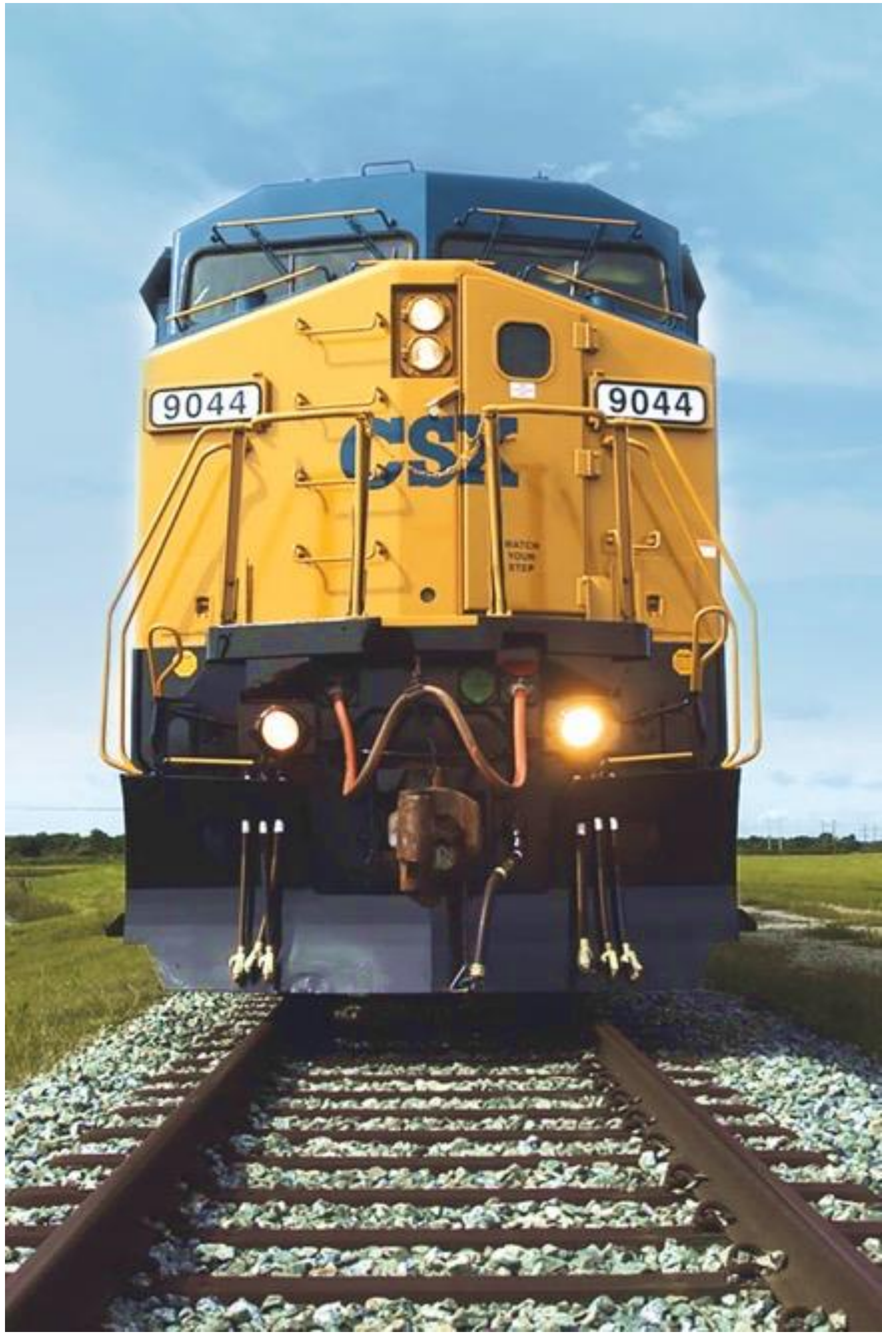
2023 THIRD QUARTER CONFERENCE CALL

CSX

10.19.2023



CSX

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

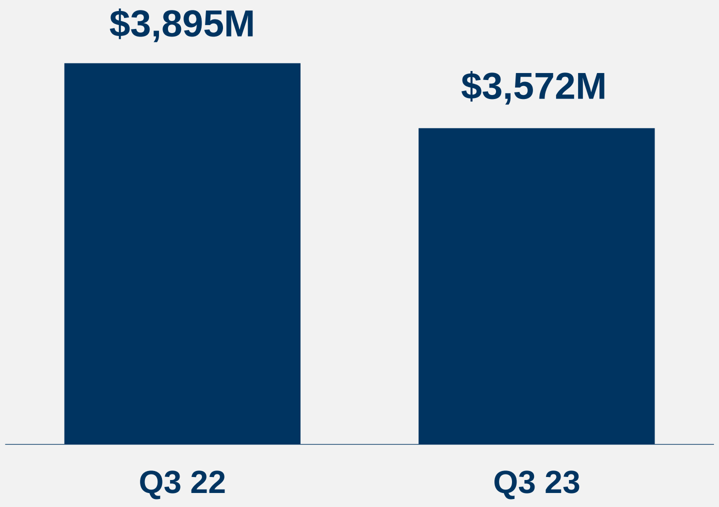
President and Chief Executive Officer

CSX

Third Quarter Financial Highlights

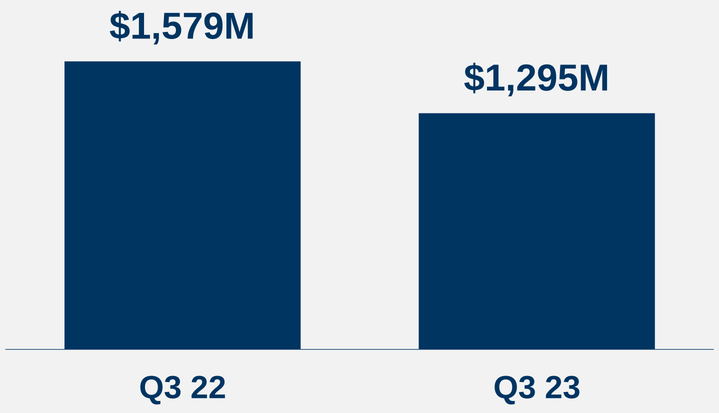
1,550K	Flat	+9%	63.8%
Total Volume	Merch. Volume	Coal Volume	Operating Ratio

