

# 2025 FIRST QUARTER CONFERENCE CALL



4.16.2025





## 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](http://www.sec.gov) and the company's website at [www.csx.com](http://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

**Joe Hinrichs**

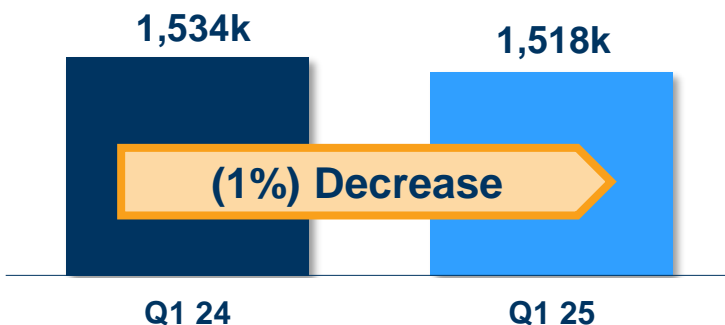
President and Chief Executive Officer



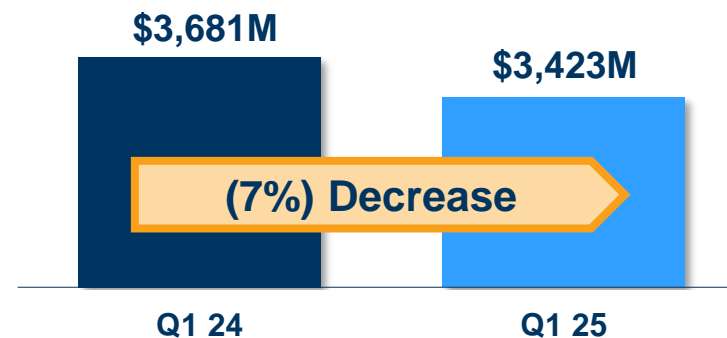


# First Quarter Operational and Financial Results

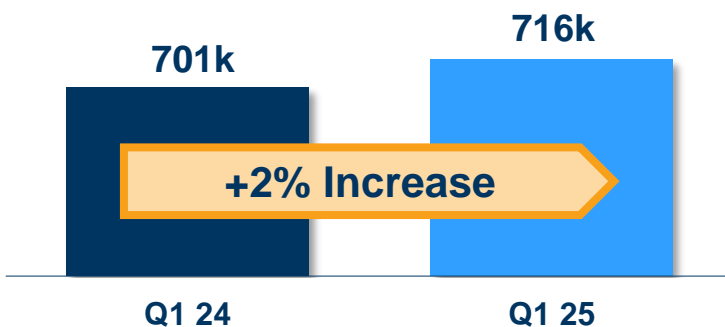
## Total Volume



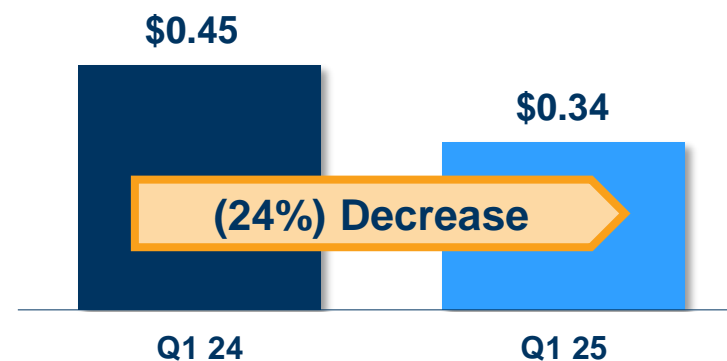
## Total Revenue



## Intermodal Volume



## Earnings Per Share



Note: Immaterial revisions have been made to prior period amounts. See 2024 annual report filed on Form 10-K.

