



Earnings Call Presentation

Fourth Quarter and Full Year 2022

March 1, 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, 2021 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.

❑ **Record annual net sales**

- Record net sales for four consecutive quarters, including Q4
- Execution of self-help elements within our strategy supporting a strong top-line
- Net sales increased \$138M, or 18% in total, and up 10% on an organic basis
- Trilogy and Mohawk acquisitions contributed \$64M, or 8% of total growth

❑ **Record bottom-line results**

- Adjusted EBITDA increased \$37M, or 51%; margin expanded 260 basis points
- Adjusted earnings per diluted share increased \$0.71, or 73%

❑ **Focused execution of strategy drove significant margin expansion**

- Proactive measures taken to address inflationary pressures expanded gross margin by 370 basis points

❑ **FY2023 full year adjusted EPS outlook**

- Initiating adjusted EPS guidance of \$1.55 to \$1.85

Full Year 2022 Financial Summary

(In \$ millions except EPS)	2022	2021	% Change
Net Sales	\$899.5	\$761.4	18.1%
Adj Gross Profit	284.1	212.6	33.6%
<i>Gross Margin</i>	31.6%	27.9%	+370 bps
Adj Op Income	87.9	51.9	69.3%
<i>Op Income Margin</i>	9.8%	6.8%	+300 bps
Adj EBITDA	109.2	72.4	50.8%
<i>EBITDA Margin</i>	12.1%	9.5%	+260 bps
Diluted Adjusted EPS	\$1.68	\$0.97	73.2%

- Record top- and bottom-line results
- Net sales increased \$138.1 million driven by strong sales in both the Material Handling and Distribution segments
- Contributions from pricing actions, supply chain management, and recent acquisitions were partially offset by cost inflation, lower sales volume, and a change in sales mix

Q4 2022 Financial Summary

(In \$ millions except EPS)	Q4 '22	Q4 '21	% Change
Net Sales	\$212.8	\$199.6	6.6%
Adj Gross Profit	65.2	52.8	23.5%
<i>Gross Margin</i>	30.6%	26.4%	+420 bps
Adj Op Income	16.5	12.5	32.2%
<i>Op Income Margin</i>	7.7%	6.2%	+150 bps
Adj EBITDA	22.1	17.6	25.6%
<i>EBITDA Margin</i>	10.4%	8.8%	+160 bps
Diluted Adjusted EPS	\$0.32	\$0.23	39.1%

- Record top- and bottom-line results
- Net sales increased \$13.3 million primarily driven by the Mohawk acquisition
- Contributions from pricing actions, supply chain management, and the Mohawk acquisition were partially offset by lower volume and a change in sales mix

Q4 2022 Segment Results

Material Handling

(In \$ millions)	Q4 '22	Q4 '21	% Change
Net Sales	\$142.2	\$147.3	-3.4%
Adj Op Income	21.0	13.2	58.4%
Adj Op Income Margin	14.7%	9.0%	+570 bps
Adj EBITDA	25.5	17.7	44.6%
Adj EBITDA Margin	18.0%	12.0%	+600 bps

- Net sales declined 3.4% as benefits from pricing actions were more than offset by lower volumes in recreational vehicle and marine end markets
- Adjusted EBITDA was up 600 bps due to pricing actions and self-help initiatives, but were partially offset by lower sales volume and a change in sales mix

Distribution

(In \$ millions)	Q4 '22	Q4 '21	% Change
Net Sales	\$70.6	\$52.3	35.0%
Adj Op Income	4.1	5.4	-24.0%
Adj Op Income Margin	5.8%	10.3%	-450 bps
Adj EBITDA	5.0	6.0	-17.2%
Adj EBITDA Margin	7.0%	11.5%	-450 bps

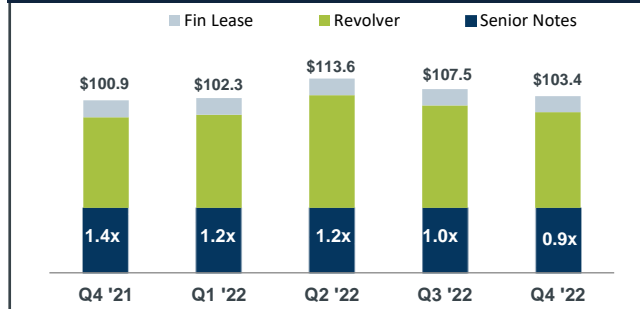
- Organic net sales growth of ~2% (excluding the Mohawk Rubber acquisition) due primarily to favorable pricing
- Adjusted EBITDA margin down 450 bps as favorable pricing actions were more than offset by higher product costs and increased selling expenses