Revenue



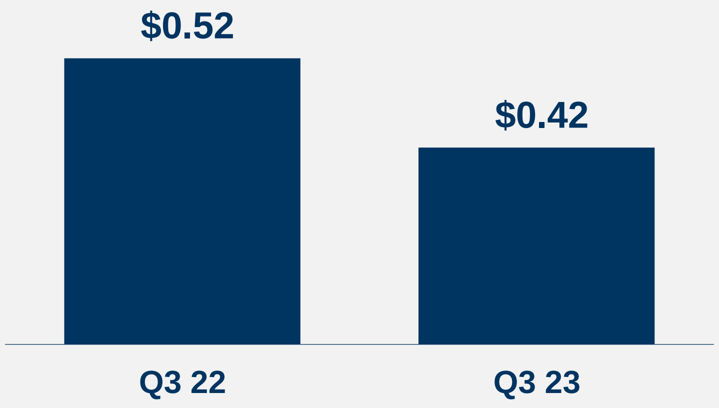
8% Decrease

Operating Income



18% Decrease

Earnings Per Share



19% Decrease

Maintaining focus on service and profitability through mixed end markets

OPERATIONS REVIEW

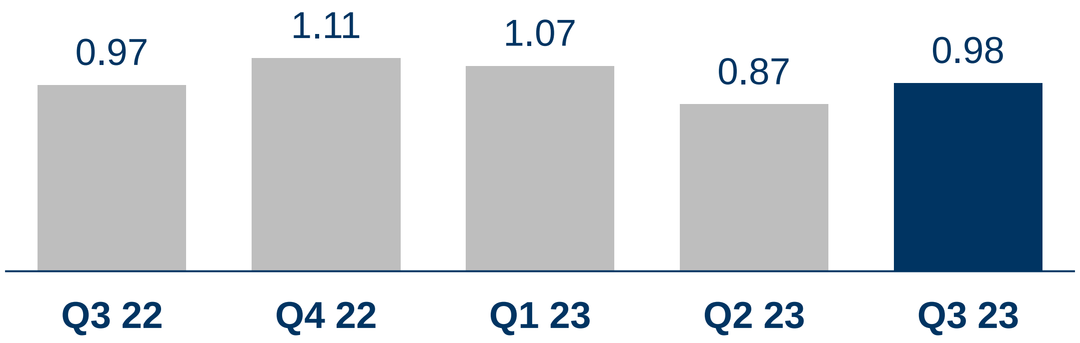
Mike Cory

Executive Vice President and Chief Operating Officer

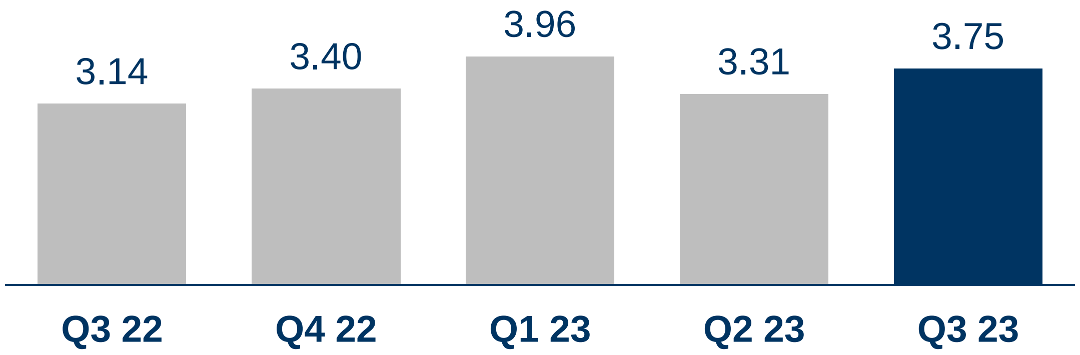
CSX

Third Quarter Safety Highlights

FRA Personal Injury Frequency Index



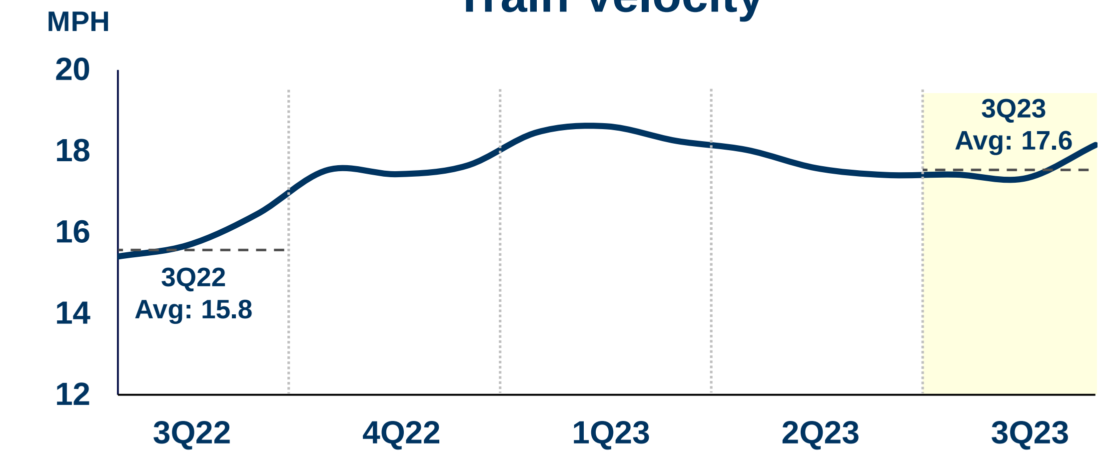
