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) October 28, 2019

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 October 28, 2019, Leggett & Platt, Incorporated issued a press release announcing its financial results for the third quarter ended September 30, 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 October 29, 2019, the Company will hold an investor conference call to discuss its third quarter 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 6 and 7 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 October 28, 2019
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: October 28, 2019

By: /s/ SCOTT S. DOUGLAS

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

FOR IMMEDIATE RELEASE: OCTOBER 28, 2019

LEGGETT & PLATT REPORTS 3Q RESULTS

Carthage, MO, October 28, 2019 —

- 3Q sales grew 14%, to $1.24 billion
- 3Q EPS was $.74, an increase of $.07 vs. 3Q18; 3Q adjusted[1] EPS of $.76, up $.10 vs 3Q18
- 3Q cash flow from operations was a strong $213 million
- **2019 EPS guidance raised**: EPS of $2.40-$2.55; adjusted EPS of $2.48-$2.63

Diversified manufacturer Leggett & Platt reported **third quarter 2019 sales** of $1.24 billion, a 14% increase versus third quarter last year.

- Acquisitions added 16% to sales growth (primarily ECS)
- Organic sales were down 2%:
  - Volume down 1% (exited business -4%)
  - Absent declines from exited business, volume up 3%
  - Raw material-related selling price decreases and negative currency impact -1%

Third quarter EBIT was $144 million, up $20 million or 16% from third quarter last year, and adjusted[1] EBIT was $148 million, a $24 million increase.

- EBIT benefited from:
  - ECS acquisition
  - Lower raw material costs
  - Improved earnings performance in Furniture Products
- EBIT margin was 11.6% and adjusted[1] EBIT margin was 11.9%, up from 11.4% in the third quarter of 2018

Third quarter EPS was $.74. Third quarter adjusted[1] EPS was $.76, an increase of $.10 versus third quarter 2018. The increase reflects higher EBIT and a lower tax rate ($.03/share) partially offset by higher interest expense ($.06/share).

Restructuring:

- Third quarter included $4 million (pretax), or $.02 per share, of restructuring-related charges
  - $3 million cash and $1 million non-cash
- Full year restructuring-related charges are expected to be approximately $14 million ($.08/share)
  - $7 million cash and $7 million non-cash

<u>CEO Comments</u>

President and CEO Karl G. Glassman commented, "Sales grew 14% in the third quarter, primarily from the ECS acquisition. Sales were stronger in Automotive, U.S. Spring, and Work Furniture but this improvement was 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.

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

“Third quarter adjusted[1] EBIT increased a notable $24 million over third quarter last year, primarily from the ECS acquisition, lower raw material costs (including LIFO benefit), and improved earnings performance in Furniture Products.

“Our Automotive business grew 8% versus third quarter 2018, exceeding the global market by over 1,000 basis points. This year we should exceed market growth by 600–700 basis points. While we remain confident in continued strong performance, ongoing disruption in the global market makes it difficult to predict our relative performance with precision. Accordingly, we are moving away from our specific goal of exceeding market growth by 1,000 basis points, although we expect to significantly outperform the market over the long term.

“Earlier this month, the U.S. Department of Commerce announced final dumping duties on mattresses imported from China that range from 57% to 1,732%. Notably, approximately 90% of Chinese mattresses are now subject to antidumping duties in excess of 160%. We expect the U.S. International Trade Commission to make a final determination in this matter no later than the first week of December. In our U.S. bedding businesses, we continue to see strong demand. U.S. Spring sales dollars were up 6%. Finished mattress units were up 28% in the third quarter, including ECS’s year-over-year growth.”

Debt and Cash Flow

- Debt was 3.15x trailing 12-month pro forma adjusted[1] EBITDA; we expect to be at our target level of debt to trailing 12-months adjusted EBITDA of approximately 2.5x by the end of 2020
- Operating cash flow was $213 million in the third quarter, an increase of $86 million versus third quarter last year

Dividends

- Leggett & Platt’s Board of Directors declared a $.40 third quarter dividend, two cents higher than last year’s third quarter

Stock Repurchases

- Repurchased only .2 million shares at an average price of $40.00; primarily shares surrendered for employee benefit plans
- Issued .4 million shares through employee benefit plans and option exercises
- Shares outstanding at the end of the third quarter were 131.6 million

