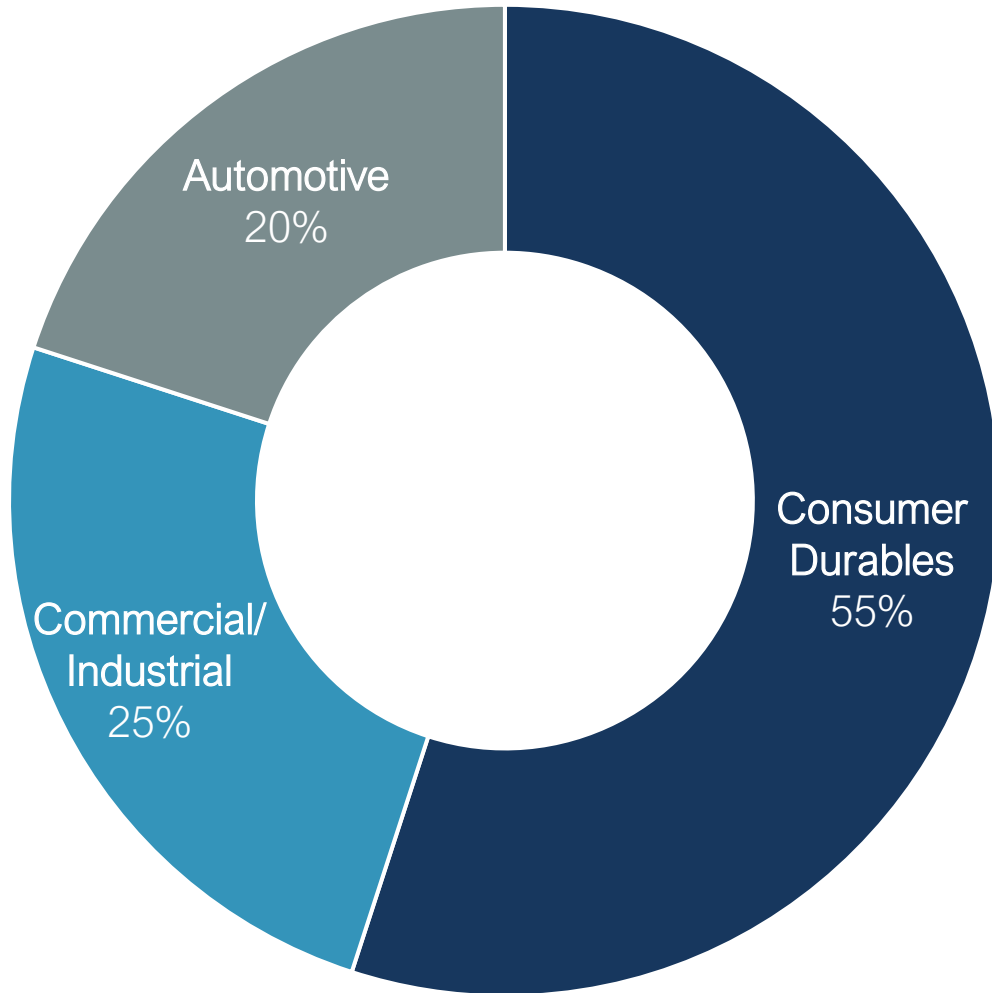
Flooring Products

- Carpet cushion
- Hard surface underlayment



Textile Products

- Textile converting
- Geo components



Key Economic Indicators

- Total housing turnover
 - Combination of new and existing home sales
- Consumer confidence
 - “Large ticket” purchases are deferrable
- Consumer discretionary spending
- Interest rate levels
- Employment levels

3Q24 Overview

Sales

\$1.1B

Adj.¹ EBIT

\$76M

Adj.¹ EBIT Margin

6.9%

Adj.¹ EBITDA

\$112M

Adj.¹ EBITDA Margin

10.2%

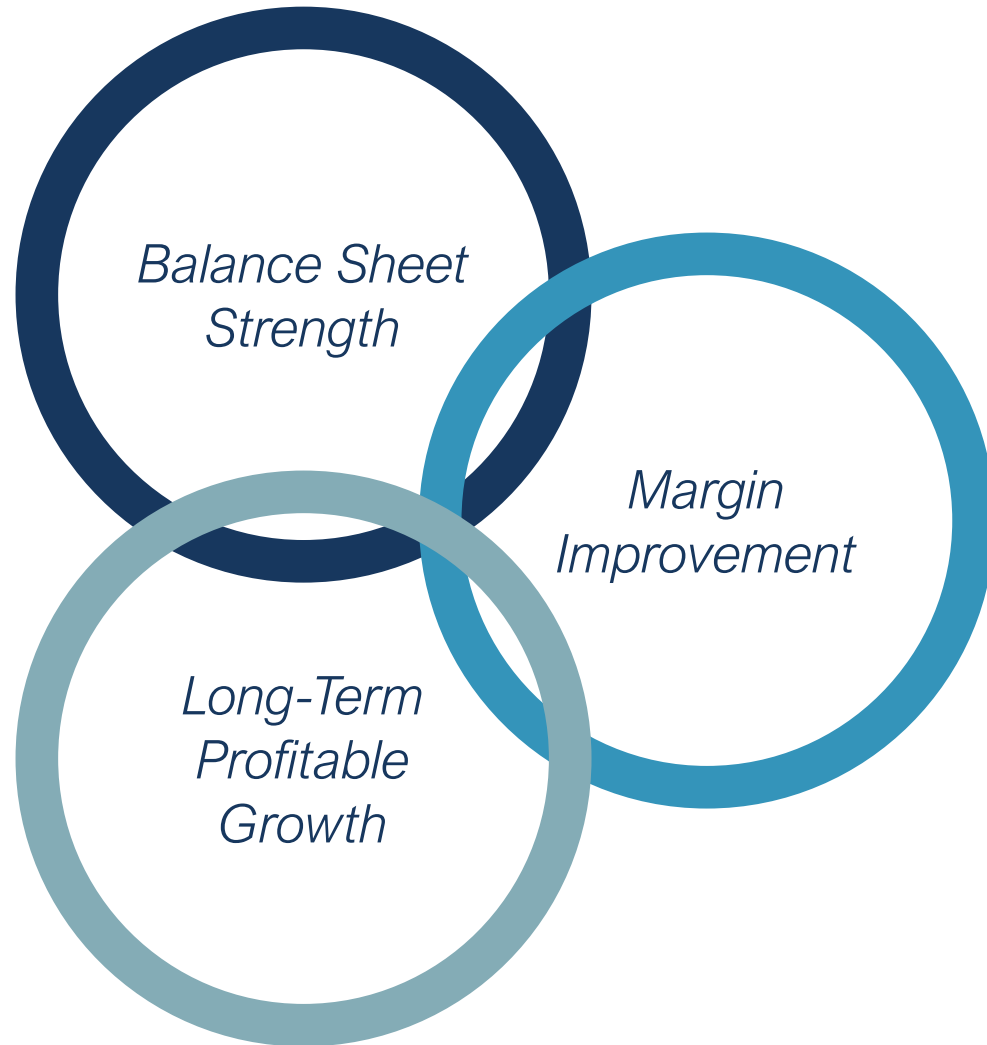
Cash from Operations

\$95M

¹ Adjusted to exclude \$12m (\$.07/share) of restructuring costs and \$14m (\$.08/share) gain on sale of real estate

Issued 10/28/24 and not updated since

- **Sales: \$4.3–\$4.4 billion; down 7% to 9% versus 2023 (vs prior guidance of \$4.3–\$4.5 billion)**
 - Decrease due to weaker than previously anticipated demand, particularly within our Specialized Products and Furniture, Flooring & Textile Products segments
 - Volume is expected to be down mid-single digits (vs prior guidance of low to mid-single digits)
 - Volume at the midpoint:
 - * Down high single digits in Bedding Products Segment
 - * Down mid-single digits in Specialized Products Segment
 - * Down mid-single digits in Furniture, Flooring & Textile Products Segment
 - Raw material-related price decreases and currency impact combined expected to reduce sales low single digits
- **Adjusted EPS: \$1.00–\$1.10 (vs prior guidance of \$1.10–\$1.25)**
 - Decrease due to weaker than previously expected demand, primarily in Specialized and FF&T, and unfavorable sales mix, primarily in Bedding, partially offset by operational efficiency improvements
- **Implied adjusted EBIT margin of 6.0%–6.4%**
- **Operating cash: ~\$300 million (vs prior guidance of \$300–\$350 million)**