FRA Train Accident Rate



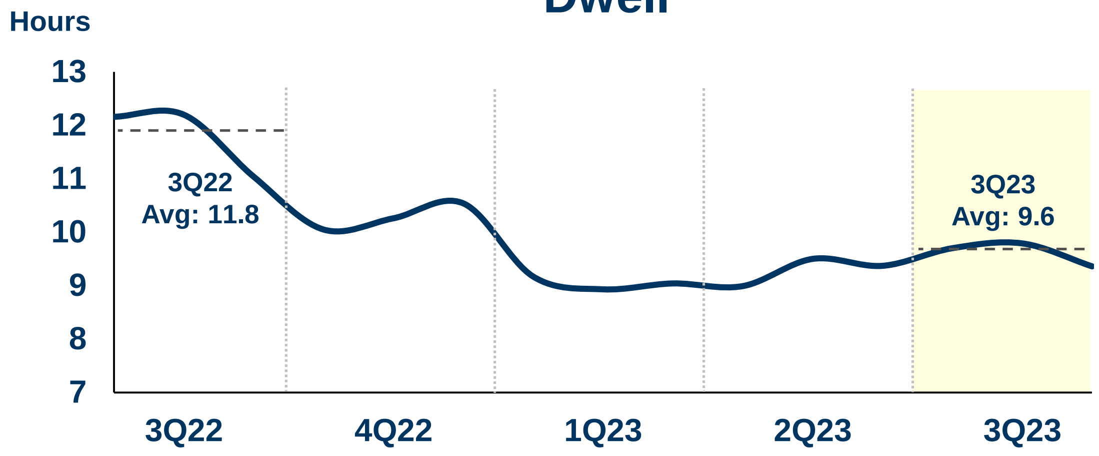
- Safety remains a guiding principle at CSX
- Injury frequency and accident rate both increased sequentially and year-over-year
- Reduction of human factor and track-caused derailments are key focus points
- Increasing length of training classes for new conductors and assigning additional new hire mentors
- Introducing new tools for all employees aimed at identifying and eliminating work environment risks

