



NYSE: GBX

1Q22 Earnings Slides & Supplemental Information

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Safe Harbor Statement



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Q1 FY 2022 Highlights



- Greenbrier Board announced Lorie Tekorius as incoming CEO and set transition timeline.
- New railcar orders for 6,300 units valued at \$685 million and deliveries of 4,100 units, resulted in a 1.5x book-to-bill, the fourth consecutive quarter with a book-to-bill over 1.0x .
- Diversified new railcar backlog as of November 30, 2021 was 28,000 units with an estimated value of \$3.0 billion.
- Quarter end liquidity of \$610 million, including over \$410 million in cash and nearly \$200 million of available borrowing capacity. Cash usage in the quarter reflects investment in GBX Leasing and working capital deployment to increase production rates.
- Net earnings attributable to Greenbrier for the quarter were \$11 million, or \$0.32 per diluted share, on revenue of \$551 million.
- Grew GBX Leasing by approximately \$200 million through a railcar portfolio purchase and railcars produced by Greenbrier. GBX Leasing is funded with a combination of 75% non-recourse debt and 25% equity and is consolidated in Greenbrier's financial statements.
- Board declares a quarterly dividend of \$0.27 per share, representing Greenbrier's 31st consecutive quarterly dividend.



Guided by Our Core Values



SAFETY

Leading the Industry Worldwide

“Our dedication to ensuring employee safety, health, diversity and inclusion has paved the way to numerous awards and overall employee satisfaction with Greenbrier as an employer of choice.”

- **Four consecutive years** of improved safety statistics – achieved the lowest rate in 2021
- OSHA injury and DART¹ rates have **improved by >60% since 2013**
- Received multiple annual recognitions by the Portland Business Journal as a **‘Most Admired Company’**



ENVIRONMENT

Advancing Sustainability

“We are committed to improving our environmental performance, both by reducing our environmental footprint and by meeting or exceeding the ecological requirements in the countries where we operate.”

- Design advancements have reduced tare weight in our railcars and results in **lower fuel consumption and reduced greenhouse gas emissions**
- **Recycled steel content increased from 47% to 51% in 2021**



PEOPLE & COMMUNITIES

Contributing to Our People and Communities

“We believe it is a privilege to be good neighbors in every community where we operate, which is why we are careful to foster a spirit of civic engagement and volunteerism.”

- Our **charitable giving program** actively encourages employees to provide service to their local communities
- Donated over \$400,000 and 7,000 hours to nonprofit organizations in a diverse focus areas
- Launched our **IDEAL commitment** in 2020



GOVERNANCE & ETHICS

Assuring the Highest Standards of Oversight

“We are committed to workforce diversity at all levels, including senior management and Board of Directors positions. As we continue to expand globally, we intend for that trend to accelerate.”

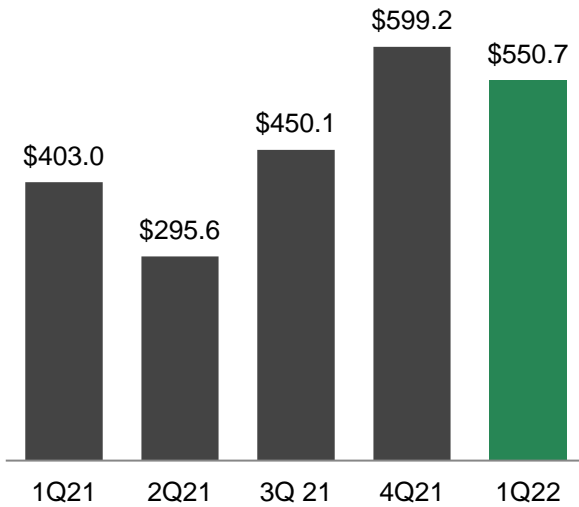
- Greenbrier’s current percentage of **female board members is 25%**, exceeding the 2020 Women on Boards target
- **90% of directors are independent**

⁽¹⁾ Days Away, Restricted, and Transferred.

