UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d)
of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) February 3, 2020

LEGGETT & PLATT, INCORPORATED
(Exact name of registrant as specified in its charter)

Missouri	001-07845	44-0324630
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

No. 1 Leggett Road, Carthage, MO	64836
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code 417-358-8131

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $.01 par value	**LEG**	**New York Stock Exchange**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition.

On February 3, 2020, Leggett & Platt, Incorporated issued a press release announcing its financial results for the fourth quarter and year ended December 31, 2019. The press release is attached as Exhibit 99.1 and is incorporated herein by reference.

This information is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section. This information shall not be incorporated by reference into any document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

On February 4, 2020, the Company will hold an investor conference call to discuss its fourth quarter and year-end results, annual guidance and related matters.

The press release contains the Company’s (i) Total Debt/Leggett Reported Adjusted EBITDA (trailing twelve months) ratio; (ii) Total Debt/Pro Forma Adjusted EBITDA (trailing twelve months) ratio; (iii) Adjusted EPS; (iv) Adjusted EBIT; (v) Adjusted EBIT Margin; (vi) EBITDA; (vii) EBITDA Margin; (viii) Adjusted EBITDA; (ix) Adjusted EBITDA Margin; (x) Adjusted EBITDA (trailing twelve months); and (xi) Pro Forma Adjusted EBITDA (trailing twelve months).

The press release also contains certain Segment’s (i) Adjusted EBIT; (ii) Adjusted EBIT Margin; (iii) EBITDA; (iv) EBITDA Margin; (v) Adjusted EBITDA; and (vi) Adjusted EBITDA Margin.

Finally, the press release contains the Elite Comfort Solutions, Inc. (“ECS”) EBIT and Adjusted EBITDA.

Company management believes the presentation of Total Debt/Leggett Reported Adjusted EBITDA (trailing twelve months) and Total Debt/Pro Forma Adjusted EBITDA (trailing twelve months) provides investors a useful way to assess the time it would take the Company to pay off its debt, ignoring various factors including interest and taxes. Management uses these ratios as supplemental information to assess its ability to pay off its incurred debt. Because we may not be able to use our earnings to reduce our debt on a dollar-for-dollar basis, the presentation of Total Debt/Leggett Reported Adjusted EBITDA (trailing twelve months) and Total Debt/Pro Forma Adjusted EBITDA (trailing twelve months) may have material limitations.

Company management believes the presentation of Company Adjusted EPS, Adjusted EBIT, Adjusted EBIT Margin, EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EBITDA (trailing twelve months), Pro Forma Adjusted EBITDA (trailing twelve months), and certain Segment Adjusted EBIT, Adjusted EBIT Margin, EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, and the ECS EBIT and Adjusted EBITDA is useful to investors in that it aids investors’ understanding of underlying operational profitability. Management uses these non-GAAP measures as supplemental information to assess the Company’s operational performance.

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. For non-GAAP reconciliations, please refer to pages 7 and 8 of the press release.

Item 7.01 Regulation FD Disclosure.

The information provided in Item 2.02, including Exhibit 99.1, is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated February 3, 2020
101.INS	Inline XBRL Instance Document (the instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document)
101.SCH	Inline XBRL Taxonomy Extension Schema
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (embedded within the inline XBRL document contained in Exhibit 101)

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 hereunto duly authorized.

LEGGETT & PLATT, INCORPORATED

Date: February 3, 2020

By: /s/ SCOTT S. DOUGLAS

Scott S. Douglas
Senior Vice President –
General Counsel & Secretary

FOR IMMEDIATE RELEASE: FEBRUARY 3, 2020

LEGGETT & PLATT REPORTS 4Q AND FULL YEAR 2019 RESULTS

Carthage, MO, February 3, 2020 —

- 4Q sales grew 9%, to $1.14 billion
- 4Q EPS was $.64 and 4Q adjusted[1] EPS was $.68, increases vs 4Q18
- 2019 sales increased 11%, to $4.75 billion
- 2019 EPS was $2.47 and 2019 adjusted[1] EPS was $2.57, increases vs 2018
- 2019 cash flow from operations was a record $668 million
- **2020 guidance**: EPS of $2.40–$2.60 on sales of $4.7–$4.9 billion

Diversified manufacturer Leggett & Platt reported **fourth quarter 2019 sales** of $1.14 billion, a 9% increase versus fourth quarter last year.

