

TRINITY INDUSTRIES INC

Form 8-K

March 02, 2015

A Premiere Diversified Industrial Company Trinity Industries, Inc. This presentation contains “forward looking statements” as defined by the Private Securities Litigation Reform Act of 1995 and includes statements as to expectations, beliefs and future financial performance, or assumptions underlying or concerning matters herein. These statements that are not historical facts are forward looking. Readers are directed to Trinity’s Form 10-K and other SEC filings for a description of certain of the business issues and risks, a change in any of which could cause actual results or outcomes to differ materially from those expressed in the forward looking statements. Any forward looking statement speaks only as of the date on which such statement is made. Trinity undertakes no obligation to update any forward looking statement or statements to reflect events or circumstances after the date on which such statement is made. 2 Forward Looking Statements

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A Premiere Diversified Industrial Company Trinity Industries, Inc. • Trinity Industries, Inc. is a diversified industrial company that owns a variety of market-leading businesses providing products and services to the energy, transportation, chemical, and construction sectors • Trinity operates through five business segments: • Rail Group • Railcar Leasing and Management Services Group (“Leasing”) • Inland Barge Group • Construction Products Group (“CPG”) • Energy Equipment Group (“EEG”) • The Company serves its customers through manufacturing facilities located in the United States, Mexico, and Canada and had approximately 22,070 employees at the end of 2014 • Total Revenue and EBITDA for the LTM 12/14 was \$6,170 million and \$1,502 million, respectively 4 I. Trinity Industries, Inc. Overview External Revenue by Business Group(1) All share and per share information has been retroactively adjusted to reflect the 2-for-1 stock split effective in June 2014. All Footnotes throughout the presentation are listed on Slide 23. (2) (\$mm)

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A Premiere Diversified Industrial Company Trinity Industries, Inc. 5 II. Key Investment Considerations Leading Market Positions Diversified Portfolio of  
Businesses Flexible and Cost- Effective Manufacturing Seasoned Performers Enrichment Value Focused

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A Premiere Diversified Industrial Company Trinity Industries, Inc. Rail Group Leading manufacturer of railcars Leading manufacturer of railcar axles Leading manufacturer of railcar coupling devices Railcar Leasing and Management Services Group Leading provider of railcar leasing and management services Inland Barge Group Leading manufacturer of inland barges and fiberglass barge covers in the United States Construction Products Group Leading full-line manufacturer of highway guardrail and crash cushions in the United States Leading producer and distributor of lightweight and natural aggregates in the western and southwestern United States Energy Equipment Group Leading manufacturer of structural wind towers Leading producer of storage and distribution containers and tank heads for pressure and non-pressure vessels Leading provider of steel structures for electricity transmission and distribution 6 Leading Market Positions in North America

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A Premiere Diversified Industrial Company Trinity Industries, Inc. 7 Diversified Portfolio of Businesses PRESENT (FY 2014) MEASUREABLE PROGRESS  
Total Revenues = \$6.2 B PAST (FY 2000) Total Revenues = \$2.7 B Our diversified portfolio of businesses is generating a higher level of EPS on a similar level of  
deliveries compared to various points in the railcar cycle 60% 5% 21% 6% 8% 55% 14% 19% 4% 8% Rail Leasing CPG EEG Barge Revenue Operating Profit (1)  
Revenue Operating Profit (1) (2) (2) (2) (2) 0 5,000 10,000 15,000 20,000 25,000 30,000 35,000 -\$0.50 \$0.00 \$0.50 \$1.00 \$1.50 \$2.00 \$2.50 \$3.00 \$3.50 \$4.00  
\$4.50 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 Calendar Year EPS vs. Railcar Deliveries EPS, Total Company Railcar Deliveries All  
Footnotes throughout the presentation are listed on Slide 23. (3)

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A Premiere Diversified Industrial Company Trinity Industries, Inc. 8 Flexible and Cost-Effective Manufacturing In recent years, Trinity has invested in its manufacturing footprint to establish “multi-purpose” facilities, enhancing its flexible manufacturing footprint. Flexibility Cost-Effective Trinity's manufacturing flexibility across product and business segments enhances our ability to opportunistically respond to changes in market demand Trinity's manufacturing scale, vertical integration, and presence in the Southern U.S. and Mexico provides cost effective benefits across multiple business segments

