Company Update

November 2019

LEG (NYSE)
www.leggett.com

Forward-Looking Statements

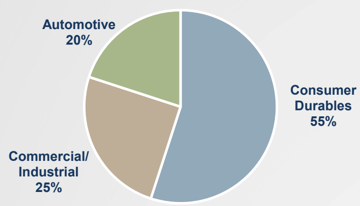
Statements in this presentation that are not historical in nature are "forward-looking." These statements are identified either by their context or by use of words such as "anticipate," "believe," "estimate," "expect," "forecasted," "intend," "may," "plan," "should" or the like. All such forward-looking 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. Some of these risks and uncertainties include: uncertainty of the financial performance, including sales and sales growth; the Company's and ECS's ability to achieve their respective operating targets; projections of Company sales, earnings, EBIT margin, depreciation and amortization, capital expenditures, dividends, cash from operations, net interest expense, tax rate and diluted shares; price and product competition, the amount of share repurchases, demand for the Company's products, cost and availability of raw materials and labor, fuel and energy costs, general economic conditions, possible goodwill or asset impairment, anticipated restructuring-related costs, foreign currency fluctuation, cash repatriation, litigation risks and other risk factors in Leggett's most recent Form 10-K and subsequent Form 10-Qs. Unless we indicate otherwise, we base the information concerning our markets/industry contained herein on our general knowledge of and expectations concerning those markets/industry, on data from various industry analyses, on our internal research, and on adjustments and assumptions that we believe to be reasonable. However, we have not independently verified data from market/industry analyses and cannot guarantee their accuracy or completeness.

TSR Focused Mid-Cap Manufacturer

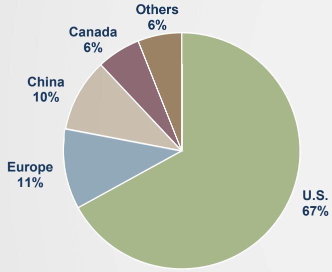
- Targeting **Total Shareholder Return in top third** of S&P 500
- **~3% dividend yield**; 48 consecutive annual increases
- **Strong** balance sheet and cash flow
- **Leader** in most markets; few large competitors
- Poised for **continued growth**
  - Internal initiatives + market growth + acquisitions
- Management has "**skin in the game**"
  - Significant stock owners; forego comp in exchange for shares
  - Incentive comp aligned with TSR focus

Our Markets

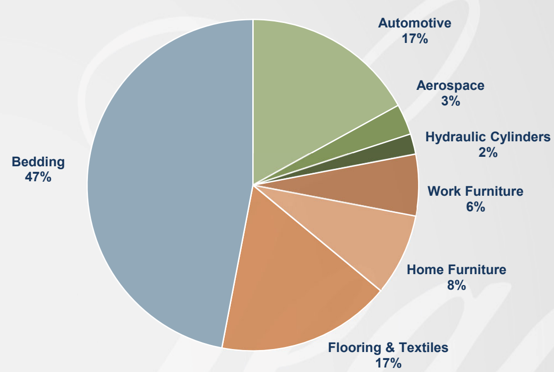
Macro Market Exposure



Geographic Split[1]
(based on production)



Product Mix[2]



[1] Based on Leggett's 2018 sales + ECS's calendar year 2018 sales

[2] Operating groups adjusted to reflect Jan 1, 2020 modified structure; %'s based on 2019 estimated sales

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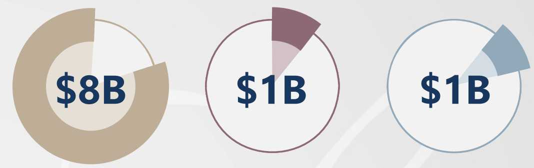
U.S. Bedding Market Overview

Finished Mattresses & Foundations at Wholesale Addressable Market

APPROXIMATE MARKET SIZE



SEGMENT

MATTRESSES	ADJUSTABLE FOUNDATIONS	STATIC FOUNDATIONS

COMPETITORS

Innerspring maker-users and foam component suppliers

Importers of innersprings, finished mattresses and adjustable foundations

Private-label mattress manufacturers, primarily all foam

Source: ISPA; Furniture Today; internal analysis

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Bedding Market Disruption and Trends

Consumers accept online purchasing and compressed mattresses

- Changed traditional mattress route-to-market, number of brands and product types
- Growth of hybrid mattresses
- Compressed mattresses expected to be half of the market by 2026

Non-traditional retail channels likely gain share, employing direct-to-consumer (DTC) brands and compressed mattresses

Traditional mattress retail channels remain and private label product offering grows

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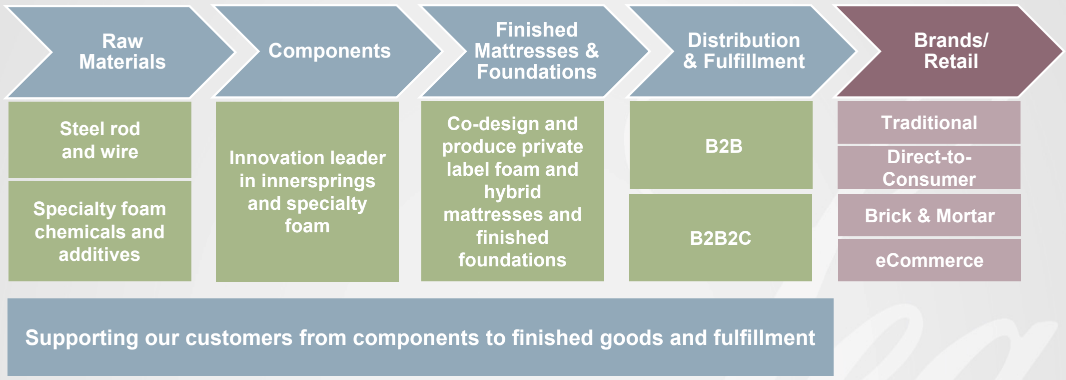
L&P Bedding Value Chain



