PARTICIPANTS

Corporate Participants

Sherry Lauderback – VP-Investor Relations & Global Communications, TriMas Corp.
David M. Wathen – President, Chief Executive Officer & Director, TriMas Corp.
A. Mark Zeffiro – Executive Vice President & Chief Financial Officer, TriMas Corp.

Other Participants

Joe R. Bess – Analyst, ROTH Capital Partners LLC
Steve Barger – Analyst, KeyBanc Capital Markets
Scott Graham – Analyst, Jefferies LLC
Robert Kosowsky – Analyst, Sidoti & Co. LLC

MANAGEMENT DISCUSSION SECTION

Operator: Please standby. Good day, and welcome to the Second Quarter 2013 TriMas Earnings Conference Call. Today's conference is being recorded. At this time, it is my pleasure to turn the conference over to your host today, Ms. Sherry Lauderback. Please go ahead, ma'am.

Sherry Lauderback, VP-Investor Relations & Global Communications

Thank you. Thank you and welcome to the TriMas Corporation's second quarter 2013 earnings call. Participating on the call today are Dave Wathen, TriMas' President and CEO; and Mark Zeffiro, our Executive Vice President and Chief Financial Officer. Dave and Mark will review TriMas' second quarter 2013 results as well as provide an update on our 2013 outlook. After our prepared remarks, we will then open the call to your questions.

In order to assist with your review of our results, we have included the press release and PowerPoint presentation on our company website at www.trimascorp.com, under the Investors section. In addition, a replay of this call will be available later today by calling 888-203-1112, with a replay code of 5087909.

Before we get started, I would like to remind everyone that our comments today, which are intended to supplement your understanding of TriMas, may contain forward-looking statements that are inherently subject to a number of risks and uncertainties. Please refer to our Form 10-K for a list of factors that could cause our results to differ from those anticipated in any such 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.

At this point, I would like to turn the call over to Dave Wathen, TriMas' President and CEO. Dave?

David M. Wathen, President, Chief Executive Officer & Director

Thanks, Sherry, and good morning to everyone on this call. We sure appreciate your interest and involvement with TriMas. I look forward to these calls where we get to share some details on how TriMas is continuing to grow and improve for you.

On this call, Mark and I will communicate four key takeaways. One, we had 12% top-line growth, about half organic and half acquisition, which I view as a healthy mix. Two, income increased 20%. This places revenue and earnings growth right in line with our long term strategic aspirations and supports our 2013 full year guidance. Third, underlying margins on repeat business are improving. Our choice to rapidly integrate acquisitions, affects margins for the short term, but supports longer term revenue and earnings growth.

And fourth, we continue to invest in multiple areas to improve TriMas for the long term; new plans, globalization, new products and most importantly in our people. As a reminder, our performance as a company is because of our people's efforts and focus. There are few economic tailwinds to help. So both the revenue and earnings requires differentiation from competitors and great execution of programs and projects. We have a great team of people throughout TriMas that make all the difference.

Slide 4 summarizes TriMas' record second quarter results. Mark and I had recently visited our operations in Asia and traveled for quarterly operating reviews at each business unit, and our operating performance is very encouraging. We have many complex projects underway that are on track, including Rieke switching from manual to automotive assembly in China, Lamons new branch in Thailand is adding our full product range, Monogram implementing another new set of machining centers for productivity and capacity plus ramping up their new plant in Arizona, Arrows new product launches, Norris' steel productivity programs, Cequent ramp up in Mexico and multiple new Cequent product wins in Asia and South Africa. Executing these kinds of programs effectively and efficiently are keys to our ongoing success and our thanks to our people at TriMas.

Slide 5 is an update to our current environment. You know that I am a big fan of consistency. And the positive tailwinds that we identify to focus on haven't changed this quarter. So our work is at optimizing our responses and execution. Headwinds are still strong though and short term events like recent political unrest Brazil require fast responses to minimize the impacts on our businesses.

Slide 6 is a reminder of how we grow, by identifying bright spots in each business to capitalize on. Again, we have just finished operating reviews, I am able to report ongoing progress here. Some highlights include Arminak and Innovative products continue to capture share for Rieke. European branches alignments are growing. Monogram has repeat orders from China and the 787 build rate is climbing. Norris has signed several new global contracts. Arrow compressor product demand is increasing in non-U.S gas fields and Cequent's Thailand and South Africa businesses are ramping up nicely. All of our businesses had growth programs underway, totaling more than 150 projects for the company.

I'll wrap up for now with Slide 7, summarizing our 2013 acquisition so far. We do bolt-on acquisitions that we integrate quickly into existing businesses. We are willing to pay for new product additions when it's cost effective for us. We strategically add geographic coverage in our target countries and we expand our customer reach when attractive. This is certainly true with these acquisitions in 2013.

