UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON D.C. 20549

FORM 10-Q

(Mark One)

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the Quarterly Period Ended June 30, 2021

Or

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the Transition Period from_________to_________.

Commission file number 001-10716

TRIMAS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**38-2687639**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

38505 Woodward Avenue, Suite 200

Bloomfield Hills, Michigan 48304

(Address of principal executive offices, including zip code)

(248) 631-5450

(Registrant's telephone number, including area code)

Title of each class	Trading symbol(s)	Name of exchange on which registered
Common stock, $0.01 par value	TRS	The NASDAQ Stock Market LLC

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐.

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 22, 2021, the number of outstanding shares of the Registrant's common stock, $0.01 par value, was 42,917,209 shares.

TriMas Corporation

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Forward-Looking Statements

This report may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 about our financial condition, results of operations and business. These forward-looking statements can be identified by the use of forward-looking words, such as “may,” “could,” “should,” “estimate,” “project,” “forecast,” “intend,” “expect,” “anticipate,” “believe,” “target,” “plan” or other comparable words, or by discussions of strategy that may involve risks and uncertainties.

These forward-looking statements are subject to numerous assumptions, risks and uncertainties which could materially affect our business, financial condition or future results including, but not limited to: the severity and duration of the ongoing coronavirus (“COVID-19”) pandemic on our operations, customers and suppliers, as well as related actions taken by governmental authorities and other third parties in response, each of which is uncertain, rapidly changing and difficult to predict; general economic and currency conditions; material and energy costs; risks and uncertainties associated with intangible assets, including goodwill or other intangible asset impairment charges; competitive factors; future trends; our ability to realize our business strategies; our ability to identify attractive acquisition candidates, successfully integrate acquired operations or realize the intended benefits of such acquisitions; information technology and other cyber-related risks; the performance of our subcontractors and suppliers; supply constraints; market demand; intellectual property factors; litigation; government and regulatory actions, including, without limitation, climate change legislation and other environmental regulations, as well as the impact of tariffs, quotas and surcharges; our leverage; liabilities imposed by our debt instruments; labor disputes; changes to fiscal and tax policies; contingent liabilities relating to acquisition activities; the disruption of operations from catastrophic or extraordinary events, including natural disasters and public health crises; the potential impact of Brexit; our future prospects; and other risks that are discussed in Part I, Item 1A, "Risk Factors," in our Annual Report on Form 10-K for the year ended December 31, 2020 and elsewhere in this report. The risks described in our Annual Report on Form 10-K and elsewhere in this report are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deemed to be immaterial also may materially adversely affect our business, financial position and results of operations or cash flows.

The cautionary statements set forth above should be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue. We caution readers not to place undue reliance on the statements, which speak only as of the date of this report. We do not undertake any obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statement to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events, except as required by law.

We disclose important factors that could cause our actual results to differ materially from our expectations implied by our forward-looking statements under Part I, Item 2, "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," and elsewhere in this report. These cautionary statements qualify all forward-looking statements attributed to us or persons acting on our behalf. When we indicate that an event, condition or circumstance could or would have an adverse effect on us, we mean to include effects upon our business, financial and other conditions, results of operations, prospects and ability to service our debt.

PART I. FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

TriMas Corporation
Consolidated Balance Sheet
(Dollars in thousands)

	June 30, 2021	December 31, 2020
Assets	**(unaudited)**	
Current assets:		
Cash and cash equivalents	$ 117,410	$ 73,950
Receivables, net of reserves of approximately $1.5 million and $2.1 million as of June 30, 2021 and December 31, 2020, respectively	135,220	113,410
Inventories	149,920	149,380
Prepaid expenses and other current assets	19,910	15,090
Total current assets	422,460	351,830
Property and equipment, net	253,230	253,060
Operating lease right-of-use assets	38,970	37,820
Goodwill	301,430	303,970
Other intangibles, net	194,150	206,200
Deferred income taxes	12,300	19,580
Other assets	22,410	21,420
Total assets	$ 1,244,950	$ 1,193,880
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 77,250	$ 69,910
Accrued liabilities	56,320	60,540
Operating lease liabilities, current portion	6,530	6,740
Total current liabilities	140,100	137,190
Long-term debt, net	393,370	346,290
Operating lease liabilities	32,890	31,610
Deferred income taxes	19,560	24,850
Other long-term liabilities	61,430	69,690
Total liabilities	647,350	609,630
Preferred stock, $0.01 par: Authorized 100,000,000 shares; Issued and outstanding: None	—	—
Common stock, $0.01 par: Authorized 400,000,000 shares; Issued and outstanding: 42,966,074 shares at June 30, 2021 and 43,178,165 shares at December 31, 2020	430	430
Paid-in capital	735,880	749,050
Accumulated deficit	(134,710)	(159,610)
Accumulated other comprehensive loss	(4,000)	(5,620)
Total shareholders' equity	597,600	584,250
Total liabilities and shareholders' equity	$ 1,244,950	$ 1,193,880

The accompanying notes are an integral part of these consolidated financial statements.

TriMas Corporation
Consolidated Statement of Operations
(Unaudited—dollars in thousands, except for per share amounts)

	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
Net sales	$ 218,990	$ 199,550	$ 425,720	$ 382,340
Cost of sales	(160,960)	(162,320)	(316,360)	(298,740)
Gross profit	58,030	37,230	109,360	83,600
Selling, general and administrative expenses	(32,460)	(55,380)	(62,680)	(81,920)
Operating profit (loss)	25,570	(18,150)	46,680	1,680
Other expense, net:				
Interest expense	(4,120)	(4,230)	(7,670)	(7,810)
Debt financing and related expenses	(10,320)	—	(10,520)	—
Other income (expense), net	670	1,130	(260)	1,050
Other expense, net	(13,770)	(3,100)	(18,450)	(6,760)
Income (loss) before income tax expense	11,800	(21,250)	28,230	(5,080)
Income tax benefit (expense)	40	5,550	(3,330)	2,500
Net income (loss)	$ 11,840	$ (15,700)	$ 24,900	$ (2,580)
Basic earnings (loss) per share:				
Net income (loss) per share	$ 0.27	$ (0.36)	$ 0.58	$ (0.06)
Weighted average common shares—basic	43,110,191	43,463,235	43,147,599	43,832,144
Diluted earnings (loss) per share:				
Net income (loss) per share	$ 0.27	$ (0.36)	$ 0.57	$ (0.06)
Weighted average common shares—diluted	43,308,356	43,463,235	43,471,616	43,832,144

The accompanying notes are an integral part of these consolidated financial statements.

TriMas Corporation
Consolidated Statement of Comprehensive Income
(Unaudited—dollars in thousands)

	Three months ended June 30,		Six months ended June 30,	
	2021	**2020**	**2021**	**2020**
Net income (loss)	$ 11,840	$ (15,700)	$ 24,900	$ (2,580)
Other comprehensive income (loss):				
Defined benefit plans (Note 17)	160	160	310	310
Foreign currency translation	1,400	1,310	(2,020)	(6,950)
Derivative instruments (Note 10)	(570)	(2,130)	3,330	2,300
Total other comprehensive income (loss)	990	(660)	1,620	(4,340)
Total comprehensive income (loss)	$ 12,830	$ (16,360)	$ 26,520	$ (6,920)

The accompanying notes are an integral part of these consolidated financial statements.

TriMas Corporation
Consolidated Statement of Cash Flows
(Unaudited—dollars in thousands)

	Six months ended June 30, 2021	Six months ended June 30, 2020
Cash Flows from Operating Activities:		
Net income (loss)	$ 24,900	$ (2,580)
Adjustments to reconcile net income to net cash provided by operating activities, net of acquisition impact:		
Loss on dispositions of assets	130	1,010
Depreciation	15,830	14,770
Amortization of intangible assets	10,780	10,150
Amortization of debt issue costs	520	570
Deferred income taxes	1,790	(1,460)
Non-cash compensation expense	5,660	4,680
Non-cash change in legacy liability estimate	—	23,400
Debt financing and related expenses	10,520	—
Increase in receivables	(22,600)	(12,300)
(Increase) decrease in inventories	(900)	5,260
(Increase) decrease in prepaid expenses and other assets	(7,430)	290
Increase (decrease) in accounts payable and accrued liabilities	1,350	(14,530)
Other operating activities	2,120	1,580
Net cash provided by operating activities, net of acquisition impact	42,670	30,840
Cash Flows from Investing Activities:		
Capital expenditures	(18,330)	(9,250)
Acquisition of businesses, net of cash acquired	—	(95,160)
Net proceeds from disposition of business, property and equipment	140	2,110
Net cash used for investing activities	(18,190)	(102,300)
Cash Flows from Financing Activities:		
Retirement of senior notes	(300,000)	—
Proceeds from issuance of senior notes	400,000	—
Proceeds from borrowings on revolving credit facilities	—	245,700
Repayments of borrowings on revolving credit facilities	(48,620)	(247,320)
Debt financing fees and senior notes redemption premium	(13,570)	—
Shares surrendered upon exercise and vesting of equity awards to cover taxes	(4,620)	(2,570)
Payments to purchase common stock	(14,210)	(31,570)
Net cash provided by (used for) financing activities	18,980	(35,760)
Cash and Cash Equivalents:		
Increase (decrease) for the period	43,460	(107,220)
At beginning of period	73,950	172,470
At end of period	$ 117,410	$ 65,250
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 6,170	$ 7,150
Cash paid for taxes	$ 4,420	$ 3,410

The accompanying notes are an integral part of these consolidated financial statements.

TriMas Corporation
Consolidated Statement of Shareholders' Equity
Six Months Ended June 30, 2021 and 2020
(Unaudited—dollars in thousands)

	Common Stock	Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
Balances, December 31, 2020	$ 430	$ 749,050	$ (159,610)	$ (5,620)	$ 584,250
Net income	—	—	13,060	—	13,060
Other comprehensive income	—	—	—	630	630
Purchase of common stock	—	(2,640)	—	—	(2,640)
Shares surrendered upon exercise and vesting of equity awards to cover taxes	—	(1,770)	—	—	(1,770)
Non-cash compensation expense	—	2,440	—	—	2,440
Balances, March 31, 2021	$ 430	$ 747,080	$ (146,550)	$ (4,990)	$ 595,970
Net income	—	—	11,840	—	11,840
Other comprehensive income	—	—	—	990	990
Purchase of common stock	—	(11,570)	—	—	(11,570)
Shares surrendered upon exercise and vesting of equity awards to cover taxes	—	(2,850)	—	—	(2,850)
Non-cash compensation expense	—	3,220	—	—	3,220
Balances, June 30, 2021	$ 430	$ 735,880	$ (134,710)	$ (4,000)	$ 597,600

	Common Stock	Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
Balances, December 31, 2019	$ 450	$ 782,880	$ (79,850)	$ (6,000)	$ 697,480
Net income	—	—	13,120	—	13,120
Other comprehensive loss	—	—	—	(3,680)	(3,680)
Purchase of common stock	(20)	(31,550)	—	—	(31,570)
Shares surrendered upon exercise and vesting of equity awards to cover taxes	—	(1,830)	—	—	(1,830)
Non-cash compensation expense	—	1,940	—	—	1,940
Balances, March 31, 2020	$ 430	$ 751,440	$ (66,730)	$ (9,680)	$ 675,460
Net loss	—	—	(15,700)	—	(15,700)
Other comprehensive loss	—	—	—	(660)	(660)
Shares surrendered upon exercise and vesting of equity awards to cover taxes	—	(740)	—	—	(740)
Non-cash compensation expense	10	2,730	—	—	2,740
Balances, June 30, 2020	$ 440	$ 753,430	$ (82,430)	$ (10,340)	$ 661,100

The accompanying notes are an integral part of these consolidated financial statements.

1. Basis of Presentation

TriMas Corporation ("TriMas" or the "Company"), and its consolidated subsidiaries, designs, engineers and manufactures innovative products under leading brand names for customers primarily in the consumer products, aerospace & defense, and industrial markets.

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries and, in the opinion of management, contain all adjustments, including adjustments of a normal and recurring nature, necessary for a fair presentation of financial position and results of operations. The preparation of financial statements requires management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities. Actual results may differ from such estimates and assumptions due to risks and uncertainties, including uncertainty in the current economic environment due to the ongoing outbreak of the coronavirus and related variants (“COVID-19”). While the full impact of the COVID-19 pandemic is unknown and cannot be reasonably estimated at this time, the Company has made appropriate accounting estimates based on the facts and circumstances available as of the reporting date. To the extent there are differences between these estimates and actual results, the Company's consolidated financial statements may be materially affected.

Results of operations for interim periods are not necessarily indicative of results for the full year. The accompanying consolidated financial statements and notes thereto should be read in conjunction with the Company's 2020 Annual Report on Form 10-K.

2. Revenue

The following table presents the Company’s disaggregated net sales by primary market served (dollars in thousands):

	Three months ended June 30,		Six months ended June 30,	
Customer Markets	**2021**	**2020**	**2021**	**2020**
Consumer Products	$ 112,900	$ 104,530	$ 218,020	$ 183,590
Aerospace & Defense	44,560	42,610	89,170	91,530
Industrial	61,530	52,410	118,530	107,220
Total net sales	$ 218,990	$ 199,550	$ 425,720	$ 382,340

The Company’s Packaging segment earns revenues from the consumer products (comprised of the beauty and personal care, home care, food and beverage, pharmaceutical and nutraceutical submarkets) and industrial markets. The Aerospace segment earns revenues from the aerospace & defense market (comprised of commercial, regional and business jet and military submarkets). The Specialty Products segment earns revenues from a variety of submarkets within the industrial market.

3. Realignment Actions

2021 Realignment Actions

During the six months ended June 30, 2021, the Company executed certain realignment actions in response to reductions in current and expected future end market demand. First, the Company closed its Packaging segment's Union City, California manufacturing facility, consolidating the operation into its Indianapolis, Indiana and Woodridge, Illinois facilities. The Company also realigned its Aerospace segment footprint, consolidating certain activities previously in its Stanton, California facilities into its Tolleson, Arizona facility. In addition, the Company also reorganized its corporate office legal and finance groups. The Company recorded pre-tax realignment charges of approximately $4.2 million and $8.2 million during the three and six months ended June 30, 2021, respectively. Of these costs, approximately $0.7 million and $2.2 million during the three and six months ended June 30, 2021, respectively, related to facility consolidations, and approximately $3.5 million and $6.0 million, respectively, were for employee separation costs. As of June 30, 2021, approximately $1.0 million of the employee separation costs had been paid. For the three and six months ended June 30, 2021, approximately $0.9 million and $2.7 million of these charges were included in costs of sales, respectively, and approximately $3.3 million and $5.5 million were included in selling, general and administrative expenses, respectively, in the accompanying consolidated statement of operations.

TRIMAS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

2020 Realignment Actions

In the three months ended June 30, 2020, the Company executed certain realignment actions, primarily in its Aerospace and Specialty Products segments, in response to reductions in current and expected future end market demand. The Company recorded a non-cash charge of approximately $13.2 million related to inventory reductions, primarily as a result of a strategic decision in its Arrow Engine division to narrow its product line focus. The Company also recorded a non-cash charge of approximately $2.2 million related to certain production equipment removed from service given reduced demand levels. In addition, the Company reduced its employment levels given lower customer demand during second quarter 2020, incurring approximately $3.1 million in severance charges, of which approximately $1.9 million was paid by June 30, 2020. For the three months ended June 30, 2020, approximately $16.0 million and $2.5 million of these charges were included in cost of sales and selling, general and administrative expenses, respectively, in the accompanying consolidated statement of operations.

4. Acquisitions

2020 Acquisitions

On December 15, 2020, the Company acquired Affaba & Ferrari Srl ("Affaba & Ferrari"), which specializes in the design, development and manufacture of precision caps and closures for food & beverage and industrial product applications, for an aggregate amount of approximately $98.4 million, net of cash acquired, subject to normal course adjustments, which are expected to be completed in the third quarter of 2021. The fair value of assets acquired and liabilities assumed included approximately $49.1 million of goodwill, $35.1 million of intangible assets, $9.4 million of net working capital, $17.4 million of property and equipment, and $12.6 million of net deferred tax liabilities. Affaba & Ferrari, which is reported in the Company's Packaging segment, operates out of a highly automated manufacturing facility and support office located in Borgo San Giovanni, Italy and historically generated approximately $34 million in annual revenue.

On April 17, 2020, the Company acquired the Rapak® brand, including certain bag-in-box product lines and assets ("Rapak"), for an aggregate amount of approximately $11.4 million. Rapak, which is reported in the Company's Packaging segment, has manufacturing locations in Indiana and Illinois and historically generated approximately $30 million in annual revenue.

On February 27, 2020, the Company acquired RSA Engineered Products ("RSA"), a manufacturer of complex, highly-engineered and proprietary ducting, connectors and related products for air management systems used in aerospace and defense applications, for an aggregate amount of approximately $83.7 million, net of cash acquired. The fair value of assets acquired and liabilities assumed included approximately $43.3 million of goodwill, $36.9 million of intangible assets, $10.1 million of net working capital, $2.1 million of property and equipment, and $8.7 million of net deferred tax liabilities. RSA, which is reported in the Company's Aerospace segment, is located in Simi Valley, California and historically generated approximately $30 million in annual revenue.

5. Cash and Cash Equivalents

Cash and cash equivalents consists of the following components (dollars in thousands):

	June 30, 2021	December 31, 2020
Cash and cash equivalents - unrestricted	$ 106,250	$ 62,790
Cash - restricted [(a)]	11,160	11,160
Total cash and cash equivalents	$ 117,410	$ 73,950

[(a)] Includes cash placed on deposit with a financial institution to be held as cash collateral for the Company's outstanding letters of credit.