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L&P Positioned to Win in Omni-Channel Environment

- Innovation and low-cost production advantage from integrated rod-wire-machinery-innerspring value chain
- Innovation advantage from ECS chemical-specialty foam value chain
- Innovation and value engineering advantage in private-label finished mattress production, particularly innerspring and foam hybrids
- Pair with adjustable and static ready-to-assemble foundations
- Build out B2B2C distribution and fulfillment capability

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Global Automotive Market Overview

Cabin Comfort & Convenience Addressable Market

~$20B

APPROXIMATE MARKET SIZE	$1B	$2B	$3B	$4B	$10B
SEGMENT	COMFORT	CABLES	MOTORS	ACTUATORS	ADJACENT ELECTRONICS/ SOFTWARE
COMPETITORS	Few, single-product focus	Many; fragmented	Many; functionality vs. cost	Many; make vs. buy	Many; make vs. buy
CAGR	5%	2%	5%	5%	9%

~6% CAGR
outpacing vehicle production

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Market Trends

- Consumer demands for additional comfort, convenience and connectivity
- Increasing global programs and platform sharing
- OEM directed sourcing
- Stricter standards drive innovation in lightweighting, efficiency, noise, and sustainability
- Large share of the value chain is shifting to C.A.S.E.

Technological advances will have significant consumer and industry impacts over next 5-10 years – industry is transforming to our space in comfort and convenience

Trends Play to our Strengths

C	A	S	E
CONNECTED	AUTONOMOUS	SHARED	ELECTRIFICATION

Advantages Are Rooted In Our Deep Industry Knowledge And Customer Engagement

- ✓ Brand Reputation in Comfort Products
- ✓ Vertical Integration
- ✓ Intellectual Property/ Trade Secrets
- ✓ Flexible Global Manufacturing

The Results

- Long-term growth above industry production
- Share leader in targeted segments
- Share leader in fast growing SUV and CUV segments
- Positioned for growth in convenience and adjacent electronics/software applications
- The most complete seat comfort subsystem supplier

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TSR Framework & Financial Priorities

TSR in Top Third of S&P 500

SOURCES

Revenue Growth	Margin Improvement	Dividend Yield	Stock Buybacks
Target: 6–9% annually	Growth in attractive markets, product development, cost savings, efficiency improvements	Payout target: ~50% of earnings	With available cash

Total Shareholder Return = (Δ Stock Price + Dividends) / Initial Price

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TSR Performance

	3-year CAGR				
	13-16	14-17	15-18	16-19[3]	Target
Revenue Change	**3**	**2**	**3**	**8**	**6-9**
ex divestitures/raw materials/currency	*7*	*5*	*4*	*7*	
EBIT Margin Change	**12**	**6**	**(5)**	**(6)**	**1**
Change in Interest & Taxes[1]	*2*	*2*	*2*	*(3)*	—
Change in Multiple[1]	(2)	(7)	(7)	3	—
Dividend Yield	**3**	**3**	**3**	**3**	**3**
Stock Buyback	**2**	**1**	**2**	**1**	**1**
Annual TSR	**20**	**7**	**(2)**	**6**	**11-14**
% Rank in S&P 500[2]	**11%**	**56%**	**76%**	**59%**[4]	

[1] Change in Multiple has historically included changes in interest and taxes; however, due to increased interest expense related to the ECS acquisition, changes in interest and taxes are presented on a separate line titled "Change in Interest & Taxes".

[2] 1% is best

[3] TSR estimated based on mid-point of 2019 guidance (issued 10/28/19 – not updated since) and assumes a $54 year-end share price

[4] Relative TSR performance through November 11, 2019

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Growth Framework

6–9%
Average Annual
Revenue Growth

Organic + Acquisition

1
Increasing Content and New Programs

2
Expanding Addressable Markets

3
Identifying New Growth Platforms

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L&P's Style of Competition: Critical Components

		Dimension	Characteristic
Where we compete	Product / Service / Solution	1. Role in value chain	**Translate RM or components** into critical component
		2. Functional role	**Functionally essential** to end product
		3. % of finished COGS	**<25%** of finished COGS
	Industry Structure	4. Customer set	Concentrated in **few large customers**
		5. Competitive set	**Small private** companies w/ single focus
	Economics	6. Gross margin	Earns **attractive returns** at ~20-30% GM
		7. Asset intensity	**Light manufacturing** ~2x asset turns
How we compete		8. Deep customer engagements	**Deep understanding of customer** design, production pain points, long-term relationships
		9. Collaborative design	**Co-design** products/components for **better functionality** and lower total cost
		10. Flexible mfg	**Long-run SKUs** that can be adjusted to deliver **custom specs** w/ minimal additional capital
		11. Continuous cost improvement	**Continuous cost improvement** throughout life of long run-length SKUs

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Sources of Margin Improvement

Near-Term Opportunities

- **Exiting** Fashion Bed and **restructuring activities** in Home Furniture
- **Cost reductions** in businesses where market demand has slowed
- **Improving efficiency** in rapidly growing operations

Ongoing Opportunities

- **Portfolio Management**
- **Product Innovation**
- **Continuous Improvement**

Priorities for Use of Cash

1. Fund organic growth in attractive businesses
2. Increase dividends
   - **48 year history** of dividend increases
   - S&P 500 *Dividend Aristocrat*
3. In 2019/2020 pay down debt

