- ~ Record revenue of \$3.0 billion and deliveries of 23,400 units
- ~~ American Railcar Industries (ARI) manufacturing integration underway; Synergies of \$15 million expected in fiscal 2020
- ~~ Provides guidance for 2020
- ~~ Provides guidance for 2020

LAKE OSWEGO, Ore., Oct. 25, 2019 / PRNewswire -- The Greenbrier Companies, Inc. (NYSE: GBX) today reported financial results for its fourth fiscal quarter and year ended August 31, 2019.

# **Fourth Quarter Highlights**

- Net earnings attributable to Greenbrier for the quarter were \$35.1 million, or \$1.06 per diluted share, on record revenue of \$914.2 million. Quarterly results include \$8.2 million, net of tax, (\$0.25 per share) in costs related to the ARI acquisition.
- Adjusted net earnings attributable to Greenbrier were \$43.3 million (\$1.31 per diluted share) excluding the ARI
  acquisition costs.
- Adjusted EBITDA for the guarter was \$109.4 million, or 12.0% of revenue.
- Record new railcar deliveries totaled 7,300 units for the quarter.
- Diversified orders of 4,900 railcars were received during the quarter, valued at over \$500.0 million.
- New railcar backlog was 30,300 units with an estimated value of \$3.3 billion. Backlog reflects the transfer of 10,600 units from ARI and the removal of 3,500 small cube covered hoppers for sand service for which the company realized negotiated economic benefits. Remaining backlog does not include any other orders for the sand market.
- Marine backlog exceeds \$100 million and extends through calendar 2020.
- Board declares a quarterly dividend of \$0.25 per share, payable on December 4, 2019 to shareholders of record as of November 13, 2019.
- Dividend yield approximately 3.1% as of October 24, 2019.

### Fiscal Year 2019 Highlights

• Net earnings attributable to Greenbrier for the year were \$71.1 million, or \$2.14 per diluted share, on record revenue of \$3.0 billion. Adjusted net earnings attributable to Greenbrier for the year were \$95.2 million, or \$2.87 per diluted share, excluding the non-cash goodwill impairment charge and ARI acquisition costs.

# Fiscal Year 2019 Highlights (Cont.)

- Adjusted EBITDA for the year was \$290.9 million, or 9.6% of revenue.
- Record new railcar deliveries totaled 23,400 units for the year.
- Orders of 20,600 units valued at approximately \$2.2 billion across a broad range of railcar types with over 20% originating internationally.
- Cash provided by operating activities exceeded \$125 million for the second half of the year.

William A. Furman, Chairman & CEO said, "Greenbrier ended its fiscal 2019 with positive momentum. We enter

fiscal 2020 supported by solid railcar order activity and improvements in operational areas that caused headwinds in 2019. We are pleased that in the fourth quarter, both deliveries and earnings met expectations. A robust backlog exceeding 30,000 units, valued at over \$3 billion, combined with a healthy balance sheet provides optionality for the future. Greenbrier's strategy remains focused on four elements: 1) reinforcing core North American markets, 2) executing on our international strategy while improving profitability, 3) robust development of the talent pipeline and 4) continuing to grow the business at scale."

Furman concluded, "Recent progress and opportunities in Europe and other international markets are positive. We are optimistic about long term success in these markets. In North America, we completed the largest acquisition in Greenbrier's history in late July. We have been actively welcoming new colleagues and integrating the new manufacturing operations. We expect to generate approximately \$15 million in synergies in fiscal 2020, consistent with our initial expectations. The ARI acquisition adds talent in manufacturing, engineering and other fields. With this long-contemplated transaction now complete, Greenbrier is one of the largest freight railcar builders and railcar service providers in the world."

### **Business Outlook**

Based on current business trends and production schedules for fiscal 2020, Greenbrier believes:

- Deliveries will be 26,000 28,000 units including Greenbrier-Maxion (Brazil) which will account for approximately 2,000 units
- Revenue will be approximately \$3.5 billion
- Diluted EPS of \$2.60 \$3.00 excluding approximately \$20 \$25 million of pre-tax integration and acquisition related expenses from the ARI acquisition

As noted in the "Safe Harbor" statement, there are risks to achieving this guidance. Certain orders and backlog in this release are subject to customary documentation and completion of terms.

