

# MYERS INDUSTRIES INC

## FORM 8-K (Current report filing)

Filed 05/01/15 for the Period Ending 05/01/15

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) May 1, 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 May 1, 2015, Myers Industries, Inc. (the "Company") issued a press release announcing earnings results for the fiscal quarter ended March 31, 2015. 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 May 1, 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 May 1, 2015
- 99.2      Earnings Presentation First Quarter 2015 by the Company dated May 1, 2015

**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** May 1, 2015

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

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



News Release

NYSE: MYE

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Gregg Branning, Senior Vice President  
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Monica Vinay, Vice President, Investor  
Relations & Treasurer (330) 761-6212

### Myers Industries Reports 2015 First Quarter Results

*Scepter Acquisition Performed Ahead of Expectations*

May 1, 2015, Akron, Ohio - Myers Industries, Inc. (NYSE: MYE), a leading provider of material handling solutions and tire repair products to industrial end markets, today announced results for the first quarter ended March 31, 2015.

#### Financial Highlights

- Net sales of \$156.3 million included strong performance from Scepter, offset by continued challenges in agricultural end markets
- Gross profit margin increased to 29.3% driven by operations excellence initiatives, pricing actions and incremental contribution from Scepter
- Income per diluted share from continuing operations as adjusted was \$0.13 in the first quarter of 2015 versus \$0.15 in the first quarter of 2014
- The Company increased its quarterly dividend by 4% to \$0.135 and repurchased 370,200 shares of its common stock during the quarter ended March 31, 2015

#### Summary

	For the Quarter Ended March 31		
	2015	2014 <sup>(1)</sup>	% Increase (Decrease)
	(Dollars in thousands, except per share data)		
Net sales	\$156,348	\$150,485	3.9%
Gross profit	\$ 45,757	\$ 42,071	8.8%
Gross profit margin	29.3%	28.0%	
Income from continuing operations before income taxes	\$ 4,014	\$ 7,299	(45.0)%
Income from continuing operations:			
Income	\$ 2,622	\$ 4,763	(45.0)%
Income per diluted share	\$ 0.08	\$ 0.14	(42.9)%
Income from continuing operations before income taxes as adjusted <sup>(2)</sup>	\$ 5,964	\$ 7,856	(24.1)%
Income from continuing operations as adjusted <sup>(2)</sup> :			
Income	\$ 4,025	\$ 5,028	(19.9)%
Income per diluted share	\$ 0.13	\$ 0.15	(13.3)%

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.

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President and Chief Executive Officer John C. Orr commented, "For the first quarter of 2015, our Scepter business delivered strong sales and operating performance. Scepter continues to demonstrate its long-term value to our Material Handling Segment. As we discussed in our fourth quarter earnings call, we continued to experience reduced sales of our agricultural and food processing products during the first quarter of 2015. Lower crop prices and falling farm incomes continue to depress demand for our agricultural storage containers while sales of our food processing products were impacted due to a suspension of orders by a major customer. We have taken and continue to implement a number of actions to offset these near-term impacts, including labor and overhead reductions and accelerated product introductions in the manufacturing, automotive and distribution end markets. We should begin to see the benefits of these new product introductions in the second half of this year. While first quarter earnings were down compared to the first quarter of last year, I want to reiterate that the business fundamentals of our restructured company remain sound and our prospects for ongoing earnings growth continue."

### **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 first quarter of 2015 were \$112.3 million compared to \$106.7 million for the first quarter of 2014. Incremental sales from the Scepter were partially offset by sales declines in the agriculture and food processing end markets as compared to the first quarter of 2014. Material Handling's adjusted income before taxes was \$13.5 million for the first quarter of 2015 compared to \$12.8 million for the first quarter of 2014. Although adjusted income before taxes increased year-over-year due mostly to Scepter, 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. Pricing actions combined with reductions in labor costs, overhead and selling, general and administrative expenses partially offset those impacts.

