

## PART IV

### Item 15. Exhibits, 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:

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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 124.

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.

## PART IV

# 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, 2016, 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, 2016.

Leggett & Platt's internal control over financial reporting, as of December 31, 2016, has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report appearing on page 69 of this Form 10-K.

/s/ KARL G. GLASSMAN

Karl G. Glassman  
President and Chief Executive Officer

February 22, 2017

/s/ MATTHEW C. FLANIGAN

Matthew C. Flanigan  
Executive Vice President and Chief Financial Officer

February 22, 2017

# Report of Independent Registered Public Accounting Firm

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

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a) present fairly, in all material respects, the financial position of Leggett & Platt, Incorporated and its subsidiaries at December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15(a) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, 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 these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. 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.

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.

/s/ PRICEWATERHOUSECOOPERS LLP

St. Louis, Missouri  
February 22, 2017

**LEGGETT & PLATT, INCORPORATED**

**Consolidated Statements of Operations**

(Amounts in millions, except per share data)	Year Ended December 31		
	2016	2015	2014
Net sales	\$ 3,749.9	\$ 3,917.2	\$ 3,782.3
Cost of goods sold	2,850.7	2,994.0	2,991.9
Gross profit	899.2	923.2	790.4
Selling and administrative expenses	396.8	416.9	449.6
Amortization of intangibles	19.9	20.8	19.7
Goodwill impairment	3.7	4.1	—
Gain on sale of assets and businesses	(37.6)	(.5)	(5.1)
Other (income) expense, net	(5.6)	(4.6)	(5.3)
Earnings from continuing operations before interest and income taxes	522.0	486.5	331.5
Interest expense	38.8	41.1	41.8
Interest income	3.9	4.4	5.8
Earnings from continuing operations before income taxes	487.1	449.8	295.5
Income taxes	120.0	121.8	70.3
Earnings from continuing operations	367.1	328.0	225.2
Earnings (loss) from discontinued operations, net of tax	19.1	1.2	(124.0)
Net earnings	386.2	329.2	101.2
(Earnings) attributable to noncontrolling interest, net of tax	(.4)	(4.1)	(3.2)
Net earnings attributable to Leggett & Platt, Inc. common shareholders	\$ 385.8	\$ 325.1	\$ 98.0
Earnings per share from continuing operations attributable to Leggett & Platt, Inc. common shareholders			
Basic	\$ 2.66	\$ 2.30	\$ 1.57
Diluted	\$ 2.62	\$ 2.27	\$ 1.55
Earnings (loss) per share from discontinued operations attributable to Leggett & Platt, Inc. common shareholders			
Basic	\$ .14	\$ .01	\$ (.88)
Diluted	\$ .14	\$ .01	\$ (.87)
Net earnings per share attributable to Leggett & Platt, Inc. common shareholders			
Basic	\$ 2.80	\$ 2.31	\$ .69
Diluted	\$ 2.76	\$ 2.28	\$ .68

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

**LEGGETT & PLATT, INCORPORATED**

**Consolidated Statements of Comprehensive Income (Loss)**

(Amounts in millions)	Year Ended December 31		
	2016	2015	2014
Net earnings	\$ 386.2	\$ 329.2	\$ 101.2
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments, including acquisition of non-controlling interest	(33.9)	(92.1)	(71.7)
Cash flow hedges	10.4	(8.1)	3.4
Defined benefit pension plans	.9	11.2	(29.0)
Other comprehensive income (loss)	(22.6)	(89.0)	(97.3)
Comprehensive income	363.6	240.2	3.9
Less: comprehensive (income) attributable to noncontrolling interest	(.3)	(3.6)	(3.0)
Comprehensive income attributable to Leggett & Platt, Inc.	\$ 363.3	\$ 236.6	\$ 0.9

