UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of report (Date of earliest event reported): May 9, 2023

TEMPUR SEALY INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Delaware	**001-31922**	**33-1022198**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

1000 Tempur Way
Lexington, Kentucky 40511
(Address of principal executive offices) (Zip Code)

(800) 878-8889
(Registrant’s telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of exchange on which registered**
Common Stock, $0.01 par value	TPX	New York Stock Exchange

Indicate by check mark whether the Registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition

On May 9, 2023, Tempur Sealy International, Inc. (the "Company") issued a press release to announce its financial results for the quarter ended March 31, 2023. Copies of the press release and the supplemental materials are attached as Exhibit 99.1 to this Current Report on Form 8-K and are incorporated herein by reference.

The information in this Item 2.02 (including Exhibit 99.1) shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 7.01 Regulation FD Disclosure

On May 9, 2023, the Company released an updated investor presentation (the "Investor Presentation"). The Investor Presentation will be used from time to time in meetings with investors. A copy of the Investor Presentation is furnished herewith as Exhibit 99.2.

The information furnished under Item 2.02 of this Current Report on Form 8-K is hereby incorporated by reference under this Item 7.01 as if fully set forth herein.

The information disclosed pursuant to this Item 7.01 (including Exhibits 99.1 and 99.2) shall not be deemed to be "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that section and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in any such filing.

Item 8.01 Other Items

On May 9, 2023, the Company issued a press release to announce that its Board of Directors has declared a quarterly cash dividend of $0.11 per share. The dividend is payable on June 6, 2023, to shareholders of record as of May 23, 2023. A copy of the press release is attached as Exhibit 99.3 to this current report on Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit	Description
99.1	Press Release dated May 9, 2023, titled "Tempur Sealy Reports First Quarter Results"
99.2	Tempur Sealy International, Inc. May 2023 Investor Presentation
99.3	Press Release dated May 9, 2023, titled "Tempur Sealy Announces Second Quarter Cash Dividend"
104	Cover page interactive data file (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 9, 2023

Tempur Sealy International, Inc.

By:	/s/ Bhaskar Rao
Name:	Bhaskar Rao
Title:	Executive Vice President & Chief Financial Officer

TEMPUR SEALY

TEMPUR SEALY REPORTS FIRST QUARTER RESULTS

-Announces Agreement to Acquire Mattress Firm

- Reports EPS of $0.48 and Adjusted EPS(1) of $0.53

- Declares First Quarter Dividend of $0.11 per share

-Reaffirms 2023 Adjusted EPS(1) Guidance Range of $2.60 - $2.80

LEXINGTON, KY, May 9, 2023 - Tempur Sealy International, Inc. (NYSE: TPX) and Mattress Firm Group Inc. ("Mattress Firm") today announced that Tempur Sealy has signed a definitive agreement to acquire Mattress Firm, the nation's largest mattress specialty retailer, in a cash and stock transaction valued at approximately $4.0 billion. The Company expects the transaction to close in the second half of 2024, subject to the satisfaction of customary closing conditions, including applicable regulatory approvals. A separate press release related to the announcement of this transaction can be found on the Company's investor relations website at investor.tempursealy.com.

The Company today also announced financial results for the first quarter ended March 31, 2023 and reaffirmed financial guidance for the full year 2023.

FIRST QUARTER 2023 FINANCIAL SUMMARY

- Total net sales decreased 2.5% to $1,208.1 million as compared to $1,239.5 million in the first quarter of 2022. On a constant currency basis(1), total net sales decreased 0.5%, with a decrease of 1.2% in the North America business segment and an increase of 1.7% in the International business segment.
- Gross margin was 41.4% as compared to 42.2% in the first quarter of 2022. Adjusted gross margin(1) was 41.8% in the first quarter of 2023. There were no adjustments to gross margin in the first quarter of 2022.
- Operating income decreased 24.0% to $143.3 million as compared to $188.6 million in the first quarter of 2022. Adjusted operating income(1) was $153.4 million in the first quarter of 2023. There were no adjustments to operating income in the first quarter of 2022.
- Net income decreased 34.7% to $85.3 million as compared to $130.7 million in the first quarter of 2022. Adjusted net income(1) was $92.9 million in the first quarter of 2023. There were no adjustments to net income in the first quarter of 2022.
- Earnings per diluted share ("EPS") decreased 30.4% to $0.48 as compared to $0.69 in the first quarter of 2022. Adjusted EPS(1) was $0.53 in the first quarter of 2023. There were no adjustments to EPS in the first quarter of 2022.

KEY HIGHLIGHTS

	Three Months Ended		
(in millions, except percentages and per common share amounts)	**March 31, 2023**	**March 31, 2022**	**% Reported Change**
Net sales	$ 1,208.1	$ 1,239.5	(2.5)%
Net income	$ 85.3	$ 130.7	(34.7)%
Adjusted net income (1)	$ 92.9	$ 130.7	(28.9)%
EPS	$ 0.48	$ 0.69	(30.4)%
Adjusted EPS (1)	$ 0.53	$ 0.69	(23.2)%

Company Chairman and CEO Scott Thompson commented, "Our first quarter performance reflects the strength of our industry-leading business model, as we continued to outperform the broader industry against a challenging operating backdrop. Though the U.S. industry conditions were slightly less favorable than anticipated as a result of heightened macroeconomic pressures, we performed largely in-line with our first quarter expectations. In the second quarter, our expectation is that our consolidated sales will return to growth year over year, supported by the strong reception to our newly launched products, encouraging order trends quarter to date, and fully lapping the challenging prior year comps in the first quarter.

Thompson continued, "Today we also announced that we have signed a definitive agreement to acquire Mattress Firm, the nation's largest mattress specialty retailer. This acquisition aligns with our strategy of acquiring companies that extend our competitive advantages, enable us to move closer to consumers, and facilitate continued innovation. This combination will complement Tempur Sealy's extensive product development and manufacturing capabilities with vertically integrated retail. The two companies have grown over the last 35 years with a mutual focus on providing customers the best sleep products in the world. We are thrilled to formally bring these teams together."

(1) This is a non-GAAP financial measure. Please refer to "Non-GAAP Financial Measures and Constant Currency Information" below.

Business Segment Highlights

The Company's business segments include North America and International. Corporate operating expenses are not included in either of the business segments and are presented separately as a reconciling item to consolidated results.

North America net sales decreased 1.3% to $919.6 million as compared to $931.4 million in the first quarter of 2022. This decline was primarily driven by continued macroeconomic pressures impacting U.S. consumer behavior. On a constant currency basis(1), North America net sales decreased 1.2% as compared to the first quarter of 2022. Gross margin was 37.4% as compared to 37.8% in the first quarter of 2022. Adjusted gross margin(1) was 37.9% in the first quarter of 2023. There were no adjustments to gross margin in the first quarter of 2022. Operating margin was 14.8% as compared to 16.7% in the first quarter of 2022. Adjusted operating margin(1) was 15.3% in the first quarter of 2023. There were no adjustments to operating margin in the first quarter of 2022.

North America net sales through the wholesale channel decreased $7.0 million, or 0.9%, to $804.3 million, as compared to the first quarter of 2022. North America net sales through the direct channel decreased $4.8 million, or 4.0%, to $115.3 million, as compared to the first quarter of 2022.

North America adjusted gross margin(1) improved 10 basis points as compared to gross margin in the first quarter of 2022. The improvement was primarily driven by pricing actions, partially offset by operational headwinds and product launch costs. North America adjusted operating margin(1) declined 140 basis points as compared to operating margin in the first quarter of 2022. The decline was primarily driven by operating expense deleverage partially offset by the improvement in gross margin.

International net sales decreased 6.4% to $288.5 million as compared to $308.1 million in the first quarter of 2022. This decline was primarily driven by unfavorable foreign exchange. On a constant currency basis(1), International net sales increased 1.7% as compared to the first quarter of 2022. Gross margin was 54.0% as compared to 55.3% in the first quarter of 2022. Operating margin was 15.3% as compared to 21.7% in the first quarter of 2022.

International net sales through the wholesale channel decreased $4.5 million, or 4.0%, to $108.3 million as compared to the first quarter of 2022. International net sales through the direct channel decreased $15.1 million, or 7.7%, to $180.2 million as compared to the first quarter of 2022.

International gross margin declined 130 basis points as compared to the first quarter of 2022. The decline was primarily driven by product launch costs, offset by pricing actions. International operating margin declined 640 basis points as compared to the first quarter of 2022. The decline was primarily driven by operating expense deleverage associated with product launch costs, the decline in gross margin and Asia joint venture performance.

Corporate operating expense increased to $36.9 million as compared to $33.6 million in the first quarter of 2022. Corporate adjusted operating expense(1) was $31.7 million in the first quarter of 2023. There were no adjustments to operating expense in the first quarter of 2022.

Consolidated net income decreased 34.7% to $85.3 million as compared to $130.7 million in the first quarter of 2022. Adjusted net income(1) was $92.9 million in the first quarter of 2023. There were no adjustments to net income in the first quarter of 2022. EPS decreased 30.4% to $0.48 as compared to $0.69 in the first quarter of 2022. Adjusted EPS(1) was $0.53 in the first quarter of 2023. There were no adjustments to EPS in the first quarter of 2022.

The Company ended the first quarter of 2023 with total debt of $2.9 billion and consolidated indebtedness less netted cash(1) of $2.8 billion. Leverage based on the ratio of consolidated indebtedness less netted cash(1) to adjusted EBITDA(1) was 3.24 times for the trailing twelve months ended March 31, 2023.

