

2025 SECOND QUARTER CONFERENCE CALL



7.23.2025





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 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

Joe Hinrichs

President and Chief Executive Officer

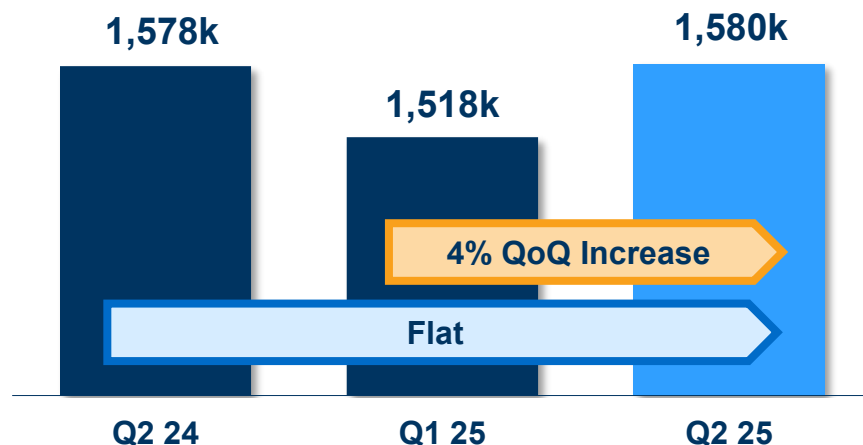




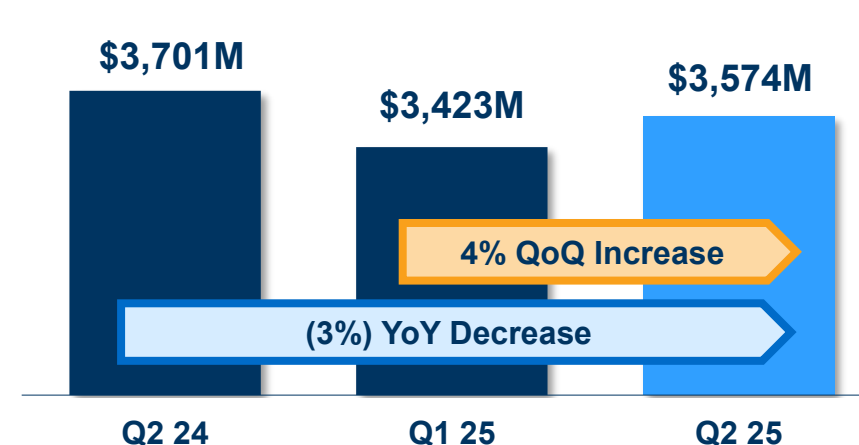
- › Strong sequential improvement in network performance
- › Financial results reflect ongoing focus on efficiency and cost control
- › Howard Street Tunnel and Blue Ridge remain on schedule for Q4 completion
- › Managing through mixed market conditions, supported by operational momentum, service leadership, and new business wins

