

MYERS INDUSTRIES INC  
Form 10-Q  
May 05, 2015  
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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

Form 10-Q

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the quarterly period ended March 31, 2015

OR

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 1-8524

Myers Industries, Inc.

(Exact name of registrant as specified in its charter)

Ohio 34-0778636  
(State or other jurisdiction of (IRS Employer Identification  
incorporation or organization) Number)

1293 South Main Street  
Akron, Ohio 44301  
(Address of principal executive offices) (Zip code)

(330) 253-5592  
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes  No .

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No .

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding as of April 30, 2015
Common Stock, without par value	30,950,147 shares

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Exhibit 21

Exhibit 31(a)

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EX-101 INSTANCE DOCUMENT

EX-101 SCHEMA DOCUMENT

EX-101 CALCULATION LINKBASE DOCUMENT

EX-101 LABELS LINKBASE DOCUMENT

EX-101 PRESENTATION LINKBASE DOCUMENT

EX-101 DEFINITION LINKBASE DOCUMENT



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## Part I — Financial Information

## Item 1. Financial Statements

## Myers Industries, Inc. and Subsidiaries

## Condensed Consolidated Statements of Income (Unaudited)

(Dollars in thousands, except per share data)

	For the Three Months Ended March 31,	
	2015	2014 (Adjusted)
Net sales	\$156,348	\$150,485
Cost of sales	110,591	108,414
Gross profit	45,757	42,071
Selling, general and administrative expenses	39,041	33,188
Operating income	6,716	8,883
Interest expense, net	2,702	1,584
Income from continuing operations before income taxes	4,014	7,299
Income tax expense	1,392	2,536
Income from continuing operations	2,622	4,763
Income (loss) from discontinued operations, net of income taxes	2,617	(4,083 )
Net income	\$5,239	\$680
Income per common share from continuing operations:		
Basic	\$0.08	\$0.14
Diluted	\$0.08	\$0.14
Income (loss) per common share from discontinued operations:		
Basic	\$0.08	\$(0.12 )
Diluted	\$0.08	\$(0.12 )
Net income per common share:		
Basic	\$0.16	\$0.02
Diluted	\$0.16	\$0.02
Dividends declared per share	\$0.14	\$0.13

See notes to unaudited condensed consolidated financial statements.

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Myers Industries, Inc. and Subsidiaries  
 Consolidated Statements of Comprehensive Income (Loss) (Unaudited)  
 (Dollars in thousands)

	For the Three Months Ended March 31,	
	2015	2014
Net income	\$5,239	\$680
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustment	(23,010	) 54
Total other comprehensive income (loss)	(23,010	) 54
Comprehensive income (loss)	\$(17,771	) \$734

See notes to unaudited condensed consolidated financial statements.

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Myers Industries, Inc. and Subsidiaries  
Condensed Consolidated Statements of Financial Position (Unaudited)  
(Dollars in thousands)

Assets	March 31, 2015	December 31, 2014
Current Assets		
Cash	\$3,720	\$4,676
Accounts receivable-less allowances of \$697 and \$782, respectively	95,454	90,664
Inventories		
Finished and in-process products	45,412	40,122
Raw materials and supplies	22,190	23,216
	67,602	63,338
Prepaid expenses and other	6,426	6,591
Deferred income taxes	3,096	2,397
Assets held for sale	—	117,775
Total Current Assets	176,298	285,441
Other Assets		
Goodwill	61,825	66,639
Intangible assets, net	67,545	72,235
Deferred income taxes	488	545
Other	29,764	3,207
	159,622	142,626
Property, Plant and Equipment, at Cost		
Land	7,953	8,405
Buildings and leasehold improvements	58,705	57,537
Machinery and equipment	330,736	335,963
	397,394	401,905
Less allowances for depreciation and amortization	(267,628	) (265,139
Property, plant and equipment, net	129,766	136,766
Total Assets	\$465,686	\$564,833

See notes to unaudited condensed consolidated financial statements.

