



# CSX Investor Day 2024

Thursday, November 7, 2024

Ritz-Carlton, Amelia Island, FL

# Forward Looking Disclosure

This information and other statements by the company may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act with respect to, among other items: projections and estimates of earnings, revenues, margins, volumes, rates, cost-savings, expenses, taxes, liquidity, capital expenditures, dividends, share repurchases or other financial items, statements of management's plans, strategies and objectives for future operations, and management's expectations as to future performance and operations and the time by which objectives will be achieved, statements concerning proposed new services, and statements regarding future economic, industry or market conditions or performance. Forward-looking statements are typically identified by words or phrases such as "will," "should," "believe," "expect," "anticipate," "project," "estimate," "preliminary" and similar expressions. Forward-looking statements speak only as of the date they are made, and the company undertakes no obligation to update or revise any forward-looking statement. If the company updates any forward-looking statement, no inference should be drawn that the company will make additional updates with respect to that statement or any other forward-looking statements.

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# Non-GAAP Measures Disclosure

CSX reports its financial results in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). CSX also uses certain non-GAAP measures that fall within the meaning of Securities and Exchange Commission Regulation G and Regulation S-K Item 10(e), which may provide users of the financial information with additional meaningful comparison to prior reported results.

Non-GAAP measures do not have standardized definitions and are not defined by U.S. GAAP. Therefore, CSX's non-GAAP measures are unlikely to be comparable to similar measures presented by other companies. The presentation of these non-GAAP measures should not be considered in isolation from, as a substitute for, or as superior to the financial information presented in accordance with GAAP.

Reconciliations of non-GAAP measures to corresponding GAAP measures are attached hereto in the Appendix of this presentation.

**Welcome**

Joe Hinrichs

Chief Executive Officer and President

**Proven  
Powerful  
Profitable**

# Today's Agenda

**Welcome** – Joe Hinrichs

**Executing a Proactive Growth Strategy** – Kevin Boone

**Attracting New Development to Rail** – Christina Bottomley

**Deepening Customer Engagement** – Arthur Adams

**Broadening Intermodal Opportunities** – Maryclare Kenney

**Realizing Our Potential** – Kevin Boone

**Break**

**Advancing a Proven Model** – Mike Cory & Casey Albright

**Enhancing CSX Value Creation** – Sean Pelkey

**Q&A**

**Continuing Our Energy and Momentum** – Joe Hinrichs



**Proven  
Model**

**Powerful  
Momentum**

**Profitable  
Growth**



# Executing a Proactive Growth Strategy

Kevin Boone

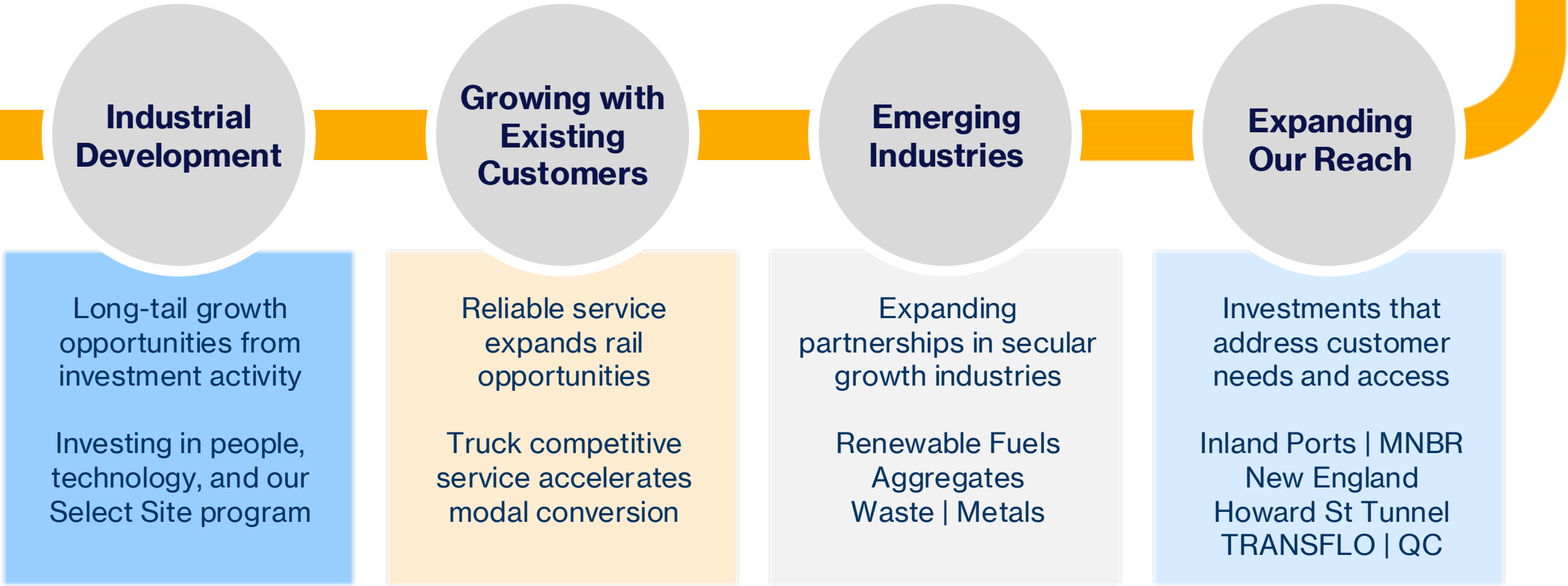
EVP and Chief Commercial Officer



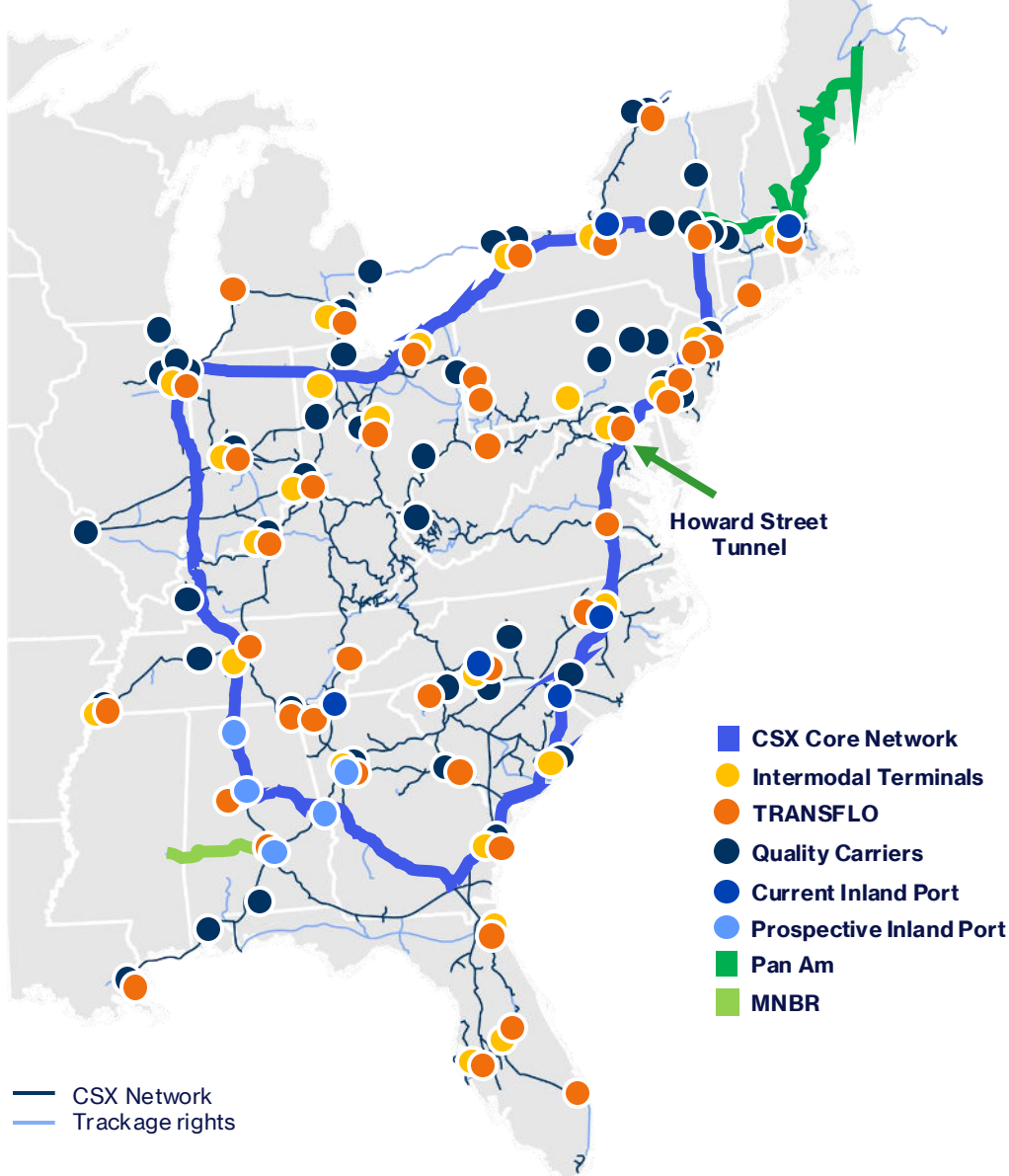
At CSX, we are pursuing a proactive approach to growth

- Treating **service** as foundational
- Being **adaptive & responsive** to market changes
- Building **partnerships** with customers, Class Is, and short lines
- Promoting an **agile** mindset by leveraging technology

# Our market expansion efforts take multiple forms



# A powerful network with expanding reach



**Leveraging our extensive reach**  
across the key regions of the US  
industrial base

**Broadening our effective footprint**  
with strategic investments

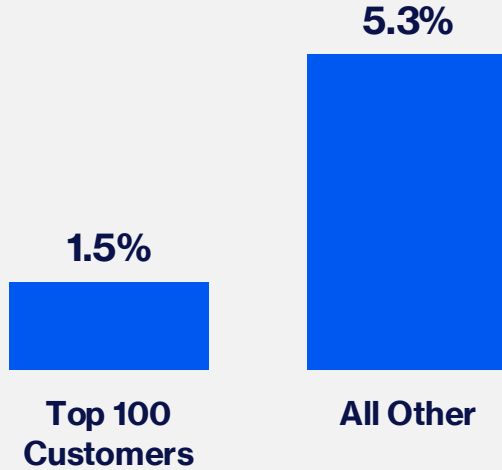
## Recent & Future Additions

**TRANSFLO**  
**Quality Carriers**  
**Inland Ports**  
**Pan Am & MNBR**  
**Howard St Tunnel**

## Potential Incremental Volume

**600-700k**  
**units**

## 5 Year Historical Revenue Growth Rates<sup>1</sup>



**A diverse customer portfolio requires diverse commercial strategies**

## Different approaches for different customers

Large Cap

Industrial Development

White Boarding Sessions

Partnerships

Mid & Small Cap

Targeting Emerging Industries

Regional Sales

Bespoke Approach

<sup>1</sup> Excluding Coal

# Attracting New Development to Rail

Christina Bottomley

VP, Business Development and Real Estate

# CSX helps customers find and build rail-served facilities

## Site Selection

40 Premier CSX Select Sites  
~1k other properties in inventory

## Site Design

~70% new sites vs expansions  
~700 average carloads per project

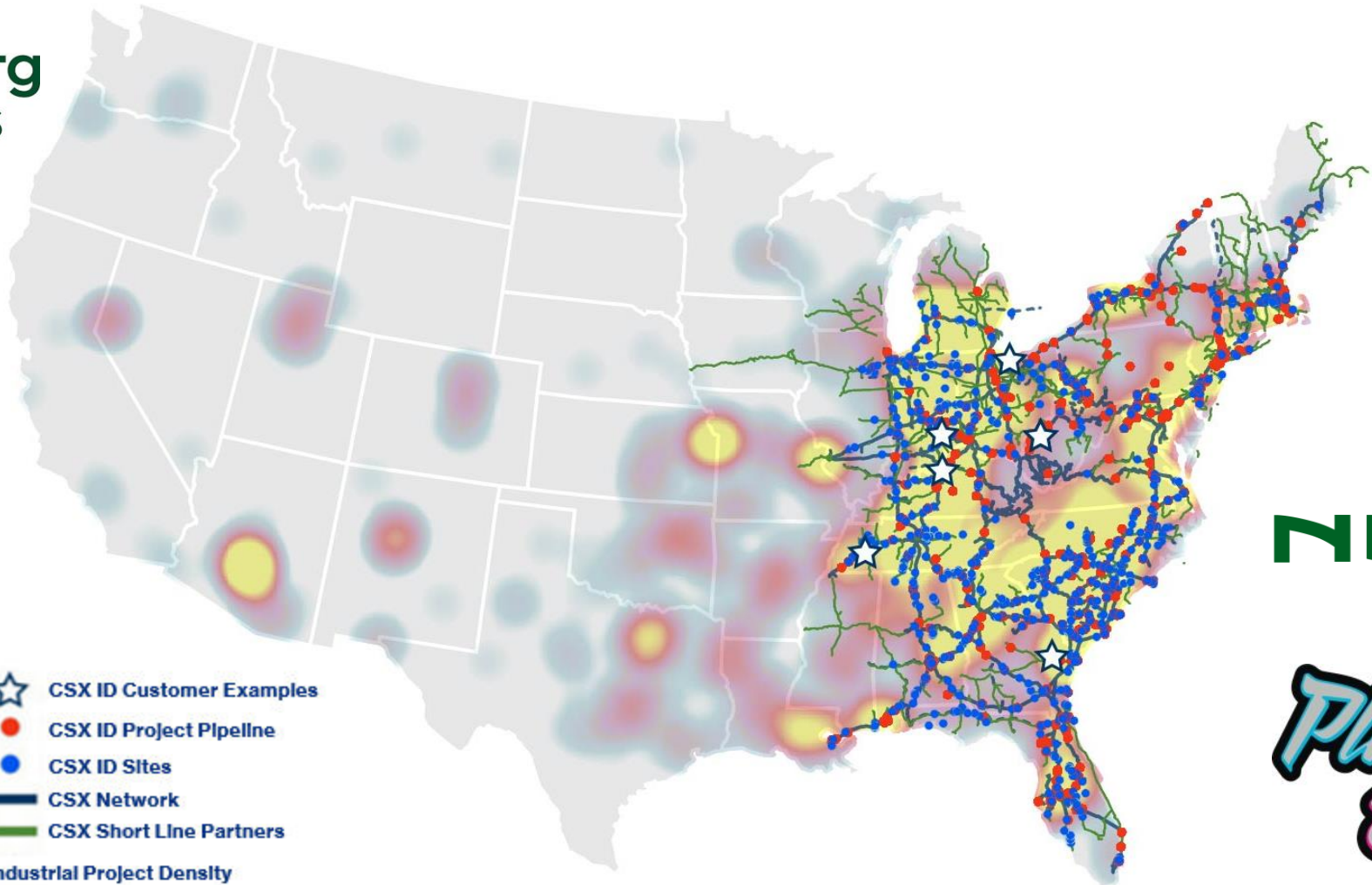
## Customer Commitment

~100 projects go live each year  
Avg. \$60M invested per project,  
includes sites of >\$1B

## Project Management

2-5 years to complete a project  
1-2 years to ramp up full production

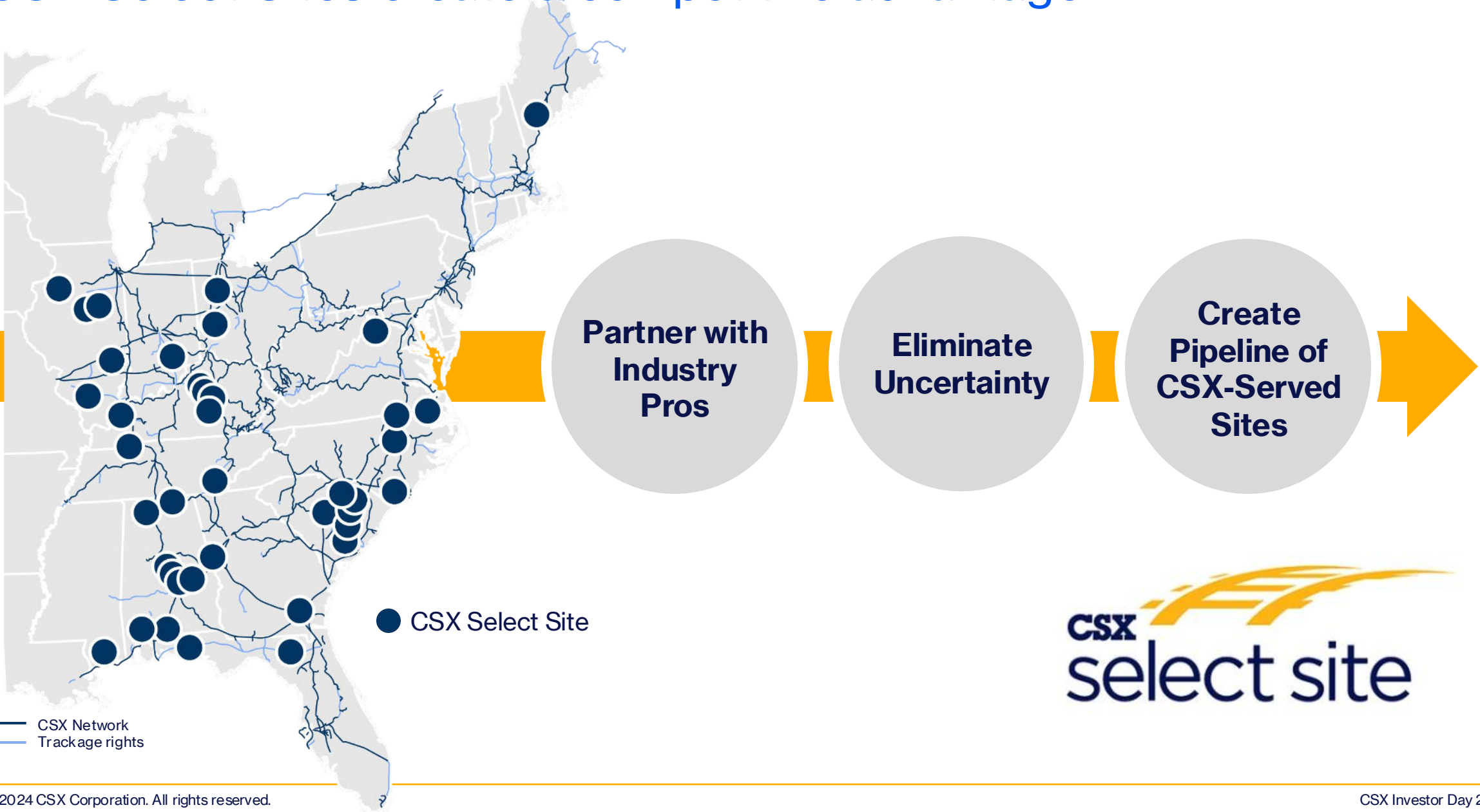
>500 new customer sites or expansions in pipeline



- ☆ CSX ID Customer Examples
  - CSX ID Project Pipeline
  - CSX ID Sites
  - CSX Network
  - CSX Short Line Partners
- Industrial Project Density
- Sparse
  - Dense



# CSX Select Sites create a competitive advantage



— CSX Network  
— Trackage rights

● CSX Select Site

# CSX Site Design creates growth for today and the future



- Project Management
- Track Designs
- Estimates & Savings
- Competitive Access
- Future Expansion
- Operational Guidelines
- Construction Coordination



