



Third Quarter 2024 Financial and Operating Results

October 22, 2024



TSX: CNR NYSE: CNI

Forward-looking statements

Certain statements included in this presentation constitute "forward-looking statements" within the meaning of the *United States Private Securities Litigation Reform Act of 1995* and under Canadian securities laws, including statements based on management's assessment and assumptions and publicly available information with respect to CN. By their nature, forward-looking statements involve risks, uncertainties and assumptions. CN cautions that its assumptions may not materialize and that current economic conditions render such assumptions, although reasonable at the time they were made, subject to greater uncertainty. Forward-looking statements may be identified by the use of terminology such as "believes," "expects," "anticipates," "assumes," "outlook," "plans," "targets", or other similar words.

2024 Key Assumptions

CN has made a number of economic and market assumptions in preparing its 2024 outlook. The Company continues to assume slightly positive North American industrial production in 2024. For the 2023/2024 crop year, the grain crop in Canada was below its three-year average (excluding the significantly lower 2021/2022 crop year) and the U.S. grain crop was above its three-year average. The Company continues to assume that the 2024/2025 grain crop in Canada will be in line with its three-year average (excluding the significantly lower 2021/2022 crop year) and that the U.S. grain crop will be above its three-year average. CN continues to assume RTM growth will be at the low end of the 3%-5% range assumed previously. CN assumes continued pricing above rail inflation. CN also continues to assume that in 2024, the value of the Canadian dollar in U.S. currency will be approximately \$0.75, and that in 2024 the average price of crude oil (West Texas Intermediate) will be in the range of US\$80 - US\$90 per barrel. Additionally, CN assumes that there will be no further rail or port labor disruptions in 2024.

2024-2026 Key Assumptions

CN has made a number of economic and market assumptions in preparing its three-year financial perspective. CN continues to assume that the North American industrial production will increase by approximately 1% CAGR over the 2024 to 2026 period. CN assumes continued pricing above rail inflation. CN assumes that the value of the Canadian dollar in U.S. currency will be approximately \$0.75 and that the average price of crude oil (West Texas Intermediate) will be approximately US\$80 per barrel during this period.

Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and other factors which may cause actual results, performance or achievements of CN to be materially different from the outlook or any future results, performance or achievements implied by such statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements. Important risk factors that could affect the forward-looking statements in this presentation include, but are not limited to, general economic and business conditions, including factors impacting global supply chains such as pandemics and geopolitical conflicts and tensions; industry competition; inflation, currency and interest rate fluctuations; changes in fuel prices; legislative and/or regulatory developments; compliance with environmental laws and regulations; actions by regulators; increases in maintenance and operating costs; security threats; reliance on technology and related cybersecurity risk; trade restrictions or other changes to international trade arrangements; transportation of hazardous materials; various events which could disrupt operations, including illegal blockades of rail networks, and natural events such as severe weather, droughts, fires, floods and earthquakes; climate change; labor negotiations and disruptions; environmental claims; uncertainties of investigations, proceedings and other types of claims and litigation; risks and liabilities arising from derailments; timing and completion of capital programs; the availability of and cost competitiveness of renewable fuels and the development of new locomotive propulsion technology; reputational risks; supplier concentration; pension funding requirements and volatility; and other risks detailed from time to time in reports filed by CN with securities regulators in Canada and the United States. Reference should also be made to Management's Discussion and Analysis (MD&A) in CN's annual and interim reports, Annual Information Form and Form 40-F, filed with Canadian and U.S. securities regulators and available on CN's website, for a description of major risk factors relating to CN.

Forward-looking statements reflect information as of the date on which they are made. CN assumes no obligation to update or revise forward-looking statements to reflect future events, changes in circumstances, or changes in beliefs, unless required by applicable securities laws. In the event CN does update any forward-looking statement, no inference should be made that CN will make additional updates with respect to that statement, related matters, or any other forward-looking statement. Information contained on, or accessible through, our website is not incorporated by reference into this presentation.

Non-GAAP measures

CN's full-year and long-term adjusted diluted EPS outlook, full-year adjusted ROIC outlook and adjusted debt to adjusted EBITDA target exclude certain adjustments, which are expected to be comparable to adjustments made in prior years. However, management cannot individually quantify on a forward-looking basis the impact of these adjustments on its adjusted diluted EPS, adjusted ROIC, or adjusted debt to adjusted EBITDA because these items, which could be significant, are difficult to predict and may be highly variable. As a result, CN does not provide a corresponding GAAP measure for, or reconciliation to, its adjusted diluted EPS outlook, adjusted ROIC outlook, or adjusted debt to adjusted EBITDA target

All amounts in this presentation are expressed in Canadian dollars, unless otherwise noted.

