



Earnings Call Presentation

First Quarter 2023

May 4, 2023

Safe Harbor Statement & Non-GAAP Measures

Statements in this presentation 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 “will”, “expect”, “believe”, “project”, “plan”, “anticipate”, “intend”, “objective”, “outlook”, “target”, “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: residual impacts from the COVID-19 pandemic on our business, conditions, customers and capital position; the impact of the current inflationary environment on local, national and global economic conditions; raw material availability, increases in raw material costs, or other production costs and impacts of other price increases, risks associated with our strategic growth initiatives or the failure to achieve the anticipated benefits of such initiatives; unanticipated downturn in business relationships with customers or their purchases; competitive pressures on sales and pricing; changes in the markets for the Company’s business segments; changes in trends and demands in the markets in which the Company competes; operational problems at our manufacturing facilities, or unexpected failures at those facilities; 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; and other important factors detailed previously and from time to time in the Company’s filings with the Securities and Exchange Commission, including the Company’s Annual Report on Form 10-K for the year ended December 31, 2022 and subsequent Quarterly Reports on Form 10-Q. Such reports are available on the Securities and Exchange Commission’s public reference facilities and its website at www.sec.gov and on the Company’s Investor Relations section of its website at 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.

The Company refers to certain non-GAAP financial measures throughout this presentation. Adjusted gross margin, adjusted EBITDA margin, debt to adjusted EBITDA, adjusted gross profit, adjusted operating income, adjusted operating income margin, adjusted EBITDA, diluted adjusted EPS, and free cash flow are non-GAAP financial measures and are intended to serve as a supplement to results provided in accordance with accounting principles generally accepted in the United States. Myers Industries believes that such information provides an additional measurement and consistent historical comparison of the Company’s performance. Reconciliations of the non-GAAP financial measures to the most directly comparable GAAP measures are available in the appendix of this presentation.

- ❑ **Self help initiatives and effective cost management drove gross margin expansion**
 - Proactive measures taken to address inflationary pressures mostly offset impact of lower sales in the quarter
 - Adjusted gross margin expanded 90 basis points to 33%

- ❑ **Customer demand remains mixed across end markets**
 - Strong demand in Food & Beverage
 - Mixed demand in Industrial
 - Softer demand in RV, Marine, and Consumer

- ❑ **Improved financial flexibility through strong cash flow generation**
 - Generated \$26 million of cash flow from continuing operations and \$17 million of free cash flow

Q1 2023 Financial Summary

(In \$ millions except EPS)	Q1 '23	Q1 '22	% Change
Net Sales	\$215.7	\$225.5	-4.3%
Adj Gross Profit	71.2	72.3	-1.6%
<i>Adj Gross Margin</i>	33.0%	32.1%	+90 bps
Adj Op Income	20.3	25.8	-21.4%
<i>Adj Op Income Margin</i>	9.4%	11.5%	-210 bps
Adj EBITDA	25.9	31.0	-16.5%
<i>Adj EBITDA Margin</i>	12.0%	13.8%	-180 bps
Diluted Adjusted EPS	\$0.38	\$0.50	-24.0%

Items in this table may not recalculate due to rounding

- Net sales decreased \$9.8M, or 4.3% due to lower sales in Material Handling, partially offset by higher sales in Distribution, primarily driven by the Mohawk acquisition
- Contributions from pricing actions, lower raw material costs, and the Mohawk acquisition were not enough to offset lower volume/mix and higher SG&A due primarily to Mohawk and higher legal fees

Q1 2023 Segment Results

Material Handling

(In \$ millions)	Q1 '23	Q1 '22	% Change
Net Sales	\$152.6	\$176.6	-13.6%
Adj Op Income	25.8	31.9	-19.1%
Adj Op Income Margin	16.9%	18.0%	-110 bps
Adj EBITDA	30.4	36.4	-16.5%
Adj EBITDA Margin	19.9%	20.6%	-70 bps