- Acquisitions added 13% to sales growth (primarily ECS)
- Organic sales were down 4%:
  - Volume up 2% absent declines from exited business (which reduced sales 3%)
  - Raw material-related selling price decreases and negative currency impact -3%

Fourth quarter EBIT was $135 million, up $51 million or 61% from fourth quarter last year, and **adjusted[1] EBIT** was $140 million, a $20 million or 17% increase.

- EBIT and adjusted[1] EBIT benefited from:
  - ECS acquisition
  - Lower raw material costs (including LIFO benefit)
  - Improved earnings performance in Furniture Products
- EBIT margin was 11.8%, up from 8.0% in the fourth quarter of 2018, and adjusted[1] EBIT margin was 12.2%, up from 11.5%

Fourth quarter EPS was $.64, an increase of $.25 versus fourth quarter 2018. **Adjusted[1] EPS** was $.68, an increase of $.06, and reflects higher adjusted[1] EBIT partially offset by higher interest expense ($.04/share) and a higher tax rate ($.02/share).

Full-Year Results:

2019 sales of $4.75 billion, an 11% increase versus last year

- Acquisitions added 14% to sales growth (ECS and other smaller acquisitions)
- Organic sales were down 3%:
  - Volume down 3% due to exited business
  - Raw material-related selling price increases 1%
  - Currency impact -1%

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1 Please refer to attached tables for Non-GAAP reconciliations.

2019 EBIT was $513 million, up $76 million or 18% from 2018, and **adjusted[1] EBIT** was $529 million, a $56 million or 12% increase.

- EBIT and adjusted[1] EBIT benefited from:
  - ECS acquisition
  - Lower raw material costs (including LIFO benefit)
  - Improved earnings performance in Furniture Products
- EBIT margin was 10.8%, up from 10.2% in 2018, and adjusted[1] EBIT margin was 11.1%, flat with 2018

2019 EPS was $2.47, an increase of $.21 versus 2018. Full-year **adjusted[1] EPS** was $2.57, an increase of $.09, and reflects higher adjusted[1] EBIT partially offset by higher interest expense largely due to the ECS acquisition ($.20/share) and a higher tax rate ($.04/share).

Adjustments to Earnings:

- **Fourth quarter** included $5 million (pretax), or $.04 per share, of restructuring-related charges
  - $3 million cash and $2 million non-cash
- **Full-year** adjustments included restructuring-related charges of $15 million (pretax) and ECS transaction costs of $1 million (pretax), or $.10 per share
  - $9 million cash and $7 million non-cash

CEO Comments

Chairman and CEO Karl G. Glassman commented, “In 2019, our employees achieved several milestones including the acquisition of ECS, the largest acquisition in Company history, record cash flow from operations, and our 48th consecutive annual dividend increase. We also announced organizational changes, including segment realignment, effective January 1, 2020, and key executive and board appointments.

“Portfolio management remains a strategic priority. Over the past several years we have enhanced our business portfolio and improved margins by growing our stronger businesses and exiting or restructuring businesses that consistently struggled to deliver acceptable margins and returns. During 2019 we acquired two businesses: ECS, which contributed meaningfully to EBIT and operating cash flow, and a small Geo Components operation. We also completed the restructuring of Home Furniture and the exit of Fashion Bed.

“During 2019, sales grew 11% primarily from the ECS acquisition. Sales were stronger in U.S. Spring, Automotive, Work Furniture and Aerospace but these improvements were more than offset by planned lower volume from business exited in Fashion Bed and Home Furniture and weak trade demand in the Industrial Products segment. Full year adjusted[1] EBIT increased $56 million over 2018, primarily from the ECS acquisition, lower raw material costs including LIFO benefit, and improved earnings performance in Furniture Products.

“In 2020, we expect mid-single-digit volume growth from Automotive, U.S. Spring, ECS, Aerospace, Geo Components and Work Furniture, to be offset by further year-over-year sales declines from exited business in Fashion Bed and Home Furniture, continued weak trade demand for steel rod and wire and raw material-related selling price decreases which began in the second half of 2019. Prior year acquisitions should add 1% to sales growth. Earnings growth in Automotive, U.S Spring, ECS and several of our businesses is expected to be more than offset by increasing steel costs, including the non-recurrence of 2019’s LIFO benefit, and investments to support future growth.”

