Second Quarter 2020
Financial Results

July 21, 2020
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. By their nature, forward-looking statements involve risks, uncertainties and assumptions. The Company 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 by their nature address matters that are, to different degrees, uncertain, such as statements about the impacts of the COVID-19 pandemic on our business operations, financial results and financial position and on the global supply chain. Forward-looking statements may be identified by the use of terminology such as "believes," "expects," "anticipates," "assumes," "outlook," "plans," "targets," or other similar words.

Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and other factors which may cause the actual results or performance of the Company to be materially different from the outlook or any future results or performance 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 include, but are not limited to, the duration and effects of the COVID-19 pandemic; general economic and business conditions, particularly in the context of the COVID-19 pandemic; 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 or other types of claims and litigation; risks and liabilities arising from derailments; timing and completion of capital programs; and other risks detailed from time to time in reports filed by CN with securities regulators in Canada and the United States. Reference should be made to Management's Discussion and Analysis in CN's annual and interim reports, Annual Information Form and Form 40-F, filed with Canadian and U.S. securities regulators on SEDAR at www.sedar.com as well as on the U.S. Securities and Exchange Commission's website at www.sec.gov through EDGAR and available on CN's website at www.cn.ca/en/investor, for a description of major risk factors.

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.

Non-GAAP Measures

CN reports its financial results in accordance with United States generally accepted accounting principles (GAAP). CN also uses non-GAAP measures in this presentation that do not have any standardized meaning prescribed by GAAP, including adjusted performance measures, constant currency, free cash flow and adjusted debt-to-adjusted EBITDA multiple. These non-GAAP measures may not be comparable to similar measures presented by other companies. For further details of these non-GAAP measures, including a reconciliation to the most directly comparable GAAP financial measures, refer to the Company’s website, Second Quarter Results at www.cn.ca/financial-results.

All amounts in this presentation are expressed in Canadian dollars, unless otherwise noted.
## Q2 Highlights – Resiliency during Unprecedented Economic Times

<table>
<thead>
<tr>
<th>Diluted EPS</th>
<th>Operating Ratio</th>
<th>Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reported</strong></td>
<td><strong>Adjusted</strong></td>
<td><strong>Reported</strong></td>
</tr>
<tr>
<td>$0.77</td>
<td>$1.28</td>
<td>75.5%</td>
</tr>
<tr>
<td>▼ 59%</td>
<td>▼ 26%</td>
<td>▲ 1,800 bps</td>
</tr>
</tbody>
</table>

### Free Cash Flow (1)

- **$1.0B**: Almost doubled

### Fuel Efficiency (2)

- **0.88**: ▼ 2%
  - ~$7M savings, 29K tons of CO₂ avoided

### RTMs

- **52.5B**: ▼ 18%

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(1) Please see website, Second Quarter Results, [www.cn.ca/financial-results](http://www.cn.ca/financial-results), for an explanation of these non-GAAP measures.

(2) Fuel efficiency is defined as US gallons of locomotive fuel consumed/1,000 GTMs.
Rob Reilly
Executive VP, Chief Operating Officer and interim Chief Information and Technology Officer
Productivity and Cost Control

- Adjusted resources quickly and aggressively as volumes started declining mid-March and bottomed in May
- Nimble and connected with our customers in early stage of recovery

### Rightsizing our Resources

- **26%** YoY reduction in Train & Engine (T&E) employees
- **14%** YoY reduction in active cars online with ~14,500 cars in storage
- **500+** locomotives in storage
- Idled operations in 4 switching yards and reduced mechanical activities in more than 20 locations
- Starting to recall T&E employees selectively

### Focusing on Train Productivity

- **21%** YoY reduction in crew starts with **18%** YoY reduction in RTMs
- Record train length and train weight in Q2

#### Train Length

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>7,000</td>
<td>7,500</td>
<td>8,000</td>
<td>8,500</td>
</tr>
<tr>
<td>2019</td>
<td>7,500</td>
<td>8,000</td>
<td>8,500</td>
<td>9,000</td>
</tr>
<tr>
<td>2020</td>
<td>8,000</td>
<td>8,500</td>
<td>9,000</td>
<td>9,500</td>
</tr>
</tbody>
</table>

