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,” “guidance” or the like and include sales and growth, volume growth, EPS, EBIT, depreciation and amortization, net interest expense, tax rate, diluted shares, operating cash, capital expenditures, dividends and yield, debt repayments, net earnings, return on invested capital, raw material related price increases, currency benefit, fixed cost savings, EBIT margins, metal margins, stock repurchases, TSR, acquisition spending, and uses of cash. 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: the adverse impact caused by the COVID-19 pandemic upon (i) the demand for our products, (ii) our manufacturing facilities’ ability to remain fully operational, obtain necessary raw materials and parts, maintain appropriate labor levels and ship finished products to customers, (iii) operating costs related to benefits for our terminated employees, (iv) our ability to collect receivables in accordance with their terms, (v) impairment of goodwill and long-lived assets, (vi) restructuring and related charges, and (vii) access to the commercial paper market or borrowing under our credit facility; our ability to comply with restrictive financial covenants; changes in our capital needs, market conditions, disruption to our rod mill, our ability to manage working capital, antidumping duties, cybersecurity breaches, or customer losses; price and product competition; cost and availability of raw materials and labor, fuel and energy costs, climate change regulations, ESG risks, foreign currency fluctuation, cash repatriation, sale of real estate gains, privacy laws, litigation risks, and other risk factors in Leggett’s most recent Form 10-K and subsequent Form 10-Qs.

Market and Industry Data

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.
Leggett Distinctives

- **Strong** balance sheet and cash flow
- **Disciplined** use of cash
- ~3% dividend yield; 50 consecutive annual increases
- **Leader** in most markets; few large competitors

Opportunities for **long-term growth**
- Internal initiatives + market growth + acquisitions
- Large addressable markets

Management has “**skin in the game**”
- Significant stock owners; forego comp in exchange for shares
- Incentive comp aligned with TSR focus

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**Our Markets**

**Macro Market Exposure**

- Automotive 20%
- Consumer Durables 60%
- Commercial/Industrial 20%

**Geographic Split (based on production)**

- U.S. 67%
- Europe 10%
- China 10%
- Mexico 5%
- Canada 6%
- Others 2%

**Product Mix (based on 2021 estimated net trade sales)**

- Bedding 48%
- flooring & textiles 17%
- Home furniture 8%
- Work furniture 5%
- Hydraulic cylinders 2%
- Aerospace 2%
- Automotive 18%
Segments

Bedding Products

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

- Wire
  - Drawn steel wire
  - Steel rod

- Adjustable Bed
  - Adjustable beds

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

Specialized Products

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

- Aerospace
  - Tubing
  - Tube assemblies
  - Flexible joints

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

Furniture, Flooring & Textile Products

- Home Furniture
  - Recliner mechanisms
  - Seating and sofa sleeper components

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

- Flooring & Textiles
  - Flooring underlayment
  - Textile converting
  - Geo components

% of 2021e net trade sales

Bedding 48%

Specialized 22%

Furniture, Flooring & Textile 30%

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Long Term Value Creation

TSR in Top Third of S&P 500

SOURCES

- Revenue Growth
  Target: 6–9% annually

- Margin Improvement
  Target: 11.5–12.5%

- Dividend Yield
  Payout target: ~50% of earnings

- Stock Buybacks
  With available cash

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

6–9% Average Annual Revenue Growth
Organic + Acquisition

1. Increasing Content and New Programs
2. Expanding Addressable Markets
3. Identifying Strategic Acquisitions

U.S. Bedding Market Overview

Finished Mattresses & Foundations at Wholesale Addressable Market

~$10B

Approximate Market Size
Mattresses $8B
Adjustable Foundations $1B
Static Foundations $1B

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
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

Effects of COVID-19 accelerated growth of online purchasing and compressed mattresses

L&P Bedding Value Chain

Supporting our customers from components to finished goods and fulfillment
Vertical Integration in Bedding Products

Each year at our roll mill in Sterling, Illinois, approximately 0.5 million tons of steel scrap are melted and formed into billets. The billets are then used to make around 300,000 tons of steel rod.

