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Myers Industries, Inc. (MYE)

Q2 2020 Earnings Call

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Kevin L. Brackman
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Chris DuPaul
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OTHER PARTICIPANTS

Carl L. Schemm
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Lance Vitanza
Analyst, Cowen and Company, LLC

Joshua K. Chan
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MANAGEMENT DISCUSSION SECTION

Operator: Ladies and gentlemen, thank you for standing by, and welcome to the Myers Industries' 2020 Second Quarter Earnings Call. At this time, all participants are in a listen-only mode. After the speakers' presentation, there will be a question-and-answer session. [Operator Instructions]

I would now like to hand the conference over to Ms. Monica Vinay. Please go ahead.

Monica Vinay
Vice President, Investor Relations & Treasurer, Myers Industries, Inc.

Thank you. Good morning. Welcome to Myers Industries' second quarter 2020 earnings call. I'm Monica Vinay, Vice President of Investor Relations and Treasurer at Myers Industries. Joining me today are Mike McGaugh, President and Chief Executive Officer, and Kevin Brackman, Executive Vice President and Chief Financial Officer.

Earlier this morning, we issued a news release outlining the financial results for the second quarter of 2020. If you've not yet received a copy of the release, you can access it on our website at www.myersindustries.com. It's under the Investor Relations tab. This call is also being webcast on our website and will be archived along with the transaction of the call shortly after this event.

Before I turn the call over to Mike, I would like to remind you that we may make some forward-looking statements during this call. These comments are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements are based on management's current expectations and involve risks, uncertainties, and other factors which may cause results to differ materially from those expressed or implied in these statements. Further information concerning these risks, uncertainties, and other factors is set forth in the company's periodic SEC filings and may be found in the company's 10-K and 10-Q filings.

I'm now pleased to turn the call over to Mike McGaugh.

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Mike McGaugh

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

Good morning. Thank you for joining us. First, I want to say how proud I am of our employees, especially how they pulled together to deliver solid results during a challenging quarter while also staying safe. Due to the focus and dedication of our teams, we were able to deliver sales and operating results and were better than we had originally expected.

Now, if you turn to slide 3 of the presentation, we'll share an overview of second quarter 2020. As we noted in today's release, our businesses performed well during the quarter. We continue to meet our customers' needs. We delivered higher than anticipated sales despite challenges and complexities resulting from the COVID-19 crisis. Sales in our consumer end market increased significantly year-over-year as a result of higher demand for our fuel containers. We were also encouraged by the increase in demand that took place in our auto aftermarket sector once stay-at-home restrictions were lifted and more vehicles returned to the road.

Our business has delivered gross margin expansion again this quarter. Adjusted gross profit margin increased to 36% in the second quarter of 2020 compared with 35% a year ago. This was due to solid operational execution and favorable price cost margin which more than offset the lower sales volume during the quarter. As a result of the gross margin expansion and SG&A cost reductions, our operating margin was flat during the quarter despite the 12% decline in sales.

We're also pleased that we generated positive free cash flow of $3.7 million during the quarter. As a result, our balance sheet remains strong, and we continue to have significant liquidity to support our operations and our growth initiatives.

Our entire team remains dedicated to staying safe while meeting our customers' needs and profitably growing our businesses. We remain confident that our company has the financial strength, high-quality products, and the right growth strategies to emerge as a stronger organization in the future once this crisis subsides. Most importantly, our second quarter performance – as our second quarter performance demonstrates, we have an industry-leading team capable of generating strong results even in the most challenging of circumstances.

Now, I'll turn the call over to Kevin, for more details on our second quarter financial results, a discussion of our outlook on sales trends and our full-year guidance.

Kevin L. Brackman

Chief Financial Officer & Executive Vice President, Myers Industries, Inc.

Thanks, Mike, and good morning, everyone. Please note that all numbers in the presentation reflect continuing operations. Please turn to slide 4. Net sales for the second quarter were $118 million, a decrease of 12% compared with the second quarter of 2019. The increases we saw from the fuel container sales in the consumer end market and the Tuffy acquisition in the Distribution Segment were more than offset by sales decreases across the rest of our end markets.

