Operating cash flow of \$183 million in the quarter and \$272 million in the full year

Orders for 2,800 railcars valued at approximately \$250 million in the quarter Backlog of ~\$2.4 billion; resized production footprint aligns with market

LAKE OSWEGO, Ore., Oct. 23, 2020 / PRNewswire / -- The Greenbrier Companies, Inc. (NYSE: GBX) ("Greenbrier"), a leading international supplier of equipment and services to global freight transportation markets, today reported financial results for its fourth fiscal quarter and year ended August 31, 2020.

Fourth Quarter Highlights

- Liquidity of \$919.6 million, including \$833.7 million in cash and \$85.9 million of available borrowing capacity. Combined with nearly \$200 million of additional initiatives in progress, exceeded the \$1 billion liquidity and cost savings target.
- Generated operating cash flow of \$183.2 million in the quarter primarily driven by decreases in working capital and from syndication activity.
- Diversified new railcar backlog as of August 31, 2020 was 24,600 units with an estimated value of \$2.4 billion, including orders for 2,800 railcars valued at approximately \$250.0 million received during the quarter. Deliveries in the quarter were 5,100 units.
- Net loss attributable to Greenbrier for the quarter was \$0.1 million, or \$0.00 per diluted share, on revenue of \$636.4 million. Net loss includes \$1.9 million, net of tax, (\$0.06 per share) of integration related expenses from the American Railcar Industries (ARI) acquisition and \$3.6 million, net of tax and noncontrolling interest, (\$0.10 per share) of severance expenses.
- Adjusted net earnings attributable to Greenbrier for the quarter were \$5.5 million, or \$0.16 per diluted share, excluding \$5.5 million, net of tax, (\$0.16 per share) of integration and severance expenses.
- Adjusted EBITDA for the quarter was \$55.7 million, or 8.7% of revenue.
- Board declares a quarterly dividend of \$0.27 per share, payable on December 2, 2020 to shareholders as of November 11, 2020 representing Greenbrier's 26th consecutive dividend.

Fiscal Year 2020 Highlights

Net earnings attributable to Greenbrier for the year were \$49.0 million, or \$1.46 per diluted share, on revenue of \$2.8 billion. Net earnings include \$8.4 million, net of tax, (\$0.26 per share) of integration related expenses from the ARI acquisition and \$12.9 million, net of tax, (\$0.38 per share) of severance expenses.

- Adjusted net earnings attributable to Greenbrier were \$70.2 million, or \$2.10 per diluted share, excluding \$21.3 million, net of tax and noncontrolling interest, (\$0.64 per share) of integration and severance expenses.
- Adjusted EBITDA for the year was \$310.3 million, or 11.1% of revenue.
- Strong cash flows from operations of \$272.3 million includes \$405.4 million in the second half of the fiscal year.
- New railcar deliveries of 21,700 units for the year were the second highest in Greenbrier's history.
- Generated new railcar orders of 16,600 units, valued at \$1.6 billion, with 40% originating internationally.

William A. Furman, Chairman & CEO commented, "Greenbrier continued to perform well during this period of weaker demand. Critically, our diverse \$2.4 billion backlog remains supported by strong customer commitments and provides clear visibility for several years. Entering fiscal 2021, we remain focused on maintaining our strong liquidity position. Greenbrier ended the quarter with more than \$830 million of cash, an increase of nearly \$100 million from the end of the third quarter. Net debt decreased by nearly \$360 million since Greenbrier's fiscal second quarter. Our adjusted manufacturing footprint meets today's demand levels without constraining our ability to increase capacity as markets improve, allowing Greenbrier to maintain our presence in every region we serve around the world. Looking forward, we see early signs that demand will improve later in calendar 2021. Greenbrier is well-positioned to benefit from improving conditions in our core markets."

Business Update & Outlook

As we enter fiscal 2021, Greenbrier continues to execute on its COVID-19 response plan, and protecting our employees within the work environment remains our top priority. The strict protocols enacted and rapid response to clusters has allowed us to operate safely and efficiently throughout the world. Continued vigilance is required as community spread of COVID-19 is increasing in many areas where we operate. We are continuously working to maintain a low incident rate of COVID-19 among our employees by focusing on their health and enhancing the preventative and remedial actions of our rapid response teams across the company.

