Form 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1994

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

for the transition period from ________ to __________

For Quarter Ended	Commission File Number
June 30, 1994	1-7845

LEGGETT & PLATT, INCORPORATED
(Exact name of registrant as specified in its charter)

Missouri	44-0324630
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

No. 1 Leggett Road Carthage, Missouri	64836
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (417) 358-8131

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities and Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ___

Common stock outstanding as of August 1, 1994: 40,857,606

PART I. FINANCIAL INFORMATION
LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
ITEM I. FINANCIAL STATEMENTS
CONSOLIDATED CONDENSED BALANCE SHEETS
(Unaudited)

(Amounts in millions, except share and per share data)	June 30, 1994	December 31, 1993
CURRENT ASSETS		
Cash and cash equivalents	$ 8.8	$ 0.4
Accounts and notes receivable	258.2	211.9
Allowance for doubtful accounts	(9.6)	(7.2)
Inventories	223.1	209.1
Other current assets	27.0	21.4
	507.5	435.6
PROPERTY, PLANT & EQUIPMENT, NET	340.5	313.1
OTHER ASSETS		
Goodwill, net	110.1	93.0
Other intangibles, net	24.6	25.7
Sundry	35.1	34.5

TOTAL ASSETS	$ 1,017.8	$ 901.9
CURRENT LIABILITIES		
Accounts and notes payable	$ 81.3	$ 74.1
Accrued expenses	88.2	66.9
Other current liabilities	29.0	25.2
	198.5	166.2
LONG-TERM DEBT	196.4	165.8
OTHER LIABILITIES	12.6	11.1
DEFERRED INCOME TAXES	43.2	43.2
SHAREHOLDERS' EQUITY		
Common stock - authorized 300,000,000 shares of $.01 par value; issued 40,848,288 and 40,325,961 shares in 1994 and 1993, respectively	.4	.4
Additional contributed capital	128.6	117.3
Retained earnings	443.0	401.0
Cumulative translation adjustment	(4.9)	(2.8)
Treasury stock (229 and 7,578 shares in 1994 and 1993, respectively)	-	(0.3)
	567.1	515.6
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 1,017.8	$ 901.9

Items excluded are either not applicable or de minimis in amount and, therefore, are not shown separately.

See accompanying notes to consolidated condensed financial statements.

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS
(Unaudited)

(Amounts in millions, except per share data)

	Six Months Ended June 30,		Three Months Ended June 30,	
	1994	1993	1994	1993
Net sales	$ 883.4	$ 734.7	$ 448.8	$ 371.7
Cost of goods sold	680.5	566.8	344.5	286.3
Gross profit	202.9	167.9	104.3	85.4
Selling, distribution and administrative expenses	107.3	93.8	54.5	47.8
Interest expense	3.8	5.8	2.0	2.8
Other deductions, net	2.4	1.8	1.2	.4
Earnings before income taxes	89.4	66.5	46.6	34.4
Income taxes	35.2	25.9	18.4	13.4
NET EARNINGS	$ 54.2	$ 40.6	$ 28.2	$ 21.0
Earnings Per Share (Exhibit 11)	$ 1.31	$ .99	$ .68	$ .51
Cash Dividends Declared Per Share	$ .30	$ .26	$ .15	$ .13
Average Shares Outstanding	41.4	41.0	41.4	41.0

See accompanying notes to consolidated condensed financial statements.

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

(Amounts in millions)	Six Months Ended June 30, 1994	Six Months Ended June 30, 1993
OPERATING ACTIVITIES		
Net Earnings	$ 54.2	$ 40.6
Adjustments to reconcile net earnings to net cash provided by operations		
Depreciation and amortization	26.3	21.2
LIFO expense	2.6	2.0
Deferred income taxes	(3.2)	(1.9)
Other	.6	.9
Other changes, net of effects from acquisitions of companies		
Increase in accounts receivable, net	(34.1)	(25.4)
(Increase) Decrease in inventories at FIFO cost	(10.6)	.8
Increase in other assets	(3.8)	(1.2)
Increase in accounts payable, accrued expenses and other current liabilities	34.3	23.4
NET CASH PROVIDED BY OPERATING ACTIVITIES	66.3	60.4
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(37.6)	(20.6)
Proceeds from sales of property, plant and equipment	.6	.7
Acquisitions of companies, net of cash acquired	(33.8)	(13.9)
NET CASH USED FOR INVESTING ACTIVITIES	(70.8)	(33.8)
FINANCING ACTIVITIES		
Additions to debt	35.9	-
Payments on debt	(11.0)	(20.5)
Dividends paid	(12.2)	(10.0)
Net sales of common stock	.6	.7
Other	(.4)	1.0
NET CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES	12.9	(28.8)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	8.4	(2.2)
CASH AND CASH EQUIVALENTS - January 1,	.4	5.2
CASH AND CASH EQUIVALENTS - June 30,	$ 8.8	$ 3.0
Interest paid (net of amounts capitalized)	$ 4.2	$ 5.4
Income taxes paid	$ 29.8	$ 26.8