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A Premiere Diversified Industrial Company Trinity Industries, Inc. 9 Enrichment Value Focused External Reporting Groups Operational Focus Areas  
Rail Leasing Construction Energy Inland Barge Customer Sharing Internal Component Sourcing Shared Best Manufacturing Practices Facility Optimization  
Centralized Cost Savings Trinity focuses on collaboration across business segments... ..generating synergies that enrich value and ultimately provide competitive  
benefits

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A Premiere Diversified Industrial Company Trinity Industries, Inc. Incorporated in 1933 with a strong corporate culture and commitment to Company values Seasoned management team knows how to assess the market, proactively plan for cycles and address changes in economic conditions Cost-effective and flexible manufacturing footprint in the Southern United States and Mexico is a competitive advantage for many of our product lines Strong liquidity position of approximately \$1.6 billion and a solid balance sheet as of December 31, 2014 Track record of maintaining solid liquidity across the business cycle; credit ratings and outlooks maintained throughout recent historic downturn and upgraded over last 18 months S&P – Rating of “BBB-” with an Outlook of “Stable” (Rating upgraded May 2013) Fitch – Rating of “BBB-” with an Outlook of “Stable” (Rating initiated Nov. 2013) Moody’s – Rating of “Ba1” with an Outlook of “Positive” (Outlook upgraded Sept. 2014) 10 Seasoned Performer Across Market Conditions

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A Premiere Diversified Industrial Company Trinity Industries, Inc. 11 III. Strategy and Vision: Operational Strategically Grow the Lease Fleet Selectively Build our Backlogs Diversify Through Organic Growth Acquire Complementary Product Portfolios Be a premier, diversified industrial company that generates superior earnings and returns for shareholders Maximize Manufacturing Efficiency

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A Premiere Diversified Industrial Company Trinity Industries, Inc. 12 Strategy and Vision: Financial Maintain a conservative and liquid balance sheet to be attractively positioned to capitalize on opportunities Working Capital Capital Expenditures Acquisitions Shareholder Distributions Cash and Cash Equivalents \$963 Corporate Revolver Availability - 336 Warehouse Availability - 335 Total Available Liquidity \$1,634 mm Balance Sheet Debt ~ \$3,613 mm(1) Available Liquidity ~ \$1,634 mm Equity ~ \$3,397 mm Recourse Debt Senior Notes (1) \$400 Convertible Subordinated Notes(1) 450 Capital Leasing Obligations 39 Total Recourse \$889 mm Non-Recourse Leasing Debt(2) Warehouse Facility \$121 Long-term Financings: Wholly-Owned 1,087 Partially-Owned 1,516 Total Non-Recourse Leasing \$2,724 mm As of 12/31/14 All Footnotes throughout the presentation are listed on Slide 23.

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A Premiere Diversified Industrial Company Trinity Industries, Inc. 13 IV. Financial Highlights Trinity's EPS Summary FY 2008 – LTM 12/14(3) LTM as of December 31, 2014(1): Revenues increased 41% to \$6.2 billion from \$4.4 billion Operating profit increased 78% to \$1,098 million from \$616 million (2) EBITDA increased 52% to \$1,502 million from \$989 million Earnings per common diluted share increased 76% to \$4.19 from \$2.38 per diluted share Trinity's EBITDA Summary FY 2008 – LTM 12/14(6) (4) (5) All Footnotes throughout the presentation are listed on Slide 23.

