UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(☒) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2025

OR

(☐) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __________ to __________

Commission File Number 1-8022

CSX CORPORATION

(Exact name of registrant as specified in its charter)

Virginia		**62-1051971**
(State or other jurisdiction of incorporation or organization)		*(I.R.S. Employer Identification No.)*
500 Water Street 15th Floor Jacksonville FL	**32202**	**904 359-3200**
(Address of principal executive offices)	*(Zip Code)*	*(Telephone number, including area code)*

No Change

(Former name, former address and former fiscal year, if changed since last report.)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of exchange on which registered
Common Stock, $1 Par Value	CSX	Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes (X) No ( )

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes (X) No ( )

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company (as defined in Exchange Act Rule 12b-2).

Large Accelerated Filer (X) Accelerated Filer ( ) Non-accelerated Filer ( ) Smaller Reporting Company (☐) Emerging growth company (☐)

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ( )

Indicate by a check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes (☐) No (X)

There were 1,864,277,014 shares of common stock outstanding on June 30, 2025 (the latest practicable date that is closest to the filing date).

CSX CORPORATION
FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2025
INDEX

CSX CORPORATION
PART I - FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENTS *(Unaudited)*
(Dollars in Millions, Except Per Share Amounts)

	Second Quarters		Six Months	
	2025	2024	**2025**	2024
Revenue	**$ 3,574**	$ 3,701	**$ 6,997**	$ 7,382
Expense				
Labor and Fringe	**791**	766	**1,612**	1,571
Purchased Services and Other	**710**	691	**1,484**	1,411
Depreciation and Amortization	**427**	410	**852**	820
Fuel	**269**	301	**544**	626
Equipment and Other Rents	**94**	85	**181**	169
Total Expense	**2,291**	2,253	**4,673**	4,597
Operating Income	**1,283**	1,448	**2,324**	2,785
Interest Expense	**(212)**	(209)	**(421)**	(419)
Other Income - Net	**22**	28	**48**	69
Earnings Before Income Taxes	**1,093**	1,267	**1,951**	2,435
Income Tax Expense	**(264)**	(304)	**(476)**	(592)
Net Earnings	**$ 829**	$ 963	**$ 1,475**	$ 1,843
Per Common Share (Note 2)				
Net Earnings Per Share, Basic	**$ 0.44**	$ 0.50	**$ 0.79**	$ 0.94
Net Earnings Per Share, Assuming Dilution	**$ 0.44**	$ 0.49	**$ 0.78**	$ 0.94
Average Shares Outstanding *(In Millions)*	**1,867**	1,944	**1,878**	1,951
Average Shares Outstanding, Assuming Dilution *(In Millions)*	**1,869**	1,948	**1,881**	1,955

CONDENSED CONSOLIDATED COMPREHENSIVE INCOME STATEMENTS *(Unaudited)*
(Dollars in Millions)

	Second Quarters		Six Months	
	2025	2024	**2025**	2024
Total Comprehensive Earnings (Note 10)	**$ 832**	$ 966	**$ 1,483**	$ 1,852

See accompanying notes to consolidated financial statements.

CSX CORPORATION
ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS
(Dollars in Millions)

	(Unaudited) June 30, 2025	December 31, 2024
ASSETS		
Current Assets:		
Cash and Cash Equivalents	**$ 387**	$ 933
Short-term Investments (Note 9)	**6**	72
Accounts Receivable - Net (Note 8)	**1,409**	1,326
Materials and Supplies	**420**	414
Other Current Assets	**83**	75
Total Current Assets	**2,305**	2,820
Properties	**53,331**	52,191
Accumulated Depreciation	**(17,083)**	(16,533)
Properties - Net	**36,248**	35,658
Investment in Affiliates and Other Companies	**2,574**	2,520
Right-of-Use Lease Asset	**476**	487
Goodwill and Other Intangible Assets - Net	**437**	433
Other Long-term Assets	**889**	846
Total Assets	**$ 42,929**	$ 42,764
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts Payable	**$ 1,273**	$ 1,290
Labor and Fringe Benefits Payable	**453**	480
Casualty, Environmental and Other Reserves (Note 4)	**158**	149
Current Maturities of Long-term Debt (Note 7)	**616**	606
Income and Other Taxes Payable	**156**	508
Other Current Liabilities	**327**	243
Total Current Liabilities	**2,983**	3,276
Casualty, Environmental and Other Reserves (Note 4)	**304**	313
Long-term Debt (Note 7)	**18,550**	17,897
Deferred Income Taxes - Net	**7,718**	7,725
Long-term Lease Liability	**484**	486
Other Long-term Liabilities	**513**	560
Total Liabilities	**30,552**	30,257
Shareholders' Equity:		
Common Stock, $1 Par Value	**1,864**	1,900
Other Capital	**882**	846
Retained Earnings	**9,850**	9,988
Accumulated Other Comprehensive Loss (Note 10)	**(224)**	(232)
Non-controlling Minority Interest	**5**	5
Total Shareholders' Equity	**12,377**	12,507
Total Liabilities and Shareholders' Equity	**$ 42,929**	$ 42,764

See accompanying notes to consolidated financial statements.

CSX CORPORATION
ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED CASH FLOW STATEMENTS *(Unaudited)*

(Dollars in Millions)

	Six Months	
	2025	2024
OPERATING ACTIVITIES		
Net Earnings	**$ 1,475**	$ 1,843
Adjustments to Reconcile Net Earnings to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	**852**	820
Deferred Income Taxes	**(1)**	14
Other Operating Activities	**(50)**	(19)
Changes in Operating Assets and Liabilities:		
Accounts Receivable	**(36)**	(19)
Other Current Assets	**(13)**	25
Accounts Payable	**18**	(42)
Income and Other Taxes Payable	**(362)**	(403)
Other Current Liabilities	**7**	(46)
Net Cash Provided by Operating Activities	**1,890**	2,173
INVESTING ACTIVITIES		
Property Additions	**(1,495)**	(1,066)
Proceeds from Sales of Short-term Investments	**69**	81
Proceeds and Advances from Property Dispositions	**49**	43
Business Acquisition, Net of Cash Acquired	**(14)**	(50)
Other Investing Activities	**(63)**	(56)
Net Cash Used In Investing Activities	**(1,454)**	(1,048)
FINANCING ACTIVITIES		
Shares Repurchased	**(1,172)**	(810)
Dividends Paid	**(488)**	(468)
Long-term Debt Repaid (Note 7)	**(3)**	(4)
Long-term Debt Issued (Note 7)	**600**	—
Other Financing Activities	**81**	42
Net Cash Used in Financing Activities	**(982)**	(1,240)
Net Decrease in Cash and Cash Equivalents	**(546)**	(115)
CASH AND CASH EQUIVALENTS		
Cash and Cash Equivalents at Beginning of Period	**933**	1,353
Cash and Cash Equivalents at End of Period	**$ 387**	$ 1,238

See accompanying notes to consolidated financial statements.

CSX CORPORATION
ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY *(Unaudited)*
(Dollars in Millions)

Six Months 2025	Common Shares Outstanding *(Thousands)*	Common Stock and Other Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income[(a)]	Non-controlling Minority Interest	Total Shareholders' Equity
Balance December 31, 2024	1,900,190	$ 2,746	$ 9,988	$ (232)	$ 5	$ 12,507
Comprehensive Earnings:						
Net Earnings	—	—	646	—	—	646
Other Comprehensive Income	—	—	—	5	—	5
Total Comprehensive Earnings						651
Common stock dividends, $0.13 per share	—	—	(245)	—	—	(245)
Share Repurchases	(23,707)	(24)	(727)	—	—	(751)
Excise Tax on Net Share Repurchases	—	—	(7)	—	—	(7)
Stock Option Exercises and Other	1,894	20	—	—	—	20
Balance March 31, 2025	1,878,377	$ 2,742	$ 9,655	$ (227)	$ 5	$ 12,175
Comprehensive Earnings:						
Net Earnings	—	—	829	—	—	829
Other Comprehensive Income	—	—	—	3	—	3
Total Comprehensive Earnings						832
Common stock dividends, $0.13 per share	—	—	(243)	—	—	(243)
Share Repurchases	(14,209)	(14)	(387)	—	—	(401)
Excise Tax on Net Share Repurchases	—	—	(4)	—	—	(4)
Stock Option Exercises and Other	112	18	—	—	—	18
Balance June 30, 2025	**1,864,280**	**$ 2,746**	**$ 9,850**	**$ (224)**	**$ 5**	**$ 12,377**

(a) Accumulated Other Comprehensive Loss balances shown above are net of tax. The associated taxes were $61 million as of December 31, 2024, $59 million as of March 31, 2025, and $58 million as of June 30, 2025. For additional information, see Note 10, Other Comprehensive Income.

See accompanying notes to consolidated financial statements.

CSX CORPORATION
ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY *(Unaudited)*
(Dollars in Millions)

Six Months 2024	Common Shares Outstanding *(Thousands)*	Common Stock and Other Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income[(a)]	Non-controlling Minority Interest	Total Shareholders' Equity
Balance December 31, 2023	1,958,757	$ 2,650	$ 9,609	$ (279)	$ 5	$ 11,985
Comprehensive Earnings:						
Net Earnings	—	—	880	—	—	880
Other Comprehensive Income	—	—	—	6	—	6
Total Comprehensive Earnings						886
Common stock dividends, $0.12 per share	—	—	(235)	—	—	(235)
Share Repurchases	(6,789)	(7)	(240)	—	—	(247)
Excise Tax on Net Share Repurchases	—	—	(1)	—	—	(1)
Stock Option Exercises and Other	2,961	55	(2)	—	—	53
Balance March 31, 2024	1,954,929	$ 2,698	$ 10,011	$ (273)	$ 5	$ 12,441
Comprehensive Earnings:						
Net Earnings	—	—	963	—	—	963
Other Comprehensive Income	—	—	—	3	—	3
Total Comprehensive Earnings						966
Common stock dividends, $0.12 per share	—	—	(233)	—	—	(233)
Share Repurchases	(16,308)	(16)	(547)	—	—	(563)
Excise Tax on Net Share Repurchases	—	—	(6)	—	—	(6)
Stock Option Exercises and Other	124	15	1	—	(1)	15
Balance June 30, 2024	1,938,745	$ 2,697	$ 10,189	$ (270)	$ 4	$ 12,620

(a) Accumulated Other Comprehensive Loss balances shown above are net of tax. The associated taxes were $74 million as of December 31, 2023, $72 million as of March 31, 2024, and $72 million as of June 30, 2024. For additional information, see Note 10, Other Comprehensive Income.

See accompanying notes to consolidated financial statements.

CSX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1. Nature of Operations and Significant Accounting Policies

Background

CSX Corporation together with its subsidiaries ("CSX" or the “Company”), based in Jacksonville, Florida, is one of the nation's leading transportation companies. The Company provides rail-based transportation services including traditional rail service, the transport of intermodal containers and trailers, as well as other transportation services such as rail-to-truck transfers and bulk commodity operations.

CSX's principal operating subsidiary, CSX Transportation, Inc. (“CSXT”), provides an important link to the transportation supply chain through its approximately 20,000 route-mile rail network and serves major population centers in 26 states east of the Mississippi River, the District of Columbia and the Canadian provinces of Ontario and Quebec. The Company's intermodal business links customers to railroads via trucks and terminals. CSXT is also responsible for the Company's real estate sales, leasing, acquisition, and management and development activities, substantially all of which are focused on supporting railroad operations.

