TRINITY INDUSTRIES, INC.

Q1 2023 – Earnings Conference Call Supplemental Materials

May 2, 2023 – *based on financial results as of March 31, 2023*

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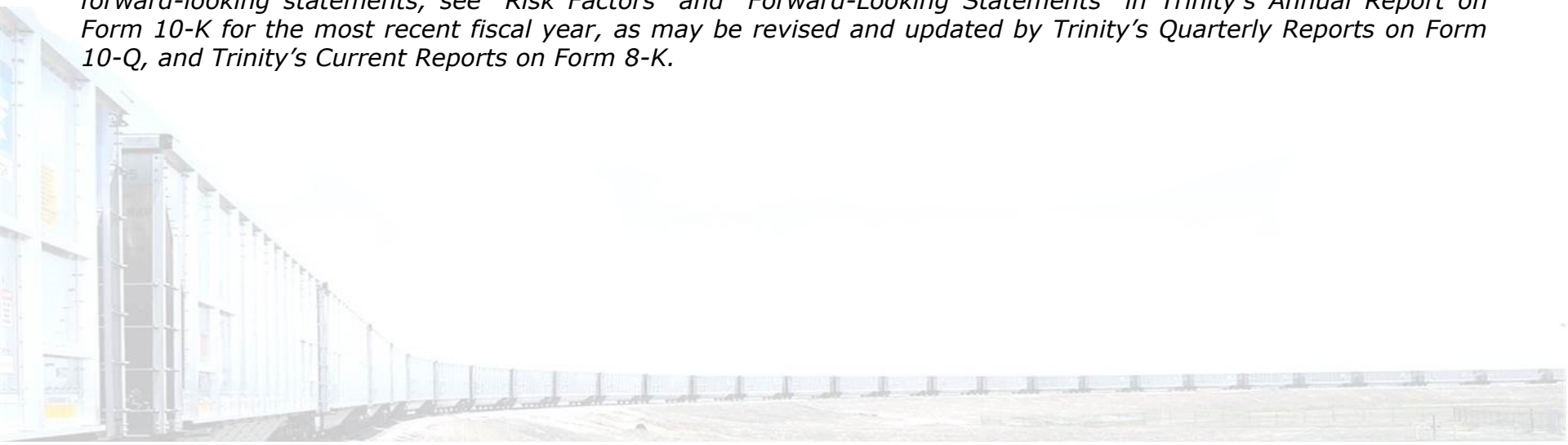
Forward Looking Statements

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. 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 Q1-23 Conference Call



Adjusted EPS* from continuing operations of $0.07, up $0.04 YoY

Improving lease rates and extending term; FLRD +44.3%, utilization 98.2%

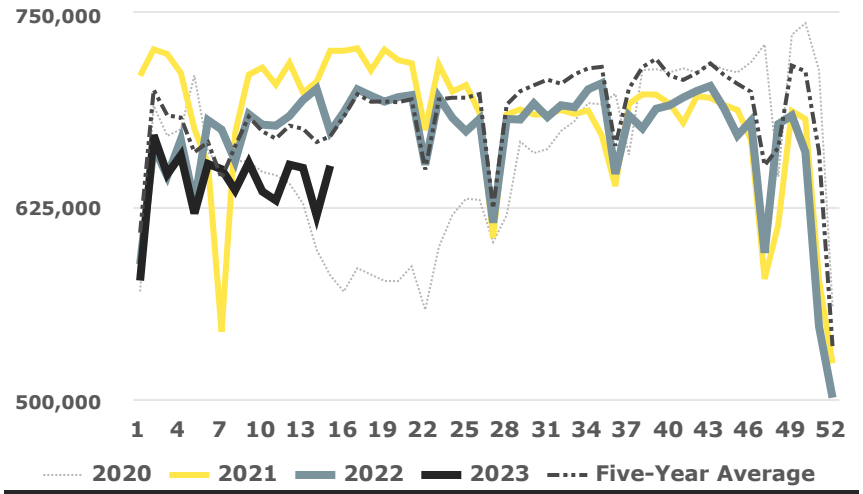
Maintaining 2023 EPS Guidance of $1.50 to $1.70 to reflect higher deliveries, higher lease rates, and improved segment margins

Acquired RSI Logistics, a data-centric provider of proprietary rail software and management solutions

