

Risk Factors Comparison 2025-02-19 to 2024-02-16 Form: 10-K

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Investors should consider the risk factors described below as well as other information contained in this filing or our other filings with the U. S. Securities and Exchange Commission before investing in our securities. If any of the events described in the risk factors below occur, our business, financial condition and results of operations could be materially adversely affected.

Business, Operational and Industry Risks We depend on continued demand from our customers to lease or use our transportation assets and services at satisfactory rates. A significant decline in customer demand could negatively impact our business and financial performance. Our profitability depends on our ability to lease assets at satisfactory rates and to re- lease assets upon lease expiration. Customer demand for our transportation assets and services can be adversely affected by various economic and other factors, including: • Prolonged inflation or deflation ; • High interest rates ; • Weak macroeconomic conditions and world trade policies , **including tariffs, embargoes and sanctions**; • Weak market conditions in our customers' businesses ; • Adverse changes in the price of, or demand for, commodities ; • Changes in railroad operations, efficiency, safety, 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 geographic exposure , **global conflict** and customer concentrations ; **and** • Other operational or commercial needs or decisions of our customers . Demand for our railcars and other transportation assets is dependent on the strength and growth of our customers' businesses. Some of our customers operate in cyclical or fluctuating markets, such as the steel, energy, chemical, transportation, and construction industries, which are susceptible to macroeconomic downturns and may experience significant changes in demand over time. Weakness in certain sectors of the economy in the United States and other parts of the world may make it more difficult for us to lease our transportation assets or to lease them on profitable terms. Adverse changes in commodity prices or reduced demand for commodities could reduce customer demand for various types of assets in our fleet. A significant decrease in the price of a commodity may cause producers of that commodity to reduce their production levels. A significant increase in the price of a commodity could cause our customers to switch to less expensive alternatives. In either case, these changes in customer behavior can reduce demand for the portions of our fleet that are used to transport the commodity. In addition, demand for transportation assets used to transport certain commodities, including ethanol and other renewable fuels, may be affected by government subsidies and mandates, which may be enacted, changed, or eliminated from time to time, while demand for transportation assets used to transport fossil fuels or that directly or indirectly require consumption of fossil fuels for operation may be affected by government policies and mandates with respect to climate ~~change matters~~ and carbon emissions. The availability and relative cost of alternative modes of transportation and changes in customer transportation preferences also could reduce demand for our assets. For example, technological innovations in the trucking industry and patterns in U. S. economic growth that favor truck over rail could result in a modal shift away from rail and reduce customer demand for our rail assets. Demand for our other transportation assets and related services is also influenced by many of the factors discussed above. For example, aircraft spare engine leasing is influenced by airline and lessee profitability, patterns in global air travel, reliability and durability of engine types, world trade policies , **widespread health crises**, geopolitical tensions or conflict, technological advances, and price and other competitive factors. A significant decline in customer demand for our assets and services could adversely affect our financial performance. In many cases, demand for our transportation assets also depends on our customers' desire to lease, rather than buy, the assets. Tax and accounting considerations, interest rates, and operational flexibility, among other factors, may influence a customer' s decision to lease or buy assets. We have no control over these external considerations, and changes in these factors could negatively impact demand for our transportation assets held for lease. A significant change in pricing and / or service offerings by North American railroads or poor operating conditions could reduce demand for our rail assets and negatively impact our financial performance. Our North American rail asset leasing business is impacted by the operations of the railroads, particularly the largest rail systems known as the “ Class I railroads ”, most of which are ~~utilizing some form of major operational- operating transformation under the umbrella term of a philosophy known as~~ “ precision scheduled railroading ” or “ PSR ”. If PSR results in substantial increases in train velocity or decreases in dwell time for rail assets, the resulting excess supply of railcars and / or locomotives may adversely impact the demand for our rail assets. Alternatively, if PSR results in increased pricing and / or reduced service frequency, **decreased reliability**, safety and / or quality, the value proposition of rail freight for shippers relative to alternative modes of transportation could be reduced. Apart from PSR, other factors such as adverse weather conditions, railroad mergers, labor strikes or shortages, poor service to shippers, other disruptions to railroad operations, and increases in rail traffic could result in slower transit times making rail transportation less attractive to shippers versus other modes of transport. Each of these cases could reduce demand for our rail assets and decreased fleet utilization due to modal shift away from rail, all of which could negatively impact revenue and our results of operations. Competition could result in decreased profitability. We operate in a highly competitive business environment. In certain cases, our competitors are larger than we are and have greater financial resources, higher credit ratings, and a lower cost of capital, while some of our competitors manufacture railcars for their own leasing businesses. These factors may enable our competitors to offer leases or services to customers at lower rates than we can provide, thus negatively impacting our profitability, asset utilization, and investment volume . **In addition, decreasing interest rates may invite new competition** . A significant decrease in lease renewals of our transportation assets by our customers or a significant increase in the number of compliance- based maintenance events could negatively impact operations and substantially increase our costs. Decreases in customer demand for our

