



Earnings Presentation | THIRD QUARTER 2020

SAFE HARBOR STATEMENT & NON-GAAP MEASURES

Statements in this release 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 “will”, “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: impacts from the COVID-19 pandemic on our business, conditions, customers and capital position; the impact of COVID 19 on local, national and global economic conditions; the effects of various governmental responses to the COVID-19 pandemic, 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; impact of the upcoming U.S. elections impacts on the regulatory landscape, capital markets, and responses to and management of the COVID-19 pandemic including further economic stimulus from the federal government; and other important factors detailed previously and from time to time in the Company's filings with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the year ended December 31, 2019 and subsequent Quarterly Reports on Form 10-Q. 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 gross margin, adjusted EBITDA margin, debt to adjusted EBITDA margin, Adjusted gross profit, Adjusted operating income, adjusted operating income margin, adjusted EBITDA, diluted adjusted EPS 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. Myers Industries 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.

Q3 2020 OPERATING SUMMARY

Q3 2020 Highlights

- » Sales increased 5% vs. prior year
 - » Active hurricane season drove higher fuel container sales in our consumer end market
 - » Incremental sales from Tuffy acquisition and higher domestic sales drove revenue increase in our auto aftermarket end market
- » Adjusted gross margin increased 400 bps to 35.6%
- » Adjusted EBITDA margin up 370 bps to 14.8%
- » Generated free cash flow of \$16.2 million

Strategic Priorities

- » Execute on initiatives under Horizon 1 of our long-term, multi-phased vision, including:
 - » Accelerating organic growth via commercial and sales excellence, innovation
 - » Pursuing bolt-on acquisitions in value added plastics
 - » Driving gross margin improvement through pricing focus, purchasing rigor, and operations excellence
 - » Building a high-performing culture

COVID-19 Update

- » Offices continue a phased return that began during Q3
- » All manufacturing facilities and distribution centers are operational
- » All locations are complying with local government guidelines and public health advisories and are maintaining enhanced safety protocols
- » Currently no major supply chain disruptions

Balance Sheet & Liquidity

- » Strong balance sheet and liquidity position provide flexibility to support our operations and growth initiatives
 - » \$84M of cash on balance sheet
 - » \$194M available under credit facility
 - » Debt/adjusted EBITDA ratio 1.1x

Q3 2020 FINANCIAL SUMMARY

Operating Highlights

- » Net sales up 5.4%, compared to Q3 2019
 - » Material Handling up \$2.7M (+3.2%)
 - » Distribution up \$4.1M (+10.0%)
- » Gross profit margin expanded 400 bps to 35.6%
 - » Higher sales volume and favorable price-cost margin
 - » PY Q3 included \$3.5M charge for estimated product replacement costs
- » Adjusted Op income up 83% to \$15.6M, compared to \$8.5M in Q3 2019
 - » Gross profit increased \$7.5M vs. PY
 - » Adj. SG&A costs flat year-over-year
- » Adjusted EBITDA up 40% to \$19.6M, compared to \$14.0 million in Q3 2019
- » Adjusted EPS of \$0.30, compared to \$0.15 in Q3 2019

GAAP Financial Highlights

(In \$ millions except EPS)	Q3 '20	Q3 '19	vs PY
Net Sales	\$132.3	\$125.5	5.4%
Gross Profit	47.1	39.6	18.9%
Gross Profit Margin	35.6%	31.5%	+400 bps
Op Income	13.1	8.1	63.0%
Op Income Margin	9.9%	6.4%	+350 bps
Diluted EPS	\$0.24	\$0.15	60.0%

Non-GAAP Financial Highlights

(In \$ millions except EPS)	Q3 '20	Q3 '19	vs PY
Net Sales	\$132.3	\$125.5	5.4%
Adj Gross Profit	47.1	39.6	18.9%
Gross Profit Margin	35.6%	31.5%	+400 bps
Adj Op Income	15.6	8.5	82.7%
Op Income Margin	11.8%	6.8%	+500 bps
Adj EBITDA	19.6	14.0	39.9%
EBITDA Margin	14.8%	11.2%	+370 bps
Diluted Adjusted EPS	\$0.30	\$0.15	100.0%

