

TRIMAS CORP
Form 10-Q
November 09, 2009

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**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 September 30, 2009

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

(State or other jurisdiction of
incorporation or organization)

38-2687639

(IRS Employer Identification No.)

**39400 Woodward Avenue, Suite 130
Bloomfield Hills, Michigan 48304**

(Address of principal executive offices, including zip code)

(248) 631-5450

(Registrant's telephone number, including area code)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period

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that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

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 November 9, 2009, the number of outstanding shares of the Registrant's common stock, \$.01 par value, was 33,578,324 shares.

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Forward-Looking Statements

This report contains forward-looking statements (as that term is defined by the federal securities laws) about our financial condition, results of operations and business. You can find many of these statements by looking for words such as "may," "will," "expect," "anticipate," "believe," "estimate" and similar words used in this report.

These forward-looking statements are subject to numerous assumptions, risks and uncertainties. Because the statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by the forward-looking statements. We caution readers not to place undue reliance on the statements, which speak only as of the date of this report.

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 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.

You should carefully consider the factors discussed in Part I, Item 1A, "Risk Factors," in our Annual Report on Form 10-K for the year ended December 31, 2008, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K 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.

We disclose important factors that could cause our actual results to differ materially from our expectations 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 condition, results of operations, prospects and ability to service our debt.

Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements****TriMas Corporation****Consolidated Balance Sheet****(Unaudited dollars in thousands)**

	September 30, 2009	December 31, 2008
Assets		
Current assets:		
Cash and cash equivalents	\$ 24,770	\$ 3,910
Receivables, net of reserves of approximately \$6.0 million and \$5.7 million as of September 30, 2009 and December 31, 2008, respectively	99,360	104,760
Inventories	141,830	188,950
Deferred income taxes	16,970	16,970
Prepaid expenses and other current assets	6,680	7,430
Assets of discontinued operations held for sale	2,700	26,200
Total current assets	292,310	348,220
Property and equipment, net	170,760	181,570
Goodwill	196,520	202,280
Other intangibles, net	168,700	178,880
Other assets	15,720	19,270
Total assets	\$ 844,010	\$ 930,220
Liabilities and Shareholders' Equity		
Current liabilities:		
Current maturities, long-term debt	\$ 6,640	\$ 10,360
Accounts payable	79,650	111,810
Accrued liabilities	73,710	66,340
Liabilities of discontinued operations	1,240	1,340
Total current liabilities	161,240	189,850
Long-term debt	518,740	599,580
Deferred income taxes	45,680	51,650
Other long-term liabilities	44,610	34,240
Total liabilities	770,270	875,320
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: 33,578,324 shares at September 30, 2009 and 33,620,410 shares at December 31, 2008	330	330

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Paid-in capital	527,330	527,000
Accumulated deficit	(499,020)	(510,160)
Accumulated other comprehensive income	45,100	37,730
Total shareholders' equity	73,740	54,900
Total liabilities and shareholders' equity	\$ 844,010	\$ 930,220

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

Table of Contents**TriMas Corporation****Consolidated Statement of Operations**

(Unaudited dollars in thousands, except for share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
Net sales	\$ 203,730	\$ 260,730	\$ 615,090	\$ 808,160
Cost of sales	(146,300)	(192,100)	(462,210)	(593,580)
Gross profit	57,430	68,630	152,880	214,580
Selling, general and administrative expenses	(37,280)	(41,160)	(112,930)	(128,740)
Gain (loss) on dispositions of property and equipment	20	50	180	(160)
Operating profit	20,170	27,520	40,130	85,680
Other income (expense), net:				
Interest expense	(10,760)	(13,570)	(34,560)	(42,160)
Gain on extinguishment of debt	1,180		28,250	
Other, net	(190)	(480)	(1,710)	(3,010)
Other income (expense), net	(9,770)	(14,050)	(8,020)	(45,170)
Income from continuing operations before income tax expense	10,400	13,470	32,110	40,510
Income tax expense	(3,890)	(5,410)	(12,230)	(15,150)
Income from continuing operations	6,510	8,060	19,880	25,360
Income (loss) from discontinued operations, net of income tax benefit (expense)	(680)	260	(8,740)	280
Net income	\$ 5,830	\$ 8,320	\$ 11,140	\$ 25,640
Earnings per share basic:				
Continuing operations	\$ 0.19	\$ 0.24	\$ 0.59	\$ 0.76
Discontinued operations, net of income tax benefit (expense)	(0.02)	0.01	(0.26)	0.01
Net income per share	\$ 0.17	\$ 0.25	\$ 0.33	\$ 0.77
Weighted average common shares basic	33,496,634	33,420,560	33,480,747	33,413,214
Earnings per share diluted:				
Continuing operations	\$ 0.19	\$ 0.24	\$ 0.59	\$ 0.76
Discontinued operations, net of income tax benefit (expense)	(0.02)	0.01	(0.26)	0.01
Net income per share	\$ 0.17	\$ 0.25	\$ 0.33	\$ 0.77
Weighted average common shares diluted	34,007,846	33,469,027	33,752,210	33,441,448

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

Table of Contents**TriMas Corporation****Consolidated Statement of Cash Flows****(Unaudited dollars in thousands)**

	Nine months ended September 30,	
	2009	2008
Net income	\$ 11,140	\$ 25,640
Adjustments to reconcile net income to net cash provided by operating activities, net of acquisition impact:		
(Gain) loss on dispositions of property and equipment	(180)	40
Depreciation	22,440	20,740
Amortization of intangible assets	10,970	11,700
Amortization of debt issue costs	1,680	1,840
Deferred income taxes	3,740	9,360
Gain on extinguishment of debt	(28,250)	
Non-cash compensation expense	330	1,160
Reductions in sale of receivables and receivables securitization	(15,690)	(26,730)
(Increase) decrease in receivables	24,600	(19,270)
(Increase) decrease in inventories	51,690	(7,640)
Decrease in prepaid expenses and other assets	1,860	4,370
Increase (decrease) in accounts payable and accrued liabilities	(18,440)	4,690
Other, net	1,750	(3,110)