I remain willing to acquire businesses that make us stronger for the long term despite short-term effects on margins. We intend to grow internationally. Even though these acquisitions take more time and cost us more to ensure that we do them right. Our track record of synergies is good for earlier acquisitions and I look forward to reporting strong results from these six acquisitions in future years.

Now, Mark will discuss our financial and segment results.

A. Mark Zeffiro, Executive Vice President & Chief Financial Officer

Thank you, Dave, and good morning. Before we move on to the financial results, I'd like to reflect on our progress today as there are some themes that are important to note. First, we continue to face a challenging macroeconomic environment, yet we have successfully capitalized on our organic growth initiatives to generate another quarter of double-digit sales growth.

Second, we have continued to acquire bolt-on businesses that add revenue through new products, geographies and customers. The cost to complete them, purchase accounting adjustments and the fact that the businesses we buy often have lower initial margins, have a short term impact. So we have plans in place to expand these margins in time. We continue to improve the acquired businesses and have a track record of targeting, acquiring and integrating complementary businesses that add value over time.

Third, we remain focused on productivity and Lean initiatives, and we have plans in place to optimize our footprint and improve margins. These programs continue to gain momentum across the enterprise.

So let's continue with a brief summary of our second quarter results on Slide 9. Our record second quarter sales were $378 million, and a 11.7% increase compared to second quarter 2012 with growth in five of our six segments. This is our 13th consecutive quarter of double- digit year-over-year sales increases. Organic growth efforts represent more than 50% of our growth, in addition our bolt-on acquisitions contributed as expected to the top-line.

Second quarter 2013 income from continuing operations attributable to TriMas would have been $27.6 million excluding the special items related to the restructuring cost associated with Cequent manufacturing footprint optimization. This represents an increase of 20% compared to Q2 2012.

For the quarter we achieved a record quarterly diluted earnings per share of $0.69 excluding special items, an increase of 13% compared to $0.61 in Q2 2012, while absorbing the effect of 6% more shares resulted from our May 2012 equity offerings.

We remain focused on cash flow and our results to-date are in line with our expectations. Q2 generated almost $40 million in free cash flow compared to $19 million in Q2 2012. We plan to generate $40 million to $50 million in free cash flow for the year. We ended the quarter with approximately $481 million in total debt as compared to $506 million as of March 31, 2013.

The debt level is higher than year-end due to seasonality of working capital to support our businesses as well as using approximately $47 million in cash on bolt-on acquisitions year-to-date. As a result, we ended the quarter with a leverage ratio of 2.57 times and continue to target a leverage ratio of between 1.75 times and 1.5 times for the long term. We ended the quarter with $198 million of cash and aggregate availability.

A couple of comments on our six-month results, which are consistent with the second quarter. Year-to-date sales increased 12.5%, with approximately 50% of the growth driven by organic initiatives. Our Q2 year-to-date diluted EPS, excluding special items, would have been $1.13, an increase of approximately 12% when compared to the prior year period EPS of $1.10. To-date, we are pleased with our record sales and earnings for the company, in light of the headwinds in the global economy.

I'll provide some additional color on our first half margin rates in a couple of slides. I would like now to provide a little more detail on our sales growth in the quarter on slide 10. This slide provides a sales bridge from our Q2 2012 revenue of $338 million to $378 million in Q2 2013.

Breaking up by segment, as well as identifying growth from legacy businesses versus recent acquisitions. As you can see, we achieved organic growth in most of our businesses with Packaging, Energy, and Cequent growing faster than their respective markets. In addition, we've had targeted success in expanding TriMas outside of the businesses' home markets through acquisitions in Asia, South America and Europe. These moves provide us with a platform for continued growth in the future with our existing and new global customers.

The exception to our growth has been at Arrow Engine, which has been impacted by a lower demand as a result of decreased levels of market activity. We expect this to be a short-term adjustment and are seeing market forecasts that would indicate improvement in later 2013.

Moving on to slide 11, which provides an operating profit bridge. Our focus on productivity continues to drive our legacy businesses' performance on margin. We see continued opportunities through our Lean enterprise efforts to continue this progression. A couple of examples, as a result of these efforts, we have experienced good momentum in Packaging, which delivered approximately 25% operating profit in the quarter; and in Energy with international brands profit improvement and further improved production efficiencies in our lead manufacturing facility in Houston.

Manufacturing inefficiencies in certain businesses has been a result of rapid and continued growth. These effects include smaller lot sizes and reduced lead time requirements are now the targets for our continued focus on Lean-related projects. The market downturn at Arrow has had a negative effect on margin in the short term.