transportation assets could increase the number of leases that are not renewed upon expiration, resulting in the return of such assets by our customers. Returned transportation assets often must undergo maintenance and service work before being leased to new customers. A significant increase in the number of leased assets requiring maintenance may negatively affect our operations and substantially increase maintenance and other related costs. We also perform a variety of government or industry-mandated maintenance programs on our fleet of transportation assets. These compliance programs are cyclical in nature, and as a result, we can face significant increases in the number of maintenance events in any given year. A significant increase in maintenance events or severe constraints in the repair networks may negatively impact our operations and substantially increase maintenance and other related costs as a result of increased volume or the need to utilize higher cost third party maintenance providers. In addition, while we rely on third party maintenance providers to assist with these compliance procedures for our transportation assets, high demand faced by these providers from other asset owners may constrain our access to the providers or may substantially increase our costs. Events that negatively affect certain assets, customers, or geographic regions could have a negative impact on our results of operations. We generally derive our revenues from a variety of asset types, customers, industries, and geographic locations. However, from time to time we could have a large investment in a particular asset type, a large revenue stream associated with a particular customer or industry, or a large number of customers located in a particular geographic region. Decreased demand from a discrete event impacting a specific asset type, customer, industry, or region in which we have a concentrated exposure could negatively impact our results of operations. Our long-term railcar purchase commitments could subject us to material operational and financial risks. Unlike some of our competitors in the railcar leasing market, we do not manufacture railcars. In order to obtain committed access to a supply of newly built railcars on competitive terms, we ~~regularly~~ **periodically** enter into long-term supply agreements with manufacturers to purchase significant numbers of newly built railcars over a multi-year period. Some of these agreements may provide for flexibility in the pricing, timing, and quantity of our purchasing commitments, while other agreements may provide no such flexibility. Therefore, if economic conditions weaken during the term of a long-term supply agreement, it is possible that we may be required to continue to accept delivery of, and pay for, new railcars at times when it may be difficult for us to lease such railcars at reasonable rates, or at all. Furthermore, we may be required to take delivery of railcars at points when our financing costs may be high. These factors could negatively affect our revenues and profitability. In addition, if tariffs, labor interruptions or shortages, trade disputes, commodity prices, geopolitical tensions, inflation, supply chain disruptions, or other factors lead to higher prices for steel or other raw materials used to manufacture railcars **or components utilized in such railcars**, we may be required to pay higher prices to purchase new railcars, which could adversely affect our ability to profitably lease those railcars to customers. Soft market conditions and declines in asset values may reduce opportunities for us to generate remarketing income. We utilize our extensive knowledge and experience to remarket transportation assets in order to optimize the composition of our fleets, and these activities generate income that contributes significantly to segment profit. Reduced demand for our assets could reduce opportunities for us to generate remarketing income. A significant or prolonged decline in the secondary market for our assets could adversely affect our financial performance. We may not be able to successfully consummate and manage ongoing acquisition and divestiture activities, which could have an adverse impact on our financial statements. From time to time, we may acquire other businesses and, based on an evaluation of our business portfolio, divest existing businesses. These **transactions acquisitions and divestitures** may present financial, managerial, and operational challenges, including diversion of management attention from existing businesses, difficulty with integrating or separating personnel and financial and other systems, increased expenses and costs, assumption of liabilities and indemnities, increased compliance risks, and potential disputes with the buyers or sellers or third parties. In addition, we may be required to incur asset impairment charges (including charges related to goodwill and other intangible assets) in connection with acquired businesses, which may reduce our profitability. If we are unable to consummate such transactions, we will not receive the expected benefits, and alternative favorable opportunities to invest or divest may not be available to us. If we cannot successfully integrate and grow acquisitions and achieve contemplated revenue synergies and cost savings, or are unable to complete a divestiture, our financial results could be adversely affected. We rely on Rolls-Royce in connection with our aircraft spare engine leasing businesses, and certain factors that adversely affect Rolls-Royce could have an adverse effect on those businesses. GATX and Rolls-Royce plc. (“Rolls-Royce”) each own 50% of domestic and foreign joint venture entities (collectively, the “RRPF affiliates” or “RRPF”) that own and lease aircraft spare engines to Rolls-Royce and owners and operators of commercial aircraft. In addition, GATX directly invests in ~~Rolls-Royce~~ aircraft spare engines through its wholly owned subsidiary, GATX Engine Leasing Ltd. (“GEL”), and places some of these engines on long-term leases with airline operators, with ~~an RRPF entity~~ serving as the asset manager. For other engines, GEL also provides Rolls-Royce with access to aircraft spare engine capacity to support Rolls-Royce’s engine maintenance program for its customers. Rolls-Royce is therefore a major customer of the RRPF affiliates and of GEL, as well as a critical supplier of aircraft spare engines and commercial, technical, and maintenance services to GATX and the RRPF affiliates. A deterioration in (1) the performance of services provided by Rolls-Royce or RRPF, or (2) the durability and reliability of **the Rolls-Royce** engines, or (3) the financial condition, creditworthiness or liquidity of Rolls-Royce or RRPF could negatively impact GATX’s financial performance or, in the case of GEL, its operational performance. Our transportation assets may become obsolete. In addition to changes in laws, rules, and regulations that may make transportation assets obsolete, changes in the preferred method our customers use to ship their products, changes in demand for particular products, or a shift by customers toward purchasing assets rather than leasing them may adversely impact us. Our customers’ industries are driven by dynamic market forces and trends, which are influenced by economic and political factors. Changes in our customers’ markets may significantly affect demand for our transportation assets. Risks related to our international operations and expansion into new geographic markets could adversely affect our business, financial condition, and operating results. We generate a significant amount of our net income outside the United States. In recent years, we have increased our focus on international growth and expansion into select emerging markets as a means to grow and diversify earnings. Our