### **Financial Summary**

	Q4 FY19	Q3 FY19	Sequential Comparison – Main Drivers
Revenue	\$914.2M	\$856.2M	Record quarterly revenue driven by higher deliveries
Gross margin	14.6%	12.4%	Primarily higher deliveries and strong syndication activity
Selling and	\$60.6M	\$54.4M	Q4 includes \$11.0 million and Q3 includes \$5.8 million of ARI acquisition
administrative expense			expense
Net gain on disposition	\$3.5M	\$11.0M	Lower lease fleet portfolio sales
of equipment			
Adjusted EBITDA	\$109.4	\$84.4M	Increased operating earnings; see reconciliation on page 12
Effective tax rate	25.0%	30.0%	Q4 tax rate in line with annual expectations
Loss from unconsolidated affiliates	\$0.9M	\$4.6M	Improvement in Brazil operations
Net earnings attributable	\$15.7M	\$10.6M	Higher GIMSA JV deliveries
to noncontrolling interest			
Adjusted net earnings attributable to	\$43.3M <sup>(1)</sup>	\$29.6M <sup>(2)</sup>	Increased operating earnings driven by higher deliveries and improved gross
Greenbrier		1	margin
Adjusted diluted EPS	\$1.31 <sup>(1)</sup>	\$0.89 <sup>(2)</sup>	

<sup>(1)</sup> Excludes expense of \$8.2 million (\$0.25 per share), net of tax, associated with ARI acquisition costs

### **Segment Summary**

	Q4 FY19	Q3 FY19	Sequential Comparison – Main Drivers
Manufacturing			
Revenue	\$802.1M	\$681.6M	Increase driven by higher deliveries
Gross margin	14.5%	13.3%	Higher deliveries and increased syndication activity

<sup>(2)</sup> Excludes \$10.0 million (\$0.30 per share) non-cash impact associated with a goodwill impairment charge and expense of \$4.3 million (\$0.13 per share), net of tax, associated with ARI acquisition costs

Operating margin (1)	11.8%	10.6%	
Deliveries (2)	7,300	6,500	Record quarterly deliveries
Wheels, Repair & Parts		ı	
Revenue	\$85.7M	\$125.0M	Lower volumes driven by decreased rail traffic
Gross margin	4.7%	4.1%	Improved Wheels and Parts profitability partially offset by Repair operations
Operating margin (1)	(0.2%)	(7.1%)	
Leasing & Services			
Revenue	\$26.4M	\$49.6M	Less secondary market syndication activity
Gross margin	50.7%	21.4%	More normalized margin levels reflecting less secondary market syndication
			activity
Operating margin (1) (3)	41.2%	30.9%	

- (1) See supplemental segment information on page 11 for additional information.
- (2) Excludes Brazil deliveries which are not consolidated into manufacturing revenue and margin.
- (3) Includes Net gain on disposition of equipment, which is not included in gross margin.

#### **Conference Call**

Greenbrier will host a teleconference to discuss its fourth quarter 2019 results. In conjunction with this news release, Greenbrier has posted a supplemental earnings presentation to our website. Teleconference details are as follows:

- October 25, 2019
- 8:00 a.m. Pacific Daylight Time
- Phone: 1-630-395-0143, Password: "Greenbrier"
- Real-time Audio Access: ("Newsroom" at <a href="http://www.gbrx.com">http://www.gbrx.com</a>)

Please access the site 10 minutes prior to the start time.

#### **About Greenbrier**

Greenbrier, headquartered in Lake Oswego, Oregon, is a leading international supplier of equipment and services to global freight transportation markets. Greenbrier designs, builds and markets freight railcars and marine barges in North America. Greenbrier Europe is an end-to-end freight railcar manufacturing, engineering and repair business with operations in Poland, Romania and Turkey that serves customers across Europe and in the nations of the Gulf Cooperation Council. Greenbrier builds freight railcars and rail castings in Brazil through two separate strategic partnerships. We are a leading provider of freight railcar wheel services, parts, repair, refurbishment and retrofitting services in North America through our wheels, repair & parts business unit. Greenbrier offers railcar management, regulatory compliance services and leasing services to railroads and related transportation industries in North America. Through unconsolidated joint ventures, we produce industrial and rail castings, tank heads and other components. Greenbrier owns a lease fleet of 9,400 railcars and performs management services for 380,000 railcars. Learn more about Greenbrier at <a href="https://www.gbrx.com">www.gbrx.com</a>.

