Progressive RAILROADING

BUILT TO DELIVER™
TrinityRail makes rail transportation simple by offering a single point of contact for every type of railcar product and service, all backed by the expertise of an industry leader. Your source for end-to-end solutions.

OUR SERVICES

LEASING
FLEET MANAGEMENT
FIELD SUPPORT

MAINTENANCE
PARTS

INVESTOR SERVICES
MANUFACTURING
THE ROAD TO PREMIER

TrinityRail®, customer-focused and service-centric, is built to deliver on the promise that is rail transportation’s future.
THE ROAD TO PREMIER

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*TrinityRail*, composed of the rail businesses of Trinity Industries, Inc., operates industry-leading railcar manufacturing, leasing, and services businesses through an integrated business platform that is highly customer-centric.

According to Tim Wallace, Trinity Industries, Inc., President and CEO, the vision statement at *TrinityRail* is straightforward enough, “to be the premier provider of rail transportation products and services in North America.”

“We take the word ‘premier’ very seriously,” says Wallace.

They certainly do. Talk to anyone at *TrinityRail* for a few minutes and you’re going to hear that word as well as other unique-to-*TrinityRail* terms that support their vision.

In a tone that’s remarkably consistent (upbeat) and in language that resonates (heartfelt), they’ll talk about *TrinityRail*’s integrated business platform. They’ll talk about their customers and their customers’ needs. How important it is to listen to them. To ask and wait for their answers. Always.

They’ll also talk about passion for what they do, and for doing it the right way. They’ll talk about flexibility and scalability (*TrinityRail*’s resources are unmatched, they’ll tell you). They’ll talk about differentiation — that there’s no company quite like *TrinityRail*.

They’ll also talk about doing their part to nurture the company’s continuous improvement culture. They’ll talk about *TrinityRail*’s people. They’ll talk about, quality, craftsmanship, and safety. They’ll also talk about what they’re doing to better the lives of others in the various communities where they work and live.

At the end of the day, they will tell you it’s all about value. Providing it to customers and providing it with them as they partner to make the growth industry that is the North American

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*TrinityRail* is a leader in the manufacturing, leasing and maintenance of various railcar product segments, notably tank cars. The company’s tank car products and services are extensive.
rail network that much more robust and efficient.

They'll tell you that's what premier means.

“We spent a lot of time fifteen years ago thinking about this, and the word 'premier' stuck, just because it doesn't mean biggest,” says Eric Marchetto, Senior Vice President of Trinity Industries Inc. and Group President of TrinityRail. “It's a special word.”

Part of what makes “premier” special is that it isn't a destination you reach; once you think you've gotten there, you've missed the point of the journey.

Like the improvement component of continuous improvement, premier is something you strive to be every day — and not a word you should spend too much time trying to explain.

“We really don’t get to define premier — our customers define it,” Marchetto says. “And they'll vote with their business. So premier is more of an aspirational word for us.”

So, when you see TrinityRail's tagline of “Built to Deliver,” understand that it’s not just about building railcars. It’s about building an organization committed and focused on delivering value to their customers. That’s the road to premier.

A COLLABORATIVE CULTURE

The journey that is Trinity’s road to premier began long before the company entered the rail space some fifty years ago. Trinity Industries had its beginnings in the merger of two companies, Trinity Steel and its more established competitor, Dallas Tank. Both were companies that made transport and storage tanks for butane and liquefied petroleum gas.

In 1946, W. Ray Wallace became the seventeenth employee at Dallas-based Trinity Steel. With the merger of the two companies in 1958, he became President of Trinity Steel and began a forty-year odyssey as the leader of Trinity. In 1966, Trinity Steel became Trinity Industries, Inc. Wallace’s son, Tim, now serves as Trinity Industries’ President and CEO.

“Listen to Tim Wallace talk about his dad, W. Ray,” says Paul Mauer, Executive Vice President of TrinityRail and President of TrinityRail Products, LLC. “His dad built this company on getting it done and delivering to our customers.”

TrinityRail is built to deliver, but it’s also built to be collaborative.

“It’s not a ‘me’ culture — it’s much more of a ‘we’ culture. It’s collaborative,” Marchetto says. “If you're a 'look at me' person, the culture’s going to kind of reject you. I also think there’s a humbleness to us.”

