

Baird 2017 Global Industrial Conference | November 9, 2017

Presenter: Bob Lyons, Executive Vice President & CFO

Forward-Looking Statements

Statements in this Presentation not based on historical facts are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and, accordingly, involve known and unknown risks and uncertainties that are difficult to predict and could cause our actual results, performance, or achievements to differ materially from those discussed. These statements include statements as to our future expectations, beliefs, plans, strategies, objectives, events, conditions, financial performance, prospects, or future events. 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 similar words and phrases. Forward-looking statements are necessarily based on estimates and assumptions that, while considered reasonable by us and our management, are inherently uncertain. Accordingly, you 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. We do not undertake any obligation to publicly update or revise these forward-looking statements. The following factors, in addition to those discussed in our other filings with the SEC, including our Form 10-K for the year ended December 31, 2016 and subsequent reports on Form 10-Q, could cause actual results to differ materially from our current expectations expressed in forward-looking statements:

- exposure to damages, fines, criminal and civil penalties, and reputational harm arising from a negative outcome in litigation, including claims arising from an accident involving our railcars
- inability to maintain our assets on lease at satisfactory rates due to oversupply of railcars in the market or other changes in supply and demand
- weak economic conditions and other factors that may decrease demand for our assets and services
- decreased demand for portions of our railcar fleet due to adverse changes in the price of, or demand for, commodities that are shipped in our railcars
- higher costs associated with increased railcar assignments following non-renewal of leases, customer defaults, and compliance maintenance programs or other maintenance initiatives
- events having an adverse impact on assets, customers, or regions where we have a concentrated investment exposure
- financial and operational risks associated with long-term railcar purchase commitments
- reduced opportunities to generate asset remarketing income
- operational and financial risks related to our affiliate investments, including the Rolls-Royce & Partners Finance joint ventures
- fluctuations in foreign exchange rates
- failure to successfully negotiate collective bargaining agreements with the unions representing a substantial portion of our employees
- changes in railroad operations that could decrease demand for railcars either due to increased railroad efficiency or decreased attractiveness of rail service relative to other modes
- the impact of regulatory requirements applicable to tank cars carrying crude, ethanol, and other flammable liquids
- asset impairment charges we may be required to recognize
- deterioration of conditions in the capital markets, reductions in our credit ratings, or increases in our financing costs
- competitive factors in our primary markets, including competitors with a significantly lower cost of capital than GATX
- risks related to international operations and expansion into new geographic markets
- changes in, or failure to comply with, laws, rules, and regulations
- inability to obtain cost-effective insurance
- environmental remediation costs
- inadequate allowances to cover credit losses in our portfolio
- inability to maintain and secure our information technology infrastructure from cybersecurity threats and related disruption of our business



HISTORY AND BUSINESS OVERVIEW

GATX

GATX's 119-Year History

1898
Established as railcar lessor with 28 railcars

1919
Initiated quarterly dividend

1936
Began rail investment in Canada

1973
GATX acquired American Steamship Company (ASC)

1994
Began rail investment in Europe & Mexico

1996
Began locomotive investment

1998
Rolls-Royce Partners and Finance (RRPF) Affiliates

2012 & 2013
Began rail investments in India and Russia

2017
$7.6 billion* in assets and more than 146,000 wholly-owned railcars worldwide

**Assets on- and off-balance sheet as of 12/31/2016*

GATX Today – Business Segments



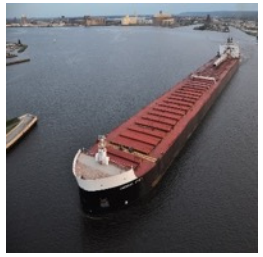
RAIL NORTH AMERICA

- One of the largest railcar lessors
- Diversified fleet of more than 122,000 wholly owned railcars and more than 600 locomotives
- Strong customer credit quality, diversification in car types and commodities carried
- Over $3.8 billion in committed lease receipts



RAIL INTERNATIONAL

- GATX Rail Europe (GRE) is one of the largest European tank car lessors
- Strong customer credit quality, diversification in car types, geography and commodities carried
- Largest railcar lessor in India



AMERICAN STEAMSHIP COMPANY

- Largest US-flagged vessel operator on the Great Lakes
- Operates a fleet of efficient self-unloading ships
- Exceptional safety record and leader in Great Lakes environmental matters

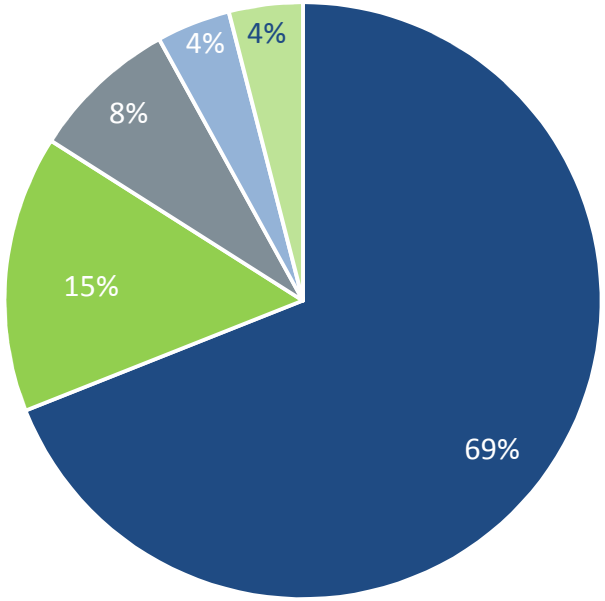


PORTFOLIO MANAGEMENT

- RRPF affiliates are the largest lessors of Rolls-Royce aircraft spare engines worldwide
- Over $1.9 billion of committed lease receipts at RRPF