Longer Term:

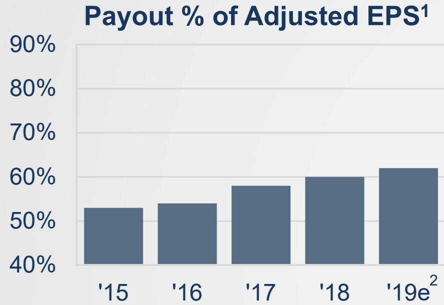
4. Fund strategic acquisitions
5. Repurchase stock with available cash

Operating Cash has exceeded Dividends & Capital Expenditures every year for 30 years

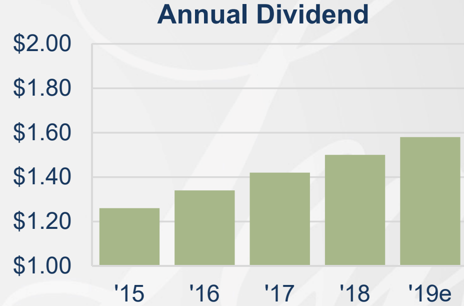
Dividend Growth

- Dividend payout target is **~50% of earnings** (vs. 50–60% previously); actual payout will likely be higher in the near-term
- Committed to extending 48-year history of consecutive annual dividend increases
- **Dividend yield ~3%**; one of the highest among the S&P 500 *Dividend Aristocrats*

Payout % of Adjusted EPS[1]



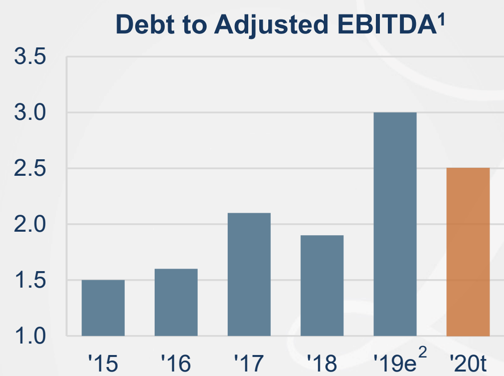
Annual Dividend



[1] EPS from continuing ops exclude unusual items; see appendix for non-GAAP reconciliations
[2] 2019 estimates based on mid-point of guidance (issued 10/28/19 – not updated since)

Strong Balance Sheet

- Maintaining long-held priority on financial strength
- Financed $1.25 billion ECS acquisition in January 2019 with:
  - $750 million of commercial paper ($500 million refinanced in March 2019 through public issuance of 4.4% 10-year notes)
  - Issuance of $500 million 5-year term loan (variable rate)



[1] EBITDA from continuing ops exclude unusual items; see appendix for non-GAAP reconciliations
[2] 2019 estimates based on mid-point of guidance (issued 10/28/19 – not updated since)

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Current Topics

Q3 2019 Highlights

- Sales of $1.24 billion, up 14%
  - Acquisitions (primarily ECS) added 16% to sales growth
  - Organic sales were down 2%
    - Volume down 1% (4% from exited business)
      - Absent declines from exited business, volume up 3%
    - Raw material-related pricing and currency impact decreased sales 1%
- Adj. EPS[1] of $.76, up vs. adj. EPS of $.66 in Q3-18
- Adj. EBIT[1] of $144 million, up $24 million vs. Q3-18
- Adj. EBIT[1] margin of 11.9% vs. 11.4% in Q3-18
- Cash from operations of $213 million, vs. $127 million in Q3-18
- Debt to LEG & ECS 12-month pro forma adj. EBITDA[1] of 3.15x (target is ~2.5x)

[1] See appendix for non-GAAP reconciliations

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2019 Guidance (issued 10/28/19 – not updated since)

- Adj. EPS raised to \$2.48–\$2.63 (vs. prior range of \$2.40–\$2.63)
  - Excludes expected restructuring-related charges of \$.08
- Sales guidance narrowed to \$4.7–\$4.8 billion (vs. prior range of \$4.7–\$4.85 billion); 10–12% growth vs. 2018
  - Organic sales expected to decline -3% to -5%; including -3% from exited business in Fashion Bed and Home Furniture
  - Acquisitions should add 15%
- Implied adjusted EBIT margin of 11.0–11.3%
- Operating cash expected to exceed \$550 million

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Macro Indicators

Consumer confidence

- More crucial than home sales since majority (~2/3rds) of bedding/furniture purchases are replacement of existing product
- "Large ticket" purchases that are deferrable

Total **housing** turnover

- Combination of **new and existing** homes sales

Employment levels

Consumer discretionary spending

Interest rate levels

Key Take-Aways

⅓ **TSR in top third of S&P 500** is primary financial goal

Framework in place to support long-term **profitable growth**

Maintaining **capital discipline**

Dividend growth remains a top priority

For Additional Information

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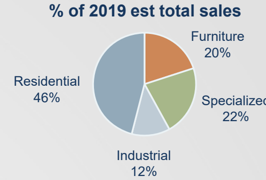
Phone:	(417) 358-8131

Find our Fact Book at www.leggett.com

Susan McCoy	Sr. VP, Investor Relations
Wendy Watson	Director, Investor Relations
Cassie Branscum	Manager, Investor Relations

Additional Information

Segments



Residential Products

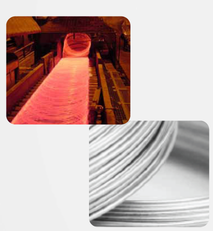
Bedding
- Mattress springs
- Private-label finished mattresses, mattress toppers, pillows
- Specialty bedding foams
- Foundations

Fabric & Flooring Products
- Textile converting
- Flooring underlayment
- Geo components