This culture is a perfect fit for an organization that plans to be customer-focused for the long haul. The conditions are right for venturing out on that continuous improvement journey.

At TrinityRail, there are organizational synergies between engineering, manufacturing, leasing, and a rapidly growing menu of rail transportation services that drive value for all...
the company’s stakeholders, company leaders say.

“This is where the integrated platform that we have makes a difference,” says Mauer, who’s been with Trinity for twenty-five years. “We provide a different point of view in the marketplace. We have all these different touch points others can’t see, and a unique ability to service the railcar product lifecycle.”

More and more, TrinityRail customers are relying on the company’s comprehensive platform of integrated railcar products and services.

“I like to tell people we’re not a pure products company. We’re not a pure leasing company. We’re not a pure maintenance services company. We’re TrinityRail,” Mauer says. “We provide differentiated and innovative solutions that customers can’t get from anybody else.”

THE INTEGRATED PLATFORM:
A FOUNDATION FOR GROWTH

TrinityRail has worked to harness the power of its integrated platform to meet the goal of providing an unparalleled customer experience. The focus? To optimize the ownership and usage of railcars to make rail transportation more economically attractive and compelling.

It starts with the company’s railcar solutions, which run the gamut — tank cars, covered hoppers, autoracks, flat and intermodal cars, gondolas, open hoppers and box cars. TrinityRail has been a long-standing leader in various railcar product segments, notably tank cars. That’s where things started. Trinity’s tank car manufacturing capabilities are unmatched, starting with an industry-leading facility in Longview, Texas. At Longview, pride, passion, and a long-standing commitment to quality, is on display daily.

But it doesn’t end there. TrinityRail also operates state-of-the-art facilities in Sabinas and Monclova, Mexico; Saginaw, Texas; and Cartersville, Georgia. The result is an expansive yet flexible manufacturing footprint that enables the company to meet any customer need. In the past thirty years, Trinity has produced over half a million new railcars for customers throughout North America.

But it goes beyond manufacturing. It’s about developing a broad service portfolio, a focus on customer service, industry knowledge, and expertise. It’s about industry leadership. And that shines through in all aspects of the integrated platform.

TrinityRail provides an owned, partially owned, and managed lease fleet of more than 122,000 railcars along with decades of leasing and risk management experience.

The way we’ve grown our lease fleet, with our organic growth over the last twenty years, — no one originates railcar leases like us,” says Marchetto, who joined the company in 1995 as an accounting manager for the leasing business and has held a variety of positions since, most recently Chief Commercial Officer, before being named TrinityRail’s President in March. “We originate full service leases on new or existing equipment. We deliver them to our customer when they need them and service the railcar through its lifecycle. That’s what keeps them coming back. And that is a differentiator.”

The Products and the Leasing and Management Services units support the integrated platform by providing:

• a broad portfolio of durable and reliable products;
• one of North America’s largest and fastest-growing lease fleets with a diversified product offering;
• a flexible manufacturing footprint to respond to any customer need;
• an increasing array of maintenance and modification services; and
• a premier customer service experience that partners with customers to enhance their business.

“Our objective is to deliver a premier customer experience through superior service and innovative solutions while generating a recurring source of revenue and income,” as Brian Madison, President of TrinityRail Leasing and Management Services, put it during Trinity Industries’ Investor Day in New York City last fall.

MAINTAINING AN EDGE

While delivering rail transportation products and services is TrinityRail’s stock-in-trade, the experience and expertise of its people — combined with their commitment to excellence — helps customers get the most out of their railcar investment, TrinityRail execs say.

Enter TrinityRail Maintenance Services, which provides general maintenance and repair, railcar modifications, and a growing aftermarket parts business. In addition, the Cartersville, Georgia, Autorack Service Center delivers the company’s new RecertPlus™ program.

“We’ve taken a bit of our OEM production line operating model and applied to our maintenance business,” says Neil West, President of TrinityRail Maintenance Services. “While others may approach maintenance with a job shop mentality, we’re driving operating leverage and efficiencies that benefit the customer with a predictable schedule and a goal of providing industry-leading turn times.”

