



Fourth Quarter and Full Year 2023 Financial and Operating Results

January 23, 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 assumes 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 (also below when excluding the significantly lower 2021/2022 crop year) and the U.S. grain crop was above its three-year average. The Company assumes 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 the U.S. grain crop will also be in line with its three-year average. CN assumes RTM growth in mid-single digit range. CN assumes continued pricing above rail inflation upon contract renewals. CN also assumes that in 2024, the value of the Canadian dollar in U.S. currency will be approximately \$0.75, and assumes that in 2024 the average price of crude oil (West Texas Intermediate) will be approximately in the US\$70 - US\$80 range per barrel.

2024-2026 Key Assumptions

CN has made a number of economic and market assumptions in preparing its three-year financial perspective. CN assumes North American industrial production growth of at least two percent CAGR for 2024-2026. 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 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 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 net income, adjusted diluted earnings per share (EPS), adjusted operating income and adjusted operating ratio (referred to as adjusted performance measures), free cash flow, return on invested capital (ROIC) and adjusted ROIC. 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, see the Q4 2023 Earnings Release filed on January 23rd, 2024, which is incorporated by reference herein which may be found online on SEDAR+ at www.sedarplus.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.

CN's full-year adjusted diluted EPS outlook and full-year adjusted ROIC 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 its adjusted ROIC 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 adjusted ROIC outlook.

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

On the call today



Tracy Robinson

President and CEO



Pat Whitehead

Chief Network Operating Officer



Derek Taylor

Chief Field Operating Officer



Doug MacDonald

Chief Marketing Officer



Ghislain Houle

Chief Financial Officer



Tracy Robinson

President and Chief Executive Officer

Advancing our game plan

- Our commitment to scheduled railroading is driving velocity, reliability and resilience
- We are delivering for our customers and the North American economy
- Pressing ahead with our growth initiatives; cautiously optimistic about the macro environment
- We're railroading for the long-term

Q4 2023	Full year 2023	2024 Guidance ⁽³⁾⁽⁴⁾
<p>Adjusted Diluted EPS⁽¹⁾</p> <p>▼ 4%</p> <p>Operating Ratio</p> <p>▲ 140 bps</p>	<p>Adjusted Diluted EPS⁽¹⁾</p> <p>▼ 2%</p> <p>Operating Ratio</p> <p>▲ 90 bps</p> <p>Adjusted⁽¹⁾⁽²⁾</p>	<p>Adj. Diluted EPS</p> <p>▲ ~10%</p>

(1) 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" in the Q4 2023 Earnings release filed on January 23rd, 2024, which is incorporated by reference herein, for an explanation of these non-GAAP measures.

(2) CN's full-year operating ratio of 60.8% was 80 bps higher than the reported operating ratio for 2022 and 90 bps higher than the adjusted operating ratio for 2022.

(3) 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.

(4) CN's full-year adjusted diluted EPS outlook excludes 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 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.



