



2020 FIRST QUARTER
EARNINGS CONFERENCE CALL

James M. Foote
President and Chief Executive Officer



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

Volume 1,514K

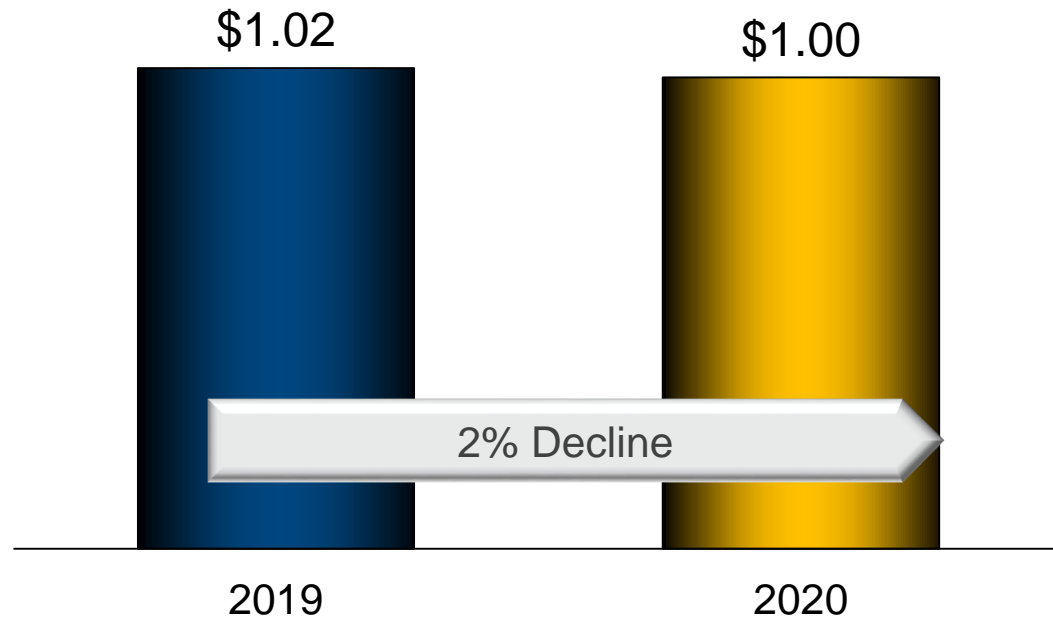
Revenue \$2,855M

Operating Income \$1,178M

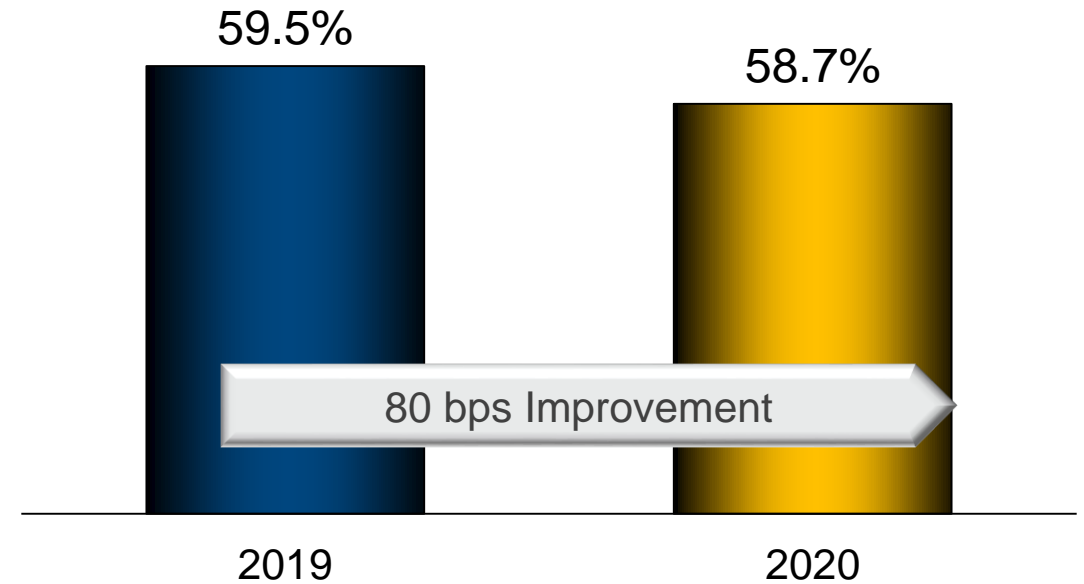
Operating Ratio 58.7%

EPS \$1.00

Earnings Per Share



Operating Ratio

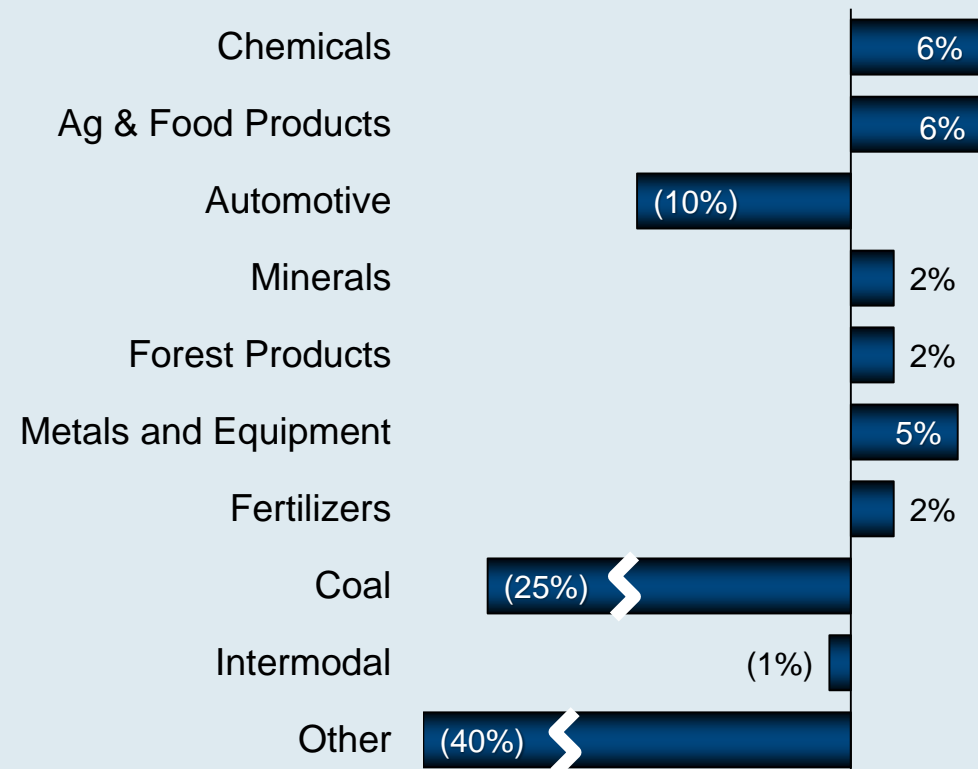


FIRST QUARTER REVENUE HIGHLIGHTS

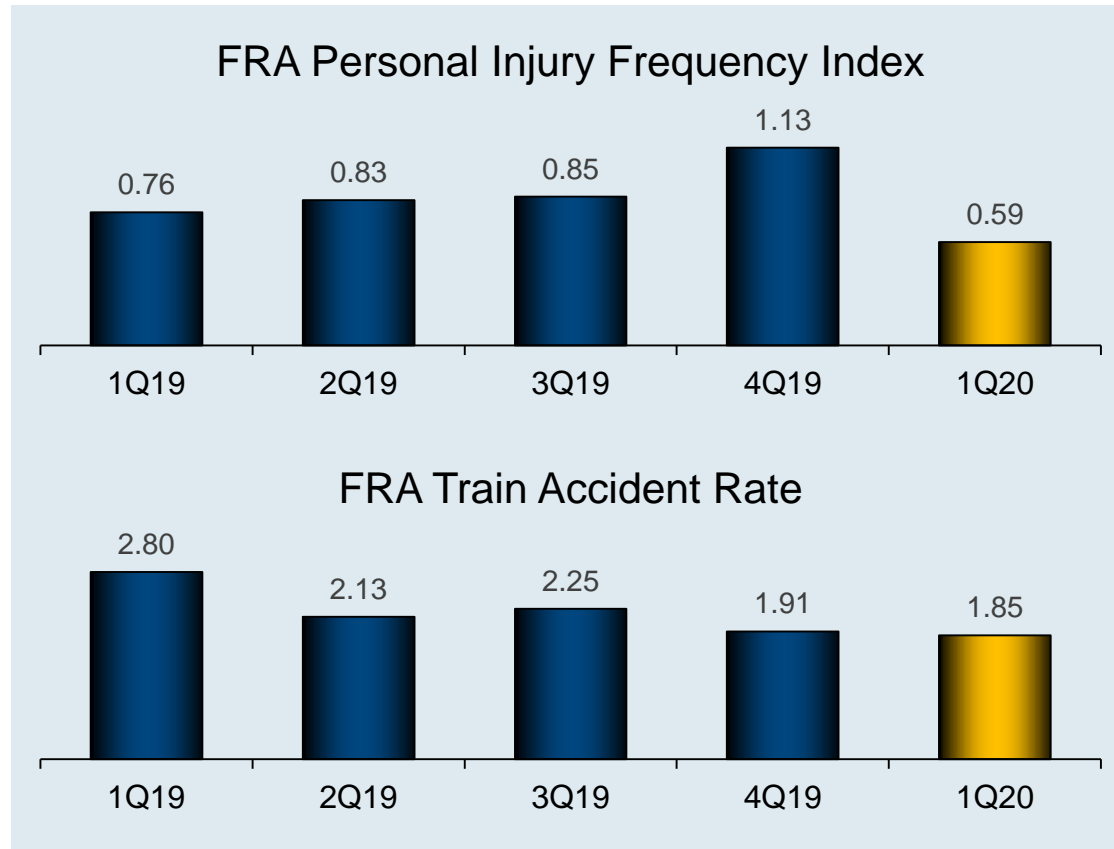
Revenue Growth in Merchandise More Than Offset by Coal and Other Revenue Declines

- **Chemicals** increased due to higher shipments of industrial chemicals, energy, and plastics
- **Agricultural & Food Products** growth driven by gains in ethanol, sweeteners and oils, and grain
- **Automotive** declined due to lower North American vehicle production, including impact of plant closures in March due to COVID-19
- **Minerals** increased on highway and paving project activity growth
- **Forest Products** increased with growth in pulpboard and woodpulp
- **Metals and Equipment** increased due to growth in equipment, scrap metal, and aluminum
- **Fertilizers** increased as long-haul fertilizer growth offset short-haul phosphate declines
- **Coal** decreased as domestic utility coal demand was negatively impacted by low natural gas prices and export coal was impacted by lower global benchmark prices
- **Intermodal** decreased as growth in domestic intermodal was more than offset by declines in international due to COVID-19-related impacts

