

# MYERS INDUSTRIES INC

## FORM 8-K

(Current report filing)

Filed 02/25/15 for the Period Ending 02/25/15

Address	1293 S MAIN ST AKRON, OH 44301
Telephone	330-253-5592
CIK	0000069488
Symbol	MYE
SIC Code	3089 - Plastics Products, Not Elsewhere Classified
Industry	Fabricated Plastic & Rubber
Sector	Basic Materials
Fiscal Year	12/31

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**  
**Pursuant to Section 13 or 15(d)**  
**of the Securities Exchange Act of 1934**

**Date of report (Date of earliest event reported) February 25, 2015**

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**MYERS INDUSTRIES, INC.**  
(Exact name of registrant as specified in its charter)

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**Ohio**  
(State or other jurisdiction  
of incorporation)

**1-8524**  
(Commission  
File Number)

**34-0778636**  
(IRS Employer  
Identification Number)

**1293 South Main Street, Akron, OH**  
(Address of Principal Executive Offices)

**44301**  
(Zip Code)

**Registrant's Telephone Number, including area code (330) 253-5592**

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

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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))
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**Item 2.02.**        **Results of Operations and Financial Condition**

On February 25, 2015, Myers Industries, Inc. (the “Company”) issued a press release announcing earnings results for the fiscal year and quarter ended December 31, 2014. The full text of the press release issued in connection with the announcement is attached as Exhibit 99.1 to this Current Report on Form 8-K. In addition, a copy of the slide materials which will be discussed during the Company’s earnings conference call at 10:00 a.m. Eastern Time on February 25, 2015 is attached as Exhibit 99.2 to this Current Report on Form 8-K. Information about the call can be found in the press release attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this report (including the exhibit) is furnished pursuant to “Item 2.02. Results of Operations and Financial Condition” and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, unless incorporated by specific reference in such filing.

**Item 7.01 .**        **Regulation FD Disclosure**

See “Item 2.02 Results of Operations and Financial Condition” above.

**Item 9.01.**        **Financial Statements and Exhibits**

- 99.1     Press Release by the Company regarding earnings results dated February 25, 2015
- 99.2     Earnings Presentation Fourth Quarter and Full Year 2014 by the Company dated February 25, 2015

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**SIGNATURE**

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.

**Myers Industries, Inc.**

\_\_\_\_\_  
(Registrant)

**DATE February 25, 2015**

**By: /s/ Gregory W. Branning**

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Greggory W. Branning  
Senior Vice President, Chief Financial Officer  
and Corporate Secretary



News Release

NYSE: MYE

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& Chief Financial Officer (330) 761-6303

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### **Myers Industries Reports 2014 Fourth Quarter and Full Year Results**

*Company completes strategic initiative to focus business;  
Positioned for incremental success in 2015 as end markets improve*

**February 25, 2015**, Akron, Ohio - Myers Industries, Inc. (NYSE: MYE) today announced results for the fourth quarter and full year ended December 31, 2014.

#### **Financial Highlights**

- Net sales increased 9.4% in the fourth quarter of 2014 and 6.7% for the full year of 2014, due mainly to the acquisition of Scepter
- Income per diluted share from continuing operations as adjusted was \$0.13 in the fourth quarter of 2014 and \$0.60 for fiscal 2014, versus \$0.15 and \$0.75 for the comparable 2013 periods
- Completed strategic initiative to focus the business through the sale of WEK Industries in June 2014, the sale of the Lawn and Garden business in February 2015 and the acquisition of Scepter in July 2014
- Returned \$70.6 million of cash to shareholders through dividends and repurchases of common stock in 2014

## Summary

	Quarter Ended December 31,			Year Ended December 31,		
	2014	2013 <sup>(1)</sup>	% Increase (Decrease)	2014	2013 <sup>(1)</sup>	% Increase (Decrease)
Net sales	\$158,271	\$144,724	9.4%	\$623,649	\$584,733	6.7%
Gross profit	\$ 39,151	\$ 39,943	(2.0)%	\$163,715	\$169,554	(3.4)%
Gross profit margin	24.7%	27.6%		26.3%	29.0%	
Income from continuing operations before income taxes	\$ 4,999	\$ 8,096	(38.3)%	\$ 16,602	\$ 39,785	(58.3)%
Income from continuing operations:						
Income	\$ 3,799	\$ 6,382	(40.5)%	\$ 11,271	\$ 26,442	(57.4)%
Income per diluted share	\$ 0.12	\$ 0.19	(36.8)%	\$ 0.34	\$ 0.77	(55.8)%
Income from continuing operations before income taxes as adjusted <sup>(2)</sup>	\$ 6,030	\$ 8,172	(26.2)%	\$ 28,722	\$ 40,219	(28.6)%
Income from continuing operations as adjusted <sup>(2)</sup> :						
Income	\$ 4,101	\$ 5,230	(21.6)%	\$ 19,531	\$ 25,740	(24.1)%
Income per diluted share	\$ 0.13	\$ 0.15	(13.3)%	\$ 0.60	\$ 0.75	(20.0)%

1. Historical information has been adjusted to reflect discontinued operations presentation.
2. Details regarding the pre-tax adjusted charges are provided on the *Reconciliations of Non-GAAP Financial Measures* included in this release.

