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PRESENTATION

Operator

Greetings and welcome to the TriMas third-quarter 2024 earnings conference call. (Operator Instructions) As a reminder, this conference is being recorded. It is now my pleasure to introduce your host, Sherry Lauderback, Vice President of Investor Relations. Thank you. You may begin.

Sherry Lauderback - *TriMas Corp - Vice President, Investor Relations and Communications*

Thank you and welcome to TriMas Corporation's third-quarter 2024 earnings call. Participating on the call today are Thomas Amato, TriMas President and CEO; and Scott Mell, our Chief Financial Officer. We will provide a prepared remarks on our third-quarter results and outlook and then we'll open up the call for questions.

In order to assist with the review of our results we have included today's press release and presentation on our company website at trimas.com under the investors section. In addition, a replay of this call will be available later today by calling 8776606853 with a meeting ID of 13749560. Before we get started, I would like to remind everyone that our comments today may contain forward-looking statements that are inherently subject to a number of risks and uncertainties.

Please refer to our Form 10-K and our Form 10-Q to be filed later today for a list of factors that could cause the results to differ from those anticipated in any forward-looking statements. Also, we undertake no obligation to publicly update or revise any forward-looking statements except as required by law. We would also direct your attention to our website where considerably more information may be found.

In addition, we would like to refer you to the appendix in our press releasing or our presentation for the reconciliations between GAAP and non-GAAP financial measures used during this call. Today, the discussion on the call regarding our financial results will be on an adjusted basis excluding the impact of special items.

With that, I will turn the call over to Tom Amato TriMas, President and CEO, Tom.

Thomas Amato - *TriMas Corp - President, Chief Executive Officer, Director*

Thank you, Sherry. Good morning and welcome to TriMas Corporation's quarterly earnings call. Let's turn to slide 3. To begin, I am pleased to report that over the past quarter, we continued to experience positive trends and market momentum across many of our key end markets, particularly as compared to the same period last year.

Our investments in operational efficiency, customer engagement and innovation have laid a strong foundation enabling us to capitalize on growth opportunities going forward. In our two largest segment -- segments, TriMas packaging and TriMas aerospace, which together comprise over 85% of our year-to-date sales we delivered core sales growth of 12.3% and 4.8% respectively as compared to the prior year quarter.

Within TriMas packaging our largest group, our core sales gain marks the third consecutive quarter of solid sales growth as we believe we have clearly exited the demand trough experience in 2023. In fact, organic sales growth in our beauty, personal care and home care product lines were up over 20% as compared to the prior year quarter.

While we continue to make operating leverage gains on a sequential basis with TriMas packaging adjusted EBITDA rate just over 21% and higher than the Q2 2024 rate by 100 basis points. We also continue to manage through specific areas of capacity constraints given high demand related to certain product lines.

With that said we have been taking proactive steps throughout the year including adding incremental production capacity, which will pave the way for improved conversion rates as we enter 2025. And importantly, better position TriMas packaging to reach its full potential as we move forward.

Within TriMas aerospace our momentum and sales growth over the past five quarters has been hindered only by the availability of skilled labor, raw materials and certain equipment capacity as we continue to enjoy the strong demand recovery within the aerospace end market.

I would also like to note that in the quarter, one of our largest locations experienced a 10 week work stoppage as we navigated through the process of achieving a new three-year collective bargaining agreement, which was ratified by the workforce on October 11.

We have estimated that absent this work stoppage, we would have delivered another $78 million of sales in the third quarter along with a favorable conversion impact on EPS, which we estimate to be approximately $0.04 per share.

Despite this impact in the quarter, we continue to enjoy positive momentums and bookings and favorable performance trends as we brought our production operations into better synchronization with aerospace and defense and market demand.

Finally, within our specialty product set of businesses which are experiencing significantly lower demand in 2024 as compared to last year, we have improved conversion rates over Q2 2024 as a result of the restructuring actions we took last quarter.