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A Premiere Diversified Industrial Company Trinity Industries, Inc. 14 Guidance and Outlook (As of February 19, 2015) Rail Group Revenues ~ \$4.2 – 4.4 billion in FY 2015 OP Margin ~ 18% – 19% in FY 2015 Shipments ~ 32,000-34,000 in FY 2015 Leasing Group Revenues from Operations ~ \$700– 725mm in FY 2015 OP from Operations ~ \$320 - 340mm in FY 2015 Revenue Eliminations ~ \$600 - 650mm in FY 2015 OP Elimination Impact ~ \$115–130mm in FY 2015 Net Lease Fleet Additions ~ \$55-70mm in FY 2015 Inland Barge Group Revenues ~ \$620 - 650mm in FY 2015 OP Margin ~ 13.0% – 14.0% in FY 2015 Construction Products Group Revenues ~ \$510- 540mm in FY 2015 OP Margin ~ 8.5% – 9.5% in FY 2015 Energy Equipment Group Revenues ~ \$1.1- 1.25 billion in FY 2015 OP Margin ~ 11% – 12% in FY 2015 Total Company EPS ~ \$4.00 – 4.40 in FY 2015 Manufacturing and Corporate Capital Expenditures ~ \$250- 300mm in FY 2015 Elimination Impact of Net Income Attributable to Noncontrolling Interest ~ \$30-35mm in FY 2015 Any forward-looking statements made by the Company speak only as of the date on which they are made. The Company is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements, whether as a result of new information, subsequent events or otherwise.







A Premiere Diversified Industrial Company Trinity Industries, Inc. 0 10,000 20,000 30,000 40,000 50,000 60,000 70,000 80,000 90,000 100,000 Railcar Deliveries (1958 - 2018P) Projections based on Third Party estimates(3) 16 Rail Group Business Conditions/Demand Outlook Market Positioning Current Performance Rail Group Revenues and OP Margin (1) Leading manufacturer of railcars, railcar axles, and coupling devices in North America Broadest product offering for railcar manufacturing in North America Networking of customers between railcar sales and railcar leasing Focus on new and advanced engineering designs Centralized sourcing provides cost savings Streamlined manufacturing efficiencies Trinity delivered 30,255 railcars representing 44% of industry shipments during LTM 12/31/14 Trinity received orders for 51,395 railcars representing 37% of the industry total during LTM 12/31/14 Trinity's order backlog was a record 61,035 railcars representing 43% of industry backlog as of 12/31/14 Trinity's record \$7.2 billion order backlog reflects a favorable mix of railcars and the strength in the pricing environment for certain railcar types due to strong demand from the oil, gas, and chemical industries All Footnotes throughout the presentation are listed on Slide 23. (2)



A Premiere Diversified Industrial Company Trinity Industries, Inc. 17 Railcar Leasing & Management Services Group Business Conditions/Demand Outlook  
Market Positioning Current Performance Leading provider of comprehensive railcar leasing and management services Marketed with railcar sales activities as  
TrinityRail® Provider of operating leases offering 'one stop shopping' for TrinityRail customers and asset management services for institutional investors Scale of  
operations facilitates active participation in secondary market activities for portfolio railcar sales as market conditions warrant Industry leading utilization of  
99.5% at December 2014 Secondary market activities generated \$228.4 million in Operating Profit during LTM 12/14 compared to \$29.5 million during LTM  
12/13 Originated railcar leases of \$2.1B during 2014 Backlog of railcars dedicated to lease fleet totaled \$2.0B at December 2014 Trinity's Lease fleet has grown  
at a 16% CAGR since 2000 Leasing Operating Revenues and Profit (Excludes Car Sales)(3) All Footnotes throughout the presentation are listed on Slide 23.

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A Premiere Diversified Industrial Company Trinity Industries, Inc. 18 Inland Barge Group Business Conditions/Demand Outlook Market Positioning Current Performance Inland Barge Group Revenues and OP Margin Leading manufacturer of inland barges and fiberglass barge covers in the United States Multiple barge manufacturing facilities on inland waterways enable rapid delivery Operating flexibility is a key differentiator Barge transportation has a cost advantage in high-cost fuel environments Revenues up 11% in LTM 12/14 vs. LTM 12/13 as a result of higher delivery volumes and product mix changes Profitability continues to be strong compared to historical averages for this business - Operating Profit margin was 17.9% during LTM 12/14 Solid order backlog of \$438mm at 12/31/14 due to strong demand for hopper barges serving the agricultural market and smaller tank barges serving the chemical and petrochemical industries Production expansion and conversion activities completed in 2013 to increase manufacturing flexibility of barge plants to shift between tank and hopper barge products Replacement demand driver (as of 12/31/13):(4) 3,317 out of 17,517 hopper barges, or approximately 19%, are greater than 20 years old 981 out of 3,401 tank barges, or approximately 29%, are greater than 20 years old Over the past 10 years, 6% more barges were scrapped vs. built (8,220 scrapped vs. 7,743

