



G&W Investor Day

November 9, 2017



Forward Looking Statements

This presentation contains “forward-looking statements” regarding future events and the future performance of Genesee & Wyoming Inc. that involve risks and uncertainties that could cause actual results to differ materially from those expressed or forecasted, including, but not limited to, risks related to the operation of our railroads, severe weather conditions and other natural occurrences, economic, political and market conditions (including employee strikes or work stoppages), the credit risk of customers and counterparties, customer demand, railroad network congestion, derailments, currency fluctuations, changes in commodity prices, increased competition in the relevant market, and others, many of which are beyond our control. The Company refers you to the documents that it files from time to time with the Securities and Exchange Commission, such as the Company’s Forms 10-Q and 10-K, which contain additional important factors that could cause its actual results to differ from its current expectations and from the forward-looking statements discussed during this presentation. Forward looking statements speak only as of the date of this presentation or the date they were made. Genesee & Wyoming Inc. does not undertake, and expressly disclaims, any duty to update any forward-looking statement contained in this presentation whether as a result of new information, future events or otherwise, except as required by law.

Agenda

Topic

Time

Speakers

Introduction

8:00

Jack Hellmann

UK/Europe

8:15

Adam Cunliffe, Matt Walsh

Australia

8:45

Tom Savage

North America

- Managing and Supporting Operations

9:15

Rich Regan, Ray Goss and
Greg Walling

- Introduction to Northeast
and Western Regions

9:45

Dave Ebbrecht

[BREAK 10:15]

10:30

Brad Ovitt

- Growing North America

11:00

Michael Miller, Mike Peters

Corporate Development

11:30

Matt Walsh

Long-Term Outlook

12:00

T.J. Gallagher

Closing

12:15

Jack Hellmann

Historical Context of the G&W Journey

Founding Original RR



Post Staggers Act to Initial Public Offering

- G&W expansion is 100% domestic
- IPO on June 24, 1996, with a market capitalization of \$82MM

1997: First Investment in Canada

RailAmerica Acquisition Creation of Commercial & Operations Support

Freightliner Acquisition in U.K.

51-49% JV with Macquarie in Australia

1899

1977

1980

1996

1997

2000

2005

2008

2012

2015

2016

2017+

Birth of a Holding Company

- Mortimer B. Fuller III purchases a controlling interest in GWRR

Deregulation of U.S. Railroads

- The Staggers Act

1997: First Investment in Australia

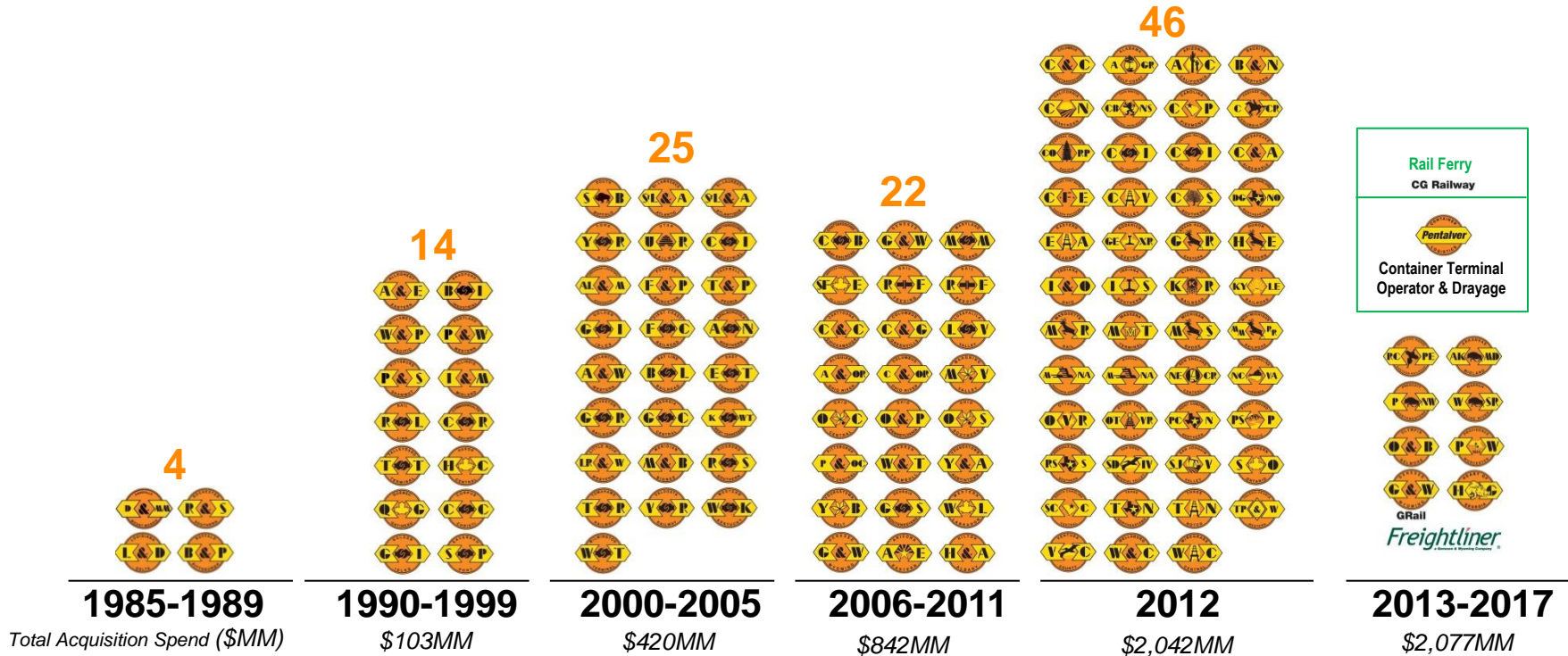
Today
Unique Global Rail Platform

Overview

- **NYSE:** Listed as GWR with ~\$4.6B market capitalization
- **Railroads:** 122 railroads with ~16,000 track miles
- **People:** 8,000
- **Customers:** 3,000
- **Equipment:** 1,350 locomotives
- **Carloads:** ~3.4 million annually



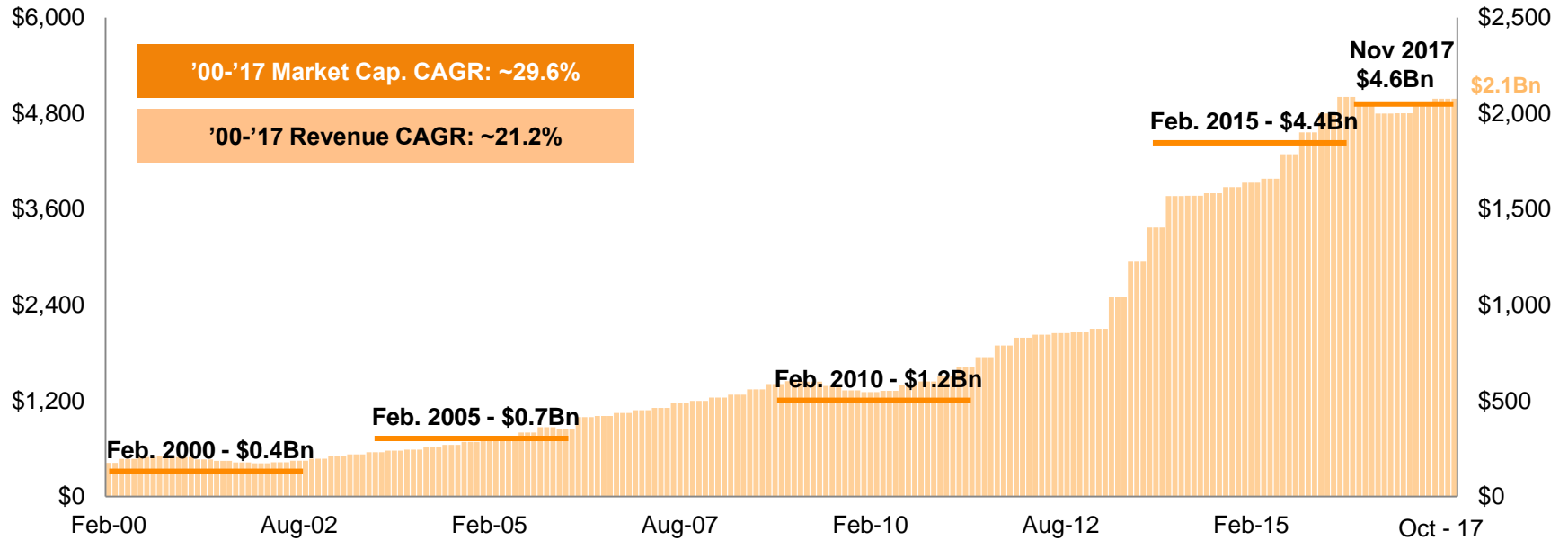
Platform Built on Recognizing, Executing and Integrating Acquisitions



For Shareholders Over Time

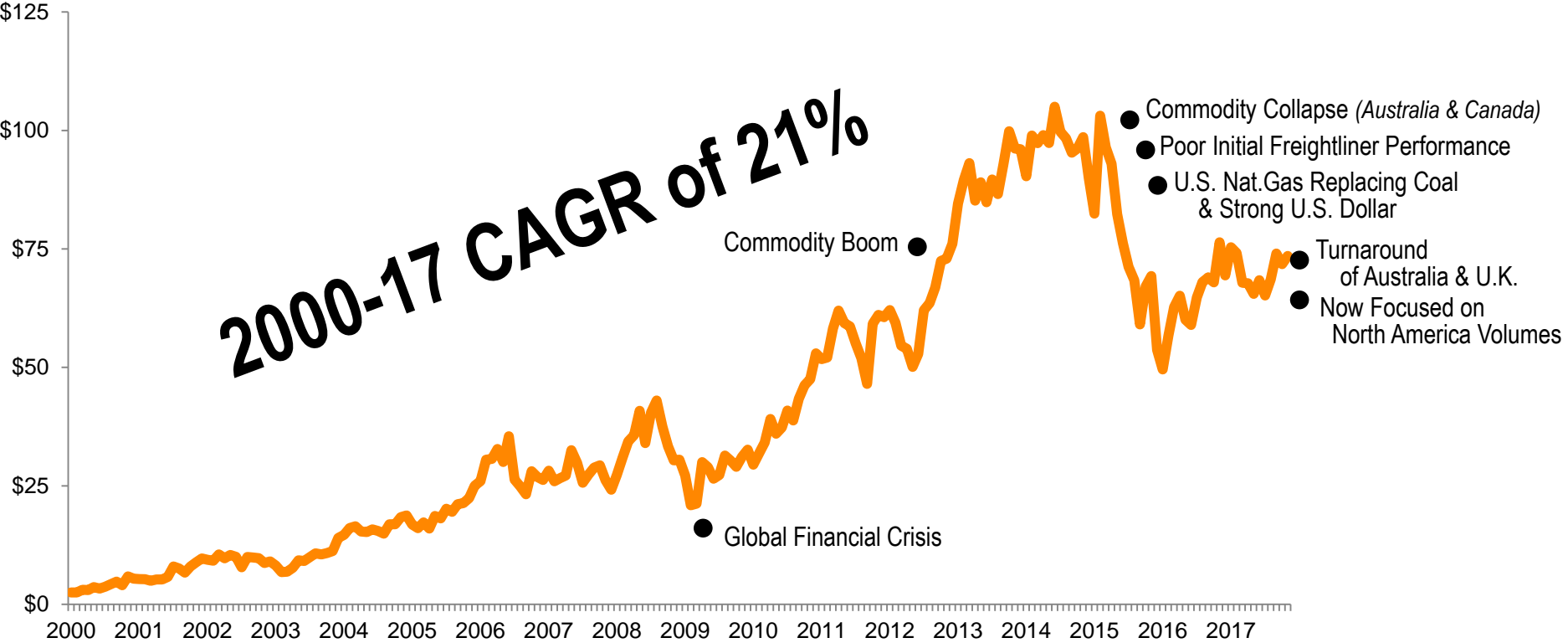
Significant Value Creation

Market Capitalization and Revenue since 2000 (\$MM)



G&W Share Price Performance: 2000 - 2017

2000-17 CAGR of 21%



Unique Global Rail Platform

Stability With High Barriers To Entry

- 1 Strong and Stable Free Cash Flow Generation
- 2 Diversified Across Geographies, Customers and Commodities
- 3 Irreplaceable Collection of Rail and Transportation Infrastructure Assets and Real Estate

Execution

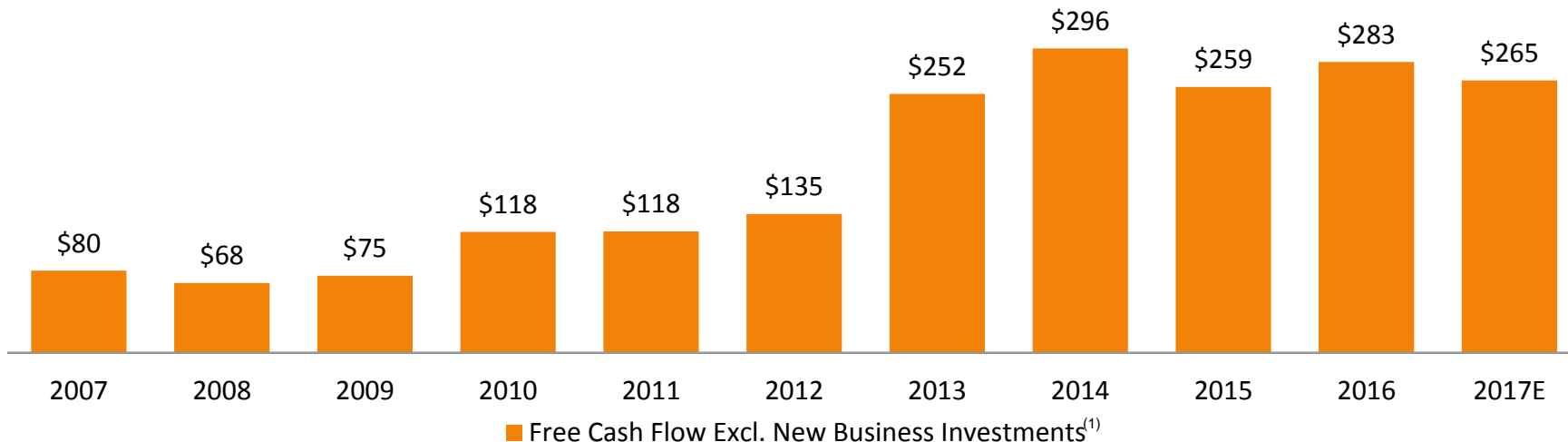
- 4 Best Practices Driving Operational Excellence
- 5 Effective and Proven Management Team
- 6 Reputation is a Key Driver of Success

Growth Platform

- 7 Organic Growth, Investments and M&A

Strong and Stable Free Cash Flow Generation

G&W's ability to adjust costs and capital investment to match operating conditions allows the company to consistently generate and grow free cash flow



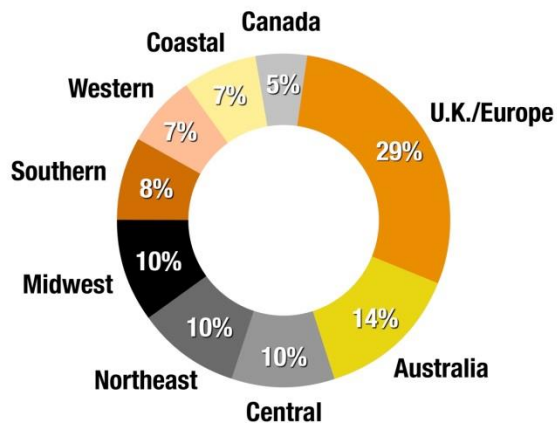
1. Free Cash Flow and Free Cash Flow excluding New Business Investments are non-GAAP financial measures. Reconciliations of non-GAAP financial measures accompany this presentation.

2. 2017E free cash flow excluding new business investments includes 51% of pro forma GWA JV

Diversified Across...

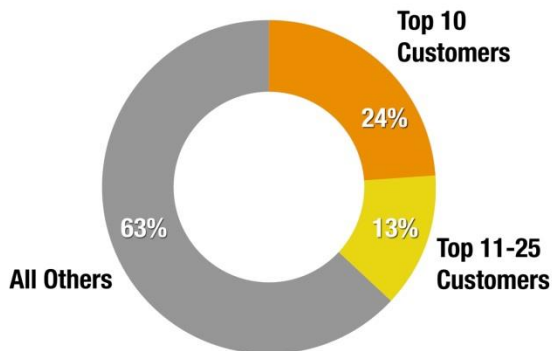
Geographies

% of G&W Total 2017E Revenue



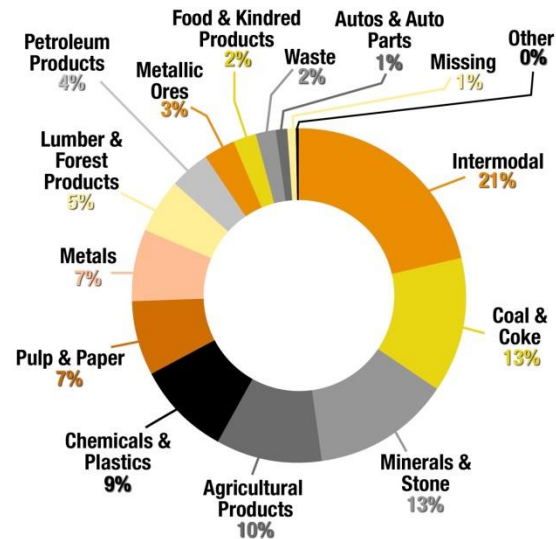
Customers

% of G&W Total 2017E Revenue⁽¹⁾



Commodities

% of G&W Total 2017E Freight Revenue⁽¹⁾



~\$1.5bn Total Freight Revenue

Irreplaceable Collection of Rail Infrastructure, Terminals and Real Estate



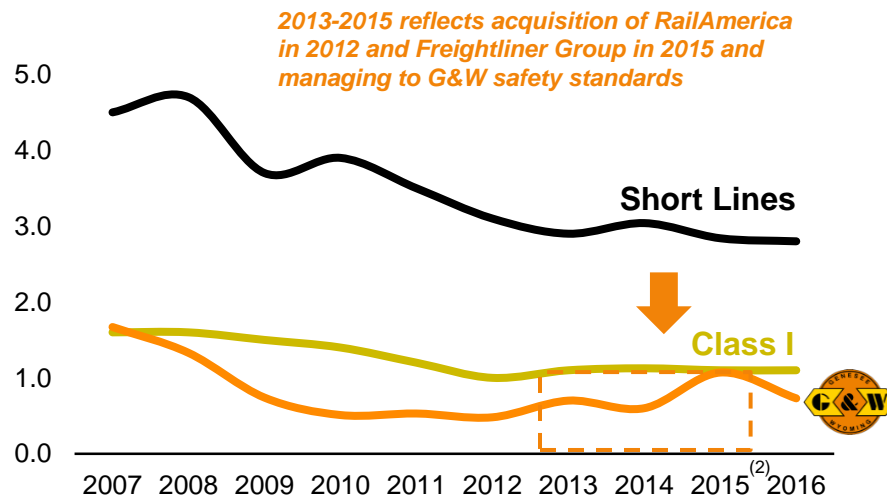
- **Largest Short Line Operator in North America, operating in 41 U.S. States and 4 Canadian Provinces**
- **Largest Rail Operator in U.K. Intermodal with key Real Estate at Ports and Inland Terminals; Offer Trains, Trucks & Storage Services**
- **Strong Position as #3 rail operator in Australia, with long-term track concession & contracts**

Best Practices Drive Operational Excellence

- **Industry-leading safety**
- **Cross regional benchmarking**
- **Senior corporate railroad experts**
- **Fit-for-purpose cost & capital philosophy**

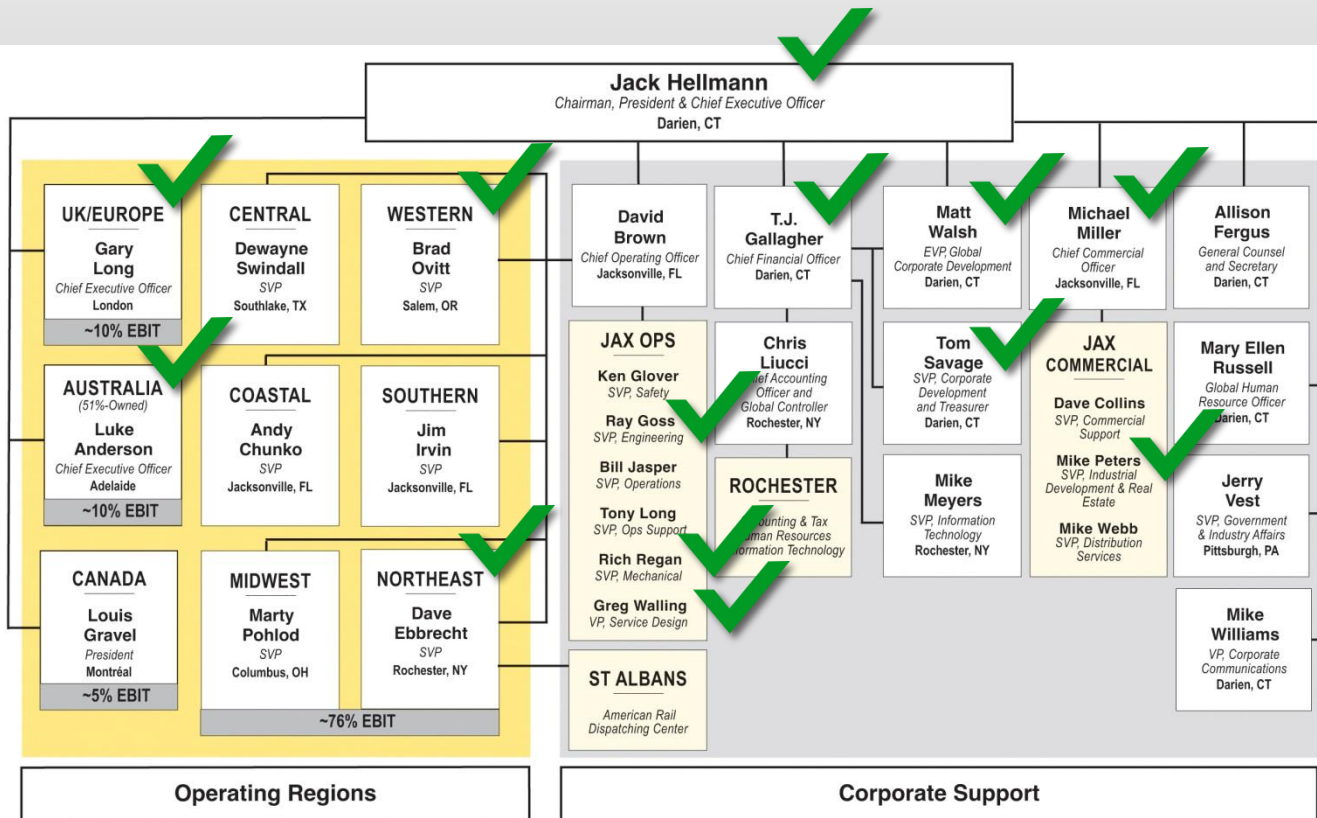
Industry-Leading Safety Performance

Injury Frequency Rate per 200,000 Hours



1. G&W results excluding March 2015 Freightliner acquisition
 2. G&W results include April 2015 acquisition of Freightliner Group

Proven Team Managing Global Platform



Reputation is a Key Driver of Success

Outstanding Reputation Among Stakeholders

Customers | Employees | Government and Regulators
Potential Sellers | Class I Railroads

- G&W's core purpose is to be the safest and most respected rail service provider in the world
- Committed to Core Values of Focus, Integrity, Respect and Excellence
- Unmatched safety record which reflects corporate culture
- G&W seeks to be transparent, rational and reliable
- Regional organization creates close proximity with customers and stakeholders
- Long-term ownership perspective

Growth Platform

**Organic
Growth,
Investments
and M&A**

- Organic Growth with New and Existing Customers
- Low Risk, High IRR New Business Investments Available Across Geographies in Numerous Projects (Track, Equipment, Property)
- Acquisitions of Railroads Within Existing Footprint
- Global Expansion Opportunities in Rail and Related Transport Assets



UK/Europe Region

Adam Cunliffe, Managing Director, UK



2008:

G&W Entry to Europe

Rotterdam Rail Feeding

- Small, ~€20mn revenues
- Similar to G&W port operations
- Operate to/from German border; expanded into Belgium/Antwerp in 2011
- Touches ~50% of all containers going through Rotterdam by rail
- Material port growth expected (Maasvlakte 2)



2015:

Meaningful UK Acquisition with Optionality

Purchased 100% of Freightliner Group for £492 million and deferred consideration of £24 million

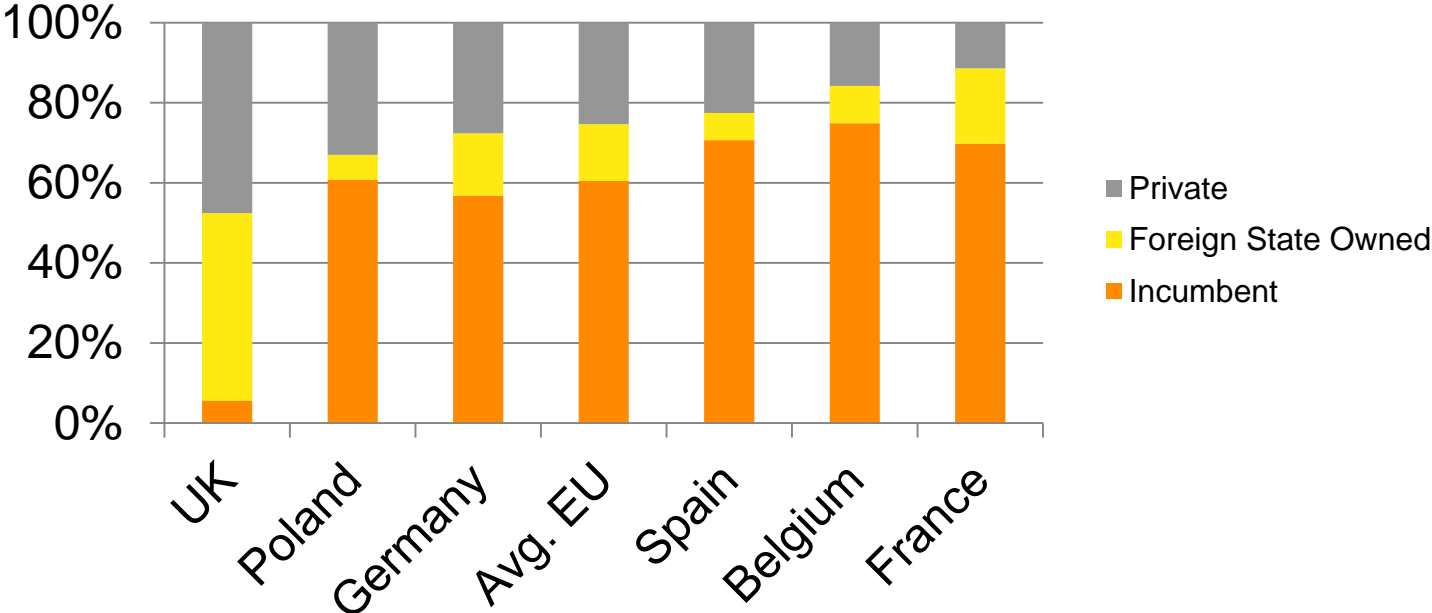
- 80% of business in the UK
 - Largest UK railway provider of maritime intermodal
 - UK bulk “heavy haul” unit train business similar to G&W Australia (GWA)
- Expanded GWA into New South Wales with business underpinned by major Glencore contract



