



**35th ANNUAL
BERNSTEIN STRATEGIC
DECISIONS CONFERENCE**

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.

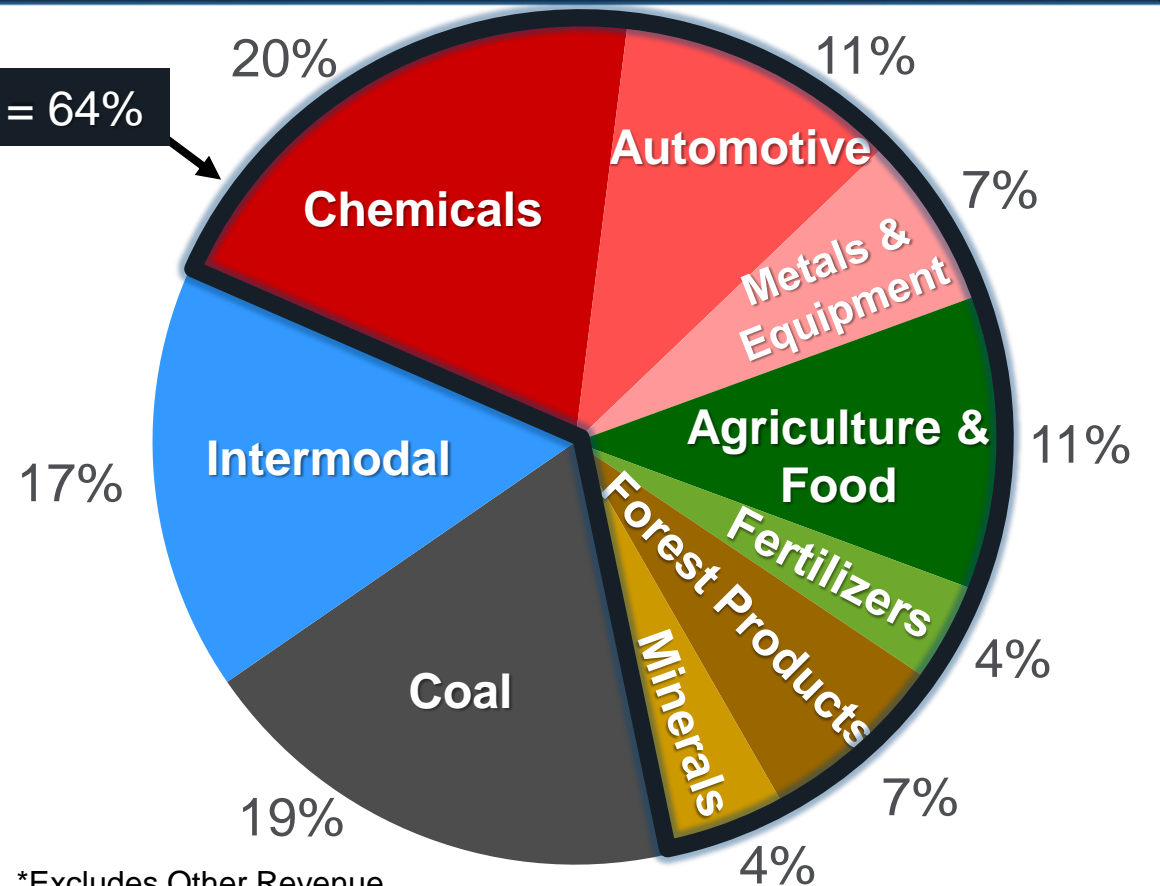
