# Q2 2025 EARNINGS REVIEW

July 30, 2025

# FORWARD-LOOKING STATEMENTS

This investor presentation may contain certain forward-looking information and forward-looking statements (collectively, "forward-looking information") within the meaning of applicable securities laws in both the U.S. and Canada. Forward-looking information includes, but is not limited to, statements concerning expectations, beliefs, targets, plans, goals, objectives, assumptions and statements about possible future events, conditions, and results of operations or performance. Forward-looking information may contain statements with words or headings such as "financial expectations", "key assumptions", "anticipate", "believe", "expect", “targets”, "plan", "will", "outlook", “guidance”, "should" or similar words suggesting future outcomes. This presentation contains forward-looking information relating, but not limited to statements concerning financial targets for 2024-2028 and our ability to deliver on our financial guidance for 2025, including labour stability in Canada, estimated growth and capital expenditures, strategic initiatives and investments, the success of our business, the realization of anticipated benefits and synergies of the Canadian Pacific Railway Limited (“CP”)-Kansas City Southern (“KCS”) transaction, and the opportunities arising therefrom, our operations, priorities and plans, including sustainability-related targets and plans, anticipated financial and operational performance, business prospects and demand for our services and growth opportunities. The forward-looking information that may be in this presentation is based on current expectations, estimates, projections and assumptions, having regard to Canadian Pacific Kansas City Limited’s (“CPKC’s” or the “Company’s”) experience and its perception of historical trends, and includes, but is not limited to, expectations, estimates, projections and assumptions relating to: changes in business strategies, North American and global economic growth and conditions; commodity demand growth; sustainable industrial and agricultural production; commodity prices and interest rates; performance of our assets and equipment; sufficiency of our budgeted capital expenditures in carrying out our business plan; geopolitical conditions, applicable laws, regulations and government policies, including without limitation, those relating to regulation of rates, tariffs, import/export, trade, taxes, wages, labour and immigration; the availability and cost of labour, labour disruptions, services and infrastructure; the satisfaction by third parties of their obligations to CPKC; and carbon markets, evolving sustainability strategies, and scientific or technological developments. Although CPKC believes the expectations, estimates, projections and assumptions reflected in the forward-looking information presented herein are reasonable as of the date hereof, there can be no assurance that they will prove to be correct. Current conditions, economic and otherwise, render assumptions, although reasonable when made, subject to greater uncertainty. Undue reliance should not be placed on forward-looking information as actual results may differ materially from those expressed or implied by forward-looking information. By its nature, CPKC's forward-looking information involves inherent risks and uncertainties that could cause actual results to differ materially from the forward looking information, including, but not limited to, the following factors: changes in business strategies and strategic opportunities; general Canadian, U.S., Mexican and global social, economic, political, credit and business conditions; risks associated with agricultural production such as weather conditions and insect populations; the availability and price of energy commodities; the effects of competition and pricing pressures, including competition from other rail carriers, trucking companies and maritime shippers in Canada, the U.S. and Mexico; North American and global economic growth and conditions; industry capacity; shifts in market demand; changes in commodity prices and commodity demand; uncertainty surrounding timing and volumes of commodities being shipped via CPKC; inflation; geopolitical instability; changes in laws, regulations and government policies, including, without limitation, those relating to regulation of rates, tariffs, import/export, trade, wages, labour and immigration; changes in taxes and tax rates; potential increases in maintenance and operating costs; changes in fuel prices; disruption in fuel supplies; uncertainties of investigations, proceedings or other types of claims and litigation; compliance with environmental regulations; labour disputes; changes in labour costs and labour difficulties; risks and liabilities arising from derailments; transportation of dangerous goods; timing of completion of capital and maintenance projects; sufficiency of budgeted capital expenditures in carrying out business plans; services and infrastructure; the satisfaction by third parties of their obligations; currency and interest rate fluctuations; exchange rates; effects of changes in market conditions and discount rates on the financial position of pension plans and investments; trade restrictions or other changes to international trade arrangements; the effects of current and future multinational trade agreements on the level of trade among Canada, the U.S. and Mexico; climate change and the market and regulatory responses to climate change; anticipated in-service dates; success of hedging activities; operational performance and reliability; customer, regulatory and other stakeholder approvals and support; regulatory and legislative decisions and actions; the adverse impact of any termination or revocation by the Mexican government of Kansas City Southern de México, S.A. de C.V.'s Concession; public opinion; various events that could disrupt operations, including severe weather, such as droughts, floods, avalanches and earthquakes, and cybersecurity attacks, as well as security threats and governmental response to them, and technological changes; acts of terrorism, war or other acts of violence or crime or risk of such activities; insurance coverage limitations; material adverse changes in economic and industry conditions, including the availability of short and long-term financing; the demand environment for logistics requirements and energy prices, restrictions imposed by public health authorities or governments, fiscal and monetary policy responses by governments and financial institutions, and disruptions to global supply chains; the realization of anticipated benefits and synergies of the CP-KCS transaction and the timing thereof; the satisfaction of the conditions imposed by the U.S. Surface Transportation Board in its March 15, 2023 final decision; the success of integration plans for KCS; other disruptions arising from the CP-KCS integration; estimated future dividends; financial strength and flexibility; debt and equity market conditions, including the ability to access capital markets on favourable terms or at all; cost of debt and equity capital; improvement in data collection and measuring systems; industry-driven changes to methodologies; and the ability of the management of CPKC to execute key priorities, including those in connection with the CP-KCS transaction. The foregoing list of factors is not exhaustive. These and other factors are detailed from time to time in reports filed by CPKC with securities regulators in Canada and the U.S. Reference should be made to "Item 1A - Risk Factors" and "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations - Forward-Looking Statements" in CPKC's annual report on Form 10-K and quarterly reports on Form 10-Q. Any forward-looking information contained in this presentation is made as of the date hereof. Except as required by law, CPKC undertakes no obligation to update publicly or otherwise revise any forward-looking information, or the foregoing assumptions and risks affecting such forward-looking information, whether as a result of new information, future events or otherwise.

# BASIS OF PRESENTATION & NON-GAAP MEASURES

## BASIS OF PRESENTATION

Except where noted, all amounts are in millions of Canadian dollars.

Financial information is prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”), unless otherwise noted.

## NON-GAAP MEASURES

CPKC presents Non-GAAP measures, including Core adjusted operating ratio, Core adjusted diluted earnings per share (“EPS”), Core adjusted operating income, Core adjusted combined income, Adjusted free cash, Adjusted net debt to adjusted Earnings before interest, taxes, depreciation and amortization ("EBITDA") ratio, and Core adjusted effective tax rate, to provide a basis for evaluating underlying earnings and liquidity trends in CPKC's current periods' financial results that can be compared with the results of operations in prior periods and facilitate a multi-period assessment of long-term profitability.

These Non-GAAP measures have no standardized meaning and are not defined by GAAP and, therefore, may not be comparable to similar measures presented by other companies. The presentation of these Non-GAAP measures is not intended to be considered in isolation from, as a substitute for, or as superior to the financial information presented in accordance with GAAP.

Although CPKC has provided forward-looking Non-GAAP measures (Core adjusted diluted EPS, Core adjusted effective tax rate, Core adjusted free cash conversion and Core adjusted ROIC) management is unable to reconcile, without unreasonable efforts, the forward-looking Core adjusted diluted EPS, Core adjusted effective tax rate, Core adjusted free cash conversion and Core adjusted ROIC to the most comparable GAAP measures (Diluted EPS, effective tax rate, net cash from operating activities and Return on average shareholders’ equity), due to unknown variables and uncertainty related to future results. These unknown variables and uncertainty may include unpredictable transactions of significant value. In recent years, the Company has recognized acquisition-related costs, adjustments to provisions and settlements of Mexican taxes, a gain on sale of an equity investment, discrete tax items, changes in income tax rates, and changes to an uncertain tax item. Acquisition-related costs include legal, consulting, integration costs including third-party services and system migration, debt exchange transaction costs, community investments, restructuring, and employee retention and synergy incentive costs. These items may not be non-recurring and may include items that are settled in cash. Specifically, due to the magnitude of the acquisition, its significant impact to the Company’s business and complexity of integrating the acquired business and operations, the Company continues to expect to incur the acquisition-related costs beyond the year of acquisition. These or other similar, large unforeseen transactions affect diluted EPS, effective tax rate, net cash flow from operating activities, and return on average shareholders' equity but may be excluded from CPKC's Core adjusted diluted EPS, Core adjusted effective tax rate, Core adjusted free cash conversion, and Core adjusted ROIC but may be excluded from CPKC’s Core adjusted diluted EPS. Additionally, the Canadian-to-U.S. dollar and Mexican peso-to-U.S. dollar exchange rates are unpredictable and can have a significant impact on CPKC's reported results but may be excluded from CPKC’s Core adjusted diluted EPS, Core adjusted effective tax rate, Core adjusted free cash conversion and Core adjusted ROIC.