Second quarter margins were also tempered by our recent acquisitions, including diligence and integration costs, purchase accounting adjustments and lower initial margin rates from the acquired businesses. Some of these costs are temporary in nature. And as we integrate these businesses, we will see real margin rate improvement. We have plans in place to enhance these levels and are committed to driving synergies, including growth, productivity and Lean related initiatives.

At this point, I would like to share a few highlights on our segments, beginning with Packaging on slide 13. Q2 Packaging sales grew 11% compared to Q2 2012, primarily driven by increases in specialty system product sales in North America, Europe and Asia. Industrial closure sales also increased during the quarter, as Europe appears to have stabilized. Our Ohio Beauty Park facility and our recent sales efforts in Asia continue to ramp up.

We will continue to improve margins as the business – on this business as we implement higher efficiency production in Asia. The combination of Rieke, Arminak and Innovative has positioned us for long-term growth, and we continue to focus on sustainable operating profit margins in the mid-20% range. End market growth prospects remain positive for this segment and we will continue to support the launch of new dispensing and closure products.

Moving on to slide 14, Energy. Energy sales increased approximately 25% for Q2 2013, compared to a year ago. This result – this growth was a result a multiple initiatives, including our recent acquisitions in Brazil, United Kingdom and Thailand, increased focus on customers in the engineering and construction space and incremental sales from our European branches.

Entering new market like Brazil has proven to be rewarding and challenging, and the recent events in the country have put some short-term pressure on demand. Brazil continues to be a market of significant opportunity and we continue to gain commercial traction through our acquisitions and existing customers.

We're also pleased with our March 2013 acquisition of Wulfrun, a European manufacturer of specialty bolts, which rounds out our product offering in that region; and the acquisition of the assets of Tat Lee, a gasket manufacturer in Thailand. We continue to focus on margins in this

segment and are pleased that our foreign start-up branches are now profitable and all of our product lines continue to show margin improvement.

On slide 15, Aerospace & Defense. These sales increased approximately 23% in the second quarter, as we expanded our content on aircraft with the acquisition of Martinic Engineering in January 2013. We continue to experience higher order activity as aircraft build rates climb. Backlogs remain at record levels and we're proceeding with the ramp-up of our new facility in Tempe, Arizona, where we will manufacture our new products for our key customers.

We have also been installing new, more efficient equipment for plant productivity and capacity gains. We expect this business to continue to grow as a result of increasing aircraft build rates, our efforts to obtain new product qualifications and our expanded geographic coverage.

Moving on to slide 16, Engineered Components. Q2 sales decreased 5% primarily due to the lower demand for engines, compressors and other well-site products, as a result of reduced levels of drilling and well completions. Drilling rebates appears to be improving going into the back half according to industry reports. This temporary volume stress added pressure in the quarter on margins. Sales in our industrial cylinder business increased during the quarter, primarily due to market share gains, both domestically and internationally, as well as new product successes.

On slide 17, we show the performance of Cequent, split into two segments. Overall, Cequent Americas sales increased approximately 7% in the second quarter, as a result of higher sales levels from the auto OE, aftermarket and retail channels. We continue to outperform the economy as a result of market share gains, new product introductions and the July 2012 acquisition in Brazil, although results were tempered there as a result of our inability to ship during the recent unrest. As evidenced by our continued footprint optimization, we remain focused on making these businesses more efficient and are pleased with our results to-date.

Cequent Asia-Pacific was renamed during the quarter to Cequent APEA, better representing the geography served by these businesses, including Asia-Pacific, Europe and Africa. Cequent APEA sales increased 34% when compared to Q2 2012 through the recent acquisitions and our new customer awards in Asia and South Africa. Our April acquisition of Witter Towbars in the UK will allow Cequent to leverage its full product line and strong brands around the world. We recently added to this portfolio by acquiring the [indiscernible] (18:03) assets of AL-KO out of Germany and Finland on July 19, 2013. We'll remain focused on productivity, product leverage and regional expansion in the Cequent segment.

And at this point, I will summarize the first half on slide 18. During the first half, we continued to invest in growth and productivity in our group. We are realizing positive momentum on both fronts. We've pursued areas where we saw real opportunity to capture share or launch new products. We will remain flexible and react with speed to better support our customers' needs. In a tough economy, we continue to drive significant organic growth and maintain our focus on generating margin improvement.

In addition to our organic growth, we've concluded six bolt-on acquisitions year-to-date to expand our geographic footprint, product lines and customers. All these acquisitions come with some – come with incremental costs in the beginning. We have consistently proven that we know how to drive value over time from these acquisitions. Lastly, we remain focused on margins, cash flow, working capital levels and leverage.

That concludes my remarks. Now, Dave will provide some comments on our 2013 outlook. Dave?

