



**2021 FIRST QUARTER
EARNINGS
CONFERENCE CALL**



04.20.2021

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.

Forward-looking statements are subject to a number of risks and uncertainties, and actual performance or results could differ materially from that anticipated by any forward-looking statements. Factors that may cause actual results to differ materially from those contemplated by any forward-looking statements include, among others; (i) the company's success in implementing its financial and operational initiatives; (ii) changes in domestic or international economic, political or business conditions, including those affecting the transportation industry (such as the impact of industry competition, conditions, performance and consolidation); (iii) legislative or regulatory changes; (iv) the inherent business risks associated with safety and security; (v) the outcome of claims and litigation involving or affecting the company; (vi) natural events such as severe weather conditions or pandemic health crises; and (vii) the inherent uncertainty associated with projecting economic and business conditions.

Other important assumptions and factors that could cause actual results to differ materially from those in the forward-looking statements are specified in the company's SEC reports, accessible on the SEC's website at www.sec.gov and the company's website at www.csx.com.

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.

EXECUTIVE SUMMARY

James M. Foote
President and Chief Executive Officer

FIRST QUARTER HIGHLIGHTS

1,529K

Volume

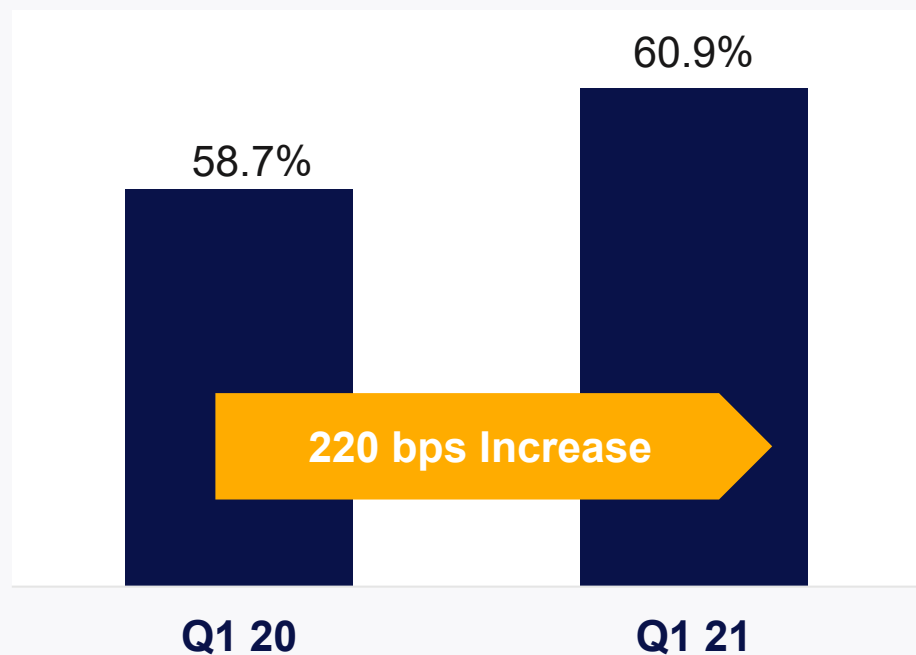
\$2,813M

Revenue

\$1,101M

Op. Income

Operating Ratio



Earnings Per Share

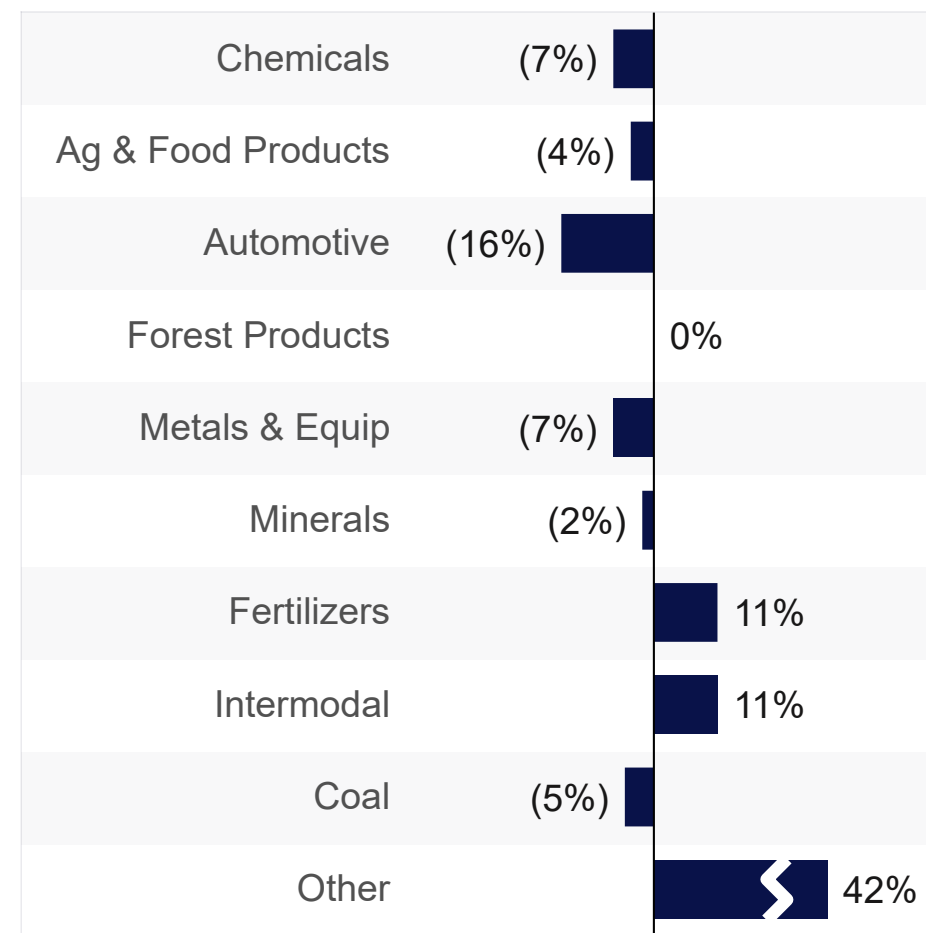


FIRST QUARTER REVENUE HIGHLIGHTS

Intermodal Volume and Revenue Growth Offset by Declines in Carload Traffic

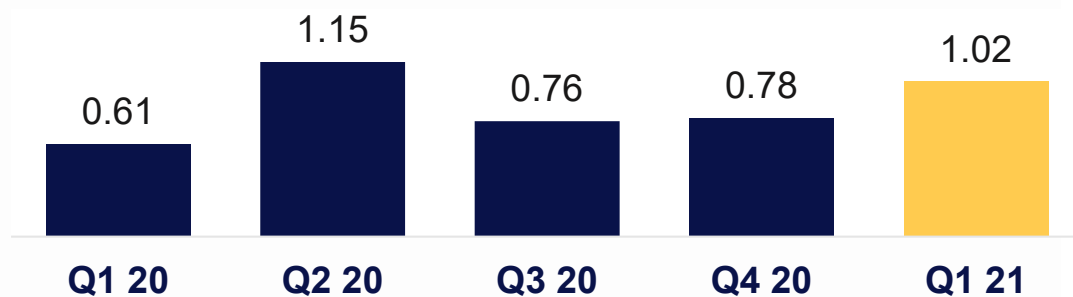
- **Chemicals** decreased primarily due to lower shipments within the energy-related markets, partially offset by higher shipments of plastics
- **Agricultural & Food Products** decreased due to lower shipments of ethanol, food and consumer products, and domestic grain
- **Automotive** declined as a result of lower vehicle production including the impact from increased plant downtime as a result of materials shortages
- **Forest Products** increased shipments of building products and pulpboard were offset by declines in printing paper
- **Metals and Equipment** volume increased due to higher steel shipments, mostly offset by reduced equipment shipments
- **Minerals** decreased due to lower shipments of aggregates, partially offset by higher shipments of limestone and salt
- **Fertilizers** increased due to higher long-haul fertilizer shipments, partially offset by lower short-haul phosphate shipments
- **Intermodal** increased due to tightening truck capacity, inventory replenishments and growth in rail volumes from east coast ports
- **Coal** decreased due to reduced international shipments of thermal coal, partially offset by increased shipments of domestic utility coal