Second Quarter Operational and Financial Results

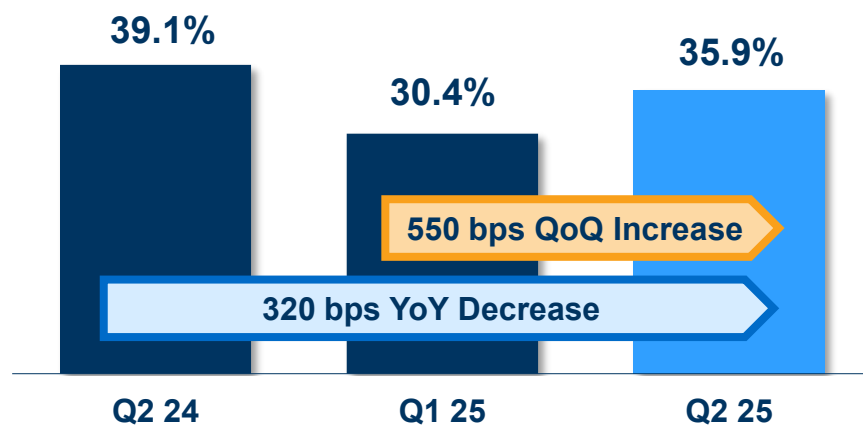
Total Volume



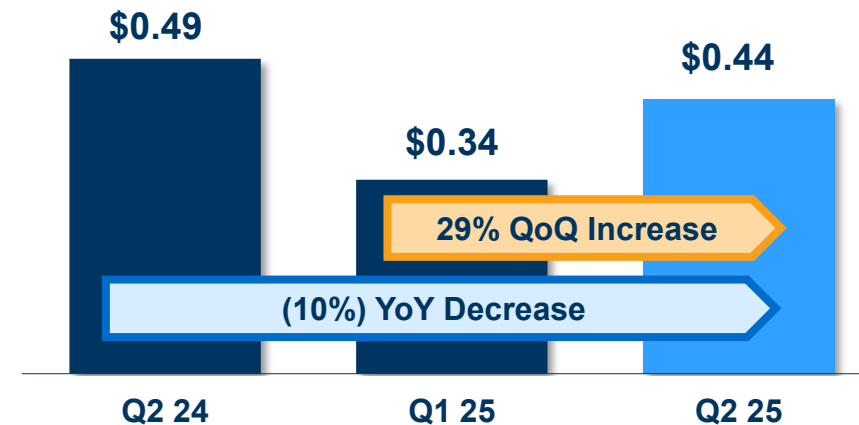
Total Revenue



Operating Margin¹



Earnings Per Share



¹As reported, inclusive of trucking

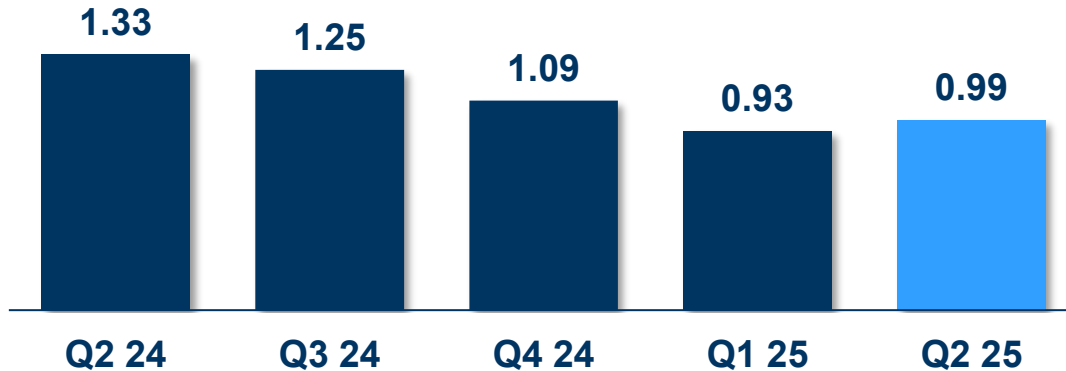
OPERATIONS REVIEW

Mike Cory

Executive Vice President and Chief Operating Officer



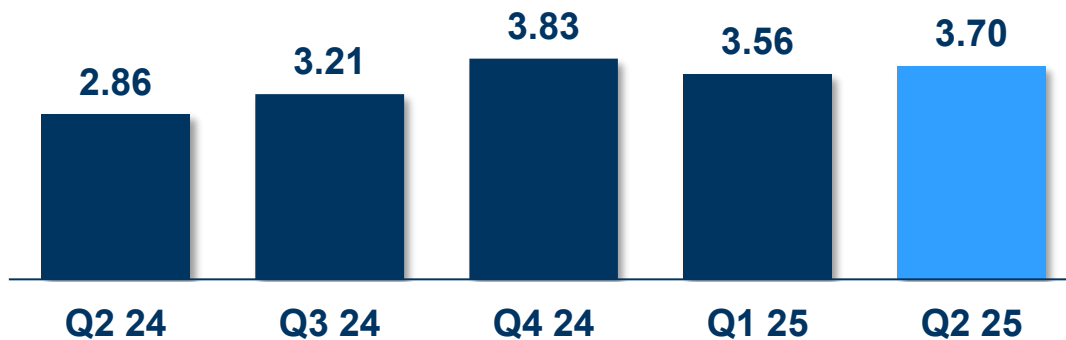
FRA Personal Injury Frequency Index



- Personal injury frequency rate continues to trend lower YoY
 - Reduced injury severity rates reflect commitment to SAFE CSX culture

- Yards and terminals in focus for accident improvement opportunities
 - Three-quarters of CSX train accidents occur at yards and terminals

FRA Train Accident Rate

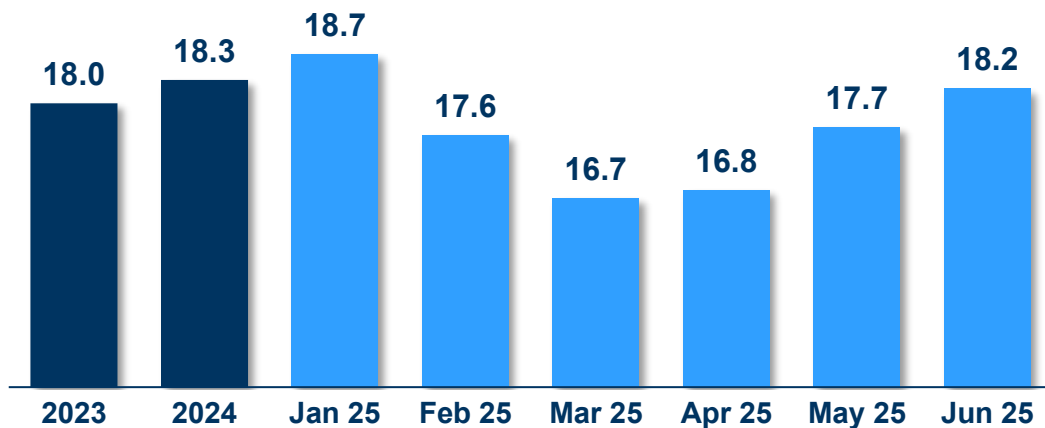


- Accident rate higher YoY, but favorable trend demonstrated in human factor incidents