As of 12/31/2016

NET BOOK VALUE OF ASSETS



$7.6 billion NBV*

- 69% Rail North America
- 15% Rail International
- 8% Portfolio Management
- 4% ASC
- 4% Other

**Assets on- and off-balance sheet as of 12/31/2016*

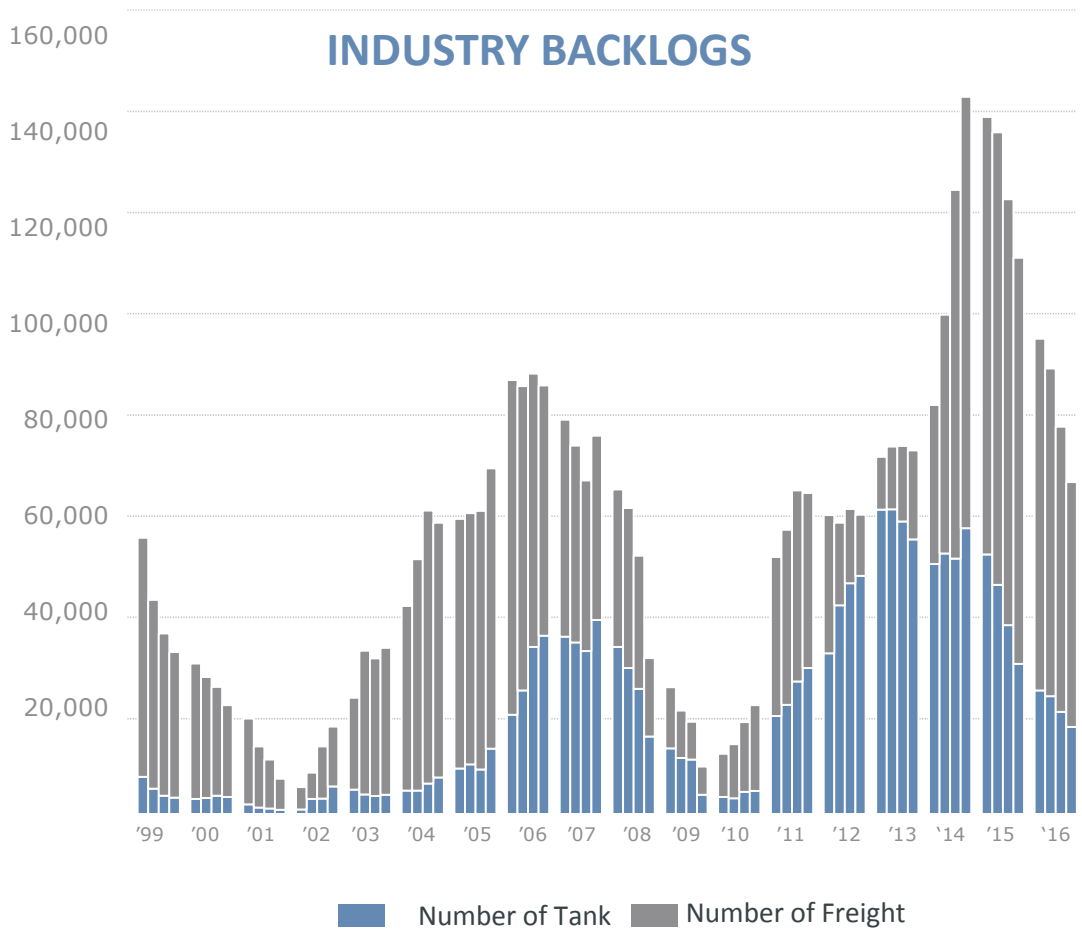


Why Invest in GATX Today?

GATX

Railcar leasing market has been in a downturn since mid-2014

- Significant railcar oversupply
  - Approximately 20% of industry fleet remains idle
  - New railcar backlog still above historical averages
- Rail freight demand remains tepid
  - Recent increases in coal & sand loadings masking soft overall demand
- Supply/demand imbalance exacerbated by speculative orders from new market entrants
  - Banks, private equity and finance companies seeking yield
  - Lack of connection to ultimate car user results in poor investment decisions
- Railcar lease rates remain at low levels

