

TheStreet Quant Ratings

March 17, 2024
NASDAQ: **CSX**
CSX CORP

BUY					HOLD			SELL						BUY	RATING SINCE	03/14/2017	
A+	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E+	E		E-	F	TARGET PRICE
Annual Dividend Rate \$0.44		Annual Dividend Yield 1.18%			Beta 1.18			Market Capitalization \$72.5 Billion			52-Week Range \$27.60-\$40.12			Price as of 3/14/2024 \$37.03			

Sector: **Transportation and Warehousing** | Industry Group: **Rail Transportation**

CSX BUSINESS DESCRIPTION
CSX Corporation, together with its subsidiaries, provides rail-based freight transportation services.

STOCK PERFORMANCE (%)

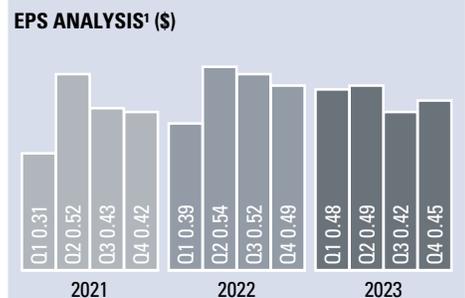
	3 Mo.	1 Yr.	3 Yr (Ann)
Price Change	9.43	26.56	5.78

GROWTH (%)

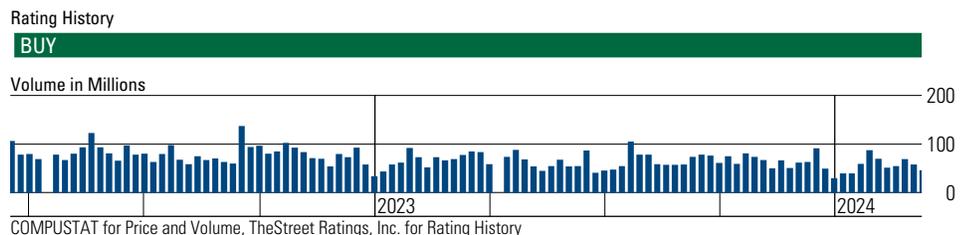
	Last Qtr	12 Mo.	3 Yr CAGR
Revenues	-1.35	-1.32	11.47
Net Income	-12.97	-10.83	10.34
EPS	-8.17	-5.16	15.31

RETURN ON EQUITY (%)

	CSX	Subsector Avg	S&P 500
Q4 2023	30.63	31.60	17.66
Q4 2022	33.02	39.58	19.00
Q4 2021	28.03	33.35	18.28



NA = not available NM = not meaningful
1 CompuSTAT fiscal year convention is used for all fundamental data items.



RECOMMENDATION
We rate CSX CORP (CSX) a BUY. This is driven by a number of strengths, which we believe should have a greater impact than any weaknesses, and should give investors a better performance opportunity than most stocks we cover. The company's strengths can be seen in multiple areas, such as its good cash flow from operations, increase in stock price during the past year, expanding profit margins and reasonable valuation levels. We feel its strengths outweigh the fact that the company has had sub par growth in net income.

HIGHLIGHTS
Net operating cash flow has slightly increased to \$1,500.00 million or 9.97% when compared to the same quarter last year. In addition, CSX CORP has also modestly surpassed the subsector average cash flow growth rate of 3.42%.

CSX's share price has surged by 26.55% over the past year, reflecting the market's general trend, despite their weak earnings growth during the last quarter. Regarding the stock's future course, although almost any stock can fall in a broad market decline, CSX should continue to move higher despite the fact that it has already enjoyed a very nice gain in the past year.

46.98% is the gross profit margin for CSX CORP which we consider to be strong. Regardless of CSX's high profit margin, it has managed to decrease from the same period last year. Despite the mixed results of the gross profit margin, the net profit margin of 24.07% trails the subsector average.

CSX CORP's earnings per share declined by 8.2% in the most recent quarter compared to the same quarter a year ago. The company has suffered a declining pattern of earnings per share over the past year. However, we anticipate this trend reversing over the coming year. During the past fiscal year, CSX CORP reported lower earnings of \$1.84 versus \$1.94 in the prior year. This year, the market expects an improvement in earnings (\$1.97 versus \$1.84).

