

# MYERS INDUSTRIES INC

## FORM 8-K (Current report filing)

Filed 07/19/12 for the Period Ending 07/19/12

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

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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) July 19, 2012

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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 July 19, 2012, Myers Industries, Inc. (the “Company”) issued a press release announcing earnings results for the quarter ended June 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 July 19, 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 July 19, 2012
- 99.2      Earnings Presentation Second Quarter 2012 by the Company dated July 19, 2012

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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** July 19, 2012

**By:** /s/ Donald A. Merrill

Donald A. Merrill  
Senior Vice President, Chief Financial Officer  
and Corporate Secretary



Contact(s):  
Donald A. Merrill, Senior Vice President  
& Chief Financial Officer (330) 761-6303

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

**Myers Industries Reports 2012 Second Quarter Results**

*Diluted EPS \$0.17 compared with \$0.13 in 2Q 2011*

*Adjusted EPS \$0.17 compared with \$0.14 in 2Q 2011*

*Gross margin increased to 26.2% versus 25.1% for 2Q 2011*

*Recently announced Novel acquisition to become part of Material Handling Segment*

July 19, 2012, Akron, Ohio - Myers Industries, Inc. (NYSE: MYE) today announced results for the second quarter ended June 30, 2012.

Net sales for the second quarter were \$181.1 million compared to \$177.3 million in the second quarter of 2011. The net increase in sales of 2.2% was the result of strong sales performance in the Engineered Products Segment combined with a moderate sales increase in the Lawn & Garden Segment which more than offset lower sales in the Material Handling Segment and a sales decline in the Distribution Segment. Gross margin expanded to 26.2% in the second quarter of 2012 compared to 25.1% in the second quarter of 2011. The expansion was due mostly to reduced costs and productivity improvements resulting from continued execution of the Company's operations excellence initiatives.

Net income in the second quarter of 2012 was \$5.7 million or \$0.17 per diluted share compared to net income in the second quarter of 2011 of \$4.7 million or \$0.13 per diluted share. Net income in the second quarter of 2012 included approximately \$0.3 million of special net pre-tax costs while net income in the second quarter of 2011 included approximately \$0.6 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. Earnings per diluted share as adjusted for these special items were \$0.17 in the second quarter of 2012 compared to \$0.14 in the second quarter of 2011.

President and Chief Executive Officer John C. Orr said, "We met our expected operating results for the quarter despite some challenging economic conditions. We expect that our full-year results will show continued solid performance. At the beginning of July, we announced that we acquired Plásticos Novel Do Nordeste S.A. ® (Novel), one of Brazil's leading designers and manufacturers of plastic totes and crates used for closed-loop shipping and storage in the region's fast growing food and agriculture industries. The acquisition fits our Material Handling Segment's strategy of geographic expansion in North and South America, growing our more profitable end markets and leveraging our strong existing position."

**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 second quarter of 2012 were \$60.3 million compared to \$67.0 million in the second quarter of 2011. An anticipated delay in customer orders resulting from a shift in demand from the second quarter to the second half of this year caused the sales decrease during

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the quarter. Material Handling's income before taxes was \$9.2 million in the second quarter of 2012 compared to \$8.4 million in the second quarter of 2011. The segment benefited from our focus on our operations excellence initiatives and lower manufacturing costs which led to the 9.8% increase in income before taxes, despite lower year-over-year sales.

The **Lawn & Garden Segment's** net sales in the second quarter of 2012 increased to \$42.5 million as compared to \$41.8 million in the second quarter of 2011. Sales volume was lower than anticipated in the second quarter as customers chose to continue to deplete their inventories and limit production during the quarter. Lawn & Garden's loss before taxes in the second quarter of 2012 was \$1.5 million compared to a loss of \$1.6 million in the second quarter of 2011. Higher freight costs during the quarter partially offset the income generated by the increased sales volume.

The **Distribution Segment's** net sales were \$44.2 million in the second quarter of 2012 compared to \$46.1 million in the second quarter of 2011. The sales decline was a result of slower customer demand during the quarter. Distribution's income before taxes was \$4.1 million in the second quarter of 2012 compared to \$4.5 million in the second quarter of 2011. The decrease in income before taxes is mostly attributable to the lower sales volume and higher freight costs during the quarter.