During the first quarter of 2023, the Company repurchased 1.0 million shares of its common stock for a total cost of $35.7 million. Over the last twelve months, the Company has repurchased 7.4 million shares of its common stock for a total cost of $208.3 million. As of March 31, 2023, the Company had approximately $774.5 million available under its existing share repurchase authorization.

Additionally, today the Company announced that its Board of Directors declared a quarterly cash dividend of $0.11 per share, payable on June 6, 2023, to shareholders of record at the close of business on May 23, 2023.

(1) This is a non-GAAP financial measure. Please refer to "Non-GAAP Financial Measures and Constant Currency Information" below.

Financial Guidance

For the full year 2023, the Company reaffirmed its expectations for an adjusted EPS[1] range of $2.60 to $2.80. This contemplates the Company's current sales outlook for mid single digit year-over-year growth.

The Company noted that its expectations are based on information available at the time of this release, and are subject to changing conditions and risks, many of which are outside the Company's control. The Company is unable to reconcile forward-looking adjusted EPS, a non-GAAP financial measure, to EPS, its most directly comparable forward-looking GAAP financial measure, without unreasonable efforts, because the Company is currently unable to predict with a reasonable degree of certainty the type and extent of certain items that would be expected to impact EPS in 2023.

Conference Call Information

Tempur Sealy International, Inc. will host a live conference call to discuss the announced Mattress Firm acquisition and the Company's financial results today, May 9, 2023, at 8:00 a.m. Eastern Time. The call will be webcast and can be accessed on the Company's investor relations website at investor.tempursealy.com. After the conference call, a webcast replay will remain available on the investor relations section of the Company's website for 30 days.

Non-GAAP Financial Measures and Constant Currency Information

For additional information regarding EBITDA, adjusted EBITDA, adjusted net income, adjusted EPS, adjusted gross profit, adjusted gross margin, adjusted operating income (expense), adjusted operating margin, consolidated indebtedness and consolidated indebtedness less netted cash (all of which are non-GAAP financial measures), please refer to the reconciliations and other information included in the attached schedules. For information on the methodology used to present information on a constant currency basis, please refer to "Constant Currency Information" included in the attached schedules.

Forward-Looking Statements

This press release contains statements that may be characterized as "forward-looking," within the meaning of the federal securities laws. Such statements might include information concerning one or more of the Company's plans, guidance, objectives, goals, strategies, and other information that is not historical information. When used in this release, the words "assumes," "estimates," "expects," "guidance," "anticipates," "might," "projects," "plans," "proposed," "targets," "intends," "believes," "will", "contemplates" and variations of such words or similar expressions are intended to identify forward-looking statements. These forward-looking statements include, without limitation, statements relating to the announced Mattress Firm acquisition, the Company's expected quarterly results and full year guidance, the Company's quarterly cash dividend, the Company's share repurchase targets, the Company's expectations regarding geopolitical events including the war in Ukraine, the macroeconomic environment including its impact on consumer behavior, foreign exchange rates and fluctuations in such rates, the bedding industry, financial infrastructure, adjusted EPS for 2023 and subsequent periods and the Company's expectations for increasing sales and adjusted EPS growth, product launches, expected hiring and advertising, capital project timelines, channel growth, acquisitions and commodities outlook. Any forward-looking statements contained herein are based upon current expectations and beliefs and various assumptions. There can be no assurance that the Company will realize these expectations, meet its guidance, or that these beliefs will prove correct.

Numerous factors, many of which are beyond the Company's control, could cause actual results to differ materially from any that may be expressed herein as forward-looking statements. These potential risks include the factors discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2022. There may be other factors that may cause the Company's actual results to differ materially from the forward-looking statements. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made.

About Tempur Sealy International, Inc.

Tempur Sealy is committed to improving the sleep of more people, every night, all around the world. As a leading designer, manufacturer, distributor and retailer of bedding products worldwide, we know how crucial a good night of sleep is to overall health and wellness. Utilizing over a century of knowledge and industry-leading innovation, we deliver award-winning products that provide breakthrough sleep solutions to consumers in over 100 countries.

(1) This is a non-GAAP financial measure. Please refer to "Non-GAAP Financial Measures and Constant Currency Information" below.

Our highly recognized brands include Tempur-Pedic®, Sealy® and Stearns & Foster® and our popular non-branded offerings consist of value-focused private label and OEM products. At Tempur Sealy we understand the importance of meeting our customers wherever and however they want to shop and have developed a powerful omni-channel retail strategy. Our products allow for complementary merchandising strategies and are sold through third-party retailers, our over 700 Company-owned stores worldwide and our e-commerce channels. With the range of our offerings and variety of purchasing options, we are dedicated to continuing to turn our mission to improve the sleep of more people, every night, all around the world into a reality.

Importantly, we are committed to carrying out our global responsibility to protect the environment and the communities in which we operate. As part of that commitment, we have established the goal of achieving carbon neutrality for our global wholly owned operations by 2040.

Investor Relations Contact:

Aubrey Moore
Investor Relations
Tempur Sealy International, Inc.
800-805-3635
Investor.relations@tempursealy.com

TEMPUR SEALY INTERNATIONAL, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Income
(in millions, except percentages and per common share amounts)
(unaudited)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022	Chg %
Net sales	$ 1,208.1	$ 1,239.5	(2.5)%
Cost of sales	708.2	716.7	
Gross profit	499.9	522.8	(4.4)%
Selling and marketing expenses	256.7	243.5	
General, administrative and other expenses	104.5	97.6	
Equity income in earnings of unconsolidated affiliates	(4.6)	(6.9)	
Operating income	143.3	188.6	(24.0)%
Other expense, net:			
Interest expense, net	32.8	20.9	
Other expense (income), net	0.1	(1.3)	
Total other expense, net	32.9	19.6	
Income before income taxes	110.4	169.0	(34.7)%
Income tax provision	(24.5)	(38.1)	
Net income before non-controlling interest	85.9	130.9	(34.4)%
Less: Net income attributable to non-controlling interest	0.6	0.2	
Net income attributable to Tempur Sealy International, Inc.	$ 85.3	$ 130.7	(34.7)%
Earnings per common share:			
Basic	$ 0.50	$ 0.72	(30.6)%
Diluted	$ 0.48	$ 0.69	(30.4)%
Weighted average common shares outstanding:			
Basic	172.0	182.6	
Diluted	176.8	188.5	

TEMPUR SEALY INTERNATIONAL, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(in millions)

	March 31, 2023	December 31, 2022
ASSETS	*(unaudited)*	
Current Assets:		
Cash and cash equivalents	$ 91.0	$ 69.4
Accounts receivable, net	461.5	422.6
Inventories	566.7	555.0
Prepaid expenses and other current assets	151.4	148.2
Total Current Assets	1,270.6	1,195.2
Property, plant and equipment, net	823.2	791.1
Goodwill	1,069.8	1,062.3
Other intangible assets, net	714.6	715.8
Operating lease right-of-use assets	563.1	506.8
Deferred income taxes	12.7	11.3
Other non-current assets	83.1	77.3
Total Assets	$ 4,537.1	$ 4,359.8
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities:		
Accounts payable	$ 368.1	$ 359.8
Accrued expenses and other current liabilities	441.8	432.7
Short-term operating lease obligations	113.5	105.5
Current portion of long-term debt	74.0	70.4
Income taxes payable	25.4	12.8
Total Current Liabilities	1,022.8	981.2
Long-term debt, net	2,769.0	2,739.9
Long-term operating lease obligations	501.3	453.5
Deferred income taxes	116.5	114.0
Other non-current liabilities	83.9	83.5
Total Liabilities	4,493.5	4,372.1
Redeemable non-controlling interest	8.9	9.8
Total Stockholders' Equity (Deficit)	34.7	(22.1)
Total Liabilities, Redeemable Non-Controlling Interest and Stockholders' Equity (Deficit)	$ 4,537.1	$ 4,359.8

TEMPUR SEALY INTERNATIONAL, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(in millions)
(unaudited)

	Three Months Ended March 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income before non-controlling interest	$ 85.9	$ 130.9
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	33.8	30.4
Amortization of stock-based compensation	10.8	13.8
Amortization of deferred financing costs	1.0	1.0
Bad debt expense	1.7	1.6
Deferred income taxes	0.7	(1.0)
Dividends received from unconsolidated affiliates	1.5	1.1
Equity income in earnings of unconsolidated affiliates	(4.6)	(6.9)
Foreign currency adjustments and other	(0.8)	(0.1)
Changes in operating assets and liabilities, net of effect of business acquisitions	(30.2)	(85.2)
Net cash provided by operating activities	99.8	85.6
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(52.1)	(60.3)
Other	0.1	1.0
Net cash used in investing activities	(52.0)	(59.3)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings under long-term debt obligations	509.8	528.1
Repayments of borrowings under long-term debt obligations	(477.4)	(216.0)
Proceeds from exercise of stock options	0.8	0.1
Treasury stock repurchased	(35.7)	(494.8)
Dividends paid	(20.8)	(18.7)
Repayments of finance lease obligations and other	(5.1)	(3.5)
Net cash used in financing activities	(28.4)	(204.8)
NET EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	2.2	(5.9)
Increase (decrease) in cash and cash equivalents	21.6	(184.4)
CASH AND CASH EQUIVALENTS, beginning of period	69.4	300.7
CASH AND CASH EQUIVALENTS, end of period	$ 91.0	$ 116.3

Summary of Channel Sales

The following table highlights net sales information, by channel and by business segment, for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,					
(in millions)	Consolidated		North America		International	
	2023	2022	2023	2022	2023	2022
Wholesale [(a)]	$ 912.6	$ 924.1	$ 804.3	$ 811.3	$ 108.3	$ 112.8
Direct [(b)]	295.5	315.4	115.3	120.1	180.2	195.3
	$ 1,208.1	$ 1,239.5	$ 919.6	$ 931.4	$ 288.5	$ 308.1

(a) The Wholesale channel includes all third party retailers, including third party distribution, hospitality and healthcare.

