TRINITY INDUSTRIES, INC.

Investor Day Presentation

November 19, 2020

DELIVERING GOODS for THE GOOD of ALL

Presentation Speakers



Jean Savage – CEO & President

- Joined Trinity in 2020



Eric Marchetto – EVP & CFO

- Joined Trinity in 1995



Brian Madison – EVP, Services Operations

- Joined Trinity in 2016



Gregg Mitchell – EVP & CCO

- Joined Trinity in 2007

Management strengths and strategic focus

Proven management team with extensive industry experience

Experienced operators in cyclical markets

Strong capital planning with deep industry perspective

Dedication to value enhancing capital stewardship

Investor Day Agenda

9:00 AM ET	Strategy and Value Proposition — Jean Savage, CEO and President
9:30 AM ET	Lease Portfolio Strategy — Brian Madison, EVP, Services Operations
9:45 AM ET	Commercial Market Strategy — Gregg Mitchell, EVP, Chief Commercial Officer
10:00 AM ET	***BREAK***
10:10 AM ET	Financial Strategy and Performance Outlook — Eric Marchetto, EVP and CFO
10:45 AM ET	Q&A Session

Forward Looking Statements and Other References

Some statements in this presentation, which are not historical facts, are "forward-looking statements" as defined by the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements about Trinity's estimates, expectations, beliefs, intentions or strategies for the future, and the assumptions underlying these forward-looking statements, including, but not limited to, future financial and operating performance, future opportunities and any other statements regarding events or developments that Trinity believes or anticipates will or may occur in the future, including the potential financial and operational impacts of the COVID-19 pandemic. Trinity uses the words "anticipates," "assumes," "believes," "estimates," "expects," "intends," "forecasts," "may," "will," "should," "guidance," "projected," "outlook," and similar expressions to identify these forward-looking statements. Forward-looking statements speak only as of the date of this material, and Trinity expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in Trinity's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based, except as required by federal securities laws. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from historical experience or our present expectations, including but not limited to risks and uncertainties regarding economic, competitive, governmental, and technological factors affecting Trinity's operations, markets, products, services and prices, and such forward-looking statements are not guarantees of future performance. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see "Risk Factors" and "Forward-Looking Statements" in Trinity's Annual Report on Form 10-K for the most recent fiscal year, as may be revised and updated by Trinity's Quarterly Reports on Form 10-Q, and Trinity's Current Reports on Form 8-K.

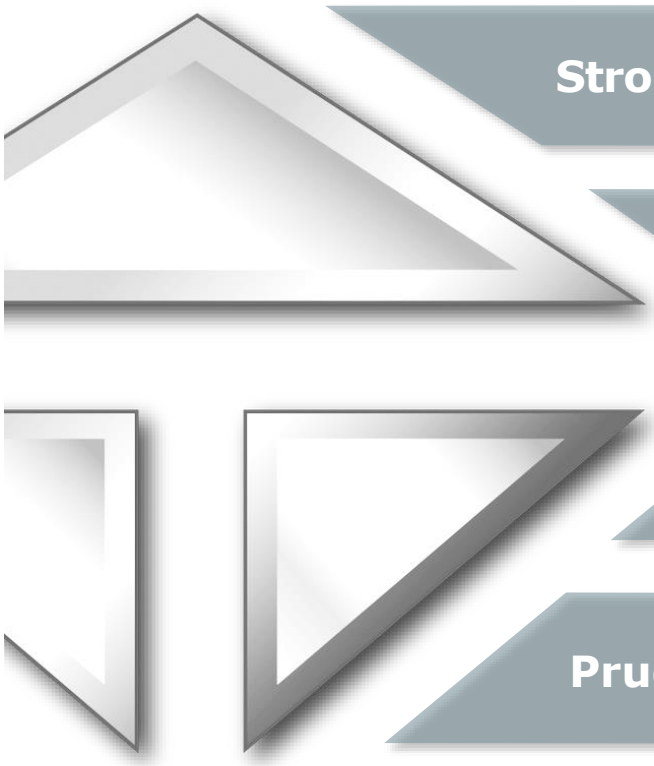
This presentation also includes references to calculations that are not based on generally accepted accounting principles ("GAAP"). Reconciliations of each of these non-GAAP measures to the most directly comparable GAAP measures have been included in the Appendix. When forward-looking non-GAAP measures are provided, Trinity does not provide quantitative reconciliations of forward-looking non-GAAP measures to the most directly comparable GAAP measures because it cannot, without unreasonable effort, predict the timing and amounts of certain items included in the computations of each of these measures. These factors include, but are not limited to: the product mix of expected railcar deliveries; the timing and amount of significant transactions and investments, such as railcar sales from the lease fleet, capital expenditures, and returns of capital to shareholders; and the amount and timing of certain other items outside the normal course of our core business operations, such as restructuring activities, pension plan termination charges, and the potential financial and operational impacts of the COVID-19 pandemic.

Except where noted, financial data is presented as of the Company's most recent fiscal quarter ending September 30, 2020. "LTM" represents Last Twelve Months financial information from October 1, 2019 to September 30, 2020.

STRATEGY AND VALUE PROPOSITION

Jean Savage
CEO and President

Key Takeaways for Enhancing Shareholder Value



- Strong Cash Flow Generation through the Rail Cycle
- Optimize the Returns of the Platform
- Deliver Premier Financial Performance
- Prudently Deploy Capital to Drive Value Creation

Trinity's Value Proposition



Attractive railcar investments with long-tailed asset utility



Strategic synergies generated by rail platform with industry-leading positions



Significant and compounding cash flows result from platform synergies



Capital allocation focused on shareholder returns and disciplined growth

A Legacy of Growth and a Focus on Transformation



THEN

- Industrial **Manufacturer**
- Scaling Businesses
- Premium on Manufacturing Flexibility
- **Earnings Growth**

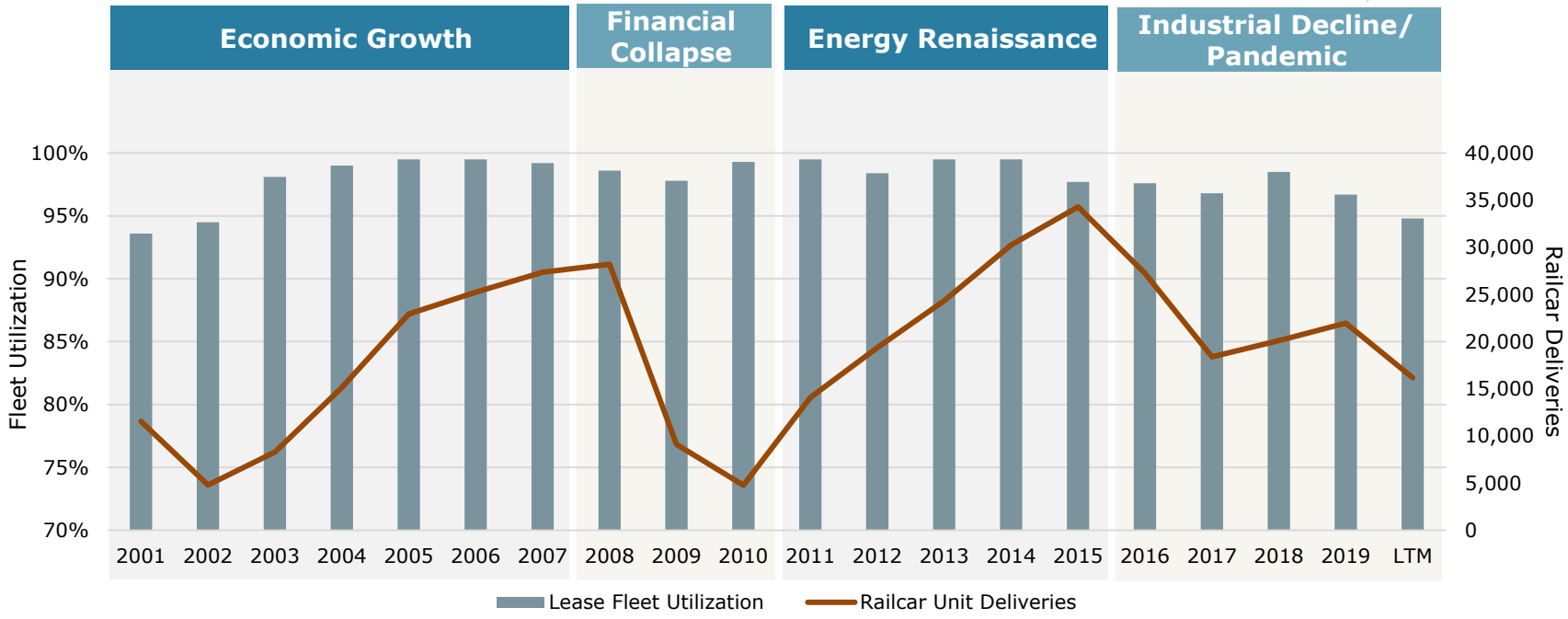
NOW

- Railcar Equipment & **Services Provider**
- Emphasis on Optimization
- Scaling Platform Offerings
- **Focus on Cash Flow and Returns**

Experienced Team Guides a Resilient Platform

- Recent cycle challenged by:
  - Influx of capital into rail industry
  - Collapse of oil prices
  - Industrial decline
  - Global trade wars
  - COVID-19 pandemic

- Cyclically Experienced Management Team
- Resilient Cash Flow from Platform of Businesses
- **Transformation of Operating Model Underway**



Trinity's Platform is Built to Deliver Shareholder Value



LTM Sales

$2.4B

LTM Cash Flow, Continuing Ops

$687M





LTM OP Margin, Adjusted*

13.6%

LTM Shareholder Returns

$275M



** See appendix for reconciliation of non-GAAP measures*

Optimization Efforts Lay Foundation for Further Success

Major initiatives since year-end 2018 delivered significant improvement:

Operating Cost Structure, **Cost of Capital**, and **Capital Allocation**

Streamlined Organization

$110M
in Total Cost and Headcount Savings

Capacity Reductions

47%
Reduction in Manufacturing Headcount

Commercial Realignment

Transitioned from Sales Geography
to Market Sectors

Delivered Strong Cash Flow

$854M
in Cash Flow from Continuing Ops

Lowered our Pre-Tax WACC(1)

~240 basis pts
to 5.2%

Increased Returns to Shareholders

46%
Dividend Increase

$350M
in Buybacks

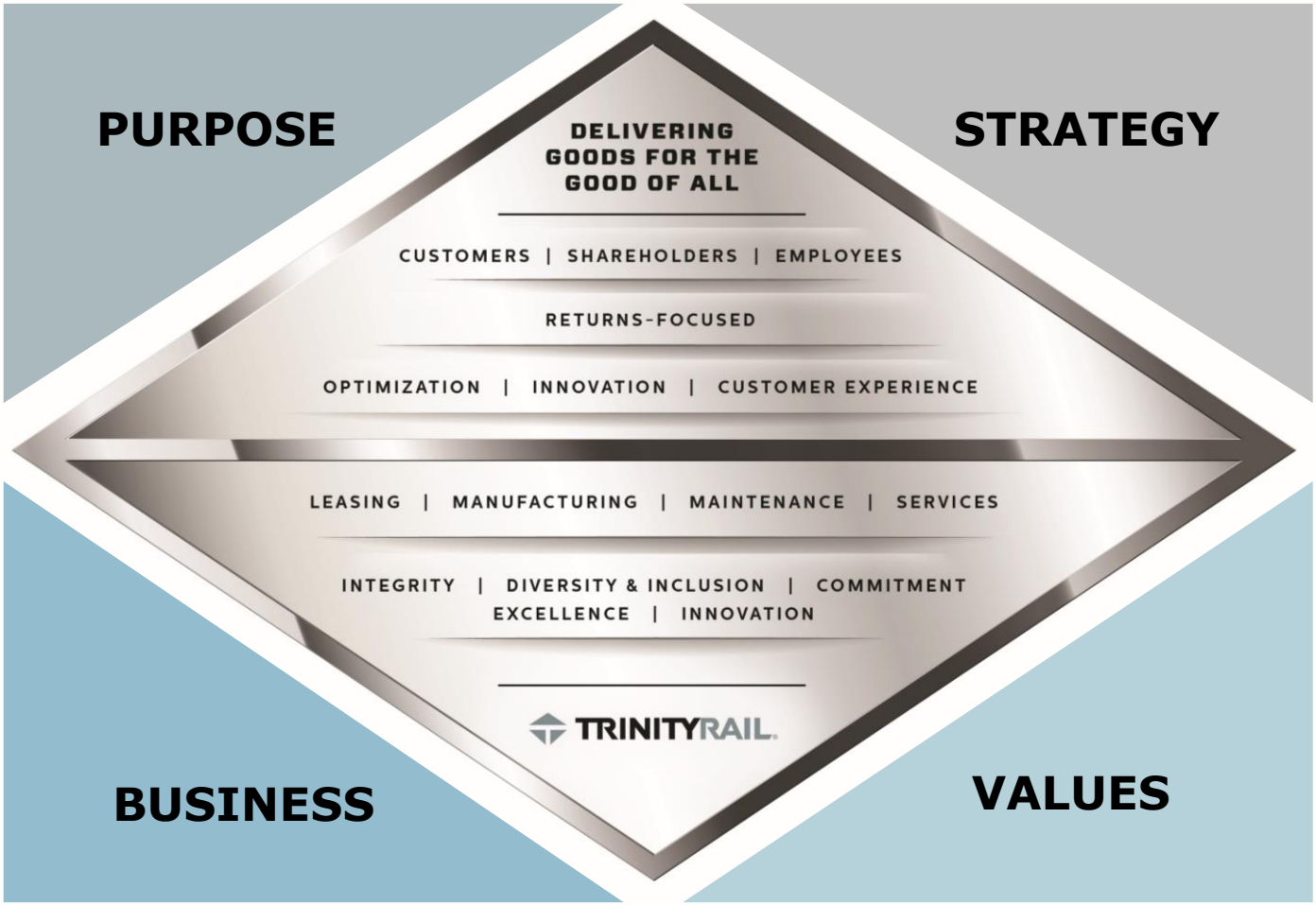
NOTE: Totals shown since 12/31/18, except Manufacturing headcount as of 12/31/19; Pre-tax WACC defined in appendix

3 Year Business & Financial Outlook

		FY 2021 - 2023
Business Drivers	**Industry Deliveries**	~ 120,000 railcars *(over 3 years)*
	Lease Portfolio Net Investment*	$500M - $600M *(over 3 years)*
	Lease Fleet Utilization	95%+
	Manufacturing OPM	Mid to high single digits
	Pre-tax ROE	Mid-teens
Cash Flows	**Total CF from Ops**	$1.5B - $2.0B *(over 3 years)*
	Balance Sheet Optimization	Achieve 60-65% LTV target
	Share Repurchases	Potentially significant
	Dividends	Double-digit annual growth

**Does not include potential investment from secondary market activities*

A New Operating Model and Company Purpose



Strategic Initiatives to Achieve Mid-Teen Pre-Tax ROE

Lower Cost of Capital | **Reduce** Cyclicality | **Improve** Rail Supply Chain

Optimization

Balance Sheet Optimization
- Increase LTV ratio on wholly-owned leased railcar assets
- Opportunistically refinance existing securitizations

Lease Fleet Optimization
- Slow future growth of portfolio
- Monetize lower-yielding assets

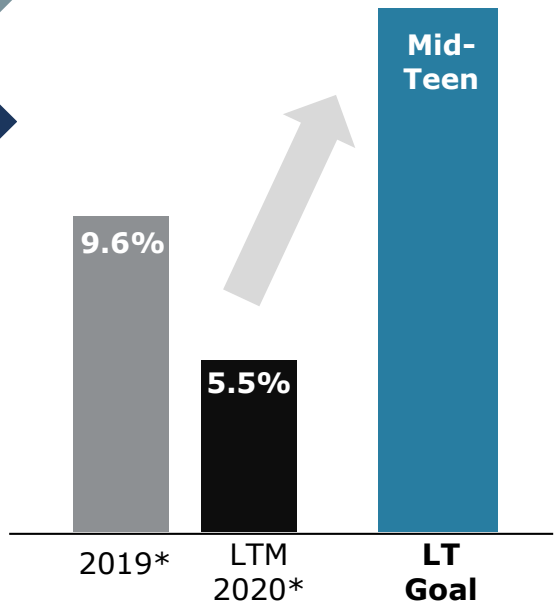
Operations Optimization
- Lower the manufacturing breakeven
- Streamline organization to reduce SE&A

Growth

New Products and Services
- Improve returns from product development and R&D investments
- Build capability and grow services and solutions business
- Expand aftermarket parts business

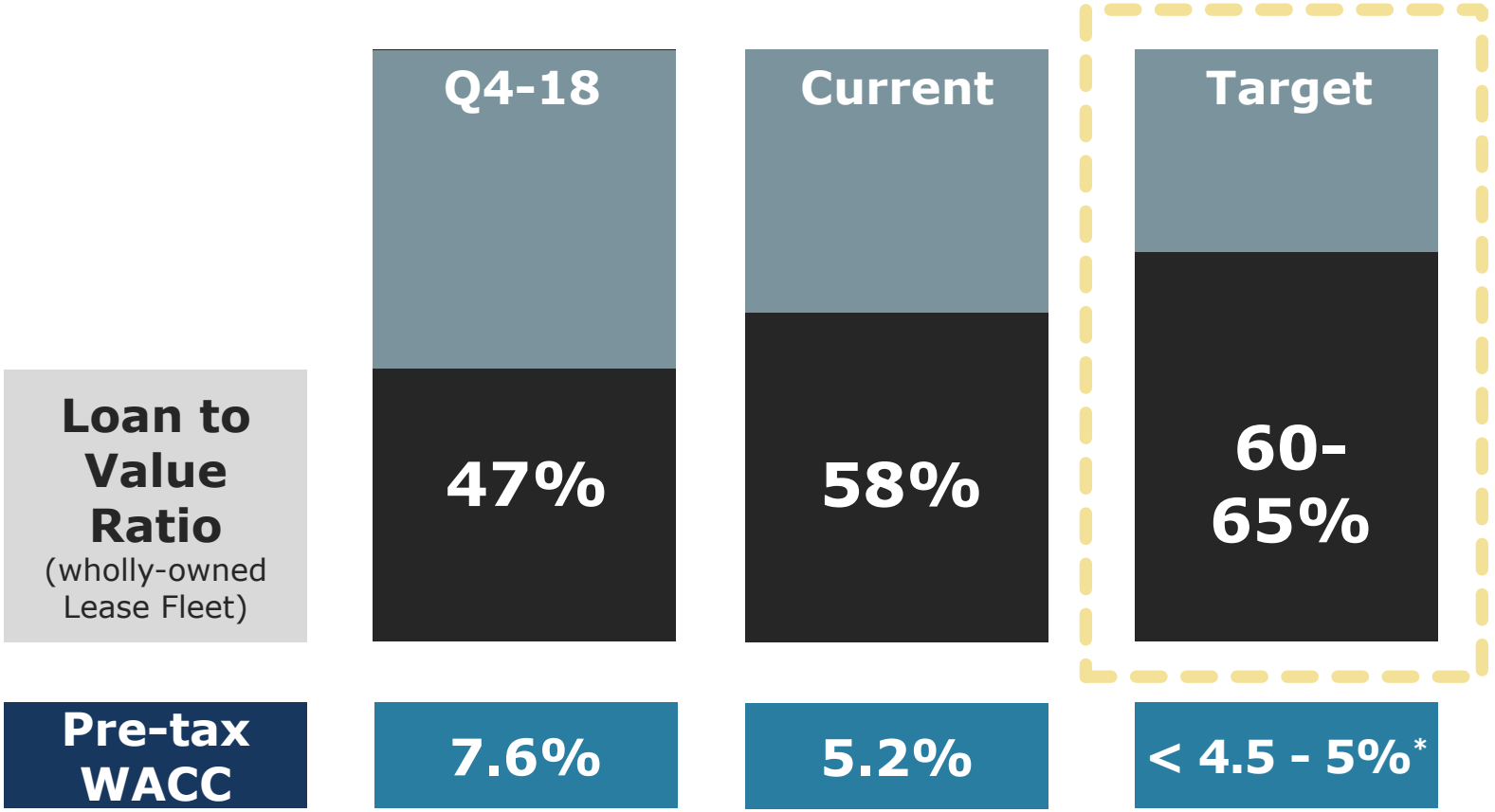
Enhanced Customer Experience
- Realign to our customers to generate higher, more consistent revenue and margins

Pre-tax ROE Improvement



*See appendix for reconciliation

Strategic Initiative:
Recapitalize Balance Sheet to Reflect Business Model



*Noted WACC is an estimate based on current inputs and targeted future capital structure

Strategic Initiative:

Execute Portfolio Optimization to Improve Lease Fleet IRR

"Hold and Earn"