Jose Gonzalez  
Procurement Director

**Novelis**

Carter Hendricks  
Executive Director

**Southwestern  
Kentucky Economic  
Development Council**

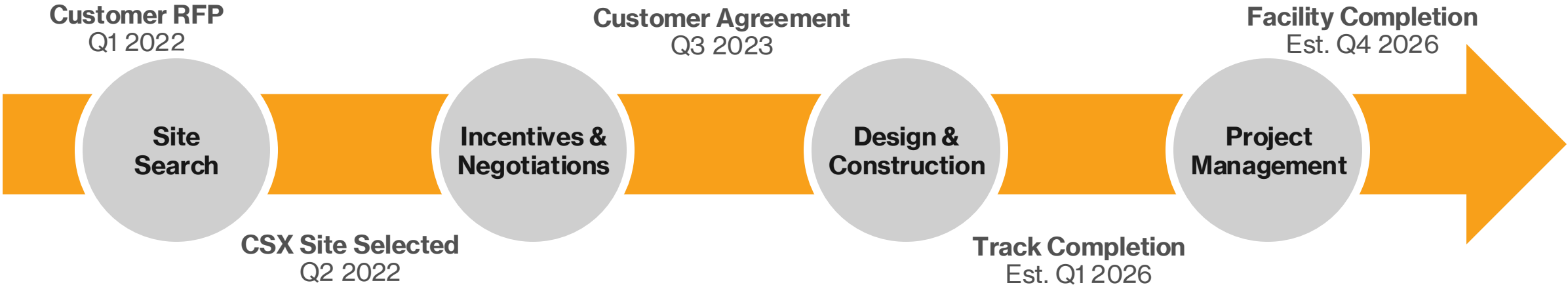


Mecha herm

Linde

217

# Years of development with a significant payoff



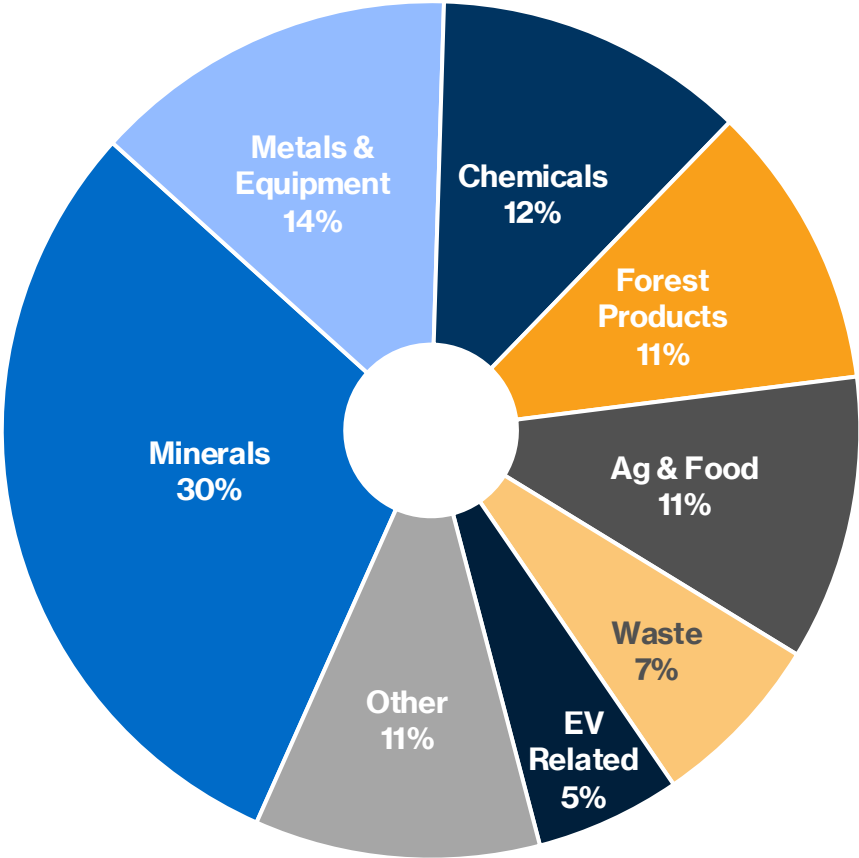
# CSX's industrial development pipeline is deep and diverse

~50% of pipeline projects located in the **Southeast US**

Multiple minerals expansions driven by **increasing infrastructure demand**

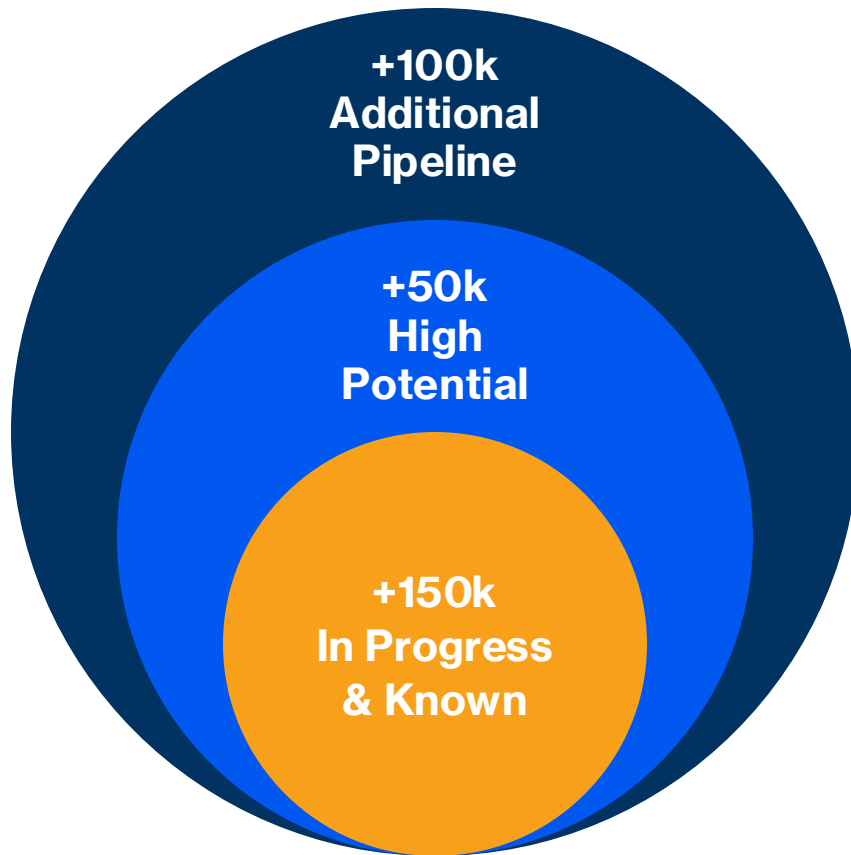
Operations connectivity helping to ensure **sufficient capacity**

More than **500 projects** in various stages represent carload opportunities across multiple end markets



# Pipeline projects could add 150-300k annual carloads by 2027

**~95% of development projects are Merchandise;**  
remaining are Intermodal and Automotive opportunities



New capacity builds and expansions are key elements of our Merchandise **growth strategy**

Incremental volume potential grows **as the pipeline expands and matures**

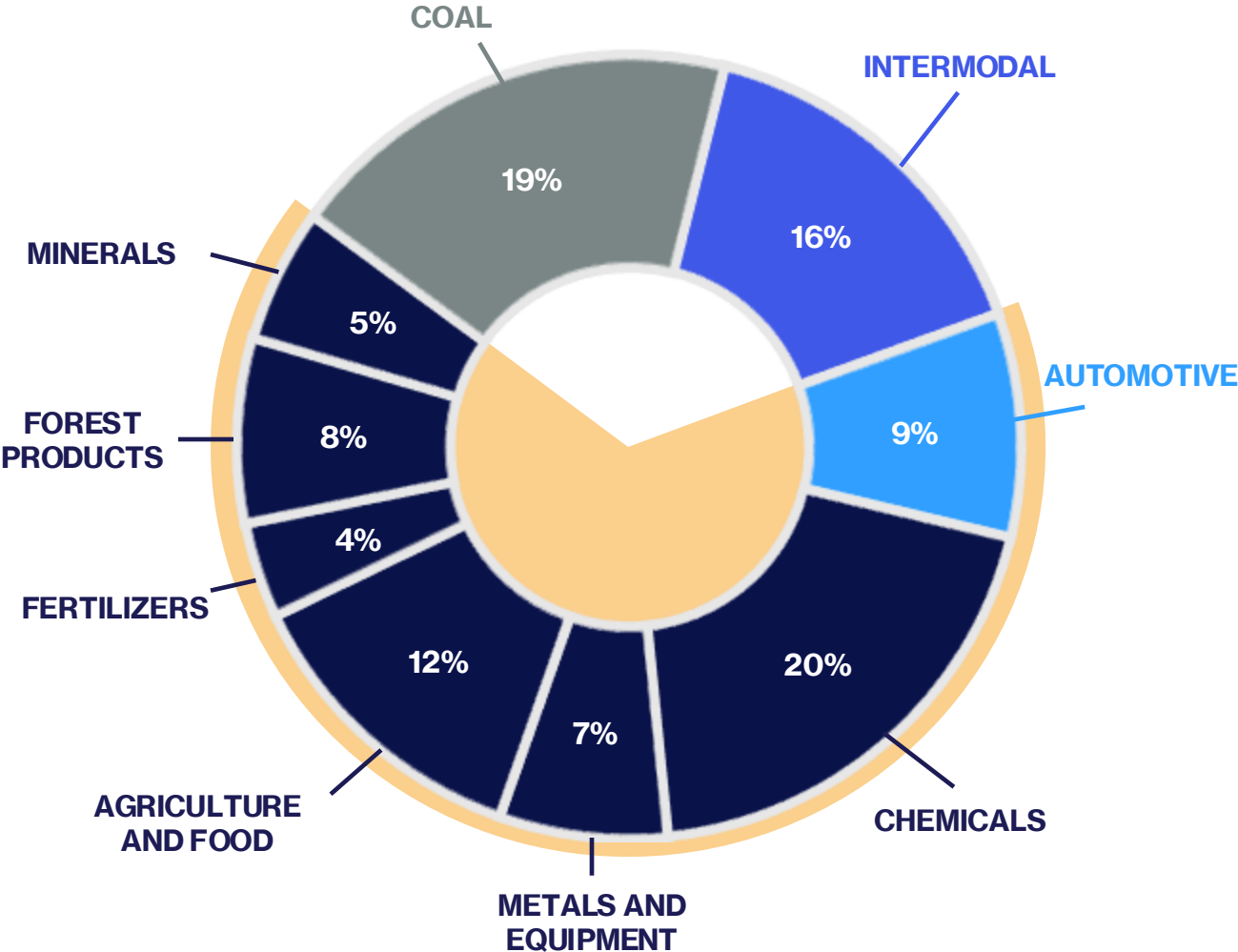
Gross additions outpacing natural attrition, driving potential **net annual volume additions of 1-2%**

# Deepening Customer Engagement

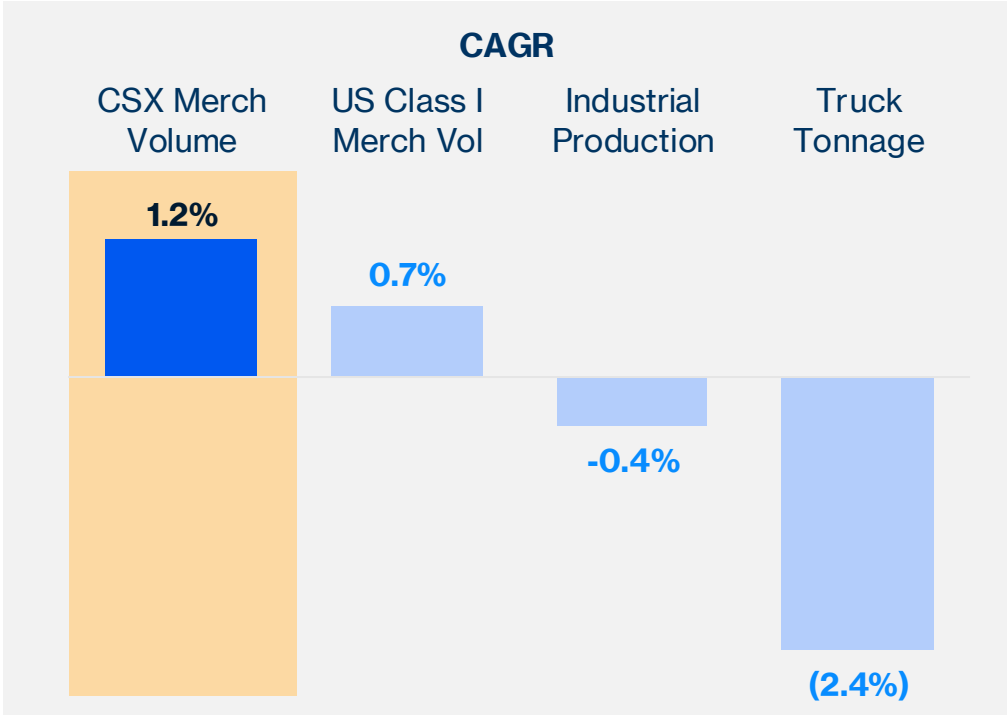
Arthur Adams

SVP, Sales and Marketing

# In 2023, >60% of CSX's freight revenue came from Merchandise



**CSX Merchandise volume growth** has outpaced the economy – and peers – from 2022-2024 YTD



Calculated using TTM ending 9/30/24 vs TTM ending 9/30/22; for IP, 9/24 vs. 9/22



Mike Segal  
Director, Logistics &  
Operations Planning

**Sappi North  
America**



sappi

P&H

# Pursuing opportunities to deepen the customer relationship

**Resourcing  
for Growth**

**Modal  
Conversion**

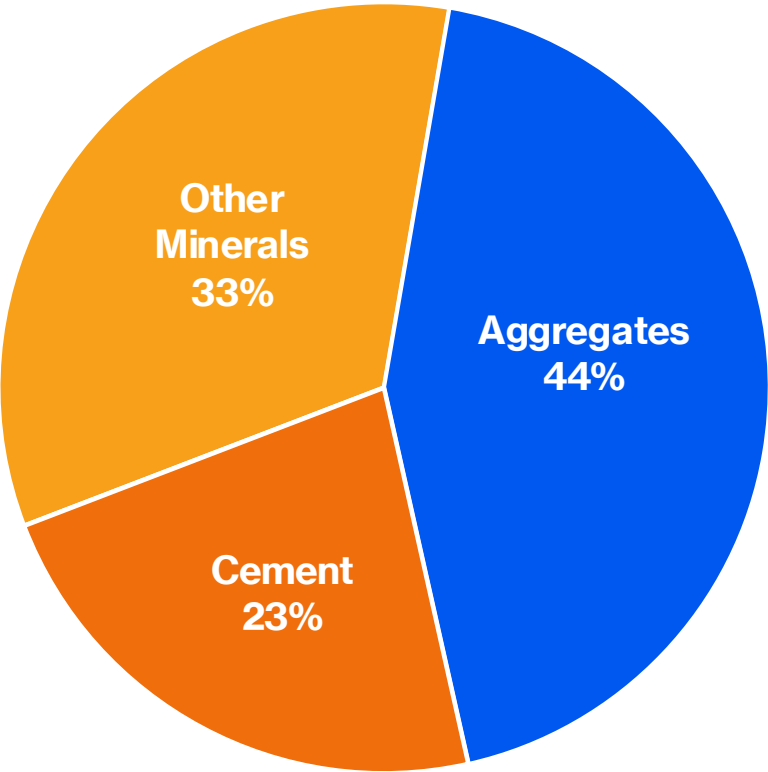
**Connectivity /  
Network  
Reach**

**Volume  
Recovery**

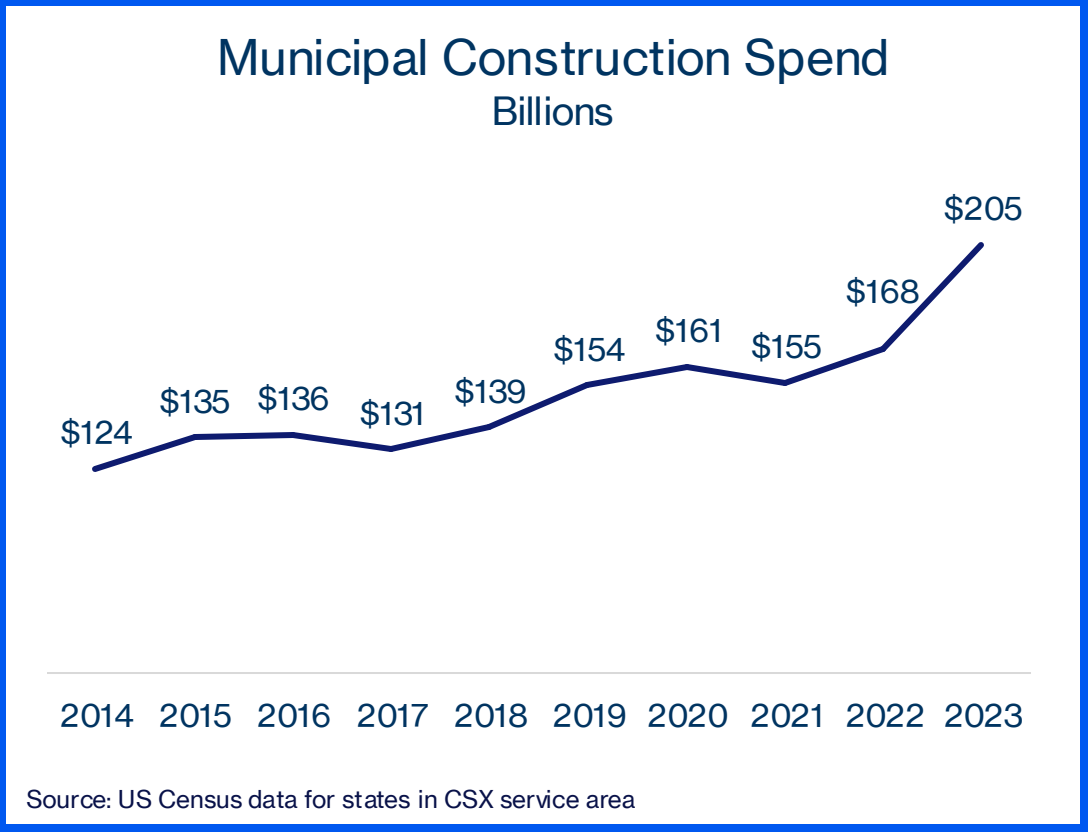
**Safety & Service Reliability**

# Minerals supported by increasing construction activity

## Minerals Revenue Mix



## Demand for cement and aggregates driven by infrastructure, demographic trends





Bill Corcoran  
Vice President of Logistics

**Heidelberg  
Materials North  
America**



# Helping our existing customers grow

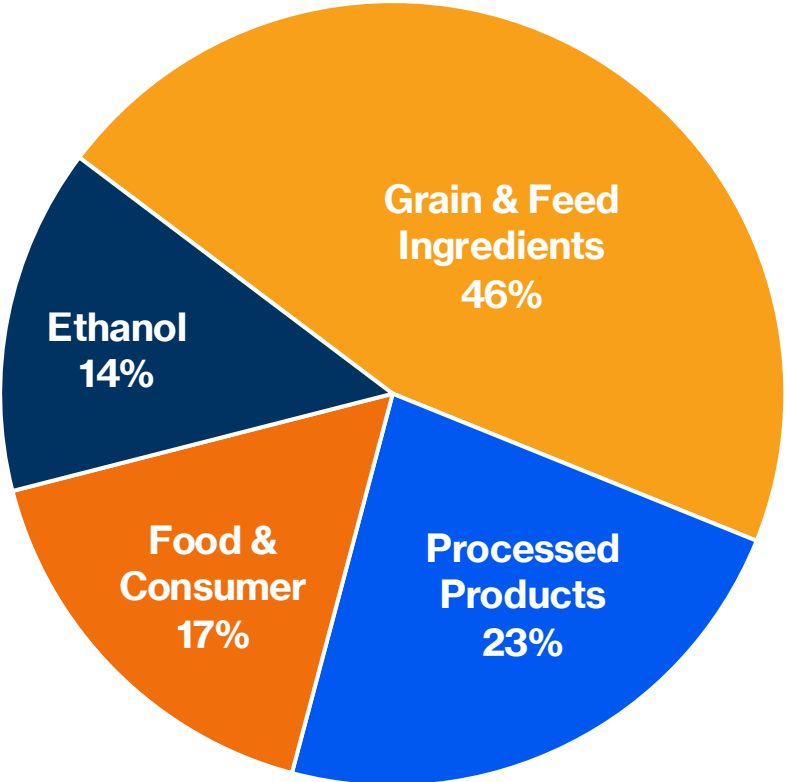


## Heidelberg Materials

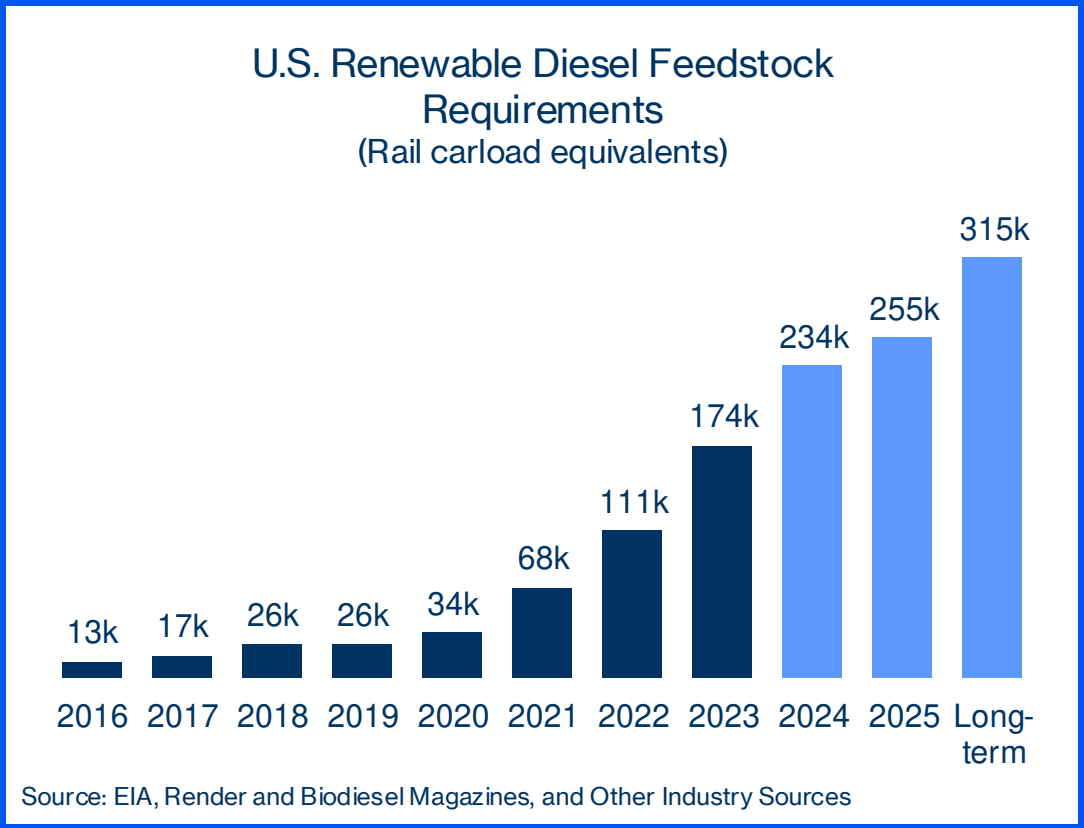
- Major manufacturer of cement across several regions
- With growing demand, saw an opportunity to replace aging facilities on a legacy CSX line
- Invested in a rail-served, high-volume cement plant largely due to track infrastructure upgrades facilitated by CSX

