

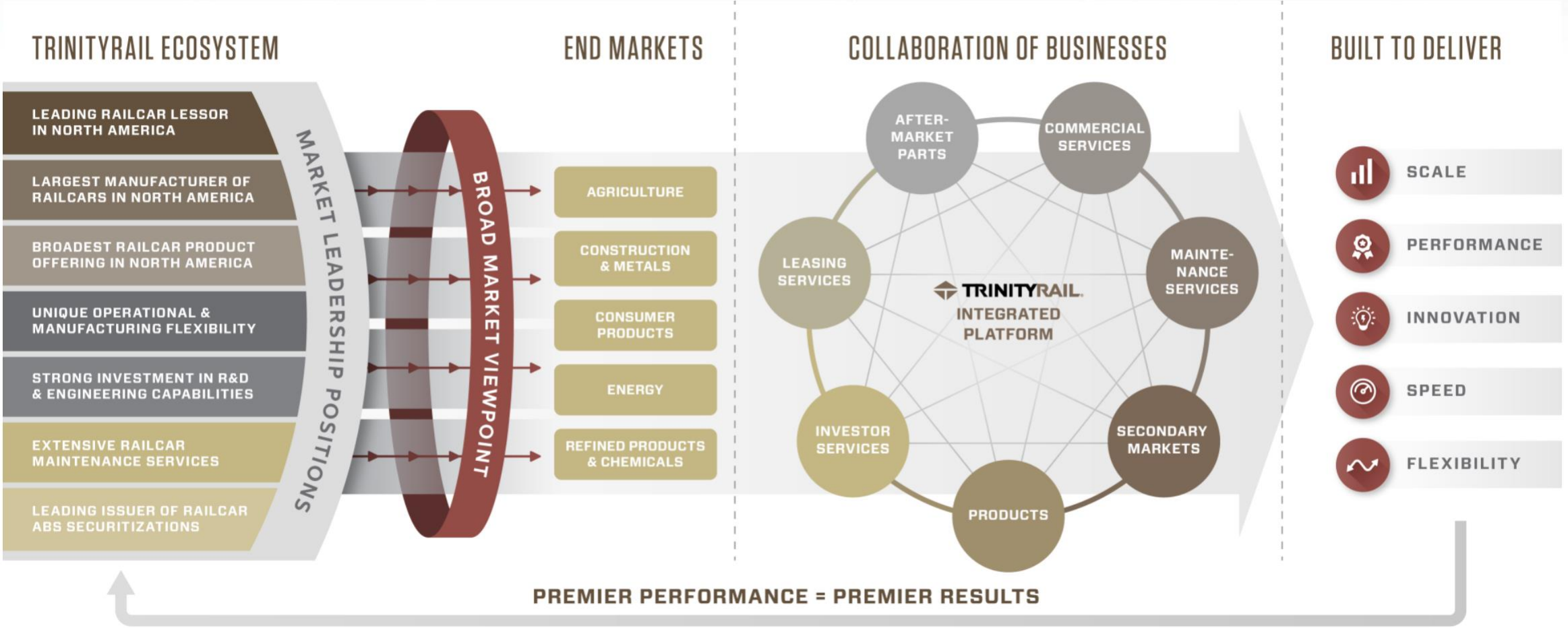
TrinityRail's Approach to Market and Regulatory Analysis

November 9, 2020



TrinityRail: Innovative Solutions from Trusted Experts delivering the Right Products and Services

Trinity's Platform is "Built to Deliver," leveraging our rail expertise across a broad market viewpoint to differentiate our value proposition across the industry



Agenda: Questions to Answer



What has happened to freight rail in 2020 so far?

- How did we start the year?
- What has been COVID's impact?



How did our market intelligence efforts help mitigate some of the economic shocks?