- Increase hurdle rates for incremental investment in portfolio
- Leverage rail platform to increase service-based revenue and profitability of assets

"Transact and Earn"

- Transact/syndicate non-accretive assets to RIV investors with lower-cost capital

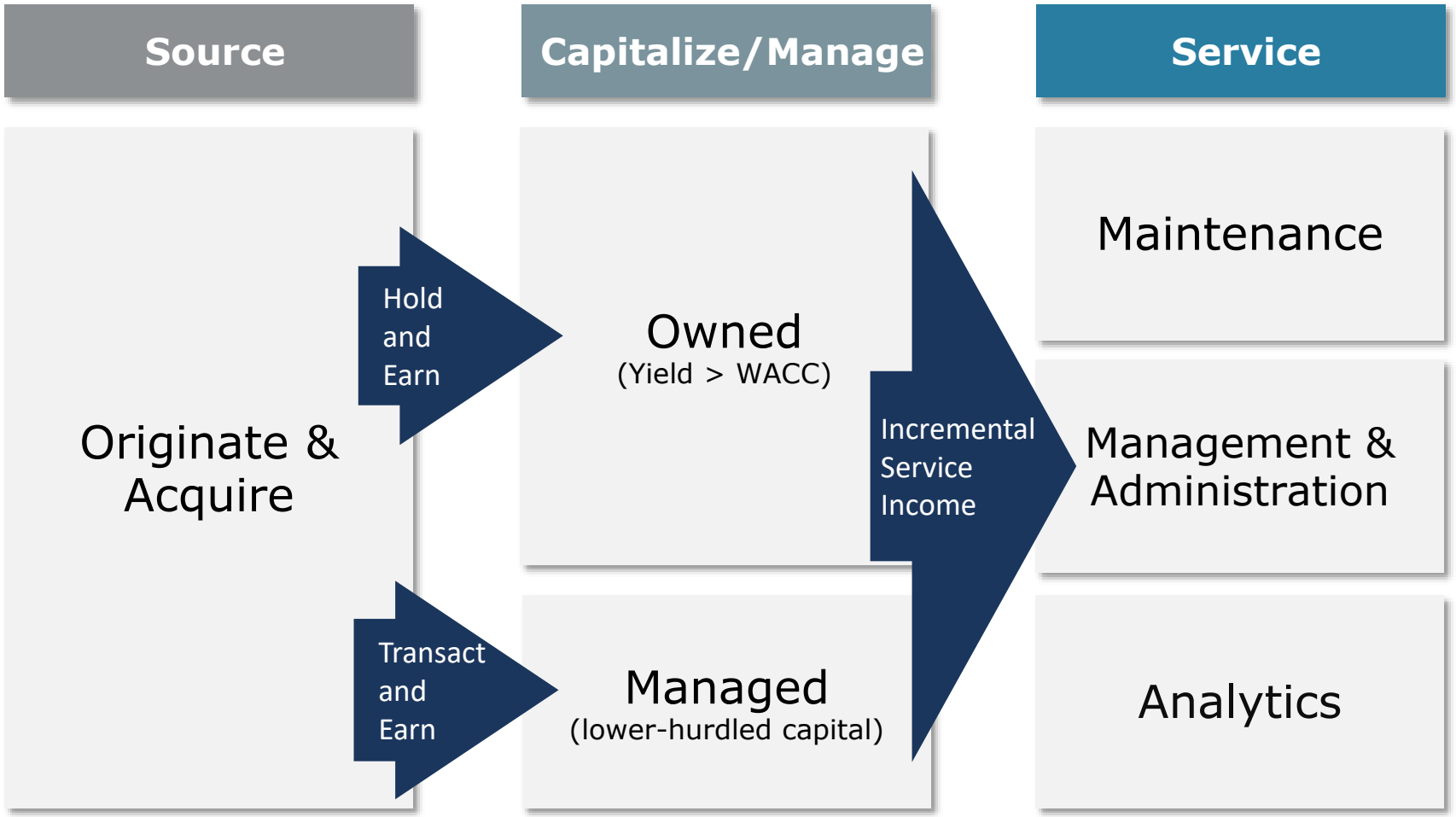
Fleet Modifications

- Modify underutilized railcars in lease portfolio to service markets with stronger long-term outlooks

Increase Portfolio **IRR** by

25-75bps

RIV Partnerships Extend Our Commercial Reach

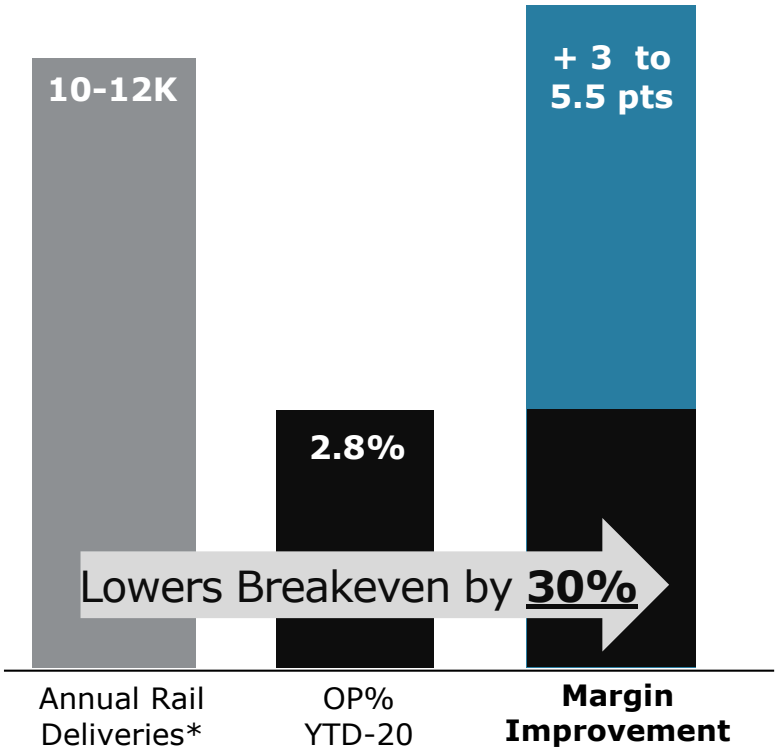


Strategic Initiative:
Improve Manufacturing Margin by Lowering Breakeven Point

Lower Investment
- Concentrate manufacturing footprint
- Monetize underutilized asset base

Reduce Cycle Amplitude
- Shift low-value fabrication into supply chain
- Minimize cycle-related headcount costs

Reset Cost Basis
- Increase automation to reduce direct labor
- Lower indirect support costs
- Continue lean principles



Margin improvements expected to be realized over **next 1-2 years**

*See appendix for footnote

Strategic Initiative:

Grow New Products and Services Offerings to Extend Platform

PRODUCTS

New Product Development:
- Differentiated value propositions
- Focus on higher margin offerings

Grow Share of Aftermarket Parts:
- Increased distribution partnerships
- R&D / Fabrication
- Management services

SERVICES

Expand Maintenance Capacity:
- Upcoming tankcar compliance demand
- Increase service of managed fleet to 65%

Innovate Higher-Margin Shipper Services:
- Fleet management solutions
- IoT / Data analytics "White Space"
- Logistics telematics





EBIT Growth

$150-200M

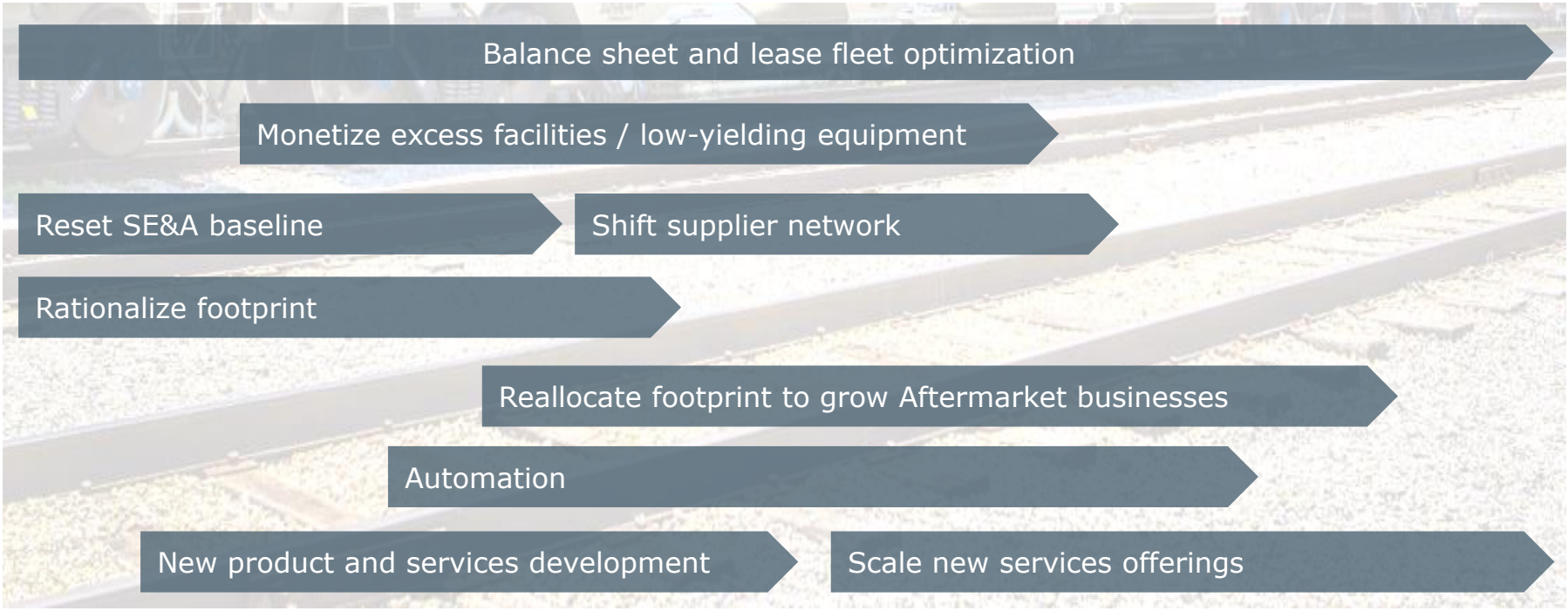
(cumulative over 3 years)





Execution Roadmap for Improved Returns Performance

Lower Cost of Capital | **Reduce** Cyclicality | **Improve** Rail Supply Chain



2020 **Y+1** **Y+2** **Y+3**

Enterprise Financial KPI's for Long-Term Performance



Operating and Free Cash Flow Growth

Mid-teen
Pre-tax Return on Equity





Double-digit
Dividend Growth

Book Value per Share Growth



LEASE PORTFOLIO STRATEGY

Brian Madison
EVP, Services Operations

Railcars Are Attractive Long-term Investments

Stable and Predictable Cash Flows

- Long-term leases
- High renewal success rates
- Low credit defaults and bad debt expense
- Active secondary market

Tax-advantaged Investment

- Accelerated depreciation for tax purposes
- 100% bonus depreciation under current tax law
- Superior risk-adjusted returns

Hard Asset Value with Inflation Benefits

- 35-50 year useful life
- Positive yield relationship to inflation
- Low volatility for residuals
- Low technological obsolescence

Natural Interest Rate Hedge

- Rent yields highly correlate to interest rates

Strong Correlation with GDP

- Integral component of North American supply chain
- Multiple market sectors with varying demand drivers

Environmentally Friendly*

- Accounts for 1/3 of U.S. freight, but only 0.6% of greenhouse emissions
- 100% recyclable through scrap and salvage

*See appendix for source info

GAAP Returns Accelerate as Lease Portfolio Matures

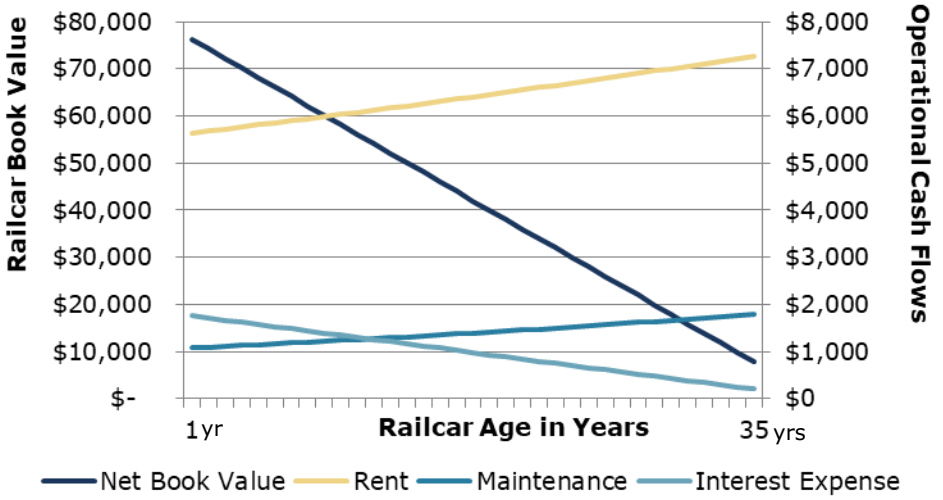
Attractive investment attributes:

- Book Values depreciate over 35+ years
- Lease revenues generally rise over the life of the railcar due to:
  - Inflation
  - Low technological obsolescence
  - Healthy residual values

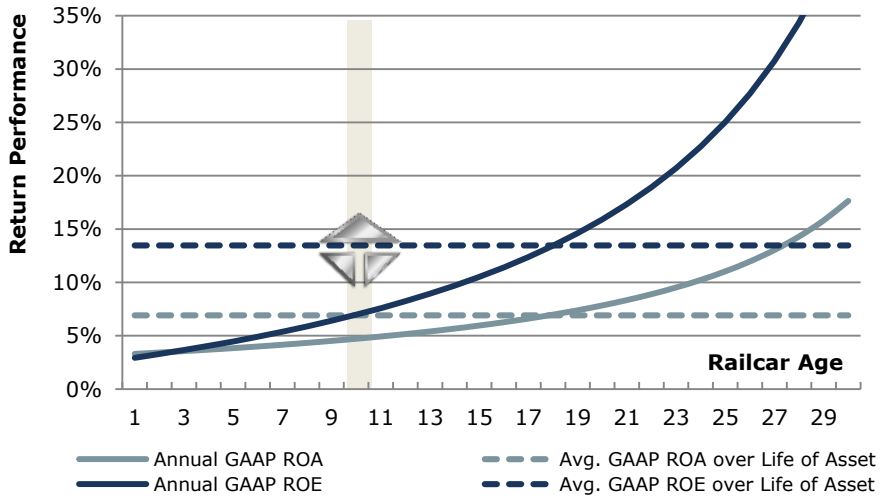
Financial performance measures:

- GAAP Returns – accelerate over time as rent inflation diverges from original cost
  - Measures earnings power relative to book value of investment
- Economic Returns – increase over time but are more stable as residual values benefit from inflation
  - Measures cash flow relative to residual value invested

Illustrative Example of Book Value and Cash Flows*



Healthy Returns Relative to Life-cycle Expectations*



*See appendix for footnotes

Rail Investment Profile vs. Other Asset Classes

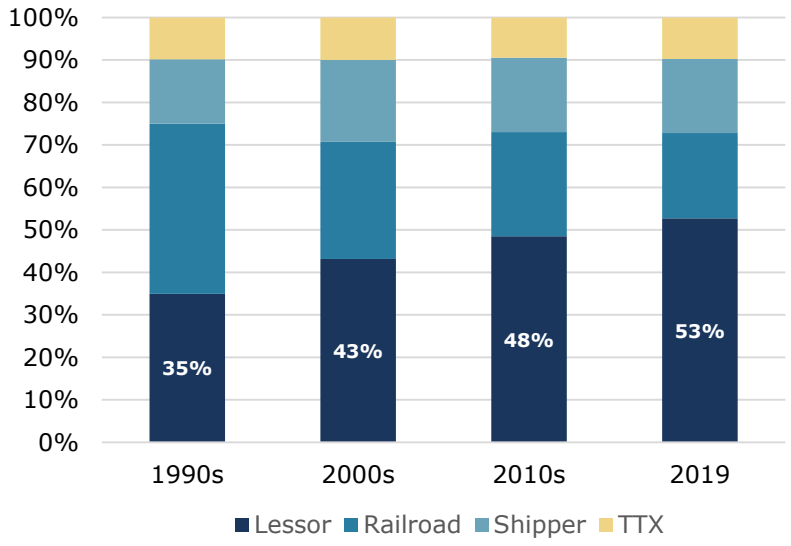
Leased railcar investments generate **attractive risk-adjusted returns** relative to other asset classes*

	Railcar Attributes	Aircraft*	Real Estate*
Cost of Production / Investment Concentration	Low / Highly diverse	High / highly concentrated	High / varied by type
Obsolescence Risk	Low	Medium to high	Varied
Lessee Credit Quality	High / largely consists of industrial shippers (40-50% IG rated)	Medium / largely consists of low cost carriers	Varied by asset type
Debt Funding Capacity	Market Open – up to 90% IG advance rate	Market Closed – up to 80% IG advance rate	Market open – up to 60% LTV
Return Profile	***Stable Mid Teens***	***Volatile Low Single to High Double Digits***	***Volatile Low Single to High Double Digits***

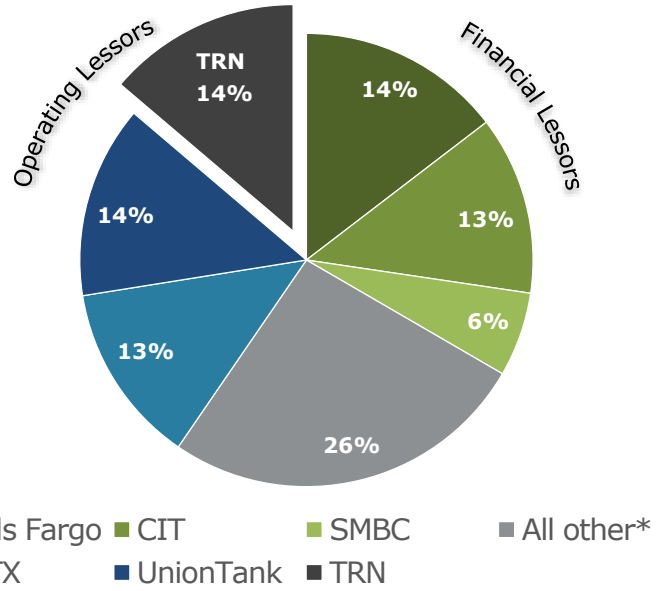
*See appendix for footnotes

Capitalizing on Structural Change in the Rail Market

Railcar Ownership is Shifting from Railroads to Leasing Companies



Railcar Lessor Ownership Profile Presents Consolidation Opportunity



The ***TrinityRail* platform** was ideally positioned to capture market share during shifting ownership dynamics, growing at a **13% CAGR since 2002**

**Over 75 Lessors own 240K railcars in "All other"*

Stable Financial Performance Through the Cycle

Leading railcar lessor

- Owned fleet of 105,925 railcars
- Total Owned and Managed fleet of 132,580 railcars

Growing portfolio and future cash flow

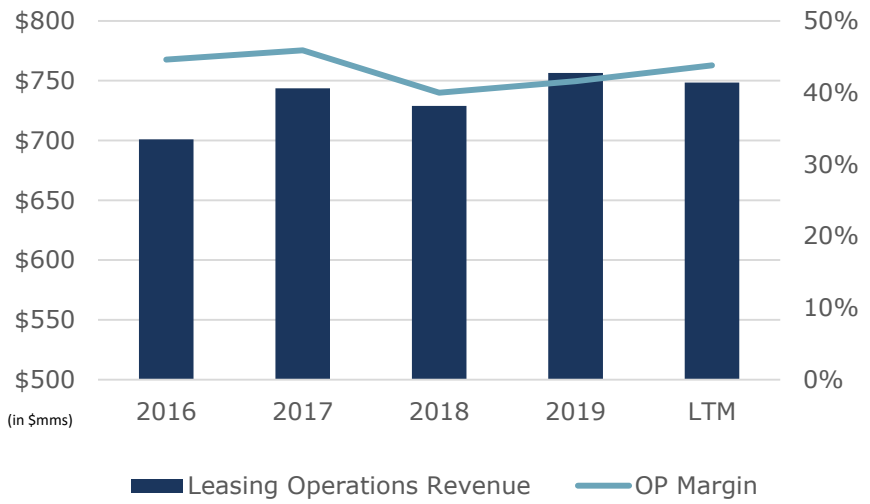
- Leased backlog of 4,060 railcars
- $2.0 billion future contractual lease revenue