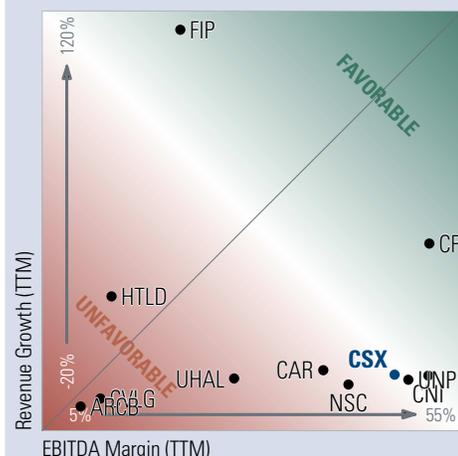
TheStreet Quant Ratings

Sector: Transportation and Warehousing | Rail Transportation

Annual Dividend Rate \$0.44	Annual Dividend Yield 1.18%	Beta 1.18	Market Capitalization \$72.5 Billion	52-Week Range \$27.60-\$40.12	Price as of 3/14/2024 \$37.03
---------------------------------------	---------------------------------------	---------------------	--	---	---

PEER GROUP ANALYSIS

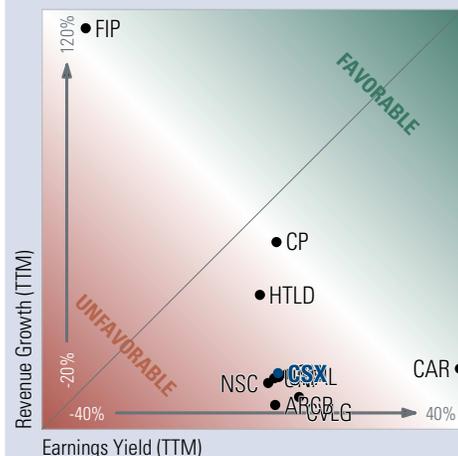
REVENUE GROWTH AND EBITDA MARGIN*



Companies with higher EBITDA margins and revenue growth rates are outperforming companies with lower EBITDA margins and revenue growth rates. Companies for this scatter plot have a market capitalization between \$474.6 Million and \$150 Billion. Companies with NA or NM values do not appear.

*EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortization.

REVENUE GROWTH AND EARNINGS YIELD



Companies that exhibit both a high earnings yield and high revenue growth are generally more attractive than companies with low revenue growth and low earnings yield. Companies for this scatter plot have revenue growth rates between -12% and 113.7%. Companies with NA or NM values do not appear.

SUBSECTOR ANALYSIS

CSX CORP falls within the Transportation and Warehousing sector and the Rail Transportation industry group of the North American Industry Classification System or NAICS. More precisely, a significant portion of company activities involve Line-Haul Railroads .

TheStreet Quant Ratings is currently tracking 154 companies in the Transportation and Warehousing sector that total around \$1,720 billion in market capitalization as well as \$1,023 billion in annual sales.

The Rail Transportation subsector accounts for 7.8% of those revenues.

Industries in the Rail Transportation subsector provide rail transportation of passengers and/or cargo using railroad rolling stock. The railroads in this subsector primarily either operate on networks, with physical facilities, labor force, and equipment spread over an extensive geographic area, or operate over a short distance on a local rail line.

PEER GROUP: Rail Transportation

Ticker	Company Name	Recent Price (\$)	Market Cap (\$M)	Price/Earnings	Net Sales TTM (\$M)	Net Income TTM (\$M)
CSX	CSX CORP	37.03	72,547	20.13	14,657.00	3,715.00
HTLD	HEARTLAND EXPRESS INC	11.95	945	66.39	1,207.46	14.78
CP	CANADIAN PAC KANSAS CITY LTD	89.75	83,685	21.27	12,555.00	3,927.00
CNI	CANADIAN NATIONAL RAILWAY	128.18	82,125	14.97	16,828.00	5,625.00
NSC	NORFOLK SOUTHERN CORP	258.48	58,386	32.23	12,156.00	1,827.00
FIP	FTAI INFRASTRUCTURE INC	5.69	566	NM	320.47	-121.34
CVLG	COVENANT LOGISTICS GROUP INC	44.26	475	11.09	1,103.57	55.23
CAR	AVIS BUDGET GROUP INC	107.55	3,815	2.52	12,008.00	1,632.00
ARCB	ARCBEST CORP	129.19	3,036	22.35	4,427.44	195.43
UNP	UNION PACIFIC CORP	246.06	150,042	23.52	24,119.00	6,379.00
UHAL	U-HAUL HOLDING CO	66.33	12,814	19.51	5,718.33	667.31

The peer group comparison is based on Major Rail Transportation companies of comparable size.

