



MYERS INDUSTRIES, INC.
Second Quarter 2019 Earnings Presentation

SAFE HARBOR STATEMENT & NON-GAAP MEASURES

Statements in this presentation include “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statement that is not of historical fact may be deemed “forward-looking”. Words such as “expect”, “believe”, “project”, “plan”, “anticipate”, “intend”, “objective”, “outlook”, “target”, “goal”, “view” and similar expressions identify forward-looking statements. These statements are based on management's current views and assumptions of future events and financial performance and involve a number of risks and uncertainties, many outside of the Company's control that could cause actual results to materially differ from those expressed or implied. Risks and uncertainties include: raw material availability, increases in raw material costs, or other production costs; risks associated with our strategic growth initiatives or the failure to achieve the anticipated benefits of such initiatives; unanticipated downturn in business relationships with customers or their purchases; competitive pressures on sales and pricing; changes in the markets for the Company's business segments; changes in trends and demands in the markets in which the Company competes; operational problems at our manufacturing facilities, or unexpected failures at those facilities; future economic and financial conditions in the United States and around the world; inability of the Company to meet future capital requirements; claims, litigation and regulatory actions against the Company; changes in laws and regulations affecting the Company; and other risks as detailed in the Company's 10-K and other reports filed with the Securities and Exchange Commission. Such reports are available on the Securities and Exchange Commission's public reference facilities and its website at www.sec.gov and on the Company's Investor Relations section of its website at www.myersindustries.com. Myers Industries undertakes no obligation to publicly update or revise any forward-looking statements contained herein. These statements speak only as of the date made.

The Company refers to certain non-GAAP financial measures throughout this presentation. Adjusted EPS, adjusted income per diluted share from continuing operations, adjusted operating income, adjusted gross profit, adjusted EBITDA and free cash flow are non-GAAP financial measures and are intended to serve as a supplement to results provided in accordance with accounting principles generally accepted in the United States. The Company believes that such information provides an additional measurement and consistent historical comparison of the Company's performance. Reconciliations of the non-GAAP financial measures to the most directly comparable GAAP measures are available in the appendix of this presentation.

2019 Q2 OVERVIEW

Achievements

- ✓ Distribution Segment transformation plan on track
 - » Sales increased year-over-year for third consecutive quarter
 - » Adjusted EBITDA increased 16%
- ✓ High-single-digit sales growth in Food & Beverage end market
 - » New business wins with food processing customers during Q2
- ✓ Low-single-digit sales growth in Industrial end market
- ✓ Adjusted gross profit margin expanded to 35% as a result of:
 - » Favorable price-cost margin
- ✓ Adjusted operating income increased by 6%, despite a 4.5% decline in net sales
- ✓ Generated free cash flow of \$9.4M

Challenges

- Softer than anticipated demand in consumer end market
 - » Point of sale transactions declined at retailers
 - » Wet weather conditions impacted spring lawn and garden season
- Sales to RV customers continue to decline
 - » Consolidating manufacturing operations; closing Michigan plant and expanding operations at Indiana plant
 - » Estimated total costs of \$1.1M to be incurred by the first half of 2020
 - » Estimated annual savings of \$1.5M beginning in 2020
 - » Focus on market share with current customers
 - » Pursuing new customers in new markets
- Slowing demand from automotive customers
 - » Fewer new model launches and redesigns by large customers

Q2 FINANCIAL SUMMARY

Operating Highlights

- » Net sales down 4.5%, compared to Q2 2018
 - » Material Handling down \$7.2M (-7.0%)
 - » Distribution up \$0.9M (+2.4%)
- » Adj. gross profit margin expanded to 35.0% from 34.3%
 - » Favorable price-cost margin offset lower volume and unfavorable sales mix
- » Adj. op income up 6.0% to \$14.2M, compared to \$13.4M in Q2 2018
 - » Higher gross margin and savings from Distribution Segment transformation plan
- » Adj. EBITDA up 1.1% to \$20.1M, compared to \$19.9 million in Q2 2018
- » Adj. EPS of \$0.27, flat compared to Q2 2018
 - » GAAP EPS of \$0.18 includes a \$4M increase in reserves for estimated environmental liabilities related to New Idria Mercury Mine