Freightliner train for Network Rail

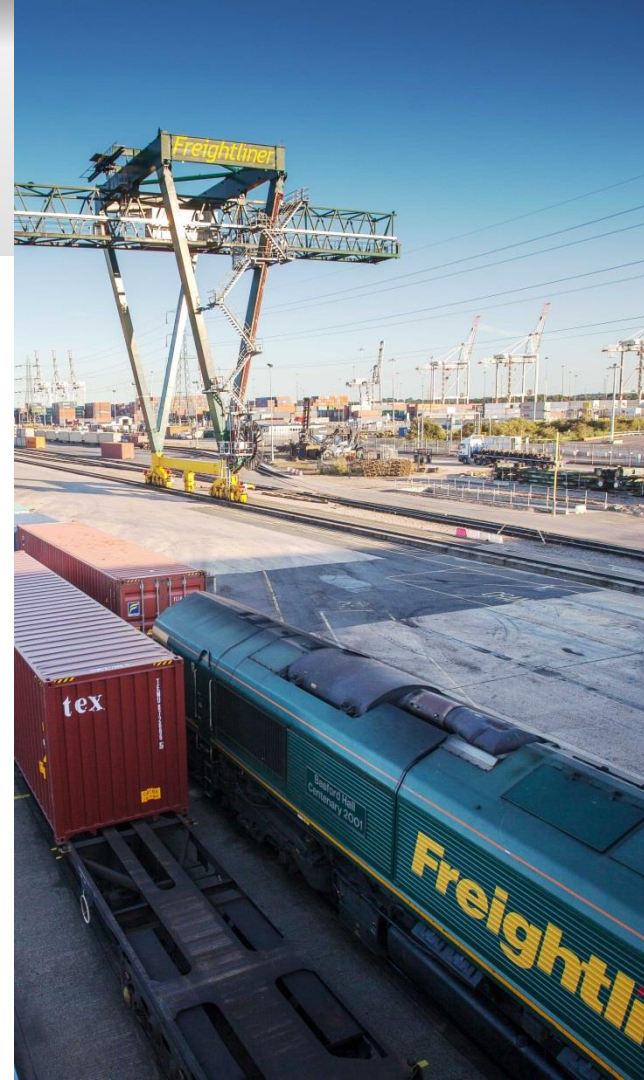
UK Privatized Differently from Continental Europe

Market Shares of Private Operator vs. National Incumbent (State owned) vs. State Owned Foreign Competitor



UK/Europe Overview

- **Companies:** 7
- **People:** 2,900
- **Customers:** 2,100
- **Primary Commodities:** Intermodal, Minerals & Stone, Agricultural Products, Coal
- **Equipment:** 245 locomotives, 354 trucks
- **Annual Carloads:** ~1.1 million
- **Annual Revenues:** US\$625 million



Regional Organization: Market Leading UK Operations



- Largest transporter of maritime intermodal containers in UK
- 2nd largest provider of bulk rail services



- Largest provider of container storage and services in UK

Regional Organization: Niche Operations Outside the UK

Freightliner PL
a Genesee & Wyoming Company

- 3% of Polish market share, 2nd largest hauler of aggregate plus German operations

SAR

- Provides management and training to Saudi Railways above rail operations; “asset-light”


ERS Railways[®]

- Rail intermodal freight forwarder from northern German ports



a Genesee & Wyoming Company

- Largest provider of rail switching services in Port of Rotterdam

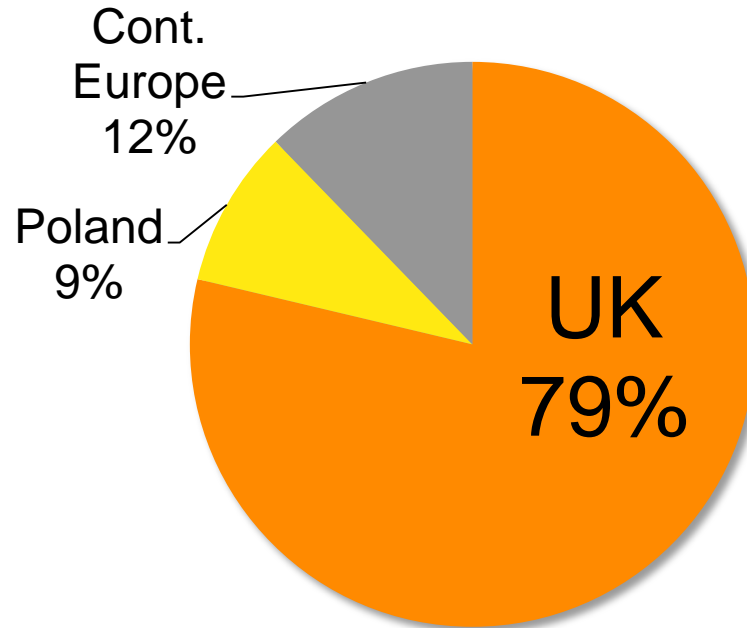
UK/Europe

U.K./European Operations

- Served Ports
- Freightliner Intermodal Terminals (Owned)
- Pentalver Intermodal Terminals
- Freightliner Served Intermodal Terminals (Third-Party)
- Freightliner Heavy Haul Depots
- Freightliner DE
- Freightliner PL
- ERS Railways
- Rotterdam Rail Feeding
- Belgium Rail Feeding

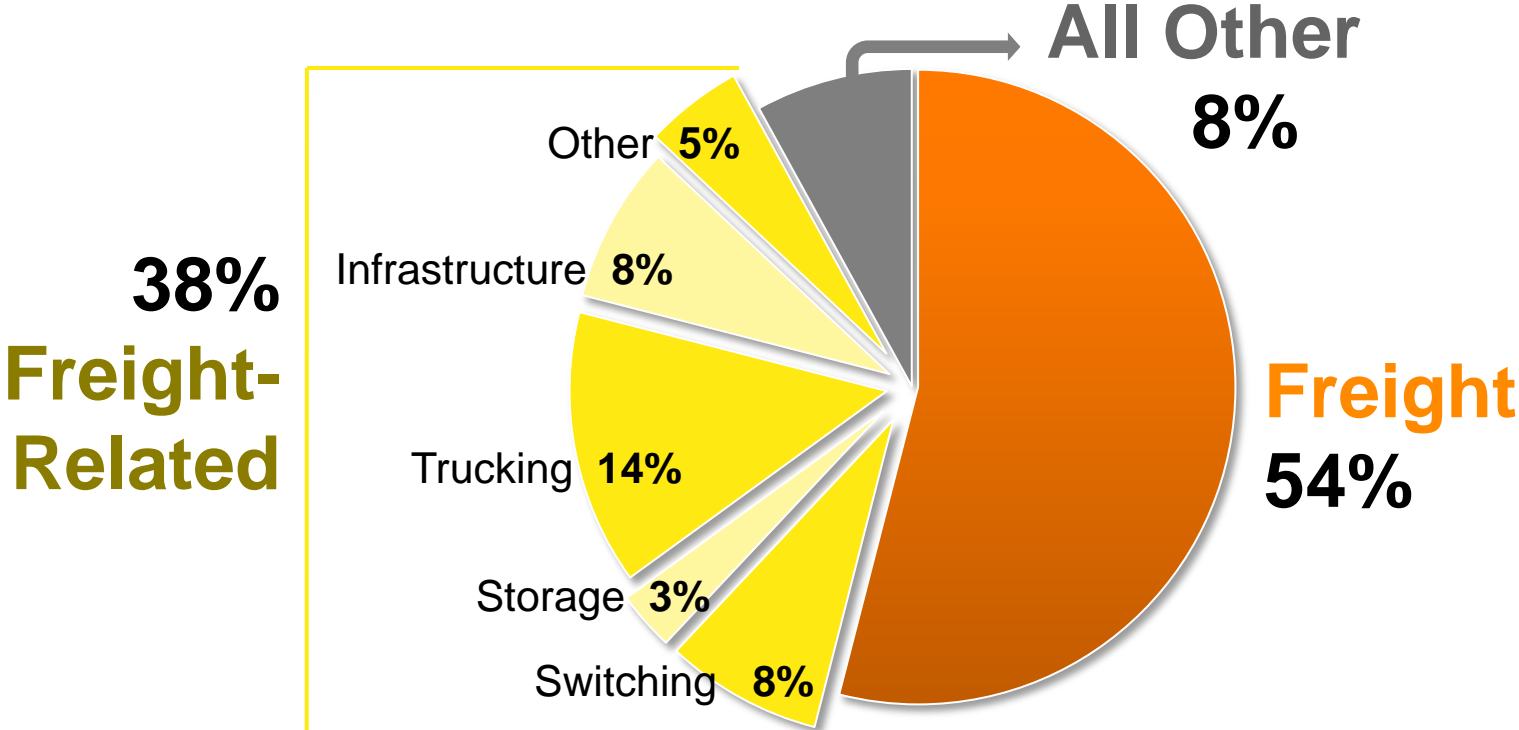


UK/Europe Revenues



Includes full year Pentaver revenues

UK/Europe Revenue Mix



Freight Revenue by Commodity

Commodity	Freight Revenue	Comments
Intermodal	76%	~85% UK
Minerals & Stone	20%	Aggregates in Poland and UK
Agricultural Products	2%	Poland
Coal & Coke	2%	UK and Poland
Total	100%	

UK's Largest Maritime Intermodal Provider



- Hauls 20% – 25% of all maritime containers in the UK
- 4x as many services as competition
- Nationwide network of 9 owned and operated inland terminals
- Own port terminal at Southampton
- Provide last mile trucking from inland terminals with both own and subcontracted fleet

Pentalver Expands Intermodal Service Offering



- 100 acres of container storage and services in four major UK ports
- Major inland terminal near Birmingham
- Complementary to Freightliner rail services
- Integration with Freightliner trucking fleet
- Expanding footprint (London Gateway)

2nd Largest Provider of Bulk Rail Services



- National footprint
- Aggregate driven by national infrastructure projects
- Services to Network Rail material part of business
- HS2 will create significant demand

Customers



MEDITERRANEAN SHIPPING COMPANY



budimex

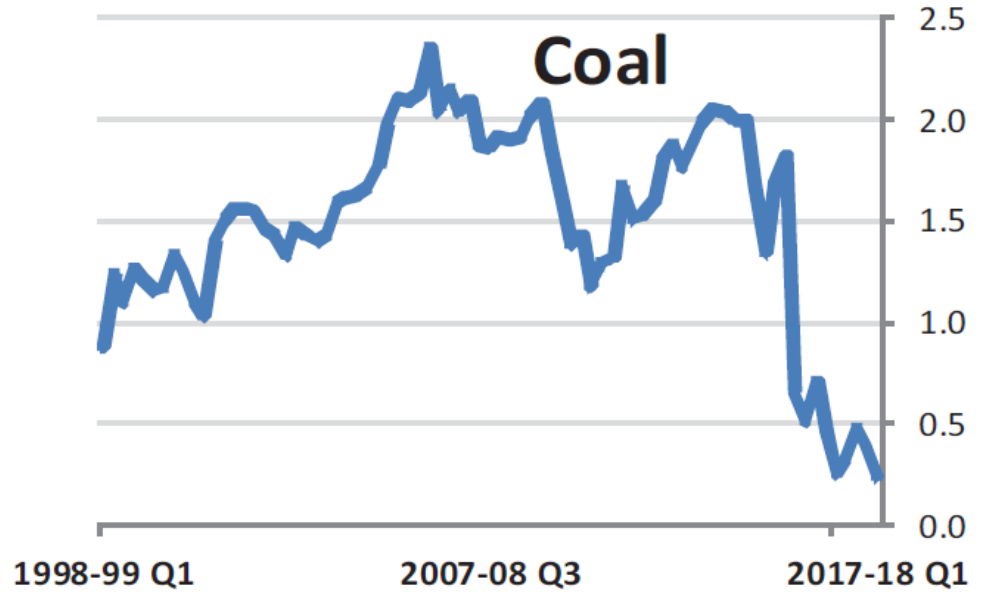


2015 – 2017:

Collapse of UK Coal-Generation Market

- Coal volumes by rail went from 52 mn tons in 2013/14 to 12 mn tons in 2016/17

Total Freight Moved (billion net tonne km), Great Britain



Source: Office of Rail and Road

Heavy Haul Actions

Restructured Operations Post Coal Collapse (~20% 2015 UK revenues)

- Labor redundancies across all levels
- Returned coal wagons and converted others for aggregate (both continuing)
- Integrated Heavy Haul and Intermodal (dispatch, equipment, mgmt.)
- Repositioned labor and equipment to other business
- Renegotiated lease terms on locomotives – longer term for lower rates

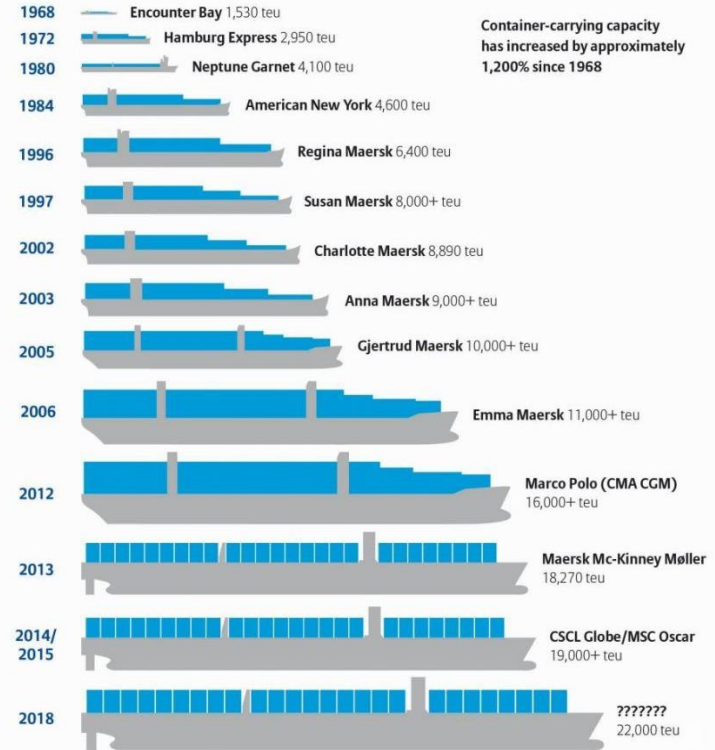
Converted Freightliner coal wagon for aggregate



Freightliner 2016 – mid-2017

Shipping Industry Crisis / Port Congestion

- Record financial losses by all major shipping lines
 - Hanjin bankruptcy
 - Major industry consolidation
 - Alliance shifts and new ports of call
- 20,000 TEU container ships
 - Unloads 4 – 5 days of volumes in 1 - 2
 - Mass congestion at the ports
 - Inconsistent with scheduled rail network



Intermodal Actions *(continued)*

- Work with ports to better coordinate and focus on rail service
- Maximize train length
- Convert spot volumes to contract
- Rate adjustments
- Standardizing and optimizing train plan; increase volumes but with same number of services



Port of Felixstowe

2015 – 2017:

ERS Underperformance & Actions

- 1. 2016 ERS lost \$12mn driven by “Open Train” service: Rotterdam to Milan & Poland**
 - Italy lane most competitive in Europe
 - EU subsidy for Polish traffic expired
 - Shipping crisis exacerbated issue
- 2. Q2 2017 shut open train service and closed Rotterdam, Frankfurt offices**
- 3. Rail freight forwarding operation from North German ports is profitable via 47% owned railway JV boxXpress**



ERS Network – North German Ports to southern hinterland

2016 - 2017:

Acquisition of Pentalver

Purchased from Maersk (~£78mn*)

- 100 acres of container storage and services in major UK ports
- Inland depot near Birmingham capable of connecting to rail
- ~150 trucking fleet running trunking services to/from ports
- Full suite of container services (repair, reefer, etc.)



*Net of cash acquired

2016 - 2017:

Acquisition of Pentalver *(continued)*

- Highly complementary to UK intermodal business
- Storage depots offers relief value from congestion issues
- Coordination with Freightliner rail and road offers customer choice and increases efficiencies
- Enhanced collection and delivery from inland terminals
- Recently announced expansion of London Gateway depot (Q1 2018)



UK Priorities

1. Continue to grow UK intermodal revenue

- Port of Felixstowe expanding rail capacity by 42%
- Overall demand for intermodal service increasing
- Longer term HS2 creates 2x rail capacity to the Midlands and beyond

Freightliner daily services from each major port

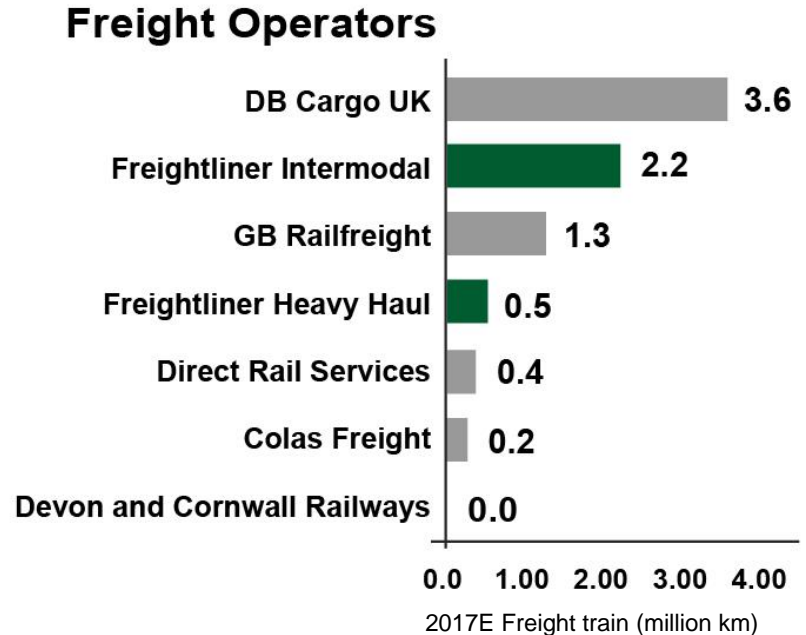
Port	Felixstowe	Southampton	London Gateway
Services	22	14	5
% of Containers from Port (est.)	~19%	~25%	NA



UK Priorities

2. Continue to grow in UK Bulk sector

- Heavy Haul annual revenues have dropped from £130mn in 2014 to ~ £80mn (all coal related)
- Non-coal heavy haul revenue up 15% since 2015



UK Priorities

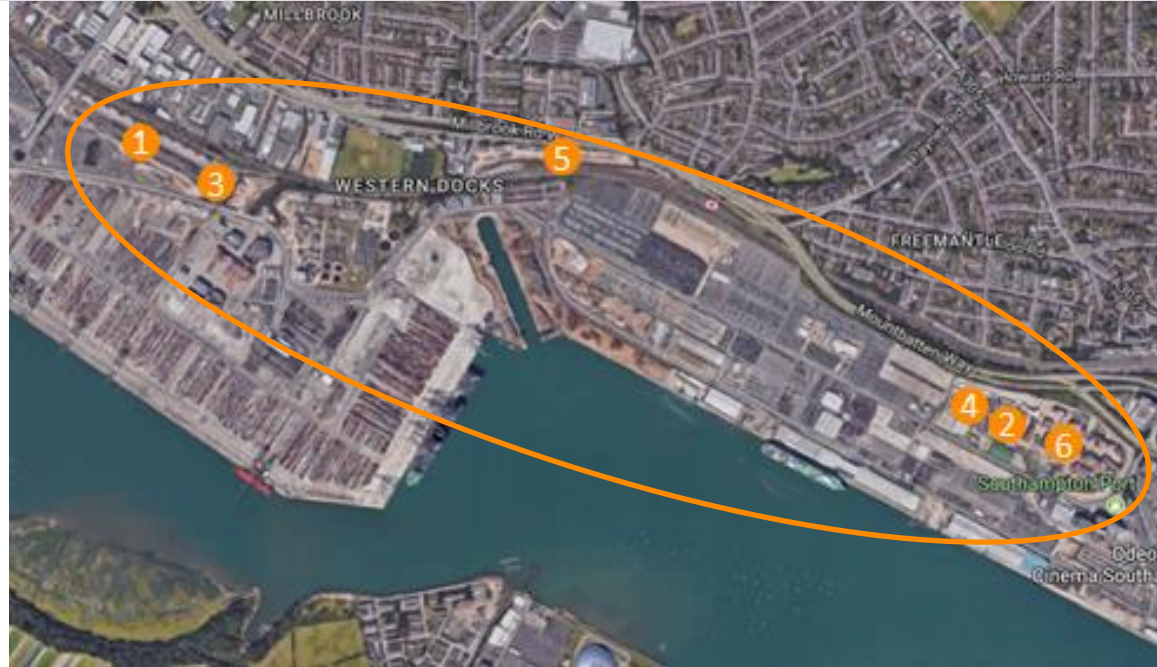
3. Capture increased demand for aggregates from major infrastructure projects

- HS2
- Heathrow 3rd Runway
- Hinckley Point
- Highway spend increase
- Thames Tideway



UK Priorities

4. Continued integration of Pentalver and Freightliner operations



Port of Southampton

UK Priorities

5. Increase terminal throughput

- Investment in new cranes and equipment
- Expand existing terminal footprint
- Optimize train size and wagon type – more volume on same # of trains



Freightliner Manchester Terminal

Priorities Outside UK

- 6. Potential asset-light role in the planned \$100+bn expansion of Saudi network and other Gulf area opportunities**
- 7. Selectively expand niche operations such as Rotterdam**



Saudi Railways



Port of Rotterdam Maasvlakte II expansion

Questions
?



Genesee & Wyoming Australia

Tom Savage, Senior Vice President, Corporate Development



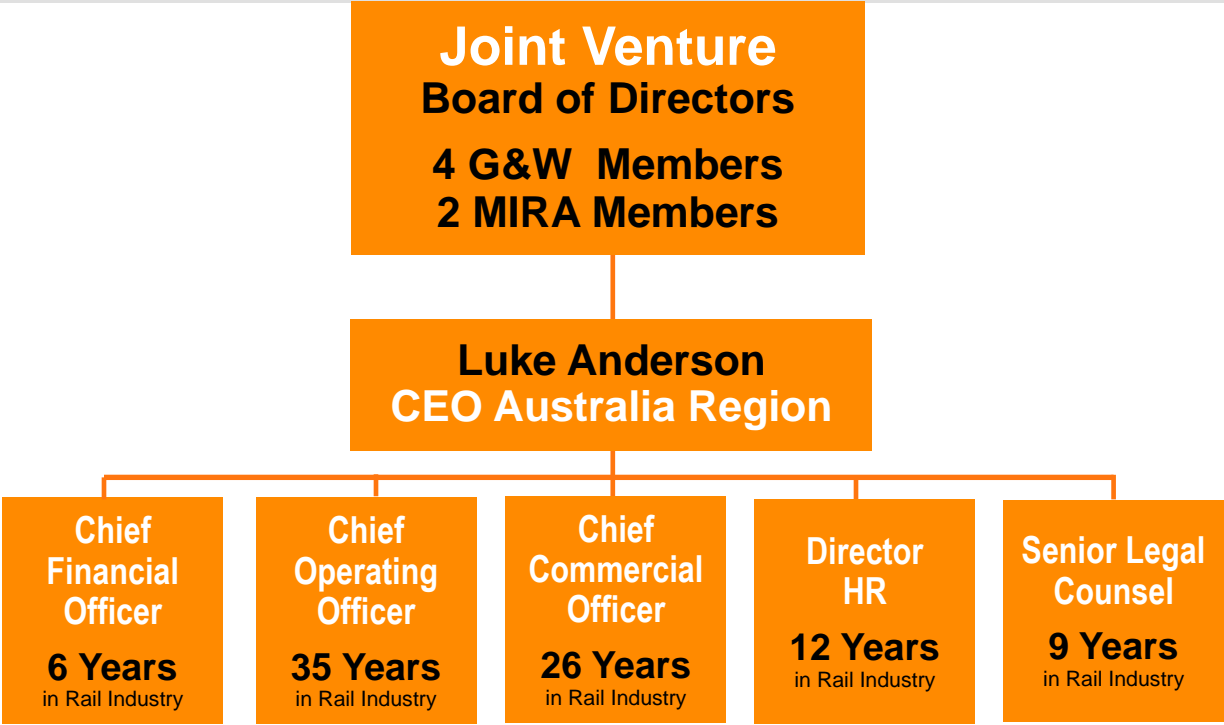
G&W Australia Overview

(51%-owned by G&W)

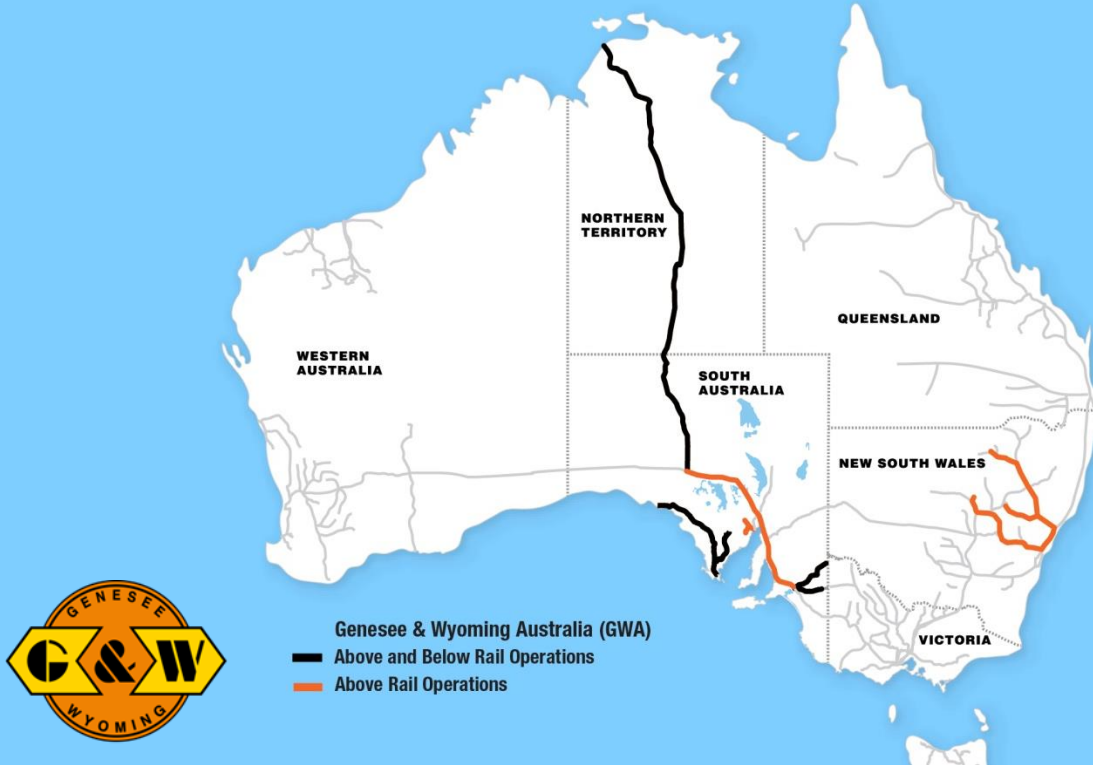
- **Markets:** New South Wales, Northern Territory and South Australia
- **People:** 627
- **Customers:** 270
- **Primary Commodities:** Coal, Intermodal, Metallic Ores, Agricultural Products
- **Equipment:** 123 locomotives
- **Annual Carloads:** ~570,000
- **Annual Revenues:** US\$307 million