President and Chief Executive Officer John C. Orr commented, "As we anticipated, sales in the fourth quarter improved over the previous year's fourth quarter. However, weakened demand for our Material Handling Segment's agricultural and food processing products, together with a challenging Brazilian economy, led to lower profitability versus last year. We continued to streamline our business portfolio in 2014 to realize our strategic goal to strengthen our leadership position in the Material Handling Segment, while preserving a strong market position in our Distribution Segment. To accomplish this, we sold WEK Industries and acquired Scepter Products. The Scepter acquisition continued our strategic growth and profitability improvement plan for the Material Handling Segment. Scepter provides an expansion of product assortment, added global reach and has already expanded our customer base through cross-selling opportunities. In February of this year, we completed the previously announced sale of the Lawn and Garden business for \$110 million. In 2014, we continued our balanced approach to capital allocation. We generated \$28 million of free cash flow and returned \$70.6 million of cash to shareholders through dividends and repurchases of common stock. The result of all of these transactions is a streamlined, more focused Myers Industries with strong cash generating business segments that we believe will continue to generate sustainable returns for shareholders."

## Segment Results

The results below are as *adjusted* and *exclude restructuring and other unusual pre-tax charges* as detailed on the *Reconciliation of Non-GAAP Financial Measures* included in this release.

Net sales in the **Material Handling Segment** for the fourth quarter of 2014 were \$110.1 million compared to \$95.6 million for the fourth quarter of 2013. Incremental sales from the Scepter acquisition were offset by sales declines in the agriculture and food processing end markets as compared to the fourth quarter of 2013. Material Handling's adjusted income before taxes was \$11.5 million for the fourth quarter of 2014 compared to \$10.5 million for the fourth quarter of 2013. Although adjusted income before taxes increased year-over-year, it was adversely impacted by the decline in sales of agricultural and food processing products and a change in product mix that resulted from those declines. Reductions in labor costs, overhead and selling, general and administrative expenses partially offset those impacts.

The **Material Handling Segment's** net sales for the full year of 2014 were \$432.1 million compared to \$380.6 million for the full year of 2013. The increase in net sales as compared to last year was due mostly to incremental sales from the Scepter acquisition. Strong sales in the marine, recreational vehicle and industrial end markets also contributed to the

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increase in net sales year-over-year, but were partially offset by sales decreases in the agriculture, distribution and food processing end markets. Material Handling's adjusted income before taxes was \$44.9 million for the full year of 2014 compared to \$47.6 million for the full year of 2013. The decline in adjusted income before taxes year-over-year was due to a change in both customer and product mix.

Net sales in the **Distribution Segment** for the fourth quarter of 2014 were \$48.3 million compared to \$49.2 million for the fourth quarter of 2013. Organic growth in sales of supplies and equipment in the U.S. were more than offset by lower sales in Canada due to the closure of the Canadian branches in the first quarter of 2014, and a decline in custom sales as compared to the fourth quarter of last year. Distribution's adjusted income before taxes for the fourth quarter of 2014 was \$3.1 million compared to \$4.2 million for the fourth quarter of 2013. The year-over-year decline in adjusted income before taxes resulted from a change in product mix which more than offset operational excellence initiatives that were executed during the quarter.

The **Distribution Segment's** net sales for the full year of 2014 were \$191.9 million compared to \$204.5 million for the full year of 2013. The decrease in sales compared to 2013 was due to a decline in custom sales and lower Canadian sales due to the closure of the Canadian branches in the first quarter of 2014. Distribution's adjusted income before taxes for the full year of 2014 was \$16.8 million compared to \$21.9 million for the full year of 2013. The decrease in adjusted income before taxes year-over-year was due mostly to the lower custom sales volumes, a change in product mix and higher freight costs, which were partially offset by lower general and administrative expenses and other cost reductions.

#### **Other Financial Items**

For the year ended December 31, 2014, cash flow provided by continuing operations was \$52.1 million compared to \$74.9 million for the year ended December 31, 2013, reflecting lower earnings and a one-time benefit that the Company realized in 2013 due to an improvement in accounts payable terms.

Capital expenditures totaled \$24.2 million for the year ended December 31, 2014 and are forecasted to be approximately \$25 to \$30 million in 2015.

The Company purchased \$54.9 million of common stock during the year ended December 31, 2014. Approximately 4.4 million shares were available for repurchase at December 31, 2014 under the Company's current board authorization.

#### **Outlook**

Early indicators from the first quarter of 2015 have shown a continuation of some of the challenges in the Material Handling segment that were experienced in the fourth quarter of 2014. However, for the remainder of 2015, the Company expects to see the benefit of increased sales, incremental profit improvement driven by last year's strategic initiatives that focused on structural changes, cross-selling opportunities, new products and cost reduction measures across both operating segments. As a result, the Company expects full year 2015 sales and profits to exceed 2014's results.

The Company remains fully committed to its balanced approach to capital allocation, which may include a mix of capital investment, debt reduction, dividends and share repurchases.

#### **Conference Call Details**

The Company will host an earnings conference call and webcast for investors and analysts on Wednesday, February 25, 2015 at 10:00 a.m. ET. The call is anticipated to last approximately one hour and may be accessed at (877) 407-8033. Callers are asked to sign on at least five minutes in advance. A live and archived webcast of the conference call can be accessed from the Investor Relations section of the Company's website at [www.myersindustries.com](http://www.myersindustries.com). Click on the Investor Relations tab to access the webcast. Webcast attendees will be in a listen-only mode. An archived telephone replay of the call will also be available on the site shortly after the event. To listen to the telephone replay, callers should dial: (US) 877-660-6853 or (Int'l) 201-612-7415. The replay passcode is Conference ID #13601157.