TheStreet Quant Ratings

Sector: Transportation and Warehousing | Rail Transportation

Annual Dividend Rate \$0.44	Annual Dividend Yield 1.18%	Beta 1.18	Market Capitalization \$72.5 Billion	52-Week Range \$27.60-\$40.12	Price as of 3/14/2024 \$37.03
---------------------------------------	---------------------------------------	---------------------	--	---	---

COMPANY DESCRIPTION

CSX Corporation, together with its subsidiaries, provides rail-based freight transportation services. The company offers rail services; and transportation of intermodal containers and trailers, as well as other transportation services, such as rail-to-truck transfers and bulk commodity operations. It also transports chemicals, agricultural and food products, minerals, automotive, forest products, fertilizers, and metals and equipment; and coal, coke, and iron ore to electricity-generating power plants, steel manufacturers, and industrial plants, as well as exports coal to deep-water port facilities. In addition, the company provides intermodal services through a network of approximately 30 terminals transporting manufactured consumer goods in containers; and drayage services, including the pickup and delivery of intermodal shipments. It serves the automotive industry with distribution centers and storage locations, as well as connects non-rail served customers through transferring products, such as plastics and ethanol from rail to trucks. The company operates approximately 20,000 route mile rail network, which serves various population centers in 26 states east of the Mississippi River, the District of Columbia, and the Canadian provinces of Ontario and Quebec, as well as owns and leases approximately 3,500 locomotives. It serves production and distribution facilities through track connections. CSX Corporation was incorporated in 1978 and is headquartered in Jacksonville, Florida.

CSX CORP
500 Water Street, 15th Floor
Jacksonville, FL 32202
USA
Phone: 904 359 3200
http://www.csx.com
Employees: 23000

STOCK-AT-A-GLANCE

Below is a summary of the major fundamental and technical factors we consider when determining our overall recommendation of CSX shares. It is provided in order to give you a deeper understanding of our rating methodology as well as to paint a more complete picture of a stock's strengths and weaknesses. It is important to note, however, that these factors only tell part of the story. To gain an even more comprehensive understanding of our stance on the stock, these factors must be assessed in combination with the stock's valuation. Please refer to our Valuation section on page 5 for further information.

FACTOR	SCORE					
Growth	4.5 out of 5 stars	★	★	★	★	★
Measures the growth of both the company's income statement and cash flow. On this factor, CSX has a growth score better than 80% of the stocks we rate.		weak				strong
Total Return	4.5 out of 5 stars	★	★	★	★	★
Measures the historical price movement of the stock. The stock performance of this company has beaten 80% of the companies we cover.		weak				strong
Efficiency	4.5 out of 5 stars	★	★	★	★	★
Measures the strength and historic growth of a company's return on invested capital. The company has generated more income per dollar of capital than 80% of the companies we review.		weak				strong
Price volatility	5.0 out of 5 stars	★	★	★	★	★
Measures the volatility of the company's stock price historically. The stock is less volatile than 90% of the stocks we monitor.		weak				strong
Solvency	3.5 out of 5 stars	★	★	★	★	★
Measures the solvency of the company based on several ratios. The company is more solvent than 60% of the companies we analyze.		weak				strong
Income	3.5 out of 5 stars	★	★	★	★	★
Measures dividend yield and payouts to shareholders. The company's dividend is higher than 60% of the companies we track.		weak				strong

THESTREET QUANT RATINGS RESEARCH METHODOLOGY

TheStreet Quant Ratings' stock model projects a stock's total return potential over a 12-month period including both price appreciation and dividends. Our Buy, Hold or Sell ratings designate how we expect these stocks to perform against a general benchmark of the equities market and interest rates. While our model is quantitative, it utilizes both subjective and objective elements. For instance, subjective elements include expected equities market returns, future interest rates, implied industry outlook and forecasted company earnings. Objective elements include volatility of past operating revenues, financial strength, and company cash flows.

Our model gauges the relationship between risk and reward in several ways, including: the pricing drawdown as compared to potential profit volatility, i.e. how much one is willing to risk in order to earn profits; the level of acceptable volatility for highly performing stocks; the current valuation as compared to projected earnings growth; and the financial strength of the underlying company as compared to its stock's valuation as compared to projected earnings growth; and the financial strength of the underlying company as compared to its stock's performance. These and many more derived observations are then combined, ranked, weighted, and scenario-tested to create a more complete analysis. The result is a systematic and disciplined method of selecting stocks.

