

Financial Highlights

LEGETT & PLATT, INCORPORATED AND SUBSIDIARIES

(Dollar amounts in millions, except per share data)

Year ended December 31	1997	1996	% Change
Net sales	\$ 2,909.2	\$ 2,466.2	18%
Earnings before income taxes and non-recurring costs*	333.3	276.3	21
Net earnings before non-recurring costs*	208.3	169.4	23
Net earnings	208.3	140.5	48
Cash provided by operating activities	288.3	238.1	21
Earnings per share			
Net earnings before non-recurring costs – basic*	\$ 2.19	\$ 1.87	17%
Net earnings before non-recurring costs – diluted*	2.16	1.85	17
Net earnings – basic	2.19	1.55	41
Net earnings – diluted	2.16	1.53	41
Cash dividends declared per share	.54	.46	17
Book value per share	12.18	10.22	19
Pre-tax profit margin before non-recurring costs*			
	11.5%	11.2%	
Net profit margin before non-recurring costs*			
	7.2	6.9	
Net profit margin			
	7.2	5.7	
Return on average shareholders' equity*			
	19.7	20.1	
Long-term debt as a percent of total capital			
	26.9	27.4	
Return on average total capital*			
	14.5	14.3	
Average shares outstanding (in millions)			
Basic	95.1	90.5	
Diluted	96.6	91.8	

* 1996 amounts exclude merger related costs for the acquisition of Pace Holdings, Inc. (Pace) of \$26.6 pre-tax and \$16.4 after-tax, or \$.18 per basic and diluted share and an extraordinary charge from the refinancing of Pace debt of \$12.5 after-tax, or \$.14 per basic and diluted share.

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Financial Data 1997 – 1987

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

(Dollar amounts in millions, except per share data)

	1997	1996	1995
SUMMARY OF OPERATIONS			
Net sales	\$2,909.2	\$ 2,466.2	\$ 2,256.9
% change	18.0%	9.3%	12.3%
Gross profit	737.8	623.5	534.9
Interest expense	31.8	30.0	30.4
Earnings from continuing operations before income taxes and non-recurring costs ⁽¹⁾	333.3	276.3	220.6
Net earnings before non-recurring costs ⁽¹⁾	208.3	169.4	134.3
% change	23.0%	26.1%	12.4%
Net earnings	208.3	140.5	134.3
COMMON STOCK DATA			
Earnings per share			
Net earnings before non-recurring costs – basic ⁽¹⁾	\$ 2.19	\$ 1.87	\$ 1.52
Net earnings before non-recurring costs – diluted ⁽¹⁾	2.16	1.85	1.49
% change	16.8%	24.2%	9.6%
Net earnings – basic	2.19	1.55	1.52
Net earnings – diluted	2.16	1.53	1.49
Cash dividends declared per share	.54	.46	.38
Average number of shares outstanding			
Basic	95.1	90.5	88.6
Diluted	96.6	91.8	89.9
YEAR-END FINANCIAL POSITION			
Working capital	\$ 572.1	\$ 470.5	\$ 411.5
Property, plant and equipment, net	693.2	582.9	510.6
Total assets	2,106.3	1,712.9	1,478.1
Long-term debt	466.2	388.5	380.6
Shareholders' equity	1,174.0	941.1	746.8
Total capital ⁽²⁾	1,733.8	1,420.1	1,203.0
OTHER FINANCIAL DATA, PROFIT MEASURES AND RATIOS			
Earnings before interest, taxes and non-recurring costs ⁽¹⁾	\$ 365.1	\$ 306.3	\$ 251.0
Earnings before interest, taxes, depreciation, amortization and non-recurring costs ⁽¹⁾	470.7	398.5	329.0
Net cash provided by operating activities	288.3	238.1	187.8
Capital expenditures	119.4	96.2	106.8
Depreciation	88.3	75.8	62.6
Amortization	17.3	16.4	15.4
PERCENTAGES			
Net profit margin before non-recurring costs ⁽¹⁾	7.2	6.9	6.0
Return on average shareholders' equity ⁽¹⁾	19.7	20.1	19.5
Return on average total capital ⁽¹⁾⁽³⁾	14.5	14.3	13.5
Long-term debt as % of total capital	26.9	27.4	31.6
RATIOS			
Net sales/average working capital ⁽⁴⁾	5.6	5.7	6.0
Net sales/average total assets	1.5	1.5	1.6

