

Financial Summary

	Q1 FY25	Q4 FY24	Sequential Comparison – Main Drivers
Revenue	\$875.9M	\$1,053.0M	Primarily fewer deliveries including timing of syndication activity
Aggregate Gross margin	\$173.6M	\$191.2M	Strong operating performance and beneficial product mix in Manufacturing partially offset by lower revenue
Aggregate Gross margin %	19.8%	18.2%	
Selling and administrative expense	\$62.0M	\$67.9M	Lower employee-related costs including incentive compensation expense
Earnings from operations	\$111.8M	\$123.8M	Improved profitability and lower Selling & Administrative expense partially offsetting lower revenue
Operating margin %	12.8%	11.8%	
EBITDA ⁽¹⁾	\$145.1M	\$158.9M	
Effective tax rate	37.8%	33.5%	Impact of discrete tax items and geographic mix of earnings
Earnings from unconsolidated affiliates	\$4.1M	\$1.8M	Higher deliveries and improved operating efficiencies from Brazil JV's
Net earnings attributable to Greenbrier	\$55.3M	\$61.6M	Strong operating performance partially impacted by lower revenue and higher tax rate
Diluted EPS	\$1.72	\$1.92	

(1) See reconciliation at conclusion of Supplemental Information.

Segment Summary

	Q1 FY25	Q4 FY24	Sequential Comparison – Main Drivers
Manufacturing			
Revenue	\$820.4M	\$986.7M	Fewer deliveries including less railcars delivered for syndication
Gross margin %	17.1%	14.6%	Robust operating performance and beneficial product mix
Earnings from operations	\$116.1M	\$120.3M	Strong margin performance partially offset by lower revenue
Operating margin % ⁽¹⁾	14.2%	12.2%	
Deliveries (units) ⁽²⁾	5,600	6,800	Fewer deliveries including less railcars delivered for syndication
Leasing & Fleet Management			
Revenue	\$55.5M	\$66.3M	Less syndication activity partially offset by growing recurring revenue
Gross margin %	60.5%	71.5%	Primarily reflects syndication of fewer internally produced railcars and impact of externally sourced syndication activity that generated margin dollars at a lower margin %
Earnings from operations	\$26.7M	\$39.0M	
Operating margin % ⁽¹⁾	48.1%	58.8%	
Owned fleet (units)	16,700	15,500	
Fleet utilization	98.6%	98.5%	

(1) See supplemental segment information in Supplemental Information.

(2) Excludes Brazil deliveries which are not consolidated into Manufacturing revenue and margins.

Conference Call

Greenbrier will host a teleconference to discuss its first quarter 2025 results. In conjunction with this release, Greenbrier has posted a supplemental earnings presentation to our website.

Teleconference details are as follows:

- January 8, 2025
- 2:00 p.m. Pacific Standard Time
- Phone: 1-888-317-6003 (Toll Free), 1-412-317-6061 (International), Entry Number “0218896”
- Webcast access at <http://www.gbrx.com>
- Please access the site 10-15 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. Through its wholly-owned subsidiaries and joint ventures, Greenbrier designs, builds and markets freight railcars in North America, Europe and Brazil. We are a leading provider of freight railcar wheel services, parts, maintenance and retrofitting services in North America. Greenbrier owns a lease fleet of approximately 16,700 railcars that originate primarily from Greenbrier's manufacturing operations. Greenbrier offers railcar management, regulatory compliance services and leasing services to railroads and other railcar owners in North America. Learn more about Greenbrier at www.gbrx.com.

THE GREENBRIER COMPANIES, INC.

