



Third Quarter 2022 Financial and Operating Results

October 25, 2022



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.

2022 Key Assumptions

CN has made a number of economic and market assumptions in preparing its 2022 outlook. The Company assumes that North American industrial production for the year will increase in the mid single-digit range and now assumes U.S. housing starts of approximately 1.6 million units and U.S. motor vehicle sales of approximately 14 million units (compared to its January 25, 2022 assumption of approximately 15.5 million units). For the 2021/2022 crop year, the grain crop in Canada was below its three-year average and the U.S. grain crop was in line with its three-year average. The Company assumes that the 2022/2023 grain crop in Canada will be above its three-year average (or in line when excluding the significantly lower 2021/2022 crop year) and that the 2022/2023 U.S. grain crop will be in line with its three-year average. CN assumes total RTMs in 2022 will increase in the low single-digit range versus 2021. CN assumes continued pricing above rail inflation upon contract renewals. CN now assumes that in 2022, the value of the Canadian dollar in U.S. currency will be approximately \$0.77 (compared to its January 25, 2022 assumption of approximately \$0.80) and now assumes that in 2022 the average price of crude oil (West Texas Intermediate) will be approximately US\$95 per barrel (compared to its April 26, 2022 assumption of approximately US\$90 - US\$100 per barrel). In 2022, CN plans to invest approximately 17% of revenues in its capital program.

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 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 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.

Non-GAAP measures

CN reports its financial results in accordance with United States generally accepted accounting principles (GAAP). CN may also use non-GAAP measures in this presentation that do not have any standardized meaning prescribed by GAAP, including adjusted net income, adjusted earnings per share, adjusted operating income, and adjusted operating ratio (referred to as adjusted performance measures) and free cash flow. These non-GAAP measures may not be comparable to similar measures presented by other companies. See the Q3 2022 Earnings Release filed on October 25th, 2022, which is incorporated by reference herein which may be found online on SEDAR at www.sedar.com, on the SEC’s website at www.sec.gov through EDGAR, and on the Company’s website at www.cn.ca in the Investors section.

This presentation also includes certain forward looking non-GAAP measures (adjusted diluted EPS, ROIC and free cash flow). It is not practicable to reconcile, without unreasonable efforts, these forward-looking measures to the most comparable GAAP measures, due to unknown variables and uncertainty related to future results. Please see note on Forward Looking Statements above for further discussion.