The majority of the rod goes to our two domestic wire mills to be drawn into various gauges of wire, while most of the wire goes to our spring-making plants to be coiled into innersprings on wire-forming machines manufactured by our Spiroll facility in Switzerland.

Our innersprings are sold to most U.S. bedding manufacturers and used in private-label finished hybrid compressed mattresses produced in our facilities across the country.

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
Global Automotive Market Overview

Cabin Comfort & Convenience Addressable Market

Approximate Market Size

- $1B Comfort: Few, single-product focus
- $2B Cables: Many, fragmented
- $3B Motors: Many, functionality vs. cost
- $4B Actuators: Many, make vs. buy
- $10B Adjacent Electronics/Software: Many, make vs. buy

CAGR

- 5%
- 2%
- 5%
- 5%
- 9%

~6% CAGR outpacing vehicle production

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

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

Acquisition Strategy

Strong Strategic Fit
- Growth in attractive markets
- Sustainable competitive advantage
- Enhance current capabilities or product offerings
- Meaningful synergies
- Low risk of disruption

Disciplined Financial Screen
- Solid, above-market growth opportunities
- Accretive to GAAP EPS and cash flow within one year of acquisition
- Returns well above WACC

Cultural Alignment
- Ethics and integrity
- Safety prioritization
- Strong, committed leadership team
- Customer focus
- Continuous improvement

Acquisitions are most often bolt-on to existing businesses but could also include opportunities in new markets that leverage our key competencies.
Sources of Margin Improvement

Near-Term Opportunities

- Maintaining fixed cost reductions as much as practical from actions taken last year
- Improving efficiency in rapidly growing operations

Ongoing Opportunities

- Portfolio Management
- Growth in Attractive Markets
- Product Innovation
- Continuous Improvement

Long-Term Disciplined Use of Cash

1. Fund organic growth

2. Pay dividends
   - 50-year history of dividend increases
   - S&P 500 Dividend Aristocrat
   - Payout target is ~50% of earnings

3. Fund strategic acquisitions

4. Repurchase stock with available cash
Debt, Liquidity, and Cash Flow

Debt and Liquidity

- Maintaining priority on Investment Grade credit rating
- Making progress with deleveraging
- Full availability under $1.2 billion revolving credit facility
- Comfortably supports dividend funding

Cash Flow

- Long history of strong Operating Cash Flow
- Exceeded capital expenditures + dividends for past 32 years; expected again in 2021

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Sustainability

Our Commitment to Enhancing Lives

- **Innovative Products Deliver Positive Sustainability Impact for our Customers**
- **Focus on Resource Efficiency, Waste Reduction, and Renewables Protects Environment and Reduces Costs**
- **Investing in our People to Attract and Retain Talent for Long-Term Success**

Enhancing Lives through our Products, our Processes, and our People
Innovative Products Deliver Positive Sustainability Impact for our Customers

- Lightweight automotive components help to reduce overall vehicle weight, improve fuel efficiency, and reduce noise
- Specialty foam products meet the highest standards for chemical safety with CertiPUR-US® certification
- ~50% of wood used in our U.S. bedding products comes from Forest Stewardship Council (FSC) certified sources
- Carpet cushion products make a direct contribution towards Leadership in Energy and Environmental Design (LEED) green building certification, are Carpet and Rug Institute (CRI) Green Label Plus-certified, and recyclable

Focus on Resource Efficiency, Waste Reduction, and Renewables Protects Environment and Reduces Costs

- Over 90% of steel used is produced from primarily locally-sourced, recycled steep scrap
- ~40% of U.S. and over 88% of Canadian electric consumption is from nuclear energy and other sources of renewable power
- Voluntary partnership with U.S. Department of Energy (DOE) Better Buildings, Better Plants Program to drive energy efficiency
- Company-wide Environmental Management System drives continual improvement in environmental sustainability
Investing in our People to Attract and Retain Talent for Long-Term Success