First Quarter Revenue Down 1% Year Over Year

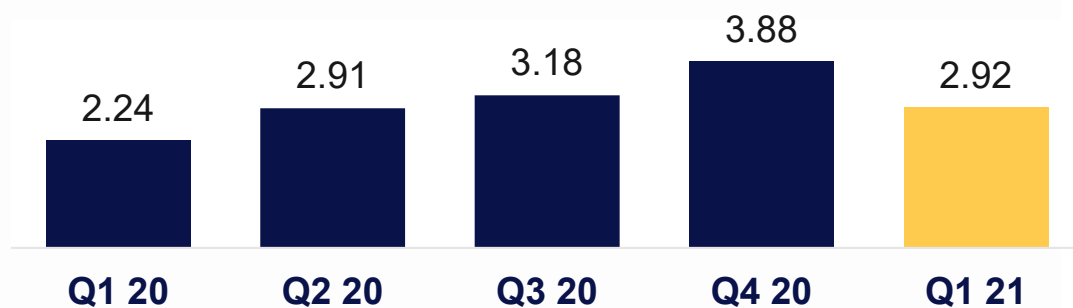


FIRST QUARTER SAFETY HIGHLIGHTS

FRA Personal Injury Frequency Index



FRA Train Accident Rate

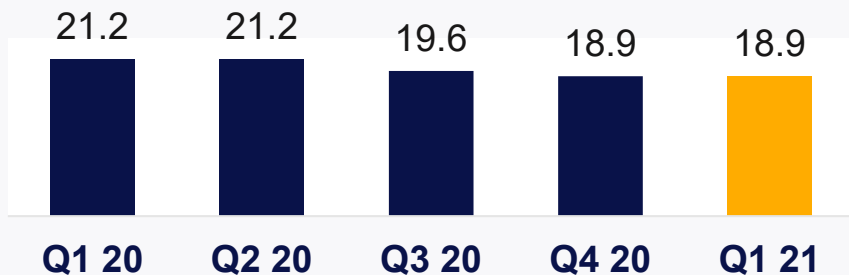


- Safety is a guiding principle at CSX
- Expanded safety summits reinforcing safety culture and frontline engagement
- New hire and manager training focused on enhancing rules compliance and reducing injury count
- Increased drone usage driving positive train accident rate momentum

