



NYSE: GBX

2Q22 Earnings Slides & Supplemental Information

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Safe Harbor Statement

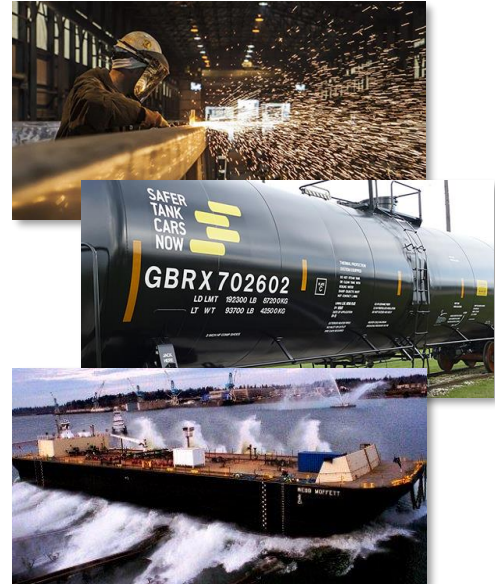


“SAFE HARBOR” STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995: This presentation may contain forward-looking statements, including any statements that are not purely statements of historical fact. Greenbrier uses words, and variations of words, such as “believe”, “build”, “continue,” “expect,” “goal,” “looking forward”, “outlook,” “position,” “reduce,” “will,” and similar expressions to identify forward-looking statements. These forward-looking statements include, without limitation, statements about backlog and other orders, leasing performance, financing, future liquidity, cash flow, our ability to grow market share and deliver future value to our shareholders, tax treatment, and other information regarding future performance and strategies and appear throughout this press release including in the headlines and the sections titled “Second Quarter Highlights,” a “Business Update & Outlook,” and “Supplemental Leasing Information.” These forward-looking statements are not guarantees of future performance and are subject to certain risks and uncertainties that could cause actual results to differ materially from the results contemplated by the forward-looking statements. Factors that might cause such a difference include, but are not limited to, the following: We are unable to predict when, how, or with what magnitude COVID-19, variants thereof, governmental reaction thereto, and related economic disruptions (including, among other factors, supply disruptions, inflation, and increases in interest rates) will negatively impact our business. General inflation (including rising energy prices, interest rates and wages and other escalators), currency volatility and policy interventions in reaction to such events could have negative impacts on our business by increasing our operating and borrowing costs as well as decreasing the capital available for our customers to purchase our goods and services, among other factors. Our business may be negatively impacted as a result of armed conflict in Ukraine and related events. The risks to our business that may emerge include, among others, transportation disruptions in Europe, heightened inflation, cyber disruptions or attacks, higher manufacturing and borrowing costs, disruptions in supply chains and availability of raw materials, interruptions in manufacturing operations and disruptions in credit markets. Our backlog of railcar units and marine vessels and other orders not included in backlog are not necessarily indicative of future results of operations. Certain orders in backlog are subject to customary documentation which may not occur. More information on potential factors that could cause our results to differ from our forward-looking statements is included in the Company’s filings with the SEC, including in the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of the Company’s most recently filed periodic report on Form 10-K and subsequent reports on 10-Q. Except as otherwise required by law, the Company assumes no obligation to update any forward-looking statements or information, which speak as of their respective dates. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management’s opinions only as of the date hereof.

Q2 FY 2022 Highlights



- New railcar orders for 8,500 units valued at \$930 million and deliveries of 4,800 units resulted in a 1.8x book-to-bill.
- Diversified new railcar backlog as of February 28, 2022 was 32,100 units with an estimated value of \$3.6 billion.
- Increased fleet utilization to 98%.
- Regular lease fleet optimization and monetization generated \$120 million of proceeds and \$25 million of gains.
- Quarter end liquidity increased to nearly \$805 million, including \$587 million in cash and \$217 million of available borrowing capacity.
- Net earnings attributable to Greenbrier for the quarter were \$13 million, or \$0.38 per diluted share, on revenue of \$683 million.
- GBX Leasing completed the issuance of \$323 million of asset-backed notes with a blended rate of 2.9%. The notes have a weighted average life of six years.
- Board declares a quarterly dividend of \$0.27 per share, representing Greenbrier's 32nd consecutive quarterly dividend.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)



- Railroads are the most fuel-efficient way to move freight over land and are 3-4 times more fuel efficient than trucks
- Moving freight by train instead of truck reduces greenhouse gas emission by up to 75%
- Freight rail cars have useful life of 40 – 50 years

Greenbrier's 2021 ESG Report was prepared in accordance with the Sustainability Accounting Standards Board (SASB) framework. Focus on:

- Environmental
- Safety
- Diversity, Equity and Inclusion (IDEAL)

Source: AAR



Read Greenbrier's 2021 ESG Report [HERE](#)

Our ESG 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 36%**, exceeding the 2020 Women on Boards target
- **Over 80% of directors are independent**

⁽¹⁾ Days Away, Restricted, and Transferred.