(b) The Direct channel includes company-owned stores, online and call centers.

TEMPUR SEALY INTERNATIONAL, INC. AND SUBSIDIARIES
Reconciliation of Non-GAAP Financial Measures
(in millions, except percentages, ratios and per common share amounts)

The Company provides information regarding adjusted net income, EBITDA, adjusted EBITDA, adjusted EPS, adjusted gross profit, adjusted gross margin, adjusted operating income (expense), adjusted operating margin, consolidated indebtedness and consolidated indebtedness less netted cash, which are not recognized terms under GAAP and do not purport to be alternatives to net income, earnings per share, gross profit, gross margin, operating income (expense) and operating margin as a measure of operating performance, or an alternative to total debt as a measure of liquidity. The Company believes these non-GAAP financial measures provide investors with performance measures that better reflect the Company's underlying operations and trends, providing a perspective not immediately apparent from net income, gross profit, gross margin, operating income (expense) and operating margin. The adjustments management makes to derive the non-GAAP financial measures include adjustments to exclude items that may cause short-term fluctuations in the nearest GAAP financial measure, but which management does not consider to be the fundamental attributes or primary drivers of the Company's business.

The Company believes that exclusion of these items assists in providing a more complete understanding of the Company's underlying results from operations and trends, and management uses these measures along with the corresponding GAAP financial measures to manage the Company's business, to evaluate its consolidated and business segment performance compared to prior periods and the marketplace, to establish operational goals and to provide continuity to investors for comparability purposes. Limitations associated with the use of these non-GAAP financial measures include that these measures do not present all of the amounts associated with the Company's results as determined in accordance with GAAP. These non-GAAP financial measures should be considered supplemental in nature and should not be construed as more significant than comparable financial measures defined by GAAP. Because not all companies use identical calculations, these presentations may not be comparable to other similarly titled measures of other companies. For more information about these non-GAAP financial measures and a reconciliation to the nearest GAAP financial measure, please refer to the reconciliations on the following pages.

Constant Currency Information

In this press release the Company refers to, and in other press releases and other communications with investors the Company may refer to, net sales, earnings or other historical financial information on a "constant currency basis," which is a non-GAAP financial measure. These references to constant currency do not include operational impacts that could result from fluctuations in foreign currency rates. To provide information on a constant currency basis, the applicable financial results are adjusted based on a simple mathematical model that translates current period results in local currency using the comparable prior corresponding period's currency conversion rate. This approach is used for countries where the functional currency is the local country currency. This information is provided so that certain financial results can be viewed without the impact of fluctuations in foreign currency rates, thereby facilitating period-to-period comparisons of business performance.

Adjusted Net Income and Adjusted EPS

A reconciliation of reported net income to adjusted net income and the calculation of adjusted EPS is provided below. Management believes that the use of these non-GAAP financial measures provides investors with additional useful information with respect to the impact of various adjustments as described in the footnotes at the end of this release.

The following table sets forth the reconciliation of the Company's reported net income to adjusted net income and the calculation of adjusted EPS for the three months ended March 31, 2023 and 2022:

	Three Months Ended	
(in millions, except per share amounts)	**March 31, 2023**	**March 31, 2022**
Net income	$ 85.3	$ 130.7
Restructuring costs and other [1]	5.2	—
ERP system transition [2]	3.2	—
Operational start-up costs [3]	1.7	—
Adjusted income tax provision [4]	(2.5)	—
Adjusted net income	$ 92.9	$ 130.7
Adjusted earnings per common share, diluted	$ 0.53	$ 0.69
Diluted shares outstanding	176.8	188.5

Please refer to Footnotes at the end of this release.

Adjusted Gross Profit, Adjusted Gross Margin, Adjusted Operating Income (Expense) and Adjusted Operating Margin

A reconciliation of gross profit and gross margin to adjusted gross profit and adjusted gross margin, respectively, and operating income (expense) and operating margin to adjusted operating income (expense) and adjusted operating margin, respectively, are provided below. Management believes that the use of these non-GAAP financial measures provides investors with additional useful information with respect to the impact of various adjustments as described in the footnotes at the end of this release.

The following table sets forth the reconciliation of the Company's reported gross profit and operating income (expense) to the calculation of adjusted gross profit and adjusted operating income (expense) for the three months ended March 31, 2023.

	1Q 2023						
(in millions, except percentages)	Consolidated	Margin	North America	Margin	International	Margin	Corporate
Net sales	$ 1,208.1		$ 919.6		$ 288.5		$ —
Gross profit	$ 499.9	41.4 %	$ 344.0	37.4 %	$ 155.9	54.0 %	$ —
Adjustments:							
ERP system transition (2)	3.2		3.2		—		—
Operational start-up costs (3)	1.7		1.7		—		—
Total adjustments	4.9		4.9		—		—
Adjusted gross profit	$ 504.8	41.8 %	$ 348.9	37.9 %	$ 155.9	54.0 %	$ —
Operating income (expense)	$ 143.3	11.9 %	$ 136.0	14.8 %	$ 44.2	15.3 %	$ (36.9)
Adjustments:							
Restructuring costs and other (1)	5.2		—		—		5.2
ERP system transition (2)	3.2		3.2		—		—
Operational start-up costs (3)	1.7		1.7		—		—
Total adjustments	10.1		4.9		—		5.2
Adjusted operating income (expense)	$ 153.4	12.7 %	$ 140.9	15.3 %	$ 44.2	15.3 %	$ (31.7)

The following table sets forth the Company's reported gross profit and operating income (expense) for the three months ended March 31, 2022. The Company had no adjustments to gross profit or operating income (expense) for the three months ended March 31, 2022.

	1Q 2022						
(in millions, except percentages)	Consolidated	Margin	North America	Margin	International	Margin	Corporate
Net sales	$ 1,239.5		$ 931.4		$ 308.1		$ —
Gross profit	$ 522.8	42.2 %	$ 352.4	37.8 %	$ 170.4	55.3 %	$ —
Operating income (expense)	$ 188.6	15.2 %	$ 155.4	16.7 %	$ 66.8	21.7 %	$ (33.6)

Please refer to Footnotes at the end of this release.

EBITDA, Adjusted EBITDA and Consolidated Indebtedness less Netted Cash

The following reconciliations are provided below:

- Net income to EBITDA and adjusted EBITDA
- Ratio of consolidated indebtedness less netted cash to adjusted EBITDA
- Total debt, net to consolidated indebtedness less netted cash

Management believes that presenting these non-GAAP measures provides investors with useful information with respect to the Company's operating performance, cash flow generation and comparisons from period to period, as well as general information about the Company's leverage.

The Company's credit agreement (the "2019 Credit Agreement") provides the definition of adjusted EBITDA. Accordingly, the Company presents adjusted EBITDA to provide information regarding the Company's compliance with requirements under the 2019 Credit Agreement.

The following table sets forth the reconciliation of the Company's reported net income to the calculations of EBITDA and adjusted EBITDA for the three months ended March 31, 2023 and 2022:

	Three Months Ended	
(in millions)	**March 31, 2023**	**March 31, 2022**
Net income	$ 85.3	$ 130.7
Interest expense, net	32.8	20.9
Income taxes	24.5	38.1
Depreciation and amortization	45.0	44.8
EBITDA	$ 187.6	$ 234.5
Adjustments:		
Restructuring costs and other(1)	5.2	—
ERP system transition (2)	3.2	—
Operational start-up costs (3)	1.7	—
Adjusted EBITDA	$ 197.7	$ 234.5

The following table sets forth the reconciliation of the Company's net income to the calculations of EBITDA and adjusted EBITDA for the trailing twelve months ended March 31, 2023:

(in millions)	**Trailing Twelve Months Ended March 31, 2023**
Net income	$ 410.3
Interest expense, net	114.9
Income tax provision	105.4
Depreciation and amortization	182.2
EBITDA	$ 812.8
Adjustments:	
Loss from discontinued operations, net of tax (5)	0.4
ERP system transition (2)	18.7
Restructuring costs and other (1)	15.2
Operational start-up costs (3)	8.2
Adjusted EBITDA	$ 855.3
Consolidated indebtedness less netted cash	$ 2,772.7
Ratio of consolidated indebtedness less netted cash to adjusted EBITDA	3.24 times

Please refer to Footnotes at the end of this release.

Under the 2019 Credit Agreement, the definition of adjusted EBITDA contains certain restrictions that limit adjustments to net income when calculating adjusted EBITDA. For the trailing twelve months ended March 31, 2023, the Company's adjustments to net income when calculating adjusted EBITDA did not exceed the allowable amount under the 2019 Credit Agreement.

The ratio of consolidated indebtedness less netted cash to adjusted EBITDA is 3.24 times for the trailing twelve months ended March 31, 2023. The 2019 Credit Agreement requires the Company to maintain a ratio of consolidated indebtedness less netted cash to adjusted EBITDA of less than 5.00 times.

