

# MYERS INDUSTRIES INC

## FORM 8-K

(Current report filing)

Filed 07/09/14 for the Period Ending 07/09/14

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 9, 2014**

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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 7.01. Regulation FD Disclosure.**

Myers Industries, Inc. (the “Company”) will hold a conference call for members of the investment community on July 9, 2014 at 10:00 a.m. Eastern Time to discuss the acquisition of Scepter Corporation and Scepter Manufacturing, LLC, the intended sale of the Company’s Lawn and Garden business, the completed sale of WEK Industries, Inc. (a subsidiary of the Company), and the Company’s segment reporting realignment. A copy of the slide materials which will be discussed during the Company’s conference call is attached as Exhibit 99.1 to this Current Report on Form 8-K. The presentation is also available on the Investor Relations – Financial Presentations portion of the Company’s website at [www.myersindustries.com](http://www.myersindustries.com).

In accordance with General Instruction B.2 on Form 8-K, the information set forth in this Item 7.01 and the presentation attached to this report as Exhibit 99.1 is “furnished” and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section, nor shall such information be deemed incorporated by reference in any filing under the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended.

**Item 9.01. Financial Statements and Exhibits**

99.1 Scepter Acquisition Conference Call Presentation by the Company dated July 9, 2014

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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 9, 2014**

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

Greggory W. Branning

Senior Vice President, Chief Financial Officer, and Corporate Secretary

July 9, 2014

# Myers Industries, Inc. Scepter Acquisition Conference Call





# Forward Looking Statements; Non GAAP Measures

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 segment; (2) changes in trends and demands in the markets in which the Company competes; (3) unanticipated downturn in business relationships with customers or their purchase; (4) competitive pressures on sales and pricing; (5) raw material availability, increases in raw material costs, or other production cost; (6) harsh weather condition; (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 plan; and other risks as detailed in the Company's 10-K and other reports filed with the Securities and Exchange Commission.

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.

EBITDA, adjusted EBITDA, free cash flow and net debt are not defined terms under U.S. generally accepted accounting principles (non-GAAP measures). Non-GAAP measures should not be considered in isolation or as a substitute for net income, cash flow or total debt figures prepared in accordance with GAAP and may not be comparable to similarly titled measures calculated by other companies.

# Myers Industries Overview



- NYSE: MYE
- Founded in 1933
- Headquartered in Akron, Ohio
- 3600 employees
- International manufacturer of polymer products
- Wholesale distributor for tire repair and retread products

# Scepter Overview



- Founded in Ontario in 1949
- Headquartered in Toronto, Ontario
- 350 employees
- Industry leading manufacturer of polymer products that serve four markets:
  - Consumer
  - Military
  - Marine
  - Industrial



# Scepter Acquisition Overview



- Acquisition completed July 2, 2014
- Purchase price was \$157M
- Purchased Scepter Corporation (Canadian company) and Scepter Manufacturing, LLC (U.S. company)
- Third bolt-on acquisition in Material Handling in two years
- 2013 annual sales approximately \$100M
  - Represents an almost 30% increase to the Material Handling Segment 2013 sales

# Scepter Acquisition Rationale



- Immediately enhances Myers' overall profitability, free cash flow and return on invested capital
- Complements Material Handling Segment in end markets, products, and technologies
- Aligns closely with core growth platforms
  - Storage and Safety Products
  - Specialty Molding
- Provides Myers opportunity to move into adjacent markets –military and consumer
- Expands geographic reach

- Purchase price \$157M
- Trailing twelve months EBITDA \$23.5M
  - EBITDA multiple of 6.7 times before synergies
- Expected to be immediately accretive to adjusted earnings per share
- Annual synergies of more than \$2.0M are anticipated
- Myers increased its senior secured revolving credit facility to \$300M to fund acquisition
  - Other terms of the facility remain unchanged
  - Proceeds from the divestiture of the Lawn & Garden Segment will be used to pay down debt

# Additional Recent Announcements & Events

- **Commencement of the sale of the Lawn & Garden Segment**
  - Two-phase restructuring complete
  - Engaged William Blair to assist with the sales process
  - Expect the sale to be completed in less than twelve months
  - Reported as discontinued operation in second quarter Form 10Q filing
- **Sale of WEK Industries, Inc. to Industrial Opportunity Partners**
  - Sale price of approximately \$19.5M
- **Segment reporting realignment**
  - Reduces our reporting segments from four to two
  - Starts with the second quarter Form 10Q filing
  - Two reportable segments
    - Material Handling
    - Distribution



# Appendix

# Scepter EBITDA Reconciliation (Unaudited)

(\$ millions USD)	TTM 5/31/2014
<b>EBIT<sup>(1)</sup></b>	<b>\$ 18.2</b>
<b>Depreciation and Amortization</b>	<b>5.3</b>
<b>EBITDA</b>	<b>\$ 23.5</b>

(1) Earnings before interest and taxes of Scepter Corporation and Scepter Manufacturing, LLC (Scepter).

# Scepter Markets & Products



## Consumer Segment

- Automotive fuel containers
- "Flo n' go" fluid transfer system



## Marine Segment

- Remote outboard engine fuel tanks
- Fuel transfer systems



## Military Segment

- Ammunition packaging
- Fuel and water canisters



## Industrial Segment

- Food and beverage handling
- Storage containers



