



NYSE: GBX

4Q22 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 statements that are not purely statements of historical fact. Greenbrier uses words, and variations of words, such as “believe”, “complement”, “continue”, “drive”, “enhance”, “expect”, “favor”, “goal”, “grow”, “opportunities”, “potential”, “proposed”, “provides”, “trend” and similar expressions to identify forward-looking statements. These forward-looking statements include, without limitation, statements about long term trends and market drivers, backlog and other orders, leasing performance, financing, future liquidity, cash flow, tax treatment, and other information regarding future performance and strategies and appear throughout this presentation, including in the headlines and the sections titled “Long Term Market Drivers” and “Leasing Enhances Potential Returns”. 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: an economic downturn and economic uncertainty; inflation (including rising energy prices, interest rates, wages and other escalators) and policy reactions thereto (including actions by central banks); disruptions in the supply of materials and components used in the production of our products; the war in Ukraine and related events, and the COVID-19 pandemic, variants thereof, governmental reaction thereto, and related economic disruptions (including, among other factors, operations and supply disruptions and labor shortages). 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 our most recently filed periodic report on Form 10-K and subsequent reports on Form 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.”

Q4 FY 2022 Highlights



- New railcar orders for 4,800 units valued at \$620 million and deliveries of 5,800 units.
- Diversified new railcar backlog as of August 31, 2022, was 29,500 units with an estimated value of \$3.5 billion.
- Ended the quarter with liquidity of \$690 million, including \$543 million in cash and \$147 million of available borrowing capacity.
- Operating cash flow of nearly \$180 million.
- Net earnings attributable to Greenbrier for the quarter were \$20 million, or \$0.60 per diluted share, on revenue of \$950 million.
- EBITDA for the quarter was \$89 million, or 9.3% of revenue.
- Board declared a quarterly dividend of \$0.27 per share, representing Greenbrier's 34th consecutive quarterly dividend.

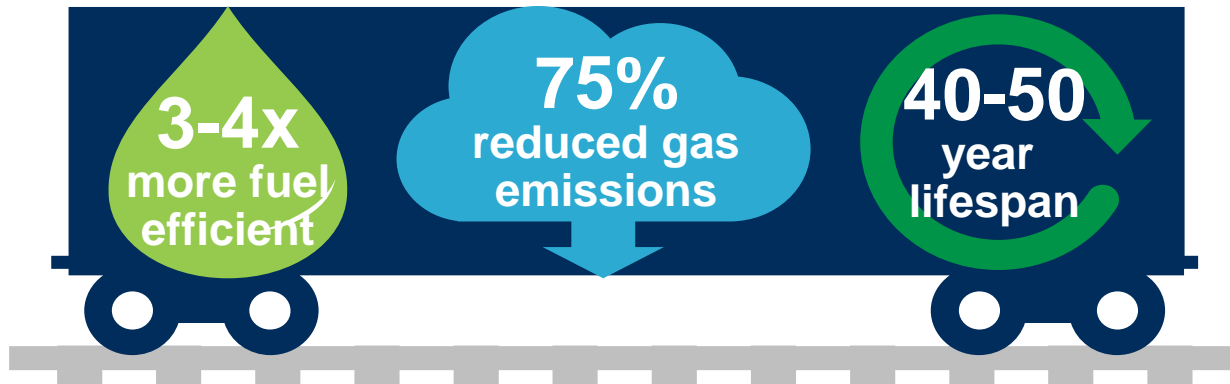


Environmental, Social and Governance (ESG)

Greenbrier's fourth annual ESG Report will be published in November 2022. It was prepared in accordance with the Sustainability Accounting Standards Board (SASB) framework. The report also includes UN Sustainable Development Goals (SDG) targets and a Task Force on Climate-Related Financial Disclosures (TCFD) index and commitment to full alignment by 2030. Focus on:

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

RAIL VERSUS TRUCK



Our ESG Values



SAFETY & QUALITY

Leading the Industry Worldwide

“To maintain our industry leading status, we pride ourselves on producing high-quality products while maintaining rigorous employee safety standards. Greenbrier’s core values of safety and quality drive all our operations.”

- **Five consecutive years** of improved safety statistics – achieved the lowest rate in 2022
- OSHA injury and DART¹ rates have **improved by ~80% since 2013**
- Received multiple annual recognitions by the Portland Business Journal as a **‘Most Admired Company’**



ENVIRONMENT

Advancing Sustainability

“As one of the most fuel-efficient methods of transportation, the rail and marine industries and our role in them are inextricably linked to environmental sustainability.”

- Greenbrier set a Scope 2 greenhouse gas reduction goal of 20% by 2027
- *Disclosed climate risk management process for the first time in 2022 ESG report*
- *Recent enhancements to Greenbrier’s product designs include lowering the tare weight of various railcars, enhancing aerodynamics, introducing new safety features and incorporating recycled content where possible.*



PEOPLE & COMMUNITIES

Contributing to Our People and Communities

“Greenbrier is dedicated to serving and investing in our people and communities, making them better places to live and work. We do this through community action days, scholarship funding, volunteerism and our IDEAL program.