Balance Sheet and Cash Flow

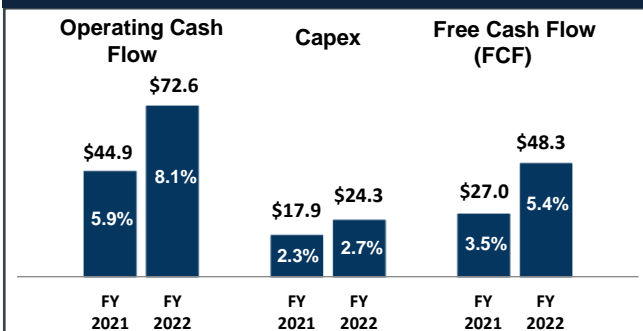
Highlights

- Quarterly free cash flow of \$15.2M; capital expenditures were \$6.7M
- Working capital as percentage of sales up vs. prior year due to an increase in accounts receivable (increased sales and change in sales mix)
- Cash balance at the end of Q4 was \$23.1M; debt to adjusted EBITDA at 0.9x

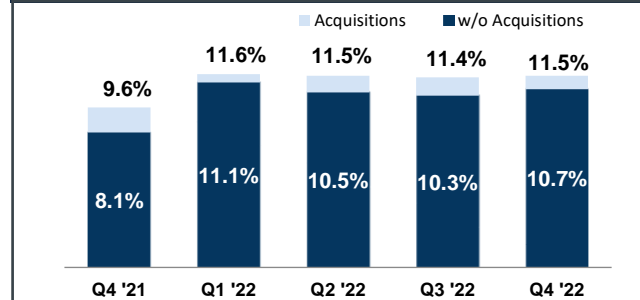
Total Debt (\$M) and Leverage



Cash Flow, Capex and FCF as % of Sales



Working Capital as a % of TTM Sales



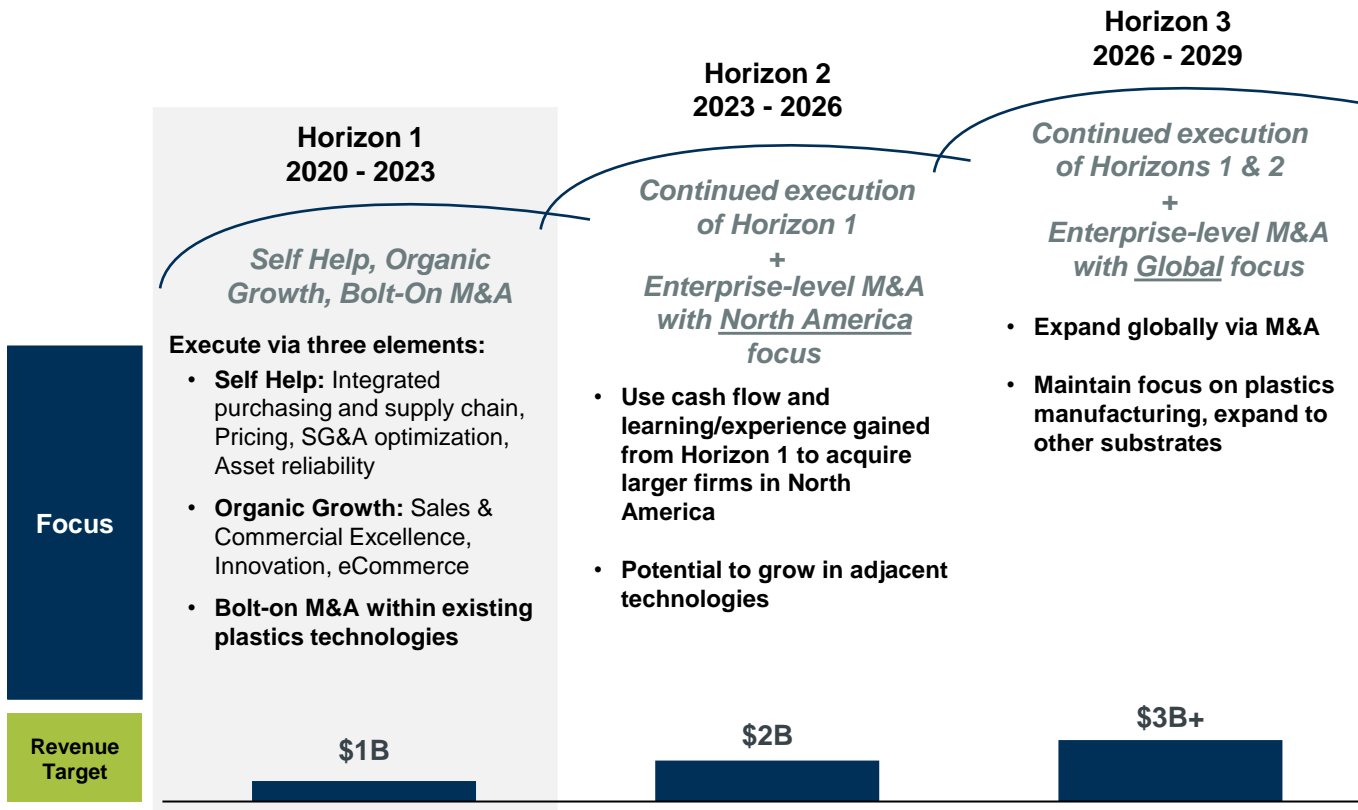
Full Year Fiscal 2023 Outlook

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

- ❑ Achieved organic revenue growth of 10% in 2022 due to continued benefits from value-based pricing and Pricing Excellence, as well as ongoing investments in sales training.
- ❑ Market Plans and resulting Sales Plans updated for 2023, providing clear and actionable targets for Marketers and Sellers to drive organic growth.

2

Strategic M&A

- ❑ Mohawk Rubber and rotational molding facility acquisitions provide additional capabilities, scale and cost efficiencies in the Distribution and Material Handling segments.
- ❑ Streamlined and refined M&A strategy and integration process to prepare for enterprise level transactions in Horizon 2.

3

Operational Excellence

- ❑ Implementing “Myers Operating System” to institutionalize operational improvements made in past two years as growth accelerates in Horizon 2.
