



First Quarter 2019 Earnings Call

April 30, 2019

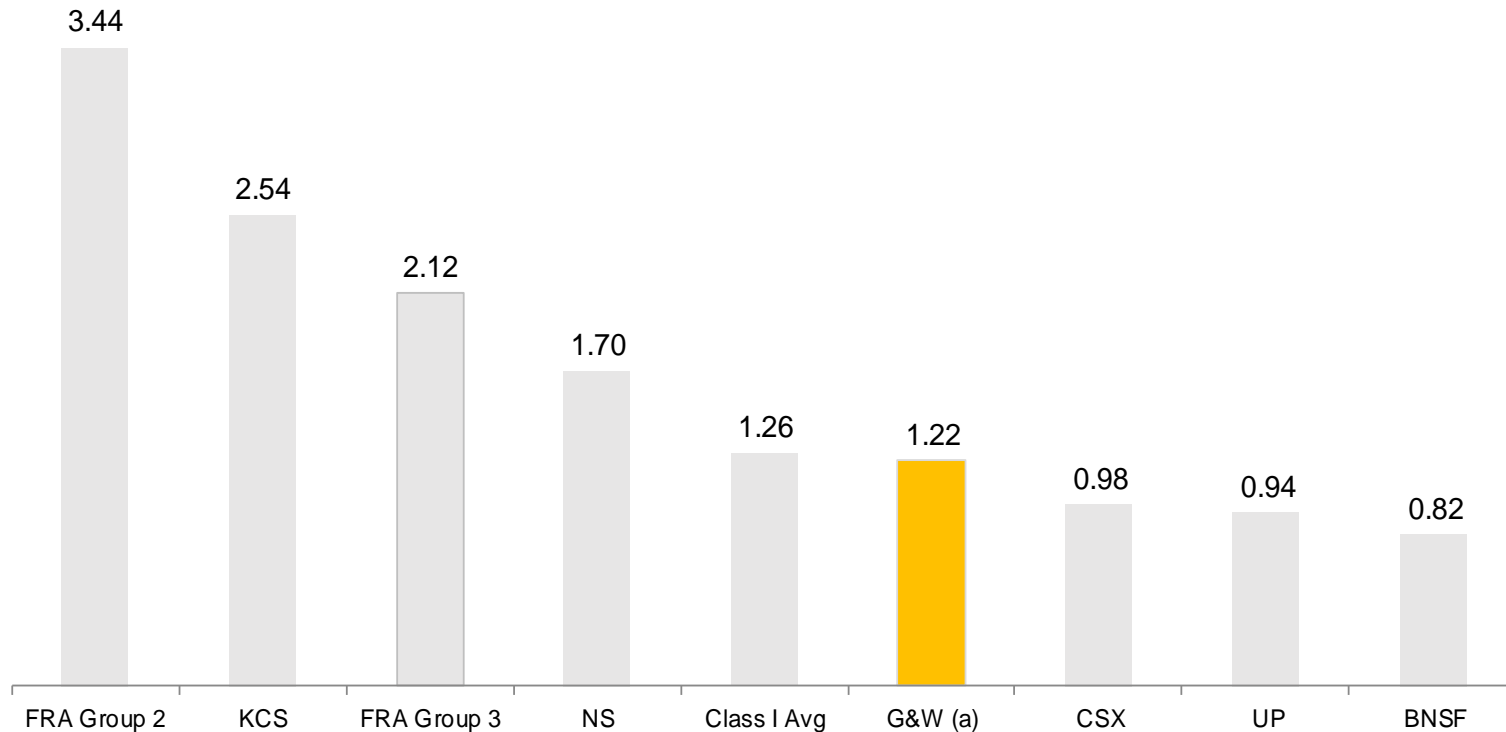


Forward Looking Statements

This presentation contains forward-looking statements regarding future events and the future performance of Genesee & Wyoming Inc. (G&W) that are based on current expectations, estimates and projections about our industry, management's beliefs and assumptions made by management. Words such as "anticipates," "intends," "plans," "believes," "could," "should," "seeks," "expects," "will," "estimates," "trends," "outlook," variations of these words and similar expressions are intended to identify these forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to forecast, including the following: risks related to the operation of our railroads; severe weather conditions and other natural occurrences, which could result in shutdowns, derailments, railroad network and port congestion or other substantial disruption of operations; customer demand and changes in our operations or loss of important customers; exposure to the credit risk of customers and counterparties; changes in commodity prices; consummation and integration of acquisitions; economic, political and industry conditions, including employee strikes or work stoppages; retention and contract continuation; legislative and regulatory developments, including changes in environmental and other laws and regulations to which we or our customers are subject; increased competition in relevant markets; funding needs, funding costs and financing sources, including our ability to obtain government funding for capital projects; international complexities of operations, currency fluctuations, finance, tax and decentralized management; challenges of managing rapid growth, including retention and development of senior leadership; unpredictability of fuel costs; susceptibility to and outcome of various legal claims, lawsuits and arbitrations; increase in, or volatility associated with, expenses related to estimated claims, self-insured retention amounts and insurance coverage limits; consummation of new business opportunities; decrease in revenues and/or increase in costs and expenses; susceptibility to the risks of doing business in foreign countries; uncertainties arising from a referendum in which voters in the United Kingdom (U.K.) approved an exit from the European Union (E.U.), commonly referred to as Brexit; our ability to integrate acquired businesses successfully or to realize the expected synergies associated with acquisitions; risks associated with our substantial indebtedness; failure to maintain satisfactory working relationships with partners in Australia; failure to maintain an effective system of internal control over financial reporting as well as disclosure controls and procedures and other risks including, but not limited to, those noted in our 2018 Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q under "Risk Factors." Therefore, actual results may differ materially from those expressed or forecasted in any such forward-looking statements. Forward-looking statements speak only as of the date of this presentation or as of the date they were made. G&W does not undertake, and expressly disclaims, any duty to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law.

