

Appendix

Non-GAAP Adjustments

Reconciliation of Reported (GAAP) to Adjusted (non-GAAP) Financial Measures

(Dollar amounts in millions, except per share data)

	2005	2006	2007 ¹	2008 ²	2009 ³	2010	2011 ⁴	2012 ⁵	2013 ⁶	2014 ⁷	2015 ⁸	2016 ⁹	2017 ¹⁰	2018 ¹¹	2019 ¹²	2020 ¹³	2021 ¹⁴	2022	2023 ¹⁵
Non-GAAP adjustments, Continuing Operations																			
Gain/loss from sale of real est and/or businesses	\$ -	\$ (4)	\$ (9)	\$ (13)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (28)	\$ (20)	\$ -	\$ -	\$ -	\$ (28)	\$ -	\$ (11)
Unusual worker's compensation charges	21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued ops overhead	-	12	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unusual bad debt expense	-	-	-	7	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Note write-off from divested business	-	-	-	-	11	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefit from litigation settlement proceeds	-	-	-	-	-	-	-	-	-	-	-	(7)	-	-	-	-	-	-	-
Impairment charges	-	-	145	10	-	-	-	-	67	-	6	4	5	-	-	25	-	-	444
Pension settlement charge	-	-	-	-	-	-	-	-	-	-	12	-	15	-	-	-	-	-	-
Litigation accrual	-	-	-	-	-	-	-	-	-	54	6	-	-	-	-	-	-	-	-
Acquisition-related bargain purchase gain	-	-	-	-	-	-	-	-	(9)	-	-	-	-	-	-	-	-	-	-
Note impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	16	-	8	-	-	-
Acquisition-related transaction costs	-	-	-	-	-	-	-	-	-	-	-	-	-	7	1	-	-	-	-
Restructuring-related charges	44	18	24	34	-	-	15	-	-	-	-	-	-	23	10	8	-	-	-
Stock write-off from prior year divestiture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	-	-	-
Gain on net insurance proceeds from tornado damage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(9)
Non-GAAP adjustments, pre-tax	65	26	172	38	19	-	15	-	58	54	23	(31)	(0)	46	11	45	(28)	-	424
Income tax impact	(22)	(8)	(28)	(14)	(6)	-	(5)	-	(21)	(21)	(9)	12	(0)	(9)	(1)	(4)	7	-	(98)
Special tax items	(10)	(11)	13	(1)	6	-	-	(27)	-	-	-	-	43	(2)	-	-	-	-	-
Non-GAAP adjustments, after tax	\$ 33	\$ 7	\$ 157	\$ 23	\$ 19	\$ -	\$ 10	\$ (27)	\$ 37	\$ 33	\$ 15	\$ (19)	\$ 42	\$ 35	\$ 10	\$ 41	\$ (21)	\$ -	\$ 326
Diluted shares outstanding	193.6	186.8	179.8	168.2	160.0	153.3	147.0	146.0	147.2	143.2	142.9	140.0	137.3	135.2	135.4	135.9	136.7	136.5	136.3
EPS impact of non-GAAP adjustments	\$ 0.17	\$ 0.04	\$ 0.87	\$ 0.14	\$ 0.12	\$ -	\$ 0.07	\$ (0.18)	\$ 0.25	\$ 0.23	\$ 0.09	\$ (0.14)	\$ 0.32	\$ 0.26	\$ 0.07	\$ 0.30	\$ (0.16)	\$ -	\$ 2.39

¹ 2007 adjustments were primarily in 4Q.

² 2008 adjustments were primarily in 4Q.

³ 2009 adjustments: Bad debt expense was in 1Q, write-down of divestiture note was in 2Q, and unusual tax items were in 4Q.

⁴ 2011 adjustments were in 4Q.

⁵ 2012 adjustments were in 4Q.

⁶ 2013 adjustments: Impairment charge was in Specialized Products - 4Q; acq-related purch gain was below segments - 3Q.

⁷ 2014 adjustments: Litigation accrual was in Residential Products - \$32m in 3Q and \$22m in 4Q.

⁸ 2015 adjustments: Litigation accrual was in Furniture, Flooring & Textile Products - \$2m in 2Q and \$4m in 4Q;

Impairment charge was in Bedding Products - 1Q; and pension buyout was below segments - 4Q.

⁹ 2016 adjustments: Divestiture gains of \$11m in Specialized Products - 2Q and \$16m in Bedding Products - 4Q;

Impairment charge in Specialized Products - 2Q; and litigation settlement gain in Furniture, Flooring & Textile Products - 2Q.

¹⁰ 2017 adjustments: Divestiture loss of \$3m in Specialized Products - 3Q and real estate gain of \$23m in Specialized Products - 4Q; Impairment charge in Bedding Products - 3Q;

Divestiture tax benefit in Specialized Products of \$6m in 3Q and \$2m in 4Q; pension settlement charge was below segments - 4Q and Tax Cuts and Jobs Act impact of \$50m - 4Q.

