



MYERS INDUSTRIES, INC.
First Quarter 2018 Earnings Presentation

SAFE HARBOR STATEMENT & NON-GAAP MEASURES

Statements in this presentation concerning the Company's goals, strategies and expectations for business and financial results may be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and are based on current indicators and expectations. Any statement that is not of historical fact may be deemed "forward-looking". Words such as "expect", "believe", "project", "plan", "anticipate", "intend", "objective", "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 the Company's control that could cause actual results to materially differ from those expressed or implied. You are cautioned not to put undue reliance on any forward-looking statement. We do not intend, and undertake no obligation, to update these forward-looking statements. Such risks include:

- (1) Raw material availability, increases in raw material costs, or other production costs
- (2) Risks associated with our strategic growth initiatives or the failure to achieve the anticipated benefits of such initiatives
- (3) Unanticipated downturn in business relationships with customers or their purchases
- (4) Competitive pressures on sales and pricing
- (5) Changes in the markets for the Company's business segments
- (6) Changes in trends and demands in the markets in which the Company competes
- (7) Unexpected failures at our manufacturing facilities
- (8) Future economic and financial conditions in the United States and around the world
- (9) Inability of the Company to meet future capital requirements
- (10) Claims, litigation and regulatory actions against the Company
- (11) Changes in laws and regulations affecting the Company
- (12) Other risks as detailed in the Company's 10-K and other reports filed with the Securities Exchange Commission

Myers Industries, Inc. encourages investors to learn more about these risk factors. A detailed explanation of these factors is available in the Company's publicly filed quarterly and annual reports, which can be found online at www.myersindustries.com and at the SEC.gov web site.

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 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. A reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures is available in the appendix of this presentation.

Statements in this presentation speak only as of the date made.

2018 Q1 OVERVIEW

Achievements

- ✓ Generated free cash flow of \$11.6M or 7.6% of sales; on track to exceed 2018 target of >7%
- ✓ Strong commercial execution in key niche Food & Beverage market
 - » Three consecutive quarters of double-digit sales growth due to increased demand and focused execution
- ✓ Pricing actions and benefits from manufacturing footprint realignment driving year-over-year and sequential margin expansion
- ✓ Reduced debt by \$6.7M, decreasing net-debt-to-adjusted EBITDA ratio to 2.3x

Challenges

- Distribution Segment challenges persist
 - » Decline partially due to exit from low margin product line at Patch Rubber
 - » Myers Tire Supply continues to focus on filling open territories and onboarding new reps
 - » Myers Tire Supply Q1 2018 gross profit margin expanded year-over-year due to impact of new pricing structure
 - » Successful product promotion in March; plan to implement a number of similar promotions throughout 2018

Q1 FINANCIAL SUMMARY

Operating Highlights

- » Net sales up 11.7%
 - » Material Handling up \$18.3M +19%
 - » Distribution down \$2.8M (7%)
- » Gross profit increased \$5.4M (Adj. \$4.5M)
 - » Increased volume and price, partially offset by unfavorable mix and higher raw material costs
 - » Price increases mitigating material cost increases
 - » Savings from 2017 footprint realignment and restructuring actions in Material Handling
- » Adj. EBITDA up \$1.2M to \$18.0M, compared to \$16.8M in Q1 2017
- » GAAP EPS \$0.25 compared to \$0.11 in Q1 2017; adjusted EPS \$0.24 compared to \$0.14 in Q1 2017

GAAP Financial Highlights

(In \$ millions except EPS)	Q1 '18	V to PY
Net Sales	\$ 152.6	11.7%
Gross Profit	47.1	12.8%
Gross Profit Margin	30.9%	+30 bps
Op Income	12.0	48.1%
Op Income Margin	7.9%	+190 bps
Diluted EPS	\$ 0.25	127.3%

