

**2026 First-Quarter Earnings Conference Call****May 7, 2026****Operator:**

Hello. Thank you for standing by. My name is Tiffany, and I will be your conference operator today. At this time, I would like to welcome everyone to the GATX 2026 First-Quarter Earnings Call. (Operator Instructions) I would now like to turn the call over to Shari Hellerman, Head of Investor Relations. Shari, please go ahead.

**Shari Hellerman:**

Thank you, Tiffany. Good morning, thank you for joining GATX Corporation's 2026 First-Quarter Earnings Conference Call. I'm joined today by Bob Lyons, President and Chief Executive Officer; Tom Ellman, Executive Vice President and Chief Financial Officer; and Paul Titterton, Executive Vice President and President of Rail North America.

As a reminder, some of the information you'll hear during our discussion today will consist of forward-looking statements. Actual results or trends could differ materially from those statements or forecasts. For more information, please refer to the risk factors included in our earnings release and those discussed in GATX's Form 10-K for 2025 and our other filings with the SEC. GATX assumes no obligation to update or revise any forward-looking statements to reflect subsequent events or circumstances.

Earlier today, GATX reported 2026 first-quarter diluted earnings per share of \$2.35. This compares to 2025 first-quarter diluted earnings per share of \$2.15. I'll briefly address each of our business segments. After that, we'll open the call up for questions.

Despite heightened macroeconomic uncertainty, our businesses delivered results in line with expectations in the first quarter. At Rail North America, demand for railcars in the existing fleet remained steady. As noted in the earnings release, starting this quarter, Rail North America metrics and statistics reflect the combined legacy fleet and the Wells Fargo fleet. At the end of the first quarter, Rail North America's fleet utilization was 98.1%. This was consistent with our expectations given the inclusion of the

Wells Fargo fleet, which was at 96.5% utilization entering 2026.

Renewal activity remained strong. The renewal success rate was 79.1%, and we continue to achieve lease rate increases while extending terms. The renewal rate change of GATX's Lease Price Index was 22.3%, and the average renewal term was 56 months. With a little over two-thirds of the combined fleet re-priced in the current favorable lease rate environment, we see meaningful runway to enhance financial performance across the remaining fleet.

We continue to successfully place new railcars from our committed supply agreement with a diverse customer base. Through the first quarter, we've placed over 8,400 railcars from our 2022 Trinity Supply Agreement. Our earliest available scheduled delivery under the Supply Agreement is in the fourth quarter of 2026. Additionally, supported by a robust secondary market, we generated about \$50 million in gains on asset dispositions in the quarter.

At Rail International, railcar demand in Europe remained steady despite ongoing macroeconomic pressure in the region. Fleet utilization at the end of the first quarter was 94.7%, unchanged from the prior quarter.

In India, policy support and economic growth continue to drive strong demand for railcars. GATX Rail India's fleet utilization remained at 100% at quarter end.

Within Engine Leasing, our joint venture with Rolls-Royce and our wholly owned engine portfolio produced excellent operating results in the quarter. Lower earnings at RRPf compared to the prior year quarter were driven by the timing of remarketing activity, which as we've discussed, can be lumpy from quarter to quarter. Demand for aircraft spare engines remains strong, supported by resilient global passenger air travel, though we continue to closely monitor the evolving geopolitical environment and its potential impact on air travel trends.

With that quick overview, we can open the line up for questions.

## QUESTION AND ANSWER

### Operator:

(Operator Instructions) Your first question comes from the line of Andrzej Tomczyk with Goldman Sachs. Please go ahead.

### Andrzej Tomczyk:

Awesome. Thanks, operator, and morning, everyone. Thanks for taking my questions. Was just curious starting off with the integration of the Wells Fargo fleet and the recent deal. Just wanted to dig a little deeper on how integration is going there; if you're able to share any milestones or updates there. Then, just a reminder on how we should think about synergies in 2026 and 2027.

