GATX



COMPANY OVERVIEW PRESENTATION | MAY 2019

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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 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," "outlook," "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, 2018 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
- a significant decline in customer demand for our railcars or other assets or services, including as a result of:
  - weak macroeconomic conditions
  - weak market conditions in our customers' businesses
  - declines in harvest or production volumes
  - adverse changes in the price of, or demand for, commodities
  - changes in railroad operations or efficiency
  - changes in supply chains
  - availability of pipelines, trucks, and other alternative modes of transportation
  - other operational or commercial needs or decisions of our customers
- 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, including increased costs due to tariffs or trade disputes
- reduced opportunities to generate asset remarketing income
- operational and financial risks related to our affiliate investments, including the Rolls-Royce & Partners Finance joint ventures (collectively the "RRPF affiliates")
- fluctuations in foreign exchange rates
- failure to successfully negotiate collective bargaining agreements with the unions representing a substantial portion of our employees
- 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
- Uncertainty relating to the LIBOR calculation process and potential phasing out of LIBOR after 2021
- competitive factors in our primary markets, including competitors with a significantly lower cost of capital than GATX
- risks related to our international operations and expansion into new geographic markets, including the imposition of new or additional tariffs, quotas, or trade barriers
- 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'S 121-YEAR HISTORY

1898
Established as railcar lessor with 28 railcars

1919
Initiated quarterly dividend

1936
Began rail investment in Canada

1973
Acquired American Steamship Company (ASC)

1985
Began locomotive investment

1994
Began rail investment in Europe & Mexico

1998
Formed Rolls-Royce Partners and Finance (RRPF) Affiliates

2012 & 2013
Began rail investments in India and Russia

2019
$8.0 billion* in assets and approximately 148,000 wholly owned railcars worldwide

Assets on- and off-balance sheet as of 12/31/2018

DISCIPLINED AND PROVEN

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.

FOCUSED



BUSINESS STRATEGY

+

DISCIPLINED



CAPITAL ALLOCATION

=

PROVEN

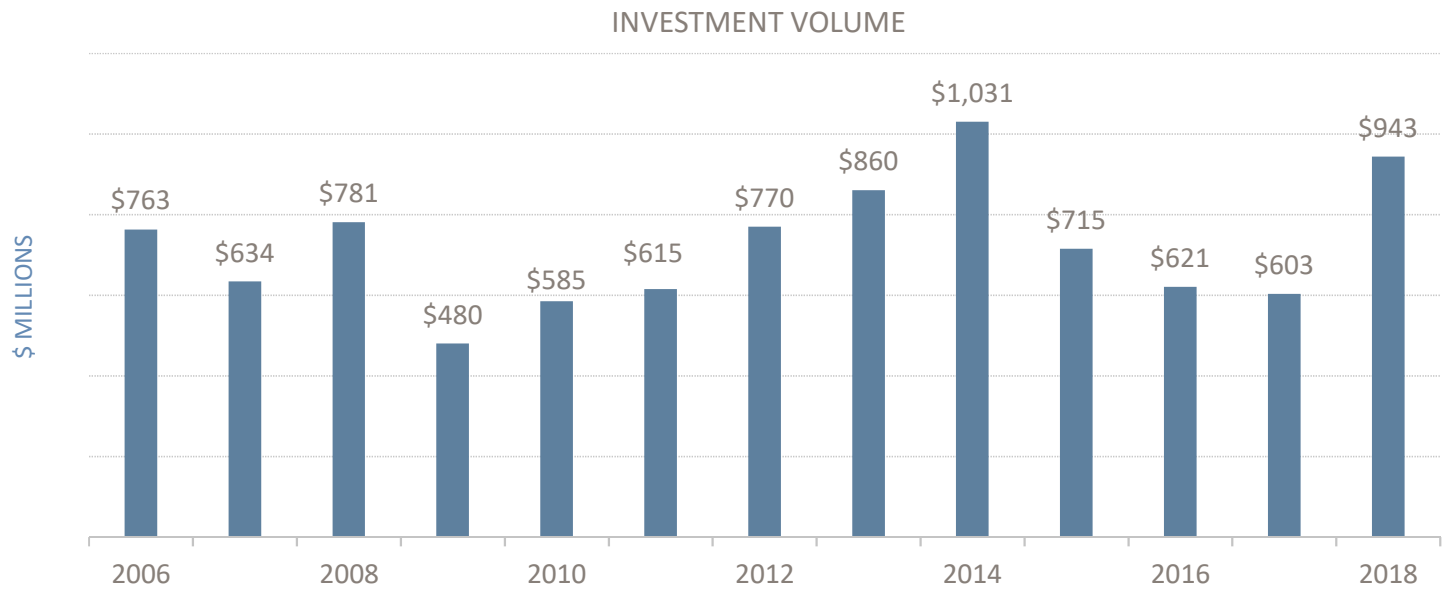


RETURNS TO SHAREHOLDERS

CAPITAL ALLOCATION FRAMEWORK

PRIORITY 1

- Invest in core, service-intensive assets to maximize shareholder value
- $9.4 billion* of investments over the period shown



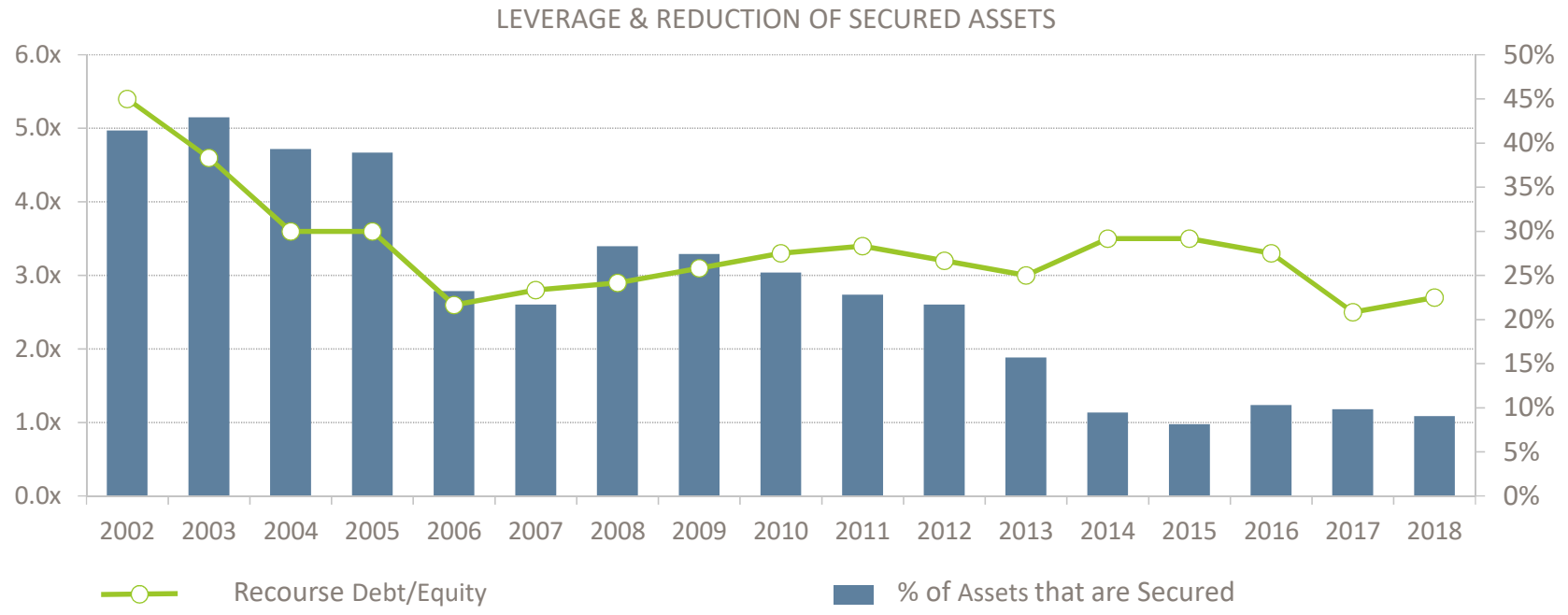
*Investment Volume and Non-cash Items

As of 12/31/2018

CAPITAL ALLOCATION FRAMEWORK

PRIORITY 2

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



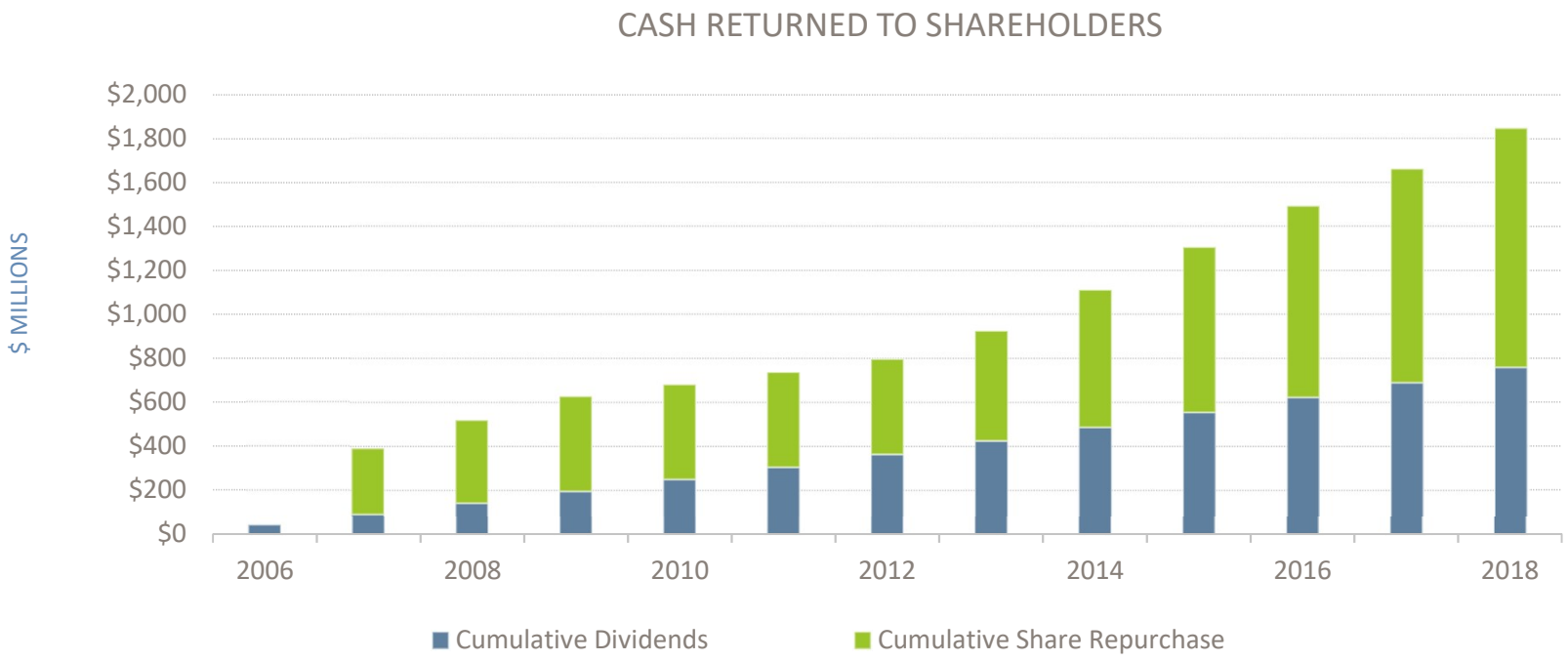
**Total Recourse Debt = On-Balance Sheet Recourse Debt + Off-Balance Sheet Recourse Debt + Capital Lease Obligations + Commercial Paper and Bank Credit Facilities, Net of Unrestricted Cash*

As of 12/31/2018

CAPITAL ALLOCATION FRAMEWORK

PRIORITY 3

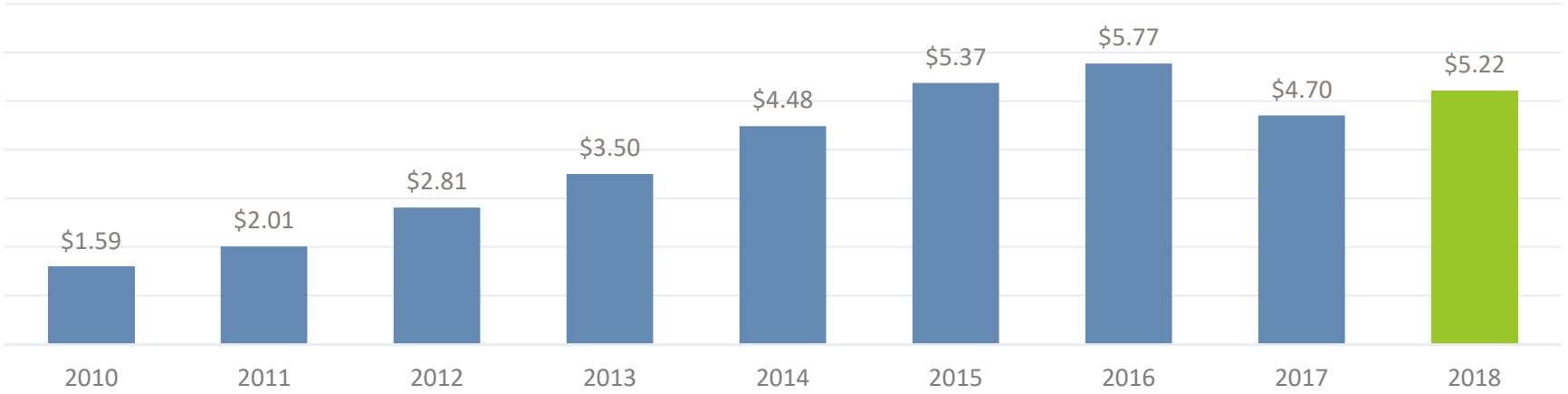
- In lockstep with Priorities 1 and 2, return excess cash to shareholders
- Over the period shown below, $1.8 billion returned to shareholders



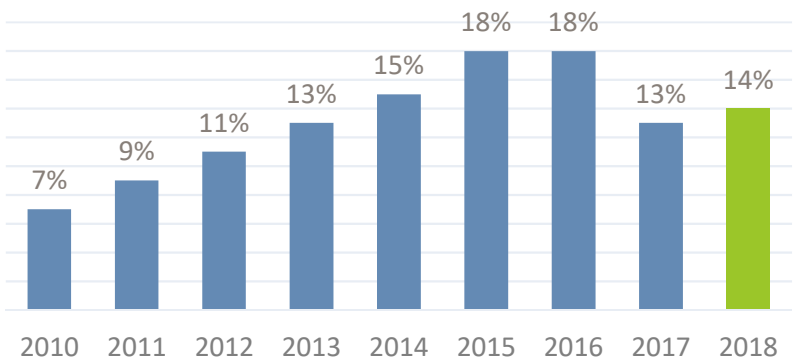
As of 12/31/2018

GATX FINANCIAL HIGHLIGHTS

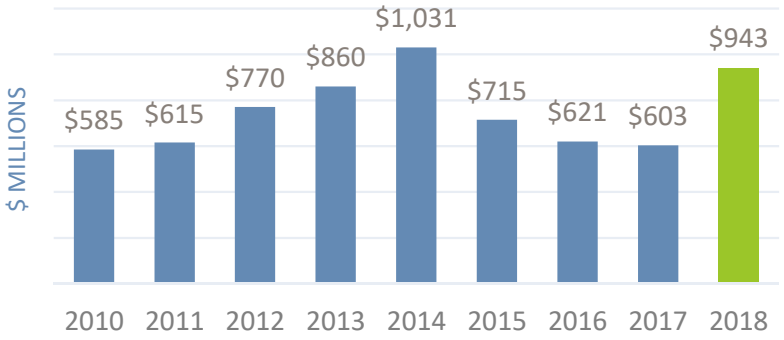
EPS*



ROE



INVESTMENT VOLUME



*Graph displays Diluted EPS
Diluted EPS & ROE exclude Tax Adjustments and Other Items. See Reconciliation of Non-GAAP Measures.