Machinery
- Quilting & sewing machinery for bedding mfg.
- Mattress packaging and glue-drying equipment

Industrial Products

Wire
- Drawn steel wire
- Steel rod

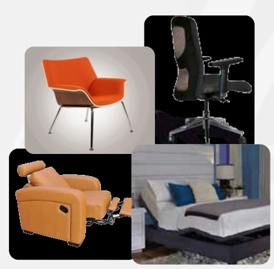


Furniture Products

Work Furniture
- Chair controls, bases, frames
- Private-label finished seating

Home Furniture
- Recliner mechanisms
- Seating and sofa sleeper components

Consumer Products
- Adjustable beds



Specialized Products

Automotive
- Auto seat support & lumbar systems
- Motors, actuators & cables

Aerospace
- Tubing
- Tube assemblies

Hydraulic Cylinders
- Hydraulic cylinders primarily for material handling, transportation & construction equipment

Customers Include

In North America:

Adient	HNI	Mattress Firm	Tempur Sealy
Ashley Furniture	JLG (Oshkosh)	MCF	Tesla
Best Home Furniture	Knoll	Rooms-to-Go	Toyota Boshoku
Berkshire Hathaway	La-Z-Boy	Sanyo	Toyota Industrial Equip
Casper	Lear	Serta	Tuft & Needle
Eaton	Lincoln Electric	Simmons	United Technologies
Haworth	Lowe's	Sleep Number	Walmart
Herman Miller	Magna	Steelcase	Wayfair

In Europe and Asia:

Dreams	Hay	Kuka	Silentnight Beds
Eurasia	Hilding Anders	Natuzzi	Steinhoff
Faurecia	Himolla	Nestledown	Volkswagen
Fritz Hansen	Howe	Profim	

Diverse Customer Base – Low Concentration

Cost Structure

Cost of Goods Sold composition (approximate):

- 60% Materials, composed of:
  - Steel ~25% of RMs
  - Chemicals ~15% of RMs
  - Woven & non-woven fabrics ~10% of RMs
  - Foam scrap, fibers ~3% of RMs
  - Titanium, nickel, stainless ~2% of RMs
  - Others, including sub-assemblies, hardware, components, finished products purchased for resale, etc. ~45% of RMs
- 20% Labor (includes all burden and overhead)
- 20% Other, composed of:
  - Depreciation, utilities, maintenance, supplies – each ~3% of COGS
  - Shipping/transportation ~10% of COGS
  - Other also includes rent, insurance, property tax, etc.
- Costs are roughly 75% variable, 25% fixed

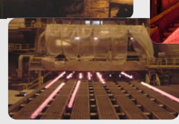
Steel Impact

- Primary commodity exposure is steel; ~25% of RM's
- Main categories are scrap, rod, and flat-rolled
  - Many grades of scrap – market data is generally available
  - Limited credible data to track moves in other types of steel
- Impact from inflation/deflation
  - Typically pass through; lag is ~90 days
- LIFO accelerates inflation/deflation into COGS
- Changes in metal margin (mkt price for rod - mkt price for scrap) also impact earnings
  - Our scrap cost and rod pricing moves with the market; large swings cause Industrial Products segment earnings volatility

Vertical Integration in Steel

Melt Furnace

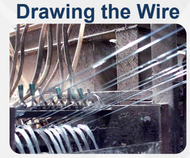
Steel Rod



Steel Billets

Each year at our Sterling, Illinois Rod Mill, roughly 550,000 tons of steel scrap are melted and formed into billets. The billets are then used to make approximately 500,000 tons of steel rod. The majority of this rod goes to our three domestic wire mills to be drawn into various gauges of wire.

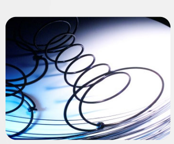
Drawing the Wire



Wire on Spools

Leggett also purchases certain types of steel rod on the open market to meet the raw material requirements of our wire mills.

Spring-Making Plant



Wire Innerspring

Approximately 70% of the wire we produce goes to other Leggett operations, including our spring-making operations. The remaining wire is sold externally.

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Strong Peer Group

Diversified Manufacturers

w/ Ticker & Fortune 1000 Ranking (May 2019)

Leggett Ranking = 599

CSL	Carlisle	570	ITW	Illinois Tool Works	214
DHR	Danaher	160	IR	Ingersoll Rand	n/a
DOV	Dover	412	MAS	Masco	366
ETN	Eaton Corp	n/a	PNR	Pentair	n/a
EMR	Emerson	178	PPG	PPG Industries	205

Characteristics of the Group

Multiple Business Segments
Sell Mainly to Other Manufacturers
Low Customer Concentration
Stamp, Cast & Machine Materials
Moderate Labor & Capital Intensity

Primarily Manufacturers
In "Old Economy" Markets
Complex; Hard to Grasp
Old, Established Firms
Diverse Products

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Governance/Directors

November 2019

- 10 Non-Management Directors (out of 11 total)
- Only Non-Mgmt Directors on Key Board Committees

Non-Management		Age	Joined	Position	Firm
Mark Blinn	¤	57	2019	Retired President & CEO	Flowserve
Robert Brunner	◆⚹	62	2009	Retired EVP	ITW
Mary Campbell	¤	52	2019	Chief Merchandising Officer/ Chief Commerce Officer	Qurate Retail Group/ QVC U.S.
R. Ted Enloe †	◆⚹	81	1969	Managing Partner	Balquita Partners
Manuel Fernandez	◆⚹	73	2014	Managing Director	SI Ventures
Joe McClanathan	¤ ⚹	67	2005	Retired President & CEO	Energizer Household Products
Judy Odom	¤ ⚹	67	2002	Retired Chair & CEO	Software Spectrum
Srikanth Padmanabhan	¤	55	2018	Vice President	Cummins Inc.
Jai Shah	◆	53	2019	Group President	Masco
Phoebe Wood	¤ ⚹	66	2005	Principal	CompaniesWood
Management					
Karl Glassman		61	2002	President & CEO	Leggett & Platt

