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MYERS INDUSTRIES, INC.

Second Quarter 2020 Earnings Presentation

SAFE HARBOR STATEMENT & NON-GAAP MEASURES

Statements in this presentation include “forward-looking” statements within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995, including information regarding the Company’s financial outlook, future plans, objectives, business prospects and anticipated financial performance. Words such as “will”, “believe”, “anticipate”, “expect”, “estimate”, “intend”, “plan”, “project”, “objective”, “outlook”, “target”, “goal”, “view” and similar expressions or variations of these words identify forward-looking statements. These forward-looking statements are neither historical facts nor assurances of future performance. Instead, these statements are based on management’s current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, these statements inherently involve a wide range of inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. The Company’s actual actions, results, and financial condition may differ materially from what is expressed or implied by the forward-looking statements. Risks and uncertainties include: disease outbreaks such as COVID-19 and the impacts stemming from any such outbreaks including supply chain disruptions, operational disruptions, full or partial facility closures, and other similar impacts, 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 important factors disclosed previously and from time to time in our other filings with the Securities and Exchange Commission. Such reports are available on the Securities and Exchange Commission's 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 gross profit, adjusted operating income, adjusted operating income margin, adjusted EBITDA, adjusted EBITDA margin 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.

Q2 2020 OPERATING SUMMARY

Q2 2020 Highlights

- » Delivered higher than anticipated sales despite challenges and complexities resulting from Covid-19
 - » Strong fuel container sales in consumer end market and increased demand in auto aftermarket
- » Adjusted gross margin increased 100 bps due primarily to favorable price-cost margin
- » Adjusted op income margin flat despite sales decline
- » Generated free cash flow of \$3.7 million

Strategic Priorities

- » Drive profitable growth in Material Handling Segment
 - » Disciplined, strategic M&A
 - » Investments to drive organic growth
 - » Commercial and operational excellence
- » Continue to execute transformation and continuous improvement initiatives in the Distribution Segment
 - » Commercial focus on winning new business, growing key accounts and expanding e-commerce platform
 - » Operational focus on supply chain excellence

COVID-19 Update

- » We continue to closely monitor the rapidly evolving situation, observing best practices and adhering to all local, state, and federal guidelines
 - » Our pandemic preparedness and response plan includes working remotely where possible, social distancing, increased cleaning protocols, and a pay program for employees being tested or quarantined

Balance Sheet & Liquidity

- » Our strong balance sheet and liquidity position provide adequate flexibility to support our operations and growth initiatives
 - » \$72.3M of cash on balance sheet
 - » \$194.2M available under credit facility
 - » Debt/adjusted EBITDA ratio 1.2x

Q2 2020 FINANCIAL SUMMARY

Operating Highlights

- » Net sales down 11.8%, compared to Q2 2019
 - » Material Handling down \$15.0M (-15.7%)
 - » Distribution down \$0.9M (-2.2%)
- » Gross profit margin expanded to 36% from 35%
 - » Favorable price-cost margin and lower operating costs
- » Adjusted op income down 13.6% to \$12.3M, compared to \$14.2M in Q2 2019
 - » Adjusted op income margin flat due to higher gross margin, lower incentive compensation and SG&A cost reductions
- » Adjusted EBITDA down 10.2% to \$18.1M, compared to \$20.1 million in Q2 2019
- » Adjusted EPS of \$0.23, compared to \$0.27 in Q2 2019

GAAP Financial Highlights

(In \$ millions except EPS)	Q2 '20	Q2 '19	vs PY
Net Sales	\$118.4	\$134.3	-11.8%
Gross Profit	42.6	46.9	-9.3%
Gross Profit Margin	36.0%	35.0%	+100 bps
Op Income	12.3	10.2	20.4%
Op Income Margin	10.4%	7.6%	+280 bps
Diluted EPS	\$0.23	\$0.18	27.8%

Non-GAAP Financial Highlights

(In \$ millions except EPS)	Q2 '20	Q2 '19	vs PY
Net Sales	\$118.4	\$134.3	-11.8%
Adj Gross Profit	42.6	46.9	-9.3%
Gross Profit Margin	36.0%	35.0%	+100 bps
Adj Op Income	12.3	14.2	-13.6%
Op Income Margin	10.4%	10.6%	-20 bps
Adj EBITDA	18.1	20.1	-10.2%
EBITDA Margin	15.3%	15.0%	+30 bps
Diluted Adjusted EPS	\$0.23	\$0.27	-14.8%