Gross profit margin increased 100 basis points to 36%. This was primarily due to favorable price cost margin and lower operating costs. Our adjusted operating income decreased 14% to $12.3 million for the quarter. The adjusted operating income margin was flat despite the lower sales volume. This was the result of the higher gross profit margin, as well as lower adjusted SG&A expenses year-over-year due primarily to lower variable compensation and cost reductions. Adjusted diluted earnings per share were $0.23 compared to $0.27 for the second quarter of 2019.

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Now let's turn to slide 5 for an overview of our performance by business segment. In the Material Handling segment, net sales decreased by 15.7%. As anticipated, the challenging business environment led to sales declines in the food and beverage, vehicle and industrial end markets. These declines more than offset a large sales increase in the consumer end market. However, the lower overall sales volume was partially offset by favorable price-cost margin, a positive sales mix, and lower operating costs. As a result, the segment's adjusted operating income margin increased to 19.5% compared with 18.3% for the second quarter of last year.

In the Distribution segment, sales decreased 2.2% as incremental sales from the August 2019 acquisition of Tuffy Manufacturing partially offset a decline in sales across the remainder of the segment. As Mike mentioned earlier, demand in this end market improved throughout the quarter as stay-at-home restrictions were lifted, closures eased, and more vehicles were on the road. Consequently, sales during the quarter were better than we had anticipated.

Distribution's adjusted operating income decreased to $1.6 million for the second quarter of this year compared with $3.3 million a year ago primarily due to unfavorable sales mix. This was the result of two factors: first, an unfavorable product mix due to higher sales of equipment versus consumables during the quarter; and second, an unfavorable mix of acquisition versus base sales volume. As a result, the segment's adjusted operating income margin was 4.4% compared with 8.7% for the second quarter of 2019.

Turning to slide 6, I'll review our balance sheet and cash flow. For the second quarter of 2020, we generated free cash flow of $3.7 million compared with $9.4 million last year. Working capital as a percent of sales at the end of the second quarter was 9.9%, which was higher than in previous quarters. The increase in working capital was primarily due to higher accounts receivable and inventory balances due to strong sales in June and strategic investments in inventory to protect our supply chain during the crisis. We expect working capital to return to normal levels by the end of the year. Cash on the balance sheet at the end of the second quarter was $72 million and our debt-to-adjusted EBITDA ratio was 1.2 times, which is consistent with previous quarters.

Now let's turn to slide 7 for a updated 2020 revenue and end market outlook. It's important to note that this outlook is based on current and projected market conditions, and there are still a lot of uncertainty around these projections. For the full year, we now anticipate a percentage sales decline in the mid to high single-digit range, which is a slight improvement from our previous expectation of an approximate 10% decline year-over-year.

Now let's review our current outlook for each of the end markets. Starting with our consumer end market, the increase in demand during the second quarter was even greater than we had anticipated. As a result, we now expect a sales increase in the mid-single digits for the year in this market compared with our previous outlook of a low single-digit increase.

In our food and beverage end market, we continue to anticipate a mid-single-digit increase in revenue for the full year. Because last year's demand for seed boxes was unfavorably impacted by a late spring season and customer consolidations, we anticipate improved demand in the upcoming seed season, which, as a reminder, will occur in the fourth quarter of 2020 and first quarter of 2021.

Turning to our vehicle end market, while demand in the RV market has begun to improve, we do not anticipate that the second half improvement will be enough to offset the decline in sales that we experienced during the first half of the year. Additionally, demand in the automotive end market continues to be soft. Therefore, as a result of the anticipated full-year decline in both RV and automotive customer sales, we continue to expect vehicle end market sales to be down double-digits for the full-year 2020.

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In our industrial end market, we continue to expect the soft demand environment in industrial manufacturing throughout the remainder of the year. As a result, we have maintained our industrial end market outlook of a percentage decrease in the low-teens for the full year.

And finally, in our auto aftermarket, because demand began improving more quickly than we had anticipated once stay-at-home restrictions were lifted, we are now forecasting sales to decline in the low-single-digit range compared with our previous outlook of a high-single-digit decline.