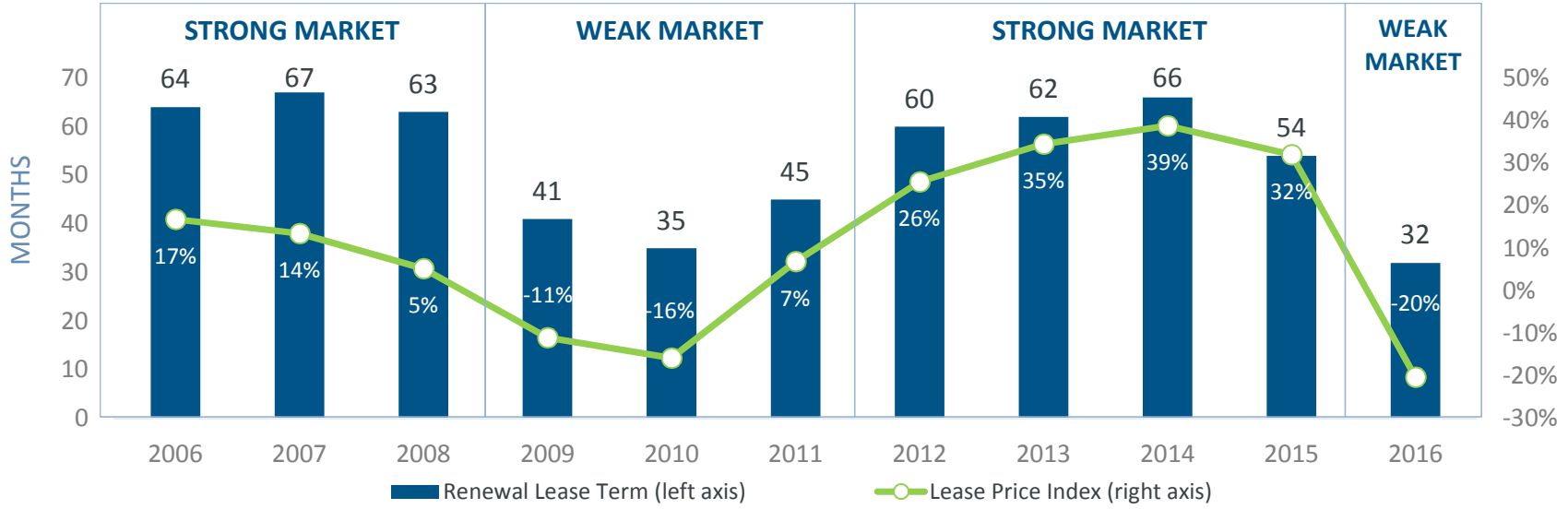


Why Invest in GATX Today?

- We execute cyclically aware management of lease terms and assets
- We have a track record of identifying and executing on attractive buying and selling opportunities across the business cycle
- We focus on the long-term nature of our assets and avoid short-term market trends
- We have a diverse fleet and a global business
- We practice a disciplined capital allocation strategy
- We have provided an attractive, long-term risk-adjusted return

Managing Rate & Term Through Cycles

GATX quickly adapts to changing market conditions. In a strong market, GATX increases lease rates and stretches lease terms. In a weak market, GATX shortens lease terms and lowers lease rates to maintain utilization.



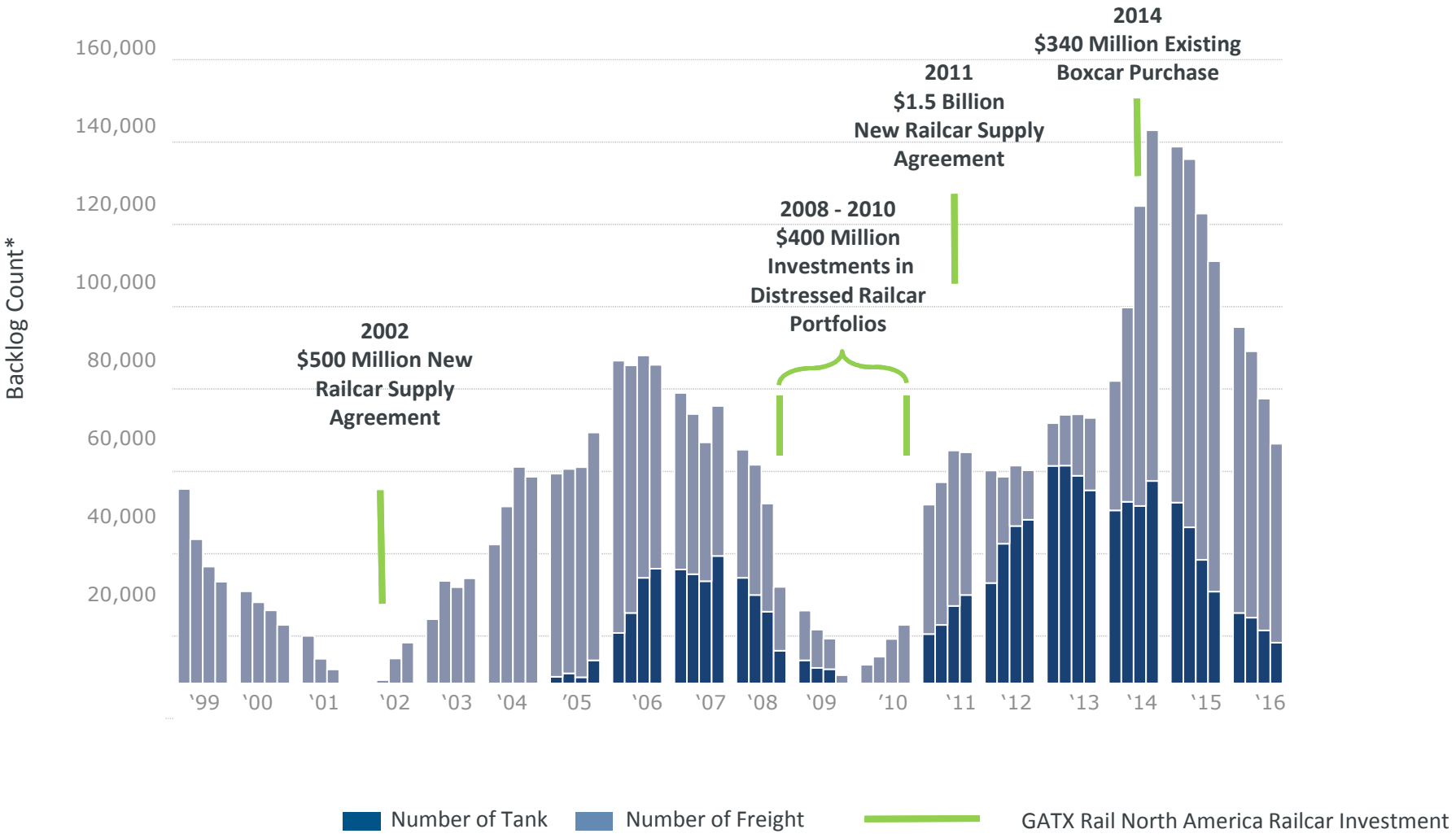
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017*
Approximate # of railcars scheduled for renewal	20,000	20,000	17,500	15,000	17,000	21,000	20,000	21,000	20,000	17,000	12,500	15,100
Renewal Success Rate	77%	73%	60%	54%	62%	77%	82%	81%	86%	81%	67%	N/A
Utilization**	99%	98%	98%	96%	97%	98%	98%	99%	99%	99%	99%	N/A

