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Myers Industries, Inc. (MYE)

Q2 2022 Earnings Call

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MANAGEMENT DISCUSSION SECTION

Hello, everyone, and thank you for joining Myers Industries Second Quarter 2022 Earnings Call. My name is Tasnov and I'll be moderating your call today. [Operator Instructions]

I now have the pleasure of handing over to your host Monica Vinay. Please go ahead.

Monica Vinay

Interim Chief Financial Officer, Vice President-Investor Relations & Treasurer, Myers Industries, Inc.

Thank you. Good morning and thank you for joining us. I'm Monica Vinay, Interim Chief Financial Officer and Vice President of Investor Relations and Treasurer at Myers Industries. Joining me today is Mike McGaugh, President and Chief Executive Officer.

Earlier this morning, we issued a news release outlining the financial results for the second quarter of 2022. We have also posted a slide presentation to accompany today's prepared remarks. If you've not yet received a copy of either the release or the presentation, you can access them on our website at www.myersindustries.com under the Investor Relations tab. This call is also being webcast on our website and will be archived along with the transcripts of the call shortly after this event.

Please turn to slide 2 of the slide 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.

Also, please be advised that certain non-GAAP financial measures such as adjusted operating income, adjusted EBITDA and adjusted EPS may be discussed on this call. Further information concerning these risks,

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uncertainties and other factors is set forth in the company's periodic SEC filings and may be found in the company's 10-K.and 10-Q filings.

Please turn to slide 3 of our presentation, and I'm now pleased to turn the call over to Mike McGaugh.

Michael P. McGaugh

President, Chief Executive Officer & Director, Myers Industries, Inc.

Thank you, Monica. Good morning, everyone, and welcome to our second quarter 2022 earnings call. I'm pleased to report another quarter of exceptionally strong results for Myers Industries. Our transformation is underway. Our strategy is working. Our teams are aligned and working well together and as a result, we are driving record results for both sales and earnings.

Our second quarter performance reflects consistent and meaningful progress against our 3-Horizon strategy and provides additional proof points demonstrating our ability to execute and drive the transformation of Myers Industries. As the second quarter evolved, we were able to see results from our self-help initiatives. These initiatives have driven our second quarter performance in an outstanding first half of 2022.

For the quarter, Myers delivered a 24% increase in net sales compared to the same period last year. This marks the seventh sequential quarter of double-digit top line growth. This performance is remarkable. It would not have been possible without the changes we've made over the past couple of years. The strong top line momentum flow through the income statement, delivering a 55% increase in our adjusted EPS and a 41% increase in our adjusted EBITDA. I'm pleased with our performance in both the top and bottom line, as it demonstrates that our strategy is translating into consistent companywide growth quarter-after-quarter. As a result of this performance, we are raising our fiscal 2022 outlook for both revenue and earnings, and Monica will outline that later in her talk.

Please turn to slide 4, where we show a more detailed summary of our second quarter results. Our sales growth was the driver of strong results across both the Material Handling and Distribution segments, with net sales of $233 million, up 24% versus the same period last year. Just as we did in first quarter, in the second quarter, we realized the benefits of the pricing actions taken by our commercial teams throughout 2021 and into 2022. These actions more than offset inflationary pressure in raw materials, freight and labor. As a result, our margins expanded again, with gross margins improving 260 basis points compared to the year ago period.

In spite of the macroeconomic environment, the resilience of our businesses, the earnings resilience of Myers Industries is clear and evident in our results. Before I turn the call over to Monica for a more in-depth review of our financials, I want to reiterate how pleased I am with our teammates, our people.

Over the past two years, we've brought in new talent, several dozen professionals from global multinationals who know these industries, know these businesses and know how to run them very well. This injection of new talent, coupled with the talent of our legacy teams, has proven to be a successful formula. I know I've mentioned this point in the past, but I want to call it out again because it's proving to be so important. We're taking large cap capabilities and bolting them to a small cap company, or said another way, large cap capabilities with a small cap growth opportunity. The people strategy we're running works and has set us up for a long-term ramp of improved performance, transforming Myers in a way that I believe will be compelling to all of our stakeholders.

The work our teams have done over the past two years to improve our operations, our purchasing, our pricing and our capabilities in general, is driving positive results across all of our business units and functions. I'm really excited to see the improvement, the transformation, and I'd like to thank our entire team for that.