The third quarter does represent the last difficult comparison quarter versus the prior year as it has now been one full year since entering the cyclical demand trough for the two businesses reported in this segment.

Let's now shift to an update on our treasury and portfolio actions where we also continue to gain momentum. With respect to share buybacks we acquired approximately 99,000 shares in the quarter, bringing our total buyback for the year to more than three quarter of a million shares.

As I have stated before, with respect to our capital allocation philosophy, given our strong balance sheet and cash flow profile, we remain committed to returning capital to our shareholders through both dividends and share buybacks inclusive of dividends on a year-to-date basis we have already returned just over 2%.

Regarding our strategy to focus our portfolio of businesses, we have been making progress on the previously announced divestiture of arrow engine. Our decision to divest arrow engine allows TriMas to invest our resources into product areas and end markets where we believe we have higher growth potential given our scale and in turn better serve our customers drive innovation and enhance value for our shareholders.

We remain optimistic to be in a position to update investors further on the status of arrow engine in the first quarter of 2025. And the acquisition front, we also remain committed to building out our aerospace platform through strategic bolt on acquisitions which we believe will add to the long term value of our aerospace business. As such today, we entered into a purchase agreement to acquire GMT Aerospace, a Germany based manufacturer of tie rods used in a range of structural aerospace applications.

Annualized sales are approximately EUR20 million with Airbus representing nearly 50% of its revenue. Importantly, this acquisition would represent adding to TriMas aerospace, our first manufacturing location in Europe. A critical strategic step to leverage and grow our full product range of fasteners and other engineered products within the aerospace market -- within the EUR aerospace market.

While the purchase agreement contains some important conditions to close, which I will not cover on this call. We would anticipate completing this transaction within the first quarter of 2025. In addition, we continue to make progress on identifying and assessing strategic M&A opportunities for bolt on acquisitions for our packaging group.

These are just a few actions highlighting our commitment to focus TriMas portfolio through corporate development initiatives.

Turning the slide 4, we wanted to highlight more specific data on our sequential performance improvement. When comparing Q3 2024 to Q2 2024 normalized for some of the events I mentioned earlier. I won't go through these specific points again as I have already touched upon them on this call. However, we provided this summary analysis to illustrate the positive momentum in our performance, which we believe is valuable for our investors to see as part of today's presentation.

So let's turn to slide 5 and I will briefly go through our consolidated results for the quarter. For the third quarter we're reporting sales of $229 million down 2.5% as compared to the prior year quarter. As the combined growth in our packaging and aerospace groups of 9.2% was more than offset by lower demand than in the same quarter last year in specialty products.

Segment EBITDA for our portfolio of businesses was $44.2 million or 19.2% of sales representing a slight decrease in our two largest segments from the prior year quarter, but a more significant decline related to the lower conversion and the sales decrease within specialty products.

We continue to believe we have upside potential in our segment EBITDA given actions we have taken and with demand rate improvements particularly as we enter 2025. Consolidated operating profit for the quarter was $22.7 million lower than the prior year quarter also due to the demand challenges within specialty products.

Adjusted EPS was $0.43 which was slightly lower than we anticipated given the work stoppage within one of our aerospace locations and to a lesser extent, other factors as noted. Before turning the call over to Scott, I wanted to take a minute to highlight the quality of our adjusted EBITDA mix which is shown in the bottom section of this slide.

As you can see when we review the adjusted LTM EBITDA mix of our portfolio for this quarter. As compared to the prior year quarter, the absolute gains in both our packaging and aerospace businesses are shown in these two pie charts. We believe this is important to highlight as these two platforms on a comparable basis include some of the highest value businesses within our portfolio.

So as we move forward and into 2025, it is our objective to continue to build upon this momentum within our TriMas packaging and TriMas aerospace groups and invest further in turning around the performance of our specialty products businesses.

At this point, I will turn the call over to Scott, who will take us through our balance sheet, capital structure and segment results. Scott?