Q3 2020 SEGMENT RESULTS

Material Handling Segment

- » Net sales up 3.2% vs. Q3 2019
 - » Food and Beverage end market down high single digits due primarily to lower seed box sales
 - » Consumer end market up double digits due primarily to higher fuel container sales driven by storm activity
 - » Industrial end market down mid single digits due primarily to decreased sales through industrial distribution
 - » Vehicle end market down double digits due primarily to lower sales to automotive OEMs
- » Adjusted operating income up due to higher sales volume and favorable price-cost margin; PY included \$3.5M charge for estimated product replacement costs

Material Handling Financial Highlights

(In \$ millions)	Q3 '20	Q3 '19	vs PY
Net Sales	\$86.8	\$84.1	3.2%
Op Income	15.6	10.4	50.1%
Op Income Margin	18.0%	12.3%	+570 bps
Adj Op Income	16.5	10.4	58.9%
Adj Op Income Margin	19.0%	12.3%	+670 bps
Adj EBITDA	19.9	15.4	28.8%
Adj EBITDA Margin	22.9%	18.4%	+450 bps

Distribution Segment

- » Net sales up 10.0% vs. Q3 2019
 - » Incremental sales from the Tuffy acquisition of \$2.9M
 - » Domestic sales higher despite mixed market conditions
- » Adjusted operating income increased primarily as a result of higher sales volume and SG&A cost reductions

Distribution Financial Highlights

(In \$ millions)	Q3 '20	Q3 '19	vs PY
Net Sales	\$45.5	\$41.4	10.0%
Op Income	5.1	3.4	50.5%
Op Income Margin	11.2%	8.2%	+300 bps
Adj Op Income	5.1	3.6	41.3%
Adj Op Income Margin	11.2%	8.7%	+250 bps
Adj EBITDA	5.6	4.0	42.9%
Adj EBITDA Margin	12.4%	9.5%	+290 bps

BALANCE SHEET AND CASH FLOW

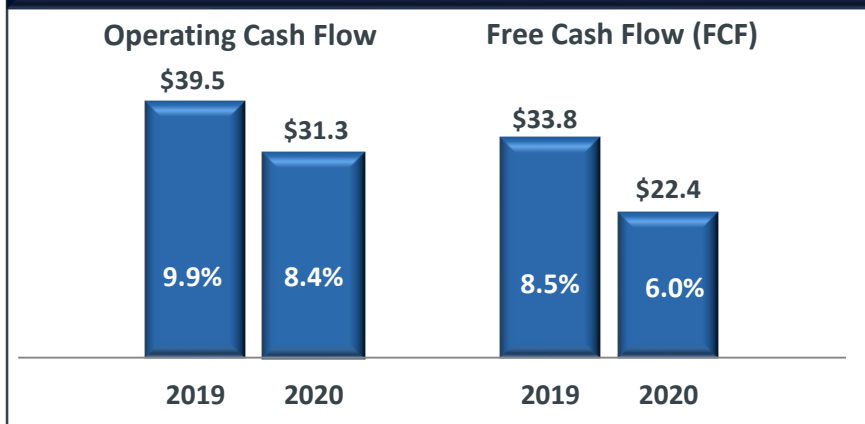
Q3 Highlights

- » Free cash flow generation of \$16.2M, compared to \$22.1M last year
- » Working capital as a percentage of sales up due to higher inventory and AR balances compared to last year
- » Cash balance at end of Q3 was \$84M; debt to adjusted EBITDA remains relatively consistent with prior quarters at 1.1x