Other entities

In addition to CSXT, the Company’s subsidiaries include Quality Carriers, Inc. ("Quality Carriers"), CSX Intermodal Terminals, Inc. (“CSX Intermodal Terminals”), Total Distribution Services, Inc. (“TDSI”), Transflo Terminal Services, Inc. (“Transflo”), CSX Technology, Inc. (“CSX Technology”) and other subsidiaries. Quality Carriers is the largest provider of bulk liquid chemicals truck transportation in North America. CSX Intermodal Terminals owns and operates a system of intermodal terminals, predominantly in the eastern United States and also performs drayage services (the pickup and delivery of intermodal shipments) for certain customers. TDSI serves the automotive industry with distribution centers and storage locations. Transflo connects non-rail served customers to the many benefits of rail by transferring products from rail to trucks. The biggest Transflo markets are chemicals and agriculture, which includes shipments of plastics and ethanol. CSX Technology and other subsidiaries provide support services for the Company.

CSX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1. Nature of Operations and Significant Accounting Policies, *continued*

Basis of Presentation

In the opinion of management, the accompanying consolidated financial statements contain all normal, recurring adjustments necessary to fairly present the consolidated financial statements and accompanying notes. Where applicable, prior year information has been reclassified to conform to the current presentation. Pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"), certain information and disclosures normally included in the notes to the annual financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP") have been omitted from these interim financial statements. CSX suggests that these financial statements be read in conjunction with the audited financial statements and the notes included in CSX's most recent annual report on Form 10-K as well as any subsequently filed current reports on Form 8-K.

Fiscal Year

The Company's fiscal periods are based upon the calendar year. Except as otherwise specified, references to "second quarter(s)" or "six months" indicate CSX's fiscal periods ending June 30, 2025, and June 30, 2024, and references to "year-end" indicate the fiscal year ended December 31, 2024.

New Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, *Improvements to Income Tax Disclosures*. This standard update requires additional interim and annual disclosures about a company's income taxes, including more detailed information around the annual rate reconciliation and income taxes paid. The Company will adopt the guidance for its 2025 annual report filed on Form 10-K, which will result in additional disclosures related to income taxes but will not impact the Company's results of operations or financial position.

In November 2024, the FASB issued ASU 2024-03, *Disaggregation of Income Statement Expenses.* This standard update requires additional disclosures about certain expenses in commonly presented expense captions. The Company is required to adopt the guidance for its 2027 annual report filed on Form 10-K, though early adoption is permitted. The Company is currently evaluating the impact of these amendments on its disclosures, but this standard update will not impact the Company's results of operations or financial position.

NOTE 2. Earnings Per Share

The following table sets forth the computation of basic earnings per share and earnings per share, assuming dilution.

	Second Quarters		Six Months	
	2025	2024	**2025**	2024
Numerator *(Dollars in Millions)*:				
Net Earnings	**$ 829**	$ 963	**$ 1,475**	$ 1,843
Denominator *(Units in Millions)*:				
Average Common Shares Outstanding	**1,867**	1,944	**1,878**	1,951
Other Potentially Dilutive Common Shares	**2**	4	**3**	4
Average Common Shares Outstanding, Assuming Dilution	**1,869**	1,948	**1,881**	1,955
Net Earnings Per Share, Basic	**$ 0.44**	$ 0.50	**$ 0.79**	$ 0.94
Net Earnings Per Share, Assuming Dilution	**$ 0.44**	$ 0.49	**$ 0.78**	$ 0.94

Basic earnings per share is based on the weighted-average number of shares of common stock outstanding. Earnings per share, assuming dilution, is based on the weighted-average number of shares of common stock outstanding and common stock equivalents adjusted for the effects of common stock that may be issued as a result of potentially dilutive instruments. CSX's potentially dilutive instruments are made up of equity awards including employee stock options, performance units and restricted stock units.

When calculating diluted earnings per share, the potential shares that would be outstanding if all outstanding stock options were exercised are included. This number is different from outstanding stock options because it is offset by shares CSX could repurchase using the proceeds from these hypothetical exercises to obtain the common stock equivalent. The total average outstanding stock options that were excluded from the diluted earnings per share calculation because their effect was antidilutive is in the table below.

	Second Quarters		Six Months	
	2025	2024	**2025**	2024
Antidilutive Stock Options Excluded from Diluted EPS *(Units in Millions)*	**5**	3	**5**	3

NOTE 2. Earnings Per Share, *continued*

Share Repurchases

During fourth quarter 2023, the Company began repurchasing shares under the $5 billion share repurchase program approved in October 2023. Total repurchase authority remaining was $1.4 billion as of June 30, 2025.

Share repurchases may be made through a variety of methods including, but not limited to, open market purchases, purchases pursuant to Rule 10b5-1 plans, accelerated share repurchases and negotiated block purchases. The timing of share repurchases depends upon management's assessment of marketplace conditions and other factors, and the program remains subject to the discretion of the Board of Directors. Future share repurchases are expected to be funded by cash on hand, cash generated from operations and debt issuances. Shares are retired immediately upon repurchase. In accordance with the *Equity Topic* in the Accounting Standards Codification ("ASC"), the excess of repurchase price over par value is recorded in retained earnings.

During second quarters and six months ended June 30, 2025, and June 30, 2024, the Company engaged in the following repurchase activities:

	Second Quarters		**Six Months**	
	2025	2024	**2025**	2024
Shares Repurchased *(Millions)*	**14**	16	**38**	23
Cost of Shares *(Dollars in Millions)*	**$ 401**	$ 563	**$ 1,152**	$ 810
Average Price Paid per Share	**$ 28.28**	$ 34.51	**$ 30.39**	$ 35.08
Excise Taxes Paid for Net Share Repurchases *(Dollars in Millions)*	**$ 19.9**	$ —	**$ 19.9**	$ —

The Inflation Reduction Act of 2022 imposes a nondeductible 1% excise tax on the net value of most share repurchases made after December 31, 2022. Excise tax commensurate with net share repurchases is reflected in equity and a corresponding liability for excise taxes payable is included in other current liabilities on the consolidated balance sheet. The cost of shares repurchased shown in the table above excludes the impact of this excise tax. Excise tax payments in second quarter 2025 relate to share repurchases in 2024. Excise taxes for 2023 repurchases were paid in fourth quarter 2024.

Dividend Increase

In February 2025, the Company's Board of Directors authorized an 8% increase in the quarterly cash dividend to $0.13 per common share effective March 2025.

NOTE 3. Stock Plans and Share-Based Compensation

Under CSX's share-based compensation plans, awards consist of performance units, stock options and restricted stock units for management and stock grants for directors. Share-based compensation expense for awards under share-based compensation plans is measured using the fair value of the award on the grant date and is recognized on a straight-line basis over the service period of the respective award. Alternatively, expense is recognized upon death or over an accelerated service period for employees whose agreements allow for continued vesting upon retirement or separation. Forfeitures are recognized as they occur. Total pre-tax expense and income tax benefits associated with share-based compensation are shown in the table below. Income tax benefits include impacts from option exercises and the vesting of other equity awards.

	Second Quarters		Six Months	
(Dollars in Millions)	**2025**	2024	**2025**	2024
Share-Based Compensation Expense:				
Restricted Stock Units	**$ 7**	$ 7	**$ 13**	$ 14
Stock Options	**3**	3	**6**	6
Employee Stock Purchase Plan	**3**	2	**5**	4
Performance Units	**2**	1	**2**	3
Stock Awards for Directors	**—**	—	**3**	2
Total Share-Based Compensation Expense	**$ 15**	$ 13	**$ 29**	$ 29
Income Tax Benefit	**$ 3**	$ 3	**$ 6**	$ 8

Long-term Incentive Plan

In February 2025, the Company granted the following awards under a new long-term incentive plan ("LTIP") for the years 2025 through 2027, which was adopted under the CSX 2019 Stock and Incentive Award Plan.

	Granted *(Thousands)*	**Weighted Avg. Fair Value**
Performance Units	668	$ 33.74
Restricted Stock Units	666	33.37
Stock Options	1,100	10.16

CSX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 3. Stock Plans and Share-Based Compensation, *continued*

Performance Units

Units vest approximately three years after grant. Payouts will be made in CSX common stock with a payout range for most participants between 0% and 200% of the target awards depending on Company performance against predetermined goals. Payouts for certain executive officers are subject to formulaic upward or downward adjustment by up to 20%, capped at an overall payout of 240%, based upon the Company's total shareholder return relative to specified comparable groups over the performance period. The fair values of performance units granted to certain executive officers were calculated using a Monte-Carlo simulation model.

Measurement against goals related to both average annual operating income growth and Economic Profit, in each case adjusting for certain items as defined in the plan, will each comprise 50% of the payout. As defined under the plan, Economic Profit incentivizes strategic investments earning more than management's desired minimum required return and is calculated as CSX's Gross Cash Earnings minus the Capital Charge on Gross Operating Assets.

Stock Options

Stock options were granted with ten-year terms and vest over three years in equal installments each year on the anniversary of the grant date. These awards are time-based and are not based upon attainment of performance goals. The fair values of stock option awards were determined at the grant date using the Black-Scholes valuation model.

Restricted Stock Units

The restricted stock units awarded vest over three years in equal installments each year on the anniversary of the grant date and are settled in CSX common stock on a one-for-one basis. These awards are time-based and are not based upon CSX's attainment of performance goals.

Other Awards

Awards are periodically granted outside of the annual LTIP program, subject to approval by the Board of Directors, Compensation and Talent Management Committee, or Chief Executive Officer ("CEO") as appropriate. Awards outside of the annual LTIP program were granted to certain management employees other than senior executives during the second quarter and six months ended June 30, 2025, and 2024, and were not material.

For more information related to the Company's outstanding long-term incentive compensation, see CSX's most recent annual report on Form 10-K.

NOTE 4. Casualty, Environmental and Other Reserves

Personal injury and environmental reserves are considered critical accounting estimates due to the need for management judgment. Casualty, environmental and other reserves are provided for in the consolidated balance sheets as shown in the table below.

	June 30, 2025			December 31, 2024		
(Dollars in Millions)	**Current**	**Long-term**	**Total**	Current	Long-term	Total
Casualty:						
Personal Injury	**$ 54**	**$ 95**	**$ 149**	$ 51	$ 91	$ 142
Occupational	**7**	**54**	**61**	7	59	66
Total Casualty	**61**	**149**	**210**	58	150	208
Environmental	**39**	**110**	**149**	37	114	151
Other	**58**	**45**	**103**	54	49	103
Total	**$ 158**	**$ 304**	**$ 462**	$ 149	$ 313	$ 462

These liabilities are accrued when probable and reasonably estimable in accordance with the *Contingencies Topic* in the ASC. Actual settlements and claims received could differ, and final outcomes of these matters cannot be predicted with certainty. Considering the legal defenses currently available, the liabilities that have been recorded and other factors, it is the opinion of management that none of these items individually, when finally resolved, will have a material adverse effect on the Company's financial condition, results of operations or liquidity. Should a number of these items occur in the same period, however, their combined effect could be material in that particular period.

Casualty

Casualty reserves represent accruals for personal injury, occupational disease and occupational injury claims primarily related to railroad operations. The Company's self-insured retention amount for casualty claims is $100 million per occurrence as discussed at Note 5, *Commitments and Contingencies*. Currently, no individual claim is expected to exceed the self-insured retention amount.

