



## Second Quarter 2019 Earnings Presentation

July 30, 2019



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## Forward-Looking Statement

Any "forward-looking" statements, within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, contained herein, including those relating to the Company's business, financial condition or future results, involve risks and uncertainties with respect to, including, but not limited to: general economic and currency conditions; material and energy costs; risks and uncertainties associated with intangible assets, including goodwill or other intangible asset impairment charges; competitive factors; future trends; the Company's ability to realize its business strategies; the Company's ability to identify attractive acquisition candidates, successfully integrate acquired operations or realize the intended benefits of such acquisitions; information technology and other cyber-related risks; the performance of subcontractors and suppliers; supply constraints; market demand; intellectual property factors; litigation; government and regulatory actions, including, but not limited to, the impact of tariffs, quotas and surcharges; the Company's leverage; liabilities imposed by debt instruments; labor disputes; changes to fiscal and tax policies; contingent liabilities relating to acquisition activities; the disruption of operations from catastrophic or extraordinary events, including natural disasters; the potential impact of Brexit; tax considerations relating to the Cequent spin-off; the Company's future prospects; and other risks that are detailed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018. These risks and uncertainties may cause actual results to differ materially from those indicated by the forward-looking statements. All forward-looking statements made herein are based on information currently available, and the Company assumes no obligation to update any forward-looking statements, except as required by law.

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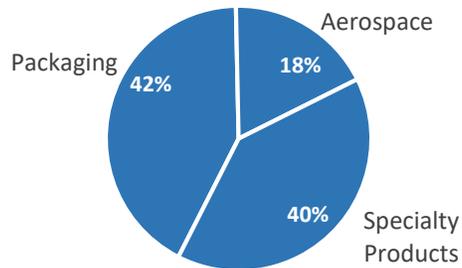
## Non-GAAP Financial Measures

In this presentation, certain non-GAAP financial measures may be used. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measure may be found in the Appendix at the end of this presentation or in the earnings releases available on the Company's website. Additional information is available at [www.trimascorp.com](http://www.trimascorp.com) under the "Investors" section.

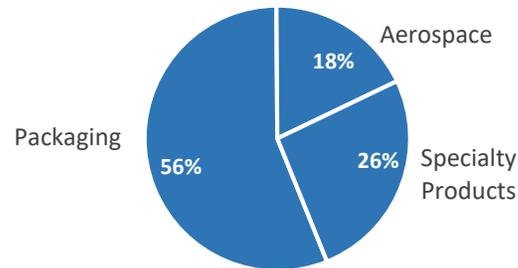
Please see the Appendix for details regarding certain costs, expenses and other amounts or charges, collectively described as "Special Items," that are included in the determination of net income, earnings per share and/or cash flows from operating activities under GAAP, but that management believes should be separately considered when evaluating the quality of the Company's core operating results, given they may not reflect the ongoing activities of the business. Management believes that presenting these non-GAAP financial measures, adjusting for Special Items, provides useful information to investors by helping them identify underlying trends in the Company's businesses and facilitating comparisons of performance with prior and future periods. These non-GAAP financial measures should be considered in addition to, and not as a replacement for or superior to, the comparable GAAP financial measures.



## Net Sales



## Operating Profit<sup>(1)</sup>



- Net Sales: ~\$896 million
- **Adj. EBITDA<sup>(2)</sup> Margin: ~19%**
- Leverage Ratio<sup>(3)</sup>: ~1.6x
- **Market Capitalization: ~\$1.4 billion**
- Cash & Available Liquidity: ~325 million

## Segments

### Packaging



## Brands



**Net Sales: \$377.7M**  
**Op. Profit/Margin: \$83.8M, 22.2%**  
*Amortization Exp.<sup>(4)</sup>: \$9.4M, 2.5%*

### Aerospace



**Net Sales: \$160.1M**  
**Op. Profit/Margin: \$27.3M, 17.1%**  
*Amortization Exp.<sup>(4)</sup>: \$8.1M, 5.0%*

### Specialty Products



**Net Sales: \$358.0M**  
**Op. Profit/Margin: \$37.7M, 10.5%**  
*Amortization Exp.<sup>(4)</sup>: \$2.2M, 0.6%*

Note: All figures are last 12 months ("LTM") as of June 30, 2019, adjusted for Special Items, except market capitalization, which is as of July 26, 2019.

(1) Percentages of segment operating profit contribution excluding corporate expenses.

