# UNITED STATES
# 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, 2019**

**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 incorporation or organization)*** | ***(IRS Employer Identification Number)*** |
| **1293 South Main Street<br>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 (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 ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

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

| | | | |
|---|---|---|---|
| Large accelerated filer | ☐ | Accelerated filer | ☑ |
| Non-Accelerated filer | ☐ | Smaller reporting company | ☐ |
| | | Emerging growth company | ☐ |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to section 13(a) of the Exchange Act. ☐

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

Securities registered pursuant to Section 12(b) of the Act:

| Title of Each Class | Trading Symbol | Name of Exchange on Which Registered |
|---|---|---|
| **Common Stock, without par value** | **MYE** | **New York Stock Exchange** |

The number of shares outstanding of the issuer's common stock, without par value, as of April 30, 2019 was 35,461,725 shares.

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**Item 1. Financial Statements**

**MYERS INDUSTRIES, INC. AND SUBSIDIARIES**

**Condensed Consolidated Statements of Operations (Unaudited)**

*(Dollars in thousands, except per share data)*

| | For the Quarter Ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Net sales | $ 139,115 | $ 152,568 |
| Cost of sales | 93,556 | 105,453 |
| Gross profit | 45,559 | 47,115 |
| Selling, general and administrative expenses | 34,468 | 35,473 |
| (Gain) loss on disposal of fixed assets | (43) | (380) |
| Impairment charges | 916 | — |
| Operating income | 10,218 | 12,022 |
| Interest expense, net | 1,049 | 1,639 |
| Income from continuing operations before income taxes | 9,169 | 10,383 |
| Income tax expense | 2,526 | 2,628 |
| Income from continuing operations | 6,643 | 7,755 |
| Income (loss) from discontinued operations, net of income tax | 127 | (911) |
| Net income | $ 6,770 | $ 6,844 |
| Income per common share from continuing operations: | | |
| Basic | $ 0.19 | $ 0.25 |
| Diluted | $ 0.19 | $ 0.25 |
| Income (loss) per common share from discontinued operations: | | |
| Basic | $ — | $ (0.03) |
| Diluted | $ — | $ (0.03) |
| Net income per common share: | | |
| Basic | $ 0.19 | $ 0.22 |
| Diluted | $ 0.19 | $ 0.22 |

*See notes to unaudited condensed consolidated financial statements.*

**MYERS INDUSTRIES, INC. AND SUBSIDIARIES**

**Condensed Consolidated Statements of Comprehensive Income (Loss) (Unaudited)**

*(Dollars in thousands)*

| | For the Quarter Ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Net income | $ 6,770 | $ 6,844 |
| Other comprehensive income (loss) | | |
| Adoption of ASU 2018-02 | — | (315) |
| Foreign currency translation adjustment | 777 | (1,720) |
| Pension liability, net of tax expense of $67 in 2018 | — | 201 |
| Total other comprehensive income (loss) | 777 | (1,834) |
| Comprehensive income | $ 7,547 | $ 5,010 |

*See notes to unaudited condensed consolidated financial statements.*

**MYERS INDUSTRIES, INC. AND SUBSIDIARIES**

**Condensed Consolidated Statements of Financial Position (Unaudited)**

*(Dollars in thousands)*

| | March 31, 2019 | December 31, 2018 |
|---|---|---|
| **Assets** | | |
| **Current Assets** | | |
| Cash | $ 67,316 | $ 58,894 |
| Accounts receivable, less allowances of $2,281 and $2,259, respectively | 71,914 | 72,939 |
| Income tax receivable | — | 4,892 |
| Inventories, net | 42,489 | 43,596 |
| Prepaid expenses and other current assets | 1,809 | 2,534 |
| **Total Current Assets** | 183,528 | 182,855 |
| **Other Assets** | | |
| Property, plant, and equipment, net | 59,334 | 65,460 |
| Right of use asset - operating leases | 5,529 | — |
| Goodwill | 59,290 | 59,068 |
| Intangible assets, net | 28,448 | 30,280 |
| Deferred income taxes | 5,350 | 5,270 |
| Other | 4,309 | 5,712 |
| **Total Assets** | $ 345,788 | $ 348,645 |
| | | |
| **Liabilities and Shareholders' Equity** | | |
| **Current Liabilities** | | |
| Accounts payable | $ 53,818 | $ 60,849 |
| Accrued expenses | | |
| Employee compensation | 11,896 | 16,531 |
| Income taxes | 4,349 | — |
| Taxes, other than income taxes | 1,080 | 1,403 |
| Accrued interest | 811 | 1,939 |
| Other current liabilities | 13,634 | 16,701 |
| Operating lease liability - short-term | 1,895 | — |
| **Total Current Liabilities** | 87,483 | 97,423 |
| Long-term debt | 76,887 | 76,790 |
| Operating lease liability - long-term | 3,878 | — |
| Other liabilities | 19,114 | 19,794 |
| **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 35,454,385 and 35,374,121; net of treasury shares of 7,098,072 and 7,178,336, respectively) | 21,627 | 21,547 |
| Additional paid-in capital | 292,608 | 292,558 |
| Accumulated other comprehensive loss | (17,503) | (18,280) |
| Retained deficit | (138,306) | (141,187) |
| **Total Shareholders' Equity** | 158,426 | 154,638 |
| **Total Liabilities and Shareholders' Equity** | $ 345,788 | $ 348,645 |

*See notes to unaudited condensed consolidated financial statements.*

## MYERS INDUSTRIES, INC. AND SUBSIDIARIES

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

*(Dollars in thousands, except per share data)*

| | Quarter Ended March 31, 2019 | | | | |
|---|---|---|---|---|---|
| | Common Shares | Additional Paid-In Capital | Accumulated Other Comprehensive Income (Loss) | Retained Deficit | Total Shareholders' Equity |
| **Balance at January 1, 2019** | $ 21,547 | $ 292,558 | $ (18,280) | $ (141,187) | $ 154,638 |
| Net income | — | — | — | 6,770 | 6,770 |
| Adoption of ASU 2016-02, net of tax of $332 | — | — | — | 905 | 905 |
| Foreign currency translation adjustment | — | — | 777 | — | 777 |
| Shares issued under incentive plans, net of shares withheld for tax | 80 | (908) | — | — | (828) |
| Stock compensation expense | — | 958 | — | — | 958 |
| Declared dividends - $0.14 per share | — | — | — | (4,794) | (4,794) |
| **Balance at March 31, 2019** | $ 21,627 | $ 292,608 | $ (17,503) | $ (138,306) | $ 158,426 |

| | Quarter Ended March 31, 2018 | | | | |
|---|---|---|---|---|---|
| | Common Shares | Additional Paid-In Capital | Accumulated Other Comprehensive Income (Loss) | Retained Deficit | Total Shareholders' Equity |
| **Balance at January 1, 2018** | $ 18,547 | $ 209,253 | $ (14,541) | $ (119,507) | $ 93,752 |
| Net income | — | — | — | 6,844 | 6,844 |
| Adoption of ASU 2018-02 | — | — | (315) | 315 | — |
| Foreign currency translation adjustment | — | — | (1,720) | — | (1,720) |
| Shares issued under incentive plans, net of shares withheld for tax | 51 | 42 | — | — | 93 |
| Stock compensation expense | — | 953 | — | — | 953 |
| Pension liability, net of tax of $67 | — | — | 201 | — | 201 |
| Declared dividends - $0.14 per share | — | — | — | (4,197) | (4,197) |
| **Balance at March 31, 2018** | $ 18,598 | $ 210,248 | $ (16,375) | $ (116,545) | $ 95,926 |

*See notes to unaudited condensed consolidated financial statements.*

## MYERS INDUSTRIES, INC. AND SUBSIDIARIES

**Condensed Consolidated Statements of Cash Flows (Unaudited)**

*(Dollars in thousands)*

| | For the Quarter Ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| **Cash Flows From Operating Activities** | | |
| Net income | $ 6,770 | $ 6,844 |
| Income (loss) from discontinued operations, net of income taxes | 127 | (911) |
| Income from continuing operations | 6,643 | 7,755 |
| Adjustments to reconcile income (loss) from continuing operations to net cash provided by (used for) operating activities | | |
| Depreciation | 4,012 | 4,479 |
| Amortization | 2,026 | 2,166 |
| Accelerated depreciation associated with restructuring activities | — | 16 |
| Non-cash stock-based compensation expense | 958 | 1,098 |
| (Gain) loss on disposal of fixed assets | (43) | (380) |
| Interest income received (accrued) on note receivable | — | 334 |
| Impairment charges | 916 | — |
| Other | 100 | 60 |
| Payments on performance based compensation | (413) | (1,249) |
| Other long-term liabilities | 379 | (123) |
| Cash flows provided by (used for) working capital | | |
| Accounts receivable | 1,200 | (4,473) |
| Inventories | 1,207 | (796) |
| Prepaid expenses and other current assets | 733 | 447 |
| Accounts payable and accrued expenses | (12,417) | 3,504 |
| Net cash provided by (used for) operating activities - continuing operations | 5,301 | 12,838 |
| Net cash provided by (used for) operating activities - discontinued operations | 7,297 | (2,085) |
| Net cash provided by (used for) operating activities | 12,598 | 10,753 |
| **Cash Flows From Investing Activities** | | |
| Capital expenditures | (2,933) | (1,206) |
| Proceeds from sale of property, plant and equipment | 4,486 | 2,353 |
| Net cash provided by (used for) investing activities - continuing operations | 1,553 | 1,147 |
| Net cash provided by (used for) investing activities - discontinued operations | — | — |
| Net cash provided by (used for) investing activities | 1,553 | 1,147 |
| **Cash Flows From Financing Activities** | | |
| Net borrowings (repayments) on credit facility | — | (6,722) |
| Cash dividends paid | (4,940) | (4,161) |
| Proceeds from issuance of common stock | 146 | 452 |
| Shares withheld for employee taxes on equity awards | (974) | (359) |
| Net cash provided by (used for) financing activities - continuing operations | (5,768) | (10,790) |
| Net cash provided by (used for) financing activities - discontinued operations | — | — |
| Net cash provided by (used for) financing activities | (5,768) | (10,790) |
| Foreign exchange rate effect on cash | 39 | (606) |
| Net increase in cash and restricted cash | 8,422 | 504 |
| Cash and restricted cash at January 1 | 58,894 | 11,179 |
| Cash and restricted cash at March 31 | $ 67,316 | $ 11,683 |

*See notes to unaudited condensed consolidated financial statements.*

(Dollars in thousands, except where otherwise indicated)

## 1. Summary of Significant Accounting Policies

### Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of Myers Industries, Inc. and all wholly owned subsidiaries (collectively, the "Company"), and have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP") 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. These interim financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 2018.

In the opinion of the Company, the accompanying condensed consolidated financial statements contain all adjustments (consisting of normal recurring accruals) necessary to present fairly the financial position as of March 31, 2019, and the results of operations and cash flows for the periods presented. The results of operations for the quarter ended March 31, 2019 are not necessarily indicative of the results of operations that will occur for the year ending December 31, 2019.

### Accounting Standards Adopted

In February 2016, the FASB issued ASU 2016-02, *Leases,* which created Accounting Standards Codification ("ASC") Topic 842. Under ASU 2016-02, an entity recognizes right-of-use assets and lease liabilities on its balance sheet, and discloses key information about the amount, timing and uncertainty of cash flows arising from leasing arrangements. The Company adopted the new guidance effective January 1, 2019, using the optional transition method, which required application of the new guidance to only those leases that existed at the date of adoption. The Company elected the "package of practical expedients," which permitted the Company to not reassess under the new standard its prior conclusions about lease identification, lease classification and initial direct costs. The Company also elected to apply the guidance at a portfolio level and use the discount rate corresponding to the remaining lease term at transition. Adoption of the new standard resulted in the recognition of right-of-use assets and lease liabilities of $5.9 million and $6.2 million, respectively, on January 1, 2019. The difference between the right-of-use assets and lease liabilities related primarily to the removal of previously recorded accrued rent balances as a result of recording straight-line rent expense for certain leases. In addition, the adoption resulted in an adjustment to opening retained earnings (deficit) of approximately $0.9 million, net of tax, on January 1, 2019. This cumulative-effect transition adjustment to opening retained earnings (deficit) related to the recognition of the remaining deferred gain on the sale-leaseback transaction that occurred in 2018. The standard did not have a material impact on the Company's condensed consolidated results of operations or cash flows.

The following tables summarize the impacts of ASC 842 on the Company's condensed consolidated financial statements:

| | For the Quarter Ended March 31, 2019 | | |
|---|---|---|---|
| | As Reported | Adjustments | Balances Without Adoption of ASC 842 |
| Net sales | $ 139,115 | $ — | $ 139,115 |
| Cost of sales | 93,556 | — | 93,556 |
| Gross profit | 45,559 | — | 45,559 |
| Selling, general and administrative expenses | 34,468 | (34) | 34,434 |
| (Gain) loss on disposal of fixed assets | (43) | — | (43) |
| Impairment charges | 916 | — | 916 |
| Operating income | 10,218 | 34 | 10,252 |
| Interest expense, net | 1,049 | — | 1,049 |
| Income from continuing operations before income taxes | 9,169 | 34 | 9,203 |
| Income tax expense | 2,526 | 9 | 2,535 |
| Income from continuing operations | $ 6,643 | $ 25 | $ 6,668 |

**(Dollars in thousands, except where otherwise indicated)**

| | As of March 31, 2019 | | |
|---|---|---|---|
| | As Reported | Adjustments | Balances Without Adoption of ASC 842 |
| **Assets** | | | |
| Right of use asset - operating leases | $ 5,529 | $ (5,529) | $ — |
| Deferred tax asset | 5,350 | 332 | 5,682 |
| **Liabilities** | | | |
| Other current liabilities | $ 13,634 | $ 244 | $ 13,878 |
| Operating lease liability - short-term | 1,895 | (1,895) | — |
| Operating lease liability - long-term | 3,878 | (3,878) | — |
| Other liabilities | 19,114 | 1,203 | 20,317 |
| **Shareholders' Equity** | | | |
| Retained deficit | $ (138,306) | $ (871) | $ (139,177) |

**Accounting Standards Not Yet Adopted**

In August 2018, the FASB issued ASU 2018-15, *Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40)*. This ASU aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). The ASU is effective for annual periods beginning after December 15, 2019, and interim periods within those annual periods. Early adoption is permitted and this ASU should be applied either retrospectively or prospectively to all implementation costs incurred after the date of adoption. The Company is currently evaluating the impact the adoption of this standard will have on its consolidated financial statements.

