



The Chartered Institute of Logistics and Transport

Promoting members' education and professional development in the fields of transport and logistics.

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**Chartered Institute of
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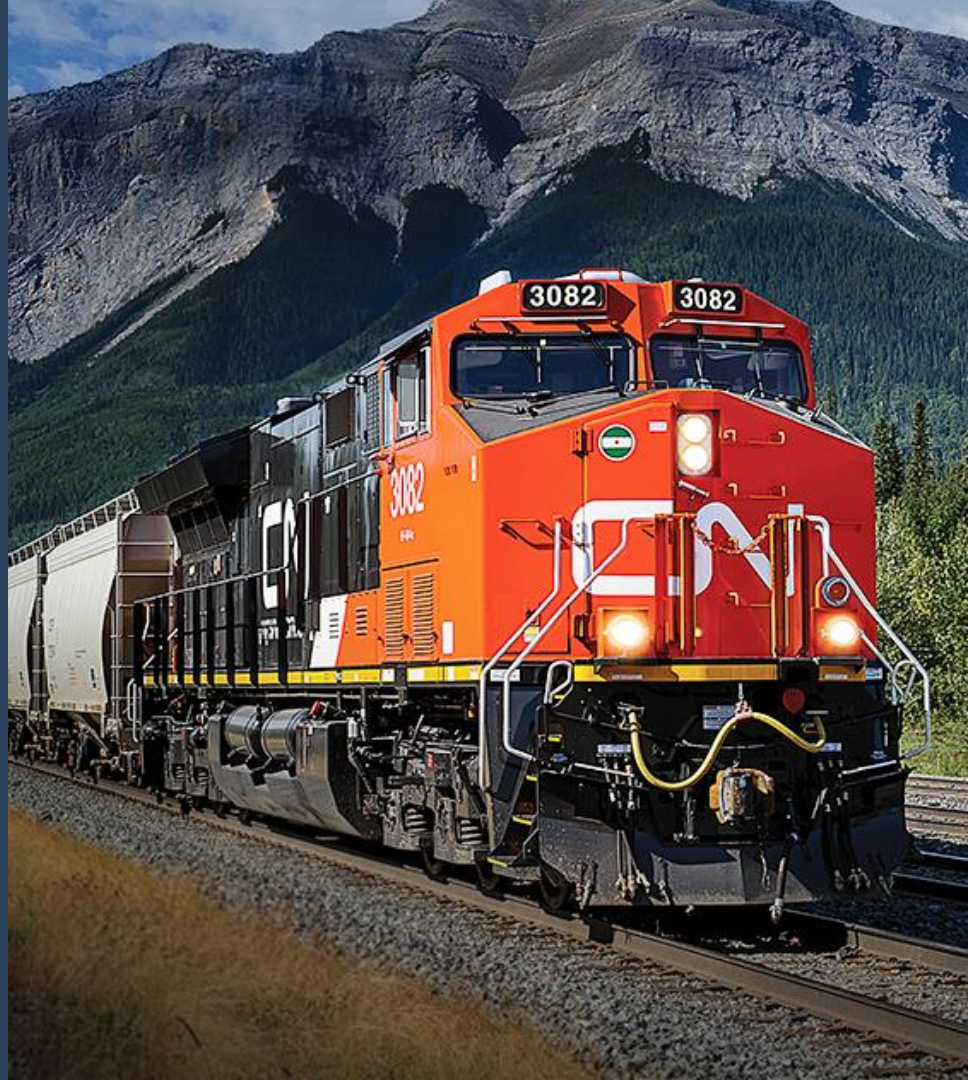
Navigating Trans Pacific Supply Chain Challenges

Perspectives from a North American
railroader in Asia

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General Manager - Asia

Canadian National Railway Company & Chartered
Institute of Logistics and Transport - North America

March 4, 2021



CN at a Glance

TSX: CNR NYSE: CNI

- Only transcontinental railway in North America spanning Canada and Mid-America, connecting three coasts.
- Rail network of approximately 32,000 km
- Largest Class 1 intermodal railroad in Canada, 2nd largest in the U.S. by route track miles.
- Backbone of the North American economy and enabler of trade, transporting goods ranging from natural resources to consumer goods.