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

On the call today



Tracy Robinson

President and CEO



Rob Reilly

Chief Operating Officer



Doug MacDonald

Chief Marketing Officer



Ghislain Houle

Chief Financial Officer



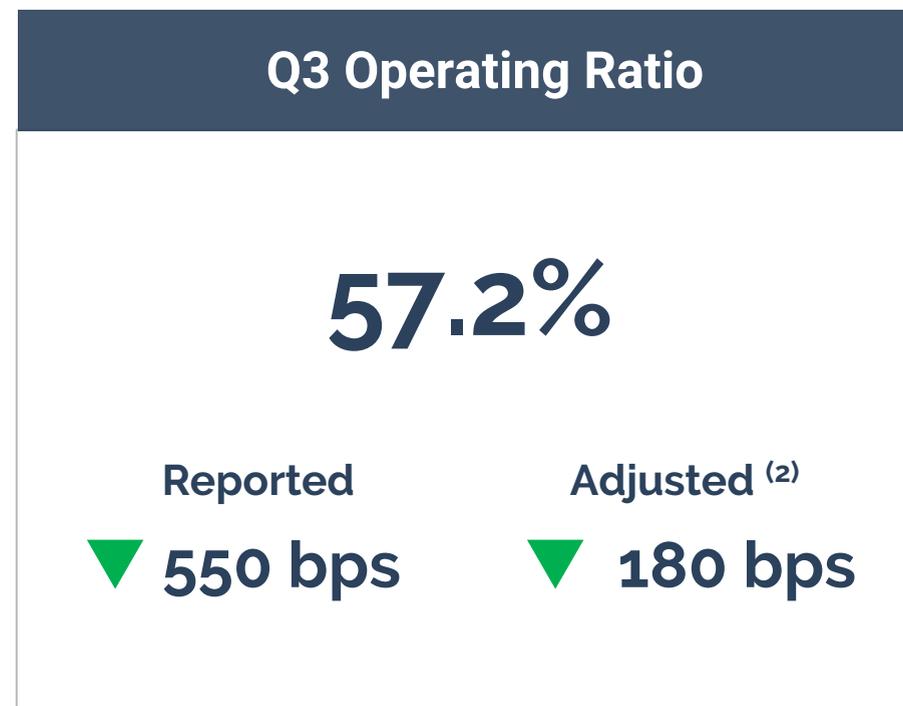
Tracy Robinson

President and Chief Executive Officer

Solid execution driving increased financial outlook ⁽¹⁾



- Diluted EPS of \$2.13, an increase of 40% on an adjusted basis ⁽²⁾, represents a quarterly record supported by our integrated operating plan and solid top-line growth
- Operating Ratio of 57.2%, an improvement of 180 bps over Q3 2021 Adjusted Operating Ratio ⁽²⁾
- Now expect to deliver approximately 25% Adjusted Diluted EPS ⁽²⁾ growth and Free Cash Flow (FCF) ⁽²⁾ of approximately \$4.2B in 2022 ⁽³⁾



⁽¹⁾ Please see Forward-Looking Statements at the beginning of the presentation for a summary of key assumptions and important risk factors underlying CN's financial outlook.

⁽²⁾ These non-GAAP measures do not have any standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other companies. For adjusted diluted EPS and adjusted operating ratio, see the section entitled "Adjusted performance measures" and for free cash flow, see the section entitled "Free cash flow" in the Q3 2022 Quarterly Review filed on October 25th, 2022, which are incorporated by reference herein, for an explanation of these non-GAAP measures.

⁽³⁾ CN's full-year adjusted diluted EPS outlook and free cash flow outlook 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 or free cash flow 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 or its free cash flow outlook.



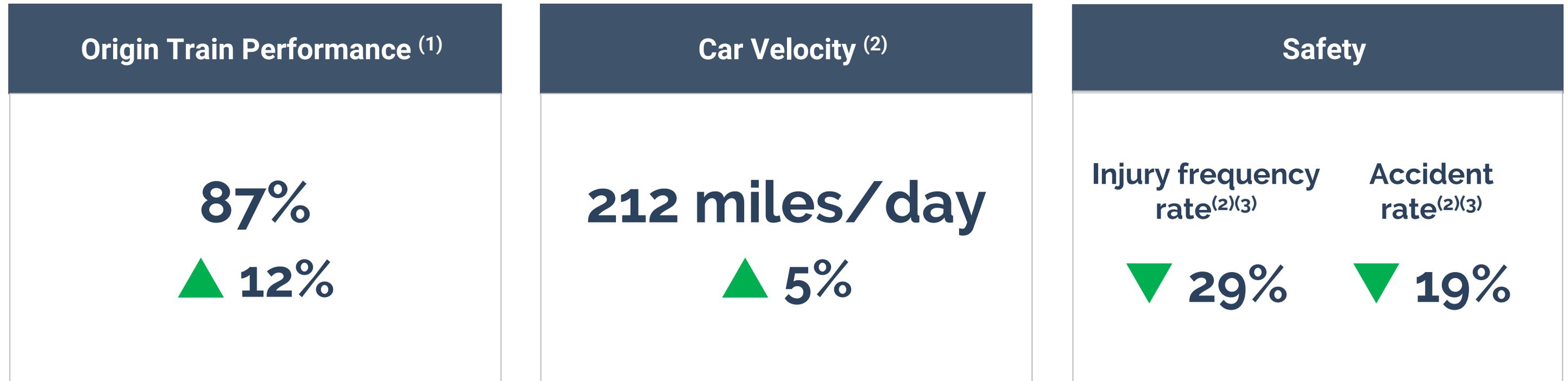
Rob Reilly

Chief Operating Officer

Q3 operating results – leaning into the Plan

Consistent and sustained network fluidity

- Origin Train Performance improvements drive better asset utilization
- Car velocity of 212 miles per day – up 5% and highest level since Q3-2016
- Operating safely – leveraging our investments in training, leadership and technology



(1) 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 87% in Q3 2022, an improvement of 12% compared to 78% for the same period in 2021.

