



Q1 2026 EARNINGS REVIEW

April 29, 2026





FORWARD-LOOKING STATEMENTS

This investor presentation contains forward-looking information and forward-looking statements within the meaning of applicable securities laws in both the United States (“U.S.”) and Canada (collectively, “forward-looking statements”). Forward-looking statements include, but are not limited to, statements concerning expectations, beliefs, plans, goals, objectives, assumptions and statements about possible future events, conditions, and results of operations or performance. Forward-looking statements may contain statements with the words or headings such as “financial expectations”, “key assumptions”, “anticipate”, “believe”, “expect”, “project”, “estimate”, “forecast”, “plan”, “intend”, “target”, “will”, “outlook”, “guidance”, “should” or similar words suggesting future outcomes. All statements other than statements of historical fact may be forward-looking statements. This presentation contains forward-looking statements concerning, but not limited to, financial targets for 2024-2028 and our ability to deliver on our 2026 financial guidance; opportunities for growth through entrepreneurial approach and the ability to continue delivering differentiated growth, our ability to deliver on our long-term value proposition; capital allocation strategies, including share repurchases and dividends; expected tax rates; expectations regarding commodity markets, volumes and contributions by business line; commercial opportunities, service offerings and pipeline development; ratification of tentative labour agreements; estimated capital expenditures; strategic initiatives and investments; the success of our business and our customers; the realization of anticipated benefits and synergies of the Canadian Pacific Railway Limited (“CP”)-Kansas City Southern (“KCS”) combination and the opportunities arising therefrom; our operations, priorities and plans (including sustainability-related targets and plans); net periodic benefit recovery in 2026; and anticipated financial and operational performance, business prospects and demand for our services and growth opportunities. The forward-looking statements contained in this presentation are 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 include, but are 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; foreign exchange rates; core adjusted effective tax 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, services and infrastructure; labour disruptions; 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 statements 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 statements as actual results may differ materially from those expressed or implied by forward-looking statements. By their nature, CPKC's forward-looking statements involve numerous inherent risks and uncertainties that could cause actual results to differ materially from the forward looking statements, 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 by 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 of 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, including the imposition of any tariffs, or other changes to international trade arrangements; the effects of current and future multinational trade agreements on or other developments affecting 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, volcanism 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; the outbreak of a pandemic or contagious disease and the resulting effects on economic conditions; 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; 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 decision; the successful integration of KCS into the Company; the focus of management time and attention on the CP-KCS integration and 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 that could cause actual results to differ materially from those described in the forward-looking statements contained in this presentation are detailed from time to time in reports filed by CPKC with securities regulators in Canada and the United States, which can be accessed on SEDAR+ (www.sedarplus.ca) and EDGAR (www.sec.gov). Reference should be made to "Part I - Item 1A - Risk Factors" and "Part II - 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 "Part II - Item 1A – Risk Factors" and "Part I - Item 2 – Management's Discussion and Analysis of Financial Condition and Results of Operations - Forward-Looking Statements" in the CPKC’s interim reports on Form 10-Q. The forward-looking statements contained in this presentation are made as of the date hereof. Except as required by law, CPKC undertakes no obligation to update publicly or otherwise revise any forward-looking statements, or the foregoing assumptions and risks affecting such forward-looking statements, 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”), FX-adjusted revenue and operating expense percent change, Core adjusted operating income, Core adjusted income and Core adjusted effective tax rate, to provide a basis for evaluating underlying earnings 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, Adjusted free cash conversion and Core adjusted return on invested capital (“ROIC”)) management is unable to reconcile, without unreasonable efforts, the forward-looking Core adjusted diluted EPS, Core adjusted effective tax rate, Adjusted free cash conversion and Core adjusted ROIC to the most comparable GAAP measures (Diluted EPS, effective tax rate, net cash provided by 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, KCS purchase accounting, certain adjustments to provisions and settlements of Mexican taxes, changes in income tax rates, a gain on sale of an equity investment, a change to an uncertain tax item and advisory costs related to rail consolidation matters. 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, Adjusted free cash conversion, and Core adjusted ROIC. 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, Adjusted free cash conversion and Core adjusted ROIC.

For further information regarding Non-GAAP measures, including reconciliations to the most directly comparable GAAP measures, see the Non-GAAP Measures supplement to the Q1 2026 Earnings Release on our website at investor.cpkcr.com and on SEDAR+ at www.sedarplus.ca under CPKC's SEDAR+ profile.