Third Quarter Operating Highlights

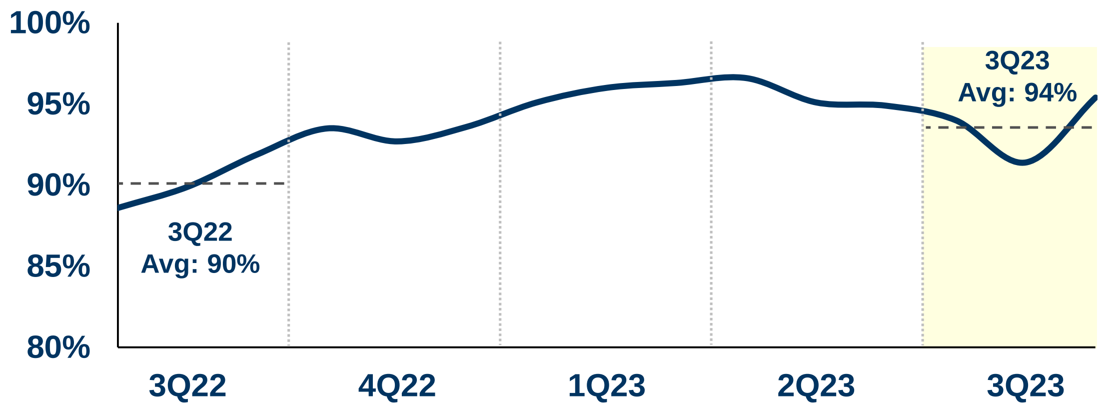
Train Velocity



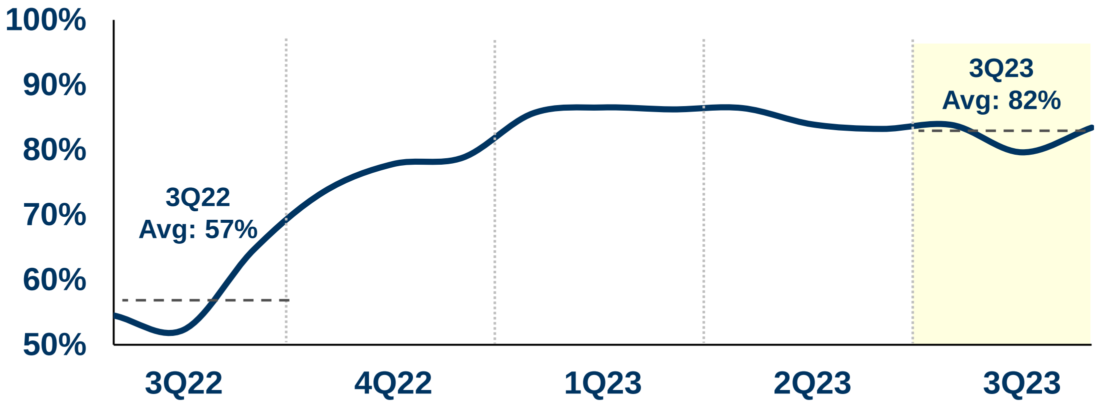
Dwell



Intermodal Trip Plan Performance



Carload Trip Plan Performance



SALES & MARKETING REVIEW

Kevin Boone

Executive Vice President and Chief Commercial Officer

CSX

Merchandise Volume & Revenue Summary

Q3 Merchandise Revenue

Q3 Merchandise Volume

4Q23 Expectations

- **Improving sequential trends in select key end markets**
  - Strong Midwestern harvest to benefit Ag and Food performance
  - Stable demand across automotive, minerals, metals
- **Continued accumulation of incremental business wins** supported by persistent, reliable service product
- **Favorable core pricing** with business mix remaining a near-term headwind

Coal Volume & Revenue Summary

Q3 Coal Revenue

Q3 Coal Volume

4Q23 Expectations

- **Continued strength in export coal volume** in both metallurgical and thermal markets
  - International met and thermal benchmarks increasing from mid-year levels
  - New mine on network expected to ramp up in late 2023
  - Port capacity available for opportunistic shifts in tonnage to export markets
- **Domestic coal volumes easing** as peak seasonal demand fades against stable utility stockpiles
- **Sequential pricing improvement** driven by higher global met indices

