CSX

QUARTERLY FINANCIAL REPORT

FOURTH QUARTER 2024



CSX Quarterly Financial Report

CSX Corp. Announces Fourth Quarter and Full Year 2024 Results

JACKSONVILLE, Fla. – January 23, 2025 – CSX Corp. (NASDAQ: CSX) today announced fourth quarter 2024 operating income of $1.11 billion compared to $1.32 billion in the prior year period. Net income was $733 million, or $0.38 per diluted share, compared to $882 million, or $0.45 per diluted share, in the same period last year. Results for the fourth quarter include a pre-tax, non-cash goodwill impairment charge of $108 million. Total volume of 1.58 million units for the quarter was 1% higher compared to fourth quarter 2023.

For the full year 2024, CSX operating income of $5.25 billion was down 5% from the previous year. Net income for the year was $3.47 billion, or $1.79 per share, compared to $3.67 billion, or $1.82 per share, in 2023.

Adjusted for the goodwill impairment charge, operating income was $1.21 billion for the quarter and $5.35 billion for the year. Adjusted net income was $815 million, or $0.42 per diluted share, for the quarter and $3.55 billion, or $1.83 per diluted share, for the full year.

“While 2024 had its challenges, I am proud of how the ONE CSX team responded. We managed through substantial impacts from major hurricanes and the Key Bridge outage early in the year and remained focused on delivering industry-leading customer satisfaction,” said Joe Hinrichs, president and chief executive officer. “We will remain disciplined in delivering safety, service, and operating efficiency performance as we invest in the strength and capabilities of our network this year, and we look forward to delivering on the profitable growth opportunities ahead of us.”

Fourth Quarter Financial Highlights[1, 2]

- Revenue totaled $3.54 billion for the quarter, decreasing 4% year-over-year, as declines in fuel surcharge and coal revenue offset the effects of higher pricing and volume in merchandise and volume growth in intermodal.
- Operating income was $1.11 billion, including a goodwill impairment charge of $108 million, and adjusted operating income was $1.21 billion. CSX’s operating margin was 31.3% for the quarter, and adjusted operating margin was 34.3%.
- EPS of $0.38 and adjusted EPS of $0.42, which compared to earnings of $0.45 per share the prior year quarter.

Full Year 2024 Financial Highlights[1, 2]

- Revenue totaled $14.54 billion in 2024, decreasing 1% year-over-year.
- Operating income was $5.25 billion, including a goodwill impairment charge, and adjusted operating income was $5.35 billion. CSX’s operating margin was 36.1% for the full year, and adjusted operating margin was 36.8%.
- EPS of $1.79 and adjusted EPS of $1.83, which compared to earnings of $1.82 per share in the prior year.

CSX executives will conduct a conference call with the investment community this afternoon, January 23, at 4:30 p.m. Eastern Time. Investors, media and the public may listen to the conference call by dialing 1-888-510-2008. For callers outside the U.S., dial 1-646-960-0306. Participants should dial in 10 minutes prior to the call and enter in 3368220 as the passcode.

In conjunction with the call, a live webcast will be accessible and presentation materials will be posted on the company's website at http://investors.csx.com. Following the earnings call, a webcast replay of the presentation will be archived on the company website.

This earnings announcement, as well as additional detailed financial information, is contained in the CSX Quarterly Financial Report available through the company’s website at http://investors.csx.com and on Form 8-K with the Securities and Exchange Commission.

[1]Year-over-year comparisons for operating income and earnings per share utilize revised financial results for past periods, as described in the notes of our quarterly financial report.

[2]See the Non-GAAP Measures section of the quarterly financial report for non-GAAP reconciliations and additional information.

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The accompanying unaudited financial information should be read in conjunction with the Company’s most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and any Current Reports on Form 8-K.

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About CSX and its Disclosures
CSX, based in Jacksonville, Florida, is a premier transportation company. It provides rail, intermodal and rail-to-truck transload services and solutions to customers across a broad array of markets, including energy, industrial, construction, agricultural, and consumer products. For nearly 200 years, CSX has played a critical role in the nation's economic expansion and industrial development. Its network connects every major metropolitan area in the eastern United States, where nearly two-thirds of the nation's population resides. It also links more than 240 short-line railroads and more than 70 ocean, river and lake ports with major population centers and farming towns alike.

This announcement, as well as additional financial information, is available on the company's website at http://investors.csx.com. CSX also uses social media channels to communicate information about the company. Although social media channels are not intended to be the primary method of disclosure for material information, it is possible that certain information CSX posts on social media could be deemed to be material. Therefore, we encourage investors, the media, and others interested in the company to review the information we post on X, formerly known as Twitter, (http://twitter.com/CSX) and on Facebook (http://www.facebook.com/OfficialCSX). The social media channels used by CSX may be updated from time to time. More information about CSX Corporation and its subsidiaries is available at www.csx.com.