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Now I'll turn the call over to Monica to review the second quarter financial results and provide our updated 2022 outlook. I'll then spend a few minutes discussing our progress to date against our 3-Horizon strategy. Monica?

Monica Vinay

Interim Chief Financial Officer, Vice President-Investor Relations & Treasurer, Myers Industries, Inc.

Thank you, Mike. As Mike highlighted, we were very pleased to deliver a record second quarter on both the top and bottom lines. As you can see on slide 4, sales were up $46 million, or a little over 24% compared to the prior year. Sales were up 16% organically, excluding our prior acquisitions. Our organic sales growth was driven by the continued benefits of our strategic pricing actions and continued solid demand across most of our key end markets in both the Material Handling and Distribution segments.

Adjusted gross profit increased 36%, or $20 million, primarily driven by pricing actions and benefits from the Trilogy Plastics and Mohawk Rubber acquisitions. Although we continue to experience cost inflation, which partially offset our growth, gross margins still increased 260 basis points to 32% compared with 29.4% for the second quarter of 2021.

Adjusted operating income increased $8.5 million, or over 56%, driven by higher gross profit, partially offset by increased SG&A expenses. The higher SG&A expenses were due to the acquisitions of Trilogy Plastics and Mohawk Rubber, higher salaries and incentive compensation costs, increased freight and other variable selling expenses and higher facility costs. Adjusted SG&A as a percentage of sales increased to 22% in the second quarter compared to 21.3% in the prior year, primarily as a result of inflationary impacts.

Adjusted EBITDA was $28.9 million, an increase of $8 million, or 41%, compared to the prior year. Adjusted EBITDA margin expanded 150 basis points to 12.4% for the second quarter compared with 10.9% in the prior year. Lastly, adjusted EPS was $0.45, an increase of $0.16 or 55%.

Please turn to slide 5 for an overview of our segment performance for the quarter. Beginning with material handling, net sales increased $36 million, or 26%, including the Trilogy acquisition, which occurred at the end of July 2021. On an organic basis. Material Handling net sales increased approximately 19%, driven by favorable pricing of 20% and partially offset by decline in volume mix of 1%. Organic net sales increases in the vehicle, industrial and food and beverage end-markets, were partially offset by a sales decrease in the consumer market. Additionally, the sales decrease in the consumer market drove the 1% decline in volume mix in the period.

Material Handling's adjusted operating income increased $11 million, or 65%, to $28 million, primarily driven by the continued benefits of our ongoing strategic pricing actions. Inflationary pressures related to labor and other manufacturing costs, along with the change in sales mix, partially offset these benefits. SG&A expenses were higher, primarily due to the Trilogy Plastics acquisition, higher salaries, benefits and incentive compensation costs, increased freight and other variable selling expenses and higher facility costs.

In the Distribution segment, sales increased $10 million, or 20%. Excluding the incremental $6 million of net sales from the Mohawk Rubber acquisition that we completed at the beginning of June, organic net sales increased 8%, primarily driven by pricing actions. Distribution's adjusted operating income increased a little over 1% to $4.3 million. The contribution from higher pricing was mostly offset by an increase in product costs and higher SG&A expenses year-over-year, which were primarily due to the Mohawk Rubber acquisition and higher variable selling expenses.

Turning to slide 6, free cash flow was $21.1 million compared to $11.7 million for the second quarter of 2021. Cash flow from operations increased 84% in the quarter, primarily driven by higher earnings.

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Working capital as a percentage of net sales increased 110 basis points compared to the same period last year. The increase in working capital was primarily a result of the Trilogy Plastics and Mohawk Rubber acquisitions, the effects of inflation, higher accounts receivable balances driven by higher sales, and an increase in inventory levels to mitigate supply chain disruptions and to better serve our customers.

Capital expenditures were $5.9 million for the quarter, and cash on hand at quarter end was $22.4 million. Overall, our balance sheet remains strong with leverage at 1.2 times. Our capital structure continues to provide us with the flexibility we need to execute on our long-term growth strategy.

On slide 7, we share our updated outlook for fiscal year 2022. Given the strong start to the first half of the year and the recent Mohawk Rubber acquisition, we now anticipate that our net sales growth will be in the high teens range compared to the previous outlook of an increase in the low- to-mid double-digit range. We expect approximately 45% of the sales increase will come from the Trilogy Plastics and Mohawk Rubber acquisitions.

