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TRS.OQ - Q4 2025 TriMas Corp Earnings Call

EVENT DATE/TIME: FEBRUARY 26, 2026 / 3:00PM GMT

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Ken Newman *Key Bank Capital Markets - Analyst*

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PRESENTATION

Operator

Ladies and gentlemen, good morning, and welcome to the TriMas Corporation fourth-quarter and full year 2025 earnings conference call.

(Operator Instructions)

As a reminder, this conference is being recorded. It is now my pleasure to introduce your host, TriMas Corporation's VP, Investor Relations, Sherry Lauderback. Please go ahead.

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

Thank you, and welcome to TriMas Corporation's fourth-quarter and full year 2025 earnings call. Joining me today are Thomas Snyder, TriMas' President and CEO; and Paul Swart, our Chief Financial Officer. We'll begin with prepared remarks covering our fourth-quarter and full year results, followed by our expectations for 2026 and the future of TriMas, after which we will open the call for questions from our analysts.

To help you follow along with today's discussion, both the press release and our presentation are available on our website at trimas.com under the Investors section. A replay of this call will also be available later today by dialling (877) 660-6853 and using the meeting ID of 1375-8505.

Before we begin, I'd like to remind everyone that today's comments may include forward-looking statements, which are inherently subject to various risks and uncertainties. Please refer to our most recent Form 10-K and 10-Q filings for a discussion of the factors that could cause our results to differ from those anticipated in any forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements, except as required by law. We also encourage you to visit our website where more information is available.

In addition, please refer to the appendix of our press release or presentation for reconciliations of GAAP to non-GAAP financial measures. Throughout today's call, our discussion of financial results will be on an adjusted basis, excluding the impact of special items. At this point, I'll turn the call over to Tom. Tom?

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

Thank you, Sherry. Good morning, everyone, and thank you for joining us today. Before we discuss our quarterly and year-end results, I want to take a moment to reflect on 2025, a truly transitional year for TriMas. This is not the same company you saw a year ago. Over the past eight months since I've joined TriMas, we have sharpened our strategic focus, strengthened our leadership team and begun rebuilding the foundation necessary to deliver stronger and more consistent performance going forward.

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I'd also like to formally introduce our new CFO, Paul Swart, who joined us in mid-December. Paul brings more than 25 years of financial and operational leadership experience, including two decades here at TriMas across corporate and operational finance, accounting, and business planning. His deep familiarity with our business and his recent experiences leading transformation efforts make him a tremendous addition to our leadership team and an exceptional partner as we enter this next phase. We are excited to have him back. Welcome back, Paul.

Over the past few months, we've refreshed our management approach, clarified roles and accountability and elevated decision-making speed and execution. This has enabled us to focus our energy on the areas that matter most, serving our customers, improving operations, and developing our people and driving performance. We've made meaningful progress in elevating operational excellence and strengthening our commercial execution.

In the latter part of 2025, we completed approximately 100 customer interviews across 10 countries as part of our voice of the customer initiative, giving us clear insights into customer expectations and where we must raise the bar to win with our customers. These insights are driving changes in how we organize and engage with customers so that we are more aligned with their needs and more connected in our day-to-day interactions.

We also launched a structured global operational excellence program, a company-wide operating system rooted in Lean Six Sigma principles. This program is designed to drive continuous improvement, enhance efficiency and increase standardization across our footprint with a focus on safety, quality, delivery, and cost. We are encouraged by the initial launch within our packaging business at two larger locations and look forward to rolling out the program to more sites in 2026.

These operational and cultural changes are creating more unified practices across the organization, strengthening the foundation of data-driven management and elevating accountability among our teams. Building upon this increased accountability and better visibility into our KPIs, we also restructured our 2026 incentive program to reinforce a disciplined pay-for-performance culture that rewards results and aligns the entire organization on its true north.

