GATX Corporation (GATX)

Updated August 5th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$182	**5 Year Annual Expected Total Return:**	8.3%	**Market Cap:**	$6.42 B
Fair Value Price:	$182	**5 Year Growth Estimate:**	7.0%	**Ex-Dividend Date:**	09/15/2026
% Fair Value:	100%	**5 Year Valuation Multiple Estimate:**	0.0%	**Dividend Payment Date:**	09/30/2026
Dividend Yield:	1.5%	**5 Year Price Target**	$255	**Years Of Dividend Growth:**	21
Dividend Risk Score:	A	**Sector:**	Industrials	**Rating:**	Buy

Overview & Current Events

GATX Corporation (GATX) is a railcar leasing company that leases tank cars, freight cars and locomotives to companies in the petroleum, chemical, food/agriculture, and transportation industries. The company also offers services related to the assets that they lease, including routine maintenance, interior cleaning, repairs, and regulatory compliance work. The business operates through its 3 segments: Rail North America (64% of 2025 sales), Rail International (22% of 2025 sales), and Engine Leasing (5% of 2025 sales). GATX made the remaining 9% of 2025's revenue from other sources. GATX has a portfolio of about 156,500 railcars, 480 aircraft spare engines, and 25,000 tank containers.

On January 1st, 2026, GATX completed the acquisition of Wells Fargo's rail operating lease portfolio, adding about 101,000 railcars in its largest acquisition to date.

On July 30th, 2026, GATX reported its Q2 results for the period ending June 30th, 2026. EPS came in at $2.84 for the quarter, compared to $2.06 last year. Revenues increased 34.8% year-over-year to $580.1 million. Fleet utilization stayed strong across segments, with Rail North America at 98.0%, GATX Rail Europe at 95.3%, and Rail India at 100.0%.

Management highlighted stable North American railcar demand, an 82.6% renewal success rate, and a 16.8% increase in renewal lease rates. The integration of the Wells Fargo Rail fleet also continued to generate commercial and operational benefits, while strong secondary-market demand produced $67.7 million in asset-disposition gains. Engine Leasing benefited from higher operating and remarketing income at its Rolls-Royce affiliates. Looking ahead, GATX raised its 2026 earnings guidance from $9.50–$10.10 to $9.90–$10.30 per diluted share. We have utilized the midpoint of this range in our estimates.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$5.75	$4.72	$5.20	$5.51	$3.54	$5.07	$6.07	$7.07	$7.89	$8.75	***$10.10***	***$14.17***
DPS	$1.60	$1.68	$1.76	$1.84	$1.92	$2.00	$2.08	$2.20	$2.32	$2.44	***$2.64***	***$3.70***
Shares	39.0	38.0	37.0	35.0	35.0	35.0	35.0	35.8	35.8	35.8	***35.8***	***33.0***

Over the past decade, GATX has seen notable fluctuations in its EPS, reflecting shifts in the railcar leasing industry and macroeconomic conditions. Strong performance in 2016 ($5.75) was driven by high railcar demand and favorable lease renewals, particularly in North America. Yet, a cyclical downturn in the rail market led to a decline in EPS to $4.72 in 2017. Recovery came in 2018 ($5.20) and 2019 ($5.51) as GATX capitalized on improved fleet utilization and rising lease rates.

The pandemic in 2020 hit the company hard, reducing EPS to $3.54, as global economic activity slowed and railcar demand weakened. GATX rebounded in 2021 ($5.07) with increased railcar deliveries and better market conditions. In 2022 ($6.07) and 2023 ($7.07), GATX achieved record highs, benefiting from strong lease rate escalations, higher fleet utilization, and effective capital allocation, positioning itself well in a recovering economy. Momentum continued in 2024 ($7.89 adjusted EPS) and 2025 ($8.75 adjusted EPS), due to sustained pricing strength and continued growth across its rail and engine leasing platforms. We conservatively forecast that earnings-per-share will grow at ~7% annually over the next five years, to be fueled by steadily increasing demand for rail transport.

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While rail-related businesses might seem like a relic of the past, the global railcar leasing market is actually accelerating, with growth projections ranging from 6% to 9.5% annually through 2029 as shippers shift away from trucking to more sustainable, rail-based logistics.

Over the past decade, the business has also grown dividends at 4.8% annually, and over the past five years, dividends have grown at 5.7% annually. Over the next 5 years, we forecast dividend growth of about 7% annually, and we expect the business to see a modest acceleration in growth while the payout ratio remains at prudent levels.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	8.0	12.8	14.4	14.0	19.3	18.7	17.3	14.1	16.4	19.0	***18.0***	***18.0***
Avg. Yld.	3.5%	2.8%	2.4%	2.4%	2.8%	2.1%	2.0%	2.0%	1.8%	1.5%	***1.5%***	***1.5%***

Over the past decade, GATX has averaged a P/E ratio of 15.4, and over the past five years, the stock has averaged a P/E ratio of 17.1. We estimate that over the intermediate term, the stock will trade for a P/E ratio of around 18.0. We view shares as fairly priced at their current levels. Today, the stock offers a low 1.5% dividend yield, which likely isn't substantial for investors seeking high dividend income, especially during the current interest rate environment.