Scott Mell - *TriMas Corp - Chief Financial Officer*

Thanks Tom. Let's turn to slide 6 and I will begin with an update on our key credit statistics. As we have noted on prior calls our balance sheet remains strong with our low interest bearing senior notes not maturing until 2029.

We generated $15.4 million of free cash flow this quarter a 35% improvement when compared to Q2 of this year but lower than the same period last year on account of the lower base of absolute EBITDA. We finished the quarter with a net leverage ratio of 2.7 times slightly higher than the second quarter of 2024.

Moving now to slide 7. I will begin my review of our segment results starting with TriMas packaging. Net sales in the quarter with $130 million as compared to $117 million for the prior year quarter, an increase of approximately 12%. This year over year improvement was primarily driven by robust organic growth within our key end markets. With both the beauty and personal care and industrial end markets increasing more than 20%.

In addition, we experienced positive year-over-year growth for the first time in 2024 within our food and beverage in market, which grew 2.8% year over year during the quarter. We remain very pleased to see the ongoing demand recoveries within these important end markets. Operating profit for the quarter was $19 million or 14.6% of sales, a 60 basis point sequential improvement when compared to Q2 of 2024 but down 210 basis points versus the prior year period.

This year will be a decline again, it's primarily related to specific operating costs associated with increased demand for certain dispensing products, which we believe negatively impacted operating margins by 100 basis points in the quarter and IT costs of $1.2 million or 90 basis points which were allocated from corporate in 2024. But we're not in the segment level cost structure in 2023.

Normalizing for the impact of these items pro form or Q3 adjusted operating profit would have been flat when compared to the prior year period at approximately 16.7%. Adjusted EBITDA was $27.6 million or 21.2% of net sales with nominal sequential improvement of $1 million and 100 basis points of margin improvement.

We remain very pleased with the sales momentum within TriMas packaging with year-to-date organic sales up more than 10% and expect our conversion rates to improve as we move into 2025 as we work through operational pinch points created by significantly higher customer orders and related capacity constraints.

While we are maintaining our full year guidance for 2024 of 9% to 10% sales growth and adjusted EBITDA margin of 21% to 23%. We do believe there are additional margin enhancement opportunities as we get into 2025.

While we expect GDP plus type sales growth in 2025, we also believe the business is now well positioned to further improve conversion rates as we continue to bring capacity into better alignment with demand for some of our key dispensing products and we benefit from incremental variable contribute -- contribution margin from higher sales. Turning to slide 8, I will now provide an update on our TriMas aerospace segment.

Net sales in the quarter was $71 million as compared to $68 million for the prior year quarter. An organic increase of approximately 5%. As Tom mentioned earlier sales during the quarter were negatively impacted by a work stoppage at one of our largest aerospace facilities.

We believe this event, we do sales in the quarter by $7 million to $8 million. And when adjusting for this item sales otherwise would have increased by more than 15% year over year as we continue to work through a historical backlog and general aerospace volumes continue their post COVID recovery.

I would also like to note that while we did experience some shifting of orders by certain customers related to the widely reported work stoppage at Boeing, it did not meaningfully impact our results in the quarter. Operating profit for the quarter was $8.7 million or 12.3% of net sales. A slight nominal improvement when compared to the previous year period, even when considering the impact of the work stoppage.

As Tom mentioned, we believe the worktop it reduced adjusted EPS by approximately $0.04 or $2.5 million of operating profit during the quarter. Adjusted EBITDA for the quarter was $13.1 million or 18.5% of net sales.

LTM sales for TriMas aerospace as of the third quarter remain more than 20% higher when compared to the same period in 2023. And while we are very pleased with this full demand recovery, we do believe there's incremental market opportunity within TriMas aerospace as we continue to invest in manufacturing capacity and see further improvements in supply chain and labor force continuity.

