MYERS INDUSTRIES, INC.®



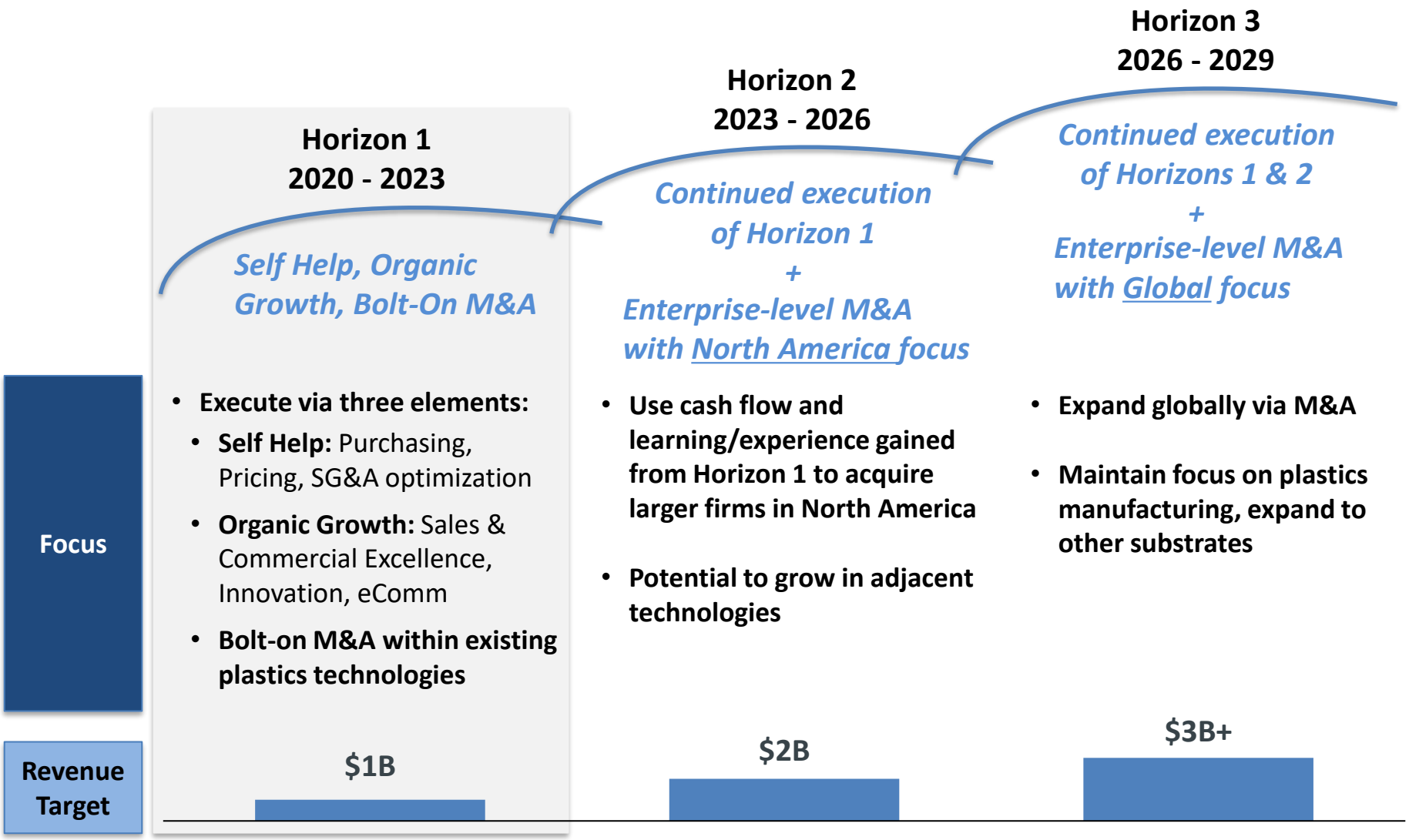
Earnings Presentation | FOURTH QUARTER 2020

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: impacts from the COVID-19 pandemic on our business, conditions, customers and capital position; the impact of COVID 19 on local, national and global economic conditions; the effects of various governmental responses to the COVID-19 pandemic, raw material availability, increases in raw material costs, or other production costs; impacts of 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; impact of the U.S. elections impacts on the regulatory landscape, capital markets, and responses to and management of the COVID-19 pandemic including further economic stimulus from the federal government; 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, 2019 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.

