Company Update

August 2021

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," "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

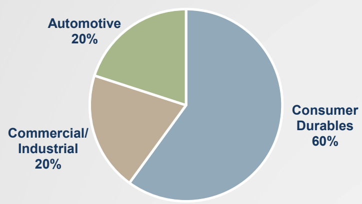
Leader in most markets; few large competitors

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

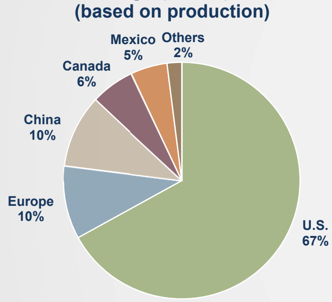
Management has “**skin in the game**”
- Significant stock owners; forego comp in exchange for shares
- Incentive comp aligned with TSR focus

Our Markets

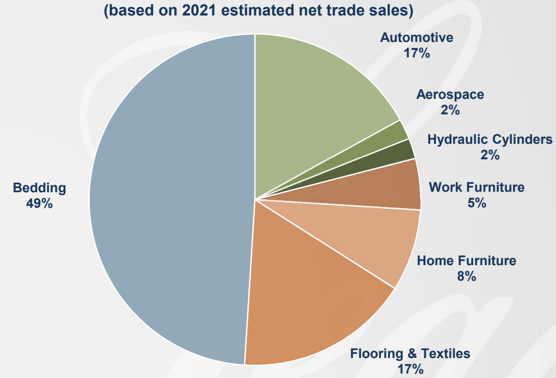
Macro Market Exposure



Geographic Split
(based on production)

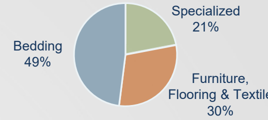


Product Mix
(based on 2021 estimated net trade sales)



Segments

% of 2021e net trade sales



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

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Long Term Value Creation

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TSR in Top Third of S&P 500

SOURCES

Revenue Growth	Margin Improvement	Dividend Yield	Stock Buybacks
Target: 6–9% annually	Target: 11.5–12.5%	Payout target: ~50% of earnings	With available cash

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

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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 Strategic Acquisitions

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U.S. Bedding Market Overview

Finished Mattresses & Foundations at Wholesale Addressable Market

~$10B

SEGMENT	MATTRESSES	ADJUSTABLE FOUNDATIONS	STATIC FOUNDATIONS
APPROXIMATE MARKET SIZE	$8B	$1B	$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

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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 roughly half of the market and growing

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

Traditional mattress retail channels remain and private label product offering has grown

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

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L&P Bedding Value Chain

Raw Materials	Components	Finished Mattresses & Foundations	Distribution & Fulfillment	Brands/ Retail
Steel rod and wire	Innovation leader in innersprings and specialty foam	Co-design and produce private label foam and hybrid mattresses and finished foundations	B2B	Traditional
				Direct-to-Consumer
Specialty foam chemicals and additives			B2B2C	Brick & Mortar
				eCommerce

Supporting our customers from components to finished goods and fulfillment

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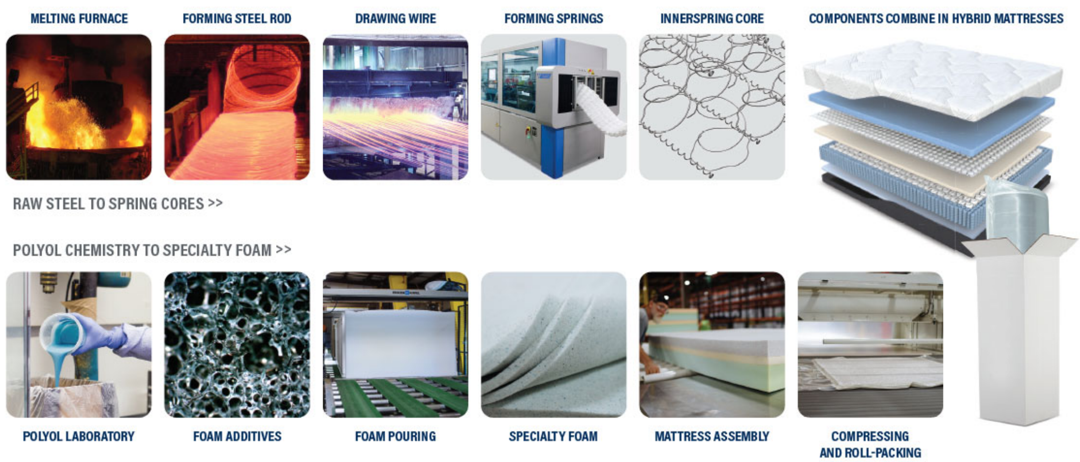
Vertical Integration in Bedding Products