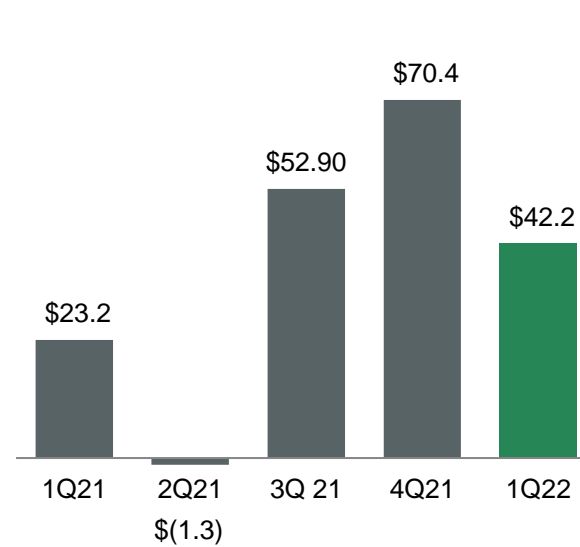
Income Statement Highlights



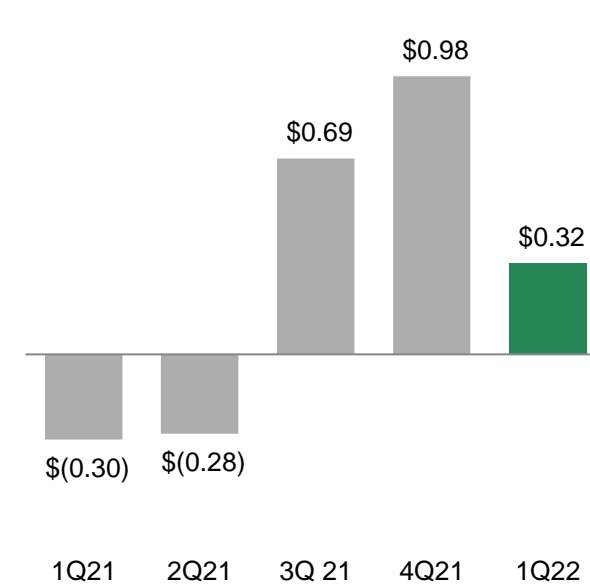
Revenue (\$ millions)



Adjusted EBITDA (\$ millions)⁽¹⁾



Adjusted Diluted EPS⁽¹⁾



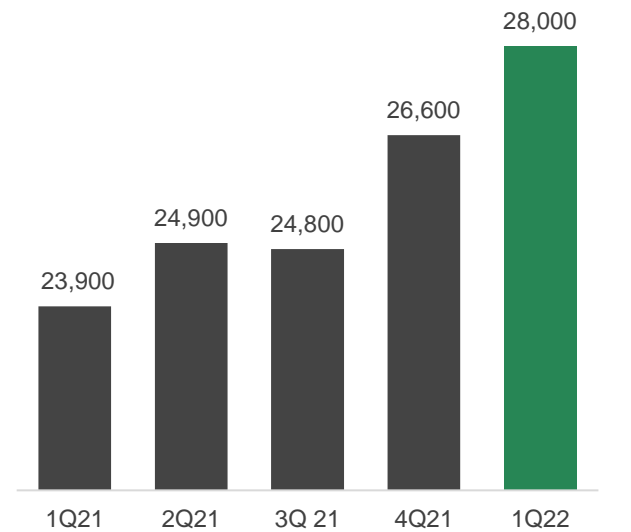
Q1 FY22 EBITDA reflects fewer deliveries due to timing of syndication activity and operating inefficiencies from production ramping.

(1) See Slides 14 and 15 for Reconciliation

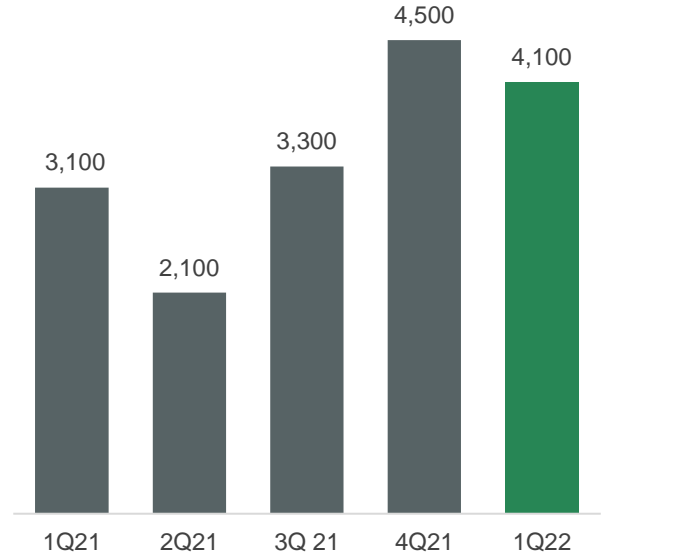
Key Operational Metrics



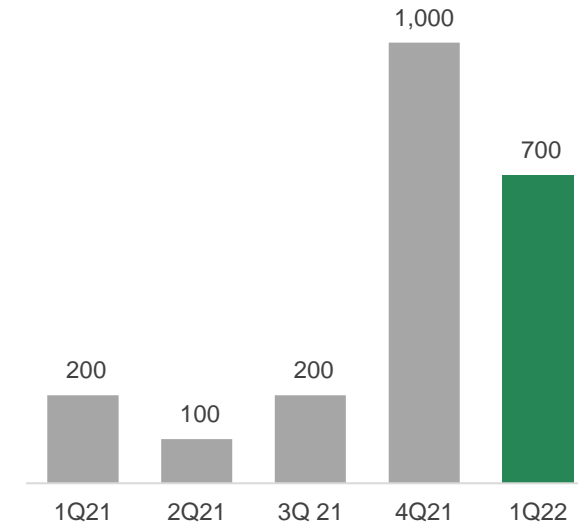
Backlog⁽¹⁾



Deliveries⁽¹⁾



Syndicated Deliveries

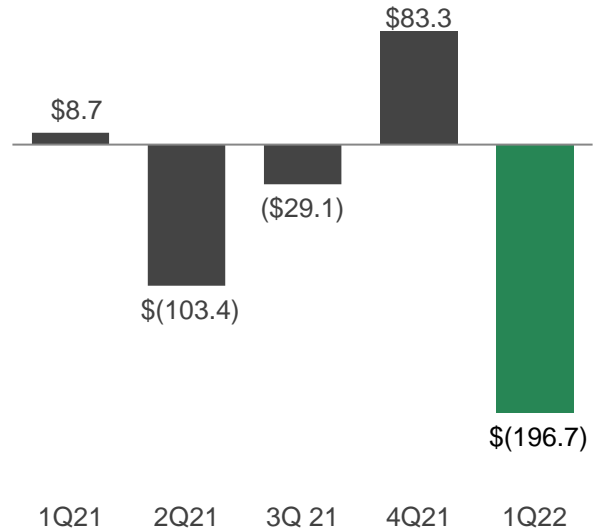


Orders for 6,300 railcars valued at \$685 million received during Q1 FY 22 contribute to \$3.0 billion backlog and represent 1.5x book-to-bill.