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













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



Working Capital as a % of TTM Sales



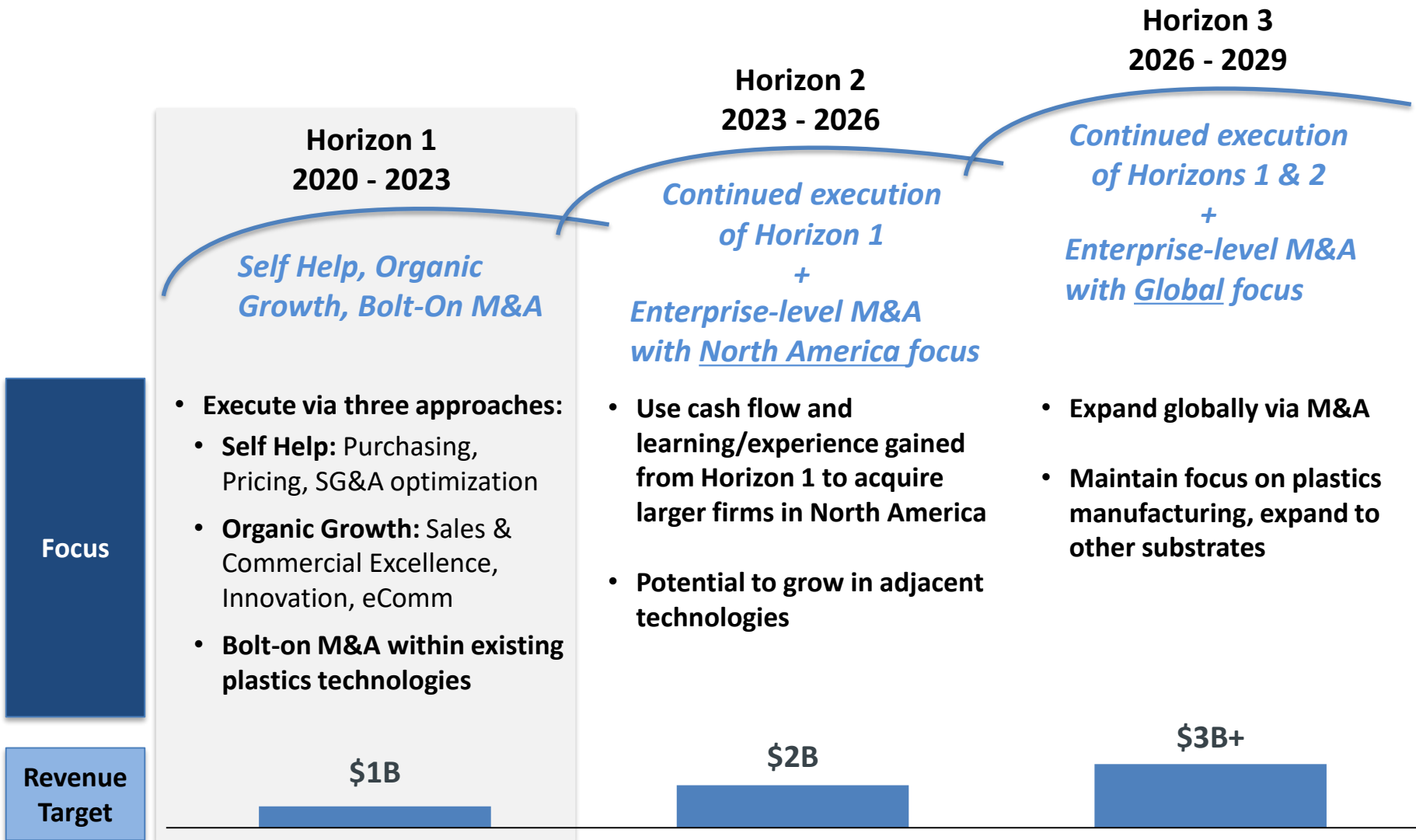
FY 2020 MARKET OUTLOOK

End Market	2019 % of Sales	2020 Previous Outlook	2020 Current Outlook	Key Drivers to Full-Year Outlook
Consumer	14%	 Mid single digits	 Double digits	Incremental fuel container sales driven by increased end market demand due to storm activity, COVID-19, and share gains.
Food & Beverage	13%	 Mid single digits	 Mid teens	Seed box sales expected to increase in Q4, but not as much as originally anticipated. Sales to food processing customers expected to be down year-over-year due to impacts from COVID-19.
Vehicle	16%	 Double digits	 Double digits	Sales declines to automotive OEMs expected to more than offset higher sales to RV customers.
Industrial	26%	 Low teens	 Mid teens	Soft market environment in industrial manufacturing and distribution that began early in the year expected to continue through the fourth quarter.
Auto Aftermarket	31%	 Low single digits	 Low single digits	Incremental sales from August 2019 acquisition of Tuffy and improving end market demand in the second half of 2020 expected to more than offset impacts from COVID-19.