Beginning in the first quarter 2025, Core adjusted operating income, Core adjusted operating ratio, Core adjusted income, Core adjusted diluted EPS, Adjusted free cash, and Adjusted net debt to adjusted EBITDA ratio have been used in continuity of the Non-GAAP measures previously known as Core adjusted combined operating income, Core adjusted combined operating ratio, Core adjusted combined income, Core adjusted combined diluted EPS, Adjusted combined free cash, and Adjusted combined net debt to adjusted combined EBITDA ratio respectively. No adjustments are required to the previously presented Non-GAAP measures as reported in 2024 to present them on a comparable basis, as KCS was consolidated within the Company's results throughout the whole year and therefore, no combination adjustments exist.

For further information regarding Non-GAAP measures, including reconciliations to the most directly comparable GAAP measures, see the Non-GAAP Measures supplement to the Q2 2025 Earnings Release on our website at investor.cpkcr.com and CPKC’s Q2 2025 MD&A available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) under CPKC’s SEDAR+ profile.


# KEITH CREEL

PRESIDENT &

CHIEF EXECUTIVE OFFICER

# SECOND QUARTER HIGHLIGHTS

- Solid base demand and synergies driving differentiated volume performance
- Creating new opportunities through entrepreneurial approach
- Well-positioned to meet guidance and continue delivering differentiated growth


| Revenues | Operating Ratio | Diluted EPS |
|---|---|---|
| $3.7 billion \| +3% | 63.7% \| -110 bps | $1.33 \| +37% |

| RTMs | Core Adjusted Operating Ratio(1) | Core Adjusted Diluted EPS(1) |
|---|---|---|
| 55,529 million \| +7% | 60.7% \| -110 bps | $1.12 \| +7% |



(1) For a full description and reconciliation of Non-GAAP Measures, see CPKC's Q2 2025 Earnings Release on investor.cpkcr.com and CPKC's Q2 2025 MD&A available on SEDAR+ at www.sedarplus.ca under CPKC's SEDAR+ profile

# MARK REDD

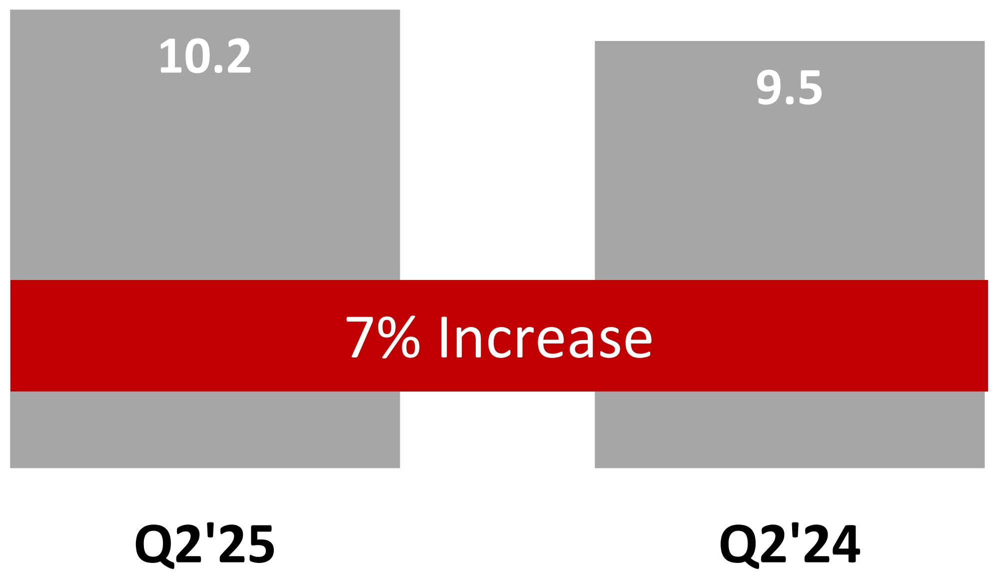
CHIEF OPERATING OFFICER

# OPERATING PERFORMANCE

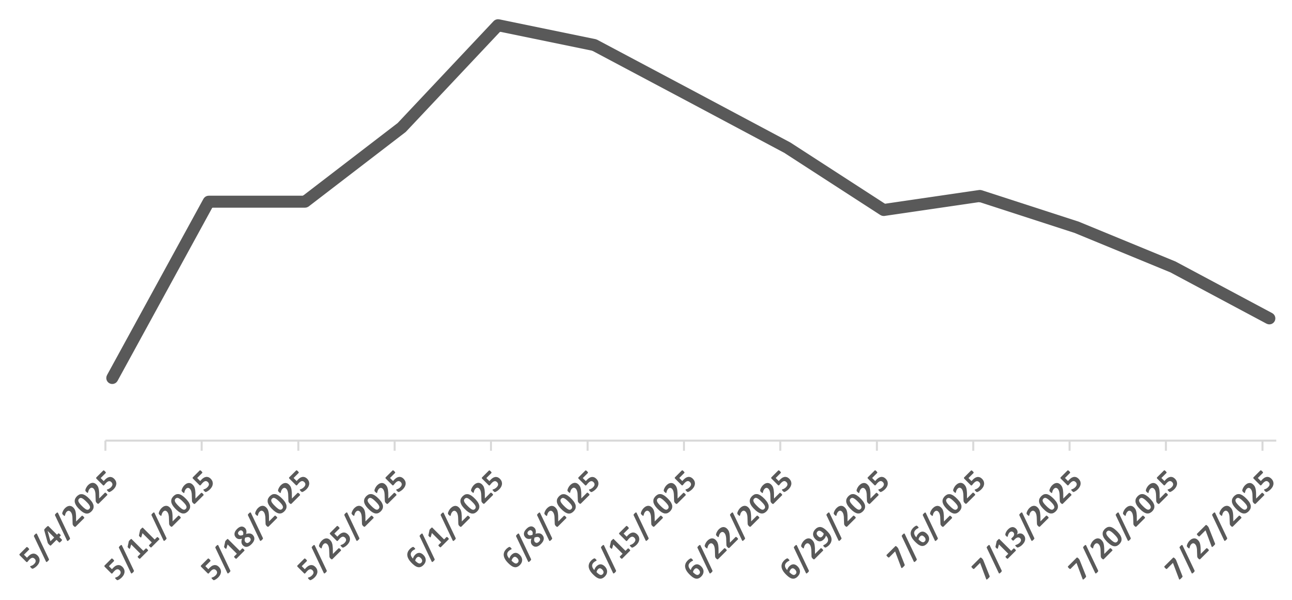
VS. Q2 2024

- Metrics impacted by complex systems integration, primarily in portions of the southern U.S. network
- Strong progress over last two months on Legacy KCS U.S.
  - Dwell improved 42%
  - Car miles per car day improved 38%
- Underlying safety results encouraging
- Tier IV locomotives improving fleet reliability and fuel efficiency

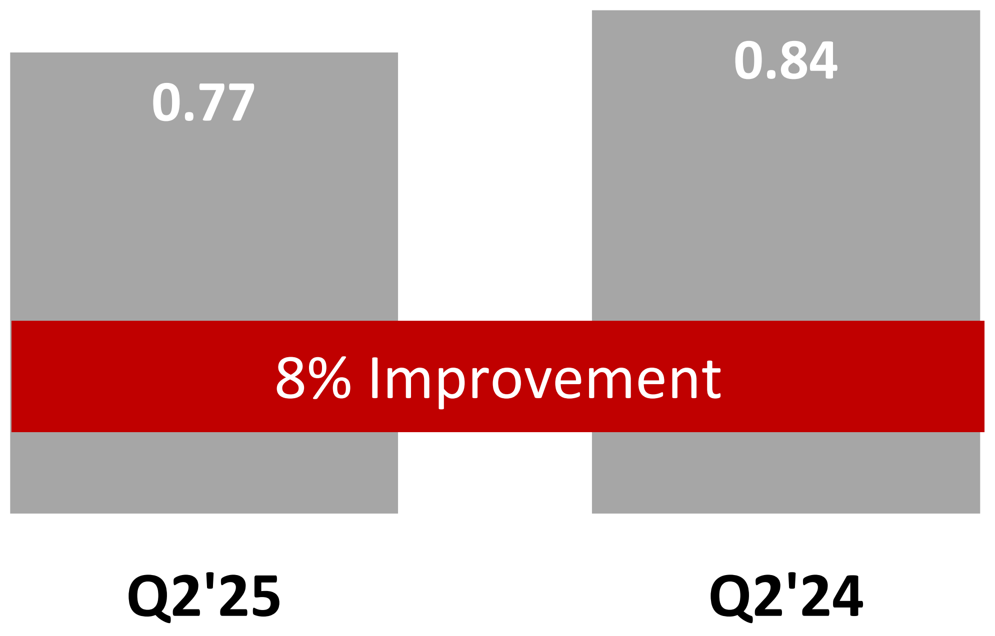
**Average terminal dwell**
(hours)