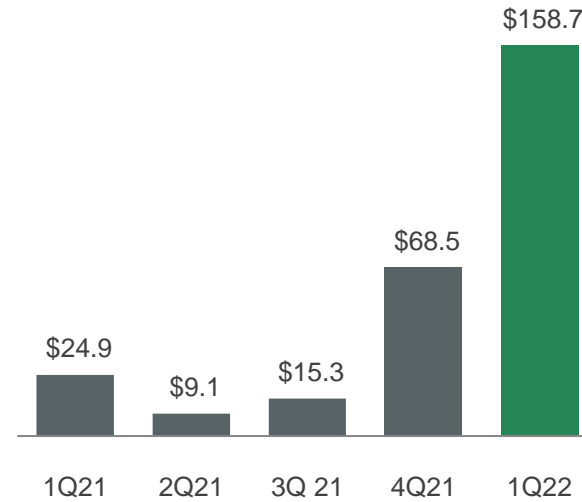
(1) Results include Greenbrier-Maxion, our Brazilian railcar manufacturer, which is accounted for under the equity method

Balance Sheet & Cash Flow Trends

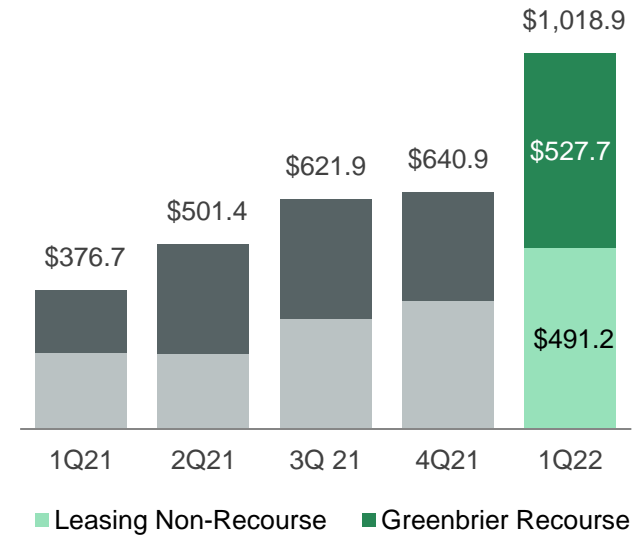
Operating Cash Flow



Net Capex & Invest. in Unconsolidated Affiliates⁽¹⁾



Net Funded Debt⁽²⁾



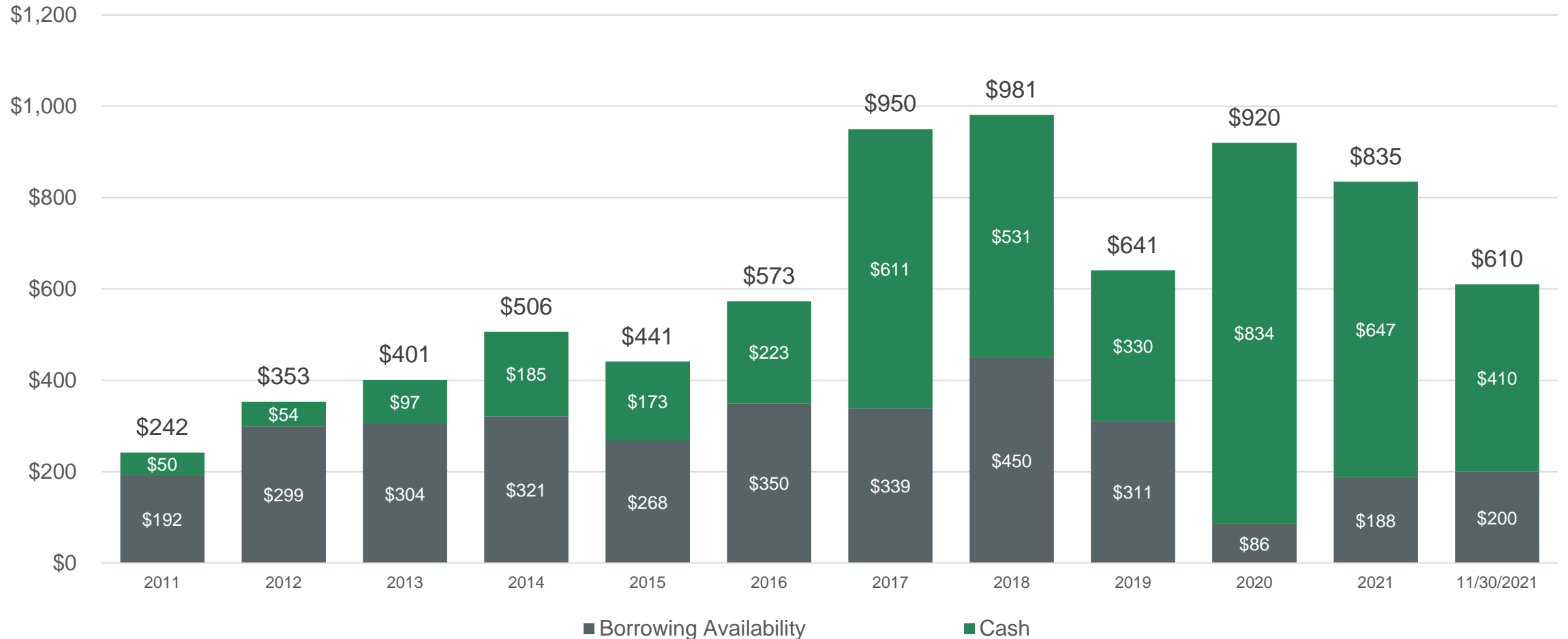
Quarter end liquidity of \$610 million, including over \$410 million in cash and nearly \$200 million of available borrowing capacity.