# Renewable fuels represent a key driver of CSX's Ag & Food unit

## Agriculture & Food Revenue Mix



**Long-term demand** driven by strong secular trends and regulatory requirements





Anthony Pellegrino  
Vice President, Operations

**Saint Paul  
Commodities**



25571

# CSX facilitates fast-growing customers with transitions to rail



## St. Paul Commodities

- Growing player in the renewable fuels industry, specifically in feedstock sourcing
- Converted its supply chain from primarily truck to majority rail as shipment volumes grew
- Worked closely with CSX to plan and develop new distribution facilities

# Driving opportunities to outgrow the markets we serve

## **‘Art of the Possible’ Whiteboard Sessions**

Cross-functional **senior decision makers**

**Live, real-time feedback** mechanisms

Discussion of the customer’s  
**goals beyond just transportation**  
and the **vision of their future supply chain**

Sessions have been conducted  
with **44 customers**, including  
**36 of the Top 150**

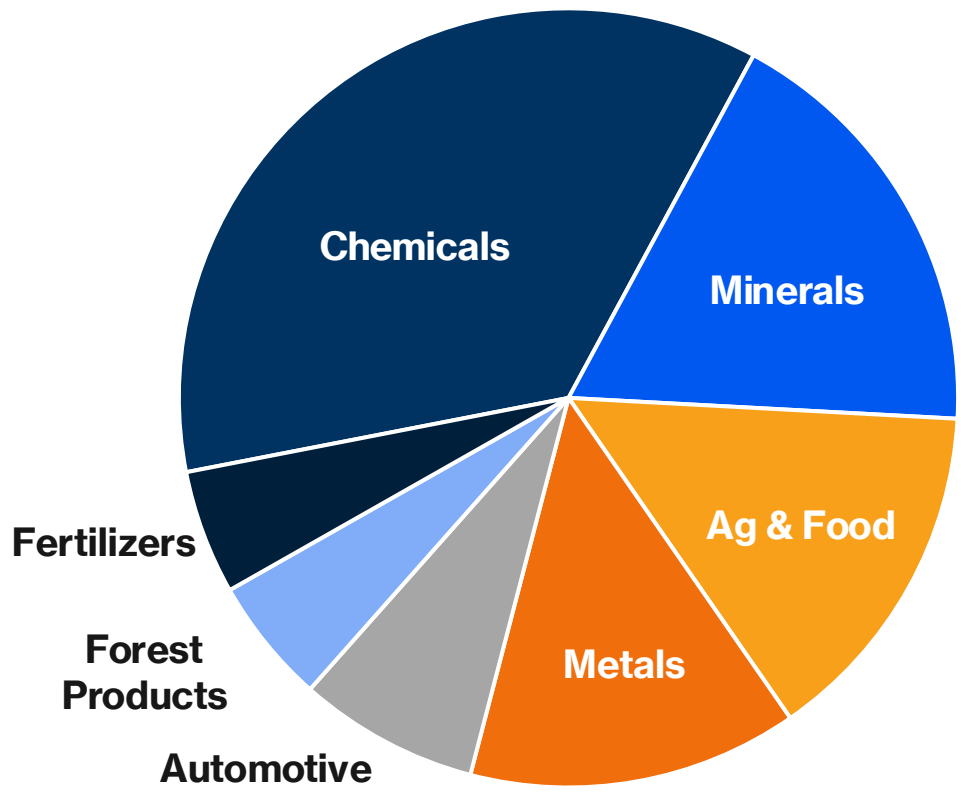
These sessions have facilitated  
**new connections, new solutions**  
**and new growth**

**50-100 bps annually**  
**Incremental revenue growth**  
**to be captured**

# Visible pipeline for Merchandise growth potential at all-time high

## ~\$1.2 billion

Merchandise Pipeline, 2025-2027



By delivering the **consistent, dependable service** that our customers require...

Combining it with **willingness** to find **new creative solutions** as their needs evolve...

We are **deepening relationships, retaining** and **growing** business with our customers

# Broadening Intermodal Opportunities

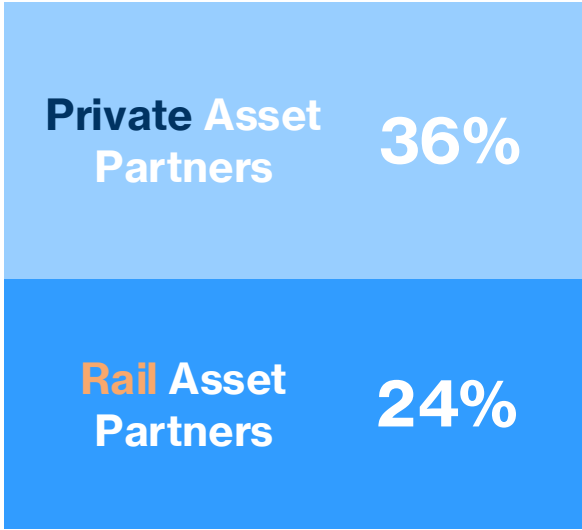
Maryclare Kenney

VP, Intermodal and Auto


# Leveraging strong service and a powerful network to unlock growth

## Intermodal Revenue Mix

Growth through expanded market reach



Growth through conversions on existing footprint

A large, white, stylized graphic element is positioned on the left side of the slide. It resembles a thick, rounded 'U' shape or a partial 'C' shape, with a vertical line extending downwards from the right side of the curve. The shape is hollow and set against the blue background.

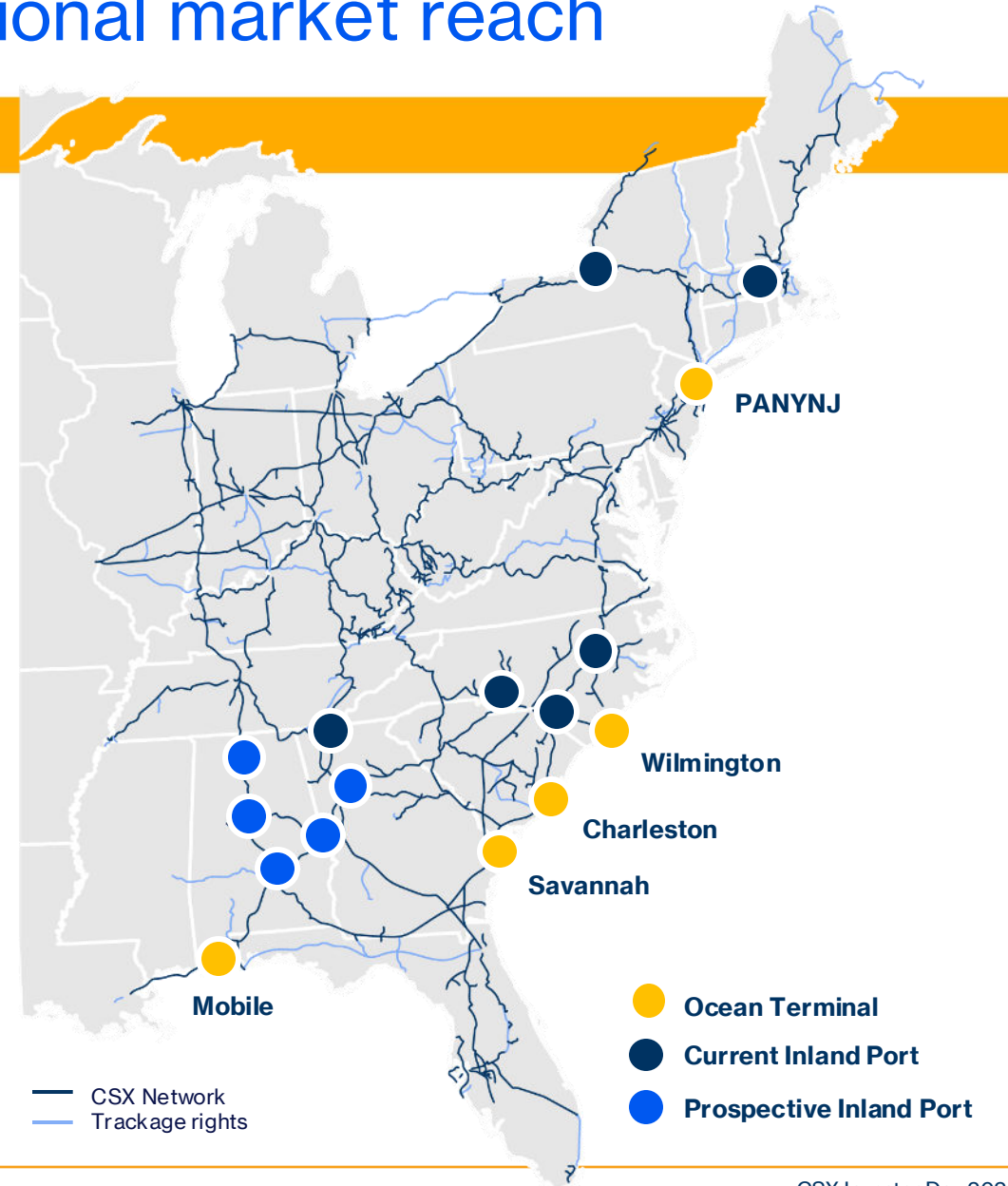
Griff Lynch  
President and CEO  
**Georgia Ports  
Authority**



# Inland port strategy extends International market reach

Through **public-private partnerships** that leverage the existing CSX rail network

We are **connecting ports**, and the broader global economy, to fast-growing population centers and industrial markets





Lucy Fishwick  
Vice President, Logistics

**Diageo**

Jim Filter  
EVP, Transportation &  
Logistics

**Schneider**

Michael Baumgardt  
SVP and GM, Intermodal

**Schneider**



# National Account engagement drives conversions

## Domestic Conversion Opportunity

**4-5 million units**

Vast network reach & efficient terminals

Direct BCO engagement

Superior service product<sup>1</sup>

New lanes designed to customer needs

<sup>1</sup>CSX voted as best performing railroad in the Journal of Commerce's Intermodal Service Scorecard, 2022-2024

# Howard St Tunnel project will improve service and unlock potential



- New lane offerings
- Increased capacity & fluidity
- Faster and more reliable service
- Efficient double-stack routes





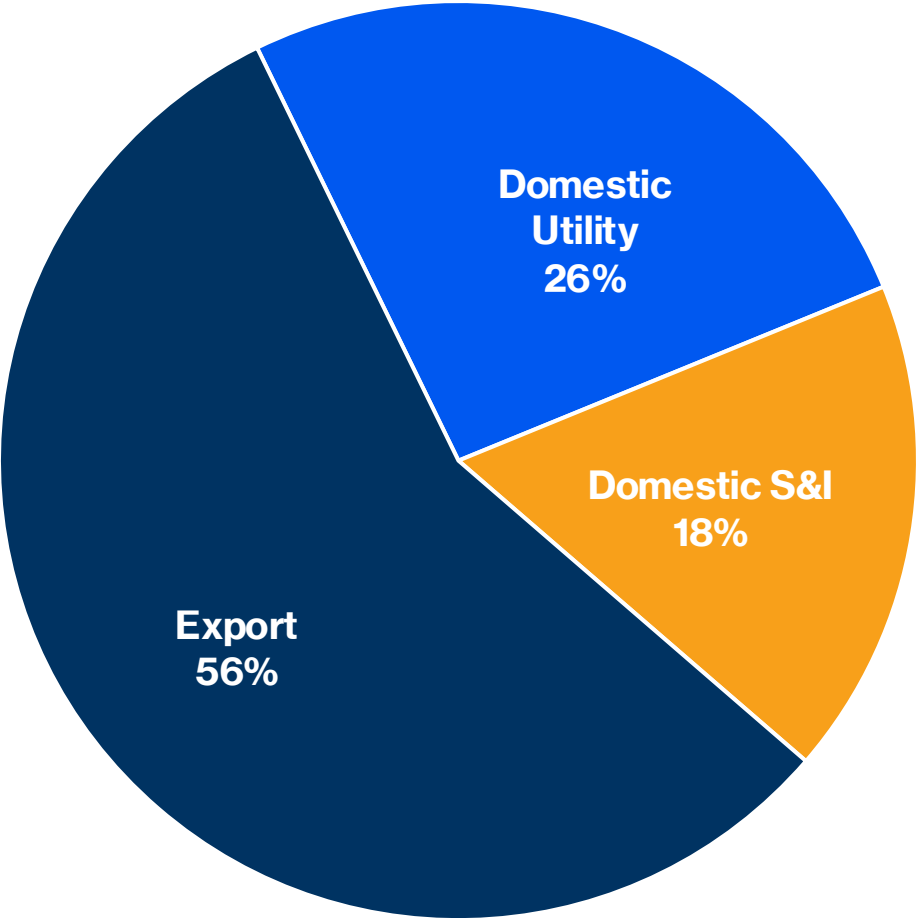
# Realizing our Potential

Kevin Boone

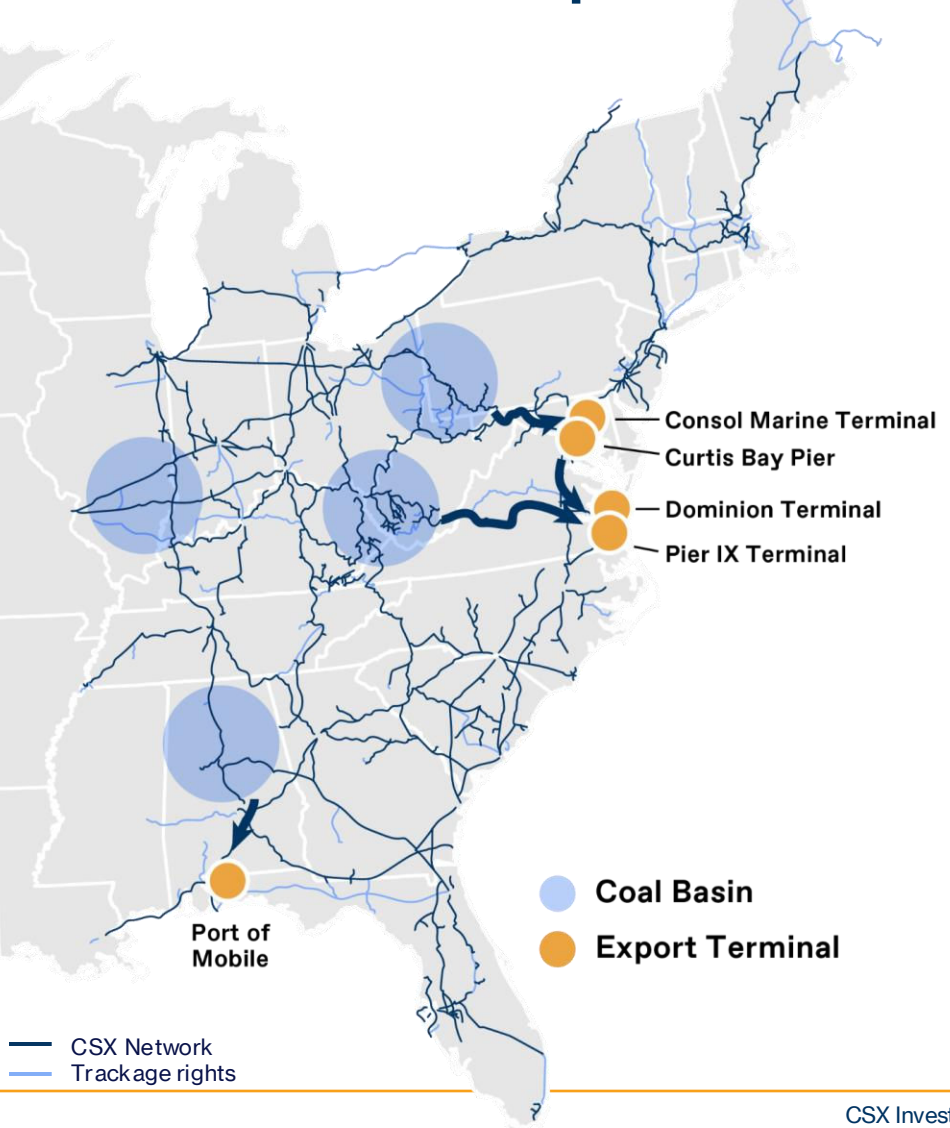
EVP and Chief Commercial Officer

# CSX has extensive access to the export coal market

### Coal Revenue Mix by Market



### Coal Basins & CSX Export Terminals



# Volume targets deliver above-market growth

IP +  
1-2%

## Merchandise

Consistent service

Industrial Development

Consultative selling

Emphasis on partnership

GDP +  
2-3%

## Intermodal

Consistent service

Adding International 'dots'

Connecting Domestic 'dots'

