



First Quarter Summary Financial Information

May 1, 2023



Forward-Looking Statements

Statements in this presentation that are not historical in nature are “forward-looking.” These statements include future EPS, sales, volume for the Company and per segment, raw material-related price decreases, currency impacts, acquisition and divestitures impacts, metal margin decreases, moderate pricing pressure from deflation, depreciation and amortization, net interest expense, tax rate, diluted shares outstanding, operating cash, capital expenditures, amount of dividends, and implied EBIT margin. All such forward-looking statements are expressly qualified by the cautionary statements described in this provision. We do not have, and do not undertake, any duty to update any forward-looking statement. Forward-looking statements should not be relied upon as a prediction of actual future events or results. Any forward-looking statement reflects only the beliefs of Leggett at the time the statement is made. All forward-looking statements are subject to risks and uncertainties which might cause actual events or results to differ materially from the forward-looking statements. These risks and uncertainties include: the Russian invasion of Ukraine; global inflationary impacts; macro-economic impacts; the pandemics; demand for our products and our customers’ products; our manufacturing facilities’ ability to remain open and fully operational; goodwill and long-lived asset impairment; inability to issue commercial paper or borrow under the credit facility; inability to collect receivables; inability to pass along raw material price increases; inability to maintain profit margins; conflict between China and Taiwan; changes in our capital needs; our capital expenditures; changing tax rates; market conditions; increased trade costs; foreign country operational risks; price and product competition; cost and availability of raw materials, parts, labor and energy costs; cash generation to pay the dividend; political risks; ability to grow acquired businesses; amount of share repurchases; disruption to our rod mill; disruption to our operations and supply chain from weather-related events and other impacts; restructuring-related costs; foreign currency fluctuation; our ability to manage working capital; anti-dumping duties; data privacy; cybersecurity breaches; customer bankruptcies and losses; climate change regulations; ESG risks; cash repatriation; litigation risks; and other risk factors in Leggett’s most recent Form 10-K.

Overview

- Q1 sales of \$1.21 billion, an 8% decrease vs. Q1-22
 - Volume was down 7%
 - Raw material-related price decreases reduced sales 3%
 - Currency impact decreased sales 1%
 - Acquisitions, net of divestitures, added 3% to sales
- Q1 EBIT of \$89 million, down \$48 million vs. Q1-22 EBIT
- EBIT margin 7.4%, down 300 bps vs. Q1-22 EBIT margin of 10.4%
- Q1 EPS of \$.39, down \$.27 vs. Q1-22 EPS of \$.66
- 2023 guidance unchanged
 - Sales: \$4.8–\$5.2 billion
 - EPS: \$1.50–\$1.90

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Q1 2023 Financial Highlights

<u>\$'s in millions (except EPS)</u>	<u>Q1-23</u>	<u>Q1-22</u>	<u>Change</u>
Sales	\$1,214	\$1,322	(8%)
EBIT	89	138	(35%)
EBIT Margin	7.4%	10.4%	(300 bps)
EPS	.39	.66	(41%)
Cash from Operations	97	39	148%
EBITDA	135	183	(27%)
EBITDA margin	11.1%	13.9%	(280 bps)

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Q1 2023 Sales & EBIT Bridge

Sales:	<u>mln \$'s</u>	<u>% change</u>
1 st Qtr 2022	\$1,322	
Approx volume decrease	(92)	(7%)
Approx raw material-related pricing and currency impact	(57)	(4%)
Organic Sales	(149)	(11%)
Acquisitions, net of divestitures	41	3%
1 st Qtr 2023	\$1,214	(8%)
 EBIT:		<u>margin</u>
1 st Qtr 2022	\$138	10.4%
Primarily lower volume and lower metal margin	(48)	
1 st Qtr 2023	\$89	7.4%

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Q1 2023 Earnings

\$'s in millions	<u>Q1-23</u>	<u>Q1-22</u>	<u>Change</u>
EBIT	\$89	\$138	(35%)
Net interest	21	20	
Pre-tax earnings	68	118	(42%)
Income taxes	15	28	
<i>Tax rate</i>	21.7%	23.5%	
Net earnings	54	90	(41%)
Noncontrolling interests	—	—	
Net earnings attributable to L&P	54	90	(41%)
EPS	.39	.66	(41%)