Balanced portfolio management

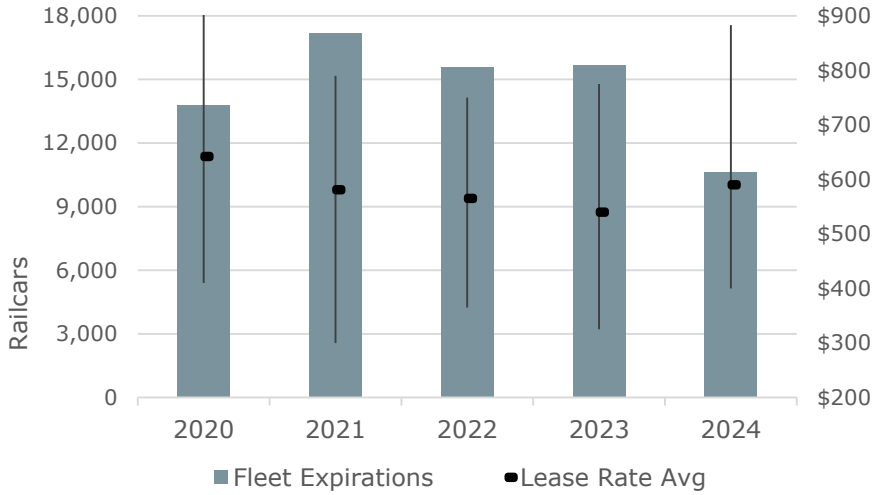
- Portfolio expirations and average expiring lease rate imply manageable renewal risk

- **Future Lease Rate Differential**[3] is **-21%**
  - Implies NTM segment revenue headwind of -2% if current conditions persist

Leasing Operations Revenue and Operating Profit Margin[1]



Portfolio Expirations Imply Manageable Renewal Risk[2]



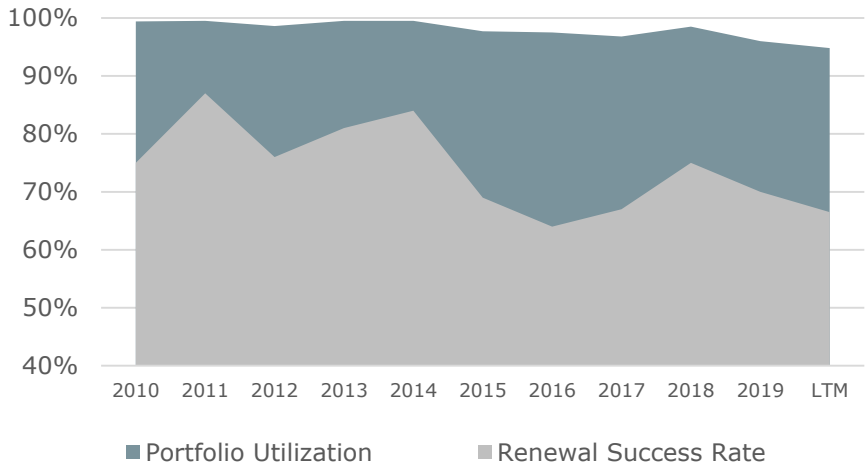
See appendix for footnotes

Proven Asset Management Through Railcar Cycle

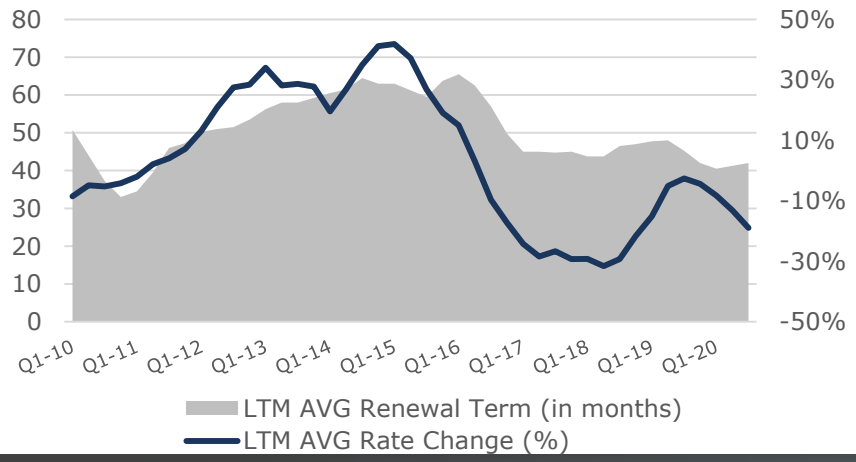
Average Performance since 2010:

98% Utilization	**74%** Renewal Success
3.4 yrs Remaining Lease Term	**17%** Annual Portfolio Expirations
50 mos Renewal Term	**+3%** Renewal Rate Change

Healthy Customer Renewals Lead to Strong Asset Utilization



Actively Managing Rate and Term through the Rail Cycle



Diversified Portfolio of Railcar Equipment

~ 900 Different Commodities ~ 270 Different Railcar Designs

	Car Type	Agriculture	Construction & Metals	Consumer Products	Energy	Refined Products & Chemicals	Total (Units)	Total (NBV)
Freight Car	**Open Hopper/Gondolas**		Aggregates, Steel and Metals		Coal		**11%**	**8%**
	Small Covered Hopper (< 5K cu/ft)	Fertilizer	Cement, Construction Materials, Steel and Metals		Frac Sand		**11%**	**3%**
	Large Covered Hopper (> 5K cu/ft)	DDG and Feeds, Grain Mill Products, Grains, Food and Other Ag, Fertilizer	Lumber (Wood Chips)			Other Chemical (Soda Ash)	**13%**	**11%**
	Specialty Covered Hopper	Grain Mill Products	Aggregates, Cement		Coal (Fly Ash)	Plastics	**7%**	**8%**
	Other Freight	Food	Lumber, Steel and Metals, Cement	Autos, Paper, Intermodal		Other Chemicals	**11%**	**10%**
Tank Car	**Pressure Tank Cars**	Fertilizer				NGL, Chlor Alkali, Petro-chemical, Other Chemicals	**10%**	**14%**
	Gen. Service Tank Cars (< 20K gal)	Grain Mill Products	Aggregates (Clay Slurry)			Sulfur Products, Chlor Alkali, Other Chemicals	**3%**	**3%**
	Gen. Service Tank Cars (20K-25K gal)	Fertilizer, Food, Animal Feed				Refined Products, Petro-chemicals, Other Chemicals	**5%**	**6%**
	Gen. Service Tank Cars (25K-30K gal)	Grain Mill Products, Food			Crude Oil, Biofuels	Refined Products, Petro-chemicals, Other Chemicals	**12%**	**15%**
	Gen. Service Tank Cars (> 30K gal)				Crude Oil, Biofuels	Refined Products, Petrochemicals, Other Chemicals, NGLs	**12%**	**16%**
	Specialty Tank Cars	Fertilizer				Chlor Alkali, Other Chemicals, Sulfur Products	**5%**	**6%**
	Total (Units)	**21%**	**7%**	**9%**	**32%**	**31%**		
	Total (NBV)	**20%**	**4%**	**9%**	**29%**	**38%**		

NOTE: All percentage information reflects Company-owned fleet assets as of June 30, 2020

Servicing High-Quality Industrial Shippers

700+
Customers

75%+
Full Service Lease

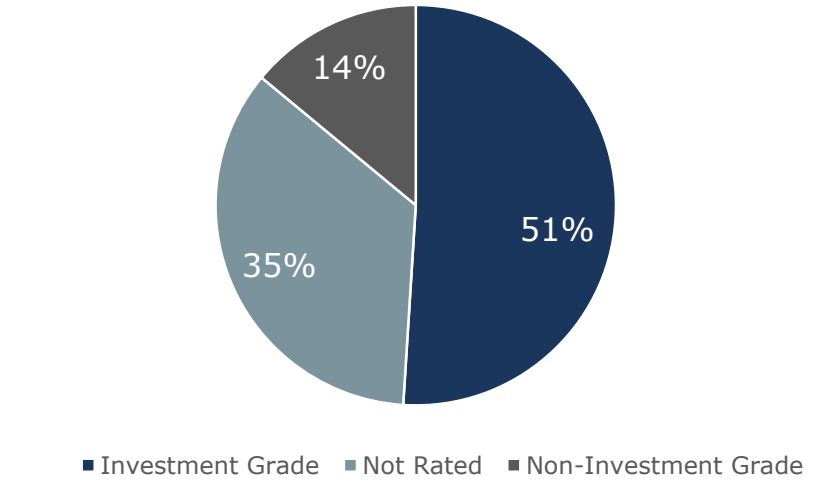
Largest customer represents < **5%** of total lease revenue

Top 20 customers account for **38%** of lease revenue

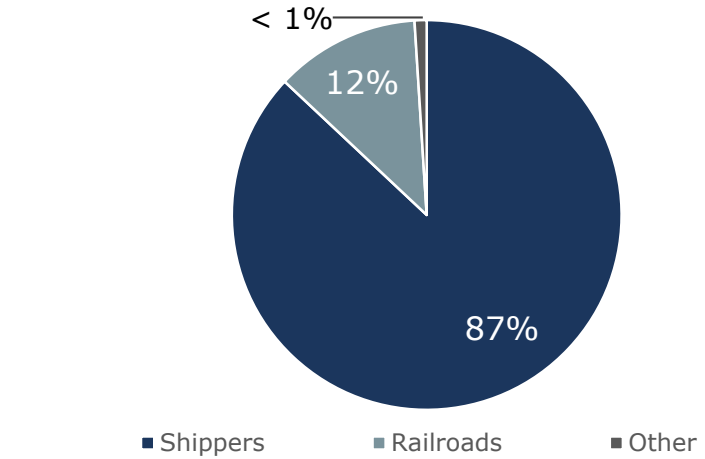
27 years
Top 10 customers relationship tenure

< 0.3%
10 year avg write-off history

Strong Customer Credit Profiles (by NBV)



Serving Industrial Shippers in North America



See appendix for source info

Positioned for Further Success in the Marketplace

Trinity's Leasing Company has a **bright future** and is **leading the change** for network efficiency to **enhance the modal advantage** of the railcar industry



Disciplined Operating Model

- Moderating lease fleet investment
- Increasing leverage of internal maintenance capacity
- Expand RIV platform to extend commercial reach



Digital Platforms

- Superior customer experience through "Anytime" access
- Fleet Management Solutions
- *RailPulse*™ consortium



Data Analytics

- Commercialize fleet analytics capabilities
- Develop IoT and telematics solutions for enhanced rail supply chain management



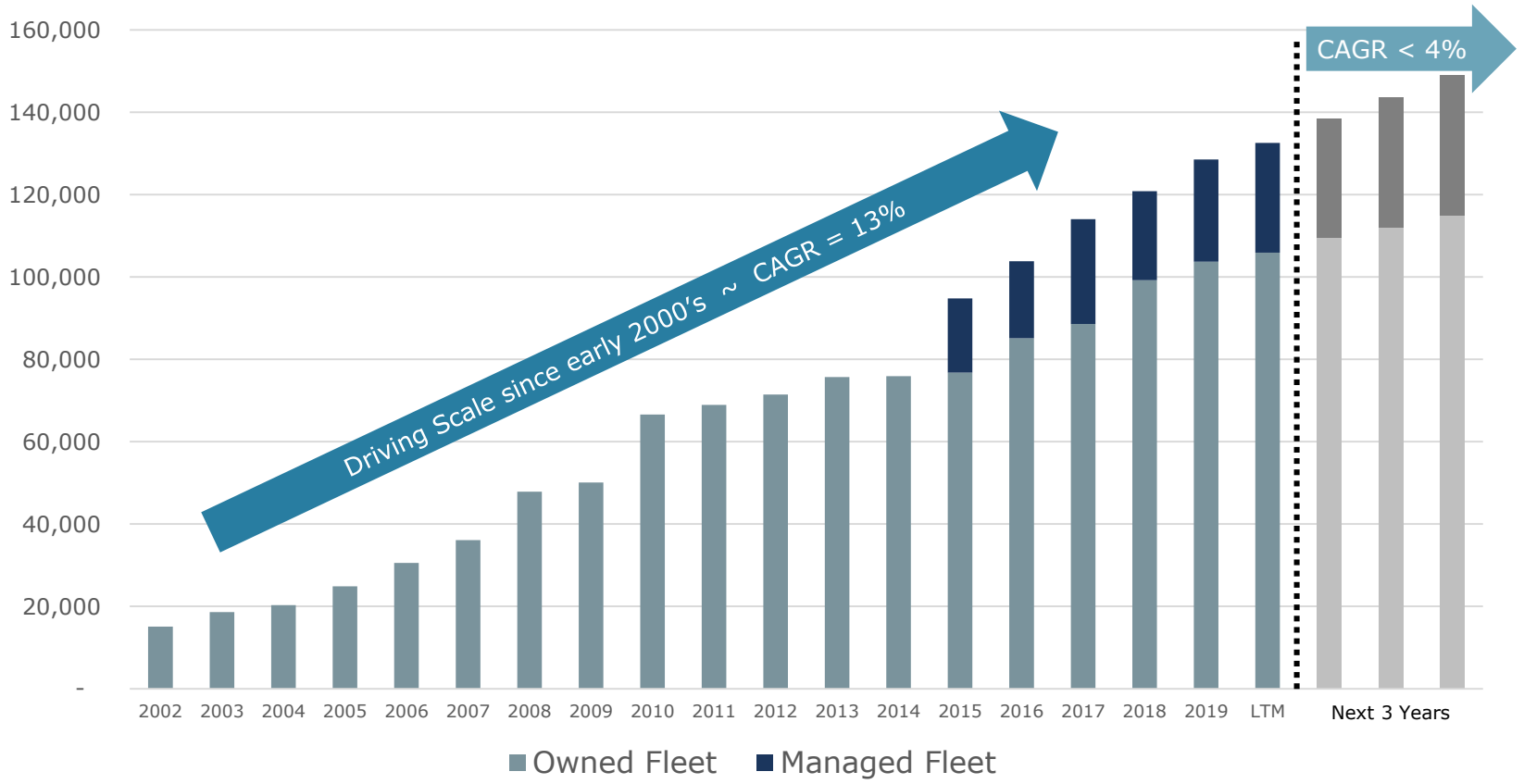
Scale & Consolidation

- Tuck-in service solutions
- Expand rail maintenance network geographically
- Opportunistic portfolio acquisitions/alliances

~ **$20-25B** TAM Revenue Opportunity for Services Expansion in Railcar Industry

Moderating the Pace of Growth for the Lease Portfolio

Trinity's Lease portfolio has amassed scale, and **incremental investment** is expected to be **accretive** to the Company's target return rate



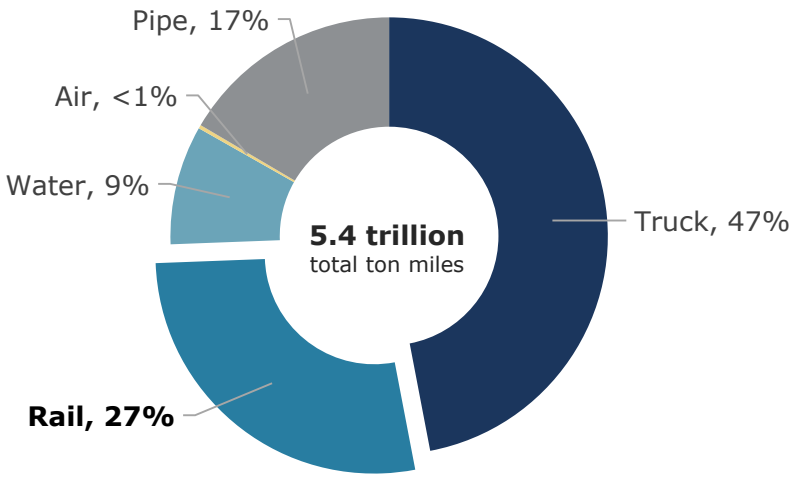
COMMERCIAL MARKET STRATEGY

Gregg Mitchell
EVP and Chief Commercial Officer

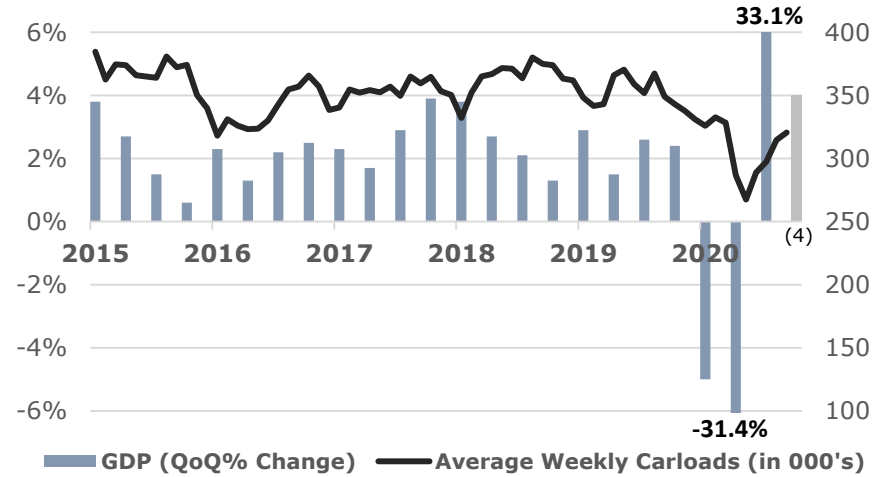
Integral Part of the North American Supply Chain

- **1.7 million railcars** in North America[1]
- **1.5 trillion ton miles** moved by rail in 2019[2]
- **3,500+ commodities** moved by rail[3]
- Highly correlated to U.S. GDP
- **"Desert Island Statistic..."**
  ~ Warren Buffet

U.S. Freight Ton Miles by Mode of Transportation[2]



Railcar Loadings Follow U.S. Gross Domestic Product[4]

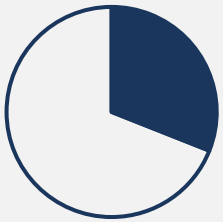


See appendix for footnotes

Delivering Essential Goods to the Global Marketplace

Energy

- Coal
- Biofuels
- Frac Sand
- U.S. Crude
- Canadian Crude



32% of North American railcar loadings

~230 distinct commodities

Refined Products & Chemicals

- Natural Gas Liquids
- Refined Products
- Plastics
- Petro-chemicals
- Chlor Alkali
- Sulfur Products



9% of North American railcar loadings

~980 distinct commodities

Agriculture

- Grains
- Grain Mill Products
- Distillers Dried Grains/Feed
- Fertilizers



21% of North American railcar loadings

~730 distinct commodities

Construction & Metals

- Construction Materials
- Aggregates
- Steel/Iron



17% of North American railcar loadings

~620 distinct commodities

Consumer Products

- Autos
- Paper
- Intermodal

21% of North American railcar loadings

~1000 distinct commodities

See appendix for source info

Railcar Market: Recent Trends and Industry Outlook

Railcar demand is recovering from pandemic lows and remains tepid given economic uncertainty

Loadings / Rate YoY Change	Last 4QTR Railcar Loadings	2021 Projected* Railcar Loadings	Q3-20 Y/Y Lease Rates	2021 Projected* Y/Y Rate Trend
Agriculture		🟡	🔴	🟢
Construction/Metals		🟡	🔴	🔴
Consumer Products		🟢	🔴	🟢
Chemicals		🟡	🔴	🔴
Energy		🟢	🔴	🟡
Total Market		🟡	🔴	🟡

🟢 Loadings/Rates greater than +5% Y/Y

🟡 Loadings/Rates between -5% to +5%Y/Y

🔴 Loadings/Rates less than -5% Y/Y

*See Appendix for source info

Trinity's Platform Services All Customer Channels

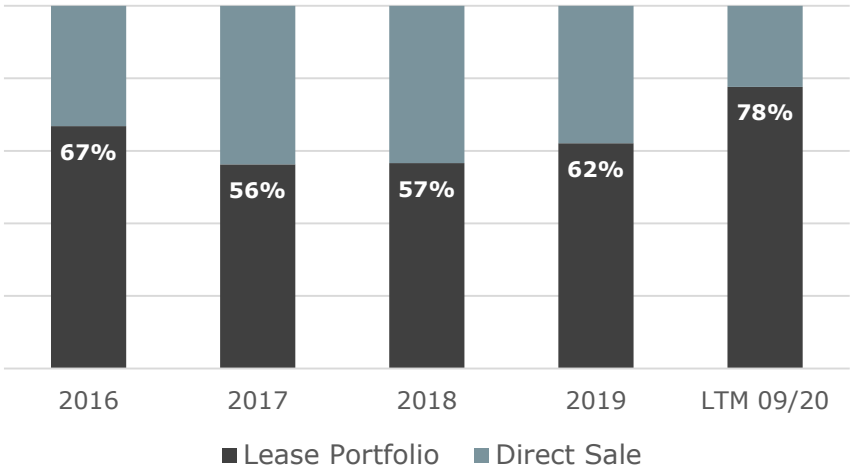
Broadest Market View:

- 700+ customers
  - Industrial shippers, 3PLs, Railroads
- 900+ commodities
- 270 railcar designs
- Avg 32,000+ railcars transacted per year across the *TrinityRail* platform since 2016

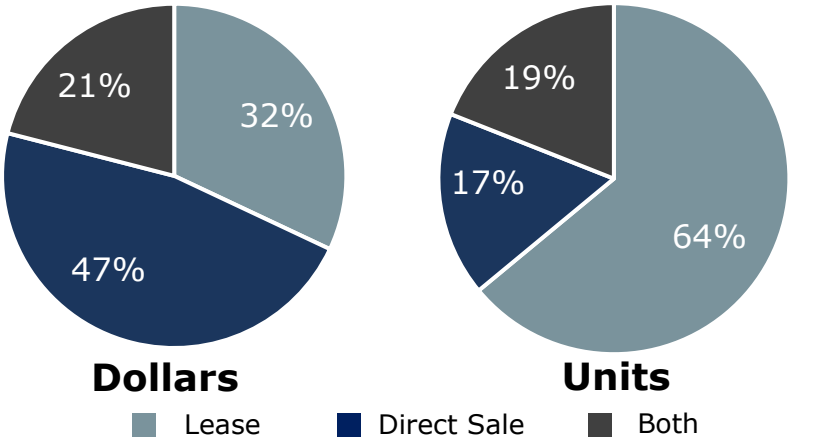
High-value Innovative Solutions:

- 40 complex transactions valued at $40M+ over the last 5 years

Trinity's Lease Fleet Comprises Majority of Commercial Transactions



Commercial Optionality Drives Engagement with Rail Platform



A Differentiated Value Proposition for Our Customers

Leasing	Manufacturing	Maintenance	Services
• Lease Portfolio • Fleet Management • Equipment Finance Solutions	• Rail Product Portfolio • Aftermarket Parts	• Maintenance • Modifications • Repair • Mobile Units	• Logistics Services • Data Analytics • Connected Railcar

Aligned with industrial shippers through ownership and engineering

Cross-sell to deliver **innovative solutions** and a **differentiated experience**

+

Optimize customers' ownership and usage of railcar equipment

=

Drive rail industry **modal share** through **supply chain efficiency**

***NOTE**: TrinityRail platform case studies provided in Appendix*

Enhancing Rail Modal Advantage Through Supply Chain Efficiency

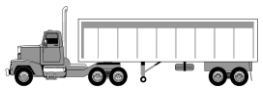
Shippers demand more information:

- Supply chain focus has evolved with technology and lean inventory management
- Rail industry has been slow to innovate and adapt to changing customer service needs resulting in modal share loss to trucking

Trinity is a leader in rail innovation:

- Program launching in 2021 will provide real-time GPS telematics and analytics for improved customer delivery RELIABILITY and PREDICTABILITY
- Industry coalition *RailPulse*™ venture to add sensor technology to the rail network and equipment for improved safety and freight visibility

Modal share from 2000 to 2019: *Truck vs. Rail**





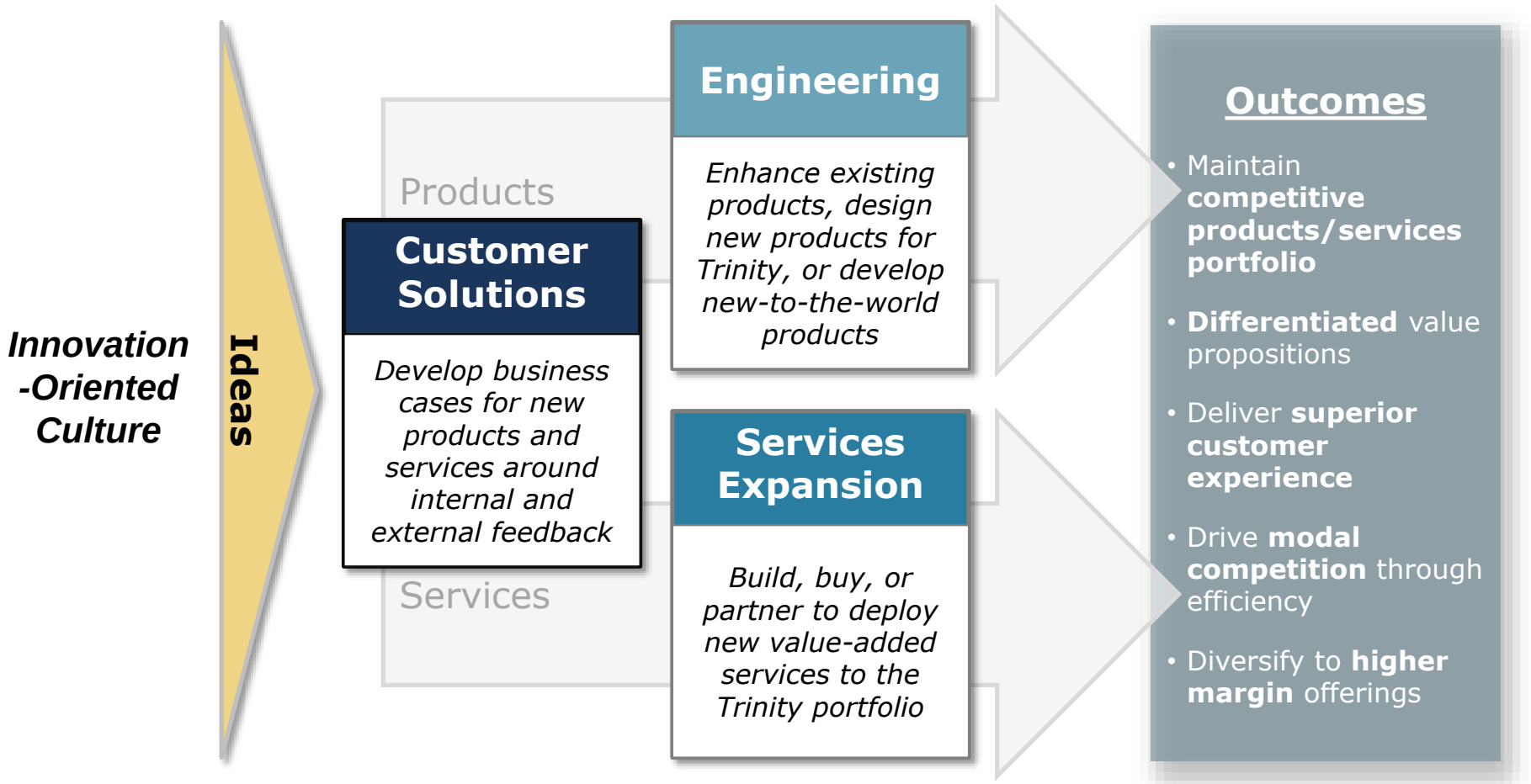
2000 Share	**45.5%**	**30.7%**
2000 Ton Miles	*2.28T*	*1.53T*
2019 Share	**46.9%**	**27.4%**
2019 Ton Miles	*2.56T*	*1.49T*

Innovating from "Precision" to "Predictability"



*See Appendix for source info

Investing in High Yield Products and Services



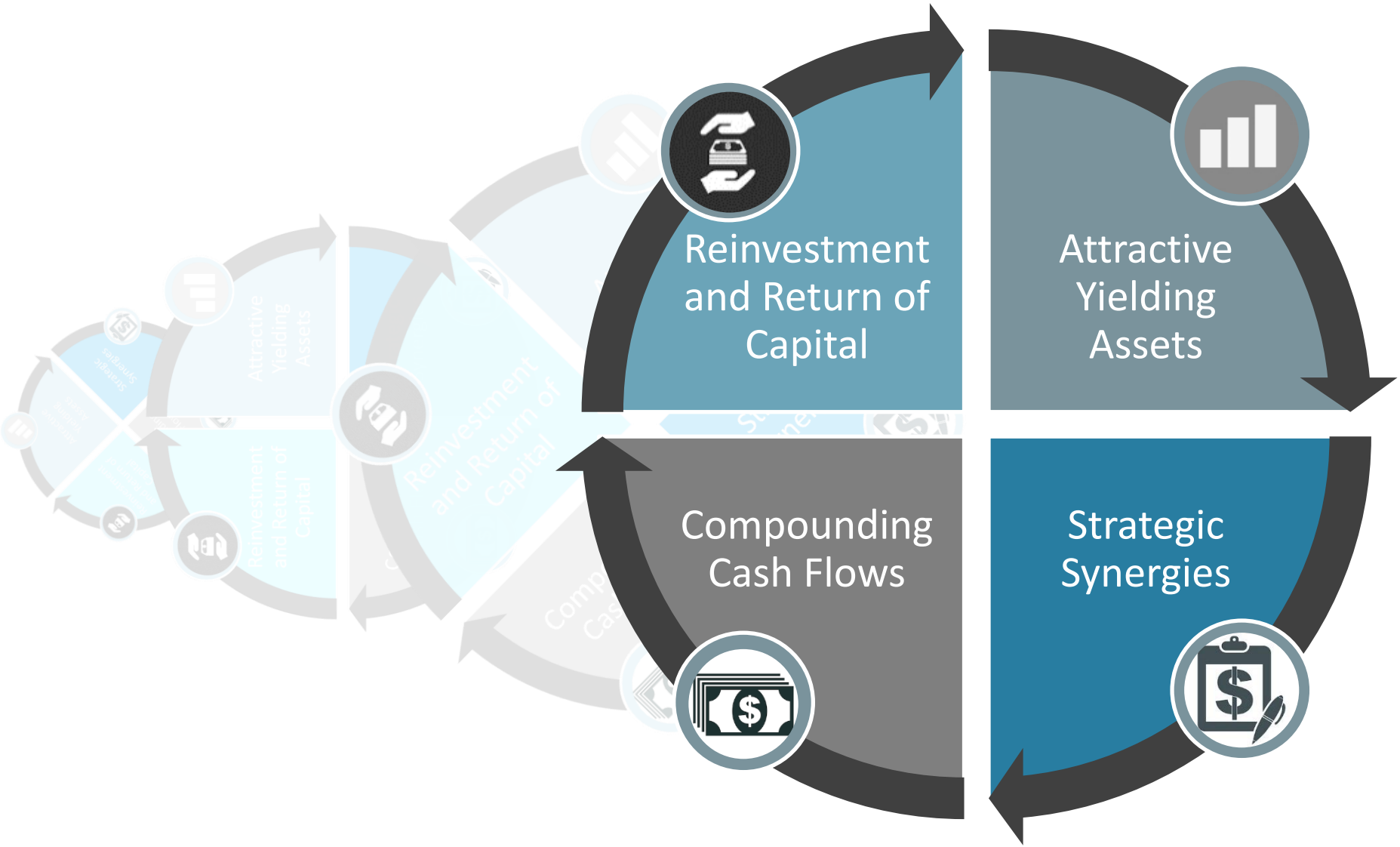
FINANCIAL STRATEGY AND OUTLOOK

Eric Marchetto
EVP and CFO

Value Proposition Review

- Attractive railcar investments with long-tailed asset utility
- Strategic synergies generated by platform of railcar businesses
- Significant and compounding cash flows result from platform synergies
- Capital allocation focused on shareholder returns and prudent growth

Value Proposition Review – *A Sustainable Capital Story*



A Sustainable Capital Story:
Attractive Yielding Assets with Long-tailed Utility

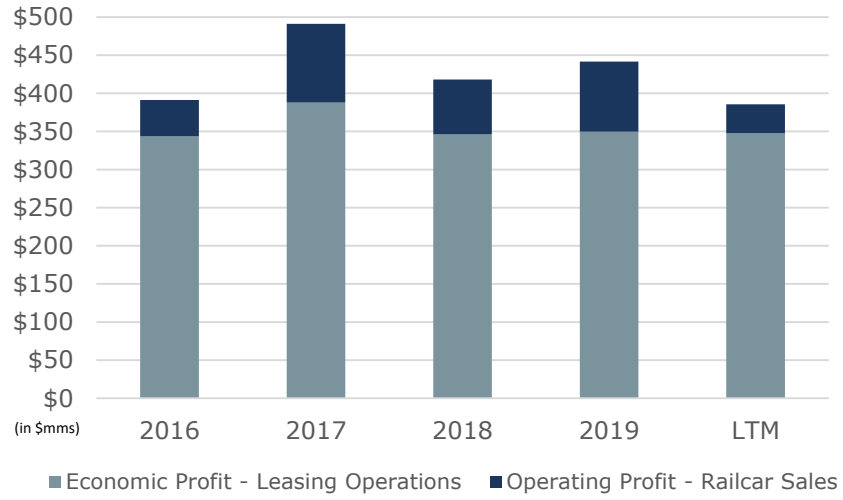
Railcar Asset Cash Flow Profile:

- Stable generation from long-term leases and balanced renewal exposure
- Rising future contribution from long-tailed asset utility and natural inflation benefits
  - TRN portfolio – average age of 10 years
  - Rail industry – average age of 20 years(1)
  - Expected life – 40+ years

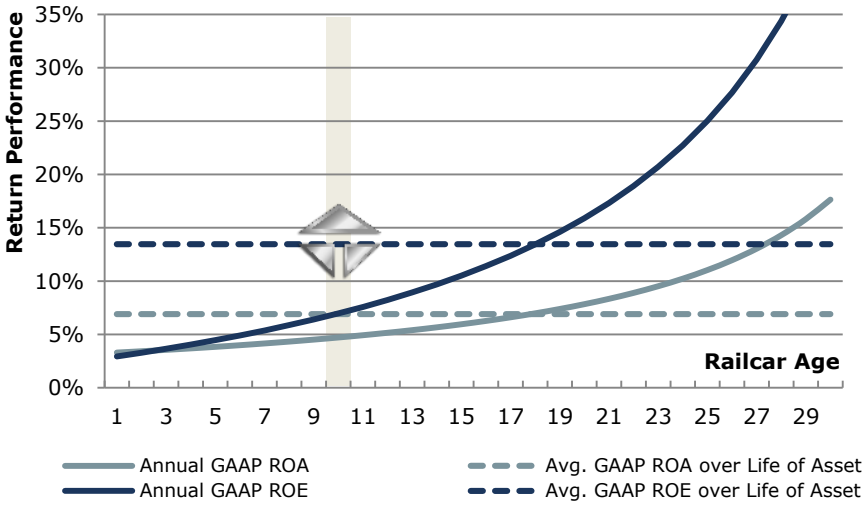
Railcar Asset Returns Profile:

- GAAP returns accelerate over time as steady to inflating earnings are measured against decreasing Net Book Value or Net Equity balances

Rail Assets Generate Steady Cash Flow through Cycle



Healthy Returns Relative to Life-cycle Expectations(2)



* See appendix for footnotes and reconciliation of non-GAAP measures

A Sustainable Capital Story:

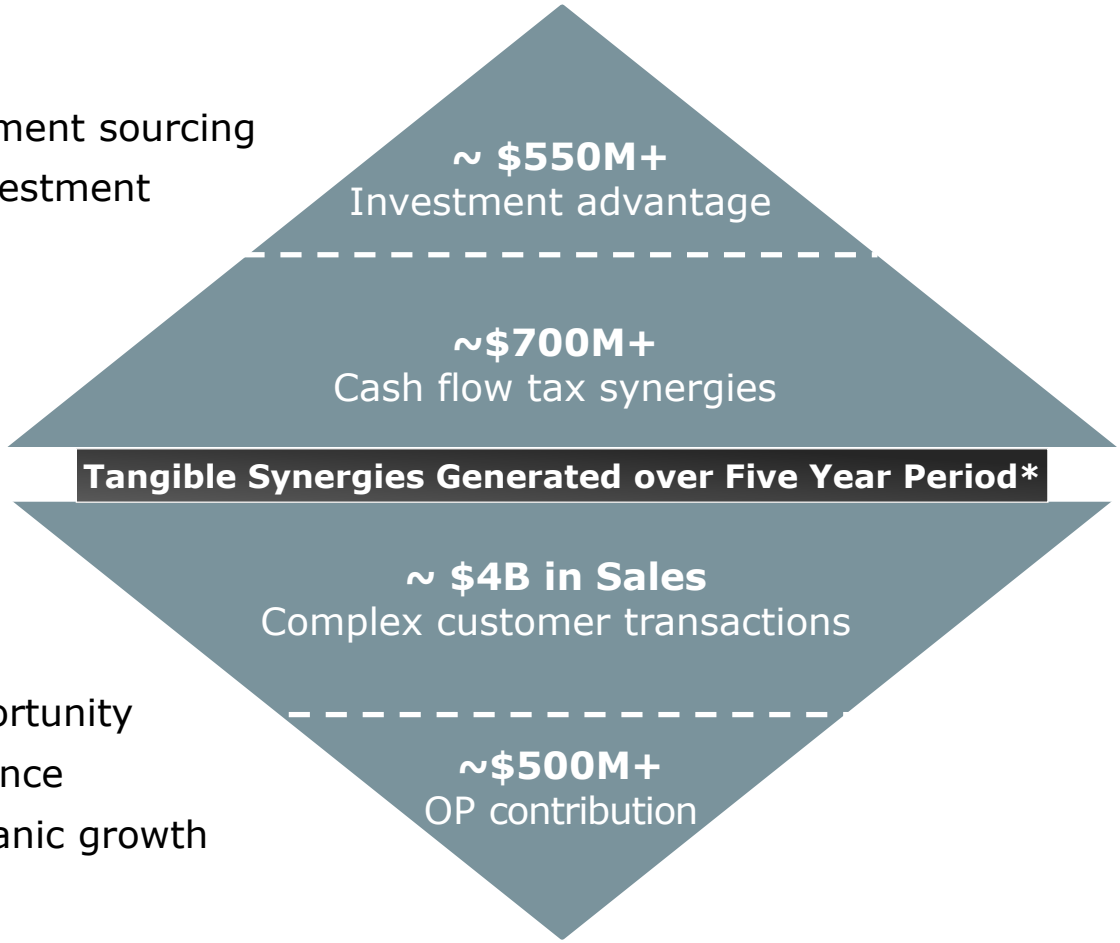
Trinity's Rail Platform Delivers Strategic Synergies

FINANCIAL Synergies

- Cost-advantaged railcar equipment sourcing
- Tax-advantaged lease fleet investment offsets taxable income and enhances returns
- Lower-relative operational cost structure

COMMERCIAL Synergies

- Higher customer touchpoints create additional revenue opportunity
- Actionable rail market intelligence
- Valuable sales channel for organic growth



*See Appendix for footnote

A Sustainable Capital Story:

Platform Synergies Create Strong Cash Flows

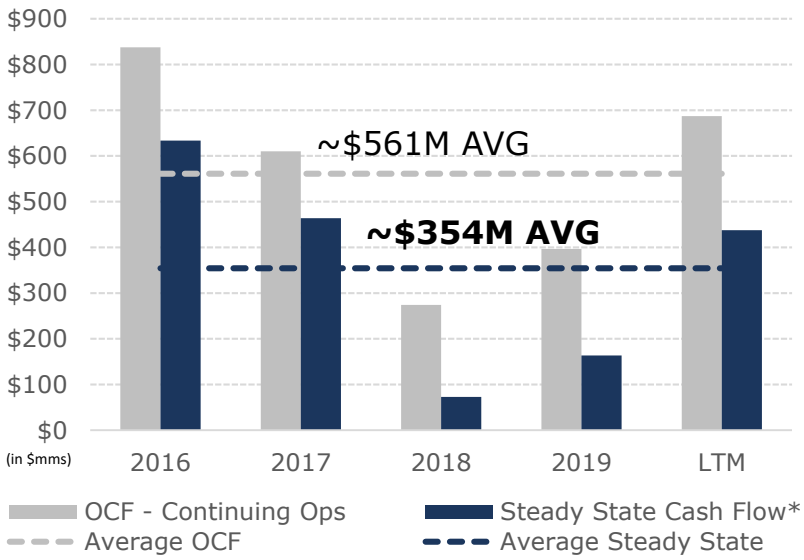
Steady State Cash Flow

Measures the ***potential capital*** to be deployed after investment to maintain enterprise cash flow

Free Cash Flow

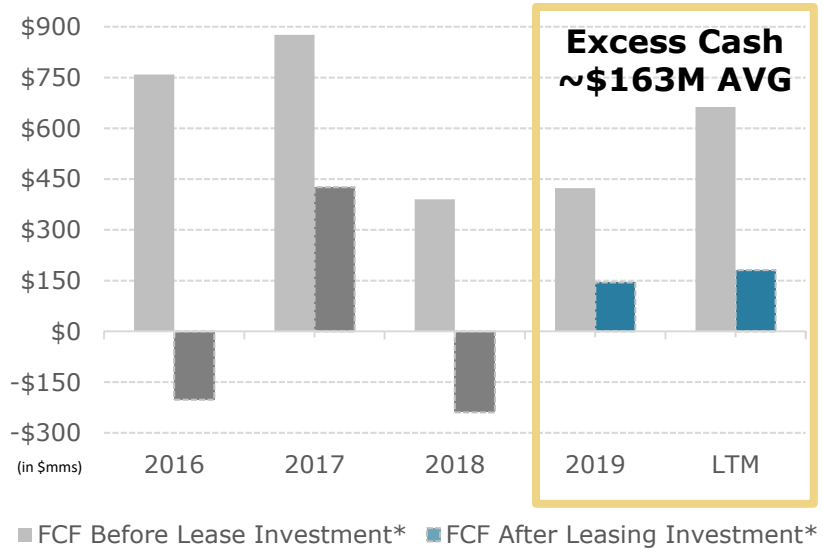
Measures ***excess cash*** from the platform after total investments, leverage, and maintaining the dividend

