TRINITY INDUSTRIES, INC.

Q3 2022 – Earnings Conference Call Supplemental Materials

October 25, 2022 – *based on financial results as of September 30, 2022*

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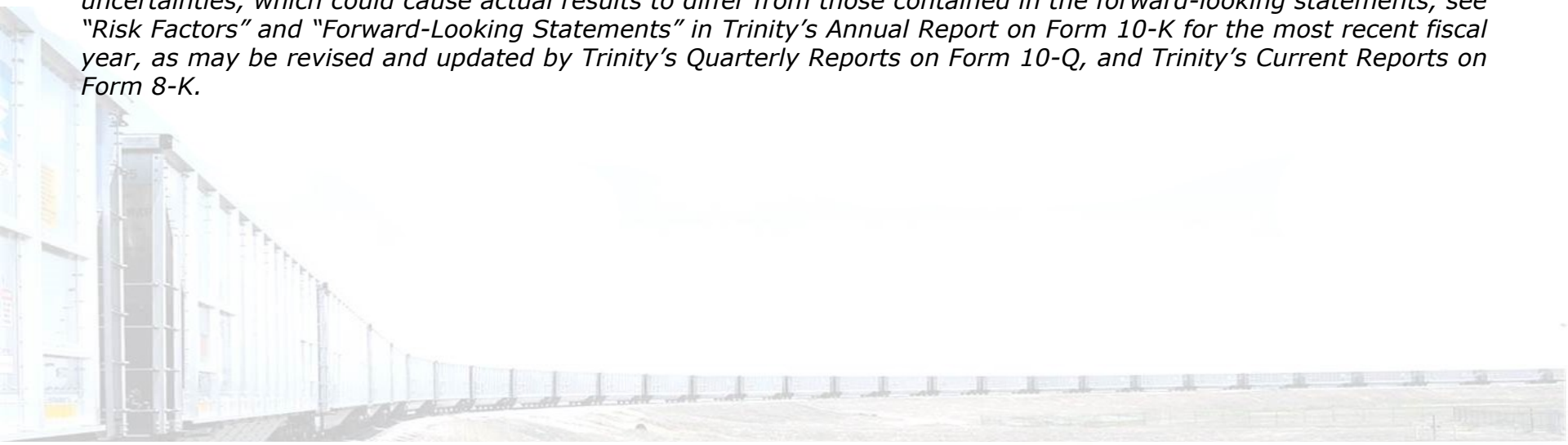
Forward Looking Statements

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 release, 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.



Key Messages from Q3-22 Conference Call

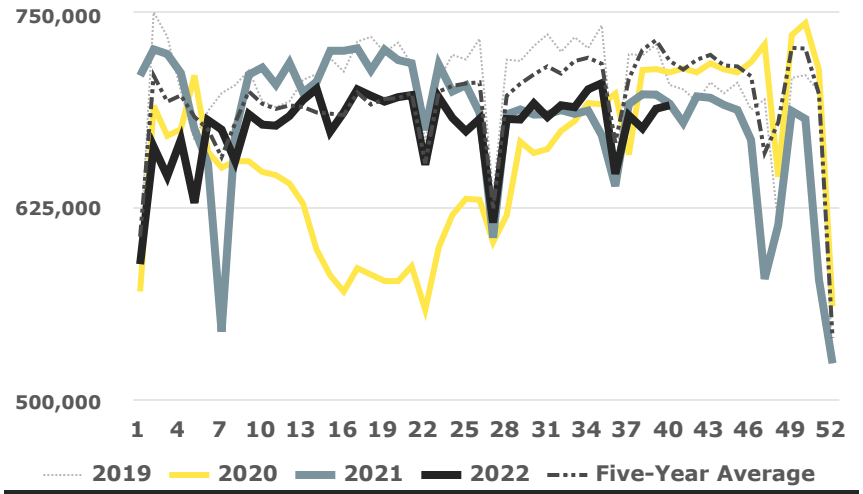


- Adjusted EPS* from continuing operations of $0.34, up $0.20 sequentially and $0.16 YoY
- FLRD remains positive at 11.0%; utilization up to 97.9%
- Completed $254M railcar sale to Wafra, resulting in a gain of $25M
- Multi-year railcar order raises backlog to $4.1B and proves strength in market demand

