Trinity Industries, Inc. (TRN)

Updated March 5th, 2026, by Yiannis Zourmpanos

Key Metrics

Current Price:	$34	**5 Year Annual Expected Total Return:**	13.8%	**Market Cap:**	$2.73 B
Fair Value Price:	$39	**5 Year Growth Estimate:**	8.0%	**Ex-Dividend Date:**	04/15/26[1]
% Fair Value:	88%	**5 Year Valuation Multiple Estimate:**	2.5%	**Dividend Payment Date:**	04/30/26[2]
Dividend Yield:	3.6%	**5 Year Price Target**	$57	**Years Of Dividend Growth:**	16
Dividend Risk Score:	C	**Sector:**	Industrials	**Rating:**	Hold

Overview & Current Events

Trinity Industries (TRN) is a leading provider of rail transportation products and services in North America. The business of the company is classified primarily under two reporting segments: Railcar Leasing, which owns and operates a fleet of railcars and provides third-party fleet leasing, management, and administrative services, and the Rail Products Group, which manufactures and sells railcars and related parts and components and provides railcar maintenance and modification services.

On February 12th, 2026, the company announced results for the fourth quarter of 2025. Trinity reported Q4 non-GAAP EPS of $2.31, beating analysts' estimates by $0.03, and revenue of $611.2 million, which was down 2.9% year-over-year.

Trinity Industries reported strong fourth-quarter results, highlighting the continued strength of its railcar leasing platform. Results were boosted by a $194 million non-cash pre-tax gain tied to the restructuring of a railcar investment partnership. Operational metrics remained robust, with lease fleet utilization at 97.1% and a positive Future Lease Rate Differential (FLRD) of 6.0% at quarter-end, reflecting favorable lease repricing trends. During the quarter, Trinity delivered 2,945 railcars and recorded 1,800 new orders, reinforcing steady demand across its leasing and manufacturing platforms.

For the full year, Trinity generated revenue of $2.2 billion and earnings per share of $3.14, up $1.33 from the prior year. Operating cash flow reached $367 million, while gains from lease portfolio sales totaled $91 million, contributing to strong capital generation and a return on equity of 23.2%. The company delivered approximately 9,500 railcars in 2025 and ended the year with a backlog of $1.7 billion. Management noted that rising lease rates and active portfolio management continue to unlock value within the company's railcar fleet. Looking ahead to 2026, Trinity expects industry deliveries of roughly 25,000 railcars and projects EPS between $1.85 and $2.10 as it continues to focus on disciplined capital allocation and stable leasing margins.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$2.25	$1.41	$0.70	$1.27	$0.34	$0.56	$0.71	$1.27	$1.64	$3.14	***$1.93***	***$2.83***
DPS	$0.44	$0.50	$0.52	$0.64	$0.76	$0.84	$0.92	$1.06	$1.14	$1.21	***$1.24***	***$2.00***
Shares[3]	152.2	150.9	133.3	119.7	111.2	83.3	81.9	83.4	84.2	80.8	***76.8***	***59.4***

Trinity Industries has been adversely affected by the supply chain disruptions and higher costs after the pandemic outbreak over the past two years, along with implementing the Precision Scheduled Railroading model. As a result, the company's net income declined to $0.56 per share in 2021 as production inefficiencies and increased cost pressures weighed on the company's margins. However, the near-term outlook has improved with the re-opening after COVID lockdowns and increased demand reflected by the current book-to-bill ratio of 5 times.

With an improving demand environment for the TRN, we expect the company to post EPS of at least $1.93 in 2026. We maintain our EPS growth forecast of 8% over the next five years, leading to our estimated EPS of $2.83 by 2031. Moreover, the company has a solid record of paying dividends despite operating in a cyclical sector, as Trinity Industries

[1] Estimated ex-dividend date.
[2] Estimated ex-dividend date.
[3] Shares in millions.

