



Fourth Quarter Summary Financial Information

February 8, 2024



Forward-Looking Statements

Statements in this presentation that are not historical in nature are “forward-looking.” These statements are identified either by the context in which they appear or by use of words such as “anticipate,” “believe,” “estimate,” “expect,” “guidance,” “intend,” “may,” “plan,” “project,” “should,” or the like. These statements include, but are not limited to, future EPS, adjusted EPS, sales, volume for the Company and per segment, raw material-related price decreases, currency impacts, depreciation and amortization, net interest expense, tax rate, diluted shares outstanding, operating cash, capital expenditures, amount of dividends, minimal acquisitions and share repurchases, implied adjusted EBIT margin, restructuring costs, gain from the sale of real estate, pricing responses related to global steel cost differentials, and metal margin compression. 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 preliminary nature of the estimates related to the Restructuring Plan, and the possibility that all or some of the estimates may change as the Company’s analysis develops, and additional information is obtained; our ability to timely implement the Restructuring Plan in a manner that will positively impact our financial condition and results of operation; our ability to timely dispose of real estate pursuant to the Restructuring Plan, or otherwise obtain expected proceeds; the impact of the Restructuring Plan on the Company’s relationships with its employees, customers and vendors; global inflationary and deflationary impacts; macro-economic impacts; demand for our products and our customers’ products; our manufacturing facilities’ ability to obtain necessary raw materials and parts, maintain appropriate labor levels and ship finished products to customers; 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 in addition to the Restructuring Plan; 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 and a Board decision to suspend or reduce 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; foreign currency fluctuation; our ability to manage working capital; anti-dumping duties; data privacy; cybersecurity incidents; unauthorized use of artificial intelligence; customer bankruptcies and losses; climate change regulations; ESG risks; cash repatriation; litigation risks; and other risk factors in Leggett’s most recent Form 10-K and Form 10-Q.

Overview

4th Quarter:

- Sales were \$1.1 billion, a 7% decrease vs. Q4-22
 - Volume was down 3%
 - Raw material-related price decreases reduced sales 5%
 - Currency benefit increased sales 1%
 - Acquisitions increased sales less than 1%
- Adjusted¹ EBIT of \$66 million, down \$25 million vs. Q4-22 EBIT
- Adjusted¹ EBIT margin 5.9%, down 170 bps vs. 7.6% in Q4-22
- Q4 adjusted¹ EPS of \$.26, down \$.13 vs. Q4-22 EPS of \$.39

Full Year:

- Sales were \$4.7 billion, an 8% decrease vs. 2022
 - Volume was down 6%
 - Raw material-related price decreases, including currency impact, reduced sales 4%
 - Acquisitions, net of small divestitures, added 2% to sales
- Adjusted¹ EBIT of \$334 million, down \$151 million vs. 2022 EBIT
- Adjusted¹ EPS of \$1.39, down \$.88 vs. 2022 EPS of \$2.27
- Cash from operations was \$497 million, up \$56 million vs. 2022
- 2024 Adjusted EPS guidance of \$1.05–\$1.35 on sales of \$4.35–\$4.65 billion

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

3

Q4 2023 Financial Highlights

\$'s in millions (except EPS)	Reported Q4-23	Adj¹	Adj Q4-23	Q4-22	Change
Sales	\$1,115		\$1,115	\$1,196	(7%)
EBIT	(367)	433	66	91	(28%)
EBIT Margin	(32.9%)		5.9%	7.6%	(170 bps)
EPS	(2.18)	2.44	.26	.39	(33%)
Cash from Operations	\$146		\$146	\$247	(41%)
EBITDA	(322)	433	111	137	(19%)
EBITDA margin	(28.9%)		9.9%	11.4%	(150 bps)

¹ See slide 24 for non-GAAP adjustments

4

Q4 2023 Sales & EBIT Bridge

Sales:	<u>mln \$'s</u>	<u>% change</u>
4 th Qtr 2022	\$1,196	
Approx volume decrease	(39)	(3%)
Approx raw material-related pricing and currency impact	(47)	(4%)
Organic Sales	(86)	(7%)
Acquisitions	5	—%
4 th Qtr 2023	\$1,115	(7%)
EBIT:		<u>margin</u>
4 th Qtr 2022	\$91	7.6%
Primarily lower metal margin and lower volume	(25)	
Adjusted ¹ 4 th Qtr 2023	\$66	5.9%

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

5

Q4 2023 Earnings

\$'s in millions (except EPS)	<u>Reported Q4-23</u>	<u>Adj¹</u>	<u>Adj Q4-23</u>	<u>Q4-22</u>	<u>Change</u>
EBIT	(\$367)	\$433	\$66	\$91	(28%)
Net interest	20		20	22	
Pre-tax earnings	(386)	433	47	69	(32%)
Income taxes	(89)	100	11	16	
<i>Tax rate</i>			23.6%	23.5%	
Net earnings	(297)	333	36	53	(33%)
Noncontrolling interests	—		—	—	
Net earnings attributable to L&P	(297)	333	36	53	(33%)
EPS	(2.18)	2.44	.26	.39	(33%)