Howard Street Tunnel

Flat

## Coal

Consistent service

Export strength

# Advancing a Proven Model

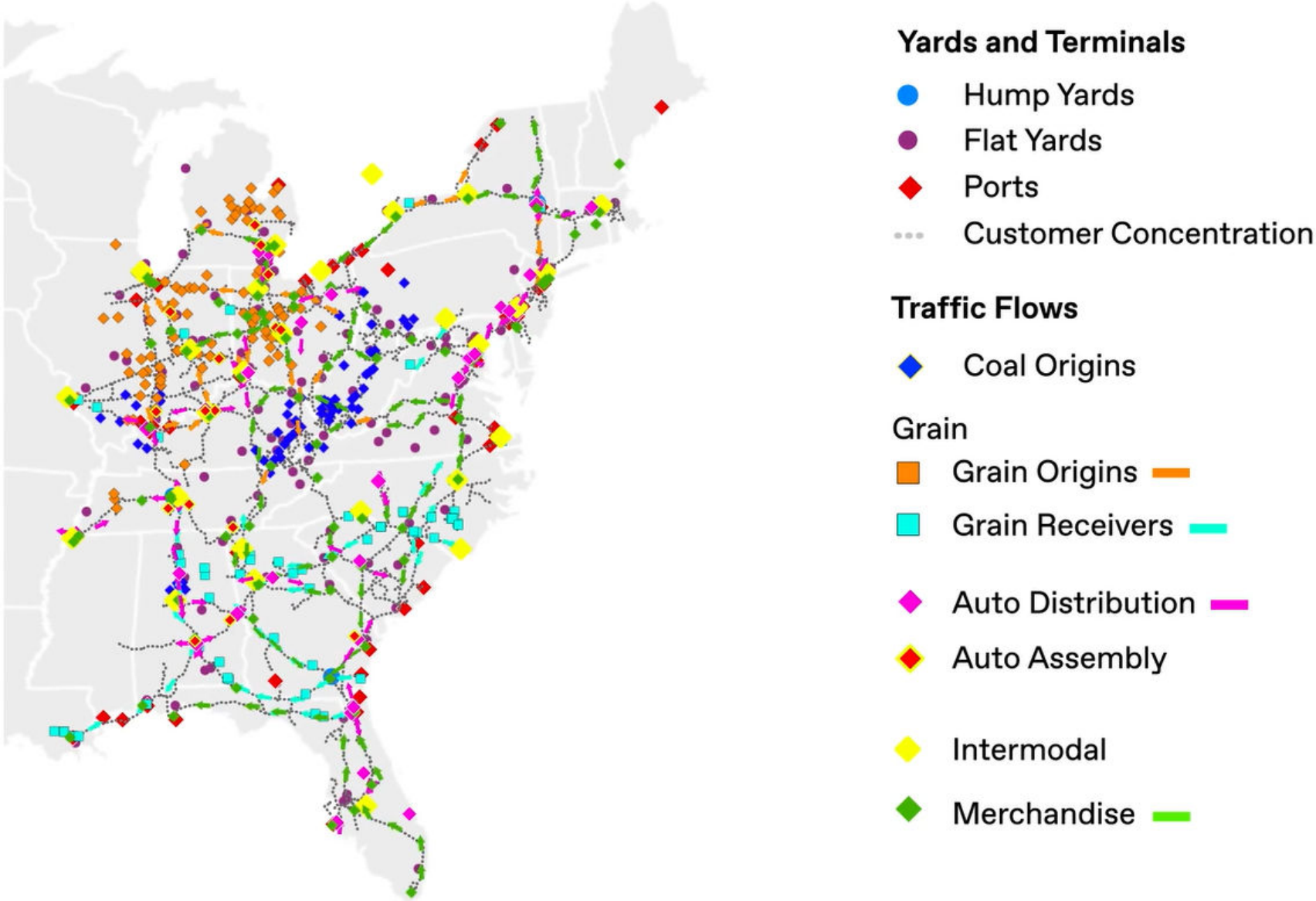
Mike Cory

EVP and Chief Operating Office

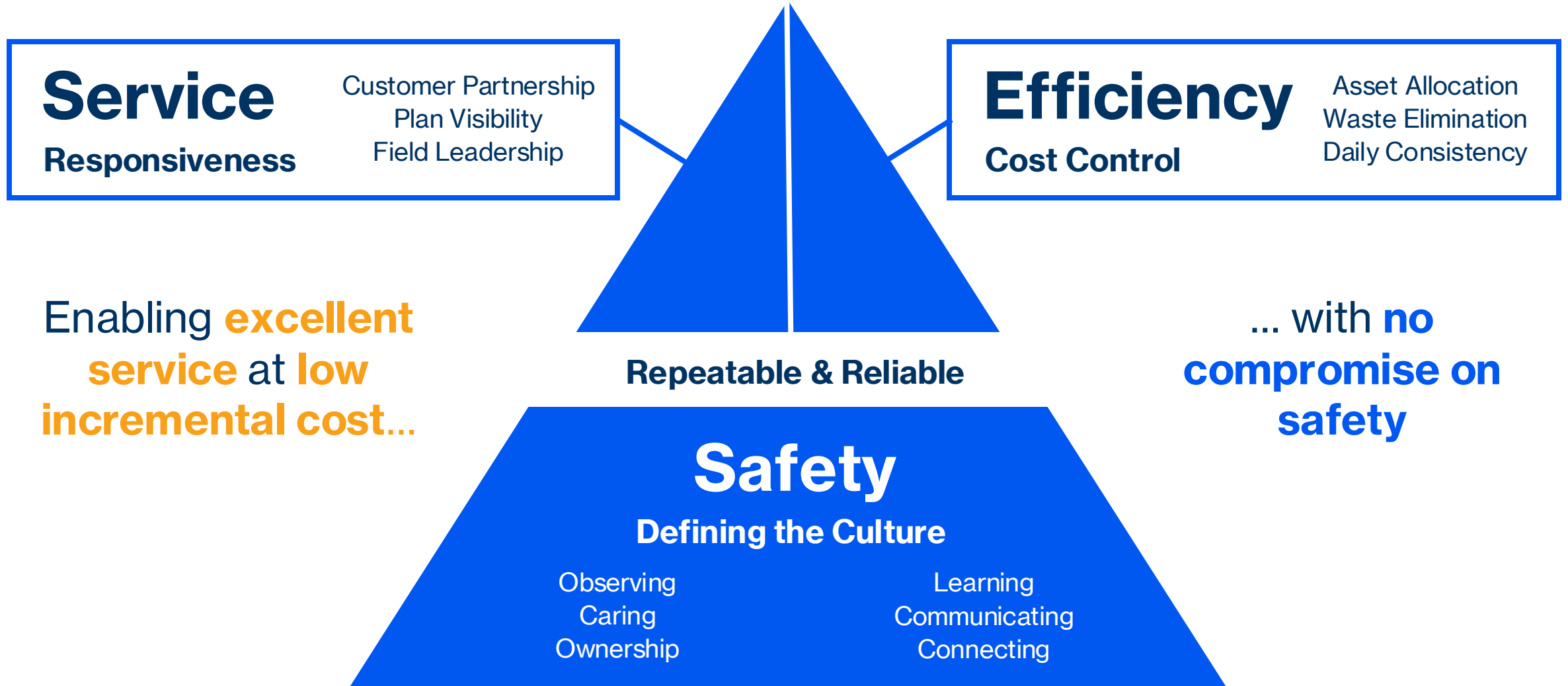
Casey Albright

SVP, Network Operations & Service Design

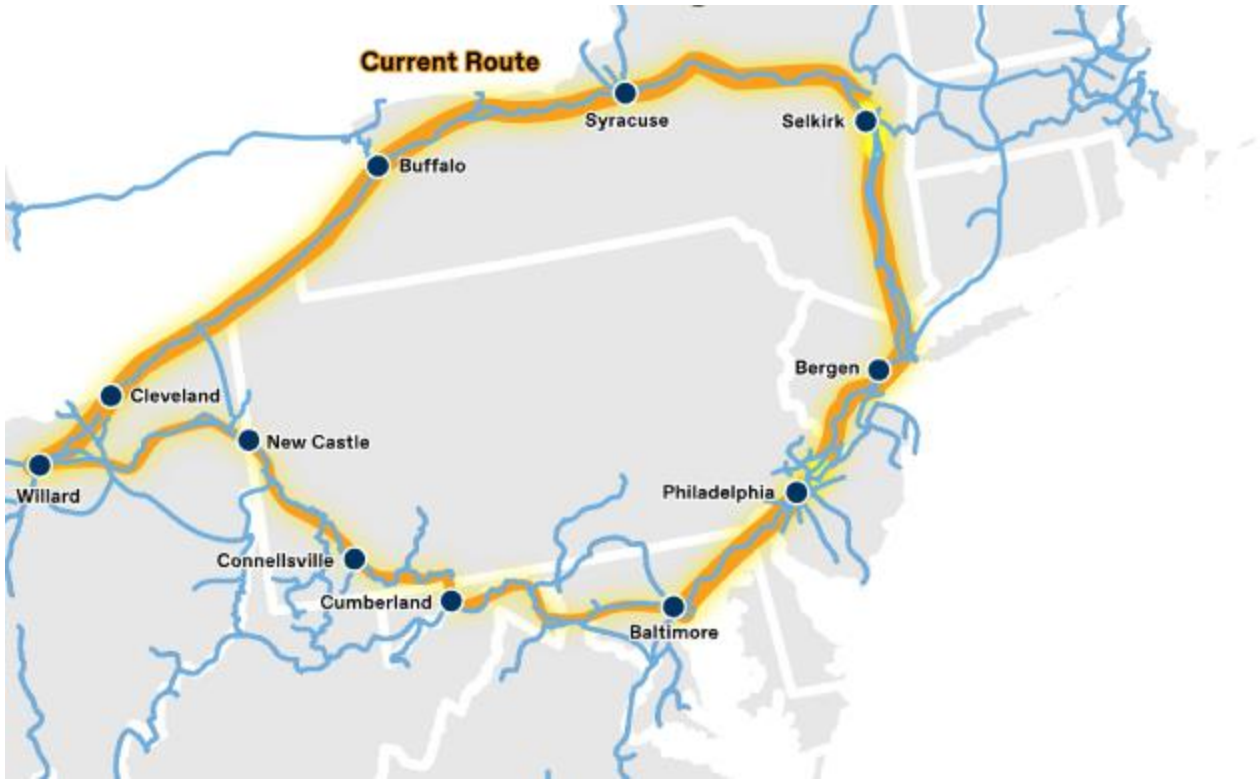
# The CSX network is complex and opportunity-rich



# An optimized rail network balances essential priorities



# Improving traffic density adds network capacity and reduces cost



**Cumberland Optimization**  
Minor yard layout changes with modest capital spend

**59k** Fewer car handlings

**29mm** Reduced route miles

**~\$15M** Direct savings

**+ \$Millions** Network fluidity benefits

# Cumberland Optimization

**Before**



**After**



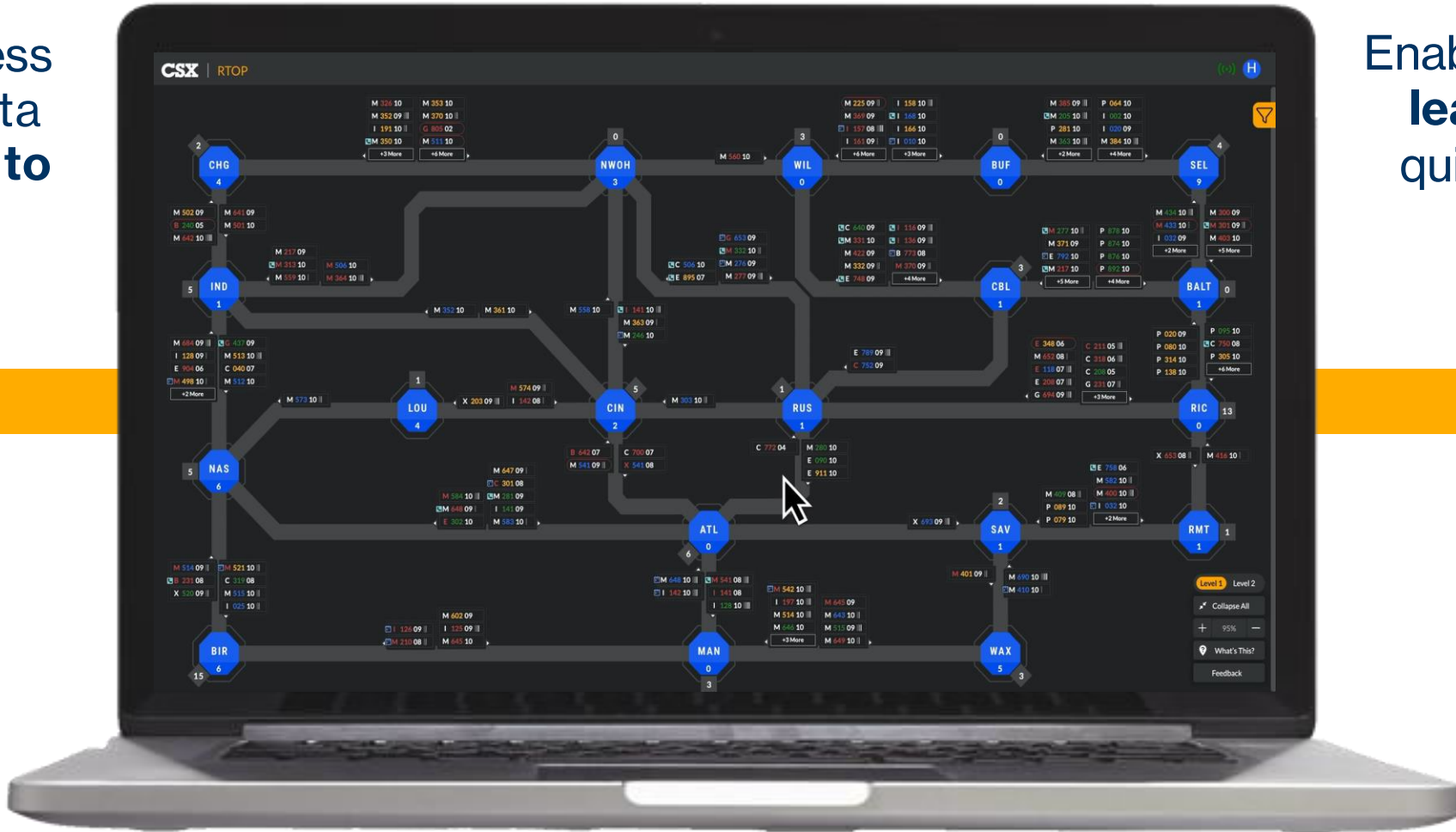
# We can scale these optimization efforts across multiple locations



	Additional facility reconfiguration opportunities
	<b>Efficiency</b> <b>Fluidity</b> <b>Capacity</b>

Enhanced access to real-time data lifts our ability to execute

Enabling **data-savvy leaders** to make quick, fact-based decisions



Real-time event-driven systems  
Streamlined, actionable information  
Delivering a 'single source of truth'

# Enhancing CSX Value Creation

Sean Pelkey

EVP and Chief Financial Officer

**PRESENTATION TO BE  
DISTRIBUTED SEPERATELY**



**Proven  
Model**

**Powerful  
Momentum**

**Profitable  
Growth**

# Q&A

# Continuing Our Energy and Momentum

Joe Hinrichs

Chief Executive Officer and President



## CSX takes great pride in our recent accomplishments

- Established **safety, customer service, and employee engagement** (ONE CSX) as key priorities
- Strengthened our **proven, efficient, and flexible operating model**
- Delivered **reliable, industry-leading service** performance, creating powerful commercial momentum
- Achieved **consistently profitable financial results** through rapidly changing market conditions

# Our powerful momentum is carrying us forward

- **Driving greater operational productivity, improved service, and ample capacity**
- **Executing on diverse growth opportunities** through expanded network reach, closer customer partnerships, and active industrial development efforts
- **Maintaining key emphasis on profitability, capital discipline, and shareholder returns**
- **Accelerating use of technology** to facilitate even safer, more effective performance across our network





**Proven  
Model**

**Powerful  
Momentum**

**Profitable  
Growth**

# Executive Train and Waycross Site Visit Presentations



# CSX Investor Day 2024

Thursday, November 7, 2024

Executive Train & Rice Yard,  
Waycross, GA

# Enabling Growth Through Technology

Steve Fortune

EVP and Chief Digital and Technology Officer

Dave Rich

VP, IT Strategy, Infrastructure, and  
Governance

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# ONE CSX

## Technology Value Drivers



### Safety at the Forefront

Digital eyes to maintain a safer railroad & community



### Customer Centricity

An engaging, connected and highly visible experience



### Consistent Dependable Service

An optimized, automated network of reliable assets



### Empowered Employees

The right person with the right tools at the right time



### An Energy Transition

A suite of eco-friendly power options to reduce emissions

**Igniting creativity to deliver cutting edge solutions for our customers, employees and the communities we serve**



AI-Powered Data

Real-Time Analysis

Partner with Providers

Exit Datacenter & Enter Cloud

TRANSFORMATION

Shifting to the cloud empowers IT and the Railroad

Partnership with strategic providers changes the game

Real-time information drives operations / customer experience

Data centralization powered by AI enables greater insights

INNOVATION

Feasibility Study

Lab Experiments

Pilot and/or POC

Handoff for Operationalization and Scaling

Digital Transformation Enables Business Agility



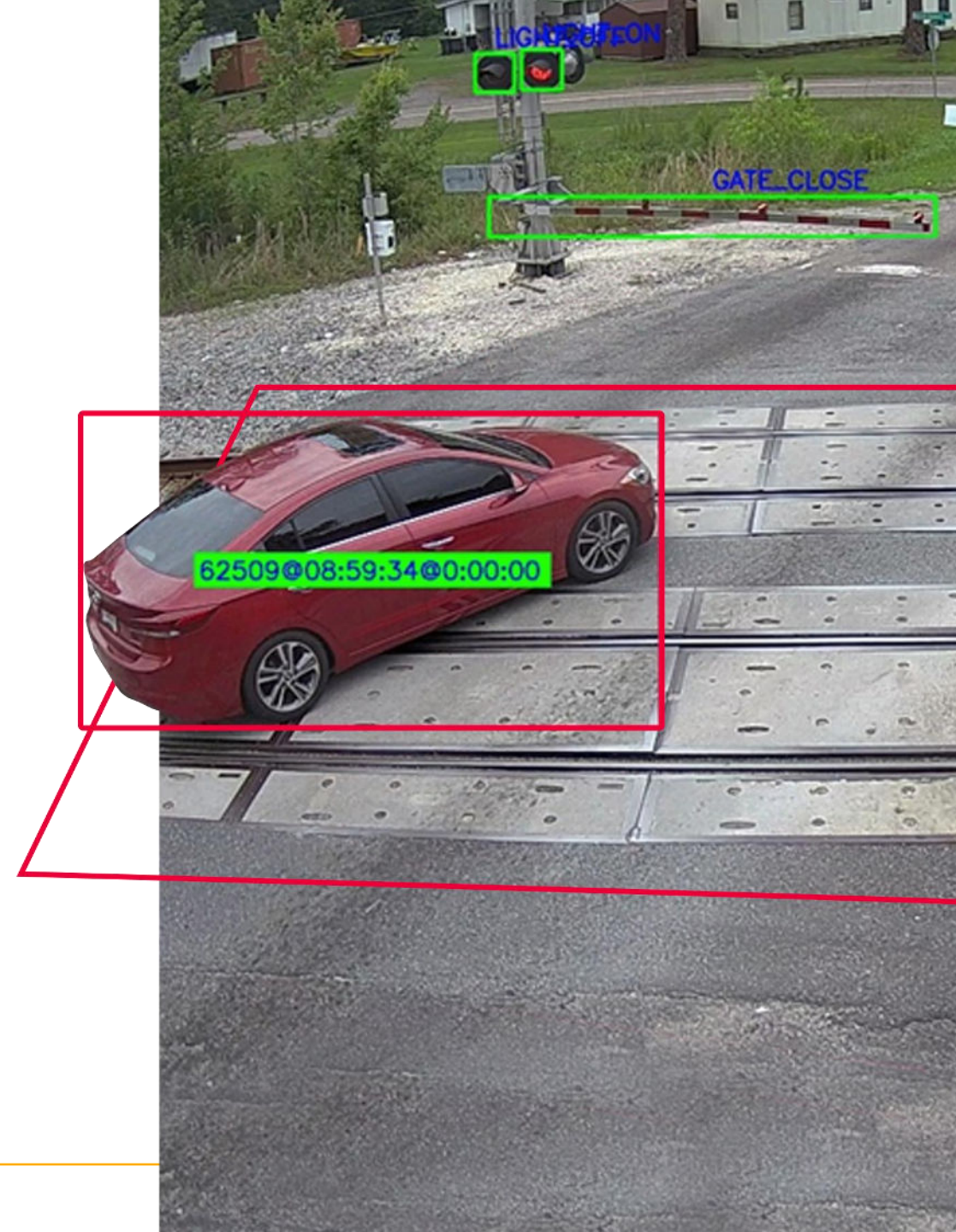
Safety is at the forefront of everything we do at CSX

