GATX Corporation

Stifel 2016 Transportation & Logistics Conference



GATX

Unless otherwise noted, GATX is the source for data provided

NYSE: GMT

Forward-Looking Statements

Forward-looking statements in this press release that are not historical facts are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These include statements that reflect our current views with respect to, among other things, future events, financial performance and market conditions. In some cases, forward-looking statements can be identified by the use of words such as “may,” “could,” “expect,” “intend,” “plan,” “seek,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” “continue,” “likely,” “will,” “would,” and variations of these terms and similar expressions, or the negative of these terms or similar expressions. Specific risks and uncertainties include, but are not limited to, (1) the impact of new regulatory requirements for tank cars carrying crude, ethanol, and other flammable liquids; (2) inability to maintain our assets on lease at satisfactory rates; (3) weak economic conditions, financial market volatility, and other factors that may decrease demand for our assets and services; (4) decreased demand for railcars due to sustained low crude oil prices; (5) reduced opportunities to generate asset remarketing income; (6) changes to, or failure to comply with, laws, rules, and regulations applicable to our assets and operations; (7) operational disruption and increased costs associated with compliance maintenance programs and other maintenance initiatives; (8) financial and operational risks associated with long-term railcar purchase commitments; (9) deterioration of conditions in the capital markets, reductions in our credit ratings, or increases in our financing costs; (10) events having an adverse impact on assets, customers, or regions where we have a large investment; (11) operational and financial risks related to our affiliate investments, including the RRPF affiliates; (12) risks related to international operations and expansion into new geographic markets; (13) fluctuations in foreign exchange rates; (14) exposure to damages, fines, and civil and criminal penalties arising from a negative outcome in our pending or threatened litigation; (15) inadequate allowances to cover credit losses in our portfolio; (16) asset impairment charges we may be required to recognize; (17) competitive factors in our primary markets; (18) environmental remediation costs; (19) inability to obtain cost-effective insurance; (20) failure to successfully negotiate collective bargaining agreements with the unions representing a substantial portion of our employees; and (21) other risks discussed in our filings with the U.S. Securities and Exchange Commission (“SEC”), including our Form 10-K for the year ended December 31, 2014, and our subsequently filed Form 10-Q reports, all of which are available on the SEC’s website (www.sec.gov).

Investors should not place undue reliance on forward-looking statements, which speak only as of the date they are made, and are not guarantees of future performance. The Company undertakes no obligation to publicly update or revise these forward-looking statements.

GATX Corporation

Clear vision and rich history

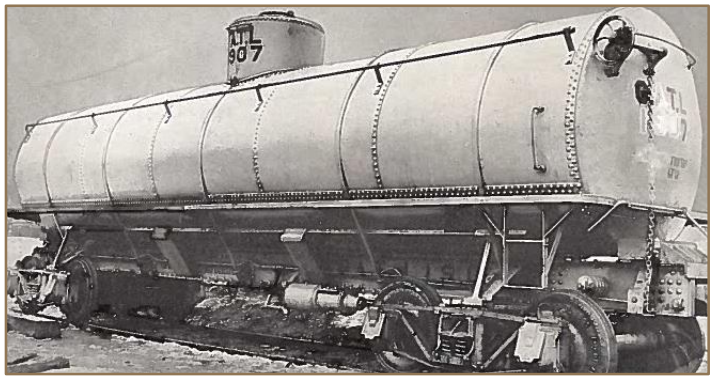
Vision

We strive to be recognized as the **finest railcar leasing company** in the world by our **customers**, our **shareholders**, our **employees** and the **communities** where we operate.

History

1898

Founded as a railcar lessor



1919

Initiated quarterly dividends

2016

- Railcar leasing remains primary business
- 97th consecutive year of uninterrupted dividends

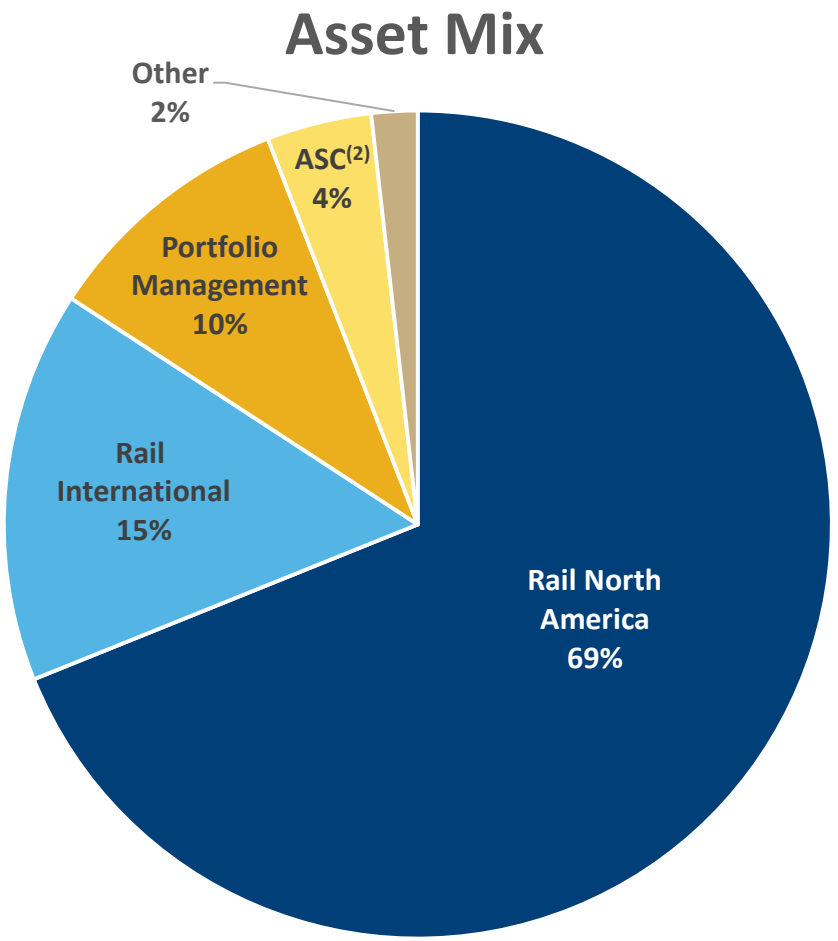
Leading Market Positions

Rail North America
- One of the largest independent railcar lessors
- 2nd largest tank car lessor
- Diversified fleet and customer mix
- Extensive maintenance network

Rail International
- 2nd largest European tank car lessor
- Largest railcar lessor in India

American Steamship Company
- Largest US-flagged vessel operator on the Great Lakes

Portfolio Management
- RRPF affiliates(1) own one of the largest spare aircraft engine portfolios in the industry

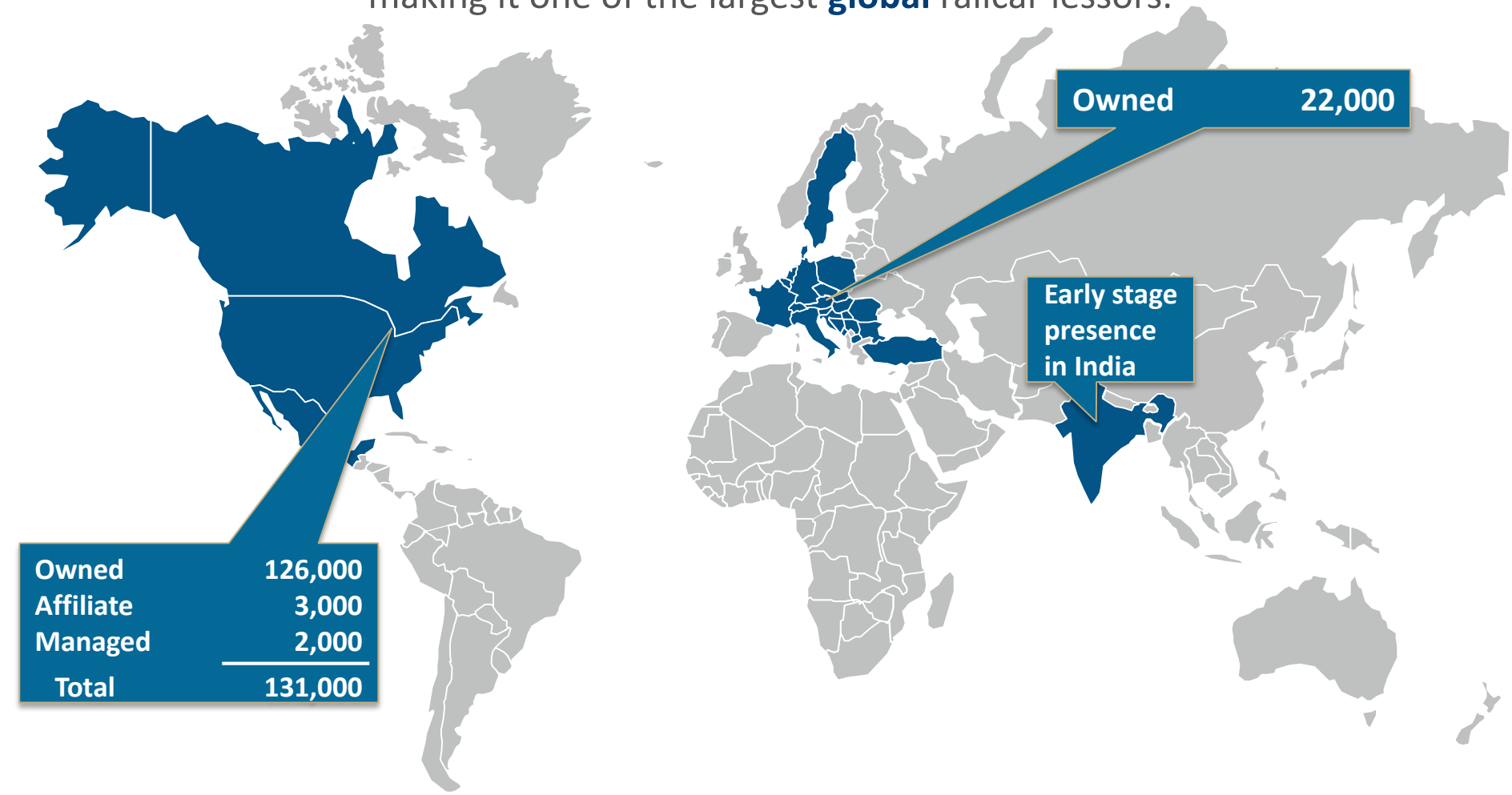


$7.4 billion NBV
(assets on- and off-balance sheet)
as of 9/30/15

(1) Rolls-Royce & Partners Finance affiliates; a collection of 50%-owned joint ventures with Rolls-Royce plc
(2) American Steamship Company
See the Appendix for a reconciliation of non-GAAP measures