FAR-REACHING AND DIVERSE REVENUE BASE

CSX network reaches nearly two-thirds of the U.S. Population

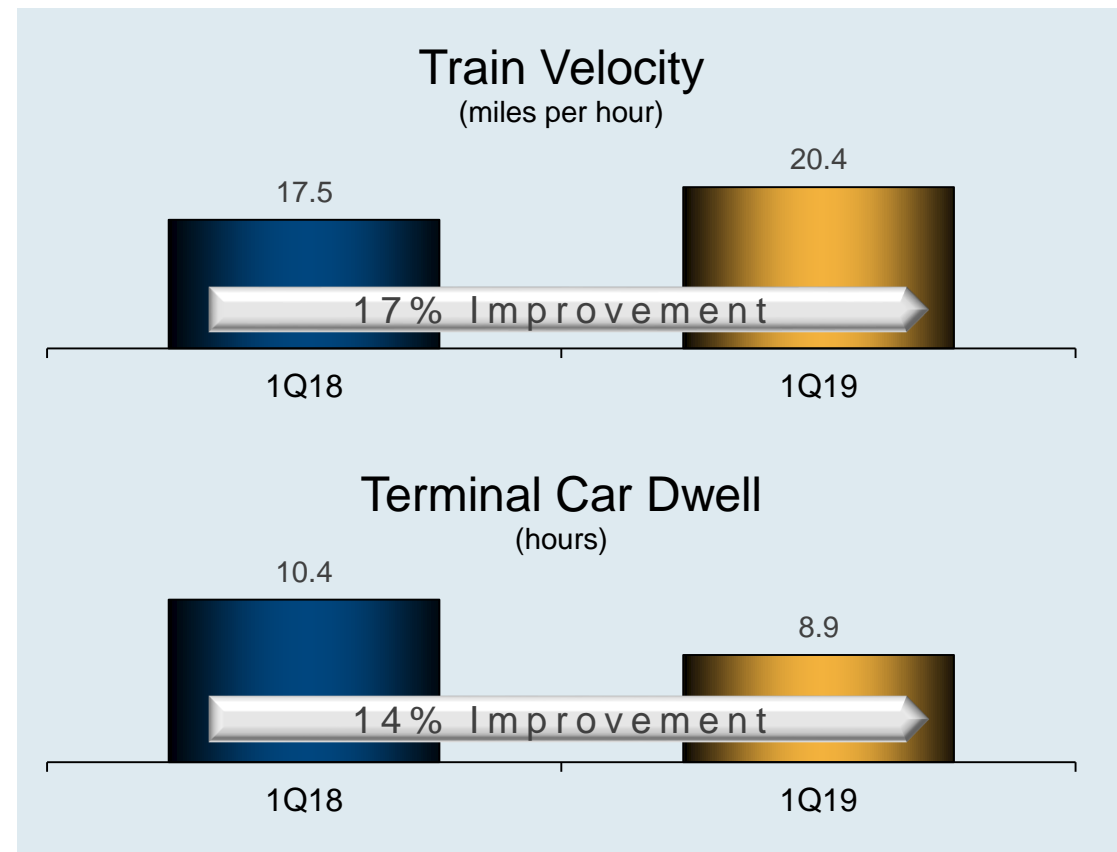
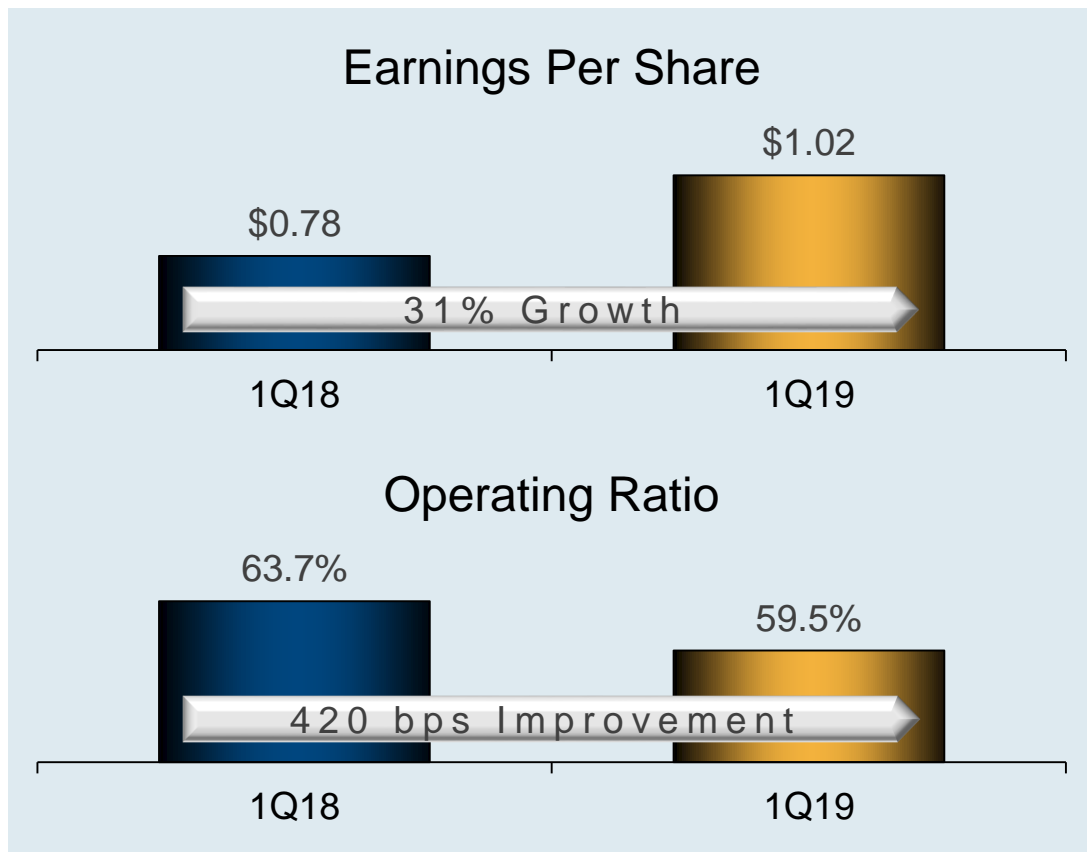