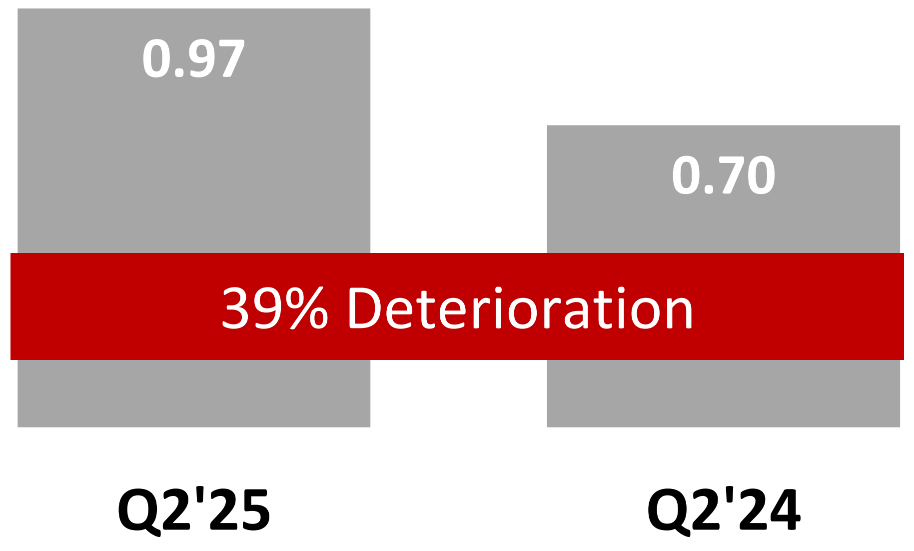

**Legacy KCS U.S. Average Terminal Dwell**
(hours)




**FRA personal injuries**
(per 200,000 employee-hours)




**FRA train accident frequency**
(per million train-miles)



# JOHN BROOKS

CHIEF MARKETING OFFICER

# REVENUE HIGHLIGHTS

VS. Q2 2024

## TOTAL REVENUE

# +3%

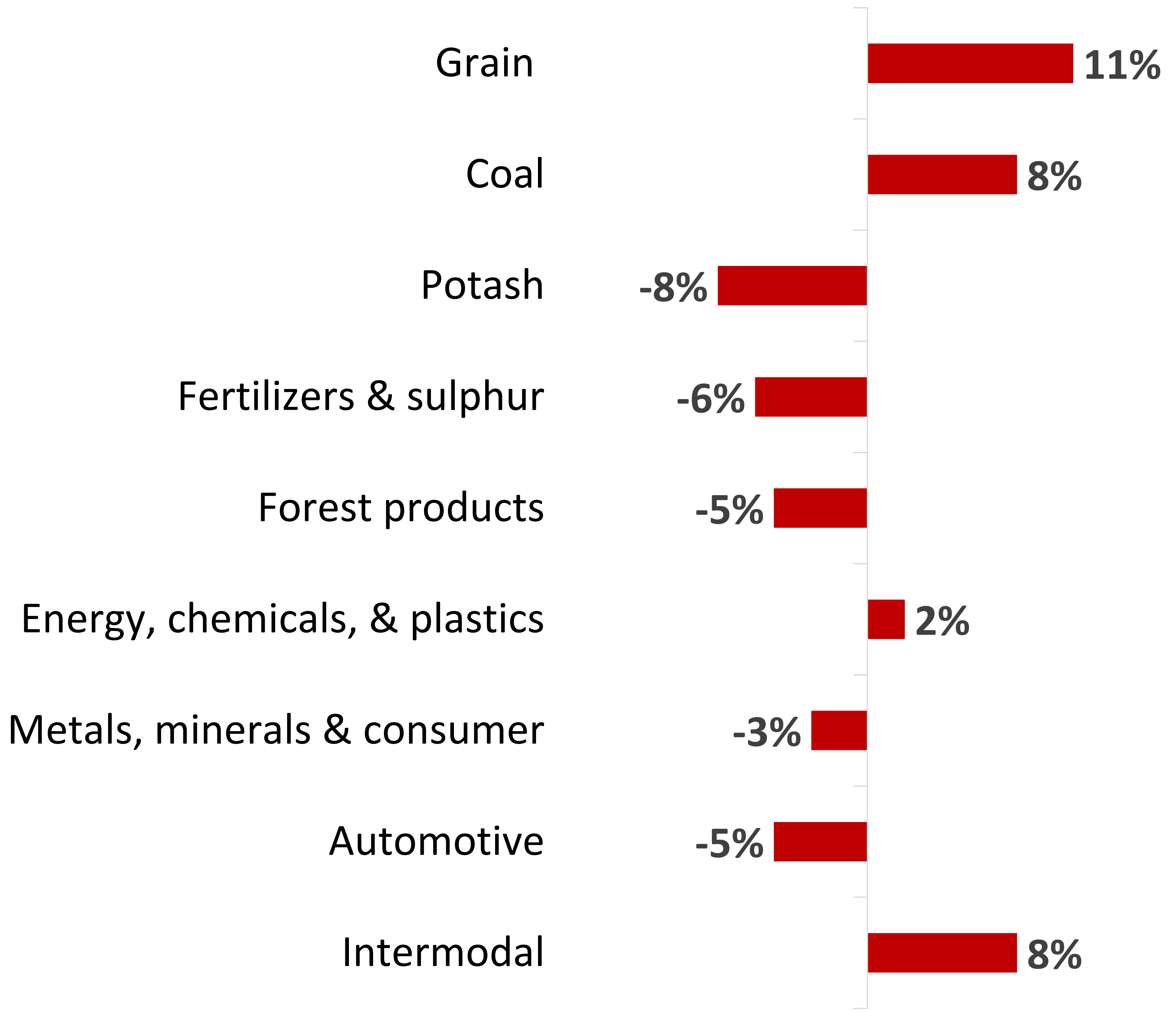
RTMs: +7%

$/RTM: -4%

Carloads: +6%

$/Carload: -3%

## FX-ADJUSTED REVENUE VARIANCE(1)




(1) For a full description and reconciliation of Non-GAAP Measures, see CPKC's Q2 2025 Earnings Release on investor.cpkcr.com and CPKC's Q2 2025 MD&A available on SEDAR+ at www.sedarplus.ca under CPKC's SEDAR+ profile

# REVENUE UPDATE

VS. Q2 2024

## BULK
**FX-Adj Revenue[1] +6% | RTMs +9%**

- Growth in **Canadian Grain** from increased export shipments for the ‘24/ ‘25 harvest
- Growth in **U.S. Grain** driven by increased shipments to Mexico
- Expect strong second half for **Potash** with positive demand fundamentals
- Higher **Coal** volumes from strong mine production and inventory draw-downs

## MERCHANDISE
**FX-Adj Revenue[1] -1% | RTMs -3%**

- Diversified growth in **ECP** from synergies and market share gains, partially offset by lower crude volumes
- **Forest Products** impacted by softer base demand, offset by synergies including extending length of haul
- **MMC** impacted by steel tariffs, partially offset by higher frac sand
- Continued record **Automotive** volumes driven by synergy closed-loop service solution

## INTERMODAL
**FX-Adj Revenue[1] +8% | RTMs +18%**

- Strong **International Intermodal** from Gemini alliance growth out of CPKC-served ports
  - Anticipate continued strength in International Intermodal in H2
- Growth in **Domestic Intermodal** from record MMX180/181 performance
  - Robust opportunity pipeline from MMX 180/181, Americold ramp, auto parts and SMX service