- Our **charitable giving program** encourages employees to provide service to their local communities
- Donated over \$1 million and 9,000 hours to nonprofit organizations in a diverse focus areas
- Introduced employee resource groups (ERGs) as part of our **IDEAL commitment**



GOVERNANCE & ETHICS

Assuring the Highest Standards of Oversight

“We are dedicated to sound governance practices at Greenbrier. This aspect of our ESG program includes business ethics, risk management, internal audits and our Board structure.”

- Greenbrier’s current percentage of **female board members is 36%**, exceeding 50/50 Women on Board’s 3+ category
- **Over 80% of directors are independent**

⁽¹⁾ Days Away, Restricted, and Transferred.

GBX has joined the RailPulse industry coalition to promote data transparency



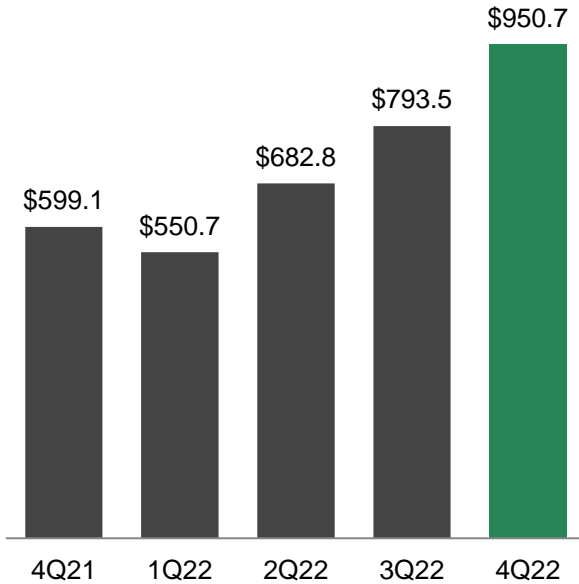
Seven Board Companies

NS NORFOLK SOUTHERN®
GENESEE WYOMING G&W
UNION PACIFIC
WATCO COMPANIES
GATX
THE GREENBRIER COMPANIES
TRINITYRAIL®

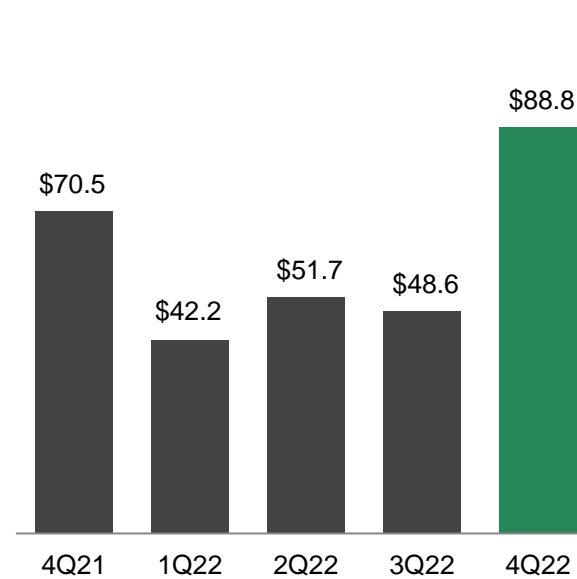


Income Statement Highlights

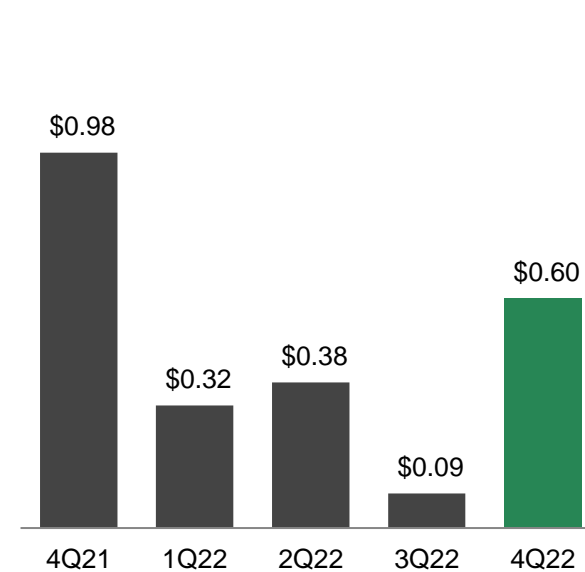
Revenue (\$ millions)



EBITDA (\$ millions)⁽¹⁾



Adjusted Diluted EPS⁽¹⁾

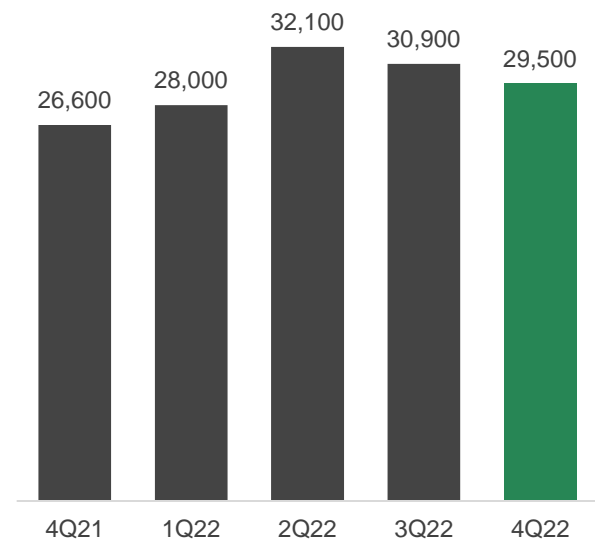


Strong EBITDA and EPS driven by higher revenue and margins as a result of increased deliveries and improved operating efficiencies.

