

2018 FIRST QUARTER
CSX EARNINGS CONFERENCE CALL



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 1,532K

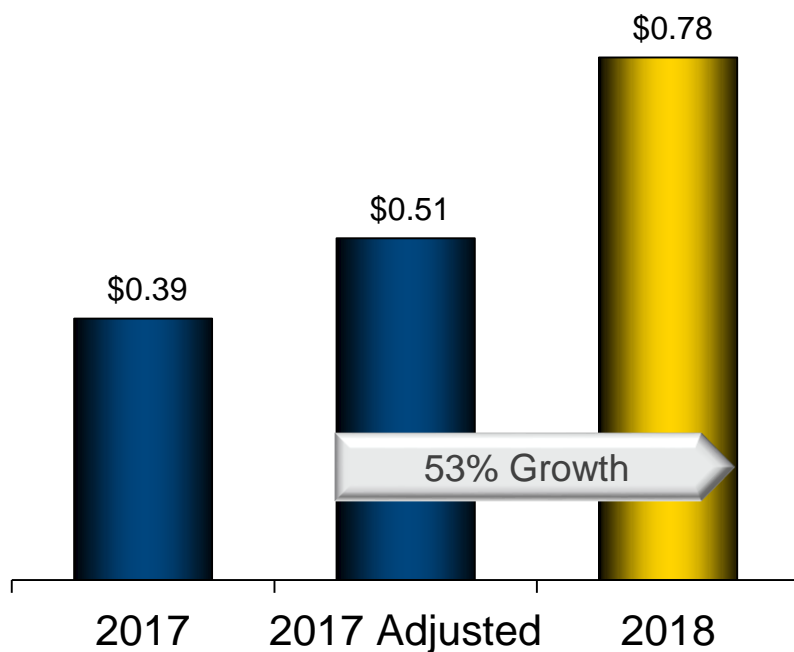
Revenue \$2,876M

Operating Income \$1,044M

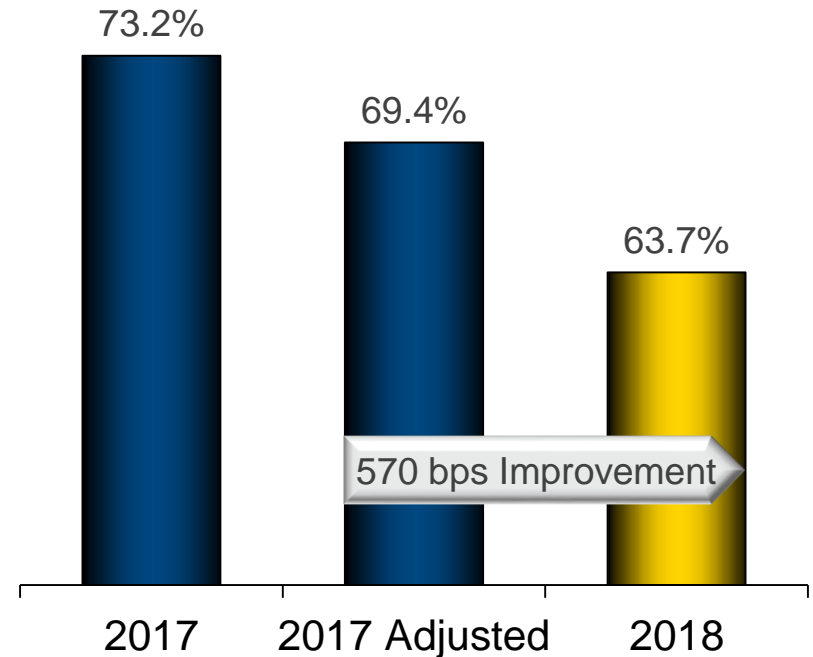