"SAFE HARBOR" STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995: This press release may contain forward-looking statements, including any statements that are not purely statements of historical fact. Greenbrier uses words, and variations of words, such as "affirms," "anticipates," "believes," "forecast," "potential," "goal," "contemplates," "expects," "intends," "plans," "projects," "hopes," "seeks," "estimates," "strategy," "could," "would," "should," "likely," "will," "may," "can," "designed to," "future," "foreseeable future" and similar expressions to identify forward-looking statements. These forward-looking statements include, without limitation, the information under the heading "Business Outlook" and any other information regarding future performance and strategies. These forward-looking statements are not guarantees of future performance and are subject to certain risks and uncertainties that could cause actual results to differ materially from the results contemplated by the forward-looking statements.

Factors that might cause such a difference include, but are not limited to, economic downturns (global or national); reported backlog and awards that are not indicative of Greenbrier's financial results; uncertainty or changes in the credit markets and financial services industry; high levels of indebtedness and compliance with the terms of Greenbrier's indebtedness; write-downs of goodwill, intangibles and other assets in future periods; sufficient availability of borrowing capacity; integration of past or future acquisitions, including the integration of the manufacturing business of American Railcar Industries, and establishment of joint ventures; fluctuations in demand for newly manufactured railcars or failure to obtain orders as anticipated in developing forecasts; interest rate fluctuations and volatility in global or national financial markets; loss of one or more significant customers; customer order or payment defaults or related issues; policies and priorities of the federal government regarding international trade, taxation and infrastructure; risks related to operations outside of the U.S. including economic or political instability, dishonoring of contracts, exchange rates, diminishment of property rights; violations of anti-corruption laws; actual future costs and the availability of materials and a trained workforce; failure to design or manufacture new products or technologies or to achieve certification or market acceptance of new products or technologies: steel, energy, or specialty component price fluctuations and availability and scrap surcharges; changes in product mix and the mix between segments; labor disputes, energy shortages or operating difficulties that might disrupt manufacturing operations or the flow of cargo; production difficulties and product delivery delays as a result of, among other matters, costs or inefficiencies associated with expansion, start-up, or changing of production lines or changes in production rates, changing technologies, transfer of production between facilities or non-performance of alliance partners, subcontractors or suppliers; inability to compete successfully; ability to obtain suitable contracts for the sale of leased equipment and risks related to car hire and residual values; succession planning; discovery of defects in railcars or services resulting in increased warranty costs or litigation; inability to lease railcars at favorable rates and on favorable terms; physical damage or product or service liability claims that exceed Greenbrier's insurance coverage; train derailments or other accidents or claims that could subject Greenbrier to legal claims; actions or inactions by various regulatory agencies including potential environmental remediation obligations or changing tank car or other railcar or railroad regulation; a decline in performance or demand, oversupply, or increase in efficiency, of the rail freight industry; and issues arising from investigations of whistleblower complaints. More information on these risks and other potential factors that could cause our results to differ from our forwardlooking statements is included in the Company's filings with the SEC, including in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the Company's most recently filed periodic reports on Form 10-K and subsequent Form 10-Q filings. Except as otherwise required by law, the Company assumes no obligation to update any forward-looking statements or information, which speak as of their respective dates. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's opinions only as of the date hereof.

Adjusted EBITDA, Adjusted net earnings attributable to Greenbrier, Adjusted diluted EPS and Diluted EPS range excluding integration and acquisition-related expenses from the ARI acquisition are not financial measures under generally accepted accounting principles (GAAP). These metrics are performance measurement tools used by rail supply companies and Greenbrier. You should not consider these metrics in isolation or as a substitute for other financial statement data determined in accordance with GAAP. In addition, because these metrics are not a measure of financial performance under GAAP and are susceptible to varying calculations, the measures presented may differ from and may not be comparable to similarly titled measures used by other companies.