Genesee & Wyoming Australia



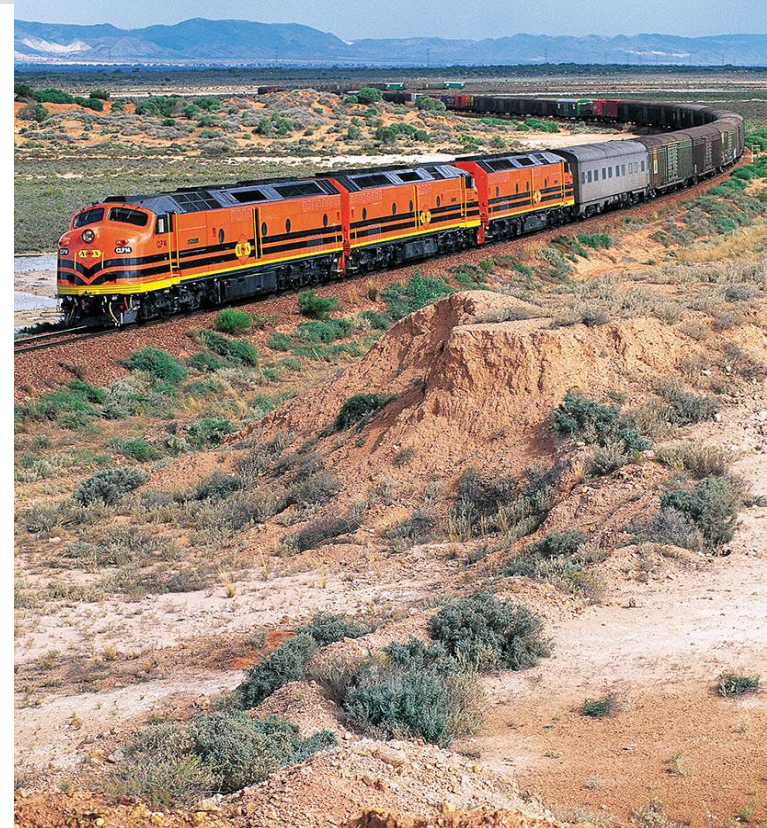
Above & Below Rail Operations: Genesee & Wyoming Australia



History of G&W in Australia

1997 - 2000

- Privatization of loss-making assets of Australian National in South Australia for A\$33 million
 - Interviewed and hired necessary workforce
 - Loss-making business was profitable on day 1
 - G&W was the first foreign investor in Australian rail sector



History of G&W in Australia

2000 – 2006

- Acquired ARG in 2000 for \$334 million via 50-50 joint venture with Wesfarmers
 - G&W contributed South Australia operations to JV plus cash investment of \$21 million
- Sold to Babcock & Brown and Queensland Rail in 2006 after unsolicited offer
 - G&W realized ~\$215 million of after-tax proceeds on initial investment



History of G&W in Australia

2006 – 2015

- Re-establishment of GWA in South Australia following ARG sale
- Purchase of Tarcoola-Darwin Railway for A\$332m in 2010
 - Business acquired out of bankruptcy
 - Significant expansion boosted by operating efficiency, capital deployment and commodity super cycle through 2014
 - Commodity price collapse in 2014-2015 led to closure of some mines



History of G&W in Australia 2015

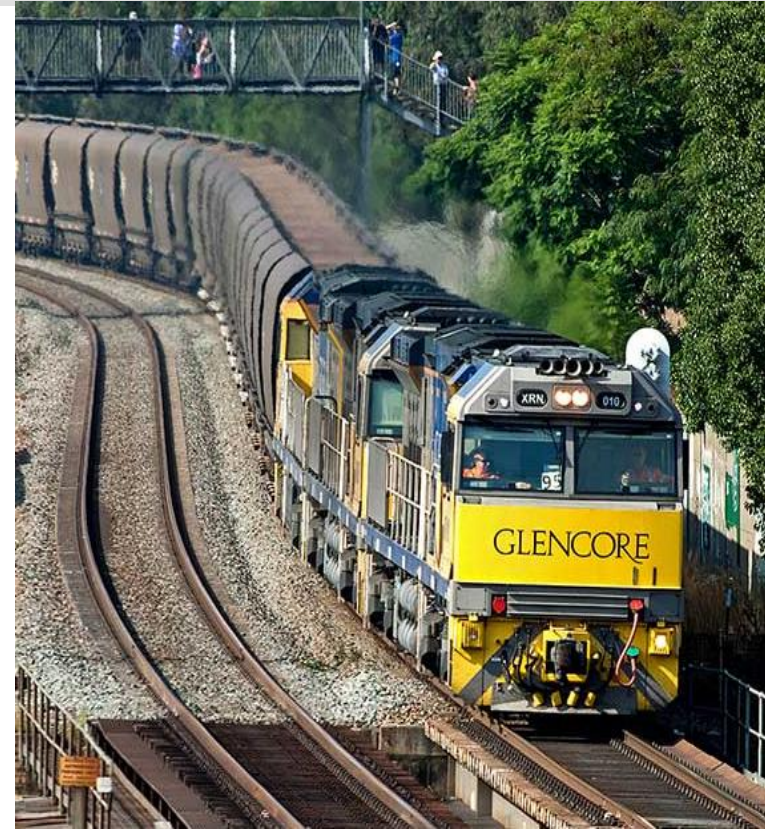
- Added Freightliner Australia as part of acquisition of Freightliner Group



History of G&W in Australia

2016 – Present

- Acquired Glencore Rail for A\$1.14bn with long-term, take-or-pay contract; concurrently sold 48.9% of GWA to Macquarie Infrastructure and Real Assets
- Recovery of commodity prices led to mines reopening and new business opportunities



Revenue Growth of GWA

- QR (now Aurizon) and Babcock & Brown purchase majority of G&W's 50% owned Australian JV assets

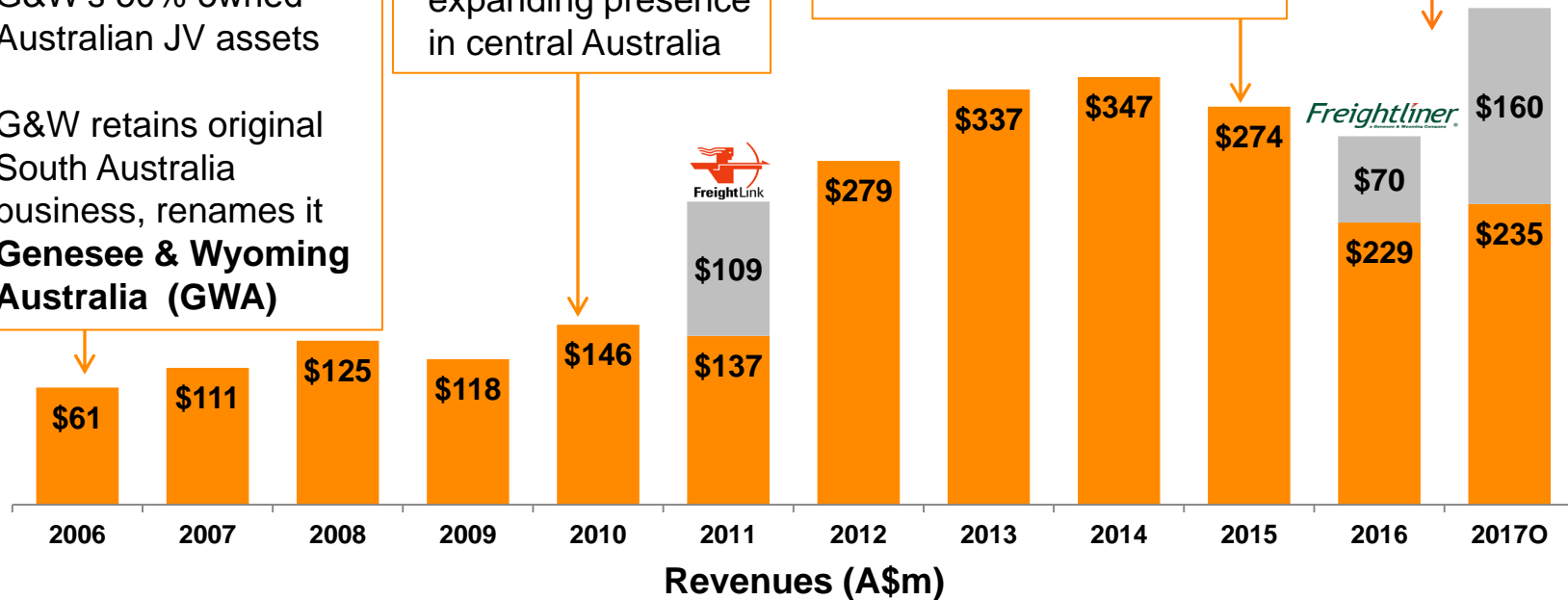
- G&W retains original South Australia business, renames it **Genesee & Wyoming Australia (GWA)**

- GWA purchases FreightLink in Dec 2010 expanding presence in central Australia

- Acquisition of Freightliner Australia in Mar 2015 expanding presence into NSW

- Contraction in commodity prices causes multiple mine closures

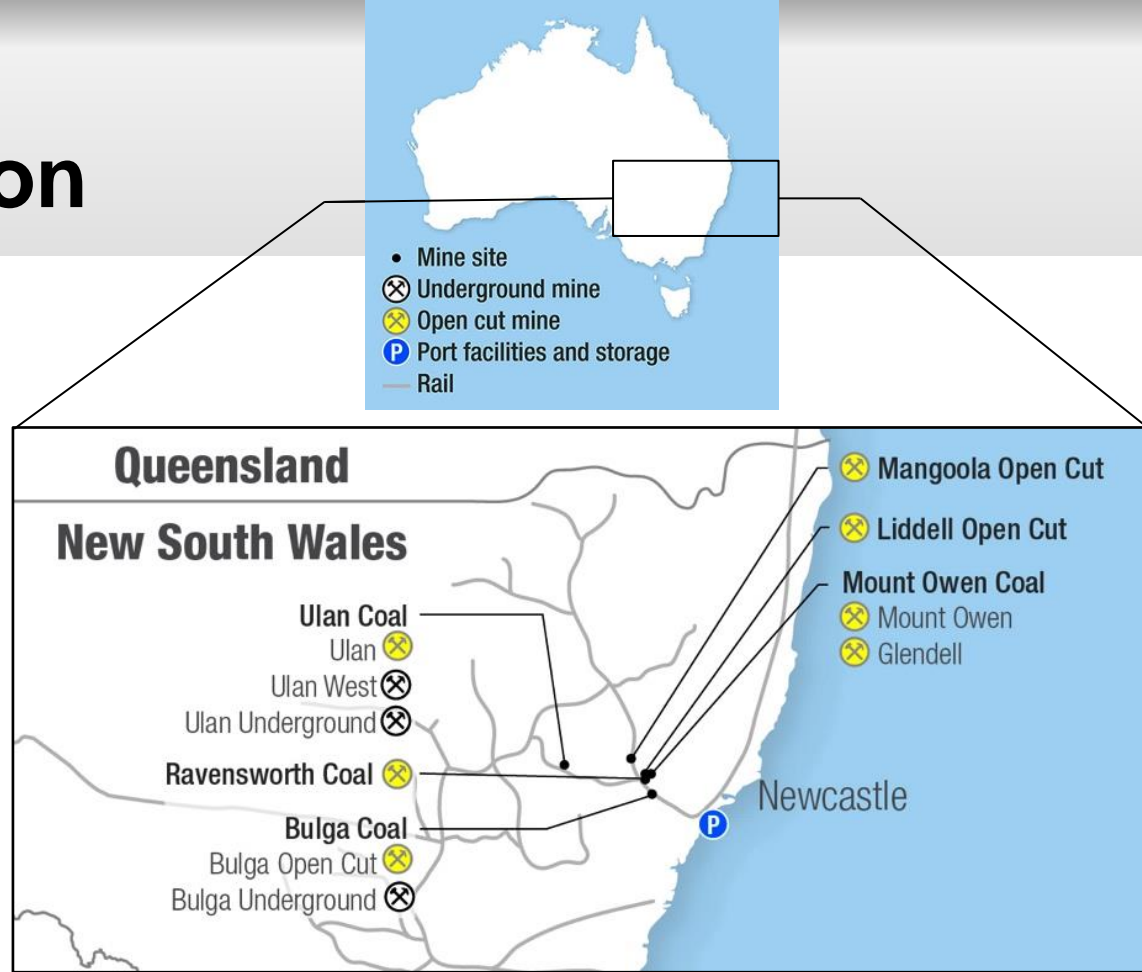
- Acquisition of GRail and 49% equity sale to MIRA in Dec 2016



GRail Acquisition

Strong market position in NSW Hunter Valley; platform for expansion...

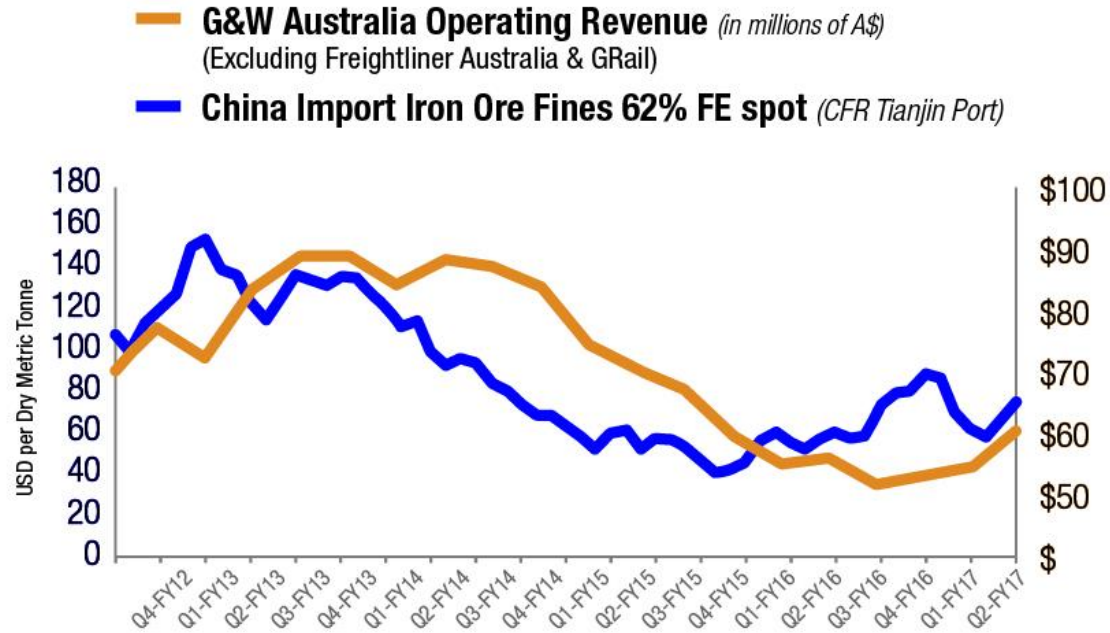
- **Scale**
- **Mine-Site Diversity**
- **Strong Customer**



Note 2.

Global Commodity Crisis

- Commodity price collapse
- 2014-15
 - 4 mines shut down
 - Arrium bankruptcy
 - Management response: 3 rounds of cost cutting
- 2016-17
 - 2 mines reopened
 - Other new projects announced



Australia Commodity Mix

Commodity	Freight Revenue	Comments
Coal & Coke	46%	Hunter Valley
Intermodal	27%	NT & SA, Domestic Freight
Metallic Ores	15%	Manganese, Copper Ore and Iron Ore
Agricultural Products	9%	Primarily Export
Minerals & Stone	3%	Gypsum
Total	100%	

Customers

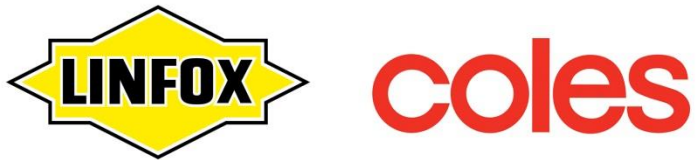
Coal

GLENCORE



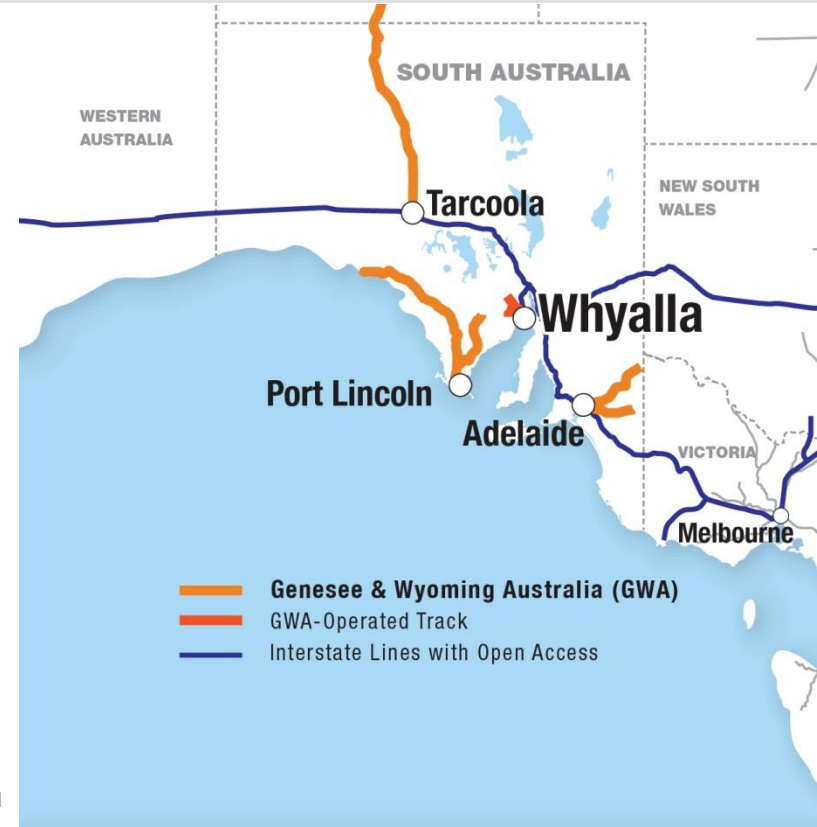
Customers

Intermodal



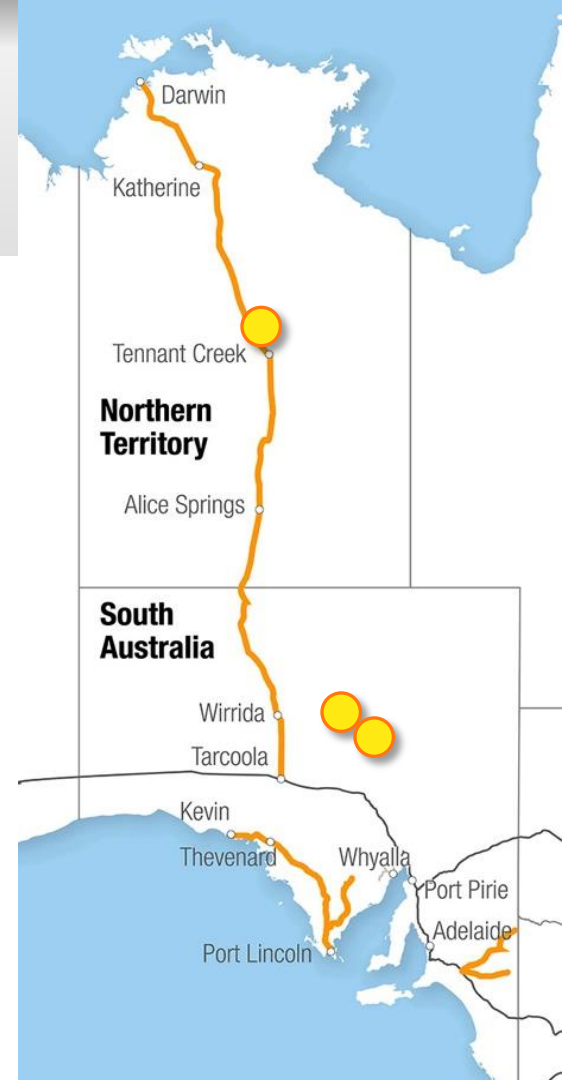
Customers

Metallic Ores



Customers

Metallic Ores

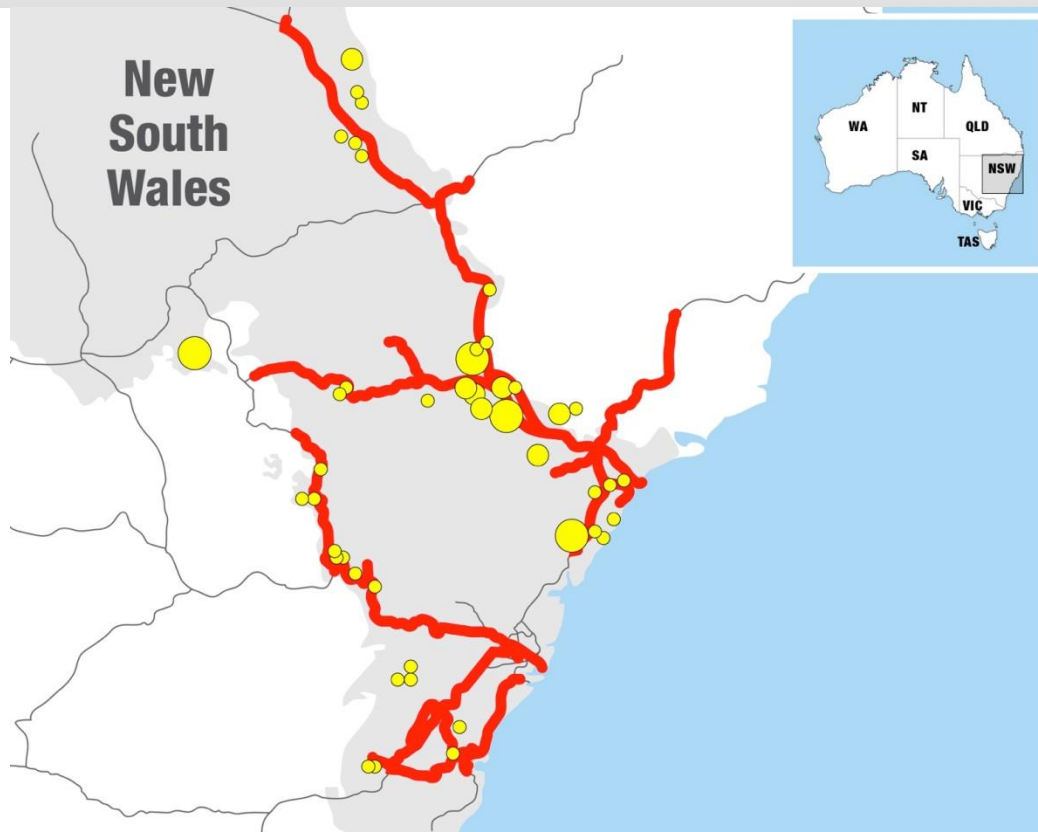


Illustrative Growth Opportunities

Future Growth Opportunities New South Wales

Hunter Valley Coal Market

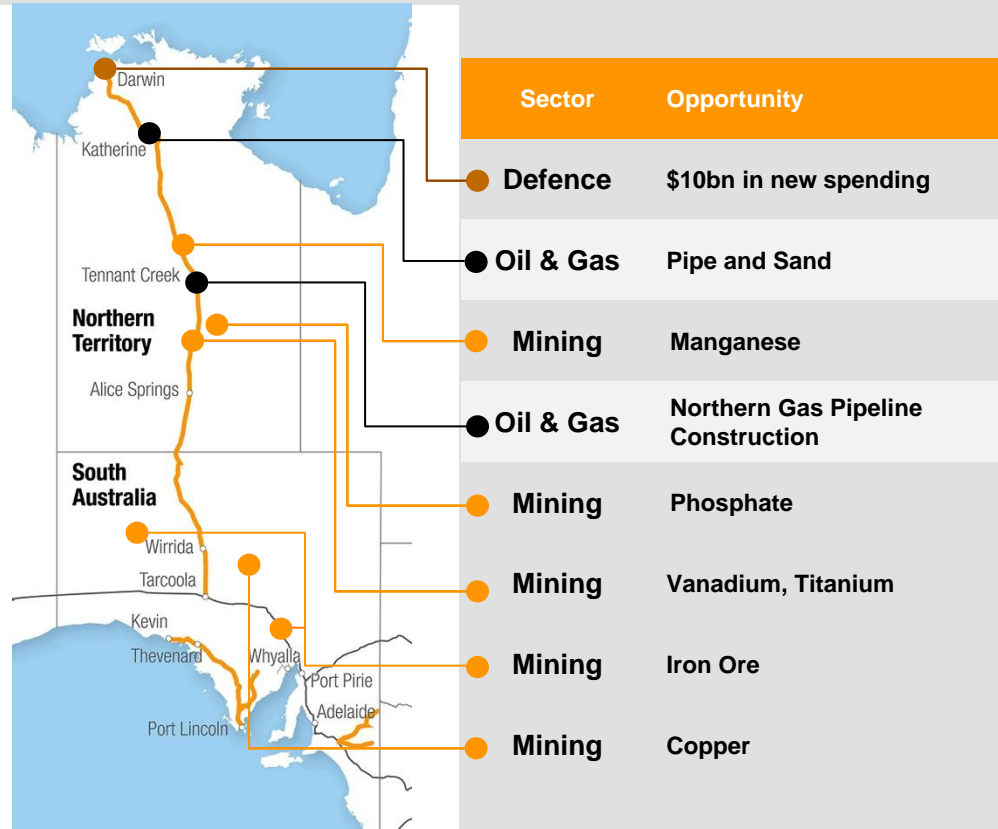
- Annual production ~170MT export thermal coal, mostly Asian buyers
- Contracted 30% increase in Glencore volumes as its other rail haulage agreement expires in 2020
- Actively pursuing spot haulage opportunities with excess capacity
- Strong growth pipeline with >50 million tons/year in opportunities to serve existing and new mines over next 5 years