Non-GAAP 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.

Forward-looking Statements
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.

CSX Corporation

CONSOLIDATED INCOME STATEMENTS *(Unaudited)*

(Dollars in millions, except per share amounts)

	Quarters Ended				Years Ended [a]			
	Dec. 31, 2024	Dec. 31, 2023 [a]	*$ Change*	*% Change*	**Dec. 31, 2024**	Dec. 31, 2023	*$ Change*	*% Change*
Revenue	**$ 3,539**	$ 3,680	*$ (141)*	*(4)%*	**$ 14,540**	$14,657	*$ (117)*	*(1)%*
Expense								
Labor and Fringe	**788**	814	*26*	*3*	**3,165**	3,052	*(113)*	*(4)*
Purchased Services and Other	**757**	714	*(43)*	*(6)*	**2,852**	2,802	*(50)*	*(2)*
Depreciation and Amortization	**422**	405	*(17)*	*(4)*	**1,658**	1,607	*(51)*	*(3)*
Fuel	**266**	352	*86*	*24*	**1,168**	1,377	*209*	*15*
Equipment and Other Rents	**95**	88	*(7)*	*(8)*	**355**	354	*(1)*	*—*
Goodwill Impairment [b]	**108**	*—*	*(108)*	*NM*	**108**	*—*	*(108)*	*NM*
Gains on Property Dispositions	**(3)**	(8)	*(5)*	*(63)*	**(11)**	(34)	*(23)*	*(68)*
Total Expense	**2,433**	2,365	*(68)*	*(3)*	**9,295**	9,158	*(137)*	*(1)*
Operating Income	**1,106**	1,315	*(209)*	*(16)*	**5,245**	5,499	*(254)*	*(5)*
Interest Expense	**(207)**	(204)	*(3)*	*(1)*	**(832)**	(809)	*(23)*	*(3)*
Other Income - Net	**37**	33	*4*	*12*	**142**	139	*3*	*2*
Earnings Before Income Taxes	**936**	1,144	*(208)*	*(18)*	**4,555**	4,829	*(274)*	*(6)*
Income Tax Expense [c]	**(203)**	(262)	*59*	*23*	**(1,085)**	(1,161)	*76*	*7*
Net Earnings	**$ 733**	$ 882	*$ (149)*	*(17)%*	**$ 3,470**	$ 3,668	*$ (198)*	*(5)%*
Operating Margin	**31.3 %**	35.7 %			**36.1 %**	37.5 %		
Per Common Share								
Net Earnings Per Share, Assuming Dilution	**$ 0.38**	$ 0.45	*$ (0.07)*	*(16)%*	**$ 1.79**	$ 1.82	*$ (0.03)*	*(2)%*
Average Shares Outstanding, Assuming Dilution *(Millions)*	**1,921**	1,969			**1,943**	2,013		

NM - not meaningful

CSX Corporation

CONDENSED CONSOLIDATED BALANCE SHEETS *(Unaudited)*

(Dollars in millions)

	Dec. 31, 2024	Dec. 31, 2023 [(a)]
ASSETS		
Cash and Cash Equivalents	**$ 933**	$ 1,353
Short-Term Investments	**72**	83
Other Current Assets	**1,815**	1,923
Properties - Net	**35,658**	34,721
Investment in Affiliates and Other Companies	**2,520**	2,397
Other Long-Term Assets	**1,766**	1,735
Total Assets	**$ 42,764**	$ 42,212
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Maturities of Long-Term Debt	**$ 606**	$ 558
Other Current Liabilities	**2,670**	2,665
Long-Term Debt	**17,897**	17,975
Deferred Income Taxes - Net	**7,725**	7,699
Other Long-Term Liabilities	**1,359**	1,330
Total Liabilities	**30,257**	30,227
Total Shareholders' Equity	**12,507**	11,985
Total Liabilities and Shareholders' Equity	**$ 42,764**	$ 42,212

CSX Corporation

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS *(Unaudited)*
(Dollars in millions)