GATX TODAY – BUSINESS SEGMENTS



RAIL NORTH AMERICA

- Premier railcar lessor
- Diversified fleet of approximately 122,000 wholly owned railcars and more than 650 locomotives
- Strong customer credit quality, diversification in car types and commodities carried
- Over $2.9 billion in committed lease receipts



RAIL INTERNATIONAL

- GATX Rail Europe (GRE) is a leading European tank car lessor with over 23,000 railcars
- Strong customer credit quality, diversification in car types, geography and commodities carried
- Largest railcar lessor in India



PORTFOLIO MANAGEMENT

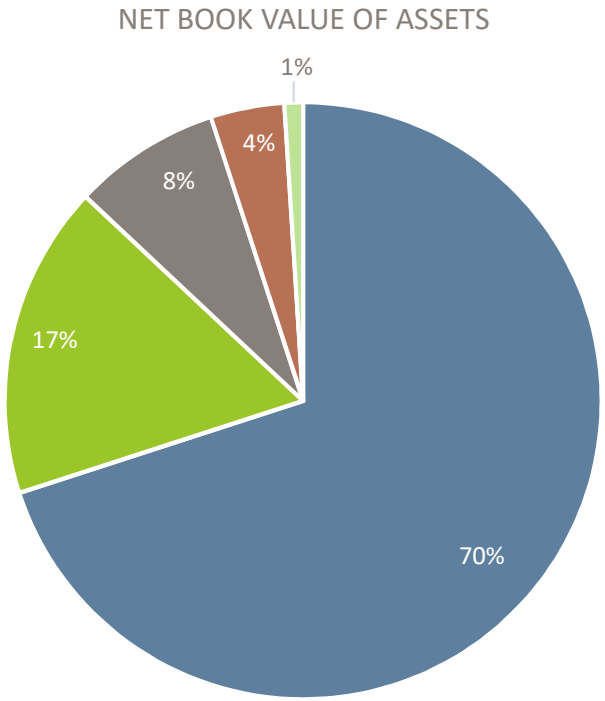
- RRPF is the largest lessor of Rolls-Royce aircraft spare engines worldwide
- $4.4 billion of operating assets in the RRPF affiliates
- Over $2.9 billion of committed lease receipts at the RRPF affiliates



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

As of 12/31/2018



**Assets on- and off-balance sheet as of 12/31/2018*

GATX'S STRONG GLOBAL PRESENCE

GATX own approximately 148,000 railcars, over 650 locomotives, 11 vessels on the Great Lakes and has an interest in more than 450 aircraft spare engines.

GATX Headquarter Locations

- GATX Global Headquarters *(Chicago, IL)*
- GATX Rail Europe *(Vienna, Austria)*
- GATX Rail India (*Gurgaon, India)*
- GATX Rail Russia (*Moscow, Russia)*

American Steamship Company Headquarters *(Williamsville, New York)*

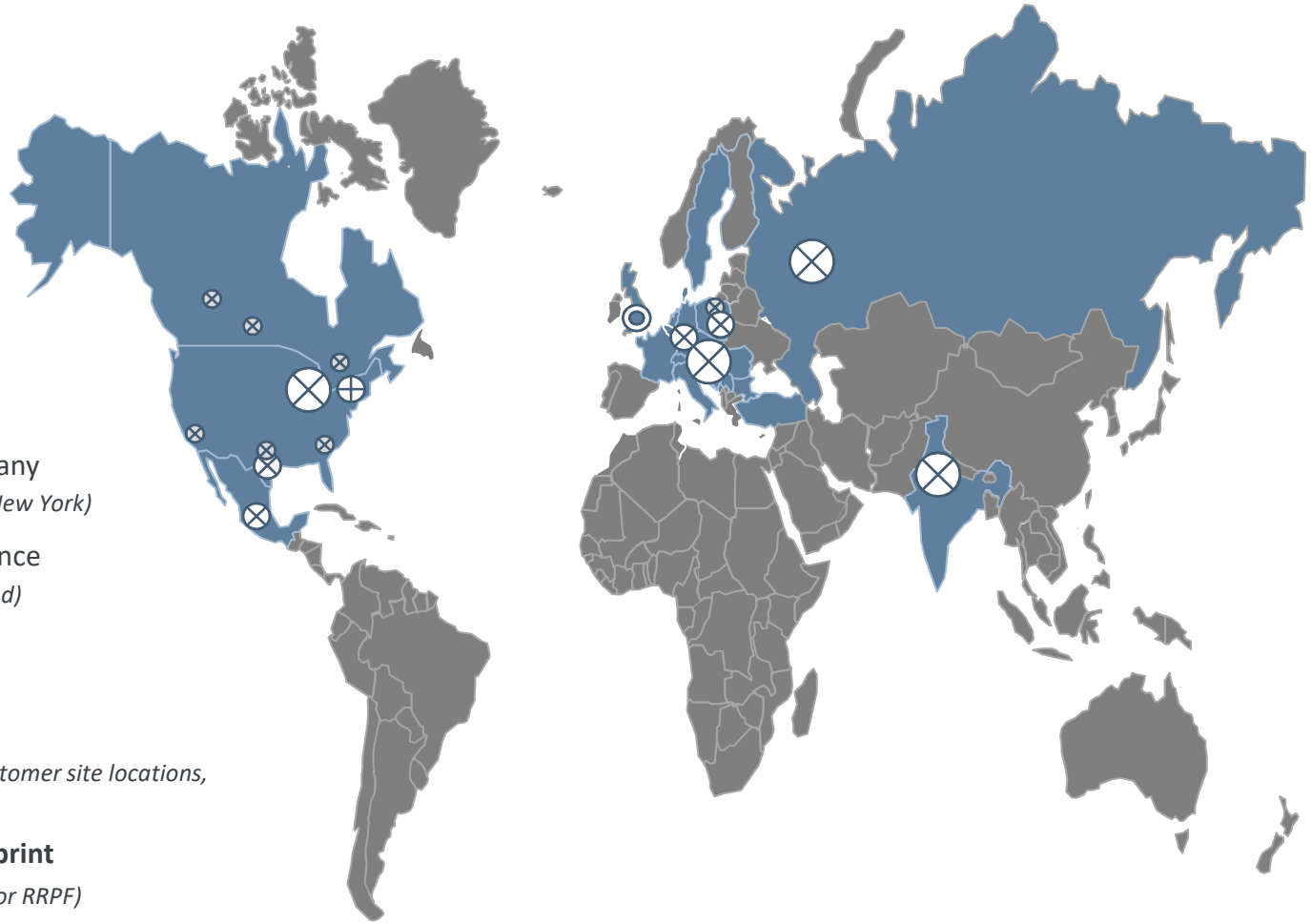
Rolls-Royce & Partners Finance Headquarters *(London, England)*

Major Business Office *(excludes sales offices)*

Major Maintenance Facility *(excludes field repair centers, customer site locations, & mobile units)*

GATX Rail Operations Footprint

(Map excludes leasing footprint for RRPF)



BUSINESS MODEL



STRAIGHTFORWARD AND PROVEN BUSINESS MODEL

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 business 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 optimal time









BUSINESS MODEL: BUY

DISCIPLINED INVESTMENT APPROACH

GATX recognizes that railcars are long-lived assets and that each investment is measured over decades

GATX avoids chasing short-term, unsustainable market trends

COMPETITIVE ASSET COST

GATX achieves lower new car cost by placing large orders at appropriate points in the business cycle

GATX focuses on achieving economically attractive and competitively advantaged new car costs

GATX ADVANTAGE

OPPORTUNISTIC INVESTMENT

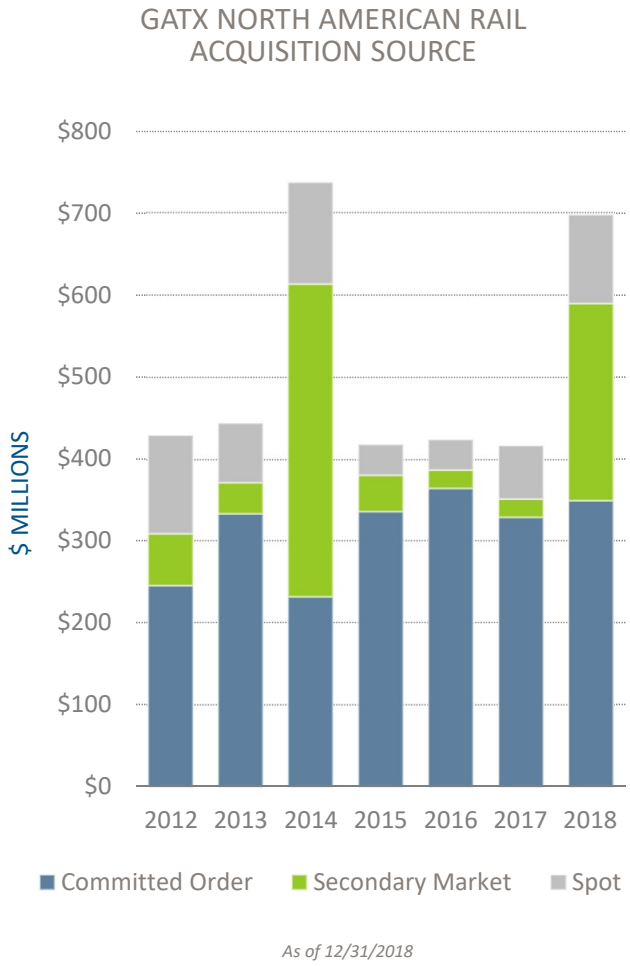
GATX consistently identifies attractive opportunities across the business cycle

GATX acquires railcars in the secondary market in North America, Europe, and India on an opportunistic basis

EXPERIENCED INTERNAL CAPABILITIES

GATX's engineering team customizes railcar specifications to meet customer needs

GATX's quality team performs car inspections and quality control during the manufacturing process



As of 12/31/2018

BUSINESS MODEL: BUY

Railcar Supply Strategy

GATX'S STRATEGY IS TO SECURE RAILCARS FROM A VARIETY OF SOURCES AS OPPOSED TO ALSO BEING A RAILCAR MANUFACTURER; COMBINING RAILCAR MANUFACTURING WITH A RAILCAR LEASING BUSINESS:

- Adds significant volatility leading to a higher cost of capital
- Can result in poor asset allocation within the lease fleet as cars are added simply to optimize the manufacturing line

GATX'S SOURCES OF RAILCAR SUPPLY

- Large, multi-year orders for new cars from manufacturers during the down cycle
- Spot orders for new cars to meet specific customer demand
- Fleet acquisitions of existing cars from other lessors and customers

BENEFITS OF RAILCAR SUPPLY STRATEGY

- Access to attractively priced railcars
- Ability to grow our high quality fleet and reliably meet customer demand

BUSINESS MODEL: LEASE

Customers prefer GATX because of its diverse fleet, technical expertise to meet unique needs and superior ongoing service; This results in high fleet utilization and strong lease renewal success

CUSTOMER VALUE

CAR AVAILABILITY

- Utilize multi-year committed orders with railcar manufacturers to maintain a steady stream of new car deliveries
- Meet customers' demands with large, diverse fleet

DELIVERY

- Develop lease structures that fit customers' needs
- New Car Inspection Group ensures railcars meet GATX and customers' specifications before acceptance

TIME IN-SERVICE

- Assure maintenance capacity for railcar repairs
- Minimize railcar issues and unexpected downtime
- Assist customers in managing complex railcar regulatory environment

CUSTOMER SERVICE

- Responsive service representatives
- Reduce administrative burden of railcar operations and handle complicated situations for our customers
- MyGATXRail.com provides customer self-service, allowing instant access to fleet information

BUSINESS MODEL: SERVICE

GATX has built a strong market position by focusing on full-service leasing in North America and Europe.



MAINTENANCE

- Customers rely on GATX to manage the complex process of maintaining railcars
- Extensive maintenance network: more than 20 maintenance locations in North America and Europe
- In 2018, GATX performed an aggregate of approximately 60,000 maintenance events in its owned and third-party maintenance network in North America and Europe



ENGINEERING

- GATX's engineering team consists of mechanical, structural, and chemical engineers
- GATX's engineers tailor railcar solutions to meet customers' needs, taking into consideration commodity carried, location, and layout of facilities
- Develop railcar modification programs



TRAINING

- GATX provides important training to customers and first responders
- GATX offers training at its headquarters, at customer sites, and through its TankTrainer™ mobile classroom



TECHNOLOGY

- MyGATXRail.com provides real-time fleet management capability and maintenance data to customers
- Shop Portal provides GATX personnel with state-of-the-art technology for car inspection, maintenance instructions and reporting in real-time from the shop floor



REGULATORY

- As a full-service railcar lessor, GATX takes an active leadership role in the complex regulatory landscape
- GATX leads several industry groups and agencies in North America and Europe

As of 4/15/2019

GATX RAIL NORTH AMERICA: FLEET OPTIMIZATION

GATX's fleet of well-maintained modern railcars, leased to quality customers, allows us to realize significant remarketing income when we decide to sell cars in the secondary market. We also generate scrapping gains at the end of a railcar's useful life.

REMARKETING INCOME *(Income from sale of owned assets)*

- Capitalize on market peaks
- Helps to maintain a diversified, high-performing railcar fleet
- Over the last 11 years, GATX Rail North America generated an average of approximately $40 million of remarketing income per year

Rail North America	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Approximate # of railcars sold	2,800	700	1,400	1,800	2,000	3,700	2,700	3,900	2,700	1,600	3,200
Remarketing income ($ millions)	$31.4	$13.8	$17.4	$27.4	$45.7	$54.5	$62.6	$67.4	$46.3	$44.6	$66.1

SCRAPPING GAINS

- GATX typically realizes gains when railcars are scrapped at the end of their useful lives
- Over the last 11 years, GATX Rail North America and Rail International generated an average of approximately $16 million of scrapping gains per year

Rail North America and Rail International	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Approximate # of railcars scrapped	4,300	4,400	3,700	3,700	2,700	3,100	3,200	2,600	3,900	4,800	3,400
Scrapping gains ($ millions)	$29.4	$9.7	$18.0	$27.0	$19.2	$20.7	$16.1	$9.5	$3.2	$8.5	$14.5

BUSINESS MODEL: SUMMARY

Attractive economic returns in railcar leasing are driven by:

- Access to efficiently priced capital and appropriate financial leverage
- Acquiring the right railcars at the right time at the right price
- Fleet diversification across railcar types, commodities carried, and customers served
- Continuous fleet optimization through secondary market purchases and sales
- Superior sales, customer service, engineering, and maintenance efforts
- A commitment to safety

BUSINESS SEGMENT OVERVIEW



GATX RAIL NORTH AMERICA OVERVIEW

2018 OVERVIEW

WHOLLY OWNED FLEET COUNT
122,000

CAR TYPE COUNT
160+

AVERAGE FLEET AGE
20 Years

LOCOMOTIVE COUNT
650+

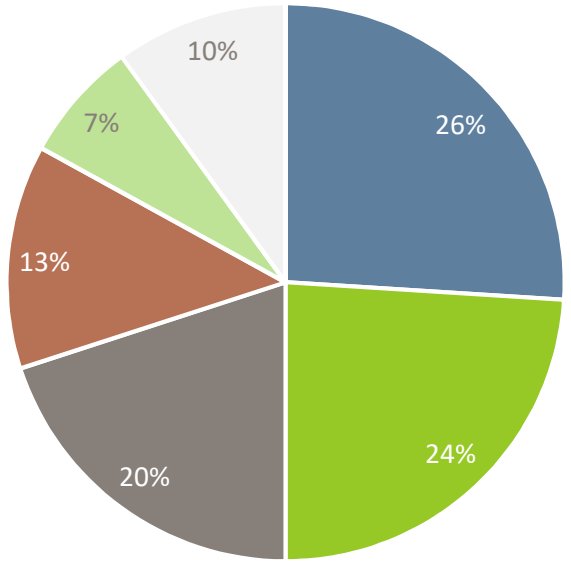
NUMBER OF CUSTOMERS
850+

COUNTRIES OF OPERATIONS
US, Canada, & Mexico



As of 12/31/2018

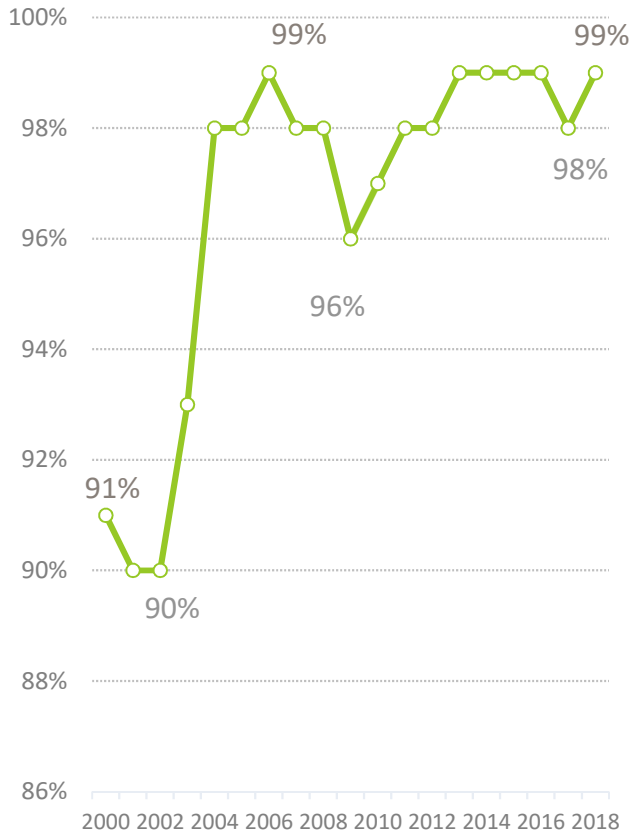
INDUSTRIES SERVED



- 26% Chemicals
- 24% Refiners & Other Petroleum
- 20% Railroads & Other Transports
- 13% Food & Agriculture
- 7% Mining, Minerals & Aggregates
- 10% Other

Based on 2018 Rail North America Revenue

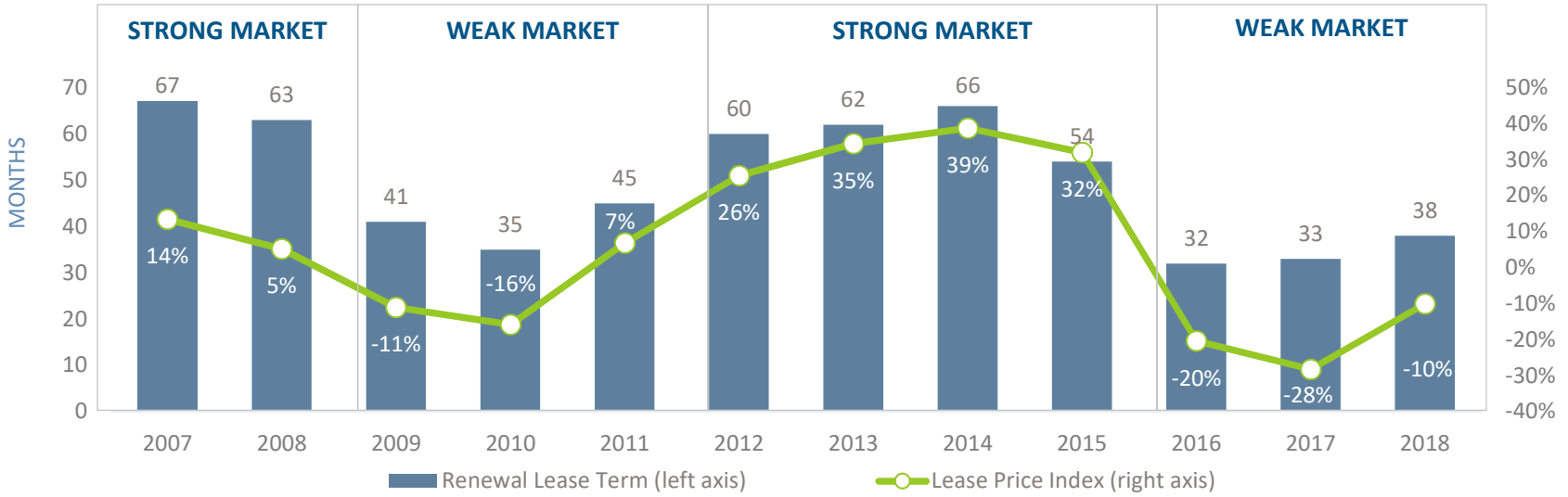
UTILIZATION*



*Excludes boxcar fleet

GATX ACTIVELY MANAGES THROUGH CYCLES

GATX proactively manages changing market conditions by utilizing our strong customer relationships and diversity of our fleet to adjust rate and term.