One of North America’s leading providers of railcar parts, TrinityRail’s customer-focused Parts Group also fits the integrated platform model to a “T”. The group’s goal is simply to provide customers with a single resource for
parts for almost any type of car. And if they don’t have it in their inventory, they can produce it based on customers’ drawings — or from TrinityRail’s own. Their comprehensive library includes drawings from TrinityRail and former car builders that have been acquired over the years, including Thrall Car, Ortner Freight Car, Greenville Steel Car, Pullman Standard, and others.

“We are repositioning our Parts business with a proactive, customer-focused approach. If our customers need us, we’re there for them,” says Elizabeth Zamora, Director of Commercial Sales for Parts. “We don’t wait for them to contact us — we’re reaching out to them whether we’re aware of something or not.”

The same goes for the dedicated specialists that make up the Field Support effort. Specialists can be dispatched to customer locations throughout North America to provide comprehensive training on all TrinityRail equipment, including proper loading and unloading procedures.

“Our work starts with operational training when we deliver the first car,” says Clay Howard, a Trinity veteran who led the effort to create the group. “It’s something nobody does quite like TrinityRail. We’re seeing a lot of new people coming into the industry and there’s a growing need for safe operations and technical training.” But that also brings additional opportunities. Shawn Davis, Vice President of Field Support, adds, “Our Field Support team provides training but are also advisors and consultants. Our people are there on-site, working with customers to unlock the full potential of their rail fleet.”

DIFFERENTIATION: IT’S IN THE DETAILS

Identifying customer needs and finding ways to meet them is what being in business is all about. Being good at it is a differentiator. Being good at it and getting better at providing value over the long haul is what continuous improvement is all about.

“It’s also what TrinityRail is all about. “I don’t think our industry always sees itself as providing something of value to customers,” Marchetto says. “Our industry tends to commoditize everything we do.”

“One result: The industry tends to compete on price, he says.

There’s a better way, Marchetto and his Trinity colleagues believe.

“What we’re trying to do is differentiate value — whether it is service differentiation or product differentiation,” Marchetto says.

For example, TrinityRail is expanding its maintenance footprint, growing its Field Support group and continuing to push the new product development envelope, unveiling
three new products so far this year: two hopper cars for grain service and an autorack (see “Of Differentiation and Product Development” on page 6), with more on the way.

Experience and expertise can separate companies from the pack. But there is always room for improvement. An example is the new Hourglass™ autorack, one of these new products. This new car offers increased interior width compared to conventional autoracks.

“All the auto manufacturers are putting more focus on higher profit margin vehicles, crossovers, SUVs and trucks, as opposed to small cars,” says Robert DeGroot, Senior Vice President of Railroad Sales and Leasing. “After talking to our Class I customers, we found a way to get more real estate inside the autorack.”

“We’re an OEM, a major supplier of autoracks. But we also support the industry with our Parts Group and have a growing focus on new service offerings. This is very market leading,” says DeGroot, who’s been with TrinityRail the past twelve years after serving in the R&D and field service/sales areas with Ellcon National for eighteen years.

“Recognizing a need in the marketplace, and developing something that met or exceeded their needs — this is what it means to be a premier provider,” he adds.

TrinityRail’s automotive expertise also has extended to its Cartersville, Georgia, facility, which now serves as an Autorack Service Center.

“Cartersville has strong competencies and deep experience around the Autorack product line,” DeGroot says. “With the desire from our customers for a differentiated level of service and output, we were able to bring something new to the market with a highly experienced workforce.”

Enter RecertPlus™, a new service offering that can cover blast/corrosion removal; a two-coat paint system; a modern auto securement system; deck replacement; tri-level to bi-level conversion; and derack/rerack on new or existing flat cars. Also available is TrinityRail’s leading SealSafe® radial door.

TrinityRail began offering RecertPlus about a year and a half ago. Cartersville continues to prove they are unmatched in the autorack space and customers are happy, DeGroot says.

“Because of our expertise, we were able to differentiate our products and services,” he says. “By listening to your customer, you can drive innovation. And we have by hearing what our customers say and working toward a solution to help them out.”

**THE CUSTOMER-CENTRIC QUEST**

It’s really simple.