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

**LEGGETT & PLATT, INCORPORATED**  
**Consolidated Balance Sheets**

(Amounts in millions, except per share data)	December 31	
	2016	2015
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 281.9	\$ 253.2
Trade receivables, net	450.8	448.7
Other receivables, net	35.8	71.5
Total receivables, net	486.6	520.2
Inventories		
Finished goods	255.7	242.8
Work in process	52.6	42.6
Raw materials and supplies	245.1	241.8
LIFO reserve	(33.8)	(22.6)
Total inventories, net	519.6	504.6
Prepaid expenses and other current assets	36.8	33.2
Total current assets	1,324.9	1,311.2
<b>Property, Plant and Equipment—at cost</b>		
Machinery and equipment	1,133.8	1,099.1
Buildings and other	559.4	548.2
Land	37.7	40.0
Total property, plant and equipment	1,730.9	1,687.3
Less accumulated depreciation	1,165.4	1,146.5
Net property, plant and equipment	565.5	540.8
<b>Other Assets</b>		
Goodwill	791.3	806.1
Other intangibles, less accumulated amortization of \$137.0 and \$139.8 at December 31, 2016 and 2015, respectively	164.9	188.4
Sundry	137.5	117.2
Total other assets	1,093.7	1,111.7
<b>TOTAL ASSETS</b>	\$ 2,984.1	\$ 2,963.7
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Current maturities of long-term debt	\$ 3.6	\$ 3.4
Accounts payable	351.1	307.2
Accrued expenses	257.7	286.7
Other current liabilities	94.2	103.9
Total current liabilities	706.6	701.2
<b>Long-term Liabilities</b>		
Long-term debt	956.2	941.5
Other long-term liabilities	173.0	184.7
Deferred income taxes	54.3	38.6
Total long-term liabilities	1,183.5	1,164.8
<b>Commitments and Contingencies</b>		
<b>Equity</b>		
Capital stock: Preferred stock—authorized, 100.0 shares; none issued; Common stock—authorized, 600.0 shares of \$0.01 par value; 198.8 shares issued	2.0	2.0
Additional contributed capital	506.2	529.5
Retained earnings	2,410.5	2,209.2
Accumulated other comprehensive income (loss)	(113.6)	(91.1)
Less treasury stock—at cost (65.3 and 63.2 shares at December 31, 2016 and 2015, respectively)	(1,713.5)	(1,564.0)
Total Leggett & Platt, Inc. equity	1,091.6	1,085.6
Noncontrolling interest	2.4	12.1
Total equity	1,094.0	1,097.7
<b>TOTAL LIABILITIES AND EQUITY</b>	\$ 2,984.1	\$ 2,963.7

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

**LEGGETT & PLATT, INCORPORATED**  
**Consolidated Statements of Cash Flows**

(Amounts in millions)	Year Ended December 31		
	2016	2015	2014
<b>Operating Activities</b>			
Net earnings	\$ 386.2	\$ 329.2	\$ 101.2
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation	86.8	83.5	89.9
Amortization of intangibles and debt issuance costs	28.6	29.7	28.0
Long-lived asset impairments	.4	2.4	1.3
Goodwill impairment	3.7	4.1	108.0
Provision for losses on accounts and notes receivable	1.6	2.6	4.9
Writedown of inventories	8.9	9.8	10.0
Net (gain) loss from sales of assets and businesses	(38.5)	(3.7)	4.2
Deferred income tax expense (benefit)	17.6	24.1	(39.8)
Stock-based compensation	37.1	45.2	41.6
Tax benefits from stock-based compensation payments (See Note A)	—	(15.7)	(10.6)
Pension expense (benefit), net of contributions	(2.2)	15.6	(1.0)
Other, net	7.3	3.1	(9.4)
Increases/decreases in, excluding effects from acquisitions and divestitures:			
Accounts and other receivables	3.4	(16.4)	(97.7)
Inventories	(33.3)	(49.1)	(21.9)
Other current assets	(2.1)	(4)	1.4
Accounts payable	50.8	(54.3)	47.5
Accrued expenses and other current liabilities	(3.7)	(50.6)	124.3
Net Cash Provided by Operating Activities	552.6	359.1	381.9
<b>Investing Activities</b>			
Additions to property, plant and equipment	(124.0)	(103.2)	(94.1)
Purchases of companies, net of cash acquired	(29.5)	(11.1)	(70.4)
Proceeds from sales of assets and businesses	86.1	51.4	76.5
Advance of non-trade note receivable	(24.6)	—	—
Other, net	(10.0)	(6.7)	(14.7)
Net Cash Used for Investing Activities	(102.0)	(69.6)	(102.7)
<b>Financing Activities</b>			
Additions to long-term debt	.4	.4	299.3
Payments on long-term debt	(5.4)	(205.0)	(188.1)
Change in commercial paper and short-term debt	11.5	201.3	(24.2)
Dividends paid	(177.4)	(171.6)	(167.5)
Issuances of common stock	4.9	8.3	21.8
Purchases of common stock	(198.0)	(191.5)	(149.7)
Acquisition of noncontrolling interest	(35.2)	—	—
Tax benefits from stock-based compensation payments (See Note A)	—	15.7	10.6
Other, net	(3.0)	(6.8)	(5.8)
Net Cash Used for Financing Activities	(402.2)	(349.2)	(203.6)
<b>Effect of Exchange Rate Changes on Cash</b>	(19.7)	(19.9)	(15.5)
<b>Increase (decrease) in Cash and Cash Equivalents</b>	28.7	(79.6)	60.1
<b>Cash and Cash Equivalents—Beginning of Year</b>	253.2	332.8	272.7
<b>Cash and Cash Equivalents—End of Year</b>	\$ 281.9	\$ 253.2	\$ 332.8
<b>Supplemental Information</b>			
Interest paid (net of amounts capitalized)	\$ 37.5	\$ 43.6	\$ 40.1
Income taxes paid	112.3	91.6	84.6
Property, plant and equipment acquired through capital leases	4.7	1.6	3.7
Capital expenditures in accounts payable	5.1	2.5	3.8