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019*
Approximate # of railcars scheduled for renewal**	20,000	17,500	15,000	17,000	21,000	20,000	21,000	20,000	17,000	12,500	15,100	13,900	17,800
Renewal Success** Rate	73%	60%	54%	62%	77%	82%	81%	86%	81%	67%	75%	83%	N/A
Utilization**	98%	98%	96%	97%	98%	98%	99%	99%	99%	99%	98%	99%	N/A

**As of 12/31/2018*
***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).
Renewal Success Rate: The percentage of expiring leases that were renewed with the existing lessee.

GATX RAIL INTERNATIONAL OVERVIEW

2018 OVERVIEW

FLEET COUNT
23,000+ in Europe (GRE)
2,400+ in India and Russia

CAR TYPE COUNT
35+

AVERAGE FLEET AGE (GRE)
18 Years

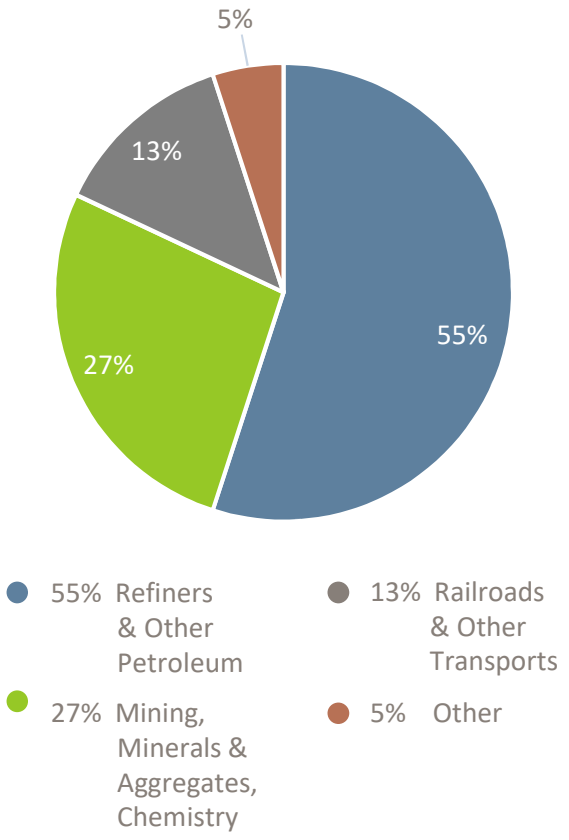
NUMBER OF CUSTOMERS
220+

MAJOR COUNTRIES OF OPERATIONS
Germany, Poland, Austria, Switzerland, The Netherlands, Czech Republic, Hungary



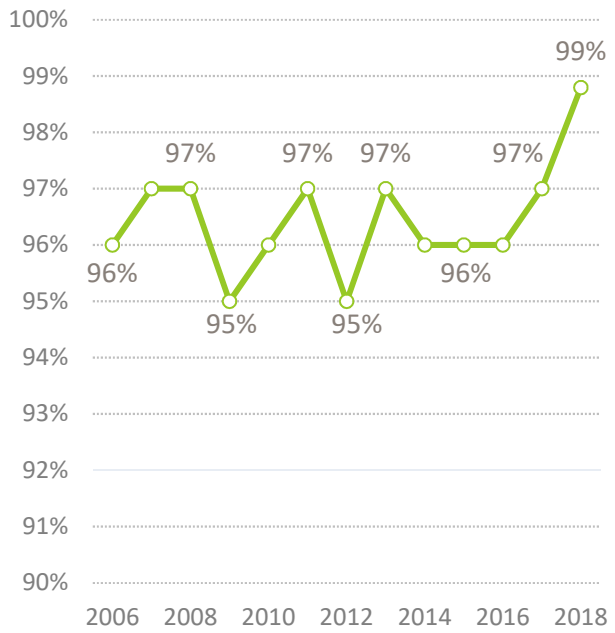
As of 12/31/2018

INDUSTRIES SERVED BY GRE



Based on 2018 GRE Revenue

GRE FLEET UTILIZATION

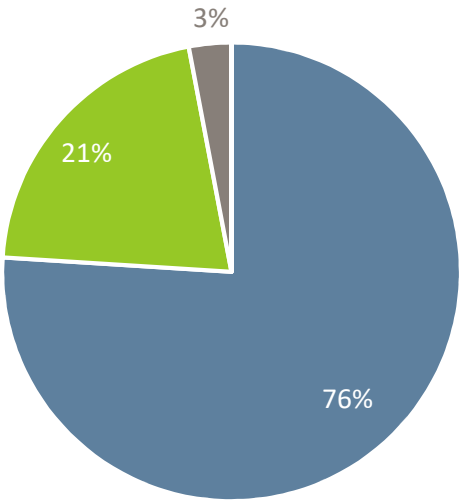


As of 12/31/2018



PORTFOLIO MANAGEMENT OVERVIEW

OWNED PORTFOLIO



- 76% Aircraft Spare Engine Leasing Affiliates (RRPF)
- 21% Marine Equipment
- 3% Other

$606.8 million NBV as of 12/31/2018

2018 RRPF OVERVIEW

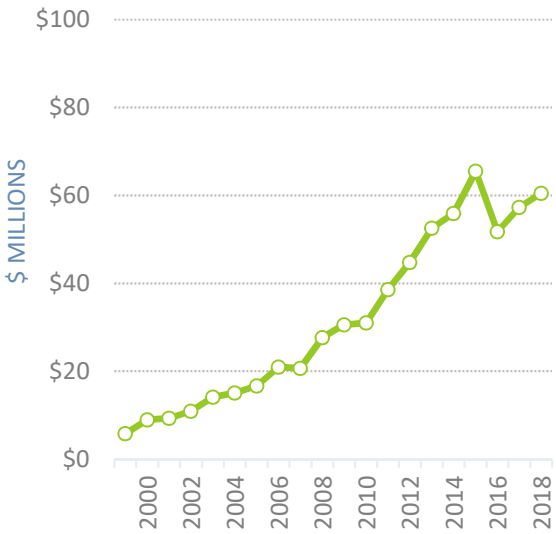
SPARE ENGINE COUNT

450+

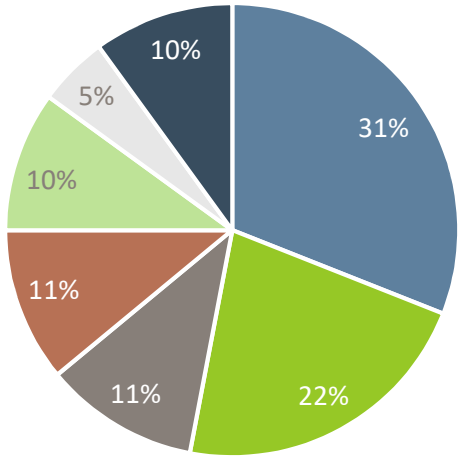
AVERAGE FLEET AGE

11 Years

RRPF JV PRE-TAX INCOME (GATX's SHARE)



RRPF ENGINE TYPES



- 31% Trent XWB (A350)
- 22% Trent 700 (A330)
- 11% Trent 900 (A380)
- 11% Trent 1000 (B787)
- 10% V2500 (A320)
- 5% Trent 800 (B777)
- 10% Other

Based on NBV of approximately $4.4 billion; 100% of RRPF's portfolio as of 12/31/18

AMERICAN STEAMSHIP COMPANY OVERVIEW

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total Net Tons Carried by ASC (in millions)	37.2	37.3	35.7	21.2	28.0	28.4	29.7	28.8	30.5	26.5	25.4	27.8	26.2
ASC Vessels Operated	18	18	18	12	13	14	14	13	15	13	11	12	11

FLEET SIZE

11

AVERAGE FLEET AGE

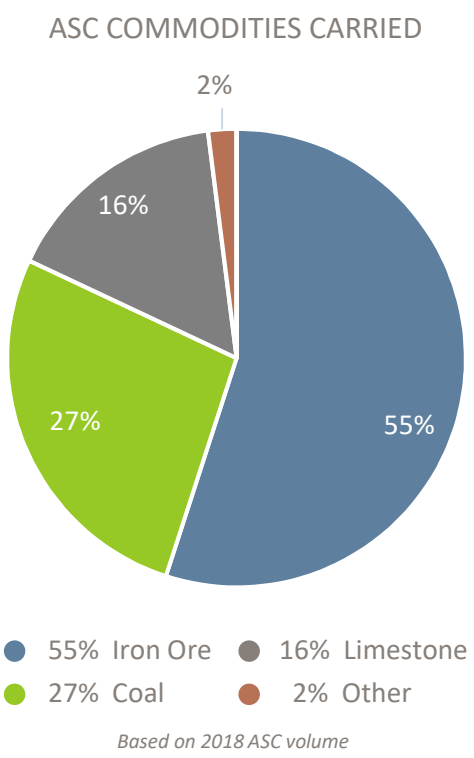
41 Years

CUSTOMER BASE

20+

MAJOR COMMODITIES CARRIED

Iron Ore, Coal and Limestone



Based on 2018 ASC volume



RAIL NORTH AMERICA



NORTH AMERICA – INDUSTRY RAILCAR OWNERSHIP

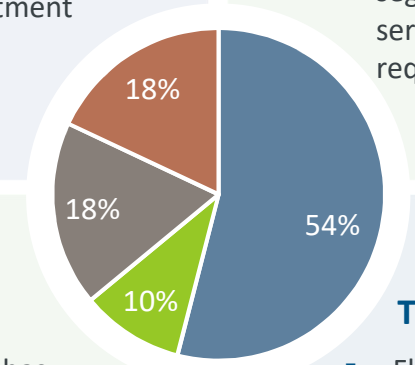
Approximately 1.6 million railcars

RAILROADS (18%)

- Ownership of railcars has been declining
- Virtually no tank car ownership due to complexities and regulations
- Focus of capital investment on infrastructure

LESSORS (54%)

- Shift from railroad- and shipper-owned railcars to lessor market share
- Lessors dominate the tank car segment due to complex services and compliance requirements



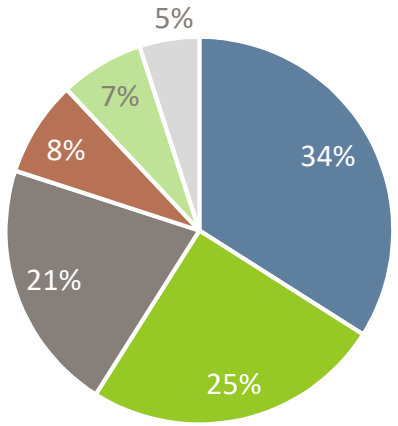
SHIPPERS (18%)

- Shipper market share has been relatively constant since 2008 at ~18%
- Alternative focus of capital on core business versus railcar investments

TTX (10%)

- Fleet is predominantly focused on intermodal, flat cars, and boxcars
- Overall market share has remained steady since 2008 at ~10% of the North American fleet

NORTH AMERICAN FLEET BY CAR TYPE



- 34% Covered Hopper
- 25% Tank
- 21% Open Top
- 8% Flat
- 7% Boxcar
- 5% Intermodal

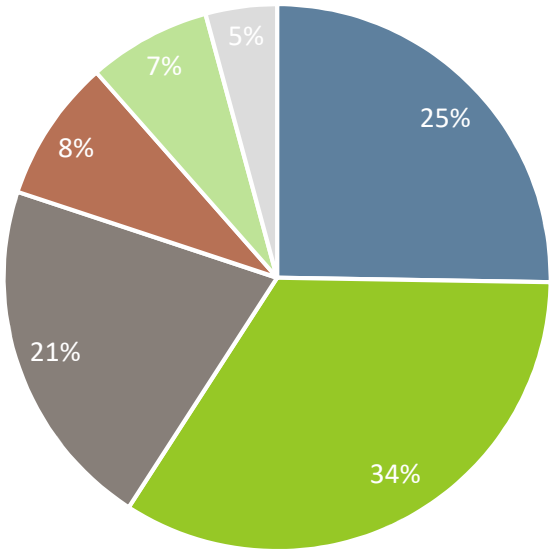
Approximately 1.6 million railcars

UMLER as of January 2019

NORTH AMERICA – TANK & FREIGHT INDUSTRY OWNERSHIP

RAILCARS BY TYPE

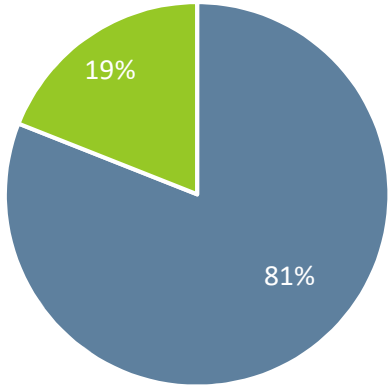
(Based on approximately 1.6 million railcars)



- 25% Tank
- 34% Covered Hopper
- 21% Open Top
- 8% Flatcar
- 7% Boxcar
- 5% Intermodal

UMLER as of January 2019

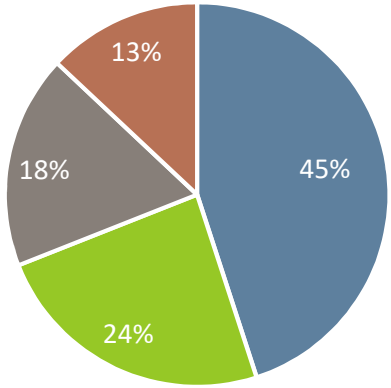
TANK CAR OWNERSHIP SHARE



- 81% Lessor
- 19% Shipper/Other
- <1% Railroad

Based on approximately 410,000 tank cars

FREIGHT CAR OWNERSHIP SHARE



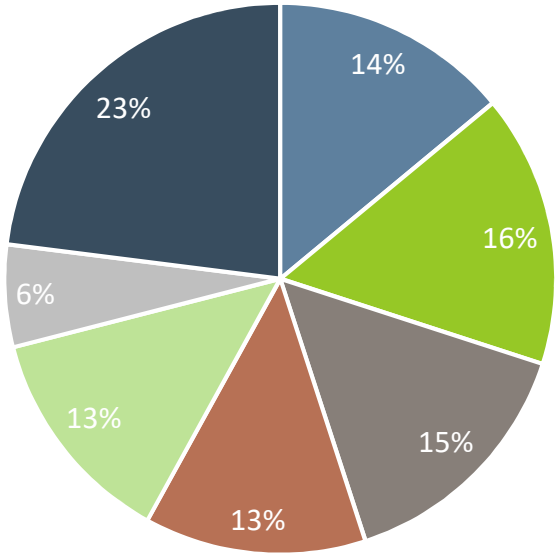
- 45% Lessor
- 24% Railroad
- 18% Shipper/Other
- 13% TTX