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David M. Wathen, President, Chief Executive Officer & Director

Thanks, Mark. Slide 20 shows our outlook for our 2013 key metrics. These estimates remain unchanged. So we reaffirm our previous outlook. Consistency is a good thing, especially in the tough economies we all operate in.

I feel comfortable that our acquisitions should increase our growth expectations to the higher end of our 6% to 8% sales growth range. Our $2.15 to $2.25 EPS range is approximately 20% above 2012 and consistent with the results we've discussed and our expectations going forward. $40 million to $50 million of free cash flow affirms the quality of TriMas earnings, especially while we invest somewhat heavily in acquisitions, productivity and capacity this year.

I'll close on slide 21 with our strategic aspirations, our go-to list of what matters at TriMas, as we make project and program decisions and balance short-term and long-term impacts. We've accomplished a lot during the first half of 2013 and we look forward to strong performance in the second half.

Thanks for your attention. And now we'll gladly take your questions.

QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] We'll first go to Joe Bess with ROTH Capital Partners.

<Q – Joe Bess – ROTH Capital Partners LLC>: Good morning, gentlemen, and good morning, Sherry. Mark, you mentioned in the Aerospace & Defense section that you guys are doing some new product qualifications. Can you talk a little bit about that and what sort of aircraft that that would be going after?

<A – Mark Zeffiro – TriMas Corp.>: Yes. It's titanium collars, Joe. It's something that is sourced for many of the product lineup within the Boeing [ph] air set (21:26). So to that end, that's where that product will ultimately be installed.

<Q – Joe Bess – ROTH Capital Partners LLC>: Okay. And then when are you guys expecting qualification?

<A – Mark Zeffiro – TriMas Corp.>: Here shortly.

<Q – Joe Bess – ROTH Capital Partners LLC>: Okay. And then, Dave, I was hoping that you can give a little bit more color on your guidance. You guys had a great start to the year, about 12.5% growth for the first half and you maintain guidance. And so looks like you're implying about a flat to 3.5% growth for the back half of the year. Can you talk a little bit more about that and what you guys are seeing?

<A – Dave Wathen – TriMas Corp.>: I would – you know me pretty well. I – it's safe to underline the word conservative.

<Q – Joe Bess – ROTH Capital Partners LLC>: Right.

<A – Dave Wathen – TriMas Corp.>: And I just – I have to stay conservative given the state of the economies. I mean, we're still hearing, seeing 1.5% kind of GDP numbers in the U.S., which with a little bit of a inflation is really flat. And while Europe being stable is okay, you know it's not good. So the guidance reflects genuine concern about the state of the world economy. China feels pretty darn good to us and it's all upside, but China has gone from 9% to 7% growth rates and maybe drop a little more. So I would flavor it with the macro view of the world, not anything...

<Q – Joe Bess – ROTH Capital Partners LLC>: Okay.

<A – Dave Wathen – TriMas Corp.>: ...specific for us.

<Q – Joe Bess – ROTH Capital Partners LLC>: And then when we think about that – and when we think about that in terms of the acquisitions that you guys have done year-to-date, what percentage of that would you say would be coming from acquisitions at this point?

<A – Mark Zeffiro – TriMas Corp.>: Well, Joe, this is Mark. When you think about the back half, there's clearly some continued and protracted things that Dave made mention of that we're being conservative about, but there's still acquisitions represent circa let's call it $20 million worth of growth plus or minus in the back half.

<Q – Joe Bess – ROTH Capital Partners LLC>: Okay, great. Thank you for that.

<A – Mark Zeffiro – TriMas Corp.>: Yeah.

<Q – Joe Bess – ROTH Capital Partners LLC>: And then I was hoping you can just give a few examples that you guys are – for your productivity enhancement opportunities that you guys are

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seeing right now. That chart was great where you kind of lay out all the things that are impacting your operating margin. I was hoping that you could talk a little about what you guys are seeing going forward in terms of where you think operating margin can go.

<A – Dave Wathen – TriMas Corp.>: I mean our productivity, we tracked just like it's a 150 growth programs, it's a similar number of productivity programs. And part of them were equipment driven, new banks of machine tools going into the [ph] newer (24:22) machining centers, probably three and four axis machining centers going into Monogram that are not only run faster, they have higher yield rates and they set up faster. So you're really going to get gross margin productivity and overhead productivity in terms of the setup times.

We are – you know we have had to sort out what to do in China in particular for Rieke capacity, as we get more orders there and they have this artificial issue of duties. With that background, we have – I give the team a lot of credit for sorting through what can they automate in the current China facility to take labor content down, because it's getting more expensive, and what can they build in, I'll say, across the line in the non-new duty area to get the right mix of cost to serve customers in China. So there's a whole lot of capital driven productivity.