- 89% internal promotion rate for corporate officer positions over the last three years
- Internship program helps to build a deep and diverse talent pool
  - 48% of interns hired into permanent positions over the last five years
- Global Frontline Supervisor Training Program designed to help managers in our operations build strong employee engagement
- Targeted employee surveys conducted at our facilities to evaluate the general employee relations environment

Recognized by *Fortune Magazine* as one of the World’s Most Admired Companies every year since 2013

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Governance/Directors

9 Non-Management Directors (out of 11 total) | Only Non-Management Directors on Key Board Committees | 6 out of 11 Directors Diverse by Race/Ethnicity or Gender

<table>
<thead>
<tr>
<th>Non-Management</th>
<th>Age</th>
<th>Joined</th>
<th>Position</th>
<th>Firm</th>
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<tbody>
<tr>
<td>Mark Blinn</td>
<td>59</td>
<td>2019</td>
<td>Retired President &amp; CEO</td>
<td>Flowsolve</td>
</tr>
<tr>
<td>Robert Brunner</td>
<td>63</td>
<td>2009</td>
<td>Retired EVP</td>
<td>ITW</td>
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<tr>
<td>Mary Campbell</td>
<td>54</td>
<td>2019</td>
<td>Chief Merchandising Officer/Chief Commerce Officer</td>
<td>Qurate Retail Group/QVC U.S.</td>
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<td>Manuel Fernandez</td>
<td>75</td>
<td>2014</td>
<td>Managing Director</td>
<td>SI Ventures</td>
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<tr>
<td>Joe McClanathan</td>
<td>68</td>
<td>2005</td>
<td>Retired President &amp; CEO</td>
<td>Energizer Household Products</td>
</tr>
<tr>
<td>Judy Odom †</td>
<td>68</td>
<td>2002</td>
<td>Retired Chair &amp; CEO</td>
<td>Software Spectrum</td>
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<tr>
<td>Srikanth Padmanabhan</td>
<td>56</td>
<td>2018</td>
<td>Vice President</td>
<td>Cummins Inc.</td>
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<td>Jai Shah</td>
<td>55</td>
<td>2019</td>
<td>Group President</td>
<td>Masco</td>
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<tr>
<td>Phoebe Wood</td>
<td>68</td>
<td>2005</td>
<td>Principal</td>
<td>CompaniesWood</td>
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Management

<table>
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<tr>
<th>Management</th>
<th>Age</th>
<th>Joined</th>
<th>Position</th>
<th>Firm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Karl Glassman †</td>
<td>62</td>
<td>2002</td>
<td>Chairman &amp; CEO</td>
<td>Leggett &amp; Platt</td>
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<tr>
<td>Mitch Dolloff</td>
<td>55</td>
<td>2020</td>
<td>President &amp; COO</td>
<td>Leggett &amp; Platt</td>
</tr>
</tbody>
</table>

† Lead Director
† Chairman of the Board

Committees: ‡ Audit • Compensation ◊ Nominating & Corporate Governance
Compensation Rewards Strong Performance

**Annual Incentive**
- Based on current year ROCE and free cash flow

**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 ~300 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

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Current Topics

First Quarter Highlights

- Sales increased 10%, to $1.151 billion
  - Volume was up 4%
  - Raw material-related price increases added 5%
  - Currency benefit added 2%
  - Divestitures, net of acquisitions, reduced sales by 1%

- Q1 record EBIT of $128 million, up $37 million vs. Q1-20 adj.¹ EBIT
  - EBIT margin 11.1%, up 240 bps vs. Q1-20 adj.¹ EBIT margin of 8.7%

- Q1 record EPS of $.64, up $.24 vs. adj.¹ EPS of $.40 in Q1-20

- Fixed cost savings ~$20 million

- Changed methodology for valuing domestic steel-related inventory from LIFO to FIFO, effective January 1, 2021
  - All prior periods presented have been retrospectively adjusted to apply the effects of the change

- Increased 2021 guidance: sales of $4.8–$5.0 billion and EPS of $2.55–$2.75

¹ See appendix for non-GAAP reconciliations
2021 Updated Guidance (issued 5/3/21 and not updated since)

