Company Update

February 2021

LEG (NYSE)
www.leggett.com

Forward-Looking Statements

Statements in this presentation that are not historical in nature are "forward-looking." These statements are identified either by their context or by use of words such as "anticipate," "believe," "estimate," "expect," "forecasted," "intend," "may," "plan," "should," "guidance" or the like and include guidance related to Company sales, EPS, depreciation and amortization, net interest expense, tax rate, diluted shares, operating cash, capital expenditures, dividends, debt repayments, net earnings, return on invested capital, segment EBIT margins, and uses of cash. 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. Some of these risks and uncertainties include: the adverse impact caused by the COVID-19 pandemic upon (i) the demand for our products, (ii) our manufacturing facilities' ability to remain open and fully operational, obtain necessary raw materials and parts, maintain appropriate labor levels and ship finished products to customers, (iii) operating costs related to pay and benefits for our terminated employees, (iv) our ability to collect receivables in accordance with their terms due to customer bankruptcy, financial difficulties or insolvency, (v) impairment of goodwill and long-lived assets, (vi) restructuring-related charges and (vii) our ability to access the commercial paper market or borrow under our credit facility, including our inability to comply with the restrictive covenants in our credit facility; our ability to maintain reduced fixed costs; changes in our capital needs, market conditions, disruption to our rod mill, our ability to manage working capital, antidumping duties, cybersecurity breaches, or customer losses; price and product competition; cost and availability of raw materials and labor, fuel and energy costs, climate change regulations, environmental, social and governance risks, foreign currency fluctuation, cash repatriation, litigation risks and other risk factors in Leggett's most recent Form 10-K and subsequent Form 8-Ks and Form 10-Qs.

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 Distinctives

Strong balance sheet and cash flow

Disciplined use of cash

~4% dividend **yield**; 49 consecutive annual increases

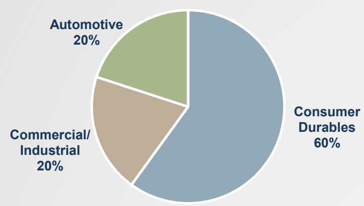
Leader in most markets; few large competitors

Opportunities for **long-term growth**
- Internal initiatives + market growth + acquisitions
- Large addressable markets

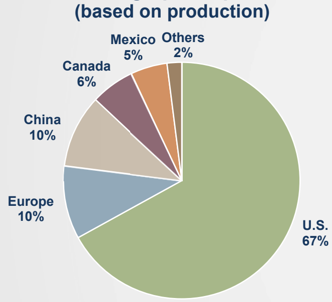
Management has "**skin in the game**"
- Significant stock owners; forego comp in exchange for shares
- Incentive comp aligned with TSR focus

Our Markets

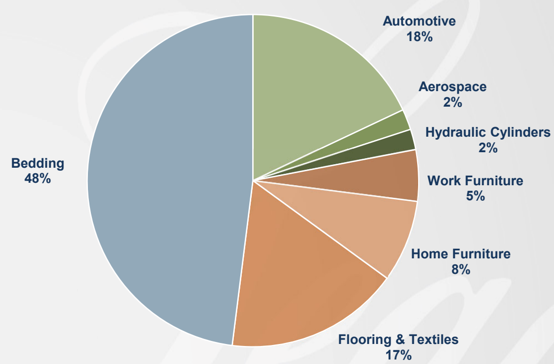
Macro Market Exposure



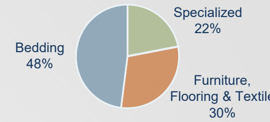
Geographic Split
(based on production)



Product Mix
(based on 2021 estimated net trade sales)



Segments



Bedding Products

Bedding
- Mattress springs
- Private-label finished mattresses, mattress toppers, pillows
- Specialty bedding foams
- Foundations

Wire
- Drawn steel wire
- Steel rod

Adjustable Bed
- Adjustable beds

Machinery
- Quilting & sewing machinery for bedding mfg.
- Mattress packaging and glue-drying equipment

Specialized Products

Automotive
- Auto seat support & lumbar systems
- Motors, actuators & cables

Aerospace
- Tubing
- Tube assemblies
- Flexible joints

Hydraulic Cylinders
- Hydraulic cylinders primarily for material handling, transportation & construction equipment

Furniture, Flooring & Textile Products

Home Furniture
- Recliner mechanisms
- Seating and sofa sleeper components

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

Flooring & Textiles
- Flooring underlayment
- Textile converting
- Geo components

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Long Term
Value Creation

TSR in Top Third of S&P 500

SOURCES

Revenue Growth	Margin Improvement	Dividend Yield	Stock Buybacks
Target: 6–9% annually	Target: 11.5–12.5%	Payout target: ~50% of earnings	With available cash