In August 2018, the FASB issued ASU 2018-14, *Compensation – Retirement Benefits – Defined Benefit Plans – General (Subtopic 715-20)*. This ASU modifies the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. The ASU is effective for annual periods ending after December 15, 2020, with early adoption permitted and should be applied on a retrospective basis to all periods presented. The Company is currently evaluating the impact the adoption of this standard will have on its consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. This ASU modifies the disclosure requirements on fair value measurements by removing, modifying, or adding certain disclosures. This guidance is effective for annual periods beginning after December 15, 2019, and interim periods within those annual periods. Early adoption is permitted. Certain disclosures in this ASU are required to be applied on a retrospective basis and others on a prospective basis. The Company is currently evaluating the impact the adoption of this standard will have on its consolidated financial statements.

In January 2017, the FASB issued ASU 2017-04, *Intangibles - Goodwill and Other (Topic 350) - Simplifying the Test for Goodwill Impairment.* This ASU eliminates Step 2 of the goodwill impairment test and requires goodwill impairment to be measured as the amount by which a reporting unit's carrying amount exceeds its fair value, not to exceed the carrying amount of its goodwill. The ASU is effective for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. The guidance allows for early adoption for impairment testing dates after January 1, 2017. The Company does not believe that the adoption of this guidance will have a material impact on its consolidated financial statements unless a goodwill impairment were to occur.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments* , which introduces new guidance for the accounting for credit losses on instruments. The new guidance introduces an approach based on expected losses to estimate credit losses on certain types of financial instruments. This ASU is effective for fiscal years beginning after December 15, 2019 including interim periods within that reporting period, with early adoption permitted for fiscal years beginning after December 15, 2018. The Company is currently evaluating the impact the adoption of this standard will have on its consolidated financial statements.

(Dollars in thousands, except where otherwise indicated)

**Fair Value Measurement**

The Company follows guidance included in ASC 820, *Fair Value Measurements and Disclosures* , for its financial assets and liabilities, as required. Under ASC 820, the hierarchy that prioritizes the inputs to valuation techniques used to measure fair value is divided into three levels:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active or inputs that are observable either directly or indirectly.

Level 3: Unobservable inputs for which there is little or no market data or which reflect the entity's own assumptions.

Financial assets that are measured at net asset value, which is a practical expedient to estimating fair value, are not classified in the fair value hierarchy.

The Company has financial instruments, including cash, accounts receivable, accounts payable and accrued expenses. The fair value of these financial instruments approximates carrying value due to the nature and relative short maturity of these assets and liabilities.

The fair value of debt under the Company's Loan Agreement, as defined in Note 12, approximates carrying value due to the floating rates and relative short maturity (less than 90 days) of the revolving borrowings under this agreement. The fair value of the Company's fixed rate senior unsecured notes was estimated using market observable inputs for the Company's comparable peers with public debt, including quoted prices in active markets and interest rate measurements which are considered Level 2 inputs. At March 31, 2019 and December 31, 2018, the aggregate fair value of the Company's outstanding fixed rate senior unsecured notes was estimated at $77.8 million and $76.8 million, respectively.

**Accumulated Other Comprehensive Income (Loss)**

Changes in accumulated other comprehensive income (loss) are as follows:

| | Foreign Currency | Defined Benefit Pension Plans | Total |
|---|---|---|---|
| Balance at January 1, 2019 | $ (16,251) | $ (2,029) | $ (18,280) |
| Other comprehensive income (loss) before reclassifications | 777 | — | 777 |
| Net current-period other comprehensive income (loss) | 777 | — | 777 |
| Balance at March 31, 2019 | $ (15,474) | $ (2,029) | $ (17,503) |

## 2. Revenue Recognition

The following tables disaggregate the Company's revenue by major market:

| | For the Quarter Ended March 31, 2019 | | | |
|---|---|---|---|---|
| | Material Handling | Distribution | Inter-company | Consolidated |
| Consumer | $ 17,785 | $ — | $ — | $ 17,785 |
| Vehicle | 22,520 | — | — | 22,520 |
| Food and beverage | 25,149 | — | — | 25,149 |
| Industrial | 37,497 | — | (10) | 37,487 |
| Auto aftermarket | — | 36,174 | — | 36,174 |
| Total net sales | $ 102,951 | $ 36,174 | $ (10) | $ 139,115 |

(Dollars in thousands, except where otherwise indicated)

| | For the Quarter Ended March 31, 2018 | | | |
|---|---|---|---|---|
| | Material Handling | Distribution | Inter-company | Consolidated |
| Consumer | $ 17,231 | $ — | $ — | $ 17,231 |
| Vehicle | 25,543 | — | — | 25,543 |
| Food and beverage | 37,657 | — | — | 37,657 |
| Industrial | 36,378 | — | (22) | 36,356 |
| Auto aftermarket | — | 35,781 | — | 35,781 |
| Total net sales | $ 116,809 | $ 35,781 | $ (22) | $ 152,568 |

Revenue is recognized when obligations under the terms of a contract with customers are satisfied. In both the Distribution and Material Handling segments, this generally occurs with the transfer of control of the Company's products. This transfer of control may occur at either the time of shipment from a Company facility, or at the time of delivery to a designated customer location. Obligations under contracts with customers are typically fulfilled within 90 days of receiving a purchase order from a customer, and generally no other future obligations are required to be performed. The Company does not enter into any long-term contracts with customers greater than one year. Based on the nature of the Company's products and customer contracts, the Company has not recorded any deferred revenue, with the exception of cash advances or deposits received from customers prior to transfer of control of the product. These advances are typically fulfilled within the 90 day time frame mentioned above.

Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring the products. Certain contracts with customers include variable consideration, such as rebates or discounts. The Company recognizes estimates of this variable consideration each period, primarily based on the most likely level of consideration to be paid to the customer under the specific terms of the underlying programs. While the Company's contracts with customers do not generally include explicit rights to return product, the Company will in practice allow returns in the normal course of business and as part of the customer relationship. Thus, the Company estimates the expected returns each period based on an analysis of historical experience. For certain businesses where physical recovery of the product from returns occurs, the Company records an estimated right to return asset from such recovery, based on the approximate cost of the product.

Amounts included in the Condensed Consolidated Statement of Financial Position (Unaudited) related to revenue recognition include:

| | March 31, 2019 | December 31, 2018 | Statement of Financial Position Classification |
|---|---|---|---|
| Returns, discounts and other allowances | $ (1,122) | $ (1,169) | Accounts receivable |
| Right of return asset | 503 | 535 | Inventories, net |
| Customer deposits | (167) | (806) | Other current liabilities |
| Accrued rebates | (1,820) | (2,559) | Other current liabilities |

Sales, value added, and other taxes the Company collects concurrent with revenue from customers are excluded from net sales. The Company has elected to recognize the cost for shipments to customers when control over products has transferred to the customer. Costs for shipments to customers are classified as Selling, General and Administrative Expenses for the Company's manufacturing business and as Cost of Sales for the Company's distribution business in the accompanying Condensed Consolidated Statements of Operations (Unaudited). The Company incurred costs for shipments to customers of approximately $2.2 million and $2.7 million in Selling, General and Administrative Expenses for the quarters ended March 31, 2019 and 2018, respectively, and $1.5 million and $1.3 million in Cost of Sales for the quarters ended March 31, 2019 and 2018, respectively. All other internal distribution costs are recorded in Selling, General and Administrative Expenses.

Based on the short term nature of contracts described above, the Company does not incur significant contract acquisition costs. These costs, as well as other incidental items that are immaterial in the context of the contract, are recognized as expense as incurred.

## 3. Assets Held for Sale

As part of its ongoing strategy, the Company continues to evaluate its various real estate holdings. As a result of these initiatives, certain buildings were reclassified as held for sale in 2018 and 2019. As of March 31, 2019 and December 31, 2018, the Company had classified $2.9 million and $4.4 million, respectively, of buildings as held for sale, in Other Assets in the Condensed Consolidated Statements of Financial Position (Unaudited). During the first quarter of 2019, the Company sold a building previously held for sale for net proceeds of $4.5 million. This building was included in the Company's Material Handling Segment.

## 4. Disposal of Businesses

On December 18, 2017, the Company, collectively with its wholly owned subsidiary, Myers Holdings Brasil, Ltda. ("Holdings"), completed the sale of its subsidiaries, Myers do Brasil Embalagens Plasticas Ltda. and Plasticos Novel do Nordeste Ltda. (collectively, the "Brazil Business"), to Novel Holdings – Eireli ("Buyer"), an entity controlled by a member of the Brazil Business' management team. The Brazil Business was part of the Material Handling Segment.

The Company has agreed to be the guarantor under a factoring arrangement between the Buyer and Banco Alfa de Investimento S.A. until December 31, 2019 for up to $7 million, in the event the Buyer is unable to meet its obligations under this arrangement. The Company also holds a first lien against certain machinery and equipment, exercisable only upon default by the Buyer under the guaranty. Based on the nature of the guaranty, as well as the existence of the lien, the Company believes the fair value of the guaranty is immaterial (based primarily on Level 3 inputs), and thus has recorded no liability related to this guaranty in the Condensed Consolidated Statements of Financial Position (Unaudited). This guaranty also creates a variable interest to the Company in the Brazil Business. Based on the terms of the transaction and the fact that the Company has no management involvement or voting interests in the Brazil Business following the sale, the Company does not have any power to direct the significant activities of the Brazil Business, and is thus not the primary beneficiary.

On February 17, 2015, the Company sold its Lawn and Garden business to an entity controlled by Wingate Partners V, L.P. ("L&G Buyer"). The terms of the sale included promissory notes totaling $20 million that were originally set to mature in August 2020 with a 6% interest rate. During the third quarter of 2018, management of the Lawn and Garden business, now named HC Companies, Inc. ("HC"), requested an extension to the maturity of the notes as part of an effort to restructure their debt. The Company believes there is uncertainty about the ability to collect on the notes and corresponding accrued interest, and as a result, the Company recorded a provision for expected loss of $23.0 million within continuing operations during the third quarter of 2018. The Company ceased recognizing interest income as of September 30, 2018 following the recognition of the provision. In April 2019, the Company entered into an agreement with HC to amend and restate the notes ("Amended and Restated Notes"). The Amended and Restated Notes maintain the amounts due under the original terms of the notes, including interest, and extend the maturity to August 2022. The agreement to amend and restate the notes did not change management's assessment of the uncertainty to collect on the notes.

In addition, approximately $8.6 million of the purchase price related to the Lawn and Garden sale was placed in escrow that was due to be settled by August 2016. The release of these funds had been extended pending the resolution of indemnification claims, as further described in Note 11. In April 2018, the Company reached agreement on the material terms of a settlement, and, as a result, recorded a pre-tax charge of $1.225 million to discontinued operations for the quarter ended March 31, 2018. The settlement was finalized and paid in May 2018, and upon settlement and release of any further obligation on behalf of the Company, the remaining $7.4 million was released from escrow to the Company.

In connection with the financial risk described above with HC, the Company further assessed its potential obligations under a lease guarantee granted as part of the sale of the Lawn and Garden business. Refer to Note 11 for further information with regards to this guarantee.

(Dollars in thousands, except where otherwise indicated)

Summarized selected financial information for discontinued operations for the quarters ended March 31, 2019 and 2018 are presented in the following table:

| | For the Quarter Ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Net sales | $ — | $ — |
| Cost of sales | — | — |
| Selling, general, and administrative | — | 1,225 |
| (Gain) loss on disposal of assets | — | — |
| Interest income, net | (174) | — |
| Income (loss) from discontinued operations before income tax | 174 | (1,225) |
| Income tax expense (benefit) | 47 | (314) |
| Income (loss) from discontinued operations, net of income tax | $ 127 | $ (911) |

Net cash flows provided by discontinued operations in 2019 resulted from the remaining receipt of the tax benefit from a worthless stock deduction, which was recognized as part of the sale of the Brazil Business. Net cash flows used for discontinued operations in 2018 resulted from the payment of expenses related to the sale of the Brazil Business.

## 5. Restructuring

On March 20, 2019, the Company committed to implementing a restructuring plan involving its Ameri-Kart Corp. subsidiary ("Ameri-Kart") that operates within the Company's Material Handling Segment. The Company plans to consolidate manufacturing operations currently conducted at Ameri-Kart's Cassopolis, Michigan facility with expanded operations at Ameri-Kart's Bristol, Indiana facility, and eliminate up to 30 positions in connection with the consolidation (the "Ameri-Kart Plan"). Total restructuring costs expected to be incurred are approximately $0.9 million, which include employee severance and other employee-related costs of approximately $0.2 million, equipment relocation and facility shut down costs of approximately $0.6 million and non-cash charges, primarily accelerated depreciation charges on property, plant and equipment, of approximately $0.1 million. No costs were incurred during the quarter ended March 31, 2019 related to the Ameri-Kart Plan. The Ameri-Kart Plan is expected to be substantially completed by the end of 2019.

