



CPKC ADVANTAGE

Investor Presentation:
September 2024

TSX/NYSE: CP





FORWARD LOOKING STATEMENTS

This investor presentation may contain certain forward-looking information and forward-looking statements (collectively, "forward-looking information") within the meaning of applicable securities laws. Forward-looking information includes, but is not limited to, statements concerning expectations, beliefs, targets, plans, goals, objectives, assumptions and statements about possible future events, conditions, and results of operations or performance. Forward-looking information may contain statements with words or headings such as "financial expectations", "key assumptions", "anticipate", "believe", "expect", "targets", "plan", "will", "outlook", "guidance", "should" or similar words suggesting future outcomes. This presentation contains forward-looking information relating, but not limited to statements concerning financial targets for 2024-2028 and our ability to deliver on financial guidance for 2024, including estimated growth and capital expenditures, the success of our business, the realization of anticipated benefits and synergies of the Canadian Pacific Railway Limited ("CP")-Kansas City Southern ("KCS") transaction and the timing thereof, and the opportunities arising therefrom, our operations, priorities and plans, including sustainability-related targets and plans, anticipated financial and operational performance, business prospects and demand for our services and growth opportunities. The forward-looking information that may be in this presentation is based on current expectations, estimates, projections and assumptions, having regard to Canadian Pacific Kansas City Limited's ("CPKC's" or the "Company's") experience and its perception of historical trends, and includes, but is not limited to, expectations, estimates, projections and assumptions relating to: changes in business strategies, North American and global economic growth and conditions; commodity demand growth; sustainable industrial and agricultural production; commodity prices and interest rates; performance of our assets and equipment; sufficiency of our budgeted capital expenditures in carrying out our business plan; geopolitical conditions, applicable laws, regulations and government policies; the availability and cost of labour, services and infrastructure; the satisfaction by third parties of their obligations to CPKC; and carbon markets, evolving sustainability strategies, and scientific or technological developments. Although CPKC believes the expectations, estimates, projections and assumptions reflected in the forward-looking information presented herein are reasonable as of the date hereof, there can be no assurance that they will prove to be correct. Current conditions, economic and otherwise, render assumptions, although reasonable when made, subject to greater uncertainty. Undue reliance should not be placed on forward-looking information as actual results may differ materially from those expressed or implied by forward-looking information. By its nature, CPKC's forward-looking information involves inherent risks and uncertainties that could cause actual results to differ materially from the forward looking information, including, but not limited to, the following factors: changes in business strategies and strategic opportunities; general Canadian, U.S., Mexican and global social, economic, political, credit and business conditions; risks associated with agricultural production such as weather conditions and insect populations; the availability and price of energy commodities; the effects of competition and pricing pressures, including competition from other rail carriers, trucking companies and maritime shippers in Canada, the U.S. and Mexico; North American and global economic growth and conditions; industry capacity; shifts in market demand; changes in commodity prices and commodity demand; uncertainty surrounding timing and volumes of commodities being shipped via CPKC; inflation; geopolitical instability; changes in laws, regulations and government policies, including regulation of rates; changes in taxes and tax rates; potential increases in maintenance and operating costs; changes in fuel prices; disruption in fuel supplies; uncertainties of investigations, proceedings or other types of claims and litigation; compliance with environmental regulations; labour disputes; changes in labour costs and labour difficulties; risks and liabilities arising from derailments; transportation of dangerous goods; timing of completion of capital and maintenance projects; sufficiency of budgeted capital expenditures in carrying out business plans; services and infrastructure; the satisfaction by third parties of their obligations; currency and interest rate fluctuations; exchange rates; effects of changes in market conditions and discount rates on the financial position of pension plans and investments; trade restrictions or other changes to international trade arrangements; the effects of current and future multinational trade agreements on the level of trade among Canada, the U.S. and Mexico; climate change and the market and regulatory responses to climate change; anticipated in-service dates; success of hedging activities; operational performance and reliability; customer, regulatory and other stakeholder approvals and support; regulatory and legislative decisions and actions; the adverse impact of any termination or revocation by the Mexican government of Kansas City Southern de México, S.A. de C.V.'s Concession; public opinion; various events that could disrupt operations, including severe weather, such as droughts, floods, avalanches and earthquakes, and cybersecurity attacks, as well as security threats and governmental response to them, and technological changes; acts of terrorism, war or other acts of violence or crime or risk of such activities; insurance coverage limitations; material adverse changes in economic and industry conditions, including the availability of short and long-term financing; the demand environment for logistics requirements and energy prices, restrictions imposed by public health authorities or governments, fiscal and monetary policy responses by governments and financial institutions, and disruptions to global supply chains; the realization of anticipated benefits and synergies of the CP-KCS transaction and the timing thereof; the satisfaction of the conditions imposed by the U.S. Surface Transportation Board in its March 15, 2023 decision; the success of integration plans for KCS; the focus of management time and attention on the CP-KCS transaction and other disruptions arising from the CP-KCS integration; estimated future dividends; financial strength and flexibility; debt and equity market conditions, including the ability to access capital markets on favourable terms or at all; cost of debt and equity capital; improvement in data collection and measuring systems; industry-driven changes to methodologies; and the ability of the management of CPKC to execute key priorities, including those in connection with the CP-KCS transaction. The foregoing list of factors is not exhaustive. These and other factors are detailed from time to time in reports filed by CPKC with securities regulators in Canada and the United States. Reference should be made to "Item 1A - Risk Factors" and "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations - Forward-Looking Statements" in CPKC's annual and interim reports on Form 10-K and 10-Q. Any forward-looking information contained in this presentation is made as of the date hereof. Except as required by law, CPKC undertakes no obligation to update publicly or otherwise revise any forward-looking information, or the foregoing assumptions and risks affecting such forward-looking information, whether as a result of new information, future events or otherwise.



BASIS OF PRESENTATION & NON-GAAP MEASURES

Basis of presentation

Except where noted, all figures are in millions of Canadian dollars.

Financial information is prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), unless otherwise noted.

Financial and operating results described in this presentation, unless the context indicates otherwise, represent the financial and operating results of CP for the period from April 1, 2023, through April 13, 2023, during which time KCS was held in voting trust and accounted for as an equity investment under the equity method of accounting, and the financial and operating results of CPKC for the period beginning on April 14, 2023, and ending on December 31, 2023.

Non-GAAP measures

CPKC presents Non-GAAP measures, including Core adjusted combined operating income, Core adjusted combined operating ratio, Core adjusted combined diluted earnings per share (EPS), Adjusted combined free cash, and Adjusted combined net debt to adjusted combined Earnings before interest, taxes, depreciation and amortization ("EBITDA") ratio, to provide an additional basis for evaluating underlying earnings and liquidity trends in CPKC's current periods' financial results that can be compared with the results of operations in prior periods. Management believes these Non-GAAP measures facilitate a multi-period assessment of long-term profitability, including assessing future profitability.

These Non-GAAP measures have no standardized meaning and are not defined by U.S. GAAP and, therefore, may not be comparable to similar measures presented by other companies. The presentation of these Non-GAAP measures is not intended to be considered in isolation from, as a substitute for, or as superior to the financial information presented in accordance with U.S. GAAP.

Although CPKC has provided forward-looking Non-GAAP measures (Core adjusted combined diluted EPS, Adjusted net debt to adjusted combined EBITDA) management is unable to reconcile, without unreasonable efforts, the forward-looking Core adjusted combined diluted EPS to the most comparable U.S. GAAP measure, due to unknown variables and uncertainty related to future results. These unknown variables may include unpredictable transactions of significant value. In recent years, the Company has recognized acquisition-related costs, the merger termination payment received, KCS' gain on unwinding of interest rate hedges (net of CP-associated purchase accounting basis differences and tax), loss on derecognition of CPKC's previously held equity method investment in KCS, discrete tax items, changes in the outside basis tax difference between the carrying amount of the Company's equity investment in KCS and its tax basis of the investment, settlement of Mexican taxes relating to prior years, changes in income tax rates, and changes to an uncertain tax item. Acquisition-related costs include legal, consulting, financing fees, integration costs including third-party services and system migration, debt exchange transaction costs, community investments, fair value gain or loss on foreign exchange ("FX") forward contracts and interest rate hedges, FX gain on U.S. dollar-denominated cash on hand from the issuances of long-term debt to fund the KCS acquisition, restructuring, employee retention and synergy incentive costs, and transaction and integration costs incurred by KCS which were recognized within Equity earnings of KCS in the Company's Consolidated Statements of Income. KCS has also recognized FX gains and losses. These items may not be non-recurring, and may include items that are settled in cash. Specifically, due to the magnitude of the acquisition, its significant impact to the Company's business and complexity of integrating the acquired business and operations, the Company expects to incur the acquisition-related costs beyond the year of acquisition. These or other similar, large unforeseen transactions affect diluted EPS but may be excluded from CPKC's Core adjusted combined diluted EPS. Additionally, the Canadian-to-U.S. dollar and Mexican peso-to-U.S. dollar exchange rates are unpredictable and can have a significant impact on CPKC's reported results but may be excluded from CPKC's Core adjusted combined diluted EPS.

For further information regarding Non-GAAP measures, including reconciliations to the most directly comparable GAAP measures, see the Non-GAAP Measures supplement to the Q4 2023 Earnings Release on our website at investor.cpkcr.com and on SEDAR+ at www.sedarplus.ca under CPKC's SEDAR+ profile, and the Q4 2023 and Q1 2024 Unaudited Combined Summary of Supplemental Data on our website at investor.cpkcr.com.

FINANCIAL PERFORMANCE DATA

(\$ in millions of Canadian dollars, except percentages)	2023 ⁽¹⁾	2022 ⁽¹⁾
Total revenues, as reported	\$12,555	\$8,814
Combined total revenues ⁽²⁾	\$13,909	\$13,217
Operating income, as reported	\$4,388	\$3,329
Core adjusted combined operating income ⁽²⁾	\$5,281	\$5,060
Operating ratio, as reported ⁽³⁾	65.0%	62.2%
Core adjusted combined operating ratio ⁽²⁾	62.0%	61.7%
Net income attributable to controlling shareholders, as reported	\$3,927	\$3,517
Core adjusted combined income ⁽²⁾	\$3,582	\$3,521
Diluted earnings per share, as reported	\$4.21	\$3.77
Core adjusted combined diluted earnings per share ⁽²⁾	\$3.84	\$3.77

(1) Represents combined financial and operating information to illustrate the estimated effects of the acquisition for the year ended December 31, 2023, as if the acquisition closed on January 1, 2022. For a full description and reconciliation see Q4 2023 Unaudited Combined Summary of Supplemental Data on investor.cpkcr.com

(2) These measures are Non-GAAP measures, and have no standardized meanings prescribed by accounting principles generally accepted in the United States ("GAAP") and, therefore, may not be comparable to similar measures presented by other companies. These measures are defined and reconciled in Q4 2023 Unaudited Combined Summary of Supplemental Data on our website at investor.cpkcr.com at investor.cpkcr.com.

(3) Operating ratio is defined as operating expenses divided by revenues.

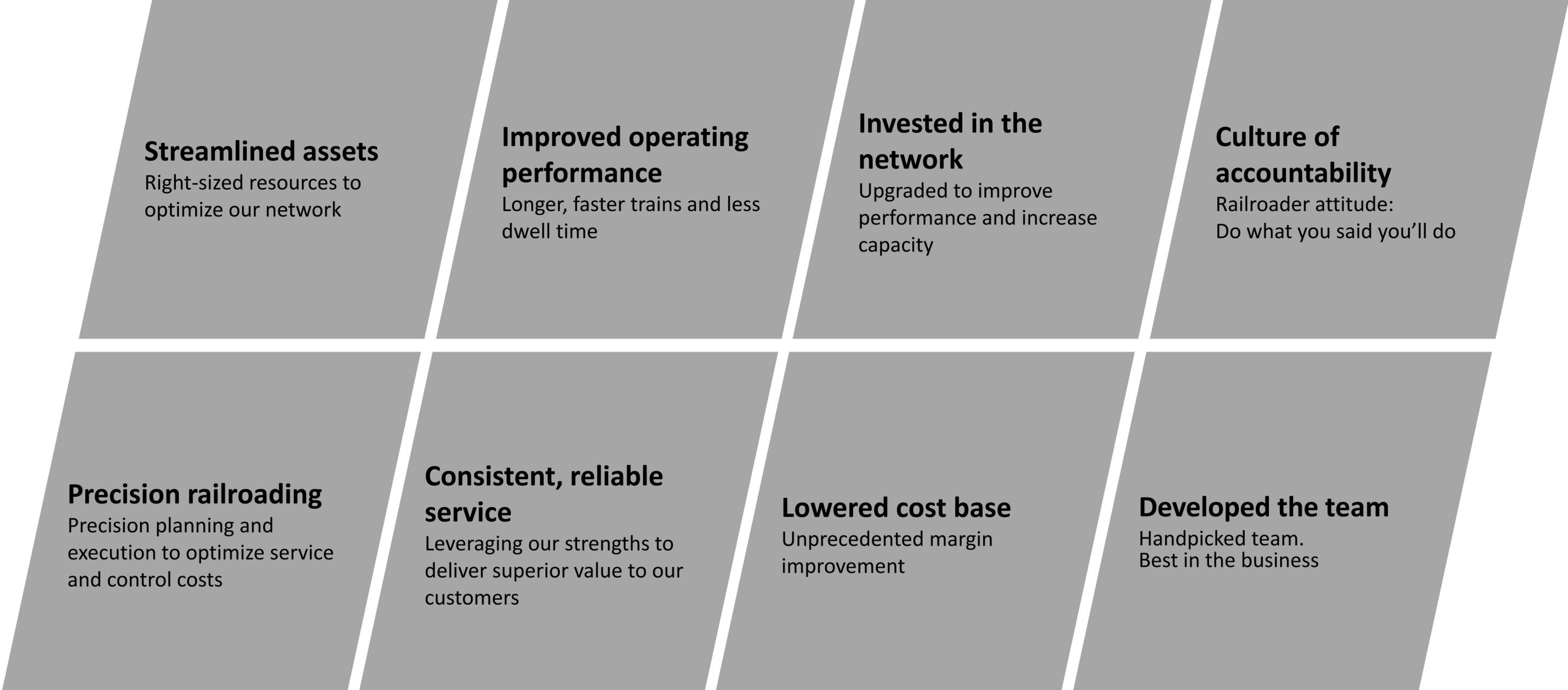
**FOUNDED IN PRECISION,
BUILT FOR GROWTH,
THE CPKC ADVANTAGE**

The CPKC combination has redrawn the North American railroad map and changed the freight rail industry for the better. Guided by our precision railroading model, foundations and core values we continue to deliver industry-leading service. It's a culture of excellence that we adhere to 24/7, 365. Stretching approximately 20,000 route miles across Canada, the United States and Mexico, and employing 20,000 railroaders, CPKC provides our customers unparalleled rail service and network reach to key markets across the continent. While our playing field has grown, our playbook and commitment to delivering safely and sustainably for customers and shareholders remains the same.