5-Yr Avg 'Steady State' Cash Flow is Yielding 12+% on Market Cap over Same Period



OCF + All Portfolio Sales – Required CapEx for maintaining steady state of the business

Balance Sheet Discipline Generates Excess Cash *after* Lease Fleet Growth



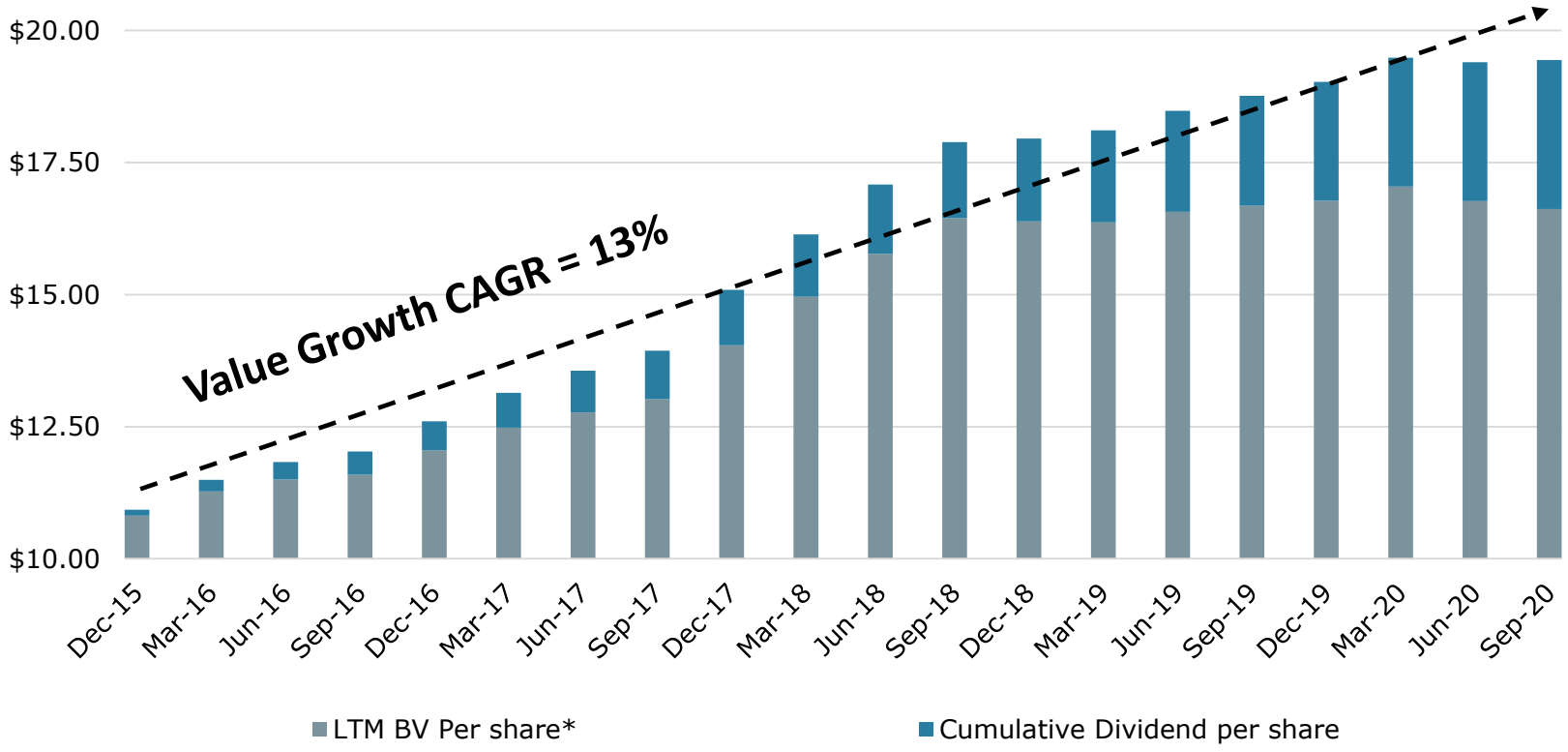
OCF + Portfolio Proceeds – Total Manufacturing CapEx – Dividends – Leasing Equity CapEx

** See appendix for reconciliation of non-GAAP measures*

A Sustainable Capital Story:
Reinvestment & Capital Return Drive Shareholder Value

A growing stream of cash flow from Trinity's platform creates shareholder value:

- Reinvestment into the business when expected returns are above our hurdle rates
- Return capital to shareholders through **consistent** dividends and **opportunistic** share repurchases



* See appendix for footnotes

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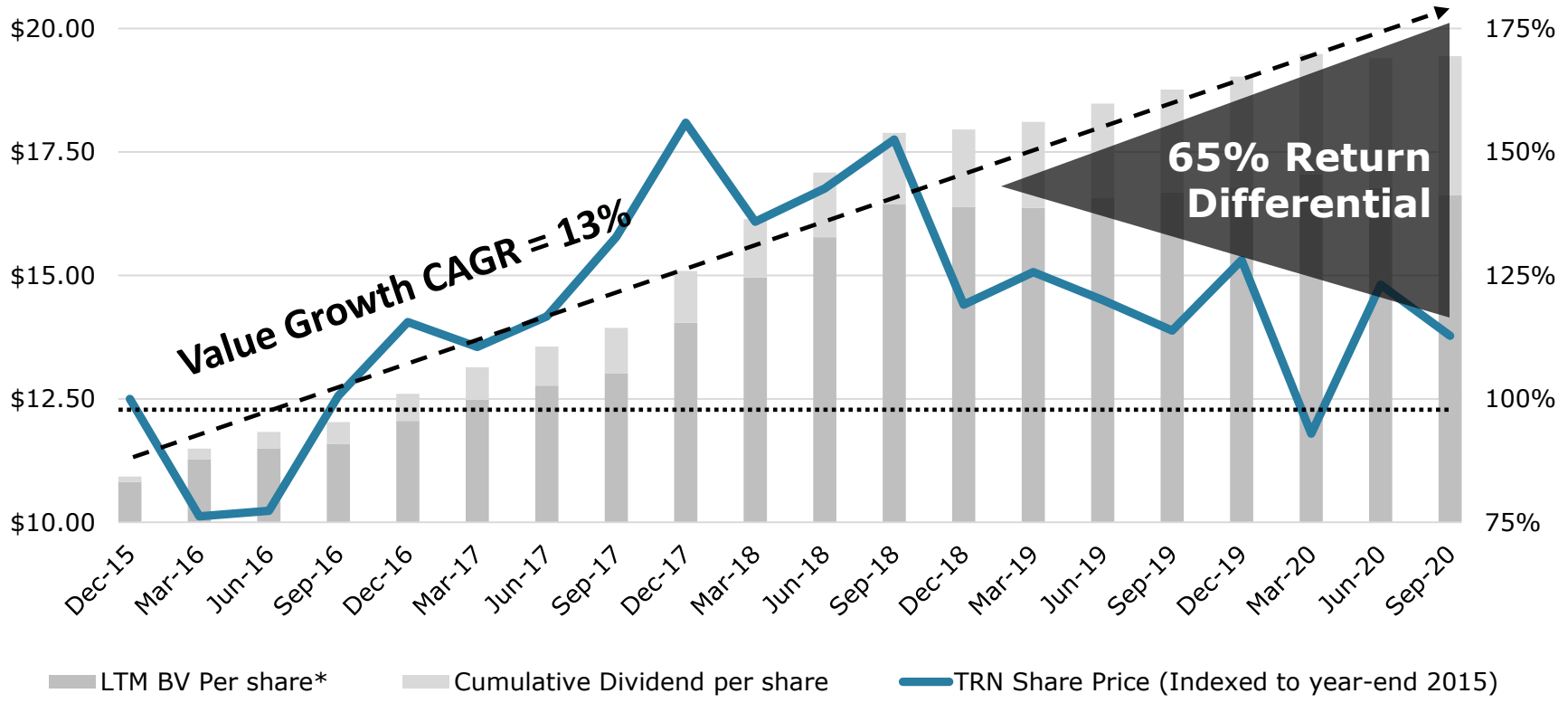


** See appendix for footnotes*

Enterprise Financial KPI's for Long-Term Performance



Operating and Free Cash Flow Growth

Mid-teen
Pre-tax Return on Equity



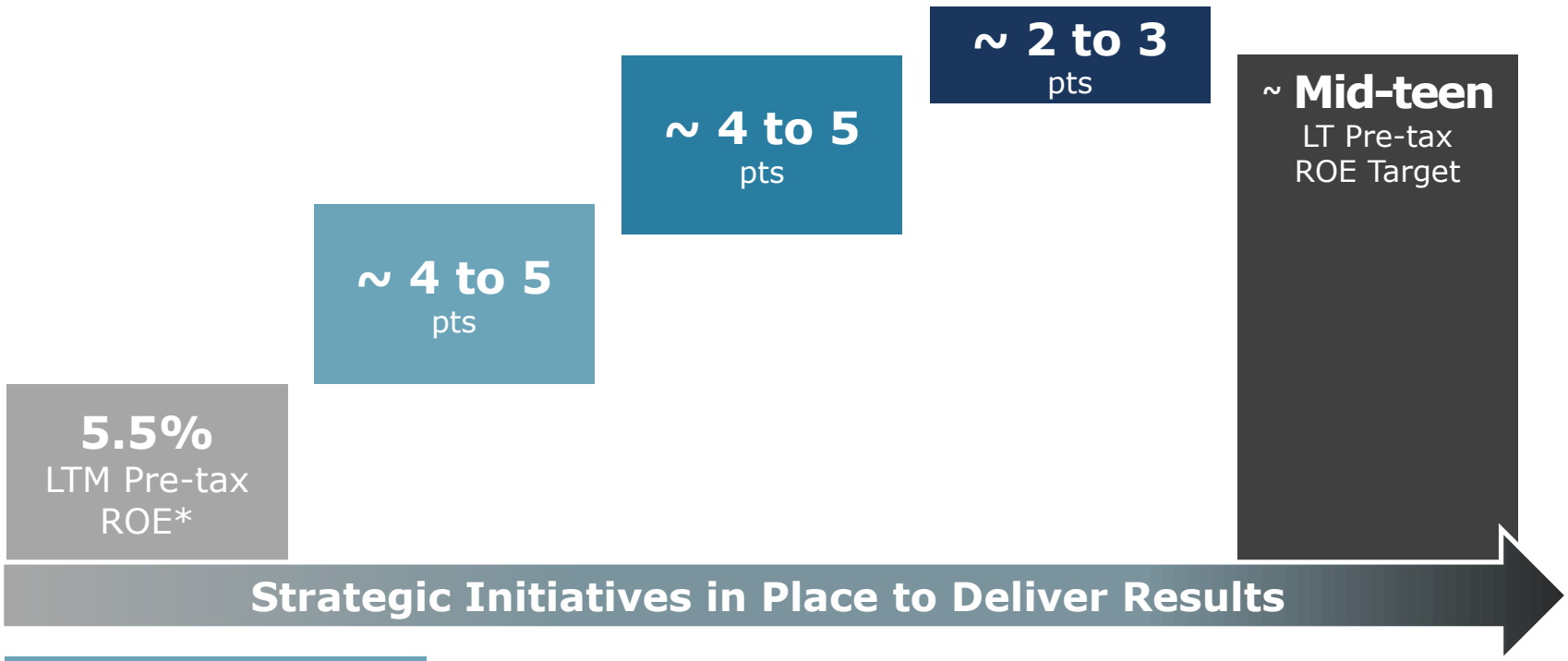


Double-digit
Dividend Growth

Book Value per Share Growth



Platform Optimization is Critical to Improve Pre-tax ROE

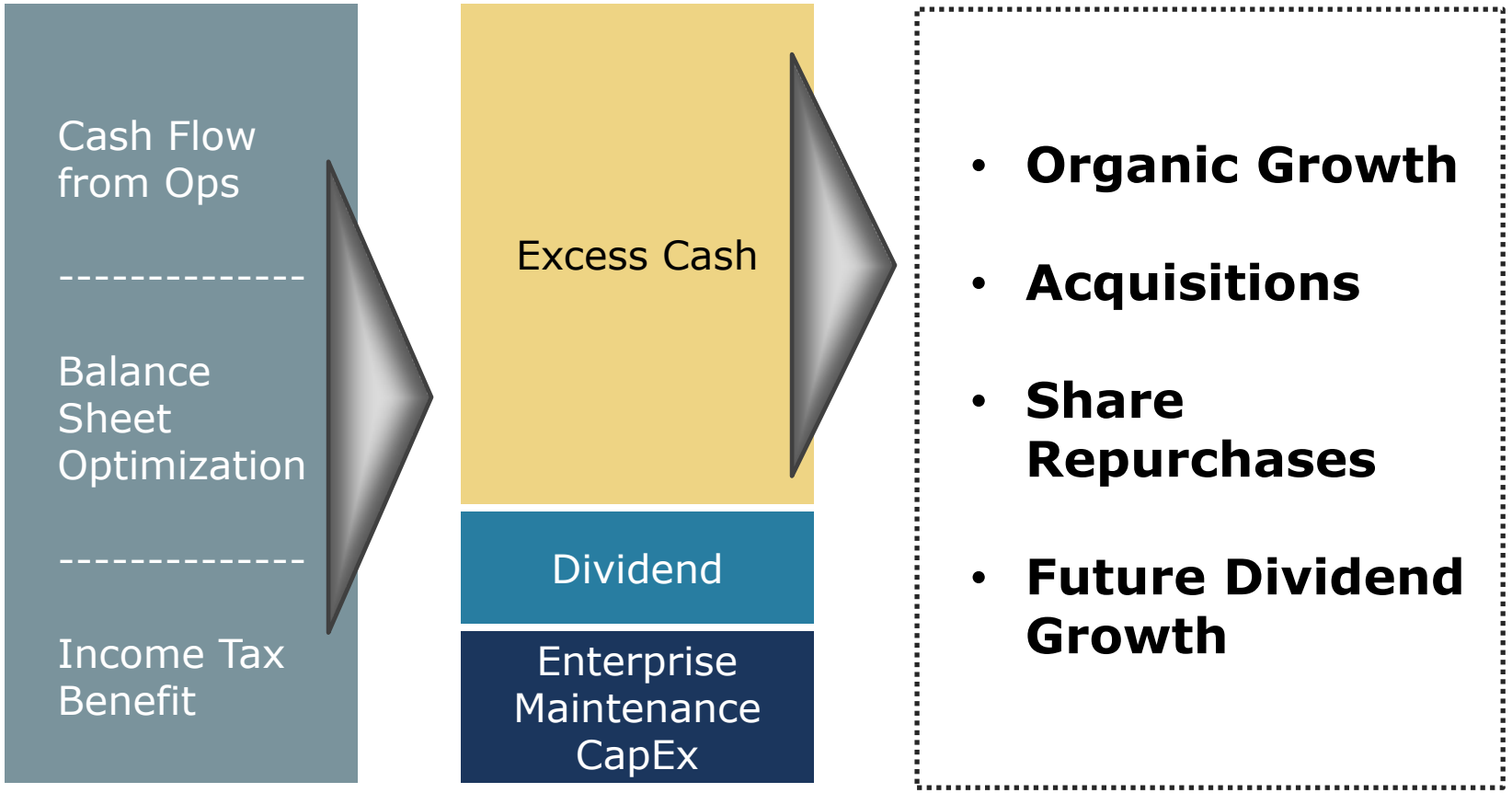


Financial Initiatives	Balance Sheet Optimization + Return of Capital
Optimization Efforts	SE&A and Manufacturing Cost Structure + Portfolio Balancing
Expansion & Growth	New Business Development + Product & Services Expansion

** See appendix for reconciliation of non-GAAP measures*

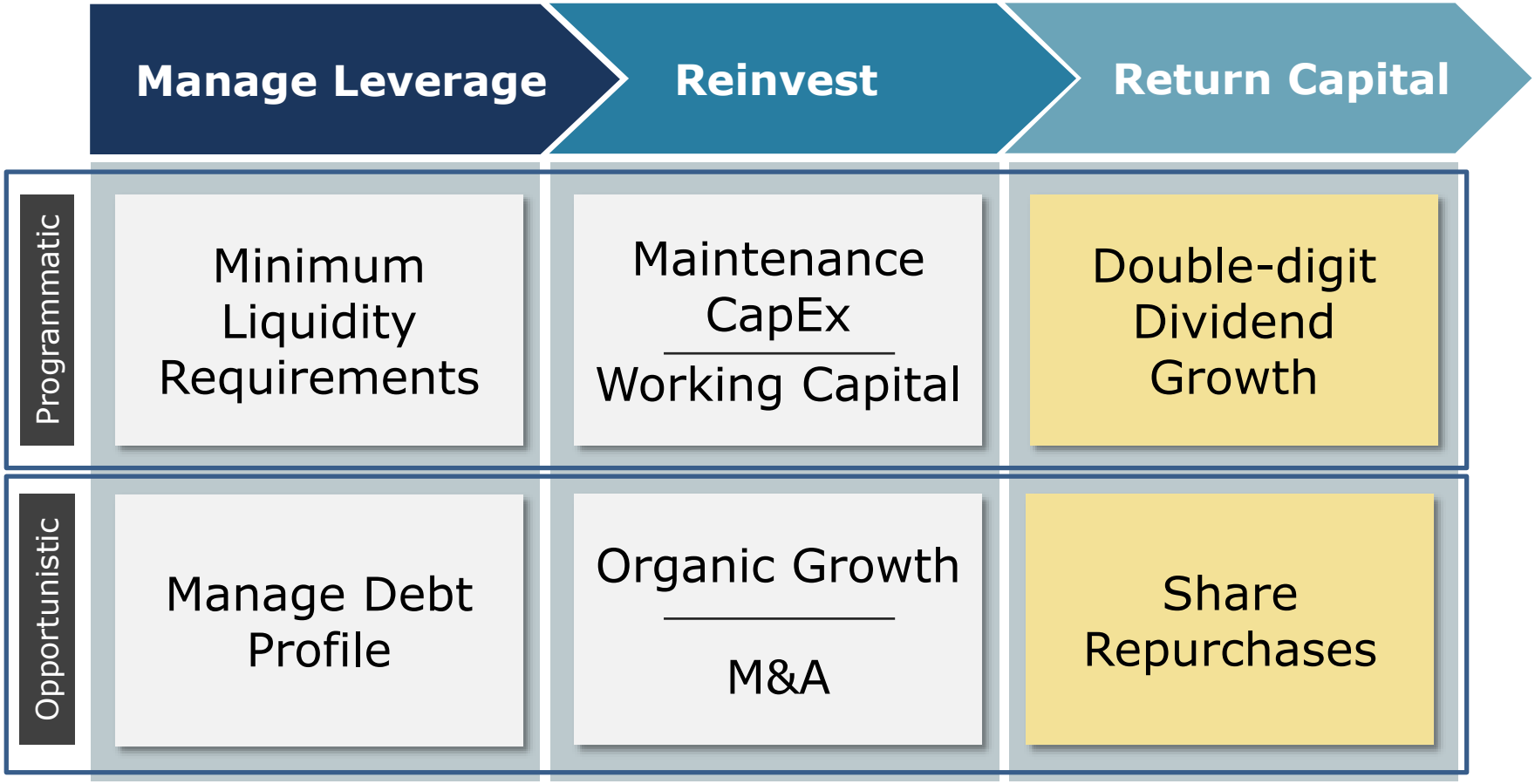
Capital Allocation Framework – *Near Term Strategy*

Trinity's line of sight on near-term cash flow generation and sources of capital over the next 3 years are expected to create significant shareholder value



Capital Allocation Framework – *Long Term Strategy*

Strong cash generation and *disciplined capital allocation* positions Trinity for **shareholder value creation** through the railcar cycle



3 Year Business & Financial Outlook

		FY 2021 - 2023
Business Drivers	**Industry Deliveries**	~ 120,000 railcars *(over 3 years)*
	Lease Portfolio Net Investment*	$500M - $600M *(over 3 years)*
	Lease Fleet Utilization	95%+
	Manufacturing OPM	Mid to high single digits
	Pre-tax ROE	Mid-teens
Cash Flows	**Total CF from Ops**	$1.5B - $2.0B *(over 3 years)*
	Balance Sheet Optimization	Achieve 60-65% LTV target
	Share Repurchases	Potentially significant
	Dividends	Double-digit annual growth

**Does not include potential investment from secondary market activities*

Review Key Takeaways for Enhancing Shareholder Value

Strong Cash Flow Generation	• Substantial cash flow and balance sheet optimization of over $2B in capital (representing a significant portion of Trinity's current market cap) to allocate over the next three years
Optimize the Returns of the Platform	• Capitalize on attractive financing markets to achieve LTV target • Opportunistically monetize assets to unlock value • Reset cost base to lower breakeven and deliver best-in-class margins, positioning Trinity for strong mid-cycle earnings power in market recovery
Deliver Financial Performance	• Execute against strategic initiatives for improving returns • Vigilantly pursue cost savings through further streamlining organization and eliminating inefficiencies • Leverage platform to improve rail modal supply chain and increase service-based revenue • Cultivate RIV partners to optimize funding sources and capture value of industry's leading origination platform
Prudently Allocate Capital to Drive Shareholder Value	• Disciplined capital allocation framework to drive through-the-cycle value creation • Increase hurdle rates for disciplined incremental lease fleet investment

Optimization efforts, substantial cash flow generation, and disciplined capital allocation position Trinity for meaningful value creation through the cycle

Q&A



Management Biographies

Jean Savage – CEO and President



Jean Savage was appointed Chief Executive Officer and President of Trinity Industries in February 2020. She has served as a member of Trinity's Board of Directors since November 2018. Ms. Savage is also a member of the National Association of Manufacturers Board of Directors.