On March 18, 2019, the Company committed to implementing a restructuring plan relating to transformation initiatives within the Company's Distribution Segment (the "Distribution Transformation Plan") that are intended to increase sales force effectiveness, reduce costs and improve contribution margins. The Company plans to realign its Distribution Segment's commercial sales structure, which includes the elimination of certain sales and administrative positions, as well as expand its e-commerce platform. Total restructuring costs expected to be incurred are approximately $0.9 million, primarily related to employee severance and other employee-related costs. During the quarter ended March 31, 2019, the Company incurred restructuring charges of $0.9 million and does not expect to incur any additional restructuring charges in connection with the Distribution Transformation Plan. The Distribution Transformation Plan is expected to be substantially completed by the end of 2019.

On March 9, 2017, the Company announced a restructuring plan to improve the Company's organizational structure and operational efficiency within the Material Handling Segment (the "Material Handling Plan"), which related primarily to anticipated facility shutdowns and associated activities. Total restructuring costs incurred related to the Material Handling Plan were approximately $7.7 million, which includes employee severance and other employee-related costs of approximately $3.1 million, $2.6 million related to equipment relocation and facility shut down costs and non-cash charges, primarily accelerated depreciation charges on property, plant and equipment, of approximately $2.0 million. All actions under the Material Handling Plan are completed. The Company incurred $0.1 million of restructuring charges associated with the Material Handling Plan during the quarter ended March 31, 2018. No costs were incurred during the quarter ended March 31, 2019.

(Dollars in thousands, except where otherwise indicated)

The restructuring charges noted above are presented in the Condensed Consolidated Statements of Operations (Unaudited) as follows:

| | For the Quarter Ended March 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2019 | | | 2018 | | |
| Segment | Cost of sales | SG&A | Total | Cost of sales | SG&A | Total |
| Distribution | $ — | $ 901 | $ 901 | $ — | $ — | $ — |
| Material Handling | — | — | — | 119 | — | 119 |
| Total | $ — | $ 901 | $ 901 | $ 119 | $ — | $ 119 |

The table below summarizes restructuring activity for the quarter ended March 31, 2019:

| | Employee Reduction | Accelerated Depreciation | Other Exit Costs | Total |
|---|---|---|---|---|
| Balance at January 1, 2019 | $ 30 | $ — | $ — | $ 30 |
| Charges to expense | 901 | — | — | 901 |
| Cash payments | (65) | — | — | (65) |
| Non-cash utilization | — | — | — | — |
| Balance at March 31, 2019 | $ 866 | $ — | $ — | $ 866 |

During the quarter ended March 31, 2019, the Company reclassified a facility that was closed in connection with the Material Handling Plan as held for sale as discussed in Note 3. Based on the estimated fair value of this facility (using primarily a third party offer considered to be a Level 2 input), less estimated costs to sell, the Company recognized an impairment charge of $0.9 million during the quarter ended March 31, 2019.

In addition to the restructuring charges noted above, the Company has also incurred $0.1 million of other associated costs of the Distribution Transformation Plan during the quarter ended March 31, 2019, which are included in Selling, General, and Administrative expenses in the accompanying Condensed Consolidated Statements of Operations (Unaudited), and are primarily related to third party consulting costs. Additional estimated costs of $0.2 million and $0.9 million are expected to be incurred throughout the remainder of 2019 related to the Ameri-Kart Plan and the Distribution Transformation Plan, respectively.

## 6. Inventories

Inventories are valued at the lower of cost or market for last-in, first-out ("LIFO") inventory and lower of cost or net realizable value for first-in, first-out ("FIFO") inventory. Approximately 30 percent of inventories are valued using the LIFO method of determining cost. All other inventories are valued at the FIFO method of determining cost. An actual valuation of inventory under the LIFO method can be made only at the end of each year based on inventory levels and costs at that time. Accordingly, interim LIFO calculations must be based on management's estimates of expected year-end inventory levels and costs. Because these calculations are subject to many factors beyond management's control, annual results may differ from interim results as they are subject to the final year-end LIFO inventory valuation. Based on management's projections of inventory levels and costs, no adjustment to the LIFO reserve was recorded for the quarters ended March 31, 2019 or 2018.

Inventories consisted of the following:

| | March 31, 2019 | December 31, 2018 |
|---|---|---|
| Finished and in-process products | $ 29,287 | $ 27,960 |
| Raw materials and supplies | 13,202 | 15,636 |
| | $ 42,489 | $ 43,596 |

(Dollars in thousands, except where otherwise indicated)

## 7. Other Liabilities

The balance in other current liabilities is comprised of the following:

| | March 31, 2019 | December 31, 2018 |
|---|---|---|
| Customer deposits and accrued rebates | $ 1,987 | $ 3,365 |
| Dividends payable | 5,115 | 5,260 |
| Accrued litigation, claims and professional fees | 658 | 460 |
| Current portion of environmental reserves | 822 | 1,229 |
| Other accrued expenses | 5,052 | 6,387 |
| | $ 13,634 | $ 16,701 |

The balance in other liabilities (long-term) is comprised of the following:

| | March 31, 2019 | December 31, 2018 |
|---|---|---|
| Lease guarantee contingency | $ 10,481 | $ 10,402 |
| Environmental reserves | 3,702 | 3,702 |
| Supplemental executive retirement plan liability | 1,951 | 2,026 |
| Pension liability | 1,246 | 1,207 |
| Deferred gain on sale of assets | — | 1,237 |
| Other long-term liabilities | 1,734 | 1,220 |
| | $ 19,114 | $ 19,794 |

## 8. Goodwill and Intangible Assets

The change in goodwill for the quarter ended March 31, 2019 was as follows:

| | Distribution | Material Handling | Total |
|---|---|---|---|
| January 1, 2019 | $ 505 | $ 58,563 | $ 59,068 |
| Foreign currency translation | — | 222 | 222 |
| March 31, 2019 | $ 505 | $ 58,785 | $ 59,290 |

Intangible assets other than goodwill primarily consist of trade names, customer relationships, patents and technology assets established in connection with acquisitions. These intangible assets, other than certain trade names, are amortized over their estimated useful lives. The Company has indefinite-lived trade names which had a carrying value of $9.8 million at both March 31, 2019 and December 31, 2018.

## 9. Net Income per Common Share

Net income per common share, as shown on the accompanying Condensed Consolidated Statements of Operations (Unaudited), is determined on the basis of the weighted average number of common shares outstanding during the periods as follows:

| | For the Quarter Ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Weighted average common shares outstanding basic | 35,388,989 | 30,518,715 |
| Dilutive effect of stock options and restricted stock | 305,841 | 470,546 |
| Weighted average common shares outstanding diluted | 35,694,830 | 30,989,261 |

Options to purchase 655,086 shares of common stock that were outstanding for the quarter ended March 31, 2019, and 366,772 for the quarter ended March 31, 2018 , were not included in the computation of diluted earnings per share as the exercise prices of these options were greater than the average market price of common shares, and were therefore anti-dilutive.

## 10. Stock Compensation

The Company's Amended and Restated 2017 Incentive Stock Plan (the "2017 Plan") authorizes the Compensation Committee of the Board of Directors to issue up to 5,126,950 shares of various stock awards including stock options, performance stock units, restricted stock units and other forms of equity-based awards to key employees and directors. Options granted and outstanding vest over the requisite service period and expire ten years from the date of grant.

In March 2019, the Company granted 235,474 stock options with a weighted average exercise price of $18.54 per share and a weighted average fair value of $5.78 per share. The fair value of options granted is estimated using a binomial lattice option pricing model. Also in March 2019, the Company granted 77,810 and 101,500 time-based and performance-based restricted stock units, respectively, with a weighted average fair value of $18.54 per share.

Stock compensation expense was approximately $1.0 million and $1.1 million for the quarters ended March 31, 2019 and 2018, respectively. These expenses are included in Selling, General and Administrative expenses in the accompanying Condensed Consolidated Statements of Operations (Unaudited). Total unrecognized compensation cost related to non-vested stock-based compensation arrangements at March 31, 2019 was approximately $8.2 million, which will be recognized over the next three years, as such compensation is earned.

## 11. Contingencies

The Company is a defendant in various lawsuits and a party to various other legal proceedings, in the ordinary course of business, some of which are covered in whole or in part by insurance. When a loss arising from these matters is probable and can reasonably be estimated, we record the amount of the estimated loss, or the minimum estimated liability when the loss is estimated using a range, and no point within the range is more probable of occurrence than another. As additional information becomes available, any potential liability related to these matters will be assessed and the estimates will be revised, if necessary.

Based on current available information, management believes that the ultimate outcome of these matters, including those described below, will not have a material adverse effect on our financial position, cash flows or overall trends in our results of operations. However, these matters are subject to inherent uncertainties, and unfavorable rulings could occur. If an unfavorable ruling were to occur, there exists the possibility of a material adverse impact on the financial position and results of operations of the period in which the ruling occurs, or in future periods.

### New Idria Mercury Mine

In September 2015, the U.S. Environmental Protection Agency ("EPA") informed a subsidiary of the Company, Buckhorn, Inc. ("Buckhorn") via a notice letter and related documents (the "Notice Letter") that it considers Buckhorn to be a potentially responsible party ("PRP") in connection with the New Idria Mercury Mine site ("New Idria Mine"). New Idria Mining & Chemical Company ("NIMCC"), which owned and/or operated the New Idria Mine through 1976, was merged into Buckhorn Metal Products Inc. in 1981, which was subsequently acquired by Myers Industries in 1987. As a result of the EPA Notice Letter, Buckhorn and the Company engaged in negotiations with the EPA with respect to a draft Administrative Order of Consent ("AOC") proposed by the EPA for the Remedial Investigation/Feasibility Study ("RI/FS") to determine the extent of remediation necessary and the screening of alternatives.

During the fourth quarter of 2018, the Company and the EPA finalized the AOC and related Statement of Work ("SOW") with regards to the New Idria Mine. The AOC is effective as of November 27, 2018, the date that it was executed by the EPA. The AOC and accompanying SOW document the terms, conditions and procedures for the Company's performance of the RI/FS. In addition, the AOC requires the Company to provide $2 million of financial assurance to the EPA to secure its performance during the estimated three year life of the RI/FS. In January 2019, the Company provided this assurance as a letter of credit. The AOC also includes provisions for payment by the Company of the EPA's costs of oversight of the RI/FS, including a prepayment in the amount of $0.2 million, which was paid in January 2019.

Since October 2011, when New Idria was added to the Superfund National Priorities List by the EPA, the Company has recognized $5.9 million of costs, of which approximately $2.9 million has been paid to date. These costs are comprised primarily of negotiati on of the AOC, identification of possible insurance resources and other PRPs, estimates to perform the RI/FS, EPA oversight fees, past cost claims made by the EPA, periodic monitoring, and responses to unilateral administrative orders issued by the EPA. No expenses were recorded related to the New Idria Mine in the quarters ended March 31, 2019 or 2018. As of March 31, 2019, the Company has a total reserve of $3.0 million related to the New Idria Mine, of which $0.5 million is classified in Other Current Li abilities and $2.5 million in Other Liabilities on the Condensed Consolidated Statements of Financial Position (Unaudited).

It is possible that adjustments to the aforementioned reserves will be necessary as new information is obtained, including after preparation and EPA approval of the work plan for the RI/FS, which is anticipated to occur in the second quarter of 2019. Estimates of the Company's liability are based on current facts, laws, regulations and technology. Estimates of the Company's environmental liabilities are further subject to uncertainties regarding the nature and extent of site contamination, the range of remediation alternatives available, evolving remediation standards, imprecise engineering evaluation and cost estimates, the extent of remedial actions that may be required, the extent of oversight by the EPA, the number and financial condition of other PRPs that may be named as well as the extent of their responsibility for the remediation, and the availability of insurance coverage for these expenses.

At this time, we have not accrued for remediation costs in connection with this site as we are unable to estimate the liability, given the circumstances referred to above, including the fact that the final remediation strategy has not yet been determined.

New Almaden Mine

A number of parties, including the Company and its subsidiary, Buckhorn (as successor to NIMCC), were alleged by trustee agencies of the United States and the State of California to be responsible for natural resource damages due to environmental contamination of areas comprising the historical New Almaden mercury mines located in the Guadalupe River Watershed region in Santa Clara County, California ("County"). In 2005, Buckhorn and the Company, without admitting liability or chain of ownership of NIMCC, resolved the trustees' claim against them through a consent decree that required them to contribute financially to the implementation by the County of an environmentally beneficial project within the impacted area. Buckhorn and the Company negotiated an agreement with the County, whereby Buckhorn and the Company agreed to reimburse one-half of the County's costs of implementing the project, originally estimated to be approximately $1.6 million. As a result, in 2005, the Company recognized expense of $0.8 million representing its share of the initial estimated project costs, of which approximately $0.5 million has been paid to date. In April 2016, the Company was notified by the County that the original cost estimate may no longer be appropriate due to expanded scope and increased costs of construction and provided a revised estimate of between $3.3 million and $4.4 million. The Company completed a detailed review of the support provided by the County for the revised estimate, and as a result, recognized additional expense of $1.2 million in 2016. No costs were incurred related to New Almaden in the quarters ended March 31, 2019 or 2018. As of March 31, 2019, the Company has a total reserve of $1.5 million related to the New Almaden Mine, of which $0.3 million is classified in Other Current Liabilities and $1.2 million in Other Liabilities on the Condensed Consolidated Statements of Financial Position (Unaudited).

The project has not yet been implemented though significant work on design and planning has been performed. The Company is currently awaiting notice from Santa Clara County on the expected timing of fieldwork to commence. As work on the project occurs, it is possible that adjustments to the aforementioned reserves will be necessary to reflect new information. In addition, the Company may have claims against and defenses to claims by the County under the 2005 agreement that could reduce or offset its obligation for reimbursement of some of these potential additional costs. With the assistance of environmental consultants, the Company will closely monitor this matter and will continue to assess its reserves as additional information becomes available.