Welcome to the CPKC Advantage!



2012 – 2016: WE REBUILT THE ENGINE



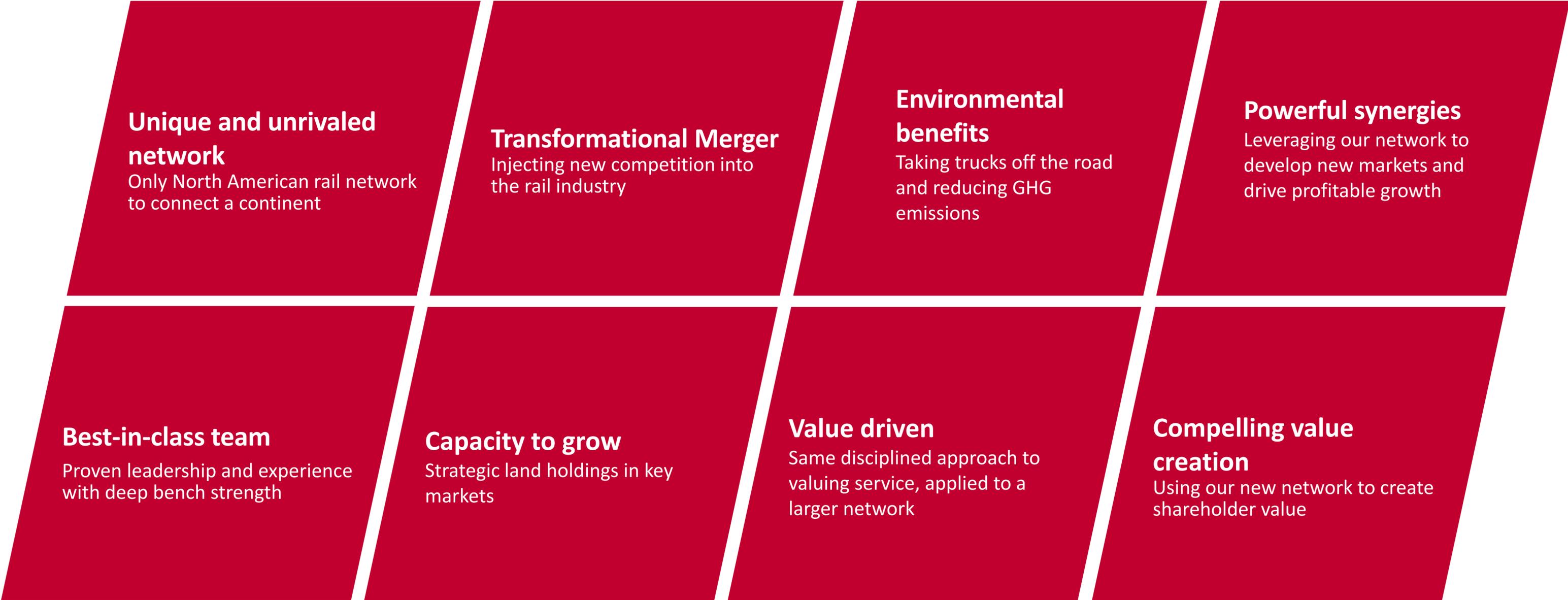


2017 – 2022: WE LED THE INDUSTRY IN GROWTH





CPKC: THE NEXT CHAPTER



SAME PLAYBOOK BIGGER PLAYING FIELD

- 3-country connectivity
- 20,000 track miles
- 30+ ports & 30+ auto facilities
- 200+ transloads & 90+ shortlines
- Unique, strategic land assets

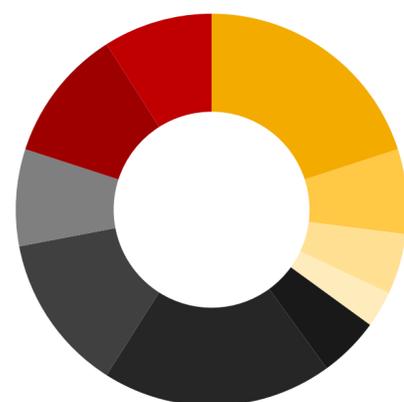


DIVERSIFIED BOOK OF BUSINESS

A powerful base to drive sustainable growth

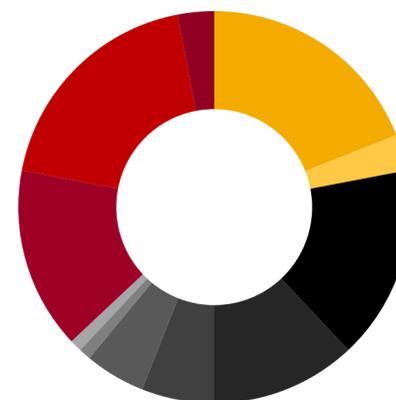
- Uniquely positioned with best-in-class service and capacity to grow
- Leveraging our strengths to grow with existing customers and bring on new business
- Stronger margins allow us to compete for new opportunities
- Continually innovating with long-term partners to help them win in the marketplace

Combined Business Mix ⁽¹⁾
% of 2023 Freight Revenue



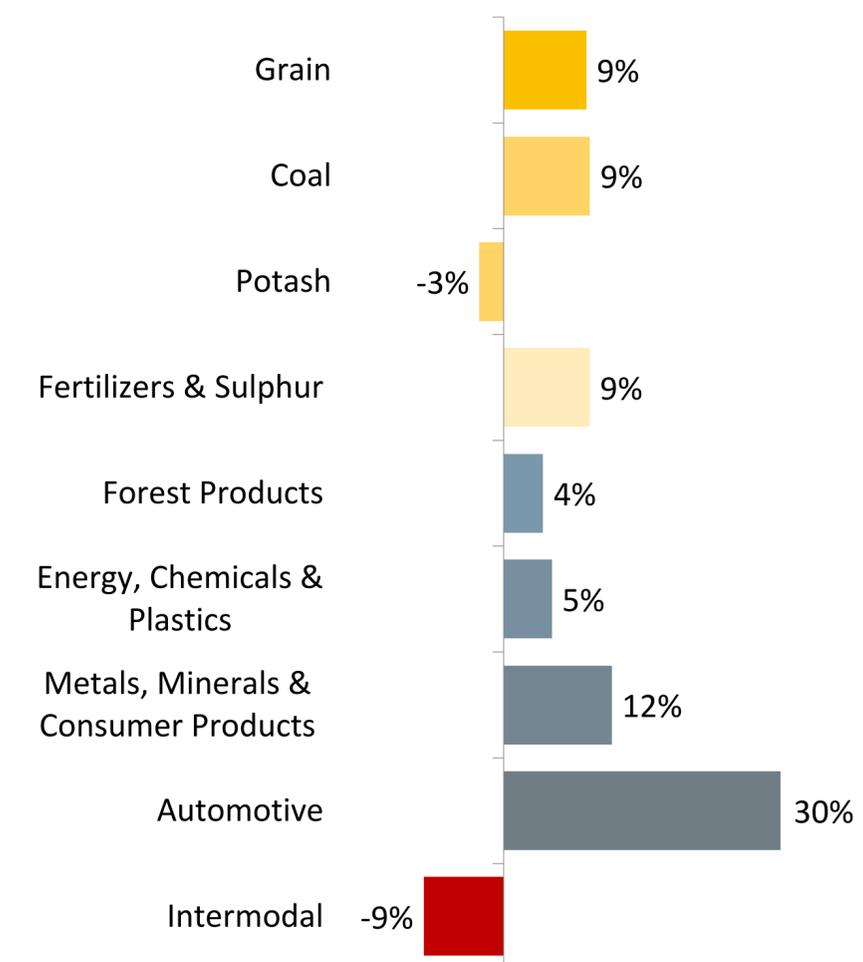
● Bulk 34%
Grain 20%
Coal 7%
Potash 4%
Fertilizers & Sulphur 3%
● Merchandise 47%
Forest Products 6%
Energy, Chemicals & Plastics 20%
Metals, Minerals & Consumer Products 13%
Automotive 8%
● Intermodal 19%
Domestic 11%
International 8%

Combined Geographic Distribution ⁽¹⁾
% of 2023 Combined Freight Revenue



● Global AR 22%
Asia 19%
Europe 3%
● Cross-Border 41%
Canada to U.S. 16%
U.S. to Mexico 12%
U.S. to Canada 6%
Mexico to U.S. 5%
Canada to Mexico 1%
Mexico to Canada 1%
● Domestic 37%
Intra-U.S. 19%
Intra-Canada 15%
Intra-Mexico 3%

2023 Combined Freight Revenue Variance ⁽¹⁾
% of 2022 Combined Freight Revenue



Total Change +5% Growth

PRECISION PERFORMANCE

Operations

- The cornerstone of our industry-leading performance is our precision railroading operating model and disciplined focus on planning and execution
- Faster train speeds and reduced dwell mean better asset utilization and reduced costs for CPKC and our customers
- Longer, heavier faster trains increase network capacity and reduce operating costs
- CPKC's proven operating model and focus on planning and execution will drive productivity and disciplined growth across our entire North American network

41%

Improvement in **average train speed** since 2011

10%

Improvement in **average terminal dwell** since 2011

53%

Improvement in **average train weight** since 2011

42%

Improvement in **average train length** since 2011

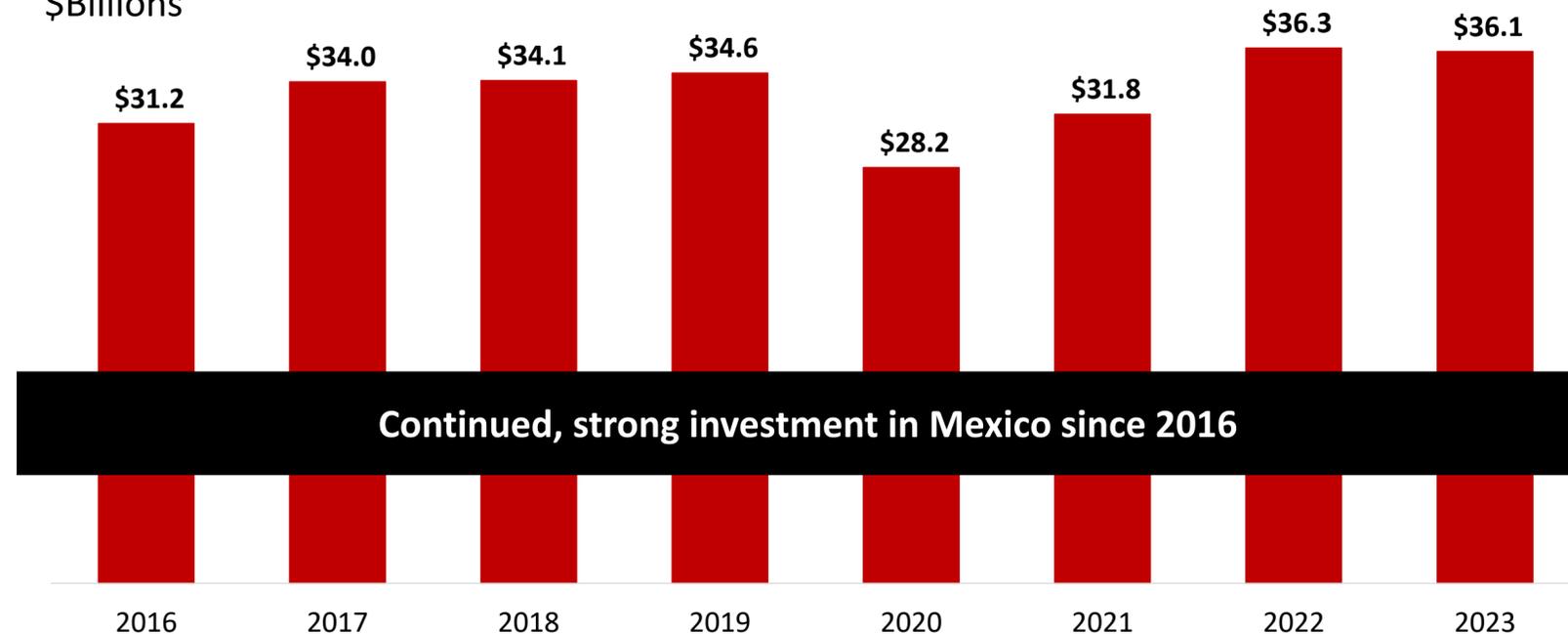
NEARSHORING DRIVERS

The CPKC Mexico Advantage

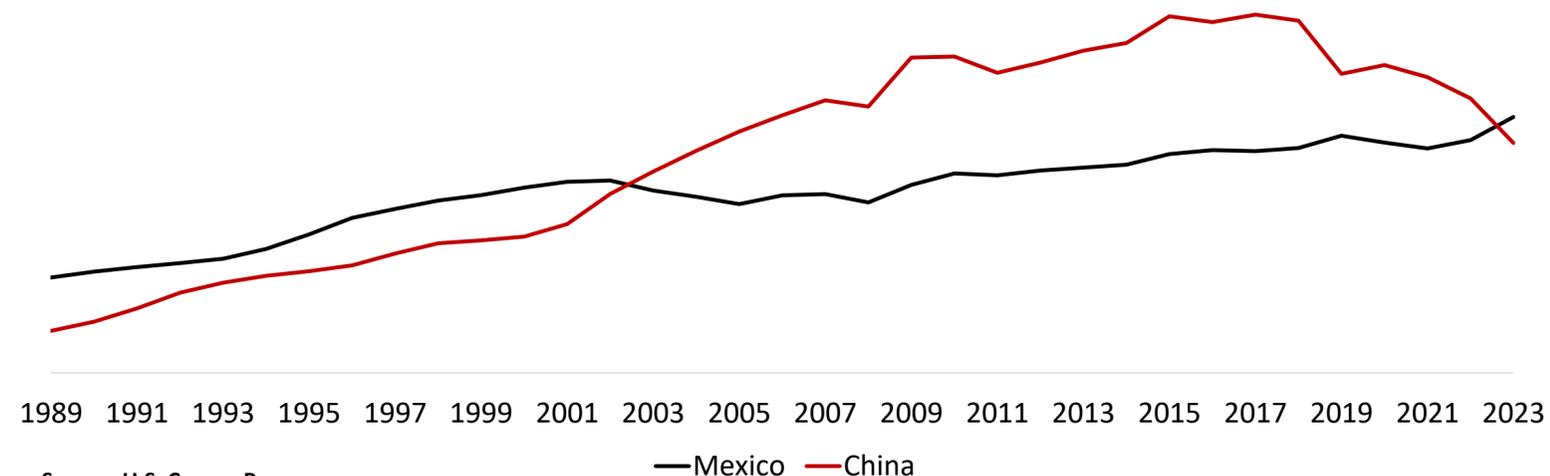
- Trade agreements and industrial policy in place
- Large, well-educated labour pool
- Decreased lead times and increased efficiencies
- Only single-line railroad connecting the U.S., Canada and Mexico
- Network connects Mexico's industrial heartland with the rest of North America