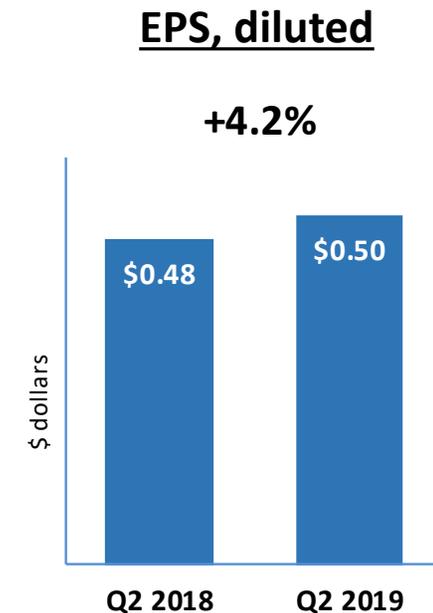
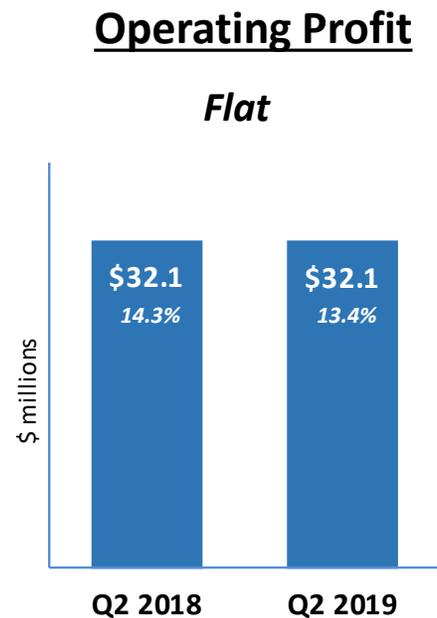
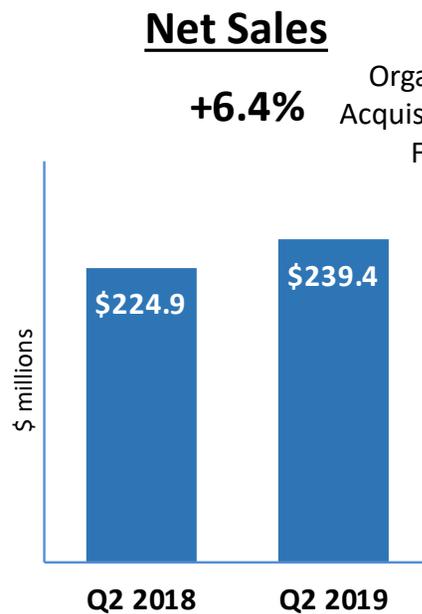
(2) Adjusted EBITDA is defined as net income (loss) plus expense (benefit) for interest, taxes, depreciation, amortization and non-cash stock compensation, all adjusted for the impact of Special Items.

(3) As defined in the Company's credit agreement.

(4) Represents non-cash intangible amortization expense.

## Q2 Highlights

- Net sales higher in all segments
- Operating profit was relatively flat as the impact of higher sales was offset primarily by a less favorable product sales mix and higher input and freight costs
- Q2 EPS up 4.2% to \$0.50 per share



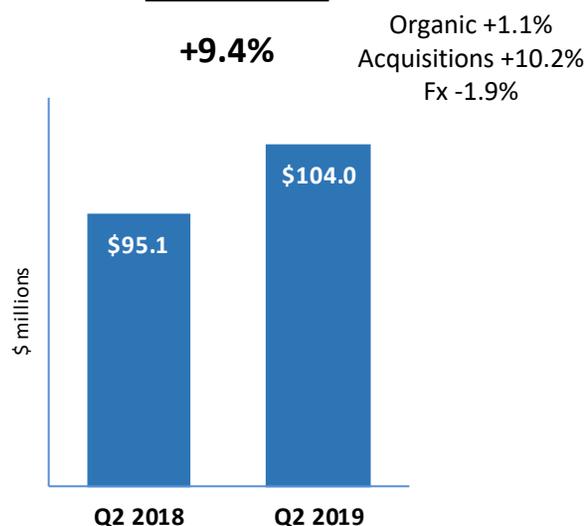
Note: All items are adjusted for Special Items. Please see the Appendix for a detailed reconciliation to GAAP results. Unaudited, dollars in millions, except per share amounts.