- ✓ Maintaining long-held financial strength
 - ✓ Refreshed capital allocation strategy
-
- ✓ Optimizing operations and G&A cost structure
 - ✓ Executing on restructuring plan
-
- ✓ Positioning for profitable growth opportunities in Bedding, Automotive, and Geo Components
 - ✓ Conducting a strategic review of our portfolio of businesses

Our actions will allow us to navigate the challenging near-term environment and position us for long-term success

Strengthening Our Balance Sheet and Liquidity

Debt and Liquidity

- **Priority on investment grade** credit rating
- Proactively amended agreement for existing revolving credit facility in March to increase leverage ratio from 3.5x to 4.0x
- **\$1.2 billion revolving credit facility** in place
- Expect to use commercial paper program to repay \$300 million of 3.8%, 10-year notes maturing in November

Cash Flow

- Long history of **strong cash generation**
- **Resilient cash flow** in economic downturns
- Focus on **managing working capital**

A balanced approach focused on driving shareholder value

- Near Term Focus:**
- ✓ Upholding long-held balance sheet strength and continuing to invest in our businesses
 - ✓ Targeting long-term ratio of 2.0x Net Debt to Adjusted EBITDA

Long Term Priorities



ORGANIC GROWTH

- ✓ Investing in our businesses for the future



STRATEGIC ACQUISITIONS

- ✓ Primarily opportunities complementing our existing portfolio of businesses



SHAREHOLDER RETURNS

- ✓ Dividends
- ✓ Opportunistic share repurchases



Sources of Improved Profitability

Key Drivers:

- Successful execution of restructuring plan
- Improving operational efficiency across our businesses
- Demand improvement in residential end markets

Targeted Efforts:

- Cost recovery beyond raw materials
- Closely managing costs
- Maintaining pricing discipline

Essential Cornerstones:

- Product Innovation
- Portfolio Management
- Growth in Attractive Markets
- Continuous Improvement



Restructuring Plan Announced January 16, 2024



- A Restructuring Plan to **improve profitability** and better align with the markets we serve is now well underway

- Key initiatives are **primarily related to the Bedding Products segment**
 - Continuing to reshape product and commercial strategy
 - Optimizing manufacturing and distribution footprint

- Smaller actions within the Furniture, Flooring & Textile Products segment
 - Aligning capacity with regional demand
 - Driving operating efficiencies

- Added an opportunity within the Specialized Products segment in 2Q24
 - Manufacturing optimization
 - Operating efficiency improvements

- G&A cost structure optimization project added in 3Q24
 - Reducing corporate costs to drive efficiencies
 - Analyzing potential opportunities to streamline business unit functions



Bedding Products Restructuring Initiatives



FOOTPRINT:

- ✓ Higher output manufacturing locations with sufficient capacity to meet customer needs
- ✓ Aligning capacity with anticipated future market demand
- ✓ More efficient, regional distribution network
- ✓ From 50 to ~30–35 facilities

PRODUCTS:

- ✓ Innovative, higher-value content and additional product solutions
- ✓ Components to private label finished goods
- ✓ Leveraging specialty foam and innerspring technologies



- ✓ Enabling profitable growth via expanded product capabilities, increased content
- ✓ Reducing costs
- ✓ Creating value for customers and shareholders



Restructuring Initiatives Are Underway and On Track



Bedding Products

- ✓ Mexico innerspring operation winding down
- ✓ All other innerspring activity complete
- ✓ Closed 2 Specialty Foam plants and 1 additional consolidation underway
- ✓ Closed 1 Adjusted Bed facility
- ✓ 2 properties sold (1 in October)
- ✓ 1 property under contract
- ✓ 3 properties listed for sale
- ✓ 4 additional properties preparing/planned for sale

Home Furniture

- ✓ Restructuring activity complete
- ✓ 1 property listed for sale

Flooring Products

- ✓ Closed one production line and transferred manufacturing to other locations
- ✓ Equipment redeployed from closed line to another facility
- ✓ Two additional production lines to be transferred to a remaining operation

Hydraulic Cylinders

- ✓ Manufacturing optimization and operational efficiency improvements underway



Restructuring Plan – Expected Financial Impact

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- EBIT benefit primarily driven by optimized Bedding footprint
 - **Expect to realize \$10–\$15 million EBIT benefit in 2024**
 - * \$9 million realized YTD 2024
 - Updated to include additional benefit of ~\$10 million to be realized in 2025 from G&A initiatives
 - Expect to see full benefit on an annualized run-rate basis by late 2025
- Sales reduction primarily related to geographic changes within Bedding
 - **Approximately \$15 million sales attrition expected in 2024** (vs prior estimate of \$25 million)
 - * \$7 million realized YTD 2024
- Real estate sales of property associated with initiatives expected to be substantially complete by the end of 2025
 - Proceeds expected to primarily be used for debt reduction
 - **In line with 2024 expectations, we have realized \$20 million in proceeds** (vs prior estimate of \$15–\$25 million)



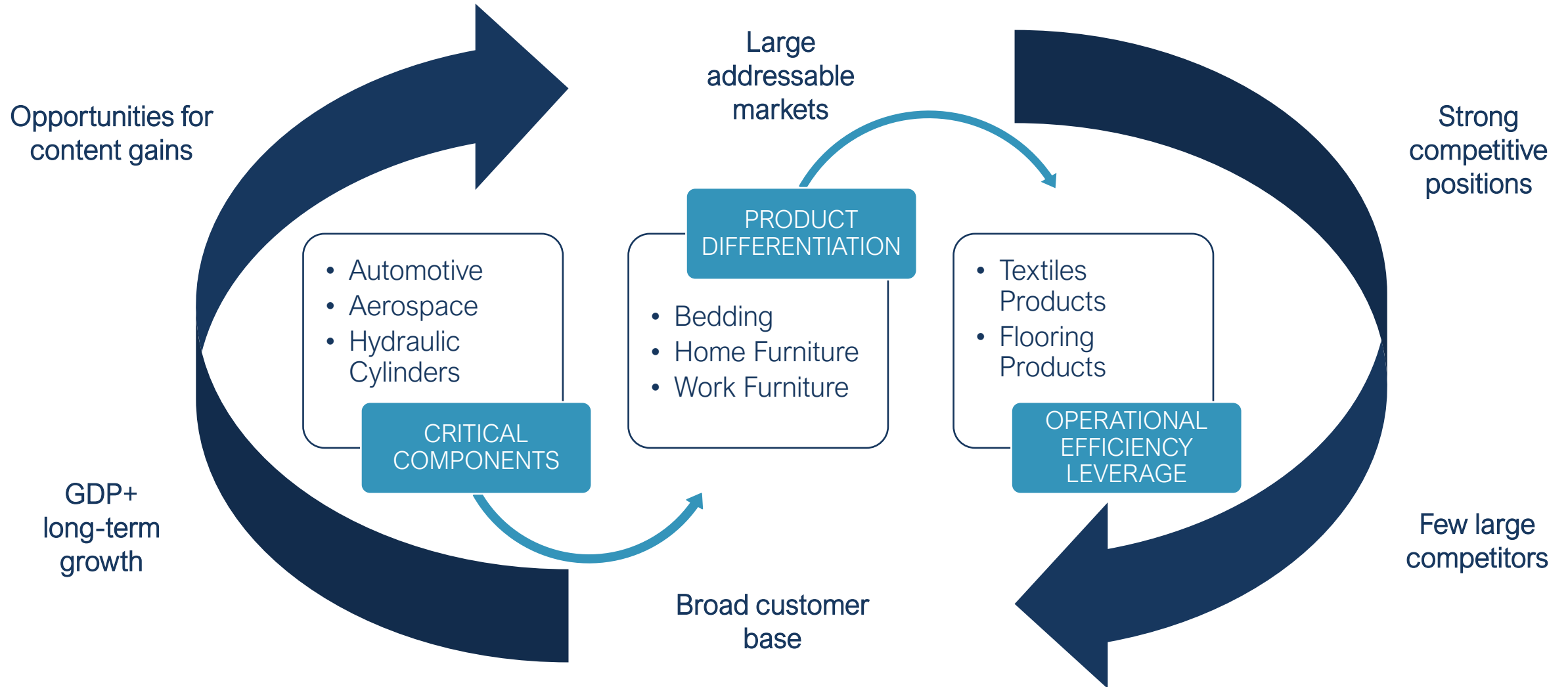
Restructuring Plan – Expected Costs



- Majority of cash costs anticipated to be incurred in 2024
- \$34 million of costs incurred YTD 2024; \$27 million cash and \$7 million non-cash costs