We also remain focused on preserving the near-term and longer-term financial health of Greenbrier in light of the economic consequences of the pandemic and an industry downturn. Maintaining cash flow and liquidity are essential components of Greenbrier's current operating strategy, and we have been very successful in this regard. We addressed our cost structure by reducing operating expenses and capital expenditures and are appropriately positioned for today's market environment. We closed 13 rail production lines in fiscal 2020 and are continuously adjusting capacity to align with an evolving demand outlook. We also reduced our global workforce by over 6,500 employees, or by about 40%, including both staff and production employees. Looking forward, while we remain focused on managing our cost base, we will be nimble and adjust capacity to ensure Greenbrier's ability to fully participate in an economic recovery. Coupled with a new railcar backlog valued at approximately \$2.4 billion, we have preserved Greenbrier's ability to operate in a very challenging market

Financial Summary

	Q4 FY20	Q3 FY20	Sequential Comparison – Main Drivers
Revenue	\$636.4M	\$762.6M	Fewer deliveries and lower activity levels in Wheels, Repair & Parts
Gross margin	10.5%	14.1%	Less syndication activity and operating inefficiencies in Manufacturing and
			Wheels, Repair & Parts
Selling and	\$46.3M	\$49.5M	Continuing cost reduction initiatives result in reduced employee-related and
administrative			travel & entertainment expenses; each quarter includes \$1.8 million of severance
			expense
Net gain on disposition	\$0.6M	\$8.8M	Minimal fleet disposition activity
of equipment			
Adjusted EBITDA	\$55.7M	\$99.9M	Lower operating earnings
Effective tax rate	21.3%	41.2%	Continued volatility from geographic mix of earnings and discrete items related to
			foreign currency fluctuations
Adjusted net earnings	\$5.5M ⁽¹⁾	\$35.1M ⁽²⁾	Lower operating earnings reflecting fewer deliveries, operating inefficiencies and
attributable to		*	lower net gains on equipment sales partially offset by lower selling &
Greenbrier			administrative expense
Adjusted diluted EPS	\$0.16 ⁽¹⁾	\$1.05 ⁽²⁾	

⁽¹⁾ Excludes expense of \$5.6 million (\$0.16 per share), net of tax and noncontrolling interest, associated with ARI integration related expenses and severance expenses.

Segment Summary

	Q4 FY20	Q3 FY20	Sequential Comparison – Main Drivers
Manufacturing			
Revenue	\$549.7M	\$653.0M	Lower production rates and less syndication activity results in fewer deliveries
Gross margin	9.4%	13.8%	Operating inefficiencies from rationalizing capacity and less syndication activity
Operating margin (1)	5.4%	10.5%	
Deliveries (2)	4,900	5,400	
Wheels, Repair & Parts			
Revenue	\$64.8M	\$82.0M	Reduced wheel volumes and repair activity
Gross margin	6.0%	8.6%	Operating inefficiencies due to lower business activity levels
Operating margin (1)	1.3%	4.6%	
Leasing & Services			
Revenue	\$22.0M	\$27.5M	Less interim rent on leased railcars for syndication and no externally sourced syndication sales activity
Gross margin	53.2%	37.4%	No externally sourced syndication sales activity
Operating margin (1) (3)	29.7%	43.0%	
Fleet utilization	90.4%	92.1%	

⁽¹⁾ See supplemental segment information on page 11 for additional information.

Conference Call

Greenbrier will host a teleconference to discuss its fourth quarter 2020 results. In conjunction with this news release, Greenbrier has posted a supplemental earnings presentation to our website.

Teleconference details are as follows:

⁽²⁾ Excludes expense of \$7.3 million (\$0.22 per share), net of tax, associated with ARI integration related expenses and severance expenses.

 $^{^{(2)}}$ Excludes Brazil deliveries which are not consolidated into manufacturing revenue and margins.

⁽³⁾ Includes Net gain on disposition of equipment, which is excluded from gross margin.