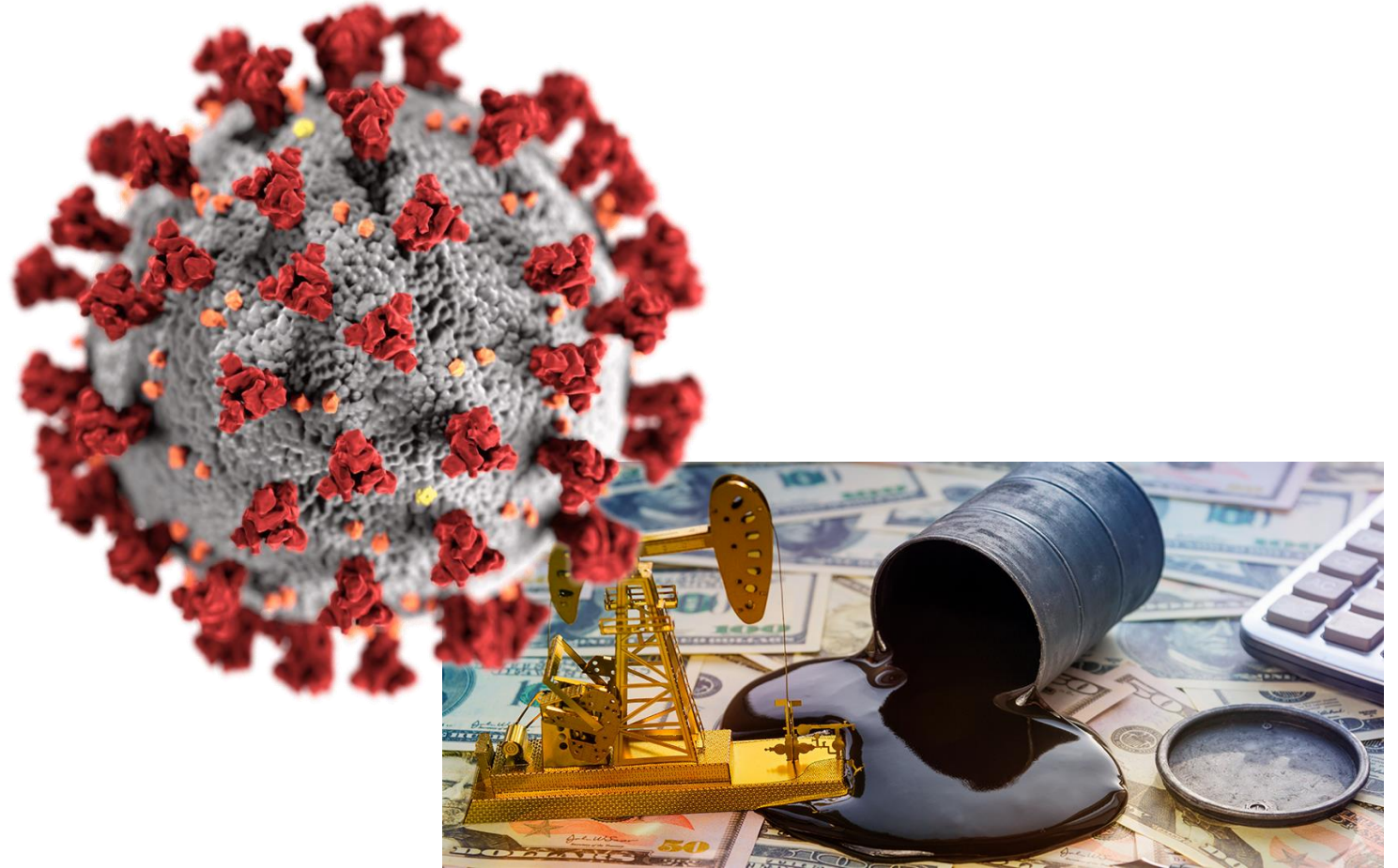


What have been the lessons from 2020?

What Happened in 2020?

2020 Came in With Headwinds – Then COVID-19 and an Energy Market Crash Hit

- Industrial Production Index was at 109.2 in January 2020 (down 0.9 points Y/Y)
- Carloads down 4.4% Y/Y for first seven weeks of 2020
- Industry railcar storage rate 24.4% on 1/1/2020 – up 5.6 pp Y/Y
- As a result, industry railcar orders and deliveries were expected to decrease in 2020