The **Engineered Products Segment's** net sales were \$38.6 million in the second quarter of 2012 compared to \$27.9 million in the second quarter of 2011. Continued strong sales in the transplant auto market mostly due to a year-over-year rebound combined with a sales increase in the marine, recreational vehicle, and custom markets generated the 38.5% increase in sales year-over-year. Engineered Product's income before taxes was \$4.7 million in the second quarter of 2012 compared to \$2.7 million in the second quarter of 2011. The increased income before taxes during the quarter resulted from the higher sales volume and the ongoing execution of our operations excellence initiatives.

#### **Cash Flow**

Cash flow provided by operations for the six months ended June 30, 2012 was \$7.9 million compared to \$8.8 million for the six months ended June 30, 2011.

#### **Other Financial Items**

Capital expenditures totaled \$8.4 million for the six months ended June 30, 2012 and are forecasted to be approximately \$30 million in 2012.

At June 30, 2012, debt, net of cash, was \$66.5 million compared to \$67.2 million at December 31, 2011.

On July 9, 2012, the Company announced that it had completed the acquisition of Brazil's Plasticos Novel. The purchase price was \$27.5 million, subject to certain adjustments. Novel's annual net sales in 2012 are projected to be \$38 million. Novel complements the Company's existing material handling business in Brazil and furthers our strategic objectives.

At the end of the quarter, the Company positioned cash for the closing of the Novel acquisition by drawing on its line of credit. The transaction resulted in an increase to both cash and long-term debt as of June 30, 2012.

#### **Second Half and Full Year 2012 Outlook**

The Company expects some mixed trends in the second half of 2012. Results should benefit from the shifting of orders from the second quarter to late in the second half of 2012 as well as from the Company's operations excellence program. However, the soft economy may offset a portion of these benefits. The Company expects full-year results to reflect continued solid performance.

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**Conference Call Details**

The Company will host an earnings conference call and webcast for investors and analysts on Thursday, July 19, 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](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 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 passcodes are: Account # 286; Conference ID # 397255.

**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](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; 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 SIX MONTHS ENDED JUNE 30, 2012 AND 2011**

(Dollars in thousands, except per share data)

	For The Three Months Ended		For The Six Months Ended:	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Net sales	\$ 181,101	\$ 177,266	\$ 379,890	\$ 372,773
Cost of sales	133,737	132,772	274,528	274,188
<b>Gross Profit</b>	<b>47,364</b>	<b>44,494</b>	<b>105,362</b>	<b>98,585</b>
Selling, general and administrative expenses	37,372	35,821	78,253	77,543
<b>Operating Income</b>	<b>9,992</b>	<b>8,673</b>	<b>27,109</b>	<b>21,042</b>
Interest expense, net	1,054	1,153	2,135	2,391
Income before income taxes	8,938	7,520	24,974	18,651
Income tax expense	3,280	2,862	9,331	7,274
<b>Net Income</b>	<b>\$ 5,658</b>	<b>\$ 4,658</b>	<b>\$ 15,643</b>	<b>\$ 11,377</b>
<b>Income Per Share</b>				
Basic	\$ 0.17	\$ 0.13	\$ 0.47	\$ 0.32
Diluted	\$ 0.17	\$ 0.13	\$ 0.46	\$ 0.32
<b>Weighted Average Common Shares Outstanding</b>				
Basic	33,595,637	35,249,616	33,525,444	35,279,504
Diluted	34,272,693	35,249,616	34,121,486	35,436,112

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

(Dollars in thousands)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2012	2011	% Change	2012	2011	% Change
<b>Net Sales</b>						
Material Handling	\$ 60,260	\$ 67,008	-10.1%	\$125,481	\$132,738	-5.5%
Lawn & Garden	42,482	41,819	1.6%	101,666	108,973	-6.7%
Distribution	44,188	46,091	-4.1%	86,926	87,725	-0.9%
Engineered Products	38,642	27,897	38.5%	75,869	55,822	35.9%
Intercompany Sales	(4,471)	(5,549)	—	(10,052)	(12,485)	—
<b>Total</b>	<b>\$181,101</b>	<b>\$177,266</b>	<b>2.2%</b>	<b>\$379,890</b>	<b>\$372,773</b>	<b>1.9%</b>
<b>Income (Loss) Before Income Taxes</b>						
Material Handling	\$ 9,223	\$ 8,396	9.8%	\$ 22,373	\$ 18,657	19.9%
Lawn & Garden	(1,942)	(1,619)	-20.0%	(724)	2,259	—
Distribution	4,298	4,014	7.1%	7,809	7,087	10.2%
Engineered Products	4,660	2,591	79.9%	9,251	5,380	72.0%
Corporate	(7,301)	(5,862)	—	(13,735)	(14,732)	—
<b>Total</b>	<b>\$ 8,938</b>	<b>\$ 7,520</b>	<b>18.9%</b>	<b>\$ 24,974</b>	<b>\$ 18,651</b>	<b>33.9%</b>