Based on approximately 1.2 million freight cars

NORTH AMERICA – LESSOR MARKET SHARE

LESSOR OWNERSHIP SHARE

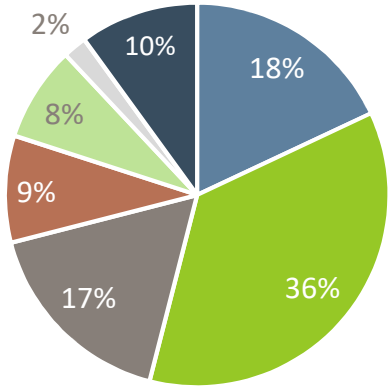
(Based on approximately 876,000 lessor-owned railcars)



- 14% GATX
- 16% Wells Fargo Rail
- 15% Union Tank Car
- 13% CIT
- 13% Trinity
- 6% SMBC
- 23% Other

UMLER as of January 2019

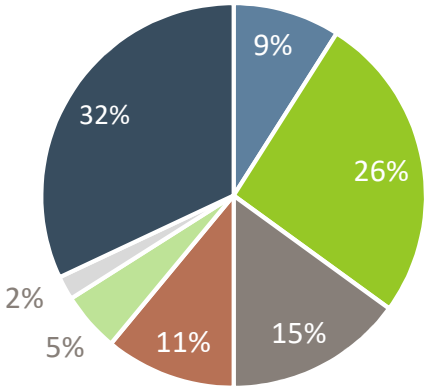
TANK CAR LESSOR OWNERSHIP SHARE



- 18% GATX
- 36% Union Tank Car
- 17% Trinity
- 9% CIT
- 8% SMBC
- 2% Wells Fargo Rail
- 10% Other

Based on approximately 332,000 lessor-owned tank cars

FREIGHT CAR LESSOR OWNERSHIP SHARE



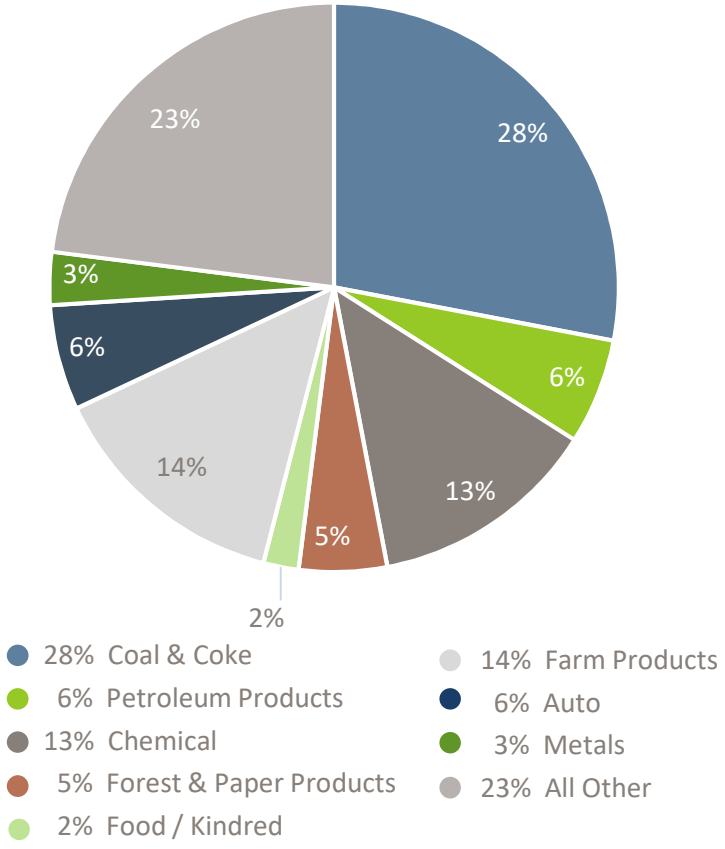
- 9% GATX
- 26% Wells Fargo Rail
- 15% CIT
- 11% Trinity
- 5% SMBC
- 2% Union Tank Car
- 32% Other

Based on approximately 544,000 lessor-owned freight cars

NORTH AMERICA – INDUSTRY SHIPMENTS & CARLOADINGS

INDUSTRY SHIPMENT COMPOSITION

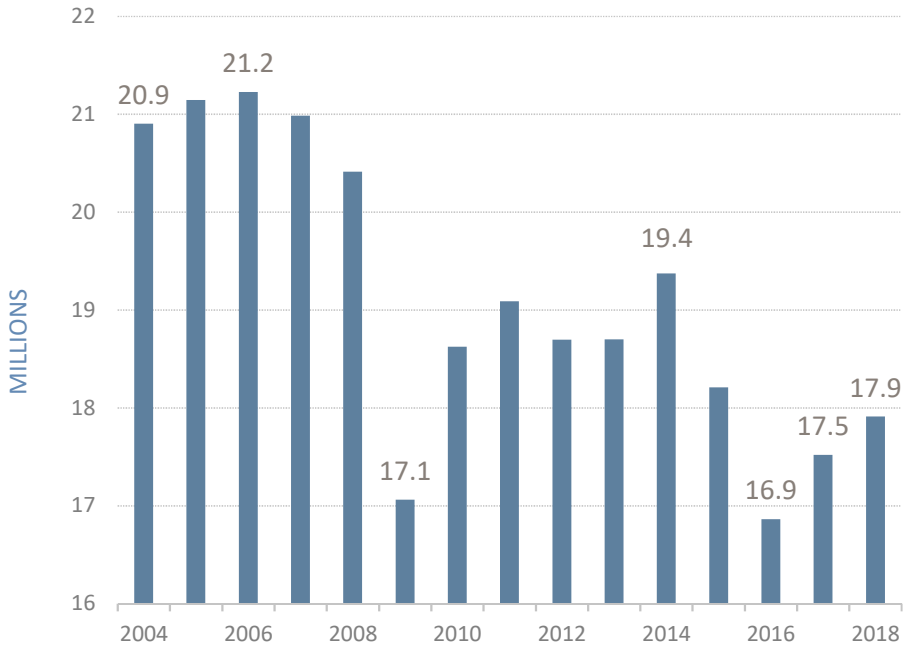
(Based on 2018 carloads of approximately 17.9 million)



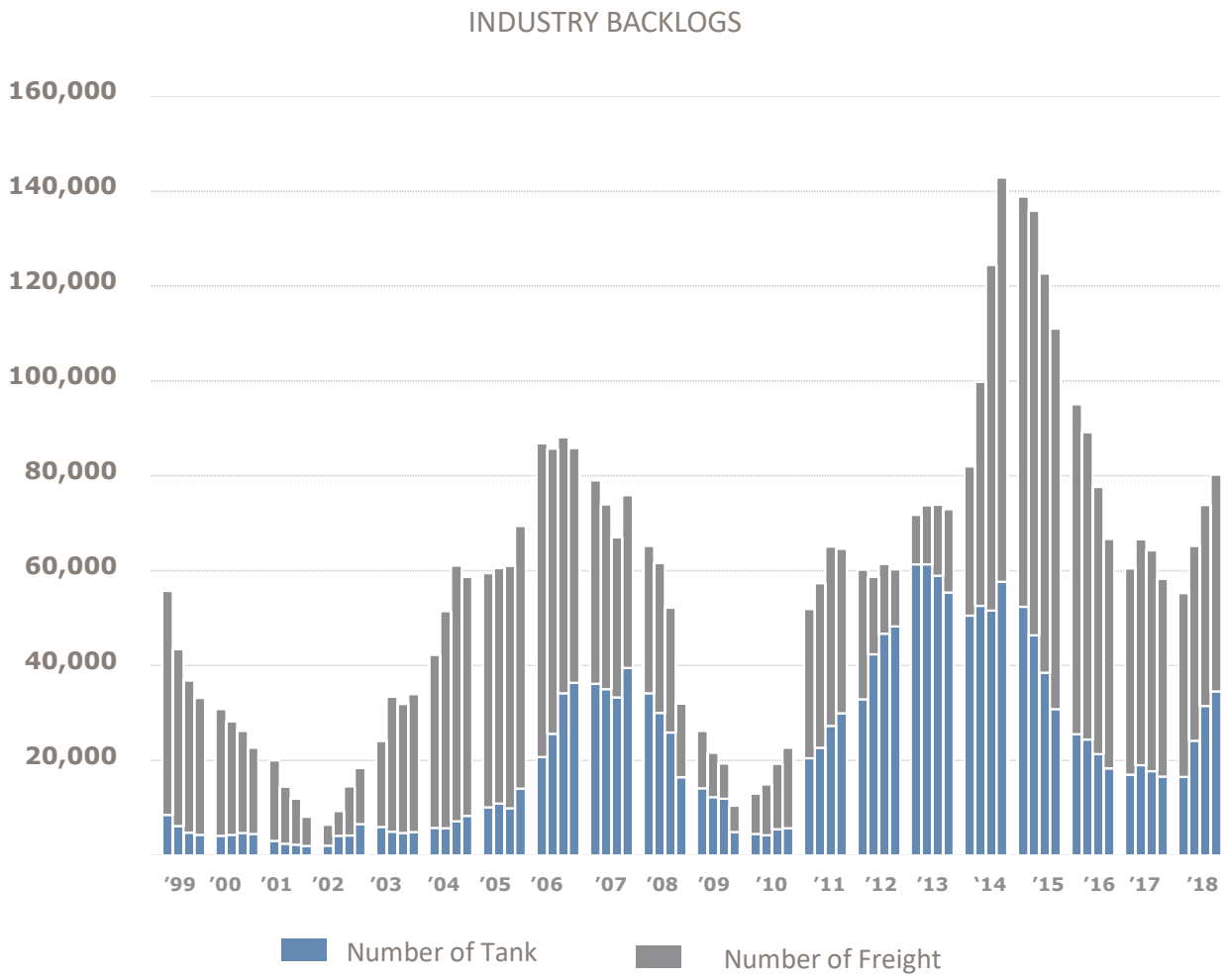
Association of American Railroads as of 12/31/2018

CARLOADS ORIGINATED

(United States and Canada)



NORTH AMERICA – INDUSTRY BACKLOG



- Cyclicality of the industry is illustrated by the backlog of orders at the railcar manufacturers
- The 2013 and 2014 spike in tank car backlog was primarily due to the crude/ fracking boom
- Backlogs have moderated post-crude boom but remain high relative to history and relative to carload demand

Railway Supply Institute as of January 2019

GATX RAIL NORTH AMERICA

KEY ATTRIBUTES

Diverse Customer Portfolio
Strong credit profiles

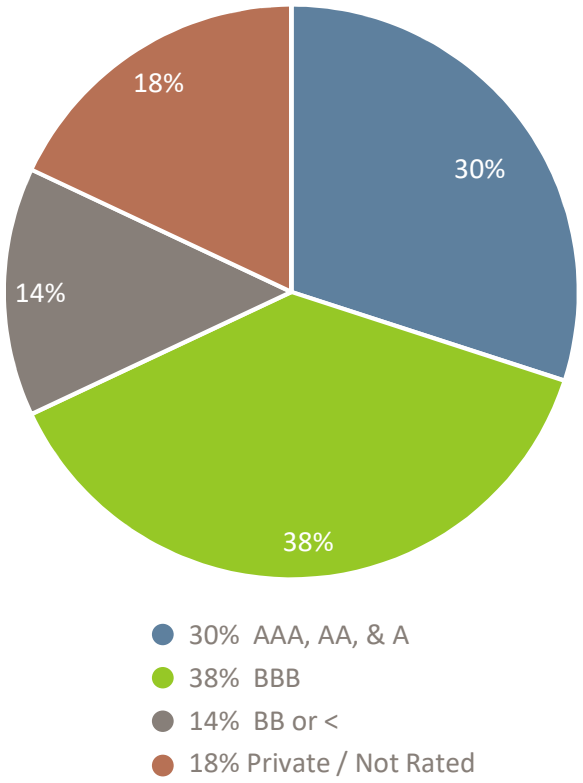
Diverse Fleet
Continuous investment in approximately 160 car types serving over 500 commodities

Extensive Maintenance Network
Highly competitive quality, delivery times, cost metrics and a commitment to safety

Training and Regulatory Expertise
Focus on engineering, technology and other services

GATX RAIL NORTH AMERICA: DIVERSE CUSTOMER PORTFOLIO

CREDIT RATINGS OF
TOP 50 CUSTOMER FAMILIES



GATX serves more than **850 individual customers**

Largest customer represents **less than 6.0%** of total lease revenue

Average relationship tenure of top ten customers is **41 years**

Top 20 customers account for **36% of lease revenue**

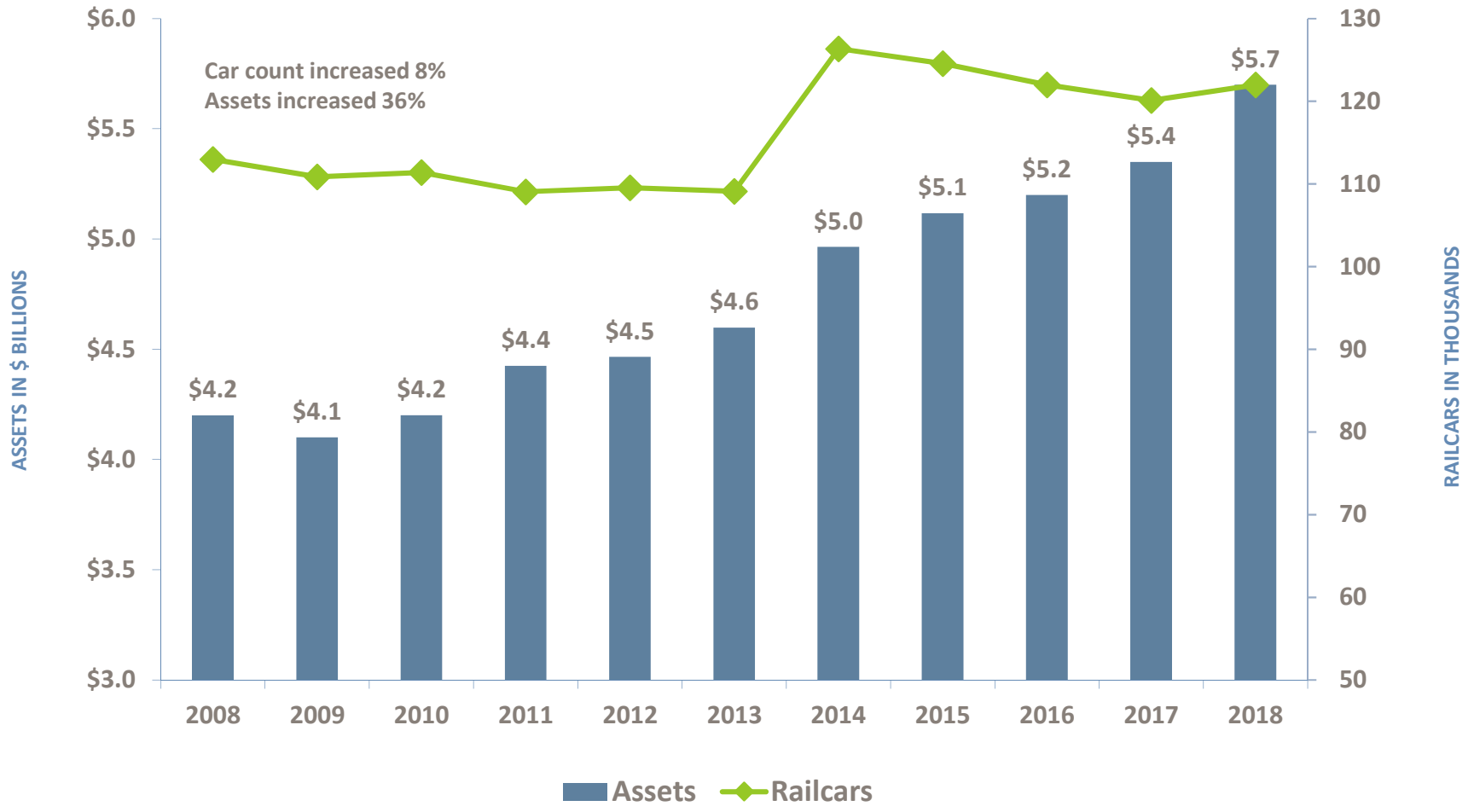
12/31/2018
Customer families sometimes include more than one customer account; the S&P or equivalent ratings noted generally reflect the credit quality of the rated parent entity. Lease obligations of subsidiaries are not necessarily guaranteed by the rated parent entity.