	<u>2024</u>	<u>2025</u>	<u>Total</u>
Cash Costs	\$25–\$30	\$5–\$10	\$30–\$40
Non-Cash Costs	15–20	20–25	35–45
Total Costs	\$40–\$50	\$25–\$35	\$65–\$85

Attractive End Markets

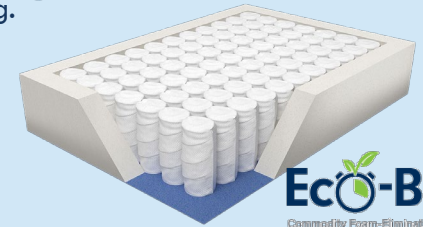


Bedding Innovation

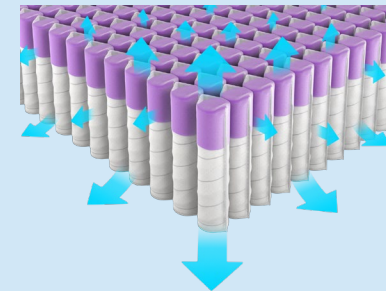
The market leader in specialty foam and innerspring technologies, from components to finished products...



The foam that changed everything.
Breathable, cooling, durable.



Commodity Foam-Eliminating Innersprings



Combination Pocket



Gorilla Foam™

Super Strong Specialty Foam

...powered by innovation across product lines.

Long-Term
Profitable
Growth

Automotive Innovation

Leggett & Platt®



Comfort and Wellness for All Market Segments



Mid-Class Luxury Massage

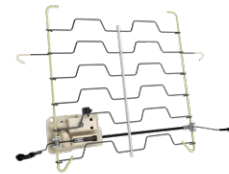


Harmonic Massage



Advanced/Vibration Massage

Modularity and Lightweight for Sustainability



CP5 Lumbar Support

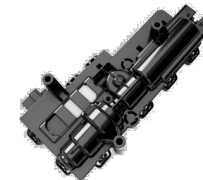


Modular SMA Valve

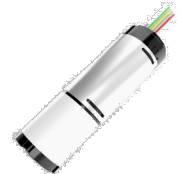
Powered Actuation for Convenience



BLDC Motors



Smart Latch Actuator



Power Liftgate Actuator



Our People

- Committed to supporting our employees and ensuring the right resources and processes are in place for our teams to succeed



Innovative Products

- Focused on reducing the environmental impacts of our products across their lifecycles and improving chemical management in our businesses



The Environment

- Identifying ways to limit our environmental impact and taking steps toward emission-reducing activities



Supply Chain Management

- Global supply base vetted through comprehensive supplier qualification, risk, and review processes



Business Ethics & Governance

- Strong governance, high ethical standards, board leadership and oversight, human rights, data privacy and cyber security, and reporting accountability are key priorities

Key Takeaways

We are positioning Leggett for long-term profitable growth

- ✓ Proactively **solidifying** our long-held **financial strength**
- ✓ **Key initiatives are on track**, including our restructuring plan and other operational improvement activities
- ✓ **Strong competitive positions** in our core markets with **further growth opportunities**
- ✓ Moving toward a **more focused and more profitable future**

CONTACT US FOR ADDITIONAL INFORMATION

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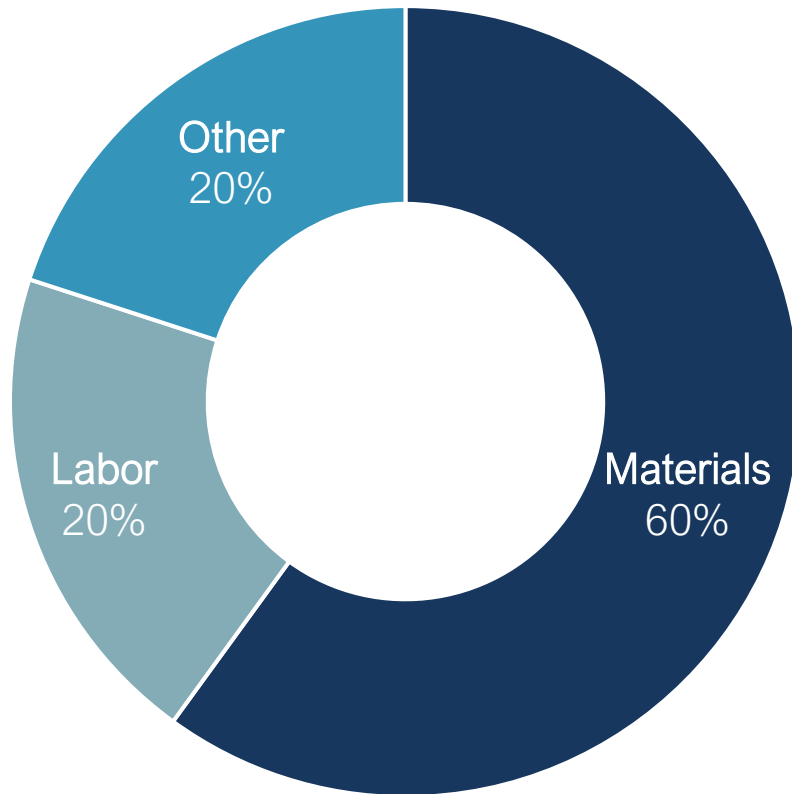
Manager, Investor Relations

Additional Information

Cost Structure

- Costs are roughly 75% variable, 25% fixed
- Incremental/decremental volume
 - 25–35% contribution margin

Cost of Goods Sold composition (approximate):



Materials

- Steel ~25% of RMs
- Chemicals ~15% of RMs
- Woven & nonwoven fabrics ~15% of RMs
- Foam scrap, fibers ~3% of RMs
- Metals (titanium, nickel, stainless, chrome bar), wood – each ~2% of RMs
- Others, including sub-assemblies, hardware, components, finished products purchased for resale, etc. ~40% of RMs

Labor

- Includes all burden and overhead

Other

- Depreciation, supplies – each ~3% of COGS
- Utilities, maintenance – each ~2% of COGS
- Shipping/transportation ~10% of COGS
- Also includes rent, insurance, property tax, etc.



Commodity Impact

Steel

- Primarily scrap, rod, and flat-rolled
- Impact from inflation/deflation
 - Typically pass through; lag is ~90 days
- Change in metal margin (mkt price for rod – mkt price for scrap)
 - Our scrap cost and rod pricing moves with the market; large swings could cause Bedding Products segment earnings volatility

Chemicals

- Primarily TDI, MDI, and polyols
- Impact from inflation/deflation
 - Typically pass through; lag is ~30 days

Bedding Value Chain



Our rod mill in Sterling, Illinois, has the capacity to melt approximately 550,000 tons of steel scrap. Billets are formed from the melted scrap and can then be used to make around 500,000 tons of steel rod.

The majority of the rod goes to our two domestic wire mills to be drawn into various gauges of wire, while most of the wire goes to our spring-making plants to be coiled into innersprings on wire-forming machines manufactured by our Spühl facility in Switzerland.

Our innersprings are sold to most U.S. bedding manufacturers and used in private label finished hybrid compressed mattresses produced in our facilities across the country.