#### Train Weight

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>7,500</td>
<td>8,000</td>
<td>8,500</td>
<td>9,000</td>
</tr>
<tr>
<td>2019</td>
<td>8,000</td>
<td>8,500</td>
<td>9,000</td>
<td>9,500</td>
</tr>
<tr>
<td>2020</td>
<td>8,500</td>
<td>9,000</td>
<td>9,500</td>
<td>10,000</td>
</tr>
</tbody>
</table>

Data presented reflects results for Q2 2020 vs. Q2 2019. For T&E headcount data, the change YoY is based on the average headcount in each period.
Delivering Long-Term Value

• Focus on our long-term agenda: cost, ESG and technology
• Some of the improvements made in the recent months will remain going forward

Fuel Efficiency / Carbon Footprint

• Quarterly record fuel efficiency of 0.88 US gallons of locomotive fuel consumed per 1,000 GTMs in Q2
• Direct savings of ~$7M and 29K tons of CO₂ emissions avoided

Lasting Structural Changes

• Transportation
  • Permanent closure of underutilized rail yards
  • Optimized train configuration and schedules
  • Enhanced productivity on handheld devices

• Mechanical
  • Rightsizing of mechanical shops across the network
  • Automated train inspection portal replaced roll-by inspections in Winnipeg

• Engineering
  • Increased labor productivity (productive hours, longer work blocks, lower installation unit costs)
James Cairns
Senior VP, Rail Centric Supply Chain

Keith Reardon
Senior VP, Consumer Product Supply Chain
### Highlights

<table>
<thead>
<tr>
<th>Category</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>(19%)</td>
</tr>
<tr>
<td>RTMs</td>
<td>(18%)</td>
</tr>
<tr>
<td>$ / RTM</td>
<td>(1%)</td>
</tr>
<tr>
<td>Carloads</td>
<td>(16%)</td>
</tr>
<tr>
<td>$ / Carload</td>
<td>(4%)</td>
</tr>
</tbody>
</table>

### Volumes by Business Unit

#### Rail Centric

- **Petroleum & Chemicals**: -25%
- **Metals & Minerals**: -19%
- **Forest Products**: -17%
- **Coal**: -17%
- **Grain & Fertilizers**: -10%
- **Intermodal**: -3%
- **Automotive**: 0%

#### Consumer Products

- **Rail Centric**: -21%
- **Intermodal**: -8%
- **Automotive**: -6%

Data presented reflects year over year changes for Q2 2020 vs. Q2 2019.
Strategic Pipeline of Growth

Advancing during the pandemic

- Prince Rupert container expansion
- Propane export terminals (Altagas, Pembina)
- Collaboration with Ridley Coal Terminal
- Teck coal strategic contract
- G3 and Fraser River grain export terminals
- Solid Canapux export
- Vancouver container terminal expansions
- New wood pellet exports
- Ramp-up of Coalspur exports
- Future plastic plants
- New county grain elevators
- Minneapolis automotive compound
- CargoCool / Temperature-controlled
- Canadian National/CSX port container interline partnership into central Canada
- Now full-member of Equipment Management Program (EMP)
- Quebec City container port Hutchison partnership
- Halterm terminal PSA International
- New investment in 1,500 high-capacity grain hopper cars for 2021
Q2 Earnings – Disciplined Financial Management

In millions of Canadian dollars, except EPS data, unless otherwise indicated

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Favorable</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(Unfavorable)</td>
</tr>
<tr>
<td>Revenues</td>
<td>$ 3,209</td>
<td>$ 3,959</td>
<td>(19%)</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>2,424</td>
<td>2,277</td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>785</td>
<td>1,682</td>
<td>(53%)</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(144)</td>
<td>(136)</td>
<td></td>
</tr>
<tr>
<td>Other components of net periodic benefit income</td>
<td>80</td>
<td>83</td>
<td></td>
</tr>
<tr>
<td>Other income (loss)</td>
<td>(4)</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>717</td>
<td>1,652</td>
<td></td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(172)</td>
<td>(290)</td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>$ 545</td>
<td>$ 1,362</td>
<td>(60%)</td>
</tr>
<tr>
<td>Adjusted net income (1)</td>
<td>$ 908</td>
<td>$ 1,250</td>
<td>(27%)</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>$ 0.77</td>
<td>$ 1.88</td>
<td>(59%)</td>
</tr>
<tr>
<td>Adjusted diluted EPS (1)</td>
<td>$ 1.28</td>
<td>$ 1.73</td>
<td>(26%)</td>
</tr>
<tr>
<td>Weighted-average diluted number of shares (in millions)</td>
<td>712.2</td>
<td>724.5</td>
<td></td>
</tr>
<tr>
<td>Operating ratio</td>
<td>75.5%</td>
<td>57.5%</td>
<td>(18.0) pts</td>
</tr>
<tr>
<td>Adjusted operating ratio (1)</td>
<td>60.4%</td>
<td>57.5%</td>
<td>(2.9) pts</td>
</tr>
</tbody>
</table>