¹ See slide 24 for non-GAAP adjustments

6

Adjusted Working Capital

	12/31	9/30	12/31
\$'s in millions	<u>2023</u>	<u>2023</u>	<u>2022</u>
Cash & equivalents	\$365	\$274	\$317
Accounts receivable, net	637	711	675
Inventories, net	820	835	908
Other current assets	59	66	59
Total current assets	<u>1,881</u>	<u>1,886</u>	<u>1,958</u>
Current debt maturities	(308)	(9)	(9)
Current operating lease liabilities	(57)	(56)	(50)
Accounts payable	(536)	(534)	(518)
Accrued and other current liabilities	(361)	(410)	(391)
Total current liabilities	<u>(1,263)</u>	<u>(1,009)</u>	<u>(968)</u>
Working capital	619	877	990
% of annualized sales ¹	13.9%	18.7%	20.7%
W/C, excl. cash & current debt/lease	619	668	732
% of annualized sales ¹	13.9%	14.2%	15.3%

¹ Annualized sales: 4Q23: \$1,115x4=\$4,460; 3Q23: \$1,175x4=\$4,702; 4Q22: \$1,196x4=\$4,783

7

Net Debt to Adjusted EBITDA

	12/31	9/30	12/31
\$'s in millions	<u>2023</u>	<u>2023</u>	<u>2022</u>
Long-term debt	\$1,680	\$1,963	\$2,074
Current maturities	308	9	9
Total debt	<u>1,988</u>	<u>1,972</u>	<u>2,084</u>
Less: Cash & equivalents	<u>(365)</u>	<u>(274)</u>	<u>(317)</u>
Net debt	1,622	1,698	1,767
EBIT, trailing 12 months	(90)	368	485
Depreciation & amortization	180	181	180
EBITDA	90	548	665
Non-GAAP adjustments (pretax)	424	(9)	—
Adjusted EBITDA, trailing 12 months	<u>513</u>	<u>539</u>	<u>665</u>
Net debt to 12-month adjusted EBITDA ¹	3.16x	3.15x	2.66x

¹ Calculated differently than the Company's credit facility covenant ratio.
For additional non-GAAP reconciliation information, see page 9 of the press release.

8

Cash Flow

\$'s in millions	4 th Qtr		YTD	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Net earnings	(\$297)	\$53	(\$137)	\$310
D&A	45	46	180	180
Impairment, write-offs & other	447	9	446	20
Other non-cash	(112)	2	(108)	10
Changes in working capital:				
Accounts receivable	72	82	49	(27)
Inventory	20	80	87	96
Other current assets	10	(1)	4	(4)
Accounts payable	(6)	(4)	14	(102)
Other current liabilities	(33)	(20)	(37)	(42)
Cash from operations	146	247	497	441
Capital expenditures	23	35	114	100
Acquisitions	—	21	—	83
Dividends	61	58	239	229
Share repurchases (issuances), net	1	—	6	60
Proceeds from asset disposals	10	1	23	4
Additions (repayments) of debt, net	15	(48)	(107)	5

9

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	\$4,725		\$4,725	\$5,147	(8%)
EBIT	(90)	424	334	485	(31%)
EBIT Margin	(1.9%)		7.1%	9.4%	(230 bps)
EPS	(1.00)	2.39	1.39	2.27	(39%)
Cash from Operations	\$497		\$497	\$441	13%
EBITDA	90	424	513	665	(23%)
EBITDA margin	1.9%		10.9%	12.9%	(200 bps)

¹ See slide 24 for non-GAAP adjustments

10

2023 Sales & EBIT Bridge

Sales:	<u>mln \$'s</u>	<u>% change</u>
2022	\$5,147	
Approx volume decrease	(299)	(6%)
Approx raw material-related pricing and currency impact	(238)	(4%)
Organic Sales	(537)	(10%)
Acquisitions, net of divestitures	115	2%
2023	\$4,725	(8%)
EBIT:		<u>margin</u>
2022	\$485	9.4%
Primarily lower metal margin and lower volume	(151)	
Adjusted ¹ 2023	\$334	7.1%