Items in these tables may not recalculate due to rounding

- Net sales declined 13.6% as benefits from strong demand in the Food & Beverage were more than offset by softer demand in the RV, Marine and Consumer markets
- Adjusted EBITDA margin was down 70 bps driven by lower sales/mix and higher SG&A expenses, primarily due to higher legal costs resulting from \$1.4M of success fees payable in conjunction with a patent infringement trial

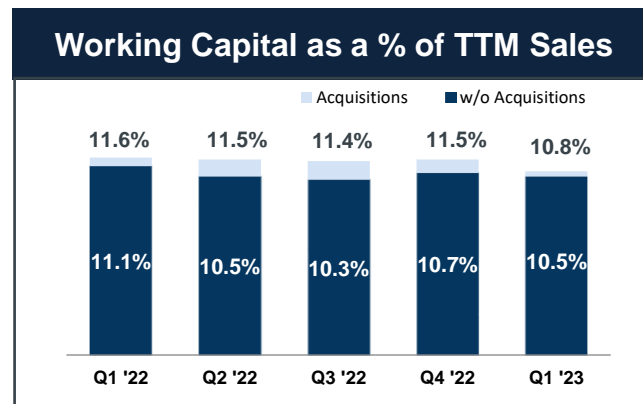
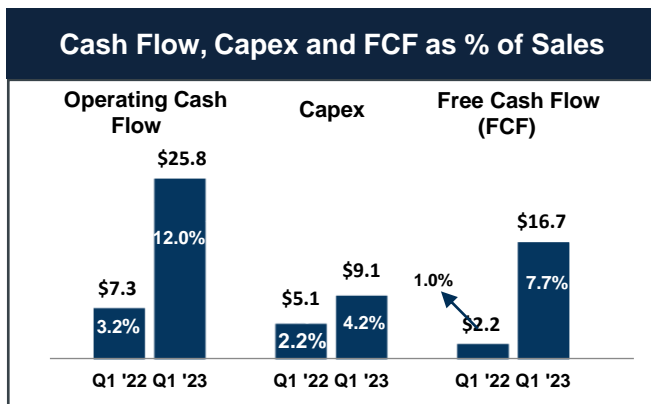
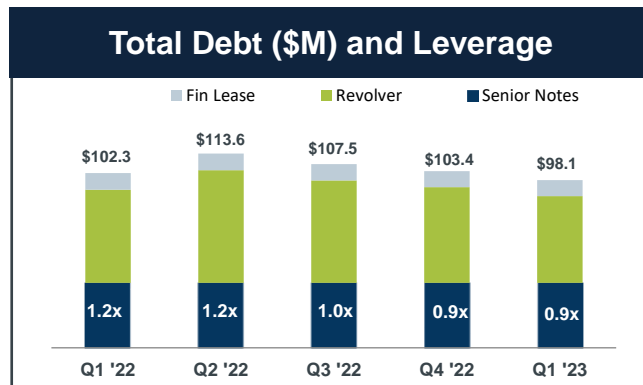
Distribution

(In \$ millions)	Q1 '23	Q1 '22	% Change
Net Sales	\$63.2	\$48.9	29.3%
Adj Op Income	2.5	3.3	-23.5%
Adj Op Income Margin	4.0%	6.8%	-280 bps
Adj EBITDA	3.4	3.9	-11.9%
Adj EBITDA Margin	5.4%	7.9%	-250 bps

- Organic net sales growth of 1% (excluding the Mohawk Rubber acquisition) due primarily to pricing actions
- Adjusted EBITDA margin was lower due to an unfavorable sales mix, higher product and freight costs, and increased SG&A expenses driven by the Mohawk acquisition and higher labor costs at distribution centers

Balance Sheet and Cash Flow

- Quarterly free cash flow of \$16.7M; capital expenditures were \$9.1M
- Working capital as percentage of sales lower due primarily to the contribution from self-help initiatives and stronger cash collections
- Cash balance at the end of Q1 was \$28.2M; debt to adjusted EBITDA at 0.9x