We are also updating and raising our full year 2022 outlook for adjusted EPS from a projected range of a $1.30 to a $1.50 to a range of a $1.40 to $1.60. We continue to expect SG&A expenses to be approximately 22% of net sales, primarily reflecting ongoing investments in our people, processes and operational efficiencies.

Other key modeling assumptions include depreciation and amortization expenses of approximately $23 million and CapEx of approximately $25 million to $28 million. Interest expense is forecasted to be approximately $6 million, and the effective tax rate is forecasted to be 26%.

With that, I'll turn the call back over to Mike to provide an update on our strategy.

Michael P. McGaugh

President, Chief Executive Officer & Director, Myers Industries, Inc.

Thanks, Monica. Please turn to slide 8. Our long-term vision is clear and compelling, it's our game plan, it's deliberate, it's consistent. Our associates and our investors understand it. They support our roadmap and what we expect Myers Industries to become.

We continue to make progress against our 3-Horizon strategy, and I'm pleased with the pace at which we are approaching our Horizon 1 goals and preparing for Horizons 2 and 3. As a reminder that elements or our building blocks of Horizon 1 remains self-help, organic growth and bolt-on M&A, and I'll speak a bit to our progress on each.

In the first element, self-help, our internal pricing excellence group and commercial teams have continued working together to build capability, bringing an analytical approach to pricing, conveying to our customers the value our products bring, and pricing those products accordingly. As I mentioned last quarter, we are focused on making sales and operations planning, or S&OP, a core competence at our company. We're rolling out robust S&OP processes across all of Myers, completing this work over the next 12 to 24 months.

With improved S&OP, we're able to make more product more efficiently, we move faster with less stress on our capital equipment and on our people. Last quarter, I spoke about being in a successful rowing crew, flailing less, think smoother, more graceful and moving faster with less effort. That analogy still applies very well to our progress here.

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In the second element, organic growth, Myers had the seventh sequential quarter of double-digit organic, growth driven by resilient or improving customer demand levels in ag and industrial, which outshined the impact of some pullback in demand in consumer and RV. Organic growth remains a key area of focus for us, and we continue to drive it through extensive sales training and through e-commerce, both initiatives I've spoken up in past calls.

Our approach to achieving organic growth is consistent. In order to make lasting change, we have to have a simple approach and we have to stick to it. As a result, you hear me speaking to the same initiatives such as sales training, value-based pricing in e-commerce, quarter-over-quarter. This consistency and simplicity may seem boring, but it's deliberate and it's proven to be effective.

By executing the first two elements of self-help and organic growth, we will continue to see improved EBITDA and cash flow, and our ability to execute on our third element bolt-on M&A will continue to improve.

In the element of bolt on M&A, we had two important acquisitions during the second quarter. The acquisition of an additional rotational molding facility in our Material Handling segment and the acquisition of Mohawk Rubber sales in our Distribution segment. We believe that both of these acquisitions will allow us to continue to improve our ability to provide excellent customer service and value to our customers.

As you will recall, we'll drive the execution of our vision and strategy by breaking down the elements into four strategic pillars with specific action items tied to each pillar. Please turn to slide 9.

I'll address each of our four pillars, starting with organic growth, our first pillar. As I mentioned earlier, we achieved double-digit organic sales growth for the seventh consecutive quarter. We've also seen consistent and strong bottom line growth, which has allowed us to invest in our people, our equipment and our processes. We've hired exceptional new people, and we've infused capital into our plants. We've also been able to do more work on innovation and new product development, ensuring that we bring new and valuable solutions to our customers.

We continue to focus on sustainability as we believe this is an important area and an area where Myers is strong. Lastly, we continue to focus on growing through e-commerce. The channel has continued to grow and is becoming more profitable. We're very proud of the organic growth we've been able to achieve, and we view it as the key driver to fueling the other pillars of our strategy.

Shifting rightward to our second pillar, strategic M&A. In May, we acquired the Decatur, Georgia based rotational molding manufacturing assets of step two company. This transaction marks our third meaningful investment in rotational molding in under two years and will enable increased production capabilities by expanding our footprint and our manufacturing grid into the Southeastern United States. This provides us the ability to service our customers from coast to coast. This geographic expansion is a beachhead and should enable us to grow nicely over the next years.