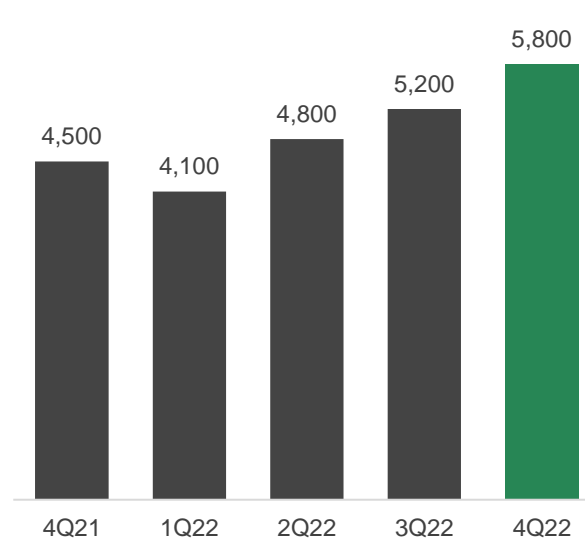
(1) See Slides 17 and 18 for Reconciliation

Key Operational Metrics

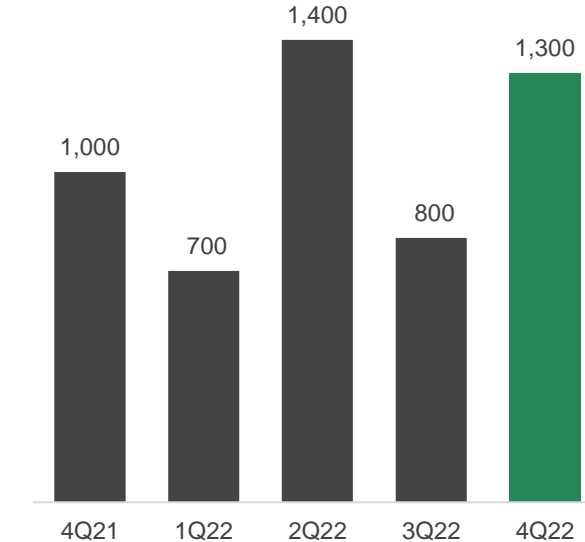
Backlog⁽¹⁾



Deliveries⁽¹⁾



Syndicated Deliveries



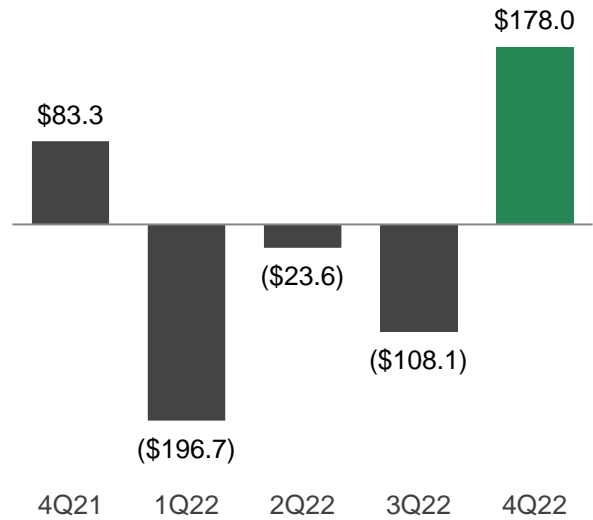
Orders for 4,800 railcars valued at \$620 million received during Q4 FY 22 contribute to \$3.5 billion backlog.

