REFINITIV

DELTA REPORT

10-Q

GMTA - GATX CORP

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1286
CHANGES	218
DELETIONS	538
ADDITIONS	530

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2023 March 31, 2024

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 1-2328

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GATX Corporation

(Exact name of registrant as specified in its charter)

New York	**36-1124040**
(State of incorporation)	(I.R.S. Employer Identification No.)

233 South Wacker Drive
Chicago, Illinois 60606-7147
(Address of principal executive offices, including zip code)
(312) 621-6200
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock	GATX	New York Stock Exchange
	GATX	Chicago Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

☒ Large accelerated filer	☐ Smaller reporting company
☐ Non-accelerated filer	☐ Emerging growth company
☐ Accelerated filer	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

There were 35.5 35.6 million common shares outstanding at September 30, 2023 March 31, 2024.

GATX CORPORATION
FORM 10-Q
QUARTERLY REPORT FOR THE PERIOD ENDED SEPTEMBER 30, 2023 MARCH 31, 2024

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FORWARD-LOOKING STATEMENTS

Statements in this report 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. Forward-looking 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," "outlook," "continue," "likely," "will," "would", "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 under "Risk Factors" and elsewhere in our other filings with the U.S. Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2022 and in any subsequent reports on Form 10-Q, December 31, 2023, could cause actual results to differ materially from our current expectations expressed in forward-looking statements:

- the impact of the ongoing military action between Russia and Ukraine, including sanctions and countermeasures, on domestic and global economic and geopolitical conditions in general, including supply chain challenges and disruptions
- the duration and effects of the global COVID-19 pandemic and measures taken in response, including adverse impacts on our operations, commercial activity, supply chain, the demand for our transportation assets, the value of our assets, our liquidity, and macroeconomic conditions
- 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 transportation assets
- inability to maintain our transportation assets on lease at satisfactory rates due to oversupply of assets in the market or other changes in supply and demand
- a significant decline in customer demand for our transportation assets or services, including as a result of:
  - prolonged inflation or deflation
  - high interest rates
  - weak macroeconomic conditions or increased interest rates and world trade policies
  - weak market conditions in our customers' businesses
  - adverse changes in the price of, or demand for, commodities
  - changes in railroad operations, efficiency, pricing and service offerings, including those related to "precision scheduled railroading" or labor strikes or shortages
  - changes in, or disruptions to, supply chains
  - availability of pipelines, trucks, and other alternative modes of transportation
  - changes in conditions affecting the aviation industry, including reduced demand for air travel, global conflicts, geographic exposure and customer concentrations
  - customers' desire to buy, rather than lease, our transportation assets
  - other operational or commercial needs or decisions of our customers
- customers' desire inability to buy, rather than lease, maintain our transportation assets on lease at satisfactory rates due to oversupply of assets in the market or other changes in supply and demand
- competitive factors in our primary markets, including competitors with significantly lower costs of capital
- higher costs associated with increased assignments of our transportation assets following non-renewal of leases, customer defaults, and compliance maintenance programs or other maintenance initiatives
- inability to successfully consummate and manage ongoing acquisition and divestiture activities
- reliance on Rolls-Royce in connection with our aircraft spare engine leasing businesses, and the risks that certain factors that adversely affect Rolls-Royce could have an adverse effect on our businesses
- fluctuations in foreign exchange rates
- prolonged inflation or deflation
- inability to attract, retain, and motivate qualified personnel, including key management personnel
- failure to successfully negotiate collective bargaining agreements with the unions representing a substantial portion potential obsolescence of our employees assets
- 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 significantly lower costs of capital
- risks related to our international operations and expansion into new geographic markets, including laws, regulations, tariffs, taxes, treaties or trade barriers affecting our activities in the countries where we do business
- failure to successfully negotiate collective bargaining agreements with the unions representing a substantial portion of our

- 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 purchase commitments for transportation assets
- reduced opportunities to generate asset remarketing income

employees

- inability to attract, retain, and motivate qualified personnel, including key management personnel
- inability to maintain and secure our information technology infrastructure from cybersecurity threats and related disruption of our business
- 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 transportation assets
- changes in, or failure to comply with, laws, rules, and regulations
- U.S. and global political conditions
- inability to obtain cost-effective insurance
- environmental liabilities and remediation costs
- potential obsolescence of our assets
- inadequate allowances to cover credit losses in our portfolio
- operational, functional and regulatory risks associated with climate change,

severe weather events and natural disasters, and other environmental, social and governance matters

- U.S. and global political conditions and the impact of increased geopolitical tension and wars, including the ongoing war between Russia and Ukraine and resulting sanctions and countermeasures, on domestic and global economic conditions in general, including supply chain challenges and disruptions
- prolonged inflation or deflation
- fluctuations in foreign exchange rates
- deterioration of conditions in the capital markets, reductions in our credit ratings, or increases in our financing costs
- the emergence of new variants of COVID-19 or the occurrence of another widespread health crisis and the impact of measures taken in response
- inability to maintain and secure our information technology infrastructure from cybersecurity

cybersecurity threats and related disruption of our business obtain cost-effective insurance

- changes in assumptions, increases in funding requirements or investment losses in our pension and post-retirement plans
- inadequate allowances to cover credit losses in our portfolio
- asset impairment charges we may be required to recognize
- inability to maintain effective internal control over financial reporting and disclosure controls and procedures

PART I - FINANCIAL INFORMATION

Item 1. ***Financial Statements***

GATX CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)
(In millions, except share data)

		September 30 2023	December 31 2022		
March 31 2024				March 31 2024	December 31 2023
Assets	**Assets**				
Cash and Cash Equivalents	**Cash and Cash Equivalents**	$ 203.1	$ 303.7		
Cash and Cash Equivalents					
Cash and Cash Equivalents					

Restricted Cash	**Restricted Cash**	0.1	0.3
Short-Term Investments		—	148.5
Receivables	**Receivables**		
Receivables			
Receivables			
Rent and other receivables			
Rent and other receivables			
Rent and other receivables	Rent and other receivables	75.2	71.4
Finance leases (as lessor)	Finance leases (as lessor)	135.4	96.5
Finance leases (as lessor)			
Finance leases (as lessor)			
Less: allowance for losses	Less: allowance for losses	(5.7)	(5.9)
		204.9	162.0
	227.5		
Operating Assets and Facilities	**Operating Assets and Facilities**	12,576.5	11,675.0
Operating Assets and Facilities			
Operating Assets and Facilities			
Less: allowance for depreciation	Less: allowance for depreciation	(3,561.1)	(3,424.7)
		9,015.4	8,250.3
	9,619.8		
Lease Assets (as lessee)	**Lease Assets (as lessee)**		
Right-of-use assets, net of accumulated depreciation	Right-of-use assets, net of accumulated depreciation	220.2	243.5
Right-of-use assets, net of accumulated depreciation			
Right-of-use assets, net of accumulated depreciation			
		220.2	243.5
		203.5	
		203.5	
		203.5	
Investments in Affiliated Companies	**Investments in Affiliated Companies**	626.9	575.1
Investments in Affiliated Companies			
Investments in Affiliated Companies			
Goodwill	**Goodwill**	116.0	117.2
Other Assets (includes $11.9 and $40.0 related to assets held for sale)		260.9	271.4

Other Assets (includes $1.8 and $0.8 related to assets held for sale)			
Total Assets	**Total Assets**	$ 10,647.5	$10,072.0
Liabilities and Shareholders' Equity	**Liabilities and Shareholders' Equity**		
Liabilities and Shareholders' Equity			
Liabilities and Shareholders' Equity			
Accounts Payable and Accrued Expenses			
Accounts Payable and Accrued Expenses			
Accounts Payable and Accrued Expenses	**Accounts Payable and Accrued Expenses**	$ 221.6	$ 202.2
Debt	**Debt**		
Commercial paper and borrowings under bank credit facilities	Commercial paper and borrowings under bank credit facilities	12.3	17.3
Commercial paper and borrowings under bank credit facilities			
Commercial paper and borrowings under bank credit facilities			
Recourse	Recourse	6,835.6	6,431.5
		6,847.9	6,448.8
	7,635.3		
Lease Obligations (as lessee)	**Lease Obligations (as lessee)**		
Operating leases	Operating leases	233.2	257.9
Operating leases			
Operating leases			
		215.2	
		215.2	
		215.2	
		233.2	257.9
Deferred Income Taxes			
Deferred Income Taxes			
Deferred Income Taxes	**Deferred Income Taxes**	1,072.2	1,031.5
Other Liabilities	**Other Liabilities**	98.1	102.0
Total Liabilities	**Total Liabilities**	8,473.0	8,042.4
Shareholders' Equity	**Shareholders' Equity**		

Common stock, $0.625 par value: Authorized shares — 120,000,000 Issued shares — 68,787,424 and 68,575,974 Outstanding shares — 35,479,758 and 35,268,308		42.5	42.4
Common stock, $0.625 par value: Authorized shares — 120,000,000 Issued shares — 68,946,287 and 68,797,027 Outstanding shares — 35,577,357 and 35,464,841			
Common stock, $0.625 par value: Authorized shares — 120,000,000 Issued shares — 68,946,287 and 68,797,027 Outstanding shares — 35,577,357 and 35,464,841			
Common stock, $0.625 par value: Authorized shares — 120,000,000 Issued shares — 68,946,287 and 68,797,027 Outstanding shares — 35,577,357 and 35,464,841			
Additional paid in capital	Additional paid in capital	813.1	792.2
Retained earnings	Retained earnings	2,963.7	2,831.5
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(219.9)	(211.6)
Treasury stock at cost (33,307,666 and 33,307,666 shares)		(1,424.9)	(1,424.9)
Treasury stock at cost (33,368,930 and 33,332,186 shares)			
Total Shareholders' Equity	**Total Shareholders' Equity**	2,174.5	2,029.6
Total Liabilities and Shareholders' Equity	**Total Liabilities and Shareholders' Equity**	$ 10,647.5	$10,072.0

See accompanying notes to condensed consolidated financial statements.

GATX CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (Unaudited)
(In millions, except per share data)

	Three Months Ended September 30		Nine Months Ended September 30	
	2023	**2022**	**2023**	**2022**

		Three Months Ended March 31			
		Three Months Ended March 31			
		Three Months Ended March 31			
		2024			
		2024			
		2024			
Revenues					
Revenues					
Revenues	**Revenues**				
Lease revenue	Lease revenue	$ 317.2	$ 292.4	$ 927.8	$ 860.6
Lease revenue					
Lease revenue					
Non-dedicated engine revenue					
Non-dedicated engine revenue					
Non-dedicated engine revenue					
Marine operating revenue					
Marine operating revenue					
Marine operating revenue	Marine operating revenue	0.6	4.8	6.1	16.2
Other revenue	Other revenue	42.3	23.8	108.3	73.5
Other revenue					
Other revenue					
Total Revenues					
Total Revenues					
Total Revenues	**Total Revenues**	360.1	321.0	1,042.2	950.3
Expenses	**Expenses**				
Expenses					
Expenses					
Maintenance expense					
Maintenance expense					
Maintenance expense	Maintenance expense	87.9	75.9	254.1	221.3
Marine operating expense	Marine operating expense	1.0	3.6	5.4	11.7
Marine operating expense					
Marine operating expense					
Depreciation expense					
Depreciation expense					
Depreciation expense	Depreciation expense	96.2	88.7	278.1	268.2
Operating lease expense	Operating lease expense	9.0	9.0	27.0	27.1
Operating lease expense					
Operating lease expense					
Other operating expense					
Other operating expense					
Other operating expense	Other operating expense	12.0	8.7	34.0	28.7
Selling, general and administrative expense	Selling, general and administrative expense	51.0	47.6	153.4	142.7
Selling, general and administrative expense					
Selling, general and administrative expense					
Total Expenses					

Total Expenses					
Total Expenses	**Total Expenses**	257.1	233.5	752.0	699.7
Other Income (Expense)	**Other Income (Expense)**				
Other Income (Expense)					
Other Income (Expense)					
Net gain on asset dispositions					
Net gain on asset dispositions					
Net gain on asset dispositions	Net gain on asset dispositions	16.9	3.9	105.1	53.4
Interest expense, net	Interest expense, net	(68.1)	(53.6)	(190.8)	(156.7)
Interest expense, net					
Interest expense, net					
Other income (expense)					
Other income (expense)					
Other income (expense)	Other income (expense)	1.8	(2.5)	(7.1)	(15.8)
Income before Income Taxes and Share of Affiliates' Earnings	**Income before Income Taxes and Share of Affiliates' Earnings**	53.6	35.3	197.4	131.5
Income before Income Taxes and Share of Affiliates' Earnings					
Income before Income Taxes and Share of Affiliates' Earnings					
Income taxes					
Income taxes					
Income taxes	Income taxes	(14.5)	(13.7)	(52.3)	(38.8)
Share of affiliates' earnings, net of taxes	Share of affiliates' earnings, net of taxes	13.4	7.5	48.1	14.8
Share of affiliates' earnings, net of taxes					
Share of affiliates' earnings, net of taxes					
Net Income	**Net Income**	$ 52.5	$ 29.1	$ 193.2	$ 107.5
Other Comprehensive Income (Loss), Net of Taxes					
Net Income					
Net Income					
Other Comprehensive (Loss) Income, Net of Taxes					
Other Comprehensive (Loss) Income, Net of Taxes					
Other Comprehensive (Loss) Income, Net of Taxes					
Foreign currency translation adjustments					
Foreign currency translation adjustments					
Foreign currency translation adjustments	Foreign currency translation adjustments	$ (40.6)	$ (57.8)	$ (8.7)	$ (118.3)
Unrealized gain on derivative instruments	Unrealized gain on derivative instruments	0.8	0.2	1.4	0.8
Unrealized gain on derivative instruments					
Unrealized gain on derivative instruments					
Post-retirement benefit plans	Post-retirement benefit plans	(2.0)	8.3	(1.0)	11.5
Other comprehensive loss		(41.8)	(49.3)	(8.3)	(106.0)
Comprehensive Income (Loss)		$ 10.7	$ (20.2)	$ 184.9	$ 1.5

Post-retirement benefit plans									
Post-retirement benefit plans									
Other comprehensive (loss) income									
Other comprehensive (loss) income									
Other comprehensive (loss) income									
Comprehensive Income									
Comprehensive Income									
Comprehensive Income									
Share Data									
Share Data									
Share Data	**Share Data**								
Basic earnings per share	Basic earnings per share	$	1.44	$	0.82	$	5.32	$	3.04
Basic earnings per share									
Basic earnings per share									
Average number of common shares									
Average number of common shares									
Average number of common shares	Average number of common shares		35.7		35.2		35.6		35.4
Diluted earnings per share	Diluted earnings per share	$	1.44	$	0.81	$	5.30	$	2.99
Diluted earnings per share									
Diluted earnings per share									
Average number of common shares and common share equivalents	Average number of common shares and common share equivalents		35.8		35.7		35.7		35.9
Average number of common shares and common share equivalents									
Average number of common shares and common share equivalents									

See accompanying notes to condensed consolidated financial statements.

GATX CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(In millions)

		Nine Months Ended September 30			
		2023	**2022**		
	Three Months Ended March 31			**Three Months Ended March 31**	
	2024			**2024**	**2023**
Operating Activities	**Operating Activities**				
Net income					
Net income					
Net income	Net income	$ 193.2	$107.5		
Adjustments to reconcile net income to net cash provided by operating activities:	Adjustments to reconcile net income to net cash provided by operating activities:				
Adjustments to reconcile net income to net cash provided by operating activities:					

Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization expense			
Depreciation and amortization expense			
Depreciation and amortization expense	Depreciation and amortization expense	289.8	278.2
Net gains on disposition of owned assets			
Net gains on disposition of owned assets			
Net gains on disposition of owned assets	Net gains on disposition of owned assets	(105.6)	(91.0)
Asset impairments	Asset impairments	1.2	42.3
Deferred income taxes	Deferred income taxes	38.7	24.0
Share of affiliates' earnings, net of dividends	Share of affiliates' earnings, net of dividends	(48.1)	(14.8)
Changes in working capital items	Changes in working capital items	30.9	6.4
Net cash provided by operating activities	Net cash provided by operating activities	400.1	352.6
Investing Activities	**Investing Activities**		
Portfolio investments and capital additions	Portfolio investments and capital additions	(1,237.5)	(887.9)
Portfolio investments and capital additions			
Portfolio investments and capital additions			
Portfolio proceeds	Portfolio proceeds	208.2	224.9
Proceeds from sales of other assets	Proceeds from sales of other assets	16.4	26.4
Proceeds from short-term investments	Proceeds from short-term investments	150.0	—
Other	Other	2.3	30.1
Net cash used in investing activities	Net cash used in investing activities	(860.6)	(606.5)
Financing Activities	**Financing Activities**		

Net proceeds from issuances of debt (original maturities longer than 90 days)	Net proceeds from issuances of debt (original maturities longer than 90 days)	909.2	837.8
Net proceeds from issuances of debt (original maturities longer than 90 days)			
Net proceeds from issuances of debt (original maturities longer than 90 days)			
Repayments of debt (original maturities longer than 90 days)	Repayments of debt (original maturities longer than 90 days)	(500.0)	(250.0)
Net (decrease) increase in debt with original maturities of 90 days or less		(5.0)	0.7
Net increase in debt with original maturities of 90 days or less			
Stock repurchases	Stock repurchases	—	(47.2)
Dividends	Dividends	(60.7)	(57.9)
Purchases of assets previously leased		—	(1.5)
Other	Other	16.4	30.9
Net cash provided by financing activities		359.9	512.8
Other			
Other			
Net cash provided by (used in) financing activities			
Effect of Exchange Rate Changes on Cash and Cash Equivalents	**Effect of Exchange Rate Changes on Cash and Cash Equivalents**	(0.2)	(6.8)
Net (decrease) increase in Cash, Cash Equivalents, and Restricted Cash during the period		(100.8)	252.1
Net increase (decrease) in Cash, Cash Equivalents, and Restricted Cash during the period			
Cash, Cash Equivalents, and Restricted Cash at beginning of the period	**Cash, Cash Equivalents, and Restricted Cash at beginning of the period**	304.0	344.5

Cash, Cash Equivalents, and Restricted Cash at end of the period	**Cash, Cash Equivalents, and Restricted Cash at end of the period**	$ 203.2	$596.6

See accompanying notes to condensed consolidated financial statements.

GATX CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Unaudited)
(In millions, except per share data)

		Three Months Ended September 30				Nine Months Ended September 30			
		2023		2022		2023		2022	
		Shares	Dollars	Shares	Dollars	Shares	Dollars	Shares	Dollars
		Three Months Ended March 31							
		Three Months Ended March 31							
		Three Months Ended March 31							
		2024							
		2024							
		2024							
		Shares							
		Shares							
		Shares							
Common Stock									
Common Stock									
Common Stock	**Common Stock**								
Balance at beginning of the period	Balance at beginning of the period	68.8	$ 42.5	68.5	$ 42.4	68.6	$ 42.4	68.3	$ 42.2
Balance at beginning of the period									
Balance at beginning of the period									
Issuance of common stock									
Issuance of common stock									
Issuance of common stock	Issuance of common stock	—	—	—	—	0.2	0.1	0.2	0.2
Balance at end of the period	Balance at end of the period	68.8	42.5	68.5	42.4	68.8	42.5	68.5	42.4
Balance at end of the period									
Balance at end of the period									
Treasury Stock									
Treasury Stock									
Treasury Stock	**Treasury Stock**								
Balance at beginning of the period	Balance at beginning of the period	(33.3)	(1,424.9)	(33.2)	(1,419.9)	(33.3)	(1,424.9)	(32.8)	(1,377.7)
Balance at beginning of the period									
Balance at beginning of the period									
Stock repurchases									
Stock repurchases									
Stock repurchases	Stock repurchases	—	—	(0.1)	(5.0)	—	—	(0.5)	(47.2)
Balance at end of the period	Balance at end of the period	(33.3)	(1,424.9)	(33.3)	(1,424.9)	(33.3)	(1,424.9)	(33.3)	(1,424.9)

Balance at end of the period					
Balance at end of the period					
Additional Paid In Capital					
Additional Paid In Capital					
Additional Paid In Capital	**Additional Paid In Capital**				
Balance at beginning of the period	Balance at beginning of the period	807.8	784.7	792.2	763.8
Balance at beginning of the period					
Balance at beginning of the period					
Share-based compensation effects					
Share-based compensation effects					
Share-based compensation effects	Share-based compensation effects	5.3	3.2	20.9	24.1
Balance at end of the period	Balance at end of the period	813.1	787.9	813.1	787.9
Balance at end of the period					
Balance at end of the period					
Retained Earnings					
Retained Earnings					
Retained Earnings	**Retained Earnings**				
Balance at beginning of the period	Balance at beginning of the period	2,931.6	2,791.6	2,831.5	2,751.5
Balance at beginning of the period					
Balance at beginning of the period					
Net income	Net income	52.5	29.1	193.2	107.5
Dividends declared ($0.55 and $0.52 per share QTR and $1.65 and $1.56 YTD)		(20.4)	(19.0)	(61.0)	(57.3)
Net income					
Net income					
Dividends declared ($0.58 and $0.55 per share)					
Dividends declared ($0.58 and $0.55 per share)					
Dividends declared ($0.58 and $0.55 per share)					
Balance at end of the period					
Balance at end of the period					
Balance at end of the period	Balance at end of the period	2,963.7	2,801.7	2,963.7	2,801.7
Accumulated Other Comprehensive Loss	**Accumulated Other Comprehensive Loss**				
Accumulated Other Comprehensive Loss					
Accumulated Other Comprehensive Loss					
Balance at beginning of the period	Balance at beginning of the period	(178.1)	(217.3)	(211.6)	(160.6)
Balance at beginning of the period					
Balance at beginning of the period					
Other comprehensive loss					
Other comprehensive loss					

Other comprehensive loss	Other comprehensive loss	(41.8)	(49.3)	(8.3)	(106.0)
Balance at end of the period	Balance at end of the period	(219.9)	(266.6)	(219.9)	(266.6)
Total Shareholders’ Equity		$ 2,174.5	$ 1,940.5	$ 2,174.5	$ 1,940.5
Balance at end of the period					
Balance at end of the period					
Total Shareholders' Equity					
Total Shareholders' Equity					
Total Shareholders' Equity					

See accompanying notes to condensed consolidated financial statements.

GATX CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1. Description of Business

As used herein, "GATX," "we," "us," "our," and similar terms refer to GATX Corporation and its subsidiaries, unless indicated otherwise.

We lease, operate, manage, and remarket long-lived, widely used assets, primarily in the rail market. We report our financial results through three primary business segments: Rail North America, Rail International, and Engine Leasing (previously named Portfolio Management. Management). Fin Financial ancial results for our tank container leasing business ("Trifleet Leasing" Trifleet") are reported in the Other segment.

In the first quarter of 2023, 2024, we sold changed the name of our rail Portfolio Management business in Russia ("Rail Russia") within segment to Engine Leasing to reflect the Rail International prospective operations of this business segment. The net assets of Rail Russia had been reported as held for sale since the third quarter of 2022. See "Note 6. Asset Impairments and Assets Held for Sale" for further information.

In the second quarter of 2023, we sold one of Historically, this business segment included marine operations from our liquefied gas-carrying vessels (the "Specialized Gas Vessels") within the Portfolio Management segment. We. As of December 31, 2023, we had previously sold one vessel all of our marine assets and no longer have any marine operations. The segment is now almost entirely comprised of our engine leasing operations, which include our ownership in the first quarter RRPF affiliates, a group of 2023 joint ventures with Rolls-Royce plc (or affiliates thereof, collectively "Rolls-Royce") that lease aircraft spare engines, and two vessels in the third quarter of 2022. The one remaining vessel is classified as held for sale as of September 30, 2023.

In 2023, GATX Engine Leasing ("GEL") acquired ten, our business that directly owns aircraft spare engines for $267.3 million. that are leased to airline customers or employed in an engine capacity agreement.

NOTE 2. Basis of Presentation

We prepared the accompanying unaudited condensed consolidated financial statements in accordance with U.S. Generally Accepted Accounting Principles ("GAAP") for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, our unaudited condensed consolidated financial statements do not include all of the information and footnotes required for complete financial statements. We have included all of the normal recurring adjustments that we deemed necessary for a fair presentation.

Operating results for the nine three months ended September 30, 2023 March 31, 2024 are not necessarily indicative of the results we may achieve for the entire year ending December 31, 2023 December 31, 2024. In particular, asset remarketing income does not occur evenly throughout the year. For more information, refer to the consolidated financial statements and footnotes in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

New Accounting Pronouncements Not Yet Adopted

Standard/Description	Effective Date and Adoption Considerations	Effect on Financial Statements or Other Significant Matters
Reference Rate Reform *Income Taxes* In March 2020, December 2023, the FASB issued ASU 2020-04, 2023-09, *Reference Rate Reform* *Income Taxes (Topic 848) 740): Facilitation of* *Improvements to Income Tax Disclosures,* to enhance disclosures for the Effects of Reference Rate Reform on Financial Reporting, which provides optional practical expedients effective rate reconciliation and exceptions in the application of GAAP principles to contracts, hedging relationships, and other transactions that reference LIBOR or other reference rates being discontinued as a result of reference rate reform. income taxes paid.	Optional expedients are available The new guidance is effective for us beginning with our 2025 Form 10-K, with early adoption from March 12, 2020 through December 31, 2024. permitted.	For any contracts We continue to assess the effect the new guidance will have on our disclosure. We expect the primary impact to be the level of disaggregation disclosed in the effective rate reconciliation table and the addition of income taxes paid by jurisdiction.
Segment Reporting In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures,* to improve reportable segment disclosure requirements, particularly around the disclosure of segment expenses that reference LIBOR, we are regularly reported to the chief operating decision maker ("CODM") and included within each reported measure of segment profit.	The new guidance is effective for us beginning with our 2024 Form 10-K, with early adoption permitted. We plan to adopt this standard for our 2024 Form 10-K.	We are currently assessing how this standard may whether additional disclosures around significant segment expenses will be applied to specific contract modifications through December 31, 2024. required in our segment disclosures.