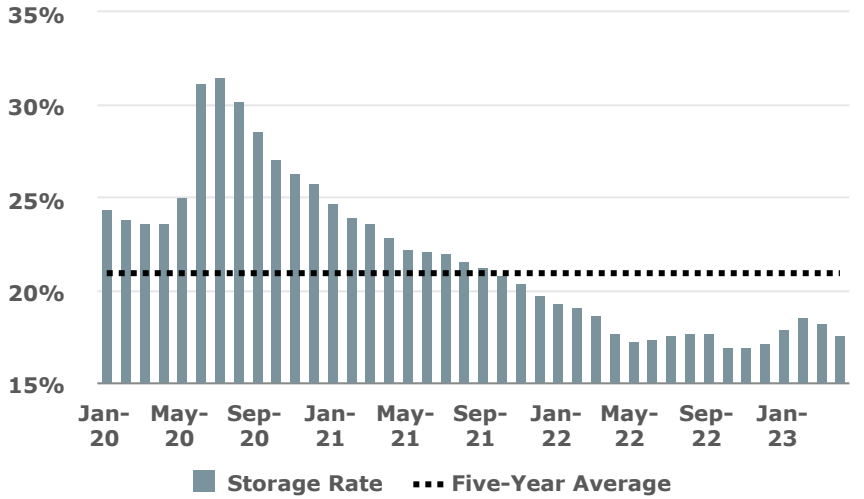
* See appendix for reconciliation of non-GAAP measures

Rail Market Update and Commercial Overview

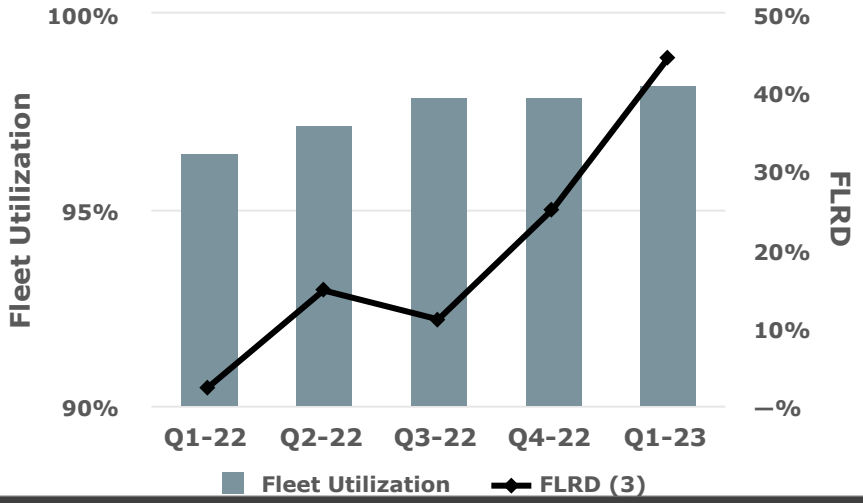
Intermodal is Driving Down Rail Traffic (1)



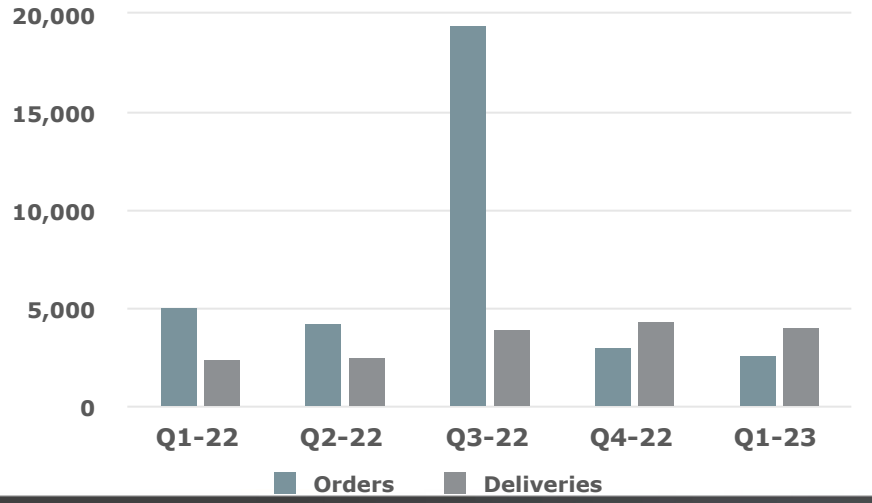
Overall Fleet Storage Rates are Low (2)