2018 Revenue by Market: ~\$12 Billion*

Merchandise = 64%

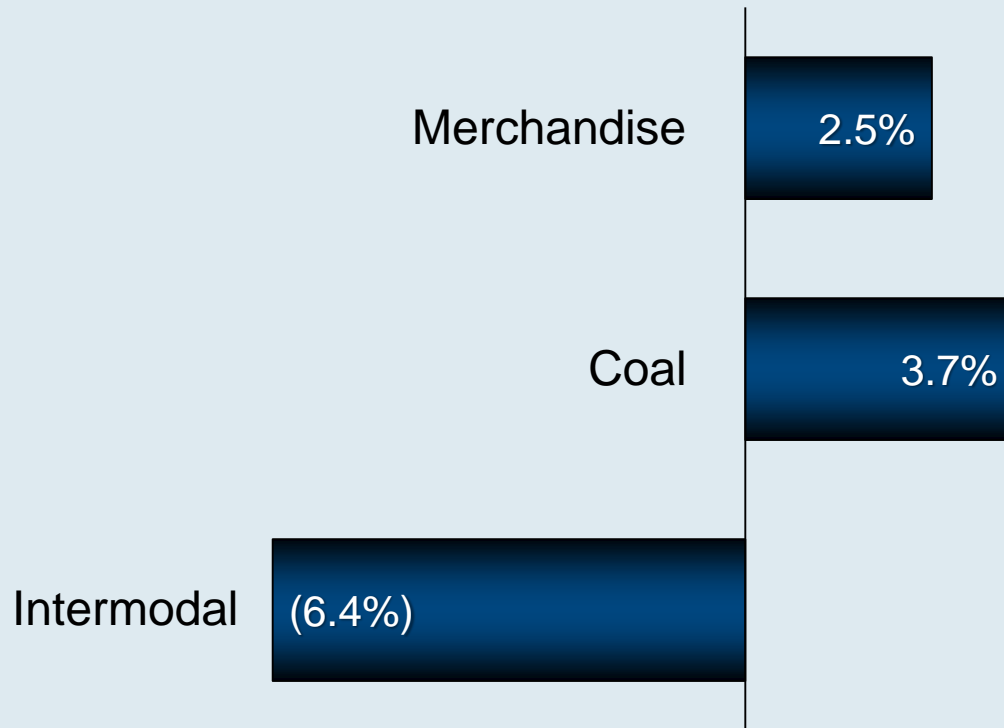


CONTINUED FINANCIAL AND OPERATING MOMENTUM IN Q1