Net sales in the **Distribution Segment** for the first quarter of 2015 were \$44.1 million compared to \$43.9 million for the first quarter of 2014. Organic growth in sales of supplies and equipment in the U.S. were partially offset by lower sales in Canada due to the closure of the Canadian branches late in the first quarter of 2014. Distribution's adjusted income before taxes for the first quarter of 2015 was \$3.6 million compared to \$4.1 million for the first quarter of 2014. 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.

### **Other Financial Items**

For the three months ended March 31, 2015, cash flow used for continuing operations was \$20.5 million compared to \$40.1 million for the three months ended March 31, 2014. Although it is typical for the Company to use cash in the first quarter of the year to fund a seasonal build in working capital, cash flow used for continuing operations for the three months ended March 31, 2015 decreased compared to the same period in 2014 as a result of lower working capital year-over-year.

Capital expenditures totaled \$4.7 million for the three months ended March 31, 2015 and are forecasted to be approximately \$25 to \$30 million in 2015.

On March 6, 2015, the Company announced that it has increased its quarterly dividend to \$0.135 per share.

The Company purchased 370,200 shares of its common stock for a total of \$6.6 million during the three months ended March 31, 2015. Approximately 4.1 million shares were available for repurchase at March 31, 2015 under the Company's current board authorization.

### **2015 Second Quarter and Full Year Outlook**

The Company anticipates that although second quarter sales and earnings may continue to be impacted by softness in some of its Material Handling end markets, income from continuing operations as adjusted should show improvement versus the first quarter of 2015 as a result of continued strong operating performance at Scepter and the actions the Company is taking around cost reductions, new product introductions and cross-selling initiatives. The Company continues to anticipate that full year 2015 sales and adjusted earnings per share from continuing operations will exceed 2014's results.

### **Conference Call Details**

The Company will host an earnings conference call and webcast for investors and analysts on Friday, May 1, 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

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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 #13606730.

### **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)**  
(Dollars in thousands, except share data)

	For the Quarter Ended	
	March 31, 2015	March 31, 2014*
<b>Net sales</b>	\$ 156,348	\$ 150,485
Cost of sales	110,591	108,414
<b>Gross profit</b>	45,757	42,071
Selling, general and administrative expenses	39,041	33,188
<b>Operating income</b>	6,716	8,883
Interest expense, net	2,702	1,584
<b>Income from continuing operations before income taxes</b>	4,014	7,299
Income tax expense	1,392	2,536
<b>Income from continuing operations</b>	2,622	4,763
Income (loss) from discontinued operations, net of income taxes	2,617	(4,083)
<b>Net income</b>	<u>\$ 5,239</u>	<u>\$ 680</u>
<b>Income per common share from continuing operations:</b>		
Basic	\$ 0.08	\$ 0.14
Diluted	\$ 0.08	\$ 0.14
<b>Income (loss) per common share from discontinued operations:</b>		
Basic	\$ 0.08	\$ (0.12)
Diluted	\$ 0.08	\$ (0.12)
<b>Net income per common share:</b>		
Basic	\$ 0.16	\$ 0.02
Diluted	\$ 0.16	\$ 0.02
<b>Weighted Average Common Shares Outstanding</b>		
Basic	31,026,468	33,518,543
Diluted	31,370,712	34,018,475

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

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

	For the Quarter Ended		
	March 31, 2015	March 31, 2014*	% Change
<b>Net Sales from Continuing Operations</b>			
Material Handling	\$ 112,280	\$ 106,677	5.3%
Distribution	44,105	43,883	0.5%
Inter-company Sales	(37)	(75)	
<b>Total</b>	<b>\$ 156,348</b>	<b>\$ 150,485</b>	<b>3.9%</b>
<b>Income from Continuing Operations Before Income Taxes</b>			
Material Handling	\$ 13,407	\$ 12,772	5.0%
Distribution	3,491	3,530	(1.1)%
Corporate	(12,884)	(9,003)	
<b>Total</b>	<b>\$ 4,014</b>	<b>\$ 7,299</b>	<b>(45.0)%</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)