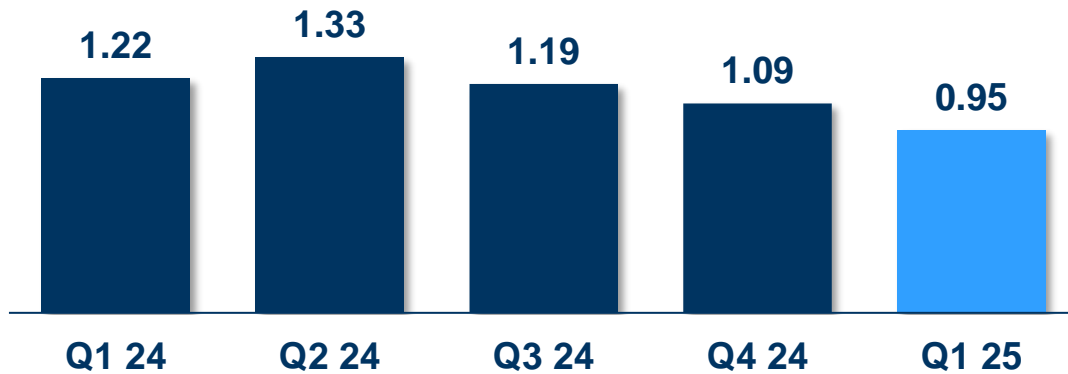
# OPERATIONS REVIEW

**Mike Cory**

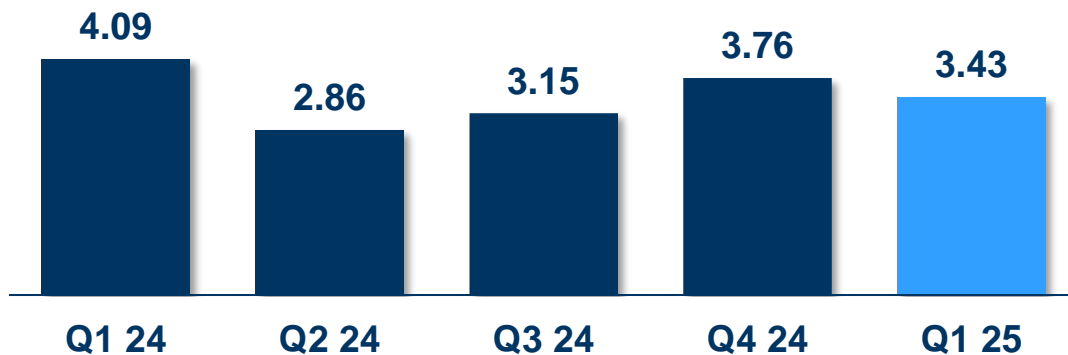
Executive Vice President and Chief Operating Officer



## FRA Personal Injury Frequency Index



## FRA Train Accident Rate

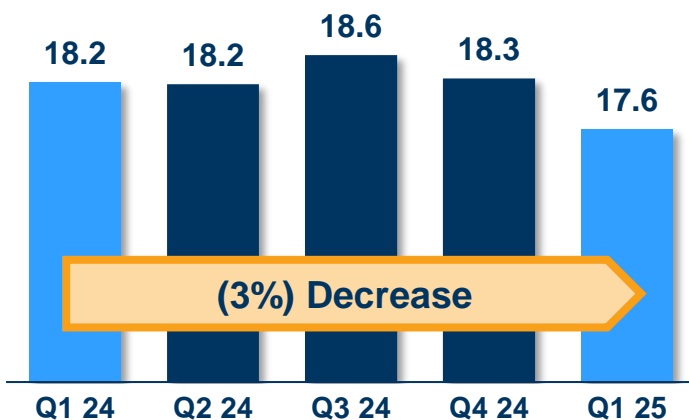


- › Safety is a core principle at CSX
- › The personal injury rate declined both sequentially and year-over-year as our SAFE CSX initiatives show positive results
- › The train accident rate improved quarter-over-quarter, but improvement opportunities remain
- › Continuing active coaching and mentoring programs for employees, focusing on awareness and risk reduction

