KANSAS CITY SOUTHERN

Kansas City Southern - Growth & Service

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September 9, 2021

Safe Harbor Statement

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended and the Private Securities Litigation Reform Act of 1995. In addition, management may make forward-looking statements orally or in other writing, including, but not limited to, in press releases, quarterly earnings calls, executive presentations, in the annual report to stockholders and in other filings with the Securities and Exchange Commission. Readers can usually identify these forward-looking statements by the use of such words as "may," "will," "should," "likely," "plans," "projects," "expects," "anticipates," "believes" or similar words. These statements involve a number of risks and uncertainties. Actual results could materially differ from those anticipated by such forward-looking statements as a result of a number of factors or combination of factors including, but not limited: public health threats or outbreaks of communicable diseases, such as the ongoing COVID-19 pandemic and its impact on KCS's business, suppliers, consumers, customers, employees and supply chains; rail accidents or other incidents or accidents on KCS's rail network or at KCS's facilities or customer facilities involving the release of hazardous materials, including toxic inhalation hazards; legislative and regulatory developments and disputes, including environmental regulations; loss of the rail concession of Kansas City Southern's subsidiary, Kansas City Southern de México, S.A. de C.V.; domestic and international economic, political and social conditions; disruptions to the Company's technology infrastructure, including its computer systems; increased demand and traffic congestion; the level of trade between the United States and Asia or Mexico; fluctuations in the peso-dollar exchange rate; natural events such as severe weather, hurricanes and floods; the outcome of claims and litigation involving the Company or its subsidiaries; competition and consolidation within the transportation industry; the business environment in industries that produce and use items shipped by rail; the termination of, or failure to renew, agreements with customers, other railroads and third parties; fluctuation in prices or availability of key materials, in particular diesel fuel; access to capital; climate change and the market and regulatory responses to climate change; dependency on certain key suppliers of core rail equipment; changes in securities and capital markets; unavailability of qualified personnel; labor difficulties, including strikes and work stoppages; acts of terrorism or risk of terrorist activities, war or other acts of violence; and other factors affecting the operation of the business; and other risks identified in this presentation, in KCS's Annual Report on Form 10-K for the year ended December 31, 2020, and in other reports filed by KCS with the Securities and Exchange Commission.

Forward-looking statements reflect the information only as of the date on which they are made. KCS does not undertake any obligation to update any forward-looking statements to reflect future events, developments, or other information.

Reconciliation to U.S. GAAP Financial Information

In addition to disclosing financial results in accordance with U.S. GAAP, the accompanying presentation contains non-GAAP financial measures. These non-GAAP measures should be viewed as a supplement to and not a substitute for our U.S. GAAP measures of performance and liquidity, and the financial results calculated in accordance with U.S. GAAP and reconciliations from these results should be carefully evaluated. All reconciliations to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP can be found on the KCS's website in the Investors section.

This presentation contains forecasted financial measures within. Operating Ratio, Adjusted Diluted Earnings per Share, and Free Cash Flow are non-GAAP financial measures. The Company did not reconcile these forecasted financial measures to the most comparable GAAP measure because certain information necessary to calculate such measures on a GAAP basis was unavailable or dependent on the timing of future events outside of the Company's control. At the time the Company made these forward looking statements, the GAAP numbers included the strengthening or weakening of the Mexican Peso to U.S. Dollar and changes in fuel price, both of which could have a significant impact on the Company's consolidated results. Therefore, the Company was unable to reconcile, without unreasonable efforts, the forecasted financial measures to the most comparable GAAP measure.

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The KCS Network

- Founded in 1887
- 6,700 route miles
- Seamless cross-border network
- Service to 12 Gulf ports and 1 Pacific Ocean port
- Service to more than 140 transload centers and 11 intermodal ramps

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Altered Supply Chains and Shipping Capacity

Economic Report

Construction on new homes retreats as builders grapple with supply-chain headaches

Last Updated: May 18, 2021 at 9:33 a.m. ET

Covid-related challenges to plague supply chains in 2021

Regulatory changes, food supply chain vulnerabilities are among the key issues to watch as the year unfolds, risk management firm says.