Foreign Direct Investment in Mexico ⁽¹⁾

\$Billions



Share of Total U.S. Imports



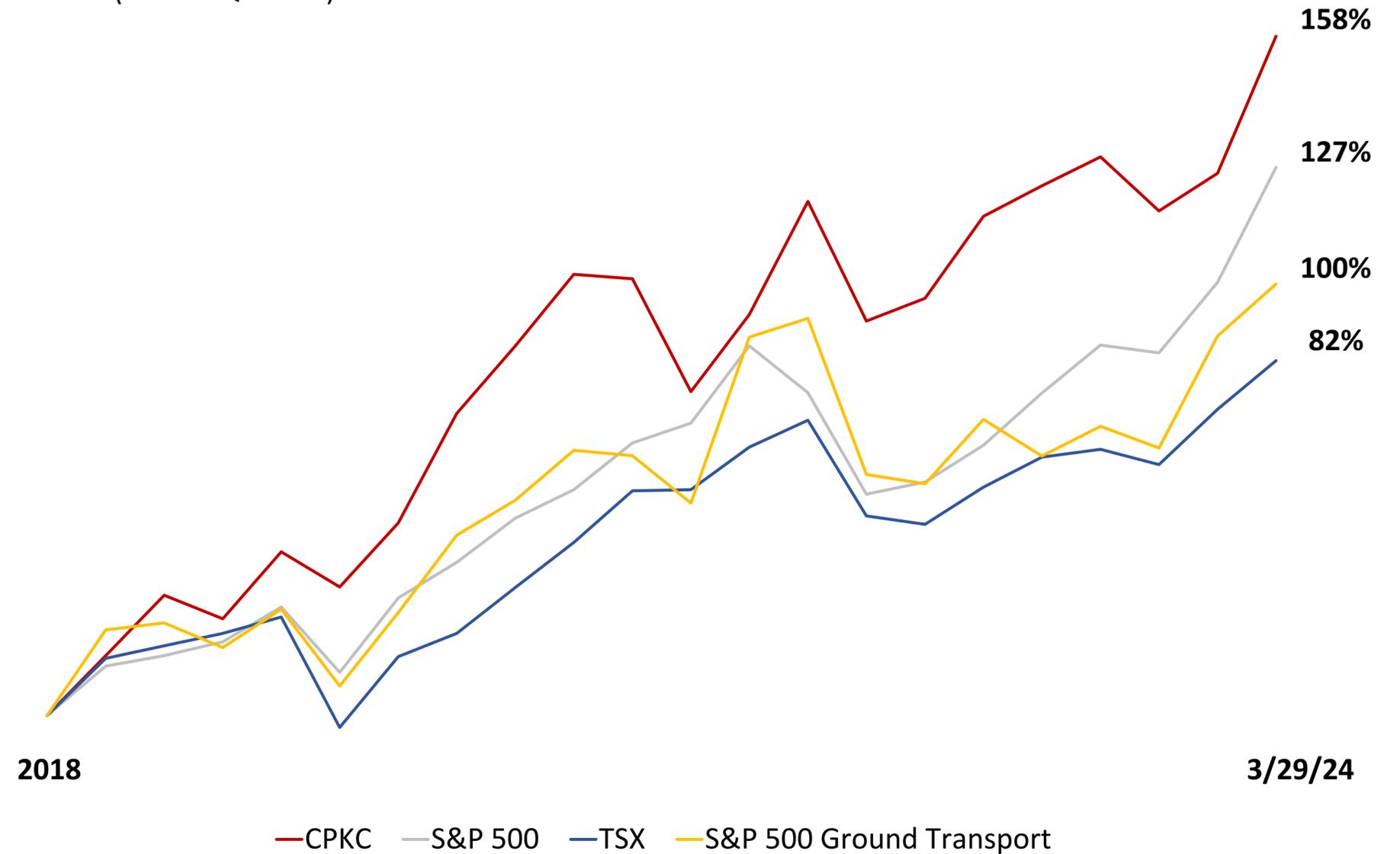
(1) Foreign Direct Investment includes new investment, reinvestment and intercompany investments.

PRECISION PERFORMANCE

Track Record of Outperformance

- Industry-leading management team & high-performance culture
- PSR model enables us to outperform in various economic environments
- Our focus: best-in-class service at lowest cost
- Driving strong margins and topline revenue growth
- Strong free cash generation
- Opportunistic approach to shareholder returns

Total Shareholder Return
(2018 – Q1 2024)



ROOM TO GROW 2.0

Surplus acreage across the network drives optionality & low-cost capacity

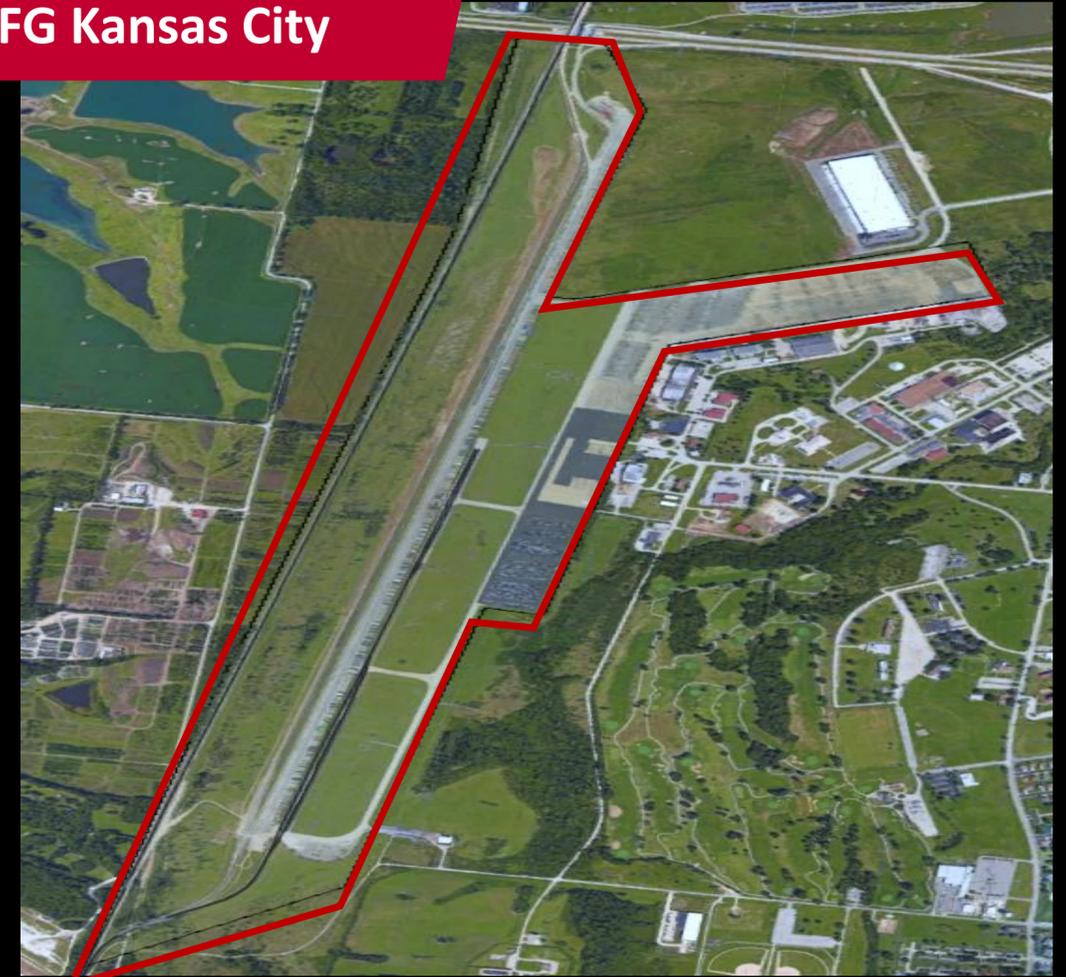


Port Arthur Terminal

- 17.5 acres with 10,000 feet of existing rail track
- 2,530 feet of waterfront with dock infrastructure
- Opportunity to develop a new export terminal which will add another outlet to move bulk products to markets overseas

IFG Kansas City

- Located in the Kansas City metro area, at the heart of CPKC's North American network
- 180 acres of undeveloped land, which can be leveraged for low-cost franchise growth



SPOTLIGHT

Creating a Cold Storage Ecosystem

CPKC and Americold established a strategic agreement to co-locate Americold warehouses on the CPKC network

CPKC is seamlessly connecting U.S. Midwest frozen and fresh protein markets with Mexico produce markets with the first Americold facility under construction at IFG



ROOM TO GROW 2.0

Dallas & Chicago

Chicago



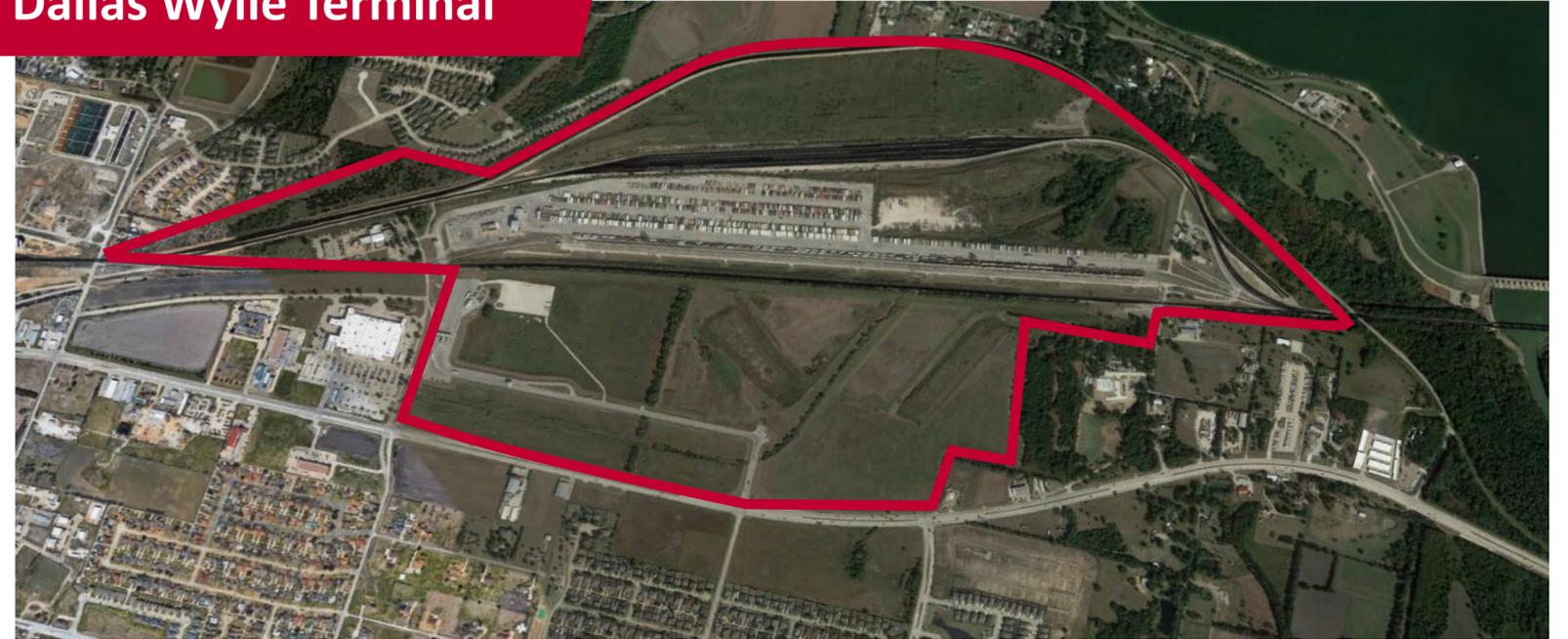
Bensenville Yard

- Room to grow within existing footprint
- ~U.S.\$300M facility scheduled for completion in 2026