Total Shareholder Return = (Δ Stock Price + Dividends) / Initial Price

Growth Framework

6–9%
Average Annual Revenue Growth

Organic + Acquisition

1
Increasing Content and New Programs

2
Expanding Addressable Markets

3
Identifying New Growth Platforms

U.S. Bedding Market Overview

Finished Mattresses & Foundations at Wholesale Addressable Market

~$10B

SEGMENT	MATTRESSES	ADJUSTABLE FOUNDATIONS	STATIC FOUNDATIONS
APPROXIMATE MARKET SIZE	$8B	$1B	$1B

COMPETITORS

- Innerspring maker-users and foam component suppliers
- Importers of innersprings, finished mattresses and adjustable foundations
- Private-label mattress manufacturers, primarily all foam

Source: ISPA; Furniture Today; internal analysis

Bedding Market Disruption and Trends

Consumers accept online purchasing and compressed mattresses

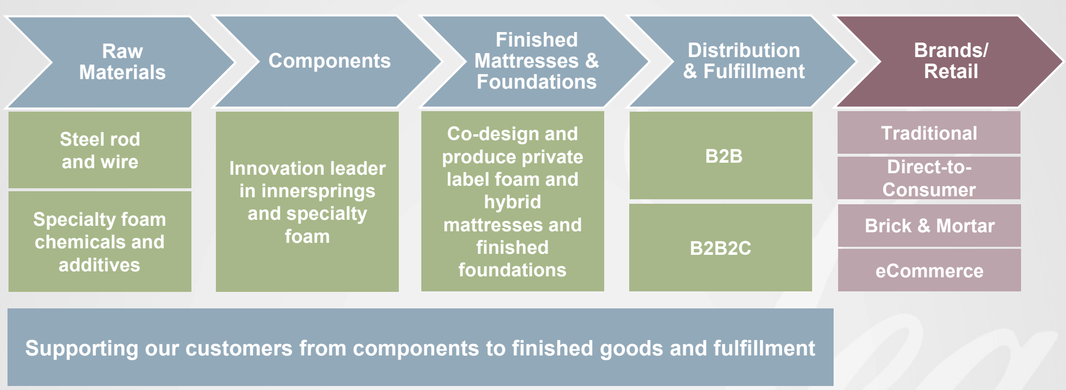
- Changed traditional mattress route-to-market, number of brands and product types
- Growth of hybrid mattresses
- Compressed mattresses expected to be half of the market by 2026

Non-traditional retail channels likely gain share, employing direct-to-consumer (DTC) brands and compressed mattresses

Traditional mattress retail channels remain and private label product offering grows

Effects of COVID-19 accelerated growth of online purchasing and compressed mattresses

L&P Bedding Value Chain

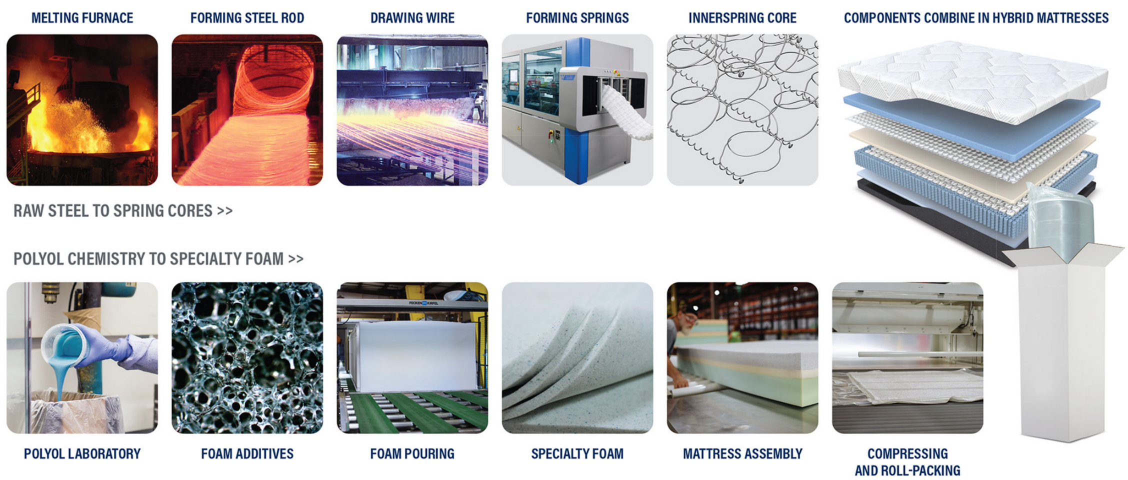


Vertical Integration in Bedding Products

Each year at our rod mill in Sterling, Illinois, approximately 550,000 tons of steel scrap are melted and formed into billets. The billets are then 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.



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

Specialty foam is produced at our domestic 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.

L&P Positioned to Win in Omni-Channel Environment

- Innovation and low-cost production advantage from integrated rod-wire-machinery-innerspring value chain
- Innovation advantage from ECS chemical-specialty foam value chain
- Innovation and value engineering advantage in private-label finished mattress production, particularly innerspring and foam hybrids
- Pair with adjustable and static ready-to-assemble foundations
- Build out B2B2C distribution and fulfillment capability

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Global Automotive Market Overview

Cabin Comfort & Convenience Addressable Market

~$20B

SEGMENT	COMFORT	CABLES	MOTORS	ACTUATORS	ADJACENT ELECTRONICS/ SOFTWARE
APPROXIMATE MARKET SIZE	$1B	$2B	$3B	$4B	$10B
COMPETITORS	Few, single-product focus	Many; fragmented	Many; functionality vs. cost	Many; make vs. buy	Many; make vs. buy
CAGR	5%	2%	5%	5%	9%

~6% CAGR outpacing vehicle production

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Market Trends

- Consumer demands for additional comfort, convenience and connectivity
- Increasing global programs and platform sharing
- OEM directed sourcing
- Stricter standards drive innovation in lightweighting, efficiency, noise, and sustainability
- Large share of the value chain is shifting to C.A.S.E.

