

LAKE OSWEGO, Ore., April 16, 2020 /[PRNewswire](#)/ -- The Greenbrier Companies, Inc. (NYSE:GBX) has suspended new railcar production at its Greenbrier Gunderson flagship manufacturing facility in Portland, Oregon due to the economic impacts of COVID-19. Greenbrier's adjustments in production and staffing levels respond to current and anticipated levels of new freight railcar demand, along with its earlier announced plans to cut costs and strengthen its balance sheet globally. Greenbrier's Jones Act-compliant marine business will continue operating.

Last week, Greenbrier Gunderson ended production on its double stack intermodal line. That manufacturing line has run nearly continuously for 25 years. The current action is required due to a surplus of intermodal units in the North American rail fleet and declining intermodal rail loadings, accelerated by the effects of COVID-19. Greenbrier Gunderson's current food-grade refrigerated and insulated boxcar line will close when current work-in-progress concludes in July. That line may restart after the current crisis subsides. Workforce reductions at Gunderson will affect approximately 200 employees, including production workers and office staff. All impacted employees are entitled to receive severance packages based on years of service, which are coordinated with various state and federal government benefits. Employees are eligible to receive enhanced government benefits, with Greenbrier-paid severance benefits bridging to government programs. Access to some public programs has been delayed due to challenges with registration and delivery of payments. Gunderson's severance policies are designed to provide immediate cash to affected workers until payments are available from the various government programs.

Greenbrier is responding to the current economic downturn by increasing its liquidity and cash flow to benefit the entire enterprise, while keeping its workforce safe through rigorous health protocols in its offices and factories. In North America, manufacturing workforce reductions have occurred primarily in Mexico as well as employee reductions at selected international locations. During its current fiscal year, Greenbrier has reduced its global workforce by 3,700 people, more than 20% of its total employment, which exceeded 17,100 people at the beginning of its fiscal year 2020.

Greenbrier Gunderson's marine operations continue at full strength with nearly 500 full-time workers and a backlog that extends through calendar 2020. Greenbrier's worldwide operations constitute "Essential Infrastructure" and "Essential Businesses" as defined by the U.S. Department of Homeland Security, other U.S. and international agencies, and as included in all "stay at home" orders issued in the

jurisdictions where the Company operates.

William A. Furman, Chairman & CEO stated, "It is difficult to part with Greenbrier Gunderson workers who have served us for many years and persevered through this and other national emergencies. Going forward, we intend to identify opportunities to profitably build railcar products at Greenbrier Gunderson. Meanwhile, we plan to keep and deploy some of our most experienced team members to other locations in our network, where different kinds of railcars are built. Current conditions require us to simplify and streamline our organization to increase total liquidity from \$620 million at the end of the fiscal second quarter to \$1 billion by the end of fiscal 2020."

Furman concluded, "The safe and efficient movement of goods is integral to economies around the world. Rail transportation is essential for supply chains in light of the COVID-19 crisis, providing smoother and safer border crossings and reducing the risk of viral transmission by human contact. Rail is more environmentally efficient than other modes of freight transportation. Its limited use of fossil fuels benefit society and the planet by producing about one-third of the hydrocarbons per ton-mile as compared to trucks, and consuming about one-third of the fuel per ton mile. It will play an important part in any economic recovery, both near-term and longer-term, when greater stability and predictability has resumed."

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 10,300 railcars and performs management services for 389,000 railcars. Learn more about Greenbrier at www.gbrx.com.

"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 "aim", "allow," "believe," "can," "ensure," "estimates," "has eliminated," "maintain," "may," "normalize," "plans," "potential," "preserving," "reducing," "seeks," "should," "target," "targeting," "typically," "will," "may," "can," "will generate" and similar expressions to identify forward-looking statements. These forward-looking statements include, without limitation, statements about future liquidity; savings generated by reducing capital expenditures, SG&A, overhead, other expenses; targeting available capital; as well as other information regarding future performance and strategies and appear throughout this press release including in the headlines and the sections "Second Quarter Highlights" and "Business Update." These forward-looking statements are not guarantees of future performance and are subject to certain risks and uncertainties that could cause actual results to differ materially from the results contemplated by the forward-looking statements.

