

MYERS INDUSTRIES INC

FORM 8-K (Current report filing)

Filed 10/18/12 for the Period Ending 10/18/12

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

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

FORM 8-K

CURRENT REPORT

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

Date of report (Date of earliest event reported) **October 18, 2012**

MYERS INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

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)

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))
-

Item 2.02. Results of Operations and Financial Condition

On October 18, 2012, Myers Industries, Inc. (the "Company") issued a press release announcing earnings results for the quarter ended September 30, 2012. 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 October 18, 2012 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 dated October 18, 2012
- 99.2 Earnings Presentation Third Quarter 2012 by the Company dated October 18, 2012

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 October 18, 2012

By: /s/ Gregory W. Branning

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



Contact(s):
Gregg Branning, Senior Vice President
& Chief Financial Officer (330) 761-6303

Monica Vinay, Director, Investor
& Financial Relations (330) 761-6212

Myers Industries Reports Third Quarter 2012 Results

Diluted EPS \$0.17 compared with \$0.21 in 3Q 2011

Adjusted EPS \$0.20 compared with \$0.14 in 3Q 2011

Gross margin increased to 26.7% versus 25.1% for 3Q 2011

Recently announced acquisition of Jamco Products Inc. in Material Handling Segment

October 18, 2012, Akron, Ohio—Myers Industries, Inc. (NYSE: MYE) today announced results for the third quarter ended September 30, 2012.

Net sales for the third quarter were \$197.3 million compared with \$190.3 million in the third quarter of 2011. Strong sales performance in the Engineered Products Segment combined with a sales increase in the Material Handling Segment more than offset a sales decrease in the Distribution Segment. Gross margin expanded to 26.7% in the third quarter of 2012 compared to 25.1% in the third quarter of 2011. The increase in gross margin was the result of lower manufacturing costs and improved productivity during the quarter.

Net income in the third quarter of 2012 was \$5.8 million, or \$0.17 per diluted share, compared to net income of \$7.2 million, or \$0.21 per diluted share, in the third quarter of 2011. Net income in the third quarter of 2012 included approximately \$2.4 million of special net pre-tax costs while net income in the third quarter of 2011 included approximately \$2.0 million of special pre-tax costs. Details regarding the special pre-tax costs for both quarters are provided on the **Reconciliation of Non-GAAP Financial Measures** included in this release. Net income in the third quarter of 2011 also included net favorable income tax adjustments of approximately \$3.8 million for discreet items. Earnings per diluted share as adjusted for the special items and the net favorable tax adjustments were \$0.20 in the third quarter of 2012 compared to \$0.14 in the third quarter of 2011.

President and Chief Executive Officer John C. Orr said, “Despite current market challenges, we are encouraged by our financial performance for the third quarter of 2012. Our income before taxes improved 43.1% over last year’s third quarter. This was due to a strong performance in Material Handling, including our Brazil-based Novel acquisition. We had improved results versus last year in Lawn & Garden as well. We expect that both our fourth quarter and full year performance will show improved results compared to last year. On October 2nd, we announced that we acquired Jamco Products Inc., a leading designer and manufacturer of heavy-duty industrial steel carts and safety cabinets. This acquisition further expands our Material Handling business, specifically in storage and safety products, which we have identified as a key growth platform.”

Segment Results

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

The **Material Handling Segment’s** net sales in the third quarter of 2012 were \$76.2 million compared to \$72.1 million in the third quarter of 2011. Sales generated from the acquisition of Plasticos Novel Do Nordeste S.A. ® in July more than offset lower year-over-year sales for the balance of the segment due to a delay in shipments resulting from a shift in customer demand to the fourth quarter. Material Handling’s income before taxes was \$12.5 million in the third quarter of 2012 compared to \$8.9 million in the third quarter of 2011. The increase was primarily the result of improved productivity and lower manufacturing costs.

The **Lawn & Garden Segment's** net sales in the third quarter of 2012 were \$45.3 million compared to \$45.8 million in the third quarter of 2011. Lawn & Garden reported break-even income before taxes in the third quarter of 2012 compared to a loss of \$1.4 million in the third quarter of 2011. By driving productivity improvements, material substitution cost savings and lower distribution costs; the segment was able to improve income before taxes despite flat sales year-over-year.