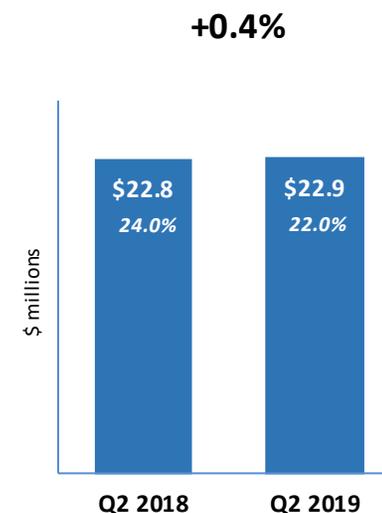
Segment Results



## Net Sales



## Operating Profit

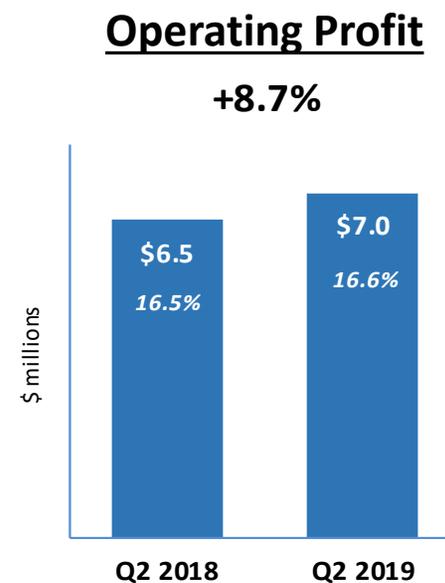


## Quarterly Takeaways

- Sales increased primarily as a result of growth in HBHC and acquisitions
- Maintained solid margins despite lower margin acquisition-related sales and less favorable sales mix
- Anticipated ramp-up of certain new product launches shifted to late second half of 2019

## Brands & Applications





## Quarterly Takeaways

- Sales increased due to steady demand levels and improved production throughput
- Operating profit increased due to higher sales levels
- Robust quoting, order intake and new business wins continue

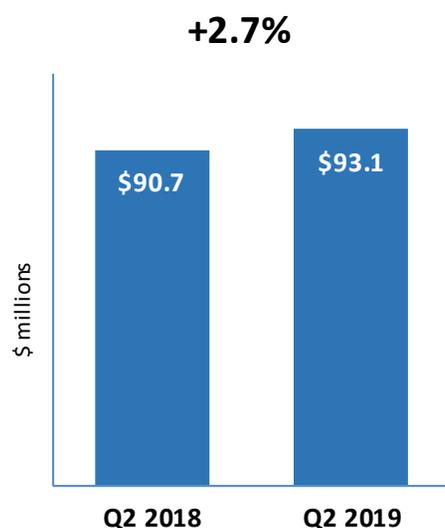
## Brands & Applications



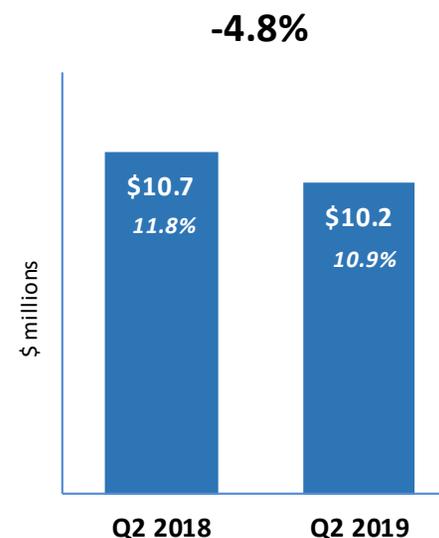
# Specialty Products Segment – Q2 2019



## Net Sales



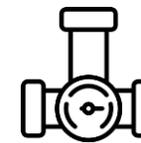
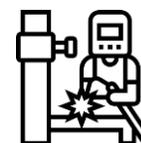
## Operating Profit



## Quarterly Takeaways

- Increased sales driven by capturing higher end market demand primarily in the Lamons branded products
- Impact of increased contribution on higher sales levels was more than offset by higher freight and input costs, and less favorable sales mix
- Continued focus on capturing end market demand and managing cost structure