The following table sets forth the reconciliation of the Company's reported total debt to the calculation of consolidated indebtedness less netted cash as of March 31, 2023. "Consolidated Indebtedness" and "Netted Cash" are terms used in the 2019 Credit Agreement for purposes of certain financial covenants.

(in millions)		**March 31, 2023**
Total debt, net	$	2,843.0
Plus: Deferred financing costs [6]		19.6
Consolidated indebtedness		2,862.6
Less: Netted cash [7]		89.9
Consolidated indebtedness less netted cash	$	2,772.7

Please refer to Footnotes at the end of this release.

Footnotes:

(1) In the first quarter of 2023, the Company recorded $5.2 million of restructuring costs primarily associated with the acquisition of Mattress Firm. In the trailing twelve months ended March 31, 2023, the Company recognized $15.2 million of restructuring costs primarily associated with the acquisition of Mattress Firm and headcount reductions related to organizational changes.

(2) In the first quarter of 2023, the Company recorded $3.2 million of charges related to the transition of its ERP system, including labor, logistics, training and travel. In the trailing twelve months ended March 31, 2023, the Company recognized $18.7 million of charges related to the transition of its ERP system.

(3) In the first quarter of 2023, the Company recorded $1.7 million of operational start-up costs related to the capacity expansion of its manufacturing and distribution facilities in the U.S., including personnel and facility related costs. In the trailing twelve months ended March 31, 2023, the Company recognized $8.2 million of operational start-up costs.

(4) Adjusted income tax provision represents the tax effects associated with the aforementioned items.

(5) Certain subsidiaries in the International business segment are accounted for as discontinued operations and have been designated as unrestricted subsidiaries in the 2019 Credit Agreement. Therefore, these subsidiaries are excluded from the Company's adjusted financial measures for covenant compliance purposes.

(6) The Company presents deferred financing costs as a direct reduction from the carrying amount of the related debt in the Condensed Consolidated Balance Sheets. For purposes of determining total debt for financial covenant purposes, the Company has added these costs back to total debt, net as calculated per the Condensed Consolidated Balance Sheets.

(7) Netted cash includes cash and cash equivalents for domestic and foreign subsidiaries designated as restricted subsidiaries in the 2019 Credit Agreement.

TEMPUR+SEALY

TEMPUR SEALY INTERNATIONAL, INC., **TPX**

“We continue to demonstrate the resilience of our business model as we generate profits, invest in our business, return capital to shareholders, and outperform the global bedding market.”

TEMPUR-PEDIC Sealy STEARNS & FOSTER

PURPOSE

To Improve the Sleep of More People, Every Night, All Around the World

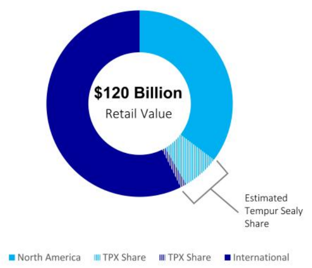
Who We Are

Tempur Sealy is committed to improving the sleep of more people, every night, all around the world. As a leading designer, manufacturer, distributor and retailer of bedding products worldwide, we know how crucial a good night of sleep is to overall health and wellness. Utilizing over a century of knowledge and industry-leading innovation, we deliver award-winning products that provide breakthrough sleep solutions to consumers in over 100 countries.

Our highly recognized brands include Tempur-Pedic®, Sealy® and Stearns & Foster® and our popular non-branded offerings consist of value-focused private label and OEM products. At Tempur Sealy we understand the importance of meeting our customers wherever and however they want to shop and have developed a strong omni-channel retail strategy. Our products allow for complementary merchandising strategies and are sold through third-party retailers, our 700+ Company-owned stores worldwide and our e-commerce channels. With the range of our offerings and variety of purchasing options, we are dedicated to continuing to turn our mission to improve the sleep of more people, every night, all around the world into a reality.

Importantly, we are committed to carrying out our global responsibility to protect the environment and the communities in which we operate. As part of that commitment, we have established the goal of achieving carbon neutrality for our global wholly owned operations by 2040.

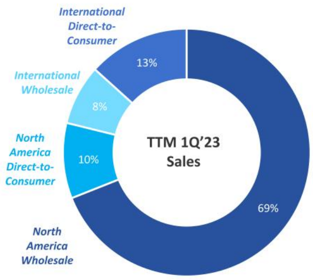
Global Bedding Industry[1]



Estimated global bedding market includes mattresses, foundations, pillows and other bedding products

A Premium Leader in a Growing Bedding Industry

- Headquartered in Lexington, KY, Tempur Sealy International, Inc is the leading global bedding products company, with a portfolio of iconic brands including Tempur-Pedic, Sealy and Stearns & Foster
- TPX manufacturers mattresses, pillows and related accessories across a variety of price points and distributes its products through multiple channels, including third-party brick & mortar retailers, its owned website and third-party online platforms, as well as its company-owned stores
- TPX focuses on premium bedding with its Tempur-Pedic and Stearns & Foster brands



PREMIUM

TEMPUR-PEDIC	$2,200 – $9,000	
STEARNS & FOSTER	$1,800 – $6,450	Best Firm Mattress by Good Housekeeping
Sealy	$230 – $3,500	AMERICA'S #1 MATTRESS BRAND
SHERWOOD BEDDING	Private Label	

VALUE

TPX at a Glance

Industry

- The global bedding industry of ~$120 billion[1] has historically experienced consistent growth.
- The U.S. bedding averages mid-single digit growth annually, driven by units and dollars.[1]
- The international bedding is highly fragmented and about 40% larger than the size of the U.S. market.[1]

Consumer

- Consumers continue to make the connection between a good night's sleep and health & wellness.
- Enhanced focus on health over the past year has strengthened the health & wellness trend.
- Consumer confidence, consumer spending, the housing market, and the wealth effect correlate to the bedding industry.

Tempur Sealy

- Global omni-channel distribution strategy to be where the consumer wants to shop.
- Track record of developing and marketing differentiated products through consumer-centric innovation for the total global bedding market.
- Robust free cash flow[2] and fortified balance sheet that provide flexibility to take advantage of industry and market opportunities and return capital to shareholders.

Investment Thesis

The leading vertically integrated global bedding company with iconic brands and extensive manufacturing capabilities

Over the long term, the bedding industry has consistently grown through ASP and unit expansion

History of market share gains across global omnichannel distribution

Legacy of strong value creation via capital allocation including share buybacks and acquisitions

Seasoned, well-aligned management with proven track record

Experienced Team's Value Creation

- Since management change in 2015, sales have increased 55%, adjusted EBITDA[2] has nearly doubled, and GAAP EPS has increased nearly 8x under current leadership

Current TPX Management Track Record Since 2015				
(in millions, except percentages, multiples, and per common share amounts)	Tailing Twelve Months Ended December 31, 2015	Trailing Twelve Months Ended March 31, 2023	CAGR	Total Growth
Net Sales	$3,151	$4,890	6%	55%
Net Income	$65	$410	29%	536%
Adjusted Net Income[2]	$200	$430	11%	115%
Adjusted EBITDA[2]	$456	$855	9%	88%
GAAP EPS	$0.26	$2.31	35%	797%
Adjusted EPS[2]	$0.80	$2.43	17%	204%

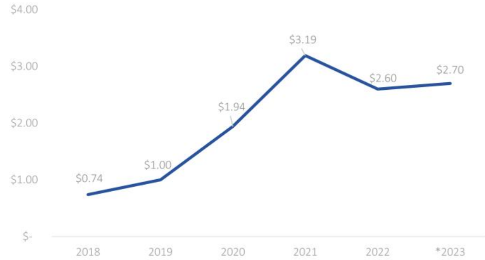
>185 YEARS
COMBINED TPX EXPERIENCE

14 YEARS
AVERAGE TPX TENURE

Competitive Advantages

- Worldwide omni-channel presence
- Iconic brand and product portfolio
- World-class manufacturing capabilities
- Industry-leading balance sheet and free cash flow[2]

Full Year Adjusted EPS[2]



Adjusted earnings per share[2] is expected to grow at a CAGR of 30% between 2018-2023

*2023 adjusted EPS based on the midpoint of Tempur Sealy's full year guidance

Product, Retail, and E-Comm Brands

Product Brands

TEMPUR-PEDIC
Sealy
STEARNS & FOSTER
SHERWOOD BEDDING
BF
comfort revolution

Brick & Mortar Retail Brands

TEMPUR-PEDIC
Sealy*
Dreams
SLEEP OUTFITTERS ESTABLISHED 1983
SOVA

E-Commerce Retail Brands

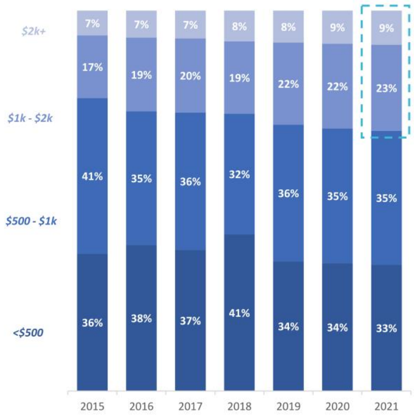
TEMPUR-PEDIC
Sealy
STEARNS & FOSTER
SLEEP OUTFITTERS ESTABLISHED 1983
SOVA
Dreams

*Through our international Sealy joint venture operations

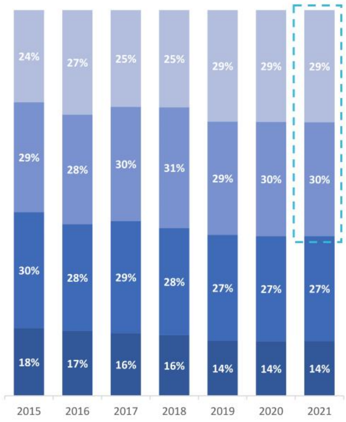
U.S. Bedding Industry Premiumization[1]

- The $1,000+ ASP segment of the market has grown unit share by 8% and dollar share by 6% since 2015
- $2,000+ premium segment has grown more rapidly than $1,000 – $2,000 segment, with 29% dollar share, up from 24% in 2015

U.S. Mattress Market Segmentation (Units)



U.S. Mattress Market Segmentation (Dollars)



*Source: ISPA

TEMPUR SEALY

Strategic Advantages

Portfolio of Global Brands

- From its founding, Tempur-Pedic pursued a direct advertising strategy that touted the clear benefits of its proprietary Tempur material, creating a luxury aura – generating strong same sales velocity in premium products.
- Over the last 15 years, Tempur-Pedic spent ~$2B on direct advertising, significantly more than other top brands in the category. The premium brand that was built through direct advertising and R&D allows for sustainable ROICs well above traditional mattress peers.