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### **About Myers Industries**

Myers Industries, Inc. is an international manufacturer of polymer products for industrial, agricultural, automotive, commercial, and consumer markets. The Company is also the largest wholesale distributor of tools, equipment and supplies for the tire, wheel and undervehicle service industry in the U.S. Visit [www.myersindustries.com](http://www.myersindustries.com) to learn more.

### **Caution on Forward-Looking Statements**

Statements in this release may 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”, “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: changes in the markets for the Company’s business segments; changes in trends and demands in the markets in which the Company competes; unanticipated downturn in business relationships with customers or their purchases; competitive pressures on sales and pricing; raw material availability, increases in raw material costs, or other production costs; 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; the Company’s ability to execute the components of its Strategic Business Evolution process; 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 web site at <http://www.sec.gov>, and on the Company’s Investor Relations section of its web site at <http://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.

**MYERS INDUSTRIES, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**  
**FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2014 AND 2013**  
(Dollars in thousands, except share data)

	For the Quarter Ended		For the Year Ended	
	December 31, 2014	December 31, 2013*	December 31, 2014	December 31, 2013*
<b>Net sales</b>	\$ 158,271	\$ 144,724	\$ 623,649	\$ 584,733
Cost of sales	119,120	104,781	459,934	415,179
<b>Gross profit</b>	39,151	39,943	163,715	169,554
Selling, general and administrative expenses	31,505	30,625	138,578	125,238
<b>Operating income</b>	7,646	9,318	25,137	44,316
Interest expense, net	2,647	1,222	8,535	4,531
<b>Income from continuing operations before income taxes</b>	4,999	8,096	16,602	39,785
Income tax expense	1,200	1,714	5,331	13,343
<b>Income from continuing operations</b>	\$ 3,799	\$ 6,382	\$ 11,271	\$ 26,442
Loss from discontinued operations, net of income taxes	\$ (13,856)	\$ (3,063)	\$ (17,642)	\$ (440)
<b>Net income (loss)</b>	\$ (10,057)	\$ 3,319	\$ (6,371)	\$ 26,002
<b>Income per common share from continuing operations:</b>				
Basic	\$ 0.12	\$ 0.19	\$ 0.35	\$ 0.78
Diluted	\$ 0.12	\$ 0.19	\$ 0.34	\$ 0.77
<b>Loss per common share from discontinued operations:</b>				
Basic	\$ (0.44)	\$ (0.09)	\$ (0.55)	\$ (0.01)
Diluted	\$ (0.44)	\$ (0.09)	\$ (0.54)	\$ (0.01)
<b>Net income (loss) per common share:</b>				
Basic	\$ (0.32)	\$ 0.10	\$ (0.20)	0.77
Diluted	\$ (0.32)	\$ 0.10	\$ (0.19)	0.76
<b>Weighted Average Common Shares Outstanding</b>				
Basic	31,366,016	33,656,673	32,232,965	33,588,720
Diluted	31,733,955	34,204,594	32,704,012	34,043,425

\* Historical information has been adjusted to reflect discontinued operations presentation.

**MYERS INDUSTRIES, INC.**  
**SALES AND EARNINGS BY SEGMENT (UNAUDITED)**  
(Dollars in thousands)

	<u>Quarter Ended December 31,</u>			<u>Year Ended December 31,</u>		
	<u>2014</u>	<u>2013*</u>	<u>% Change</u>	<u>2014</u>	<u>2013*</u>	<u>% Change</u>
<b>Net Sales from Continuing Operations</b>						
Material Handling	\$110,054	\$ 95,618	15.1%	\$432,054	\$380,605	13.5%
Distribution	48,293	49,176	(1.8)%	191,873	204,460	(6.2)%
Inter-company Sales	(76)	(70)	—	(278)	(332)	—
<b>Total</b>	<b><u>\$158,271</u></b>	<b><u>\$144,724</u></b>	<b><u>9.4%</u></b>	<b><u>\$623,649</u></b>	<b><u>\$584,733</u></b>	<b><u>6.7%</u></b>
<b>Income from Continuing Operations Before Income Taxes</b>						
Material Handling	\$ 10,543	\$ 10,503	0.4%	\$ 34,422	\$ 47,428	(27.4)%
Distribution	3,108	4,110	(24.4)%	15,824	21,727	(27.2)%
Corporate	(8,652)	(6,517)	—	(33,644)	(29,370)	—
<b>Total</b>	<b><u>\$ 4,999</u></b>	<b><u>\$ 8,096</u></b>	<b><u>(38.3)%</u></b>	<b><u>\$ 16,602</u></b>	<b><u>\$ 39,785</u></b>	<b><u>(58.3)%</u></b>

\* Historical information has been adjusted to reflect discontinued operations presentation and the segment realignment completed in June 2014.