(1) Please see website, Second Quarter Results, www.cn.ca/financial-results, for an explanation of these non-GAAP measures.
## Solid Cost Control and Rightsizing of Resources

<table>
<thead>
<tr>
<th>In millions of Canadian dollars, unless otherwise indicated</th>
<th>2020</th>
<th>2019</th>
<th>Change at constant currency (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Favorable</td>
</tr>
<tr>
<td>Labor and fringe benefits</td>
<td>$ 563</td>
<td>$ 681</td>
<td>17%</td>
</tr>
<tr>
<td>Purchased services and material</td>
<td>518</td>
<td>571</td>
<td>9%</td>
</tr>
<tr>
<td>Fuel</td>
<td>227</td>
<td>442</td>
<td>49%</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>404</td>
<td>363</td>
<td>(11%)</td>
</tr>
<tr>
<td>Equipment rents</td>
<td>107</td>
<td>104</td>
<td>(3%)</td>
</tr>
<tr>
<td>Casualty and other</td>
<td>119</td>
<td>116</td>
<td>(3%)</td>
</tr>
<tr>
<td>Loss on assets held for sale</td>
<td>486</td>
<td>-</td>
<td>N/A</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>$ 2,424</td>
<td>$ 2,277</td>
<td>(6%)</td>
</tr>
</tbody>
</table>

(1) Please see website, Second Quarter Results, [www.cn.ca/financial-results](http://www.cn.ca/financial-results), for an explanation of this non-GAAP measure.
Impressive Free Cash Flow Generation in an Unprecedented Lower Demand Quarter

<table>
<thead>
<tr>
<th>In millions of Canadian dollars, unless otherwise indicated</th>
<th>YTD 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$ 1,556</td>
</tr>
<tr>
<td>Non-cash adjustments</td>
<td>1,561</td>
</tr>
<tr>
<td>Income taxes refunded</td>
<td>11</td>
</tr>
<tr>
<td>Working capital items and other</td>
<td>(191)</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>2,937</td>
</tr>
<tr>
<td>Property additions</td>
<td>(1,317)</td>
</tr>
<tr>
<td>Other, net</td>
<td>(39)</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(1,356)</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>$ 1,581</td>
</tr>
</tbody>
</table>

| Total net indebtedness at end of period | $13,258 |
| Adjusted debt-to-adjusted EBITDA multiple | 2.15x |

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**Solid Cash Flow Generation**
- $1.0B of free cash flow generated in Q2

**Opportunistic Debt Issuance**
- US$600 million, 30-year bond issuance at a favorable 2.45% interest rate

**Strong Balance Sheet**
- 2.15x Adjusted debt-to-adjusted EBITDA (1) improved from Q1
- Best investment grade credit rating in the industry

**Rewarding Long-term Shareholders**
- Returned $408M to shareholders in Q2 through dividends
- Share repurchases on pause and reassessed on an ongoing basis

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(2) Long-term debt, including current portion, net of cash and cash equivalents, and restricted cash and cash equivalents.
A Culture of Resiliency – Solid Team that can Weather any Situation

• Demonstrated again our ability to adapt and be nimble

• Disciplined rightsizing of resources as volumes improve sequentially

• Work ongoing on our strategic pipeline of growth opportunities

• Positive on our future
  • Investing in the long term of export grain
  • Investing in technology deployment
  • Investing in ESG and fuel strategy

Committed to delivering long-term value to all stakeholders
Uniquely Positioned to Further Leverage the Consumer Economy

