

Fourth Quarter & Full Year 2020 Earnings Presentation



CAI

Q4 Financial Highlights – Continuing Operations

\$81.6M

Record Container Lease Revenue

\$46.7M

Record Operating Income

\$34.7M

Record Net Income

21.2%

Return on Equity

99.6%

Quarter-end CEU Utilization

2.25%

Average Cash Funding Rate

Strategic Priorities – Q4 2020 – CAI Overdelivered

➔ Return-focused strategy: Target mid-to-high teens ROE

- 21.2% - Q4 ROE from continuing operations
 - Leased \$154 million in new long-dated leases at mid-teen to low 20% ROE's – average lease tenor ~ 11 years
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➔ Capital allocation: Create value with significant free cash flow

- 20% increase in quarterly dividends to \$0.30 per share
 - Beginning Q4 2020, repurchased 639,000 shares (3.6% of outstanding shares⁽¹⁾)
 - Successful exit of Logistics and Rail businesses to simplify and optimize free cash flow
-

➔ Operating execution: Industry-leading container utilization

- 99.3% average Q4 CEU utilization
- 99.6% ending Q4 and 99.7% current CEU utilization

2020 in Review – Positioned to Drive Returns in 2021

➔ Successfully navigated COVID challenges

- Invested heavily in the 2nd half of 2020 at attractive returns
 - \$300 million new long-term leases
 - ~9-year average lease tenor
 - Mid teen to low 20% ROE
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➔ Significant funding cost reduction with fixed rates over next 5+ years

- Average cash funding cost at end of Q4 2020 = 2.25% - 38% lower than Q4 2019 = \$24.1 million in annual interest savings⁽¹⁾
 - 83% of debt is fixed – with locked in rates including:
 - 5-year swap on \$500 million of RCF debt @1.79%
 - \$743 million ABS Securitization – 5-year WAL @ 2.27%
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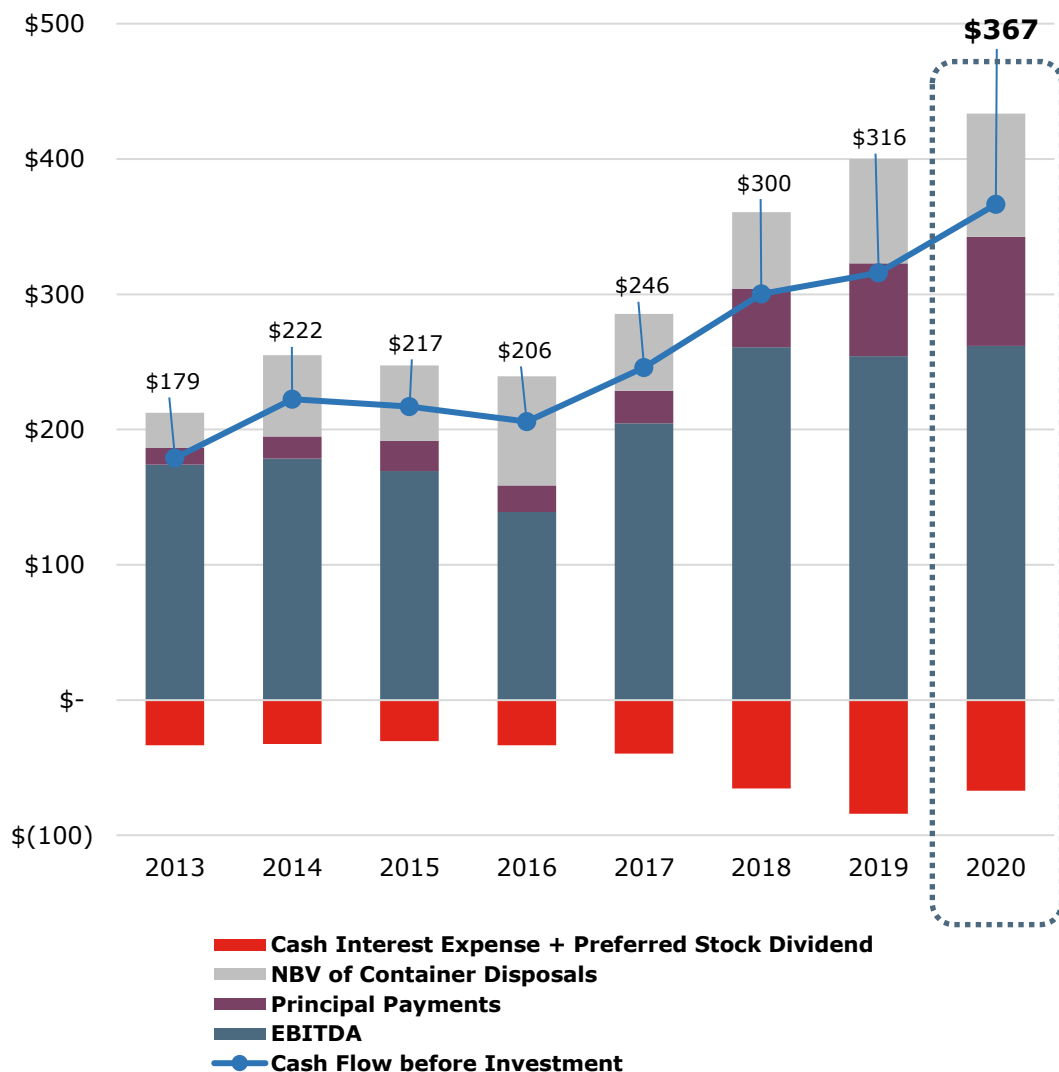
➔ Exited non-core businesses

- Sold our Logistics business in August 2020
- Sold our Rail business in December 2020

CAI is well positioned for 2021 with a high level of locked-in long-term cash flow, low funding costs and industry leading operating efficiency

Strong Cash Flow Generation Through the Cycle

Container Leasing Cash Flow before Investment (\$mn)



Container Leasing Cash Flow before CapEx	LTM December 31, 2020 (\$mn)
EBITDA	261.7
Principal payments on finance leases	80.8
NBV of container disposals	91.1
Major cash inflows	\$ 433.6
Cash interest expense	58.3
Preferred stock dividend	8.8
Cash flow before Investment	\$ 366.5
Replacement Investment ⁽¹⁾	281.8