	Years Ended	
	Dec. 31, 2024 [a]	Dec. 31, 2023 [a]
OPERATING ACTIVITIES		
Net Earnings	**$ 3,470**	$ 3,668
Adjustments to Reconcile Net Earnings to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	**1,658**	1,607
Deferred Income Tax Expense	**12**	126
Gains on Property Dispositions	**(11)**	(34)
Goodwill Impairment [b]	**108**	—
Other Operating Activities - Net [d]	**10**	147
Net Cash Provided by Operating Activities	**5,247**	5,514
INVESTING ACTIVITIES		
Property Additions	**(2,529)**	(2,257)
Purchase of Short-term Investments	**(66)**	(104)
Proceeds from Sales of Short-term Investments	**91**	153
Proceeds and Advances from Property Dispositions	**66**	88
Business Acquisition, Net of Cash Acquired	**(70)**	(31)
Other Investing Activities	**(97)**	(76)
Net Cash Used in Investing Activities	**(2,605)**	(2,227)
FINANCING ACTIVITIES		
Shares Repurchased [e]	**(2,237)**	(3,482)
Dividends Paid	**(930)**	(882)
Long-term Debt Repaid	**(558)**	(153)
Long-term Debt Issued	**550**	600
Other Financing Activities	**113**	50
Net Cash Used in Financing Activities	**(3,062)**	(3,867)
Net Decrease in Cash and Cash Equivalents	**(420)**	(580)
CASH AND CASH EQUIVALENTS		
Cash and Cash Equivalents at Beginning of Period	**1,353**	1,933
Cash and Cash Equivalents at End of Period	**$ 933**	$ 1,353

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(Unaudited)*

a) Revision of Prior Period Financials: *During second quarter 2024, CSX completed a review of the accounting treatment for engineering scrap and certain engineering support labor and identified misstatements between the balance sheet and operating expense that were determined to be immaterial to previously issued financial statements. However, the Company determined that the effect of recording all corrections during the second quarter of 2024 would be material to the annual 2024 consolidated financial statements. As a result, 2024 and 2023 previously reported quarters reported herein have been revised to correct these and other previously identified immaterial errors as shown in the tables below.*

2024 and 2023 Impact of Adjustments
(Dollars in Millions, Except Per Share Amounts)

	Quarter Ended	Quarters Ended				Year Ended
	Mar. 31, 2024	Mar. 31, 2023	Jun. 30, 2023	Sept. 30, 2023	Dec. 31, 2023	Dec. 31, 2023
Quarterly and Annual Impact						
Operating Income	$ (17)	$ (17)	$ (16)	$ (24)	$ (5)	$ (62)
Net Earnings Per Share, Assuming Dilution	$ (0.01)	$ (0.01)	$ —	$ (0.01)	$ —	$ (0.03)

	Quarter Ended March 31, 2024		
	As Previously Reported	*Adjustment*	**As Revised**
Consolidated Income Statement			
Labor and Fringe	$ 798	*$ 7*	**$ 805**
Purchased Services and Other	711	*10*	**721**
Total Expense	2,327	*17*	**2,344**
Operating Income	1,354	*(17)*	**1,337**
Earnings Before Income Taxes	1,185	*(17)*	**1,168**
Income Tax Expense	(292)	*4*	**(288)**
Net Earnings	$ 893	*$ (13)*	**$ 880**
Operating Margin	36.8 %	*(50) bps*	**36.3 %**
Net Earnings Per Share, Assuming Dilution	$ 0.46	*(0.01)*	**$ 0.45**

	Quarter Ended December 31, 2023			Year Ended December 31, 2023		
	As Previously Reported	*Adjustment*	**As Revised**	As Previously Reported	*Adjustment*	**As Revised**
Consolidated Income Statement						
Labor and Fringe	$ 808	*$ 6*	**$ 814**	$ 3,024	*$ 28*	**$ 3,052**
Purchased Services and Other	703	*11*	**714**	2,764	*38*	**2,802**
Depreciation and Amortization	417	*(12)*	**405**	1,611	*(4)*	**1,607**
Total Expense	2,360	*5*	**2,365**	9,096	*62*	**9,158**
Operating Income	1,320	*(5)*	**1,315**	5,561	*(62)*	**5,499**
Earnings Before Income Taxes	1,149	*(5)*	**1,144**	4,891	*(62)*	**4,829**
Income Tax Expense	(263)	*1*	**(262)**	(1,176)	*15*	**(1,161)**
Net Earnings	$ 886	*$ (4)*	**$ 882**	$ 3,715	*$ (47)*	**$ 3,668**
Operating Margin	35.9 %	*(20) bps*	**35.7 %**	37.9 %	*(40) bps*	**37.5 %**
Net Earnings Per Share, Assuming Dilution	$ 0.45	*$ —*	**$ 0.45**	$ 1.85	*$ (0.03)*	**$ 1.82**