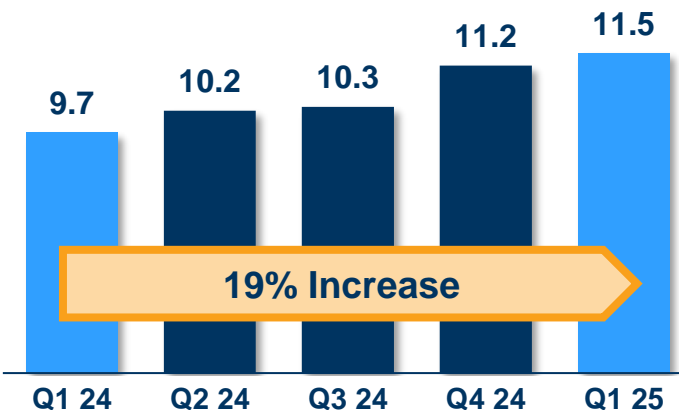


## Service and fluidity measures reflect operational challenges

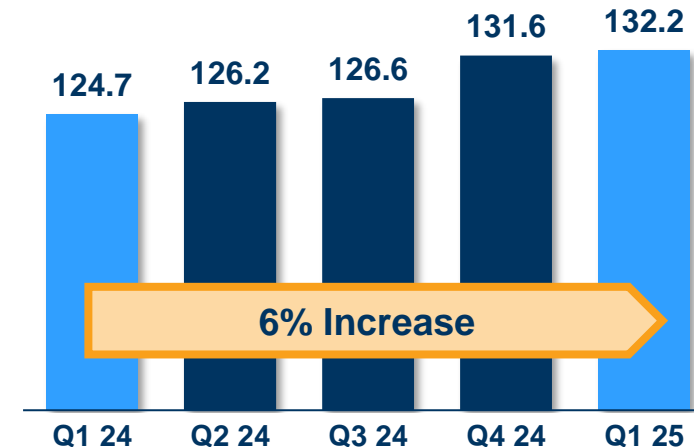
### Velocity (MPH)



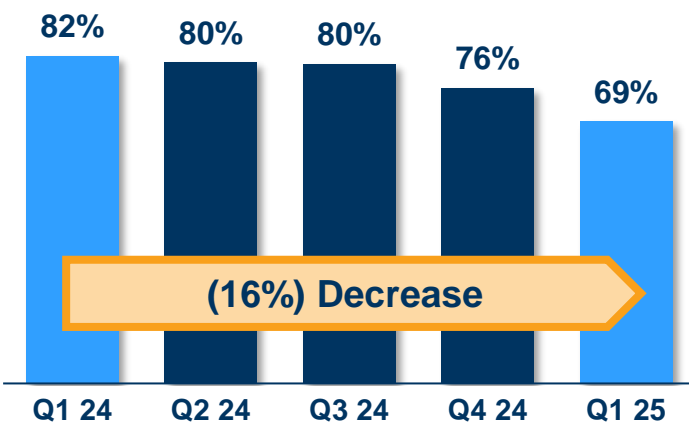
### Dwell (Hours)



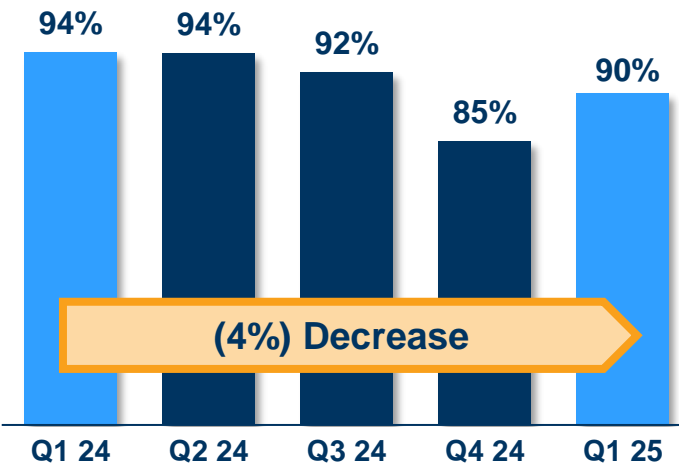
### Cars Online (000s)