Personal Injury

Personal injury reserves represent liabilities for employee work-related and third-party injuries. Work-related injuries for CSXT employees are primarily subject to the Federal Employers' Liability Act ("FELA"). CSXT retains an independent actuary to assist management in assessing the value of personal injury claims. An analysis is performed by the actuary quarterly and is reviewed by management. This analysis did not result in a material adjustment to the personal injury reserve in the quarters or six months ended June 30, 2025, or June 30, 2024.

NOTE 4. Casualty, Environmental and Other Reserves, *continued*

Occupational

Occupational reserves represent liabilities arising from allegations of exposure to certain materials in the workplace (such as solvents, soaps, chemicals and diesel fumes), past exposure to asbestos or allegations of chronic physical injuries resulting from work conditions (such as repetitive stress injuries). The Company retains an independent actuary to analyze the Company's historical claim filings, settlement amounts, and dismissal rates to assist in determining future anticipated claim filing rates and average settlement values. This analysis is performed by the actuary and reviewed by management quarterly. The analysis did not result in a material adjustment to the occupational reserve in the quarters or six months ended June 30, 2025, or June 30, 2024.

Environmental

The Company is a party to various proceedings related to environmental issues, including administrative and judicial proceedings involving private parties and regulatory agencies. The Company has been identified as a potentially responsible party at approximately 230 environmentally impaired sites. Many of these are, or may be, subject to remedial action under the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), also known as the Superfund Law, or similar state statutes. Most of these proceedings arose from environmental conditions on properties used for ongoing or discontinued railroad operations. A number of these proceedings, however, are based on allegations that the Company, or its predecessors, sent hazardous substances to facilities owned or operated by others for treatment, recycling or disposal. In addition, some of the Company's land holdings were leased to others for commercial or industrial uses that may have resulted in releases of hazardous substances or other regulated materials onto the property and could give rise to proceedings against the Company.

In any such proceedings, the Company is subject to environmental clean-up and enforcement actions under the Superfund Law, as well as similar state laws that may impose joint and several liability for clean-up and enforcement costs on current and former owners and operators of a site without regard to fault or the legality of the original conduct. These costs could be substantial.

The Company reviews its role with respect to each site identified at least quarterly. Based on management's review process, amounts have been recorded to cover contingent anticipated future environmental remediation costs with respect to each site to the extent such costs are reasonably estimable and probable. Payments related to these liabilities are expected to be made over the next several years. Environmental remediation costs are included in purchased services and other on the consolidated income statements.

Currently, the Company does not possess sufficient information to reasonably estimate the amounts of additional liabilities, if any, on some sites until completion of future environmental studies. In addition, conditions that are currently unknown could, at any given location, result in additional exposure, the amount and materiality of which cannot presently be reasonably estimated. Based upon information currently available, however, the Company believes its environmental reserves accurately reflect the estimated cost of remedial actions currently required.

Other

Other reserves include liabilities for various claims, such as automobile, property, general liability, workers' compensation and longshoremen disability claims.

NOTE 5. Commitments and Contingencies

Insurance

The Company maintains insurance programs with substantial limits for property damage, including resulting business interruption, as well as casualty claims, which includes third-party liability. A certain amount of risk is retained by the Company on each insurance program. Under its property insurance program, the Company retains all risk up to $200 million per occurrence for losses from floods and named windstorms and up to $175 million per occurrence for other property losses. For casualty claims, the Company retains all risk up to $100 million per occurrence. CSX purchases insurance coverage above its full self-retention amounts and it retains a percentage of risk at various layers as well. While the Company believes its insurance coverage is adequate, future claims could exceed existing insurance coverage or insurance may not continue to be available at commercially reasonable rates.

Legal

The Company is involved in litigation incidental to its business and is a party to a number of legal actions and claims, various governmental proceedings and private civil lawsuits, including, but not limited to, those related to fuel surcharge practices, tax matters, environmental and hazardous material exposure matters, FELA and labor claims by current or former employees, other personal injury or property claims and disputes and complaints involving certain transportation rates and charges. Some of the legal proceedings include claims for compensatory as well as punitive damages and others are, or are purported to be, class actions. While the final outcomes of these matters cannot be predicted with certainty, considering, among other things, the legal defenses available and liabilities that have been recorded along with applicable insurance, it is currently the opinion of management that none of these pending items is likely to have a material adverse effect on the Company's financial condition, results of operations or liquidity. An unexpected adverse resolution of one or more of these items, however, could have a material adverse effect on the Company's financial condition, results of operations or liquidity in that particular period.

The Company is able to estimate a range of possible loss for certain matters for which a loss is reasonably possible in excess of reserves established. The Company has estimated this range to be $2 million to $64 million in the aggregate at June 30, 2025. This estimated aggregate range is based upon currently available information and is subject to significant judgment and a variety of assumptions. Accordingly, the Company's estimate will change from time to time, and actual losses may vary significantly from the current estimate.

NOTE 5. Commitments and Contingencies, *continued*

Fuel Surcharge Antitrust Litigation

In May 2007, class action lawsuits were filed against CSXT and three other U.S.-based Class I railroads alleging that the defendants' fuel surcharge practices relating to contract and unregulated traffic resulted from an illegal conspiracy in violation of antitrust laws. The class action lawsuits were transferred to federal court in the District of Columbia for coordinated or consolidated pre-trial proceedings. In 2017, the District Court issued its decision denying class certification. On August 16, 2019, the U.S. Court of Appeals for the D.C. Circuit affirmed the District Court’s ruling.

Although the class was not certified, individual shippers have since brought claims against the railroads, which were also transferred to federal court in the District of Columbia for pre-trial proceedings but before a different judge. In March 2024, the original case was reassigned to the judge in the later-filed case. The railroads filed motions for summary judgment on July 17, 2024, with the briefing completed in December 2024. The judge held a hearing on the railroads' summary judgment motions on June 18, 2025, and granted summary judgment in favor of the railroads on June 24, 2025, ordering the cases closed. The individual shippers have until July 24, 2025, to file a Notice of Appeal.

Environmental

CSXT is indemnifying Pharmacia LLC, formerly known as Monsanto Company, ("Pharmacia") for certain liabilities associated with real estate located in Kearny, New Jersey along the Lower Passaic River (the “Property”). The Property, which was formerly owned by Pharmacia, is now owned by CSXT. CSXT's indemnification and defense duties arise with respect to several matters. The U.S. Environmental Protection Agency ("EPA"), using its CERCLA authority, seeks the investigation and cleanup of hazardous substances in the 17-mile Lower Passaic River Study Area (the "Study Area”). CSXT, on behalf of Pharmacia, and a significant number of other potentially responsible parties are together conducting a Remedial Investigation and Feasibility Study of the Study Area pursuant to an Administrative Settlement Agreement and Order on Consent with the EPA. Pharmacia’s share of responsibility, indemnified by CSXT, for the investigation and cleanup costs of the Study Area may be determined through various mechanisms including (a) an allocation and settlement with EPA; (b) litigation brought by EPA against non-settling parties; or (c) litigation among the responsible parties.

For the lower eight miles of the Study Area, EPA issued its Record of Decision detailing the agency’s mandated remedial process in March 2016. Occidental Chemical Corporation ("Occidental") performed the remedial design for the lower eight-mile portion of the Study Area pursuant to a consent order with EPA. EPA approved the design in May 2024.

For the remaining upper nine miles of the Study Area, EPA selected an interim remedy in a Record of Decision dated September 28, 2021. On March 2, 2023, EPA issued an administrative order requiring Occidental to design the interim remedy for the upper nine miles of the Study Area.

Potentially responsible parties, including Pharmacia, are participating in an EPA-directed allocation and settlement process to assign responsibility related to the lower river and the entire Study Area, respectively. CSXT participated in the EPA-directed allocation and settlement process on behalf of Pharmacia.

NOTE 5. Commitments and Contingencies, *continued*

On March 2, 2022, EPA issued a Notice Letter to Pharmacia, Occidental and eight other parties alleging they are liable under Section 107(a) of CERCLA for releases or threatened releases of hazardous substances and requesting each party, individually or collectively, submit good faith offers to EPA in connection with the entire Study Area. CSXT, on behalf of Pharmacia, responded to the Notice Letter and submitted a good faith offer to EPA on June 27, 2022, following meetings with a mediator from EPA's Conflict Prevention and Resolution Center.

On November 21, 2023, EPA notified the United States District Court for the District of New Jersey ("Court") that it intended to move to enter a Consent Decree ("CD") with a group of potentially responsible parties. On January 31, 2024, EPA filed a motion to enter a modified CD with 82 potentially responsible parties, not including Pharmacia, requiring payment of $150 million to resolve their liability with respect to the entire Study Area. On April 1, 2024, Occidental filed its opposition to EPA's motion to enter the CD. Several other non-settling parties, including Pharmacia, filed comments concerning (but not opposing) entry of the CD. On December 18, 2024, the Court entered and approved the CD, which is now under appeal. Negotiations with EPA and other parties to resolve Pharmacia's liability continue.

CSXT is also defending and indemnifying Pharmacia with regard to the Property in litigation filed by Occidental, which is seeking to recover its past and future costs associated with the remediation of the entire Study Area. Alternatively, Occidental seeks to compel some, or all, of the defendants to participate in the remediation of the Study Area. Pharmacia is one of approximately 110 defendants in a federal lawsuit filed by Occidental on June 30, 2018, and one of 37 defendants in a federal lawsuit filed by Occidental on March 24, 2023. Both of these lawsuits are stayed pending resolution of the CD action. CSXT is also defending and indemnifying Pharmacia in a cooperative natural resource damages assessment process related to the Property.

Based on currently available information, the Company does not believe its share of remediation costs as determined by the EPA-directed allocation with respect to the Property and the Study Area would be material to the Company's financial condition, results of operations or liquidity.

See Note 4, *Casualty, Environmental and Other Reserves*, for additional information on the Company's environmental liabilities.

Regulatory

In October 2024, the Company received a subpoena from the Enforcement Division of the U.S. Securities and Exchange Commission ("SEC") requesting information relating to, among other things, the accounting restatement disclosed in the Company's Form 10-Q for the quarterly period ended June 30, 2024, filed on August 5, 2024, with the SEC. The Company also responded to information requests by the SEC related to certain of the Company's non-financial performance metrics. The Company received correspondence from the SEC on July 10, 2025, indicating that the agency had concluded its investigation and does not intend to recommend an enforcement action.

NOTE 6. Employee Benefit Plans

The Company sponsors defined benefit pension plans principally for salaried, management personnel. All plans are closed to new participants.

Independent actuaries compute the amounts of liabilities and expenses relating to these plans subject to the assumptions that the Company determines are appropriate based on historical trends, current market rates and future projections. These amounts are reviewed by management. Only the service cost component of net periodic benefit costs is included in labor and fringe expense on the consolidated income statement. All other components of net periodic benefit cost are included in other income - net.

	Pension Benefits Cost			
	Second Quarters		**Six Months**	
(Dollars in Millions)	**2025**	2024	**2025**	2024
Service Cost Included in Labor and Fringe	**$ 5**	$ 6	**$ 10**	$ 12
Interest Cost	**28**	27	**55**	53
Expected Return on Plan Assets	**(40)**	(43)	**(80)**	(85)
Amortization of Net Loss	**5**	4	**11**	9
Total Included in Other Income - Net	**(7)**	(12)	**(14)**	(23)
Net Periodic Benefit Credit	**$ (2)**	$ (6)	**$ (4)**	$ (11)

Qualified pension plan obligations are funded in accordance with regulatory requirements and with an objective of meeting or exceeding minimum funding requirements necessary to avoid restrictions on flexibility of plan operation and benefit payments. No contributions to the Company's qualified pension plans are expected in 2025.