Turning to slide 8, you can see our guidance for 2020. As I just discussed, we anticipate sales for the full year will be down mid to high-single digit, which is a slight improvement over our previous forecast of an approximate 10% decline. We continue to expect depreciation and amortization to be approximately $21 million, net interest expense to be $4 million, a diluted share count of approximately 36 million shares, and capital expenditures to be roughly $15 million. Lastly, we anticipate an effective tax rate of 26%, which is slightly lower than our previous guidance of 27%.

With that, I will now turn it back over to Mike.

Mike McGaugh

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

Thanks, Kevin. Before we take questions, I'd like to close with a few comments. I want to thank the entire Myers team for the tremendous job they did in helping us achieved solid financial results during the second quarter. Thanks to their efforts we were able to meet the critical needs of our customers and our communities in an extremely challenging operating environment. In the coming months, we'll have a sharp focus on delivering profitable growth and increasing shareholder value.

In our Material Handling segment, we intend to use a discipline M&A process to acquire businesses that build on our technological strength in plastics manufacturing. In addition to M&A, we aim to grow organically, building out our commercial sales and marketing capabilities. We're strengthening our teams and our focus in these areas and expect to see positive results in the future.

In Distribution, we'll continue to execute our transformation and continuous improvement initiatives. These include winning new business, rolling key accounts, enhancing and expanding our e-commerce platform, and optimizing our supply chain to lower costs while improving service level.

By focusing on our strategy and driving an execution mindset, we will continue to deliver solid results into the future. I'm excited to be on this journey and I believe our teams are well-positioned for growth.

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

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QUESTION AND ANSWER SECTION

Operator: [Operator Instructions] The first question comes from Carl Schemm with KeyBanc Capital Markets.

Carl L. Schemm
Analyst, KeyBanc Capital Markets
Q

Hey. Good morning. Congratulations on the quarter.

Mike McGaugh
President, Chief Executive Officer & Director, Myers Industries, Inc.
A

Thank you.

Carl L. Schemm
Analyst, KeyBanc Capital Markets
Q

My first question for Mike, just now that you've had a little more time in your position, just kind of broadly what metrics are you considering most important in the business and maybe philosophically, how are you thinking about capital deployment?

Mike McGaugh
President, Chief Executive Officer & Director, Myers Industries, Inc.
A

Yeah. Listen, I appreciate the question. From a metric standpoint, clearly, cash flow is important. Operating income is important. I won't get into the minutia, but we're looking at a number of other control mechanisms on how our businesses operate, our customer satisfaction levels, order fill rate. What you'll see is, again, this is a very solid company when it comes to operations, a very solid company when it comes to our technologies. Where I'm looking to build is on our commercial capability, our customer-facing capability, and we'll do that in the future.

As it relates to capital allocation, the dividend continues to be sacrosanct in its top importance. I see no barriers on delivering the cash flow to cover our dividend even in challenging times. We're going to continue to invest the CapEx levels we've committed to in the past, split between maintenance and also growth capital.

If you look at our business, we've got a strong balance sheet, and the takeaway here is that we're going to continue to play offense. We're going to continue to exercise our strength and build even in times that are uncertain when others may be a little more cautious. This is a chance for us to take share and gain business.

And then before I wrap up, the other piece is just deployment of capital into M&A. We continue to see a robust pipeline in a number of the plastics technologies, and we are ramping up the activity there and more to come.

Carl L. Schemm
Analyst, KeyBanc Capital Markets
Q

Great. Thanks. That's all for me.

Mike McGaugh
President, Chief Executive Officer & Director, Myers Industries, Inc.
A

Thank you.

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Operator: Next question comes from Lance Vitanza with Cowen and Company. Lance, your line is open. Please go ahead.

Lance Vitanza
Analyst, Cowen and Company, LLC

Q

Sorry, guys. I had my phone stuck on mute. Thanks. Can you hear me now?

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

A

Yeah, we can.

Monica Vinay
Vice President, Investor Relations & Treasurer, Myers Industries, Inc.

A

Good morning.

Lance Vitanza
Analyst, Cowen and Company, LLC

Q

Great. Great. Hey. So just maybe the first, just a follow-on on Carl's question, Mike, you talked about the company is really well set with respect to production and internal controls and so forth, and that your – the opportunity for you is really more on the customer-facing side.