Safety, Quality, Competitive Advantage, & Recession Resiliency

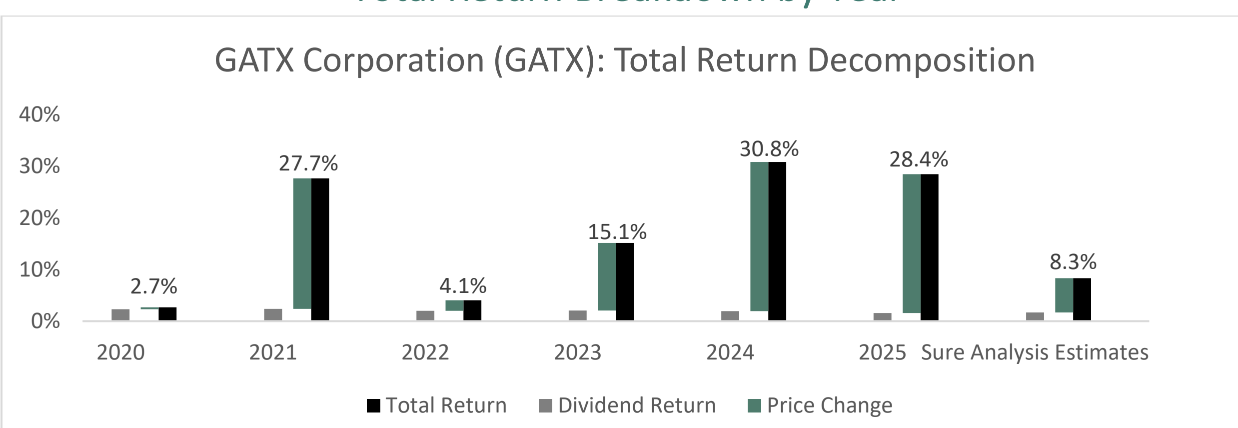
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	28%	36%	34%	33%	54%	39%	34%	31%	29%	28%	***26%***	***26%***

The business has averaged a payout ratio of 35% over the past decade. With a low expected payout ratio of just 26%, we believe that the dividend is safe for now and over the intermediate term from any cuts or decreases. GATX does have a large amount of long term debt on the balance sheet, but it has ample liquidity to pay off current liabilities, so we don't think this is a big concern. The business is susceptible to economic downturns, as seen by 2020's earnings-per-share figures, but GATX does have a competitive advantage as one of the leading railcar leasing companies in the world. Specifically, its extensive and diversified fleet coupled with its deep industry expertise and long term leases positions GATX nicely to navigate market fluctuations and maintain its strong market presence.

Final Thoughts & Recommendation

The GATX Corporation is a company that is a market leader in leasing railcars. Total return prospects are expected to come in at 8.3% annually over the next five years. This projection is driven by the 1.5% yield and an estimated 7% annual increase in earnings-per-share, offset by a potential valuation headwind. Based on our Dividend Risk score and total expected returns, we rate the stock as a buy.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	1,418	1,377	1,175	1,202	1,209	1,257	1,273	1,411	1,586	1,740
Gross Profit	586	548	498	493	494	539	573	647	768	846
Gross Margin	41.3%	39.8%	42.4%	41.0%	40.9%	42.9%	45.0%	45.9%	48.4%	48.6%
SG&A Exp.	169	180	183	180	172	198	195	213	236	253
D&A Exp.	310	323	327	333	343	378	371	392	421	452
Operating Profit	373	333	283	281	287	297	340	388	474	534
Op. Margin	26.3%	24.2%	24.0%	23.4%	23.7%	23.6%	26.7%	27.5%	29.9%	30.7%
Net Profit	257	502	211	211	151	143	156	259	284	328
Net Margin	18.1%	36.5%	18.0%	17.6%	12.5%	11.4%	12.3%	18.4%	17.9%	18.9%
Free Cash Flow	(83)	(182)	(472)	(261)	(433)	(623)	(722)	(1,145)	602	(684)
Income Tax	96	(244)	31	41	37	53	55	59	60	63

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	7,105	7,422	7,617	8,285	8,938	9,542	10,070	11,330	12,300	18,310
Cash & Equivalents	308	297	100	151	292	344	304	451	402	4,985
Acc. Receivable	86	83	87	66	75	70	71	88	86.5	207
Inventories	51	57	64	59	64	52	60	74	72	0
Goodwill & Int.	78	86	83	82	144	123	117	120	114	126
Total Liabilities	5,758	5,630	5,829	6,450	6,980	7,523	8,042	9,053	9,858	14,670
Long-Term Debt	4,257	4,376	4,541	4,796	5,353	5,906	6,449	7,399	8,226	12,570
Total Equity	1,347	1,793	1,788	1,835	1,957	2,019	3,177	2,273	2,439	2,750
LTD/E Ratio	3.16	2.44	2.54	2.61	2.73	2.92	3.18	3.26	3.37	4.61

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	3.7%	6.9%	2.8%	2.7%	1.8%	1.5%	1.6%	2.4%	2.4%	2.1%
Return on Equity	19.6%	32.0%	11.8%	11.7%	8.0%	7.2%	7.7%	12.1%	12.1%	10.8%
ROIC	4.6%	8.5%	3.4%	3.3%	2.2%	1.9%	1.9%	2.9%	2.8%	2.4%
Shares Out.	39	38	37	35	35	35	36	36	36	35.9
Revenue/Share	34.68	34.95	30.68	33.02	34.16	34.93	35.46	39.52	44.16	48.48
FCF/Share	(2.04)	(4.61)	(12.31)	(7.18)	(12.22)	(17.30)	(20.12)	(32.06)	16.77	(19.04)

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.