FLRD and Utilization Show Improvement



Received Large Multi-Year Order in Q3 2022



Q1-23 Financial Results Summary – Year over Year



Q1-23 Revenue

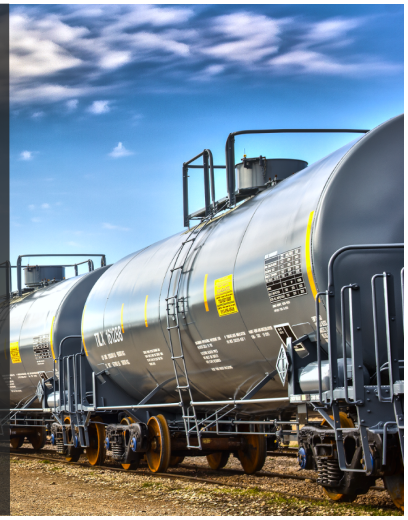
$642M

+36%

Q1-23 Cash Flow, Continuing Ops

$103M

+260%





Q1-23 EPS, Adjusted*

$0.07

+133%

Q1-23 Adjusted Free Cash Flow*

$36M

-24%



* See appendix for reconciliation of non-GAAP measures

Trinity Business Segment Performance Trends

Leasing Segment Revenue Drivers

- Fleet utilization of 98.2%, renewal success rate of 80%
- FLRD improves to +44.3%
- Revenue higher due to improved lease rates and higher utilization

Leasing Margin Performance Drivers

- Margin slightly down sequentially due to increased maintenance expense and depreciation expense related to sustainable railcar conversion activity

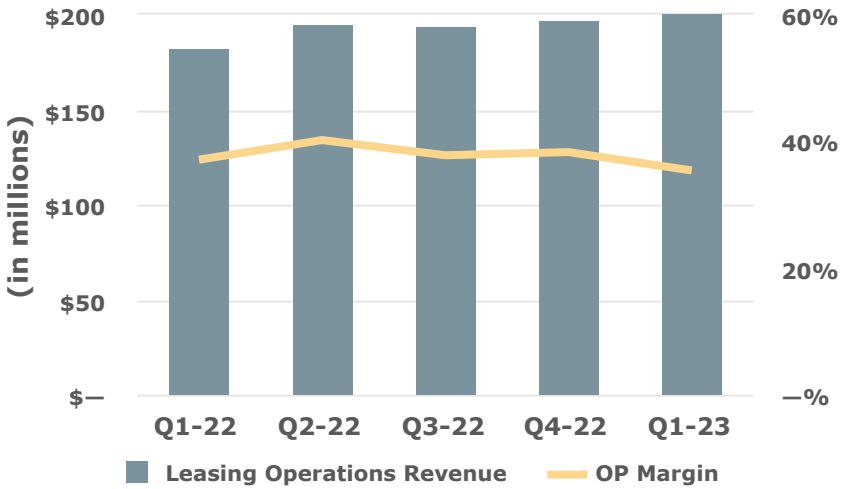
Rail Products Segment Revenue Drivers

- Sequential quarterly revenue down slightly due to lower volume of deliveries

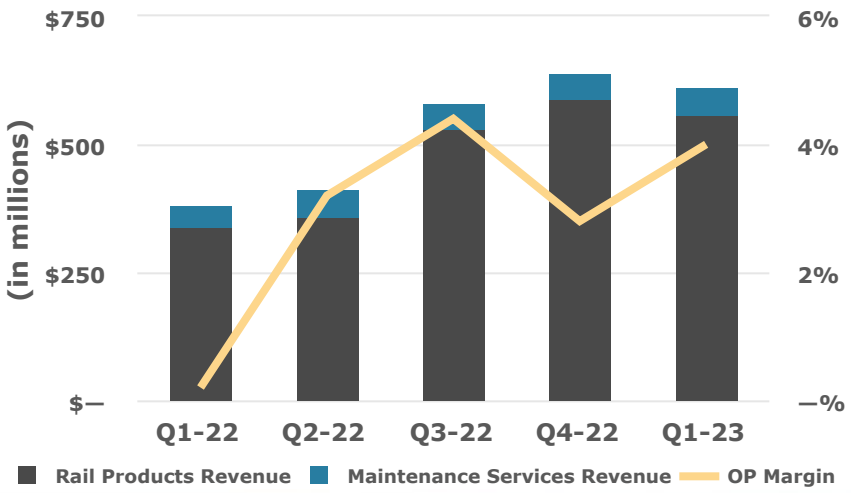
Rail Products Margin Performance Drivers