Strong Global Presence

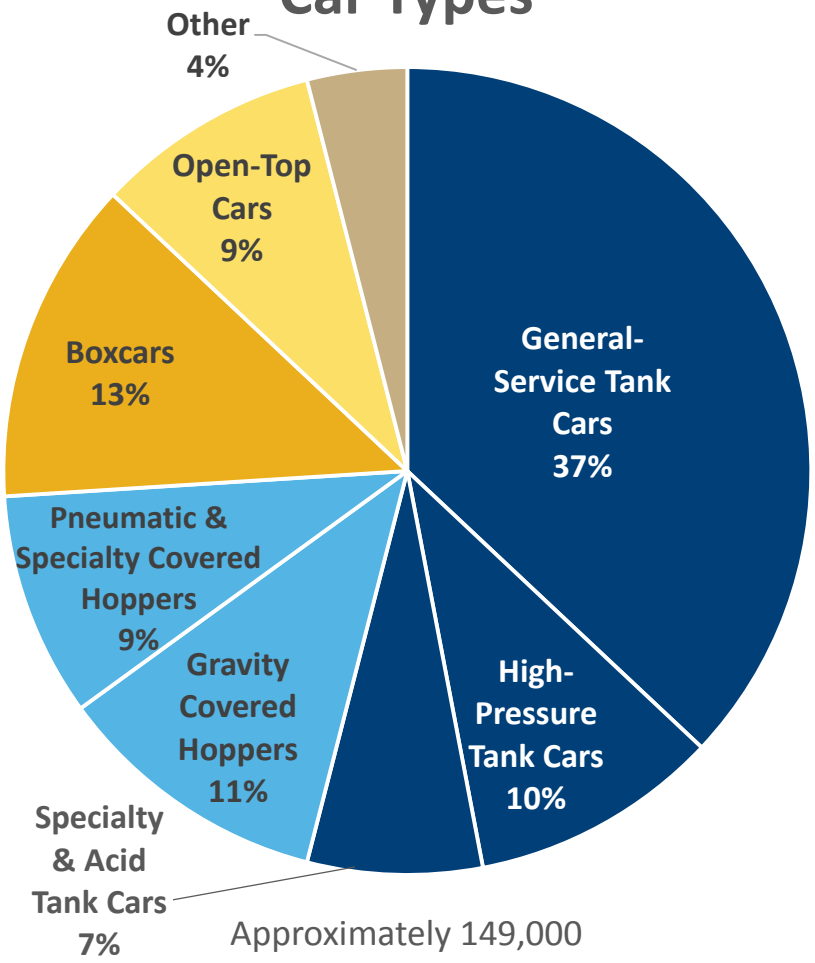
GATX owns, manages or has an interest in approximately **153,000 railcars** worldwide, making it one of the largest **global** railcar lessors.



Fleet data as of 12/31/14

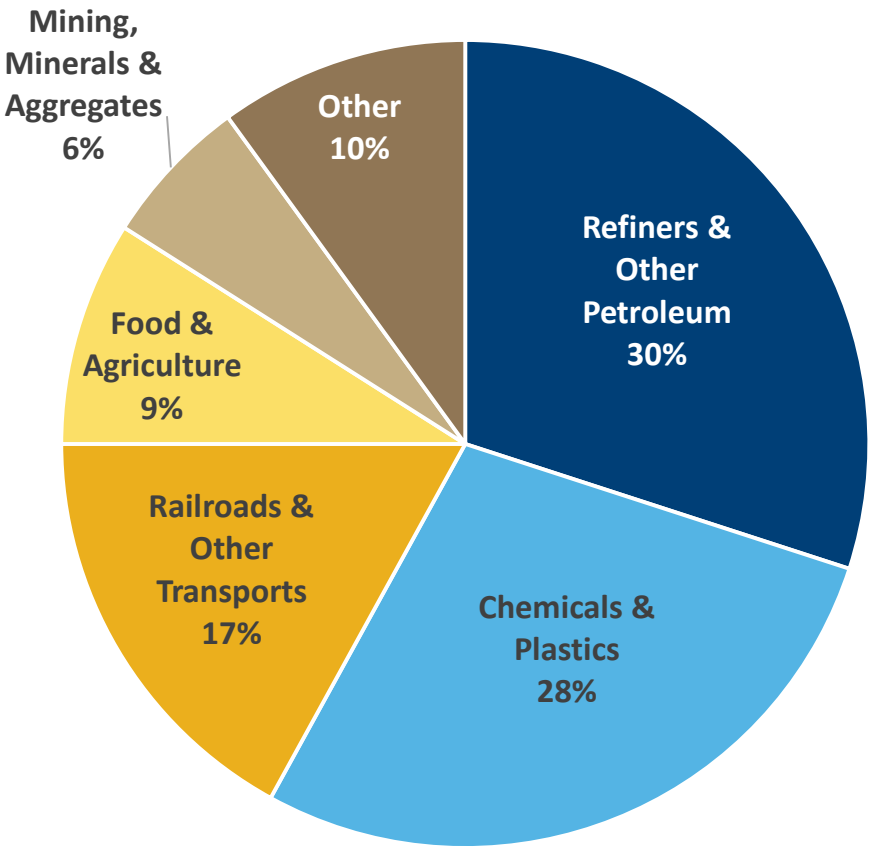
GATX Worldwide Railcar Fleet

Car Types



Approximately 149,000 wholly owned railcars as of 12/31/14

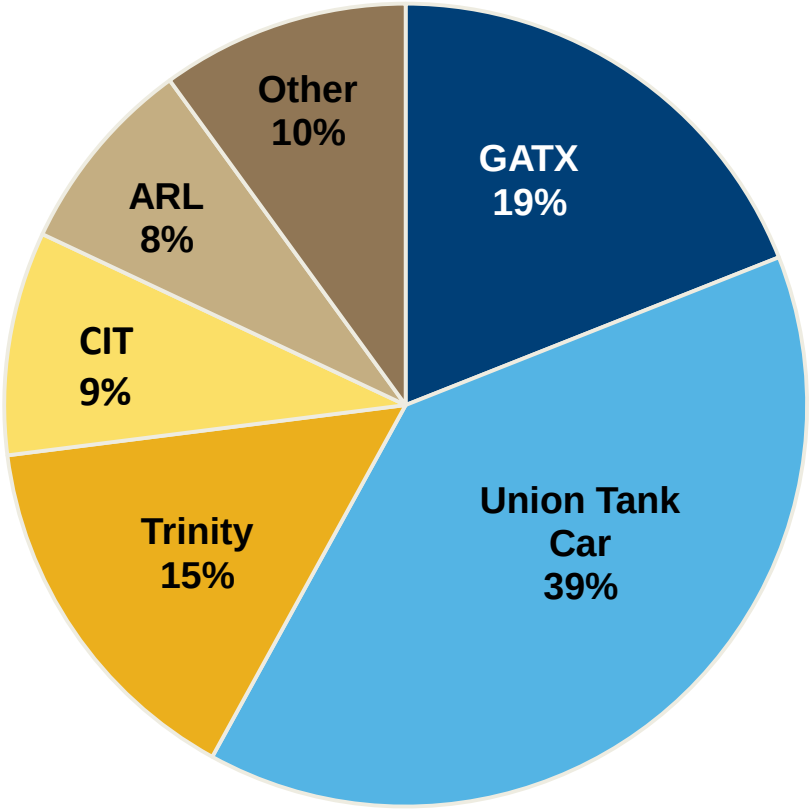
Industries Served



Based on 2014 Rail North America & Rail International revenues of approximately $1.1 billion

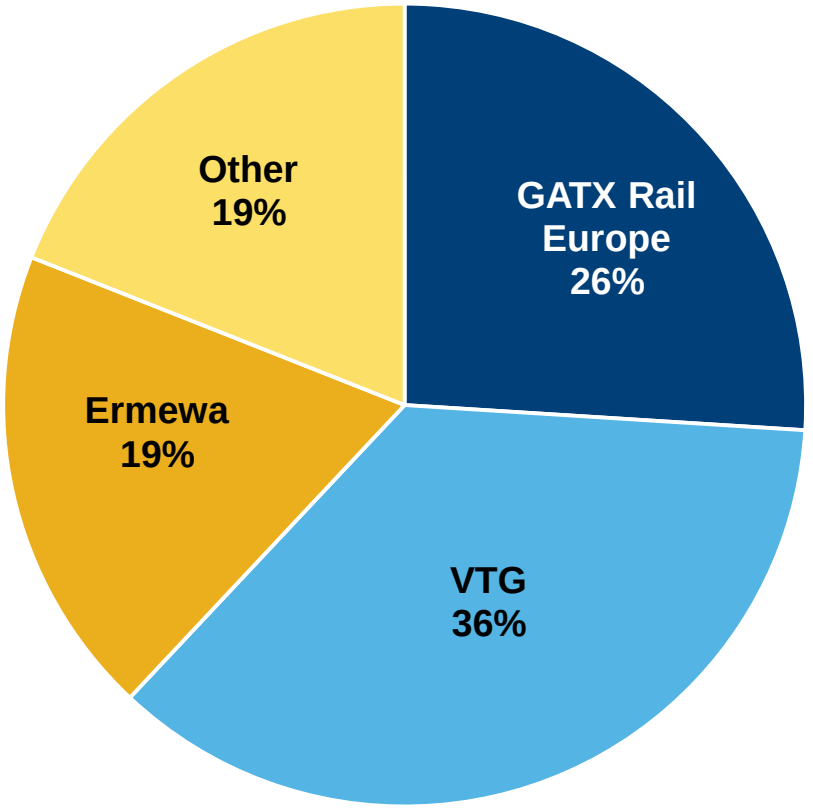
A Leader in Tank Car Leasing

North American Tank Car Leasing Market(1)



Approximately 313,300 tank cars

European Tank Car Leasing Market(2)



Approximately 77,000 tank cars

(1) *UMLER as of January 2016*
(2) *GATX management estimate as of 12/31/14*

Creating Value through Railcar Leasing

Railcar Leasing is our Core

BUY
the railcar at an economically attractive and competitively advantaged price

LEASE
the railcar to a quality customer at an attractive rate for a term that reflects the economic cycle

SERVICE
the railcar in a manner that maximizes safety, in-use time and customer satisfaction

MAXIMIZE
the value of the railcar by selling or scrapping at the appropriate time