foreign operations and international expansion strategy are subject to the following risks associated with international operations: • Unforeseen developments and conditions, including terrorism, war, epidemics, and international tensions and conflicts ; • Supply chain disruptions ; • **Imposition of additional or new tariffs, quotas, trade barriers, embargoes, regulations, and similar restrictions on operations outside the United States;** • Inability to access railcar, tank container or component supply ; • Imposition of sanctions against countries where we operate or specific companies or individuals with whom we do business, or retaliatory sanctions by such countries on companies in the U. S. or in other countries in which we operate ; • Nationalization or confiscation of assets by foreign governments ; ~~and imposition of additional or new tariffs, quotas, trade barriers, regulations, and similar restrictions on our operations outside the United States~~ • Inflation or deflation ; • Fluctuations in currency values ; • Sudden changes in foreign currency exchange controls ; • Noncompliance with U. S. laws affecting operations outside of the United States, such as the Foreign Corrupt Practices Act ; • Noncompliance with a variety of foreign laws and regulations ; • Failure to properly implement changes in tax laws and the interpretation of those laws ; • Failure to develop and maintain data management practices that comply with laws related to cybersecurity, privacy, **artificial intelligence**, data localization, and data protection ; • Discriminatory or conflicting fiscal or trade policies ; • Difficulties enforcing contractual rights or foreclosing to obtain the return of our assets in certain jurisdictions ; • Uncollectible accounts and longer collection cycles that may be more prevalent in foreign countries ; **and** • Ineffective or delayed implementation of appropriate controls, policies, and processes across our diverse operations and employee base . Many of our employees are represented by unions, and failure to successfully negotiate collective bargaining agreements may result in strikes, work stoppages, or substantially higher labor costs. A significant portion of our employees are represented by labor unions and work under collective bargaining agreements that cover a range of workplace matters, such as wages, health and welfare benefits, and work rules. If we fail to negotiate acceptable labor agreements, our business could be disrupted by strikes or lockouts. We could also incur increased operating costs due to higher wages or benefits paid to union workers. Business disruptions or higher operating costs could both have an adverse effect on our financial position, results of operations, or cash flows. We operate in a challenging market for talent, and our failure to attract, retain and motivate qualified personnel, including key management personnel, could adversely impact our ability to execute our strategy. Our success depends on the strength of our workforce (many of whom are longstanding GATX employees) and therefore on our ability to attract, develop, engage and retain employee talent, including successors to members of senior management. Achieving this objective may be difficult due to many factors, including fluctuations in global economic and industry conditions, competitors' hiring practices and the effectiveness of our compensation programs. The market for both hourly and professional employees has been, and remains, very competitive. Difficulties in recruiting and motivating qualified personnel, including skilled labor ; ~~the unexpected loss of such individuals resulting in the depletion of our institutional knowledge base ;~~ or our inability to successfully transition key roles could hinder our ability to execute our strategy and adversely impact our business and results of operations. Information Technology Risks We rely on technology in all aspects of our business operations. If we