As I've travelled to our locations over the past several months, I've seen firsthand the impact of these efforts as we are a company with strong capabilities powered by talented people who are deeply committed to delivering value for our customers and shareholders. At the same time, those visits have highlighted clear opportunities for continuous improvement, areas where we can evolve, innovate and further strengthen our foundation for the future. Taken together, these actions underscore a simple point, TriMas today is becoming more focused, more agile, and better positioned to deliver.

With that foundation in place, let's turn to slide 4 to review several key actions underway that will further transform TriMas and drive the next phase of improvement across the organization. First, we continue to make solid progress toward completing the divestiture of TriMas Aerospace, which we announced in early December. The transaction remains on track to close in mid- to late March. As previously communicated, the purchase price is approximately $1.45 billion in cash, which we expect will generate approximately $1.2 billion in net after-tax proceeds.

As a result of the pending sale, TriMas Aerospace is now reported as discontinued operations beginning with these quarterly results. You'll also notice that we provided additional disclosure to help you interpret the results. We've included both total company performance and the breakout between continuing and discontinued operations where practicable. And to ensure comparability, we have recast certain historical periods to reflect the planned sale of TriMas Aerospace. That recast information will be available in the Form 8-K we are filing today.

Following the close, TriMas will operate with two reporting segments: our Packaging segment and our Specialty Products segment. The divestiture positions TriMas as a more focused company and the significant proceeds provide us with meaningful flexibility as we execute our capital deployment priorities, including share repurchases, investing in organic growth initiatives, pursuing targeted acquisitions, and maintaining our balance sheet.

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Let me now cover how we are approaching capital deployment as we move into the next chapter. Our priorities remain consistent, reinvesting in the business, pursuing selective acquisitions, particularly in the Packaging and Life Science space and returning capital to shareholders as appropriate. To support a more disciplined and strategic approach to M&A, we have established a strategic investment committee that brings sharper focus and rigor to evaluating opportunities aligned with our long-term vision.

Since announcing the divestiture, we have repurchased more than 3 million shares for approximately $100 million. And as announced earlier today, we increased our remaining share repurchase authorization back to $150 million. The Board will continue to assess potential increases to the company's existing share repurchase authorization as we move forward. As we deploy capital, we expect to repurchase additional shares while also planning to pay down the revolver borrowings associated with the prior buybacks.

In parallel with these strategic actions and a smaller, more focused organization, we have also reshaped our structure to operate more efficiently and better serve our customers. At the end of January, we implemented a company-wide realignment to streamline operations, including integrating certain corporate and business functions to simplify the structure, eliminate duplication and improve execution. Savings from the initiatives we have completed are expected to ramp up throughout the year, generating over $10 million of cost reductions in 2026 and more than $15 million on an annualized basis.

In addition, within TriMas Packaging, we are restructuring the commercial and operational model to break down silos, accelerate decision-making and to strengthen customer engagement and responsiveness. This transformation is supported by several initiatives, including brand unification, expanded operational excellence programs, upgraded systems, and continued optimization of our manufacturing footprint. Collectively, these actions are strengthening TriMas' operation model, enhancing customer satisfaction, and positioning the company for sustainable long-term value creation.

As we advance this work, I'm also drawing on several decades of personal experience operating in highly competitive environments where two principles ultimately determined who won, relentless cost discipline and unwavering focus on the customer. Those disciplines are more important today than ever as we compete to win in the marketplace.

As I look at the transformation underway, I feel strongly that this is where I can help us create real value by instilling a sharper cost mindset across the organization and elevating our focus on serving customers better than our competitors.

Shifting gears, let's turn to our full year and fourth-quarter performance. Despite all the transition and change throughout 2025, we delivered full year and fourth-quarter results in line with our expectations. Total company adjusted earnings per share for the year was $2.09, towards the upper end of our provided guidance range of $2.02 to $2.12, which had already been raised earlier in the year. I'm very proud of how our teams executed during this period of significant transformation. And with that, I'll now turn the call over to Paul, who can walk us through the financial results in more detail.

Paul?