Each year at our rod mill in Sterling, Illinois, approximately 550,000 tons of steel scrap are melted and formed into billets. The billets are then used to make around 500,000 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 Spühl 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.



Polyols and foam additives that improve durability, increase airflow, and decrease odor are developed at Peterson Chemical Technology.

Specialty foam is produced at our pouring and fabrication facilities and either used in private-label fully finished products such as compressed mattresses, mattress toppers and pillows, or sold to bedding and furniture manufacturers.

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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

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Trends Play to our Strengths

C CONNECTED | **A** AUTONOMOUS | **S** SHARED | **E** 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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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
- **Maintaining pricing discipline** to recover cost inflation

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

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Debt, Liquidity, and Cash Flow

Debt and Liquidity

- **Maintaining priority on Investment Grade** credit rating
- Making progress with deleveraging
- **$1.2 billion revolving credit facility** in place
- 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

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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

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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 are recyclable

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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 steel 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

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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

Non-Management				Age	Joined	Position	Firm
Mark Blinn	⌑	◆		59	2019	Retired President & CEO	Flowserve
Robert Brunner	⌑	◆		63	2009	Retired EVP	ITW
Mary Campbell	⌑		✶	54	2019	Chief Merchandising Officer/ Chief Commerce Officer	Qurate Retail Group/QVC U.S.
Manuel Fernandez		◆	✶	75	2014	Managing Director	SI Ventures
Joe McClanathan		◆	✶	69	2005	Retired President & CEO	Energizer Household Products
Judy Odom †		◆	✶	68	2002	Retired Chair & CEO	Software Spectrum
Srikanth Padmanabhan	⌑		✶	57	2018	Vice President	Cummins Inc.
Jai Shah	⌑	◆		55	2019	Group President	Masco
Phoebe Wood	⌑		✶	68	2005	Principal	CompaniesWood
Management							
Karl Glassman ‡				62	2002	Chairman & CEO	Leggett & Platt
Mitch Dolloff				55	2020	President & COO	Leggett & Platt

† **Lead Director**
‡ **Chairman of the Board**

Committees: ⌑ Audit ◆ Human Resources & Compensation ✶ Nominating, Governance & Sustainability

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

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Second Quarter Highlights

- Sales were a quarterly record[1] $1.27 billion, a 50% increase vs Q2-20
  - Volume was up 31%
  - Raw material-related price increases added 16%
  - Currency benefit added 3%
  - Acquisitions and divestitures offset each other
- 2Q record adjusted[2] EBIT was $144 million, up $94 million vs. Q2-20
- Adjusted[2] EBIT margin 11.3%, up 530 bps vs. 6.0% in Q2-20
- Adjusted[2] EPS of $.66, up $.51 vs. $.15 in Q2-20
- Acquired Kayfoam, an Ireland-based provider of specialty foam and finished mattresses
- Increasing 2021 guidance: sales of $4.9–5.1 billion; adjusted EPS of $2.70–$2.90

[1] Record is from continuing operations
[2] See appendix for non-GAAP reconciliations

2021 Updated Guidance (issued 8/2/21 and not updated since)

- Increasing full year 2021 sales guidance to \$4.9–\$5.1 billion (vs. prior range of \$4.8–\$5.0 billion); up 14%–19% versus 2020
  - Increase reflects higher raw material-related price increases and acquisition sales
  - Volume expectations unchanged with mid-to-high-single-digit growth due to:
    - 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 expected to add significant sales growth
  - Currency expected to benefit sales
  - Acquisitions, net of divestitures, expected to add 1%
- Adjusted EPS raised to \$2.70–\$2.90 (vs. prior range of \$2.55–\$2.75)
  - Increase driven primarily by higher metal margin
  - Excludes 2Q gain from real estate sale of \$0.16 per share
- Implied adjusted EBIT margin of 11.4%–11.6%