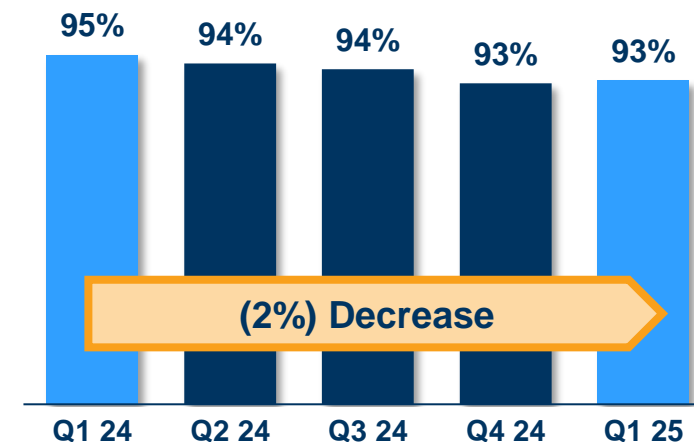
### Carload TPC



### Intermodal TPC



### Customer Switch Data



# SALES & MARKETING REVIEW

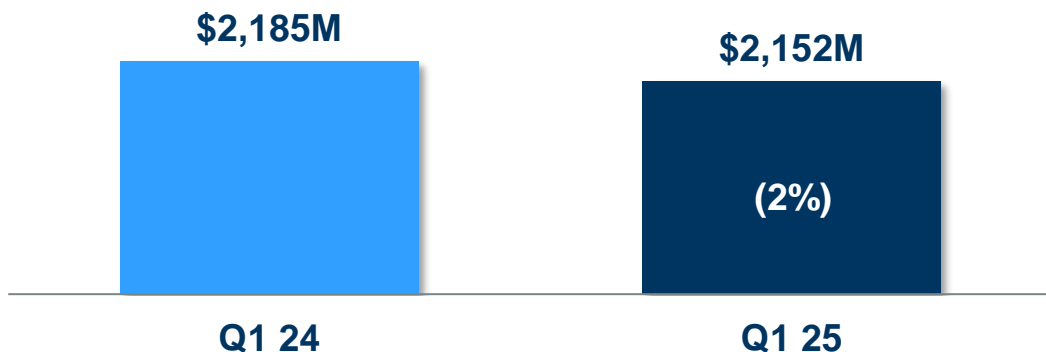
**Kevin Boone**

Executive Vice President and Chief Commercial Officer

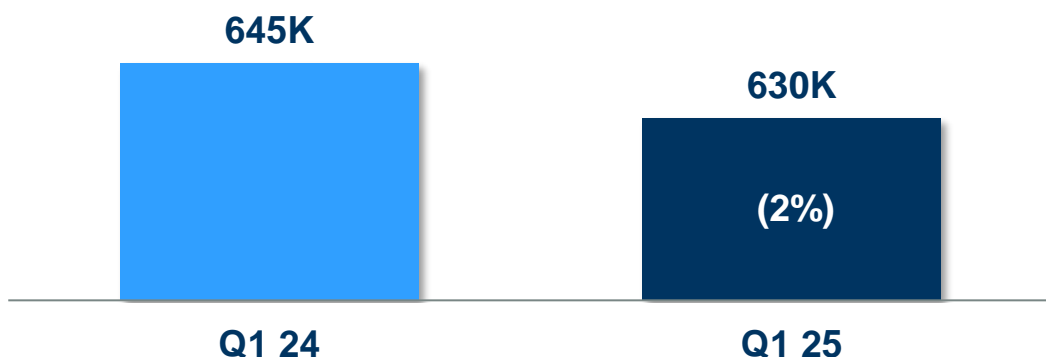


# Merchandise Volume & Revenue Summary

## Q1 Merchandise Revenue



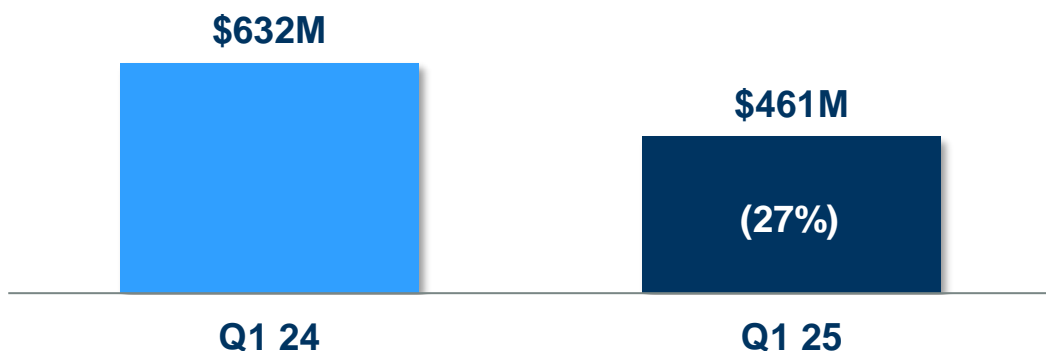
## Q1 Merchandise Volume



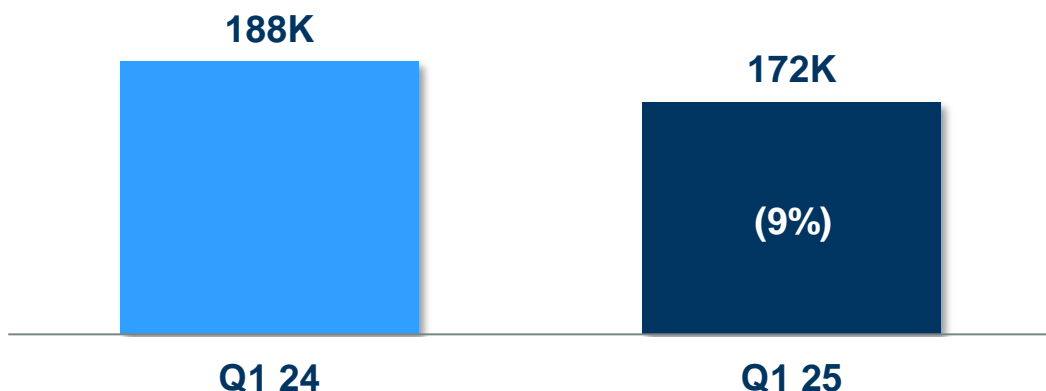
## 2025 Expectations

- › **Merchandise volume supported** by improving network fluidity, business wins, and ramp-up of new customer facilities
- › Encouraging trends in **Minerals** with strength in infrastructure and construction projects
- › Steady demand, solid opportunities for gains in **Ag & Food** and **Fertilizers**
- › Tariff impacts adding uncertainty to a soft **Automotive** market