GAAP Financial Highlights

(In \$ millions except EPS)	Q2 '19	Q2 '18	vs PY
Net Sales	\$134.3	\$140.6	-4.5%
Gross Profit	46.9	48.0	-2.2%
Gross Profit Margin	35.0%	34.1%	+90 bps
Op Income	10.2	13.1	-22.3%
Op Income Margin	7.6%	9.3%	-170 bps
Diluted EPS	\$0.18	\$0.26	-30.8%

Non-GAAP Financial Highlights

(In \$ millions except EPS)	Q2 '19	Q2 '18	vs PY
Net Sales	\$134.3	\$140.6	-4.5%
Adj Gross Profit	46.9	48.2	-2.5%
Gross Profit Margin	35.0%	34.3%	+70 bps
Adj Op Income	14.2	13.4	6.0%
Op Income Margin	10.6%	9.5%	+110 bps
Adj EBITDA	20.1	19.9	1.1%
EBITDA Margin	15.0%	14.2%	+80 bps
Diluted Adjusted EPS	\$0.27	\$0.27	0.0%

Q2 SEGMENT RESULTS

Material Handling Segment Highlights

- » Net sales down 7.0% vs. Q2 2018
 - » Consumer end market down double-digits due to softer than anticipated demand for fuel containers at big box retailers
 - » Food & Beverage end market up high-single-digits due to increased sales to food processing customers
 - » Vehicle end market down double-digits driven by continued RV market decline and lower sales to automotive customers
 - » Industrial end market up low-single-digits due to growth with new and current customers
- » Favorable price-cost margin mostly offset lower sales volume and unfavorable sales mix

Material Handling Financial Highlights

(In \$ millions)	Q2 '19	Q2 '18	vs PY
Net Sales	\$95.9	\$103.1	-7.0%
Op Income	17.6	17.3	1.5%
Op Income Margin	18.3%	16.8%	+150 bps
Adj Op Income	17.6	17.3	1.8%
Adj Op Income Margin	18.3%	16.8%	+150 bps
Adj EBITDA	23.2	23.4	-1.0%
Adj EBITDA Margin	24.2%	22.7%	+150 bps

Distribution Segment Highlights

- » Net sales up 2.4% vs. Q2 2018
- » Adjusted EBITDA up 16.3% as a result of higher sales volume and savings from transformation initiatives
- » Continue to execute transformation plan with goal to deliver \$5 - \$7M in annualized benefits in 2020 and 10% EBITDA margin by the end of 2020
 - » Shifting go-to-market strategy to enhance sales effectiveness
 - » 80/20 implementation and contribution margin improvement
 - » Implementing logistics and overhead efficiency programs

Distribution Financial Highlights

(In \$ millions)	Q2 '19	Q2 '18	vs PY
Net Sales	\$38.4	\$37.5	2.4%
Op Income	3.3	2.8	19.5%
Op Income Margin	8.7%	7.4%	+130 bps
Adj Op Income	3.3	2.8	19.5%
Adj Op Income Margin	8.7%	7.4%	+130 bps
Adj EBITDA	3.6	3.1	16.3%
Adj EBITDA Margin	9.4%	8.2%	+120 bps