- October 23, 2020
- 8:00 a.m. Pacific Daylight Time
- Phone: 1-630-395-0143, Password: "Greenbrier"
- Real-time Audio Access: ("Newsroom" at http://www.gbrx.com)

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 other geographies as opportunities arise. 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, and other components. Greenbrier owns a lease fleet of 8,300 railcars and performs management services for 393,000 railcars. Learn more about Greenbrier at www.gbrx.com.

CONSOLIDATED BALANCE SHEETS

(In thousands, unaudited)

THE GREENBRIER COMPANIES, INC.

	Α	ugust 31, 2020	May 31, 2020	Fe	ebruary 29, 2020	Nov	ember 30, 2019	Α	ugust 31, 2019
Assets									
Cash and cash equivalents	\$	833,745	\$ 735,258	\$	169,899	\$	253,602	\$	329,684
Restricted cash		8,342	8,704		8,569		8,648		8,803
Accounts receivable, net		239,597	261,629		326,229		313,786		373,383
Inventories		529,529	675,442		709,115		733,806		664,693
Leased railcars for syndication		107,671	136,144		255,073		135,319		182,269
Equipment on operating leases, net		350,442	355,841		385,974		396,187		366,688
Property, plant and equipment, net		711,524	719,155		723,326		730,730		717,973
Investment in unconsolidated affiliates		72,354	75,508		79,082		85,141		91,818
Intangibles and other assets, net		190,322	181,315		160,709		162,089		125,379
Goodwill		130,308	130,035		129,684		129,468		129,947
	\$	3,173,834	\$ 3,279,031	\$	2,974,660	\$	2,948,776	\$	2,990,637
Liabilities and Equity									
Revolving notes	\$	351,526	\$ 416,535	\$	37,196	\$	29,502	\$	27,115
Accounts payable and accrued liabilities		463,880	488,969		499,898		527,789		568,360
Deferred income taxes		7,701	4,354		9,173		9,417		13,946
Deferred revenue		42,467	63,536		70,869		59,657		85,070
Notes payable, net		804,088	806,919		811,860		817,830		822,885
Contingently redeemable noncontrolling									
interest		31,117	30,611		30,782		31,723		31,564
Total equity - Greenbrier		1,293,043	1,291,221		1,286,472		1,281,808		1,276,730

180,012	176,886	201,410	191,050	164,967
1,473,055	1,468,107	1,487,882	1,472,858	1,441,697
\$ 3,173,834	\$ 3,279,031	\$ 2,947,660	\$ 2,948,776	\$ 2,990,637

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share amounts, unaudited)

	Ye	ars Er	nded August 3	1,	
	 2020		2019		2018
Revenue					
Manufacturing	\$ 2,349,971	\$	2,431,499	\$	2,044,586
Wheels, Repair & Parts	324,670		444,502		347,023
Leasing & Services	 117,548		157,590		127,855
On all of management	2,792,189		3,033,591		2,519,464
Cost of revenue	0.005.100		0.107.005		1 707 407
Manufacturing	2,065,169		2,137,625		1,727,407
Wheels, Repair & Parts Leasing & Services	302,189 71,700		420,890 108,590		318,330 64,672
Leasing & Services	 2,439,058		2,667,105		2,110,409
	2,439,036		2,007,103		2,110,409
Margin	353,131		366,486		409,055
Selling and administrative	204,706		213,308		200,439
Net gain on disposition of equipment	(20,004)		(40,963)		(44,369)
Goodwill impairment	-		10,025		-
Earnings from operations	 168,429		184,116		252,985
Other costs					
Interest and foreign exchange	43,619		30,912		29,368
Earnings before income tax and earnings (loss) from	 .0,0.0		33,512		
unconsolidated affiliates	124,810		153,204		223,617
Income tax expense	(40,184)		(41,588)		(32,893)
Earnings before earnings (loss) from					
unconsolidated affiliates	84,626		111,616		190,724
Earnings (loss) from unconsolidated affiliates	 2,960		(5,805)		(18,661)
Net earnings	87,586		105,811		172,063
Net earnings attributable to noncontrolling interest	 (38,619)		(34,735)		(20,282)
Net earnings attributable to Greenbrier	\$ 48,967	\$	71,076	\$	151,781
Basic earnings per common share	\$ 1.50	\$	2.18	\$	4.92
Diluted earnings per common share	\$ 1.46	\$	2.14	\$	4.68
Weighted average common shares Basic Diluted	32,670 33,441		32,615 33,165		30,857 32,835
Dividends declared per common share	\$ 1.06	\$	1.00	\$	0.96