Technological advances will have significant consumer and industry impacts over next 5-10 years – industry is transforming to our space in comfort and convenience

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Trends Play to our Strengths

C	A	S	E
CONNECTED	AUTONOMOUS	SHARED	ELECTRIFICATION

Advantages Are Rooted In Our Deep Industry Knowledge And Customer Engagement

- ✓ Brand Reputation in Comfort Products
- ✓ Vertical Integration
- ✓ Intellectual Property/ Trade Secrets
- ✓ Flexible Global Manufacturing

The Results

- Long-term growth above industry production
- Share leader in targeted segments
- Share leader in fast growing SUV and CUV segments
- Positioned for growth in convenience and adjacent electronics/software applications
- The most complete seat comfort subsystem supplier

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Sources of Margin Improvement

Near-Term Opportunities

- **Maintaining fixed cost reductions** as much as practical from actions taken last year
- **Improving efficiency** in rapidly growing operations

Ongoing Opportunities

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

Long-Term Disciplined Use of Cash

1. Fund organic growth
2. Pay dividends
   - **49-year history** of dividend increases
   - S&P 500 *Dividend Aristocrat*
   - Payout target is **~50% of earnings**
3. Fund strategic acquisitions
4. Repurchase stock with available cash

Debt, Liquidity, and Cash Flow

Debt and Liquidity

- **Maintaining priority on Investment Grade** credit rating
- Making progress with deleveraging; reduced debt $228 million in 2020
- **Full availability under $1.2 billion** revolving credit facility
- Comfortably supports **dividend funding**

Cash Flow

- Long history of **strong Operating Cash Flow**
- Exceeded capital expenditures + dividends for past 32 years; expected again in 2021

Current Topics

2020 Highlights

4th Quarter:

- Sales increased 3%, to $1.182 billion
  - Volume was up 1%; exited business -1%
  - Raw material-related price increases and currency benefit added 2%
  - Acquisitions and divestitures offset
- EBIT of $150 million, up $10 million vs. Q4-19 adj.[1] EBIT
- EBIT margin 12.7%, up 50 bps vs. Q4-19 adj.[1] EBIT margin of 12.2%
- Q4 record EPS of $.76, up $.08 vs. adj.[1] EPS of $.68 in Q4-19
- Fixed cost savings ~$25 million

Full Year:

- Sales were down 10%, to $4.28 billion
  - Acquisitions, net of divestitures, added 1%
- Adj.[1] EBIT of $446 million, down $83 million vs. 2019
- Adj.[1] EPS of $2.13, down 17% vs. 2019
- Fixed cost savings ~$90 million
- Cash from operations was $603 million
- Reduced debt by $228 million
- Increased dividend for 49th consecutive year

[1] See appendix for non-GAAP reconciliations

2021 Guidance (issued 2/8/21 and not updated since)

- Sales of $4.6–$4.9 billion; up 7%–14% versus 2020
  - Volume expected to grow mid-single-digits, a result of:
    - 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 and currency benefit expected to add sales growth
  - Small acquisitions expected to be largely offset by prior year divestitures
- EPS of $2.30–$2.60
  - Reflects higher volume, partially offset by increasing steel, chemical, and other raw material costs, as well as the pricing lag associated with passing along these costs, particularly in 1Q 2021
  - Assumes no LIFO impact in 2021
- Implied EBIT margin of 10.5%–11.0%

2021 Guidance (continued)

- Depreciation and amortization ~$195 million
- Net interest expense ~$75 million
- Tax rate ~23%
- Diluted shares ~137 million
- Operating cash ~$450 million
- Capital expenditures ~$150 million
- Dividends ~$220 million
- Debt repayments at least $51 million

Commodity Impact

Steel

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

Chemicals

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

Macro Indicators

Consumer confidence

- More crucial than home sales since majority (~2/3rds) of bedding/furniture purchases are replacement of existing product
- "Large ticket" purchases that are deferrable

Total **housing** turnover

- Combination of **new and existing** homes sales

Employment levels

Consumer discretionary spending

Interest rate levels

Key Take-Aways

- Strong businesses with compelling **market advantages**
- Opportunities for long-term **profitable growth**
- Maintaining **capital discipline**
- **Dividend growth** remains a top priority
  - 49 years of annual increases
  - Attractive yield ~4%

FOR ADDITIONAL INFORMATION

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Find our Fact Book at www.leggett.com

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Tarah Sherwood	Director, 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):
  - 60% Materials, composed of:
    - Steel ~25% of RMs
    - Chemicals ~15% of RMs
    - Woven & non-woven fabrics ~10% of RMs
    - Foam scrap, fibers ~3% of RMs
    - Titanium, nickel, stainless ~2% of RMs
    - Others, including sub-assemblies, hardware, components, finished products purchased for resale, etc. ~45% of RMs
  - 20% Labor (includes all burden and overhead)
  - 20% Other, composed of:
    - Depreciation, utilities, maintenance, supplies – each ~3% of COGS
    - Shipping/transportation ~10% of COGS
    - Other also includes rent, insurance, property tax, etc.