NOTE 3. Revenue

Revenue Recognition

Revenue is recognized when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services.

We disaggregate revenue into three four categories as presented on our statement of comprehensive income (loss): income:

Lease Revenue

Lease revenue, which includes operating lease revenue and finance lease revenue, is our primary source of revenue.

Operating Lease Revenue

We lease railcars, locomotives, aircraft spare engines, and tank containers and other operating assets under full-service and net operating leases. We price full-service leases as an integrated service that includes amounts related to maintenance, insurance, and ad valorem taxes. We do not offer stand-alone maintenance service contracts. Operating lease revenue is within the scope of Accounting Standards Codification ("ASC") Topic 842*"Leases"* ("Topic 842"), and we have elected not to separate non-lease components from the associated lease component for qualifying leases. Operating lease revenue is recognized on a straight-line basis over the term of the underlying lease. As a result, lease revenue may not be recognized in the same period as maintenance and other costs, which we expense as incurred. Variable rents are recognized when applicable contingencies are resolved. Revenue is not recognized if collectability is not reasonably assured. See "Note 4. 5. Leases".

Finance Lease Revenue

In certain cases, we lease railcars and tank containers that, at lease inception, are classified as finance leases. In accordance with Topic 842, finance lease revenue is recognized using the effective interest method, using the interest rate implicit in the lease. See "Note 5. Leases".

Non-Dedicated Engine Revenue

Certain of our owned aircraft spare engines are part of a pool of non-dedicated spare engines managed under a capacity agreement with Rolls-Royce. Revenue is earned based on our continued ability to meet engine capacity requirements under the agreement, which produces requires us to enroll a constant yield over the minimum number of engines in a pool of non-dedicated spare engines for short-term lease term. Initial unearned income is the amount by which the original lease payment receivable and the estimated residual value to Rolls-Royce customers. We recognize revenue based on our right to receive a portion of the leased asset exceeds revenue earned by the original cost or carrying value pool, which is calculated based on the average engine flight hours reported for each type of engine enrolled into the leased asset. See "Note 4. Leases". pool.

Marine Operating Revenue

We generate Historically, we generated marine operating revenue through shipping services completed by our marine vessels. For vessels operating that operated in a pooling arrangement, we recognize recognized pool revenue based on the right to receive our portion of net distributions reported by the pool, with net distributions being the net voyage revenue of the pool after deduction of voyage expenses. For vessels operating out that operated outside of the pool, a pooling arrangement, we recognize recognized revenue over time as the performance obligation is satisfied, beginning when cargo is loaded through its delivery and discharge. As of the first quarter of 2024, we no longer have marine operating revenue, as all marine vessels were sold as of December 31, 2023.

Other Revenue

Other revenue is composed comprised of customer liability repair revenue, termination fees, revenue from aircraft spare engines utilized in an engine capacity agreement, interest income, and other miscellaneous revenues. Select components of other revenue are within the scope of ASC Topic 606. 606, *"Revenue from Contracts with Customers"*. Revenue attributable to terms provided in our lease contracts are variable lease components that are recognized when earned, in accordance with Topic 842.

GATX CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

NOTE 4. Operating Assets and Facilities

The following table shows the components of our operating assets and facilities (in millions):

	March 31 2024	December 31 2023
Railcars and locomotives	$ 11,967.7	$ 11,700.8
Aircraft spare engines	769.7	769.7
Tank containers	237.8	237.7
Buildings, leasehold improvements, and other equipment	250.7	253.0
Other	94.2	120.7
	$ 13,320.1	$ 13,081.9
Less: allowance for depreciation	(3,700.3)	(3,670.7)
Net operating assets and facilities	$ 9,619.8	$ 9,411.2

Total depreciation expense was $100.5 million for the three months ended March 31, 2024 and $93.5 million for the three months ended March 31, 2023.

NOTE 4. 5. Leases

GATX as Lessor

We lease railcars, locomotives, aircraft spare engines, and tank containers and other operating assets under full-service and net operating leases. We price full-service leases as an integrated service that includes amounts related to maintenance, insurance, and ad valorem taxes. In accordance with applicable guidance, we do not separate lease and non-lease components when reporting revenue for our full-service operating leases. In some cases, we lease railcars and tank containers that, at lease inception, commencement, are classified as finance leases. For certain operating leases, revenue is based on equipment usage and is recognized when earned. Typically, our leases do not provide customers with renewal options or options to purchase the asset. Our lease agreements do not generally have residual value guarantees. We collect reimbursements from customers for damage to our railcars, as well as additional rental payments for usage above specified levels, as provided in the lease agreements.

GATX CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

The following table shows the components of our lease revenue (in millions):

	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
	Three Months Ended March 31			
	Three Months Ended March 31			
	Three Months Ended March 31			
	2024			

		2024			
		2024			
Operating lease revenue:					
Operating lease revenue:					
Operating lease revenue:	Operating lease revenue:				
Fixed lease revenue	Fixed lease revenue	$ 289.7	$ 267.5	$ 848.2	$ 788.7
Fixed lease revenue					
Fixed lease revenue					
Variable lease revenue					
Variable lease revenue					
Variable lease revenue	Variable lease revenue	24.2	22.6	70.6	65.1
Total operating lease revenue	Total operating lease revenue	$ 313.9	$ 290.1	$ 918.8	$ 853.8
Total operating lease revenue					
Total operating lease revenue					
Finance lease revenue					
Finance lease revenue					
Finance lease revenue	Finance lease revenue	3.3	2.3	9.0	6.8
Total lease revenue	Total lease revenue	$ 317.2	$ 292.4	$ 927.8	$ 860.6
Total lease revenue					
Total lease revenue					

In accordance with the terms of our leases with customers, we may earn additional revenue, primarily for customer liability repairs. This additional revenue is reported in other revenue in the statements of comprehensive income (loss) and was $23.1 million and $68.8 million $28.7 million for the three and nine months ended September 30, 2023 March 31, 2024 and $20.3 million and $61.2 million $23.9 million for the three and nine months ended September 30, 2022 March 31, 2023.

NOTE 5. 6. Fair Value

The assets and liabilities that GATX records at fair value on a recurring basis consisted entirely of derivatives at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

In addition, we review long-lived assets, such as operating assets and facilities, investments in affiliates, and goodwill, for impairment whenever circumstances indicate that the carrying amount of these assets may not be recoverable or when assets may be classified as held for sale. We determine the fair value of the respective assets using Level 3 inputs, including estimates of discounted future cash flows, (including net proceeds from sale), independent appraisals, and market comparables, as applicable. See "Note 6. Asset Impairments and Assets Held for Sale" for further information.

Derivative Instruments

Fair Value Hedges

We use interest rate swaps to manage the fixed-to-floating rate mix of our debt obligations by converting a portion of our fixed rate debt to floating rate debt. For fair value hedges, we recognize changes in fair value of both the derivative and the hedged item as interest expense. We had four instruments outstanding with an aggregate notional amount of $200.0 million as of September 30, 2023 March 31, 2024 with maturities ranging from 2025 to 2027 and four instruments outstanding with an aggregate notional amount of $200.0 million as of December 31, 2022 December 31, 2023 with maturities ranging from 2025 to 2027.

Cash Flow Hedges

We use Treasury rate locks and swap rate locks to hedge our exposure to interest rate risk on anticipated transactions. We also use currency swaps, forwards, and put/call options to hedge our exposure to fluctuations in the exchange rates of foreign currencies for certain loans and operating expenses denominated in non-functional currencies. We had eleven nine instruments outstanding with an aggregate notional amount of $203.5 million $19.7 million as of September 30, 2023 March 31, 2024 that mature in 2023 2024 and one instrument outstanding with an aggregate notional amount of $110.1 million $131.0 million as of December 31, 2022 December 31, 2023 that matures matured in 2023. 2024. Within the next 12 months, we expect to reclassify $1.6 million $1.5 million ($1.2 1.1 million after-tax) of net losses on previously terminated derivatives from accumulated other comprehensive loss to interest expense. We reclassify these amounts when interest and operating lease expense on the related hedged transactions affect earnings.

Non-Designated Derivatives

We do not hold derivative financial instruments for purposes other than hedging, although certain of our derivatives are not designated as accounting hedges. We recognize changes in the fair value of these derivatives in other income (expense) immediately.

Certain of our derivative instruments contain credit risk provisions that could require us to make immediate payment on net liability positions in the event that we default on certain outstanding debt obligations. The aggregate fair value of our derivative instruments with credit risk related contingent features that were in a liability position was $11.8 million$8.4 million as of September 30, 2023March 31, 2024 and $12.1$8.0 million as of December 31, 2022December 31, 2023. We are not required to post any collateral on our derivative instruments and do not expect the credit risk provisions to be triggered.

In the event that a counterparty fails to meet the terms of an interest rate swap agreement or a foreign exchange contract, our exposure is limited to the fair value of the swap, if in our favor. We manage the credit risk of counterparties by transacting with institutions that we consider financially sound and by avoiding concentrations of risk with a single counterparty. We believe that the risk of non-performance by any of our counterparties is remote.

GATX CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

The following table shows our derivative assets and liabilities that are measured at fair value (in millions):

		Significant Observable Inputs (Level 2)		**Significant Observable Inputs (Level 2)**
	Balance Sheet Location	**Balance Sheet Location**	**Fair Value March 31, 2024**	**Fair Value December 31, 2023**
Derivative Assets				
		Significant Observable Inputs (Level 2)		
Foreign exchange contracts (1)				
		Balance Sheet Location	**Fair Value September 30, 2023**	**Fair Value December 31, 2022**
Derivative Assets				
Foreign exchange contracts (1)				
Foreign exchange contracts (1)	Foreign exchange contracts (1)	Other assets	$ 2.6	$ —
Foreign exchange contracts (2)	Foreign exchange contracts (2)	Other assets	—	0.7
Total derivative assets	Total derivative assets		$ 2.6	$ 0.7
Total derivative assets				
Total derivative assets				
Derivative Liabilities	**Derivative Liabilities**			
Interest rate contracts (1)	Interest rate contracts (1)	Other liabilities	$ 11.7	$ 11.6

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Foreign exchange contracts (1)		Other liabilities	0.1	0.5
Interest rate contracts (1)				
Interest rate contracts (1)				
Foreign exchange contracts (2)				
Foreign exchange contracts (2)				
Foreign exchange contracts (2)	Foreign exchange contracts (2)	Other liabilities	6.5	—
Total derivative liabilities	Total derivative liabilities		$ 18.3	$ 12.1

(1) Designated as hedges.
(2) Not designated as hedges.

We value derivatives using a pricing model with inputs (such as yield curves and foreign currency rates) that are observable in the market or that can be derived principally from observable market data. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, all derivatives were classified as Level 2 in the fair value hierarchy. There were no derivatives classified as Level 1 or Level 3.

The following table shows the amounts recorded on the balance sheet related to cumulative basis adjustments for fair value hedges (in millions):

		Carrying Amount of the Hedged Assets/(Liabilities)		Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Amount of the Hedged Assets/(Liabilities)						
		Carrying Amount of the Hedged Assets/(Liabilities)							Carrying Amount of the Hedged Assets/(Liabilities)	Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Amount of the Hedged Assets/(Liabilities)
Line Item in the Balance Sheet in Which the Hedged Item is Included	Line Item in the Balance Sheet in Which the Hedged Item is Included	September 30 2023	December 31 2022	September 30 2023	December 31 2022	Line Item in the Balance Sheet in Which the Hedged Item is Included	March 31 2024	December 31 2023	March 31 2024	December 31 2023
Recourse debt	Recourse debt	$ (195.4)	$ (195.2)	$ (11.7)	$ (11.6)					

GATX CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

The following tables show the impacts of our derivative instruments on our statements of comprehensive income (loss) (in millions):

	Amount of Loss (Gain) Recognized in Other Comprehensive Income (Loss)	
	Three Months Ended September 30	Nine Months Ended September 30
	Amount of Loss (Gain) Recognized in Other Comprehensive (Loss) Income	
	Amount of Loss (Gain) Recognized in Other Comprehensive (Loss) Income	

		Amount of Loss (Gain) Recognized in Other Comprehensive (Loss) Income			
		Three Months Ended March 31			
		Three Months Ended March 31			
		Three Months Ended March 31			
Derivative Designation					
Derivative Designation					
Derivative Designation	Derivative Designation	2023	2022	2023	2022
Derivatives in cash flow hedging relationships:	Derivatives in cash flow hedging relationships:				
Derivatives in cash flow hedging relationships:					
Derivatives in cash flow hedging relationships:					
Foreign exchange contracts					
Foreign exchange contracts					
Foreign exchange contracts	Foreign exchange contracts	$ (6.1)	$ (6.8)	$ (3.6)	$ (14.7)
Total	Total	$ (6.1)	$ (6.8)	$ (3.6)	$ (14.7)
Total					
Total					

Location of Loss (Gain) Reclassified from Accumulated Other Comprehensive Loss into Earnings	Location of Loss (Gain) Reclassified from Accumulated Other Comprehensive Loss into Earnings	Amount of Loss (Gain) Reclassified from Accumulated Other Comprehensive Loss into Earnings			
		Three Months Ended September 30		Nine Months Ended September 30	
		2023	2022	2023	2022
		Three Months Ended March 31			
		Three Months Ended March 31			
		Three Months Ended March 31			
		2024			
		2024			
		2024			
Interest expense					
Interest expense					
Interest expense	Interest expense	$ 0.4	$ 0.4	$ 1.2	$ 1.2
Other income (expense)	Other income (expense)	(5.7)	(6.8)	(3.3)	(14.9)
Other income (expense)					
Other income (expense)					
Total	Total	$ (5.3)	$ (6.4)	$ (2.1)	$ (13.7)
Total					
Total					

The following tables show the impact of our fair value and cash flow hedge accounting relationships, as well as the impact of our non-designated derivatives, on the statements of comprehensive income (loss) (in millions):

		Amount of Gain (Loss) Recognized in Interest Expense on Fair Value and Cash Flow Hedging Relationships							
		Three Months Ended September 30				Nine Months Ended September 30			
		2023		2022		2023		2022	
		Amount of Gain (Loss) Recognized in Interest Expense on Fair Value and Cash Flow Hedging Relationships							
		Amount of Gain (Loss) Recognized in Interest Expense on Fair Value and Cash Flow Hedging Relationships							
		Amount of Gain (Loss) Recognized in Interest Expense on Fair Value and Cash Flow Hedging Relationships							
		Three Months Ended March 31							
		2024							
		2024							
		2024							
Total interest expense									
Total interest expense									
Total interest expense	Total interest expense	$	(68.1)	$	(53.6)	$	(190.8)	$	(156.7)
Gain (loss) on fair value hedging relationships	**Gain (loss) on fair value hedging relationships**								
Gain (loss) on fair value hedging relationships									
Gain (loss) on fair value hedging relationships									
Interest rate contracts:									
Interest rate contracts:									
Interest rate contracts:	Interest rate contracts:								
Hedged items	Hedged items		(0.2)		6.0		0.1		13.2
Hedged items									
Hedged items									
Derivatives designated as hedging instruments									
Derivatives designated as hedging instruments									
Derivatives designated as hedging instruments	Derivatives designated as hedging instruments		0.2		(6.0)		(0.1)		(13.2)
Gain (loss) on cash flow hedging relationships	**Gain (loss) on cash flow hedging relationships**								
Gain (loss) on cash flow hedging relationships									
Gain (loss) on cash flow hedging relationships									
Interest rate contracts:									
Interest rate contracts:									
Interest rate contracts:	Interest rate contracts:								
Amount of loss reclassified from accumulated other comprehensive loss into earnings	Amount of loss reclassified from accumulated other comprehensive loss into earnings		(0.4)		(0.4)		(1.2)		(1.2)
Amount of loss reclassified from accumulated other comprehensive loss into earnings									
Amount of loss reclassified from accumulated other comprehensive loss into earnings									

	Amount of Gain (Loss) Recognized in Other Income (Expense) on Cash Flow Hedging Relationships and Non-Designated Derivative Contracts			
	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
	Amount of Gain (Loss) Recognized in Other Income (Expense) on Cash Flow Hedging Relationships and Non-Designated Derivative Contracts			
	Amount of Gain (Loss) Recognized in Other Income (Expense) on Cash Flow Hedging Relationships and Non-Designated Derivative Contracts			
	Amount of Gain (Loss) Recognized in Other Income (Expense) on Cash Flow Hedging Relationships and Non-Designated Derivative Contracts			
	Three Months Ended March 31			
	2024			
	2024			
	2024			
Total other income (expense)				
Total other income (expense)				
Total other income (expense) Total other income (expense)	$ 1.8	$ (2.5)	$ (7.1)	$ (15.8)
Gain (loss) on cash flow hedging relationships **Gain (loss) on cash flow hedging relationships**				
Gain (loss) on cash flow hedging relationships				
Gain (loss) on cash flow hedging relationships				
Foreign exchange contracts:				
Foreign exchange contracts:				
Foreign exchange contracts: Foreign exchange contracts:				
Amount of gain reclassified from accumulated other comprehensive loss into earnings (1) Amount of gain reclassified from accumulated other comprehensive loss into earnings (1)	5.7	6.8	3.3	14.9
Gain (Loss) on non-designated derivative contracts	3.2	2.7	(8.0)	7.4
Amount of gain reclassified from accumulated other comprehensive loss into earnings (1)				
Amount of gain reclassified from accumulated other comprehensive loss into earnings (1)				
Gain (loss) on non-designated derivative contracts				
Gain (loss) on non-designated derivative contracts				
Gain (loss) on non-designated derivative contracts				

(1) These amounts are substantially offset by foreign currency remeasurement adjustments on related hedged instruments, also recognized in other expense. income (expense).

Other Financial Instruments

Except for derivatives, as disclosed above, GATX has no other assets and liabilities measured at fair value on a recurring basis. The carrying amounts of cash and cash equivalents, restricted cash, rent and other receivables, accounts payable, and commercial paper and borrowings under bank credit facilities with maturities under one year approximate fair value due to the short maturity of those instruments. There were no short-term investments at September 30, 2023. As of December 31, 2022, short-term investments of $148.5 million consisted of U.S. Treasury securities, which were classified as held-to-maturity and valued at amortized cost.

We estimate the fair values of fixed and floating rate debt using discounted cash flow analyses that are based on interest rates currently offered for loans with similar terms to borrowers of similar credit quality. The inputs we use to estimate each of these values are classified in Level 2 of the fair value hierarchy because they are directly or indirectly observable inputs.

The following table shows the carrying amounts and fair values of our other financial instruments (in millions):

	September 30, 2023		December 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Liabilities				
Recourse fixed rate debt	$ 6,553.4	$ 5,723.7	$ 6,045.1	$ 5,309.8
Recourse floating rate debt	316.3	316.3	417.8	417.0

NOTE 6. Asset Impairments and Assets Held for Sale

In the third quarter of 2022, we made the decision to exit Rail Russia, which is reported within the Rail International segment. The net assets of Rail Russia were then classified as held for sale and adjusted to the lower of their respective carrying amounts or fair value less costs to dispose. As a result, we recorded impairment losses totaling $14.6 million in 2022, which are presented in net gain on asset dispositions in the statements of comprehensive income (loss). The impairment charges included $1.2 million for the anticipated liquidation of the cumulative translation adjustment. In the first quarter of 2023, we completed the sale of Rail Russia and recorded a gain of $0.3 million, which is presented in net gain on asset dispositions in the statements of comprehensive income (loss).

In the second quarter of 2022, we made the decision to sell our five Specialized Gas Vessels within the Portfolio Management segment. The Specialized Gas Vessels were classified as held for sale and adjusted to the lower of their respective carrying amounts or fair value less costs to dispose. As a result, we recorded impairment losses totaling $34.3 million in 2022. The impairments were driven by our decision to sell these vessels and resulted from the associated change in our expected use and holding periods for these assets. We sold two vessels in the third quarter of 2022. In the first quarter of 2023, we sold one vessel, resulting in a loss on disposition of $0.4 million, and recorded an impairment loss of $1.2 million on one of the two remaining vessels. The impairment loss was included in net gain on asset dispositions in the statements of comprehensive income (loss). In the second quarter of 2023, we sold one vessel and recorded a gain of $0.2 million associated with this sale. The one remaining vessel continues to be classified as held for sale and its fair value was $11.4 million as of September 30, 2023. We based the fair value of the asset on our estimate of the expected net sales proceeds.

The following table summarizes the components of asset impairments by segment (in millions):

	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Attributable to Consolidated Assets				
Rail International	$ —	$ 10.8	$ —	$ 10.8
Portfolio Management	—	—	1.2	31.5
Total	$ —	$ 10.8	$ 1.2	$ 42.3

The following table summarizes assets held for sale by business segment (in millions):

	September 30 2023	December 31 2022
Rail North America	$ 0.5	$ 1.2
Rail International	—	13.7
Portfolio Management	11.4	25.1
Total	$ 11.9	$ 40.0

All assets held for sale at September 30, 2023 are expected to be sold within one year and are included in Other Assets on the balance sheet.

	March 31, 2024		December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Liabilities				

Recourse fixed rate debt	$ 7,082.7	$ 6,637.3	$ 7,026.6	$ 6,614.6
Recourse floating rate debt	541.8	545.8	361.5	362.9
Total	$ 7,624.5	$ 7,183.1	$ 7,388.1	$ 6,977.5

GATX CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

NOTE 7. Pension and Other Post-Retirement Benefits

The following table shows the components of net periodic cost for the three months ended September 30, 2023 March 31, 2024 and 2022 2023 (in millions):

	2023 Pension Benefits	2022 Pension Benefits	2023 Retiree Health and Life	2022 Retiree Health and Life
Service cost	$ 1.3	$ 2.0	$ —	$ —
Interest cost	4.1	2.5	0.1	0.1
Expected return on plan assets	(5.2)	(4.0)	—	—
Amortization of (1):				
Unrecognized prior service credit	—	—	—	(0.1)
Unrecognized net actuarial loss (gain)	0.2	2.2	(0.1)	(0.1)
Net periodic cost	$ 0.4	$ 2.7	$ —	$ (0.1)

The following table shows the components of net periodic cost for the nine months ended September 30, 2023 and 2022 (in millions):

		2023 Pension Benefits	2022 Pension Benefits	2023 Retiree Health and Life	2022 Retiree Health and Life	2024 Pension Benefits	2023 Pension Benefits	2024 Retiree Health and Life	2023 Retiree Health and Life
Service cost	Service cost	$ 4.0	$ 5.9	$ 0.1	$ 0.1				
Interest cost	Interest cost	12.4	7.4	0.5	0.3				
Expected return on plan assets	Expected return on plan assets	(15.9)	(11.8)	—	—				
Settlement accounting adjustment		1.4	0.9	—	—				
Amortization of (1):	Amortization of (1):								
Amortization of (1):									
Amortization of (1):									
Unrecognized prior service credit									
Unrecognized prior service credit									
Unrecognized prior service credit	Unrecognized prior service credit	—	—	(0.2)	(0.2)				
Unrecognized net actuarial loss (gain)	Unrecognized net actuarial loss (gain)	0.7	6.8	(0.4)	(0.3)				
Net periodic cost	Net periodic cost	$ 2.6	$ 9.2	$ —	$ (0.1)				

(1) Amounts reclassified from accumulated other comprehensive loss.

The service cost component of net periodic cost was $1.4 million for the three months ended March 31, 2024 and $1.3 million for the three months ended March 31, 2023 and is recorded in selling, general and administrative expense expense. The non-service components totaled income of $1.2 million for the three months ended March 31, 2024 and income of $1.0 million for the non-service components three months ended March 31, 2023 and are recorded in other income (expense) in the statements of comprehensive income (loss). income.

Certain lump sum distributions paid to retirees triggered settlement accounting, resulting in the recognition of $1.4 million of expense for the nine months ended September 30, 2023, and $0.9 million of expense for the nine months ended September 30, 2022.

GATX CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

NOTE 8. Share-Based Compensation

During the nine three months ended September 30, 2023 March 31, 2024, we granted 189,900 194,100 non-qualified employee stock options, 33,462 31,970 restricted stock units, 36,860 38,940 performance shares, and 13,266 1,838 restricted stock units awarded to non-employee directors. For the three and nine months ended September 30, 2023 March 31, 2024, total share-based compensation expense was $2.8 million and $11.4 million $5.4 million and the related tax benefits were $0.7 million and $2.9 million $1.4 million. For the three and nine months ended September 30, 2022 March 31, 2023, total share-based compensation expense was $3.4 million and $10.5 million $3.5 million and the related tax benefits were $0.9 million and $2.6 million.