(2) 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.

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

Resourced for disciplined execution of our integrated operating plan

- Velocity supporting consistent car supply and service to our customers
- Strong start to deliver on our grain plan – second best ever September for shipments of Western Canadian grain

People

**~400 conductors qualified
in 2022**

**~1,000 conductor trainees
in the pipeline**

Locomotives

**47 newly acquired
locomotives in service**

**10 additional units
in Q1-2023**

Cars

**500 new grain hoppers
acquired in 2022**

**Additional acquisitions of
grain hopper cars and box
cars in 2023**

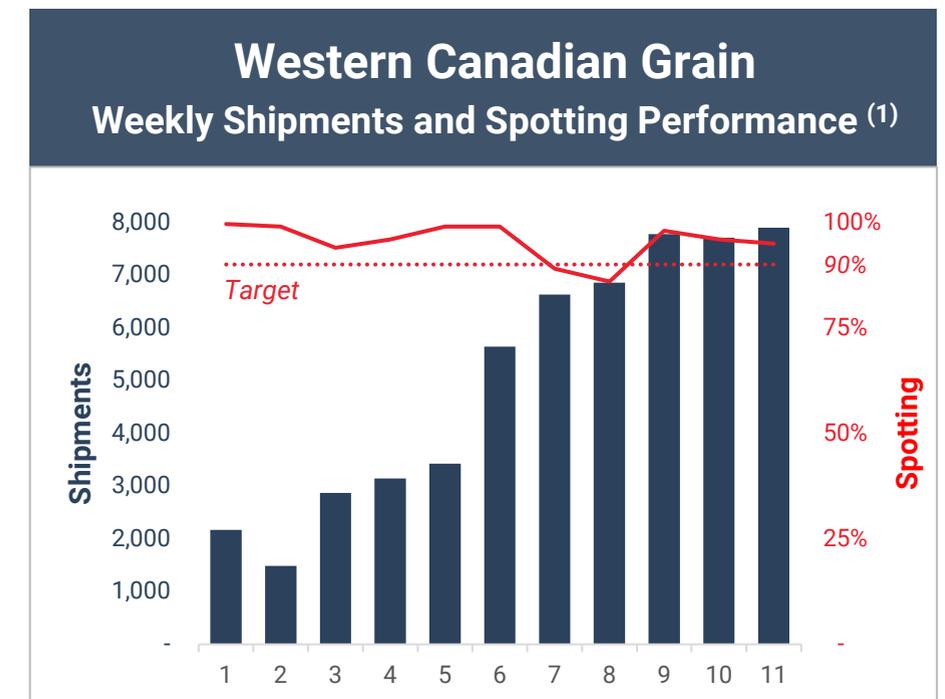
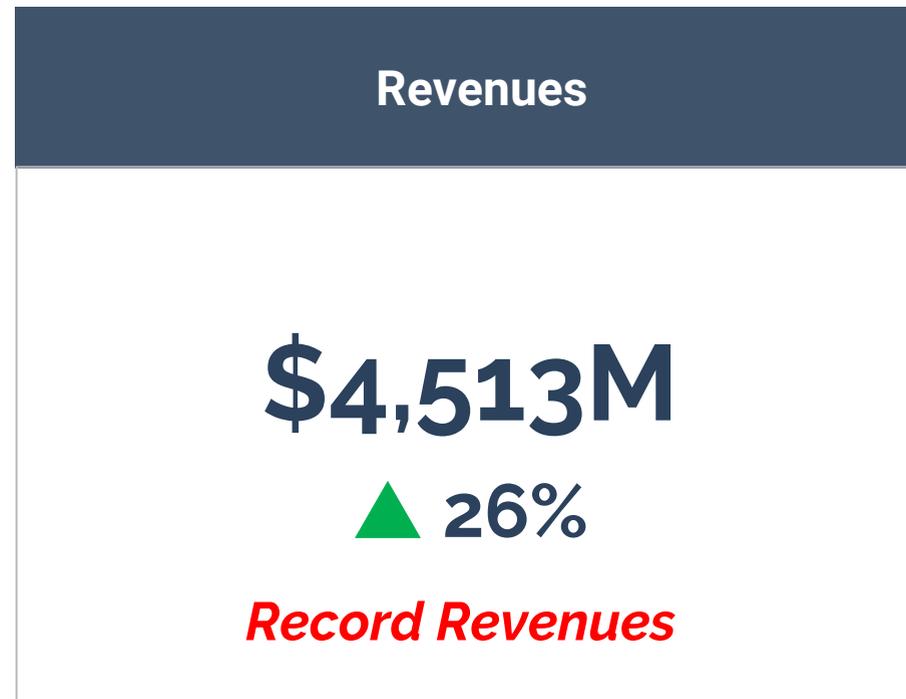
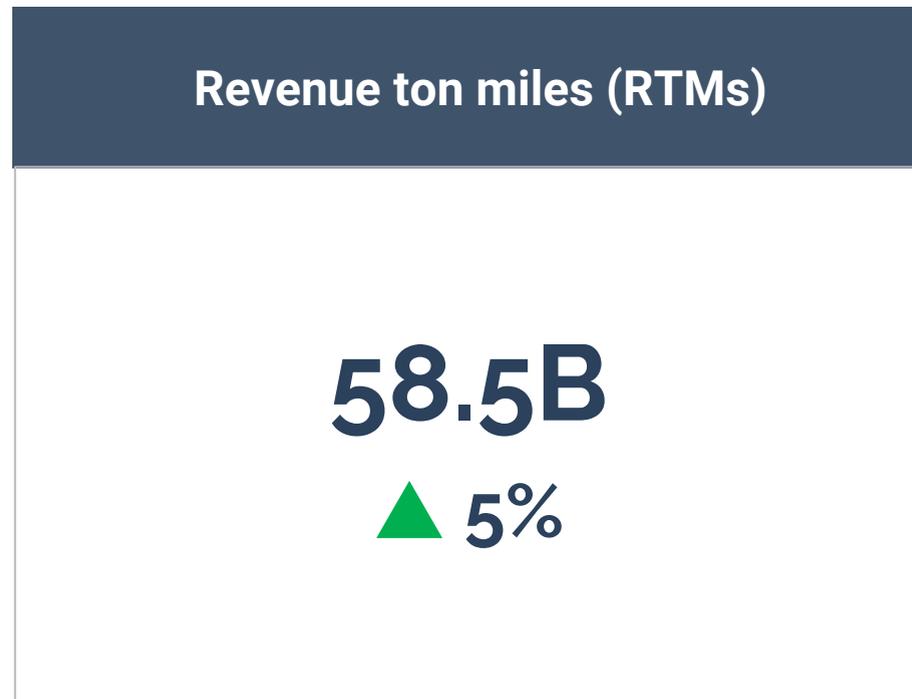