We define Adjusted EBITDA as Net earnings before Interest and foreign exchange, Income tax expense (benefit), Depreciation and amortization and excluding the impact associated with items we do not believe are indicative of our core business or which affect comparability. We believe the presentation of Adjusted EBITDA provides useful information as it excludes the impact of financing, foreign exchange, income taxes and the accounting effects of capital spending. These items may vary for different companies for reasons unrelated to the overall operating

performance of a company's core business. We believe this assists in comparing our performance across reporting periods.

Adjusted net earnings attributable to Greenbrier and Adjusted diluted EPS excludes the impact associated with items we do not believe are indicative of our core business or which affect comparability. Diluted EPS range excluding integration and acquisition-related expenses from the ARI acquisition exclude integration and acquisition-related expenses from the ARI acquisition our performance across reporting periods.

#### THE GREENBRIER COMPANIES, INC.

#### **Consolidated Balance Sheets**

(In thousands, unaudited)

	August 31, 2019		May 31, 2019		February 28, 2019		November 30, 2018		August 31, 2018	
Assets										
Cash and cash equivalents	\$	329,684	\$	359,625	\$	341,500	\$	462,797	\$	530,655
Restricted cash		8,803		21,471		21,584		8,872		8,819
Accounts receivable, net	;	373,383		330,385		335,732		306,917		348,406
Inventories	(	664,693		592,099		574,146		492,573		432,314
Leased railcars for syndication		182,269		130,489		163,472		233,415		130,926
Equipment on operating leases, net	;	366,688		376,241		381,336		317,282		322,855
Property, plant and equipment, net		717,973		478,502		472,739		461,120		457,196
Investment in unconsolidated affiliates		91,818		53,036		58,685		58,682		61,414
Intangibles and other assets, net		125,379		97,022		101,284		95,958		94,668
Goodwill		129,947		74,318		82,743		77,508		78,211
	\$ 2,	990,637	\$ :	2,513,188	\$ 2	2,533,221	\$	2,515,124	\$ 2	2,465,464
Liabilities and Equity										
Revolving notes	\$	27,115	\$	25,952	\$	22,323	\$	22,189	\$	27,725
Accounts payable and accrued liabilities		568,360		473,106		474,863		438,304		449,857
Deferred income taxes		13,946		12,089		29,481		30,631		31,740
Deferred revenue		85,070		76,170		91,533		108,566		105,954
Notes payable, net	8	822,885		483,918		486,107		487,764		436,205
Contingently redeemable noncontrolling										
interest		31,564		24,722		25,637		28,449		29,768
Total equity - Greenbrier	1,	276,730		1,262,315		1,257,818		1,257,631		1,250,101
Noncontrolling interest		164,967		154,916		145,459		141,590		134,114
Total equity	1,	441,697		1,417,231		1,403,277		1,399,221	•	1,384,215
	\$ 2,	990,637	\$ 2	2,513,188	\$ 2	2,533,221	\$	2,515,124	\$ 2	2,465,464

### THE GREENBRIER COMPANIES, INC.

#### **Consolidated Statements of Income**

(In thousands, except per share amounts, unaudited)

	Ye	ears E	nded August 3	ied August 31,		
	 2019		2018	2017		
Revenue						
Manufacturing	\$ 2,431,499	\$	2,044,586	\$	1,725,188	
Wheels, Repair & Parts	444,502		347,023		312,679	
Leasing & Services	157,590		127,855		131,297	
	 3,033,591		2,519,464		2,169,164	
Cost of revenue						
Manufacturing	2,137,625		1,727,407		1,373,967	
Wheels, Repair & Parts	420,890		318,330		288,336	
Leasing & Services	108,590		64,672		85,562	
	 2,667,105		2,110,409		1,747,865	