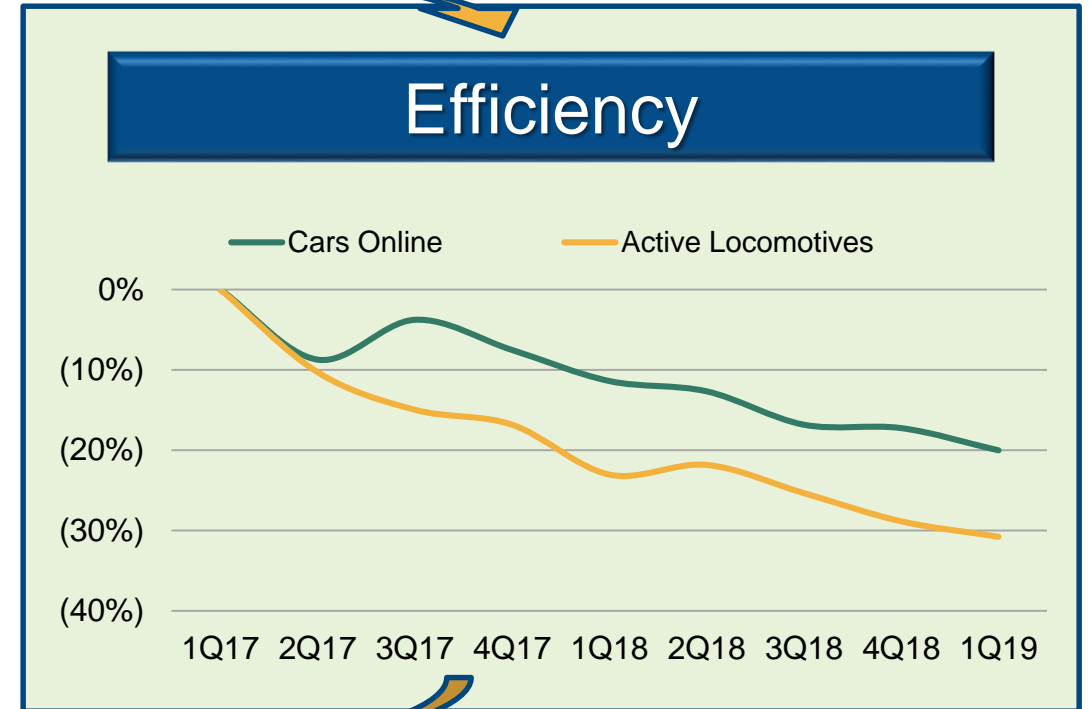
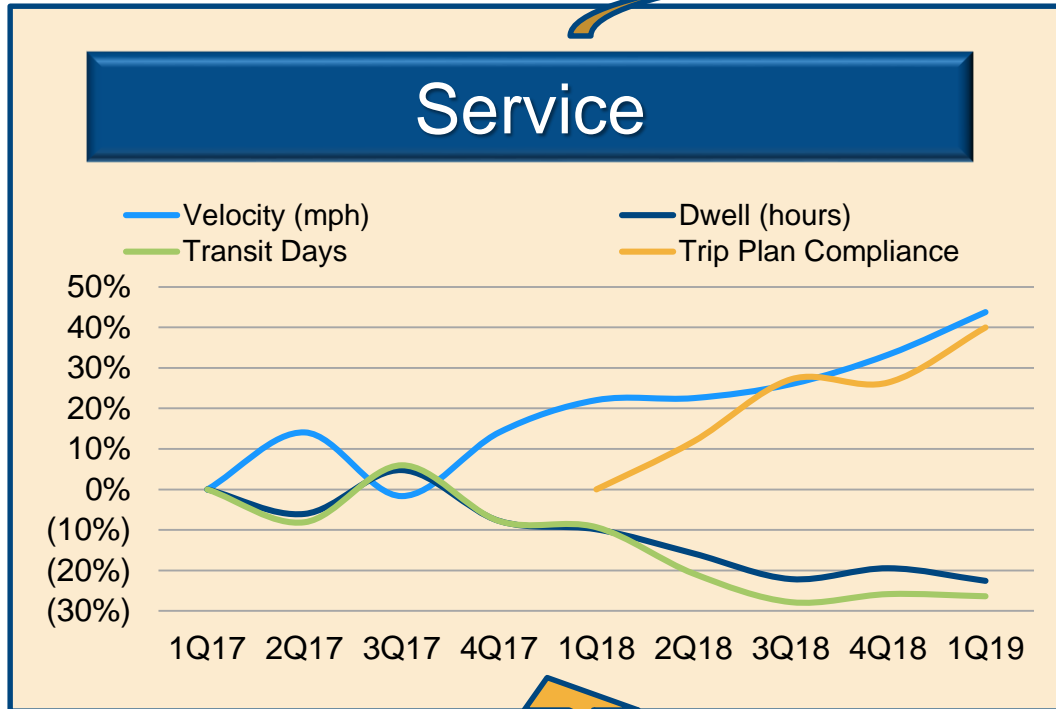
YTD VOLUMES DRIVEN BY IMPROVED MERCHANDISE OFFERING