KEITH CREEL

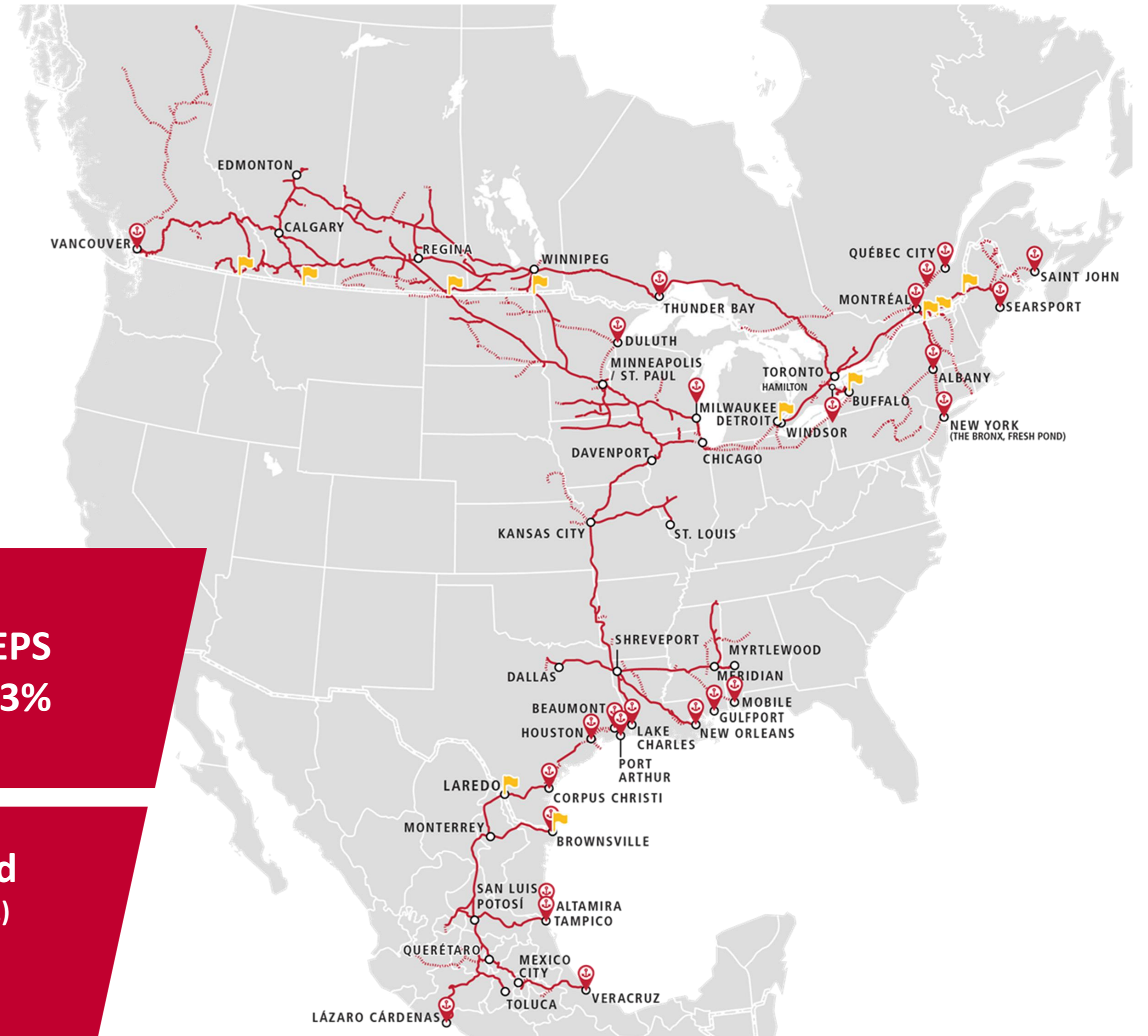
PRESIDENT &
CHIEF EXECUTIVE OFFICER



FIRST QUARTER HIGHLIGHTS

VS. Q1 2025

- Strong underlying performance in a dynamic macroenvironment
- Sustained momentum with record operating performance, supported by differentiated growth drivers
- Confidence in outlook driven by core performance, improving comparisons and continued disciplined execution