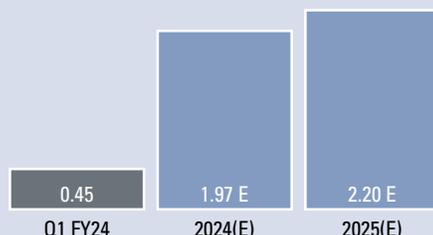
TheStreet Quant Ratings

Sector: Transportation and Warehousing | Rail Transportation

Annual Dividend Rate \$0.44	Annual Dividend Yield 1.18%	Beta 1.18	Market Capitalization \$72.5 Billion	52-Week Range \$27.60-\$40.12	Price as of 3/14/2024 \$37.03
---------------------------------------	---------------------------------------	---------------------	--	---	---

Consensus EPS Estimates² (\$)

IBES consensus estimates are provided by Thomson Financial



INCOME STATEMENT

	Q4 FY23	Q4 FY22
Net Sales (\$mil)	3,680.00	3,730.00
EBITDA (\$mil)	1,729.00	1,798.00
EBIT (\$mil)	1,312.00	1,405.00
Net Income (\$mil)	886.00	1,018.00

BALANCE SHEET

	Q4 FY23	Q4 FY22
Cash & Equiv. (\$mil)	1,436.00	2,087.00
Total Assets (\$mil)	42,408.00	41,912.00
Total Debt (\$mil)	19,092.00	18,604.00
Equity (\$mil)	12,128.00	12,615.00

PROFITABILITY

	Q4 FY23	Q4 FY22
Gross Profit Margin	46.98%	48.20%
EBITDA Margin	46.98%	48.20%
Operating Margin	35.65%	37.67%
Sales Turnover	0.35	0.35
Return on Assets	8.76%	9.93%
Return on Equity	30.63%	33.02%

DEBT

	Q4 FY23	Q4 FY22
Current Ratio	1.05	1.56
Debt/Capital	0.61	0.60
Interest Expense	204.00	199.00
Interest Coverage	6.43	7.06

SHARE DATA

	Q4 FY23	Q4 FY22
Shares outstanding (mil)	1,959	2,066
Div / share	0.11	0.10
EPS	0.45	0.49
Book value / share	6.19	6.10
Institutional Own %	NA	NA
Avg Daily Volume	11,368,838	13,117,191

² Sum of quarterly figures may not match annual estimates due to use of median consensus estimates.

FINANCIAL ANALYSIS

CSX CORP's gross profit margin for the fourth quarter of its fiscal year 2023 is essentially unchanged when compared to the same period a year ago. Sales and net income have dropped, underperforming the average competitor within its subsector. CSX CORP has weak liquidity. Currently, the Quick Ratio is 0.88 which shows a lack of ability to cover short-term cash needs. The company's liquidity has decreased from the same period last year.

During the same period, stockholders' equity ("net worth") has remained virtually unchanged only decreasing by 3.86% from the same quarter last year. Overall, the key liquidity measurements indicate that the company is in a position in which financial difficulties could develop in the future.

STOCKS TO BUY: TheStreet Quant Ratings has identified a handful of stocks that can potentially TRIPLE in the next 12-months. To learn more visit www.TheStreetRatings.com.

TheStreet Quant Ratings

Sector: Transportation and Warehousing | Rail Transportation

Annual Dividend Rate \$0.44	Annual Dividend Yield 1.18%	Beta 1.18	Market Capitalization \$72.5 Billion	52-Week Range \$27.60-\$40.12	Price as of 3/14/2024 \$37.03
---------------------------------------	---------------------------------------	---------------------	--	---	---

RATINGS HISTORY

Our rating for CSX CORP has not changed since 6/17/2009. As of 3/14/2024, the stock was trading at a price of \$37.03 which is 7.7% below its 52-week high of \$40.12 and 34.2% above its 52-week low of \$27.60.

2 Year Chart



MOST RECENT RATINGS CHANGES

Date	Price	Action	From	To
3/14/22	\$34.23	No Change	Buy	Buy

Price reflects the closing price as of the date listed, if available

RATINGS DEFINITIONS & DISTRIBUTION OF THESTREET RATINGS

(as of 3/14/2024)

31.74% Buy - We believe that this stock has the opportunity to appreciate and produce a total return of more than 10% over the next 12 months.