LTM Steady-state net cash flow **\$ 84.8**
Per share **\$ 4.77**
Yield⁽²⁾ **21.1%**

Steady-state net cash flow can fund \$400 million of growth investment or is available to return to shareholders

Free Cash Flow to Enhance Shareholder Returns

\$84.8 million LTM 2020 “steady-state” net cash flow can be used for investment in containers and / or capital return

~\$50 million of free cash flow invested in containers at mid-teen returns could increase CAI’s annual earnings per share by approximately \$0.50

Opportunistic share repurchases can provide support for CAI’s book value per share when container returns are less attractive

Container Market Fundamentals Are Positive

Drewry Container Maritime Research most recent market forecast



2021 - 6.5% container fleet growth
2022 – 2025 estimated fleet growth 3.5% per annum



52% - 2020 = lessor share of global container fleet growth
54% - 2025 = estimated lessor share of global container fleet growth



Expect rising container prices 1H 2021
Prices expected to stabilize in 2H 2021
Long term – expect prices to remain elevated relative to historical levels based on increasing input costs and manufacturers focus on profitability rather than market share



Lessor and shipper container fleets expected to remain at full utilization as shippers extend assets life in order to minimize the impact of high container prices on the expected growth in global container demand



Container re-sale prices expected to remain elevated due to the level of new container prices and high fleet utilization

CAI outlook and value proposition

- **Positive container market fundamentals**
- **High level of long-term committed cash flow**
- **Attractive container re-sale prices**
- **Industry-leading container utilization**
- **Locked in long term low-rate funding costs**

CAI is well positioned to drive sustainable mid-to-high teen ROE

ROE is the key to drive shareholder return via book value growth and return of capital