NOTE 7. Debt and Credit Agreements

Total activity related to long-term debt as of the end of second quarter 2025 is shown in the table below. For fair value information related to the Company's long-term debt, see Note 9, *Fair Value Measurements*.

(Dollars in Millions)	**Current Portion**	**Long-term Portion**	**Total**
Long-term Debt as of December 31, 2024	$ 606	$ 17,897	$ 18,503
2025 Activity:			
Long-term Debt Issued	—	600	600
Long-term Debt Repaid	(3)	—	(3)
Reclassifications	2	(2)	—
Hedging, Discount, Premium and Other Activity	11	55	66
Long-term Debt as of June 30, 2025	**$ 616**	**$ 18,550**	**$ 19,166**

Debt Issuance

In March 2025, CSX issued $600 million of 5.05% notes due 2035. These notes are included in the consolidated balance sheets under long-term debt and may be redeemed by the Company at any time, subject to payment of certain make-whole premiums. The net proceeds will be used for general corporate purposes, which may include debt repayments, repurchases of CSX's common stock, capital investment and working capital requirements.

Interest Rate Derivatives

Fair Value Hedges

In first quarter 2025, CSX entered into two fixed-to-floating interest rate swaps classified as fair value hedges. The swaps are designed to hedge 10 years of interest rate risk associated with market fluctuations attributable to the Secured Overnight Financing Rate ("SOFR") on a cumulative $250 million of fixed rate outstanding notes which are due in 2055. The cumulative fair value of these swaps, which is included in other long-term assets on the consolidated balance sheet, was an asset of $10 million as of June 30, 2025.

CSX has seven other fixed-to-floating interest rate swaps classified as fair value hedges. The swaps are designed to hedge 10 years of interest rate risk associated with market fluctuations attributable to SOFR on a cumulative $1.1 billion of fixed rate outstanding notes which are due between 2033 and 2040. These swaps are comprised of two swaps entered during 2023 (“2023 swaps”) and five swaps entered during 2022 (“2022 swaps”). The cumulative fair value of the 2023 swaps was an asset of $15 million and $7 million as of June 30, 2025, and December 31, 2024, respectively, and is included in other long-term assets on the consolidated balance sheet. The cumulative fair value of the 2022 swaps was a liability of $92 million and $123 million as of June 30, 2025, and December 31, 2024, respectively, and is included in other long-term liabilities on the consolidated balance sheet.

NOTE 7. Debt and Credit Agreements*, continued*

The swaps expire between 2032 and 2035. If settled early, the remaining cumulative fair value adjustment to the hedged notes will be amortized over the remaining life of the associated notes. The cumulative adjustment to the hedged notes is included in long-term debt on the consolidated balance sheet as shown in the following table below.

(Dollars in Millions)	**June 30, 2025**	December 31, 2024
Notional Value of Hedged Notes	**$ 1,300**	$ 1,050
Fair Value Asset Adjustment to Hedged Notes	**25**	7
Fair Value Liability Adjustment to Hedged Notes	**(92)**	(123)
Carrying Amount of Hedged Notes	**$ 1,233**	$ 934

Gains and losses resulting from changes in fair value of the interest rate swaps offset changes in the fair value of the hedged portion of the underlying debt with no gain or loss recognized due to hedge ineffectiveness. The difference in the net fixed-to-float interest settlement on the derivatives is recognized in interest expense and is summarized as follows.

	Second Quarters		**Six Months**	
(Dollars in Millions)	**2025**	2024	**2025**	2024
Interest Expense Impact (Increase) Decrease	**$ (5)**	$ (8)	**$ (10)**	$ (16)

Cash Flow Hedges

The Company had forward starting interest rate swaps, designated as cash flow hedges in accordance with the *Derivatives and Hedging Topic* in the ASC, that had an aggregate notional value of $500 million at inception. These swaps were effected to hedge the benchmark interest rate associated with future interest payments related to the anticipated refinancing of $850 million of 3.25% notes due in 2027.

In addition to previous partial settlements in 2022 and 2023, CSX executed a final settlement equal to $114 million of the $500 million aggregate notional value of the cash flow hedges in second quarter 2024, which resulted in CSX receiving a cash payment of $52 million included in other operating activities on the consolidated cash flow statement. As of June 30, 2025, and December 31, 2024, no unsettled aggregate notional value of these swaps remains and there is no related asset or liability.

The unrealized gain associated with the settled portion of the swaps is recorded net of tax in accumulated other comprehensive income ("AOCI") on the consolidated balance sheet and will continue to be classified in AOCI until the associated debt instrument is issued in the future. The unrealized gain in AOCI will be recognized in earnings as an adjustment to interest expense over the same period during which the hedged transaction affects earnings. Prior to full settlement, unrealized gains related to the swaps were included in other comprehensive income as summarized in the table below.

	Second Quarters		**Six Months**	
(Dollars in Millions)	**2025**	2024	**2025**	2024
Unrealized Gain - Net of Tax	**$ —**	$ 1	**$ —**	$ 3

See Note 9, *Fair Value Measurements*, and Note 10, *Other Comprehensive Income (Loss)*, for additional information about the Company's swaps.

NOTE 7. Debt and Credit Agreements*, continued*

Credit Facility

The Company has a $1.2 billion unsecured revolving credit facility backed by a diverse syndicate of banks. This facility allows same-day borrowings at floating interest rates, based on SOFR or an agreed-upon replacement reference rate, plus a spread that depends upon CSX's senior unsecured debt ratings. This facility expires in February 2028. As of June 30, 2025, the Company had no outstanding balances under this facility.

Commitment fees and interest rates payable under the facility were similar to fees and rates available to comparably rated investment-grade borrowers. As of second quarter 2025, CSX was in compliance with all covenant requirements under this facility.

Commercial Paper

Under its commercial paper program, which is backed by the revolving credit facility, the Company may issue unsecured commercial paper notes up to a maximum aggregate principal amount of $1.0 billion outstanding at any one time. Proceeds from issuances of the notes are used for general corporate purposes. Issuances of commercial paper during the six months ended June 30, 2025, had maturities ranging from 7 to 14 days. At June 30, 2025, the Company had $75 million of commercial paper due under the program with a weighted average interest rate of 4.62%. Commercial paper is reported within other current liabilities on the consolidated balance sheets and issuances, net of repayments, are included in other financing activities on the statement of cash flows.

NOTE 8. Revenues

The Company's revenues are primarily derived from the transportation of freight as performance obligations that arise from its contracts with customers are satisfied. The below table presents the Company's revenues disaggregated by market as this best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Fuel surcharge revenue is included in the individual markets.

	Second Quarters		Six Months	
(Dollars in Millions)	**2025**	2024	**2025**	2024
Chemicals	**$ 701**	$ 722	**$ 1,399**	$ 1,415
Agricultural and Food Products	**418**	406	**826**	813
Automotive	**320**	336	**591**	629
Forest Products	**250**	269	**499**	531
Metals and Equipment	**224**	230	**433**	450
Minerals	**218**	207	**399**	381
Fertilizers	**126**	126	**262**	262
Total Merchandise	**2,257**	2,296	**4,409**	4,481
Intermodal	**491**	506	**984**	1,012
Coal	**477**	563	**938**	1,195
Trucking	**211**	221	**413**	436
Other	**138**	115	**253**	258
Total	**$ 3,574**	$ 3,701	**$ 6,997**	$ 7,382

The Company's accounts receivable - net consists of freight and non-freight receivables, reduced by an allowance for credit losses. Freight receivables include amounts earned, billed and unbilled, and currently due from customers for transportation-related services. Non-freight receivables include amounts, billed and unbilled, currently due related to government reimbursement receivables and other non-revenue receivables.

(Dollars in Millions)	**June 30, 2025**	December 31, 2024
Freight Receivables	**$ 1,054**	$ 1,012
Freight Allowance for Credit Losses	**(20)**	(16)
Freight Receivables - Net	**1,034**	996
Non-Freight Receivables	**393**	343
Non-Freight Allowance for Credit Losses	**(18)**	(13)
Non-Freight Receivables - Net	**375**	330
Total Accounts Receivable - Net	**$ 1,409**	$ 1,326

The Company maintains an allowance for expected credit losses to provide for the estimated amount of receivables that will not be collected. The allowance is based upon an assessment of risk characteristics, historical payment experience, and the age of outstanding receivables adjusted for forward-looking economic conditions as necessary. Credit losses recognized on the Company's accounts receivable were not material in the second quarters or six months ended June 30, 2025, or 2024.

NOTE 9. Fair Value Measurements

Investments

The Company's investment assets are carried at fair value on the consolidated balance sheet in accordance with the *Fair Value Measurements and Disclosures Topic* in the ASC. They are valued with assistance from a third-party trustee and consist of exchange-traded funds, corporate bonds, asset-backed securities, government securities, and short-term time deposits. The exchange-traded funds are valued at quoted market prices determined in an active market, which are Level 1 inputs.

The corporate bonds, asset-backed securities and government securities are valued using broker quotes that utilize observable market inputs, which are Level 2 inputs. The carrying amounts of time deposits, which are reported in the consolidated balance sheet using Level 2 inputs, approximate fair value due to their short-term nature. Unrealized losses as of June 30, 2025, and June 30, 2024, were not material. The Company believes any impairment of investments held with gross unrealized losses to be temporary and not the result of credit risk.

The Company's investment assets are carried at fair value on the consolidated balance sheets, within the line items short-term investments and other long-term assets, as summarized in the following table.

	June 30, 2025			December 31, 2024		
(Dollars in Millions)	**Level 1**	**Level 2**	**Total**	Level 1	Level 2	Total
Exchange-traded Funds	**$ 5**	**$ —**	**$ 5**	$ 2	$ —	$ 2
Corporate Bonds	**—**	**75**	**75**	—	71	71
Government Securities	**—**	**53**	**53**	—	42	42
Asset-backed Securities	**—**	**35**	**35**	—	35	35
Time Deposits	**—**	**—**	**—**	—	66	66
Total Investments at Fair Value	**$ 5**	**$ 163**	**$ 168**	$ 2	$ 214	$ 216

Total investments in debt securities of $163 million as of June 30, 2025, and $214 million as of December 31, 2024, had an amortized cost of $164 million and $218 million, respectively. These investments have the following maturities:

(Dollars in Millions)	**June 30, 2025**	December 31, 2024
Less than 1 year	**$ 6**	$ 72
1 - 5 years	**86**	72
5 - 10 years	**24**	23
Greater than 10 years	**47**	47
Total Investments at Fair Value [(a)]	**$ 163**	$ 214

[(a)] *Exchange-traded funds are excluded as there is no stated contractual maturity date.*

NOTE 9. Fair Value Measurements, *continued*

Long-term Debt

Long-term debt is reported at carrying amount on the consolidated balance sheets and is the Company's only financial instrument with a fair value significantly different from its carrying amount. The fair value of a company's debt is a measure of its current value under present market conditions, but does not impact the financial statements under current accounting rules. The majority of the Company's long-term debt is valued with assistance from a third party that utilizes closing transactions, market quotes or market values of comparable debt. For those instruments not valued by the third party, the fair value has been estimated by applying market rates of similar instruments to the scheduled contractual debt payments and maturities. These market rates are provided by the same third party. All of the inputs used to determine the fair value of the Company's long-term debt are Level 2 inputs.