are unable to adequately maintain and secure our information technology (“ IT ”) infrastructure from cybersecurity threats and related disruptions, our business could be negatively impacted. We rely on our IT Infrastructure (defined below) ~~to process, transmit, and store electronic information that is used~~ in all aspects of our business operations ~~, including employee and customer information~~. We own and manage certain aspects of our IT infrastructure, but we also rely on third parties for a range of IT systems and related products and services, including but not limited to, cloud computing services (such third- party systems and our IT infrastructure, collectively, our “ IT Infrastructure ”). We and certain of our third- party providers collect, maintain and process data about customers, employees, business partners and others, including personally identifiable information, as well as confidential and proprietary information belonging to our business, including trade secrets (such data and information, collectively, “ Confidential Information ”). We face numerous and evolving cybersecurity risks that threaten the confidentiality, integrity and availability of our IT Infrastructure and Confidential Information. These risks have continued to increase in recent years in their frequency and levels of sophistication and intensity by sophisticated and organized groups and individuals with a wide range of motives and expertise. The implementation of remote and hybrid work options for our employees and employees of our third- party IT suppliers has led to a substantial increase in remote access to our networks and systems. All IT systems are vulnerable to cybersecurity threats and other unlawful attempts to disrupt or gain access to these systems, and these vulnerabilities may be increased by remote computing assets and additional security vulnerabilities that are present in many public, non- corporate and home networks. We and our third- party providers are regularly subject to attempted cyber intrusions, hacks and ransomware attacks, and we expect these incidents to accelerate and become increasingly sophisticated in using techniques and tools ~~;~~ including artificial intelligence ~~;~~ that circumvent security controls, evade detection and remove forensic evidence. While we have invested significant expense and effort in the protection of our Confidential Information and IT Infrastructure, the steps we have taken to mitigate these risks may not be effective to prevent breaches of our IT Infrastructure. Breaches of our IT Infrastructure could lead to disruptions in our business, potentially including the theft, destruction, loss, misappropriation, or release of Confidential Information stored on our IT Infrastructure and subject us to potential lawsuits, including class actions, other material legal liabilities, reputational damage, lost customers or significant costs associated with incident response, system restoration or remediation, applicable filings and notifications, and future compliance. These disruptions could adversely affect our operations, financial position, and results of operations. There can be no assurance that our cybersecurity risk management program and processes, including our policies, controls, or procedures, will be fully implemented, complied with, or effective in protecting our systems and information. While we maintain insurance to mitigate our exposure to these risks, our insurance policies, which carry retention and coverage limits, may not be adequate to reimburse us for losses caused by security breaches or other cybersecurity events, and we cannot guarantee that applicable insurance will be available to us in the future on economically reasonable terms or at all. We also are subject to an evolving body of federal, state and foreign laws, regulations, guidelines and principles regarding data privacy, data protection **and**, data security **, and artificial intelligence**. Many