- Increased full year 2021 sales guidance to $4.8–$5.0 billion (vs. prior range of $4.6–$4.9 billion); up 12%–17% versus 2020
  - Volume expected to grow mid-to-high-single-digits, a result of:
    - Strong consumer demand for home-related items and global automotive
    - Progress with supply chain constraints
    - Modest improvement in businesses in industries that have been negatively impacted by effects of COVID-19
  - Raw material-related price increases and currency benefit expected to add sales growth
  - Small acquisitions expected to be largely offset by prior year divestitures

- EPS raised to $2.55–$2.75 (vs. prior range of $2.30–$2.60)
  - Reflects higher volume and higher metal margin
  - Assumes fixed cost savings (from actions in 2020) to be ~$70 million
  - Excludes potential gain from real estate sale that may occur as early as 2Q

- Implied EBIT margin of 11.0%–11.5%

2021 Updated Guidance (continued)

- Depreciation and amortization ~$195 million
- Net interest expense ~$75 million
- Tax rate ~23%
- Diluted shares ~137 million
- Operating cash ~$500 million
- Capital expenditures ~$150 million
- Dividends ~$220 million
- Debt repayments at least $51 million
Commodity Impact

**Steel**
- Main categories are scrap, rod, and flat-rolled
- Impact from inflation/deflation
  - Typically pass through; lag is ~90 days
- Change in metal margin (mkt price for rod – mkt price for scrap) also impacts earnings
  - Our scrap cost and rod pricing moves with the market; large swings could cause Bedding Products segment earnings volatility

**Chemicals**
- Main types are TDI, MDI, and polyols
- Impact from inflation/deflation
  - Typically pass through; lag is ~30 days

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

- Strong businesses with compelling *market advantages*
- Opportunities for long-term *profitable growth*
- Maintaining *capital discipline*

**Dividend growth** remains a top priority
- 50 years of annual increases
- Attractive yield ~3%

Commitment to *sustainability* through our products, our processes, and our people

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**FOR ADDITIONAL INFORMATION**

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Email: invest@leggett.com
Phone: (417) 358-8131

Find our Fact Book and Sustainability Report at www.leggett.com

Susan McCoy      Senior Vice President, Investor Relations
Cassie Branscum Senior Director, Investor Relations
Tarah Sherwood   Director, Investor Relations
Cost Structure

- Costs are roughly 75% variable, 25% fixed
- Incremental/decremental volume
  - 25–35% contribution margin
- 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.
Customers Include

In North America:
Adient
Ashley Furniture
Berkshire Hathaway
Best Home Furnishings
Casper
Eaton
Ford
GE Aviation
General Motors
Haworth
Herman Miller
HNI
Home Depot
JLG (Oshkosh)
Knoll
La-Z-Boy
Lear
Lincoln Electric
Lowe’s
Magna
Mattress Firm
MCF
Purple
Resident Home
Serta
Simmons
Sleep Number
Steelcase
Tempur Sealy
Tesla
Toyota Boshoku
Toyota Industrial Equip
Tuft & Needle
Walmart

In Europe and Asia:
Bensons
Dreams
Ekornes
Faurecia
Fritz Hansen
Hay
Hilding Anders
Howe
Kuka
Natuzzi
Profim
Recticel
Sanyo
Silentnight Beds
Sleepeezee
Volkswagen

Diverse Customer Base – Low Concentration

Strong Peer Group

Diversified Manufacturers
w/ Ticker & Fortune 1000 Ranking (May 2020)
Leggett Ranking = 569

<table>
<thead>
<tr>
<th>Ticker</th>
<th>Company</th>
<th>Leggett Ranking</th>
<th>Fortune 1000 Ranking</th>
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<tr>
<td>CSL</td>
<td>Carlisle</td>
<td>563</td>
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<td>DHR</td>
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<td>Dover</td>
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<td>ITW</td>
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<td>Ingersoll Rand</td>
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<tr>
<td>PPG</td>
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Characteristics of the Group