Prior to Trinity, Jean spent 17 years at Caterpillar Inc., most recently serving as Vice President of the Surface Mining & Technology division of Caterpillar Inc. In this role, Jean oversaw the division's end-to-end value chain, ensuring a customer-centric approach in product design, development, operations, and sales. She was also responsible for Caterpillar's Sales, Marketing, and Technology groups, which covered all products in Caterpillar's Resource Industries Group, serving the mining sector. Earlier in her career with Caterpillar, Ms. Savage held various leadership roles in the subsidiary Progress Rail Services, an integrated and diversified supplier of railroad and transit products and services as well as railcar leasing, including serving as Senior Vice President and Chief Operating Officer of the Locomotive and Railcar Services business unit, as well as Vice President for Quality and Continuous Improvement.

Prior to Caterpillar, Ms. Savage worked in a variety of operations and engineering positions in her 14 years at Parker Hannifin Corporation, a leader in motion and control technologies and systems.

Jean began her career spending nine years as an Intelligence Officer in the U.S. Army Reserves. She has a bachelor's degree in electrical and computer engineering from the University of Cincinnati and a master's degree in engineering management from the University of Dayton. Jean is also a member of the Society of Women Engineers.

Eric Marchetto – EVP and Chief Financial Officer



Eric Marchetto was appointed EVP and Chief Financial Officer of Trinity Industries in April 2020. Since joining Trinity in 1995, Mr. Marchetto has held numerous leadership roles most recently serving as Group President of *TrinityRail*, where he had oversight and responsibility for all of *TrinityRail*'s railcar leasing and railcar products business segments. Prior to this role, Mr. Marchetto served and lead *TrinityRail*'s business assuming roles from 2009 to 2019 as Chief Financial Officer, Chief Administrative Officer, and Chief Commercial Officer respectively. Mr. Marchetto has been a key contributor towards the development, growth, and evolution of the railcar manufacturing, leasing, and services businesses into the *TrinityRail* platform, as well as pioneering a standard for structured railcar ABS financings and Trinity's Railcar Investment Vehicle platform.

Mr. Marchetto graduated from Southern Methodist University with a BBA/Accounting and a BA/Economics.

Brian Madison – EVP, Services Operations



Brian Madison was named EVP, Services Operations for Trinity Industries in July 2020, after previously serving as President for Trinity Industries Leasing Company upon joining the Company in 2016. In his current role, Mr. Madison is responsible for the leasing company, Trinity's centralized customer delivery function and the Company's services expansion efforts.

Mr. Madison is a proven leader with deep experience in portfolio management, business development, and sales and marketing. His financial services expertise ranges from high volume, scale driven, origination platforms to middle and large ticket market segments.

Prior to Trinity, Mr. Madison served as an Executive Vice President at Key Equipment Finance overseeing Manufacturer & Vendor Alliances. Other prior roles include Vice President and General Manager of Microsoft Financing, Managing Director of Global Product Management at Citigroup/CitiCapital Commercial Finance, President of Mellon US Leasing and various positions at GE Capital.

Mr. Madison received a Bachelor of Arts in Business Administration from University of Washington where he concentrated in Marketing and Business, Government & Society. Additionally, he is a Trustee of the Equipment Lease and Finance Foundation, a former member of the Equipment Leasing and Finance Association ("ELFA") Board of Directors and served as a past Chairman of the ELFA Captive and Vendor Finance Business Counsel Steering Committee.

Gregg Mitchell, EVP and Chief Commercial Officer



Gregg Mitchell was named Chief Commercial Officer of *TrinityRail* in October 2019, and EVP and Chief Commercial Officer of Trinity Industries in July 2020. In this role, Mr. Mitchell brings a career of supply chain experience to tailor innovative solutions for customers to move their freight by rail.

Mr. Mitchell joined Trinity Industries in 2007 as President of Trinity Logistics Group, Inc., delivering premier, multi-industry logistics services to internal Trinity Industries business units and the external market with consistent reliability, safety and innovation.

Gregg has more than 20 years of experience across major retail and manufacturing organizations. Prior to Trinity, he served as Senior Vice President, Supply Chain for Glazer's Corporation where he led all "end-to-end" Supply Chain Operations. Prior to Glazer's, Gregg was Vice President of Gap International Logistics where he led all logistics strategic operations related to Gap Brands across European, Canadian and Asian operations including: inbound/ outbound supply chain networks, distribution center operations, DC information systems, human resources and transportation effectiveness.

Gregg graduated with a BS Degree in Business from Missouri Southern University. He also serves as the Chairman of the Highway Users Alliance, and holds a position on the advisory Boards of Texas A&M Transportation Institute and Texas A&M Engineering Extension Service, at Texas A&M University.

Jessica Greiner – VP, Investor Relations and Communications



Jessica Greiner was promoted to Vice President, Investor Relations and Communications for Trinity Industries in 2018. In her previous position as Executive Director, Corporate Strategic Planning, Ms. Greiner was significantly involved in the planning and execution of the separation efforts for the Company's tax-free spin-off, as well as the strategic positioning of the new company investor narrative for the rail-focused strategy. Ms. Greiner has served in various roles since joining the Company in 2008 including investor relations, corporate finance, and financial planning.

Prior to Trinity, Ms. Greiner worked for Dallas-based hedge fund HBK Capital Management responsible for trade desk system and portfolio compliance procedures. She began her career at Accenture as a consultant in the Finance and Performance Management practice working for major clients including Belo Corp., Blockbuster, and AT&T Wireless.

Ms. Greiner was twice named a Top Investor Relations Professional in 2016 and 2020 by *Institutional Investor* magazine for Mid-Cap Industrials in Transportation.

Ms. Greiner received her Bachelor of Business Administration from Baylor University with majors in both Finance and Marketing.

Appendix

Trinity's Business Segments – P&L Breakout

Trinity Industries Inc. (LTM 9/30/2020)	$2.4B Total Revenues	$330M Adjusted Operating Profit*	$83M Adjusted Income from Cont. Ops.*	$607M Adjusted EBITDA*

Railcar Leasing and Management Services Group	Rail Products Group	All Other	Intersegment Eliminations
$926M Segment Revenue	**$2,195M** Segment Revenue	**$256M** Segment Revenue	**($943)M** Segment Revenue
$366M Segment Operating Profit	**$133M** Segment Operating Profit	**$24M** Segment Operating Profit	**($89)M** Segment Operating Profit
• Railcar leasing services • Asset management • Railcar investment vehicle (RIV) sales	• Tank and freight railcars • Maintenance services • Railcar parts and heads • Logistics operations	• Highway Products	• Intersegment Eliminations, primarily from the sale of railcars from the Rail Products Group to the Railcar Leasing and Management Services Group for new railcar equipment supported by a firm customer contract for the lease

** See appendix for reconciliation of non-GAAP measures*

Historical Business Segment Performance Trends

Leading railcar leasing and services provider

- 105,925 railcars ($7.3B of net PP&E) in owned fleet
- Future committed lease revenue of $2.0B
- Leased railcar backlog of 4,060 railcars ($430M value) fully committed by future railcar leases

Additional revenue sources through platform

- Portfolio sales through secondary market or Railcar Investment Vehicle (RIV) transactions
- Management fee income from administrative, maintenance, and other service fees

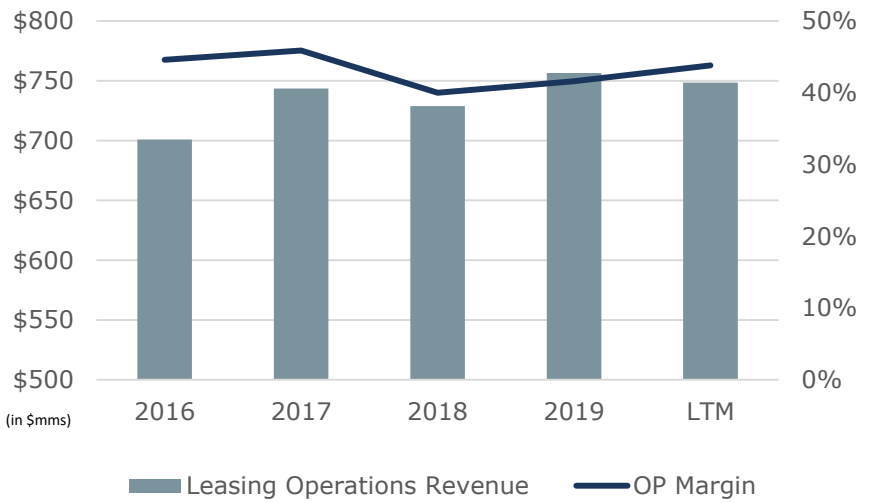
Leading railcar manufacturer in North America

- LTM Deliveries of 16,175 railcars – approx. 35% of industry shipments
- LTM Orders of 7,395 railcars – approx. 33% of industry
- Backlog of $1.2B for 10,050 railcars

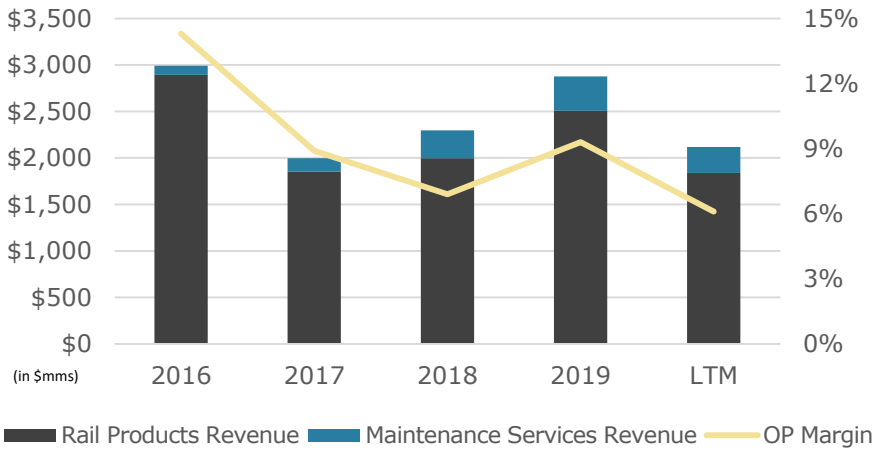
Highly variable cost structure

- Material input costs averaged more than 70% of the cost of most railcars in 2019
- Depreciation approximates $39M per year

Leasing Operations Revenue and Operating Profit Margin(1)



Rail Products Segment Revenue and Operating Profit Margin



See appendix for footnotes

Strong Balance Sheet Positioned for Market Uncertainty and Opportunistic Deployment

LIQUIDITY

Cash & Equivalents
$121M

Revolver Availability
$279M

Warehouse Availability
$319M

Expected Tax Refunds
$485M

Solid Liquidity of $719M[1]

DEBT STRUCTURE

Recourse Debt
$523M @ ~4%[1]

Non-recourse Debt
$4.4B @ ~4%[1]

- Low-cost funds
- Flexible term structures
- No maturities until 2022

$371M additional financing priced in October 2020 at 2.52%

Attractive Debt Structures

CAPITAL LEVERS

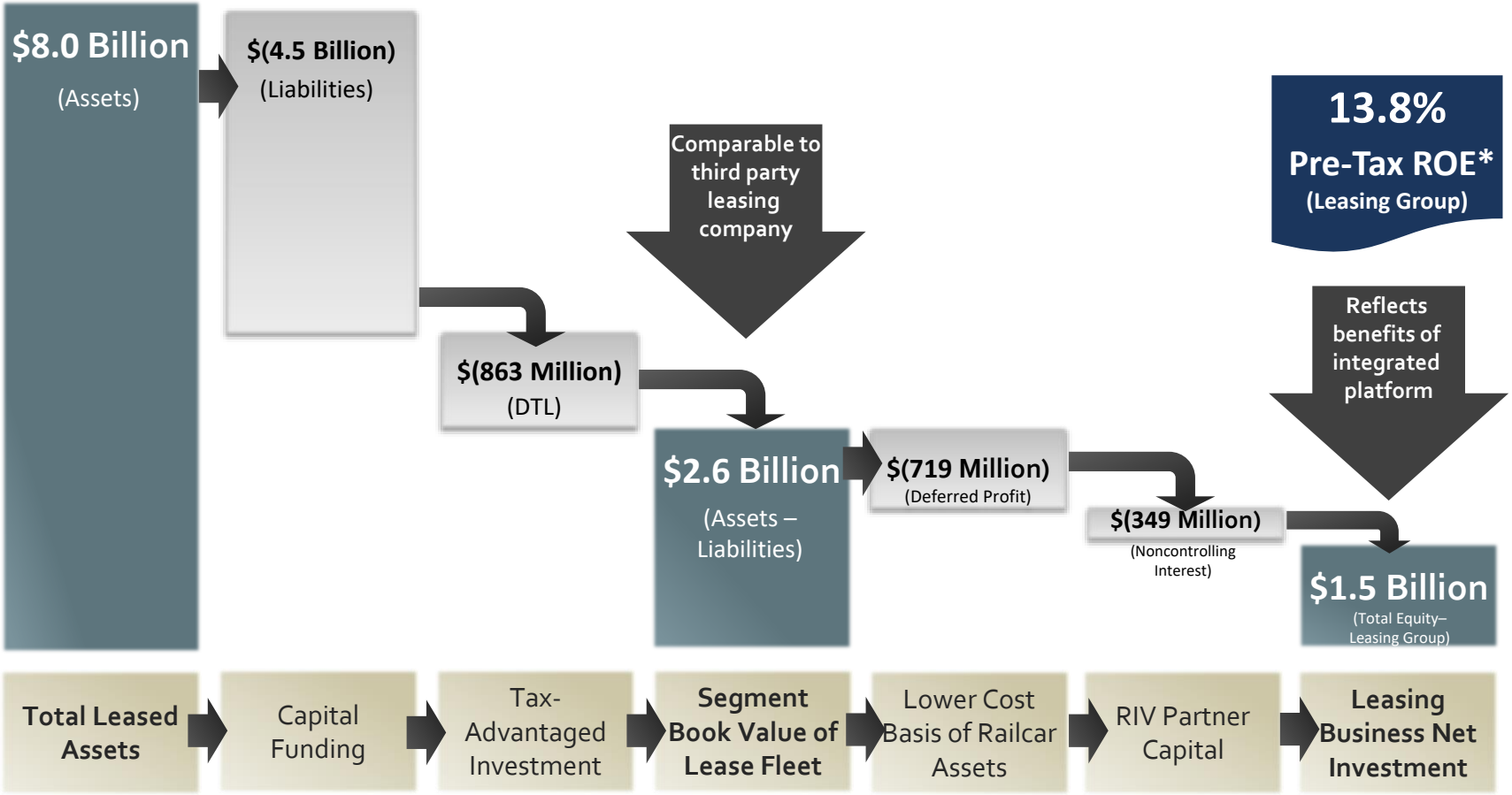
Unencumbered Railcars
$1.4B

- Pledge to warehouse
- Additional assets can be sold or financed
- LTV of 58% for the wholly-owned lease portfolio as of 3Q-20[2]

Conservative Capitalization

See appendix for footnotes

Platform Synergies Enhance Lease Portfolio ROE



All specified data as of quarter end December 31, 2019

See Next Page: *'Single Unit Railcar Economics' for comparison of Trinity's platform to standalone model*

Illustrative Single Unit Leased Railcar Example

- The cost-advantage from direct equipment sourcing increases the pre-tax ROE potential
- The tax benefits of railcar investment significantly enhance the return on investment
  - 7 year MACRS ***OR*** 100% first-year bonus*
  - The deferred tax liability (DTL), created from realized accelerated tax benefits, reduces the equity investment
- The tax efficiency of the rail platform lowers the Company's tax liability **increasing cash flow available for reinvestment and return of capital**

Platform Synergies Enhance the Return Profile

(*TRN Platform vs. Stand Alone*)

	TRN	Stand-Alone
New Railcar @ Market Price	$ 100,000	$ 100,000
Railcar Manufacturing Cost (@ 6% Margin)	**94,000**	**100,000**
Railcar Asset Capitalization		
Debt Funding @ 70% leverage	(70,000)	(70,000)
Remaining Equity Investment	**$ 24,000**	**$ 30,000**
Average Year Economic Assumptions		
Rent revenue @ 0.65% lease rate factor	$ 7,800	$ 7,800
(*less*) Operating Expenses @ 40% Margin	(4,534)	(4,680)
(*add*) Depreciation Expense (37 yr straight line)	2,286	2,432
(*less*) Interest Expense @ 3.5%	(2,450)	(2,450)
Economic Profit - Pre-Tax	**$ 3,102**	**$ 3,102**
Pre-tax Cash Return on Equity	**13%**	**10%**
Tax-Adjusted Returns @ 24% Tax Rate		
Accelerated Depreciation - Option 1		
Incremental DTL	(2,675)	(2,846)
Tax-Adjusted Equity Investment	**$ 21,325**	**$ 27,154**
Pre-tax Cash Return on Residual Equity	**15%**	**11%**
100% Bonus Depreciation - Option 2		
Incremental DTL	(22,011)	(23,416)
Tax-Adjusted Equity Investment	**$ 1,989**	**$ 6,584**
Pre-tax Cash Return on Residual Equity	**156%**	**47%**

**Current tax law allows for bonus depreciation in first year*

Case Study #1 – Energy Customer

Customer Need:

- The customer maintains a fleet of both owned and leased railcars. They needed to modify their owned fleet for continued use and change the mix of their fleet to match their business needs.

Products & Services Offered:

- Maintenance Services
- Leasing Services
- Investments Services
- Products

Platform Solution:

- Trinity offered a comprehensive solution including the management support and analytics of their existing fleet, contracting of new leased railcars, assignment and renewal of existing railcars within Trinity's portfolio, and brokering of a shipper sublease upon the performed modifications of the customer's railcars to meet new regulatory standards.



NPV* to Trinity
$25-30M

*See appendix for footnotes

Case Study #2 – Railcar Investment Vehicle Platform

Customer Need:

- Institutional investors have ownership in the railcar asset class and look to partner with best in class providers who can manage the servicing and operations of a diverse portfolio

Products & Services Offered:

- Investment Services
- Leasing Services
- Maintenance Services
- Products & Aftermarket Parts

Platform Solution:

- Trinity offered this specific customer the full *TrinityRail* Platform by managing all aspects of their ownership interest in railcars. Trinity provides the marketing, lease operations, maintenance service work, parts support, and provide new railcar portfolios for them to invest in.



Value to Trinity
$250M+
(10 year accumulated value)

Case Study #3 – New Product & Service Development

Customer (Industry) Need:

- The industry was oversupplied with tri-level autoracks vs. bi-level autoracks as consumer preference changed from smaller, fuel-efficient automobiles to larger, cross-over and sports-utility vehicles.

Products & Services Offered:

- Maintenance Services
- Leasing Services
- Investment Services
- New product development

Platform Solution:

- Through data analytics, Trinity recognized the shift and developed the Autorack Service Center to convert tri-level racks to bi-level, keeping current flat cars employed. In the process, also created new products for recertifications which extend the value and useful life of existing racks. The new Hourglass™ auto rack was also designed to offer more room inside the rack to reduce damage to wider SUVs and trucks in the transportation process.