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

(Dollars in millions)

	Quarter Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
<b>Material Handling</b>				
Income before taxes as reported	\$ 9.2	\$ 8.4	\$ 22.4	\$ 18.7
Income before taxes as adjusted	9.2	8.4	22.4	18.7
<b>Lawn &amp; Garden</b>				
Income before taxes as reported	(1.9)	(1.6)	(0.7)	2.3
Restructuring expenses	0.4	0.0	0.4	0.0
Income before taxes as adjusted	(1.5)	(1.6)	(0.3)	2.3
<b>Distribution</b>				
Income before taxes as reported	4.3	4.0	7.8	7.1
Restructuring expenses	0.1	0.5	0.5	0.7
Gain on building sales	(0.3)	0.0	(0.3)	0.0
Income before taxes as adjusted	4.1	4.5	8.0	7.8
<b>Engineered Products</b>				
Income before taxes as reported	4.6	2.6	9.2	5.4
Restructuring expenses	0.1	0.1	0.2	0.2
Income before taxes as adjusted	4.7	2.7	9.4	5.6
<b>Corporate and interest expense</b>				
Income (loss) before taxes as reported	(7.3)	(5.9)	(13.7)	(14.8)
Restructuring and other adjustments	0.0	0.0	0.0	0.3
Income (loss) before taxes as adjusted	(7.3)	(5.9)	(13.7)	(14.5)
<b>Consolidated</b>				
Income before taxes as reported	8.9	7.5	25.0	18.7
Restructuring expenses and other adjustments	0.3	0.6	0.8	1.2
Income before taxes as adjusted	9.2	8.1	25.8	19.9
Income taxes at 38%	3.5	3.1	9.8	7.6
Net Income as adjusted	<u>\$ 5.7</u>	<u>\$ 5.0</u>	<u>\$ 16.0</u>	<u>\$ 12.3</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 operational 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>June 30,</b>	<b>December 31,</b>
	<b>2012</b>	<b>2011</b>
<b>Assets</b>		
Current Assets		
Cash	\$ 35,612	\$ 6,801
Accounts Receivable, Net	96,386	105,830
Inventories	107,472	95,217
Other	14,270	10,604
Total Current Assets	<u>253,740</u>	<u>218,452</u>
Other Assets	68,056	69,371
Property, Plant, & Equipment	133,399	140,934
<b>Total Assets</b>	<b><u>\$455,195</u></b>	<b><u>\$ 428,757</u></b>
<b>Liabilities &amp; Shareholders' Equity</b>		
Current Liabilities		
Accounts Payable	\$ 58,888	\$ 64,717
Accrued Expenses	33,144	45,939
Total Current Liabilities	<u>92,032</u>	<u>110,656</u>
Long-Term Debt, less current portion	101,820	73,725
Deferred Income Taxes	23,896	23,893
Other Liabilities	15,129	14,343
Shareholders' Equity	<u>222,318</u>	<u>206,140</u>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b><u>\$455,195</u></b>	<b><u>\$ 428,757</u></b>

**MYERS INDUSTRIES, INC.**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2012 and 2011**

(Dollars in thousands)