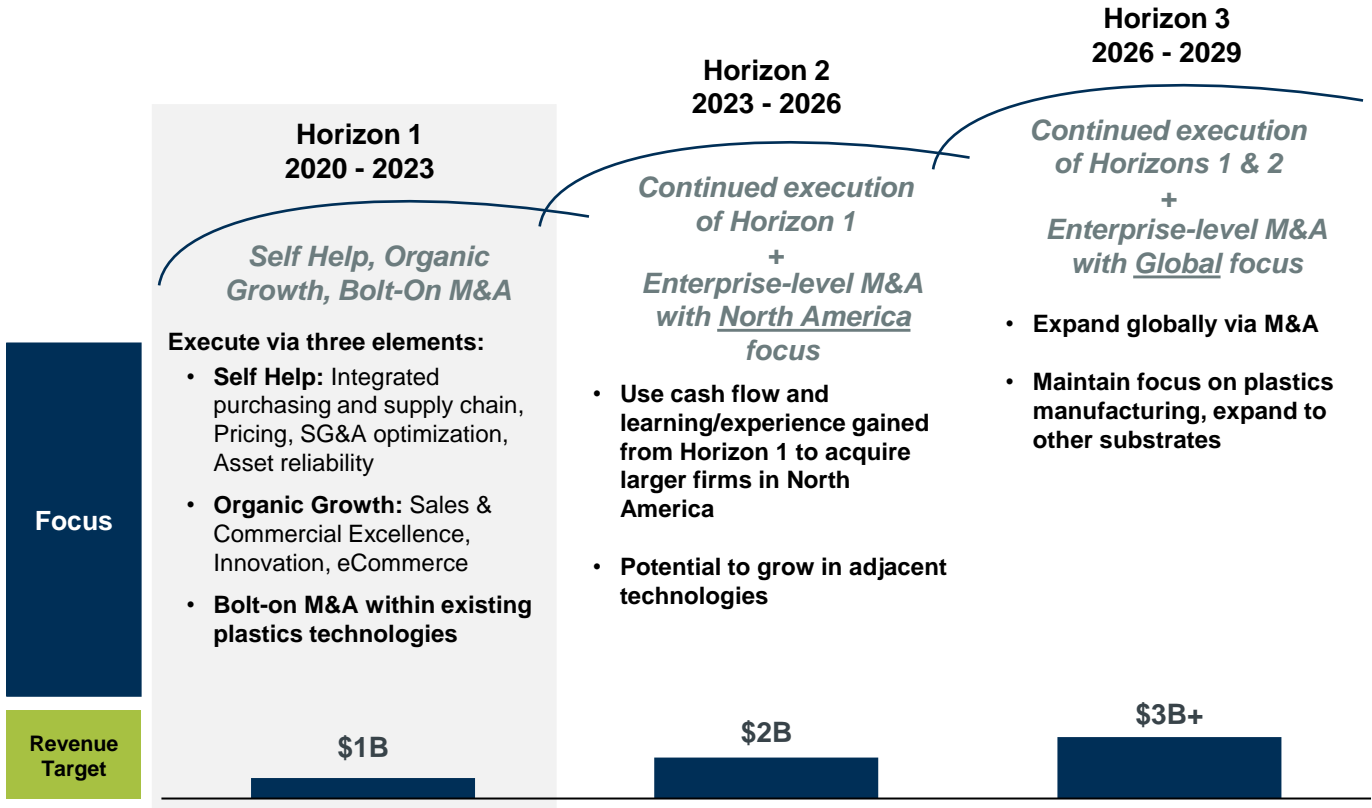
Full Year Fiscal 2023 Outlook

	Current Outlook	Prior Outlook
Net Sales Growth	Low-Mid Single Digits	Low-Mid Single Digits
Diluted EPS	\$1.50 - \$1.80	\$1.51 - \$1.81
Adjusted Diluted EPS	\$1.55 - \$1.85	\$1.55 - \$1.85
Capital Expenditures	\$25M - \$30M	\$25M - \$30M
Effective Tax Rate	~25%	~25%

Other Items

- ❑ Depreciation and amortization expected to be ~\$23M
- ❑ Net interest expense to be ~\$6.5M
- ❑ Diluted share count to be ~36.9M

Our Long-Term Vision



Strategic Objective:

