



Second Quarter Summary Financial Information

July 31, 2023



Forward-Looking Statements

Statements in this presentation that are not historical in nature are “forward-looking.” These statements include future EPS, adjusted EPS, sales, volume for the Company and per segment, raw material-related price decreases, currency impacts, acquisition and divestitures impacts, metal margin decreases, depreciation and amortization, net interest expense, tax rate, diluted shares outstanding, operating cash, capital expenditures, amount of dividends, minimal acquisitions and share repurchases, debt covenant compliance, and implied adjusted EBIT margin. All such forward-looking statements are expressly qualified by the cautionary statements described in this provision. We do not have, and do not undertake, any duty to update any forward-looking statement. Forward-looking statements should not be relied upon as a prediction of actual future events or results. Any forward-looking statement reflects only the beliefs of Leggett at the time the statement is made. All forward-looking statements are subject to risks and uncertainties which might cause actual events or results to differ materially from the forward-looking statements. These risks and uncertainties include: the Russian invasion of Ukraine; global inflationary and deflationary impacts; macro-economic impacts; pandemics; demand for our products and our customers’ products; our manufacturing facilities’ ability to remain open and fully operational; goodwill and long-lived asset impairment; inability to issue commercial paper or borrow under the credit facility; inability to collect receivables; inability to pass along raw material price increases; inability to maintain profit margins; conflict between China and Taiwan; changes in our capital needs; changing tax rates; market conditions; increased trade costs; foreign country operational risks; price and product competition; cost and availability of raw materials, parts, labor and energy costs; cash generation to pay the dividend; political risks; ability to grow acquired businesses; disruption to our rod mill; disruption to our operations and supply chain from weather-related events and other impacts; restructuring-related costs; foreign currency fluctuation; our ability to manage working capital; anti-dumping duties; data privacy; cybersecurity incidents; customer bankruptcies and losses; climate change regulations; ESG risks; bank failures; cash repatriation; litigation risks; and other risk factors in Leggett’s most recent Form 10-K and Form 10-Q.

Overview

- Q2 sales of \$1.22 billion, an 8% decrease vs. Q2-22
 - Volume was down 6%
 - Raw material-related price decreases reduced sales 5%
 - Currency impact was flat
 - Acquisitions, net of divestitures, added 3% to sales
- Q2 adjusted EBIT of \$92 million, down \$51 million vs. Q2-22 EBIT
- Adjusted¹ EBIT margin 7.5%, down 320 bps vs. 10.7% in Q2-22
- Q2 adjusted¹ EPS of \$.38, down \$.32 vs. Q2-22 EPS of \$.70
- 2023 guidance lowered
 - Sales: \$4.75–\$4.95 billion
 - Adjusted EPS: \$1.45–\$1.65

¹ See slides 4 and 24 for calculation of adjusted EPS, adjusted EBIT, and adjusted EBIT margin

3

Q2 2023 Financial Highlights

| \$'s in millions (except EPS) | Reported Q2-23 | Adj¹ | Adj Q2-23 | Q2-22 | Change |
|------------------------------------------|---------------------------|------------------------|----------------------|--------------|---------------|
| Sales | \$1,221 | | \$1,221 | \$1,334 | (8%) |
| EBIT | 96 | (4) | 92 | 143 | (36%) |
| EBIT Margin | 7.8% | | 7.5% | 10.7% | (320 bps) |
| EPS | .40 | (.02) | .38 | .70 | (46%) |
| Cash from Operations | \$111 | | \$111 | \$90 | 23% |
| EBITDA | 140 | (4) | 137 | 188 | (27%) |
| EBITDA margin | 11.5% | | 11.2% | 14.1% | (290 bps) |

¹ See slide 24 for non-GAAP adjustments

4

Q2 2023 Sales & EBIT Bridge

| Sales: | <u>mln \$'s</u> | <u>% change</u> |
|------------------------------------------------------------|------------------------|------------------------|
| 2 nd Qtr 2022 | \$1,334 | |
| Approx volume decrease | (84) | (6%) |
| Approx raw material-related pricing and currency impact | (69) | (5%) |
| Organic Sales | (153) | (11%) |
| Acquisitions | 40 | 3% |
| 2 nd Qtr 2023 | \$1,221 | (8%) |
| EBIT: | | <u>margin</u> |
| 2 nd Qtr 2022 | \$143 | 10.7% |
| Primarily lower volume and lower metal margin | (51) | |
| Adjusted ¹ 2 nd Qtr 2023 | \$92 | 7.5% |