Doug MacDonald
Chief Marketing Officer

Record revenues in Q3



- Strong demand throughout the quarter, with record quarter in terms of RTMs for iron ore, Canadian coal, natural gas liquids and Port of Halifax (containers)
- Rapid late-quarter ramp up in Canadian Grain, ending the quarter at nearly 8,000 weekly shipments
- Favorable pricing environment supporting rail-inflation-plus on contract renewals



Spotting performance in weeks 7 and 8 was impacted by a two-day outage on the mainline into Vancouver

(1) Weekly spotting performance measures the number of empty cars spotted against the current week's planned number of empty cars to be spotted for the common hopper fleet

Canadian Grain harvest underpins strong Fourth Quarter



Merchandise

- ↔ Forest Products
- ↔ Metals and Minerals
- ↑ Petroleum Products
- ↔ Chemicals and Plastics

Bulk

- ↑↑ Western Canadian Coal
- ↑↑ U.S. Coal
- ↑↑ Grain
- ↑ Fertilizers

Consumer Products

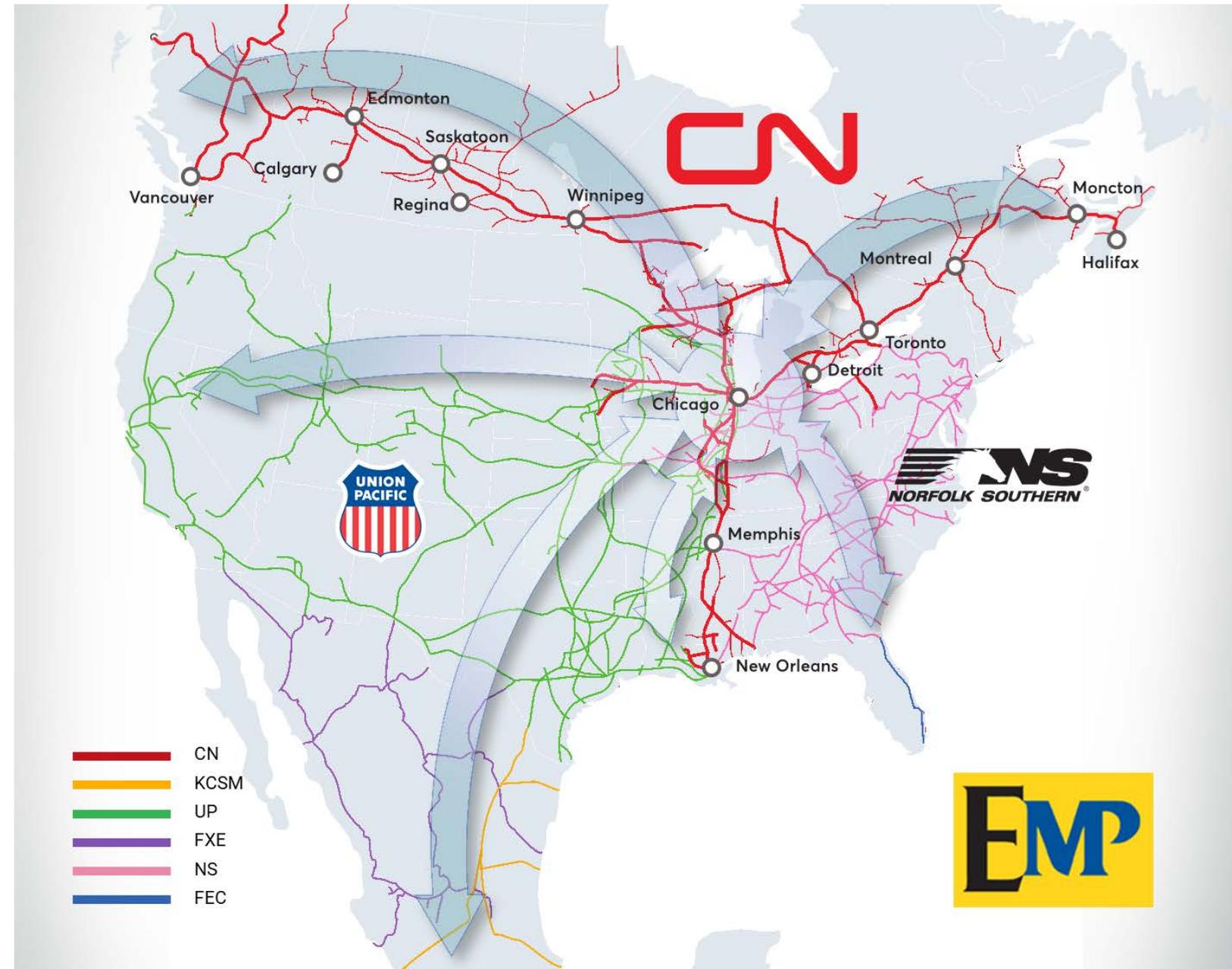
- ↓ International Intermodal
- ↑ Domestic Intermodal
- ↑↑ Automotive

Strategic partnership to expand our Intermodal network



Broadening our participation in the Equipment Management Program (EMP)