Margin	366,486	409,055	421,299
Selling and administrative	213,308	200,439	170,607
Net gain on disposition of equipment	(40,963)	(44,369)	(9,740)
Goodwill impairment	10,025	-	-
Earnings from operations	184,116	252,985	260,432
Other costs			
Interest and foreign exchange	 30,912	29,368	24,192
Earnings before income tax and loss from unconsolidated affiliates	152 204	000 617	006 040
	153,204	223,617	236,240
Income tax expense	 (41,588)	(32,893)	(64,014)
Earnings before loss from unconsolidated affiliates Loss from unconsolidated affiliates	111,616	190,724	172,226
Loss from unconsolidated anniates	 (5,805)	(18,661)	(11,764)
Net earnings	105,811	172,063	160,462
Net earnings attributable to noncontrolling interest	 (34,735)	(20,282)	(44,395)
Net earnings attributable to Greenbrier	\$ 71,076	\$ 151,781	\$ 116,067
Basic earnings per common share	\$ 2.18	\$ 4.92	\$ 3.97
Diluted earnings per common share	\$ 2.14	\$ 4.68	\$ 3.65
Weighted average common shares Basic Diluted	32,615 33,165	30,857 32,835	29,225 32,562
Dividends declared per common share	\$ 1.00	\$ 0.96	\$ 0.86

# THE GREENBRIER COMPANIES, INC.

## **Consolidated Statements of Cash Flows**

(In thousands, unaudited)

		Ye	ars En	ded August	31,	
	20	019		2018		2017
Cash flows from operating activities:						
Net earnings	\$ 1	05,811	\$	172,063	\$	160,462
Adjustments to reconcile net earnings to net cash						
provided by (used in) operating activities:						
Deferred income taxes	(2	20,225)		(40,496)		4,377
Depreciation and amortization		83,731		74,356		65,129
Net gain on disposition of equipment	(4	40,963)		(44,369)		(9,740)
Stock based compensation expense		11,153		29,314		26,427
Accretion of debt discount		4,458		4,171		2,340
Noncontrolling interest adjustments		7,402		2,864		(677)
Goodwill Impairment		10,025		-		-
Other		145		1,688		(845)
Decrease (increase) in assets:						
Accounts receivable, net		13,022		(83,551)		(25,272)
Inventories	(1-	43,168)		(26,592)		(2,787)
Leased railcars for syndication	(!	96,110)		(54,023)		41,015
Other		6,843		34,115		17,558
Increase (decrease) in liabilities:						
Accounts payable and accrued liabilities		55,910		54,032		(25,422)
Deferred revenue	(	19,275)		(20,231)		33,039
Net cash provided by (used in) operating activities	(:	21,241)		103,341		285,604
Cash flows from investing activities:				*		
Acquisitions, net of cash acquired	(3	61,878)		(34,874)		(27,127)
Proceeds from sales of assets	1	25,427		153,224		24,149
Capital expenditures	(1	98,233)		(176,848)		(86,065)
Investment in and advances to unconsolidated affiliates	(	11,393)		(26,455)		(40,632)
Cash distribution from joint ventures		2,096		4,661		550
Net cash used in investing activities	(4-	43,981)		(80,292)		(129,125)
Cash flows from financing activities:				, ,		, ,
Net changes in revolving notes with maturities of 90 days or less		(105)		23,401		4,324
Proceeds from issuance of notes payable	5	25,000		13,771		276,093
Repayments of notes payable		82,971)		(22,269)		(8,297)
Debt issuance costs		(8,630)		-		(9,082)
Dividends		33,193)		(29,914)		(24,890)

Cash distribution to joint venture partner	(16,879)	(73,033)	(28,511)
Investment by joint venture partner	-	6,500	-
Tax payments for net share settlement of restricted stock	(6,321)	(7,723)	(5,215)
Net cash provided by (used in) financing activities	276,901	(89,267)	204,422
Effect of exchange rate changes	 (12,666)	(14,666)	12,499
Increase (decrease) in cash and cash equivalents and restricted cash	(200,987)	(80,884)	373,400
Cash and cash equivalents and restricted cash			
Beginning of period	539,474	620,358	246,958
End of period	\$ 338,487	\$ 539,474	\$ 620,358
Balance Sheet Reconciliation:			
Cash and cash equivalents	\$ 329,684	\$ 530,655	\$ 611,466
Restricted cash	8,803	8,819	8,892
Total cash and cash equivalents and restricted cash as presented			
above	\$ 338,487	\$ 539,474	\$ 620,358

THE GREENBRIER COMPANIES, INC.