Operating Ratio 63.7%

EPS \$0.78

Earnings Per Share



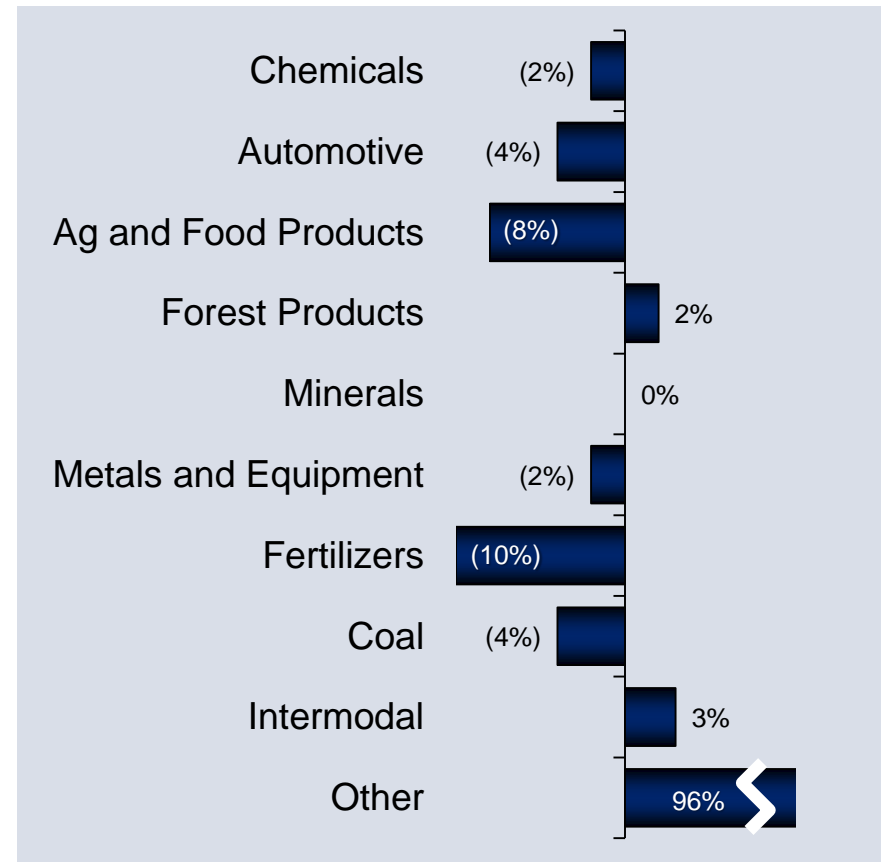
Operating Ratio



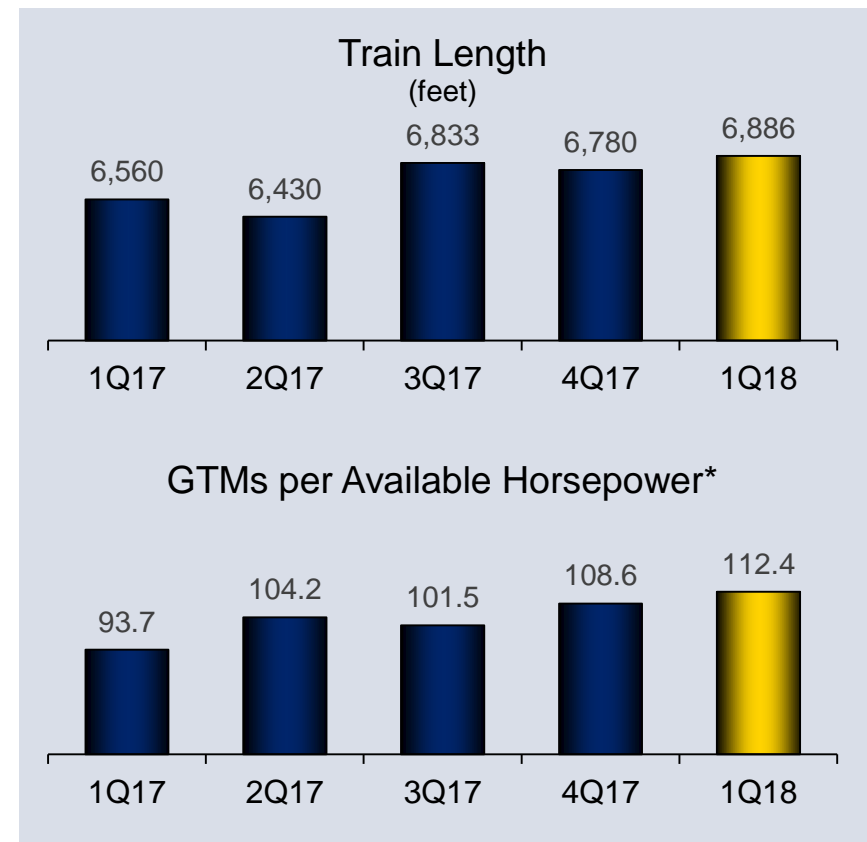
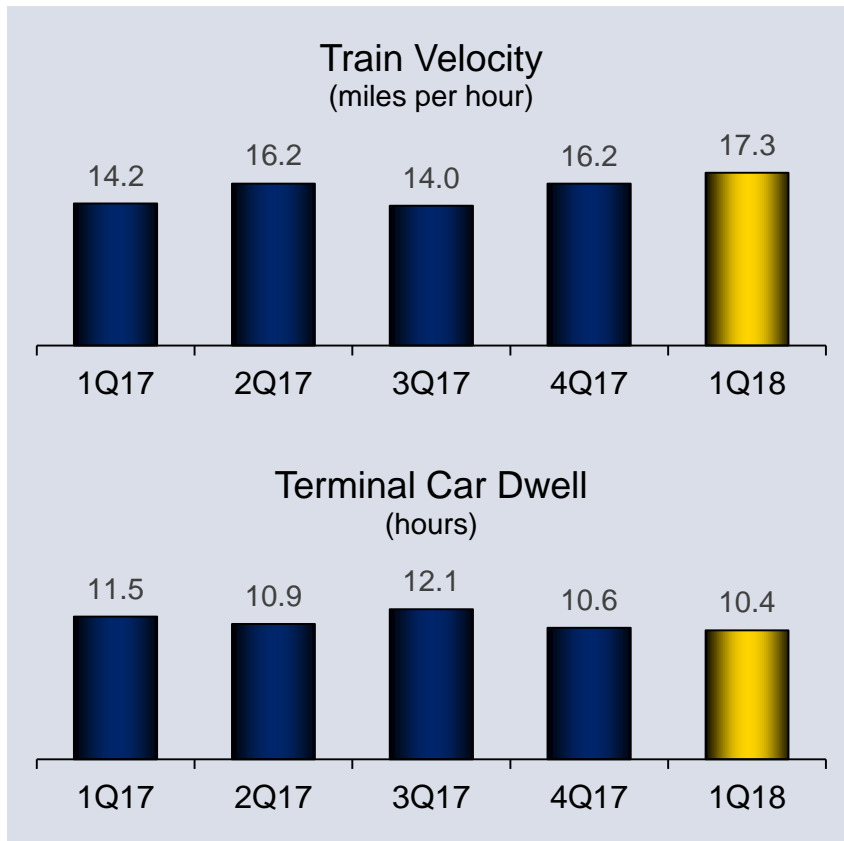
FIRST QUARTER REVENUE HIGHLIGHTS