† **Independent Board Chair**
Committees: ¤ Audit ◆ Compensation ⚹ Nominating & Corporate Governance

Compensation Rewards Strong Performance

- Annual Incentive
  - Based on current year **ROCE**, **free cash flow**, and individual goals
- Performance Stock Units
  - Long-term equity-based, significant portion of total comp for execs
  - Three-year performance period with two equal measures
    - **Relative TSR performance** (vs. peer group of ~320 companies)
    - Company or segment **EBIT CAGR**
- Deferred Comp Program
  - Opportunity (in December) to **forego** a portion of next year's cash salary and bonus to **buy** stock units

Role-Based Portfolio Management

- Strategic Planning Process
  - Assess market attractiveness and Leggett's advantages
  - Used to determine portfolio role
- Place each BU into Portfolio Role
  - Grow, core, fix, or divest
  - Different goals for each
    - Grow: profitable **Growth**
    - Core: maximize **Cash**
    - Fix: rapidly **Improve**

Criteria for Role Assignments

	GROW	CORE	FIX / DIVEST
1. COMPETITIVE POSITION	Advantaged	Solid, Stable	Tenuous or Disadvantaged
2. MARKET ATTRACTIVE?	Strong, Growing	Attractive, but with Lower Growth Potential	Poor or Declining
3. FIT w/ LEGGETT	Strong	Strong	Limited
4. RETURN (ROGI)	Consistently > 12%	Stable, 9-12%	Erratic or < WACC
5. BU SIZE & MATERIALITY	Large, Significant	Large, Significant	Inconsequential, Distracting

Expectations by Portfolio Role

Grow: Provide Profitable **Growth**; Return > WACC
- Invest capital in competitively advantaged positions
- Identify major organic, M&A, or rollup investments

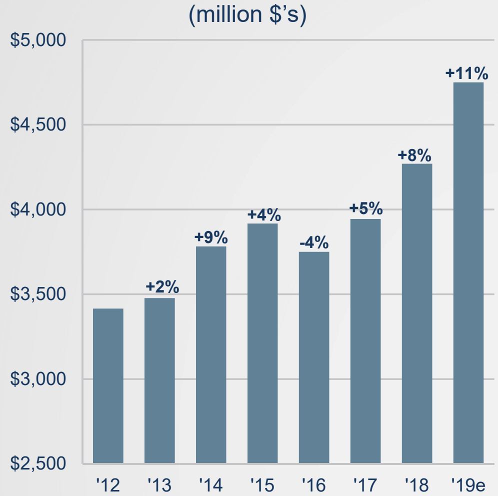
Core: **Generate Cash**; Return ≥ WACC
- Maintain stable, competitive positions to generate cash
- Aggressively improve EBITDA and free cash flow
- Profitably grow market share, but with minimal capex
- Enhance productivity; reduce costs, overhead, working capital

Fix: **Rapidly** Restructure, else Exit
- Limited time to achieve return ≥ WACC, else divest / liquidate

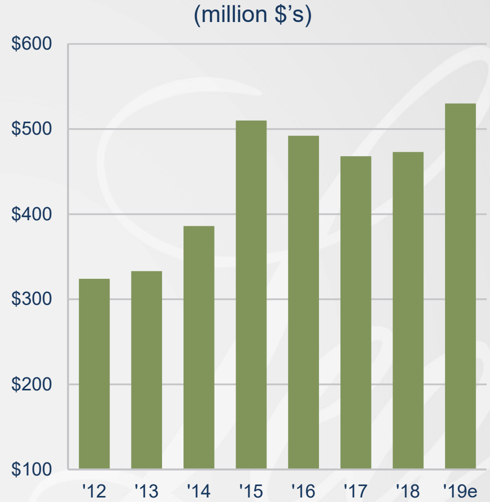
Financial Information

Sales and EBIT

Net Sales
(million $'s)

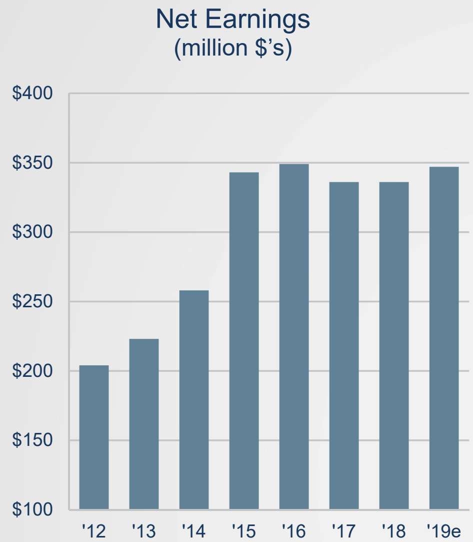


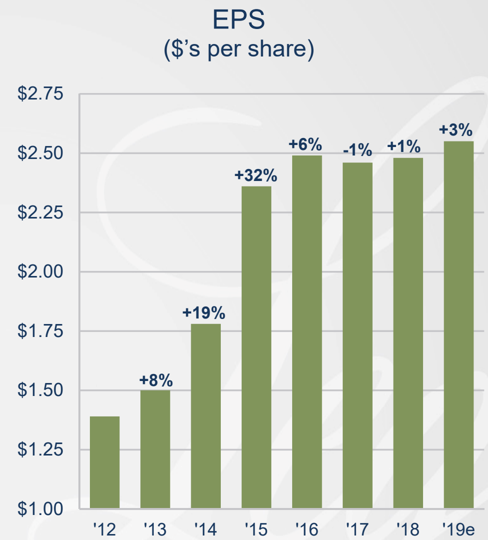
EBIT
(million $'s)