	Six Months Ended June 30,	
	2012	2011
<b>Cash Flows From Operating Activities</b>		
Net income	\$ 15,643	\$ 11,377
Items not affecting use of cash:		
Depreciation	14,737	16,064
Impairment charges and asset write-offs	-0-	252
Amortization of other intangible assets	1,514	1,474
Non-cash stock compensation	1,556	1,607
(Recovery of) provision for loss on accounts receivable	(1,178)	1,773
Deferred taxes	(18)	(70)
Other long-term liabilities	785	804
Gain on sale of property, plant and equipment	(558)	-0-
Other	50	50
Cash flow provided by (used for) working capital:		
Accounts receivable	10,384	(4,281)
Inventories	(12,285)	(9,247)
Prepaid expenses	(3,743)	903
Accounts payable and accrued expenses	(18,967)	(11,955)
Net cash provided by operating activities	<u>7,920</u>	<u>8,751</u>
<b>Cash Flows From Investing Activities</b>		
Capital Expenditures	(8,386)	(5,765)
Proceeds from sale of property, plant and equipment	1,805	-0-
Other	(149)	848
Net cash used for investing activities	<u>(6,730)</u>	<u>(4,917)</u>
<b>Cash Flows From Financing Activities</b>		
Repayment of long term debt	(305)	(305)
Net borrowing on credit facility	28,374	6,857
Cash dividends paid	(4,967)	(4,715)
Proceeds from issuance of common stock	2,822	70
Repurchase of common stock	-0-	(3,722)
Net cash provided by (used for) financing activities	<u>25,924</u>	<u>(1,815)</u>
Foreign Exchange Rate Effect on Cash	<u>1,697</u>	<u>212</u>
Net increase in cash	28,811	2,231
Cash at January 1	6,801	4,705
Cash at June 30	<u>\$ 35,612</u>	<u>\$ 6,936</u>

# Earnings Presentation Second Quarter 2012

July 19, 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

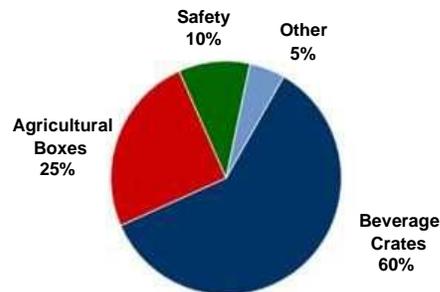
Myers Industries, Inc. encourages investors to learn more about these risk factors. A detailed explanation of these factors is available in the Company's publicly filed quarterly and annual reports, which can be found online at [www.myersind.com](http://www.myersind.com) and at the SEC.gov web site.

# Novel Acquisition

## ***Novel is a market leader in beverage and agricultural material handling***

- Designer and manufacturer of returnable plastic crates and totes for the transport of beverages and agricultural products; Founded in 1975
- Manufacturer, importer and reseller of traffic control and safety equipment
- #1 position in beverage crates and poultry boxes
- Strong relationships with international beverage manufacturers
- Sales Projected at \$38.0M for 2012
- Two strategically located manufacturing facilities in Bahia & Paraná
- Clear fit with Myer's returnable packaging market focus and geographic expansion strategy
- Will be integrated into the Material Handling Segment

**Sales by Product Line**



**Manufacturing Facilities**



# Q2 2012 Highlights

- **Sales increased 2.2% to \$181.1M**
  - Strong sales in Engineered Products –38.5% year-over-year increase
  - Lawn & Garden sales increased 1.6%
  - Material Handling sales down as anticipated
  - Distribution sales declined 4.1%
  
- **Gross margin expanded from 25.1% to 26.2%**
  - Operations Excellence initiatives continued to drive productivity improvements and cost savings
  
- **Adjusted EPS increased 21.4% to \$0.17**



\*See reconciliation of Non-GAAP measures on slide 12.

# 2012 Q2 Financial Summary

<b>P&amp;L Highlights</b>	<b>Q2 2012</b>	<b>Q2 2011</b>	<b>B/(W)</b>
Net sales	\$181.1	\$177.3	2.2%
Gross margin	26.2%	25.1%	4.4%
SG&A	\$37.4	\$35.8	-4.5%
Net income - adjusted*	\$5.7	\$5.0	14.0%
Effective tax rate	36.7%	38.1%	
EPS - adjusted*	\$0.17	\$0.14	21.4%

\*See Reconciliation of Non-GAAP measures on slide 12

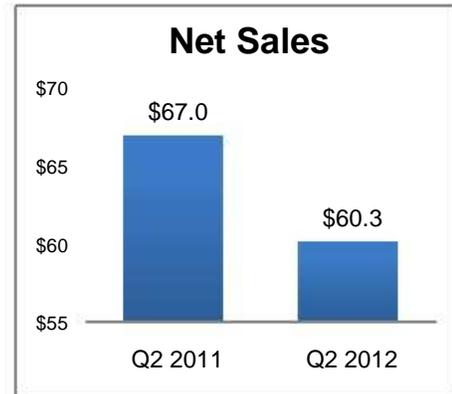
<b>Balance Sheet Highlights</b>	<b>June 30, 2012</b>	<b>December 31, 2011</b>
Cash	\$35.6	\$6.8
Long-term debt (less current portion)	\$101.8	\$73.7
Debt - net of cash	\$66.5	\$67.2

