PART IV

Item 15. Exhibit and Financial Statement Schedules.

(a) Financial Statements and Financial Statement Schedule.

The Reports, Financial Statements and Notes, Supplementary Financial Information, and Financial Statement Schedule listed below are included in this Form 10-K:

We have omitted other information schedules because the information is inapplicable, not required, or in the financial statements or notes.

(b) Exhibits—See Exhibit Index beginning on page 123.

We did not file other long-term debt instruments because the total amount of securities authorized under all of these instruments does not exceed ten percent of the total assets of the Company and its subsidiaries on a consolidated basis. The Company agrees to furnish a copy of such instruments to the SEC upon request.

Management’s Annual Report on Internal Control Over Financial Reporting

Management of Leggett & Platt, Incorporated is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Exchange Act Rule 13a-15(f). Leggett & Platt’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. The Company’s internal control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Leggett & Platt;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of Leggett & Platt are being made only in accordance with authorizations of management and directors of Leggett & Platt; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of Leggett & Platt assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of management (including ourselves), we conducted an evaluation of the effectiveness of Leggett & Platt’s internal control over financial reporting, as of December 31, 2021, based on the criteria in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the evaluation under this framework, we concluded that Leggett & Platt’s internal control over financial reporting was effective as of December 31, 2021.

Leggett & Platt’s internal control over financial reporting, as of December 31, 2021, has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report appearing on page 67 of this Form 10-K.

/s/ J. MITCHELL DOLLOFF	/s/ JEFFREY L. TATE
J. Mitchell Dolloff President and Chief Executive Officer	Jeffrey L. Tate Executive Vice President and Chief Financial Officer
February 22, 2022	February 22, 2022

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
Leggett & Platt, Incorporated

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Leggett & Platt, Incorporated and its subsidiaries (the "Company") as of December 31, 2021 and 2020, and the related consolidated statements of operations, comprehensive income (loss), changes in equity and cash flows for each of the three years in the period ended December 31, 2021, including the related notes and financial statement schedule listed in the index appearing under Item 15(a) (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Changes in Accounting Principles

As discussed in Notes A and K to the consolidated financial statements, respectively, the Company changed the manner in which it accounts for inventory in 2021, and the manner in which it accounts for leases in 2019.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

PART IV

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill Impairment Assessment - Work Furniture and Aerospace Reporting Units

As described in Notes A, C and D to the consolidated financial statements, the Company’s consolidated net goodwill balance was $1,449.6 million as of December 31, 2021, and the goodwill associated with the Work Furniture and Aerospace reporting units were $101.0 million and $67.5 million, respectively. Management assesses goodwill for impairment annually and as triggering events occur. An impairment charge is recognized for the amount by which the carrying amount exceeds the reporting unit's fair value, up to the total amount of goodwill for the reporting unit. Fair value of the reporting unit is determined by management using a combination of two valuation methods, a market approach and an income approach. The market approach estimates fair value by first determining price-to-earnings ratios for comparable publicly traded companies with similar characteristics of the reporting unit. The price-to-earnings ratio for comparable companies is based upon current enterprise value compared to the projected earnings for the next two years. The enterprise value is based upon current market capitalization and includes a control premium. Projected earnings are based upon market analysts’ projections. The earnings ratios are applied to the projected earnings of the comparable reporting unit to estimate fair value. The income approach is based on projected future (debt-free) cash flow that is discounted to present value using factors that consider the timing and risk of future cash flows. Discounted cash flow projections are based on 10-year financial forecasts developed from operating plans and economic projections, sales growth, estimates of future expected changes in operating margins, terminal value growth rates, discount rates, future capital expenditures and changes in working capital requirements.

The principal considerations for our determination that performing procedures relating to the goodwill impairment assessment of the Work Furniture and Aerospace reporting units is a critical audit matter are (i) the significant judgment by management when determining the fair value measurement of the reporting units derived from the income approach; (ii) the high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management’s significant assumptions related to sales growth, estimates of future expected changes in operating margins, and discount rates; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management’s goodwill impairment assessment, including controls over determination of the fair value of the Company’s Work Furniture and Aerospace reporting units. These procedures also included, among others, (i) testing management's process for determining the fair value estimate of the reporting units; (ii) evaluating the appropriateness of the discounted cash flow model; (iii) testing the completeness, accuracy and relevance of underlying data used in the model; and (iv) evaluating the significant assumptions used by management related to the sales growth, estimates of future expected changes in operating margins, and discount rates. Evaluating management's assumptions used in the income approach related to sales growth and estimates of future expected changes in operating margins involved evaluating whether the assumptions were reasonable considering (i) past and present performance of the reporting units, (ii) the consistency with external market and industry data, and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of the Company's discounted cash flow model and the discount rates.