BUY - Opportunistic Investments

NEW RAILCARS

Committed **new railcar orders** ensure a **supply of new cars** to meet customer needs in North America

- Order for up to **8,950** railcars to deliver over a four-year period beginning in 2016
- Order for **12,500** railcars to deliver over a five-year period placed in early 2011

Investing in **new tank cars** in Europe as customers are focused on modernizing their rail fleets

SECONDARY MARKET

Acquired a **fleet of more than 18,500** boxcars for **$340 million** in 2014

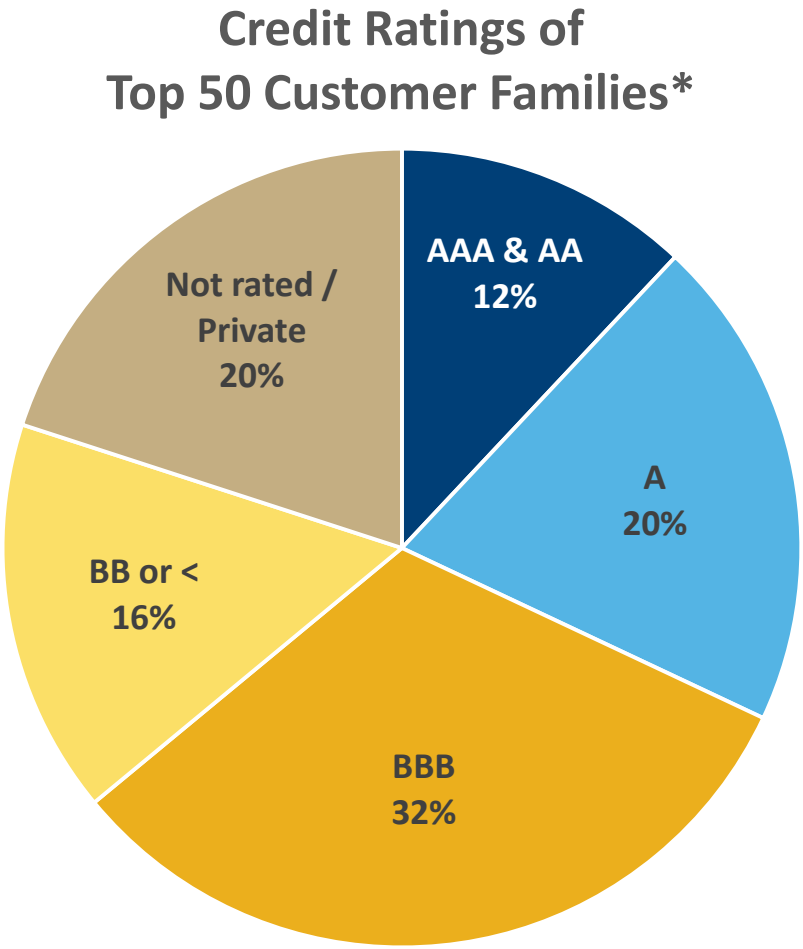


Acquired **attractively priced** railcars in North America during the downturn (late 2008 through 2010)

- Invested nearly **$1 billion** for **more than 18,000 cars**
- Achieving **high returns** when leases are repriced or cars are sold

LEASE - Impressive Worldwide Customer Base

- Approximately **950 Rail North America and Rail International customers**
  - No customer exceeds **3%** of GATX's total revenues
- Strong credit profile
  - **Nearly 65%** of the top 50 customer families are **investment grade**
- **Long-standing relationships**
  - Average relationship tenure among top ten customers is **49 years**



** 12/31/14 Customer families sometimes include more than one customer account, therefore the S&P or equivalent ratings noted generally reflect the credit quality of the rated parent entity. Lease obligations of subsidiaries are not necessarily guaranteed by the rated parent entity.*

LEASE - Managing Through Cycles

North American railcar fleet[1]:

- Leases are typically **fixed rate**, paid monthly
- The **average remaining lease term** is approximately **four years**

In favorable environments, GATX increases lease rates and stretches lease terms

		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Approximate # of railcars[1] scheduled for renewal		20,000	20,000	17,500	15,000	17,000	21,000	20,000	21,000	20,000	17,000	15,000
LPI[2] data	Rate change	16.8%	13.5%	5.2%	-11.0%	-15.8%	6.9%	25.6%	34.5%	38.8%	32.2%	Flat to Slightly Up
	Term (months)	64	67	63	41	35	45	60	62	66	54	
Renewal success rate		77%	73%	60%	54%	62%	77%	82%	81%	86%	81%	

In weak environments, GATX shortens lease terms

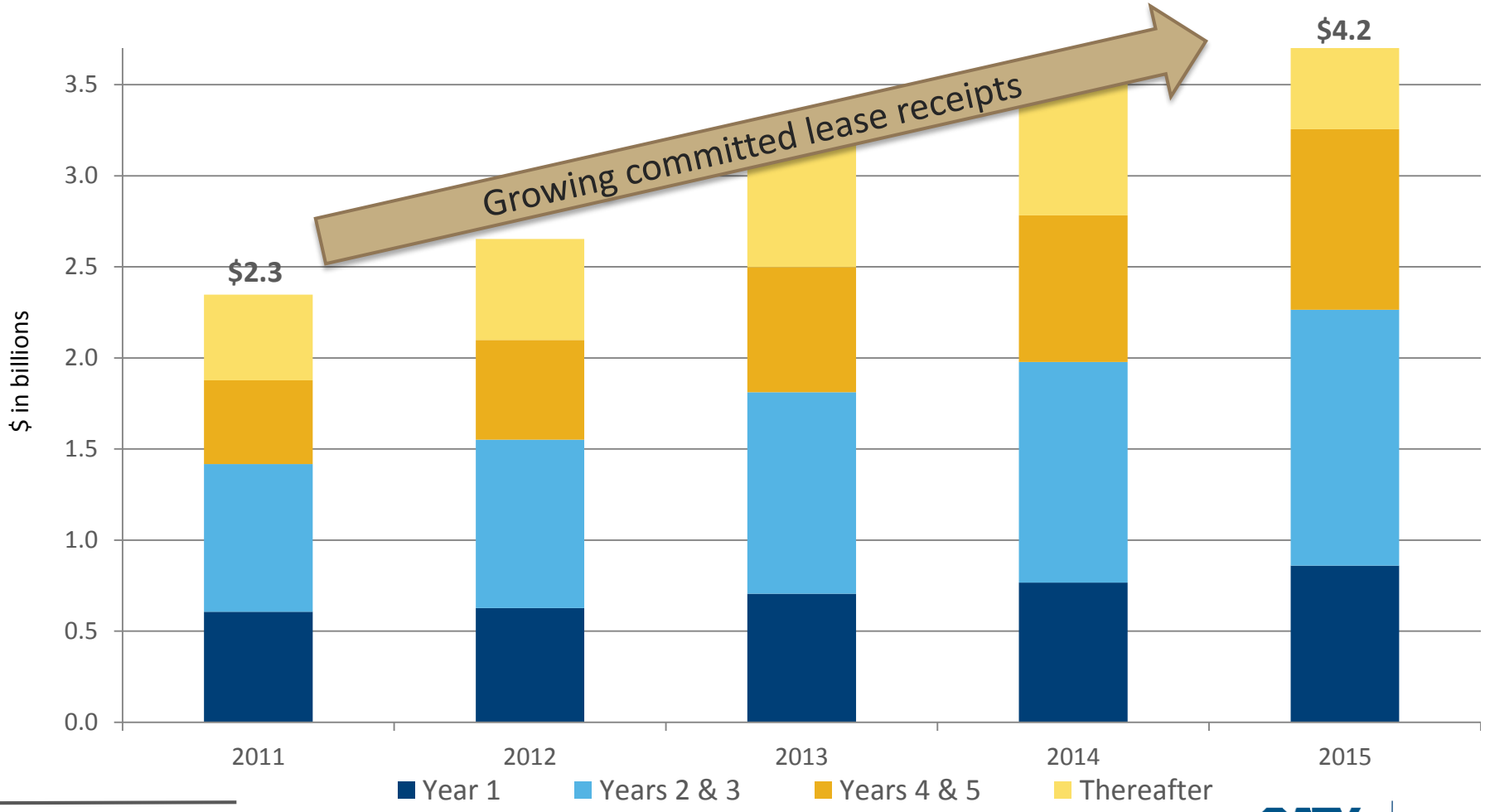
(1) Excludes the boxcar fleet

(2) LPI = Lease Price Index: The average renewal lease rate change is reported as the % change between the average renewal lease rate and the average expiring lease rate, weighted by GATX's North American fleet composition, excluding boxcars.

LEASE - Rail North America

Growing Future Committed Lease Receipts

Impact of **raising lease rates** and **extending terms** 2011-2015
is illustrated by **growing future committed lease receipt profile**



As of 12/31 for each year

SERVICE - Maintaining Equipment to the Highest Standards

Safety is GATX's top priority

- GATX consistently provides **safe, reliable equipment** and **superior service** to help our customers achieve their business objectives

- Tank cars are **service-intensive** assets
  - GATX is a **full-service** railcar lessor
  - Customers value the **high-quality service** GATX provides

- **Extensive maintenance network** in North America
  - Six major service centers
  - Five field repair centers
  - Twenty mobile units
  - Six customer site locations
  - Third party-owned shops

- In 2014, GATX performed an aggregate of **81,000 service events** in its owned and third-party maintenance network in North America

- In Europe, GATX has major service centers in Germany and Poland

MAXIMIZE Value

GATX continually **rebalances** and **optimizes** its railcar fleet

- Capitalizes on market dynamics
- Maintains a **well-balanced railcar portfolio**
- **Optimizes the performance** of the railcar fleet

Rail North America	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Approximate # of railcars sold	2,200	1,700	2,900	1,100	1,400	1,800	2,000	3,700	2,100	3,514
Asset remarketing income *(millions)*	$19.7	$32.2	$31.4	$13.8	$17.4	$27.4	$45.7	$54.5	$62.6	$67.4

GATX typically **realizes gains** when railcars are scrapped at the end of their useful lives

Rail North America & Rail International	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Approximate # of railcars scrapped	2,800	2,500	4,300	4,400	3,800	3,700	2,700	3,200	3,300	2,400
Scrapping gains *(millions)*	$14.4	$15.4	$29.4	$9.7	$18.0	$27.0	$19.2	$20.7	$16.1	$9.5

Rail Market Environment

Rail North America

- 2015 leasing environment was consistent with initial outlook coming into the year
  - Fleet utilization remained above 99% (excluding boxcars)
  - LPI showed a positive 32.2% renewal change (excluding boxcars)
  - Investment volume was approximately $525 million
- GATX used up-cycle to optimize and position fleet for 2016
  - Only 12,500 cars with renewal lease exposure
- Certain car types are experiencing decreasing demand, e.g., coals cars
  - Focus on maintaining utilization and shortening lease terms