## Q1 Coal Revenue



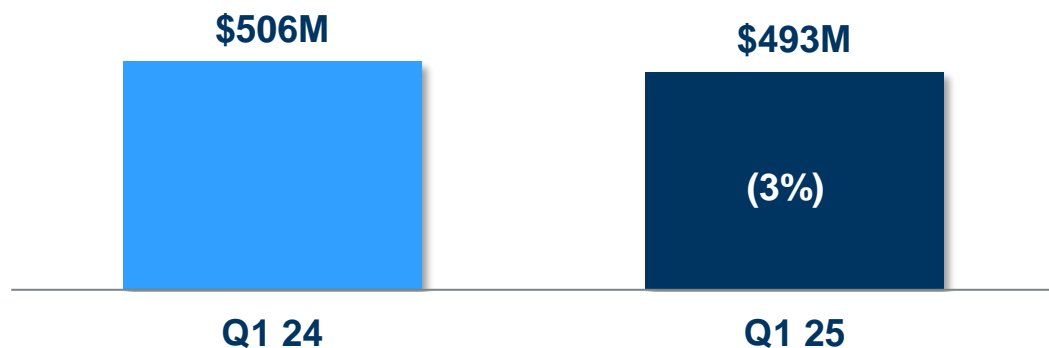
## Q1 Coal Volume



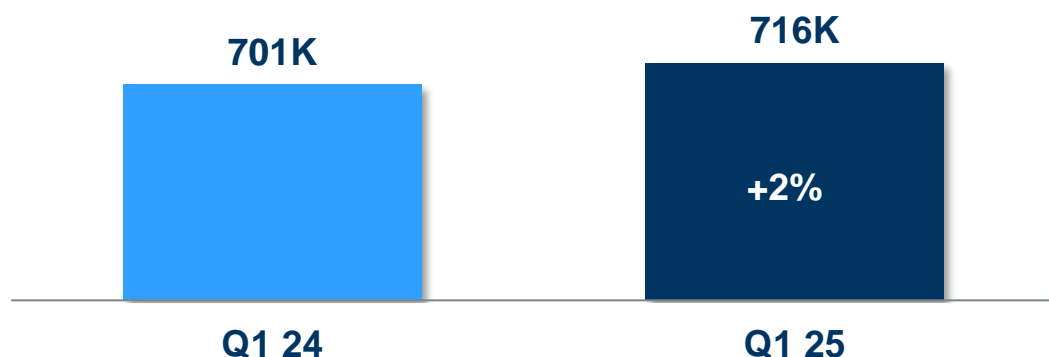
## 2025 Expectations

- › **Export volume to stabilize** as network performance gains traction, with 2Q comparing against 2024 Key Bridge impacts
  - Lower global met benchmarks weighing on year/year RPU comparisons
  - Potential market volatility from proposed vessel fees, other tariffs
- › **Domestic volume supported in the near term** by utility restocking, natural gas prices; plant closures likely to weigh on 2H shipments