The **Distribution Segment's** net sales were \$45.1 million in the third quarter of 2012 compared to \$48.8 million in the third quarter of 2011. A decline in the replacement tire industry combined with lower equipment sales led to the decrease in sales year-over-year. Distribution's adjusted income before taxes was \$3.4 million in the third quarter of 2012 compared to \$4.6 million in the third quarter of 2011. The lower sales volume during the quarter led to the decrease in income before taxes.

The **Engineered Products Segment's** net sales were \$35.7 million in the third quarter of 2012 compared to \$29.4 million in the third quarter of 2011. Strong sales across all end markets generated the 22% increase in sales year-over-year. Engineered Products' adjusted income before taxes was \$3.7 million in the third quarter of 2012 compared to \$3.1 million in the third quarter of 2011. The increased sales during the quarter was the primary reason for the higher income before taxes year-over-year.

Other Financial Items

Capital expenditures totaled \$15.2 million for the nine months ended September 30, 2012 and are forecasted to be approximately \$27 million to \$30 million in 2012.

At September 30, 2012, debt, net of cash, was \$90.2 million compared to \$67.2 million at December 31, 2011.

During the third quarter of 2011, the Company recognized net favorable income tax adjustments of approximately \$3.8 million that were largely the result of realizing previously reserved tax benefits due to the expiration of the statute of limitations for items relating to the sale of one of our subsidiaries in 2007, and other tax adjustments.

Subsequent Event

The Company acquired Jamco Products Inc., a leading producer of heavy-duty industrial steel carts and safety cabinets. Jamco's manufacturing facilities are located in South Beloit, Illinois. Jamco became part of the Material Handling Segment effective October 1, 2012. Visit www.jamcoproducts.com to learn more.

Fourth Quarter and Full Year 2012 Outlook

The Company anticipates that despite a relatively weak industrial market, fourth quarter results will benefit from some shifting of Material Handling orders from earlier this year to the fourth quarter, and from continued strengthening in Lawn & Garden compared with last year. However, the decline in the replacement tire industry and the return of transplant automotive from elevated demand trends to more normal demand trends may offset some of those benefits. The Company expects that both fourth quarter and full year performance will reflect improved results compared to 2011.

Conference Call Details

The Company will host an earnings conference call and webcast for investors and analysts on Thursday, October 18, 2012 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. The call will be available as a webcast through the Company's web site, www.myersindustries.com. Click on the Investor Relations tab to access the webcast. Webcast attendees will be in a listen-only mode. An archived replay of the call will also be available on the site shortly after the event. To listen to a telephone replay, callers should dial: (US) 877-660-6853 or (Int'l) 201-612-7415. The replay passcode is Conference ID # 401443.

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. The Company reported net sales from continuing operations of \$755.7 million in 2011. Visit 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; ability to weather the current economic downturn; 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 INCOME (UNAUDITED)
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2012 AND 2011
(Dollars in thousands, except share data)

	For The Three Months Ended		For the Nine Months Ended	
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
Net sales	\$ 197,290	\$ 190,332	\$ 577,180	\$ 563,105
Cost of sales	144,561	142,543	419,089	416,732
Gross profit	52,729	47,789	158,091	146,373
Selling, general and administrative expenses	42,957	40,530	121,210	118,072
Operating income	9,772	7,259	36,881	28,301
Interest expense, net	1,194	1,264	3,328	3,655
Income before income taxes	8,578	5,995	33,553	24,646
Income tax expense (benefit)	2,782	(1,219)	12,112	6,055
Net income	\$ 5,796	\$ 7,214	\$ 21,441	\$ 18,591
Income per common share:				
Basic	\$ 0.17	\$ 0.21	\$ 0.64	\$ 0.53
Diluted	\$ 0.17	\$ 0.21	\$ 0.63	\$ 0.53
Weighted Average Common Shares Outstanding				
Basic	33,746,824	34,354,210	33,592,984	34,938,806
Diluted	34,411,654	34,460,952	34,256,453	35,028,413