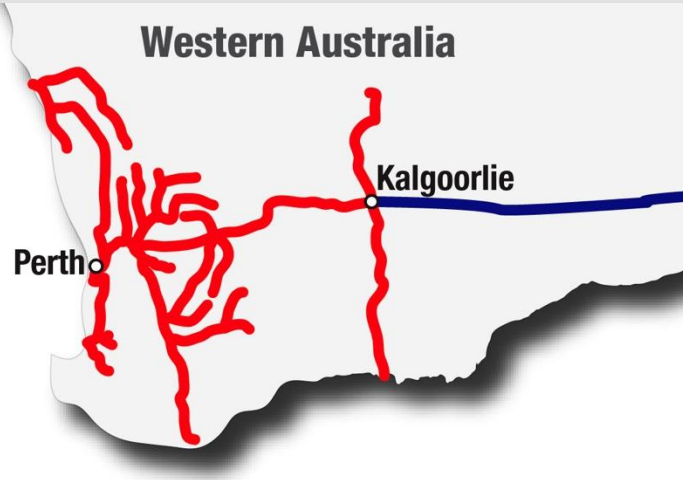
Future Growth Opportunities

South Australia / Northern Territory

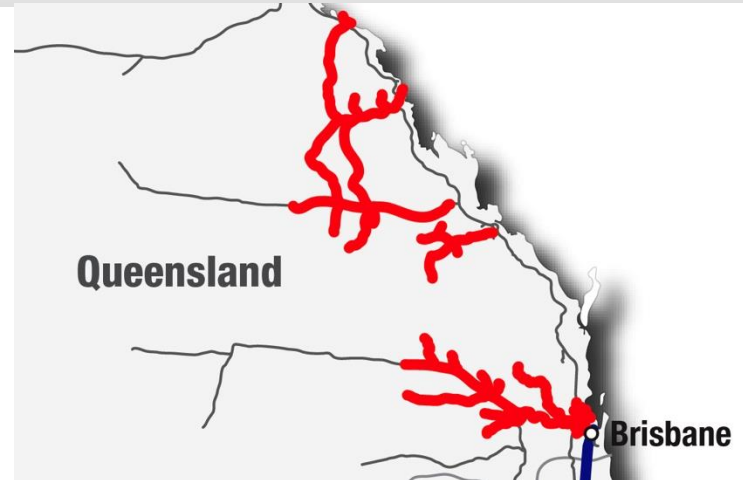
- Early stage recovery in global commodity prices during 2017
- Multiple growth opportunities for GWA in bulk rail haulage operations, particularly along SA/NT corridor (see map)
- Diversity of commodity mix



Open Access Market Opportunities



- Agricultural Products
- Metallic Ores

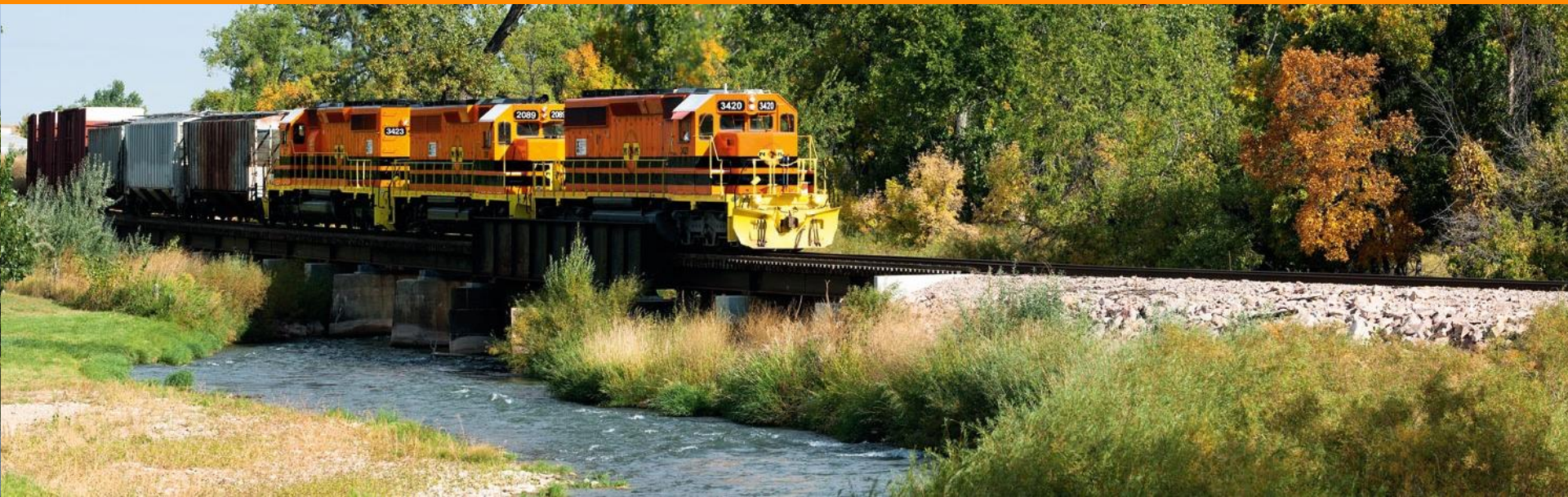


- Met Coal
- Agricultural Products
- Inland Intermodal

Questions
?



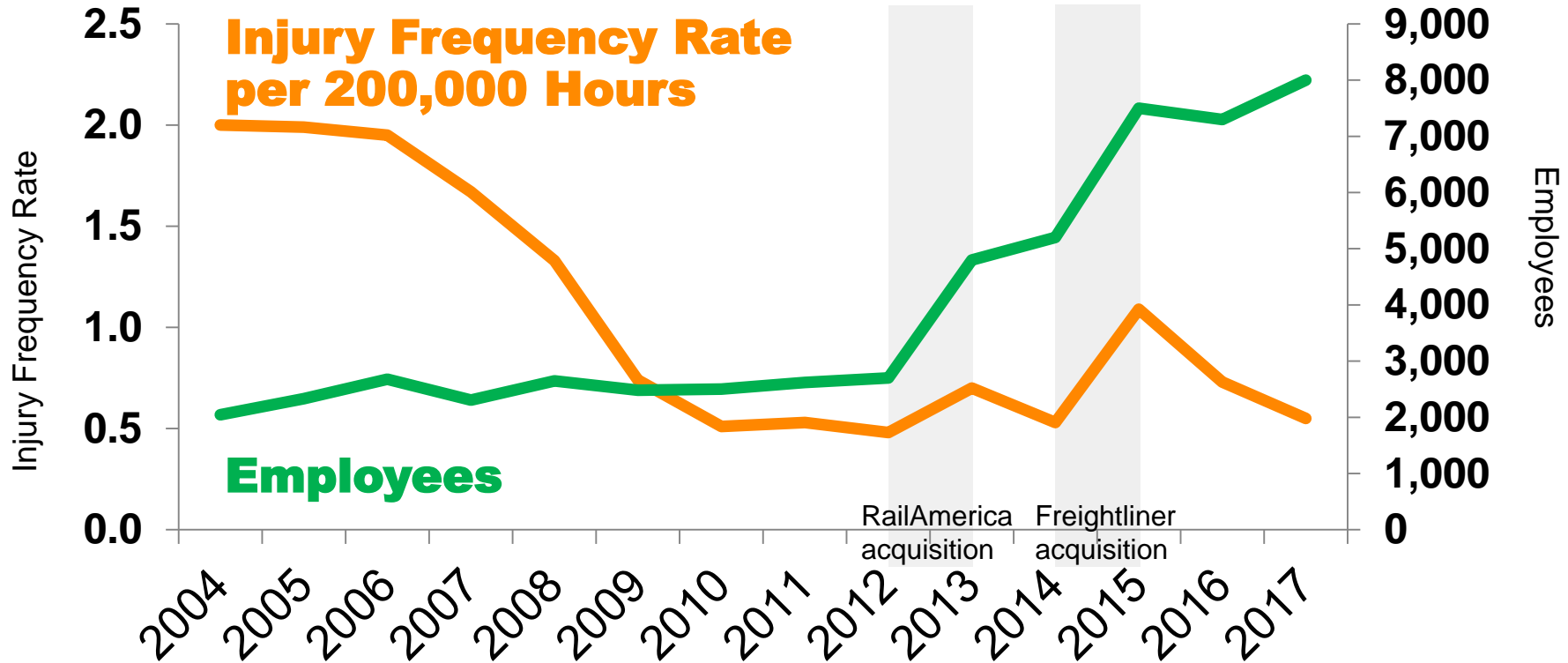
North America Operations



Decentralized Operating Philosophy

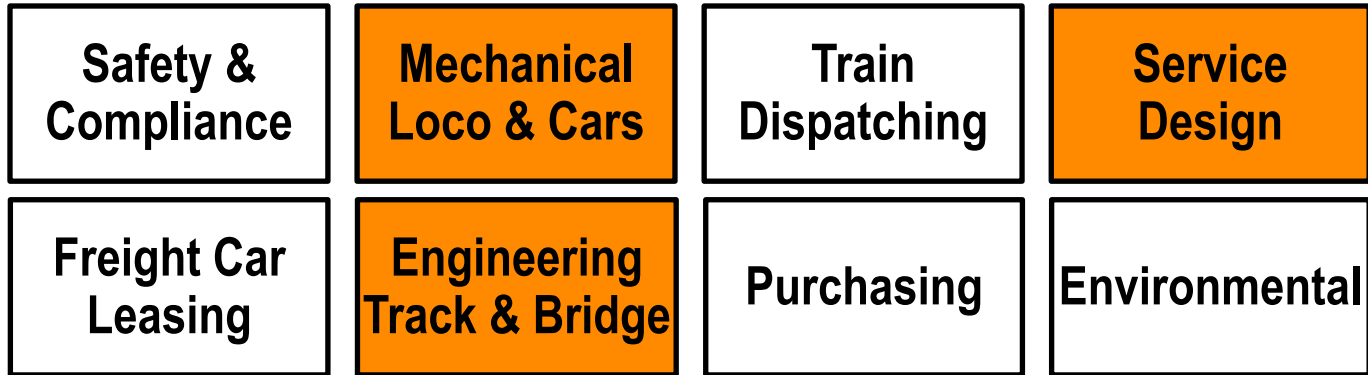
- Operating decisions best made at the railroad level
- Best practices, expertise and efficiencies provided by centralized corporate staff
- Local focus is key to G&W's strong safety and customer-satisfaction results

Leadership in Safety



Operating Support for Regions

David Brown, Chief Operating Officer



NINE OPERATING REGIONS

Support, Standardized Processes and Best Practices



Managing G&W's Global Locomotive Fleet

Rich Regan, Chief Mechanical Officer

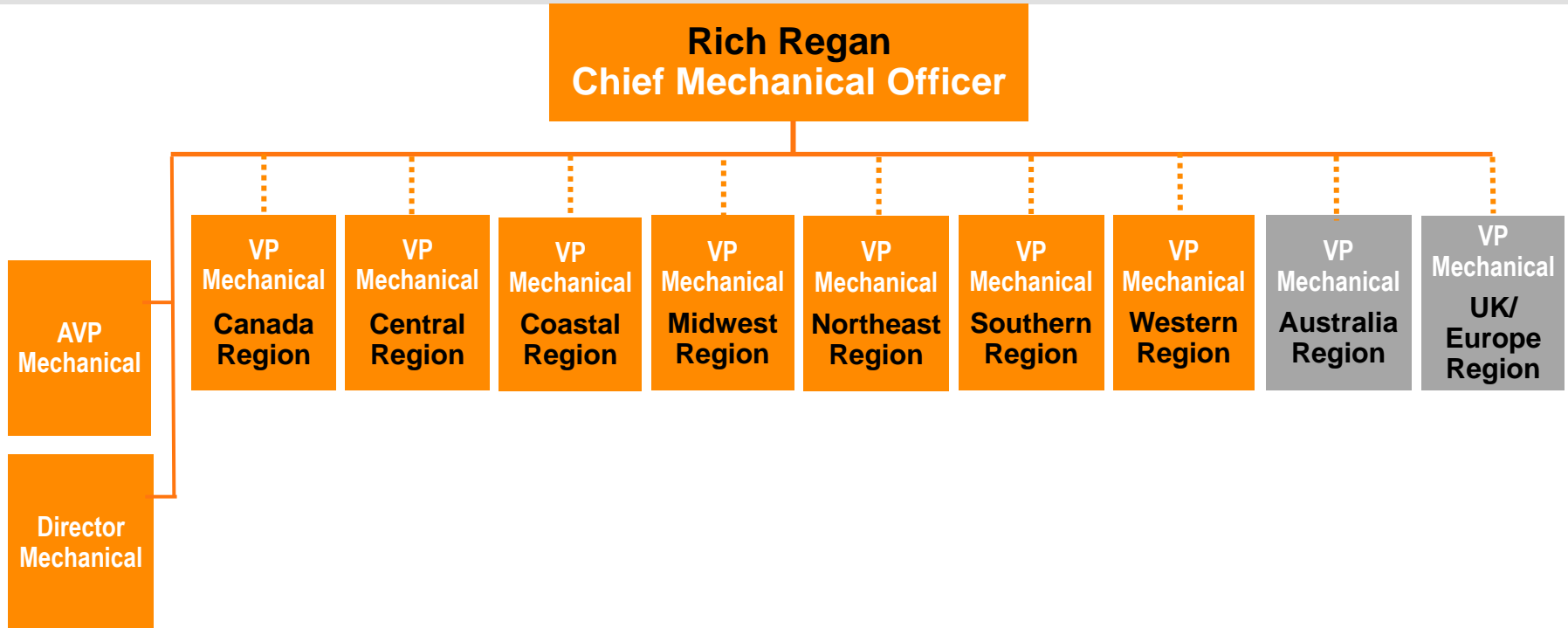


Topics

- Locomotive Fleet Management
- North American Fleet
- Integrating Acquisitions

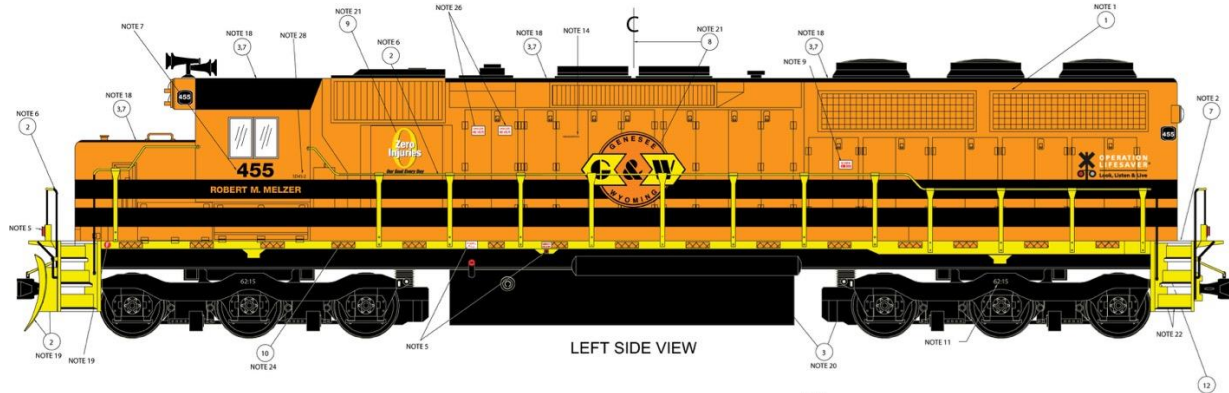
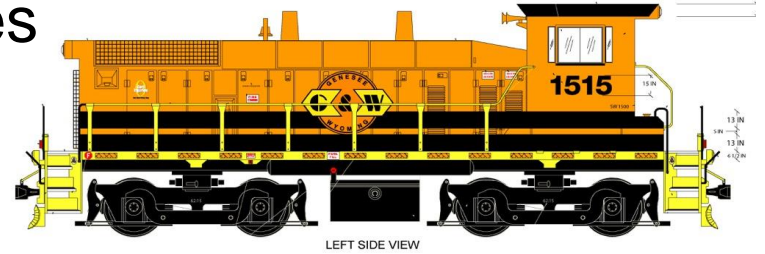


Structure of Locomotive Fleet Management



Quick Facts

- Fleet includes 1,344 locomotives
- Mix
 - 92% EMD
 - 6% GE
 - 2% Other
- 85% Owned and 15% Leased
- 818 4-axle
526 6-axle



The Southwest Airlines Analogy

- 92% of the North American fleet are EMD locomotives
 - 70% have interchangeable components
 - SD40, GP40, GP38, GP15 and SW1500
 - Of the remaining 30%, 2/3 have interchangeable components
 - GP7, GP9, GP10
 - 5% GE
 - C40, B40, B39
 - 3% GenSets

Capital Efficiency

Typical Class I Locomotive

- Buy New/Rebuild
- \$1 - \$3 million
- 60 MPH operations
- ~575MM GTMs/year

Typical G&W Locomotive

- Buy Used/Rebuild (~20 years old)
- \$250k - \$500k
- 10 MPH - 40 MPH operations
- 17MM GTMs/year



Before



After

**SD40-2
Acquired in 2014**



Integrating Acquisitions and Evolving the Fleet

Case Study: Providence and Worcester

Initial Fleet

>10 months

Restructured Fleet

- 32 Locomotives
- 6 Models
 - 6 EMD GP38
 - 12 GE B39
 - 7 GE B40
 - 3 EMD SD60
 - 2 EMD SD40
 - 2 EMD SD70

- 22 Locomotives
- 3 Models
 - 6 EMD GP38
 - 7 GE B39
 - 9 GE B40

EMD GP38	GE B39	GE B39	GE B40	EMD SD40
EMD GP38	GE B39	GE B39	GE B40	EMD SD40
EMD GP38	GE B39	GE B39	GE B40	EMD SD70
EMD GP38	GE B39	GE B39	GE B40	EMD SD70
EMD GP38	GE B39	GE B40	EMD SD60	
EMD GP38	GE B39	GE B40	EMD SD60	
GE B39	GE B39	GE B40	EMD SD60	

EMD GP38	GE B39	GE B40	GE B40
EMD GP38	GE B39	GE B40	GE B40
EMD GP38	GE B39	GE B40	
EMD GP38	GE B39	GE B40	
EMD GP38	GE B39	GE B40	
EMD GP38	GE B39	GE B40	
EMD GP38	GE B39	GE B40	
	GE B39	GE B40	

North America



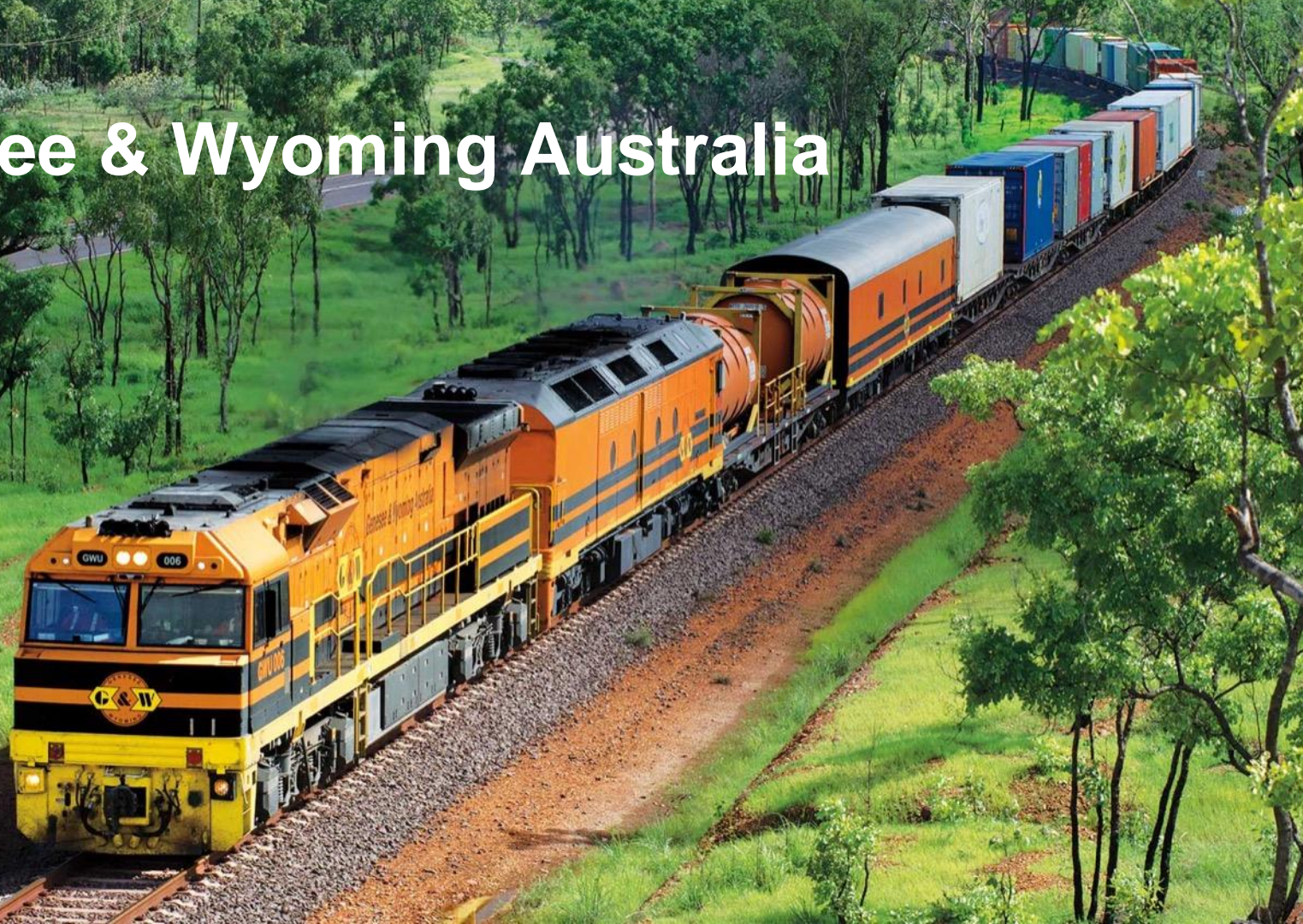
SD40



GP40



Genesee & Wyoming Australia



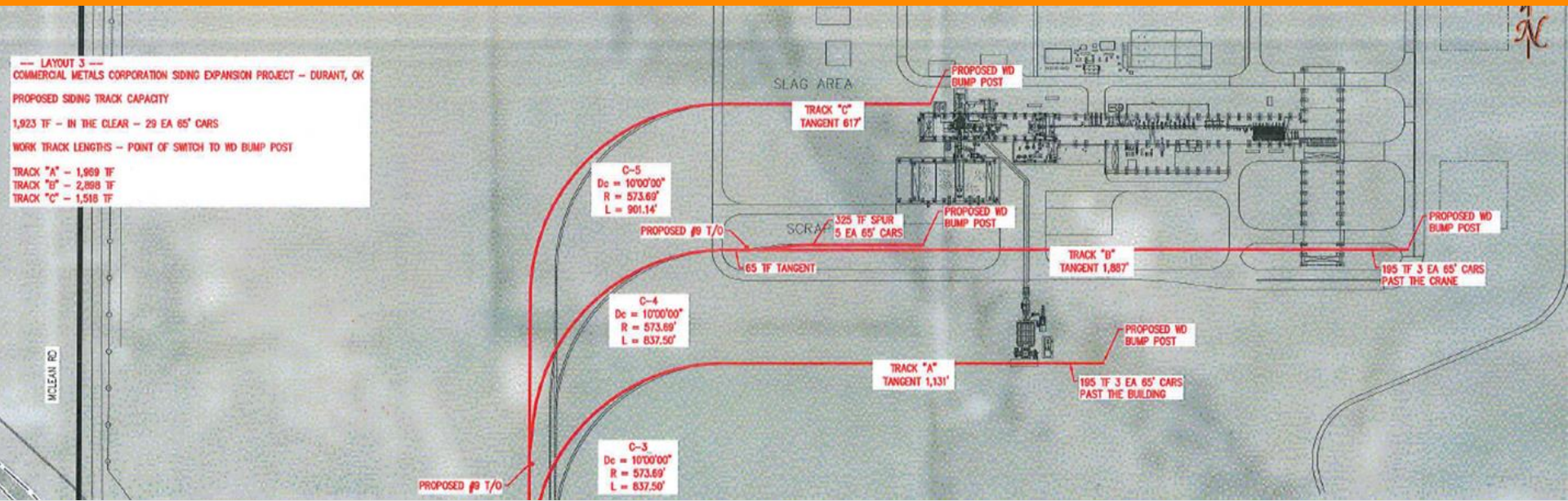
UK/Europe





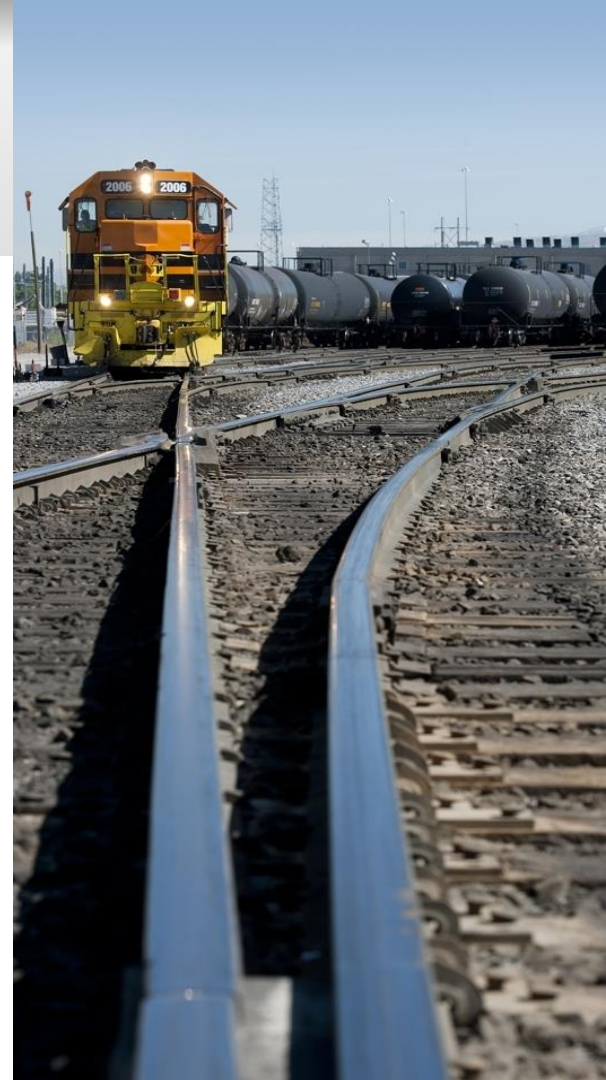
Service Design

Greg Walling, Vice President, Service Design & Operations Productivity



What is Service Design?