## Q1 Intermodal Revenue

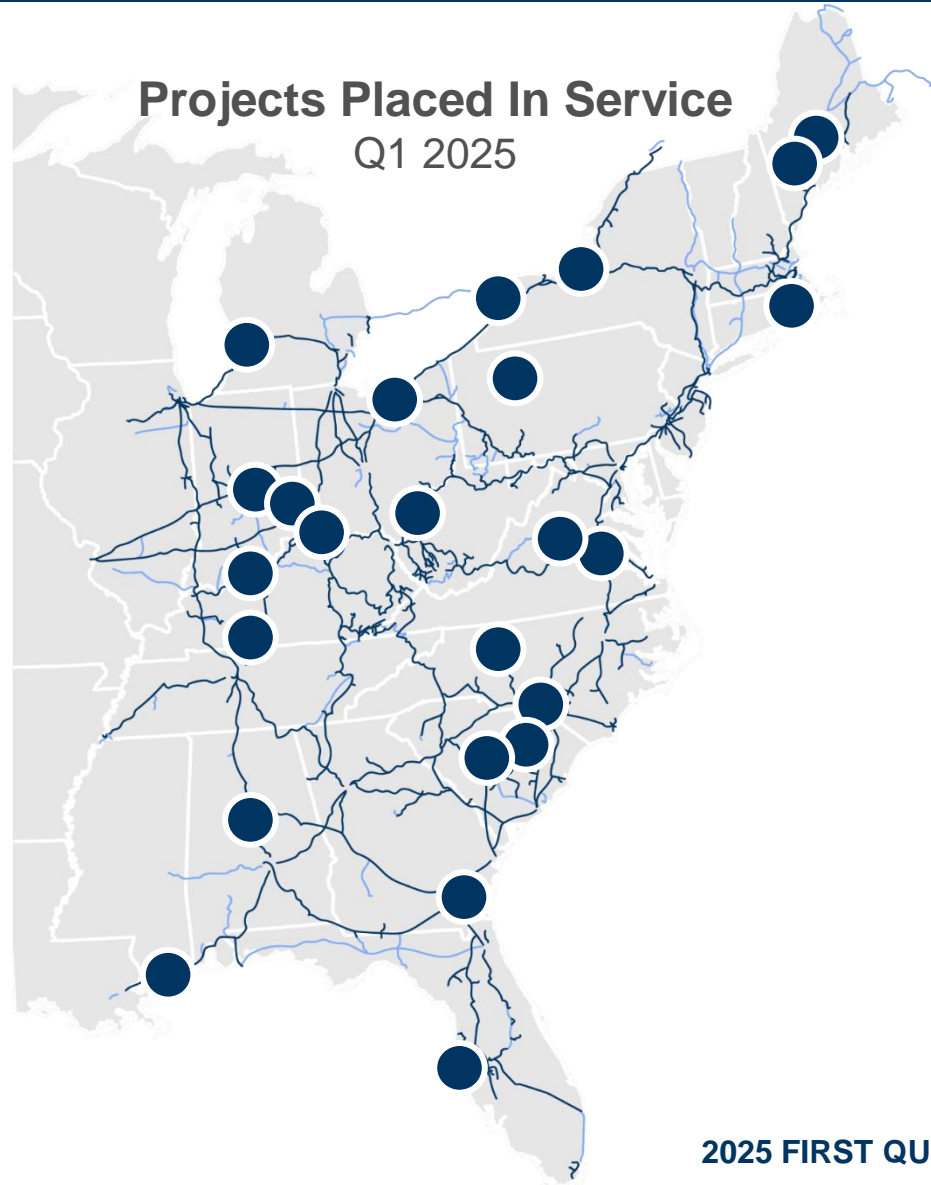


## Q1 Intermodal Volume



## 2025 Expectations

- › **Solid momentum in International activity** as CSX continues to benefit from favorable partner alignments
- › **Domestic volumes building** after slower seasonal start
- › Moderate trucking market improvement with limited price support
- › **Tariff policies adding uncertainty** on container flows



- › Inbound inquiries regarding new sites or expansions remain at historically high levels**
  - Current pipeline nearing ~600 projects, 25% of which are under contract or nearing site selection
- › YTD progress in-line with expectations, with 24 facilities placed in service in Q1 2025, representing ~28k carloads at full ramp**
  - Customers include Chick-fil-a, Hyundai Glovis, Nova Chem, Novelis, and Nucor
- › Development momentum continues, with 40-50 more projects scheduled to start service this year**
  - In 2025, customer projects representing \$10B of total investment are scheduled to start up on the CSX network