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Adjusted Working Capital

	3/31	12/31	3/31
\$'s in millions	<u>2023</u>	<u>2022</u>	<u>2022</u>
Cash & equivalents	\$345	\$317	\$327
Accounts receivable, net	718	675	705
Inventories, net	893	908	1,046
Other current assets	59	59	60
Total current assets	2,015	1,958	2,138
Current debt maturities	(9)	(9)	(301)
Current operating lease liabilities	(55)	(50)	(46)
Accounts payable	(552)	(518)	(622)
Accrued and other current liabilities	(352)	(391)	(382)
Total current liabilities	(969)	(968)	(1,351)
Working capital	1,046	990	787
% of annualized sales ¹	21.6%	20.7%	14.9%
W/C, excl. cash & current debt/lease	766	732	807
% of annualized sales ¹	15.8%	15.3%	15.2%

¹ Annualized sales: 1Q23: \$1,214x4=\$4,854; 4Q22: \$1,196x4=\$4,783; 1Q22: \$1,322x4=\$5,289

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Net Debt to Adjusted EBITDA

	3/31	12/31	3/31
\$'s in millions	<u>2023</u>	<u>2022</u>	<u>2022</u>
Long-term debt	\$2,109	\$2,074	\$1,803
Current maturities	9	9	301
Total debt	2,118	2,084	2,104
Less: Cash & equivalents	(345)	(317)	(327)
Net debt	1,773	1,767	1,777
EBIT, trailing 12 months	437	485	606
Depreciation & amortization	179	180	187
EBITDA	616	665	793
Non-GAAP adjustments (pretax)	—	—	(28)
Adjusted EBITDA, trailing 12 months	616	665	765
Net debt to 12-month adjusted EBITDA ¹	2.88x	2.66x	2.32x

¹ Calculated differently than the Company's credit facility covenant ratio.
For additional non-GAAP reconciliation information, see page 7 of the press release.

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Cash Flow

\$'s in millions	1 st Qtr	
	2023	2022
Net earnings	\$54	\$90
D&A	45	46
Impairment, write-offs & other	2	4
Other non-cash	14	13
Changes in working capital:		
Accounts receivable	(38)	(58)
Inventory	14	(58)
Other current assets	—	(1)
Accounts payable	31	11
Other current liabilities	(25)	(8)
Cash from operations	97	39
Capital expenditures	38	19
Acquisitions	—	—
Dividends	58	56
Share repurchases (issuances), net	5	22
Proceeds from asset sales	1	2
Additions (repayments) of debt, net	29	21

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2023 Sales and EPS Guidance Unchanged

- Sales: \$4.8–\$5.2 billion; down 7% to up 1% versus 2022, reflecting macro uncertainty across our markets
 - Volume at the mid-point expected to be down low single digits:
 - Down low single digits in Bedding Products Segment
 - Up high single digits in Specialized Products Segment
 - Down low single digits in Furniture, Flooring & Textile Products Segment
 - Raw material-related price decreases and currency impact combined expected to reduce sales mid-single digits
 - Acquisitions completed in 2022 expected to add ~3% to sales
- EPS: \$1.50–\$1.90
 - Mid-point reflects metal margins down mid-teens, lower volume in some of our businesses, and moderate pricing pressure from deflation
- Implied EBIT margin of 7.5%–8.0%

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2023 Guidance (continued)

- Depreciation and amortization ~\$200 million
- Net interest expense ~\$85 million
- Tax rate ~24%
- Operating cash \$450–\$500 million
- Cap-ex \$100–\$130 million (vs. ~\$100 million)
- Dividends ~\$240 million
- Diluted shares ~137 million
- Minimal acquisitions and share repurchases

Segments

Q1 2023 Segment Summary

	<u>Q1-23 Organic Sales Growth</u> ^{1,2}	<u>Q1-23 EBIT Margin</u>	<u>Δ vs Q1-22 EBIT Margin</u>	<u>Q1-23 EBITDA Margin</u>	<u>Δ vs Q1-22 EBITDA Margin</u>
Bedding Products	(17%)	6.3%	-560 bps	11.1%	-490 bps
Specialized Products	8%	8.9%	+120 bps	12.3%	+50 bps
Furniture, Flooring & Textile Products	(15%)	7.8%	-240 bps	9.4%	-220 bps
Total Consolidated	(11%)	7.4%	-300 bps	11.1%	-280 bps

¹ Includes raw material-related selling price impact and currency impact

² See slides 14, 16, and 18 for non-GAAP reconciliations

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Bedding Products

Trade Sales:	<u>mIn \$'s</u>	<u>% change</u>
1 st Qtr 2022	\$639	
Divestitures	(1)	—%
Adjusted Q1-22 sales	638	
Organic Sales ¹	(110)	(17%)
1 st Qtr 2023	\$528	(17%)