### Bob Lyons:

Sure, Andrzej. It's Bob Lyons. I'll take that one to begin with. First of all, the integration is going very well, probably ahead of where we anticipated we would be today. As we noted back in January, we did the cut-over of all of the fleet data in one step on January 1<sup>st</sup>. That was a major undertaking, and it was very successful.

We've onboarded a number of new employees, many from Wells Fargo. We're thrilled to have them here with us. The original headcount numbers that we laid out and the expectations for that incremental SG&A are all in line.

From a customer perspective, the reaction has been very positive. Anytime there's a change of this magnitude, there's always things to work through, like contract structures and billing and cash distributions, et cetera. We're addressing issues as they come up, but there's been zero surprises.

On top of that, we've added about 300 new accounts through the acquisition -- new customers, bringing our total customer base to well over 1,000. Many of those are companies we've done business with before in the past, so we know who they are, and they're all in industries that we know really well, so the learning curve was not very steep. By and large,

the largest customers in the portfolio are names that we know very well.

As I laid out in terms of -- back in January, the full-year impact of the joint venture would be somewhere in the \$0.20-\$0.30 range, and we're certainly on target for that.

### Andrzej Tomczyk:

Great, thanks. As a follow-up, do you believe there will be more consolidation in the leasing space sort of over the medium term, or is it sort of the case that most of the major players are set in a good place at this point? Maybe just broadly how you're assessing competition in the space and how that shows up in bidding activity of late, whether that's on the buy or sell side.

### Bob Lyons:

I wouldn't really want to speculate on other potential transactions in the marketplace or consolidation in the marketplace -- that's a bit difficult for us to predict. Given the size and scale we're at today, we're really focused on making sure we maximize the returns on our portfolio. Competitive landscape, it's a competitive market; that's not going to change. There's a number of big, full-scale lessors that we compete with on a regular basis.

There's a far lengthier list of institutions that have fleets in the sub-100,000, sub-50,000 car range that are extremely active in the marketplace. We see them often when we compete for transactions in the secondary market, other portfolios that get offered, and they're very active buyers of GATX's assets. We saw that in this quarter, and we expect to see it through the full year where that secondary market is incredibly robust. Capital continues to flow into this market. A lot of people recognize the value proposition that owning railcars presents, and so we're seeing a lot of activity and a lot of interest in our secondary market offerings.

### Andrzej Tomczyk:

Understood. Just in terms of the overall GATX North America consolidated fleet now, where do you see that overall fleet in sort of 3 to 5 years

from now? If you could share how you're thinking about adds versus selling or scrapping of the fleet over the near- to medium-term. 'Cause I know historically you sort of balanced out your fleet between what you add and sell over a given period. Sort of just wondering if we should think the same way going forward, if it's largely flattish for the foreseeable future.

**Bob Lyons:**

Yeah, just from normal fleet activity, I would say that's a fair assumption right now. Obviously, if we see opportunities to buy additional railcars in the secondary market or direct new cars, we'll do that. And same on the sell side -- as we're always looking, what's the best way to generate the most attractive return for our shareholders and optimize our portfolio. We're always going to look at sell opportunities. But from a kind of forecasting, budgeting standpoint, I'd start in the same place we do, which is kind of keeping the fleet generally in the same car count where we're at today.

**Andrzej Tomczyk:**

Got it. Then just one more for me on leasing. One of your peers recently indicated that they believe the market value of their fleet is 35% to 45% above its book value. I was just curious if GATX has assessed that same metric in terms of market value versus -- the market value of your lease fleet relative to the book. I know you have the engine leasing as well, so maybe you possibly break those out. However you guys think about it. Was just curious if you had any thoughts there.

**Tom Ellman:**

Andrzej, this is Tom Ellman. What I'll tell you is, obviously, we're very active in the secondary market in both the North American rail market and the aircraft engine leasing market. You can see from the consistent returns that we deliver. If you look over the last decade, we've averaged over \$70 million a year in gain on sale of assets. Clearly, there's a lot of value there. A theoretical quantification probably doesn't provide a ton of value since we see it in a very practical way when we receive actual cash for the assets we sell.