Year to Date Volumes, Year over Year
AAR Reported Carloads, Through Week 21



- Merchandise volume growth the result of best-in-class service and reliability
- Coal growth led by domestic steel & industrial demand and higher utility shipments
- Intermodal volumes impacted by strategic lane rationalizations and softer domestic market
- Reaffirm full year 2019 low-single digit revenue growth outlook

SERVICE AND EFFICIENCY GAINS CREATING VIRTUOUS CYCLE



Reduced average transit time by **2 days and significantly improved reliability**

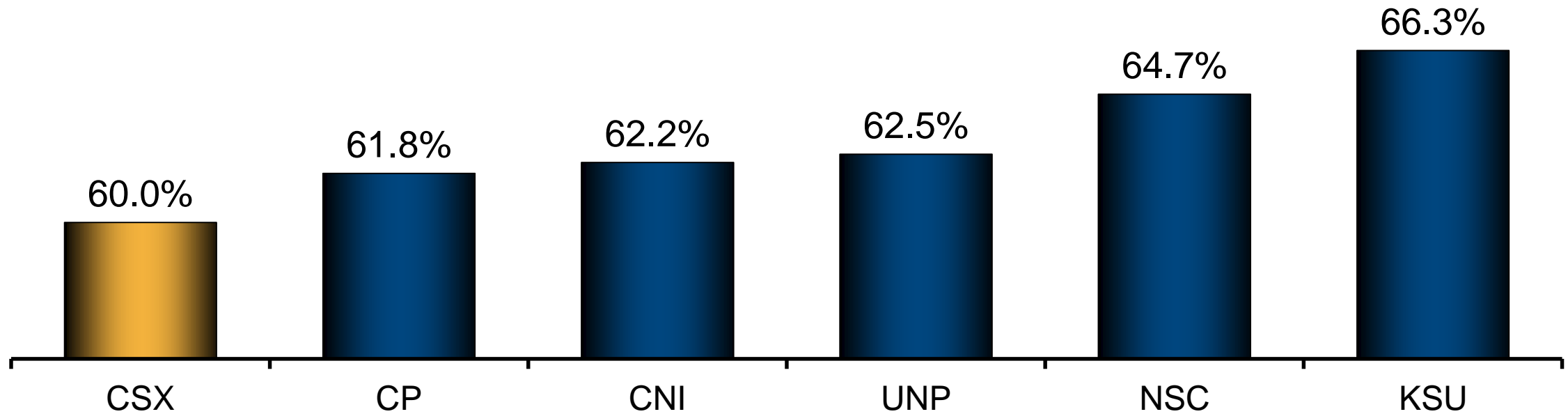
Note: Graphs represent percentage improvement in key metrics since 1Q17