Despite some of the challenges noted in the third quarter and assuming no meaningful impact from the billing matter. We are maintaining our full year guidance for 2024 of 18% to 22% sales growth and adjusted EBITDA margin of 18% to 19%.

We also believe there is more than 100 basis points of additional upside and conversion improvement to be achieved in 2020 -- pardon me 2025 from the operational improvement efforts previously mentioned and other actions implemented by our aerospace team along with continued core sales growth given in market demand.

In fact, some of our operations are already booked deep into the second half of 2025. Now on slide 9, let's review our specialty product segment. Net sales were $28 million as compared to $51 million for the prior year quarter and $31 million for Q2 of 2024.

This will be the last quarter that specialty products will be comping against an abnormally elevated period of customer demand driven by global supply chain continuity concerns in 2023. Sales in the quarter continued to be negatively impacted largely by the overstock position of industrial cylinders and to a lesser extent, lower sales of compressors serving the oil and gas industry.

In addition, sales of cylinders into defense related applications have been delayed and are now not expected to run at a normalized rate until the start of 2025.

While we continue to see some moderate improvement in quoting activity and bookings for steel cylinders, we do not expect these activities to meaningfully impact 2024 and accordingly, we are maintaining our full year guidance for 2024 of a 25% to 30% sales decline an adjusted EBITDA margin of 10% to 14%.

Operating profit in the quarter was $2.4 million or 8.5% of net sales, a 660 basis point sequential improvement as we are starting to benefit from the broad cost reduction actions taken during Q2 of this year. Adjusted EBITDA for the quarter was $3.4 million or 12.1% of net sales.

As we look toward 2025 for specialty products. We believe that the cost restructuring actions taken during 2024 along with the strategic initiative at North Cylinder to move to a pull inventory system as the business well positioned to continue to improve conversion rates within a more moderated demand environment and will allow us to react quickly and efficiently if demand recoveries are at a higher rate than anticipated in 2025.

Accordingly, we are expecting more moderate organic growth for 2025 as we come off the very low sales base in 2024 with EBITDA margins reverting back into the low to mid double digit range.

At this point, I would like to turn the call back over to Tom to provide some closing remarks. Tom?

Thomas Amato - *TriMas Corp - President, Chief Executive Officer, Director*

Thank you, Scott. Let's turn this slide 10. Given our expectations for continuous improvement within our aerospace group. Now that the work stoppage is resolved and our backlog remains strong. Specialty products as we continue to see gains from our restructuring actions progress and continuous sequential momentum within our packaging group, we are maintaining our adjusted EPS range that we provided in July which was a range of $1.70 to a $1.90.

However, I would like to qualify that while we have only seen modest impacts to date from the widely reported Boeing work stoppage. If it is prolonged, like most companies with the narrow space ecosystem, it will impact demand and the supply chain overall. We remain in close dialogue with all of our customers and suppliers related to this matter and we'll adjust our production planning if necessary. At this point however, we have no practical way to estimate any impact and we continue to deliver to our open orders for all of our aerospace customers.

Before moving to Q&A, I will conclude our prepared remarks by refreshing the near and long term value creating opportunities set for TriMas. First, our two largest operating groups, TriMas packaging and TriMas aerospace are at different stages of performance recovery after a very challenged 2023. We anticipate that the possible momentum on these high quality business lines will carry into 2025 and well beyond. Next, we continue to take proactive steps to focus our portfolio of businesses. We have already announced a first divestiture step which is underway.

We also continue to place a priority on building out our TriMas packaging platform through M&A with a focus on the life sciences, beauty and food and beverage and markets and also our TriMas aerospace platform through product complements and adjacencies to enhance its long term value.

Finally, while our specialty products businesses have experienced significant challenges this year, we have already completed many actions that are only beginning to provide a financial benefit, but which we expect to build upon as we move into 2025.

Moreover, as we expect to experience demand reversion when it occurs, we should convert very well in our specialty products businesses. I would like to again thank our investors for their continued interest and support and we'll now turn the call back to Sherry. Sherry?