TEMPUR-PEDIC

Tempur-Pedic®: leading worldwide premium bedding brand
- Tempur-Pedic® uniquely adapts, supports, and aligns to you to deliver truly life-changing sleep.

$2,200-$9,000*

STEARNS & FOSTER®

Stearns & Foster®: high-end-targeted brand
- The world's finest beds that are made with exceptional materials, time-honored craftsmanship, and impeccable design.

$1,800-$6,450*

Best FIRM MATTRESS GOOD HOUSEKEEPING

Sealy

Sealy®: #1 bedding brand in the U.S.[3]
- Combines innovation, engineering, and industry-leading testing to ensure quality and durability.

$230-$3,500*

AMERICA'S #1 MATTRESS BRAND

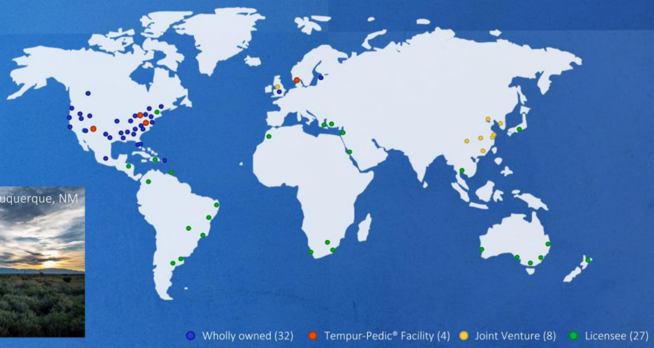
SHERWOOD BEDDING

Private Label Offerings: customized product
- Offers products for the value-oriented consumer.

*Retail prices for a standard queen mattress

World-Class Manufacturing Capabilities

34 NORTH AMERICAN FACILITIES | 37 INTERNATIONAL FACILITIES



R&D Innovation

- 75,000 square feet of research & development
- 4 state-of-the art product-testing locations

Leading Manufacturing Capabilities

- 71 manufacturing facilities
- 16 million square feet of manufacturing & distribution operations

Successful Omni-Distribution Platform

Wholesale

- Third-party retailers are our largest distribution channel
- Significant private label opportunity
- Valued supplier, win-win relationships

Ecommerce

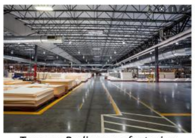
- Significant worldwide sales growth
- Highly profitable and expanding rapidly
- Direct customer relationships

Company-Owned Stores

- Luxury Tempur-Pedic®, Dreams, and multi-branded showroom experiences
- Operate over 700 stores worldwide and expanding direct customer relationships
- Highly profitable

Vertical Integration

Owned Manufacturing



Tempur-Pedic manufacturing

Sealy / S&F manufacturing

SHERWOOD BEDDING

Private label manufacturing

Dreams manufacturing

Portfolio of Owned Brands

TEMPUR-PEDIC

Sealy

STEARNS & FOSTER

Brick & Mortar & E-Commerce Retail

Mono-brand retail

Multi-brand retail

E-commerce

TEMPUR+SEALY

Growth Potential


Building Blocks to Future Growth
Invest in innovation to meet customer demand.
Grow wholesale through existing and new retail relationships.
Expand into OEM market to drive further sales growth.
Invest in Stearns & Foster product and marketing to more than double the brand's global sales.
Expand direct-to-consumer through ecommerce and company-owned stores.
Increase total addressable market internationally through new product launches in Europe & APAC.
Execute on capital allocation strategy.
TEMPUR+SEALY
16

Innovative Technologies

- Snoring
- Support
- Climate
- Sleep-Health Metrics
- Natural
- Comfort

Wholesale

Third-Party Retailers

- Largest pillar of our omni-channel distribution strategy, grounded in win-win relationships
- Broad-based worldwide distribution through over 5,400 and broadly diversified
- Global sales force of over 500 people supporting our portfolio of brands
- While we are well-represented today, we are pursuing opportunities to further expand our third-party retail presence

OEM Expansion

- Expanded into OEM market through the acquisition of Sherwood Bedding in 2020; a 3rd generation American manufacturer of private label innerspring mattresses, and subsequently began exploring opportunities to leverage foam-pouring capabilities to manufacture private label foam mattresses
- Our OEM business leverages global manufacturing expertise, diversifies sales streams and realizes the manufacturing profits of the bedding brands it produces
- Opportunity to serve as a provider for third-party bedding brands (including retailers' private label brands) at value-end price points
- Expected to drive down overall cost per unit
- We see an opportunity to grow our OEM operations to $600 million[1] of annualized sales

Stearns & Foster Opportunity

Channel Investments

- Expanding Stearns & Foster presence through new e-commerce platform launched in 2Q'22

Marketing Investments

- Supported Stearns & Foster with record advertising in 2022 and continued investments in 2023

Product Investments

- Launched new, innovative Stearns & Foster products in 4Q'22

Opportunity to grow Stearns & Foster to be our next

$1 BILLION BRAND,

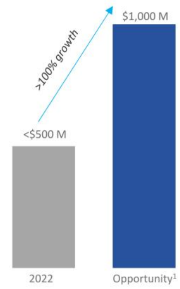
more than doubling its size today

Stearns & Foster Opportunity

- With more than 175 years of history, Stearns & Foster is a meaningful brand and can become the luxury leader in innerspring beds and grow to be our next billion-dollar brand
- After years of no direct advertising, Stearns & Foster began spending in 2021 and accelerated in 2022 – designed to increase consumer’s awareness and desire to purchase a premium innerspring mattress
    - S&F can target the $2,000 - $6,499 ASP range in innerspring, a historically underserved opportunity

Dual-Approach to Luxury Bedding

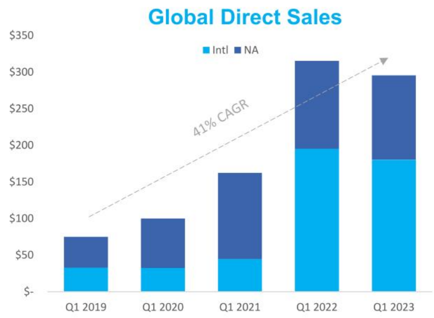
Leading Luxury Specialty Foam Brand	Leading Luxury Innerspring Brand
TEMPUR-PEDIC	STEARNS & FOSTER
Portfolio Midpoint *$3,650**	Portfolio Midpoint *$3,300**

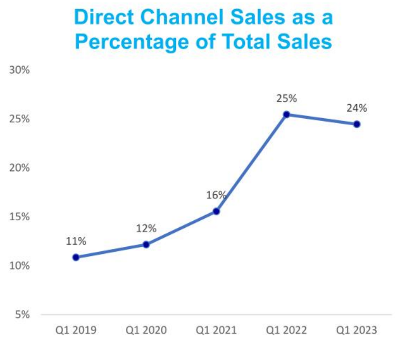


*Retail prices for a standard queen mattress

Direct to Consumer

- Strong, long-term growth of high-margin sales from web, call center, and company-owned stores.
- Ability to own customer relationship allows for market insights that we leverage for innovation process and growth strategy





OPERATING OVER 700 RETAIL STORES GLOBALLY

Company-Owned Store Strategy

Tempur-Pedic® U.S.

Dreams UK

Tempur-Pedic® Mexico

Sealy® Gallery Asia

Sleep Outfitters® U.S.

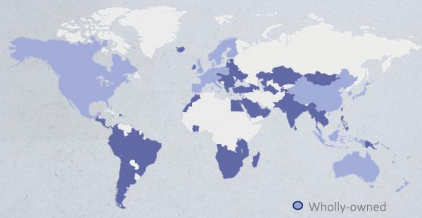
TEMPUR® Europe

SOVA® Sweden

We see a potential opportunity to organically increase our store count through opening an average of 60+ new stores per year.