Paul Swart - *TriMas Corp - Chief Financial Officer*

Thank you, Tom, and good morning, everyone. I'm so excited to be back at TriMas and help lead the company and our great group of employees in the next chapter of our history. Let's continue where Tom left off with a review of the financials on slide 5, which shows our fourth-quarter and full year results. This slide shows our total company results before consideration of the reclassification of Aerospace to discontinued operations to evaluate results consistent with how we provided our most recent outlook.

Starting with the fourth-quarter, TriMas total company net sales were $256 million, 12.5% higher than the prior year. Organic increases in each of our segments totalled just over 9% and were augmented by the contribution from TriMas Aerospace's 2025 acquisition in Germany and modest favourable currency exchange. These items were partially offset by the impact of the Arrow Engine divestiture, which was a part of TriMas for all of 2024, but only one month in 2025.

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From a profitability standpoint, fourth-quarter segment operating profit increased more than 21% to $33 million, with margins expanding by 90 basis points, driven by the higher sales levels and continued operational execution. Q4 adjusted EPS declined by $0.03 year-over-year as the higher business operating performance was more than offset by the timing and higher levels of both incentive compensation and foreign currency exchange in '25 versus '24.

Looking at the full year, total company net sales were just over $1 billion, up 12.7% year-over-year, driven by organic sales increases in each segment, most notably in Aerospace. Sales from our February Aerospace acquisition in Germany contributed $23 million, more than offsetting the impact of $18 million from the divestiture of Arrow Engine. Adjusted segment operating profit grew by more than 30% to $149 million, a 200 basis point increase year-over-year, driven by higher sales levels and continued operational improvements throughout the year.

In addition, as Tom mentioned, adjusted EPS increased by $0.44 year-over-year or 27% to $2.09 toward the upper end of our guidance range of $2.02 to $2.12. Overall, we're pleased with the growth and margin expansion achieved during 2025, which meaningfully outpaced our original expectations with the Aerospace-specific growth significantly enhancing its financial profile and allowing for the monetization of the value our team has created when the deal closes in the coming weeks.

Turning to slide 6, I'll cover our cash flow and our balance sheet. We delivered strong cash performance during 2025, generating fourth-quarter and full year 2025 free cash flow of $43 million and $87 million, respectively, with both figures more than double the prior year period. This improvement reflects stronger operating performance and disciplined working capital management throughout the year.

This strong cash flow allowed us to fund the $38 million purchase price for the acquisition within Aerospace and repurchased over $100 million of stock during 2025, among other items, while only increasing our net debt by $64 million to $439 million. Following the Aerospace divestiture announcement, we repurchased more than 3 million shares for just over $100 million, reducing our year-end outstanding share count to 37.6 million.

We approach these repurchases thoughtfully, taking on a measured amount of net leverage a few months in advance of having certainty while capitalizing on what we viewed as an attractive opportunity to buy shares at levels that did not reflect the company's underlying value. The newly announced share repurchase authorization today, back to $150 million, provides us with incremental flexibility going forward, particularly post deal close.

At year-end, our total debt was comprised of $400 million of [4.5%] bonds due in 2029 as well as approximately $70 million of revolving borrowings. While our net leverage remained flat with the prior year-end at 2.6 times, it increased from 2.2 times in the third-quarter due to financing most of the share repurchases on the revolver.

Finally, we expect to receive approximately $1.2 billion in net after-tax proceeds from the sale of TriMas Aerospace, which upon receipt, we would plan to pay down any amounts outstanding on the revolver. We plan to invest the remaining approximately $1.1 billion in high-quality interest-bearing accounts while awaiting redeployment. Assuming the deal closes in late March, we estimate this balance could generate up to $30 million in cash interest over the last three quarters of the year, subject to the timing and amount of cash redeployed and actual interest rate earned.

Shifting gears now to business performance. Let's turn to slide 7 to discuss Packaging. As expected, the fourth-quarter was a mixed quarter, directionally consistent with what we've been managing all year. Sales were up 5% year-over-year, with organic sales up 2.4%, driven by strength in products serving the industrial and life sciences markets, partially offset by softer demand in food and beverage applications, particularly flexibles and closures.