/s/ PRICEWATERHOUSECOOPERS LLP

St. Louis, Missouri
February 22, 2022

We have served as the Company's auditor since 1991.

LEGGETT & PLATT, INCORPORATED

Consolidated Statements of Operations

(Amounts in millions, except per share data)	Year Ended December 31 2021	2020	2019
Net trade sales	**$ 5,072.6**	$ 4,280.2	$ 4,752.5
Cost of goods sold	**4,034.3**	3,376.1	3,728.5
Gross profit	**1,038.3**	904.1	1,024.0
Selling and administrative expenses	**422.1**	424.4	469.7
Amortization of intangibles	**67.5**	65.2	63.3
Impairments	**—**	29.4	7.8
Net gain on sale of assets and businesses	**(29.4)**	—	(5.0)
Other (income) expense, net	**(17.9)**	(22.4)	1.4
Earnings before interest and income taxes	**596.0**	407.5	486.8
Interest expense	**76.5**	82.7	90.7
Interest income	**2.6**	3.1	7.4
Earnings before income taxes	**522.1**	327.9	403.5
Income taxes	**119.5**	74.8	89.4
Net earnings	**402.6**	253.1	314.1
(Earnings) attributable to noncontrolling interest, net of tax	**(.2)**	(.1)	(.1)
Net earnings attributable to Leggett & Platt, Inc. common shareholders	**$ 402.4**	$ 253.0	$ 314.0
Net earnings per share attributable to Leggett & Platt, Inc. common shareholders			
Basic	**$ 2.95**	$ 1.86	$ 2.33
Diluted	**$ 2.94**	$ 1.86	$ 2.32

The accompanying notes are an integral part of these consolidated financial statements.

LEGGETT & PLATT, INCORPORATED

Consolidated Statements of Comprehensive Income (Loss)

	Year Ended December 31		
(Amounts in millions)	**2021**	**2020**	**2019**
Net earnings	**$ 402.6**	$ 253.1	$ 314.1
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments	**(18.2)**	27.8	5.0
Cash flow hedges	**10.5**	5.5	7.7
Defined benefit pension plans	**21.7**	(9.0)	(11.9)
Other comprehensive income	**14.0**	24.3	.8
Comprehensive income	**416.6**	277.4	314.9
Less: comprehensive (income) attributable to noncontrolling interest	**(.1)**	—	(.1)
Comprehensive income attributable to Leggett & Platt, Inc.	**$ 416.5**	$ 277.4	$ 314.8

The accompanying notes are an integral part of these consolidated financial statements.

LEGGETT & PLATT, INCORPORATED
Consolidated Balance Sheets

(Amounts in millions, except per share data)	December 31 2021	December 31 2020
ASSETS		
Current Assets		
Cash and cash equivalents	$ 361.7	$ 348.9
Trade receivables, net	620.0	535.2
Other receivables, net	31.5	28.4
Total receivables, net	651.5	563.6
Inventories	993.2	691.5
Prepaid expenses and other current assets	58.9	54.1
Total current assets	2,065.3	1,658.1
Property, Plant and Equipment—at cost		
Machinery and equipment	1,435.0	1,396.2
Buildings and other	772.1	740.9
Land	44.1	43.6
Total property, plant and equipment	2,251.2	2,180.7
Less accumulated depreciation	1,469.7	1,395.9
Net property, plant and equipment	781.5	784.8
Other Assets		
Goodwill	1,449.6	1,388.8
Other intangibles, net	707.8	701.6
Operating lease right-of-use assets	192.6	161.6
Sundry	110.5	105.1
Total other assets	2,460.5	2,357.1
TOTAL ASSETS	$ 5,307.3	$ 4,800.0
LIABILITIES AND EQUITY		
Current Liabilities		
Current maturities of long-term debt	$ 300.6	$ 50.9
Current portion of operating lease liabilities	44.5	42.4
Accounts payable	613.8	552.2
Accrued expenses	284.6	275.2
Other current liabilities	92.2	85.3
Total current liabilities	1,335.7	1,006.0
Long-term Liabilities		
Long-term debt	1,789.7	1,849.3
Operating lease liabilities	153.0	122.1
Other long-term liabilities	162.9	192.1
Deferred income taxes	217.4	205.4
Total long-term liabilities	2,323.0	2,368.9
Commitments and Contingencies		
Equity		
Common stock: Preferred stock—authorized, 100.0 shares; none issued; Common stock—authorized, 600.0 shares of $.01 par value; 198.8 shares issued	2.0	2.0
Additional contributed capital	557.9	543.2
Retained earnings	2,973.0	2,797.2
Accumulated other comprehensive (loss)	(38.3)	(52.4)
Less treasury stock—at cost (65.4 and 66.2 shares at December 31, 2021 and 2020, respectively)	(1,846.6)	(1,865.4)
Total Leggett & Platt, Inc. equity	1,648.0	1,424.6
Noncontrolling interest	.6	.5
Total equity	1,648.6	1,425.1
TOTAL LIABILITIES AND EQUITY	$ 5,307.3	$ 4,800.0