2020 HIGHLIGHTS (CDN\$)

\$13.8B

Total revenues

\$99.4B

Latest market cap ⁽¹⁾

65.4%

(Adjusted 61.9%) ⁽³⁾
Operating ratio

13.4%

Adjusted ROIC ⁽²⁾

\$3.2B

Free Cash Flow ⁽³⁾

\$2.9B

Capital investments

24,381

Employees

5.6M

Carloads

Figures presented are as at or for the year ending December 31, 2020 unless otherwise noted.

(1) As at December 31, 2020. Source: FactSet

(2) Please see the Appendix for an explanation of this non-GAAP measure.

(3) Please see website, Financial Results, www.cn.ca/financial-results, for an explanation of this non-GAAP measure.

Our Intermodal Franchise

3 coast access to the U.S. Mid-West and Central Canada

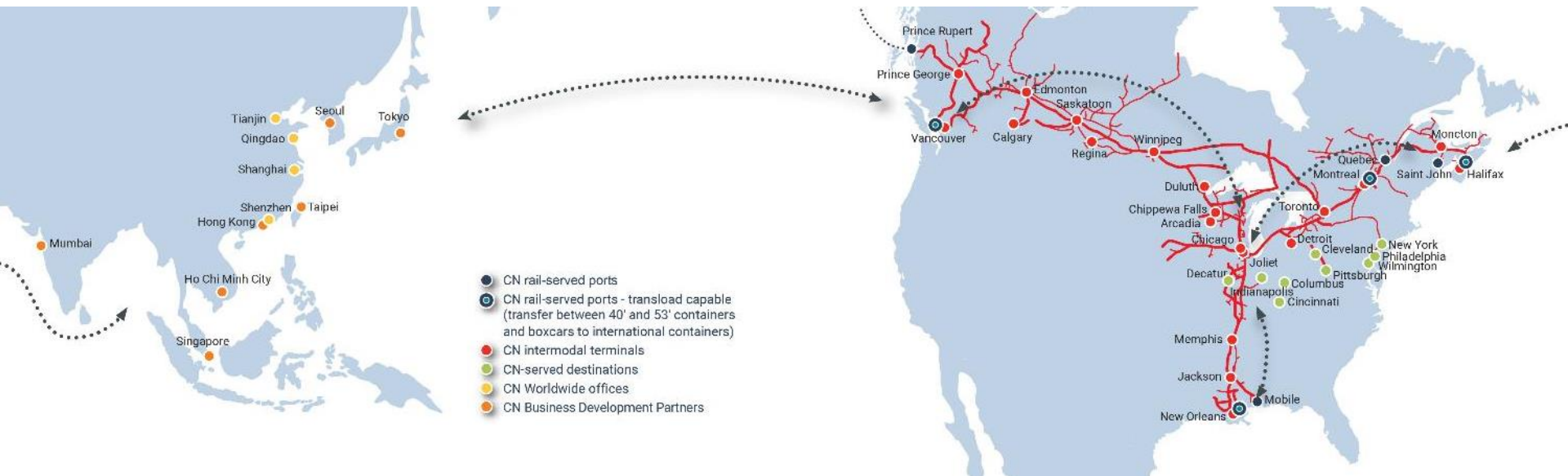
DIRECTLY SERVING

15 Ocean
Terminals
&

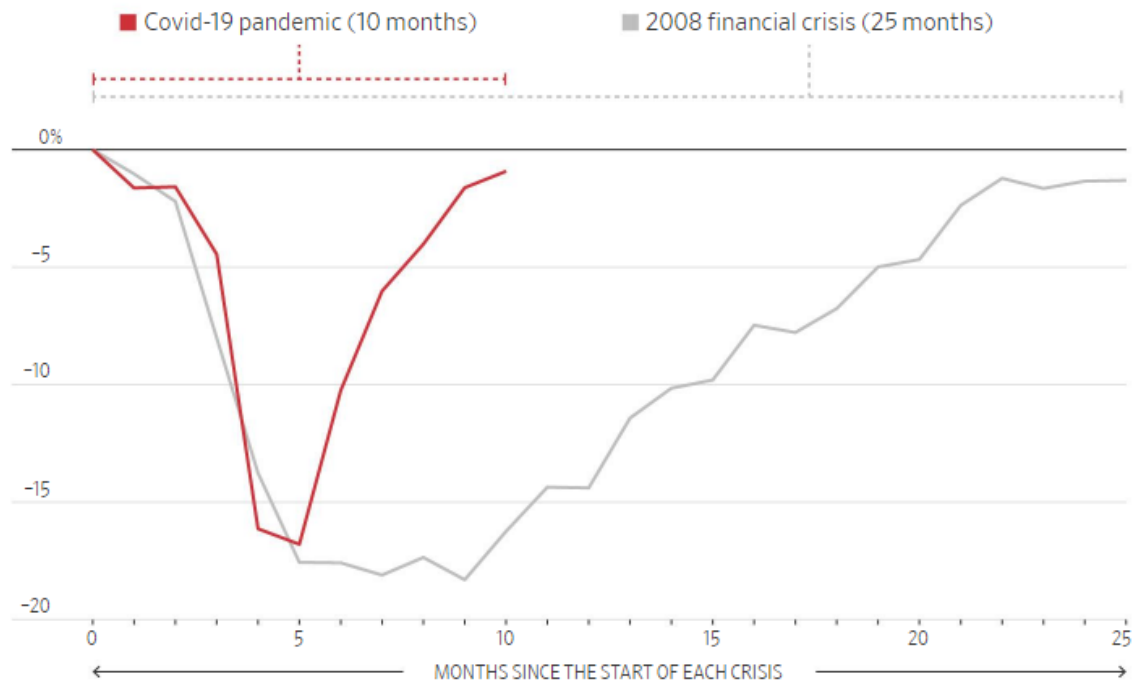
24 CN Inland