Lawn and Garden Indemnification Claim

In connection with the sale of the Lawn and Garden business, as described in Note 4, the Company received Notices of Indemnification Claims in April 2015 and July 2016 (collectively, the "Claims"), alleging breaches of certain representations and warranties under the agreement resulting in alleged losses in the amount of approximately $10 million. As described in Note 4, approximately $8.6 million of the sale proceeds that were placed in escrow were due to be settled in August 2016; however, the release of these funds had been extended pending the resolution of the Claims, which were the subject of a lawsuit in the Delaware Chancery Court.

In April 2018, the Company reached agreement on the material terms of a settlement, and as a result, recorded a pre-tax charge of $1.225 million to discontinued operations for the quarter ended March 31, 2018. The settlement agreement was finalized in May 2018, and the settlement amount was funded from the escrow account. In addition, upon settlement and release of any further obligation on behalf of the Company, the remaining $7.4 million was released from escrow to the Company in the second quarter of 2018.

(Dollars in thousands, except where otherwise indicated)

Lawn and Garden Lease Guarantee

In connection with the sale of the Lawn and Garden business, as described in Note 4, the Company is a guarantor for one of HC's facility leases expiring in September 2025 for any remaining rent payments under the lease for which HC is unable to meet its obligations. Current annual rent for the facility is approximately $2 million, and is subject to annual CPI increases throughout the lease term. In connection with the financial risk associated with HC, as described in Note 4, the Company assessed its range of potential obligations under the lease guarantee, and as a result of this analysis, recorded a liability and related pre-tax charge of $10.3 million during the third quarter of 2018. The carrying value of the lease contingency as of March 31, 2019 and December 31, 2018 was $10.5 million and $10.4 million, respectively, which represents the initial liability recorded plus accretion and is included in Other Liabilities on the Condensed Consolidated Statements of Financial Position (Unaudited) .

Patent Infringement

On December 11, 2018, No Spill Inc. filed suit against Scepter Manufacturing LLC and Scepter Corporation ("Scepter") in the United States District Court for the District of Kansas asserting infringement of two patents, breach of contract, and trade dress claims in relation to plastic gasoline containers Scepter manufactures and sells in the United States. A schedule in the case has not yet issued. Scepter intends to defend itself vigorously in this matter. Due to the inherent uncertainties of litigation, the Company cannot accurately predict the ultimate outcome of this matter, and is unable at this time to determine whether the outcome of the litigation will have a material impact on its results of operations, financial condition, or cash flows. Accordingly, the Company has not currently recorded any reserves for this matter.

## 12. Long-Term Debt and Loan Agreements

Long-term debt consisted of the following:

| | March 31, 2019 | December 31, 2018 |
|---|---|---|
| Loan Agreement | $ — | $ — |
| 4.67% Senior Unsecured Notes due 2021 | 40,000 | 40,000 |
| 5.25% Senior Unsecured Notes due 2024 | 11,000 | 11,000 |
| 5.30% Senior Unsecured Notes due 2024 | 15,000 | 15,000 |
| 5.45% Senior Unsecured Notes due 2026 | 12,000 | 12,000 |
| | 78,000 | 78,000 |
| Less unamortized deferred financing costs | 1,113 | 1,210 |
| | $ 76,887 | $ 76,790 |

In March 2017, the Company entered into a Fifth Amended and Restated Loan Agreement (the "Loan Agreement"). The Loan Agreement replaced the pre-existing $300 million senior revolving credit facility with a $200 million facility and extended the term from December 2018 to March 2022. The Company also holds Senior Unsecured Notes ("Notes"), which range in face value from $11 million to $40 million, with interest rates ranging from 4.67% to 5.45%, payable semiannually, and maturing between 2021 and 2026. At March 31, 2019, $78 million of the Notes were outstanding.

Under the terms of the Loan Agreement, the Company may borrow up to $200 million, reduced for letters of credit issued. As of March 31, 2019, the Company had $194.0 million available under the Loan Agreement. The Company had $6.0 million of letters of credit issued related to insurance and other contracts requiring financial assurance in the ordinary course of business at March 31, 2019. Borrowings under the Loan Agreement bear interest at the LIBOR rate, prime rate, federal funds effective rate, the Canadian deposit offered rate, or the euro currency reference rate depending on the type of loan requested by the Company, plus the applicable margin as set forth in the Loan Agreement.

The weighted average interest rate on borrowings under the Company's long-term debt was 6.23% and 5.22% for the quarters ended March 31, 2019 and 2018, respectively, which includes a quarterly facility fee on the used and unused portion, as well as amortization of deferred financing costs.

(Dollars in thousands, except where otherwise indicated)

As of March 31, 2019 , the Company was in compliance with all of its debt covenants associated with its Loan Agreemen t and Notes. The most restrictive financial covenants for all of the Company's debt are an interest coverage ratio (defined as earnings before interest, taxes, depreciation and amortization, as adjusted, divided by interest expense) and a leverage ratio (d efined as total debt divided by earnings before interest, taxes, depreciation and amortization, as adjusted).

## 13. Retirement Plans

The Company and certain of its subsidiaries have pension and profit sharing plans covering substantially all of their employees. The Company's defined benefit pension plan, *The Pension Agreement between Akro-Mils and United Steelworkers of America Local No. 1761-02* , provides benefits primarily based upon a fixed amount for each year of service. The plan was frozen in 2007, and thus benefits for service were no longer accumulated after this date.

Net periodic pension cost is as follows:

| | For the Quarter Ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Interest cost | $ 60 | $ 56 |
| Expected return on assets | (46) | (79) |
| Amortization of net loss | 24 | 21 |
| Net periodic pension cost | $ 38 | $ (2) |

The Company expects to make a contribution to the plan of $30 in 2019 .

## 14. Income Taxes

The Company's effective tax rate was 27.6% for the quarter ended March 31, 2019 compared to 25.3% for the quarter ended March 31, 2018. The effective income tax rate for both periods was different than the Company's statutory rate, primarily due to state taxes and non-deductible expenses.

The total amount of gross unrecognized tax benefits that would reduce the Company's effective tax rate was $1.0 million at March 31, 2019 and December 31, 2018.

The Company and its subsidiaries file U.S. Federal, state and local, and non-U.S. income tax returns. As of March 31, 2019, the Company is no longer subject to U.S. Federal examination by tax authorities for tax years before 2015. The Company received notice in April 2019 from the Internal Revenue Service ("IRS") of its intent to audit the Company's 2017 U.S. Federal tax return. The Company is subject to state and local examinations for tax years of 2013 through 2018. In addition, the Company is subject to non-U.S. income tax examinations for tax years of 2013 through 2018.

## 15. Leases

The Company determines if an arrangement is a lease at inception. The Company has leases for distribution centers, warehouses, office space and equipment, with remaining lease terms of one to nine years. Certain of these leases include options to extend the lease for up to five years, and some include options to terminate the lease early. Leases with an initial term of 12 months or less are not recorded on the balance sheet; the Company recognizes lease expense for these leases on a straight-line basis over the lease term. Operating leases are included in right of use asset – operating leases ("ROU assets"), operating lease liability –short term, and operating lease liability – long term in the Condensed Consolidated Statement of Financial Position (Unaudited).

The ROU assets represent the right to use an underlying asset for the lease term and the lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at commencement date based on the present value of the lease payments over the lease term. As most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate, which is then applied at the portfolio level, based on the information available at commencement date in determining the present value of lease payments. The Company uses the implicit rate when readily determinable. The Company has also elected not to separate lease and non-lease components. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense is recognized on a straight-line basis over the lease term.

**(Dollars in thousands, except where otherwise indicated)**

Amounts included in the Condensed Consolidated Statement of Financial Position (Unaudited) related to leases include:

| | | March 31, 2019 |
|---|---|---|
| Right of use asset - operating leases | $ | 5,529 |
| | | |
| Operating lease liability - short-term | $ | 1,895 |
| Operating lease liability - long-term | | 3,878 |
| Total operating lease liabilities | $ | 5,773 |

The components of lease expense include:

| Lease Cost | Classification | | Quarter Ended March 31, 2019 |
|---|---|---|---|
| Operating lease cost (1) | Cost of sales | $ | 415 |
| Operating lease cost (1) | Selling, general and administrative expenses | | 471 |
| Total lease cost | | $ | 886 |

(1) Includes short-term leases and variable lease costs, which are immaterial

Supplemental cash flow information related to leases was as follows:

| Supplemental Cash Flow Information | | Quarter Ended March 31, 2019 |
|---|---|---|
| Cash paid for amounts included in the measurement of lease liabilities: | | |
| Operating cash flows from operating leases | $ | 561 |
| Right-of-use assets obtained in exchange for new lease liabilities: | | |
| Operating leases | | 70 |

| Lease Term and Discount Rate | March 31, 2019 |
|---|---|
| Weighted-average remaining lease term (years) | |
| Operating leases | 4.58 |
| Weighted-average discount rate | |
| Operating leases | 5.0% |

| Maturity of Lease Liabilities - As of March 31, 2019 | | Operating Leases |
|---|---|---|
| 2019 (1) | $ | 1,641 |
| 2020 | | 1,553 |
| 2021 | | 855 |
| 2022 | | 854 |
| 2023 | | 763 |
| After 2023 | | 810 |
| Total lease payments | | 6,476 |
| Less: Interest | | (703) |
| Presant value of lease liabilities | $ | 5,773 |

(1) Represents amounts due in 2019 after March 31, 2019

(Dollars in thousands, except where otherwise indicated)

Future minimum rental commitments (undiscounted) as of December 31, 2018 under ASC 840 were as follows:

| **Year Ended December 31,** | | |
|---|---|---|
| 2019 | $ | 2,492 |
| 2020 | | 1,739 |
| 2021 | | 982 |
| 2022 | | 966 |
| 2023 | | 841 |
| Thereafter | | 811 |
| Total | $ | 7,831 |

On February 27, 2018, the Company completed a sale-leaseback transaction for its distribution center in Pomona, California for a net purchase price of $2.3 million. The Company realized a gain on the sale of $2.0 million, of which $0.7 million was recognized during the quarter ended March 31, 2018. The remaining $1.3 million was recognized ratably over the term of the ten-year lease at approximately $0.1 million per year, until January 1, 2019 upon the adoption of ASU 2016-02 as discussed in Note 1. Simultaneous with closing the sale, the Company entered into a ten-year operating lease arrangement with base annual rent of approximately $0.1 million during the first year, followed by annual increases of 3% through the remainder of the lease period. This facility is included in the Company’s Distribution Segment.

## 16. Industry Segments

Using the criteria of ASC 280, *Segment Reporting* , the Company manages its business under two operating segments, Material Handling and Distribution, consistent with the manner in which our Chief Operating Decision Maker (“CODM”) evaluates performance and makes resource allocation decisions. None of the reportable segments include operating segments that have been aggregated. These segments contain individual business components that have been combined on the basis of common management, customers, products, production processes and other economic characteristics. The Company accounts for intersegment sales and transfers at cost plus a specified mark-up.

The Material Handling Segment manufactures a broad selection of plastic reusable containers, pallets, small parts bins, bulk shipping containers, storage and organization products and rotationally-molded plastic tanks for water, fuel and waste handling. This segment conducts its primary operations in the United States and Canada. Markets served encompass various niches of industrial manufacturing, food processing, retail/wholesale products distribution, agriculture, automotive, recreational vehicles, marine vehicles, healthcare, appliance, bakery, electronics, textiles, consumer, and others. Products are sold both directly to end-users and through distributors.

The Distribution Segment is engaged in the distribution of equipment, tools, and supplies used for tire servicing and automotive undervehicle repair and the manufacture of tire repair and retreading products. The product line includes categories such as tire valves and accessories, tire changing and balancing equipment, lifts and alignment equipment, service equipment and tools, and tire repair/retread supplies. The Distribution Segment operates domestically through sales offices and four regional distribution centers in the United States, and in certain foreign countries through export sales. In addition, the Distribution Segment operates directly in certain foreign markets, principally Central America, through foreign branch operations. Markets served include retail and truck tire dealers, commercial auto and truck fleets, auto dealers, general service and repair centers, tire retreaders, and government agencies.

Total sales from foreign business units were approximately $12.8 million and $11.5 million for the quarters ended March 31, 2019 and 2018, respectively.

(Dollars in thousands, except where otherwise indicated)

Summarized segment detail for the quarters ended March 31, 2019 and 2018 are presented in the following table:

| | For the Quarter Ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| **Net Sales** | | |
| Material Handling | $ 102,951 | $ 116,809 |
| Distribution | 36,174 | 35,781 |
| Inter-company sales | (10) | (22) |
| Total net sales | $ 139,115 | $ 152,568 |
| **Income (loss) from continuing operations before income taxes** | | |
| Material Handling | $ 16,207 | $ 16,730 |
| Distribution | 213 | 1,738 |
| Corporate | (6,202) | (6,446) |
| Total operating income | 10,218 | 12,022 |
| Interest expense, net | (1,049) | (1,639) |
| Income from continuing operations before income taxes | $ 9,169 | $ 10,383 |

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

### Forward-Looking Statements

This Quarterly Report on Form 10-Q and the information incorporated by reference contains "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995, including information regarding the Company's financial outlook, future plans, objectives, business prospects and anticipated financial performance. Forward-looking statements can be identified by words such as "will," "believe," "anticipate," "expect," "estimate," "intend," "plan," or variations of these words, or similar expressions. These forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on the Company's current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, these statements inherently involve a wide range of inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. The Company's actual actions, results, and financial condition may differ materially from what is expressed or implied by the forward-looking statements.