	For the Quarter Ended	
	March 31, 2015	March 31, 2014
<b>Material Handling</b>		
Income from continuing operations before income taxes as reported	\$ 13.4	\$ 12.8
Restructuring expenses and other adjustments	0.1	—
Income from continuing operations before income taxes as adjusted	13.5	12.8
<b>Distribution</b>		
Income from continuing operations before income taxes as reported	3.5	3.5
Restructuring expenses and other adjustments	0.1	0.6
Income from continuing operations before income taxes as adjusted	3.6	4.1
Corporate and interest expense as reported	(12.9)	(9.0)
Professional and legal fees	1.8	—
Corporate and interest expense as adjusted	(11.1)	(9.0)
<b>Continuing Operations</b>		
Income from continuing operations before income taxes as reported	4.0	7.3
Restructuring expenses and other adjustments	2.0	0.6
Income from continuing operations before income taxes as adjusted	6.0	7.9
Income taxes*	2.0	2.8
Income from continuing operations as adjusted	\$ 4.0	\$ 5.0
Adjusted earnings per diluted share from continuing operations	\$ 0.13	\$ 0.15

\* 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>March 31,</b>	<b>December 31,</b>
	<b>2015</b>	<b>2014</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 3,720	\$ 4,676
Accounts receivable, net	95,454	90,664
Inventories	67,602	63,338
Assets held for sale	—	117,775
Prepaid and other	9,522	8,988
<b>Total Current Assets</b>	<u>176,298</u>	<u>285,441</u>
Other Assets	159,622	142,626
Property, Plant, & Equipment, Net	<u>129,766</u>	<u>136,766</u>
<b>Total Assets</b>	<b><u>\$465,686</u></b>	<b><u>\$ 564,833</u></b>
<b>Liabilities &amp; Shareholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 73,844	\$ 77,320
Accrued expenses	41,979	49,372
Liabilities held for sale	—	27,122
<b>Total Current Liabilities</b>	<u>115,823</u>	<u>153,814</u>
Long-term debt, net	204,671	236,429
Other liabilities	12,488	13,738
Deferred income taxes	13,216	14,281
<b>Total Shareholders' Equity</b>	<u>119,488</u>	<u>146,571</u>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b><u>\$465,686</u></b>	<b><u>\$ 564,833</u></b>

**MYERS INDUSTRIES, INC.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
(Dollars in thousands)

	<u>For the Quarter Ended</u>	
	<u>March 31,</u>	<u>March 31,</u>
	<u>2015</u>	<u>2014*</u>
<b>Cash Flows From Operating Activities</b>		
Net income	\$ 5,239	\$ 680
Income (loss) from discontinued operations, net of income tax	2,617	(4,083)
Income from continuing operations	\$ 2,622	\$ 4,763
Items not affecting use of cash		
Depreciation	6,489	5,378
Amortization	2,638	791
Non-cash stock compensation	966	788
Provision for loss on accounts receivable	74	341
Deferred taxes	(1,705)	179
Other long-term liabilities	2,734	1,081
(Gain) loss from asset disposition	(13)	735
Tax benefit from options	(214)	(650)
Payments on performance based compensation	(1,219)	(1,293)
Cash flow used for working capital, net of acquisitions:		
Accounts receivable	(11,255)	(14,132)
Inventories	(6,984)	(9,944)
Prepaid expenses	(569)	(671)
Accounts payable and accrued expenses	(14,015)	(27,512)
Net cash used for operating activities - continuing operations	(20,451)	(40,146)
Net cash used for operating activities - discontinued operations	(9,761)	(20,523)
Net cash used for operating activities	(30,212)	(60,669)
<b>Cash Flows From Investing Activities</b>		
Capital expenditures	(4,657)	(2,497)
Proceeds from sale of property, plant and equipment	15	48
Proceeds from sale of business	69,787	—
Net cash provided by (used for) investing activities - continuing operations	65,145	(2,449)
Net cash used for investing activities - discontinued operations	(581)	(2,156)
Net cash provided by (used for) investing activities	64,564	(4,605)
<b>Cash Flows From Financing Activities</b>		
Proceeds from long-term debt	—	89,000
Net repayment on credit facility	(27,700)	(16,700)
Cash dividends paid	(4,184)	(3,117)
Proceeds from issuance of common stock	964	1,781
Tax benefit from options	214	650
Repurchase of common stock	(6,577)	(5,062)
Shares withheld for employee taxes on equity awards	(560)	(1,083)
Deferred financing costs	—	(196)
Net cash provided by (used for) financing activities - continuing operations	(37,843)	65,273
Net cash used for financing activities - discontinued operations	—	—
Net cash provided by (used for) financing activities	(37,843)	65,273
Foreign exchange rate effect on cash	2,535	(801)
Net decrease increase in cash	(956)	(802)
Cash at January 1	4,676	6,539
<b>Cash at March 31</b>	<b><u>\$ 3,720</u></b>	<b><u>\$ 5,738</u></b>