First Quarter Revenue Down 5% Percent Year over Year



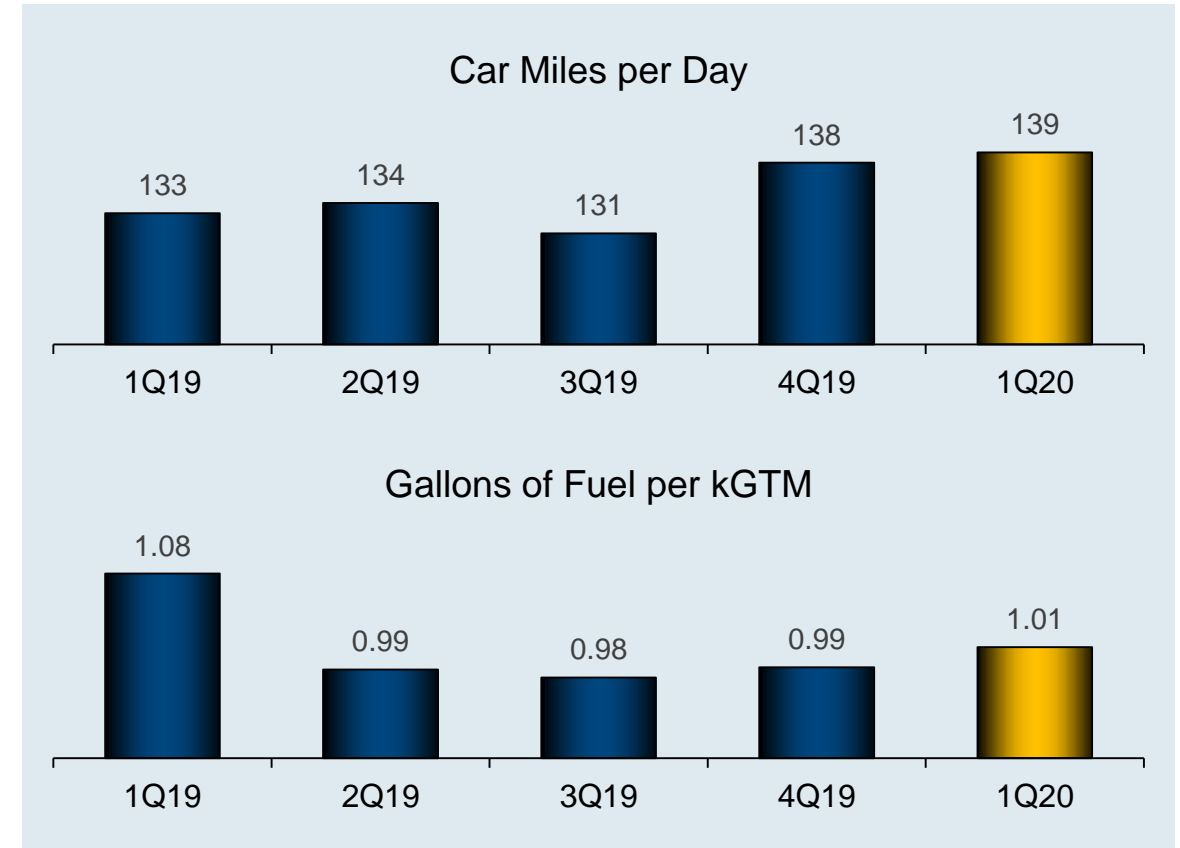