Intermodal Volume & Revenue Summary

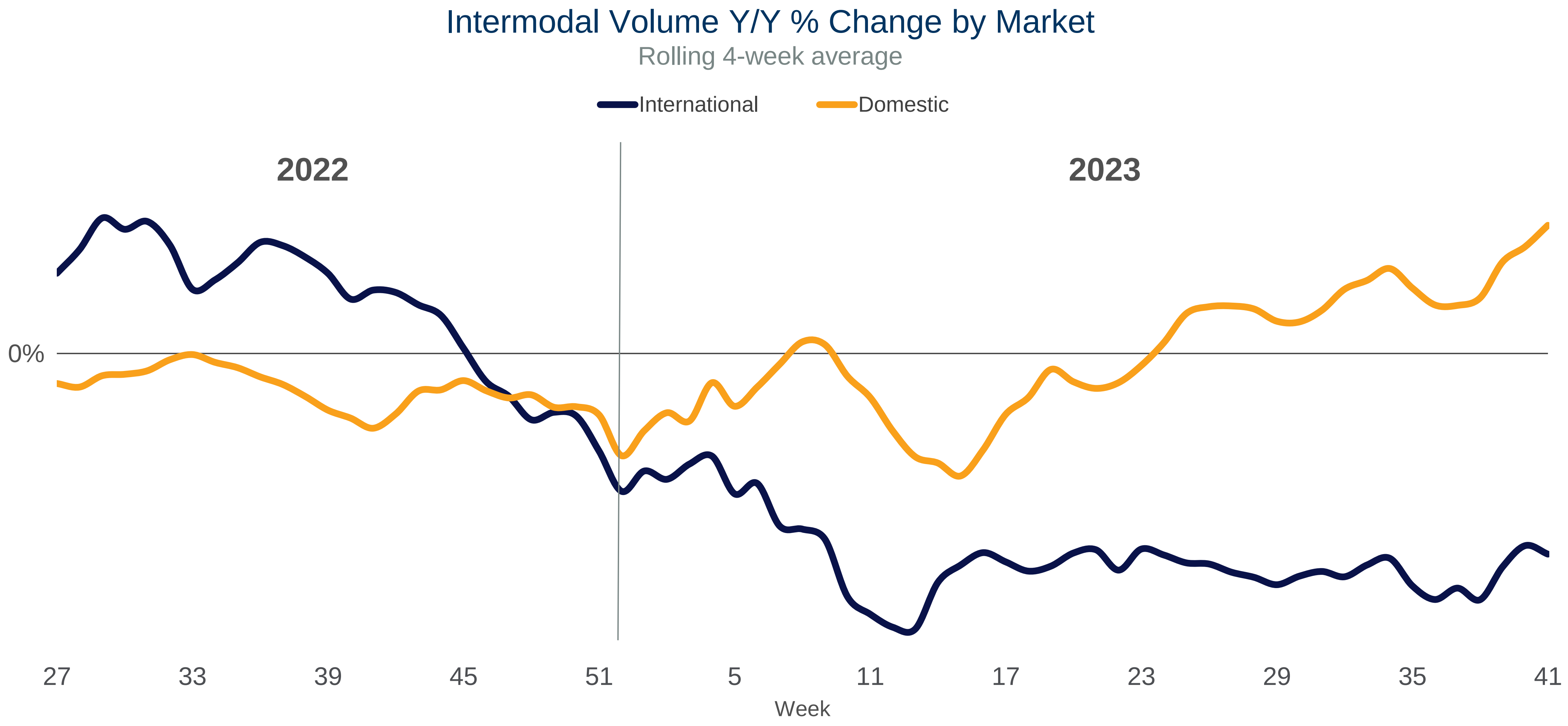
Q3 Intermodal Revenue

Q3 Intermodal Volume

4Q23 Expectations

- **Domestic volumes up mid-single digit**
  - Growth continuing from strong channel partner relationships, direct partnerships, truck conversion
  - Ample truck capacity remains a headwind
- **International intermodal volumes remaining soft** as retailers see uncertain consumer demand
  - Growth y/y to benefit from easier 4Q22 comparables
  - Opportunities continue to develop from new shipper agreements, inland port expansions
- **Maintaining a leading service product and pursuing new rail partnerships** to gain share, drive unit growth