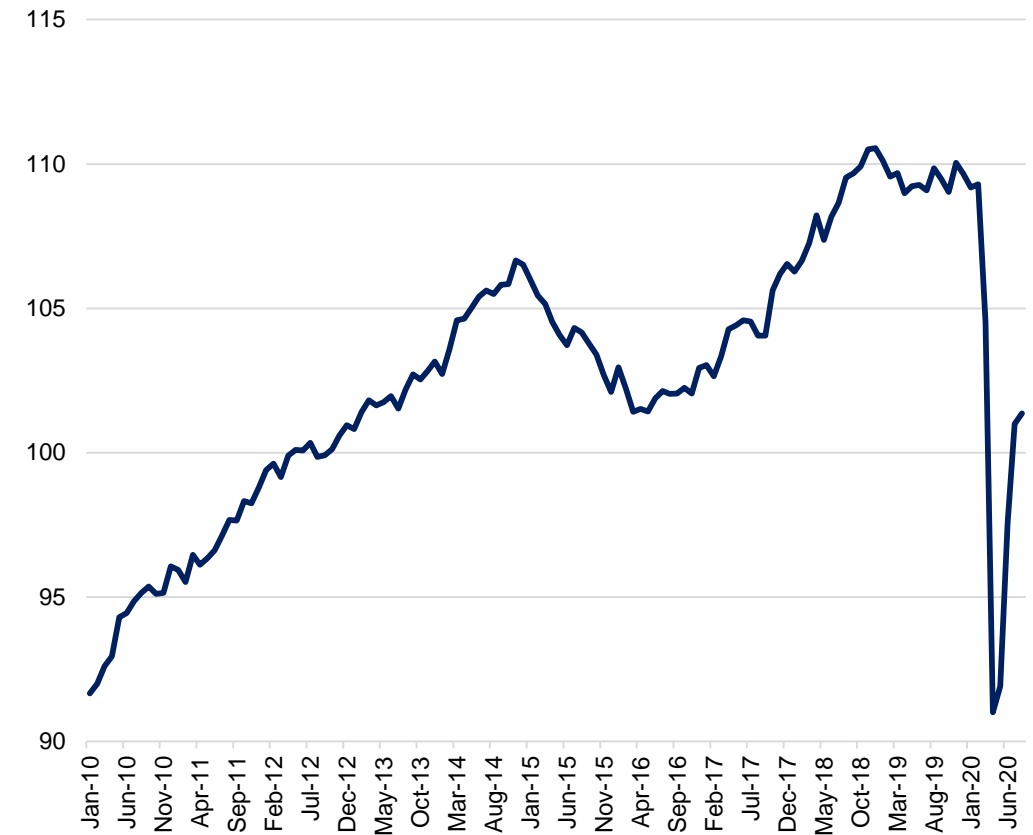
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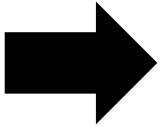
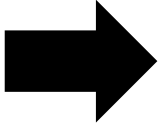
Industrial Production through August 2020

Source: Federal Reserve Economic Database



What Happened in 2020?