TRIMAS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

6. Goodwill and Other Intangible Assets

Changes in the carrying amount of goodwill for the six months ended June 30, 2021 are summarized as follows (dollars in thousands):

	Packaging	Aerospace	Specialty Products	Total
Balance, December 31, 2020	$ 234,560	$ 62,850	$ 6,560	$ 303,970
Foreign currency translation and other	(2,540)	—	—	(2,540)
Balance, June 30, 2021	$ 232,020	$ 62,850	$ 6,560	$ 301,430

The Company amortizes its other intangible assets over periods ranging from one to 30 years. The gross carrying amounts and accumulated amortization of the Company's other intangibles are summarized below (dollars in thousands):

	As of June 30, 2021		As of December 31, 2020	
Intangible Category by Useful Life	**Gross Carrying Amount**	**Accumulated Amortization**	**Gross Carrying Amount**	**Accumulated Amortization**
Finite-lived intangible assets:				
Customer relationships, 5 – 12 years	$ 122,010	$ (65,350)	$ 122,970	$ (59,470)
Customer relationships, 15 – 25 years	122,280	(65,300)	122,280	(62,450)
Total customer relationships	244,290	(130,650)	245,250	(121,920)
Technology and other, 1 – 15 years	57,180	(34,480)	57,180	(32,800)
Technology and other, 17 – 30 years	43,300	(39,680)	43,300	(39,450)
Total technology and other	100,480	(74,160)	100,480	(72,250)
Indefinite-lived intangible assets:				
Trademark/Trade names	54,190	—	54,640	—
Total other intangible assets	$ 398,960	$ (204,810)	$ 400,370	$ (194,170)

Amortization expense related to intangible assets as included in the accompanying consolidated statement of operations is summarized as follows (dollars in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2021	**2020**	**2021**	**2020**
Technology and other, included in cost of sales	$ 950	$ 1,260	$ 1,900	$ 2,470
Customer relationships, included in selling, general and administrative expenses	4,440	4,040	8,880	7,680
Total amortization expense	$ 5,390	$ 5,300	$ 10,780	$ 10,150

7. Inventories

Inventories consist of the following components (dollars in thousands):

	June 30, 2021	December 31, 2020
Finished goods	$ 77,850	$ 78,010
Work in process	31,040	29,680
Raw materials	41,030	41,690
Total inventories	$ 149,920	$ 149,380

8. Property and Equipment, Net

Property and equipment consists of the following components (dollars in thousands):

	June 30, 2021	December 31, 2020
Land and land improvements	$ 19,870	$ 20,040
Buildings	92,170	91,970
Machinery and equipment	397,290	384,010
	509,330	496,020
Less: Accumulated depreciation	256,100	242,960
Property and equipment, net	$ 253,230	$ 253,060

Depreciation expense as included in the accompanying consolidated statement of operations is as follows (dollars in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Depreciation expense, included in cost of sales	$ 7,670	$ 7,830	$ 15,230	$ 14,190
Depreciation expense, included in selling, general and administrative expenses	310	280	600	580
Total depreciation expense	$ 7,980	$ 8,110	$ 15,830	$ 14,770

9. Long-term Debt

The Company's long-term debt consists of the following (dollars in thousands):

	June 30, 2021	December 31, 2020
4.125% Senior Notes due April 2029	$ 400,000	$ —
4.875% Senior Notes due October 2025	—	300,000
Credit Agreement	—	50,450
Debt issuance costs	(6,630)	(4,160)
Long-term debt, net	$ 393,370	$ 346,290

Senior Notes due 2029

In March 2021, the Company issued $400.0 million aggregate principal amount of 4.125% senior notes due April 15, 2029 ("2029 Senior Notes") at par value in a private placement under Rule 144A of the Securities Act of 1933, as amended ("Securities Act"). The Company used the proceeds from the 2029 Senior Notes offering to pay fees and expenses of approximately $5.1 million related to the offering and pay fees and expenses of $1.1 million related to amending its existing credit agreement. In connection with the issuance, during the second quarter of 2021, the Company completed the redemption of its outstanding 4.875% senior notes due October 15, 2025 ("2025 Senior Notes"), paying $300.0 million to retire the outstanding principal amount plus $7.3 million as a redemption premium. The remaining cash proceeds from the 2029 Senior Notes were used for general corporate purposes, including repaying all outstanding revolving credit facility borrowings. The $5.1 million of fees and expenses related to the 2029 Senior Notes were capitalized as debt issuance costs, while the $7.3 million redemption premium, as well as approximately $3.0 million of unamortized debt issuance costs associated with the 2025 Senior Notes, were included in debt financing and related expenses in the accompanying statement of operations in the six months ended June 30, 2021.

The 2029 Senior Notes accrue interest at a rate of 4.125% per annum, payable semi-annually in arrears on April 15 and October 15, commencing on October 15, 2021. The payment of principal and interest is jointly and severally guaranteed, on a senior unsecured basis, by certain subsidiaries of the Company (each a "Guarantor" and collectively the "Guarantors"). The 2029 Senior Notes are *pari passu* in right of payment with all existing and future senior indebtedness and effectively subordinated to all existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness.

Prior to April 15, 2024, the Company may redeem up to 40% of the principal amount of the 2029 Senior Notes at a redemption price of 104.125% of the principal amount, plus accrued and unpaid interest, if any, to the redemption date, with the net cash proceeds of one or more equity offerings provided that each such redemption occurs within 90 days of the date of closing of each such equity offering. In addition, prior to April 15, 2024, the Company may redeem all or part of the 2029 Senior Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date, plus a "make whole" premium. On or after April 15, 2024, the Company may redeem all or part of the 2029 Senior Notes at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest, if any, to the redemption date, if redeemed during the twelve-month period beginning on April 15 of the years indicated below:

Year	Percentage
2024	102.063 %
2025	101.031 %
2026 and thereafter	100.000 %

Senior Notes due 2025

In September 2017, the Company issued $300.0 million aggregate principal amount of its 2025 Senior Notes at par value in a private placement under Rule 144A of the Securities Act. During the three months ended June 30, 2021, and in connection with the issuance of the 2029 Senior Notes, the Company redeemed all of the outstanding 2025 Senior Notes, as permitted under the indenture, at a price of 102.438% of the principal amount.

Credit Agreement

During the first quarter of 2021, the Company amended its credit agreement ("Credit Agreement") in connection with the issuance of the 2029 Senior Notes to extend the maturity date. The Company incurred fees and expenses of approximately $1.1 million related to the amendment, all of which was capitalized as debt issuance costs. The Company also recorded approximately $0.2 million of non-cash expense related to the write-off of previously capitalized deferred financing fees. The Credit Agreement consists of a $300.0 million senior secured revolving credit facility, which permits borrowings denominated in specific foreign currencies, subject to a $125.0 million sub limit, maturing on March 29, 2026 and is subject to interest at London Interbank Offered Rate ("LIBOR") plus 1.50%. The interest rate spread is based upon the leverage ratio, as defined, as of the most recent determination date.

The Credit Agreement also provides incremental revolving credit facility commitments in an amount not to exceed the greater of $200.0 million and an amount such that, after giving effect to such incremental commitments and the incurrence of any other indebtedness substantially simultaneously with the making of such commitments, the senior secured net leverage ratio, as defined, is no greater than 3.00 to 1.00. The terms and conditions of any incremental revolving credit facility commitments must be no more favorable than the existing credit facility.

The Company's revolving credit facility allows for the issuance of letters of credit, not to exceed $40.0 million in aggregate. The Company places cash on deposit with a financial institution to be held as cash collateral for the Company's outstanding letters of credit; therefore, as of June 30, 2021 and December 31, 2020, the Company had no letters of credit issued against its revolving credit facility. See Note 5, *"Cash and Cash Equivalents,"* for further information on its cash deposit. At June 30, 2021, the Company had no amounts outstanding under its revolving credit facility and had $300.0 million available. At December 31, 2020, the Company had $50.5 million outstanding under its revolving credit facility and had approximately $249.5 million available. The Company's borrowing capacity was not reduced by leverage restrictions contained in the Credit Agreement as of June 30, 2021 and December 31, 2020.

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The debt under the Credit Agreement is an obligation of the Company and certain of its domestic subsidiaries and is secured by substantially all of the assets of such parties. Borrowings under the $125.0 million (equivalent) foreign currency sub limit of the $300.0 million senior secured revolving credit facility are secured by a cross-guarantee amongst, and a pledge of the assets of, the foreign subsidiary borrowers that are a party to the agreement. The Credit Agreement also contains various negative and affirmative covenants and other requirements affecting the Company and its subsidiaries, including the ability, subject to certain exceptions and limitations, to incur debt, liens, mergers, investments, loans, advances, guarantee obligations, acquisitions, assets dispositions, sale-leaseback transactions, hedging agreements, dividends and other restricted payments, transactions with affiliates, restrictive agreements and amendments to charters, bylaws, and other material documents. The terms of the Credit Agreement also require the Company and its restricted subsidiaries to meet certain restrictive financial covenants and ratios computed quarterly, including a maximum total net leverage ratio (total consolidated indebtedness plus outstanding amounts under the accounts receivable securitization facility, less the aggregate amount of certain unrestricted cash and unrestricted permitted investments, as defined, over consolidated EBITDA, as defined), a maximum senior secured net leverage ratio (total consolidated senior secured indebtedness, less the aggregate amount of certain unrestricted cash and unrestricted permitted investments, as defined, over consolidated EBITDA, as defined) and a minimum interest expense coverage ratio (consolidated EBITDA, as defined, over the sum of consolidated cash interest expense, as defined, and preferred dividends, as defined). At June 30, 2021, the Company was in compliance with its financial covenants contained in the Credit Agreement.

Other Revolving Loan Facility

In May 2021, the Company, through one of its non-U.S. subsidiaries, entered into a revolving loan facility with a borrowing capacity of $4 million. The facility is guaranteed by TriMas Corporation. There were no borrowings on this loan facility during the three months ended June 30, 2021.

Fair Value of Debt

The valuations of the Senior Notes and revolving credit facility were determined based on Level 2 inputs under the fair value hierarchy, as defined. The carrying amounts and fair values were as follows (dollars in thousands):

	June 30, 2021		December 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
4.125% Senior Notes due April 2029	$ 400,000	$ 404,500	$ —	$ —
4.875% Senior Notes due October 2025	—	—	300,000	305,630
Revolving credit facility	—	—	50,450	50,450

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10. Derivative Instruments

Derivatives Designated as Hedging Instruments

The Company uses cross-currency swap contracts to hedge its net investment in Euro-denominated assets against future volatility in the exchange rate between the U.S. dollar and the Euro. By doing so, the Company synthetically converts a portion of its U.S. dollar-based long-term debt into Euro-denominated long-term debt. At inception, the Company designates its cross-currency swaps as net investment hedges.

As of June 30, 2021, the Company had cross-currency swap agreements at notional amounts totaling $250.0 million, which declines to $25.0 million over various contract periods ending between April 15, 2022 and April 15, 2027. Under the terms of the agreements, the Company is to receive net interest payments at fixed rates ranging from approximately 0.8% to 2.9% of the notional amounts.

As of June 30, 2021 and December 31, 2020, the fair value carrying amount of the Company's derivatives designated as hedging instruments are recorded as follows (dollars in thousands):

		Asset / (Liability) Derivatives	
Derivatives designated as hedging instruments	**Balance Sheet Caption**	**June 30, 2021**	**December 31, 2020**
Net Investment Hedges			
Cross-currency swaps	Other long-term liabilities	(580)	(5,000)

The following table summarizes the income recognized in accumulated other comprehensive income (loss) ("AOCI") on derivative contracts designated as hedging instruments as of June 30, 2021 and December 31, 2020, and the amounts reclassified from AOCI into earnings for the three and six months ended June 30, 2021 and 2020 (dollars in thousands):

	Amount of Loss Recognized in AOCI on Derivatives (Effective Portion, net of tax)			Amount of Income (Loss) Reclassified from AOCI into Earnings			
				Three months ended June 30,		Six months ended June 30,	
	As of June 30, 2021	**As of December 31, 2020**	**Location of Income (Loss) Reclassified from AOCI into Earnings (Effective Portion)**	**2021**	**2020**	**2021**	**2020**
Net Investment Hedges							
Cross-currency swaps	$ (250)	$ (3,580)	Other income (expense), net	$ —	$ —	$ —	$ —

Over the next 12 months, the Company does not expect to reclassify any pre-tax deferred amounts from AOCI into earnings.

Derivatives Not Designated as Hedging Instruments

As of June 30, 2021, the Company was party to foreign currency exchange forward contracts to economically hedge changes in foreign currency rates with notional amounts of approximately $126.5 million. The Company uses foreign exchange contracts to mitigate the risk associated with fluctuations in currency rates impacting cash flows related to certain of its receivables, payables and intercompany transactions denominated in foreign currencies. The foreign exchange contracts primarily mitigate currency exposures between the U.S. dollar and the Euro, Mexican peso and the Chinese yuan, and have various settlement dates through December 2021. These contracts are not designated as hedge instruments; therefore, gains and losses on these contracts are recognized each period directly into the consolidated statement of operations.

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The following table summarizes the effects of derivatives not designated as hedging instruments on the Company's consolidated statement of operations (dollars in thousands):

		Amount of Income (Loss) Recognized in Earnings on Derivatives			
		Three months ended June 30,		Six months ended June 30,	
	Location of Income (Loss) Recognized in Earnings on Derivatives	2021	2020	2021	2020
Derivatives not designated as hedging instruments					
Foreign exchange contracts	Other income (expense), net	$ (1,160)	$ 550	$ 2,860	$ 480

Fair Value of Derivatives

The fair value of the Company's derivatives are estimated using an income approach based on valuation techniques to convert future amounts to a single, discounted amount. Estimates of the fair value of the Company's cross-currency swaps and foreign exchange contracts use observable inputs such as interest rate yield curves and forward currency exchange rates. Fair value measurements and the fair value hierarchy level for the Company's assets and liabilities measured at fair value on a recurring basis as of June 30, 2021 and December 31, 2020 are shown below (dollars in thousands):

Description	Frequency	Asset / (Liability)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2021					
Cross-currency swaps	Recurring	$ (580)	$ —	$ (580)	$ —
Foreign exchange contracts	Recurring	$ (670)	$ —	$ (670)	$ —
December 31, 2020					
Cross-currency swaps	Recurring	$ (5,000)	$ —	$ (5,000)	$ —
Foreign exchange contracts	Recurring	$ 140	$ —	$ 140	$ —

11. Leases

The Company leases certain equipment and facilities under non-cancelable operating leases. Leases with an initial term of 12 months or less are not recorded on the balance sheet; expense related to these leases is recognized on a straight-line basis over the lease term.

The components of lease expense are as follows (dollars in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Operating lease cost	$ 2,140	$ 2,020	$ 4,280	$ 3,670
Short-term, variable and other lease costs	430	270	860	580
Total lease cost	$ 2,570	$ 2,290	$ 5,140	$ 4,250

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Maturities of lease liabilities are as follows (dollars in thousands):

Year ended December 31,	Operating Leases[(a)]
2021 (excluding the six months ended June 30, 2021)	$ 3,940
2022	7,720
2023	6,880
2024	6,000
2025	4,850
Thereafter	15,800
Total lease payments	45,190
Less: Imputed interest	(5,770)
Present value of lease liabilities	$ 39,420

(a) The maturity table excludes cash flows associated with exited lease facilities. Liabilities for exited lease facilities are included in accrued liabilities and other long-term liabilities in the accompanying consolidated balance sheet.

The weighted-average remaining lease term of the Company's operating leases as of June 30, 2021 is approximately 7.0 years. The weighted-average discount rate as of June 30, 2021 is approximately 4.2%.

Cash paid for amounts included in the measurement of operating lease liabilities was approximately $4.2 million and $3.0 million during the six months ended June 30, 2021 and 2020, respectively, and is included in cash flows provided by operating activities in the consolidated statement of cash flows.

Right-of-use assets obtained in exchange for lease liabilities were approximately $6.1 million and $10.2 million during the six months ended June 30, 2021 and 2020, respectively.

12. Other long-term liabilities

Other long-term liabilities consist of the following components (dollars in thousands):

	June 30, 2021	December 31, 2020
Non-current asbestos-related liabilities	$ 24,810	$ 26,170
Other long-term liabilities	36,620	43,520
Total other long-term liabilities	$ 61,430	$ 69,690

13. Commitments and Contingencies

Asbestos

As of June 30, 2021, the Company was a party to 374 pending cases involving an aggregate of 4,725 claimants primarily alleging personal injury from exposure to asbestos containing materials formerly used in gaskets (both encapsulated and otherwise) manufactured or distributed by its former Lamons division and certain other related subsidiaries for use primarily in the petrochemical, refining and exploration industries. The following chart summarizes the number of claims, number of claims filed, number of claims dismissed, number of claims settled, the average settlement amount per claim and the total defense costs, at the applicable date and for the applicable periods:

	Claims pending at beginning of period	Claims filed during period	Claims dismissed during period	Claims settled during period	Claims pending at end of period	Average settlement amount per claim during period	Total defense costs during period
Six Months Ended June 30, 2021	4,655	143	55	18	4,725	$ 15,228	$ 1,060,000
Fiscal Year Ended December 31, 2020	4,759	219	287	36	4,655	$ 18,314	$ 2,130,000

In addition, the Company acquired various companies to distribute its products that had distributed gaskets of other manufacturers prior to acquisition. The Company believes that many of its pending cases relate to locations at which none of its gaskets were distributed or used.

The Company may be subjected to significant additional asbestos-related claims in the future, and will aggressively defend or reasonably resolve, as appropriate. The cost of settling cases in which product identification can be made may increase, and the Company may be subjected to further claims in respect of the former activities of its acquired gasket distributors. The cost of claims varies as claims may be initially made in some jurisdictions without specifying the amount sought or by simply stating the requisite or maximum permissible monetary relief, and may be amended to alter the amount sought. The large majority of claims do not specify the amount sought. Of the 4,725 claims pending at June 30, 2021, 33 set forth specific amounts of damages (other than those stating the statutory minimum or maximum). At June 30, 2021, of the 33 claims that set forth specific amounts, there was one claim seeking more than $5 million for punitive damages. Below is a breakdown of the compensatory damages sought for those claims seeking specific amounts:

	Compensatory		
Range of damages sought (dollars in millions)	$0.0 to $0.6	$0.6 to $5.0	$5.0+
Number of claims	—	6	27

Relatively few claims have reached the discovery stage and even fewer claims have gone past the discovery stage. Total settlement costs (exclusive of defense costs) for all such cases, some of which were filed over 25 years ago, have been approximately $10.3 million. All relief sought in the asbestos cases is monetary in nature. Based on the settlements made to date and the number of claims dismissed or withdrawn for lack of product identification, the Company believes that the relief sought (when specified) does not bear a reasonable relationship to its potential liability.