Specific factors that could cause such a difference include, without limitation, risks and uncertainties detailed from time to time in the Company's filings with the Securities and Exchange Commission, including without limitation, the risk factors disclosed in Item 1A, "Risk Factors," in the Company's Annual Report on Form 10-K for the year ended December 31, 2018. Given these factors, as well as other variables that may affect our operating results, readers should not rely on forward-looking statements, assume that past financial performance will be a reliable indicator of future performance, nor use historical trends to anticipate results or trends in future periods. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date thereof. The Company expressly disclaims any obligation or intention to provide updates to the forward-looking statements and the estimates and assumptions associated with them.

### Executive Overview

The Company conducts its business activities in two distinct segments: The Material Handling Segment and the Distribution Segment. The Brazil Business, which was sold in December 2017, and the Lawn and Garden business, which was sold in February 2015, are classified as discontinued operations in all periods presented.

The Company designs, manufactures, and markets a variety of plastic and rubber products. The Material Handling Segment manufactures products that range from plastic reusable material handling containers and small parts storage bins to plastic OEM parts, custom plastic products, consumer fuel containers, military water containers as well as ammunition packaging and shipping containers. The Distribution Segment is engaged in the distribution of tools, equipment and supplies used for tire, wheel and under vehicle service on passenger, heavy truck and off-road vehicles, as well as the manufacturing of tire repair and retreading products

### Results of Operations:

***Comparison of the Quarter Ended March 31, 2019 to the Quarter Ended March 31, 2018***

**Net Sales:**

| *(dollars in millions)* | Quarter Ended March 31, | | | |
|---|---|---|---|---|
| **Segment** | **2019** | **2018** | **Change** | **% Change** |
| Material Handling | $ 102.9 | $ 116.8 | $ (13.9) | (12)% |
| Distribution | 36.2 | 35.8 | 0.4 | 1% |
| Inter-company sales | — | — | — | |
| Total net sales | $ 139.1 | $ 152.6 | $ (13.5) | (9)% |

Net sales for the quarter ended March 31, 2019 were $139.1 million, a decrease of $13.5 million compared to the quarter ended March 31, 2018. Net sales were negatively impacted by lower sales volume of $14.9 million and the effect of unfavorable currency translation of $0.6 million, and were partially offset by higher pricing of approximately $2.0 million.

Net sales in the Material Handling Segment decreased $13.9 million or 12% for the quarter ended March 31, 2019 compared to the quarter ended March 31, 2018. The decrease in net sales was due to lower sales volume of $15.1 million and the effect of unfavorable foreign currency translation of $0.6 million, partially offset by higher pricing of $1.8 million. The lower sales volume was primarily due to declines in the food and beverage market and the vehicle market (mainly in the recreational vehicle market).

Net sales in the Distribution Segment increased $0.4 million or 1% for the quarter ended March 31, 2019 compared to the quarter ended March 31, 2018, primarily the result of higher sales volume of $0.2 million and higher pricing of $0.2 million.

**Cost of Sales & Gross Profit:**

| *(dollars in millions)* | Quarter Ended March 31, 2019 | | 2018 | | Change | | % Change |
|---|---|---|---|---|---|---|---|
| Cost of sales | $ | 93.6 | $ | 105.5 | $ | (11.9) | (11)% |
| Gross profit | $ | 45.6 | $ | 47.1 | $ | (1.5) | (3)% |
| Gross profit as a percentage of sales | | 32.7% | | 30.9% | | | |

Gross profit margin increased to 32.7% in the quarter ended March 31, 2019 compared to 30.9% for the quarter ended March 31, 2018, primarily due to higher pricing of $2.0 million, lower raw material costs and productivity improvements. This was partially offset by unfavorable mix within the lower sales volumes noted above.

**Selling, General and Administrative Expenses:**

| *(dollars in millions)* | Quarter Ended March 31, 2019 | | 2018 | | Change | | % Change |
|---|---|---|---|---|---|---|---|
| SG&A expenses | $ | 34.5 | $ | 35.5 | $ | (1.0) | (3)% |
| SG&A expenses as a percentage of sales | | 24.8% | | 23.3% | | | |

Selling, general and administrative ("SG&A") expenses for the quarter ended March 31, 2019 were $34.5 million, a decrease of $1.0 million or 3% compared to the same period in the prior year. SG&A expenses in the first quarter 2019 were impacted by lower variable compensation and benefit costs of $0.8 million, lower legal and professional fees of $0.7 million and lower freight costs of $0.5 million. This was partially offset by restructuring costs of $0.9 million incurred in the current year related to the Distribution Transformation Plan.

**Restructuring:**

As discussed in Note 5, the Company has implemented various restructuring programs.

The Ameri-Kart Plan was announced during the first quarter of 2019 and is expected to be substantially completed by the end of 2019. No costs were incurred during the quarter ended March 31, 2019 related to the Ameri-Kart Plan. As previously announced, the Company expects annualized benefits of approximately $1.5 million after 2019.

The Distribution Transformation Plan was announced during the first quarter of 2019 and is expected to be substantially completed by the end of 2019. The Company incurred $0.9 million of restructuring costs in connection with the Distribution Transformation Plan during the quarter ended March 31, 2019. As previously announced, the Company expects annualized benefits of $5 to $7 million after 2019.

The Material Handling Plan was initiated in the first quarter of 2017 and is completed. No costs were incurred during the quarter ended March 31, 2019 compared to $0.1 million of restructuring costs incurred in connection with the Material Handling Plan during the quarter ended March 31, 2018.

**(Gain) Loss on Disposal of Fixed Assets:**

The gains on disposal of fixed assets for the quarter ended March 31, 2018 were $0.4 million and were primarily due to the sale and leaseback of the distribution center in Pomona, California, as discussed in Note 15.

**Impairment Charges:**

During the quarter ended March 31, 2019, the Company recognized an impairment charge of $0.9 million related to a facility that was previously closed in connection with the Material Handling Plan and reclassified as held for sale during the first quarter of 2019, as discussed in Note 5.

**Net Interest Expense:**

| (dollars in millions) | Quarter Ended March 31, 2019 | Quarter Ended March 31, 2018 | Change | % Change |
|---|---|---|---|---|
| Net interest expense | $ 1.0 | $ 1.6 | $ (0.6) | (38)% |
| Average outstanding borrowings, net | $ 78.0 | $ 152.4 | $ (74.4) | (49)% |
| Weighted-average borrowing rate | 6.23% | 5.22% | | |

Net interest expense for the quarter ended March 31, 2019 was $1.0 million, a decrease of $0.6 million, or 38%, compared with $1.6 million for the quarter ended March 31, 2018. The lower interest expense was due primarily to the lower average outstanding borrowings for the period. The lower borrowings were driven by cash flow from operations and the proceeds generated by the public equity offering completed in the second quarter of 2018.

**Income Taxes:**

| (dollars in millions) | Quarter Ended March 31, 2019 | Quarter Ended March 31, 2018 |
|---|---|---|
| Income from continuing operations before income taxes | $ 9.2 | $ 10.4 |
| Income tax expense | $ 2.5 | $ 2.6 |
| Effective tax rate | 27.6% | 25.3% |

The Company's effective tax rate was 27.6% for the quarter ended March 31, 2019, compared to 25.3% for the quarter ended March 31, 2018. The effective tax rate was slightly higher in 2019, primarily due to higher estimates of state taxes and non-deductible expenses.

**Discontinued Operations:**

Income from discontinued operations, net of income taxes was $0.1 million for the quarter ended March 31, 2019 compared to loss of $0.9 million for the quarter ended March 31, 2018. The loss in 2018 related to a charge of $0.9 million, net of tax of $0.3 million, as a result of agreement on the material terms of a settlement with the L&G Buyer related to the indemnification claims further discussed in Note 11.

**Liquidity and Capital Resources:**

The Company's primary sources of liquidity are cash generated from its operating and financing activities. The cash flows from operating activities are driven primarily by its operating results and changes in its working capital requirements which is supplemented by the Company's utilization of its current credit facilities. In addition, the Company completed a public equity offering in the second quarter of 2018 that generated $79.5 million of net proceeds. The Company used a portion of the net proceeds received from the offering to repay a portion of its outstanding indebtedness during the second quarter of 2018 and intends to use the remaining proceeds to fund the growth of the business, including selective acquisitions, and for other general corporate purposes.

The Company believes that cash flows from operations and available borrowing under its Loan Agreement will be sufficient to meet expected business requirements including capital expenditures, dividends, working capital, debt service, and to fund future growth.

***Operating Activities***

Net cash provided by operating activities from continuing operations was $5.3 million for the quarter ended March 31, 2019, compared to $12.8 million in the same period in 2018. The decrease was primarily due to changes in working capital of $8.0 million, which was primarily driven by a higher variable compensation payout and lower accounts payable in 2019.

Net cash provided by operating activities from discontinued operations was $7.3 million in 2019 and resulted from the remaining receipt of the tax benefit from the worthless stock deduction related to the Brazil Business (see Note 4). Net cash flows used for discontinued operations in 2018 resulted from the payment of expenses related to the sale of the Brazil Business.

### *Investing Activities*

Net cash provided by investing activities from continuing operations was $1.6 million for the quarter ended March 31, 2019 compared to cash provided of $1.1 million for the quarter ended March 31, 2018. Capital expenditures were $2.9 million and $1.2 million for the quarters ended March 31, 2019 and 2018, respectively. Full year capital expenditures in 2019 are expected to be approximately $10 million. The Company received proceeds of $4.5 million in the first quarter of 2019 from the sale of fixed assets, substantially all of which was derived from the sale of a building previously classified as held for sale, as discussed in Note 3. The Company received proceeds of $2.4 million in the first quarter of 2018 from the sale of fixed assets, which were primarily due to the sale and leaseback of the distribution center in Pomona, California, as discussed in Note 15.

### *Financing Activities*

Net payments on the credit facility were $6.7 million for the quarter ended March 31, 2018. There were no net payments on the credit facility for the quarter ended March 31, 2019. The Company used cash to pay dividends of $4.9 million and $4.2 million for the quarters ended March 31, 2019 and 2018, respectively.

### *Credit Sources*

In March 2017, the Company entered into a Fifth Amended and Restated Loan Agreement (the "Loan Agreement"). The Loan Agreement replaced the pre-existing $300 million senior revolving credit facility with a $200 million facility and extended the term from December 2018 to March 2022. The Company also holds Senior Unsecured Notes ("Notes"), which range in face value from $11 million to $40 million, with interest rates ranging from 4.67% to 5.45%, payable semiannually, and maturing between 2021 and 2026. At March 31, 2019, $78 million of the Notes were outstanding.

Total debt outstanding at March 31, 2019 was $76.9 million, net of $1.1 million of deferred financing costs, compared with $76.8 million at December 31, 2018. The Company's Loan Agreement provides available borrowing up to $200 million, reduced for letters of credit issued. As of March 31, 2019, the Company had $6.0 million of letters of credit issued related to insurance and other contracts requiring financial assurance in the ordinary course of business and there was $194.0 million available under our Loan Agreement.

As of March 31, 2019, the Company was in compliance with all its debt covenants. The most restrictive financial covenants for all of the Company's debt are an interest coverage ratio (defined as earnings before interest, taxes, depreciation and amortization, as adjusted, divided by interest expense) and a leverage ratio (defined as total debt divided by earnings before interest, taxes, depreciation and amortization, as adjusted). The ratios as of and for the period ended March 31, 2019 are shown in the following table:

| | Required Level | Actual Level |
|---|---|---|
| Interest Coverage Ratio | 3.00 to 1 (minimum) | 13.21 |
| Leverage Ratio | 3.25 to 1 (maximum) | 1.18 |

### *Off-Balance Sheet Arrangements*

The Company does not have any off-balance sheet arrangements that have, or are reasonable to have, a current or future effect on financial condition, changes in financial condition, revenues of operations, liquidity, capital expenditures or capital resources that are material.

**Item 3. Quantitative and Qualitat ive Disclosures Abou t Market Risk**

***Interest Rate Risk***

The Company has certain financing arrangements that require interest payments based on floating interest rates. The Company's financial results are subject to changes in the market rate of interest. At present, the Company has not entered into any interest rate swaps or other derivative instruments to fix the interest rate on any portion of its financing arrangements with floating rates. As of March 31, 2019, the Company currently has no borrowings outstanding under its floating rate debt.

***Foreign Currency Exchange Risk***

Some of the Company's subsidiaries operate in foreign countries and their financial results are subject to exchange rate movements. The Company has operations in Canada with foreign currency exposure, primarily due to sales made from businesses in Canada to customers in the United States ("U.S."). These sales are denominated in U.S. dollars. The Company has a systematic program to limit its exposure to fluctuations in exchange rates related to certain assets and liabilities of its operations in Canada that are denominated in U.S. dollars. The net exposure generally ranges from $1 million to $3 million. The foreign currency contracts and arrangements created under this program are not designated as hedged items under ASC 815, *Derivatives and Hedging* , and accordingly, the changes in the fair value of the foreign currency arrangements, which have been immaterial, are recorded in the Condensed Consolidated Statements of Operations (Unaudited). The Company's foreign currency arrangements are typically three months or less and are settled before the end of a reporting period. At March 31, 2019, the Company had no foreign currency arrangements or contracts in place.

***Commodity Price Risk***

The Company uses certain commodities, primarily plastic resins, in its manufacturing processes. The cost of operations can be affected as the market for these commodities changes. The Company currently has no derivative contracts to hedge this risk; however, the Company also has no significant purchase obligations to purchase fixed quantities of such commodities in future periods. Significant future increases in the cost of plastic resin or other adverse changes in the general economic environment could have a material adverse impact on the Company's financial position, results of operations or cash flows.

**Item 4. Controls and Procedures**

***Evaluation of Disclosure Controls and Procedures***

The Company maintains disclosure controls and procedures, as defined under Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended, that are designed to ensure that information required to be disclosed in the Company's reports under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure.