And then while it's not a new subject to talk about Lean and Greenbelts and Six Sigma and all that sort of thing, TriMas has got a lot of catching up to do in all that. We actually just ran our first internal Greenbelt training program and we have two more scheduled this year, every time turning on another 20 Greenbelts that work on Lean projects. And so those are both variable cost and overhead cost projects and there's nothing like getting a whole group of current employees engaged in doing that.

So you put that all together and – I mean I – we purposely didn't put numbers on the margin bridge chart, because it gets too specific. But you can tell by looking at that chart that we've got pretty decent margin enhancement. Where we were running last year is we can certainly run at that rate. The caveat being I'm still willing to make acquisitions that cost us something in the short-term, and that's the balance. And that's what we were trying to – what Mark was trying to share with you on that chart was kind of the balance of what do we do with repeat costs and what do we do with new cost driven by acquisition.

<Q – Joe Bess – ROTH Capital Partners LLC>: Okay.

<A – Mark Zeffiro – TriMas Corp.>: Joe, I would also add to you is – Joe, the strategic aspirations remain the same, right; 3% to 5% growth productivity we're going to generate. And that's just part of the mantra associated with the company. That's also – and Dave didn't reiterate the point around Cequent, recognize that that footprint optimization as well as the footprint optimization in our Energy business are pretty sizable multiyear projects that are still either, A, underway or not even beginning to be fully realized. So there is some pretty sizable things here in 2014 and beyond that are clearly targets of optimization over the next 18 months.

<Q – Joe Bess – ROTH Capital Partners LLC>: Okay, great. And then just lastly on – if we were to think of all these acquisitions fully integrated, what would you view as a target operating margin two years down the line, three years down the line?

<A – Dave Wathen – TriMas Corp.>: Now, are you talking about the company in total, Joe, or you're talking about those acquisitions done for themselves?

<Q – Joe Bess – ROTH Capital Partners LLC>: Sorry, company in total assuming that the footprint optimization is completed and successful in the integration of the acquisitions that you guys have done over the years are integrated as well. What would be your target operating margin?

<A – Mark Zeffiro – TriMas Corp.>: I would tell you that the pressure that we felt in Q2 of 100-bps-plus approximately for the acquisition related activities clearly would otherwise be lapped. And the reality is productivity continues to be a good guide for us in the future. So I'd tell you that there is a 100 bps to 125 bps that I think is in the foreseeable future, and then productivity continues to add to that over time as we expand margins in those years two, three and four over time.

<Q – Joe Bess – ROTH Capital Partners LLC>: Okay, great. Thank you for that.

<A – Mark Zeffiro – TriMas Corp.>: You bet, Joe.

Operator: Thank you. We'll take our next question from Steve Barger with KeyBanc Capital Markets.

<Q – Steve Barger – KeyBanc Capital Markets>: Hey. Good morning, guys.

<A – Dave Wathen – TriMas Corp.>: Hi, Steve.

<A – Mark Zeffiro – TriMas Corp.>: Good morning, Steve.

<Q – Steve Barger – KeyBanc Capital Markets>: I just want to dig in a little bit more. I agree that was a great operating margin bridge, so thank you for that. If I am reading it correctly, it sounds like there is just under $4 million in purchase accounting, diligence and mix impact, looks like [ph] a good SG&A (28:58). Is that right?

<A – Mark Zeffiro – TriMas Corp.>: That's about right.

<Q – Steve Barger – KeyBanc Capital Markets>: So at a 30% tax rate, that suggests about $0.07 in what is essentially non-recurring costs that are going to go away in coming quarters. Is that a fair way to frame that up?

<A – Dave Wathen – TriMas Corp.>: If we did no more acquisitions. Just keep that caveat.

<Q – Steve Barger – KeyBanc Capital Markets>: No, I get it. I'm just trying to make sure I understand the message and really the true earnings power here. And I know you're going to continue to do acquisitions. Based on what's in that model right now, does that roll off – those three categories roll off fairly equally?

<A – Dave Wathen – TriMas Corp.>: What they do is the first two fall off quicker and the mix discussion falls off over time, Steve.

<Q – Steve Barger – KeyBanc Capital Markets>: Got you. And for the first two, they're pretty much done. And then, again I know barring any further acquisitions. But those are probably done in 2013, is that correct?

<A – Dave Wathen – TriMas Corp.>: That's correct.

<Q – Steve Barger – KeyBanc Capital Markets>: Okay. Perfect. Dave, you said you were confident in the higher end of the revenue range. Is it fair to say that you feel better about the high end of the EPS range as well?

<A – Dave Wathen – TriMas Corp.>: I'll tell you that I'm hesitating because I hate to get too specific on it. I – if everything goes right, yes. But you know you can get riots in Brazil that shut you down for a month, you get who knows what's coming. We've got a different time in the world of disruption and unrest, and who knows. So we intend to deliver results with no excuses. So I got to have a certain amount of that risk stuff in it. That's my...