Non-GAAP Financial Highlights

(In \$ millions except EPS)	Q1 '18	V to PY
Net Sales	\$ 152.6	11.7%
Adj Gross Profit	47.2	10.4%
Gross Profit Margin	31.0%	-40 bps
Adj Op Income	11.5	29.8%
Op Income Margin	7.5%	+100 bps
Adj EBITDA	18.0	7.3%
EBITDA Margin	11.8%	-50 bps
Diluted Adjusted EPS	\$ 0.24	71.4%

Q1 SEGMENT RESULTS

Material Handling Segment Highlights

- » Double-digit sales growth in Food and Beverage due to higher agriculture sales
- » Sales to the Vehicle end market grew low single-digits driven by price and volume increases in RV
- » Consumer down double-digits due to timing of orders
- » Higher volume offset by unfavorable mix; pricing actions mitigating raw material cost inflation
- » 2017 footprint realignment and restructuring actions driving flexibility and operating margin expansion

Material Handling Financial Highlights

(In \$ millions)	Q1 '18	V to PY
Net Sales	\$ 116.8	18.6%
Op Income	16.7	30.2%
Op Income Margin	14.3%	+130 bps
Adj Op Income	16.9	24.1%
Adj Op Income Margin	14.4%	+60 bps
Adj EBITDA	23.0	10.3%
Adj EBITDA Margin	19.7%	-150 bps

Distribution Segment Highlights

- » Planned exit of low margin product line at Patch Rubber business (completed Q1 of 2017)
- » MTS sales decreased ~4% year-over-year
 - » Team continues to work to improve sales force effectiveness
 - » Successful product promotion in March
- » Favorable price and mix more than offset by lower volume
- » Investments in sales team driving higher SG&A costs over the near-term horizon

Distribution Financial Highlights

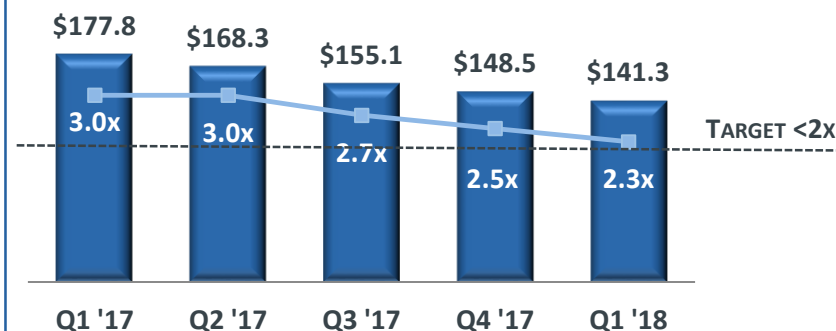
(In \$ millions)	Q1 '18	V to PY
Net Sales	\$ 35.8	-7.2%
Op Income	1.7	13.0%
Op Income Margin	4.9%	+90 bps
Adj Op Income	1.1	-30.2%
Adj Op Income Margin	3.0%	-100 bps
Adj EBITDA	1.4	-24.9%
Adj EBITDA Margin	3.9%	-90 bps

BALANCE SHEET AND CASH FLOW

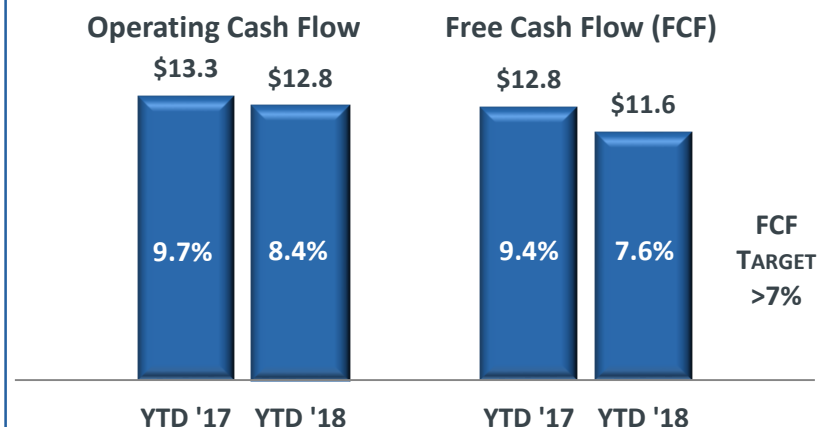
Q1 Highlights

- » Strong free cash flow generation of \$11.6M
- » Reduced debt by \$6.7M
 - » Net debt-to-adjusted EBITDA declined for third consecutive quarter to 2.3x
- » Working capital as % of TTM sales consistent with previous quarters
 - » Short-term increase in working capital due to higher sales during the quarter