There has been significant volatility in the historical number of claim filings and costs to defend, with previous claim counts and spend levels much higher than current levels. Management believes this volatility was associated more with tort reform, plaintiff practices and state-specific legal dockets than the Company’s underlying asbestos-related exposures. From 2017 to 2019, however, the number of new claim filings, and costs to defend, had become much more consistent, ranging between 143 to 173 new claims per year and total defense costs ranging between $2.2 million and $2.3 million.

The higher degree of consistency in census data and spend levels, as well as lower claim activity levels and an evolving defense strategy, has allowed the Company to more effectively and efficiently manage claims, making process or local counsel arrangement improvements where possible. Given the consistency of activity over a multi-year period, the Company believed a trend may have formed where it could be possible to reasonably estimate its future cash exposure for all asbestos-related activity with an adequate level of precision. As such, the Company commissioned an actuary to help evaluate the nature and predictability of its asbestos-related costs, and provide an actuarial range of estimates of future exposures. Based upon its review of the actuarial study, which was completed in June 2020 using data as of December 31, 2019 and which projected spend levels through a terminal year of 2064, the Company affirmed its belief that it now has the ability to reasonably estimate its future asbestos-related exposures for pending as well as unknown future claims.

During the second quarter 2020, the Company elected to change its method of accounting for asbestos-related defense costs from accruing for probable and reasonably estimable defense costs associated with known claims expected to settle to accrue for all future defense costs for both known and unknown claims, which the Company now believes are reasonably estimable. The Company believes this change is preferable, as asbestos-related defense costs represent expenditures related to legacy activities that do not contribute to current or future revenue generating activities, and recording an estimate of the full liability for asbestos-related costs, where estimable with reasonable precision, provides a more complete assessment of the liability associated with resolving asbestos-related claims. This accounting change was reflected as a change in accounting estimate effected by a change in accounting principle.

Following the change in accounting estimate, the Company’s liability for asbestos-related claims will be based on a study from the Company’s third-party actuary, the Company's review of the study, as well as the Company’s own review of asbestos claims and claim resolution activity. The study from the Company’s actuary, based on data as of December 31, 2019, provided for a range of possible future liability from $31.5 million to $43.3 million. The Company did not believe any amount within the range of potential outcomes represented a better estimate than another given the many factors and assumptions inherent in the projections, and therefore recorded a non-cash, pre-tax charge of $23.4 million in second quarter 2020 to increase the liability estimate to $31.5 million, at the low-end of the range. This charge is included in selling, general and administrative expenses in the accompanying consolidated statement of operations. As of June 30, 2021, the Company’s total asbestos-related liability is $27.3 million, and is included in accrued liabilities and other long-term liabilities, respectively, in the accompanying consolidated balance sheet.

The Company’s primary insurance, which covered approximately 40% of historical costs related to settlement and defense of asbestos litigation, expired in November 2018, upon which the Company became solely responsible for defense costs and indemnity payments. The Company is party to a coverage-in-place agreement (entered into in 2006) with its first level excess carriers regarding the coverage to be provided to the Company for asbestos-related claims. The coverage-in-place agreement makes asbestos defense costs and indemnity insurance coverage available to the Company that might otherwise be disputed by the carriers and provides a methodology for the administration of such expenses. The Company will continue to be solely responsible for defense costs and indemnity payments prior to the commencement of coverage under this agreement, the duration of which would be subject to the scope of damage awards and settlements paid. Based upon the Company’s review of the actuarial study, the Company does not believe it is probable that it will reach the threshold of qualified future settlements required to commence excess carrier insurance coverage under the coverage-in-place agreement.

Based upon the Company's experience to date, including the trend in annual defense and settlement costs incurred to date, and other available information (including the availability of excess insurance), the Company does not believe these cases will have a material adverse effect on its financial position, results of operations, or cash flows.

Claims and Litigation

The Company is subject to other claims and litigation in the ordinary course of business, but does not believe that any such claim or litigation will have a material adverse effect on its financial position and results of operations or cash flows.

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14. Segment Information

TriMas reports its operations in three segments: Packaging, Aerospace, and Specialty Products. Each of these segments has discrete financial information that is regularly evaluated by TriMas' president and chief executive officer (chief operating decision maker) in determining resource, personnel and capital allocation, as well as assessing strategy and performance. The Company utilizes its proprietary TriMas Business Model as its platform which is based upon a standardized set of processes to manage and drive results and strategy across its multi-industry businesses.

Within each of the Company's reportable segments, there are no individual products or product families for which reported net sales accounted for more than 10% of the Company's consolidated net sales. See below for more information regarding the types of products and services provided within each reportable segment:

Packaging – The Packaging segment, which consists primarily of the Rieke®, Taplast, Affaba & Ferrari, Stolz and Rapak® brands, develops and manufactures a broad array of dispensing products (such as foaming pumps, lotion and hand soap pumps, sanitizer pumps, beverage dispensers, perfume sprayers, nasal sprayers and trigger sprayers), polymeric and steel caps and closures (such as food lids, flip-top closures, child resistance caps, beverage closures, drum and pail closures, flexible spouts, and agricultural closures), polymeric jar products, and fully integrated dispensers for fill-ready bag-in-box applications, all for a variety of consumer products submarkets including, but not limited to, beauty and personal care, food and beverage, home care, and pharmaceutical and nutraceutical, as well as the industrial market.

Aerospace – The Aerospace segment, which includes the Monogram Aerospace Fasteners™, Allfast Fastening Systems®, Mac Fasteners™, RSA Engineered Products and Martinic Engineering brands, develops, qualifies and manufactures highly-engineered, precision fasteners, tubular products and assemblies for fluid conveyance, and machined products and assemblies to serve the aerospace and defense market.

Specialty Products – The Specialty Products segment, which includes the Norris Cylinder™ and Arrow® Engine brands, designs, manufactures and distributes highly-engineered steel cylinders, wellhead engines and compression systems for use within industrial markets.

Segment activity is as follows (dollars in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Net Sales				
Packaging	$ 139,630	$ 128,830	$ 271,720	$ 228,880
Aerospace	44,560	42,610	89,170	91,530
Specialty Products	34,800	28,110	64,830	61,930
Total	$ 218,990	$ 199,550	$ 425,720	$ 382,340
Operating Profit (Loss)				
Packaging	$ 27,850	$ 24,040	$ 49,150	$ 42,320
Aerospace	2,120	(4,210)	6,620	870
Specialty Products	6,010	(5,940)	10,530	(2,510)
Corporate	(10,410)	(32,040)	(19,620)	(39,000)
Total	$ 25,570	$ (18,150)	$ 46,680	$ 1,680

15. Equity Awards

Stock Options

The Company recognized no stock-based compensation expense related to stock options during the three and six months ended June 30, 2021 and 2020, respectively. As of June 30, 2021, there was no unrecognized compensation costs related to stock options remaining. Information related to stock options at June 30, 2021 is as follows:

	Number of Stock Options	Weighted Average Option Price	Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding at January 1, 2021	150,000	$ 17.87		
Granted	—	—		
Exercised	(150,000)	17.87		
Cancelled	—	—		
Expired	—	—		
Outstanding at June 30, 2021	—	$ —	—	$ —

Restricted Stock Units

The Company awarded the following restricted stock units ("RSUs") during the six months ended June 30, 2021:

- granted 113,504 RSUs to certain employees, which are subject only to a service condition and vest ratably over three years so long as the employee remains with the Company;
- granted 21,112 RSUs to its non-employee independent directors, which fully vest one year from date of grant so long as the director and/or Company does not terminate the director's service prior to the vesting date; and
- issued 995 RSUs related to director fee deferrals during the six months ended June 30, 2021 as certain of the Company's directors elected to defer all or a portion of their directors fees and to receive the amount in Company common stock at a future date.

During 2021, the Company awarded 72,962 performance-based RSUs to certain Company key employees which vest three years from the grant date as long as the employee remains with the Company. These awards are earned 50% based upon the Company's achievement of an earnings per share compound annual growth rate ("EPS CAGR") metric over a period beginning January 1, 2021 and ending December 31, 2023. The remaining 50% of the awards are earned based on the Company's total shareholder return ("TSR") relative to the TSR of the common stock of a pre-defined industry peer-group, measured over the performance period. TSR is calculated as the Company's average closing stock price for the 20 trading days at the end of the performance period plus Company dividends, divided by the Company's average closing stock price for the 20 trading days prior to the start of the performance period. The Company estimates the grant-date fair value subject to a market condition using a Monte Carlo simulation model, using the following weighted average assumptions: risk-free rate of 0.28% and annualized volatility of 35.5%. Depending on the performance achieved for these two metrics, the amount of shares earned, if any, can vary for each metric from 0% of the target award to a maximum of 200% of the target award. For similar performance-based RSUs awarded in 2018, the Company attained 126.2% of the target on a weighted average basis, resulting in an increase of 25,993 shares during the three months ended March 31, 2021.

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Information related to RSUs at June 30, 2021 is as follows:

	Number of Unvested RSUs	Weighted Average Grant Date Fair Value	Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding at January 1, 2021	784,968	$ 26.46		
Granted	234,566	34.62		
Vested	(301,008)	30.80		
Cancelled	(19,252)	25.54		
Outstanding at June 30, 2021	699,274	$ 27.35	1.3	$ 21,208,980

As of June 30, 2021, there was approximately $9.1 million of unrecognized compensation cost related to unvested RSUs that is expected to be recorded over a weighted average period of 2.1 years.

The Company recognized stock-based compensation expense related to RSUs of approximately $3.2 million and $2.7 million during the three months ended June 30, 2021 and 2020, respectively, and approximately $5.7 million and $4.7 million during the six months ended June 30, 2021 and 2020, respectively. The stock-based compensation expense is included in selling, general and administrative expenses in the accompanying consolidated statement of operations.

16. Earnings per Share

Net income is divided by the weighted average number of common shares outstanding during the period to calculate basic earnings per share. Diluted earnings per share is calculated to give effect to stock options and RSUs. For the three and six months ended June 30, 2020, no restricted shares or options to purchase shares were included in the computation of net income (loss) per share because to do so would be anti-dilutive. The following table summarizes the dilutive effect of RSUs and options to purchase common stock for the three and six months ended June 30, 2021 and 2020:

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Weighted average common shares—basic	43,110,191	43,463,235	43,147,599	43,832,144
Dilutive effect of restricted stock units	198,165	—	299,425	—
Dilutive effect of stock options	—	—	24,592	—
Weighted average common shares—diluted	43,308,356	43,463,235	43,471,616	43,832,144

In March 2020, the Company announced its Board of Directors had authorized the Company to increase the purchase of its common stock up to $250 million in the aggregate. The initial authorization, approved in November 2015, authorized up to $50 million of purchases in the aggregate of its common stock. In the three and six months ended June 30, 2021, the Company purchased 358,047 and 440,218 shares of its outstanding common stock for approximately $11.6 million and $14.2 million, respectively. The Company purchased no shares during the three months ended June 30, 2020 and 1,253,650 shares of its outstanding common stock for approximately $31.6 million during the six months ended June 30, 2020. As of June 30, 2021, the Company has approximately $147.5 million remaining under the repurchase authorization.

17. Defined Benefit Plans

Net periodic pension benefit costs for the Company's defined benefit pension plans cover certain foreign employees, union hourly employees and salaried employees. The components of net periodic pension cost are as follows (dollars in thousands):

	Pension Plans			
	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Service costs	$ 320	$ 310	$ 650	$ 630
Interest costs	200	230	400	470
Expected return on plan assets	(390)	(360)	(780)	(730)
Amortization of net loss	230	230	460	450
Net periodic benefit cost	$ 360	$ 410	$ 730	$ 820

The service cost component of net periodic benefit cost is recorded in cost of goods sold and selling, general and administrative expenses, while non-service cost components are recorded in other income (expense), net in the accompanying consolidated statement of operations.

The Company contributed approximately $0.7 million and $2.2 million to its defined benefit pension plans during the three and six months ended June 30, 2021, respectively. The Company expects to contribute approximately $3.6 million to its defined benefit pension plans for the full year 2021.

18. Other Comprehensive Income (Loss)

Changes in AOCI by component for the six months ended June 30, 2021 are summarized as follows, net of tax (dollars in thousands):

	Defined Benefit Plans	Derivative Instruments	Foreign Currency Translation	Total
Balance, December 31, 2020	$ (8,620)	$ (3,580)	$ 6,580	$ (5,620)
Net unrealized gains (losses) arising during the period [(a)]	—	3,330	(2,020)	1,310
Less: Net realized losses reclassified to net income [(b)]	(310)	—	—	(310)
Net current-period other comprehensive income (loss)	310	3,330	(2,020)	1,620
Balance, June 30, 2021	$ (8,310)	$ (250)	$ 4,560	$ (4,000)

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(a) Derivative instruments, net of income tax of approximately $1.1 million. See Note 10, "*Derivative Instruments*," for further details.

(b) Defined benefit plans, net of income tax of approximately $0.1 million. See Note 17, "*Defined Benefit Plans*," for further details.

Changes in AOCI by component for the six months ended June 30, 2020 are summarized as follows, net of tax (dollars in thousands):

	Defined Benefit Plans	Derivative Instruments	Foreign Currency Translation	Total
Balance, December 31, 2019	$ (9,930)	$ 4,230	$ (300)	$ (6,000)
Net unrealized gains (losses) arising during the period [(a)]	—	2,300	(6,950)	(4,650)
Less: Net realized losses reclassified to net income [(b)]	(310)	—	—	(310)
Net current-period other comprehensive income (loss)	310	2,300	(6,950)	(4,340)
Balance, June 30, 2020	$ (9,620)	$ 6,530	$ (7,250)	$ (10,340)

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(a) Derivative instruments, net of income tax of approximately $0.8 million. See Note 10, "*Derivative Instruments*," for further details.

(b) Defined benefit plans, net of income tax of approximately $0.1 million. See Note 17, "*Defined Benefit Plans*," for further details.

19. Income Taxes

The effective income tax rate for the three months ended June 30, 2021 and 2020 was (0.3)% and 26.1%, respectively. The rate for the three months ended June 30, 2021 is lower than in the prior year primarily as a result of the recognition of approximately $3.0 million of deferred tax benefits in Italy, the majority of which related to a reduction in deferred tax liabilities in connection with certain tax incentives.

The effective income tax rate for the six months ended June 30, 2021 and 2020 was 11.8% and 49.2%, respectively. The rate for the six months ended June 30, 2021 is lower than in the prior year primarily as a result of the recognition of approximately $3.0 million of deferred tax benefits in Italy, the majority of which related to a reduction in deferred tax liabilities in connection with certain tax incentives. The rate for the six months ended June 30, 2020 was impacted by a decrease in profitability resulting from various realignment charges as well as an expense for a change in the Company’s accounting policy for asbestos-related defense costs.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition contains forward-looking statements regarding industry outlook and our expectations regarding the performance of our business. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described under the heading "Forward-Looking Statements," at the beginning of this report. Our actual results may differ materially from those contained in or implied by any forward-looking statements. You should read the following discussion together with the Company's reports on file with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2020.

Introduction

We are a diversified manufacturer and provider of products for customers primarily in the consumer products, aerospace & defense and industrial markets. Our wide range of innovative products are designed and engineered to solve application-specific challenges that our customers face. We believe our businesses share important and distinguishing characteristics, including: well-recognized and leading brand names in the focused markets we serve; innovative product technologies and features; a high-degree of customer approved processes and qualifications; established distribution networks; relatively low ongoing capital investment requirements; strong cash flow conversion and long-term growth opportunities. While the majority of our revenue is in the United States, we manufacture and supply products globally to a wide range of companies. We report our business activity in three segments: Packaging, Aerospace and Specialty Products.

Key Factors Affecting Our Reported Results

Our businesses and results of operations depend upon general economic conditions. We serve customers in industries that are highly competitive, cyclical and that may be significantly impacted by changes in economic or geopolitical conditions.

In March 2020, the President of the United States declared the coronavirus ("COVID-19") outbreak a national emergency, as the World Health Organization determined it was a pandemic. In response to the COVID-19 pandemic, federal, provincial, state, county and local governments and public health organizations or authorities around the world implemented a variety of measures intended to control the spread of the virus, including quarantines, "shelter-in-place" or "stay-at-home" and similar orders, travel restrictions, business curtailments and closures, social distancing, personal hygiene requirements, and other measures.

We have been, and continue to be, focused on making sure the working environments for our employees are safe so our operations have the ability to deliver the products needed to support efforts to mitigate the COVID-19 pandemic. Nearly all of our manufacturing sites have been deemed essential operations and remained open during the pandemic, at varying levels of capacity and efficiency, experiencing only temporary shutdowns due to country-specific government mandates or for thorough cleaning as a result of suspected COVID-19 cases. The health of our employees, and the ability of our facilities to remain operational in the current regulated environment, will be critical to our future results of operations.

Our divisions were impacted in 2020 at differing levels and times, beginning with our Asian facilities and strategic supply network, both primarily in China, in late January, followed by our European (primarily Italy) and North American facilities in February and March. We implemented new work rules and processes, which promote social distancing and increased hygiene to ensure the safety of our employees, particularly at our production facilities. These measures, while not easily quantifiable, have increased the level of manufacturing inefficiencies due to elevated levels of absenteeism, resulting in less efficient production scheduling and, in certain cases, short-term idling of production. We expect that we will continue to operate with these protocols in place, which have impacted our results since early 2020.

Overall, our second quarter 2021 net sales increased approximately $19.4 million, or 9.7%, compared to second quarter 2020, primarily as a result of acquisitions in our Packaging segment and as a result of increased industrial demand in our Specialty Products segment. Sales in our Packaging segment related to dispensing and closure products we supply that are used in applications to fight the spread of germs continue at very high levels, but, as expected, lower than second quarter 2020 levels when there was a significant spike in demand at the onset of the pandemic.

The most significant drivers affecting our results of operations and our financial position in second quarter 2021 compared with second quarter 2020, other than as directly impacted by demand level changes as a result of the COVID-19 pandemic, were a change in accounting policy for asbestos-related defense costs in second quarter 2020, the refinancing of our long-term debt agreements in 2021, the impact of our recent acquisitions, increases in the cost of certain raw materials, our realignment actions, and a decrease in our effective tax rate primarily as a result of the recognition of deferred tax benefits in Italy.