jurisdictions in which we conduct business have passed or proposed laws and regulations dealing with the collection, processing, storage, transfer and / or use of personal information, some of which include potential fines and penalties based on worldwide revenue. We could incur substantial costs related to ongoing compliance with, and substantial penalties or litigation or reputational damage related to violations of, such laws and regulations. Legal and Regulatory Risks We have been, and may continue to be, involved in various types of litigation, including claims for personal injury, property damage, environmental damage, and other claims arising from an accident involving our railcars or other transportation assets. The nature of our business and assets potentially exposes us to significant personal injury and property damage claims and litigation, environmental claims, or other types of lawsuits inside and outside the U. S. For example, some of our customers use certain types of our transportation assets to transport flammable liquids and other hazardous materials, and an accident involving such transportation assets could lead to litigation and subject us to significant liability. Similarly, if we fail to meet our obligations to maintain our assets in compliance with governmental regulations and industry rules, we could be subject to fines, penalties, and claims for such failure as well as any resulting personal injury or property damage. In some jurisdictions, an accident can give rise to both civil and criminal liabilities for us and, in some cases, our employees. In the event of an unfavorable outcome, we could be subject to substantial penalties or monetary damages, including criminal penalties and fines, and our employees who are named as criminal defendants in any such litigation may be subject to incarceration and fines. A substantial adverse judgment against us could have a material effect on our financial position, results of operations, cash flows, and reputation. Our transportation assets and operations are subject to various laws, rules, and regulations. If these laws, rules, and regulations change or we fail to comply with them, it could have a significant negative effect on our business and profitability. Our fleets of transportation assets and related operations are subject to various U. S. and non- U. S. laws, rules, and regulations administered by authorities in jurisdictions where we do business, including the Association of American Railroads. Such laws, rules, and regulations could be changed in ways that would require us to modify our business models and objectives, impose requirements for additional maintenance or substantial modification or refurbishment of our assets, or otherwise affect our returns on investments by restricting existing activities and products, subjecting them to escalating costs or prohibiting them outright. Violations of these laws, rules, and regulations can result in substantial fines and penalties, including potential limitations on operations or forfeiture of assets, and reputational damage. We are subject to extensive environmental regulations and the costs of remediation may be material. We are subject to extensive federal, foreign, state, and local environmental laws and regulations concerning, among other things, the discharge of hazardous materials and remediation of contaminated sites. In addition, some of our properties, including those previously owned or leased, have been used for industrial purposes, which may have resulted in discharges onto these properties. Environmental liability can extend to previously owned or operated properties in addition to properties we currently own or use. Additionally, we could incur substantial costs, including cleanup costs, fines, and costs arising out of third- party claims for property or natural resource damage and personal injury as a result of violations of or liabilities under environmental laws and regulations in connection with our or our lessees' current or historical operations. Under some environmental laws in the United States and certain other countries, the owner of a leased asset may be liable for environmental damage, cleanup or other costs in the event of a spill or discharge of material from such asset without regard to the owner' s fault. Governments or regulators may change the legislative or regulatory frameworks within which we operate, including environmental laws and regulations, without providing us any recourse to address any adverse effects such changes may have on our business. Due to the regulatory complexities, risk of unidentified contaminants on our properties, and the potential liability for our operations as well as those of our lessees, it is possible environmental and remediation costs may be materially greater than the costs we have estimated. We may be affected by climate **change matters** or market or regulatory responses to climate **change matters**. Regulatory focus on climate **change matters** and greenhouse gas (" GHG ") emissions has increased across the globe. New government regulations could increase our operating costs and compliance with those regulations could be costly. **New For example, regulators in Europe and the U. S. have recently focused efforts on increased disclosure rules and regulations** related to climate **change matters** and mitigation efforts, **such as** . The European Union recently adopted the Corporate Sustainability Reporting Directive (" CSRD ") and related European Sustainability Reporting Standards **that will require in the European Union and climate disclosure laws of the risks and regulations opportunities arising from social and environmental issues and of the impact of companies' activities on people and the environment.** We will be required to report under the CSRD for much of our business beginning in 2026. Similarly, the State of California recently passed the Climate Corporate Data Accountability Act and the Climate- Related Financial Risk Act that will impose broad climate- related disclosure obligations on certain companies doing business in California, including us, starting in 2026, while additional states are considering similar climate- related disclosure regulations. The SEC has included in its regulatory agenda potential rulemaking on climate change that, if adopted, could require us to incur substantial monitoring and compliance costs. **All of these new disclosure rules and regulations** will require us to design and implement additional internal and disclosure controls. If the cost of such controls is significant, it could adversely affect our financial condition and result of operations. Moreover, failure of such controls to provide accurate and complete information could result in violation of such rules or regulations, which could have a material effect on our financial position, results of operations, cash flows, and reputation. Climate **change matters** may also pose regulatory and environmental risks that could harm our results of operations and affect the way we conduct business. Severe weather, climate **change matters**, and natural disasters, such as tornadoes, flooding, **hurricanes**, fires and earthquakes, could cause significant business interruptions and result in increased costs and liabilities and decreased revenues. We are subject to the risks associated with natural disasters and the physical effects of climate **change matters**, which may increase in frequency and severity over time and may have a material adverse effect on our assets, operations and business. In addition, changes in laws, rules, and regulations, or actions by authorities or other third parties to address GHG and climate **change matters** could negatively impact our customers and business. For example, restrictions on GHG emissions could significantly increase costs for our customers whose production processes require significant amounts of