On the call today



Tracy Robinson

President and CEO



Derek Taylor

Chief Field Operating Officer



Pat Whitehead

Chief Network Operating Officer



Remi G. Lalonde

Chief Commercial Officer



Ghislain Houle

Chief Financial Officer



Tracy Robinson

President and Chief Executive Officer

Looking beyond the third quarter and getting back on track

- Railroad operations are fully recovered following the August work stoppage
- Arbitration process underway and proceeding as expected
- CN-specific initiatives providing growth in a weaker than expected macro environment
- Thoughtfully pulling levers to align resources and drive operating margin improvement

Q3 Diluted EPS

\$1.72

+2%

Q3 Operating Ratio

63.1%

+110 bps

Reaffirmed 2024 Guidance ⁽¹⁾⁽²⁾

**Adj. Diluted EPS
growth in the low
single-digit range**

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Derek Taylor

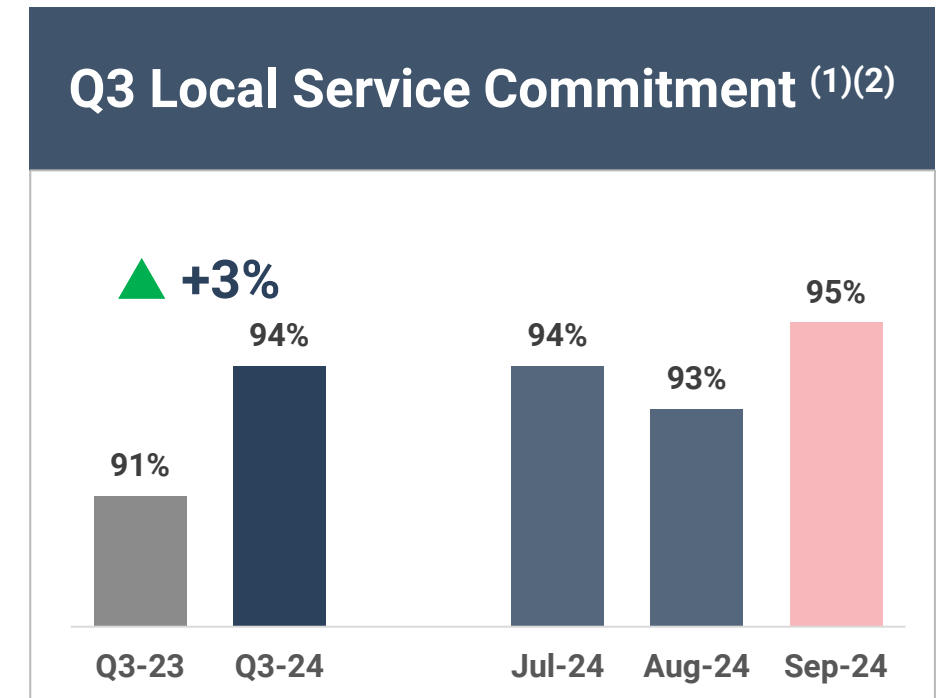
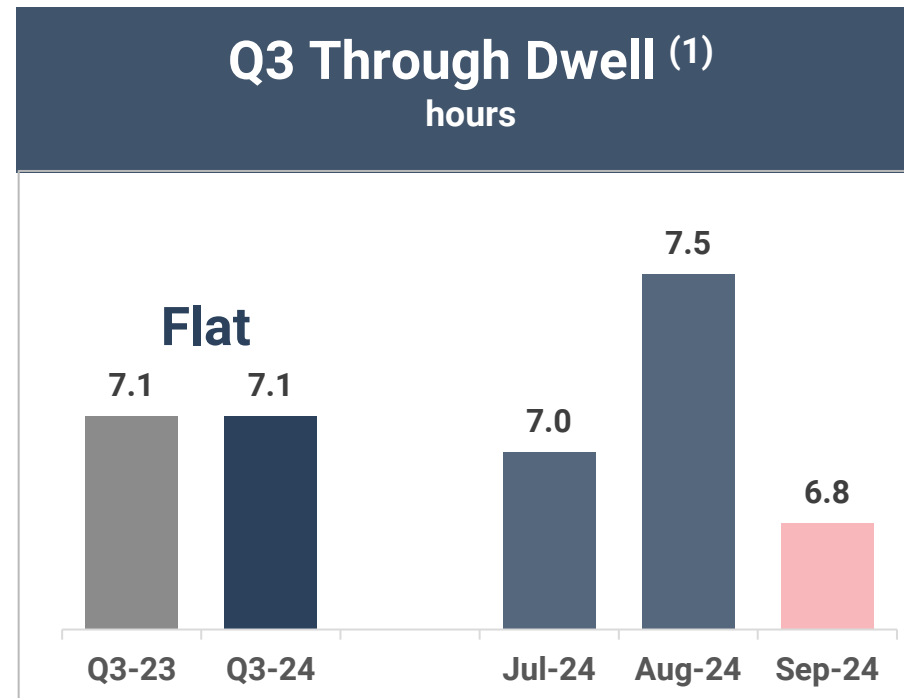
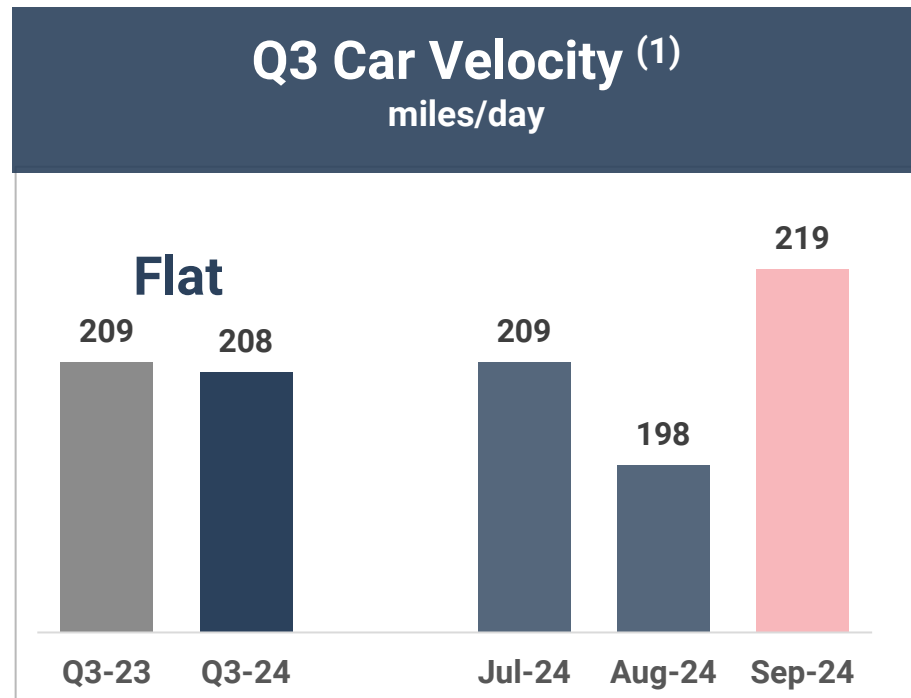
Chief Field Operating Officer