FIRST QUARTER OPERATING HIGHLIGHTS

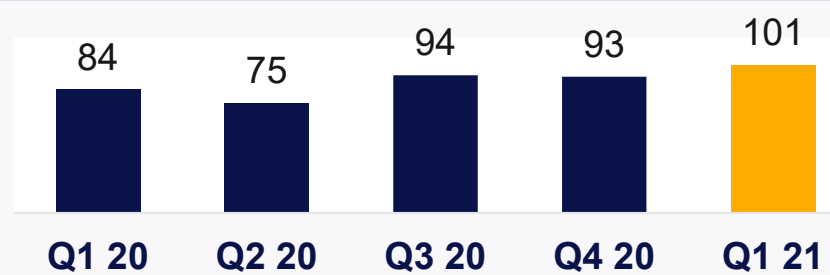
Train Velocity

Miles per Hour



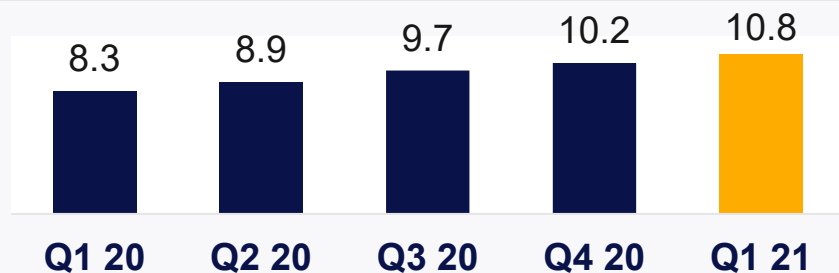
Distributed Power

Trains per Day



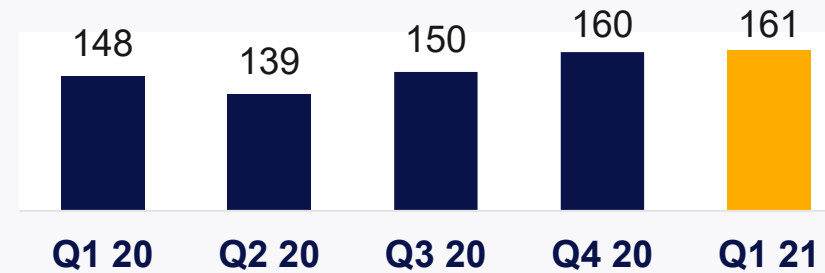
Terminal Car Dwell

Average Hours per Car



Labor Productivity

GTMs per Active T&E Employee



The methodology for calculating train velocity and dwell differs from that prescribed by the Surface Transportation Board (STB). The Company will continue to report train velocity and dwell to the STB using the prescribed methodology. See additional discussion on CSX.com.

TRANSFORMATION UPDATE: KEY METRIC REVIEW

Network Fluidity

Train Velocity* (MPH)

▲ 33%



Asset Utilization

Active Locomotives

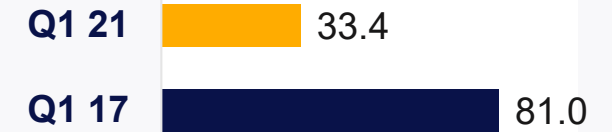
▼ 41%



Crew Productivity

Deadheads (000's)

▼ 59%



Car Dwell* (Hours)

▼ 6%



GTMs per Available HP

▲ 45%



Cars Handled per Hour**

▲ 31%



*Historical data been reclassified to conform to current presentation.

**Reflects car handlings per hour worked.

PREPARING THE NETWORK FOR GROWTH

Trip Plan Performance

Carload	Intermodal
67%	85%

Operating Efficiency vs. Q1 20

Train Starts	Train Count
▼ 10%	▼ 8%

Active Locos	Cars per Train
▼ 5%	▲ 10%

- Network rebounding from challenging first quarter weather conditions
- Sustaining operating efficiencies
- Taking necessary steps to prepare network for incremental volumes
- Committed to providing customers an industry-leading service product

FINANCIAL REVIEW

Kevin S. Boone

EVP and Chief Financial Officer

FIRST QUARTER EARNINGS SUMMARY

First Quarter Income Statement

Dollars in millions	2021	2020	Variance
Revenue	\$ 2,813	\$ 2,855	(1%)
Expense			
Labor and Fringe	620	606	(2%)
Materials, Supplies and Other	469	454	(3%)
Depreciation	345	344	-
Fuel	190	192	1%
Equipment and Other Rents	88	81	(9%)
Total Expense	1,712	1,677	(2%)
Operating Income	1,101	1,178	(7%)
Interest Expense	(184)	(187)	2%
Other Income – Net	20	22	(9%)
Income Tax Expense	(231)	(243)	5%
Net Earnings	\$ 706	\$ 770	(8%)
Earnings Per Share	\$ 0.93	\$ 1.00	(7%)
Operating Ratio	60.9%	58.7%	(220 bps)