Rail International

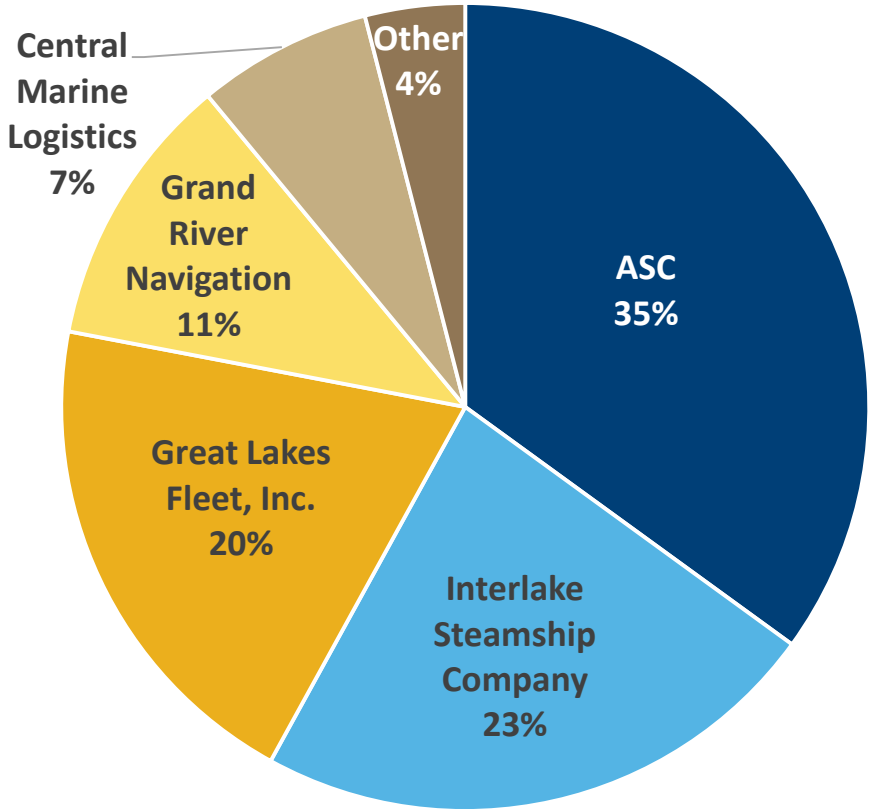
- Trend toward newer, more efficient tank cars in Europe
  - High fleet utilization due to quick placement of new cars and continued lease demand

American Steamship Company

- ASC provides transportation of **dry bulk commodities** on the Great Lakes
- ASC has been operating for more than **100 years**, joining GATX in 1973
- Fleet of **17 self-unloading vessels**
  - No shore-side assistance required
  - Can operate 24 hours a day, seven days a week



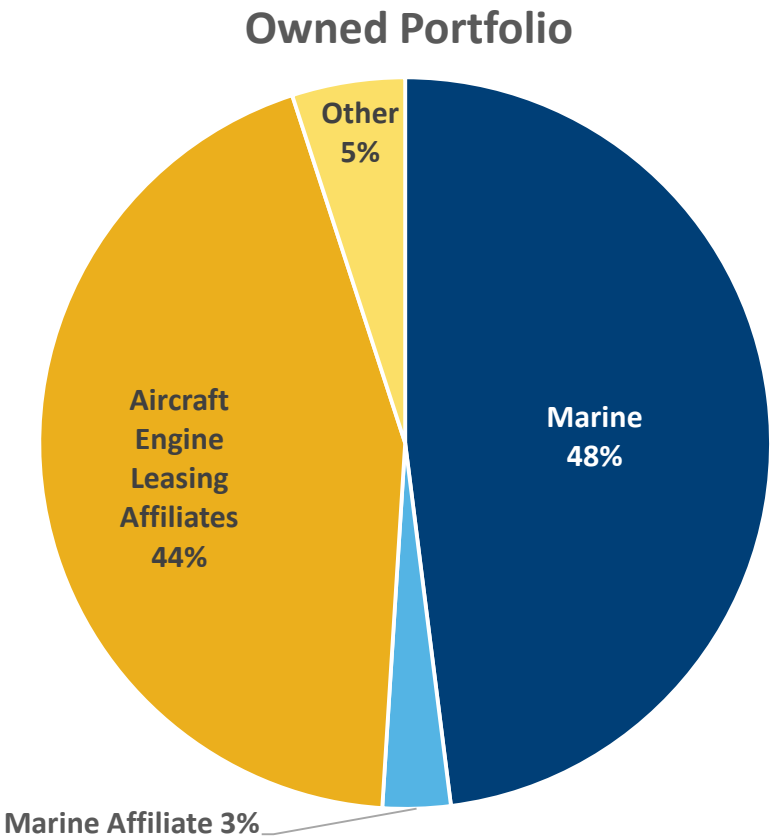
Capacity of US-flagged Vessel Operators*



Total annual industry capacity
105 million net tons

** GATX management estimate 12/31/14*

Portfolio Management



$737.8 million NBV
as of 9/30/15

Aircraft Engine Leasing Affiliates

- Partner with Rolls-Royce plc
- One of the largest spare aircraft engine portfolios in the industry

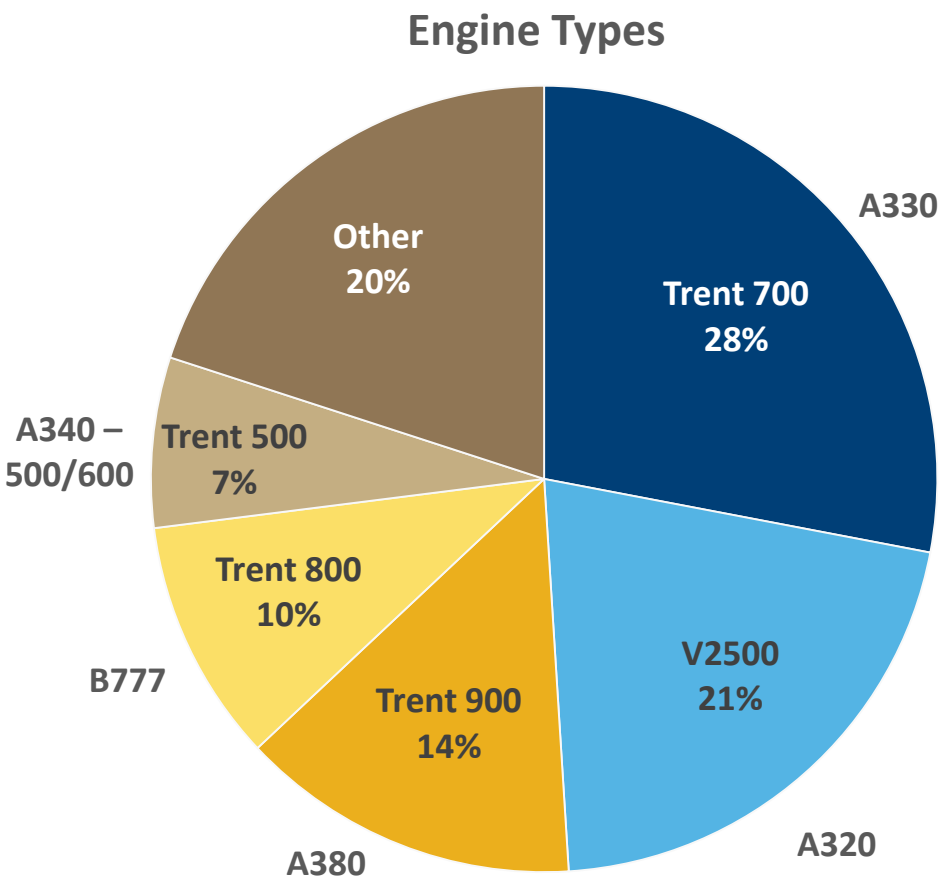
Marine

- Portfolio of approximately $377 million (including marine affiliate)*
- Comprised of tugs, tows, barges, and ocean-going vessels
- Recent announcement of plan to largely exit Portfolio Management's marine investments
- GATX has determined the timing is right to largely exit the inland and ocean-going markets

** As of 9/30/15*

Portfolio Management
Rolls-Royce and Partners Finance affiliates (RRPF)

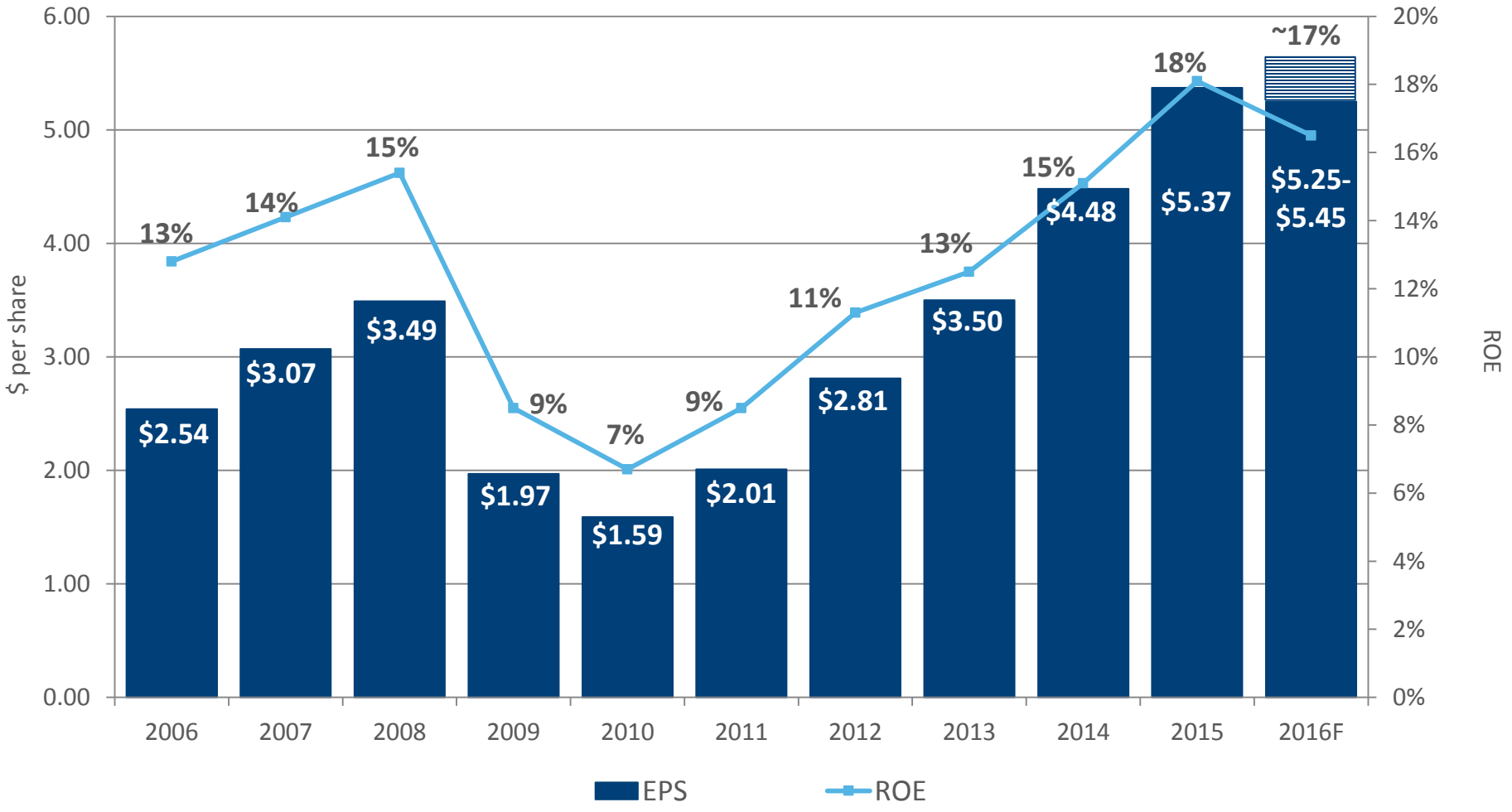
- GATX established its first partnership with Rolls-Royce plc in 1998
- Lease spare aircraft engines to commercial airlines and Rolls-Royce plc
  - **One of the largest spare aircraft engine portfolios** in the industry, with more than **430 engines***
- History of **strong and stable earnings** through market cycles