	December 31, 2023		
Condensed Consolidated Balance Sheet	As Previously Reported	*Adjustment*	**As Revised**
Assets			
Other Current Assets	$ 1,948	*$ (25)*	**$ 1,923**
Properties - Net	34,935	*(214)*	**34,721**
Other Long-Term Assets	1,692	*43*	**1,735**
Total Assets	$ 42,408	*$ (196)*	**$ 42,212**
Liabilities and Shareholders' Equity			
Other Current Liabilities	$ 2,666	*$ (1)*	**$ 2,665**
Deferred Income Taxes - Net	7,746	*(47)*	**7,699**
Total Liabilities	30,275	*(48)*	**30,227**
Total Shareholders' Equity	12,133	*(148)*	**11,985**
Total Liabilities and Shareholders' Equity	$ 42,408	*$ (196)*	**$ 42,212**

Consolidated Cash Flow Statements	Year Ended December 31, 2023		
	As Previously Reported	*Adjustment*	**As Revised**
Operating Activities			
Net Earnings	$ 3,715	*$ (47)*	**$ 3,668**
Depreciation and Amortization	1,611	*(4)*	**1,607**
Deferred Income Taxes	140	*(14)*	**126**
Other Operating Activities	117	*30*	**147**
Net Cash Provided by Operating Activities	5,549	*(35)*	**5,514**
Investing Activities			
Property Additions	(2,281)	*24*	**(2,257)**
Proceeds and Advances from Property Dispositions	52	*36*	**88**
Net Cash Used in Investing Activities	(2,287)	*60*	**(2,227)**
Net Decrease in Cash and Cash Equivalents	(605)	*25*	**(580)**
Cash and Cash Equivalents			
Cash and Cash Equivalents at Beginning of Period [(a)]	$ 1,958	*$ (25)*	**$ 1,933**

(a) Cash and cash equivalents balance at the beginning of 2023 was revised to reflect a $25 million payment that occurred in December 2022.

b) ***Goodwill Impairment:*** *The Company recognized a $108 million impairment charge of Quality Carriers' goodwill that was identified during the fourth quarter of 2024.*

c) Income Tax Benefit: *During fourth quarter 2024 and 2023, the Company recognized tax benefits of $26 million and $19 million, respectively, primarily due to favorable adjustments to deferred state tax liabilities.*

d) Other Operating Activities - Net: *2024 results include $387 million of federal and state tax payments related to the 2023 tax year, which were previously postponed to 2024 under the tax relief announcements for those impacted by Hurricane Idalia. The Company also deferred $429 million of federal and state tax payments related to the 2024 tax year, which were postponed to 2025 under the tax relief announcements for those impacted by the 2024 hurricane season. Additionally, 2023 results include payment of $238 million of retroactive wages and bonuses, and associated taxes, related to finalized labor agreements.*

e) Shares Repurchased: *During fourth quarters and years ended 2024 and 2023, the Company engaged in the following repurchase activities:*

	Quarters Ended		Years Ended	
	Dec. 31, 2024	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
Shares Repurchased *(Millions)*	**30**	18	**65**	112
Cost of Shares *(Dollars in millions)* [(1)]	**$ 992**	$ 581	**$ 2,204**	$ 3,482
Average Cost per Share Repurchased	**$ 33.60**	$ 30.78	**$ 34.14**	$ 30.95
Excise Taxes Paid for Net Share Repurchases *(Dollars in millions)*	**$ 33**	$ —	**$ 33**	$ —

(1) Amounts exclude the impact of excise tax on net share repurchases imposed as part of the Inflation Reduction Act of 2022.

CSX Corporation

VOLUME AND REVENUE *(Unaudited)*

Volume (Thousands of units); Revenue (Dollars in millions); Revenue Per Unit (Dollars)

Quarters Ended December 31, 2024 and December 31, 2023

	Volume			Revenue			Revenue Per Unit		
	2024	2023	% Change	**2024**	2023	% Change	**2024**	2023	% Change
Chemicals	**171**	161	*6 %*	**$ 708**	$ 661	*7 %*	**$ 4,140**	$ 4,106	*1 %*
Agricultural and Food Products	**116**	120	*(3)*	**415**	429	*(3)*	**3,578**	3,575	—
Automotive	**96**	98	*(2)*	**296**	314	*(6)*	**3,083**	3,204	*(4)*
Minerals	**88**	85	*4*	**189**	179	*6*	**2,148**	2,106	*2*
Forest Products	**72**	70	*3*	**257**	251	*2*	**3,569**	3,586	—
Metals and Equipment	**63**	67	*(6)*	**201**	213	*(6)*	**3,190**	3,179	—
Fertilizers	**44**	47	*(6)*	**125**	135	*(7)*	**2,841**	2,872	*(1)*
Total Merchandise	**650**	648	—	**2,191**	2,182	—	**3,371**	3,367	—
Intermodal	**746**	720	*4*	**526**	552	*(5)*	**705**	767	*(8)*
Coal	**179**	192	*(7)*	**499**	620	*(20)*	**2,788**	3,229	*(14)*
Trucking	**—**	—	—	**194**	204	*(5)*	**—**	—	—
Other	**—**	—	—	**129**	122	*6*	**—**	—	—
Total	**1,575**	1,560	*1 %*	**$ 3,539**	$ 3,680	*(4)%*	**$ 2,247**	$ 2,359	*(5)%*