## Brands & Applications



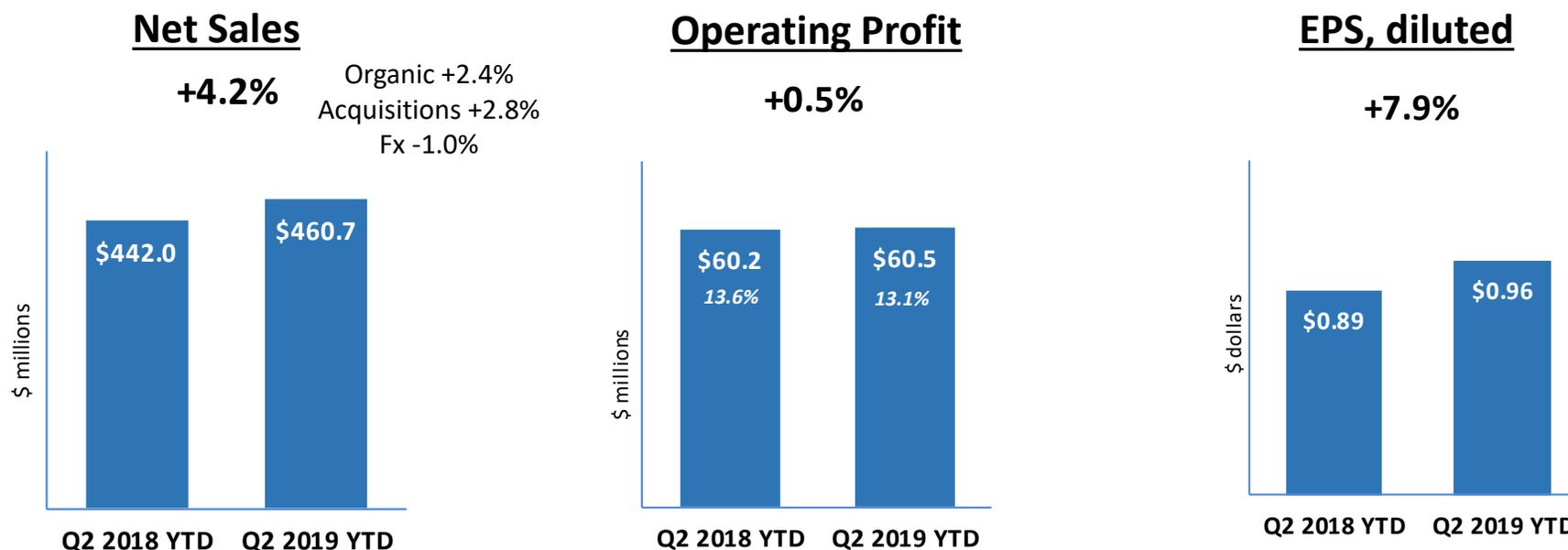


## Q2 YTD & Financial Summary



## Q2 YTD Highlights

- Net sales were higher by 4.2%, with YTD acquisition-related sales of \$12.5 million, and organic sales, net of currency, up 2.4%
- Operating profit increased slightly as the impact of higher sales was partially offset by a less favorable product sales mix
- Q2 YTD EPS was \$0.96 per share, higher by 7.9% versus Q2 YTD 2018



Note: All items are adjusted for Special Items. Please see the Appendix for a detailed reconciliation to GAAP results. Unaudited, dollars in millions, except per share amounts.

# Strong Balance Sheet and Available Liquidity



## Continued Strong Financial Position

- Leverage remains below target of < 2.0x, providing flexibility for investment
- Strong balance sheet, cash conversion and available liquidity position TriMas for growth
- Free Cash Flow as planned; Continue to expect 2019 FCF conversion to be greater than 100% of net income

	Q2 2019	v. Q2 2018	Change
Q2 Free Cash Flow <sup>(1)</sup>	\$16.6	\$28.9	(\$12.3)
Q2 YTD Free Cash Flow <sup>(1)</sup>	\$19.2	\$43.3	(\$24.1)
Total Debt	\$294.2	\$293.0	\$1.2
Less: Cash	\$40.3	\$53.4	(\$13.1)
Net Debt	\$253.9	\$239.6	\$14.3
LTM Adjusted EBITDA	\$169.6	\$161.2	\$8.5
Leverage Ratio <sup>(2)</sup>	1.6x	1.7x	
Cash & Available Liquidity	\$325.4	\$339.3	(\$13.9)