BALANCE SHEET AND CASH FLOW

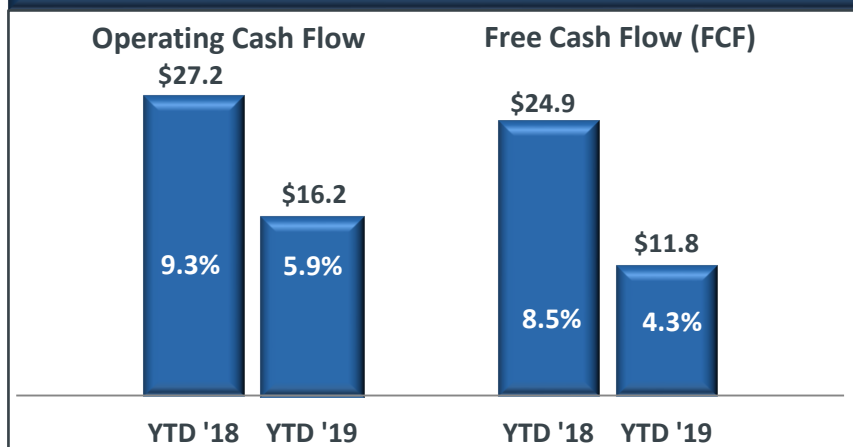
Q2 Highlights

- » Free cash flow generation of \$9.4M, compared to \$13.3M last year
 - » Decrease due primarily to increase in working capital
- » Total debt-to-adjusted EBITDA ratio 1.2x
- » Working capital up as a percentage of sales
 - » Accounts receivable higher due to timing of customer payments
 - » Accounts payable lower due to decline in volume with outsourced vendor partners

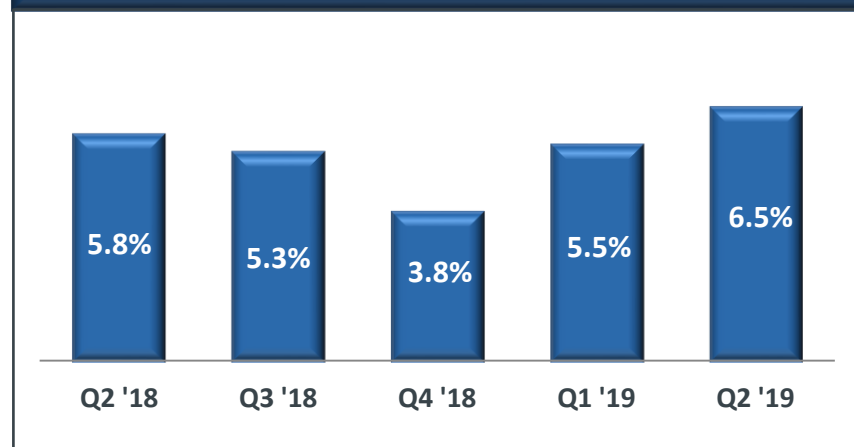
Total Debt (\$M) and Debt to Adj. EBITDA