CAI at a Glance

CAI-Owned, Revenue-Earning Container Assets

\$2.5B
Net Book Value

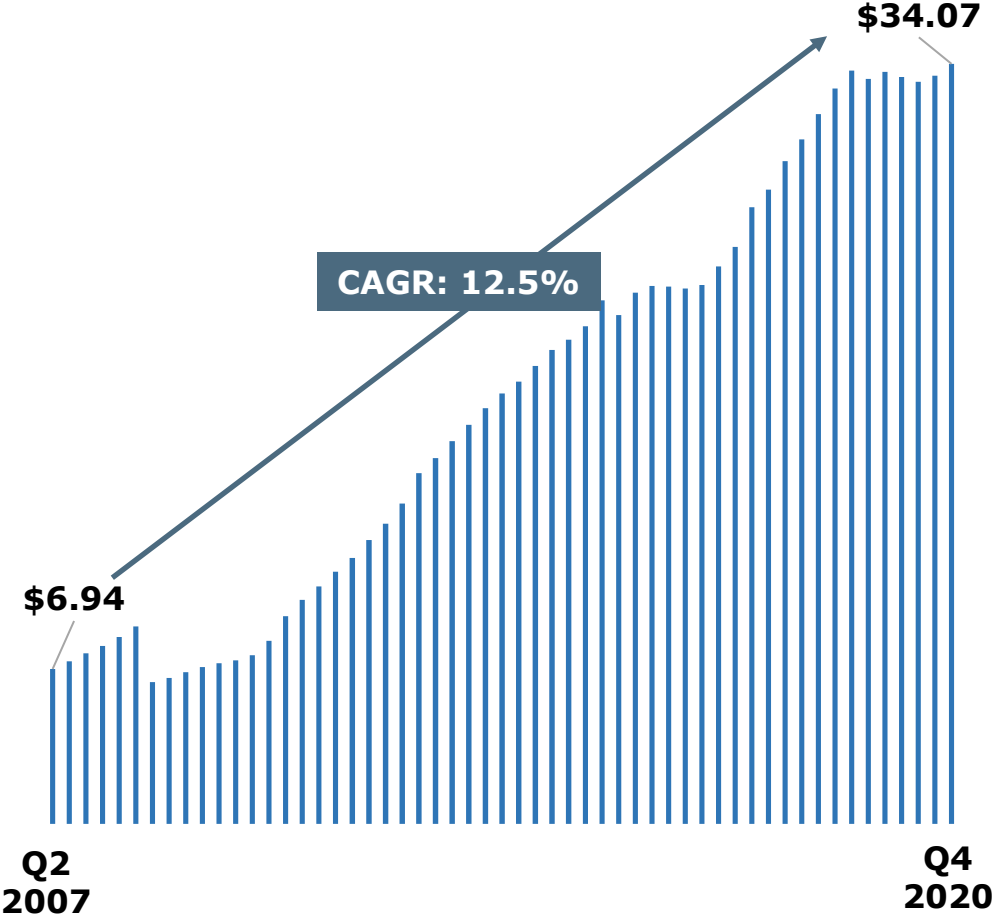
CAI-Owned Container Fleet

1.7
Million CEU

Book Value Per Share

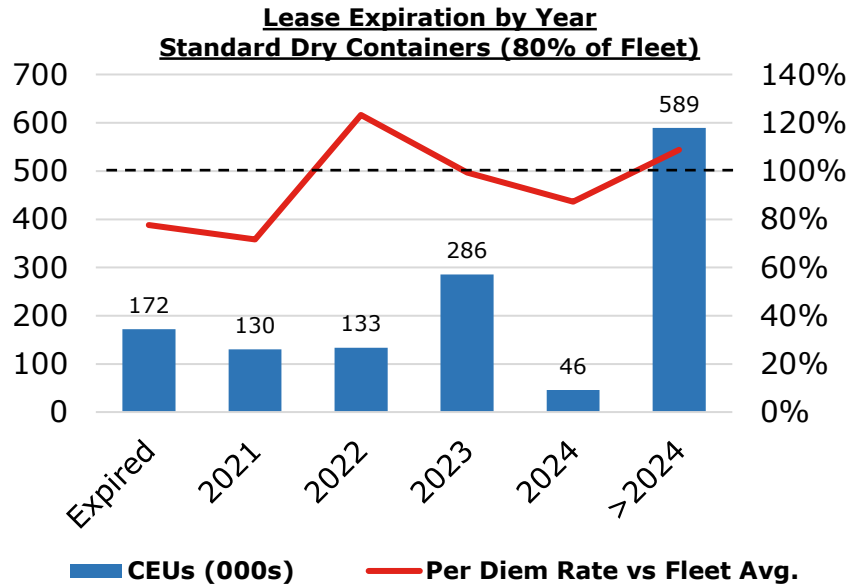
\$34.07

Historical Quarterly Book Value¹



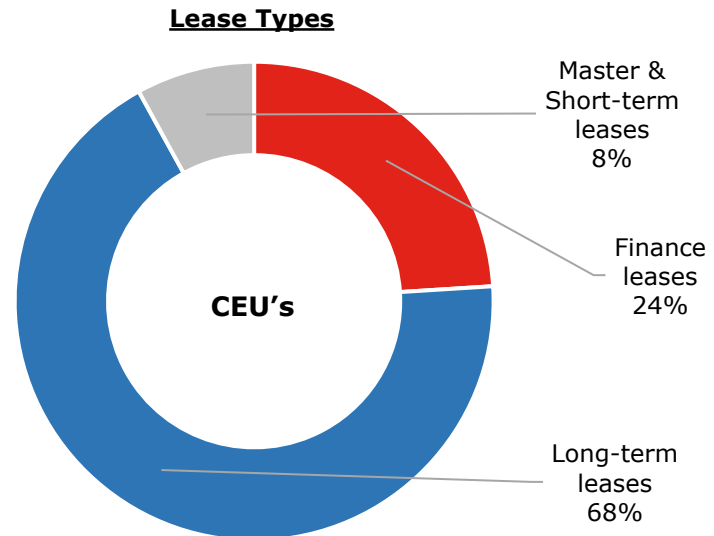
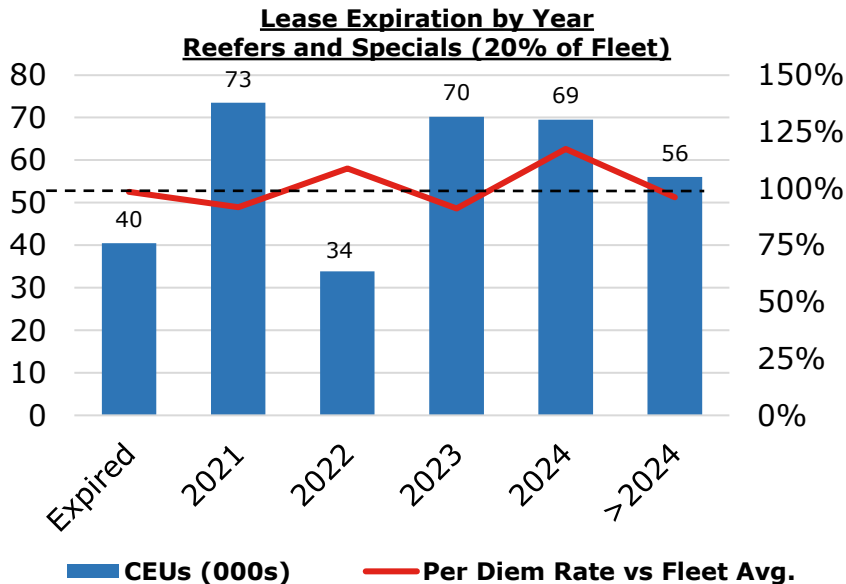
(1) Book value available to common shareholders

Lease Expiration Profile



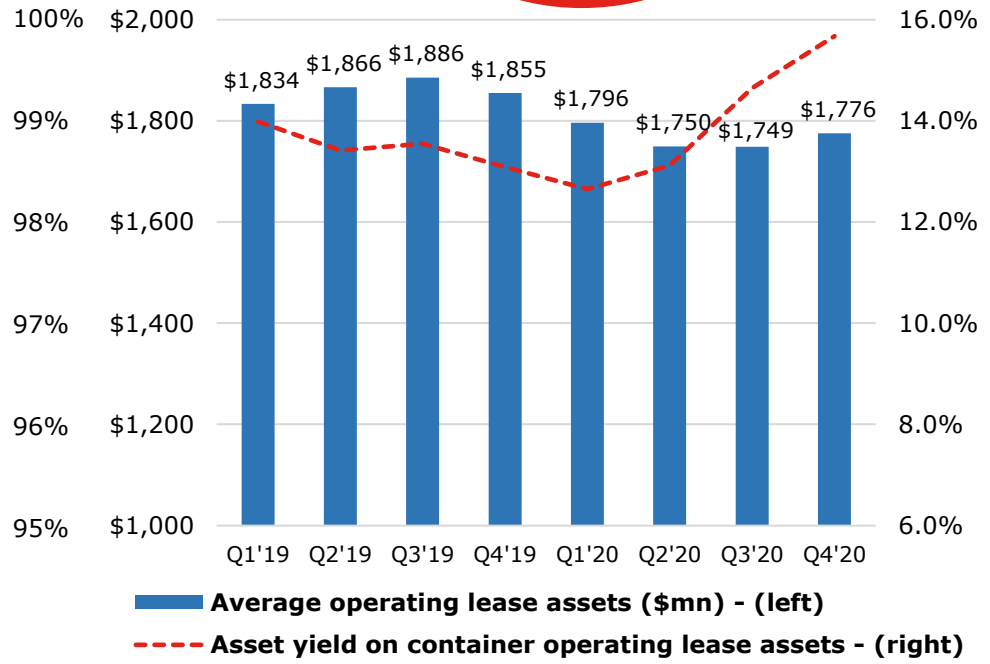
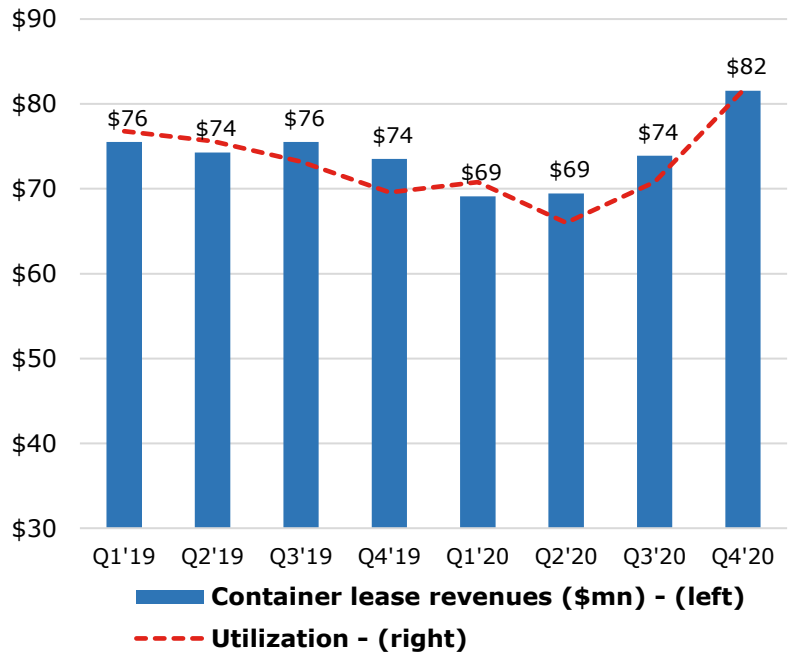
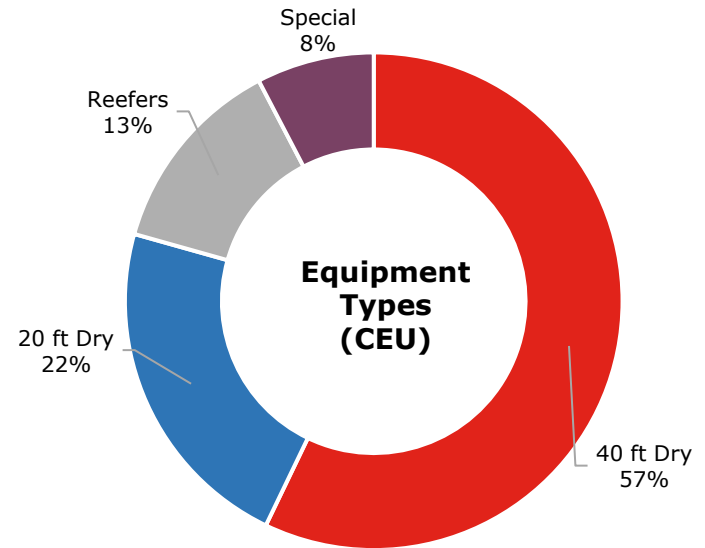
Long-term committed cash flow drives ROE