Customers Include

In North America:

Adient	Haworth	Lowe's	Steelcase
Ashley Furniture	Herman Miller	Magna	Tempur Sealy
Berkshire Hathaway	HNI	Mattress Firm	Tesla
Best Home Furnishings	Home Depot	MCF	Toyota Boshoku
Casper	JLG (Oshkosh)	Purple	Toyota Industrial Equip
Eaton	Knoll	Resident Home	Tuft & Needle
Ford	La-Z-Boy	Serta	Walmart
GE Aviation	Lear	Simmons	
General Motors	Lincoln Electric	Sleep Number	

In Europe and Asia:

Bensons	Fritz Hansen	Kuka	Sanyo
Dreams	Hay	Natuzzi	Silentnight Beds
Ekornes	Hilding Anders	Profim	Sleepeezee
Faurecia	Howe	Recticel	Volkswagen

Diverse Customer Base – Low Concentration

L&P's Style of Competition: Critical Components

		Dimension	Characteristic
Where we compete	Product / Service / Solution	1. Role in value chain	**Translate RM or components** into critical component
		2. Functional role	Functionally essential to end product
		3. % of finished COGS	<25% of finished COGS
	Industry Structure	4. Customer set	Concentrated in **few large customers**
		5. Competitive set	**Small private** companies w/ single focus
	Economics	6. Gross margin	Earns attractive returns at ~20-30% GM
		7. Asset intensity	**Light manufacturing** ~2x asset turns
How we compete		8. Deep customer engagements	Deep understanding of customer design, production pain points, long-term relationships
		9. Collaborative design	Co-design products/components for **better functionality** and lower total cost
		10. Flexible mfg	**Long-run SKUs** that can be adjusted to deliver **custom specs** w/ minimal additional capital
		11. Continuous cost improvement	**Continuous cost improvement** throughout life of long run-length SKUs

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Strong Peer Group

Diversified Manufacturers

w/ Ticker & Fortune 1000 Ranking (May 2020)

Leggett Ranking = 569

CSL	Carlisle	563	ITW	Illinois Tool Works	229
DHR	Danaher	161	IR	Ingersoll Rand	n/a
DOV	Dover	433	MAS	Masco	384
ETN	Eaton Corp	n/a	PNR	Pentair	n/a
EMR	Emerson	176	PPG	PPG Industries	209

Characteristics of the Group

Multiple Business Segments
Sell Mainly to Other Manufacturers
Low Customer Concentration
Stamp, Cast & Machine Materials
Moderate Labor & Capital Intensity
Primarily Manufacturers
In "Old Economy" Markets
Complex; Hard to Grasp
Old, Established Firms
Diverse Products

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February 2021

Governance/Directors

- 9 Non-Management Directors (out of 11 total)
- Only Non-Mgmt Directors on Key Board Committees

Non-Management		Age	Joined	Position	Firm
Mark Blinn	¤	59	2019	Retired President & CEO	Flowserve
Robert Brunner	◆⚹	63	2009	Retired EVP	ITW
Mary Campbell	¤	53	2019	Chief Merchandising Officer/ Chief Commerce Officer	Qurate Retail Group/ QVC U.S.
Manuel Fernandez	◆⚹	74	2014	Managing Director	SI Ventures
Joe McClanathan	◆⚹	68	2005	Retired President & CEO	Energizer Household Products
Judy Odom †	¤	68	2002	Retired Chair & CEO	Software Spectrum
Srikanth Padmanabhan	¤	56	2018	Vice President	Cummins Inc.
Jai Shah	◆⚹	54	2019	Group President	Masco
Phoebe Wood	¤	67	2005	Principal	CompaniesWood
Management					
Karl Glassman ‡		62	2002	Chairman & CEO	Leggett & Platt
Mitch Dolloff		55	2020	President & COO	Leggett & Platt

† Lead Director
‡ Chairman of the Board

Committees: ¤ Audit ◆ Compensation ⚹ Nominating & Corporate Governance

Compensation Rewards Strong Performance

- Annual Incentive
  - Based on current year **ROCE**, **free cash flow**, and individual goals
- Performance Stock Units
  - Long-term equity-based, significant portion of total comp for execs
  - Three-year performance period with two equal measures
    - **Relative TSR performance** (vs. peer group of ~300 companies)
    - Company or segment **EBIT CAGR**
- Deferred Comp Program
  - Opportunity (in December) to **forego** a portion of next year's cash salary and bonus to **buy** stock units

