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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2001
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 I-8524

MYERS INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

OHIO	#34-0778636
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1293 SOUTH MAIN STREET, AKRON, OHIO	44301
(Address of principal executive offices)	(Zip Code)

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

Indicate 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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x. No ____.

Applicable Only to Issuers Involved in Bankruptcy
Proceedings During the Preceding Five Years

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.
Yes _____. No _____.

As of April 30, 2001, the number of shares outstanding of the issuer’s Common Stock was:

21,642,701

PART 1 — FINANCIAL INFORMATION

MYERS INDUSTRIES, INC.

**CONDENSED STATEMENT OF CONSOLIDATED FINANCIAL POSITION
AS OF MARCH 31, 2001 AND DECEMBER 31, 2000**

ASSETS	March 31, 2001	December 31, 2000
CURRENT ASSETS		
Cash and temporary cash investments	\$ 5,812,917	\$ 2,177,983
Accounts receivable-less allowances of \$3,532,000 and \$3,644,000, respectively	121,886,691	125,921,325
Inventories		
Finished and in-process products	63,584,355	66,143,998
Raw materials and supplies	20,966,973	22,660,460
	84,551,328	88,804,458
Prepaid expenses	2,365,062	2,403,487
Total Current Assets	214,615,998	219,307,253
OTHER ASSETS		
Excess of cost over fair value of net assets of companies acquired	186,200,376	194,205,707
Patents and other intangible assets	3,191,682	2,955,593
Other	3,845,117	4,130,671
	193,237,175	201,291,971
PROPERTY, PLANT & EQUIPMENT, AT COST		
Land	7,215,455	7,365,005
Buildings and leasehold improvements	73,567,410	73,988,070
Machinery and equipment	271,449,730	267,938,360
	352,232,595	349,291,435
Less allowances for depreciation and amortization	150,041,289	145,093,735
	202,191,306	204,197,700
	<u>\$610,044,479</u>	<u>\$624,796,924</u>

PART I — FINANCIAL INFORMATION

MYERS INDUSTRIES, INC.

**CONDENSED STATEMENT OF CONSOLIDATED FINANCIAL POSITION
AS OF MARCH 31, 2001 AND DECEMBER 31, 2000**

LIABILITIES AND SHAREHOLDERS' EQUITY	March 31, 2001	December 31, 2000
CURRENT LIABILITIES		
Accounts payable	\$ 45,304,893	\$ 49,964,169
Accrued expenses		
Employee compensation	22,551,893	25,516,152
Taxes, other than income taxes	2,964,764	2,481,602
Income taxes	5,354,745	51,814
Other	19,235,704	21,676,446
Current portion of long-term debt	17,377,763	15,893,001
TOTAL CURRENT LIABILITIES	112,789,762	115,583,184
LONG-TERM DEBT, less current portion	273,750,539	284,273,097
 DEFERRED INCOME TAXES	 10,962,168	 11,037,935
 SHAREHOLDERS' EQUITY		
Serial Preferred Shares (authorized 1,000,000)	0	0
Common Shares, without par value (authorized 60,000,000 shares; outstanding 21,604,583 and 21,590,012, respectively)	13,243,717	13,234,830
Additional paid-in capital	189,960,287	189,779,843
Accumulated other comprehensive income	(35,390,176)	(27,149,716)
Retained income	44,728,182	38,037,751
	<u>212,542,010</u>	<u>213,902,708</u>
	<u>\$610,044,479</u>	<u>\$624,796,924</u>

PART I — FINANCIAL INFORMATION

MYERS INDUSTRIES, INC.

CONDENSED STATEMENT OF CONSOLIDATED INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2001 AND 2000

	March 31, 2001	March 31, 2000
Net sales	\$165,259,903	\$161,586,409
Costs and expenses		
Cost of sales	106,369,263	104,632,686
Operating expenses	39,606,827	36,984,381
Interest expense, net	5,588,107	5,611,096
Total costs & expenses	151,564,197	147,228,163
Income before income taxes	13,695,706	14,358,246
Income taxes	5,709,000	6,026,000
Net income	<u>\$ 7,986,706</u>	<u>\$ 8,332,246</u>
Net income per common share	\$.37	\$.38
Dividends per common share	\$.06	\$ 0.55
Weighted average number of common shares outstanding	21,600,940	21,856,380

PART I — FINANCIAL INFORMATION

MYERS INDUSTRIES, INC.