**Bob Lyons:**

Yeah, I would just add to that, too -- I mentioned previously that there's a lot of capital that over the course of the last 10 or 15 years has come into the railcar leasing space. We continue to see it. It's -- while we have to deal with that from a competitive standpoint from time to time, we understand the logic. These assets are tremendous stores of value. They generate outstanding cash flow, very high-quality cash flow over very long periods of time. They're attractive assets to own for a lot of different types of institutions. Yeah, we do think about that, and we try to optimize that when we're both buying as -- in the most disciplined manner we can and then also optimizing the fleet and taking those opportunities to sell assets to others.

**Andrzej Tomczyk:**

Understood, thanks for the color. Just last for me, shifting once to Engine Leasing. Was just curious are there any incremental thoughts related to the airline industry capacity impacts into your engine leasing business with Spirit now going away? Also, just broadly in the geopolitical and elevated commodity price environment, if that's impacting lease rates at all. I just think the engine leasing affiliates was down year over year, as you mentioned. Curious what drove that and if you expect engine leasing to the affiliates to be back to year-over-year growth here in the near term. Thanks.

**Tom Ellman:**

Yeah, Andrzej, I'll start with the back half of your question first and then come back to the front half. Income from operations in the Engine Leasing business was actually up year over year, and that was due to more engines on lease at higher lease rates.

As you know -- as those of you who have followed us for a while now -- remarketing income in the Engine Leasing business can be very lumpy. Indeed, it was very lumpy in the first quarter. The remarketing income as a percent of earnings from the joint venture was less than 10% in the first quarter. Over the last couple of years, it's been about 1/3 of our total

earnings, and indeed, last year it was around 1/3. If you looked at quarter-to-quarter variations -- last time, it was between about 15% on the low end and almost 70% on the high end. It can move quite a bit quarter to quarter. We expect when the year is over, it will be generally consistent with what we've seen historically.

The first quarter, the driver of what was a little bit lower quarter than we've seen the last two was less remarketing income. I want to be very clear that that is unrelated to what's going on in the world right now. It's still a very strong market for remarketing of that asset class. We just expect that that first quarter is normal variation in what is historically very lumpy.

As far as the first part of your question, as I mentioned -- through the first quarter, the business performed very well. Continue to be strong supply demand dynamics in the industry. A lot of demand for our engines, and we expect that to continue going forward. Having said that, obviously, there's a lot going on in the world right now, and we'll continue to watch and monitor the situation.

**Bob Lyons:**

Yeah, if you look at the income contribution from RRP from the joint venture, over the course of the last many years and try to identify a pattern quarter to quarter in earnings, you would find there is no pattern. It can move pretty dramatically each quarter. At the beginning of the year, I said we expected segment profit in Engine Leasing to be in the \$180 million to \$185 million range, which was up from 2025; we still expect that.

**Andrzej Tomczyk:**

Thanks, Bob and Tom. Appreciate the time and thoughts this morning.

**Operator:**

Your next question comes from the line of Ben Mohr with Citigroup. Please go ahead.

**Ben Mohr:**

Hi, morning. Thanks for taking my questions. Congrats on the beat. I wanted to ask for some clarification on your NCI that looks like it's additive, that it was subtracting a net loss. Presumably, this is the amount left out going to Brookfield. Just wanted to see whether that should reverse to be a subtraction from net income in future quarters.

**Tom Ellman:**

Ben, there's kind of two parts to that question that I want to hit. First of all, if you go back to the guidance that Bob provided, it was the total impact of the Wells Fargo Rail transaction. In addition to what's going on in the joint venture itself, you need to look at the management fees that are earned and the incremental SG&A that GATX takes on. When you take those items into consideration, the first quarter was a net positive, all of those combined.