MELTING FURNACE



FORMING STEEL ROD



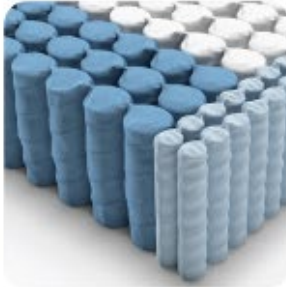
DRAWING WIRE



FORMING SPRINGS



INNERSPRING CORE



COMPONENTS COMBINE IN HYBRID MATTRESSES



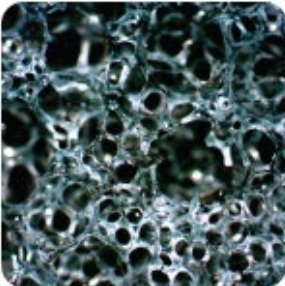
RAW STEEL TO SPRING CORES >>

POLYOL CHEMISTRY TO SPECIALTY FOAM >>

POLYOL LABORATORY



FOAM ADDITIVES



FOAM POURING



SPECIALTY FOAM



MATTRESS ASSEMBLY



COMPRESSING AND ROLL-PACKING



Polyols and foam additives that improve durability, increase airflow, and decrease odor are developed at Peterson Chemical Technology.

Specialty foam is produced at our pouring and fabrication facilities and either used in private label fully finished products such as compressed mattresses, mattress toppers and pillows, or sold to bedding and furniture manufacturers.

Diverse Customer Base – Low Concentration

In North America:

Adient	Haworth	Magna	Sleep Number
Ashley Furniture	HNI	Mattress Firm	Steelcase
Berkshire Hathaway	Home Depot	MCF	Stellantis
Best Home Furnishings	JLG (Oshkosh)	MillerKnoll	Tempur Sealy
Eaton	La-Z-Boy	Purple	Toyota Industrial Equip
Ford	Lear	Resident Home	Walmart
GE Aviation	Lincoln Electric	Rooms to Go	
General Motors	Lowe's	Serta Simmons	

In Europe and Asia:

Bensons	Hay	Natuzzi	Sleepeeze
Dreams	Hilding Anders	Nissan	Toyota
Emma	Honda	Recticel	Volkswagen
Forvia	Hyundai	Sanyo	Volvo Construction Equip
Fritz Hansen	Kuka	Silentnight Beds	

Leggett & Platt®

Sustainability

Our People

We foster a positive, engaging, and inclusive culture

- Program launches in 2023 promoted inclusion through more collaborative teams, a more diverse approach with our supply chains, and personal and professional development of women
- 2023 gender diversity in U.S. and Canada was consistent with manufacturing industry average of 29%
- 91% corporate officer internal promotion rate for the three years ending 2023

Including a core culture of employee safety

- Our top priority is keeping our employees safe every day through our comprehensive health and safety management system, SafeGuard
- We take intentional and deliberate steps to provide safe working conditions and strive to reduce incidents and injuries, and our incident rate is below the industry average



Innovative Products

We are reducing the environmental impacts of our products across their lifecycles

Automotive



Our lightweight components help to reduce overall vehicle weight, improve fuel efficiency, and reduce noise

Flooring Products



Our carpet underlay products make a direct contribution towards LEED green building certification for our customers

Geotextiles



We supply products such as erosion-control blankets and silt fencing that help address the challenges of land at risk of erosion

U.S. Spring



Our mattress innersprings contain at least 90% recycled scrap steel content

Specialty Foam



We recently introduced EcoFlow bio-based foam products utilizing renewable materials and reducing use of petro-chemicals

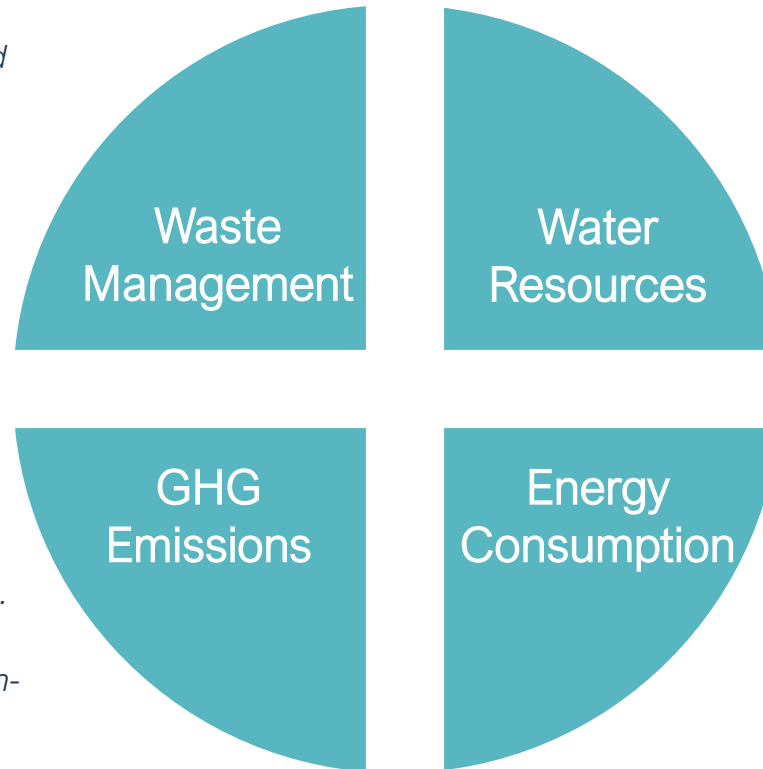
And improving chemical management within our business to limit risks to human health and the environment

- We hold important product certifications, including:
 - ✓ **CertiPUR-US certification** for our Specialty Foam products
 - ✓ **Carpet and Rug Institute Green Label-plus certification** for carpet cushion products in our Flooring Products business.
- In 2023, we reviewed technology solutions to enable the development of an enhanced database to efficiently track chemicals and improve decision-making related to chemical management in our businesses.

We are committed to demonstrating environmental responsibility and reducing our greenhouse gas emissions

- *Our rod mill used approximately 350,000 tons of recycled scrap steel in 2023*
- *Dust created from the electric arc furnace at our rod mill has been redirected from landfill disposal to be processed in a kiln for zinc and heavy metal recovery, eliminating hazardous waste that previously required disposal.*
- *Each year, we incorporate millions of pounds of recycled urethane foam, including scrap from our Specialty Foam operations, into the production of bonded carpet cushion.*

- *Our Scope 1 and Scope 2 GHG emission inventory showed key drivers of carbon emissions include our Steel Rod and Drawn Wire businesses, fleet, and electricity use.*
- *We aim to compile a full emissions inventory, including Scope 3, to inform the setting of a science-aligned carbon-reduction target by the end of 2025.*



- *In 2023, we initiated our first global water use inventory to understand our water withdrawals and discharges from all facilities.*
- *Our rod mill utilizes an on-site pond to provide cooling water for the caster process and equipment cooling. The water is recirculated several times before discharge, avoiding the pumping of a large amount of groundwater.*

- *We've a proud partner of the U.S. Department of Energy's Better Buildings, Better Plants program.*
- *Since 2019, 15 of our U.S. locations have been retrofitted with new energy-efficient lighting, resulting in avoidance of ~13.9 million kWh of electricity and more than 6,100 metric tons of carbon dioxide equivalents.*
- *Our goal is to reduce energy intensity throughout our U.S. manufacturing operations by 25% in 10 years, versus a 2019 baseline year.*

Supply Chain Management

Our key priorities include improving the performance of our fleet and maintaining ethical and responsible sourcing practices

- In 2023, we joined the **Environmental Protection Agency SmartWay program**
 - Through the program we will measure, benchmark, and improve our transportation efficiency
- We are a **long-standing, fully certified and validated member of the C-TPAT program** as both a domestic and foreign manufacturer member
 - We have participated in the program since its inception
- We systematically monitor financial, ESG, and operational risks through our **Supply Chain Risk Management program**

We uphold high standards of ethical conduct

Board Independence

- Lead Independent Director with significant responsibilities
- Independent Board (9 of 10 directors are independent)
- All Board committees are composed of independent directors
- Independent directors conduct regular executive sessions called by the Lead Independent Director