**STATEMENTS OF CONSOLIDATED CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2001 AND 2000**

	March 31, 2001	March 31, 2000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 7,986,706	\$ 8,332,246
Items not affecting use of cash		
Depreciation	8,515,348	8,578,720
Amortization of excess of cost over fair value of net assets of companies acquired	2,321,343	2,361,498
Amortization of other intangible assets	237,149	57,621
Cash flow provided by (used for) working capital		
Accounts receivable	705,457	(9,889,919)
Inventories	2,780,941	343,956
Prepaid expenses	(23,844)	4,176,729
Accounts payable and accrued expenses	(1,634,454)	5,953,063
Net cash provided by operating activities	20,888,646	19,913,914
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment, net	(9,437,311)	(7,847,728)
Other	(513,820)	(282,772)
Net cash used for investing activities	(9,951,131)	(8,130,500)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term debt proceeds (repayment)	(3,000,000)	(2,087,489)
Net borrowing (repayment) of credit facility	(3,195,636)	(1,857,649)
Cash dividends paid	(1,296,275)	(1,194,521)
Proceeds from issuance of common stock	189,330	213,351
Repurchase of common stock	0	(2,620,933)
Net cash used for financing activities	(7,302,581)	(7,547,241)
INCREASE IN CASH AND TEMPORARY CASH INVESTMENTS	3,634,934	4,236,173
CASH AND TEMPORARY CASH INVESTMENTS JANUARY 1	2,177,983	1,094,300
CASH AND TEMPORARY CASH INVESTMENTS MARCH 31	<u>\$ 5,812,917</u>	<u>\$ 5,330,473</u>

PART I — FINANCIAL INFORMATION

MYERS INDUSTRIES, INC.

**STATEMENT OF SHAREHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2001**

	Comprehensive Income	Common Stock	Additional Paid-In Capital	Accumulative Other Comprehensive Income	Retained Income
December 31, 2000		\$13,234,830	\$189,779,843	(\$27,149,716)	\$38,037,751
Net Income	\$ 7,986,706				7,986,706
Foreign Currency Translation Adjustment	(8,240,460)			(8,240,460)	
Comprehensive Income	<u>\$ (253,754)</u>				
Common Stock Issued		8,887	180,444		
Dividends					(1,296,275)
March 31, 2001		<u>\$13,243,717</u>	<u>\$189,960,287</u>	<u>(\$35,390,176)</u>	<u>\$44,728,182</u>

PART I — FINANCIAL INFORMATION

MYERS INDUSTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

(1) Statement of Accounting Policy

The accompanying financial statements include the accounts of Myers Industries, Inc. and subsidiaries (Company), and have been prepared without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to those rules and regulations, although the Company believes that the disclosures are adequate to make the information not misleading. It is suggested that these financial statements be read in conjunction with the financial statements and notes thereto included in the Company's latest annual report on Form 10-K.

In the opinion of the Company, the accompanying financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position as of March 31, 2001, and the results of operations and cash flows for the three months ended March 31, 2001 and 2000.

(2) Supplemental Disclosure of Cash Flow Information

The Company made cash payments for interest expense of \$5,906,000 and \$5,077,000 for the three months ended March 31, 2001 and 2000, respectively. Cash payments for income taxes totaled \$640,000 and \$624,000 for the three months ended March 31, 2001 and 2000.

(3) Segment Information

The Company's business units have separate management teams and offer different products and services. Using the criteria of FASB No. 131, these business units have been aggregated into two reportable segments; Distribution of after-market repair products and services and Manufacturing of polymer products. The aggregation of business units is based on management by the chief operating decision maker for the segment as well as similarities of production processes, distribution methods and economic characteristics (e.g. average gross margin and the impact of economic conditions on long-term financial performance).

The Company's Distribution segment is engaged in the distribution of equipment, tools and supplies used for tire servicing and automotive underbody repair. The Distribution segment operates domestically through 42 branches located in major cities throughout the United States and in foreign countries through export and businesses in which the Company holds an equity interest.