Debt and Cash Flow

- Debt was 2.9x trailing 12-months pro forma adjusted[1] EBITDA; we expect to be at debt to trailing 12-months adjusted EBITDA of approximately 2.5x by the end of 2020
- Operating cash flow was a record $668 million during 2019, an increase of $228 million versus last year

2020 Guidance

- **Sales** are expected to be $4.7–$4.9 billion, -1% to +3% versus 2019
  - Organic sales are expected to be -2% to +2%
    - Volume expected to be -1% to +3%, including -1% from exited business
    - Raw material-related selling price decreases should reduce sales by 1%
  - Prior year acquisitions should add 1% to sales growth
- **EPS** is expected to be $2.40–$2.60
- Based on this guidance range, EBIT margin should be 10.7%–11.0%
- Additional guidance expectations:
  - Depreciation and amortization $200 million
  - Net interest expense $80 million
  - Effective tax rate 23%
  - Fully diluted shares of 136 million
  - Operating cash flow $550 million
  - Capital expenditures $160 million

LIFO

- In 2019, lower steel costs resulted in a LIFO benefit of $32 million (pretax)
- In 2018, increasing steel costs resulted in LIFO expense of $31 million (pretax)

SEGMENT RESULTS – Fourth Quarter 2019 (versus 4Q 2018)

Residential Products –

- Total sales grew 32%; acquisitions added 33%
- Organic sales decreased 1%
  - Volume was up 2%, primarily from continued market share and content gains in U.S. Spring
  - Raw material-related price decreases reduced sales 3%
- EBIT increased $26 million, primarily from the non-recurrence of a $16 million non-cash impairment charge related to a note receivable and $4 million in costs incurred with the ECS acquisition in the fourth quarter of 2018. EBIT also benefited from ECS acquisition earnings (after $12 million of amortization expense).

Industrial Products –

- Total sales decreased 24%
  - Volume was down 14% from weak trade demand for steel rod and wire
  - Raw material-related selling price decreases reduced sales 10%
- EBIT increased $1 million, primarily from lower raw material costs (including LIFO benefit) largely offset by lower metal margin and lower trade steel rod and wire volume

Furniture Products –

- Total sales were down 5%
- Volume decreased 4%, primarily from our decision to exit Fashion Bed and planned declines in Home Furniture, partially offset by growth in Adjustable Bed
- Currency impact and raw material-related selling price decreases reduced sales 1%
- EBIT increased $20 million, primarily from lower restructuring-related charges ($3 million in 4Q 2019 versus $15 million in 4Q 2018) as well as lower raw material costs (including LIFO benefit) and lower fixed costs attributable to restructuring activity

Specialized Products –

- Total sales increased 4%
- Volume was up 5%, primarily from growth in Automotive and Aerospace
- Currency impact decreased sales 1%
- EBIT increased $1 million, primarily from higher volume in Automotive and Aerospace partially offset by lower volume in Hydraulic Cylinders

<u>SEGMENT RESULTS</u> – Full Year 2019 (versus 2018)

Residential Products –

- Total sales grew 36%; acquisitions added 35%
- Organic sales increased 1%
  - Volume was up 1%, with growth in U.S. Spring, European Spring and Geo Components offset by lower sales in other businesses, primarily Flooring Products and Machinery
  - Raw material-related price increases were offset by a negative currency impact
- EBIT increased $38 million, primarily from earnings from the ECS acquisition (after $45 million of amortization expense and a $5 million non-recurring charge related to acquired inventories) and the non-recurrence of a $16 million non-cash impairment charge related to a note receivable in the fourth quarter of 2018

Industrial Products –

- Total sales decreased 10%
  - Volume was down 13% from weak trade demand for steel rod and wire
  - Raw material-related selling price increases added 3% to sales
- EBIT increased $29 million, primarily from lower raw material costs (including LIFO benefit) partially offset by lower trade steel rod and wire volume

Furniture Products –

- Total sales were down 8%
- Volume decreased 8%, primarily from our decision to exit Fashion Bed and planned declines in Home Furniture, partially offset by growth in Work Furniture
- Raw material-related selling price increases were offset by a negative currency impact
- EBIT increased $24 million, primarily from improved pricing and lower fixed costs attributable to restructuring activity and lower restructuring-related charges ($10 million in 2019 versus $15 million in 2018)