energy, which could reduce demand for the lease of our assets, while rail and other transportation assets in our fleet that are used to carry fossil fuels, such as coal and petroleum, or that directly or indirectly require fossil fuel consumption for operation of the assets could see reduced demand or be rendered obsolete depending on the extent to which government regulations mandate a reduction in fossil fuel consumption or customer preferences change. Any of these factors, individually or in operation with one or more of the other factors, or other unforeseen impacts of climate **change matters**, could reduce the demand for and value of our assets, and could have an adverse effect on our financial position, results of operations, and cash flows. Economic and Credit Risks United States and global political conditions and increased geopolitical tension, **civil unrest including the ongoing war between Russia and armed conflict Ukraine and resulting sanctions and countermeasures**, could adversely affect our business, financial condition and results of operations. We may be adversely affected by national and international political developments, instability, and uncertainties, including political unrest and threats of terrorist attacks or war, which could lead to the following:

- Legislation or regulatory action directed toward improving the security of transportation assets against acts of terrorism, which could affect the construction or operation of transportation assets and increase costs ;
- A decrease in demand for transportation assets and services ;
- Lower utilization of transportation equipment ;
- Lower transportation asset lease rates ;
- Impairments and loss of transportation assets ;
- Supply chain challenges and disruptions ;
- Capital market disruption, which may raise our financing costs or limit our access to capital ;
- **Trade wars and imposition of new and retaliatory tariffs;**
- Liability or losses resulting from acts of terrorism involving our assets ;
- Increased risk of cybersecurity attacks ;
- **Higher insurance costs, reduced coverage amounts or limited access to insurance; and**
- A significant deterioration of global growth, and related decreases in confidence or investment activity in the global markets, arising from political or economic tensions, changes, and trends and / or an increase in trade conflict and protectionism. Depending upon the severity, scope, and duration of these circumstances, the impact on our **business**, financial position, results of operations, and cash flows could be material. Geopolitical conflicts can also result in the imposition of economic and trade sanctions and countermeasures, and our business must be conducted in compliance with applicable economic and trade sanctions laws and regulations, including those administered and enforced by the U. S. Department of Treasury's Office of Foreign Assets Control, the U. S. Department of State, the U. S. Department of Commerce, the United Nations Security Council and other relevant governmental authorities. Failure to comply with the sanctions, laws and regulations could result in monetary fines or other penalties, which could have an adverse impact on our reputation, business, financial condition and results of operations. ~~As an example of one such conflict, in February 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. The Russia / Ukraine conflict and related sanctions and countermeasures led to our decision to sell our rail business in Russia, but to date, the conflict has not had a material impact on business operations at our businesses outside of Russia. 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 continue to adversely affect our business, financial condition, and results of operations, which impacts vary across our business units, including the RRPF affiliates. We continue to monitor the nature and magnitude of these impacts across our businesses.~~ Prolonged inflation, as well as ~~resulting~~ interest rate increases, or deflation could have an adverse impact on our business and financial results. The timing and duration of the effects of inflation are unpredictable and depend on market conditions, the magnitude of the inflation and other economic factors. While inflation in lease rates as well as inflation in residual values for rail and other transportation assets may benefit our financial results, prolonged inflation could result in reduced demand for our transportation assets. Moreover, any benefits may be offset by increases in the costs for goods and services we purchase, including salaries and wages, health care costs, supplies, utilities, maintenance and repair services, transportation assets or components thereof, and materials, as well as increased financing costs. Significant increases in our cost of goods and services could adversely impact our financial performance. Conversely, a period of prolonged deflation could negatively impact our lease rate pricing, residual values, and asset remarketing opportunities. These negative impacts of deflation may be offset by decreases to our costs for goods and services, including those listed above.