(1) For a full description and reconciliation of Non-GAAP Measures, see CPKC’s Q2 2025 Earnings Release on investor.cpkcr.com and CPKC’s Q2 2025 MD&A available on SEDAR+ at www.sedarplus.ca under CPKC’s SEDAR+ profile

# NADEEM VELANI

CHIEF FINANCIAL OFFICER

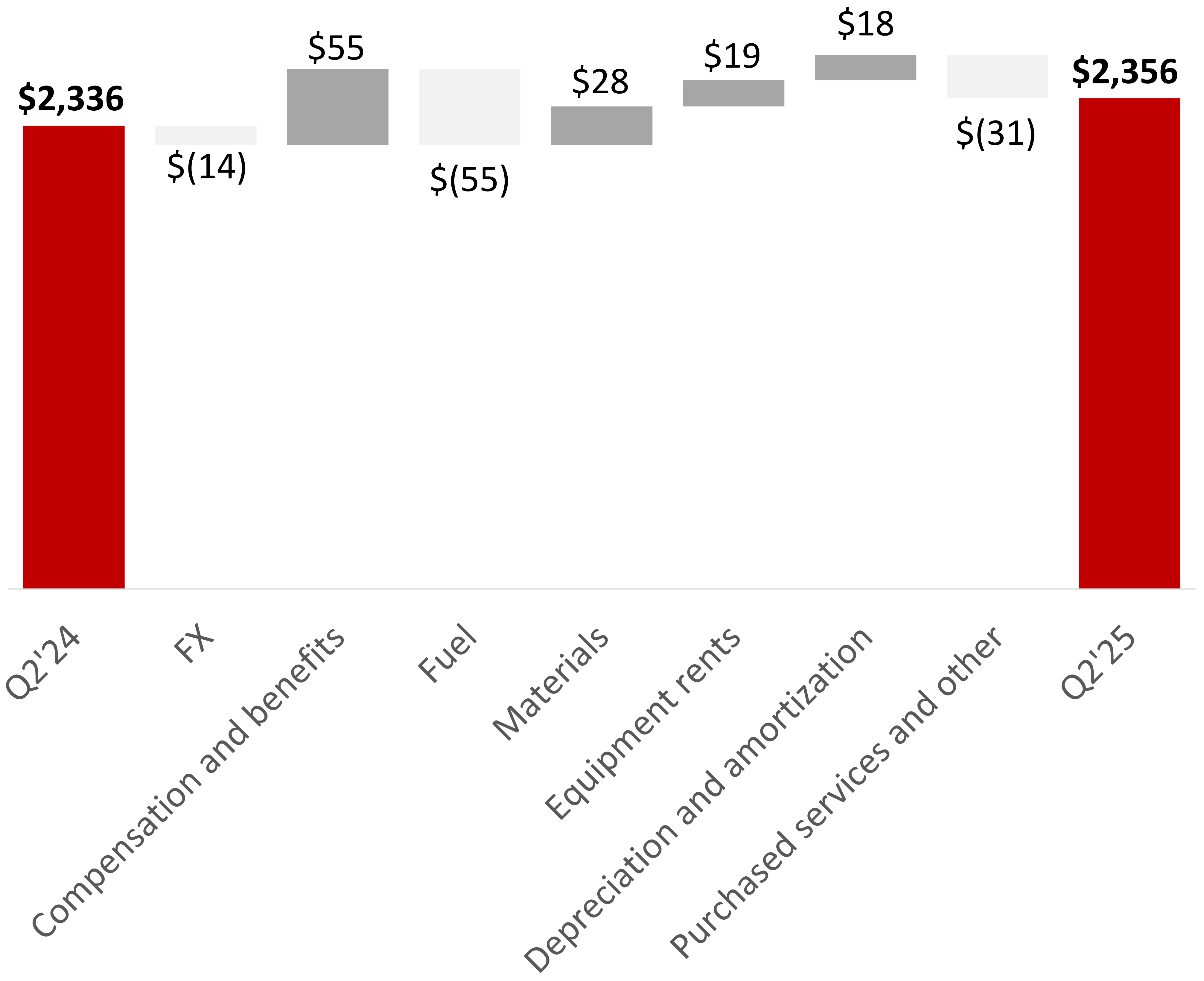
# FINANCIAL PERFORMANCE

| *(in millions, except percentages and per share data)* | | Second Quarter 2025 | | 2024 | Change | FX Adjusted Change[1] |
|---|---|---|---|---|---|---|
| Total revenues | $ | 3,699 | $ | 3,603 | 3% | 3% |
| Total operating expenses | | 2,356 | | 2,336 | 1% | 1% |
| **Operating income as reported** | **$** | **1,343** | **$** | **1,267** | **6%** | |
| **Core adjusted operating income[1]** | | **1,453** | | **1,378** | **5%** | |
| Net income attributable to controlling shareholders as reported | $ | 1,234 | $ | 905 | 36% | |
| Core adjusted income[1] | | 1,036 | | 983 | 5% | |
| **Diluted earnings per share as reported** | **$** | **1.33** | **$** | **0.97** | **37%** | |
| **Core adjusted diluted earnings per share[1]** | | **1.12** | | **1.05** | **7%** | |
| Weighted average number of diluted shares outstanding | | 924.8 | | 934.6 | (1%) | |
| **Operating ratio as reported** | | **63.7%** | | **64.8%** | **(110 bps)** | |
| **Core adjusted operating ratio[1]** | | **60.7%** | | **61.8%** | **(110 bps)** | |

(1) For a full description and reconciliation of Non-GAAP Measures, see CPKC's Q2 2025 Earnings Release on investor.cpkcr.com and CPKC's Q2 2025 MD&A available on SEDAR+ at www.sedarplus.ca under CPKC's SEDAR+ profile

# OPERATING EXPENSES

| *(in millions, except percentages)* | Second Quarter 2025 | 2024 | Change | FX Adjusted Change[1] |
|---|---|---|---|---|
| Compensation and benefits[2] | $ 659 | $ 612 | 8% | 9% |
| Fuel | 405 | 466 | (13%) | (12%) |
| Materials[3] | 124 | 97 | 28% | 29% |
| Equipment rents | 103 | 82 | 26% | 23% |
| Depreciation and amortization[4] | 493 | 473 | 4% | 4% |
| Purchased services and other[5] | 572 | 606 | (6%) | (5%) |
| **Total operating expenses** | **$ 2,356** | **$ 2,336** | **1%** | **1%** |




(1) For a full description and reconciliation of Non-GAAP Measures, see CPKC's Q2 2025 Earnings Release on investor.cpkcr.com and CPKC's Q2 2025 MD&A available on SEDAR+ at www.sedarplus.ca under CPKC's SEDAR+ profile
(2) Compensation and benefits includes acquisition-related expenses of $7M in Q2 2025 and $2M in Q2 2024
(3) Materials includes acquisition-related expenses of $nil in Q2 2025 and $2M in Q2 2024
(4) Depreciation and amortization includes purchase accounting of $91M in Q2 2025 and $82M in Q2 2024
(5) Purchased services and other includes acquisition-related expenses of $12M in Q2 2025 and $24M in Q2 2024 and purchase accounting of $nil in Q2 2025 and $1M in Q2 2024