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

5

Q2 2023 Earnings

| \$'s in millions | <u>Reported</u> | <u>Adj¹</u> | <u>Adj</u> | <u>Q2-22</u> | <u>Change</u> |
|-------------------------------------|------------------------|-------------------------------|---------------------|---------------------|----------------------|
| | <u>Q2-23</u> | | <u>Q2-23</u> | | |
| EBIT | \$96 | (\$4) | \$92 | \$143 | (36%) |
| Net interest | 22 | | 22 | 20 | |
| Pre-tax earnings | 74 | (4) | 70 | 123 | (43%) |
| Income taxes | 20 | (1) | 19 | 28 | |
| <i>Tax rate</i> | | | 26.5% | 22.6% | |
| Net earnings | 54 | (3) | 52 | 95 | (46%) |
| Noncontrolling interests | — | | — | — | |
| Net earnings attributable to L&P | 54 | (3) | 52 | 95 | (46%) |
| EPS | .40 | (.02) | .38 | .70 | (46%) |

¹ See slide 24 for non-GAAP adjustments

6

Adjusted Working Capital

| | 6/30 | 3/31 | 6/30 |
|---------------------------------------|--------------------|--------------------|--------------------|
| \$'s in millions | <u>2023</u> | <u>2023</u> | <u>2022</u> |
| Cash & equivalents | \$272 | \$345 | \$270 |
| Accounts receivable, net | 703 | 718 | 723 |
| Inventories, net | 858 | 893 | 1,027 |
| Other current assets | 73 | 59 | 72 |
| Total current assets | <u>1,906</u> | <u>2,015</u> | <u>2,092</u> |
| Current debt maturities | (8) | (9) | (301) |
| Current operating lease liabilities | (56) | (55) | (45) |
| Accounts payable | (507) | (552) | (602) |
| Accrued and other current liabilities | (384) | (352) | (383) |
| Total current liabilities | <u>(956)</u> | <u>(969)</u> | <u>(1,331)</u> |
| Working capital | 950 | 1,046 | 760 |
| % of annualized sales ¹ | 19.5% | 21.6% | 14.2% |
| W/C, excl. cash & current debt/lease | 742 | 766 | 837 |
| % of annualized sales ¹ | 15.2% | 15.8% | 15.7% |

¹ Annualized sales: 2Q23: \$1,221x4=\$4,885; 1Q23: \$1,214x4=\$4,854; 2Q22: \$1,334x4=\$5,336

7

Net Debt to Adjusted EBITDA

| | 6/30 | 3/31 | 6/30 |
|---------------------------------------------------|--------------------|--------------------|--------------------|
| \$'s in millions | <u>2023</u> | <u>2023</u> | <u>2022</u> |
| Long-term debt | \$2,016 | \$2,109 | \$1,790 |
| Current maturities | 8 | 9 | 301 |
| Total debt | <u>2,025</u> | <u>2,118</u> | <u>2,091</u> |
| Less: Cash & equivalents | <u>(272)</u> | <u>(345)</u> | <u>(270)</u> |
| Net debt | 1,752 | 1,773 | 1,821 |
| EBIT, trailing 12 months | 389 | 437 | 577 |
| Depreciation & amortization | 180 | 179 | 183 |
| EBITDA | <u>569</u> | <u>616</u> | <u>760</u> |
| Non-GAAP adjustments (pretax) | <u>(4)</u> | <u>—</u> | <u>—</u> |
| Adjusted EBITDA, trailing 12 months | 566 | 616 | 760 |
| Net debt to 12-month adjusted EBITDA ¹ | 3.10x | 2.88x | 2.39x |

¹ Calculated differently than the Company's credit facility covenant ratio.
For additional non-GAAP reconciliation information, see page 7 of the press release.