- Operating margin of 4.0% in the quarter reflects challenging labor market conditions
  - Segment margin includes gains from insurance recoveries in Q1 2022, Q3 2022, and Q1 2023

Leasing Operations Revenue and Operating Profit Margin (1)



Rail Products Segment Revenue and Operating Profit Margin



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
65.0%

Sustainable Growth

Received first **limited assurance statement** for Scope 1 and Scope 2 emissions

Manufacturing Cost Improvement

Continued focus on lower breakeven points

Enhance value of outsourced fabrication activities

Lease Fleet Optimization

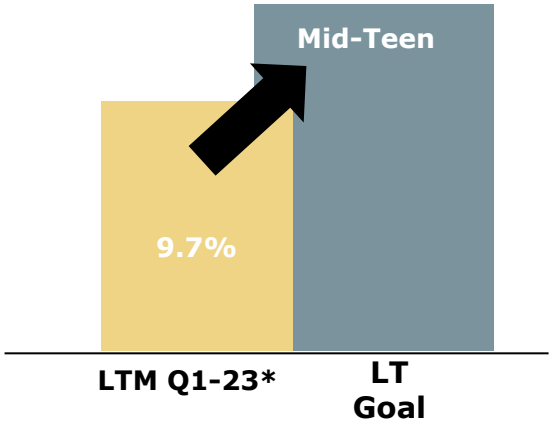
First quarter net investment in lease fleet of **$135M**

Fleet utilization of **98.2%** improved sequentially

Strategic Growth

Completed **acquisition of RSI Logistics** in Q1, a data-centric provider of proprietary software and logistics and terminal management solutions to the North American rail industry

Pre-Tax ROE Goal



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

Our Rail Services Journey

Accurate Inventory

Unique Data and Analytics



Connected Car

Asset Health

Shipment Condition

Track and Trace

Yard Management

Asset Optimization

Reduce Delays, Exceptions



Rail Logistics

Manage shipments

Remove bottlenecks

Transloading

Network Optimization



Supply Chain

Be the Easy button

Customer to focus on core business

End to End Solution

TRINSIGHT™ — QUASAR powered by CANDO

Trinsight Logistics Platform

RSI LOGISTICS

Strong Performance Trends and Key Highlights

Q1 2023 Financial Summary:

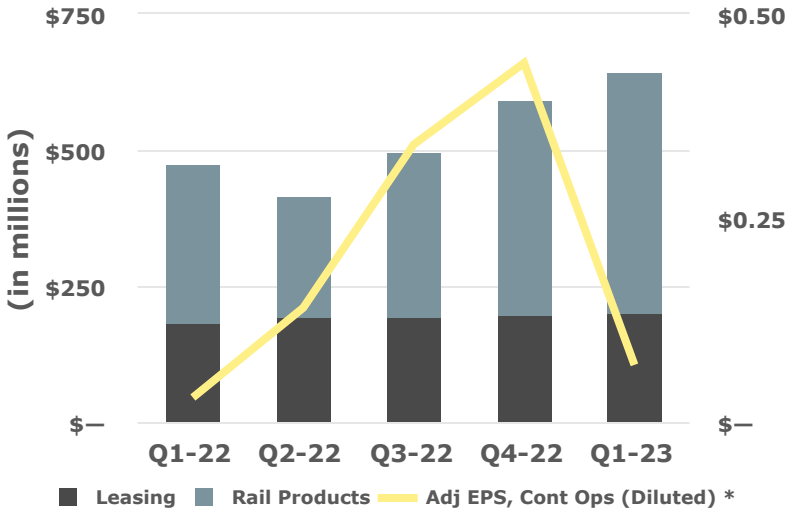
Income Statement:

- Total revenues of $642M reflect higher external railcar deliveries and improved pricing
- Earnings per share from continuing operations of $0.09
  - Adjusted EPS of $0.07* down sequentially due to lower lease portfolio sales in the quarter
- Benefited from $57M in lease portfolio sales