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

	Third Quarter Ended September 30,			Nine Months Ended September 30,		
	2012	2011	% Change	2012	2011	% Change
Net Sales						
Material Handling	\$ 76,151	\$ 72,070	5.7%	\$201,632	\$204,808	(1.6)%
Lawn and Garden	45,341	45,839	(1.1)%	147,008	154,812	(5.0)%
Distribution	45,065	48,785	(7.6)%	131,991	136,511	(3.3)%
Engineered Products	35,709	29,360	21.6%	111,578	85,182	31.0%
Inter-company Sales	(4,976)	(5,722)	—	(15,029)	(18,208)	—
Total	<u>\$ 197,290</u>	<u>\$ 190,332</u>	<u>3.7%</u>	<u>\$577,180</u>	<u>\$563,105</u>	<u>2.5%</u>
Income (Loss)						
Before Income Taxes						
Material Handling	\$ 12,530	\$ 8,870	41.3%	\$ 34,903	\$ 27,526	26.8%
Lawn and Garden	41	(1,413)	—	(683)	846	—
Distribution	3,343	4,564	(26.8)%	11,152	11,651	(4.3)%
Engineered Products	2,921	3,001	(2.7)%	12,172	8,381	45.2%
Corporate	(10,257)	(9,027)	—	(23,991)	(23,758)	—
Total	<u>\$ 8,578</u>	<u>\$ 5,995</u>	<u>43.1%</u>	<u>\$ 33,553</u>	<u>\$ 24,646</u>	<u>36.1%</u>

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

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Material Handling				
Income before taxes as reported	\$ 12.5	\$ 8.9	\$ 34.9	\$ 27.5
Income before taxes as adjusted	12.5	8.9	34.9	27.5
Lawn & Garden				
Income (loss) before taxes as reported	0.0	(1.4)	(0.7)	0.8
Restructuring expenses	0.0	0.0	0.5	0.1
Income (loss) before taxes as adjusted	0.0	(1.4)	(0.2)	0.9
Distribution				
Income before taxes as reported	3.3	4.6	11.2	11.7
Restructuring expenses	0.2	0.5	0.7	1.2
Gain on building sale	(0.1)	(0.5)	(0.4)	(0.5)
Income before taxes as adjusted	3.4	4.6	11.5	12.4
Engineered Products				
Income before taxes as reported	2.9	3.0	12.2	8.4
Restructuring expenses	0.8	0.1	1.0	0.2
Income before taxes as adjusted	3.7	3.1	13.2	8.6
Corporate and interest expense				
Income (loss) before taxes as reported	(10.3)	(9.1)	(24.0)	(23.8)
Severance and other	1.5	0.0	1.5	0.3
Environmental	0.0	1.9	0.0	1.9
Income (loss) before taxes as adjusted	(8.8)	(7.2)	(22.5)	(21.6)
Consolidated				
Income before taxes as reported	8.4	6.0	33.6	24.6
Restructuring expenses and other adjustments	2.4	2.0	3.3	3.2
Income before taxes as adjusted	10.8	8.0	36.9	27.8
Income taxes at 38%	4.1	3.0	14.0	10.6
Net Income (loss) as adjusted	<u>\$ 6.7</u>	<u>\$ 5.0</u>	<u>\$ 22.9</u>	<u>\$ 17.2</u>

Note: Numbers in the Corporate and interest expense section above 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 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)

	September 30,	December 31,
	<u>2012</u>	<u>2011</u>
Assets		
Current Assets		
Cash	\$ 6,468	\$ 6,801
Accounts receivable, net	111,967	105,830
Inventories	120,472	95,217
Other	14,814	10,604
Total Current Assets	<u>253,721</u>	<u>218,452</u>
Other Assets	82,700	69,371
Property, Plant, & Equipment, Net	145,704	140,934
Total Assets	<u>\$ 482,125</u>	<u>\$ 428,757</u>
Liabilities & Shareholder's Equity		
Current Liabilities		
Accounts payable	\$ 68,313	\$ 64,717
Accrued expenses	43,926	45,634
Current portion of long-term debt	305	305
Total Current Liabilities	<u>112,544</u>	<u>110,656</u>
Long-term debt, less current portion	96,380	73,725
Other liabilities	16,041	14,343
Deferred income taxes	28,070	23,893
Shareholders' Equity	229,090	206,140
Total Liabilities & Shareholder's Equity	<u>\$ 482,125</u>	<u>\$ 428,757</u>