8

Cash Flow

| \$'s in millions | 2 nd Qtr | | YTD | |
|-------------------------------------|---------------------|------|-------|-------|
| | 2023 | 2022 | 2023 | 2022 |
| Net earnings | \$54 | \$95 | \$108 | \$186 |
| D&A | 45 | 45 | 90 | 90 |
| Impairment, write-offs & other | 1 | 4 | 3 | 8 |
| Other non-cash | — | 2 | 14 | 15 |
| Changes in working capital: | | | | |
| Accounts receivable | 11 | (35) | (27) | (93) |
| Inventory | 36 | 2 | 50 | (56) |
| Other current assets | (7) | (9) | (7) | (10) |
| Accounts payable | (40) | (6) | (9) | 5 |
| Other current liabilities | 10 | (8) | (14) | (16) |
| Cash from operations | 111 | 90 | 207 | 129 |
| Capital expenditures | 30 | 22 | 68 | 41 |
| Acquisitions | — | — | — | — |
| Dividends | 59 | 56 | 117 | 112 |
| Share repurchases (issuances), net | — | 35 | 5 | 57 |
| Proceeds from asset sales | 5 | — | 5 | 3 |
| Additions (repayments) of debt, net | (90) | (19) | (62) | 2 |

9

YTD 2023 Financial Summary

| \$'s in millions (except EPS) | Reported 2023 | Adj ¹ | Adj 2023 | 2022 | Change |
|----------------------------------|------------------|------------------|-------------|---------|-----------|
| Sales | \$2,435 | | \$2,435 | \$2,657 | (8%) |
| EBIT | 185 | (4) | 181 | 281 | (35%) |
| EBIT Margin | 7.6% | | 7.5% | 10.6% | (310 bps) |
| EPS | .79 | (.02) | .77 | 1.36 | (43%) |
| Cash from Operations | \$207 | | \$207 | \$129 | 61% |
| EBITDA | 275 | (4) | 272 | 371 | (27%) |
| EBITDA margin | 11.3% | | 11.2% | 14.0% | (280 bps) |

¹ See slide 24 for non-GAAP adjustments

10

YTD 2023 Sales & EBIT Bridge

| Sales: | <u>mIn \$'s</u> | <u>% change</u> |
|------------------------------------------------------------|------------------------|------------------------|
| YTD 2022 | \$2,657 | |
| Approx volume decrease | (175) | (6%) |
| Approx raw material-related pricing and currency impact | (128) | (5%) |
| Organic Sales | (303) | (11%) |
| Acquisitions, net of divestitures | 81 | 3% |
| YTD 2023 | \$2,435 | (8%) |
| | | |
| EBIT: | | <u>margin</u> |
| YTD 2022 | \$281 | 10.6% |
| Primarily lower volume and lower metal margin | (100) | |
| Adjusted ¹ YTD 2023 | \$181 | 7.5% |

¹ See slide 10 for calculation of adjusted EBIT and adjusted EBIT margin

11

YTD 2023 Earnings

| \$'s in millions | <u>Reported 2023</u> | <u>Adj¹</u> | <u>Adj 2023</u> | <u>2022</u> | <u>Change</u> |
|-------------------------------------|---------------------------------|-------------------------------|----------------------------|--------------------|----------------------|
| EBIT | \$185 | (\$4) | \$181 | \$281 | (35%) |
| Net interest | 43 | | 43 | 40 | |
| Pre-tax earnings | 142 | (4) | 138 | 241 | (43%) |
| Income taxes | 34 | (1) | 33 | 56 | |
| <i>Tax rate</i> | | | 24.1% | 23.0% | |
| Net earnings | 108 | (3) | 105 | 186 | (43%) |
| Noncontrolling interests | — | | — | — | |
| Net earnings attributable to L&P | 108 | (3) | 105 | 186 | (43%) |
| EPS | .79 | (.02) | .77 | 1.36 | (43%) |

¹ See slide 24 for non-GAAP adjustments

12

2023 Sales and EPS Guidance Lowered

- Sales: \$4.75–\$4.95 billion (vs. prior range of \$4.8–\$5.2 billion); down 4% to down 8% versus 2022
 - Decrease reflects lower expected volume in residential end markets
 - Volume at the midpoint expected to be down mid-single digits:
 - Down mid to high single digits in Bedding Products Segment
 - Up high single digits in Specialized Products Segment
 - Down mid to high single digits in Furniture, Flooring & Textile Products Segment
 - Raw material-related price decreases and currency impact combined expected to reduce sales mid-single digits
 - Acquisitions completed in 2022 expected to add ~3% to sales
- Adjusted EPS: \$1.45–\$1.65 (vs. prior range of \$1.50–\$1.90)
 - Decrease is primarily from lower expected volume in residential end markets
 - Excludes ~\$.05 per share gain from net insurance proceeds from tornado damage
- Implied adjusted EBIT margin of 7.3%–7.7%