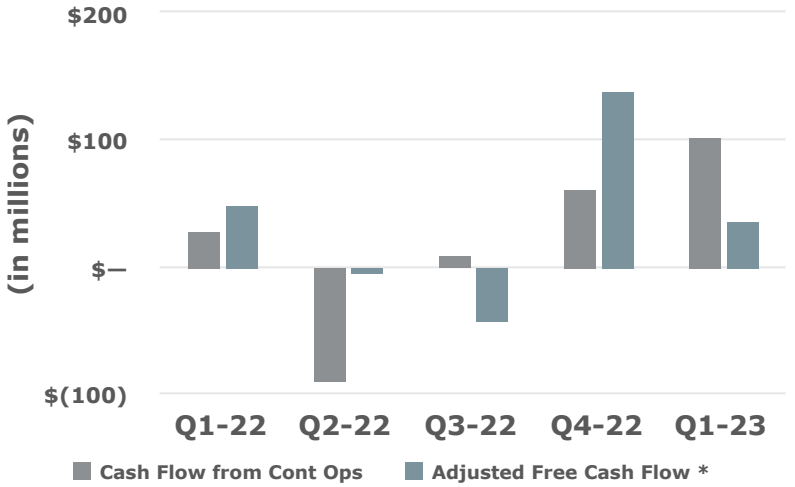
Cash Flow:

- Cash flow from continuing operations of $103M
- Adjusted free cash flow of $36M* after investments and dividends
- Net lease fleet investment of $135M
- Investment of $7M in manufacturing and general capex
- Shareholder returns of $21M through dividends paid

Revenue and EPS Improved Year over Year



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
$82M

Revolver Availability
$278M

Warehouse Availability
$91M

Solid Liquidity of $451M[1]

DEBT STRUCTURE

Recourse Debt
$704M @ ~5.5%[1]

Non-recourse Debt
$5.0B @ ~4.0%[1]

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

Attractive Debt Structures

CAPITAL LEVERS

Unencumbered Railcars
$307M

- Pledge to warehouse
- Additional assets can be sold or financed
- LTV of 65.0% for the wholly-owned lease portfolio as of Q1-23[2]

Conservative Capitalization

See appendix for footnotes

Management Outlook for Business Performance

	FY 2023	Summary Detail
Industry Deliveries	40K — 45K railcars	Does not include sustainable railcar conversions
Net Fleet Investment	$250M — $350M	Supports 3 year net fleet investment target of $500M — $600M
Manufacturing and General Capital Expenditures	$40M — $50M	Investments in safety, efficiency, and automation
EPS from Continuing Operations	$1.50 — $1.70	Excludes 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 Q1-23 Conference Call



Adjusted EPS* from continuing operations of $0.07, up $0.04 YoY

Improving lease rates and extending term; FLRD +44.3%, utilization 98.2%

Maintaining 2023 EPS Guidance of $1.50 to $1.70 to reflect higher deliveries, higher lease rates, and improved segment margins

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Trinity Q1-23 Earnings Conference Call

Q&A

Reconciliation: Adjusted Operating Results

	Three Months Ended March 31, 2023 (in millions, except per share amounts)				
	GAAP	Gains on dispositions of property – other [1]	Restructuring activities, net	Interest expense, net [2]	Adjusted
Operating profit	$ 69.0	$ (1.2)	$ (0.4)	$ —	$ 67.4
Income from continuing operations before income taxes	$ 5.3	$ (1.2)	$ (0.4)	$ (0.4)	$ 3.3
Provision (benefit) for income taxes	$ (11.5)	$ (0.4)	$ (0.1)	$ (0.1)	$ (12.1)
Income from continuing operations	$ 16.8	$ (0.8)	$ (0.3)	$ (0.3)	$ 15.4
Net income from continuing operations attributable to Trinity Industries, Inc.	$ 7.5	$ (0.8)	$ (0.3)	$ (0.3)	$ 6.1
Diluted weighted average shares outstanding	83.2				83.2
Diluted income from continuing operations per common share attributable to Trinity Industries, Inc.	$ 0.09				$ 0.07

(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 certain gains on dispositions of other property; restructuring activities, net; 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: *Walking Adjusted FCF Beyond Lease Investment*