2020 FISCAL YEAR GUIDANCE

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

OUR LONG-TERM VISION



STRATEGY FOR HORIZON 1

Strategic Objective:

Transform Material Handling Segment into a high-growth, customer-centric innovator of engineered plastic solutions, while continuing to optimize and grow Distribution Segment

1

Organic Growth

- Sales & Commercial excellence
- Innovation/NPD
- Sustainability
- eCommerce

2

Strategic M&A

- Bolt-on M&A focused on plastics
- Integration playbook

3

Operational Excellence

- Continuous improvement
- Pricing focus
- Purchasing rigor
- SG&A allocation & deployment

4

High-Performing Culture

- Safety first
- Talent development
- Inclusion
- Servant leadership
- Community involvement

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 September 30, 2020				
	Material Handling	Distribution	Segment Total	Corporate & Other	Total
GAAP Net sales	\$ 86,769	\$ 45,517	\$ 132,286	\$ (28)	\$ 132,258
GAAP Gross profit			47,067	—	47,067
Gross profit margin			35.6%	n/a	35.6%
GAAP Operating income (loss)	15,593	5,091	20,684	(7,544)	13,140
Add: Severance costs	905	—	905	1,512	2,417
Operating income (loss) as adjusted	16,498	5,091	21,589	(6,032)	15,557
Operating income margin as adjusted	19.0%	11.2%	16.3%	n/a	11.8%
Add: Depreciation and amortization	3,390	556	3,946	99	4,045
EBITDA as adjusted	\$ 19,888	\$ 5,647	\$ 25,535	\$ (5,933)	\$ 19,602
EBITDA margin as adjusted	22.9%	12.4%	19.3%	n/a	14.8%

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 September 30, 2019

	Material Handling	Distribution	Segment Total	Corporate & Other	Total
GAAP Net sales	\$ 84,110	\$ 41,388	\$ 125,498	\$ (18)	\$ 125,480
GAAP Gross profit			39,586	—	39,586
Gross profit margin			31.5%	n/a	31.5%
GAAP Operating income (loss)	10,385	3,382	13,767	(5,707)	8,060
Less: Restructuring expenses and other adjustments	—	(36)	(36)	—	(36)
Add: Tuffy acquisition costs	—	257	257	235	492
Operating income (loss) as adjusted	10,385	3,603	13,988	(5,472)	8,516
Operating income margin as adjusted	12.3%	8.7%	11.1%	n/a	6.8%
Add: Depreciation and amortization	5,059	349	5,408	87	5,495
EBITDA as adjusted	\$ 15,444	\$ 3,952	\$ 19,396	\$ (5,385)	\$ 14,011
EBITDA margin as adjusted	18.4%	9.5%	15.5%	n/a	11.2%

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 September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
GAAP Operating income (loss)	\$ 13,140	\$ 8,060	\$ 48,694	\$ 28,460
Add: Severance costs	2,417	—	2,417	—
Add: Restructuring expenses and other adjustments	—	(36)	249	1,037
Add: Tuffy acquisition costs	—	492	52	492
Less: Lawn and Garden sale of note/release of lease guarantee liability	—	—	(11,924)	—
Add: Asset impairment	—	—	—	916
Add: Environmental charges	—	—	—	4,000
Operating income as adjusted	15,557	8,516	39,488	34,905
Less: Interest expense, net	(1,204)	(993)	(3,467)	(3,059)
Income before taxes as adjusted	14,353	7,523	36,021	31,846
Less: Income tax expense ⁽¹⁾	(3,732)	(2,031)	(9,365)	(8,598)
Income from continuing operations as adjusted	\$ 10,621	\$ 5,492	\$ 26,656	\$ 23,248
Adjusted earnings per diluted share from continuing operations	\$ 0.30	\$ 0.15	\$ 0.74	\$ 0.65