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Myers Industries, Inc. and Subsidiaries  
Condensed Consolidated Statements of Financial Position (Unaudited)  
(Dollars in thousands, except share data)

Liabilities and Shareholders' Equity	March 31, 2015	December 31, 2014
Current Liabilities		
Accounts payable	\$73,844	\$77,320
Accrued expenses		
Employee compensation	14,201	14,967
Income taxes	132	3,086
Taxes, other than income taxes	1,808	1,940
Accrued interest	2,057	3,207
Liabilities held for sale	—	27,122
Other	23,781	26,172
Total Current Liabilities	115,823	153,814
Long-term debt	204,671	236,429
Other liabilities	12,488	13,738
Deferred income taxes	13,216	14,281
Shareholders' Equity		
Serial Preferred Shares (authorized 1,000,000 shares; none issued and outstanding)	—	—
Common Shares, without par value (authorized 60,000,000 shares; outstanding 30,945,498 and 31,162,962; after deducting treasury shares of 6,885,624 and 6,604,175, respectively)	18,730	18,855
Additional paid-in capital	213,391	218,394
Accumulated other comprehensive loss	(34,698	) (11,688 )
Retained deficit	(77,935	) (78,990 )
Total Shareholders' Equity	119,488	146,571
Total Liabilities and Shareholders' Equity	\$465,686	\$564,833

See notes to unaudited condensed consolidated financial statements.

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## Myers Industries, Inc. and Subsidiaries

## Condensed Consolidated Statement of Shareholders' Equity (Unaudited)

(Dollars in thousands, except per share data)

	Common Stock	Additional Paid-In Capital	Accumulative Other Comprehensive Loss	Retained Deficit	Total Shareholders' Equity
Balance at January 1, 2015	\$18,855	\$218,394	\$(11,688	) \$(78,990	) \$146,571
Net income	—	—	—	5,239	5,239
Net sales under option plans	65	860	—	—	925
Dividend reinvestment plan	1	38	—	—	39
Restricted stock vested	67	(67	) —	—	—
Restricted stock and stock option grants	—	831	—	—	831
Tax benefit from options	—	214	—	—	214
Foreign currency translation adjustment	—	—	(23,010	) —	(23,010
Purchases for treasury, net	(241	) (6,336	) —	—	(6,577
Shares withheld for employee taxes on equity awards	(17	) (543	) —	—	(560
Dividends declared - \$.14 per share	—	—	—	(4,184	) (4,184
Balance at March 31, 2015	\$18,730	\$213,391	\$(34,698	) \$(77,935	) \$119,488

See notes to unaudited condensed consolidated financial statements.



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## Myers Industries, Inc. and Subsidiaries

## Condensed Consolidated Statements of Cash Flows (Unaudited)

(Dollars in thousands)

	For the Three Months Ended March	
	31,	
	2015	2014
		(Adjusted)
Cash Flows from Operating Activities		
Net income	\$5,239	\$680
Income (loss) from discontinued operations, net of income taxes	2,617	(4,083)
Income from continuing operations	2,622	4,763
Adjustments to reconcile income from continuing operations to net cash provided by (used for) operating activities		
Depreciation	6,489	5,378
Amortization	2,638	791
Non-cash stock compensation	966	788
Provision for loss on accounts receivable	74	341
Deferred income taxes	(1,705)	) 179
(Gain) loss from asset dispositions	(13)	) 735
Tax benefit from options	(214)	) (650)
Payments on performance based compensation	(1,219)	) (1,293)
Other long-term liabilities	2,734	1,081
Cash flows used for working capital:		
Accounts receivable	(5,840)	) (14,132)
Inventories	(4,264)	) (9,944)
Prepaid expenses and other assets	(569)	) (671)
Accounts payable and accrued expenses	(19,617)	) (27,512)
Net cash used for operating activities-continuing operations	(17,918)	) (40,146)
Net cash used for operating activities-discontinued operations	(9,761)	) (20,523)
Net cash used for operating activities	(27,679)	) (60,669)
Cash Flows from Investing Activities		
Capital expenditures	(4,657)	) (2,497)
Proceeds from sale of property, plant and equipment	15	48
Proceeds from sale of business	69,787	—
Net cash provided by (used for) investing activities - continuing operations	65,145	(2,449)
Net cash used for investing activities - discontinued operations	(581)	