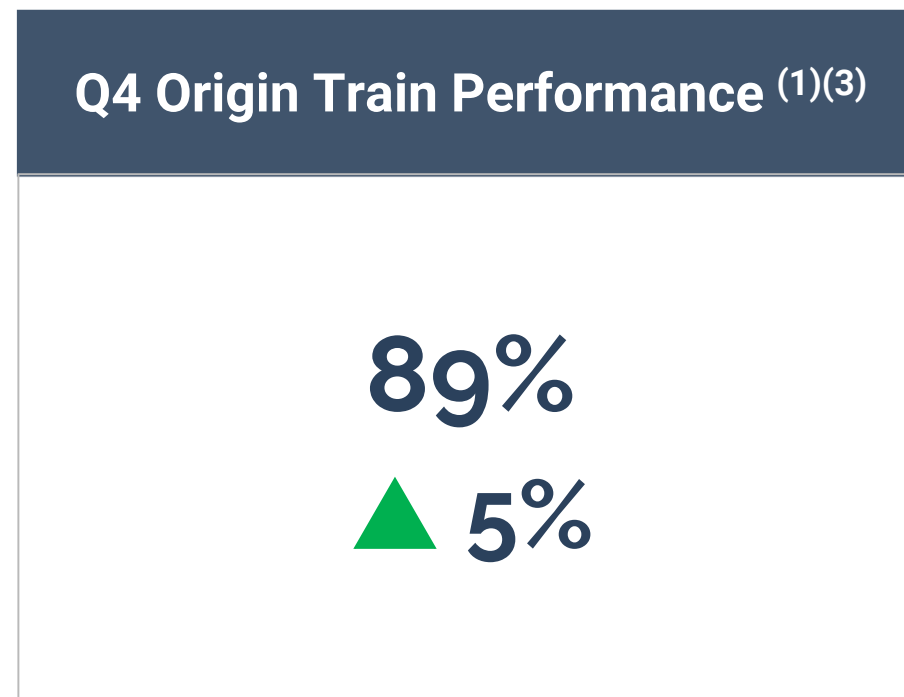
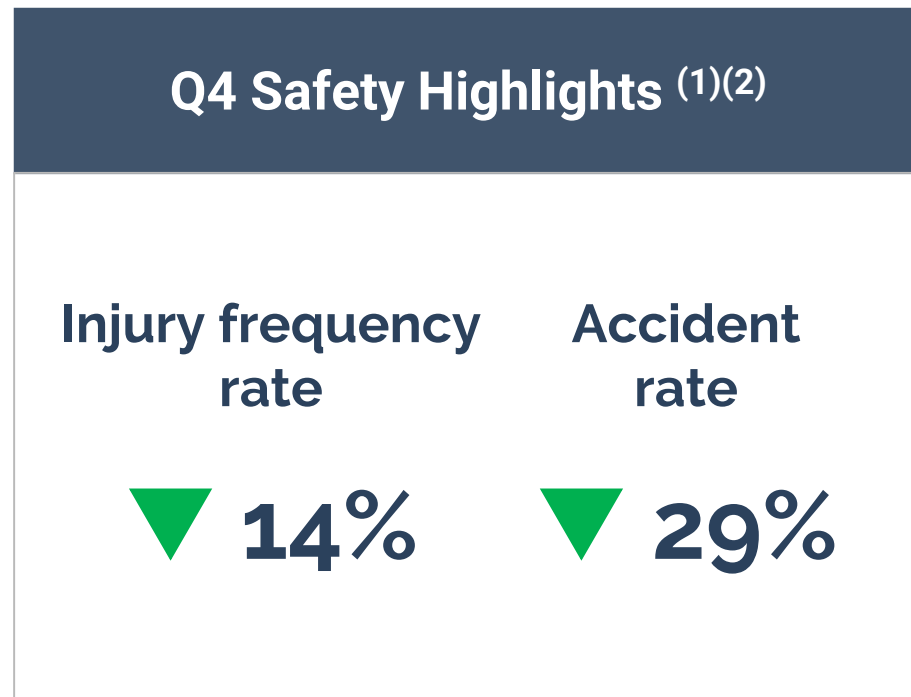
Pat Whitehead

Chief Network Operating Officer

Make the Plan – Launching and landing trains



- Reinforcing values-based safety culture to foster positive behaviors – leading to improved safety metrics
- Seven consecutive quarters of consistently strong and resilient operating performance, with a continued focus on getting over the road on schedule
- The right resources are in place – well positioned for growth



(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 89% in Q4 2023, an improvement of 5% compared to 85% for the same period in 2022.

