



Third Quarter Summary Financial Information *October 30, 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, volume in residential end-markets, 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 United Auto Workers strike; actions arising from our evaluation of opportunities across our businesses; 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 be 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; restructuring-related costs; 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

- Q3 sales of \$1.18 billion, a 9% decrease vs. Q3-22
 - Volume was down 6%
 - Raw material-related price decreases, net of currency benefit, reduced sales 5%
 - Acquisitions added 2% to sales
- Q3 adjusted¹ EBIT of \$86 million, down \$27 million vs. Q3-22 EBIT
- Adjusted¹ EBIT margin 7.3%, down 140 bps vs. 8.7% in Q3-22
- Q3 adjusted¹ EPS of \$.36, down \$.16 vs. Q3-22 EPS of \$.52
- 2023 guidance lowered
 - Sales: \$4.7–\$4.75 billion
 - Operating Cash Flow: \$450–\$500 million
 - Adjusted EPS: \$1.35–\$1.45

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

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Q3 2023 Financial Highlights

\$'s in millions (except EPS)	Reported Q3-23	Adj¹	Adj Q3-23	Q3-22	Change
Sales	\$1,175		\$1,175	\$1,294	(9%)
EBIT	91	(5)	86	113	(24%)
EBIT Margin	7.8%		7.3%	8.7%	(140 bps)
EPS	.39	(.03)	.36	.52	(31%)
Cash from Operations	\$144		\$144	\$65	120%
EBITDA	136	(5)	131	157	(17%)
EBITDA margin	11.6%		11.1%	12.2%	(110 bps)

¹ See slide 24 for non-GAAP adjustments

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Q3 2023 Sales & EBIT Bridge

Sales:	<u>mln \$'s</u>	<u>% change</u>
3 rd Qtr 2022	\$1,294	
Approx volume decrease	(85)	(6%)
Approx raw material-related pricing and currency impact	(63)	(5%)
Organic Sales	(148)	(11%)
Acquisitions	29	2%
3 rd Qtr 2023	\$1,175	(9%)
 EBIT:		<u>margin</u>
3 rd Qtr 2022	\$113	8.7%
Primarily lower metal margin and volume	(27)	
Adjusted ¹ 3 rd Qtr 2023	\$86	7.3%

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

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Q3 2023 Earnings

\$'s in millions	<u>Reported</u>	<u>Adj</u>	<u>Q3-22</u>	<u>Change</u>
	<u>Q3-23</u>	<u>Adj¹</u>	<u>Q3-23</u>	
EBIT	\$91	(\$5)	\$86	\$113 (24%)
Net interest	21		21	20
Pre-tax earnings	71	(5)	65	93 (30%)
Income taxes	18	(1)	17	22
<i>Tax rate</i>			26.1%	23.5%
Net earnings	53	(4)	48	71 (32%)
Noncontrolling interests	—		—	—
Net earnings attributable to L&P	53	(4)	48	71 (32%)
EPS	.39	(.03)	.36	.52 (31%)

¹ See slide 24 for non-GAAP adjustments

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Adjusted Working Capital

	9/30	6/30	9/30
\$'s in millions	<u>2023</u>	<u>2023</u>	<u>2022</u>
Cash & equivalents	\$274	\$272	\$226
Accounts receivable, net	711	703	730
Inventories, net	835	858	976
Other current assets	66	73	69
Total current assets	<u>1,886</u>	<u>1,906</u>	<u>2,001</u>
Current debt maturities	(9)	(8)	(7)
Current operating lease liabilities	(56)	(56)	(45)
Accounts payable	(534)	(507)	(513)
Accrued and other current liabilities	(410)	(384)	(400)
Total current liabilities	<u>(1,009)</u>	<u>(956)</u>	<u>(965)</u>
Working capital	877	950	1,036
% of annualized sales ¹	18.7%	19.5%	20.0%
W/C, excl. cash & current debt/lease	668	742	862
% of annualized sales ¹	14.2%	15.2%	16.6%

¹ Annualized sales: 3Q23: \$1,175x4=\$4,702; 2Q23: \$1,221x4=\$4,885; 3Q22: \$1,294x4=\$5,178

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Net Debt to Adjusted EBITDA

	9/30	6/30	9/30
\$'s in millions	<u>2023</u>	<u>2023</u>	<u>2022</u>
Long-term debt	\$1,963	\$2,016	\$2,134
Current maturities	9	8	7
Total debt	<u>1,972</u>	<u>2,025</u>	<u>2,141</u>
Less: Cash & equivalents	<u>(274)</u>	<u>(272)</u>	<u>(226)</u>
Net debt	1,698	1,752	1,915
EBIT, trailing 12 months	368	389	546
Depreciation & amortization	181	180	181
EBITDA	<u>548</u>	<u>569</u>	<u>727</u>
Non-GAAP adjustments (pretax)	(9)	(4)	—
Adjusted EBITDA, trailing 12 months	539	566	727
Net debt to 12-month adjusted EBITDA ¹	3.15x	3.10x	2.63x