Innovating for employee and community **safety is paramount**

**Reducing risks** by leveraging the power of machine learning

Utilizing edge computing for **unparalleled speed** and **automation**

**Driving efficiency** by transforming problem spotters into problem solvers



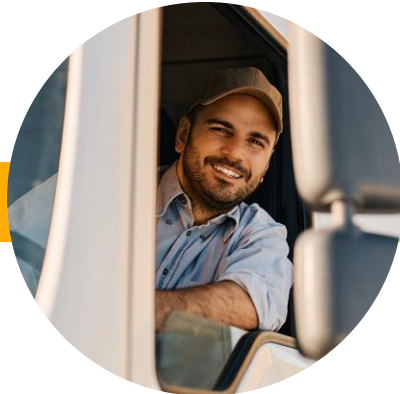


# Customer Centricity: The Key to Growth



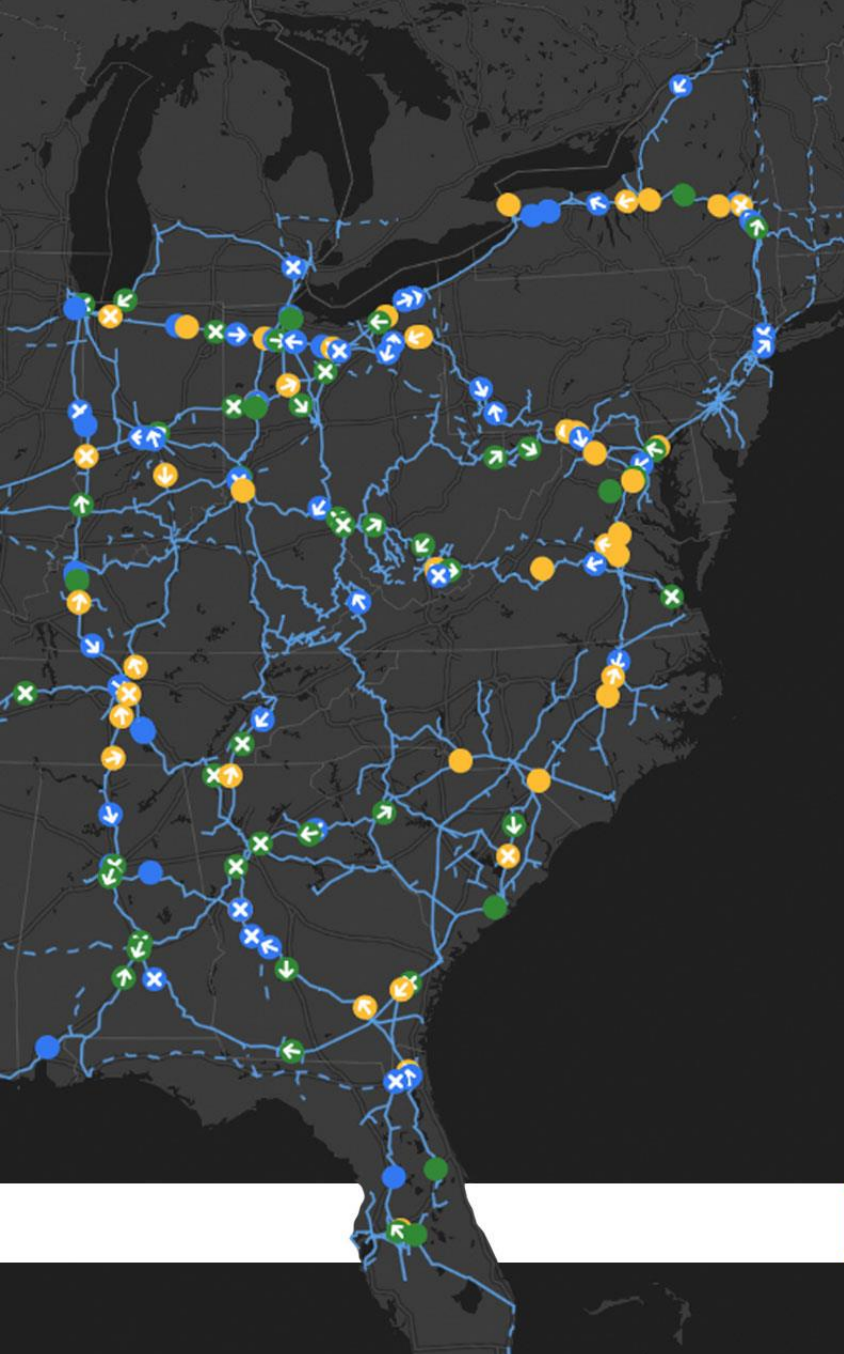
## Customer Focus

Joint IT engagements lead to improved integrations featuring Web, Mobile, and Generative AI interactions



## Driver Experience

Streamlined driver experience leveraging AI to speed up terminal operations



## Consistent Dependable Service

Real-time data powers insights that **drive operational efficiencies**

Informed employees lead to **higher productivity and compliance**

Cloud platforms and data convergence will **unlock efficiencies**

Advances in AI and vision systems **enable innovation**

# Empowered Employees

Enhanced tools aimed at **driving excitement, improving retention**

Tailored experiences **leading to workflow improvements**

Applications **garnering interest** of partner railroads

Built-in feedback feature to allow field to **share innovative ideas**



# Art of the Possible with the Power of the Cloud



## Data Insights

Layers of improvements combine to create large advances, and now IT is delivering at a pace previously not possible

**As cloud abilities advance,  
CSX advances with them**



## Speed of Business

AI and continuously optimized operations allow for growth. This modern approach prepares CSX for the demands of tomorrow

**Tech industry partnerships  
lead to future innovation**

# Designing Customer Service

Shannon Baker

Head of Customer Solutions

Chantel Goutcher

General Manager, Service Design

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# Unit Train Design



— CSX Network  
— Trackage rights

**One** origin, **one** destination,  
**one** commodity

Unit trains are **'unscheduled'**  
**traffic** that do not operate on a  
consistent schedule

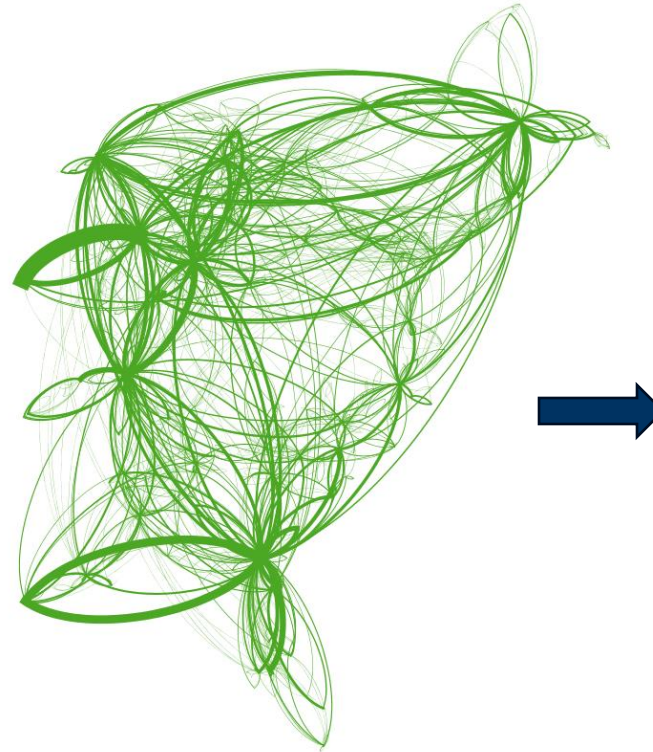
Align power and crews **into**  
**existing capacity**

# Network Based Classing supports Auto and Merchandise Design

Lowest cost route based on  
**mileage and handlings**

Considers shipment and  
network **attributes** for routing

**Adaptive & responsive** to  
network changes

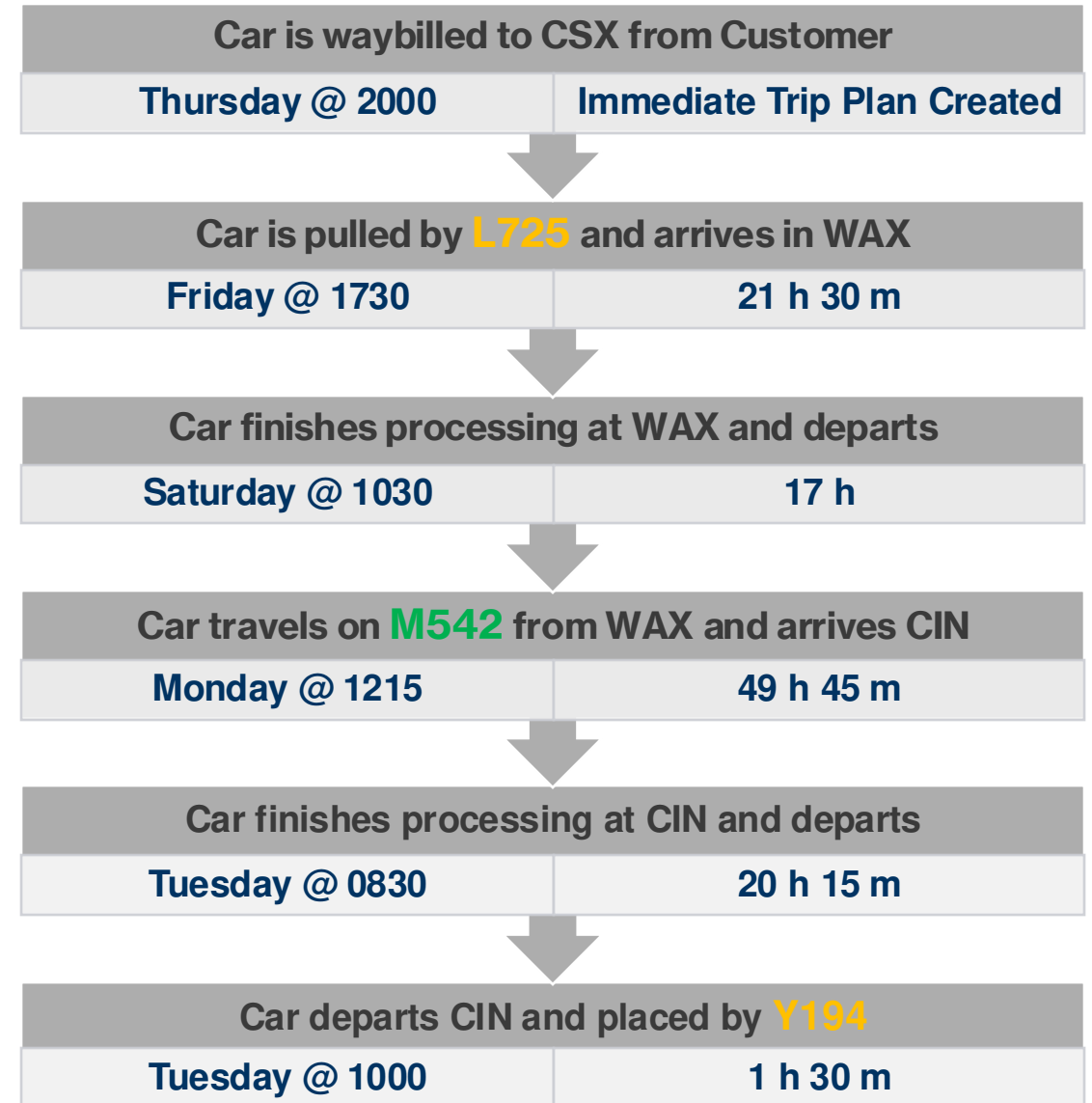


Translates a node-based network  
with costing impedances into our  
GIS infrastructure

# Merchandise Trip Plan Example

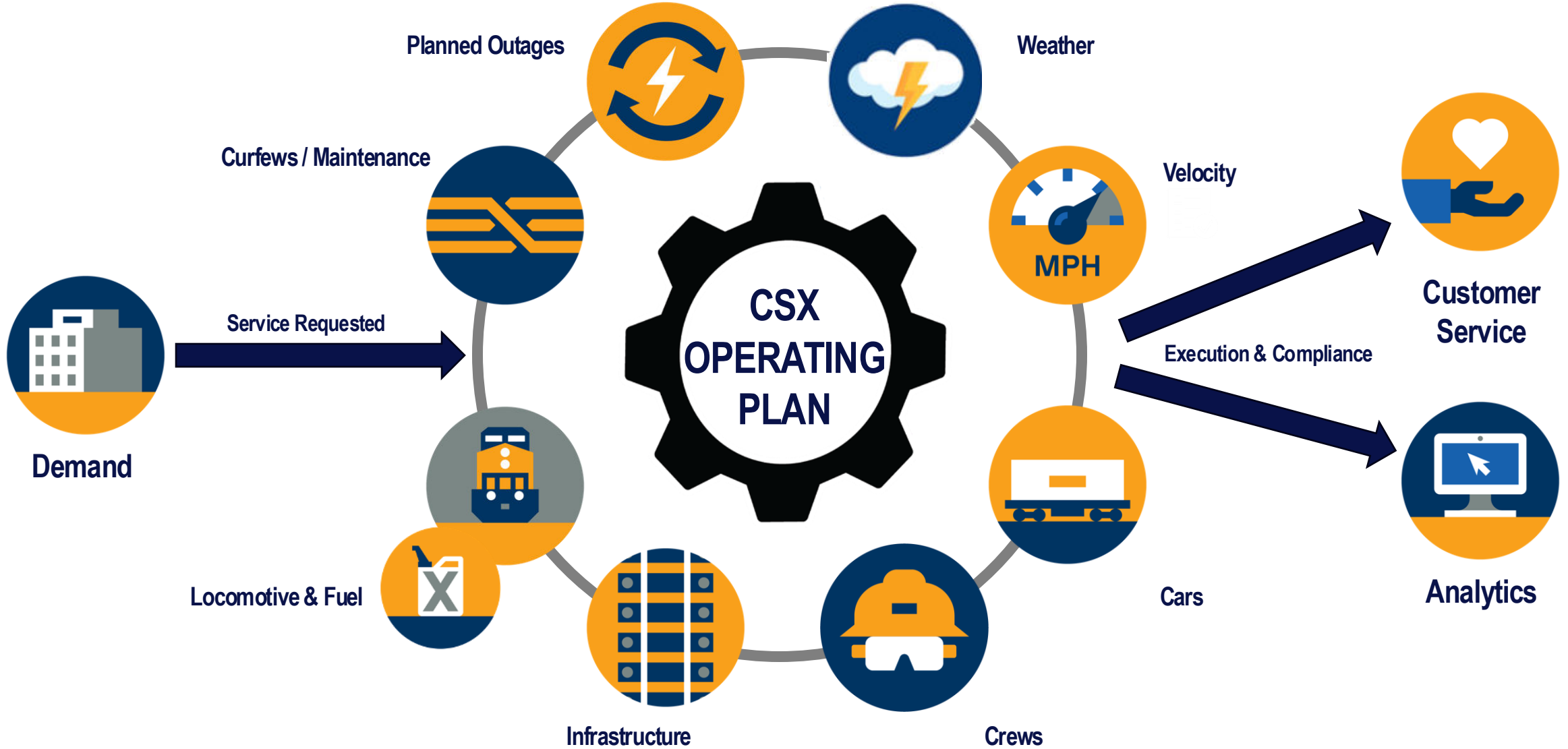


— CSX Network  
— Trackage rights



**Direct Route - 945 miles - 4.5 days - 2 handlings**

# NETWORK CAPABILITY



# ASSET AVAILABILITY

# Operating Efficient Intermodal Terminals

Carrie Crozier

VP, Intermodal Operations

# Forward Looking Disclosure

This information and other statements by the company may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act with respect to, among other items: projections and estimates of earnings, revenues, margins, volumes, rates, cost-savings, expenses, taxes, liquidity, capital expenditures, dividends, share repurchases or other financial items, statements of management's plans, strategies and objectives for future operations, and management's expectations as to future performance and operations and the time by which objectives will be achieved, statements concerning proposed new services, and statements regarding future economic, industry or market conditions or performance. Forward-looking statements are typically identified by words or phrases such as "will," "should," "believe," "expect," "anticipate," "project," "estimate," "preliminary" and similar expressions. Forward-looking statements speak only as of the date they are made, and the company undertakes no obligation to update or revise any forward-looking statement. If the company updates any forward-looking statement, no inference should be drawn that the company will make additional updates with respect to that statement or any other forward-looking statements.

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## CSX Intermodal Terminals

**A robust network** reaches more than two-thirds of the U.S. population

Strategic investments in our terminals have **CSX positioned well for future growth**



# Atlanta Fairburn

2<sup>nd</sup> largest terminal in the CSX network with **large footprint and room for growth**

Historically beset with inconsistent service and long drayage driver wait times

**Positive Impact YTD**

Wait times **down**

Yard throughput **up**





## Equipment Optimization

**Homogenized** equipment with fewer suppliers

Aligned equipment to improve **inventory, maintenance, and operations**

In the past few months, we've reduced the fleet size **by nearly 20%**

# Investing in Our People

- Safety is more than a checkbox – **it's a core value**
- **Meaningful, respectful** relationships with our unionized colleagues
- Developing the **next generation** through our Terminal Operations Supervisor Program
- Integrated working groups **to identify opportunities**



# **Rice Yard**

## **Waycross, GA**

Arthur Clark  
Superintendent

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# Operating Infrastructure

12 receiving tracks (1500 car capacity)

Two Hump Leads (North/South)