Revenues
\$3.7 billion | -2%

Operating Ratio
66.0% | +70 bps

Diluted EPS
\$0.94 | -3%

RTMs⁽¹⁾
54,725 million | +2%

**Core Adjusted
Operating Ratio⁽²⁾**
63.0% | +50 bps

**Core Adjusted
Diluted EPS⁽²⁾**
\$1.04 | -2%



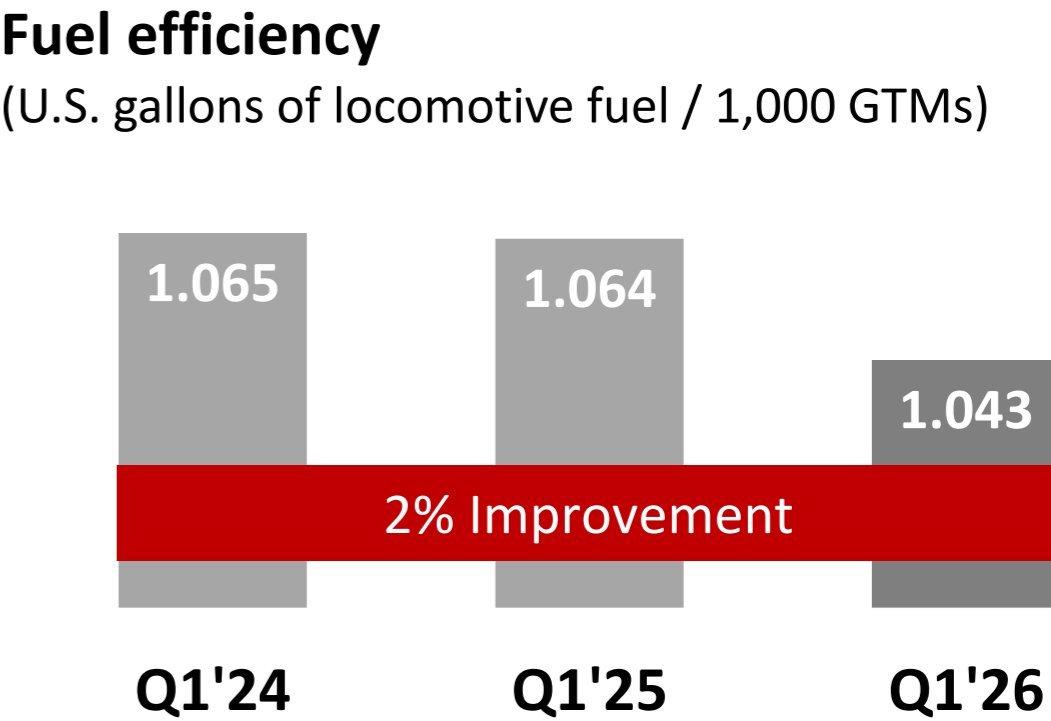
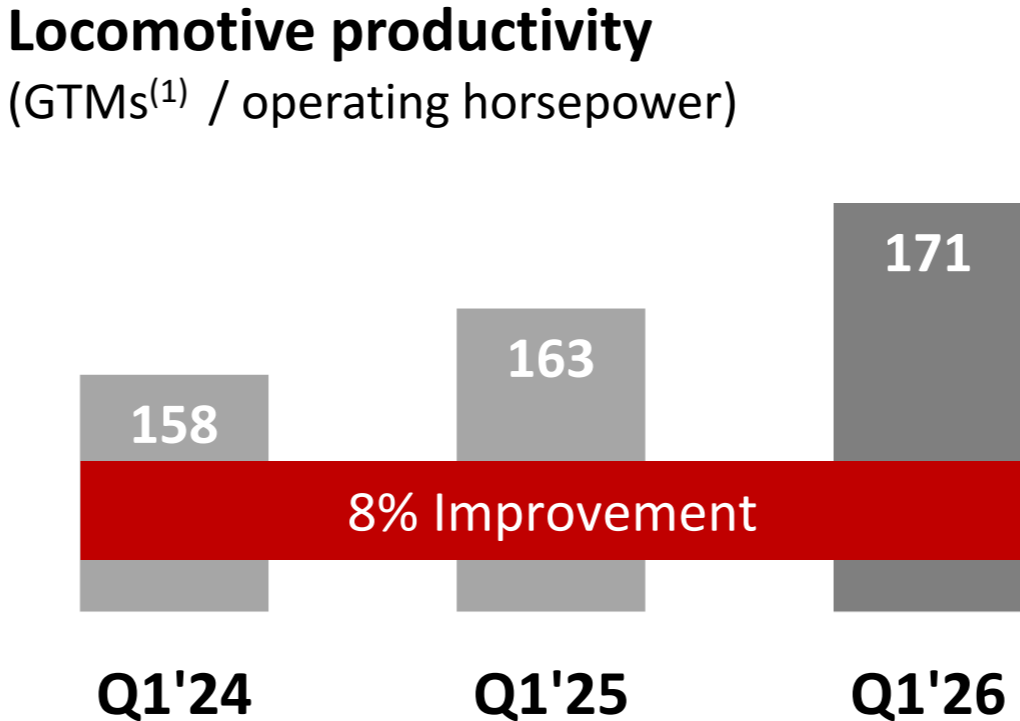
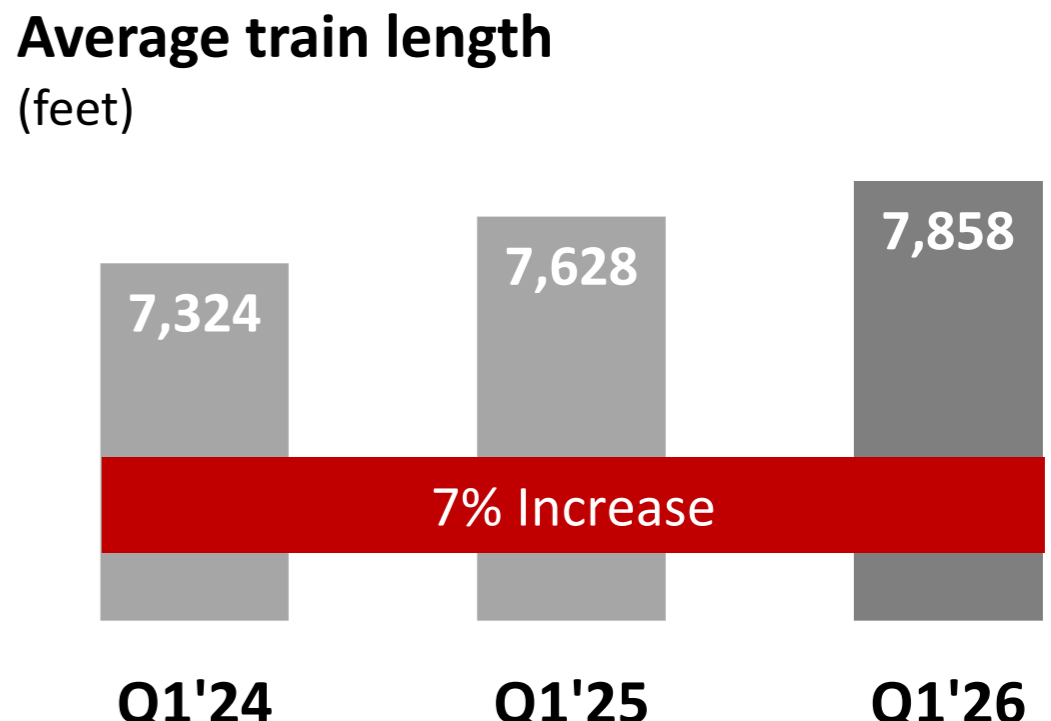
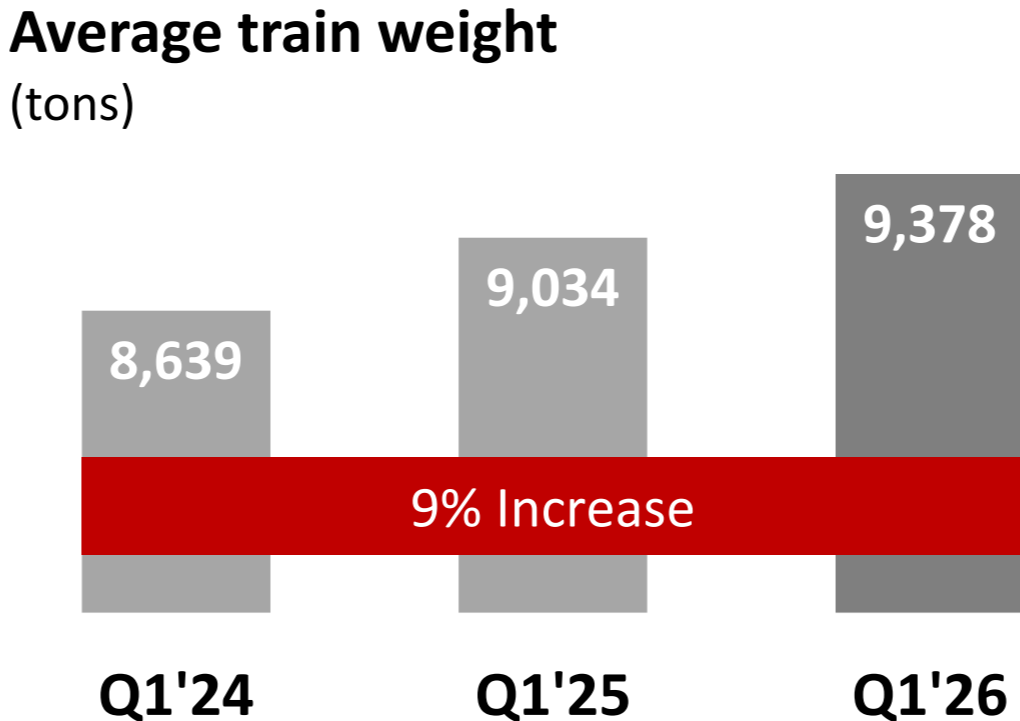
MARK REDD

