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Call Participants

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Presentation

Operator

Hello, and welcome to the Myers 2024 Fourth Quarter and Full Year Results. My name is Elliot, and I'll be your coordinator today. [Operator Instructions]

I would now like to hand over to Meghan Beringer, Senior Director of Investor Relations. Please go ahead.

Meghan Beringer
Senior Director of Investor Relations

Thank you, operator. Good morning, everyone, and thank you for joining Myers conference call to review 2024 fourth quarter and full year results. I'm Meghan Beringer, Senior Director of Investor Relations at Myers Industries.

Joining me today are Aaron Schapper, our new President and Chief Executive Officer; and Grant Fitz, Executive Vice President and Chief Financial Officer. After the prepared remarks, we will host a question-and-answer session.

Earlier this morning, we issued a press release outlining our financial results for the fourth quarter and full year of 2024. We have also posted a presentation to accompany today's prepared remarks, which is available under the Investor Relations tab at www.myersindustries.com. This call is being webcasted on our website and will be archived along with the transcript of the call shortly after this event.

Now please turn to Slide 3 of the presentation for our safe harbor disclosures. I would like to remind you that we may make some forward-looking statements during this call. These comments are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

Such statements are based on management's current expectations and involve risks, uncertainties and other factors, which may cause results to differ materially from those expressed or implied in these statements. Further information concerning these risks, uncertainties and other factors are set forth in the company's periodic SEC filings. Also, please be advised that certain non-GAAP financial measures such as adjusted gross profit, adjusted operating income, adjusted EBITDA and adjusted EPS may be discussed on this call.

Please turn to Slide 5 of our presentation, as I will now turn the call over to Aaron Schapper.

Aaron M. Schapper
President, CEO & Director

Thank you, Meghan. Good morning, everyone, and welcome to our call. It's my honor to be addressing you as the CEO of Myers. I would like to begin by thanking the Board for trusting me with the leadership of our company at this critical time. I also want to thank Dave Basque on behalf of the Board and the rest of the Myers global team. Dave has done a tremendous job as the interim CEO during the transition period, and I look forward to working closely with him as he resumes his special projects role. And finally, to the many Myers employees that I've met during my first months here, I especially want to express my gratitude for your very warm welcome and support. It is clear that Myers has a great team with even greater potential.

Building on the plans already in motion, there remains a lot of work we need to do to reach that potential. So, let's get to it. Myers is a company with a long proud history. We have strong brands and innovative products built over years of product development and strategic acquisitions, creating the diversified industrial company that we are today. Our products deliver protection from the ground up in array of applications. Scepter provides lighter, safer and battle-proven solutions for transporting ammunition, fuel and water for the defense industry. Signature Systems provides composite mats that provide sensitive grounds from damage while providing safe access for vehicles, equipment and personnel. Buckhorn's sustainable packaging solutions offer improved food supply protection.

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Myers Tire Supply serves the under-vehicle industry for fleet professionals, tire dealers, auto dealerships, re-traders and government and school systems, ensuring the safe delivery of products and people. This is a small sample of our attractive businesses that provide critical protection, delivering outsized value for our customers.

Many of our businesses are performing well as evidenced by our fourth quarter results. For those, we want to accelerate their growth while enhancing their performance. Other businesses in our portfolio are not currently performing to our expectations. For those, we will act quickly and decisively to make meaningful improvements. Prior to joining Myers, I spent 13 years at Valmont Industries, leading large divisions in the infrastructure and agriculture end markets, also serving as the Chief Strategy Officer.

I established a successful track record of building high-performing businesses that consistently delivered results even during challenging economic conditions. I'm energized by the opportunity to bring my experience to Myers, extending that track record of success by driving significant improvement in our financial performance. We are already taking decisive action by launching a Focused Transformation outlined on Slide 6. Our approach is focused, meaning we will prioritize the critical fume. We will focus on what we do best and ensure we are applying our resources where they have the greatest impact, on market opportunities that best align with our core competencies and on key strategic priorities to drive results. This is a transformation because we need to change course and chart a different path to deliver better results.

Some tough decisions and difficult trade-offs will be required to truly transform Myers into an even better company that I know we can be. Our leadership team is up for the challenge. Focused Transformation is designed to achieve results by attaining the following four outcomes: first, we will drive performance by establishing a culture of execution and accountability. We can no longer be satisfied with simply a good effort. We must be focused on achieving results. I will hold the managers accountable for doing what they say they will do just as the Board will hold me responsible for achieving our commitments. That is my promise to our employees, customers, and investors. Myers will be a company that does what we say we will do consistently and reliably.