¹ Lower volume (9%), raw material-related selling price decreases (7%), and currency (1%)

<u>mIn \$'s</u>	<u>EBIT</u>	<u>EBIT</u>	<u>D&A</u>	<u>EBITDA</u>	<u>EBITDA</u>
	<u>margin</u>	<u>margin</u>		<u>margin</u>	<u>margin</u>
1 st Qtr 2022	\$76	11.9%	\$26	\$102	16.0%
Change	(43)		—	(43)	
1 st Qtr 2023	\$33	6.3%	\$26	\$59	11.1%

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Bedding – Key Points

- Q1 organic sales were down 17%:
 - Volume decreased 9%, primarily due to continued demand softness in U.S. bedding markets and lower trade demand in Steel Rod and Drawn Wire
 - Raw material-related selling price decreases reduced sales 7%
 - Currency impact decreased sales 1%

- Sales trends:

	Q1 <u>Organic Sales</u>	Q1 <u>Volume¹</u>
Steel Rod	(33%)	(13%)
Drawn Wire	(32%)	(28%)
U.S. Spring	(16%)	(13%)
Specialty Foam	(15%)	—%
Adjustable Bed	(10%)	(5%)
International Bedding	(6%)	—%

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

- Q1 EBIT decreased primarily from lower metal margin, lower volume, and lower overhead recovery

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Specialized Products

Trade Sales:	<u>mln \$'s</u>	<u>% change</u>
1 st Qtr 2022	\$264	
Organic Sales ¹	23	8%
Acquisitions	34	13%
1 st Qtr 2023	\$321	21%

¹ Higher volume 11% and raw material-related selling price increases 2% partially offset by currency (5%)

mln \$'s	<u>EBIT</u>	<u>EBIT</u>	<u>D&A</u>	<u>EBITDA</u>	<u>EBITDA</u>
	margin	margin		margin	margin
1 st Qtr 2022	\$20	7.7%	\$11	\$31	11.8%
Change	8		—	8	
1 st Qtr 2023	\$29	8.9%	\$11	\$39	12.3%

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Specialized – Key Points

- Q1 organic sales were up 8%:
 - Volume was up 11% from sales growth across the segment
 - Raw material-related selling price increases added 2%
 - Currency impact decreased sales 5%
- Hydraulic Cylinders acquisition, completed in August 2022, added 13% to sales
- Sales trends:

	Q1 <u>Organic Sales</u>	Q1 <u>Volume¹</u>
Automotive	3%	7%
Aerospace	30%	30%
Hydraulic Cylinders	24%	22%

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

- Q1 EBIT increased primarily from higher volume

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Furniture, Flooring & Textile Products

Trade Sales:	<u>mIn \$'s</u>	<u>% change</u>
1 st Qtr 2022	\$419	
Organic Sales ¹	(62)	(15%)
Acquisitions	7	2%
1 st Qtr 2023	\$364	(13%)

¹ Lower volume (15%) and currency (1%) partially offset by raw material-related price increases 1%

mIn \$'s	<u>EBIT</u>	<u>EBIT</u>	<u>D&A</u>	<u>EBITDA</u>	<u>EBITDA</u>
	<u>margin</u>	<u>margin</u>		<u>margin</u>	<u>margin</u>
1 st Qtr 2022	\$43	10.2%	\$6	\$49	11.6%
Change	(14)		—	(14)	
1 st Qtr 2023	\$28	7.8%	\$6	\$34	9.4%

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Furniture, Flooring & Textile – Key Points

- Q1 organic sales were down 15%:
 - Volume was down 15%, with declines across the segment
 - Raw material-related selling price increases added 1%
 - Currency impact decreased sales 1%
- Textiles acquisitions added 2% to sales
- Sales trends:

	Q1 <u>Organic Sales</u>	Q1 <u>Volume¹</u>
Home Furniture	(32%)	(27%)
Work Furniture	(15%)	(16%)
Flooring	(3%)	(5%)
Textiles	(6%)	(7%)

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

- Q1 EBIT decreased primarily from lower volume

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Webcast replay is available at
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FOR ADDITIONAL INFORMATION

Ticker: LEG (NYSE)
 Website: www.leggett.com
 Email: invest@leggett.com
 Phone: (417) 358-8131

Find our Fact Book at www.leggett.com

Susan McCoy Senior Vice President, Investor Relations
 Cassie Branscum Senior Director, Investor Relations
 Kolina Talbert Manager, Investor Relations

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