Q2 2020 SEGMENT RESULTS

Material Handling Segment

- » Net sales down 15.7% vs. Q2 2019
 - » Food and Beverage end market down double digits
 - » Consumer end market up double digits due to increased fuel container sales, which were boosted by COVID-19
 - » Industrial end market down double digits
 - » Vehicle end market down double digits; demand for RV products improving
- » Impact of lower sales volume offset favorable price-cost margin, positive sales mix and lower costs

Material Handling Financial Highlights

(In \$ millions)	Q2 '20	Q2 '19	vs PY
Net Sales	\$80.9	\$95.9	-15.7%
Op Income	15.8	17.6	-10.2%
Op Income Margin	19.5%	18.3%	+120 bps
Adj Op Income	15.8	17.6	-10.2%
Adj Op Income Margin	19.5%	18.3%	+120 bps
Adj EBITDA	20.9	23.2	-9.7%
Adj EBITDA Margin	25.9%	24.2%	+170 bps

Distribution Segment

- » Net sales down 2.2% vs. Q2 2019
 - » Increase due to incremental sales from the Tuffy acquisition offset by declines due to COVID-19
 - » Demand improved during the quarter as stay-at-home restrictions were lifted and more vehicles returned to the road
- » Adjusted operating income decreased primarily as a result of an unfavorable sales mix

Distribution Financial Highlights

(In \$ millions)	Q2 '20	Q2 '19	vs PY
Net Sales	\$37.5	\$38.4	-2.2%
Op Income	1.6	3.3	-50.8%
Op Income Margin	4.4%	8.7%	-430 bps
Adj Op Income	1.6	3.3	-50.8%
Adj Op Income Margin	4.4%	8.7%	-430 bps
Adj EBITDA	2.2	3.6	-37.5%
Adj EBITDA Margin	6.0%	9.4%	-340 bps

BALANCE SHEET AND CASH FLOW

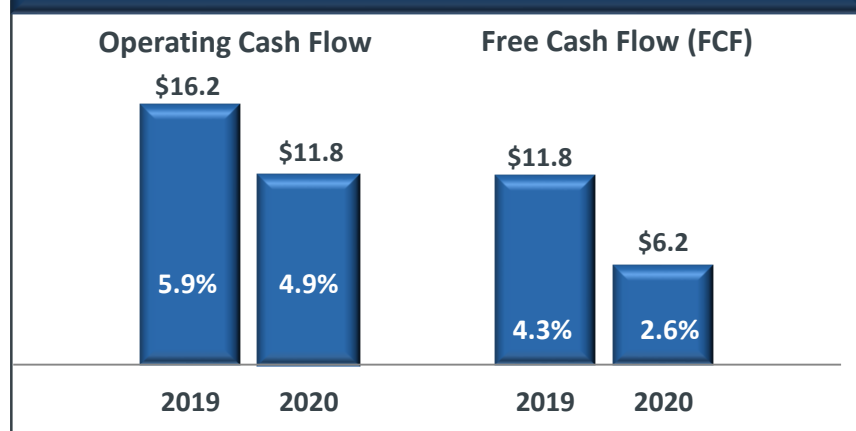
Q2 Highlights

- » Free cash flow generation of \$3.7M, compared with \$9.4M last year
- » Working capital as a percentage of sales up due to higher inventory and AR balances
- » Cash balance at end of Q2 was \$72M; debt to adjusted EBITDA remains consistent with prior quarters at 1.2x