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

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Cash Flow

\$'s in millions	3 rd Qtr		YTD	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Net earnings	\$53	\$71	\$161	\$257
D&A	45	44	135	134
Impairment, write-offs & other	(4)	3	(1)	11
Other non-cash	(10)	(8)	4	7
Changes in working capital:				
Accounts receivable	4	(16)	(23)	(109)
Inventory	17	72	67	16
Other current assets	1	7	(6)	(3)
Accounts payable	28	(103)	19	(98)
Other current liabilities	10	(5)	(4)	(21)
Cash from operations	144	65	351	194
Capital expenditures	22	25	90	66
Acquisitions	—	63	—	63
Dividends	61	59	178	171
Share repurchases (issuances), net	—	3	6	60
Proceeds from asset disposals	8	—	13	3
Additions (repayments) of debt, net	(60)	51	(122)	53

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YTD 2023 Financial Highlights

\$'s in millions (except EPS)	<u>Reported 2023</u>	<u>Adj¹</u>	<u>Adj 2023</u>	<u>2022</u>	<u>Change</u>
Sales	\$3,610		\$3,610	\$3,951	(9%)
EBIT	276	(9)	267	394	(32%)
EBIT Margin	7.7%		7.4%	10.0%	(260 bps)
EPS	1.18	(.05)	1.13	1.88	(40%)
Cash from Operations	\$351		\$351	\$194	81%
EBITDA	412	(9)	403	528	(24%)
EBITDA margin	11.4%		11.1%	13.4%	(230 bps)

¹ See slide 24 for non-GAAP adjustments

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YTD 2023 Sales & EBIT Bridge

Sales:	<u>mln \$'s</u>	<u>% change</u>
YTD 2022	\$3,951	
Approx volume decrease	(260)	(6%)
Approx raw material-related pricing and currency impact	(191)	(5%)
Organic Sales	(451)	(11%)
Acquisitions, net of divestitures	110	2%
YTD 2023	\$3,610	(9%)
 EBIT:		<u>margin</u>
YTD 2022	\$394	10.0%
Primarily lower volume and lower metal margin	(127)	
Adjusted ¹ YTD 2023	\$267	7.4%

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

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YTD 2023 Earnings

\$'s in millions	<u>Reported</u>	<u>Adj¹</u>	<u>Adj</u>	<u>2022</u>	<u>Change</u>
	<u>2023</u>		<u>2023</u>		
EBIT	\$276	(\$9)	\$267	\$394	(32%)
Net interest	64		64	59	
Pre-tax earnings	213	(9)	204	335	(39%)
Income taxes	52	(2)	50	78	
<i>Tax rate</i>			24.7%	23.2%	
Net earnings	161	(7)	153	257	(40%)
Noncontrolling interests	—		—	—	
Net earnings attributable to L&P	161	(7)	153	257	(40%)
EPS	1.18	(.05)	1.13	1.88	(40%)

¹ See slide 24 for non-GAAP adjustments

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2023 Sales and EPS Guidance Lowered

- Sales: \$4.7–\$4.75 billion (vs. prior range of \$4.75–\$4.95 billion); down 8% to down 9% versus 2022
 - Guidance does not include impacts from the UAW strike beyond what we have experienced so far due to uncertainties around the duration and severity of the strike
 - Decrease is primarily from lower expected volume in our Furniture, Flooring & Textile Products and Bedding Products segments
 - Volume at the midpoint expected to be down mid-single digits:
 - Down high single digits in Bedding Products Segment
 - Up high single digits in Specialized Products Segment
 - Down low double 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 ~2% to sales
- Adjusted EPS: \$1.35–\$1.45 (vs. prior range of \$1.45–\$1.65)
 - Excludes ~\$.07 per share gain from net insurance proceeds from tornado damage and gain on the sale of real estate of \$.03 per share
- Implied adjusted EBIT margin of 7.0%–7.3%

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2023 Guidance (continued)

- Depreciation and amortization ~\$185 million (vs. ~\$200 million)
- Net interest expense ~\$85 million
- Tax rate ~24%
- Operating cash \$450–\$500 million
- Cap-ex \$110–\$130 million (vs. \$100–\$130 million)
- Dividends ~\$240 million
- Diluted shares ~137 million
- Minimal acquisitions and share repurchases

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Segments

Q3 2023 Segment Summary

	Q3-23 Organic Sales Growth^{1, 2}	Q3-23 Adj. EBIT² Margin	Δ vs Q3-22 EBIT Margin	Q3-23 Adj. EBITDA² Margin	Δ vs Q3-22 EBITDA² Margin
Bedding Products	(17%)	5.3%	-220 bps	10.7%	-130 bps
Specialized Products	3%	9.8%	-90 bps	13.1%	-100 bps
Furniture, Flooring & Textile Products	(14%)	7.9%	-120 bps	9.4%	-100 bps
Total Consolidated	(11%)	7.3%	-140 bps	11.1%	-110 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>
3 rd Qtr 2022	\$582	
Organic Sales ¹	(99)	(17%)
3 rd Qtr 2023	\$483	(17%)