In second quarter 2020, we elected to change our accounting policy for asbestos-related defense costs from accruing for probable and reasonably estimable defense costs associated with known claims expected to settle to accruing for all future defense costs for both known and unknown claims, which we now believe can be reasonably estimated. This accounting change has been reflected as a change in accounting estimate effected by a change in accounting principle. We recorded a non-cash, pre-tax charge for asbestos-related costs of approximately $23.4 million in the three months ended June 30, 2020, which is included in selling, general and administrative expenses.

In March 2021, we refinanced our long-term debt, issuing $400 million principal amount of 4.125% senior unsecured notes due April 15, 2029 ("2029 Senior Notes") at par value in a private placement offering, and amending our existing credit agreement ("Credit Agreement"), extending the maturity to March 2026. We used the proceeds from the 2029 Senior Notes offering to pay fees and expenses of approximately $5.1 million related to the offering and approximately $1.1 million related to amending the Credit Agreement. The remaining cash proceeds from the 2029 Senior Notes were used for general corporate purposes, including repaying all outstanding revolving credit facility borrowings. In April 2021, we completed the refinancing, redeeming all of our outstanding senior notes due October 2025 ("2025 Senior Notes"), paying cash for the entire $300.0 million outstanding principal amount plus $7.3 million as a redemption premium. The $5.1 million of fees and expenses related to the 2029 Senior Notes were capitalized as debt issuance costs, while the $7.3 million redemption premium as well as approximately $3.0 million of unamortized debt issuance costs associated with the 2025 Senior Notes were expensed in the second quarter of 2021.

In December 2020, we completed the acquisition of Affaba & Ferrari Srl ("Affaba & Ferrari"), which specializes in the design, development and manufacture of precision caps and closures for food & beverage and industrial product applications, for an aggregate amount of approximately $98.4 million, net of cash acquired, subject to normal course adjustments, which are expected to be completed in third quarter 2021. Affaba & Ferrari, which is reported in the Company's Packaging segment, operates out of a highly automated manufacturing facility and support office located in Borgo San Giovanni, Italy. Affaba & Ferrari contributed approximately $9.9 million of net sales during second quarter 2021.

In first quarter 2021, we began experiencing an increase in material costs compared with 2020 levels, primarily for resin-based raw materials and components, as well as for certain types of steel. These material costs further increased during second quarter 2021. We have escalator/de-escalator clauses in our commercial contracts with certain of our customers, or can modify prices based on market conditions, and we have been taking actions to recover the increased cost of raw materials. We estimate that due to the lag in timing between incurring the cost increases and recovering via commercial actions, our operating profit was negatively impacted by approximately $4 million and $6 million in the three and six months ended June 30, 2021, respectively, compared with 2020, primarily in our Packaging segment.

Since second quarter 2020, we have been executing certain realignment actions in response to reductions in current and expected future end market demand following the onset of the COVID-19 pandemic. In second quarter 2021, we continued our facility consolidation initiatives within our Packaging and Aerospace segments and also reorganized our corporate office finance group. As a result of these realignment efforts, we recorded pre-tax facility consolidation and employee separation costs of approximately $0.7 million and $3.5 million, respectively, during second quarter 2021. In second quarter 2020, we recorded non-cash charges of approximately $13.2 million related to inventory reductions, primarily as a result of a strategic decision in our Arrow Engine division to streamline its product line offering. We also recorded charges of approximately $2.2 million related to certain production equipment removed from service given reduced demand levels and reduced our employment levels given lower customer demand, incurring approximately $3.1 million in severance charges.

Our effective tax rate in second quarter 2021 was (0.3)%, compared to 26.1% in second quarter of 2020. The rate for the second quarter 2021 is lower than in the prior year primarily as a result of the recognition of approximately $3.0 million of deferred tax benefits in Italy, the majority of which related to a reduction in deferred tax liabilities in connection with certain tax incentives.

Additional Key Risks that May Affect Our Reported Results

We expect the COVID-19 pandemic will continue to impact us in the future at varying degrees. We expect the robust customer demand, compared with pre-pandemic demand levels, for our Packaging segment's dispensing pumps and closure products used in personal care and home care applications will continue, as we believe there is a positive secular trend focused on consumers' desire to stop the spread of germs and improve personal hygiene. We are actively collaborating with our customers and strategic supply partners to manage production capacity and supply chain availability as efficiently as possible. Industrial demand in North America was lower in 2020 compared to previous levels, and while demand levels increased in second quarter 2021, we are uncertain how and at what level demand will be impacted as governmental, travel or other restrictions are lifted, particularly in North America, where orders for our industrial cylinders, for example, are heavily influenced by the levels of construction and HVAC activity. We expect the aerospace market to continue to experience severe dislocation going forward, as except for the significant stocking order for certain of our products received during 2021, our sales levels would be significantly lower than historical levels. With the current travel restrictions and significant drop in passenger miles, aircraft manufacturers have slowed production, and since second quarter 2020 we have experienced a significant drop in aerospace-related sales related to new commercial airplane builds compared to prior levels. We expect, except as favorably impacted by the customer stocking orders in 2021, lower levels of sales and related production to continue for the foreseeable future.

We have executed significant realignment actions since the onset of the COVID-19 pandemic, primarily in our Aerospace and Specialty Products segments, and also in certain Packaging product areas where demand has fallen, such as in the quick service and restaurant applications, to protect against the uncertain end market demand. We will continue to assess further actions if required. However, as a result of the COVID-19 pandemic's impact on global economic activity, and the continued potential impact to our future results of operations, as well if there is an impact to TriMas' market capitalization, we may record additional cash and non-cash charges related to incremental realignment actions, as well as for uncollectible customer account balances, excess inventory and idle production equipment.

Despite the potential decline in future demand levels and results of operations as a result of the COVID-19 pandemic, at present, we believe our capital structure is in a solid position, even more so following our 2021 debt refinancing. We have ample cash and available liquidity under our revolving credit facility to meet our debt service obligations, capital expenditure requirements and other short-term and long-term obligations for the foreseeable future.

The extent of the COVID-19 pandemic's effect on our operational and financial performance will depend in large part on future developments, which cannot be predicted with confidence at this time. Future developments include the duration, scope and severity of the COVID-19 pandemic, the actions taken to contain or mitigate its impact, timing of widespread vaccine availability, and the resumption of normalized global economic activity. Due to the inherent uncertainty of the unprecedented and rapidly evolving situation, we are unable to predict with any confidence the likely impact of the COVID-19 pandemic on our future operations.

Beyond the unique risks presented by the COVID-19 pandemic, other critical factors affecting our ability to succeed include: our ability to create organic growth through product development, cross-selling and extending product-line offerings, and our ability to quickly and cost-effectively introduce and successfully launch new products; our ability to acquire and integrate companies or products that supplement existing product lines, add new distribution channels or customers, expand our geographic coverage or enable better absorption of overhead costs; our ability to manage our cost structure more efficiently via supply base management, internal sourcing and/or purchasing of materials, selective outsourcing and/or purchasing of support functions, working capital management, and greater leverage of our administrative functions.

Our overall business does not experience significant seasonal fluctuation, other than our fourth quarter, which has tended to be the lowest net sales quarter of the year due to holiday shutdowns at certain customers or other customers deferring capital spending to the following year. Given the short-cycle nature of most of our businesses, we do not consider sales order backlog to be a material factor. A growing amount of our sales is derived from international sources, which exposes us to certain risks, including currency risks.

We are sensitive to price movements and availability of our raw materials supply. Our largest raw material purchases are for resins (such as polypropylene and polyethylene), steel, aluminum and other oil and metal-based purchased components. In addition to the factors affecting our second quarter 2021 results, there has been some volatility over the past two years as a direct and indirect result of foreign trade policy, where tariffs on certain of our commodity-based products sourced from Asia have been instituted, and certain North American suppliers have opportunistically increased their prices. We will continue to take actions, to mitigate such increases, including implementing commercial pricing adjustments, resourcing to alternate suppliers and insourcing of previously sourced products to better leverage our global manufacturing footprint. Although we believe we are generally able to mitigate the impact of higher commodity costs over time, we may experience additional material costs and disruptions in supply in the future and may not be able to pass along higher costs to our customers in the form of price increases or otherwise mitigate the impacts to our operating results.

Although we have escalator/de-escalator clauses in commercial contracts with certain of our customers, or can modify prices based on market conditions to recover higher costs, our price increases generally lag the underlying material cost increase, and we cannot be assured of full cost recovery in the open market.

Our Arrow Engine business in our Specialty Products segment is sensitive to the demand for natural gas and crude oil in North America. For example, demand for engine, pump jack and compressor products are impacted by active oil and gas rig counts and wellhead investment activities. Separately, oil-based commodity costs are a significant driver of raw materials and purchased components used within our Packaging segment.

Each year, as a core tenet of the TriMas Business Model, our businesses target cost savings from Kaizen and continuous improvement initiatives in an effort to reduce, or otherwise offset, the impact of increased input and conversion costs through increased throughput and yield rates, with a goal of at least covering inflationary and market cost increases. In addition, we continuously review our operating cost structures to ensure alignment with current market demand.

We continue to evaluate alternatives to redeploy the cash generated by our businesses, one of which includes returning capital to our shareholders. In 2020, our Board of Directors increased the authorization of share repurchases to a cumulative amount of $250 million. During second quarter 2021, we purchased 358,047 shares of our outstanding common stock for approximately $11.6 million. As of June 30, 2021, we had approximately $147.5 million remaining under the repurchase authorization. We will continue to evaluate opportunities to return capital to shareholders through the purchase of our common stock, depending on market conditions and other factors.

Segment Information and Supplemental Analysis

The following table summarizes financial information for our reportable segments for the three months ended June 30, 2021 and 2020 (dollars in thousands):

	Three months ended June 30,			
	2021	As a Percentage of Net Sales	2020	As a Percentage of Net Sales
Net Sales				
Packaging	$ 139,630	63.8 %	$ 128,830	64.6 %
Aerospace	44,560	20.3 %	42,610	21.3 %
Specialty Products	34,800	15.9 %	28,110	14.1 %
Total	$ 218,990	100.0 %	$ 199,550	100.0 %
Gross Profit (Loss)				
Packaging	$ 40,490	29.0 %	$ 37,850	29.4 %
Aerospace	9,310	20.9 %	2,670	6.3 %
Specialty Products	8,230	23.6 %	(3,290)	(11.7)%
Total	$ 58,030	26.5 %	$ 37,230	18.7 %
Selling, General and Administrative Expenses				
Packaging	$ 12,640	9.1 %	$ 13,810	10.7 %
Aerospace	7,190	16.1 %	6,880	16.1 %
Specialty Products	2,220	6.4 %	2,650	9.4 %
Corporate	10,410	N/A	32,040	N/A
Total	$ 32,460	14.8 %	$ 55,380	27.8 %
Operating Profit (Loss)				
Packaging	$ 27,850	19.9 %	$ 24,040	18.7 %
Aerospace	2,120	4.8 %	(4,210)	(9.9)%
Specialty Products	6,010	17.3 %	(5,940)	(21.1)%
Corporate	(10,410)	N/A	(32,040)	N/A
Total	$ 25,570	11.7 %	$ (18,150)	(9.1)%
Depreciation				
Packaging	$ 5,230	3.7 %	$ 5,050	3.9 %
Aerospace	1,810	4.1 %	2,070	4.9 %
Specialty Products	910	2.6 %	960	3.4 %
Corporate	30	N/A	30	N/A
Total	$ 7,980	3.6 %	$ 8,110	4.1 %
Amortization				
Packaging	$ 2,400	1.7 %	$ 2,320	1.8 %
Aerospace	2,880	6.5 %	2,860	6.7 %
Specialty Products	110	0.3 %	120	0.4 %
Corporate	—	N/A	—	N/A
Total	$ 5,390	2.5 %	$ 5,300	2.7 %

The following table summarizes financial information for our reportable segments for the six months ended June 30, 2021 and 2020 (dollars in thousands):

	Six months ended June 30,			
	2021	As a Percentage of Net Sales	2020	As a Percentage of Net Sales
Net Sales				
Packaging	271,720	63.8 %	228,880	59.9 %
Aerospace	89,170	21.0 %	91,530	23.9 %
Specialty Products	64,830	15.2 %	61,930	16.2 %
Total	$ 425,720	100.0 %	$ 382,340	100.0 %
Gross Profit				
Packaging	74,360	27.4 %	66,530	29.1 %
Aerospace	20,280	22.7 %	14,580	15.9 %
Specialty Products	14,720	22.7 %	2,490	4.0 %
Total	$ 109,360	25.7 %	$ 83,600	21.9 %
Selling, General and Administrative Expenses				
Packaging	25,210	9.3 %	24,210	10.6 %
Aerospace	13,660	15.3 %	13,710	15.0 %
Specialty Products	4,190	6.5 %	5,000	8.1 %
Corporate	19,620	N/A	39,000	N/A
Total	$ 62,680	14.7 %	$ 81,920	21.4 %
Operating Profit (Loss)				
Packaging	49,150	18.1 %	42,320	18.5 %
Aerospace	6,620	7.4 %	870	1.0 %
Specialty Products	10,530	16.2 %	(2,510)	(4.1)%
Corporate	(19,620)	N/A	(39,000)	N/A
Total	$ 46,680	11.0 %	$ 1,680	0.4 %
Depreciation				
Packaging	10,400	3.8 %	9,140	4.0 %
Aerospace	3,590	4.0 %	3,760	4.1 %
Specialty Products	1,780	2.7 %	1,800	2.9 %
Corporate	60	N/A	70	N/A
Total	$ 15,830	3.7 %	$ 14,770	3.9 %
Amortization				
Packaging	4,800	1.8 %	4,650	2.0 %
Aerospace	5,760	6.5 %	5,260	5.7 %
Specialty Products	220	0.3 %	240	0.4 %
Corporate	—	N/A	—	N/A
Total	$ 10,780	2.5 %	$ 10,150	2.7 %

Results of Operations

The principal factors impacting us during the three months ended June 30, 2021, compared with the three months ended June 30, 2020, were:

- the impact on global business activity of the COVID-19 pandemic;
- a change in our accounting policy for asbestos-related defense costs in second quarter 2020;
- the impact of our debt refinancing activities;
- the impact of our recent acquisitions, primarily Affaba & Ferrari in December 2020;
- the impact of material cost increases, primarily resin-related;
- the impact of our realignment actions; and
- a decrease in our effective tax rate from the recognition of certain discrete tax items in second quarter 2021.

Three Months Ended June 30, 2021 Compared with Three Months Ended June 30, 2020

Overall, net sales increased approximately $19.4 million, or 9.7%, to $219.0 million for the three months ended June 30, 2021, as compared with $199.6 million in the three months ended June 30, 2020. Our acquisitions added approximately $9.9 million of sales. Organic sales, excluding the impact of currency exchange and acquisitions, increased approximately $4.9 million, as increases in our Aerospace and Specialty Products segments were partially offset by the expected decline in organic sales in our Packaging segment as the high demand levels for products that help fight the spread of germs decreased compared with the record-high levels in prior year. In addition, net sales increased by approximately $4.6 million due to currency exchange, as our reported results in U.S. dollars were favorably impacted as a result of a weakening U.S. dollar relative to foreign currencies.

Gross profit margin (gross profit as a percentage of sales) approximated 26.5% and 18.7% for the three months ended June 30, 2021 and 2020, respectively. Gross profit margin increased primarily due to the impact of higher realignment costs of $15.1 million in the second quarter of 2020 as compared to 2021, the impact of a non-cash purchase accounting charge in the second quarter of 2020 that did not repeat in 2021, as well as favorable foreign currency exchange. These increases were partially offset by an increase in material costs in the second quarter of 2021, primarily for resin-based materials. We estimate that due to the lag in timing between incurring the material cost increases and recovering via commercial actions, our gross profit was negatively impacted by approximately $4 million.

Operating profit (loss) margin (operating profit as a percentage of sales) approximated 11.7% and (9.1)% for the three months ended June 30, 2021 and 2020, respectively. Operating profit (loss) increased approximately $43.7 million to an operating profit of approximately $25.6 million in the three months ended June 30, 2021, from an operating loss of approximately $18.2 million for the three months ended June 30, 2020. Operating profit margin and dollars increased primarily as a result of a non-cash, pre-tax charge for asbestos-related costs of approximately $23.4 million in the second quarter of 2020 due to a change in accounting policy that did not repeat in 2021, as well as due to higher realignment costs of $14.3 million in the second quarter of 2020 as compared to 2021 and higher sales levels. These increases were partially offset by an increase in material costs.

Interest expense decreased approximately $0.1 million, to $4.1 million, for the three months ended June 30, 2021, as compared to approximately $4.2 million for the three months ended June 30, 2020, respectively, as lower weighted average borrowings more than offset an increase in our interest rates.

We incurred approximately $10.3 million of debt financing and related expense for the three months ended June 30, 2021 related to expenses incurred associated with the redemption of our 2025 Senior Notes.

Other income decreased approximately $0.5 million to approximately $0.7 million for the three months ended June 30, 2021, as compared to approximately $1.1 million for the three months ended June 30, 2020, primarily due to a decrease in foreign currency gains.

The effective income tax rate for the three months ended June 30, 2021 and 2020 was (0.3)% and 26.1%, respectively. We recorded nominal income tax benefit for the three months ended June 30, 2021 as compared to approximately $5.6 million for the three months ended June 30, 2020. The rate for the three months ended June 30, 2021 is lower than in the prior year primarily as a result of the recognition of approximately $3.0 million of deferred tax benefits in Italy, the majority of which related to a reduction in deferred tax liabilities in connection with certain tax incentives.

Net income (loss) increased approximately $27.5 million, to net income of $11.8 million for the three months ended June 30, 2021, as compared to a net loss of $15.7 million for the three months ended June 30, 2020. The increase was primarily the result of an increase in operating profit (loss) of approximately $43.7 million, partially offset by debt financing and related expenses of approximately $10.3 million, a decrease in the income tax benefit of approximately $5.5 million and a decrease in other income of approximately $0.5 million.

See below for a discussion of operating results by segment.

Packaging. Net sales increased approximately $10.8 million, or 8.4%, to $139.6 million in the three months ended June 30, 2021, as compared to $128.8 million in the three months ended June 30, 2020. Affaba & Ferrari, acquired in December 2020, contributed approximately $9.9 million of sales in the second quarter of 2021. Sales of dispensing products used in applications that help fight the spread of germs decreased by approximately $4.7 million, as demand in the second quarter of 2021, while still above historical levels, was lower than demand in second quarter 2020, which we believe was at peak levels following the onset of the COVID-19 pandemic. Net sales also increased by approximately $4.6 million due to currency exchange, as our reported results in U.S. dollars were favorably impacted as a result of the weakening U.S. dollar relative to foreign currencies.