# BELOW THE LINE

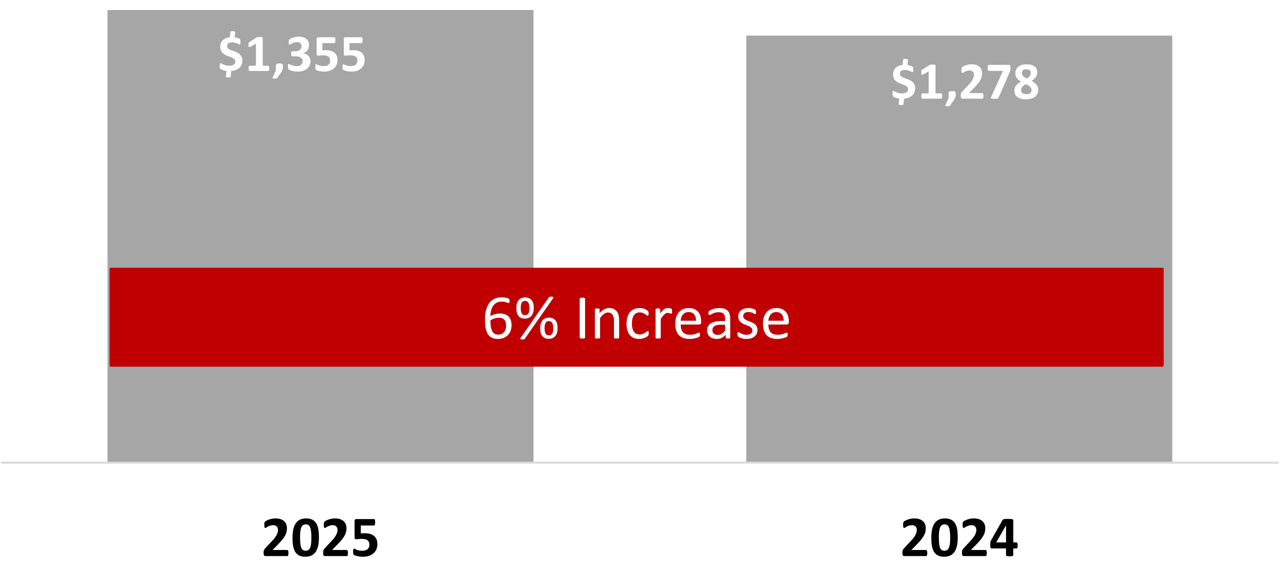
| | Second Quarter | | |
|---|---|---|---|
| *(in millions, except percentages)* | **2025** | **2024** | **Change** |
| Other income | $ (16) | $ (40) | (60%) |
| Other components of net periodic benefit recovery | (107) | (88) | 22% |
| Net interest expense | 208 | 200 | 4% |
| Gain on sale of equity investment | (333) | — | 100% |
| Income tax expense | 357 | 292 | 22% |

# CASH FLOW GENERATION

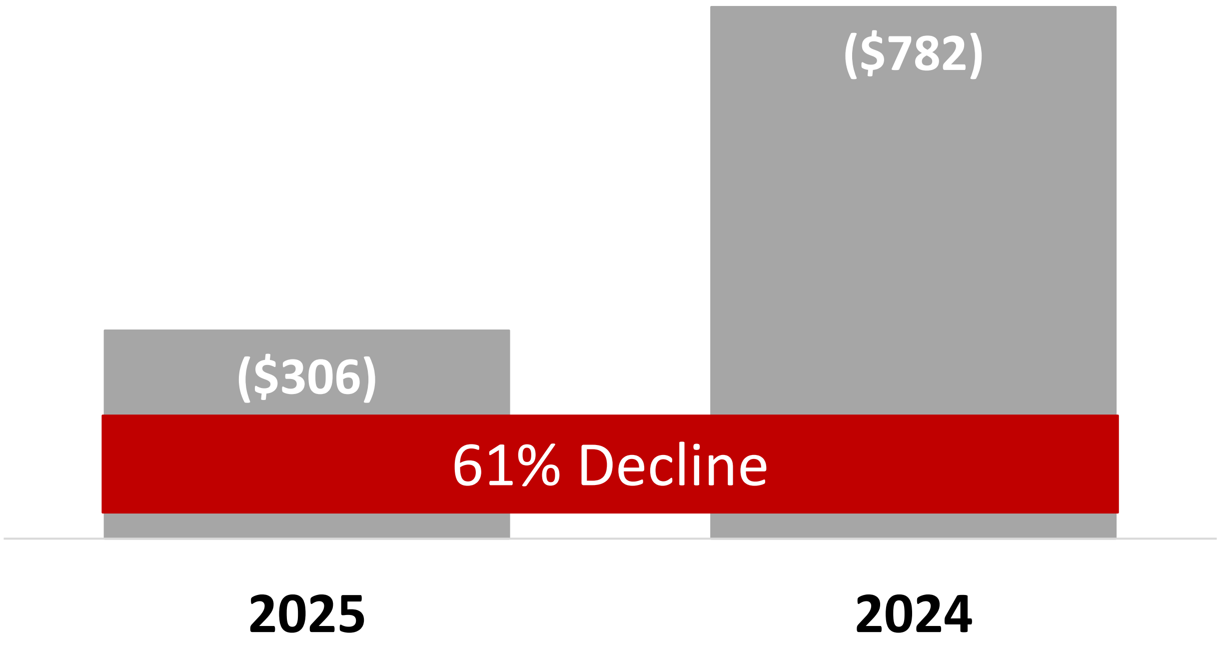
VS. Q2 2024

- Disciplined strategic investments in the network to enhance safety and growth
- Continued strong cash flow generation
- Adjusted net debt to adjusted EBITDA Ratio[1, 2] – 3.0
- Rewarding shareholders:
  - Repurchased 16.4M shares since share repurchase program announced
  - 44% of program complete as of the end of Q2 2025

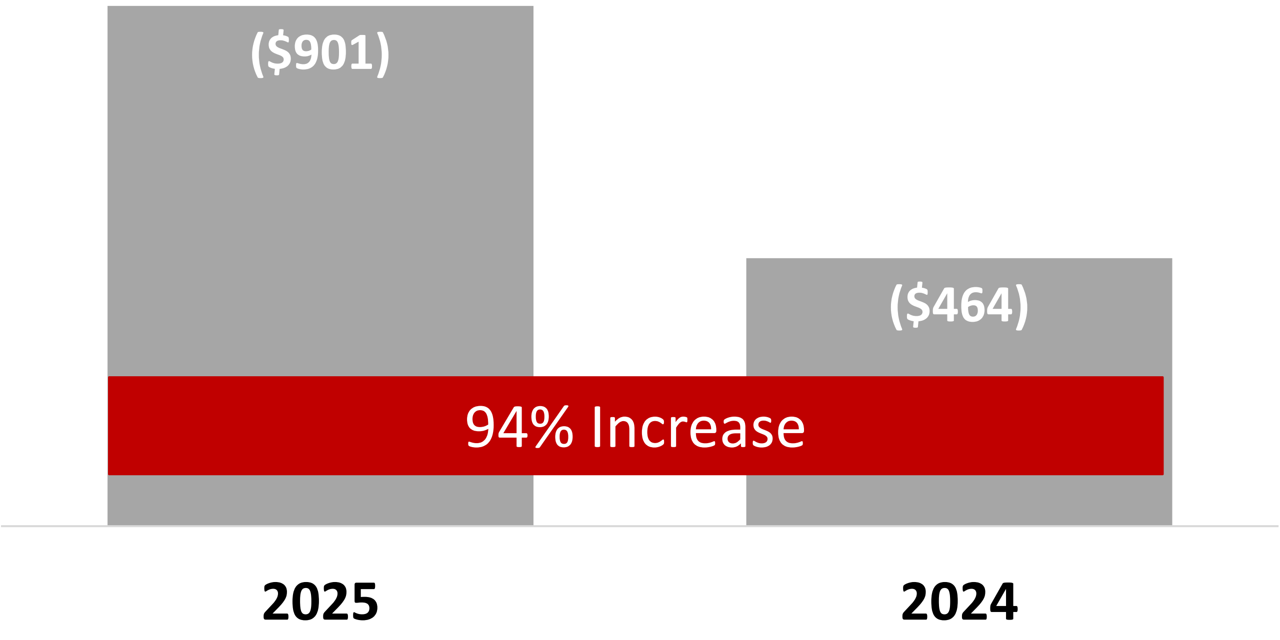
**Net cash provided by operating activities**



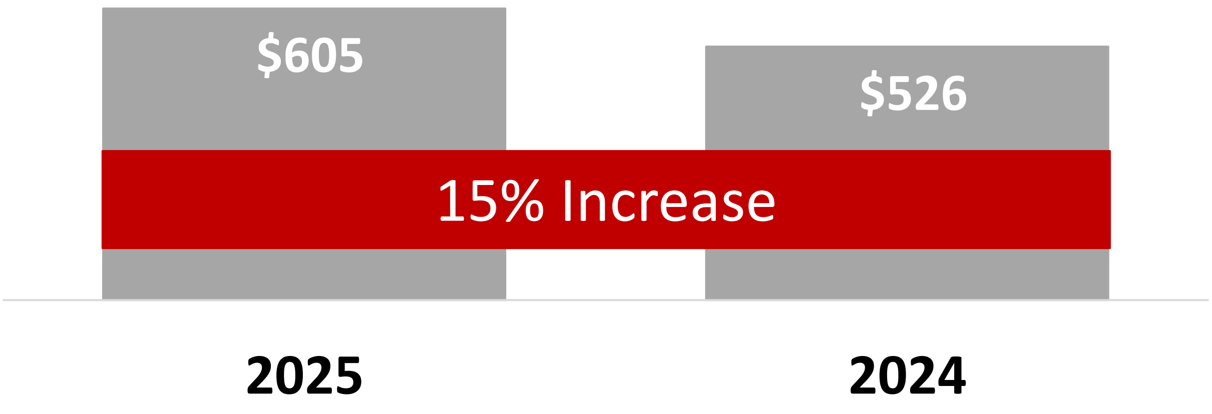

**Net cash used in investing activities**




**Net cash used in financing activities**




**Adjusted free cash[1]**




(1) For a full description and reconciliation of Non-GAAP measures, see CPKC's Q2 2025 Earnings Release on investor.cpkcr.com and on SEDAR+ at www.sedarplus.ca under CPKC's SEDAR+ profile
(2) Rolling 12-month, ending Q2 2025