We're also pleased to announce the recent acquisition of Mohawk Rubber Sales, a high quality, customer service focused company with a great reputation in the auto aftermarket space. The addition of this high quality team in Mohawk's well-placed distribution centers, add scale to our distribution business, improving our ability to service the market and increase the profitability of the business.

We believe our approach to M&A, acquiring tuck-ins that improve our capabilities or coverage, make sense. Our acquisitions to-date have brought us either complementary products, complementary geographic coverage or both. Our prior Elkhart and Trilogy acquisitions are good examples of this and they continue to contribute to our

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top and bottom line results. It's very exciting. Our integration playbook and skillset are improving in becoming a core competence. Our integration capabilities get better and better with each transaction.

As bigger, more complex opportunities present themselves, we will be ready in capability and in financial capacity. Over the next 12 to 24 months, we believe we will have opportunities to add meaningful capabilities and assets to Myers. We will be ready to capitalize on opportunities as they emerge. As you'll recall, we wanted to do a few smaller bolt-on acquisitions earlier in our journey, so we can learn and grow while we create shareholder value. We've done just that.

Now moving to our third pillar, operational excellence, which has been a key factor in the margin expansion we've experienced so far. As a result of our recent improvements in operational excellence we've been able to lower our cost and increase our production.

Through S&OP, we've optimized our supply planning, demand planning, implant scheduling, to maximize production and better serve our customers. By doing this, we're finding we have more capacity available. Our plants and our people can produce more. We call this the hidden factory, capacity that's available but not initially apparent due to it being masked by sub-optimized production schedules and production planning. In effect, it was hidden. These revelations are exciting. In some plants we've identified up to 20% more capacity than originally expected. This is particularly helpful when we've had sold-out situations and needed more product for our customers. Operational Excellence is a key pillar in achieving Myers' strategic objective in our Horizon 1 goals.

Our fourth pillar is focused on culture. With another full quarter under our belt, operating with a One Meyers culture and mindset, we continue to see the benefits. We have more alignment, more collaboration, more growth, both with our customers and with our employees in their careers. Numerous examples are emerging of our employees working together across our entire product portfolio, across our segments and business units, to take care of customer needs. This did not happen in Myers' prior holding company approach and in my opinion, was a missed opportunity.

In addition to being one company and collaborating in ways we never have before, we're also transforming Myers by building a culture of servant leadership. This mindset is core to who we are, living to serve our customers, our shareholders, our communities and each other. Servant leadership is a low-ego approach and it's a culture of rolling up our sleeves and getting the job done. This culture and mindset will be key to our success in Horizons 1, 2 and 3, and I'm pleased with our progress so far.

Before I close, I want to put a special spotlight on sustainability at Myers Industries. In July, we published our first ever ESG report. I'm very proud of what the team has accomplished in ESG, which will add another dimension to our strong culture. The report highlights Myers' transformation into a sustainability company. Myers can create significant shareholder value while improving the environment.

Our sustainability story was previously untold. We're beginning to tell it. Our inaugural ESG report is our first step in communicating our sustainable approach and we look forward to updating you as we go forward.

In closing, I'd like, I'd ask that you remember the following. Myers is transforming. The company is rapidly improving and is strong and resilient. The execution of our strategy has brought consistently improving performance. Yes, we still have uncertain near-term macros to navigate, but we believe we have the right strategy, the right execution roadmap, the right people in place to excel in times like these, and to drive continued long term value creation for our stakeholders.

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I'm excited for our future, for the continued transformation of Myers industries into a world class company. As I say on every call, I like the progress I see and we are transforming the company. And as I say on every call, we're just getting started. We're only in the early innings of what's possible for Myers Industries.

With that, we'll now turn the call over for questions.

QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] Our first question comes from Lance Vitanza from Cowen & Company. Please go ahead.

Lance Vitanza
Analyst, Cowen & Co. LLC

Q

Thanks. And good morning, Mike and Monica, and congratulations on a great quarter. I guess, I wanted to start in the Materials Handling segment. You didn't mention anything in the release about slowing demand or a recession or pullback, although I did hear you on the remarks a minute ago, talk about some uncertainty, macro uncertainty and so forth. How would you describe the business environment as you are seeing it today? And if possible, could you just sort of walk me through the major end-market categories and discuss where things stand at, I mean, Monica, it sounds like consumer was the weakest category, but if you could perhaps flesh that out a little bit more for us, that would be great. Thanks.