CHIEF OPERATING OFFICER



OPERATING PERFORMANCE

- Record CPKC Q1 operating performance driven by sustained post-merger improvements
- Network productivity and velocity gains translating into stronger service outcomes
- New tentative long-term hourly labour agreements in the U.S. support reliable, efficient operations
- Continued focus on safety fundamentals
- Capital investments strengthening capacity, resilience and operating leverage





JOHN BROOKS

CHIEF MARKETING OFFICER



REVENUE HIGHLIGHTS

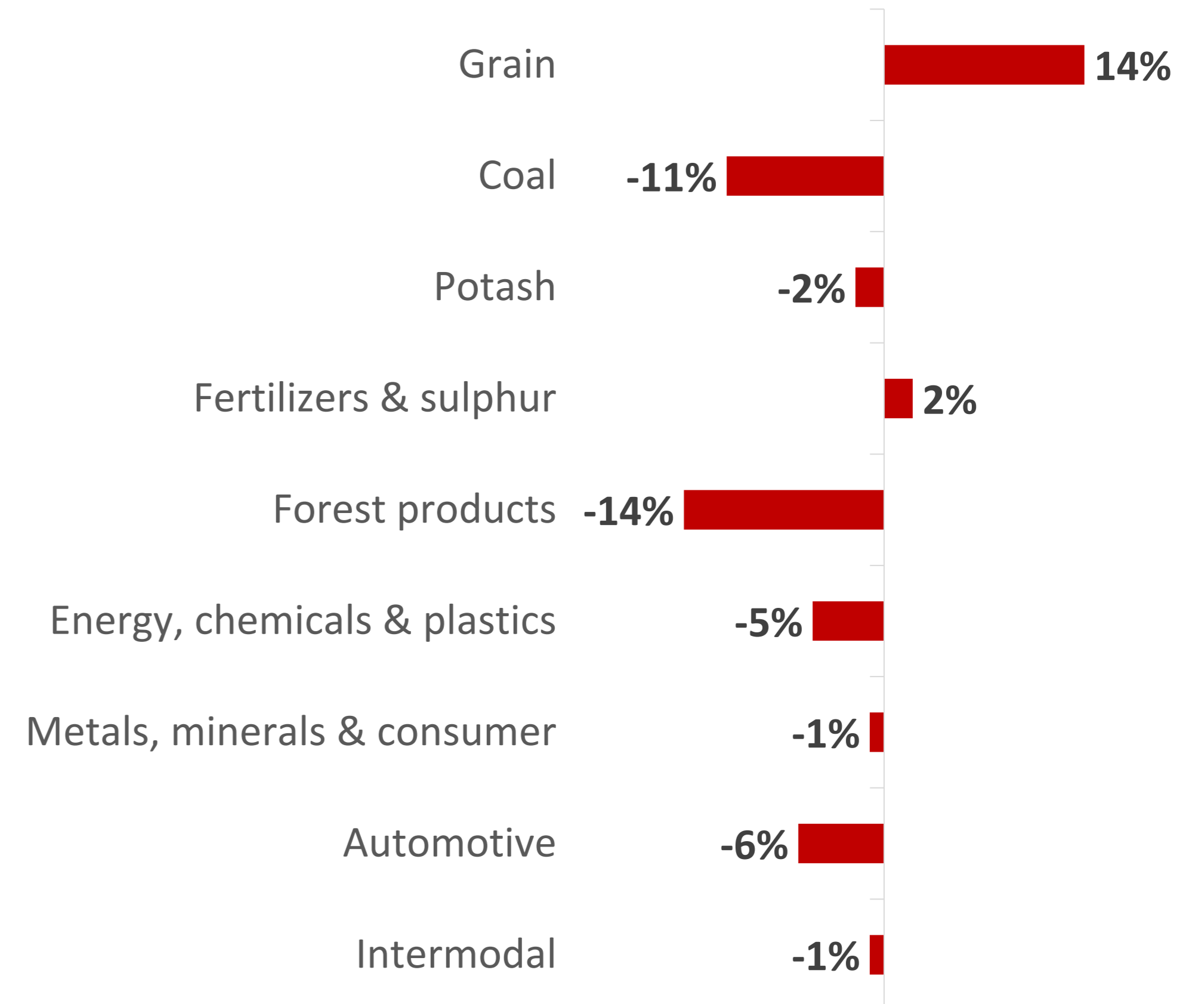
VS. Q1 2025

TOTAL REVENUES

-2%

RTMs:	2%
\$/RTM:	-4%
Carloads:	-2%
\$/Carload:	-1%

FX-ADJUSTED REVENUE VARIANCE⁽¹⁾



REVENUE UPDATE

VS. Q1 2025

BULK

FX-Adj Revenue⁽¹⁾ +6% | RTMs +5%

- Growth in **Canadian Grain** driven by a record harvest
- **U.S. Grain** growth from record corn crop, higher exports and higher volumes to Mexico
 - Anticipate **Grain** strength deep into the current crop year, benefitting from stronger harvests and destination diversity
- Expect **Potash** to be a solid contributor to base business performance in 2026
- Lower **Coal** from customer mine production impacts