Based on NBV of approximately $3 billion
100% of RRPF's portfolio
as of 9/30/15

* *As of 9/30/15*

Financial Results



- *EPS and ROE exclude Tax Adjustments and Other Items. See the Appendix for a reconciliation of these non-GAAP measures.*
- *2016 Forecast is based on management's EPS guidance range of $5.25 to $5.45 per diluted share as of January 2016.*
- *Effective January 1, 2014, GATX changed the depreciable lives of the North American railcar fleet. The impact of this change is a $0.31 increase in earnings per diluted share and an approximately 1% increase in ROE in 2014.*

Summary

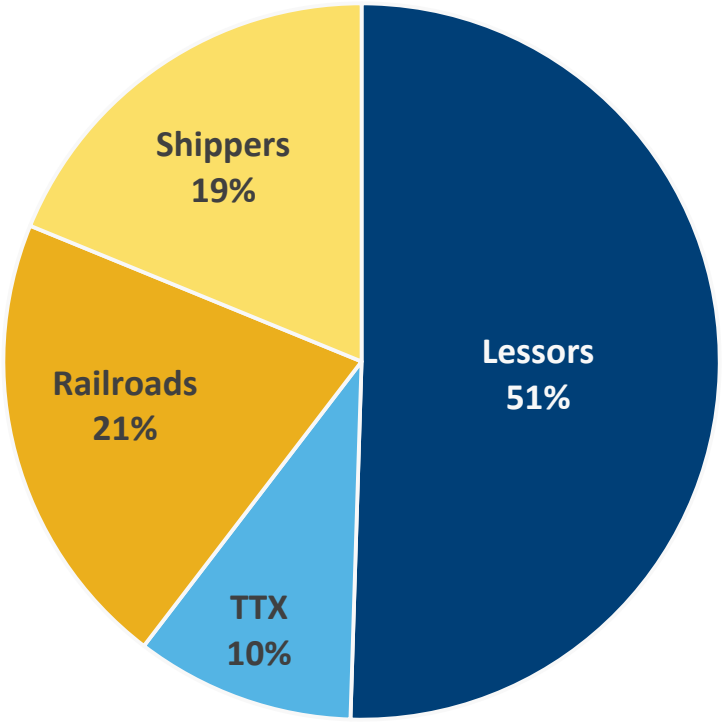
- GATX has been a **market force in the rail industry for more than 117 years**
- GATX provides **premium assets and services** to a **high-quality customer base**
- GATX is making **disciplined investments** in North America and in International rail markets
- GATX is focused on generating **attractive**, **risk-adjusted returns** for our shareholders

Appendix

Rail North America
Industry Railcar Ownership

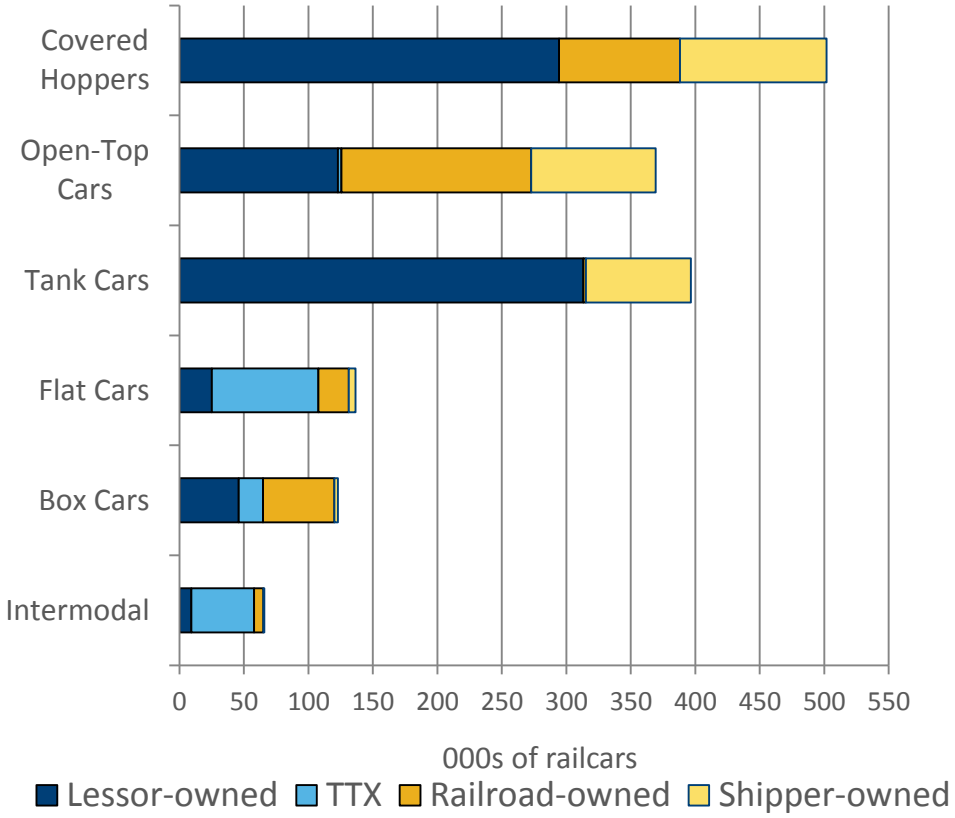
Railcars are owned by lessors, railroads and shippers