### **Supplemental Information**

(In thousands, except per share amounts, unaudited)

### Operating Results by Quarter for 2019 are as follows:

		First		Second		Third		Fourth		Total
Revenue										
Manufacturing	\$	471,789	\$	476,019	\$	681,588	\$	802,103	\$ 2	2,431,499
Wheels, Repair & Parts		108,543	·	125,278		124,980		85,701		444,502
Leasing & Services		24,191		57,374		49,584		26,441		157,590
		604,523		658,671		856,152		914,245	3	3,033,591
Cost of revenue										
Manufacturing		417,805		442,996		590,788		686,036	2	2,137,625
Wheels, Repair & Parts		100,978		118,455		119,821		81,636		420,890
Leasing & Services		13,207		43,376		38,971		13,036		108,590
		531,990		604,827		749,580		780,708	2	2,667,105
Margin		72,533		53,844		106,572		133,537		366,486
Selling and administrative expense		50,432		47,892		54,377		60,607		213,308
Net gain on disposition of equipment		(14,353)		(12,102)		(11,019)		(3,489)		(40,963)
Goodwill impairment		-		-		10,025		-		10,025
Earnings from operations		36,454		18,054		53,189		76,419		184,116
Other costs										
Interest and foreign exchange		4,404		9,237		9,770		7,501		30,912
Earnings before income tax and earnings (loss) from										<u> </u>
unconsolidated affiliates		32,050		8,817		43,419		68,918		153,204
Income tax expense		(9,135)		(2,248)		(13,008)		(17,197)		(41,588)
Earnings before earnings (loss) from unconsolidated		00.045				00.444				
affiliates		22,915		6,569		30,411		51,721		111,616
Earnings (loss) from unconsolidated affiliates		467		(786)		(4,564)		(922)		(5,805)
Net earnings		23,382		5,783		25,847		50,799		105,811
Net earnings attributable to noncontrolling interest		(5,426)		(3,018)		(10,599)		(15,692)		(34,735)
•	\$	17,956	\$	2.765	\$	15,248	\$	35,107	\$	71,076
Net earnings attributable to Greenbrier	φ	17,330	φ	2,703	φ	13,240	φ	33,107	φ	71,070
Basic earnings per common share <sup>(1)</sup>	\$	0.55	\$	0.08	\$	0.47	\$	1.08	\$	2.18
Diluted earnings per common share (1)	\$	0.54	\$	0.08	\$	0.46	\$	1.06	\$	2.14

<sup>(1)</sup> Quarterly amounts do not total to the year to date amount as each period is calculated discretely. Diluted EPS is calculated by including the dilutive effect, using the treasury stock method, associated with shares underlying the 2.875% Convertible notes, 2.25% Convertible notes, restricted stock units that are not considered participating securities and performance based restricted stock units subject to performance criteria, for which actual levels of performance above target have been achieved.

#### **Supplemental Information**

(In thousands, except per share amounts, unaudited)

#### Operating Results by Quarter for 2018 are as follows:

		First	•	Second		Third		Fourth		Total
Revenue										
Manufacturing	\$	451,485	\$	511,827	\$	510.099	\$	571,175	Φ.0	2.044,586
Wheels, Repair & Parts	Φ	78,011	Φ	88,710	Φ	94,515	Φ	85,787	φ 2	347,023
Leasing & Services		30.039		28,799		36,773		32,244		127,855
Leasing a Services		559,535		629,336		641,387		689,206		2,519,464
Cost of revenue		559,535		029,330		041,307		669,206		2,519,464
Manufacturing		380.850		429,165		427,875		489,517	- 1	,727,407
Wheels, Repair & Parts		72,506		80,708		85,850		79,266	'	318,330
Leasing & Services		16,865		14,116		19,155		14,536		64,672
Leasing a Services		470,221		523,989		532,880		583,319		2,110,409
		470,221		523,969		552,000		563,319		2,110,409
Margin		89.314		105,347		108,507		105,887		409.055
		00,011		100,017		100,007		100,007		100,000
Selling and administrative expense		47,043		50,294		51,793		51,309		200,439
Net gain on disposition of equipment		(19,171)		(5,817)		(14,825)		(4,556)		(44,369)
Earnings from operations		61,442		60,870		71,539		59,134		252,985
Other costs										
Interest and foreign exchange		7.020		7,029		6,533		8.786		29,368
Earnings before income tax and earnings (loss) from		7,020		7,023		0,000		0,700		23,000
unconsolidated affiliates		54,422		53.841		65,006		50,348		223,617
Income tax benefit (expense)		(18,135)		11,301		(15,944)		(10,115)		(32,893)
Earnings before earnings (loss) from unconsolidated affiliates		36,287		65,142		49,062		40,233		190,724
Earnings (loss) from unconsolidated affiliates		(2,910)		147		(12,823)		(3,075)		(18,661)
Net earnings		33,377		65,289		36,239		37,158		172,063
Net earnings attributable to		00,077		00,200		00,200		07,100		172,000
noncontrolling interest		(7,124)		(3,647)		(3,288)		(6,223)		(20,282)
Net earnings attributable to Greenbrier	\$	26,253	\$	61,642	\$	32,951	\$	30,935	\$	151,781
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Basic earnings per common share (1)										
	\$	0.90	\$	2.10	\$	1.03	\$	0.95	\$	4.92