~~In response to inflation, central bank policy interest rates continued to increase in fiscal year 2023.~~ As noted below, rising interest rates could increase our borrowing costs, potentially decreasing our profitability. In addition, increased borrowing costs faced by our customers could also result in decreased demand for our transportation assets and services and have a dampening effect on overall economic activity, which could have a negative impact on our business and results of operations. Fluctuations in foreign exchange rates could negatively impact our results of operations. Upon consolidation, we translate the financial results of certain subsidiaries from their local currency to the U. S. dollar, which exposes us to foreign exchange rate fluctuations. As exchange rates vary, the translated operating results of foreign subsidiaries may differ materially from period to period. We also have gains and losses on foreign currency transactions, which could vary based on fluctuations in exchange rates and the timing of the transactions and their settlement. In addition, fluctuations in foreign exchange rates can affect the demand and price for services we provide both domestically and internationally, and could negatively impact our results of operations. We may seek to limit our exposure to foreign exchange rate risk with currency derivatives, which may or may not be effective. A material and unexpected change in foreign exchange rates could negatively affect our financial performance. Deterioration of conditions in the global capital markets, or negative changes in our credit ratings or ~~continuing~~ increased interest rates may limit our ability to obtain financing and may increase our borrowing costs. We rely largely on ~~banks and~~ the capital markets **and banks** to fund our operations and contractual commitments. Typical funding sources include ~~commercial paper~~ **public debt issuances**, bank term loans, ~~public debt issuances~~ **private placement loans, commercial paper**, and a variety of other **unsecured and** ~~secured and unsecured~~ financing structures. These markets can experience high levels of volatility and access to capital can be limited for an extended period of time. In addition to conditions in the capital markets, **negative** changes in our

financial performance or credit ratings or ratings outlook, as determined by rating agencies such as Standard & Poor's, Moody's Investors Service, and Fitch Ratings, Inc., or continuing increased interest rates could cause us to incur increased borrowing costs or to have greater difficulty accessing public and private markets for secured and unsecured debt. Financial and market dynamics and volatility may heighten these risks. If we are unable to obtain financing on acceptable terms, our other sources of funds, including available cash, bank facilities, cash flow from operations, and portfolio proceeds, may not be adequate to fund our operations and contractual commitments.

~~The emergence of new variants of COVID-19 or the occurrence of another widespread health crisis and measures taken in response could have an adverse impact on our operations, commercial activity, asset values, financial position or liquidity. The recent COVID-19 pandemic negatively impacted businesses globally, including our business, by causing or contributing to a slowdown in economic activity around the world (including a decrease in demand for a broad variety of goods and services), disruptions in global supply chains, a dramatic reduction in air travel, and volatility and disruption of financial markets. There were extraordinary actions taken by governmental authorities to contain and combat the outbreak and spread of COVID-19 in regions throughout the world, including travel bans, quarantines, "stay-at-home" orders, and similar mandates for many individuals to substantially restrict daily activities and for many businesses to curtail or cease normal operations. The emergence of new variants of COVID-19 or the occurrence of another widespread health crisis and governmental action taken in response thereto may result in operational and labor disruptions, employee attrition and difficulty securing future labor needs, as well as have impacts on the broader employment market and supply chains, our suppliers, and our customers. These impacts could materially and adversely affect our costs, operations, financial performance, and liquidity, as well as our ability to successfully execute our business strategy.~~

Risks Related to our Common Stock There can be no assurance that we will continue to pay dividends or repurchase shares of our common stock at current levels. The timing, amount and payment of future dividends to shareholders and repurchases of our common stock fall within the discretion of our Board of Directors (the "Board"). The Board's decisions regarding the payment of dividends and repurchase of shares depend on many factors such as our financial condition, earnings, capital requirements, debt service obligations, legal requirements, regulatory constraints, and other factors that our Board may deem relevant. We cannot guarantee that we will continue to pay dividends or repurchase shares in the future, and our payment of dividends and repurchase of shares could vary from historical practices and our stated expectations. A small number of shareholders could significantly influence our business. As of the most recent public filings, six shareholders collectively control more than 60 % of our outstanding common stock. Accordingly, a small number of shareholders could affect matters that require shareholder approval, such as the election of directors and the approval of significant business transactions.