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

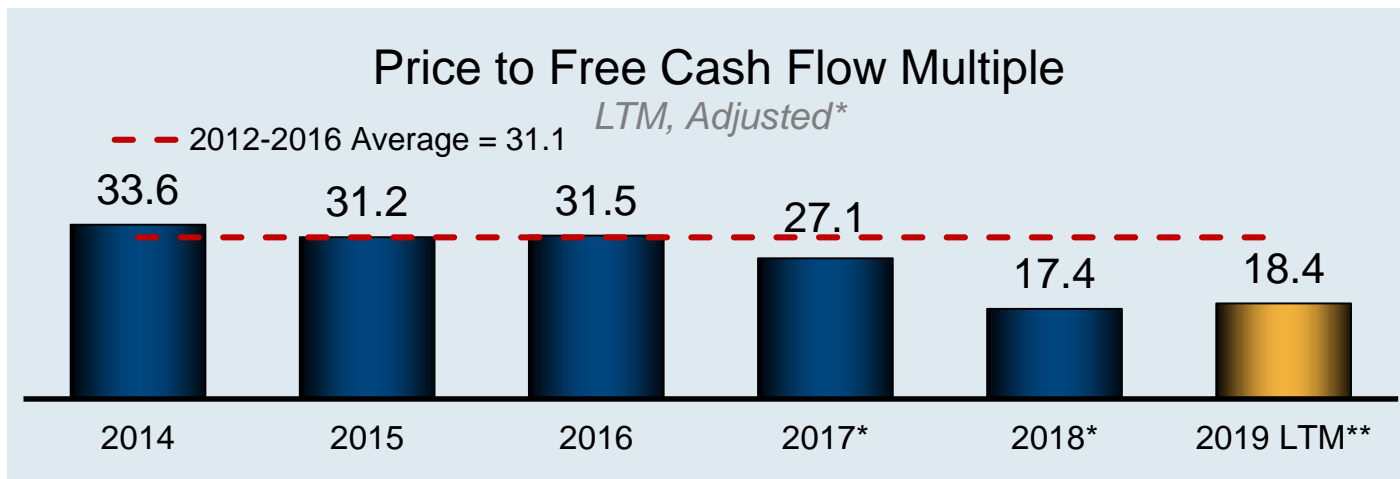
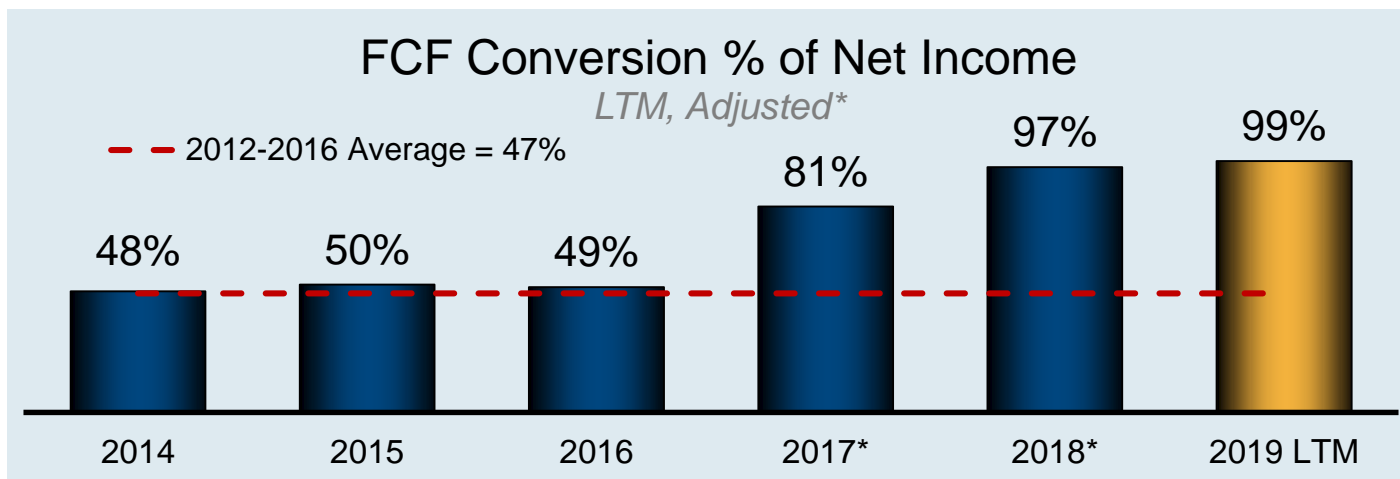


DELIVERING INDUSTRY-LEADING MARGINS

Trailing Twelve-Month
Operating Ratio
Industry Comparison, As Reported



ASSET UTILIZATION DRIVING FCF CONVERSION STEP CHANGE



- **Significantly improved asset efficiency**
 - Right-sizing active locomotive and car fleet
 - Focus on identifying projects with appropriate return profiles
 - Maintaining track infrastructure spend
- **Increased capital returns to shareholders**
 - \$5.4 billion returned to shareholders in 2018
 - Authorized new \$5 billion share buyback program on January 16, 2019
 - 9% dividend increase (February 2019)



[CSX.COM / INVESTORS](https://www.csx.com/investors)

APPENDIX

NON-GAAP ADJUSTED RESULTS RECONCILIATION

Adjusted Free Cash Flow

Dollars in millions	Fiscal Year 2017	Fiscal Year 2018	Quarters Ended March 31, 2019
Net Cash Provided by Operating Activities	\$ 3,472	\$ 4,641	\$ 1,173
Property Additions	(2,040)	(1,745)	(353)
Other Investing Activities	134	292	46
Free Cash Flow (before payment of dividends)	1,566	3,188	866
Add back: Cash Payments for Restructuring Charge (after-tax)	135	11	-
Adjusted Free Cash Flow Before Dividends (non-GAAP)	\$ 1,701	\$ 3,199	866

Adjusted Operating Results

Dollars in millions	Fiscal Year 2017
Net Earnings	\$ 5,471
Restructuring Charge	203
Tax Reform Benefit (net)	(3,577)
Adjusted Net Earnings (non-GAAP)	\$ 2,097