Terminals



Connecting Asia to North America



Rapid Rebound: World-trade volumes, change since start of each crisis

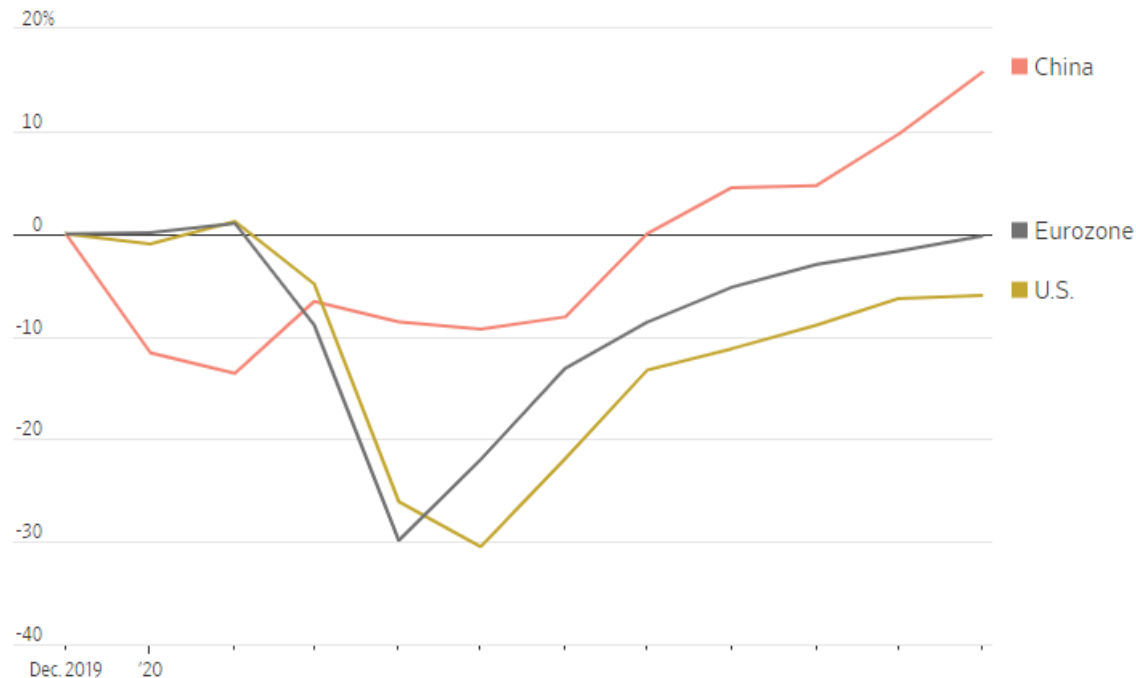


Notes: Seasonally adjusted; at 2010 prices

Source: CPB Netherlands Bureau for Economic Policy Analysis

China Rebound: Beyond and Above

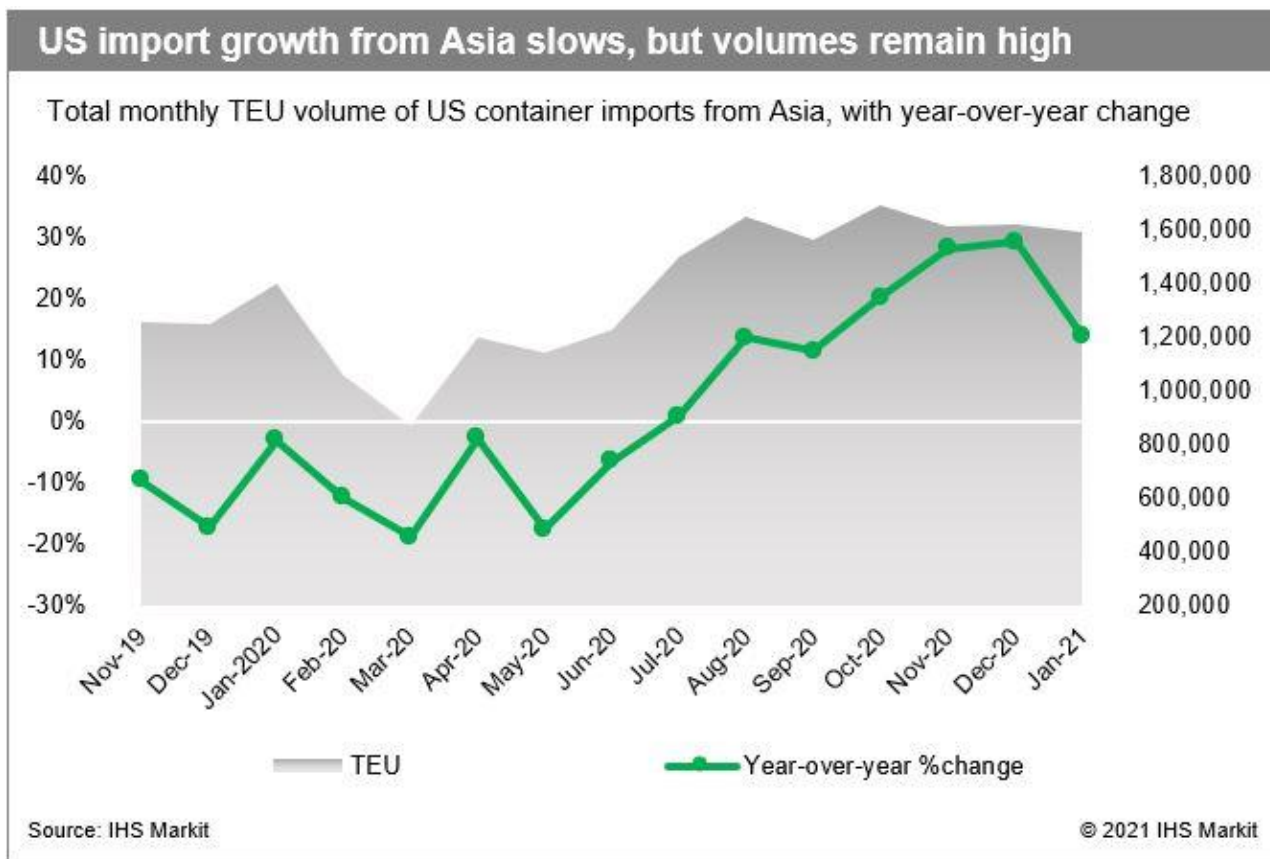
Change in export volumes, since December 2019