- \$1.6 billion in committed cash flow
- 92% of CAI's on-lease containers are on long-dated operating and finance leases
- Those long-dated leases cover, on average, 70% of the containers' remaining life
- Q4 2020 average new long term lease tenor was 11 years – trend moving towards long dated leases



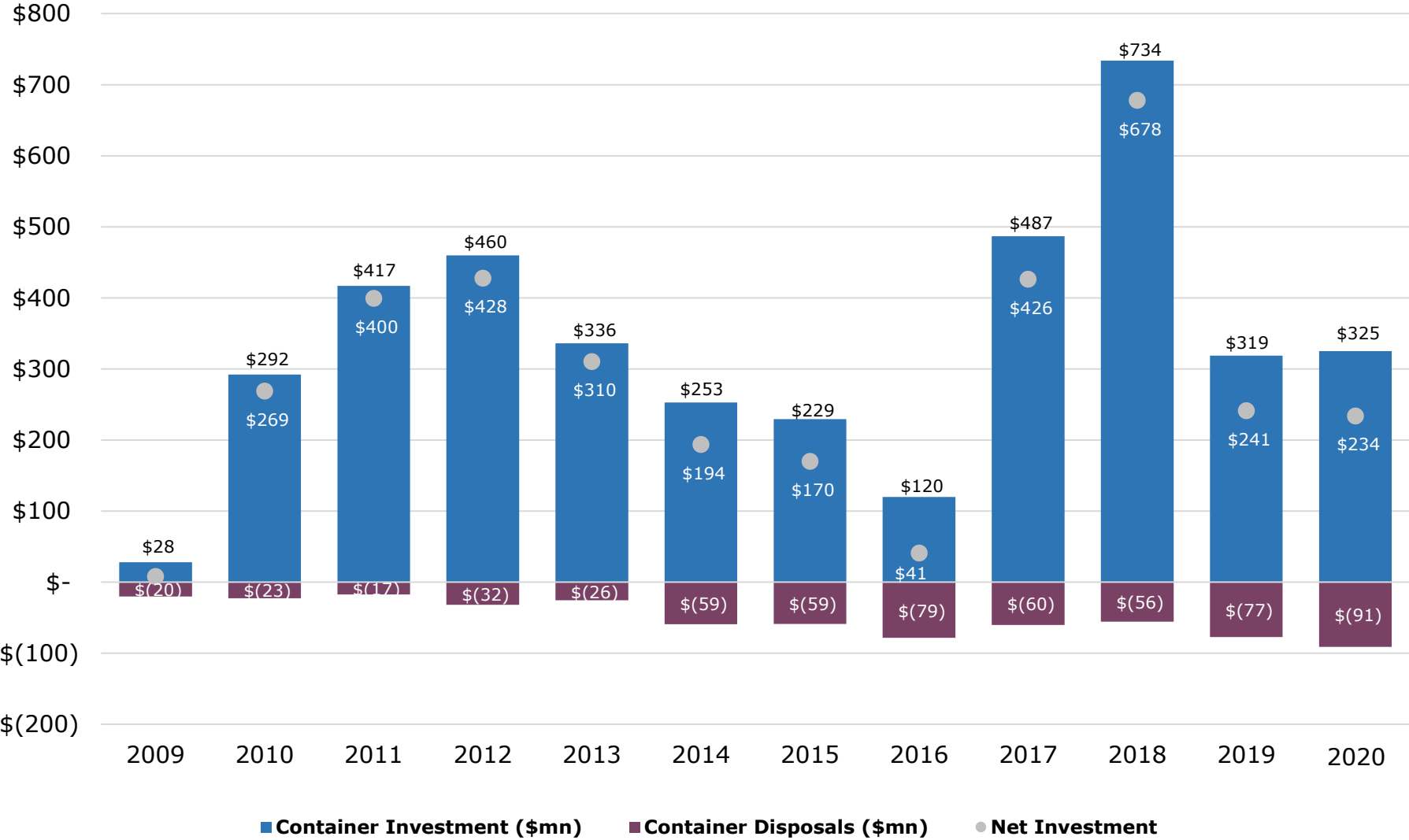
Container Leasing – Q4 2020 - Strong Fundamentals

- **Container operating income margin – 57.2%**
- 99.3% (CEU) average utilization (owned)
- Current utilization of 99.7% (CEU)
- At the end of Q4 2020, ~92% of CAI's on-lease container fleet (CEUs) were on long-term operating and finance leases