Gross profit increased approximately $2.6 million to $40.5 million, or 29.0% of sales, in the three months ended June 30, 2021, as compared to $37.9 million, or 29.4% of sales, in the three months ended June 30, 2020, primarily due to increased sales levels and approximately $1.5 million of currency exchange, as our reported results in U.S. dollars were favorably impacted as a result of the weakening U.S. dollar relative to foreign currencies. During the second quarter of 2021, we recognized approximately $0.3 million of realignment costs primarily related to the closure of our Union City, California manufacturing facility and consolidation into our Indianapolis, Indiana and Woodridge, Illinois facilities as compared to $0.9 million of realignment costs in the second quarter of 2020, primarily related to the disposal of certain equipment removed from service. In addition, we recognized an approximate $0.8 million purchase accounting non-cash charge related to our 2020 acquisition of Rapak for the step-up of inventory to fair value and subsequent amortization during the three months ended June 30, 2020 that did not repeat in 2021. These increases were partially offset by approximately $4 million of higher material costs (primarily resin) than were recovered via sales price increases in the second quarter of 2021, and a less favorable product sales mix.

Selling, general and administrative expenses decreased approximately $1.2 million to $12.6 million, or 9.1% of sales, in the three months ended June 30, 2021, as compared to $13.8 million, or 10.7% of sales, in the three months ended June 30, 2020, due to approximately $1.4 million in charges associated with second quarter 2020 realignment actions, primarily for severance, that did not repeat in 2021.

Operating profit increased approximately $3.8 million to $27.9 million, or 19.9% of sales, in the three months ended June 30, 2021, as compared to $24.0 million, or 18.7% of sales, in the three months ended June 30, 2020, primarily due to higher sales levels, favorable currency exchange, lower realignment costs, and the impact of purchase accounting adjustments in the second quarter of 2020 that did not repeat in 2021. These increases were partially offset by the impact of higher material costs and a less favorable product sales mix.

Aerospace. Net sales for the three months ended June 30, 2021 increased approximately $2.0 million, or 4.6%, to $44.6 million, as compared to $42.6 million in the three months ended June 30, 2020. Sales of our engineered components increased by approximately $1.1 million primarily due to timing of end market demand. Sales of our fasteners products increased by approximately $0.9 million, as the impact of stocking orders for specialized fasteners of approximately $7.9 million was mostly offset by a decline in overall market-related demand resulting from current and expected future reduced air travel due to the COVID-19 pandemic.

Gross profit increased approximately $6.6 million to $9.3 million, or 20.9% of sales, in the three months ended June 30, 2021, from $2.7 million, or 6.3% of sales, in the three months ended June 30, 2020, due primarily to realignment actions taken in the second quarter of 2020 to protect against uncertain end market demand and other adverse effects following the outbreak of the COVID-19 pandemic, resulting in charges of approximately $4.2 million related to inventory reductions, approximately $1.7 million related to severance and approximately $0.3 million related to production equipment removed from service. Gross profit also improved due to a more favorable product sales mix and the impact of an approximate $1.5 million purchase accounting non-cash charge related to our 2020 acquisition of RSA Engineered Products ("RSA") for the step-up of inventory to fair value and subsequent amortization during the three months ended June 30, 2020 that did not repeat in 2021. Partially offsetting these year-over-year improvements was a decline in gross profit due to lower absorption of fixed costs and production inefficiencies driven by the COVID-19 pandemic, as well as approximately $0.6 million of realignment actions taken related to facility consolidations.

Selling, general and administrative expenses increased approximately $0.3 million to approximately $7.2 million, or 16.1% of sales, in the three months ended June 30, 2021, as compared to $6.9 million, or 16.1% of sales, in the three months ended June 30, 2020, primarily due to higher third party expenses.

Operating profit (loss) increased approximately $6.3 million to an operating profit of approximately $2.1 million, or 4.8% of sales, in the three months ended June 30, 2021, as compared to an operating loss of $4.2 million, or 9.9% of sales, in the three months ended June 30, 2020, primarily due to lower year-over-year realignment charges, a more favorable product sales mix and the recognition of a purchase accounting adjustment related to RSA's step-up to fair value and subsequent amortization during the second quarter of 2020 that did not repeat in 2021, partially offset by lower absorption of fixed costs, production inefficiencies and higher selling, general and administrative expenses.

Specialty Products. Net sales for the three months ended June 30, 2021 increased approximately $6.7 million, or 23.8%, to $34.8 million, as compared to $28.1 million in the three months ended June 30, 2020. Sales of our cylinder products increased approximately $5.0 million, due to higher demand for steel cylinders in North America as industrial activity begins to increase following the previous lower levels a year ago as a result of the COVID-19 pandemic. Sales of engines, compressors and related parts used in upstream oil and gas applications increased by approximately $1.7 million, primarily as a result of higher oil-field activity in North America. The second quarter of 2020 included approximately $0.7 million of sales related to the liquidation of non-core inventory following our strategic decision to streamline Arrow Engine's product line offering.

Gross profit increased approximately $11.5 million to $8.2 million, or 23.6% of sales, in the three months ended June 30, 2021, as compared to $3.3 million, or 11.7% of sales, in the three months ended June 30, 2020. During the second quarter of 2020, we executed certain realignment actions in response to reduced end market demand as a result of the COVID-19 pandemic, resulting in approximately $9.0 million of non-cash charges, primarily related to Arrow Engine streamlining its product line offering and liquidating the non-core inventory, which did not repeat in 2021. In addition, gross profit increased in the second quarter of 2021 due to higher sales levels, while margins further improved due to favorable product sales mix and leveraging the previous realignment actions.

Selling, general and administrative expenses decreased approximately $0.4 million to $2.2 million, or 6.4% of sales, in the three months ended June 30, 2021, as compared to $2.7 million, or 9.4% of sales, in the three months ended June 30, 2020, as we incurred selling, general and administrative realignment expenses of approximately $0.7 million in the second quarter of 2020 related to severance as we reduced our employment levels.

Operating profit (loss) increased approximately $12.0 million to an operating profit of $6.0 million, or 17.3% of sales, in the three months ended June 30, 2021, as compared to an operating loss of $5.9 million, or 21.1% of sales, in the three months ended June 30, 2020, primarily due to the impact of the second quarter 2020 realignment costs that did not repeat in 2021, as well as higher sales and related profit conversion leveraging the 2020 realignment actions.

Corporate. Corporate expenses consist of the following (dollars in millions):

	Three months ended June 30,	
	2021	2020
Corporate operating expenses	$ 6.6	$ 5.6
Non-cash stock compensation	3.3	2.8
Legacy expenses	0.5	23.6
Corporate expenses	$ 10.4	$ 32.0

Corporate expenses decreased approximately $21.6 million to approximately $10.4 million for the three months ended June 30, 2021, from approximately $32.0 million for the three months ended June 30, 2020, primarily as a result of the $23.4 million non-cash charge recorded in second quarter 2020 due to the change of our accounting policy for asbestos-related defense costs. Corporate operating expenses increased primarily as a result of realignment charges recorded in the second quarter 2021 relating to the corporate office finance group reorganization.

Six Months Ended June 30, 2021 Compared with Six Months Ended June 30, 2020

Overall, net sales increased approximately $43.4 million, or 11.3%, to $425.7 million for the six months ended June 30, 2021, as compared with $382.3 million in the six months ended June 30, 2020, primarily as a result of acquisitions, which added approximately $27.6 million of sales. Organic sales, excluding the impact of currency exchange and acquisitions, increased approximately $8.4 million, as a sales increase of $12.1 million in our Packaging segment, primarily for dispensing products used in applications that help fight the spread of germs, and an increase of $2.9 million in our Specialty Products segment, primarily for steel cylinders used in industrial applications in North America, were partially offset by $6.6 million lower sales in our Aerospace segment, primarily due to lower demand as a result of the COVID-19 pandemic. In addition, net sales increased by approximately $7.4 million due to currency exchange, as our reported results in U.S. dollars were favorably impacted as a result of a weakening U.S. dollar relative to foreign currencies.

Gross profit margin (gross profit as a percentage of sales) approximated 25.7% and 21.9% for the six months ended June 30, 2021 and 2020, respectively. Gross profit margin increased primarily due to the impact of higher realignment costs of $13.3 million in the first half of 2020 as compared to 2021, the impact of non-cash purchase accounting charges in the first half of 2020 that did not repeat in 2021, as well as favorable foreign currency exchange. This increase was partially offset by an increase in material costs in the first half of 2021, primarily for resin-based materials. We estimate that due to the lag in timing between incurring the material cost increases and recovering via commercial actions, our gross profit was negatively impacted by approximately $6 million.

Operating profit margin (operating profit as a percentage of sales) approximated 11.0% and 0.4% for the six months ended June 30, 2021 and 2020, respectively. Operating profit increased approximately $45.0 million, to $46.7 million for the six months ended June 30, 2021, compared to $1.7 million for the six months ended June 30, 2020. Operating profit margin and dollars increased primarily as a result of a non-cash, pre-tax charge for asbestos-related costs of approximately $23.4 million in the second quarter of 2020 due to a change in accounting policy that did not repeat in 2021, as well as due to higher realignment costs of $10.3 million in the second quarter of 2020 as compared to 2021 and higher sales levels. These increases were partially offset by an increase in material costs.

Interest expense decreased approximately $0.1 million, to $7.7 million, for the six months ended June 30, 2021, as compared to $7.8 million for the six months ended June 30, 2020, as lower weighted average borrowings more than offset an increase in our interest rates. We drew $150 million on our revolving credit facility in first quarter 2020 to ensure availability of cash on hand, but subsequently repaid this amount late in second quarter 2020.

We incurred approximately $10.5 million of debt financing and related expense for the six months ended June 30, 2021, of which approximately $10.3 million was related to expenses incurred associated with the redemption of our 2025 Senior Notes and approximately $0.2 million related to the write-off of previously capitalized deferred financing fees associated with our Credit Agreement.

Other income (expense), net decreased approximately $1.3 million, to $0.3 million of other expense for the six months ended June 30, 2021, from $1.1 million of other income, net for the six months ended June 30, 2020, primarily due to a year-over-year increase in losses on transactions denominated in foreign currencies.

The effective income tax rate for the six months ended June 30, 2021 and 2020 was 11.8% and 49.2%, respectively. We recorded tax expense of approximately $3.3 million for the six months ended June 30, 2021 as compared to a tax benefit of approximately $2.5 million for the six months ended June 30, 2020. The rate for the six months ended June 30, 2021 is lower than in the prior year primarily as a result of the recognition of approximately $3.0 million of deferred tax benefits in Italy, the majority of which related to a reduction in deferred tax liabilities in connection with certain tax incentives. The rate for the six months ended June 30, 2020 was impacted by a decrease in profitability resulting from various realignment charges as well as an expense for a change in the Company's accounting policy for asbestos-related defense costs.

Net income increased by approximately $27.5 million, to net income of $24.9 million for the six months ended June 30, 2021, compared to a net loss of $2.6 million for the six months ended June 30, 2020. The increase was primarily the result of an increase in operating profit of approximately $45.0 million, partially offset by debt financing and related expenses of approximately $10.5 million, an increase in the income tax benefit (expense) of approximately $5.8 million and a decrease in other income (expense) of approximately $1.3 million.

See below for a discussion of operating results by segment.

Packaging. Net sales increased approximately $42.8 million, or 18.7%, to $271.7 million in the six months ended June 30, 2021, as compared to $228.9 million in the six months ended June 30, 2020. Acquisition-related sales growth was approximately $23.3 million, comprised of $18.0 million of sales from our December 2020 acquisition of Affaba & Ferrari and $5.3 million resulting from the January through March 2021 sales of our April 2020 acquisition of Rapak. Sales of dispensing products used in beauty and personal care and home care applications that help fight the spread of germs increased by approximately $4.1 million, primarily for personal hygiene applications, as demand rose, in part, due to the COVID-19 pandemic. Sales of products used in industrial markets increased by approximately $3.2 million, primarily as a result of higher demand from the drums and metal closure markets in North America. Sales of products used in food and beverage markets increased by approximately $2.0 million, as the sub-markets in which many of these products are used, such as vending machines in exercise facilities, began to rebound from prior pandemic-related shutdowns. Net sales also increased by approximately $7.4 million due to currency exchange, as our reported results in U.S. dollars were favorably impacted as a result of the weakening U.S. dollar relative to foreign currencies.

Packaging's gross profit increased approximately $7.8 million to $74.4 million, or 27.4% of sales, in the six months ended June 30, 2021, as compared to $66.5 million, or 29.1% of sales, in the six months ended June 30, 2020, primarily due to increased sales levels and approximately $2.5 million of currency exchange, as our reported results in U.S. dollars were favorably impacted as a result of the weakening U.S. dollar relative to foreign currencies. In addition, we recognized an approximate $0.8 million purchase accounting non-cash charge related to the step-up of Rapak's inventory to fair value and subsequent amortization during the three months ended June 30, 2020 that did not repeat in 2021. These increases were partially offset by approximately $6 million of higher material costs (primarily resin) than were recovered via sales price increases in the first half of 2021. During the first half of 2021, we recognized approximately $1.6 million of realignment costs primarily related to the closure of our Union City, California manufacturing facility and consolidation into our Indianapolis, Indiana and Woodridge, Illinois facilities as compared to $0.9 million of realignment costs in the second quarter of 2020, primarily related to the disposal of certain equipment removed from service. In addition, we recognized an approximate $0.8 million purchase accounting non-cash charge related to the step-up of Affaba & Ferrari's inventory to fair value and subsequent amortization in the first half of 2021.

Packaging's selling, general and administrative expenses increased approximately $1.0 million to $25.2 million, or 9.3% of sales, in the six months ended June 30, 2021, as compared to $24.2 million, or 10.6% of sales, in the six months ended June 30, 2020, primarily due to higher ongoing selling, general and administrative costs associated with our acquisitions, partially offset by approximately $1.4 million in charges associated with first half 2020 realignment actions, primarily for severance, that did not repeat in the first half of 2021.

Packaging's operating profit increased approximately $6.8 million to $49.2 million, or 18.1% of sales, in the six months ended June 30, 2021, as compared to $42.3 million, or 18.5% of sales, in the six months ended June 30, 2020, primarily due to higher sales levels and favorable currency exchange. These increases were partially offset by the impact of higher material costs, incremental realignment charges and higher selling, general and administrative expenses.

Aerospace. Net sales for the six months ended June 30, 2021 decreased approximately $2.4 million, or 2.6%, to $89.2 million, as compared to $91.5 million in the six months ended June 30, 2020. RSA, acquired in February 2020, added approximately $4.3 million of sales for January and February 2021. While sales of our fastener products benefited from approximately $13.9 million of customers' stocking orders for specialized fasteners in the first six months of 2021, sales of our fastener and engineered components products declined by approximately $4.4 million and $2.3 million, respectively, both due to the lower demand resulting from current and expected future reduced air travel due to the COVID-19 pandemic.

Gross profit within Aerospace increased approximately $5.7 million to $20.3 million, or 22.7% of sales, in the six months ended June 30, 2021, from $14.6 million, or 15.9% of sales, in the six months ended June 30, 2020, due primarily to realignment actions taken in the second quarter of 2020 to protect against uncertain end market demand and other adverse effects following the outbreak of the COVID-19 pandemic, resulting in charges of approximately $4.2 million related to inventory reductions, approximately $1.7 million related to severance and approximately $0.3 million related to production equipment removed from service. Gross profit also improved due to a more favorable product sales mix and the impact of an approximate $2.0 million purchase accounting non-cash charge related to the step-up of RSA's inventory to fair value and subsequent amortization during the six months ended June 30, 2020 that did not repeat in 2021. Partially offsetting these improvements was a decline in gross profit due to lower absorption of fixed costs and production inefficiencies driven by the COVID-19 pandemic and by approximately $1.1 million due to realignment actions taken related to facility consolidations.

Selling, general and administrative expenses was flat at $13.7 million, or 15.3% of sales, in the six months ended June 30, 2021, as compared to $13.7 million, or 15.0% of sales, in the six months ended June 30, 2020, as the impact of higher ongoing selling, general and administrative costs associated with our acquisition of RSA was offset by cost reduction efforts to mitigate the impact of lower sales levels

Operating profit (loss) within Aerospace increased approximately $5.8 million to an operating profit of $6.6 million, or 7.4% of sales, in the six months ended June 30, 2021, as compared to an operating loss of $0.9 million, or 1.0% of sales, in the six months ended June 30, 2020, primarily due to lower realignment charges, a more favorable product sales mix and the recognition of a purchase accounting adjustment related to RSA's step-up to fair value and subsequent amortization during the first half of 2020 that did not repeat in 2021, partially offset by lower fixed cost absorption and production inefficiencies.

Specialty Products. Net sales for the six months ended June 30, 2021 increased approximately $2.9 million, or 4.7%, to $64.8 million, as compared to $61.9 million in the six months ended June 30, 2020. Sales of our cylinder products increased approximately $1.9 million, due to higher demand for steel cylinders in North America as industrial activity began to increase in second quarter 2021 following the previous lower levels in 2020 as a result of the pandemic. Sales of engines, compressors and related parts used in upstream oil and gas applications increased by approximately $1.0 million, primarily as a result of higher oil-field activity in North America. Our sales in the first six months of 2020 included approximately $0.7 million related to the liquidation of non-core inventory following our strategic decision to streamline Arrow Engine's product line offering.

Gross profit within Specialty Products increased approximately $12.2 million to $14.7 million, or 22.7% of sales, in the six months ended June 30, 2021, as compared to $2.5 million, or 4.0% of sales, in the six months ended June 30, 2020. During the six months ended June 30, 2020, we executed certain realignment actions in response to reduced end market demand as a result of the COVID-19 pandemic, resulting in approximately $9.0 million of non-cash charges, primarily related to Arrow Engine streamlining its product line offering and liquidating the non-core inventory, which did not repeat in 2021. In addition, gross profit increased in the six months ended June 30, 2021 due to higher sales levels, while margins further improved due to favorable product sales mix and leveraging the previous realignment actions.