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has paid increasing dividends for the past 16 years. We expect the company to maintain its dividend growth and have forecasted a dividend CAGR of 10%, leading to a dividend of $2.00 in 2031.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	6.9	15.1	34.4	16.4	60.0	50.4	38.7	19.6	19.0	9.2	***17.7***	***20.0***
Avg. Yld.	2.8%	2.3%	2.2%	3.1%	3.7%	3.0%	3.4%	4.3%	3.7%	4.3%	***3.6%***	***3.5%***

The railcar manufacturer currently trades at a forward P/E of 17.7, but still considerably lower than the long-term average P/E of 27.0 and the five-year average P/E of 27.4. Even though the declining steel prices and an uptick in demand will benefit the company in the near term, we believe that our P/E target of 20.0 is a fair reflection of its value. Accordingly, with a projected EPS of $2.83 and P/E of 20.0 by 2031, our target price for the stock stands at $57.

Safety, Quality, Competitive Advantage, & Recession Resiliency

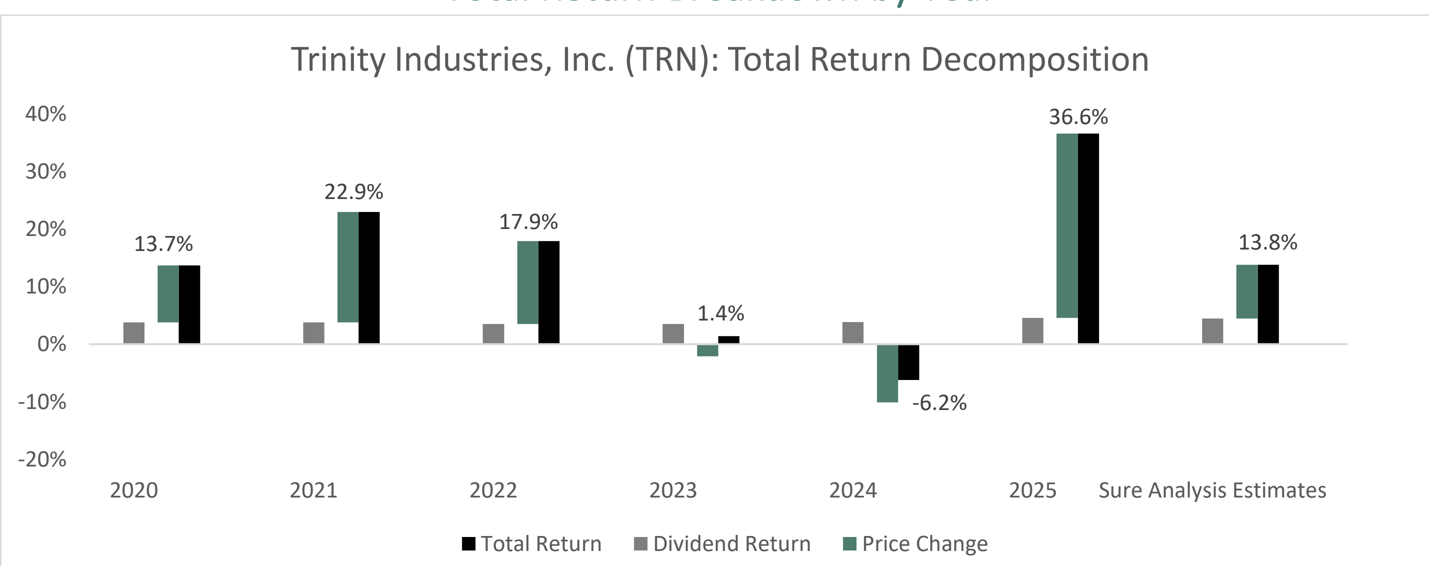
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	20%	35%	74%	50%	224%	150%	130%	83%	70%	40%	***64%***	***71%***

The company has paid a consistent dividend to its shareholders and has a 10-year payout ratio averaging 88%, though the payout ratio has been above 100% in certain years. We expect the company to maintain and increase its dividend in the future. The demand for the company's product has recovered in recent quarters, and we expect the company to be in a much better position in the future than it is today. In addition, the leasing margins continue to improve in a rising rate environment, and the fleet's utilization ought to be high, driven by solid railcar demand. Nevertheless, a recession could adversely affect its performance. Trinity Industries returned capital to shareholders during 2025 through dividends and share repurchases, with total capital returns reaching approximately $170 million for the year.