Second, I'm actively engaged with our executive management team to deep dive into each of our businesses and understand their value proposition. Working together, we will create clear strategies to improve the profitability of each business in our portfolio. This process will identify action plans on which businesses are performing well and what we need to do to accelerate growth at expanded margins. At the same time, we will address those businesses that are underperforming and what actions are needed to get them on track. We will develop specific internal KPIs for all our businesses to elevate performance, track progress, and create accountability.

Our third objective is to deliver consistent and reliable results across the organization by effectively controlling what we can control. To get us started, we are announcing restructuring plans to deliver annualized cost savings of $20 million, primarily in SG&A by year-end 2025. This represents a reduction of about 10% of our SG&A spend.

However, this is not simply a move to cut costs and improve margins. The strategic restructurings will enhance our performance by improving efficiency, eliminating redundancy, and elevating the ability for management decision-making. Our core values of delivering results and continuous improvements will be hallmarks of this approach now and in the future.

Finally, a disciplined capital allocation deployment framework is an essential element of our Focused Transformation. Our approach includes investing in growth while returning cash to shareholders, enabled by a strong balance sheet. As our performance improves, we will be able to grow cash flow generation through expanded margins and prudent cash management, providing additional flexibility to fund our capital deployments.

Today, we announced a new $10 million share repurchase authorization. The new program reflects our confidence in the strength of our business and our commitment to return cash to shareholders. We will continue to invest in organic growth and plan to maintain our CapEx target of around 3% of sales with a focus on opportunities that offer the best growth and highest returns, building on the strength of our

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branded products portfolio. As we take action to achieve these objectives, we'll adapt and adjust where needed to ensure we deliver on our commitments. We will be transparent so you may assess our status and judge our progress.

Over the coming weeks, I'll be meeting with many of you as I work to hear directly from our customers and stakeholders regarding their views on how we can fully deliver on our potential. As we launch our Focused Transformation, we are temporarily suspending our practice of issuing formal annual guidance. We want to take some time to complete our action plan so we can offer you a more fully informed outlook. This decision is not the result of an emerging negative outlook on our business. On the contrary, we are encouraged by the overall sales trajectory of our business and confident in our ability to continue driving margin improvement in 2025. It is our intention to resume providing guidance as soon as possible.

In conclusion, we are moving forward with purpose, transforming Myers with speed, agility, urgency, and always acting with integrity. Our focus is to create a culture built on accountability that fulfills our commitments and delivers results with continuous improvement mindset. Myers has a strong platform and a rich history to build upon. I'm incredibly excited about our company, our employees, and our customers. I'm privileged to be here at the start of what I know will be a very bright future for our company. I believe you'll be pleased with what we are able to achieve.

With that, I will turn the call over to Grant to discuss the financial details of the company's fourth quarter and full-year results.

Grant E. Fitz
Executive VP & CFO

Thank you, Aaron, and welcome to the team. I'm very excited to partner with you as we launch our Focused Transformation program to drive improved results by creating a high-performance culture. Turning to Slide 8. We ended 2024 with a solid fourth quarter, achieving improvement on many important measures. However, there is still much more work to be done.

Fourth quarter net sales were $203.9 million, an increase of 6.7%. We had fourth quarter sales growth of 33% in our consumer end market, driven by Scepter fuel cans, and 13% growth in the industrial end market, driven by Scepter's military ammunition packaging. Infrastructure sales from Signature added $30.9 million of growth.

These year-over-year revenue increases were partially offset by lower Seed box volume in our Food & Beverage end market and 20% lower Distribution segment sales. Adjusted gross margin increased 210 basis points to 32.2%, driven largely by the acquisition of Signature and favorable product mix, partially offset by lower pricing and volume. Adjusted operating income improved to $17.6 million or 8.7% of sales compared to 8.3% of sales last year as the higher gross margin was partially offset by higher SG&A. The higher SG&A was primarily due to the Signature acquisition, including amortization, and was partially offset by reduced variable compensation.

Fourth quarter adjusted EBITDA was up 26.2%, and adjusted EBITDA margin was 13.5% compared to 11.4% last year. Diluted adjusted earnings per share was $0.19 compared to $0.29 in 2023, with the difference due primarily to increased interest expense.