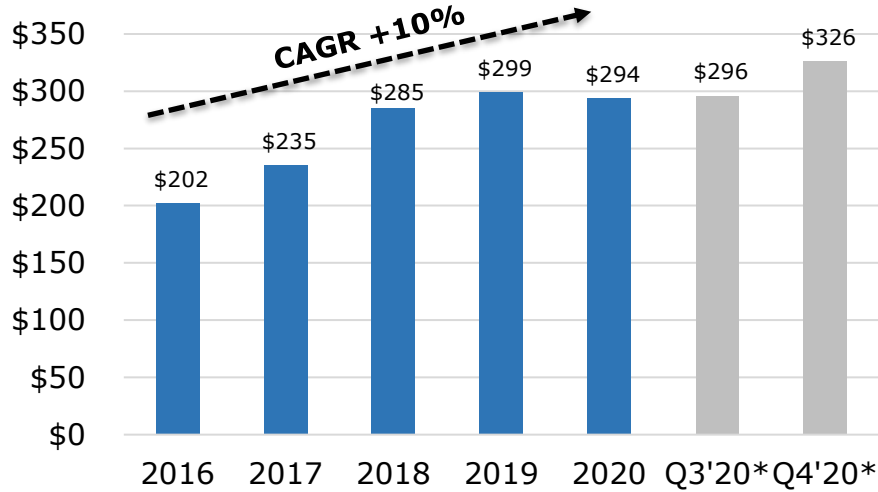
(1) Asset yield = Annualized container lease revenue minus container interest income divided by average container operating lease assets

Disciplined Container Investment

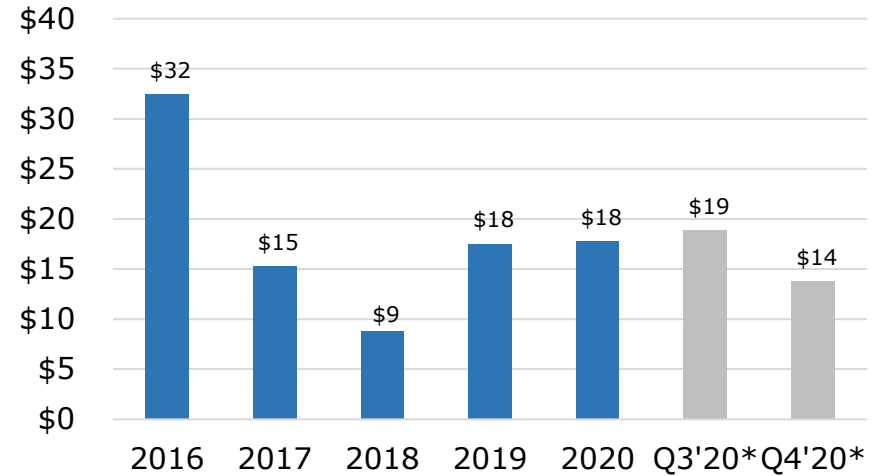


Dramatically Improving Fundamentals

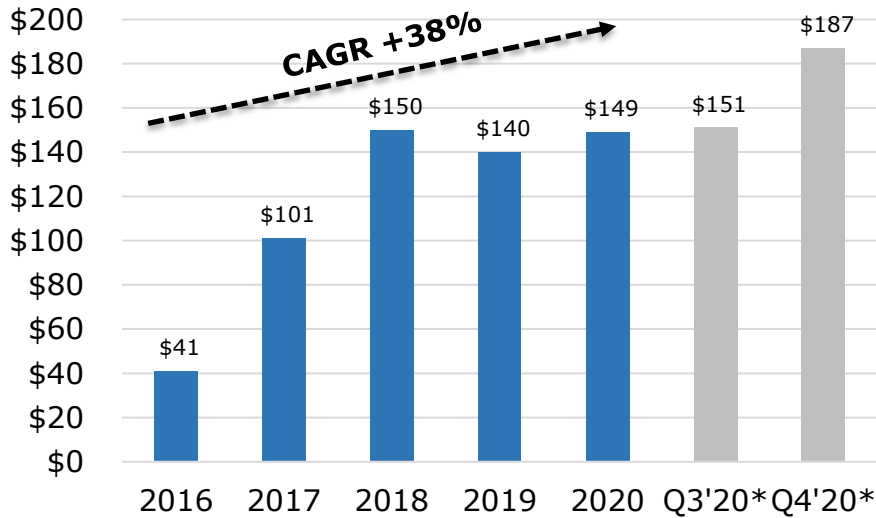
Container Lease Revenue (\$mn)



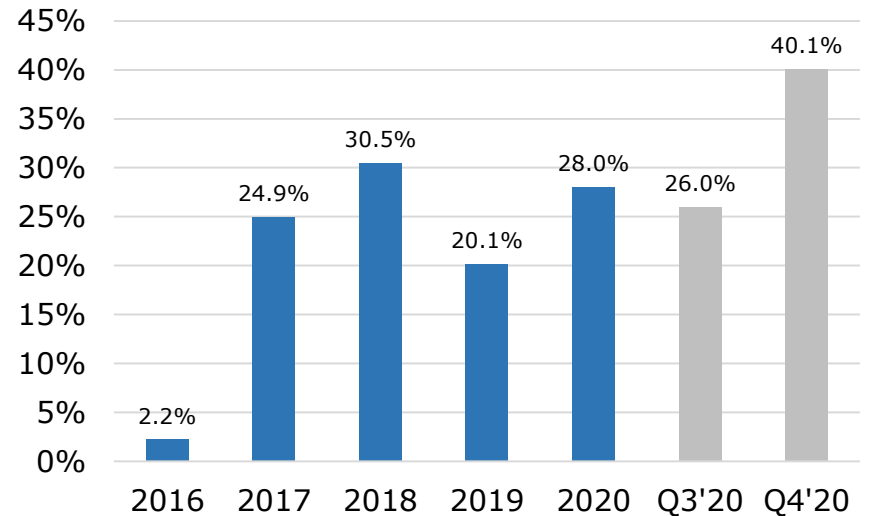
Storage, Handling & Misc Op. Ex (\$mn)



Container Operating Income (\$mn)