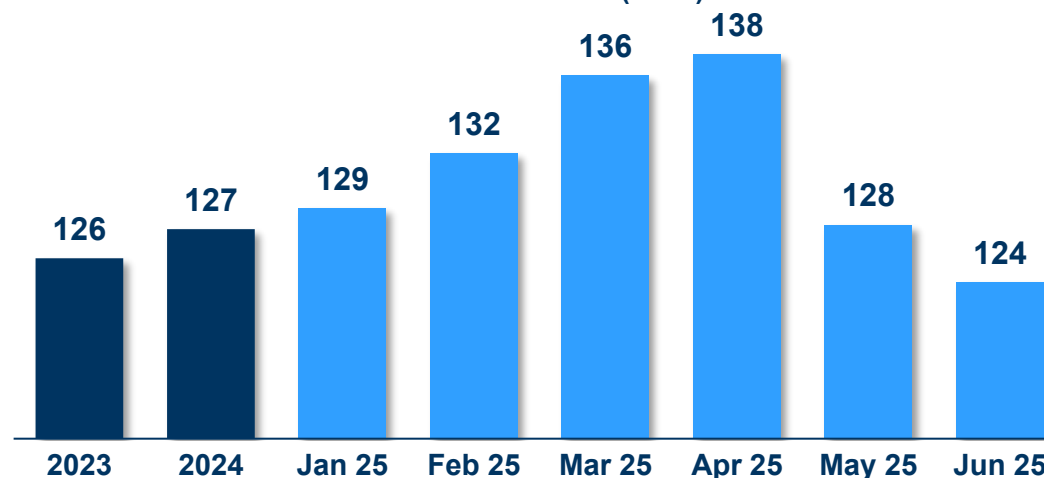


Network Fluidity and Average Carloads

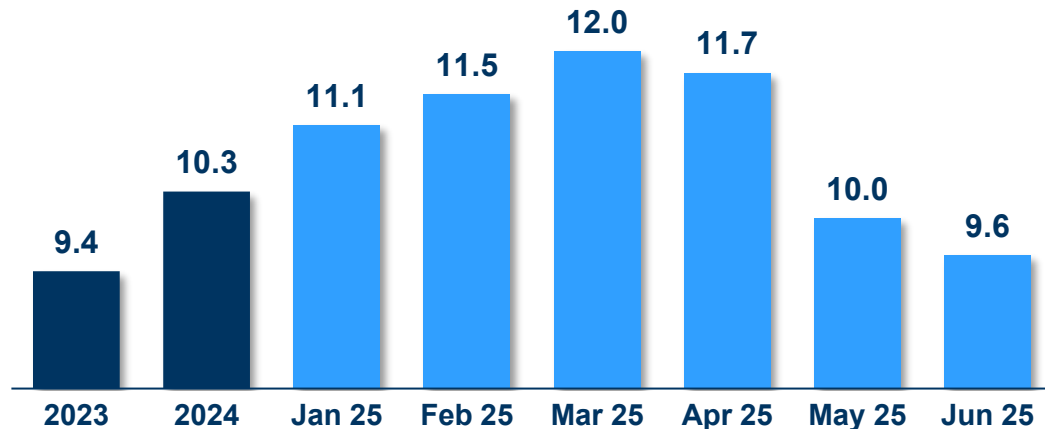
Velocity (MPH)



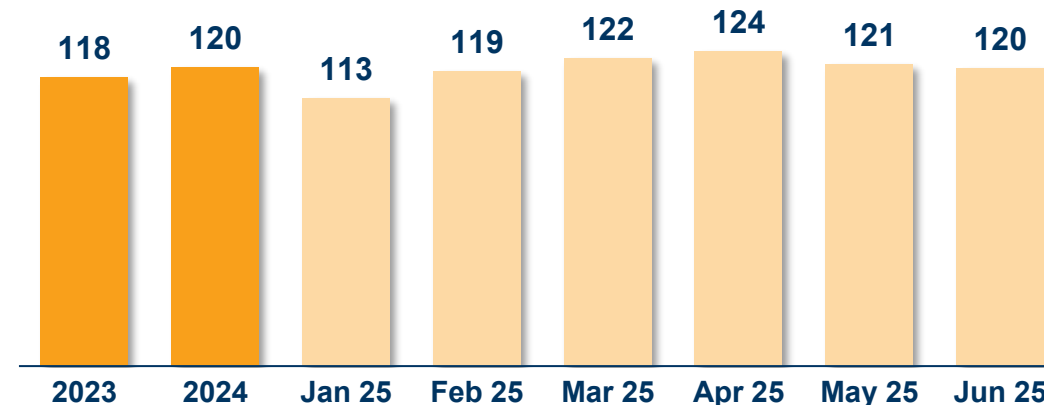
Cars Online (000s)



Dwell (Hours)