- Amounts are from continuing operations and exclude unusual items. See appendix for non-GAAP reconciliations.
- 2019 estimates are based on mid-point of guidance (issued 10/28/19 – not updated since)

Net Earnings and EPS





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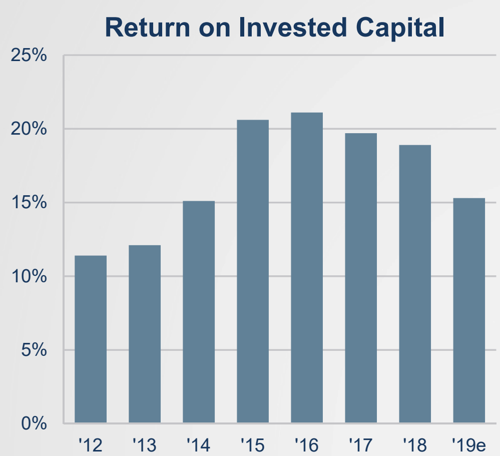
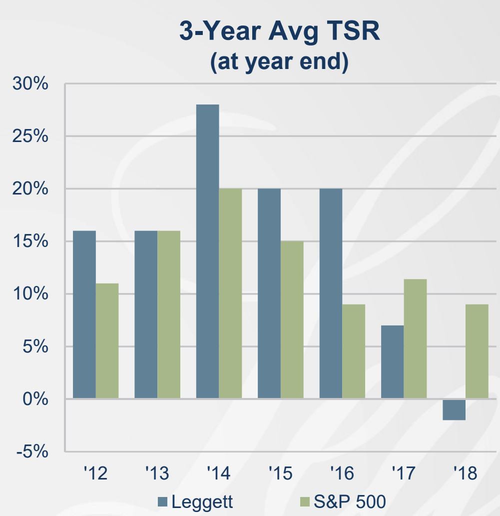
Returns and TSR



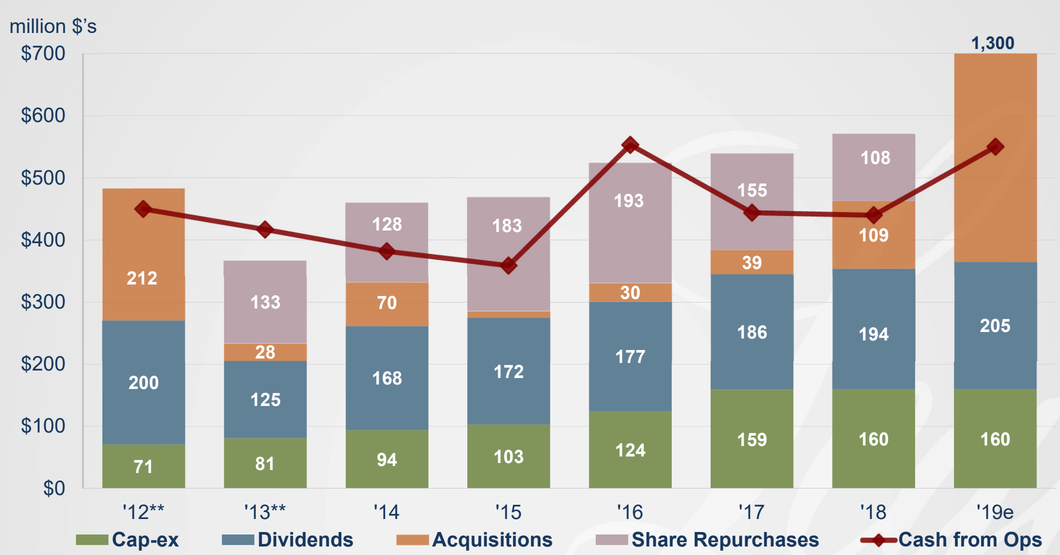


- See appendix for return calculation
- 2019 estimates are based on mid-point of guidance (issued 10/28/19 – not updated since)
- TSR assuming dividends continually reinvested

Segment EBIT Margins

- Amounts exclude unusual items. See appendix for non-GAAP reconciliations.
- 2019 estimates are based on mid-point of guidance (issued 10/28/19 – not updated since)

Uses of Cash Flow



** 3 qtr dividends paid in 2013; accelerated the Jan-2013 dividend payment of $41 million into Dec 2012 in anticipation of higher tax rates