The Company carries out a variety of on-going procedures, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, to evaluate the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on the foregoing, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of March 31, 2019.

***Changes in Internal Control Over Financial Reporting***

During the quarter ended March 31, 2019, there have been no changes in our internal control over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II – Other Information

### Item 1. Legal Proceedings

Certain legal proceedings in which the Company is involved are discussed in Note 11, Contingencies, in the Unaudited Condensed Consolidated Financial Statements in Part I of this report and Part I, Item 3 of the Company's Annual Report on Form 10-K for the year ended December 31, 2018. The Company's disclosure relating to legal proceedings in Note 11, Contingencies, in the Unaudited Condensed Consolidated Financial Statements in Part I of this report is incorporated into Part II of this report by reference. The Company is a defendant in various lawsuits and a party to various other legal proceedings, in the ordinary course of business, some of which are covered in whole or in part by insurance. We believe that the outcome of these lawsuits and other proceedings will not individually or in the aggregate have a future material adverse effect on our consolidated financial position, results of operations or cash flows.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table presents information regarding the Company's stock repurchase plan during the quarter ended March 31, 2019.

| | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of the Publicly Announced Plans or Programs | Maximum number of Shares that may yet be Purchased Under the Plans or Programs (1) |
|---|---|---|---|---|
| 1/1/2019 to 1/31/2019 | — | $ — | 5,547,665 | 2,452,335 |
| 2/1/2019 to 2/28/2019 | — | — | 5,547,665 | 2,452,335 |
| 3/1/2019 to 3/31/2019 | — | — | 5,547,665 | 2,452,335 |

(1) On July 11, 2013, the Board authorized the repurchase of up to 5.0 million shares of the Company's common stock. This authorization was in addition to the 2011 Board authorized repurchase of up to 5.0 million shares. The Company completed the repurchase of approximately 2.0 million shares in 2011 pursuant to Rule 10b5-1 plans, which were adopted pursuant to the 2011 authorized share repurchase.

### Item 6. Exhibits

| | |
|---|---|
| 3(a) | Myers Industries, Inc. Amended and Restated Articles of Incorporation. Reference is made to Exhibit 3(a) to Form 10-K filed with the Commission on March 16, 2005. |
| 3(b) | Myers Industries, Inc. Amended and Restated Code of Regulations. Reference is made to Exhibit 3.1 to Form 8-K filed with the Commission on April 12, 2013. |
| 10.1 | Form of 2019 Option Award Agreement under the Amended and Restated 2017 Incentive Stock Plan of Myers Industries, Inc.* (filed herewith) |
| 10.2 | Form of 2019 Restricted Stock Unit Award Agreement under the Amended and Restated 2017 Incentive Stock Plan of Myers Industries, Inc.* (filed herewith) |
| 10.3 | Form of 2019 Performance Stock Unit Award Agreement under the Amended and Restated 2017 Incentive Stock Plan of Myers Industries, Inc.* (filed herewith) |
| 31.1 | Certification of R. David Banyard, President and Chief Executive Officer of Myers Industries, Inc., pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2 | Certification of Kevin L. Brackman, Executive Vice President and Chief Financial Officer of Myers Industries, Inc., pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1 | Certifications of R. David Banyard, President and Chief Executive Officer, and Kevin L. Brackman, Executive Vice President and Chief Financial Officer, of Myers Industries, Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101 | The following financial information from Myers Industries, Inc. Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2019, formatted in XBRL includes: (i) Condensed Consolidated Statements of Operations, (ii) Condensed Consolidated Statements of Comprehensive Income (Loss), (iii) Condensed Consolidated Statements of Financial Position, (iv) Condensed Consolidated Statements of Shareholders' Equity, (v) Condensed Consolidated Statements of Cash Flows and (vi) the Notes to Condensed Consolidated Financial Statements. |

* Indicates executive compensation plan or arrangement.

## SIGNA TURES

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.

M YERS I NDUSTRIES , I NC .

May 8, 2019

/s/ Kevin L. Brackman

Kevin L. Brackman
Executive Vice President and
Chief Financial Officer
(Principal Financial and Accounting Officer)

**Exhibit 10.1**

**OPTION AGREEMENT**
**(Non-Qualified Stock Option)**
**(2019)**

This Option Agreement is made as of the __ day of March, 2019 between Myers Industries, Inc., an Ohio corporation (hereinafter called the "Company"), and an employee of the Company or one or more of its Subsidiaries (hereinafter called the "Employee").

**WHEREAS** , the Company has heretofore adopted the 2017 Incentive Stock Plan of Myers Industries, Inc., as amended and restated (the "Plan"); and

**WHEREAS** , it is a requirement of the Plan that an Option Agreement be executed to evidence the Non-Qualified Stock Option granted to the Employee.

**NOW, THEREFORE** , in consideration of the mutual covenants hereinafter set forth, and for other good and valuable consideration, the parties hereto have agreed, and do hereby agree, as follows:

**1. Grant of Option** . The Company hereby grants to the Employee the right and option (hereinafter called the "Option") to purchase all or any part of an aggregate of ________ shares of the common stock, no par value, of the Company ("Shares") (such number being subject to adjustment as set forth herein and in the Plan) on the terms and conditions set forth herein and in the Plan.

**2. Type of Option** . The Option granted under this Option Agreement is a non-qualified stock option and shall not be treated by the Company or the Employee as an incentive stock option for federal income tax purposes.

**3. Option Price** . The option price of the Shares covered by the Option is $ ______ per Share.

**4. Term of Option** . The term of the Option shall be for a period of ten (10) years from the date hereof, subject to earlier termination as provided in the Plan or this Agreement.

**5. Exercise of Option** .

(a) Prior to its expiration or termination, and except as hereinafter provided, the Employee's right to exercise the Option shall vest, and the Employee may exercise the Option, as follows:

(i) At any time after the first anniversary of the date of this Option Agreement, the Option may be exercised as to not more than one third (1/3) of Shares originally subject to this Option;

(ii) At any time after the second anniversary of the date of this Option Agreement, the Option may be exercised as to not more than an aggregate of two thirds (2/3) of the Shares originally subject to this Option; and

(iii) At any time after the third anniversary of the date of this Option Agreement, the Option may be exercised as to all or any part of the Shares originally subject to this Option.

(iv) Notwithstanding anything to the contrary herein, if the Employee's employment with the Company and its Subsidiaries is terminated by reason of the Employee's death, Disability or retirement on or after the Employee's sixty-fifth birthday, the Option shall become exercisable in full as of the date of such termination.

(v) Notwithstanding anything to the contrary herein, if (x) the Employee's employment with the Company and its Subsidiaries is completely terminated by the Company for any reason other than Cause or by the Employee for Good Reason, in either case, following a Change in Control, the Option shall become exercisable in full immediately prior to such termination of employment or (y) the Option is terminated in connection with a Change in Control and not assumed or replaced with a substituted option or other right having a substantially equivalent value and substantially equivalent or better terms and conditions, then the Option shall become exercisable in full prior to such termination as provided in the Plan.

(b) In order to exercise the Option, the person or persons entitled to exercise it shall deliver to the Company written notice of the number of full Shares with respect to which the Option is to be exercised. Such notice shall be delivered to the Company's Chief Financial Officer or such other person as the Committee may designate. Unless (i) the Company, in its discretion, establishes "cashless exercise" procedures pursuant to Section 13.2 of the Plan, and (ii) the Committee, in its discretion, permits the person or persons entitled to exercise the Option to utilize such "cashless exercise" procedures, the notice shall be accompanied by payment in full for any Shares being purchased, which payment shall be in cash, in Shares that have been held free and clear of all liens and encumbrances for at least six (6) months valued at their Fair Market Value on the date of exercise, or by a combination of cash and Shares.

(c) No Shares shall be issued until full payment therefor has been made, and the Employee shall have none of the rights of a shareholder in respect of such Shares until full payment therefor has been made.

**6. Nontransferability**. The Option shall not be transferable, other than: (a) by will or the laws of descent and distribution, and the Option may be exercised, during the lifetime of the holder of the Option, only by him, or in the event of death, his Successor, or in the event of disability, his personal representative, or (b) pursuant to a qualified domestic relations order, as defined in the Code or ERISA or the rules thereunder.

**7. Termination of Employment**. In the event of the complete termination of the Employee's employment with the Company and its Subsidiaries for any reason other than cause, death, Disability or retirement on or after the Employee's sixty-fifth (65th) birthday (the date of such termination of employment, the "Termination Date"), then (a) the Option may be exercised by the Employee (to the extent that he shall have been entitled to do so as of the Termination Date) at any time within three (3) months after the Termination Date, but not beyond the original term thereof, (b) the portion of the Option that has not vested (i.e., that is not then exercisable, taking into account Section 5.1(a)(v)) as of the Termination Date shall automatically terminate as of the Termination Date, and (c) the vested portion of the Option shall automatically terminate upon the expiration of the three (3) month period described above to the extent not theretofore exercised. So long as the Employee shall continue to be an employee of the Company or one or more of its Subsidiaries, the Option shall not be affected by any change of duties or position. Nothing in this Option Agreement shall confer upon the Employee any right to continue in the employ of the Company or any of its Subsidiaries or interfere in any way with the right of the Company or any such Subsidiary to terminate his employment at any time. Anything contained herein to the contrary notwithstanding, in the event of the complete termination of the Employee's employment with the Company and its Subsidiaries for cause, the Option, to the extent not theretofore exercised, shall automatically terminate as of the date of the Employee's complete termination of employment with the Company and its Subsidiaries for cause.

**8. Death or Disability of Employee**. If the Employee shall die while he shall be employed by the Company or one or more of its Subsidiaries, or within the period described in Section 7(a) above after the complete termination of his employment with the Company and its Subsidiaries other than for Cause if by the Company, or if the employment of the Employee shall terminate on account of his Disability, then (a) the Option may be exercised by the Employee's Successor or personal representative, as the case may be, at any time within one (1) year after the date of the Employee's death or Disability, but not beyond the term of the Option, and (b) the Option shall automatically terminate upon the expiration of the one (1) year period described above to the extent not theretofore exercised. For purposes of this Option Agreement, "Disability" shall mean permanent and total disability within the meaning of Section 22(e)(3) of the Code.

9. **Retirement of Employee**. If the employment of the Employee with the Company and its Subsidiaries shall terminate as a result of his retirement on or after his sixty-fifth (65th) birthday, then the Option may be exercised in full by the Employee (or in the event of the Employee's subsequent death, the Employee's Successor) at any time during the remaining term of the Option.

10. **Taxes**. The Company shall have the right to require a person entitled to receive Shares pursuant to the exercise of the Option to pay the Company the amount of any taxes which the Company is or will be required to withhold with respect to such Shares before the certificate for such Shares is delivered pursuant to the Option. Furthermore, the Company may elect to deduct such taxes from any amounts then payable in cash or in shares or from any other amounts payable any time thereafter to the Employee.

11. **Adjustments Upon Changes in Capitalization**. In the event of changes in all of the outstanding Shares by reason of stock dividends, stock splits, reclassifications, recapitalizations, mergers, consolidations, combinations, exchanges of shares, separations, reorganizations, liquidations, or similar events, or in the event of extraordinary cash or non-cash dividends being declared with respect to the Shares, or similar transactions or events, the number and class of Shares subject to the Option hereby granted, the option price and all of the other applicable provisions thereof shall, subject to the provisions of the Plan, be correspondingly equitably adjusted by the Committee (which adjustment may, but need not, include payment to the holder of the Option, in cash or in shares, in an amount equal to the difference between the option price and the then current Fair Market Value of the Shares subject to the Option as equitably determined by the Committee) in order to prevent the diminution or enlargement of the benefits under this Option, as the Committee shall decide in its sole discretion. Any such adjustment may provide for the elimination of any fractional share which might otherwise be subject to the Option.

12. **Delivery of Shares on Exercise**. Delivery of certificates for Shares pursuant to the exercise of the Option may be postponed by the Company for such period as may be required for it, with reasonable diligence, to comply with any applicable requirements of any federal, state or local law or regulation or any administrative or quasi-administrative requirement applicable to the sale, issuance, distribution or delivery of such Shares. The Committee may, in its sole discretion, require the holder of the Option to furnish the Company with appropriate representations and a written investment letter prior to the exercise of the Option or the delivery of any Shares pursuant to the Option.

13. **Acknowledgment**. The Employee acknowledges that none of the Company, the Board, the Committee or any of the Company's affiliates, officers, employees, agents or representatives has provided or is providing the undersigned with tax advice regarding the receipt of the Option or the exercise of the Option for Shares, and the Company has urged the Employee to consult the Employee's own tax advisor with respect to the income taxation consequences of receiving, holding and disposing of the Option or any Shares acquired upon exercise of the Option.

14. **Cause and Good Reason**. Unless otherwise defined in a written agreement between the Employee and the Company, for purposes of this Agreement the terms "Cause" and "Good Reason" shall have the following meanings:

(a) "Cause" means:

(i) The commission by the Employee (evidenced by a conviction or written, voluntary and freely given confession) of a criminal act constituting a felony involving fraud or moral turpitude;

(ii) the repeated failure of the Employee to follow the reasonable directives of the Employee's superiors after having been given written notice thereof; or

(iii) commission by the Employee of any act, which both (A) constitutes gross negligence or willful misconduct and (B) results in material economic harm to the Company or has a materially adverse effect on the Company's operations, properties or business relationships.

(b) “Good Reason” means the occurrence of one or more of the following conditions arising without the consent of the Employee:

(i) a material diminution in the Employee’s annual base salary;

(ii) a material diminution in the Employee’s duties and responsibilities; or

(iii) a material change in the geographic location at which the Employee must perform his Duties.