The estimated fair value of our 2023 2024 non-qualified employee stock option awards and related underlying assumptions are shown in the table below:

		2023 2024
Weighted-average estimated fair value	$	41.06 45.22
Quarterly dividend rate	$	0.55 0.58
Expected term of stock options, in years		4.2
Risk-free interest rate		3.7 4.0 %
Dividend yield		1.9 1.8 %
Expected stock price volatility		35.4 34.7 %
Present value of dividends	$	8.57 8.87

NOTE 9. Income Taxes

The following table shows our effective income tax rate for the nine three months ended September 30: March 31:

	2023	2022
Effective income tax rate	26.5 %	29.5 %

	2024	2023
Effective income tax rate	25.4 %	26.3 %

The decrease in the effective rate for the current year compared to the prior year was primarily due to the impairments of the Rail Russia business and the Specialized Gas Vessels in the prior year, for both of which no tax benefit is allowed. These impacts were partially offset by a benefit related to a reduction in the statutory tax rate of Austria in the prior year. Both years were also impacted by the incremental benefits associated with equity awards vested or exercised during the year, as well as the mix of pre-tax income among domestic and foreign jurisdictions, which are taxed at different rates.

GATX CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

NOTE 10. Commercial Commitments

We have entered into various commercial commitments, including standby letters of credit and performance bonds, and guarantees related to certain transactions. bonds. These commercial commitments require us to fulfill specific obligations in the event of third-party demands. Similar to our balance sheet investments, these commitments expose us to credit, market, and equipment risk. Accordingly, we evaluate these commitments and other contingent obligations using techniques similar to those we use to evaluate funded transactions.

The following table shows our commercial commitments (in millions):

	September 30 2023	December 31 2022

March 31 2024	March 31 2024	December 31 2023

Standby letters of credit and performance bonds	Standby letters of credit and performance bonds	$ 8.8	$ 9.0
Derivative guarantees		0.6	1.9
Total commercial commitments (1)	Total commercial commitments (1)	$ 9.4	$ 10.9

(1) There were no liabilities recorded on the balance sheet for commercial commitments at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023. As of September 30, 2023 March 31, 2024, our outstanding commitments expire in 2023 2024 through 2026. We are not aware of any event that would require us to satisfy any of our commitments.

We are parties to standby letters of credit and performance bonds, which primarily relate to contractual obligations and general liability insurance coverages. No material claims have been made against these obligations, and no material losses are anticipated. We also guarantee payment by an affiliate for final settlement of certain derivatives if they are in a liability position at expiration. The amount of the payment is ultimately determined by the value of the derivative upon final settlement.

NOTE 11. Earnings per Share

We compute basic and diluted earnings per share using the two-class method, which is an earnings allocation calculation that determines Earnings Per Share ("EPS") for each class of common stock and participating security. Our vested and exercisable stock options contain non-forfeitable rights to dividends or dividend equivalents and are classified as participating securities in the calculation of EPS. Our unvested stock options, restricted stock units, performance shares and non-employee director awards do not contain nonforfeitable rights to dividends or dividend equivalents and are therefore not classified as participating securities.

Under the two-class method, net income is allocated between shares of common stock and participating securities based on their participating rights. Basic EPS is computed by dividing net income, adjusted for earnings allocated to participating securities, by the weighted-average number of common shares outstanding. We weight shares issued or reacquired for the portion of the period that they were outstanding. Diluted EPS is calculated by dividing net income, adjusted for earnings allocated to participating securities, by the weighted-average number of common shares outstanding adjusted for the dilutive effect of unvested stock options, restricted stock units and performance shares. The dilutive effect of participating securities is calculated using the more dilutive of the treasury stock method or the two-class method. Earnings allocable to participating securities include the portion of dividends declared and the portion of undistributed earnings during the period.

The following table shows the computation of our basic and diluted earnings per common share (in millions, except per share amounts):

		Three Months Ended September 30		Nine Months Ended September 30	
		2023	2022	2023	2022
		Three Months Ended March 31			
		Three Months Ended March 31			
		Three Months Ended March 31			
		2024			
		2024			
		2024			
Basic earnings per share:					
Basic earnings per share:					
Basic earnings per share:	**Basic earnings per share:**				
Net income	Net income	$ 52.5	$ 29.1	$ 193.2	$ 107.5
Net income					
Net income					
Less: Net income allocated to participating securities					

Less: Net income allocated to participating securities					
Less: Net income allocated to participating securities	Less: Net income allocated to participating securities	(0.9)	—	(3.7)	—
Net income available to common shareholders	Net income available to common shareholders	$ 51.6	$ 29.1	$ 189.5	$ 107.5
Net income available to common shareholders					
Net income available to common shareholders					
Weighted-average shares outstanding - basic	Weighted-average shares outstanding - basic	35.7	35.2	35.6	35.4
Weighted-average shares outstanding - basic					
Weighted-average shares outstanding - basic					
Basic earnings per share					
Basic earnings per share					
Basic earnings per share	Basic earnings per share	$ 1.44	$ 0.82	$ 5.32	$ 3.04
Diluted earnings per share:	**Diluted earnings per share:**				
Diluted earnings per share:					
Diluted earnings per share:					
Net income					
Net income					
Net income	Net income	$ 52.5	$ 29.1	$ 193.2	$ 107.5
Less: Net income allocated to participating securities	Less: Net income allocated to participating securities	(0.9)	—	(3.7)	—
Less: Net income allocated to participating securities					
Less: Net income allocated to participating securities					
Net income available to common shareholders					
Net income available to common shareholders					
Net income available to common shareholders	Net income available to common shareholders	$ 51.6	$ 29.1	$ 189.5	$ 107.5
Weighted-average shares outstanding - basic	Weighted-average shares outstanding - basic	35.7	35.2	35.6	35.4
Weighted-average shares outstanding - basic					
Weighted-average shares outstanding - basic					
Effect of dilutive securities:					
Effect of dilutive securities:					
Effect of dilutive securities:	Effect of dilutive securities:				
Equity compensation plans	Equity compensation plans	0.1	0.5	0.1	0.5
Equity compensation plans					
Equity compensation plans					
Weighted-average shares outstanding - diluted					
Weighted-average shares outstanding - diluted					

Weighted-average shares outstanding - diluted	Weighted-average shares outstanding - diluted	35.8	35.7	35.7	35.9
Diluted earnings per share	Diluted earnings per share	$ 1.44	$ 0.81	$ 5.30	$ 2.99
Diluted earnings per share					
Diluted earnings per share					

GATX CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

NOTE 12. Accumulated Other Comprehensive Loss

The following table shows the change in components for accumulated other comprehensive loss (in millions):

		Foreign Currency Translation Adjustments	Unrealized Loss on Derivative Instruments	Post-Retirement Benefit Plan Adjustments	Total
Accumulated other comprehensive loss at December 31, 2022		$ (152.1)	$ (11.2)	$ (48.3)	$(211.6)
		Foreign Currency Translation Adjustments	**Unrealized Loss on Derivative Instruments**	**Post-Retirement Benefit Plans Adjustments**	**Total**
Accumulated other comprehensive loss at December 31, 2023					
Change in component	Change in component	8.8	(1.1)	(0.1)	7.6
Reclassification adjustments into earnings (1)	Reclassification adjustments into earnings (1)	—	2.0	—	2.0
Income tax effect	Income tax effect	—	(0.1)	—	(0.1)
Accumulated other comprehensive loss at March 31, 2023		$ (143.3)	$ (10.4)	$ (48.4)	$(202.1)
Change in component		23.1	(1.3)	1.6	23.4
Reclassification adjustments into earnings (1)		—	1.2	—	1.2
Income tax effect		—	(0.1)	(0.5)	(0.6)
Accumulated other comprehensive loss at June 30, 2023		$ (120.2)	$ (10.6)	$ (47.3)	$(178.1)
Change in component		(40.6)	6.1	(2.9)	(37.4)
Reclassification adjustments into earnings (1)		—	(5.3)	0.1	(5.2)
Income tax effect		—	—	0.8	0.8
Accumulated other comprehensive loss at September 30, 2023		$ (160.8)	$ (9.8)	$ (49.3)	$(219.9)
Accumulated other comprehensive loss at March 31, 2024					

(1) See "Note 5. 6. Fair Value" and "Note 7. Pension and Other Post-Retirement Benefits" for impacts of the reclassification adjustments on the statements of comprehensive income (loss). income.

NOTE 13. Legal Proceedings and Other Contingencies

Various legal actions, claims, assessments and other contingencies arising in the ordinary course of business are pending against GATX and certain of our subsidiaries. These matters are subject to many uncertainties, and it is possible that some of these matters could ultimately be decided, resolved or settled adversely.

On June 30, 2023, a third-party complaint was filed by Norfolk Southern Railway Company and Norfolk Southern Corporation (collectively, “Norfolk Southern”) against us GATX and several other parties in the Northern District of Ohio (Eastern Division) for contribution and recovery of environmental damages related to the derailment of a Norfolk Southern train in East Palestine, Ohio that included railcars owned by GATX Corporation. The Company intends to vigorously defend itself against this lawsuit. On September 15, 2023, the Company filed a motion to dismiss Norfolk Southern's third-party complaint. At this time, complaint on September 15, 2023. On March 6, 2024, the Company cannot reasonably estimate Court granted GATX's and the loss or range other third-party defendants' motions and dismissed all Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") claims. The Court also dismissed all state law claims, declining to exercise supplemental jurisdiction over them in light of loss, if any, that may ultimately be incurred its dismissal of the CERCLA claims. On March 26, 2024, Norfolk Southern moved the Court for entry of partial final judgment as to the order dismissing the third-party complaint in connection with this lawsuit order to appeal before final judgment the Court’s dismissal order as to GATX and therefore has not established any accruals for potential liability related to this incident. the other third-party defendants.

On July 25, 2023, a separate third-party complaint was filed by Norfolk Southern against us GATX and two other defendants in the Northern District of Ohio (Eastern Division) for contribution to personal injury and property damages class claims related to the derailment of the Norfolk Southern train in East Palestine, Ohio. The plaintiffs who had originally filed the complaint against Norfolk Southern ("Plaintiffs") themselves subsequently filed direct claims against GATX and the two other third-party defendants alleging many of the same facts as Norfolk Southern. The Company intends to vigorously defend itself against these lawsuits. On September 15, 2023, the Company filed a motion to dismiss Norfolk Southern's third-party complaint, and on September 26, 2023, filed a motion to dismiss the plaintiffs' Plaintiffs' complaint. Briefing was completed on October 30, 2023, and the Court issued an order on March 13, 2024, denying in part, and granting in part, the Company’s motion against Norfolk Southern and Plaintiffs. The Court held that Norfolk Southern’s contribution action was premature and dismissed the claim without prejudice but otherwise allowed the remaining claims against GATX to proceed. The Court also dismissed Plaintiffs’ claim for medical monitoring but held that Plaintiffs could seek such damages through their other claims, which could proceed. The Court also consolidated an additional action filed against GATX and others titled Almasy, et al. v. Norfolk Southern Corp., et al. by over 40 individual residents, employees and property owners in East Palestine, Ohio. Plaintiffs and Norfolk Southern have announced a settlement in principle for $600 million to resolve the consolidated class action claims of those within a 20-mile radius from the derailment, and, for those residents who choose to participate, personal injury claims within a 10-mile radius from the derailment. Norfolk Southern’s claims against GATX remain unchanged.

On December 8, 2023, GATX and three other defendants were named as additional defendants in a putative class action lawsuit originally filed in federal court in Pennsylvania against Norfolk Southern by Pennsylvania school districts and school children. The amended complaint seeks monetary damages for the Pennsylvania plaintiffs for personal injury and property damage allegedly related to the derailment. The Company filed a motion to dismiss on February 23, 2024.

The Company intends to vigorously defend itself against each of these lawsuits. At this time, the Company cannot reasonably estimate the loss or range of loss, if any, that may ultimately be incurred in connection with any of these lawsuits and therefore has not established any accruals for potential liability related to this incident.

For a full discussion of our other pending legal matters, please refer to the notes included with our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2022.

For a full discussion of our other pending legal matters, please refer to "Note 23. Legal Proceedings and Other Contingencies" in Part II, Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2023.

NOTE 14. Financial Data of Business Segments

The financial data presented below depicts the profitability, financial position, and capital expenditures of each of our business segments.

We lease, operate, manage, and remarket long-lived, widely used assets, primarily in the rail market. We report our financial results through three primary business segments: Rail North America, Rail International, and Engine Leasing (previously named Portfolio Management. Management). Financial results for Trifleet Leasing are reported in the Other segment.

Rail North America is composed of our operations in the United States, Canada, and Mexico. Rail North America primarily provides railcars pursuant to full-service leases under which it maintains the railcars, pays ad valorem taxes and insurance, and provides other ancillary services.

Rail International is composed of our operations in Europe ("GATX Rail Europe" or "GRE"), India ("Rail India"), and until January 31, 2023, our rail business in Russia ("Rail Russia. Russia"). On January 31, 2023, we completed the sale of Rail Russia and recorded a gain of $0.3 million, which is presented in net gain on asset dispositions in the statements of comprehensive income. GRE primarily leases railcars to customers throughout Europe pursuant to full-service leases under which it maintains the railcars and provides value-added services according to customer requirements. In Rail India primarily leases railcars to customers in India pursuant to net leases, under which the lessee assumes responsibility for maintenance of the railcars.

As previously disclosed, in the first quarter of 2023, 2024 we completed changed the sale name of Rail Russia. See "Note 6. Asset Impairments our Portfolio Management business segment to Engine Leasing to reflect the prospective operations of the segment. Historically, this business segment included marine operations from our Specialized Gas Vessels. As of December 31, 2023, we had sold all of our marine assets and Assets Held for Sale" for further information. no longer have any marine operations.

Portfolio Management Engine Leasing is composed primarily now almost entirely comprised of our engine leasing operations, which include our ownership in the RRPF affiliates, a group of joint ventures with Rolls-Royce plc that lease aircraft spare engines, and GEL, our direct ownership of business that directly owns aircraft spare engines that are leased to airline customers or employed in engine capacity agreements, and the Specialized Gas Vessels. In the third quarter agreements. The RRPF affiliates manage all of 2023, GEL acquired one aircraft spare engine for approximately $28 million. In the second quarter of 2023, GEL acquired nine GEL's aircraft spare engines, for approximately $239 which we paid them a fee of $0.6 million for the three months ended March 31, 2024 and GATX sold one of $0.5 million for the Specialized Gas Vessels. GATX had previously sold one of the Specialized Gas Vessels in the first quarter of 2023 and two Specialized Gas Vessels in the third quarter of 2022. The one remaining vessel continues to be classified as held for sale as of September 30, 2023 three months ended March 31, 2023. See "Note 6. Asset Impairments and Assets Held for Sale" for further information.

Other includes Trifleet Leasing operations, as well as selling, general and administrative expenses, income taxes, and certain other amounts not allocated to the segments.

Segment profit is an internal performance measure used by the Chief Executive Officer to assess the profitability of each segment. Segment profit includes all revenues, expenses, pre-tax earnings from affiliates, and net gains on asset dispositions that are directly attributable to each segment. We allocate interest expense to the segments based on what we believe to be the appropriate risk-adjusted borrowing costs for each segment. Segment profit excludes selling, general and administrative expenses, income taxes, and certain other amounts not allocated to the segments.

GATX CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

The following tables show certain segment data for each of our business segments (in millions):

		Rail North America	Rail International	Portfolio Management	Other	GATX Consolidated	Rail North America	Rail International	Engine Leasing	Other	GATX Consolidated
Three Months Ended September 30, 2023											
Three Months Ended March 31, 2024											
Revenues											
Revenues											
Revenues	**Revenues**										
Lease revenue	Lease revenue	$ 225.2	$ 75.6	$ 8.1	$ 8.3	$ 317.2					
Marine operating revenue		—	—	0.6	—	0.6					
Lease revenue											
Lease revenue											
Non-dedicated engine revenue											
Other revenue	Other revenue	22.7	3.6	13.7	2.3	42.3					
Total Revenues	**Total Revenues**	247.9	79.2	22.4	10.6	360.1					
Expenses	**Expenses**										
Maintenance expense	Maintenance expense	69.4	17.1	—	1.4	87.9					
Marine operating expense		—	—	1.0	—	1.0					
Maintenance expense											
Maintenance expense											
Depreciation expense											
Depreciation expense											
Depreciation expense	Depreciation expense	66.9	17.5	8.4	3.4	96.2					
Operating lease expense	Operating lease expense	9.0	—	—	—	9.0					
Other operating expense	Other operating expense	6.5	2.7	2.1	0.7	12.0					

Total Expenses	**Total Expenses**	151.8	37.3	11.5	5.5	206.1
Other Income (Expense)	**Other Income (Expense)**					
Net gain on asset dispositions	Net gain on asset dispositions	15.5	0.9	0.2	0.3	16.9
Net gain on asset dispositions						
Net gain on asset dispositions						
Interest (expense) income, net	Interest (expense) income, net	(46.6)	(14.5)	(8.7)	1.7	(68.1)
Other income (expense)		1.2	(0.1)	(0.2)	0.9	1.8
Share of affiliates' pre-tax (losses) earnings		(0.1)	—	18.0	—	17.9
Other (expense) income						
Share of affiliates' pre-tax earnings						
Segment profit	**Segment profit**	$ 66.1	$ 28.2	$ 20.2	$ 8.0	$ 122.5
Less:	Less:					
Selling, general and administrative expense	Selling, general and administrative expense					51.0
Income taxes (includes $4.5 related to affiliates' earnings)						19.0
Selling, general and administrative expense						
Selling, general and administrative expense						
Income taxes (includes $4.2 related to affiliates' earnings)						
Net income	**Net income**					$ 52.5
Net Gain on Asset Dispositions	**Net Gain on Asset Dispositions**					
Net Gain on Asset Dispositions						
Net Gain on Asset Dispositions						
Net Gain on Asset Dispositions						
Net Gain on Asset Dispositions						
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Net Gain on Asset Dispositions

Asset Remarketing Income: Asset Remarketing Income:

Asset Remarketing Income:

Asset Remarketing Income:

Net gains on disposition of owned assets

Net gains on disposition of owned assets

Net gains on disposition of owned assets	Net gains on disposition of owned assets	$ 13.0	$ —	$ —	$ 0.1	$ 13.1
Residual sharing income	Residual sharing income	0.1	—	0.2	—	0.3
Non-remarketing net gains (1)	Non-remarketing net gains (1)	2.4	0.9	—	0.2	3.5
		$ 15.5	$ 0.9	$ 0.2	$ 0.3	$ 16.9

$

$

$

Capital Expenditures **Capital Expenditures**

Capital Expenditures

Capital Expenditures

Portfolio investments and capital additions

Portfolio investments and capital additions						
Portfolio investments and capital additions	Portfolio investments and capital additions	$ 197.0	$ 129.6	$ 28.3	$ 9.0	$ 363.9
Selected Balance Sheet Data at September 30, 2023						
Selected Balance Sheet Data at March 31, 2024						
Selected Balance Sheet Data at March 31, 2024						
Selected Balance Sheet Data at March 31, 2024						
Investments in affiliated companies						
Investments in affiliated companies						
Investments in affiliated companies	Investments in affiliated companies	$ 0.4	$ —	$ 626.5	$ —	$ 626.9
Identifiable assets	Identifiable assets	$6,778.4	$ 1,979.2	$ 1,369.4	$520.5	$ 10,647.5

(1) Includes net gains (losses) from scrapping of railcars.

		Rail North America	Rail International	Portfolio Management	Other	GATX Consolidated	Rail North America	Rail International	Engine Leasing	Other	GATX Consolidated
Three Months Ended September 30, 2022											
Three Months Ended March 31, 2023											
Revenues											
Revenues											
Revenues	**Revenues**										
Lease revenue	Lease revenue	$ 211.3	$ 65.3	$ 8.3	$ 7.5	$ 292.4					
Lease revenue											
Lease revenue											
Non-dedicated engine revenue											
Marine operating revenue	Marine operating revenue	—	—	4.8	—	4.8					
Other revenue	Other revenue	20.0	2.3	—	1.5	23.8					
Total Revenues	**Total Revenues**	231.3	67.6	13.1	9.0	321.0					
Expenses	**Expenses**										
Maintenance expense											
Maintenance expense											
Maintenance expense	Maintenance expense	62.4	12.8	—	0.7	75.9					
Marine operating expense	Marine operating expense	—	—	3.6	—	3.6					
Depreciation expense	Depreciation expense	65.3	16.8	3.7	2.9	88.7					

Operating lease expense	Operating lease expense	9.0	—	—	—	9.0
Other operating expense	Other operating expense	6.0	1.5	0.6	0.6	8.7
Total Expenses	**Total Expenses**	142.7	31.1	7.9	4.2	185.9
Other Income (Expense)	**Other Income (Expense)**					
Net gain (loss) on asset dispositions	Net gain (loss) on asset dispositions	13.3	(10.3)	0.8	0.1	3.9
Interest expense, net		(36.5)	(11.2)	(4.6)	(1.3)	(53.6)
Net gain (loss) on asset dispositions						
Net gain (loss) on asset dispositions						
Interest (expense) income, net						
Other (expense) income	Other (expense) income	(1.4)	(0.5)	0.1	(0.7)	(2.5)
Share of affiliates' pre-tax earnings		0.3	—	9.7	—	10.0
Share of affiliates' pre-tax (losses) earnings						
Segment profit	**Segment profit**	$ 64.3	$ 14.5	$ 11.2	$ 2.9	$ 92.9
Less:	Less:					
Selling, general and administrative expense	Selling, general and administrative expense					47.6
Income taxes (includes $2.5 related to affiliates' earnings)						16.2
Selling, general and administrative expense						
Selling, general and administrative expense						
Income taxes (includes $6.9 related to affiliates' earnings)						
Net income	**Net income**					$ 29.1
Net income						
Net income						
Net Gain (Loss) on Asset Dispositions						
Net Gain (Loss) on Asset Dispositions						
Net Gain (Loss) on Asset Dispositions	**Net Gain (Loss) on Asset Dispositions**					
Asset Remarketing Income:	Asset Remarketing Income:					
Net gains on disposition of owned assets		$ 8.8	$ 0.3	$ —	$ —	$ 9.1

Asset Remarketing Income:

Asset Remarketing Income:

Net gains (losses) on disposition of owned assets

Net gains (losses) on disposition of owned assets

Net gains (losses) on disposition of owned assets

Residual sharing income	Residual sharing income	0.2	—	0.8	—	1.0
Non-remarketing net gains (1)	Non-remarketing net gains (1)	4.3	0.2	—	0.1	4.6
Asset impairments	Asset impairments	—	(10.8)	—	—	(10.8)
		$ 13.3	$ (10.3)	$ 0.8	$ 0.1	$ 3.9
	$					
Capital Expenditures	**Capital Expenditures**					

Capital Expenditures

Capital Expenditures

Portfolio investments and capital additions

Portfolio investments and capital additions

Portfolio investments and capital additions	Portfolio investments and capital additions	$ 142.5	$ 50.1	$ —	$ 10.8	$ 203.4

Selected Balance Sheet Data at December 31, 2022

Selected Balance Sheet Data at December 31, 2023

Selected Balance Sheet Data at December 31, 2023

Selected Balance Sheet Data at December 31, 2023

Investments in affiliated companies

Investments in affiliated companies

Investments in affiliated companies	Investments in affiliated companies	$ 0.8	$ —	$ 574.3	$ —	$ 575.1
Identifiable assets	Identifiable assets	$6,445.7	$ 1,774.4	$ 1,106.6	$745.3	$ 10,072.0

(1) Includes net gains (losses) from scrapping of railcars

	Rail North America	Rail International	Portfolio Management	Other	GATX Consolidated
Nine Months Ended September 30, 2023					
Revenues					
Lease revenue	$ 659.2	$ 219.1	$ 24.5	$ 25.0	$ 927.8
Marine operating revenue	—	—	6.1	—	6.1
Other revenue	68.0	9.6	24.6	6.1	108.3
Total Revenues	727.2	228.7	55.2	31.1	1,042.2
Expenses					
Maintenance expense	203.1	47.6	—	3.4	254.1

	Rail North America	Rail International	Portfolio Management	Other	GATX Consolidated
Marine operating expense	—	—	5.4	—	5.4
Depreciation expense	198.5	49.8	19.9	9.9	278.1
Operating lease expense	27.0	—	—	—	27.0
Other operating expense	20.2	7.2	4.4	2.2	34.0
Total Expenses	448.8	104.6	29.7	15.5	598.6
Other Income (Expense)					
Net gain on asset dispositions	97.4	2.4	4.7	0.6	105.1
Interest (expense) income, net	(133.4)	(40.5)	(20.9)	4.0	(190.8)
Other (expense) income	(1.3)	(7.0)	(0.5)	1.7	(7.1)
Share of affiliates' pre-tax (losses) earnings	(0.5)	—	66.3	—	65.8
Segment profit	$ 240.6	$ 79.0	$ 75.1	$ 21.9	$ 416.6
Less:					
Selling, general and administrative expense					153.4
Income taxes (includes $17.7 related to affiliates' earnings)					70.0
Net income					$ 193.2
Net Gain on Asset Dispositions					
Asset Remarketing Income:					
Net gains on disposition of owned assets	$ 88.4	$ 0.5	$ 5.5	$ 0.3	$ 94.7
Residual sharing income	0.3	—	0.4	—	0.7
Non-remarketing net gains (1)	8.7	1.9	—	0.3	10.9
Asset impairments	—	—	(1.2)	—	(1.2)
	$ 97.4	$ 2.4	$ 4.7	$ 0.6	$ 105.1
Capital Expenditures					
Portfolio investments and capital additions	$ 654.8	$ 288.0	$ 267.3	$ 27.4	$ 1,237.5

(1) Includes net gains (losses) from scrapping of railcars.