GATX RAIL NORTH AMERICA: DIVERSE FLEET

	CAR TYPE	COMMODITIES CARRIED	% OF FLEET	% OF NBV
TANK CARS	General Service Tank Cars: 20k-25k gallon	Liquid fertilizers, Fuel oils, Asphalt, Food-grade oils, Chemicals (styrene, glycols, etc.)	15.1%	14.0%
	General Service Tank Cars: >25k gallon	Ethanol & methanol, Food-grade oils, Lubricating oils, Light chemicals, Light petroleum products (crude oil, fuel oils, diesels, gasoline, etc.)	14.3%	19.8%
	High-Pressure Tank Cars	LPG, VCM, Propylene, Carbon dioxide	10.0%	12.1%
	General Service Tank Cars: 13k-19k gallon	Molten sulfur, Clay slurry, Caustic soda, Corn syrup	5.2%	4.6%
	Other Specialty Tank Cars	Acids (sulfuric, hydrochloric, phosphoric, acetic, nitric, etc.), Coal tar pitch, Specialty Chemicals	5.1%	4.8%
	Total Tank		49.7%	55.3%
FREIGHT CARS	Boxcars	Paper products, Lumber, Canned goods, Food and beverages	13.4%	6.2%
	Open-top Cars	Aggregates, Coal, Coke, Woodchips, Scrap metal, Steel coils	7.3%	7.1%
	Gravity Covered Hoppers: >4k cubic feet	Grain, Sugar, Fertilizer, Potash, Lime, Soda ash, Bentonite	11.3%	11.8%
	Pneumatic Covered Hoppers	Plastic pellets	5.9%	3.6%
	Gravity Covered Hoppers: <4k cubic feet	Sand, Cement, Roofing granules, Fly ash, Dry chemicals	4.4%	4.9%
	Pressure Differential Covered Hoppers	Flour, Corn starch, Mineral powder, Lime, Clay, Cement	2.4%	2.2%
	Other	Flat cars (lumber and steel), Intermodal (containerized goods), Automotive (finished vehicles)	5.6%	8.9%
	Total Freight		50.3%	44.7%

As of 12/31/2018

GATX RAIL NORTH AMERICA: CONTINUOUS INVESTMENT



*Assets include on- and off-balance sheet

GATX RAIL NORTH AMERICA: MAINTENANCE NETWORK

GATX is known for its integrity, safety, and quality of our operations and superior execution.

EXTENSIVE MAINTENANCE NETWORK

- Eight maintenance facilities
- Seven locations with mobile units
- Five customer site locations
- Third-party maintenance facilities

CUSTOMERS RELY ON GATX MAINTENANCE

- In 2018, GATX Rail North America performed approximately 55,000 maintenance events in its owned and third-party maintenance network
- Using Continuous Improvement, we identify and evaluate opportunities to increase maintenance efficiency to minimize the time our customers are without their railcars







Services range from routine maintenance and regulatory programs to car modifications and rebuilds, including: All mechanical repairs, interior cleaning, interior/exterior blasting, interior/exterior coatings, valve maintenance and qualification, and more.

As of 4/15/2019

GATX RAIL NORTH AMERICA: TRAINING & REGULATORY EXPERTISE

TankTrainer™

Over the past



23 years

we have hosted

275 events

and trained over

16,000 people



American Chemistry Council

2005

First railcar lessor to achieve Partner certification

RESPONSIBLE CARE®

2010

First railcar lessor to be named Responsible Care Partner of the Year



RESPONSIBLE CARE®

2017

Repeat recipient of the Responsible Care Partner of the Year

GATX

GATX RAIL NORTH AMERICA: REGULATORY ENVIRONMENT PARTICIPATION

DEEP KNOWLEDGE ON INDUSTRY REGULATIONS

ASSOCIATION OF AMERICAN RAILROADS

RAILWAY SUPPLY INSTITUTE
Support, Connection, Advocacy

Railway Association of Canada

OUR EMPLOYEES ARE ACTIVELY INVOLVED IN NUMEROUS REGULATORY COMMITTEES AND TRADE AND SUPPLIER ASSOCIATIONS.

TANK QUALIFICATION INTERVAL EXTENSION

FROM 10 to 15 YEARS

GATX is the only tank car owner to get FRA/Transport Canada approval to extend first tank qualification inspection from 10 to 15 years for general service tank cars.

REFLECTORIZATION OBJECTIVE

Nearly 125,000 Railcars Due Initial Reflector.



Fast response and **mobilization** of GATX resources to address industry-wide issue.



GATX

GATX RAIL NORTH AMERICA: ENGINEERING EXPERTISE

GATX's engineering team, including experienced mechanical, structural, and chemical engineers, communicates regularly with customers and tailors solutions to meet their needs.

Examples of engineering support include:
Preventative maintenance, Inspection plans, Car design / specifications, Chemical engineering, and customer-specific enhancements

AUTO CARRIER CONVERSION PROJECT

- GATX Engineering successfully converted older flatcars to auto carriers. Some of these flatcars were originally designed to carry over-the-road trailers and others were designed to carry standard containers (ISO containers). This was an extensive end-to-end engineering project that repositioned these cars into a more attractive market while also increasing their statutory lives from 50 years to 65 years.



INCREASED GROSS RAIL LOAD PROJECTS

- These projects entail structural modifications to increase the gross rail load for existing, low-capacity cars. Doing so allows these cars to haul heavier loads and improves their marketability and acceptance by shippers/customers.

GATX RAIL NORTH AMERICA: TECHNOLOGY FOCUS

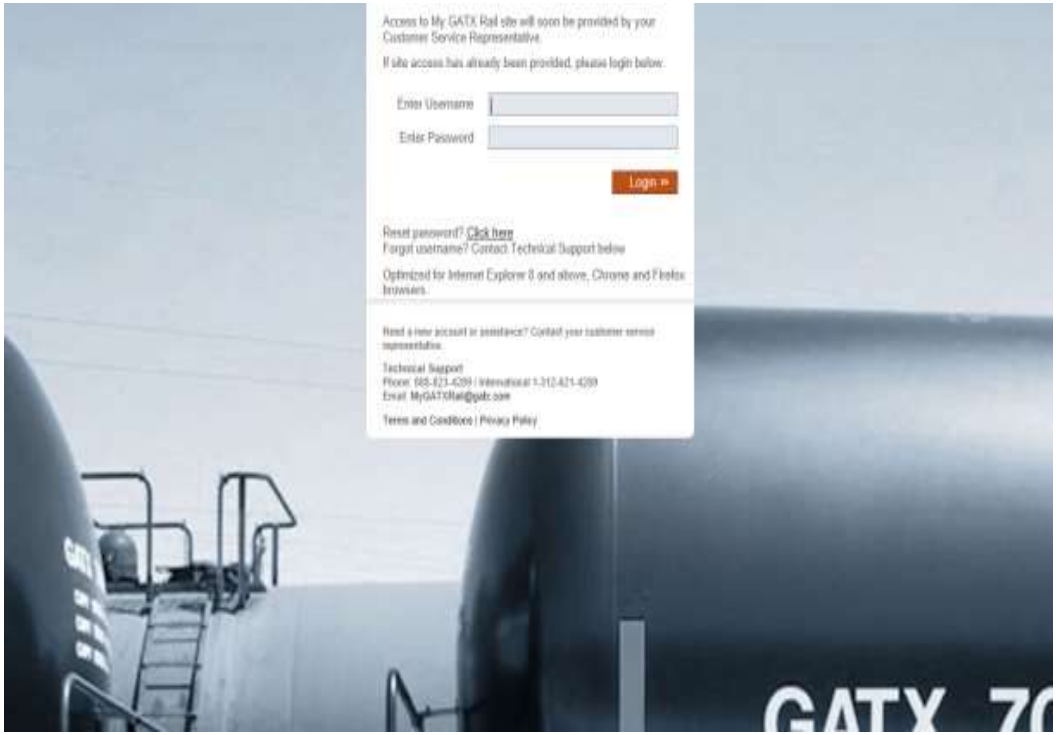
GATX continues to innovate for our customers.

SHOP PORTAL

- Provides repair instructions to maintenance network shops
- Provides car and event-specific forms to assure that required inspection points and mandatory repair items are documented and addressed

MyGATXRail.com

- Provides real-time maintenance data and fleet-management capability to our customers



GATX RAIL NORTH AMERICA: LOCOMOTIVE LEASING

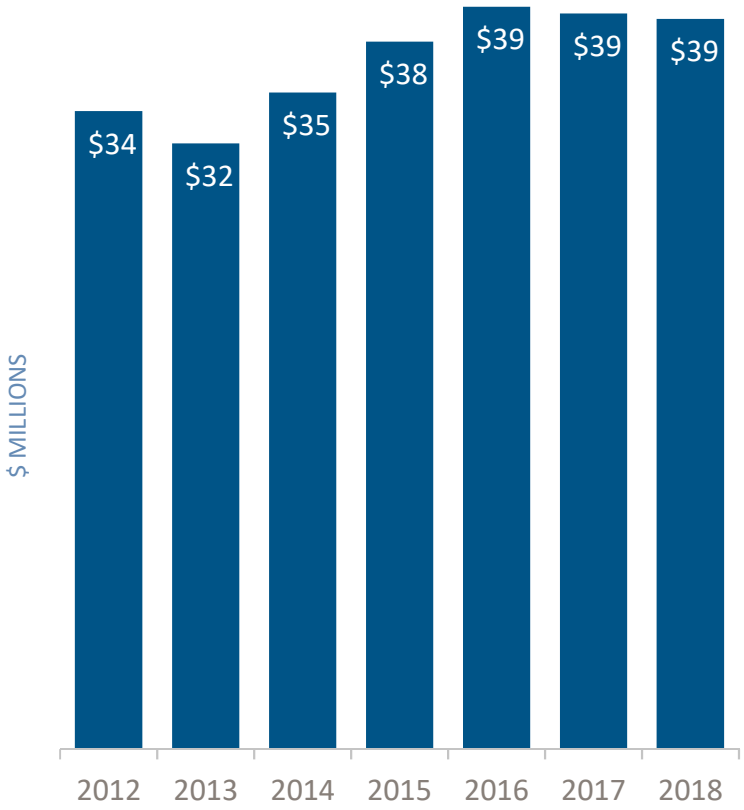
GATX OWNS, MANAGES OR HAS AN INTEREST IN MORE THAN 600 LOCOMOTIVES



95% are four-axle locomotives leased to:

- Regional and short-line railroads
- Industrial users
- Class I railroads

LOCOMOTIVE LEASE REVENUE



As of 12/31/2018

RAIL INTERNATIONAL

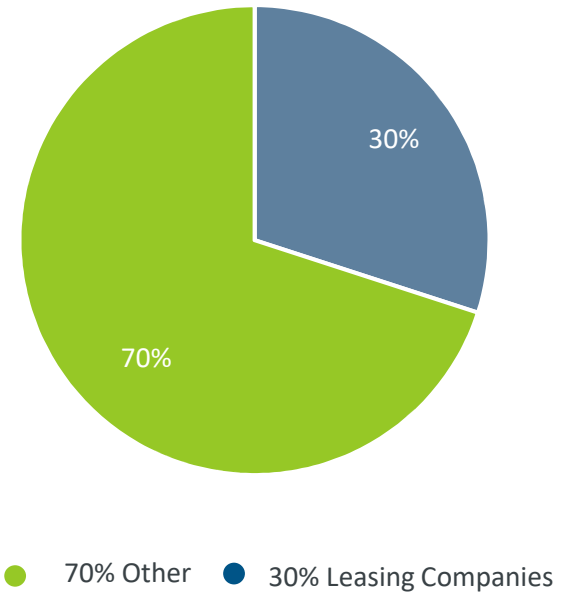


INTERNATIONAL – EUROPEAN INDUSTRY SNAPSHOT

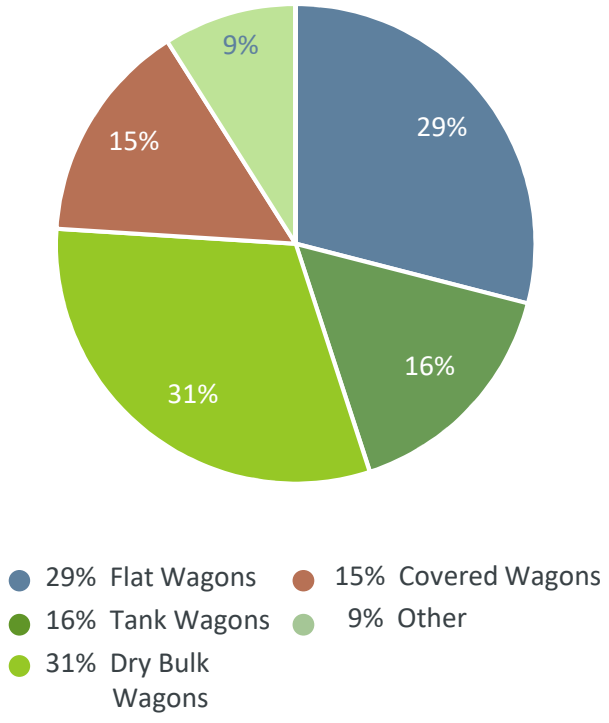
- Lease rate volatility is lower relative to North American market
- Key segments continue to demonstrate need to replace aging equipment for regulatory reasons
- Eastern European fleets include many older, smaller tank cars
- Increasingly difficult for smaller lessors to obtain financing and meet required regulatory standards in a cost-effective manner

RAILCAR OWNERSHIP

(Based on approximately 705,000 railcars in standard-gauge countries)



INDUSTRY CAR TYPES

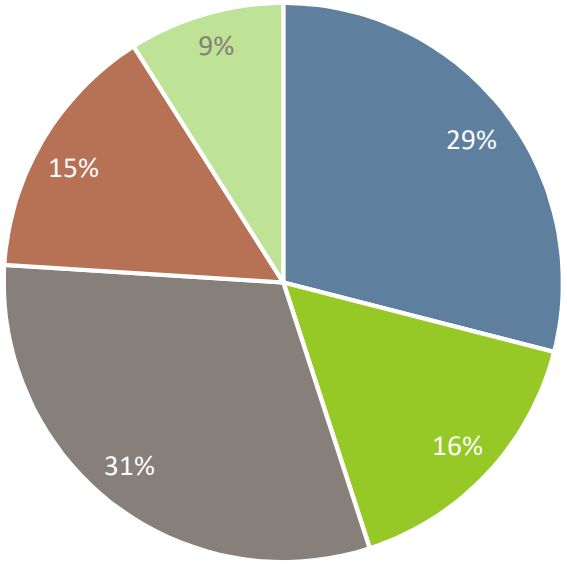


GATX management estimates as of 12/31/2018

EUROPE – TANK & FREIGHT INDUSTRY OWNERSHIP

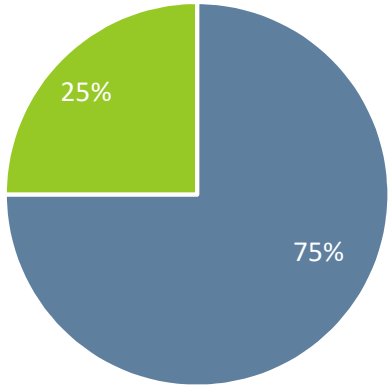
RAILCARS BY TYPE

(Based on approximately 705,000 railcars in standard-gauge countries)



- 29% Flat Wagons
- 16% Tank Wagons
- 31% Dry Bulk Wagons
- 15% Covered Wagons
- 9% Other

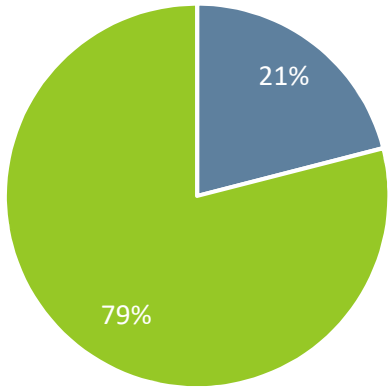
TANK CAR OWNERSHIP SHARE



- 75% Lessor
- 25% Railroad & Privately Owned

Based on approximately 113,000 tank cars

FREIGHT CAR OWNERSHIP SHARE



- 21% Lessor
- 79% Railroad & Privately Owned

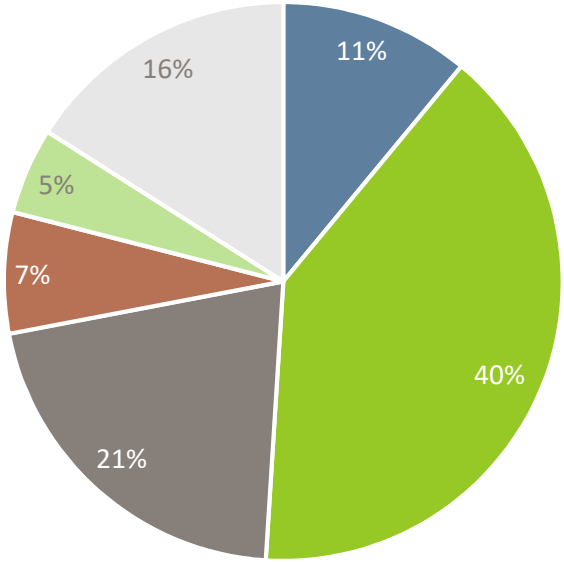
Based on approximately 592,000 freight cars

GATX management estimates as of 12/31/2018

EUROPE – LESSOR MARKET SHARE

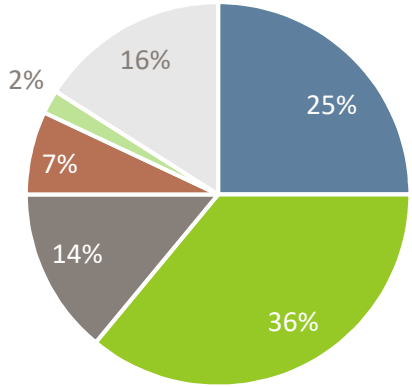
LESSOR OWNERSHIP SHARE

(Based on approximately 212,000 lessor-owned railcars)



- 11% GATX Rail Europe (GRE)
- 40% VTG
- 21% Ermewa
- 7% Wascosa
- 5% Touax
- 16% Other

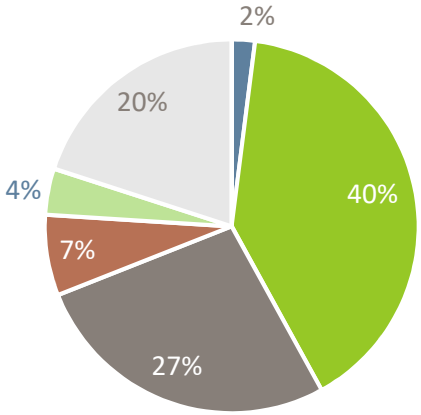
TANK CAR LESSOR OWNERSHIP SHARE



- 25% GRE
- 36% VTG
- 14% Ermewa
- 7% Wascosa
- 2% Touax
- 16% Other

Based on approximately 85,000 lessor-owned tank cars

FREIGHT CAR LESSOR OWNERSHIP SHARE



- 2% GRE
- 40% VTG
- 27% Ermewa
- 7% Touax
- 4% Wascosa
- 20% Other

Based on approximately 127,000 lessor-owned freight cars

GATX management estimates as of 12/31/2018

GATX RAIL EUROPE (GRE)

Key Attributes

Diverse customer portfolio
with strong credit profiles

Operations in the **major rail markets** across Europe

Broad range of value offerings: maintenance, training, engineering support, regulatory assistance and other services

GRE: DIVERSE CUSTOMER PORTFOLIO

GRE's newer and higher capacity fleet attracts top-tier customers.