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



May 1, 2015 | Myers Industries, Inc.

# *First Quarter 2015* Earnings Presentation



# 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.

***In response to the Company's completed investigation of a weakness in internal controls at its Brazilian operations in 4Q14, the following measures are currently in process in Brazil:***

- Revising policies and procedures associated with the preparation and retention of supporting documentation for account reconciliations.
- Revising policies and procedures associated with the review and approval of manual journal entries prior to posting to the general ledger.
- Enhancing the finance personnel with accounting and internal control knowledge.
- Remediation all of the control deficiencies will take place during 2015.

# First Quarter 2015 Financial Summary



- Sales increased due to the Scepter acquisition but were offset by decreased sales in the Material Handling Segment's agricultural and food processing end markets
- Gross profit margin increase mainly due to pricing actions and the incremental contribution from Scepter
- SG&A increased due to incremental expenses from the Scepter acquisition and restructuring/other unusual pre-tax charges
- Adjusted income per diluted share of \$0.13 vs. \$0.15 in the first quarter of 2014

Continuing Operations Highlights	Q1 2015	Q1 2014	% Change
Net sales	\$156.3	\$150.5	3.9%
Gross profit margin	29.3%	28.0%	
SG&A	\$39.0	\$33.2	17.5%
Income from continuing ops - adjusted <sup>1</sup>	\$4.0	\$5.0	(19.9)%
Effective tax rate	34.7%	34.7%	
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

# First Quarter 2015 Financial Summary



<b>Continuing Operations Cash Highlights</b>	<b>Three Months Ended March 31, 2015</b>	<b>Three Months Ended March 31, 2014</b>
Cash used for continuing operations	(\$20.5)	(\$40.1)
Capital expenditures	\$4.7	\$2.5
Free cash flow	(\$25.2)	(\$42.6)
Dividends	\$4.2	\$3.1

<b>Balance Sheet Highlights</b>	<b>March 31, 2015</b>	<b>December 31, 2014</b>
Long-term debt	\$204.7	\$236.4
Debt - net of cash	\$201.0	\$231.8

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





- Incremental sales from the Scepter acquisition were offset by sales declines in the agriculture and food processing end markets compared to Q1 2014
- Adjusted income before taxes (IBT) increased versus Q1 2014 due to the Scepter acquisition but was also negatively impacted by lower sales volumes in agricultural and food processing products and a resulting change in product mix