Turning to Slide 9. Net sales for the Material Handling segment increased 20.3% compared to the prior year. Contribution from the Signature acquisition and strong sector military and fuel can sales were partially offset by seed box sales declines as Buckhorn continued to face cyclical market headwinds after a strong year in 2023.

Additionally, sales of our Scepter products exceeded the prior year by 48%. We are proud that our Scepter and Signature products helped with storm recovery efforts in the Southeast after significant storm damage this past fall. We also began to see some stabilization within the vehicle end market in Q4. We saw growth in our marine sales, but this was offset by lower volume of bulk container sales to automotive manufacturers.

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Material Handling's adjusted EBITDA increased 22.3% to $34.7 million, resulting in a 30-basis point increase in adjusted EBITDA margin to 22.7%. These improvements were attributed largely to the Signature acquisition and Scepter, partially offset by lower sales volume in our Buckhorn business. Distribution segment net sales decreased 20.2% due to lower volume and pricing. Adjusted EBITDA decreased $1.5 million to a loss of $300,000, primarily due to lower gross margin, partially offset by lower SG&A. Our continued efforts to reduce our Distribution cost structure includes the consolidation of a fourth Distribution center earlier this year.

We turn to Slide 10 to review our full year 2024 financial results. Net sales increased 2.9% to $836.3 million with the contributions from our Signature Systems acquisition and strong sales from our Scepter brand with growing sales of lightweight military ammunition packaging and increased fuel can demand due to storm activity. This was partially offset by lower Buckhorn seed box volume in the Food & Beverage end market and lower volume and pricing in our Distribution segment.

Adjusted operating income improved by $8.4 million or 11.1%. Adjusted EBITDA improved $24.2 million over the prior year or an increase of 24.7% and adjusted EBITDA margin improved 250 basis points to 14.6%, driven by positive mix and reduced variable compensation.

We also continue to achieve success in our e-commerce channel with $36 million in sales across the business, growing 12%. This will continue to be a focus area for us. In addition, the team is on pace with the synergy cost targets for the Signature acquisition. In total, these results drove diluted adjusted earnings per share of $1.04.

Turning to Slide 11. We generated free cash flow of $20.2 million in the fourth quarter and $54.9 million for the year. We reduced working capital as a percentage of sales this quarter, down 160 basis points sequentially as we work through seasonal inventory, and we were successful in reducing past due accounts receivable.

We invested $7.1 million in CapEx during the quarter, bringing the full year total to $24.4 million, which was 2.9% of sales. We also used our cash flow generation to reduce total debt by $26 million since March 31, 2024, and after the acquisition of Signature Systems. Our net leverage ratio was 2.7x. Cash on hand at the end of 2024 was $32.2 million. This provides us with additional flexibility to update our capital allocation priorities, which I will discuss on the next slide.

Please turn to Slide 12. As mentioned by Aaron, we have announced a new share repurchase program of $10 million to complement our ongoing dividends. Purchases will be opportunistic with narrow parameters. As the current share price of our shares do not, in our opinion, reflect our true value, we believe one of the best investments is in us. This disciplined share repurchase program will begin as early as March 10. As noted in the prior slide, we made progress in reducing our debt, bringing our net leverage ratio to 2.7x. In general, we are targeting a ratio of 1.5 to 2.5x. With our strong cash generation and balance sheet, we have ample liquidity to continue investing in growth and at the same time, return cash to shareholders.

Turning to Slide 13. While we are not providing formal guidance at this time, we did want to share some high-level qualitative expectations for the year. We continue to see balanced risk and opportunities for the business for both revenue and margin with continued internal focus to improve our cost structure through our Focused Transformation program.

Let me share our expectations by market. Signature growth to continue with strong infrastructure project spending, supported by material conversion from wood matting. Within industrial, depleted inventories will drive continued strong growth in military products. Additionally, we expect low single-digit growth in our bulk container and organizational products.

In our consumer end market, a more normalized storm season will likely result in low single-digit revenue decline for fuel container sales. Food & Beverage end market, including agriculture, is projected to be flat. The vehicle end market, which includes RV and marine, is stabilizing. Automotive aftermarket, also known as Distribution, will continue to stabilize as we improve our cost structure.