In order for a condition to constitute a Good Reason, the Employee must provide written notification to the Company of the existence of the condition within forty-five (45) days of the initial existence of the condition (or within forty-five (45) days following the Employee actually becoming aware of such condition, if later), upon the notice of which the Company shall have a period of thirty (30) days during which it may remedy the condition. Furthermore, to constitute a Good Reason, the Employee must voluntarily terminate employment with the Company within one hundred eighty (180) days following the initial existence of the condition (or within one hundred eighty (180) days following the Employee actually becoming aware of such condition. The parties agree that “Good Reason” will not be deemed to have occurred merely because the Company becomes a subsidiary or division of another entity following a Change in Control.

**15. Incorporation of Provisions of the Plan**. All of the provisions of the Plan, pursuant to which this Option is granted, are hereby incorporated by reference and made a part hereof as if specifically set forth herein, and to the extent of any conflict between this Option Agreement and the terms contained in the Plan, the Plan shall control. To the extent any capitalized terms are not otherwise defined herein, they shall have the meanings set forth in the Plan.

**16. Invalidity of Provisions**. The invalidity or unenforceability of any provision of this Option Agreement as a result of a violation of any state or federal law, or of the rules or regulations of any governmental regulatory body, or any securities exchange shall not affect the validity or enforceability of the remainder of this Option Agreement.

**17. Waiver and Modification**. The provisions of this Option Agreement may not be waived or modified unless such waiver or modification is in writing and signed by the parties hereto.

**18. Interpretation**. All decisions or interpretations made by the Committee, in its reasonable discretion, with regard to any question arising under the Plan or this Option Agreement as provided by Section 4 of the Plan, shall be binding and conclusive on the Company and the Employee.

**19. Multiple Counterparts**. This Option Agreement may be signed in multiple counterparts, all of which when taken together shall constitute an original agreement. The execution by one party of any counterpart shall be sufficient execution by that party, whether or not the same counterpart has been executed by any other party.

**20. Governing Law**. This Option Agreement shall be governed by the laws of the State of Ohio.

IN WITNESS WHEREOF, the Company has caused this Option Agreement to be duly executed by its duly authorized officer, and the Employee has hereunto set his hand, all as of the day and year first above written.

MYERS INDUSTRIES, INC.

By: R. David Banyard
Its: President & Chief Executive Officer

Employee

**Exhibit 10.2**

**RESTRICTED STOCK UNIT AWARD AGREEMENT**
**(2019)**

This Stock Unit Award Agreement (the "Agreement") is made as of the ___ day of March, 2019 between Myers Industries, Inc., an Ohio corporation (the "Company"), and an employee (the "Employee") of the Company or one or more of its Subsidiaries.

WHEREAS, the Company has heretofore adopted the 2017 Incentive Stock Plan of Myers Industries, Inc., as amended and restated (the "Plan"); and

WHEREAS, it is a requirement of the Plan that a Stock Unit Award Agreement be executed to evidence the Stock Units awarded to the Employee.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto have agreed, and do hereby agree as follows:

**1. Grant of Stock Units**. The Company hereby grants to the Employee an Award of ________ Stock Units on the terms and conditions set forth herein and in the Plan. Each Stock Unit represents the right of the Employee to receive an amount equal to the Fair Market Value of a Share on the date that payment is made with respect to the Stock Unit.

**2. Rights with Respect to Stock Units**. The Stock Units granted pursuant to this Agreement represent an unfunded and unsecured obligation of the Company, and the Employee shall have no rights with respect to the Stock Units other than those of a general creditor of the Company. Prior to the issuance of Shares as payment with respect to the Stock Units, the Employee shall have no rights of ownership in or to the Shares underlying the Stock Units and shall not be deemed the beneficial owner of such Shares.

**3** . **Restrictions on and Vesting of the Stock Units** .

(a) Except as otherwise provided in this Agreement, none of the Stock Units may be sold, exchanged, transferred, pledged, hypothecated or otherwise disposed of; provided, however, the right to receive payment with respect to the Stock Units may be transferred upon the death of the Employee to the Employee's Successor.

(b) The Stock Units subject to this Agreement shall vest in three equal installments on each of the first three anniversaries of the date of this Agreement (each such anniversary, a "Vesting Date") or, if earlier, upon the termination of the Employee's employment with the Company and its Subsidiaries by reason of his death, disability or retirement on or after his sixty-fifth birthday or the termination of the Employee's employment with the Company and its Subsidiaries without Cause if by the Company or for Good Reason if by the Employee, in either case following a Change in Control of the Company (an "Acceleration Event").

(c) In the event of the complete termination of the Employee's employment with the Company and its Subsidiaries for any reason other than (i) by reason of the Employee's death, disability or retirement on or after the Employee's sixty-fifth birthday prior to the earlier of the third anniversary of the date of this Agreement or (ii) by the Company without Cause or by the Employee for Good Reason, in either case following a Change in Control of the Company, the Stock Units that have not vested as of the date of such termination shall be immediately and automatically forfeited to the Company without notice for no consideration.

(d) For purposes of this Agreement, "disability" shall mean a physical or mental incapacity that prevents the Employee from performing his duties for a period of one hundred eighty (180) consecutive days.

**4.** **Payment and Issuance of Shares**. On each Vesting Date or, if earlier, upon an Acceleration Event (each such Vesting Date or Acceleration Event, a "Payment Date"), or within thirty (30) days thereafter in the case of an Acceleration Event or by March 15 of the year in which such Vesting Date occurs, the Company shall make a payment to the Employee of one Share for every Stock Unit that became vested as of such Payment Date (and with respect to which a payment has not previously been made pursuant to this Section 4) as payment with respect to each such vested Stock Unit. If any dividends are declared on the Company's Shares while the Stock Units subject to this Agreement are outstanding, the Company shall make a payment to the Employee on each Payment Date, or within thirty (30) days thereafter in the case of an Acceleration Event or by March 15 of the year in which such Vesting Date occurs, with respect to each Stock Unit that became vested as of such Payment Date, in an amount equal to the aggregate amount of dividends that would have been payable to the Employee with respect to each such vested Stock Unit had such vested Stock Unit instead been an issued and outstanding Share on the record date of any such dividends (the "Dividend Equivalent Amount"), but only to the extent that the Dividend Equivalent Amount has not previously been paid to the Employee with respect to such vested Stock Unit. At the Company's discretion, payment of the Dividend Equivalent Amount may be made in cash or in Shares having a Fair Market Value on the Payment Date equal to the Dividend Equivalent Amount. At the Company's election, the Company shall cause the Shares delivered as payment with respect to the vested Stock Units to either be evidenced by a book entry account maintained by the Company's stock transfer agent (the "Transfer Agent"), by a certificate issued in the Employee's name, or by delivery to the Employee's individual share holdings account in the Company's equity plan manager's system ("Employee's Account"). Upon the earlier of the date the Shares are evidenced in a book entry account maintained by the Transfer Agent, the date a certificate for the Shares are issued in the Employee's name, or the transfer to the Employee's Account, the Employee shall be a shareholder with respect to the Shares and shall have all of the rights of a shareholder with respect to the Shares, including the right to vote the Shares and to receive any dividends and other distributions paid with respect to the Shares. Notwithstanding anything to the contrary herein, following a Change of Control of the Company, the Company, at its election, may elect to make any payment required to be made to the Employee pursuant to this Section 4 in cash rather than Shares.

**5.** **Taxes** . The Company shall have the right to satisfy any obligation of the Company to withhold taxes or other amounts with respect to the Stock Units by withholding Shares otherwise deliverable to the Employee with respect to the Stock Units having a Fair Market Value equal to the amount of such tax or other withholdings, provided the amount will not result in liability accounting for the Company. Furthermore, the Company may elect to deduct from any cash payment made to the Employee pursuant to this Agreement the amount of any taxes or other amounts which the Company is or will be required to withhold with respect to such cash payment.

**6.** **No Right to Employment** . Nothing in this Agreement shall confer upon the Employee any right to continue in the employ of the Company or any of its Subsidiaries or interfere with or restrict in any way with the right of the Company or any such Subsidiary to terminate his employment at any time for any reason whatsoever, with or without cause.

**7.** **Acknowledgement and Section 409A Compliance** .

(a) Employee acknowledges that neither the Company nor any of the Company's affiliates, officers, shareholders, employees, agents or representatives has provided or is providing the undersigned with tax advice regarding the Stock Units subject to this Agreement or any other matter, and the Company has urged the Employee to consult with his own tax advisor with respect to the income taxation consequences associated with the Stock Units subject to this Agreement.

(b) It is intended that this Award of Stock Units comply with Section 409A of the Code, and this Award and the terms of this Agreement shall be interpreted and administered in a manner consistent with such intent, although in no event shall the Company have any liability to the Employee if this Award or the terms of this Agreement are determined not to comply with Section 409A of the Code. For purposes of this Agreement, termination of employment means a "separation from service" within the meaning of Treasury Regulations Section 1.409A-1(h).

(c) Whenever payment under this Agreement specifies a payment period with reference to a number of days (e.g., payment may be made within thirty (30) days after the Payment Date), the actual date of payment within the specified period will be determined solely by the Company.

(d) If the Employee is a "specified employee" within the meaning of Section 409A of the Code at the time of his "separation from service" within the meaning of Section 409A of the Code, then any payment otherwise required to be made to him under this Agreement on account of his separation from service, to the extent such payment (after taking into account all exclusions applicable to such payment under Section 409A of the Code) is properly treated as deferred compensation subject to Section 409A of the Code, shall not be made until the first business day after (i) the expiration of six months from the date of the Employee's separation from service, or (ii) if earlier, the date of the Employee's death.

(e) The Employee's right to receive each installment of Stock Units shall be treated as separate payments for purposes of Section 409A of the Code.

**8. Cause and Good Reason** . Unless otherwise defined in a written agreement between the Employee and the Company, for purposes of this Agreement the terms "Cause" and "Good Reason" shall have the following meanings:

(a) "Cause" means:

(i) The commission by the Employee (evidenced by a conviction or written, voluntary and freely given confession) of a criminal act constituting a felony involving fraud or moral turpitude;

(ii) the repeated failure of the Employee to follow the reasonable directives of the Employee's superiors after having been given written notice thereof; or

(iii) commission by the Employee of any act, which both (A) constitutes gross negligence or willful misconduct and (B) results in material economic harm to the Company or has a materially adverse effect on the Company's operations, properties or business relationships.

(b) "Good Reason" means the occurrence of one or more of the following conditions arising without the consent of the Employee:

(i) a material diminution in the Employee's annual base salary;

(ii) a material diminution in the Employee's duties and responsibilities; or

(iii) a material change in the geographic location at which the Employee must perform his Duties.

In order for a condition to constitute a Good Reason, the Employee must provide written notification to the Company of the existence of the condition within forty-five (45) days of the initial existence of the condition (or within forty-five (45) days following the Employee actually becoming aware of such condition, if later), upon the notice of which the Company shall have a period of thirty (30) days during which it may remedy the condition. Furthermore, to constitute a Good Reason, the Employee must voluntarily terminate employment with the Company within one hundred eighty (180) days following the initial existence of the condition (or within one hundred eighty (180) days following the Employee actually becoming aware of such condition. The parties agree that “Good Reason” will not be deemed to have occurred merely because the Company becomes a subsidiary or division of another entity following a Change in Control.

**9. Incorporation of Provisions of the Plan**. All of the provisions of the Plan pursuant to which the Stock Units are granted are hereby incorporated by reference and made a part hereof as if specifically set forth herein, and to the extent of any conflict between this Agreement and the terms contained in the Plan, the Plan shall control. To the extent any capitalized terms are not otherwise defined herein, they shall have the meanings set forth in the Plan.

**10. Invalidity of Provisions**. The invalidity or unenforceability of any provision of this Agreement as a result of a violation of any state or federal law, or of the rules or regulations of any governmental regulatory body, shall not affect the validity or enforceability of the remainder of this Agreement.

**11. Waiver and Modification**. The provisions of this Agreement may not be waived or modified unless such waiver or modification is in writing and signed by the parties hereto.

**12. Interpretation**. All decisions or interpretations made by the Committee with regard to any question arising under the Plan or this Agreement as provided by Section 4 of the Plan, shall be binding and conclusive on the Company and the Employee.

**13. Multiple Counterparts** . This Agreement may be signed in multiple counterparts, all of which together shall constitute an original agreement. The execution by one party of any counterpart shall be sufficient execution by that party, whether or not the same counterpart has been executed by any other party.

**14. Governing Law** . This Agreement shall be governed by the laws of the State of Ohio.

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed, and the Employee has hereunto set his hand, all as of the day and year first above written.

MYERS INDUSTRIES, INC.

By: ______________________ R. David Banyard
Its: President & Chief Executive Officer

______________________
Employee

**PERFORMANCE STOCK UNIT AWARD AGREEMENT**
**(2019)**

This Performance Stock Unit Award Agreement (the “Agreement”) is made as of the ___ day of March, 2019 between Myers Industries, Inc., an Ohio corporation (the “Company”), and __________________, an employee (the “Employee”) of the Company or one or more of its Subsidiaries.

WHEREAS, the Company has heretofore adopted the 2017 Incentive Stock Plan of Myers Industries, Inc., as amended and restated (the “Plan”); and

WHEREAS, it is a requirement of the Plan that a Performance Stock Unit Award Agreement be executed to evidence the Performance Stock Units awarded to the Employee.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto have agreed, and do hereby agree as follows:

**1. Grant of Performance Stock Units**. The Company hereby grants to the Employee an Award of Performance Stock Units (such number to be determined as set forth in Section 4(b) based on a target award of ____________ Performance Stock Units) on the terms and conditions set forth herein and in the Plan. Each Performance Stock Unit represents the right of the Employee to receive the payment of one Share on the date that payment is made.