GBX has joined the RailPulse industry coalition to promote data transparency



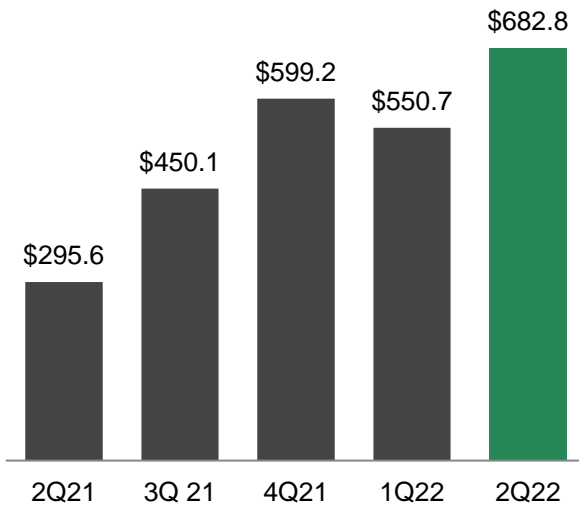
Six Members

- NORFOLK SOUTHERN
- GENESEE & WYOMING
- WATCO COMPANIES
- GATX
- THE GREENBRIER COMPANIES
- TRINITYRAIL

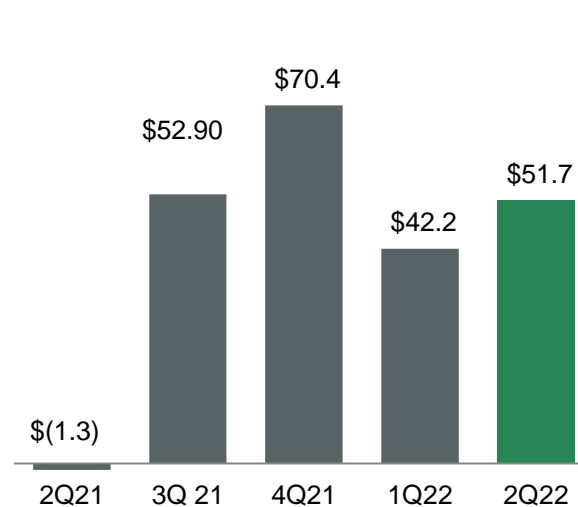


Income Statement Highlights

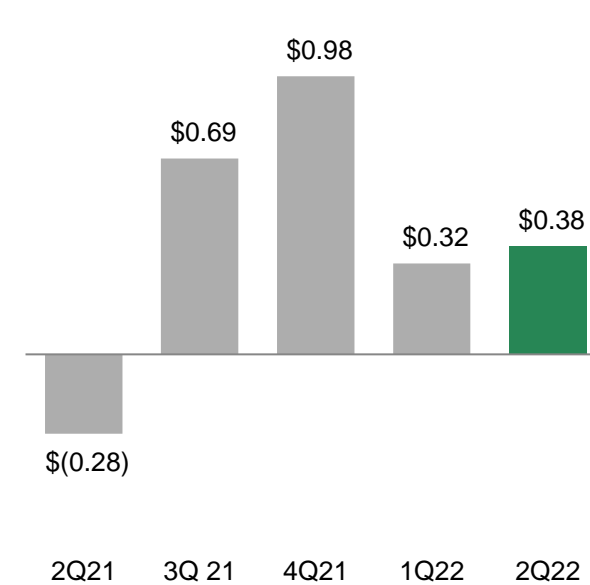
Revenue (\$ millions)



Adjusted EBITDA (\$ millions)⁽¹⁾



Adjusted Diluted EPS⁽¹⁾

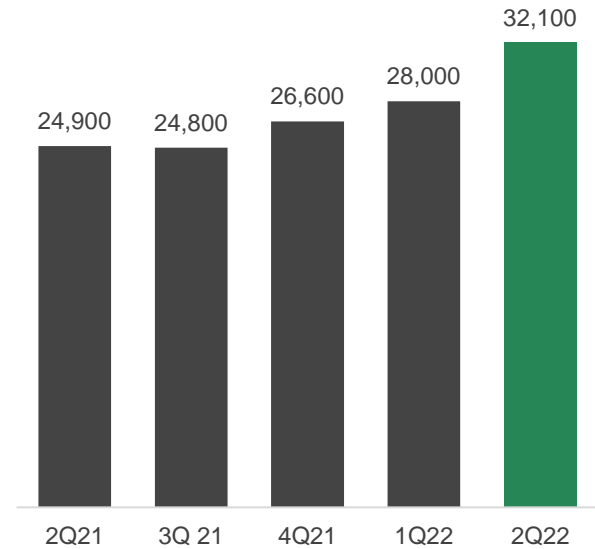


Increased EBITDA and EPS driven by higher revenue and operating earnings.

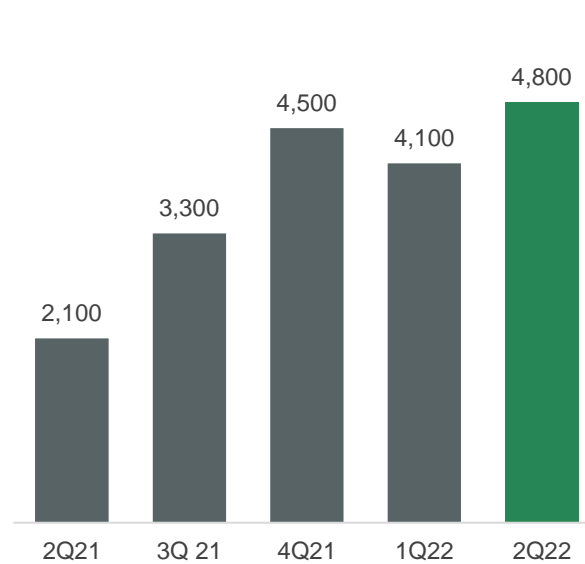
(1) See Slides 17 and 18 for Reconciliation