G&W Safety Performance – 2019

Injury Frequency Rate per 200,000 man-hours
G&W through March; others through January



(a) G&W includes rail, terminals and trucking businesses.

Overview of Q1 2019

(in thousands, except per share amounts)	Q1 2019 Actual	Q1 2018 Actual	Variance	%
Diluted EPS Attributable to G&W	\$ 0.68	\$ 1.19	\$ (0.51)	(43%)
Adjusted Diluted EPS Attributable to G&W ^(a)	\$ 0.78	\$ 0.70	\$ 0.08	11%
Diluted Shares	57,132	62,887	5,755	

- **North America** (~80% of adjusted operating income^(a))
 - Negative impact of winter weather/flooding impeded certain traffic from connecting Class Is in Midwest and Eastern Canada; EPS impact of (~\$0.09), including higher costs
 - Portion of traffic (e.g., coal in the Midwest) expected to be recovered in the coming months
 - Overall business remains solid
- **Australia and U.K./Europe** (~20% of adjusted operating income^(a))
 - Australia: slightly below outlook with lower export coal and lower agricultural products due to drought, partially offset by lower expenses
 - U.K./Europe: slightly ahead of outlook with stronger U.K. intermodal

(a) Adjusted Diluted EPS and Adjusted Operating Income are non-GAAP financial measures. Reconciliations of non-GAAP financial measures accompany this presentation.

Overview of Q1 2019 (cont.)

Q1 Cost Reduction Initiatives

- North America
 - Elimination of Central Region with railroads divided between Southern and Midwest regions
 - Consolidation of certain U.S. dispatch functions
 - Q1 2019 restructuring charge of \$600K and ~\$5 million of annual savings
- Australia
 - Termination of grain service on narrow gauge network on the Eyre Peninsula of South Australia, with redundancy provision of \$1.5 million in Q1 2019
 - Impact of termination of EP Grain: 18,000 fewer annual carloads; \$5 million lower annual revenue; cash flow neutral
- U.K./Europe
 - Continued restructuring in the U.K., with \$5.5 million restructuring charge in Q1 2019 related to overhead reduction, shared service center relocation and technology investment

Overview of Q1 2019 (cont.)

New Business – North America

- **Lease of Two Short Lines in Indiana**
 - Long-term lease of Winamac Southern Railway (WSRY) and Kokomo Railroad (KR)
 - Creates contiguous 400-mile, four railroad footprint (CERA-TPW-TZPR-IMRR), spanning from Eastern Indiana to Western Illinois with six Class I connections
 - Approximately 5,000 annual carloads (of which 3,000 currently interchanged) including agricultural products, chemicals and plastics and metals
- **New Plastics Distribution Facility on Georgia Central**
 - Packager of plastic pellets is developing a bulk-to-container transloading center in Savannah; available empty container supply and increasing frequency of vessel calls to the Port of Savannah
 - Approximately 5,000 annual carloads expected in first year of operation
- **Other New Customers**
 - Port of Caddo-Bossier near Shreveport, LA
 - New Choice Transload on San Joaquin Valley Railroad serving clay customers
 - New 3rd Party Transload on Chicago, Fort Wayne and Eastern Railroad moving roofing granules