(1) Investment in Unconsolidated Affiliates included to reflect investments in unconsolidated joint ventures
 (2) Excludes debt discounts and issuance costs

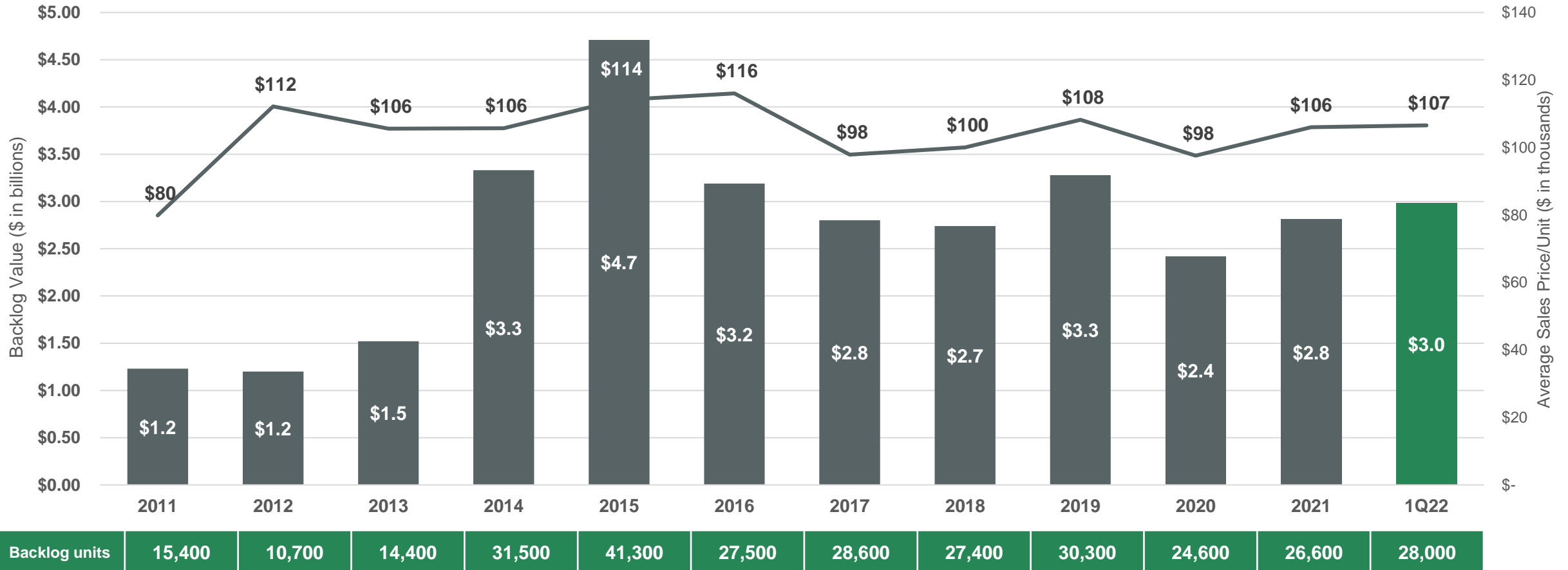
Strong Balance Sheet and Liquidity Provide Flexibility



Liquidity Summary (\$ in millions)