Board Practices

- Annual Board and committee assessments
- Risk oversight and strategic planning by full Board and committees
- Independent director service limited to three additional Boards

Board Accountability

- Annual election of all directors
- Majority vote standard to elect directors
- Proxy access right for shareholders
- Shareholders can call special meetings
- Positive annual say-on-pay vote
- Board reviews evolving shareholder feedback

Compensation / Ownership

- Robust stock ownership guidelines for Directors and Executive Officers
- Clawback policy in place
- Maintain restrictions on hedging and pledging shares of our stock
- Double trigger equity vesting provisions in place for change in control
- No repricing of options or cash buyouts
- No tax gross-ups

Business Ethics & Governance

We maintain a high-functioning and effective Board of Directors and executive leadership team

5 new independent directors since 2018

33% of independent directors are women

4 directors identify as racial / ethnic minorities

33% of governing committees chaired by women

Angela Barbee ✎ ◆

Former SVP – Technology and Global R&D at Weber
Director since: 2022



Knowledge of manufacturing, engineering, management, and operations in the consumer and automotive industries

Mark A. Blinn ✎ ◆

Retired President & CEO at Flowserve
Director since: 2019



Leadership experience in operations and finance, as well as strategic planning and risk management; Public company Board experience

Robert E. Brunner ◆ ✎

Lead Independent Director, Retired Executive VP at Illinois Tool Works
Director since: 2009



Experience at ITW provides insight on automotive strategy, business development, M&A, operations, and international issues

Mary Campbell ✎ ✎

Retired President – vCommerce Ventures at Qurate Retail
Director since: 2019



Knowledge in consumer driven product innovation, marketing and brand building, and traditional and media platforms

Manuel A. Fernandez ◆ ✎

Managing Director at SI Ventures
Director since: 2014



CEO experience and public board experience offers insight into corporate strategy and development, IT and international growth

Karl G. Glassman

Chairman and CEO
Director since: 2002



Brings knowledge of the Company's operations, strategy and governance, as well as its customers and end markets

Joseph W. McClanathan ◆ ✎

Retired President & CEO, Household Products Division at Energizer
Director since: 2005



Brings perspective to the Board on manufacturing operations, marketing and development of international capabilities

Srikanth Padmanabhan ✎ ✎

VP & President – Engine Business Segment at Cummins
Director since: 2018



Knowledge of automotive and industrial industries; Experience in operations and innovation at a multi-billion-dollar business

Jai Shah ✎ ◆

Group President at Masco
Director since: 2019



Perspective on issues such as growth strategy development and implementation, talent management, and adapting to market innovations

Phoebe A. Wood ✎ ✎

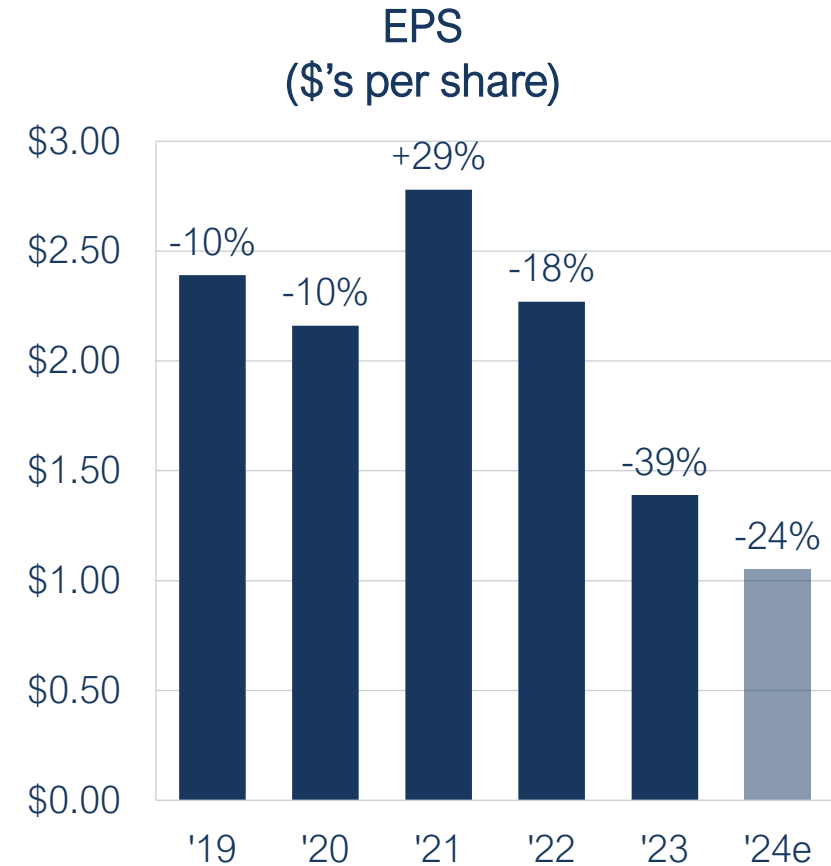
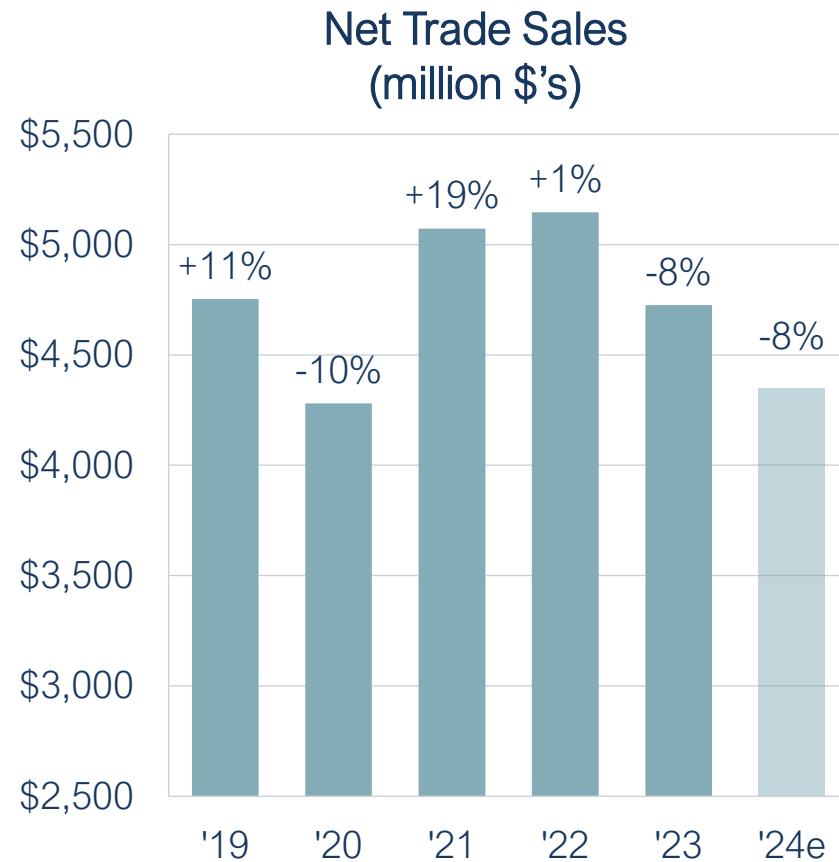
Retired Vice Chair & CFO at Brown-Forman
Director since: 2005



Understanding of the strategic, financial and accounting issues the Board addresses in its oversight role