2019 Guidance

- Full year 2019 sales guidance narrowed, and EPS guidance raised
- **Sales** are expected to be $4.7-$4.8 billion, an increase of 10-12% versus 2018
  - Organic sales are expected to decline -3% to -5%, including -3% from exited business
  - Acquisitions should add 15% to sales
- **EPS** is expected to be $2.40-$2.55, including approximately $.08 per share of restructuring-related costs
- **Adjusted EPS** is expected to be $2.48-$2.63
- ECS is expected to be neutral to EPS in 2019
- Based on this guidance range, EBIT margin should be 10.7-11.0%; adjusted EBIT margin should be11.0-11.3%
- Operating cash flow should exceed $550 million
- Capital expenditures of approximately $160 million, versus prior guidance of $180 million
- Implied full-year effective tax rate of approximately 22%, versus prior guidance of 24%
- **Prior Guidance:**
  - Sales: $4.7-$4.85 billion

- EPS: $2.30-$2.50; adjusted EPS: $2.40-$2.60

- **Implied 4Q Guidance:**
  - Sales are expected to be $1.1-$1.2 billion
  - EPS is expected to be $.57-$.72, including approximately $.02 per share of restructuring-related costs
  - Adjusted EPS is expected to be $.59-$.74

LIFO

- In the third quarter of 2019, lower steel costs resulted in a LIFO benefit of $7.6 million (pretax)
- In the third quarter of 2018, increasing steel costs resulted in LIFO expense of $6.0 million (pretax)

SEGMENT RESULTS – Third Quarter 2019 (versus 3Q 2018)

Residential Products –

- Total sales grew 41%; acquisitions added 38%
- Organic sales increased 3%
  - Volume was up 4%, primarily from continued market share and content gains in U.S. Spring
  - Raw material-related price decreases and currency impact reduced sales 1%
- EBIT increased $10 million, with earnings from the ECS acquisition (after $12 million of amortization expense) partially offset by $2 million in restructuring-related charges and other factors

Industrial Products –

- Total sales decreased 17%, from weak trade demand for steel rod and wire (-12%) and raw material-related selling price decreases (-5%)
- EBIT decreased $3 million, primarily from lower trade steel rod and wire volume and $1 million in restructuring-related charges, partially offset by an earnout of $2 million related to a prior-year divestiture

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 and Adjustable Bed
- Raw material-related selling price increases were offset by a negative currency impact
- EBIT increased $11 million, primarily from improved pricing and lower fixed costs attributable to restructuring activity, partially offset by $1 million in restructuring-related charges

Specialized Products –

- Total sales increased 6%
- Volume was up 7%, from growth in Automotive
- Currency impact, net of raw material-related price increases in Hydraulic Cylinders, decreased sales 1%
- EBIT increased $1 million, primarily from higher volume in Automotive partially offset by underperformance at our French Aerospace operation

Slides and Conference Call

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, October 29. The webcast can be accessed from Leggett’s website. The dial-in number is (201) 689-8341; there is no passcode.

Fourth quarter results will be released after the market closes on Monday, February 3, 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 136-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 145 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; g) high-carbon drawn steel wire; and h) bedding industry machinery.

FORWARD-LOOKING STATEMENTS: This press release contains "forward-looking statements," including, but not limited to, the 2019 total sales, organic sales, annualized sales added by acquisitions including ECS, EPS, adjusted EPS, EPS impact from ECS, sales growth, improved EBIT, EBIT margin, adjusted EBIT margin, cash from operations, decreasing steel costs, LIFO benefit, restructuring-related costs, the International Trade Commission final antidumping duty determination; and our ability to deleverage to a target level 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 and ECS's ability to achieve their respective 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, general economic conditions, possible goodwill or other asset impairment, foreign currency fluctuation, the amount of fully diluted shares, depreciation and amortization, and litigation risks; (vi) changed restructuring-related costs as more information is obtained; and (vii) 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, Director, Investor Relations
Cassie J. Branscum, Manager, Investor Relations