Railcar Backlog Provides Earnings Visibility



Manufacturing Segment Update



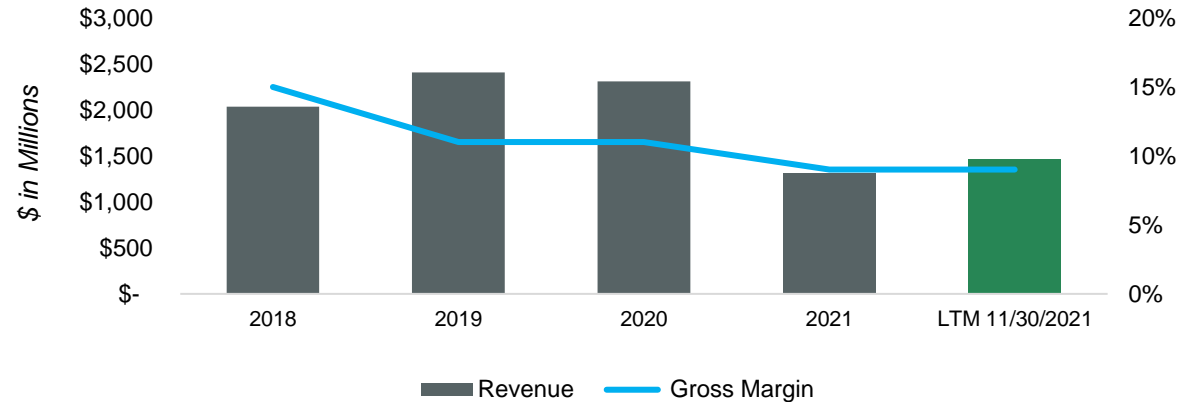
First Quarter Developments

- Fewer deliveries partially offset by higher sales price from raw material escalations
- Competitive core pricing from the pandemic trough, production ramping inefficiencies and line changeovers
- Deliveries reflect fewer syndicated deliveries

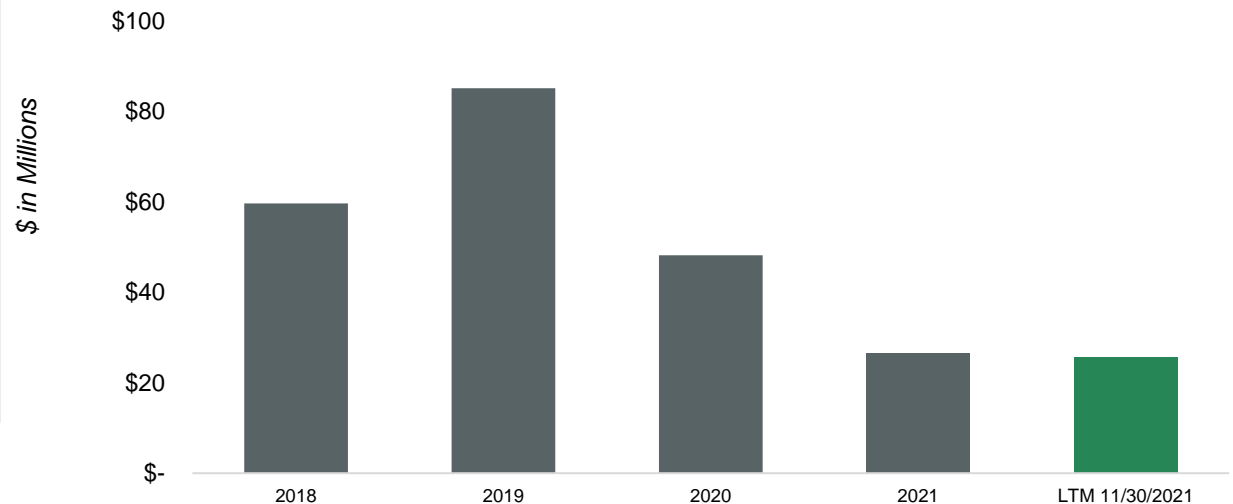
Long Term Market Drivers

- Environmental concerns favor more fuel-efficient means of transport
- U.S. highway congestion, driver shortage, regulation and aging infrastructure constrain trucking
- Potential for significant demand improvement in Europe due to environmental concerns and replacement cycle
- Proposed environmental and other regulations in both North America and Europe should support secular demand for rail

Revenue and Gross Margin %



Capital Expenditures



Maintenance Services



First Quarter Developments

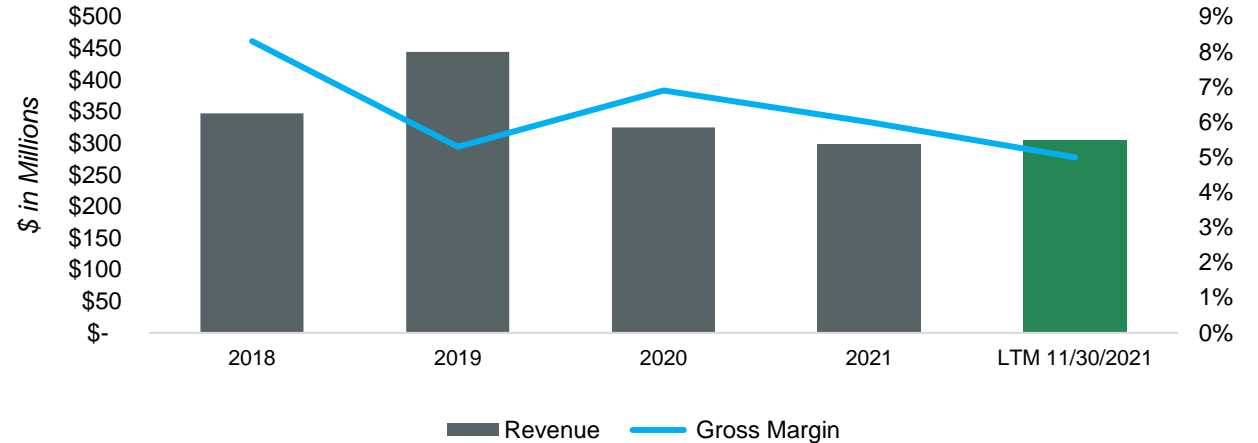
- Lower volumes are a result of labor shortages
- Labor shortages are also impacting operating inefficiencies