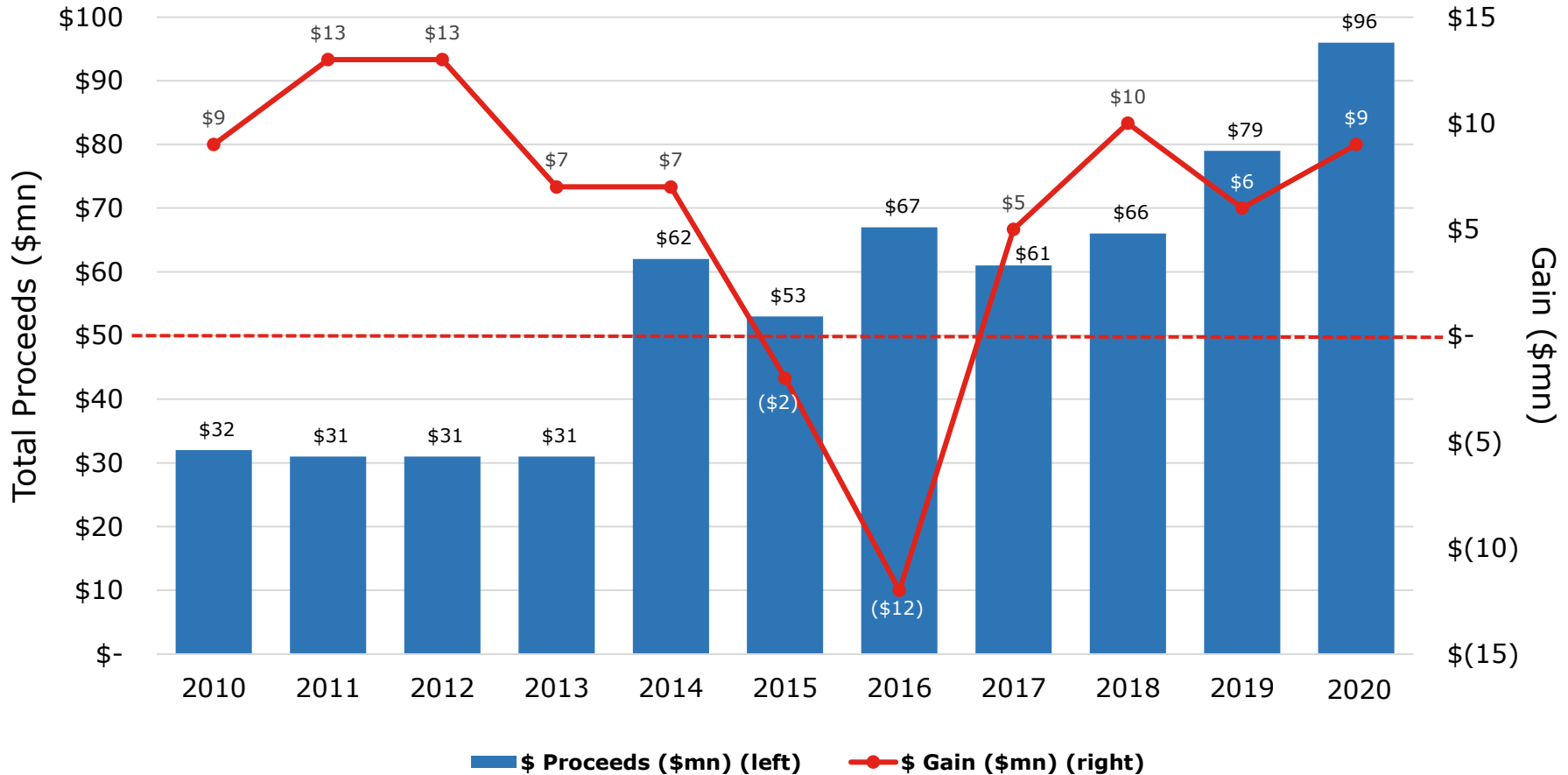


Container Pre-Tax Margin



Asset Values Supported by Gains On Sale

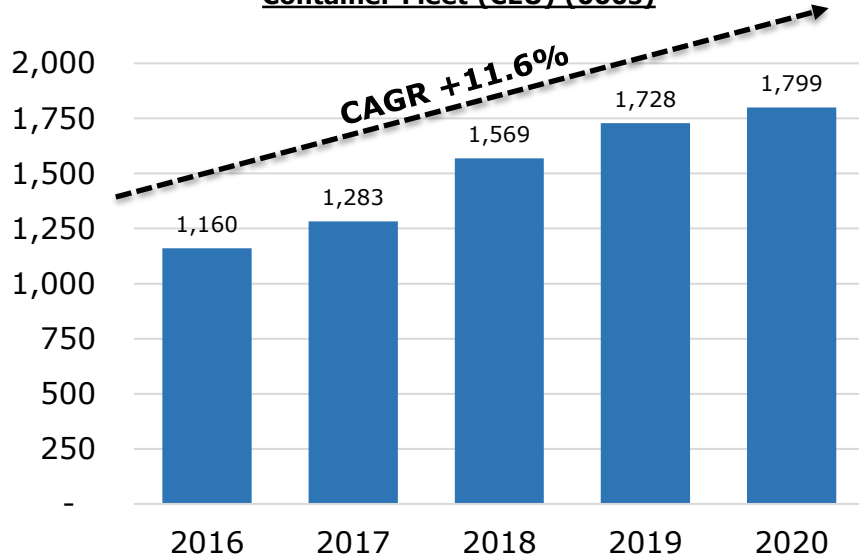
Consistent gains on asset dispositions validates underlying container book values



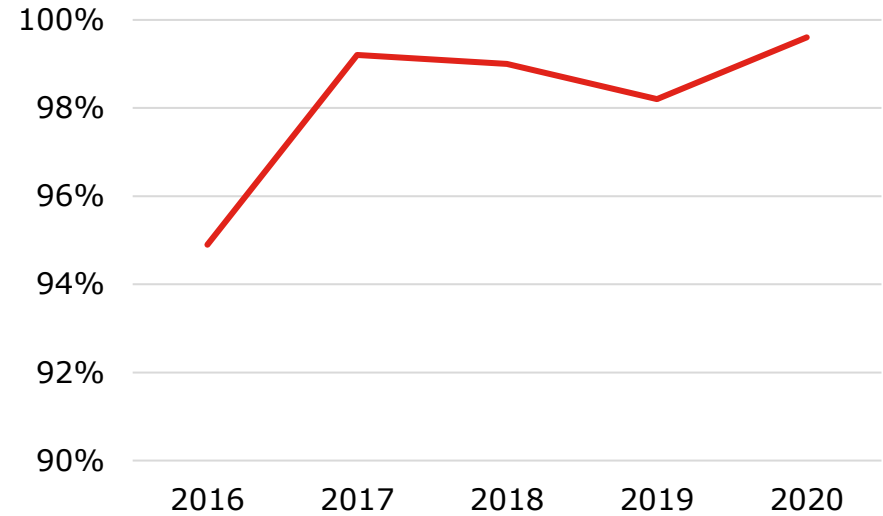
Total gain on asset disposition 2010 – 2020 = \$65 million