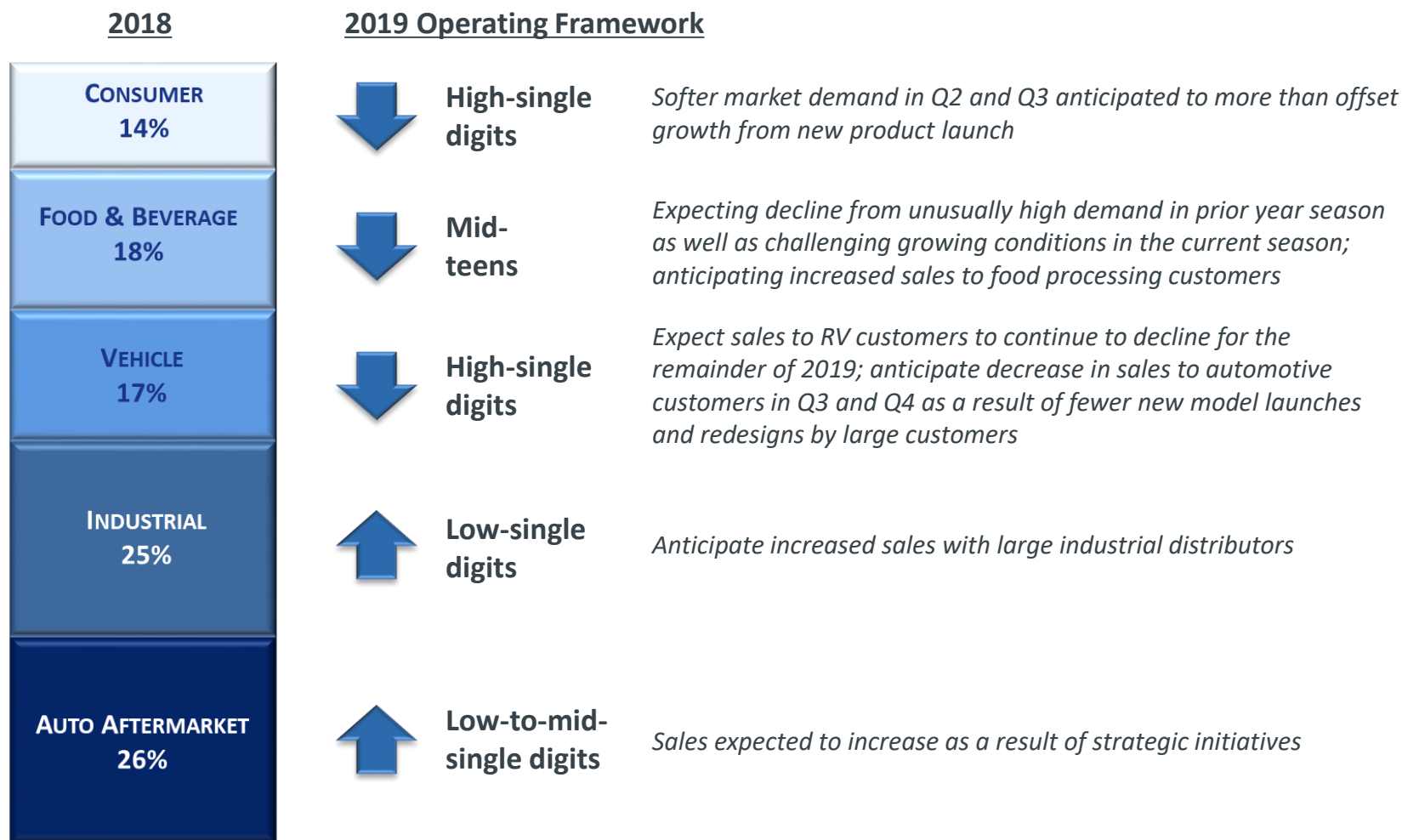
Cash Flow (\$M) and Cash Flow as % of Sales



Working Capital as a % of TTM Sales



2019 FISCAL YEAR OUTLOOK



Sales anticipated to be down low-to-mid-single digits; adjusted operating income expected to grow
Adjusted diluted EPS estimated to be \$0.75 - \$0.85

2019 GUIDANCE

- » Net sales growth: ~ Down low-to-mid-single digits
- » D&A: ~ \$25M
- » Net interest expense: ~ \$5M
- » Effective tax rate (normalized): ~ 27%
- » Diluted share count: ~ 36M
- » Diluted EPS: \$0.62 - \$0.72
- » Adjusted diluted EPS: \$0.75 - \$0.85
- » Capital expenditures: ~ \$10M

Sales and GAAP EPS outlook updated
Adjusted EPS outlook reaffirmed

APPENDIX



RECONCILIATION OF NON-GAAP MEASURES

MYERS INDUSTRIES, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
GROSS PROFIT, OPERATING INCOME AND EBITDA (UNAUDITED)
(Dollars in thousands)

	Quarter Ended June 30, 2019				
	Material Handling	Distribution	Segment Total	Corporate & Other	Total
GAAP Net sales	\$ 95,902	\$ 38,395	\$ 134,297	\$ (12)	\$ 134,285
GAAP Gross profit			46,936	—	46,936
Add: Restructuring expenses and other adjustments			—	—	—
Gross profit as adjusted			46,936	—	46,936
Gross profit margin as adjusted			34.9%	n/a	35.0%
GAAP Operating income (loss)	17,589	3,328	20,917	(10,735)	10,182
Add: Environmental charges	—	—	—	4,000	4,000
Operating income (loss) as adjusted	17,589	3,328	20,917	(6,735)	14,182
Operating income margin as adjusted	18.3%	8.7%	15.6%	n/a	10.6%
Add: Depreciation and amortization	5,588	263	5,851	112	5,963
Less: Depreciation adjustments	—	—	—	—	—
EBITDA as adjusted	\$ 23,177	\$ 3,591	\$ 26,768	\$ (6,623)	\$ 20,145
EBITDA margin as adjusted	24.2%	9.4%	19.9%	n/a	15.0%