Long Term Market Drivers

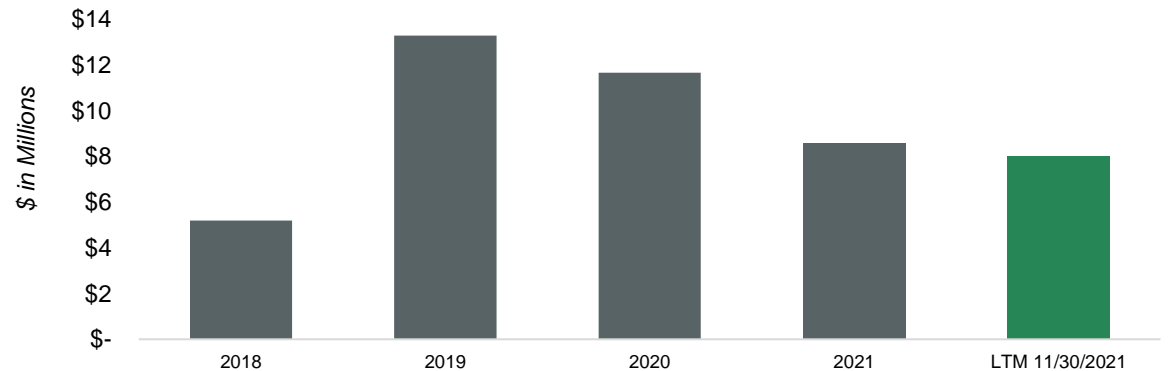
- Ton-miles and equipment upgrades drive wheel and repair spending

⁽¹⁾ In August 2018, the GBW Railcar Services joint venture was dissolved resulting in 12 repair locations returning to Greenbrier which are included in the Wheels, Repair & Parts segment.

Revenue and Gross Margin %⁽¹⁾



Capital Expenditures



Leasing & Management Services



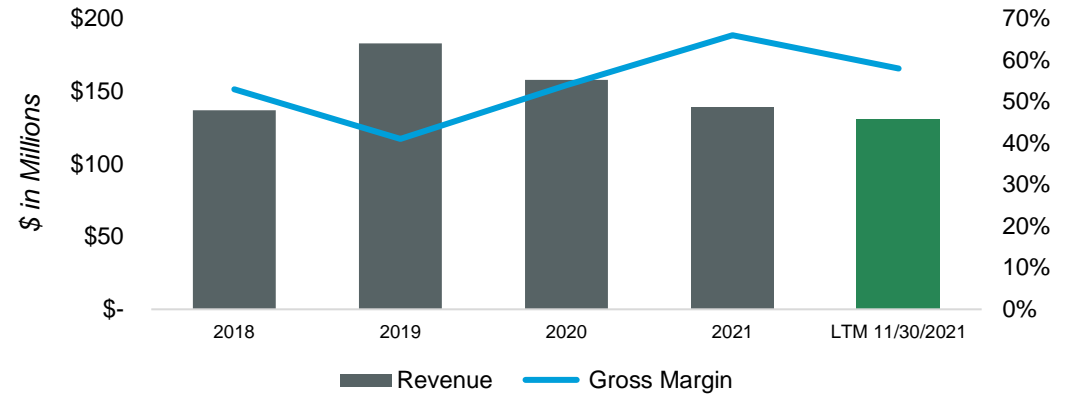
First Quarter Developments

- Revenue and margin reflect less interim rent and syndication activity
- Benefited from Net gain on disposition of equipment

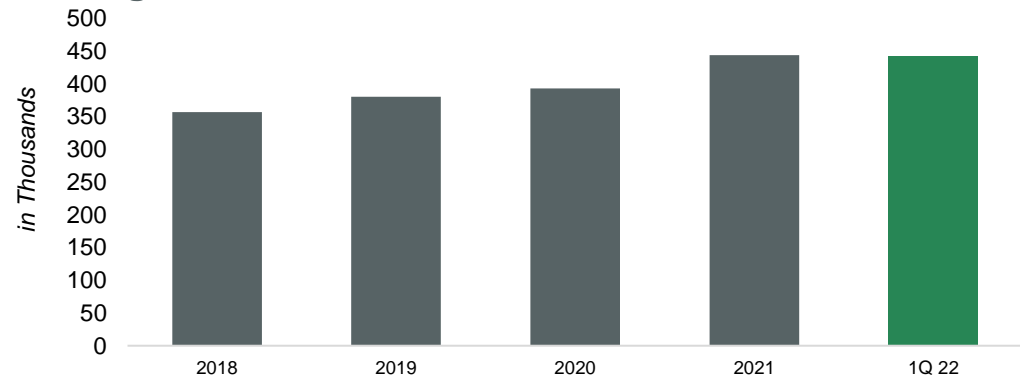
Long Term Market Drivers

- Trend of increasing private (“leasing / shipping companies”) railcar ownership expected to continue
- Users seek flexibility and financial institutions seek yield
- Opportunities created for partnering, service contracts and enhanced margins
- Growing participation through GBX Leasing joint venture

Revenue and Gross Margin %



Managed Fleet



GBX Leasing Enhances Potential Returns



(In millions, except owned and managed fleet, unaudited)