# INVESTOR RELATIONS CONTACTS

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Vice-President Capital Markets

**ASHLEY THORNE**

Assistant Vice-President Investor Relations

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# 2025 OUTLOOK

## 10-14% CORE ADJUSTED DILUTED EPS GROWTH

**vs. 2024 Core adjusted diluted EPS[1] of $4.25**

## MID-SINGLE DIGIT RTM GROWTH

## CAPITAL EXPENDITURES $2.9B

## Assumptions

- Other components of net periodic benefit recovery will increase by $76 million, from $352 million in 2024
- Core adjusted effective tax rate of approximately 24.5%[1]

(1) For a full description and reconciliation of Non-GAAP measures see CPKC's Q2 2025 Earnings Release on investor.cpkcr.com and on SEDAR+ at www.sedarplus.ca under CPKC's SEDAR+ profile

# OUTLOOK FOR LONG-TERM GROWTH: 2024 – 2028[1]

High single-digit revenue growth

Double-digit Core adjusted EPS[2] growth

Capital expenditures of $2.6 to $2.8 billion per year

Adjusted free cash[2] conversion of Core adjusted income[2] of ~90%

Return to double-digit Core adjusted ROIC[3]

Strong margin improvement through cost control and operating leverage

## Key Assumptions

- Exchange rate of $1.35 CAD/USD
- On-Highway Diesel price of $4.15 USD/US gallon
- Other components of net periodic benefit recovery of $330 million to $370 million
- Annualized 2024 – 2028 core adjusted effective tax rate of approximately 25.5%[2], excluding significant items



(1) Outlook for Long-Term Growth as provided during CPKC's Investor Day on June 28, 2023. Certain assumptions have changed, including higher expected CAD/USD FX and lower expected core adjusted effective tax rate.
(2) For a full description and reconciliation of Non-GAAP measures see CPKC's Q2 2025 Earnings Release on investor.cpkcr.com and on SEDAR+ at www.sedarplus.ca under CPKC's SEDAR+ profile
(3) For a full description and reconciliation of Non-GAAP measures, see CPKC's Q4 2024 Unaudited Combined Summary of Supplemental Data on investor.cpkcr.com

# CPKC'S SUSTAINABILITY LEADERSHIP

Advancing our commitment to sustainable, long-term growth

- **Sustainability Disclosures and Publications**
  - Published 2024 Sustainability Data Report in July 2025
  - Published Task Force on Climate-related Financial Disclosures (TCFD) Index in March 2025
  - Published Climate Mileposts report in February 2025, providing a progress update on the transition to low-carbon freight rail
- **Low carbon innovation**
  - Continuing biofuel trial in British Columbia, while planning for further deployment of biofuel blends at major fueling locations in Canada and the U.S.
  - Joined Clean Fuels Alliance America, a national trade association engaged with low-carbon fuel producers, marketers and users of renewable and sustainable fuels
- **Continue to make progress on hydrogen locomotive program**
  - Low horsepower units operating in weekly revenue service; high horsepower units continue field testing
  - Installation of hydrogen production and fueling facilities
- **Invested in our communities**
  - Helped raise millions of dollars for local organizations through various programs, including a record $4.3M for heart health at the 2024 CPKC Women's Open

FTSE4Good

Member of
Dow Jones
Sustainability Indices
Powered by the S&P Global CSA

SEAL AWARD WINNER 2023

MSCI ESG RATINGS A
CCC | B | BB | BBB | A | AA | AAA

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

WORLD FINANCE
SUSTAINABILITY AWARDS
2025

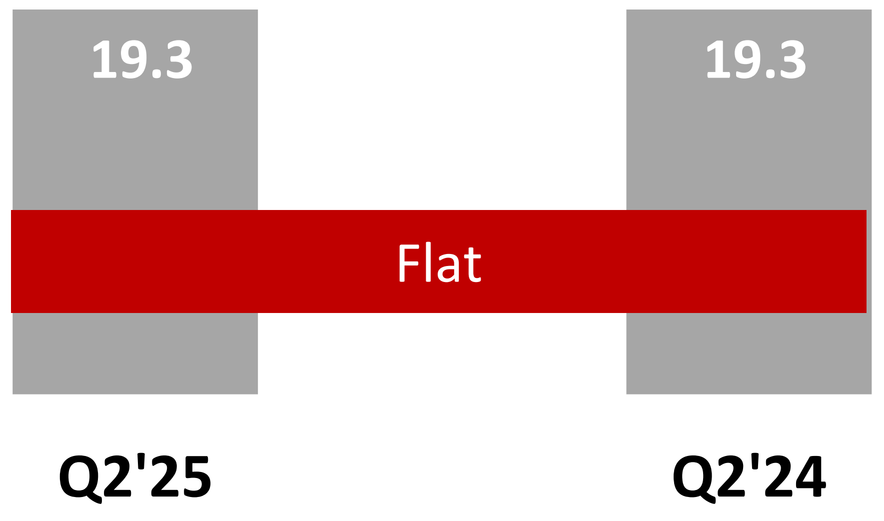
Canada's Top 100 Employers 2024

CDP
DISCLOSER
2024
CORPORATE

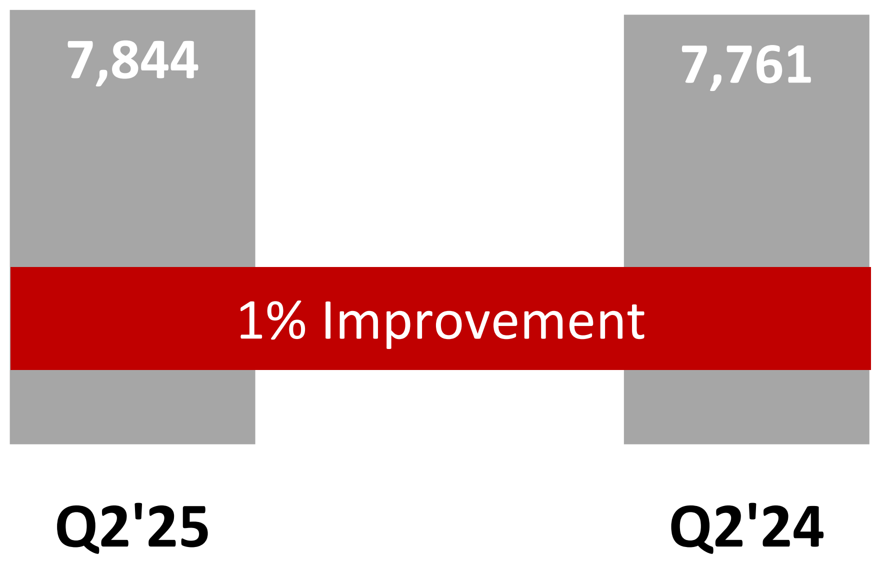
# OPERATING PERFORMANCE

VS. Q2 2024

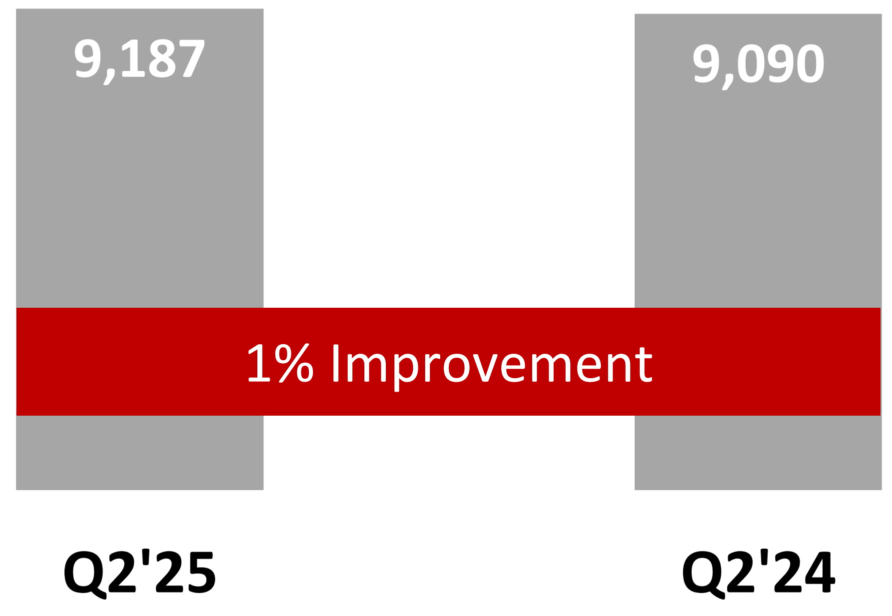
**Average train speed**
(miles per hour)