Fleet Growth and Supply & Demand Trends

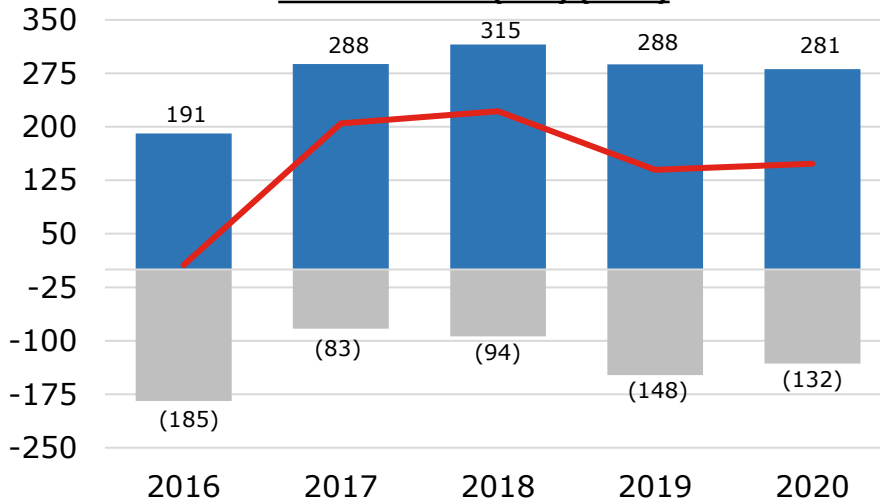
Container Fleet (CEU) (000s)



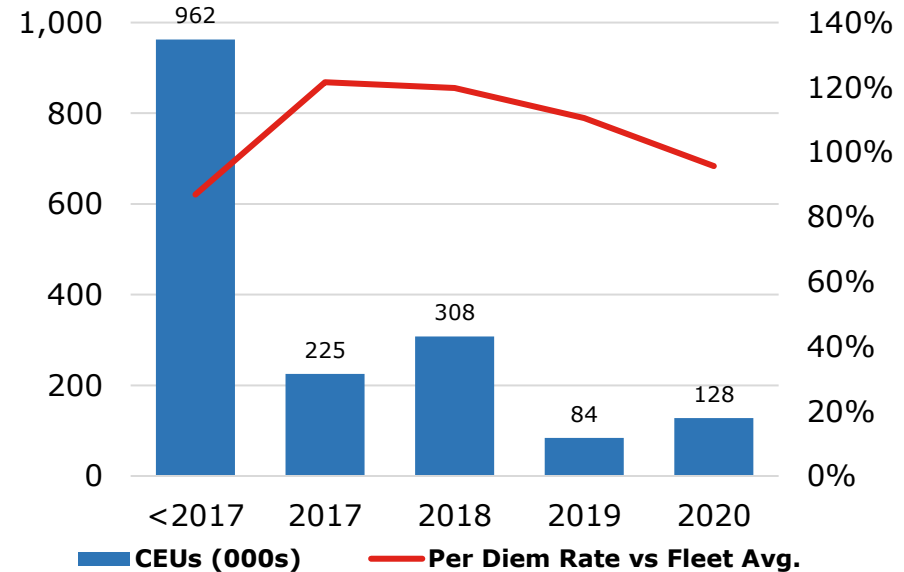
Utilization (CEU)



Net Lease Outs (CEU) (000s)



On-Lease Fleet by Manufacturing Year



■ Lease Outs ■ Turn Ins — Net Lease Outs

■ CEUs (000s) — Per Diem Rate vs Fleet Avg.



Capitalization



Capitalization Summary – Q4 2020

Refinanced ABS Sept. 2020

	Before	After
Principal (\$mn)	\$709.4	\$742.7
Interest Rate	4.1%	2.3%

Debt and Liquidity Profile

Floating Rate	17%
Fixed Rate	83%
Average Rate	2.25%

Savings	180bps ~\$11.4M in 2021
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Average Debt Maturity	3.5 years
Current Liquidity ⁽¹⁾	\$250M