- Chemicals revenue lower due to reduced fly ash, plastics and energy-related shipments
- Auto revenues impacted by lower North American vehicle production
- Agricultural and Food Product revenue declines primarily centered in ethanol and export grain
- Fertilizer revenue declines driven by closure of a customer facility and weather impacts
- Domestic coal declines were somewhat offset by a favorable export coal market environment
- Intermodal revenue increase led by strong International service growth
- Other revenue increase driven by demurrage, liquidated damages and other supplemental

First Quarter Revenue Flat Year over Year



FIRST QUARTER OPERATING HIGHLIGHTS



*GTM per Available Horsepower: Measure of locomotive productivity as a ratio of gross ton miles to total available locomotive horsepower (excludes locomotives out of service, stored, offline, and leased to others)

FINANCIAL REVIEW

Frank A. Lonegro
EVP and Chief Financial Officer

FIRST QUARTER EARNINGS SUMMARY

First Quarter Income Statement

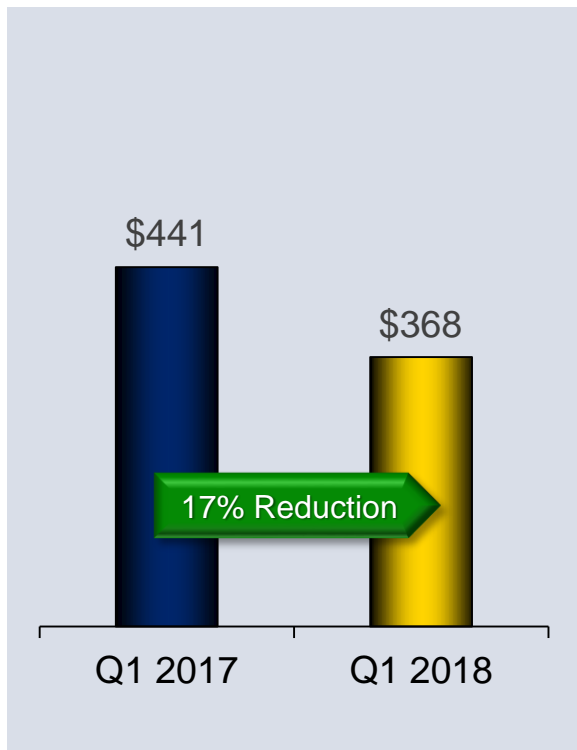
| Dollars in millions | 2018 | 2017 | Variance |
|--------------------------------------|----------|----------|----------|
| Revenue | \$ 2,876 | \$ 2,869 | 0% |
| Expense | | | |
| Labor and Fringe | 696 | 795 | 12% |
| Materials, Supplies and Other | 482 | 571 | 16% |
| Depreciation | 323 | 320 | (1%) |
| Fuel | 255 | 218 | (17%) |
| Equipment and Other Rents | 101 | 99 | (2%) |
| Restructuring Charge | - | 110 | 100% |
| Equity Earnings of Affiliates | (25) | (13) | 92% |
| Total Expense | 1,832 | 2,100 | 13% |
| Operating Income | 1,044 | 769 | 36% |
| Interest Expense | (149) | (137) | (9%) |
| Restructuring Charge – Non-Operating | - | (63) | 100% |
| Other Income – Net | 17 | 13 | 31% |
| Income Tax Expense | (217) | (220) | 1% |
| Net Earnings | \$ 695 | \$ 362 | 92% |
| Earnings Per Share | \$ 0.78 | \$ 0.39 | 100% |
| Operating Ratio | 63.7% | 73.2% | 950 bps |