Transform Material Handling Segment into a high-growth, customer-centric innovator of engineered plastic solutions, while continuing to optimize and grow Distribution Segment

1

Organic Growth

- Sales & Commercial excellence
- Pricing focus
- Innovation/NPD
- Sustainability
- eCommerce

2

Strategic M&A

- Bolt-on M&A focused on Plastics
- Opportunistic M&A in Distribution
- Integration playbook

3

Operational Excellence

- Continuous improvement
- Purchasing rigor
- SG&A allocation & deployment
- Internal Integration “One Myers”

4

High-Performing Culture

- Safety first
- Talent development
- Inclusion
- Servant leadership
- Community involvement

Goals: \$1B in revenue; 15% EBITDA; Top quartile TSR; “One Myers” culture & mindset

Progress Against Pillars

1

Organic Growth

- ❑ In Material Handling, winning new accounts in Industrial and Food & Beverage end markets to replace sales declines driven by soft demand in RV, Marine, and Consumer end markets.
- ❑ In Distribution, implementing price increases to improve margins; Driving share gains through new customer wins.

2

Strategic M&A

- ❑ Continue to integrate Mohawk Rubber with a clear pathway to continue improving profitability and performance for the Distribution segment.
- ❑ Strong balance sheet to support future M&A opportunities, paired with a proven and repeatable integration process.

3

Operational Excellence

- ❑ “One Myers” approach to Purchasing, Integrated Supply Chain, and Product/Asset Management continues to drive improved performance.
- ❑ Implementing “Myers Business System” to ensure improvements we make are sustainable and scalable.

4

High-Performing Culture

- ❑ Recruiting and developing world class capabilities through cross-company employee development programs and succession planning.
- ❑ Transforming Myers’ culture through Servant Leadership and “One Myers” approach.

Appendix

Reconciliation of Non-GAAP Measures



MYERS INDUSTRIES, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
GROSS PROFIT, OPERATING INCOME AND EBITDA (UNAUDITED)
(Dollars in thousands)

	Quarter Ended March 31, 2023				
	Material Handling	Distribution	Segment Total	Corporate & Other	Total
Net sales	\$ 152,562	\$ 63,185	\$ 215,747	\$ (8)	\$ 215,739
Gross profit					71,065
Add: Restructuring expenses and other adjustments					102
Adjusted gross profit					71,167
Gross margin as adjusted					33.0%
Operating income (loss)	25,351	2,237	27,588	(8,631)	18,957
<i>Operating income margin</i>	16.6%	3.5%	12.8%	n/a	8.8%
Add: Acquisition and integration costs	—	109	109	126	235
Add: Restructuring expenses and other adjustments	421	179	600	10	610
Add: Environmental reserves, net ⁽²⁾	—	—	—	500	500
Adjusted operating income (loss) ⁽¹⁾	25,772	2,525	28,297	(7,995)	20,302
Adjusted operating income margin	16.9%	4.0%	13.1%	n/a	9.4%
Add: Depreciation and amortization	4,599	873	5,472	146	5,618
Adjusted EBITDA	\$ 30,371	\$ 3,398	\$ 33,769	\$ (7,849)	\$ 25,920
Adjusted EBITDA margin	19.9%	5.4%	15.7%	n/a	12.0%

(1) Includes gross profit adjustments of \$102 and SG&A adjustments of \$1,243

(2) Includes environmental charges of \$1,600 net of probable insurance recoveries of \$1,100

Reconciliation of Non-GAAP Measures



MYERS INDUSTRIES, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
GROSS PROFIT, OPERATING INCOME AND EBITDA (UNAUDITED)
(Dollars in thousands)