Importantly, going on to the second part that I want to hit, that was with very low asset disposition gains from the joint venture. Bob mentioned at the beginning of the year that we expected those gains to be about \$70 million over the course of the year. In the first quarter, it was about \$2 million, and that was expected. We expected that we would not do a lot of asset sales in the very first quarter, as we focused on integration. We continue to expect to do that over the course of the year. Again, reiterating, total impact in the quarter was positive, and it should be more positive going forward as we do some of those asset sales.

**Ben Mohr:**

Great, appreciate that. Very good print on the LPI, in my opinion, the 22.3% relative to your full-year guide of high teens to 20%. We were coming in around the 20% for the quarter. That's a nice beat. Would you say this is indicative of more sustained strength and catch-up renewal rate gains to be expected over the next couple of years? Or is this somewhat high, based on lumpiness just for this quarter?

**Paul Titterton:**

Ben, this is Paul speaking. I'll take that -- let me just, I think, start with the broad statement that the North American rail market continues to be supportive of solid performance in our business. The same supply/demand dynamics that we've talked about for a number of quarters now continue to persist, which is to say that we're not seeing a lot of new cars enter the market. High scrap prices are causing a lot of older cars to exit the market, and that is causing net fleet shrinkage across the North American rail fleet. Of course, that's very favorable for us in terms of maintaining utilization and maintaining pricing. Overall, we've said for a while the environment is supportive; we continue to see that supportive environment. We don't talk about specific guidance beyond the current year. What I'll say is, we feel very comfortable with the LPI guidance we provided for the, for the year -- for the full year. Again, we continue to see broadly supportive conditions for our business.

**Ben Mohr:**

Great. Thank you for that, Paul. Next one, I'd like to ask about your renewal success rate, that's now in the high 70s, from the mid-80s average from last year. You had noted 4Q was a step up, just based on sort of intra-quarter lumpiness, if you will. So, would love to hear from you, whether this high 70s could indicate some impact from the Iran conflict, or is it just a step down in the quarter we should expect it to come back to the mid-80s average going forward?

**Bob Lyons:**

Ben, I'll start. It's Bob, and then Paul will add to that. Coming into the year, back in January when we gave guidance on the LPI and a host of other metrics, we also provided one for the renewal success rate. At that point, I said it would in all likelihood be in the high 70s to low 80s. That was our expectation coming into the year, the 91% or so -- whatever, that we achieved in the fourth quarter. In my 30 years at GATX, I've never seen one with a 9 in front of it. Around 80% is pretty typical, if you took a very long-term average. That's what we guided

to, and that's where we came in for the quarter, and Paul can add any additional color he'd like.

**Paul Titterton:**

Yeah, sure. I mean, you asked about any impact of the Iran conflict -- what I'll say is, while certainly our customers expressed concern -- we all expressed concern; overall, we're not seeing really any significant deterioration, broadly speaking, in market conditions for leased railcars across North America. Certainly, again, everyone is concerned. If you look at the first quarter, I wouldn't say we've seen significant impacts on the business so far, broadly speaking.

**Ben Mohr:**

Okay, great. Next, I'd like to ask about sort of the higher-than-expected step down in your ending balance of combined North America railcars. It looks like the 98,535 added would be the Wells -- which is a somewhat dramatic step down from the 100,000 that you started with, and also higher scrapping and higher sold in this quarter. Just wanted to ask about puts and takes there. Why was it that the add is 98,000 versus 100,000, versus close to 100,000?

**Paul Titterton:**

Thanks, Ben, for the question. This is Paul speaking again. I think you've got to also include the boxcar fleet, which we report on separately from the overall fleet, which is just under 10,000 cars at the end of the quarter; I think that's a part of it. Broadly speaking, what I'll say is additions and subtractions from the fleet in the first quarter were more or less as expected. We really -- I would say that's kind of the answer to most of the questions on this call, which is that things have gone more or less as expected since the acquisition of the Wells Fargo fleet.