Key Operational Metrics

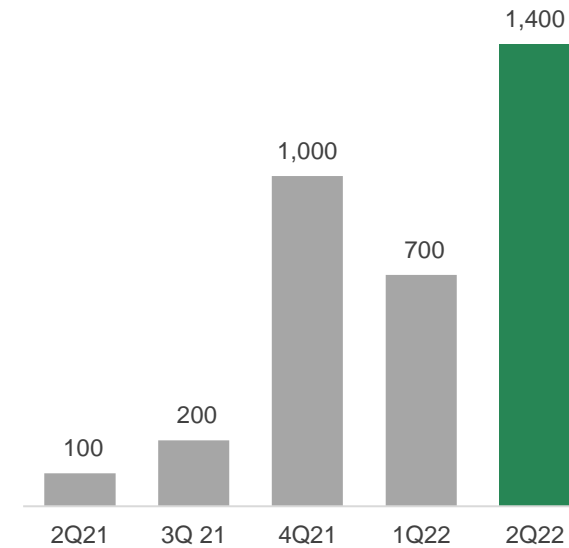
Backlog⁽¹⁾



Deliveries⁽¹⁾



Syndicated Deliveries



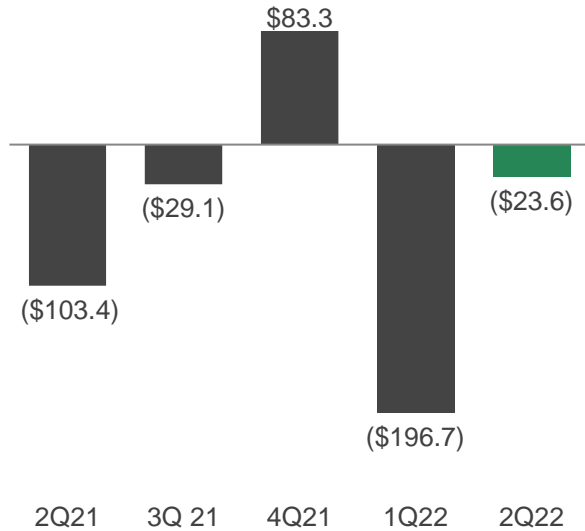
Orders for 8,500 railcars valued at \$930 million received during Q2 FY 22 contribute to \$3.6 billion backlog and represent 1.8x book-to-bill.