Cash flows from operating activities: Net earnings Adjustments to reconcile net earnings to net cashprovided by (used in) operating activities:	\$	2020 87,586	\$	nded Augus 2019	 2018
Net earnings Adjustments to reconcile net earnings to net cashprovided by (used in)	\$	87,586	Ф		
Adjustments to reconcile net earnings to net cashprovided by (used in)	\$	87,586	Φ		
			φ	105,811	\$ 172,063
operating activities:					
Deferred income taxes		(9,489)		(20,225)	(40,496)
Depreciation and amortization		109,850		83,731	74,356
Net gain on disposition of equipment		(20,004)		(40,963)	(44,369)
Stock based compensation expense		8,997		11,153	29,314
Accretion of debt discount		5,504		4,458	4,171
Noncontrolling interest adjustments		1,436		7,402	2,864
Goodwill Impairment		-		10,025	-
Other		1,142		145	1,688
Decrease (increase) in assets:					/ ··
Accounts receivable, net		135,326		13,022	(83,551)
Inventories		166,607		(143,168)	(26,592)
Leased railcars for syndication		(12,942)		(96,110)	(54,023)
Other assets		(64,995)		6,843	34,115
Increase (decrease) in liabilities:					
Accounts payable and accrued liabilities	((108,837)		55,910	54,032
Deferred revenue		(27,920)		(19,275)	(20,231)
Net cash provided by (used in) operating activities		272,261		(21,241)	103,341
Cash flows from investing activities:					
Acquisitions, net of cash acquired				(361,878)	(34,874)
Proceeds from sales of assets		83,484		125,427	153,224
Capital expenditures		(66,879)		(198,233)	(176,848)
Investment in and advances to unconsolidated affiliates		(1,815)		(11,393)	(26,455)
Cash distribution from unconsolidated affiliates and other		12,693		2,096	4,661
Net cash provided by (used in) investing activities		27,483		(443,981)	(80,292)
Cash flows from financing activities:					
Net changes in revolving notes with maturities of 90 days or less		146,542		(105)	23,401
Proceeds from revolving notes with maturities longer than 90 days		176,500		<u>-</u>	
Proceeds from issuance of notes payable		-		525,000	13,771
Repayments of notes payable		(30,179)		(182,971)	(22,269)
Debt issuance costs		-		(8,630)	-
Dividends		(35,173)		(33,193)	(29,914)
Cash distribution to joint venture partner		(38,969)		(16,879)	(73,033)
Investment by joint venture partner		- (0.000)		- (0.004)	6,500
Tax payments for net share settlement of restricted stock		(2,266)		(6,321)	(7,723)
Net cash provided by (used in) financing activities		216,455		276,901	(89,267)
Effect of exchange rate changes		(12,599)		(12,666)	(14,666)
Increase (decrease) in cash and cash equivalents and restricted cash		503,600		(200,987)	(80,884)
Cash and cash equivalents and restricted cash					
Beginning of period		338,487		539,474	620,358
End of period	\$	842,087	\$	338,487	\$ 539,474
Balance Sheet Reconciliation:					
Cash and cash equivalents	\$	833,745	\$	329,684	\$ 530,655
Restricted cash		8,342		8,803	 8,819
Total cash and cash equivalents and restricted cash as presented above	\$	842,087	\$	338,487	\$ 539,474