And then, you also closed by saying that you wanted to be on offense there, but is that really possible given COVID, or how – just do you need to necessarily be on a bit of a pause there or no? Do you think you can actually make progress on your primary objectives in this environment? Could you talk about that a little bit? And then, I've got some more specific questions for Kevin and so forth.

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

A

Yeah. Sure, Lance. Philosophically, you want to be strong when others are fearful, and we've got a good business. We have good people and good operations. We've got a great balance sheet. We're not worried about liquidity. So that allows us to focus on growth, and we're going to continue to build out those parts of the company focused on growing.

I find that we've got these technologies within our business unit silos, and there's not enough cross-selling that's being done. There's not enough solutions providing or solutions mindset. This is all – it's all opportunity. The businesses are dialed in. The company is dialed in operationally. But we need to have more of a growth mindset. And just to be frank, I'm pleasantly surprised with the opportunities that we have here on the organic side as well as the M&A side. But, no, for sure, I think this is exactly the time when we need to be – we need to play offense.

Lance Vitanza
Analyst, Cowen and Company, LLC

Q

Thanks. Okay. And then, Kevin, if you could talk – I know you went through it, and I'm struggling to keep up, but could you repeat what you said had driven the gross margin strength? I got that there were some operational improvements, but I missed the first half.

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Kevin L. Brackman
Chief Financial Officer & Executive Vice President, Myers Industries, Inc.

A

Yeah. So, gross margin strength, we had favorable price-cost margin in the quarter compared to last year. And then also, we did a nice job with cost control really both in cost of sales and in SG&A. And so, that those were the two big factors that drove the gross margin improvement.

Lance Vitanza
Analyst, Cowen and Company, LLC

Q

Do you see those as – were those of the nature that would suggest sustainable going forward or were these – you have to sort of repeat these every quarter? I mean, I guess, I'm just trying to think about our estimates going forward, and how we thought about the business with the margin. The margin was up quite a bit from what we and I think others had expected.

Kevin L. Brackman
Chief Financial Officer & Executive Vice President, Myers Industries, Inc.

A

Yeah. So, let me talk about margin, I guess, by segment. I think it will be easier because there's a lot of moving pieces for both segments. So, in Material Handling, I do expect that we will continue to expand margin in the second half of the year. There's really three big factors driving that. One is more favorable revenue year-over-year. So, first half of the year, we were down 12% revenue for the enterprise. We're forecasting a mid to high single-digit decline for the full year spending. So, we're going to be roughly flat in the second half of the year. So, obviously that helps with margin.

And specific to Material Handling, in my comment, I noted that we are expecting growth in seed box revenue starting with this upcoming seed season, which starts in the fourth quarter. So, we are expecting growth as an enterprise in revenue in Q4. So, that's one thing. The price-cost margin I mentioned, I expect that to continue to be favorable year-over-year, maybe not as significant as the first half of the year, but it should continue to be favorable year-over-year which is mostly the fact that resin costs remain below prior year levels.

And then the third thing on the Material Handling side, if you remember in the third quarter last year, we had a $3.5 million charge for a product replacement box which, obviously, we don't expect to recur this year. So, for those three reasons, I expect margin to continue to improve year-over-year in the second half.

In the Distribution Segment, we really had two mix factors that hurt our second quarter and I expect both to continue into the second half of the year. One is our product mix. So, we are selling more equipment and fewer consumables. The equipment carries a lower margin, and so that has a negative mix impact on our margins. The other which was a significant impact on Q2 is – and I made a comment about this, and I was hoping to clarify is a mix between acquisition revenue and legacy base revenue.

So, in the first year post-acquisition, the incremental revenue from the acquisition is going to fall through at kind of an operating margin. In other words, it's going to be fully loaded and it's going to include the fixed costs of the business. The decline in revenue on the legacy side of the business year-over-year, that's going to fall through at more of a contribution margin. So, you can leave the difference between an operating margin on the acquisition revenue and the contribution margin on the legacy revenue, that can be a 20 percentage point margin differential. And so that has a...

Lance Vitanza
Analyst, Cowen and Company, LLC

Q

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Big hurdle.

Kevin L. Brackman
Chief Financial Officer & Executive Vice President, Myers Industries, Inc.