***Relentless commitment to cash generation is a key component of TriMas' overall strategy.***

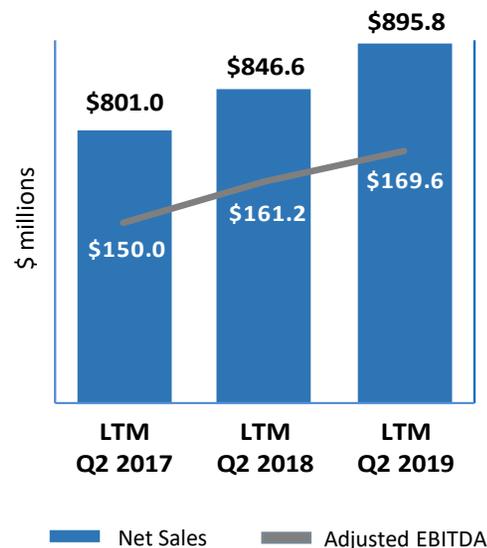
Note: Please see the Appendix for a detailed reconciliation to GAAP results. Unaudited, dollars in millions.

(1) Free Cash Flow is defined as Net Cash Provided by/(Used for) Operating Activities, excluding the cash impact of Special Items, less capital expenditures.

(2) As defined in the Company's credit agreement.

## TriMas *continues its momentum...*

### LTM Net Sales & Adjusted EBITDA<sup>(1)</sup>



***...driving higher absolute EBITDA...***

### **First half 2019 capital allocation actions:**

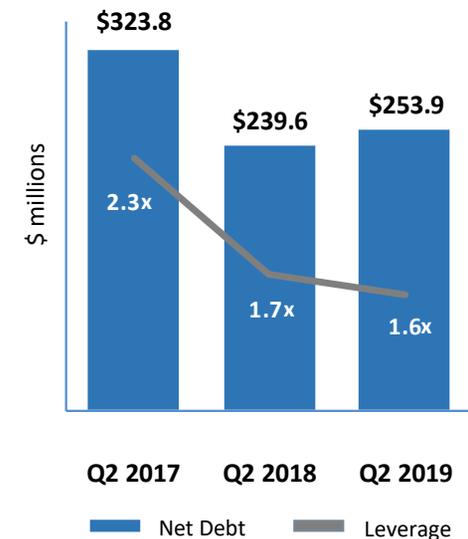
- Acquired two rigid packaging businesses
- Retired ~1% of shares outstanding

**Total Invested: ~\$82 million**

- Continued investment in our global businesses

***...funding balanced capital allocation priorities...***

### Net Debt<sup>(2)</sup> & Leverage<sup>(3)</sup>



***...and maintaining a strong balance sheet.***

Note: All items are adjusted for Special Items. Please see the Appendix, or previous earnings presentations, for a detailed reconciliation to GAAP results. Unaudited, dollars in millions.

(1) Adjusted EBITDA is defined as net income (loss) plus expense (benefit) for interest, taxes, depreciation, amortization and non-cash stock compensation, all adjusted for the impact of Special Items.

(2) Net debt is defined as total debt less cash and cash equivalents.

(3) As defined in the Company's credit agreement.



Outlook



# 2019 Full Year Expectations



As of 7/30/19

TriMas FY 2019 Outlook		
	<u>February Outlook</u>	<u>July Outlook</u>
<b>Organic Sales Growth</b>	3% - 5%	3% - 5%
<b>EPS, diluted</b>	\$1.82 - \$1.92	\$1.85 - \$1.95
<b>Free Cash Flow<sup>(1)</sup></b>	> 100% of Net Income	> 100% of Net Income

## Segments

	<u>Organic Sales Growth</u>		<u>Operating Profit Margin</u>	
	<u>February Outlook</u>	<u>July Outlook</u>	<u>February Outlook</u>	<u>July Outlook</u>
<b>Packaging</b>	3% - 5%	3% - 5%	22% - 23%	21% - 22%
<b>Aerospace</b>	3% - 4%	4% - 5%	16% - 17%	16% - 17%
<b>Specialty Products</b>	4% - 6%	4% - 6%	11% - 13%	11% - 13%

Note: In addition, the Company anticipates \$30 million of incremental net sales from acquisitions in 2019.

All of the figures on this slide are adjusted for any current and future Special Items.

(1) Free Cash Flow is defined as Net Cash Provided by/(Used for) Operating Activities, excluding the cash impact of Special Items, less capital expenditures.