- Solid partnership with UP and NS to expand and broaden our reach across North America
- Based on our reliable service and our extensive Canadian network
- Offers seamless domestic and transborder interline service connecting the United States, Canada and Mexico
- CN EMP investments through 2025 will expand the EMP fleet by ~2,500 containers and chassis



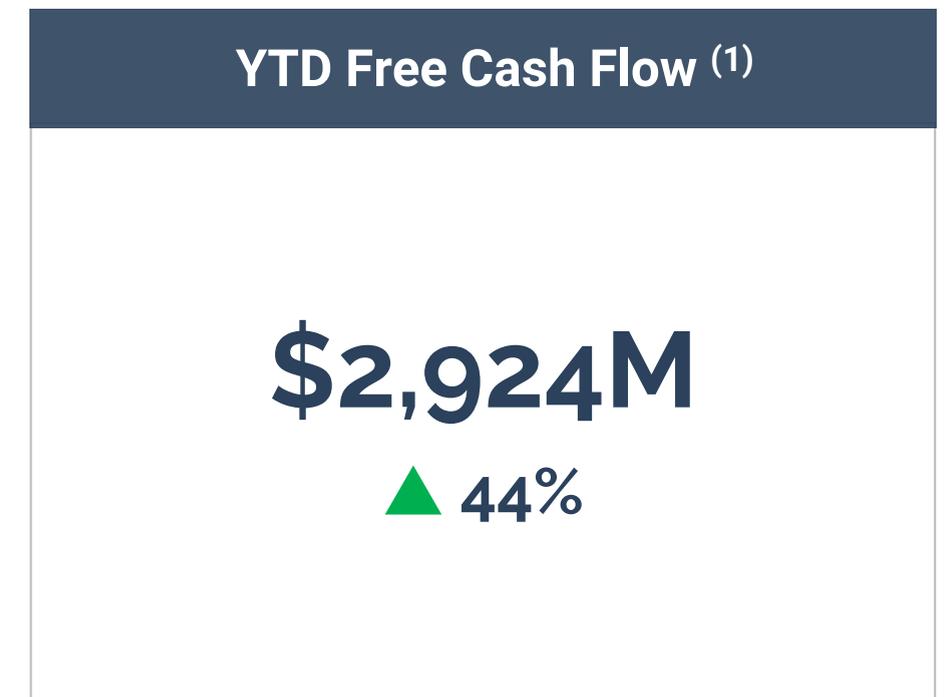
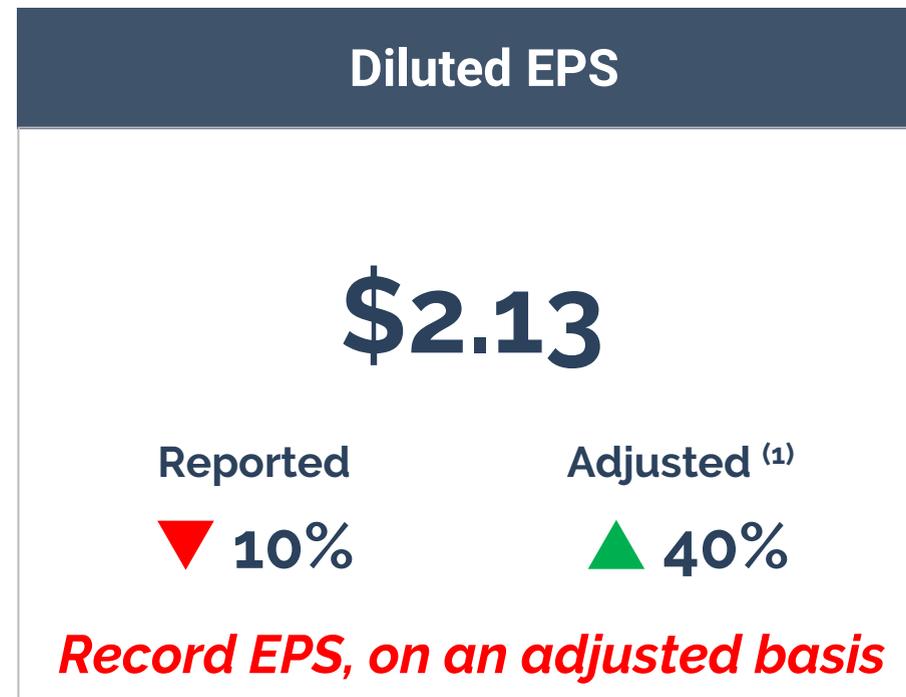
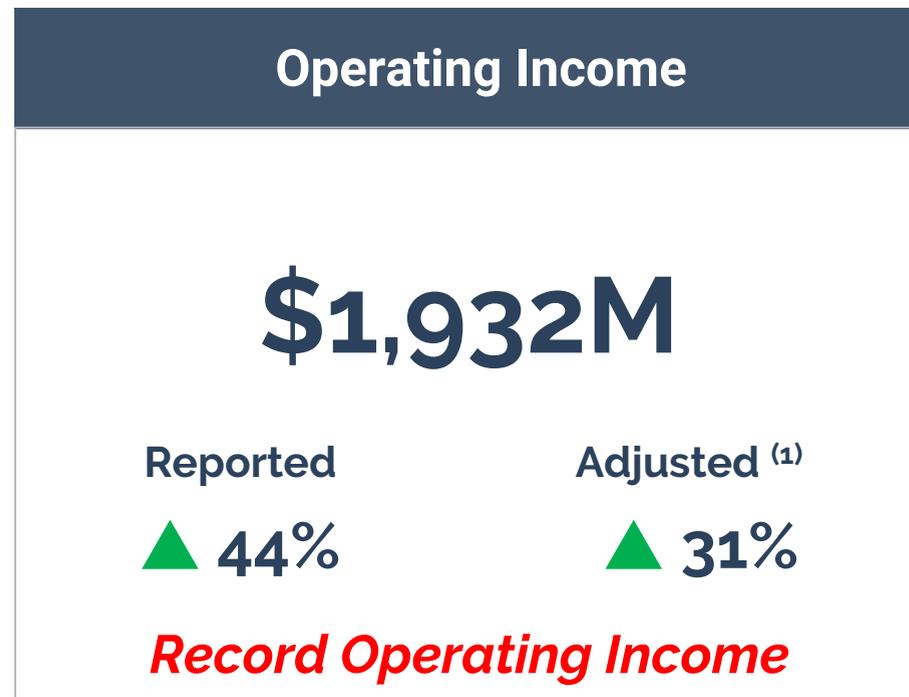
Ghislain Houle