Schiller Park

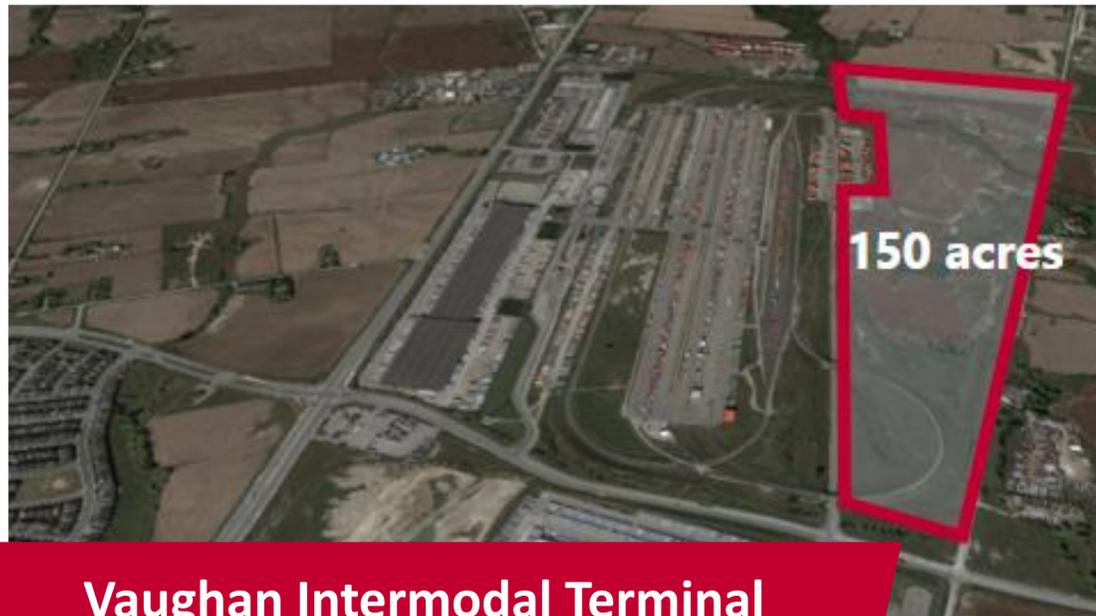
- 75-acre site made surplus through consolidation of intermodal operations
- Potential to repurpose for growth opportunities, or divest

Dallas Wylie Terminal



- ~500-acre footprint in one of the fastest growing markets in the U.S.
- 30-acre Dallas Automotive Compound scheduled for completion in Q2 2024
- Ability to build a high-efficiency, multi-commodity, indoor-outdoor transload facility
- Connecting origin markets in Canada and Mexico with key Texas destination market

Vancouver & Toronto Area



Vaughan Intermodal Terminal

- 500-acre footprint; 150 acres vacant
- Ability to more than double operations with minimal capital

Vancouver



- Unmatched ability to expand footprint in Canada's largest trade gateway
- Existing intermodal facility operating well below capacity
- CPKC owns >150 acres of vacant land adjacent to existing facility

SPOTLIGHT

World-Class Transload

In 2021, CPKC and A.P. Moller-Maersk opened a new world-class transload and distribution facility in Vancouver. The opportunity matched CPKC's strategic land holdings with a customer looking to control their end-to-end supply chain

The unique service solution enables ocean containers to efficiently move to and from the port and loaded domestic containers to move inland by rail, removing thousands of local round-truck trips from Vancouver roads

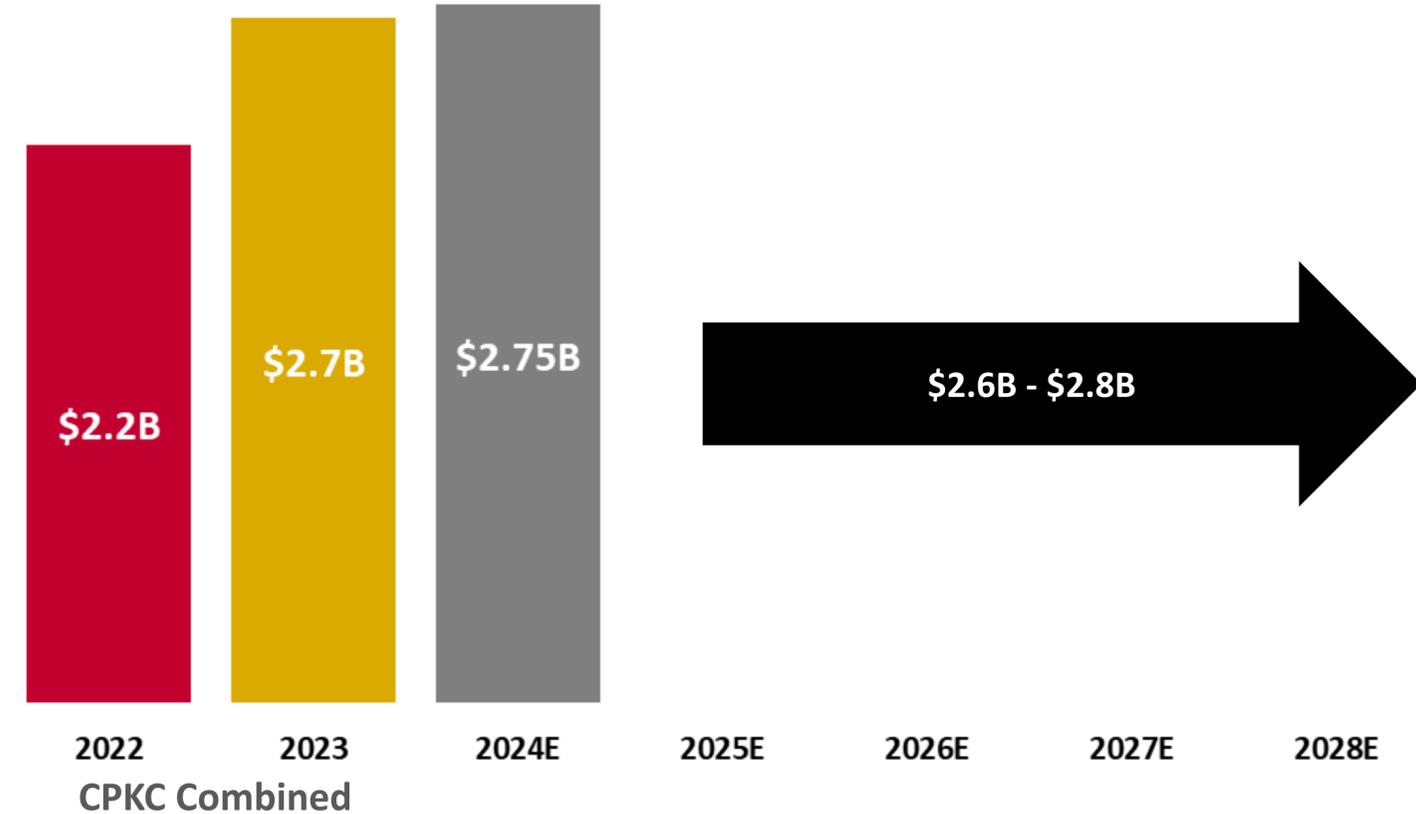


CAPITAL INVESTMENT

Safety, service reliability and growth

- ~60% of capital investments are allocated towards safety and replacement initiatives to ensure our network remains safe and efficient
- Strong pipeline of high return projects
- Disciplined approach to capital planning – reinvest in the business to enhance safety and enable growth
- Key investments in safety and capacity were made ahead of the merger, priming the combined network for growth

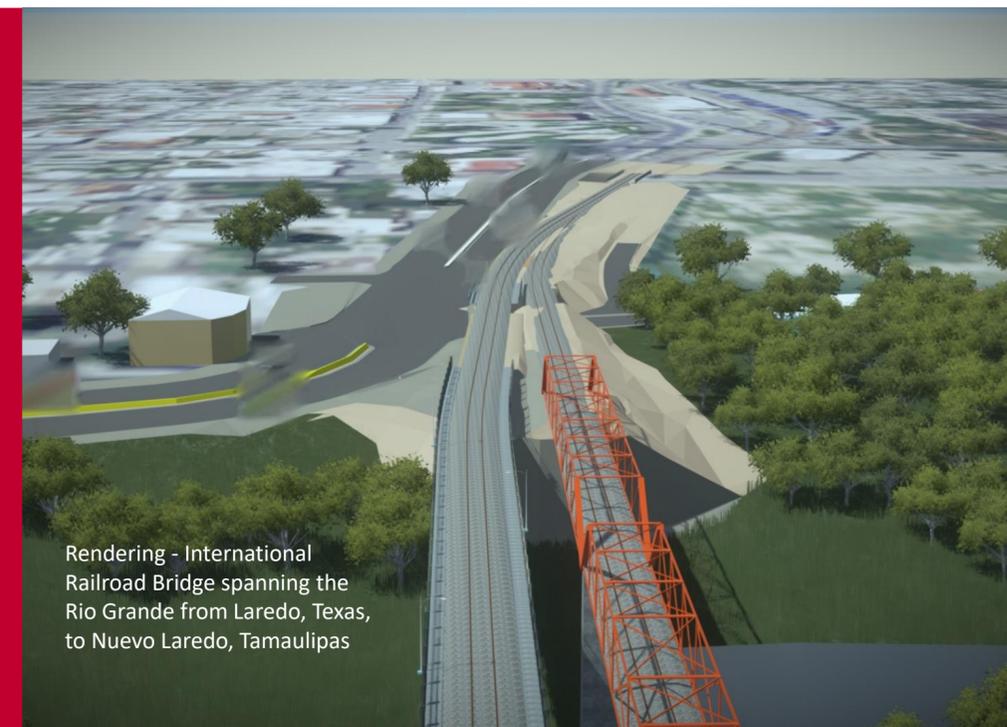
Capital Expenditures
(\$ millions)



SPOTLIGHT

Laredo Bridge Expansion

CPKC is strategically investing in infrastructure to support future growth by twinning the Laredo Bridge, which will double our capacity across the key Laredo gateway. Expected to open by the end of 2024, this investment accelerates growth between the industrial heartland of Mexico and points across the U.S. and Canada.



BALANCE SHEET STRENGTH

Committed to a strong investment-grade credit rating

- CP completed issuance of debt to fund cash consideration of the KCS transaction in November 2021. Debt was issued to optimize our ability to de-lever while also locking in attractive long-term financing rates
- Interest rate risk mitigated through fixed interest on 100% of term debt
- Significant liquidity available over de-leveraging period via U.S. \$2.2B undrawn committed credit facilities, U.S. \$1.5B commercial paper program, and pausing of share repurchases
- Continue to repay debt on path back to target leverage of 2.5x Adjusted combined net debt to Adjusted combined EBITDA ratio⁽¹⁾

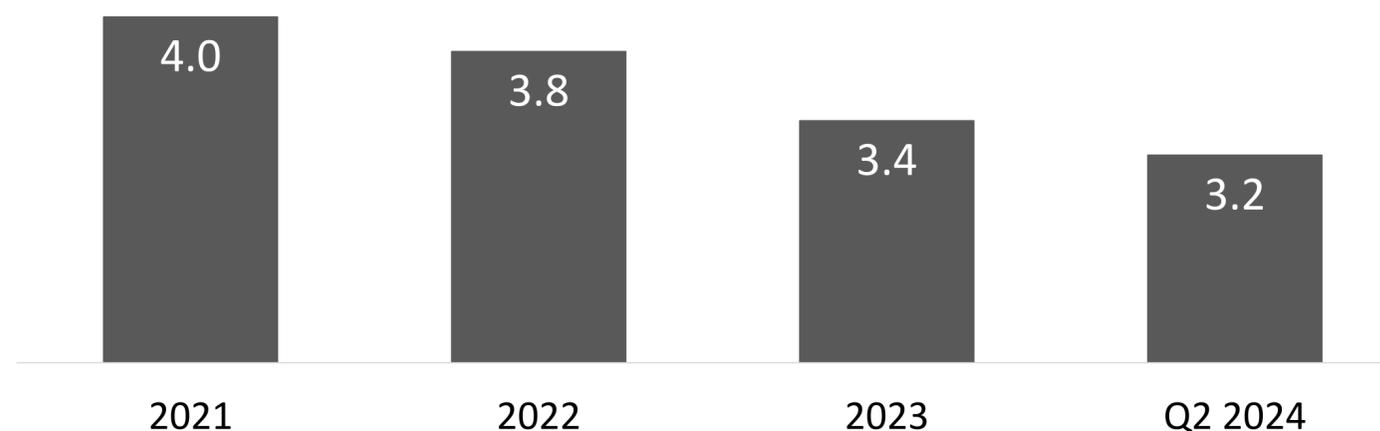
Target leverage

2.5x

Adjusted combined net debt to Adjusted combined EBITDA ratio⁽¹⁾

Leverage

Adjusted Combined net debt to Adjusted combined EBITDA ratio⁽¹⁾



PREDICTIVE ANALYTICS

Leveraging big data to drive sustainable improvements

- Using patented technology, we accumulate valuable data on wheels, rails, cars, locomotives and trains in real-time, enabling us to anticipate issues and take preventative measures to improve both safety and efficiency
- With strategic investment in leading technology and collaboration with regulatory agencies, CPKC is able to create tangible operational benefits through technology deployment

Remote Train Inspection Portal

- Uses 35 cameras to capture full body images of moving equipment up to 70 mph
- Regulatory exemption on the loaded Potash fleet eliminates 2400 hours of dwell, lowers GHG emissions and creates capacity at our high-volume Moose Jaw terminal
- Two portals in operation with plans to deploy additional

Detects >80%

more defects than manual inspection





PREDICTIVE ANALYTICS

Leveraging big data to drive performance & safety



- **Track Inspection** - Technology mounted on locomotives locates possible track defects by identifying unusual movements on acceleration
- Units analyze more than 600,000 miles on the network enabling aggregation with other data sources to provide a consolidated view of track health



- **Broken Rail Detection** - Using existing technology to run an electric current through the rail to detect broken rail
- Enhances safety and higher track speeds enabled by broken rail detection improve cycle times and enhance fuel efficiency at a fraction of the cost of Centralized Traffic Control



- **Cold Wheel Technology** - Measures wheel temperatures on descending grades to identify if brakes are working correctly. Regulatory exemption on certain bulk fleets eliminates the need for manual inspection, reduces terminal dwell, improves fuel efficiency and GHG emissions
- Patented, award-winning CPKC developed technology