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built from 2003 – 2013) All Footnotes throughout the presentation are listed on Slide 23. (2) (3) (\$mm)

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A Premiere Diversified Industrial Company Trinity Industries, Inc. 19 Construction Products Group Business Conditions/Demand Outlook Market Positioning Current Performance Construction Products Group Revenues and OP Margin (1) Leading U.S. manufacturer of highway guardrail, crash cushions, and other protective barriers; plus a line of proprietary products including guardrail end treatments and cable barrier guardrail systems Leading producer and distributor of lightweight and natural aggregates in the western and southwestern United States Revenues and Operating Profit increased 5% and 24% respectively LTM 12/14 vs. LTM 12/13 as a result of acquisition related volumes in our Aggregates business, partially offset by lower volumes in the highway products business Portfolio repositioning activities since 2011 include the completion of several acquisitions, including the addition of another custom galvanizing business in the second quarter of 2014 and increased exposure to Aggregates in 2013 Diversified exposure to commercial, residential, industrial, and highway markets Demand tied to the North American infrastructure build out and federal funding All Footnotes throughout the presentation are listed on Slide 23. (2) (\$mm)

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A Premiere Diversified Industrial Company Trinity Industries, Inc. 20 Energy Equipment Group Business Conditions/Demand Outlook Market Positioning Current Performance Energy Equipment Group Revenues and OP Margin Leading manufacturer of structural wind towers, tubular steel transmission towers, storage and distribution containers and tank heads for pressure and non-pressure vessels, and cryogenic transportation equipment used to store and transport liquefied gases in North America Low-cost manufacturer with principal storage container production in prime energy market locations During 2014, Trinity acquired the assets of Meyer Steel Structures for approximately \$596 million in cash and is completing its integration with Trinity's utility structures business. The combined operation is now Trinity Meyer Utility Structures, LLC, a leading provider in North America of steel utility structures for electricity transmission. Structural Wind Towers: Backlog of \$474 million as of 12/31/14 provides visibility into 2016 Tank Storage Containers and Other: Acquired WesMor Cryogenics and Alloy Custom Products in Q1 2014 to broaden our presence in the cryogenics container market Acquired Platinum Energy Services in Q1 2014 to expand our product portfolio to include energy related equipment used at the well-site and in midstream locations Currently experiencing strong demand in our storage and

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distribution containers and tank heads businesses as a result of the Energy Renaissance occurring across North America. The current market for utility structures is competitive. However, long-term demand fundamentals remain positive due to expected future growth in investment spending. All Footnotes throughout the presentation are listed on Slide 23. (\$mm)

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A Premiere Diversified Industrial Company Trinity Industries, Inc. 21 Reconciliation of EBITDA (1) (in millions) "EBITDA" is defined as income (loss) from continuing operations plus interest expense, income taxes, and depreciation and amortization including goodwill impairment charges. EBITDA is not a calculation based on generally accepted accounting principles. The amounts included in the EBITDA calculation, however, are derived from amounts included in the historical statements of operations data. In addition, EBITDA should not be considered as an alternative to net income or operating income as an indicator of our operating performance, or as an alternative to operating cash flows as a measure of liquidity. We believe EBITDA assists investors in comparing a company's performance on a consistent basis without regard to depreciation and amortization, which can vary significantly depending upon many factors. However, the EBITDA measure presented in this presentation may not always be comparable to similarly titled measures by other companies due to differences in the components of the calculation. (1) EBITDA for previous years has been adjusted as a result of the divestiture of the Company's Concrete business (2) Includes results of operations related to TRIP starting January 1, 2010 (2) 2008 2009 2010 2011 2012 2013 2014 Income (loss) from continuing operations \$266.8 (\$140.8)

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\$69.4 \$146.8 \$251.9 \$386.1 \$709.3 Add: Interest expense 109.4 123.1 182.1 185.3 194.7 187.3 193.4 Provision/(Benefit) for income taxes 163.5 (11.5) 37.3 92.2  
134.0 204.4 354.8 Depreciat n & amortization expense 126.8 147.1 180.9 187.7 193.7 211.5 244.6 Goodwill impairment - 325.0 - - - - Earnings from continuing  
operations before interest expense, income taxes, and depreciation and amortization expense \$666.5 \$442.9 \$469.7 \$612.0 \$774.3 \$989.3 \$1,502.1