GATX CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

	Rail North America	Rail International	Portfolio Management	Other	GATX Consolidated
Nine Months Ended September 30, 2022					
Revenues					
Lease revenue	$ 615.0	$ 199.4	$ 24.8	$ 21.4	$ 860.6
Marine operating revenue	—	—	16.2	—	16.2
Other revenue	61.8	6.5	0.1	5.1	73.5
Total Revenues	676.8	205.9	41.1	26.5	950.3
Expenses					
Maintenance expense	180.1	39.0	—	2.2	221.3
Marine operating expense	—	—	11.7	—	11.7
Depreciation expense	193.7	52.0	13.6	8.9	268.2
Operating lease expense	27.1	—	—	—	27.1
Other operating expense	19.2	6.0	1.7	1.8	28.7
Total Expenses	420.1	97.0	27.0	12.9	557.0
Other Income (Expense)					
Net gain (loss) on asset dispositions	90.0	(7.9)	(29.1)	0.4	53.4
Interest expense, net	(105.8)	(33.5)	(13.9)	(3.5)	(156.7)
Other (expense) income	(3.4)	0.2	—	(12.6)	(15.8)
Share of affiliates' pre-tax earnings	0.3	—	20.5	—	20.8
Segment profit (loss)	$ 237.8	$ 67.7	$ (8.4)	$ (2.1)	$ 295.0

Less:					
Selling, general and administrative expense					142.7
Income taxes (includes $6.0 related to affiliates' earnings)					44.8
Net income					$ 107.5
Net Gain (Loss) on Asset Dispositions					
Asset Remarketing Income:					
Net gains on disposition of owned assets	$ 74.4	$ 1.0	$ —	$ 0.2	$ 75.6
Residual sharing income	2.3	—	2.4	—	4.7
Non-remarketing net gains (1)	13.3	1.9	—	0.2	15.4
Asset impairments	—	(10.8)	(31.5)	—	(42.3)
	$ 90.0	$ (7.9)	$ (29.1)	$ 0.4	$ 53.4
Capital Expenditures					
Portfolio investments and capital additions	$ 676.6	$ 177.8	$ —	$ 33.5	$ 887.9

(1) Includes net gains (losses) from scrapping of railcars.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes and other information included elsewhere in this Quarterly Report, Annual Report on Form 10-K for the year ended December 31, 2023, and in our other filings with the Securities and Exchange Commission ("SEC"). We based the discussion and analysis that follows on financial data we derived from the financial statements prepared in accordance with U.S. Generally Accepted Accounting Standards ("GAAP") and on certain other financial data that we prepared using non-GAAP components. For a reconciliation of these non-GAAP components to the most comparable GAAP components, see "Non-GAAP Financial Measures" at the end of this item. The discussion and analysis below includes forward-looking statements that are subject to risks, uncertainties and other factors described in the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2023 that could cause actual results to differ materially from such forward-looking statements. Additionally, our historical results are not necessarily indicative of the results that may be expected for any period in the future.

OVERVIEW

We lease, operate, manage, and remarket long-lived, widely used assets, primarily in the rail market. We report our financial results through threeprimary business segments: Rail North America, Rail International, and Engine Leasing (previously named Portfolio Management. Financial Management). Financial results for our tank container leasing business ("Trifleet Leasing" Trifleet") are reported in the Other segment.

In the first quarter of 2023, we sold our rail business in Russia ("Rail Russia") within the Rail International segment. The net assets of Rail Russia had been reported as held for sale since the third quarter of 2022.

In 2023, the first quarter of 2024, we sold two changed the name of our Portfolio Management business segment to Engine Leasing to reflect the prospective operations of this business segment. Historically, this business segment included marine operations from our liquefied gas-carrying vessels (the "Specialized Gas Vessels") within the Portfolio Management segment. We . As of December 31, 2023, we had previously sold two vessels all of our marine assets and no longer have any marine operations. The segment is now almost entirely comprised of our engine leasing operations, which include our ownership in the third quarter RRPF affiliates, a group of 2022. The one remaining vessel continues to be classified as held for sale as of September 30, 2023.

In 2023, joint ventures with Rolls-Royce plc (or affiliates thereof, collectively "Rolls-Royce") that lease aircraft spare engines, and GATX Engine Leasing ("GEL") acquired ten , our business that directly owns aircraft spare engines for $267.3 million. Financial results for this business that are reported leased to airline customers or employed in the Portfolio Management segment.

The following discussion and analysis should be read in conjunction with the Management's Discussion and Analysis in our Annual Report on Form 10-K for the year ended December 31, 2022. We based the discussion and analysis that follows on financial data we derived from the financial statements prepared in accordance with U.S. Generally Accepted Accounting Standards ("GAAP") and on certain other financial data that we prepared using non-GAAP components. For a reconciliation of these non-GAAP components to the most comparable GAAP components, see "Non-GAAP Financial Measures" at the end of this item. an engine capacity agreement.

Operating results for the nine three months ended September 30, 2023 March 31, 2024 are not necessarily indicative of the results we may achieve for the entire year ending December 31, 2023 December 31, 2024. In particular, asset remarketing income does not occur evenly throughout the year. For more information, refer to the consolidated financial statements and footnotes in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

Russia/Ukraine Conflict

On February 24, 2022, Russian military forces launched a military action in Ukraine. In response to this action, the United States and other countries imposed various economic sanctions and measures against Russia, Belarus, certain sections of Ukraine, and related persons and entities. Russia subsequently enacted countermeasures. Additional sanctions and countermeasures have continued to be imposed as the conflict continues. We continue to closely monitor developments and potential impacts from enacted sanctions and countermeasures and will take mitigating actions as appropriate. This conflict and resulting response have impacted the global economy, financial markets, and supply chains and could adversely affect our business, financial condition, and results of operations.

To date, the conflict has not had a material impact on business operations at our global railcar, aircraft spare engine, and tank container leasing businesses outside of Russia. Furthermore, the nature of the impact on financial results varies across our business units, including the Rolls-Royce & Partners Finance joint ventures (collectively the "RRPF affiliates" or "RRPF"). Initially, an increase in steel prices led to higher new asset costs across our rail and tank container leasing businesses, a trend that supports higher lease rates on many existing assets but makes new investments more challenging. Steel prices continue to be volatile. Supply chain disruptions, slower new railcar deliveries, and limited access to key components such as wheelsets have been more impactful in Europe and India. We continue to monitor the nature and magnitude of these impacts across our railcar and tank container leasing businesses.

In 2022, after a thorough strategic review, we made the decision to exit Rail Russia. This decision was due to the impacts of the Russia/Ukraine conflict on our business and the business risks associated with the geopolitical environment resulting from that conflict. In the first quarter of 2023, we completed the sale of Rail Russia.

DISCUSSION OF OPERATING RESULTS

Net income for the first nine three months of 2023 ended March 31, 2024 was $193.2 million $74.3 million, or $5.30 $2.03 per diluted share, compared to $107.5 million $77.4 million, or $2.99 $2.16 per diluted share, for the same period in 2022. 2023. Results for the nine three months ended September 30, 2023 March 31, 2024 included a net negative positive impact of $1.1 million $0.6 million ($0.03 0.02 per diluted share) from tax adjustments and other items, compared to a net negative impact of $55.2 million $1.3 million ($1.54 0.04 per diluted share) from tax adjustments and other items for the nine three months ended September 30, 2022 March 31, 2023. See "Non-GAAP Financial Measures" at the end of this item for further details. Excluding the impact of these items, net income increased $31.6 million decreased $5.0 million compared to the prior year, largely due to higher share of affiliates' earnings at the RRPF affiliates, higher lease revenue and lower asset disposition gains at Rail North America and higher results from GEL operations.

Net income for the third quarter of 2023 was $52.5 million, or $1.44 per diluted share, compared to $29.1 million, or $0.81 per diluted share, for the same period in 2022. Results for the three months ended September 30, 2022 included a net negative impact of $10.8 million ($0.31 per diluted share) from tax adjustments and other items. See "Non-GAAP Financial Measures" at the end of this item for further details. Excluding the impact of these items, net income increased $12.6 million compared to the prior year, largely due to interest expense, partially offset by higher share of affiliates' earnings at the RRPF affiliates, higher lease revenue and asset disposition gains at Rail North America and Rail International and higher results from GEL operations. non-dedicated engine revenue at Engine Leasing.

The following table shows a summary of our reporting segments and consolidated financial results (in millions, except per share data):

	Three Months Ended March 31 Three Months Ended March 31 Three Months Ended March 31
	2024 2024 2024
Segment Revenues **Segment Revenues** **Segment Revenues**	
Rail North America Rail North America Rail North America	
Rail International Rail International Rail International	
Engine Leasing Engine Leasing Engine Leasing	
Other Other Other	
	$ $ $

		Three Months Ended September 30		Nine Months Ended September 30	
Segment Profit					
Segment Profit					
Segment Profit					
Rail North America					
Rail North America					
Rail North America					
Rail International					
Rail International					
Rail International					
Engine Leasing					
Engine Leasing					
Engine Leasing					
Other					
Other					
Other					
		2023	**2022**	**2023**	**2022**
Segment Revenues					
Rail North America		$ 247.9	$ 231.3	$ 727.2	$ 676.8
Rail International		79.2	67.6	228.7	205.9
Portfolio Management		22.4	13.1	55.2	41.1
Other		10.6	9.0	31.1	26.5
		$ 360.1	$ 321.0	$ 1,042.2	$ 950.3
Segment Profit					
Rail North America		$ 66.1	$ 64.3	$ 240.6	$ 237.8
Rail International		28.2	14.5	79.0	67.7
Portfolio Management		20.2	11.2	75.1	(8.4)
Other		8.0	2.9	21.9	(2.1)
		122.5	92.9	416.6	295.0
Less:					
Less:					
Less:	Less:				
Selling, general and administrative expense	Selling, general and administrative expense	51.0	47.6	153.4	142.7
Income taxes (includes $4.5 and $2.5 QTR and $17.7 and $6.0 YTD related to affiliates' earnings)		19.0	16.2	70.0	44.8
Selling, general and administrative expense					
Selling, general and administrative expense					
Income taxes (includes $4.2 and $6.9 related to affiliates' earnings)					
Income taxes (includes $4.2 and $6.9 related to affiliates' earnings)					
Income taxes (includes $4.2 and $6.9 related to affiliates' earnings)					
Net Income (GAAP)					
Net Income (GAAP)					
Net Income (GAAP)	**Net Income (GAAP)**	$ 52.5	$ 29.1	$ 193.2	$ 107.5

Net income, excluding tax adjustments and other items (non-GAAP) (1)	Net income, excluding tax adjustments and other items (non-GAAP) (1)	$	52.5	$	39.9	$	194.3	$	162.7
Net income, excluding tax adjustments and other items (non-GAAP) (1)									
Net income, excluding tax adjustments and other items (non-GAAP) (1)									
Diluted earnings per share (GAAP)	Diluted earnings per share (GAAP)	$	1.44	$	0.81	$	5.30	$	2.99
Diluted earnings per share (GAAP)									
Diluted earnings per share (GAAP)									
Diluted earnings per share, excluding tax adjustments and other items (non-GAAP) (1)									
Diluted earnings per share, excluding tax adjustments and other items (non-GAAP) (1)									
Diluted earnings per share, excluding tax adjustments and other items (non-GAAP) (1)	Diluted earnings per share, excluding tax adjustments and other items (non-GAAP) (1)	$	1.44	$	1.12	$	5.33	$	4.53
Investment Volume	Investment Volume	$	363.9	$	203.4	$	1,237.5	$	887.9
Investment Volume									
Investment Volume									

The following table shows our return on equity for the trailing 12 months ended September 30: March 31:

		2023	2022		2024	2023
2024						
Return on Equity (GAAP)	Return on Equity (GAAP)	11.7 %	8.6 %	Return on Equity (GAAP)	11.6 %	7.6 %
Return on Equity, excluding tax adjustments and other items (non-GAAP) (1)	Return on Equity, excluding tax adjustments and other items (non-GAAP) (1)	12.1 %	11.2 %	Return on Equity, excluding tax adjustments and other items (non-GAAP) (1)	11.4 %	10.2 %

(1) See "Non-GAAP Financial Measures" at the end of this item for further details.

Segment Operations

Segment profit is an internal performance measure used by the Chief Executive Officer to assess the profitability of each segment. Segment profit includes all revenues, expenses, pre-tax earnings from affiliates, and net gains on asset dispositions that are directly attributable to each segment. We allocate interest expense to the segments based on what we believe to be the appropriate risk-adjusted borrowing costs for each segment. Segment profit excludes selling, general and administrative expenses, income taxes, and certain other amounts not allocated to the segments.

RAIL NORTH AMERICA

Segment Summary

Demand for existing railcars continued to be robust was solid for most railcar types and Rail North America continued to capitalize on current market conditions by increasing renewal for both lease rates and lengthening lease terms. Utilization was 99.3% 99.4% at the end of the quarter.

The following table shows Rail North America's segment results (in millions):

		Three Months Ended September 30		Nine Months Ended September 30	
		2023	2022	2023	2022
	Three Months Ended March 31				
	2024				
Three Months Ended March 31					
2024	2023				
Revenues	**Revenues**				
Lease revenue					
Lease revenue					
Lease revenue	Lease revenue	$225.2	$211.3	$659.2	$615.0
Other revenue	Other revenue	22.7	20.0	68.0	61.8
Total Revenues	**Total Revenues**	247.9	231.3	727.2	676.8
Expenses	**Expenses**				
Expenses					
Expenses					
Maintenance expense					
Maintenance expense					
Maintenance expense	Maintenance expense	69.4	62.4	203.1	180.1
Depreciation expense	Depreciation expense	66.9	65.3	198.5	193.7
Operating lease expense	Operating lease expense	9.0	9.0	27.0	27.1
Other operating expense	Other operating expense	6.5	6.0	20.2	19.2
Total Expenses	**Total Expenses**	151.8	142.7	448.8	420.1
Other Income (Expense)	**Other Income (Expense)**				
Other Income (Expense)					
Other Income (Expense)					
Net gain on asset dispositions					
Net gain on asset dispositions					
Net gain on asset dispositions	Net gain on asset dispositions	15.5	13.3	97.4	90.0
Interest expense, net	Interest expense, net	(46.6)	(36.5)	(133.4)	(105.8)
Other income (expense)		1.2	(1.4)	(1.3)	(3.4)
Share of affiliates' pre-tax losses (earnings)		(0.1)	0.3	(0.5)	0.3
Other expense					

Share of affiliates' pre-tax earnings (losses)					
Segment Profit	**Segment Profit**	$ 66.1	$ 64.3	$240.6	$237.8
Investment Volume	**Investment Volume**	$197.0	$142.5	$654.8	$676.6
Investment Volume					
Investment Volume					

The following table shows the components of Rail North America's lease revenue (in millions):

		Three Months Ended September 30		**Nine Months Ended September 30**	
		2023	**2022**	**2023**	**2022**
		Three Months Ended March 31			
		Three Months Ended March 31			
		Three Months Ended March 31			
		2024			
		2024			
		2024			
Railcars					
Railcars					
Railcars	Railcars	$ 204.0	$ 190.0	$ 597.0	$ 549.2
Boxcars	Boxcars	14.6	14.8	42.6	46.5
Boxcars					
Boxcars					
Locomotives					
Locomotives					
Locomotives	Locomotives	6.6	6.5	19.6	19.3
Total	Total	$ 225.2	$ 211.3	$ 659.2	$ 615.0
Total					
Total					

Rail North America Fleet Data

The following table shows fleet activity and statistics for Rail North America railcars, excluding boxcars, for the quarter ended:

		September 30 2022	**December 31 2022**	**March 31 2023**	**June 30 2023**	**September 30 2023**					
	March 31 2023						**March 31 2023**	**June 30 2023**	**September 30 2023**	**December 31 2023**	**March 31 2024**
Beginning balance	Beginning balance	101,272	101,289	100,954	101,219	100,585					
Railcars added	Railcars added	772	583	1,816	358	791					
Railcars scrapped	Railcars scrapped	(506)	(486)	(324)	(316)	(292)					
Railcars sold	Railcars sold	(249)	(432)	(1,227)	(676)	(428)					

Ending balance	Ending balance	101,289	100,954	101,219	100,585	100,656						
Utilization rate at quarter end (1)	Utilization rate at quarter end (1)	99.6 %	99.5 %	99.3 %	99.3 %	99.3 %	Utilization rate at quarter end (1)	99.3 %	99.3 %	99.3 %	99.3 %	99.4 %
Renewal success rate (2)	Renewal success rate (2)	87.2 %	85.7 %	77.9 %	85.3 %	83.6 %	Renewal success rate (2)	77.9 %	85.3 %	83.6 %	87.1 %	83.4 %
Active railcars at quarter end (3)	Active railcars at quarter end (3)	100,834	100,396	100,475	99,871	99,933						
Average active railcars (4)	Average active railcars (4)	100,783	100,618	100,552	100,230	99,796						

(1) Utilization is calculated as the number of railcars on lease as a percentage of total railcars in the fleet.
(2) The renewal success rate represents the percentage of railcars on expiring leases that were renewed with the existing lessee. The renewal success rate is an important metric because railcars returned by our customers may remain idle or incur additional maintenance and freight costs prior to being leased to new customers.
(3) Active railcars refers to the number of railcars on lease to customers. Changes in railcars on lease compared to prior quarters are impacted by the utilization of new railcars purchased from builders or in the secondary market and the disposition of railcars that were sold or scrapped, as well as the fleet utilization rate.
(4) Average active railcars for the quarter is calculated using the number of active railcars at the end of each month.

As of September 30, 2023 March 31, 2024, leases for approximately 5,400 16,400 tank and freight cars and approximately 800 1,800 boxcars were scheduled to expire over the remainder of 2023. 2024. These amounts exclude railcars on leases expiring in 2023 2024 that have already been renewed or assigned to a new lessee.

In 2022, we entered into a new long-term railcar supply agreement with a subsidiary of Trinity Industries, Inc. ("Trinity") to purchase 15,000 newly built railcars through 2028, with an option to order up to an additional 500 railcars each year from 2023 to 2028. The agreement enables us to order a broad mix of tank and freight cars. Trinity will deliver 6,000 tank cars (1,200 per year) from 2024 through 2028. The remaining 9,000 railcars, which can be a mix of freight and tank cars, will be ordered at a rate of 1,500 railcars per order year from 2023 to 2028 and delivered under a schedule to be determined. At September 30, 2023 March 31, 2024, 2,416 3,605 railcars have been ordered pursuant to the terms of the agreement, of which 35 1,600 railcars have been delivered.

In 2018, we amended a long-term supply agreement with Trinity to extend the term to December 2023, and we agreed to purchase 4,800 tank cars (1,200 per year) beginning in January 2020 and continuing through 2023. At September 30, 2023 As of March 31, 2024, all 4,800 railcars have been ordered pursuant to the amended terms of the agreement, of which 4,512 4,621 railcars have been delivered. The remaining railcars covered under this agreement are expected to be delivered by the end of the second quarter of 2024.

In 2018, we entered into a multi-year railcar supply agreement with American Railcar Industries, Inc. ("ARI"), pursuant to which we agreed to purchase 7,650 newly built railcars. The order encompasses a mix of tank and freight cars to be delivered over a five-year period, beginning in April 2019 and ending in December 2023. ARI's railcar manufacturing business was acquired by a subsidiary of The Greenbrier Companies, Inc. on July 26, 2019, and such subsidiary assumed all of ARI's obligations under our long-term supply agreement. As of September 30, 2023 March 31, 2024, all 7,650 railcars have been ordered, of which 7,006 7,634 railcars have been delivered. All railcars covered under this agreement are expected to be delivered by early the end of the second quarter of 2024.

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Lease Price Index

Our Lease Price Index ("LPI") is an internally-generated business indicator that measures renewal activity for our North American railcar fleet, excluding boxcars. The average renewal lease rate change is reported as the percentage change between the average renewal lease rate and the average expiring lease rate. The average renewal lease term is reported in months and reflects the average renewal lease term in the LPI.

In During the second first quarter of 2023, we modified the methodology of the LPI calculation to more consistently reflect actual trends in renewal lease rates and renewal lease terms across the North American non-boxcar fleet. Under the modified methodology, the LPI calculation includes all renewal activity based on a 12-month trailing average, and the renewals are weighted by the count of all renewals during the reporting period. We believe this modification will provide investors and other constituents with a more complete representation of lease rate and term performance. The LPI metrics presented below reflect the revised calculation.

During the third quarter of 2023, 2024, the renewal rate change of the LPI was positive 33.4% 33.0%, compared to positive 33.1% 33.5% in the prior quarter, and positive 18.8% 28.3% in the third first quarter of 2022. 2023. Lease terms on renewals for cars railcars in the LPI averaged 65 64 months in the current quarter, compared to 61 65 months in the prior quarter, and 52 55 months in the third first quarter of 2022. 2023.

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The following table shows fleet activity and statistics for Rail North America boxcars for the quarter ended:

		September 30 2022	December 31 2022	March 31 2023	June 30 2023	September 30 2023					
	March 31 2023						March 31 2023	June 30 2023	September 30 2023	December 31 2023	March 31 2024
Beginning balance	Beginning balance	10,315	10,224	8,663	8,789	8,959					
Boxcars added	Boxcars added	—	106	229	279	316					
Boxcars scrapped	Boxcars scrapped	(91)	(94)	(103)	(109)	(95)					
Boxcars sold	Boxcars sold	—	(1,573)	—	—	(93)					
Ending balance	Ending balance	10,224	8,663	8,789	8,959	9,087					
Utilization rate at quarter end (1)	Utilization rate at quarter end (1)	100.0 %	99.9 %	100.0 %	99.8 %	99.7 %	Utilization rate at quarter end (1) 100.0 %	99.8 %	99.7 %	100.0 %	99.8 %
Active boxcars at quarter end (2)	Active boxcars at quarter end (2)	10,220	8,657	8,788	8,942	9,062					
Average active railcars (3)	Average active railcars (3)	10,267	9,032	8,720	8,855	8,985					

(1) Utilization is calculated as the number of boxcars on lease as a percentage of total boxcars in the fleet.
(2) Active boxcars refers to the number boxcars on lease to customers. Changes in boxcars on lease compared to prior quarters are impacted by the utilization of new boxcars purchased from builders or in the secondary market and the disposition of boxcars that were sold or scrapped, as well as the fleet utilization rate.
(3) Average active boxcars is calculated using the number of active boxcars at the end of each month.

Comparison of the First Nine Months of 2023 to the First Nine Months of 2022 Reported Results

Segment Profit

In the first nine three months of 2023, ended March 31, 2024, segment profit of $240.6 million increased 1.2% $90.3 million decreased 5.1% compared to $237.8 million $95.2 million for the same period in the prior year. The increase decrease was primarily driven by higher lease revenue and due to lower net gain on asset dispositions and higher interest expense, partially offset by higher interest and maintenance expenses. lease revenue. The amount and timing of disposition gains is dependent on a number of factors and may vary materially from year period to year. period.

Revenues

In the first nine three months of 2023, ended March 31, 2024, lease revenue increased $44.2 million $21.4 million, or 7.2% 9.9%, driven by higher lease rates. rates and more railcars on lease. Other revenue increased $6.2 million $4.7 million due to higher repair revenue.

Expenses

In the first nine three months of 2023, ended March 31, 2024, maintenance expense increased $23.0 million $6.0 million, driven by more repair events, general inflationary pressures, higher costs of repairs and more repairs performed by the railroads. regulatory compliance events. Depreciation expense increased $4.8 million decreased $0.4 million due to a change in the useful lives of certain railcars, partially offset by the timing of new railcar investments and dispositions. Other operating expense increased $1.0 million decreased $0.3 million primarily due to higher lower switching and freight costs, partially offset by lower storage costs.

Other Income (Expense)

In the first nine three months of 2023, ended March 31, 2024, net gain on asset dispositions increased $7.4 million decreased $13.6 million due to higher gains per railcar sold in the current year, partially offset by fewer railcars sold, lower gains on railcars converted to finance leases, and lower net scrapping gains. The amount and timing of disposition gains is dependent on a number of factors and may vary materially from year period to year. Interest period. Net interest expense increased $27.6 million $11.0 million, driven by a higher average debt balance interest rate and a higher average interest rate. debt balance.