Michael P. McGaugh
President, Chief Executive Officer & Director, Myers Industries, Inc.

A

Yeah. So, Lance, well, I'll all add some color, then I'll ask Monica to build on that. In general, we're seeing resilience in our demand across the majority of segments, the exception being consumer discretionary and RV. In the areas where RV, consumer, which would be our portable fuel containers, as well as some of the high-end, highly engineered product that we got through the Trilogy acquisition, we're seeing some softening of consumer demand at the high price, high quality items, similar to what you hear from a number of other companies out there who are reporting.

But for the base business, the core business, we're seeing resilient demand, particularly in ag. That's actually continuing to be strong and also in industrials continuing to be strong. On the distribution side and auto aftermarket side, we continue to see resilient demand. So we're not seeing pullback other than a bit on the premium priced goods in consumer, and also a bit of uncertainty in RV demand. Monica?

Monica Vinay
Interim Chief Financial Officer, Vice President-Investor Relations & Treasurer, Myers Industries, Inc.

A

Yeah, I think, I agree with Mike. In the quarter, I commented in the script that the decline in volume mix was driven by consumer end and that was all other markets or most other markets were up in the quarter from a volume mix perspective. So it's definitely consumer that's driving the decline.

Michael P. McGaugh
President, Chief Executive Officer & Director, Myers Industries, Inc.

A

Yeah. And Lance, we flagged that at in the last quarter call, the portable fuel containers being a little soft. We're continuing to see that that's a high priced item in the retail space. And just consumers are spending money filling

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up their shopping cart with the necessities. So we're seeing some of that. What has emerged a bit more is some softening in RV. And again it's a bit early to tell how extensive that trend will be, but that's caused us to have a little bit of caution in our outlook.

Lance Vitanza
Analyst, Cowen & Co. LLC

Q

Okay. That's helpful. Thank you. Now, so consumer maybe is the culprit there. On the other hand, Myers is indeed making a margin on the price increases that you're putting through, which is what you said would happen when we spoke last, and somewhat unique at least in my coverage universe. Most of the people that are putting price increases through are just trying to cover their incremental costs. Now with Myers, in fact I modeled over a 40% incremental gross margin on the incremental revenue. So, and that's despite higher labor costs, negative mix shift. Can we expect this net margin benefit to continue in the back half or does this reverse at some point?

Michael P. McGaugh
President, Chief Executive Officer & Director, Myers Industries, Inc.

A

Yeah. Lance, that margin should hold. Yeah as we've discussed on these calls before, it is different than what I think a number of others are reporting. We brought in a lot of focus on getting our cost down and pricing our products to the value they create for our customers and we're getting good traction in the market. What I'd say, in general, is that what's different about Myers is we really were coming from a low starting point over the last years and for what we're seeing the results now on a quarter versus quarter basis and really for the next years, our results should continue to be impressive, because of where our starting point was.

Lance Vitanza
Analyst, Cowen & Co. LLC

Q

If I can squeeze in two more before I pass the reins here. On the SGA front, $52 million, obviously reflects only a partial period for Mohawk. Would $55 million be kind of like a good run rate estimate for SG&A going forward or if it's easier in terms of percent of revenues, SGA was up 100 basis points, I think it was to 22.4%. And you called out inflation as the culprit, no surprise there. But do you see inflation continuing to put upward pressure on the percent of revenues from here? Or do you think – or should we think that 22.4%, is that sort of a good level for us to use going forward?

Monica Vinay
Interim Chief Financial Officer, Vice President-Investor Relations & Treasurer, Myers Industries, Inc.

A

Hi, Lance. Yeah, we've guided the 22% SG&A at 22% as a percent of sales for the entire year. I would say in the second half that's going to be the same case even with the acquisition of Mohawk, maybe slightly above that. But you can model for the both quarters around that same percent.

Michael P. McGaugh
President, Chief Executive Officer & Director, Myers Industries, Inc.