Selling, general and administrative expenses within Specialty Products decreased approximately $0.8 million to $4.2 million, or 6.5% of sales, in the six months ended June 30, 2021, as compared to $5.0 million, or 8.1% of sales, in the six months ended June 30, 2020, as we incurred selling, general and administrative realignment expenses of approximately $0.7 million in the six months ended June 30, 2020 related to severance as we reduced our employment levels.

Operating profit (loss) within Specialty Products increased approximately $13.0 million to an operating profit of $10.5 million, or 16.2% of sales, in the six months ended June 30, 2021, as compared to an operating loss of $2.5 million of operating profit, or 4.1% of sales, in the six months ended June 30, 2020, primarily due to the impact of the first half 2020 realignment costs that did not repeat in 2021, as well as higher sales and related profit conversion leveraging the 2020 realignment actions without the need to add incremental fixed costs.

Corporate. Corporate expenses, net consist of the following (dollars in millions):

	Six months ended June 30,	
	2021	2020
Corporate operating expenses	$ 13.0	$ 10.9
Non-cash stock compensation	5.7	4.7
Legacy expenses	0.9	23.4
Corporate expenses	$ 19.6	$ 39.0

Corporate expenses decreased approximately $19.4 million to $19.6 million for the six months ended June 30, 2021, from $39.0 million for the six months ended June 30, 2020, primarily as a result of the $23.4 million non-cash charge recorded in second quarter 2020 due to the change of our accounting policy for asbestos-related defense costs. Corporate operating expenses increased primarily as a result of realignment charges related to the corporate office legal and finance groups during the first half of 2021.

Liquidity and Capital Resources

Cash Flows

Cash flows provided by operating activities were approximately $42.7 million for the six months ended June 30, 2021, as compared to approximately $30.8 million for the six months ended June 30, 2020. Significant changes in cash flows provided by operating activities and the reasons for such changes were as follows:

- For the six months ended June 30, 2021, the Company generated approximately $72.3 million of cash, based on the reported net income of approximately $24.9 million and after considering the effects of non-cash items related to depreciation, amortization, loss on dispositions of assets, changes in deferred income taxes, debt financing and related expenses, stock-based compensation and other operating activities. For the six months ended June 30, 2020, the Company generated approximately $52.1 million in cash flows based on the reported net loss of approximately $2.6 million and after considering the effects of similar non-cash items and the asbestos-related change in liability estimate.

- Increases in accounts receivable resulted in a use of cash of approximately $22.6 million and $12.3 million for the six months ended June 30, 2021 and 2020, respectively. The increased use of cash for each of the six month periods is due primarily to the timing of sales and collection of cash related thereto within the periods. Days sales outstanding of receivables remained relatively consistent during these periods.

- We increased our investment in inventory by approximately $0.9 million for the six months ended June 30, 2021 and decreased our investment in inventory by approximately $5.3 million for the six months ended June 30, 2020. Our days sales in inventory decreased by approximately ten days in 2021 through solid inventory management even as our 2021 net sales increased above 2020 levels. Our days sales in inventory also decreased by approximately ten days in 2020 compared with 2019 as a result of second quarter 2020 realignment actions to reduce inventory, primarily related to our strategic decision in our Arrow Engine division to streamline its product line offering.

- Increases in prepaid expenses and other assets resulted in a use of cash of approximately $7.4 million for the six months ended June 30, 2021. Decreases in prepaid expenses and other assets resulted in a source of cash of approximately $0.3 million for the six months ended June 30, 2020. These changes were primarily a result of the timing of payments made for income taxes and certain operating expenses.

- An increase in accounts payable and accrued liabilities resulted in a source of cash of approximately $1.4 million for the six months ended June 30, 2021, while a decrease in accounts payable and accrued liabilities resulted in a use of cash of approximately $14.5 million for the six months ended June 30, 2020. Days accounts payable on hand decreased by approximately two days in 2021 compared with a decrease of approximately nine days in 2020, primarily as we paid certain key Packaging vendors more quickly in 2020 to ensure our orders remained a top priority for them given our robust demand levels and minimal available capacity in the marketplace in 2020.

Net cash used for investing activities for the six months ended June 30, 2021 and 2020 was approximately $18.2 million and $102.3 million, respectively. During the first six months of 2021, we invested approximately $18.3 million in capital expenditures, as we continued our investment in growth, capacity and productivity-related capital projects. During the first six months of 2020, we invested approximately $9.3 million in capital expenditures and paid approximately $95.2 million, net of cash acquired, to acquire RSA and Rapak. We also received proceeds from disposition of business, property and equipment of approximately $2.1 million.

Net cash provided by financing activities for the six months ended June 30, 2021 was approximately $19.0 million, while net cash used for financing activities was approximately $35.8 million for the six months ended June 30, 2020. During the first six months of 2021, we issued $400.0 million principal amount of senior notes, made net repayments of approximately $48.6 million on our revolving credit facilities, and redeemed $300.0 million principal amount of senior notes. In connection with refinancing our long-term debt, we paid approximately $13.6 million of debt financing fees and redemption premium. We also purchased approximately $14.2 million of outstanding common stock and used a net cash amount of approximately $4.6 million related to our stock compensation arrangements. During the first six months of 2020, we borrowed approximately $1.6 million, net of repayments, on our revolving credit facilities. We also purchased approximately $31.6 million of outstanding common stock and used a net cash amount of approximately $2.6 million related to our stock compensation arrangements.

Our Debt and Other Commitments

In March 2021, we issued the 2029 Senior Notes in a private placement under Rule 144A of the Securities Act of 1933, as amended. We used the proceeds from the 2029 Senior Notes offering to pay fees and expenses of approximately $5.1 million related to the offering and pay fees and expenses of $1.1 million related to amending our Credit Agreement. In connection with the issuance, during the second quarter of 2021, we completed the redemption of our 2025 Senior Notes, paying $300.0 million to retire the outstanding principal amount plus $7.3 million as a redemption premium. The remaining cash proceeds from the 2029 Senior Notes were used for general corporate purposes, including repaying all outstanding revolving credit facility borrowings. The $5.1 million of fees and expenses related to the 2029 Senior Notes were capitalized as debt issuance costs, while the $7.3 million redemption premium as well as approximately $3.0 million of unamortized debt issuance costs associated with the 2025 Senior Notes were recorded as expense within debt financing and related expenses in the accompanying statement of operations in the six months ended June 30, 2021.

The 2029 Senior Notes accrue interest at a rate of 4.125% per annum, payable semi-annually in arrears on April 15 and October 15, commencing October 15, 2021. The payment of principal and interest is jointly and severally guaranteed, on a senior unsecured basis, by certain subsidiaries of the Company (each a "Guarantor" and collectively the "Guarantors"). The 2029 Senior Notes are *pari passu* in right of payment with all existing and future senior indebtedness and effectively subordinated to all existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness.

Prior to April 15, 2024, we may redeem up to 40% of the principal amount of the 2029 Senior Notes at a redemption price of 104.125% of the principal amount, plus accrued and unpaid interest, if any, to the redemption date, with the net cash proceeds of one or more equity offerings provided that each such redemption occurs within 90 days of the date of closing of each such equity offering. In addition, prior to April 15, 2024, we may redeem all or part of the 2029 Senior Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date, plus a "make whole" premium.

For the six months ended June 30, 2021, our consolidated subsidiaries that do not guarantee the 2029 Senior Notes represented approximately 28% of the total of guarantor and non-guarantor net sales, treating each as a consolidated group and excluding intercompany transactions between guarantor and non-guarantor subsidiaries. In addition, our non-guarantor subsidiaries represented approximately 37% and 49% of the total guarantor and non-guarantor assets and liabilities, respectively, as of June 30, 2021, treating the guarantor and non-guarantor subsidiaries each as a consolidated group.

In March 2021, we amended our Credit Agreement in connection with the issuance of the 2029 Senior Notes to extend the maturity date. We incurred fees and expenses of approximately $1.1 million related to the amendment, all of which were capitalized as debt issuance costs. We also recorded approximately $0.2 million of non-cash expense related to the write-off of previously capitalized deferred financing fees. The Credit Agreement consists of a $300.0 million senior secured revolving credit facility, which permits borrowings denominated in specific foreign currencies, subject to a $125.0 million sub limit, maturing on March 29, 2026 and is subject to interest at London Interbank Offered Rate ("LIBOR") plus 1.50%. The interest rate spread is based upon the leverage ratio, as defined, as of the most recent determination date.

The Credit Agreement provides for incremental revolving credit commitments in an amount not to exceed the greater of $200.0 million and an amount such that, after giving effect to such incremental commitments and the incurrence of any other indebtedness substantially simultaneously with the making of such commitments, the senior secured net leverage ratio, as defined in the Credit Agreement, is no greater than 3.00 to 1.00. The terms and conditions of any incremental revolving credit facility commitments must be no more favorable than the existing credit facility.

Amounts drawn under our revolving credit facility fluctuate daily based upon our working capital and other ordinary course needs. Availability under our revolving credit facility depends upon, among other things, compliance with our Credit Agreement's financial covenants. Our Credit Agreement contains various negative and affirmative covenants and other requirements affecting us and our subsidiaries, including the ability to, subject to certain exceptions and limitations, incur debt, liens, mergers, investments, loans, advances, guarantee obligations, acquisitions, asset dispositions, sale-leaseback transactions, hedging agreements, dividends and other restricted payments, transactions with affiliates, restrictive agreements and amendments to charters, bylaws, and other material documents. The terms of our Credit Agreement require us and our subsidiaries to meet certain restrictive financial covenants and ratios computed quarterly, including a maximum total net leverage ratio (total consolidated indebtedness plus outstanding amounts under the accounts receivable securitization facility, less the aggregate amount of certain unrestricted cash and unrestricted permitted investments, as defined, over consolidated EBITDA, as defined), a maximum senior secured net leverage ratio (total consolidated senior secured indebtedness, less the aggregate amount of certain unrestricted cash and unrestricted permitted investments, as defined, over consolidated EBITDA, as defined) and a minimum interest expense coverage ratio (consolidated EBITDA, as defined, over the sum of consolidated cash interest expense, as defined, and preferred dividends, as defined). Our permitted total net leverage ratio under the Credit Agreement is 4.00 to 1.00 as of June 30, 2021. If we were to complete an acquisition which qualifies for a Covenant Holiday Period, as defined in our Credit Agreement, then our permitted total net leverage ratio cannot exceed 4.50 to 1.00 during that period. Our actual total net leverage ratio was 1.79 to 1.00 at June 30, 2021. Our permitted interest expense coverage ratio under the Credit Agreement is 3.00 to 1.00 as of June 30, 2021. Our actual interest expense coverage ratio was 12.83 to 1.00 at June 30, 2021. At June 30, 2021, we were in compliance with our financial covenants.

The following is a reconciliation of net income, as reported, which is a GAAP measure of our operating results, to Consolidated Bank EBITDA, as defined in our Credit Agreement, for the twelve months ended June 30, 2021 (dollars in thousands). We present Consolidated Bank EBITDA to show our performance under our financial covenants.

	Twelve Months Ended June 30, 2021
Net loss	$ (52,280)
Bank stipulated adjustments:	
Interest expense	14,520
Income tax expense	(17,370)
Depreciation and amortization	51,460
Impairment charges and asset write-offs	134,600
Non-cash compensation expense(1)	9,150
Non-cash charges for deferred tax asset valuation allowances	250
Other non-cash expenses or losses	1,880
Non-recurring expenses or costs(2)	14,780
Extraordinary, non-recurring or unusual gains or losses	4,150
Effects of purchase accounting adjustments	830
Business and asset dispositions	540
Net losses on early extinguishment of debt	3,000
Permitted acquisitions	3,500
Currency gains and losses	980
Consolidated Bank EBITDA, as defined	$ 169,990

	June 30, 2021
Total Indebtedness, as defined	$ 303,750
Consolidated Bank EBITDA, as defined	169,990
Total net leverage ratio	1.79 x
Covenant requirement	4.00 x

	Twelve Months Ended June 30, 2021
Interest expense	$ 14,520
Bank stipulated adjustments:	
Interest income	(180)
Non-cash amounts attributable to amortization of financing costs	(1,090)
Total Consolidated Cash Interest Expense, as defined	$ 13,250

		June 30, 2021	
Consolidated Bank EBITDA, as defined	$	169,990	
Total Consolidated Cash Interest Expense, as defined		13,250	
Actual interest expense coverage ratio		12.83	x
Covenant requirement		3.00	x

(1) Non-cash compensation expenses resulting from the grant of equity awards.

(2) Non-recurring costs and expenses relating to diligence and transaction costs, purchase accounting costs, severance, relocation, restructuring and curtailment expenses.

Our revolving credit facility allows for the issuance of letters of credit, not to exceed $40.0 million in aggregate. We placed restricted cash on deposit with a financial institution to be held as cash collateral for our outstanding letters of credit; therefore, as of June 30, 2021 and December 31, 2020, we had no letters of credit issued against our revolving credit facility. At June 30, 2021, we had no amounts outstanding under our revolving credit facility and had approximately $300.0 million available after giving effect to letters of credit issued and outstanding. At December 31, 2020, we had $50.5 million amounts outstanding under our revolving credit facility and had approximately $249.5 million available after giving effect to letters of credit issued and outstanding. Our letters of credit, or corresponding restricted cash deposits, are used for a variety of purposes, including support of certain operating lease agreements, vendor payment terms and other subsidiary operating activities, and to meet various states' requirements to self-insure workers' compensation claims, including incurred but not reported claims. Our borrowing capacity was not reduced by leverage restrictions contained in the Credit Agreement as of June 30, 2021 and December 31, 2020.

We rely upon our cash flow from operations and available liquidity under our revolving credit facility to fund our debt service obligations and other contractual commitments, working capital and capital expenditure requirements. At the end of each quarter, we have historically used cash on hand from our domestic and foreign subsidiaries to pay down amounts outstanding under our revolving credit facility, as applicable.

Our weighted average borrowings during the first six months of 2021 approximated $403.7 million, compared to approximately $413.6 million during the first six months of 2020. In March 2020, we proactively drew $150 million on our revolving credit facility to ensure availability of cash on hand given the potential uncertainty surrounding the financial markets as a result of the COVID-19 pandemic. We repaid the $150 million during second quarter 2020.

In May 2021, we, through one of our non-U.S. subsidiaries, entered into a revolving loan facility with a borrowing capacity of $4 million. The facility is guaranteed by TriMas Corporation. There were no borrowings on this loan facility during the three months ended June 30, 2021.

Cash management related to our revolving credit facility is centralized. We monitor our cash position and available liquidity on a daily basis and forecast our cash needs on a weekly basis within the current quarter and on a monthly basis outside the current quarter over the remainder of the year. Our business and related cash forecasts are updated monthly.

In considering the economic uncertainty surrounding the potential business impacts from the COVID-19 pandemic with respect to our operations, supply chains, distribution channels, and end-market customers, we have taken certain defensive actions as we monitor our cash position and available liquidity. These actions have included suspending our repurchase of our common stock, borrowing on our revolving credit facility, tightening our capital expenditures, advanced monitoring of our accounts receivable balances and flexing cost structures of operations expected to be most impacted by COVID-19. Given strong cash generation and our current liquidity position, we have subsequently relaxed certain of these actions, choosing to further invest in capital expenditures for our businesses and resume purchasing shares of our common stock.

The majority of our cash on hand as of June 30, 2021 is located within the U.S., and given available funding under our revolving credit facility of $300.0 million at June 30, 2021 (after consideration of the aforementioned leverage restrictions) and based on forecasted cash sources and requirements inherent in our business plans, we believe that our liquidity and capital resources, including anticipated cash flows from operations, will be sufficient to meet our debt service, capital expenditure and other short-term and long-term obligations for the foreseeable future.

We are subject to variable interest rates on our revolving credit facility. At June 30, 2021, 1-Month LIBOR approximated 0.10%. At June 30, 2021, we had no amounts outstanding on our revolving credit facility and, therefore, no variable rate-based borrowings outstanding.

In addition to our long-term debt, we have other cash commitments related to leases. We account for these lease transactions as operating leases, and annual rent expense for continuing operations related thereto approximated $9.4 million in 2020. We expect leasing will continue to be an available financing option to fund future capital expenditure requirements.

In March 2020, we announced our Board of Directors had authorized us to increase the purchase of our common stock up to $250 million in the aggregate, an increase of $100 million from the prior authorization. In the three and six months ended June 30, 2021, we purchased 358,047 and 440,218 shares of our outstanding common stock for an aggregate purchase price of approximately $11.6 million and $14.2 million, respectively. Since the initial authorization through June 30, 2021 we have purchased 3,694,949 shares of our outstanding common stock for an aggregate purchase price of approximately $102.5 million. We will continue to evaluate opportunities to return capital to shareholders through the purchase of our common stock, depending on market conditions, including the potential impact of the COVID-19 pandemic, and other factors.

Market Risk

We conduct business in various locations throughout the world and are subject to market risk due to changes in the value of foreign currencies. The functional currencies of our foreign subsidiaries are primarily the local currency in the country of domicile. We manage these operating activities at the local level and revenues and costs are generally denominated in local currencies; however, results of operations and assets and liabilities reported in U.S. dollars will fluctuate with changes in exchange rates between such local currencies and the U.S. dollar.

We use derivative financial instruments to manage currency risks associated with our procurement activities denominated in currencies other than the functional currency of our subsidiaries and the impact of currency rate volatility on our earnings. As of June 30, 2021, we were party to foreign exchange forward and swap contracts to hedge changes in foreign currency exchange rates with notional amounts of approximately $126.5 million. We also use cross-currency swap agreements to mitigate currency risks associated with the net investment in certain of our foreign subsidiaries. See Note 10, "*Derivative Instruments*," included in Part 1, Item 1, "*Notes to Unaudited Consolidated Financial Statements*," within this quarterly report on Form 10-Q for additional information.

We are also subject to interest risk as it relates to our long-term debt. See Note 9, "*Long-term Debt*," included in Part 1, Item 1, "*Notes to Unaudited Consolidated Financial Statements*," within this quarterly report on Form 10-Q for additional information.

Common Stock

TriMas is listed in the NASDAQ Global Select Market. Our stock trades under the symbol "TRS."