MYERS INDUSTRIES, INC.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2012 AND 2011
(Dollars in thousands)

	September 30, 2012	September 30, 2011
Cash Flows From Operating Activities		
Net income	\$ 21,441	\$ 18,591
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	22,287	24,102
Impairment charges and asset write-offs	0	814
Amortization of intangible assets	2,331	2,210
Non-cash stock compensation	2,134	2,151
Payments for long-term incentive compensation	(333)	0
(Recovery of) provision for loss on accounts receivable	(1,019)	1,179
Deferred taxes	428	635
Other long-term liabilities	2,037	3,015
Gain on sale of property, plant and equipment	(628)	(591)
Other	50	50
Cash flow provided by (used for) working capital:		
Accounts receivable	664	(5,024)
Inventories	(18,611)	(8,759)
Prepaid expenses	(2,563)	2,294
Accounts payable and accrued expenses	(4,877)	(422)
Net cash provided by operating activities	<u>23,341</u>	<u>40,245</u>
Cash Flows From Investing Activities		
Capital expenditures	(15,236)	(13,337)
Acquisition of business, net of cash acquired	(3,430)	(1,100)
Proceeds from sale of property, plant and equipment	1,975	1,082
Other	100	(92)
Net cash used for investing activities	<u>(16,591)</u>	<u>(13,447)</u>
Cash Flows From Financing Activities		
Repayment of long term debt	(26,333)	(305)
Net borrowing on credit facility	20,410	(2,907)
Cash dividends paid	(7,642)	(7,163)
Proceeds from issuance of common stock	3,026	173
Repurchase of common stock	0	(18,821)
Net cash used for financing activities	<u>(10,539)</u>	<u>(29,023)</u>
Foreign Exchange Rate Effect on Cash	3,456	371
Net (decrease) increase in cash	(333)	(1,854)
Cash at January 1	6,801	4,705
Cash at September 30	<u>\$ 6,468</u>	<u>\$ 2,851</u>

Earnings Presentation Third Quarter 2012



October 18, 2012
Myers Industries, Inc.



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) Fluctuations in product demand and market acceptance
- (2) Uncertainties associated with the general economic conditions in domestic and international markets
- (3) Increased competition in our markets
- (4) Changes in seasonality
- (5) Difficulties in manufacturing operations, such as production outages or maintenance programs
- (6) Raw material availability
- (7) Fluctuations in raw material costs; fluctuations outside the "normal" range of industry cycles
- (8) Changes in laws and regulations and approvals and decisions of courts, regulators, and governmental bodies

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 and at the SEC.gov web site.

Q3 2012 Highlights

- ❑ **Sales increased 3.7% to \$197.3M**
 - Strong sales in Engineered Products led to a 22% year-over-year increase
 - Material Handling sales increase due mostly to acquisition of Novel
 - Lawn & Garden sales flat
 - Distribution sales declined 8%

- ❑ **Gross margin expanded from 25.1% to 26.7%**
 - Operations Excellence initiatives continued to drive productivity improvements and cost savings

- ❑ **Adjusted EPS increased 43% to \$0.20 from \$0.14 last year**



*See reconciliation of Non-GAAP measures on slide 13.

Strategy Update – Growth Platforms

Myers Industries business segments have 5 key platforms for both organic and acquisition growth

Material Handling Segment

1. Returnable Packaging
2. Storage & Safety Products

Engineered Products Segment

3. Tire Repair & Retread Products
4. Specialty Molded Products

Distribution Segment

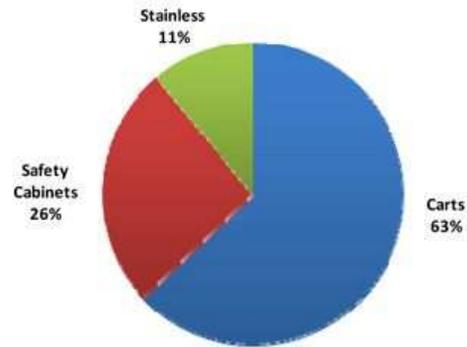
5. Tire Supply Distribution

Jamco Acquisition

Jamco acquisition fits the Material Handling Segment's Storage and Safety Products Growth Platform