Q & A





Appendix



# Condensed Consolidated Balance Sheet



	June 30, 2019	December 31, 2018
	<i>(unaudited)</i>	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 40,280	\$ 108,150
Receivables, net	150,410	123,110
Inventories	180,500	173,120
Prepaid expenses and other current assets	7,020	7,430
Total current assets	378,210	411,810
Property and equipment, net	225,630	187,800
Operating lease right-of-use assets	39,260	-
Goodwill	334,780	316,650
Other intangibles, net	176,910	174,530
Deferred income taxes	610	1,080
Other assets	16,380	8,650
Total assets	<u>\$ 1,171,780</u>	<u>\$ 1,100,520</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Current maturities, long-term debt	\$ 60	\$ -
Accounts payable	85,570	93,430
Accrued liabilities	41,690	48,300
Operating lease liabilities, current portion	8,610	-
Total current liabilities	135,930	141,730
Long-term debt, net	294,120	293,560
Operating lease liabilities	31,040	-
Deferred income taxes	18,780	5,560
Other long-term liabilities	44,550	39,220
Total liabilities	524,420	480,070
Total shareholders' equity	647,360	620,450
Total liabilities and shareholders' equity	<u>\$ 1,171,780</u>	<u>\$ 1,100,520</u>

Dollars in thousands.

# Consolidated Statement of Income



	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Net sales	\$ 239,370	\$ 224,910	\$ 460,660	\$ 442,010
Cost of sales	(174,020)	(160,130)	(335,490)	(316,850)
Gross profit	65,350	64,780	125,170	125,160
Selling, general and administrative expenses	(34,240)	(33,260)	(68,210)	(58,430)
Operating profit	31,110	31,520	56,960	66,730
Other expense, net:				
Interest expense	(3,490)	(3,480)	(6,930)	(7,180)
Other income (expense), net	1,350	(2,180)	670	(2,740)
Other expense, net	(2,140)	(5,660)	(6,260)	(9,920)
Income before income tax expense	28,970	25,860	50,700	56,810
Income tax expense	(6,950)	(6,260)	(9,590)	(12,890)
Net income	\$ 22,020	\$ 19,600	\$ 41,110	\$ 43,920
<b>Earnings per share - basic:</b>				
Net income per share	\$ 0.48	\$ 0.43	\$ 0.90	\$ 0.96
Weighted average common shares - basic	45,592,075	45,920,307	45,585,445	45,850,137
<b>Earnings per share - diluted:</b>				
Net income per share	\$ 0.48	\$ 0.42	\$ 0.90	\$ 0.95
Weighted average common shares - diluted	45,828,315	46,200,757	45,910,249	46,215,047

Unaudited, dollars in thousands, except for share and per share amounts.

# Consolidated Statement of Cash Flows



	Six months ended June 30,	
	2019	2018
<b>Cash Flows from Operating Activities:</b>		
Net income	\$ 41,110	\$ 43,920
Adjustments to reconcile net income to net cash provided by operating activities, net of acquisition impact:		
Loss on dispositions of assets	40	70
Depreciation	13,070	12,870
Amortization of intangible assets	9,970	9,740
Amortization of debt issue costs	560	740
Deferred income taxes	4,230	6,340
Non-cash compensation expense	3,040	2,620
Increase in receivables	(12,370)	(20,380)
Increase in inventories	(1,130)	(5,880)
Decrease in prepaid expenses and other assets	1,140	8,970
Decrease in accounts payable and accrued liabilities	(29,070)	(7,530)
Other operating activities	(1,310)	140
Net cash provided by operating activities, net of acquisition impact	<u>29,280</u>	<u>51,620</u>
<b>Cash Flows from Investing Activities:</b>		
Capital expenditures	(12,310)	(11,320)
Acquisition of businesses, net of cash acquired	(67,030)	-
Net proceeds from disposition of property and equipment	30	250
Net cash used for investing activities	<u>(79,310)</u>	<u>(11,070)</u>
<b>Cash Flows from Financing Activities:</b>		
Proceeds from borrowings on revolving credit facilities	93,220	59,060
Repayments of borrowings on revolving credit facilities	(92,410)	(68,490)
Shares surrendered upon exercise and vesting of equity awards to cover taxes	(3,230)	(2,380)
Payments to purchase common stock	(15,420)	(2,920)
Net cash used for financing activities	<u>(17,840)</u>	<u>(14,730)</u>
<b>Cash and Cash Equivalents:</b>		
Increase (decrease) for the period	(67,870)	25,820
At beginning of period	108,150	27,580
At end of period	<u>\$ 40,280</u>	<u>\$ 53,400</u>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid for interest	\$ 6,190	\$ 7,630
Cash paid for taxes	<u>\$ 11,970</u>	<u>\$ 3,210</u>