See accompanying notes to consolidated condensed financial statements.

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(Unaudited)

(Amounts in millions, except share and per share data)

1. STATEMENT

In the opinion of management, the accompanying consolidated condensed financial statements contain all adjustments necessary for a fair statement of results of operations and financial position of Leggett & Platt, Incorporated and Consolidated Subsidiaries (the "Company"). The consolidated condensed financial statements include accounts of the Company and its majority-owned subsidiaries. As discussed in the Company's 1993 Annual Report on Form 10-K, previously issued financial statements have been restated to reflect pooling of interests acquisitions.

2. INVENTORIES

Inventories (principally LIFO method) comprised the following:

	June 30, 1994	December 31, 1993
Finished goods	$ 122.7	$ 113.3
Work in process	27.0	23.8
Raw materials	86.2	82.2
	235.9	219.3
Less LIFO reserve	12.8	10.2
	$ 223.1	$ 209.1

3. PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment comprised the following:

	June 30, 1994	December 31, 1993
Property, plant and equipment, at cost	$ 618.4	$ 571.2
Less accumulated depreciation	277.9	258.1
	$ 340.5	$ 313.1

4. GOODWILL AND OTHER INTANGIBLES

Goodwill comprised the following:

	June 30, 1994	December 31, 1993
Goodwill, at cost	$ 122.9	$ 104.4
Less accumulated amortization	12.8	11.4
	$ 110.1	$ 93.0

4. GOODWILL AND OTHER INTANGIBLES (continued)

Other Intangibles comprised the following:

	June 30, 1994	December 31, 1993
Other intangibles, at cost	$ 34.6	$ 37.0
Less accumulated amortization	10.0	11.3
	$ 24.6	$ 25.7

5. LOAN AGREEMENTS

In connection with various notes payable, the related loan agreements, among other restrictions, limit the amount of additional debt, require working capital to be maintained at specified amounts, and restrict payment of dividends. Unrestricted retained earnings available for dividends at June 30, 1994 were approximately $148.2.

6. ACQUISITIONS

During the second quarter, the Company acquired certain assets of three small companies for $33.8, net of cash acquired. Also, subsequent to the end of the quarter, the Company acquired certain assets of another company for $40.0. All of these acquisitions were accounted for as "purchases". Proforma results of operations and financial position are not material.

7. CAPITAL STOCK

On May 12, 1994 the Company's shareholders approved an amendment to the Company's 1989 Flexible Stock Plan increasing the number of shares authorized for issuance under the plan by 1,500,000 shares.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The Company's previously issued financial statements have been restated to reflect poolings of interests acquisitions completed in 1993. Therefore, the following discussion and analysis reflects the Company's capital resources and liquidity and results of operations as restated for these acquisitions.

Capital Resources and Liquidity

The Company's employment of debt and equity capital at June 30, 1994 and December 31, 1993 is shown in millions of dollars in the table below.

	June 30, 1994	December 31, 1993
Long-term debt outstanding:		
Scheduled maturities	118.6	122.3
Revolving credit	77.8	43.5
Total long-term debt	196.4	165.8
Shareholders' equity	567.1	515.6
Unused committed credit	122.2	116.5
Cash and cash equivalents	8.8	.4

Capital investments to modernize and expand capacity internally were $37.0 million, net of proceeds from sales of property, plant and equipment in the first six months of 1994. In addition, the Company purchased certain assets of three small businesses during the second quarter for $33.8 million, net of cash acquired. The increase in total long-term debt at June 30, 1994 primarily reflected borrowings for these acquisitions.