2021 Updated Guidance (continued)

- Depreciation and amortization ~\$195 million
- Net interest expense ~\$75 million
- Tax rate ~23%
  - 1Q = 20%; 2Q = 27%; 3Q-4Q = ~23%
- Diluted shares ~137 million
- Operating cash ~\$450 million; down \$50 million from prior guidance
- Capital expenditures ~\$140 million; down \$10 million from prior guidance
- Dividends ~\$215 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

FOR ADDITIONAL INFORMATION

Ticker:	LEG (NYSE)
Website:	www.leggett.com
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

Additional Information

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

In Europe and Asia:

Bensons	Fritz Hansen	Kuka	Sanyo
Dreams	Hay	Natuzzi	Silentnight Beds
Emma	Hilding Anders	Profim	Sleepeezee
Faurecia	Howe	Recticel	Volkswagen

Diverse Customer Base – Low Concentration

Strong Peer Group

Diversified Manufacturers

w/ Ticker & Fortune 1000 Ranking (June 2021)
Leggett Ranking = 598

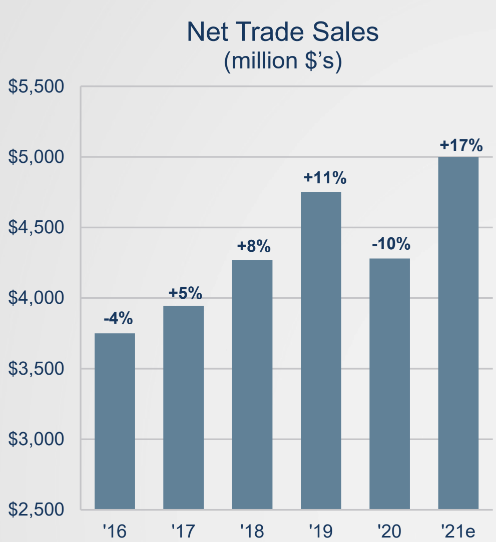
CSL	Carlisle	599	ITW	Illinois Tool Works	240
DHR	Danaher	130	IR	Ingersoll Rand	533
DOV	Dover	429	MAS	Masco	398
ETN	Eaton Corp	n/a	PNR	Pentair	n/a
EMR	Emerson	181	PPG	PPG Industries	220