North American Railcar Market



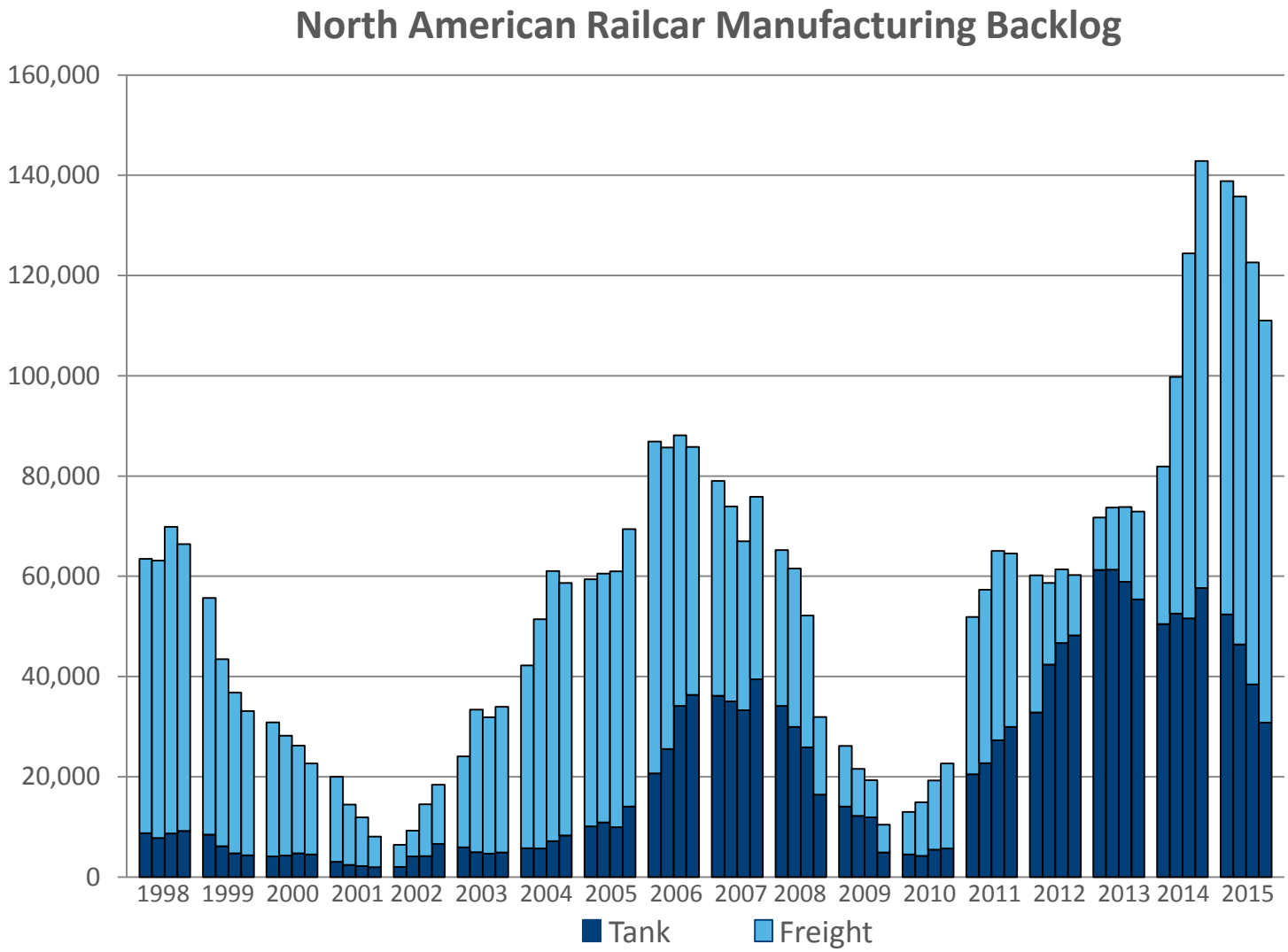
Approximately 1.6 million railcars

North American Fleet Composition



UMLER as of January 2016

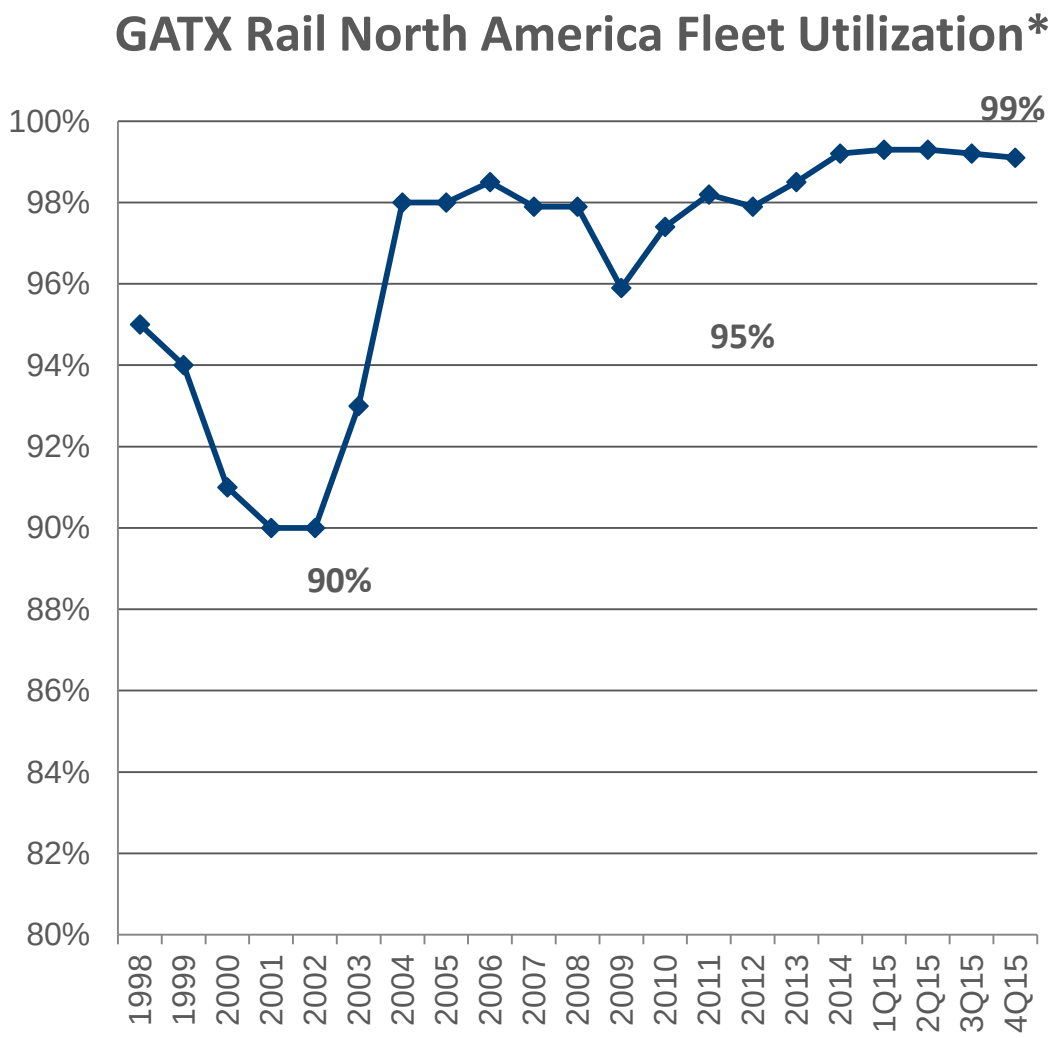
Railcar Manufacturing Backlog



- Cyclicality of the industry is illustrated by the backlog of orders at the railcar manufacturers
- The recent increase in tank car backlog is primarily due to growth in energy markets

Railway Supply Institute

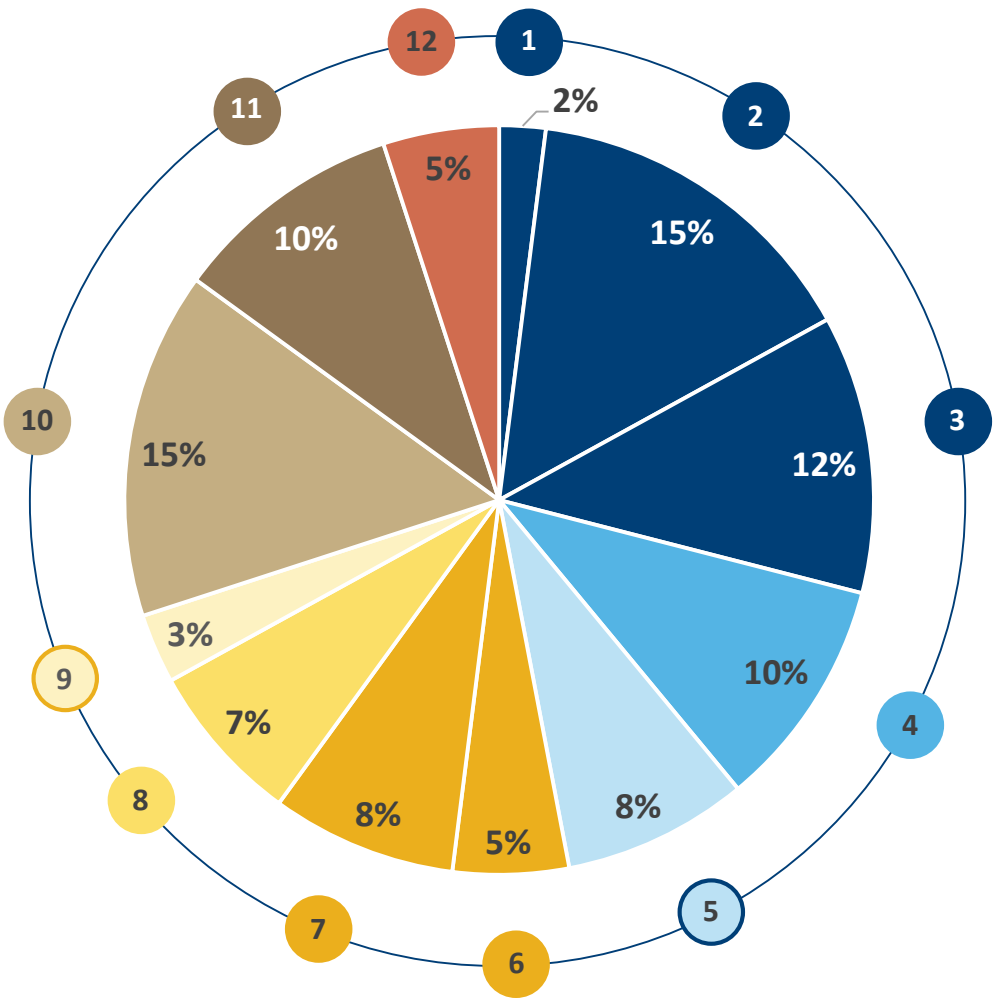
Rail North America
Managing Through Cycles



- GATX used the up market (2004 – early 2008) to prepare for the downturn
- GATX **maintained solid utilization** throughout the downturn (late 2008 – 2010)
- When the market improved, GATX **increased lease rates** and **extended lease terms** while maintaining **high utilization** (2011 – 2015)

** Excludes the boxcar fleet*

Rail North America
GATX's Fleet by Car Type



Approximately 126,000 wholly owned cars

1 General-Service Tank Cars: 13K - 19K gallon
2 General-Service Tank Cars: 20K – 25K gallon
3 General-Service Tank Cars: >25K gallon
4 High-Pressure Tank Cars
5 Other Specialty Tank Cars
6 Gravity Covered Hoppers: <4K cubic feet
7 Gravity Covered Hoppers: >4K cubic feet
8 Pneumatic Covered Hoppers
9 Specialty Covered Hoppers
10 Boxcars
11 Open-Top Cars
12 Other

* As of 12/31/14

Rail North America

GATX's Car Types & Typical Commodities

Tank Cars

General-Service

13K-19K gallon	20K–25K gallon	>25K gallon
molten sulfur	liquid fertilizers	ethanol & methanol
clay slurry	fuel oils	food-grade oils
caustic soda	asphalt	lubricating oils
corn syrup	food-grade oils	light chemicals (solvents, isopentane, alkylates, etc.)
	chemicals (styrene, glycols, etc.)	light petroleum products (crude oil, fuel oils, diesel, gasoline, etc.)