Derek Taylor

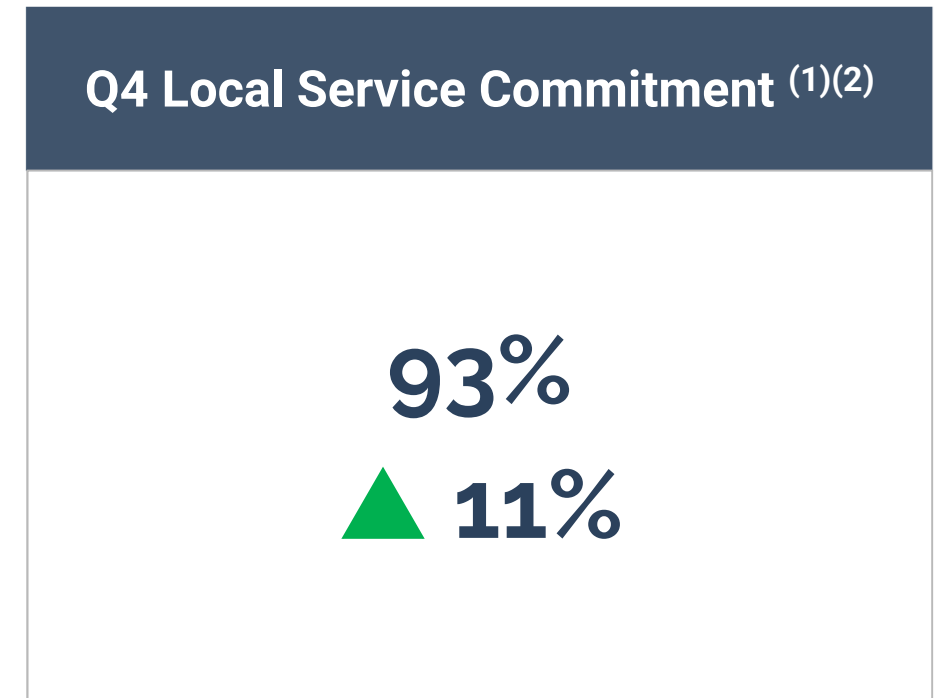
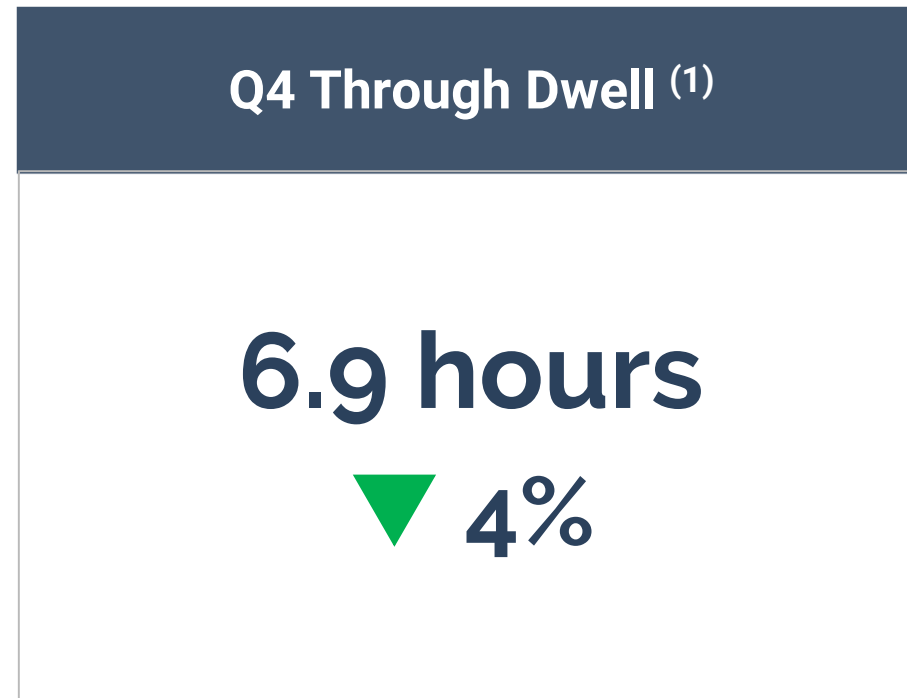
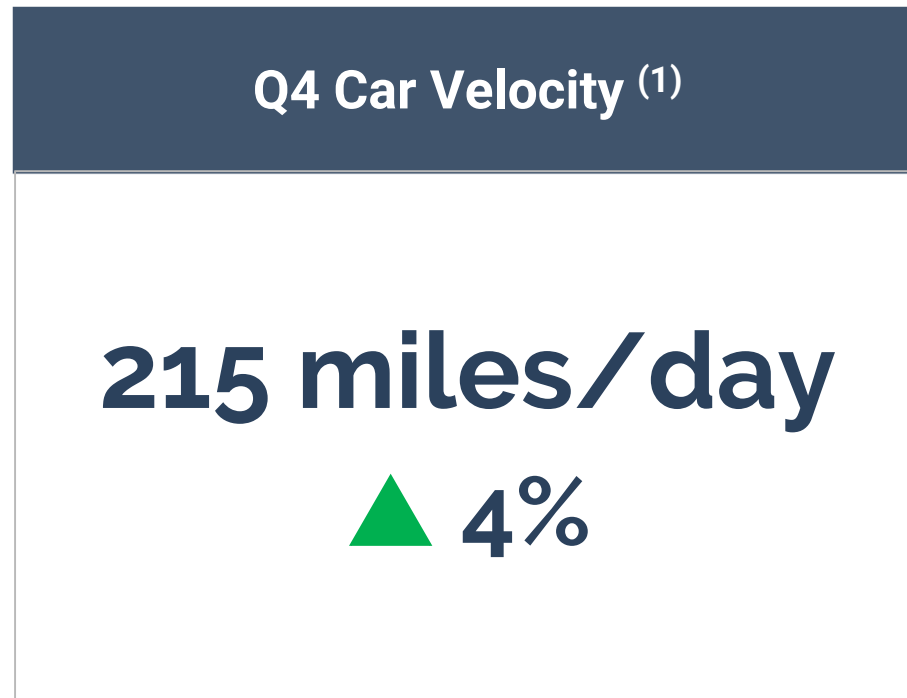
Chief Field Operating Officer