Tight trucking capacity has implications for agriculture

By CAROL RYAN DUMAS Capital Press Apr 20, 2021

American Shipper | Company earnings | Container | Maritime | News | Shipping | Top Stories

No relief: Global container shortage likely to last until 2022

Equipment lessors continue to see low inventories and extremely high prices

Intermodal Woes Challenge Logistics and Supply Chains

April 27, 2021 • by Deborah Lockridge

LOGISTICS REPORT

Truckers Expect U.S. Transport Capacity Crunch to Persist

Freight demand in a surging American economy is growing well ahead of truck availability, pushing up shipping costs

Bloomberg

REUTERS

World | Business | Markets | Breakingviews | Technology | Investigations | Lifestyle

Economics

A Summer of Sold-Out Ships Awaits as Sea Cargo Chaos Intensifies

By Brendan Murray

May 3, 2021, 4:25 AM

May 3, 2021
12:45 PM CDT

Business

Supply chain bottlenecks amid roaring demand slow U.S. manufacturing

Supply Chain

The Latest Supply Chain Disruption: Plastics

by Bindiya Vakil

March 26, 2021

A surge in cardboard demand is causing a supply squeeze for box makers amid the online-shopping boom

US factories struggle to meet demand as shortages slam production

Ben Winck May 3, 2021, 12:06 PM

CHIP SHORTAGE HIGHLIGHTS U.S. DEPENDENCE ON FRAGILE SUPPLY CHAIN

60 MINUTES

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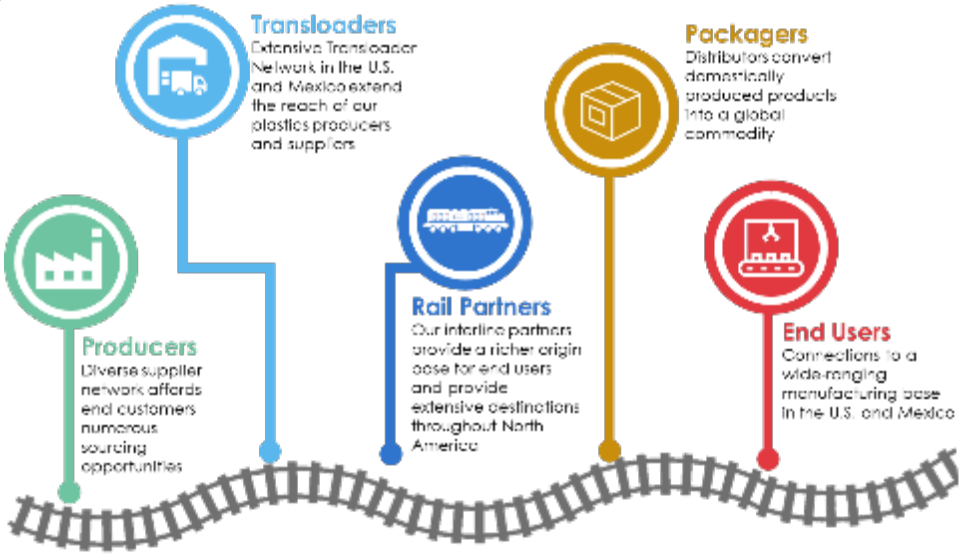
Hardening the Supply Chain

- Increase transparency and communications
- Use data to facilitate decisions
- Reduce waste
- Standardize whenever possible
- Reevaluate risk
- Create more supply chain options
- Improve forecasting
- Look to the horizon
- …



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North American Reshoring Index - Kearney

Gauging Reshoring Intent
(survey of 120 US manufacturing executives)

Survey findings of note:

- 49% agreed or strongly agreed that the benefits of onshore production outweigh the higher labor costs
- 52% reported that COVID disrupted global supply chains, their company increased domestic manufacturing/sourcing of products
- 48% agreed or strongly agreed that current domestic policies and international trade policies sufficiently encourage reshoring and investment in domestic facilities
- 47% said their company will strive to diversify its supply chain over the next 3 years to reduce dependence on a single country source or manufacturing location
- 41% said they will specifically strive to reduce dependence on China for manufacturing

*Source: https://www.kearney.com/operations-performance-transformation/us-reshoring-index

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Strengthening Service Now and For The Future

- Revamped organizational structure driving improved service levels through Enterprise Process Management Controls
- Implementation of service design changes that align capacity and assets with KCS' customer needs
- Implementation of tools and processes to increase resource availability
- Balancing tactical and strategic investments
- Working with Government / Regulatory Agencies in US and Mexico
- Solidifying working relationships and agreements with KCS Unions