**As of 12/31/2016*

***Excludes boxcar fleet*

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

Investment Focus in Weaker Markets



**Railway Supply Institute as of January 2017*

Optimizing the Fleet Through Cycles

GATX's fleet of well-maintained, modern railcars leased to quality customers allows us to realize significant remarketing income when we decide to offer cars in the secondary market.

REMARKETING INCOME (Income from sale of owned assets)

- Capitalize on market peaks
- Helps to maintain a diversified, high-performing railcar fleet
- Over the last 10 years, GATX Rail North America generated an average of approximately $40 million of remarketing income per year

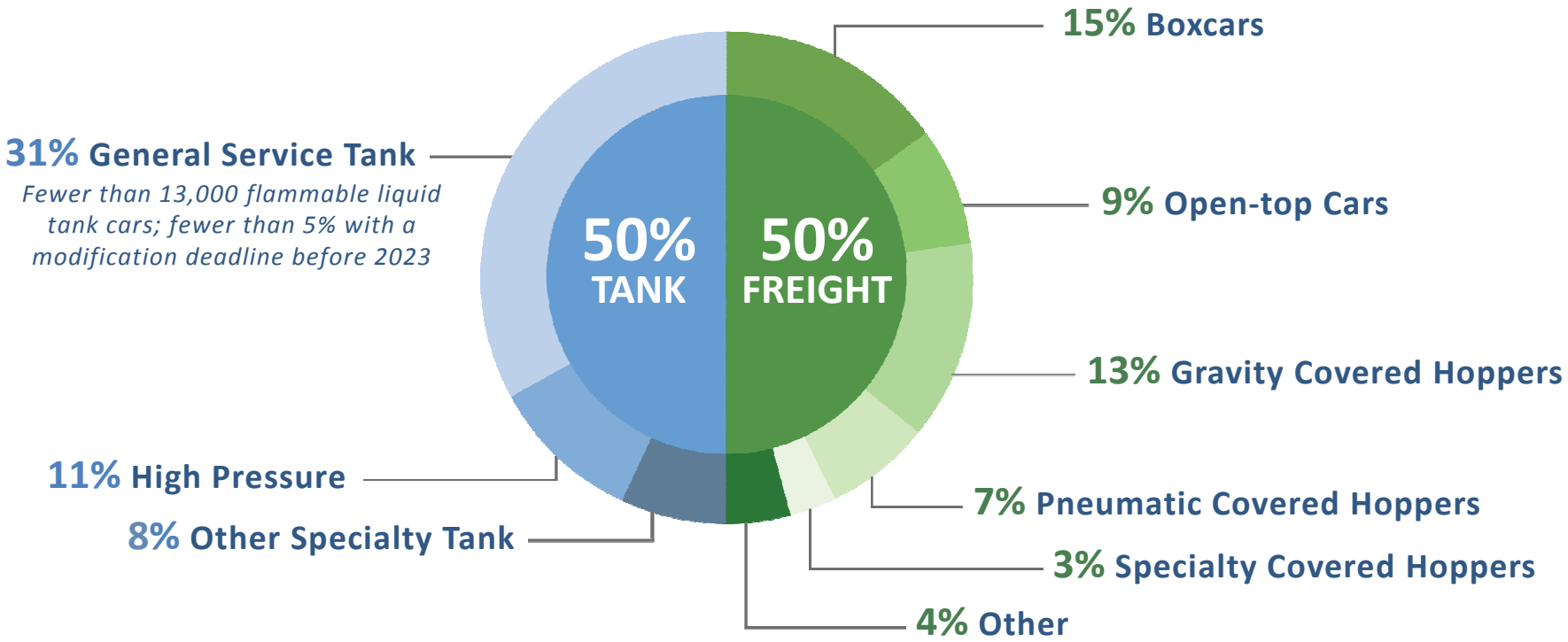
Rail North America	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Approximate # of railcars sold	1,600	2,800	700	1,400	1,800	2,000	3,700	2,700	3,900	2,700
Remarketing income ($ millions)	$32.2	$31.4	$13.8	$17.4	$27.4	$45.7	$54.5	$62.6	$67.4	$46.3