Chief Financial Officer



Q3 outstanding financial results

- Record operating income up over \$450M or 31% on an adjusted basis ⁽¹⁾, includes a \$47M wage accrual for the tentative agreement reached with U.S. unions
- Driving top-line growth to the bottom line with diluted EPS up 40% on an adjusted basis ⁽¹⁾ when compared to Q3 2021
- YTD Q3 Free Cash Flow ⁽¹⁾ of over \$2.9B, up ~\$900M or 44% – mainly due to higher earnings



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New 2022 financial outlook ⁽¹⁾



- Now expect to deliver approximately 25% adjusted diluted EPS growth and FCF of approximately \$4.2B
- Continuing to target a full-year operating ratio below 60% and ROIC at 15%
- Assuming full-year low single-digit volume growth (RTMs)

Adjusted Diluted EPS ⁽²⁾ Growth

 **~25%**

Previously  **15% - 20%**

Full-year Free Cash Flow ⁽²⁾

~\$4.2B

Previously **\$3.7B - \$4.0B**

Full-year ROIC ⁽²⁾

~ 15%

(1) Please see Forward-Looking Statements at the beginning of the presentation for a summary of key assumptions and important risk factors underlying CN's financial outlook.

(2) CN's full-year adjusted diluted EPS outlook, ROIC outlook and free cash flow outlook 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, ROIC or free cash flow 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, its ROIC outlook or its free cash flow outlook.



Tracy Robinson

President and Chief Executive Officer

Delivering on our Plan



- The **Railroad** is running well – supported by our integrated operating plan
- Unlocking value through tighter **integration** at every level of the organization
- Leveraging the strength of our network to drive continued growth in our **top line** and our **bottom line**



Delivering value to our customers, employees and shareholders