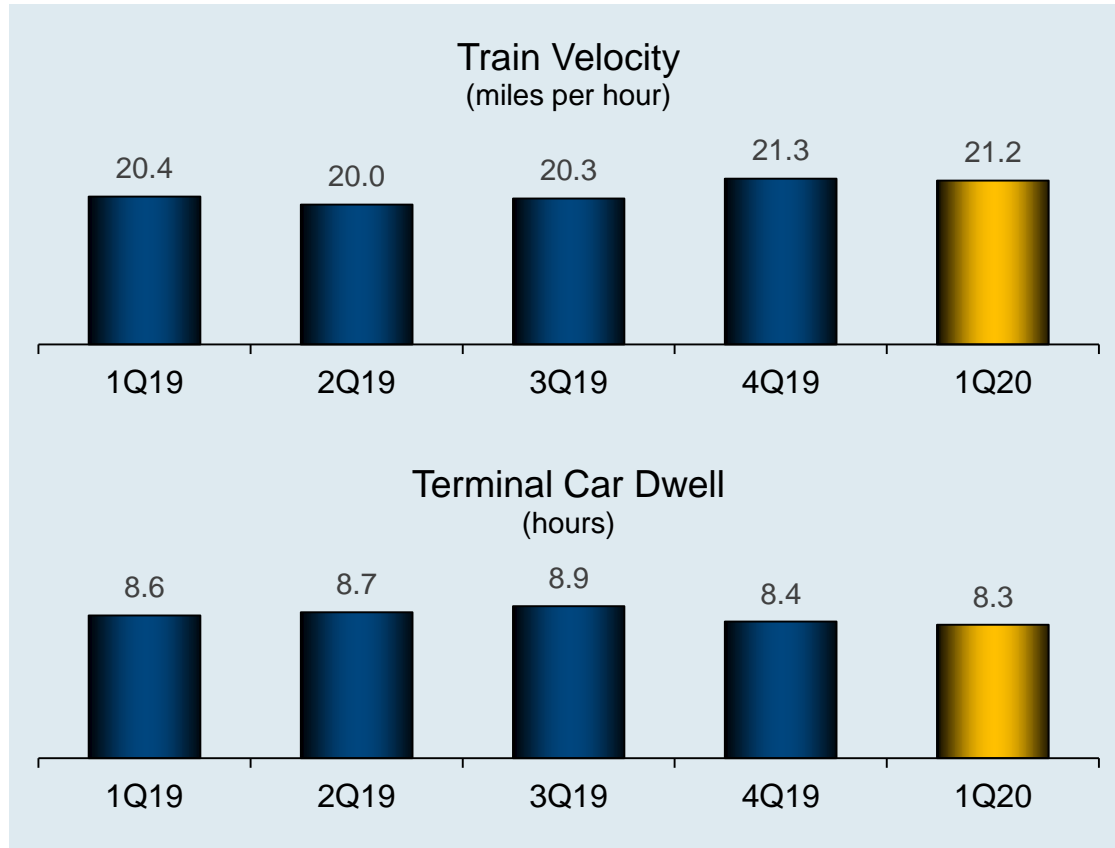
FIRST QUARTER SAFETY HIGHLIGHTS