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

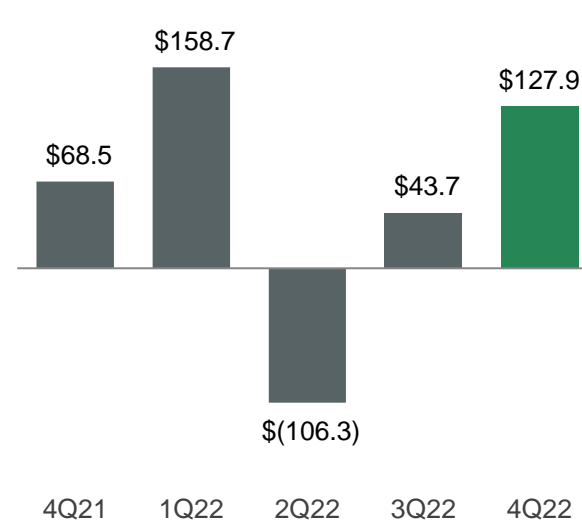
Balance Sheet & Cash Flow Trends



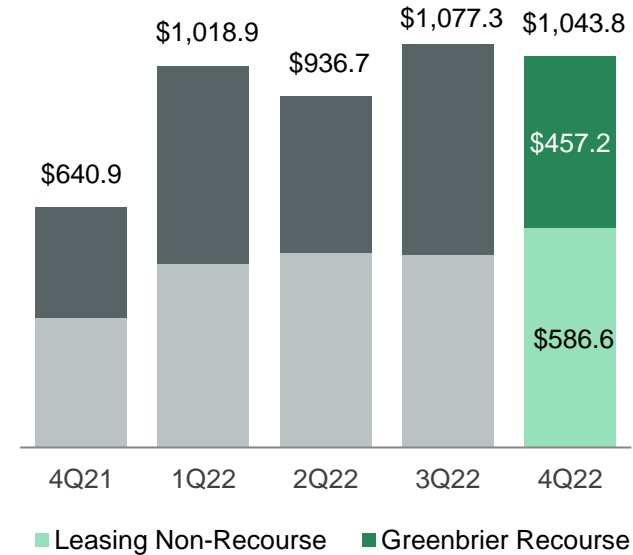
Operating Cash Flow



Net Capex & Invest. in Unconsolidated Affiliates⁽¹⁾



Net Funded Debt⁽²⁾



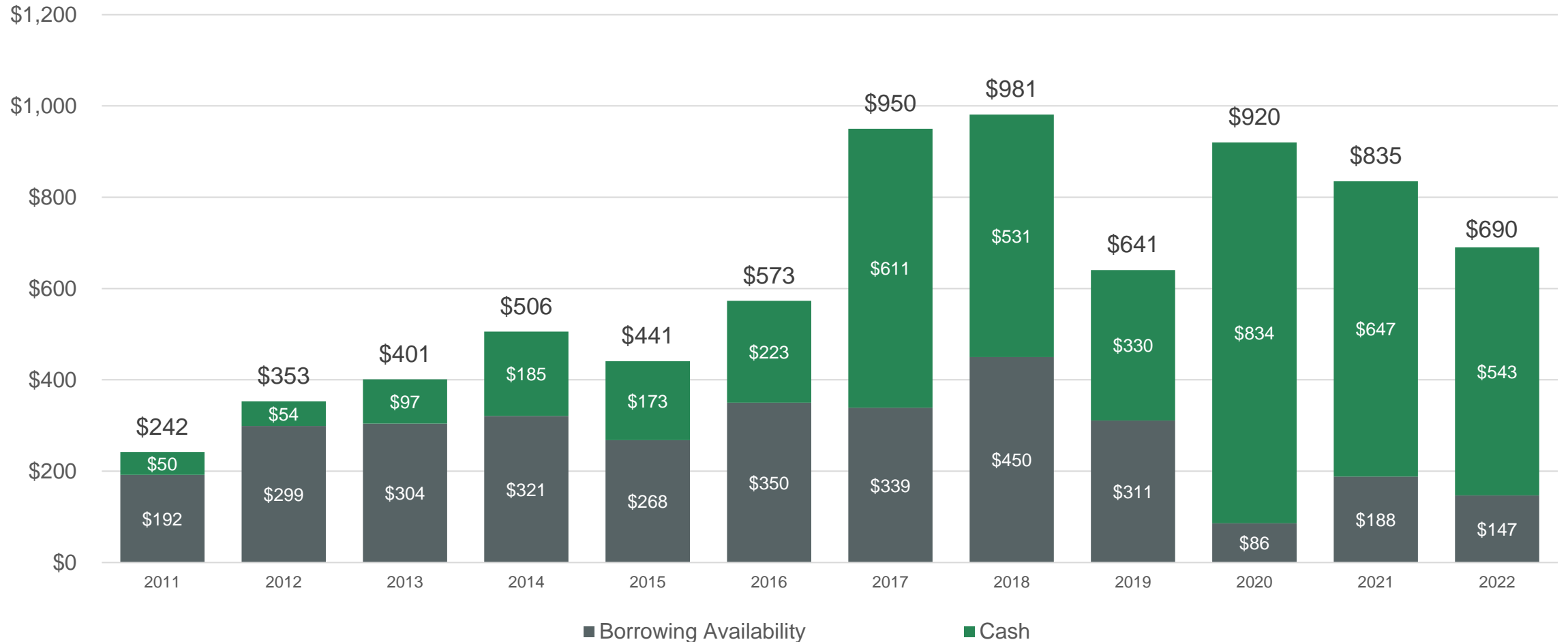
Operating cash flow of nearly \$180 million. Quarter end liquidity of \$690 million, including \$543 million in cash and \$147 million of available borrowing capacity.