CONSOLIDATED BALANCE SHEETS

(In millions, unaudited)

	November 30, 2024	August 31, 2024	May 31, 2024	February 29, 2024	November 30, 2023
Assets					
Cash and cash equivalents	\$ 300.0	\$ 351.8	\$ 271.6	\$ 252.0	\$ 307.3
Restricted cash	12.9	16.8	20.2	20.0	14.0
Accounts receivable, net	583.0	523.8	488.5	519.1	458.7
Income tax receivable	26.7	45.1	20.0	20.9	10.5
Inventories	753.8	770.9	812.4	827.0	883.6
Leased railcars for syndication	228.1	130.7	155.3	134.4	159.8
Equipment on operating leases, net	1,234.1	1,243.5	1,226.9	1,160.5	1,095.8
Property, plant and equipment, net	695.5	711.7	648.3	636.1	618.1
Investment in unconsolidated affiliates	83.9	87.3	90.3	90.0	89.4
Intangibles and other assets, net	242.1	244.4	254.3	255.6	248.9
Goodwill	127.4	128.5	128.0	128.0	128.6
	<u>\$ 4,287.5</u>	<u>\$ 4,254.5</u>	<u>\$ 4,115.8</u>	<u>\$ 4,043.6</u>	<u>\$ 4,014.7</u>
Liabilities and Equity					
Revolving notes	\$ 444.9	\$ 351.6	\$ 348.4	\$ 300.8	\$ 279.4
Accounts payable and accrued liabilities	653.1	731.4	652.9	649.3	640.9
Deferred income taxes	131.4	130.1	82.9	79.7	85.2
Deferred revenue	45.5	58.9	74.0	81.5	42.2
Notes payable, net	1,394.5	1,404.2	1,413.9	1,421.8	1,479.4
Contingently redeemable noncontrolling interest	43.1	41.7	56.3	56.0	56.5
Total equity – Greenbrier	1,412.7	1,376.1	1,329.1	1,299.9	1,274.0
Noncontrolling interest	162.3	160.5	158.3	154.6	157.1
Total equity	<u>1,575.0</u>	<u>1,536.6</u>	<u>1,487.4</u>	<u>1,454.5</u>	<u>1,431.1</u>
	<u>\$ 4,287.5</u>	<u>\$ 4,254.5</u>	<u>\$ 4,115.8</u>	<u>\$ 4,043.6</u>	<u>\$ 4,014.7</u>

THE GREENBRIER COMPANIES, INC.

CONSOLIDATED STATEMENTS OF INCOME

(In millions, except number of shares which are reflected in thousands and per share amounts, unaudited)

	Three Months Ended	
	November 30,	
	2024	2023
Revenue		
Manufacturing	\$ 820.4	\$ 759.7
Leasing & Fleet Management	55.5	49.1
	<u>875.9</u>	<u>808.8</u>
Cost of revenue		
Manufacturing	680.4	672.5
Leasing & Fleet Management	21.9	15.0
	<u>702.3</u>	<u>687.5</u>
Margin	173.6	121.3
Selling and administrative expense	62.0	56.3
Net (gain) loss on disposition of equipment	(0.2)	0.1
Earnings from operations	<u>111.8</u>	<u>64.9</u>
Interest and foreign exchange	23.4	23.2
Earnings before income tax and earnings from unconsolidated affiliates	88.4	41.7
Income tax expense	(33.4)	(10.0)
Earnings before earnings from unconsolidated affiliates	55.0	31.7
Earnings from unconsolidated affiliates	4.1	1.5
Net earnings	59.1	33.2
Net earnings attributable to noncontrolling interest	(3.8)	(2.0)
Net earnings attributable to Greenbrier	<u>\$ 55.3</u>	<u>\$ 31.2</u>
Basic earnings per common share:	\$ 1.77	\$ 1.00
Diluted earnings per common share:	\$ 1.72	\$ 0.96
Weighted average common shares:		
Basic	31,246	31,025
Diluted	32,223	32,782
Dividends per common share	\$ 0.30	\$ 0.30

THE GREENBRIER COMPANIES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions, unaudited)