Avoiding Short-Term Market Trends

- GATX chose not to invest significantly into crude by rail
  - Eventual pipeline developments and market dynamics warranted a cautious approach
- Collapse of crude oil prices in mid-2014 led to GATX's expected outcome
  - Enormous oversupply of larger tank cars originally bound for crude oil service
  - The retrofit market for legacy 30k-gallon tank cars never materialized
  - Very limited number of legacy 30k-gallon tank cars remaining in crude service today
- New Administration's support of pipeline development will hasten the retirement of legacy 30k-gallon tank cars
  - GATX's exposure is minimal from a car count and net book value perspective
    - < 2% of GATX's total fleet is in crude service

North America Fleet Diversification

The diversity and balance of our North American fleet helps us maintain high utilization

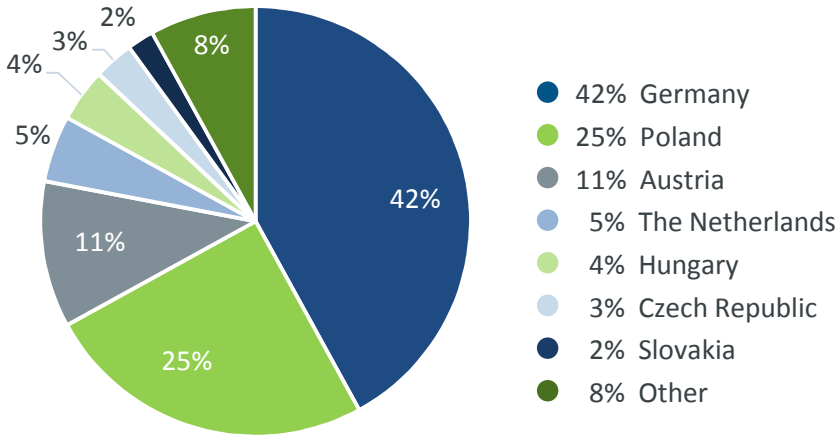


As of 12/31/2016

GATX Rail Europe: Global Diversification

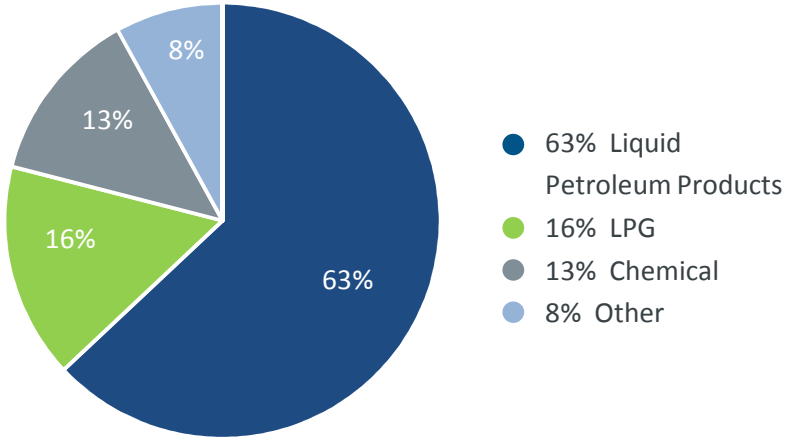
Nearly 80% of GRE's revenue is generated in Germany, Poland, and Austria – strong rail freight transport economies.

GEOGRAPHIES SERVED



Based on 2016 GRE Revenues

FLEET STRUCTURE



Approximately 23,000 railcars as of 12/31/2016

CAR TYPE	COMMODITIES CARRIED
Liquid Petroleum Products	Light mineral oil (gasoline, jet fuel, diesel oils, light heating oils), Dark mineral oil (heavy heating oils, lubricating oils, coal tar, bitumen, asphalt), crude oil
LPG	Propane, Butane, Propylene, Butadiene, Light carbohydrate fractions, Cooling gas mixtures
Chemical	Liquid fertilizers, Acids (Hydrochloric, Sulphur, Phosphoric, etc.), Bases (Carbohydrates, Solutions, Soda lye, Sodium Hypochlorite, etc.), Aromatics (Benzene, Toluene, Xylenes, Phenol, etc.), Liquid sulphur, Hydrogen peroxide, Resins and glues, Solvents
Freight/Powder	Lime, Cement, Coal, Coke, Gravel, Sand, Silica sand