# Company and Segment Financial Information



	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
<b>Packaging</b>				
Net sales	\$ 103,990	\$ 95,090	\$ 192,830	\$ 183,290
Operating profit	\$ 22,640	\$ 22,810	\$ 40,280	\$ 42,390
Special Items to consider in evaluating operating profit:				
Purchase accounting costs	260	-	1,280	-
Adjusted operating profit	\$ 22,900	\$ 22,810	\$ 41,560	\$ 42,390
<b>Aerospace</b>				
Net sales	\$ 42,240	\$ 39,100	\$ 80,570	\$ 76,890
Operating profit	\$ 7,010	\$ 6,450	\$ 12,750	\$ 11,040
Special Items to consider in evaluating operating profit:				
Business restructuring and severance costs	-	-	440	-
Adjusted operating profit	\$ 7,010	\$ 6,450	\$ 13,190	\$ 11,040
<b>Specialty Products</b>				
Net sales	\$ 93,140	\$ 90,720	\$ 187,260	\$ 181,830
Operating profit	\$ 10,170	\$ 10,100	\$ 21,030	\$ 20,240
Special Items to consider in evaluating operating profit:				
Business restructuring and severance costs	-	580	-	1,610
Adjusted operating profit	\$ 10,170	\$ 10,680	\$ 21,030	\$ 21,850
<b>Corporate Expenses</b>				
Operating loss	\$ (8,710)	\$ (7,840)	\$ (17,100)	\$ (6,940)
Special Items to consider in evaluating operating loss:				
M&A diligence and transaction costs	700	-	1,820	-
Reversal of legacy related party liability	-	-	-	(8,150)
Adjusted operating loss	\$ (8,010)	\$ (7,840)	\$ (15,280)	\$ (15,090)
<b>Total Company</b>				
Net sales	\$ 239,370	\$ 224,910	\$ 460,660	\$ 442,010
Operating profit	\$ 31,110	\$ 31,520	\$ 56,960	\$ 66,730
Total Special Items to consider in evaluating operating profit	960	580	3,540	(6,540)
Adjusted operating profit	\$ 32,070	\$ 32,100	\$ 60,500	\$ 60,190

Unaudited, dollars in thousands.

# Additional Information on Non-GAAP Measures



	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
<b>Net income, as reported</b>	\$ 22,020	\$ 19,600	\$ 41,110	\$ 43,920
<b>Special Items to consider in evaluating quality of net income:</b>				
M&A diligence and transaction costs	700	-	1,820	-
Purchase accounting costs	260	-	1,280	-
Business restructuring and severance costs	-	660	440	1,870
Reversal of legacy related party liability	-	-	-	(8,150)
Defined benefit pension plan settlement charge	-	2,500	-	2,500
Income tax effect of Special Items <sup>(1)</sup>	(100)	(610)	(660)	1,040
<b>Adjusted net income</b>	<u>\$ 22,880</u>	<u>\$ 22,150</u>	<u>\$ 43,990</u>	<u>\$ 41,180</u>

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
<b>Diluted earnings per share, as reported</b>	\$ 0.48	\$ 0.42	\$ 0.90	\$ 0.95
<b>Special Items to consider in evaluating quality of diluted EPS:</b>				
M&A diligence and transaction costs	0.01	-	0.04	-
Purchase accounting costs	0.01	-	0.03	-
Business restructuring and severance costs	-	0.01	0.01	0.04
Reversal of legacy related party liability	-	-	-	(0.18)
Defined benefit pension plan settlement charge	-	0.06	-	0.06
Income tax effect of Special Items <sup>(1)</sup>	-	(0.01)	(0.02)	0.02
<b>Adjusted diluted EPS</b>	<u>\$ 0.50</u>	<u>\$ 0.48</u>	<u>\$ 0.96</u>	<u>\$ 0.89</u>
<b>Weighted-average shares outstanding</b>	<u>45,828,315</u>	<u>46,200,757</u>	<u>45,910,249</u>	<u>46,215,047</u>

<sup>(1)</sup> Income tax effect of Special Items is calculated on an item-by-item basis, utilizing the tax rate in the jurisdiction where the Special Item occurred. For the three and six month periods ended June 30, 2019, the income tax effect of Special Items varied from the tax rate inherent in the Company's reported GAAP results, primarily as a result of certain discrete items that occurred during the period for GAAP reporting purposes. For the three and six month periods ended June 30, 2018, the income tax effect of Special Items varied from the tax rate inherent in the Company's reported GAAP results, primarily as a result of certain of the Special Items being incurred in jurisdictions where no tax benefit could be recorded due to valuation allowance assessments.