2019 Outlook

- Full Year Guidance unchanged with Adjusted Diluted EPS^(a) of \$4.30 - \$4.50
- North America
 - Economy remains solid in U.S. and Canada; strong new business pipeline
 - Over half of Q1 income shortfall expected to be recovered, particularly steam coal shipments given low inventory levels at power plants
 - Benefits from Q1 cost reductions plus Roots Reset program on 30 railroads over remainder of 2019
- Australia
 - Lower expected spot coal shipments impacted by weaker China-Australia relations (baseload take-or-pay contract unaffected); partially offset by expected higher metallic ores due to new business on Alice Springs-Darwin corridor
- U.K./Europe
 - Outlook unchanged with multiple initiatives being executed

(a) Adjusted Diluted Earnings Per Share (EPS) is a non-GAAP financial measure. Reconciliations of non-GAAP financial measures accompany this presentation.

Q1 2019 Results Versus Guidance

(\$ in millions, except per share amounts)	Q1 2019 Actual	Q1 2019 Guidance mid-point	Variance to Guidance	Comments
Net Income Attributable to G&W	\$ 38.7	\$ 48.4	\$ (9.7)	
Restructuring and Related Costs	5.4		5.4	U.K./Europe, Australia & N.A.
Corporate Development and Related Costs	0.3		0.3	North America
Adjusted Net Income Attributable to G&W ^(a)	\$ 44.4	\$ 48.4	\$ (4.0)	
Diluted EPS Attributable to G&W	\$ 0.68			
Adjusted Diluted EPS Attributable to G&W ^(a)	\$ 0.78	\$ 0.84	\$ (0.06)	

Variance (\$ per share)	Adjusted Diluted EPS ^(a)	Comments
North America	\$ (0.06)	Class I service issues related to winter weather and midwest flooding (\$0.09), partially offset by regions not impacted by weather
Australia	(0.01)	Coal (lower volumes and mix of traffic); Agricultural Products
U.K./Europe	0.01	Stronger U.K. Intermodal performance; Lower infrastructure services
Variance to Guidance	<u>\$ (0.06)</u>	

(a) Adjusted Net Income Attributable to G&W and Adjusted Diluted Earnings Per Share (EPS) Attributable to G&W are non-GAAP financial measures. Reconciliations of non-GAAP financial measures accompany this presentation.

North American Carloads

Same Railroad: Q1 2019 vs. Q1 2018^(a)

Commodity	Change	%	Comment
Agricultural Products	1,773	3.4%	Higher soybean and DDGs; lower grain
Autos & Auto Parts	49	0.6%	
Chemicals & Plastics	(844)	(2.0%)	Lower ethanol
Coal & Coke	(7,896)	(12.7%)	Class I service issues; natural gas competition
Food & Kindred Products	(379)	(2.6%)	
Intermodal	725	23.5%	New England
Lumber & Forest Products	(3,097)	(8.6%)	Lumber, wood chips and export logs
Metallic Ores	(790)	(18.0%)	Smelter outage and car supply
Metals	3,168	9.3%	Scrap and finished steel
Minerals & Stone	674	1.4%	Aggregates
Petroleum Products	2,276	9.2%	LPGs
Pulp & Paper	39	0.1%	
Waste	1,072	9.0%	Growth in Northeast Region
Other	(1,460)	(8.7%)	Empty car traffic
Total Carloads	(4,690)	(1.2%)	

(a) Excludes 7,466 carloads from Q1 2018 related to short line leases in Canada (GEXR and SOR) that expired in Q4 2018.