As shown above, revolving credit at mid year was $77.8 million, up from $43.5 million at the end of 1993. Debt with scheduled maturities was $118.6 million, down from $122.3 million. During this year's second quarter, the Company increased the total amount of committed credit available under its bank revolving credit agreements to $200 million, up from $160 million at the end of 1993. Therefore, unused committed credit at June 30, 1994 was $122.2 million, up from $116.5 million at year end. In addition, cash and cash equivalents increased to $8.8 million at June 30, 1994, up from $.4 million at year end.

Working capital at June 30, 1994 was $309.0 million, up from $269.4 million at the end of 1993. Total current assets increased $71.9 million, due primarily to increases in trade accounts and notes receivable and inventories. Total current liabilities increased $32.3 million. These increases primarily reflected higher sales and production volumes during the first six months of 1994. There was no short-term debt outstanding at mid year or at the end of 1993.

Near the end of July 1994, the Company issued $25 million in unsecured privately placed debt under its medium term note program. These notes were issued with average lives of approximately 8 years and fixed interest rates averaging 7.6%. Proceeds from the notes were used to repay a portion of the Company's revolving credit.

On July 29, 1994, the Company purchased substantially all of the assets of another business for $40 million in cash. The Company's revolving credit was increased to make this acquisition. All of the acquisitions completed to date in 1994 fit very well with the Company's continuing emphasis on manufacturing, marketing and distributing a broad line of components and related products for the furnishings industry and diversified markets. The Company continues to have substantial capital resources and flexibility to pursue management's goal of increasing efficiencies and profitable growth, both internally and through additional acquisitions.

Results of Operations

The Company had record earnings and sales in the first six months of 1994. Earnings were $1.31 per share (up 32%) and sales were $883.4 million (up 20%) --- both compared with the first six months of 1993. Earnings and sales were also at record second quarter levels in 1994. Earnings were $.68

per share (up 33%) and sales were $448.8 million (up 21%) --- both compared with the second quarter of 1993.

Overall business conditions during the first six months and the second quarter of 1994 reflected further growth in the U.S. economy. While interest rates continued to rise from 1993 lows, overall availability of credit increased. Consumer confidence remained well above year earlier levels, and consumer spending on durable goods, including furniture and bedding, generally increased. Final demand in the diversified, non-furnishings markets the Company serves also improved.

The Company's sales growth reflected these general economic conditions, plus a continuing benefit from acquisitions. Excluding acquisitions accounted for as purchases, sales increased 9% in the first six months and the second quarter of 1994. Acquisitions completed in the third quarter of 1993 will not significantly benefit sales growth during the balance of this year. However, the four previously mentioned 1994 acquisitions will expand the Company's current annual sales base by approximately $125 million, an increase of about 7%. In addition, projections indicate 1994 acquisitions to date should enhance annualized earnings by about $.05 per share.

The Company's growth in earnings in the first six months and the second quarter continued to exceed sales growth, reflecting favorable year-to-year comparisons of net profit margins. In the first six months, net profit margins were 6.1% of sales in 1994 and 5.5% in 1993. The net profit margin in this year's second quarter was 6.3%, up from 5.6% in the second quarter of 1993.

The following shows various measures of earnings, as a percentage of sales, for the first six months and the second quarter in both of the last two years. It also shows the Company's effective income tax rate for each period.

	Six Months Ended June 30, 1994	Six Months Ended June 30, 1993	Quarter Ended June 30, 1994	Quarter Ended June 30, 1993
Gross profit margin	23.0%	22.9%	23.2%	23.0%
Pre-tax profit margin	10.1	9.0	10.4	9.3
Net profit margin	6.1	5.5	6.3	5.6
Effective income tax rate	39.4	38.9	39.5	39.0

As shown above, the Company's 1994 gross profit margins improved slightly when compared with 1993. This improvement reflected increases in overall manufacturing efficiencies on higher volume. Much of the improvement in gross margins came from operations producing products other than components for bedding, furniture and the automotive industry. Margins on these components generally continue to reflect some 1993 cost increases for raw materials that the Company has not passed on in its selling prices.