Specialized Products –

- Total sales were up 1% from the PHC acquisition in early 2018; organic sales were flat
- Volume was up 2%, from growth in Automotive and Aerospace
- Currency impact, net of raw material-related price increases in Hydraulic Cylinders, decreased sales 2%
- EBIT decreased $18 million, with earnings from higher volume offset by higher operating costs in Aerospace and Hydraulic Cylinders, negative currency impact, and investments to support future growth in Automotive

<u>Slides and Conference Call</u>

A set of slides containing summary financial information is available from the Investor Relations section of Leggett's website at www.leggett.com. Management will host a conference call **at 7:30 a.m. Central** (8:30 a.m. Eastern) on Tuesday, February 4. The webcast can be accessed from Leggett's website. The dial-in number is (201) 689-8341; there is no passcode.

First quarter results will be released after the market closes on Monday, May 4, with a conference call the next morning.

FOR MORE INFORMATION: Visit Leggett's website at www.leggett.com.

COMPANY DESCRIPTION: At Leggett & Platt (NYSE: LEG), we **create innovative products** that enhance people's lives, **generate exceptional returns** for our shareholders, and **provide sought-after jobs** in communities around the world. L&P is a 137-year-old diversified manufacturer that designs and produces engineered products found in most homes and automobiles. The Company is comprised of 15 business units, 22,000 employee-partners, and 140 manufacturing facilities located in 18 countries.

Leggett & Platt is the leading U.S.-based manufacturer of: a) bedding components; b) automotive seat support and lumbar systems; c) specialty bedding foams and private-label finished mattresses; d) components for home furniture and work furniture; e) flooring underlayment; f) adjustable beds; and g) bedding industry machinery.

FORWARD-LOOKING STATEMENTS: This press release contains "forward-looking statements," including, but not limited to, the 2020 total sales, organic sales, volume growth from Automotive, U.S. Spring, ECS, Aerospace, Geo Components and Work Furniture, volume, annualized sales added by acquisitions, EPS, sales growth, improved EBIT, EBIT margin, cash from operations, decreasing steel costs, depreciation and amortization, net interest, effective tax rate, fully diluted shares, capital expenditures; and our ability to deleverage to a ratio of debt to trailing 12-months adjusted EBITDA of approximately 2.5 by year-end 2020. Such forward-looking statements are expressly qualified by the cautionary statements described in this provision and reflect only the beliefs of Leggett or its management at the time the statement is made. Because all 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 envisioned or 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: (i) the Company's ability to achieve its operating targets; (ii) inability to comply with the restrictive covenants in the Company's credit agreement; (iii) increases or decreases in our capital needs, which may vary depending on acquisition or divestiture activity, our working capital needs and capital expenditures; (iv) market conditions; (v) price and product competition from foreign and domestic competitors, changes in demand for the Company's products, cost and availability of raw materials and labor, fuel and energy costs, our ability to increase the dividend, our ability to repatriate cash from offshore accounts, net interest expense, tax rates, increased trade costs, cybersecurity breaches, customer losses and insolvencies, disruption to our steel rod mill, climate change regulations, environmental, social and governance risks, general economic conditions, possible goodwill or other asset impairment, foreign currency fluctuation, the amount of fully diluted shares, depreciation and amortization, and litigation risks; and (vi) other risk factors in the "Forward-Looking Statements" and "Risk Factors" sections in Leggett's most recent Form 10-K and subsequent Form 10-Q reports filed with the SEC.

CONTACT: Investor Relations, (417) 358-8131 or invest@leggett.com
Susan R. McCoy, Senior Vice President, Investor Relations
Wendy M. Watson, Vice President, Investor Relations
Cassie J. Branscum, Manager, Investor Relations