- Multiple Business Segments
- Primarily Manufacturers
- Sell Mainly to Other Manufacturers
- In “Old Economy” Markets
- Low Customer Concentration
- Complex; Hard to Grasp
- Stamp, Cast & Machine Materials
- Old, Established Firms
- Moderate Labor & Capital Intensity
- Diverse Products
Financial Information

Sales and EBIT

- Amounts are from continuing operations and exclude unusual items. See appendix for non-GAAP reconciliations.
- 2021 estimates are based on mid-point of guidance
- 2016 - 2020 financial data has been adjusted to apply the effects of the change from LIFO to FIFO
Net Earnings and EPS

- Amounts are from continuing operations and exclude unusual items. See appendix for non-GAAP reconciliations.
- 2021 estimates are based on mid-point of guidance
- 2016 - 2020 financial data has been adjusted to apply the effects of the change from LIFO to FIFO

Returns and TSR

- See appendix for return calculation
- 2021 estimates are based on mid-point of guidance
- TSR assuming dividends continually reinvested
- 2016 - 2020 financial data has been adjusted to apply the effects of the change from LIFO to FIFO
Segment EBIT Margins

- Amounts exclude unusual items. See appendix for non-GAAP reconciliations.
- 2021 estimates are based on mid-point of guidance
- 2016 - 2020 financial data has been adjusted to apply the effects of the change from LIFO to FIFO

Uses of Cash Flow

Operating Cash > Capital Expenditures + Dividends for over 30 years
Cash Flow Details

<table>
<thead>
<tr>
<th>$'s in millions</th>
<th>2016(^1)</th>
<th>2017(^1)</th>
<th>2018(^1)</th>
<th>2019(^1)</th>
<th>2020(^1)</th>
<th>2021(^e)</th>
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<tbody>
<tr>
<td>Net Earnings</td>
<td>394</td>
<td>307</td>
<td>324</td>
<td>314</td>
<td>253</td>
<td>365</td>
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<tr>
<td>Deprec &amp; Amort</td>
<td>115</td>
<td>126</td>
<td>136</td>
<td>192</td>
<td>189</td>
<td>195</td>
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<tr>
<td>Def Income Taxes(^2)</td>
<td>18</td>
<td>16</td>
<td>3</td>
<td>1</td>
<td>(21)</td>
<td></td>
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<tr>
<td>Impairments</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>8</td>
<td>29</td>
<td></td>
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<tr>
<td>Working Capital(^2)</td>
<td>(15)</td>
<td>(80)</td>
<td>(77)</td>
<td>101</td>
<td>80</td>
<td>(80)</td>
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<tr>
<td>Other Non-Cash(^2,3)</td>
<td>7</td>
<td>70</td>
<td>49</td>
<td>52</td>
<td>73</td>
<td>20</td>
</tr>
<tr>
<td>Cash from Operations</td>
<td>553</td>
<td>444</td>
<td>440</td>
<td>668</td>
<td>603</td>
<td>500</td>
</tr>
</tbody>
</table>

Uses of Cash

- Capital Expenditures: (124, 159, 160, 143, 66, 150)
- Dividends: (177, 186, 194, 205, 212, 220)
- Acquisitions: (30, 39, 109, 1,265, —, 30)
- Share Repurchases: (193, 155, 108, 7, 9, —)

\(^1\) Adjusted to apply the effects of the change from LIFO to FIFO
\(^2\) 2016-2017 have not yet been fully restated to apply effects of the LIFO to FIFO change
\(^3\) 2017 Other Non-Cash includes $67 million in deemed repatriation taxes as a result of the Tax Cuts and Jobs Act
\(^e\) 2021 estimated net income is based on mid-point of guidance

Debt Issued and Retired

- Excludes commercial paper borrowings and operating lease liabilities
Financial Metrics Defined

- **TSR: Total Shareholder Return**
  - Total benefit investor realizes from owning our stock
  - \((\Delta \text{stock price} + \text{dividends}) / \text{initial stock price}\)