Investment Volume

During the first nine three months of 2023, ended March 31, 2024, investment volume was $654.8 million $321.7 million compared to $676.6 million $296.5 million in the same period in 2022. 2023. We acquired 2,506 1,073 newly built railcars and purchased 1,266 822 railcars in the secondary market in the first nine three months of 2023, ended March 31, 2024, compared to 3,529 781 newly built railcars and 420 1,021 railcars in the secondary market in the same period in 2022. 2023.

Our investment volume is predominantly composed of acquired railcars, but also includes certain capitalized repairs and improvements to owned railcars and our maintenance facilities. As a result, the dollar value of investment volume does not necessarily correspond to the number of railcars acquired in any given period. In addition, the comparability of amounts invested and the number of railcars acquired in each period is impacted by the mix of railcars purchased, which may include tank cars and freight cars, as well as newly manufactured railcars or those purchased in the secondary market.

Comparison of the Third Quarter of 2023 to the Third Quarter of 2022

Segment Profit

In the third quarter of 2023, segment profit of $66.1 million increased 2.8% compared to $64.3 million for the same period in the prior year. The increase was primarily driven by higher lease revenue and higher net gain on asset dispositions, partially offset by higher interest and maintenance expenses. The amount and timing of disposition gains is dependent on a number of factors and may vary materially from year to year.

Revenues

In the third quarter of 2023, lease revenue increased $13.9 million, or 6.6%, driven by higher lease rates. Other revenue increased $2.7 million, primarily due to higher repair revenue.

Expenses

In the third quarter of 2023, maintenance expense increased $7.0 million. The increase was largely due to more repair events, more regulatory compliance events, general inflationary pressures, and more repairs performed by the railroads. Depreciation expense increased $1.6 million due to the timing of new railcar investments and dispositions. Other operating expense increased $0.5 million due to higher switching, freight, and insurance costs.

Other Income (Expense)

In the third quarter of 2023, net gain on asset dispositions increased $2.2 million largely due to more railcars sold, partially offset by lower net scrapping gains. The amount and timing of disposition gains is dependent on a number of factors and will vary from quarter to quarter. Net interest expense increased $10.1 million, driven by a higher average debt balance and a higher average interest rate.

RAIL INTERNATIONAL

Segment Summary

Rail International, composed primarily of GATX Rail Europe ("GRE"), produced solid operating results in the first nine three months of 2023 2024 and continued to grow its fleet. GRE experienced renewal lease rate increases for most railcar types in the period. Utilization was 95.3% at the end of the quarter.

Our rail business in India ("Rail India") increased its fleet size in the first nine three months of 2023 2024 and continued to focus on investment opportunities, diversification of its fleet, and developing relationships with customers, suppliers and the Indian Railways. Demand for railcars in India remained robust, driven by continued growth in the economy and infrastructure development. Utilization was 100.0% at the end of the quarter.

In the first quarter of 2023, we sold Rail Russia and recorded a gain of $0.3 million upon completion of the sale. The net assets of Rail Russia had been classified as held for sale, and we recorded impairment losses of $14.6 million in 2022. See "Note 6. Asset Impairments and Assets Held for Sale " in Part I, Item 1 of this Quarterly Report on Form 10-Q for further information.

The following table shows Rail International's segment results (in millions):

	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
	Three Months Ended March 31			
	Three Months Ended March 31			
	Three Months Ended March 31			
	2024			

		2024			
		2024			
Revenues					
Revenues					
Revenues	**Revenues**				
Lease revenue	Lease revenue	$ 75.6	$ 65.3	$ 219.1	$ 199.4
Lease revenue					
Lease revenue					
Other revenue	Other revenue	3.6	2.3	9.6	6.5
Other revenue					
Other revenue					
Total Revenues					
Total Revenues					
Total Revenues	**Total Revenues**	79.2	67.6	228.7	205.9
Expenses	**Expenses**				
Expenses					
Expenses					
Maintenance expense					
Maintenance expense					
Maintenance expense	Maintenance expense	17.1	12.8	47.6	39.0
Depreciation expense	Depreciation expense	17.5	16.8	49.8	52.0
Depreciation expense					
Depreciation expense					
Other operating expense	Other operating expense	2.7	1.5	7.2	6.0
Other operating expense					
Other operating expense					
Total Expenses					
Total Expenses					
Total Expenses	**Total Expenses**	37.3	31.1	104.6	97.0
Other Income (Expense)	**Other Income (Expense)**				
Net gain (loss) on asset dispositions		0.9	(10.3)	2.4	(7.9)
Other Income (Expense)					
Other Income (Expense)					
Net gain on asset dispositions					
Net gain on asset dispositions					
Net gain on asset dispositions					
Interest expense, net	Interest expense, net	(14.5)	(11.2)	(40.5)	(33.5)
Other (expense) income		(0.1)	(0.5)	(7.0)	0.2
Interest expense, net					
Interest expense, net					
Other income (expense)					
Other income (expense)					
Other income (expense)					
Segment Profit					
Segment Profit					
Segment Profit	**Segment Profit**	$ 28.2	$ 14.5	$ 79.0	$ 67.7

Investment Volume	**Investment Volume**	$	129.6	$	50.1	$	288.0	$	177.8
Investment Volume									
Investment Volume									

GRE Fleet Data

The following table shows fleet activity and statistics for GRE railcars for the quarter ended:

		September 30 2022	**December 31 2022**	**March 31 2023**	**June 30 2023**	**September 30 2023**
Beginning balance	Beginning balance	27,470	27,701	28,005	28,461	28,759
Railcars added	Railcars added	277	362	502	376	446
Railcars scrapped or sold	Railcars scrapped or sold	(46)	(58)	(46)	(78)	(103)
Ending balance	Ending balance	27,701	28,005	28,461	28,759	29,102
Utilization rate at quarter end (1)	Utilization rate at quarter end (1)	99.4 %	99.3 %	98.5 %	96.9 %	96.0 %
Active railcars at quarter end (2)	Active railcars at quarter end (2)	27,534	27,801	28,031	27,875	27,947
Average active railcars (3)	Average active railcars (3)	27,489	27,658	27,931	27,973	27,884

March 31 2023	**March 31 2023**	**June 30 2023**	**September 30 2023**	**December 31 2023**	**March 31 2024**
Utilization rate at quarter end (1)	98.5 %	96.9 %	96.0 %	95.9 %	95.3 %

(1) Utilization is calculated as the number of railcars on lease as a percentage of total railcars in the fleet.

(2) Active railcars refers to the number of railcars on lease to customers. Changes in railcars on lease compared to prior quarters are impacted by the utilization of newly built railcars, railcars purchased in the secondary market, and the disposition of railcars that were sold or scrapped, as well as the fleet utilization rate.

(3) Average active railcars for the quarter is calculated using the number of active railcars at the end of each month.

The decline in GRE's fleet utilization was primarily due to weakness in the intermodal market. At March 31, 2024, GRE owned 2,159 intermodal railcars. As of September 30, 2023 March 31, 2024, leases for approximately 769 7,647 railcars were scheduled to expire over the remainder of 2023. These amounts exclude 2024. This amount excludes railcars on leases expiring in 2023 2024 that have already been renewed or assigned to a new lessee.

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Rail India Fleet Data

The following table shows fleet activity and statistics for Rail India railcars for the quarter ended:

	September 30 2022	**December 31 2022**	**March 31 2023**	**June 30 2023**	**September 30 2023**
March 31 2023					

	March 31 2023	**June 30 2023**	**September 30 2023**	**December 31 2023**	**March 31 2024**

Beginning balance	Beginning balance	5,503	5,564	5,872	6,351	6,927						
Railcars added	Railcars added	61	308	479	576	957						
Ending balance	Ending balance	5,564	5,872	6,351	6,927	7,884						
Utilization rate at quarter end (1)	Utilization rate at quarter end (1)	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	Utilization rate at quarter end (1)	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Active railcars at quarter end (2)	Active railcars at quarter end (2)	5,564	5,872	6,351	6,927	7,884						
Average active railcars (3)	Average active railcars (3)	5,518	5,703	6,038	6,584	7,366						

(1) Utilization is calculated as the number of railcars on lease as a percentage of total railcars in the fleet.
(2) Active railcars refers to the number of railcars on lease to customers. Changes in railcars on lease compared to prior quarters are impacted by the utilization of newly built railcars and the disposition of railcars that were sold or scrapped, as well as the fleet utilization rate.
(3) Average active railcars for the quarter is calculated using the number of active railcars at the end of each month.

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Comparison of the First Nine Months of 2023 to the First Nine Months of 2022 Reported Results

Foreign Currency

Rail International's reported results of operations are impacted by fluctuations in the exchange rates of the U.S. dollar versus the foreign currencies in which it conducts business, primarily the euro. In the first nine three months of 2023, ended March 31, 2024, fluctuations in the value of the euro, relative to the U.S. dollar, positively impacted lease revenue by approximately $3.7 million $1.0 million and negatively impacted segment profit, excluding other income (expense), by approximately $1.5 million $0.1 million compared to the same period in 2022. 2023.

Segment Profit

In the first nine three months of 2023, ended March 31, 2024, segment profit of $79.0 million $28.8 million increased 16.7% 22.6% compared to $67.7 million $23.5 million for the same period in the prior year. Segment profit in 2023 included a $0.3 million disposition gain recorded as a result of the decision to exit the Rail Russia business. Segment profit in 2022 included a $10.8 million impairment charge recorded as a result of the decision to exit the Rail Russia business. Excluding these items, results for Rail International were $0.2 million $5.6 million higher than 2022. compared to the same period in the prior year. The increase was primarily due to more railcars on lease and higher lease rates at both GRE and Rail India, partially offset by changes in foreign exchange rates, including the impact of euro-zloty fluctuations. higher interest and maintenance expense at GRE.

Revenues

In the first nine three months of 2023, ended March 31, 2024, lease revenue increased $19.7 million $10.2 million, or 9.9% 14.5%, due to more railcars on lease and higher lease rates at GRE and Rail India and the impact of foreign exchange rates. Other revenue increased $3.1 million $0.2 million, driven by higher repair revenue.

Expenses

In the first nine three months of 2023, ended March 31, 2024, maintenance expense increased $8.6 million $1.6 million, primarily due to more repairs performed, higher costs for repairs, higher wheelset costs, and the impact of foreign exchange rates. Depreciation expense decreased $2.2 million increased $3.2 million, due to certain operating assets at GRE becoming fully depreciated in the prior year, partially offset by the impact of new railcars added to the fleet.

Other Income (Expense)

In the first nine three months of 2023, ended March 31, 2024, net gain on asset dispositions increased $10.3 million $0.5 million, driven by impairment losses recorded in the prior year as higher net scrapping gains due to more railcars scrapped at a result of the decision to exit the Rail Russia business. higher scrap price per ton. Net interest expense increased $7.0 million $4.2 million, due to a higher average interest rate debt balance and a higher average debt balance. interest rate. Other income (expense) income was unfavorable favorable by $7.2 million $4.7 million, driven by the negative positive impact of changes in foreign exchange rates, primarily euro-zloty fluctuations, partially offset by lower litigation costs.

fluctuations.

Investment Volume

During the first nine three months of 2023, ended March 31, 2024, investment volume was $288.0 million $49.9 million compared to $177.8 million $81.1 million in the same period in 2022. 2023. In the first nine three months ended September 30, 2023 March 31, 2024, GRE acquired 1,324 322 newly built railcars compared to 849 502 newly built railcars for the same period in 2022, 2023, and Rail India acquired 2,012 696 newly built railcars in the current year compared to 734 479 newly built railcars for the same period in 2022. 2023.

Our investment volume is predominantly composed of acquired railcars, but also includes certain capitalized repairs and improvements to owned railcars. As a result, the dollar value of investment volume does not necessarily correspond to the number of railcars acquired in any given period. In addition, the comparability of amounts invested and the number of railcars acquired in each period is impacted by the mix of the various car types acquired, as well as fluctuations in the exchange rates of the foreign currencies in which Rail International conducts business.

Comparison of the Third Quarter of 2023 to the Third Quarter of 2022

Foreign Currency

Rail International's reported results of operations are impacted by fluctuations in the exchange rates of the U.S. dollar versus foreign currencies in which it conducts business, primarily the euro. In the third quarter of 2023, fluctuations in the value of the euro, relative to the U.S. dollar, positively impacted lease revenue by approximately $5.1 million and segment profit, excluding other income (expense), by approximately $2.3 million compared to the same period in 2022.

Segment Profit

In the third quarter of 2023, segment profit of $28.2 million increased 94.5% compared to $14.5 million for the same period in the prior year. Segment profit in 2022 included a $10.8 million impairment charge recorded as a result of the decision to exit the Rail Russia business. Excluding this impairment, results for Rail International were $2.9 million higher than 2022. The increase was primarily due to more railcars on lease and higher lease rates, partially offset by higher maintenance expense and interest expense.

Revenues

In the third quarter of 2023, lease revenue increased $10.3 million, or 15.8%, due to more railcars on lease and higher lease rates at GRE and Rail India, as well as the impact of foreign exchange rates. Other revenue increased $1.3 million, driven by higher repair revenue.

Expenses

In the third quarter of 2023, maintenance expense increased $4.3 million, due to more repairs performed, higher costs for repairs, and the impact of foreign exchange rates. Depreciation expense increased $0.7 million, due to the impact of new railcars added to the fleet and the impact of foreign exchange rates, partially offset by certain operating assets at GRE becoming fully depreciated in the prior year.

Other Income (Expense)

In the third quarter of 2023, net gain on asset dispositions increased $11.2 million, driven by the absence of impairment losses recorded in the prior year as a result of the decision to exit the Rail Russia business and higher net scrapping gains. Net interest expense increased $3.3 million due to a higher average debt balance and a higher average interest rate. Other (expense) income was favorable by $0.4 million, driven by lower litigation costs, partially offset by the negative impact of changes in foreign exchange rates, primarily euro-zloty fluctuations.

PORTFOLIO MANAGEMENT ENGINE LEASING

Segment Summary

As disclosed previously, as of December 31, 2023, we have sold all of our marine assets and no longer have any marine operations. As a result, we have changed the name of this business segment from Portfolio Management's Management to Engine Leasing to reflect the prospective operations of the segment.

Engine Leasing's segment profit is attributable primarily to income from the RRPF affiliates, a group of 50% owned domestic and foreign joint ventures with Rolls-Royce, plc (or affiliates thereof, collectively "Rolls-Royce"), a leading manufacturer of commercial aircraft jet engines. Segment profit included earnings from the RRPF affiliates of $66.3 million and $18.0 million $23.7 million for the nine months and three months ended September 30, 2023 March 31, 2024, compared to $20.5 million and $9.7 million $28.0 million for the same periods in 2022. In the first quarter of 2022, RRPF recorded an impairment charge associated with aircraft spare engines in Russia that RRPF does not expect to recover. GATX's 50% share of that net impairment was $15.3 million ($11.5 million after tax).

2023. The operating environment for the RRPF affiliates was strong, as robust, and demand for international air passenger travel continued to improve. remained strong.

Portfolio Management Engine Leasing also includes GEL, our wholly owned entity that invests directly in aircraft spare engines. In 2023, GEL acquired ten aircraft spare engines for $267.3 million. As of September 30, 2023 March 31, 2024, GEL owned 29 aircraft spare engines, with 14 on long-term leases with airline customers and 15 that are employed in an engine capacity agreement with Rolls-Royce for use in its engine maintenance programs. All engines at GEL are managed by the RRPF affiliates.

Portfolio Management also owns affiliates, for which we paid them a fee of $0.6 million for the Specialized Gas Vessels. In 2022, we made three months ended March 31, 2024 and $0.5 million for the decision to sell the Specialized Gas Vessels and recorded impairment losses totaling $34.3 million. We sold two Specialized Gas Vessels in the third quarter of 2022. In 2023, we recorded net losses of $1.4 million on the sale of two of the remaining vessels. The one remaining vessel continues to be classified as held for sale as of September 30, 2023 three months ended March 31, 2023.

In 2023, Portfolio Management sold its natural gas holdings and recorded a gain of $5.7 million.

Portfolio Management's total asset base was $1,369.4 million at September 30, 2023, compared to $1,371.6 million at June 30, 2023, and $991.1 million at September 30, 2022.

The following table shows Portfolio Management's Engine Leasing's segment results (in millions):

		Three Months Ended September 30		Nine Months Ended September 30		
		2023	2022	2023	2022	
	Three Months Ended March 31				Three Months Ended March 31	
	2024				2024	2023
Revenues	**Revenues**					
Lease revenue	Lease revenue	$ 8.1	$ 8.3	$ 24.5	$24.8	
Lease revenue						
Lease revenue						
Non-dedicated engine revenue						
Marine operating revenue	Marine operating revenue	0.6	4.8	6.1	16.2	
Other revenue		13.7	—	24.6	0.1	
Total Revenues						
Total Revenues						
Total Revenues	**Total Revenues**	22.4	13.1	55.2	41.1	
Expenses	**Expenses**					
Expenses						
Expenses						
Marine operating expense						
Marine operating expense						
Marine operating expense	Marine operating expense	1.0	3.6	5.4	11.7	
Depreciation expense	Depreciation expense	8.4	3.7	19.9	13.6	
Other operating expense	Other operating expense	2.1	0.6	4.4	1.7	
Total Expenses	**Total Expenses**	11.5	7.9	29.7	27.0	
Other Income (Expense)	**Other Income (Expense)**					
Other Income (Expense)						

Other Income (Expense)					
Net gain (loss) on asset dispositions					
Net gain (loss) on asset dispositions					
Net gain (loss) on asset dispositions	Net gain (loss) on asset dispositions	0.2	0.8	4.7	(29.1)
Interest expense, net	Interest expense, net	(8.7)	(4.6)	(20.9)	(13.9)
Other (expense) income		(0.2)	0.1	(0.5)	—
Other income (expense)					
Share of affiliates' pre-tax earnings	Share of affiliates' pre-tax earnings	18.0	9.7	66.3	20.5
Segment Profit (Loss)		$20.2	$11.2	$ 75.1	$ (8.4)
Segment Profit					
Investment Volume		$28.3	$ —	$267.3	$ —

The following table shows the net book values of Portfolio Management's Engine Leasing's assets (in millions):

		September 30 2022	December 31 2022	March 31 2023	June 30 2023	September 30 2023					
	March 31 2023						March 31 2023	June 30 2023	September 30 2023	December 31 2023	March 31 2024
Investment in RRPF Affiliates	Investment in RRPF Affiliates	$ 603.7	$ 574.3	$597.2	$611.3	$ 626.5					
GEL owned aircraft spare engines	GEL owned aircraft spare engines	329.5	475.0	469.6	702.5	722.4					
Specialized Gas Vessels	Specialized Gas Vessels	28.4	25.1	15.2	8.9	11.4					
Other owned assets	Other owned assets	29.5	32.2	41.8	48.9	9.1					
Managed assets (1)		4.1	2.3	1.4	1.0	0.5					
Total assets											

(1) Amounts shown represent the estimated net book value of assets managed for third parties and are not included in our consolidated balance sheets.

RRPF Affiliates Affiliates' Portfolio Data

As of September 30, 2023, the RRPF affiliates' portfolio consisted of 395 aircraft spare engines with a net book value of $4,100.9 million, compared to 392 aircraft spare engines with a net book value of $4,106.6 million at the end of the prior quarter and 394 aircraft spare engines with a net book value of $4,178.6 million at September 30, 2022.

The following table shows portfolio activity and statistics for the RRPF affiliates' aircraft spare engines for the quarter ended:

		September 30 2022	December 31 2022	March 31 2023	June 30 2023	September 30 2023						
	March 31 2023							March 31 2023	June 30 2023	September 30 2023	December 31 2023	March 31 2024
Beginning balance	Beginning balance	396	394	398	395	392						
Engine acquisitions	Engine acquisitions	3	5	1	3	5						
Engine dispositions	Engine dispositions	(5)	(1)	(4)	(6)	(2)						
Ending balance	Ending balance	394	398	395	392	395						
Utilization rate at quarter end (1)	Utilization rate at quarter end (1)	93.7 %	94.2 %	94.4 %	95.9 %	95.7 %	Utilization rate at quarter end (1)	94.4 %	95.9 %	95.7 %	95.5 %	97.3 %
Average leased engines (2)	Average leased engines (2)	365	373	374	375	377						
Net book value of engines (in millions)												

(1) Utilization is calculated as the number of engines on lease as a percentage of total engines in the fleet.
(2) Average leased engines is calculated using the number of leased engines at the end of each month.

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GEL Portfolio Data

The following table shows portfolio activity for GEL's aircraft spare engines for the quarter ended:

	March 31 2023	June 30 2023	September 30 2023	December 31 2023	March 31 2024
Beginning balance	19	19	28	29	29
Engines added	—	9	1	—	—
Ending balance	19	28	29	29	29

Comparison of the First Nine Months of 2023 to the First Nine Months of 2022 Reported Results

Segment Profit

In the first nine three months of 2023, ended March 31, 2024, segment profit was $75.1 million $25.7 million, compared to segment loss profit of $8.4 million $28.3 million for the same period in the prior year. Segment profit included $0.6 million of gains in 2024 and $1.6 million of losses in 2023 included $1.4 million of losses associated with the Specialized Gas Vessels. Segment loss in 2022 included a $31.5 million impairment charge recorded as a result Excluding the impact of the decision to sell the Specialized Gas Vessels and a $15.3 million net impairment charge (GATX's 50% share) for aircraft spare engines in Russia that RRPF does not expect to recover. Excluding these losses, items, results for Portfolio Management Engine Leasing were $38.1 million higher $4.8 million lower than 2022, primarily driven by higher 2023. Lower earnings at the RRPF affiliates, and resulting from lower remarketing income, was partially offset by higher results earnings from GEL operations.

Revenues

In the first nine three months of 2023, ended March 31, 2024, lease revenue was comparable to the same period in the prior year. Marine operating revenue decreased $10.1 million, driven by the absence of revenue from the Specialized Gas Vessels sold in 2022 and 2023. Other Non-dedicated engine revenue increased $24.5 million as a result of revenue from $8.7 million due to aircraft spare engines acquired in 2022 and 2023 and utilized in the engine capacity agreement with Rolls-Royce. Marine operating revenue decreased $3.5 million, driven by the final sales of the Specialized Gas Vessels in 2023.

Expenses

In the first nine three months of 2023, ended March 31, 2024, marine operating expense decreased $6.3 million $2.0 million, due to the absence sale of expense from the Specialized Gas Vessels sold in 2022 and 2023. Depreciation expense increased $6.3 million $3.0 million, due to new aircraft spare engines acquired in 2022 and 2023, offset by the absence of depreciation expense on the Specialized Gas Vessels classified as held for sale in 2022. 2023.

Other Income (Expense)

In the first nine three months of 2023, ended March 31, 2024, net gain (loss) on asset dispositions was favorable by $33.8 million $2.1 million, driven by impairment the absence of losses recorded in 2023 and the prior year primarily due gain recorded in 2024 related to post-closing adjustments on the decision to sell sales of the Specialized Gas Vessels and the sale of the natural gas holdings in the current year. Vessels.

In the first nine three months of 2023, ended March 31, 2024, income from our share of affiliates' earnings increased $45.8 million, driven by the absence of the $15.3 million net impairment charge recorded in the prior year, higher income from operations, and higher remarketing income.

Investment Volume

In the first nine months of 2023, investment volume was $267.3 million, compared to zero in the same period in 2022. During 2023, GEL acquired ten aircraft spare engines.

Comparison of the Third Quarter of 2023 to the Third Quarter of 2022

Segment Profit

In the third quarter of 2023, segment profit was $20.2 million, compared to $11.2 million for the same period in the prior year. The increase was driven by higher earnings at the RRPF affiliates and higher results from GEL operations.

Revenues

In the third quarter of 2023, lease revenue was comparable to the same period in the prior year. Marine operating revenue decreased $4.2 million, driven by the absence of revenue from the Specialized Gas Vessels sold in 2022 and 2023. Other revenue increased $13.7 million due to revenue from aircraft spare engines purchased in 2022 and 2023 and utilized in the engine capacity agreement with Rolls-Royce.

Expenses

In the third quarter of 2023, marine operating expense decreased $2.6 million, due to the absence of expense from the Specialized Gas Vessels sold in 2022 and 2023. Depreciation expense increased $4.7 million, due to new aircraft spare engines acquired in 2022 and 2023, offset by the absence of depreciation expense on the Specialized Gas Vessels classified as held for sale in 2022.

Other Income (Expense)

In the third quarter of 2023, net gain (loss) on asset dispositions was unfavorable by $0.6 million $4.3 million, driven by lower residual sharing fees from the managed portfolio.

In the third quarter of 2023, remarketing income, from our share of affiliates' earnings increased $8.3 million, driven partially offset by higher income from operations and higher remarketing income. operations.

OTHER

Other comprises our Trifleet Leasing business, as well as selling, general and administrative expenses ("SG&A"), unallocated interest expense, and miscellaneous income and expense not directly associated with the reporting segments, and certain eliminations.

In the second quarter of 2022, GATX executed a multi-party amended and restated settlement agreement related to its share of estimated environmental remediation costs to be incurred at a previously owned facility that was sold in 1974. As a result, GATX recorded $5.9 million of expense to establish a reserve for its share of the remaining anticipated remediation and related costs.