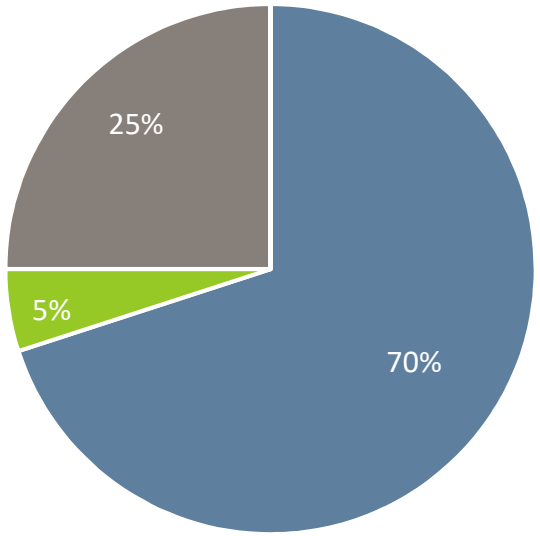
GRE HAS INVESTED MORE THAN $1 BILLION OVER THE LAST 10 YEARS, RESULTING IN A NEWER AND HIGHER CAPACITY FLEET TO SERVE ITS CUSTOMERS

- Today, the average remaining lease term for GRE is 2 years; however, renewal success rates have been high
  - GRE's top ten customers have done business with us for at least 15 years; our top 5 customers for over 25 years

	2005	2018
GRE Car Count	18,900	23,000+
GRE Average Fleet Age (years)	24	18
GRE Average Fleet Capacity (million m^3)	1,337	1,963

As of 12/31/2018

TOP 20 CUSTOMER CREDIT RATING

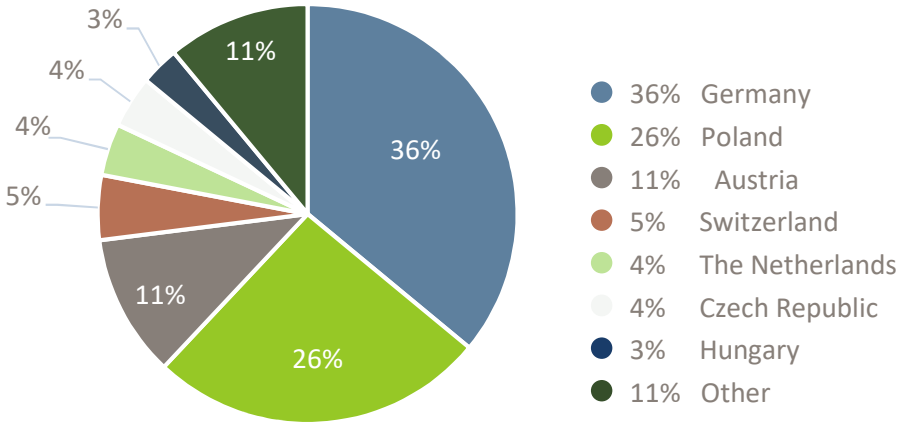


Top 20 customers based on 2018 revenue

GRE: MAJOR RAIL MARKETS

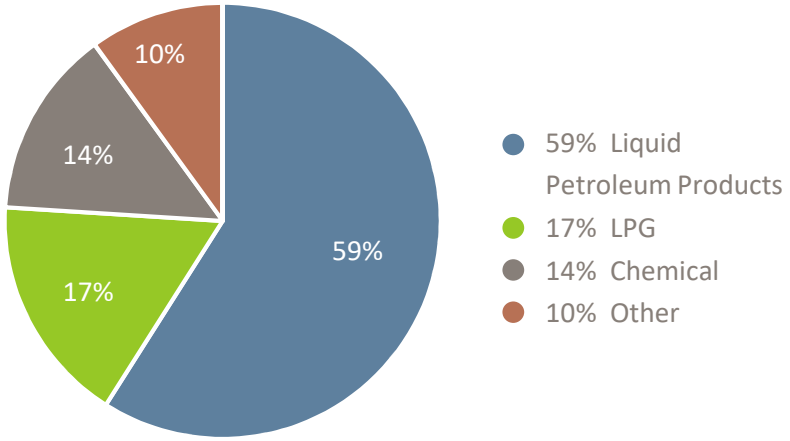
Nearly 73% of GRE's revenue is generated in Germany, Poland, and Austria – strong rail freight transport economies

GEOGRAPHIES SERVED



Based on 2018 GRE Revenues

FLEET STRUCTURE



Approximately 23,000 railcars as of 12/31/2018

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

GRE: SERVICE OFFERINGS



MAINTENANCE

- GRE's goal is to ensure maximum railcar availability
- Proven track record of extremely high safety standards and technical expertise
- A network of owned workshops and certified contract partners
- GRE arranges for the cleaning of tanks and railcars combined with scheduled repairs to reduce downtime



ENGINEERING

- Decades of engineering experience
- Project Development department can adapt special railcars in own workshop to meet exact customer needs
- GRE controls the entire process - from conceptual design to construction through to the delivery of new and modernized railcars



ASSEMBLY

- GRE's own production facility, combined with extensive modernization expertise, guarantees the highest standards in safety and quality
- Tailored solutions



SUPPORT

- Comprehensive customer service
- Deep industry-specific know-how combined with understanding of individual transportation needs



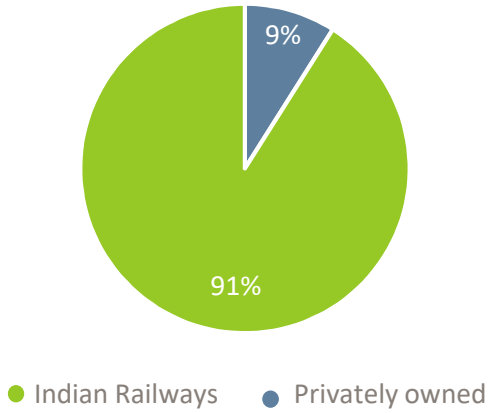
MODERNIZATION

- With an average age of 18 years, GRE has one of the youngest and most modern railcar fleets in Europe
- Customer-specific adaptations and additional equipment can be implemented in many railcar types

GATX INDIA

RAILCAR OWNERSHIP

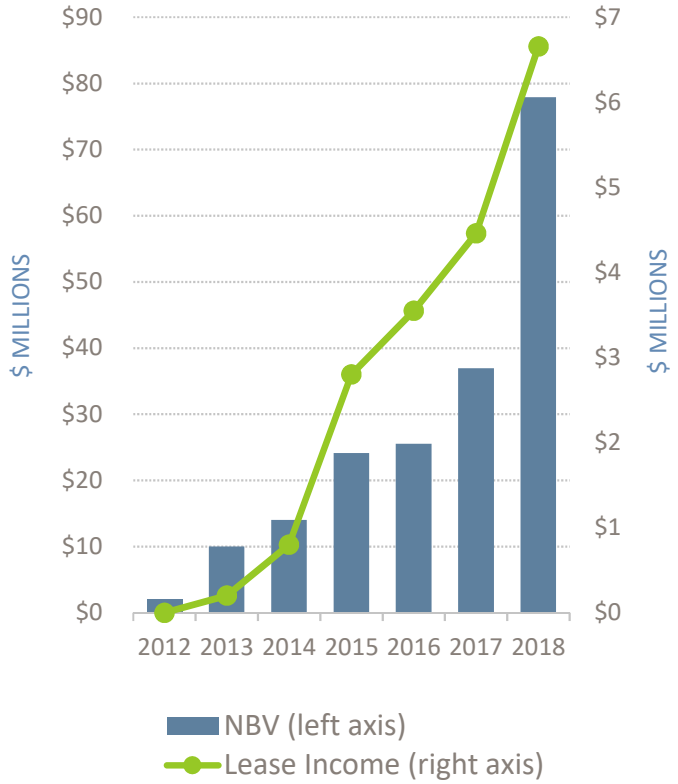
(Based on approximately 290,000 railcars)



INFRASTRUCTURE IN INDIA

- India currently has more than 41,800 route miles of railroad track
- Two dedicated freight corridors are under construction at an estimated combined cost of US $12.5B

GATX's GROWTH IN INDIA



GATX OBTAINED THE FIRST-EVER WAGON LEASING LICENSE IN 2012

- GATX India Private Limited is the market leader in railcar leasing
  - Owns 2,000 car fleet of container flat wagons, steel carrier wagons and autocarriers
  - Actively seeks attractive investment opportunities to grow and diversify the fleet
  - Recognized as a key rail industry stakeholder
- Leverages GATX Rail North America and GRE's engineering, services, and fleet management expertise to generate competitive advantages and premium customer services

As of 12/31/2018

GATX RUSSIA

GATX STARTED DEVELOPING BUSINESS OPERATIONS IN RUSSIA IN 2013

- Russia has one of the largest privately-owned railcar fleets in the world
- GATX Russia owns a small fleet of timber flatcars, gondolas, boxcars and tankcars
  - Less than $20 million of investment
- Leverages GATX Rail North America and GRE's core strengths and relationships to establish local competitive advantages





PORTFOLIO MANAGEMENT



GATX

AIRCRAFT SPARE ENGINE LEASING INDUSTRY OVERVIEW

AIR TRAVEL



4.4%
expected annual growth until 2035

AIRCRAFT GROWTH

37,000
new aircraft in the next 20 years

=

ENGINE GROWTH

75,000
new aircraft engines

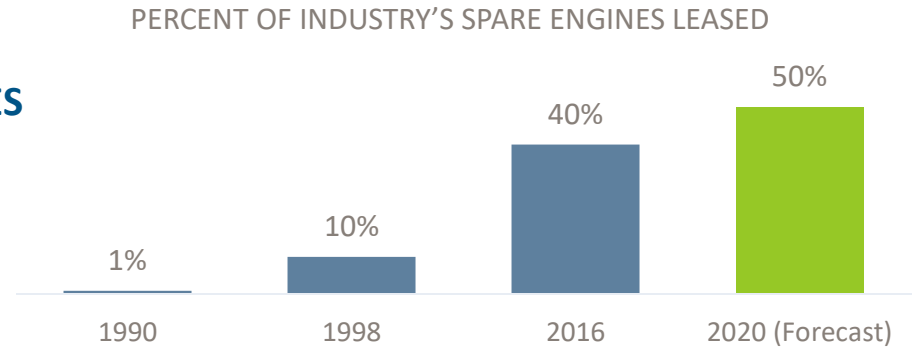
=

SPARE ENGINE GROWTH

7,900
new aircraft spare engines with an estimated total value of approximately $130 billion

GROWTH OF AIRCRAFT SPARE ENGINES

Demand and continued switching to spare engine leasing versus owning by airlines



Growth Estimates: RRPF management estimate as of 12/31/2018

AIRCRAFT SPARE ENGINE LEASING INDUSTRY OVERVIEW

AIRCRAFT SPARE ENGINE OVERVIEW

- Engines are very attractive and reliable leasing assets
  - Robust residual value characteristics
  - Retain value better over the long term compared to aircraft
- Aircraft engines need regular scheduled maintenance (3-5 year intervals) which takes between 90 and 120 days
  - Correct level of spare engines are maintained to ensure the fleet remains operationally undisrupted
  - Spare engine ratio to engines installed on aircraft recommended by manufacturers
    - 8-10% narrow body
    - 10-15% wide body



RRPF AFFILIATES OVERVIEW

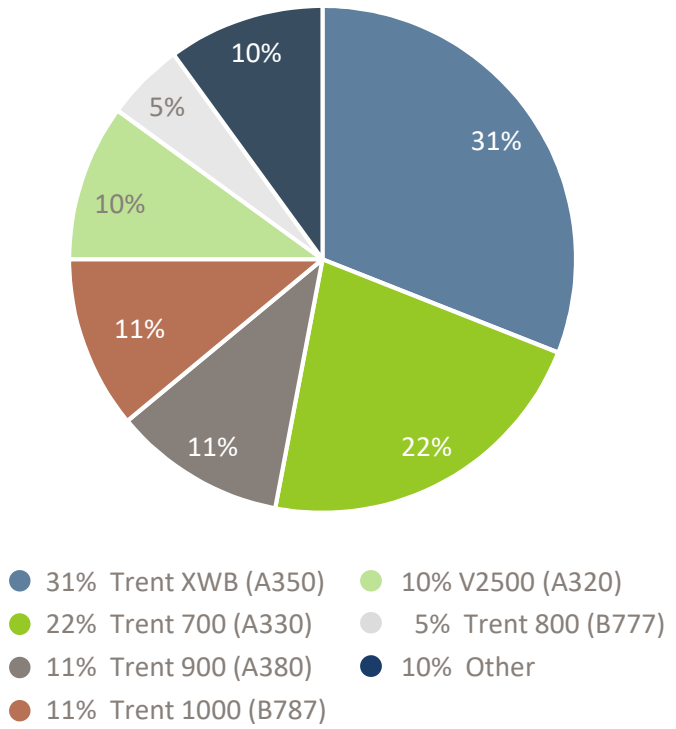
The RRPF affiliates portfolio has committed future lease receipts of more than $2.9 billion.



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 $4.4 billion
- RRPF affiliates contribute meaningfully to GATX's financial results
- Lease aircraft spare engines to commercial airlines and Rolls-Royce plc
  - The largest Rolls-Royce aircraft spare engine portfolio in the industry, with 450+ engines

RRPF ENGINE TYPES

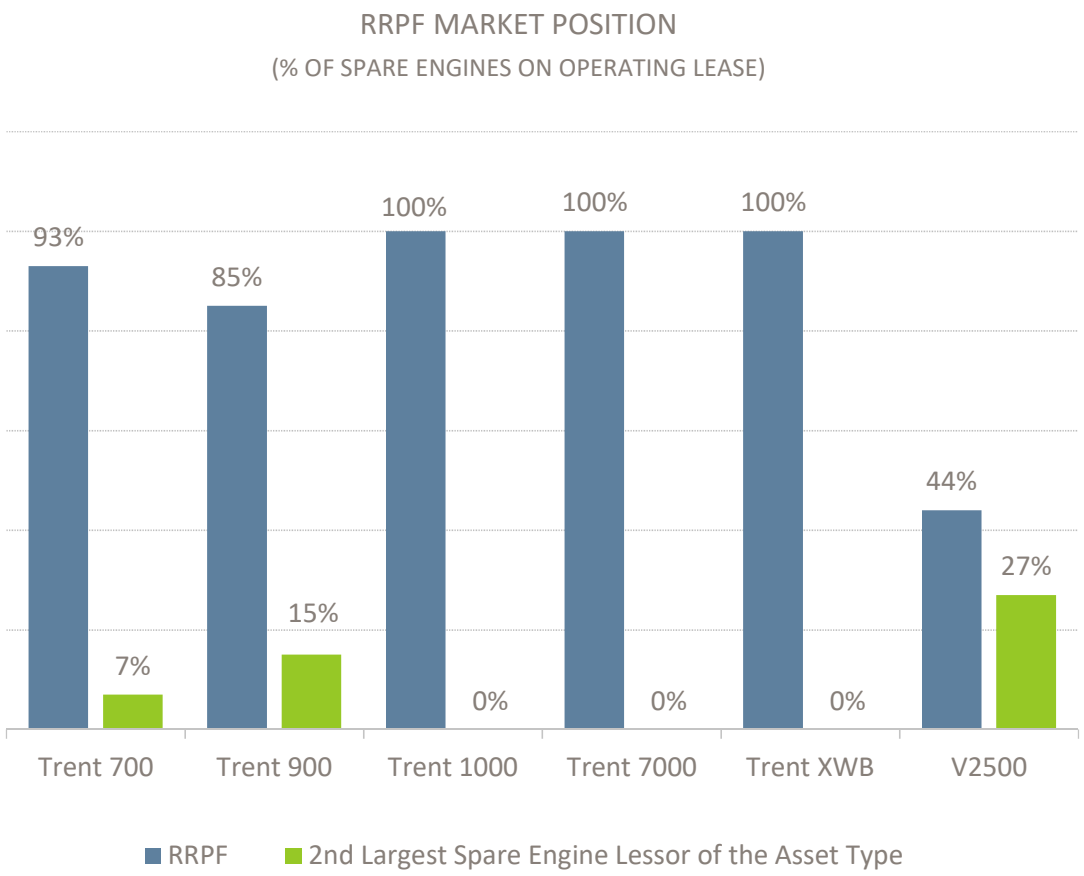


Based on NBV of approximately $4.4 billion; 100% of RRPF's portfolio as of 12/31/18

As of 12/31/2018

RRPF MARKET LEADERSHIP

RRPF enjoys leading market position in each targeted asset type.