**2. Defined Terms**. Capitalized terms not defined herein shall have the meanings ascribed to them in the Plan. For purposes of this Agreement, the following terms shall have the meanings set forth below:

(a) “Free Cash Flow as a Percentage of Sales” means the total Free Cash Flow over the Performance Period compared against total Sales over the Performance Period, with such adjustments as may be approved by the Compensation Committee of the Company’s Board of Directors, in its discretion.

(b) “Adjusted EBITDA” means the Company’s earnings before interest, taxes, depreciation and amortization in each case as set forth on the Company’s audited financial statements for the fiscal year with such adjustments as may be approved by the Compensation Committee of the Company’s Board of Directors, in its discretion.

(c) Unless otherwise defined in a written agreement between Employee and the Company, “Cause” means:

(i) The commission by the Employee (evidenced by a conviction or written, voluntary and freely given confession) of a criminal act constituting a felony or involving fraud or moral turpitude;

(ii) The repeated failure of the Employee to follow the reasonable directives of the Employee’s superiors after having been given written notice thereof; or

(iii) Commission by the Employee of any act, which both (A) constitutes gross negligence or willful misconduct and (B) has a materially adverse effect on the Company’s operations, properties or business relationships.

(d) “Cumulative EBITDA” means the sum of Adjusted EBITDA for each year of the Performance Period.

(e) “Disability” means a physical or mental incapacity that prevents the Executive from performing his duties for a total of one hundred eighty (180) days in any twenty four (24) month period.

(f) “Free Cash Flow” means cash from continuing operations less capital expenditures.

(g) Unless otherwise defined in a written agreement between the Employee and the Company, "Good Reason" means the occurrence of one or more of the following conditions arising without the consent of the Employee:

(i) A material diminution in the Employee's annual base salary;

(ii) A material diminution in the Employee's duties and responsibilities; or

(iii) A material change in the geographic location at which the Employee must perform his duties.

In order for a condition to constitute Good Reason, the Employee must provide written notice to the Company of the existence of the condition within forty-five (45) days of the initial existence of the condition (or within forty-five (45) days following the Employee actually becoming aware of such condition, if later), upon receipt of such notice, the Company shall have a period of thirty (30) days during which it may remedy the condition. Furthermore, to constitute Good Reason, the Employee must voluntarily terminate employment with the Company within one hundred eighty (180) days following the initial existence of the condition (or within one hundred eighty (180) days following the Employee actually becoming aware of such condition, if later). The parties agree that "Good Reason" will not be deemed to have occurred merely because the Company becomes a subsidiary or division of another entity following a Change of Control.

(h) "Performance Goals" mean Cumulative EBITDA and Free Cash Flow as a Percentage of Sales established by the Compensation Committee of the Company's Board of Directors within ninety (90) days after the commencement of the Performance Period.

(i) "Performance Period" means the three calendar year period commencing on January 1 of the year of this Agreement and ending on December 31 of the third calendar year thereafter.

(j) "Sales" means net sales.

3. **Rights with Respect to Performance Stock Units**. The Performance Stock Units granted pursuant to this Agreement represent an unfunded and unsecured obligation of the Company, and the Employee shall have no rights with respect to the Performance Stock Units other than those of a general creditor of the Company. Prior to the issuance of Shares as payment with respect to the Performance Stock Units, the Employee shall have no voting, dividend or other rights of ownership in or to the Shares underlying the Performance Stock Units and shall not be deemed the beneficial owner of such Shares.

4. **Restrictions on Number and Vesting of the Performance Stock Units**.

(a) Except as otherwise provided in this Agreement, none of the Performance Stock Units may be sold, exchanged, transferred, pledged, hypothecated or otherwise disposed of; provided, however, the right to receive payment with respect to the Performance Stock Units may be transferred upon the death of the Employee to the Employee's Successor.

(b) The number of Performance Stock Units earned shall be determined, and shall vest, as of the last day of the Performance Period based on the relative level of achievement of the Performance Goals as set forth in Exhibit A or earlier, upon an Acceleration Event (as defined in Section 5). The number of Performance Stock Units earned shall be determined by providing equal weight to the Performance Goals (such number of Performance Stock Units, the "Vested Performance Stock Units"). The determination of the Vested Performance Stock Units shall be made by the Compensation Committee of the Board of Directors in its sole discretion as soon as administratively possible after the Company's audited financial statements are available for the final fiscal year of the Performance Period. Any Performance Stock Units or rights to Performance Stock Units that do not become Vested Performance Stock Units as of the last day of the Performance Period, or earlier upon an Acceleration Event, shall be immediately and automatically forfeited to the Company without notice and without consideration.

(c) In the event of the complete termination of the Employee's employment by the Company for Cause (as defined herein unless defined in any written agreement between the Company and the Employee in effect at the time of such termination of employment) or by the Employee without Good Reason (as defined herein unless defined in any written agreement between the Company and the Employee in effect at the time of such termination of employment) prior to the earlier of the last day of the Performance Period or an Acceleration Event, the Employee's right to any Stock Units subject to this Agreement shall be immediately and automatically forfeited to the Company without notice for no consideration. For the avoidance of doubt, a termination by the Employee without Good Reason will not include a termination by reason of the Employee's death, disability, retirement on or after the Employee's sixty-fifth birthday or a termination by the Employee for Good Reason.

**5.** **Payment and Issuance of Shares**. As soon as administratively practicable following the determination of the achievement of the Performance Goals for the Performance Period, but in no event later than March 15 following the end of the Performance Period (the "Payment Date"), the Company shall make a payment to the Employee of one Share for every Vested Performance Stock Unit as payment with respect to each such Vested Performance Stock Unit. Notwithstanding the foregoing, if the Employee's employment with the Company is terminated prior to the last day of the Performance Period by reason of the Employee's death or disability (an "Acceleration Event"), then (i) for purposes of determining the number of Vested Performance Stock Units as of such Acceleration Event, the achievement of the Performance Goals shall be deemed to be 100% and the award shall be prorated for the shortened Performance Period (ii) the Company shall make a payment to the Employee of one Share for every Vested Performance Stock Unit as soon as reasonably practicable following such Acceleration Event, but in no event later than thirty (30) days after the date of the Acceleration Event, and (iii) the Employee will not be entitled to any further payment pursuant to this Agreement. For the avoidance of doubt, if the Employee's employment with the Company is terminated by reason of retirement on or after the Employee's sixty-fifth birthday, by the Company without Cause (as defined herein unless defined in any written agreement between the Company and the Employee in effect at the time of such termination of employment) or by the Employee for Good Reason (as defined herein unless defined in any written agreement between the Company and the Employee in effect at the time of such termination of employment), the determination of the number of Vested Performance Stock Units, and any payment to be made to the Employee with respect to any Vested Performance Stock Units, shall be made as soon as reasonably practicable following the determination of the achievement of the Performance Goals for the Performance Period, but in no event later than March 15 of the calendar year following the end of the Performance Period. If any dividends are declared on the Company's Shares while the Performance Stock Units subject to this Agreement are outstanding, the Company shall make a payment to the Employee on the Payment Date or the Acceleration Event, as the case may be, with respect to each Performance Stock Unit that became a Vested Performance Stock Unit on the Payment Date or the Acceleration Event, in an amount equal to the aggregate amount of dividends that would have been payable to the Employee with respect to each such Vested Performance Stock Unit had such Vested Stock Performance Unit instead been an issued and outstanding Share on the record date of any such dividends (the "Dividend Equivalent Amount"). At the Company's discretion, payment of the Dividend Equivalent Amount may be made in cash or in Shares having a Fair Market Value on the Payment Date or the Acceleration Event, as the case may be, equal to the Dividend Equivalent Amount. In no event will dividends or any dividend equivalents be paid on unvested Performance Stock Units which are forfeited. At the Company's election, the Company shall cause the Shares delivered as payment with respect to the Vested Performance Stock Units to either be evidenced by a book entry account maintained by the Company's stock transfer agent (the "Transfer Agent"), by a certificate issued in the Employee's name, or by delivery to the Employee's individual share holdings account in the Company's equity plan manager's system ("Employee's Account"). Upon the earlier of the date the Shares are evidenced in a book entry account maintained by the Transfer Agent, the date a certificate for the Shares are issued in the Employee's name, or the date transferred to Employee's Account, the Employee shall be a shareholder with respect to the Shares and shall have all of the rights of a shareholder with respect to the Shares, including the right to vote the Shares and to receive any dividends and other distributions paid with respect to the Shares. Notwithstanding anything to the contrary herein, following a Change of Control of the Company, the Company, at its election, may elect to make any payment required to be made to the Employee pursuant to this Section 5 in cash rather than Shares.

**6. Taxes**. The Company shall have the right to satisfy any obligation of the Company to withhold taxes or other amounts with respect to the Vested Performance Stock Units by withholding Shares otherwise deliverable to the Employee with respect to the Vested Performance Stock Units having a Fair Market Value equal to the amount of such tax or other withholdings, provided that the amount will not result in liability accounting for the Company. Furthermore, the Company may elect to deduct from any cash payment made to the Employee pursuant to this Agreement the amount of any taxes or other amounts which the Company is or will be required to withhold with respect to such cash payment.

**7. No Right to Employment**. Nothing in this Agreement shall confer upon the Employee any right to continue in the employ of the Company or any of its Subsidiaries or interfere with or restrict in any way with the right of the Company or any such Subsidiary to terminate his employment at any time for any reason whatsoever, with or without Cause.

8. **Acknowledgement and Section 409A Compliance**.

(a) Employee acknowledges that neither the Company nor any of the Company's affiliates, officers, shareholders, employees, agents or representatives has provided or is providing the undersigned with tax advice regarding the Performance Stock Units subject to this Agreement or any other matter, and the Company has urged the Employee to consult with his own tax advisor with respect to the income taxation consequences associated with the Performance Stock Units subject to this Agreement.

(b) It is intended that this Award of Performance Stock Units comply with Section 409A of the Code, and this Award and the terms of this Agreement shall be interpreted and administered in a manner consistent with such intent, although in no event shall the Company have any liability to the Employee if this Award or the terms of this Agreement are determined not to comply with Section 409A of the Code. For purposes of this Agreement, termination of employment means a "separation from service" within the meaning of Treasury Regulations Section 1.409A-1(h).

(c) Whenever payment under this Agreement specifies a payment period with reference to a number of days (e.g., payment may be made within thirty (30) days after the Payment Date), the actual date of payment within the specified period will be determined solely by the Company.

(d) If the Employee is a "specified employee" within the meaning of Section 409A of the Code at the time of his "separation from service" within the meaning of Section 409A of the Code, then any payment otherwise required to be made to him under this Agreement on account of his separation from service, to the extent such payment (after taking into account all exclusions applicable to such payment under Section 409A of the Code) is properly treated as deferred compensation subject to Section 409A of the Code, shall not be made until the first business day after (i) the expiration of six months from the date of the Employee's separation from service, or (ii) if earlier, the date of the Employee's death.

**9.** **Incorporation of Provisions of the Plan**. All of the provisions of the Plan pursuant to which the Performance Stock Units are granted are hereby incorporated by reference and made a part hereof as if specifically set forth herein, and to the extent of any conflict between this Agreement and the terms contained in the Plan, the Plan shall control. To the extent any capitalized terms are not otherwise defined herein, they shall have the meanings set forth in the Plan.

**10.** **Invalidity of Provisions**. The invalidity or unenforceability of any provision of this Agreement as a result of a violation of any state or federal law, or of the rules or regulations of any governmental regulatory body, shall not affect the validity or enforceability of the remainder of this Agreement.

**11.** **Waiver and Modification**. The provisions of this Agreement may not be waived or modified unless such waiver or modification is in writing and signed by the parties hereto.

**12.** **Interpretation**. All decisions or interpretations made by the Committee with regard to any question arising under the Plan or this Agreement as provided by Section 4 of the Plan, shall be binding and conclusive on the Company and the Employee.

**13.** **Multiple Counterparts**. This Agreement may be signed in multiple counterparts, all of which together shall constitute an original agreement. The execution by one party of any counterpart shall be sufficient execution by that party, whether or not the same counterpart has been executed by any other party.

**14.** **Governing Law**. This Agreement shall be governed by the laws of the State of Ohio.

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed, and the Employee has hereunto set his hand, all as of the day and year first above written.

MYERS INDUSTRIES, INC.

By: R. David Banyard

Its: President and Chief Executive Officer

Employee

**Exhibit A**

**Myers Industries Performance Share Calculation**

in millions

**Exhibit 31.1**
**Certification Per Section 302 of the Sarbanes-Oxley Act of 2002**

I, R. David Banyard, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Myers Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f), for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected or is reasonably likely to materially affect the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2019

/s/ R. David Banyard
R. David Banyard, President and Chief Executive Officer

**Exhibit 31.2**
**Certification Per Section 302 of the Sarbanes-Oxley Act of 2002**

I, Kevin L. Brackman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Myers Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f), for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected or is reasonably likely to materially affect the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 8, 2019

/s/ Kevin L. Brackman
Kevin L. Brackman, Executive Vice President and Chief Financial Officer

**Exhibit 32.1**
**CERTIFICATION**
**PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Myers Industries, Inc. (the Company) on Form 10-Q for the period ended March 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, R. David Banyard, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and to my knowledge:

(1) The Quarterly Report on Form 10-Q of the Company for the period ended March 31, 2019 which this certification accompanies fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 8, 2019

/s/ R. David Banyard

R. David Banyard, President and Chief Executive Officer

**Exhibit 32.1**
**CERTIFICATION**
**PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Myers Industries, Inc. (the Company) on Form 10-Q for the period ended March 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Kevin L. Brackman, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and to my knowledge:

(1) The Quarterly Report on Form 10-Q of the Company for the period ended March 31, 2019 which this certification accompanies fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 8, 2019

/s/ Kevin L. Brackman

Kevin L. Brackman, Executive Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.