13

2023 Guidance (continued)

- Depreciation and amortization ~\$200 million
- Net interest expense ~\$85 million
- Tax rate ~24%
- Operating cash \$450–\$500 million
- Cap-ex \$100–\$130 million
- Dividends ~\$240 million
- Diluted shares ~137 million
- Minimal acquisitions and share repurchases

14

Segments

Q2 2023 Segment Summary

| | Q2-23 Organic Sales Growth^{1, 2} | Q2-23 Adj. EBIT² Margin | Δ vs Q2-22 EBIT Margin | Q2-23 Adj. EBITDA² Margin | Δ vs Q2-22 EBITDA² Margin |
|-------------------------------------------|----------------------------------------------------------|---------------------------------------------------|---------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| Bedding Products | (18%) | 4.4% | -690 bps | 9.5% | -610 bps |
| Specialized Products | 12% | 10.3% | +210 bps | 13.5% | +150 bps |
| Furniture, Flooring & Textile Products | (16%) | 9.1% | -200 bps | 10.5% | -190 bps |
| Total Consolidated | (11%) | 7.5% | -320 bps | 11.2% | -290 bps |

¹ Includes raw material-related selling price impact and currency impact

² See slides 17, 19, 21, and 24 for non-GAAP reconciliations

Bedding Products

| Trade Sales: | <u>mIn \$'s</u> | <u>% change</u> |
|----------------------------|------------------------|------------------------|
| 2 nd Qtr 2022 | \$613 | |
| Organic Sales ¹ | (108) | (18%) |
| 2 nd Qtr 2023 | \$504 | (18%) |

¹ Lower volume (9%) and raw material-related selling price decreases (9%)

| mIn \$'s | <u>EBIT</u> | <u>margin</u> | <u>D&A</u> | <u>EBITDA</u> | <u>margin</u> |
|------------------------------------------------|--------------------|----------------------|-----------------------|----------------------|----------------------|
| 2 nd Qtr 2022 | \$69 | 11.3% | \$26 | \$95 | 15.6% |
| Change | (47) | | — | (47) | |
| Adjusted ² 2 nd Qtr 2023 | \$22 | 4.4% | \$26 | \$48 | 9.5% |

² Adjusted to exclude gain on net insurance proceeds from tornado damage income (\$1m)

17

Bedding – Key Points

- Q2 organic sales were down 18%:
 - Volume decreased 9%, primarily due to demand softness in bedding markets and lower trade demand in Steel Rod and Drawn Wire partially offset by growth in Specialty Foam
 - Raw material-related selling price decreases reduced sales 9%

- Sales trends:

| | <u>Q2</u> | <u>Q2</u> |
|-----------------------|-----------------------------|----------------------------------|
| | <u>Organic Sales</u> | <u>Volume¹</u> |
| Steel Rod | (29%) | (3%) |
| Drawn Wire | (36%) | (24%) |
| U.S. Spring | (18%) | (13%) |
| Specialty Foam | (5%) | 8% |
| Adjustable Bed | (16%) | (13%) |
| International Bedding | (10%) | (4%) |

¹ Volume represents organic sales excluding raw material-related selling price impact and currency impact

- Q2 adjusted EBIT decreased primarily from lower volume and lower metal margin

18

Specialized Products

| Trade Sales: | <u>mln \$'s</u> | <u>% change</u> |
|----------------------------|------------------------|------------------------|
| 2 nd Qtr 2022 | \$260 | |
| Organic Sales ¹ | 31 | 12% |
| Acquisitions | 30 | 11% |
| | <hr/> | <hr/> |
| 2 nd Qtr 2023 | \$321 | 23% |