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<Q – Steve Barger – KeyBanc Capital Markets>: I hear you. But the things that you're mentioning are beyond your control. So if it comes down to the things that you can control, it sounds like you're feeling pretty confident about the way you're executing.

<A – Dave Wathen – TriMas Corp.>: Yes. Yes, I do. I am very complimentary of the people in TriMas and the ongoing improvement and how we improve our execution skills.

<A – Mark Zeffiro – TriMas Corp.>: Yeah. Steve, there's obviously a range for a reason. And as in Dave's prepared remarks, you'd also have to reflect on, there's some pretty complex things that we're taking on right now in 2013 that we just got to make our way through and the teams are doing a great job so far. So there is a reason why there's a range, but of course our goal is consistent optimization.

<Q – Steve Barger – KeyBanc Capital Markets>: Right. Okay. And kind of switching gears to the acquisition front, you've done a lot of deals over the past 18 months, clearly getting a benefit relative to some of the other companies that I cover in terms of the revenue numbers you're putting up. Without getting into specifics by property, what percentage of those are accretive to return on capital at this point and kind of what's the timing for how you feel the rest can start to contribute to that?

<A – Dave Wathen – TriMas Corp.>: Steve, that's a – you're talking about current ones or past – the recent ones or the – I mean the...

<Q – Steve Barger – KeyBanc Capital Markets>: Let me say the last 18 months, right, because they're typically below...

<A – Dave Wathen – TriMas Corp.>: We take the – Mark takes to the board a view of past acquisitions a year in. And we – that's part of the deal that the board needs to decide whether they want to continue supporting us doing acquisitions and the answer is yes. And it's because we can show, while not every acquisition is right on its original plan, some are ahead and some are behind, overall the acquisition we've made – what kind of matters is what would the effective multiple be now. And it's much improved a year in because of being accretive. So that's a roundabout way of saying they're helping our return on capital.

<Q – Steve Barger – KeyBanc Capital Markets>: Got it. Okay.

<A – Dave Wathen – TriMas Corp.>: And I said that I look forward to reporting the same kind of results on these six. We'll know a year in.

<Q – Steve Barger – KeyBanc Capital Markets>: Right.

<A – Mark Zeffiro – TriMas Corp.>: If you look at some of them, Steve, I mean there is great examples, for example, of Taylor-Wharton acquisition, the South Texas Bolt & Fitting, Innovative Molding, [ph] XL India (33:14), the Arminak purchase, I mean they're clearly ones that have been very additive to us as an organization. Now, consider they're not just singles, but either doubles, triples and in some cases home runs. There are other ones though in 2012 that are singles at this point in time, and those are ones that are probably tougher to integrate for us being new markets. So yet it's still early in the life of that acquisition. So there is a range of activity, right?

<Q – Steve Barger – KeyBanc Capital Markets>: Right. No, I mean, overall, it's obviously been a benefit to the top line and it seems like it's coming along on the bottom line. So I was just trying to get – to frame up the aggregate impact and when you feel really solid about those all contributing, if it's possible to frame it up, but I think you've answered it well.

On the last call, you mentioned that acquisition prices in Europe were coming down. Obviously, you just picked a new Cequent product there or a property there, but more broadly what are you seeing in the marketplace that – are there any targets coming into your price range that kind of fit into the segments that you want to grow?

<A – Mark Zeffiro – TriMas Corp.>: No, I'll tell you the acquisition funnel remains very healthy, first and foremost. And Dave's view of diversifying, obviously, TriMas into end markets that aren't our home markets, we've made real great steps here in 2013. And I will tell you that Brazil efforts in 2012 clearly added to that.

If you look at relative pricing, the pricing remains what I will consider more reasonable in Europe that it has been. And I think it's a recognition of the new reality in terms of volume levels versus unrealistic expectations a couple years ago. So to that end, we remain very active in terms of building the funnel and our division presidents clearly have lead in that respect.

<Q – Steve Barger – KeyBanc Capital Markets>: Very good. I'll get back in line. Thank you.

Operator: Thank you. We'll go next to Scott Graham with Jefferies.

<Q – Scott Graham – Jefferies LLC>: Hey, good morning.

<A – Dave Wathen – TriMas Corp.>: Hey, Scott.

<A – Mark Zeffiro – TriMas Corp.>: Hey, Scott.

<Q – Scott Graham – Jefferies LLC>: So I was hoping you guys would maybe – with the exception of Aerospace & Defense which is always lumpy, could you maybe sort of broad-brush, Dave, what you saw order rates as the quarter progressed?