The fair value and carrying value of the Company's long-term debt is as follows:

(Dollars in Millions)	**June 30, 2025**	December 31, 2024
Long-term Debt (Including Current Maturities):		
Fair Value	**$ 17,426**	$ 16,481
Carrying Value	**19,166**	18,503

Interest Rate Derivatives

The Company's fixed-to-floating swaps are carried at fair value, which is determined with assistance from a third party based upon pricing models using inputs observed from actively quoted markets. All of the inputs used to determine the fair value of the swaps are Level 2 inputs. The fair value of the Company's fixed-to-floating interest rate swaps was an asset of $25 million and $7 million (for swaps entered in 2025 and 2023), and a liability of $92 million and $123 million (for swaps entered in 2022) as of June 30, 2025, and December 31, 2024, respectively.

As of June 30, 2025, and December 31, 2024, the forward starting interest rate swap was fully settled and there is no related asset or liability. See Note 7, *Debt and Credit Agreements*, for further information.

CSX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 10. Other Comprehensive Income (Loss)

Total comprehensive earnings represents all changes in shareholders' equity during a period, other than those resulting from investments by and distributions to shareholders (e.g. issuance of equity securities and dividends). Generally, for CSX, total comprehensive earnings equals net earnings plus or minus adjustments for pension and other post-retirement liabilities, derivative activity and other items. Total comprehensive earnings is presented net of tax and was $832 million and $966 million for second quarters 2025 and 2024, respectively, and $1.5 billion and $1.9 billion for the six months ended June 30, 2025 and 2024, respectively.

AOCI represents the cumulative balance of other comprehensive income, net of tax, as of the balance sheet date. Changes in the AOCI balance by component are shown in the following table. Amounts reclassified in pension and other post-employment benefits to net earnings relate to the amortization of actuarial losses and are included in other income - net on the consolidated income statements. See Note 6, *Employee Benefit Plans*, for further information. Interest rate derivatives consist of forward starting interest rate swaps classified as cash flow hedges. See Note 7, *Debt and Credit Agreements*, for further information. Other primarily represents CSX's share of AOCI of equity method investees. Amounts reclassified in other to net earnings are included in purchased services and other or equipment and other rents on the consolidated income statements.

	Pension and Other Post-Employment Benefits	Interest Rate Derivatives	Other	Accumulated Other Comprehensive (Loss) Income
(Dollars in Millions)				
Balance December 31, 2024, Net of Tax	$ (349)	$ 153	$ (36)	$ (232)
Other Comprehensive Income (Loss)				
Amounts Reclassified to Net Earnings	8	—	3	11
Tax Expense	(2)	—	(1)	(3)
Total Other Comprehensive Income	6	—	2	8
Balance June 30, 2025, Net of Tax	**$ (343)**	**$ 153**	**$ (34)**	**$ (224)**

NOTE 11. Segment Reporting and Significant Expenses

The Company has two operating segments: rail and trucking. Although the Company provides a breakdown of revenue by line of business, the overall financial and operational performance of the railroad is analyzed as one operating segment due to the integrated nature of the rail network. The Rail column in the table below includes the activities of all CSX entities other than the trucking company, Quality Carriers, and also includes the Company's equity in the net income of equity method investments. As the trucking segment is not material for separate disclosure as a reportable segment, the results of these operations are included as a reconciliation to the Company's consolidated results in the tables below.

The Company's chief operating decision maker ("CODM") is its CEO. The CODM reviews information presented on a consolidated basis, accompanied by supplemental information about the trucking segment separately, for purposes of allocating resources and evaluating financial performance. The Company has determined that operating income is the key measure of segment profit or loss as this measure is the focus of the CODM in developing financial plans, including resource allocation, and evaluating actual financial performance against plan. The CODM regularly reviews operating results broken out by significant expense.

CSX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 11. Segment Reporting and Significant Expenses, *continued*

The tables below present information about the Company's significant expenses and the required reportable segment reconciliations for the quarters ended June 30, 2025, and June 30, 2024.

	Second Quarters			
	2025		2024	
(Dollars in Millions)	**Rail**	**Reconciliation to Consolidated**	Rail	Reconciliation to Consolidated
Revenue [(a)]	**$ 3,363**		$ 3,480	
Reconciliation of Revenue				
Trucking Revenue [(a)]		**219**		223
Elimination of intersegment revenues		**(8)**		(2)
Total Consolidated Revenue		**$ 3,574**		$ 3,701
Expense [(b)]				
Labor and Fringe	**$ 736**		$ 719	
Purchased Services and Other	**605**		577	
Depreciation and Amortization	**410**		396	
Fuel				
Locomotive	**226**		249	
Non-Locomotive	**23**		27	
Equipment and Other Rents	**90**		80	
Gain on Property Disposition	**(4)**		(9)	
Segment Operating Income	**$ 1,277**		$ 1,441	
Reconciliation of Operating Income				
Trucking Expenses [(b)]		**213**		216
Elimination of intersegment expenses		**(8)**		(2)
Total Consolidated Operating Income		**$ 1,283**		$ 1,448

CSX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 11. Segment Reporting and Significant Expenses, *continued*

The tables below present information about the Company's significant expenses and the required reportable segment reconciliations for the six months ended June 30, 2025, and June 30, 2024.

	Six Months			
	2025		2024	
(Dollars in Millions)	**Rail**	**Reconciliation to Consolidated**	Rail	Reconciliation to Consolidated
Revenue [(a)]	**$ 6,584**		$ 6,946	
Reconciliation of Revenue				
Trucking Revenue [(a)]		**426**		440
Elimination of intersegment revenues		**(13)**		(4)
Total Consolidated Revenue		**$ 6,997**		$ 7,382
Expense [(b)]				
Labor and Fringe	**$ 1,510**		$ 1,478	
Purchased Services and Other	**1,269**		1,178	
Depreciation and Amortization	**820**		791	
Fuel				
Locomotive	**451**		525	
Non-Locomotive	**52**		53	
Equipment and Other Rents	**172**		159	
Gain on Property Disposition	**(5)**		(10)	
Segment Operating Income	**$ 2,315**		$ 2,772	
Reconciliation of Operating Income				
Trucking Expenses [(b)]		**417**		427
Elimination of intersegment expenses		**(13)**		(4)
Total Consolidated Operating Income		**$ 2,324**		$ 2,785

(a) Trucking revenue is comprised of revenue from Quality Carriers. Rail revenue represents revenue attributed to all CSX entities other than the trucking company, Quality Carriers.

(b) Trucking expenses include labor and fringe, purchased services and other, depreciation and amortization, fuel, equipment and other rents, and gains/losses on property dispositions from the operations of Quality Carriers. Rail expenses represent expenses attributable to all CSX entities other than the trucking company, Quality Carriers.

CSX CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 11. Segment Reporting and Significant Expenses, *continued*

Reconciliation of Segment Operating Income to Consolidated Earnings Before Income Taxes

	Second Quarters		Six Months	
(Dollars in Millions)	**2025**	2024	**2025**	2024
Segment Operating Income	**$ 1,277**	$ 1,441	**$ 2,315**	$ 2,772
Trucking Revenue and Eliminations	**211**	221	**413**	436
Trucking Expenses and Eliminations	**(205)**	(214)	**(404)**	(423)
Total Consolidated Operating Income	**1,283**	1,448	**2,324**	2,785
Interest Expense	**(212)**	(209)	**(421)**	(419)
Other Income - Net	**22**	28	**48**	69
Earnings Before Income Taxes	**$ 1,093**	$ 1,267	**$ 1,951**	$ 2,435

Other Segment Disclosures

Capital expenditures made by the rail segment were $766 million and $524 million, for the second quarters 2025 and 2024, respectively, and $1,457 million and $1,021 million, for the six months ended June 30, 2025, and June 30, 2024, respectively. The total of the rail segment's reportable assets was $42.7 billion and $42.6 billion as of June 30, 2025, and December 31, 2024, respectively, out of total consolidated assets of $42.9 billion and $42.8 billion for the respective periods. Non-rail assets include assets held by the trucking operating segment.

SECOND QUARTER 2025 RESULTS

- Revenue decreased $127 million, or 3%, year over year.
- Expenses increased $38 million, or 2%, year over year.
- Operating income of $1.3 billion decreased $165 million, or 11%, year over year.
- Operating margin of 35.9% decreased 320 basis points versus prior year.
- Earnings per diluted share of $0.44 decreased $0.05, or 10%, year over year.

	Second Quarters				Six Months			
	2025	2024	*Fav / (Unfav)*	*% Change*	**2025**	2024	*Fav / (Unfav)*	*% Change*
Volume *(in Thousands)*	**1,580**	1,578	*2*	*— %*	**3,098**	3,112	*(14)*	*— %*
(in Millions)								
Revenue	**$ 3,574**	$ 3,701	*$ (127)*	*(3)*	**$ 6,997**	$ 7,382	*$ (385)*	*(5)*
Expense	**2,291**	2,253	*(38)*	*(2)*	**4,673**	4,597	*(76)*	*(2)*
Operating Income	**$ 1,283**	$ 1,448	*$ (165)*	*(11)%*	**$ 2,324**	$ 2,785	*$ (461)*	*(17)%*
Operating Margin	**35.9 %**	39.1 %	*(320) bps*		**33.2 %**	37.7 %	*(450) bps*	
Earnings Per Diluted Share	**$ 0.44**	$ 0.49	*$ (0.05)*	*(10)%*	**$ 0.78**	$ 0.94	*$ (0.16)*	*(17)%*

Volume and Revenue *(Unaudited)*

Volume (Thousands of Units); Revenue (Dollars in Millions); Revenue Per Unit (Dollars)

Second Quarters

	Volume			Revenue			Revenue Per Unit		
	2025	2024	*% Change*	**2025**	2024	*% Change*	**2025**	2024	*% Change*
Chemicals	**164**	174	*(6)%*	**$ 701**	$ 722	*(3)%*	**$ 4,274**	$ 4,149	*3 %*
Agricultural and Food Products	**117**	115	*2*	**418**	406	*3*	**3,573**	3,530	*1*
Automotive	**103**	105	*(2)*	**320**	336	*(5)*	**3,107**	3,200	*(3)*
Minerals	**99**	97	*2*	**218**	207	*5*	**2,202**	2,134	*3*
Forest Products	**70**	74	*(5)*	**250**	269	*(7)*	**3,571**	3,635	*(2)*
Metals and Equipment	**70**	68	*3*	**224**	230	*(3)*	**3,200**	3,382	*(5)*
Fertilizers	**47**	50	*(6)*	**126**	126	—	**2,681**	2,520	*6*
Total Merchandise	**670**	683	*(2)*	**2,257**	2,296	*(2)*	**3,369**	3,362	—
Intermodal	**729**	716	*2*	**491**	506	*(3)*	**674**	707	*(5)*
Coal	**181**	179	*1*	**477**	563	*(15)*	**2,635**	3,145	*(16)*
Trucking	**—**	—	—	**211**	221	*(5)*	**—**	—	—
Other	**—**	—	—	**138**	115	*20*	**—**	—	—
Total	**1,580**	1,578	— %	**$ 3,574**	$ 3,701	*(3)%*	**$ 2,262**	$ 2,345	*(4)%*