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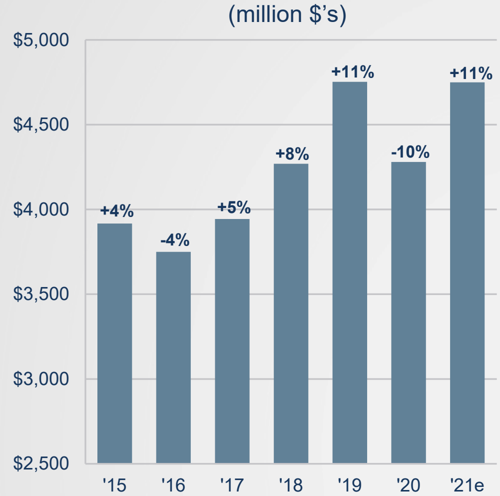
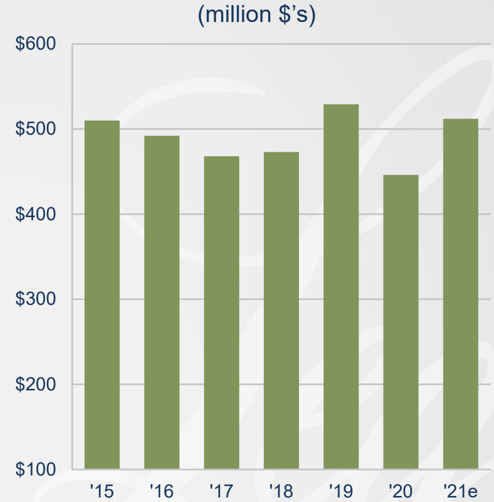
Financial Information

Sales and EBIT

Net Trade Sales
(million $'s)

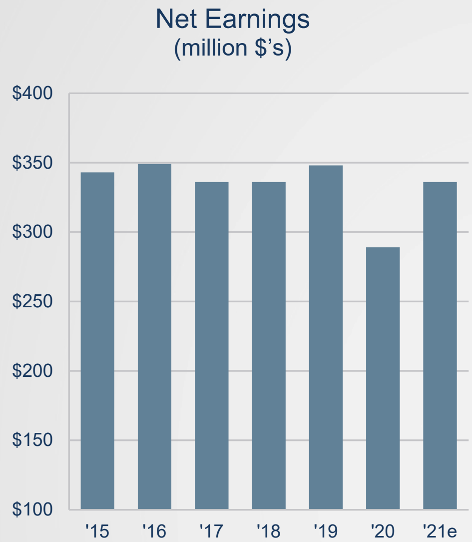


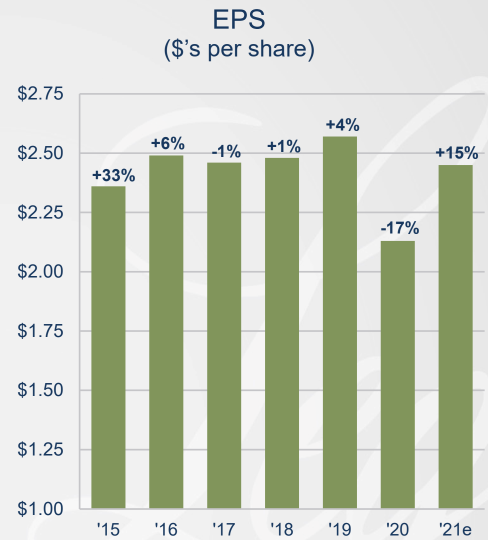
EBIT
(million $'s)



- Amounts are from continuing operations and exclude unusual items. See appendix for non-GAAP reconciliations.
- 2021 estimates are based on mid-point of guidance