RESULTS OF OPERATIONS

(In millions, except per share data)	FOURTH QUARTER 2019	FOURTH QUARTER 2018	Change	YEAR TO DATE 2019	YEAR TO DATE 2018	Change
Net sales	$1,144.9	$1,046.7	9%	$ 4,752.5	$4,269.5	11%
Cost of goods sold	872.5	833.5		3,701.9	3,380.8	
Gross profit	272.4	213.2	28%	1,050.6	888.7	18%
Selling & administrative expenses	117.6	111.9	5%	469.7	425.1	10%
Amortization	16.0	5.2		63.3	20.5	
Other expense (income), net	3.7	12.1		4.2	6.2	
Earnings before interest and taxes	135.1	84.0	61%	513.4	436.9	18%
Net interest expense	20.3	15.8		83.3	52.5	
Earnings before income taxes	114.8	68.2		430.1	384.4	
Income taxes	27.9	15.1		96.2	78.3	
Net earnings	86.9	53.1		333.9	306.1	
Less net income from non-controlling interest	(0.1)	(0.1)		(0.1)	(0.2)	
Net earnings attributable to L&P	**$ 86.8**	**$ 53.0**	64%	**$ 333.8**	**$ 305.9**	9%
Earnings per diluted share						
Net earnings per diluted share	$ 0.64	$ 0.39	64%	$ 2.47	$ 2.26	9%
Shares outstanding						
Common stock (at end of period)	131.8	130.5	1.0%	131.8	130.5	
Basic (average for period)	135.2	134.0		134.8	134.3	
Diluted (average for period)	135.8	134.7	0.8%	135.4	135.2	

CASH FLOW

(In millions)	FOURTH QUARTER 2019	FOURTH QUARTER 2018	Change	YEAR TO DATE 2019	YEAR TO DATE 2018	Change
Net earnings	$ 86.9	$ 53.1		$ 333.9	$ 306.1	
Depreciation and amortization	47.2	35.1		191.9	136.1	
Working capital decrease (increase)	101.1	75.5		80.5	(46.0)	
Impairments	2.1	5.1		7.8	5.4	
Other operating activity	14.1	20.4		53.9	38.7	
Net Cash from Operating Activity	**$ 251.4**	**$ 189.2**	33%	**$ 668.0**	**$ 440.3**	52%
Additions to PP&E	(40.1)	(37.0)		(143.1)	(159.6)	(10%)
Purchase of companies, net of cash	(20.8)	(1.3)		(1,265.1)	(109.2)	
Proceeds from business and asset sales	0.2	1.2		5.5	4.9	
Dividends paid	(52.6)	(49.5)		(204.6)	(193.7)	
Repurchase of common stock, net	(2.7)	0.3		(7.1)	(107.6)	
Additions (payments) to debt, net	(127.5)	(185.3)		947.0	(85.8)	
Other	(2.3)	(13.0)		(21.1)	(47.3)	
Increase (Decr.) in Cash & Equiv.	**$ 5.6**	**$ (95.4)**		**$ (20.5)**	**$ (258.0)**	

FINANCIAL POSITION

(In millions)	31-Dec 2019	31-Dec 2018	Change
Cash and equivalents	$ 247.6	$ 268.1	
Receivables	591.9	571.6	
Inventories	636.7	633.9	
Other current assets	61.9	51.0	
Total current assets	1,538.1	1,524.6	1%
Net fixed assets	830.8	728.5	
Operating lease right-of-use assets	158.8	—	
Goodwill	1,406.3	833.8	
Intangible assets and deferred costs	764.0	178.7	
Other assets	118.4	116.4	
TOTAL ASSETS	**$4,816.4**	**$3,382.0**	42%
Trade accounts payable	$ 463.4	$ 465.4	
Current debt maturities	51.1	1.2	
Current operating lease liabilities	39.3	—	
Other current liabilities	374.3	349.1	
Total current liabilities	928.1	815.7	14%
Long-term debt	2,066.5	1,167.8	77%
Operating lease liabilities	121.6	—	
Deferred taxes and other liabilities	387.7	240.9	
Equity	1,312.5	1,157.6	13%
Total Capitalization	3,888.3	2,566.3	52%
TOTAL LIABILITIES & EQUITY	**$4,816.4**	**$3,382.0**	42%

SEGMENT RESULTS [1]