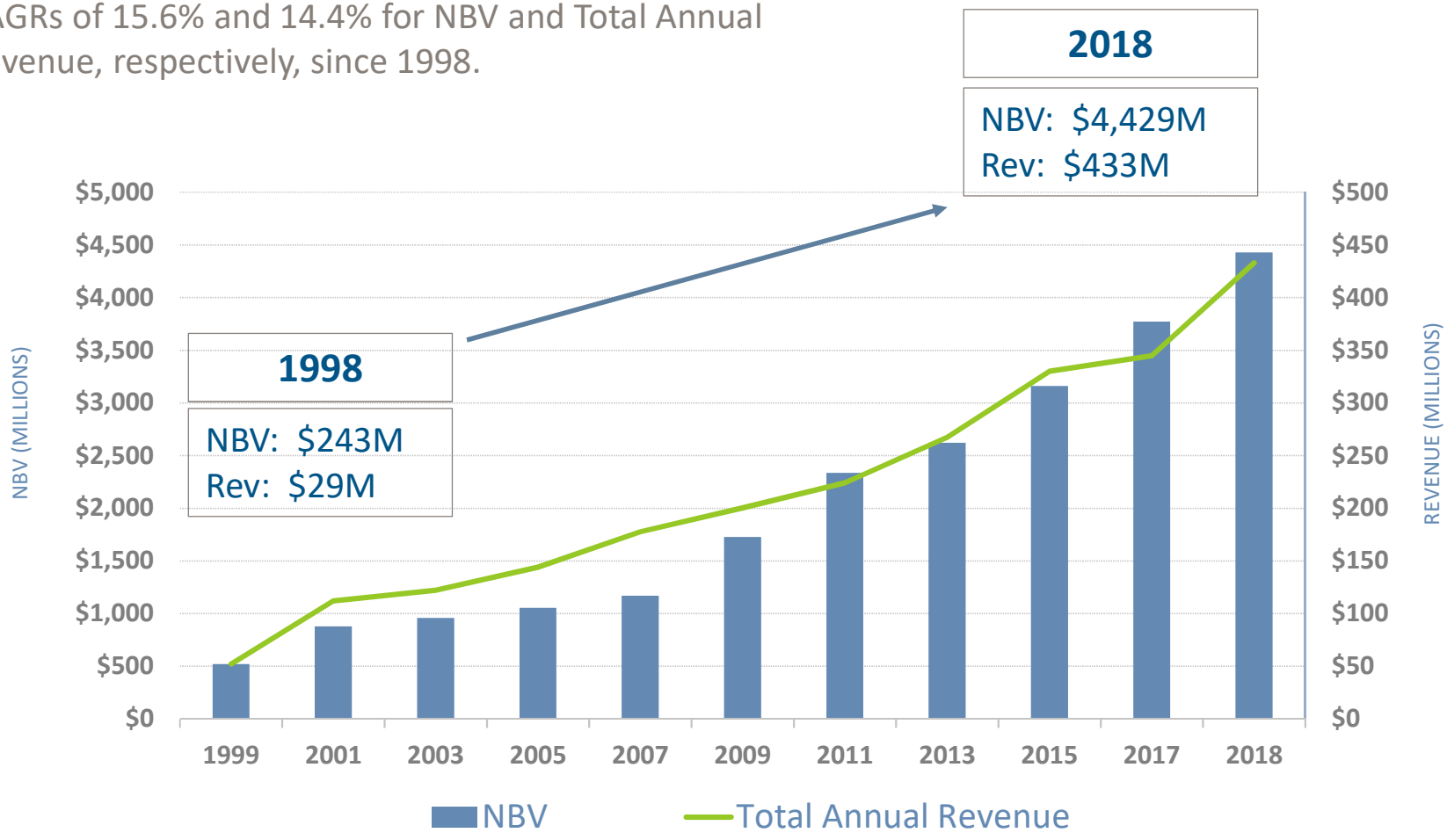




RRPF management estimates as of 1Q 2019

RRPF - GROWTH IN REVENUE & NET BOOK VALUE

CAGRs of 15.6% and 14.4% for NBV and Total Annual Revenue, respectively, since 1998.



As of 12/31/2018

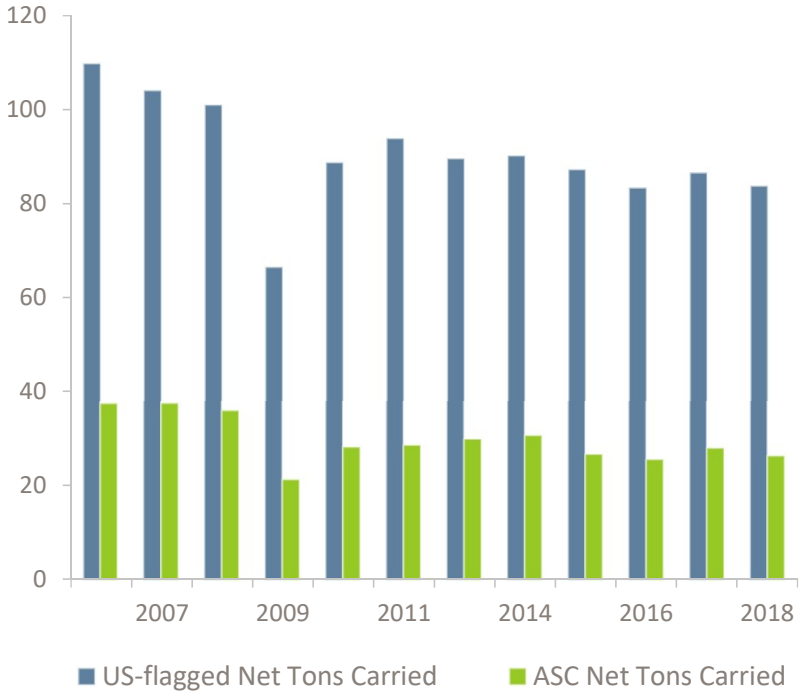
AMERICAN STEAMSHIP COMPANY



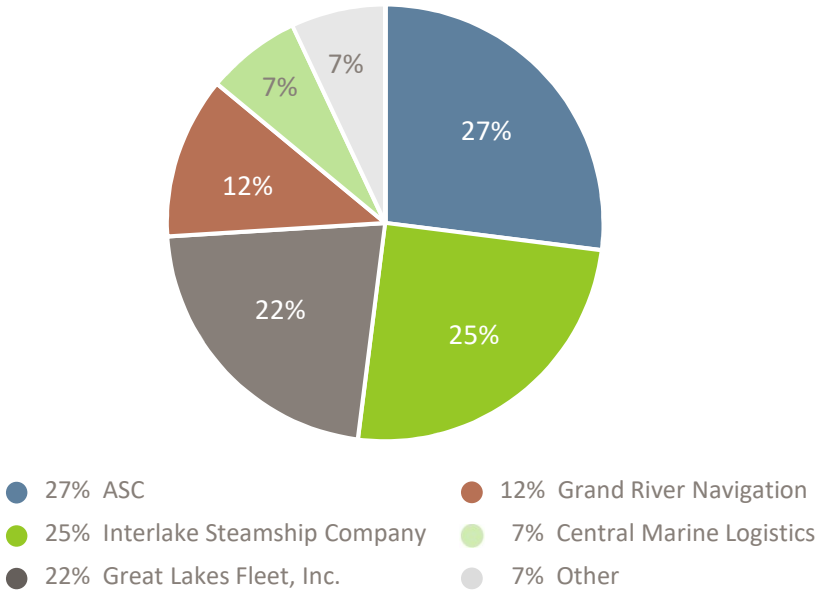
GATX

GREAT LAKES INDUSTRY OVERVIEW

US-FLAGGED DRY BULK CARGO CARRIAGE



CAPACITY OF US-FLAG VESSEL OPERATORS



Total annual industry capacity 97 million net tons

SAILING SEASON GENERALLY RUNS FROM LATE MARCH THROUGH MID-JANUARY

- Weather conditions and water levels impact operating efficiencies, especially the starting and ending months of the season

Lake Carriers' Association as of 1/31/2019

SHIPPING INDUSTRY ON THE GREAT LAKES IS MATURE WITH HIGH BARRIERS TO ENTRY

- US new-build vessel costs have risen sharply
- Jones Act protects U.S.-flagged operators
- Concentrated customer base

GATX/ASC management estimates as of 4/10/2019

ASC BUSINESS OVERVIEW

BUSINESS OVERVIEW

- ASC provides transportation of dry bulk commodities across the Great Lakes and St. Lawrence Seaway
- ASC joined GATX in 1973 and has been in operation over 100 years
- ASC operates with significant emphasis on safety and environmental stewardship

FLEET OVERVIEW

- Fleet of 11 self-unloading vessels
  - No shore-side assistance required
  - Operates 24-hours a day, seven days a week (March-January)
- Fresh-water vessels are long-lived
  - ASC operates the largest US-flagged fleet
- Composition of fleet meets varying levels of demand and operational metrics (Range in length from 635' to 1,000')

CUSTOMER OVERVIEW

- ASC served 21 customers in 2018
- Top five customers comprised 88% of ASC's total revenue in 2018
- Excellent customer relationships
- Innovative and solution driven

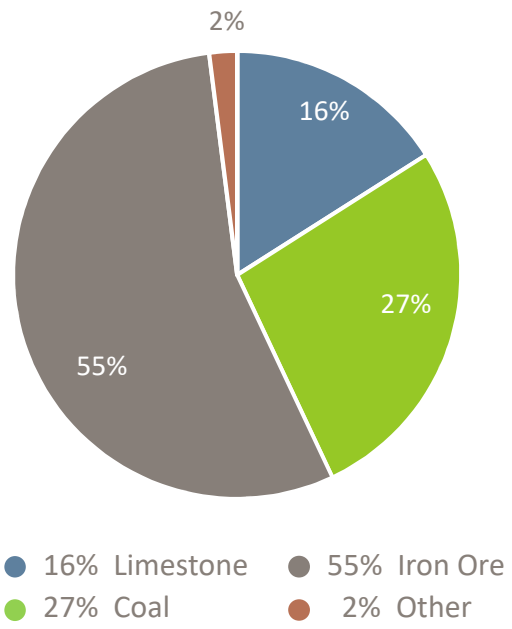




As of 4/10/2019

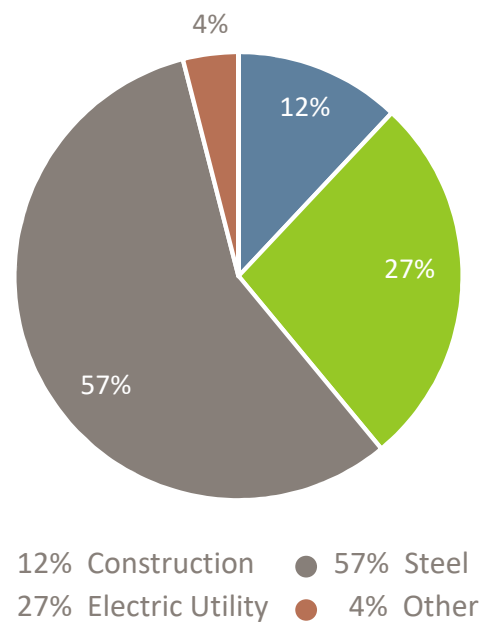
ASC COMMODITIES CARRIED & INDUSTRIES SERVED

COMMODITIES CARRIED BY ASC



Based on 2018 ASC volume of 26.2 million net tons

INDUSTRIES SERVED BY ASC



Based on 2018 ASC revenue

IRON ORE accounts for the highest volume carried by US-flag Great Lakes vessels

COAL is transported to power generating facilities along the Lakes

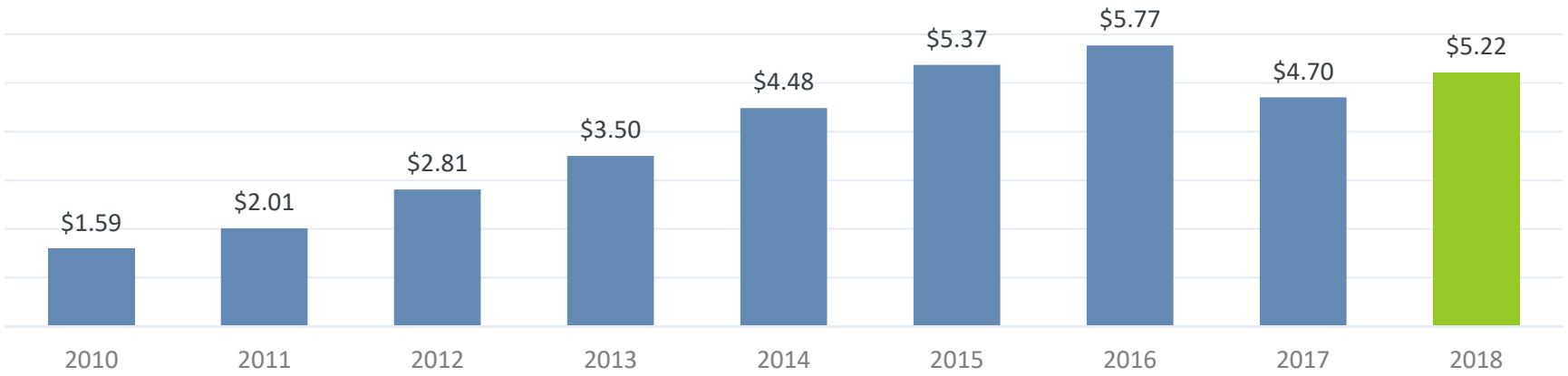
LIMESTONE is used by the steel and construction industries

FINANCIAL HIGLIGHTS

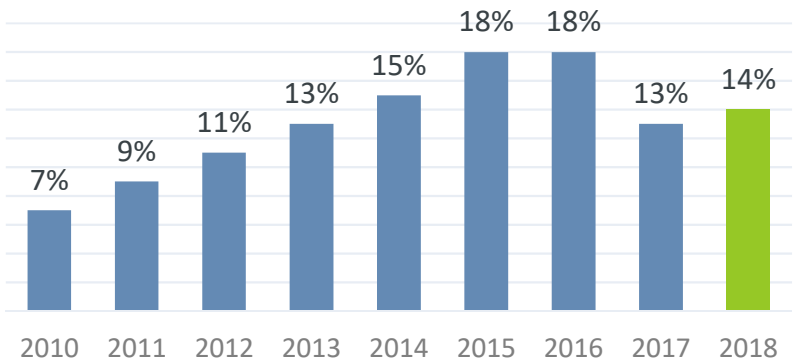


GATX FINANCIAL HIGHLIGHTS

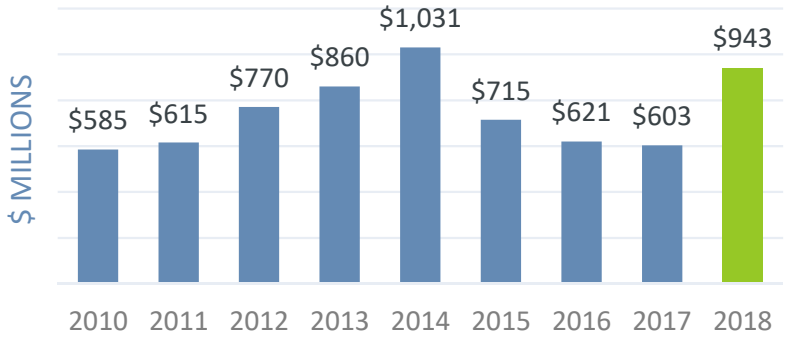
EPS*



ROE



INVESTMENT VOLUME

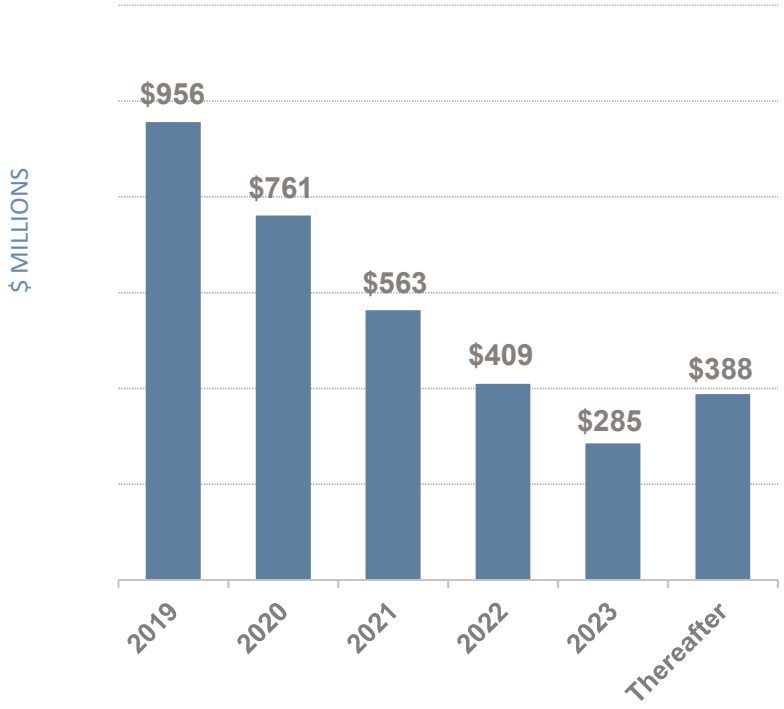


**Graph displays Diluted EPS*
Diluted EPS & ROE exclude Tax Adjustments and Other Items. See Reconciliation of Non-GAAP Measures.