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

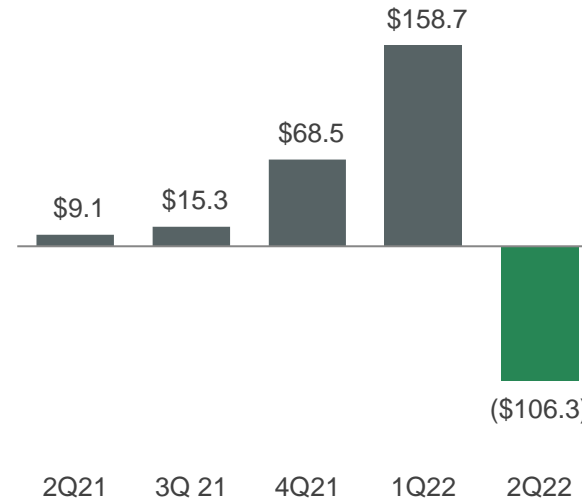
Balance Sheet & Cash Flow Trends



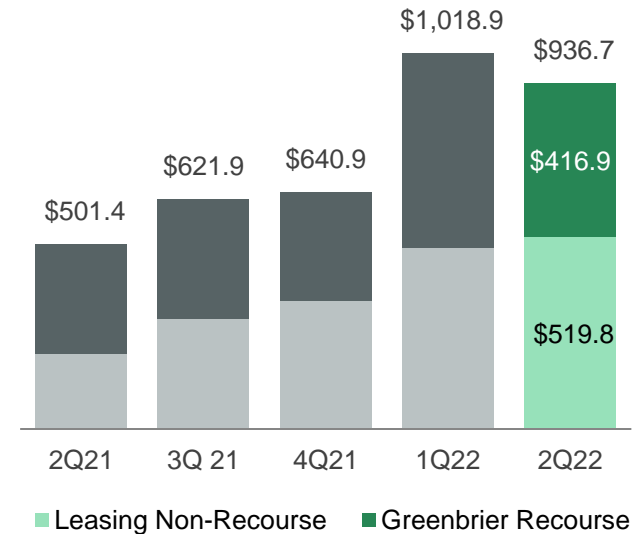
Operating Cash Flow



Net Capex & Invest. in Unconsolidated Affiliates⁽¹⁾



Net Funded Debt⁽²⁾



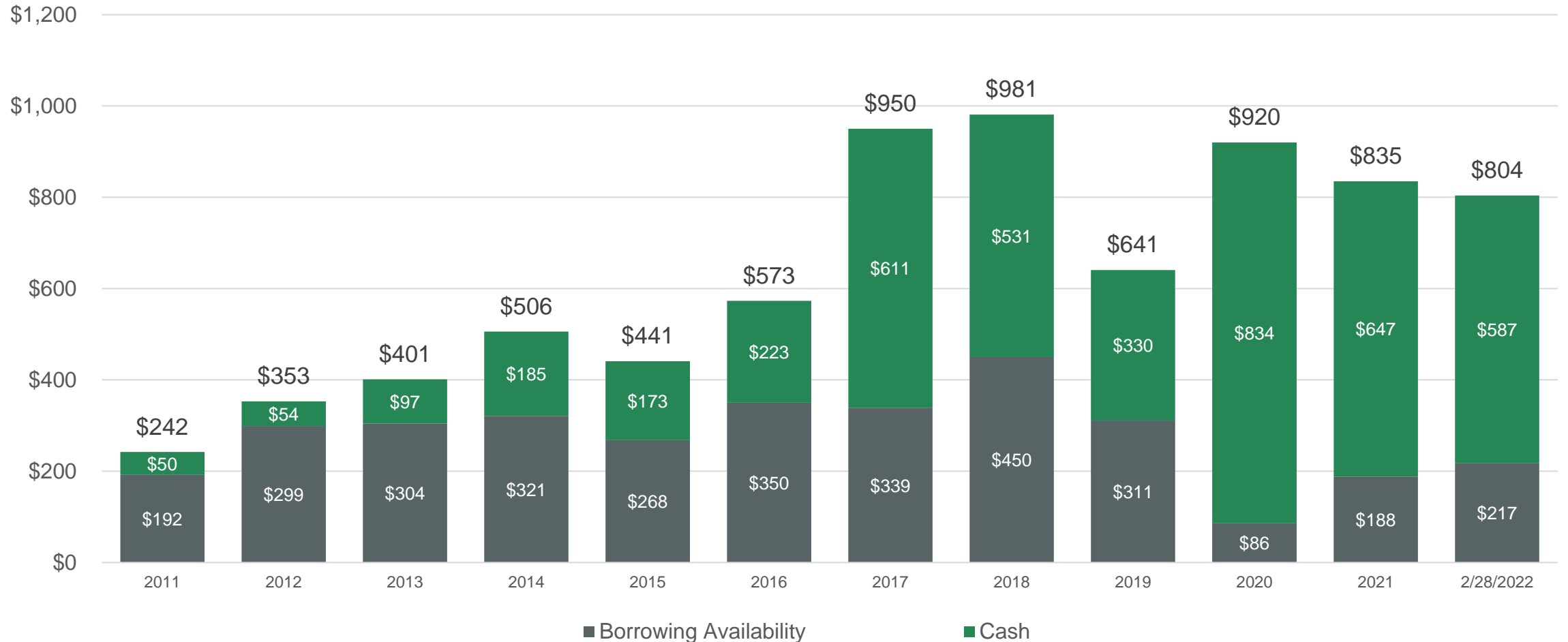
Quarter end liquidity increased to nearly \$805 million, including \$587 million in cash and \$217 million of available borrowing capacity.

(1) Investment in Unconsolidated Affiliates included to reflect investments in unconsolidated joint ventures; negative amount reflects cash generated
 (2) Excludes debt discounts and issuance costs

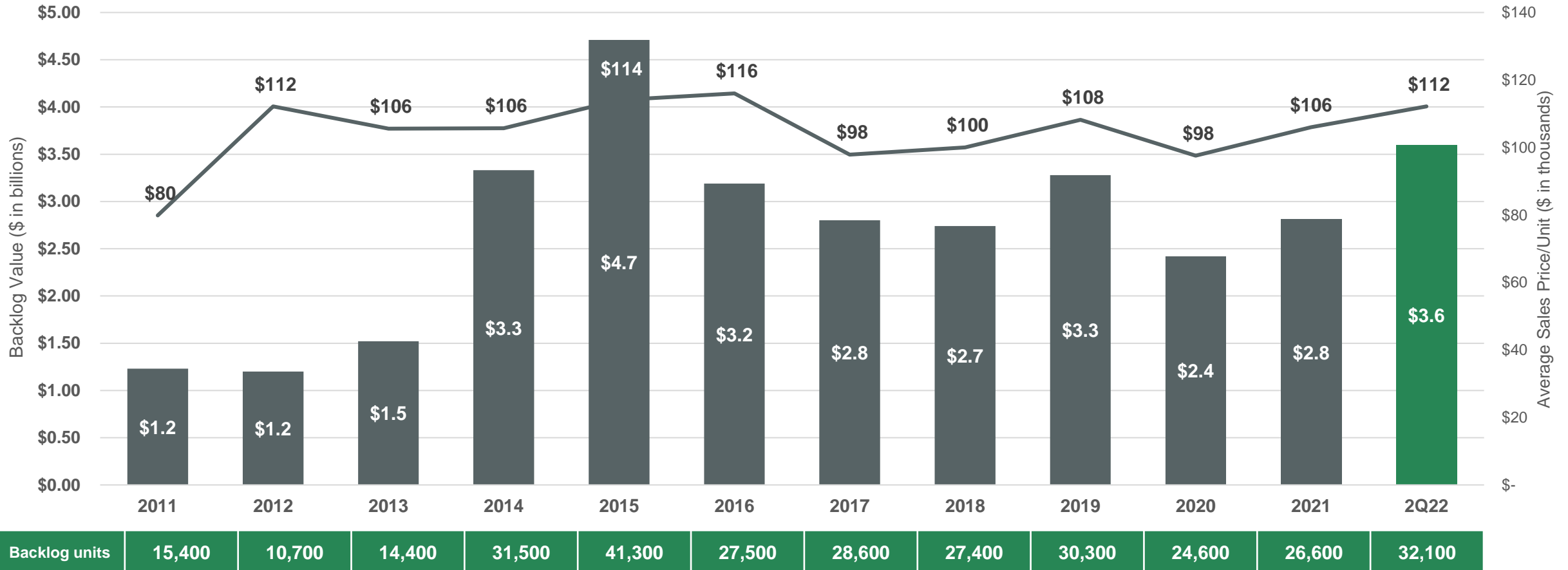
Strong Balance Sheet and Liquidity Provide Flexibility