Operations quick to snap back following significant disruptions



- Car velocity and through dwell impacted by Canadian network shutdown and Jasper wildfires
 - Notably September posted the best monthly velocity and dwell performance since 2018, demonstrating the strength of the scheduled operating plan
- Excellent local service for our customers remains a top priority



(1) Operating measures are unaudited and based on estimated data available at such time and are subject to change as more complete information becomes available.

(2) Local Service Commitment, which is defined as the percentage of cars that successfully completed their Daily Operating Plan, averaged 94% in Q3 2024, an improvement of 3% compared to 91% for the same period in 2023.

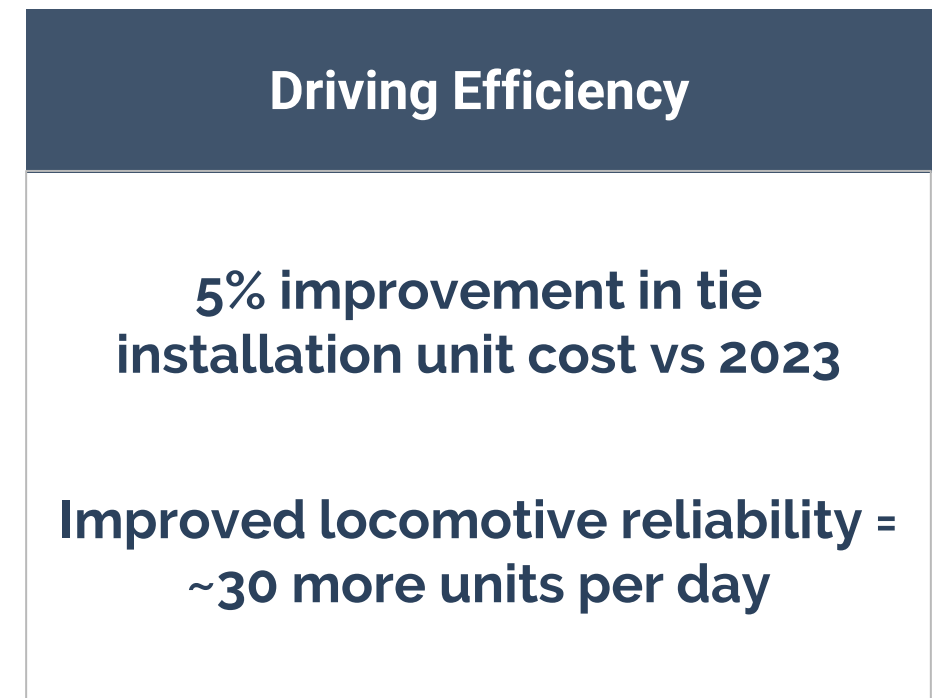
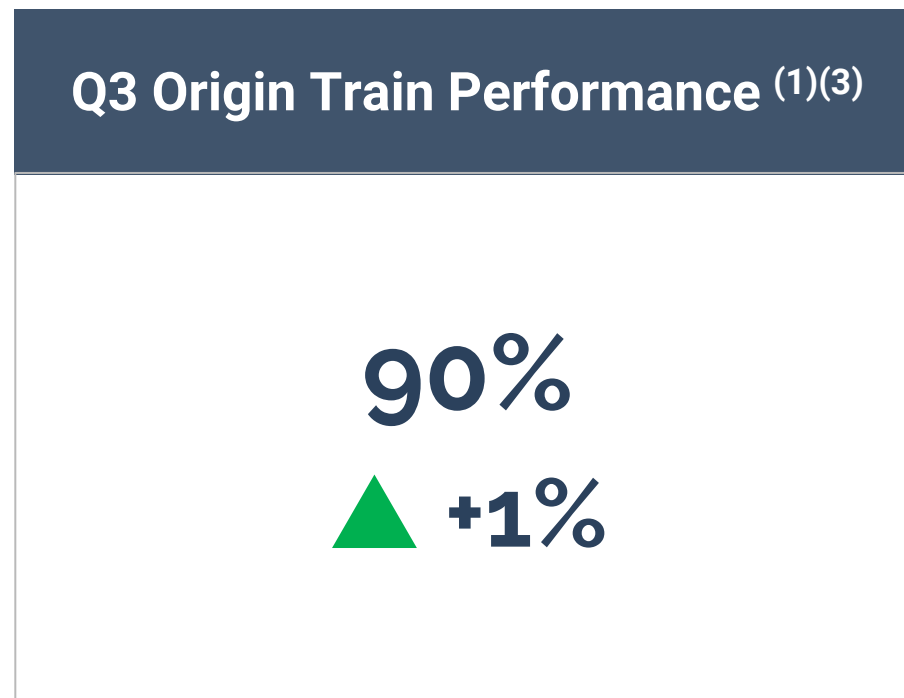


Pat Whitehead

Chief Network Operating Officer

Charting a roadmap for the long-term

- Behavior-based training – a key pillar in our Journey to zero serious injuries and fatalities
- The scheduled operating plan is our North Star, enabling the network to recover quickly following disruptions
- Aligning resource requirements to evolving customer demand
- Driving incremental efficiencies in Engineering and Mechanical



(1) Operating measures and safety indicators are unaudited and based on estimated data available at such time and are subject to change as more complete information becomes available.

(2) Based on Federal Railroad Administration (FRA) reporting criteria.

(3) Origin train performance, which is defined as the percentage of manifest, automotive, and domestic intermodal trains departing origin within allowance of the scheduled time, averaged 90% in Q3 2024, an improvement of 1% compared to 89% for the same period in 2023.