High-Pressure

- LPG
- VCM
- propylene
- carbon dioxide

Other Specialty

- acids (sulfuric, hydrochloric, phosphoric, acetic, nitric, etc.)
- coal tar pitch
- dyes & inks
- specialty chemicals

Freight Cars

Covered Hoppers

Gravity

<4K cf	>4K cf
sand	grain
cement	sugar
roofing granules	fertilizer
fly ash	lime
dry chemicals	soda ash
	bentonite

Pneumatic

- plastic pellets

Specialty

- flour
- corn starch
- mineral powder
- lime
- clay
- cement

Boxcars

- paper products
- lumber
- canned goods
- food and beverages

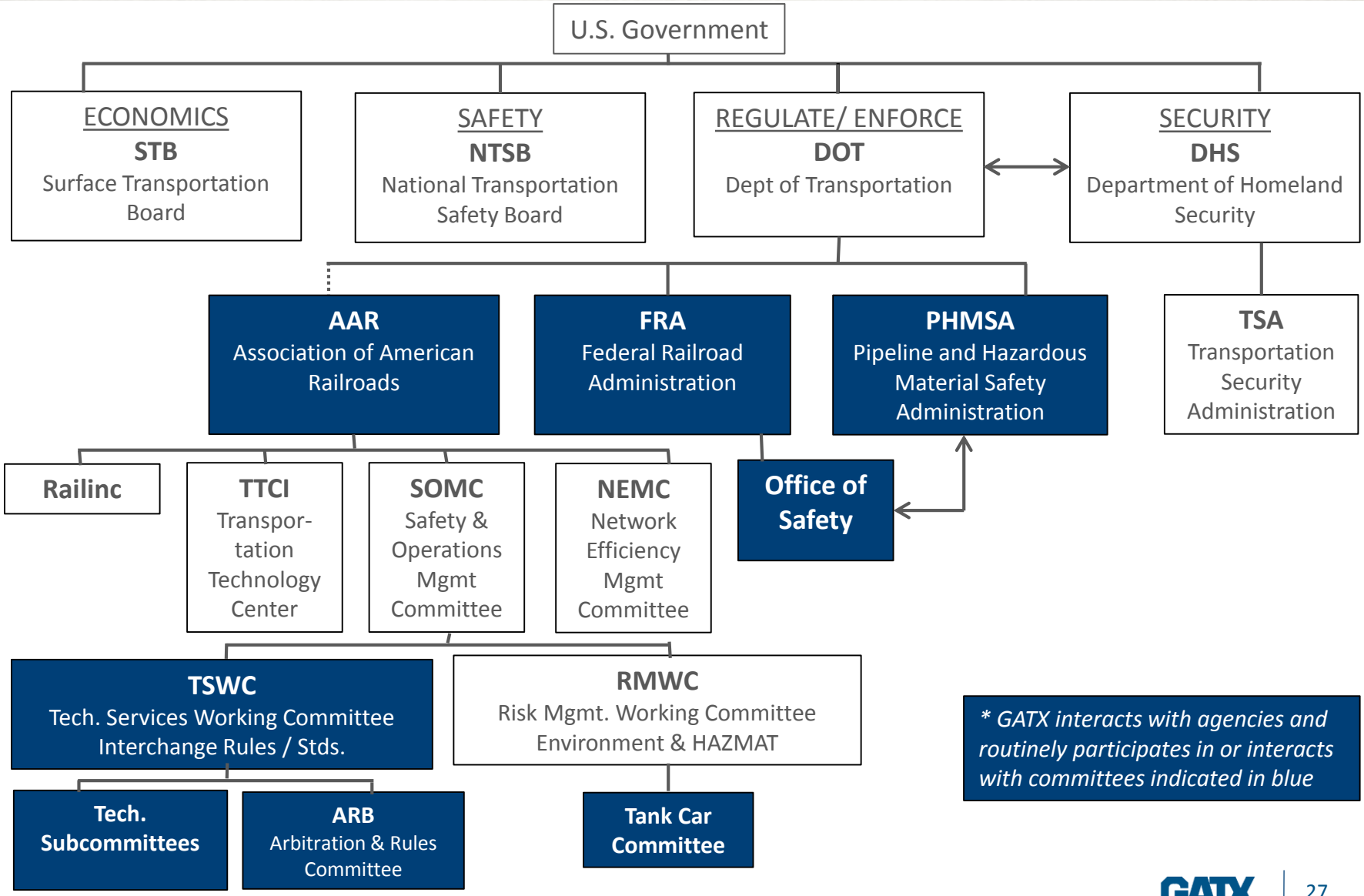
Open-Top Cars

- aggregates
- coal
- pet coke
- met coke
- woodchips
- scrap metal
- steel coils

Other

- flat cars
- intermodal
- automotive

Active Participant in the Regulatory Landscape



Energy-related Railcar Demand

Railcars

- We are monitoring demand for **small cube covered hoppers to transport frac sand** and **large tank cars to transport crude oil**
  - Total manufacturing backlog of about 122,600 railcars(1), including approximately
    - 24,400 small cube covered hoppers
    - 38,500 tank cars

The Market

- Approximately 49,000 tank cars in crude service(2)
- Crude-carrying cars subject to new regulations
- Potential oversupply of energy-related railcar types may be impacted by:
  - Crude-oil price
  - Regulatory issues
  - Pipeline capacity

(1) *Railway Supply Institute as of 9/30/15*
(2) *Railway Supply Institute as of 6/30/14*

GATX's Prudent Approach to serving customers in the energy industry

Limited exposure

- Approximately **2,800 cars** in **frac sand service***
- Approximately **2,700 cars** in **crude service***
- GATX's railcars serving these markets are:
  - Leased to customers with high credit ratings
  - On long-term leases

Focus on safety

- **Safety is GATX's top priority**
  - GATX will move expeditiously to meet the new mandated regulatory deadlines

Diverse customer base

- GATX **seeks a mix of growth opportunities** in petroleum products, chemicals, food, agriculture and other industries

** As of 9/30/15*

Modification deadlines
Tank cars in flammable liquid service

Earliest deadlines for modification of existing cars

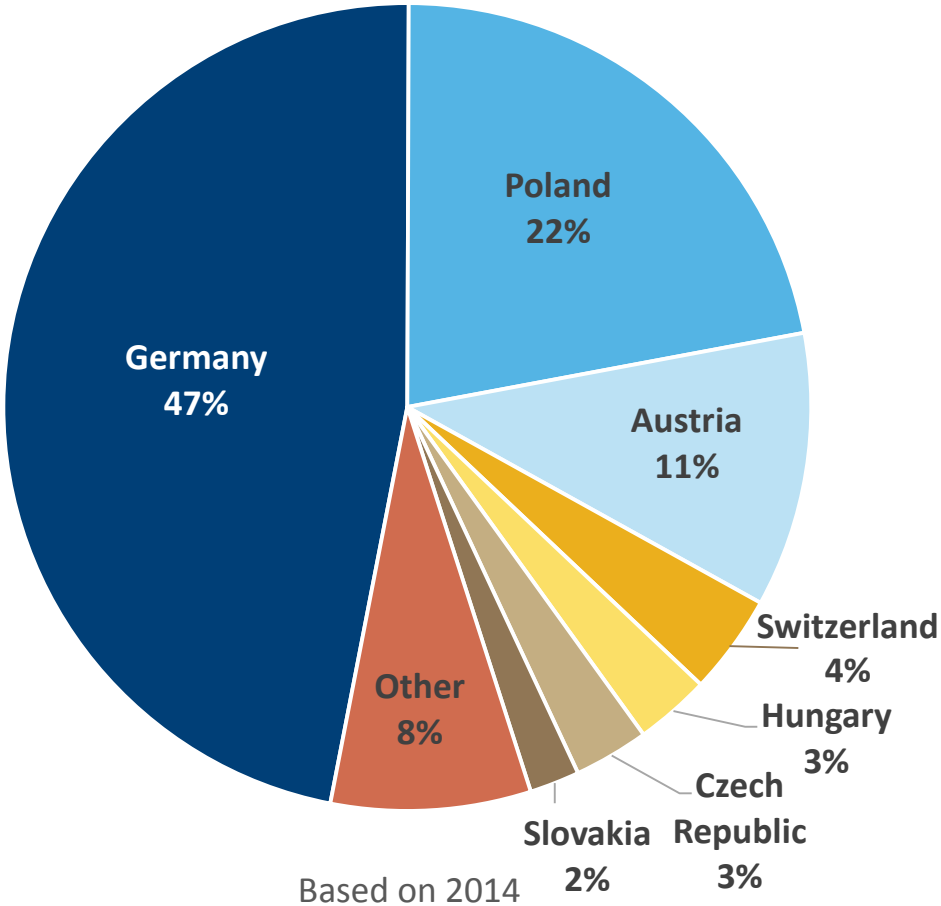
		No jacket	Jacket
Legacy	PG I (crude oil)	May 2017	March 2018
	PG II (ethanol)	May 2023	May 2023
	PG III	May 2025	May 2025
Good Faith	PG I (crude oil)	April 2020	May 2025
	PG II (ethanol)	July 2023	May 2025
	PG III	May 2025	May 2025

- Approximately 13,700 GATX tank cars may be affected*
- Modification deadline for approximately 90% of GATX's potentially affected cars in 2023 or later*
- Unlikely to modify Legacy cars

** As of 9/30/15*

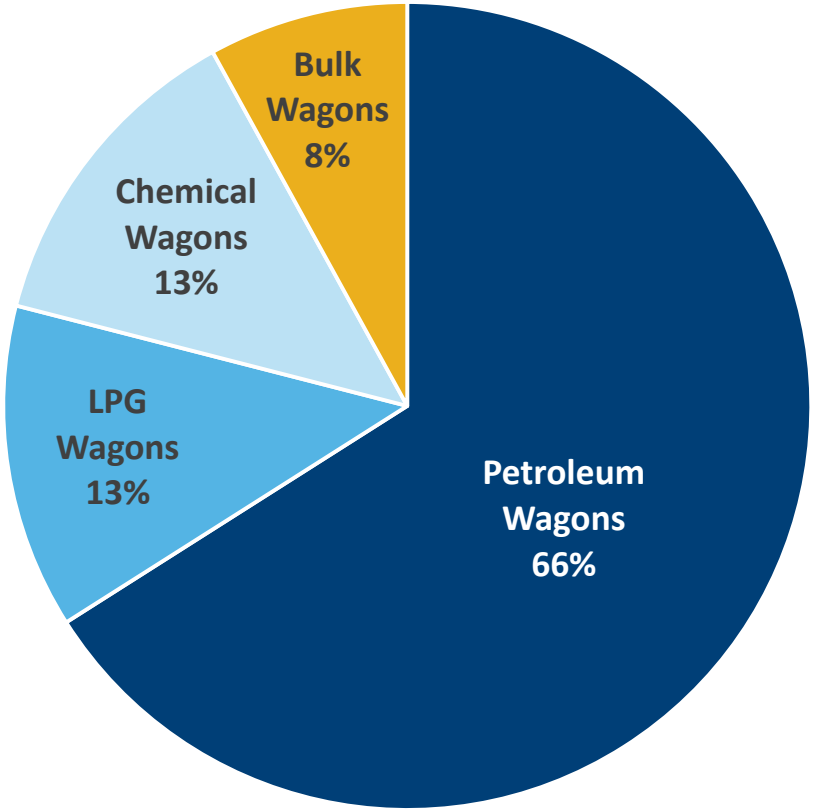
Rail International
GATX Rail Europe (GRE)