FIRST QUARTER FINANCIAL MEASURES

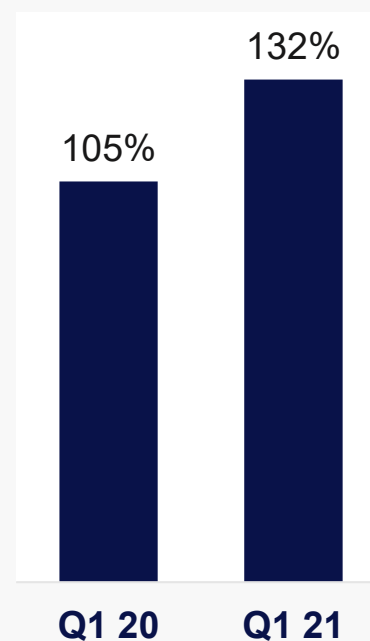
Free Cash Flow Before Dividends*

In Millions



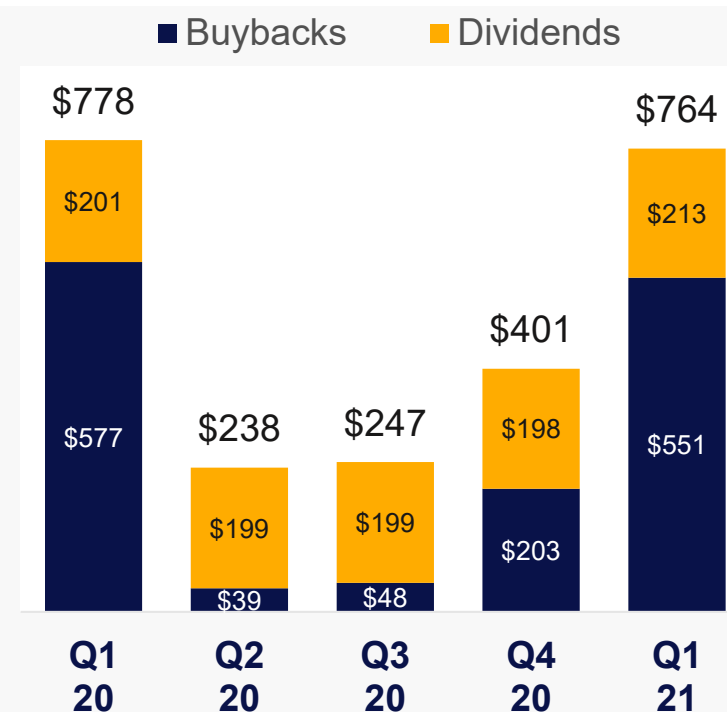
Free Cash Flow Conversion*

FCF Percent of Net Income



Shareholder Distributions

In Millions



* See Appendix for Non-GAAP reconciliation

CLOSING REMARKS

James M. Foote

President and Chief Executive Officer

LOOKING FORWARD

- › Expect to achieve double-digit full year revenue growth
 - Continue to project full year volume growth in excess of GDP
 - Increased visibility into positive economic momentum
- › Driving operating leverage on volume growth
- › Continue to target capital expenditures in the \$1.7 – \$1.8 billion range
- › Remain committed to returning capital to shareholders

APPENDIX

Non-GAAP Free Cash Flow Reconciliation

NON-GAAP FREE CASH FLOW RECONCILIATION

Free Cash Flow

Dollars in millions	Three Months Ended	
	Mar 31, 2021	Mar 31, 2020
Net Cash Provided by Operating Activities	\$ 1,232	\$ 1,178
Property Additions	(306)	(381)
Other Investing Activities	8	15
Free Cash Flow Before Dividends (non-GAAP)	\$ 934	\$ 812
Operating Cash Flow Conversion*	175%	153%
Free Cash Flow Conversion*	132%	105%

*Expressed as a percentage of net income

CSX