

July 29, 2024

Mr. Herbert K. Parker
Chairman of the Board
TriMas Corporation
38505 Woodward Avenue, Suite 200
Bloomfield Hills, MI 48304

Dear Herbert,

As TriMas Corporation (“TriMas” or the “Company”) stockholders, we remain disappointed with the underperformance of the Company’s share price. We believe there are two compelling alternatives that the TriMas Board should immediately pursue to improve shareholder value – (i) sell the Aerospace segment or (ii) sell the entire Company.

Since we released our public letter on December 12, 2023, TriMas has delivered a total shareholder return of +4.6% versus the Company’s Proxy Statement peers¹ and the Russell 2000, which have delivered total shareholder returns of +26.8% and +19.1%, respectively.² Unfortunately, this recent period of share price underperformance is merely the continuation of what has been a long-term problem. As we stated in our prior letter, TriMas’ total shareholder return has materially lagged its peers and the market as a whole over the past 1-, 3-, 5-, 7- and 10-year periods. It appears to us that TriMas’ multi-segment operating structure has done little to benefit stockholders.

TriMas currently trades at 8.6x NTM consensus EBITDA – a multiple well below what the Company’s Packaging and Aerospace segments are worth, according to our analysis.³ We urge you and the Board to act quickly and more definitively to address this sizable discount. We believe the alternatives outlined in greater detail below offer the best paths to maximize value for all shareholders.

Alternative #1 – Sell the Aerospace Segment

TriMas’ Aerospace segment is delivering robust organic revenue growth, as the industry supply chain stabilizes from its post-Covid disruptions.⁴ Backlog is strong and margins are steadily improving to normalized levels.⁴

Furthermore, the aerospace sector continues to consolidate at very attractive multiples, as Boeing, Airbus and military applications drive long-term demand. We reviewed six transactions since 2023 where public valuation data was available.⁵ In those transactions, the median enterprise value was \$1.85 billion and the median NTM EBITDA multiple paid for the target company was 13.6x.⁵ This private market multiple is approximately 58% above TriMas’ current NTM consensus EBITDA multiple. We also note that TriMas’ closest publicly traded Aerospace segment peer, Howmet Aerospace, currently trades at an eye opening 20.4x NTM consensus EBITDA.³

We believe now is the optimal time to capitalize on this strength and sell the Aerospace segment. As we stated in our prior letter, TriMas' Aerospace segment is subscale relative to its much larger competitors and would make a good operational fit in many strategic and private equity backed portfolios.

Upon the divestitures of Aerospace and Arrow Engine, a process that the Board announced earlier this year, we believe the remaining Packaging segment will be highly sought after by strategic and financial buyers. We note that TriMas' closest publicly traded Packaging segment peer, AptarGroup, while much larger, currently trades at 13.1x NTM consensus EBITDA.³

Alternative #2 – Pursue a Sale of the Entire Company

Since 2021, four of TriMas' publicly traded Proxy Statement peers – SPX FLOW, Aerojet Rocketdyne, CIRCOR International and Kaman – have been acquired.⁶ In all these situations, the peer was a small capitalization, multi-segment industrial company that was going through a challenging operating environment in one or more of its segments – not too dissimilar from the TriMas story.

In the above transactions, the median enterprise value was \$2.84 billion and the median NTM EBITDA multiple paid for the target company was 15.5x – approximately 80% above TriMas' current NTM consensus EBITDA multiple.⁶ Possibly adding to this list, Barnes Group, another peer, was rumored last month to be exploring options including a sale.⁷ Barnes Group's shares are up over 8% since that rumor and now trade at 9.9x NTM consensus EBITDA.³

Conclusion

TriMas' shares continue to underperform since our December 2023 letter. The Company currently trades at a NTM consensus EBITDA multiple that is well below private market values and public market peers. We believe this sizable discount is due to TriMas' multi-segment structure and mixed operating results.

After many years of attempting to create value for shareholders, which has been largely ineffective, we believe it is imperative that the Board promptly pursue value creating alternatives, either by selling the Aerospace segment or the entire Company.

We look forward to continuing our productive dialogue with you and the Board.

Sincerely yours,



James Mitarotonda

cc: Thomas A. Amato, President & CEO and Director
Holly M. Boehne, Director
Jeffrey A. Fielkow, Director
Teresa M. Finley, Director
Jeffrey M. Greene, Director
Nick L. Stanage, Director
Daniel P. Tredwell, Director

¹ Peer information based on index created from the 2023 Peer Group listed in TriMas' 2024 Proxy Statement, including Aerojet Rocketdyne Holdings, Inc., AptarGroup, Inc., Astronics Corporation, Barnes Group Inc., Chart Industries, Inc., CIRCOR International, Inc., Ducommun Incorporated, Enerpac Tool Group Corp., Enpro Inc., ESCO Technologies Inc., Kaman Corporation, Myers Industries, Inc., NN, Inc., Standex International Corporation, Triumph Group, Inc. and Woodward, Inc. Index is market capitalization weighted.

² Total shareholder return information based on S&P Capital IQ for the period 12/11/23-7/25/24, including the reinvestment of dividends.

³ Information based on S&P Capital IQ as of 7/25/24. Enterprise value excludes operating leases. NTM refers to next twelve months consensus mean estimate.

⁴ Results based on TriMas' FY 2018-2023 Forms 10-K, Q1 2024 Forms 10-Q and related earnings presentations and transcripts.

⁵ Valuation metrics based on S&P Capital IQ as of 7/25/24 and transaction press releases and presentations. The transactions reviewed include the following:

<u>Date</u>	<u>Target</u>	<u>Acquiror</u>	<u>Enterprise Value (EV) (in mm)</u>	<u>EV / NTM EBITDA</u>
6/20/24	CAES Systems Holdings	Honeywell	\$1,900	15.0x
8/17/23	Ball Corp. Aerospace Business	BAE Systems	\$5,600	19.6x
7/21/23	Collins Aerospace Actuation Flight Control Business	Safran SA	\$1,800	13.8x
6/6/23	MB Aerospace	Barnes Group	\$740	11.4x
6/5/23	CIRCOR International, Inc.	KKR	\$1,633	11.7x
5/15/23	Wencor Group	HEICO Corp.	\$2,050	13.4x
		Median	\$1,850	13.6x

⁶ Target based on 2023 Peer Group listed in TriMas' 2024 Proxy Statement. SPX FLOW was removed from the list in 2024 due to being acquired. Valuation metrics based on S&P Capital IQ as of 7/25/24 and transaction press releases and presentations. The transactions reviewed include the following:

<u>Date</u>	<u>Target</u>	<u>Acquiror</u>	<u>Enterprise Value (EV) (in mm)</u>	<u>EV / NTM EBITDA</u>
1/19/24	Kaman Corporation	Arcline	\$1,884	16.2x
6/5/23	CIRCOR International, Inc.	KKR	\$1,633	11.7x
12/18/22	Aerojet Rocketdyne Holdings, Inc.	L3Harris	\$4,784	16.2x
12/13/21	SPX FLOW, Inc.	Lone Star	\$3,798	14.9x
		Median	\$2,841	15.5x

⁷ Bloomberg, "Barnes Group Explores Options Including Sale," 6/26/24.