¹ Higher volume 13% and raw material-related selling price increases 1%, partially offset by currency (2%)

| <u>mln \$'s</u> | <u>EBIT</u> | <u>EBIT</u> | <u>D&A</u> | <u>EBITDA</u> | <u>EBITDA</u> |
|--------------------------|--------------------|--------------------|-----------------------|----------------------|----------------------|
| | | margin | | | margin |
| 2 nd Qtr 2022 | \$21 | 8.2% | \$10 | \$31 | 12.0% |
| Change | 12 | | — | 12 | |
| | <hr/> | | <hr/> | <hr/> | |
| 2 nd Qtr 2023 | \$33 | 10.3% | \$10 | \$43 | 13.5% |

19

Specialized – Key Points

- Q2 organic sales were up 12%:
 - Volume was up 13% from sales growth across the segment
 - Raw material-related selling price increases added 1%
 - Currency impact decreased sales 2%
- Hydraulic Cylinders acquisition, completed in August 2022, added 11% to sales
- Sales trends:

| | <u>Q2</u> | <u>Q2</u> |
|---------------------|----------------------|---------------------------|
| | Organic Sales | Volume¹ |
| Automotive | 9% | 12% |
| Aerospace | 23% | 20% |
| Hydraulic Cylinders | 21% | 19% |

¹ Volume represents organic sales excluding raw material-related selling price impact and currency impact

- Q2 EBIT increased primarily from higher volume

20

Furniture, Flooring & Textile Products

| Trade Sales: | <u>mln \$'s</u> | <u>% change</u> |
|----------------------------|------------------------|------------------------|
| 2 nd Qtr 2022 | \$462 | |
| Organic Sales ¹ | (77) | (16%) |
| Acquisitions | 11 | 2% |
| 2 nd Qtr 2023 | \$396 | (14%) |

¹ Lower volume (14%) and raw material-related price decreases (2%)

| <u>mln \$'s</u> | <u>EBIT</u> | <u>margin</u> | <u>D&A</u> | <u>EBITDA</u> | <u>margin</u> |
|------------------------------------------------|--------------------|----------------------|-----------------------|----------------------|----------------------|
| 2 nd Qtr 2022 | \$51 | 11.1% | \$6 | \$57 | 12.4% |
| Change | (15) | | — | (15) | |
| Adjusted ² 2 nd Qtr 2023 | \$36 | 9.1% | \$6 | \$42 | 10.5% |

² Adjusted to exclude gain on net insurance proceeds from tornado damage income (\$3m)

21

Furniture, Flooring & Textile – Key Points

- Q2 organic sales were down 16%:
 - Volume was down 14%, with declines across the segment
 - Raw material-related selling price decreases reduced sales 2%
- Textiles acquisitions added 2% to sales
- Sales trends:

| | <u>Q2</u> | <u>Q2</u> |
|----------------|-----------------------------|----------------------------------|
| | <u>Organic Sales</u> | <u>Volume¹</u> |
| Home Furniture | (31%) | (27%) |
| Work Furniture | (20%) | (24%) |
| Flooring | (12%) | (8%) |
| Textiles | (9%) | (7%) |

¹ Volume represents organic sales excluding raw material-related selling price impact and currency impact

- Q2 adjusted EBIT decreased primarily from lower volume

22

Webcast replay is available at
www.leggett.com

FOR ADDITIONAL INFORMATION

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23

Non-GAAP Adjustments

| (\$ millions, except EPS) | Q2-23 | Q2-22 | YTD 2023 | YTD 2022 |
|-----------------------------------------------------------------|----------------|----------|----------------|----------|
| Non-GAAP Adjustments (\$'s)^{1,2} | | | | |
| Gain on net insurance proceeds from tornado damage ³ | (4) | | (4) | |
| Non-GAAP adjustments (pre-tax \$'s) | (4) | — | (4) | — |
| Income tax impact | (1) | | (1) | |
| Non-GAAP adjustments (after tax \$'s) | (3) | — | (3) | — |
| Diluted shares outstanding | 136.6 | | 136.4 | |
| EPS impact of non-GAAP adjustments | (\$.02) | — | (\$.02) | — |

¹ For additional non-GAAP reconciliation information, see page 7 of the press release

² Calculations impacted by rounding

³ Gain from net insurance proceeds from tornado damage affected the following line item on the income statement: Q2-23/YTD 2023: Other Income \$4