<sup>(1)</sup> Quarterly amounts do not total to the year to date amount as each period is calculated discretely. Diluted EPS is calculated using the more dilutive of two approaches. The first approach includes the dilutive effect, using the treasury stock method, associated with shares underlying the 2.875% Convertible notes, restricted stock units that are not considered participating securities and performance based restricted stock units subject to performance criteria, for which actual levels of performance above target have been achieved. The second approach supplements the first by including the "if converted" effect of the 3.5% Convertible notes during the periods in which they were outstanding. Under the "if converted" method, debt issuance and interest costs, both net of tax, associated with the convertible notes are added back to net earnings and the share count is increased by the shares underlying the convertible notes. The 3.5% Convertible notes are included in the calculation of both approaches using the treasury stock method when the average stock price is greater than the applicable conversion price.

THE GREENBRIER COMPANIES, INC.

# Supplemental Information

(In thousands, unaudited)

#### **Segment Information**

Three months ended August 31, 2019:

			R	evenue			Earnings (loss) from operations							
	External		Intersegment		Total		External		Intersegment			Total		
Manufacturing	\$	802,103	\$	14,829	\$	816,932	\$	94,628	\$	1,579	\$	96,207		
Wheels, Repair & Parts		85,701		11,826		97,527		(191)		640		449		
Leasing & Services		26,441		13,482		39,923		10,883		13,061		23,944		
Eliminations		-		(40, 137)		(40, 137)		-		(15,280)		(15,280)		
Corporate		-		-		-		(28,901)		-		(28,901)		
	\$	914,245	\$	-	\$	914,245	\$	76,419	\$	-	\$	76,419		

Three months ended May 31, 2019:

Revenue Earnings (loss) from operations

	Е	xternal	Inte	rsegment	Total		E	xternal	Interse	gment	T	otal
Manufacturing	\$	681,588	\$	29,201	\$	710,789	\$	72,110		2,000	\$	74,110
Wheels, Repair & Parts		124,980		11,601		136,581		(8,820)		808		(8,012)
Leasing & Services		49,584		5,848		55,432		15,337		4,913		20,250
Eliminations		-		(46,650)		(46,650)		-		(7,721)		(7,721)
Corporate		-		-		-		(25,438)		-		(25,438)
	\$	856,152	\$	-	\$	856,152	\$	53,189	\$	-	\$	53,189

	Total assets				
	August 31,			May 31,	
		2019		2019	
Manufacturing	\$	1,606,571	\$	1,143,718	
Wheels, Repair & Parts		306,725		307,630	
Leasing & Services		708,799		650,483	
Unallocated		368,542		411,357	
	\$	2,990,637	\$	2,513,188	

## THE GREENBRIER COMPANIES, INC.

### **Supplemental Information**

(In thousands, excluding backlog and delivery units, unaudited)

### Reconciliation of Net earnings to Adjusted EBITDA

	Three Months Ended					Year Ended		
	August 31, 2019			May 31, 2019	August 31, 2019			
Net earnings	\$	50,799	\$	25,847	\$	105,811		
Interest and foreign exchange		7,501		9,770		30,912		
Income tax expense		17,197		13,008		41,588		
Depreciation and amortization		22,898		20,018		83,731		
Goodwill impairment		-		10,025		10,025		
ARI acquisition costs		10,971		5,761		18,820		
Adjusted EBITDA	\$	109,366	\$	84,429	\$	290,887		