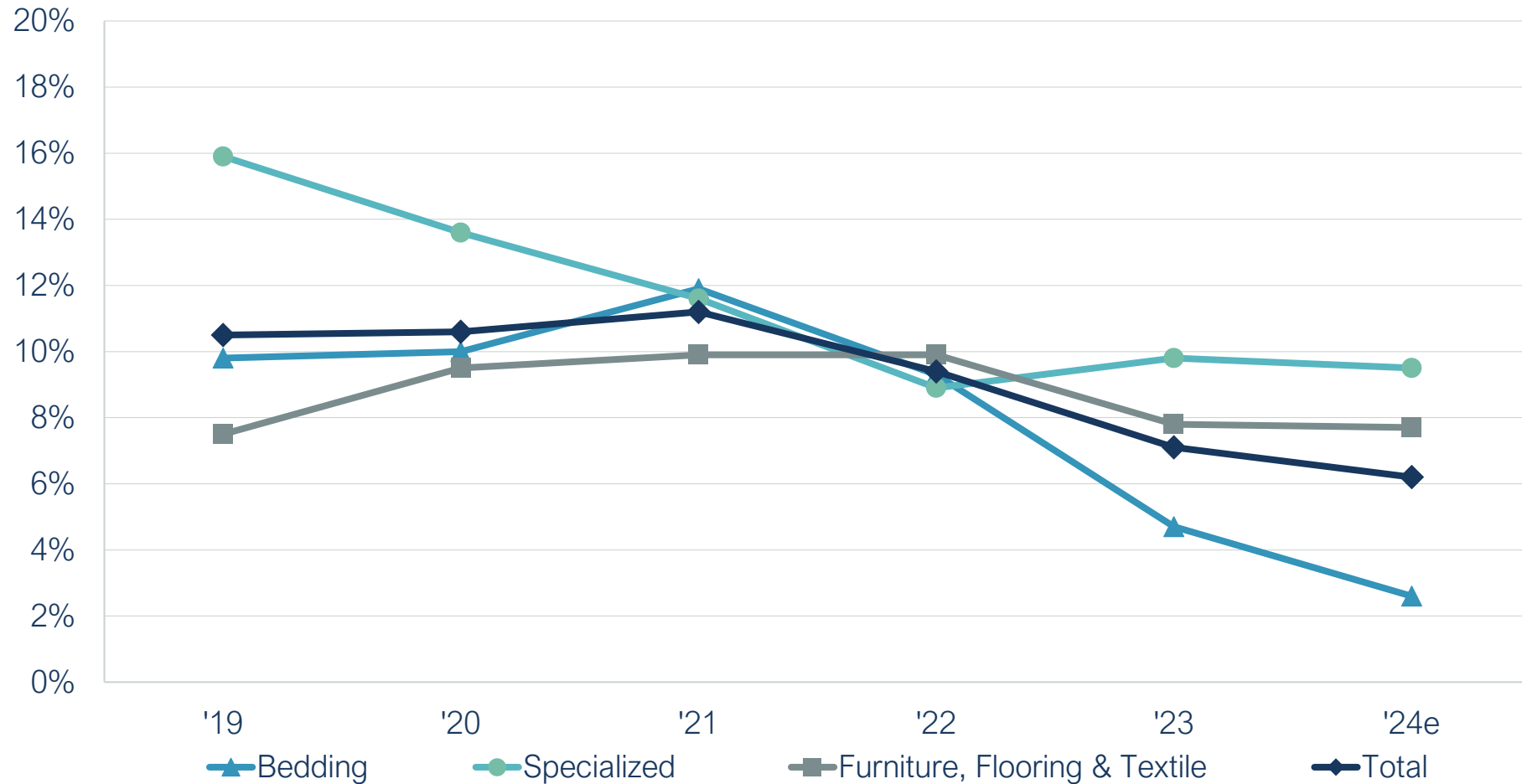
Financial Information

Sales and EPS



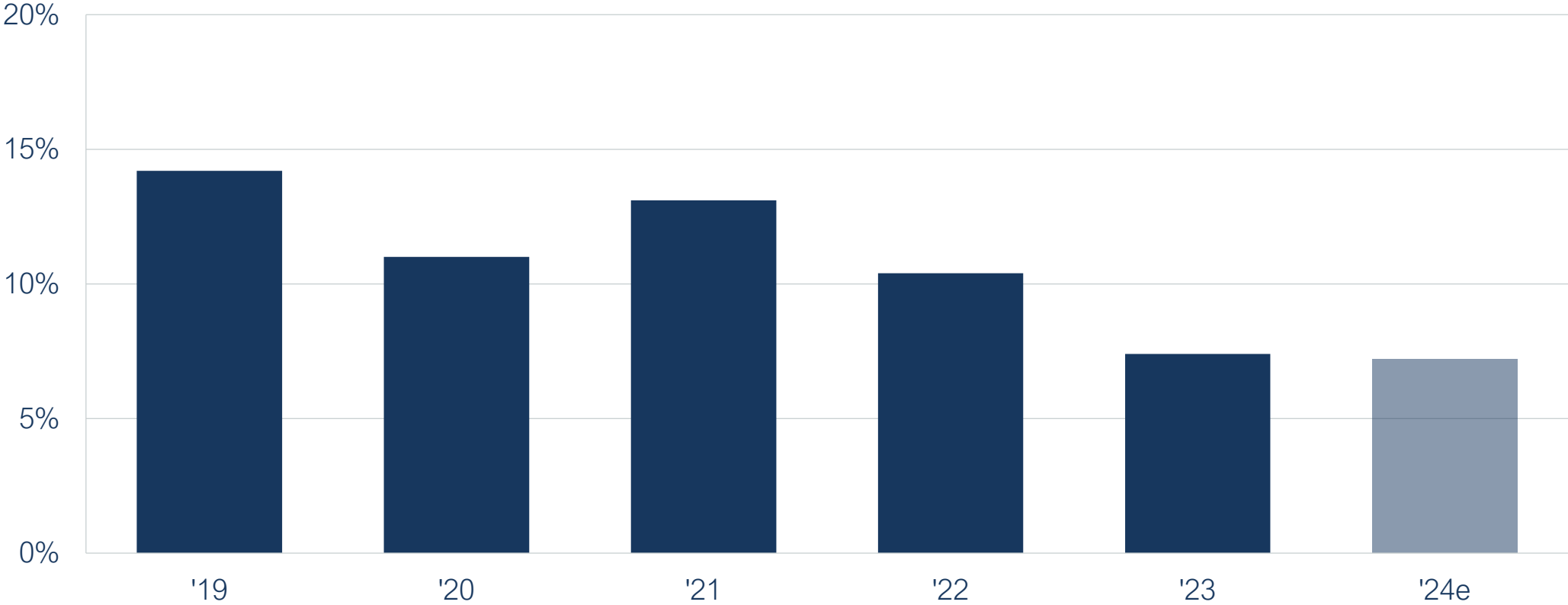
- Amounts are from continuing operations and exclude unusual items. See appendix for non-GAAP reconciliations.
- 2019–2020 financial data has been adjusted to apply the effects of the change from LIFO to FIFO
- 2024 estimates are based on mid-point of guidance

Segment EBIT Margins



- Amounts are from continuing operations and exclude unusual items. See appendix for non-GAAP reconciliations.
- 2019–2020 financial data has been adjusted to apply the effects of the change from LIFO to FIFO
- 2024 estimates are based on mid-point of guidance