Operating profit of $15 million was down about 5% year-over-year, with margins at 11.6%, below prior year as well as the margins achieved in the first nine months of '25, reflecting a less favourable mix as well as the typical Q4 seasonal pattern. For the full year, Packaging delivered 4% organic growth and held margins nearly flat with full year operating profit of $71 million and a 13.3% margin, which we view as a solid outcome given the persistent macro headwinds, tariffs and demand uncertainty across several end markets.

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Looking ahead, we expect 2026 to show continued momentum with 3% to 6% sales growth and margin improvement to 14% to 15% as cost-out actions already implemented ramp up and flow through. We expect sales and profit growth in Q1 will land at the lower end of these full year ranges and we'll continue sharpening operational and commercial execution, focusing on ways to improve profitability, efficiency, and customer satisfaction.

Overall, the business exited the year with a solid foundation and clear drivers of profit improvement as we move into 2026. Turning now to slide 8. I'll review our Specialty Products segment. It was a solid year for Norris Cylinder, the remaining business in this segment, although its results are less visible due to the sale of Arrow Engine, which closed in January 2025. In Q4, Norris delivered nearly 14% year-over-year sales growth, although total segment sales were down 1.4% as the Arrow Engine divestiture more than offset that growth.

Profitability, however, meaningfully improved. While there is still further improvement expected, operating profit and margin doubled year-over-year, with margins expanding to 6.5%, driven by Norris Cylinder's prior cost restructuring actions. For the full year, Norris Cylinder delivered 9.5% sales growth and nearly doubled operating profit, contributing to $5.4 million in operating profit and a 4.9% margin.

While this improved performance helped, it's only partially offset -- it only partially offset the lost profit from Arrow as it was part of Specialty Products for all of 2024, but only one month in 2025. Looking ahead, we expect continued improvement with 3% to 6% sales growth in 2026 and operating profit margins in the 8% to 10% range.

Q1 is expected to track toward the upper end of the sales range with margins growing from 2025 levels into the 8% to 10% range, supported by stronger intake, our made in the USA positioning and further leveraging the prior cost restructuring actions. Overall, despite the headwind from the Arrow Engine divestiture, Specialty Products enters 2026 with stronger profitability fundamentals and clear opportunities for further improvement.

Now moving to our final segment, Aerospace, which is now reported as discontinued operations and assets held for sale on slide 9. This was an exceptional year for the business, delivering record results and a key reason why we were able to secure a strong valuation in the pending sale. fourth-quarter sales increased 29% year-over-year, driven by improved output, commercial actions and nearly 10% growth from acquisitions.

Operating profit grew more than 50% with margins expanding 240 basis points, supported by strong sales leverage and continued operational excellence. For the full year, sales grew nearly 35% with more than a 600 basis point improvement in operating margin, reflecting consistent execution across the organization. The team has done an excellent job in 2025 of creating value for TriMas and its shareholders. A big thanks to the team for their contributions in 2025.

Given that the transaction is expected to close yet in first-quarter and that Aerospace's financial results are included in discontinued operations, we are not providing forward expectations for this segment. To wrap up the financial review, despite a dynamic year of transition and macroeconomic challenges, our results met our expectations overall, providing a solid foundation from which to elevate the position and position the new, more focused TriMas going forward.

Now that we reviewed the total company results, we thought it very important to level set you on remaining TriMas post the Aerospace sale on Slide 10, which shows the continuing business segments and consolidated metrics in 2025 as well as providing initial thoughts on 2026 and beyond.

Net sales were $645 million in 2025 with operating profit of $34 million, adjusted EBITDA of $79 million and EPS of $0.55. As Tom has mentioned previously, remaining TriMas is an entity with several levers in our control to streamline, integrate and optimize costs as well as to simplify and strengthen commercial strategies. We have already implemented actions during the back half of 2025 and thus far in 2026, which we expect to significantly improve our financial results this year and which can be leveraged over future periods. And there is more that we will be evaluating as new IT systems and processes allow for further enhancements.