<b>Cash Highlights</b>	<b>Six Months Ended June 30, 2012</b>	<b>Six Months Ended June 30, 2011</b>
Operating cash flow	\$7.9	\$8.8
Capital expenditures	\$8.4	\$5.8
Dividends	\$5.0	\$4.7

# Segment Review – Material Handling

## **Q2 Results**

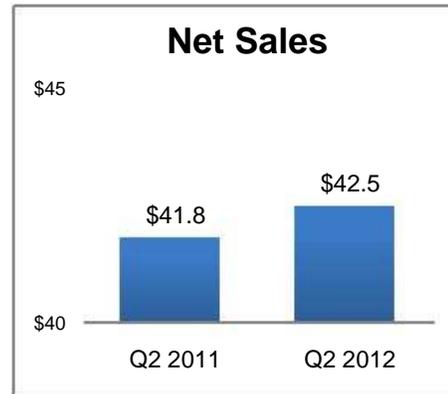
- ❑ Softer sales compared to last year due to a delay in the timing of orders
  
- ❑ Operations Excellence initiatives and lower manufacturing costs drove margin expansion



# Segment Review – Lawn & Garden

## Q2 Results

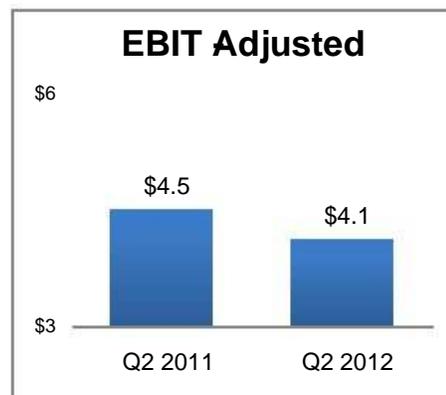
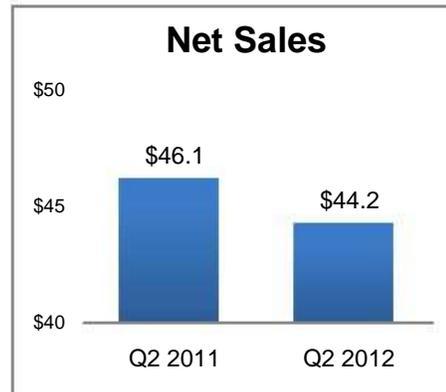
- ❑ Sales lower than anticipated in Q2 as customers continued to deplete inventory levels and limited production
- ❑ Increased freight costs offset a portion of the income that was generated by higher sales



# Segment Review – Distribution

## Q2 Results

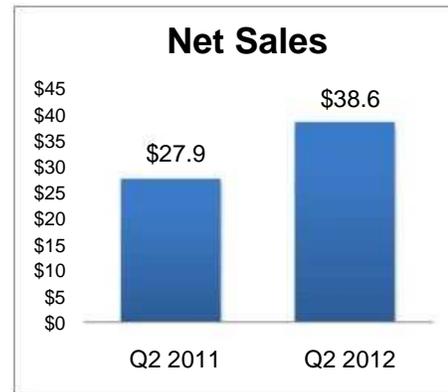
- ❑ Decline in miles driven and replacement tire sales resulted in sales decrease
  
- ❑ High freight costs further impacted operating results



# Segment Review – Engineered Products

## Q2 Results

- Sales strong in transplant auto (due mostly to year-over-year rebound), recreational vehicle, marine and custom markets
- Higher sales as well as lower costs generated by operations excellence initiatives drove the increase in pre-tax income



# Outlook

- ❑ Results in the Material Handling Segment should benefit from the shift in demand from the second quarter to late in the second half in higher margin agricultural and food processing markets.
- ❑ Anticipate stronger order activity in the Lawn & Garden Segment in the second half as inventories are replenished and customers prepare for next season.
- ❑ Anticipate continued headwinds in Distribution due to a decline in miles driven and replacement tire sales.
- ❑ Expect continued strength in the marine market of our Engineered Products Segment as boat builders switch to our EPA approved fuel system.
- ❑ Despite a mixed economy, expect overall results in second half to benefit from our operation excellence initiatives and the shift in orders in Material Handling.
- ❑ Full-year results should reflect another year of solid results and successful execution of our strategic principles.