Years Ended December 31, 2024 and December 31, 2023

	Volume			Revenue			Revenue Per Unit		
	2024	2023	% Change	**2024**	2023	% Change	**2024**	2023	% Change
Chemicals	**688**	642	*7 %*	**$ 2,850**	$ 2,599	*10 %*	**$ 4,142**	$ 4,048	*2 %*
Agricultural and Food Products	**463**	468	*(1)*	**1,644**	1,657	*(1)*	**3,551**	3,541	—
Automotive	**393**	388	*1*	**1,226**	1,219	*1*	**3,120**	3,142	*(1)*
Minerals	**361**	358	*1*	**772**	733	*5*	**2,139**	2,047	*4*
Forest Products	**292**	282	*4*	**1,047**	1,012	*3*	**3,586**	3,589	—
Metals and Equipment	**265**	284	*(7)*	**859**	917	*(6)*	**3,242**	3,229	—
Fertilizers	**186**	199	*(7)*	**505**	516	*(2)*	**2,715**	2,593	*5*
Total Merchandise	**2,648**	2,621	*1*	**8,903**	8,653	*3*	**3,362**	3,301	*2*
Intermodal	**2,893**	2,766	*5*	**2,047**	2,060	*(1)*	**708**	745	*(5)*
Coal	**736**	755	*(3)*	**2,247**	2,484	*(10)*	**3,053**	3,290	*(7)*
Trucking	**—**	—	—	**844**	882	*(4)*	**—**	—	—
Other	**—**	—	—	**499**	578	*(14)*	**—**	—	—
Total	**6,277**	6,142	*2 %*	**$14,540**	$14,657	*(1)%*	**$ 2,316**	$ 2,386	*(3)%*

CSX Corporation

VOLUME AND REVENUE

Total revenue decreased 4% in fourth quarter 2024 when compared to fourth quarter 2023 primarily due to lower fuel recovery, lower coal revenue, which includes the impact of lower global benchmark rates, and impacts from this year's hurricanes. These decreases were partially offset by higher pricing and volume in merchandise as well as higher intermodal volume.

Fuel Surcharge

Fuel surcharge revenue is included in the individual markets and does not include amounts for trucking. Fuel lag is the estimated revenue effect resulting from the difference between highway diesel prices in the quarter and the prices used for fuel surcharge, which are on a two-month lag for non-intermodal traffic.

	Quarters Ended		Years Ended	
(Dollars in millions)	**Dec. 31, 2024**	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
Fuel Surcharge Revenue	**$ 221**	$ 334	**$ 1,018**	$ 1,256
Fuel Lag Favorable	**$ 9**	$ 22	**$ 42**	$ 59

Merchandise Volume

Chemicals - Increased due to higher shipments of plastics, crude oil, and natural gas liquids.

Agricultural and Food Products - Decreased due to lower shipments of wheat, soybeans, export grains, and food and consumer products, partially offset by higher shipments of domestic feed grain and its ingredients.

Automotive - Decreased due to lower North American vehicle production.

Minerals - Increased primarily due to higher shipment of cement and aggregates.

Forest Products - Increased due to higher shipments of paper and pulpboard.

Metals and Equipment - Decreased due to lower shipments of steel associated with the automotive market.

Fertilizers - Decreased primarily due to declines in short-haul phosphates shipments, including production impacts at customer locations impacted by this year's hurricanes, as well as lower potash shipments.

Intermodal Volume

International shipments increased driven by higher port volumes and growth with key customers. Domestic shipments increased primarily due to growth in transcontinental shipments.

Coal Volume

Export coal decreased primarily due to reduced production, including planned and unplanned outages at customer facilities. Domestic coal decreased primarily due to lower shipments of coal to utility plants, as well as lower thermal shipments to river terminals.

	Quarters Ended			Years Ended		
(Millions of tons)	**Dec. 31, 2024**	Dec. 31, 2023	*Change*	**Dec. 31, 2024**	Dec. 31, 2023	*Change*
Coal Tonnage						
Domestic	**9.6**	10.9	*(12)%*	**38.9**	45.0	*(14)%*
Export	**10.5**	10.8	*(3)*	**43.8**	40.0	*9*
Total Coal	**20.1**	21.7	*(7)%*	**82.7**	85.0	*(3)%*

Trucking Revenue

Trucking revenue decreased $10 million versus the prior year primarily due to lower fuel surcharge.