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

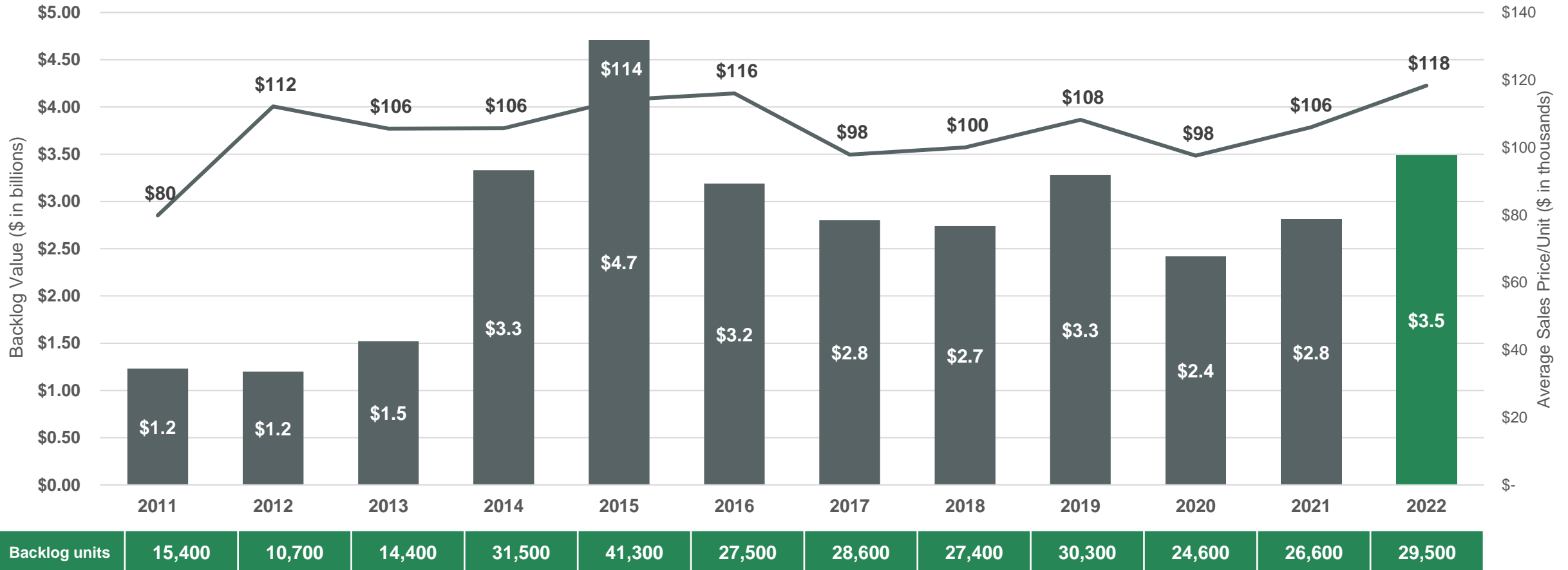
Strong Balance Sheet and Liquidity Provide Flexibility



Liquidity Summary (\$ in millions)



Railcar Backlog Provides Visibility



Manufacturing Segment Update



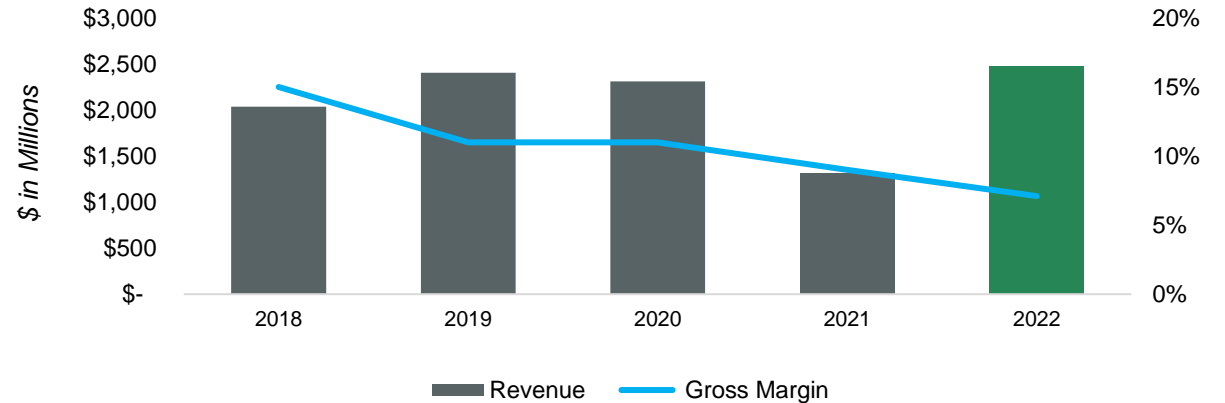
Fourth Quarter Developments

- Sequentially strong revenue growth on increased deliveries reflecting progress of production ramp in North America and higher pricing
- Increased margin reflects improved operating efficiencies
- Robust deliveries as a result of higher production rates and strong syndication activity