As Aaron mentioned, we are also committing to a $20 million or approximately 10% annualized cost reduction, primarily in SG&A by the end of 2025 through our Focused Transformation program. We

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believe this will right size the organization for the business that we have today and prepare us for growth tomorrow.

In closing, I would also like to address the topic of tariffs. Given that our manufacturing and supplier footprint is primarily based in the U.S., our current expectation is that tariffs will have some impact on the business, but this impact will likely be limited in the near term. However, and similar to the rest of the industry, the overall macroeconomic impact for new tariffs is uncertain.

I would now like to turn the call back to Aaron for some closing comments before we take your questions. Aaron?

Aaron M. Schapper
President, CEO & Director

Thank you, Grant. I'm extremely excited about the opportunity we have here at Myers. We are working with urgency to assess our business and make the necessary decisions to improve performance and create value. As I gain more clarity on the moving parts of our strategic plans and operational capabilities, we'll develop more detailed priorities and define specific initiatives to move us forward. As we do, I commit to being transparent with you to gain your trust. I look forward to meeting many of you in the coming weeks. With that, I'd like to turn the call over to the operator for questions.

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Question and Answer

Operator

First question comes from Christian Zyla with KeyBanc.

Christian Zyla
KeyBanc Capital Markets Inc., Research Division

Aaron, I know this is pretty new, but can you just give us a lay of the land for your first 65-ish days, just specifically on your view of the overall portfolio and any portfolio optimization actions you would take? The reason I ask is you generate solid margins and free cash flow in half or 3/4 of your business and then post 2% margin in the other part. So just any thoughts from you there on the overall portfolio?

Aaron M. Schapper
President, CEO & Director

Yes. So, kind of looking at portfolios, there are some things that have been really surprising as there we have some businesses that are performing well and generate a lot of cash and are doing very well in the market. And so, as I look across the portfolio, I'm going to take some time and understand how to reinforce those really strong portfolio of businesses and then also spend a lot of time understanding why we have other businesses that are underperforming and really deep dive into those.

And what I mean by deep dive is not only spend time with our employees, but also spend time with our customers, both the customers that we have, customers that we've lost and understand what's going on with those. I believe heavily in portfolio optimization. I believe that the simplicity of understanding what each portfolio is going to do, what their customer arc is and what employees are going to do in each of those businesses is critically important. So, as we kind of look, and we look at both our SG&A savings and the portfolio, we make sure that everyone is focused and as simplified of an organization as we can get in each of those businesses. So right now, early on, I can't give you a definitive answer on those, but I have been pleasantly surprised at some parts of our portfolio and the strength of it. And then on those weaker sides, we're going to really look hard both at cost structure and making sure that we're offering value to the customers.

Christian Zyla
KeyBanc Capital Markets Inc., Research Division

Great. Just 4Q marked the ninth quarter of consecutive organic sales deceleration in material handling. So, my question is, how much of that is share loss versus secular decliners versus maybe just weak end market demand? And I'm thinking outside of the small 2-to-3-gallon gas cans, where are you seeing the biggest declines on the material handling side?

Grant E. Fitz
Executive VP & CFO

Yes, I'll take that, Christian. This is Grant. Overall, Q4 was actually outside of Buckhorn and our Distribution business, the rest of the business has really performed really well. So, we saw growth really in all of our business units. So, I think with the exception of Buckhorn and Distribution, Buckhorn continues to really be facing the headwinds with the seed box declines that we had after a really strong 2023.

We do have plans that we're working on to basically offset that with some continued market share gains that we'd like to get in our manufacturing containers as well as in our bulk containers. And so, we're going to continue to monitor this, particularly with the macroeconomic industry or economy in the agricultural space.

But I think that, overall, I would say we're starting to see more lights of potential pickup in some of the markets that have been difficult for us in the past, particularly in the RV and Marine. And so that's been good to see that. I think we're at, continue to be at the trough level, but we do start to see some pickup

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with that. Now with the new administration and all the issues with tariffs, that's the other kind of unknown that we're working through. But I would really probably limit it at this point in time, Christian, largely to what we've seen with Buckhorn seed boxes and with Distribution.

Christian Zyla
KeyBanc Capital Markets Inc., Research Division

Great. Very helpful. And I'll just ask one more, leading to my next question, just on tariffs. How much of your direct COGS or material costs come from Canada, Mexico and China? And then what about any indirect impacts? I know it's early, but have you taken mitigation steps? Or what steps are you looking to take to kind of offset those?