- **EBIT CAGR: Compound Annual Growth Rate of EBIT**

- **ROCE: Return on Capital Employed**
  - Drives ~60% of annual bonus at operating level and corporate
  - \(\frac{\text{EBIT}}{(\text{working capital (ex cash & current debt)} + \text{net PP&E})}\)

- **FCF: Free Cash Flow**
  - Drives ~40% of annual bonus at operating level and corporate
  - \(\text{EBITDA} - \text{capex} \pm \Delta \text{working capital (ex cash & current debt)}\)
### Q1 Non-GAAP Adjustments

<table>
<thead>
<tr>
<th>($ millions, except EPS)</th>
<th>Q1-21</th>
<th>Q1-20</th>
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<td><strong>Non-GAAP Adjustments ($'s)$^1,2</strong></td>
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<td>Note impairment $^3$</td>
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<td>Stock write-off for prior year divestiture $^4$</td>
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</tr>
<tr>
<td><strong>Non-GAAP adjustments (pre-tax $'s)</strong></td>
<td>—</td>
<td>12</td>
</tr>
<tr>
<td>Income tax impact</td>
<td>—</td>
<td>(3)</td>
</tr>
<tr>
<td><strong>Non-GAAP adjustments (after tax $'s)</strong></td>
<td>—</td>
<td>9</td>
</tr>
<tr>
<td>Diluted shares outstanding</td>
<td>136.3</td>
<td>135.6</td>
</tr>
<tr>
<td><strong>EPS impact of non-GAAP adjustments</strong></td>
<td>$—$</td>
<td>$.07</td>
</tr>
</tbody>
</table>

1. For additional non-GAAP reconciliation information, see page 7 of the press release.
2. Calculations impacted by rounding.
3. Note impairment affected the following line item on the income statement: Q1-20: SG&A $8.
4. Stock write-off affected the following line item on the income statement: Q1-20: Other Expense $4.
Non-GAAP Adjustments

($ millions, except EPS)  

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impairment charges</td>
<td>4</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>25</td>
</tr>
<tr>
<td>Note impairment</td>
<td>-</td>
<td>-</td>
<td>16</td>
<td>-</td>
<td>8</td>
</tr>
<tr>
<td>Stock write-off from 2008 divestiture</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Restructuring-related charges</td>
<td>-</td>
<td>-</td>
<td>23</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td>ECS transaction costs</td>
<td>-</td>
<td>-</td>
<td>7</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Gain from real estate sale</td>
<td>-</td>
<td>(20)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Pension settlement charge</td>
<td>-</td>
<td>15</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gain/loss from sale of business</td>
<td>(28)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Litigation settlement gain</td>
<td>(7)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Non-GAAP adjustments (pre-tax $’s)</strong></td>
<td><strong>(31)</strong></td>
<td>-</td>
<td>46</td>
<td>11</td>
<td>45</td>
</tr>
<tr>
<td>Income tax impact</td>
<td>12</td>
<td>-</td>
<td>(9)</td>
<td>(1)</td>
<td>(4)</td>
</tr>
<tr>
<td>TCJA impact</td>
<td>-</td>
<td>50</td>
<td>-</td>
<td>(2)</td>
<td>-</td>
</tr>
<tr>
<td>Unusual tax items</td>
<td>-</td>
<td>(8)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Non-GAAP adjustments (after tax $’s)</strong></td>
<td><strong>(19)</strong></td>
<td>42</td>
<td>35</td>
<td>10</td>
<td>41</td>
</tr>
<tr>
<td>Diluted shares outstanding</td>
<td>140.0</td>
<td>137.3</td>
<td>135.2</td>
<td>135.4</td>
<td>135.9</td>
</tr>
<tr>
<td>EPS impact of non-GAAP adjustments ($.14)</td>
<td>$.32</td>
<td>$.26</td>
<td>$.07</td>
<td>$.30</td>
<td></td>
</tr>
</tbody>
</table>

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
4 Adjusted for effects of change from LIFO to FIFO