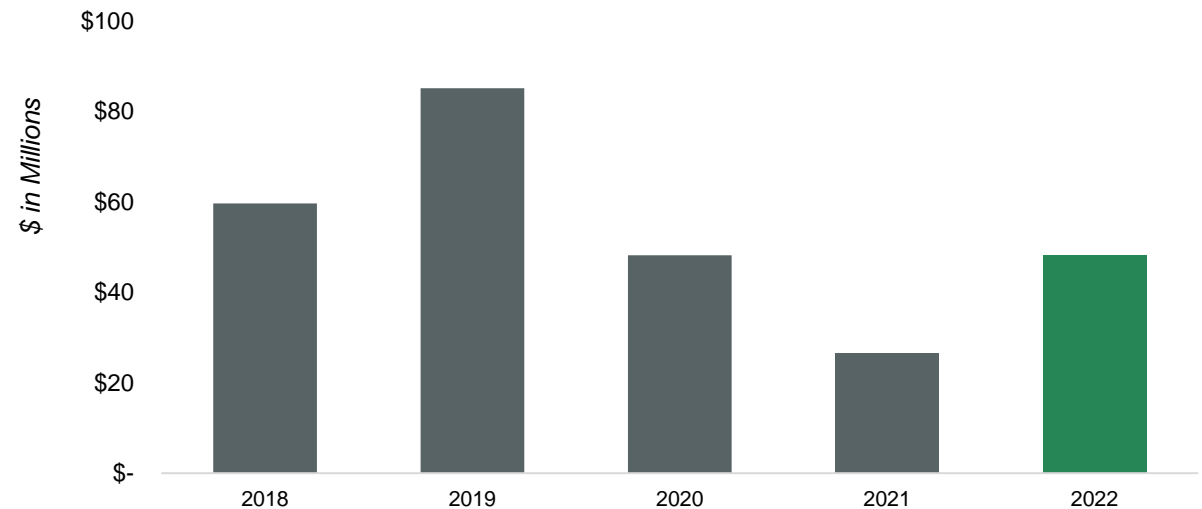
Long Term Market Drivers

- 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 Update



Fourth Quarter Developments

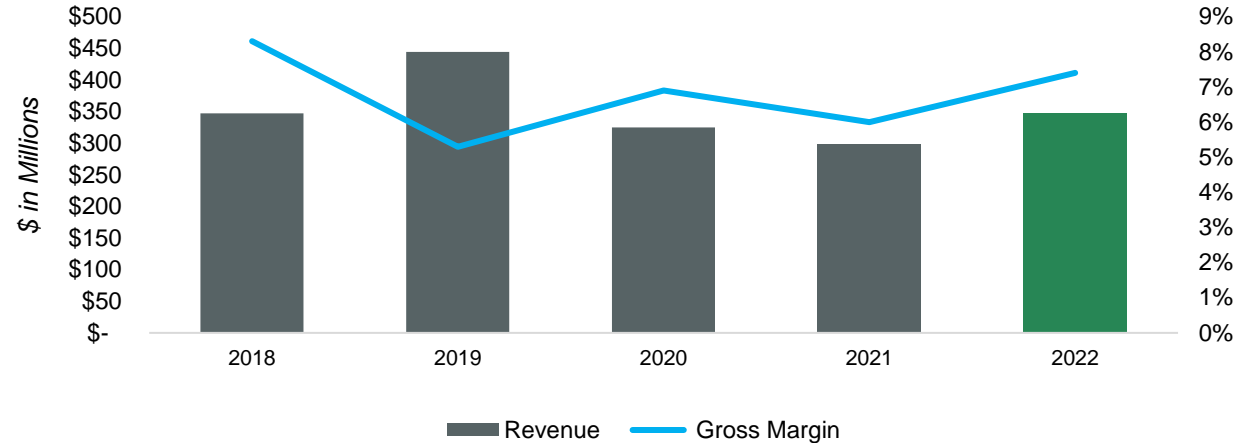
- Lower revenue due to lower repair and wheel volumes sequentially after seasonally strong Q3
- Sequential increase to margin due to improved operating efficiencies

Long Term Market Drivers

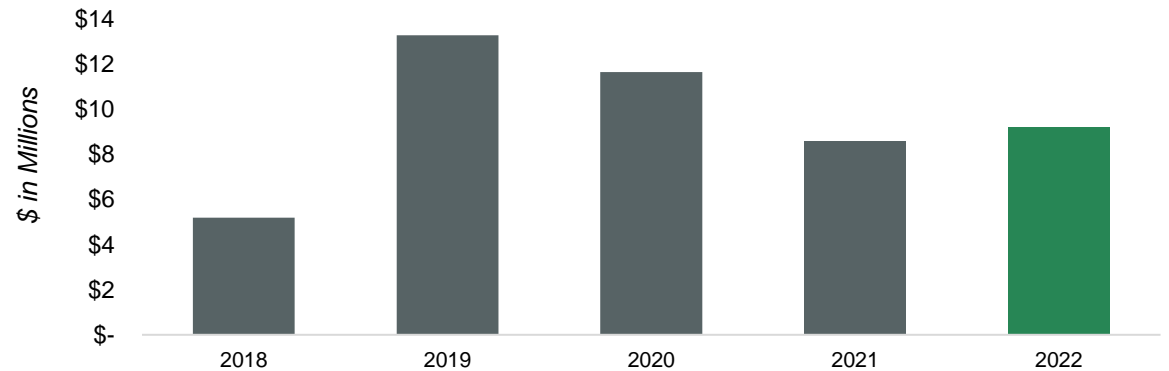
- Ton-miles and equipment upgrades drive wheel and repair spending

⁽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 Maintenance Services segment.

Revenue and Gross Margin %⁽¹⁾



Capital Expenditures



Leasing & Management Services Update



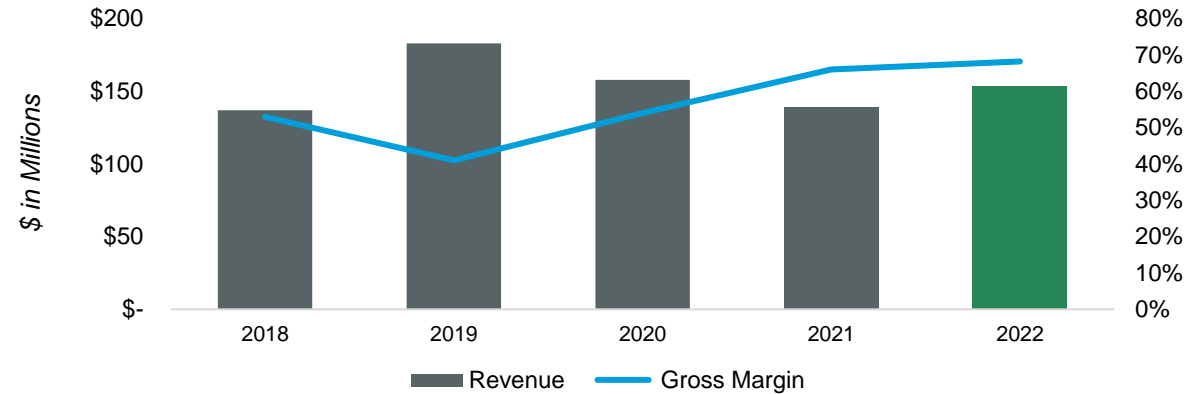
Fourth Quarter Developments

- Revenue and margin reflect increased syndication activity and lease fleet income
- Strong lease fleet utilization rate of 98%