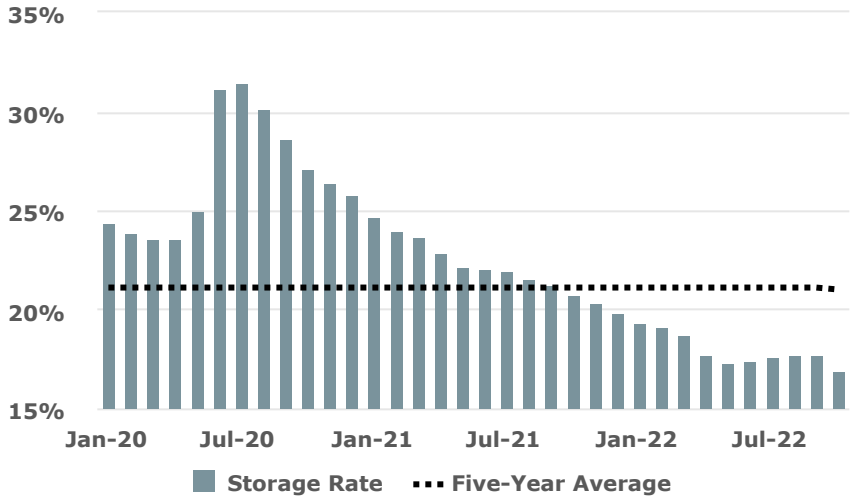
* See appendix for reconciliation of non-GAAP measures

Rail Market Update and Commercial Overview

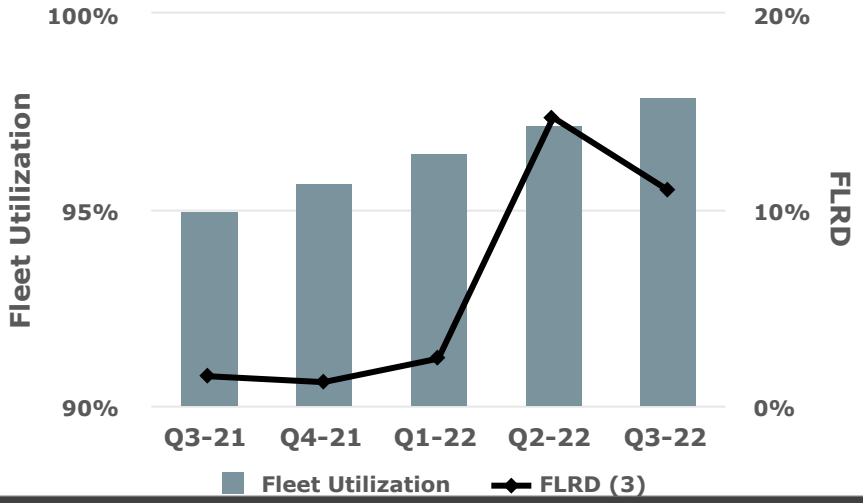
Rail Traffic Impacted by Labor Shortages (1)