Credit Rating

We and certain of our outstanding debt obligations are rated by Standard & Poor's and Moody's. On March 24, 2021, Moody's assigned a Ba3 rating to our 2029 Senior Notes. See Note 9, *"Long-term Debt"* included in Part I, Item 1, *"Notes to Unaudited Consolidated Financial Statements"* within this quarterly report on Form 10-Q. Moody's also affirmed a Ba2 Corporate Family Rating and maintained its outlook as stable. On March 15, 2021, Standard & Poor's assigned a BB- rating to our 2029 Senior Notes. On February 26, 2021, Standard & Poor's affirmed a BB corporate credit rating and maintained its outlook as stable. If our credit ratings were to decline, our ability to access certain financial markets may become limited, our cost of borrowings may increase, the perception of us in the view of our customers, suppliers and security holders may worsen and as a result, we may be adversely affected.

Outlook

It has now been more than one year since the onset of the COVID-19 pandemic. The pandemic has significantly affected each of our businesses and how we operate, albeit in different ways and magnitudes. Sales in our Packaging segment for dispensing and closure products we supply that are used in applications to fight the spread of germs continue to be much stronger than before the pandemic, although, as expected, have declined from peak levels in second quarter 2020 at the onset of the pandemic. Sales in our Specialty Products segment have been depressed by low levels of industrial activity in the U.S., but began to rebound in second quarter 2021. Sales in our Aerospace segment are expected to be lower than historical levels for an indefinite period as a result of low new commercial aircraft builds, but have been boosted by a customer's stocking orders during the first half of 2021.

We believe our financial results demonstrate our ability to effectively leverage our TriMas Business Model, working across our businesses with a high degree of connectivity to respond to changing market conditions, including the ongoing challenges presented by the COVID-19 pandemic. We have capitalized on opportunities where market demand was high, while also taking swift actions where market demand was sharply reduced. We have continued to take proactive realignment actions to mitigate the effects of lower demand from the pandemic as much as practical.

While we experienced increased sales levels during second quarter 2021, as compared to the same period in 2020, we believe there will be a continued period of uncertainty related to demand levels for our other products, whether it be when new aircraft builds will ramp-up that require our fasteners or engineered products or whether industrial demand will continue to improve toward pre-pandemic levels. We expect to continue to mitigate, as much as practical, the impact of low volumes in the most challenged end markets, executing realignment actions as necessary so we are positioned to gain operating leverage when these end markets recover. We believe we remain well positioned to capitalize on the recovery of the aerospace and industrial markets, as well as available market growth opportunities. We believe the continued effectiveness of vaccines, as well as continued measures intended to control the spread of the virus and future variants thereof, are among the most significant factors that could impact demand for our products.

As a result of continued uncertainties resulting from the COVID-19 pandemic, and their potential impact to our future results of operations, as well as to TriMas' market capitalization, we may record additional cash and non-cash charges related to further realignment actions, as well for uncollectible customer account balances, excess inventory and idle production equipment. At this time, we are not able to estimate the extent or amount of any such potential cash and non-cash charges.

Following the issuance of our 2029 Senior Notes and amending our Credit Agreement, we believe our capital structure remains strong and that we have sufficient headroom under our financial covenants, and ample cash and available liquidity under our revolving credit facility, to meet our debt service, capital expenditure and other short-term and long-term obligations for the foreseeable future.

We expect to continue to leverage the tenets of our TriMas Business Model to manage our multi-industry businesses and address the ongoing challenges presented by the COVID-19 pandemic, and on a longer-term basis, achieve our growth plans, execute continuous improvement initiatives to offset inflationary pressures, and seek lower-cost sources for input costs, all while continuously assessing the appropriateness of our manufacturing footprint and fixed-cost structure.

Impact of New Accounting Standards

See Note 2, "*New Accounting Pronouncements*," included in Part 1, Item 1, "*Notes to Unaudited Consolidated Financial Statements*," within this quarterly report on Form 10-Q.

Critical Accounting Policies

Certain of our accounting policies require the application of significant judgment by management in selecting the appropriate assumptions used in calculating financial estimates. By their nature, these judgments are subject to an inherent degree of uncertainty. These judgments are based on our historical experience, our evaluation of business and macroeconomic trends, and information from other outside sources, as appropriate.

During the quarter ended June 30, 2021, there were no material changes to the items that we disclosed as our critical accounting policies in Part II, Item 7, "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," in the Annual Report on Form 10-K for the year ended December 31, 2020.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

In the normal course of business, we are exposed to market risk associated with fluctuations in foreign currency exchange rates. We are also subject to interest risk as it relates to long-term debt. See Part I, Item 2, "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," for details about our primary market risks, and the objectives and strategies used to manage these risks. Also see Note 9, "*Long-term Debt*," and Note 10, "*Derivative Instruments*," in Part I, Item 1, "*Notes to Unaudited Consolidated Financial Statements*," included within this quarterly report on Form 10-Q for additional information.

Item 4. Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that the Company files or submits under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

Evaluation of disclosure controls and procedures

As of June 30, 2021, an evaluation was carried out by management, with the participation of the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act) pursuant to Rule 13a-15 of the Exchange Act. The Company's disclosure controls and procedures are designed only to provide reasonable assurance that they will meet their objectives. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that as of June 30, 2021, the Company's disclosure controls and procedures are effective to provide reasonable assurance that they would meet their objectives.

Changes in internal control over financial reporting

In response to the COVID-19 pandemic, we have required certain employees, some of whom are involved in the operation of our internal controls over financial reporting, to work from home. Despite this change, there have been no changes in the Company's internal control over financial reporting during the quarter ended June 30, 2021 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. We are continually monitoring and assessing the COVID-19 pandemic on our internal controls to minimize any impact it may have on their design and operating effectiveness.

PART II. OTHER INFORMATION

TRIMAS CORPORATION

Item 1. Legal Proceedings

See Note 13, "*Commitments and Contingencies,*" included in Part I, Item 1, "*Notes to Unaudited Consolidated Financial Statements*," within this quarterly report on Form 10-Q.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part 1, Item 1A., "*Risk Factors*," in our 2020 Annual Report on Form 10-K, which could materially affect our business, financial condition or future results. There have been no significant changes in our risk factors as disclosed in our 2020 Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information about purchases made by the Company, or on behalf of the Company by an affiliated purchaser, of shares of the Company's common stock during the three months ended June 30, 2021.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [(1)]	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program [(1)]
April 1, 2021 to April 30, 2021	52,204	$ 30.92	52,204	$ 157,453,974
May 1, 2021 to May 31, 2021	228,475	$ 32.78	228,475	$ 149,964,638
June 1, 2021 to June 30, 2021	77,368	$ 31.96	77,368	$ 147,492,131
Total	358,047	$ 32.33	358,047	$ 147,492,131

(1) In March 2020, the Company announced its Board of Directors had authorized the Company to increase the purchase of its common stock up to $250 million in the aggregate from its previous authorization of $150 million. The increased authorization includes the value of shares already purchased under the previous authorization. Pursuant to this share repurchase program, during the three months ended June 30, 2021, the Company repurchased 358,047 shares of its common stock at a cost of approximately $11.6 million. The share repurchase program is effective and has no expiration date.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

Exhibits Index:

3.1	Fourth Amended and Restated Certificate of Incorporation of TriMas Corporation (Incorporated by reference to the Exhibits filed with TriMas Corporation's Quarterly Report on Form 10-Q filed on August 3, 2007 (File No. 001-10716)).
3.2	Third Amended and Restated By-laws of TriMas Corporation (Incorporated by reference to the Exhibits filed with TriMas Corporation's Current Report on Form 8-K filed on December 18, 2015 (File No. 001-10716)).
10.1	Separation Agreement between TriMas Corporation and Robert J. Zalupski dated May 1, 2021.*
10.2	Offer Letter between TriMas Corporation and Scott Mell dated March 15, 2021.*
31.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following materials from TriMas Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021, formatted in Inline XBRL (eXtensible Business Reporting Language): (i) the Consolidated Balance Sheet, (ii) the Consolidated Statement of Operations, (iii) the Consolidated Statement of Comprehensive Income, (iv) the Consolidated Statement of Cash Flows, (v) the Consolidated Statement of Shareholders' Equity, (vi) Notes to Consolidated Financial Statements, and (vii) document and entity information.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Management contracts and compensatory plans or arrangements.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TRIMAS CORPORATION (Registrant)

			/s/ SCOTT A. MELL
Date:	July 29, 2021	By:	Scott A. Mell *Chief Financial Officer*

Exhibit 10.1

SEPARATION AGREEMENT

This Separation Agreement (this “Separation Agreement”) between TriMas Corporation (the “Company”) and Robert J. Zalupski (“you” and similar words) sets forth certain terms of your separation from the Company, including certain terms required under the Company’s Executive Severance/Change of Control Policy, effective as of March 4, 2019 (the “Severance Policy”), in order for you to receive certain separation payments and benefits, as set forth in detail below.

By signing this Separation Agreement, you and the Company agree as follows:

1. <u>Status of Employment</u>

You agree that you will no longer serve as Chief Financial Offer, effective May 1, 2021 but you will remain an employee of the Company, in an advisory role, until your termination of employment with the Company effective September 30, 2021 (the “Separation Date”). You further agree that your termination of employment on the Separation Date shall be treated as set forth in Paragraph 2 of this Separation Agreement. You also agree that, as of the Separation Date, you will terminate from all other positions you hold (if any) as an officer, employee or director of the Company and the Company’s subsidiaries and affiliates, and that you will promptly execute any documents and take any actions as may be necessary or reasonably requested by the Company to effectuate or memorialize your termination from all positions with the Company and its subsidiaries and affiliates.

2. <u>Severance Benefits</u>

In consideration for you (a) signing this Separation Agreement, and (b) signing, no earlier than the Separation Date and no later than 60 days following the Separation Date, a general waiver and release of claims, substantially in the form attached hereto as <u>Exhibit A</u> (the “Release”), and letting the Release become effective as set forth in the Release, (I) for purposes of the Severance Policy and this Separation Agreement, your separation from the Company will be deemed a termination of your employment by the Company without Cause (as defined in the Severance Policy), and (II) you will receive the payments and benefits as specified on <u>Exhibit B</u> attached hereto, all subject to applicable tax withholding (the “Severance Benefits”). The Severance Benefits will be in full satisfaction of any amounts due under the Severance Policy, the TriMas Corporation 2011 Omnibus Incentive Compensation Plan, including as amended (the “2011 Equity Plan”) or the TriMas Corporation 2017 Equity and Incentive Compensation Plan (the “2017 Equity Plan” and, together with the 2011 Equity Plan, the “Equity Plans”), and other compensation arrangements of the Company. You acknowledge and agree that certain portions of the Severance Benefits do not constitute benefits to which you would otherwise be entitled as a result of your termination of employment with the Company, that such portions of the Severance Benefits would not be due unless you sign the Release, and that such portions of the Severance Benefits constitute fair and adequate consideration for your promises and covenants set forth in this Separation Agreement and the Release.

3. **<u>Restrictive Covenants</u>**

By signing this Separation Agreement, you reaffirm that you will continue to abide by the covenants set forth in Section 7 of the Severance Policy, which expressly survive the termination of your employment without Cause, and you agree that, solely with respect to you, Section 7(C) of the Severance Policy will be deemed to read as follows:

"(C) During the Non-Compete Term, Executive shall not (i) directly or indirectly employ, hire or solicit, or receive or accept the performance of services by, any active employee of the Company or any of its subsidiaries who is employed primarily in connection with the Business, or directly or indirectly induce any employee of the Company to leave the Company, or assist in any of the foregoing, or (ii) solicit for business (relating to the Business) any person who is a customer or former customer of the Company or any of its subsidiaries, unless such person shall have ceased to have been such a customer for a period of at least six months as of the time of such solicitation."

Notwithstanding anything in this Separation Agreement or the Severance Policy to the contrary, nothing in this Separation Agreement or the Severance Policy prevents you from providing, without prior notice to the Company, information to governmental authorities regarding possible legal violations or otherwise testifying or participating in any investigation or proceeding by any governmental authorities regarding possible legal violations, and for purpose of clarity you are not prohibited from providing information voluntarily to the Securities and Exchange Commission pursuant to Section 21F of the Securities Exchange Act of 1934, as amended.

No Company policy or individual agreement between the Company and you shall prevent you from providing information to government authorities regarding possible legal violations, participating in investigations, testifying in proceedings regarding the Company's past or future conduct, engaging in any future activities protected under the whistleblower statutes administered by any government agency (e.g., EEOC, NLRB, SEC, etc.) or receiving a monetary award from a government-administered whistleblower award program for providing information directly to a government agency. The Company nonetheless asserts and does not waive its attorney-client privilege over any information appropriately protected by privilege. By executing this Separation Agreement you represent that, as of the date you sign this Separation Agreement, no claims, lawsuits, or charges have been filed by you or on your behalf against the Company or any of its legal predecessors, successors, assigns, fiduciaries, parents, subsidiaries, divisions or other affiliates, or any of the foregoing's respective past, present or future principals, partners, shareholders, directors, officers, employees, agents, consultants, attorneys, trustees, administrators, executors or representatives. You acknowledge and agree that you have in a timely manner received or waived all applicable notices required under the Severance Policy in connection with the termination of your employment with the Company. The Company agrees that this Separation Agreement does not extend to, release or modify any rights to indemnification or advancement of expenses to which you are entitled from the Company or its insurers under the Company's certificate of incorporation, by-laws, or other corporate governing law or instruments or your indemnification agreement with the Company.

4. Limitations

Nothing in this Separation Agreement or the Severance Policy shall be binding upon the parties to the extent it is void or unenforceable for any reason, including, without limitation, as a result of any law regulating competition or proscribing unlawful business practices; *provided, however*, that to the extent that any provision in this Separation Agreement or the Severance Policy could be modified to render it enforceable under applicable law, it shall be deemed so modified and enforced to the fullest extent allowed by law.

5. Material Breach

You agree that in the event of any breach of any provision of Section 7 of the Severance Policy, the Company will be entitled to equitable and/or injunctive relief and, because the damages for such a breach will be impossible or impractical to determine and will not therefore provide a full and adequate remedy, the Company or (as applicable) any and all past, present or future parents, subsidiaries and affiliates of the Company (the "TriMas Companies") will also be entitled to specific performance by you. Except with respect to any clawback rights the Company may have with respect to equity or incentive awards under the Equity Plans, no amount owing to you under this Separation Agreement shall be subject to set-off or reduction by reason of any claims which the Company has or may have against you. You will be entitled to recover actual damages if the Company breaches this Separation Agreement, including any unexcused late or non-payment of any amounts owed under this Separation Agreement, or any unexcused failure to provide any other benefits specified in this Separation Agreement. Failure by either party to enforce any term or condition of this Separation Agreement at any time shall not preclude that party from enforcing that provision, or any other provision, at a later time.

6. No Re-Employment

You understand that your employment with the Company terminates on the Separation Date. You agree that you will not seek or accept employment with the

Company, including assignment to or on behalf of the Company as an independent contractor or through any third party, and the Company has no obligation to consider you for any future employment or assignment.

7. Review of Separation Agreement

This Separation Agreement is important. You are advised to review it carefully and consult an attorney before signing it, as well as any other professional whose advice you value, such as an accountant or financial advisor. If you agree to the terms of this Separation Agreement, sign in the space below where your agreement is indicated. The payments and benefits specified in this Separation Agreement are contingent on your (a) signing this Separation Agreement and (b) signing the Release no earlier than the Separation Date and no later than 60 calendar days following the Separation Date, and not revoking the Release.

8. Return of Property

You affirm that you will have returned within a reasonable time after the Separation Date, to the Company in reasonable working order all Company Property, as described more fully below. “Company Property” includes company-owned or leased motor vehicles, equipment, supplies and documents. Such documents may include but are not limited to customer lists, financial statements, cost data, price lists, invoices, forms, passwords, electronic files and media, mailing lists, contracts, reports, manuals, personnel files, correspondence, business cards, drawings, employee lists or directories, lists of vendors, photographs, maps, surveys, and the like, including copies, notes or compilations made there from, whether such documents are embodied on “hard copies” or contained on computer disk or any other medium. You further agree that you will not retain any copies or duplicates of any such Company Property.

9. Future Cooperation

You agree that you shall, without any additional compensation, respond to reasonable requests for information from the Company regarding matters that may arise in the Company’s business. You further agree to fully and completely cooperate with the Company, its advisors and its legal counsel with respect to any litigation that is pending against the Company and any claim or action that may be filed against the Company in the future. Such cooperation shall include making yourself available at reasonable times and places for interviews, reviewing documents, testifying in a deposition or a legal or administrative proceeding, and providing advice to the Company in preparing defenses to any pending or potential future claims against the Company. The Company agrees to (or to cause one of its affiliates to) pay/reimburse you for any approved travel expenses reasonably incurred as a result of your cooperation with the Company, with any such payments/reimbursements to be made in accordance with the Company's expense reimbursement policy as in effect from time to time.

10. Non-Disparagement

You agree that you will not make or issue, or procure any person, firm, or entity to make or issue, any statement in any form, including written, oral and electronic communications of any kind, which conveys negative or adverse information concerning the Company, the TriMas Companies, or any and all past, present, or future related persons or entities, including but not limited to the Company's and the TriMas Companies' officers, directors, managers, employees, shareholders, agents, attorneys, successors and assigns, specifically including without limitation TriMas Corporation, their business, their actions or their officers or directors, to any person or entity, regardless of the truth or falsity of such statement. This Paragraph does not apply to truthful testimony compelled by applicable law or legal process.

11. Tax Matters

By signing this Separation Agreement, you acknowledge that you will be solely responsible for any taxes which may be imposed on you as a result of the Severance Benefits, all amounts payable to you under this Separation Agreement will be subject to applicable tax withholding by the Company, and the Company has not made any representations or guarantees regarding the tax result for you with respect to any income recognized by you in connection with this Separation Agreement or the Severance Benefits.

12. Other Acknowledgements

You and the Company also acknowledge and agree that any outstanding awards under the Equity Plans will, subject to the approval of the Compensation Committee of the Board of Directors of the Company of this Separation Agreement, be amended by this Separation Agreement to the extent necessary or desirable to provide for the Separation Benefits.