International Markets

- Highly fragmented with broad geographic diversity across Europe and Asia
  - TEMPUR sold in 90+ countries, 22 countries served through wholly owned subsidiaries, rest by distributors
  - Acquired Dreams, the leading bedding retailer in the UK in 2021
- Launching new TEMPUR® line of mattresses to expand addressable market in 2023
- Tempur Sealy customizes approach by country
  - Europe: success with high-quality products, targeting growth through distribution, and new Sealy®-UK joint venture and Dreams acquisition
  - Asia: opportunity in emerging area through distribution and organic sales growth initiatives



TEMPUR✚SEALY


Rapidly Growing
International Joint Ventures
~$320 MILLION OF JOINT VENTURE SALES IN 2022
DOUBLE-DIGIT 5-YEAR CAGR
United Kingdom
• Acquired in 2020
• Full-time employees: 250+
Asia
• Founded in 2000
• Operates in 21 countries and territories
• Top 3 internationally branded bedding manufacturer in China
• Full-time employees: 1,100+
TEMPUR+SEALY
24

Expanding Global Licensing Sales

Brand Extension Licensees:

- We license our Tempur-Pedic, Sealy and Stearns & Foster brands across North America, Europe and Asia, to drive incremental profits and expand brand awareness
- Licensed products are complementary to our core operations and include sleep-adjacent categories such as bedding, pajamas, and pet sleep

Sealy Manufacturing Licensees:

- Our 27 licensee manufacturing facilities generate high return on investment
- They represent a low-risk opportunity to introduce our brands and products in regions in which we do not currently operate, primarily across EMEA, APAC, and Latin America

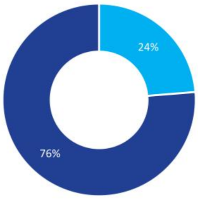
Significantly increases global brand awareness and drives incremental profits

TEMPUR+SEALY

Recent Performance

First Quarter Performance

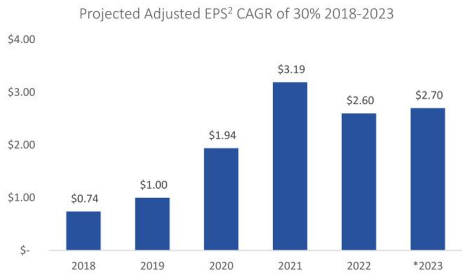
Q1'23 Sales by Channel



(in millions, except percentages and per common share amounts)	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022	Three Months Ended % Change	Trailing Twelve Months Ended March 31, 2023	Trailing Twelve Months Ended March 31, 2022	Trailing Twelve Months Ended % Change
Net Sales	$1,208.1	$1,239.5	-2.5%	$4,889.8	$5,126.5	-4.6%
Net Income	$85.3	$130.7	-34.7%	$410.3	$624.7	-34.3%
Adjusted Net Income[2]	$92.9	$130.7	-28.9%	$430.1	$647.7	-33.6%
GAAP EPS	$0.48	$0.69	-30.4%	$2.31	$3.13	-26.2%
Adjusted EPS[2]	$0.53	$0.69	-23.2%	$2.43	$3.24	-25.0%

2023 Outlook[4]

Expect full-year adjusted EPS[2] between $2.60 and $2.80



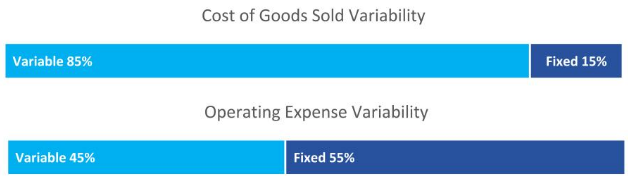
Our 2023 expectations include:

- Sales growth of mid-single digits
  - Primarily driven by the execution or our initiatives
  - Also benefited by discounted floor models related to new product launches and the wraparound impact of pricing
- Sales and marketing investments of approximately $20 million related to new product launches
- Record advertising spend of over $500M
- Resulting in adjusted EBITDA[2] of approximately $980M at the midpoint

Other Modeling Assumptions	
Depreciation & Amortization	$200M - $210M
Capital Expenditures	~$200M
Interest Expense	$135M - $140M
U.S. Federal Tax Rate	24% - 25%
Diluted Share Count	178M shares

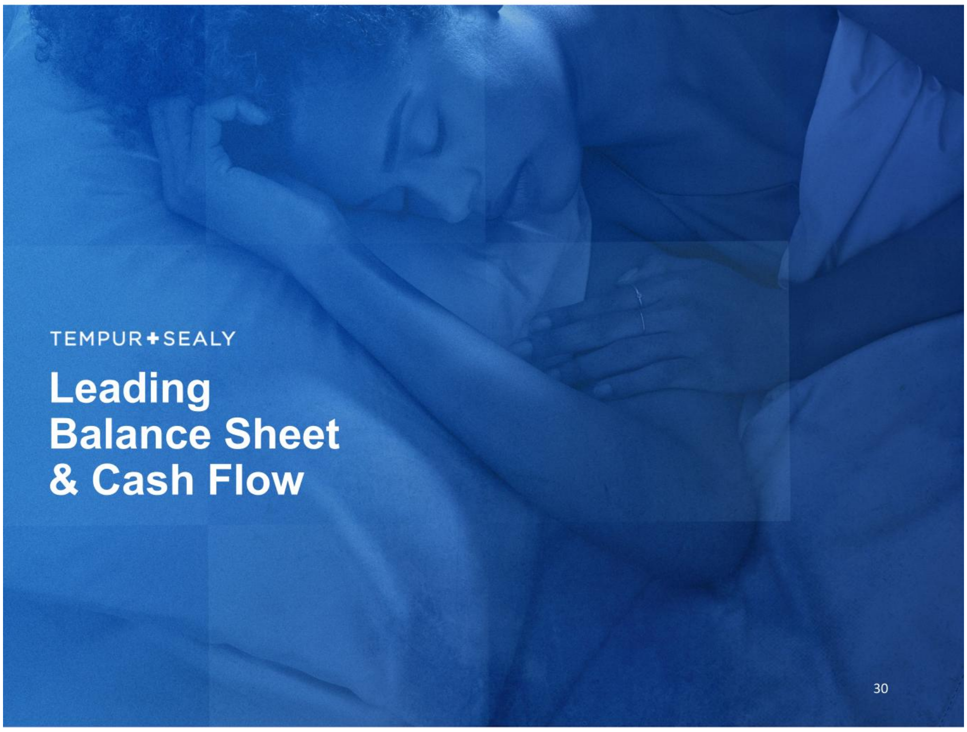
*2023 adjusted EPS based on the midpoint of Tempur Sealy's full year guidance

Flexible Cost Structure[1]

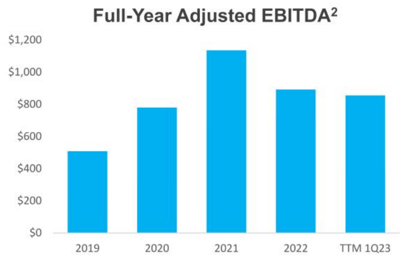


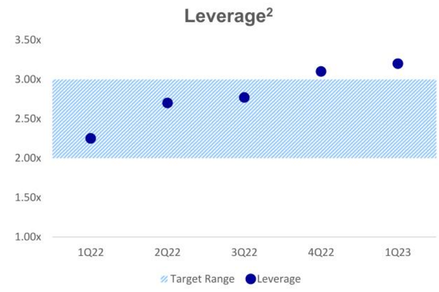
- The business model is highly-variable, with 85% of COGS and 45% of operating expenses flexing with sales
- In total, the variability of our operating cost structure is approximately 70%
- Our business model also provides opportunity for costs to further flex with sales

*Including discretionary cost cuts, we estimate a total of 80% of expenses could flex with sales


TEMPUR+SEALY
Leading
Balance Sheet
& Cash Flow
30

Strong Balance Sheet & Cash Flow





Credit ratings:

Fitch: BB+ (January 2023)

Moody's: Ba1 (September 2021)

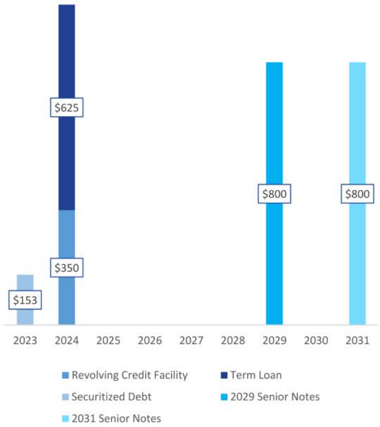
S&P: BB+ (September 2021)

Capital Structure

- Favorable borrowing rates, over $450 million of liquidity and no meaningful maturities until 2024

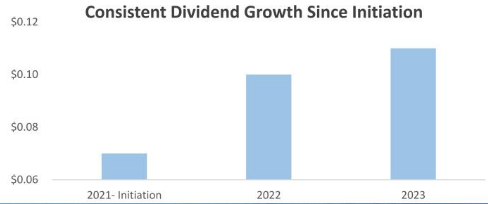
As of March 31, 2023 (in millions, except percentages and leverage ratios)	Amount	Maturity	Interest Rate	Leverage[2]
Cash	$91.0			
Revolving Credit Facility Availability	374.4			
Liquidity	**$465.4**			
$725mm Revolving Credit Facility	$350.0	Oct 2024	LIBOR + 250	
Term Loan	625.2	Oct 2024	LIBOR + 250	
Securitized Debt	153.3	April 2025	FN 1	
Finance Lease Obligations	78.1	Various		
Total Secured Debt	**$1,206.6**			**1.4x**
2029 Senior Notes	$800.0	April 2029	4.000%	
2031 Senior Notes	800.0	October 2031	3.875%	
Other	56.0	Various		
Total Unsecured Debt	**$1,656.0**			**1.9x**
Consolidated indebtedness	$2,862.6			
Less: Netted Cash	89.9			
Net Debt	**$2,772.7**			**3.2x**

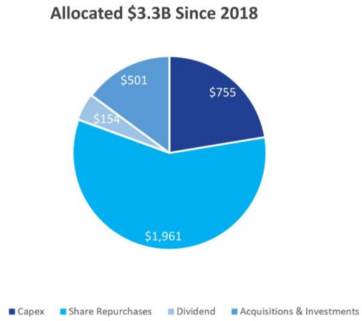
FN 1 - Interest at one-month SOFR index +10 basis points of credit spread adjustment +85 basis points



Balanced Capital Allocation Strategy

- Long-term target leverage ratio of 2.0 – 3.0x[2], we anticipate returning to the midpoint of the range in 2023
- Continue to invest in the business, including a new domestic foam-pouring plant to be operational in 2023
- Disciplined approach to shareholder returns includes a quarterly dividend and opportunistic share repurchases
- Maintain capacity for strategic acquisitions






TEMPUR✚SEALY
Environmental, Social, &
Corporate Governance
34

Environmental, Social, & Governance

Tempur Sealy is committed to protecting and improving our communities and environment.