Final Thoughts & Recommendation

While Trinity Industries runs a capital-intensive cyclical business, increased bookings and reduced cost pressures will be a positive catalyst for EPS growth. Indeed, Trinity Industries' growth prospects could remain strong throughout the cycle. Hence, our hold rating is premised upon 13.8% annualized total returns for the medium-term, derived from the forecasted earnings-per-share growth of 8.0%, the 3.6% dividend yield, a valuation tailwind, and a moderate dividend risk score.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	6,393	3,090	2,397	2,509	2,752	1,750	1,516	1,977	2,983	3,079
Gross Profit	1,737	778	622	570	574	422	355	368	527	668
Gross Margin	27.2%	25.2%	26.0%	22.7%	20.9%	24.1%	23.4%	18.6%	17.7%	21.7%
SG&A Exp.	476	314	339	297	217	341	179	185	202	236
D&A Exp.	266	217	230	252	277	259	266	276	293	294
Operating Profit	1,260	464	283	274	357	81	176	182	325	433
Op. Margin	19.7%	15.0%	11.8%	10.9%	13.0%	4.6%	11.6%	9.2%	10.9%	14.1%
Net Profit	797	344	703	159	138	(147)	182	60	106	138
Net Margin	12.5%	11.1%	29.3%	6.3%	5.0%	-8.4%	12.0%	3.0%	3.6%	4.5%
Free Cash Flow	(90)	242	131	(607)	(817)	(46)	41	(980)	(415)	(22)
Income Tax	426	107	(415)	43	59	(274)	16	28	9	50

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	8,886	9,125	9,543	7,989	8,701	8,702	8,236	8,723	8,906	8,832
Cash & Equivalents	786	563	779	179	166	132	167	80	106	228
Accounts Rec	370	379	204	277	260	164	228	324	364	379
Inventories	943	666	403	525	433	285	433	629	684	476
Goodwill & Int.	754	754	209	209	209	147	154	196	222	222
Total Liabilities	4,837	4,814	4,685	5,427	6,323	6,686	6,939	7,455	7,631	7,525
Accounts Payable	217	156	120	212	204	146	206	288	305	252
Long-Term Debt	3,160	3,025	3,214	4,029	4,882	5,017	5,171	5,608	5,754	5,691
Total Equity	3,654	3,919	4,501	2,211	2,030	1,739	1,030	1,012	1,037	1,059
LTD/E Ratio	0.86	0.77	0.71	1.82	2.40	2.89	5.02	5.53	5.55	5.37

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	9.1%	3.8%	7.5%	1.8%	1.6%	-1.7%	2.1%	0.71%	1.2%	1.6%
Return on Equity	24.0%	9.1%	16.7%	4.7%	6.5%	-7.8%	13.1%	5.9%	8.3%	10.7%
ROIC	11.3%	4.7%	9.1%	2.2%	2.0%	-2.1%	2.7%	0.90%	1.5%	2.0%
Shares Out.	152.9	152.2	150.9	133.3	119.7	111.2	83.3	84.20	8340	84.2
Revenue/Share	42.00	20.79	15.77	17.14	21.62	15.10	14.61	23.48	35.77	36.57
FCF/Share	(0.59)	1.63	0.86	(4.14)	(6.41)	(0.40)	0.40	(11.63)	(4.97)	(0.26)

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.