Other Revenue

Other revenue increased $7 million, primarily due to increases in revenue for intermodal storage and equipment usage as well as carload demurrage.

EXPENSE

Expenses of $2.4 billion increased $68 million, or 3%, in fourth quarter 2024 when compared to fourth quarter 2023.

Labor and Fringe expense decreased $26 million due to the following:

- Incentive compensation costs decreased $38 million primarily due to lower expected payouts.
- An increase of $30 million was driven by inflation.
- Other net costs decreased $18 million.

Purchased Services and Other expense increased $43 million due to the following:

- An increase of $24 million was due to impairments of technology and non-rail equipment.
- A decrease of $20 million resulted from a favorable legal settlement.
- All other net costs increased $39 million primarily driven by inflation as well as $12 million for locomotive modernizations and $8 million in storm recovery costs.

Depreciation expense increased $17 million as a result of a larger asset base.

Fuel expense decreased $86 million as a result of a 23% decrease in locomotive fuel prices and improved efficiency.

Equipment and Other Rents expense increased $7 million due to higher net car hire costs, driven by inflation and network impacts from hurricanes, partially offset by other non-significant items.

Goodwill Impairment expense for Quality Carriers was $108 million for 2024.

Gains on Property Dispositions decreased to $3 million from $8 million in the prior year.

Employee Counts *(Estimated)*

	Quarters Ended			Years Ended		
	Dec. 31, 2024	Dec. 31, 2023	*Change*	**Dec. 31, 2024**	Dec. 31, 2023	*Change*
Average	**23,464**	23,183	*281*	**23,369**	22,845	*524*
Ending	**23,536**	23,232	*304*	**23,536**	23,232	*304*

Fuel Expense

	Quarters Ended		Years Ended	
(Dollars and gallons in millions, except price per gallon)	**Dec. 31, 2024**	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
Estimated Locomotive Fuel Consumption *(Gallons)*	**94.1**	96.9	**375.4**	388.7
Price per Gallon *(Dollars)*	**$ 2.38**	$ 3.08	**$ 2.61**	$ 3.01
Total Locomotive Fuel Expense	**$ 224**	$ 298	**$ 978**	$ 1,169
Non-Locomotive Fuel Expense	**42**	54	**190**	208
Total Fuel Expense	**$ 266**	$ 352	**$ 1,168**	$ 1,377

CSX Corporation

OPERATING STATISTICS *(Estimated)*

In the fourth quarter 2024, velocity was flat and dwell increased by 17% versus prior year. Carload trip plan performance and intermodal trip plan performance decreased by 11%. The Company continues to focus on operational improvements and executing the operating plan to deliver safe, reliable and efficient service to customers.

The FRA train accident rate and the personal injury frequency index both increased in fourth quarter 2024 compared to the prior year. Safety is a top priority at CSX, and the Company is committed to reducing risk and enhancing the overall safety of its employees, customers, and communities in which the Company operates.

	Quarters Ended			Years Ended		
	Dec. 31, 2024	Dec. 31, 2023	*Improvement / (Deterioration)*	**Dec. 31, 2024**	Dec. 31, 2023	*Improvement / (Deterioration)*
Operations Performance [(a)]						
Train Velocity *(Miles per hour)*	**18.3**	18.3	*— %*	**18.3**	18.0	*2 %*
Dwell *(Hours)*	**11.2**	9.6	*(17)%*	**10.3**	9.4	*(10)%*
Cars Online	**131,618**	123,757	*(6)%*	**127,291**	125,580	*(1)%*
On-Time Originations	**71 %**	71 %	*— %*	**73 %**	77 %	*(5)%*
On-Time Arrivals	**61 %**	69 %	*(12)%*	**65 %**	71 %	*(8)%*
Carload Trip Plan Performance	**76 %**	85 %	*(11)%*	**79 %**	84 %	*(6)%*
Intermodal Trip Plan Performance	**85 %**	95 %	*(11)%*	**91 %**	95 %	*(4)%*
Fuel Efficiency	**0.98**	1.00	*2 %*	**0.98**	1.02	*4 %*
Revenue Ton-Miles *(Billions)*						
Merchandise	**32.6**	32.1	*2 %*	**129.8**	128.0	*1 %*
Coal	**8.4**	9.6	*(13)%*	**35.7**	37.4	*(5)%*
Intermodal	**7.3**	7.3	*— %*	**28.8**	28.3	*2 %*
Total Revenue Ton-Miles	**48.3**	49.0	*(1)%*	**194.3**	193.7	*— %*
Total Gross Ton-Miles *(Billions)*	**96.1**	96.7	*(1)%*	**384.4**	381.3	*1 %*
Safety [(b)]						
FRA Personal Injury Frequency Index	**1.01**	0.71	*(42)%*	**1.19**	0.94	*(27)%*
FRA Train Accident Rate	**3.58**	2.45	*(46)%*	**3.40**	3.44	*1 %*

(a) Beginning second quarter 2023, all operations performance metrics include results from the network acquired from Pan Am. The impact of including Pan Am data was insignificant.