⁽¹⁾ 1996 amounts exclude merger related costs of \$26.6 pre-tax and \$16.4 after-tax, or \$.18 per basic and diluted share, and an extraordinary charge of \$12.5 after-tax, or \$.14 per basic and diluted share. A restructuring charge of \$20.3 pre-tax and \$14.3 after-tax, or \$.20 per basic share and \$.18 per diluted share is excluded from 1990.

⁽²⁾ Total capital includes long-term debt, deferred taxes, other long-term liabilities and shareholders' equity.

⁽³⁾ This percentage is computed by adding the after-tax interest expense to net earnings and then dividing the sum by average total capital.

⁽⁴⁾ For the purposes of this ratio, average working capital excludes cash and cash equivalents.

1994	1993	1992	1991	1990	1989	1988	1987
\$ 2,009.1	\$ 1,526.7	\$ 1,315.0	\$ 1,221.4	\$ 1,231.3	\$ 1,117.4	\$ 859.3	\$ 678.9
31.6%	16.1%	7.7%	(.8%)	10.2%	30.0%	26.6%	10.4%
471.7	348.4	300.7	260.9	262.4	239.3	174.5	146.2
26.0	10.2	13.5	19.9	23.1	20.5	10.7	6.6
196.3	140.4	107.2	65.2	73.1	81.5	60.5	65.8
119.5	85.6	65.8	39.5	44.5	48.9	37.7	38.7
39.6%	30.1%	66.6%	(11.2%)	(9.0%)	29.7%	(2.6%)	20.9%
119.5	85.6	65.8	39.5	30.2	48.9	37.7	38.7
\$ 1.38	\$ 1.07	\$.84	\$.54	\$.61	\$.68	\$.55	\$.57
1.36	1.04	.82	.52	.59	.66	.53	.55
30.8%	26.8%	57.7%	(11.9%)	(10.6%)	24.5%	(3.6%)	5.8%
1.38	1.07	.84	.54	.41	.68	.55	.57
1.36	1.04	.82	.52	.41	.66	.53	.55
.31	.27	.23	.22	.21	.19	.16	.14
86.6	80.1	78.0	73.4	73.2	72.0	69.1	67.5
87.8	82.3	80.4	78.6	78.1	77.0	74.1	73.2
\$ 353.6	\$ 297.8	\$ 237.9	\$ 233.6	\$ 236.9	\$ 203.8	\$ 167.1	\$ 135.0
440.7	353.4	259.7	263.4	255.7	240.3	207.4	131.7
1,327.0	1,080.1	772.5	746.7	768.8	662.6	567.2	397.3
364.1	306.1	147.9	232.7	269.4	205.0	164.5	85.2
628.3	514.6	442.1	346.3	316.4	294.5	255.1	215.2
1,060.4	892.5	631.5	621.0	626.8	535.2	451.6	315.3
\$ 222.3	\$ 150.6	\$ 119.9	\$ 85.9	\$ 96.2	\$ 102.0	\$ 71.2	\$ 72.4
288.9	195.9	162.5	127.3	135.5	134.2	97.2	91.1
171.9	145.7	100.4	103.0	69.0	64.1	48.0	37.8
97.1	54.2	35.8	36.5	45.1	31.2	37.3	24.6
52.5	39.1	36.5	34.6	32.8	28.1	22.6	17.7
14.1	6.2	6.1	6.8	6.5	4.1	3.4	1.0
5.9	5.6	5.0	3.2	3.6	4.4	4.4	5.7
20.9	17.9	16.7	11.9	14.6	17.8	16.0	19.2
13.9	12.0	11.8	8.3	10.1	12.4	11.6	14.0
34.3	34.3	23.4	37.5	43.0	38.3	36.4	27.0
6.2	5.8	5.8	5.4	5.7	6.1	6.4	6.9
1.7	1.6	1.7	1.6	1.7	1.8	1.8	1.8