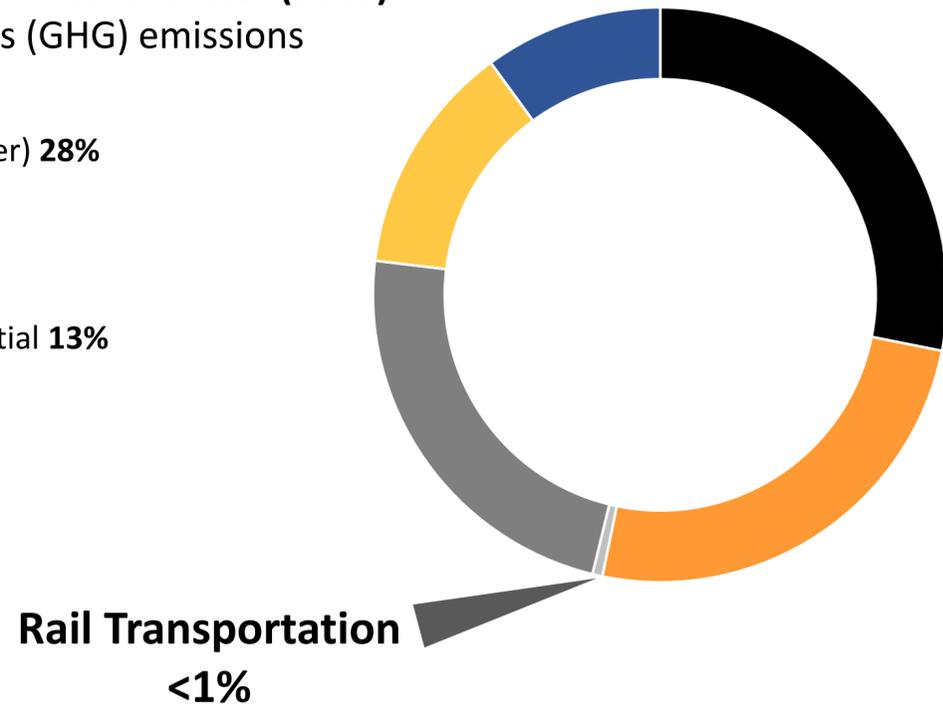
SUSTAINABILITY

Sustainably driven

The transportation sector is responsible for 28% of U.S. annual GHG emissions, with the rail industry contributing less than 1% to the country's total annual GHG emissions ⁽¹⁾

U.S. GHG emissions by industrial sector (2022)⁽¹⁾
% of U.S. greenhouse gas (GHG) emissions

- Transportation (all other) **28%**
- Electric Power **25%**
- Industry **23%**
- Commercial & Residential **13%**
- Agriculture **10%**



Transportation by rail is one of the most economical and environmentally responsible methods of moving freight

Rail vs. Trucking⁽²⁾

A single unit train keeps more than

300



Trucks off of public roads

4x



More fuel-efficient

75%



Less GHG Emissions

⁽¹⁾ United States Environmental Protection Agency – Sources of Greenhouse Gas Emissions. Retrieved from: <https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions>

⁽²⁾ Association of American Railroads (2020). The Positive Environmental Effects of Increased Freight by Rail Movements in America. Retrieved from: <https://www.aar.org/wp-content/uploads/2020/06/AAR-Positive-Environmental-Effects-of-Freight-Rail-White-Paper-62020.pdf>.

SUSTAINABILITY

Setting the course through leadership and action

CPKC will reduce our well-to-wheel (WTW) locomotive emissions by 36.9% per gross ton-mile by 2030 from a 2020 base year.¹



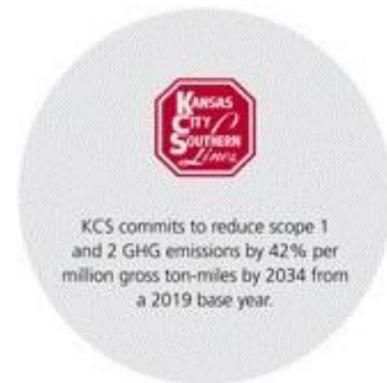
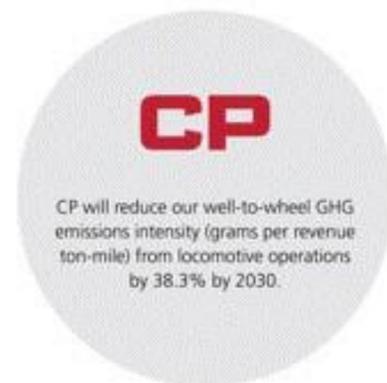
SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

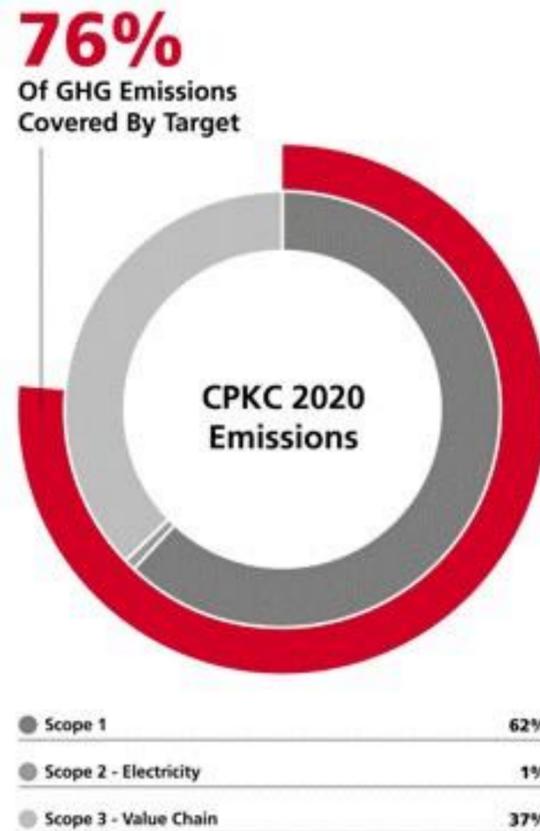
CPKC has joined the Science Based Targets initiative's (SBTi) Business Ambition for 1.5°C global campaign and is committed to developing a CPKC emissions reduction target aligned with a 1.5°C future within the next two years.

BUSINESS AMBITION FOR 1.5°C

Historical GHG Emissions Reduction Targets



CPKC Emissions Reduction Target



Highlights

- Strong history of ESG disclosures and leading sustainability practices
- Commitment to Climate Action issued in 2023
- Customer-focused Carbon Calculator
- “Say on Climate” votes held at 2022 and 2023 AGMs
- CPKC is a supply chain leader in sustainability with 17% improvement in fuel efficiency and Scope 1 GHG emissions intensity since 2012

Climate-related initiatives

- Industry-leading hydrogen locomotive program
- Localized hydrogen generation capacity
- Advanced fuel efficiency technology development
- Alternative fuel source trials
- EV charging infrastructure
- Calgary solar energy farm investment

SUSTAINABILITY

Hydrogen: The path forward

- CPKC's Hydrogen Locomotive Program has developed and delivered North America's first hydrogen-powered line-haul freight locomotive
- The program involves retrofitting three line-haul locomotives with hydrogen fuel cells and battery technology to drive the locomotive's electric traction motors
- Low horsepower units have entered service within our Calgary terminal in remote control locomotive switching operation
- Higher horsepower unit has completed its first movement and will ramp up testing in H2 2024
- The ability to retrofit diesel locomotives with a zero-emission technology provides a practical pathway to decarbonizing the freight-rail industry



Spotlight

Why hydrogen?

- CPKC's Hydrogen Locomotive Program will gather valuable data on the viability of hydrogen-hybrid locomotives as a potential long-term replacement to diesel while ensuring we manage decision-making around reliability, performance and cost
- Hydrogen offers a potential replacement to diesel with no change in recharge / refuel time, fixed point or direct to locomotive refueling, and a much greater range than battery
- Hydrogen is the right fit for an operations led railroad

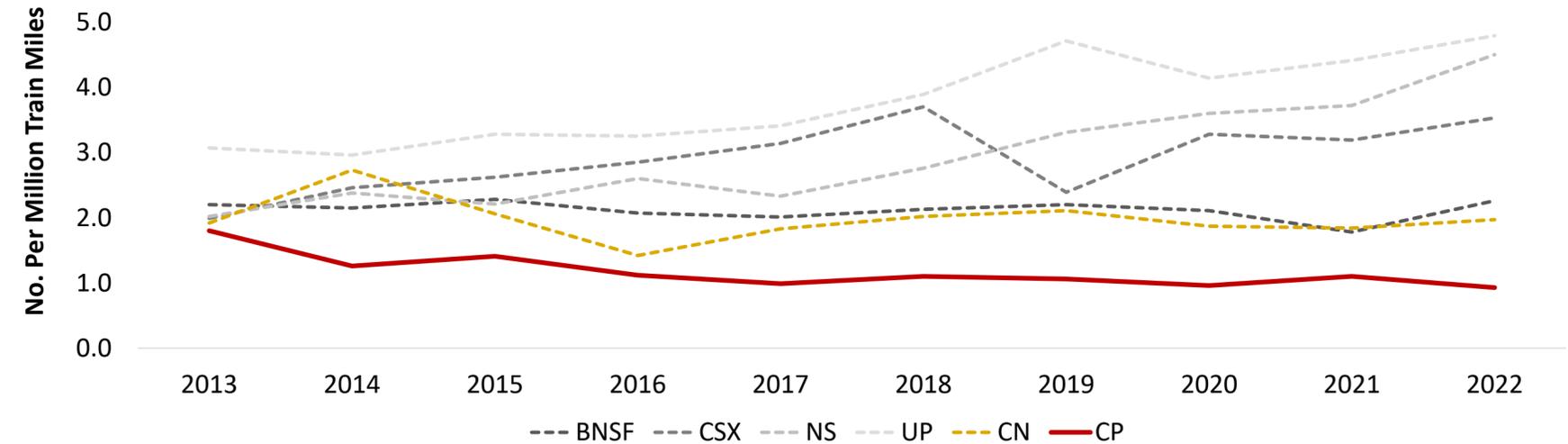
SUSTAINABILITY

North America's safest railway

Safety is foundational at CPKC. We remain steadfast in our commitment to safety, across our entire North American operation

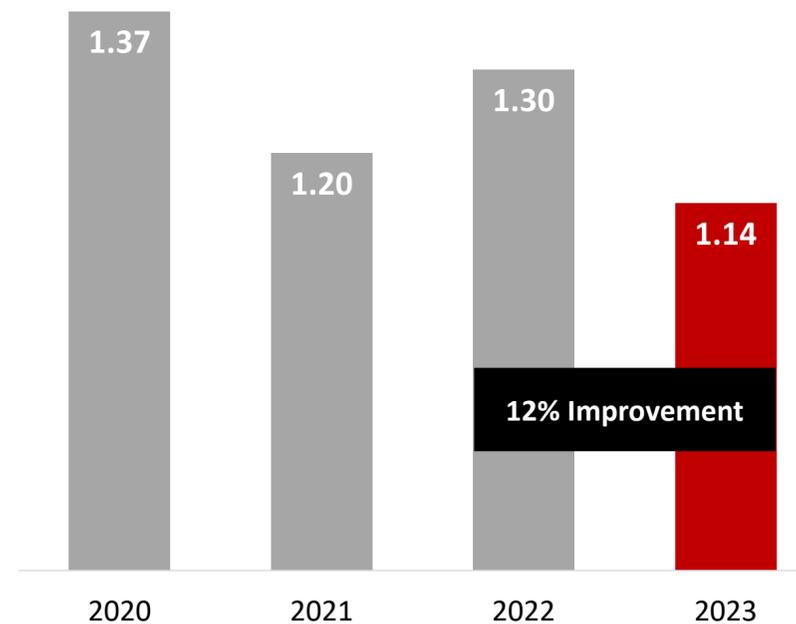
- Legacy-CP was an industry leader in safety
- CPKC finished 2023 with industry-best FRA Train Accident Frequency, building on CP's legacy of 17 consecutive years of industry leadership
- Each year CPKC allocates ~60% of its capital investments toward safety and replacement initiatives to ensure our network remains safe and efficient
- Management compensation is tied to safety performance: 30% of the short-term incentive program was weighted to safety in 2023

Class 1 Compare: FRA Train Accident Frequency (2013 – 2022)

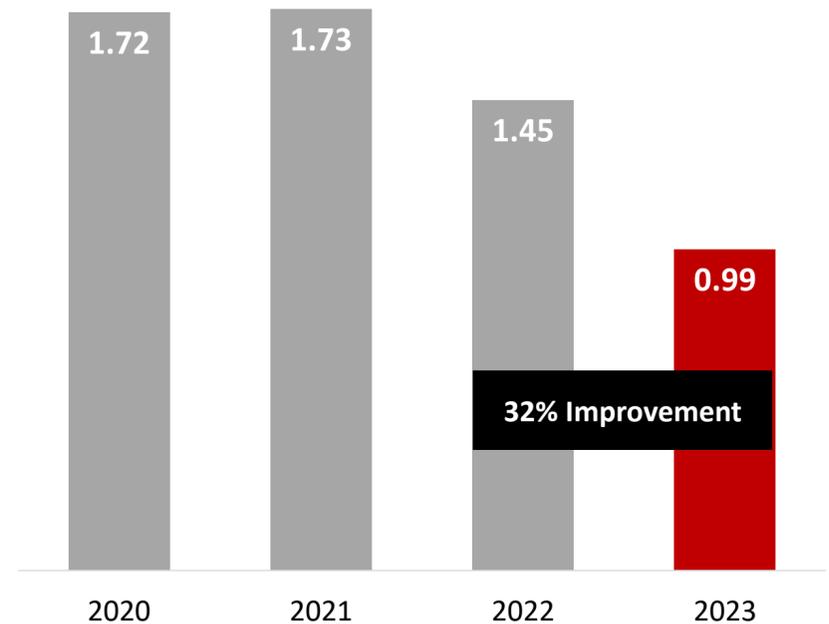


CPKC Combined⁽¹⁾ 2020-2023

FRA Personal Injury Frequency (per 200,000 employee hours)



FRA Train Accident Frequency (per million train miles)



2024 OUTLOOK

DOUBLE-DIGIT CORE ADJUSTED COMBINED DILUTED EPS⁽¹⁾ GROWTH

Vs. 2023 core adjusted combined diluted EPS of \$3.84⁽¹⁾

CAPITAL EXPENDITURES \$2.75B

Assumptions

- Other components of net periodic benefit recovery will increase by approximately \$23 million, from \$327 million in 2023
- Core adjusted effective tax rate of approximately 25.0%⁽²⁾

(1) For a full description and reconciliation of Non-GAAP Measures see CPKC's Q4 2023 Earnings Release on investor.cpkcr.com and on SEDAR+ at www.sedarplus.ca under CPKC's SEDAR+ profile.