8 Groups in the bowl / 64 bowl tracks

14 Departure Tracks

10 Track Local Yard

Largest Locomotive repair facility &  
Freight Car shop on the network



# Productivity

## > Transportation Personnel

10 Transportation employees/shift

Two Yardmasters (A/B Tower) assignments/shift

Eight first line supervisors on a shift rotation

## > Engineering & Mechanical Personnel

Engineering: 3-8 Signal employees/shift + 21 Track employees on roster

Mechanical: 35 Locomotive and 30 Car employees/shift



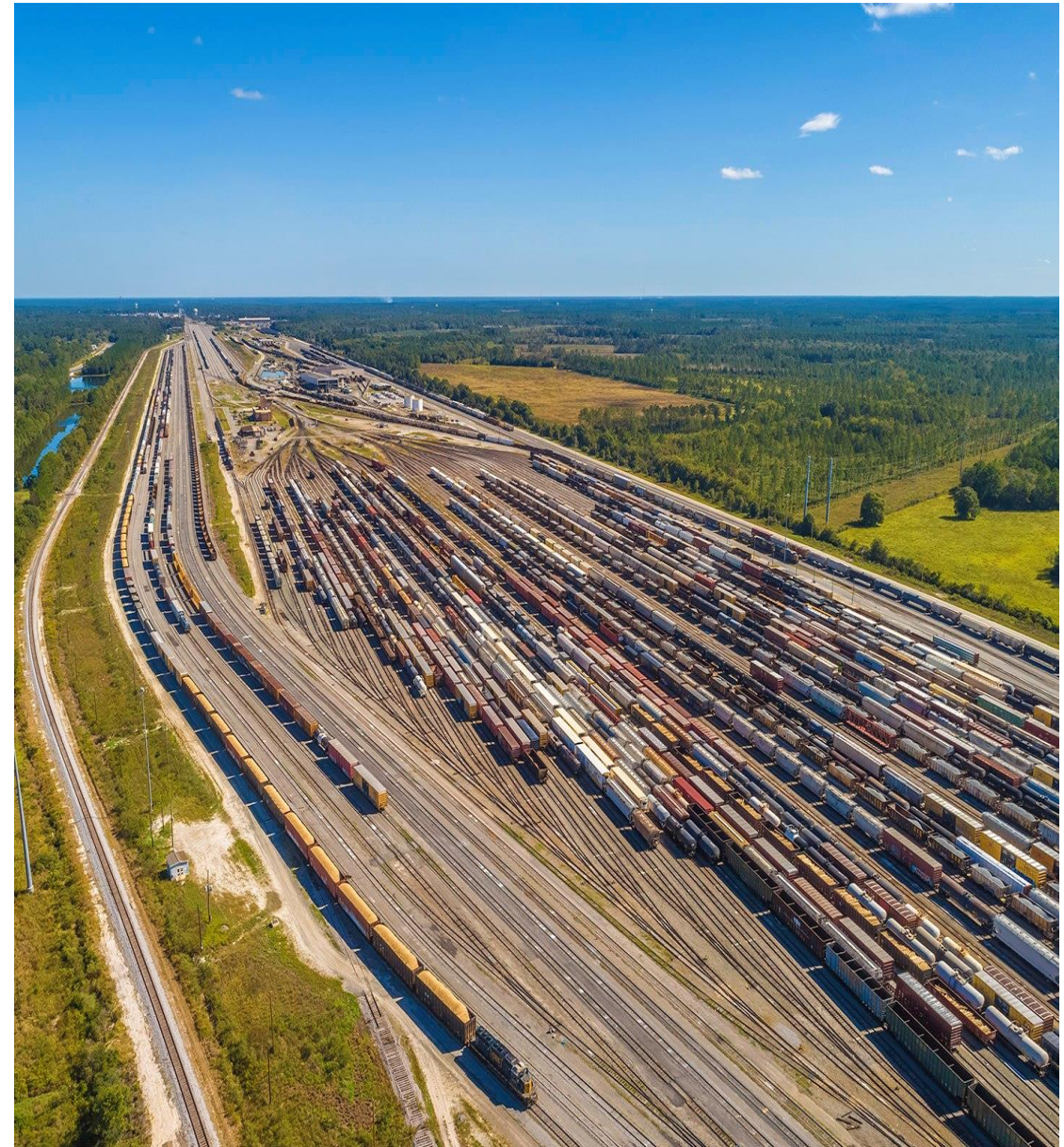
**~3,000 cars  
processed  
per day**



**>250 locos  
serviced  
per week**



**135 miles  
of track  
maintained**

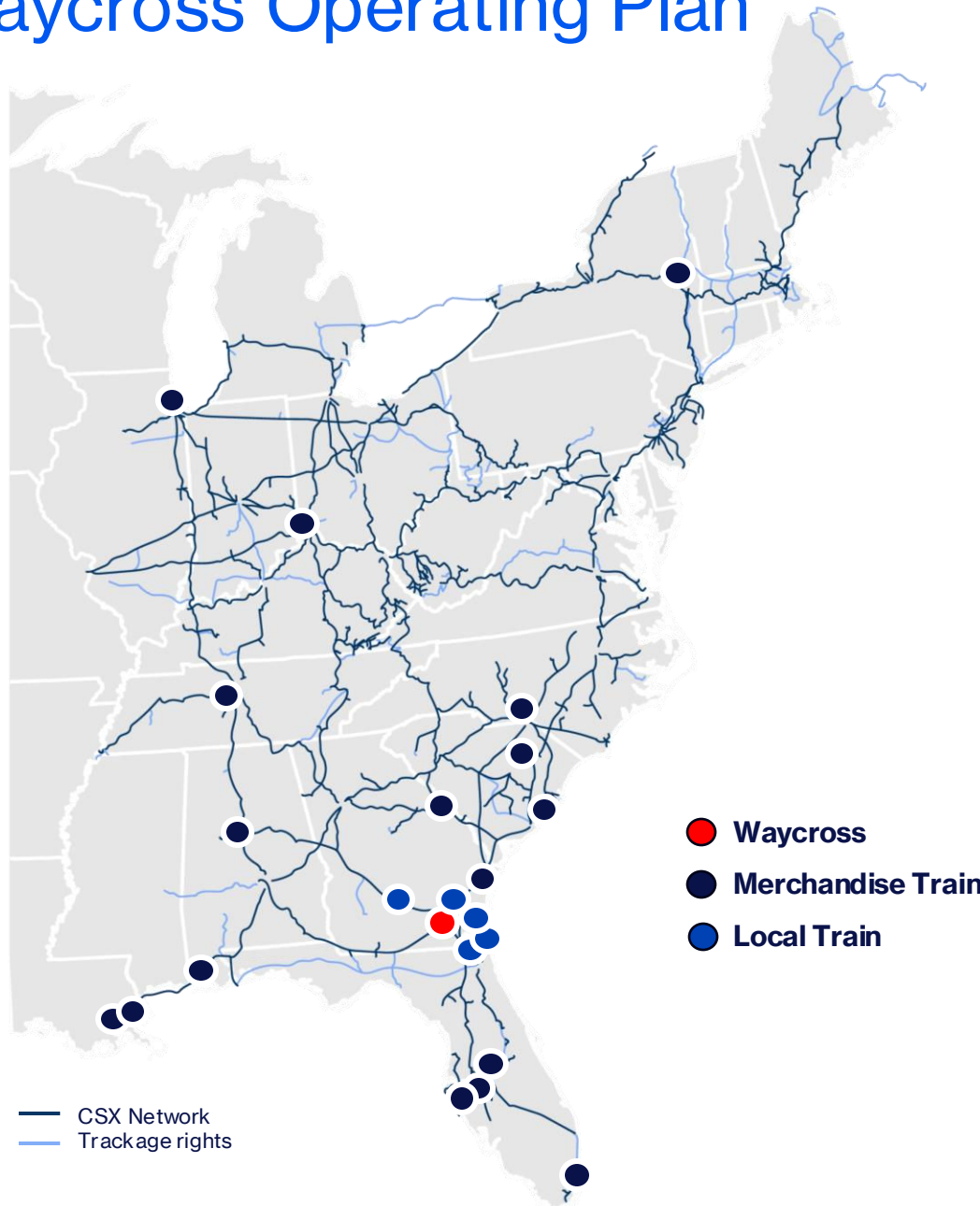


# Hump Performance

- Train Yard Tech (TYT) software system
- Currently operate with a fixed hump speed of 2.5 MPH (15% speed increase YoY)
- Time between cuts – 8 minutes (continuously monitored)
- Since 2021, misroutes have decreased from 4/1000 cars to 2/1000 car (one misroute = 15 min of incremental handling)



# Waycross Operating Plan



Train	Depart Time	Class Name
L744	0145	BRUNSWICK, GA
M453	0200	MIAMI, FL
M400	0300	FLORENCE, SC
M648	0700	CHICAGO, IL
L725	0730	JESUP, GA
M605	0800	NEW ORLEANS, LA (UP)
M650	0900	MOBILE, AL
M492	1000	HAMLET, NC
M542	1030	CINCINNATI, OH
L738	1145	FITZGERALD, GA
L795	1200	JACKSONVILLE, FL
M690	1200	SAVANNAH, GA
M514	1300	NASHVILLE, TN
M603	1400	LAKELAND, FL
M410	1500	SELKIRK, NY
M601	1500	NEW ORLEANS, LA (CN)
M646	1600	BIRMINGHAM, AL
M441	1800	TAMPA, FL
M692	2100	AUGUSTA, GA
M457	2200	ORLANDO, FL
L796	2359	YULEE, FL
M494	2359	CHARLESTON, SC

# Future State

## Getting More Out of Rice Yard

- Targeting 3,300 cars / day
  - Continuous improvement in hump speeds
  - Departure yard and bowl pull out speeds from 10 MPH to 15 MPH
  - Surge Switching Plan





**Proven  
Model**

**Powerful  
Momentum**

**Profitable  
Growth**



# CSX Investor Day 2024

Thursday, November 7, 2024

Ritz-Carlton, Amelia Island, FL

## Financial Presentation

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# Non-GAAP Measures Disclosure

CSX reports its financial results in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). CSX also uses certain non-GAAP measures that fall within the meaning of Securities and Exchange Commission Regulation G and Regulation S-K Item 10(e), which may provide users of the financial information with additional meaningful comparison to prior reported results.

Non-GAAP measures do not have standardized definitions and are not defined by U.S. GAAP. Therefore, CSX's non-GAAP measures are unlikely to be comparable to similar measures presented by other companies. The presentation of these non-GAAP measures should not be considered in isolation from, as a substitute for, or as superior to the financial information presented in accordance with GAAP.

Reconciliations of non-GAAP measures to corresponding GAAP measures are attached hereto in the Appendix of this presentation.

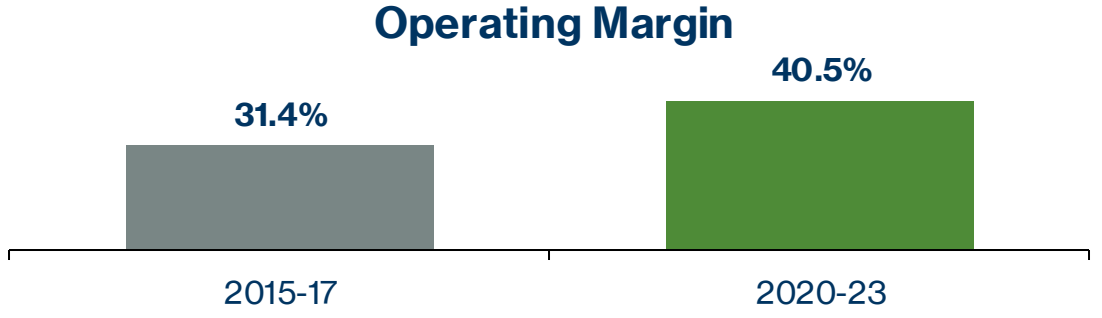
# Enhancing CSX Value Creation

Sean Pelkey

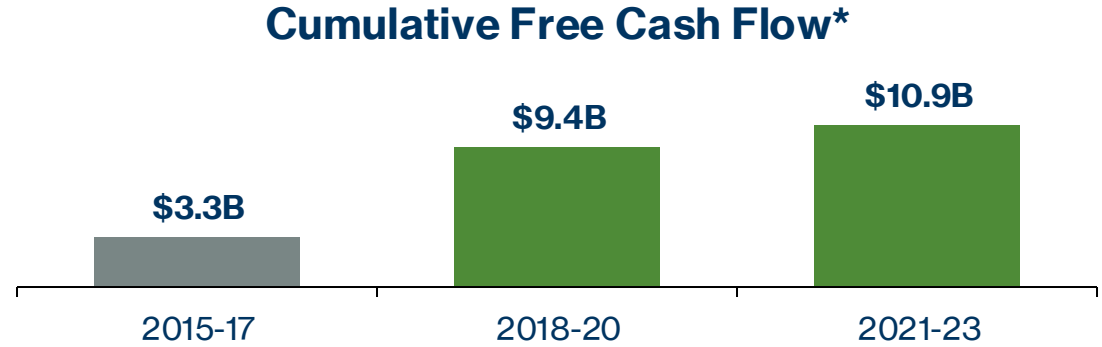
EVP and Chief Financial Officer

# CSX delivered and built upon prior targets...

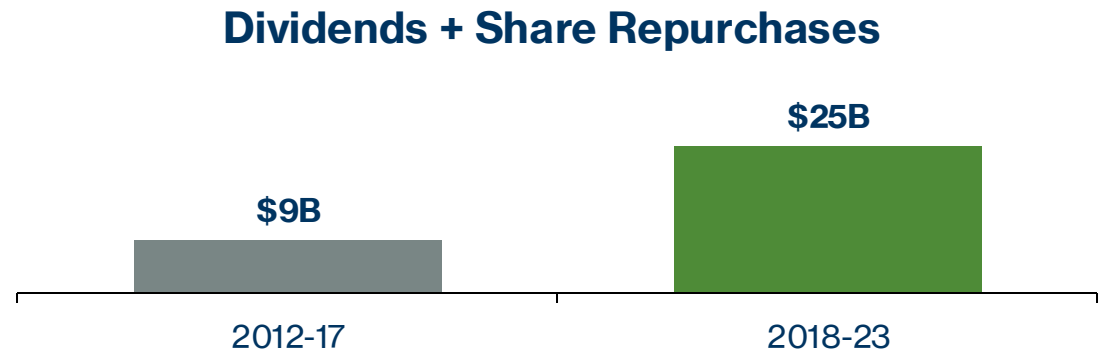
**40%**  
**Operating Margin**  
By 2020



**\$8.5B Cumulative Free Cash Flow**  
2018-2020



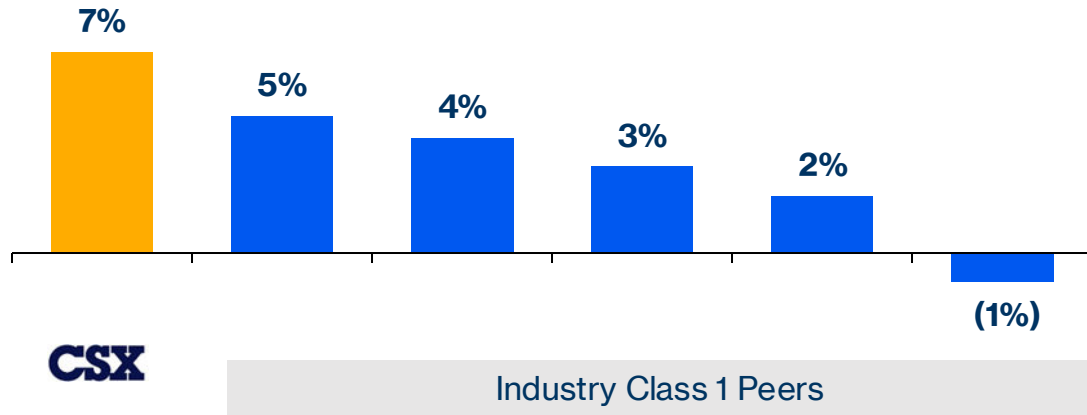
**Cash generation supports strong shareholder returns**



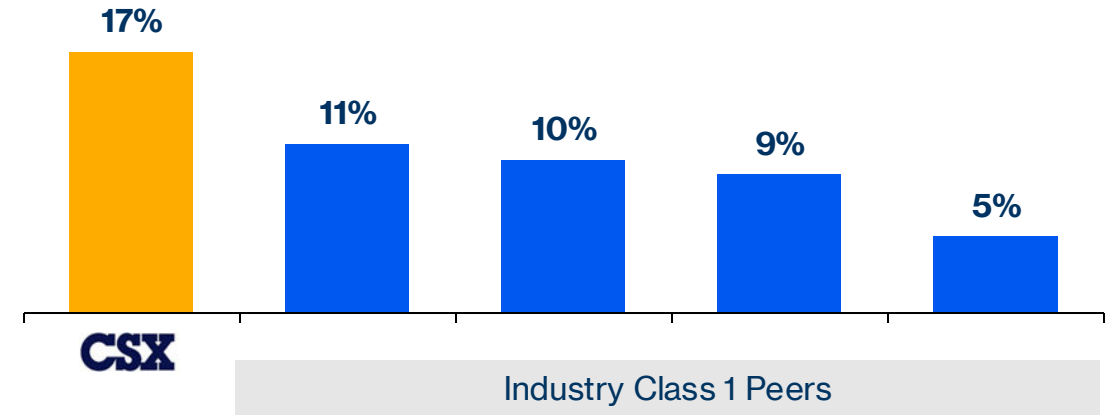
\*See Appendix for Non-GAAP reconciliation