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

11

2023 Earnings

\$'s in millions (except EPS)	<u>Reported 2023</u>	<u>Adj¹</u>	<u>Adj 2023</u>	<u>2022</u>	<u>Change</u>
EBIT	(\$90)	\$424	\$334	\$485	(31%)
Net interest	83		83	81	
Pre-tax earnings	(173)	424	251	404	(38%)
Income taxes	(37)	98	61	94	
<i>Tax rate</i>			24.5%	23.2%	
Net earnings	(137)	326	189	310	(39%)
Noncontrolling interests	—		—	—	
Net earnings attributable to L&P	(137)	326	189	310	(39%)
EPS	(1.00)	2.39	1.39	2.27	(39%)

¹ See slide 24 for non-GAAP adjustments

12

2024 Guidance

- Sales: \$4.35–\$4.65 billion; down 2% to down 8% versus 2023
 - Volume is expected to be down low to mid-single digits
 - Volume at the midpoint:
 - Down high single digits in Bedding Products Segment
 - Up low single digits in Specialized Products Segment
 - Down low single digits in Furniture, Flooring & Textile Products Segment
 - Raw material-related price decreases and currency impact combined expected to reduce sales low single digits
- EPS: \$.95–\$1.25
 - Includes \$.20–\$.25 per share negative impact from restructuring costs
 - Includes \$.10–\$.15 per share gain from sales of real estate, consisting of idle real estate and real estate exited from restructuring initiatives
- Adjusted EPS: \$1.05–\$1.35
 - Decrease versus 2023 is primarily from lower expected volume in our Bedding Products and Furniture, Flooring & Textile Products segments, pricing responses related to global steel cost differentials, and metal margin compression partially offset by lower amortization from the long-lived asset impairment
- Implied adjusted EBIT margin of 6.4%–7.2%

13

2024 Guidance (continued)

- Depreciation and amortization ~\$135 million
- Net interest expense ~\$85 million
- Tax rate ~25%
- Operating cash \$325–\$375 million
- Cap-ex \$100–\$120 million
- Dividends ~\$245 million
- Diluted shares ~138 million
- Minimal acquisitions and share repurchases

14

Segments

Q4 2023 Segment Summary

	Q4-23 Organic Sales Growth^{1, 2}	Q4-23 Adj. EBIT² Margin	Δ vs Q4-22 EBIT Margin	Q4-23 Adj. EBITDA² Margin	Δ vs Q4-22 EBITDA² Margin
Bedding Products	(14%)	2.4%	-340 bps	8.3%	-250 bps
Specialized Products	5%	10.0%	+130 bps	13.0%	90 bps
Furniture, Flooring & Textile Products	(7%)	6.4%	-240 bps	8.0%	-240 bps
Total Consolidated	(7%)	5.9%	-170 bps	9.9%	-150 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>
4 th Qtr 2022	\$522	
Organic Sales ¹	(73)	(14%)
4 th Qtr 2023	\$449	(14%)

¹ Raw material-related selling price decreases (9%) and lower volume (6%), partially offset by 1% currency benefit

mIn \$'s	<u>EBIT</u>	<u>margin</u>	<u>D&A</u>	<u>EBITDA</u>	<u>margin</u>
4 th Qtr 2022	\$30	5.8%	\$26	\$56	10.8%
Change ³	(20)		—	(19)	
Adjusted ² 4 th Qtr 2023	\$11	2.4%	\$26	\$37	8.3%

² Adjusted to exclude long-lived asset impairment \$444m and gain from net insurance proceeds (\$1m)

³ Calculations impacted by rounding

17

Bedding – Key Points

- Q4 organic sales were down 14%:
 - Volume decreased 6%, from continued demand softness in U.S. and European bedding markets
 - Raw material-related selling price decreases reduced sales 9%
 - Currency benefit increased sales 1%

Sales trends:	Q4	Q4	2023	2023
	<u>Organic Sales</u>	<u>Volume¹</u>	<u>Organic Sales</u>	<u>Volume¹</u>
Steel Rod	3%	34%	(24%)	3%
Drawn Wire	(24%)	(12%)	(31%)	(21%)
U.S. Spring	(17%)	(9%)	(18%)	(12%)
Specialty Foam	(12%)	(4%)	(11%)	1%
Adjustable Bed	(15%)	(14%)	(15%)	(12%)
International Bedding	(7%)	(2%)	(6%)	—

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

- Q4 adjusted EBIT decreased primarily from metal margin compression and lower volume

18

Specialized Products

Trade Sales:	<u>mln \$'s</u>	<u>% change</u>
4 th Qtr 2022	\$303	
Organic Sales ¹	16	5%
4 th Qtr 2023	\$319	5%

¹ Higher volume 3%, currency benefit 1%, and raw material-related selling price increases 1%

mln \$'s	<u>EBIT</u>	<u>EBIT margin</u>	<u>D&A</u>	<u>EBITDA</u>	<u>EBITDA margin</u>
4 th Qtr 2022	\$26	8.7%	\$10	\$37	12.1%
Change	6		(1)	5	
4 th Qtr 2023	\$32	10.0%	\$9	\$41	13.0%