Quarterly Summary of Earnings

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

(Unaudited)

(Dollar amounts in millions, except per share data)

	First	Second	Third	Fourth	Total
Year ended December 31, 1997					
Net sales	\$ 673.2	\$ 721.2	\$ 747.0	\$ 767.8	\$ 2,909.2
Gross profit	170.2	183.4	188.5	195.7	737.8
Earnings before income taxes	78.1	83.9	83.9	87.4	333.3
Net earnings	48.4	52.0	52.8	55.1	208.3
Earnings per share					
Net earnings – basic	\$.52	\$.55	\$.55	\$.57	\$ 2.19
Net earnings – diluted	\$.51	\$.55	\$.54	\$.56	\$ 2.16
Year ended December 31, 1996					
Net sales	\$ 591.2	\$ 620.0	\$ 628.6	\$ 626.4	\$ 2,466.2
Gross profit	144.6	157.6	157.3	164.0	623.5
Earnings before income taxes and extraordinary item	61.4	43.8	71.9	72.6	249.7
Net earnings before extraordinary item	37.7	26.6	44.0	44.7	153.0
Net earnings	37.7	14.1	44.0	44.7	140.5
Earnings per share					
Net earnings before extraordinary item – basic	\$.42	\$.30	\$.49	\$.48	\$ 1.69
Net earnings before extraordinary item – diluted	\$.42	\$.29	\$.48	\$.48	\$ 1.67
Net earnings – basic	\$.42	\$.16	\$.49	\$.48	\$ 1.55
Net earnings – diluted	\$.42	\$.15	\$.48	\$.48	\$ 1.53

Merger related costs of \$26.6 pre-tax and \$16.4 after-tax, or \$.18 per basic and diluted share are included in 1996 second quarter net earnings before extraordinary item.

Selected Financial Data

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

(Unaudited)

(Dollar amounts in millions, except per share data)

	1997	1996	1995	1994	1993
SUMMARY OF OPERATIONS					
Net sales	\$ 2,909.2	\$ 2,466.2	\$ 2,256.9	\$ 2,009.1	\$ 1,526.7
Earnings from continuing operations	208.3	153.0	134.3	119.5	85.6
Basic earnings per share from continuing operations	2.19	1.69	1.52	1.38	1.07
Diluted earnings per share from continuing operations	2.16	1.67	1.49	1.36	1.04
Cash dividends declared per share	.54	.46	.38	.31	.27
SUMMARY OF FINANCIAL POSITION					
Total assets	\$ 2,106.3	\$ 1,712.9	\$ 1,478.1	\$ 1,327.0	\$ 1,080.1
Long-term debt	466.2	388.5	380.6	364.1	306.1

Merger related costs of \$16.4 after-tax, or \$.18 per basic and diluted share are included in 1996 earnings from continuing operations.

Summary of Sales

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

(Unaudited)

(Dollar amounts in millions)

Year ended December 31	1997		1996		1995	
Furnishings products						
Bedding components	\$ 746.9	25.7%	\$ 632.5	25.7%	\$ 558.4	24.8%
Furniture and other components	846.6	29.1	766.7	31.1	736.4	32.6
Finished products	635.4	21.8	501.3	20.3	433.0	19.2
Total furnishings products	2,228.9	76.6	1,900.5	77.1	1,727.8	76.6
Diversified products	680.3	23.4	565.7	22.9	529.1	23.4
Net sales	\$ 2,909.2	100.0%	\$ 2,466.2	100.0%	\$ 2,256.9	100.0%