**Bob Lyons:**

(multiple speakers) Sorry, Ben. I was going to say, if you took the -- 9,800 or 98,000 on the fleet, on the non-boxcar fleet, and then roughly another 3,000 or plus on the boxcar side, that gets you to the 101 that we talked about back in January when the transaction closed.

**Ben Mohr:**

Great, appreciate that. One last one from me -- a pretty remarkable step down in North America maintenance expense -- looks like that's at 27.6% of revenue. We were at 31, sort of assuming the qualification test would keep it more elevated. How should we think about that going forward that the maintenance expense level as a percentage of revenue -- should it revert back up to sort of the 30 range from last quarter? Or have you taken additional steps and this is sort of we're seeing more synergy, cost synergy realization play?

**Paul Titterton:**

Ben, this is Paul speaking. I'll start -- basically speaking, in any given quarter, there can be noise in maintenance. For us, what I would say is we are standing by the full-year guidance we gave for maintenance. I wouldn't read too much into the performance, specifically in the first quarter. I would say we're sticking to the overall full-year guide on maintenance.

**Bob Lyons:**

That guide, Ben, was in the range of \$500 million. If you annualize the first quarter, you'd come out a little less than that -- more in the \$485 range. As Paul mentioned, things can move around a little bit from quarter to quarter, but for the full year, we still expect to be right in the range we previously guided to.

**Ben Mohr:**

Great. Thanks so much for the time and for taking my questions.

**Bob Lyons:**

Thank you.

**Operator:**

Your next question comes from the line of Harrison Bauer with Susquehanna. Please go ahead.

**Harrison Bauer:**

Great. Thanks for taking my questions. Maybe starting off just to follow up on the LPI, just want to confirm that that is on the entire North American fleet and not just the legacy fleet. Then building off of that, could you walk through any differences that you're seeing in re-pricing on your legacy versus the Wells fleet as it relates to bringing up the profitability of a lot of that newer fleet that you've brought on? Thank you.

**Paul Titterton:**

Yeah. The LPI for Q1 does not include any material impact from the acquired Wells Fargo fleet. Going forward, obviously over time, the more and more of that, the Wells Fargo fleet will be included in the LPI. Even with that, in consideration, the full-year guidance we provided of high teens to low 20s remains the guidance we're providing.

**Harrison Bauer:**

Okay, that's helpful. Maybe just taking a step back longer term. Paul, at the recent REF Conference, you've outlined a fairly credible case of railcar production potentially being lower for longer, for at least the medium plus term. I'm curious, as you already have an avenue to growing your fleet through owning more of the Wells portion, this JV -- going forward, can you update your views on maybe your long-term supply agreement with some of the railcar manufacturers? Do you expect a difference in maybe your buying new versus used? Just general updates or thoughts on how you expect to replenish your fleet over time.

**Paul Titterton:**

Sure. What I'll say, broadly speaking, is nothing about the Wells Fargo acquisition has changed our long-term view of supply, which is we're going to continue to buy railcars in a variety of different ways. We'll have our programmatic, multi-year supply agreements. We'll buy in the spot market, and we'll buy in the secondary market; that broad diverse approach to procurement is going to continue to be the case. Obviously, we're not going to comment on any

specific procurement efforts, but we would certainly expect that going forward, those same three prongs will apply. Of course, you're aware that we're in the midst of a current long-term supply agreement, which we'll continue to perform on, and then eventually we'll replace that with a subsequent supply agreement when that runs out. Really, nothing has changed in terms of our overall fleet procurement strategy.

**Harrison Bauer:**

Understood. Sort of building off maybe secondary market discussion -- gains came in fairly strong in the quarter, sort of in line with expectations. You mentioned that the Wells fleet wasn't a large contributor of that. Can you give any sense of maybe your assessment of the secondary market if the, maybe the quantity versus the pricing or maybe the gains per railcar -- how we should be expecting that going forward? Do you think that a lot of the secondary market has been traded through at elevated asset prices and therefore might be a bit headwind to gains as you look out to 2027?