Factors that might cause such a difference include, but are not limited to, the COVID-19 coronavirus pandemic and the governmental reaction to COVID-19 having a materially negative impact on our business, liquidity and financial position, results of operations, stock price, and our ability to convert backlog to revenue; our inability to increase our liquidity and borrowing base as we anticipate or being delayed in doing so; oil prices remaining materially lower than recent historical prices; inability to implement cost savings in the amounts or timelines that we have planned; the cyclical nature of our business, economic downturns and a rising interest rate environment; changes in our product mix due to shifts in demand or fluctuations in commodity and energy prices; a decline in performance or demand of the rail freight industry; an oversupply or increase in efficiency in the rail freight industry; difficulty integrating acquired businesses or joint ventures; inability to convert backlog to future revenues; risks related to our operations outside of the U.S., including anti-bribery violations; governmental policy changes impacting international trade and corporate tax; the loss of or reduction of business from one or more of our limited number of customers; inability to lease railcars at satisfactory rates, or realize expected residual values on sale of railcars at the end of a lease; shortages of skilled labor, increased labor costs, or failure to maintain good relations with our workforce; equipment failures, technological failures, costs and inefficiencies associated with changing of production lines, or transfer of production between facilities; inability to compete successfully; suitable joint ventures, acquisition opportunities and new business endeavors may not be identified or concluded; inability to complete capital expenditure projects efficiently, or to cause capital expenditure projects to operate as anticipated; inability to design or manufacture products or technologies, or to achieve timely certification or market acceptance of new products or technologies;

unsuccessful relationships with our joint venture partners; environmental liabilities, including the Portland Harbor Superfund Site; the timing of our asset sales and related revenue recognition may result in comparisons between fiscal periods not being accurate indicators of future performance; attrition within our management team or unsuccessful succession planning for members of our senior management team and other key employees who are at or nearing retirement age; changes in the credit markets and the financial services industry; volatility in the global financial markets; our actual results differing from our announced expectations; fluctuations in the availability and price of energy, freight transportation, steel and other raw materials; inability to procure specialty components or services on commercially reasonable terms or on a timely basis from a limited number of suppliers; our existing indebtedness may limit our ability to borrow additional amounts in the future, may expose us to increasing interest rates, and may expose us to a material adverse effect on our business if we are unable to service our debt or obtain additional financing; train derailments or other accidents or claims; changes in or failure to comply with legal and regulatory requirements; an adverse outcome in any pending or future litigation or investigation; potential misconduct by employees; labor strikes or work stoppages; the volatility of our stock price; dilution to investors resulting from raising additional capital or due to other reasons; product and service warranty claims; misuse of our products by third parties; write-downs of goodwill or intangibles in future periods; conversion at our option of our outstanding convertible notes resulting in dilution to our then-current stockholders; as a holding company with no operations, our reliance on our subsidiaries and joint ventures and their ability to make distributions to us; our governing documents, the terms of our convertible notes, and Oregon law could make a change of control or acquisition of our business by a third party difficult; the discretion of our Board of Directors to pay or not pay dividends on our common stock; fluctuations in foreign currency exchange rates; inability to raise additional capital to operate our business and achieve our business objectives; shareholder activism could cause us to incur significance expense, impact our stock price, and hinder execution of our business strategy; cybersecurity risks; updates or changes to our information technology systems resulting in problems; inability to protect our intellectual property and prevent its improper use by third parties; claims by third parties that our products or services infringe their intellectual property rights; liability for physical damage, business interruption or product liability claims that exceed our insurance coverage; inability to procure adequate insurance on a cost-effective basis; changes in accounting standards or inaccurate estimates or assumptions in the application of accounting policies; fires, natural disasters, severe weather conditions or public health crises; unusual weather conditions which reduce demand for our wheel-related parts and

repair services; business, regulatory, and legal developments regarding climate change which may affect the demand for our products or the ability of our critical suppliers to meet our needs; repercussions from terrorist activities or armed conflict; unanticipated changes in our tax provisions or exposure to additional income tax liabilities; the inability of certain of our customers to utilize tax benefits or tax credits; and suspension or termination of our share repurchase program. More information on these risks and other potential factors that could cause our results to differ from our forward-looking statements is included in the Company's filings with the SEC, including in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of 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.

SOURCE The Greenbrier Companies, Inc.

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<https://pressroom.gbrx.com/2020-04-16-Greenbrier-idles-railcar-manufacturing-at-Gunderson-facility-in-Oregon>