Liquidity Summary (\$ in millions)



Railcar Backlog Provides Visibility



Manufacturing Segment Update



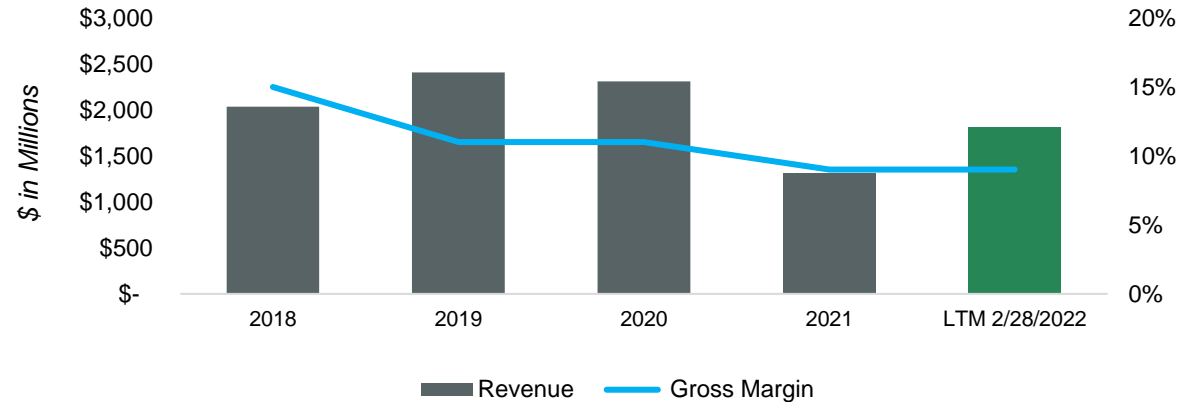
Second Quarter Developments

- Increased deliveries primarily in North America
- Reduced margin reflects production inefficiencies, impact of the Omicron variant and increased expense to mitigate supply chain disruptions
- Higher production rates and more syndicated units