**MYERS INDUSTRIES, INC.**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**INCOME (LOSS) BEFORE TAXES BY SEGMENT (UNAUDITED)**  
(Dollars in millions, except per share data)

	Quarter Ended December 31		Year Ended December 31	
	2014	2013	2014	2013
<b>Material Handling</b>				
Income from continuing operations before income taxes as reported	\$ 10.5	\$10.5	\$ 34.4	\$ 47.4
Patent infringement lawsuit	0.2	—	3.3	—
Transaction costs - Scepter	—	—	2.9	—
Inventory step-up - Scepter acquisition	—	—	2.3	—
Restructuring expenses and other adjustments	0.8	—	2.0	0.2
Income from continuing operations before income taxes as adjusted	11.5	10.5	44.9	47.6
<b>Distribution</b>				
Income from continuing operations before income taxes as reported	3.1	4.1	15.8	21.7
Restructuring expenses and other adjustments	—	0.1	1.0	0.2
Income from continuing operations before income taxes as adjusted	3.1	4.2	16.8	21.9
Corporate and interest expense as reported	(8.7)	(6.5)	(33.7)	(29.4)
Transaction costs	—	—	0.7	—
Corporate and interest expense as adjusted	(8.7)	(6.5)	(33.0)	(29.4)
<b>Continuing Operations</b>				
Income from continuing operations before income taxes as reported	5.0	8.1	16.6	39.8
Restructuring expenses and other adjustments	1.0	0.1	8.5	0.4
Transaction costs	—	—	3.6	—
Income from continuing operations before income taxes as adjusted	6.0	8.2	28.7	40.2
Income taxes*	1.9	3.0	9.2	14.5
Income from continuing operations as adjusted	\$ 4.1	\$ 5.2	\$ 19.5	\$ 25.7
<b>Discontinued Operations</b>				
Loss from discontinued operations before income taxes as reported	\$(20.9)	\$(3.8)	\$(27.1)	\$ (0.4)
Restructuring expenses and other adjustments	0.4	9.1	13.9	13.3
Impairment charge	18.9	—	18.9	—
Gain on sale	(0.9)	0.2	(4.7)	0.2
Income (loss) from discontinued operations before income taxes as adjusted	(2.5)	5.5	1.0	13.1
Income taxes*	(0.8)	2.0	0.3	4.7
Income (loss) from discontinued operations as adjusted	\$ (1.7)	\$ 3.5	\$ 0.7	\$ 8.4
<b>Consolidated</b>				
Net Income as adjusted	\$ 2.4	\$ 8.7	\$ 20.2	\$ 34.1
Adjusted earnings per diluted share from continuing operations	\$ 0.13	\$0.15	\$ 0.60	\$ 0.75
Adjusted earnings per diluted share from discontinued operations	\$(0.05)	\$0.10	\$ 0.02	\$ 0.25

\* Income taxes calculated using the normalized effective tax rate for each year.

Note: Historical information has been adjusted to reflect discontinued operations presentation and the segment realignment completed in June 2014. Also, numbers may be rounded for presentation purposes.

**Note on Reconciliation of Income and Earnings Data:** Income (loss) excluding the items mentioned above in the text of this release and in this reconciliation chart is a non-GAAP financial measure that Myers Industries, Inc. calculates according to the schedule above, using GAAP amounts from the unaudited Consolidated Financial Statements. The Company believes that the excluded items are not primarily related to core operational activities. The Company believes that income (loss) excluding items that are not primarily related to core operating activities is generally viewed as providing useful information regarding a company's operating profitability. Management uses income (loss) excluding these items as well as other financial measures in connection with its decision-making activities. Income (loss) excluding these items should not be considered in isolation or as a substitute for net income (loss), income (loss) before taxes or other consolidated income data prepared in accordance with GAAP. The Company's method for calculating income (loss) excluding these items may not be comparable to methods used by other companies.

**MYERS INDUSTRIES, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)**  
(Dollars in thousands)

	<b>December 31,</b>	<b>December 31,</b>
	<b>2014</b>	<b>2013*</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 4,676	\$ 6,539
Accounts receivable, net	90,785	74,932
Inventories	64,743	53,123
Assets held for sale	117,775	92,760
Other	9,070	7,556
<b>Total Current Assets</b>	<b>287,049</b>	<b>234,910</b>
Assets held for sale	—	67,808
Other Assets	142,731	68,289
Property, Plant, & Equipment, Net	138,228	98,450
<b>Total Assets</b>	<b>\$ 568,008</b>	<b>\$ 469,457</b>
<b>Liabilities &amp; Shareholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 77,989	\$ 68,897
Accrued expenses	49,477	41,642
Liabilities held for sale	27,122	40,044
<b>Total Current Liabilities</b>	<b>154,588</b>	<b>150,583</b>
Long-term debt, net	236,429	44,347
Liabilities held for sale	—	7,825
Other liabilities	13,839	14,687
Deferred income taxes	14,281	16,508
<b>Total Shareholders' Equity</b>	<b>148,871</b>	<b>235,507</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>\$ 568,008</b>	<b>\$ 469,457</b>

\* Historical information has been adjusted to reflect discontinued operations presentation.