RESULTS OF OPERATIONS (In millions, except per share data)	THIRD QUARTER 2019	2018	Change	YEAR TO DATE 2019	2018	Change
Net sales	$1,239.3	$1,091.5	14%	$ 3,607.6	$3,222.8	12%
Cost of goods sold	963.8	864.4		2,829.4	2,547.3	
Gross profit	275.5	227.1	21%	778.2	675.5	15%
Selling & administrative expenses	115.2	100.7	14%	352.1	313.2	12%
Amortization	16.3	5.2		47.3	15.3	
Other expense (income), net	(0.1)	(3.2)		0.5	(5.9)	
Earnings before interest and taxes	144.1	124.4	16%	378.3	352.9	7%
Net interest expense	21.1	11.1		63.0	36.7	
Earnings before income taxes	123.0	113.3		315.3	316.2	
Income taxes	23.4	23.3		68.3	63.2	
Net earnings	99.6	90.0		247.0	253.0	
Less net income from non-controlling interest	—	—		—	(0.1)	
Net earnings attributable to L&P	**$ 99.6**	**$ 90.0**	11%	**$ 247.0**	**$ 252.9**	(2%)
Earnings per diluted share						
Net earnings per diluted share	$ 0.74	$ 0.67	10%	$ 1.83	$ 1.87	(2%)
Shares outstanding						
Common stock (at end of period)	131.6	130.4	0.9%	131.6	130.4	
Basic (average for period)	134.9	133.8		134.7	134.4	
Diluted (average for period)	135.4	134.7	0.5%	135.2	135.4	

CASH FLOW (In millions)	THIRD QUARTER 2019	2018	Change	YEAR TO DATE 2019	2018	Change
Net earnings	$ 99.6	$ 90.0		$ 247.0	$ 253.0	
Depreciation and amortization	48.4	33.8		144.7	101.0	
Working capital decrease (increase)	55.2	11.9		(20.6)	(121.5)	
Impairments	1.4	0.1		5.7	0.3	
Other operating activity	8.3	(9.3)		39.8	18.3	
Net Cash from Operating Activity	**$ 212.9**	**$ 126.5**	68%	**$ 416.6**	**$ 251.1**	66%
Additions to PP&E	(32.5)	(41.4)		(103.0)	(122.6)	(16%)
Purchase of companies, net of cash	—	(17.7)		(1,244.3)	(107.9)	
Proceeds from business and asset sales	3.3	1.8		5.3	3.7	
Dividends paid	(52.6)	(49.4)		(152.0)	(144.2)	
Repurchase of common stock, net	(2.1)	(0.6)		(4.4)	(107.9)	
Additions (payments) to debt, net	(166.4)	(90.5)		1,074.5	99.5	
Other	(10.3)	(11.6)		(18.8)	(34.3)	
Increase (Decr.) in Cash & Equiv.	**$ (47.7)**	**$ (82.9)**		**$ (26.1)**	**$ (162.6)**	

FINANCIAL POSITION (In millions)	30-Sep 2019	2018	Change
Cash and equivalents	$ 242.0	$ 363.5	
Receivables	677.3	625.5	
Inventories	635.8	634.0	
Other current assets	49.5	44.0	
Total current assets	1,604.6	1,667.0	(4%)
Net fixed assets	817.3	723.0	
Operating lease right-of-use assets	156.0	—	
Goodwill	1,392.0	840.3	
Intangible assets and deferred costs	770.6	188.4	
Other assets	117.3	130.4	
TOTAL ASSETS	**$4,857.8**	**$3,549.1**	37%
Trade accounts payable	$ 467.3	$ 428.7	
Current debt maturities	51.2	3.6	
Current operating lease liabilities	38.0	—	
Other current liabilities	364.3	352.6	
Total current liabilities	920.8	784.9	17%
Long-term debt	2,197.1	1,353.2	62%
Operating lease liabilities	119.0	—	
Deferred taxes and other liabilities	365.3	245.0	
Equity	1,255.6	1,166.0	8%
Total Capitalization	**3,937.0**	**2,764.2**	42%
TOTAL LIABILITIES & EQUITY	**$4,857.8**	**$3,549.1**	37%