Notes: Seasonally adjusted; at 2010 prices

Source: CPB Netherlands Bureau for Economic Policy Analysis

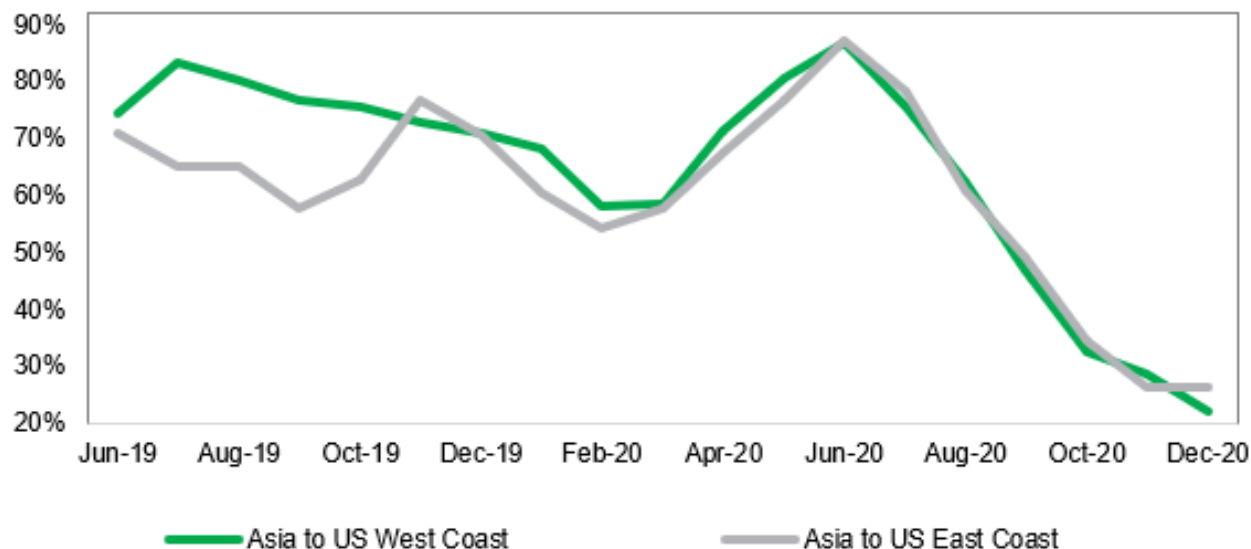
Asia-US volume surge accelerates through Q4 2020



Trans-Pacific schedule reliability falls

On-time eastbound trans-Pacific reliability falls to new low

Percentage of on-time arrivals of container ships. Ships are considered late if they arrive one calendar day or more after schedule