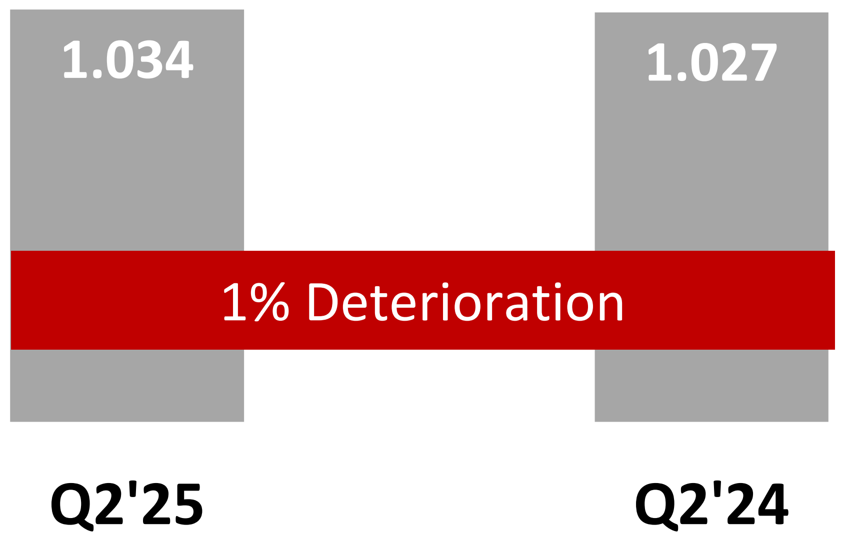

**Average train length**
(feet)



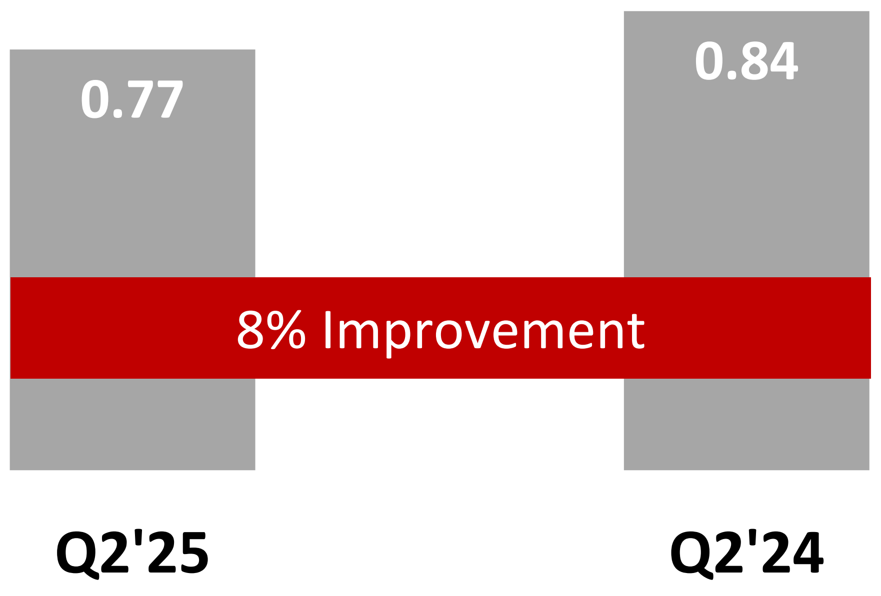

**Average train weight**
(tons)



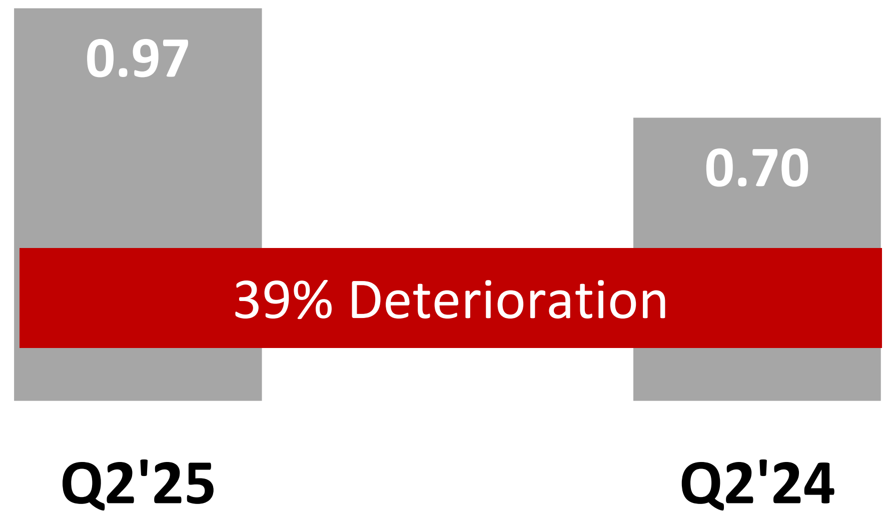

**Fuel Efficiency**
(U.S. gallons of locomotive fuel / 1,000 GTMs)




**FRA personal injuries[1]**
(per 200,000 employee-hours)




**FRA train accident frequency[1]**
(per million train-miles)

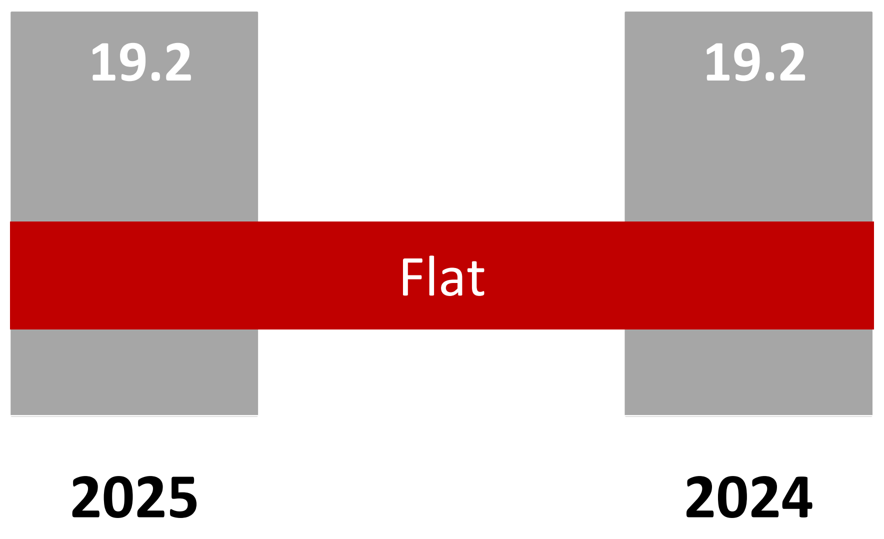



(1) FRA personal injuries per 200,000 employee-hours and FRA train accident frequency per million train-miles for the three months ended June 30, 2024 have been restated to reflect new information available within specified periods stipulated by the FRA but that exceed the Company's financial reporting timeline