The following table shows components of Other (in millions):

	Three Months Ended September 30				Nine Months Ended September 30			
	2023		2022		2023		2022	
Trifleet Leasing revenue	$	10.6	$	9.0	$	31.1	$	26.5
Trifleet Leasing segment profit	$	3.4	$	3.8	$	10.6	$	10.2
Unallocated interest income		3.6		0.2		9.3		0.8
Other income (expense), including eliminations		1.0		(1.1)		2.0		(13.1)
Segment Profit (Loss)	$	8.0	$	2.9	$	21.9	$	(2.1)

Selling, general and administrative expense	$	51.0	$	47.6	$	153.4	$ 142.7

	Three Months Ended March 31	
	2024	2023
Trifleet revenue	$ 9.9	$ 10.4
Trifleet segment profit	$ 2.7	$ 3.7
Unallocated interest income	3.5	3.0
Other income, including eliminations	2.0	1.2
Segment Profit	$ 8.2	$ 7.9
Selling, general and administrative expense	$ 55.9	$ 50.4
Investment Volume	$ 7.0	$ 9.4

Trifleet Leasing Summary

The tank container leasing market continued to experience softer demand across certain regions in the first quarter of 2024. However, Trifleet continued to find opportunities to place its tank containers with some companies postponing investment decisions. customers. Utilization was 89.6% 85.5% at the end of the quarter.

Trifleet Leasing Tank Container Data

The following table shows fleet statistics for Trifleet Leasing's Trifleet's tank containers for the quarter ended:

		March 31 2023	September 30 2022	December 31 2022	March 31 2023	June 30 2023	September 30 2023		March 31 2023	June 30 2023	September 30 2023	December 31 2023	March 31 2024
Ending balance - owned and managed	Ending balance - owned and managed		21,187	21,999	22,528	22,870	23,333						
Utilization rate at quarter-end - owned and managed (1)	Utilization rate at quarter-end - owned and managed (1)		93.1 %	93.1 %	93.1 %	91.5 %	89.6 %	Utilization rate at quarter-end - owned and managed (1)	93.1 %	91.5 %	89.6 %	87.3 %	85.5 %

(1) Utilization is calculated as the number of tank containers on lease as a percentage of total tank containers in the fleet.

SG&A, Unallocated Interest and Other

SG&A increased $10.7 million $5.5 million for first nine the three months of 2023 ended March 31, 2024 compared to the same period in the prior year, driven by higher employee-related expenses, including the impacts of higher share-based compensation expenses, higher legal costs, and higher information technology expenses.

SG&A increased $3.4 million for the third quarter of 2023 compared to the same period in the prior year, driven by higher employee-related expenses and higher legal costs, partially offset by the impacts of share-based compensation expenses. expense.

Unallocated interest income (the difference between external interest expense and interest expense allocated to the reporting segments) in any year is affected by our consolidated leverage position, the timing of debt issuances and investing activities, and intercompany allocations.

Other income (expense), including eliminations was favorable by $15.1 million for first nine months of 2023 compared to the same period in the prior year. The variance was driven by the absence of environmental remediation costs recorded in the prior year, lower pension-related expenses, the absence of make whole payments associated with the early repayment of debt in the prior year, and the impact of foreign exchange rates on a foreign pension plan.

Other income (expense), including eliminations was favorable by $2.1 million in the third quarter of 2023 compared to the same period in the prior year. The variance was driven by lower pension-related expenses.

Consolidated Income Taxes

See "Note 9. Income Taxes" in Part I, Item 1 of this Quarterly Report on Form 10-Q.

CASH FLOW DISCUSSION

We generate a significant amount of cash from operating activities and investment portfolio proceeds. We also access domestic and international capital markets by issuing unsecured or secured debt and commercial paper. We use these resources, along with available cash balances, to fulfill our debt, lease, and dividend obligations, to support our share repurchase programs, and to fund portfolio investments and capital additions. We primarily use cash from operations to fund daily operations. The timing of asset dispositions and changes in working capital impact cash flows from portfolio proceeds and operations. As a result, these cash flow components may vary materially from quarter to quarter and year to year.

As of September 30, 2023 March 31, 2024, we had an unrestricted cash balance of $203.1 million $479.1 million. We also have a $250 million 3-year unsecured revolving credit facility in the United States that matures in 2026 and a $600 million, 5-year unsecured revolving credit facility in the United States that matures in 2028 and $250 million 3-year unsecured revolving credit facility in the United States that matures in 2026, both of which are fully available as of September 30, 2023 March 31, 2024.

The following table shows our cash flows from operating, investing and financing activities for the nine three months ended September 30 March 31 (in millions):

		2023	2022
		2024	
		2024	
		2024	
Net cash provided by operating activities			
Net cash provided by operating activities			
Net cash provided by operating activities	Net cash provided by operating activities	$ 400.1	$ 352.6
Net cash used in investing activities	Net cash used in investing activities	(860.6)	(606.5)
Net cash provided by financing activities		359.9	512.8
Net cash used in investing activities			
Net cash used in investing activities			
Net cash provided by (used in) financing activities			
Net cash provided by (used in) financing activities			
Net cash provided by (used in) financing activities			
Effect of exchange rate changes on cash and cash equivalents	Effect of exchange rate changes on cash and cash equivalents	(0.2)	(6.8)
Net (decrease) increase in cash, cash equivalents, and restricted cash during the period		$ (100.8)	$ 252.1
Effect of exchange rate changes on cash and cash equivalents			
Effect of exchange rate changes on cash and cash equivalents			
Net increase (decrease) in cash, cash equivalents, and restricted cash during the period			
Net increase (decrease) in cash, cash equivalents, and restricted cash during the period			
Net increase (decrease) in cash, cash equivalents, and restricted cash during the period			

Net Cash Provided by Operating Activities

Net cash provided by operating activities for the first nine three months of 2023 of $400.1 million ended March 31, 2024 increased $47.5 million $2.6 million compared to the same period in 2022. 2023. Comparability among reporting periods is impacted by the timing of changes in working capital items. Specifically, higher cash receipts from revenue lower payments for operating leases, and lower payments for income taxes and operating leases were partially offset by higher payments for interest maintenance and higher cash payments for other operating expenses.

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Net Cash Used in Investing Activities

The following table shows our principal sources and uses of cash flows from investing activities for the nine three months ended September 30 March 31 (in millions):

			2023		2022
			2024		
			2024		
			2024		
Portfolio investments and capital additions (1)					
Portfolio investments and capital additions (1)					
Portfolio investments and capital additions (1)	Portfolio investments and capital additions (1)	$	(1,237.5)	$	(887.9)
Portfolio proceeds (2)	Portfolio proceeds (2)		208.2		224.9
Portfolio proceeds (2)					
Portfolio proceeds (2)					
Proceeds from short-term investments (3)					
Proceeds from short-term investments (3)					
Proceeds from short-term investments (3)	Proceeds from short-term investments (3)		150.0		—
Other investing activity	Other investing activity		18.7		56.5
Other investing activity					
Other investing activity					
Net cash used in investing activities	Net cash used in investing activities	$	(860.6)	$	(606.5)
Net cash used in investing activities					
Net cash used in investing activities					

(1) Portfolio investments and capital additions primarily consist of purchases of operating assets and capitalized asset improvements. See the discussions of segment operating results sections in this Item for more detail.

(2) Portfolio proceeds primarily consist of proceeds from sales of operating assets.

(3) Proceeds from short-term Short-term U.S. Treasury Obligations with an original maturity date of over 90 days.

The increase decrease in portfolio investments and capital additions of $349.6 million $8.4 million for the first nine three months of 2023 ended March 31, 2024 was primarily due to more aircraft spare engines acquired at GEL and more railcars acquired at Rail International, partially offset by fewer railcars acquired at Rail North America GRE and fewer tank containers acquired at Trifleet, Leasing. partially offset by more railcars acquired at Rail North America. The timing of investments depends on purchase commitments, transaction opportunities, and market conditions.

Portfolio proceeds decreased by $16.7 million $48.5 million for the first nine three months of 2023, ended March 31, 2024, resulting largely from lower proceeds received from fewer railcars sold at Rail North America in the sales current year and the absence of the Specialized Gas Vessels in 2023 compared to 2022, partially offset by proceeds from the sale of Rail Russia in 2023 and higher proceeds from railcars sold at Rail North America. International and one Specialized Gas Vessel at Engine Leasing in the prior year.

Net Cash Provided by (Used in) Financing Activities

The following table shows our principal sources and uses of cash flows from financing activities for the nine three months ended September 30 March 31 (in millions):

		2023		2022
Net proceeds from issuance of debt (original maturities longer than 90 days (1)	$	909.2	$	837.8
Repayments of debt (original maturities longer than 90 days) (2)		(500.0)		(250.0)
Net (decrease) increase in debt with original maturities of 90 days or less		(5.0)		0.7
Dividends		(60.7)		(57.9)
Purchases of assets previously leased (3)		—		(1.5)
Stock repurchases (4)		—		(47.2)
Other		16.4		30.9
Net cash provided by financing activities	$	359.9	$	512.8

		2024		2023
Net proceeds from issuance of debt (original maturities longer than 90 days)	$	557.4	$	165.4
Repayments of debt (original maturities longer than 90 days)		(300.0)		(250.0)

Net increase in debt with original maturities of 90 days or less	—	2.8
Dividends	(22.0)	(20.9)
Stock repurchases (1)	(4.6)	—
Other	14.2	4.4
Net cash provided by (used in) financing activities	$ 245.0	$ (98.3)

(1) In the first nine three months ended March 31, 2024 we repurchased 36,744 shares of 2023, proceeds from the issuance of debt were $909.2 million (net of debt issuance costs) common stock for $4.6 million. We issued $400 million of 10-year unsecured debt at a 5.474% yield, $300 million of 10-year unsecured debt at a 6.092% yield, and drew $217.4 million from four delayed draw bank term loans.

(2) In the first nine three months of 2023, repayments of debt consisted of the scheduled maturity of unsecured notes and the prepayment of an outstanding bank term loan.

(3) We did not purchase any railcars that were previously leased in the first nine months of 2023, compared to 21 railcars in the first nine months of 2022.

(4) We ended March 31, 2023, we did not repurchase any shares of common stock stock.

The following table shows the activity on our long-term debt principal in the first nine three months of 2023, compared to 472,609 shares of common stock repurchased for $47.2 million during the same period in 2022. ended March 31, 2024 (in millions):

	December 31 2023	Issuances	Payments	Impact of Foreign Exchange Rates	March 31 2024
U.S. debt	$ 6,450.0	$ 350.0	$ (300.0)	$ —	$ 6,500.0
Europe debt (1)	899.6	186.4	—	(22.1)	1,063.9
India debt (2)	101.0	24.1	—	(0.4)	124.7
Total debt principal	$ 7,450.6	$ 560.5	$ (300.0)	$ (22.5)	$ 7,688.6

(1) Denominated in euros, but presented in U.S. dollars in this table.
(2) Denominated in Indian rupees, but presented in U.S. dollars in this table.

In the three months ended March 31, 2024, we issued $350.0 million of 3-year unsecured debt in the U.S. at a fixed rate of 5.430%, $132.0 million of 2-year unsecured debt at Trifleet at a floating rate of 3-month Euribor plus 162.5 basis points, $54.4 million of 7-year unsecured debt at GRE at a floating rate of 6-month Euribor plus 175.0 basis points, and drew $24.1 million in two tranches from a 5-year delayed draw term loan at Rail India at fixed rates of 8.43% and 8.55%.

LIQUIDITY AND CAPITAL RESOURCES

General

We fund our investments and meet our debt, lease, and dividend obligations using our available cash balances, as well as cash generated from operating activities, sales of assets, commercial paper issuances, committed revolving credit facilities, distributions from affiliates, and issuances of secured and unsecured debt. We primarily use cash from operations to fund daily operations. We use both domestic and international capital markets and banks to meet our debt financing needs.

Material Cash Obligations

The following table shows our material cash obligations, including debt principal and related interest payments, lease payments, and purchase commitments at September 30, 2023 March 31, 2024 (in millions):

		Material Cash Obligations by Period						
		Total	2023 (1)	2024	2025	2026	2027	Thereafter
Recourse debt	Recourse debt	$ 6,899.3	$ —	$ 516.7	$ 511.5	$ 563.4	$ 445.7	$ 4,862.0
Interest on recourse debt (2)	Interest on recourse debt (2)	2,462.2	72.8	265.4	250.8	237.8	217.5	1,417.9
Commercial paper and credit facilities	Commercial paper and credit facilities	12.3	12.3	—	—	—	—	—

	Material Cash Obligations by Period							
	Total	Total	2024 (1)	2025	2026	2027	2028	Thereafter

Operating lease obligations	Operating lease obligations	266.8	8.5	39.2	36.5	45.1	38.8	98.7
Operating lease obligations								
Operating lease obligations								
Purchase commitments (3)	Purchase commitments (3)	2,733.3	373.1	647.5	418.2	519.6	396.2	378.7
Total	Total	$12,373.9	$466.7	$1,468.8	$1,217.0	$1,365.9	$1,098.2	$ 6,757.3

(1) For the remainder of the year.
(2) For floating rate debt, future interest payments are based on the applicable interest rate as of September 30, 2023 March 31, 2024.
(3) Primarily railcar purchase commitments. The amounts shown for all years are based on management's estimates of the timing, anticipated railcar types, and related costs of railcars to be purchased under its agreements. For additional details on our purchase agreements, refer to the discussion of Rail North America operating results within this item.

Short-Term Borrowings and Credit Lines and Facilities

We primarily use short-term borrowings as a source of working capital and to temporarily fund differences between our operating cash flows and portfolio proceeds, and our capital investments and debt maturities. We do not maintain or target any particular level of short-term borrowings on a permanent basis. Rather, we will temporarily utilize short-term borrowings at levels we deem appropriate until we decide to pay down these balances.

The following table shows additional information regarding our short-term borrowings for the nine months ended September 30, 2023:

	Europe (1)
Balance as of September 30 (in millions)	$ 12.3
Weighted-average interest rate	4.6 %
Euro/dollar exchange rate	1.06
Average daily amount outstanding year to date (in millions)	$ 16.9
Weighted-average interest rate	3.6 %
Average Euro/dollar exchange rate	1.08
Average daily amount outstanding during the third quarter (in millions)	$ 15.1
Weighted-average interest rate	4.3 %
Average Euro/dollar exchange rate	1.09

(1) Short-term borrowings in Europe are composed of borrowings under bank credit facilities.

Credit Lines and Facilities

We have a $600 million, 5-year unsecured revolving credit facility in the United States. In the second quarter of 2023, we entered into an amendment to this facility to extend the maturity by one year from May 2027 to States, expiring in May 2028. As of September 30, 2023 March 31, 2024, the full $600 million was available under this facility. Additionally, we have a $250 million 3-year unsecured revolving credit facility in the United States. In the second quarter of 2023, we also entered into an amendment to this facility, which extended the maturity by one year from May 2025 to States, expiring in May 2026. As of September 30, 2023 March 31, 2024, the full $250 million was available under this facility.

Our European subsidiaries have unsecured credit facilities with an aggregate limit of €35.0 million. As of September 30, 2023 March 31, 2024, €23.4 million €25.0 million was available under these credit facilities. At March 31, 2024, we had $10.8 million of outstanding short-term borrowings under bank credit facilities at our European subsidiaries. The weighted average interest rate of these outstanding borrowings during the first three months ended March 31, 2024 was 4.5%.

Restrictive Covenants

Our $250 million $600 million and $600 million $250 million revolving credit facilities contain various restrictive covenants, including requirements to maintain a fixed charge coverage ratio and an asset coverage test. Some of our bank term loans have the same financial covenants as these facilities.

The indentures for our public debt also contain various restrictive covenants, including limitations on liens provisions that restrict the amount of additional secured indebtedness that we may incur. Additionally, certain exceptions to the covenants permit us to incur an unlimited amount of purchase money and nonrecourse indebtedness.

At September 30, 2023 March 31, 2024, our European rail subsidiaries ("GATX Rail Europe" or "GRE") had outstanding term loans, public debt, and private placement debt balances totaling €740.0 million €875.0 million. The loans are guaranteed by GATX Corporation and are subject to similar restrictive covenants as the revolving credit facility noted above.

At September 30, 2023 March 31, 2024, we were in compliance with all covenants and conditions of all of our credit agreements. We do not anticipate any covenant violations nor do we expect that any of these covenants will restrict our operations or our ability to obtain additional financing.

Credit Ratings

The global capital market environment and outlook may affect our funding options and our financial performance. Our access to capital markets at competitive rates depends on our credit rating and rating outlook, as determined by rating agencies. As of September 30, 2023,

The following table shows our long-term unsecured debt was rated BBB by Standard & Poor's, Baa2 by Moody's Investor Service credit rating and BBB+ by Fitch Ratings, Inc., and our short-term unsecured debt was rated A-2 by Standard & Poor's, P-2 by Moody's Investor Service and F2 by Fitch Ratings, Inc. Our rating outlook from all agencies was stable. as of March 31, 2024:

	Rating Agency		
	Standard & Poor's	**Moody's Investor Service**	**Fitch Ratings, Inc**
Long-term unsecured debt	BBB	Baa2	BBB+
Short-term unsecured debt	A-2	P-2	F2
Rating outlook	Stable	Positive	Stable

Leverage

Leverage is expressed as a ratio of debt (including debt and lease obligations, net of unrestricted cash and short-term investments) cash) to equity. The following table shows the components of recourse leverage (in millions, except recourse leverage ratio):

	September 30 2023	**June 30 2023**	**March 31 2023**	**December 31 2022**	**September 30 2022**
Debt and lease obligations, net of unrestricted cash and short-term investments:					
Unrestricted cash and short-term investments	$ (203.1)	$ (317.5)	$ (177.4)	$ (452.2)	$ (596.3)

	March 31 2024	**March 31 2024**	**December 31 2023**	**September 30 2023**	**June 30 2023**	**March 31 2023**
Debt and lease obligations, net of unrestricted cash:						
Unrestricted cash						
Unrestricted cash						
Unrestricted cash						
Commercial paper and bank credit facilities	Commercial paper and bank credit facilities	12.3	10.9	20.3	17.3	16.3
Recourse debt	Recourse debt	6,835.6	6,785.6	6,360.9	6,431.5	6,353.1
Operating lease obligations						
Total debt and lease obligations, net of unrestricted cash						
Operating lease obligations		233.2	241.1	246.2	257.9	259.0

Total debt and lease obligations, net of unrestricted cash and short-term investments		$ 6,878.0	$6,720.1	$6,450.0	$6,254.5	$ 6,032.1
Total recourse debt (1)						
Total recourse debt (1)						
Total recourse debt (1)	Total recourse debt (1)	$ 6,878.0	$6,720.1	$6,450.0	$6,254.5	$ 6,032.1
Shareholders' Equity	Shareholders' Equity	$ 2,174.5	$2,178.9	$2,101.5	$2,029.6	$ 1,940.5
Recourse Leverage (2)	Recourse Leverage (2)	3.2	3.1	3.1	3.1	3.1

(1) Includes recourse debt, commercial paper and bank credit facilities, and operating and finance lease obligations, net of unrestricted cash and short-term investments. cash.
(2) Calculated as total recourse debt / shareholder's equity.

GATX Common Stock Repurchases

On January 25, 2019, our board of directors approved a $300.0 million share repurchase program, pursuant to which we are authorized to purchase shares of our common stock in the open market, in privately negotiated transactions, or otherwise, including pursuant to Rule 10b5-1 plans. The share repurchase authorization does not have an expiration date, does not obligate the Company to repurchase any dollar amount or number of shares of common stock, and may be suspended or discontinued at any time. The timing of repurchases will be dependent on market conditions and other factors. During the three months ended March 31, 2024, we repurchased 36,744 shares of common stock for $4.6 million, excluding commissions. No share repurchases were completed during the nine months ended September 30, 2023, compared to 472,609 shares of common stock repurchased for $47.2 million, excluding commissions, during the same period in 2022. 2023. As of September 30, 2023 March 31, 2024, $89.6 million $82.5 million remained available under the repurchase authorization.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

There have been no changes to our critical accounting policies during the nine three months ended September 30, 2023 March 31, 2024. Refer to our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023, for a summary of our policies.

NON-GAAP FINANCIAL MEASURES

In addition to financial results reported in accordance with GAAP, we compute certain financial measures using non-GAAP components, as defined by the Securities and Exchange Commission ("SEC"). SEC. These measures are not in accordance with, or a substitute for, GAAP, and our financial measures may be different from non-GAAP financial measures used by other companies. We have provided a reconciliation of our non-GAAP components to the most directly comparable GAAP components.

Reconciliation of Non-GAAP Components Used in the Computation of Certain Financial Measures

Net Income Measures

We exclude the effects of certain tax adjustments and other items for purposes of presenting net income, diluted earnings per share, and return on equity because we believe these items are not attributable to our business operations. Management utilizes net income, excluding tax adjustments and other items, when analyzing financial performance because such amounts reflect the underlying operating results that are within management's ability to influence. Accordingly, we believe presenting this information provides investors and other users of our financial statements with meaningful supplemental information for purposes of analyzing year-to-year financial performance on a comparable basis and assessing trends.

The following tables show our net income and diluted earnings per share, excluding tax adjustments and other items (in millions, except per share data):

Impact of Tax Adjustments and Other Items on Net Income:	**Three Months Ended September 30**		**Nine Months Ended September 30**	
	2023	**2022**	**2023**	**2022**
Net income (GAAP)	$ 52.5	$ 29.1	$ 193.2	$ 107.5
Adjustments attributable to consolidated pre-tax income:				
Loss on Specialized Gas Vessels at Portfolio Management (1)	$ —	$ —	$ 1.4	$ 31.5
Net loss (gain) on Rail Russia at Rail International (2)	—	10.8	(0.3)	10.8
Environmental remediation costs (3)	—	—	—	5.9
Total adjustments attributable to consolidated pre-tax income	$ —	$ 10.8	$ 1.1	$ 48.2

Income taxes thereon, based on applicable effective tax rate	$ —	$ —	$ —	$ (1.5)
Other income tax adjustments attributable to consolidated income:				
Income tax rate change (4)	—	—	—	(3.0)
Total other income tax adjustments attributable to consolidated income	$ —	$ —	$ —	$ (3.0)
Adjustments attributable to affiliates' earnings, net of taxes:				
Aircraft spare engine impairment at RRPF (5)	$ —	$ —	$ —	$ 11.5
Total adjustments attributable to affiliates' earnings, net of taxes	$ —	$ —	$ —	$ 11.5
Net income, excluding tax adjustments and other items (non-GAAP)	$ 52.5	$ 39.9	$ 194.3	$ 162.7

Impact of Tax Adjustments and Other Items on Net Income:

	Three Months Ended March 31	
	2024	2023
Net income (GAAP)	$ 74.3	$ 77.4
Adjustments attributable to consolidated pre-tax income:		
(Gain) loss on Specialized Gas Vessels at Engine Leasing (1)	$ (0.6)	$ 1.6
Net gain on Rail Russia at Rail International (2)	—	(0.3)
Total adjustments attributable to consolidated pre-tax income	$ (0.6)	$ 1.3
Net income, excluding tax adjustments and other items (non-GAAP)	$ 73.7	$ 78.7

Impact of Tax Adjustments and Other Items on Diluted Earnings per Share:

	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Diluted earnings per share (GAAP)	$ 1.44	$ 0.81	$ 5.30	$ 2.99
Adjustments attributable to consolidated income, net of taxes:				
Loss on Specialized Gas Vessels at Portfolio Management (1)	—	—	0.04	0.88
Net loss (gain) on Rail Russia at Rail International (2)	—	0.30	(0.01)	0.30
Environmental remediation costs (3)	—	—	—	0.12
Other income tax adjustments attributable to consolidated income:				
Income tax rate change (4)	—	—	—	(0.08)
Adjustments attributable to affiliates' earnings, net of taxes:				
Aircraft spare engine impairment at RRPF (5)	—	—	—	0.32
Diluted earnings per share, excluding tax adjustments and other items (non-GAAP)*	$ 1.44	$ 1.12	$ 5.33	$ 4.53

Impact of Tax Adjustments and Other Items on Diluted Earnings per Share:

	Three Months Ended March 31	
	2024	2023
Diluted earnings per share (GAAP)	$ 2.03	$ 2.16
Adjustments attributable to consolidated income, net of taxes:		
(Gain) loss on Specialized Gas Vessels at Engine Leasing (1)	(0.02)	0.05
Net gain on Rail Russia at Rail International (2)	—	(0.01)
Diluted earnings per share, excluding tax adjustments and other items (non-GAAP)*	$ 2.01	$ 2.20

* Sum of individual components may not be additive due to rounding.