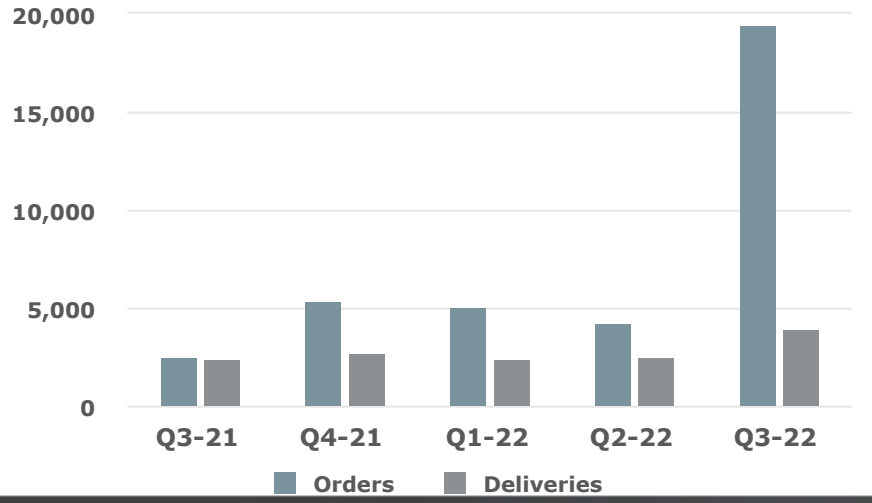
Railcar Storage Levels Remain Low (2)



FLRD and Utilization are Favorable



Received Large Multi-Year Order in Q3 2022



Q3-22 Financial Results Summary – Year over Year



Q3-22 Revenue

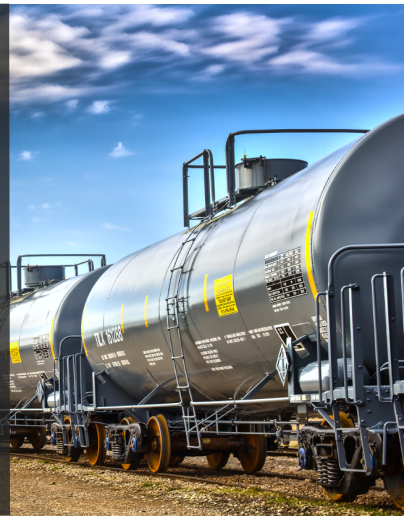
$497M

+18%

Q3-22 Cash Flow, Continuing Ops

$9M

-91%





Q3-22 EPS, Adjusted*

$0.34

$+0.16

Q3-22 Free Cash Flow*

$(42)M

-127%



Trinity Business Segment Performance Trends

Leasing Segment Revenue Drivers

- Fleet utilization of 97.9%, renewal success rate of 82%
- FLRD remains positive at 11.0%
- Revenue impacted by a change in fleet composition as a result of net fleet investment activities

Leasing Margin Performance Drivers

- Margin declined sequentially on higher fleet operating costs
- Accelerated depreciation for sustainable railcar conversions

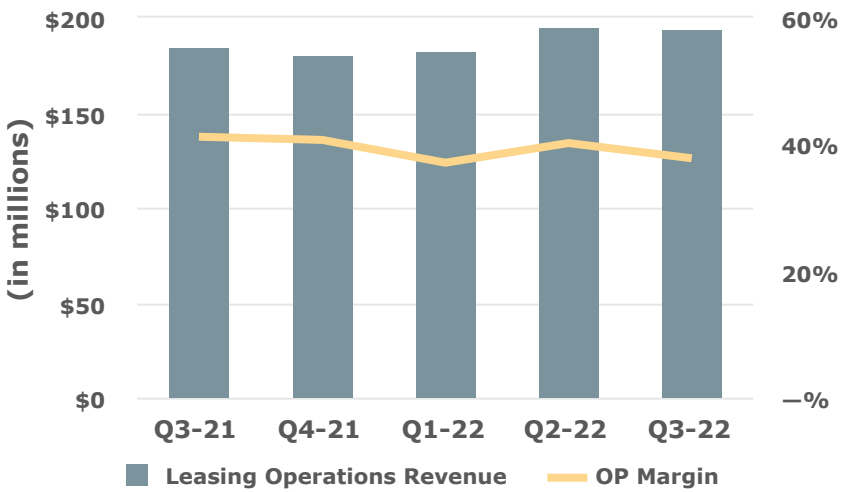
Rail Products Segment Revenue Drivers

- Quarterly revenue improved with higher volume of deliveries and favorable pricing adjustments