See Reconciliation of Non-GAAP measures on slide 10



- 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 late 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 in Material Handling continue in 2015**
  - Decreased corn production and low crop prices are expected to continue to depress demand for agricultural storage containers
- **Second quarter and full year 2015 results will benefit from strategic actions taken in 2014 to focus and solidify structure**
  - Scepter acquisition should continue to deliver strong results
- **Our Material Handling and Distribution platforms are strong cash generating businesses with attractive prospects for:**
  - Continued new product introductions
  - Additional synergies at Scepter
  - Growth in the marine platform
  - Growth driven by enhanced marketing activities
- **Capital expenditures for continuing operations in 2015 will be approximately \$25- \$30 million**
  - Approximately 70% of Capital Expenditures will be used for growth and productivity projects
- **Anticipate effective tax rate for full year 2015 will be approximately 32.5%**
  - A result of shift to more international earnings with a full year of Scepter in our 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, except per share data)

	For the Quarter Ended	
	March 31, 2015	March 31, 2014
<b>Material Handling</b>		
Income from continuing operations before income taxes as reported	\$ 13.4	\$ 12.8
Restructuring expenses and other adjustments	0.1	—
Income from continuing operations before income taxes as adjusted	13.5	12.8
<b>Distribution</b>		
Income from continuing operations before income taxes as reported	3.5	3.5
Restructuring expenses and other adjustments	0.1	0.6
Income from continuing operations before income taxes as adjusted	3.6	4.1
Corporate and interest expense as reported	(12.9)	(9.0)
Professional and legal fees	1.8	—
Corporate and interest expense as adjusted	(11.1)	(9.0)
<b>Continuing Operations</b>		
Income from continuing operations before income taxes as reported	4.0	7.3
Restructuring expenses and other adjustments	2.0	0.6
Income from continuing operations before income taxes as adjusted	6.0	7.9
Income taxes*	2.0	2.8
Income from continuing operations as adjusted	\$ 4.0	\$ 5.0
Adjusted earnings per diluted share from continuing operations	\$ 0.13	\$ 0.15

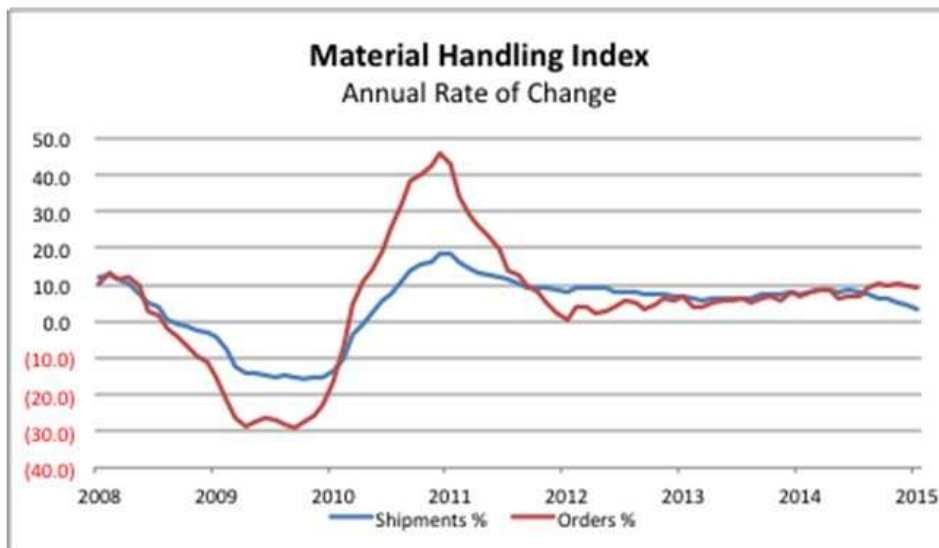
\*Income taxes calculated using the normalized effective tax rate for each year.

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 3.6% in January 2015 and 2.5% in February 2015.