MERCHANDISE

FX-Adj Revenue⁽¹⁾ -5% | RTMs -3%

- **ECP** impacted by lower refined fuels to Mexico, lower heavy fuel oil shipments and a plastics plant closure
- **Forest products** pressured by tariffs and housing market softness
 - Expect **ECP** and **Forest products** to stabilize as we move through the year
- **MMC** growth from synergies and industrial development, offset by tariff and mix impacts
- **Automotive** growth from new business wins offset by mix impacts

INTERMODAL

FX-Adj Revenue⁽¹⁾ -1% | RTMs +3%

- Continued solid performance in **Intermodal**
 - **International Intermodal** growth driven by strong performance at Port of Vancouver
 - **Domestic Intermodal** growth driven by strong MMX 180/181 volumes, offset by non-core lanes
 - Robust opportunity pipeline with refrigerated shipments and SMX service connecting Mexico, Texas, Georgia and Florida



NADEEM
VELANI

CHIEF FINANCIAL OFFICER



FINANCIAL PERFORMANCE

	First Quarter			Change	FX Adjusted Change ⁽¹⁾
	2026	2025			
<i>(in millions, except percentages and per share data)</i>					
Total revenues	\$ 3,701	\$ 3,795		(2%)	-%
Total operating expenses	2,443	2,478		(1%)	-%
Operating income as reported	\$ 1,258	\$ 1,317		(4%)	
Core adjusted operating income⁽¹⁾	1,368	1,425		(4%)	
Net income attributable to controlling shareholders as reported	\$ 846	\$ 910		(7%)	
Core adjusted income ⁽¹⁾	929	992		(6%)	
Diluted earnings per share as reported	\$ 0.94	\$ 0.97		(3%)	
Core adjusted diluted earnings per share⁽¹⁾	1.04	1.06		(2%)	
Weighted average number of diluted shares outstanding	897.3	934.3		(4%)	
Operating ratio as reported	66.0%	65.3%		70 bps	
Core adjusted operating ratio⁽¹⁾	63.0%	62.5%		50 bps	

OPERATING EXPENSES

<i>(in millions, except percentages)</i>	First Quarter			FX Adjusted Change ⁽¹⁾
	2026	2025	Change	
Compensation and benefits ⁽²⁾	\$ 691	\$ 682	1%	2%
Fuel	458	481	(5%)	(4%)
Materials ⁽³⁾	127	124	2%	3%
Equipment rents	95	99	(4%)	-%
Depreciation and amortization ⁽⁴⁾	512	504	2%	4%
Purchased services and other ⁽⁵⁾	560	588	(5%)	(3%)
Total operating expenses	\$ 2,443	\$ 2,478	(1%)	-%



(1) For a full description and reconciliation of Non-GAAP Measures, see CPKC's Q1 2026 Earnings Release on investor.cpkcr.com

(2) Compensation and benefits includes acquisition-related costs of \$4M in Q1 2026 and \$5M in Q1 2025

(3) Materials includes acquisition-related costs of \$nil in Q1 2026 and \$1M in Q1 2025

(4) Depreciation and amortization includes purchase accounting of \$87M in Q1 2026 and \$87M in Q1 2025

(5) Purchased services and other includes acquisition-related costs of \$5M in Q1 2026 and \$14M in Q1 2025, purchase accounting of \$1M in Q1 2026 and \$1M in Q1 2025 and advisory costs related to rail consolidation matters of \$13M in Q1 2026 and \$nil in Q1 2025

BELOW THE LINE

<i>(in millions, except percentages)</i>	First Quarter		Change
	2026	2025	
Other expense ⁽¹⁾	\$ 20	\$ 7	186%
Other components of net periodic benefit recovery	(110)	(107)	3%
Net interest expense ⁽²⁾	228	216	6%
Income tax expense ⁽³⁾	275	292	(6%)



(1) Other expense includes purchase accounting of \$nil in Q1 2026 and \$1M in Q1 2025

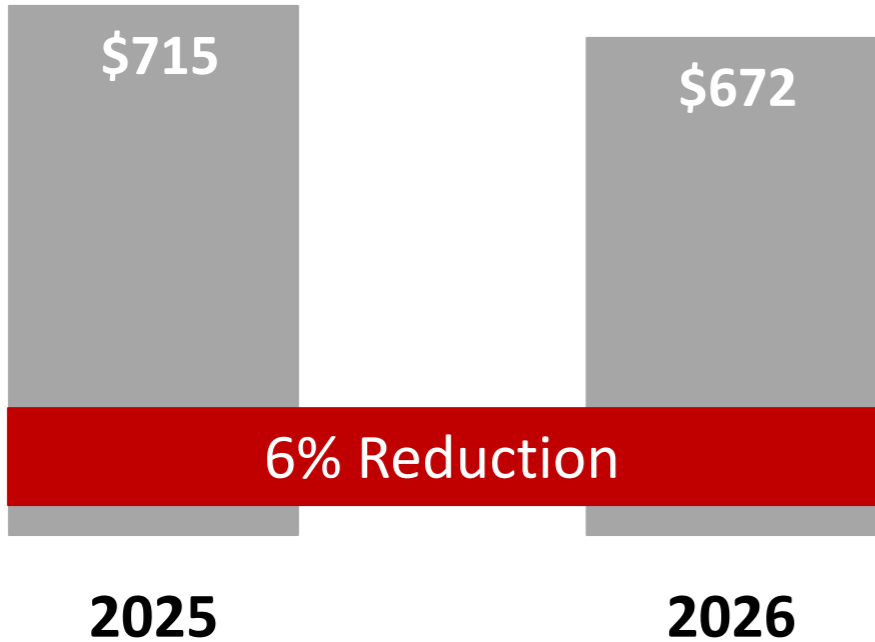
(2) Net interest expense includes purchase accounting of \$5M in Q1 2026 and \$5M in Q1 2025