Operating Cash > Capital Expenditures + Dividends for 30 years

Cash Flow Details

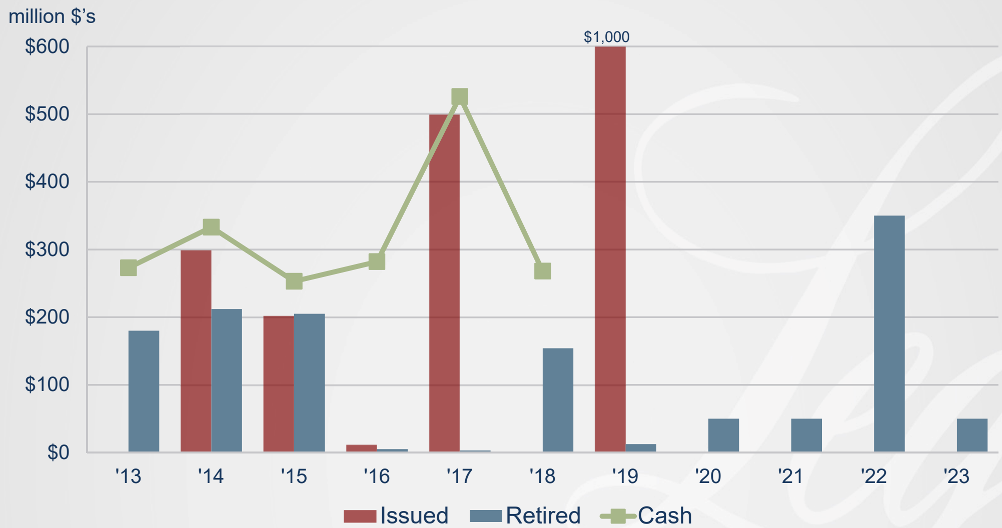
$'s in millions	2012	2013	2014	2015	2016	2017	2018	2019e[3]
Net Income	251	200	101	329	286	293	306	335
Deprec & Amort	116	123	118	113	115	126	136	200
Def Income Taxes	(22)	(33)	(40)	24	18	16	(3)	
Impairment & Other	17	83	124	19	15	11	32	
Working Capital	57	26	54	(171)	15	(80)	(46)	(15)
Other Non-Cash[1]	31	18	25	45	4	78	15	30
Cash from Operations	**450**	**417**	**382**	**359**	**553**	**444**	**440**	**550**
Uses of Cash								
Capital Expenditures	(71)	(81)	(94)	(103)	(124)	(159)	(160)	(160)
Dividends[2]	(200)	(125)	(168)	(172)	(177)	(186)	(194)	(205)
Acquisitions	(212)	(28)	(70)	(11)	(30)	(39)	(109)	(1,300)
Share Repurchases	6	(133)	(128)	(183)	(193)	(155)	(108)	(5)

[1] 5 qtr dividends paid in 2012 and 3 qtr dividends paid in 2013; accelerated the Jan-2013 dividend payment of $41 million into Dec-2012 in anticipation of higher tax rates.
[2] 2017 Other Non-Cash includes $67 million in deemed repatriation taxes as a result of the Tax Cuts and Jobs Act
[3] 2019 estimated net income is based on mid-point of guidance (issued 10/28/19 – not updated since)

Debt Structure (at 9/30/19)

- $2.25 billion total debt
  - 3.7% average rate, 6.3 years average maturity
- $1 billion available commercial paper
  - Expanded commercial paper program from $800 million to $1.2 billion primarily to finance the ECS acquisition
- Financed ECS acquisition in January 2019 with:
  - $750 million of commercial paper ($500 million refinanced in March through the public issuance of 4.4% 10-year notes)
  - Issuance of $500 million 5-year term loan

Debt Issued and Retired



- Excludes commercial paper borrowings

Financial Metrics Defined

- TSR: Total Shareholder Return
  - Total benefit investor realizes from owning our stock
  - (Δ stock price + dividends) / initial stock price
- EBIT CAGR: Compound Annual Growth Rate of EBIT
- ROCE: Return on Capital Employed
  - Drives ~60–70% of annual bonus at operating level and corporate
  - EBIT / (working capital (ex cash & current debt) + net PP&E)
- FCF: Free Cash Flow
  - Drives ~20–30% of annual bonus at operating level and corporate
  - EBITDA – capex +/– Δ working capital (ex cash & current debt)

Appendix
Non-GAAP Reconciliations

Non-GAAP Adjustments, Continuing Ops

($ millions, except EPS)	2012	2013	2014	2015	2016	2017	2018	2019e
Non-GAAP Adjustments ($'s)[1]								
Restructuring-related charges	-	-	-	-	-	-	16	13
Note impairment	-	-	-	-	-	-	16	-
ECS transaction costs[2]	-	-	-	-	-	-	7	1
Gain from real estate sale	-	-	-	-	-	(23)	-	-
Impairment charges	-	67	-	6	4	5	-	-
Litigation accruals	-	-	54	6	-	-	-	-
Acq-related bargain purchase gain	-	(9)	-	-	-	-	-	-
Pension settlement charge	-	-	-	12	-	15	-	-
Gain/loss from sale of business	-	-	-	-	(27)	3	-	-
Litigation settlement gain	-	-	-	-	(7)	-	-	-
Non-GAAP adjustments (pre-tax $'s)	**-**	**58**	**54**	**23**	**(30)**	**-**	**39**	**14**
Income tax impact	-	(21)	(21)	(9)	12	-	(7)	(2)
TCJA impact[3]	-	-	-	-	-	50	(2)	-
Unusual tax items	(27)	-	-	-	-	(8)	-	-
Non-GAAP adjustments (after tax $'s)	**(27)**	**37**	**33**	**15**	**(18)**	**42**	**30**	**12**
Diluted shares outstanding	146.0	147.2	143.2	142.9	140.0	137.3	135.2	136.0
EPS impact of non-GAAP adjustments	**($.18)**	**$.25**	**$.23**	**$.09**	**($.13)**	**$.32**	**$.22**	**$.08**

[1] Calculations impacted by rounding
[2] 2018 includes $4 million in SG&A charges and $3 million of financing-related charges in interest expense
[3] Tax Cuts and Jobs Act of 2017