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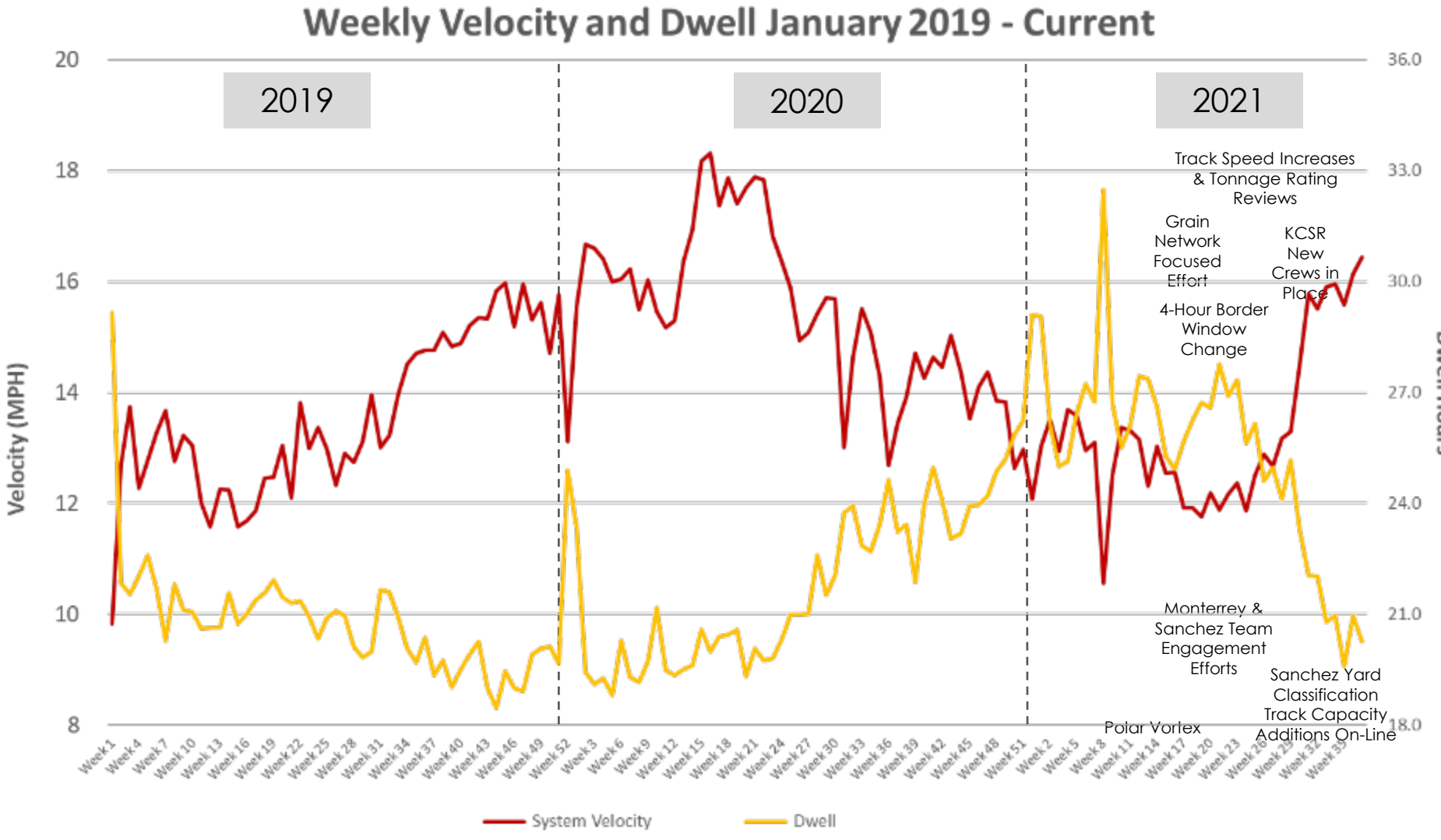
Network Performance Improving Since April '21 As Impacts from Initiatives & Focused Efforts Take Hold



Building Infrastructure and Aligning Processes for a More Precise Service Delivery