RRPF: Global Diversification

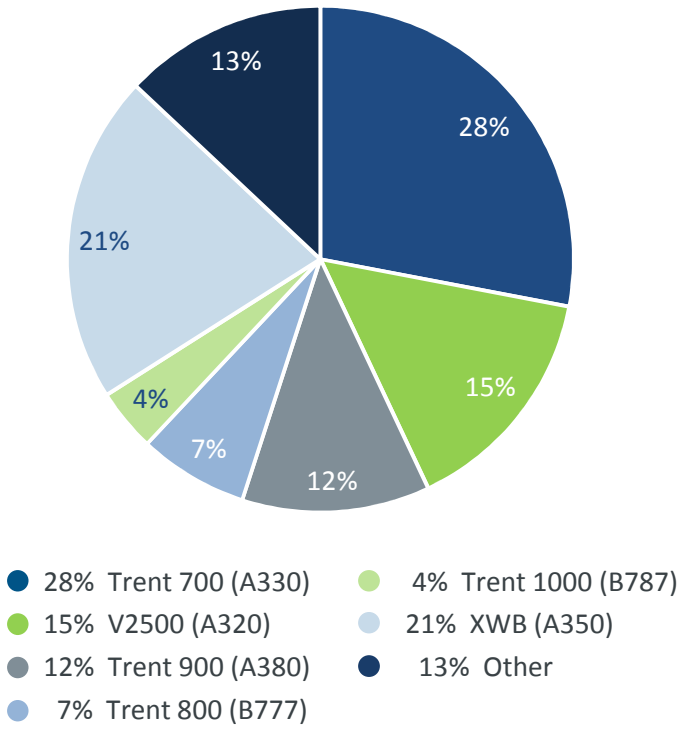
The RRPF portfolio has committed future lease receipts of more than $1.9 billion.



RRPF OVERVIEW

- GATX established its first partnership with Rolls-Royce plc in 1998
- Total NBV of engines upon RRPF establishment was $350 million; today the NBV is approximately $3.3 billion
- RRPF affiliates contribute meaningfully to GATX's financial results
- Lease spare aircraft engines to commercial airlines and Rolls-Royce plc
  - The largest Rolls-Royce spare aircraft engine portfolio in the industry, with 400+ engines

RRPF ENGINE TYPES



Based on NBV of approximately $3.3 billion; 100% of RRPF's portfolio as of 12/31/2016

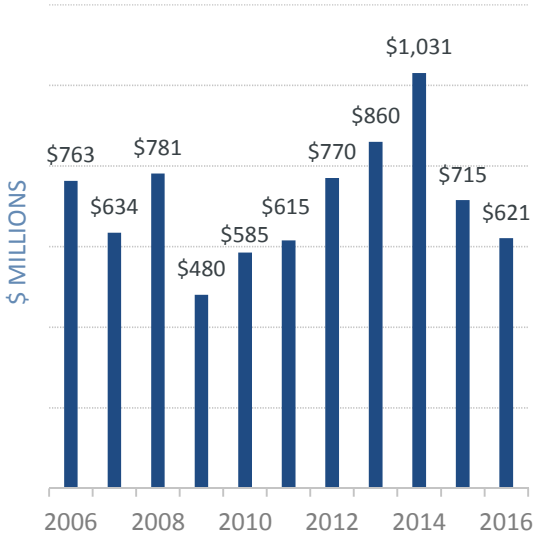
As of 12/31/2016

Capital Allocation Framework

PRIORITY 1

- Invest in value-creating assets whereby GATX can leverage strengths to maximize shareholder value
- $7.9 billion* of investments over the period shown

INVESTMENT VOLUME



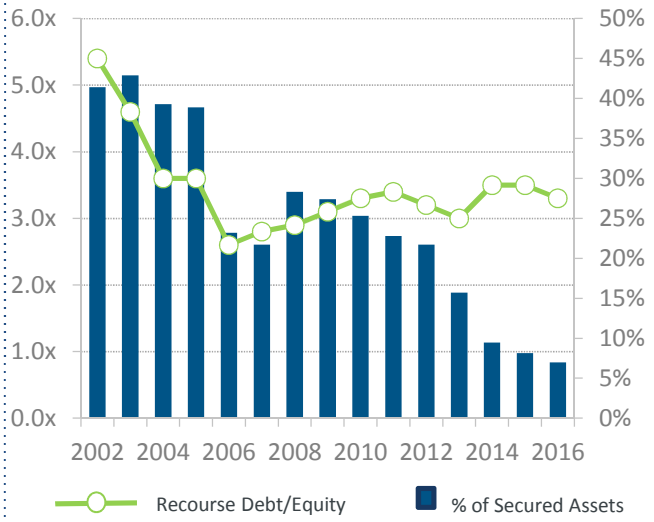
*Investment Volume and Non-cash Items

As of 12/31/2016

PRIORITY 2

- Manage the balance sheet
- Maintain a solid investment grade rating of BBB/Baa2
- Maintain capacity for opportunistic investments

LEVERAGE*
(Recourse Debt/Equity)