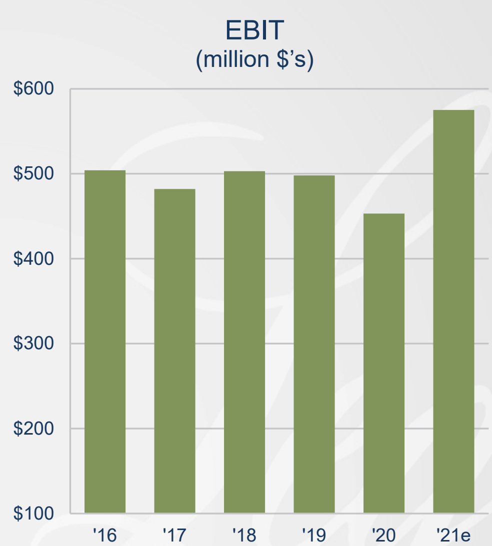
Characteristics of the Group

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

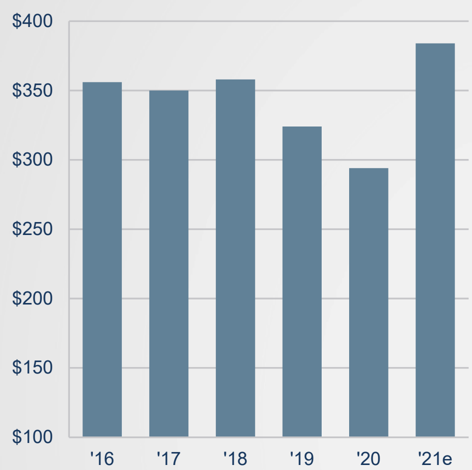




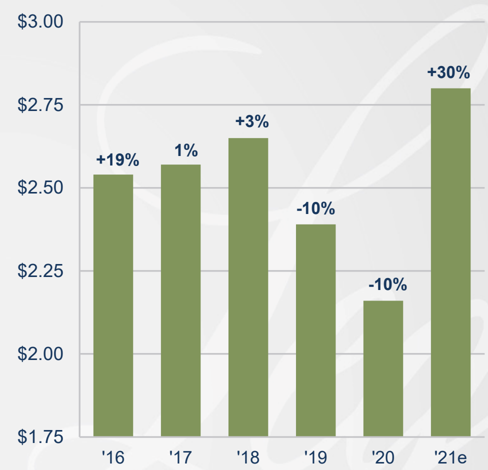
- Amounts are from continuing operations and exclude unusual items. See appendix for non-GAAP reconciliations.
- 2016 - 2020 financial data has been adjusted to apply the effects of the change from LIFO to FIFO
- 2021 estimates are based on mid-point of guidance

Net Earnings and EPS

Net Earnings
(million $'s)



EPS
($'s per share)



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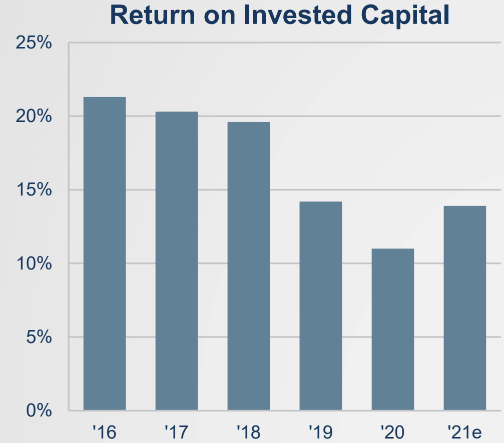
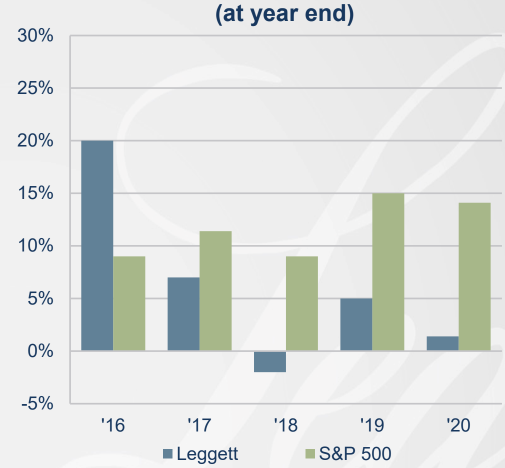
Returns and TSR

Return on Invested Capital

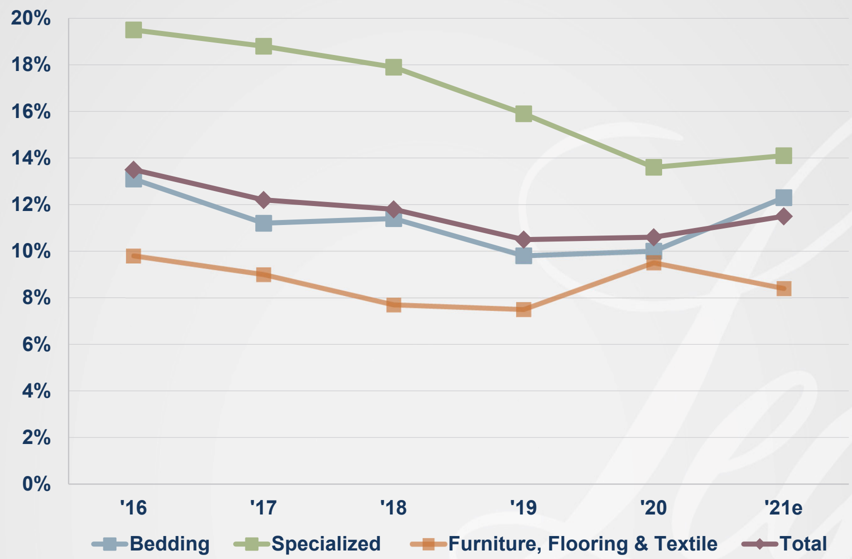


3-Year Avg TSR
(at year end)