# FINANCIAL REVIEW

**Sean Pelkey**

Executive Vice President and Chief Financial Officer





# First Quarter Earnings Summary

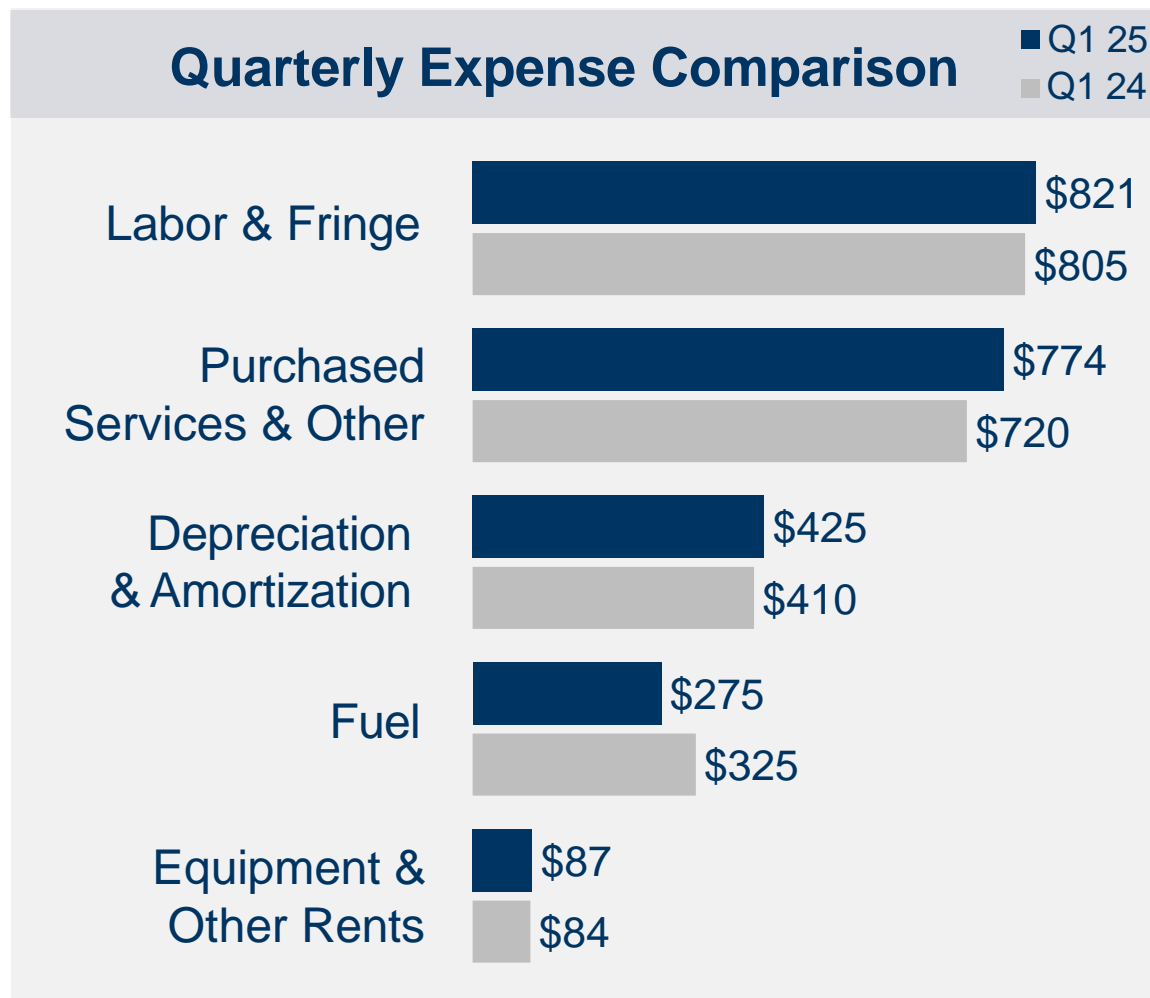
## First Quarter Income Statement

<i>Dollars in Millions</i>	2025	2024	Variance
Revenue	\$3,423	\$3,681	(7%)
Expense	2,382	2,344	(2%)
<b>Operating Income</b>	<b>\$1,041</b>	<b>\$1,337</b>	<b>(22%)</b>
Interest Expense & Other Income - Net	(183)	(169)	(8%)
Income Tax Expense	(212)	(288)	26%
<b>Net Earnings</b>	<b>\$646</b>	<b>\$880</b>	<b>(27%)</b>
<b>Earnings Per Share</b>	<b>\$0.34</b>	<b>\$0.45</b>	<b>(24%)</b>
Operating Margin	30.4%	36.3%	(590 bps)
Income Tax Rate	24.7%	24.7%	-
Average Shares Outstanding, Assuming Dilution ( <i>Millions</i> )	1,892	1,962	4%

Note: Immaterial revisions have been made to prior period amounts. See 2024 annual report filed on Form 10-K



## First Quarter Expense Comparisons



- › Around \$45M of higher total costs attributed to network disruptions, congestion, and severe winter weather
- › Labor increase driven by inflation, with headcount stable
- › PS&O higher due to network disruption costs, inflation, and other items
- › Depreciation expense up due to a larger asset base
- › Reduced fuel expense driven by a lower price per gallon and improved efficiency

Note: Immaterial revisions have been made to prior period amounts. See 2024 annual report filed on Form 10-K