Remi G. Lalonde

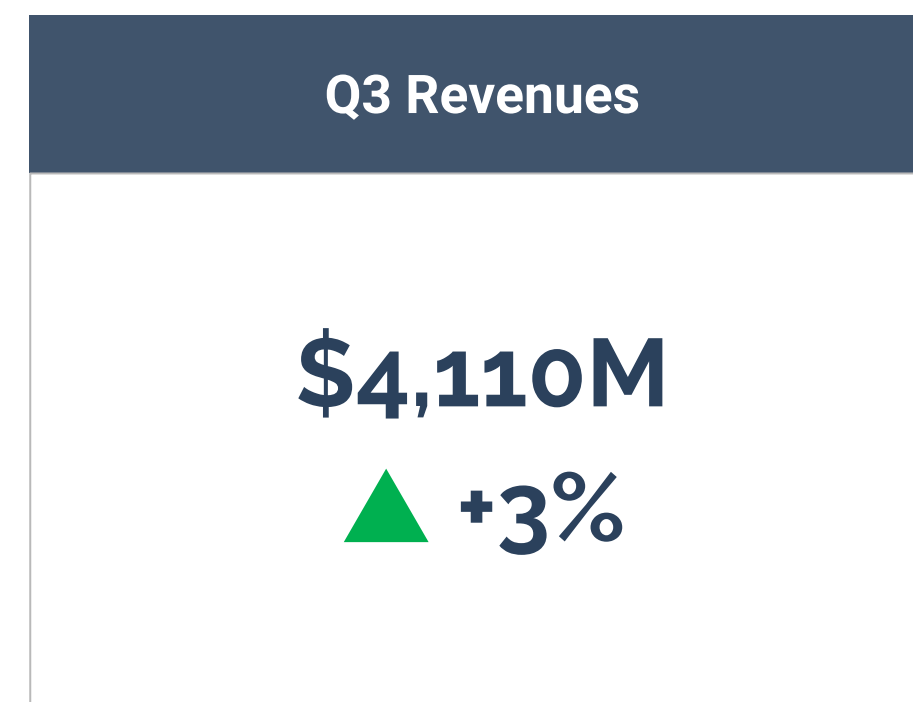
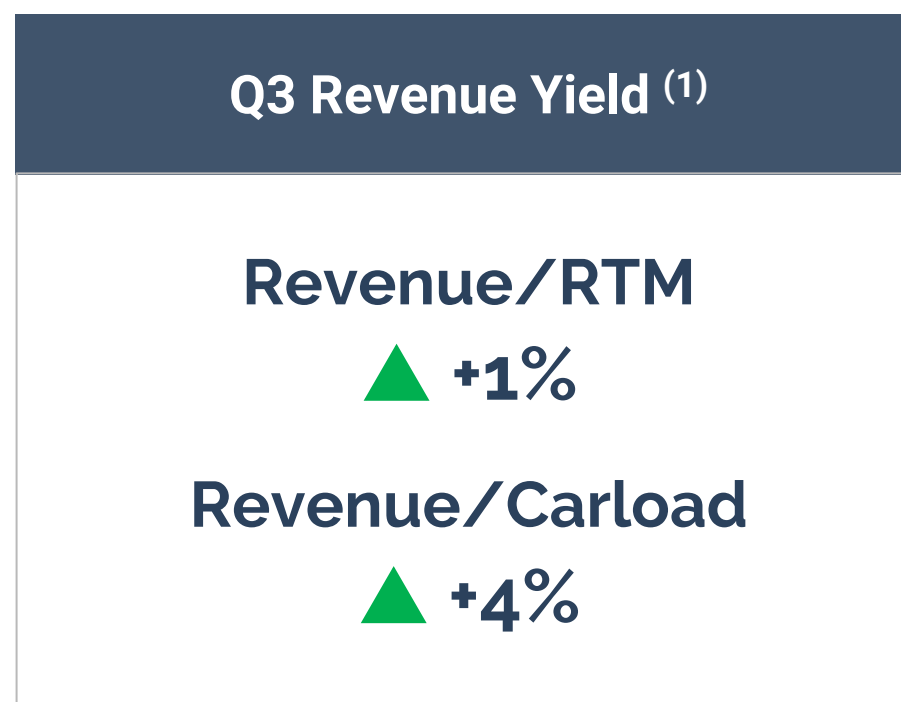
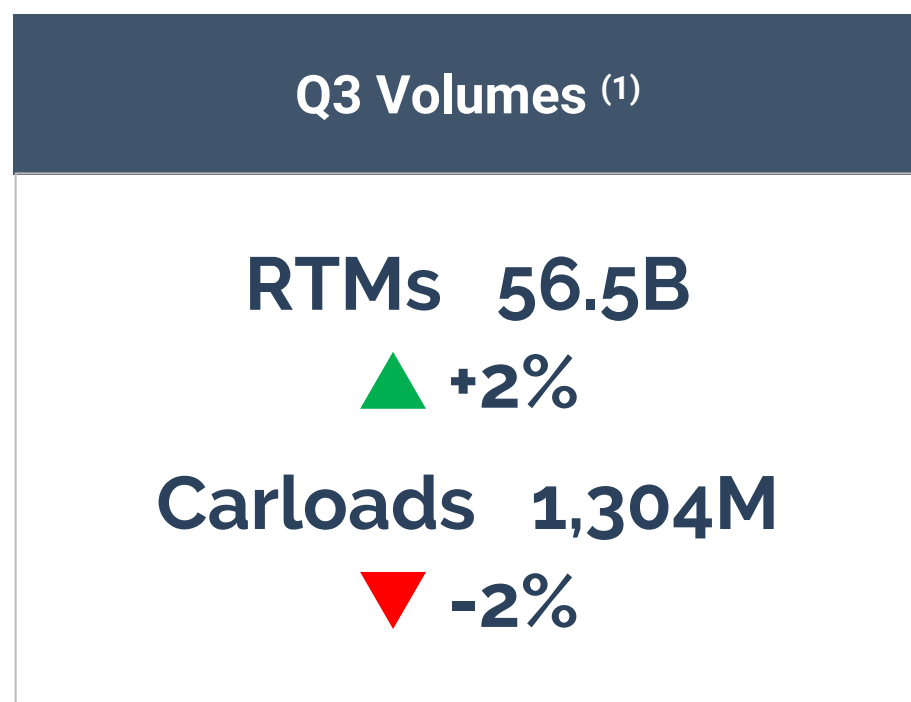
Chief Commercial Officer