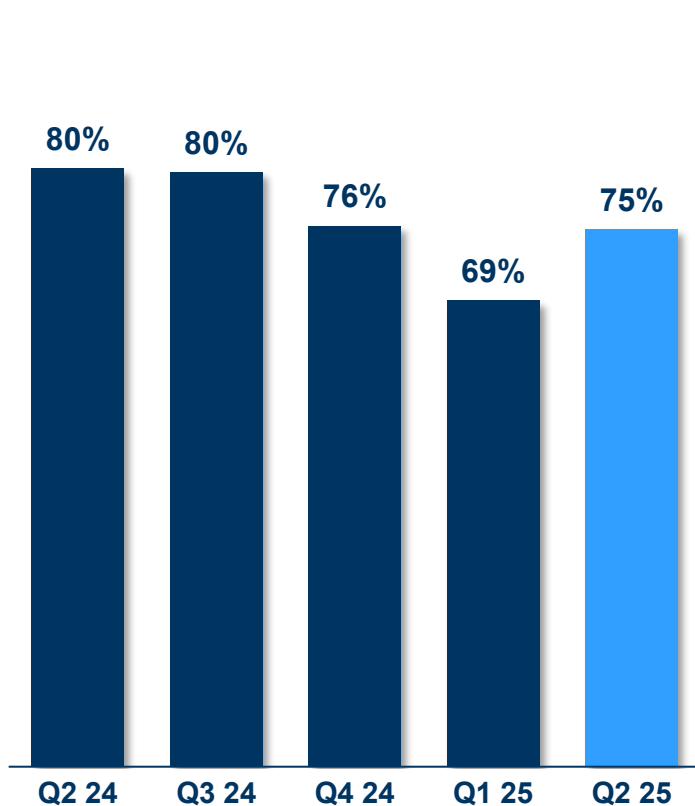
Average Weekly Carloads (000s)