**CN-EXCLUSIVE**

**PORT OF PRINCE RUPERT**
1.35M TEU capacity (+450K by 2022)

**PORT OF VANCOUVER (4 terminals)**
4.60M TEU capacity (+815K by 2022)

**PORT OF MONTREAL (4 terminals)**
1.85M TEU capacity
New terminal (+1.15M TEUs by ~2024)

**PORT OF NEW ORLEANS (2 terminals)**
840K TEU capacity (+160K by 2024)

**PORT OF MOBILE**
650K TEU capacity

**PORT OF HALIFAX (2 terminals)**
PSA Halifax 550K TEU capacity (+290K TEU by 2023)
Ceres 650K TEU capacity

3 Coast access
23 Intermodal terminals
Access to 15 port operations

Intermodal service
NY/NJ/Philly to/from Montreal/Toronto
West Coast to Ohio Valley (Chicago steel wheel interchange)

New member of EMP - Providing nation-wide supply chain flexibility for our wholesale customers
Measuring Service as Defined by Customers

- Working closely with our customers during disruptions and volume uncertainty
- Delivering on our commitments

Intermodal

Intermodal service index

Bulk

Bulk service index

Merchandise

Merchandise service index

Various service metrics for International and Domestic customers; for example, including container dwell at ports for imports

Delivering the number of cars committed to our unit train customers

Delivering the number of cars committed to our customers in the timeframe agreed
Advancing Technology Deployment as Strategic Driver of Value
Transforming our operations

Train Inspections
7 portals operational

- Over 41,000 defects detected by the portals YTD
- Automated train inspection portal replaced roll-by inspections in Winnipeg in April
- Aiming to develop ~100 algorithms by 2021 to replicate Certified Car Inspection (CCI)
  - Over 20 algorithms developed to date

Track Inspections
8 ATIP (1) cars in service

U.S.
- Phase 1 of FRA (2) test program underway: ~70,000 miles of track inspected YTD with ATIP car versus 4,500 miles for heavy geometry car over same period last year (16X greater inspection rate)
- Transitioning to Phase 2 in August: target reduction of visual inspections by 50%

Canada
- Received approval from Transport Canada (TC) to use ATIP for regulatory heavy geometry testing on 43 subdivisions
- Working closely with TC to develop a test corridor for future autonomous testing methodologies similar to the FRA program

Handheld Technology
11,000 tablets deployed

- Deployed for train crews and car mechanics
- Big step towards paperless operations and reduces our environmental footprint
- Eliminating ~30 million printed pages of paper annually at CN
- Removing hundreds of shared printers and kiosk terminals and the Covid-19 related safety issues associated with them
- Improved customer notifications across the network with more than 98% of customers registered

Creating capacity, improving safety, saving costs, and more reliable service

(1) ATIP: Autonomous Track Inspection Program
(2) FRA: Federal Railroad Administration
Building the Intermodal of the Future
Brampton Intermodal Terminal (Toronto) – First terminal to be upgraded

New yard design
Improving capacity, productivity and service levels, including new container slot locations, storage methods, and traffic flows

Telematics
Installing sensors on cranes and shunt trucks to increase ability to locate containers within the yard

Smart screens and smart maps
Providing a visualization of the equipment and inventory within the yard to reduce lifts per container

New operating system
Improving terminal decision making, capacity, productivity, and service levels

- Lowering operating costs
- Enhancing customer experience
- Improving operator experience
- Increasing terminal capacity
- Improving terminal management
Committed to ESG Leadership

Delivering Responsibly is at the heart of how CN is building for a sustainable future. It means moving customer goods safely and efficiently, being environmentally responsible, attracting and developing the best and diverse railroaders, helping build safer, stronger communities, while adhering to the highest ethical standards.

Environmental Protection

- Achieved 38% locomotive emission intensity improvement over the last 25 years
- CN leads the North American rail industry, consuming ~15% less fuel per gross ton mile
- Diverted ~90% of our waste from landfill in 2019

29%

CN was the first railroad in North America to set a climate science target of 29% carbon emission intensity reduction by 2030 based on 2015 levels

Social Responsibility

- Leveraging recent advances in technology to drive improved safety
- In 2019 adopted Life Critical Rules as a means to strengthen our safety culture
- Signatory to Catalyst Accord 2022; committed to extend gender diversity beyond the board to executive management with a target of 30%

Zero

Goal to reduce serious injuries and fatalities to zero at CN

Strong Governance

- Continuously improving our culture of integrity and ethical business conduct
- Executive compensation aligned with ESG objectives, including safety and fuel efficiency
- 38% of CN’s directors are women, exceeding CN’s policy of at least 1/3 representation by women

40%

CN aspires to attain board composition of 40% representation by broad range of diverse groups by end of 2022