(b) Effective January 1, 2024, safety metrics include results from the Pan Am network. The impact was insignificant.

Certain operating statistics are estimated and can continue to be updated as actuals settle. The methodology for calculating train velocity, dwell, cars online and trip plan performance differs from that used by the Surface Transportation Board. The Company will continue to report these metrics to the Surface Transportation Board using the prescribed methodology.

CSX Corporation

Key Performance Measures Definitions:

Train Velocity - Average train speed between origin and destination in miles per hour (does not include locals, yard jobs, work trains or passenger trains). Train velocity measures actual train miles and times of a train movement on CSX's network.

Dwell - Average amount of time in hours between car arrival to and departure from the yard.

Cars Online - Average number of active freight rail cars on lines operated by CSX, excluding rail cars that are being repaired, in storage, those that have been sold, or private cars dwelling at a customer location more than one day.

On-Time Originations - Percent of scheduled road trains that depart the origin yard on-time or ahead of schedule.

On-Time Arrivals - Percent of scheduled road trains that arrive at the destination yard on-time to within two hours of scheduled arrival.

Carload Trip Plan Performance - Percent of measured cars (excludes unit trains and other non-scheduled service as well as empty automotive shipments) destined for a customer that complete their scheduled plan at or ahead of the original estimated time of arrival or interchange (as applicable).

Intermodal Trip Plan Performance - Percent of measured containers (excludes port shipments along with empty containers and other non-scheduled service) destined for a customer that complete their scheduled plan at or ahead of the original estimated time of arrival, notification or interchange (as applicable).

Fuel Efficiency - Gallons of locomotive fuel per 1,000 gross ton-miles.

Revenue Ton-Miles (RTM's) - The movement of one revenue-producing ton of freight over a distance of one mile.

Gross Ton-Miles (GTM's) - The movement of one ton of train weight over one mile. GTM's are calculated by multiplying total train weight by distance the train moved. Total train weight is comprised of the weight of the freight cars and their contents.

FRA Personal Injury Frequency Index - Number of FRA-reportable injuries per 200,000 man-hours.

FRA Train Accident Rate - Number of FRA-reportable train accidents per million train-miles.

CSX Corporation

NON-GAAP MEASURES *(Unaudited)*

The Company reports its financial results in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Company 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 GAAP. Therefore, the Company'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 below.

Adjusted Operating Results

Management believes that adjusted operating income, adjusted operating margin, adjusted net earnings, and adjusted net earnings per share, assuming dilution are important in evaluating the Company's performance and for planning and forecasting future business operations and future profitability. These non-GAAP measures provide meaningful supplemental information regarding operating results because they exclude the fourth quarter 2024 non-cash impairment of Quality Carriers' goodwill, which is a significant item that is not considered indicative of future financial trends. The goodwill impairment was tax effected using rates reflective of the applicable tax amounts related to the impairment charge. These adjusted results should be considered in addition to, rather than as a substitute for, the Company's GAAP operating results.

The following tables reconcile the Company's GAAP operating results for the quarter and year ended December 31, 2024 to adjusted operating results (non-GAAP measures).

	Quarter Ended Dec. 31, 2024			
(Dollars in millions, except per share amounts)	Operating Income	Operating Margin	Net Earnings	Net Earnings Per Share, Assuming Dilution
GAAP Operating Results	**$ 1,106**	**31.3 %**	**$ 733**	**$ 0.38**
Goodwill Impairment	108	3.0	82	0.04
Adjusted Operating Results (non-GAAP)	$ 1,214	34.3 %	$ 815	$ 0.42

	Year Ended Dec. 31, 2024			
(Dollars in millions, except per share amounts)	Operating Income	Operating Margin	Net Earnings	Net Earnings Per Share, Assuming Dilution
GAAP Operating Results	**$ 5,245**	**36.1 %**	**$ 3,470**	**$ 1.79**
Goodwill Impairment	108	0.7	82	0.04
Adjusted Operating Results (non-GAAP)	$ 5,353	36.8 %	$ 3,552	$ 1.83

Economic Profit

Management believes Economic Profit (also referred to as CSX Cash Earnings or CCE) provides an additional perspective to investors about financial returns generated by the business by representing a measure showing profit generated over and above the cost of capital used by the business to generate that profit. Economic Profit is designed to incentivize strategic investments that earn more than management's desired minimum required return and is broadly utilized by management to make investment decisions. Therefore, disclosing Economic Profit on how management performs in this regard provides additional useful information to investors regarding the Company's performance compared to its goals.