YE 2020 average rate of 2.25% is 38% lower than YE 2019 average rate of 3.6%



Appendix



CAI Historical Financial Results - Annual

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Leasing revenue											
Container Revenue	\$292,008	\$297,145	\$283,352	\$233,324	\$200,186	\$217,573	\$210,756	\$197,360	\$157,603	\$110,404	\$66,937
Rail Revenue	22,949	26,130	35,703	32,476	30,490	17,433	10,336	7,179	2,972	0	0
Logistics revenue	66,304	117,687	111,471	80,552	61,536	11,434	0	0	0	0	0
Gain On Portfolio Sales	0	0	0	0	0	0	0	0	1,256	2,345	614
Management fee income	2,005	1,708	1,572	2,041	2,142	3,227	6,497	7,866	12,094	12,957	10,348
Total revenue	\$383,266	\$442,670	\$432,098	\$348,393	\$294,354	\$249,667	\$227,589	\$212,405	\$173,925	\$125,706	\$77,899
Operating expenses											
Depreciation and impairment of rental equipment	135,899	150,122	121,298	110,952	104,877	113,590	77,976	67,109	48,352	33,633	20,807
Storage, handling and other expenses	23,490	24,315	14,545	20,918	35,862	30,264	26,043	19,257	9,402	5,513	6,170
Transportation costs	58,440	104,109	97,170	68,155	51,980	10,102	0	0	0	0	0
Loss (gain) on sale of used rental equipment	9,404	(13,892)	(11,725)	(5,347)	12,671	654	(6,522)	(7,356)	(12,445)	(13,374)	(9,112)
Administrative expenses	63,169	56,379	50,305	42,699	35,678	27,617	26,538	24,628	25,560	22,263	22,595
Total operating expenses	\$290,402	\$321,033	\$271,593	\$237,377	\$241,068	\$182,227	\$124,035	\$103,638	\$70,869	\$48,035	\$40,460
Operating income	\$92,864	\$121,637	\$160,505	\$111,016	\$53,286	\$67,440	\$103,554	\$108,767	\$103,056	\$77,671	\$37,439
Other expenses											
Net interest expense	74,770	92,501	78,345	53,052	42,754	36,271	35,592	36,000	28,787	16,139	5,169
Other expense	(651)	313	677	765	654	182	773	1,190	170	(366)	513
Total other expenses	\$74,119	\$92,814	\$79,022	\$53,817	\$43,408	\$36,453	\$36,365	\$37,190	\$28,957	\$15,773	\$5,682
Net income (loss) before income taxes and non controlling interest	\$18,745	\$28,823	\$81,483	\$57,199	\$9,878	\$30,987	\$67,189	\$71,577	\$74,099	\$61,898	\$31,757
Income tax expense	(8,988)	(2,188)	2,887	(14,861)	3,844	4,252	7,191	7,057	9,818	11,084	3,555
Net income (loss)	\$27,733	\$31,011	\$78,596	\$72,060	\$6,034	\$26,735	\$59,998	\$64,520	\$64,281	\$50,814	\$28,202
Dividends on Preferred Stock	8,829	8,829	5,124	0	0	0	0	0	0	0	0
Net income attributable to non-controlling interest	0	0	0	0	(37)	(134)	(111)	(594)	(816)	(625)	181
Net income (loss) attributable to CAI common stockholders	\$18,904	\$22,182	\$73,472	\$72,060	\$5,997	\$26,601	\$59,887	\$63,926	\$63,465	\$50,189	\$28,383
Earnings Per Fully Diluted Share	\$1.06	\$1.23	\$3.71	\$3.68	\$0.31	\$1.27	\$2.83	\$2.82	\$3.18	\$2.55	\$1.56
Book Value Per Share	\$34.07	\$33.72	\$31.83	\$27.65	\$24.01	\$22.81	\$21.27	\$18.64	\$15.73	\$11.92	\$9.31

CAI Historical Financial Results - Quarterly

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Leasing revenue												
Container Revenue	\$81,064	\$73,339	\$68,953	\$68,652	\$73,060	\$75,023	\$73,899	\$75,163	\$76,254	\$74,958	\$67,952	\$64,261
Rail Revenue	5,702	5,162	6,282	5,803	5,916	5,871	6,462	7,881	8,721	8,759	9,119	9,104
Logistics revenue	0	13,550	22,648	30,106	29,899	30,270	29,802	27,716	30,220	31,362	28,253	21,636
Gain On Portfolio Sales	0	0	0	0	0	0	0	0	0	0	0	0
Management fee income	503	551	490	461	461	512	387	348	372	373	381	373
Total revenue	\$87,269	\$92,602	\$98,373	\$105,022	\$109,336	\$111,676	\$110,550	\$111,108	\$115,567	\$115,452	\$105,705	\$95,374
Operating expenses												
Depreciation and impairment of rental equipment	29,853	30,428	29,403	46,215	27,536	53,663	37,139	31,784	31,777	31,272	29,402	28,847
Storage, handling and other expenses	4,582	6,686	6,474	5,748	5,871	8,125	5,199	5,120	4,318	3,514	2,613	4,100
Transportation costs	0	12,092	19,533	26,815	26,462	27,037	26,091	24,519	26,634	27,541	24,330	18,665
Loss (gain) on sale of used rental equipment	15,855	(2,729)	(2,108)	(1,614)	(1,627)	(3,168)	(265)	(8,832)	(4,186)	(2,625)	(2,719)	(2,195)
Administrative expenses	11,549	9,821	29,973	11,826	15,293	13,322	13,368	14,396	14,035	12,869	12,160	11,241
Total operating expenses	\$61,839	\$56,298	\$83,275	\$88,990	\$73,535	\$98,979	\$81,532	\$66,987	\$72,578	\$72,571	\$65,786	\$60,658
Operating income	\$25,430	\$36,304	\$15,098	\$16,032	\$35,801	\$12,697	\$29,018	\$44,121	\$42,989	\$42,881	\$39,919	\$34,716
Other expenses												
Net interest expense	16,532	20,270	17,592	20,376	22,348	23,098	23,205	23,850	23,223	19,783	18,440	16,899
Other expense	(494)	(306)	(97)	246	(224)	380	119	38	167	116	429	(35)
Total other expenses	\$16,038	\$19,964	\$17,495	\$20,622	\$22,124	\$23,478	\$23,324	\$23,888	\$23,390	\$19,899	\$18,869	\$16,864
Net income (loss) before income taxes and non controlling interest	\$9,392	\$16,340	(\$2,397)	(\$4,590)	\$13,677	(\$10,781)	\$5,694	\$20,233	\$19,599	\$22,982	\$21,050	\$17,852
Income tax expense	(4,854)	897	(1,771)	(3,260)	955	(5,002)	200	1,659	192	1,228	753	714
Net income (loss)	\$14,246	\$15,443	(\$626)	(\$1,330)	\$12,722	(\$5,779)	\$5,494	\$18,574	\$19,407	\$21,754	\$20,297	\$17,138
Dividends on Preferred Stock	2,208	2,207	2,207	2,207	2,208	2,207	2,207	2,207	2,207	1,748	1,148	21
Net income attributable to non-controlling interest	0	0	0	0	0	0	0	0	0	0	0	0
Net income (loss) attributable to CAI common stockholders	\$12,038	\$13,236	(\$2,833)	(\$3,537)	\$10,514	(\$7,986)	\$3,287	\$16,367	\$17,200	\$20,006	\$19,149	\$17,117
Earnings Per Fully Diluted Share	\$0.67	\$0.75	(\$0.16)	(\$0.20)	\$0.60	(\$0.46)	\$0.18	\$0.87	\$0.89	\$1.03	\$0.97	\$0.83
Book Value Per Share	\$34.07	\$33.54	\$33.25	\$33.49	\$33.72	\$33.13	\$33.55	\$32.98	\$31.83	\$30.69	\$29.72	\$28.44