(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>September 30, 2020</u>	YTD <u>September 30, 2019</u>
Net cash provided by (used for) operating activities - continuing operations	\$ 31,334	\$ 39,492
Capital expenditures	(8,955)	(5,669)
Free cash flow	<u>\$ 22,379</u>	<u>\$ 33,823</u>

	YTD <u>September 30, 2020</u>		YTD <u>June 30, 2020</u>		Quarter <u>September 30, 2020</u>
Net cash provided by (used for) operating activities - continuing operations	\$ 31,334	-	\$ 11,785	=	\$ 19,549
Capital expenditures	(8,955)	-	(5,589)	=	(3,366)
Free cash flow	<u>\$ 22,379</u>	-	<u>\$ 6,196</u>	=	<u>\$ 16,183</u>

	YTD <u>September 30, 2019</u>		YTD <u>June 30, 2019</u>		Quarter <u>September 30, 2019</u>
Net cash provided by (used for) operating activities - continuing operations	\$ 39,492	-	\$ 16,173	=	\$ 23,319
Capital expenditures	(5,669)	-	(4,406)	=	(1,263)
Free cash flow	<u>\$ 33,823</u>	-	<u>\$ 11,767</u>	=	<u>\$ 22,056</u>

RECONCILIATION OF NON-GAAP MEASURES

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

	<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>	<u>Q3 2020</u>
Income (loss) from continuing operations	\$ 3,126	\$ 6,643	\$ 6,606	\$ 5,219	\$ 5,747	\$ 16,726	\$ 8,368	\$ 8,685
Add: income tax expense	2,804	2,526	2,559	1,848	2,035	5,503	2,694	3,251
Add: interest expense, net	1,103	1,049	1,017	993	1,024	1,069	1,194	1,204
Add: depreciation	4,310	4,012	4,039	3,454	3,615	3,553	3,690	3,156
Add: amortization	1,933	1,930	1,924	2,041	2,183	2,172	2,147	889
EBITDA	13,276	16,160	16,145	13,555	14,604	29,023	18,093	17,185
Add: one-time adjustments (excludes depreciation adjustments)	553	1,945	4,000	456	(1,667)	(11,623)	—	2,417
EBITDA as adjusted	<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>	<u>\$ 19,602</u>
TTM EBITDA as adjusted				\$ 66,090	\$ 65,195	\$ 64,493	\$ 62,441	\$ 68,032
Debt				\$ 77,080	\$ 77,176	\$ 77,275	\$ 77,376	\$ 77,476
Debt to Adjusted EBITDA				1.2x	1.2x	1.2x	1.2x	1.1x

RECONCILIATION OF NON-GAAP MEASURES

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

	<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>	<u>Q3 2020</u>
Net sales	\$138,388	\$139,115	\$134,285	\$125,480	\$116,818	\$122,250	\$118,394	\$132,258
TTM net sales				\$537,268	\$515,698	\$498,833	\$482,942	\$489,720
Working capital:								
Add: Accounts receivable, net				\$ 65,129	\$ 62,279	\$ 65,255	\$ 71,270	\$ 75,539
Add: Inventories				44,009	44,260	49,127	49,551	48,137
Add: Prepaid expenses and other current assets				3,441	2,834	3,036	5,746	4,553
Less: Accounts payable				(54,196)	(46,867)	(49,456)	(44,857)	(47,562)
Less: Accrued expenses				(32,867)	(33,701)	(28,559)	(34,084)	(35,663)
Total working capital				\$ 25,516	\$ 28,805	\$ 39,403	\$ 47,626	\$ 45,004
Working capital as a % of TTM net sales				4.7%	5.6%	7.9%	9.9%	9.2%