Our Long-Term Vision



Strategy for Horizon One

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**
- **Innovation/NPD**
- **Sustainability**
- **eCommerce**

2

Strategic M&A

- **Bolt-on M&A focused on plastics**
- **Integration playbook**

3

Operational Excellence

- **Continuous improvement**
- **Pricing focus**
- **Purchasing rigor**
- **SG&A allocation & deployment**
- **Internal Integration**

4

High-Performing Culture

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

Progress against Pillars

1 Organic Sales Growth	Sales & Commercial excellence	▪ Launched new, more robust sales, marketing, and product management structure ▪ Sales training of cross selling underway
	eCommerce	▪ eCommerce finished the year up 30+% ▪ Leader appointed; stand alone organization in place
2 Strategic M&A	Bolt-on M&A	▪ Acquired first plastics bolt-on, Elkhart Plastics ▪ Robust acquisition funnel in place
	Integration	▪ Integration at Elkhart underway; clear line of sight to $4M - $6M of annual synergies to be realized by the end of 2022 ▪ Robust integration playbook developed and in use
3 Operational Excellence	Internal integration	▪ Launched 3 technology platforms aligned around rotational, blow, and injection molding
	Purchasing	▪ Centralized purchasing function; more disciplined approach underway
	Pricing	▪ Announced 8% price increase
4 High-Performing Culture	Talent development	▪ Talent development training re-invigorated across the company ▪ Consolidated 16 fragmented bonus plans into a single plan for all salaried employees - focused on a single goal - Adjusted EBITDA

Q4 2020 Operating Highlights

- Strategic Transformation is Underway
- Successfully Integrating Elkhart Acquisition
- Strong Revenue Growth
- COVID-19 Resurge at Year-end Impacted Some Production and Shipments
- Increases in Raw Material Costs Impacted Margins

Q4 2020 Financial Summary

Operating Results

- Net sales up $21M (+18%), or $9M (+8%) excluding incremental sales from the Elkhart acquisition
  - Material Handling up $19M (+26%), or $7M (+10%) excluding Elkhart
  - Distribution up $2M (+4%)
- Adjusted gross profit increased $1.2M
  - Unfavorable price to cost relationship; higher equipment repairs and maintenance costs; higher employee benefit costs; unfavorable product mix
- Adjusted Op income decreased $0.7M
  - Adj. gross profit increased $1.2M
  - Adj. SG&A increased $1.9M, due mostly to Elkhart acquisition
- Adjusted EBITDA down $1.6M to $11.3M
- Adjusted EPS of $0.11, compared to $0.12

GAAP Financial Highlights

(In $ millions except EPS)	Q4 '20	Q4 '19	vs PY
Net Sales	$137.5	$116.8	17.7%
Gross Profit	39.8	39.2	1.5%
Gross Margin	29.0%	33.6%	-460 bps
Op Income	4.9	8.8	-44.9%
Op Income Margin	3.5%	7.5%	-400 bps
Diluted EPS	$0.08	$0.16	-50.0%

Non-GAAP Financial Highlights

(In $ millions except EPS)	Q4 '20	Q4 '19	vs PY
Net Sales	$137.5	$116.8	17.7%
Adj Gross Profit	40.4	39.2	3.0%
Gross Margin	29.4%	33.6%	-420 bps
Adj Op Income	6.4	7.1	-10.2%
Op Income Margin	4.7%	6.1%	-140 bps
Adj EBITDA	11.3	12.9	-12.4%
EBITDA Margin	8.2%	11.1%	-290 bps
Diluted Adjusted EPS	$0.11	$0.12	-8.3%

Results reflect continuing operations. See appendix for non-GAAP reconciliations.

Q4 2020 Segment Results

Material Handling Segment

- Net sales up 26%, or 10% excluding Elkhart
  - Food and Beverage and Vehicle markets up double digits (excluding Elkhart) due primarily to higher seed box sales and increases in RV, marine, and automotive end markets
  - Sales in the Consumer market up high single digits (excluding Elkhart) due primarily to increased fuel container sales
  - Industrial market flat (excluding Elkhart)
- Adjusted operating income flat; higher sales volume offset by unfavorable price to cost relationship, higher repairs and maintenance costs, higher employee benefit costs and unfavorable product mix

Material Handling

(In $ millions)	Q4 '20	Q4 '19	vs PY
Net Sales	$92.2	$73.4	25.5%
Op Income	8.5	9.0	-5.0%
Op Income Margin	9.2%	12.2%	-300 bps
Adj Op Income	9.1	9.0	1.2%
Adj Op Income Margin	9.8%	12.2%	-240 bps
Adj EBITDA	13.4	14.0	-4.8%
Adj EBITDA Margin	14.5%	19.1%	-460 bps