Grant E. Fitz
Executive VP & CFO

Yes. In general, as I mentioned in the presentation, we don't have a large percentage of our material that comes from China or Mexico or Canada. We do have some exposure with some of the steel can sales that we have in Scepter, which is located in Canada. And those do, we also have a production facility in the US. So that gives us a good opportunity to basically balance some of our production between the two facilities. And so, we have,- in anticipation of some of the tariffs, we did pull some of the inventory that we had from Canada into the US so that we can get, essentially be mitigated in the short-term nature from that. But I would say, overall, our exposure on just pure material cost is probably in the 10% range and we think that we've got good abilities to potentially manage through that with pricing if we do see some longer-term impacts from the tariffs.

Christian Zyla
KeyBanc Capital Markets Inc., Research Division

Great. Thanks again.

Operator

We now turn to Anna Jolly with Gabelli. Your line is open.

Carolina Jolly

Hello, it's Carolina. Good morning. A couple of questions. To start, if you could just give a brief overview of Signature integration and how it's going relative to your expectations?

Aaron M. Schapper
President, CEO & Director

Yes. So, I'll start with that and then Grant can chime in because he's been working a lot of the integration in the last year. So, from my standpoint, it's been great to work with the Signature team. As we go and integrate, the things I'm concerned about is kind of the bigger cultural pieces, especially when we go look at our core values on delivering results and continuous improvement. The management team there at Signature are very like-minded with those kind of core values that we're really working for. And so, from an integration standpoint and a management standpoint, that's gone very, very nicely. And so, and even a lot of the tools that they use for process development and for report outs are similar tools that I've used in the past.

So really, from an integration standpoint, from our new direction of Myers, it's been a pleasant surprise that they're using those management tools. And so, from my standpoint, as I'm entering into the business, it's been a really good working relationship. And as far as the back end, I'll turn it over to Grant to talk about how the synergies have done.

Grant E. Fitz
Executive VP & CFO

Hi, Carolina. Just in general, it's been a really good acquisition. I think as Aaron indicated I think the cultural fit has been very good. And just, one of the pleasant surprises as he mentioned is that we're able

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to leverage many of the processes that they have into some of our legacy businesses. From a financial perspective, it really is very much on track with what our projections were with the original business case.

Signature had a very strong Q4. It was a significant growth over the prior year, well over 50%. And then additionally, they had a record year for the MegaDeck product, which is a big driver of their overall financial performance. And we do see on the synergies, that's very much on track. We actually probably have some upside opportunities on the synergies, which we're continuing to leverage. And I think that overall, in terms of the different transactions I've had throughout my career, this one has been very much a very good and smooth transition so far.

Carolina Jolly

Perfect. Thanks. And then on the second question, just the Distribution business. Can you discuss a little what is happening there? Is it continued integration issues on Mohawk? Or is it end market issues? And is there a scale issue in that business where maybe it's difficult to compete at the size of the current business?

Aaron M. Schapper
President, CEO & Director

Yes. So, I'll be spending time with distribution, spending a lot more time with Distribution to give you a better answer. But after my first two months here, I would say it's a mixture of both end market issues. There's a lot of consolidation, a lot of things going on in the back end with our customers. And then it's also an issue of we've made mistakes ourselves. So, it's really a mixture of both things.

Now those, the mistakes that we've made, we are absolutely determined to fix and we've already made management changes and looking at the structure of the business to make sure that we're offering the right structure to the market to make sure we add value. But I think it was a mixture of two different things. Obviously, some of the acquisitions between Tuffy and Mohawk and the integration of those didn't help. But once again, we are, look, when we make mistakes, we will admit it. We made some mistakes on this. We're going to get it fixed, and we look forward to sharing the results with you.

Carolina Jolly

Okay.

Operator

We now turn to William Dezellem with Tieton Capital Management. Your line is open. Please go ahead.

William Joseph Dezellem
Tieton Capital Management, LLC

Thank you. I'd actually like to come back to tariffs, but from the perspective of your competitors, across the businesses. Is it your sense that their supply chain is more susceptible to tariffs or less susceptible? And I recognize we have a lot of businesses here that, that question would address. But if you've looked at that from an aggregate perspective, that would be helpful. And then I do have a couple of others.