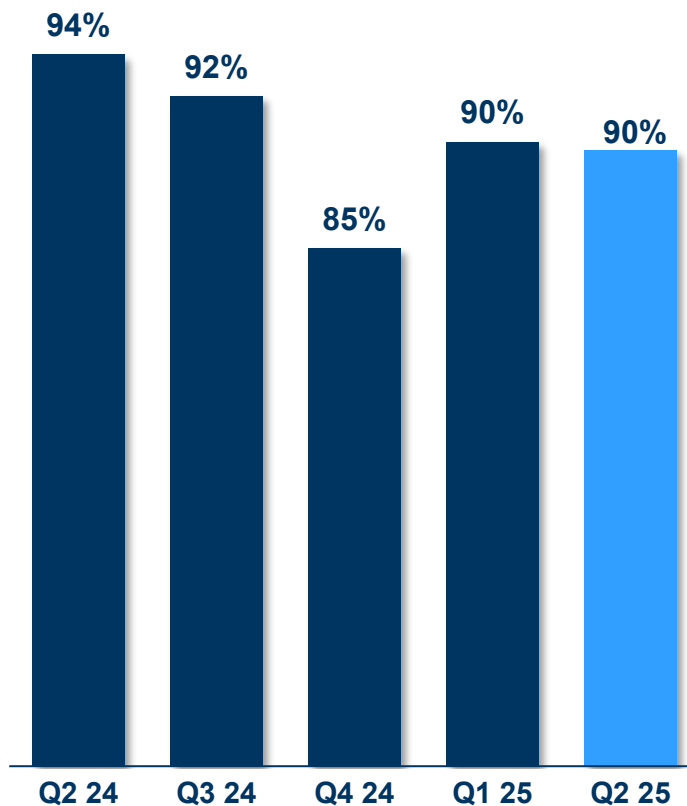


Second Quarter Service Metrics

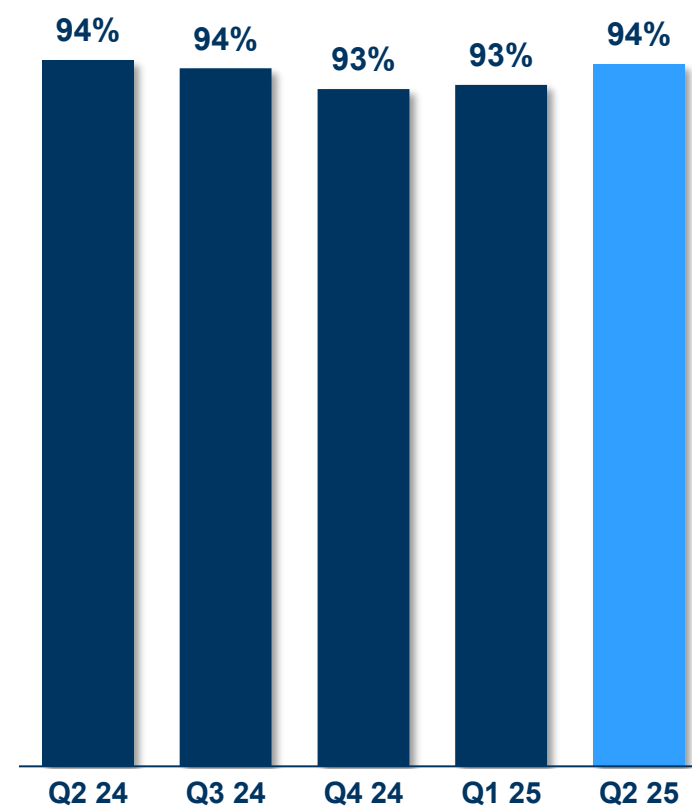
Carload TPC



Intermodal TPC



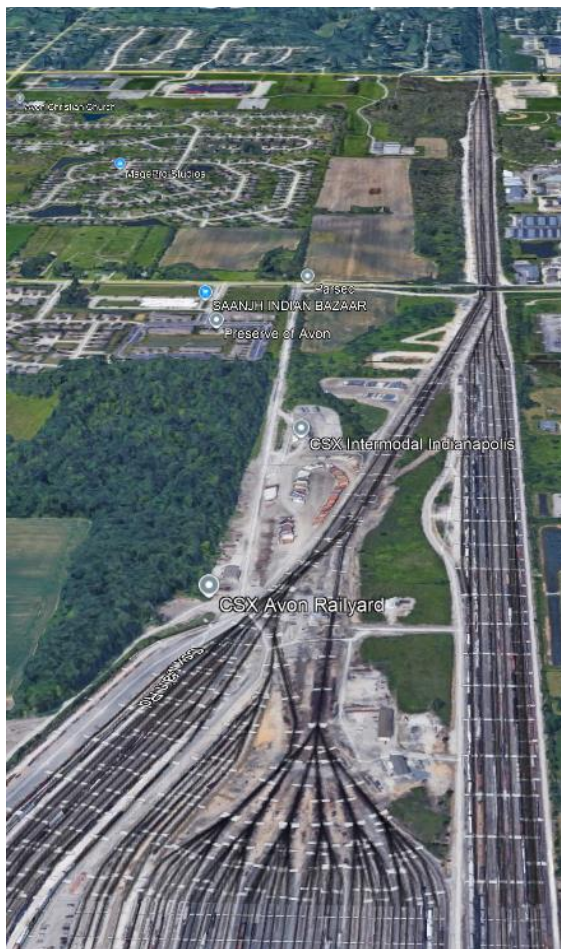
Customer Switch Data



Howard St Tunnel



Avon Yard



- > Howard Street Tunnel project progressing toward completion in early Q4 2025
 - Installation of precast concrete inverted segments is on-schedule
 - Bridge clearance initiatives underway and on track to finish by early 2026
- > Minor reconfiguration at Avon Yard in Indiana will have an outsized impact on yard operations
 - **Throughput capacity increased by up to 300 cars/day** by extending tracks, creating a more efficient hump operation
 - **Projected to eliminate ~2 million out-of-route car miles** by enabling more direct regional flows – similar to the improvements made at Cumberland

SALES & MARKETING REVIEW








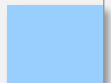

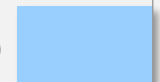
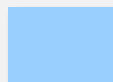