North American Operations Freight Revenues

Same Railroad Average Revenues Per Carload

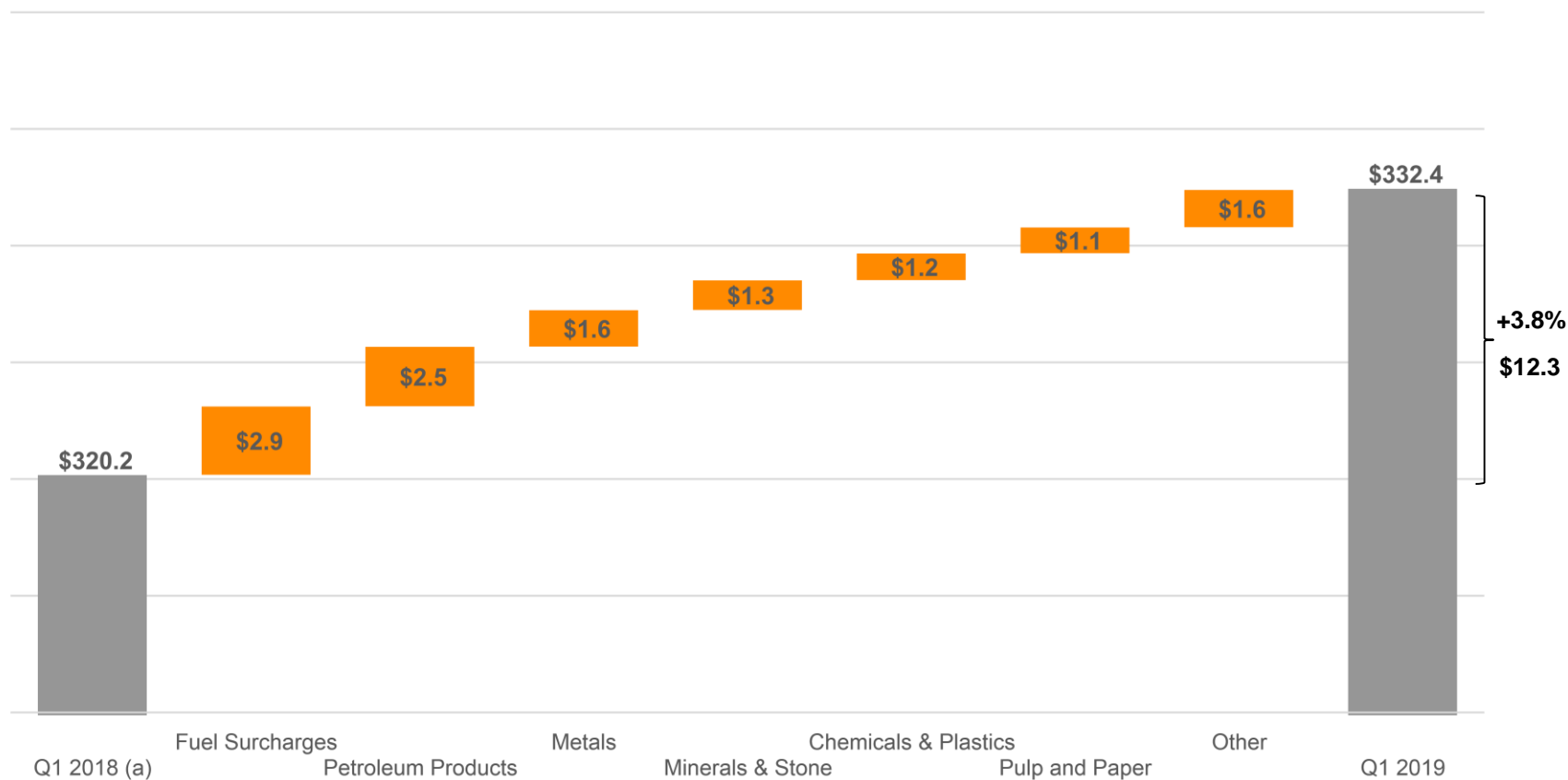
	Q1 2019	Q1 2018	Change
North American Core Pricing			~3%
Changes in Customer Mix			0.1%
Changes in Commodity Mix ^(a)			1.1%
Fuel Surcharge			1.2%
FX (Depreciation of C\$) ^(b)			(0.3%)
Average Revenues Per Carload	\$ 639	\$ 608	5.1%

(a) Changes in Commodity Mix illustrates changes between commodity groups, not within a commodity group

(b) Foreign Exchange (FX) impact is calculated by comparing the prior period results translated from local currency to U.S. dollars using current period exchange rates to the prior period results in U.S. dollars as reported

North American Same Railroad Operations Operating Revenues: Q1 2019 vs. Q1 2018

(\$ millions)



(a) Excludes \$5.5 million of revenues from short line lease expirations in Canada (GEXR and SOR), which expired in the fourth quarter of 2018.

North American Same Railroad Adjusted Operating Income

(\$ in millions)	Q1 2019	Q1 2018 Same Railroad ^(a)	Variance ^(a)	Variance Excluding FX ^(a)
Operating Revenues	\$ 332.4	\$ 320.2	\$ 12.3	\$ 13.3
Operating Expenses	(263.1)	(246.9)	(16.3)	(17.3)
Operating Income	\$ 69.3	\$ 73.3	\$ (4.0)	\$ (3.9)
Operating Ratio	79.1%	77.1%	(200 bps)	
Operating Expenses	\$ (263.1)	\$ (246.9)	\$ (16.3)	
Corp Development	0.4	0.2	0.2	
Restructuring Costs	0.6	-	0.6	
Adjusted Operating Expenses ^(b)	\$ (262.2)	\$ (246.6)	\$ (15.5)	\$ (16.5)
Adjusted Operating Income ^(b)	\$ 70.3	\$ 73.6	\$ (3.3)	\$ (3.2)
Adjusted Operating Ratio ^(b)	78.9%	77.0%	(190 bps)	