<A – Dave Wathen – TriMas Corp.>: Lumpy through the quarter. But if you back up and smooth it, I would say – I mean we had organic growth of, call it half and half organic and acquisition growth in the quarter. So that would say 6%, but a lot of that was new product. On the pure repeat business, it was a 2% growth kind of quarter. And I mean if you got closer to the consumer, a specific would be it seemed like there was a slowdown in June and that after the July 4 weekend things picked up, now how much of that is retailers' control and inventory and all that sort of thing, some of that went on.

I think if you sat through a bunch of operating reviews, you'd consistently hear people being worried about the short term because of customers waiting till the last second to place orders and then want them in a hurry, and...

<Q – Scott Graham – Jefferies LLC>: Right.

<A – Dave Wathen – TriMas Corp.>: ...and that just seems to be the mood. And I don't – I can't really second guess any better than that. Everybody is still cautious is that we know. And it shows in that up and down stuff and expectation of shorter lead times. And I'm a – I like speed, learn it how to fill orders faster and using that as a competitive advantage. While I like it philosophically, it is tough stuff. And it's – we are stressed in operations by having to run on much shorter cycles and do a lot more setups and all that. It's become the way of the world though, Scott.

<Q – Scott Graham – Jefferies LLC>: Yeah. No, that is not uncommon at all. So if you could also then – and this is maybe more of a question for you, Mark, the Aerospace and Cequent segments had some specific purchase accounting notations. Could you tell us what that dollar amount was in each business?

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<A – Mark Zeffiro – TriMas Corp.>: Available in the Q, that will follow, Scott, in terms of each one of the acquisitions. If you were to look at the Martinic acquisition, the purchase accounting adjustment was circa $300,000. And in terms of the activities focused around Sequent APEA, the number's kind of a similar kind of number, [ph] $300,000, and $700,000 (38:36) in purchase accounting associated with Witter and yet to be dealt with in terms of our things around the acquisition that closed just a day or so ago. So call it $1 million plus in purchase accounting activities. The rest of it, as Steve asked, is there's a similar kind of level, a little bit more in terms of integration and acquisition costs as well. So those are the two things that fall off in relatively fast order.

<Q – Scott Graham – Jefferies LLC>: All right. Thank you.

<A – Mark Zeffiro – TriMas Corp.>: Yeah.

<Q – Scott Graham – Jefferies LLC>: The last question at this, it looks to me like the Energy margin decline was the shallowest in like two years. Are we at the bottom there, do you think, on the year-over-years? You know what I mean?

<A – Mark Zeffiro – TriMas Corp.>: Yeah, I will tell you that if you looked on, Scott, your observation of the margin rates actually being stable and if you'll – operationally if you'll look at them in terms of the legacy business, they showed improvement not only quarter-on-quarter, but also year-on-year, is a good one. 2012 was a tough year in terms of that [ph] layman's (39:49) business, as it ramps pretty heavily in volume and had [indiscernible] (39:56) production inefficient challenges as a result of that rapid and contained – consistent growth. So I will tell you that it's on the other side of improvement at this point.

<A – Dave Wathen – TriMas Corp.>: I would add, I was – I'm real happy with the progress in that business. Europe looks the best margin-wise we've seen it. Sales in Europe are not bad in Energy because you still get a lot of refinery work and all that. But margins are the best we've seen them. The only real drag in that business right now, mixing it down, is Brazil and that's really driven by all this investment in Brazil right now is new plants. And while we know how to do new plant work, what we make the most money at is replacing stuff, is in the MRO world. And we're just going to ride new plant construction for a while. It's going to be good for revenue, but it's always a little lower margin and kind of heavy engineering cost, but it's establishing the base for the future when [indiscernible] (41:04) an MRO business. We do that going in and, of course, Brazil is continuing to spend money at numbers you can hardly believe on investment in Energy and it'll continue. So yeah, I like the trends in the Energy business.

We were at the Tat Lee acquisition, while we were in Asia. Mark, and Josh, and I were – and Colin were all traveling together. And that's an acquisition of a fully functioning gasket and seal company, and now we're rapidly bringing in fasteners. And it couldn't be a better model, great as is and then you add a whole another product line into it and the sales go up and leverages and profits rise accordingly. So we're looking for more of those.

<Q – Scott Graham – Jefferies LLC>: That's really all I had. Thank you. Nice quarter.

<A – Dave Wathen – TriMas Corp.>: Thanks.

<A – Mark Zeffiro – TriMas Corp.>: Thanks, Scott.

Operator: Thank you. [Operator Instructions] We'll go to Robert Kosowsky with Sidoti.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Hi. Good morning, guys, and Sherry. How are you doing?

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<A – Mark Zeffiro – TriMas Corp.>: Good morning, Rob.