- Founded in 1995
- Designer and manufacturer of heavy duty, industrial steel carts and cabinets
- Three manufacturing facilities located in South Beloit, Illinois
- Approximately 75 employees
- Products are sold through national catalogs and distributors similar to our Akro-Mils business
- www.Jamcoproducts.com

Sales by Product Line



Q3 2012 Financial Summary

P&L Highlights	Q3 2012	Q3 2011	B/(W)
Net sales	\$197.3	\$190.3	3.7%
Gross margin	26.7%	25.1%	6.4%
SG&A	\$43.0	\$40.5	-6.0%
Net income - adjusted*	\$6.7	\$5.0	34.0%
Effective tax rate	32.4%	---	
EPS - adjusted*	\$0.20	\$0.14	42.9%

*See Reconciliation of Non-GAAP measures on slide 13

Balance Sheet Highlights	September 30, 2012	December 31, 2011
Long-term debt (less current portion)	\$96.4	\$73.7
Debt - net of cash	\$90.2	\$67.2
Net Debt to Total Capital	28.2%	24.6%
Debt-to-EBITDA	1.0	1.0

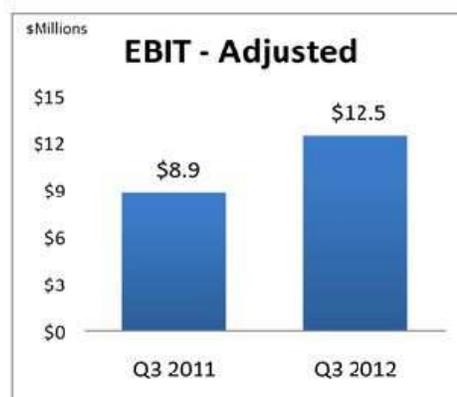
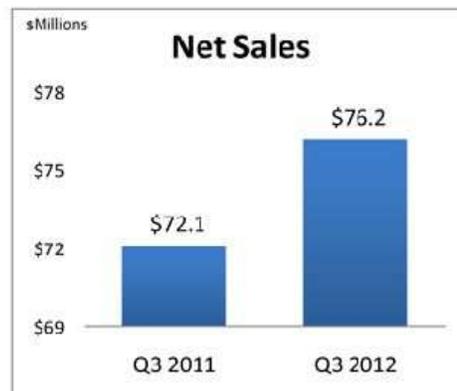
Cash Highlights	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011
Operating cash flow	\$23.3	\$40.2
Capital expenditures	\$15.2	\$13.3
Dividends	\$7.6	\$7.2

Note: All figures except per share data and percents are \$Millions

Segment Review – Material Handling

Q3 Results

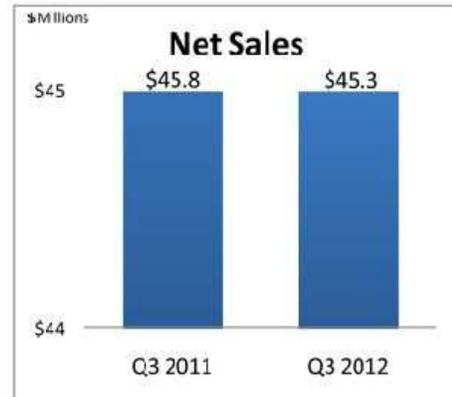
- ❑ Softer sales due to a delay in customer orders offset by sales generated by the acquisition of Novel
- ❑ Lower manufacturing and material costs drove the increase in income during the quarter



Segment Review – Lawn & Garden

Q3 Results

- Productivity improvements, material cost savings and lower distribution costs resulted in income improvement during the quarter despite flat sales year-over-year