Run the Plan – Driving consistent execution in the field



- Fourth quarter car velocity was among the best in recent history, with major disruptions behind us – indicative of strong overall network health
- Disciplined execution drove mainline and yard fluidity, and continued adherence will drive incremental improvements
- Solid operations delivered consistent and reliable customer service



(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 93% in Q4 2023, an improvement of 11% compared to 84% for the same period in 2022.

Doug MacDonald

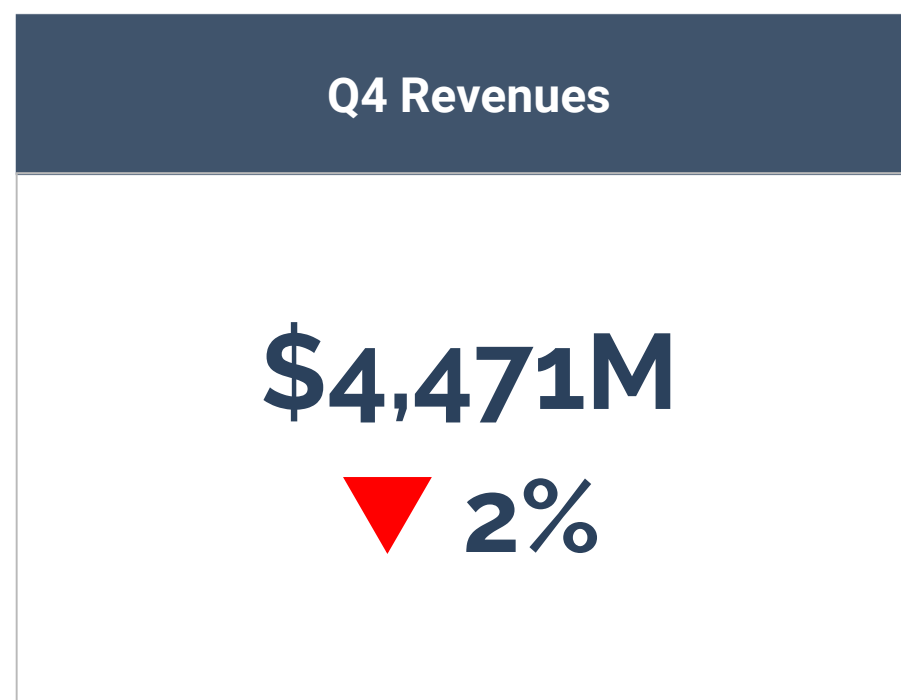
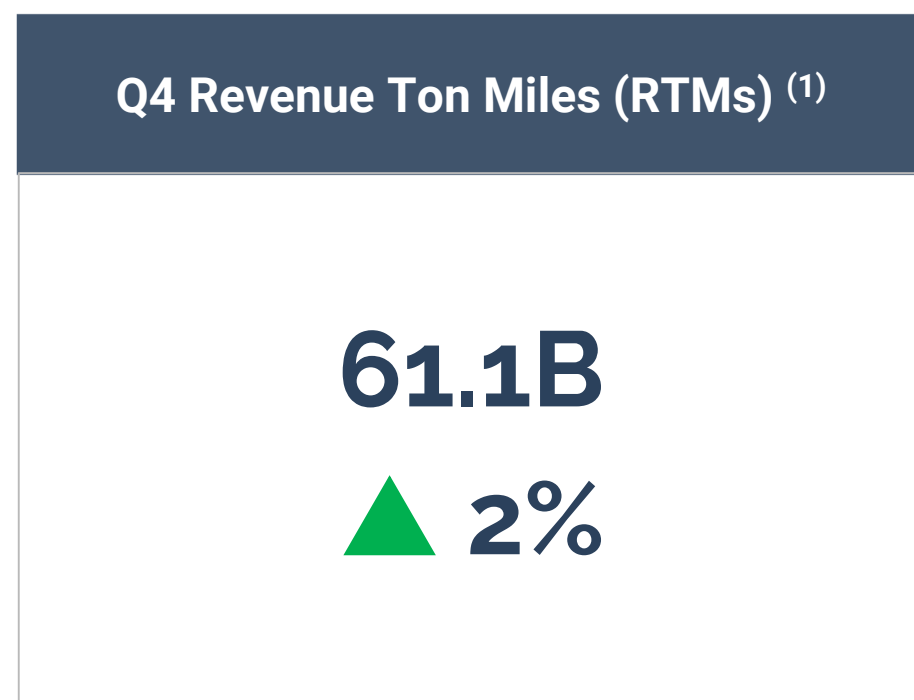
Chief Marketing Officer