Six Months

	Volume			Revenue			Revenue Per Unit		
	2025	2024	*% Change*	**2025**	2024	*% Change*	**2025**	2024	*% Change*
Chemicals	**330**	341	*(3)%*	**$ 1,399**	$ 1,415	*(1)%*	**$ 4,239**	$ 4,150	*2 %*
Agricultural and Food Products	**232**	229	*1*	**826**	813	*2*	**3,560**	3,550	—
Automotive	**190**	199	*(5)*	**591**	629	*(6)*	**3,111**	3,161	*(2)*
Minerals	**178**	177	*1*	**399**	381	*5*	**2,242**	2,153	*4*
Forest Products	**140**	147	*(5)*	**499**	531	*(6)*	**3,564**	3,612	*(1)*
Metals and Equipment	**135**	138	*(2)*	**433**	450	*(4)*	**3,207**	3,261	*(2)*
Fertilizers	**95**	97	*(2)*	**262**	262	—	**2,758**	2,701	*2*
Total Merchandise	**1,300**	1,328	*(2)*	**4,409**	4,481	*(2)*	**3,392**	3,374	*1*
Intermodal	**1,445**	1,417	*2*	**984**	1,012	*(3)*	**681**	714	*(5)*
Coal	**353**	367	*(4)*	**938**	1,195	*(22)*	**2,657**	3,256	*(18)*
Trucking	**—**	—	—	**413**	436	*(5)*	**—**	—	—
Other	**—**	—	—	**253**	258	*(2)*	**—**	—	—
Total	**3,098**	3,112	— %	**$ 6,997**	$ 7,382	*(5)%*	**$ 2,259**	$ 2,372	*(5)%*

Second Quarter 2025

Revenue

Total revenue decreased 3% in second quarter 2025 when compared to second quarter 2024, due to decreases in export coal revenue, including the impact of lower benchmark rates, as well as lower fuel recovery and declines in merchandise volume. These decreases were partially offset by higher pricing in merchandise and increases in other revenue.

Merchandise Volume

Chemicals - Decreased due to lower shipments of plastics, including the impact of a temporary outage at a customer location, as well as lower shipments of crude oil, petroleum products, and other industrial chemicals.

Agricultural and Food Products - Increased due to higher shipments of domestic feed grain.

Automotive - Decreased due to lower North American vehicle production.

Minerals - Increased primarily due to higher shipments of cement and aggregates.

Forest Products - Decreased due to lower shipments of paper products, which includes the impact of both temporary outages and permanent plant closures, as well as lower shipments of building products.

Metals and Equipment - Increased due to higher scrap and steel shipments, partially offset by lower equipment shipments.

Fertilizers - Decreased due to lower shipments of phosphates, fertilizers and potash.

Intermodal Volume

International shipments increased driven by higher port volumes and growth with key customers. Domestic shipments decreased due to the impacts of a continued soft trucking environment.

Coal Volume

Domestic coal increased due to higher shipments to utility plants, partially offset by lower thermal shipments to river terminals and reduced shipments to steel manufacturing locations. Export coal decreased due to lower metallurgical coal shipments, including the impact of outages at customer facilities.

Trucking Revenue

Trucking revenue decreased $10 million versus the prior year due to lower fuel surcharge and rates.

Other Revenue

Other revenue increased $23 million primarily due to a decrease in the reserve for freight in transit, driven by sequential improvement in transit times, as well as higher haulage revenue.

Expenses

Expenses of $2.3 billion increased $38 million, or 2%, in second quarter 2025 when compared to the second quarter 2024.

Labor and Fringe expense increased $25 million due to the following:

- An increase of $18 million was due to inflation.
- All other net costs increased $7 million as higher trucking headcount from the conversion of previously independent affiliates and higher incentive compensation expense were partially offset by other non-significant items.

Purchased Services and Other expense increased $19 million due to the following:

- Inflation and higher volume-related costs associated with intermodal and other terminals drove an increase of $21 million.
- Increased costs of approximately $14 million were due to the effects of network disruptions and congestion, including rerouting impacts.
- Gains on property dispositions were flat at $8 million in both years.
- All other net costs decreased $16 million, which includes the prior year impact of an unfavorable inventory adjustment as well as current year trucking savings from affiliate conversions, partially offset by lower insurance recoveries.

Depreciation and Amortization expense increased $17 million as a result of a larger asset base.

Fuel costs decreased $32 million primarily as a result of a 12% decrease in locomotive fuel prices, partially offset by the impact of additional gross ton-miles associated with reroutes.

Equipment and Other Rents expense increased $9 million due to increased net car hire costs driven by inflation and the impact of reroutes on car cycle times.

Interest Expense

Interest expense increased $3 million primarily due to higher average debt balances.

Other Income - Net

Other income - net decreased $6 million primarily due to lower interest income, partially offset by other non-significant items.

Income Tax Expense

Income tax expense decreased $40 million primarily due to lower earnings before income taxes.

Six Months Results of Operations

Revenue decreased $385 million primarily due to lower coal revenue, which includes the impact of lower global benchmark rates, as well as lower fuel recovery and declines in merchandise volume. These declines were partially offset by pricing gains in merchandise.

Total expense increased $76 million primarily due to inflation, costs due to network disruptions and congestion, and higher depreciation. These increases were partially offset by lower fuel prices.

Interest expense increased $2 million as higher average debt balances were mostly offset by favorable hedge impacts.

Other income - net decreased $21 million primarily due to lower interest income, which resulted from lower interest rates and lower cash balances.

Income tax expense decreased $116 million primarily due to lower earnings before income taxes.

Non-GAAP Measures - Unaudited

CSX reports its financial results in accordance with accounting principles generally accepted in the United States of America ("GAAP"). CSX also uses certain non-GAAP measures that fall within the meaning of Securities and Exchange Commission Regulation G and Regulation S-K Item 10(e), which may provide users of the financial information with additional meaningful comparison to prior reported results. Non-GAAP measures do not have standardized definitions and are not defined by GAAP. Therefore, CSX's non-GAAP measures are unlikely to be comparable to similar measures presented by other companies. The presentation of these non-GAAP measures should not be considered in isolation from, as a substitute for, or as superior to the financial information presented in accordance with GAAP. Reconciliations of non-GAAP measures to corresponding GAAP measures are below.

Economic Profit

Management believes Economic Profit provides an additional perspective to investors about financial returns generated by the business by representing a measure showing profit generated over and above the cost of capital used by the business to generate that profit. Economic Profit is designed to incentivize strategic investments that earn more than management's desired minimum required return and is broadly utilized by management to make investment decisions. Therefore, disclosing Economic Profit on how management performs in this regard provides additional useful information to investors regarding the Company's performance compared to its goals.

Economic Profit should be considered in addition to, rather than a substitute for, operating income, which is the most directly comparable GAAP measure. Economic Profit is defined by the Company as Gross Cash Earnings ("GCE") minus the Capital Charge on Gross Operating Assets ("GOA"). Increases in Economic Profit indicate that the Company is effectively allocating capital and rewarding shareholders by generating returns in excess of the incremental cost of capital associated with reinvestment in the business.

GCE is calculated as operating income plus depreciation, amortization and operating lease expense, less unusual items and taxes. The Capital Charge uses a minimum required return multiplied by the GOA. CSX's GOAs include gross properties and other non-cash assets, net of non-interest bearing liabilities. The Company used a 15% tax rate and an 8% required return, for both periods presented, which is consistent with rates used for investment decisions and performance evaluation within those same periods. The tax rate is the approximate equivalent of the Company's actual income tax expense as a percentage of pre-tax GCE. The required return rate represents management's desired minimum return on any investment. CSX annually re-evaluates these rates to ensure they accurately represent taxes and a required return in light of internal and external factors and would adjust the rate if the annual review resulted in a preset deviation from the current rates. This focuses the Economic Profit measure on value generated by management instead of external factors, such as legislative tax policy or interest rate volatility.

The following table reconciles operating income (the most directly comparable GAAP measure) to Economic Profit (non-GAAP measure).

	Six Months	
(Dollars in Millions)	**2025**	2024
Operating Income	**$ 2,324**	**$ 2,785**
Add: Depreciation, Amortization, and Operating Lease Expense	907	877
Remove: Unusual Items (a)	—	—
Taxes (b)	(485)	(549)
Gross Cash Earnings	2,746	3,113
Operating Assets		
Current Assets (Less Cash and Short-term Investments)	1,893	1,950
Gross Properties	53,003	50,841
Other Assets	4,349	4,222
Operating Liabilities		
Non-Interest Bearing Liabilities (c)	(11,118)	(10,887)
Gross Operating Assets (d)	48,127	46,126
Capital Charge (e)	(1,925)	(1,845)
Economic Profit (Non-GAAP) calculated as GCE less Capital Charge	$ 821	$ 1,268

(a) Unusual items are defined by management as unique events with greater than $100 million full year operating income impact, consistent with the terms of the Company's long-term incentive plan agreements. There were no unusual items for either period presented.

(b) The tax percentage rate was 15% for both periods presented. This rate is applied to the sum of operating income, depreciation, amortization and operating lease expense, and unusual items.

(c) Non-interest bearing liabilities represents all liabilities excluding debt, long-term lease liabilities, and commercial paper ($75 million outstanding in other current liabilities as of June 30, 2025, and none outstanding in any other period).

(d) Gross operating assets reflects an average of the year-to-date quarter-end amounts reported for each period presented.

(e) The capital charge of 8% for both years is calculated as the minimum return multiplied by gross operating assets. This is an annualized rate equivalent to 2% per quarter.

Free Cash Flow

Management believes that Free Cash Flow ("FCF") is supplemental information useful to investors as it is important in evaluating the Company's financial performance. More specifically, FCF measures cash generated by the business after reinvestment. This measure represents cash available for both equity and bond investors to be used for dividends, share repurchases or principal reduction on outstanding debt. FCF is calculated by using net cash from operations and adjusting for property additions and proceeds and advances from property dispositions. FCF should be considered in addition to, rather than a substitute for, cash provided by operating activities.

The decrease in FCF before dividends from the prior year of $706 million is primarily due to higher property additions and a decrease in net earnings, as well as higher payments of previously postponed income taxes.

The following table reconciles cash provided by operating activities (GAAP measure) to FCF before dividends (non-GAAP measure).

	Six Months	
(Dollars in Millions)	**2025**	2024
Net cash provided by operating activities	**$ 1,890**	**$ 2,173**
Property Additions	(1,495)	(1,066)
Proceeds and Advances from Property Dispositions	49	43
Free Cash Flow (before payment of dividends)	$ 444	$ 1,150

Operating Statistics *(Estimated)*

The Company is committed to continuous improvement in safety and service performance through training, innovation and investment. Training and safety programs are designed to prevent incidents that can adversely impact employees, customers and communities. Technological innovations that can detect and avoid many types of human factor incidents are designed to serve as an additional layer of protection for the Company's employees. Continued capital investment in the Company's assets, including track, bridges, signals, equipment and detection technology also supports safety performance.

In the second quarter of 2025, velocity decreased by 4% and dwell increased by 2% versus prior year. Carload trip plan performance decreased by 6% and intermodal trip plan performance decreased by 4%. Network performance and service metrics, including on-time originations and arrivals, showed improvement over the course of the quarter with performance meaningfully stronger in June 2025 compared to April 2025. The Company continues to focus on operational improvements and executing the operating plan to deliver safe, reliable, and efficient service to customers.