Sherry Lauderback - *TriMas Corp - Vice President, Investor Relations and Communications*

Thanks Tom. At this point, we would like to open up the call to questions from our analysts.

QUESTIONS AND ANSWERS

Operator

Thank you. We will now be conducting a question-and-answer session. (Operator Instructions)

Ken Newman, KeyBanc Capital Markets.

Ken Newman - *KeyBanc Capital Markets - Analyst*

Hey, good morning guys.

Thomas Amato - *TriMas Corp - President, Chief Executive Officer, Director*

Hi, Ken.

Ken Newman - *KeyBanc Capital Markets - Analyst*

[Hi] there, Tom. Maybe for my first question just starting with aerospace. Look, I know that it's a challenging environment out there with Boeing. But I'm curious if you maybe remind us how much of your workforce is unionized in that segment and where you -- whether or not you see any risk of another labor dispute here in the near term?

Thomas Amato - *TriMas Corp - President, Chief Executive Officer, Director*

Well, we only have one facility that is unionized and that was a facility that we completed a new three year deal on. So we don't anticipate any more workforce issues within aerospace.

Ken Newman - *KeyBanc Capital Markets - Analyst*

Got it. That's helpful. Just sticking with the arrow then, I was surprised to hear that you haven't really seen an impact from the Boeing strike this quarter wasn't as incremental as maybe we would have thought. Do you have a sense?

And I know visibility in the channel is always really tough, especially on the fastener side. But, just how much inventory is maybe out in the channel that these guys are maybe burning through or not burning through. And how does that, impacting order rates that, you know, a go forward level?

Thomas Amato - *TriMas Corp - President, Chief Executive Officer, Director*

Yeah, that look that's a good question. That's a difficult one for us to predict, but you're exactly right within our largest product lines. It does tend -- we tend to track with a little bit of a lag factor. So, we're hopeful that a resolution, will occur hopefully today. And that production will get turned on again. So it's difficult for us to predict if there is -- will be any impact, I don't expect it much if any in Q4 could be a little bit of some rebalancing in 2025.

But remember that for much of this year, we've been behind on shipment, so we have a lot of open orders that we still have to fill. So I'm not -- I don't feel like for some of our product lines, some of our major product lines that there's a heavy amount of overstocking, but we'll update you next quarter.

Ken Newman - *KeyBanc Capital Markets - Analyst*

Got it. Maybe if I could just squeeze one more in, looking at the packaging guide that was maintained, it implies a pretty big step up in margins from 3Q to 4Q at the midpoint. And I'm just curious if there's a way to help us understand how much of that's going to be driven by the better absorption on the new capacity editions or if there's a mix benefit there, anything that we should kind of be aware of? And how is that maybe trending through October relative to that midpoint of the guide?

Thomas Amato - *TriMas Corp - President, Chief Executive Officer, Director*

Well, first of all, we have been seeing some sequential improvement within packaging throughout the year. We expect that to continue. Within all of our operations outside of a very few select hot spots. TriMas packaging is performing pretty well.

So if assuming orders hold up, we do have some short cycle nature to our business in this current environment. But assuming the orders hold up as we expect them to, I expect that we'll continue to make progress against some of the hot spots we have in the quarter and perform better than Q3.

Ken Newman - *KeyBanc Capital Markets - Analyst*

So just to clarify, it sounds like this is truly all just an absorption and in the capacity additions. Is that fair?

Thomas Amato - *TriMas Corp - President, Chief Executive Officer, Director*

Yeah. Well, look, we as Scott alluded to and I mentioned as well, we do have a few hot spots where we have some operations that are not performing to their full potential and every day we get better and we reduce some of the inefficiencies we're seeing.

And so I wouldn't quite call that absorption. I just call that some, eliminating some of the off standard costs that are impacting us. And the [irony] is that the driver behind those off standard costs are exceptionally high demand on a select few product lines which in 2023 orders were down for those product lines, nearly 20%.