General Risk Factors We may not be able to obtain cost-effective insurance. We manage our exposure to risk, in part, by purchasing insurance. There is no guarantee that cost-effective insurance will consistently be available. If insurance coverage becomes prohibitively expensive or unavailable, we could be forced to reduce our coverage amount and increase the amount of self-insured risk we retain, thereby increasing our exposure to uninsured adverse judgments and other losses and liabilities that could have a material effect on our financial position, results of operations, and cash flows. Changes to assumptions used to calculate post-retirement costs, increases in funding requirements, and investment losses in pension funds could adversely affect our results of operations. We calculate our pension and other post-retirement costs using various assumptions, such as discount rates, long-term return on plan assets, salary increases, health care cost trend rates, and other factors. Changes to any of these assumptions could adversely affect our financial position and results of operations. Periods of low interest rates reduce the discount rate we use to calculate our funding obligations, which may increase our funding requirements. Additionally, changes to laws, regulations, or rules could require us to increase funding requirements or to compensate for investment losses in pension plan assets. If we were forced to increase contributions to our pension plans, our financial position, results of operations, and cash flows could be negatively affected. Changes in the mix of earnings in the U. S. and foreign countries and in tax rates and laws could adversely affect our financial results. As a global company, we are subject to taxation in the U. S. and numerous other non-U. S. jurisdictions. Significant judgment is required to determine our consolidated income tax position and related liabilities. Our effective tax rate, cash flows and operating results could be affected by changes in the mix of earnings in countries with different statutory tax rates, or material audit assessments, as well as by changes in the local tax laws, regulations and treaties, or the interpretations thereof. Our allowance for losses may be inadequate. Our allowance for losses on reservable assets may not be adequate to cover credit losses in our portfolio if unexpected adverse changes occur in macroeconomic conditions or if discrete events adversely affect specific customers, industries, or markets. If the credit quality of our customer base materially deteriorates, it may require us to incur additional credit losses and our financial position or results of operations could be negatively impacted. We may incur future asset impairment charges. We review long-lived assets and joint venture investments for impairment annually, or when circumstances indicate the carrying value of an asset or investment may not be recoverable. Among other circumstances, the following may change our estimates of the cash flows we expect our long-lived assets or joint venture investments will generate, which could require us to recognize asset impairment charges:

- A weak economic environment or challenging market conditions ;
- New laws, rules or regulations affecting our assets or the commodities that they carry, or changes to existing laws, rules or regulations ;
- Events related to particular customers or asset types or geographic markets ; and
- Asset or portfolio sale decisions by management.

The fair market value of our long-lived assets may differ from the value of those assets reflected in our financial statements. Our assets primarily consist of long-lived transportation assets such as rail assets, aircraft spare engines and tank containers. The carrying value of these assets on our financial statements may sometimes differ from their fair market value. These valuation differences may be positive or negative and could be material based on market conditions and demand for certain assets. Our internal control over financial accounting and reporting may not detect all errors or omissions in the financial statements. If we fail to maintain adequate internal controls over financial accounting, we may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 and related regulations. No system of internal control provides absolute assurance that the financial

statements are accurate and free of material error. **The occurrence of a widespread health crisis and measures taken in response could have an adverse impact on our operations, commercial activity, asset values, financial position or liquidity. The occurrence of a widespread health crisis and governmental action or inaction taken in response thereto could cause or contribute to a slowdown in economic activity, disruptions in global supply chains, a dramatic reduction in air travel, and volatility and disruption of financial markets. Such a crisis could also result in operational and labor disruptions, employee attrition and difficulty securing future labor needs, as well as impacts the broader employment market and supply chains, our suppliers, and our customers. These impacts could materially and adversely affect our business, costs, operations, financial performance, and liquidity, as well as our ability to successfully execute our business strategy.**