	Three Months Ended	
	November 30,	
	2024	2023
Cash flows from operating activities		
Net earnings	\$ 59.1	\$ 33.2
Adjustments to reconcile net earnings to net cash used in operating activities:		
Deferred income taxes	(1.4)	(29.3)
Depreciation and amortization	29.2	26.8
Net (gain) loss on disposition of equipment	(0.2)	0.1
Stock based compensation expense	4.2	3.4
Noncontrolling interest adjustments	4.4	0.4
Other	0.9	0.9
Decrease (increase) in assets:		
Accounts receivable, net	(65.3)	72.6
Income tax receivable	18.4	31.7
Inventories	(0.4)	(61.6)
Leased railcars for syndication	(83.3)	(20.0)
Other assets	1.9	4.9
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	(20.8)	(103.2)
Deferred revenue	(11.8)	(4.6)
Net cash used in operating activities	<u>(65.1)</u>	<u>(44.7)</u>
Cash flows from investing activities		
Proceeds from sales of assets	0.6	0.4
Capital expenditures	(59.1)	(68.3)
Cash distribution from unconsolidated affiliates and other	4.8	0.6
Net cash used in investing activities	<u>(53.7)</u>	<u>(67.3)</u>
Cash flows from financing activities		
Net change in revolving notes with maturities of 90 days or less	122.0	31.0
Proceeds from revolving notes with maturities longer than 90 days	5.0	90.1
Repayments of revolving notes with maturities longer than 90 days	(31.2)	(139.9)
Proceeds from issuance of notes payable	0.2	178.6
Repayments of notes payable	(10.8)	(9.7)
Debt issuance costs	(0.9)	(2.5)
Repurchase of stock	-	(1.3)
Dividends	(10.4)	(10.3)
Cash distribution to joint venture partner	(5.0)	-
Tax payments for net share settlement of restricted stock	(5.5)	(5.2)
Net cash provided by financing activities	<u>63.4</u>	<u>130.8</u>
Effect of exchange rate changes	(0.3)	(0.2)
Increase (decrease) in cash, cash equivalents and restricted cash	(55.7)	18.6
Cash and cash equivalents and restricted cash		
Beginning of period	368.6	302.7
End of period	<u>\$ 312.9</u>	<u>\$ 321.3</u>
Balance Sheet Reconciliation:		
Cash and cash equivalents	\$ 300.0	\$ 307.3
Restricted cash	12.9	14.0
Total cash and cash equivalents and restricted cash	<u>\$ 312.9</u>	<u>\$ 321.3</u>

THE GREENBRIER COMPANIES, INC.

SUPPLEMENTAL LEASING INFORMATION

(In millions, except owned fleet, unaudited)

Greenbrier's leasing strategy provides an additional "go to market" element to Greenbrier's Commercial strategy of direct sales, partnerships with operating leasing companies, and origination of leases for syndication partners as well as providing a platform for further growth at scale. Investing in leasing assets also provides a recurring stream of revenue and tax-advantaged cash flows, however in the short-term it reduces Greenbrier's Manufacturing revenue and margin as a result of deferring revenue recognition.

During the April 2023 Investor Day, Greenbrier provided a long-term target to more than double recurring revenue from leasing and management fees by investing up to \$300 million net annually for the next five years. Recurring revenue is defined as Leasing & Fleet Management revenue excluding the impact of syndication activity, which is more transactional in nature.

Key information for the Leasing & Fleet Management segment:

	Three Months Ended	
	November 30, 2024	August 31, 2024
Greenbrier Lease Fleet (Units)⁽¹⁾		
Beginning balance	15,500	15,200
Railcars added	1,800	1,700
Railcars sold / scrapped	(600)	(1,400)
Ending balance	<u>16,700</u>	<u>15,500</u>
	November 30, 2024	August 31, 2024
Equipment on operating lease ⁽²⁾	<u>\$ 1,234.1</u>	<u>\$ 1,243.5</u>
Non-recourse warehouse	\$ 193.6	\$ 194.9
ABS non-recourse notes	467.7	471.6
Non-recourse term loan	<u>317.4</u>	<u>320.5</u>
Total Leasing non-recourse debt	<u>\$ 978.7</u>	<u>\$ 987.0</u>
Fleet leverage %⁽³⁾⁽⁴⁾	79%	79%

(1) Owned fleet includes Leased railcars for syndication

(2) The \$600 million U.S. corporate revolver borrowing base includes Equipment on operating lease assets that do not currently secure the Leasing non-recourse term loan

(3) Total Leasing non-recourse debt / Equipment on operating lease

(4) Fleet assets are leveraged at Fair Market Value based on independent appraisals while they are shown at net book value on Greenbrier's Consolidated Balance Sheet

THE GREENBRIER COMPANIES, INC.