(In millions)	FOURTH QUARTER 2019	FOURTH QUARTER 2018	FOURTH QUARTER Change	YEAR TO DATE 2019	YEAR TO DATE 2018	YEAR TO DATE Change
Residential Products						
External Sales	$ 556.0	$ 420.3	32.3%	$2,331.0	$1,703.7	36.8%
Total Sales (External + Inter-segment)	559.1	424.7	31.6%	2,344.2	1,720.8	36.2%
EBIT	41.1	14.8	178%	170.6	132.8	28%
EBIT Margin	*7.4%*	*3.5%*	*390 bps* [2]	*7.3%*	*7.7%*	*(40) bps* [2]
Restructuring-related charges	2.0	0.8		4.1	0.8	
ECS transaction costs	—	3.7		0.9	3.7	
Note impairment	—	15.9		—	15.9	
Adjusted EBIT	43.1	35.2	22%	175.6	153.2	15%
Adjusted EBIT Margin	*7.7%*	*8.3%*	*(60) bps*	*7.5%*	*8.9%*	*(140) bps*
Depreciation and amortization	26.6	12.2		104.2	46.6	
Adjusted EBITDA	69.7	47.4	47%	279.8	199.8	40%
Adjusted EBITDA Margin	*12.5%*	*11.2%*	*130 bps*	*11.9%*	*11.6%*	*30 bps*
Industrial Products						
External Sales	$ 57.5	$ 91.6	(37.2%)	$ 295.6	$ 367.4	(19.5%)
Total Sales (External + Inter-segment)	126.8	166.1	(23.7%)	595.2	662.4	(10.1%)
EBIT	21.6	20.8	4%	97.5	68.4	43%
EBIT Margin	*17.0%*	*12.5%*	*450 bps*	*16.4%*	*10.3%*	*610 bps*
Restructuring-related charges	0.4	—		1.0	—	
Adjusted EBIT	22.0	20.8	6%	98.5	68.4	44%
Adjusted EBIT Margin	*17.4%*	*12.5%*	*490 bps*	*16.5%*	*10.3%*	*620 bps*
Depreciation and amortization	2.8	2.6		11.0	10.3	
Adjusted EBITDA	24.8	23.4	6%	109.5	78.7	39%
Adjusted EBITDA Margin	*19.6%*	*14.1%*	*550 bps*	*18.4%*	*11.9%*	*650 bps*
Furniture Products						
External Sales	$ 261.7	$ 275.3	(4.9%)	$1,059.1	$1,142.1	(7.3%)
Total Sales (External + Inter-segment)	263.8	278.7	(5.3%)	1,068.6	1,155.9	(7.6%)
EBIT	21.5	1.3	1554%	73.4	49.6	48%
EBIT Margin	8.2%	0.5%	770 bps	6.9%	4.3%	260 bps
Restructuring-related charges	2.6	15.5		10.0	15.5	
Adjusted EBIT	24.1	16.8	43%	83.4	65.1	28%
Adjusted EBIT Margin	*9.1%*	*6.0%*	*310 bps*	*7.8%*	*5.6%*	*220 bps*
Depreciation and amortization	3.4	4.4		17.8	17.4	
Adjusted EBITDA	27.5	21.2	30%	101.2	82.5	23%
Adjusted EBITDA Margin	*10.4%*	*7.6%*	*280 bps*	*9.5%*	*7.1%*	*240 bps*
Specialized Products						
External Sales	$ 269.7	$ 259.5	3.9%	$1,066.8	$1,056.3	1.0%
Total Sales (External + Inter-segment)	270.4	260.2	3.9%	1,070.0	1,059.0	1.0%
EBIT	48.9	47.5	3%	170.5	189.0	(10%)
EBIT Margin	*18.1%*	*18.3%*	*(20) bps*	*15.9%*	*17.8%*	*(190) bps*
Depreciation and amortization	10.8	10.3		41.8	39.0	
EBITDA	59.7	57.8	3%	212.3	228.0	(7%)
EBITDA Margin	*22.1%*	*22.2%*	*(10) bps*	*19.8%*	*21.5%*	*(170) bps*
Total Company						
External Sales	$1,144.9	$1,046.7	9.4%	$4,752.5	$4,269.5	11.3%
EBIT - segments	133.1	84.4	58%	512.0	439.8	16%
Intersegment eliminations and other	2.0	(0.4)		1.4	(2.9)	
EBIT	135.1	84.0	61%	513.4	436.9	18%
EBIT Margin	*11.8%*	*8.0%*	*380 bps*	*10.8%*	*10.2%*	*60 bps*
Restructuring-related charges [3]	5.0	16.3		15.1	16.3	
ECS transaction costs [3]	—	3.7		0.9	3.7	
Note impairment [3]	—	15.9		—	15.9	
Adjusted EBIT [3]	140.1	120.0	17%	529.4	472.9	12%
Adjusted EBIT Margin [3]	*12.2%*	*11.5%*	*70 bps*	*11.1%*	*11.1%*	*0 bps*
Depreciation and amortization - segments	43.6	29.5		174.8	113.3	
Depreciation and amortization - unallocated [4]	3.6	5.6		17.1	22.8	
Adjusted EBITDA [3]	187.3	155.1	21%	721.3	609.0	18%
Adjusted EBITDA Margin [3]	*16.4%*	*14.8%*	*160 bps*	*15.2%*	*14.3%*	*90 bps*