30.61% Hold - We do not believe this stock offers conclusive evidence to warrant the purchase or sale of shares at this time and that its likelihood of positive total return is roughly in balance with the risk of loss.

37.64% Sell - We believe that this stock is likely to decline by more than 10% over the next 12 months, with the risk involved too great to compensate for any possible returns.

The Arena Group
 200 Vesey Street, 24th Floor
 New York, NY 10281
www.thestreet.com

Research Contact: 212-321-5381
 Sales Contact: 866-321-8726

VALUATION

BUY. This stock's P/E ratio indicates a discount compared to an average of 22.11 for the Rail Transportation subsector and a discount compared to the S&P 500 average of 27.95. To use another comparison, its price-to-book ratio of 5.98 indicates a premium versus the S&P 500 average of 4.68 and a discount versus the subsector average of 6.10. The price-to-sales ratio is well above the S&P 500 average, but well below the subsector average. Upon assessment of these and other key valuation criteria, CSX CORP proves to trade at a discount to investment alternatives.

Price/Earnings	1	2	3	4	5

CSX 20.13 Peers **22.11**

- Average. An average P/E ratio can signify an subsector neutral price for a stock and an average growth expectation.
- CSX is trading at a valuation on par with its peers.

Price/Projected Earnings	1	2	3	4	5

CSX 16.83 Peers **17.68**

- Average. An average price-to-projected earnings ratio can signify an subsector neutral stock price and average future growth expectations.
- CSX is trading at a valuation on par with its peers.

Price/Book	1	2	3	4	5

CSX 5.98 Peers **6.10**

- Average. A lower price-to-book ratio makes a stock more attractive to investors seeking stocks with lower market values per dollar of equity on the balance sheet.
- CSX is trading at a valuation on par with its peers.

Price/Sales	1	2	3	4	5

CSX 4.95 Peers **5.67**

- Discount. In the absence of P/E and P/B multiples, the price-to-sales ratio can display the value investors are placing on each dollar of sales.
- CSX is trading at a discount to its subsector on this measurement.

Price/CashFlow	1	2	3	4	5

CSX 13.07 Peers **16.49**

- Discount. The P/CF ratio, a stock's price divided by the company's cash flow from operations, is useful for comparing companies with different capital requirements or financing structures.
- CSX is trading at a discount to its peers.

Price to Earnings/Growth	1	2	3	4	5

CSX 3.11 Peers **2.96**

- Average. The PEG ratio is the stock's P/E divided by the consensus estimate of long-term earnings growth. Faster growth can justify higher price multiples.
- CSX trades at a valuation on par to its peers.

Earnings Growth	1	2	3	4	5

CSX -5.16 Peers **-3.70**

- Lower. Elevated earnings growth rates can lead to capital appreciation and justify higher price-to-earnings ratios.
- However, CSX is expected to significantly trail its peers on the basis of its earnings growth rate.

Sales Growth	1	2	3	4	5

CSX -1.32 Peers **5.81**

- Lower. A sales growth rate that trails the subsector implies that a company is losing market share.
- CSX significantly trails its peers on the basis of sales growth.

DISCLAIMER:

The opinions and information contained herein have been obtained or derived from sources believed to be reliable, but TheStreet Quant Ratings cannot guarantee its accuracy and completeness, and that of the opinions based thereon. Data is provided via the COMPSTAT® Xpressfeed product from Standard & Poor's, a division of The McGraw-Hill Companies, Inc., as well as other third-party data providers.

TheStreet Quant Ratings is a division of TheStreet, Inc., which is a publisher. This research report contains opinions and is provided for informational purposes only. You should not rely solely upon the research herein for purposes of transacting securities or other investments, and you are encouraged to conduct your own research and due diligence, and to seek the advice of a qualified securities professional, before you make any investment. None of the information contained in this report constitutes, or is intended to constitute a recommendation by TheStreet Quant Ratings of any particular security or trading strategy or a determination by TheStreet Quant Ratings that any security or trading strategy is suitable for any specific person. To the extent any of the information contained herein may be deemed to be investment advice, such information is impersonal and not tailored to the investment needs of any specific person. Your use of this report is governed by TheStreet, Inc.'s Terms of Use found at <http://www.thestreet.com/static/about/terms-of-use.html>.

NAICS is the North American Industry Classification System which provides the Sector, Subsector, and Industry Group structure used in this report. As many companies are diversified, the companies may also operate in other industry segments than the one listed.