SEGMENT RESULTS [1] (In millions)	THIRD QUARTER 2019	2018	Change	YEAR TO DATE 2019	2018	Change
Residential Products						
External Sales	$ 631.9	$ 446.5	41.5%	$1,775.0	$1,283.4	38.3%
Total Sales (External + Inter-segment)	635.6	449.9	41.3%	1,785.1	1,296.1	37.7%
EBIT	53.2	43.0	24%	129.5	118.0	10%
EBIT Margin	*8.4%*	*9.6%*	*(120) bps [2]*	*7.3%*	*9.1%*	*(180) bps [2]*
Restructuring-related charges	2.0	—		2.1	—	
ECS transaction costs	—	—		0.9	—	
Adjusted EBIT	55.2	43.0	28%	132.5	118.0	12%
Adjusted EBIT Margin	*8.7%*	*9.6%*	*(90) bps*	*7.4%*	*9.1%*	*(170) bps*
Depreciation and amortization	25.9	11.4		75.1	34.4	
Adjusted EBITDA	81.1	54.4	49%	207.6	152.4	36%
Adjusted EBITDA Margin	*12.8%*	*12.1%*	*70 bps*	*11.6%*	*11.8%*	*(20) bps*
Industrial Products						
External Sales	$ 68.6	$ 97.4	(29.6%)	$ 238.1	$ 275.8	(13.7%)
Total Sales (External + Inter-segment)	144.4	173.4	(16.7%)	468.4	496.3	(5.6%)
EBIT	22.6	25.2	(10%)	75.9	47.6	59%
EBIT Margin	*15.7%*	*14.5%*	*120 bps*	*16.2%*	*9.6%*	*660 bps*
Restructuring-related charges	0.6	—		0.6	—	
Adjusted EBIT	23.2	25.2	(8%)	76.5	47.6	61%
Adjusted EBIT Margin	*16.1%*	*14.5%*	*160 bps*	*16.3%*	*9.6%*	*670 bps*
Depreciation and amortization	2.8	2.6		8.2	7.7	
Adjusted EBITDA	26.0	27.8	(6%)	84.7	55.3	53%
Adjusted EBITDA Margin	*18.0%*	*16.0%*	*200 bps*	*18.1%*	*11.1%*	*700 bps*
Furniture Products						
External Sales	$ 271.6	$ 294.1	(7.7%)	$ 797.4	$ 866.8	(8.0%)
Total Sales (External + Inter-segment)	273.8	298.0	(8.1%)	804.8	877.2	(8.3%)
EBIT	24.6	14.0	76%	51.9	48.3	7%
EBIT Margin	*9.0%*	*4.7%*	*430 bps*	*6.4%*	*5.5%*	*90 bps*
Restructuring-related charges	1.2	—		7.4	—	
Adjusted EBIT	25.8	14.0	84%	59.3	48.3	23%
Adjusted EBIT Margin	*9.4%*	*4.7%*	*470 bps*	*7.4%*	*5.5%*	*190 bps*
Depreciation and amortization	3.8	4.3		11.8	13.0	
Adjusted EBITDA	29.6	18.3	62%	71.1	61.3	16%
Adjusted EBITDA Margin	*10.8%*	*6.1%*	*470 bps*	*8.8%*	*7.0%*	*180 bps*
Specialized Products						
External Sales	$ 267.2	$ 253.5	5.4%	$ 797.1	$ 796.8	0.0%
Total Sales (External + Inter-segment)	268.1	254.2	5.5%	799.6	798.8	0.1%
EBIT	44.4	43.5	2%	121.6	141.5	(14%)
EBIT Margin	*16.6%*	*17.1%*	*(50) bps*	*15.2%*	*17.7%*	*(250) bps*
Depreciation and amortization	10.4	9.8		31.0	28.7	
EBITDA	54.8	53.3	3%	152.6	170.2	(10%)
EBITDA Margin	*20.4%*	*21.0%*	*(60) bps*	*19.1%*	*21.3%*	*(220) bps*
Total Company						
External Sales	$1,239.3	$1,091.5	13.5%	$3,607.6	$3,222.8	11.9%
EBIT - segments	144.8	125.7	15%	378.9	355.4	7%
Intersegment eliminations and other	(0.7)	(1.3)		(0.6)	(2.5)	
EBIT	144.1	124.4	16%	378.3	352.9	7%
EBIT Margin	*11.6%*	*11.4%*	*20 bps*	*10.5%*	*11.0%*	*(50) bps*
Restructuring-related charges [3]	3.8	—		10.1	—	
ECS transaction costs [3]	—	—		0.9	—	
Adjusted EBIT [3]	147.9	124.4	19%	389.3	352.9	10%
Adjusted EBIT Margin	*11.9%*	*11.4%*	*50 bps*	*10.8%*	*11.0%*	*(20) bps*
Depreciation and amortization - segments	42.9	28.1		126.1	83.8	
Depreciation and amortization - unallocated [4]	5.5	5.7		18.6	17.2	
Adjusted EBITDA [3]	196.3	158.2	24%	534.0	453.9	18%
Adjusted EBITDA Margin	*15.8%*	*14.5%*	*130 bps*	*14.8%*	*14.1%*	*70 bps*