SUPPLEMENTAL INFORMATION

(In millions, except per share amounts, unaudited)

Operating Results by Quarter for Fiscal 2024 are as follows:

	First	Second	Third	Fourth	Total
Revenue					
Manufacturing	\$ 759.7	\$ 811.0	\$ 755.0	\$ 986.7	\$ 3,312.4
Leasing & Fleet Management	49.1	51.7	65.2	66.3	232.3
	808.8	862.7	820.2	1,053.0	3,544.7
Cost of revenue					
Manufacturing	672.5	725.4	672.2	842.9	2,913.0
Leasing & Fleet Management	15.0	15.1	24.2	18.9	73.2
	687.5	740.5	696.4	861.8	2,986.2
Margin	121.3	122.2	123.8	191.2	558.5
Selling and administrative expense	56.3	63.6	59.3	67.9	247.1
Net loss (gain) on disposition of equipment	0.1	(4.9)	(7.8)	(0.5)	(13.1)
Earnings from operations	64.9	63.5	72.3	123.8	324.5
Interest and foreign exchange	23.2	24.6	24.7	28.3	100.8
Earnings before income tax and earnings from unconsolidated affiliates	41.7	38.9	47.6	95.5	223.7
Income tax expense	(10.0)	(9.3)	(10.7)	(32.0)	(62.0)
Earnings before earnings from unconsolidated affiliates	31.7	29.6	36.9	63.5	161.7
Earnings from unconsolidated affiliates	1.5	4.0	3.7	1.8	11.0
Net earnings	33.2	33.6	40.6	65.3	172.7
Net earnings attributable to noncontrolling interest	(2.0)	(0.2)	(6.7)	(3.7)	(12.6)
Net earnings attributable to Greenbrier	\$ 31.2	\$ 33.4	\$ 33.9	\$ 61.6	\$ 160.1
Basic earnings per common share ⁽¹⁾	\$ 1.00	\$ 1.08	\$ 1.09	\$ 1.98	\$ 5.15
Diluted earnings per common share ⁽¹⁾	\$ 0.96	\$ 1.03	\$ 1.06	\$ 1.92	\$ 4.96
Dividends per common share	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 1.20

⁽¹⁾ Quarterly amounts may not total to the year-to-date amount as each period is calculated discretely.

THE GREENBRIER COMPANIES, INC.

SUPPLEMENTAL INFORMATION

(In millions, unaudited)

Segment Information

Three months ended November 30, 2024:

	Revenue			Earnings (loss) from operations		
	External	Intersegment	Total	External	Intersegment	Total
Manufacturing	\$ 820.4	\$ 2.8	\$ 823.2	\$ 116.1	\$ -	\$ 116.1
Leasing & Fleet Management	55.5	0.2	55.7	26.7	-	26.7
Eliminations	-	(3.0)	(3.0)	-	-	-
Corporate	-	-	-	(31.0)	-	(31.0)
	<u>\$ 875.9</u>	<u>\$ -</u>	<u>\$ 875.9</u>	<u>\$ 111.8</u>	<u>\$ -</u>	<u>\$ 111.8</u>

Three months ended August 31, 2024:

	Revenue			Earnings (loss) from operations		
	External	Intersegment	Total	External	Intersegment	Total
Manufacturing	\$ 986.7	\$ 40.1	\$ 1,026.8	\$ 120.3	\$ 4.6	\$ 124.9
Leasing & Fleet Management	66.3	0.3	66.6	39.0	-	39.0
Eliminations	-	(40.4)	(40.4)	-	(4.6)	(4.6)
Corporate	-	-	-	(35.5)	-	(35.5)
	<u>\$ 1,053.0</u>	<u>\$ -</u>	<u>\$ 1,053.0</u>	<u>\$ 123.8</u>	<u>\$ -</u>	<u>\$ 123.8</u>