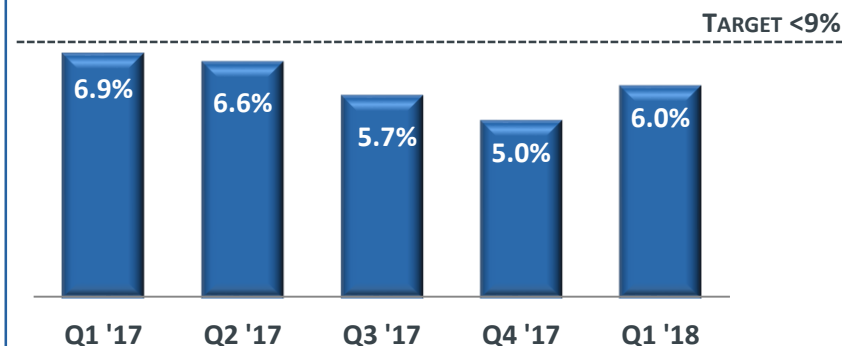
Net Debt (\$M) and Net Debt to Adj. EBITDA



Cash Flow and Cash Flow as % of Sales

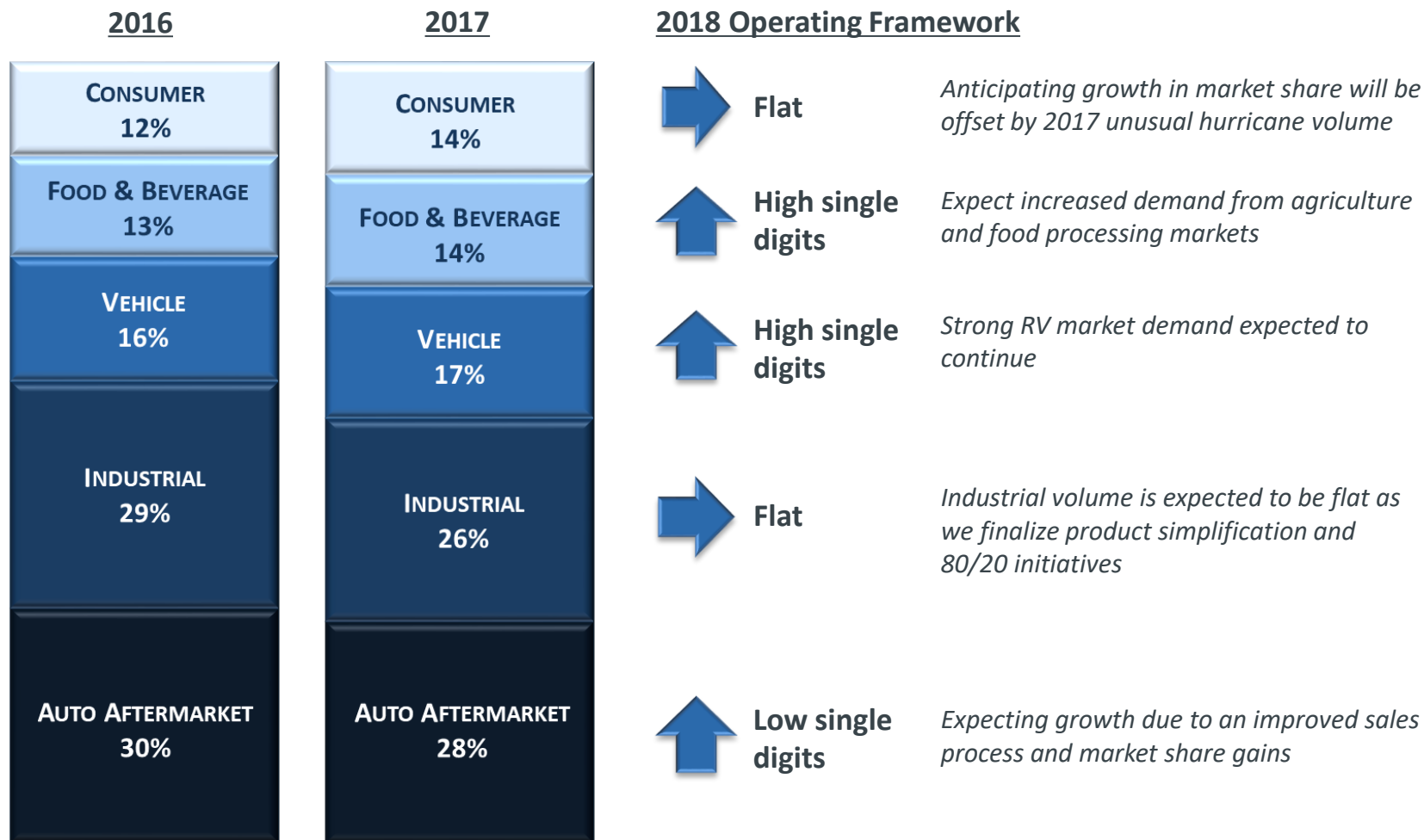


Working Capital as a % of TTM Sales



Brazil working capital not included: Q1 '17 \$6.7M; Q2 '17 \$9.0M; Q3 '17 \$11.7M. Working capital is defined as accounts receivable, inventories, other current assets, less current liabilities

2018 OUTLOOK



APPENDIX



2018 KEY ASSUMPTIONS

- » Net Sales: Up low-to-mid single-digits
- » Capital expenditures: \$10 - \$12 million
- » Net interest expense: \$7 - \$8 million
- » D&A: \$26 - \$28 million
- » Effective tax rate (normalized): 25%

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 March 31, 2018				
	Material Handling	Distribution	Segment Total	Corporate & Other	Total
GAAP Net sales	\$ 116,809	\$ 35,781	\$ 152,590	\$ (22)	\$ 152,568
GAAP Gross profit			47,115	—	47,115
Add: Restructuring expenses and other adjustments			119	—	119
Gross profit as adjusted			47,234	—	47,234
Gross profit margin as adjusted			31.0%	n/a	31.0%
GAAP Operating income	16,730	1,738	18,468	(6,446)	12,022
Add: Restructuring expenses and other adjustments ⁽¹⁾	142	—	142	—	142
Less: Gain on sale of assets	—	(665)	(665)	—	(665)
Operating income as adjusted	16,872	1,073	17,945	(6,446)	11,499
Operating income margin as adjusted	14.4%	3.0%	11.8%	n/a	7.5%
Add: Depreciation and amortization	6,129	309	6,438	127	6,565
Less: Depreciation restructuring expenses	(16)	—	(16)	—	(16)
EBITDA as adjusted	\$ 22,985	\$ 1,382	\$ 24,367	\$ (6,319)	\$ 18,048
EBITDA margin	19.7%	3.9%	16.0%	n/a	11.8%