¹¹ 2018 adjustments: Note impairment and acquisition-related transaction costs (\$4m in SG&A & \$3m in interest expense) in Bedding Products - 4Q;

Restructuring-related charges of \$9m in Furniture, Flooring & Textile Products and \$7m in Bedding Products - 4Q; Tax Cuts and Jobs Act benefit of \$2m - 3Q.

¹² 2019 adjustments: Acquisition-related transaction costs of \$1m in Bedding Products - 1Q; Restructuring-related charges in Bedding Products - \$5m in 1Q, (\$1m) in 2Q, \$3m in 3Q and \$2m in 4Q;

Restructuring-related charges in Furniture, Flooring & Textile Products - \$1m in 1Q, \$1m in 2Q, \$1m in 3Q and \$3m in 4Q.

¹³ 2020 adjustments: Impairment charge was in Specialized Products - \$25m in 2Q; Impairment related to a note receivable of \$8m in Bedding Products - 1Q;

Restructuring-related charges in Bedding Products - \$2m in 1Q, \$1m in 2Q; Restructuring-related charges in Specialized Products - \$4m in 3Q;

Restructuring-related charges in Furniture, Flooring & Textile Products - \$1m in 1Q and \$1m in 2Q; Stock write-off from prior year divestiture below segments - \$4m in 1Q.

¹⁴ 2021 adjustment: Real estate gain of \$28m in Bedding Products - 2Q.

¹⁵ 2023 adjustment: Net insurance proceeds gain in Bedding Products - \$1m in 2Q and \$1m in 4Q and in Furniture, Flooring & Textile Products - \$3m in 2Q and \$4m in 4Q;

Real estate gains in Bedding Products - \$5m in 3Q and in Furniture, Flooring & Textile Products - \$6m in 4Q; Impairment charge was in Bedding Products - 4Q.

2015-2020 Adjusted for effects of change from LIFO to FIFO

Reconciliation of Adj EBIT, Adj EBIT Margin, Adj EBITDA, and Adj EBITDA Margin

Leggett & Platt

<i>(\$ millions, except EPS)</i>	2019 ¹	2020 ¹	2021	2022	2023
Net trade sales	\$4,753	\$4,280	\$5,073	\$5,147	\$4,725
EBIT (continuing operations)	\$487	\$408	\$596	\$485	(\$90)
Non-GAAP adjustments, pre-tax	11	45	(28)	—	424
Adjusted EBIT (cont. operations)	\$498	\$453	\$568	\$485	\$334
Adjusted EBIT margin	10.5%	10.6%	11.2%	9.4%	7.1%
Adjusted EBIT (cont. operations)	\$498	\$453	\$568	\$485	\$334
Depreciation & amortization	192	189	187	180	180
Adjusted EBITDA (cont. operations)	\$690	\$642	\$755	\$665	\$513
Adjusted EBITDA margin	14.5%	15.0%	14.9%	12.9%	10.9%

¹ Adjusted for effects of change from LIFO to FIFO

Reconciliation of Adj Earnings and Adj EPS

Leggett & Platt

<i>(\$ millions, except EPS)</i>	2019 ¹	2020 ¹	2021	2022	2023
Earnings (continuing operations)	\$314	\$253	\$403	\$310	(\$137)
Non-GAAP adjustments, after tax	10	41	(21)	—	326
Adjusted Earnings (cont. operations)	\$324	\$294	\$381	\$310	\$189
Diluted EPS (continuing operations)	\$2.32	\$1.86	\$2.94	\$2.27	(\$1.00)
EPS impact from non-GAAP adjs	.07	.30	(.16)	—	2.39
Adjusted EPS (cont. operations)	\$2.39	\$2.16	\$2.78	\$2.27	\$1.39

¹ Adjusted for effects of change from LIFO to FIFO

Calculation of Return on Invested Capital

Leggett & Platt

	2019 ²	2020 ²	2021	2022	2023
Adjusted EBIT (cont. operations)	\$498	\$453	\$568	\$485	\$334
Tax rate	21.8%	21.2%	22.8%	23.2%	24.5%
Net Operating Profit After Tax (NOPAT)¹	389	357	438	372	252
Total debt (long-term + current)	\$2,118	\$1,900	\$2,090	\$2,084	\$1,988
Operating lease liabilities	161	165	198	203	208
Equity	1,342	1,425	1,649	1,641	1,334
Less: Cash & Cash equivalents	(248)	(349)	(362)	(317)	(366)
Invested Capital	\$3,373	\$3,141	\$3,575	\$3,612	\$3,164
Average Invested Capital	\$2,740	\$3,257	\$3,358	\$3,593	\$3,388
Return on Invested Capital (ROIC)	14.2%	11.0%	13.1%	10.4%	7.4%

¹ NOPAT = Adjusted EBIT x (1 – tax rate)

² Adjusted for effects of change from LIFO to FIFO

Non-GAAP Financial Measures

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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 EBITDA**, **adjusted EBITDA 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 **return on invested capital (ROIC)** provides investors a useful way to assess how efficiently the Company uses investors’ funds to generate income. Management uses this ratio as supplemental information to assess how effectively its invested capital is utilized.

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.