- Safety is a guiding principle at CSX
- Q1 was one of the safest quarters in CSX history
- 22% improvement in FRA Personal Injury Frequency Rate
- 34% improvement in FRA Train Accident Rate
- Maintaining focus and frontline engagement to drive continued improvement

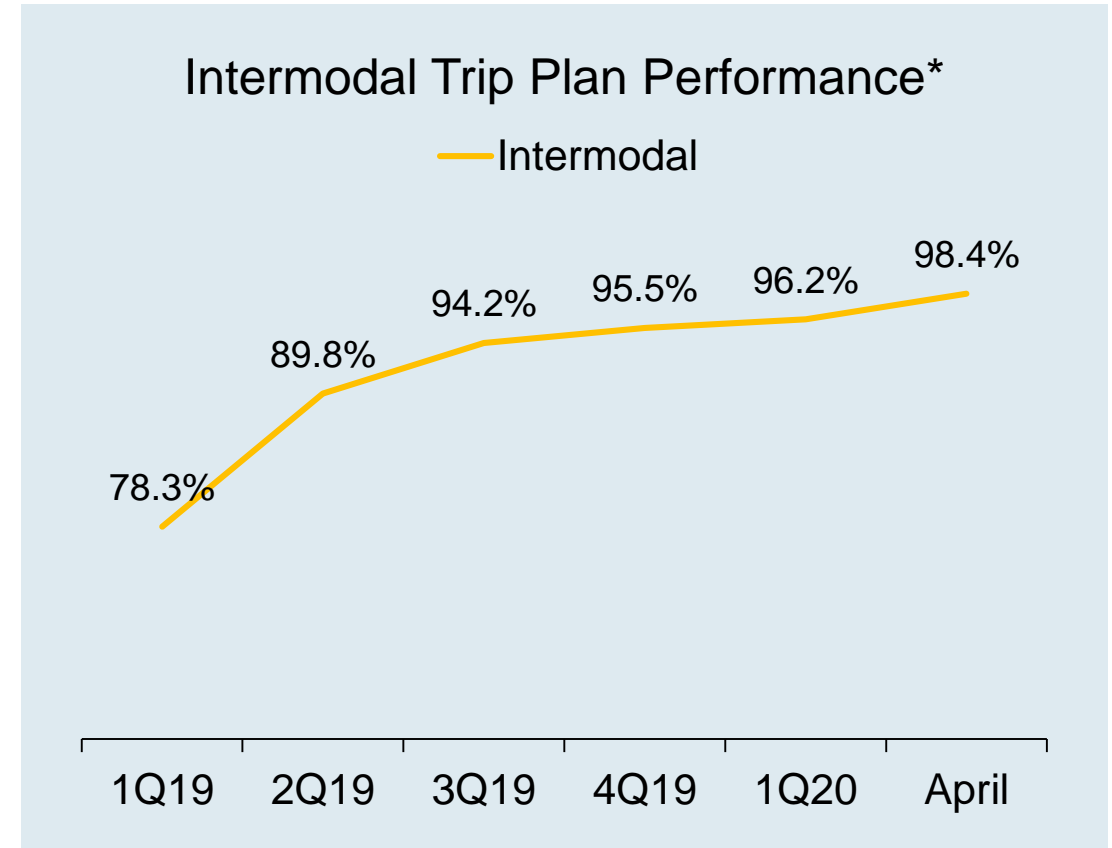
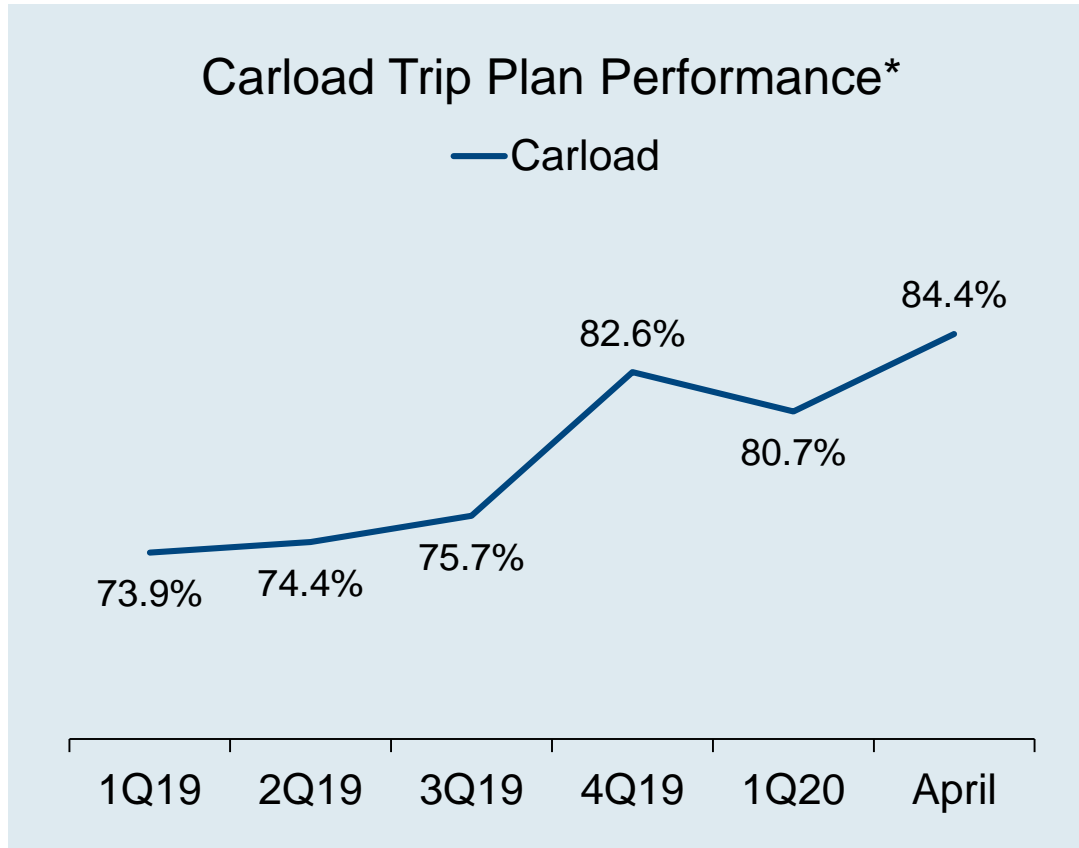
Safety statistics are estimated and can continue to be updated as actuals settle