So it's sort of a snapback effect and we've seen this in aerospace and we've seen this in other businesses as well. Sometimes when demand snaps back, that's great at the top line, but it takes a while to bring things into balance.

Ken Newman - *KeyBanc Capital Markets - Analyst*

Yeah. That's helpful. I'll get back in queue. Thanks.

Thomas Amato - *TriMas Corp - President, Chief Executive Officer, Director*

Thank you.

Operator

Hamid Khorsand, BWS Financial.

Hamed Khorsand - *BWS Financial Inc. - Analyst*

Hi, good morning. So, first off on packaging, I guess you were seeing some orders come in and some inefficiencies. Why is it taking so long to right size the business and get the bottlenecks out of the way?

Thomas Amato - *TriMas Corp - President, Chief Executive Officer, Director*

Hi, good morning Hamed. That's a good question. In a particular case that we're referencing, It specifically has to do with installed capacity. So we sometimes what we have to add capacity can take 40 plus weeks. By the time equipment comes in, it gets qualified and approved by the customer and brought online. So we actually ordered equipment late last year earlier this year and it's on our factory floors in fourth quarter. So we're in the process of ramping it up. So that's the issues we've been talking about capacity pinch points. What that really means is we had to add another assembly line.

Hamed Khorsand - *BWS Financial Inc. - Analyst*

Got it. And then on packaging itself, could you just describe, the order, the quoting activity you're seeing and it's given the guidance, it seems that Q4 could actually be flat to up while seasonally Q4 is supposed to be weak for the segment.

Thomas Amato - *TriMas Corp - President, Chief Executive Officer, Director*

Yeah, let me -- first let me say that we do have a fair amount of product lines that are shorter cycle in nature and customers are taking advantage of that short cycle dynamic. So the visibility to exact orders are a little bit more difficult than they have historically been. But we're starting to see the trends with those orders coming in.

But I will -- you said something earlier in your question about the quoting activity. The quoting activity that we're seeing in our packaging group is exceptional right now. And I would expand that also to our life sciences product lines. And we're not -- we're pretty unique because we have the ability to offer customers in life sciences. The prototype runs and then sort of going up to mid-scale before they might go to a larger CDMO supplier.

But we're seeing a lot of quoting activity globally for particularly the beauty area, which is an area where we have several product lines and in life sciences at the moment. So we're pretty optimistic about our activity that we're seeing today translating into core growth as we move into 2025 and beyond.

Hamed Khorsand - *BWS Financial Inc. - Analyst*

Okay. And then could you comment about this GMT acquisition? What the price point is on this?

Thomas Amato - *TriMas Corp - President, Chief Executive Officer, Director*

Yeah, I can't at this time because we just signed the agreement and it's subject to a number of conditions before we close. But assuming everything is cleared appropriately. Then we will provide that later or early into next year. But as I mentioned, it's $20 million in Bureau in revenue. So you can sort of handicap from that point in terms of overall size relative to TriMas.

Hamed Khorsand - *BWS Financial Inc. - Analyst*

And given the decision to divest the -- your engine business, is there any decision or opinion as to what you want to do with the rest of the business or it's just basically whatever, interest you receive inbound.

Thomas Amato - *TriMas Corp - President, Chief Executive Officer, Director*

I'm not quite sure. I follow the question.

Hamed Khorsand - *BWS Financial Inc. - Analyst*

Well, you've decided to divest engines. Is there any interest to divest anything else or are you depending on, what any inbound call you get? (multiple speakers)

Thomas Amato - *TriMas Corp - President, Chief Executive Officer, Director*

Yeah, I think it's a good question. We're always looking at our portfolio of businesses. We do have some businesses that are quite different from others in terms of the broad set of characteristics. So come out, it's a good question. We're always looking at the businesses we own and assessing what businesses have the longest term strategic potential for us in terms of creating value for our shareholders.