GATX IS WELL-POSITIONED WITH STRONG CASH FLOWS

- *GATX has nearly $3.4 billion in committed future lease receipts*
- *Our strong operating cash flow provides tremendous capital allocation flexibility*

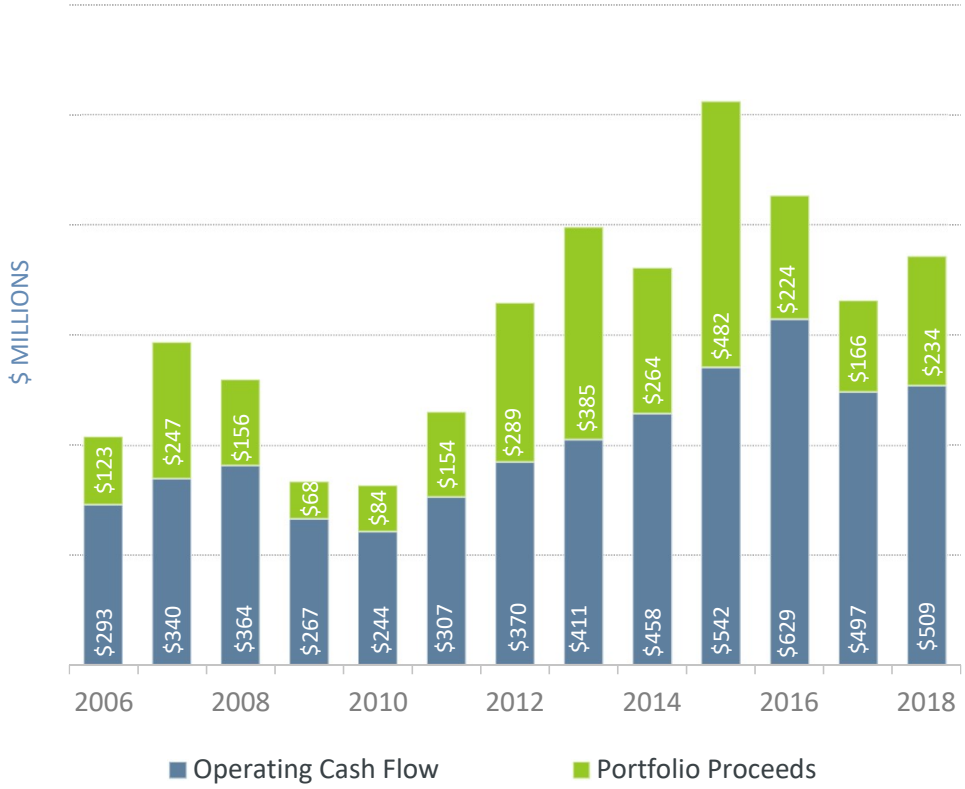
GATX COMMITTED FUTURE LEASE RECEIPTS



As of 12/31/2018

OPERATING CASH FLOW & PORTFOLIO PROCEEDS

(Continuing Operations)

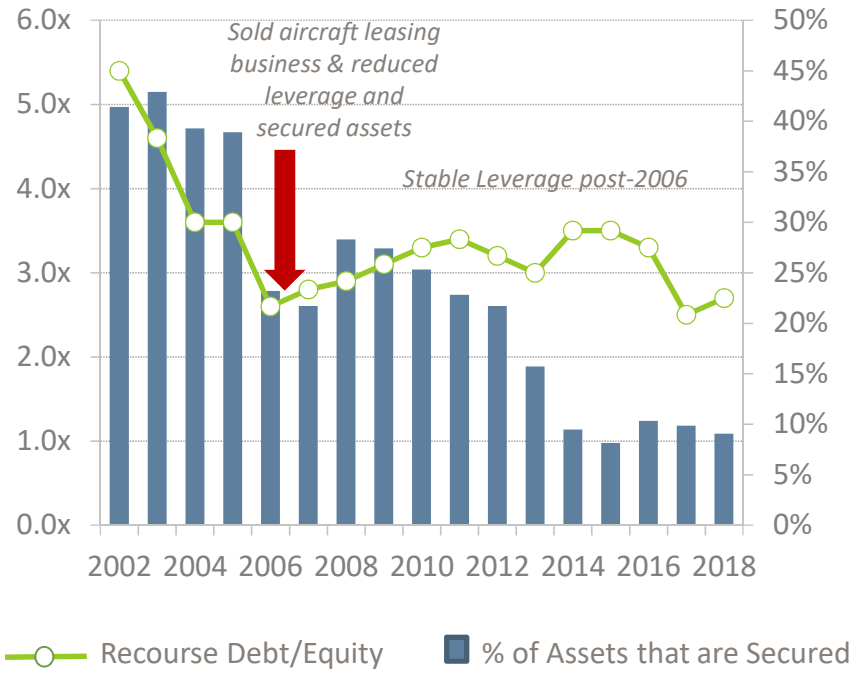


As of 12/31/2018

FINANCIAL HIGHLIGHTS: STRONG BALANCE SHEET

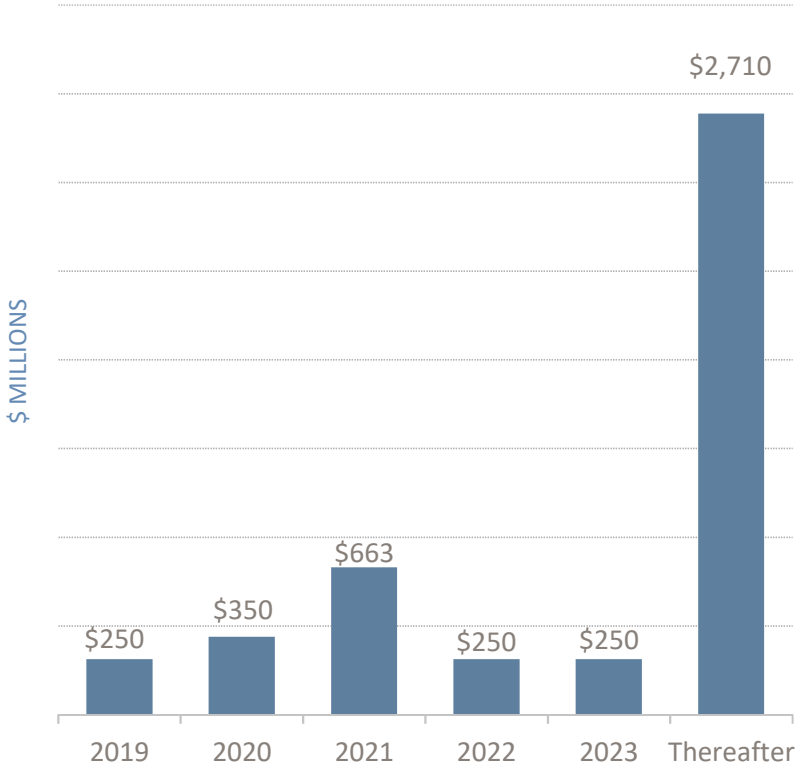
GATX primarily issues unsecured debt (leaving assets largely unencumbered), manages leverage, and balances debt maturity schedules

LEVERAGE & REDUCTION OF SECURED ASSETS



As of 12/31/2018
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

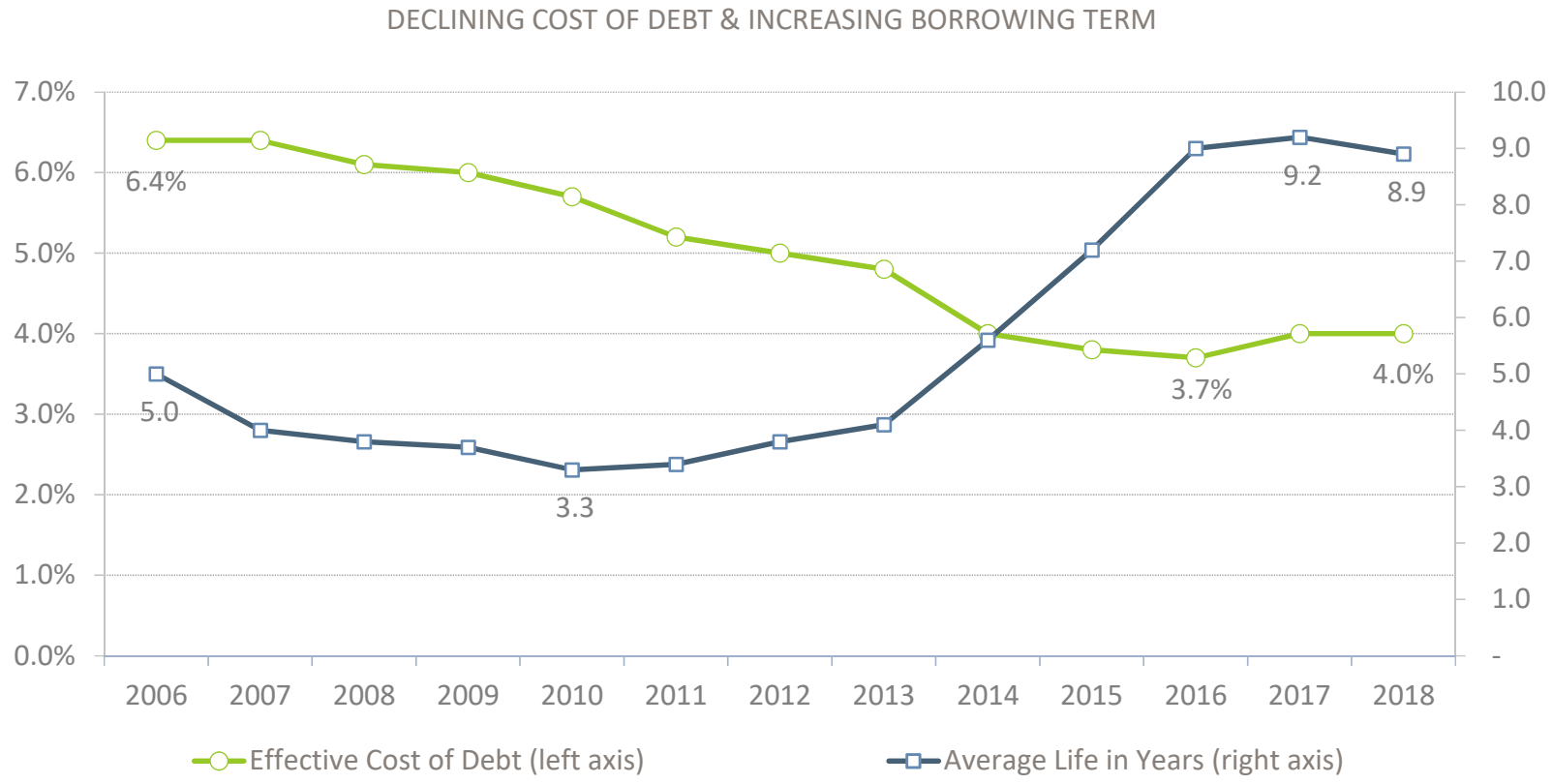
FUTURE DEBT OBLIGATIONS



As of 12/31/2018

FINANCIAL HIGHLIGHTS: STRONG BALANCE SHEET

GATX has decreased borrowing costs and increased borrowing term.
GATX issued $700 million of public unsecured debt in 2018



As of 12/31/2018

RECONCILIATION OF NON-GAAP MEASURES



RECONCILIATION OF NON-GAAP MEASURES – NET INCOME MEASURES

Net Income	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
(in millions)										
Net income (GAAP)	$ 81.4	$ 80.8	$ 110.8	$ 137.3	$ 169.3	$ 205.0	$ 205.3	$ 257.1	$ 502.0	$ 211.3
Adjustments attributable to consolidated pre-tax income:										
Cost attributable to the closure of a maintenance facility at Rail International	-	-	-	-	-	-	-	-	-	9.5
Railcar impairment at Rail North America	-	-	-	-	-	-	-	29.8	-	-
Net loss (gain) on wholly owned Portfolio Management marine investments	-	-	-	-	-	-	9.2	2.5	(1.8)	-
Residual sharing settlement at Portfolio Management	-	-	-	-	-	-	-	(49.1)	-	-
Early retirement program	-	-	-	-	-	-	9.0	-	-	-
Litigation recoveries	-	(6.5)	(3.2)	-	-	-	-	-	-	-
Leveraged lease adjustment	-	-	(5.5)	-	-	-	-	-	-	-
Total adjustments attributable to consolidated pre-tax income	$ -	$ (6.5)	$ (8.7)	$ -	$ -	$ -	$ 18.2	$ (16.8)	$ (1.8)	$ 9.5
Income taxes thereon, based on applicable effective tax rate	$ -	$ 2.4	$ 2.0	$ -	$ -	$ -	$ (6.9)	$ 7.2	$ 0.7	$ (3.1)
Other income tax adjustments attributable to consolidated income:										
Income tax rate changes	-	-	-	0.7	-	-	14.1	-	-	-
GATX income taxes on sale of AAE	-	-	-	-	23.2	-	-	-	-	-
Impact of the Tax Cuts and Jobs Act of 2017	-	-	-	-	-	-	-	-	(315.9)	(16.5)
Foreign tax credit utilization	(7.4)	-	-	(4.6)	(3.9)	-	-	(7.1)	-	(1.4)
Tax benefits upon close of tax audits	-	(9.5)	(4.8)	(15.5)	-	-	-	-	-	-
Total other income tax adjustments attributable to consolidated income	$ (7.4)	$ (9.5)	$ (4.8)	$ (19.4)	$ 19.3	$ -	$ 14.1	$ (7.1)	$ (315.9)	$ (17.9)
Adjustments attributable to affiliates' earnings, net of taxes:										
Net loss (gain) on Portfolio Management affiliate	-	-	-	-	-	-	11.9	(0.6)	-	-
Income tax rate changes	-	(1.9)	(4.1)	(4.6)	(7.6)	-	(7.7)	(3.9)	-	-
Pre-tax gain on sale of AAE	-	-	-	-	(9.3)	-	-	-	-	-
Interest rate swaps at AAE	20.7	9.3	(0.2)	20.5	(6.9)	-	-	-	-	-
Total adjustments attributable to affiliates' earnings, net of taxes	$ 20.7	$ 7.4	$ (4.3)	$ 15.9	$ (23.8)	$ -	$ 4.2	$ (4.5)	$ -	$ -
Net Income, excluding tax adjustments and other items (non-GAAP)	$ 94.7	$ 74.6	$ 95.0	$ 133.8	$ 164.8	$ 205.0	$ 234.9	$ 235.9	$ 185.0	$ 199.8

Earnings per Share	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Diluted earnings per share (GAAP)	$ 1.70	$ 1.72	$ 2.35	$ 2.88	$ 3.59	$ 4.48	$ 4.69	$ 6.29	$ 12.75	$ 5.52
Diluted earnings per share, excluding tax adjustments and other items (non-GAAP)	$ 1.97	$ 1.59	$ 2.01	$ 2.81	$ 3.50	$ 4.48	$ 5.37	$ 5.77	$ 4.70	$ 5.22

RECONCILIATION OF NON-GAAP MEASURES – BALANCE SHEET MEASURES

On- and Off-Balance Sheet Assets	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total assets (GAAP)	$5,206.4	$5,442.4	$5,846.0	$6,044.7	$6,535.5	$6,919.9	$6,894.2	$7,105.4	$7,422.4	$7,616.7
Off-balance sheet assets:										
Rail North America	1,012.1	968.1	884.5	863.5	887.9	606.1	488.7	456.5	435.7	430.2
ASC	-	-	-	21.0	16.5	11.7	6.8	2.6	-	-
Portfolio Management	4.0	3.4	2.6	-	-	-	-	-	-	-
Total off-balance sheet assets	$1,016.1	$ 971.5	$ 887.1	$ 884.5	$ 904.4	$ 617.8	$ 495.5	$ 459.1	$ 435.7	$ 430.2
Total assets, as adjusted (non-GAAP)	$6,222.5	$6,413.9	$6,733.1	$6,929.2	$7,439.9	$7,537.7	$7,389.7	$7,564.5	$7,858.1	$8,046.9