(1) Includes gross profit adjustments of \$119 and SG&A adjustments of \$23

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 March 31, 2017				
	<u>Material Handling</u>	<u>Distribution</u>	<u>Segment Total</u>	<u>Corporate & Other</u>	<u>Total</u>
GAAP Net sales	\$ 98,482	\$ 38,574	\$ 137,056	\$ (484)	\$ 136,572
GAAP Gross profit			41,761	—	41,761
Add: Restructuring expenses and other adjustments			1,021	—	1,021
Gross profit as adjusted			42,782	—	42,782
Gross profit margin as adjusted			31.2%	n/a	31.3%
GAAP Operating income	12,846	1,538	14,384	(6,268)	8,116
Add: Restructuring expenses and other adjustments ⁽¹⁾	1,410	—	1,410	—	1,410
Less: Gain on sale of assets	(664)	—	(664)	—	(664)
Operating income as adjusted	13,592	1,538	15,130	(6,268)	8,862
Operating income margin as adjusted	13.8%	4.0%	11.0%	n/a	6.5%
Add: Depreciation and amortization	7,869	301	8,170	402	8,572
Less: Depreciation restructuring expenses	(618)	—	(618)	—	(618)
EBITDA as adjusted	\$ 20,843	\$ 1,839	\$ 22,682	\$ (5,866)	\$ 16,816
EBITDA margin	21.2%	4.8%	16.5%	n/a	12.3%

(1) Includes gross profit adjustments of \$1,021 and SG&A adjustments of \$389

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 March 31,	
	2018	2017
GAAP Operating income	\$ 12,022	\$ 8,116
Add: Restructuring expenses and other adjustments	142	1,496
Less: Gain on sale of assets	(665)	(750)
Operating income as adjusted	11,499	8,862
Less: Interest expense, net	(1,639)	(2,130)
Income (loss) before taxes as adjusted	9,860	6,732
Less: Income tax expense ⁽¹⁾	(2,465)	(2,424)
Income (loss) from continuing operations as adjusted	\$ 7,395	\$ 4,308
Adjusted earnings (loss) per diluted share from continuing operations	\$ 0.24	\$ 0.14

(1) Income taxes are calculated using the normalized effective tax rate for each year.
The rate used in 2018 was 25% and in 2017 was 36%.

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)

	<u>March 31, 2018</u>	<u>March 31, 2017</u>
Net cash provided by (used for) operating activities - continuing operations	\$ 12,838	\$ 13,284
Capital expenditures	(1,206)	(480)
Free cash flow	\$ 11,632	\$ 12,804

RECONCILIATION OF NON-GAAP MEASURES

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

	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
Income from continuing operations	\$ 5,921	\$ 580	\$ (899)	\$ 3,458	\$ 2,482	\$ 3,083	\$ 1,821	\$ 7,755
Add: tax expense	3,435	549	195	2,528	1,626	1,880	(1,170)	2,628
Add: net interest expense	2,174	2,194	2,122	2,130	1,860	1,838	1,464	1,639
Add: extinguishment of debt	—	—	—	—	—	—	1,888	—
Add: depreciation	5,632	5,549	5,582	6,150	6,487	4,606	4,702	4,495
Add: amortization	2,469	2,433	2,417	2,422	2,122	2,178	2,164	2,070
EBITDA	<u>19,631</u>	<u>11,305</u>	<u>9,417</u>	<u>16,688</u>	<u>14,577</u>	<u>13,585</u>	<u>10,869</u>	<u>18,587</u>
Add: one-time adjustments (excludes depreciation adjustments)	544	897	996	128	2,998	(202)	1,663	(539)
EBITDA as adjusted	<u>\$ 20,175</u>	<u>\$ 12,202</u>	<u>\$ 10,413</u>	<u>\$ 16,816</u>	<u>\$ 17,575</u>	<u>\$ 13,383</u>	<u>\$ 12,532</u>	<u>\$ 18,048</u>
TTM EBITDA as adjusted				\$ 59,606	\$ 57,006	\$ 58,187	\$ 60,306	\$ 61,538
Debt				\$ 179,571	\$ 170,114	\$ 158,010	\$ 151,036	\$ 144,363
Less: cash				<u>1,817</u>	<u>1,778</u>	<u>2,917</u>	<u>2,520</u>	<u>3,015</u>
Net debt				<u>\$ 177,754</u>	<u>\$ 168,336</u>	<u>\$ 155,093</u>	<u>\$ 148,516</u>	<u>\$ 141,348</u>
Net Debt to Adjusted EBITDA				3.0x	3.0x	2.7x	2.5x	2.3x