“It comes back to recognizing you’re in the service world — you have to put the customer experience at the forefront,” says Madison, who joined Trinity in 2016 following
TO DEVELOP INNOVATIVE RAILCAR PRODUCTS the market needs and ultimately embraces, you need to know your industry. You need to know the market.

You need to know what you’re talking about.

You also need laser-like customer focus. You need to listen to your customers and articulate what you’ve learned to your team.

You need to know what your customers are talking about.

Innovation, then, is right up TrinityRail’s alley. The company has been pushing the product-development envelope for decades.

“Market insight and customer feedback are driving our view of the future of rail transportation,” says Harry Zander, Senior Vice President of Product Development. “Safety, efficiency, and flexibility are key elements of our strategy.”

Those elements clearly factored into the design, development, and production of three recently unveiled railcars: the TrinFlo™ covered hopper, a 5,459-cubic-foot covered hopper, and the Hourglass™ autorack.

The TrinFlo is a covered hopper for grain service featuring TrinityRail’s patented longitudinal-discharge unloading system. The TrinFlo is “shorter than any other grain car in the space,” Zander says. “And unloading can be measured in seconds, not minutes.”

Easily adjustable, the door system promotes ease of maintenance and enhanced operational efficiencies. With a reduced car length, the TrinFlo offers optimized unit train operation. In addition, the car offers a high side sill for easier access to the outlet gates, and additional options to meet specific shipper needs.

In 2006, a team was formed to envision a new coal car. No preconceived ideas. No assumptions. Just a blank sheet of paper. The result was the RDL™, a longitudinal discharge coal car, the latest in Trinity’s line of industry-leading Rapid Discharge® cars. “We ended up adopting that technology for the aggregate market with the RDL-A™,” says Robert De-Groot, TrinityRail’s Senior Vice President of Railroad Sales and Leasing. “Then we thought: Why can’t we do the same thing for the covered hopper market?” They could and they did.
The TrinFlo is the best of both worlds: a new concept bringing innovation into the agricultural space but based on proven, industry-accepted technology.

To date, TrinityRail has produced over 7,400 longitudinal discharge cars.

“We put the doors on the bottom of the car — the floor falls out — and we took out all that space and brought up all that additional capacity,” DeGroot says. “It allowed us to shorten the car. It’s three feet shorter than the shortest grain car out there today. So you can put more cars in the same train length. That’s a huge efficiency gain alone.”

The design is scalable across multiple covered hopper sizes to meet specific shipper needs. To date, 3,902 and 5,211 cubic foot versions have been produced.

The TrinFlo covered hopper was formally introduced to the market at the National Grain and Feed Association’s (NGFA) annual convention in March, says Zander, adding that customer feedback was crucial to the car’s development.

The TrinFlo wasn’t the only innovation TrinityRail offered up at NGFA. The company also unveiled a 5,459-cubic-foot hopper. This conventional unloading, three-pocket covered hopper is a curved-sided, through center sill car optimized for agricultural or similar products. Efforts have been made to optimize the car’s capacity, length, and lightweight.

“It looks like we’ve exceeded all our goals on this car,” says Zander.

In mid-May, TrinityRail hosted members of the Vehicle Equipment & Quality (VEQ) Taskforce at its Cartersville, Georgia, Autorack Service Center where they were introduced to the new Hourglass autorack.

Named for its shape, the Hourglass offers greater inside width at selected areas in the car. It boosts capacity, enhances ergonomics, enables greater throughput, and promotes damage prevention — all while fitting in standard autorack loading patterns.

“In talking with our Class I customers, we learned they were looking for ways to get more real estate inside the autorack,” DeGroot says. “Through our engineering group, we went right to the clearance lines of the AAR guidelines for greater inside width. We think there’s a great chance for substantial reductions in vehicle damage. But the primary aim was giving the loaders more room and creating the opportunity for a safer and better working environment.”

In field trials, the customer response to the Hourglass “has been an absolute home run,” Zander says, noting that customers had expressed demand for the Hourglass prior to the formal launch.

“The Hourglass is an example of what we’re about,” DeGroot says. “It’s us going out and listening to customers’ needs, then taking it one step further.”

It’s also TrinityRail, with its laser-like customer focus, differentiating itself in the marketplace.
WE DON’T TALK ABOUT THE FUTURE, WE BUILD IT.