SUPPLEMENTAL INFORMATION

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

Reconciliation of Net earnings to Adjusted EBITDA

Thurs Months Finded	Vaar Endad
Three Months Ended	Year Ended

		gust 31, 2020	May 31, 2020	Α	ugust 31, 2020
	(\$	\$		\$
Net earnings		7,691	35,869		87,586
Interest and foreign exchange		10,596	7,562		43,619
Income tax expense		2,306	24,421		40,184
Depreciation and amortization		27,398	23,114		109,850
Severance expense		5,919	6,341		21,201
ARI integration related costs		1,750	2,545		7,821
Adjusted EBITDA	\$	55,660	\$ 99,852	\$	310,261

Backlog Activity (units) (1) Beginning backlog 26,700 30,300 Orders received 2,800 16,600 Contract modification (575) Production held as Leased railcars for syndication (700) (3,200) Production sold directly to third parties (4,200) (18,525) Ending backlog 24,600 24,600 Delivery Information (units) (1) Production sold directly to third parties 4,200 18,525 Sales of Leased railcars for syndication 900 3,175 Total deliveries 5,100 21,700		Three Months Ended August 31, 2020	Year Ended August 31, 2020
Orders received 2,800 16,600 Contract modification (575) Production held as Leased railcars for syndication (700) (3,200) Production sold directly to third parties (4,200) (18,525) Ending backlog 24,600 24,600 Delivery Information (units) (1) Production sold directly to third parties 4,200 18,525 Sales of Leased railcars for syndication 900 3,175	Backlog Activity (units) (1)		
Contract modification (575) Production held as Leased railcars for syndication (700) (3,200) Production sold directly to third parties (4,200) (18,525) Ending backlog 24,600 24,600 Delivery Information (units) (1) Production sold directly to third parties 4,200 18,525 Sales of Leased railcars for syndication 900 3,175	Beginning backlog	26,700	30,300
Production held as Leased railcars for syndication (700) (3,200) Production sold directly to third parties (4,200) (18,525) Ending backlog 24,600 24,600 Delivery Information (units) (1) Production sold directly to third parties 4,200 18,525 Sales of Leased railcars for syndication 900 3,175	Orders received	2,800	16,600
syndication (700) (3,200) Production sold directly to third parties (4,200) (18,525) Ending backlog 24,600 24,600 Delivery Information (units) (1) Production sold directly to third parties 4,200 18,525 Sales of Leased railcars for syndication 900 3,175	Contract modification		(575)
Production sold directly to third parties (4,200) (18,525) Ending backlog 24,600 24,600 Delivery Information (units) (1) Production sold directly to third parties 4,200 18,525 Sales of Leased railcars for syndication 900 3,175	Production held as Leased railcars for		
Ending backlog 24,600 24,600 24,600 Delivery Information (units) (1) Production sold directly to third parties Sales of Leased railcars for syndication 4,200 18,525 3,175	syndication	(700)	(3,200)
Delivery Information (units) (1) Production sold directly to third parties 4,200 18,525 Sales of Leased railcars for syndication 900 3,175	Production sold directly to third parties	(4,200)	(18,525)
Production sold directly to third parties 4,200 18,525 Sales of Leased railcars for syndication 900 3,175	Ending backlog	24,600	24,600
Sales of Leased railcars for syndication 900 3,175	Delivery Information (units) (1)		
·	Production sold directly to third parties	4,200	18,525
Total deliveries 5,100 21,700	Sales of Leased railcars for syndication	900	3,175
	Total deliveries	5,100	21,700

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

SUPPLEMENTAL INFORMATION

(In thousands, except per share amounts, unaudited)

Operating Results by Quarter for 2020 are as follows:

			9	Second	Third		Fourth		Total	
Revenue										
Manufacturing	\$	657,367	\$	489,943	\$	653,007	\$	549,654	\$ 2,349,971	
Wheels, Repair & Parts		86,608		91,225		82,024		64,813	324,670	
Leasing & Services		25,384		42,680		27,526		21,958	117,548	
		769,359		623,848		762,557		636,425	2,792,189	
Cost of revenue										
Manufacturing		581,912		422,309		562,793		498,155	2,065,169	
Wheels, Repair & Parts		81,892		84,373		75,001		60,923	302,189	
Leasing & Services		13,366		30,830		17,232		10,272	71,700	
		677,170		537,512		655,026		569,350	2,439,058	
Margin		92,189		86,336		107,531		67,075	353,131	
Selling and administrative expense		54,364		54,597		49,494		46,251	204,706	
Net gain on disposition of equipment		(3,959)		(6,697)		(8,775)		(573)	(20,004)	
Earnings from operations		41,784		38,436		66,812		21,397	168,429	