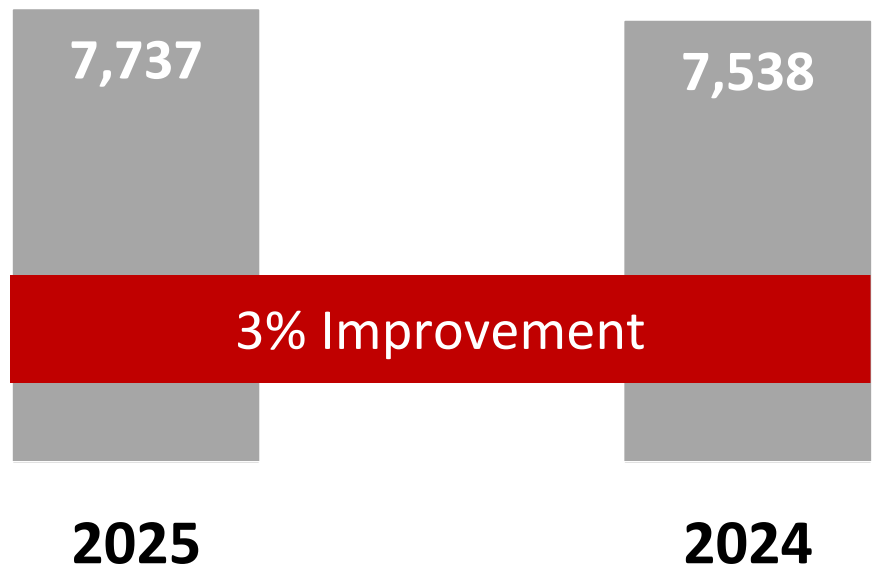
# OPERATING PERFORMANCE

VS. YTD 2024

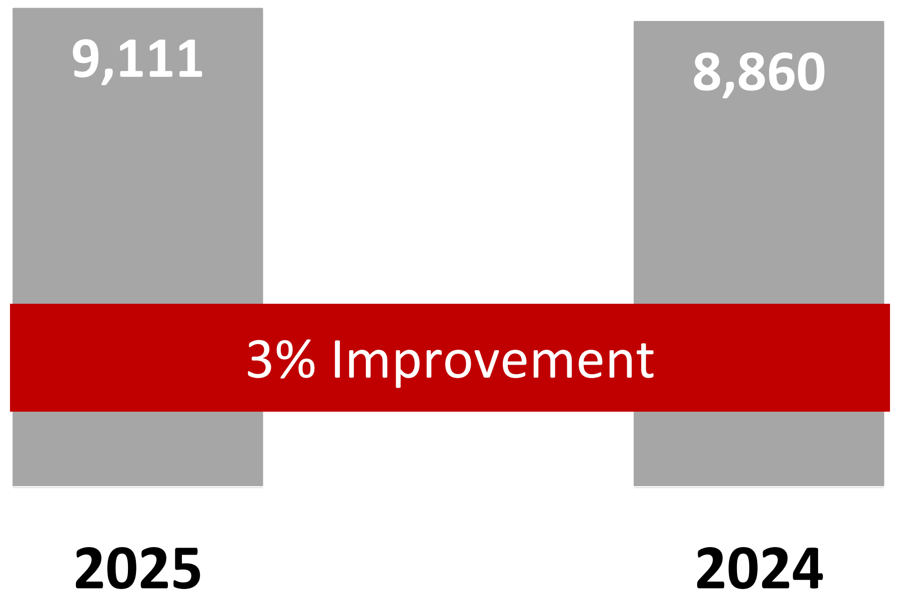
**Average train speed**
(miles per hour)



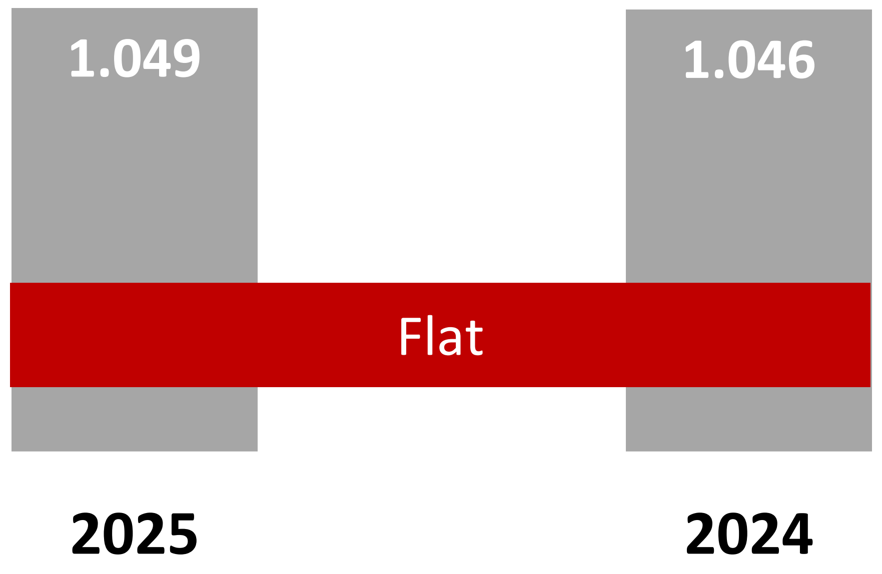

**Average train length**
(feet)



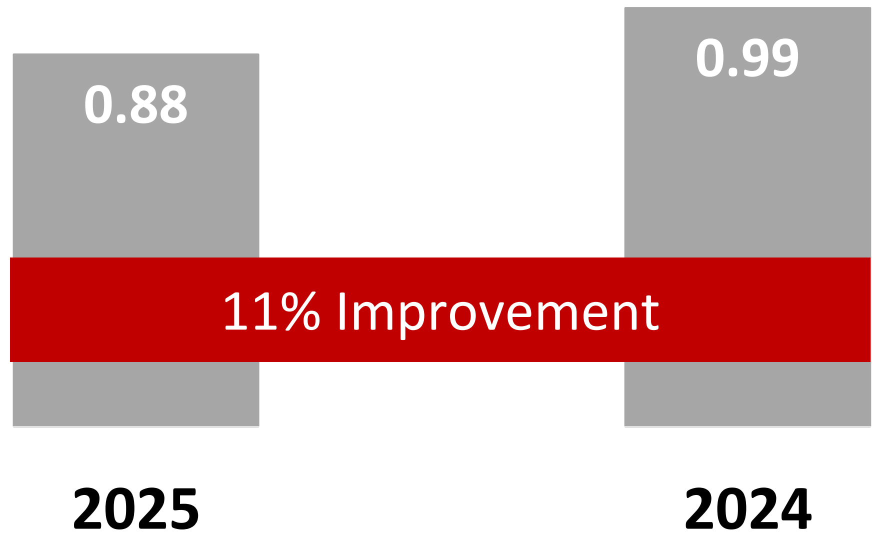

**Average train weight**
(tons)



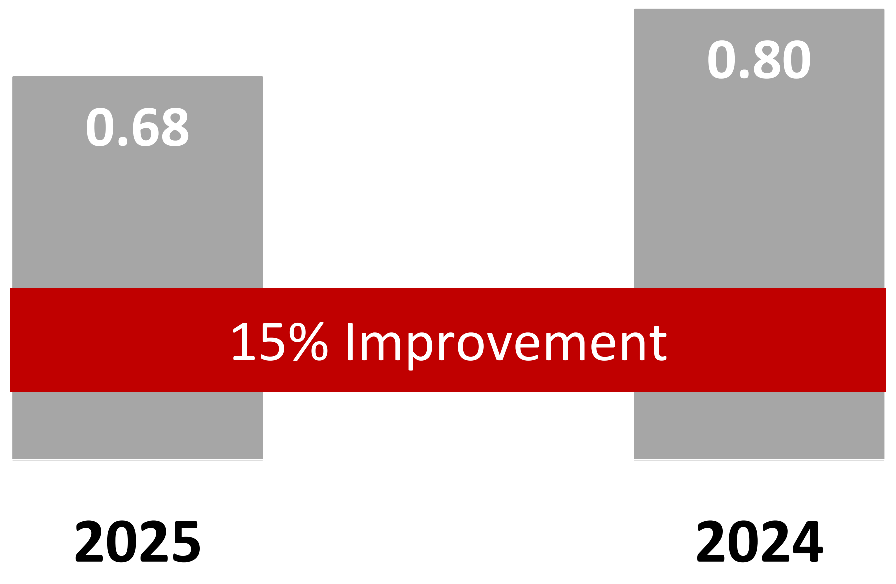

**Fuel Efficiency**
(U.S. gallons of locomotive fuel / 1,000 GTMs)




**FRA personal injuries(1)**
(per 200,000 employee-hours)




**FRA train accident frequency(1)**
(per million train-miles)




(1) FRA personal injuries per 200,000 employee-hours and FRA train accident frequency per million train-miles for the year to date ended June 30, 2024 have been restated to reflect new information available within specified periods stipulated by the FRA but that exceed the Company's financial reporting timeline