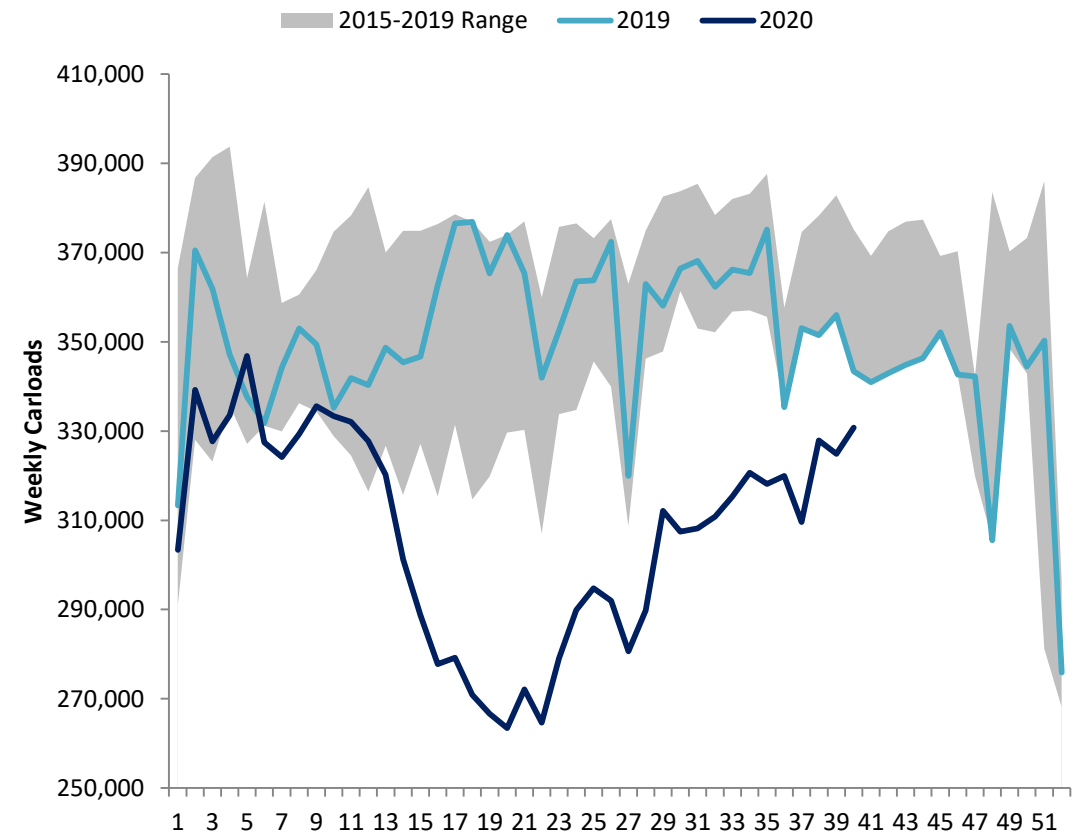
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- Carloads down 4.4% Y/Y for first seven weeks of 2020  Carloads down ~14% Y/Y through 40 weeks of 2020
- Industry railcar storage rate 24.4% on 1/1/2020 – up 5.6 pp Y/Y
- As a result, industry railcar orders and deliveries were expected to decrease in 2020

North American Carloads

(not including intermodal)

Source: AAR



What Happened in 2020?

2020 Came in With Headwinds – Then COVID-19 and an Energy Market Crash Hit

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- Carloads down 4.4% Y/Y for first seven weeks of 2020 → Carloads down ~14% Y/Y through 40 weeks of 2020
- Industry railcar storage rate 24.4% on 1/1/2020 – up 5.6 pp Y/Y → Industry railcar storage rose to 31.5% in July – now 28.1%
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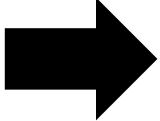
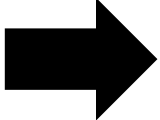
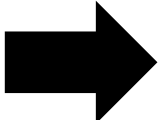
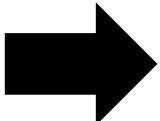
Railcars in Storage through September 2020

Source: AAR



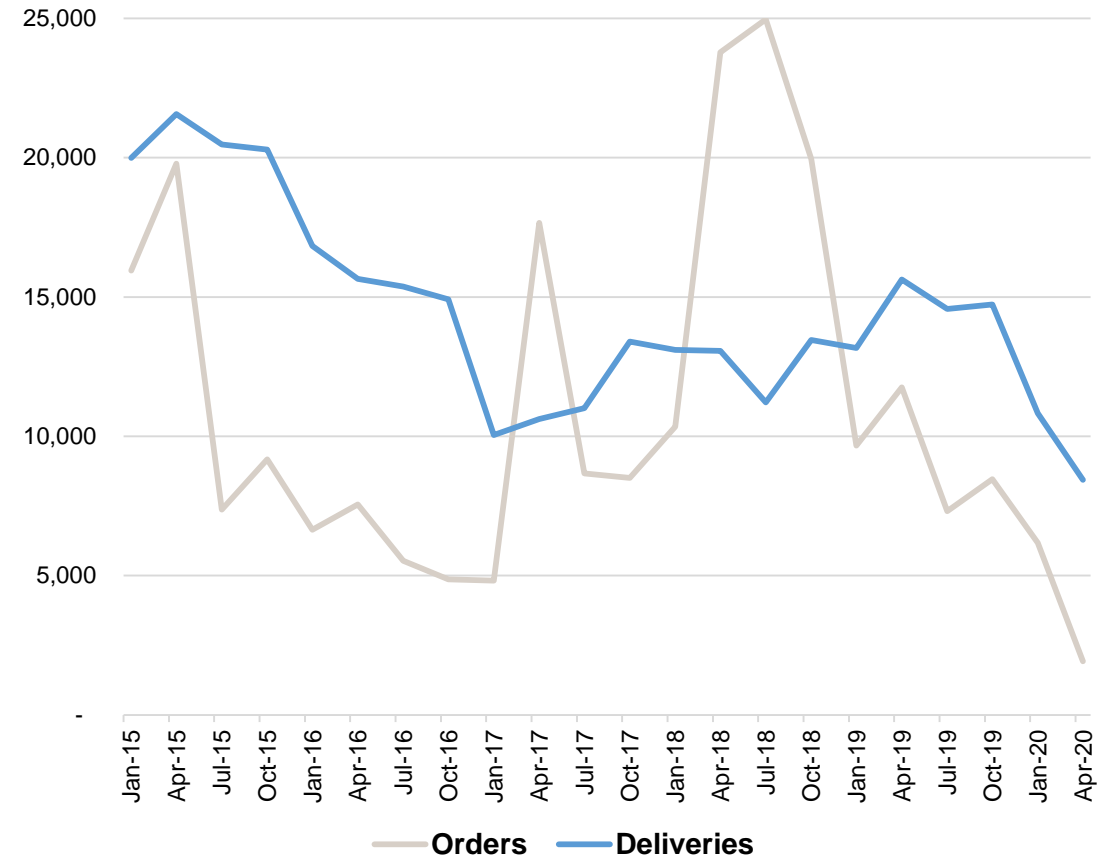
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 - Industry railcar orders and deliveries likely to be at lowest levels since 2009-2010