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# 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		Six Months Ended	
	June 30,		June 30,	
	2012	2011	2012	2011
<b>Material Handling</b>				
Income before taxes as reported	\$ 9.2	\$ 8.4	\$ 22.4	\$ 18.7
Income before taxes as adjusted	9.2	8.4	22.4	18.7
<b>Lawn &amp; Garden</b>				
Income before taxes as reported	(1.9)	(1.6)	(0.7)	2.3
Restructuring expenses	0.4	0.0	0.4	0.0
Income before taxes as adjusted	(1.5)	(1.6)	(0.3)	2.3
<b>Distribution</b>				
Income before taxes as reported	4.3	4.0	7.8	7.1
Restructuring expenses	0.1	0.5	0.5	0.7
Gain on building sales	(0.3)	0.0	(0.3)	0.0
Income before taxes as adjusted	4.1	4.5	8.0	7.8
<b>Engineered Products</b>				
Income before taxes as reported	4.6	2.6	9.2	5.4
Restructuring expenses	0.1	0.1	0.2	0.2
Income before taxes as adjusted	4.7	2.7	9.4	5.6
<b>Corporate and interest expense</b>				
Income (loss) before taxes as reported	(7.3)	(5.9)	(13.7)	(14.8)
Restructuring and other adjustments	0.0	0.0	0.0	0.3
Income (loss) before taxes as adjusted	(7.3)	(5.9)	(13.7)	(14.5)
<b>Consolidated</b>				
Income before taxes as reported	8.9	7.5	25.0	18.7
Restructuring expenses and other adjustments	0.3	0.6	0.8	1.2
Income before taxes as adjusted	9.2	8.1	25.8	19.9
Income taxes at 38%	3.5	3.1	9.8	7.6
Net Income as adjusted	\$ 5.7	\$ 5.0	\$ 16.0	\$ 12.3

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

# Market Indicators



## Material Handling

MHEM Index

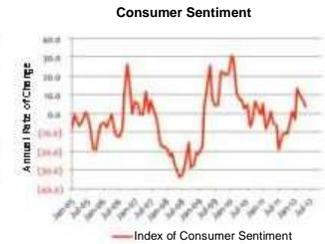


Source: Material Handling Industry of America, April 2012



## Lawn & Garden

Housing Starts  
Consumer Sentiment



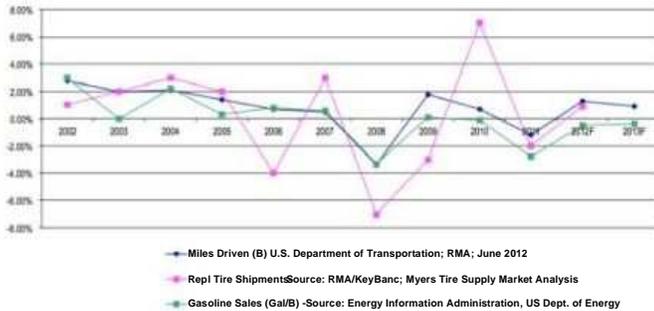
Sources:

National Association of Home Builders (NAHB); June 2012  
Thomson/University of Michigan; June 2012 Preliminary



## Distribution

Miles Driven  
Replacement Tire Shipments,  
Gasoline Sales

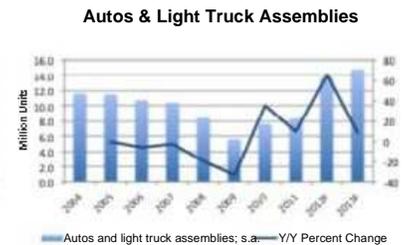
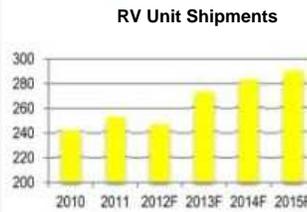


Miles Driven (B) U.S. Department of Transportation; RMA; June 2012  
Repl Tire Shipments Source: RMA/KeyBanc; Myers Tire Supply Market Analysis  
Gasoline Sales (Gal/B) -Source: Energy Information Administration, US Dept. of Energy



## Engineered Products

RVIA  
Auto Market Forecasts



Sources: RVIA, AK Sales Forecast

RVIA's survey indicates that towable categories present most RV market's improvement.

Sources: Federal Reserve Board & Manufacturers Alliance/MAPI data; IHS Global Insight Model June 2012 Economic Report (Autos, Light Vehicles, Trucks, RVs in Total)