FIRST QUARTER OPERATING HIGHLIGHTS



The methodology for calculating train velocity and dwell differs from that prescribed by the Surface Transportation Board. The Company will continue to report train velocity and dwell to the Surface Transportation Board using the prescribed methodology. See additional discussion on the Company's website.

FIRST QUARTER SERVICE HIGHLIGHTS



*Trip Plan Performance measures success in meeting end-to-end customer commitments based on a specific time of arrival. CSX measures Trip Plan Performance for every car and container, loaded and empty, on its network that is destined for a customer.

FINANCIAL REVIEW

Kevin S. Boone

EVP and Chief Financial Officer

FIRST QUARTER EARNINGS SUMMARY

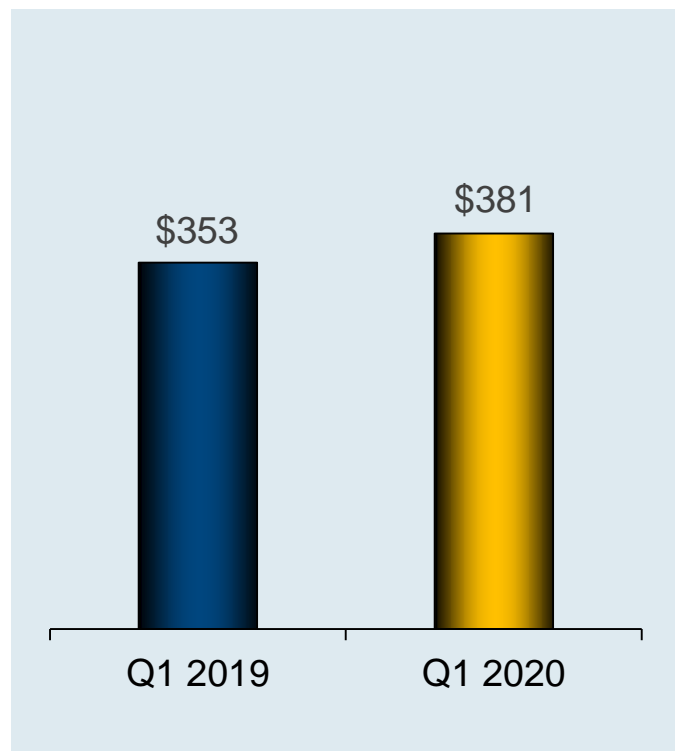
First Quarter Income Statement

Dollars in millions	2020	2019	Variance
Revenue	\$ 2,855	\$ 3,013	(5%)
Expense			
Labor and Fringe	606	672	10%
Materials, Supplies and Other	454	471	4%
Depreciation	344	330	(4%)
Fuel	192	233	18%
Equipment and Other Rents	81	88	8%
Total Expense	1,677	1,794	7%
Operating Income	1,178	1,219	(3%)
Interest Expense	(187)	(178)	(5%)
Other Income – Net	22	23	(4%)
Income Tax Expense	(243)	(230)	(6%)
Net Earnings	\$ 770	\$ 834	(8%)
Earnings Per Share	\$ 1.00	\$ 1.02	(2%)
Operating Ratio	58.7%	59.5%	80 bps

FIRST QUARTER FINANCIAL MEASURES

Capital Investments

Dollars in Millions



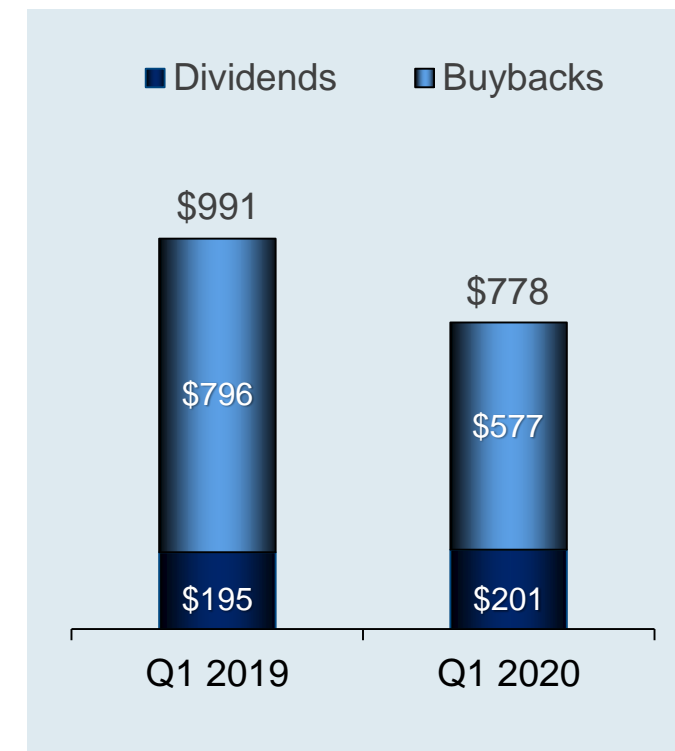
Free Cash Flow Before Dividends*

Dollars in Millions



Shareholder Distributions

Dollars in Millions



*See Appendix for Non-GAAP reconciliation

CLOSING REMARKS

James M. Foote

President and Chief Executive Officer

LOOKING FORWARD

- Withdrawing guidance given economic uncertainty
- Managing expenses to current volume environment
- Evaluating capital expenditure outlook
- Industry-leading free cash flow profile and strong balance sheet provide significant liquidity cushion

APPENDIX

- Non-GAAP Free Cash Flow Reconciliation

NON-GAAP FREE CASH FLOW RECONCILIATION

Free Cash Flow

Dollars in millions	Three Months Ended	
	March 31, 2020	March 31, 2019
Net Cash Provided by Operating Activities	\$ 1,178	\$ 1,173
Property Additions	(381)	(353)
Other Investing Activities	15	46
Free Cash Flow Before Dividends (non-GAAP)	\$ 812	\$ 866



INVESTORS.CSX.COM