A

Yeah. Lance, we are going to invest in the company. We're investing in innovation. We're investing in our people. We're bringing new capabilities. We've done a lot of that over the last two years, and we're not going to retrench or pull back on that. But what I also say is, we've brought in a number of folks that are quite hawkish on how they manage SG&A and SG&A budgets. And so as you would assume, we're preparing a number of different plans and scenarios on how we would need to treat our discretionary costs, if demand got a little bit weaker in the future. So, I feel really good about that. I feel that we've got it under control and we know the right decisions to make to not forfeit all that we've built on growth, but at the same time to maintain discipline in how we spend our money, how we spend SG&A.

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Monica Vinay
Interim Chief Financial Officer, Vice President-Investor Relations & Treasurer, Myers Industries, Inc.

A

And Lance that would be a little lower than the $55 million.

Lance Vitanza
Analyst, Cowen & Co. LLC

Q

Okay. Thanks. I was just going to say, it would seem like now is the time for you to be, I mean, you're making some of these investments to allow for continued growth at a time when despite those investments, cash flow and earnings are way up. So, it seems like this would be the time to do it.

And then lastly for me, just on the M&A front, I guess the first is, progress integrating Mohawk and then beyond Mohawk, how does the pipeline look today in terms of viable targets and then also access to capital management bandwidth, you've been very active. Is there a sense that you might need to take a pause on the M&A front or could you move forward quickly if another situation, attractive, were to present itself?

Michael P. McGaugh
President, Chief Executive Officer & Director, Myers Industries, Inc.

A

Yeah, Lance, I'll take a shot at and if Monica wants to follow in behind, she's more than welcome to. So Mohawk acquisition, the last – two of the last three weeks, I've been in the field with Mohawk teammates and at their DCs and talking with their commercial folks and operational people that integration is going well. It is complementary to our business. There was not a lot of overlap in terms of geography and customer mix, and I'm really pleased with their culture. They've got an outstanding culture and that's really what we're finding is definitely a nice feature when we're acquiring companies is that cultural fit.

On our capacity, we've said all along is we're going to do a few bolt-ons that are helpful in terms of acquiring capability or geographic coverage. I think we've been thoughtful in acquiring the right companies at the right prices that have created value. But what's it's also done is it's helped us kind of find our track legs or sea legs around integration, in which we are getting more and more proficient with integration in our processes, in the efficiency with which we operate. And coupling that with a number of the people I've brought in are very capable, very skilled at identifying, negotiating deals and then also integrating.

And so, we're ready. That's where I really want to make a number of points is, we're still in the market, we're still active. I really think that if there's anything you would take away is, I think we're going to be hitting stride, right, when other potential companies are getting less expensive. And sometimes it's just serendipitous how things work out. But I really think we're going to be hitting stride in our capacity, in our ability to transact, right, when things get softer and more affordable. Monica any additional points?

Monica Vinay
Interim Chief Financial Officer, Vice President-Investor Relations & Treasurer, Myers Industries, Inc.

A

Yeah, I would just reiterate what I said on the call that we have – our balance sheet remains strong, we have low leverage, we have plenty of flexibility. We have the capacity to now to do additional bolt-on acquisitions and the capacity or flexibility to do even larger ones down the road.

Lance Vitanza
Analyst, Cowen & Co. LLC

Q

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I got the sense, guys – I got the sense that perhaps the next acquisition, well, that in the size and scale of these acquisitions is going to be biased to the upside from here. Is that a fair inference or am I reading too much into your comments?

Michael P. McGaugh
President, Chief Executive Officer & Director, Myers Industries, Inc.

A

That's fair, Lance. That's fair.

Lance Vitanza
Analyst, Cowen & Co. LLC

Q

Thanks, very much.

Michael P. McGaugh
President, Chief Executive Officer & Director, Myers Industries, Inc.

A

Yeah. Thank you, Lance. Appreciate it.

Operator: Our next question comes from Steve Barger from KeyBanc Capital Markets. Please go ahead, Steve. Steve, your line is now open. You may begin your – to ask a question. [Operator Instructions] It appears we have no questions at this moment, so I'm going to hand it back to the management team for any final remarks.

Monica Vinay
Interim Chief Financial Officer, Vice President-Investor Relations & Treasurer, Myers Industries, Inc.

Thank you. Thanks to everyone for joining us today. We appreciate your interest in Myers Industries. Have a great day.

Operator: This concludes today's call. Thank you for joining. You may now disconnect your lines.

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