- Optimizing Rail Transportation Service and Efficiency
- Examples
 1. Service plan creation and optimization
 2. New service for connecting Class I / new customer on existing line
 3. Service plan for contract management



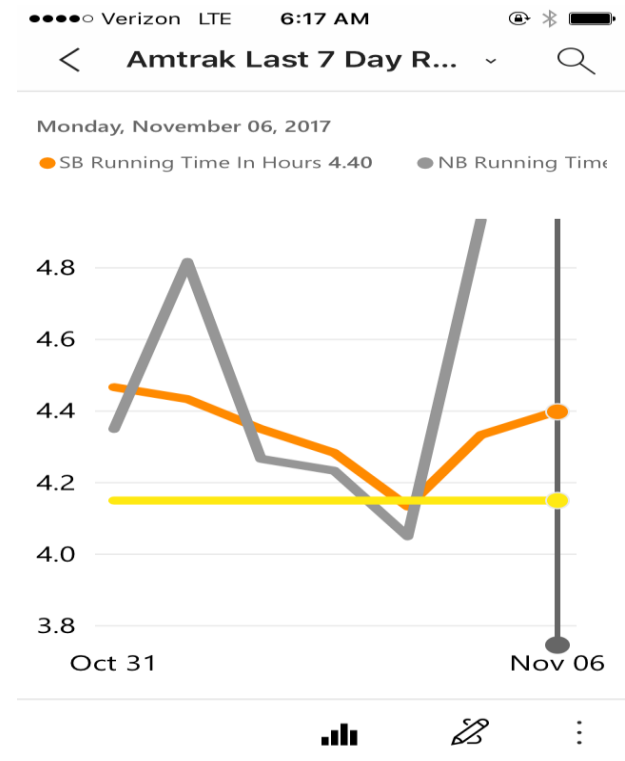
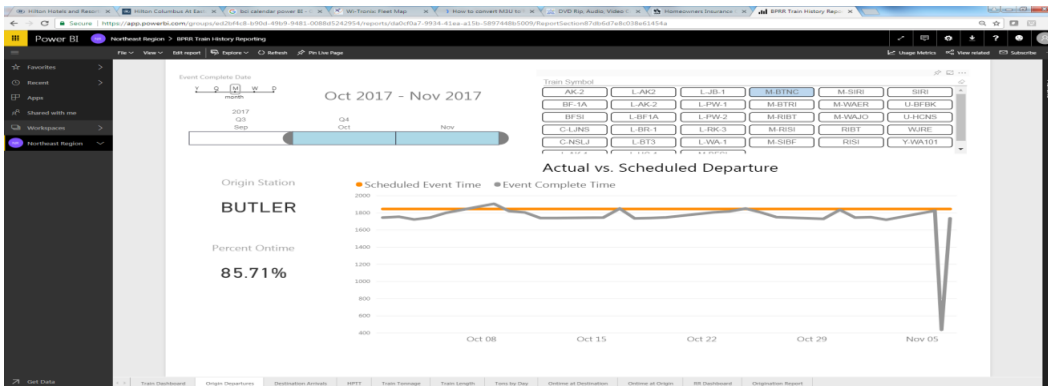
What is Service Design?

Service Plan Creation and Optimization

RSRBDFR CCH Car Schedule Details QPADEV0054

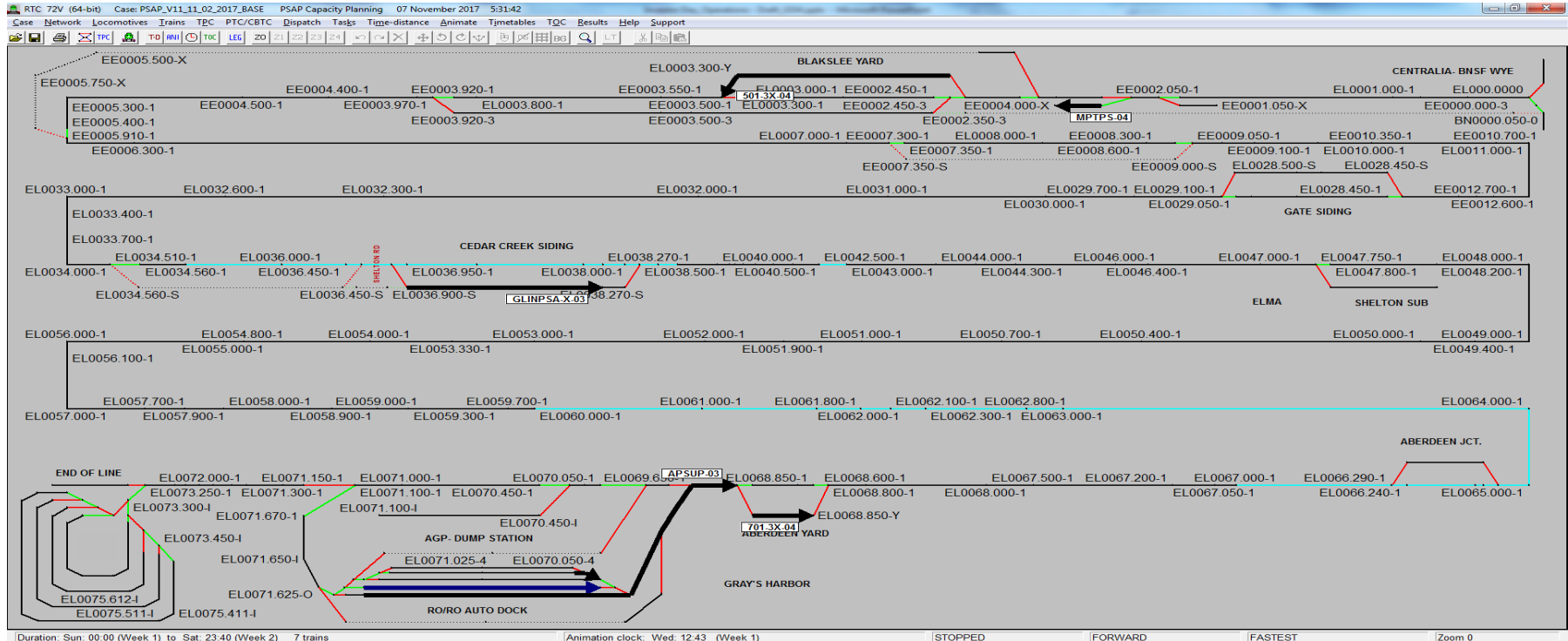
Car . . .	BKTY 152027	Date/Time	11/06/17	5:56	Status	Current
Block To:	NS-MACON CLM	Waybill Nbr	324568	Schedule Nbr	2	
For . . .	Pull from Patron	Hold Exist?				

? Event	Date	Time	Status	Station	Train	Switch To	Road
— ICHD	11/07/17	4:15	Pend	COLU	MAHRTTRN06	NS-MACON CLM	NS
— ARIL	11/07/17	4:00	Pend	COLU	MAHRTTRN06	NS-MACON CLM	
— DFCL	11/07/17	1:30	Pend	MAHR	MAHRTTRN06	NS-MACON CLM	
— PICK	11/07/17	1:00	Pend	MAHR	MAHRTTRN06	NS-MACON CLM	
— PFPS	11/06/17	5:57	Cmpl	MAHR	NS-MACON CLM	NS-MACON CLM	
— RLS	11/06/17	2:41	Cmpl	MAHR	NS	CLM	



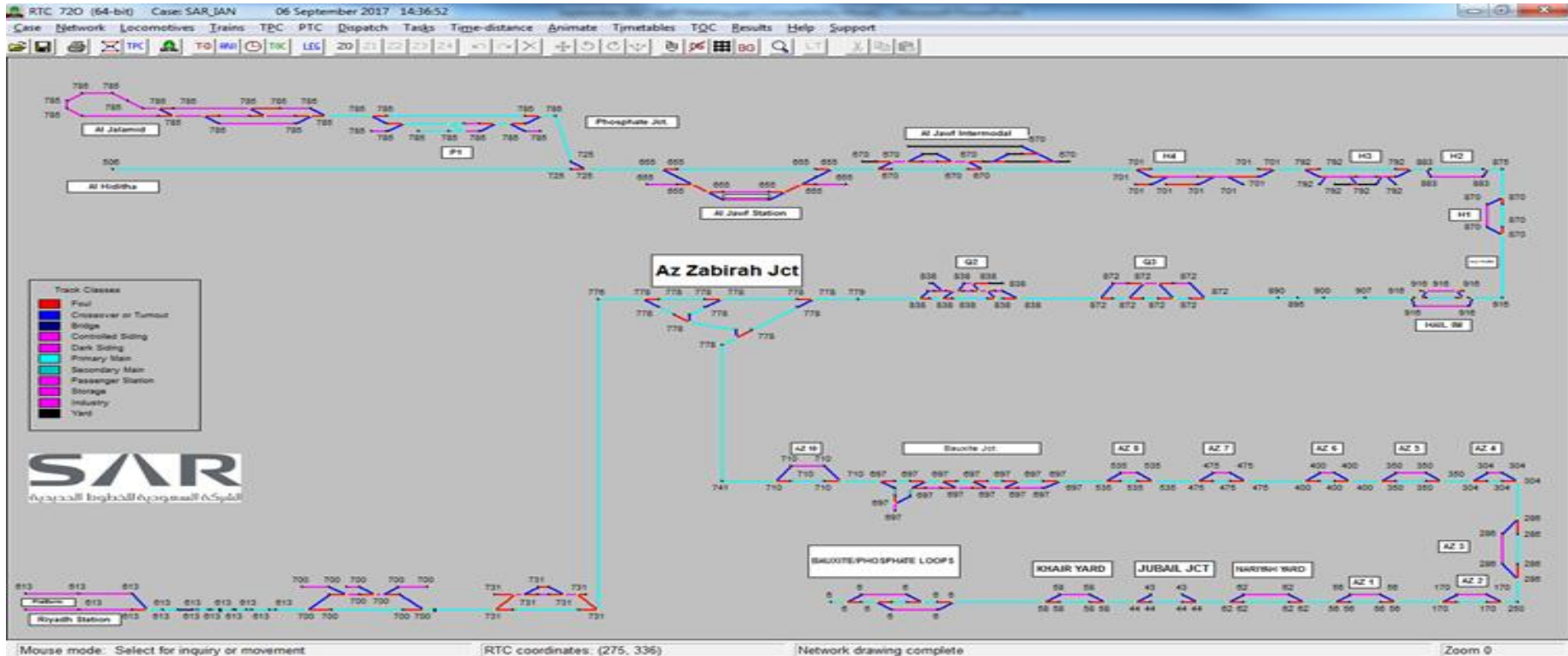
What is Service Design?

New service / new customer



What is Service Design?

Contract management





Engineering

Ray Goss, Senior Vice President

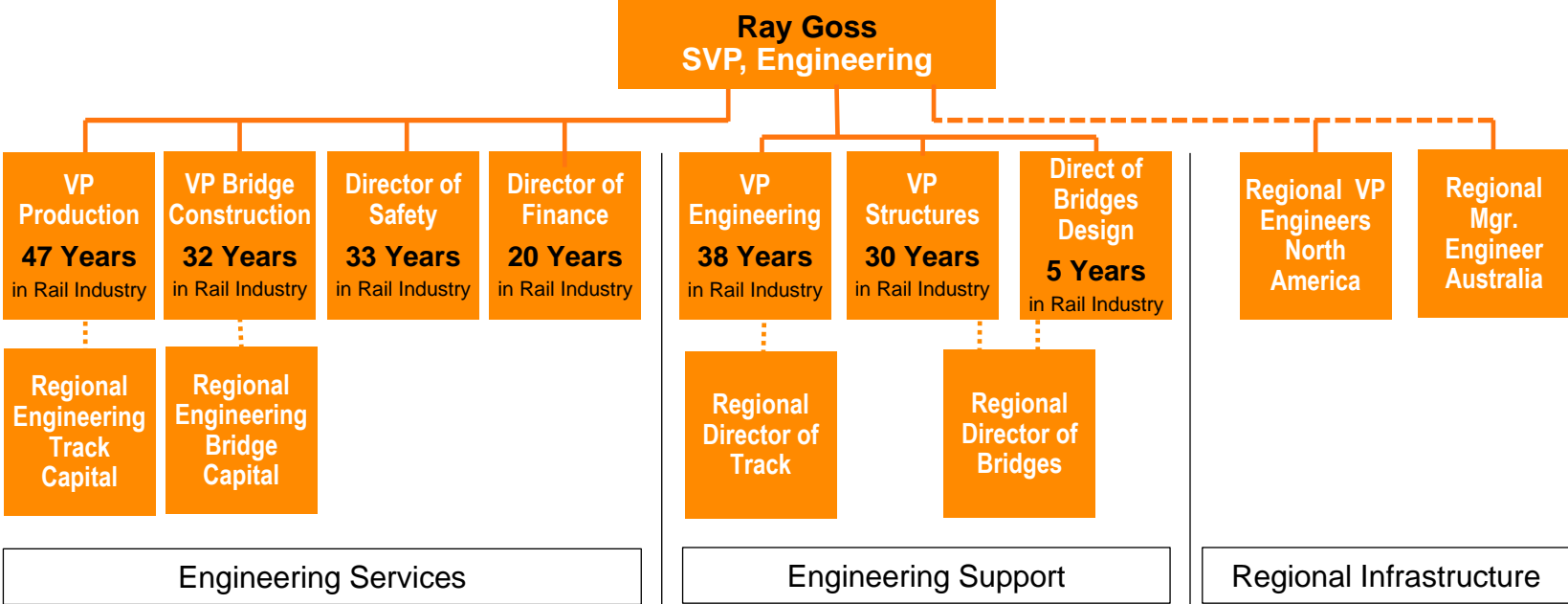


Two Roles of Engineering

1. Best Practices Across Regional Track Departments
2. Oversight & Execution of 60% of G&W's U.S. Capital Projects (Through Engineering Services Group)

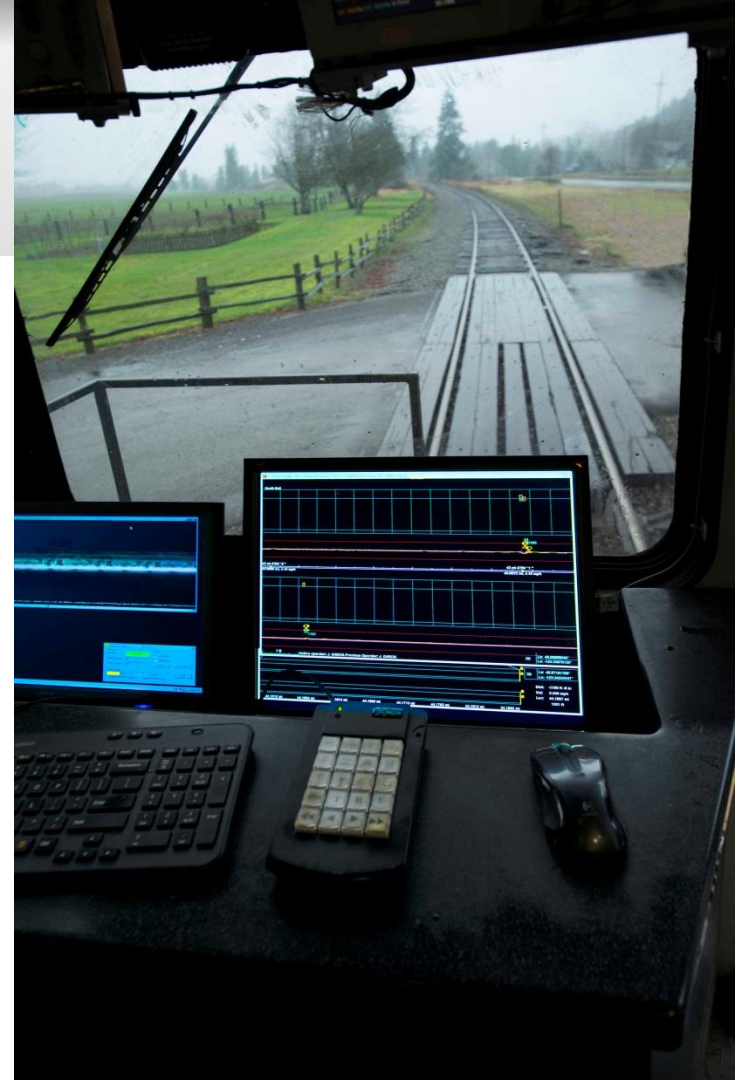


Operating Support for Regions



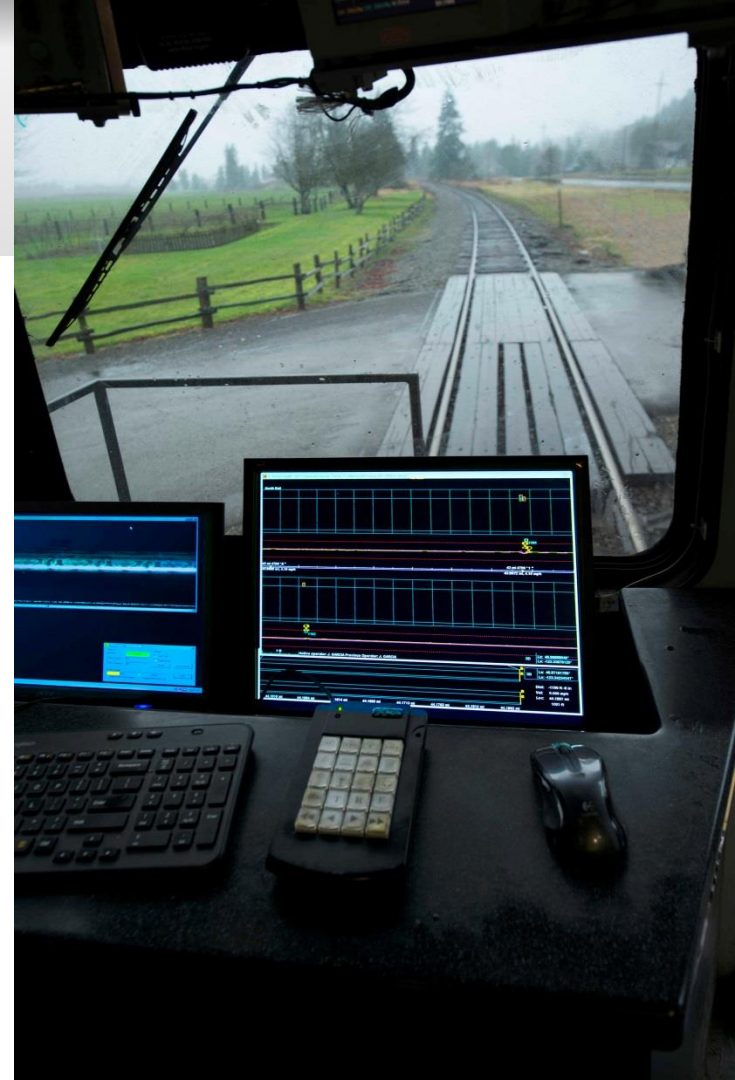
Best Practices: Insourcing Key Inspections

- Bridge Inspection
 - 9,200 Structures
(which include 41,000 spans)
 - ~\$1 million Annual Savings via Insourcing
- Track Geometry Testing
 - 17,000 Track Miles Tested Annually
 - ~\$1 million Annual Savings via Insourcing
- Oversight of Ultrasonic Rail Testing Results



Best Practices: Deployment of Technology

- Digital Track Notebook (current)
- Use of Drones (future)



UAV Technology – Future Plans

- Bridge Inspections
- Washout/Post-Storm Inspections
- Track Inspection
- Derailment Investigation



DJI Matrice 210 Platform

Railroad Engineering Services

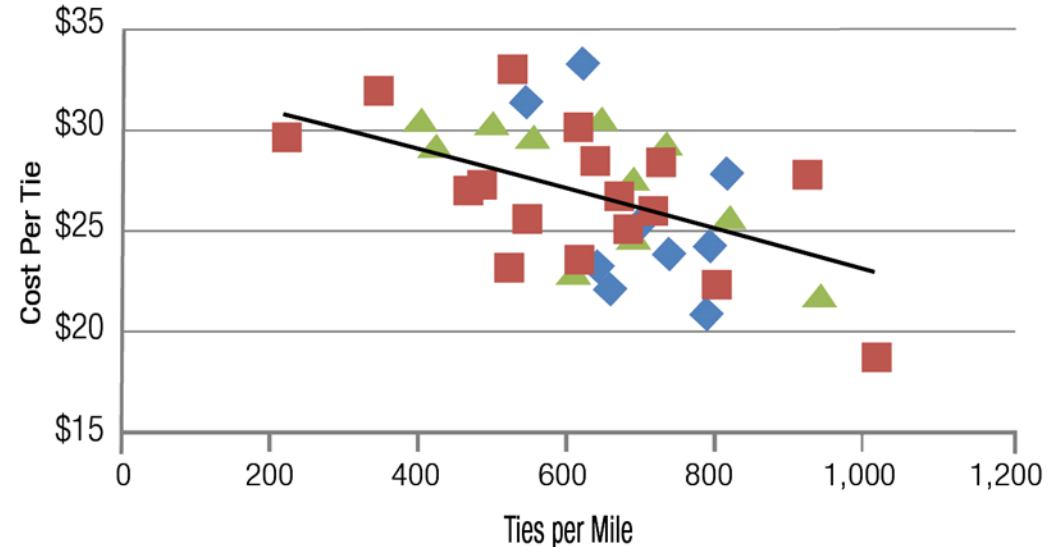
- **Background** (prior to 2015)
 - Track Capital Work 100% Outsourced
- **Current State**
 - 60% of Track Capital Work Insourced
 - 125 employees
 - Install approximately 500,000 ties per year
 - 1,400 miles of surfacing
 - Doubled Productivity
 - From 500 ties/day to 1,000+ ties/day



Impact of Insourcing Major Track Capital Projects

- Reduced Core U.S. Capital by \$10-\$15 million per year, or 10%-15%
- Targeting additional productivity savings going forward
- Sustainable, long-term increase in U.S. free cash flow

Tie Installation Unit Cost vs. Density
2015-2017 YTD Q3
Large Tie Teams



Questions
?

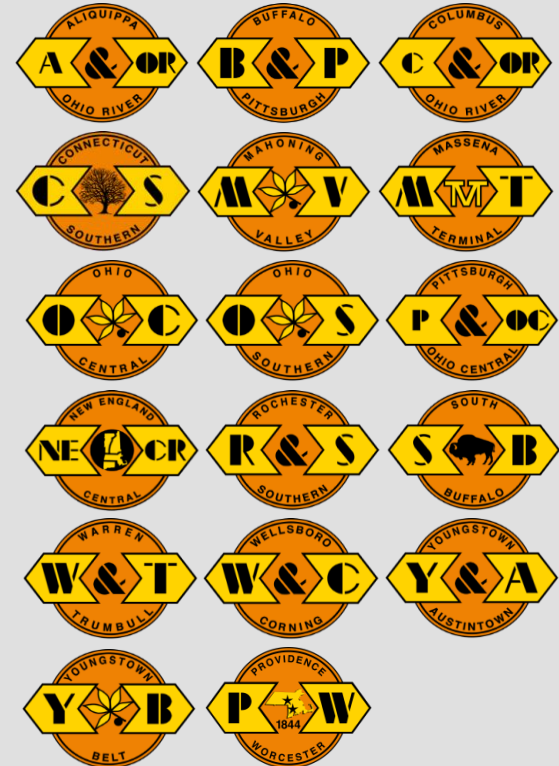


Northeast Region

Dave Ebbrecht, Senior Vice President



Northeast Region Railroads

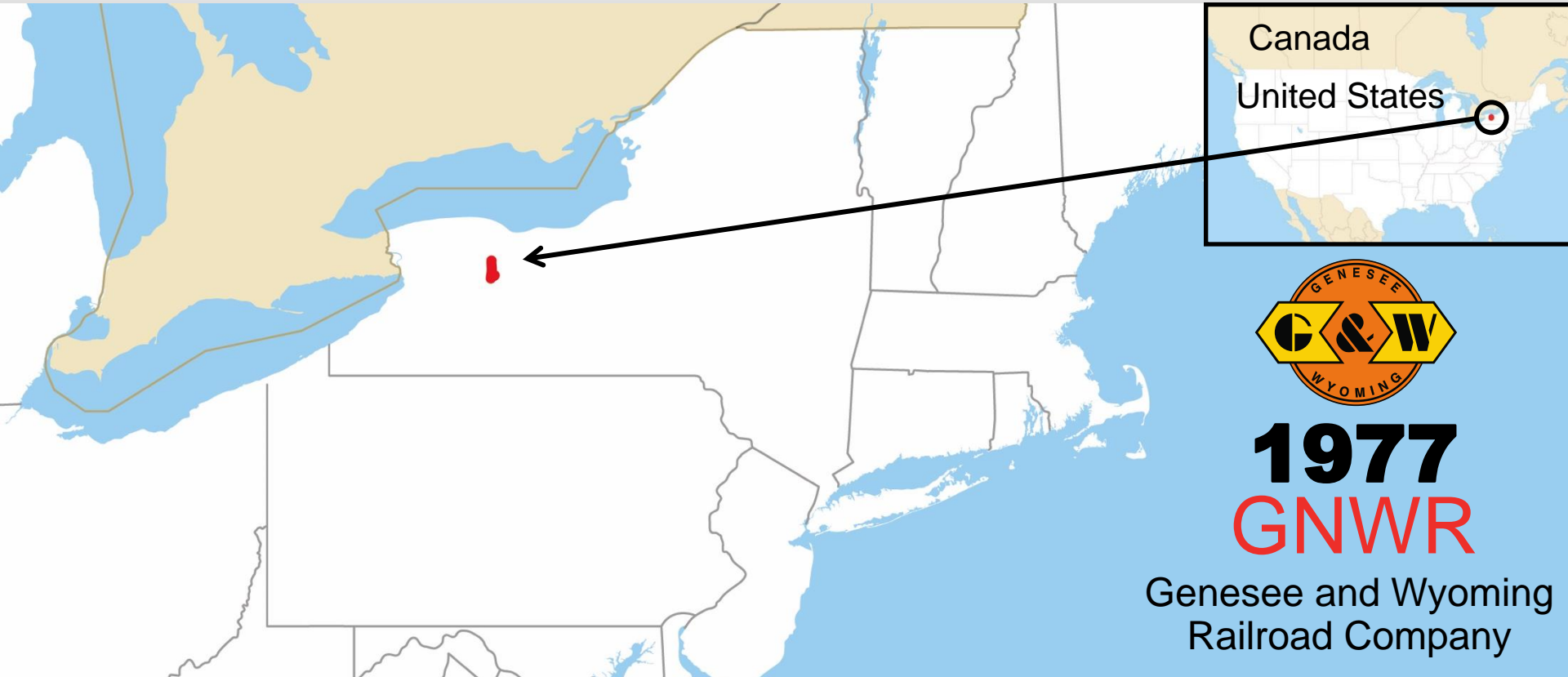


Northeast Region Overview

- **Railroads:** 17 with 3,250 track miles in 8 states
- **People:** 623
- **Customers:** 450
- **Primary Commodities:** Steel, Chemicals/ Petroleum Products, Coal, Waste, Minerals & Stone
- **Equipment:** 194 locomotives
- **Annual Carloads:** ~300,000
- **Annual Revenues:** \$220 million