RECONCILIATION OF NON-GAAP MEASURES

MYERS INDUSTRIES, INC.
 RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
 GROSS PROFIT, OPERATING INCOME AND EBITDA (UNAUDITED)
 (Dollars in thousands)

	Quarter Ended June 30, 2018				
	Material Handling	Distribution	Segment Total	Corporate & Other	Total
GAAP Net sales	\$ 103,130	\$ 37,477	\$ 140,607	\$ (47)	\$ 140,560
GAAP Gross profit			47,991	—	47,991
Add: Restructuring expenses and other adjustments			170	—	170
Gross profit as adjusted			48,161	—	48,161
Gross profit margin as adjusted			34.3%	n/a	34.3%
GAAP Operating income (loss)	17,323	2,786	20,109	(6,998)	13,111
Add: Restructuring expenses and other adjustments ⁽¹⁾	170	—	170	—	170
Add: Asset impairment	—	—	—	308	308
Add: Loss (gain) on sale of assets	(208)	—	(208)	—	(208)
Operating income (loss) as adjusted	17,285	2,786	20,071	(6,690)	13,381
Operating income margin as adjusted	16.8%	7.4%	14.3%	n/a	9.5%
Add: Depreciation and amortization	6,188	301	6,489	127	6,616
Less: Depreciation adjustments	(66)	—	(66)	—	(66)
EBITDA as adjusted	\$ 23,407	\$ 3,087	\$ 26,494	\$ (6,563)	\$ 19,931
EBITDA margin as adjusted	22.7%	8.2%	18.8%	n/a	14.2%

(1) Includes gross profit adjustments of \$170

RECONCILIATION OF NON-GAAP MEASURES

MYERS INDUSTRIES, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
INCOME AND EARNINGS PER DILUTED SHARE (UNAUDITED)
(Dollars in thousands, except per share data)

	Quarter Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
GAAP Operating income	\$ 10,182	\$ 13,111	\$ 20,400	\$ 25,133
Add: Restructuring expenses and other adjustments	—	170	1,073	312
Add: Asset impairments	—	308	916	308
Add: Environmental charges	4,000	—	4,000	—
Add: Loss (gain) on sale of assets	—	(208)	—	(873)
Operating income as adjusted	14,182	13,381	26,389	24,880
Less: Interest expense, net	(1,017)	(1,313)	(2,066)	(2,952)
Income before taxes as adjusted	13,165	12,068	24,323	21,928
Less: Income tax expense ⁽¹⁾	(3,555)	(3,017)	(6,567)	(5,482)
Income from continuing operations as adjusted	\$ 9,610	\$ 9,051	\$ 17,756	\$ 16,446
Adjusted earnings per diluted share from continuing operations	\$ 0.27	\$ 0.27	\$ 0.50	\$ 0.51

(1) Income taxes are calculated using the normalized effective tax rate for each year. The rate used in 2019 is 27% and in 2018 was 25%.

RECONCILIATION OF NON-GAAP MEASURES

MYERS INDUSTRIES, INC.
RECONCILIATION OF FREE CASH FLOW TO GAAP NET CASH PROVIDED BY
(USED FOR) OPERATING ACTIVITIES – CONTINUING OPERATIONS
(UNAUDITED)
(Dollars in thousands)

	YTD <u>June 30, 2019</u>	-	YTD <u>March 31, 2019</u>	=	Quarter <u>June 30, 2019</u>
Net cash provided by (used for) operating activities - continuing operations	\$ 16,173		\$ 5,301		\$ 10,872
Capital expenditures	<u>(4,406)</u>		<u>(2,933)</u>		<u>(1,473)</u>
Free cash flow	<u>\$ 11,767</u>		<u>\$ 2,368</u>		<u>\$ 9,399</u>