LAST SIX QUARTERS

Selected Figures	2018 3Q	2018 4Q	2019 1Q	2019 2Q	2019 3Q	2019 4Q
Net Sales ($ million)	1,092	1,047	1,155	1,213	1,239	1,145
Sales Growth (vs. prior year)	8%	6%	12%	10%	14%	9%
Volume Growth (same locations vs. prior year)	3%	—%	(3%)	(6%)	(1%)	(1%)
Adjusted EBIT [3] ($ million)	124	120	105	136	148	140
Cash from Operations ($ million)	127	189	31	172	213	251
Adjusted EBITDA (trailing twelve months) [3] ($ million)	598	609	620	651	689	721
(Long-term debt + current maturities) / Adj. EBITDA [3,5]	2.3	1.9	4.0	3.7	3.3	2.9

Organic Sales (vs. prior year)	3Q	4Q	1Q	2Q	3Q	4Q
Residential Products	3%	5%	3%	(1%)	3%	(1%)
Industrial Products	28%	22%	10%	(9%)	(17%)	(24%)
Furniture Products	4%	(1%)	(5%)	(11%)	(8%)	(5%)
Specialized Products	3%	—%	(5%)	(3%)	6%	4%
Overall	6%	3%	(1%)	(6%)	(2%)	(4%)

1 Segment margins calculated on Total Sales. Overall company margin calculated on External Sales.
2 bps = basis points; a unit of measure equal to 1/100th of 1%.
3 Refer to next page for non-GAAP reconciliations.
4 Consists primarily of depreciation of non-operating assets and amortization of debt issuance costs.
5 EBITDA based on trailing twelve months.

RECONCILIATION OF REPORTED (GAAP) TO ADJUSTED (Non-GAAP) FINANCIAL MEASURES [11]

	Full Year		2018		2019			
Non-GAAP adjustments [6]	**2018**	**2019**	**3Q**	**4Q**	**1Q**	**2Q**	**3Q**	**4Q**
Restructuring-related charges	16.3	15.1	—	16.3	6.3	—	3.8	5.0
Note impairment	15.9	—	—	15.9	—	—	—	—
ECS transaction costs	6.9	0.9	—	6.9	0.9	—	—	—
Non-GAAP adjustments (pretax) [7]	**39.1**	**16.0**	**—**	**39.1**	7.2	—	3.8	**5.0**
Income tax impact	(7.5)	(2.3)	—	(7.5)	(1.8)	—	(0.4)	(0.1)
Tax Cuts and Jobs Act impact	(1.8)	—	(1.8)	—	—	—	—	—
Non-GAAP adjustments (after tax)	**29.8**	**13.7**	**(1.8)**	**31.6**	5.4	—	**3.4**	**4.9**
Diluted shares outstanding	135.2	135.4	134.7	134.7	135.0	135.2	135.4	135.8
EPS impact of non-GAAP adjustments	**0.22**	**0.10**	**(0.01)**	**0.23**	0.04	—	**0.02**	**0.04**