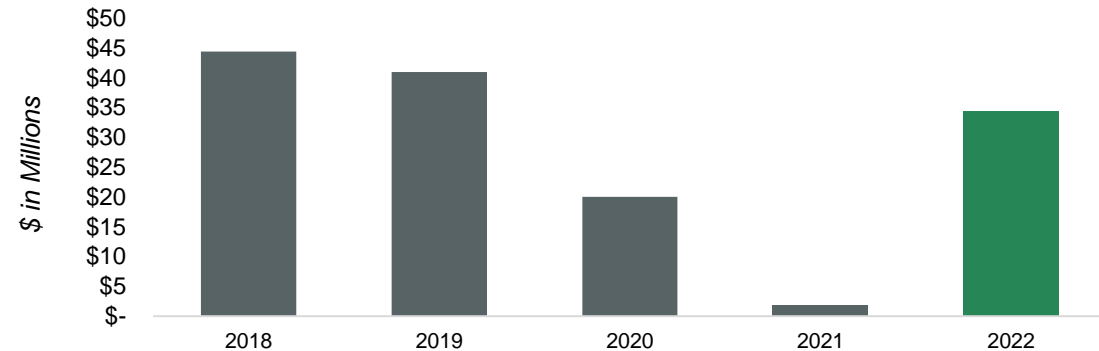
Long Term Market Drivers

- 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

Revenue and Gross Margin %



Gain on Disposition of Equipment



Leasing Enhances Potential Returns



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

(In Units)	May 31, 2022	Aug 31, 2022
Owned Fleet ⁽¹⁾	11,800	12,200,
Managed Fleet	421,000	408,000
Owned Fleet Utilization ⁽¹⁾	98%	98%
	May 31, 2022	Aug 31, 2022
Beginning balance	11,000	11,800
Cars added	1,700	1,700
Cars sold / scrapped	(900)	(1,300)
Ending balance	11,800	12,200

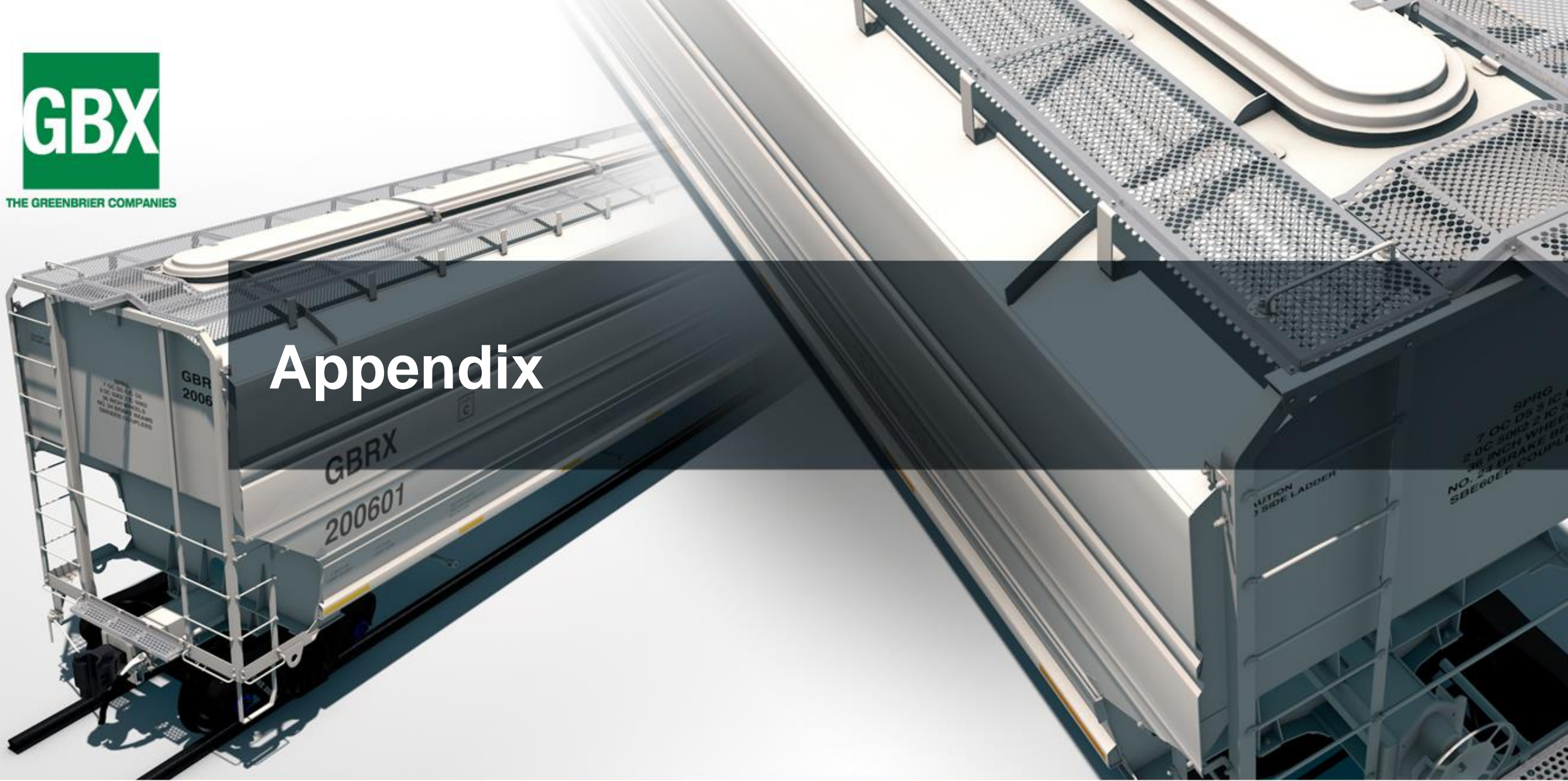
	May 31, 2022	Aug 31, 2022
Equipment on operating lease ⁽²⁾	\$ 676.1	\$ 770.9
GBX Leasing non-recourse warehouse	\$ -	\$ -
GBX Leasing ABS notes	321.5	318.6
Leasing non-recourse debt	194.8	268.0
Total Leasing non-recourse debt	\$ 516.3	\$ 586.6
Fleet leverage % ⁽³⁾	76%	76%