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

($ millions, except EPS)  

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net trade sales</td>
<td>$3,750</td>
<td>$3,944</td>
<td>$4,270</td>
<td>$4,753</td>
<td>$4,280</td>
<td>$4,900</td>
</tr>
<tr>
<td>EBIT (continuing operations)</td>
<td>$536</td>
<td>$482</td>
<td>$460</td>
<td>$487</td>
<td>$408</td>
<td>$555</td>
</tr>
<tr>
<td>Non-GAAP adjustments, pre-tax1</td>
<td>(31)</td>
<td>—</td>
<td>42</td>
<td>11</td>
<td>45</td>
<td>—</td>
</tr>
<tr>
<td><strong>Adjusted EBIT (cont. operations)</strong></td>
<td><strong>$504</strong></td>
<td><strong>$482</strong></td>
<td><strong>$503</strong></td>
<td><strong>$498</strong></td>
<td><strong>$453</strong></td>
<td><strong>$555</strong></td>
</tr>
<tr>
<td>Adjusted EBIT margin</td>
<td>13.5%</td>
<td>12.2%</td>
<td>11.8%</td>
<td>10.5%</td>
<td>10.6%</td>
<td>11.3%</td>
</tr>
<tr>
<td>Adjusted EBIT (cont. operations)</td>
<td>$504</td>
<td>$482</td>
<td>$503</td>
<td>$498</td>
<td>$453</td>
<td>$555</td>
</tr>
<tr>
<td>Depreciation &amp; amortization</td>
<td>115</td>
<td>126</td>
<td>136</td>
<td>192</td>
<td>189</td>
<td>195</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA (cont. operations)</strong></td>
<td><strong>$620</strong></td>
<td><strong>$608</strong></td>
<td><strong>$639</strong></td>
<td><strong>$690</strong></td>
<td><strong>$642</strong></td>
<td><strong>$750</strong></td>
</tr>
<tr>
<td>Adjusted EBITDA margin</td>
<td>16.5%</td>
<td>15.4%</td>
<td>15.0%</td>
<td>14.5%</td>
<td>15.0%</td>
<td>15.3%</td>
</tr>
</tbody>
</table>

1 See slide 55 for adjustment details
2 Adjusted for effects of change from LIFO to FIFO
3 2021 estimates are based on mid-point of guidance (issued 5/3/21)
Reconciliation of Adj Earnings and Adj EPS

<table>
<thead>
<tr>
<th>($ millions, except EPS)</th>
<th>2016(^2)</th>
<th>2017(^2)</th>
<th>2018(^2)</th>
<th>2019(^2)</th>
<th>2020(^2)</th>
<th>2021(^3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings (continuing operations)</td>
<td>$394</td>
<td>$307</td>
<td>$324</td>
<td>$314</td>
<td>$253</td>
<td>$365</td>
</tr>
<tr>
<td>Non-GAAP adjustments, after tax(^1)</td>
<td>(19)</td>
<td>42</td>
<td>35</td>
<td>10</td>
<td>41</td>
<td>—</td>
</tr>
<tr>
<td>Adjusted Earnings (cont. operations)</td>
<td>$356</td>
<td>$350</td>
<td>$358</td>
<td>$324</td>
<td>$294</td>
<td>$365</td>
</tr>
<tr>
<td>Diluted EPS (continuing operations)</td>
<td>$2.68</td>
<td>$2.25</td>
<td>$2.39</td>
<td>$2.32</td>
<td>$1.86</td>
<td>$2.65</td>
</tr>
<tr>
<td>EPS impact from non-GAAP adjs(^1)</td>
<td>(.14)</td>
<td>.32</td>
<td>.26</td>
<td>.07</td>
<td>.30</td>
<td>—</td>
</tr>
<tr>
<td>Adjusted EPS (cont. operations)</td>
<td>$2.54</td>
<td>$2.57</td>
<td>$2.65</td>
<td>$2.39</td>
<td>$2.16</td>
<td>$2.65</td>
</tr>
</tbody>
</table>