As North America’s premier provider of comprehensive railcar solutions, more companies rely on our expertise than any other. Thanks to our integrated platform of railcar products and services, we’re able to provide your business with the single source you need for true peace of mind. For more details visit TrinityRail.com.
INTRODUCING THE ALL-NEW HOURGLASS™ AUTORACK

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For more details visit TrinityRail.com.
“TODAY, THERE’S A LOT OF FOCUS on sustainability and the circular economy,” says Lee Verhey, Trinity’s Senior Vice President of Quality Assurance and Director of Compliance. “You used to hear people talking about ‘cradle-to-grave.’ Now, it’s changing to ‘cradle-to-cradle.’ How do we take the products we make and redeploy them? Where can they be repurposed — not put in a landfill somewhere, but given new life?”

This cradle-to-cradle commitment is anything but rhetorical: It’s real, Verhey says. “You see it operationally, in our plants,” Verhey says. “At our Longview, Texas, facility we’ve installed a system that takes paint fumes and incinerates them so we limit emissions to the air. We have wastewater treated. But we’re also looking at our railcar designs. What most people wouldn’t even think of is a railcar is pretty much one hundred percent recyclable.”

This is a real commitment and is evident in the company’s membership in Responsible Care®, the chemical manufacturing industry’s environmental, health, safety, and security performance initiative.

For the past three decades, Responsible Care has helped American Chemistry Council (ACC) member companies enhance their performance and improve the health and safety of their employees, the communities in which they operate, and the environment as a whole.

“Responsible Care is not a buzz term,” says Verhey, who serves as Responsible Care coordinator. “It’s a formalized approach to sustainability, to participating in this circular economy. It’s a way of making sure our products are designed, manufactured, and used in a way that truly supports sustainability and reduces the environmental impact.”

Responsible Care members and partners pledge to improve environmental, health, safety and security performance for facilities, processes, and products throughout the entire operating system.

Companies also are committed to open and transparent reporting and undergo mandatory headquarters and facility audits to certify their performance. Trinity’s been a partner member of Responsible Care since 2008.

“We are committed to improving safety, security, and sustainability,” Verhey says. “We didn’t join because it was going to get us there. We already were there. But Responsible Care is a way to demonstrate our commitment in a manner that gets marketed through the ACC. We want customers to know we’re committed.”

TrinityRail’s premier tank car operations in Longview, Texas, are one example of the commitment to sustainability and to thinking “Cradle-to-Cradle.”
a lengthy career in banking and lease equipment finance. “It’s how decisions are made and relationships are managed. Ultimately, if we take care of our customers, everything tends to work out from a P&L standpoint. It’s that stickiness factor.”

Easier said than done, of course. How do you achieve that proper level of stickiness? How do you retain customers? How do you ensure everyone stays the course? How do you all stay on that premier provider track?

For Leasing and Management Services, a five-pillar strategy helps keep them on track. They remind themselves they’re all about:

• building an outstanding customer experience;
• providing premier customer service;
• driving innovation, as in identifying new technologies and processes to help TrinityRail get better;
• having superior portfolio and risk management expertise;
• executing with great people.

“One, we make promises we will keep,” Madison says. “Two, we want to be easy to do business with. Three, we understand our customer’s needs and how to best meet them.”

The same goes for the Maintenance Services business. “This is a service business. It’s all about the customer experience,” West says. “It’s just like maintaining your automobile. It has to be done, but how do you do it so that the customer is impacted the least? How do you share information transparently so the customer is always apprised of the situation? How do you go about returning the railcar as quickly as you can?”

Going forward, West wants to offer customers more “self-service portals and optionality,” to enable them to know where their railcars are at any time in the maintenance process.

The Parts Group is on board. “We follow the three Ts: Taking care of the customer and each other, Transparency, and Trust,” says Zamora, who’s been with Trinity nearly nineteen years, all of them with Parts.

Of course, taking care of the customer, being transparent and building trust isn’t a one-time thing, or something you say you do. You do it. And you do it. And you have to keep doing it.

“We want to build the relationship over time,” says John Guarino, Vice President, Parts for TrinityRail. “It’s the only way you can meet their needs but also help them meet their goals. They have to trust us.”