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

Segment EBIT Margins



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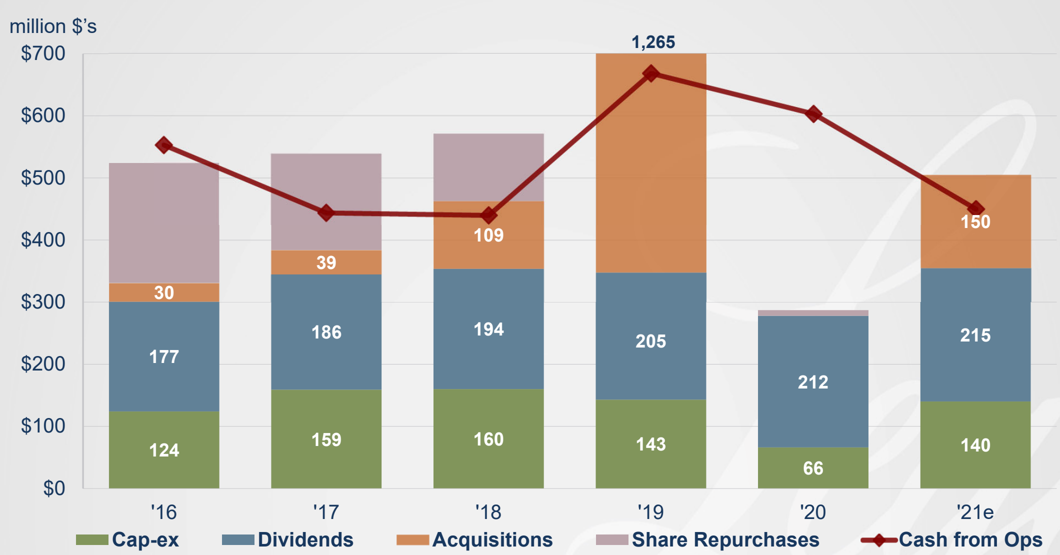
Uses of Cash Flow



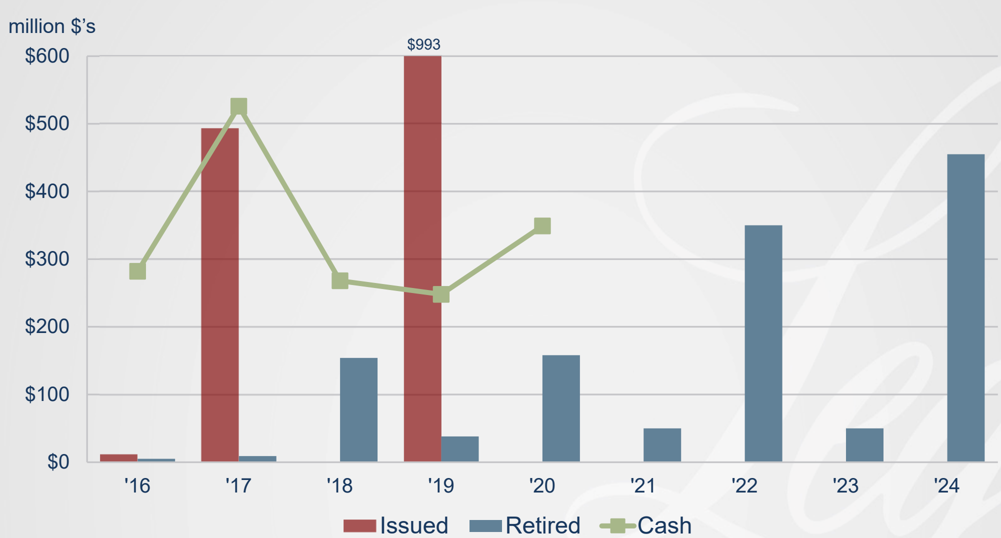
Operating Cash > Capital Expenditures + Dividends for over 30 years