	Quarter Ended March 31, 2022				
	Material Handling	Distribution	Segment Total	Corporate & Other	Total
Net sales	\$ 176,636	\$ 48,861	\$ 225,497	\$ (11)	\$ 225,486
Gross profit					71,928
Add: Restructuring expenses and other adjustments					390
Adjusted gross profit					72,318
Gross margin as adjusted					32.1%
Operating income (loss)	31,220	3,301	34,521	(10,116)	24,405
Operating income margin	17.7%	6.8%	15.3%	n/a	10.8%
Add: Acquisition and integration costs	—	—	—	75	75
Add: Restructuring expenses and other adjustments	390	—	390	—	390
Add: Loss on sale of assets	261	—	261	—	261
Add: Environmental charges	—	—	—	700	700
Adjusted operating income (loss) ⁽¹⁾	31,871	3,301	35,172	(9,341)	25,831
Adjusted operating income margin	18.0%	6.8%	15.6%	n/a	11.5%
Add: Depreciation and amortization	4,516	558	5,074	126	5,200
Adjusted EBITDA	\$ 36,387	\$ 3,859	\$ 40,246	\$ (9,215)	\$ 31,031
Adjusted EBITDA margin	20.6%	7.9%	17.8%	n/a	13.8%

(1) Includes gross profit adjustments of \$390 and SG&A adjustments of \$1,036

Reconciliation of Non-GAAP Measures



MYERS INDUSTRIES, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
ADJUSTED OPERATING INCOME, ADJUSTED EBITDA AND FREE CASH FLOW (UNAUDITED)
(Dollars in thousands, except per share data)

	Quarter Ended March 31,	
	2023	2022
Adjusted operating income (loss) reconciliation:		
Operating income (loss)	\$18,957	\$24,405
Restructuring expenses and other adjustments	610	390
Acquisition and integration costs	235	75
Loss on sale of assets	—	261
Environmental charges	500	700
Adjusted operating income (loss)	<u>\$20,302</u>	<u>\$25,831</u>
Adjusted EBITDA reconciliation:		
Net income (loss)	\$12,976	\$17,337
Income tax expense (benefit)	4,335	5,921
Interest expense, net	1,646	1,147
Operating income (loss)	18,957	24,405
Depreciation and amortization	5,618	5,200
Restructuring expenses and other adjustments	610	390
Acquisition and integration costs	235	75
Loss on sale of assets	—	261
Environmental charges	500	700
Adjusted EBITDA	<u>\$25,920</u>	<u>\$31,031</u>
Free cash flow reconciliation:		
Net cash provided by (used for) operating activities	\$25,786	\$7,292
Capital expenditures	(9,091)	(5,060)
Free cash flow	<u>\$16,695</u>	<u>\$2,232</u>

Reconciliation of Non-GAAP Measures



MYERS INDUSTRIES, INC.
 RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
 ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER DILUTED SHARE (UNAUDITED)
 (Dollars in thousands, except per share data)

	Quarter Ended March 31,	
	2023	2022
Adjusted net income (loss) reconciliation:		
Net income (loss)	\$12,976	\$17,337
Income tax expense (benefit)	4,335	5,921
Income (loss) before income taxes	17,311	23,258
Restructuring expenses and other adjustments	610	390
Acquisition and integration costs	235	75
Loss on sale of assets	—	261
Environmental charges	500	700
Adjusted income (loss) before income taxes	18,656	24,684
Income tax expense, as adjusted ⁽¹⁾	(4,664)	(6,418)
Adjusted net income (loss)	<u>\$13,992</u>	<u>\$18,266</u>
Adjusted earnings per diluted share reconciliation:		
Net income (loss) per common diluted share	\$0.35	\$0.47
Restructuring expenses and other adjustments	0.02	0.01
Acquisition and integration costs	0.01	0.00
Loss on sale of assets	—	0.01
Environmental charges	0.01	0.02
Adjusted effective income tax rate impact	(0.01)	(0.01)
Adjusted earnings per diluted share ⁽²⁾	<u>\$0.38</u>	<u>\$0.50</u>

(1) Income taxes are calculated using the normalized effective tax rate for each year. The rate used in 2023 is 25% and in 2022 is 26%.

(2) Adjusted earnings per diluted share is calculated using the weighted average common shares outstanding for the respective period.