**MYERS INDUSTRIES, INC.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2014 AND 2013**  
(Dollars in thousands)

	December 31,	December 31,
	<u>2014</u>	<u>2013*</u>
<b>Cash Flows From Operating Activities</b>		
Net income (loss)	\$ (6,371)	\$ 26,002
Loss from discontinued operations, net of income tax	(17,642)	(440)
Income from continuing operations	\$ 11,271	\$ 26,442
Items not affecting use of cash		
Depreciation	23,775	20,386
Amortization	6,999	3,142
Non-cash stock compensation	3,115	2,557
Provision for loss on accounts receivable	406	457
Deferred taxes	(2,663)	(4,416)
Other long-term liabilities	744	709
(Gain) loss from asset disposition	(44)	598
Tax benefit from options	(679)	(390)
Other	200	202
Payments on performance based compensation	(1,293)	(1,719)
Cash flow provided by (used for) working capital, net of acquisitions:		
Accounts receivable	2,574	(1,964)
Inventories	801	3,011
Prepaid expenses	(1,468)	(840)
Accounts payable and accrued expenses	8,382	26,758
Net cash provided by operating activities - continuing operations	52,120	74,933
Net cash (used for) provided by operating activities - discontinued operations	(13,062)	21,135
Net cash provided by operating activities	<u>39,058</u>	<u>96,068</u>
<b>Cash Flows From Investing Activities</b>		
Capital expenditures	(24,170)	(20,709)
Acquisition of business, net of cash acquired	(156,620)	(600)
Proceeds from sale of property, plant and equipment	566	—
Other	—	(273)
Net cash used for investing activities - continuing operations	(180,224)	(21,582)
Net cash provided by (used for) investing activities - discontinued operations	11,626	(8,359)
Net cash used for investing activities	<u>(168,598)</u>	<u>(29,941)</u>
<b>Cash Flows From Financing Activities</b>		
Proceeds from long-term debt	89,000	11,000
Net borrowing (repayments) on credit facility	106,493	(57,175)
Cash dividends paid	(15,707)	(9,103)
Proceeds from issuance of common stock	2,926	5,805
Tax benefit from options	679	390
Repurchase of common stock	(54,897)	(8,096)
Shares withheld for employee taxes on equity awards	(1,083)	(684)
Deferred financing costs	(547)	(608)
Net cash provided by (used for) financing activities - continuing operations	126,864	(58,471)
Net cash used for financing activities - discontinued operations	—	(2,317)
Net cash provided by (used for) financing activities	<u>126,864</u>	<u>(60,788)</u>
Foreign exchange rate effect on cash	813	(2,748)
Net (decrease) increase in cash	(1,863)	2,591
Cash at January 1	6,539	3,948
<b>Cash at December 31</b>	<b><u>\$ 4,676</u></b>	<b><u>\$ 6,539</u></b>

\* Historical information has been adjusted to reflect discontinued operations presentation.

February 25, 2015

# Earnings Presentation Fourth Quarter & Full Year 2014



# Safe Harbor Statement



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. Whenever you read a statement that is not simply a statement of historical fact (such as when we describe what we "believe," "expect," or "anticipate" will occur, and other similar statements), you must remember that our expectations may not be correct, even though we believe they are reasonable. We do not guarantee that the transactions and events described will happen as described (or that they will happen at all). You should review this presentation with the understanding that actual future results may be materially different from what we expect. Many of the factors that will determine these results are beyond our ability to control or predict. 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. These statements involve a number of risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the applicable statements. Such risks include:

- (1) Changes in the markets for the Company's business segments
- (2) Changes in trends and demands in the markets in which the Company competes
- (3) Unanticipated downturn in business relationships with customers or their purchases
- (4) Competitive pressures on sales and pricing
- (5) Raw material availability, increases in raw material costs, or other production costs
- (6) Harsh weather conditions
- (7) Future economic and financial conditions in the United States and around the world
- (8) Inability of the Company to meet future capital requirements
- (9) Claims, litigation and regulatory actions against the Company
- (10) Changes in laws and regulations affecting the Company
- (11) The Company's ability to execute the components of its Strategic Business Evolution process

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.myersind.com](http://www.myersind.com) and at the SEC.gov web site.

- Generated free cash flow of \$28 million
- Increased the dividend by 44% to \$0.52 and repurchased 2.7 million shares of our commons stock
  - Returned a total of \$70.6 million to shareholders
- Completed the sale of WEK Industries, Inc., a non-core business, in June 2014 for \$20 million
  - Used proceeds to help fund the acquisition of Scepter
- Acquired Scepter in July 2014
  - Expanded our material handling business into new geographies
  - Presented new and enhanced product offerings
  - Already providing us with opportunities to expand our customer base through a number of cross-selling opportunities
- Completed the previously announced sale of the Lawn and Garden business in February 2015 for \$110 million
  - Net proceeds from the transaction used to immediately pay down debt

# Fourth Quarter 2014 Financial Summary



- Sales increased due to Scepter acquisition
- Gross profit margin decreased due mostly to lower sales volumes in the legacy Material Handling businesses and in Distribution; also impacted by change in the mix of products sold year-over-year
- SG&A increased due to incremental expenses from Scepter acquisition, but those were mostly offset by decreases in 1) salaries and employee related expenses, 2) selling expenses and 3) information technology expenditures
- Adjusted income per diluted share of \$0.13 vs. \$0.15 in the fourth quarter of 2013

Continuing Operations Highlights	Q4 2014	Q4 2013	% Change
Net sales	\$158.3	\$144.7	9.4%
Gross profit margin	24.7%	27.6%	
SG&A	\$31.5	\$30.6	(2.9%)
Income from continuing ops - adjusted <sup>1</sup>	\$4.1	\$5.2	(21.6%)
Effective tax rate	24.0%	21.1%	
Income per diluted share from continuing ops - adjusted <sup>1</sup>	\$0.13	\$0.15	(13.3%)