Environmental, Social, & Governance

Tempur Sealy is committed to protecting and improving our communities and environment.

Environmental

- Improved the percent of waste diverted from landfills from our U.S. wholly owned manufacturing operations to 100% as of September 30, 2022, compared to 96% as of September 30, 2021
- Expanded our commitment to achieving zero landfill waste to include our corporate offices and our research and development facilities by 2025
- Achieved a 3% reduction in greenhouse gas emissions per unit produced at our wholly owned manufacturing and logistics operations compared to the prior year, furthering our progress towards our goal of achieving carbon neutrality by 2040
- Substantially aligned our sustainability reporting to the Task Force on Climate-Related Financial Disclosures (TCFD) framework
- Formalized our ESG processes and stances in a new Environmental Policy

Purpose

- Launched our new Sealy® Naturals™ mattress collection made with sustainable and responsibly sourced materials, including organic covers made with long-lasting hemp, organic cotton, lightweight modal, and 100% natural latex
- Continued to bring industry-leading innovation to market that provides consumers with higher quality sleep at a variety of price points, including the new U.S. product launches of Sealy Posturepedic® Plus, Stearns & Foster®, and Sealy® FlexGrid™
- Contributed over $1 million through the Tempur Sealy Foundation and donated more than 8,300 mattresses worth approximately $13.7 million

People

- Completed the implementation of a new global ERP system, which is expected to fortify our cybersecurity and drive long-term efficiencies across our global operations
- Increased the percentage of our U.S. employee base that self identifies as a minority from 47% to 49%, and increased the percentage of our U.S. employee base that identifies as female from 30% to 32%
- Increased the percentage of women on our Board of Directors from 33% to 43%
- Embedded ESG performance as a metric in executive leadership's 2022 compensation program

Thank You for Your Interest in Tempur Sealy International

For more information, please email: **investor.relations@tempursealy.com**

Appendix

Forward-Looking Statements

This investor presentation contains statements relating to the Company's quarterly cash dividend, the Company's share repurchase targets, the Company's expectations regarding net sales and adjusted EPS for 2023 and subsequent periods and the Company's expectations for increasing sales growth, product launches, channel growth, acquisitions and commodities outlook, and expectations regarding supply chain disruptions, the macroeconomic environment and COVID-related disruptions. Any forward-looking statements contained herein are based upon current expectations and beliefs and various assumptions. There can be no assurance that the Company will realize these expectations, meet its guidance, or that these beliefs will prove correct.

Numerous factors, many of which are beyond the Company's control, could cause actual results to differ materially from any that may be expressed herein as forward-looking statements. These potential risks include the factors discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2022. There may be other factors that may cause the Company's actual results to differ materially from the forward-looking statements. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made.

Note Regarding Historical Financial Information:
In this investor presentation we provide or refer to certain historical information for the Company. For a more detailed discussion of the Company's financial performance, please refer to the Company's SEC filings.

Note Regarding Trademarks, Trade Names, and Service Marks:
TEMPUR®, Tempur-Pedic®, the Tempur-Pedic & Reclining Figure Design®, TEMPUR-Adapt®, TEMPUR-ProAdapt®, TEMPUR-LuxeAdapt®, TEMPUR-PRObreeze°™, TEMPUR-LUXEbreeze°™, TEMPUR-Cloud®, TEMPUR-Contour™, TEMPUR-Rhapsody™, TEMPUR-Flex®, THE GRANDBED BY Tempur-Pedic®, TEMPUR-Ergo®, TEMPUR-UP™, TEMPUR-Neck™, TEMPUR-Symphony™, TEMPUR-Comfort™, TEMPUR-Traditional™, TEMPUR-Home™, Sealy®, Sealy Posturepedic®, Stearns & Foster®, COCOON by Sealy™, SealyChill™, and Clean Shop Promise® are trademarks, trade names, or service marks of Tempur Sealy International, Inc., and/or its subsidiaries. All other trademarks, trade names, and service marks in this presentation are the property of the respective owners.

Limitations on Guidance: The guidance included herein is from the Company's press release and related earnings call on May 9, 2023. The Company is neither reconfirming this guidance as of the date of this investor presentation nor assuming any obligation to update or revise such guidance. See above.

Use of Non-GAAP Financial Measures Information

In this investor presentation and certain of its press releases and SEC filings, the Company provides information regarding adjusted net income, adjusted EPS, EBITDA, adjusted EBITDA, free cash flow, consolidated indebtedness less netted cash, and leverage, which are not recognized terms under U.S. Generally Accepted Accounting Principles ("GAAP") and do not purport to be alternatives to net income and earnings per share as a measure of operating performance, an alternative to cash provided by operating activities as a measure of liquidity, or an alternative to total debt. The Company believes these non-GAAP measures provide investors with performance measures that better reflect the Company's underlying operations and trends, including trends in changes in margin and operating expenses, providing a perspective not immediately apparent from net income and operating income. The adjustments management makes to derive the non-GAAP measures include adjustments to exclude items that may cause short-term fluctuations in the nearest GAAP measure, but which management does not consider to be the fundamental attributes or primary drivers of the Company's business.

The Company believes that exclusion of these items assists in providing a more complete understanding of the Company's underlying results from continuing operations and trends, and management uses these measures along with the corresponding GAAP financial measures to manage the Company's business, to evaluate its consolidated and business segment performance compared to prior periods and the marketplace, to establish operational goals and management incentive goals, and to provide continuity to investors for comparability purposes. Limitations associated with the use of these non-GAAP measures include that these measures do not present all the amounts associated with the Company's results as determined in accordance with GAAP. These non-GAAP measures should be considered supplemental in nature and should not be construed as more significant than comparable measures defined by GAAP. Because not all companies use identical calculations, these presentations may not be comparable to other similarly titled measures of other companies. For more information regarding the use of these non-GAAP financial measures, please refer to the reconciliations on the following pages and the Company's SEC filings.

EBITDA and Adjusted EBITDA
A reconciliation of the Company's GAAP net income to EBITDA and adjusted EBITDA per credit facility (which we refer to in this investor presentation as adjusted EBITDA) is provided on the subsequent slides. Management believes that the use of EBITDA and adjusted EBITDA per credit facility provides investors with useful information with respect to the Company's operating performance and comparisons from period to period as well as the Company's compliance with requirements under its credit agreement.

Adjusted Net Income and Adjusted EPS
A reconciliation of the Company's GAAP net income to adjusted net income and a calculation of adjusted EPS are provided on subsequent slides. Management believes that the use of adjusted net income and adjusted EPS also provides investors with useful information with respect to the Company's operating performance and comparisons from period to period. Forward-looking Adjusted EPS is a non-GAAP financial measure. The Company is unable to reconcile this forward-looking non-GAAP measure to EPS, its most directly comparable forward-looking GAAP financial measure, without unreasonable efforts, because the Company is currently unable to predict with a reasonable degree of certainty the type and extent of certain items that would be expected to impact EPS in 2023.

Leverage
Consolidated indebtedness less netted cash to adjusted EBITDA per credit facility, which the Company may refer to as leverage, is provided on a subsequent slide and is calculated by dividing consolidated indebtedness less netted cash, as defined by the Company's senior secured credit facility, by adjusted EBITDA per credit facility. The Company provides this as supplemental information to investors regarding the Company's operating performance and comparisons from period to period, as well as general information about the Company's progress in managing its leverage.

QTD Adjusted Net Income(2) and Adjusted EPS(2)

(in millions, except per share amounts)	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Net income	$ 85.3	$ 130.7
Restructuring costs and other (1)	5.2	—
ERP system transition (2)	3.2	—
Operational start-up costs (3)	1.7	—
Adjusted income tax provision (4)	(2.5)	—
Adjusted net income	$ 92.9	$ 130.7
Adjusted earnings per common share, diluted	$ 0.53	$ 0.69
Diluted shares outstanding	176.8	188.5

(1) In the first quarter of 2023, we recorded $5.2 million of restructuring costs primarily associated with professional fees to explore strategic acquisition opportunities.

(2) In the first quarter of 2023, we recorded $3.2 million of charges related to the transition of our ERP system, including labor, logistics, training and travel.

(3) In the first quarter of 2023, we recorded $1.7 million of operational start-up costs related to the capacity expansion of our manufacturing and distribution facilities in the U.S., including personnel and facility related costs.

(4) Adjusted income tax provision represents the tax effects associated with the aforementioned items.

*For a reconciliation net income to adjusted net income and adjusted EPS in prior reporting periods, please refer to the Company's SEC filings.