Domestic intermodal volume growth has turned positive



FINANCIAL REVIEW

Sean Pelkey

Executive Vice President and Chief Financial Officer

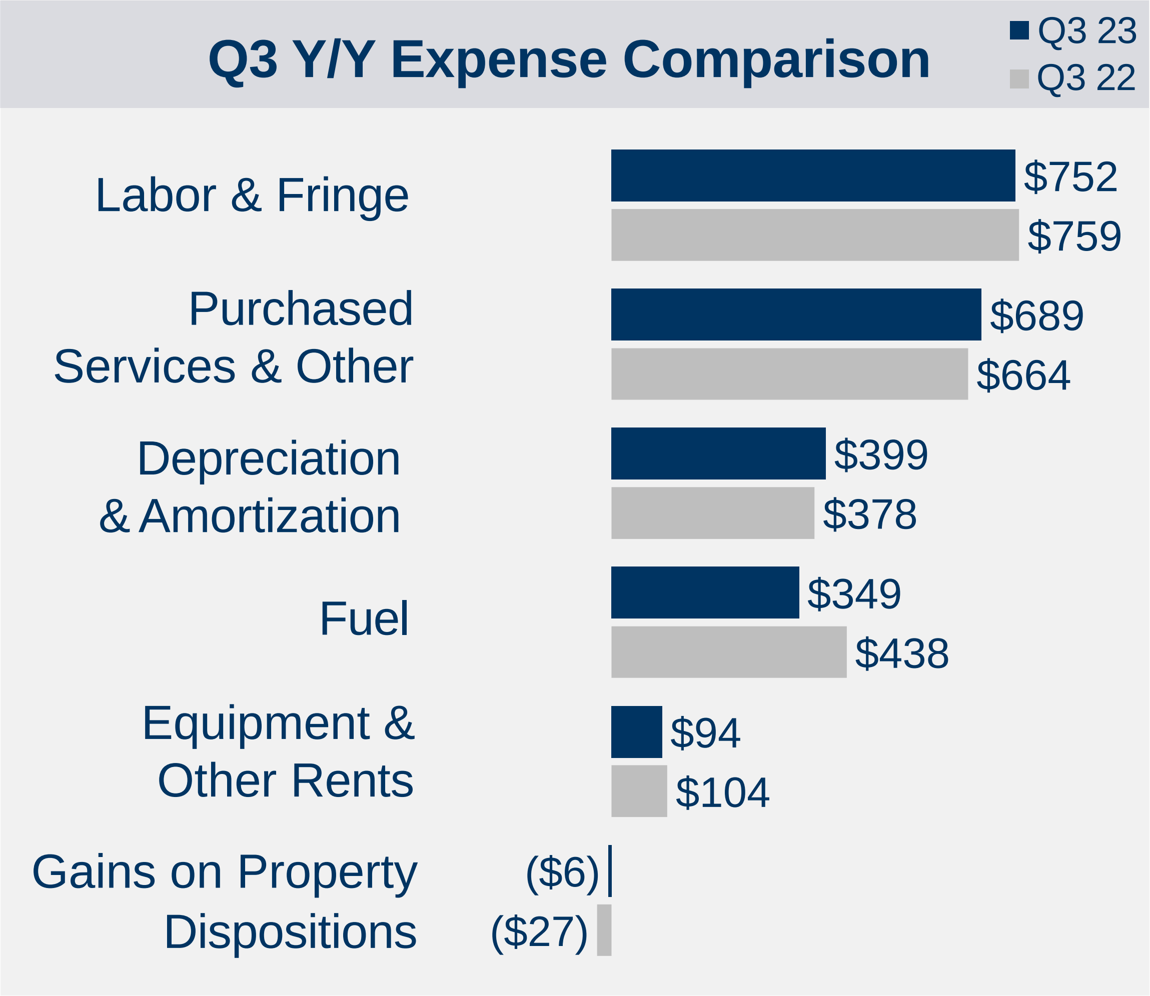
CSX

Third Quarter Earnings Summary

Third Quarter Income Statement

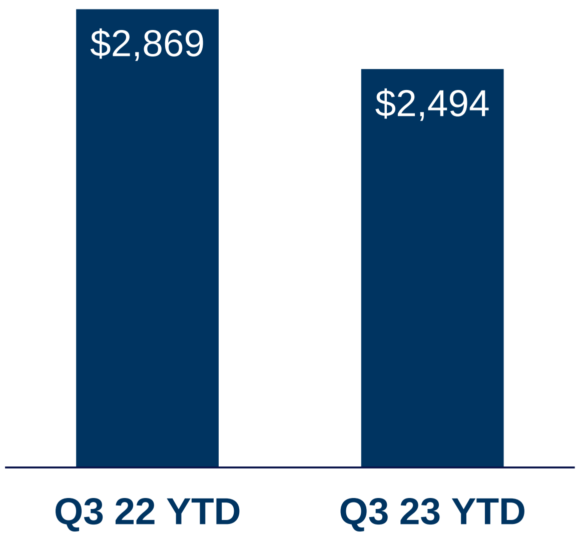
Dollars in Millions	2023	2022	Variance
Revenue	$3,572	$3,895	(8%)
Expense	2,277	2,316	2%
Operating Income	**1,295**	**$1,579**	**(18%)**
Interest Expense & Other Income - Net	(169)	(156)	(8%)
Income Tax Expense	(280)	(312)	10%
Net Earnings	**$846**	**$1,111**	**(24%)**
Earnings Per Share	**$0.42**	**$0.52**	**(19%)**
Operating Ratio	63.8%	59.5%	(430 bps)
Income Tax Rate	24.9%	21.9%	(300 bps)
Average Shares Outstanding, Assuming Dilution *(Millions)*	1,999	2,126	6%