A

...yeah, it's a big hurdle. I'd say it's a big impact. We've said before that our annual revenue from Tuffy is about $20 million, so roughly $5 million at quarter. So, that – like I said that's a significant impact on Q2. We expect that to continue into the second half. Now we completed the Tuffy acquisition at the end of August, so obviously once we lap the acquisition date, then that impact will go away.

Lance Vitanza
Analyst, Cowen and Company, LLC

Q

Super helpful. I have two more questions if I could. The first is actually maybe just sticking with the Distribution segment. The weakness there is that just less traffic on the road equals less need for tire repair. You mentioned that it sounds like that business already began coming back strong once the travel restrictions were lifted. So, I would have expected maybe a better outlook for the back half of the year given we've seen a resurgence in just the number of miles being driven. Is there anything else going on there?

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

A

Yeah. Lance, this is Mike. We do have Chris DuPaul here who you know is the President of Distribution segment. So, I'll ask Chris to address those.

Chris DuPaul
President, Distribution, Myers Industries, Inc.

A

Hey, Lance.

Lance Vitanza
Analyst, Cowen and Company, LLC

Q

Thank you.

Chris DuPaul
President, Distribution, Myers Industries, Inc.

A

So first of when you look at Q2, the impact of COVID-19 on the industry and market was fairly significant. If you look at some of the broader indicators that tend to drive some of the volume in our business. Replacement tire shipments were down for the quarter in the 30% to 35% range. Miles driven for the first two months of the quarter were down in about that same ballpark.

As we got towards the end of the quarter, we were very encouraged as we started to see the economy opening back up, have been really pleased at the way we've seen volume returned in June and as we move into the third quarter. As we look into the back part of the year, no one has a crystal ball here. What we're looking at are some of the broader industry projections around where we see the end market for tire retread and repair, and we're tracking our volume forecasts sort of in line with that.

Lance Vitanza
Analyst, Cowen and Company, LLC

Q

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Make sense. And I guess the bottom line is with fears of second waves and resurgences and so forth of the virus, it's probably better to remain – will have a little bit of a [ph] cross-selling (24:37). Look, my last question is actually back on the Material Handling side, but it ties into the same theme, in that – we've been reading that RV sales had seemed to have been picking up, as a result of COVID. And just it doesn't sound like you guys are seeing any flow through. Obviously, there is a big difference I assume between the end market sales and then when it would potentially flow through to the equipment manufacturers.

But wondering if that resurgent sales, was that just a flash in the pan? Is there anything that we should be thinking about there? Is that a hope that we might have seen a more encouraging outlook versus the double-digit declines that you were looking at in vehicle last time?

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

A

Lance, so this is Mike. Let me take that one. I was into actually Elkhart last week with several big customers of ours to gauge that very point. I think the consumer trends, the way people are looking at vacations, the implications from COVID, I think the RV industry has got a lot of runway. It's probably going to be years and not quarters or months. We're well-positioned there from a technology standpoint and partnered with the leading RV manufacturers. So I feel good about that piece of our business.

In addition, the boating side, as you may recall, we make plastic parts, engineered parts, tanks, seats, et cetera for the pontoon boats and fishing boats. Those businesses are doing quite well also. So I think the outlook there is solid. And quite frankly, I wish it was even a larger point of our – portion of our revenue when times are good. But we're well-positioned.

What I'm trying to figure out is how do we sell more of our existing technologies into those segments. That's not going to be something that delivers results in the next weeks or months. That's just more of a longer term thought process, is how do we get more of our great technologies into those industries. So I think the runaway for RV is quite strong and I'm excited to be a part of it. It just really was an eye-opening visit with our customers last week with regard to how much the demand is there.

Lance Vitanza
Analyst, Cowen and Company, LLC

Q

Thanks so much, guys. Appreciate it. I'll pass it on.

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

A

Thank you.

Operator: [Operator Instructions] Next question comes from John Chan (sic) [Josh Chan] (27:04) with Baird.

Joshua K. Chan
Analyst, Robert W. Baird & Co., Inc.

Q

Hi. Good morning. Congrats on a very solid quarter in the current environment.

Kevin L. Brackman
Chief Financial Officer & Executive Vice President, Myers Industries, Inc.

A

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Thank you.

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

A

Thank you.

Joshua K. Chan
Analyst, Robert W. Baird & Co., Inc.