Net Earnings and EPS





- Amounts are from continuing operations and exclude unusual items. See appendix for non-GAAP reconciliations.
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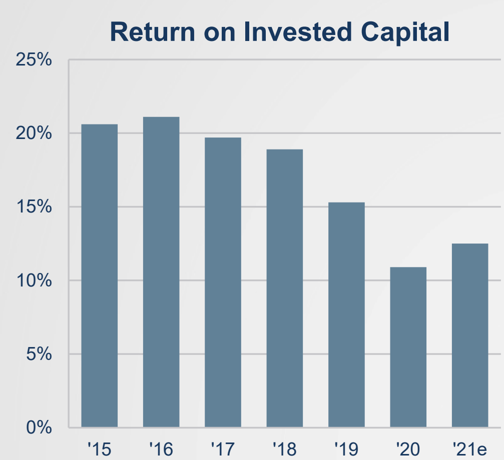
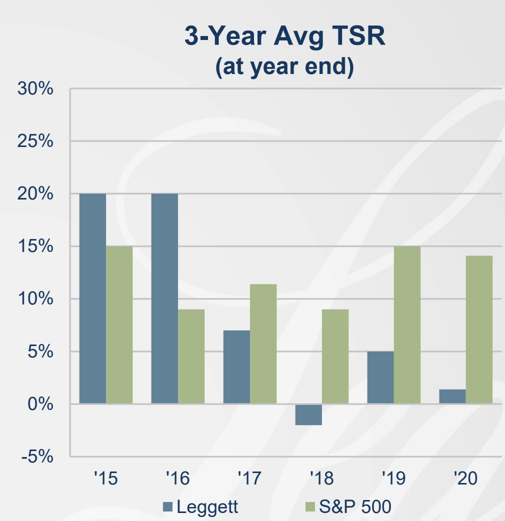
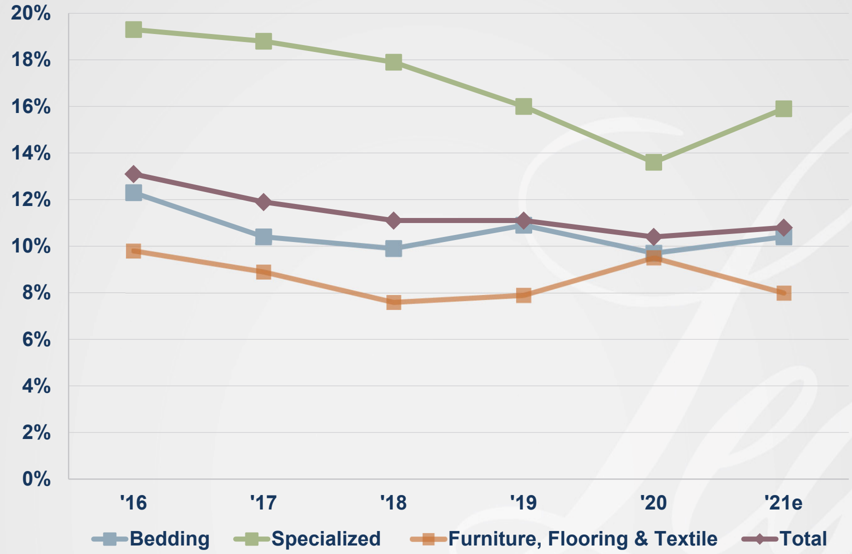
Returns and TSR





- See appendix for return calculation
- 2021 estimates are based on mid-point of guidance
- TSR assuming dividends continually reinvested

Segment EBIT Margins



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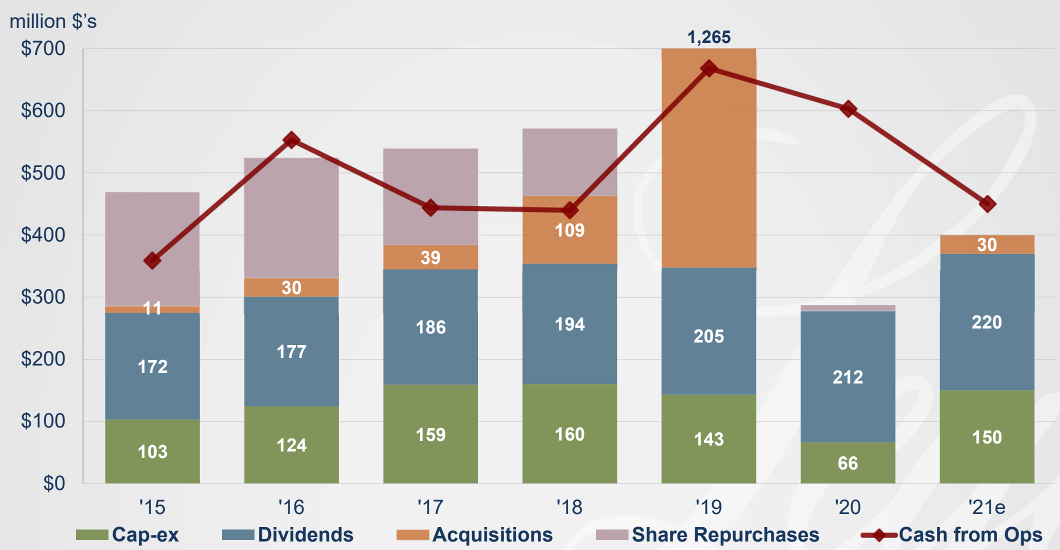
Uses of Cash Flow



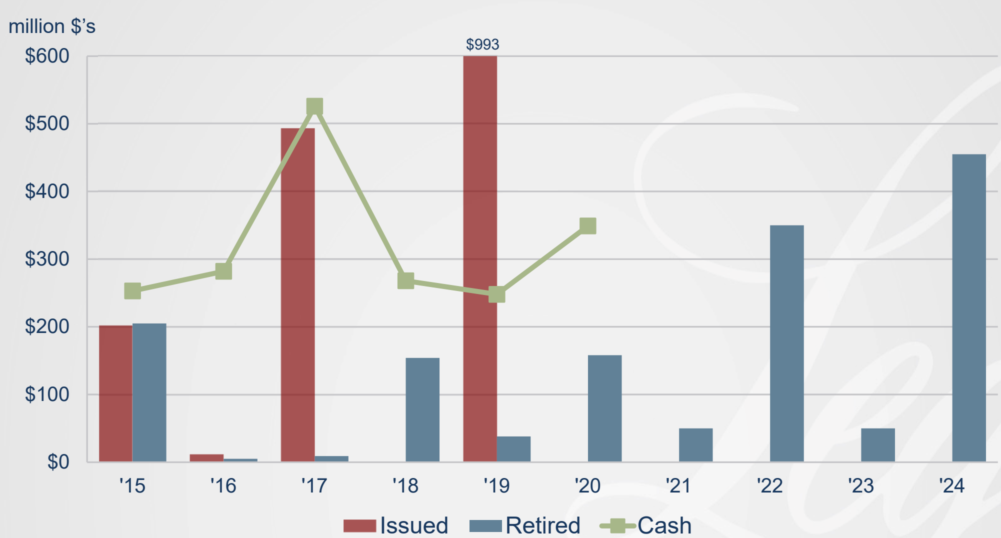
Operating Cash > Capital Expenditures + Dividends for over 30 years