Other costs

Interest and foreign exchange		12,852		12,609		7,562		10,596		43,619
Earnings before income tax and earnings (loss) from unconsolidated affiliates Income tax expense		28,932 (5,994)		25,827 (7,463)		59,250 (24,421)		10,801 (2,306)		124,810 (40,184)
unconsolidated affiliates		22,938		18,364		34,829		8,495		84,626
affiliates		1,073		1,651		1,040		(804)		2,960
Net earnings Net earnings attributable to		24,011		20,015		35,869	7,691		87,586	
Earnings before earnings (loss) from unconsolidated affiliates Earnings (loss) from unconsolidated affiliates Net earnings Net earnings attributable to noncontrolling interest Net earnings (loss) attributable to Greenbrier	(16,342)		(6,386)		(8,097)		(7,794)		(38,619)	
Net earnings (loss) attributable to Greenbrier	\$	7,669	\$	13,629	\$	27,772	\$	(103)	\$	48,967
Basic earnings per common share ⁽¹⁾	\$	0.24	\$	0.42	\$	0.85	\$	(0.00)	\$	1.50
Diluted earnings per common share (1)	\$	0.23	\$	0.41	\$	0.83	\$	(0.00)	\$	1.46
Dividends declared per common share	\$	0.25	\$	0.27	\$	0.27	\$	0.27	\$	1.06

⁽¹⁾ Quarterly amounts may 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 2019 are as follows:

	First		;	Second	Third		Fourth		Total
Revenue									
Manufacturing	\$	471,789	\$	476,019	\$ 681,588	\$	802,103	\$	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		3,033,591
Cost of revenue									
Manufacturing		417,805		442,996	590,788		686,036		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		2,667,105
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 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 affiliates Earnings (loss) from unconsolidated		22,915		6,569	30,411		51,721		111,616
affiliates		467		(786)	(4,564)		(922)		(5,805)

Net earnings Net earnings attributable to noncontrolling interest	23,382 (5,426)	5,783 (3,018)	25,847 (10,599)	50,799 (15,692)	105,811
Net earnings attributable to Greenbrier	\$ 17,956	\$ 2,765	\$ 15,248	\$ 35,107	\$ 71,076
Basic earnings per common share (1)	\$ 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
Dividends declared per common share	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 1.00

⁽¹⁾ Quarterly amounts may 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, unaudited)

Segment Information

Three months ended August 31, 2020:

	Revenue						Earnings (loss) from operations					
		External	Inter	segment		Total	E	xternal	Inte	ersegment		Total
Manufacturing Wheels,	\$	549,654	\$	1,683	\$	551,337	\$	29,695	\$	(19)	\$	29,676
Repair &												
Parts		64,813		95		64,908		813		3		816
Leasing &												
Services		21,958		10,898		32,856		6,520		10,528		17,048
Eliminations		-		(12,676)		(12,676)		-		(10,512)		(10,512)
Corporate		-		-		_		(15,631)		-		(15,631)
	\$	636,425	\$	-	\$	636,425	\$	21,397	\$	-	\$	21,397

Three months ended May 31, 2020:

	Revenue						Earnings (loss) from operations						
		External	Inter	segment		Total	E	xternal	Inte	ersegment		Total	
Manufacturing Wheels,	\$	653,007	\$	1,151	\$	654,158	\$	68,445	\$	95	\$	68,540	
Repair & Parts		82,024		1,527		83,551		3,785		(393)		3,392	
Leasing & Services		27,526		14,841		42,367		11,837		14,454		26,291	
Eliminations		-		(17,519)		(17,519)		-		(14,156)		(14,156)	
Corporate		-		-		-		(17,255)		-		(17,255)	
	\$	762,557	\$	_	\$	762,557	\$	66,812	\$		\$	66,812	