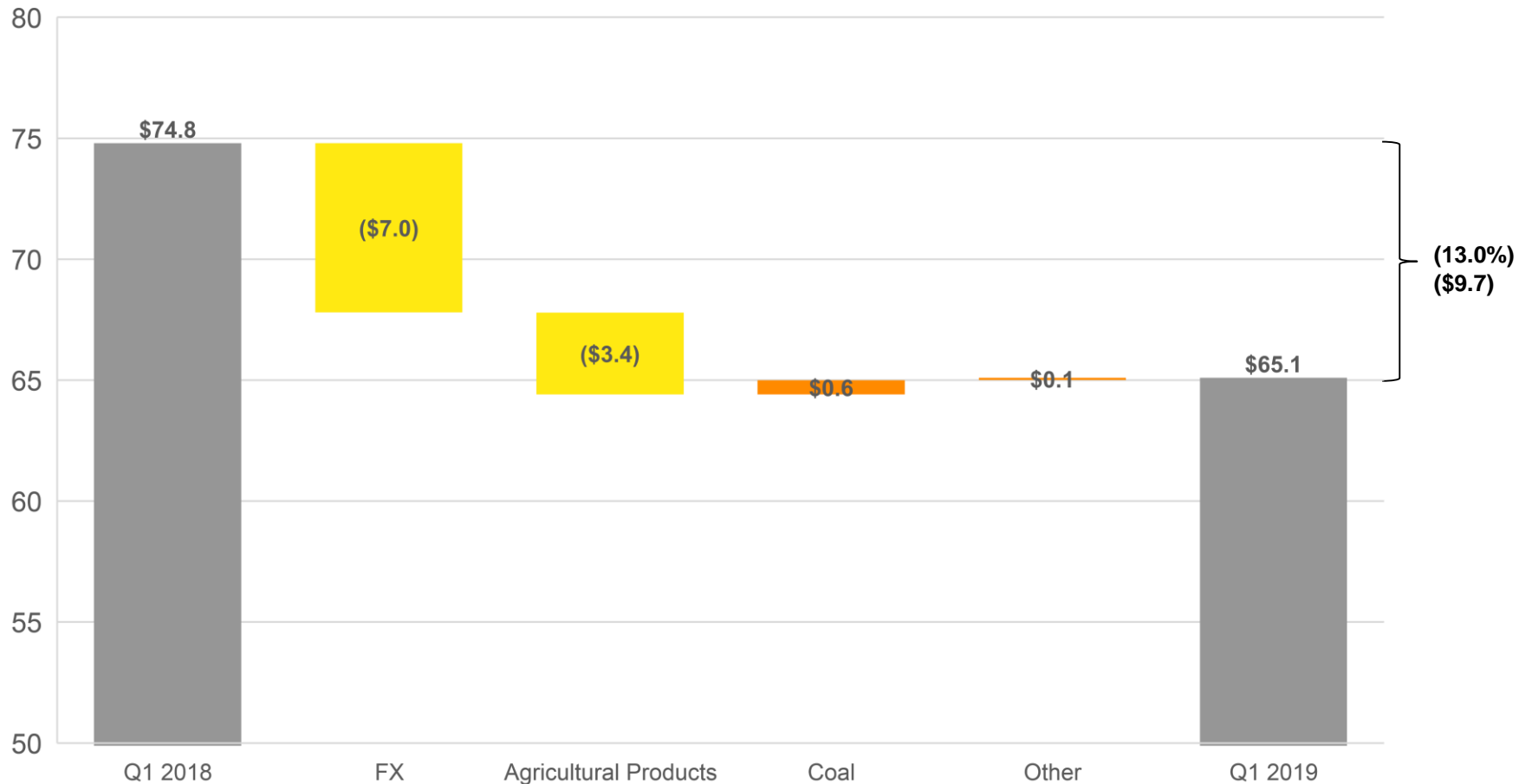
(\$ in millions)	Adjusted Operating Income Variance (Ex. FX)	Comments
Incremental Margin on Revenues	\$ 5.0	~50% incremental margins net of higher fuel surcharge/expense
Winter Weather/Flooding	(3.5)	Higher O/T, Maintenance of Way expense and fuel consumption
Claims and Incidents	(2.4)	Higher derailments
Deferred Comp Expense	(1.5)	Offset in other non-operating income (i.e., EPS neutral)
Other	(0.8)	
Variance	\$ (3.2)	

(a) Excludes \$5.5 million of Operating Revenues and \$5.6 million of Operating Expenses from short line lease expirations in Canada (GEXR and SOR), which expired in the fourth quarter of 2018.