**Bob Lyons:**

Yeah. Harrison, I'll start quick just to reiterate what the guidance was coming in the year on gains on dispositions, which was in the range of \$200 million, and that we still expect that to be the case. As we said at the beginning of the year, we expected that to be split about \$130 on the GATX wholly owned side and then about \$70 from the joint venture.

As Tom mentioned, we really haven't started that sale process for assets out of the joint venture. That will come in the latter three -- these three quarters of the year. We still believe we'll be right in that \$70 million range. I'll let Paul comment on just the overall activity in the secondary market.

**Paul Titterton:**

Yeah, the overall activity remains very robust. Certainly, it's not an original statement on my part to say that there's a lot of capital that wants to invest in railcars -- Bob alluded to that earlier; that continues to be the case. What's interesting right now, because we're in such a

muted new railcar environment, really the only place that capital can flow is into the secondary market.

For us as a seller, that's a very nice position in which to find ourselves. We do see a very eager universe of buyers out there that we're interested in transacting with. You asked about gain per car and that sort of thing -- what I'll really say to that is we are opportunistic sellers in the sense that we're going to go where the relative value is most attractive to us, and that could be older cars or newer cars. It could be more expensive cars or less expensive cars. There's really no particular metric I could give you in terms of the specific metrics like that. We're going to seek the highest economic value as we sell. We've been very good at that, but that means that what we sell, and to whom we sell, will be pretty eclectic, depending on where the opportunities are.

**Bob Lyons:**

Yeah. As we talked about, back at -- in January the last time we hosted a conference call -- now with 2x the fleet, that we had previously, we have a lot more options and a lot more ways to go to market, to meet that demand from those secondary market buyers. We're in a very good spot.

**Harrison Bauer:**

Wonderful, that's it for me today. Thank you for the time, guys.

**Operator:**

Your next question comes from the line of Brendan McCarthy with Sidoti. Please go ahead.

**Brendan McCarthy:**

Great, good morning. Thanks for taking my questions here. Just two quick questions from me. I know you mentioned the lease economics continued to support a nice positive LPI for you, right in line with expectations. I did notice the average renewal term has kind of stepped down sequentially a little bit, quarter over quarter. Can you discuss general lease renewal conversations, how those have evolved in the

past quarter? Are, you know, making any concessions on lease term or price or anything?

**Paul Titterton:**

Yeah, this is Paul. I'll start. That is, I would say, largely noise at this point; every renewal conversation is different. We're certainly not seeing any kind of a significantly negative trend in terms of the achievable lease term that's out there, so I wouldn't read too much into that. Some of it may be, and I say, may be, related to the fact that we have a different fleet mix right now, having added the Wells Fargo fleet. One of the things is just in different car type markets, sometimes the market term may be different, so some of this may just be mix. If I sound like I'm speculating, I am -- because of course we're just in the beginning of digesting this fleet. Broadly speaking, I would say we feel pretty confident that there is, for the most part, what you're looking at is noise.

**Brendan McCarthy:**

Got it, that makes sense. That's helpful. Looking out at guidance, you affirmed 2026 full-year guidance EPS. Now that we're one quarter through the year, a little bit through Q2, what, at this point, would cause EPS to come in at the lower end of that range versus the higher end?

**Tom Ellman:**

Yeah. Purely in terms of what drives near term variability, the biggest one is remarketing -- either in Rail North America or at the Rolls-Royce joint venture. Having said that, as we've noted several times, both those markets are very strong; it's just the size of it. Really, what it comes down to when there's variability is, almost always, timing. You can't always predict exactly what quarter things will close. We also mentioned, last quarter, that Rail North America has a big maintenance spend. Bob reiterated today that we thought it'd be close to \$500 million; even a relatively small change there can be impactful and can show up.