Value to Trinity
$5M

Case Study #4 – Large Third Party Leasing Company

Customer Need:

- The customer owns a large, young lease fleet, with a considerable need for retrofits, traditional maintenance and new railcars to supplement their portfolio growth.

Products & Services Offered:

- Maintenance Services
- Railcar Products
- Aftermarket Parts

Platform Solution:

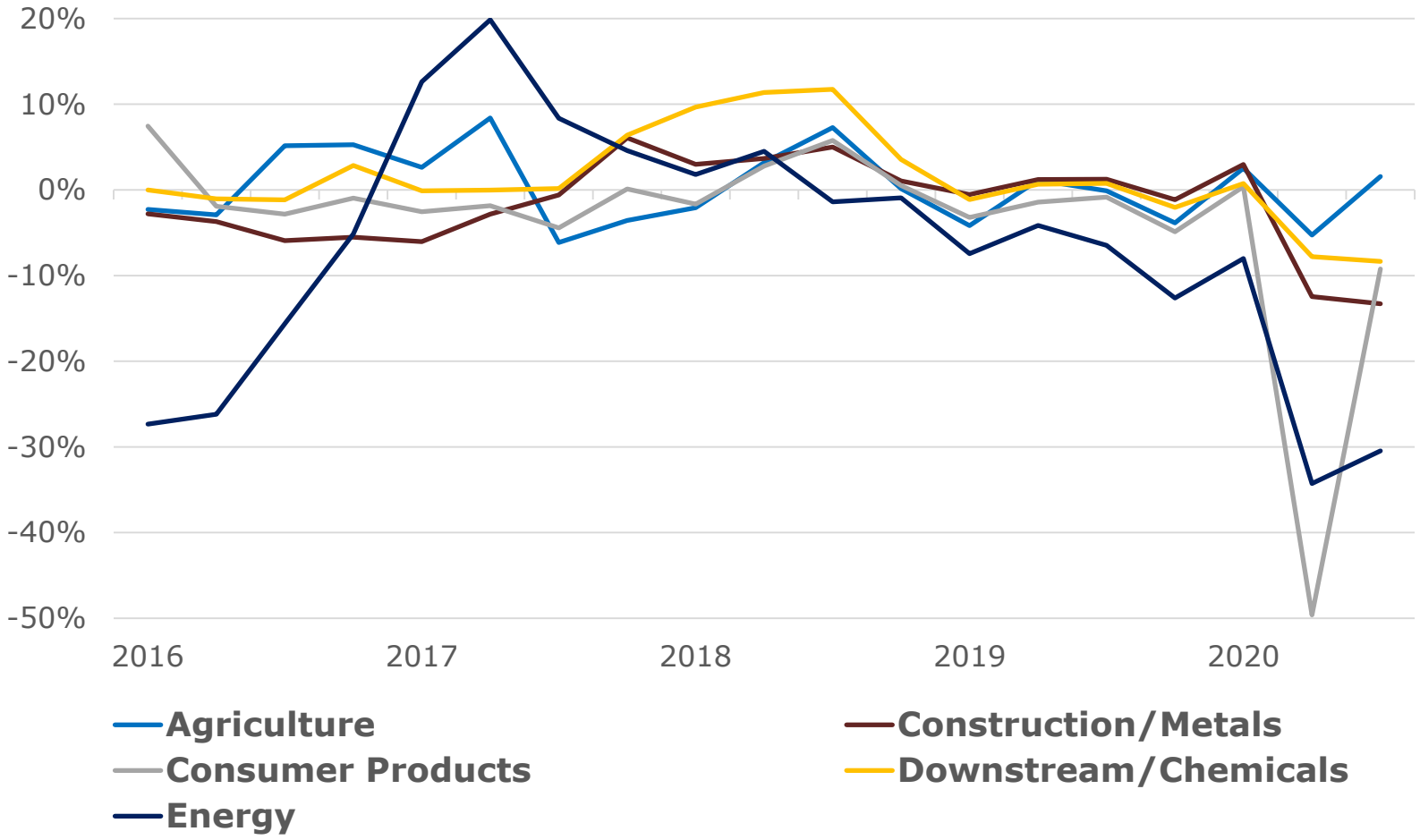
- Trinity modified nearly 1,900 tank cars to the DOT-117 standard over a three year period, and the following year was awarded the designation of "Preferred Maintenance Partner" by the customer. As a result of the new maintenance relationship, Trinity bundled a maintenance and after market parts program with a new railcar agreement to help the customer manage their Cap-Ex vs Op-Ex budgets – differentiating Trinity's service offering.



Value to Trinity
$8M

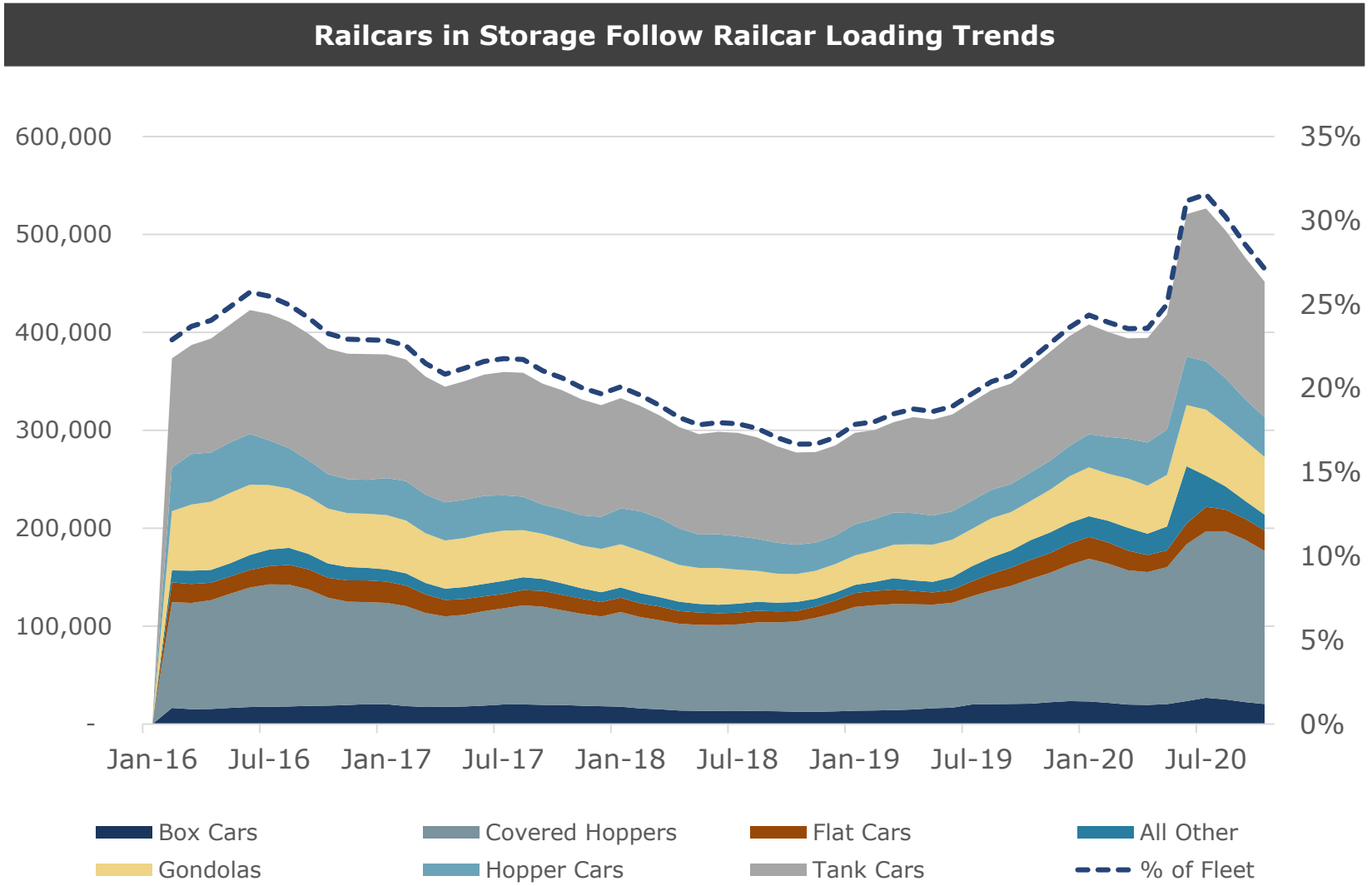
Key Demand Fundamentals: Railcar Loadings by Submarket

YoY Railcar Loadings Move with GDP but Inflect on Specific Fundamental Drivers



See appendix for source info

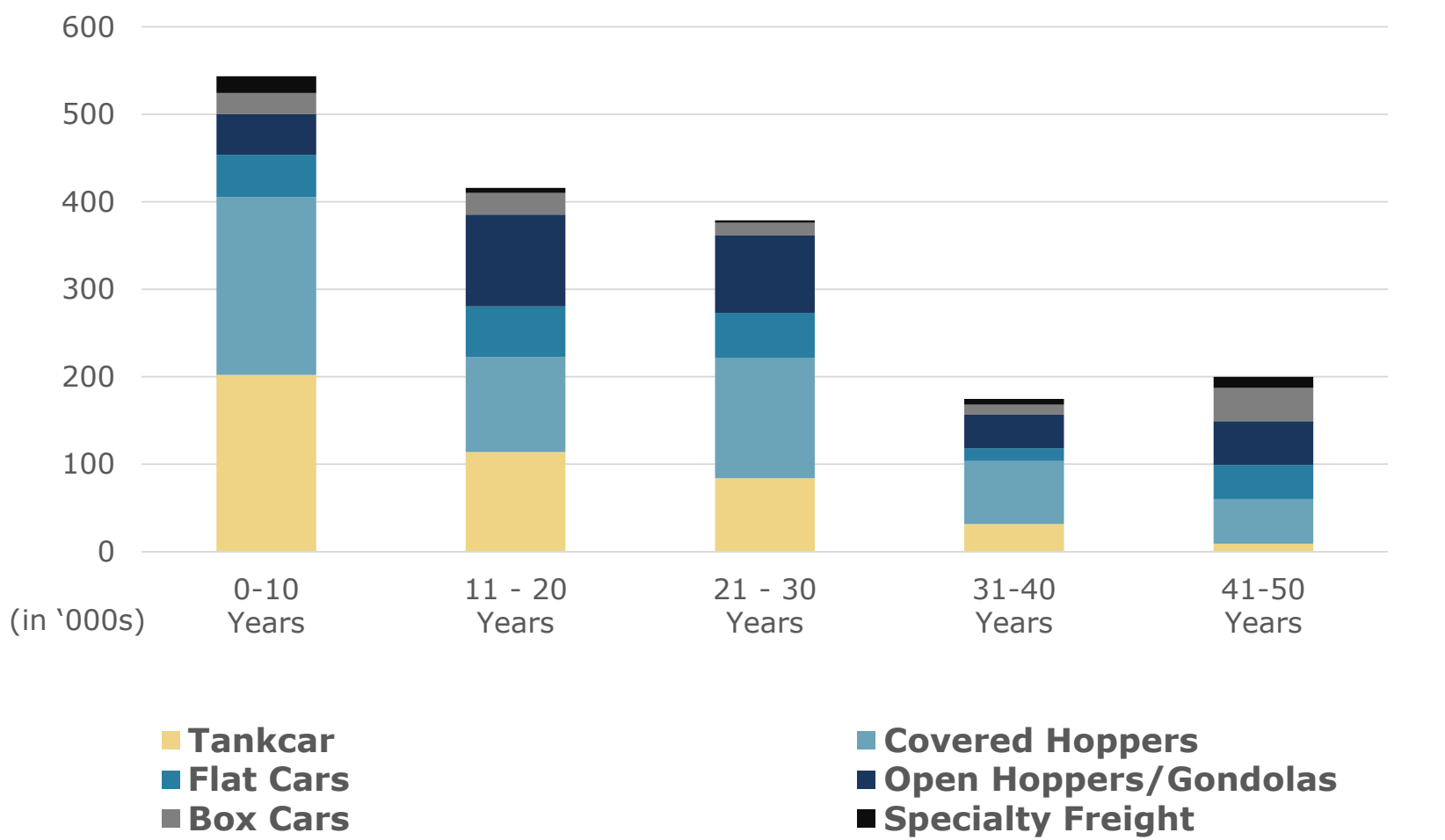
Key Demand Fundamentals: Railcar Storage by Car Type



See appendix for source info

Key Demand Fundamentals: Attrition and Replacement

Rail Equipment Fleets Vary in Age Based on Cycle Dynamics



See appendix for source info

Key Demand Fundamentals: Railroad PSR Initiatives

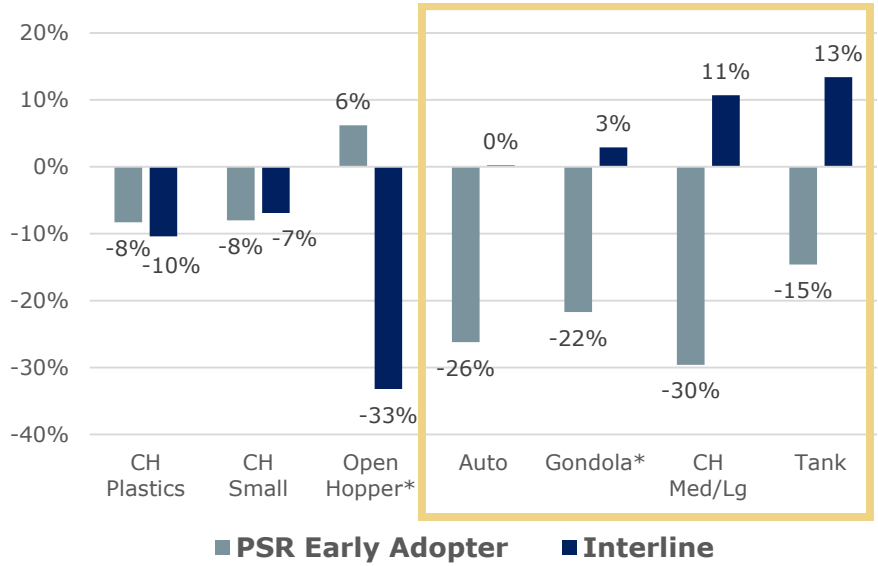
Opinion: *PSR efficiencies will reduce overall demand for railcar equipment*

Research: Efficiency improvement in single line moves were offset by interline network inefficiencies, limiting the impact of PSR on equipment demand within Trinity's lease fleet.

Opinion: *The rail industry has lost modal share due to network inefficiencies and lack of supply chain transparency*

Research: A 1% increase in modal share overcomes a 1% decrease in efficiency. A more predictable rail network will enhance the economics of moving freight by rail and drive more modal share to the industry.

Change in Cycle Times (Single Line vs. Interline)



*Primarily used for coal

Railcars Needed to Serve 2019 Carloads

	1pp Less Modal Share	Base 2019 Carloads	1pp More Modal Share
1% Less Efficient	-2.7%	1.0%	4.7%
Base 2019 Efficiency	-3.7%	0.0%	3.7%
1% More Efficient	-4.6%	**-1.0%**	**2.6%**

See appendix for source info

Reconciliation: Total Company Pre-tax ROE

	FY 2019	LTM Q3-20
Numerator:	($ in millions)	
Income from continuing operations	$ 139.2	$ (77.1)
Provision (benefit) for income taxes	61.5	(205.8)
Income from continuing operations before income taxes	200.7	(282.9)
Net (income) loss attributable to noncontrolling interest	1.5	79.6
Adjustments	14.7	318.3
Adjusted Profit Before Tax	$ 216.9	$ 115.0

Denominator:	FY 2018	FY 2019	Q3-20
Stockholders' Equity	$ 2,562.0	$ 2,378.9	$ 2,093.6
Noncontrolling interest	(351.2)	(348.8)	(276.3)
Accumulated other comprehensive loss	116.8	153.1	164.5
Adjusted Stockholders' Equity	$ 2,327.6	$ 2,183.2	$ 1,981.8
Average total stockholders' equity		$ 2,470.5	$ 2,236.3
Return on Equity [(1)]		5.6%	-3.4%
Average Adjusted Stockholders' Equity		$ 2,255.4	$ 2,082.5
Pre-Tax Return on Equity [(2)]		9.6%	5.5%

(1) Return on Equity is calculated as income from continuing operations divided by average total stockholders' equity.
(2) Pre-Tax Return on Equity is calculated as adjusted profit before tax divided by average adjusted stockholders' equity, each as defined and reconciled above.

Pre-Tax Return on Equity ("Pre-Tax ROE") is a non-GAAP measure that is derived from amounts included in our GAAP financial statements. We define Pre-Tax ROE as a ratio for which (i) the numerator is calculated as income from continuing operations adjusted to exclude the effects of the provision for income taxes, net income or loss attributable to noncontrolling interest, and certain other adjustments, which include restructuring activities, the controlling interest portion of impairment of long-lived assets, and early redemption of debt; and (ii) the denominator is calculated as average stockholders' equity, which excludes noncontrolling interest, adjusted to exclude accumulated other comprehensive income or loss.

In the table above, the numerator and denominator of our Pre-Tax ROE calculation are reconciled to income from continuing operations and total stockholders' equity, respectively, which are the GAAP financial measures used in the computation of ROE. Management believes that Pre-Tax ROE is a useful measure to both management and investors as it provides an indication of the economic return on the Company's investments over time, and considers the Company's expected tax position in the near-term. Non-GAAP measures should not be considered in isolation or as a substitute for our reporting results prepared in accordance with GAAP and, as calculated, may not be comparable to other similarly titled measures for other companies.

Reconciliation: Leasing Group Pre-Tax ROE

	December 31, 2018	December 31, 2019
	($ in millions)	
Numerator:		
Operating profit	$ 351.1	$ 406.6
Interest expense	(142.3)	(197.2)
Income from continuing operations before tax	208.8	209.4
Net (income) loss attributable to noncontrolling interest	(3.8)	1.5
Adjusted Profit Before Tax - Leasing Group	$ 205.0	$ 210.9
Denominator:		
Total Equity - Leasing Group	$1,508.5	$1,544.9
Average Total Equity - Leasing Group		$1,526.7
Pre-Tax ROE - Leasing Group [(1)]		13.8%

(1) Pre-Tax Return on Equity - Leasing Group is calculated as adjusted profit before tax - Leasing Group divided by average total equity - Leasing Group, each as defined and reconciled above.

Pre-Tax Return on Equity - Leasing Group ("Pre-Tax ROE - Leasing Group") is a non-GAAP measure that is derived from amounts included in our GAAP financial statements. We define Pre-Tax ROE - Leasing Group as a ratio for which (i) the numerator is calculated as operating profit adjusted to deduct interest expense and to exclude the effects of net income or loss attributable to noncontrolling interest, and (ii) the denominator is calculated as average equity (which excludes noncontrolling interest).

In the table above, the numerator of our Pre-Tax ROE - Leasing Group calculation is reconciled to income from continuing operations before tax, which is the GAAP financial measure used in the computation of ROE.

Management believes that the Pre-Tax ROE - Leasing Group is a useful measure to both management and investors as it provides an indication of the economic return on the Leasing Group's investments over time. Non-GAAP measures should not be considered in isolation or as a substitute for our reporting results prepared in accordance with GAAP and, as calculated, may not be comparable to other similarly titled measures for other companies.

Reconciliation: Leasing Economic Profit

	2016	2017	2018	2019	LTM Q3-20
			(in millions)		
Operating Profit – Leasing Operations	$ 312.5	$ 341.3	$ 291.8	$ 314.7	$ 327.9
(Less): Interest Expense	(125.2)	(125.8)	(142.3)	(197.2)	(200.0)
Profit Before Tax – Leasing Operations	187.3	215.5	149.5	117.5	127.9
(Add): Depreciation	156.2	172.3	196.6	232.2	219.7
Economic Profit – Leasing Operations	343.5	387.8	346.1	349.7	347.6
(Add): Operating Profit – Railcar Sales	47.6	103.2	71.9	91.9	37.9
Total Economic Profit – Leasing Group	**$ 391.1**	**$ 491.0**	**$ 418.0**	**$ 441.6**	**$ 385.5**

Economic Profit is a non-GAAP financial measure derived from amounts included in our GAAP financial statements.

For the Leasing Group, Economic Profit is defined as Operating Profit – Leasing Operations as computed in accordance with GAAP, adjusted to deduct interest expense and to add back depreciation expense and the operating profit related to railcar sales.

This non-GAAP measure is reconciled to Operating Profit – Leasing Operations, the most directly comparable GAAP financial measure, in the table above. Management believes that Economic Profit is useful to both management and investors in their analysis as it is a key measure of our businesses' cash flows and takes into consideration operational cash flows and interest expense. Non-GAAP measures should not be considered in isolation or as a substitute for our reporting results prepared in accordance with GAAP and, as calculated, may not be comparable to other similarly titled measures for other companies.