(2) For a full description and reconciliation of Non-GAAP Measures see CPKC's Q4 2023 Unaudited Combined Summary of Supplemental Data on investor.cpkcr.com.



OUTLOOK FOR LONG-TERM GROWTH: 2024 - 2028

High single-digit revenue growth

Double-digit core adjusted combined EPS⁽¹⁾ growth

Capital expenditures of \$2.6 to \$2.8 billion per year

Adjusted combined free cash⁽²⁾ conversion of core adjusted combined income⁽²⁾ of ~90%

Return to double-digit core adjusted combined ROIC⁽²⁾

Strong margin improvement through cost control and operating leverage

Key Assumptions

- Exchange rate of \$1.35 CAD/USD
- On-Highway Diesel price of \$4.15 USD/US gallon
- Other components of net periodic benefit recovery of \$330 million to \$370 million
- Annualized 2024 – 2028 core adjusted effective tax rate of approximately 25.5%⁽²⁾, excluding significant items



OUR MARKETS

(2023 COMBINED FIGURES)



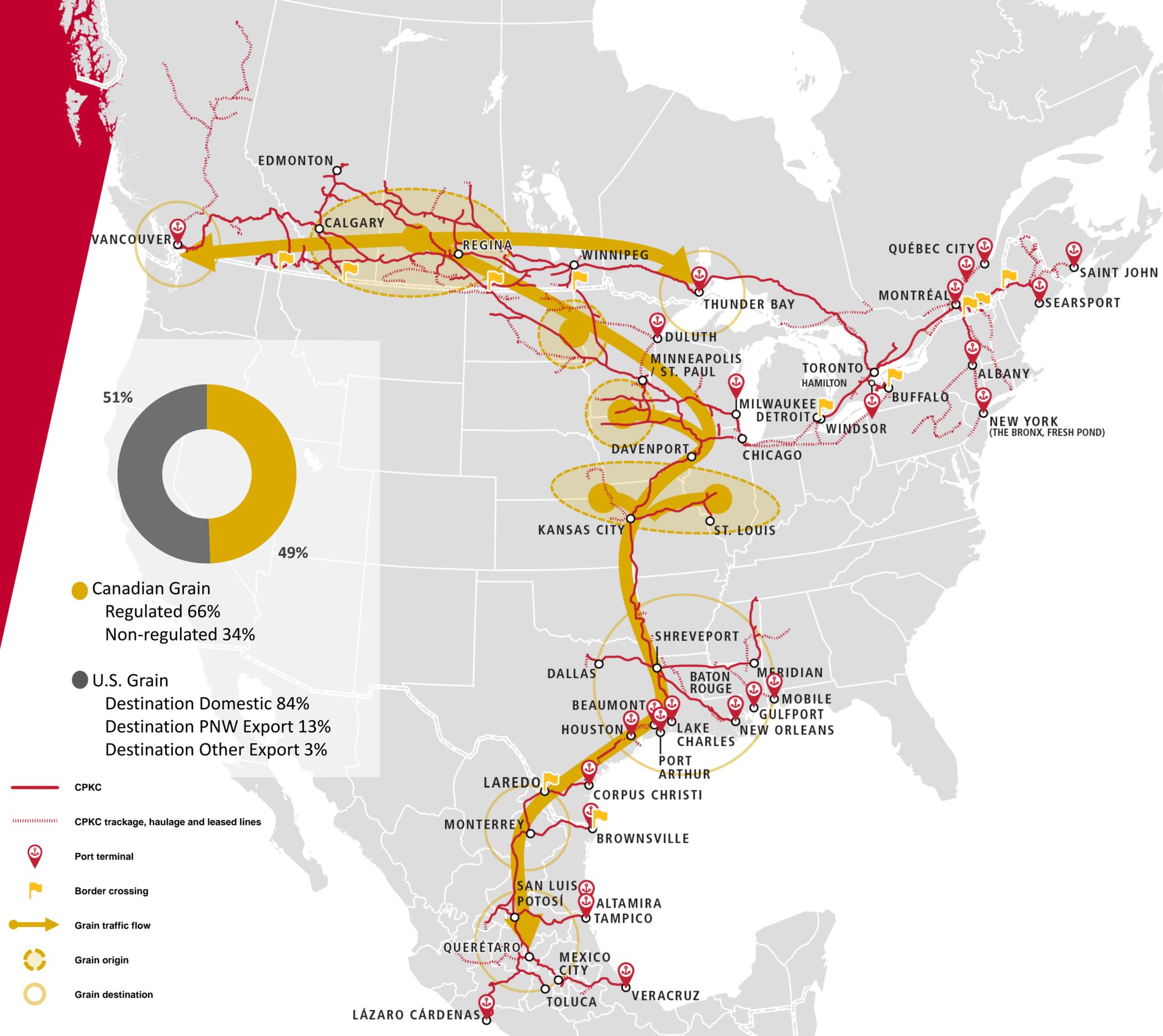
BULK GRAIN

Grain is our largest market segment and we are the best at servicing it. CPKC is the only Class 1 railway with meaningful grain franchises in both Canada and the U.S. Our network is strategically positioned through the heart of the grain-producing regions of Western Canada and the Upper Midwest. We provide direct access from high-throughput unit train loading elevators to markets in the southern U.S. and Mexico, and to major export port terminals for shipments overseas.

SPOTLIGHT

The future of grain transportation

By the end of 2024, ~60% of the high-throughput elevators we service in Canada will be 8,500-foot high efficiency product capable (“HEP”), and we are working with our customers to add the HEP model to their elevators in the U.S. and Mexico as well. The 8,500-foot HEP grain train, when combined with our investment in new hopper cars, will enable >40% more grain to be moved per train, with 30% fewer cycles and ~300 fewer train starts.



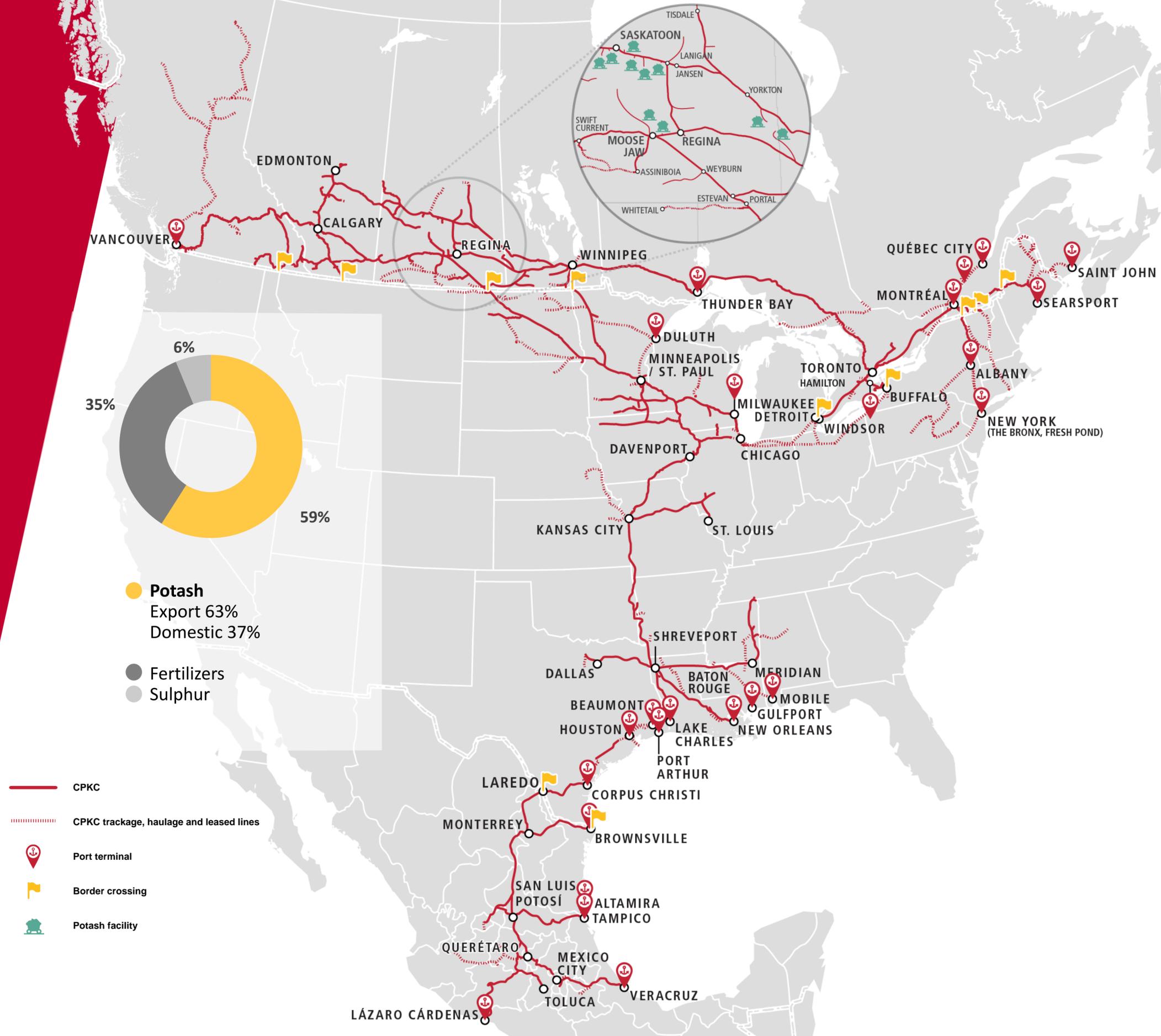
BULK POTASH, FERTILIZER AND SULPHUR

CPKC serves major potash and nitrogen facilities from Canada, combining direct service to Alberta production and Mississippi River system terminals with significant interline business from other carriers. Our extensive network and interline agreements give us the ability to help transport agricultural inputs across North America and beyond.

SPOTLIGHT

Building a more resilient supply chain

As the leading carrier of export potash, CPKC is using its' extended network to build resiliency into this critical supply chain. We have the opportunity to develop a new export terminal in Port Arthur, Tx., which will add another outlet to move potash and other bulk products to markets overseas.



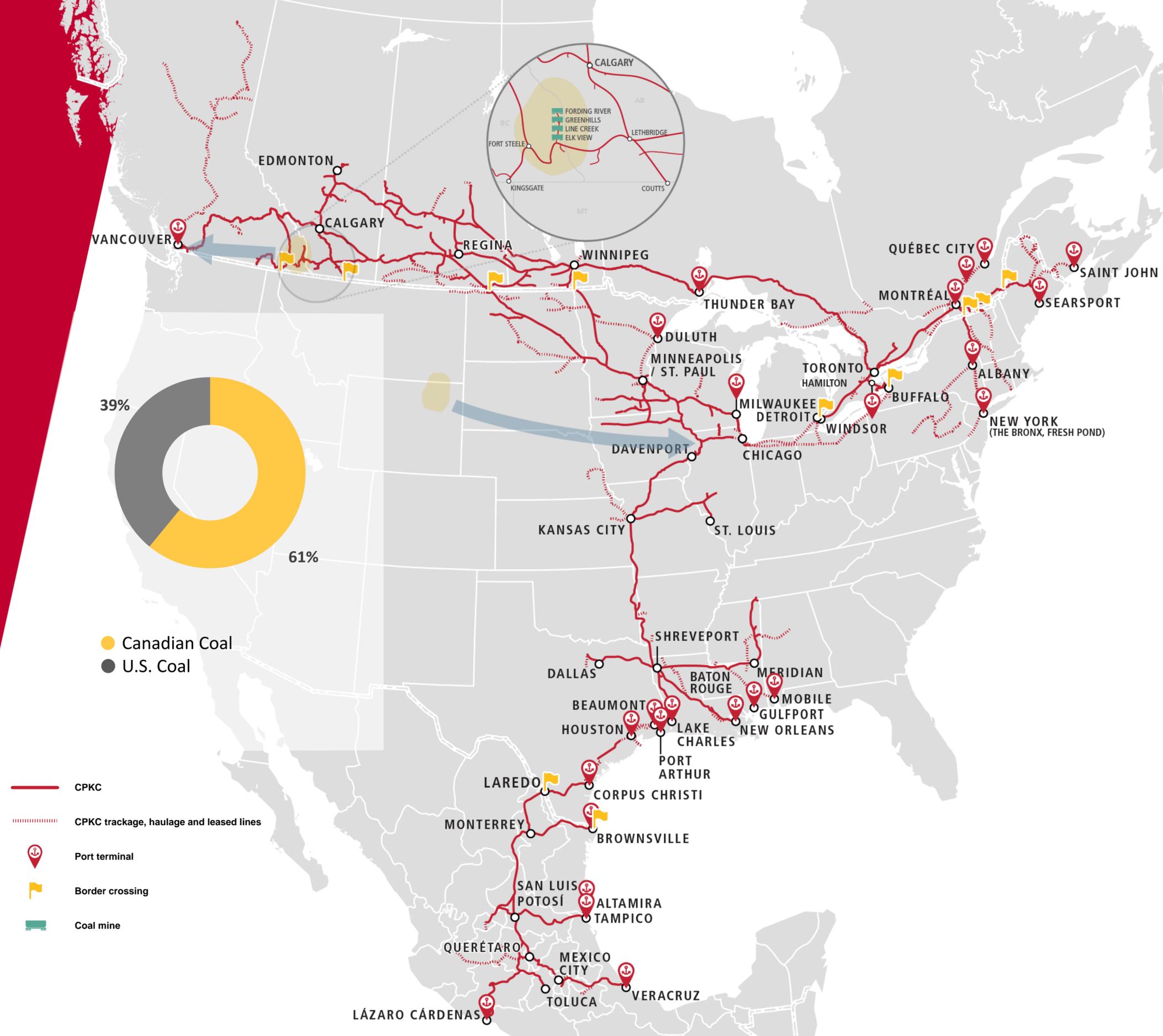
BULK COAL

CPKC is continuously improving the coal supply chain through technological innovations, operating efficiencies and by working collaboratively with customers. Our Canadian coal business consists primarily of metallurgical coal; more than 97% of our Canadian coal shipments originate in Southeast British Columbia and are exported through the West Coast of Canada. The CPKC network reach spans across Canada, the U.S. and Mexico with 24-hour, high efficiency metallurgical and thermal coal unit trains running through the mine-to-port transportation cycle.