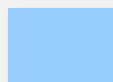


Kevin Boone

Executive Vice President and Chief Commercial Officer

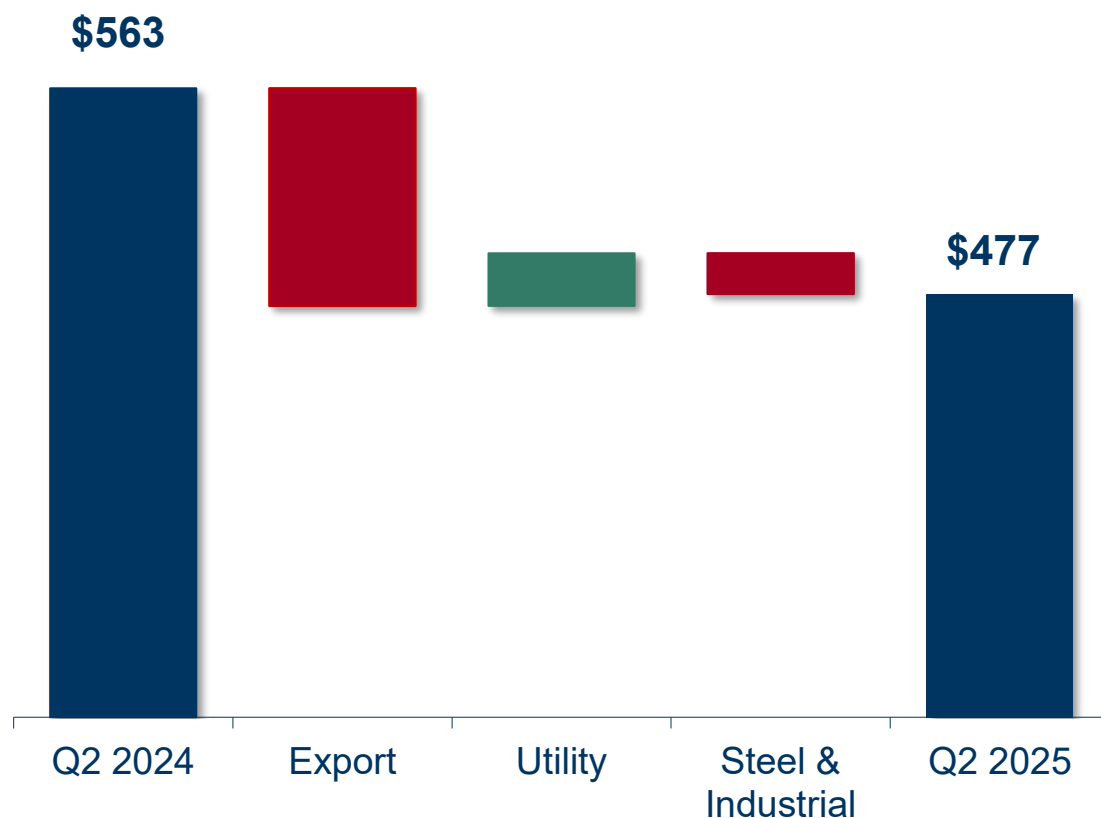




Merchandise Summary

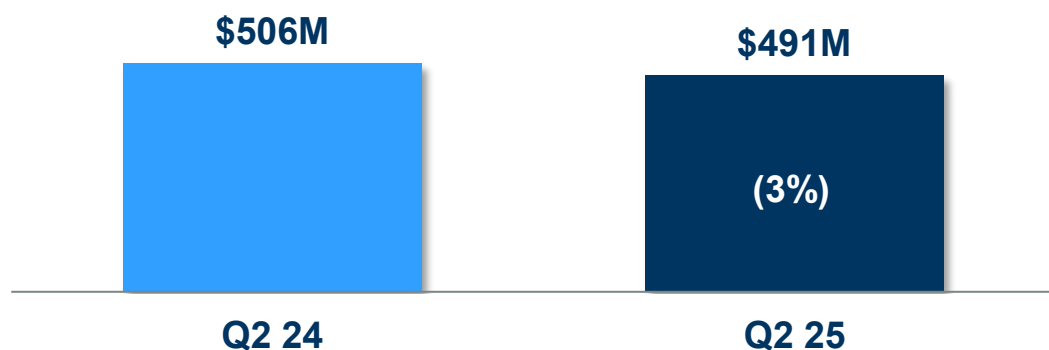
	2Q25 Volume YoY	2Q25 Revenue YoY	
Metals & Equipment	 3%	(3%) 	Higher steel production
Minerals	 2%	5% 	Continued infrastructure activity strength
Agriculture & Food	 2%	3% 	Positive feed grain demand
Automotive	(2%) 	(5%) 	Quality holds, reduced industry production
Forest Products	(5%) 	(7%) 	Temporary outages and plant closures, soft housing market
Chemicals	(6%) 	(3%) 	Softer plastics exports, reduced petroleum product shipments, an extended customer outage
Fertilizers	(6%) 	0%	Production challenges at key producer
Merchandise	(2%) 	(2%) 	

YoY change in Coal Revenue (\$M)



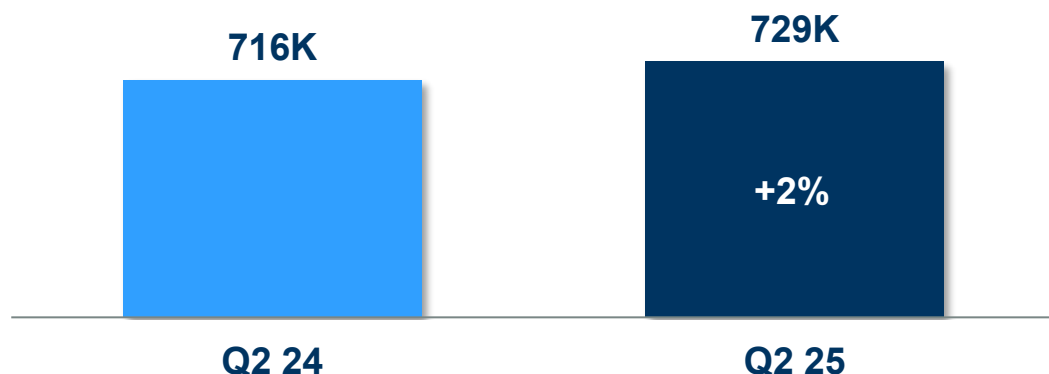
- › **Export** coal revenue impacted by weaker global benchmark prices and mine production constraints, affecting both volume and RPU
- › **Utility** coal benefitted from stable natural gas prices, strong utility demand, and improved network fluidity
- › **Steel & Industrial** coal impacted by weak market fundamentals as well as customer maintenance timing and strategic sourcing shifts
- › Favorable utility demand anticipated to continue with warmer weather, moderate coal inventories, and coal plant extensions

Q2 Intermodal Revenue



- › Momentum in **International** activity continued over Q2 as CSX continues to benefit from favorable partner alignments
- › **Domestic** volumes largely stable, supported by consistent service, incremental business wins
 - Interchange volumes affected by tariff-driven slowdown in West Coast container arrivals

Q2 Intermodal Volume



- › CSX aiming to offset trade policy uncertainty, persistent truck market weakness with new initiatives, service offerings, and share wins