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
<b>Adjusted operating profit</b>	\$ 32,070	\$ 32,100	\$ 60,500	\$ 60,190
Corporate operating expenses (adjusted)	5,180	5,920	9,960	11,200
Non-cash stock compensation	1,720	1,400	3,040	2,620
Legacy expenses (adjusted)	1,110	520	2,280	1,270
Corporate expenses	8,010	7,840	15,280	15,090
<b>Adjusted segment operating profit</b>	<u>\$ 40,080</u>	<u>\$ 39,940</u>	<u>\$ 75,780</u>	<u>\$ 75,280</u>
<b>Adjusted segment operating profit margin</b>	16.7%	17.8%	16.5%	17.0%

# Additional Information on Non-GAAP Measures



	Three months ended June 30,					
	2019			2018		
	As reported	Special Items	As adjusted	As reported	Special Items	As adjusted
Net cash provided by operating activities	\$ 21,200	1,080	\$ 22,280	\$ 35,380	\$ 1,630	\$ 37,010
Less: Capital expenditures	(5,670)	-	(5,670)	(8,150)	-	(8,150)
Free Cash Flow	15,530	1,080	16,610	27,230	1,630	28,860
Net income	22,020	860	22,880	19,600	2,550	22,150
Free Cash Flow as a percentage of net income	71%		73%	139%		130%

	Six months ended June 30,					
	2019			2018		
	As reported	Special Items	As adjusted	As reported	Special Items	As adjusted
Net cash provided by operating activities	\$ 29,280	\$ 2,210	\$ 31,490	\$ 51,620	\$ 2,980	\$ 54,600
Less: Capital expenditures	(12,310)	-	(12,310)	(11,320)	-	(11,320)
Free Cash Flow	16,970	2,210	19,180	40,300	2,980	43,280
Net income	41,110	2,880	43,990	43,920	(2,740)	41,180
Free Cash Flow as a percentage of net income	41%		44%	92%		105%

	June 30, 2019	December 31, 2018	June 30, 2018
Current maturities, long-term debt	\$ 60	\$ -	\$ -
Long-term debt, net	294,120	293,560	293,010
Total Debt	294,180	293,560	293,010
Less: Cash and cash equivalents	40,280	108,150	53,400
Net Debt	\$ 253,900	\$ 185,410	\$ 239,610

# Additional Information on Non-GAAP Measures



	Three months ended		Twelve months ended		Six months ended	
	June 30,		June 30,		June 30,	
	2019	2018	2019	2018	2019	2018
Net income, as reported	\$ 22,020	\$ 19,600	\$ 80,490	\$ 53,040	\$ 41,110	\$ 43,920
Depreciation expense	6,840	6,540	24,780	26,770	13,070	12,870
Amortization expense	5,040	4,830	19,670	19,670	9,970	9,740
Interest expense	3,490	3,480	13,660	14,610	6,930	7,180
Income tax expense	6,950	6,260	19,380	35,540	9,590	12,890
Non-cash compensation expense	1,720	1,400	7,590	6,060	3,040	2,620
Adjusted EBITDA, before Special Items	\$ 46,060	\$ 42,110	\$ 165,570	\$ 155,690	\$ 83,710	\$ 89,220
Adjusted EBITDA impact of Special Items	960	2,770	4,060	5,480	3,540	(4,350)
Adjusted EBITDA <sup>(1)</sup>	\$ 47,020	\$ 44,880	\$ 169,630	\$ 161,170	\$ 87,250	\$ 84,870
Adjusted EBITDA as a percentage of net sales	19.6%	20.0%	18.9%	19.0%	18.9%	19.2%

Unaudited, dollars in thousands, except for per share amounts.

(1) Adjusted EBITDA is defined as net income (loss) plus expense (benefit) for interest, taxes, depreciation, amortization and non-cash compensation, all as adjusted for the impact of Special Items.