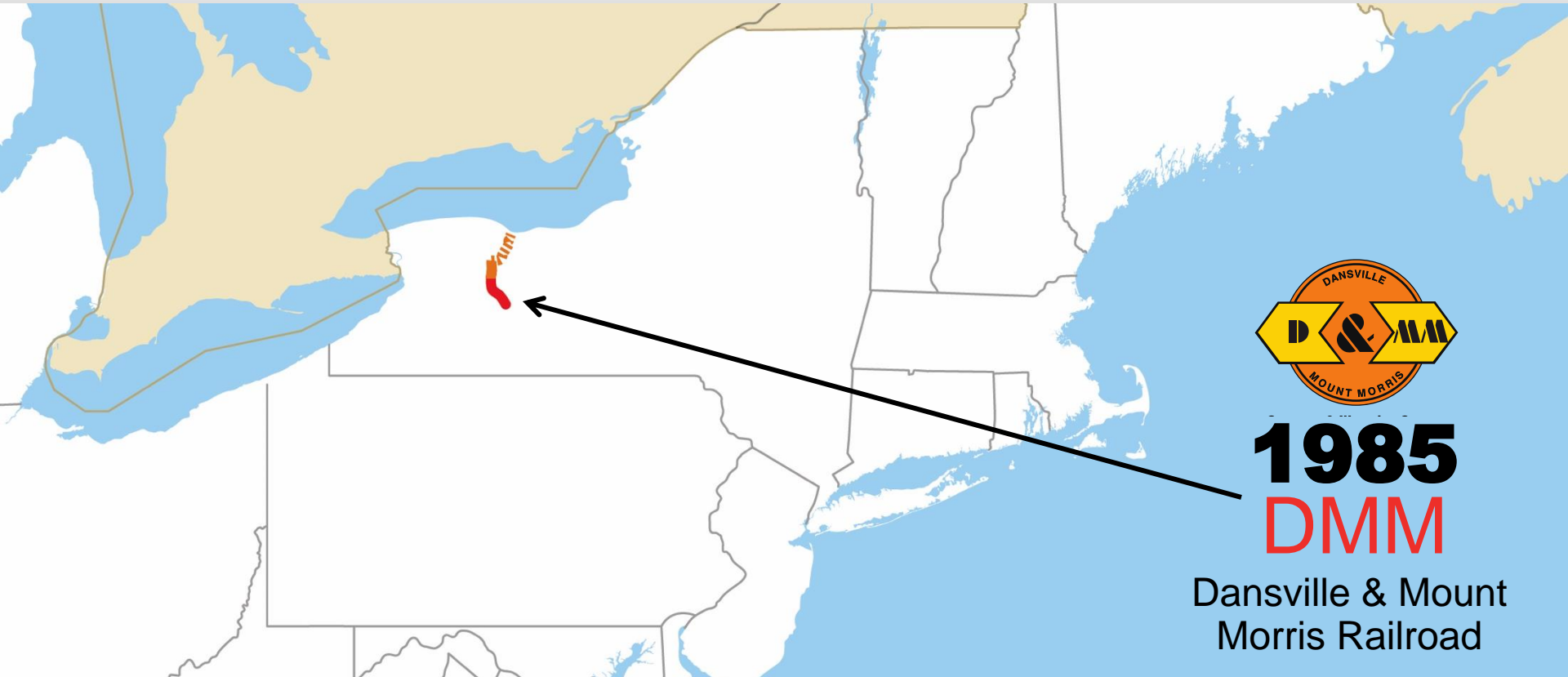
Building a Regional Rail Footprint Northeast Region



1977
GNWR

Genesee and Wyoming
Railroad Company

Building a Regional Rail Footprint Northeast Region



1985
DMM

Dansville & Mount
Morris Railroad

Building a Regional Rail Footprint Northeast Region



1986
RSR

Rochester & Southern
Railroad

Building a Regional Rail Footprint Northeast Region



1988
BPRR

Buffalo & Pittsburgh
Railroad

Building a Regional Rail Footprint Northeast Region



1992
ALY

Allegheny & Eastern
Railroad

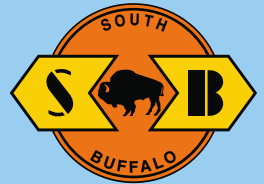
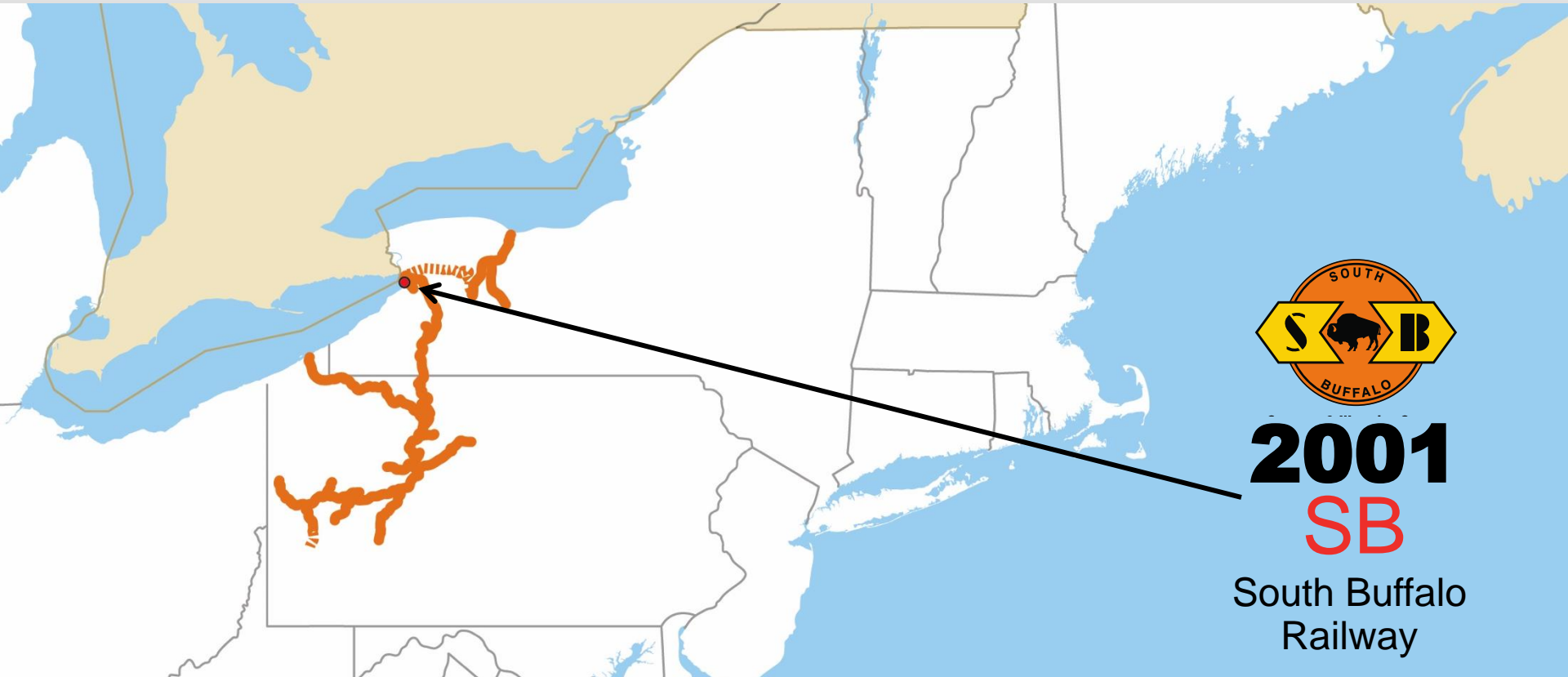
Building a Regional Rail Footprint Northeast Region



1996
PS

Pittsburg & Shawmut
Railroad

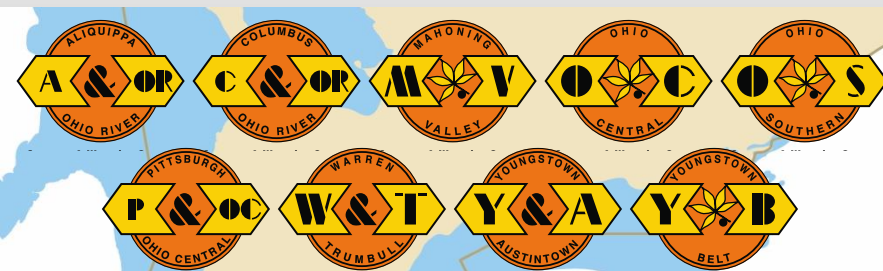
Building a Regional Rail Footprint Northeast Region



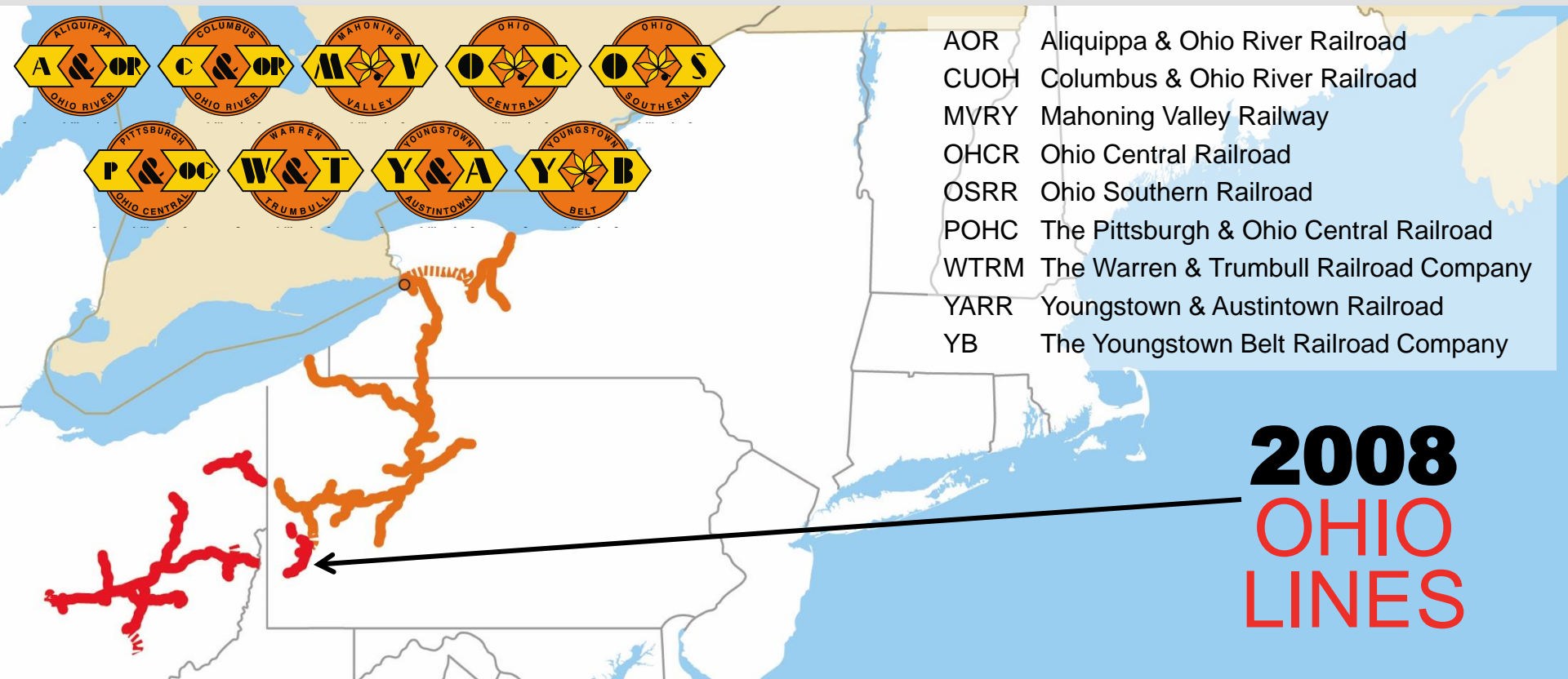
2001
SB

South Buffalo
Railway

Building a Regional Rail Footprint Northeast Region

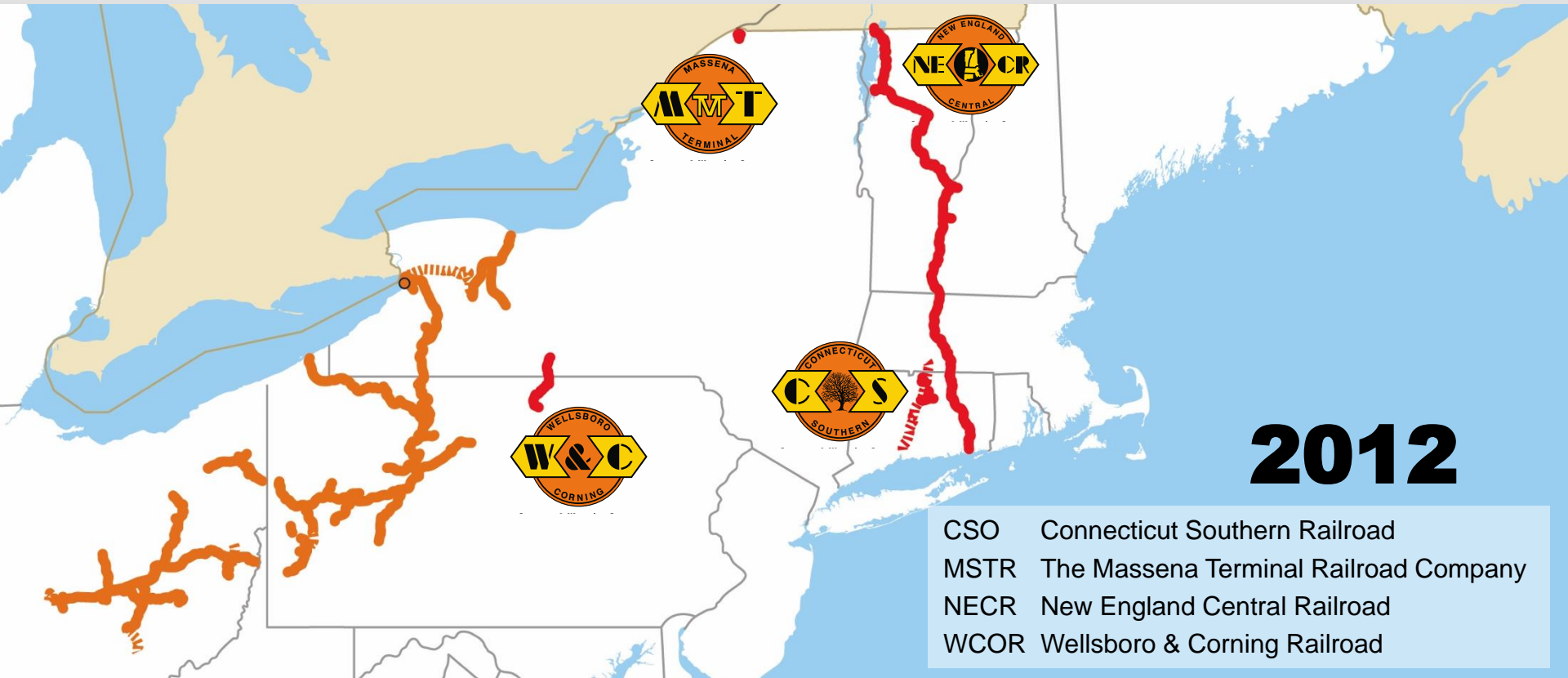


- AOR Aliquippa & Ohio River Railroad
- CUOH Columbus & Ohio River Railroad
- MVRY Mahoning Valley Railway
- OHCR Ohio Central Railroad
- OSRR Ohio Southern Railroad
- POHC The Pittsburgh & Ohio Central Railroad
- WTRM The Warren & Trumbull Railroad Company
- YARR Youngstown & Austintown Railroad
- YB The Youngstown Belt Railroad Company



**2008
OHIO
LINES**

Building a Regional Rail Footprint Northeast Region



2012

- CSO Connecticut Southern Railroad
- MSTR The Massena Terminal Railroad Company
- NECR New England Central Railroad
- WCOR Wellsboro & Corning Railroad

Building a Regional Rail Footprint Northeast Region



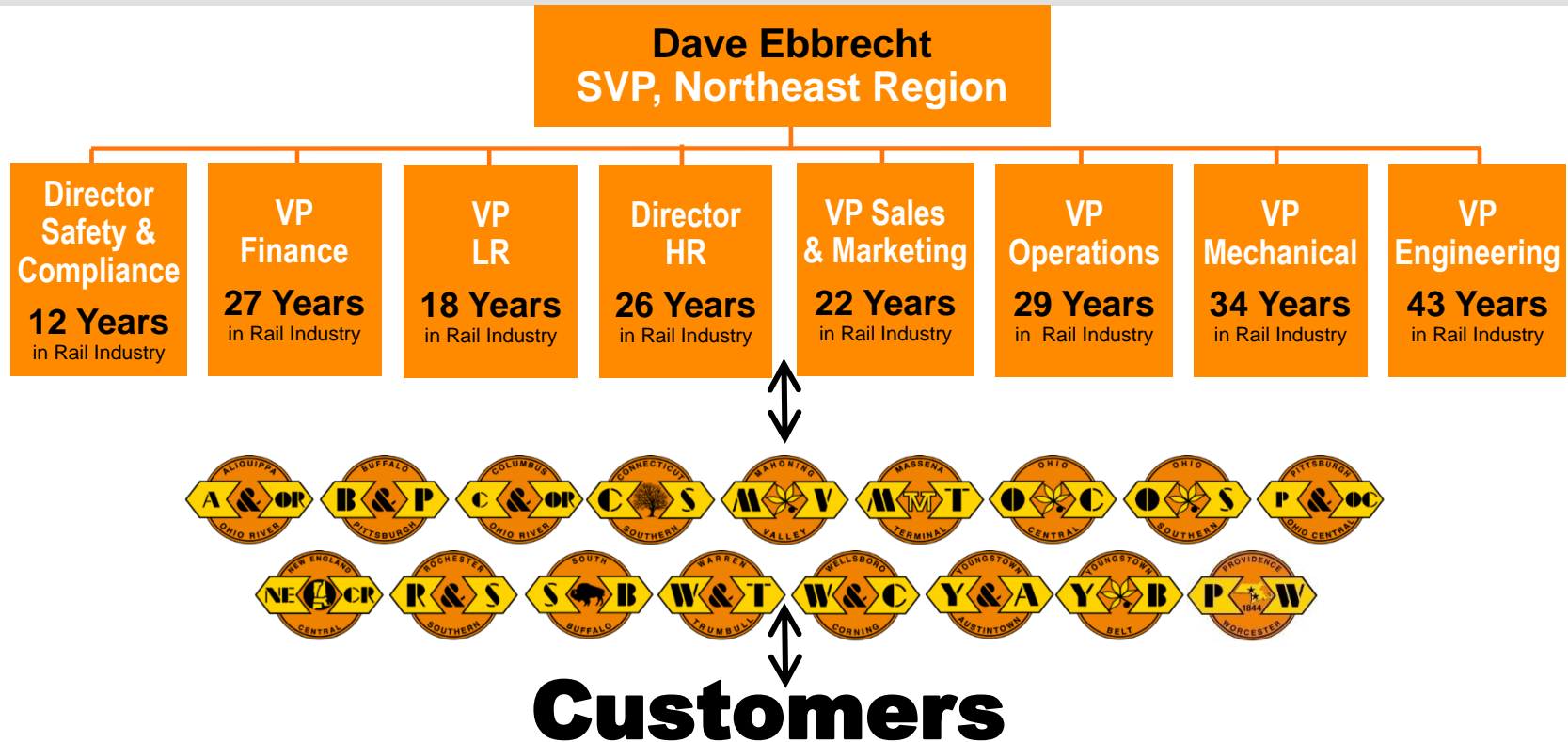
2016
PW

Providence and
Worcester Railroad

Northeast Region Commodity Mix

Commodity	Freight Revenue	Comments
Petroleum Products	20%	NGLs/LPGs, Asphalt and Crude Oil
Chemicals & Plastics	14%	Plastics, Industrial Chemicals and Ethanol
Minerals & Stone	13%	Aggregates, Rock Salt and Frac Sand
Metals	13%	Finished Steel, Scrap Steel and Pipe
Lumber & Forest Products	9%	Lumber and Wood Chips
Coal & Coke	8%	Pennsylvania and Ohio Plants
Waste	8%	Construction and Demolition Debris and Municipal Solid Waste
All other	15%	
Total	100%	

Regional Organization: Designed to be Close to Customers



Customers

Minerals & Stone



Customers

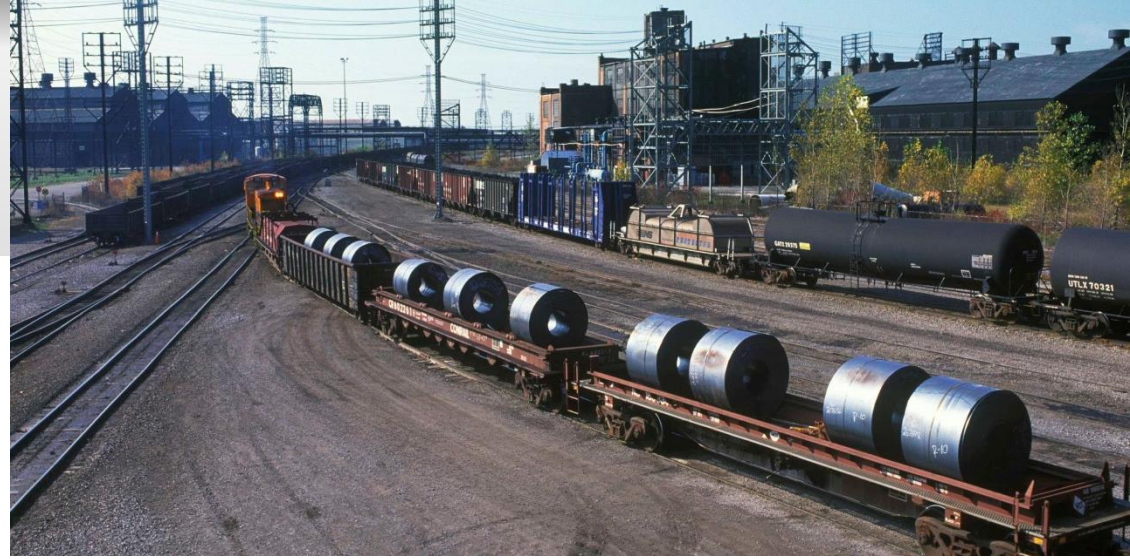
Petroleum Products

- Leading Utica Shale gas processors:



Customers

Steel



Waste



Acquisition Case Study:

Providence and Worcester Railroad (PW)



Providence and Worcester Overview

- 513-mile short line operating in MA, RI, CT & NY
- Connects to G&W's NECR and CSO, as well as multiple others
- Acquired by G&W Nov. 2016
- Co-mingled freight & passenger operations



Keys to Integrating a Railroad at G&W

The First 180 Days

- Acquisition model is the budget
- Regional Management Team and Corporate Transition Team
- Cultural change in basic tasks
- New safety standards
- Regulatory compliance
- Operational redesign
- Commercial tariff changes aligning with Northeast Region tariffs

G&W SafetyFirst

5SOFA[®] Lifesavers

- 1 Secure equipment before action is taken.**
 - Apply brakes
 - Disconnect electrical
 - Disconnect fuel off
 - Confirm that protection has been provided
- 2 Protect against moving equipment.**
 - When feet or eyes are involved
 - If they are prohibited from walking on the same track as the same train without maintaining direct communication with all crew members
 - Each crew must always remember when there is the possibility of movement to adhere strictly through positive communication with predecessor under other crew members.
- 3 Discuss safety at the beginning of a job and when work changes.**
- 4 Communicate before action is taken.**
 - The responsibility for ensuring that all communication must be maintained. When conducting tool or angle measurements, all crew members must communicate by hand signal or voice signals. Except in an emergency, a combination of hand and voice signals prohibited.
- 5 Assist less experienced employees in performing service safely.**

* Switching Operations Facility Analysis



G&W SafetyFirst

BRAINS BEFORE BRAWN

BRUTE FORCE

Use the Right Tool

- **Use the Right Tool**
- Choose the right size tool for the job.
- Respect tools before use - replace or repair.

Identify potential risks to help prevent accidents or injuries.

Use these Substances:

- DON'T carry a tool by the cord or hose.
- DON'T yank the cord or the hose to disconnect it from the receptacle.
- DON'T wear loose clothing or jewelry, as these items may get caught in moving parts.
- DO keep cords and hoses away from heat, oil, and sharp edges.
- DO disconnect tools when powered off.
- DO secure work with clamps or a vice, which frees both hands to operate the power tool.
- DO maintain tools properly.
- DO maintain good footing and balance when using power tools.
- DO remove all damaged or improperly adjusted tools from service for repair.
- DO safeguard all moving parts of a power tool.

Guidelines for Safe Lifting

- Get a good grip. Grasp the load firmly. Use gloves if they allow for a better grip.
- Get good footing. Center body weight to provide a powerful base of feet and good balance.
- Keep it close. Grasp the load firmly and lift toward the belt buckle. Hold the load close to the body to avoid putting pressure on the back.
- Lift smoothly. Raise, carry and lower the load smoothly. Never jerk a load.
- Avoid twisting. If turning is required while lifting or carrying a load, turn the feet and body instead of twisting the back.
- Push rather than pull the load.

Ask for a Helping Hand!

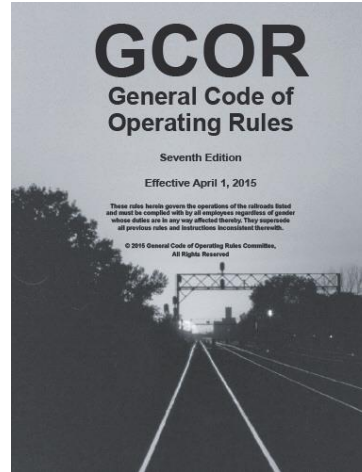
If it's not working, then re-think your approach and ask for help. Don't risk injury by applying brute force!