FINANCIAL REVIEW

Sean Pelkey

Executive Vice President and Chief Financial Officer



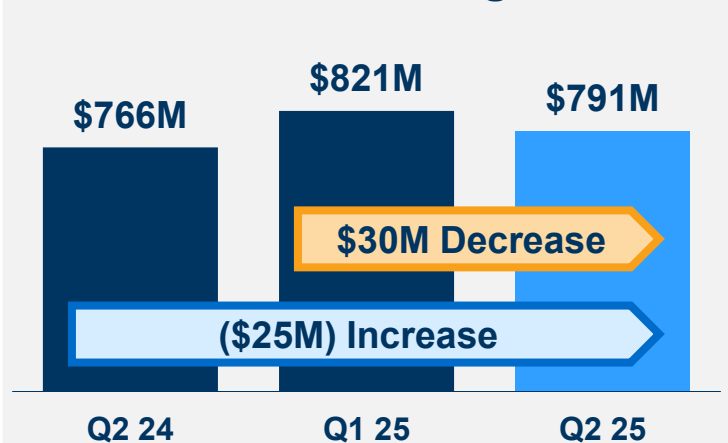


Second Quarter Earnings Summary

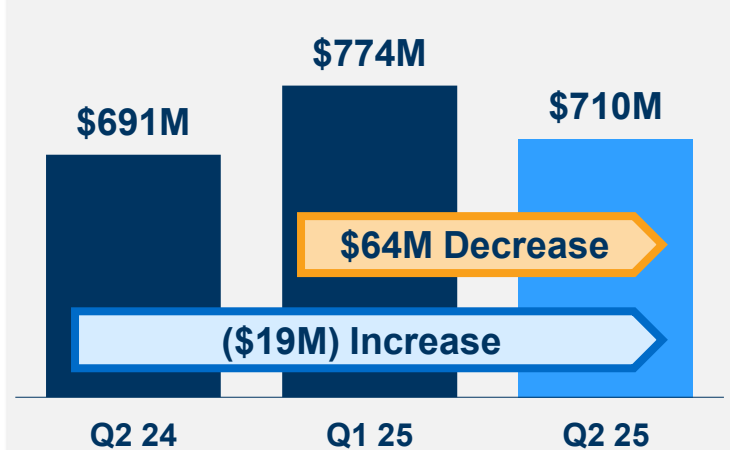
Second Quarter Income Statement

<i>Dollars in Millions</i>	2025	2024	Variance
Revenue	\$3,574	\$3,701	(3%)
Expense	2,291	2,253	(2%)
Operating Income	\$1,283	\$1,448	(11%)
Interest Expense & Other Income - Net	(190)	(181)	(5%)
Income Tax Expense	(264)	(304)	13%
Net Earnings	\$829	\$963	(14%)
Earnings Per Share	\$0.44	\$0.49	(10%)
Operating Margin	35.9%	39.1%	(320 bps)
Income Tax Rate	24.2%	24.0%	(20 bps)
Average Shares Outstanding, Assuming Dilution (<i>Millions</i>)	1,869	1,948	4%