# ...and dramatically outperformed peers over 2016-2023

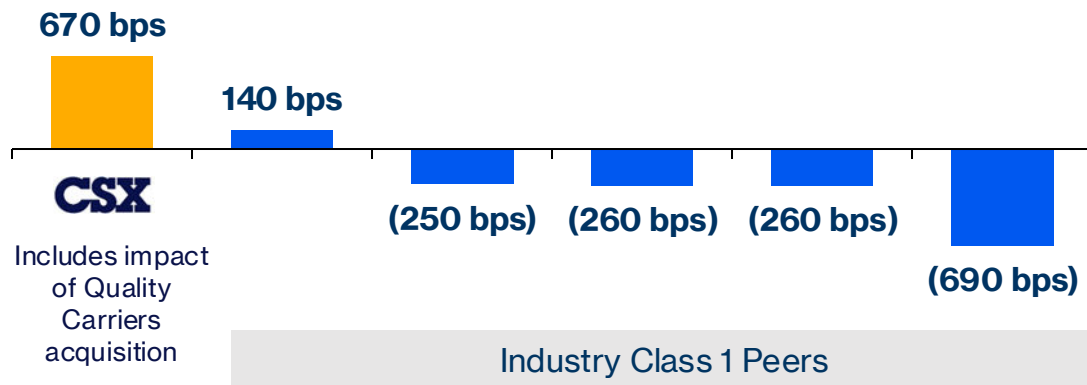
### 2016 - 2023 Operating Income CAGR



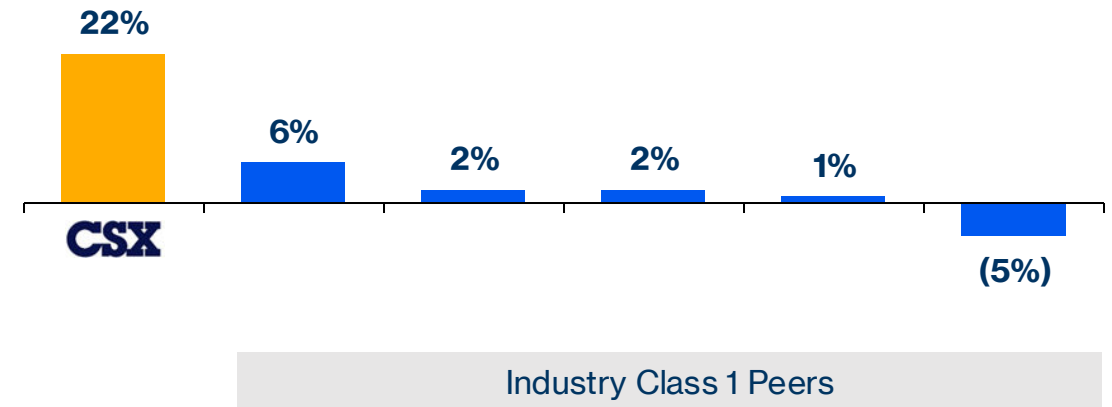
### 2016 - 2023 Earnings Per Share CAGR



### 2016 - 2023 Operating Margin Change

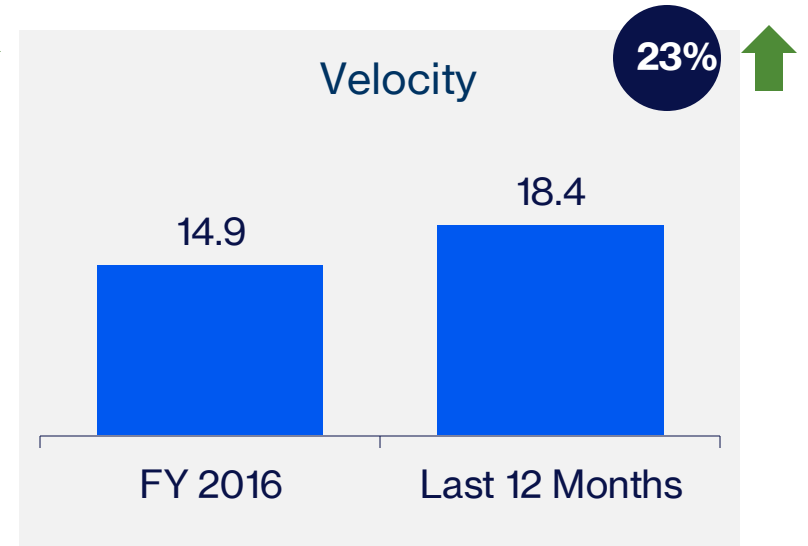
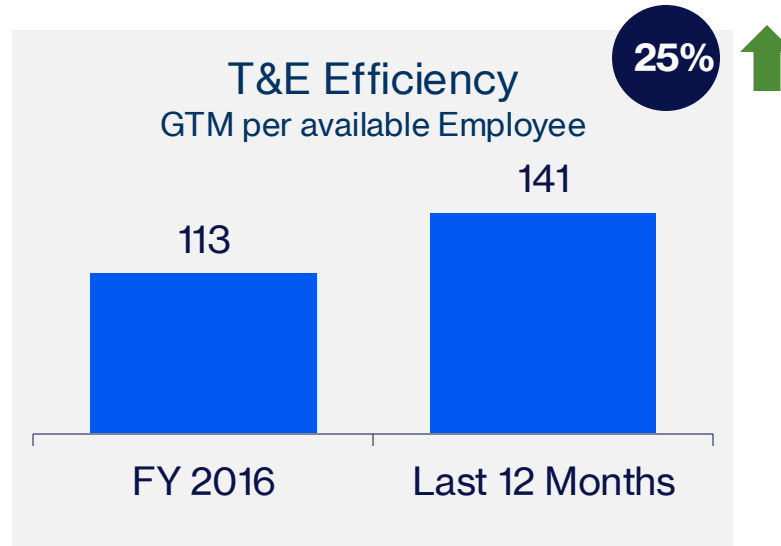
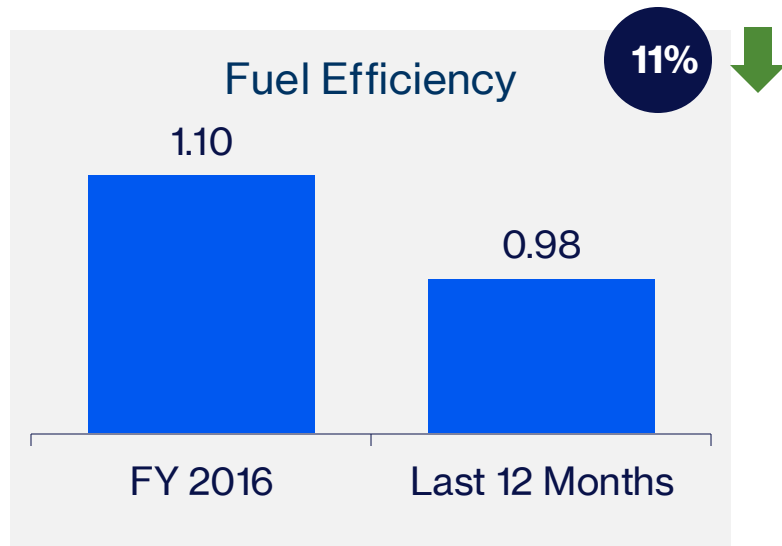
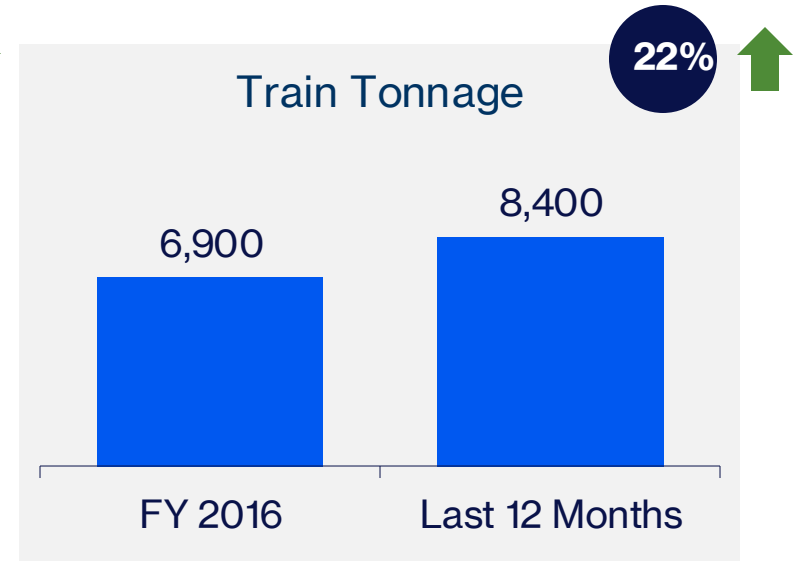
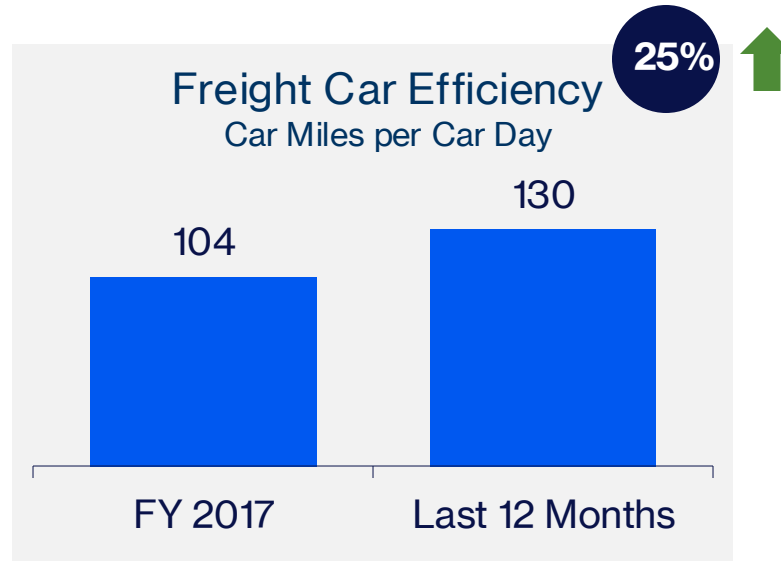
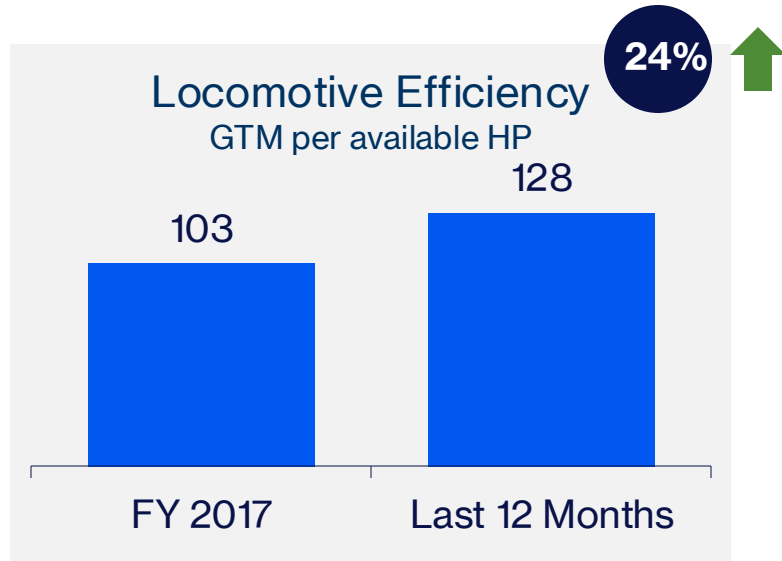


### 2016 - 2023 Free Cash Flow CAGR\*



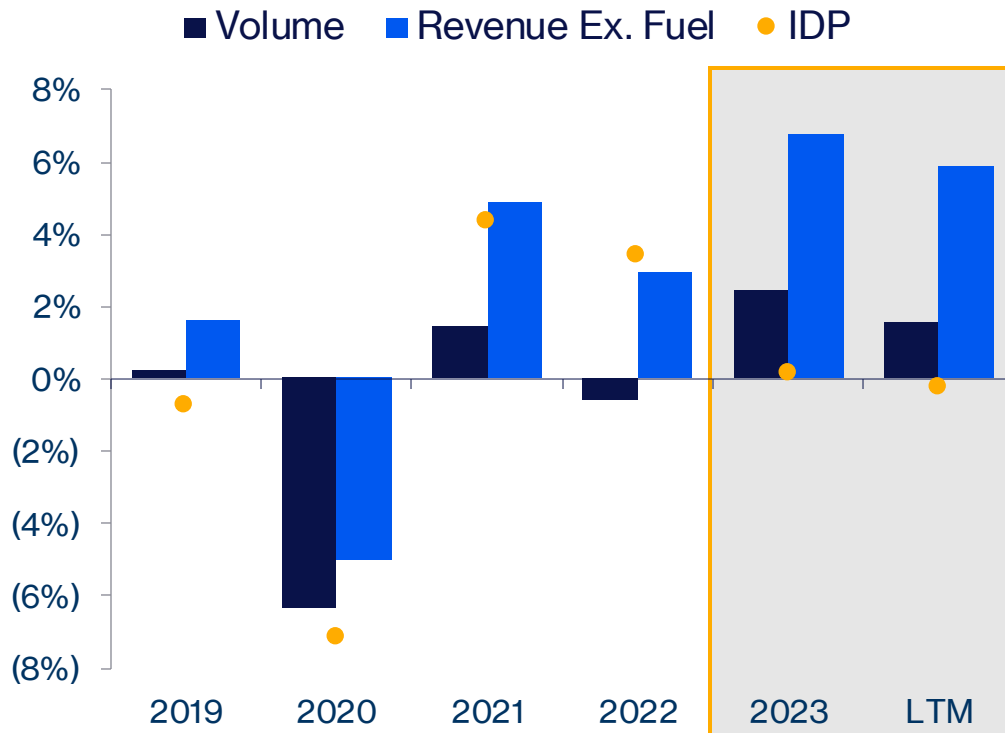
\*See Appendix for definition and Non-GAAP reconciliation; base year figures reflect combination of merged entities where applicable

# Service and efficiency were key drivers of outperformance



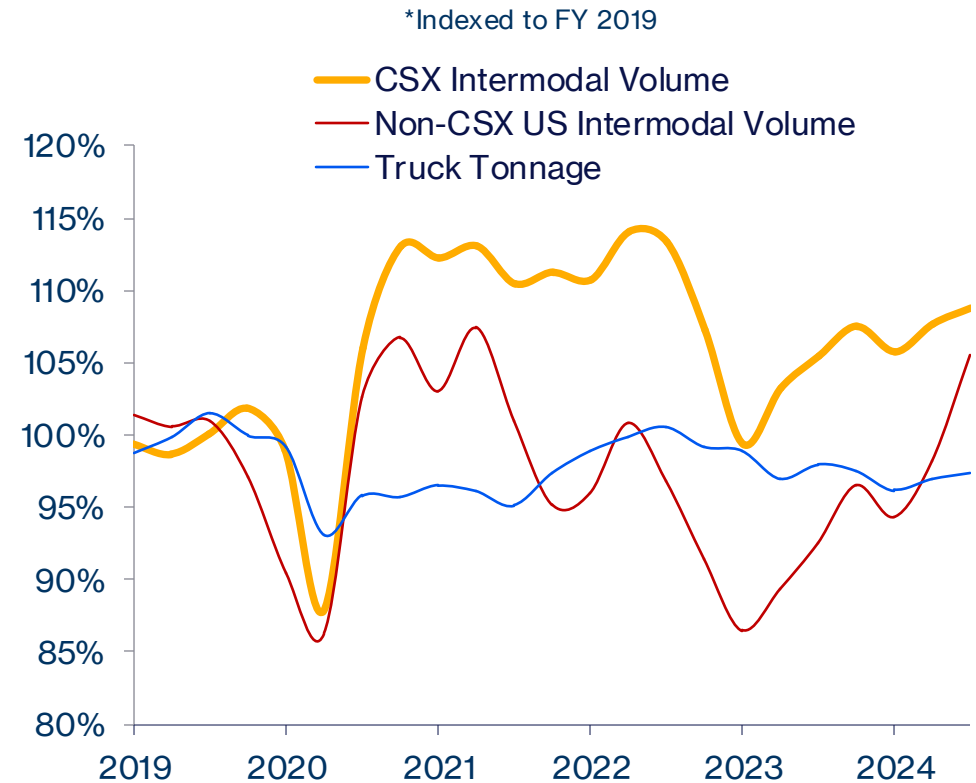
# Built a strong foundation for top-line growth

## Merchandise (YoY Growth)



Consistent yield growth and volume momentum

## Intermodal (Quarterly Results)



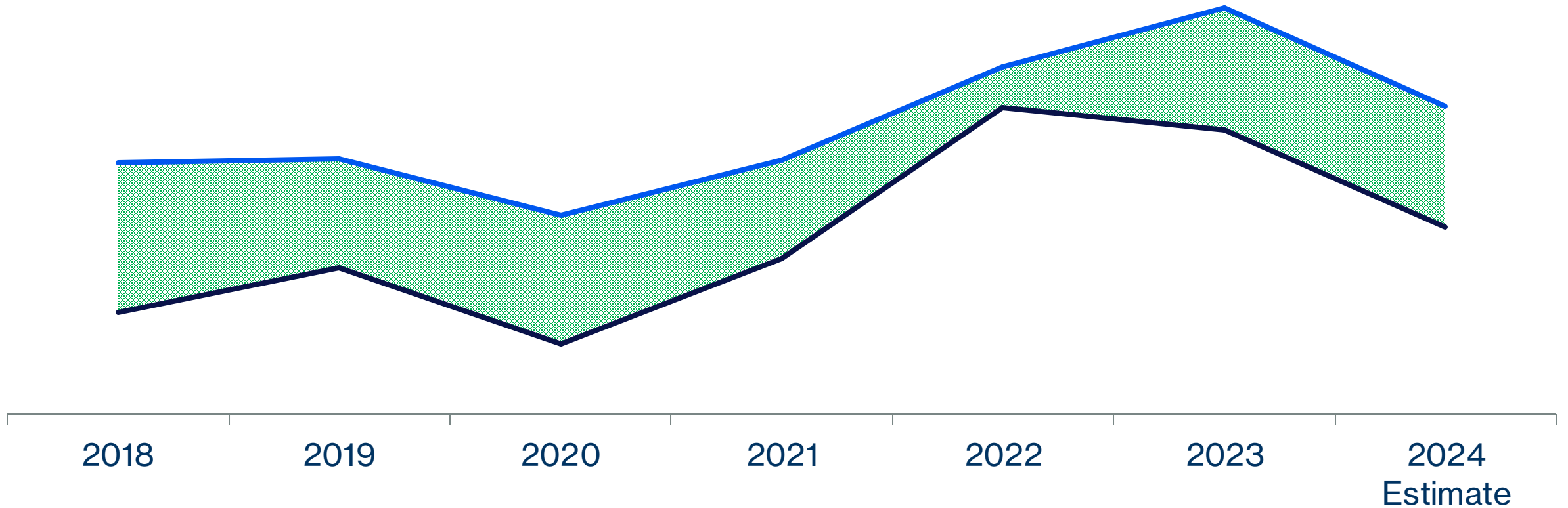
Modal share gains, positioned for cyclical upturn

Note: Truck tonnage based on American Trucking Association monthly tonnage report; Intermodal volume based on AAR data

# Business has demonstrated sustained pricing above inflation

## Merchandise and Intermodal Price Dollars vs. CSX Inflation Dollars

— Price (Ex-Coal) — Inflation



# Momentum continues despite challenging macro 2023-24

## Operating Income



Since 2022, there have been sizeable variances in intermodal storage revenue, export coal pricing, real estate gains, and net fuel

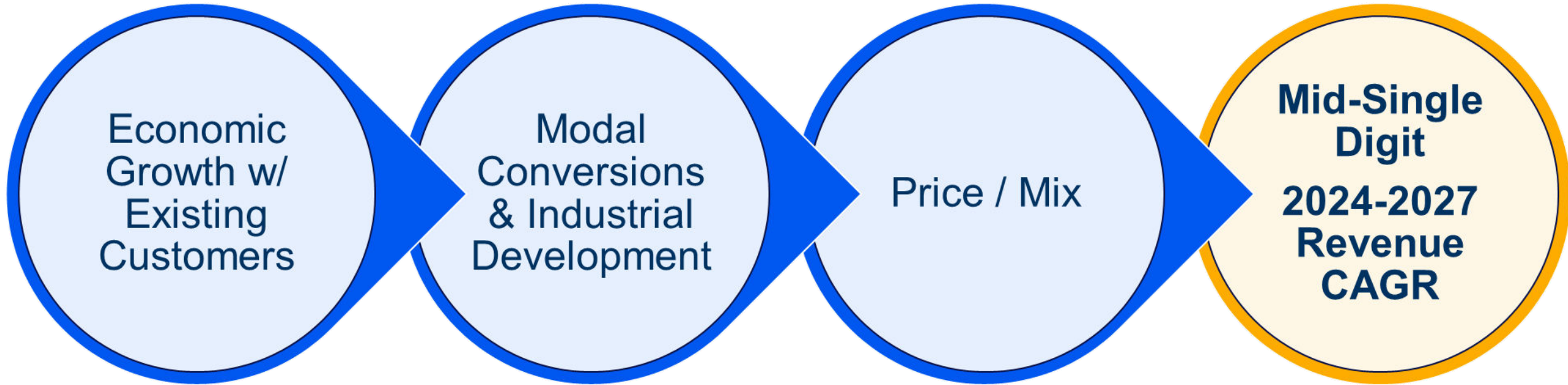
These variances **have impacted operating income by over \$900M** vs. 2022, relative to a \$500M decline in reported results

Our current performance **reflects momentum** with resources now well positioned for sustained profitable growth