Volume growth in the quarter tempered by labor uncertainty



- Prolonged labor uncertainty leading to work stoppage, as well as a softer macro, tempered volume growth (RTMs) to 2% in the quarter
- RTM increase driven by CN-specific long-haul opportunities in refined petroleum products, gains in international intermodal as well as strong Canadian grain exports
- Continued pricing above rail cost inflation



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Canadian Grain driving Q4 upside



Merchandise

↔ Petroleum Products

- Continued strong Eastern Canada demand for refined fuels offset by lower crude shipments & NGLs mix shift

↓ Metals and Minerals

- Early seasonal slowdown in frac sand and softer market demand for metals & minerals

↔ Chemicals and Plastics

- Plastics growth offset by plant closures

↔ Forest Products

- Lumber demand remains weak

Bulk

↑ Grain

- [Cdn] Running to capacity in Q4
- [U.S.] Good crop production in CN draw territory

↔ Coal

- [Cdn] Incremental production gains
- [U.S.] Softer global thermal coal demand

↓ Fertilizers

- Potash spot moves in 2023

Consumer Products

↑ International

- Key customer wins earlier in the year

↔ Domestic

- Excess truck capacity and less robust Canadian consumer sentiment

↓ Automotive

- Plant retooling and rising dealer inventories



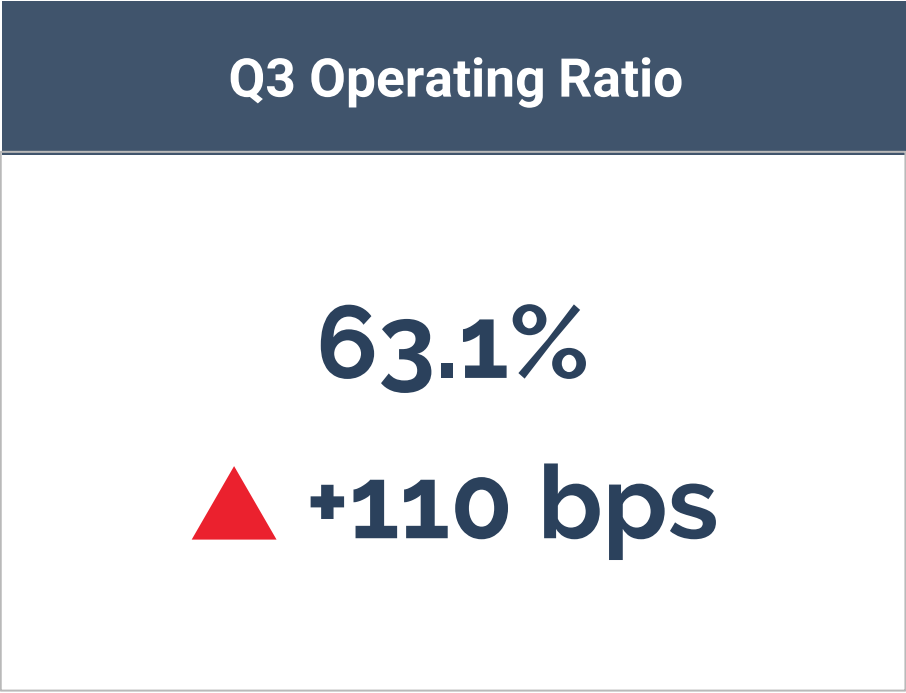
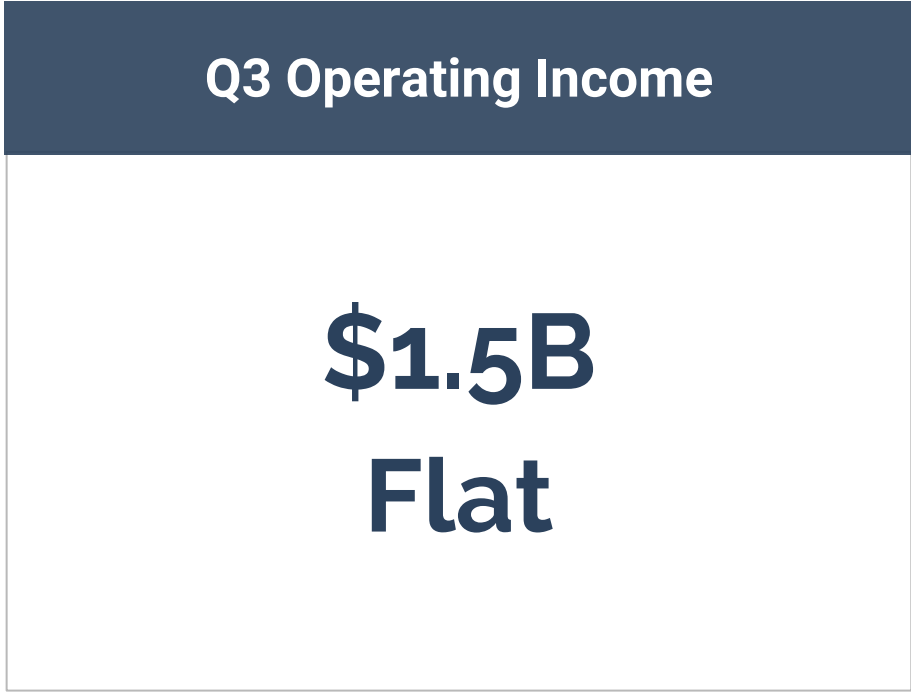
Ghislain Houle

Chief Financial Officer

Labor uncertainty and network disruptions weighed on earnings



- Q3 diluted EPS of \$1.72, up 2% versus 2023
- Work stoppage and Jasper wildfires impacted our ability to deliver margin expansion in the quarter
- Volume growth and resource alignment key for margin improvement in Q4



Reaffirming 2024 financial outlook ⁽¹⁾



- Reaffirming 2024 adjusted diluted EPS ⁽²⁾ growth in the low single-digit range versus 2023
 - Assumes RTM growth at the low end of the of 3%-5% range
- CAPEX on track with guidance, adjusted ROIC ⁽²⁾ in the range of 13%-15%

2024 Adjusted Diluted EPS ⁽²⁾ Growth

In the low
single-digit
range

Disciplined Investment

CAPEX

\$3.5B

net of amounts
reimbursed by
customers

Adjusted
ROIC ⁽²⁾

13%-15%

Steady Capital Allocation

 **+7% dividend growth**

Adjusted debt to
adjusted EBITDA target

2.5x ⁽²⁾

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Tracy Robinson

President and Chief Executive Officer

Momentum heading into 2025

- The railroad is running very well
- CN-specific growth initiatives providing growth in a weaker than expected macro environment
- Aligning resources to the demand we see ahead of us
- Aiming for operating margin improvement

Focused on delivering shareholder value creation