Distribution Segment

- Net sales up 4%
  - Increased sales of equipment and consumables, partially offset by lower sales of tire repair products and advanced traffic marking tapes
- Adjusted operating income increased primarily due to higher sales volume

Distribution

(In $ millions)	Q4 '20	Q4 '19	vs PY
Net Sales	$45.3	$43.4	4.4%
Op Income	3.6	3.2	13.5%
Op Income Margin	7.9%	7.3%	+60 bps
Adj Op Income	3.6	3.2	12.9%
Adj Op Income Margin	7.9%	7.3%	+60 bps
Adj EBITDA	4.1	3.8	8.5%
Adj EBITDA Margin	9.1%	8.8%	+30 bps

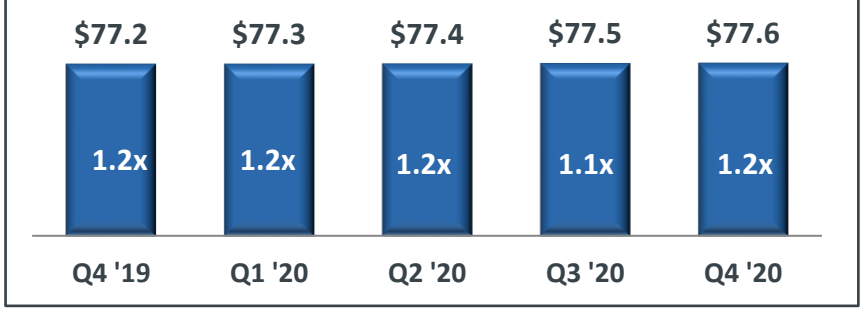
Results reflect continuing operations. See appendix for non-GAAP reconciliations.

Balance Sheet and Cash Flow

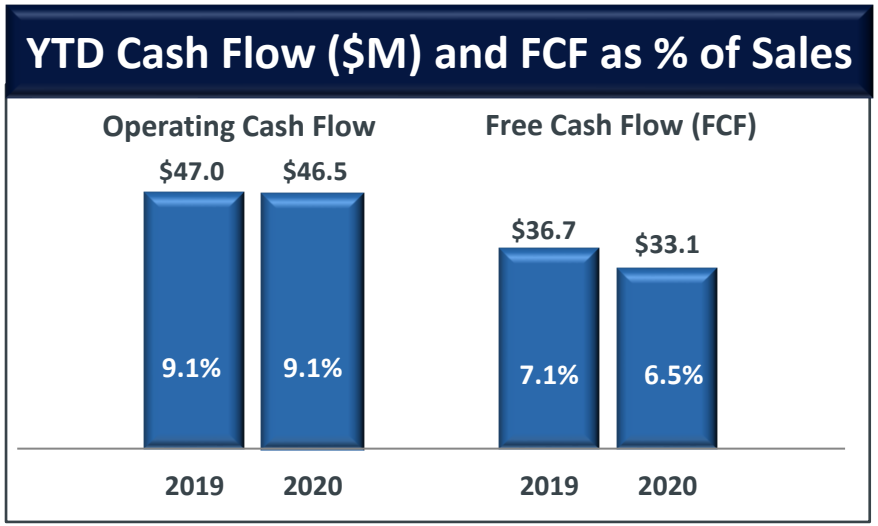
Q4 Highlights

- Free cash flow generation of $10.7M, an increase of $7.8M over prior year
- Working capital as a percentage of sales up due to higher inventory and AR balances and Elkhart acquisition
- Cash balance at end of Q4 was $28M; debt to adjusted EBITDA remains consistent with prior quarters at 1.2x