	Full Year		2018		2019			
Adjusted EBIT, EBITDA, Margin, and EPS [6]	**2018**	**2019**	**3Q**	**4Q**	**1Q**	**2Q**	**3Q**	**4Q**
Net sales	4,270	4,753	1,092	1,047	1,155	1,213	1,239	1,145
EBIT (earnings before interest and taxes)	436.9	513.4	124.4	84.0	98.2	136.0	144.1	135.1
Non-GAAP adjustments (pretax and excluding interest) [8]	36.0	16.0	—	36.0	7.2	—	3.8	5.0
Adjusted EBIT ($ millions)	**472.9**	**529.4**	**124.4**	**120.0**	**105.4**	**136.0**	**147.9**	**140.1**
EBIT margin	10.2%	10.8%	11.4%	8.0%	8.5%	11.2%	11.6%	11.8%
Adjusted EBIT margin	**11.1%**	**11.1%**	**11.4%**	**11.5%**	**9.1%**	**11.2%**	**11.9%**	**12.2%**
EBIT	436.9	513.4	124.4	84.0	98.2	136.0	144.1	135.1
Depreciation and Amortization	136.1	191.9	33.8	35.1	46.3	50.0	48.4	47.2
EBITDA	**573.0**	**705.3**	**158.2**	**119.1**	**144.5**	**186.0**	**192.5**	**182.3**
Non-GAAP adjustments (pretax and excluding interest) [8]	36.0	16.0	—	36.0	7.2	—	3.8	5.0
Adjusted EBITDA ($ millions)	**609.0**	**721.3**	**158.2**	**155.1**	**151.7**	**186.0**	**196.3**	**187.3**
EBITDA margin	13.4%	14.8%	14.5%	11.4%	12.5%	15.3%	15.5%	15.9%
Adjusted EBITDA margin	**14.3%**	**15.2%**	**14.5%**	**14.8%**	**13.1%**	**15.3%**	**15.8%**	**16.4%**
Diluted EPS	2.26	2.47	0.67	0.39	0.45	0.64	0.74	0.64
EPS impact of non-GAAP adjustments	0.22	0.10	(0.01)	0.23	0.04	—	0.02	0.04
Adjusted EPS ($)	**2.48**	**2.57**	**0.66**	**0.62**	**0.49**	**0.64**	**0.76**	**0.68**

	Full Year		2018		2019			
Total Debt to Adjusted EBITDA [9]	**2018**	**2019**	**3Q**	**4Q**	**1Q**	**2Q**	**3Q**	**4Q**
Total Debt	1,169	2,118	1,357	1,169	2,461	2,415	2,248	2,118
Adjusted EBITDA, trailing 12 months	609	721	598	609	620	651	689	721
Total Debt / Leggett Reported 12-month Adjusted EBITDA	**1.9**	**2.9**	**2.3**	**1.9**	**4.0**	**3.7**	**3.3**	**2.9**
Total Debt / Leggett and ECS 12-month Pro Forma Adjusted EBITDA [10]					**3.56**	**3.45**	**3.15**	**2.93**

6 Management and investors use these measures as supplemental information to assess operational performance.

7 The non-GAAP adjustments affected various line items on the income statement. Details by quarter: 4Q 2018: $4.4 million COGS, $19.6 million SG&A, $11.9 million other expense, $3.2 million interest expense. 1Q 2019: $2.4 million COGS, $0.9 million SG&A, $3.9 million other expense. 3Q 2019: ($0.9) million COGS, $4.7 million other expense. 4Q 2019: $4.9 million other expense.

8 4Q 2018 excludes $3.2 million of financing-related charges recognized in interest expense.

9 Management and investors use this ratio as supplemental information to assess ability to pay off debt. These ratios are calculated differently than the Company's credit facility covenant ratio.

10 The Leggett and ECS pro forma adjusted EBITDA for the 12 months ended March 31, June 30, September 30, and December 31, 2019 is presented in the table below. Because the increase in total debt from December 31, 2018 to December 31, 2019 was directly attributable to the ECS acquisition, we believe it is more meaningful to investors to include ECS's pre-acquisition adjusted EBITDA for the trailing 12 months ended March 31, June 30, September 30, and December 31, 2019 in the total debt / 12-month adjusted EBITDA calculation.

	4/1/18 – 1/16/19	7/1/18 – 1/16/19	10/1/18 – 1/16/19	1/1/19 – 1/16/19
ECS pre-acquisition adjusted EBITDA from:				
Net earnings	12	6	—	(1)
Interest expense	33	22	12	1
Taxes	6	4	1	0
EBIT	51	32	13	—
Depreciation and Amortization	14	10	5	1
Change in control bonus	7	7	7	—
Adjusted EBITDA	72	49	25	1
Leggett Adjusted EBITDA, trailing 12 months (including ECS from January 16, 2019)	620	651	689	721
ECS pre-acquisition adjusted EBITDA	72	49	25	1
Leggett and ECS Pro Forma Adjusted EBITDA, trailing 12 months	692	700	714	722
Total Debt / Leggett and ECS 12-month Pro Forma Adjusted EBITDA	**3.56**	**3.45**	**3.15**	**2.93**

11 Calculations impacted by rounding.