(b) Adjusted Operating Expenses, Adjusted Operating Income and Adjusted Operating Ratio are non-GAAP financial measures. Reconciliations of non-GAAP financial measures accompany this presentation.

Australian Operations (51%-owned) Operating Revenues: Q1 2019 vs. Q1 2018

(\$ millions)



Australian Adjusted Operating Income (51%-owned)

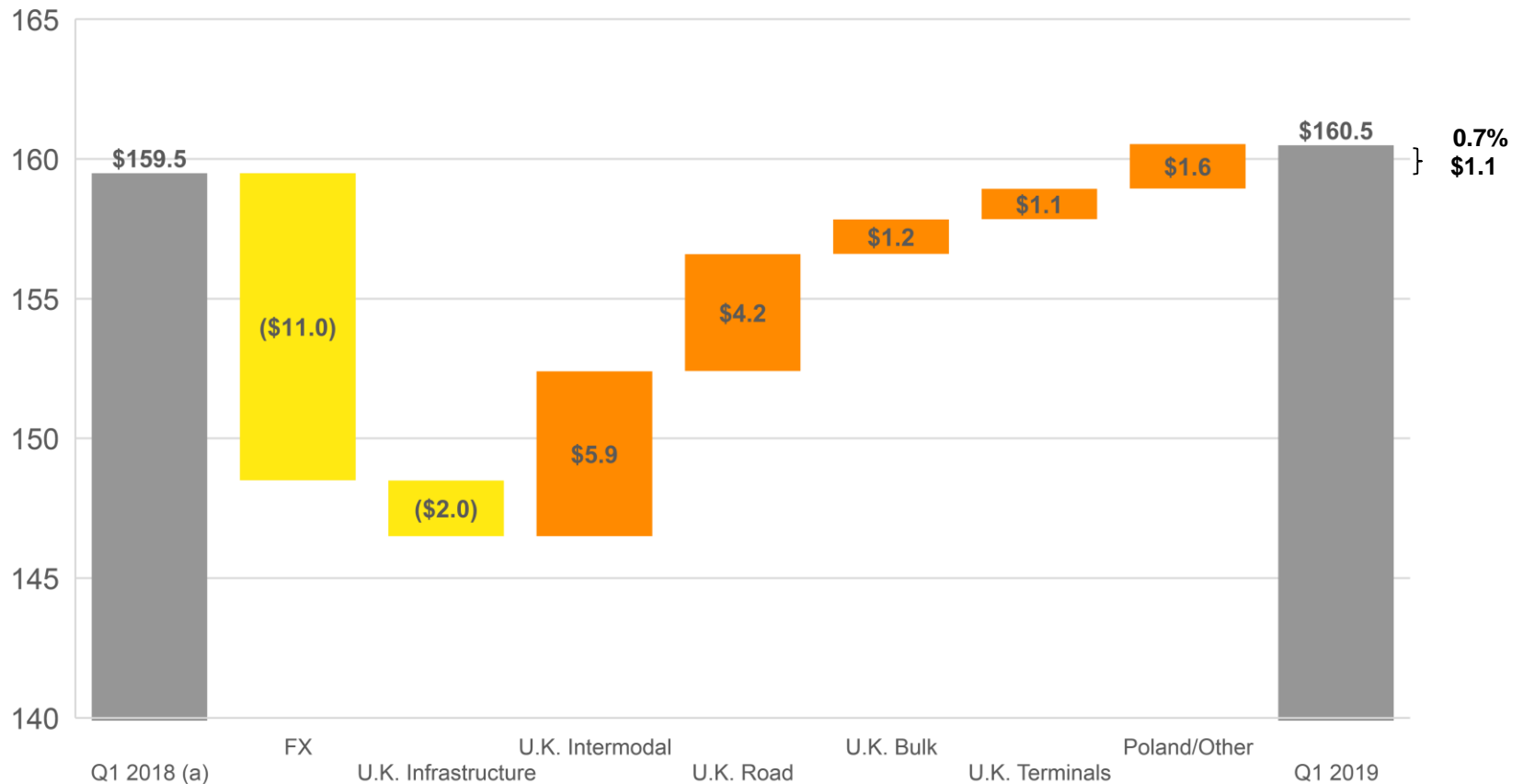
(\$ in millions)	Q1 2019	Q1 2018	Variance	Variance Excluding FX
Operating Revenues	\$ 65.1	\$ 74.8	\$ (9.7)	\$ (2.7)
Operating Expenses	(52.6)	(58.9)	6.3	0.7
Operating Income	\$ 12.5	\$ 16.0	\$ (3.5)	\$ (2.0)
Operating Ratio	80.8%	78.7%		
Operating Expenses	\$ (52.6)	\$ (58.9)	\$ 6.3	
Restructuring Costs	1.5	-	1.5	
Adjusted Operating Expenses ^(a)	\$ (51.0)	\$ (58.8)	\$ 7.8	\$ 2.3
Adjusted Operating Income ^(a)	\$ 14.1	\$ 16.0	\$ (1.9)	\$ (0.4)
Adjusted Operating Ratio ^(a)	78.4%	78.6%		