- ✓ 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>	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22
Revenues	\$465.4	\$452.5	\$555.7	\$650.9	\$817.5
Gross Margin	\$51.3	\$30.9	\$20.7	\$39.6	\$84.5
Gross Margin %	11.0%	6.8%	3.7%	6.1%	10.3%
Operating Margin %	6.8%	2.7%	0.3%	3.2%	7.6%
Capital Expenditures	\$11.7	\$4.5	\$7.7	\$13.2	\$22.9
New Railcar Backlog	\$2,810	\$2,980	\$3,590	\$3,630	\$3,480
New Railcar Backlog (units)	26,600	28,000	32,100	30,900	29,500
Deliveries (units) ⁽¹⁾	4,100	3,700	4,400	4,900	5,700

Maintenance Services

<i>(\$ in millions)</i>	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22
Revenues	\$80.3	\$72.4	\$86.6	\$101.5	\$87.2
Gross Margin	\$3.2	\$1.2	\$4.9	\$10.4	\$9.2
Gross Margin %	4.0%	1.7%	5.7%	10.2%	10.6%
Operating Margin %	0.1%	(1.5%)	3.3%	8.5%	13.0%
Capital Expenditures	\$2.2	\$0.5	\$1.7	\$1.8	\$5.2

Leasing and Management Services

<i>(\$ in millions, except managed fleet)</i>	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22
Revenues	\$53.5	\$25.8	\$40.5	\$41.1	\$46.0
Gross Margin	\$43.6	\$15.5	\$29.2	\$26.3	\$33.6
Gross Margin %	81.5%	60.1%	72.1%	64.0%	73.0%
Gain on Sale	\$0.4	\$8.7	\$24.7	\$0.7	\$0.2
Operating Margin %	69.5%	66.7%	117.5%	46.5%	53.0%
Net Capital Expenditures ⁽²⁾	\$58.6	\$153.9	(\$118.9)	\$29.3	\$103.4
Managed fleet (000's)	444	443	431	421	408
Lease Fleet Utilization	94.1%	97.1%	97.9%	97.5%	98.4%

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 EBITDA Reconciliation



Supplemental Disclosure
Reconciliation of Net Earnings to EBITDA
(In millions, unaudited)

	Quarter Ending				
	Aug. 31, 2021	Nov. 30, 2021	Feb. 28, 2022	May 31, 2022	Aug. 31, 2022
Net earnings	\$35.7	\$5.6	\$11.2	\$7.6	\$29.4
Interest and foreign exchange	12.4	12.6	11.8	14.9	18.1
Income tax expense (benefit)	(4.2)	(1.4)	3.2	1.1	15.2
Depreciation and amortization	25.1	25.4	25.5	25.0	26.1
Net loss on extinguishment of debt	1.5	-	-	-	-
EBITDA	\$70.5	\$42.2	\$51.7	\$48.6	\$88.8



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				
	Aug. 31, 2021	Nov. 30, 2021	Feb. 28, 2022	May 31, 2022	Aug. 31, 2022
Net earnings attributable to Greenbrier	\$31.8	\$10.8	\$12.8	\$3.1	\$20.2
Net loss on extinguishment of debt, net of tax	1.2	-	-	-	-
Adjusted net earnings	\$33.0	\$10.8	\$12.8	\$3.1	\$20.2
Weighted average diluted shares outstanding	33.4	33.6	34.5	33.7	34.5
Adjusted diluted EPS	\$0.98	\$0.32	\$0.38	\$0.09	\$0.60



Adjusted Financial Metric Definition



EBITDA, Adjusted net earnings 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 before Interest and foreign exchange, Income tax expense (benefit), 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 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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