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In addition, the corporate office oversight functions, and costs necessary for a $1-plus billion company are much different than for a focused business with two segments, and changes have already been made to centralize and integrate functions and positions with the business to simplify and reduce costs. And there are other opportunities over time, such as once the Aerospace transition support is completed that will further enable cost efficiencies.

In 2025, TriMas operated at a 12% adjusted EBITDA margin, which we believe is 600 to 800 basis points lower than where this current set of businesses can and should operate on a long-term basis, even before reinvesting any aerospace proceeds to further strengthen the portfolio.

As Tom will note in a moment, 2026 is expected to be a strong first step in a multiyear program to continuously improve toward those goals, and we plan to update you on our progress along the way. With that, I'll now turn the call back to Tom to provide further details on our outlook and our future. Tom?

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

Thanks, Paul. I would like to take a few minutes to talk about what the future looks like for TriMas as a more focused company, beginning with our 2026 outlook on page -- slide number 12. With the TriMas Aerospace sale expected to close in mid- to late March, my comments today focus on our continuing operation and the key assumptions behind our expectations for 2026.

For the full year, we expect sales growth of 3% to 6% from our 2025 baseline of approximately $646 million. We also expect more than 300 basis points of adjusted operating margin improvement, driven by continued operational execution in both Packaging and Specialty Products, along with the full year benefit of the cost out and organizational realignment initiatives already underway, which include an expected reduction in corporate cash expenses of at least $10 million in 2026 versus 2025.

Given the scale of the cost-out actions and the timing to reach their full run rate, we do not -- we do expect the first-quarter of 2026 to be our lowest quarter for margins and earnings per share. While we anticipate 3% to 6% sales growth in Q1, we expect adjusted operating margin to improve by just over 100 basis points versus Q1 2025, although sequentially, it would represent more than a 400 basis point improvement versus Q4 of 2025. We've also provided a few additional Q1 assumptions given the significant changes taking place across the company.

Across the first-quarter and the balance of the year, we expect year-over-year improvements in sales, earnings, and earnings per share in each quarter as savings build and operational performance continues to strengthen. And importantly, today's expectations do not include any redeployment of the TriMas Aerospace sale proceeds.

Finally, given the pending sale of TriMas Aerospace, we plan to provide full year earnings per share guidance on our Q1 2026 earnings call in April once the transaction has closed. Before we move into Q&A, I want to step back and describe why we're so excited about the future of TriMas and the company we are becoming on slide 13.

With the Aerospace divestiture nearing completion, TriMas is emerging as a more focused and more agile organization built around businesses that have strong market positions and substantial opportunities for value creation. And importantly, we now have a foundation that we can continue to build upon in ways that further transform the company. Who we are -- who we currently are is clear. We are a global provider of high-

value dispensing, closure and life science solutions supported by deep technical expertise, long-standing customer partnerships, and a flexible global manufacturing footprint. Our end market exposure is well diversified, and our teams embrace a culture of innovation and operational excellence that drives innovative, sustainable, and high-quality solutions.

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And just as important is what will set us apart, a customer-first approach with a unified sales team and integrated solutions. We've reshaped the organization to be simpler, faster, and more responsive. Our innovation pipeline is increasingly aligned with customer needs, and we are leveraging technology and operational excellence to enhance quality, reduce cost and increase speed to market.

Our strategy is centered on accelerating growth in higher-value, higher-margin applications, particularly in Life Sciences and areas of our packaging business where our capabilities and customer access give us meaningful opportunities to expand.

And finally, as you know, we will also have financial flexibility to continue investing in our future. The aerospace sale proceeds will enable us to fund growth, pursue strategic acquisitions, maintain our solid balance sheet, and return capital to shareholders. Taken together, the new TriMas is a focused portfolio with different capabilities, a stronger foundation, and significant opportunities ahead.