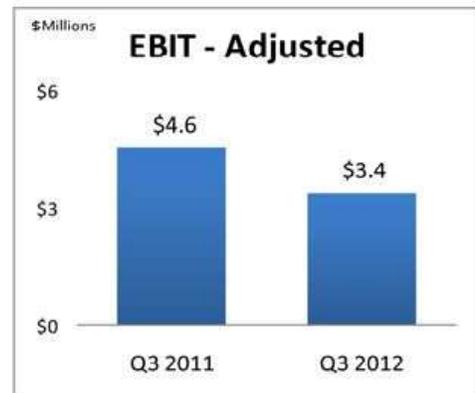
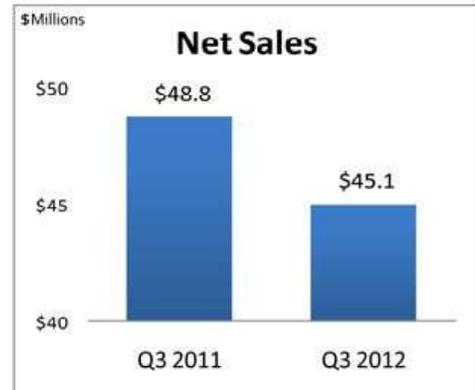


Segment Review – Distribution

Q3 Results

- ❑ Sales decreased as a result of a decline in the replacement tire industry and less equipment sales during the quarter

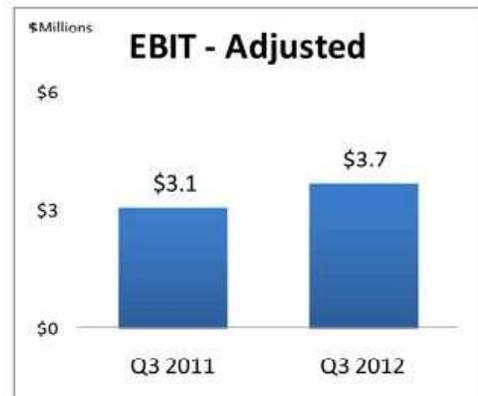
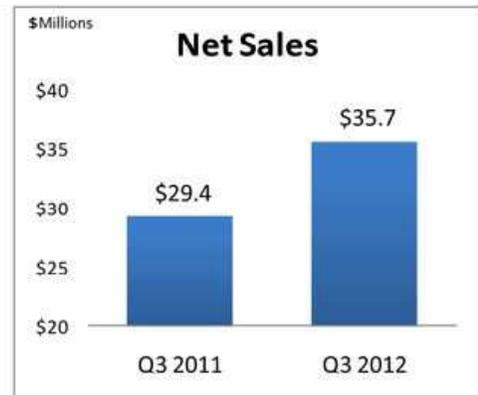
- ❑ The lower sales volume led to the decrease in income year-over-year



Segment Review – Engineered Products

Q3 Results

- ❑ Sales strong in transplant auto (due mostly to a year-over-year rebound) and most other end markets drove a significant increase in sales during the quarter
- ❑ Income generated by the sales increase was partially offset by an unfavorable customer mix



Outlook

Material Handling

- The shift in orders resulting from a delay in customer demand from earlier in the year to the fourth quarter should benefit results during Q4

Lawn & Garden

- Stronger order activity and a continued focus on cost reduction should result in improved performance in Q4

Distribution

- A decline in the replacement tire industry could impact performance in the fourth quarter

Engineered Products

- Demand in the transplant auto market should return from elevated levels to more normal levels
- Expect some traditional softening in demand in RV and custom markets

Overall Outlook

- Anticipate overall solid performance in Q4, despite a relatively weak industrial market
- Fourth-quarter and full-year results should reflect improved performance
- Our increased strategic focus should enable Myers to continue to produce solid results

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)