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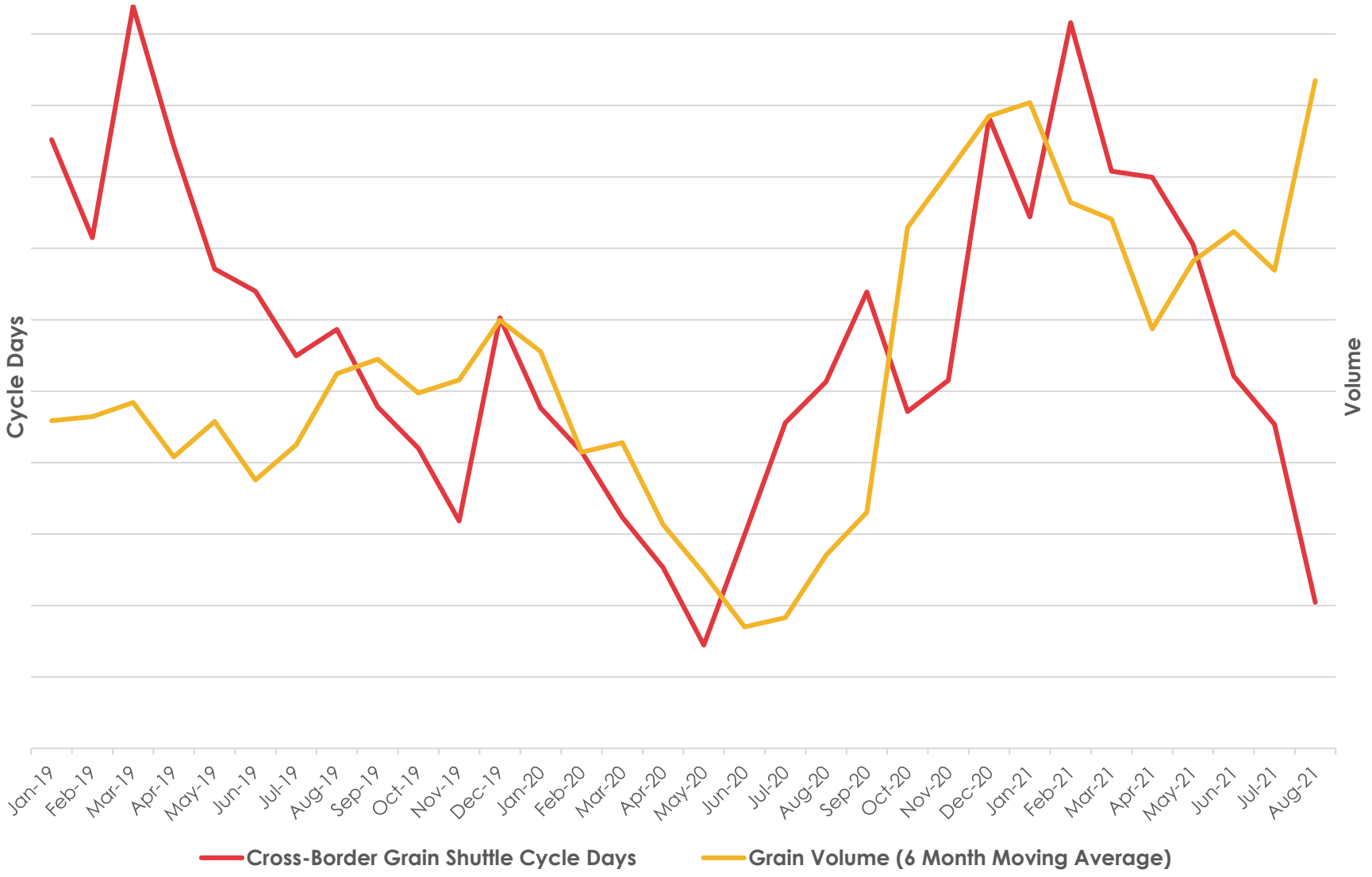
Cross-Border Grain Shuttle Cycle Days Well Positioned for 2021 Peak Season – Improvements Secured in All Segments of Customer Cycle (Origin, Destination, Line of Road, Border)



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Concentric Approach Undertaken to Drive Service Improvement

Phase I: Monterrey

Phase II: Border Zone

Phase III: Shreveport <> Houston

Phase IV: San Luis Potosi – Tampico – Mexico City

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KCS Investing in Cross-Border Growth

- President Trump approved KCS international bridge permit July 29, 2020, the Mexico permit process is pending.
- Project is underway and in the design phase at this time.
- Targeting completion by 2023.
- Bulk of spending will occur in 2022, and expected to be within our current CapEx guidance.
- Additional bridge capacity will increase fluidity of Cross-Border operations.

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KCS is Committed to ESG

Prioritizing our Employees & Partners

- Executive-led workplace inclusion collaborations
- Comprehensive COVID-19 response, including employee surveys
- Strong relationship with Mexican Labor Union; prioritizing 'win-win's' to provide service continuity during pandemic & optimize operations

Strong Leadership & Governance

- Experienced and diverse Board of Directors; 5 of 10 directors are gender or ethnically diverse
- Nominating committee oversight of environmental & social issues
- Active sustainability steering committee

Commitment

- Committed to a more challenging science-based target
- From 2014 through 2020, KCS has moved 4% fewer gross ton miles while consuming 15% fewer gallons of locomotive fuel
- Goal to reduce GHG emissions intensity by at least 12% by the year 2025

MSCI

➢ MSCI 2019 Rating Improved from A in 2018 to **AA in 2020**

CDP
DISCLOSURE INSIGHT ACTION

➢ CDP score improved from a D in 2018 to a **B in 2020**

Newsweek
INVESTOR'S BUSINESS DAILY

➢ KCS among Newsweek's and Investor's Business Daily's Rankings for Corporate Responsibility

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The confluence of these events presents a unique opportunity for North America to emerge as an even more powerful force in global manufacturing and trade.

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Thank You!

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