Grant E. Fitz
Executive VP & CFO

Bill, it's Grant. It's difficult to know exactly where all of our competitors are at in terms of their exposure with tariffs. But I would say that in general, I think Myers is in a very good position with being largely U.S.-based and also having much of our material that comes from the U.S. as well, too. I don't have specific facts to say is that better than what our competitors are. But I do think that we are in a very good position with this, particularly in the short term. We have looked at some of our specific products in particular with Canada. As I mentioned, we do ship some fuel containers from Canada into the U.S. for sales.

We looked at some of our competitors, and they do have some content that comes from overseas as well that we think will partially offset some of the competitive aspect of that. But we feel we're in a pretty good

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position right now. And I would say, in general, my reaction is that we're probably in a little bit better position than the rest of the industry.

William Joseph Dezellem
Tieton Capital Management, LLC

Great. And then allow me to jump to the RV and marine. I think a couple of times within your prepared remarks today, there was a reference to green shoots that you're seeing in the RV and marine markets. # 1, did I hear you all correctly? And if so, would you dive into a bit more detail on what it is that you're seeing, just given that, that has been a real headwind area for you all?

Grant E. Fitz
Executive VP & CFO

I'll go ahead and take that one. In general, the RV industry is in a trough for 2023 and 2024. We don't have the final market to report yet on 2024. But in November, the RV industry was reporting basically the projection is that they're going to be flat, and within that, they are seeing as far as the market goes that the towable units are up year-over-year from '23 versus '24, but the motorhomes are down. And so those 2 are basically offsetting each other.

The channel, we're trying to get some further information into the channel inventory and where that sits, but it looks like that has started to come down some, particularly from the high levels that we had in '23. And so overall, we are seeing what I would say are maybe potentially some light at the end of the tunnel, but there's so much uncertainty I would also add with just the general issues with the tariffs and things of that nature and just overall interest rates. I think we're just in a holding pattern to see how quickly that could go in terms of any changes as a result of some of those macroeconomic indicators.

William Joseph Dezellem
Tieton Capital Management, LLC

And what, if any, share pickup opportunities or changes in designs that would potentially lead to an improvement in your sales opportunities?

Aaron M. Schapper
President, CEO & Director

As the RVs and marine, there's always good pickup when there's a new design that comes through. So, as they kind of work through their new lines that they rolled out, there's always great opportunity for us to redesign so that we can get a better both cost structure and margin profile. So, we're always welcoming the new designs as they come through.

Grant E. Fitz
Executive VP & CFO

And I would just add, though, I mean we have been working closely with our marine customers. And in particular, we have been working on some marine design changes that really help to benefit them. And so, I think there's some opportunities there. It really goes back to what Aaron talked about on being customer focused as a company and just really working with our customers on ways that we can make their businesses better.

Operator

We have a follow-up from Christian Zyla with KeyBanc.

Christian Zyla
KeyBanc Capital Markets Inc., Research Division

Great. Just a follow-up on Distribution. Last quarter, and I think in today's prepared remarks, you talked about making footprint changes in Distribution, but also adding salespeople and reinvesting in that business. So how should we think about profitability for the Distribution segment in 2025? Just, I guess,

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qualitatively, presumably, you're adding salespeople to grow that business, but then the new initiative looks to reduce SG&A costs. So, can you just frame those 2 for me?

Grant E. Fitz
Executive VP & CFO

I would say, Christian, we're continuing to work this. We haven't provided firm guidance as we really have this Focused Transformation project that we're working on, which we think should really help to improve our overall cost structure. The Distribution business will clearly be part of that as well, too. I would say we mentioned about we have closed another Distribution center without having any impact on our ability to serve customers in the needed time frames. So that's been something that we will see some pickup with the cost structure on in 2025.

Additionally, we are bringing on new sellers. We do have a new leader, as we've talked about in the past, that's taking a very disciplined approach on looking at our sales coverage in our territories and also really starting to accelerate some of the efforts that we have for e-commerce, particularly with our MTS Xpress app, which makes it easier for customers to order from us. And then also just continuing to enhance our website so that we can get more online activity through our website as well, too. So, I would say we'll have more to come on the overall cost impacts as we work this plan over the next quarter, and we'll certainly provide additional updates in our next earnings call on that.

Operator
Ladies and gentlemen, we have no further questions. So, this concludes our Q&A and today's conference call. We'd like to thank you for your participation. You may now disconnect your lines.

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