<sup>1</sup>See Reconciliation of Non-GAAP measures on slide 10

Note: All figures except ratios and percents are \$Millions

# Fourth Quarter 2014 Financial Summary



<b>Continuing Operations Cash Highlights</b>	<b>Twelve Months Ended December 31, 2014</b>	<b>Twelve Months Ended December 31, 2013</b>
Cash provided by continuing operations	\$52.1	\$74.9
Capital expenditures	\$24.2	\$20.7
Free cash flow	\$28.0	\$54.2
Dividends	\$15.7	\$9.1

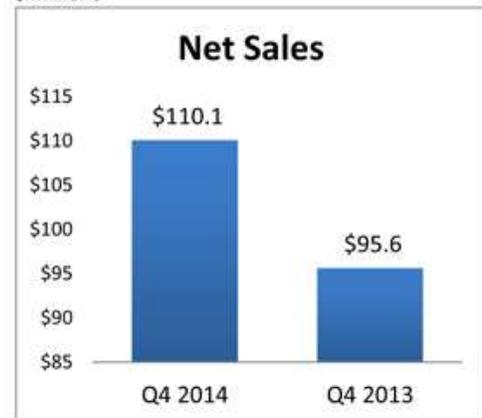
<b>Balance Sheet Highlights</b>	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Long-term debt	\$236.4	\$44.3
Debt - net of cash	\$231.7	\$37.8
Net debt to total capital	60.6%	13.8%

Notes: All figures except ratios and percents are \$Millions  
Free cash flow = cash flow from operations – capital expenditures

# Fourth Quarter Results – Material Handling

- Incremental sales from the Scepter acquisition were offset by sales declines in the agriculture and food processing end markets compared to Q4 2013
- Adjusted income before taxes (IBT) increased versus Q4 2013 but was negatively impacted by lower sales volumes in agricultural and food processing products and a resulting change in product mix; reductions in labor costs, overhead and selling, general and administrative expenses partially offset those impacts

\$ Millions

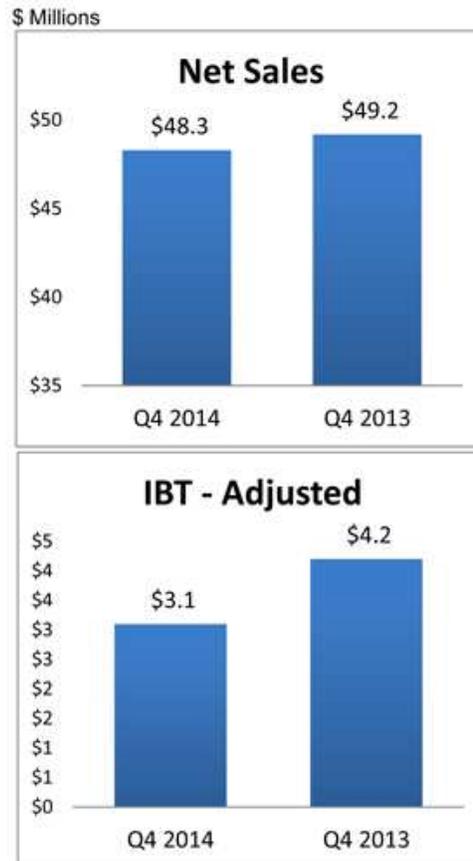


See Reconciliation of Non-GAAP measures on slide 10

# Fourth Quarter Results – Distribution



- Increases in supply and equipment sales in the U.S. were more than offset by a decrease in custom sales and lower Canadian sales due to the closure of the Canadian branches in the first quarter of 2014
- Savings from operational excellence initiatives and cost reductions taken during the quarter were more than offset by the decline in profits that resulted from a change in product mix



See Reconciliation of Non-GAAP measures on slide 10

- Challenging market conditions continue in Q1 2015
  - Early indicators suggest that the same challenges experienced in Q4 2014 in Material Handling have continued
- Company remains positive about 2015 overall
  - Anticipate that strategic actions taken in 2014 to streamline the business, cut costs and solidify the business structure will lead to increased sales and earnings compared to 2014
- Remain committed to our balanced approach to capital allocation
  - May continue to be comprised of a mix of capital investment, debt reduction, dividends and share repurchases.



## Appendix

# Reconciliation of Non-GAAP Measures



**MYERS INDUSTRIES, INC.**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**INCOME (LOSS) BEFORE TAXES BY SEGMENT (UNAUDITED)**  
(Dollars in millions, except per share data)