SPOTLIGHT

Green transport corridors

As a shared commitment to sustainability, CPKC and Teck intend to collaboratively develop a unique pilot program that integrates the use of CPKC's hydrogen locomotives into Teck's steelmaking coal supply chain. It is anticipated that this effort will reduce greenhouse gas emissions, with testing commencing in 2024.



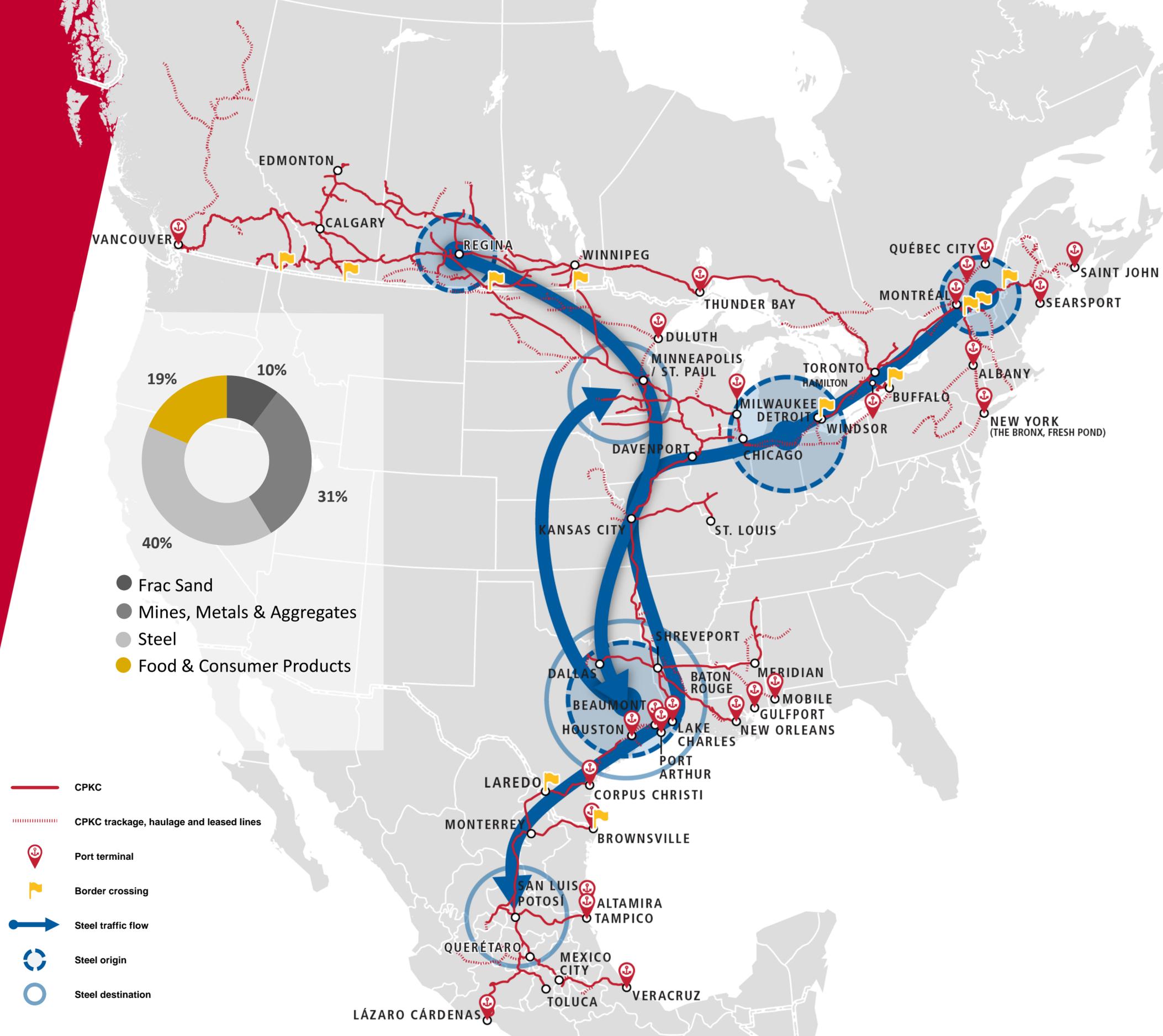
MERCHANDISE METALS, MINERALS & CONSUMER PRODUCTS

CPKC is the only railway that directly connects Canadian and U.S. steel mills with the growing Mexico manufacturing corridors. In turn, we also connect Mexico steel production with the U.S. and Canada, along with products such as cement, limestone and foundry sand to major construction, production and energy markets across North America.

SPOTLIGHT

Expanding the steel supply chain

CPKC's network connects rapidly expanding Mexico steel production with markets in the U.S. and Canada. Our rail network is enhanced by strong partnerships with transload operators to provide safe, reliable and efficient dock-to-dock delivery.



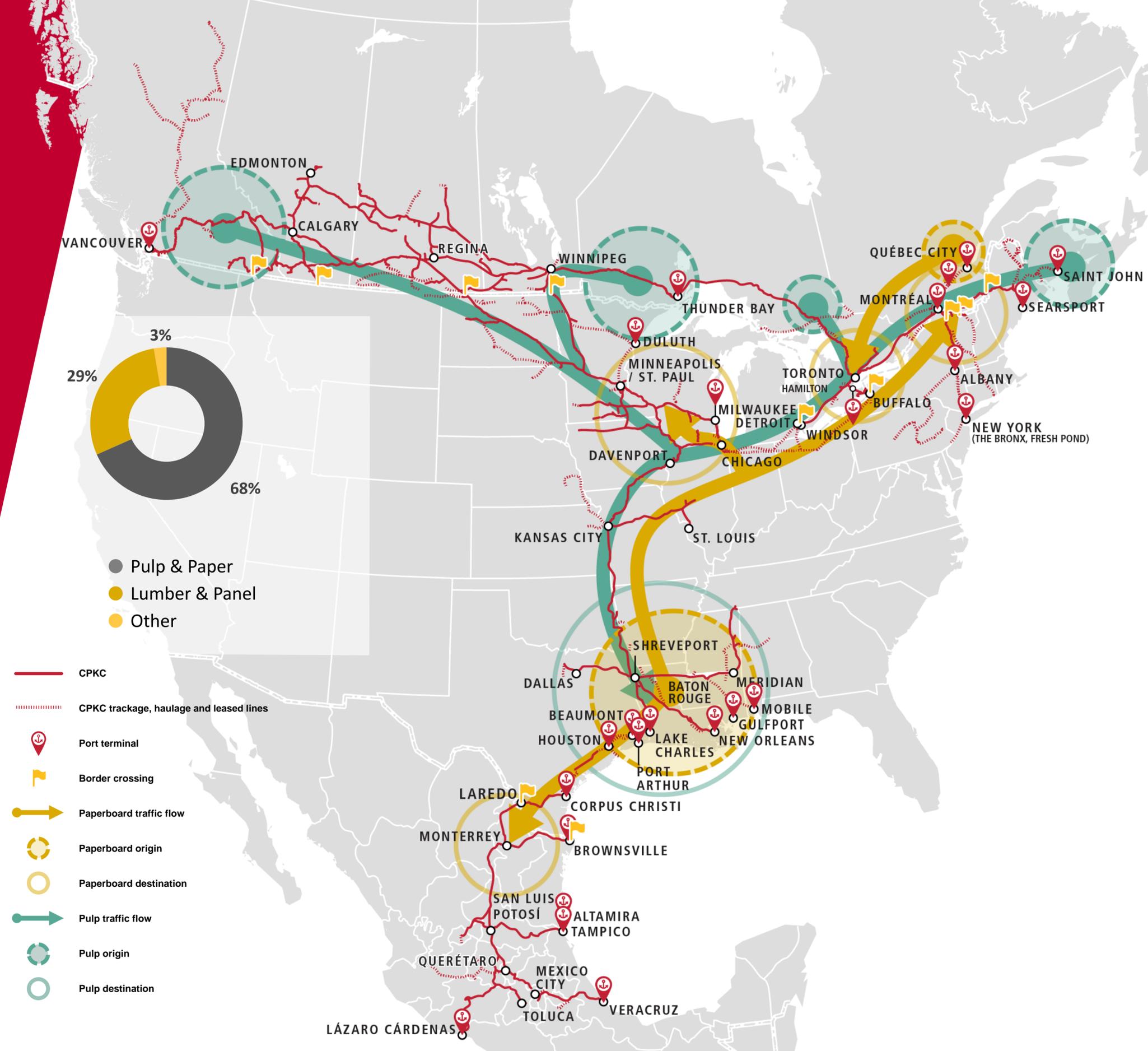
MERCHANDISE FOREST PRODUCTS

Serving the pulp, paper and lumber industries, CPKC combines logistics expertise with decades of experience to ship forest products efficiently and cost effectively. We work with customers in major production areas in Canada, the U.S. and Mexico to reach destinations across North America and beyond. In addition, our transport and handling processes are tested rigorously to help ensure safe and efficient delivery.

SPOTLIGHT

Maximizing the load

CPKC is using its valuable land assets to invest in a terminal logistics park in Dallas with a lumber transload to capture Texas demand for Canadian lumber. Extending our haul to Dallas will enable us to reposition those assets to southern yellow pine shippers for movement back to the upper Midwest and Canada.



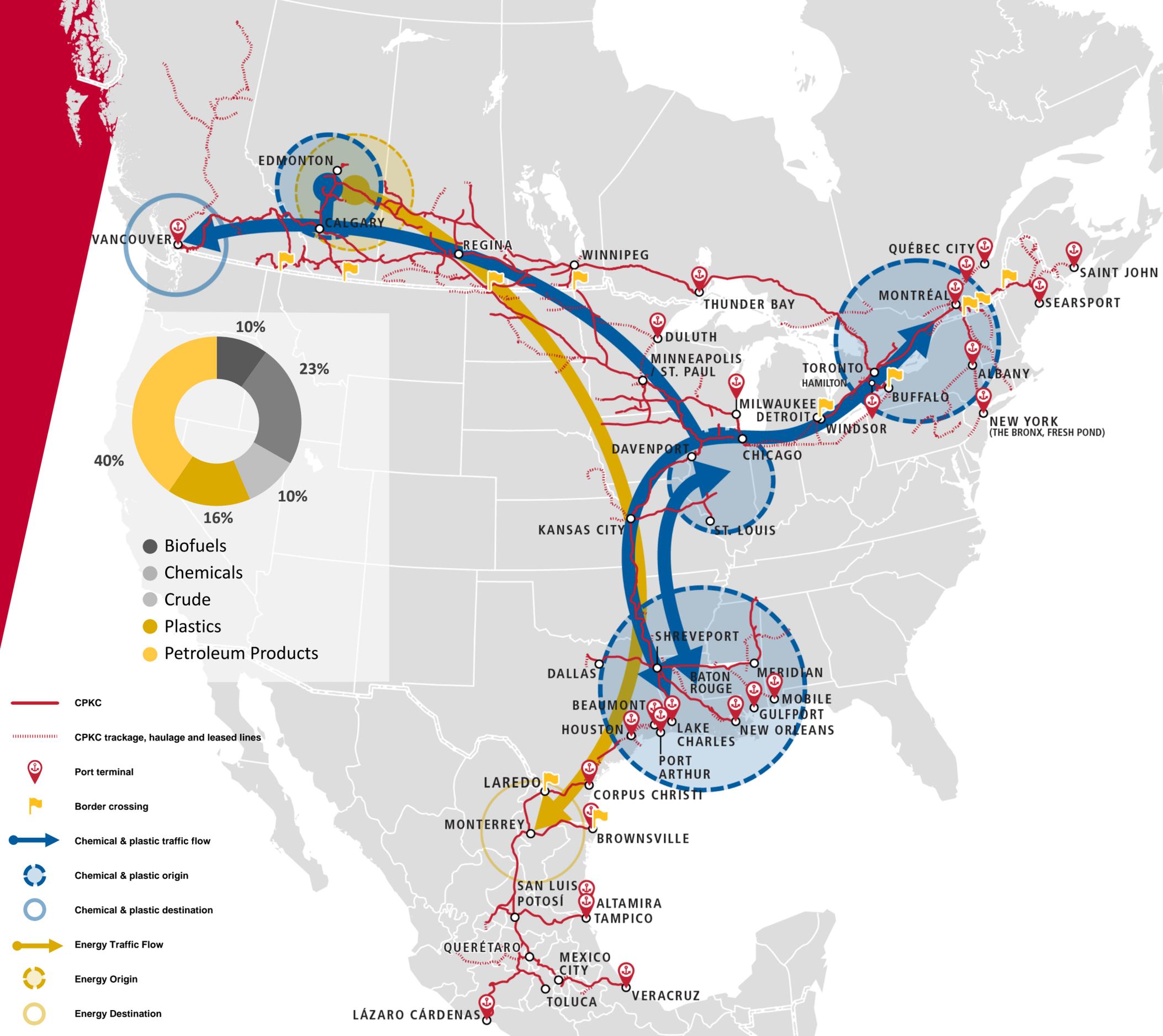
MERCHANDISE ENERGY, CHEMICALS & PLASTICS

With unparalleled reach across North America, and to major ports, CPKC is uniquely positioned to move ECP products across the continent and to major export markets. With our unique access into major industrial centres in Alberta and the Gulf Coast, CPKC can help our customers expand their supply chains and win in new markets across North America. The CPKC network offers unique single-line synergy opportunities to move ECP products from Alberta to the Gulf Coast and Canada.