PART I — FINANCIAL INFORMATION

MYERS INDUSTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

(3) Segment Information (Con’t)

The Company’s manufacturing segment designs, manufactures and markets a variety of polymer based plastic and rubber products. These products are manufactured primarily through the molding process in facilities throughout the United States and Europe.

Operating income for each segment is based on net sales less cost of products sold, and the related selling, administrative and general expenses. In computing segment operating income general corporate overhead expenses and interest expenses are not included.

(In Thousands)	Three Months Ended March 31,	
	2001	2000
Net Sales		
Distribution of aftermarket repair products and services	\$ 31,570	\$ 33,965
Manufacturing of polymer products	136,709	130,643
Intra-segment elimination	(3,019)	(3,022)
	<u>\$165,260</u>	<u>\$161,586</u>
Income Before Income Taxes		
Distribution of aftermarket repair products and services	\$ 2,459	\$ 2,857
Manufacturing of polymer products	19,492	19,718
Corporate	(2,667)	(2,606)
Interest expense — net	(5,588)	(5,611)
	<u>\$ 13,696</u>	<u>\$ 14,358</u>

PART I — FINANCIAL INFORMATION

MYERS INDUSTRIES, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Net sales for the quarter ended March 31, 2001 increased \$3.7 million or 2 percent on the strength of increased sales in the manufacturing segment. Sales in the manufacturing segment increased \$6.1 million or 5 percent primarily as a result of the impact of acquired companies not included in the prior year period. Excluding the contributions of these acquisitions, manufacturing sales increased one percent while total net sales were flat. Sales in the distribution segment were down 7 percent as demand for both capital equipment and supplies continued to be affected by softness in the automotive aftermarket.

Total sales and manufacturing segment sales were also negatively impacted by the translation effect of weaker foreign currencies, particularly the Euro, on sales of foreign businesses. As a result, total sales and sales in the manufacturing segment were reduced \$2.9 million. Without the translation effect and excluding the impact of acquired businesses, manufacturing segment sales would have increased 4 percent for the quarter and total sales would have increased 2 percent .

Cost of sales increased \$1.7 million or 2 percent for the quarter ended March 31, 2001, however, expressed as a percentage of sales was reduced from 64.8 percent in the prior year to 64.6 percent. The slight improvement in gross margin was due to the cost of basic raw materials, primarily plastic resins, which were slightly favorable when compared to the first quarter of the prior year.

Total operating expenses increased \$2.6 million or 7 percent reflecting, in part, the slightly higher sales levels and the additional operating costs of acquired companies. Expressed as a percentage of sales, operating expenses increased to 24.0 percent in the quarter from 22.9 percent in the prior year.

Net interest expense of \$5.6 million was unchanged from the prior year as lower interest rates offset slightly higher borrowing levels.

LIQUIDITY AND CAPITAL RESOURCES

Cash provided by operating activities was \$20.9 million for the quarter ended March 31, 2001 compared with \$19.9 million for same period in the prior year. Long-term debt at March 31, 2001 was reduced \$10.5 million from December 31, 2000 and debt as a percentage of total capitalization was 58 percent. Working capital decreased slightly from \$103.7 million at December 31, 2000 to \$101.8 million at March 31, 2001.

PART I — FINANCIAL INFORMATION

MYERS INDUSTRIES, INC.

**MANAGEMENT’S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

LIQUIDITY AND CAPITAL RESOURCES (Con’t)

Capital expenditures for the quarter were \$9.4 million and are anticipated to be in the range of \$30 million to \$35 million for the full year. Management believes that anticipated cash flows from operations and available credit facilities will be sufficient to meet expected business requirements including capital expenditures, dividends, working capital and debt service.

PART II — OTHER INFORMATION

MYERS INDUSTRIES, INC.

Item 4. Exhibits and Reports on Form 8-K

- (a) Exhibits
- (c) Form 8-K

No Reports on Form 8-K were filed during the quarter.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MYERS INDUSTRIES, INC.

5/14/01
Date

By: /s/ Gregory J. Stodnick
Gregory J. Stodnick
Vice President-Finance
Financial Officer (Duly Authorized
Officer and Principal Financial
and Accounting Officer)