Cash Flow Details

$'s in millions	2015	2016	2017	2018	2019	2020	2021e[2]
Net Earnings	325	386	293	306	334	248	335
Deprec & Amort	113	115	126	136	192	189	195
Def Income Taxes	24	18	16	(3)	8	23	
Impairment & Other	19	15	11	32	20	57	
Working Capital	(171)	15	(80)	(46)	80	93	(110)
Other Non-Cash[1]	45	4	78	15	34	(7)	30
Cash from Operations	**359**	**553**	**444**	**440**	**668**	**603**	**450**
Uses of Cash							
Capital Expenditures	(103)	(124)	(159)	(160)	(143)	(66)	(150)
Dividends	(172)	(177)	(186)	(194)	(205)	(212)	(220)
Acquisitions	(11)	(30)	(39)	(109)	(1,265)	—	(30)
Share Repurchases	(183)	(193)	(155)	(108)	(7)	(9)	—

[1] 2017 Other Non-Cash includes $67 million in deemed repatriation taxes as a result of the Tax Cuts and Jobs Act
[2] 2021 estimated net income is based on mid-point of guidance

Debt Issued and Retired



- Excludes commercial paper borrowings and operating lease liabilities

Financial Metrics Defined

- TSR: Total Shareholder Return
  - Total benefit investor realizes from owning our stock
  - (Δ stock price + dividends) / initial stock price
- EBIT CAGR: Compound Annual Growth Rate of EBIT
- ROCE: Return on Capital Employed
  - Drives ~60–70% of annual bonus at operating level and corporate
  - EBIT / (working capital (ex cash & current debt) + net PP&E)
- FCF: Free Cash Flow
  - Drives ~20–30% of annual bonus at operating level and corporate
  - EBITDA – capex +/– Δ working capital (ex cash & current debt)

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Appendix
Non-GAAP Reconciliations

Q4 Non-GAAP Adjustments

($ millions, except EPS)	Q4-20	Q4-19	YTD 2020	YTD 2019
Non-GAAP Adjustments ($'s)[1]				
Goodwill impairment [2]	$—	$—	$25	$—
Note impairment [3]	—	—	8	—
Stock write-off for prior year divestiture [4]	—	—	4	—
Restructuring-related charges [5]	—	5	9	15
ECS transaction costs [6]	—	—	—	1
Non-GAAP adjustments (pre-tax $'s)	**—**	**5**	**46**	**16**
Income tax impact	—	—	(5)	(2)
Non-GAAP adjustments (after tax $'s)	—	5	41	14
Diluted shares outstanding	136.2	135.8	135.9	135.4
EPS impact of non-GAAP adjustments	**$—**	**$.04**	**$.31**	**$.10**

[1] Calculations impacted by rounding
[2] Goodwill impairment affected the following line item on the income statement: YTD 2020: Other Expense $25
[3] Note impairment affected the following line item on the income statement: YTD 2020: SG&A $8
[4] Stock write-off affected the following line item on the income statement: YTD 2020: Other Expense $4
[5] Restructuring-related charges affected the following line items on the income statement:
YTD 2020: COGS $1, Other Expense $8; Q4-19: Other Expense $5; YTD 2019: COGS ($1), Other Expense $16
[6] ECS transaction costs affected the following line item on the income statement: YTD 2019: SG&A $1

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Non-GAAP Adjustments

($ millions, except EPS)	2015	2016	2017	2018	2019	2020
Non-GAAP Adjustments ($'s)[1]						
Impairment charges	6	4	5	-	-	25
Note impairment	-	-	-	16	-	8
Stock write-off from 2008 divestiture	-	-	-	-	-	4
Restructuring-related charges	-	-	-	16	15	9
ECS transaction costs[2]	-	-	-	7	1	-
Gain from real estate sale	-	-	(23)	-	-	-
Litigation accruals	6	-	-	-	-	-
Pension settlement charge	12	-	15	-	-	-
Gain/loss from sale of business	-	(27)	3	-	-	-
Litigation settlement gain	-	(7)	-	-	-	-
Non-GAAP adjustments (pre-tax $'s)	**23**	**(30)**	**-**	**39**	**16**	**46**
Income tax impact	(9)	12	-	(7)	(2)	(5)
TCJA impact[3]	-	-	50	(2)	-	-
Unusual tax items	-	-	(8)	-	-	-
Non-GAAP adjustments (after tax $'s)	**15**	**(18)**	**42**	**30**	**14**	**41**
Diluted shares outstanding	142.9	140.0	137.3	135.2	135.4	135.9
EPS impact of non-GAAP adjustments	**$.09**	**($.13)**	**$.32**	**$.22**	**$.10**	**$.31**