Reconciliation of Non-GAAP Measures



MYERS INDUSTRIES, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
ADJUSTED EBITDA AND DEBT (UNAUDITED)
(Dollars in thousands)

	<u>Q2 2021</u>	<u>Q3 2021</u>	<u>Q4 2021</u>	<u>Q1 2022</u>	<u>Q2 2022</u>	<u>Q3 2022</u>	<u>Q4 2022</u>	<u>Q1 2023</u>
Income (loss) from continuing operations	\$ 11,075	\$ 7,903	\$ 7,255	\$ 17,337	\$ 15,831	\$ 13,671	\$ 13,428	\$ 12,976
Add: income tax expense	3,795	2,858	2,337	5,921	5,575	4,507	1,940	4,335
Add: interest expense, net	999	1,056	1,158	1,147	1,211	1,719	1,654	1,646
Add: depreciation	4,176	3,383	3,707	3,774	3,848	3,395	3,960	3,962
Add: amortization	1,194	1,375	1,426	1,426	1,394	1,764	1,656	1,656
EBITDA	<u>21,239</u>	<u>16,575</u>	<u>15,883</u>	<u>29,605</u>	<u>27,859</u>	<u>25,056</u>	<u>22,638</u>	<u>24,575</u>
Add: Adjustments	(769)	711	1,718	1,426	1,001	2,116	(537)	1,345
EBITDA as adjusted	<u>\$ 20,470</u>	<u>\$ 17,286</u>	<u>\$ 17,601</u>	<u>\$ 31,031</u>	<u>\$ 28,860</u>	<u>\$ 27,172</u>	<u>\$ 22,101</u>	<u>\$ 25,920</u>
TTM EBITDA as adjusted				\$ 86,388	\$ 94,778	\$ 104,664	\$ 109,164	\$ 104,053
Debt*				\$ 102,262	\$ 113,644	\$ 107,524	\$ 103,399	\$ 98,076
Debt to Adjusted EBITDA				1.2x	1.2x	1.0x	0.9x	0.9x

*Includes finance leases

Reconciliation of Non-GAAP Measures



MYERS INDUSTRIES, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
WORKING CAPITAL (UNAUDITED)
(Dollars in thousands)

	<u>Q2 2021</u>	<u>Q3 2021</u>	<u>Q4 2021</u>	<u>Q1 2022</u>	<u>Q2 2022</u>	<u>Q3 2022</u>	<u>Q4 2022</u>	<u>Q1 2023</u>
Net sales	\$ 187,369	\$ 200,058	\$ 199,579	\$ 225,486	\$ 233,156	\$ 228,065	\$ 212,840	\$ 215,739
TTM net sales				\$ 812,492	\$ 858,279	\$ 886,286	\$ 899,547	\$ 889,800
Working capital:								
Add: Accounts receivable, net				\$ 132,689	\$ 132,002	\$ 128,839	\$ 133,716	\$ 130,616
Add: Inventories				99,652	108,902	108,158	93,351	102,141
Add: Prepaid expenses and other current assets				4,889	11,301	10,491	7,001	5,781
Less: Accounts payable				(101,276)	(104,314)	(97,131)	(73,536)	(93,477)
Less: Accrued expenses				(41,999)	(49,454)	(49,528)	(57,531)	(49,153)
Total working capital				<u>\$ 93,955</u>	<u>\$ 98,437</u>	<u>\$ 100,829</u>	<u>\$ 103,001</u>	<u>\$ 95,908</u>
Working capital as a % of TTM net sales				11.6%	11.5%	11.4%	11.5%	10.8%

Note: Mohawk was acquired in June 2022.

Reconciliation of Non-GAAP Measures



MYERS INDUSTRIES, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
GUIDANCE FOR FULL YEAR ADJUSTED EARNINGS PER DILUTED SHARE
(UNAUDITED)

	Full Year 2023 Guidance	
	Low	High
GAAP diluted net income per common share	\$ 1.50	\$ 1.80
Add: Net restructuring expenses and other adjustments	0.03	0.03
Add: Acquisition and integration costs	0.01	0.01
Add: Environmental charges	0.01	0.01
Adjusted earnings per diluted share	<u>\$ 1.55</u>	<u>\$ 1.85</u>

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