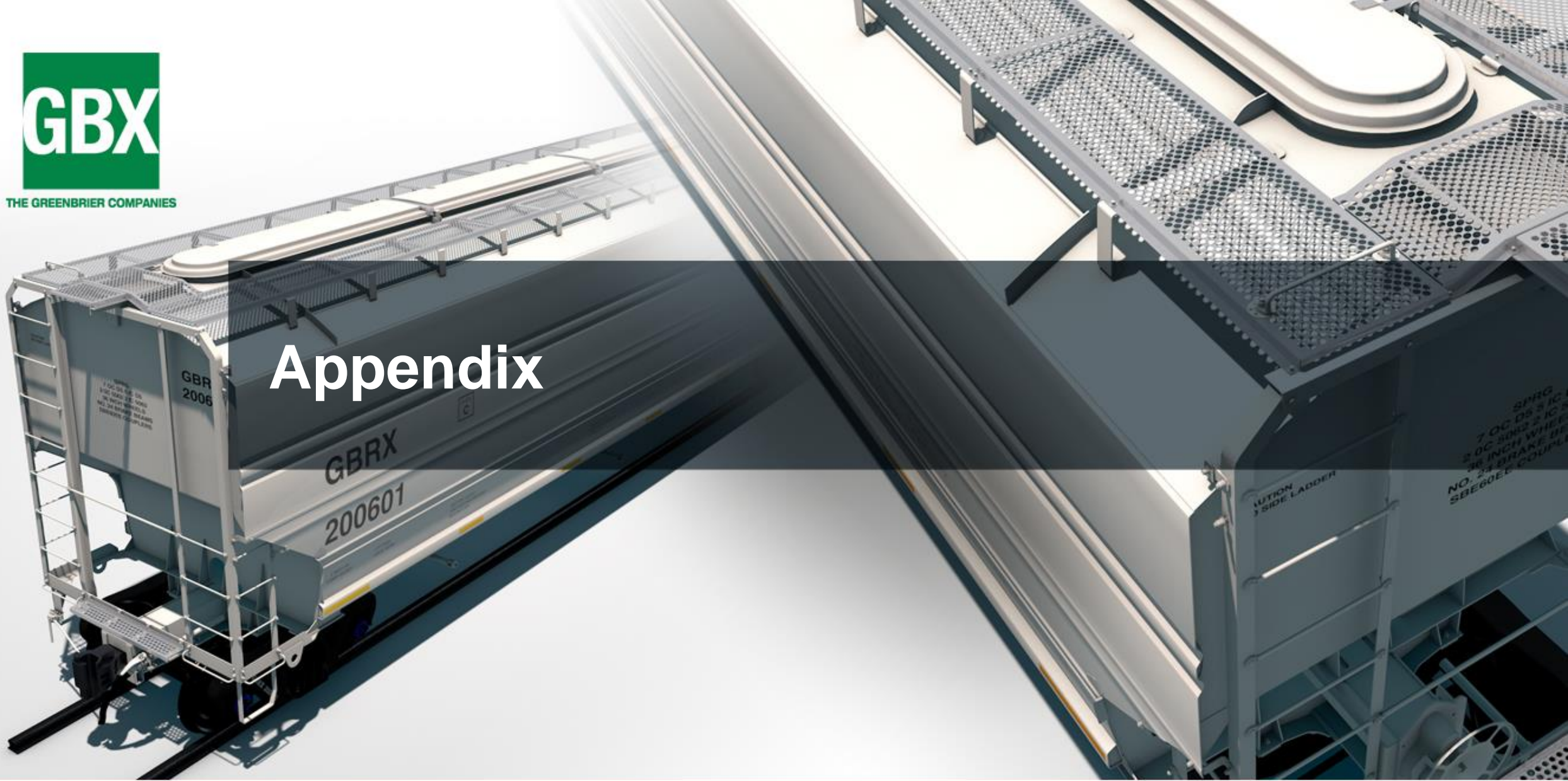
(In Units)	November 30, 2021	August 31, 2021
Owned Fleet ⁽¹⁾	12,900	8,800
Managed Fleet	443,000	444,000
Owned Fleet Utilization ⁽¹⁾	97%	94%
	November 30, 2021	August 31, 2021
Equipment on operating lease ⁽²⁾	\$ 751.3	\$ 609.8
GBX Leasing non-recourse warehouse Leasing non-recourse debt	\$ 293.0	\$ 147.0
	198.3	200.0
Total Leasing non-recourse debt	\$ 491.3	\$ 347.0
Fleet leverage % ⁽³⁾	65%	57%

(1) Owned fleet includes Leased railcars for syndication
 (2) Equipment on operating lease assets not securing Leasing non-recourse term loan support the \$600 million U.S. revolver
 (3) Total Leasing non-recourse debt / Equipment on operating lease

- ✓ Complements Greenbrier’s integrated business model of railcar manufacturing and services
- ✓ Strengthens distribution and funding strategies allowing us to better serve our customers’ needs and deepen relationships
- ✓ Continues to grow a diverse lease portfolio, with emphasis on industrial shipper and other long-standing customer relationships, including those gained through acquisition of ARI
- ✓ Reduces Greenbrier’s exposure to new railcar order and delivery cycle; provides tax-advantaged recurring lease-based revenue and an inflation hedge
- ✓ Establishes new non-recourse \$300 million debt facility with traditional leverage, maturities and terms for asset leasing and longer-term maturities that align better with a long-lived asset
- ✓ Leverages deep leasing industry expertise and relationships of D. Stephen Menzies, Chairman & CEO of GBX Leasing