Closed the year with strengthening volume trends



- Record potash shipments and strong refined petroleum and NGLs, partly offset by lower grain and International Intermodal shipments in the fourth quarter
- Lower Q4 revenue due to decreased container storage fees and a lower applicable fuel surcharge
- Same store pricing continues to exceed CN rail cost inflation, supported by strong service
- CN-specific growth initiatives gaining traction and starting to produce carloads – selling into the Plan



2023 RTM Performance

+	-
Canadian Grain	International Intermodal
Potash	US Grain
Frac sand	Crude Oil
Canadian Coal	Lumber & Panels

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Merchandise and intermodal volume momentum building into 2024



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



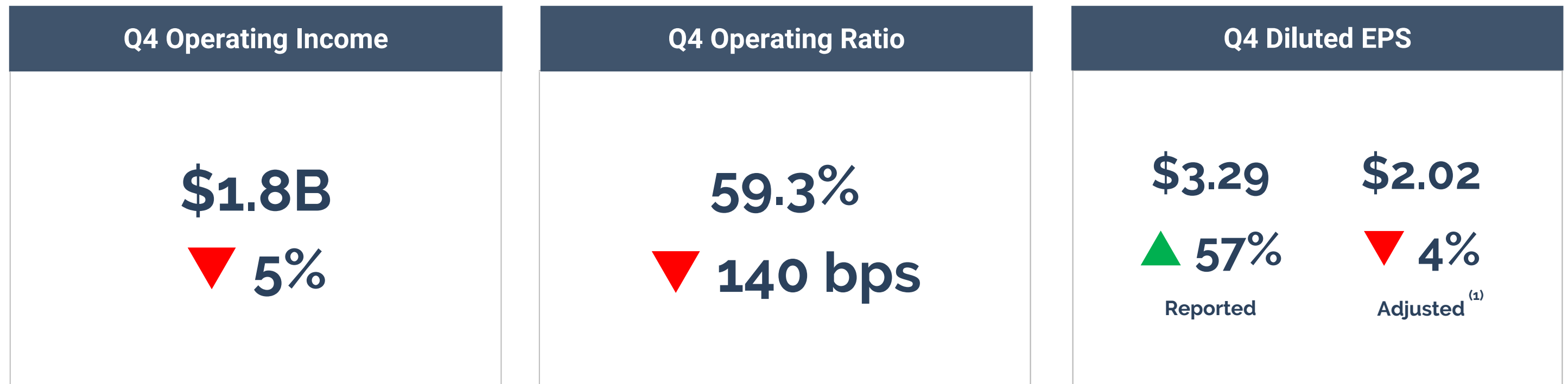
Ghislain Houle

Chief Financial Officer

Scheduled railroading – The foundation for customer service and profitable growth