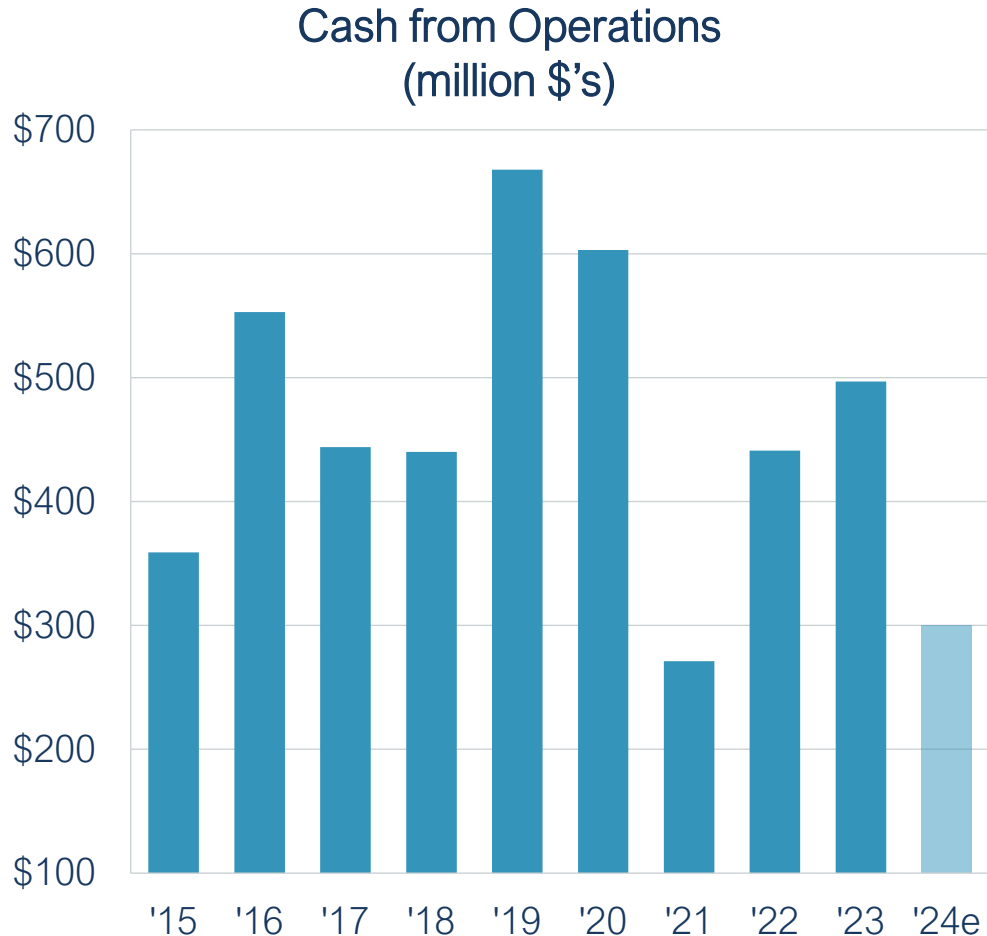
Return on Invested Capital



- See appendix for return calculation
- 2019–2020 financial data has been adjusted to apply the effects of the change from LIFO to FIFO
- 2024 estimates are based on mid-point of guidance

Strong Cash Flow Generation

To support investment in our business and strong shareholder returns



Investing in our Business

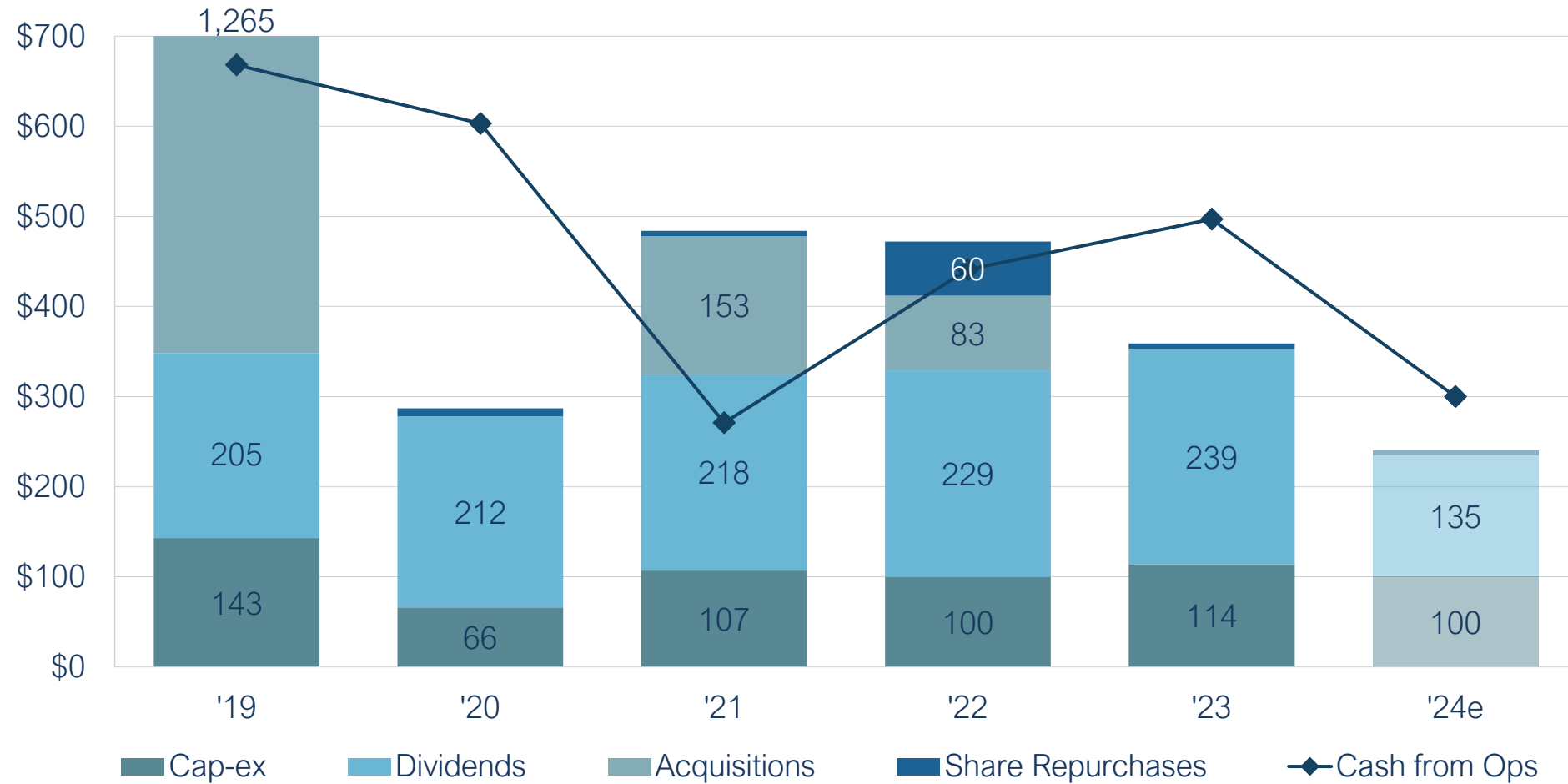
- Organic growth, margin improvement, and innovation
- Strategic acquisitions