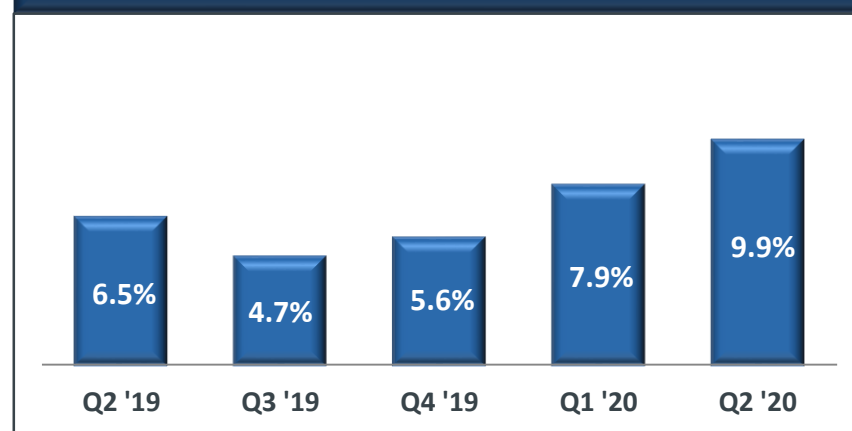
Total Debt (\$M) and Debt to Adj. EBITDA













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



Working Capital as a % of TTM Sales



2020 REVENUE OUTLOOK

End Market	2019 % of Sales	2020 Previous Outlook	2020 Current Outlook	Key Drivers to Outlook
Consumer	14%	 Low-single digits	 Mid-single digits	Incremental fuel container sales driven by increased end market demand following weak spring season last year and COVID-19
Food & Beverage	13%	 Mid-single digits	 Mid-single digits	Stronger seed box sales anticipated in Q4 following soft prior year season and customer consolidations; will have better indication of potential orders in Q3
Vehicle	16%	 Double digits	 Double digits	Sales declines anticipated for remainder of the year across automotive and marine end markets due to weak demand environment and COVID-19 impact
Industrial	26%	 Low teens	 Low teens	Soft market environment in industrial manufacturing that began early in the year expected to continue throughout 2020
Auto Aftermarket	31%	 High-single digits	 Low-single digits	Incremental sales from August 2019 acquisition of Tuffy and improving end market demand not expected to offset impacts from Covid-19

2020 revenue now anticipated to be down mid-to-high single digits

2020 FISCAL YEAR GUIDANCE

- » **Net sales growth:** ~ **Down mid-to-high single digits**
(vs. down 10% previously)
- » **D&A:** ~ **\$21M**
- » **Net interest expense:** ~ **\$4M**
- » **Effective tax rate (normalized):** ~ **26%**
(vs. 27% previously)
- » **Diluted share count:** ~ **36M**
- » **Diluted EPS:** **Withdrawn**
- » **Adjusted diluted EPS:** **Withdrawn**
- » **Capital expenditures:** ~ **\$15M**

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, 2020				
	<u>Material Handling</u>	<u>Distribution</u>	<u>Segment Total</u>	<u>Corporate & Other</u>	<u>Total</u>
GAAP Net sales	\$ 80,855	\$ 37,541	\$ 118,396	\$ (2)	\$ 118,394
GAAP Gross profit			42,573	—	42,573
Gross profit margin			36.0%	n/a	36.0%
GAAP Operating income (loss)	15,796	1,636	17,432	(5,176)	12,256
Operating income margin	19.5%	4.4%	14.7%	n/a	10.4%
Add: Depreciation and amortization	5,130	608	5,738	99	5,837
EBITDA	\$ 20,926	\$ 2,244	\$ 23,170	\$ (5,077)	\$ 18,093
EBITDA margin	25.9%	6.0%	19.6%	n/a	15.3%

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
Gross profit margin			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
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
INCOME AND EARNINGS PER DILUTED SHARE (UNAUDITED)
(Dollars in thousands, except per share data)

	Quarter Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
GAAP Operating income (loss)	\$ 12,256	\$ 10,182	\$ 35,554	\$ 20,400
Add: Restructuring expenses and other adjustments	—	—	249	1,073
Add: Tuffy acquisition costs	—	—	52	—
Less: Lawn and Garden sale of note/release of lease guarantee liability	—	—	(11,924)	—
Add: Asset impairment	—	—	—	916
Add: Environmental charges	—	4,000	—	4,000
Operating income as adjusted	12,256	14,182	23,931	26,389
Less: Interest expense, net	(1,194)	(1,017)	(2,263)	(2,066)
Income before taxes as adjusted	11,062	13,165	21,668	24,323
Less: Income tax expense ⁽¹⁾	(2,876)	(3,555)	(5,634)	(6,567)
Income from continuing operations as adjusted	\$ 8,186	\$ 9,610	\$ 16,034	\$ 17,756
Adjusted earnings per diluted share from continuing operations	\$ 0.23	\$ 0.27	\$ 0.45	\$ 0.50

(1) Income taxes are calculated using the normalized effective tax rate for each year. The rate used in 2020 is 26% and in 2019 is 27%.