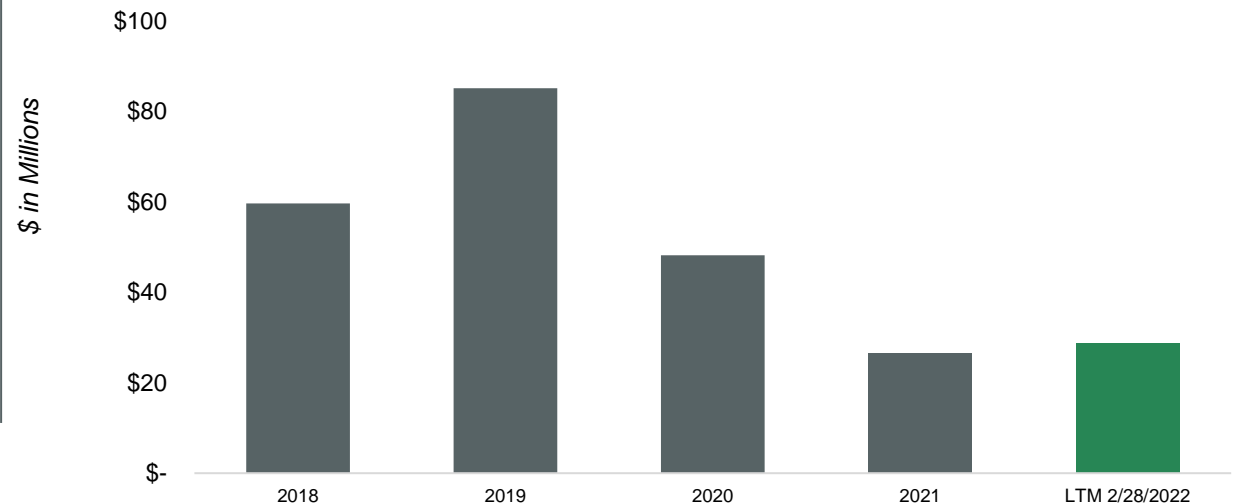
Long Term Market Drivers

- 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



Second Quarter Developments

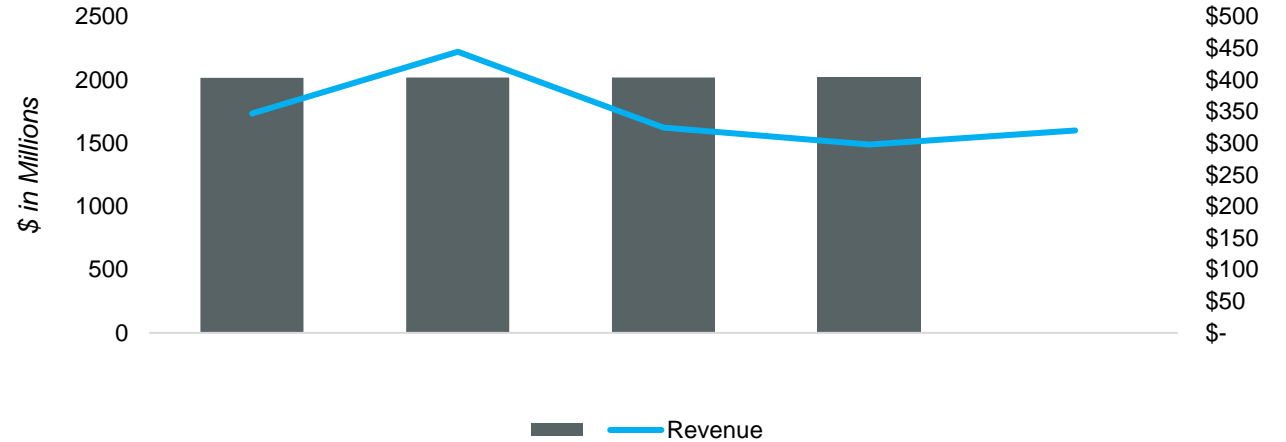
- Increased volumes due to winter seasonality
- Improved throughput despite labor challenges

Long Term Market Drivers

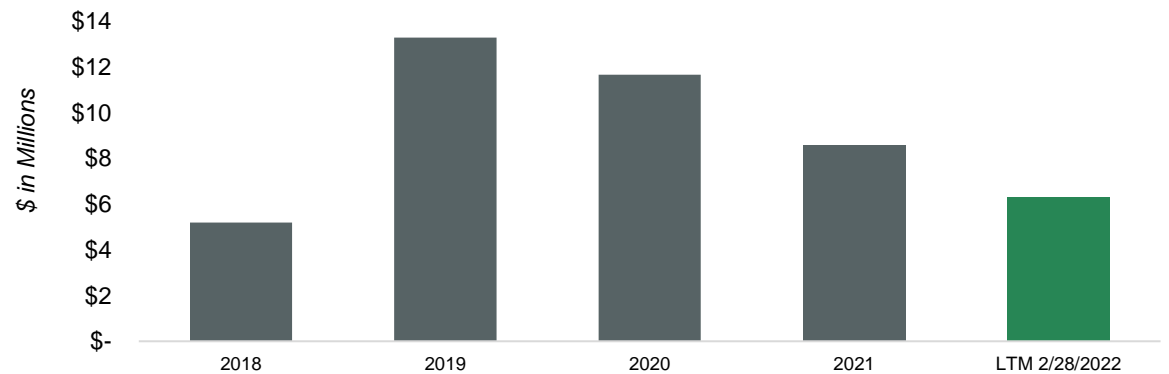
- Ton-miles and equipment upgrades drive wheel and repair spending

⁽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



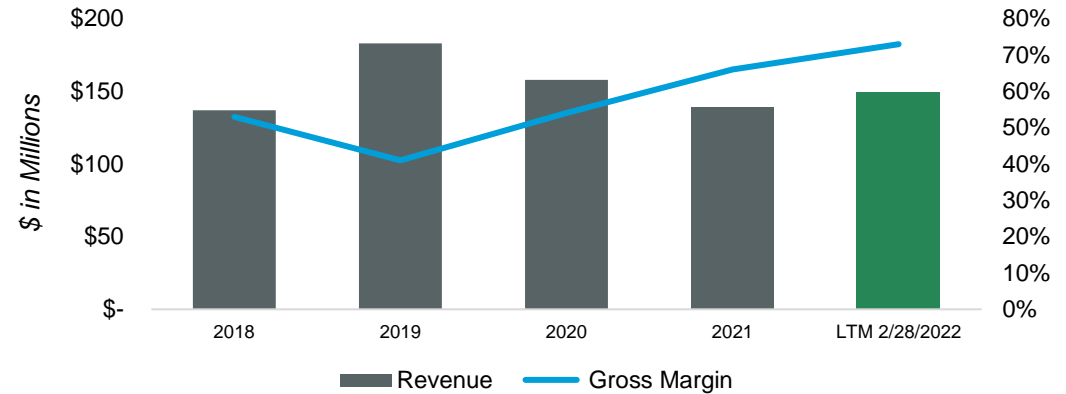
Leasing & Management Services



Second Quarter Developments

- Primarily increased syndication revenue and margin
- Benefited from timing of gains from fleet optimization

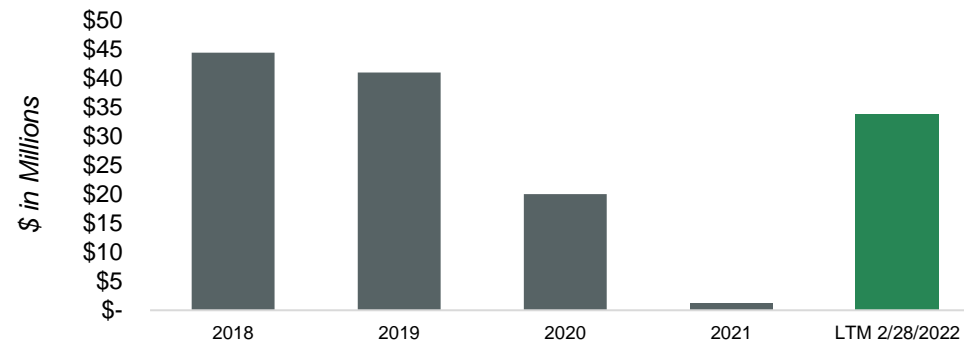
Revenue and Gross Margin %



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

Gain on Disposition of Equipment



Leasing Enhances Potential Returns



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

| (In Units) | November 30, 2021 | February 28, 2022 |
|----------------------------|-------------------|-------------------|
| Owned Fleet(1) | 12,900 | 11,000 |
| Managed Fleet | 443,000 | 431,000 |
| Owned Fleet Utilization(1) | 97% | 98% |