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A Premiere Diversified Industrial Company Trinity Industries, Inc. 22 Reconciliation of PBT Margin – Railcar Leasing and Management Services Group (in millions except for PBT Margin) 2007 2008 2009 2010 2011 2012 2013 2014 From Leasing Operations: Revenue 272\$ 314\$ 329\$ 461\$ 493\$ 529\$ 587\$ 632\$ Operating Profit 112 124 129 200 225 243 267 288 Less: Interest Expense (43) (67) (80) (139) (161) (174) (157) (153) Profit before tax (PBT) 69\$ 57\$ 48\$ 62\$ 64\$ 68\$ 110\$ 135\$ PBT Margin 25% 18% 15% 13% 13% 13% 19% 21%

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A Premiere Diversified Industrial Company Trinity Industries, Inc. Slide 4 (1) Intersegment Revenues are eliminated and Leasing Revenues include revenues related to TRIP Holdings beginning in FY 2010; CPG Revenues for prior years have also been adjusted as a result of the divestiture of its Concrete business in March 2013 (2) FY 2009 EPS excludes a \$325 million pretax Goodwill impairment amounting to \$1.57 per share; reported FY 2009 EPS was \$(0.91) Slide 7 (1) Operating Profit Excludes All Other, Corporate and is reduced by Leasing Interest Expense of \$7 million in FY 2000 and \$153 million in FY 2014 (2) Rail percentage represents Operating Profit less all Intersegment Company Eliminations; Leasing percentage represents Operating Profit less Leasing Interest Expense (3) FY 2009 EPS excludes a \$325 million pretax Goodwill impairment amounting to \$1.57 per share; reported FY 2009 EPS was \$(0.91) Slide 12 (1) Excludes unamortized discount (2) Leasing railcar equipment has a net book value of \$4.6 billion, excluding deferred profit and including partially-owned subsidiaries Slide 13 (1) Relative to LTM 12/31/13; All numbers on a Continuing Operations basis except for EPS, which reflects Total Company EPS (2) Operating Profit includes Leasing Interest Expense (3) EPS is for Total Company, including Discontinued Operations (4) Excludes \$325mm pre-tax impact of impairment of Goodwill

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amounting to \$1.57 per share; reported FY 2009 EPS was \$(0.91) (5) Beginning in FY 2010, TRIP Holdings Revenues and Operating Profit were consolidated with the Leasing Group (6) See Note in Appendix pg. 21 for Reconciliation of EBITDA; EBITDA for previous years has been adjusted as a result of the divestiture of the Company's Concrete business Slide 16 (1) Before eliminations for Intersegment Sales to Leasing and Intercompany Profit (2) Excludes \$325mm pretax charge for impairment of Goodwill; reported FY 2009 operating loss margin was 39.8% (3) Sources: Historical data as reported per the Railway Supply Institute. 2015-2018 projections are an average of estimates provided by Global Insight (01/15) and Economic Planning Associates, Inc. (02/15) and are provided as a point of reference Slide 17 (1) Includes TRIP Holdings starting in 2007 (2) Includes Partially-Owned Subsidiaries (3) Operations Margin calculated using only revenues and profit from Leasing Operations including Partially Owned Subsidiaries and excludes Car Sales; PBT Margin calculated using Operating Profit from Leasing Operations less Leasing Interest Expense Slide 18 (1) OP Margin excludes a \$5.1mm net gain due to flood-related insurance settlements; reported OP margin 16.3% (2) OP Margin excludes a \$15.5 mm net gain due to flood-related insurance settlements; reported OP margin 19.4% (3) OP Margin excludes a \$3.8 mm net gain due to flood-related insurance settlements and the sale of leased barges; reported OP margin 18.5% (4) Informa Economics (03/2014) Slide 19 (1) Revenues and OP Margin in prior years have been adjusted as a result of the divestiture of the Concrete business in March 2013 (2) Acquired Quixote Corporation in February 2010 which increased Highway Products revenue by 31% during 2010. 23 Footnotes

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