(3) Income tax expense includes tax recoveries from pre-tax significant items and purchase accounting of \$30M in Q1 2026 and \$30M in Q1 2025

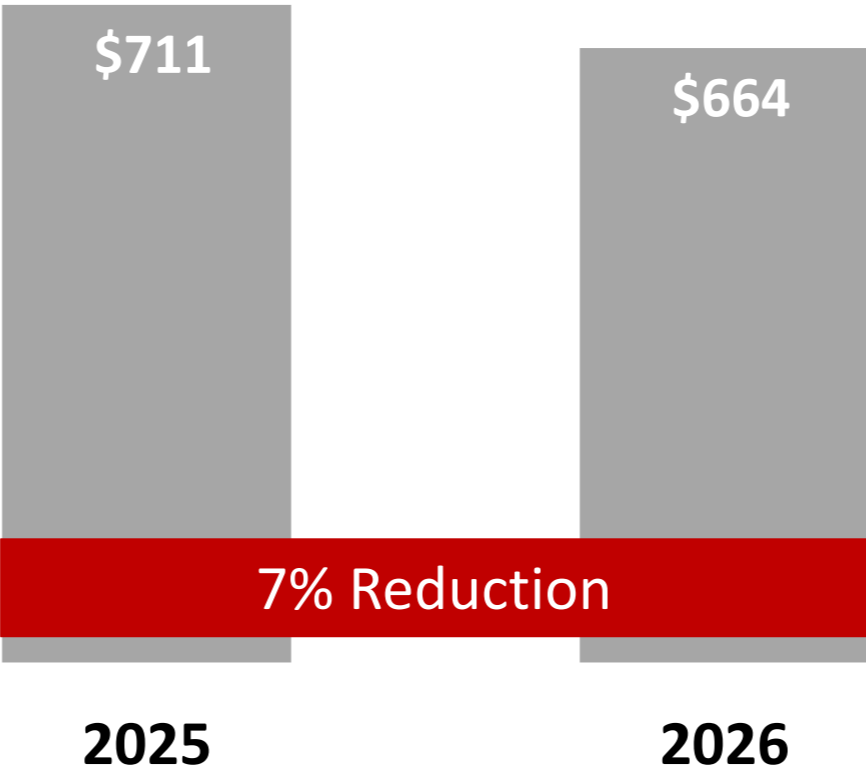
CASH FLOW GENERATION

VS. Q1 2025

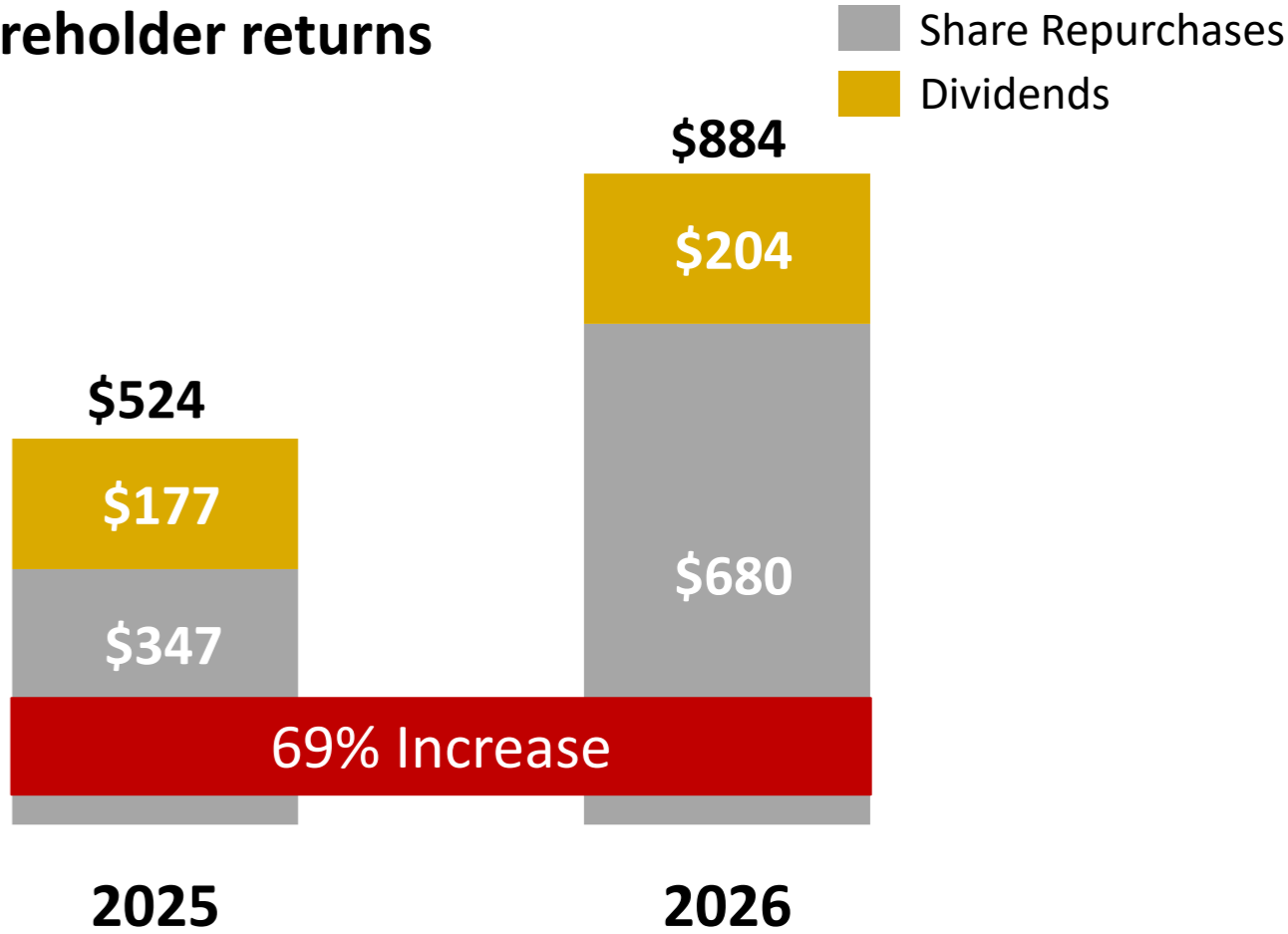
Net cash used in investing activities



Additions to Properties



Shareholder returns



- Effective capital deployment:
 - Q1 capital expenditures declined 7%, consistent with our 2026 capital outlook of \$2.65B, (~15% reduction from 2025)
- Balanced, opportunistic shareholder returns:
 - Executing on our new 5% share repurchase program and announced 17.5% dividend increase
 - 69% YOY increase in shareholder returns

INVESTOR RELATIONS CONTACTS

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2026 OUTLOOK

LOW DOUBLE-DIGIT CORE ADJUSTED DILUTED EPS⁽¹⁾ GROWTH

vs. 2025 Core adjusted diluted EPS⁽¹⁾ of \$4.61

MID-SINGLE DIGIT RTM GROWTH

CAPITAL EXPENDITURES ~\$2.65B

Assumptions

- Other components of net periodic benefit recovery will be \$441M in 2026
- Core adjusted effective tax rate of approximately 24.75%⁽¹⁾

(1) For a full description and reconciliation of Non-GAAP Measures see CPKC's Q1 2026 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/U.S. 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, lower on-highway diesel price, higher Other components of net periodic benefit recovery and lower expected Core adjusted effective tax rate