Reconciliation of Adj EBIT, Adj EBIT Margin, Adj Earnings, and Adj EPS

($ millions, except EPS)	2012	2013	2014	2015	2016	2017	2018	2019e[2]
Net sales	$3,415	$3,477	$3,782	$3,917	$3,750	$3,944	$4,270	$4,750
EBIT (continuing operations)	$324	$275	$332	$487	$522	$468	$437	$516
Non-GAAP adjustments, pre-tax[1]	-	58	54	23	(30)	-	36	14
Adjusted EBIT (cont. operations)	**$324**	**$333**	**$386**	**$510**	**$492**	**$468**	**$473**	**$530**
Adjusted EBIT margin	***9.5%***	***9.6%***	***10.2%***	***13.0%***	***13.1%***	***11.9%***	***11.1%***	***11.2%***
Earnings from continuing operations	$231	$186	$225	$328	$367	$294	$306	$335
Non-GAAP adjustments, after tax[1]	(27)	37	33	15	(18)	42	30	12
Adjusted EBITDA (cont. operations)	**$204**	**$223**	**$258**	**$343**	**$349**	**$336**	**$336**	**$347**
Diluted EPS from cont. operations	$1.57	$1.25	$1.55	$2.27	$2.62	$2.14	$2.26	$2.47
EPS impact from non-GAAP adjs[1]	(.18)	.25	.23	.09	(.13)	.32	.22	.08
Adjusted EPS from cont. operations	**$1.39**	**$1.50**	**$1.78**	**$2.36**	**$2.49**	**$2.46**	**$2.48**	**$2.55**

[1] See slide 52 for adjustment details
[2] 2019 estimates are based on mid-point of guidance (issued 10/28/19 – not updated since)

Calculation of Return on Invested Capital

	2012	2013	2014	2015	2016	2017	2018	2019e[4]
Adjusted EBIT (cont. operations)[1]	**$324**	**$333**	**$386**	**$510**	**$492**	**$468**	**$473**	**$530**
Tax rate	*28.8%*	*24.6%*	*26.0%*	*27.7%*	*23.7%*	*22.2%*	*20.7%*	*22.0%*
Net Operating Profit After Tax (NOPAT)[2]	**231**	**251**	**286**	**369**	**375**	**364**	**375**	**413**
Total debt (long-term + current)	$1,056	$869	$969	$948	$960	$1,252	$1,169	$2,200
Operating lease liabilities[3]	-	-	-	-	-	-	-	120
Equity	1,442	1,399	1,155	1,098	1,094	1,191	1,158	1,300
Less: Cash & Cash equivalents	(359)	(273)	(333)	(253)	(282)	(526)	(268)	(285)
Invested Capital	$2,139	$1,995	$1,791	$1,793	$1,772	$1,917	$2,059	$3,335
Average Invested Capital	**$2,024**	**$2,067**	**$1,893**	**$1,792**	**$1,783**	**$1,845**	**$1,988**	**$2,697**
Return on Invested Capital (ROIC)	**11.4%**	**12.1%**	**15.1%**	**20.6%**	**21.1%**	**19.7%**	**18.9%**	**15.3%**

[1] See slide 52 for adjustment details
[2] NOPAT = Adjusted EBIT x (1 – tax rate)
[3] New lease accounting rules adopted January 1, 2019. Prior year data is not available.
[4] 2019 estimates are based on mid-point of guidance (issued 10/28/19 – not updated since)

Calculation of Dividend Payout % of Adjusted EPS

	2015	2016	2017	2018	2019e[2]
Diluted EPS from cont. operations	**$2.27**	**$2.62**	**$2.14**	**$2.26**	**$2.47**
EPS impact from non-GAAP adjs[1]	.09	(.13)	.32	.22	.08
Adjusted EPS from cont. operations	**$2.36**	**$2.49**	**$2.46**	**$2.48**	**$2.55**
Annual dividend per share	**$1.26**	**$1.34**	**$1.42**	**$1.50**	**$1.58**
Dividend payout % of diluted EPS from continuing operations	**56%**	**51%**	**66%**	**66%**	**64%**
Dividend payout % of adjusted EPS	**53%**	**54%**	**58%**	**60%**	**62%**

[1] See slide 52 for adjustment details
[2] 2019 estimates are based on mid-point of guidance (issued 10/28/19 – not updated since)

Calculation of Debt to Adjusted EBITDA

	2014	2015	2016	2017	2018	2019e[3]
EBIT (cont. operations)	**$332**	**$487**	**$522**	**$468**	**$437**	**$516**
Non-GAAP adjustments, pre-tax[1]	54	23	(30)	-	36	14
Adjusted EBIT (cont. operations)	**386**	**510**	**492**	**468**	**473**	**530**
Depreciation and amortization[2]	118	113	115	126	136	200
Adjusted EBITDA	**$504**	**$623**	**$607**	**$594**	**$609**	**$730**
Total Debt (long-term + current)	**$964**	**$945**	**$960**	**$1,252**	**$1,169**	**$2,200**
Debt to Adjusted EBITDA	**1.9**	**1.5**	**1.6**	**2.1**	**1.9**	**3.0**

[1] See slide 52 for adjustment details
[2] D&A is from continuing operations
[3] 2019 estimates are based on mid-point of guidance (issued 10/28/19 – not updated since)

Non-GAAP Financial Measures

While we report financial results in accordance with accounting principles generally accepted in the U.S. (“GAAP”), this presentation includes non-GAAP measures. These include **adjusted EBIT**, **adjusted EBIT margin**, **adjusted earnings**, and **adjusted EPS**. We believe these non-GAAP measures are useful to investors in that they assist investors' understanding of underlying operational profitability. Management uses these non-GAAP measures as supplemental information to assess the company's operational performance.

We believe the presentation of **debt to adjusted EBITDA** provides investors a useful way to assess the time it would take the Company to pay off all of its debt, ignoring various factors including interest and taxes. Management uses this ratio as supplemental information to assess its ability to pay off its incurred debt.

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.