SPOTLIGHT

Diluent recovery

CPKC has unique access to a diluent recovery unit (DRU) at Hardisty, Alta. Designed specifically for rail transportation, DRU removes diluent from crude by rail transport and produces DRUbit™, a safer and non-hazardous product. As a result, CPKC is able to transport crude by rail more safely and efficiently. This game-changing technology also further reduces our carbon footprint and is pipeline competitive, creating 30% more capacity in a tank car without diluent.



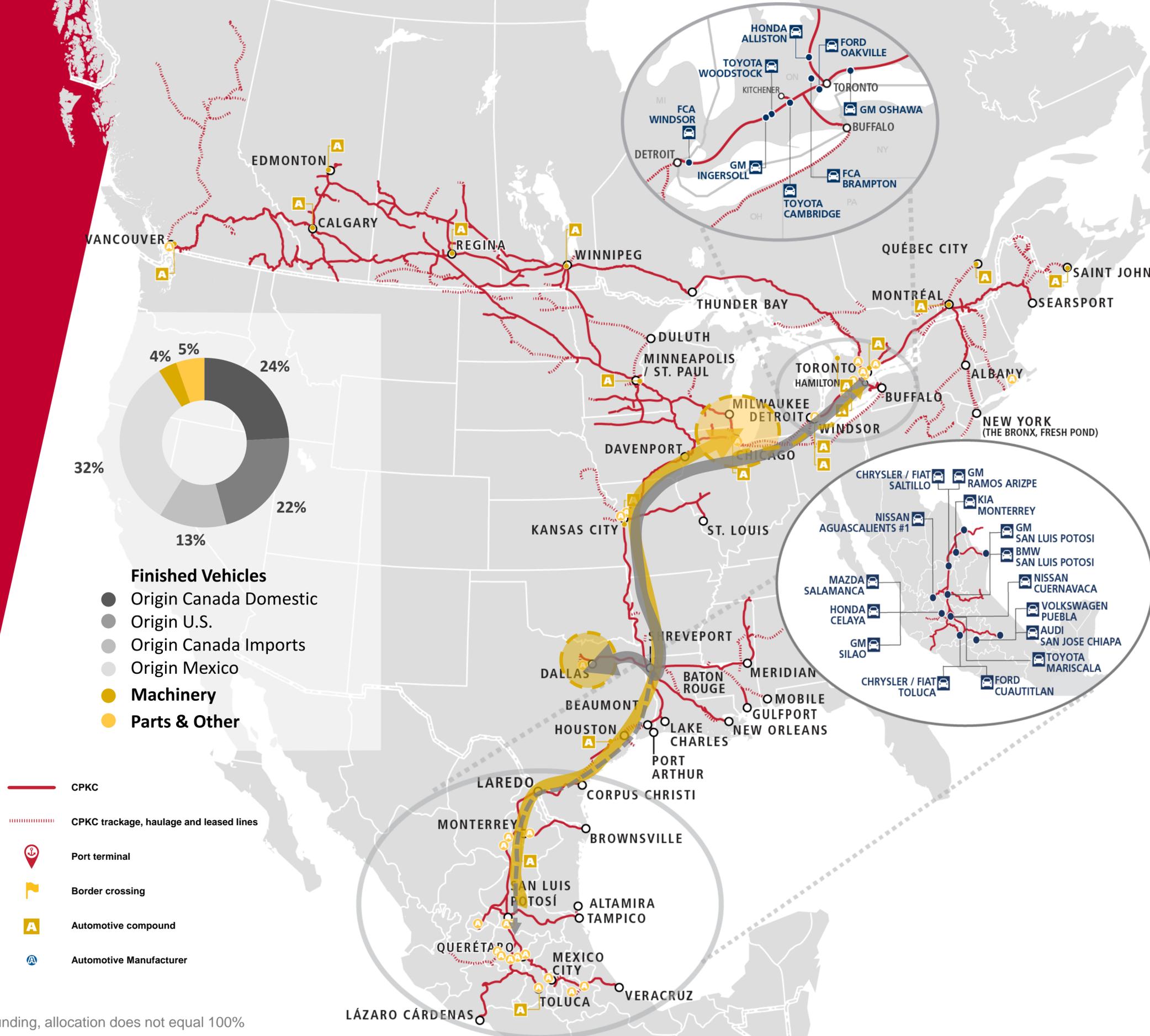
MERCHANDISE AUTOMOTIVE

CPKC's extensive rail network and vehicle distribution centres provide manufacturers with direct rail access to automotive compounds across Canada, the U.S. Midwest and Mexico. Assembly plants have direct routing options to major markets including Chicago, Houston, the Twin Cities, Kansas City, as well as markets within Canada and Mexico. CPKC has access to 25 automotive production facilities in North America, including 90% of the automotive assembly plants in Mexico.

SPOTLIGHT

A closed-loop solution

CPKC offers automotive customers the unique ability to create a closed-loop supply chain. Combining our superior access to automotive assembly plants in the greater Toronto area and Mexico, with automotive compounds located across our network, CPKC offers its customers the opportunity to place automotive equipment in a closed-loop supply chain – improving asset utilization, speed to market and consistency of service.



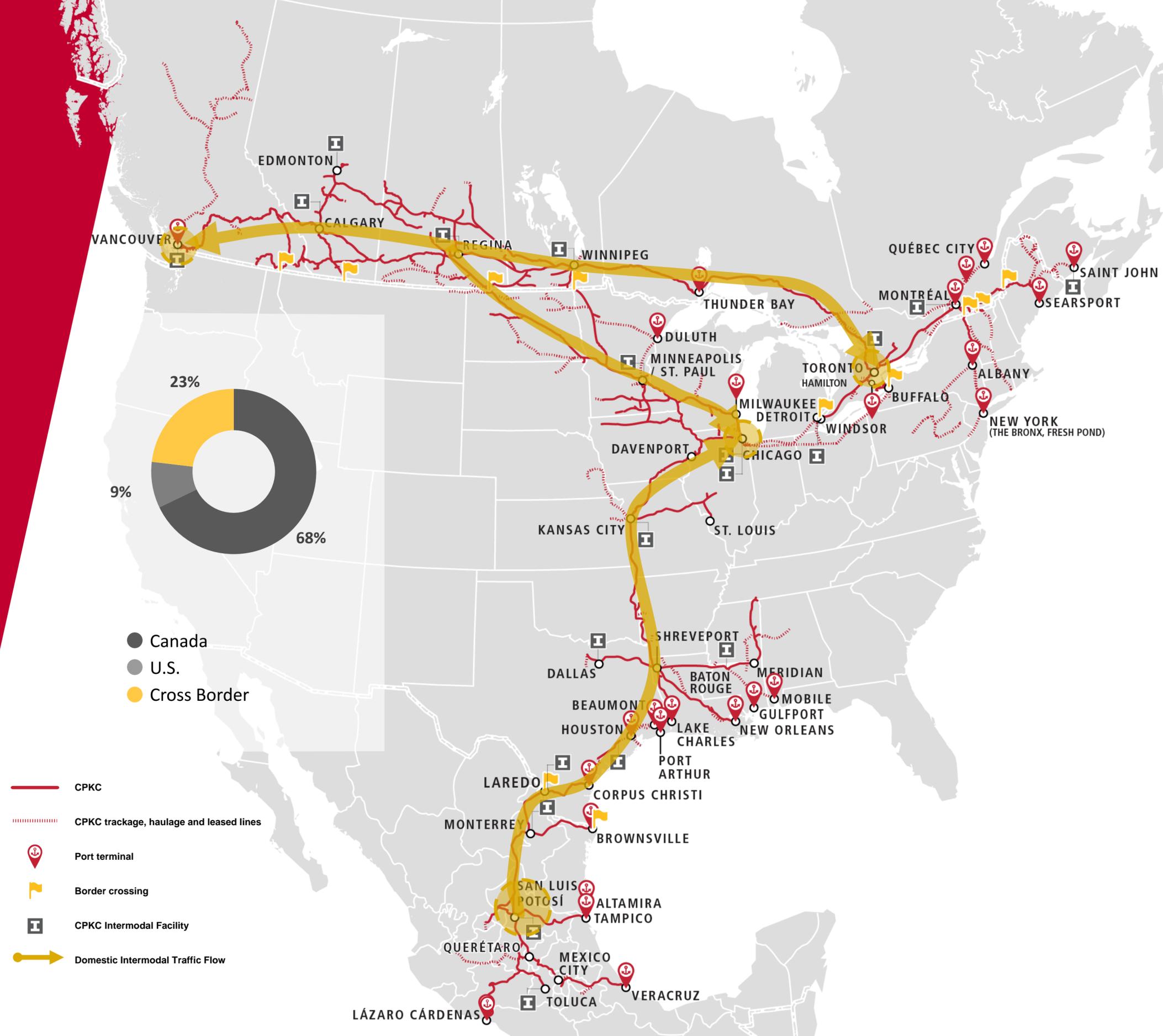
INTERMODAL DOMESTIC INTERMODAL

As the only single-line service connecting Mexico, the U.S. and Canada, we're capitalizing on our industry-leading performance and unparalleled reach to convert trucks to rail. Our unique cross-border advantage with truck competitive service and 24-hour rail crossing at the Laredo border (vs 16-hour per day for trucks) offers a superior alternative to over-the-road service.

SPOTLIGHT

Mexico Midwest Express (MMX)

Our flagship MMX service is the first and only single-line rail connection between Mexico and the U.S. Midwest. CPKC offers truck competitive daily intermodal service with the fastest transit times in the rail industry. Our superior service offers an environmentally-friendly alternative to trucking, reducing emissions and making highways safer.



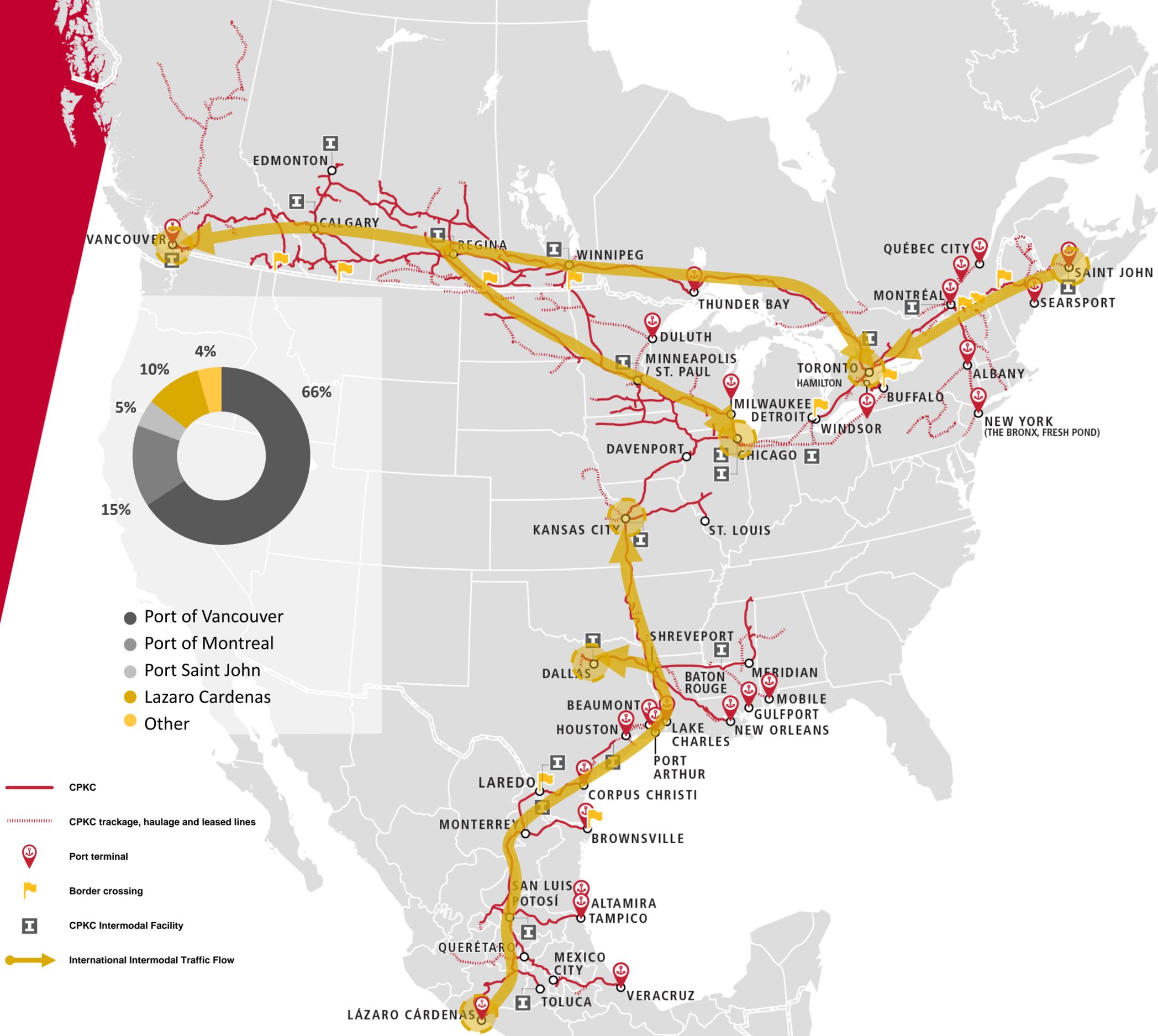
INTERMODAL INTERNATIONAL INTERNATIONAL

CPKC is uniquely positioned as the first transnational railway connecting Canada, the U.S. and Mexico, bringing unrivaled reach to more major North American ports. Our 200-mile advantage has the shortest international intermodal routes from the East Coast into Montreal, Toronto and Chicago, with access to ports at Saint John, New Brunswick and Searsport. CPKC is also taking a leading role in growing trans-Pacific trade. Our vast network and unique access to key ports, including the Port of Vancouver and Port of Lázaro Cárdenas, connects the West Coast with key North American markets.

SPOTLIGHT

The Texas Shortcut

CPKC has exclusive rail access into the port of Lázaro Cárdenas, which is Mexico's most technologically advanced container terminal. CPKC has an unrivaled opportunity to leverage the state-of-the-art port complex to alleviate pressure on congested West Coast ports. CPKC also offers shippers a compelling opportunity to bypass the Panama Canal for shipments from Asia into the Texas market cutting weeks off all-water transit.





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