The accompanying notes are an integral part of these 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		Non-controlling Interest	Total Equity
	Shares	Amount				Shares	Amount		
<b>Balance, December 31, 2013</b>	<b>198.8</b>	<b>\$ 2.0</b>	<b>\$ 479.1</b>	<b>\$ 2,136.4</b>	<b>\$ 94.5</b>	<b>(59.4)</b>	<b>\$(1,320.7)</b>	<b>\$ 7.9</b>	<b>\$ 1,399.2</b>
Net earnings	—	—	—	101.2	—	—	—	—	101.2
(Earnings) attributable to noncontrolling interest, net of tax	—	—	—	(3.2)	—	—	—	3.2	—
Dividends declared (A)	—	—	4.9	(173.1)	—	—	—	—	(168.2)
Dividends paid to noncontrolling interest	—	—	—	—	—	—	—	(2.5)	(2.5)
Treasury stock purchased	—	—	—	—	—	(5.4)	(183.9)	—	(183.9)
Treasury stock issued	—	—	(16.0)	—	—	3.8	88.0	—	72.0
Foreign currency translation adjustments	—	—	—	—	(71.5)	—	—	(.2)	(71.7)
Cash flow hedges, net of tax	—	—	—	—	3.4	—	—	—	3.4
Defined benefit pension plans, net of tax	—	—	—	—	(29.0)	—	—	—	(29.0)
Stock options and benefit plan transactions, net of tax	—	—	34.4	—	—	—	—	—	34.4
<b>Balance, December 31, 2014</b>	<b>198.8</b>	<b>\$ 2.0</b>	<b>\$ 502.4</b>	<b>\$ 2,061.3</b>	<b>\$ (2.6)</b>	<b>(61.0)</b>	<b>\$(1,416.6)</b>	<b>\$ 8.4</b>	<b>\$ 1,154.9</b>
Net earnings	—	—	—	329.2	—	—	—	—	329.2
(Earnings) attributable to noncontrolling interest, net of tax	—	—	—	(4.1)	—	—	—	4.1	—
Dividends declared (A)	—	—	4.9	(177.2)	—	—	—	—	(172.3)
Treasury stock purchased	—	—	—	—	—	(4.3)	(198.2)	—	(198.2)
Treasury stock issued	—	—	(20.7)	—	—	2.1	50.8	—	30.1
Foreign currency translation adjustments	—	—	—	—	(91.6)	—	—	(.5)	(92.1)
Cash flow hedges, net of tax	—	—	—	—	(8.1)	—	—	—	(8.1)
Defined benefit pension plans, net of tax	—	—	—	—	11.2	—	—	—	11.2
Stock options and benefit plan transactions, net of tax	—	—	42.9	—	—	—	—	—	42.9
Acquisition of noncontrolling interest	—	—	—	—	—	—	—	.1	.1
<b>Balance, December 31, 2015</b>	<b>198.8</b>	<b>\$ 2.0</b>	<b>\$ 529.5</b>	<b>\$ 2,209.2</b>	<b>\$ (91.1)</b>	<b>(63.2)</b>	<b>\$(1,564.0)</b>	<b>\$ 12.1</b>	<b>\$ 1,097.7</b>
Net earnings	—	—	—	386.2	—	—	—	—	386.2
(Earnings) attributable to noncontrolling interest, net of tax	—	—	—	(.4)	—	—	—	.4	—
Dividends declared (A)	—	—	5.1	(184.5)	—	—	—	—	(179.4)
Dividends paid to noncontrolling interest	—	—	—	—	—	—	—	(1.6)	(1.6)
Treasury stock purchased	—	—	—	—	—	(4.5)	(210.9)	—	(210.9)
Treasury stock issued	—	—	(25.4)	—	—	2.4	61.4	—	36.0
Foreign currency translation adjustments	—	—	—	—	(34.8)	—	—	(.1)	(34.9)
Cash flow hedges, net of tax	—	—	—	—	10.4	—	—	—	10.4
Defined benefit pension plans, net of tax	—	—	—	—	.9	—	—	—	.9
Stock options and benefit plan transactions, net of tax	—	—	24.9	—	—	—	—	—	24.9
Acquisition of noncontrolling interest	—	—	(27.9)	—	1.0	—	—	(8.4)	(35.3)
<b>Balance, December 31, 2016</b>	<b>198.8</b>	<b>\$ 2.0</b>	<b>\$ 506.2</b>	<b>\$ 2,410.5</b>	<b>\$ (113.6)</b>	<b>(65.3)</b>	<b>\$(1,713.5)</b>	<b>\$ 2.4</b>	<b>\$ 1,094.0</b>

(A) – Cash dividends declared (per share: 2016—\$1.34; 2015—\$1.26; 2014—\$1.22)

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