Phased Integration Progress

Day 180 Moving Forward

- GCOR implementation
- Shipper Connect
- Rationalization of assets



Illustrative Growth Opportunities

Regional Growth Opportunities

New Food-Grade Distribution Facility

Who? G3 (Gallo Wine)

(1,000 annual carloads)

What? New 300,000-sq.-ft.
wine distribution facility

Where? Worcester, MA

When? Received first carloads
in June 2017

Why us? Ideal location;
multiple Class I connections



Regional Growth Opportunities

Auto Distribution Facility

Who? North Atlantic Distribution (NORAD) (4,500 annual carloads)

What? Vehicle distribution for Ford/ Subaru/Audi/Porsche/VW

Where? Port of Davisville, RI

When? Inbound Subaru began Nov. 2016; potential outbound VW in 2017

Why us? Ideal location (Port / I-95 corridor); multiple Class I connections



Regional Growth Opportunities

Propane Distribution Facility

Who? Crestwood Midstream
(1,100 annual carloads)

What? Propane distribution
with 180,000 gallons of storage

Where? Port of Davisville, RI

When? 2017; now potential
for origin on G&W railroads
in PA and Ohio

Why us? Ideal location;
multiple Class I connections



Regional Growth Opportunities

Rail-Served Transfer Station

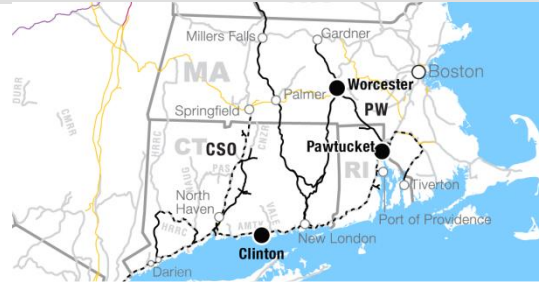
Who? Tunnel Hill Partners
(6,000 potential annual carloads)

What? Municipal Solid Waste / C&D

Where? Rhode Island, Connecticut and Massachusetts sites

When? 2018-2019; potential for origin on G&W railroads and destination to G&W-served Ohio landfills

Why us? Ideal location; multiple Class I connections



Questions
?



Western Region

Brad Ovitt





Western Region Railroads



Western Region Overview

- **Railroads:** 13 railroads with 2,000 track miles in 7 states
- **People:** 548
- **Customers:** 415
- **Primary Commodities:** Lumber & Forest Products, Chemicals & Plastics, Food, Agricultural Products, Petroleum Products, Metals, Minerals & Stone, Pulp & Paper
- **Equipment:** 142 locomotives
- **Ports Served:** 6
- **Annual Carloads:** ~230,000
- **Annual Revenues:** \$170 million



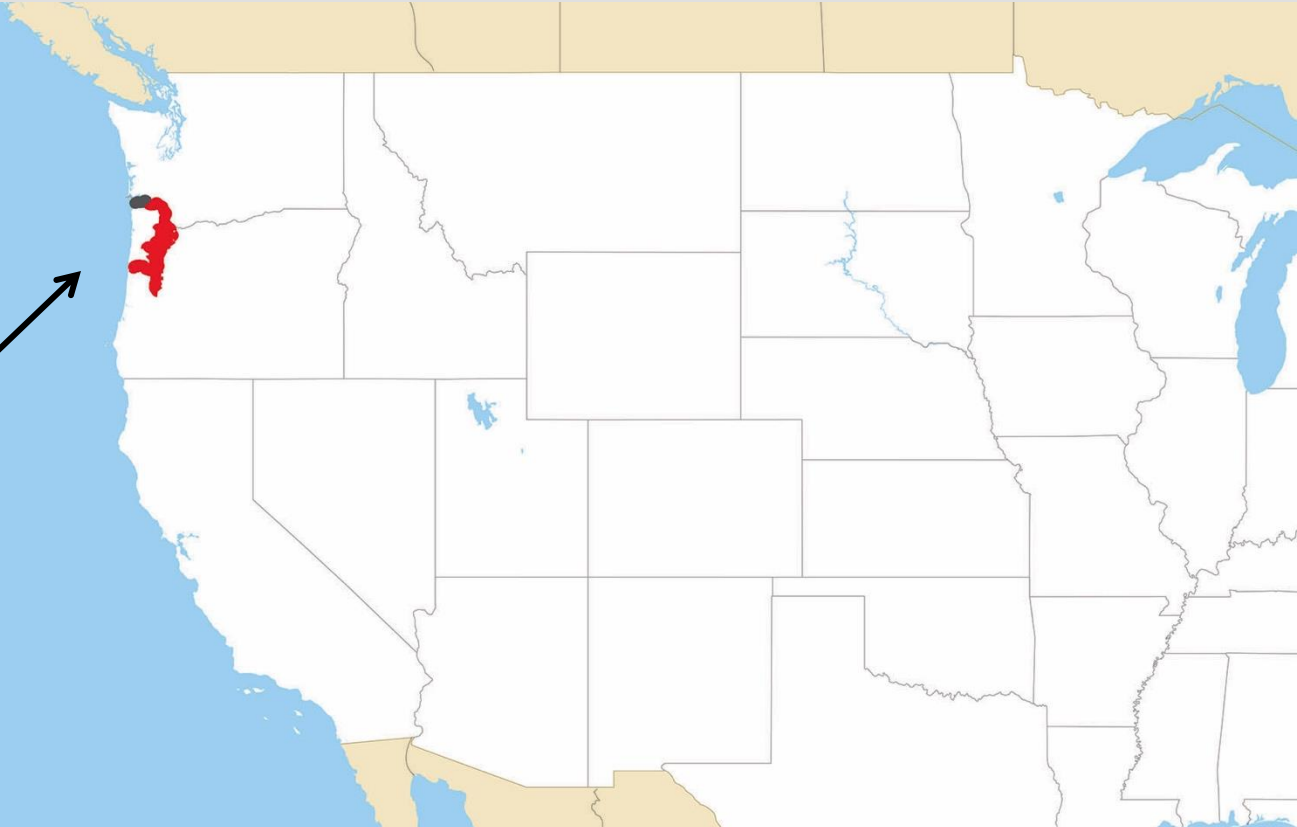
Building a Regional Rail Footprint Western Region



1995

PNWR

Portland & Western
Railroad, Inc.



Building a Regional Rail Footprint Western Region



2002
UTAH

Utah Railway Company

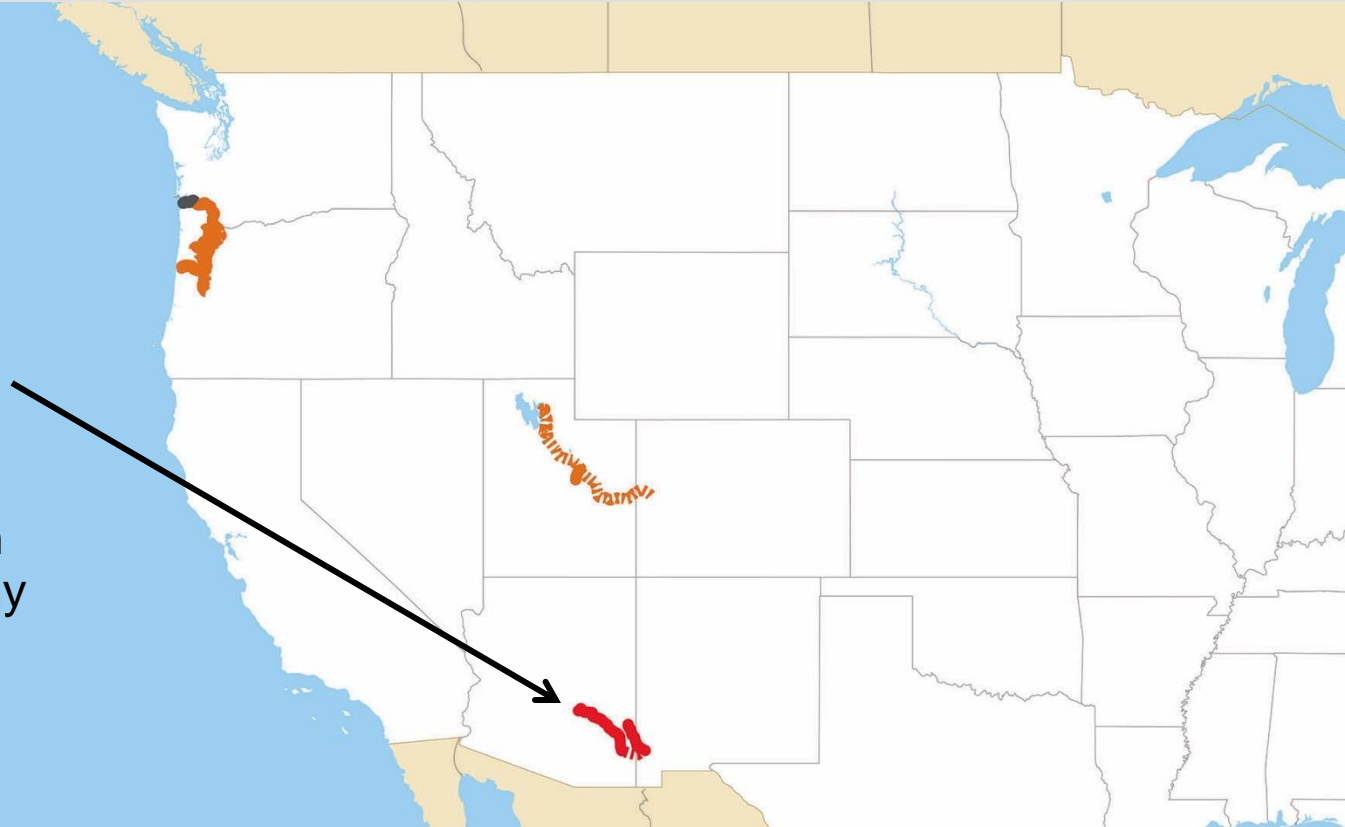


Building a Regional Rail Footprint Western Region



2011
AZER

Arizona Eastern
Railway Company



Building a Regional Rail Footprint Western Region

2012
RailAmerica



- ARZC Arizona & California Railroad Company
- CFNR California Northern Railroad Company
- CORP Central Oregon & Pacific Railroad, Inc.
- CSCD Cascade and Columbia River Railroad Company
- PSAP Puget Sound & Pacific Railroad
- SJVR San Joaquin Valley Railroad Co.
- SDIY San Diego & Imperial Valley Railroad Company, Inc.
- VCRR Ventura County Railroad Company

Building a Regional Rail Footprint Western Region



2015
OYLO

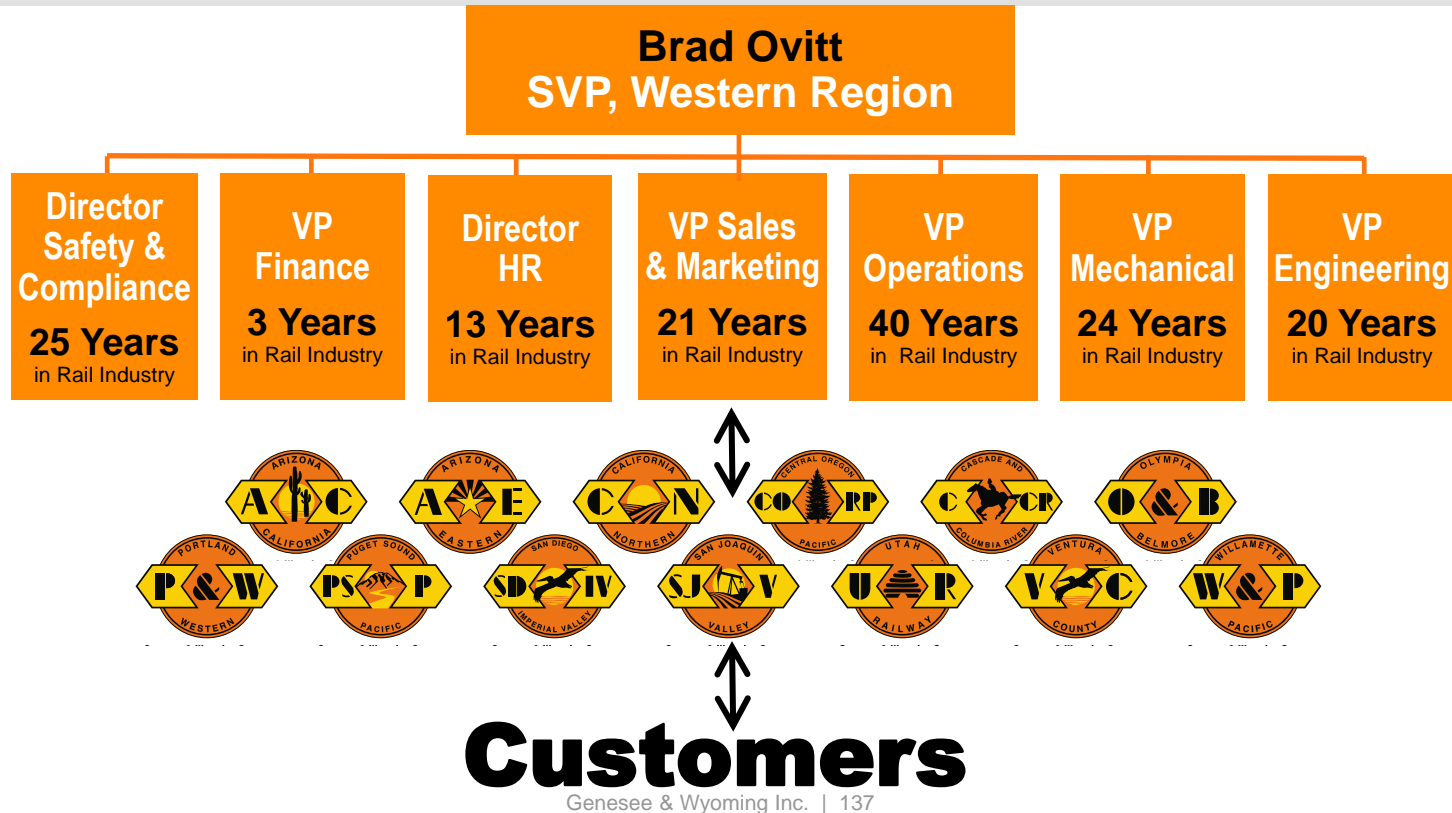
Olympia & Belmore
Railroad, Inc.



Western Region Commodity Mix

Commodity	Freight Revenue	Comments
Lumber & Forest Products	27%	Lumber, OSB and Export Logs
Chemicals & Plastics	12%	Industrial Chemicals and Ethanol
Food & Kindred Products	11%	Tomato Paste and Nut & Vegetable Oils
Agricultural Products	8%	Soybean Meal and Grain
Petroleum Products	8%	LPGs and Asphalt
Metals	7%	Copper and Scrap Steel
Minerals & Stone	7%	Aggregates and Sulphur
Pulp & Paper	6%	Containerboard
All Other	14%	
Total	100%	

Regional Organization: Designed to be Close to Customers



Customers

Largest Lumber
& Forest Products
Companies
in North America



Customers

Some of the Largest
Farm & Food Products
producers in North
America



Customers

Largest Copper
Mine & Smelter
in North America



FREEPORT McMoRAN
COPPER & GOLD



Acquisition Case Study:

Rapid City, Pierre & Eastern Railroad (RCPE)

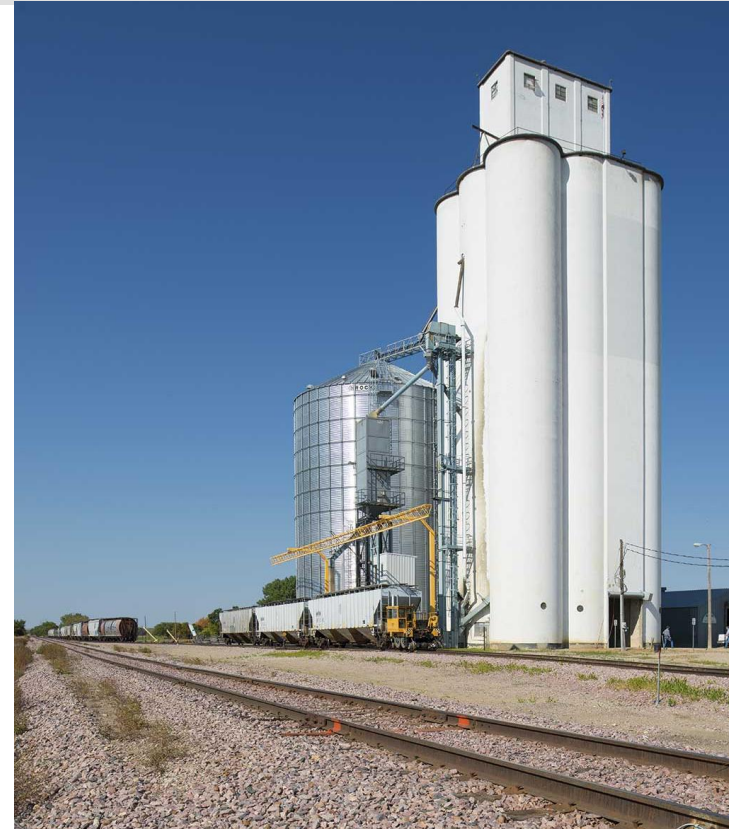
- **Former CP-owned branch line acquired in June 2014**
 - Acquired track and customer contracts, no people or equipment
- **~670 miles of track primarily in South Dakota, 180 employees**



Case Study:

Rapid City, Pierre & Eastern Railroad (RCPE)

- **Start up 6 months after transaction announcement**
 - Hired 180 Employees
 - Acquired 50 locomotives and 2,500 railcars
 - Opened new offices
- **“Win – Win – Win” transaction**
 - CP, G&W and Customers



Rapid City, Pierre & Eastern Railroad, Inc.



Immediate RCPE Growth and Expansion

- **Carloads have grown significantly since startup**
 - Safe, reliable service has increased customer volumes and brought back former customers
 - Increased service levels with connections to 3 Class I railroads
 - New customers and expansions



Immediate RCPE Growth and Expansion

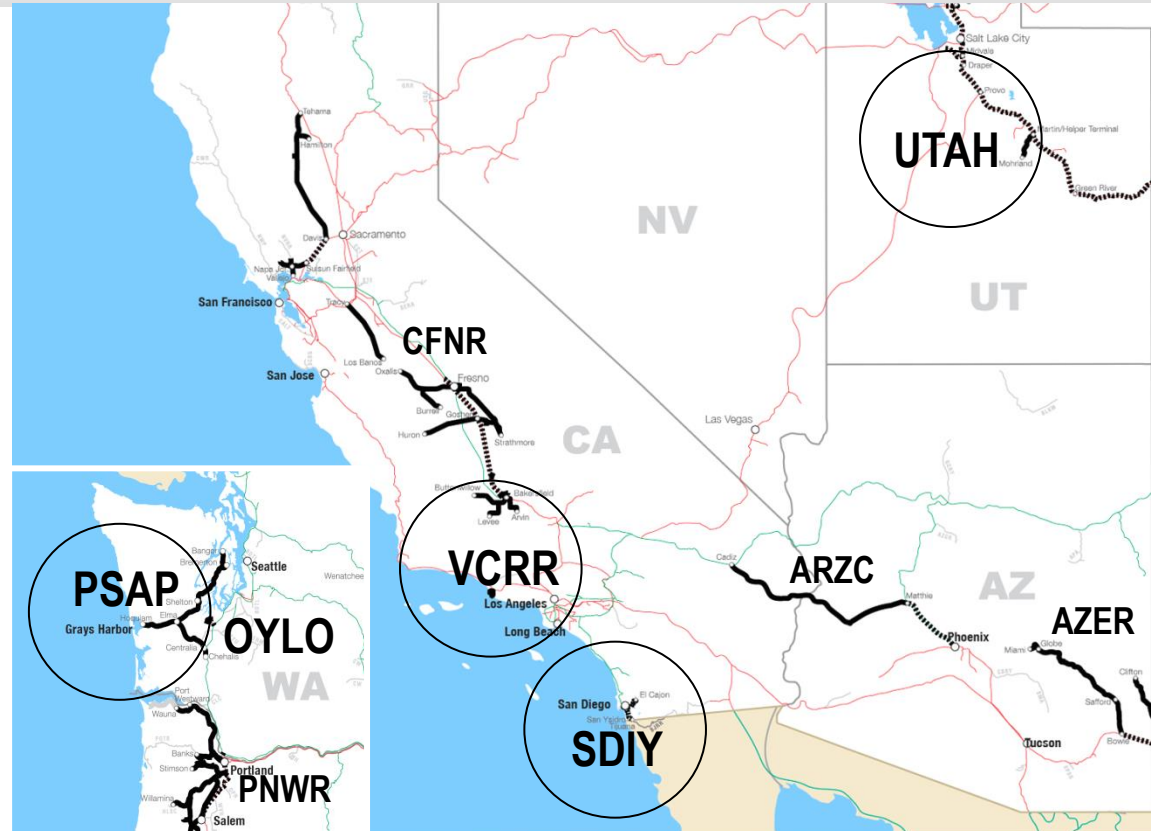
- **Strong Partnership with South Dakota Government**
 - Developed public/private partnerships to increase the capacity and efficiency of the railroad



S.D. Governor Dennis Daugaard

Illustrative Regional Growth Opportunities

- Automobile import/export, minerals export, grain export (PSAP)
- Terminal/Transloading materials bound for both San Diego and Mexico (SDIY)
- Automobile imports to California (VCRR)
- Utah Crude by Rail (UTAH)



Questions
?



Growing North America

Michael Miller, Chief Commercial Officer

Mike Peters, Senior Vice President, Industrial Development & Real Estate



Commercial Agenda

1. Commercial Foundation
2. Industry Perspective
3. Pricing & Truck Competition
4. Commodity Outlook
5. Pillars for Growth
6. Summary

Commercial Foundation

Industry Leading Franchises in Each Geography

- 122 Railroads, 9 Autonomous Operating Regions Designed to be Close to our Customers, Serving 40+ ports and over 3,000 customers
- Strong Relationships with our Customers and our Rail Partners and Our Communities

Commercial Foundation

World-Class Safety and Service Offering

- Industry Leading Safety Record for the Past 8 Years Outperforming Class 1's and Short Line Peer Group
- Industry Leading Customer Satisfaction Scoring Better Than Truck or Rail for the Past 10 Years

G&W U.S. Same Railroad Carloads vs. U.S. Class Is

Q3 YTD 2017 vs. Q3 YTD 2016 (excludes intermodal)^(a)

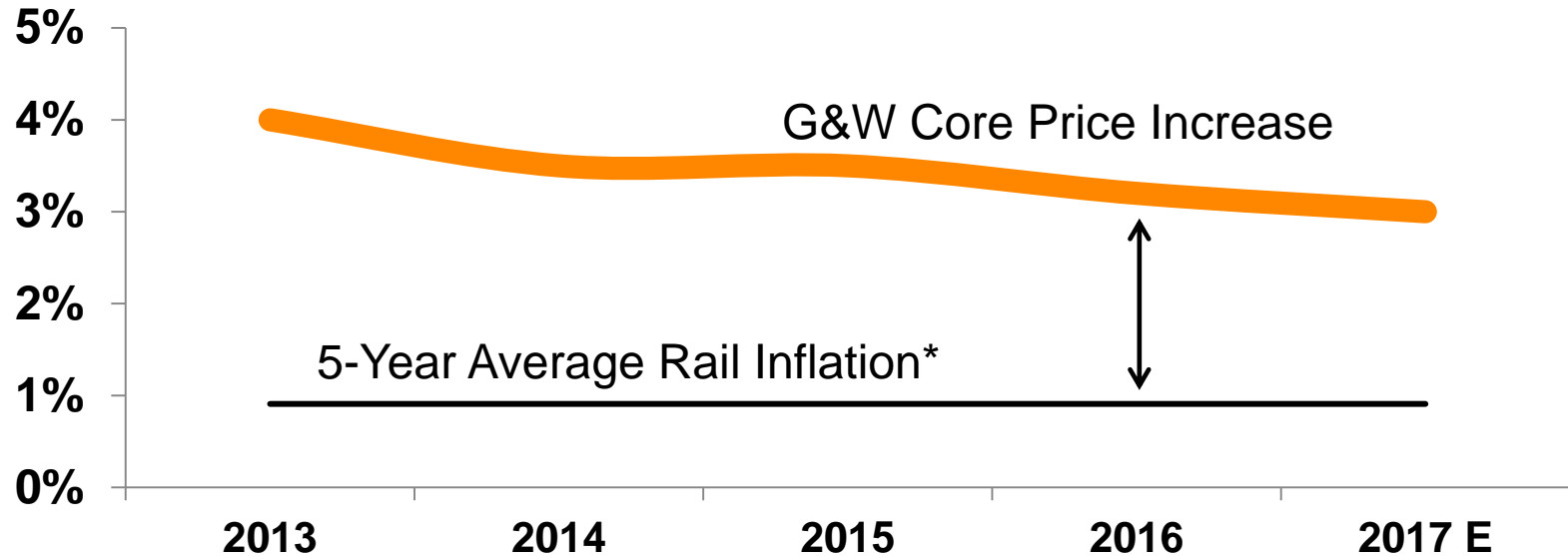
Commodity	Class I % Change	G&W % Change	Class I Mix	G&W Mix	Weighted Variance	Notes
Coal	12.0%	8.3%	34.7%	15.5%	(2.7%)	80% of Overall Variance; Class 1 Export Coal
Minerals & Stone	7.8%	1.8%	13.9%	13.5%	(0.8%)	Class I Frac Sand
Metallic Ores	7.5%	(28.4%)	1.5%	0.8%	(0.4%)	Class I Taconite/Iron Ore; G&W Alumina Plant Closure July 2016; Lower Copper Concentrate
Chemicals & Plastics	0.1%	(1.6%)	12.1%	10.5%	(0.2%)	Reduced Acid Shipments to Copper Mine
Metals	5.8%	0.7%	5.0%	8.6%	(0.2%)	
Agricultural Products	(0.1%)	(1.6%)	12.6%	13.9%	(0.2%)	
Pulp & Paper	(1.1%)	(3.2%)	2.2%	9.7%	(0.3%)	Truck Competition; Plant Outages
Autos & Auto Parts	(7.3%)	15.2%	6.5%	2.1%	0.8%	West Coast Imports; Auto Model Conversion
Consumer ^(b)	(1.7%)	0.6%	5.6%	16.1%	0.2%	
Petroleum Products	(14.8%)	(6.4%)	3.7%	5.2%	0.3%	Class I Crude Oil; G&W LPGs
Other	(3.1%)	2.0%	2.3%	4.0%	0.2%	
Total	3.9%	0.6%	100.0%	100.0%	(3.4%)	