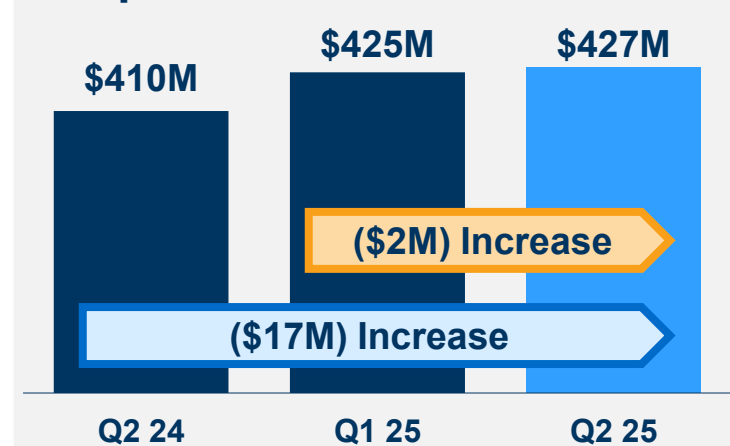
Labor & Fringe



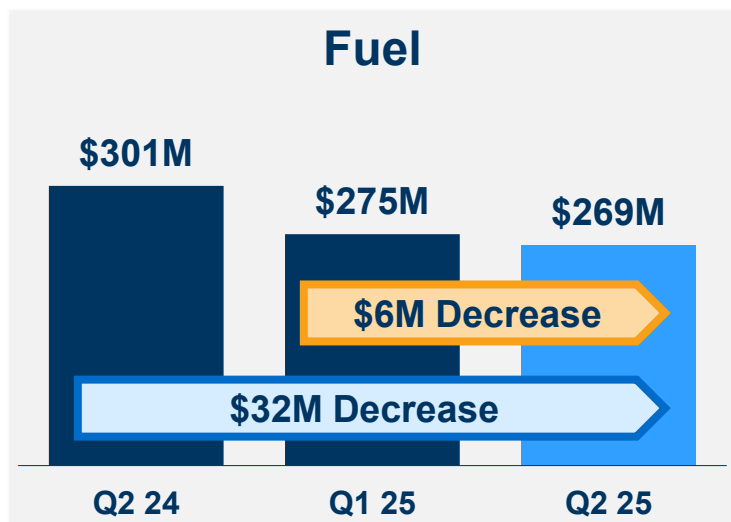
Purchased Services & Other



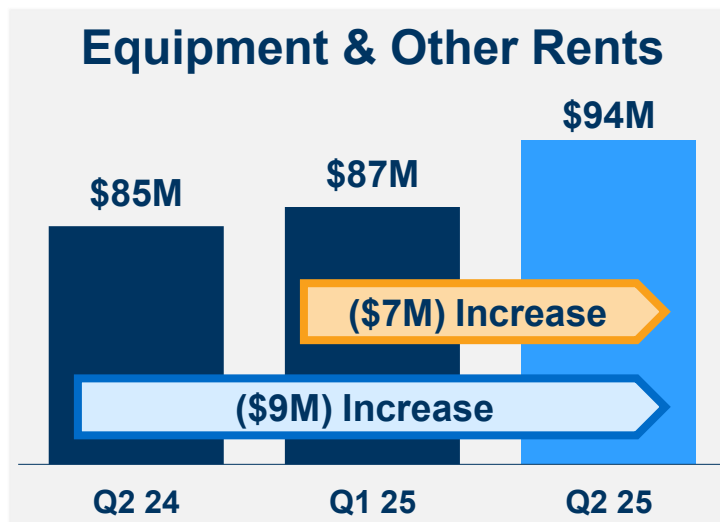
Depreciation & Amortization



Fuel



Equipment & Other Rents



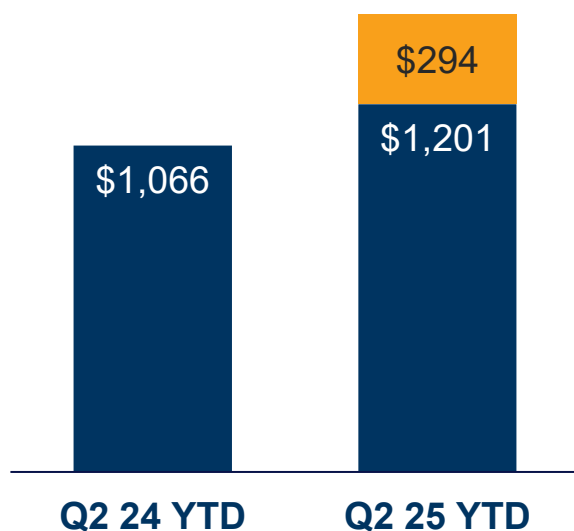


Second Quarter Cash Flow and Distributions

Property Additions

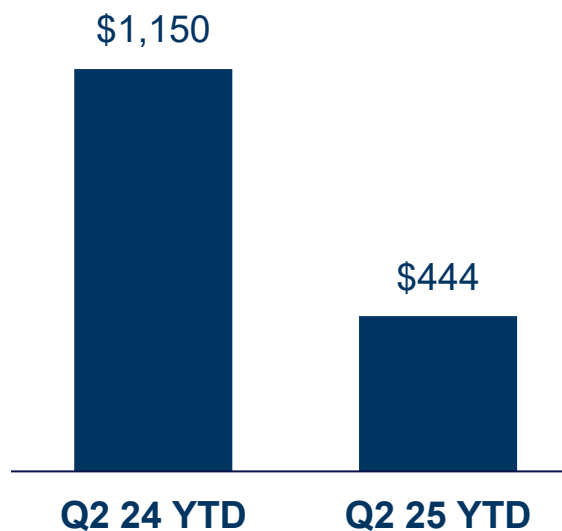
In Millions

■ Non-Blue Ridge Spend ■ Blue Ridge Rebuild



Free Cash Flow Before Dividends*

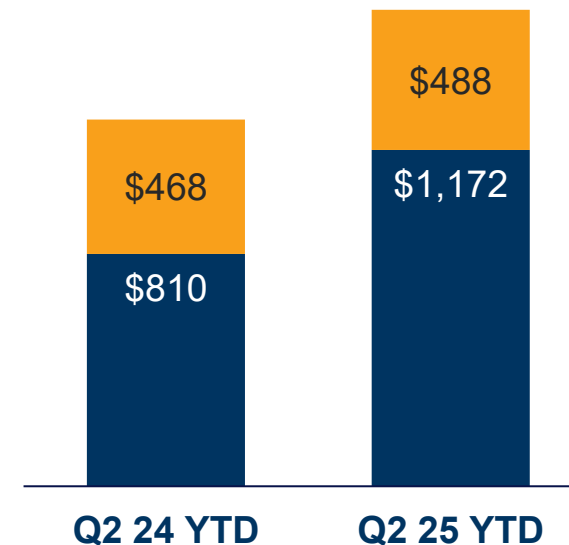
In Millions



Shareholder Distributions

In Millions

■ Buybacks ■ Dividends



* See Appendix for Non-GAAP reconciliation

CLOSING REMARKS

Joe Hinrichs

President and Chief Executive Officer



- › Continue to expect overall FY25 volume growth
- › Smaller 2H year-over-year revenue headwinds from lower export coal benchmarks and diesel prices
- › Persistent focus on operational excellence, labor productivity, and efficiency initiatives
- › 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	Six Months Ended	
	Jun 30, 2025	Jun 30, 2024
Net Cash Provided by Operating Activities	\$ 1,890	\$ 2,173
Property Additions	(1,495)	(1,066)
Proceeds and Advances from Property Dispositions	49	43
Free Cash Flow Before Dividends (non-GAAP)	\$ 444	\$ 1,150

CSX