The accompanying notes are an integral part of these consolidated financial statements.

LEGGETT & PLATT, INCORPORATED
Consolidated Statements of Cash Flows

	Year Ended December 31		
(Amounts in millions)	**2021**	**2020**	**2019**
Operating Activities			
Net earnings	**$ 402.6**	$ 253.1	$ 314.1
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation	**116.5**	119.4	117.5
Amortization of intangibles and supply agreements	**70.8**	70.0	74.4
Long-lived asset impairment	**—**	4.0	7.8
Goodwill impairment	**—**	25.4	—
(Decrease) increase in provision for losses on accounts and notes receivable	**(3.4)**	17.1	2.8
Writedown of inventories	**13.7**	13.6	15.1
Net gain from sales of assets and businesses	**(29.4)**	—	(5.0)
Deferred income tax (benefit) expense	**(8.5)**	(20.9)	.8
Stock-based compensation	**34.2**	29.2	33.0
Pension expense, net of contributions	**1.1**	1.9	4.3
Other, net	**11.3**	9.5	2.2
Increases/decreases in, excluding effects from acquisitions and divestitures:			
Accounts and other receivables	**(75.0)**	24.3	53.0
Inventories	**(305.0)**	(31.9)	73.8
Other current assets	**(6.7)**	4.8	(2.8)
Accounts payable	**63.5**	83.0	(39.4)
Accrued expenses and other current liabilities	**(14.4)**	.1	16.4
Net Cash Provided by Operating Activities	**271.3**	602.6	668.0
Investing Activities			
Additions to property, plant and equipment	**(106.6)**	(66.2)	(143.1)
Purchases of companies, net of cash acquired	**(152.6)**	—	(1,265.1)
Proceeds from sales of assets and businesses	**38.5**	14.8	5.5
Other, net	**(5.5)**	2.4	(15.5)
Net Cash Used for Investing Activities	**(226.2)**	(49.0)	(1,418.2)
Financing Activities			
Additions to long-term debt	**492.8**	—	993.3
Payments on long-term debt	**(306.6)**	(157.5)	(37.6)
Change in commercial paper and short-term debt	**(1.3)**	(70.3)	(8.7)
Dividends paid	**(218.3)**	(211.5)	(204.6)
Issuances of common stock	**3.5**	1.5	9.3
Purchases of common stock	**(9.8)**	(10.6)	(16.4)
Proceeds from interest rate treasury lock	**10.2**	—	—
Additional consideration paid for acquisitions	**(.2)**	(8.4)	(1.1)
Other, net	**(3.1)**	(4.9)	(3.1)
Net Cash (Used for) Provided by Financing Activities	**(32.8)**	(461.7)	731.1
Effect of Exchange Rate Changes on Cash	**.5**	9.4	(1.4)
Increase (Decrease) in Cash and Cash Equivalents	**12.8**	101.3	(20.5)
Cash and Cash Equivalents—Beginning of Year	**348.9**	247.6	268.1
Cash and Cash Equivalents—End of Year	**$ 361.7**	$ 348.9	$ 247.6
Supplemental Information			
Interest paid (net of amounts capitalized)	**$ 66.6**	$ 74.8	$ 77.3
Income taxes paid	**126.8**	108.6	84.2
Property, plant and equipment acquired through finance leases	**1.9**	1.8	2.1
Capital expenditures in accounts payable	**4.3**	7.1	6.8
Prepaid income taxes and taxes receivable (recovered) applied against the deemed repatriation tax liability	**4.0**	1.2	(.6)

The accompanying notes are an integral part of these consolidated financial statements.