Appendix



Quarterly Segment Trends



Manufacturing

<i>(\$ in millions, except backlog and deliveries)</i>	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22
Revenues	\$304.5	\$201.5	\$339.7	\$465.4	\$452.5
Gross Margin	\$23.6	(\$0.3)	\$47.2	\$51.3	\$30.9
Gross Margin %	7.8%	(0.1%)	13.9%	11.0%	6.8%
Operating Margin %	1.8%	(8.8%)	8.6%	6.8%	2.7%
Capital Expenditures	\$5.5	\$4.6	\$4.8	\$11.7	\$4.5
New Railcar Backlog	\$2,350	\$2,510	\$2,580	\$2,810	\$2,980
New Railcar Backlog (units)	23,900	24,900	24,800	26,600	28,000
Deliveries (units) ⁽¹⁾	2,700	1,700	2,800	4,100	3,700

Maintenance Services

<i>(\$ in millions)</i>	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22
Revenues	\$65.6	\$71.6	\$80.9	\$80.3	\$72.4
Gross Margin	\$2.6	\$5.0	\$7.2	\$3.2	\$1.2
Gross Margin %	4.0%	6.9%	8.9%	4.0%	1.7%
Operating Margin %	(0.3%)	3.4%	5.2%	0.1%	(1.5%)
Capital Expenditures	\$1.1	\$3.4	\$1.9	\$2.2	\$0.5

Leasing and Management Services

<i>(\$ in millions, except managed fleet)</i>	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22
Revenues	\$32.9	\$22.5	\$29.5	\$53.5	\$25.8
Gross Margin	\$14.5	\$13.0	\$20.7	\$43.6	\$15.5
Gross Margin %	44.1%	57.7%	70.0%	81.5%	59.9%
Operating Margin %	30.8%	31.2%	49.1%	69.6%	66.5%
Net Capital Expenditures ⁽²⁾	\$23.3	\$1.2	\$4.8	\$58.6	\$153.9
Managed fleet (000's)	407	445	445	444	443
Lease Fleet Utilization	93.3%	94.8%	93.8%	94.1%	97.1%

Footnotes

- (1) Excludes Brazil deliveries since they do not impact Manufacturing Revenue and Margins.
- (2) Includes corporate expenditures and is net of proceeds from sale of equipment



Quarterly Adjusted EBITDA Reconciliation



Supplemental Disclosure

Reconciliation of Net Earnings (Loss) to Adjusted EBITDA

(In millions, unaudited)

	Quarter Ending				
	Nov. 30, 2020	Feb. 28, 2021	May 31, 2021	Aug. 31, 2021	Nov. 30, 2021
Net earnings (loss)	(\$6.7)	(\$13.9)	\$20.0	\$35.7	\$5.6
Interest and foreign exchange	11.1	9.6	10.2	12.4	12.6
Income tax benefit	(7.3)	(21.8)	(6.9)	(4.2)	(1.4)
Depreciation and amortization	26.0	24.8	24.8	25.1	25.4
Net loss on extinguishment of debt	-	-	4.8	1.5	-
Adjusted EBITDA	\$23.1	(\$1.3)	\$52.9	\$70.5	\$42.2

Footnotes

- (1) Quarters ending 11/30/19 and 2/29/20 include severance expense not previously reported in quarterly adjusted EBITDA reconciliation.



Quarterly Adjusted Diluted EPS Reconciliation



Supplemental Disclosure

Reconciliation of Net Earnings Attributable to Greenbrier to Adjusted Net Earnings

(In millions, except per share amounts, unaudited)

	Quarter Ending				
	Nov. 30, 2020	Feb. 28, 2021	May 31, 2021	Aug. 31, 2021	Nov. 30, 2021
Net earnings attributable to Greenbrier	(\$10.0)	(\$9.1)	\$19.7	\$31.8	\$10.8
Net loss on extinguishment of debt, net of tax	-	-	3.6	1.2	-
Adjusted net earnings	(\$10.0)	(\$9.1)	\$23.3	\$33.0	\$10.8
Weighted average diluted shares outstanding	32.7	32.8	33.6	33.4	33.6
Adjusted diluted EPS	(\$0.30)	(\$0.28)	\$0.69	\$0.98	\$0.32



Adjusted Financial Metric Definition



EBITDA, Adjusted net earnings (loss) attributable to Greenbrier and Adjusted diluted EPS are not financial measures under generally accepted accounting principles (GAAP). These metrics are performance measurement tools used by rail supply companies and Greenbrier. You should not consider these metrics in isolation or as a substitute for other financial statement data determined in accordance with GAAP. In addition, because these metrics are not a measure of financial performance under GAAP and are susceptible to varying calculations, the measures presented may differ from and may not be comparable to similarly titled measures used by other companies.

We define EBITDA as Net earnings (loss) before Interest and foreign exchange, Income tax benefit (expense), Depreciation and amortization and Net loss on extinguishment of debt. We believe the presentation of EBITDA provides useful information as it excludes the impact of financing, foreign exchange, income taxes and the accounting effects of capital spending. These items may vary for different companies for reasons unrelated to the overall operating performance of a company's core business. We believe this assists in comparing our performance across reporting periods.

Adjusted net earnings (loss) attributable to Greenbrier and Adjusted diluted EPS excludes the impact associated with items we do not believe are indicative of our core business or which affect comparability. We believe this assists in comparing our performance across reporting periods.



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