The following tables show our net income and return on equity, excluding tax adjustments and other items, for the trailing 12 months ended September 30 March 31 (in millions):

2024	2024	2023
Net income (GAAP)		

Adjustments attributable to consolidated pre-tax income:

Adjustments attributable to consolidated pre-tax income:

Adjustments attributable to consolidated pre-tax income:

Net loss on Specialized Gas Vessels at Engine Leasing (1)

Net loss on Specialized Gas Vessels at Engine Leasing (1)

Net loss on Specialized Gas Vessels at Engine Leasing (1)

Net loss on Rail Russia at Rail International (2)

Environmental remediation costs (3)

		2023	2022
Net income (GAAP)		$241.6	$168.5
Total adjustments attributable to consolidated pre-tax income			
Adjustments attributable to consolidated pre-tax income:			
Net loss on Specialized Gas Vessels at Portfolio Management (1)		$ 4.2	$ 31.5
Net loss on Rail Russia at Rail International (2)		3.5	10.8
Environmental remediation costs (3)		—	5.9
Net insurance proceeds (6)		—	(5.3)
Total adjustments attributable to consolidated pre-tax income			
Total adjustments attributable to consolidated pre-tax income	Total adjustments attributable to consolidated pre-tax income	$ 7.7	$ 42.9
Income taxes thereon, based on applicable effective tax rate	Income taxes thereon, based on applicable effective tax rate	$ —	$ (0.2)

Other income tax adjustments attributable to consolidated income:	Other income tax adjustments attributable to consolidated income:		
Other income tax adjustments attributable to consolidated income:			
Other income tax adjustments attributable to consolidated income:			
Income tax rate change (4)	Income tax rate change (4)	—	(3.0)
Income tax rate change (4)			
Income tax rate change (4)			
Net operating loss valuation allowance adjustment (5)			
Total other income tax adjustments attributable to consolidated income	Total other income tax adjustments attributable to consolidated income	$ —	$ (3.0)
Adjustments attributable to affiliates' earnings, net of taxes:			
Aircraft spare engine impairment at RRPF (5)		$ —	$ 11.5
Total adjustments attributable to affiliates' earnings, net of taxes		$ —	$ 11.5
Net income, excluding tax adjustments and other items (non-GAAP)	Net income, excluding tax adjustments and other items (non-GAAP)	$249.3	$219.7
Net income, excluding tax adjustments and other items (non-GAAP)			
Net income, excluding tax adjustments and other items (non-GAAP)			

(1) In the second quarter of 2022, we made the decision to sell the Specialized Gas Vessels. We have recorded gains and losses associated with the subsequent impairments and sales of these assets. As of December 31, 2023, all vessels had been sold.

(2) In the third quarter of 2022, we made the decision to exit Rail Russia and recorded losses in 2022 associated with the impairment of the net assets. In the first quarter of 2023, we sold Rail Russia and recorded a gain on the final sale of this business.

(3) Reserve recorded as part of an executed agreement for anticipated remediation costs at a previously owned property, sold in 1974.

(4) Deferred income tax adjustment due attributable to an enacted corporate income state tax rate reduction reductions in Austria in 2022. 2023.

(5) Impairment Valuation allowance adjustment associated with the realizability of state net operating losses related to aircraft spare engines in Russia that RRPF does not expect to recover. future tax years.

(6) Net gain from insurance recoveries for storm damage to a maintenance facility at Rail North America.

			2023	2022		2024	2023
		2024					
Return on Equity (GAAP)	Return on Equity (GAAP)		11.7 %	8.6 %	Return on Equity (GAAP)	11.6 %	7.6 %
Return on Equity, excluding tax adjustments and other items (non-GAAP)	Return on Equity, excluding tax adjustments and other items (non-GAAP)		12.1 %	11.2 %	Return on Equity, excluding tax adjustments and other items (non-GAAP)	11.4 %	10.2 %

Item 3. ***Quantitative and Qualitative Disclosures About Market Risk***

Since December 31, 2022 December 31, 2023, there have been no material changes in our interest rate and foreign currency exposures or types of derivative instruments used to hedge these exposures. For a discussion of our exposure to market risk, refer to "Item 7A. Quantitative and Qualitative Disclosure about Market Risk" of our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

Item 4. ***Controls and Procedures***

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has conducted an evaluation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act")). Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this quarterly report, our disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

No changes in our internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) occurred during the quarter ended September 30, 2023 March 31, 2024, that materially affected, or is are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. ***Legal Proceedings***

Information concerning litigation and other contingencies is described in "Note 13. Legal Proceedings and Other Contingencies" in Part I, Item 1 of this Quarterly Report on Form 10-Q and is incorporated herein by reference.

Item 1A. ***Risk Factors***

There have been no material changes in our risk factors since December 31, 2022 December 31, 2023. For a discussion of our risk factors, refer to "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

Item 2. ***Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities***

On January 25, 2019, our board of directors approved a $300.0 million share repurchase program, pursuant to which we are authorized to purchase shares of our common stock in the open market, in privately negotiated transactions, or otherwise, including pursuant to Rule 10b5-1 plans. The share repurchase authorization does not have an expiration date, does not obligate the Company to repurchase any dollar amount or number of shares of common stock, and may be suspended or discontinued at any time. The timing of share repurchases will be dependent on market conditions and other factors.

No During the first quarter of 2024, we repurchased 36,744 shares of common stock for $4.6 million under the share repurchase program compared to no share repurchases were completed during the third first quarter of 2023. As of September 30, 2023 March 31, 2024, $89.6 million $82.5 million remained available under the repurchase authorization.

The following is a summary of common stock repurchases completed by month during the first quarter of 2024:

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share		Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs (in millions)	
January 1, 2024 - January 31, 2024	9,613	$	124.21	9,613	$	85.9
February 1, 2024 - February 29, 2024	27,131	$	125.46	27,131	$	82.5
Total	36,744	$	125.13	36,744		

Item 5. ***Other Information***

Insider Trading Plans

None of the Company's directors or officers adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement", as each term is defined in Item 408(a) of Regulation S-K, during the quarter ended September 30, 2023 March 31, 2024.

Item 6. ***Exhibits***

Exhibit Number	Exhibit Description
Filed with this Report:	
31A 10.1	Form of Performance Share Agreement for grants under the GATX Corporation Amended and Restated 2012 Incentive Award Plan to executive officers.*
10.2	Form of Non-Qualified Stock Option Agreement for awards under the GATX Corporation 2012 Incentive Award Plan to executive officers.*
10.3	Form of Corporate Officers' Incentive Plan under the GATX Corporation 2012 Incentive Award Plan.*
31.1	Certification Pursuant to Exchange Act Rule 13a-14(a) and Rule 15d-14(a) (CEO Certification).
31B 31.2	Certification Pursuant to Exchange Act Rule 13a-14(a) and Rule 15d-14(a) (CFO Certification).
32	Certification Pursuant to 18 U.S.C. Section 1350 (CEO and CFO Certification).
101	The following materials from GATX Corporation’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024, are formatted in Inline XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, (ii) Condensed Consolidated Statements of Comprehensive Income (Loss) for the three months ended March 31, 2024 and nine months ended September 30, 2023 and 2022, 2023, (iii) Condensed Consolidated Statements of Cash Flows for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, (iv) Condensed Consolidated Statements of Changes in Shareholders' Equity for the three months ended March 31, 2024 and nine months ended September 30, 2023 and 2022, 2023, and (v) Notes to Condensed Consolidated Financial Statements.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).
Incorporated by Reference:	
3.1	Restated Certificate of Incorporation of GATX Corporation is incorporated herein by reference to Exhibit 3.2 to GATX’s Form 8-K dated October 31, 2013, file number 1-2328.
3.2	Amended and Restated By-Laws of GATX Corporation, as amended and restated on October 28, 2022, are incorporated herein by reference to Exhibit 3.1 of GATX’s Form 8-K dated November 1, 2022, file number 1-2328.

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(*) Compensatory Plans or Arrangements.

Certain instruments evidencing long-term indebtedness of GATX Corporation are not being filed as exhibits to this Report because the total amount of securities authorized under any such instrument does not exceed 10% of GATX Corporation's total assets. GATX Corporation will furnish copies of any such instruments upon request of the Securities and Exchange Commission.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GATX CORPORATION
(Registrant)

/s/ Thomas A. Ellman

Thomas A. Ellman
Executive Vice President and Chief Financial Officer
(Duly Authorized Officer)

Date: October 26, 2023 April 26, 2024

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1 GATX CORPORATION 2012 INCENTIVE AWARD PLAN PERFORMANCE SHARE AGREEMENT FOR EXECUTIVE OFFICERS GATX Corporation (the "Company") hereby grants on the Grant Date to the Participant as an incentive to advance the interests of the Company the number of Performance Shares approved by the Administrator, subject to Section 3.1 and Article 5 of the GATX Corporation Amended and Restated 2012 Incentive Award Plan (the "Plan") and as set forth on the Shareworks website (https://www.shareworks.com) or any successor administrator the Administrator may designate from time to time to administer the Plan and this Agreement (the "Award"). Such grant is expressly subject to the terms and conditions of this Performance Share Agreement (the "Agreement") as hereinafter set forth and further subject to the terms and conditions of the Plan, both of which are incorporated herein by reference. 1. Defined Terms. Capitalized terms used in this Agreement are defined in paragraph 14 or elsewhere in this Agreement. Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Plan. 2. Award. Each Performance Share entitles the Participant to receive one share of Common Stock of the Company (each a "Share") subject to the terms and conditions of this Agreement. This Award is granted in respect of the performance period beginning on January 1, 202[X] through and including December 31, 202[X] (the "Performance Period"). 3. Voting Rights and Dividends. Notwithstanding anything to the contrary, the Participant shall not have any rights as a shareholder of the Company, including the right to vote, until the Participant actually receives Shares in accordance with paragraph 4 of this Agreement. An account shall be established for the Participant, to which shall be credited dividend equivalents equal to the product of (a) the number of the Participant's Performance Shares and (b) the dividend declared on a single share of Common Stock. To the extent the Participant becomes vested in Performance Shares, the Participant shall be entitled to a distribution of the dividend equivalents credited to his or her account if and when Shares are issued with respect to Performance Shares to which the Participant becomes entitled pursuant to paragraph 4 of this Agreement. All dividend equivalents paid will be considered ordinary income and will be subject to supplemental withholding rates for income tax purposes including payroll taxes, applicable to such supplemental income. 4. Vesting, Transfer and Forfeiture. (a) After the end of the Performance Period, the Committee shall determine the number of the Participant's Performance Shares that have been earned for the Performance Period in accordance with the schedule set forth on Exhibit

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2 1, weighted by the percentages set forth in the column captioned “Weight” on Exhibit 2 and calculated in the manner set forth on Exhibit 2 (provided that the determination under this subparagraph 4(a) shall be subject to modification as provided in paragraph 8 hereof). The date of the Committee’s determination being the “Determination Date.” (b) Notwithstanding anything in this Agreement to the contrary that requires delivery and payment of Shares, the Participant may elect, in his or her sole discretion in lieu of Shares, to receive from the Company cash equal to the Fair Market Value of the Shares (as of the Determination Date) that otherwise would be delivered and payable under the terms of this Agreement, provided that the following conditions are met: (i) (A) the Participant is within five years of Normal Retirement Age (age 65) under the GATX Non-Contributory Pension Plan for Salaried Employees as of the last day of the Performance Period; or (B) the Participant satisfies at least 150% of his or her ownership requirement under the Company’s stock retention policy as of the last day of the Performance Period; and (ii) such election is submitted in writing on such form as the Company may specify (the “Cash Election”). The Participant may submit a Cash Election only during any period in which the Participant is allowed to trade in the Company’s Shares under the Company’s insider trading policy, but no later than the Determination Date for the Performance Period. If any of the foregoing conditions are not met, then the election will be void and the Participant shall receive payment under this Agreement in the form of Shares. Otherwise, an election to receive cash in lieu of Shares may not be revoked or changed once made. (c) As soon as practicable after the Determination Date, but not later than March 15 of the year following the end of the Performance Period, a number of Shares equal to the number of Performance Shares that vested pursuant to paragraph 4(a) shall be transferred to the Participant. (d) Except as provided in subparagraph 4(e) below, if the Participant’s Date of Termination occurs prior to the end of the Performance Period, the Participant shall forfeit all Performance Shares and rights under this Agreement. (e) Notwithstanding subparagraph 4(d) above, the Participant shall become vested in a number of earned Performance Shares hereunder, and shall become owner of an equal number of Shares in respect thereof, free and clear of all restrictions otherwise imposed by this Agreement, as follows: (i) If the Participant’s employment is involuntarily terminated by the Employer other than for Cause, not less than eighteen (18) months following the beginning of the Performance Period but on or prior to the end of the Performance Period, the Participant will be entitled to

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3 a pro rata portion of his or her earned Performance Shares based on the length of his or her employment during the Performance Period. The pro rata portion of the Performance Shares shall equal the product of: (A) the number of Performance Shares to which the Participant would otherwise be entitled as of the Determination Date in accordance with the foregoing provisions of this paragraph 4 had his or her employment not been terminated; and (B) a fraction (not greater than one), the numerator of which is the number of days the Participant was employed by the Company or its Subsidiaries during the period beginning on the date of commencement of the Performance Period and ending on the Date of Termination, and the denominator of which is the number of days in the Performance Period. The Shares to which the Participant is entitled pursuant to this subparagraph 4(e)(i) shall be transferred to the Participant in the year following the end of the Performance Period as soon as practical following the Determination Date, but not later than March 15 of the year following the end of the Performance Period. (ii) If the Participant's Date of Termination occurs by reason of the Participant's death, Retirement or Disability prior to the end of the Performance Period, the Participant will be entitled to receive a pro rata portion of his or her earned Performance Shares based on the length of his or her employment during the Performance Period. The pro rata portion of the Performance Shares shall equal the product of: (A) the number of Performance Shares to which the Participant would otherwise be entitled as of the Determination Date in accordance with the foregoing provisions of this paragraph 4 if no Date of Termination had occurred; and (B) a fraction (not greater than one), the numerator of which is the number of days during the period beginning on the date of commencement of the Performance Period and ending on the date of the Participant's death, Retirement or Disability, and the denominator of which is the number of days in the Performance Period. Notwithstanding the foregoing, if the Participant's Date of Termination occurs by reason of the Participant's death, Retirement or Disability, the Committee may, in its sole discretion, increase the

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4 number of Performance Shares to which the Participant is entitled, but in no event will the Participant be entitled to a distribution that is greater than what would have been distributable if no Date of Termination had occurred. The Shares to which the Participant is entitled pursuant to this subparagraph 4(e)(ii) shall be transferred to the Participant in the year following the end of the Performance Period as soon as practical following the Determination Date, but not later than March 15 of the year following the end of the Performance Period. (iii) Subject to the provisions of Section 14.2 of the Plan (relating to the adjustment of Shares), if a Change in Control occurs prior to a Participant's Date of Termination and before the end of the Performance Period and, within two (2) years after the occurrence of the Change in Control, the Participant's Date of Termination occurs by reason of discharge by the Participant's employer without Cause or the Participant resigns from employment with the employer for Good Reason, the Participant shall become vested in all Performance Shares granted under this Agreement prior to the Change in Control that are held by the Participant as of the Date of Termination, in accordance with subparagraphs 4(e)(iv) or 4(e)(v), as applicable. (iv) With respect to any Performance Shares that become vested in connection with a Change in Control described in Subsection 2.7(a), (b), (c) or (d) of the Plan, the number of Shares to which the Participant is entitled upon the vesting of his or her Performance Shares shall be calculated as if the Company had achieved 100% performance against its Performance Goals, and shall be transferred to the Participant as soon as practicable following the Date of Termination, but not later than March 15 of the year following year in which the Date of Termination occurs. Following a distribution in accordance with this subparagraph 4(e)(iv), the Participant shall have no further rights under this Agreement. (v) With respect to any Performance Shares that become vested in connection with a Change in Control described in Subsection 2.7(e) of the Plan, with respect to a Participant as described therein (relating to certain transactions involving a Subsidiary or Business Segment), as soon as practicable following the Date of Termination, the Participant shall receive a distribution of the following number of Shares as soon as practicable following the Date of Termination, but not later than March 15 of the year following year in which the Date of Termination occurs, determined on the assumption that the Company achieved 100% performance against its Performance Goals as follows:

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5 (A) If the Date of Termination occurs during the first year of the Performance Period, the Participant shall be entitled to receive Shares equal in number to one-third (1/3) of his or her Performance Shares. (B) If the Date of Termination occurs during the second year of the Performance Period, the Participant shall be entitled to receive Shares equal in number to two-thirds (2/3) of his or her Performance Shares. (C) If a Date of Termination occurs during the third year of the Performance Period, such Participant shall be entitled to receive Shares equal in number to the total of all of his or her Performance Shares. Following a distribution in accordance with this subparagraph 4(d)(v), the Participant shall have no further rights under this Agreement. (vi) For purposes of subparagraphs 4(e)(iii) and 4(e)(v) hereof, if, as a result of a Change in Control described in Subsection 2.7(e) of the Plan, the Participant's Employer ceases to be a Subsidiary or the Participant's Employer is or becomes an entity that is separate from GATX, and the Participant is not, immediately following the Change in Control, employed by the Company or an entity that is then a Subsidiary, then the occurrence of the Change in Control shall be treated as the Participant's Date of Termination caused by the Participant being discharged by the employer without Cause. (f) Except pursuant to a domestic relations order, the Performance Shares may not be sold, assigned, transferred, pledged or otherwise encumbered until Shares have been distributed to the Participant free and clear of all restrictions. 5. Withholding. The granting, vesting and settlement of Performance Shares under this Agreement are subject to withholding of all applicable taxes, employee social security or other social insurance contributions, solidarity charges and any other legally required withholdings on income. Subject to such rules and limitations as may be established by the Committee from time to time, and Section 12.2 of the Plan, the Participant may satisfy his or her withholding obligations through (i) payment of cash to the Company equal to the amount of taxes required to be withheld, (ii) contemporaneously withholding from other sources of income otherwise payable to the Participant by the Company or any Subsidiary, or (iii) the surrender of Shares which the Participant already owns, or to which the Participant is otherwise entitled under the Plan or this Agreement; provided, however, that, except as otherwise provided by the Committee, Shares otherwise payable under

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6 this Agreement may not be used to satisfy more than the Employer's minimum legally required withholding obligation (based on minimum statutory rates that are applicable to such income). In the event that the withholding obligation arises during a period in which the Participant is prohibited from trading in Common Stock pursuant to the Company's insider trading policy, or otherwise by applicable law, then unless otherwise elected by the Participant during a period when he or she was not so restricted from trading, the Employer shall automatically satisfy the Participant's withholding obligation by withholding from Shares otherwise deliverable under this Agreement. The Participant understands that he/she may suffer adverse tax consequences as a result of the grant, vesting or settlement of the Performance Shares. GATX including the Employer does not make any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or settlement of the Performance Shares. GATX does not commit and is under no obligation to structure the Plan to reduce or eliminate Participant's tax liability. The Participant represents that he/she has had the opportunity to consult with any tax consultants he/she deems advisable in connection with the Plan and that he/she is not relying on the Company or the Employer for any tax advice. The Participant is relying solely on such advisors and not on any statements or representations of the Company, the Employer or any of their agents. 6. Heirs and Successors. This Agreement shall be binding upon, and inure to the benefit of, the Company and its successors and assigns, including any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business. If any rights of the Participant or benefits distributable to the Participant under this Agreement have not been exercised or distributed, respectively, at the time of the Participant's death, such rights shall be exercisable by the Designated Beneficiary, and such benefits shall be distributed to the Designated Beneficiary, in accordance with the provisions of this Agreement and the Plan. If a deceased Participant fails to designate a beneficiary, or if the Designated Beneficiary does not survive the Participant, any rights that would have been exercisable by the Participant and any benefits distributable to the Participant shall be exercised by or distributed to the legal representative of the estate of the Participant. If a deceased Participant designates a beneficiary and the Designated Beneficiary survives the Participant but dies before the Designated Beneficiary's exercise of all rights under this Agreement or before the complete distribution of benefits to the Designated Beneficiary under this Agreement, then any rights that would have been exercisable by the Designated Beneficiary shall be exercised by the legal representative of the estate of the Designated Beneficiary, and any benefits distributable to the Designated Beneficiary shall be distributed to the legal representative of the estate of the Designated Beneficiary. 7. Administration. The authority to manage and control the operation and administration of this Agreement shall be vested in the Committee, and the Committee shall have all powers with respect to this Agreement as it has with

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7 respect to the Plan. Any interpretation of this Agreement by the Committee and any decision made by it with respect to this Agreement shall be final and binding on all persons. 8. Modification of Performance Goals. Pursuant to Subsection 2.33(b) of the Plan, in determining the extent to which the Performance Goals have been achieved, the Committee may, in its sole discretion, include or exclude items or events that impact the final results, positively or negatively, as it deems appropriate. In the event that it is later determined an award was erroneously calculated and paid, then the Company may, in its sole discretion, make appropriate adjustments, including the right to recover any overpayment through offsets of future compensation (to the extent legally permissible) or to make additional payments for any award that was underpaid. Nothing herein shall require the Company to correct any under or overpayment. In case of an overpayment, employees agree to execute the appropriate forms upon request authorizing the Company to deduct the amount of such overpayment from payroll, in accordance with applicable wage deduction laws, or to promptly repay such overpayment in full upon request. 9. Plan Governs. Notwithstanding anything in this Agreement to the contrary, the terms of this Agreement shall be subject to the terms of the Plan, a copy of which may be obtained by the Participant from the Director, Compensation of the Company. This Agreement is subject to all interpretations, amendments, rules and regulations promulgated by the Administrator from time to time pursuant to the Plan. 10. Not An Employment Contract. The grant of Performance Shares hereunder will not confer on the Participant any right with respect to continuance of employment or other service with GATX or the Employer, nor will it interfere in any way with any right GATX or the Employer would otherwise have to terminate or modify the terms of such Participant's employment or other service at any time. The grant of the Performance Shares does not create or form any part of a contract for employment with the Employer or any GATX entity. 11. Notices. Any written notices provided for in this Agreement or the Plan shall be provided in accordance with subparagraph 11(a) or 11(b), as applicable and, if provided to the Company, shall be addressed as follows: GATX Corporation 233 South Wacker Drive Chicago, IL 60606-7147 U.S.A. (a) Any notice required by the Participant pursuant to the definition of Good Reason, as defined below, shall be in writing given by email, hand delivery or by registered or certified mail, return receipt requested, postage prepaid.

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8 addressed to the Executive Vice President and Chief Human Resources Officer and shall be effective when actually received. (b) All other notices shall be in writing and shall be deemed sufficiently given if emailed, hand delivered or if sent by fax or overnight courier, or by postage paid first class mail. Any such notice sent by mail or email shall be deemed received three business days after mailing or emailing, but in no event later than the date of actual receipt and shall be directed, if to the Participant, at the Participant's address indicated by the Company's records, or if to the Company, to the attention of the Director, Compensation and Benefits. 12. Amendment. This Agreement may be amended in

accordance with the provisions of the Plan, and may otherwise be amended by written agreement of the parties. 13. No Right to Future Grants; No right to Compensation. The Plan is discretionary in nature and that, subject to the terms of the Plan, the Company can amend, cancel or terminate the Plan at any time. The grant of the Performance Shares under the Plan is voluntary and occasional and does not give Participant any contractual or other right to receive Performance Shares or benefits in lieu of Performance Shares in the future, even if a Participant has received Performance Shares repeatedly in the past. All determinations with respect to any future awards, including, but not limited to, the times when awards under the Plan shall be granted and the terms thereof, including the time or times when any Performance Shares may vest, will be at the sole discretion of the Administrator. Participation in the Plan is voluntary. The value of the Performance Shares is an extraordinary item of compensation that is outside of the scope of any employment contract or directorship, or consultancy relationship and are not part of normal or expected compensation or salary for any purpose, including, without limitation, calculating severance, resignation, redundancy, end of service payments, bonuses, long- service awards, pension or retirement benefits, or similar payments. No claim or entitlement to compensation or damages arises from the expiration, termination or forfeiture of the Performance Shares or any portion thereof. 14. Definitions. For purposes of this Agreement, the terms used in this Agreement shall be subject to the following: "3-Year Average Return on Equity" means the sum of net income divided by average equity for each year in the Performance Period divided by three (3). Accumulated other comprehensive income is excluded from equity. "3-Year Cumulative Investment Volume" means the sum of consolidated cumulative GAAP basis portfolio investments and capital additions as reported on the Company's audited balance sheet for each year in the Performance Period. Purchases of leased in assets are excluded.