LEGGETT & PLATT, INCORPORATED
Consolidated Statements of Changes in Equity

(Amounts in millions, except per share data)	Common Stock		Additional Contributed Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock		Noncontrolling Interest	Total Equity
	Shares	Amount				Shares	Amount		
Balance, December 31, 2018	**198.8**	**$ 2.0**	**$ 527.1**	**$ 2,663.0**	**$ (77.6)**	**(68.3)**	**$ (1,908.3)**	**$ .6**	**$ 1,206.8**
Effect of accounting change on prior years (See Note K)	**—**	**—**	**—**	**.1**	**—**	**—**	**—**	**—**	**.1**
Adjusted beginning balance, January 1, 2019	**198.8**	**2.0**	**527.1**	**2,663.1**	**(77.6)**	**(68.3)**	**(1,908.3)**	**.6**	**1,206.9**
Net earnings attributable to Leggett & Platt, Inc. common shareholders	—	—	—	314.0	—	—	—	.1	314.1
Dividends declared	—	—	5.4	(213.2)	—	—	—	—	(207.8)
Dividends paid to noncontrolling interest	—	—	—	—	—	—	—	(.2)	(.2)
Treasury stock purchased	—	—	—	—	—	(.7)	(31.1)	—	(31.1)
Treasury stock issued	—	—	(22.3)	—	—	2.0	55.6	—	33.3
Other comprehensive income, net of tax (See Note P)	—	—	—	—	.8	—	—	—	.8
Stock-based compensation, net of tax	—	—	25.9	—	—	—	—	—	25.9
Balance, December 31, 2019	**198.8**	**$ 2.0**	**$ 536.1**	**$ 2,763.9**	**$ (76.8)**	**(67.0)**	**$ (1,883.8)**	**$ .5**	**$ 1,341.9**
Effect of accounting change on prior years (See Note H)	**—**	**—**	**—**	**(2.5)**	**—**	**—**	**—**	**—**	**(2.5)**
Adjusted beginning balance, January 1, 2020	**198.8**	**2.0**	**536.1**	**2,761.4**	**(76.8)**	**(67.0)**	**(1,883.8)**	**.5**	**1,339.4**
Net earnings attributable to Leggett & Platt, Inc. common shareholders	—	—	—	253.0	—	—	—	.1	253.1
Dividends declared	—	—	5.5	(217.2)	—	—	—	—	(211.7)
Dividends paid to noncontrolling interest	—	—	—	—	—	—	—	—	—
Treasury stock purchased	—	—	—	—	—	(.2)	(11.2)	—	(11.2)
Treasury stock issued	—	—	(21.9)	—	—	1.0	29.6	—	7.7
Other comprehensive income (loss), net of tax (See Note P)	—	—	—	—	24.4	—	—	(.1)	24.3
Stock-based compensation, net of tax	—	—	23.5	—	—	—	—	—	23.5
Balance, December 31, 2020	**198.8**	**$ 2.0**	**$ 543.2**	**$ 2,797.2**	**$ (52.4)**	**(66.2)**	**$ (1,865.4)**	**$ .5**	**$ 1,425.1**
Net earnings attributable to Leggett & Platt, Inc. common shareholders	**—**	**—**	**—**	**402.4**	**—**	**—**	**—**	**.2**	**402.6**
Dividends declared	**—**	**—**	**5.2**	**(226.6)**	**—**	**—**	**—**	**—**	**(221.4)**
Treasury stock purchased	**—**	**—**	**—**	**—**	**—**	**(.3)**	**(12.3)**	**—**	**(12.3)**
Treasury stock issued	**—**	**—**	**(20.2)**	**—**	**—**	**1.1**	**31.1**	**—**	**10.9**
Other comprehensive income (loss), net of tax (See Note P)	**—**	**—**	**—**	**—**	**14.1**	**—**	**—**	**(.1)**	**14.0**
Stock-based compensation, net of tax	**—**	**—**	**29.6**	**—**	**—**	**—**	**—**	**—**	**29.6**
Purchase of remaining interest in noncontrolling interest	**—**	**—**	**(.2)**	**—**	**—**	**—**	**—**	**(1.2)**	**(1.4)**
Partial sale of business resulting in noncontrolling interest	**—**	**—**	**.3**	**—**	**—**	**—**	**—**	**1.2**	**1.5**
Balance, December 31, 2021	**198.8**	**$ 2.0**	**$ 557.9**	**$ 2,973.0**	**$ (38.3)**	**(65.4)**	**$ (1,846.6)**	**$ .6**	**$ 1,648.6**

The accompanying notes are an integral part of these consolidated financial statements.