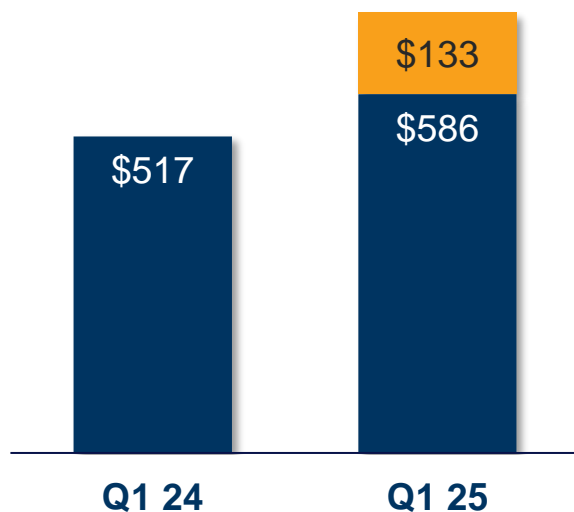


# First Quarter Cash Flow and Distributions

## Property Additions

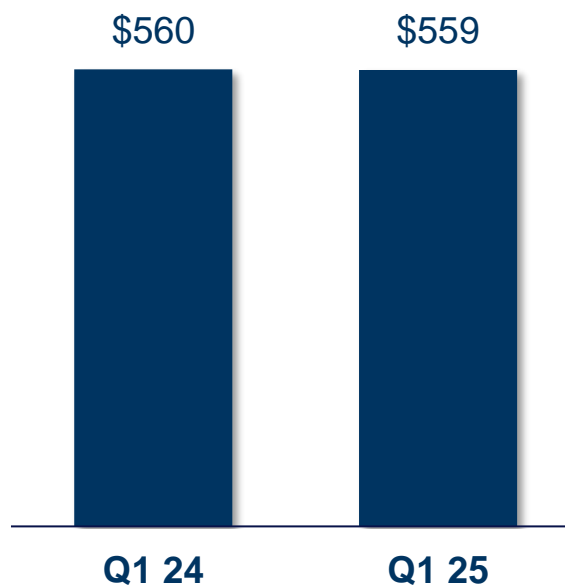
In Millions

■ Non-Blue Ridge Spend ■ Blue Ridge Rebuild



## Free Cash Flow Before Dividends\*

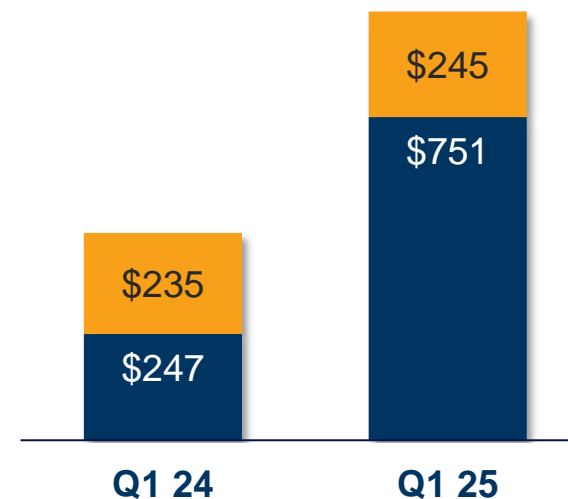
In Millions



## Shareholder Distributions

In Millions

■ Buybacks ■ Dividends



\* See Appendix for Non-GAAP reconciliation

Note: Immaterial revisions have been made to prior period amounts. See 2024 annual report filed on Form 10-K

# CLOSING REMARKS

**Joe Hinrichs**

President and Chief Executive Officer



- Still expect FY25 volume growth, though market uncertainty and trade policy changes increase range of possible outcomes
- FY revenue impacted by lower coal benchmarks, diesel prices, volume mix, particularly in 1H
- Fluidity gains, efficiency initiatives, labor productivity to support improvement vs. 1Q
- Capex roughly flat year/year excluding hurricane rebuild spending
- Balanced and opportunistic approach to capital returns

# APPENDIX

## Non-GAAP Reconciliations





## Non-GAAP Free Cash Flow Reconciliation

### Free Cash Flow

Dollars in millions	Three Months Ended	
	Mar 31, 2025	Mar 31, 2024 <sup>(a)</sup>
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 1,255</b>	<b>\$ 1,066</b>
Property Additions	(719)	(517)
Proceeds and Advances from Property Dispositions	23	11
<b>Free Cash Flow Before Dividends (non-GAAP)</b>	<b>\$ 559</b>	<b>\$ 560</b>

*(a) Reflects adjustment of prior period financial statements; see 2024 annual report filed on Form 10-K*

**CSX**