TTM Adjusted Net Income(2) and Adjusted EPS(2)

(in millions, except per common share amounts)		Trailing Twelve Months Ended March 31, 2023
Net income	$	410.3
Loss from discontinued operations, net of tax (1)		0.4
ERP system transition (2)		18.7
Restructuring costs (3)		15.2
Operational start-up costs (4)		8.2
Danish tax matter(5)		(12.3)
Adjusted income tax provision (6)		(10.4)
Adjusted net income	$	430.1
Adjusted earnings per share, diluted	$	2.43

(1) Certain subsidiaries in the International business segment are accounted for as discontinued operations and have been designated as unrestricted subsidiaries in the 2019 Credit Agreement. Therefore, these subsidiaries are excluded from our adjusted financial measures for covenant compliance purposes.

(2) We recorded $18.7 million of charges related to the transition of our ERP system in the the trailing twelve months ended March 31, 2023, including labor, logistics, training, travel, and professional fees.

(3) We recorded $10.0 million of restructuring costs primarily associated with professional fees and headcount reductions related to organizational changes in the trailing nine months ended December 31, 2022. In the first quarter of 2023, we recorded $5.2 million of restructuring costs primarily associated with professional fees to explore strategic acquisition opportunities.

(4) We recorded $8.2 million of operational start-up costs in the trailing twelve months ended March 31, 2023 related to the capacity expansion of our manufacturing and distribution facilities in the U.S., including personnel and facility related costs.

(5) The Company recorded an income tax benefit, on a net basis, of $12.3 million related to its Danish tax matter in the fourth quarter of 2022. In December 2022, the Danish tax authority and the IRS agreed on a preliminary framework to conclude the Company's Danish tax matter for the years 2012 through 2024.

(6) Adjusted income tax provision represents the tax effects associated with the aforementioned items, excluding the income tax benefit for the Danish tax matter.

*For a reconciliation net income to adjusted net income and adjusted EPS in prior reporting periods, please refer to the Company's SEC filings.

TTM Adjusted EBITDA(2)

(in millions)		Trailing Twelve Months Ended March 31, 2023
Net income	$	410.3
Interest expense, net		114.9
Income tax provision		105.4
Depreciation and amortization		182.2
EBITDA	$	812.8
Adjustments:		
Loss from discontinued operations, net of tax (1)		0.4
ERP system transition (2)		18.7
Restructuring costs and other (3)		15.2
Operational start-up costs (4)		8.2
Adjusted EBITDA	$	855.3
Consolidated indebtedness less netted cash	$	2,772.7
Ratio of consolidated indebtedness less netted cash to adjusted EBITDA		3.24 times

(1) Certain subsidiaries in the International business segment are accounted for as discontinued operations and have been designated as unrestricted subsidiaries in the 2019 Credit Agreement. Therefore, these subsidiaries are excluded from our adjusted financial measures for covenant compliance purposes.

(2) In the trailing twelve months ended March 31, 2023, we recognized $18.7 million of charges related to the transition of our ERP system, including labor, logistics, training and travel.

(3) In the trailing twelve months ended March 31, 2023, we recognized $15.2 million of restructuring costs primarily associated with professional fees to explore strategic acquisition opportunities and headcount reductions related to organizational changes.

(4) In the trailing twelve months ended March 31, 2023, we recognized $8.2 million of operational start-up costs related to the capacity expansion of our manufacturing and distribution facilities in the U.S., including personnel and facility related costs.

*For a reconciliation net income to EBITDA and Adjusted EBITDA in prior reporting periods, please refer to the Company's SEC filings.

Leverage(2) Reconciliation

(in millions)		March 31, 2023
Total debt, net	$	2,843.0
Plus: Deferred financing costs [1]		19.6
Consolidated indebtedness		2,862.6
Less: Netted cash [2]		89.9
Consolidated indebtedness less netted cash	$	2,772.7

(1) We present deferred financing costs as a direct reduction from the carrying amount of the related debt in the Condensed Consolidated Balance Sheets. For purposes of determining total debt for financial covenant purposes, we have added these costs back to total debt, net as calculated per the Condensed Consolidated Balance Sheets.

(2) Netted cash includes cash and cash equivalents for domestic and foreign subsidiaries designated as restricted subsidiaries in the 2019 Credit Agreement.

*For a reconciliation of leverage to consolidated indebtedness less netted cash in prior reporting periods, please refer to the Company's SEC filings.

Footnotes

[1] Management estimates

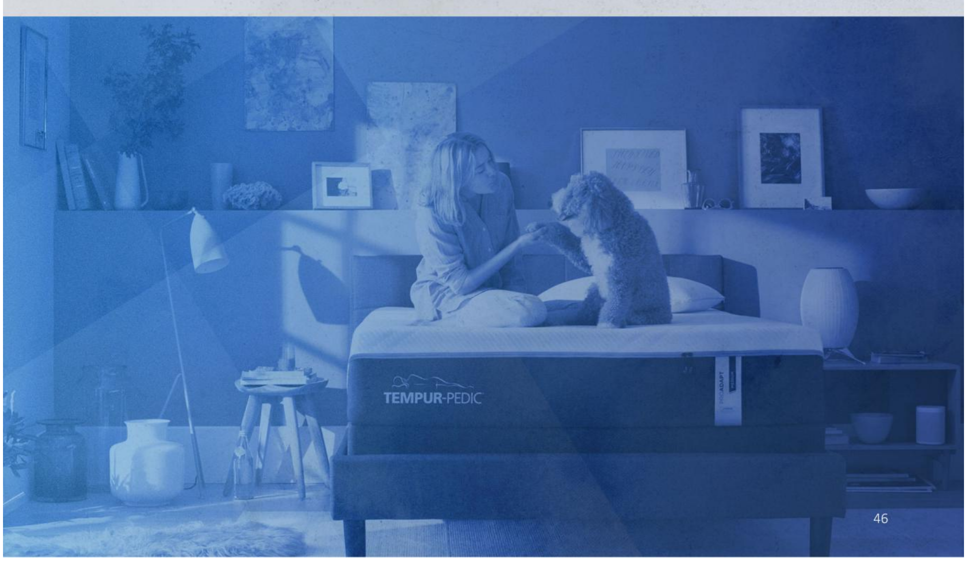
[2] Adjusted net income, EBITDA, adjusted EBITDA, adjusted EPS, leverage, and free cash flow are non-GAAP financial measures. Please refer to the "Use of Non-GAAP Financial Measures Information" on a previous slide for more information regarding the definitions of adjusted net income, EBITDA, adjusted EBITDA, adjusted EPS, leverage, and free cash flow, including the adjustments (as applicable) from the corresponding GAAP information. Please refer to "Forward-Looking Statements" and "Limitations on Guidance" on a previous slide.

[3] Sealy® was ranked number one on Furniture Today's list of the Top 20 U.S. Bedding Producers in June 2021. See Furniture Today's Top 20 U.S. Bedding Producers methodology that includes Sealy® and Stearns & Foster® products in Sealy ranking. Tempur-Pedic® was ranked number two on Furniture Today's list of the Top 20 U.S. Bedding Producers in June 2021. Tempur-Pedic® brand was awarded #1 in Customer Satisfaction for both the Retail Mattress and Online Mattress categories in the U.S. in the J.D. Power 2022 Mattress Satisfaction Report.

[4] Based on the Company's 2023 financial targets provided in the press release dated May 9, 2023, and the related earnings call on May 9, 2023. Please refer to "Forward-Looking Statements" and "Limitations on Guidance." The Company is unable to reconcile forward-looking adjusted EPS, a non-GAAP financial measure, to EPS, its most directly comparable forward-looking GAAP financial measure, without unreasonable efforts, because the Company is currently unable to predict with a reasonable degree of certainty the type and extent of certain items that would be expected to impact EPS in 2023.

TEMPUR + SEALY

Thank You



TEMPUR SEALY ANNOUNCES SECOND QUARTER CASH DIVIDEND

LEXINGTON, KY, May 9, 2023 – Tempur Sealy International, Inc. (NYSE: TPX, "Company" or "Tempur Sealy") today announced that its Board of Directors has declared a second quarter cash dividend on its common stock of $0.11 per share. The dividend is payable on June 6, 2023, to shareholders of record as of May 23, 2023.

About Tempur Sealy International, Inc.

Tempur Sealy is committed to improving the sleep of more people, every night, all around the world. As a leading designer, manufacturer, distributor and retailer of bedding products worldwide, we know how crucial a good night of sleep is to overall health and wellness. Utilizing over a century of knowledge and industry-leading innovation, we deliver award-winning products that provide breakthrough sleep solutions to consumers in over 100 countries.

Our highly recognized brands include Tempur-Pedic®, Sealy® and Stearns & Foster® and our popular non-branded offerings consist of value-focused private label and OEM products. At Tempur Sealy we understand the importance of meeting our customers wherever and however they want to shop and have developed a powerful omni-channel retail strategy. Our products allow for complementary merchandising strategies and are sold through third-party retailers, our 700+ Company-owned stores worldwide and our e-commerce channels. With the range of our offerings and variety of purchasing options, we are dedicated to continuing to turn our mission to improve the sleep of more people, every night, all around the world into a reality.

Importantly, we are committed to carrying out our global responsibility to protect the environment and the communities in which we operate. As part of that commitment, we have established the goal of achieving carbon neutrality for our global wholly owned operations by 2040.

Investor Relations Contact

Aubrey Moore

Investor Relations

Tempur Sealy International, Inc.

800-805-3635

Investor.relations@tempursealy.com