The personal injury frequency index of 0.99 in second quarter 2025 improved 26% compared to prior year, while the FRA train accident rate of 3.70 increased by 29%. Safety is a top priority at CSX, and the Company is committed to reducing risk and enhancing the overall safety of its employees, customers, and communities in which it operates.

	Second Quarters			Six Months		
	2025	2024	*Improvement / (Deterioration)*	**2025**	2024	*Improvement / (Deterioration)*
Operations Performance						
Train Velocity *(Miles Per Hour)*	**17.5**	18.2	*(4)%*	**17.6**	18.2	*(3)%*
Dwell *(Hours)*	**10.4**	10.2	*(2)%*	**11.0**	9.9	*(11)%*
Cars Online	**129,738**	126,164	*(3)%*	**130,962**	125,442	*(4)%*
On-Time Originations	**69 %**	74 %	*(7)%*	**68 %**	75 %	*(9)%*
On-Time Arrivals	**55 %**	64 %	*(14)%*	**55 %**	67 %	*(18)%*
Carload Trip Plan Performance	**75 %**	80 %	*(6)%*	**72 %**	81 %	*(11)%*
Intermodal Trip Plan Performance	**90 %**	94 %	*(4)%*	**90 %**	94 %	*(4)%*
Fuel Efficiency	**0.98**	0.97	*(1)%*	**0.98**	0.99	*1 %*
Revenue Ton-Miles *(Billions)*						
Merchandise	**33.2**	32.7	*2 %*	**65.5**	64.7	*1 %*
Coal	**9.3**	8.8	*6 %*	**17.7**	18.2	*(3)%*
Intermodal	**7.5**	7.2	*4 %*	**14.6**	14.3	*2 %*
Total Revenue Ton-Miles	**50.0**	48.7	*3 %*	**97.8**	97.2	*1 %*
Total Gross Ton-Miles *(Billions)*	**99.6**	96.8	*3 %*	**193.5**	192.6	*— %*
Safety						
FRA Personal Injury Frequency Index	**0.99**	1.33	*26 %*	**0.96**	1.28	*25 %*
FRA Train Accident Rate	**3.70**	2.86	*(29)%*	**3.63**	3.47	*(5)%*

Certain operating statistics are estimated and can continue to be updated as actuals settle. The methodology for calculating train velocity, dwell, cars online and trip plan performance differs from that used by the Surface Transportation Board. The Company will continue to report these metrics to the Surface Transportation Board using the prescribed methodology.

Key Performance Measures Definitions

Train Velocity - Average train speed between origin and destination in miles per hour (does not include locals, yard jobs, work trains or passenger trains). Train velocity measures actual train miles and times of a train movement on CSX's network.
Dwell - Average amount of time in hours between car arrival to and departure from the yard.
Cars Online - Average number of active freight rail cars on lines operated by CSX, excluding rail cars that are being repaired, in storage, those that have been sold, or private cars dwelling at a customer location more than one day.
On-Time Originations - Percent of scheduled road trains that depart the origin yard on-time or ahead of schedule.
On-Time Arrivals - Percent of scheduled road trains that arrive at the destination yard on-time to within two hours of scheduled arrival.
Carload Trip Plan Performance - Percent of measured cars (excludes unit trains and other non-scheduled service as well as empty automotive shipments) destined for a customer that complete their scheduled plan at or ahead of the original estimated time of arrival or interchange (as applicable).
Intermodal Trip Plan Performance - Percent of measured containers (excludes port shipments along with empty containers and other non-scheduled service) destined for a customer that complete their scheduled plan at or ahead of the original estimated time of arrival, notification or interchange (as applicable).
Fuel Efficiency - Gallons of locomotive fuel per 1,000 gross ton-miles.
Revenue Ton-Miles (RTM's) - The movement of one revenue-producing ton of freight over a distance of one mile.
Gross Ton-Miles (GTM's) - The movement of one ton of train weight over one mile. GTM's are calculated by multiplying total train weight by distance the train moved. Total train weight is comprised of the weight of the freight cars and their contents.
FRA Personal Injury Frequency Index - Number of FRA-reportable injuries per 200,000 man-hours.
FRA Train Accident Rate - Number of FRA-reportable train accidents per million train-miles.

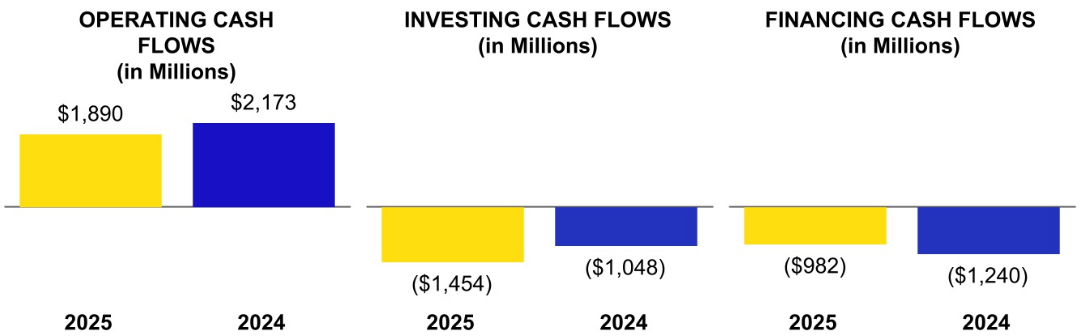
LIQUIDITY AND CAPITAL RESOURCES

The following are material changes in the significant cash flows, sources of cash and liquidity, capital investments, consolidated balance sheets and working capital, which provide an update to the discussion included in CSX's most recent annual report on Form 10-K.

Material Changes in Significant Cash Flows

Significant Cash Flows

The following chart highlights the operating, investing and financing components of the net decrease of $546 million and $115 million in cash and cash equivalents for the six months ended June 30, 2025, and June 30, 2024, respectively.



- The Company generated $283 million less cash from operating activities primarily due to lower cash-generating net earnings, partially offset by favorable working capital activities.
- CSX used $406 million more cash for investing activities primarily due to higher property additions consistent with planned capital expenditures, including approximately $295 million incremental property additions related to rebuilding the Blue Ridge subdivision as a result of impacts from Hurricane Helene.
- The Company used $258 million less cash for financing activities due to a $600 million debt issuance and a $75 million net commercial paper issuance, which was partially offset by higher share repurchases.

Sources of Cash and Liquidity and Uses of Cash

As of the end of second quarter 2025, CSX had $393 million of cash, cash equivalents and short-term investments. CSX uses current cash balances for general corporate purposes, which may include capital expenditures, working capital requirements, reduction or refinancing of outstanding indebtedness, redemptions and repurchases of CSX common stock, dividends to shareholders, acquisitions and other business opportunities, and contributions to the Company's qualified pension plan. See Note 7, *Debt and Credit Agreements*.

The Company has multiple sources of liquidity, including cash generated from operations and financing sources. The Company filed a shelf registration statement with the SEC on February 27, 2025, which may be used to issue debt or equity securities at CSX's discretion, subject to market conditions and CSX Board authorization. While CSX seeks to give itself flexibility with respect to cash requirements, there can be no assurance that market conditions would permit CSX to sell such securities on acceptable terms at any given time, or at all. During the six months ended June 30, 2025, CSX issued a total of $600 million of long-term debt.

CSX has a $1.2 billion unsecured, revolving credit facility backed by a diverse syndicate of banks that expires in February 2028. At June 30, 2025, the Company had no outstanding balances under this facility. The Company also has a commercial paper program, backed by the revolving credit facility, under which the Company may issue unsecured short-term commercial paper notes up to a maximum aggregate principal amount of $1.0 billion outstanding at any one time. At June 30, 2025, the Company had $75 million of debt outstanding under the commercial paper program.

Planned capital investments for 2025 are expected to be consistent with 2024 spending at approximately $2.5 billion, except for additional costs to rebuild the Blue Ridge subdivision as a result of impacts from Hurricane Helene. Total spending on the Blue Ridge rebuild will exceed $400 million, including approximately $50 million spent in 2024 and approximately $295 million spent in the six months ended June 30, 2025. Spending to sustain core infrastructure with a focus on safety and reliability will also remain a top priority. In addition, management is committed to investments that promote profitable growth, including projects supporting service enhancements and productivity initiatives, which includes investments in locomotives and freight cars. CSX intends to fund capital investments primarily through cash generated from operations.

The Company is assessing its planned cash income tax payments and related balance sheet impacts as a result of the changes in bonus tax depreciation that were enacted into law on July 4, 2025, as part of what is commonly known as the One Big Beautiful Bill Act. The Company currently expects the impact of applying this provision to result in favorable cash tax impacts of approximately $250 million for the 2025 tax year and a related balance sheet reclassification from current income and other taxes payable to long-term deferred income tax liabilities.

Material Changes in the Consolidated Balance Sheets and Working Capital

Consolidated Balance Sheets

Total assets increased $165 million from year end primarily due to a $590 million increase in net property consistent with planned capital expenditures, including incremental property additions related to rebuilding the Blue Ridge subdivision, and an $83 million increase in accounts receivable due to increased revenue at the end of the quarter and the timing of collections. These increases were partially offset by a $546 million decrease in cash and cash equivalents as noted above.

Total liabilities increased $295 million from year end primarily due to the issuance of $600 million in long-term debt and net issuance of $75 million of commercial paper. These increases were partially offset by a $352 million decrease in income and other taxes payable, which was mostly driven by the payment of previously postponed federal and state taxes. Total shareholders' equity decreased $130 million from year end primarily driven by share repurchases of $1.2 billion and dividends paid of $488 million, partially offset by net earnings of $1.5 billion.

Working capital is considered a measure of a company's ability to meet its short-term needs. CSX had a working capital deficit of $678 million as of June 30, 2025, and $456 million as of December 31, 2024. The decrease in working capital of $222 million since year end was primarily due to cash used for property additions of $1.5 billion, share repurchases of $1.2 billion, and dividend payments of $488 million, partially offset by cash-generating net earnings of $2.3 billion and a debt issuance of $600 million. The Company's working capital balance varies due to factors such as the timing of scheduled debt payments and changes in cash and cash equivalent balances as discussed above. The Company continues to maintain adequate liquidity to satisfy current liabilities and maturing obligations when they come due. CSX has sufficient financial capacity, including its revolving credit facility, commercial paper program and shelf registration statement to manage its day-to-day cash requirements and any anticipated obligations. The Company from time to time accesses the credit markets for additional liquidity.

CSX is committed to returning cash to shareholders and maintaining an investment-grade credit profile. Capital structure, capital investments and cash distributions, including dividends and share repurchases, are reviewed at least annually by the Board of Directors. Management's assessment of market conditions and other factors guides the timing and volume of repurchases. Future share repurchases are expected to be funded by cash on hand, cash generated from operations and debt issuances.

This discussion should be read in conjunction with our Condensed Consolidated Financial Statements and the related notes that appear elsewhere in this document.