(\$ in millions)	Adjusted Operating Income Variance (Ex. FX)	Comments
Agricultural Products	(1.5)	Drought in SA and NSW
Coal	\$ 0.2	Slightly higher coal volumes; mix
Other	0.9	Lower expenses
Variance	\$ (0.4)	

(a) Adjusted Operating Expenses, Adjusted Operating Income and Adjusted Operating Ratio are non-GAAP financial measures. Reconciliations of non-GAAP financial measures accompany this presentation.

U.K./European Same Railroad Operations Operating Revenues: Q1 2019 vs. Q1 2018

(\$ millions)



(a) Excludes \$14.7 million of revenues from ERS in Q1 2018. ERS was sold in June 2018.

U.K./European Same Railroad Adjusted Operating Income

(\$ in millions)	Q1 2019	Q1 2018 Same Railroad ^(a)	Variance ^(a)	Variance Excluding FX ^(a)
Operating Revenues	\$ 160.5	\$ 159.5	\$ 1.1	\$ 12.1
Operating Expenses	(162.6)	(162.2)	(0.5)	(11.6)
Operating Income	<u>\$ (2.1)</u>	<u>\$ (2.7)</u>	<u>\$ 0.6</u>	<u>\$ 0.4</u>
Operating Ratio	101.3%	101.7%		
Operating Expenses	\$ (162.6)	\$ (162.2)	\$ (0.5)	
Corporate Development and Related Costs	-	(0.1)	0.1	
Restructuring Costs	5.5	0.2	5.3	
Adjusted Operating Expenses ^(b)	<u>\$ (157.1)</u>	<u>\$ (162.0)</u>	<u>\$ 4.9</u>	<u>\$ (6.2)</u>
Adjusted Operating Income ^(b)	<u>\$ 3.4</u>	<u>\$ (2.6)</u>	<u>\$ 6.0</u>	<u>\$ 5.8</u>
Adjusted Operating Ratio ^(b)	97.9%	101.6%		

\$ in millions	Adjusted Operating Income Variance (Ex. FX)	
U.K. Rail	\$ 3.0	Higher Intermodal; lower infrastructure services
U.K. Road	1.0	Stronger volumes
Restructuring Savings	1.5	
Other	0.3	
Variance	<u>\$ 5.8</u>	

(a) Excludes \$14.7 million of Operating Revenues and \$14.2 million of Operating Expenses from ERS in Q1 2018. ERS was sold in June 2018.

(b) Adjusted Operating Expenses, Adjusted Operating Income and Adjusted Operating Ratio are non-GAAP financial measures. Reconciliations of non-GAAP financial measures accompany this presentation.

Guidance – Second Quarter 2019

(April 30, 2019)

(\$ in millions, except per share amounts)	North America	Australia	U.K./Europe	Consolidated Q2 2019 Guidance
Operating Revenues	\$340 - \$350	\$70 - \$75	\$160 - \$170	\$570 - \$590
Operating Ratio ^(a)	73% - 74%	76% - 77%	97% - 98%	80% - 81%
Operating Income ^(a)	\$90 - \$95	\$16 - \$18	\$2 - \$4	\$110 - \$120
Net Interest Expense/Other (Income), net				~\$27
Depreciation and Amortization ^(b)	~\$43	~\$14	~\$10	~\$67
Effective Tax Rate				~28%
Net Income Attributable to Noncontrolling Interest				~\$2
Diluted EPS Attributable to G&W ^(a)				\$1.00 - \$1.10
Diluted Shares				57.3
Q2 2019 Same Railroad Carload Growth	1% - 2% ^(c)	~3%	~3%	

(a) Does not reflect impact of Australia EBA settlement buyout of approximately \$3 million.