Railcar Orders and Deliveries 2015 - Q2 2020

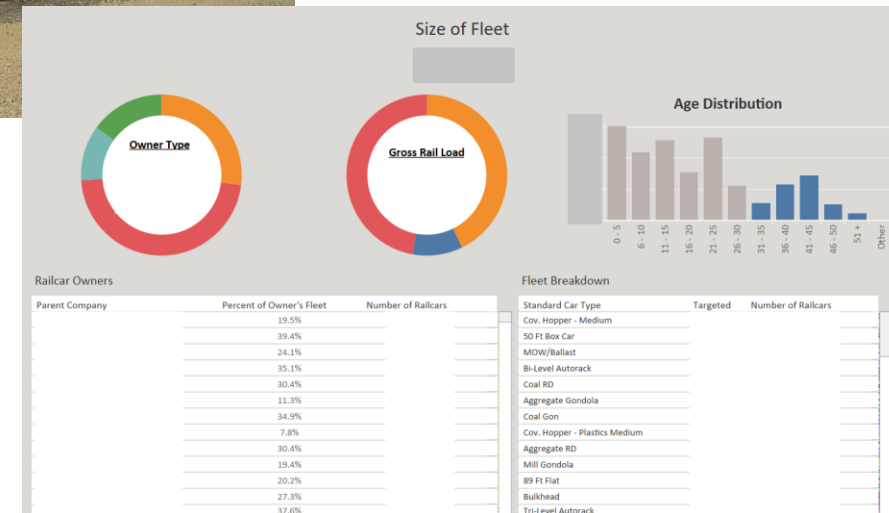
Source: ARCI



How Did Our Market Intelligence Efforts Help Mitigate the Economic Shocks?

We forecasted more often and set ranges of expectations rather than single values

- Our enhanced forecasting efforts allowed us to...
 - Combine industry fleet analysis with market conditions to better target opportunities for our sales team
- Target customers for contract modifications for long-term relationship growth



Combining Quantitative and Qualitative Analysis Yields Amazing Results

Data is Great – Data + Subject Matter Expertise is Invaluable

- We work closely with our sales and field services teams to get customer and market-based insight.
- We have assigned market-specific strategists to turn the data insights into initiatives.



Data is How We Move Forward

IoT and Data Solutions could create opportunities for rail going forward

- IoT could make rail more competitive with truck on short to intermediate distance routes
- Technologies and services to aid in reliability will be vital for rail to improve transportation market share
 - Provide transparency to shippers
 - Better interaction between car owners and railroads



Data is How We Move Forward

TrinityRail will be launching new, data-driven solutions for the industry.

Be one of the first to find out more.

Visit <https://trinityrail.com/contact/> and select “Analytics Solutions” for more information

GENERAL INQUIRIES

First Name	Last Name
Email Address	Phone Number
Company	
Analytics Solutions ▼	