Economic Profit should be considered in addition to, rather than a substitute for, operating income, which is the most directly comparable GAAP measure. Economic Profit is defined by the Company as Gross Cash Earnings ("GCE") minus the Capital Charge on Gross Operating Assets ("GOA"). Increases in Economic Profit indicate that the Company is effectively allocating capital and rewarding shareholders by generating returns in excess of the incremental cost of capital associated with reinvestment in the business.

GCE is calculated as operating income plus depreciation, amortization and operating lease expense, less unusual items and taxes. The Capital Charge uses a minimum required return multiplied by the GOA. CSX's GOAs include gross properties and other non-cash assets, net of non-interest bearing liabilities. The Company used a 15% tax rate and an 8% required return, for both periods presented, which is consistent with rates used for investment decisions and performance evaluation within those same periods. The tax rate is the approximate equivalent of the Company's actual income tax expense as a percentage of pre-tax GCE. The required return rate represents management's desired minimum return on any investment. CSX annually re-evaluates these rates to ensure they accurately represent taxes and a required return in light of internal and external factors and would adjust the rate if the annual review resulted in a preset deviation from the current rates. This focuses the Economic Profit measure on value generated by management instead of external factors, such as legislative tax policy or interest rate volatility. The following table reconciles operating income (the most directly comparable GAAP measure) to Economic Profit (non-GAAP measure).

	Years Ended	
(Dollars in Millions)	**2024 [a]**	2023 [a]
Operating Income	**$ 5,245**	**$ 5,499**
Add: Depreciation, Amortization, and Operating Lease Expense	1,775	1,716
Remove: Unusual Items [b]	108	—
Taxes [c]	(1,069)	(1,082)
Gross Cash Earnings or "GCE"	6,059	6,133
Operating Assets		
Current Assets (Less Cash and Short-term Investments)	(1,909)	(1,889)
Gross Properties	(51,344)	(49,498)
Other Assets	(4,263)	(3,894)
Operating Liabilities		
Non-Interest Bearing Liabilities	11,035	10,825
Gross Operating Assets or "GOA" [d]	(46,481)	(44,456)
Capital Charge [e]	(3,718)	(3,556)
Economic Profit (Non-GAAP) calculated as GCE less Capital Charge	$ 2,341	$ 2,577

(a) Reflects adjustment of prior period financial statements as discussed in the notes to the consolidated financial statements on page 6.

(b) Unusual items are defined by management as unique events with greater than $100 million full year operating income impact, consistent with the terms of the Company's long-term incentive plan agreements. The Quality Carriers goodwill impairment was an unusual item for 2024.

(c) The tax percentage rate was 15% for both periods presented. This rate is applied to the sum of operating income, depreciation, amortization and operating lease expense, and unusual items.

(d) Gross operating assets reflects an average of the year-to-date quarters reported for each year presented.

(e) The capital charge of 8% for both years is calculated as the minimum return multiplied by gross operating assets.

Free Cash Flow

Management believes that free cash flow ("FCF") is supplemental information useful to investors as it is important in evaluating the Company's financial performance. More specifically, FCF measures cash generated by the business after reinvestment. This measure represents cash available for both equity and bond investors to be used for dividends, share repurchases or principal reduction on outstanding debt. FCF is calculated by using net cash from operations and adjusting for property additions and proceeds and advances from property dispositions. FCF should be considered in addition to, rather than a substitute for, cash provided by operating activities. The decrease of FCF before dividends from the prior year of $561 million is primarily due to higher property additions and less cash from operating activities. Cash from operating activities in 2024 includes the impact of $387 million of federal and state tax payments related to the 2023 tax year that were previously postponed under tax relief announcements for those impacted by Hurricane Idalia. 2024 results also reflect non-cash impacts of $429 million of federal and state tax payments postponed to 2025, as previously discussed. Cash from operating activities in the prior year period includes the payment of $238 million for retroactive wages and bonuses, and associated taxes, related to finalized labor agreements.

The following table reconciles cash provided by operating activities (GAAP measure) to free cash flow, before dividends (non-GAAP measure).

	Years Ended	
(Dollars in millions)	**Dec. 31, 2024**	Dec. 31, 2023
Net Cash Provided by Operating Activities	**$ 5,247**	**$ 5,514**
Property Additions	(2,529)	(2,257)
Proceeds and Advances from Property Dispositions	66	88
Free Cash Flow or "FCF" (before payment of dividends)	$ 2,784	$ 3,345