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9 “Cause” means (a) the willful and continued failure to perform substantially Participant’s duties with GATX (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to Participant by the Board or the Chief Executive Officer of the Company which specifically identifies the manner in which the Board or Chief Executive Officer believes that Participant has not substantially performed Participant’s duties , or (b) the willful engaging by the Participant in illegal conduct or gross misconduct which is materially and demonstrably injurious to GATX. For purposes of this provision, no act or failure to act, on the part of the Participant, shall be considered “willful” unless it is done, or omitted to be done, by the Participant in bad faith or without reasonable belief, that the Participant’s action or omission was in the best interests of GATX. “Change in Control” shall have the meaning ascribed to it in Section 2.7 of the Plan; provided, however, to the extent required to avoid the imposition of additional taxes under Section 409A of the Code, such Change in Control must also constitute a “change in control event” within the meaning of Treasury Regulation Section 1.409A-3(i)(5). “Date of Termination” means the date on which the Participant incurs a Termination of Service. “Designated Beneficiary” means the beneficiary or beneficiaries designated by the Participant in a writing filed with the Administrator in such form and at such time as the Administrator shall require. “Disability” means, except as otherwise provided by the Administrator, any disability that entitles the Participant to disability income benefits under the GATX Long Term Disability Income Plan as in effect from time to time. “Employer” means the GATX entity which employs the Participant. “GATX” means the Company collectively with each Subsidiary thereof. “Good Reason” means the occurrence of one or more of the following conditions without the consent of the Participant: (a) a material diminution in the Participant’s base compensation, compared with the Participant's base compensation in effect immediately prior to the consummation of a Change in Control; (b) a material diminution in the Participant’s authority, duties, or responsibilities, compared with the authority, duties, and responsibilities of the Participant immediately prior to the consummation of a Change in Control; (c) the Participant is required to report to a supervisor with materially less authority, duties, or responsibilities than the authority, duties, and

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10 responsibilities of the supervisor who had the greatest such authority, duties, and responsibilities at the time the Participant was required to report to such supervisor during the 120-day period immediately preceding the consummation of a Change in Control; (d) a material diminution in the budget over which the Participant retains authority, compared with the most significant budget, if any, over which the Participant had authority at any time during the 120-day period immediately preceding the consummation of a Change in Control; (e) a material change in the geographic location at which the Participant must perform services; or (f) any other action or inaction by GATX that constitutes a material breach of any individual severance agreement between GATX and the Participant or the Severance Plan, in each case to the extent in effect when a Change in Control occurs. If (I) the Participant provides written notice to GATX of the occurrence of Good Reason within a reasonable time (not more than 90 days) after the Participant has knowledge of the circumstances constituting Good Reason, which notice specifically identifies the circumstances which the Participant believes constitute Good Reason; (II) GATX fails to notify the Participant of GATX's intended method of correction within a reasonable period of time (not less than 30 days) after GATX receives the notice, or GATX fails to correct the circumstances within a reasonable period of time after such notice (except that no such opportunity to correct shall be applicable if the circumstances constituting Good Reason are those described in paragraph (e) above, relating to relocation); and (III) the Participant resigns within a reasonable time after receiving GATX's response, if such notice does not indicate an intention to correct such circumstances, or within a reasonable time after GATX fails to correct such circumstances (provided that in no event may such termination occur more than two (2) years after the initial existence of the condition constituting Good Reason), then the Participant shall be considered to have terminated for Good Reason. "Grant Date" means the date the grant was approved by the Committee. "Performance Goals" means 3-Year Average Return on Equity and 3-Year Cumulative Investment Volume established by the Committee for the Performance Period as set forth in Exhibit 1. "Retirement" means the Participant's voluntary retirement from the Employer on or after both attaining at least age 55 and completing at least 15 years of service as of the Date of Termination.

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11 Exhibit 1 Performance Goals, Weights and % of Target Earned 202[X]-202[X] Performance Period 3-Year Average ROE (1) (50% weight) % of Target Grant Earned Interpolated for actual performance between levels shown (1) 3-Year Average Return on Equity is defined as the sum of net income divided by average equity for each year in the Performance Period divided by three (3); excludes accumulated other comprehensive income from equity. 3-Year Cumulative Investment Volume (2) (50% weight) % of Target Grant Earned Interpolated for actual performance between levels shown (2) 3-Year Cumulative Investment Volume is defined as the sum of consolidated cumulative GAAP basis portfolio investments and capital additions as externally reported for each year in the Performance Period; excludes purchases of leased in assets. In determining the extent to which the Performance Goals have been achieved, the Committee, in its sole discretion, may include or exclude items or events that impact the final results, positively or negatively.

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Exhibit 2.12 Sample Calculation of Performance Shares Earned Number of Performance Shares Granted: 1,000 Performance Goal Weight Target Goal Assumed Actual Payout Percentage Weighted Payout Percentage 3-Year Average ROE 3-Year Cumulative Investment Volume 50% 50% Total Weighted Payout Performance Shares Earned Shares Granted Weighted Payout Total Performance Shares Earned 1,000 x

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GATX CORPORATION 2012 INCENTIVE AWARD PLAN OPTION AGREEMENT GATX Corporation (the "Company") hereby grants on the Grant Date to the Participant as an incentive to advance the interests of the Company an option (the "Option") to purchase the number of Shares set forth on the Shareworks website (https://www.shareworks.com) or any successor administrator the Committee may designate from time to time to administer the Plan and this Agreement ("Shareworks") at the exercise price per Share set forth on the Shareworks website (the "Exercise Price") pursuant to the GATX Corporation Amended and Restated 2012 Incentive Award Plan (the "Plan"). Such grant is expressly subject to the terms and conditions of this Option Agreement (the "Agreement") as hereinafter set forth and further subject to the terms and conditions of the Plan, both of which are incorporated herein by reference. 1. Defined Terms. Capitalized terms used in this Agreement are defined in paragraph 14 or elsewhere herein. Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Plan. 2. Vesting and Exercise Schedule.

Subject to the terms and conditions of this Agreement, the Option shall vest and become exercisable in installments according to the following schedule, provided the Participant has not had a Termination of Service prior thereto: INSTALLMENT VESTING DATE 33.33% of the Option One-year anniversary of the Grant Date 33.33% of the Option Two-year anniversary of the Grant Date 33.34% of the Option Three-year anniversary of the Grant Date 3. Accelerated Vesting. Notwithstanding paragraph 2 of this Agreement, the Participant shall vest in the Option granted hereunder and such Option shall be exercisable as follows: (a) The Option shall become fully vested on the Date of Termination if a Participant's termination occurs by reason of the Participant's death or Disability. (b) If a Participant's termination occurs by reason of Retirement, then the Participant will vest in an additional number of Shares subject to the Option such that the total number of Shares subject to the Option in which the Participant is vested shall equal the product of: (i) the number of Shares subject to the Option granted to the Participant hereunder; and (ii) a fraction (not greater than one), the numerator of which shall be the number of days the Participant is employed by the Employer during the

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period beginning on the Grant Date and ending on the Date of Termination and the denominator of which shall be the number of days from the Grant Date through the third anniversary thereof. (c) Only Options that are vested and exercisable on or immediately prior to the Participant's Date of Termination may be exercised on or after the Participant's Date of Termination. However, if the Participant is terminated for Cause, all unexercised Options (whether or not previously vested) will be cancelled as of the date immediately prior to the Participant's Date of Termination. (d) Subject to the provisions of Section 14.2 of the Plan (relating to the adjustment of shares), if a Change in Control occurs prior to a Participant's Date of Termination, and within two years after the occurrence of the Change in Control the Participant's Date of Termination occurs by reason of discharge by the employer without Cause or the Participant resigns from employment with the employer for Good Reason, the Participant shall, except as provided in subparagraph 3(e) below, become vested in all unvested, outstanding Options that were granted prior to the Change in Control and that are held by the Participant as of the Date of Termination. (e) If a Date of Termination occurs as described in subparagraph 3(d) above in connection with a Change in Control described in Subsection 2.7(e) of the Plan with respect to a Participant as described therein (relating to certain transactions involving a Subsidiary or Business Segment), (A) the Options, if any, scheduled to become vested and exercisable during the calendar year in which such Date of Termination occurs shall vest and become exercisable in full beginning on the date on which the Date of Termination occurs and (B) all vested and exercisable Options will remain exercisable until the earlier of the Expiration Date or the last business day of the calendar year following the calendar year in which the Change in Control occurs. (f) For purposes of this paragraph 3, if, as a result of a Change in Control described in Subsection 2.7(e) of the Plan, the Participant's employer ceases to be a Subsidiary or the Participant's employer is or becomes an entity that is separate from the Company, and the Participant is not, immediately following the Change in Control, employed by the Company or an entity that is then a Subsidiary, then the occurrence of the Change in Control shall be treated as a Termination of Service without Cause for such Participant. 4. Expiration. The Option shall not be exercisable after the Company's close of business on the last business day that occurs immediately prior to the Expiration Date. The "Expiration Date" shall be the earliest to occur of: (a) the seven-year anniversary of the Grant Date;

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(b) if the Date of Termination occurs by reason of death or Disability, the one- year anniversary of such Date of Termination; (c) if the Date of Termination occurs for Cause, the date immediately preceding Date of Termination; (d) if the Date of Termination occurs by reason of Retirement, the five-year anniversary of such Date of Termination; and (e) if the Date of Termination occurs for any reason other than those listed in subparagraph (c), (d), or (e) of this paragraph 3, the three-month anniversary of such Date of Termination. 5. Method of Option Exercise. The Option subject to this grant may be exercised, once vested, in whole or in part according to such procedures as the Administrator may establish in its sole discretion from time to time. However, the Option may not be exercised with respect to fractional Shares. The Option covered by this Agreement shall be settled in Shares upon its exercise. The Option will be deemed exercised upon the Participant's payment of the Exercise Price per Share and any applicable tax withholding to the Company. Payment of the Exercise Price may be made (a) in cash or check, (b) Shares issuable pursuant to the exercise of the Option or Shares held for such period of time as may be required by the Administrator in order to avoid adverse accounting consequences, in each case, having a Fair Market Value on the Exercise Date equal to the aggregate payments required, (c) delivery of a written or electronic notice that the Participant has placed a market sell order with a broker with respect to Shares then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the aggregate payments required; provided that payment of such proceeds is then made to the Company upon settlement of such sale, or (d) such other form of legal consideration acceptable to the Committee. 6. Dividend Equivalents. The Participant shall be entitled to accrue dividend equivalents beginning on the Grant Date and ending upon the earlier to occur of (i) the Exercise Date of the Option and (ii) the Expiration Date. An account will be established for the Participant that will accrue dividend equivalents with respect to their Options that have not vested. The Participant's account shall be credited with dividend equivalents equal to the product of (a) the number of Shares underlying the Option granted to the Participant and that has not vested, subject to any adjustment made by the Committee as referred to in Section 14.2 of the Plan, and (b) the dividend declared on a single Share with respect to the immediately preceding dividend record date. So long as the Option has not been cancelled, accrued dividends will be paid as soon as practical after the vesting date of the Option to which such dividend equivalents related as reflected in paragraph 2 of this Agreement. Dividend equivalents with respect to vested, unexercised Options will be calculated as described above, and will be paid within 30 days of each quarterly dividend payment date. Dividend equivalents will be prorated through

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the Expiration Date for the quarter in which the Expiration Date occurs on vested and unexercised Options. 7. Withholding. All deliveries and distributions under this Agreement are subject to withholding of all applicable taxes, employee social security or other social insurance contributions, solidarity charges and any other legally required withholdings on income. At the election of the Participant, and subject to such rules and limitations as may be established by the Administrator from time to time, such withholding obligations may be satisfied through the surrender of Shares which the Participant already owns, or to which the Participant is otherwise entitled under the Plan; provided, however, that, except as otherwise provided by the Committee, such Shares acquired upon exercise of the Option may be used to satisfy not more than the Employer's minimum legally required withholding obligation (based on minimum statutory rates that are applicable to such income). In the event that the withholding obligation arises during a period in which the Participant is prohibited from trading in the Shares pursuant to the Company's insider trading policy, or otherwise by applicable law, then unless otherwise elected by the Participant during a period when he/she was not so restricted from trading, the Employer shall automatically satisfy the Participant's withholding obligation by withholding from Shares otherwise deliverable under this Agreement. The Participant understands that he/she may suffer adverse tax consequences as a result of the Option. GATX including the Employer does not make any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or exercise of the Option. GATX does not commit and is under no obligation to structure the Plan to reduce or eliminate Participant's tax liability. The Participant represents that he/she has had the opportunity to consult with any tax consultants he/she deems advisable in connection with the Plan and that he/she is not relying on the Company or the Employer for any tax advice. The Participant is relying solely on such advisors and not on any statements or representations of the Company, the Employer or any of their agents. 8. Transferability. Except as provided in a domestic relations order, the Option is not transferable other than as designated by the Participant by will or by the laws of descent and distribution, and during the Participant's life, may be exercised only by the Participant or, in the case of his or her incapacity, by his or her legal representative. 9. Heirs and Successors. This Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business. If any rights exercisable by the Participant or benefits deliverable to the Participant under this Agreement have not been exercised or delivered, respectively, at the time of the Participant's death, such rights shall be exercisable by the Designated Beneficiary, and such benefits shall be delivered to the Designated Beneficiary, in accordance with the provisions of this Agreement and the Plan. If a deceased Participant fails to designate a beneficiary, or if the Designated Beneficiary does not survive the

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Participant, any rights that would have been exercisable by the Participant and any benefits distributable to the Participant shall be exercised by or distributed to the legal representative of the estate of the Participant. If a deceased Participant designates a beneficiary and the Designated Beneficiary survives the Participant but dies before the Designated Beneficiary's exercise of all rights under this Agreement or before the complete distribution of benefits to the Designated Beneficiary under this Agreement, then any rights that would have been exercisable by the Designated Beneficiary shall be exercised by the legal representative of the estate of the Designated Beneficiary, and any benefits distributable to the Designated Beneficiary shall be distributed to the legal representative of the estate of the Designated Beneficiary. 10. Plan Governs. Notwithstanding anything in this Agreement to the contrary, the terms of this Agreement shall be subject to the terms of the Plan, a copy of which may be obtained by the Participant from the Director, Compensation of the Company. This Agreement is subject to all interpretations, amendments, rules and regulations promulgated by the Administrator from time to time pursuant to the Plan. 11. Not an Employment Contract. The grant of the Option will not confer on the Participant any right with respect to continuance of employment or other service with GATX or the Employer, nor will the Option interfere in any way with any right GATX or the Employer would otherwise have to terminate or modify the terms of such Participant's employment or other service at any time. The grant of the Option does not create or form any part of a contract for employment with the Employer or any GATX entity. 12. Notices. Any written notices provided for in this Agreement or the Plan shall be provided in accordance with subparagraph 12(a) or 12(b), as applicable and, if provided to the Company, shall be addressed as follows: GATX Corporation 233 South Wacker Drive Chicago, IL 60606-7147 U.S.A. (a) Any notice required by the Participant pursuant to the definition of Good Reason, as defined below, shall be in writing given by email, hand delivery or by registered or certified mail, return receipt requested, postage prepaid, addressed to the Executive Vice President and Chief Human Resources Officer and shall be effective when actually received. (b) All other notices shall be in writing and shall be deemed sufficiently given if emailed, hand delivered or if sent by fax or overnight courier, or by postage paid first class mail. Any such notice sent by mail or email shall be deemed received three business days after mailing or emailing, but in no event later

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than the date of actual receipt and shall be directed, if to the Participant, at the Participant's address indicated by the Company's records, or if to the Company, to the attention of the Director, Compensation and Benefits. 13. No Rights as Shareholder. The Participant shall not have any rights of a shareholder with respect to the Shares subject to the granted Option, unless and until the Option has been exercised and a stock certificate has been duly issued as provided herein. 14. No Right to Future Grants; No right to Compensation. The Plan is discretionary in nature and that, subject to the terms of the Plan, the Company can amend, cancel or terminate the Plan at any time. The grant of the Option under the Plan is voluntary and occasional and does not give Participant any contractual or other right to receive Options or benefits in lieu of Options in the future, even if a Participant has received Options repeatedly in the past. All determinations with respect to any future awards, including, but not limited to, the times when awards under the Plan shall be granted and the terms thereof, including the time or times when any portion of the Option may vest, will be at the sole discretion of the Administrator. Participation in the Plan is voluntary. The value of the Option is an extraordinary item of compensation that is outside of the scope of any employment contract or directorship, or consultancy relationship and are not part of normal or expected compensation or salary for any purpose, including, without limitation, calculating severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits, or similar payments. No claim or entitlement to compensation or damages arises from the expiration, termination or forfeiture of the Option or any portion thereof. 15. Definitions. For purposes of this Agreement, the terms used in this Agreement shall be subject to the following: “Cause” means (i) the willful and continued failure of the Participant to perform the Participant's duties for GATX (other than any such failure resulting from incapacity due to physical or mental illness), or (ii) the willful engaging by the Participant in illegal conduct or gross misconduct which is materially and demonstrably injurious to GATX. For purposes of this provision, no act or failure to act, on the part of the Participant, shall be considered "willful" unless it is done, or omitted to be done, by the Participant in bad faith or without reasonable belief, that the Participant's action or omission was in the best interests of GATX. “Date of Termination” means the date on which the Participant incurs a Termination of Service. "Designated Beneficiary" means the beneficiary or beneficiaries designated by the Participant in a writing filed with the Committee in such form and at such time as the Committee shall require.

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"Disability" means, except as otherwise provided by the Committee, that the Participant is considered to have a "Disability" for such period of time that the Participant is considered to be "disabled" (as such term is defined in the Company's long term disability plan). "Employer" means the GATX entity which employs the Participant. "Exercise Date" means the date the Option is exercised by the Participant by logging into Shareworks (https://www.shareworks.com) or contacting a Shareworks customer service representative before 3:00 p.m. eastern time and indicating the number of underlying Shares with respect to which the Option is to be so exercised. "GATX" means the Company collectively with each Subsidiary thereof. "Good Reason" means the occurrence of one or more of the following conditions without the consent of the Participant: (i) a material diminution in the Participant's base compensation, compared with the Participant's base compensation in effect immediately prior to the consummation of a Change in Control; (ii) a material diminution in the Participant's authority, duties, or responsibilities, compared with the authority, duties, and responsibilities of the Participant immediately prior to the consummation of a Change in Control; or (iii) a material change in the geographic location at which the Participant must perform services. The Participant must provide written notice to the Company of the occurrence of Good Reason within 90 days after the event constituting Good Reason, which notice specifically identifies the circumstances which the Participant believes constitute Good Reason. The Company will have 30 days after it receives the notice to correct the circumstances or give notice to the Participant that it does not intend to correct. The Participant may resign within a reasonable time after receiving the Company's response or after the Company fails to correct such circumstances (provided that in no event may such termination occur more than one year after the initial existence of the condition constituting Good Reason). "Grant Date" means the later of either the date the grant was approved by the Committee or the last trading day of the month following the month in which the Participant was hired. "Retirement" means the Participant's voluntary retirement from the Employer on or after both attaining at least age 55 and completing at least 15 years of service as of the Date of Termination.

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Page 1 GATX CORPORATION CORPORATE OFFICERS’ INCENTIVE PLAN (COIP) Effective: January 1, 2024 1. OBJECTIVE The Corporate Officers’ Incentive Plan (the “COIP” or “Plan”) has been established for selected employees of GATX Corporation (the “Company” or “GATX”) to: Motivate the collective achievement of profitable company performance. 2. PLAN YEAR Each plan year will include a performance period based on a calendar year (from January 1 through December 31), as well as the award determination, approval and award payment. 3. ELIGIBILITY TO PARTICIPATE Eligibility to participate in the plan will be determined at the beginning of the Plan Year by Plan Administrators. Participants in the COIP are all permanent exempt salaried employees of GATX who: Receive notification of participation in the COIP, including his or her Target Incentive Percentage and a copy of this Plan; Are corporate officers; Do not participate in any other GATX annual incentive plan, except as specified under the promotion or transfer provisions listed below. 4. PLAN DESIGN Overall funding of the Plan will be based upon GATX performance against its financial goal. The Actual Incentive Payout will be based upon the extent to which GATX’s Net Income Goal, as established at the beginning of the year, is achieved according to a payout scale approved by the Compensation Committee of the Board of Directors of the Company (the “Committee”). Participants will earn the Actual Incentive Payout, assuming acceptable performance. In the event of unacceptable performance, the participant’s Actual Incentive Payout earned may be reduced by up to 100% as approved by the Plan Administrators. .

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Page 2 Definitions: For purposes of the Plan, the terms set forth shall have the following meanings: (a) “Eligible Base Salary” means the total salary paid to a Participant by the Company during the Plan Year (including salary earned under the Maternity and Paternity Leave Policy) prior to any reduction for contributions to or deferrals of compensation under company- sponsored plans. Eligible Base Salary excludes incentive compensation, commissions, lump sum payments and short-term disability payments in excess of eight weeks. (b) “Target Incentive” means the percentage of Eligible Base Salary payable to a Participant if 100% of the Net Income Goal is attained. (c) “Funding Multiplier” means the percentage of the Target Incentive payable for specified levels of actual achievement of the Net Income Goal according to a payout scale approved by the Committee. (d) “Net Income Goal” means the net income goal for GATX Corporation for a specific Plan Year as approved by the Committee. (e) “Actual Incentive Payout” means the amount payable to an eligible Participant calculated as a result of actual Company performance in accordance with the provisions of this Plan. 5. INCENTIVE PAYOUT DETERMINATION At the end of the performance period, the Actual Incentive Payout will be determined based upon achievement of the Net Income Goal according to a payout scale approved by the Committee. 6. PLAN ADMINISTRATION The Plan shall be administered by the Committee, provided that the Company's Chief Executive Officer shall administer the Plan with respect to all Participants (as defined below) who are not executive officers of the Company (for purposes of Section 16 of the Securities Exchange Act of 1934, as amended). The Chief Executive Officer may further delegate his or her responsibility under the Plan to the Company's Chief Human Resources Officer. The Committee or the Chief Executive Officer (or the Chief Human Resources Officer), as applicable, shall be the “Plan Administrators” for purposes of the Plan. The Plan Administrators shall have the discretion and authority to administer and interpret the Plan, including the authority to establish one or more bonus programs under the Plan from time to time containing such terms and conditions as the Plan

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Page 3 Administrators may determine or deem appropriate in their discretion according to the following terms: a) New Hires. Employees hired after the start of the Plan Year and prior to November 1 may participate in the Plan on a prorated basis. b) Transfer or Promotion. If a Participant's Target Incentive or Plan Participation changes during a Plan Year due to transfer or promotion, his or her Actual Incentive Payout will be prorated as appropriate and based upon the applicable Plan documents. c) Retirement, Death or Disability. To the extent approved by the Plan Administrators, a Participant who retires (as that term is defined in the GATX Pension Plan for Salaried Employees), dies, or becomes totally and permanently disabled during the Plan Year may be eligible to receive a prorated Actual Incentive Payout, assuming acceptable performance. Any such Actual Incentive Payout will be prorated through the date of retirement, death or disability and will be made at the same time as payments are made to other Participants. d) Right to Receive Payment. Participants only become eligible to receive Actual Incentive Payouts if they are employed at the time payments are scheduled to be made. All payments under the Plan will be made solely from the general assets of the Company. e) Timing of Payments. Payments will be made between February 15 and March 15 of the year following the performance period. f) No Employment Guarantee. Neither the establishment of the Plan nor the authorization to be a Participant in the Plan will be construed as giving the Participant the right to be retained in the service of the Company. g) Modification of Plan and Awards. GATX reserves the right to amend, modify, discontinue or adjust the Plan, performance measures, target awards, funding, formulas, participant eligibility, and any other Plan provision, in whole or part, including determination of awards, at its discretion. In the event that it is later determined an award was erroneously calculated and paid, then the Company may, in its sole discretion, make appropriate adjustments, including the right to recover any overpayment through offsets of future compensation (to the extent legally permissible) or to make additional payments for any award that was underpaid. Nothing herein shall require the Company to correct any under or overpayment. In case of an overpayment, employees

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Page 4 agree to execute the appropriate forms upon request authorizing the Company to deduct the amount of such overpayment from payroll, in accordance with applicable wage deduction laws, or to promptly repay such overpayment in full upon request. h) No Guarantee of Award. Eligibility to participate in the Plan does not guarantee incentive payments. i) Award Payments. Final determination of all awards will be made by the Plan Administrators. The Actual Incentive Payout will be paid according to GATX's standard payroll processes. Awards granted under the Plan are intended to constitute cash-based Performance Awards, as defined in and for purposes of the GATX Corporation Amended and Restated 2012 Incentive Award Plan.

Exhibit 31A 31.1

Certification of Principal Executive Officer

I, Robert C. Lyons, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of GATX Corporation (the "Company"); Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company registrant as of, and for, the periods presented in this report;

4. The Company's registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Company's registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Company's registrant's internal control over financial reporting that occurred during the Company's registrant's most recent fiscal quarter (the Company's registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's registrant's internal control over financial reporting; and

5. The Company's registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's registrant's auditors and the audit committee of the Company's registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's registrant's internal control over financial reporting.

/s/ Robert C. Lyons

Robert C. Lyons

President and Chief Executive Officer

October April 26, 2023 2024

Exhibit 31B 31.2

Certification of Principal Financial Officer

I, Thomas A. Ellman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of GATX Corporation (the "Company"); Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company registrant as of, and for, the periods presented in this report;

4. The Company's registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Company's registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Company's registrant's internal control over financial reporting that occurred during the Company's registrant's most recent fiscal quarter (the Company's registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's registrant's internal control over financial reporting; and

5. The Company's registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's registrant's auditors and the audit committee of the Company's registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's registrant's internal control over financial reporting.

/s/ Thomas A. Ellman

Thomas A. Ellman

Executive Vice President and Chief Financial Officer

October April 26, 2023 2024

Exhibit 32

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of GATX Corporation (the “Company”) on Form 10-Q for the period ended September 30, 2023 March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), each of the undersigned officers of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Robert C. Lyons	/s/ Thomas A. Ellman
Robert C. Lyons	Thomas A. Ellman
President and Chief Executive Officer	*Executive Vice President and Chief Financial Officer*

October April 26, 2023 2024

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by GATX Corporation for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906 has been provided to GATX Corporation and will be retained by GATX Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.