	Q1-22	Q2-22	Q3-22	Q4-22	Q1-23
			(in millions)		
Net cash provided by (used in) operating activities – continuing operations	$ 28.5	$ (89.8)	$ 8.7	$ 61.8	$ 102.5
Proceeds from lease portfolio sales	71.1	144.1	299.6	235.9	56.7
Capital expenditures – manufacturing and other	(2.3)	(16.5)	(6.9)	(12.3)	(7.1)
Dividends paid to common shareholders	(19.1)	(20.2)	(19.0)	(18.6)	(21.1)
Equity CapEx for leased railcars (*from table below*)	(30.4)	(22.9)	(324.8)	(128.6)	(94.8)
Adjusted Free Cash Flow After Investments and Dividends	**$ 47.8**	**$ (5.3)**	**$ (42.4)**	**$ 138.2**	**$ 36.2**
Capital expenditures – leasing	$ 84.6	$ 329.5	$ 277.0	$ 237.7	$ 191.5
Less:					
Payments to retire debt	(73.0)	(760.3)	(518.2)	(227.0)	(149.6)
Proceeds from issuance of debt	127.2	1,066.9	470.4	336.1	246.3
Net proceeds from (repayments of) debt	54.2	306.6	(47.8)	109.1	96.7
Equity CapEx for leased railcars	$ 30.4	$ 22.9	$ 324.8	$ 128.6	$ 94.8

Adjusted Free Cash Flow After Investments and Dividends ("Adjusted Free Cash Flow") is a non-GAAP financial measure. Adjusted 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) recourse and non-recourse debt.

We believe Adjusted 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. Adjusted 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 March 31, 2023	December 31, 2022	December 31, 2021
		($ in millions)	
Numerator:			
Income from continuing operations	$ 105.8	$ 98.9	$ 39.3
Provision for income taxes	13.1	27.6	15.9
Income from continuing operations before income taxes	118.9	126.5	55.2
Net (income) loss attributable to noncontrolling interest	(19.5)	(12.8)	0.2
Adjustments:			
Gains on dispositions of property – other [1]	(2.3)	(7.5)	(7.8)
Restructuring activities, net	0.6	1.0	(3.7)
Loss on extinguishment of debt – controlling interest [2]	—	—	4.6
Interest expense, net [3]	(1.5)	(1.4)	—
Pension plan settlement	—	—	(0.6)
Adjusted Profit Before Tax	$ 96.2	$ 105.8	$ 47.9
Denominator:			
Total stockholders' equity	$ 1,250.4	$ 1,269.6	$ 1,296.8
Noncontrolling interest	(256.2)	(257.2)	(267.0)
Accumulated other comprehensive (income) loss	(12.7)	(19.7)	17.0
Adjusted Stockholders' Equity	$ 981.5	$ 992.7	$ 1,046.8
Average total stockholders' equity	$ 1,260.0	$ 1,283.2	$ 1,656.4
Return on Equity [4]	8.4 %	7.7 %	2.4 %
Average Adjusted Stockholders' Equity	$ 987.1	$ 1,019.8	$ 1,408.3
Pre-Tax Return on Equity [5]	9.7 %	10.4 %	3.4 %

(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 $7.1 million of loss on extinguishment of debt associated with the noncontrolling interest recorded in the second quarter of 2021.
(3) Represents interest income accretion related to a seller-financing agreement associated with the sale of certain non-operating assets.
(4) Return on Equity is calculated as income from continuing operations divided by average total stockholders' equity.
(5) 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 certain gains on dispositions of other property; the controlling interest portion of loss on extinguishment of debt; restructuring activities, net; 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 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 – April 1, 2023
(3) Future Lease Rate Differential (FLRD) calculates the implied change in lease rates for railcar leases expiring over the next four quarters. The FLRD assumes that these expiring rates will be renewed at the most recent quarterly transacted lease rates for each railcar type. We believe the FLRD is useful to both management and investors as it provides insight into the near-term trend in lease rates. The FLRD is calculated as follows:

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

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) Excludes corporate revolving credit facility with an outstanding balance of $305.0 million as of March 31, 2023

Slide 9 - Strong Performance Trends and Key Highlights
Adjusted EPS includes the following adjustments reported by the Company (each per common diluted share):

- 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.
- Reported Q4-22 GAAP EPS was $0.46; Adjusted EPS excludes $0.01 of interest income accretion related to a seller-financing agreement associated with the sale of certain non-operating assets and $0.01 related to prior year carryback claims as permitted under recent tax legislation.
- Reported Q1-23 GAAP EPS was $0.09; 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 and $0.01 from interest income accretion related to a seller-financing agreement associated with the sale of certain non-operating assets and restructuring activities.

Slide 10 - Healthy Balance Sheet Strategically Positioned for Opportunistic Deployment and Value Creation
(1) Balances and blended average interest rate as of March 31, 2023
(2) Excludes corporate revolving credit facility with an outstanding balance of $305.0 million as of March 31, 2023