| | November 30, 2021 | February 28, 2022 |
|----------------------|-------------------|-------------------|
| Beginning balance | 8,800 | 12,900 |
| Cars added | 5,100 | 1,000 |
| Cars sold / scrapped | (1,000) | (2,900) |
| Ending balance | 12,900 | 11,000 |

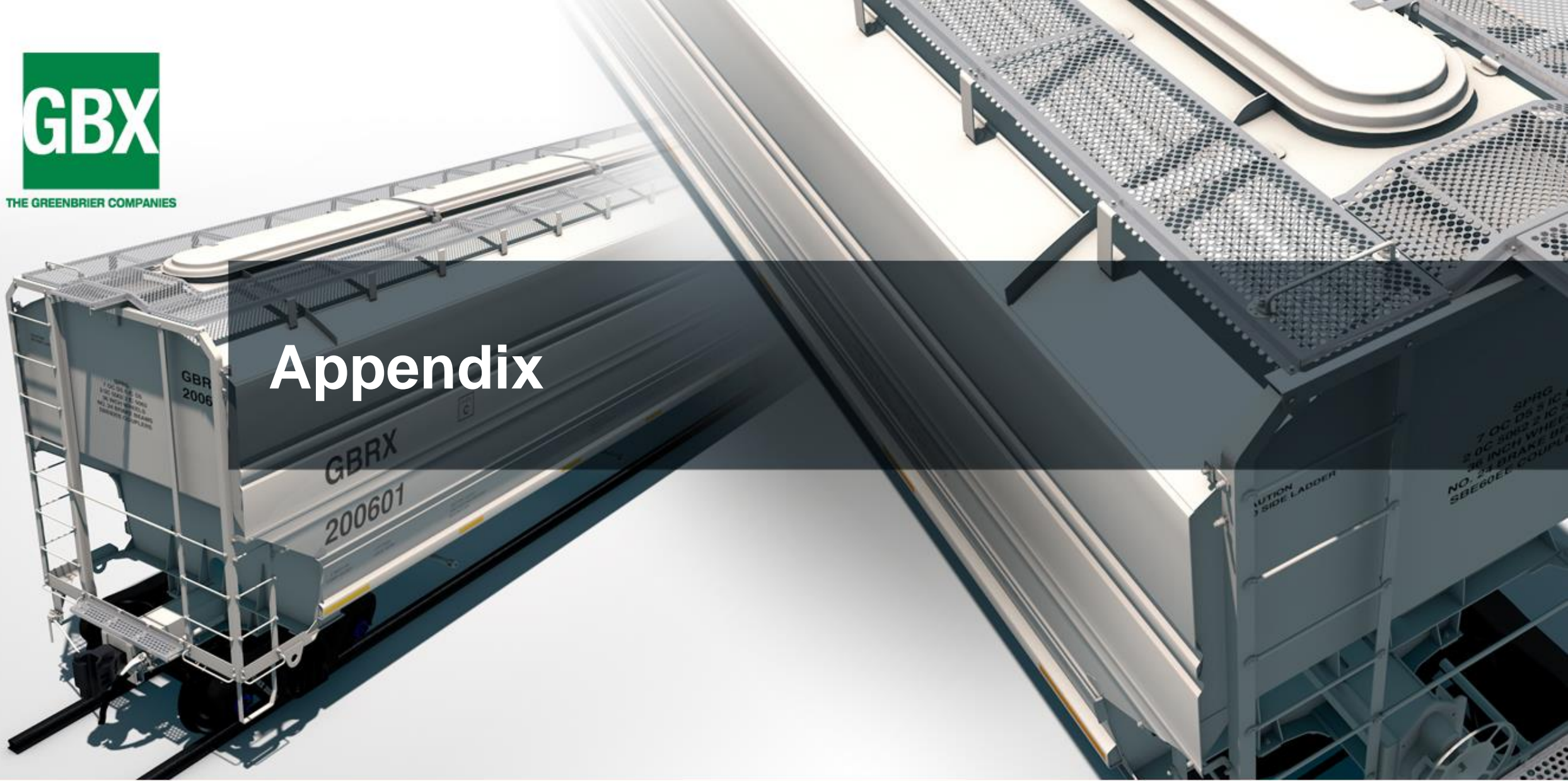
| | November 30, 2021 | February 28, 2022 |
|--|-------------------|-------------------|
| Equipment on operating lease(2) | \$ 751.3 | \$ 650.4 |
| GBX Leasing non-recourse warehouse | \$ 293.0 | \$ - |
| GBX Leasing ABS notes | - | 323.3 |
| Leasing non-recourse debt | 198.3 | 196.5 |
| Total Leasing non-recourse debt | \$ 491.3 | \$ 519.8 |
| Fleet leverage %(3) | 65% | 80% |