For them to do that there needs to be communication. Lots of it. To that end, Zamora has been spending much of her time out with customers.

“A lot of people are new to the industry,” she says. “We have the knowledge and the experience. Now that we are out talking to customers face to face to better understand their needs, it’s starting to pay off with new business.”
But there’s plenty of work to do, Zamora and Guarino know. “We’re just getting started,” says Guarino, who’s been with the company for twenty-four years. “The long term is really what matters.”

‘PEOPLE HERE WANT TO GET BETTER’

How do customer-centric companies stay in tune with customers’ current needs while also being mindful of their future needs?

They keep asking. They keep listening. There’s no end to the process. If anything, the leadership team at TrinityRail has been doubling down on it.

“I think we’ve surveyed customers more in the last year than the industry has in five years,” Marchetto believes. “We want to get that feedback. In the self-service world of iPhones and computers, how do we do more of that? How do we get that 360-degree view?”

To get it, the company has invested in a variety of systems and tools.

Earlier this year, TrinityRail Leasing and Management introduced an automated follow-up survey mechanism so that “each time we complete a maintenance event or car assignment with a customer, we automatically follow up,” Madison says.

So far, the response has been overwhelmingly positive. “But we will always strive for one hundred percent,” he says.

It’s not just about getting positive feedback. It’s also about mindset. Culture. And having the right team in place. That’s what drives results.

“You’ve got to have a great team if you want to have a great customer experience,” Madison says.

Great teams don’t just happen. They don’t just come together. They’re built, nurtured and trusted. Then empowered. At TrinityRail, team-building is part and parcel to of the road to premier.

It’s all part of what it means to put customers first. And again, a customer-centric organization starts at the very top.

“When I think about our leadership and our style, it’s very people-centric,” West says. “We’ve found that, if you’re authentic in your leadership style, and you treat people well, and are transparent, you get discretionary energy from them. It creates an environment that’s very engaged.”

Adds Madison, who’s experienced his share of work environments:

“The thing I notice about the culture at Trinity — there’s a passion here for serving our customers that is unequaled in my lengthy career in equipment finance and leasing,” he says. “And that, in turn, makes it just a great company to be a part of. Our people genuinely care about all aspects of our business. They want to be the best, and want to do what it takes to make that happen. I don’t have a lot of persuading to do — people here want to be the best.”

GROWTH AND CONTINUOUS IMPROVEMENT

TrinityRail will need that want-to-be-the-best attitude to stay the continuous improvement course. And to stay the growth course.

“There are opportunities to grow,” Marchetto says. “The best way to take advantage of those opportunities is to keep getting better.”

In the railcar maintenance realm, an aging North American fleet also affords opportunities.

“We invested quite a bit of capital in this business over the last five years, in part to expand and enhance our network, but also to support an increasing number of tank car modifications and to support the rapid growth of our own lease fleet,” West adds.

But according to Madison, you’ve got to maintain that laser focus on the customer.

“We have to continue to differentiate our business on the customer experience,” Madison says. “Becoming known for executing well, and making and keeping promises, is huge.”

It’s about investing in people and new ways of looking at things. It’s about an enhanced data and analytics vision that transforms data into insights that drive business outcomes. Finding ways to better understand and anticipate future customer needs. It’s all a part of the integrated business platform.

Current flat traffic volumes notwithstanding, the North American freight-rail industry still can be a growth industry — infrastructure capacity would be a problem now if rail traffic levels weren’t flat. The projections of significant traffic increases by 2035 haven’t changed.

But beyond traffic, it’s believed the freight-rail industry in North America is entering into a transformative period. New technology. Looking at new ways to manage railcars and the products they carry. New equipment to carry those products. Enhanced service opportunities covering more and more of the freight transportation logistics chain.

“It’s the broad portfolio of products and services we have — it’s who we are,” Marchetto says, referring to the integrated platform. “You never know what the markets will demand, but we think we’re well-positioned to meet them both today and tomorrow.”

“As Tim Wallace said during the investor conference last fall, there’s a big world out there in rail transportation and logistics, and our industry is only participating in a small part of it,” Mauer says. “We’re in great position to participate more.”

In short: TrinityRail is built to deliver on the promise that is rail transportation’s future.