	Quarter Ended December 31		Year Ended December 31	
	2014	2013	2014	2013
<b>Material Handling</b>				
Income from continuing operations before income taxes as reported	\$ 10.5	\$ 10.5	\$ 34.4	\$ 47.4
Patent infringement lawsuit	0.2	—	3.3	—
Transaction costs - Scepter	—	—	2.9	—
Inventory step-up - Scepter acquisition	—	—	2.3	—
Restructuring expenses and other adjustments	0.8	—	2.0	0.2
Income from continuing operations before income taxes as adjusted	11.5	10.5	44.9	47.6
<b>Distribution</b>				
Income from continuing operations before income taxes as reported	3.1	4.1	15.8	21.7
Restructuring expenses and other adjustments	—	0.1	1.0	0.2
Income from continuing operations before income taxes as adjusted	3.1	4.2	16.8	21.9
Corporate and interest expense as reported	(8.7)	(6.5)	(33.7)	(29.4)
Transaction costs	—	—	0.7	—
Corporate and interest expense as adjusted	(8.7)	(6.5)	(33.0)	(29.4)
<b>Continuing Operations</b>				
Income from continuing operations before income taxes as reported	5.0	8.1	16.6	39.8
Restructuring expenses and other adjustments	1.0	0.1	8.5	0.4
Transaction costs	—	—	3.6	—
Income from continuing operations before income taxes as adjusted	6.0	8.2	28.7	40.2
Income taxes*	1.9	3.0	9.2	14.5
Income from continuing operations as adjusted	\$ 4.1	\$ 5.2	\$ 19.5	\$ 25.7
<b>Discontinued Operations</b>				
Loss from discontinued operations before income taxes as reported	\$ (20.9)	\$ (3.8)	\$ (27.1)	\$ (0.4)
Restructuring expenses and other adjustments	0.4	9.1	13.9	13.3
Impairment charge	18.9	—	18.9	—
Gain on sale	(0.9)	0.2	(4.7)	0.2
Income (loss) from discontinued operations before income taxes as adjusted	(2.5)	5.5	1.0	13.1
Income taxes*	(0.8)	2.0	0.3	4.7
Income (loss) from discontinued operations as adjusted	\$ (1.7)	\$ 3.5	\$ 0.7	\$ 8.4
<b>Consolidated</b>				
Net Income as adjusted	\$ 2.4	\$ 8.7	\$ 20.2	\$ 34.1
Adjusted earnings per diluted share from continuing operations	\$ 0.13	\$ 0.15	\$ 0.60	\$ 0.75
Adjusted earnings per diluted share from discontinued operations	\$ (0.05)	\$ 0.10	\$ 0.02	\$ 0.25

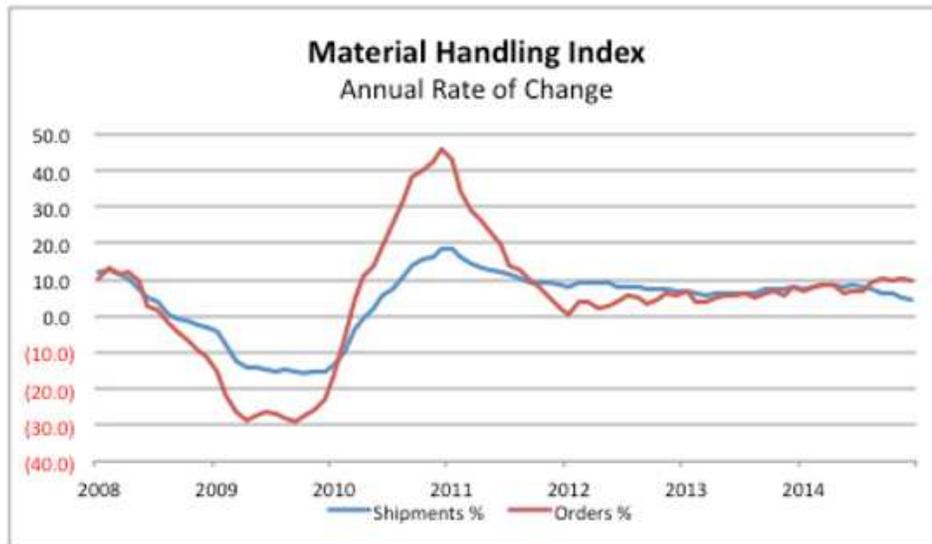
\*Income taxes calculated using the normalized effective tax rate for each year.

Note: Historical information has been adjusted to reflect discontinued operations presentation and the segment realignment completed in June 2014. Also, numbers may be rounded for presentation purposes.

**Note on Reconciliation of Income and Earnings Data:** Income (loss) excluding the items mentioned above in the text of this release and in this reconciliation chart is a non-GAAP financial measure that Myers Industries, Inc. calculates according to the schedule above, using GAAP amounts from the unaudited Consolidated Financial Statements. The Company believes that the excluded items are not primarily related to core operational activities. The Company believes that income (loss) excluding items that are not primarily related to core operating activities is generally viewed as providing useful information regarding a company's operating profitability. Management uses income (loss) excluding these items as well as other financial measures in connection with its decision-making activities. Income (loss) excluding these items should not be considered in isolation or as a substitute for net income (loss), income (loss) before taxes or other consolidated income data prepared in accordance with GAAP. The Company's method for calculating income (loss) excluding these items may not be comparable to methods used by other companies.