- ✓ Reduces Greenbrier's exposure to new railcar order and delivery cycle; provides tax-advantaged recurring lease-based revenue and an inflation hedge
- ✓ Strengthens distribution and funding strategies allowing us to better serve our customers' needs and deepen relationships
- ✓ Complements Greenbrier's integrated business model of railcar manufacturing and services
- ✓ 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

(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



Appendix



Quarterly Segment Trends



Manufacturing

| <i>(\$ in millions, except backlog and deliveries)</i> | 2Q 21 | 3Q 21 | 4Q 21 | 1Q 22 | 2Q 22 |
|--|---------|---------|---------|---------|---------|
| Revenues | \$201.5 | \$339.7 | \$465.4 | \$452.5 | \$555.7 |
| Gross Margin | (\$0.3) | \$47.2 | \$51.3 | \$30.9 | \$20.7 |
| Gross Margin % | (0.1%) | 13.9% | 11.0% | 6.8% | 3.7% |
| Operating Margin % | (8.8%) | 8.6% | 6.8% | 2.7% | 0.3% |
| Capital Expenditures | \$4.6 | \$4.8 | \$11.7 | \$4.5 | \$7.7 |
| New Railcar Backlog | \$2,510 | \$2,580 | \$2,810 | \$2,980 | \$3,590 |
| New Railcar Backlog (units) | 24,900 | 24,800 | 26,600 | 28,000 | 32,100 |
| Deliveries (units) ⁽¹⁾ | 1,700 | 2,800 | 4,100 | 3,700 | 4,400 |

Maintenance Services

| <i>(\$ in millions)</i> | 2Q 21 | 3Q 21 | 4Q 21 | 1Q 22 | 2Q 22 |
|-------------------------|--------|--------|--------|--------|--------|
| Revenues | \$71.6 | \$80.9 | \$80.3 | \$72.4 | \$86.6 |
| Gross Margin | \$5.0 | \$7.2 | \$3.2 | \$1.2 | \$4.9 |
| Gross Margin % | 6.9% | 8.9% | 4.0% | 1.7% | 5.7% |
| Operating Margin % | 3.4% | 5.2% | 0.1% | (1.5%) | 3.3% |
| Capital Expenditures | \$3.4 | \$1.9 | \$2.2 | \$0.5 | \$1.7 |

Leasing and Management Services

| <i>(\$ in millions, except managed fleet)</i> | 2Q 21 | 3Q 21 | 4Q 21 | 1Q 22 | 2Q 22 |
|---|--------|---------|--------|---------|-----------|
| Revenues | \$22.5 | \$29.5 | \$53.5 | \$25.8 | \$40.5 |
| Gross Margin | \$13.0 | \$20.7 | \$43.6 | \$15.5 | \$29.2 |
| Gross Margin % | 57.7% | 70.0% | 81.5% | 59.9% | 72.1% |
| Gain on Sale | \$0.4 | (\$0.1) | \$0.5 | \$8.8 | \$24.7 |
| Operating Margin % | 31.2% | 49.1% | 69.6% | 66.5% | 117.5% |
| Net Capital Expenditures ⁽²⁾ | \$1.2 | \$4.8 | \$58.6 | \$153.9 | (\$118.9) |
| Managed fleet (000's) | 445 | 445 | 444 | 443 | 431 |
| Lease Fleet Utilization | 94.8% | 93.8% | 94.1% | 97.1% | 97.9% |

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 | | | | |
|------------------------------------|------------------|-----------------|------------------|------------------|------------------|
| | Feb. 28, 2021 | May 31, 2021 | Aug. 31, 2021 | Nov. 30, 2021 | Feb. 28, 2022 |
| Net earnings (Loss) | (\$13.9) | \$20.0 | \$35.7 | \$5.6 | \$11.2 |
| Interest and foreign exchange | 9.6 | 10.2 | 12.4 | 12.6 | 11.8 |
| Income tax expense (benefit) | (21.8) | (6.9) | (4.2) | (1.4) | 3.2 |
| Depreciation and amortization | 24.8 | 24.8 | 25.1 | 25.4 | 25.5 |
| Net loss on extinguishment of debt | - | 4.8 | 1.5 | - | - |
| Adjusted EBITDA | (\$1.3) | \$52.9 | \$70.5 | \$42.2 | \$51.7 |



Quarterly Adjusted Diluted EPS Reconciliation



Supplemental Disclosure

Reconciliation of Net Earnings (Loss) Attributable to Greenbrier to Adjusted Net Earnings (Loss)

(In millions, except per share amounts, unaudited)

| | Quarter Ending | | | | |
|--|------------------|-----------------|------------------|------------------|------------------|
| | Feb. 28, 2021 | May 31, 2021 | Aug. 31, 2021 | Nov. 30, 2021 | Feb. 28, 2022 |
| Net earnings (loss) attributable to Greenbrier | (\$9.1) | \$19.7 | \$31.8 | \$10.8 | \$12.8 |
| Net loss on extinguishment of debt, net of tax | - | 3.6 | 1.2 | - | - |
| Adjusted net earnings (loss) | (\$9.1) | \$23.3 | \$33.0 | \$10.8 | \$12.8 |
| Weighted average diluted shares outstanding | 32.8 | 33.6 | 33.4 | 33.6 | 34.5 |
| Adjusted diluted EPS | (\$0.28) | \$0.69 | \$0.98 | \$0.32 | \$0.38 |



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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