Certain prior year data has been reclassified to conform to the current presentation

KEY FIRST QUARTER FINANCIAL MEASURES

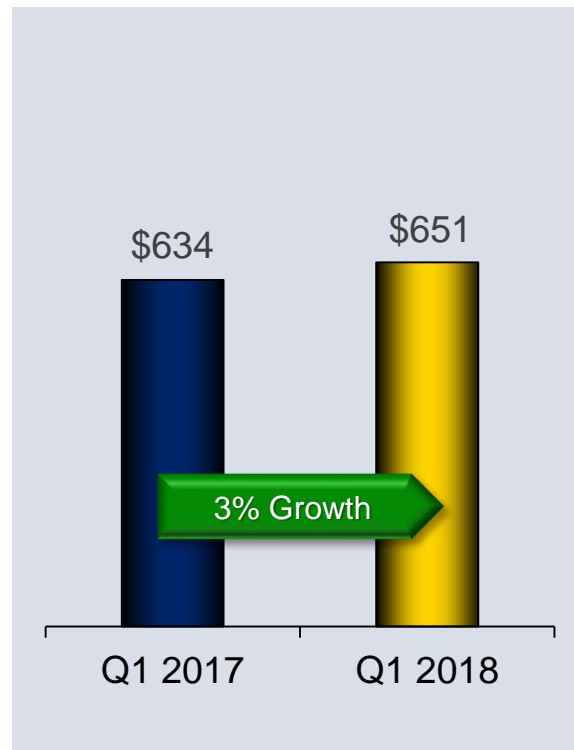
Capital Investments

Dollars in Millions



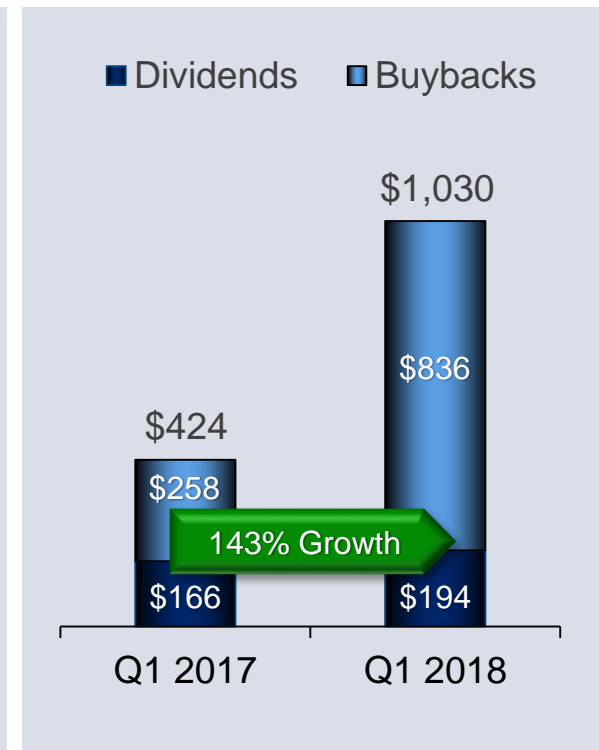
Adjusted Free Cash Flow Before Dividends

Dollars in Millions



Distributions

Dollars in Millions



CLOSING REMARKS

James M. Foote
President and Chief Executive Officer

2018 FINANCIAL OUTLOOK

- **As previously stated, expect revenue up slightly**
 - Increased confidence given positive momentum heading into 2nd quarter
- **Continuing to drive service improvements**
 - No longer required to have weekly calls with STB
- **Driving significant efficiency gains**
 - Expect solid step down in operating ratio in 2018
- **Intense safety focus and PTC efforts**
 - Safety is our top priority



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