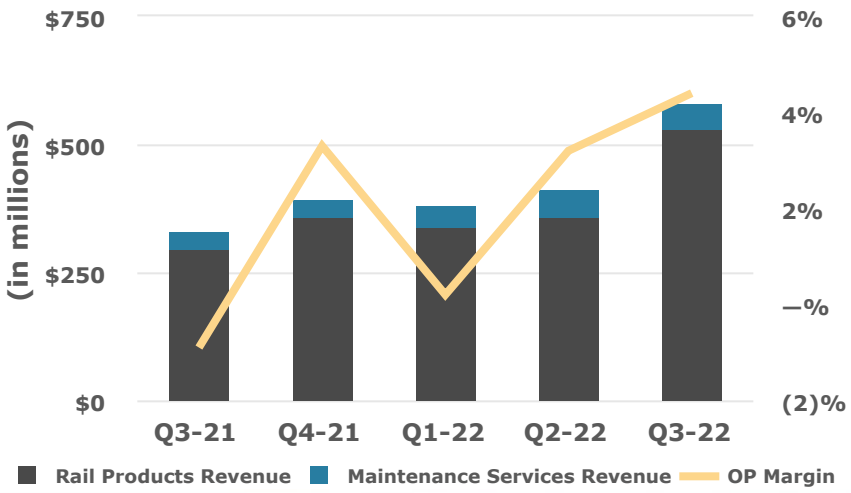
Rail Products Margin Performance Drivers

- Margins improved on better pricing and higher deliveries
  - Operating margin of 4.4% in the quarter includes a gain of $1.1M on insurance recoveries
  - Segment margin includes gains from insurance recoveries in Q3 2021, Q4 2021, Q1 2022, and Q3 2022

Leasing Operations Revenue and Operating Profit Margin (1)



Rail Products Segment Revenue and Operating Profit Margin



See appendix for footnotes

Executing on Strategic Initiatives to Improve Pre-Tax ROE

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

Balance Sheet Optimization

LTV[(1)] of **67.4%**

Amended credit facility and warehouse facility in Q3

Capital Allocation Execution

Open market repurchases in the quarter of **$14M**

$34M remaining on current authorization

Manufacturing Cost Improvement

Continued focus on lower breakeven points

Enhance value of outsourced fabrication activities

Lease Fleet Optimization

YTD net investment in lease fleet of **$176M** including $254M asset sale to Wafra in Q3

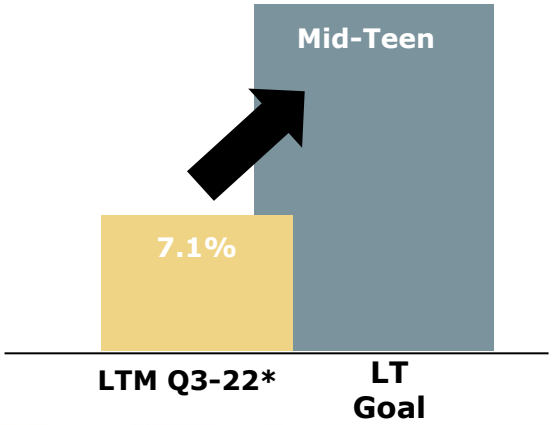
Fleet utilization of **97.9%** at pre-pandemic levels

Backlog Visibility

15,000 railcar ($1.8B) multi-year order added to backlog in Q3

2,420 **sustainable railcar conversions** in backlog

Pre-Tax ROE Goal



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

Strong Performance Trends and Key Highlights

Q3 2022 Financial Summary:

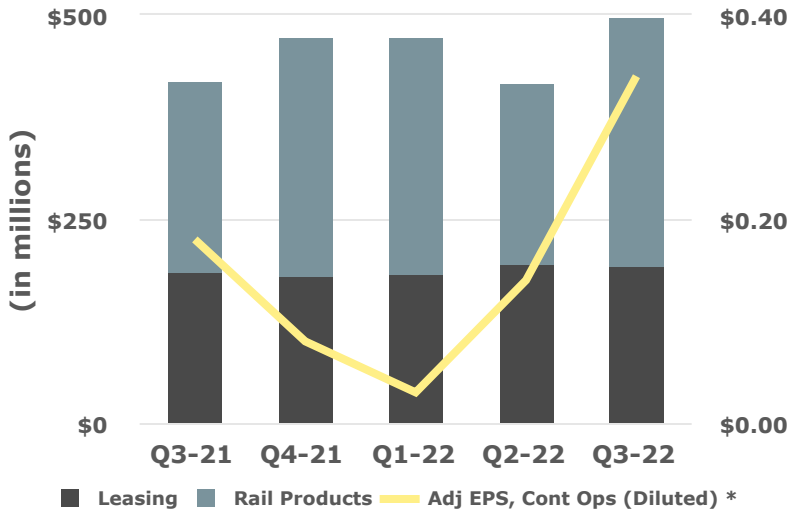
Income Statement:

- Total revenues of $497M reflect higher railcar deliveries
- Earnings per share from continuing operations of $0.35
  - Adjusted EPS of $0.34*
- Benefited from $300M in lease portfolio sales

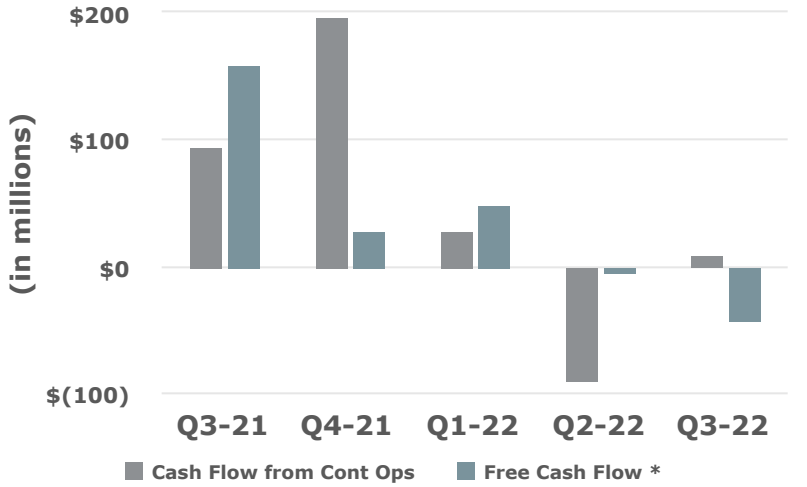
Cash Flow:

- Cash flow impacted by cyclical shifts in anticipation of higher volumes of railcar deliveries and continued supply chain challenges
  - Cash flow from continuing operations of $9M
  - Free cash flow of $(42)M* after investments and dividends
- YTD net lease fleet investment of $176M
- YTD investment of $26M in manufacturing and general capex
- YTD shareholder returns of $123M through share repurchases and dividends

Revenue and EPS Growth Improvement



Cash Flow Reflects Supply Chain Challenges and Timing



* See appendix for reconciliation of non-GAAP measures

Healthy Balance Sheet Strategically Positioned for Opportunistic Deployment and Value Creation

LIQUIDITY

Cash & Equivalents
$59M

Revolver Availability
$264M

Warehouse Availability
$142M

Solid Liquidity of $465M[1]

DEBT STRUCTURE

Recourse Debt
$459M @ ~4.7%[1]

Non-recourse Debt
$5.0B @ ~3.5%[1]

- Low-cost funds
- Flexible term structures
- No maturities until 2024

Attractive Debt Structures

CAPITAL LEVERS

Unencumbered Railcars
$351M

- Pledge to warehouse
- Additional assets can be sold or financed
- LTV of 67.4% for the wholly-owned lease portfolio as of Q3-22[2]