Geographies Served



Based on 2014
GRE revenues

Fleet Structure



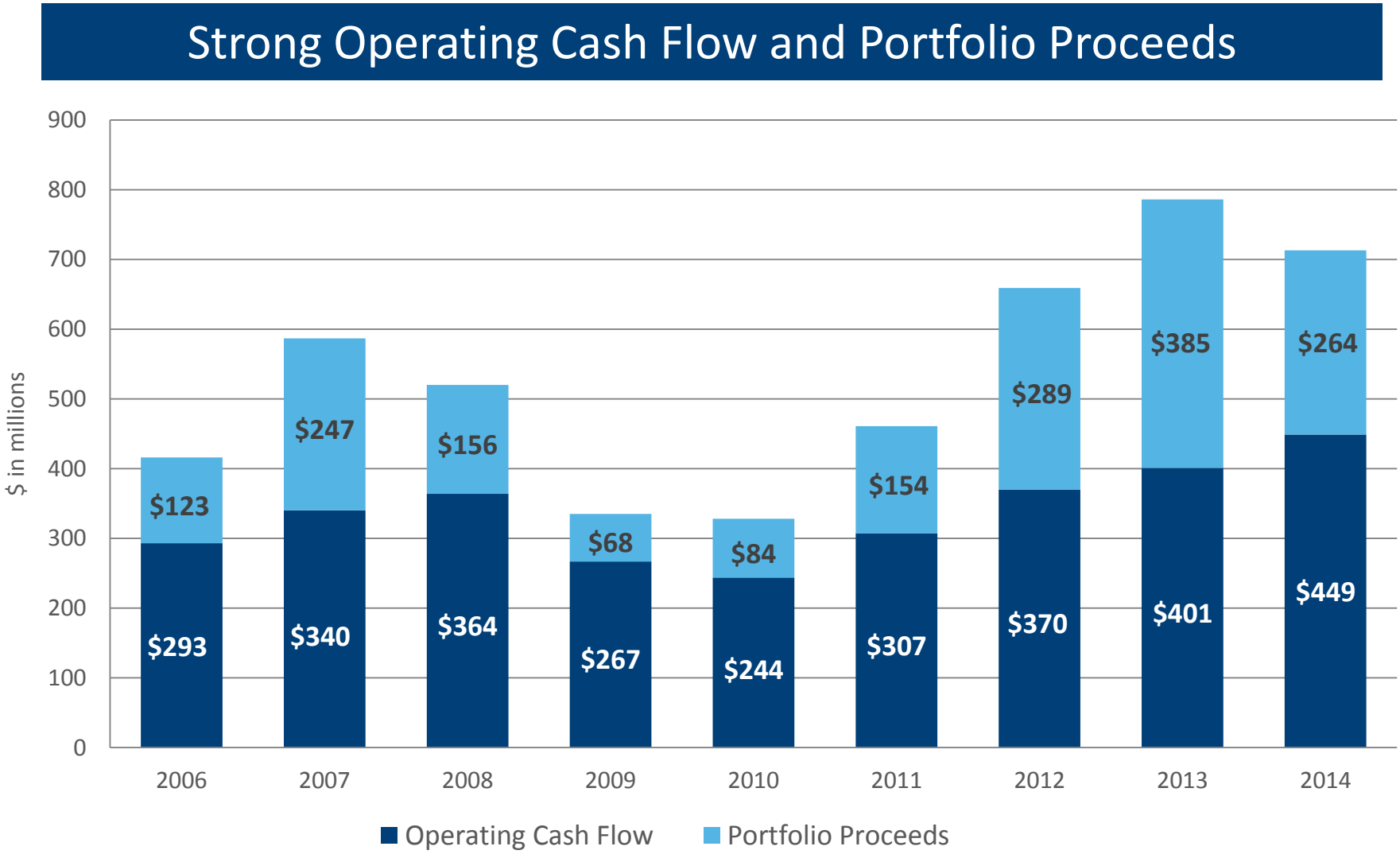
Approximately 22,000 railcars
as of 12/31/14

Rail International

GRE Car Types & Typical Commodities

Tank Wagons			Bulk Wagons
Petroleum Wagons	LPG Wagons	Chemical Wagons	
light mineral oil products - gasoline - jet fuel - diesel oils - light heating oils dark mineral oil products - heavy heating oils - lubricating oils - coal tar - bitumen - asphalt	propane butane propylene butadiene light carbohydrate fractions cooling gas mixtures	liquid fertilizers acids (hydrochloric, sulphur, phosphoric, etc.) bases (carbohydrate solutions, soda lye, sodium hypochlorite, etc.) aromas (benzene, toluene, xylenes, phenol, etc.) liquid sulphur hydrogen peroxide resins and glues solvents	lime cement coal dust coal coke gravel sand silica sand

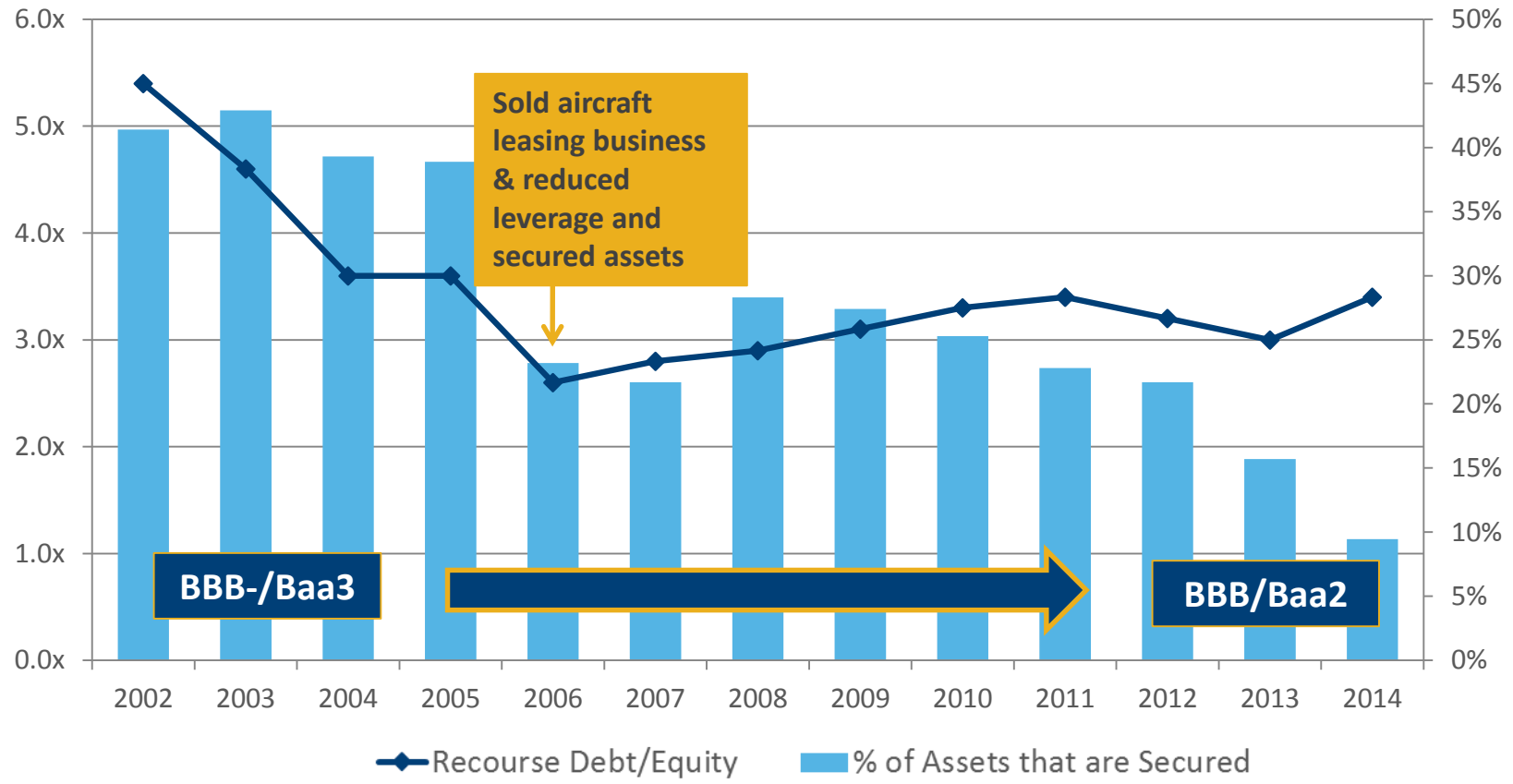
Operating Cash Flow and Portfolio Proceeds



Continuing operations

Strong Balance Sheet

GATX primarily issues **unsecured debt**, leaving its assets largely **unencumbered**



Total Recourse Debt = On-Balance-Sheet Recourse Debt + Off-Balance-Sheet Recourse Debt + Capital Lease Obligations + Commercial Paper and Bank Credit Facilities, Net of Unrestricted Cash

Reconciliation of non-GAAP measures

Reconciliation of Non-GAAP Measures
Net Income Measures

Net Income (millions)	2006	2007	2008	2009	2010	2011	2012	2013	2014
(in millions)									
Net income (GAAP)	$147.3	$183.8	$194.8	$81.4	$80.8	$110.8	$137.3	$169.3	$205.0
Tax Adjustments	(5.9)	(20.1)	(6.8)	(7.4)	(11.4)	(8.9)	(24.0)	11.7	
Other Items:									
Realized/unrealized (gains)/losses on interest rate swaps at AAE				20.7	9.3	(0.2)	20.5	(6.9)	
Sale of AAE								(9.3)	
Litigation recovery					(4.1)	(3.2)			
Gain on sale of office building			(9.8)						
Environmental reserve reversal			(6.6)						
Leveraged lease adjustment						(3.5)			
Net Income, excluding Tax Adjustments and Other Items	$141.4	$163.7	$171.6	$94.7	$74.6	$95.0	$133.8	$164.8	$205.0

Earnings per share	2006	2007	2008	2009	2010	2011	2012	2013	2014
Diluted EPS (GAAP)	$2.64	$3.43	$3.88	$1.70	$1.72	$2.35	$2.88	$3.59	$4.48
Tax Adjustments	(0.10)	(0.36)	(0.13)	(0.15)	(0.24)	(0.19)	(0.50)	(0.24)	
Other Items:									
Realized/unrealized (gains)/losses on interest rate swaps at AAE			0.06	0.42	0.20		0.43	(0.15)	
Sale of AAE								0.30	
Litigation recovery					(0.09)	(0.07)			
Gain on sale of office building			(0.19)						
Environmental reserve reversal			(0.13)						
Leveraged lease adjustment						(0.08)			
Diluted EPS, excluding Tax Adjustments and Other Items	$2.54	$3.07	$3.49	$1.97	$1.59	$2.01	$2.81	$3.50	$4.48

Reconciliation of Non-GAAP Measures
Balance Sheet Measures

On- and off-balance-sheet assets	3Q15
(in millions)	
Consolidated on-balance-sheet assets	$6,884.9
Off-balance-sheet assets	538.9
Total on- and off-balance-sheet assets	$7,423.8