LABOR AGREEMENTS

Approximately 17,500 of the Company's approximately 23,500 employees are members of a rail labor union and covered by national agreements with the Class I railroads or CSX-specific agreements. As of the date of this filing, new agreements with an effective date of January 1, 2025, have been fully ratified by most unions, representing nearly 75% of the Company's unionized workforce. The remaining unionized employees are covered under previous agreements while negotiations take place since collective agreements under the Railway Labor Act do not expire, but continue until amended or replaced.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires that management make estimates in reporting the amounts of certain assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and certain revenues and expenses during the reporting period. Actual results may differ from those estimates. These estimates and assumptions are discussed with the Audit Committee of the Board of Directors on a regular basis. Consistent with the prior year, significant estimates using management judgment are made for the areas below. For further discussion of CSX's critical accounting estimates, see the Company's most recent annual report on Form 10-K.

- personal injury and environmental reserves;
- pension plan accounting; and
- depreciation policies for assets under the group-life method.

FORWARD-LOOKING STATEMENTS

Certain statements in this report and in other materials filed with the Securities and Exchange Commission, as well as information included in oral statements or other written statements made by the Company, are forward-looking statements. The Company intends for all such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and the provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements within the meaning of the Private Securities Litigation Reform Act may contain, among others, statements regarding:

- projections and estimates of earnings, revenues, margins, volumes, rates, cost savings, expenses, taxes or other financial items;
- expectations as to results of operations and operational initiatives;
- expectations as to the effect of claims, lawsuits, environmental costs, commitments, contingent liabilities, labor negotiations or agreements on the Company's financial condition, results of operations or liquidity;
- management's plans, strategies and objectives for future operations, capital expenditures, workforce levels, dividends, share repurchases, safety and service performance, proposed new services and other matters that are not historical facts, and management's expectations as to future performance and operations and the time by which objectives will be achieved; and
- future economic, industry or market conditions or performance and their effect on the Company's financial condition, results of operations or liquidity.

Forward-looking statements are typically identified by words or phrases such as “will,” “should,” “believe,” “expect,” “anticipate,” “project,” “estimate,” “preliminary” and similar expressions. The Company cautions against placing undue reliance on forward-looking statements, which reflect its good faith beliefs with respect to future events and are based on information currently available to it as of the date the forward-looking statement is made. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the timing when, or by which, such performance or results will be achieved.

Forward-looking statements are subject to a number of risks and uncertainties and actual performance or results could differ materially from those anticipated by any forward-looking statements. The Company undertakes no obligation to update or revise any forward-looking statement. If the Company does update any forward-looking statement, no inference should be drawn that the Company will make additional updates with respect to that statement or any other forward-looking statements. The following important factors, in addition to those discussed in Part I, Item 1A Risk Factors of CSX's most recent annual report on Form 10-K and elsewhere in this report, may cause actual results to differ materially from those contemplated by any forward-looking statements:

- legislative, regulatory or legal developments involving transportation, including rail or intermodal transportation, the environment, hazardous materials, taxation, international trade and initiatives to further regulate the rail industry;
- the outcome of litigation, claims and other contingent liabilities, including, but not limited to, those related to fuel surcharge, environmental matters, taxes, shipper and rate claims subject to adjudication, personal injuries and occupational illnesses;
- changes in domestic or international economic, political or business conditions, including those directly affecting the transportation industry (such as the impact of industry competition, conditions, performance and consolidation, as well as the impact of international trade agreements and tariffs) and those affecting the level of demand for products carried by CSXT or by truck, which could impact the performance and value of the Company's rail and trucking-related investments;
- natural events such as severe weather conditions, including floods, fire, hurricanes and earthquakes, a pandemic crisis affecting the health of the Company's employees, its shippers or the consumers of goods, or other unforeseen disruptions of the Company's operations, systems, property, equipment or supply chain;
- competition from other modes of freight transportation, such as trucking and competition and consolidation or financial distress within the transportation industry generally;
- the cost of compliance with laws and regulations that differ from expectations as well as costs, penalties and operational and liquidity impacts associated with noncompliance with applicable laws or regulations;
- the impact of increased passenger activities in capacity-constrained areas, including potential effects of high speed rail initiatives, or regulatory changes affecting when CSXT can transport freight or service routes;
- unanticipated conditions in the financial markets that may affect timely access to capital markets and the cost of capital, as well as management's decisions regarding share repurchases;
- changes in fuel prices, surcharges for fuel and the availability of fuel;
- the impact of natural gas prices on coal-fired electricity generation;
- the impact of global supply and price of seaborne coal on CSX's export coal market;
- availability of insurance coverage at commercially reasonable rates or insufficient insurance coverage to cover claims or damages;
- the inherent business risks associated with safety and security, including the transportation of hazardous materials or a cybersecurity attack which would threaten the availability and reliability of information technology;
- adverse economic or operational effects from actual or threatened war or terrorist activities and any governmental response;
- loss of key personnel or the inability to hire and retain qualified employees;

- labor and benefit costs and labor difficulties, including stoppages affecting either the Company's operations or customers' ability to deliver goods to the Company for shipment;
- the Company's success in implementing its strategic, financial and operational initiatives, including acquisitions;
- the impact of conditions in the real estate market on the Company's ability to sell assets;
- changes in operating conditions and costs, including the impacts of inflation, or commodity concentrations;
- the impacts of a public health crisis and any policies or initiatives instituted in response; and
- the inherent uncertainty associated with projecting economic and business conditions.

Other important assumptions and factors that could cause actual results to differ materially from those in the forward-looking statements are specified elsewhere in this report and in CSX's other SEC reports, which are accessible on the SEC's website at www.sec.gov and the Company's website at www.csx.com. The information on the CSX website is not part of this quarterly report on Form 10-Q.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in market risk from the information provided under Part II, Item 7A (Quantitative and Qualitative Disclosures about Market Risk) of CSX's most recent annual report on Form 10-K, except as provided below.

The fair value of long-term debt issued by the Company may be impacted by changes in interest rates. In an effort to manage interest rate risk, CSX may use certain financial instruments such as interest rate swaps. The following information together with information included in *Note 7, Debt and Credit Agreements*, describes changes to those contracts since CSX's most recent annual report on Form 10-K and the related market risk to CSX.

In first quarter 2025, CSX entered into two fixed-to-floating interest rate swaps classified as fair value hedges. The swaps are designed to hedge 10 years of interest rate risk associated with market fluctuations attributable to the Secured Overnight Financing Rate ("SOFR") on a cumulative $250 million of fixed rate outstanding notes which are due in 2055. As of June 30, 2025, the fair value of these swaps was a $10 million asset which is included in other long-term assets on the consolidated balance sheet.

ITEM 4. CONTROLS AND PROCEDURES

As of June 30, 2025, under the supervision and with the participation of CSX's Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), management has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on that evaluation, the CEO and CFO concluded that, as of June 30, 2025, the Company's disclosure controls and procedures were effective at the reasonable assurance level in timely alerting them to material information required to be included in CSX's periodic SEC reports. There were no changes in the Company's internal controls over financial reporting during the second quarter of 2025 that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

CSX CORPORATION
PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Item 103 of SEC Regulation S-K requires disclosure of certain environmental matters when a governmental authority is a party to the proceedings and such proceedings involve potential monetary sanctions that the Company reasonably believes will exceed a specified threshold. Pursuant to SEC amendments to this Item, the Company will be using a threshold of $1 million for such proceedings. For further details, refer to Note 5, *Commitments and Contingencies,* of this quarterly report on Form 10-Q. Also refer to Part I, Item 3, Legal Proceedings in CSX's most recent annual report on Form 10-K.

Item 1A. Risk Factors

For information regarding factors that could affect the Company's results of operations, financial condition and liquidity, see the risk factors discussed under Part I, Item 1A (Risk Factors) of CSX's most recent annual report on Form 10-K. See also Part I, Item 2 (Forward-Looking Statements) of this quarterly report on Form 10-Q.

Item 2. CSX Purchases of Equity Securities

During fourth quarter 2023, the Company began repurchasing shares under the $5 billion share repurchase program approved in October 2023. Total repurchase authority remaining as of June 30, 2025 was $1.4 billion. For more information about share repurchases, see Note 2, *Earnings Per Share*. Share repurchase activity for the second quarter 2025 is shown below. Amounts exclude the impact of excise tax on net share repurchases imposed as part of the Inflation Reduction Act of 2022.

	CSX Purchases of Equity Securities for the Quarter			
Second Quarter	**Total Number of Shares Purchased**	**Average Price Paid per Share**	**Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs**	**Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs**
Beginning Balance				$ 1,835,873,157
April 1 - April 30, 2025	11,094,834	$ 27.73	11,094,834	1,528,232,473
May 1 - May 31, 2025	2,014,752	29.26	2,014,752	1,469,285,000
June 1 - June 30, 2025	1,099,326	32.03	1,099,326	1,434,073,382
Ending Balance	14,208,912	$ 28.28	14,208,912	$ 1,434,073,382

Item 3. Defaults Upon Senior Securities

None

Item 4. Mine Safety Disclosures

Not Applicable

Item 5. Other Information

During the second quarter of 2025, none of the Company's directors or officers adopted or terminated any "Rule 10b5-1 trading arrangement" or any "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

CSX CORPORATION
PART II

Item 6. Exhibits

Exhibit designation	Nature of exhibit	Previously filed as exhibit to
Officer certifications:		
31*	Rule 13a-14(a) Certifications	
32**	Section 1350 Certifications	
Interactive data files:		
101*	The following financial information from CSX Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2025 filed with the SEC on July 23, 2025, formatted in inline XBRL includes: (i) consolidated income statements for the quarters and six months ended June 30, 2025, and June 30, 2024, (ii) condensed consolidated comprehensive income statements for the quarters and six months ended June 30, 2025, and June 30, 2024, (iii) consolidated balance sheets at June 30, 2025, and December 31, 2024, (iv) consolidated cash flow statements for the six months ended June 30, 2025, and June 30, 2024, (v) consolidated statements of changes in shareholders' equity for the quarters and six months ended June 30, 2025, and June 30, 2024, and (vi) the notes to consolidated financial statements.	
104	Cover Page Interactive Data File (embedded within the Inline XBRL document contained in Exhibit 101)	

* Filed herewith

** Furnished herewith

CSX CORPORATION
PART II

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CSX CORPORATION
(Registrant)

By: /s/ ANGELA C. WILLIAMS
Angela C. Williams
Vice President and
Chief Accounting Officer
(Principal Accounting Officer)

Dated: July 23, 2025

Exhibit 31

CERTIFICATION OF CEO AND CFO PURSUANT TO EXCHANGE ACT RULE 13a - 14(a) OR RULE 15d-14(a)

I, Joseph R. Hinrichs, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CSX Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 23, 2025

/s/ JOSEPH R. HINRICHS
Joseph R. Hinrichs
President and Chief Executive Officer

I, Sean R. Pelkey, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CSX Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 23, 2025

/s/ SEAN R. PELKEY
Sean R. Pelkey
Executive Vice President and Chief Financial Officer

Exhibit 32

CERTIFICATION OF CEO AND CFO REQUIRED BY RULE 13a-14(b) OR RULE 15d-14(b) AND SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE U.S. CODE

In connection with the Quarterly Report of CSX Corporation on Form 10-Q for the period ending June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joseph R. Hinrichs, Chief Executive Officer of the registrant, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

Date: July 23, 2025

/s/ JOSEPH R. HINRICHS
Joseph R. Hinrichs
President and Chief Executive Officer

In connection with the Quarterly Report of CSX Corporation on Form 10-Q for the period ending June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Sean R. Pelkey, Chief Financial Officer of the registrant, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

Date: July 23, 2025

/s/ SEAN R. PELKEY
Sean R. Pelkey
Executive Vice President and Chief Financial Officer