Source: Sea-Intelligence Maritime Analysis

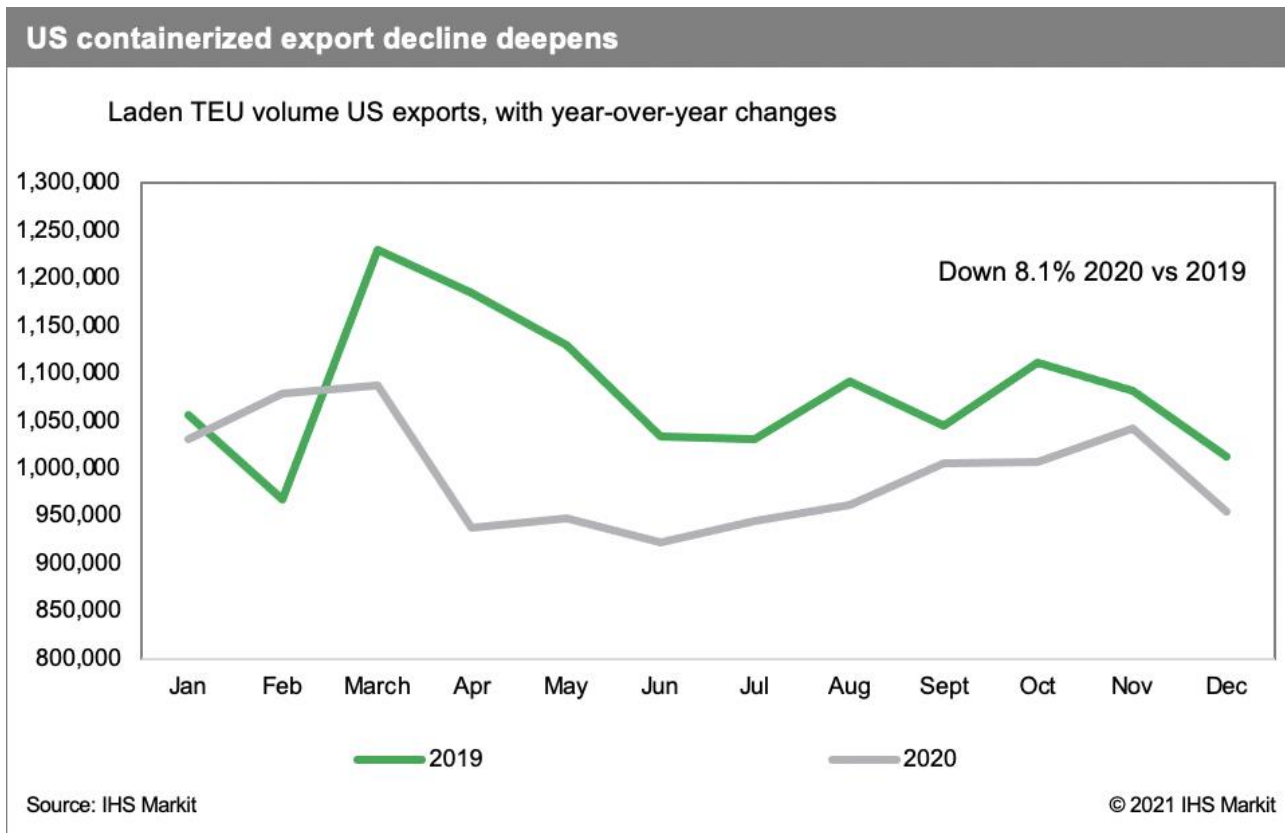
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As a cascading effect, transshipment rolover ratio at Asian ports increases