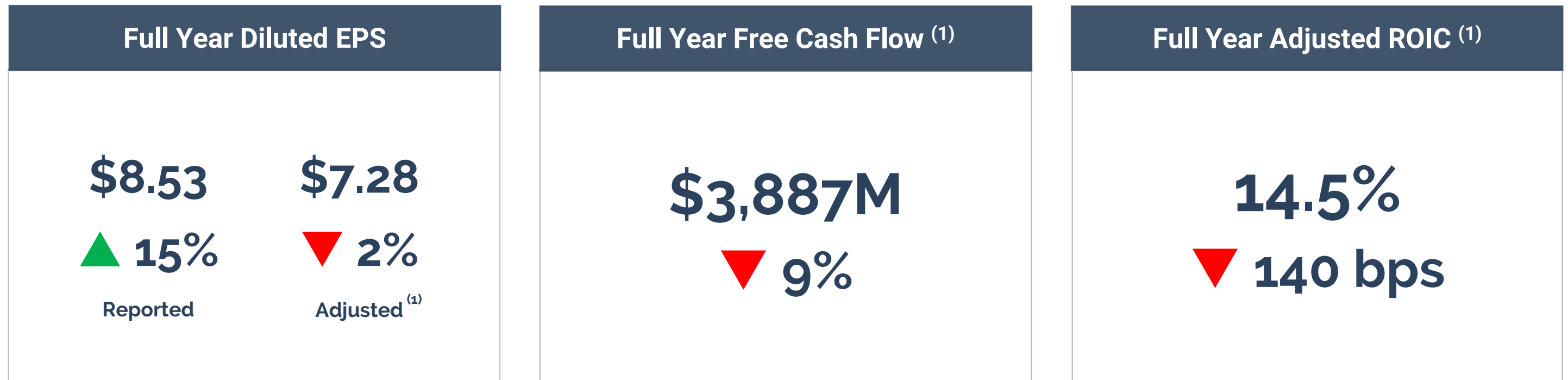
- Reported Q4 diluted EPS up 57% to \$3.29, benefitting from non-recurring items
 - Year-over-year adjusted diluted EPS⁽¹⁾ impacted by lower revenues, as well as short-term impact of carrying additional headcount through volume downturn
- Sequential operating income and OR improvements from increasing volumes and favorable operating conditions
- The power of operating to the Plan continues to drive strong relative financial performance



(1) This non-GAAP measure does not have any standardized meaning prescribed by GAAP and therefore may not be comparable to a similar measure presented by other companies. For adjusted diluted EPS see the section entitled "Adjusted performance measures" in the Q4 2023 Quarterly Review filed on January 23rd, 2024, which is incorporated by reference herein, for an explanation of this non-GAAP measures.

Strong relative 2023 full-year financial performance

- Full year earnings aligned with our revised guidance – the result of disciplined execution through a volume downturn and challenging operating conditions
- Strategic use of cash to strengthen and expand the network through bolt-on acquisitions and capital investments of \$3.1B (net of amounts reimbursed by customers) or 18.5% of revenue
- Solid footing to leverage strengthening macro environment and enable profitable growth





(1) 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, see the section entitled "Adjusted performance measures", for free cash flow, see the section entitled "Free cash flow" and for adjusted ROIC, see the section entitled "ROIC and Adjusted ROIC" in the Q4 2023 Quarterly Review filed on January 23rd, 2024, which is incorporated by reference herein, for an explanation of these non-GAAP measures.

Confidence in our strategic plan – 2024 financial outlook⁽¹⁾



- Expecting to deliver approximately 10% adjusted diluted EPS⁽²⁾ growth over 2023, in the context of a slightly positive economic environment
- 2024 CAPEX in line with Investor Day outlook
- Continuing to reward long-term shareholders with 7% dividend growth for 2024 and executing on our 2024-2025 share repurchase program

2024 Adjusted diluted EPS ⁽²⁾ growth	Disciplined Investment	Rewarding Shareholders
 ~10%	CAPEX \$3.5B net of amounts reimbursed by customers	 7% dividend growth Share buyback of up to 32 million common shares
	Adjusted ROIC⁽²⁾ 15%-17% In line with targeted range	

(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.

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Tracy Robinson

President and Chief Executive Officer

This is Scheduled Railroading



- The network is in great shape
- We have the right people
- CN-specific growth initiatives are producing
- Our pivot to profitable growth is underway