When compared with the first quarter of 1994, the improvement in this year's second quarter gross margin reflected further increases in efficiencies and increased sales of some products with above average margins. During the second quarter, inflation in the Company's raw material costs in general moderated. However, as the third quarter began, the price of steel scrap (a key ingredient in several of the Company's raw materials) was increasing. If this becomes a continuing trend, it could result in additional inflation in raw material costs.

The increase in 1994 pre-tax profit margins primarily reflected two other favorable factors. First, the Company's operating expense ratios improved as administrative, selling and distribution expenses were kept under tight control and declined as a percentage of sales. Second, interest expense was reduced, primarily because of the Company's 1993 refinancing of debt after the acquisition of Hanes Holding Company this past September.

These favorable factors were partially offset by a somewhat higher effective income tax rate in 1994. The higher tax rate primarily reflected the increase in corporate federal income tax rates in the third quarter of 1993.

PART II. OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders

The Company held its annual meeting of shareholders on May 12, 1994. Matters voted upon were (1) election of directors, (2) an amendment to the Company's 1989 Flexible Stock Plan increasing the number of shares authorized for issuance under the plan by 1,500,000 shares and other certain amendments, (3) ratifying Price Waterhouse as the Company's independent auditors for the year ending December 31, 1994, and (4) a shareholder proposal whereby more information regarding the Company's hiring practices of women and minorities would be disclosed.

The number of votes cast for, against, withheld or broker non-votes, as well as abstentions, with respect to each matter are set out below.

1. Election of Directors

DIRECTOR	FOR	WITHHELD
Herbert C. Casteel	33,303,359	456,244
Harry M. Cornell, Jr.	33,310,436	449,167
R. Ted Enloe, III	32,443,314	1,316,289
Richard T. Fisher	33,316,163	443,440
Frank E. Ford, Jr.	33,302,181	457,422
Robert A. Jefferies, Jr.	33,310,473	449,130
Alexander M. Levine	33,310,595	449,008
James C. McCormick	32,739,737	1,019,866
Richard L. Pearsall	33,314,678	444,925
Maurice E. Purnell, Jr.	33,296,443	463,160
Felix E. Wright	33,309,506	450,097

2. Amendment to Flexible Stock Plan

FOR	AGAINST	BROKER NON-VOTE	ABSTAIN
23,136,513	8,857,477	1,585,937	179,676

3. Ratification of Independent Auditors

FOR	AGAINST	ABSTAIN
33,633,347	79,610	46,646

4. Shareholder Proposal

FOR	AGAINST	BROKER NON-VOTE	ABSTAIN
4,059,808	24,776,327	1,546,436	3,377,032

Item 6. Exhibits and Reports on Form 8-K

(A) Exhibit 11 - Computations of Earnings Per Share

(B) No reports on Form 8-K have been filed during the quarter for which this report is filed.

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 thereunto duly authorized.

LEGGETT & PLATT, INCORPORATED

DATE: August 12, 1994

By: /s/ HARRY M. CORNELL, JR.

Harry M. Cornell, Jr.
Chairman of the Board
and Chief Executive Officer

DATE: August 12, 1994

By: /s/ MICHAEL A. GLAUBER

Michael A. Glauber
Senior Vice President,
Finance and Administration

EXHIBIT INDEX

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES Exhibit 11

COMPUTATIONS OF EARNINGS PER SHARE

(Amounts in millions, except per share data)

	Six Months Ended June 30,		Three Months Ended June 30,	
	1994	1993	1994	1993
EARNINGS PER SHARE				
Weighted average number of common shares outstanding	40.8	40.0	40.8	40.1
Dilution from outstanding stock options-computed using the "treasury stock" method	.6	.7	.6	.6
Dilution from shares issuable under contingent earnout agreement	-	.3	-	.3
Weighted average number of common shares outstanding as adjusted	41.4	41.0	41.4	41.0
Net Earnings	$ 54.2	$ 40.6	$ 28.2	$ 21.0
Earnings Per Share	$ 1.31	$ .99	$ .68	$ .51

NOTE: Previously reported amounts have been restated to reflect acquisitions accounted for as poolings of interests, as discussed in Note 1 to the Consolidated Condensed Financial Statements.