[1] Calculations impacted by rounding
[2] 2018 includes $4 million in SG&A charges and $3 million of financing-related charges in interest expense
[3] Tax Cuts and Jobs Act of 2017

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

($ millions, except EPS)	2015	2016	2017	2018	2019	2020	2021e[2]
Net trade sales	$3,917	$3,750	$3,944	$4,270	$4,753	$4,280	$4,750
EBIT (continuing operations)	$487	$522	$468	$437	$513	$401	$512
Non-GAAP adjustments, pre-tax[1]	23	(30)	—	36	16	46	—
Adjusted EBIT (cont. operations)	**$510**	**$492**	**$468**	**$473**	**$529**	**$446**	**$512**
Adjusted EBIT margin	***13.0%***	***13.1%***	***11.9%***	***11.1%***	***11.1%***	***10.4%***	***10.8%***
Adjusted EBIT (cont. operations)	$510	$492	$468	$473	$529	$446	$512
Depreciation & amortization	113	115	126	136	192	189	195
Adjusted EBITDA (cont. operations)	**$623**	**$607**	**$594**	**$609**	**$721**	**$636**	**$707**
Adjusted EBITDA margin	***15.9%***	***16.2%***	***15.1%***	***14.3%***	***15.2%***	***14.9%***	***14.9%***

[1] See slide 49 for adjustment details
[2] 2021 estimates are based on mid-point of guidance (issued 2/8/21)

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Reconciliation of Adj Earnings and Adj EPS

($ millions, except EPS)	2015	2016	2017	2018	2019	2020	2021e[2]
Earnings (continuing operations)	$328	$367	$294	$306	$334	$248	$335
Non-GAAP adjustments, after tax[1]	15	(18)	42	30	14	41	—
Adjusted Earnings (cont. operations)	**$343**	**$349**	**$336**	**$336**	**$348**	**$289**	**$335**
Diluted EPS (continuing operations)	$2.27	$2.62	$2.14	$2.26	$2.47	$1.82	$2.45
EPS impact from non-GAAP adjs[1]	.09	(.13)	.32	.22	.10	.31	—
Adjusted EPS (cont. operations)	**$2.36**	**$2.49**	**$2.46**	**$2.48**	**$2.57**	**$2.13**	**$2.45**

[1] See slide 49 for adjustment details
[2] 2021 estimates are based on mid-point of guidance (issued 2/8/21)

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Calculation of Return on Invested Capital

	2015	2016	2017	2018	2019	2020	2021e[4]
Adjusted EBIT (cont. operations)[1]	**$510**	**$492**	**$468**	**$473**	**$529**	**$446**	**$512**
Tax rate	*27.7%*	*23.7%*	*22.2%*	*20.7%*	*22.1%*	*21.2%*	*23.0%*
Net Operating Profit After Tax (NOPAT)[2]	**369**	**375**	**364**	**375**	**412**	**352**	**394**
Total debt (long-term + current)	$945	$960	$1,252	$1,169	$2,118	$1,900	$1,849
Operating lease liabilities[3]	-	-	-	-	161	165	165
Equity	1,098	1,094	1,191	1,158	1,313	1,390	1,506
Less: Cash & Cash equivalents	(253)	(282)	(526)	(268)	(248)	(349)	(328)
Invested Capital	$1,790	$1,772	$1,917	$2,059	$3,343	$3,106	$3,192
Average Invested Capital	**$1,788**	**$1,781**	**$1,844**	**$1,988**	**$2,701**	**$3,225**	**$3,149**
Return on Invested Capital (ROIC)	**20.6%**	**21.1%**	**19.7%**	**18.9%**	**15.3%**	**10.9%**	**12.5%**

[1] See slide 49 for adjustment details
[2] NOPAT = Adjusted EBIT x (1 – tax rate)
[3] New lease accounting rules adopted January 1, 2019. Prior year data is not available.
[4] 2021 estimates are based on mid-point of guidance (issued 2/8/21)

Calculation of Dividend Payout % of Adjusted EPS

	2017	2018	2019	2020
Diluted EPS from cont. operations	**$2.14**	**$2.26**	**$2.47**	**$1.82**
EPS impact from non-GAAP adjs[1]	.32	.22	.10	.31
Adjusted EPS from cont. operations	**$2.46**	**$2.48**	**$2.57**	**$2.13**
Annual dividend per share	**$1.42**	**$1.50**	**$1.58**	**$1.60**
Dividend payout % of diluted EPS from continuing operations	**66%**	**66%**	**64%**	**88%**
Dividend payout % of adjusted EPS	**58%**	**60%**	**61%**	**75%**

[1] See slide 49 for adjustment details

Non-GAAP Financial Measures

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.