Turning to slide 14. As we look forward, TriMas has multiple levers to drive growth across sales, earnings, and long-term value creation. With a stronger operating base and meaningful capital to deploy, we are well positioned to accelerate our strategy, deepen customer partnerships, and invest in the highest value opportunities across our markets. Our teams are energized, and I couldn't be more excited about the future of TriMas. Thank you.

And with that, I'll turn it back to Sherry.

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

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

QUESTIONS AND ANSWERS

Operator

(Operator Instructions)

Ken Newman, KeyBanc Capital Markets.

Ken Newman - *Key Bank Capital Markets - Analyst*

Paul, it's great to hear from you again. Congrats on coming back. So maybe to my first one, I know there's a lot of moving pieces, so first, thanks for all the increased transparency around all that. I think it helps to get an apples-to-apples look. I'm curious if, first, could you just help us how to think about the cadence of margin improvement as we move beyond the first-quarter?

Are there things that are easier to kind of get done in the second and third-quarters? Is there any seasonality we should kind of think about? Or is this really more of a linear progression up as we move through the year?

Paul Swart - *TriMas Corp - Chief Financial Officer*

Sure. So I'll take that, Ken. So yes, as we think forward, there is an increased ramping savings related to our $10 million of cost savings actions as well as other initiatives that will be happening throughout the year. And as a reminder, Q2 and Q3 tend to be our highest sales quarters of the year, so we would expect an increase from Q1 to Q2 and then increased margin from Q2 to Q3.

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Q2 or Q3 could be the sales -- highest sales quarter as they've changed over the years, but they're the highest two. And then Q4 typically has a step down from a sales perspective. We would also likely expect that margin declines Q4 versus Q3, but it would be still significantly higher than Q1.

Ken Newman - *Key Bank Capital Markets - Analyst*

Okay. That's very helpful. I appreciate that. And then within Packaging, obviously, you're forecasting or guiding to margin improvement there. I know there was a mix headwind this quarter that was a little higher than I was expecting on my apples-to-apples model. Is there a way to bridge how you think about the margin improvement within Packaging that's being driven by either cost-out efficiencies versus better mix or market demand?

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

Yes. I'll try and then, Paul, you can fill in where I've missed. Just strategically, in packaging, so we do have -- we have a lot of improvement going on there. And so some of it is the -- as we talked about consolidating organizational efforts, and so we had a kind of a fragmented approach around certain functional areas in the company. That's being consolidated, some of that was part of our January initiative.

And then -- and we have operational improvements as well that are coming in through the year that are going to continue to deliver. Now the Q4 was -- had some headwinds and had some mix differences that kind of contributed to Q4, not all bad from my perspective, and so on the sales side in Q4, we had a lot more tooling sales in the quarter than -- let's say, than was normal.

But that -- and that usually converts a little bit less than the products themselves. But the good news is that that's laying the groundwork for key initiatives and projects that we're working on that are coming to market in 2026, and so I'm excited about that stuff. So not all bad from my perspective.

Paul Swart - *TriMas Corp - Chief Financial Officer*

Yes. And from a balancing perspective, I think it's probably pretty well weighted between the two of them in terms of how much read-through is from cost savings actions versus how much is just going back to a normal product sales versus tooling sales as we move into first-quarter, so I mean, I think it's pretty balanced between the two. It's not that we're expecting a tremendous difference other than the tooling sales that we have visibility to in Q4, not repeating at the same level.

Ken Newman - *Key Bank Capital Markets - Analyst*

Got it. Okay. Maybe I could just squeeze one more in. It was good to see another increase in the share repurchase authorization today. Tom, you also talked about this new investment community to analyse potential deals.

First, I guess, how aggressive can you get on the repurchase authorization in the coming quarters? And second, as it relates to potential acquisitions, is there a way to help us think about what the pipeline looks like today and how quickly you think you could go after a deal within some of those higher mix, call it, life science type of targets?

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

Yes. I mean we're spending a lot of time learning, studying, looking at opportunities, understanding opportunities that are actionable. But we need to get through where we are right now. We need to get the transaction behind us. We need to get it closed. And then we'll be more specific about what the outlook is in our Q1 call.