¹ Raw material-related selling price decreases (10%) and lower volume (8%), partially offset by 1% currency benefit

mIn \$'s	<u>EBIT</u>	<u>margin</u>	<u>D&A</u>	<u>EBITDA</u>	<u>margin</u>
3 rd Qtr 2022	\$44	7.5%	\$26	\$70	12.0%
Change	(18)		—	(18)	
Adjusted ² 3 rd Qtr 2023	\$26	5.3%	\$26	\$52	10.7%

² Adjusted to exclude gain on sale of real estate (\$5m)

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Bedding – Key Points

- Q3 organic sales were down 17%:
 - > Volume decreased 8%, primarily due to demand softness in domestic markets
 - > Raw material-related selling price decreases reduced sales 10%
 - > Currency benefit increased sales 1%

- Sales trends:

	<u>Q3</u>	<u>Q3</u>
	<u>Organic Sales</u>	<u>Volume¹</u>
Steel Rod	(24%)	13%
Drawn Wire	(32%)	(19%)
U.S. Spring	(21%)	(14%)
Specialty Foam	(12%)	(2%)
Adjustable Bed	(15%)	(13%)
International Bedding	1%	5%

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

- Q3 adjusted EBIT decreased primarily from lower metal margin and lower volume

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Specialized Products

Trade Sales:	<u>mln \$'s</u>	<u>% change</u>
3 rd Qtr 2022	\$291	
Organic Sales ¹	9	3%
Acquisitions	19	7%
3 rd Qtr 2023	\$319	10%

¹ Higher volume 3%

<u>mln \$'s</u>	<u>EBIT</u>	<u>EBIT margin</u>	<u>D&A</u>	<u>EBITDA</u>	<u>EBITDA margin</u>
3 rd Qtr 2022	\$31	10.7%	\$10	\$41	14.1%
Change	—		1	1	
3 rd Qtr 2023	\$31	9.8%	\$11	\$42	13.1%

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Specialized – Key Points

- Q3 organic sales were up 3%:
 - Volume was up 3% from sales growth in Aerospace and Automotive
 - Raw material-related selling price decreases were offset by currency benefit
- Hydraulic Cylinders acquisition completed in August 2022 added 7% to sales

Sales trends:	<u>Q3</u>	<u>Q3</u>
	<u>Organic Sales</u>	<u>Volume¹</u>
Automotive	1%	2%
Aerospace	31%	23%
Hydraulic Cylinders	(2%)	(1%)

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

- Q3 EBIT was flat on higher sales primarily offset by consolidation costs at an Automotive facility and the lag associated with passing through raw material-related pricing changes in Hydraulic Cylinders

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Furniture, Flooring & Textile Products

Trade Sales:	<u>mIn \$'s</u>	<u>% change</u>
3 rd Qtr 2022	\$421	
Organic Sales ¹	(59)	(14%)
Acquisitions	11	3%
3 rd Qtr 2023	\$373	(11%)

¹ Lower volume (11%) and raw material-related price decreases (3%)

mIn \$'s	<u>EBIT</u>	<u>EBIT margin</u>	<u>D&A</u>	<u>EBITDA</u>	<u>EBITDA margin</u>
3 rd Qtr 2022	\$38	9.1%	\$6	\$44	10.4%
Change	(9)		—	(9)	
3 rd Qtr 2023	\$29	7.9%	\$6	\$35	9.4%

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Furniture, Flooring & Textile – Key Points

- Q3 organic sales were down 14%:
 - Volume was down 11%, with declines across the segment
 - Raw material-related selling price decreases, net of currency benefit, reduced sales 3%
- Textiles acquisitions added 3% to sales
- Sales trends:

	<u>Q3 Organic Sales</u>	<u>Q3 Volume¹</u>
Home Furniture	(21%)	(17%)
Work Furniture	(16%)	(21%)
Flooring	(16%)	(10%)
Textiles	(9%)	(5%)

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

- Q3 EBIT decreased primarily from lower volume

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Webcast replay is available at
www.leggett.com

FOR ADDITIONAL INFORMATION

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Non-GAAP Adjustments

(\$ millions, except EPS)	Q3-23	Q3-22	YTD 2023	YTD 2022
<u>Non-GAAP Adjustments (\$'s)^{1,2}</u>				
Gain on sale of real estate ³	(5)	—	(5)	—
Gain from net insurance proceeds from tornado damage ³	—	—	(4)	—
Non-GAAP adjustments (pre-tax \$'s)	(5)	—	(9)	—
Income tax impact	(1)	—	(2)	—
Non-GAAP adjustments (after tax \$'s)	(4)	—	(7)	—
Diluted shares outstanding	136.8		136.5	
EPS impact of non-GAAP adjustments	(\$.03)	—	(\$.05)	—

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

² Calculations impacted by rounding

³ Gains affected the Other Income line on the income statement: Q3-23 \$5, Q2-23 \$4, YTD \$9