<A – Dave Wathen – TriMas Corp.>: Good morning, Rob.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: I was wondering, on slide 11, thank you for putting that in there, what goes into the economics portion of the bridge and does the productivity portion of the bridge include the fixed costs leverage that we would have seen on the 6% organic revenue growth?

<A – Mark Zeffiro – TriMas Corp.>: Yeah. No, we don't – we play that game clean in terms of productivity. It's real cost reductions and real cost identification. Economics for us are things like salary increases, healthcare cost increases. We haven't seen a lot of material cost effects. So it's really those – that kind of nature of expense.

<A – Dave Wathen – TriMas Corp.>: And that price is in that column.

<A – Mark Zeffiro – TriMas Corp.>: Yeah. Price is also there.

<A – Dave Wathen – TriMas Corp.>: [ph] Pricing, we get in (43:02). And we actually are getting a little bit of price around the company. You think it'd be zero, but there's a few things where we do get price.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay. And what level of incremental margins would you have expected to have on like a 6% revenue growth [indiscernible] (43:16) because it seems – just trying to square away the 100 basis points of like legacy margin degradation versus fixed cost leverage should have had kind of a tailwind?

<A – Mark Zeffiro – TriMas Corp.>: Well, the – my rule of thumb is if you look at our reported gross margin and say that there's fixed costs depending on the business unit, 6% to 10% fixed costs, that's a normal incremental margin that you should feel.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay. And then, otherwise on the Packaging segment, could you maybe just bridge the margin expansion we saw year-over-year just between – or at least operating income growth year-over-year between kind of the alleviations or some of the acquisition related costs, productivity increases, better product mix, because closures probably was a better quarter?

<A – Mark Zeffiro – TriMas Corp.>: Yeah. We're not going to get to a price volume mix kind of discussion at – within the segments at this point in time, Rob, but let me give you the general trail signs associated with it. We've gotten productivity in Asia as a result of basically automation that we made mention of. We've saw improvements in margin rates not only in terms of production, efficiencies and Lean related activities in the Innovative Molding business, Arminak & Associates, we've seen not only the leverage associated with the new Beauty Park facility, but also the margins continuing to ramp in that new facility. We've seen positive price in this business. I will tell you that this 25% operating profit within that horizon, within the key two horizon, was an outstanding performance by that team.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay, sounds good. And then otherwise just on Cequent North America, could you talk a little bit about where you stand right now in the move from Goshen to Mexico? And were there some inefficiencies going on or redundant costs going on in the quarter as you kind of had lines running in two different areas and you're trying to figure out the right way...?

<A – Dave Wathen – TriMas Corp.>: Well, the project, and you track a project like that on the number of part numbers moved, the production rate, and also versus the production rate [ph]

negotiating (45:26), you track it with customer approvals because that's a regulated industry and you need customer approvals on some of the moves – on most of the moves. And we just had an operating review and it's good to say those metrics are on track. So we're absorbing the costs we expected to absorb as we go through it. We had built a bank of some products for the move. We've worked through that. You can kind of tell it in in the inventory numbers.

The other moves that are going with that are warehouses and that sort of thing. We have – for example, I like to track transaction costs in a – number of transactions in a business like that, partly for long term trends, but also in that business there's still a big – the national warehouse opened in Huntington, Indiana and a new one in Dallas, and they're filling orders, what order winds up getting a shipment from each warehouse, so you've got double costs on that and double transaction costs and all that. And it's always the same conversation that you don't want to load up a whole fleet of trucks and move it from Huntington to Dallas, because that's kind of wasted effort, but at some point you cross the line where it's loading a small fleet of trucks and move it, and so you do away with those costs. That's kind of a roundabout way saying we're still kind of right in the middle of [indiscernible] (46:56) double costs.

And we're – you can tell by the sales, the business is pretty strong. And so we're having to, one, really add capacity in both plants.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay. And I guess when do you expect the move to be ultimately completed?

<A – Dave Wathen – TriMas Corp.>: It's still the end of this year. The physical move will be done. There will be – there'll probably be some residual effects going into the first part of next year, but it's right on track.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: All right, cool. Thank you very much, and good luck with the back half of the year.

<A – Mark Zeffiro – TriMas Corp.>: Thanks, Rob.

Operator: Thank you. [Operator Instructions] It appears at this time we have no further questions. I'll turn the conference back over to our speakers for any additional comments.

David M. Wathen, President, Chief Executive Officer & Director

Well, thanks, everybody. Again, we sure appreciate your attention. I do look forward to these calls. I'm glad this year a lot of positives going on our side and we learned something from your comments and questions. So we appreciate it. So again, thanks all. We will keep our efforts high and stay focused. Thank you.

Operator: Thank you. Ladies and gentlemen, this does conclude today's presentation. You may now disconnect.

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