- ❑ “One Myers” approach to Purchasing, Integrated Supply Chain, and Product/Asset Management continues to drive improved financial performance.

4

High-Performing Culture

- ❑ Cross-company Employee Development Planning and Succession Planning has proven effective when recruiting and developing world-class capabilities at Myers.
- ❑ Servant Leadership program allowed for significant development of our employees and served as a catalyst for our cultural transformation.

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)

	Year Ended December 31, 2022				
	Material Handling	Distribution	Segment Total	Corporate & Other	Total
Net sales	\$ 647,619	\$ 251,966	\$ 899,585	\$ (38)	\$ 899,547
Gross profit					283,366
Add: Restructuring expenses and other adjustments					744
Adjusted gross profit					284,110
Gross margin as adjusted					31.6%
Operating income (loss)	104,079	15,862	119,941	(36,000)	83,941
Add: Acquisition and integration costs	—	377	377	621	998
Add: Restructuring expenses and other adjustments	744	—	744	—	744
Add: Loss on sale of assets	261	—	261	—	261
Add: Impairment of investment in legacy joint venture	—	603	603	—	603
Add: Environmental reserves, net ⁽²⁾	—	—	—	1,400	1,400
Adjusted operating income (loss) ⁽¹⁾	105,084	16,842	121,926	(33,979)	87,947
Adjusted operating income margin	16.2%	6.7%	13.6%	n/a	9.8%
Add: Depreciation and amortization	17,814	2,889	20,703	513	21,216
Adjusted EBITDA	\$ 122,898	\$ 19,731	\$ 142,629	\$ (33,466)	\$ 109,163
Adjusted EBITDA margin	19.0%	7.8%	15.9%	n/a	12.1%