	Total assets	
	November 30, 2024	August 31, 2024
Manufacturing	\$ 2,134.7	\$ 2,172.4
Leasing & Fleet Management	1,775.3	1,633.6
Unallocated, including cash	377.5	448.5
	<u>\$ 4,287.5</u>	<u>\$ 4,254.5</u>

BACKLOG AND DELIVERY INFORMATION

(Unaudited)

	Three Months Ended
	November 30, 2024
Backlog Activity (units) ⁽¹⁾	
Beginning backlog	26,700
Orders received	3,800
Production held on the Balance Sheet	(1,900)
Production sold to third parties	(5,200)
Ending backlog	<u>23,400</u>
Delivery Information (units) ⁽¹⁾	
Direct sales	5,200
Sale of Leased railcars for syndication	800
Total deliveries	<u>6,000</u>

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

THE GREENBRIER COMPANIES, INC.

SUPPLEMENTAL INFORMATION

(In millions, unaudited)

Reconciliation of Net earnings to EBITDA

	Three Months Ended	
	November 30, 2024	August 31, 2024
Net earnings	\$ 59.1	\$ 65.3
Interest and foreign exchange	23.4	28.3
Income tax expense	33.4	32.0
Depreciation and amortization	29.2	33.3
EBITDA	<u>\$ 145.1</u>	<u>\$ 158.9</u>

Debt Summary

	November 30, 2024	August 31, 2024
Total Leasing non-recourse debt	\$ 978.7	\$ 987.0
Total other debt	876.5	785.5
	<u>1,855.2</u>	<u>1,772.5</u>
Debt discount and issuance costs	(15.8)	(16.7)
Total consolidated debt	<u>\$ 1,839.4</u>	<u>\$ 1,755.8</u>

Forward-Looking Statements

This press release may contain forward-looking statements, including statements that are not purely statements of historical fact. Greenbrier uses words, and variations of words, such as “affect,” “anticipate,” “approximately,” “are,” “backlog,” “believe,” “drive,” “estimate,” “expect,” “grow,” “may,” “ongoing,” “position,” “recurring,” “result,” “schedule,” “strategy,” “strong,” “sustainable,” “target,” and similar expressions to identify forward-looking statements. These forward-looking statements include, without limitation, statements about our guidance and outlook, backlog and other orders, leasing performance, leasing strategy, financing, cash flow, tax treatment, and other information regarding future performance and strategies and appear throughout this press release. 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: an economic downturn and economic uncertainty; inflation (including rising energy prices, interest rates, wages and other escalators) and policy reactions thereto (including actions by central banks); disruptions in the supply of materials and components used in the production of our products; increased tariffs or import duties; labor disputes; loss of market share to other modes of freight shipment; and the war in Ukraine and related events. Our backlog of railcar units and other orders not included in backlog are not necessarily indicative of future results of operations. Certain orders in backlog are subject to customary documentation which may not occur. More information on 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 report on Form 10-K and subsequent Quarterly Reports on Form 10-Q. 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.

Financial Metric Definitions

EBITDA is not a financial measure under generally accepted accounting principles (GAAP). This metric is a performance measurement tool used by rail supply companies and Greenbrier. You should not consider this metric in isolation or as a substitute for other financial statement data determined in accordance with GAAP. In addition, because this metric is not a measure of financial performance under GAAP and is susceptible to varying calculations, the measure presented may differ from and may not be comparable to similarly titled measures used by other companies.

We define EBITDA as Net earnings before Interest and foreign exchange, Income tax expense, Depreciation and amortization. We believe the presentation of 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.

ROIC is calculated by dividing the trailing four quarters of net operating profit after tax by the average trailing five quarters of total invested capital. Net operating profit after tax is defined as Earnings from operations, plus Earnings from unconsolidated affiliates, excluding the impact associated with items we do not believe are indicative of our core business or which affect comparability, less cash paid for income taxes, net. Total invested capital is defined as Revolving notes, plus Notes payable, plus Total equity, less cash in excess of \$40 million. We believe ROIC is useful to investors as it quantifies how efficiently we generated operating income relative to the capital we have invested in the business.

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.