13. Nature of Agreement

By signing this Separation Agreement, you acknowledge that you are doing so freely, knowingly and voluntarily. You acknowledge that in signing this Separation Agreement you have relied only on the promises written in this Separation Agreement and not on any other promise made by the Company or TriMas Companies. This Separation Agreement is not, and will not be considered, an admission of liability or of a violation of any applicable contract, law, rule, regulation, or order of any kind. This Separation Agreement and the Release contain the entire agreement between the Company, other TriMas Companies and you regarding your departure from the Company, except that all post-employment covenants contained in the Severance Policy remain in full force and effect. The Severance Benefits are in full satisfaction of any severance benefits under the Severance Policy, the Equity Plans, and of any other compensation arrangements between you and the Company or the TriMas Companies. This Separation Agreement may not be altered, modified, waived or amended except by a written document signed by a duly authorized representative of the Company and you. Except as otherwise explicitly provided, this Separation Agreement will be interpreted and enforced in accordance with the laws of the state of Michigan, and the parties hereto, including their successors and assigns, consent to the jurisdiction of the state and federal courts of Michigan. The headings in this document are for reference only, and shall not in any way affect the meaning or interpretation of this Separation Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, you and the Company have executed this Separation Agreement as of the dates set forth below.

ROBERT J. ZALUPSKI

/s/ Robert J. Zalupski

Date: May 13, 2021

TRIMAS CORPORATION

By: /s/ Thomas A. Amato
Name: Thomas A. Amato
Title: President and Chief Executive Officer

Date: May 21, 2021

<u>Exhibit A</u>
Release

This Release is between TriMas Corporation (the "***Company***") and Robert J. Zalupski ("***you***" and similar words), in consideration of the benefits provided to you and to be received by you from the Company as described in the Separation Agreement between the Company and you dated as of the applicable date referenced therein (the "***Separation Agreement***"). Capitalized terms used herein without definition have the meanings ascribed to such terms in the Separation Agreement.

By signing this Release, you and the Company hereby agree as follows:

1. <u>Claims Released</u>

You, for yourself and on behalf of anyone claiming through you including each and all of your legal representatives, administrators, executors, heirs, successors and assigns (collectively, the "***Executive Releasors***"), do hereby fully, finally and forever release, absolve and discharge the Company and each and all of its legal predecessors, successors, assigns, fiduciaries, parents, subsidiaries, divisions and other affiliates, and each of the foregoing's respective past, present and future principals, partners, shareholders, directors, officers, employees, agents, consultants, attorneys, trustees, administrators, executors and representatives (collectively, the "***Company Released Parties***"), of, from and for any and all claims, causes of action, lawsuits, controversies, liabilities, losses, damages, costs, expenses and demands of any nature whatsoever, at law or in equity, whether known or unknown, asserted or unasserted, foreseen or unforeseen, that the Executive Releasors (or any of them) now have, have ever had, or may have against the Company Released Parties (or any of them) based upon, arising out of, concerning, relating to or resulting from any act, omission, matter, fact, occurrence, transaction, claim, contention, statement or event occurring or existing at any time in the past up to and including the date on which you sign this Release, including, without limitation: (a) all claims arising out of or in any way relating to your employment with or separation of employment from the Company or its affiliates; (b) all claims for compensation or benefits, including salary, commissions, bonuses, vacation pay, expense reimbursements, severance pay, fringe benefits, stock options, restricted stock units or any other ownership interests in the Company Released Parties; (c) all claims for breach of contract, wrongful termination and breach of the implied covenant of good faith and fair dealing; (d) all tort claims, including claims for fraud, defamation, invasion of privacy and emotional distress; (e) all other common law claims; and (f) all claims (including claims for discrimination, harassment, retaliation, attorneys fees, expenses or otherwise) that were or could have been asserted by you or on your behalf in any federal, state, or local court, commission, or agency, or under any federal, state, local, employment, services or other law, regulation, ordinance, constitutional provision, executive order or other source of law, including without limitation under any of the following laws, as amended from time to time: the Age Discrimination in Employment Act (the "***ADEA***"), as amended by the Older Workers' Benefit Protection Act of 1990 (the "***OWBPA***"), Title VII of the Civil Rights Act of 1964, 42 U.S.C. §§ 1981 & 1981a, the Americans with Disabilities Act, the Equal Pay Act, the Employee Retirement Income Security Act, the Lilly Ledbetter Fair Pay Act of 2009, the Family and Medical Leave Act, Sarbanes-Oxley Act of 2002, the National Labor Relations Act, the Rehabilitation Act of 1973, the Worker Adjustment Retraining and Notification Act, the Uniformed Services Employment and Reemployment Rights Act, Federal Executive Order 11246, and the Genetic Information Nondiscrimination Act.

2. Scope of Release

Nothing in this Release (a) shall release the Company from any of its obligations set forth in the Separation Agreement or any claim that by law is non-waivable, (b) shall release the Company from any obligation to defend and/or indemnify you against any third party claims arising out of any action or inaction by you during the time of your employment and within the scope of your duties with the Company to the extent (i) you have any such defense or indemnification right (including under your indemnification agreement with the Company or to the extent the claims are covered by the Company's director & officer liability insurance), and (ii) permitted by applicable law or (c) shall affect your right to file a claim for workers' compensation or unemployment insurance benefits.

You further acknowledge that by signing this Release, you do not waive the right to file a charge against the Company with, communicate with or participate in any investigation by the EEOC, the Securities and Exchange Commission or any comparable state or local agency. However, you waive and release, to the fullest extent legally permissible, all entitlement to any form of monetary relief arising from a charge you or others may file, including without limitation any costs, expenses or attorneys' fees. You understand that this waiver and release of monetary relief would not affect an enforcement agency's ability to investigate a charge or to pursue relief on behalf of others. Notwithstanding the foregoing, you will not give up your right to any benefits to which you are entitled under any retirement plan of the Company that is intended to be qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended, or your rights, if any, under Part 6 of Subtitle B of Title I of the Employee Retirement Income Security Act of 1974, as amended (COBRA), or any monetary award offered by the Securities and Exchange Commission pursuant to Section 21F of the Securities Exchange Act of 1934, as amended.

By executing this Release, you represent that, as of the date you sign this Release, no claims, lawsuits, grievances, or charges have been filed by you or on your behalf against the Company Released Parties.

3. **Knowing and Voluntary ADEA Waiver**

In compliance with the requirements of the OWBPA, you acknowledge by your signature below that, with respect to the rights and claims waived and released in this Release under the ADEA, you specifically acknowledge and agree as follows: (a) you have read and understand the terms of this Release; (b) you have been advised and hereby are advised, and have had the opportunity, to consult with an attorney before signing this Release; (c) the Release is written in a manner understood by you; (d) you are releasing the Company and the other Company Released Parties from, among other things, any claims that you may have against them pursuant to the ADEA; (e) the releases contained in this Release do not cover rights or claims that may arise after you sign this Release; (f) you will receive valuable consideration in exchange for the Release other than amounts you would otherwise be entitled to receive; (g) you have been given a period of at least 21 days in which to consider and execute this Release (although you may elect not to use the full consideration period at your option); (h) you may revoke this Release during the seven-day period following the date on which you sign this Release, and this Release will not become effective and enforceable until the seven-day revocation period has expired; and (i) any such revocation must be submitted in writing to the Company c/o Thomas A. Amato, President and Chief Executive Officer, TriMas Corporation, 38505 Woodward Avenue, Suite 200, Bloomfield Hills, Michigan 48304 prior to the expiration of such seven-day revocation period. If you revoke this Release within such seven-day revocation period, it shall be null and void.

4. **Reaffirmation of Restrictive Covenants**

You agree to and reaffirm your obligations as outlined in Section 7 of the Severance Policy as clarified by the terms of the Separation Agreement ("***Restrictive Covenants***"), and acknowledge that the Restrictive Covenants remain in full force and effect.

5. **Entire Agreement**

This Release, the Separation Agreement, and the documents referenced therein contain the entire agreement between you and the Company, and take priority over any other written or oral understanding or agreement that may have existed in the past. You acknowledge that no other promises or agreements have been offered for this Release (other than those described above) and that no other promises or agreements will be binding unless they are in writing and signed by you and the Company.

[SIGNATURE PAGE FOLLOWS]

I agree to the terms and conditions set forth in this Release.

ROBERT J. ZALUPSKI

/s/ Robert J. Zalupski

Date: May 13, 2021

<u>Exhibit B</u>
Severance and Other Benefits[1]

1. Severance benefits under the Severance Policy,[2] as modified as provided for under the Separation Agreement, which severance benefits will consist of the following (including as further described in, and qualified as applicable by reference to, the Severance Policy):

    - Payment of an amount equal to the product of (a) one, multiplied by (b) the sum of (i) $432,600 (the value of your annual base salary (as in effect on the Separation Date)) plus (ii) $302,820 (the value of your target short-term cash incentive award for the 2021 calendar year). This amount will be payable in equal installments in accordance with the Company's payroll practices as in effect from time to time, commencing on the 60th day following the Separation Date and ending on the last payroll date of the Company in the last month of the 12-month period following the Separation Date, *provided* that the first such payment shall include all amounts that would have been paid to you in accordance with the Company's payroll practices if such payments had begun on the Separation Date;

    - Payment of (a) all accrued but unpaid base salary through the Separation Date and (b) the applicable value for 25 days of earned but unused vacation as of the Separation Date. These amounts will be payable by the next payroll date following the Separation Date;

    - Payment of an amount equal to your target short-term cash incentive award for the 2021 calendar year, prorated through the Separation Date, which amount shall be paid to you no later than March 15, 2022;

    - If you timely elect to continue group health care coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), and subject to the Company's COBRA policies, the Company will fund the employer's portion of premiums for continued group health coverage under COBRA until the earliest of (a) the termination of your COBRA period, (b) 12 months after the Separation Date, or (c) the date you become eligible to receive any medical benefits under any plan or program of any other employer. In the event that your COBRA period expires, the Company will pay you a monthly amount equal to the monthly contribution that the Company would have paid for your coverage under the applicable group health plan of the Company if you had continued as an employee of the Company until the earlier of (x) 12 months after the Separation Date or (y) the date on which you become eligible to receive any medical benefits under any plan or program of any other employer; and

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[1] Except as otherwise expressly provided, all benefits are to be paid or provided in the manner and at the time specified in the applicable plan or agreement, or as required under applicable law.

[2] All benefits will remain subject to Section 8(B) of the Severance Policy.

- A one-time cash payment equal in value to $25,000 reflecting your 2021 flexible cash allowance, less any of such amount that has already been paid by the Company by the Separation Date. This amount will be payable by the next payroll date following the Separation Date.

2. In lieu of the treatment described in the Severance Policy, treatment of outstanding equity awards as follows, subject in all cases to the terms and provisions of the Equity Plans and the other terms of the applicable award agreements:

   - 24,529 unvested service-based restricted stock units ("RSUs") that are outstanding under the Equity Plans shall accelerate and vest as of the Separation Date – these RSUs consist of the remaining 3,773 RSUs from the award granted to you in May 2019, the remaining 10,198 RSUs from the award granted to you in March 2020, and the remaining 10,558 RSUs from the award granted to you in March 2021. These RSUs will be settled in shares on April 7, 2022; and

   - 37,174 unearned target performance share units ("PSUs") that are outstanding under the Equity Plans shall accelerate and vest at the target level as of the Separation Date – these PSUs consist of 11,319 target PSUs from the award granted to you in May 2019 (the "2019 PSUs"), 15,297 target PSUs from the award granted to you in March 2020 (the "2020 PSUs"), and 10,558 target PSUs from the award granted to you in March 2021 (the "2021 PSUs") (and you will have no ability to earn any additional PSUs under these awards). The 2019 PSUs will be settled in shares on May 1, 2022, but the 2020 PSUs and the 2021 PSUs will be settled in shares within seven days after the revocation period for the Release expires, provided that you have not revoked the Release.

3. Accrued vested benefits under any other benefit plans, programs or arrangements of the Company (including any vested benefits under the Company's qualified and nonqualified retirement plans), subject to the terms of such plans, programs or arrangements.

Exhibit 10.2

March 15, 2021

Mr. Scott Mell

Via Email Delivery

Dear Scott:

As discussed, your meetings with the TriMas Corporation ("TriMas") Audit Committee representatives of our Board of Directors have left us with a very positive impression of your experience base, knowledge, personal qualities sense of commitment, and opportunity for career growth. Accordingly, we are delighted to extend to you an offer of employment as TrIMas' Chief Financial Officer. In this position, you will report directly to TriMas' President & Chief Executive Officer. Your employment with our company is "at will", which means that either you or the Company may terminate the relationship at any time. The following is not a contract of employment and outlines the general terms and conditions regarding the offer.

Salary: $15,961.53 per pay period, which is equivalent to $415,000 on an annualized basis. You will be paid bi-weekly and this is an exempt position.

Bonus: You will be eligible to participate in the TriMas 2021 Short Term Incentive Plan ("STI") under the Corporate Staff determination on TriMas consolidated results. Your Target Incentive Award for the 2021 Plan Year will be 65% of your base salary that is in effect as of December 31, 2021. The 2021 STI will be earned based upon the following financial measures:

- 70% of your Target Incentive Award will be based upon **TriMas'** achievement of consolidated **Operating Income** as compared to **budget**.
- 30% of your Target Incentive Award will be based upon **TriMas'** achievement of consolidated **Free Cash Flow Generation** as compared to **budget**.

Your first year STI award will be prorated for time worked, however, assuming a start date of not later than May 15, 2021, your 2021 award will not be below $100,000.

Long-Term Incentive: You will be eligible to participate in the TriMas Long Term Equity Incentive Plan ("LTI"). Subject to Compensation Committee approval, shortly after beginning in your role, TriMas will award you a grant of restricted stock units, which on the grant date will be valued at $450,000, and will vest on a pro rata basis over three years.

Annual Review: As a public company Chief Financial Officer, you will be appointed as an Executive Officer and will become a Named Executive Officer of TriMas. In connection with this, our practice is to review with the Compensation Committee of the Board of Directors our CFO's base, bonus percentage, long-term equity grants, and other benefits annually, and compared to similarly situated peer companies. The compensation package above will be up for review in early 2022. In addition to this review, while the long term award noted above is in the form of a restricted stock unit, you may expect that in 2022, to receive a 50/50 mix of restricted stock units and performance stock units

Flexible Cash Allowance: You are eligible for a Flexible Cash Allowance of $25,000 per year, less all applicable taxes and witholdings paid to you in equal payments at the beginning of each quarter in accordance with the Company's regular payroll schedule and practices. The 2021 allowance will be prorated for your first year worked.

Benefits: You will be eligible to participate in the TriMas Corporation Welfare Benefit Plan and the TriMas Corporation Salaried Retirement Program. TriMas will provide group life insurance, health care, flexible spending accounts, health savings accounts, employee assistance programs, short & long-term disability coverage, accidental death & dismemberment insurance and retirement benefits. TriMas requires verification of dependent status for dependents you would elect to enroll into the benefit program.

The terms and scope of participation for these benefits and the compensation plans and policies referenced in this letter are subject to the plans and policy documentation and are subject to change.

Executive Retirement Program: You will be eligible for the TriMas Corporation Executive Retirement Program, which includes a Compensation Limit Restoration Plan feature ("CLRP"). It provides a make-up contribution once your annual base salary exceeds the annual compensation limit for the calendar year. Please refer to the attached CLRP document for further details.

Severance: You will be eligible to participate in the TriMas Executive Severance Policy ("Severance Policy") as a Tier II participant. Pursuant to the policy, which may be amended from time to time by our Board of Directors, you will also be subject to other provisions and obligations, including confidentiality, non-competition, non-solicitation and non-disparagement. Please refer to the attached policy for further details.

Vacation: You will be entitled to ten (10) days of vacation according to our vacation policy for the remainder of 2021. Effective January 1, 2022, you will be eligible for fifteen (15) vacation days.

Start Date: Your start date will be Monday, April 26, 2021, or another date mutually agreed to between TriMas' CEO and you.

Job Location: TriMas Bloomfield Hills Corporate Office, although the office remains open during the pandemic, we have specific protocol about working at the office and the staff is working remotely until further notice.

Travel:	Although we are operating currently under very limited travel given the pandemic, this role does require traveling to locations, to meet with investors, and when applicable, travelling to Board meetings.
Starting Bonus:	In connection with your discussion regarding some of the economic factors impacting you related to the change of employment, TriMas will pay you within 30 days from hire a one time bonus of $50,000, net of witholdings for taxes.

TriMas promotes a drug-free workplace. Therefore, this employment offer is contingent upon the successful completion of a drug screen. This offer is also contingent upon the results of a reference/background check, proof of eligibility to work in the United States, and signing a Confidential Information and Invention Assignment Agreement and an Agreement to Arbitrate.

We are looking forward to having you join the TriMas team. We are highly confident of your ability to participate in the successful performance and growth of our business.

If this letter accurately reflects your understanding of the offer and if these terms and conditions are agreeable to you, please sign the letter below and return directly to me by Thursday, March 17, 2021 via email.

Sincerely,

/s/ Thomas Amato
Thomas Amato
President & Chief Executive Officer
TriMas Corporation

/s/ Scott Mell	4/24/2021
Signature	Date

My signature serves as an acceptance of the terms and conditions of the offer of employment and as an acknowledgment that I understand that my employment is considered "at will," meaning that either I or the company may terminate this employment relationship at any time with or without cause or notice.

Exhibit 31.1

Certification
Pursuant to Section 302 of The Sarbanes-Oxley Act of 2002
(Chapter 63, Title 18 U.S.C. Section 1350(A) and (B))

I, Thomas A. Amato, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of TriMas Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 29, 2021

/s/ THOMAS A. AMATO

Thomas A. Amato
Chief Executive Officer

Exhibit 31.2

Certification
Pursuant to Section 302 of The Sarbanes-Oxley Act of 2002
(Chapter 63, Title 18 U.S.C. Section 1350(A) and (B))

I, Robert J. Zalupski, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of TriMas Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 29, 2021

/s/ SCOTT A. MELL

Scott A. Mell
Chief Financial Officer

Exhibit 32.1

Certification Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of TriMas Corporation (the "Company") on Form 10-Q for the period ended June 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas A. Amato, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 29, 2021

/s/ THOMAS A. AMATO
Thomas A. Amato
Chief Executive Officer

Exhibit 32.2

Certification Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of TriMas Corporation (the “Company”) on Form 10-Q for the period ended June 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Robert J. Zalupski, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 29, 2021

/s/ SCOTT A. MELL

Scott A. Mell
Chief Financial Officer