(b) Includes amortization of non-cash equity compensation expense of \$4 million, depreciation expense of \$54 million and amortization expense of \$9 million.

(c) Excludes Class I Empty Traffic.

FX: A\$1.00 = US\$0.71, C\$1.00 = US\$0.75, €1.00 = US\$1.12, £1.00 = US\$1.30, PLN1.00 = US\$0.26

Balance Sheet

- Net Debt^(a) of \$2.3 billion at March 31, 2019
- 2.8x Net Adjusted Debt/Adjusted EBITDA^{(b)(c)} at March 31, 2019
- Leverage metrics reflect G&W Debt and EBITDA from North America and U.K./Europe only
- \$510 million of revolver capacity

(\$ in millions)	3/31/2019
Cash & Equivalents	\$ 70
Debt:	
G&W Senior Secured Credit Facility, <i>due May 2023</i>	\$ 1,737
Australian Senior Secured Credit Facility, <i>due December 2021</i> ^(d)	458
Australian Subordinated Shareholder Loan, <i>due December 2026</i> ^{(d)(e)}	169
Other Debt	73
Less: Deferred Financing Fees	(19)
TOTAL DEBT	\$ 2,418
Total Equity	\$ 3,657
TOTAL CAPITALIZATION	\$ 6,075
Debt/Total Capitalization	40%
Net Debt/Total Capitalization	39%

^(a) Net Debt is calculated as Total Debt less Cash and Equivalents.

^(b) Net Adjusted Debt and Adjusted EBITDA are non-GAAP financial measures. Reconciliations of non-GAAP financial measures accompany this presentation.

^(c) Based on G&W credit facility covenant requirements, which includes debt and EBITDA attributable to North American and U.K./European operations only, as well as any cash distributions received from Genesee and Wyoming Australia (GWA).

^(d) The Australian Operations have a standalone credit agreement non-recourse to G&W and MIRA. Leverage at 3/31/2019 of 3.3x.

^(e) Shareholder loan from MIRA used to fund a portion of its initial contribution to GWA. G&W has matching shareholder loan that is eliminated in consolidation.



**Zero
Injuries**

Our Goal Every Day

G&W U.S. Same Railroad Carloads vs. U.S. Class I's Q1 2019 vs. Q1 2018 (excludes intermodal)^(a)

Commodity	Class I % Change	G&W % Change	Class I Mix	G&W Mix	Commodity Weighted Variance	Notes
Coal	(8.2%)	(13.0%)	32.6%	14.6%	0.7%	Weather impact on Class I service
Minerals & Stone	(3.0%)	1.4%	12.7%	12.7%	0.6%	G&W aggregates
Metallic Ores	(8.4%)	(16.2%)	1.5%	0.6%	0.0%	G&W customer plant outage/car supply
Chemicals & Plastics	(1.0%)	(1.8%)	13.0%	10.3%	(0.1%)	G&W ethanol
Metals	2.3%	8.7%	5.4%	9.4%	0.6%	G&W scrap and finished steel
Agricultural Products	(4.4%)	6.5%	12.8%	14.5%	1.4%	G&W soybean and DDGs
Pulp & Paper	1.8%	(0.0%)	2.3%	9.9%	(0.0%)	
Autos & Auto Parts	(1.0%)	1.7%	6.6%	2.2%	0.1%	G&W west coast imports
Consumer ^(b)	(0.1%)	(3.6%)	5.6%	15.9%	(0.6%)	Lower G&W lumber, wood chips and export logs; Higher G&W Northeast waste
Petroleum Products	22.0%	12.0%	5.1%	5.8%	(0.3%)	Class I crude oil; G&W LPGs
Other	(4.6%)	(8.7%)	2.3%	4.1%	(0.3%)	Lower Class I empty carloads on G&W
Total	(3.1%)	(1.0%)	100.0%	100.0%	2.2%	

(a) UNP, BNSF, NS and CSX (Source: AAR, G&W)

(b) Consumer includes Food & Kindred Products, Lumber & Forest Products and Waste

Supporting Information for 2019 Guidance

Updated Seasonality

	Q1	Q2	Q3	Q4	Total
Operating Revenues	24%	25%	26%	25%	100%
Operating Income	19%	25%	30%	26%	100%
Adjusted Diluted EPS Growth ^(a)	11%	~10%	5% - 10%	~20%	~15%

(a) Adjusted Diluted Earnings Per Share (EPS) is a non-GAAP financial measure. Reconciliations of non-GAAP financial measures accompany this presentation.