Hamed Khorsand - *BWS Financial Inc. - Analyst*

All right, thank you.

Thomas Amato - *TriMas Corp - President, Chief Executive Officer, Director*

Thank you.

Operator

Ken Newman, KeyBanc Capital Markets.

Ken Newman - *KeyBanc Capital Markets - Analyst*

Hey, thanks for taking the follow up. Maybe just to touch on that last question in terms of how you view the portfolio. Obviously you've got a new shareholder here and I'm curious if there's been any talk about the Board or just how you view his intention, whether he's got a view on the fourth portfolio or that you could talk to?

Thomas Amato - *TriMas Corp - President, Chief Executive Officer, Director*

Well, yeah, we've certainly read the public filing. I think as a normal course, irrespective of that particular shareholder or other large shareholders that we have as a company. And certainly with our Board, we're always reviewing each of our portfolio set of our -- set of portfolio businesses and assessing which have the best long term value for us and for our shareholders. So I don't think anything has really changed. It's something that we do as a normal course as a Board all the time.

Ken Newman - *KeyBanc Capital Markets - Analyst*

Got it. Okay. And then maybe one more on free cash and capital deployment. Obviously, you're maintaining the view on maybe going after M&A as well as being a little bit more active on share purchases here through the year, maybe first on the M&A pipeline. Obviously, you've got the GMT acquisition here.

How do you characterize the pipeline of deals here relative to both the aerospace and the packaging segments? And I guess, as a follow up to that the GMT deal is that one that we should we expect that to be margin accretive or relatively in line with the segment margins when that closes?

Scott Mell - *TriMas Corp - Chief Financial Officer*

Yeah, it's Scott. Let me try to address the GMT deal. We're not going get into specifics there, but, obviously we do expect it to be a creative as it relates to EPS -- adjusted EPS coming out of the gate. With regards to your other question on the pipeline and how, how it relates to cash flow. Could you just ask that one more time? So I make sure I'm clear on what you're asking?

Ken Newman - *KeyBanc Capital Markets - Analyst*

Yeah. Yeah, I'm just curious if you have just get some color on what the pipeline is looking like between packaging and aerospace deals, because the leverage is up a little bit, but mostly I think just on maybe some more depressed EBITDA in the cycle and just, where are -- where our deals kind of trading out from a multiple perspective and just your opportunity to go after incremental bolt ons from here.

Thomas Amato - *TriMas Corp - President, Chief Executive Officer, Director*

Yeah, let me jump in here. Ken, certainly we're very active on the packaging front. And we're looking at deals that are -- what I would call nicely in the bolt on size range. So [for USSEL] are great deals to absorb and integrate. Assuming we make progress with arrow engine, which we expect that'll help us sort of fund some of the repositioning of our portfolio as we move into next year, focusing further into packaging and deemphasizing specialty products.

So, yeah, so I think I don't know if that addressed it, but we're seeing high activity still in our packaging set of businesses. And I would say a little bit more select -- set of opportunities within aerospace. This acqui -- acquisition that we identified and developed and sort of brought into -- brought under contract is a uniquely great fit with us and it provides, provides us the long needed presence in Europe and to increase our concentration with Airbus. So we felt it was a huge ad for our business, albeit it's a smaller acquisition.

(multiple speakers) is that that address your question?

Ken Newman - *KeyBanc Capital Markets - Analyst*

Yeah, that was very helpful. It did. Thanks.

Thomas Amato - *TriMas Corp - President, Chief Executive Officer, Director*

Thank you.

Operator

We have reached the end of our question-and-answer session. I would now like to turn the floor back over to Thomas Amato for closing comments.

Thomas Amato - *TriMas Corp - President, Chief Executive Officer, Director*

Thank you and thank you for joining us on our earnings call. We look forward to updating you again next quarter. Have a great day.

Operator

This includes today's teleconference. You may disconnect your lines at this time. Thank you for your participation.