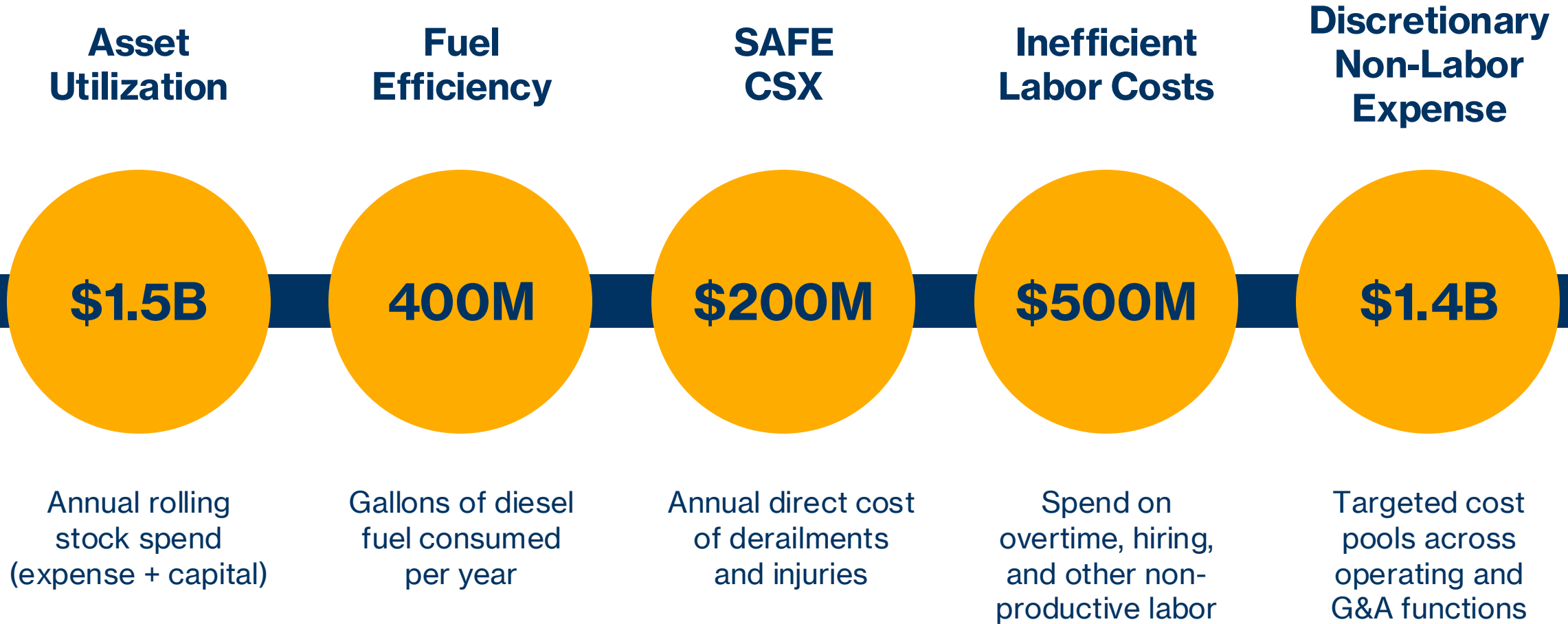
# Our Growth Opportunity

# Key variables support steady revenue growth



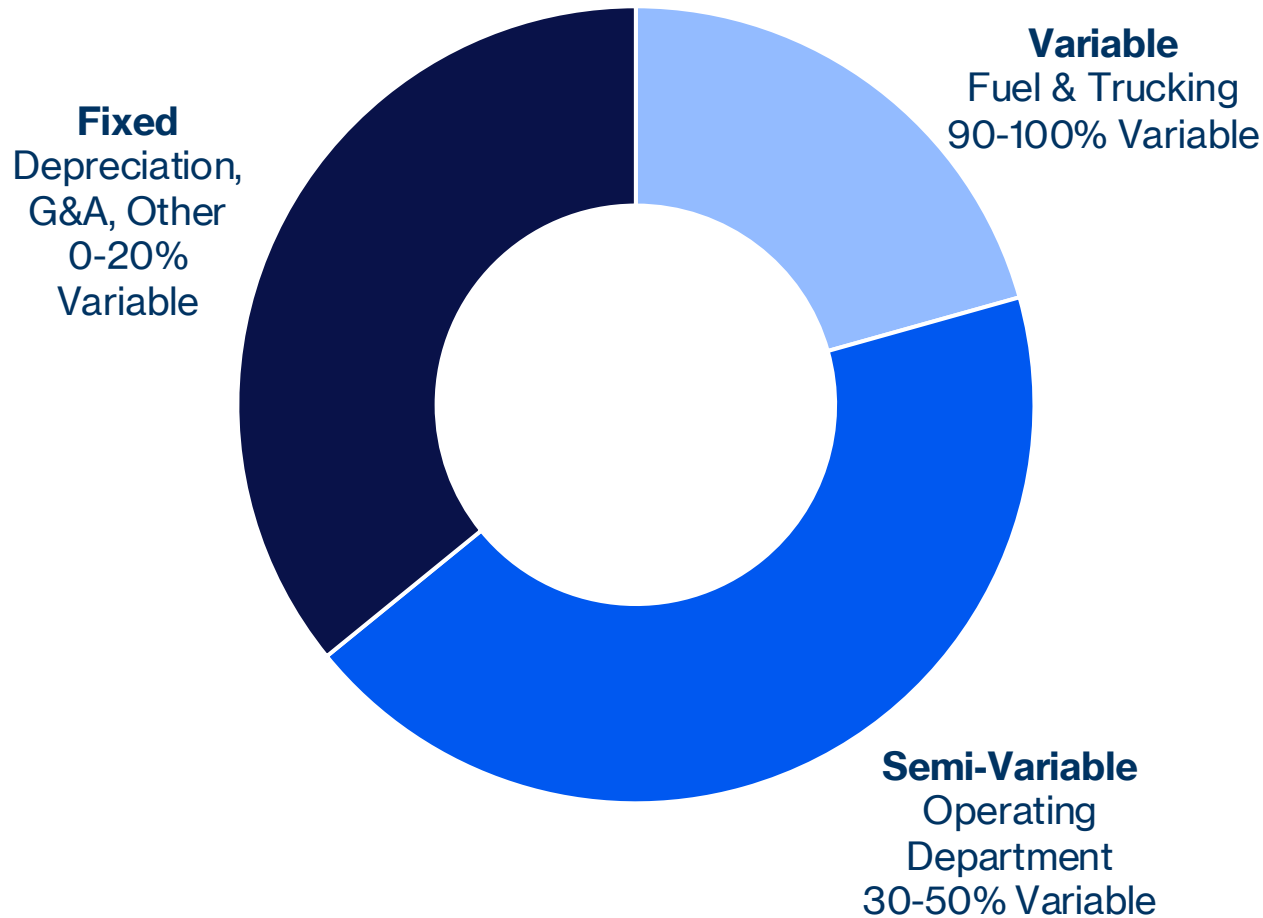
Projections assume stable fuel and export coal prices

# Significant opportunities to deliver efficiency gains



# Leveraging fixed costs further supports strong incremental margins

## Total CSX Cost Base



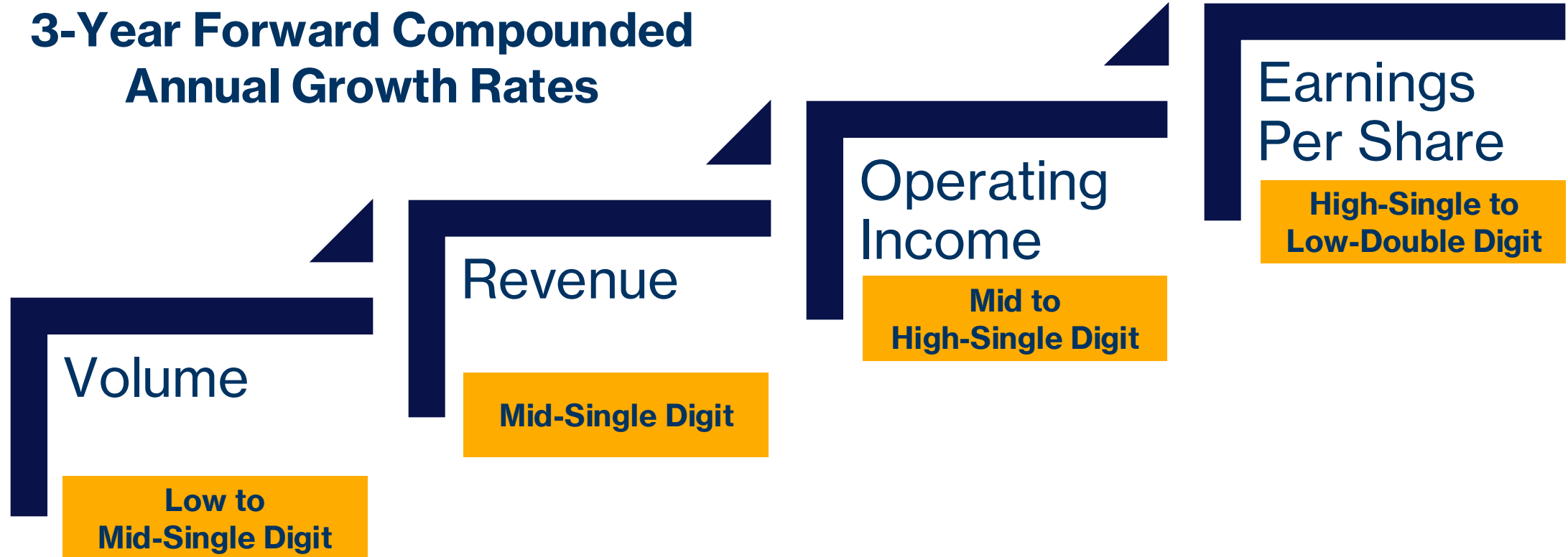
Trains, terminals, other assets and crews have **capacity to largely absorb expected growth**

Significant opportunities to **deliver efficiency gains** that help offset inflation

Expect to Deliver **Accretive Incremental Margins**

# Proven model, powerful momentum, profitable growth

## 3-Year Forward Compounded Annual Growth Rates



Projections assume stable fuel and export coal prices

# CSX capital allocation priorities

## Network Safety & Reliability

**Efficiently invest** in rail assets for the **long-term benefit** of our employees, customers, communities, and shareholders

## Growth

Expand into existing capacity and supplement with targeted, return-generating strategic investments to **grow economic profit**

## Shareholder Returns

Differentiated cash flow and financial flexibility support **continuing substantial shareholder distributions**

# CSX will continue to invest in infrastructure and future growth

## Rolling Stock

Continued locomotive rebuild program and freight car replacement

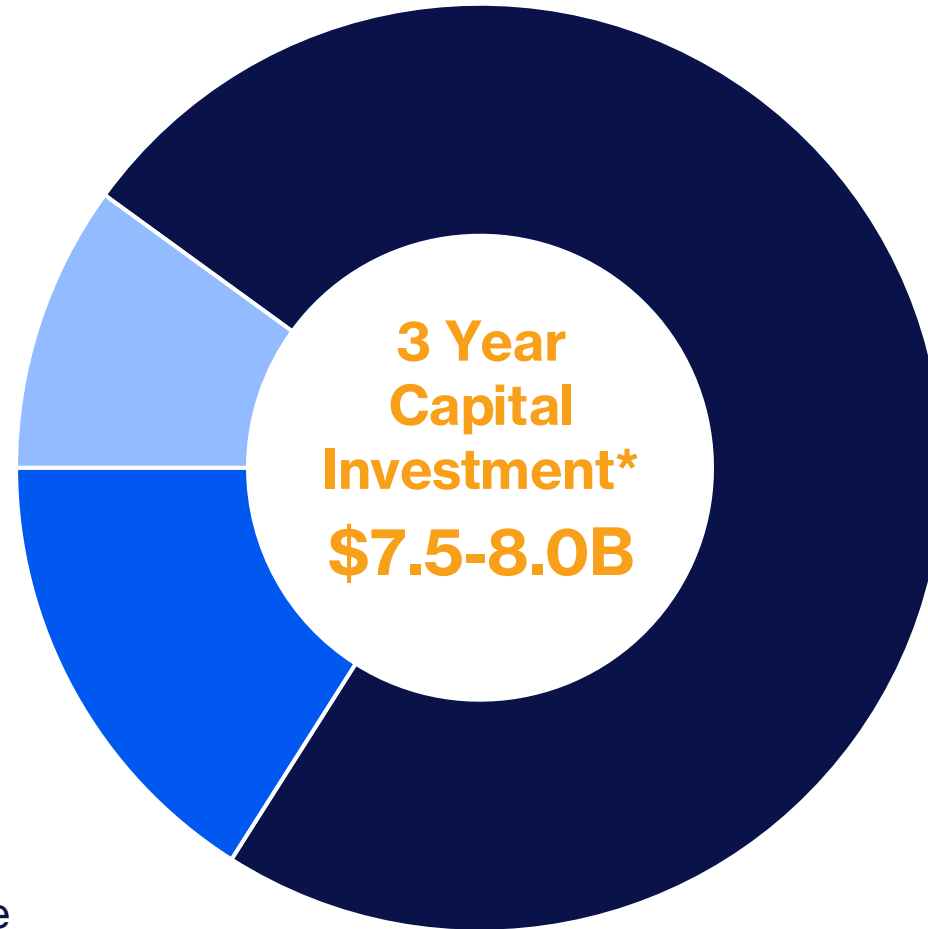
## Strategic

Investment in recent acquisitions

Growing transload footprint

Terminal + network capacity and productivity enhancements

Technology investments in safety, efficiency, and customer experience



## Maintenance

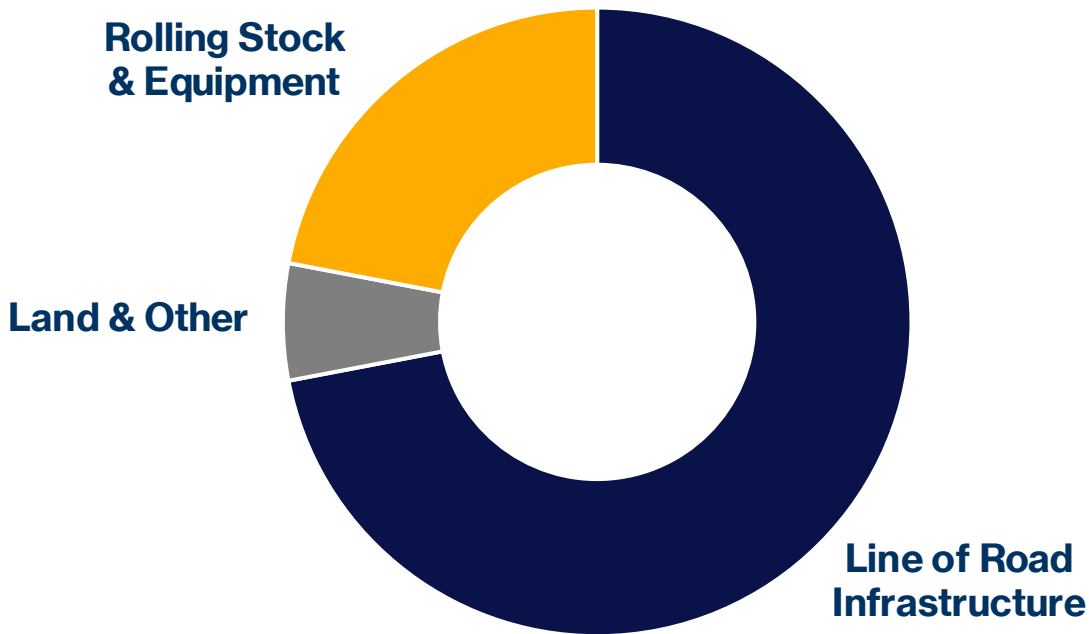
Highest priority on safety and reliability

Increased use of data and advanced analytics to extend asset lives and drive greater efficiency

\*3 Year projection excludes rebuild investments related to Hurricane Helene

# Existing asset base is positioned to absorb growth

**\$52 Billion** of Gross Assets



**Post-2016 actions have unlocked substantial room to grow...**

## Hardened Infrastructure:

**48%**

Reduction in track caused derailments

## Transformed Operating Model:

**18%**

Reduction in train miles

**~1,300**

Reduction in active locomotives

**~30K**

Reduction in active cars online

## Targeted and Proactive Investments:

**~350**

Modernized locomotives

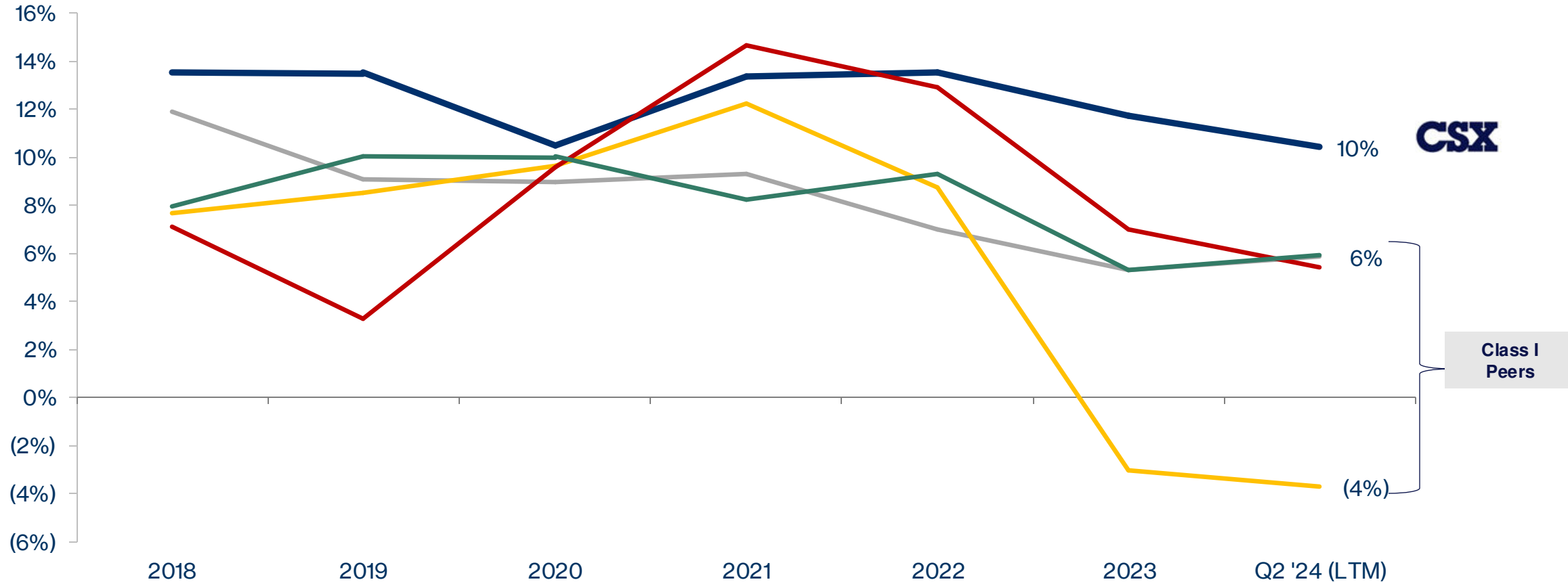
**16**

Sidings extended to >12K'

# CSX's financial flexibility is differentiated

## (Retained Cash Flow – CapEx) / Debt

\*Retained Cash Flow = Funds From Operations - Dividends



Source: Data points based on proprietary calculation from Moody's

# Growth and flexibility will continue to reward shareholders

## CSX Annual Dividend per Share Payout

20 Consecutive Years of Dividend Increases

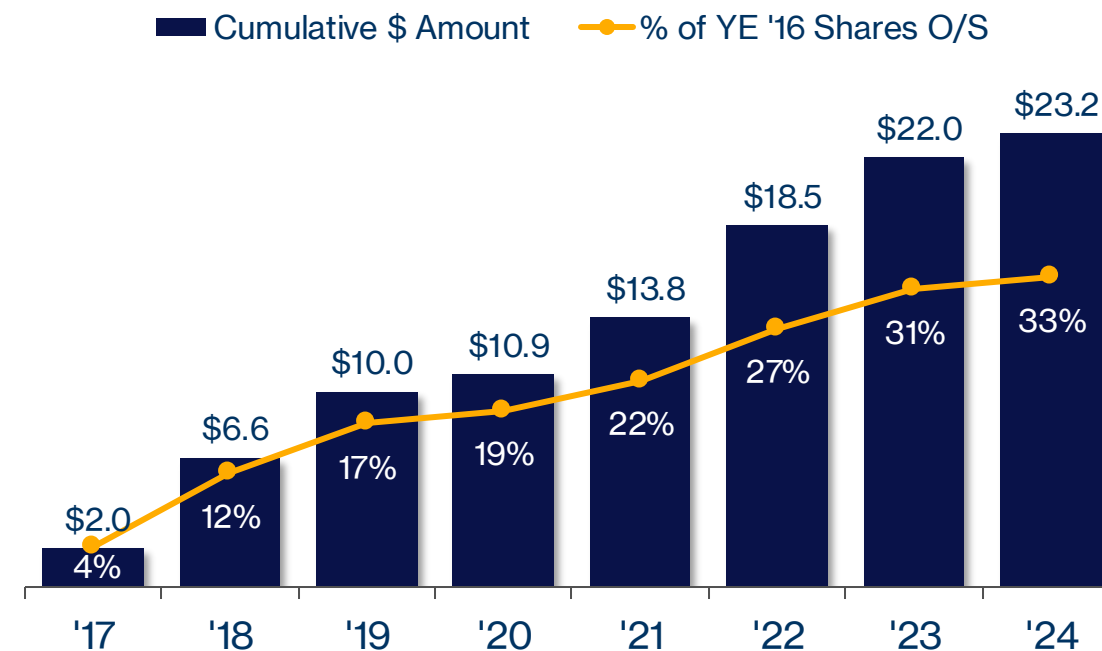


## Share Repurchase History (\$B)

Avg. Price:  
\$25.66

Avg. Discount:  
5.2%

Buyback ROI  
44%



**Expect continued strong cash generation and shareholder distributions**

Note: Share repurchase data through Q3 '24; Buyback ROI calculated using 20-day trailing average closing price as of 9/30/24



**Proven  
Model**

**Powerful  
Momentum**

**Profitable  
Growth**



# Appendix

# Non-GAAP Free Cash Flow Reconciliation

## Free Cash Flow

Dollars in millions	2015	2016	2017	2018	2019	2020 <sup>(a)</sup>	2021 <sup>(a)</sup>	2022 <sup>(a)</sup>	2023 <sup>(a)</sup>
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 3,370</b>	<b>\$ 3,041</b>	<b>\$ 3,472</b>	<b>\$ 4,641</b>	<b>\$ 4,850</b>	<b>\$ 4,238</b>	<b>\$ 5,022</b>	<b>\$ 5,526</b>	<b>\$ 5,514</b>
Property Additions	(2,562)	(2,398)	(2,040)	(1,745)	(1,657)	(1,623)	(1,764)	(2,113)	(2,257)
Proceeds and Advances from Property Dispositions	147	195	97	319	254	78	579	294	88
<b>Free Cash Flow Before Dividends (non-GAAP)</b>	<b>\$ 955</b>	<b>\$ 838</b>	<b>\$ 1,529</b>	<b>\$ 3,215</b>	<b>\$ 3,447</b>	<b>\$ 2,693</b>	<b>\$ 3,837</b>	<b>\$ 3,707</b>	<b>\$ 3,345</b>

*(a) Reflects adjustment of prior period financial statements; see form 10-Q for details*