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We'll also have probably a little bit more clarity around capital redeployment. So it's hard to really give you any more specifics at this point. But we are looking at markets that are -- we do like our Life Science business. We do like the opportunities that we see in that space to continue to grow and bolt-on growth in that area as well as other opportunities that are higher value-added areas of our business. So I wish I could give you more, but that's pretty much where we are at the moment.

Well, the share buyback, too, I mean, I think that's what I was saying, we'll give more clarity around that as we get through the -- between now and the first-quarter. So we are reauthorizing, as you saw, another $150 million in total, and we continue to look at and evaluate what we should do beyond that. It's all part of our overall strategy, and we'll, again, provide more clarity on that down the road.

Operator

Hamed Khorsand, BWS Financial.

Hamid Khosson - *PSWS Financial - Analyst*

So first off, anything that could derail the closing of the deal to Q2? What is it -- is there a specific event that you're looking for, for it to go through the closing process?

Paul Swart - *TriMas Corp - Chief Financial Officer*

So there are regulatory processes, which obviously we don't control that are still underway based on everything we're aware of at this point. They're going through their normal course. And that's why we're projecting that if they are through when we expect them to be through based on typical days, that's why we're comfortable talking about the back half of March as the expected close date. So nothing we're aware of that would change that outcome today.

Hamid Khosson - *PSWS Financial - Analyst*

Okay. And then in the Packaging segment, is there any particular end market or geography that you're expecting to outperform this year compared to what your guidance is?

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

Well, we're optimistic about several markets. We do have an expansive footprint. We're in different markets and different geographies that position us well for these opportunities as they come. We like -- we do have some growth in the life sciences area that we think is going to contribute well going down the road. We see growth in our industrials business as a result of regulations that are changing, and we have a leadership position in some of those markets.

The beauty and personal care for us is a good market as well. It's got good growth across the globe and the markets that we compete in are performing well, so we continue to be optimistic in that area. We do expect food and beverage too, to have some recovery this year versus last year. Last year, as we've talked about, wasn't a very good year. So we're looking at, say, low -- at least low to mid-digit recoveries in that market.

And we do have some leading expertise in technologies, especially in Europe around beverage products that are going to be mandated to change technology over the course of the next 18 months. And so we're -- we feel that we have a really good position there, too. So broadly, those are the big markets for us and kind of what we see coming down the road.

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Hamid Khosson - *PSWS Financial - Analyst*

Okay. And is any of that outlook that you just described because of the benefits of the cost cutting and the integration of the brands?

Paul Swart - *TriMas Corp - Chief Financial Officer*

No. I mean what you're talking about is product specific. So it's really not as a result of the cost cutting or realignment, although I do think that inherent in that guidance is what Tom talked about related to our sales structure and our commercial strategy.

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

So I thought you there's more coming in your question, that's why I paused there. So the way that we're going to market, I think we're going to be more successful in being able to achieve growth in these particular areas. And my expectation is that we should be able to beat the market. I mean that's when I talked about earlier winning in the marketplace and beating the competition.

The intent here is that we're going to be a low-cost, nimble organization that has quicker response times and with innovative products that meet the needs in the market. And we have a sales approach now that used to be a bit cumbersome. And so it was a duplication of sales across different product lines.

What we heard through our voice of the customer survey is that we want a team, a person, a lead to talk to us about opportunities in our particular markets before we were tripping over ourselves. And so I think that's just another example of how we can bring efficiency to the commercial process.

And if we can execute against everything that I've just said, we're going to be able to be more efficient, and we should be able to beat the market numbers from what I just talked about, so that's one of the areas that has me really excited.

Operator

Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to the management for their closing comments.

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

Once again, we'd like to thank you for joining us today and for your continued interest in TriMas. We appreciate your ongoing support, and we look forward to updating you on our progress next quarter. Thank you.

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

Thank you.

Operator

Thank you. Ladies and gentlemen, the conference of TriMas Corporation has now concluded. Thank you for your participation. You may now disconnect your lines.

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