Conservative Capitalization

See appendix for footnotes

Management Outlook for Business Performance

	FY 2022	Summary Detail
Industry Deliveries	40K – 50K railcars	Does not include sustainable railcar conversions
Net Fleet Investment	$250M – $300M	Lowered to account for deliveries moving to next year as well as higher than expected railcar sales
Manufacturing and General Capital Expenditures	$35M – $45M	Investments in safety, efficiency, and automation
EPS from Continuing Operations	$0.90 – $1.10	Excludes gains on insurance recoveries and other items outside of our normal business operations

Any forward-looking statements made by the Company speak only as of the date on which they are made. Except as required by federal securities law, the Company is under no obligation to update or alter its forward-looking statements, whether as a result of new information, subsequent events or otherwise.

Key Messages from Q3-22 Conference Call



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- FLRD remains positive at 11.0%; utilization up to 97.9%
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Trinity Q3-22 Earnings Conference Call

Q&A



Reconciliation: Adjusted Operating Results

	Three Months Ended September 30, 2022 (in millions, except per share amounts)			
	GAAP	Gains on dispositions of property – other [1]	Interest expense, net [2]	Adjusted
Operating profit	$ 92.7	$ (1.1)	$ —	$ 91.6
Income from continuing operations before income taxes	$ 38.3	$ (1.1)	$ (0.3)	$ 36.9
Provision (benefit) for income taxes	$ 8.6	$ (0.3)	$ (0.1)	$ 8.2
Income from continuing operations	$ 29.7	$ (0.8)	$ (0.2)	$ 28.7
Net income from continuing operations attributable to Trinity Industries, Inc.	$ 29.2	$ (0.8)	$ (0.2)	$ 28.2
Diluted weighted average shares outstanding	83.3			83.3
Diluted income from continuing operations per common share attributable to Trinity Industries, Inc.	$ 0.35			$ 0.34

(1) Represents insurance recoveries in excess of net book value for assets damaged by a tornado at the Company's rail maintenance facility in Cartersville, Georgia in the first quarter of 2021.
(2) Represents interest income accretion related to a seller-financing agreement associated with the sale of certain non-operating assets.

We have supplemented the presentation of our reported GAAP operating profit, income from continuing operations before income taxes, provision (benefit) for income taxes, income from continuing operations, net income from continuing operations attributable to Trinity Industries, Inc., and diluted income 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 gains on dispositions of other property, interest expense, net, and certain other 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 items that are not indicative of our normal business operations. 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, 2022 (in millions, except per share amounts)				
	GAAP	Gains on dispositions of property – other [1]	Restructuring activities, net	Interest expense, net [2]	Adjusted
Operating profit	$ 220.5	$ (7.5)	$ 1.0	$ —	$ 214.0
Income from continuing operations before income taxes	$ 73.5	$ (7.5)	$ 1.0	$ (1.0)	$ 66.0
Provision (benefit) for income taxes	$ 17.4	$ (1.9)	$ 0.3	$ (0.3)	$ 15.5
Income from continuing operations	$ 56.1	$ (5.6)	$ 0.7	$ (0.7)	$ 50.5
Net income from continuing operations attributable to Trinity Industries, Inc.	$ 48.2	$ (5.6)	$ 0.7	$ (0.7)	$ 42.6
Diluted weighted average shares outstanding	84.4				84.4
Diluted income from continuing operations per common share attributable to Trinity Industries, Inc.	$ 0.57				$ 0.50

(1) Represents insurance recoveries in excess of net book value for assets damaged by a tornado at the Company's rail maintenance facility in Cartersville, Georgia in the first quarter of 2021.
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Reconciliation: *Walking FCF Beyond Lease Investment*