LAST SIX QUARTERS Selected Figures	2018 2Q	3Q	4Q	2019 1Q	2Q	3Q
Net Sales ($ million)	1,102	1,092	1,047	1,155	1,213	1,239
Sales Growth (vs. prior year)	11%	8%	6%	12%	10%	14%
Volume Growth (same locations vs. prior year)	6%	3%	— %	(3%)	(6%)	(1%)
Adjusted EBIT [3] ($ million)	121	124	120	105	136	148
Cash from Operations ($ million)	81	127	189	31	172	213
Adjusted EBITDA (trailing twelve months) [3] ($ million)	589	598	609	620	651	689
(Long-term debt + current maturities) / Adj. EBITDA [3,5]	2.5	2.3	1.9	4.0	3.7	3.3

Organic Sales (vs. prior year)	2Q	3Q	4Q	1Q	2Q	3Q
Residential Products	7%	3%	5%	3%	(1%)	3%
Industrial Products	23%	28%	22%	10%	(9%)	(17%)
Furniture Products	9%	4%	(1%)	(5%)	(11%)	(8%)
Specialized Products	11%	3%	— %	(5%)	(3%)	6%
Overall	10%	6%	3%	(1%)	(6%)	(2%)

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]

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

Adjusted EBIT, EBITDA, Margin, and EPS [6]	2018 2Q	2018 3Q	2018 4Q	2019 1Q	2019 2Q	2019 3Q
Net sales	1,102	1,092	1,047	1,155	1,213	1,239
EBIT (earnings before interest and taxes)	121.1	124.4	84.0	98.2	136.0	144.1
Non-GAAP adjustments (pretax and excluding interest) [8]	—	—	36.0	7.2	—	3.8
Adjusted EBIT ($millions)	**121.1**	**124.4**	**120.0**	**105.4**	**136.0**	**147.9**
EBIT margin	11.0%	11.4%	8.0%	8.5%	11.2%	11.6%
Adjusted EBIT margin	**11.0%**	**11.4%**	**11.5%**	**9.1%**	**11.2%**	**11.9%**
EBIT	121.1	124.4	84.0	98.2	136.0	144.1
Depreciation and Amortization	33.8	33.8	35.1	46.3	50.0	48.4
EBITDA	154.9	158.2	119.1	144.5	186.0	192.5
Non-GAAP adjustments (pretax and excluding interest) [8]	—	—	36.0	7.2	—	3.8
Adjusted EBITDA ($millions)	**154.9**	**158.2**	**155.1**	**151.7**	**186.0**	**196.3**
EBITDA margin	14.1%	14.5%	11.4%	12.5%	15.3%	15.5%
Adjusted EBITDA margin	**14.1%**	**14.5%**	**14.8%**	**13.1%**	**15.3%**	**15.8%**
Diluted EPS	0.63	0.67	0.39	0.45	0.64	0.74
EPS impact of non-GAAP adjustments	—	(0.01)	0.23	0.04	—	0.02
Adjusted EPS ($)	**0.63**	**0.66**	**0.62**	**0.49**	**0.64**	**0.76**

Total Debt to Adjusted EBITDA [9]	2018 2Q	2018 3Q	2018 4Q	2019 1Q	2019 2Q	2019 3Q
Total Debt	1,452	1,357	1,169	2,461	2,415	2,248
Adjusted EBITDA, trailing 12 months	589	598	609	620	651	689
Total Debt / Leggett Reported 12-month Adjusted EBITDA	**2.5**	**2.3**	**1.9**	**4.0**	**3.7**	**3.3**
Total Debt / Leggett and ECS 12-month Pro Forma Adjusted EBITDA [10]				**3.56**	**3.45**	**3.15**

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.

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, and September 30, 2019 is presented in the table below. Because the increase in total debt from December 31, 2018 to September 30, 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, and September 30, 2019 in the total debt / 12-month adjusted EBITDA calculation.

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

11 Calculations impacted by rounding.