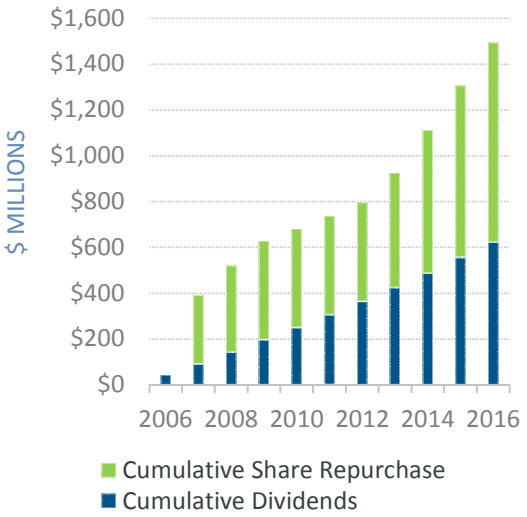
*Total Recourse Debt = On-Balance-Sheet Recourse Debt + Off Balance-Sheet Recourse Debt + Capital Lease Obligations + Commercial Paper and Bank Credit Facilities, Net of Unrestricted Cash

As of 12/31/2016

PRIORITY 3

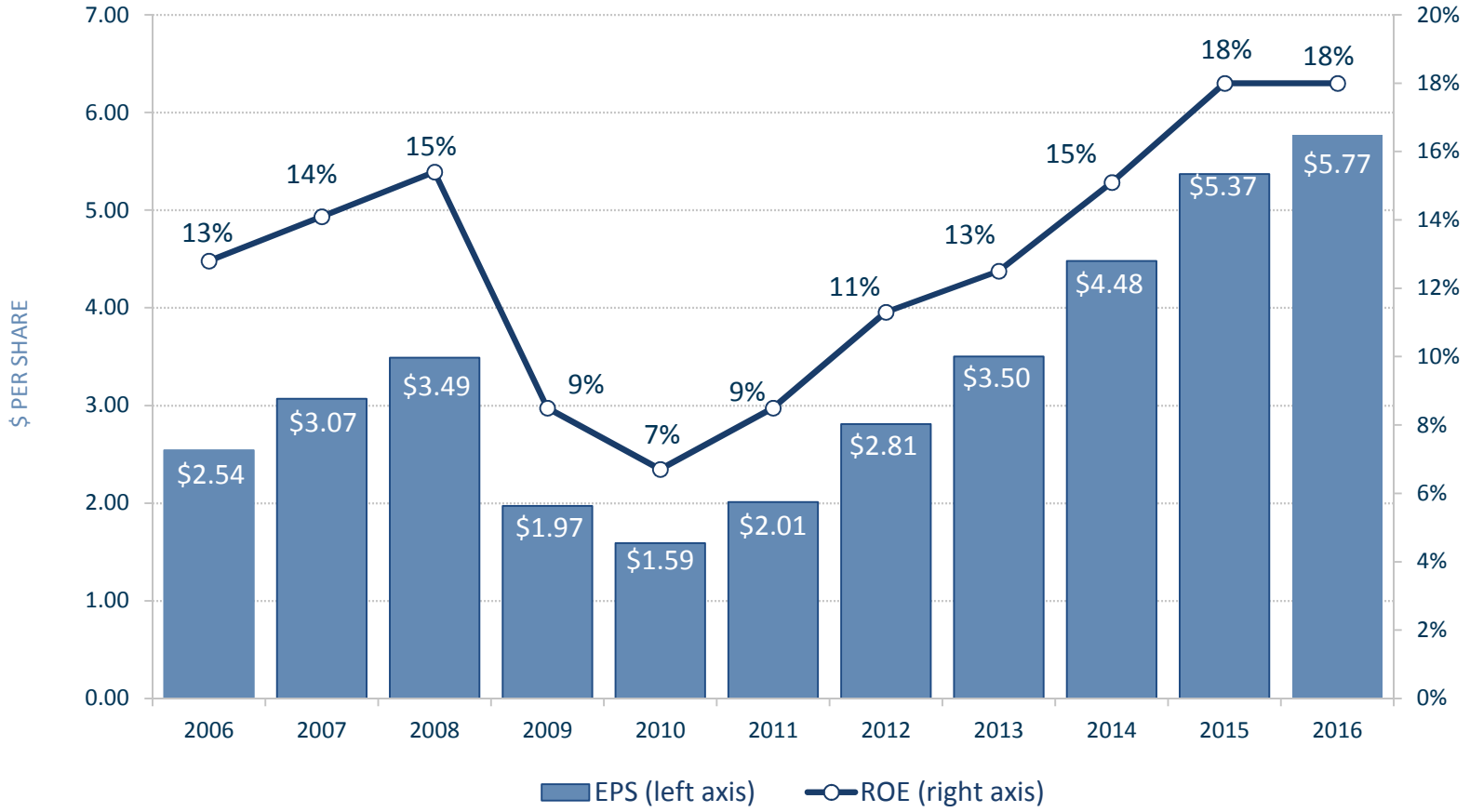
- In lockstep with Priorities 1 and 2, return cash to shareholders
- Over the period shown below, $1.5 billion returned to shareholders

CASH RETURNED TO SHAREHOLDERS



As of 12/31/2016

Financial Results



Graph displays Diluted EPS

Diluted EPS and ROE exclude Tax Adjustments and Other Items. See the Appendix for a reconciliation of these non-GAAP measures.