Cash Flow Details

$'s in millions	2016[1]	2017[1]	2018[1]	2019[1]	2020[1]	2021e[3]
Net Earnings	395	307	324	314	253	406
Deprec & Amort	115	126	136	192	189	195
Def Income Taxes	23	17	3	1	(21)	—
Impairments	4	5	5	8	29	—
Working Capital	5	(99)	(77)	101	80	(151)
Other Non-Cash[2]	11	88	49	52	73	—
Cash from Operations	**553**	**444**	**440**	**668**	**603**	**450**
Uses of Cash						
Capital Expenditures	(124)	(159)	(160)	(143)	(66)	(140)
Dividends	(177)	(186)	(194)	(205)	(212)	(215)
Acquisitions	(30)	(39)	(109)	(1,265)	—	(150)
Share Repurchases	(193)	(155)	(108)	(7)	(9)	—

[1] Adjusted to apply the effects of the change from LIFO to FIFO
[2] 2017 Other Non-Cash includes $67 million in deemed repatriation taxes as a result of the Tax Cuts and Jobs Act
[3] 2021 estimated net income is based on mid-point of guidance

Debt Issued and Retired



- Excludes commercial paper borrowings and operating lease liabilities

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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% of annual bonus at operating level and corporate
  - EBIT / (working capital (ex cash & current debt) + net PP&E)
- FCF: Free Cash Flow
  - Drives ~40% of annual bonus at operating level and corporate
  - EBITDA – capex +/– Δ working capital (ex cash & current debt)

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Appendix
Non-GAAP Reconciliations

Q2 Non-GAAP Adjustments

($ millions, except EPS)	Q2-21	Q2-20	YTD 2021	YTD 2020
Non-GAAP Adjustments ($'s)[1,2]				
Goodwill impairment [3]	—	25	—	25
Note impairment [4]	—	—	—	8
Stock write-off for prior year divestiture [5]	—	—	—	4
Restructuring-related charges [6]	—	2	—	2
Gain on sale of real estate [7]	(28)	—	(28)	—
Non-GAAP adjustments (pre-tax $'s)	**(28)**	**27**	**(28)**	**40**
Income tax impact	7	—	7	(3)
Non-GAAP adjustments (after tax $'s)	(21)	27	(21)	36
Diluted shares outstanding	136.8	135.7	136.6	135.7
EPS impact of non-GAAP adjustments	**$(.16)**	**$.20**	**$(.16)**	**$.27**

[1] For additional non-GAAP reconciliation information, see page 7 of the press release
[2] Calculations impacted by rounding
[3] Goodwill impairment affected the following line item on the income statement: Q2-20/YTD 2020: Other Expense $25
[4] Note impairment affected the following line item on the income statement: YTD 2020: SG&A $8
[5] Stock write-off affected the following line item on the income statement: YTD 2020: Other Expense $4
[6] Restructuring-related charges affected the following line item on the income statement: Q2-20/YTD 2020: Other Expense $2
[7] Gain on sale of real estate affected the following line item on the income statement: Q2-21/YTD 2021: Other Income $28

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Non-GAAP Adjustments

($ millions, except EPS)	2016[4]	2017[4]	2018[4]	2019[4]	2020[4]	2021
Non-GAAP Adjustments ($'s)[1]						
Impairment charges	4	5	-	-	25	-
Note impairment	-	-	16	-	8	-
Stock write-off from 2008 divestiture	-	-	-	-	4	-
Restructuring-related charges	-	-	23	10	8	-
ECS transaction costs[2]	-	-	7	1	-	-
Gain from real estate sale	-	(20)	-	-	-	(28)
Pension settlement charge	-	15	-	-	-	-
Gain/loss from sale of business	(28)	-	-	-	-	-
Litigation settlement gain	(7)	-	-	-	-	-
Non-GAAP adjustments (pre-tax $'s)	**(31)**	**-**	**46**	**11**	**45**	**(28)**
Income tax impact	12	-	(9)	(1)	(4)	7
TCJA impact[3]	-	50	(2)	-	-	-
Unusual tax items	-	(8)	-	-	-	-
Non-GAAP adjustments (after tax $'s)	**(19)**	**42**	**35**	**10**	**41**	**(21)**
Diluted shares outstanding	140.0	137.3	135.2	135.4	135.9	136.6
EPS impact of non-GAAP adjustments	**$(.14)**	**$.32**	**$.26**	**$.07**	**$.30**	**$(.16)**