Third Quarter Expense

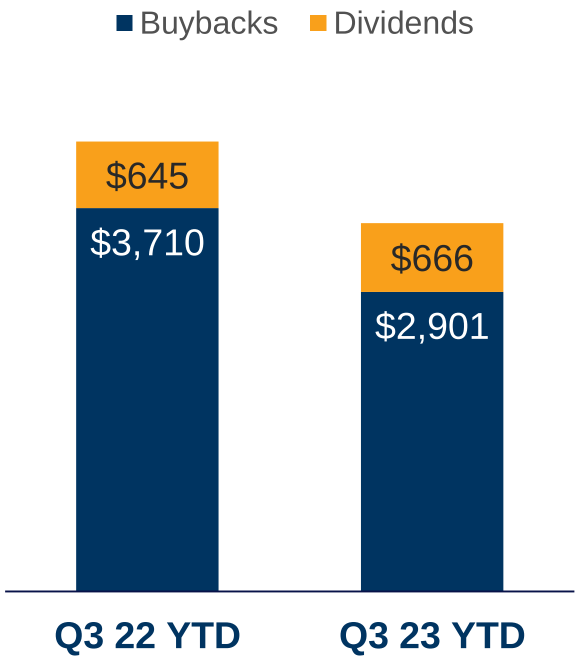


Third Quarter Cash Flow and Distributions

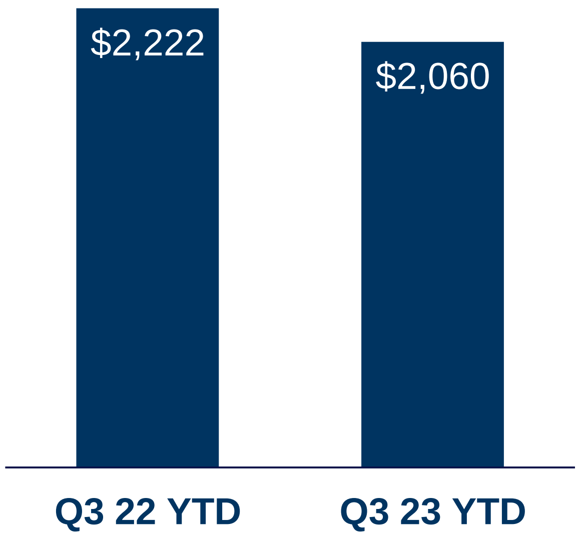
Free Cash Flow Before Dividends*
In Millions



Shareholder Distributions
In Millions



Economic Profit (CSX Cash Earnings)*
In Millions



* See Appendix for Non-GAAP reconciliation

CLOSING REMARKS

Joe Hinrichs

President and Chief Executive Officer

CSX

2023 Guidance Update

- Low single digit revenue ton-mile growth for the full year, driven by merchandise and export coal
  - Merchandise volume growth supported by service recovery, strength in automotive and minerals, customer wins
  - Full year coal volume up on higher export shipments; domestic coal likely to slow over 4Q
  - Domestic intermodal gaining momentum through 4Q; international intermodal remaining stable, benefiting from easier y/y comps
- Pricing reflects higher inflationary environment; full year revenue affected by reduced intermodal storage and lower international coal benchmark prices
  - Supplemental revenues anticipated to decline by ~$325 million
- Focus on efficiency gains to counter strong inflationary pressures
- Capex still expected to be ~$2.3 billion, with increased focus on growth initiatives

APPENDIX

Non-GAAP Reconciliations

Non-GAAP Free Cash Flow Reconciliation

Free Cash Flow

	Nine Months Ended	
Dollars in millions	**Sep 30, 2023**	**Sep 30, 2022**
Net Cash Provided by Operating Activities[a]	**$ 4,049**	**$ 4,255**
Property Additions	(1,590)	(1,437)
Proceeds and Advances from Property Dispositions	35	51
Free Cash Flow Before Dividends (non-GAAP)	$ 2,494	$ 2,869

[a] Net Cash Provided by Operating Activities for six months ended September 30, 2023, includes the impact of $238 million in payments of retroactive wages and bonuses related to finalized labor agreements as well as the offsetting impact of postponed federal estimated tax payments.

Non-GAAP CSX Cash Earnings Reconciliation

CSX Cash Earnings (CCE)

	Nine Months Ended	
Dollars in millions	**Sep 30, 2023**	**Sep 30, 2022**
Operating Income	$ 4,241	$ 4,564
Add: Depreciation, Amortization, and Operating Lease Expense	1,275	1,185
Remove: Unusual Items[a]	-	(142)
Earnings before Interest, Taxes, Depreciation, Amortization (EBITDA)	$ 5,516	$5,607
15% Assumed Cash Tax	(827)	(841)
Gross Cash Earnings	**$ 4,689**	**$ 4,766**
Current Assets (Less Cash and ST Investments)	($ 1,894)	($ 1,869)
Gross Properties	(48,843)	(47,259)
Other Assets	(3,831)	(3,875)
Non-Interest Bearing Liabilities	10,747	10,603
Gross Adjusted Assets	($ 43,821)	($ 42,400)
8% Capital Charge (Quarterly)	**($ 2,629)**	**($ 2,544)**
CSX Cash Earnings	**$ 2,060**	**$2,222**

[a] Unusual items defined as unique events with greater than $100M full year operating income impact; 2022 figure attributed to gains from the Virginia transaction, which totaled $142M through September 30

CSX