1 See slide 55 for adjustment details
2 Adjusted for effects of change from LIFO to FIFO
3 2021 estimates are based on mid-point of guidance (issued 5/3/21)

Calculation of Return on Invested Capital

<table>
<thead>
<tr>
<th>2016(^4)</th>
<th>2017(^4)</th>
<th>2018(^4)</th>
<th>2019(^4)</th>
<th>2020(^4)</th>
<th>2021(^5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBIT (cont. operations)(^1)</td>
<td>$504</td>
<td>$482</td>
<td>$503</td>
<td>$498</td>
<td>$453</td>
</tr>
<tr>
<td>Tax rate</td>
<td>24.1%</td>
<td>21.5%</td>
<td>21.0%</td>
<td>21.8%</td>
<td>21.2%</td>
</tr>
<tr>
<td>Net Operating Profit After Tax (NOPAT)(^2)</td>
<td>383</td>
<td>378</td>
<td>397</td>
<td>389</td>
<td>357</td>
</tr>
<tr>
<td>Total debt (long-term + current)</td>
<td>$960</td>
<td>$1,252</td>
<td>$1,169</td>
<td>$2,118</td>
<td>$1,900</td>
</tr>
<tr>
<td>Operating lease liabilities(^2)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>161</td>
<td>165</td>
</tr>
<tr>
<td>Equity</td>
<td>1,111</td>
<td>1,222</td>
<td>1,207</td>
<td>1,341</td>
<td>1,425</td>
</tr>
<tr>
<td>Less: Cash &amp; Cash equivalents</td>
<td>(282)</td>
<td>(526)</td>
<td>(268)</td>
<td>(248)</td>
<td>(349)</td>
</tr>
<tr>
<td>Invested Capital</td>
<td>$1,789</td>
<td>$1,948</td>
<td>$2,108</td>
<td>$3,372</td>
<td>$3,141</td>
</tr>
<tr>
<td>Average Invested Capital</td>
<td>$1,794</td>
<td>$1,868</td>
<td>$2,028</td>
<td>$2,740</td>
<td>$3,257</td>
</tr>
<tr>
<td>Return on Invested Capital (ROIC)</td>
<td>21.3%</td>
<td>20.3%</td>
<td>19.6%</td>
<td>14.2%</td>
<td>11.0%</td>
</tr>
</tbody>
</table>

1 See slide 55 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 Adjusted for effects of change from LIFO to FIFO
5 2021 estimates are based on mid-point of guidance (issued 5/3/21)
Calculation of Dividend Payout % of Adjusted EPS

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diluted EPS from cont. operations</td>
<td>$2.25</td>
<td>$2.39</td>
<td>$2.32</td>
<td>$1.86</td>
<td>$2.65</td>
</tr>
<tr>
<td>EPS impact from non-GAAP adjs$^1$</td>
<td>-.32</td>
<td>-.26</td>
<td>-.07</td>
<td>-.30</td>
<td>—</td>
</tr>
<tr>
<td>Adjusted EPS from cont. operations</td>
<td>$2.57</td>
<td>$2.65</td>
<td>$2.39</td>
<td>$2.16</td>
<td>$2.65</td>
</tr>
<tr>
<td>Annual dividend per share</td>
<td>$1.42</td>
<td>$1.50</td>
<td>$1.58</td>
<td>$1.60</td>
<td>$1.66</td>
</tr>
<tr>
<td>Dividend payout % of diluted EPS from continuing operations</td>
<td>63%</td>
<td>63%</td>
<td>68%</td>
<td>86%</td>
<td>63%</td>
</tr>
<tr>
<td>Dividend payout % of adjusted EPS</td>
<td>55%</td>
<td>57%</td>
<td>66%</td>
<td>74%</td>
<td>63%</td>
</tr>
</tbody>
</table>

$^1$ See slide 55 for adjustment details
$^2$ Adjusted for effects of change from LIFO to FIFO
$^3$ 2021 estimates are based on mid-point of guidance (issued 5/3/21)

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 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.