(2) For a full description and reconciliation of Non-GAAP Measures, see CPKC's Q1 2026 Earnings Release on [investor.cpkcr.com](#) and CPKC's Q1 2026 MD&A available 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 Climate Insights report in March 2026, providing an overview of CPKC's climate governance and strategic approach to climate change, including the processes implemented to identify, assess and manage climate-related risks and opportunities
- Published second Climate Mileposts report in March 2026, providing an update on CPKC's progress toward lower carbon freight rail and stronger network resilience

■ Low carbon innovation

- Continuing biofuel trial in British Columbia; completed more than 1,100 fueling events consuming approximately 10.2 million liters of B20 locomotive fuel in 2025

■ Continue to make progress on hydrogen locomotive program

- Eight units in CPKC fleet testing or revenue service, as of the end of 2025
- Launched Hyion Technologies, a joint venture with CSX Transportation to develop low-horsepower locomotives powered by hydrogen and fuel cell battery systems

■ Investing in our communities - 2025

- Raised >\$2M and collected >175k pounds of food for foodbanks in 190 communities across our network through the annual Holiday Train Program
- Raised >\$690k and awareness for veterans facing homelessness in Canada and the U.S. through Spin for a Veteran



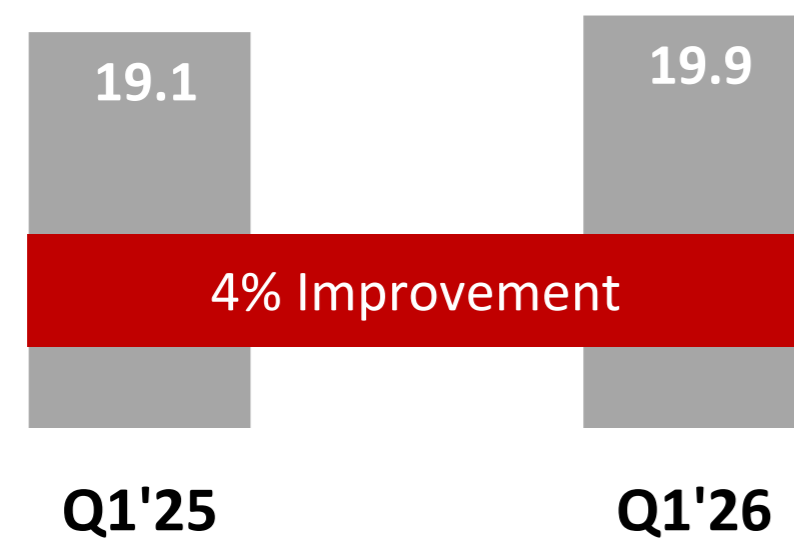
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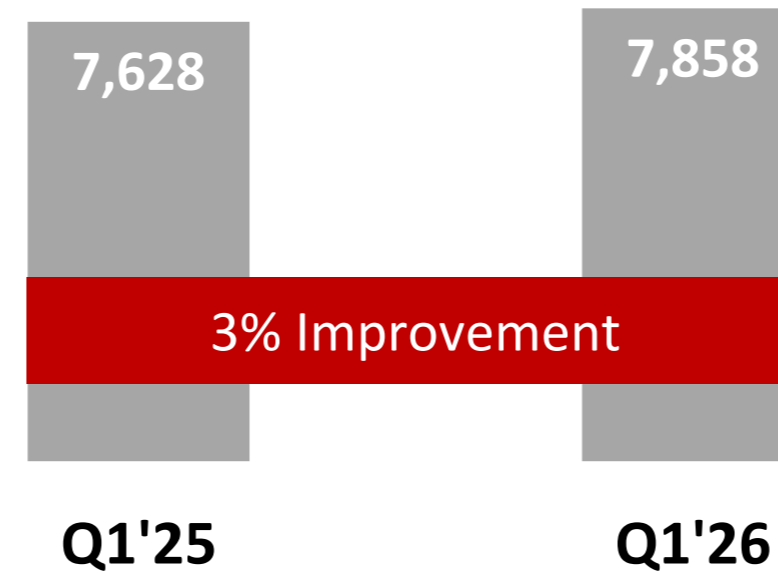
OPERATING PERFORMANCE