Shareholder Commitment



- Long-term focus on investing that matches the long lives of our railcars
- Earn an attractive risk-adjusted return on capital across the cycle
- Return excess capital to our owners
- Continue 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

RECONCILIATION OF NON-GAAP MEASURES

Reconciliation of Non-GAAP Measures – Net Income Measures

Net Income	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
(in millions)										
Net income (GAAP)	$ 183.8	$ 194.8	$ 81.4	$ 80.8	$ 110.8	$ 137.3	$ 169.3	$ 205.0	$ 205.3	$ 257.1
Adjustments attributable to consolidated income, pretax:										
Railcar impairment at Rail North America	-	-	-	-	-	-	-	-	-	29.8
Net loss on wholly owned Portfolio Management marine investments	-	-	-	-	-	-	-	-	9.2	2.5
Residual sharing settlement at Portfolio Management	-	-	-	-	-	-	-	-	-	(49.1)
Early retirement program	-	-	-	-	-	-	-	-	9.0	-
Litigation recoveries	-	-	-	(6.5)	(3.2)	-	-	-	-	-
Leveraged lease adjustment	-	-	-	-	(5.5)	-	-	-	-	-
Gain on sale of office building	-	(12.0)	-	-	-	-	-	-	-	-
Environmental reserve reversal	-	(8.2)	-	-	-	-	-	-	-	-
Total adjustments attributable to consolidated income, pretax	$ -	$ (20.2)	$ -	$ (6.5)	$ (8.7)	$ -	$ -	$ -	$ 18.2	$ (16.8)
Income taxes thereon, based on applicable effective tax rate	$ -	$ 3.8	$ -	$ 2.4	$ 2.0	$ -	$ -	$ -	$ (6.9)	$ 7.2
Other income tax adjustments attributable to consolidated income:										
Income tax rate changes	(17.1)	-	-	-	-	0.7	-	-	14.1	-
GATX income taxes on sale of AAE	-	-	-	-	-	-	23.2	-	-	-
Foreign tax credit utilization	-	-	(7.4)	-	-	(4.6)	(3.9)	-	-	(7.1)
Tax benefits upon close of tax audits	-	-	-	(9.5)	(4.8)	(15.5)	-	-	-	-
Deferred tax benefit from the expiration of the statute of limitations on a tax position taken	-	(6.8)	-	-	-	-	-	-	-	-
Total other income tax adjustments attributable to consolidated income	$ (17.1)	$ (6.8)	$ (7.4)	$ (9.5)	$ (4.8)	$ (19.4)	$ 19.3	$ -	$ 14.1	$ (7.1)
Adjustments attributable to affiliates' earnings, net of taxes:										
Net loss (gain) on Portfolio Management affiliate	-	-	-	-	-	-	-	-	11.9	(0.6)
Income tax rate changes	(3.0)	-	-	(1.9)	(4.1)	(4.6)	(7.6)	-	(7.7)	(3.9)
Pretax gain on sale of AAE	-	-	-	-	-	-	(9.3)	-	-	-
Interest rate swaps at AAE	-	3.3	20.7	9.3	(0.2)	20.5	(6.9)	-	-	-
Total adjustments attributable to affiliates' earnings, net of taxes	$ (3.0)	$ 3.3	$ 20.7	$ 7.4	$ (4.3)	$ 15.9	$ (23.8)	$ -	$ 4.2	$ (4.5)
Net Income, excluding tax adjustments and other items (non-GAAP)	$ 163.7	$ 174.9	$ 94.7	$ 74.6	$ 95.0	$ 133.8	$ 164.8	$ 205.0	$ 234.9	$ 235.9

Earnings per Share	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Diluted earnings per share (GAAP)	$ 3.43	$ 3.88	$ 1.70	$ 1.72	$ 2.35	$ 2.88	$ 3.59	$ 4.48	$ 4.69	$ 6.29
Diluted earnings per share, excluding tax adjustments and other items (non-GAAP)	$ 3.07	$ 3.49	$ 1.97	$ 1.59	$ 2.01	$ 2.81	$ 3.50	$ 4.48	$ 5.37	$ 5.77

Reconciliation of Non-GAAP Measures – Balance Sheet Measures

On- and Off-Balance Sheet Assets	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total assets (GAAP)	$ 4,723.2	$ 5,190.5	$ 5,206.4	$ 5,442.4	$ 5,846.0	$ 6,044.7	$ 6,535.5	$ 6,919.9	$ 6,894.2	$ 7,105.4
Off-balance sheet assets:										
Rail North America	1,230.1	1,056.5	1,012.1	968.1	884.5	863.5	887.9	606.1	488.7	456.5
ASC	-	-	-	-	-	21.0	16.5	11.7	6.8	2.6
Portfolio Management	5.8	4.7	4.0	3.4	2.6	-	-	-	-	-
Total off-balance sheet assets	$1,235.9	$1,061.2	$1,016.1	$ 971.5	$ 887.1	$ 884.5	$ 904.4	$ 617.8	$ 495.5	$ 459.1
Total assets, as adjusted (non-GAAP)	$5,959.1	$6,251.7	$6,222.5	$6,413.9	$6,733.1	$6,929.2	$7,439.9	$7,537.7	$7,389.7	$7,564.5