Q

Mike, it was nice to hear about sort of the strategic thinking there. You mentioned M&A. Could you just talk a little bit more about what are the kind of property of companies that you are looking at, and is the current environment kind of creating some dislocation in the markets that you might be able to take advantage of?

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

A

Yeah. That's a good question. So we brought in an even more disciplined way to look at our funnel. The outbound calls we're making, the inbounds we're receiving. We had good rigor before. I'd like to think we have even more rigor in that space now. We've got an excellent leader in that space who knows it quite well on the M&A side. Where I'm looking to build is on the plastic side. We've got great technologies. There's a number of lower middle market privately held companies in the space of roto molding, injection molding, blow molding, thermal forming that we believe would add to our capabilities, allow to deliver more to our customers, give us more power in the channel to deliver better products but also to earn better returns. And those are the areas that we're looking at.

Like I said, I'm pleasantly surprised with the opportunities out there. Where we're going to continue to focus is not on the commodity side but more on the specialty side, the engineering material side. So if the plastic parts have an element of technology, are difficult to produce, have some sort of barrier from Chinese competition or from other competition where we can actually deliver value to our customers and get paid for that value, that's the area we're focusing. And quite frankly, that's where Myers' products are positioned today. We're out of that commodity space. We're more in the technologically advanced space on the plastics technologies. And I really seek to build that out. I'm excited about that side as well. So I'll stop there. Does that help?

Joshua K. Chan
Analyst, Robert W. Baird & Co., Inc.

Q

Yeah. That definitely helps. And it's encouraging to see that there might be more opportunities there. So, on the consumer business, I'm just wondering, has the momentum that you saw in Q2 kind of continues into Q3. I would think that it might, but the guide doesn't seem to assume very much growth in the second half. So, could you talk a little bit more about that?

Kevin L. Brackman
Chief Financial Officer & Executive Vice President, Myers Industries, Inc.

A

Yeah. Remember that in that business, really our strong season runs from like March through July, so short of any hurricane activity in that business. We are nearing kind of the end of their strong season, and so that's why, like I said, short of hurricanes, you would expect it to get a lot softer starting in Q3

Joshua K. Chan
Analyst, Robert W. Baird & Co., Inc.

Q

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All right. That makes sense. And I guess my last question, this might not be a very near-term dynamic, but if in the future commodity prices were to increase, what happens historically with sort of your ability to get the price, and do you think that you can kind of align those two in a relatively close manner?

Kevin L. Brackman
Chief Financial Officer & Executive Vice President, Myers Industries, Inc.

A

Yeah, I think – so, we've said before some of our pricing is actually indexed to the resin cost. So, there may be like a 60, 90-day lag in the price movement once the change in the resin cost happens. But a certain percentage of our revenue is actually intact, so it automatically adjusts. And then where we don't have mechanisms in place, we employ value-based pricing methodology. I don't know if Mike wants to add anything to that.

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

A

Yeah. Thanks, Kevin. That's well said. When I look at our near-term priorities for the company as we talked about growth in the commercial excellence piece there, that includes sales but also a more analytical approach to how we do finished goods pricing. The other piece is on the procurement side. We do a fine job there, but there is opportunity to centralize procurement across our divisions and go more aggressively and you'll [audio gap] (31:47) more to come there. And then the third piece is the integration capability playbook. I feel that's an area that I'd like to fortify with our company. As we move forward more aggressively into acquisitions, I want to be sure we have a very robust process on integrations in obtaining the synergy. So, you didn't ask it in that way, but those are really the three areas I'm working on the short term.

Joshua K. Chan
Analyst, Robert W. Baird & Co., Inc.

Q

That's great. Thanks for highlighting all the opportunities and good luck...

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

A

Thank you.

Operator: [Operator Instructions] And we do not have any telephone questions at this time. I will turn the call over to the presenters.

Monica Vinay
Vice President, Investor Relations & Treasurer, Myers Industries, Inc.

Thank you. We thank all of you for your interest in Myers Industries and your time and participation today. As a reminder, a transcript of this call will be available on our website within approximately 24 hours. A replay will be immediately available via webcast or call. Details can be found on our website under the Investor Relations tab. Thanks and have a great day.

Operator: This concludes today's conference call. You may now disconnect.

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