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, 2020</u>	YTD <u>June 30, 2019</u>
Net cash provided by (used for) operating activities - continuing operations	\$ 11,785	\$ 16,173
Capital expenditures	(5,589)	(4,406)
Free cash flow	<u>\$ 6,196</u>	<u>\$ 11,767</u>

	YTD <u>June 30, 2020</u>		YTD <u>March 31, 2020</u>		Quarter <u>June 30, 2020</u>
Net cash provided by (used for) operating activities - continuing operations	\$ 11,785	-	\$ 5,027	=	\$ 6,758
Capital expenditures	(5,589)	-	(2,490)	=	(3,099)
Free cash flow	<u>\$ 6,196</u>	-	<u>\$ 2,537</u>	=	<u>\$ 3,659</u>

	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	(4,406)	-	(2,933)	=	(1,473)
Free cash flow	<u>\$ 11,767</u>	-	<u>\$ 2,368</u>	=	<u>\$ 9,399</u>

RECONCILIATION OF NON-GAAP MEASURES

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

	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Income (loss) from continuing operations	\$ (21,137)	\$ 3,126	\$ 6,643	\$ 6,606	\$ 5,219	\$ 5,747	\$ 16,726	\$ 8,368
Add: income tax expense	(5,585)	2,804	2,526	2,559	1,848	2,035	5,503	2,694
Add: interest expense, net	883	1,103	1,049	1,017	993	1,024	1,069	1,194
Add: depreciation	4,287	4,310	4,012	4,039	3,454	3,615	3,553	3,690
Add: amortization	2,043	1,933	1,930	1,924	2,041	2,183	2,172	2,147
EBITDA	(19,509)	13,276	16,160	16,145	13,555	14,604	29,023	18,093
Add: one-time adjustments (excludes depreciation adjustments)	33,666	553	1,945	4,000	456	(1,667)	(11,623)	—
EBITDA as adjusted	<u>\$ 14,157</u>	<u>\$ 13,829</u>	<u>\$ 18,105</u>	<u>\$ 20,145</u>	<u>\$ 14,011</u>	<u>\$ 12,937</u>	<u>\$ 17,400</u>	<u>\$ 18,093</u>
TTM EBITDA as adjusted				\$ 66,236	\$ 66,090	\$ 65,195	\$ 64,493	\$ 62,441
Debt				\$ 76,983	\$ 77,080	\$ 77,176	\$ 77,275	\$ 77,376
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 2018</u>	<u>Q4 2018</u>	<u>Q1 2019</u>	<u>Q2 2019</u>	<u>Q3 2019</u>	<u>Q4 2019</u>	<u>Q1 2020</u>	<u>Q2 2020</u>
Net sales	\$135,219	\$138,388	\$139,115	\$134,285	\$125,480	\$116,818	\$122,250	\$118,394
TTM net sales				\$547,007	\$537,268	\$515,698	\$498,833	\$482,942
Working capital:								
Add: Accounts receivable, net				\$ 73,120	\$ 65,129	\$ 62,279	\$ 65,255	\$ 71,270
Add: Inventories				42,341	44,009	44,260	49,127	49,551
Add: Prepaid expenses and other current assets				4,600	3,441	2,834	3,036	5,746
Less: Accounts payable				(52,827)	(54,196)	(46,867)	(49,456)	(44,857)
Less: Accrued expenses				(31,738)	(32,867)	(33,701)	(28,559)	(34,084)
Total working capital				<u>\$ 35,496</u>	<u>\$ 25,516</u>	<u>\$ 28,805</u>	<u>\$ 39,403</u>	<u>\$ 47,626</u>
Working capital as a % of TTM net sales				6.5%	4.7%	5.6%	7.9%	9.9%