	Q3-21	Q4-21	Q1-22	Q2-22	Q3-22
			(in millions)		
Net cash provided by (used in) operating activities – continuing operations	$ 93.9	$ 196.8	$ 28.5	$ (89.8)	$ 8.7
Proceeds from lease portfolio sales	315.7	49.8	71.1	144.1	299.6
Adjusted Net Cash Provided by Operating Activities	409.6	246.6	99.6	54.3	308.3
Capital expenditures – manufacturing and other	(2.6)	(6.7)	(2.3)	(16.5)	(6.9)
Dividends paid to common shareholders	(21.1)	(20.0)	(19.1)	(20.2)	(19.0)
Free Cash Flow (before Capital expenditures – leasing)	385.9	219.9	78.2	17.6	282.4
Equity CapEx for leased railcars (*from table below*)	(226.8)	(191.9)	(30.4)	(22.9)	(324.8)
Total Free Cash Flow After Investments and Dividends	**$ 159.1**	**$ 28.0**	**$ 47.8**	**$ (5.3)**	**$ (42.4)**
Capital expenditures – leasing	$ 112.2	$ 183.3	$ 84.6	$ 329.5	$ 277.0
Less:					
Payments to retire debt	(331.6)	(59.0)	(73.0)	(760.3)	(518.2)
Proceeds from issuance of debt	217.0	50.4	127.2	1,066.9	470.4
Net proceeds from (repayments of) debt	(114.6)	(8.6)	54.2	306.6	(47.8)
Equity CapEx for leased railcars	$ 226.8	$ 191.9	$ 30.4	$ 22.9	$ 324.8

Total Free Cash Flow After Investments and Dividends ("Free Cash Flow") is a non-GAAP financial measure. Free Cash Flow is defined as net cash provided by (used in) operating activities from continuing operations as computed in accordance with GAAP, plus cash proceeds from lease portfolio sales, less capital expenditures for manufacturing, dividends paid, and Equity CapEx for leased railcars. Equity CapEx for leased railcars is defined as leasing capital expenditures, adjusted to exclude net proceeds from (repayments of) debt.

We believe Free Cash Flow 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. Free Cash Flow is reconciled to net cash provided by (used in) 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: Total Company Pre-Tax ROE

	LTM September 30, 2022	December 31, 2021	December 31, 2020
		($ in millions)	
Numerator:			
Income (loss) from continuing operations	$ 77.7	$ 39.3	$ (250.5)
Provision (benefit) for income taxes	23.9	15.9	(274.1)
Income (loss) from continuing operations before income taxes	101.6	55.2	(524.6)
Net (income) loss attributable to noncontrolling interest	(13.7)	0.2	78.9
Adjustments:			
Gains on dispositions of property – other [1]	(10.6)	(7.8)	—
Impairment of long-lived assets – controlling interest [2]	—	—	315.1
Restructuring activities, net	(1.6)	(3.7)	10.9
Loss on extinguishment of debt – controlling interest [3]	—	4.6	5.0
Interest expense, net [4]	(1.0)	—	—
Pension plan settlement	(2.8)	(0.6)	151.5
Adjusted Profit Before Tax	$ 71.9	$ 47.9	$ 36.8
Denominator:			
Total stockholders' equity	$ 1,261.1	$ 1,296.8	$ 2,016.0
Noncontrolling interest	(255.2)	(267.0)	(277.2)
Accumulated other comprehensive (income) loss	(16.4)	17.0	30.9
Adjusted Stockholders' Equity	$ 989.5	$ 1,046.8	$ 1,769.7
Average total stockholders' equity	$ 1,279.0	$ 1,656.4	$ 2,197.5
Return on Equity [5]	6.1 %	2.4 %	(11.4)%
Average Adjusted Stockholders' Equity	$ 1,018.2	$ 1,408.3	$ 1,976.5
Pre-Tax Return on Equity [6]	7.1 %	3.4 %	1.9 %