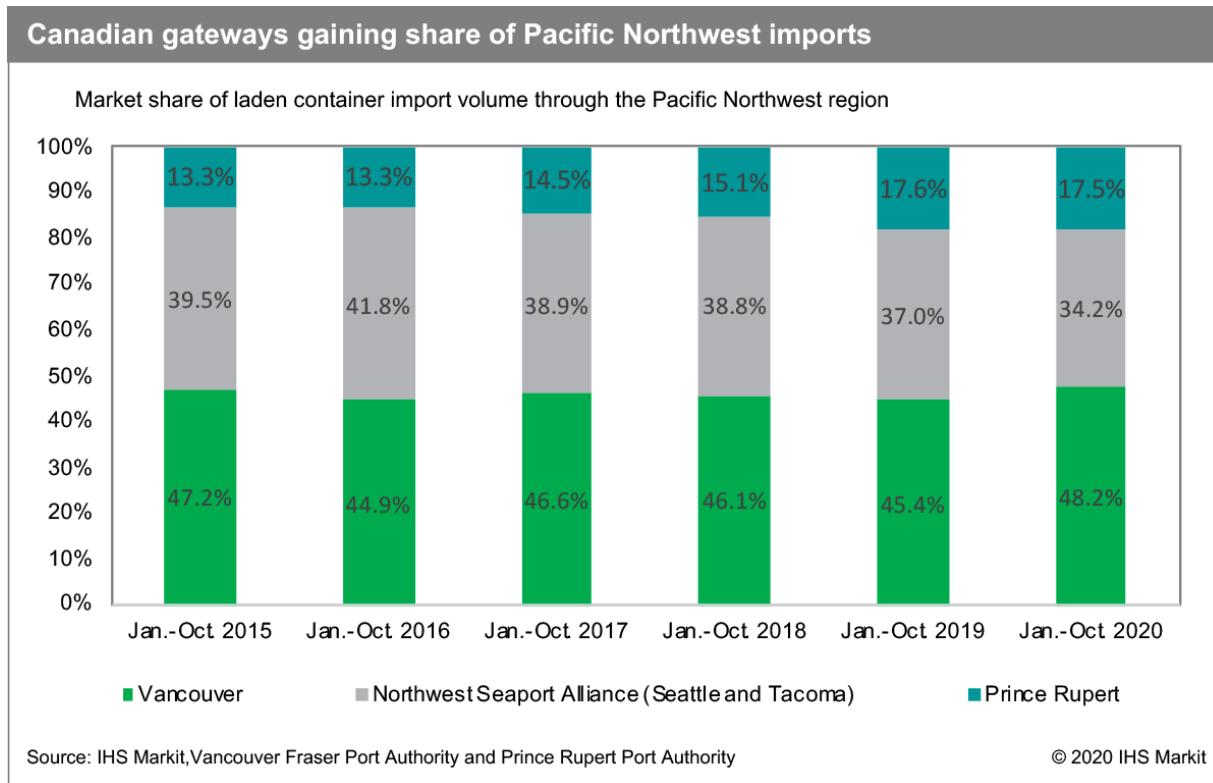
Transshipment rolover ratio by port 2020

Port(s)	November	December	Change
Busan Port South Korea	30 %	33 %	+3 %
Hong Kong	32 %	33 %	+1 %
Jebel Ali Dubai	38 %	41 %	+3 %
Kaohsiung Taiwan	37 %	35 %	-2 %
Ningbo-Zhoushan China	36 %	29 %	-7 %
Port Klang Malaysia	46 %	55 %	+9 %
Shanghai	30 %	37 %	+7 %
Singapore	40 %	42 %	+2 %
Tanjung Pelepas Malaysia	32 %	28 %	-4 %

On the other hand, US containerized export declines



Canadian gateways gain share of Pacific Northwest imports



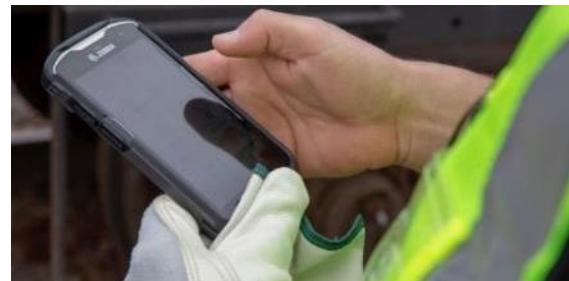
Improving safety, efficiency and productivity through technology



Autonomous Track Inspection Program



Automated Inspection Portals



Handheld Technology for Conductors



Process Automation



Handheld Technology for Mechanics



Smart Network

Thank You





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