## Material Handling

- Shipments grew 4.5% in 2014 and are forecasted to grow at a higher rate in 2015



Source: Material Handling Industry (MHI) Jan 2015 Forecast

## Material Handling

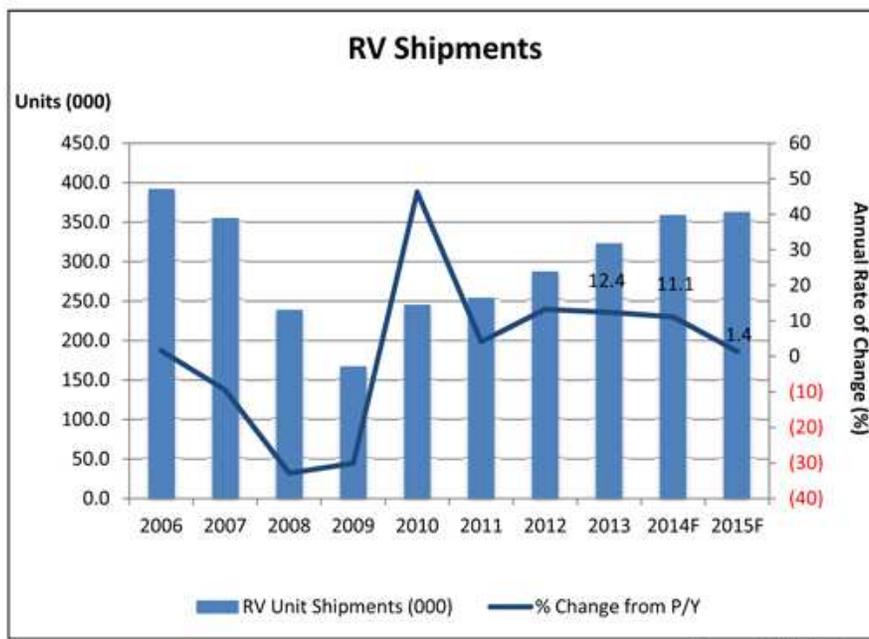
- The Outdoor Power Equipment Institute (OPEI) estimates that total outdoor power equipment shipments will increase by 3.6% in 2015

	ACTUAL					FORECAST		
	2009	2010	2011	2012	2013	2014	2015	2016
<b>Consumer Products</b>	6,223,328	6,588,176	5,875,396	6,191,291	6,379,735	5,897,982	6,221,402	6,553,717
<i>Percent Change</i>	-10.6	5.9	-10.8	5.4	3.0	-7.6	5.5	5.3
<b>Commercial Products</b>	131,050	180,226	183,609	182,817	221,200	224,227	238,675	253,264
<i>Percent Change</i>	-34.4	37.5	1.9	-0.4	21.0	1.4	6.4	6.1
<b>Handheld Products</b>	10,558,563	10,825,352	10,365,472	10,921,443	10,909,630	11,149,771	11,430,870	11,679,547
<i>Percent Change</i>	-7.9	2.5	-4.2	5.4	-0.1	2.2	2.5	2.2
<b>Total</b>	16,912,941	17,593,754	16,424,477	17,295,551	17,510,565	17,271,980	17,890,947	18,486,528
	-9.1	4.0	-6.6	5.3	1.2	-1.4	3.6	3.3

Source: OPEI U.S. Econometric Forecast – December 2014

## Material Handling

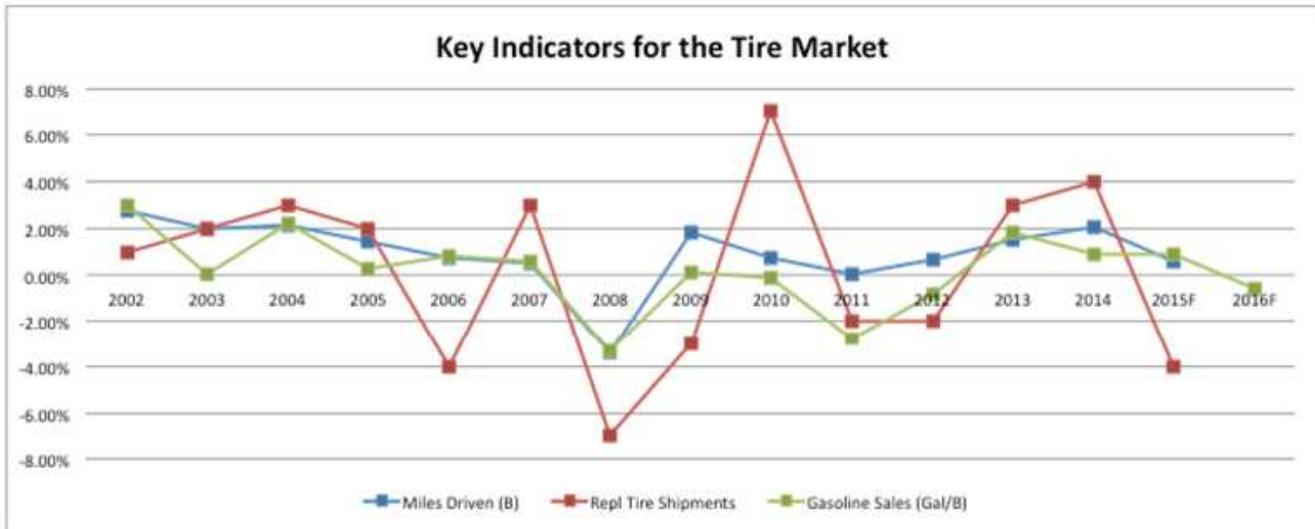
- Recreational vehicle market will continue to grow in 2015 but at a lower rate



Source: RVIA Release

## Distribution

- Demand for replacement tires in 2015 is currently estimated at 0.2% growth vs. 2.0% in 2014
- In January, the weighted average cost of tire raw materials fell and a pre-buy of Chinese tires continued to contribute to a choppy demand environment



Source: JP Morgan, RMA



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INDUSTRIES,  
INC.