(1) Includes gross profit adjustments of \$744 and SG&A adjustments of \$3,262

(2) Includes environmental charges of \$7,400 net of expected insurance recoveries of \$6,000

Reconciliation of Non-GAAP Measures



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

	Year Ended December 31, 2021				
	Material Handling	Distribution	Segment Total	Corporate & Other	Total
Net sales	\$ 564,068	\$ 197,427	\$ 761,495	\$ (60)	\$ 761,435
Gross profit					211,421
Add: Restructuring expenses and other adjustments					867
Add: Acquisition and integration costs					348
Adjusted gross profit					212,636
Gross margin as adjusted					27.9%
Operating income (loss)	62,187	15,428	77,615	(28,314)	49,301
Add: Severance costs	—	527	527	318	845
Add: Acquisition and integration costs	348	—	348	883	1,231
Add: Restructuring expenses and other adjustments	867	—	867	—	867
Less: Gain on sale of assets	(995)	—	(995)	—	(995)
Add: Environmental charges	—	—	—	700	700
Adjusted operating income (loss) ⁽¹⁾	62,407	15,955	78,362	(26,413)	51,949
Adjusted operating income margin	11.1%	8.1%	10.3%	n/a	6.8%
Add: Depreciation and amortization	17,803	2,208	20,011	411	20,422
Adjusted EBITDA	\$ 80,210	\$ 18,163	\$ 98,373	\$ (26,002)	\$ 72,371
Adjusted EBITDA margin	14.2%	9.2%	12.9%	n/a	9.5%

(1) Includes gross profit adjustments of \$1,215 and SG&A adjustments of \$1,433

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 December 31, 2022				
	Material Handling	Distribution	Segment Total	Corporate & Other	Total
Net sales	\$ 142,235	\$ 70,614	\$ 212,849	\$ (9)	\$ 212,840
Gross profit					65,074
Add: Restructuring expenses and other adjustments					94
Adjusted gross profit					65,168
Gross margin					30.6%
Operating income (loss)	20,863	3,393	24,256	(7,234)	17,022
Add: Acquisition and integration costs	—	106	106	60	166
Add: Restructuring expenses and other adjustments	94	—	94	—	94
Add: Impairment of investment in legacy joint venture	—	603	603	—	603
Less: Environmental reserves, net ⁽²⁾	—	—	—	(1,400)	(1,400)
Adjusted operating income (loss) ⁽¹⁾	20,957	4,102	25,059	(8,574)	16,485
Adjusted operating income margin	14.7%	5.8%	11.8%	n/a	7.7%
Add: Depreciation and amortization	4,575	860	5,435	181	5,616
Adjusted EBITDA	\$ 25,532	\$ 4,962	\$ 30,494	\$ (8,393)	\$ 22,101
Adjusted EBITDA margin	18.0%	7.0%	14.3%	n/a	10.4%

(1) Includes gross profit adjustments of \$94 and SG&A adjustments of \$(631)

(2) Includes environmental charges of \$4,600 net of expected insurance recoveries of \$6,000

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 December 31, 2021				
	Material Handling	Distribution	Segment Total	Corporate & Other	Total
Net sales	\$ 147,284	\$ 52,308	\$ 199,592	\$ (13)	\$ 199,579
Gross profit					51,816
Add: Restructuring expenses and other adjustments					620
Add: Acquisition and integration costs					317
Adjusted gross profit					52,753
Gross margin as adjusted					26.4%
Operating income (loss)	12,292	5,399	17,691	(6,941)	10,750
Add: Environmental charges	—	—	—	700	700
Add: Restructuring expenses and other adjustments	620	—	620	—	620
Add: Acquisition and integration costs	317	—	317	81	398
Adjusted operating income (loss) ⁽¹⁾	13,229	5,399	18,628	(6,160)	12,468
Adjusted operating income margin	9.0%	10.3%	9.3%	n/a	6.2%
Add: Depreciation and amortization	4,429	595	5,024	109	5,133
Adjusted EBITDA	\$ 17,658	\$ 5,994	\$ 23,652	\$ (6,051)	\$ 17,601
Adjusted EBITDA margin	12.0%	11.5%	11.9%	n/a	8.8%