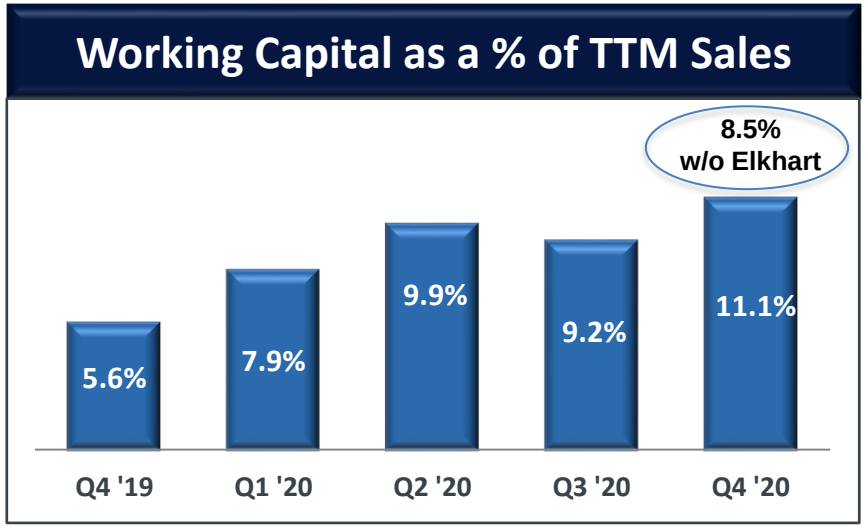
Total Debt ($M) and Debt to Adj. EBITDA



YTD Cash Flow ($M) and FCF as % of Sales



Working Capital as a % of TTM Sales



Results reflect continuing operations. See appendix for non-GAAP reconciliations.

Full Year Fiscal 2021 Outlook

Net Sales Growth Including Impact of Elkhart Acquisition	Mid to High 20% Range
Diluted EPS	$0.88 - $1.03
Adjusted Diluted EPS	$0.90 - $1.05
Capital Expenditures	~$15M
Effective Tax Rate	~26%

Other Items

- Depreciation and amortization to approximately be $23M
- Net interest expense to approximately be $4M
- Diluted share count to approximately be 36.5M

Appendix

MYERS INDUSTRIES, INC.

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, 2020				
	Material Handling	Distribution	Segment Total	Corporate & Other	Total
GAAP Net sales	$ 92,184	$ 45,291	$ 137,475	$ (8)	$ 137,467
GAAP Gross profit			39,837	—	39,837
Add: Elkhart acquisition and integration costs			552	—	552
Gross profit as adjusted			40,389	—	40,389
Gross profit margin as adjusted			29.4%	n/a	29.4%
GAAP Operating income (loss)	8,516	3,580	12,096	(7,240)	4,856
Add: Elkhart acquisition and integration costs [(1)]	556	—	556	500	1,056
Add: Environmental charges	—	—	—	500	500
Operating income (loss) as adjusted	9,072	3,580	12,652	(6,240)	6,412
Operating income margin as adjusted	9.8%	7.9%	9.2%	n/a	4.7%
Add: Depreciation and amortization	4,284	540	4,824	99	4,923
EBITDA as adjusted	$ 13,356	$ 4,120	$ 17,476	$ (6,141)	$ 11,335
EBITDA margin as adjusted	14.5%	9.1%	12.7%	n/a	8.2%

(1) Includes gross profit adjustments of $552 and SG&A adjustments of $504

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, 2019				
	Material Handling	Distribution	Segment Total	Corporate & Other	Total
GAAP Net sales	$ 73,444	$ 43,392	$ 116,836	$ (18)	$ 116,818
GAAP Gross profit			39,231	—	39,231
Gross profit margin			33.6%	n/a	33.6%
GAAP Operating income (loss)	8,963	3,153	12,116	(3,310)	8,806
Add: Restructuring expenses and other adjustments	—	—	—	265	265
Add: Tuffy acquisition costs	—	18	18	81	99
Less: CEO stock award reversal	—	—	—	(2,031)	(2,031)
Operating income (loss) as adjusted	8,963	3,171	12,134	(4,995)	7,139
Operating income margin as adjusted	12.2%	7.3%	10.4%	n/a	6.1%
Add: Depreciation and amortization	5,066	627	5,693	105	5,798
EBITDA as adjusted	$ 14,029	$ 3,798	$ 17,827	$ (4,890)	$ 12,937
EBITDA margin as adjusted	19.1%	8.8%	15.3%	n/a	11.1%

RECONCILIATION OF NON-GAAP MEASURES

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

	Quarter Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
GAAP Operating income (loss)	$ 4,856	$ 8,806	$ 53,550	$ 37,266
Add: Severance costs	—	—	2,417	—
Add: Restructuring expenses and other adjustments	—	265	249	1,302
Add: Tuffy acquisition costs	—	99	52	590
Add: Elkhart acquisition and integration costs	1,056	—	1,056	—
Less: CEO stock award reversal	—	(2,031)	—	(2,031)
Less: Lawn and Garden sale of note/release of lease guarantee liability	—	—	(11,924)	—
Add: Asset impairment	—	—	—	916
Add: Environmental charges	500	—	500	4,000
Operating income (loss) as adjusted	6,412	7,139	45,900	42,043
Less: Interest expense, net	(1,221)	(1,024)	(4,688)	(4,083)
Income before taxes as adjusted	5,191	6,115	41,212	37,960
Less: Income tax expense[(1)]	(1,350)	(1,651)	(10,715)	(10,249)
Income from continuing operations as adjusted	$ 3,841	$ 4,464	$ 30,497	$ 27,711
Adjusted earnings per diluted share from continuing operations	$ 0.11	$ 0.12	$ 0.85	$ 0.78