	Quarter Ended		Nine Months Ended	
	September 30,		September 30,	
	2012	2011	2012	2011
Material Handling				
Income before taxes as reported	\$ 12.5	\$ 8.9	\$ 34.9	\$ 27.5
Income before taxes as adjusted	12.5	8.9	34.9	27.5
Lawn & Garden				
Income (loss) before taxes as reported	0.0	(1.4)	(0.7)	0.8
Restructuring expenses	0.0	0.0	0.5	0.1
Income (loss) before taxes as adjusted	0.0	(1.4)	(0.2)	0.9
Distribution				
Income before taxes as reported	3.3	4.6	11.2	11.7
Restructuring expenses	0.2	0.5	0.7	1.2
Gain on building sale	(0.1)	(0.5)	(0.4)	(0.5)
Income before taxes as adjusted	3.4	4.6	11.5	12.4
Engineered Products				
Income before taxes as reported	2.9	3.0	12.2	8.4
Restructuring expenses	0.8	0.1	1.0	0.2
Income before taxes as adjusted	3.7	3.1	13.2	8.6
Corporate and interest expense				
Income (loss) before taxes as reported	(10.3)	(9.1)	(24.0)	(23.8)
Severance and other	1.5	0.0	1.5	0.3
Environmental	0.0	1.9	0.0	1.9
Income (loss) before taxes as adjusted	(8.8)	(7.2)	(22.5)	(21.6)
Consolidated				
Income before taxes as reported	8.4	6.0	33.6	24.6
Restructuring expenses and other adjustments	2.4	2.0	3.3	3.2
Income before taxes as adjusted	10.8	8.0	36.9	27.8
Income taxes at 38%	4.1	3.0	14.0	10.6
Net Income (loss) as adjusted	\$ 6.7	\$ 5.0	\$ 22.9	\$ 17.2

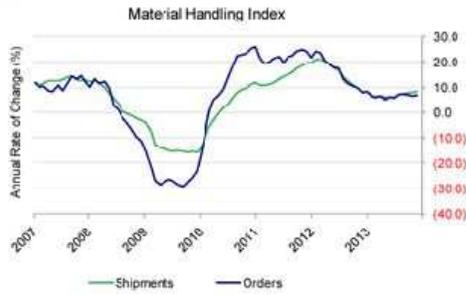
Note: Numbers in the Corporate and interest expense section above may be rounded for presentation purposes.

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 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.

Market Indicators



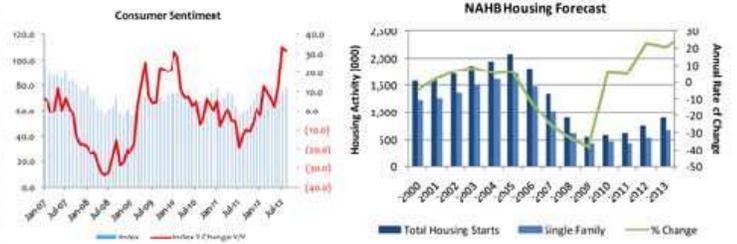
Material Handling MHEM Index



Source: Material Handling Industry of America, September 2012



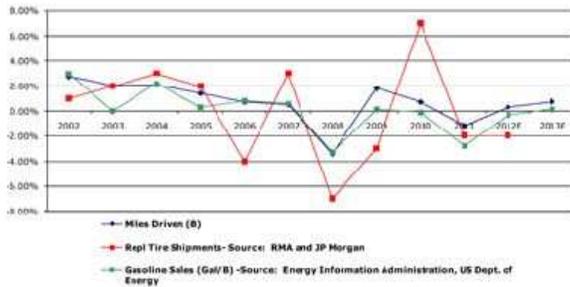
Lawn & Garden Housing Starts Consumer Sentiment



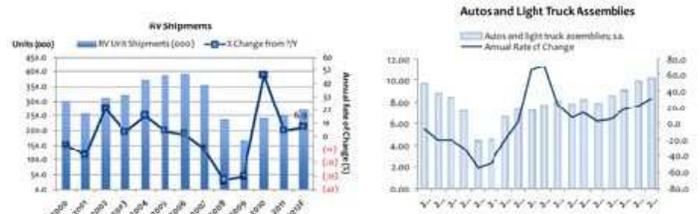
Sources:
National Association of Home Builders (NAHB); August 2012
Thomson/University of Michigan; September 2012



Distribution Miles Driven Replacement Tire Shipments, Gasoline Sales



Engineered Products RVIA Auto Market Forecasts



Sources: RVIA, *AK Sales Forecast*
RVIA's survey indicates that towable categories present most RV market's improvement.

Source: Federal Reserve Board data (Sept 2012), Manufacturers Alliance/MAPI forecast, Sept 2012