	Three	Year
	Months	Ended
	Ended	August
	August 31,	31,
	2019	2019
Backlog Activity (units) (1)		
Beginning backlog	26,100	27,400
Orders received	4,900	20,600
Transfer of ARI backlog	10,600	10,600
Democrat of small subs because	(3,500)	(3,500)
Removal of small cube hoppers	(0.000)	(0.000)
Produced onto Balance Sheet	(2,300)	(6,200)
Produced & delivered from backlog	(5,500)	(18,600)
Ending backlog	30,300	30,300
40		
Delivery Information (units) (1)		
Production sold directly to third parties	5,500	18,600
Sales of Leased railcars for		
syndication	1,800	4,800
Total deliveries	7,300	23,400

<sup>(1)</sup> Includes Greenbrier-Maxion, our Brazilian railcar manufacturer, which is accounted for under the equity method

THE GREENBRIER COMPANIES, INC.

#### **Supplemental Information**

(In thousands, except per share amounts, unaudited)

The shares used in the computation of the Company's basic and diluted earnings per common share are reconciled as follows:

	Three Month	Three Months Ended		
	August 31, 2019	May 31, 2019	August 31, 2019	
Weighted average basic common shares outstanding (1)	32,591	32,603	32,615	
Dilutive effect of convertible notes (2)	-	-	=	
Dilutive effect of restricted stock units <sup>(3)</sup>	585	580	550	
Weighted average diluted common shares outstanding	33,176	33,183	33,165	

- (1) Restricted stock grants and restricted stock units that are considered participating securities, including some grants subject to certain performance criteria, are included in weighted average basic common shares outstanding when the Company is in a net earnings position.
- (2) The dilutive effect of the 2.875% Convertible notes issued in February 2017 and the 2.25% Convertible notes issued in July 2019 were excluded for the periods in which they were outstanding as the average stock price was less than the applicable conversion price and therefore was anti-dilutive.
- (3) Restricted stock units that are not considered participating securities and restricted stock units subject to performance criteria, for which actual levels of performance above target have been achieved, are included in Weighted average diluted common shares outstanding when the Company is in a net earnings position.

#### Reconciliation of Net earnings attributable to Greenbrier to Adjusted net earnings attributable to Greenbrier

	Three Months Ended					Year Ended	
		August 31, 2019		May 31, 2019		August 31, 2019	
Net earnings attributable to Greenbrier	\$	35,107	\$	15,248	\$	71,076	
Goodwill impairment		-		10,025		10,025	
ARI acquisition costs, net of tax		8,228		4,285		14,079	
Adjusted net earnings attributable to Greenbrier	\$	43,335	\$	29,558	\$	95,180	

#### Reconciliation of Diluted earnings per share to Adjusted diluted earnings per share

		Three Mon	ed	Year Ended		
	August 31, 2019		May 31, 2019		August 31, 2019	
Diluted earnings per share Goodwill impairment	\$	1.06	\$	0.46 0.30 (1)	\$	2.14 0.30 (1)
ARI acquisition costs		0.25 (3	)	0.13 (2)		0.43 (4)
Adjusted diluted earnings per share	\$	1.31	\$	0.89	\$	2.87

- (1) Goodwill impairment of \$10.0 million divided by weighted average diluted common shares outstanding of 33,183 for the three months ended May 31, 2019 and divided by weighted average diluted common shares outstanding of 33,165 for the year ended August 31, 2019.
- (2) ARI acquisition costs of \$4.3 million, net of tax, divided by weighted average diluted common shares outstanding of 33,183 for the three months ended May 31, 2019.
- (3) ARI integration costs of \$8.2 million, net of tax, divided by weighted average diluted common shares outstanding of 33,176 for the three months ended August 31, 2019.
- (4) ARI integration costs of \$14.1 million, net of tax, divided by weighted average diluted common shares outstanding of 33,165 for the year ended August 31, 2019.

SOURCE The Greenbrier Companies, Inc. (GBX)

For further information: Lorie Tekorius, Investor Relations, Justin Roberts, Investor Relations, 503-684-7000