(1) Includes gross profit adjustments of \$937 and SG&A adjustments of \$781

Reconciliation of Non-GAAP Measures



MYERS INDUSTRIES, INC.
RECONCILIATION OF FREE CASH FLOW TO GAAP NET CASH PROVIDED BY
(USED FOR) OPERATING ACTIVITIES – CONTINUING OPERATIONS
(UNAUDITED)
(Dollars in thousands)

	YTD		YTD		Quarter
	December 31, 2022		September 30, 2022		December 31, 2022
Net cash provided by (used for) operating activities	\$ 72,621	-	\$ 50,759	=	\$ 21,862
Capital expenditures	(24,292)	-	(17,615)	=	(6,677)
Free cash flow	<u>\$ 48,329</u>	-	<u>\$ 33,144</u>	=	<u>\$ 15,185</u>

	YTD		YTD		Quarter
	December 31, 2021		September 30, 2021		December 31, 2021
Net cash provided by (used for) operating activities	\$ 44,914	-	\$ 13,544	=	\$ 31,370
Capital expenditures	(17,867)	-	(14,264)	=	(3,603)
Free cash flow	<u>\$ 27,047</u>	-	<u>\$ (720)</u>	=	<u>\$ 27,767</u>

Reconciliation of Non-GAAP Measures



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

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Income (loss) from continuing operations	\$ 7,305	\$ 11,075	\$ 7,903	\$ 7,255	\$ 17,337	\$ 15,831	\$ 13,671	\$ 13,428
Add: income tax expense	2,565	3,795	2,858	2,337	5,921	5,575	4,507	1,940
Add: interest expense, net	995	999	1,056	1,158	1,147	1,211	1,719	1,654
Add: depreciation	3,966	4,176	3,383	3,707	3,774	3,848	3,395	3,960
Add: amortization	1,195	1,194	1,375	1,426	1,426	1,394	1,764	1,656
EBITDA	16,026	21,239	16,575	15,883	29,605	27,859	25,056	22,638
Add: one-time adjustments (excludes depreciation adjustments)	989	(769)	711	1,718	1,426	1,001	2,116	(537)
EBITDA as adjusted	\$ 17,015	\$ 20,470	\$ 17,286	\$ 17,601	\$ 31,031	\$ 28,860	\$ 27,172	\$ 22,101
TTM EBITDA as adjusted				\$ 72,372	\$ 86,388	\$ 94,778	\$ 104,664	\$ 109,164
Debt*				\$ 100,882	\$ 102,262	\$ 113,644	\$ 107,524	\$ 103,399
Debt to Adjusted EBITDA				1.4x	1.2x	1.2x	1.0x	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>Q1 2021</u>	<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>
Net sales	\$174,429	\$187,369	\$ 200,058	\$ 199,579	\$ 225,486	\$ 233,156	\$ 228,065	\$ 212,840
TTM net sales				\$ 761,435	\$ 812,492	\$ 858,279	\$ 886,286	\$ 899,547
Working capital:								
Add: Accounts receivable, net				\$ 100,691	\$ 132,689	\$ 132,002	\$ 128,839	\$ 133,716
Add: Inventories				93,551	99,652	108,902	108,158	93,351
Add: Prepaid expenses and other current assets				5,500	4,889	11,301	10,491	7,001
Less: Accounts payable				(81,690)	(101,276)	(104,314)	(97,131)	(73,536)
Less: Accrued expenses				(44,969)	(41,999)	(49,454)	(49,528)	(57,531)
Total working capital				\$ 73,083	\$ 93,955	\$ 98,437	\$ 100,829	\$ 103,001
Working capital as a % of TTM net sales				9.6%	11.6%	11.5%	11.4%	11.5%

Note: Trilogy Plastics was acquired in July 2021 and Mohawk was acquired in June 2022.

Reconciliation of Non-GAAP Measures



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

	Full Year 2023 Guidance	
	Low	High
GAAP diluted net income per common share	\$1.51	\$1.81
Add: Net restructuring expenses and other adjustments	0.03	0.03
Add: Acquisition and integration costs	0.01	0.01
Adjusted diluted earnings per share	\$1.55	\$1.85

Monica Vinay

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