VS. Q1 2025

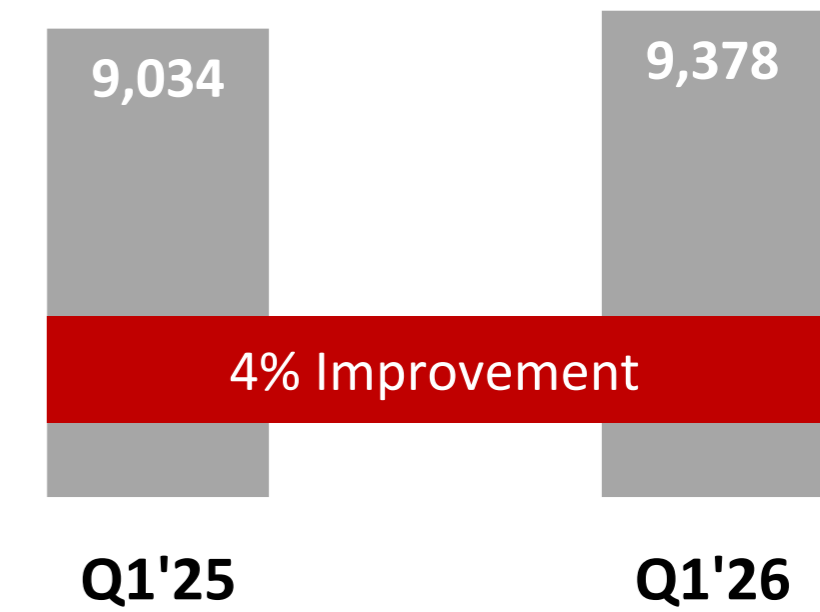
Average train speed
(miles per hour)



Average train length
(feet)

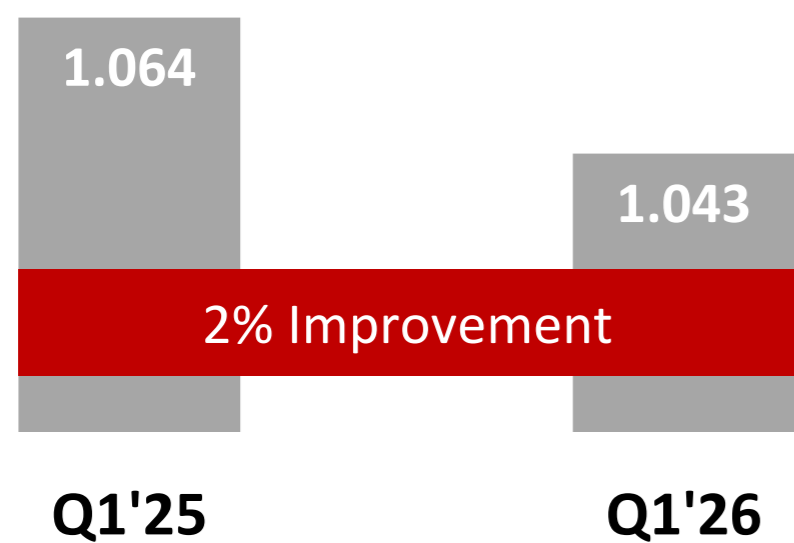


Average train weight
(tons)



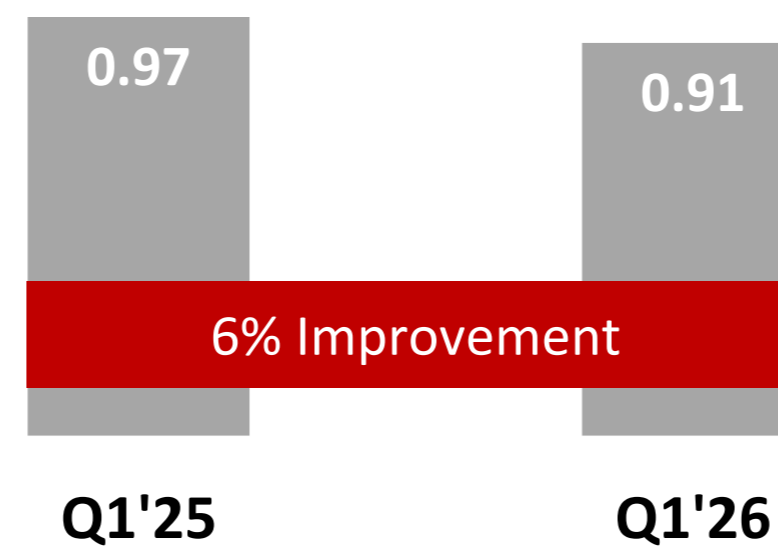
Fuel efficiency

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



FRA personal injuries⁽¹⁾

(per 200,000 employee-hours)



FRA train accident frequency

(per million train-miles)