	YTD <u>June 30, 2018</u>	-	YTD <u>March 31, 2018</u>	=	Quarter <u>June 30, 2018</u>
Net cash provided by (used for) operating activities - continuing operations	\$ 27,223		\$ 12,838		\$ 14,385
Capital expenditures	<u>(2,318)</u>		<u>(1,206)</u>		<u>(1,112)</u>
Free cash flow	<u>\$ 24,905</u>		<u>\$ 11,632</u>		<u>\$ 13,273</u>

RECONCILIATION OF NON-GAAP MEASURES

MYERS INDUSTRIES, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
ADJUSTED EBITDA AND DEBT (UNAUDITED)
(Dollars in thousands)

	<u>Q3 2017</u>	<u>Q4 2017</u>	<u>Q1 2018</u>	<u>Q2 2018</u>	<u>Q3 2018</u>	<u>Q4 2018</u>	<u>Q1 2019</u>	<u>Q2 2019</u>
Income (loss) from continuing operations	\$ 3,083	\$ 1,821	\$ 7,755	\$ 8,608	\$ (21,137)	\$ 3,126	\$ 6,643	\$ 6,606
Add: income tax expense	1,880	(1,170)	2,628	3,190	(5,585)	2,804	2,526	2,559
Add: interest expense, net	1,838	1,464	1,639	1,313	883	1,103	1,049	1,017
Add: extinguishment of debt	—	1,888	—	—	—	—	—	—
Add: depreciation	4,606	4,702	4,495	4,562	4,287	4,310	4,012	4,039
Add: amortization	2,178	2,164	2,070	2,053	2,043	1,933	1,930	1,924
EBITDA	<u>13,585</u>	<u>10,869</u>	<u>18,587</u>	<u>19,726</u>	<u>(19,509)</u>	<u>13,276</u>	<u>16,160</u>	<u>16,145</u>
Add: one-time adjustments (excludes depreciation adjustments)	(202)	1,663	(539)	205	33,666	553	1,945	4,000
EBITDA as adjusted	<u>\$ 13,383</u>	<u>\$ 12,532</u>	<u>\$ 18,048</u>	<u>\$ 19,931</u>	<u>\$ 14,157</u>	<u>\$ 13,829</u>	<u>\$ 18,105</u>	<u>\$ 20,145</u>
TTM EBITDA as adjusted				\$ 63,894	\$ 64,668	\$ 65,965	\$ 66,022	\$ 66,236
Debt				\$ 78,654	\$ 76,693	\$ 76,790	\$ 76,887	\$ 76,983
Debt to Adjusted EBITDA				1.2x	1.2x	1.2x	1.2x	1.2x

RECONCILIATION OF NON-GAAP MEASURES

MYERS INDUSTRIES, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
WORKING CAPITAL (UNAUDITED)
(Dollars in thousands)

	<u>Q3 2017</u>	<u>Q4 2017</u>	<u>Q1 2018</u>	<u>Q2 2018</u>	<u>Q3 2018</u>	<u>Q4 2018</u>	<u>Q1 2019</u>	<u>Q2 2019</u>
Net sales	\$135,113	\$140,106	\$152,568	\$140,560	\$135,219	\$138,388	\$139,115	\$134,285
TTM net sales				\$568,347	\$568,453	\$566,735	\$553,282	\$547,007
Working capital:								
Add: Accounts receivable, net				\$ 67,911	\$ 69,250	\$ 72,939	\$ 71,914	\$ 73,120
Add: Inventories				49,362	44,310	43,596	42,489	42,341
Add: Prepaid expenses and other current assets				3,988	3,050	2,534	1,809	4,600
Less: Accounts payable				(56,141)	(51,375)	(60,849)	(53,818)	(52,827)
Less: Accrued expenses				(32,171)	(34,862)	(36,574)	(31,770)	(31,738)
Total working capital				<u>\$ 32,949</u>	<u>\$ 30,373</u>	<u>\$ 21,646</u>	<u>\$ 30,624</u>	<u>\$ 35,496</u>
Working capital as a % of TTM net sales				5.8%	5.3%	3.8%	5.5%	6.5%