Reconciliation: Steady State Cash Flow

	2016	2017	2018	2019	LTM Q3-20
			(in millions)		
Net cash provided by operating activities – continuing operations	**$ 837.5**	**$ 610.1**	**$ 274.2**	**$ 396.7**	**$ 687.2**
(Add): Proceeds from railcar lease fleet sales owned more than one year at the time of sale	37.7	360.7	230.5	205.7	169.4
(Add): Net cost of sold lease fleet railcars owned one year or less	92.0	79.9	92.4	319.3	163.0
Adjusted Net Cash Provided by Operating Activities, including Portfolio Sales	**$ 967.2**	**$ 1,050.7**	**$ 597.1**	**$ 921.7**	**$ 1,019.6**
(Less): Manufacturing/Corporate D&A (Proxy for Steady State Capex)	(61.1)	(57.4)	(55.3)	(51.4)	(52.9)
(Less): Leasing Steady State CapEx Required (defined below)	(272.4)	(529.4)	(469.1)	(706.7)	(529.0)
Steady State Cash Flow Generation	**$ 633.7**	**$ 463.9**	**$ 72.7**	**$ 163.6**	**$ 437.7**

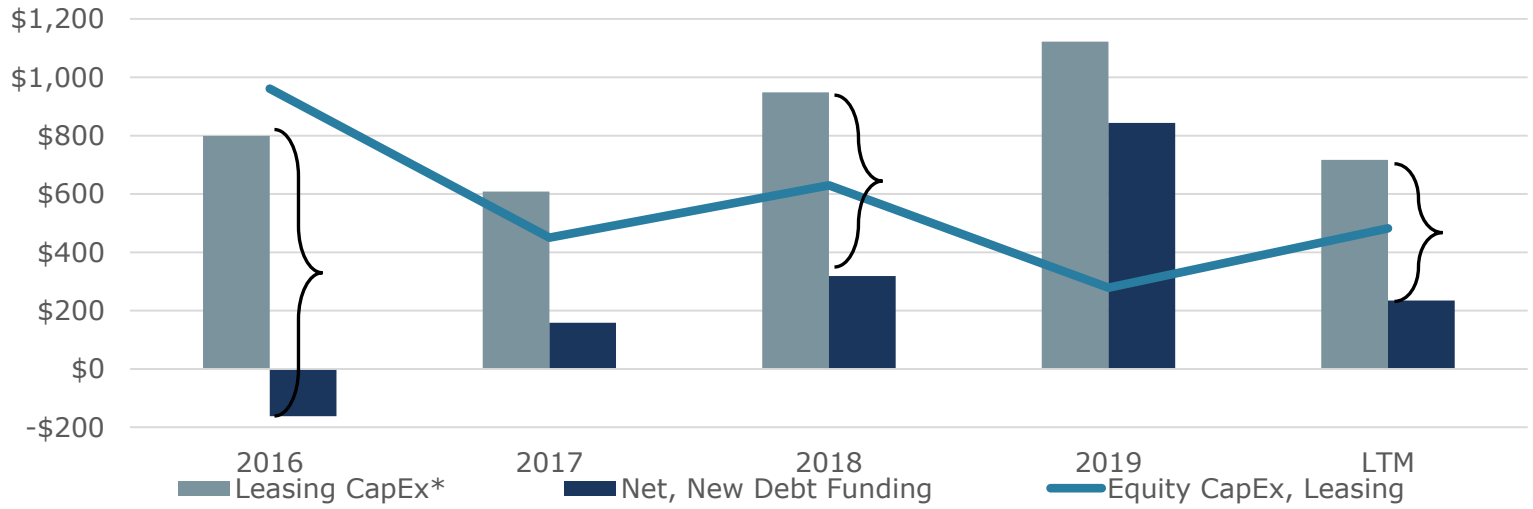
	2016	2017	2018	2019	LTM Q3-20
Leasing Depreciation	$ 156.2	$ 172.3	$ 196.6	$ 232.2	$ 219.7
Total Proceeds from sales of leased railcars	*163.8*	*460.3*	*344.4*	*566.4*	*347.2*
(Less): Total profit on railcar sales	*(47.6)*	*(103.2)*	*(71.9)*	*(91.9)*	*(37.9)*
(Add): NBV of rail portfolio sales	$ 116.2	$ 357.1	$ 272.5	$ 474.5	$ 309.3
Leasing Steady State CapEx Required	**$ 272.4**	**$ 529.4**	**$ 469.1**	**$ 706.7**	**$ 529.0**

Steady State Cash Flow is a non-GAAP financial measure and is defined as net cash provided by operating activities from continuing operations as computed in accordance with GAAP, plus cash proceeds from sales of leased railcars owned more than one year at the time of sale, plus net cost of sold lease fleet railcars owned one year or less, less manufacturing and corporate depreciation and amortization, less Leasing Steady State CapEx Required. Leasing Steady State CapEx Required is defined as leasing depreciation plus the net book value of railcar sales.

We believe Steady State Cash Flow is useful to both management and investors as it provides a relevant measure of liquidity and a useful basis for assessing our potential to fund further reinvestment in the business for growth or return capital to shareholders, after investments to maintain a comparable level of cash flow at the enterprise level. Steady State Cash Flow is reconciled to net cash provided by operating activities from continuing operations, the most directly comparable GAAP financial measure, in the table above. Non-GAAP measures should not be considered in isolation or as a substitute for our reporting results prepared in accordance with GAAP and, as calculated, may not be comparable to other similarly titled measures for other companies.

Reconciliation: Lease Investment and Required "Equity CapEx"

Lease investment is typically leveraged at a 70-80% LTV, reducing required equity capital and increasing available cash flow.



	2016	2017	2018	2019	LTM Q3-20
			(in millions)		
Capital Expenditures – leasing, net of sold lease fleet railcars owned one year or less	**$ 799.1**	**$ 608.3**	**$ 948.3**	**$1,122.2**	**$ 716.7**
Payments to retire debt	(162.0)	(375.3)	(887.8)	(1,724.1)	(1,158.8)
Proceeds from the issuance of debt	-	533.5	1,206.6	2,567.8	1,393.4
Net new debt added to the balance sheet	(162.0)	158.2	318.8	843.7	234.6
Equity CapEx for new leased railcars	**$ 961.1**	**$ 450.1**	**$ 629.5**	**$ 278.5**	**$ 482.1**

**Leasing CapEx is defined as "Capital Expenditures – leasing, net of sold lease fleet railcars owned one year or less" in the Company's Statement of Cash Flows*

Reconciliation: *Walking FCF Beyond Lease Investment*

Disciplined Balance Sheet Management Yields Strong Excess Cash Flows

	2016	2017	2018	2019	LTM Q3-20
			(in millions)		
Net cash provided by operating activities – continuing operations	**$ 837.5**	**$ 610.1**	**$ 274.2**	**$ 396.7**	**$ 687.2**
(Add): Proceeds from railcar lease fleet sales owned more than one year at the time of sale	37.7	360.7	230.5	205.7	169.4
Adjusted Net Cash Provided by Operating Activities	**$ 875.2**	**$ 970.8**	**$ 504.7**	**$ 602.4**	**$ 856.6**
(Less): Capital expenditures – manufacturing and other	(49.5)	(22.0)	(37.3)	(97.0)	(104.4)
(Less): Dividends paid to common shareholders	(66.7)	(72.6)	(77.4)	(82.1)	(89.1)
Free Cash Flow (before Capital expenditures – leasing)	**$ 759.0**	**$ 876.2**	**$ 390.0**	**$ 423.3**	**$ 663.1**
(Less): Equity CapEx for new leased railcars	(961.1)	(450.1)	(629.5)	(278.5)	(482.1)
Total Free Cash Flow After Investments & Dividends	**$ (202.1)**	**$ 426.1**	**$ (239.5)**	**$ 144.8**	**$ 181.0**

Total Free Cash Flow After Investments and Dividends is a non-GAAP financial measure and is defined as net cash provided by operating activities from continuing operations as computed in accordance with GAAP, plus cash proceeds from sales of leased railcars owned more than one year at the time of sale, less capital expenditures for manufacturing, dividends paid, and Equity CapEx for new leased railcars. Equity CapEx for new leased railcars is defined as leasing capital expenditures, net of sold lease fleet railcars owned one year or less, adjusted to exclude net proceeds (repayments) of debt.

We believe Total Free Cash Flow After Investments and Dividends is useful to both management and investors as it provides a relevant measure of liquidity and a useful basis for assessing our ability to fund our operations and repay our debt. Total Free Cash Flow After Investments and Dividends is reconciled to net cash provided by operating activities from continuing operations, the most directly comparable GAAP financial measure, in the table above. Non-GAAP measures should not be considered in isolation or as a substitute for our reporting results prepared in accordance with GAAP and, as calculated, may not be comparable to other similarly titled measures for other companies.

Reconciliation: Adjusted Operating Results

	Nine Months Ended September 30, 2020						
	GAAP	Impairment of long-lived assets - Controlling Interest [1] [2]	Impairment of long-lived assets - Noncontrolling Interest [3]	Restructuring activities [2]	Early redemption of debt [2]	Income tax effect of CARES Act	Adjusted
	(in millions, except per share amounts)						
Operating profit (loss)	$ (161.4)	$ 288.1	$ 81.3	$ 10.5	$ -	$ -	$ 218.5
Interest expense, net	$ 163.6	$ -	$ -	$ -	$ (5.0)	$ -	$ 158.6
Provision (benefit) for income taxes	$ (226.1)	$ 67.4	$ -	$ 2.5	$ 1.2	$ 174.6	$ 19.6
Income (loss) from continuing operations	$ (99.4)	$ 220.7	$ 81.3	$ 8.0	$ 3.8	$ (174.6)	$ 39.8
Net income (loss) attributable to Trinity Industries, Inc.	$ (20.1)	$ 220.7	$ -	$ 8.0	$ 3.8	$ (174.6)	$ 37.8
Diluted weighted average shares outstanding [4]	117.2						118.4
Diluted income (loss) from continuing operations per common share attributable to Trinity Industries, Inc.	$ (0.17)						$ 0.32

(1) Excludes $81.3 million of non-cash impairment of long-lived asset charges associated with the noncontrolling interest.
(2) The effective tax rate for impairment of long-lived assets, restructuring activities, and the early redemption of debt is before consideration of the CARES Act.
(3) Represents the portion of the non-cash impairment of long-lived asset charge attributable to the noncontrolling interest, for which Trinity does not provide income taxes
(4) GAAP diluted weighted average shares outstanding excludes 1.2 million shares for the nine months ended September 30, 2020 since the Company was in a net loss position. When adjusting for the items above, these shares become dilutive.

We have supplemented the presentation of our reported GAAP operating profit (loss), interest expense, net, provision (benefit) for income taxes, income (loss) from continuing operations, net income (loss) attributable to Trinity Industries, Inc., diluted weighted average shares outstanding and diluted income (loss) from continuing operations per common share attributable to Trinity Industries, Inc. with non-GAAP measures that adjust the GAAP measures to exclude the impact of restructuring activities, impairment of long-lived assets, early redemption of debt, the income tax effects of the CARES Act and certain other non-recurring transactions or events (as applicable).These non-GAAP measures are derived from amounts included in our GAAP financial statements and are reconciled to the most directly comparable GAAP financial measures in the table above. Management believes that these measures are useful to both management and investors for analyzing the performance of our business without the impact of certain non-recurring items. Non-GAAP measures should not be considered in isolation or as a substitute for our reporting results prepared in accordance with GAAP and, as calculated, may not be comparable to other similarly titled measures for other companies.

Reconciliation: Adjusted Operating Results (continued)

	Year Ended December 31, 2019			
	GAAP	Restructuring activities	Income Tax	Adjusted
	(in millions, except per share amounts)			
Operating profit	$ 416.3	$ 14.7	$ -	$ 431.0
Provision (benefit) for income taxes	$ 61.5	$ 3.3	$ (9.7)	$ 55.1
Income from continuing operations	$ 139.2	$ 11.4	$ 9.7	$ 160.3
Diluted income from continuing operations per common share	$ 1.09			$ 1.26

We have supplemented the presentation of our reported GAAP operating profit (loss), interest expense, net, provision (benefit) for income taxes, income (loss) from continuing operations, net income (loss) attributable to Trinity Industries, Inc., diluted weighted average shares outstanding and diluted income (loss) from continuing operations per common share attributable to Trinity Industries, Inc. with non-GAAP measures that adjust the GAAP measures to exclude the impact of restructuring activities, impairment of long-lived assets, early redemption of debt, the income tax effects of the CARES Act and certain other non-recurring transactions or events (as applicable).These non-GAAP measures are derived from amounts included in our GAAP financial statements and are reconciled to the most directly comparable GAAP financial measures in the table above. Management believes that these measures are useful to both management and investors for analyzing the performance of our business without the impact of certain non-recurring items. Non-GAAP measures should not be considered in isolation or as a substitute for our reporting results prepared in accordance with GAAP and, as calculated, may not be comparable to other similarly titled measures for other companies.

Reconciliation: EBITDA and Adjusted EBITDA

	LTM Q3-20 (in millions)
Net income (loss)	$ (78.1)
Less: income (loss) from discontinued operations, net of income taxes	(1.0)
Income (loss) from continuing operations	$ (77.1)
Add:	
Interest expense	222.9
Provision (benefit) for income taxes	(205.8)
Depreciation and amortization expense	272.6
EBITDA	$ 212.6
Add:	
Impairment of long-lived assets	369.4
Restructuring activities, net	25.2
Adjusted EBITDA	**$ 607.2**

EBITDA is defined as income (loss) from continuing operations plus interest expense, income taxes, and depreciation and amortization expense. Adjusted EBITDA is defined as EBITDA plus non-cash impairment of long-lived assets and restructuring activities. EBITDA and Adjusted EBITDA are non-GAAP financial measures; however, the amounts included in these calculations are derived from amounts included in our GAAP financial statements. EBITDA and Adjusted EBITDA are reconciled to net income (loss), the most directly comparable GAAP financial measure, in the table above. This information is provided to assist management and investors in making meaningful comparisons of our operating performance between periods. We believe EBITDA is a useful measure for analyzing the performance of our business. We also believe that EBITDA is commonly reported and widely used by investors and other interested parties as a measure of a company's operating performance and debt servicing ability because it assists in comparing performance on a consistent basis without regard to capital structure, depreciation or amortization (which can vary significantly depending on many factors). EBITDA and Adjusted EBITDA should not be considered as alternatives to net income as indicators of our operating performance, or as alternatives to operating cash flows as measures of liquidity. Non-GAAP measures should not be considered in isolation or as a substitute for our reporting results prepared in accordance with GAAP and, as calculated, may not be comparable to other similarly titled measures for other companies.

Presentation Footnotes

SLIDE 11 – Optimization Efforts Lay Foundation for Further Success

(1) The Company's calculation of Weighted Average Cost of Capital (WACC) incorporates a risk free rate using an average of the 10yr and 30yr treasury rates, an equity risk premium compiled by NYU, and an average of the Company's 2yr weekly and 3yr monthly Beta.

SLIDE 18 – Strategic Initiative: Improve Manufacturing Margin by Lowering Breakeven Point

"Annual Railcar Deliveries" is provided as context, to depict the expected margin improvement resulting from the strategic initiatives listed in a comparable production environment.

SLIDE 23 – Railcars Are Attractive Long-term Investments

https://www.aar.org/wp-content/uploads/2019/02/AAR-Sustainability-Fact-Sheet-2019.pdf

SLIDE 24 – GAAP Returns Accelerate as Lease Portfolio Matures

The charts pictured are illustrative and represent the financial performance of a typical lease railcar in the Company's portfolio pricing model. The assumptions reflect current lease pricing parameters, our recently updated economic life assumptions, constant leverage of 65% LTV, and low annual inflation of rents and operating costs between 0.75% and 1.5%.

SLIDE 25 – Rail Investment Profile vs. Other Asset Classes

The attributes expressed in this presentation are based on the Company's assessment of asset performance and equipment financing from a variety of sources including Bloomberg, S&P Capital IQ, and various bank presentations.

SLIDE 26 – Capitalizing on Structural Change in the Rail Market

Umler® North American fleet ownership data as of 12/31/19

SLIDE 27 – Stable Financial Performance Through the Cycle

(1) Leasing Operations Profit Margin calculated using only revenues and profit from Leasing Operations including Partially Owned Subsidiaries and excluding Car Sales. Leasing Operations is specific to revenue and operating profit reported under "Leasing and management" within the Railcar Leasing and Management Services Group.

(2) The high-to-low average lease rate scale represents 60% of the leases that renew in the specified year so as to limit the skew, however, the lease rate average represents 100% of the expiring leases.

(3) Future Lease Rate Differential (FLRD) calculates the weighted average of the most current quarterly lease rates transacted compared to the weighted average lease rates for railcars expiring over the next twelve months; the revenue headwind/tailwind is calculated by applying the FLRD to the percentage of expiring railcars over that time period, and including a mid-year factor to reflect the 12 month time period the expirations will take effect.

SLIDE 30 – Servicing High-Quality Industrial Shippers

All statistics presented on the page reflect the Company's wholly and partially-owned lease portfolio as of December 31, 2019.

Presentation Footnotes (continued)

SLIDE 34 – Integral Part of the North American Supply Chain

(1) Umler® (October 1, 2020 report), The Umler® system is an electronic resource that contains critical data for North American transportation equipment. Originally created in 1968, Umler ® maintains data for more than two million pieces of equipment used in rail, steamship and highway service.
(2) FTR Associates 2/17/20
(3) American Association of Railroads, Accessed on October 6, 2020
(4) Q4-2020 depicted in the chart represents the GDP consensus estimate for the quarter as published by Bloomberg on 11/2/20.

SLIDE 35 – Delivering Essential Goods to the Global Marketplace

American Association of Railroads, Accessed on October 6, 2020

SLIDE 36 – Railcar Market: Recent Trends and Industry Outlook

Third party forecast for railcar loadings, FTR Forecast, November 6, 2020; projected lease rate trend represents Company's expectation.

SLIDE 39 – Enhancing Rail Modal Advantage Through Supply Chain Efficiency

FTR Associates 2/17/20

SLIDE 44 – A Sustainable Capital Story: Attractive Yielding Assets with Long-tailed Utility

(1) Umler source data, October 1, 2020
(2) The chart pictured is a repeat from Slide 24

SLIDE 45 – A Sustainable Capital Story: Trinity's Rail Platform Delivers Strategic Synergies

The financial information presented depicts tangible synergies of Trinity's rail platform and represents the cumulative benefit of corresponding cash flows from 2016-2020. The OP contribution referenced is associated with profit from rent or portfolio sales from railcars added to Trinity's lease portfolio during the same time period, and represents incremental profit earned by meeting customer needs through organic platform growth.

SLIDE 47 and 48 – A Sustainable Capital Story: Reinvestment & Capital Return Drive Shareholder Value

Trinity's Book Value prior to October 31, 2018 has been adjusted by $1,732.2 million for the tax-free distribution of Arcosa, Inc. (NYSE:ACA) which occurred on November 1, 2018 for the purposes of depicting a five year timeline of Book Value growth.

Appendix SLIDE 64 – Historical Business Segment Performance Trends

(1) Leasing Operations Profit Margin calculated using only revenues and profit from Leasing Operations including Partially Owned Subsidiaries and excluding Car Sales. Leasing Operations is specific to revenue and operating profit reported under "Leasing and management" within the Railcar Leasing and Management Services Group.

Appendix SLIDE 65 – Strong Balance Sheet Positioned for Market Uncertainty and Opportunistic Deployment

(1) Balances and blended average interest rate as of September 30, 2020
(2) Includes corporate revolving credit facility as part of the short-term financing structure

Presentation Footnotes (continued)

Appendix SLIDE 68 – Case Study #1 – Energy Customer
Net Present Value ("NPV") is used in the calculation of the transaction contribution to the Company's profitability as the commercial agreement is ongoing and is expected to continue for several more years.

Appendix SLIDE 72 – Key Demand Fundamentals: Railcar Loadings by Submarket
American Association of Railroads (AAR) Weekly Railcar Loadings

Appendix SLIDE 73 – Key Demand Fundamentals: Railcar Storage by Car Type
AAR Rail Time Indicators – November 1, 2020

Appendix SLIDE 74 – Key Demand Fundamentals: Attrition and Replacement
Umler® North American fleet profile data as of 10/1/20

Appendix SLIDE 75– Key Demand Fundamentals: Railroad PSR Initiatives
Cycle times data is based on a Company-sponsored third-party research study of Trinity's lease fleet compared to railroad moves of a major Class 1 Railroad; Efficiency and volume data is comprised of analysis based on Company analytics of its lease fleet and AAR Carload information, and incorporates findings from FTR's U.S. Freight Outlook by Mode, Q3 2020 published 8/20/20.

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