(1) Represents insurance recoveries in excess of net book value for assets damaged by a tornado at the Company's rail maintenance facility in Cartersville, Georgia in the first quarter of 2021.
(2) Excludes $81.3 million of non-cash impairment of long-lived asset charges associated with the noncontrolling interest recorded in the second quarter of 2020.
(3) Excludes $7.1 million of loss on extinguishment of debt associated with the noncontrolling interest recorded in the second quarter of 2021.
(4) Represents interest income accretion related to a seller-financing agreement associated with the sale of certain non-operating assets.
(5) Return on Equity is calculated as income (loss) from continuing operations divided by average total stockholders' equity.
(6) Pre-Tax Return on Equity is calculated as adjusted profit before tax divided by average adjusted stockholders' equity, each as defined below 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 or loss from continuing operations, adjusted to exclude the effects of the provision or benefit for income taxes, net income or loss attributable to noncontrolling interest, and certain other adjustments, which include gains on dispositions of other property, the controlling interest portion of impairment of long-lived assets and loss on extinguishment of debt, restructuring activities, interest expense, net, and pension plan settlement; 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 (loss) 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. Pre-Tax ROE is used in consideration of 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.

Footnotes and Reconciliations

Slide 4 - Rail Market Update and Commercial Overview
(1) Association of American Railroads (AAR) Weekly Railcar Loadings
(2) AAR Rail Time Indicators – October 1, 2022
(3) Future Lease Rate Differential (FLRD) calculates the implied change in revenue for railcar leases expiring over the next four quarters, assuming they were renewed at the most recent quarterly transacted lease rates for each railcar type.

$$\frac{\text{(New Lease Rates — Expiring Lease Rates) x Expiring Railcar Leases}}{\text{(Expiring Lease Rates x Expiring Railcar Leases)}}$$

Slide 6 - Trinity Business Segment Performance Trends
(1) Leasing Operations Profit Margin calculated using only revenues and operating profit from Leasing Operations including partially-owned subsidiaries and excluding lease portfolio sales. Leasing Operations is specific to revenue and operating profit reported under "Leasing and management" within the Railcar Leasing and Management Services Group.

Slide 7 - Executing on Strategic Initiatives to Improve Pre-Tax ROE
(1) Includes corporate revolving credit facility as part of the short-term financing structure

Slide 8 - Strong Performance Trends and Key Highlights
Adjusted EPS includes the following adjustments reported by the Company (each per common diluted share):

- Reported Q3-21 GAAP EPS was $0.22; Adjusted EPS excludes $0.04 related to the insurance recoveries in excess of net book value for assets damaged by a tornado at the Company's rail maintenance facility in Cartersville, Georgia in the first quarter of 2021.
- Reported Q4-21 GAAP EPS was $0.16; Adjusted EPS excludes $0.03 related to the pension plan settlement refund, $0.02 related to the insurance recoveries in excess of net book value for assets damaged by a tornado at the Company's rail maintenance facility in Cartersville, Georgia in the first quarter of 2021, $0.02 related to restructuring activities, and $0.01 related to prior year carryback claims as permitted under recent tax legislation.
- Reported Q1-22 GAAP EPS was $0.09; Adjusted EPS excludes $0.06 related to the insurance recoveries in excess of net book value for assets damaged by a tornado at the Company's rail maintenance facility in Cartersville, Georgia in the first quarter of 2021.
- Reported Q2-22 GAAP EPS and Adjusted EPS was $0.14.
- Reported Q3-22 GAAP EPS was $0.35. Adjusted EPS excludes $0.01 related to the insurance recoveries in excess of net book value for assets damaged by a tornado at the Company's rail maintenance facility in Cartersville, Georgia in the first quarter of 2021.

Slide 9 - Healthy Balance Sheet Strategically Positioned for Opportunistic Deployment and Value Creation
(1) Balances and blended average interest rate as of September 30, 2022
(2) Includes corporate revolving credit facility as part of the short-term financing structure