Source: Material Handling Industry (MHI) Feb 2015 Forecast

## Material Handling

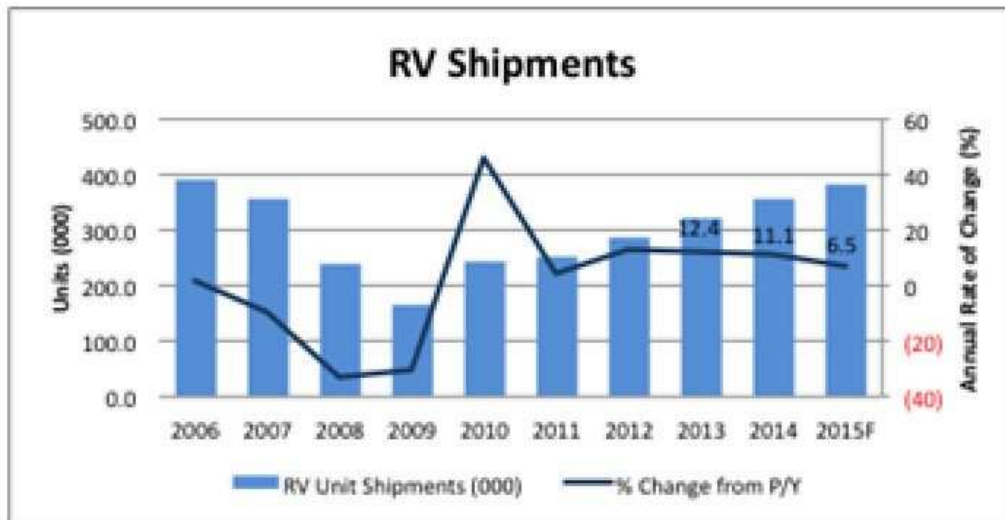
- The Outdoor Power Equipment Institute (OPEI) estimates that total outdoor power equipment shipments will increase by 3.6% in 2015.

	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 than the previous few years.

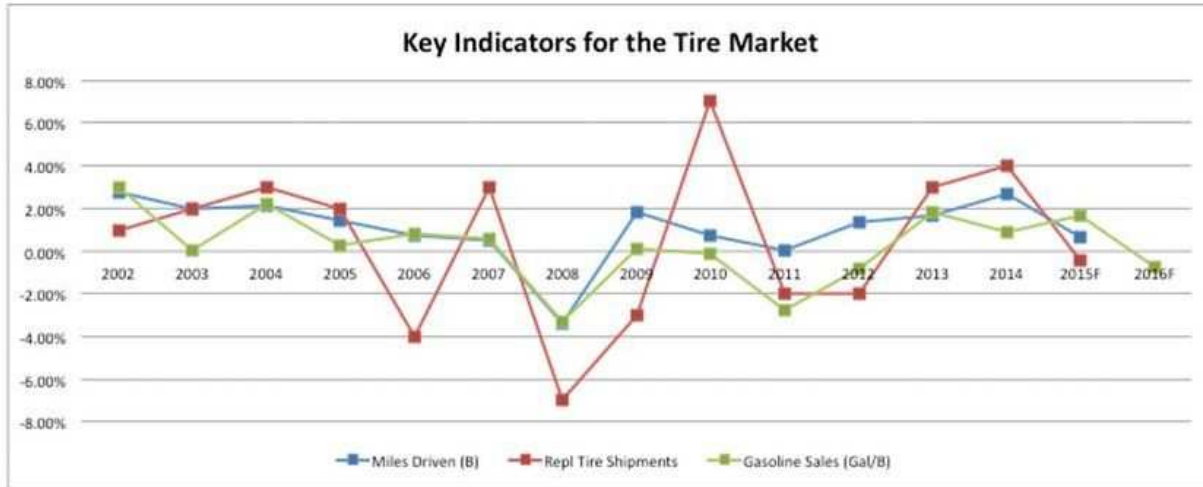


Source: RVIA Release



## Distribution

- The Rubber Manufacturers Association (RMA) projects a slight decrease in replacement tire shipments in 2015 (-0.4%).



Source: JP Morgan, RMA