Importantly, I would also say we're assuming no material disruption to the global economy in general or the global aviation market, in particular -- and in particular there, to the wide-

body, long-haul routes. To date, we haven't seen material impacts, we'll continue to closely monitor the situation in the world and in the Middle East.

**Brendan McCarthy:**

Understood, I appreciate the detail. That is all for me.

**Operator:**

Your next question comes from the line of Justin Bergner with Gabelli Funds. Please go ahead.

**Justin Bergner:**

Good morning, Bob, Tom, Paul, Shari.

**All:**

Morning.

**Justin Bergner:**

It's a pity that Bloomberg misstated, or perhaps overstated, consensus expectations for the quarter, but it looks like a good start to the year regardless. Just wanted to kick off my questions regarding guidance and the components therein. Has anything changed? Was Rail International stronger than you expected, or was that just a function of kind of a light first quarter comp in 2025?

**Bob Lyons:**

Yeah, Justin, it's Bob. Thank you for the question and thank you for the opening comment. We appreciate that and recognize that as well. As far as kind of the overall mix of the elements that drive the full-year guidance, the first quarter was very much in line with what we expected. As we kind of click through every single key element that drives that guidance, and we look through where we were at in the first quarter; whether it's lease revenue, whether it's gains on disposition or gross maintenance, segment profit at Rail International -- everything kind of fell very close to in line. I would say at this point, not a lot of variance from what we expected, and the quarter played out very much the way we

expected. I'll turn it to Tom, if he has anything he wants to add.

**Tom Ellman:**

No, Bob did a great job, I think, and Paul said it earlier in the call that this recurring theme of things laying out according to our expectations. That's really the key statement is, again, if you - if you went back and pulled up Bob's opening comments from last quarter and kind of ticked through things like he said, you'd see that we're very much in line.

**Justin Bergner:**

Okay, great. That's helpful. You mentioned, maintenance moves can change financial performance. Are you seeing any pressures on maintenance, I guess, beyond what you may have thought coming into the year from inflationary forces?

**Paul Titterton:**

Justin, it's Paul. Yeah, the short answer is no. By and large, as I said, there's noise in the first quarter as there often is, but from a maintenance standpoint, again, more or less, it's a boring answer at this point, but the year is playing out about as expected and we continue to be able to support our existing guidance for that reason.

**Justin Bergner:**

Okay, that's helpful. Then lastly, if I focus on the Wells JV, kind of excluding the maintenance agreement, and I look at that non-controlling interest line, what will cause that to become I guess, shall I say, not a source of income, but a source of expected cost as the year progresses besides higher gains on sale. What else would cause that negative 6.4 to become closer to breakeven and potentially positive?

**Tom Ellman:**

Yeah, Justin. I want to be sure I follow you directionally what we're getting at there. The NCI number indicated a loss for the first quarter. The key reason for that, as noted earlier, was relatively de minimis amounts of asset disposition gains; that really is the key item.

Stealing from the theme we keep going back to, if you look at what revenue was for the JV compared to what we expected it to be, very similar -- the expense line, very similar. That's not surprising because just like the GATX legacy fleet, most of the railcars in the fleet in a given quarter, nothing happens to -- they don't renew; they don't expire.

Similarly, the maintenance expectation for a large number of cars is fairly straightforward. Those things are the items that you could look for to change, but much like the general question on, "What could drive overall change?" the biggest one would be if that \$70 million didn't happen. Then there's, as you look for other potential sources, there's a big gap between the impact of what those might be and that very first one of asset disposition gains.

**Justin Bergner:**

Okay, thank you. That's it for me; I appreciate it.

**Operator:**

That concludes our question and answer session. I will now turn the call back over to Shari Hellerman for closing remarks.

**Shari Hellerman:**

I'd like to thank everyone for their participation on the call this morning. Please contact me with any follow-up questions. Have a great day. Thank you.

**Operator:**

Ladies and gentlemen, this concludes today's call. Thank you all for joining. You may now disconnect.