	Total assets			
	August 31,	May 31,		
	2020	2020		
	\$	\$		
Manufacturing	1,301,715	1,441,052		
Wheels, Repair & Parts	271,862	296,888		
Leasing & Services	739,025	777,523		

861,232	763,568
\$	\$
3,173,834	3,279,031

SUPPLEMENTAL INFORMATION

(In thousands, except per share amounts, unaudited)

Reconciliation of common shares outstanding

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

	Three Month	s Ended	Year Ended		
	August 31, 2020	May 31, 2020	August 31, 2020		
Weighted average basic common shares outstanding (1)	32,658	32,690	32,670		
Dilutive effect of convertible notes ⁽²⁾	-	-	•		
Dilutive effect of restricted stock units ⁽³⁾	-	788	771		
Weighted average diluted common shares outstanding	32,658	33,478	33,441		

- (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 Month	Year Ended		
•	August 31, 2020	May 31, 2020	August 31, 2020	
•	\$	\$	\$	
Net earnings (loss) attributable to Greenbrier	(103)	27,772	48,967	
ARI integration related costs, net of tax ⁽¹⁾ Severance expense, net of tax & noncontrolling interest	1,936	2,539	8,358	
(2)	3,636	4,803	12,867	
•	\$	\$	\$	
Adjusted net earnings attributable to Greenbrier	5,469	35,114	70,192	

(1) Net of tax of \$620, \$813, and \$2,689, respectively.

Net of tax and noncontrolling interest of \$2,283, \$1,538 and \$8,334,

respectively.

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

	Three Months Ended				Year Ended		
		gust 31, 2020	٨	/lay 31, 2020		August 31, 2020	
Diluted earnings per share	\$	0.00	\$	0.83	\$	1.46	
ARI integration related costs, net of tax		0.06		0.08		0.26	
Severance expense, net of tax & noncontrolling interest		0.10		0.14		0.38	

Adjusted diluted	earnings	per	share
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\$ 0.16 \$ 1.05 \$ 2.10 33,519 33,478 33,441

Weighted average diluted shares used to calculate Adjusted diluted earnings per share

"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 "achieve," "align," "believe," "continue," "improve," "maintain," "target," "will," "working," and similar expressions to identify forward-looking statements. These forward-looking statements include, without limitation, statements about backlog, future liquidity and cash flow, spending reductions, available borrowing capacity, lower capital expenditures, expected trends as well as other information regarding future performance and strategies and appear throughout this press release including in the headlines and the sections "Fourth Quarter Highlights" and "Business Update & Outlook." 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 following. (1) We are unable to predict when, how, or with what magnitude COVID-19 governmental reaction to the pandemic, and related economic disruptions will negatively impact our business: we may be prevented from operating our facilities; the operations of our customers may be disrupted increasing the likelihood that our customers may attempt to delay, defer or cancel orders, or cease to operate as going concerns; the operations of our suppliers may be disrupted; our indebtedness may increase; we may breach the covenants in our credit agreement; the market price of our common stock may drop or remain volatile; we may incur significant employee health care costs under our self-insurance programs. The longer the pandemic continues, the more likely that negative impacts on our business will occur, some of which we cannot now foresee. (2) Our backlog of railcar units and marine vessels is not necessarily indicative of future results of operations. Certain orders in backlog are subject to customary documentation which may not occur. Customers may attempt to cancel or modify orders or refuse to accept and pay for products. The likelihood of cancellations, modifications, rejection and non-payment for our products generally increases during periods of market weakness. The timing of converting backlog to revenue is also materially impacted by our decision whether to lease railcars, sell railcars, or syndicate railcars with a lease attached to an investor. More information on 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 report on Form 10-K. 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 Financial Metric Definitions

Adjusted EBITDA, Adjusted net earnings attributable to Greenbrier and Adjusted diluted EPS 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, 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. We believe this assists in comparing our performance across reporting periods.

SOURCE The Greenbrier Companies, Inc.

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https://pressroom.gbrx.com/2020-10-23-Greenbrier-Reports-Fourth-Quarter-and-2020-Fiscal-Year-Results