Returning Cash to Shareholders

- Dividends
- Opportunistic share repurchases

• 2024 estimates are based on mid-point of guidance

Uses of Cash Flow



Cash Flow

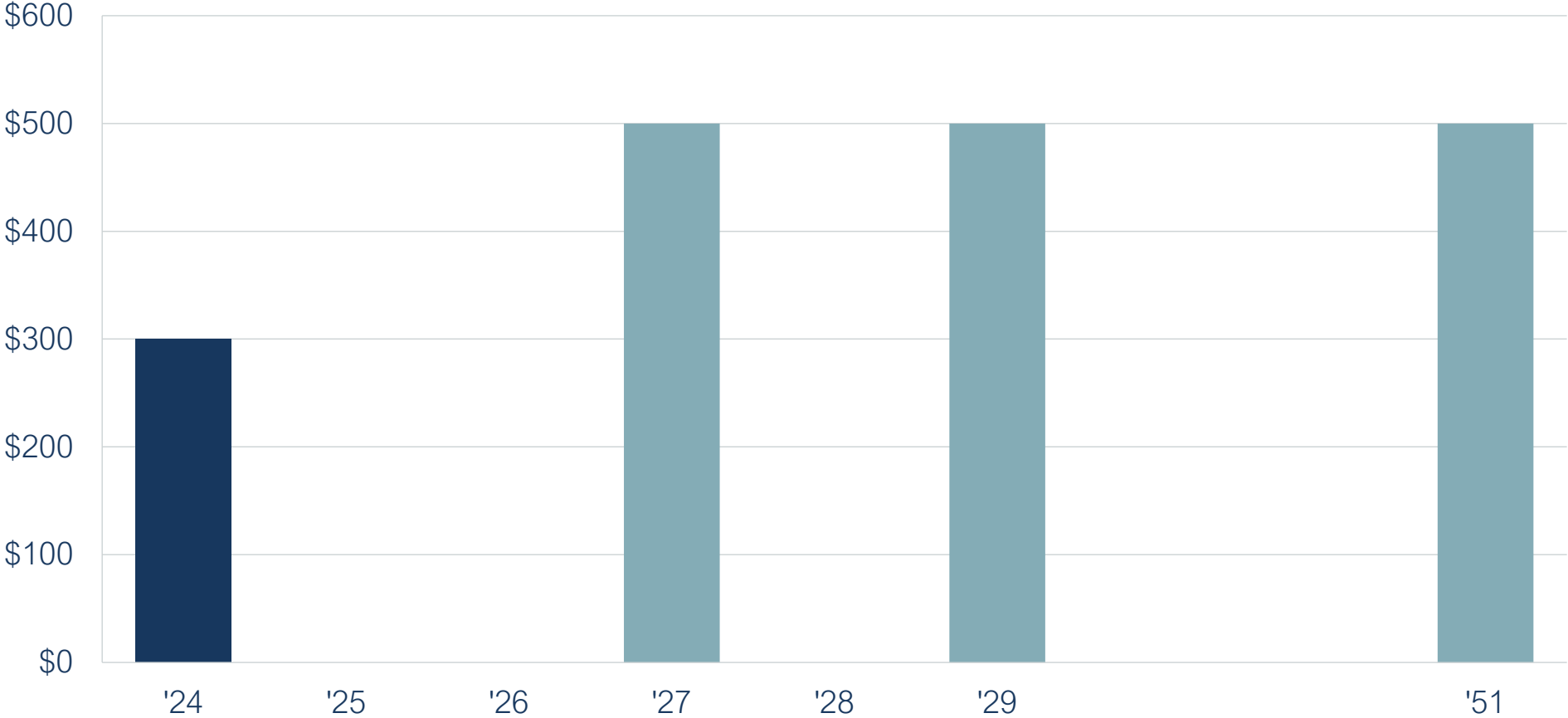


\$'s in millions	2019 ¹	2020 ¹	2021	2022	2023	2024e ²
Net Earnings	314	253	403	310	(137)	(502)
Deprec & Amort	192	189	187	180	180	135
Def Income Taxes	1	(21)	(9)	(16)	(129)	(55)
Impairments	8	29	—	—	444	715
Working Capital	101	80	(338)	(78)	116	0
Other Non-Cash	52	73	28	45	23	10
Cash from Operations	668	603	271	441	497	~300
Uses of Cash						
Capital Expenditures	(143)	(66)	(107)	(100)	(114)	(100)
Dividends	(205)	(212)	(218)	(229)	(239)	(135)
Acquisitions	(1,265)	—	(153)	(83)	—	—
Share Repurchases	(7)	(9)	(6)	(60)	(6)	(5)

¹ Adjusted to apply the effects of the change from LIFO to FIFO

² 2024 estimates are based on mid-point of guidance

Debt Maturities



- Weighted average rate: 3.8%; Weighted average maturity: 9.9 years; excludes commercial paper borrowings
- 2024 bonds mature in November and are expected to be predominantly paid with commercial paper

Appendix
Non-GAAP Reconciliations

Non-GAAP Adjustments



<i>(\$ millions, except EPS)</i>	2019 ²	2020 ²	2021	2022	2023	2024e
Non-GAAP Adjustments (\$'s)¹						
Impairment charges	–	25	–	–	444	675
Note impairment	–	8	–	–	–	–
Stock write-off from 2008 divestiture	–	4	–	–	–	–
Restructuring-related charges	10	8	–	–	–	~45
ECS transaction costs	1	–	–	–	–	–
CEO transition compensation costs	–	–	–	–	–	4
Gain from real estate sale	–	–	(28)	–	(11)	~(30)
Gain from net insurance proceeds from tornado damage	–	–	–	–	(9)	(2)
Non-GAAP adjustments (pre-tax \$'s)	11	45	(28)	–	424	~692
Income tax impact	(1)	(4)	7	–	(98)	~(45)
Unusual tax items	–	–	–	–	–	–
Non-GAAP adjustments (after tax \$'s)	10	41	(21)	–	326	~647
Diluted shares outstanding	135.4	135.9	136.7	136.5	136.3	~137.0
EPS impact of non-GAAP adjustments	\$.07	\$.30	\$(.16)	\$–	\$2.39	~\$4.69

¹ Calculations impacted by rounding

² Adjusted for effects of change from LIFO to FIFO

Reconciliation of Adj EBIT, Adj EBIT Margin, Adj EBITDA, and Adj EBITDA Margin



<i>(\$ millions, except EPS)</i>	2019 ²	2020 ²	2021	2022	2023	2024e ³
Net trade sales	\$4,753	\$4,280	\$5,073	\$5,147	\$4,725	\$4,350
EBIT (continuing operations)	\$487	\$408	\$596	\$485	(\$90)	(\$422)
Non-GAAP adjustments, pre-tax ¹	11	45	(28)	—	424	692
Adjusted EBIT (cont. operations)	\$498	\$453	\$568	\$485	\$334	\$270
<i>Adjusted EBIT margin</i>	<i>10.5%</i>	<i>10.6%</i>	<i>11.2%</i>	<i>9.4%</i>	<i>7.1%</i>	<i>6.2%</i>
Adjusted EBIT (cont. operations)	\$498	\$453	\$568	\$485	\$334	\$270
Depreciation & amortization	192	189	187	180	180	135
Adjusted EBITDA (cont. operations)⁴	\$690	\$642	\$755	\$665	\$513	\$405
<i>Adjusted EBITDA margin</i>	<i>14.5%</i>	<i>15.0%</i>	<i>14.9%</i>	<i>12.9%</i>	<i>10.9%</i>	<i>9.3%</i>

¹ See slide 45 for adjustment details

² Adjusted for effects of change from LIFO to FIFO

³ 2024 estimates are based on mid-point of guidance

⁴ Calculations impacted by rounding

Reconciliation of Adj Earnings and Adj EPS



<i>(\$ millions, except EPS)</i>	2019 ²	2020 ²	2021	2022	2023	2024e ³
Earnings (continuing operations)	\$314	\$253	\$403	\$310	(\$137)	(\$502)
Non-GAAP adjustments, after tax ¹	10	41	(21)	—	326	647
Adjusted Earnings (cont. operations)	\$324	\$294	\$381	\$310	\$189	\$145
Diluted EPS (continuing operations)	\$2.32	\$1.86	\$2.94	\$2.27	(\$1.00)	(\$3.64)
EPS impact from non-GAAP adjs ¹	.07	.30	(.16)	—	2.39	4.69
Adjusted EPS (cont. operations)	\$2.39	\$2.16	\$2.78	\$2.27	\$1.39	\$1.05

¹ See slide 45 for adjustment details

² Adjusted for effects of change from LIFO to FIFO

³ 2024 estimates are based on mid-point of guidance

Calculation of Return on Invested Capital



	2019 ³	2020 ³	2021	2022	2023	2024e ⁴
Adjusted EBIT (cont. operations) ¹	\$498	\$453	\$568	\$485	\$334	\$270
Tax rate	21.8%	21.2%	22.8%	23.2%	24.5%	24.0%
Net Operating Profit After Tax (NOPAT) ²	389	357	438	372	252	205
Total debt (long-term + current)	\$2,118	\$1,900	\$2,090	\$2,084	\$1,988	\$1,800
Operating lease liabilities	161	165	198	203	208	200
Equity	1,342	1,425	1,649	1,641	1,334	800
Less: Cash & Cash equivalents	(248)	(349)	(362)	(317)	(366)	(300)
Invested Capital	\$3,373	\$3,141	\$3,575	\$3,612	\$3,164	\$2,500
Average Invested Capital	\$2,740	\$3,257	\$3,358	\$3,593	\$3,388	\$2,832
Return on Invested Capital (ROIC)	14.2%	11.0%	13.1%	10.4%	7.4%	7.2%

¹ See slide 45 for adjustment details

² NOPAT = Adjusted EBIT x (1 – tax rate)

³ Adjusted for effects of change from LIFO to FIFO

⁴ 2024 estimates are based on mid-point of guidance

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**, **adjusted EBITDA**, **adjusted EBITDA margin**, **adjusted earnings**, 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.

We believe the presentation of **return on invested capital (ROIC)** provides investors a useful way to assess how efficiently the Company uses investors’ funds to generate income. Management uses this ratio as supplemental information to assess how effectively its invested capital is utilized.

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.