[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

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

($ millions, except EPS)	2016[2]	2017[2]	2018[2]	2019[2]	2020[2]	2021e[3]
Net trade sales	$3,750	$3,944	$4,270	$4,753	$4,280	$5,000
EBIT (continuing operations)	$536	$482	$460	$487	$408	$603
Non-GAAP adjustments, pre-tax[1]	(31)	—	42	11	45	(28)
Adjusted EBIT (cont. operations)	**$504**	**$482**	**$503**	**$498**	**$453**	**$575**
Adjusted EBIT margin	***13.5%***	***12.2%***	***11.8%***	***10.5%***	***10.6%***	***11.5%***
Adjusted EBIT (cont. operations)	$504	$482	$503	$498	$453	$575
Depreciation & amortization	115	126	136	192	189	195
Adjusted EBITDA (cont. operations)	**$620**	**$608**	**$639**	**$690**	**$642**	**$770**
Adjusted EBITDA margin	***16.5%***	***15.4%***	***15.0%***	***14.5%***	***15.0%***	***15.4%***

[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 8/2/21)

Reconciliation of Adj Earnings and Adj EPS

($ millions, except EPS)	2016[2]	2017[2]	2018[2]	2019[2]	2020[2]	2021e[3]
Earnings (continuing operations)	$394	$307	$324	$314	$253	$406
Non-GAAP adjustments, after tax[1]	(19)	42	35	10	41	(21)
Adjusted Earnings (cont. operations)	**$356**	**$350**	**$358**	**$324**	**$294**	**$385**
Diluted EPS (continuing operations)	$2.68	$2.25	$2.39	$2.32	$1.86	$2.96
EPS impact from non-GAAP adjs[1]	(.14)	.32	.26	.07	.30	(.16)
Adjusted EPS (cont. operations)	**$2.54**	**$2.57**	**$2.65**	**$2.39**	**$2.16**	**$2.80**

[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 8/2/21)

Calculation of Return on Invested Capital

	2016[4]	2017[4]	2018[4]	2019[4]	2020[4]	2021e[5]
Adjusted EBIT (cont. operations)[1]	**$504**	**$482**	**$503**	**$498**	**$453**	**$575**
Tax rate	*24.1%*	*21.5%*	*21.0%*	*21.8%*	*21.2%*	*23.0%*
Net Operating Profit After Tax (NOPAT)[2]	**383**	**378**	**397**	**389**	**357**	**443**
Total debt (long-term + current)	$960	$1,252	$1,169	$2,118	$1,900	$1,850
Operating lease liabilities[3]	-	-	-	161	165	165
Equity	1,111	1,222	1,207	1,341	1,425	1,560
Less: Cash & Cash equivalents	(282)	(526)	(268)	(248)	(349)	(350)
Invested Capital	$1,789	$1,948	$2,108	$3,372	$3,141	$3,225
Average Invested Capital	**$1,794**	**$1,868**	**$2,028**	**$2,740**	**$3,257**	**$3,183**
Return on Invested Capital (ROIC)	**21.3%**	**20.3%**	**19.6%**	**14.2%**	**11.0%**	**13.9%**

[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 8/2/21)

Calculation of Dividend Payout % of Adjusted EPS

	2017[2]	2018[2]	2019[2]	2020[2]	2021e[3]
Diluted EPS from cont. operations	**$2.25**	**$2.39**	**$2.32**	**$1.86**	**$2.96**
EPS impact from non-GAAP adjs[1]	.32	.26	.07	.30	(.16)
Adjusted EPS from cont. operations	**$2.57**	**$2.65**	**$2.39**	**$2.16**	**$2.80**
Annual dividend per share	**$1.42**	**$1.50**	**$1.58**	**$1.60**	**$1.66**
Dividend payout % of diluted EPS from continuing operations	**63%**	**63%**	**68%**	**86%**	**56%**
Dividend payout % of adjusted EPS	**55%**	**57%**	**66%**	**74%**	**59%**

[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 8/2/21)

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.