(1) Income taxes are calculated using the normalized effective tax rate for each year. The rate used in 2020 is 26% and in 2019 is 27%.
(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 FREE CASH FLOW TO GAAP NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES – CONTINUING OPERATIONS
(UNAUDITED)
(Dollars in thousands)

	YTD December 31, 2020	YTD December 31, 2019
Net cash provided by (used for) operating activities - continuing operations	$ 46,507	$ 47,026
Capital expenditures	(13,421)	(10,294)
Free cash flow	$ 33,086	$ 36,732

	YTD December 31, 2020		YTD September 30, 2020		Quarter December 31, 2020
Net cash provided by (used for) operating activities - continuing operations	$ 46,507	-	$ 31,334	=	$ 15,173
Capital expenditures	(13,421)	-	(8,955)	=	(4,466)
Free cash flow	$ 33,086	-	$ 22,379	=	$ 10,707

	YTD December 31, 2019		YTD September 30, 2019		Quarter December 31, 2019
Net cash provided by (used for) operating activities - continuing operations	$ 47,026	-	$ 39,492	=	$ 7,534
Capital expenditures	(10,294)	-	(5,669)	=	(4,625)
Free cash flow	$ 36,732	-	$ 33,823	=	$ 2,909

RECONCILIATION OF NON-GAAP MEASURES

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

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Income (loss) from continuing operations	$ 6,643	$ 6,606	$ 5,219	$ 5,747	$ 16,726	$ 8,368	$ 8,685	$ 2,990
Add: income tax expense	2,526	2,559	1,848	2,035	5,503	2,694	3,251	645
Add: interest expense, net	1,049	1,017	993	1,024	1,069	1,194	1,204	1,221
Add: depreciation	4,012	4,039	3,454	3,615	3,553	3,690	3,156	4,034
Add: amortization	1,930	1,924	2,041	2,183	2,172	2,147	889	889
EBITDA	16,160	16,145	13,555	14,604	29,023	18,093	17,185	9,779
Add: one-time adjustments (excludes depreciation adjustments)	1,945	4,000	456	(1,667)	(11,623)	—	2,417	1,556
EBITDA as adjusted	$ 18,105	$ 20,145	$ 14,011	$ 12,937	$ 17,400	$ 18,093	$ 19,602	$ 11,335
TTM EBITDA as adjusted				$ 65,198	$ 64,493	$ 62,441	$ 68,032	$ 66,430
Debt				$ 77,176	$ 77,275	$ 77,376	$ 77,476	$ 77,576
Debt to Adjusted EBITDA				1.2x	1.2x	1.2x	1.1x	1.2x

RECONCILIATION OF NON-GAAP MEASURES

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

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Net sales	$139,115	$134,285	$125,480	$116,818	$122,250	$118,394	$132,258	$137,467
TTM net sales				$515,698	$498,833	$482,942	$489,720	$510,369
Working capital:								
Add: Accounts receivable, net				$ 62,279	$ 65,255	$ 71,270	$ 75,539	$ 83,701
Add: Inventories				44,260	49,127	49,551	48,137	65,919
Add: Prepaid expenses and other current assets				2,834	3,036	5,746	4,553	4,760
Less: Accounts payable				(46,867)	(49,456)	(44,857)	(47,562)	(61,150)
Less: Accrued expenses				(33,701)	(28,559)	(34,084)	(35,663)	(36,744)
Total working capital				$ 28,805	$ 39,403	$ 47,626	$ 45,004	$ 56,486
Working capital as a % of TTM net sales				5.6%	7.9%	9.9%	9.2%	11.1%

RECONCILIATION OF NON-GAAP MEASURES

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

	Full Year 2021 Guidance	
	Low	**High**
GAAP diluted net income per common share	$ 0.88	$ 1.03
Add: Restructuring expenses and other adjustments	0.01	0.01
Add: Acquisition and integration costs	0.01	0.01
Adjusted diluted earnings per share	$ 0.90	$ 1.05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