19

Specialized – Key Points

- Q4 organic sales were up 5%:
 - Volume was up 3% from growth across the segment
 - Raw material-related selling price increases added 1%
 - Currency benefit added 1%
- Sales trends:

	<u>Q4</u>	<u>Q4</u>	<u>2023</u>	<u>2023</u>
	<u>Organic Sales</u>	<u>Volume¹</u>	<u>Organic Sales</u>	<u>Volume¹</u>
Automotive	3%	2%	4%	5%
Aerospace	26%	15%	27%	22%
Hydraulic Cylinders	4%	6%	9%	10%

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

- Q4 EBIT increased primarily from higher volume

20

Furniture, Flooring & Textile Products

Trade Sales:	<u>mln \$'s</u>	<u>% change</u>
4 th Qtr 2022	\$371	
Organic Sales ¹	(28)	(7%)
Acquisitions	5	1%
4 th Qtr 2023	\$348	(6%)

¹ Lower volume (4%) and raw material-related price decreases, net of currency benefit (3%)

mln \$'s	<u>EBIT</u>	<u>EBIT margin</u>	<u>D&A</u>	<u>EBITDA</u>	<u>EBITDA margin</u>
4 th Qtr 2022	\$33	8.8%	\$6	\$38	10.4%
Change ³	(10)		—	(10)	
Adjusted ² 4 th Qtr 2023	\$22	6.4%	\$6	\$28	8.0%

² Adjusted to exclude gain from net insurance proceeds (\$4m) and gain on sale of real estate (\$6m)

³ Calculations impacted by rounding

21

Furniture, Flooring & Textile – Key Points

- Q4 organic sales were down 7%:
 - Volume was down 4%, with declines across most of the segment partially offset by growth in Geo Components
 - Raw material-related selling price decreases, net of currency benefit, reduced sales 3%

- Textiles acquisition added 1% to sales

Sales trends:	Q4	Q4	2023	2023
	<u>Organic Sales</u>	<u>Volume¹</u>	<u>Organic Sales</u>	<u>Volume¹</u>
Home Furniture	(9%)	(6%)	(24%)	(20%)
Work Furniture	(4%)	(9%)	(14%)	(18%)
Flooring	(12%)	(6%)	(11%)	(8%)
Textiles	(4%)	1%	(7%)	(5%)

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

- Q4 adjusted EBIT decreased primarily from lower volume and other smaller items, partially offset by pricing discipline

22

Webcast replay is available at
www.leggett.com

FOR ADDITIONAL INFORMATION

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23

Non-GAAP Adjustments

(\$ millions, except EPS)	Q4-23	Q4-22	2023	2022
<u>Non-GAAP Adjustments (\$'s)^{1,2}</u>				
Long-lived asset impairment ³	444	—	444	—
Gain on sale of real estate ³	(6)	—	(11)	—
Gain from net insurance proceeds from tornado damage ³	(5)	—	(9)	—
Non-GAAP adjustments (pre-tax \$'s)	433	—	424	—
Income tax impact	100	—	98	—
Non-GAAP adjustments (after tax \$'s)	333	—	326	—
Diluted shares outstanding	136.5		136.3	
EPS impact of non-GAAP adjustments	\$2.44	—	\$2.39	—

¹ For additional non-GAAP reconciliation information, see page 9 of the press release

² Calculations impacted by rounding

³ Impairment and gains affected the Other Income (expense) line on the income statement: Q4-23 (\$433), Q3-23 \$5, Q2-23 \$4, YTD (\$424)

Reconciliation of Full Year Adj EBIT & EBITDA

(\$ millions) ¹	Bedding Products	Specialized Products	Furniture, Flooring & Textile Products
2023 EBIT	(\$344)	\$125	\$129
Long-lived asset impairment	444	—	—
Gain on sale of real estate	(5)	—	(6)
Gain from net insurance proceeds	(2)	—	(7)
2023 Adjusted EBIT	\$92	\$125	\$116
Depreciation & amortization	104	41	23
2023 Adjusted EBITDA	\$196	\$166	\$139
2022 EBIT	\$220	\$99	\$165
Depreciation & amortization	104	41	23
2022 EBITDA	\$324	\$140	\$188
2023 Total Sales	\$1,965	\$1,280	\$1,481
2022 Total Sales	\$2,356	\$1,118	\$1,672
2023 EBIT Margin	-17.5%	9.8%	8.7%
2023 Adjusted EBIT Margin	4.7%	9.8%	7.8%
2023 Adjusted EBITDA Margin	10.0%	13.0%	9.4%
2022 EBIT Margin	9.3%	8.9%	9.9%
2022 EBITDA Margin	13.7%	12.5%	11.3%

¹ Calculations impacted by rounding