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

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

5-Year Pricing Trends

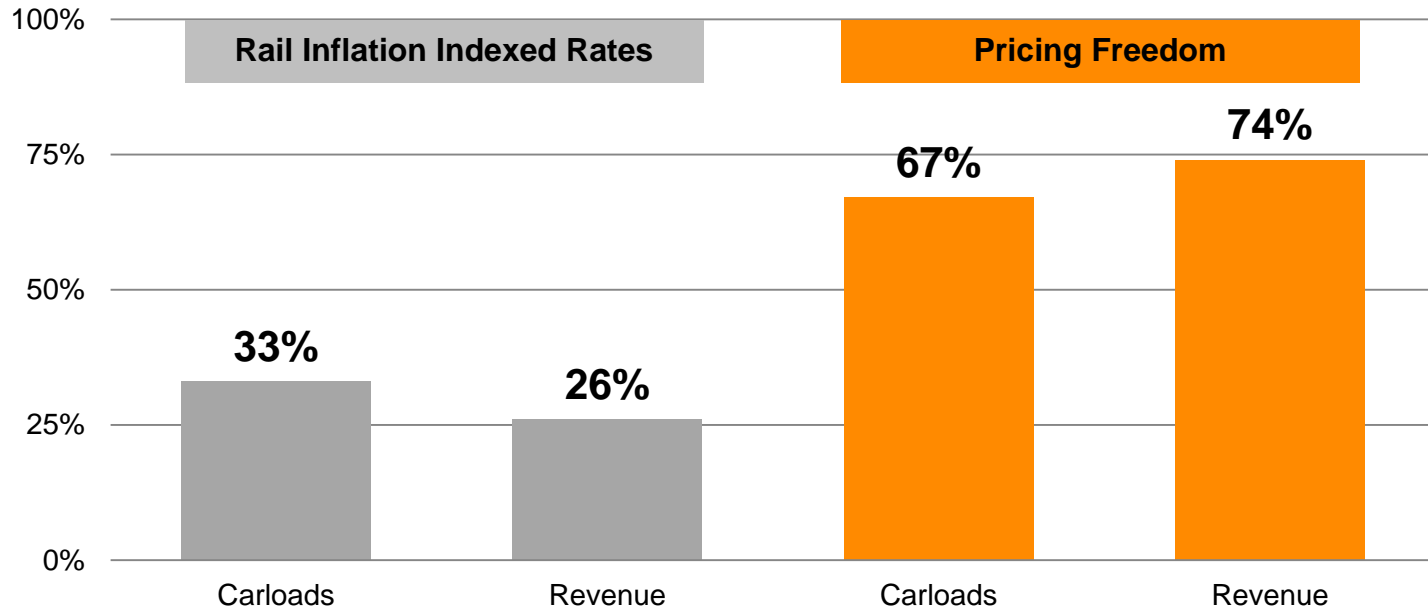
North America Same Railroad “Inflation Plus” Pricing



*Source: AAR. All Inclusive Less Fuel Index

G&W Pricing Power by Segment

North American Pricing



Truck Competition

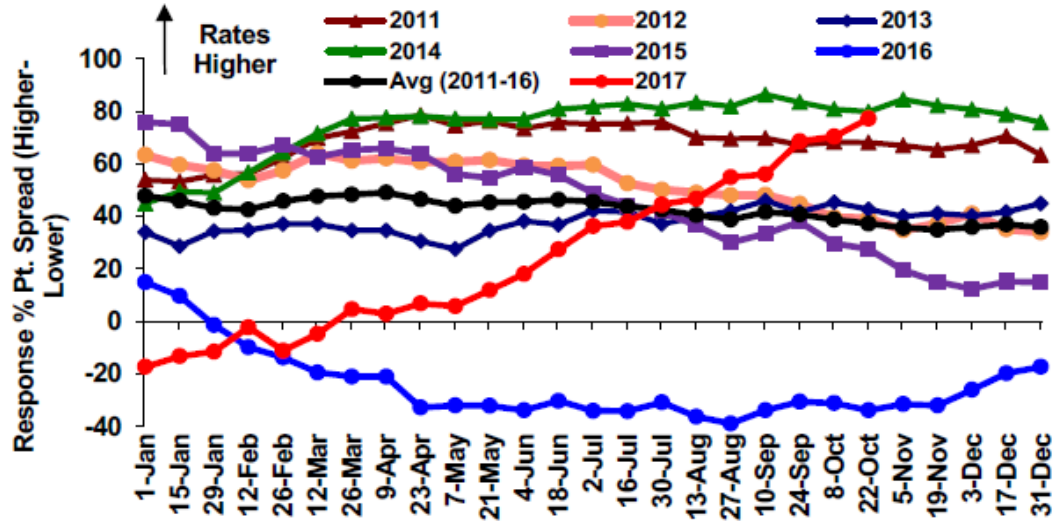
~\$160mm (20%) of North America Revenue Competes with Truck Today

- Most exposed commodities are paper, lumber, metals, food & kindred
- Customer Factors
 - Consolidation in multiple industries (paper, metals, minerals)
 - Customers are carrying lower levels of inventory
- Truck Industry Factors
 - Low diesel prices, increased fuel efficiency (engines, aerodynamics), with ELD and driver shortages partially offsetting
 - Improved Trucking Technology (reduce backhauls, load matching, capacity pooling, scheduling, etc.)
- Economic Factors
 - Slow economic growth resulted in over capacity in the truck market
 - Energy boom-and-bust cycle

Truck Competition

~\$160mm (20%) of North America Freight Revenue Competes with Truck Today

Exhibit 5: How do your current TL rates compare to your rates 1 year ago?



Source: Morgan Stanley Research; Note: Response % Pt. Spread defined as the % of respondents saying current TL rates are "Higher" vs. a year ago less the % of respondents saying current TL rates are "Lower" vs. a year ago

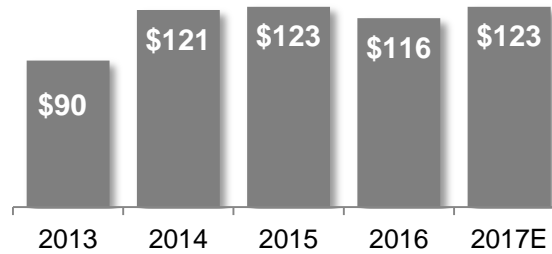
North America Commodity Outlook

Commodity	Volume	Pricing
Coal & Coke	↔	↓
Minerals & Stone	↑	↑
Agricultural Products	↔	↔
Chemicals & Plastics	↑	↑
Pulp & Paper	↔	↑
Lumber & Forest Products	↑	↑
Metals	↑	↑
Petroleum Products	↔	↑

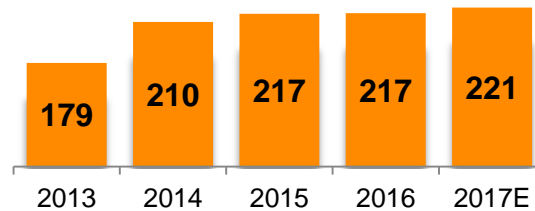
North America Agricultural Products Outlook

- Strong and diverse franchise
- Serves both global and domestic markets with long-term growth underpinned by increasing yields, growing demand and supply chain efficiency
- Year-to-year volumes impacted by global prices and supply, strong US\$ and weather

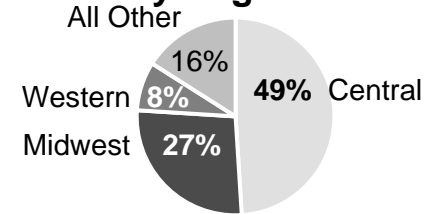
Revenue (Millions)



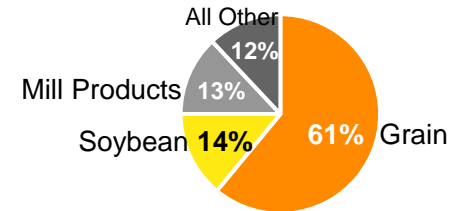
Carloads (Thousands)



By Region



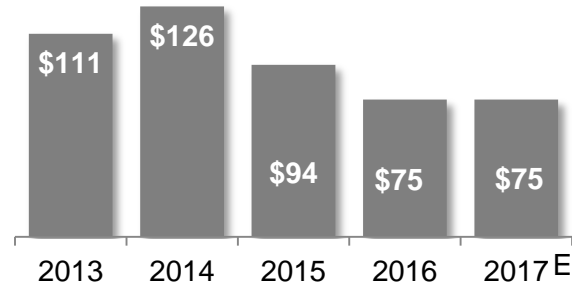
By Sub Group



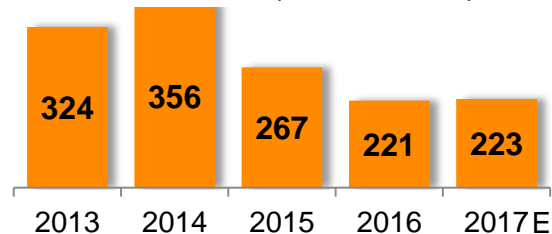
North America Coal Outlook

- Coal is in secular decline given increasing supply of natural gas, solar, wind generated power
- Certain contracts restructured to reduce price in exchange for guaranteed volumes
- Expect long term volume decline, but variability associated with cold/hot weather, natural gas price swings, etc.

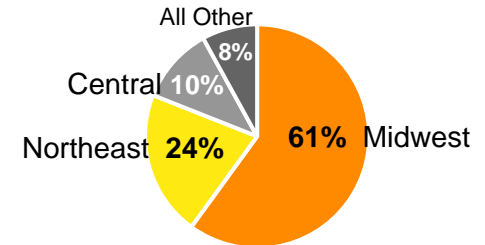
Revenue (Millions)



Carloads (Thousands)



By Region



Pillars of Growth

1. Retain Existing Customers

- World-class safety and service
- Market-based approach to ensure competitiveness
- Adaptability to both market and customer needs

2. Grow Share with Existing Customers

- Create New Services
- Focus on Modal Conversion
- Technology enhancements

3. Attract New Customers

- Simplify the process
- Demonstrate the value
- Customize solutions
- Out hustle the competition



Transforming the Customer Experience

- Improve Customer Onboarding Process
- “White Glove” Service for Major Customers
- Better Interline Service Package with Class 1 Partners
- Launch End-to-End Visibility Platform and Upgrade Digital Interface with Customers

The screenshot displays a mobile application interface for tracking a shipment. At the top, there is a navigation bar with a back arrow, the title "NEW SHIPMENT", a menu icon, and the word "ORDERS". Below this is a secondary navigation bar with tabs for "SEARCH", "CHOOSE", "REVIEW", "ORDERED", "IN TRANSIT", and "DELIVERED".

The main content area is divided into several sections:

- Confirmation:** A green checkmark icon is followed by the text: "Your shipment is scheduled! A confirmation email has been sent to shipper@domain.com. Within 24 hours, you'll receive a follow up email with more details."
- Shipment Details:** "SHIPMENT #093937 ACME PAPER" with a confirmation time of "Confirmed 10/12 9:03".
- Route:** A horizontal timeline showing the route from "10/13 10:15" to "10/16 20:45". The route is divided into segments: "GWI" (1h 30m), "CSX" (7h 40m), and "GWI" (1h 20m).
- Pickup and Deliver:** A table showing pickup and deliver information:

PICK UP	DELIVER
10/13 10:15 34 Mountain Mill Road Hampden, LA	10/16 20:45 243 Brandwacht Street Hayden Farms, GA
- Actions:** Three icons with labels: "Add to calendar", "Share a tracking URL", and "Name this shipment".
- Timeline:** A vertical timeline showing key events:
 - 10/13 10:15: TRA-ID1 Departs (34 Mountain Mill Road, Hampden, LA)
 - 10/13 15:30: TRA-ID1 Arrives (Drop off at Terminal A)
 - 10/14 00:20: TRA-ID2 Departs
 - 10/15 20:00: TRA-ID2 Arrives (Drop off at Terminal B)
- Buttons:** A large blue button labeled "New Shipment" is located at the bottom.

National Account Management

- Selling Our Complete Portfolio
- Leveraging Our Franchise and Global Platform
- Building Senior Relationships
- Identifying New Markets
- Building Customized Supply Chain Solutions



Industrial Development

■ Leveraging G&W's Advantages

- World-class safety and service
- Optionality of service to 2 or more Class Is
- Ability to support major projects

■ Simplifying the Process

- Site database for development properties
- Strong relationships with state and local agencies
- Design support with conceptual design services, infrastructure review and incentive development

Industrial Development

Industrial Whse ~100K Sq Ft Total - 2 Bldgs
Serving Railroad: Georgia Central Railway
County: Treutlen
384 Park View Drive
Soperton, GA 30457
Soperton, GA Area Industrial Warehouses ~ 100K Sq Ft Total - 2 Buildings - Located on ~12 Acres along the Georgia Central Railway which connects to both CSX and NS. [more information](#)

Industrial Development Contact
Jim Krach
jim@krachpower.com
T (904) 900-6290
M (904) 401-3139

Property	Acreage	Location	County	Zoning	Buildings	Railroad Connections
Peterson Tract - Hwy 29 ~ 130 Acres	130	Soperton, GA	Treutlen		None	
Industrial Whse ~100K Sq Ft Total - 2 Bldgs	0	Soperton, GA	Treutlen		Yes	

LEGEND

- Zoning Tract
- Future Tract
- Railroad

Keynote Food Service
Live Better, CA

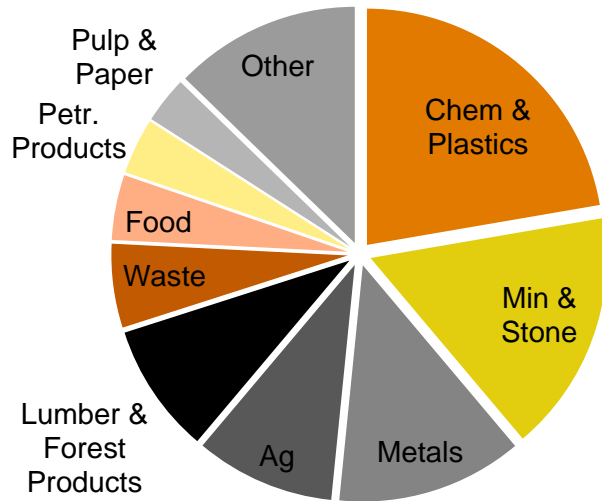
GENESEE & WYOMING INDUSTRIAL DEVELOPMENT
2764 - CALIFORNIA NORTHERN RAILROAD

NOT FOR BIDDING

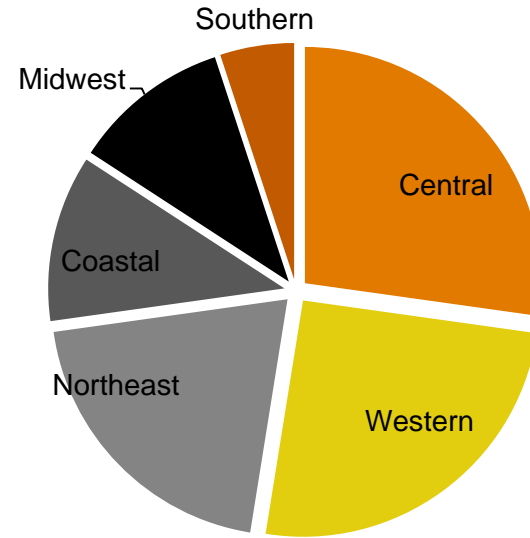
Industrial Development Pipeline

Averaging over 150 active projects representing more than 50,000 carloads of new business opportunity

By Commodity

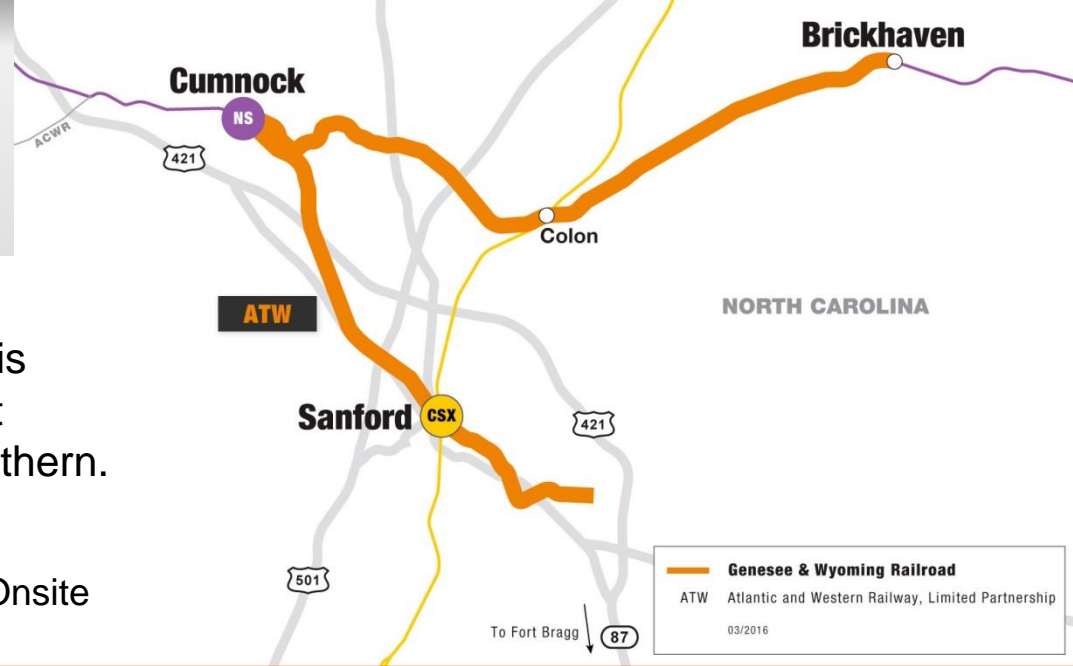


By Region



Transload Case Study

(Pull Strategy)



Example:

The Atlantic & Western Railway (ATW) is an 11-mile short line freight railroad that interchanges with CSX and Norfolk Southern.

Base Carloads:

3M 2,000 Roofing Granules Onsite

Immediate Opportunities (carloads):

Tyson	100	Flour, oils	1 mile
Caterpillar	200	Skidders	5 miles
M Marietta	2,000	Aggregates	7 miles
Flakeboard	200	OSB	15 miles
Motiva	1,000	Ethanol	25 miles

Long-Term Opportunities:

Duke Power	FlyAsh Disposal
Energy Terminal	Ethanol, DEF,
	Biodiesel, Propane,
	Butane

Commercial Summary

- Strong pillars for future growth
- Pricing remains “inflation plus”
- Tightening truck market should benefit several commodity segments
- Weather-dependent coal and agricultural products more variable
- Broader economic activity currently stable and long-term outlook is positive

G&W's Safety, Service and Short Line Independence
Create a Competitive Advantage

Questions
?

G&W Acquisition and Investment Strategy



Matt Walsh, EVP Global Corporate Development



G&W's Acquisition and Investment Strategy

1. G&W's Acquisition History
2. Success Factors
3. Focus is on Total Investment
4. Future Opportunity by Market
5. Summary

Consistency and Patience

Always Present and Active in Existing Footprint with Eye on Potential New Markets

- Any one geography may not be “attractive” at a specific time
- “Bread and Butter” North American short lines likely remain most attractive place to invest

Maintain Consistent Approach on Valuation and Diligence

Acquisition History and Phases

- **1980 Staggers Act**
- **1985 – 1996: Acquisitions U.S. only**
- **1997 – 2000: Few U.S. deals due to high valuations. Entered Australia and Canada**
- **2001 – 2004: G&W returned to U.S. market**

Acquisition History and Phases

- **2006 – 2007: Height of US credit bubble**

- Not Competitive in U.S.: Private equity purchased RailAmerica and Florida East Coast with 7.0x leverage
- A Seller in Australia: G&W sold Western Australia JV to Australian infra fund and Queensland Rail (now Aurizon)

- **2008: Collapse of US credit bubble**

- Private equity not competitive: G&W purchased CAGY, OCR, GSWR, RRF

Acquisition History and Phases

- **2010: Opportunistic Acquisition**
 - G&W purchased Freightlink out of bankruptcy with limited competition
- **2011: Market stable, no elevated financial interest in short lines** (no higher leverage p/e)
 - G&W purchased AZER (with long-term customer contract)

Acquisition History and Phases

- **2012: G&W acquires RailAmerica**
 - Close competition from large infrastructure fund – first real appearance of this investor class in U.S. short line space

Acquisition History and Phases

- **2014 – 2015: Financial bidders competitive**

G&W purchased:

- **RCPE.** G&W the right buyer; CP wanted to sell to a party who could successfully integrate and operate. Customers and State of South Dakota had similar concerns
- **Freightliner.** Competition from sovereign wealth fund and infrastructure bidders. G&W not high bid but most actionable bid and supported by management

Acquisition History and Phases

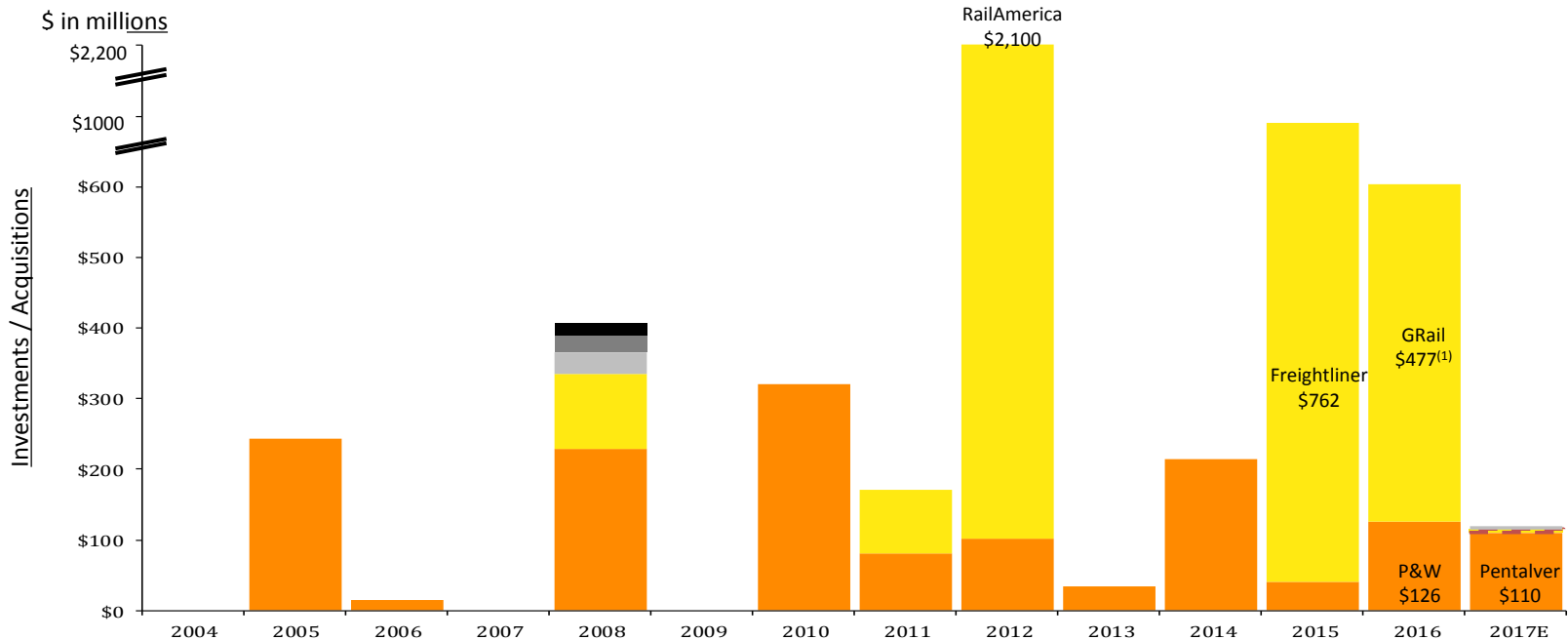
- **2016: Financial bidders competitive**
 - **G&W did not compete for Asciano in Australia** – too big, too much coal, non-U.S.
 - **GWA acquired GRail.** G&W sold 49% of GWA at 11x to Macquarie Infrastructure and Real Assets (MIRA) to fund acquisition and diversify Australian operations with a long-term contract with existing customer
 - **G&W Acquired P&W.** Contiguous to G&W operations with material cost savings and visible new revenue

G&W's Growth Includes More Than 100 Acquisitions Over the Past 15 Years



Average of >\$400mn in Acquisitions and Investments Annually

Over Both the Last 5 (post RailAmerica) and 12 Years



(1) Represents total G&W consideration for GRail (\$407mm of equity contributed and \$70mm of additional cash contribution).

Why we are successful

1. Cost saves:

- Operations, equipment, administrative overhead, purchasing
- Tax benefits (NOLs, asset deal)

2. Reputation:

- Seller focus on business going to a “good” owner
- Customer seller requiring solid rail service post sale
- Class I need for seamless execution
- Government support often critical

Why we are successful

- 3. Class I leases:** structured with strategic operators
- 4. International opportunities:** limited number of independent international freight rail operators
- 5. Equity partners:** continuous dialogue with global funds

Strategy Targets Total Capital Investment

No Distinction Between Acquisition and Organic Investment

Category

Investment Type

Examples

Existing Operations

Equipment, infrastructure upgrade, real estate to grow existing operations

- **US:** Track upgrades; new equipment
- **Canada:** Wagon investments
- **UK:** Loco shop; port terminal expansion
- **Australia:** Coal wagons

Strategy Targets Total Capital Investment

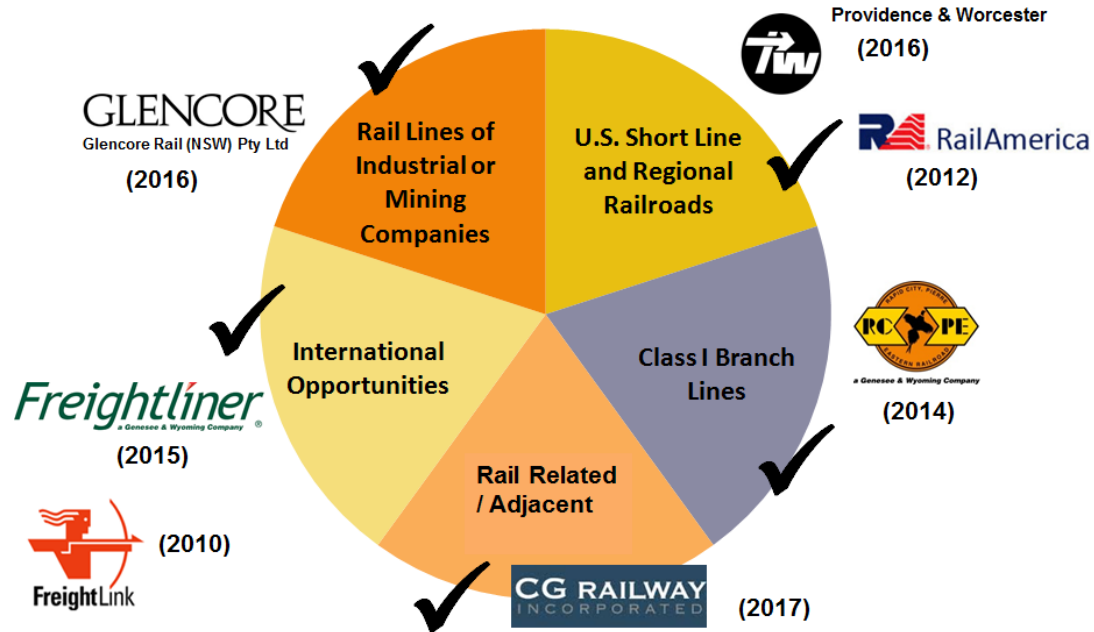
No Distinction Between Acquisition and Organic Investment

Category	Investment Type	Examples
New Contract Opportunities	Specific contract related investment: new operation, more likely to be outside the US	<ul style="list-style-type: none">▪ Canada: New iron ore mine (e.g., Tata Steel)▪ Australia: Open access contracts▪ UK: Equipment investment for new operations (e.g., HS2)

Strategy Targets Total Capital Investment

No Distinction Between Acquisition and Organic Investment

Acquisitions

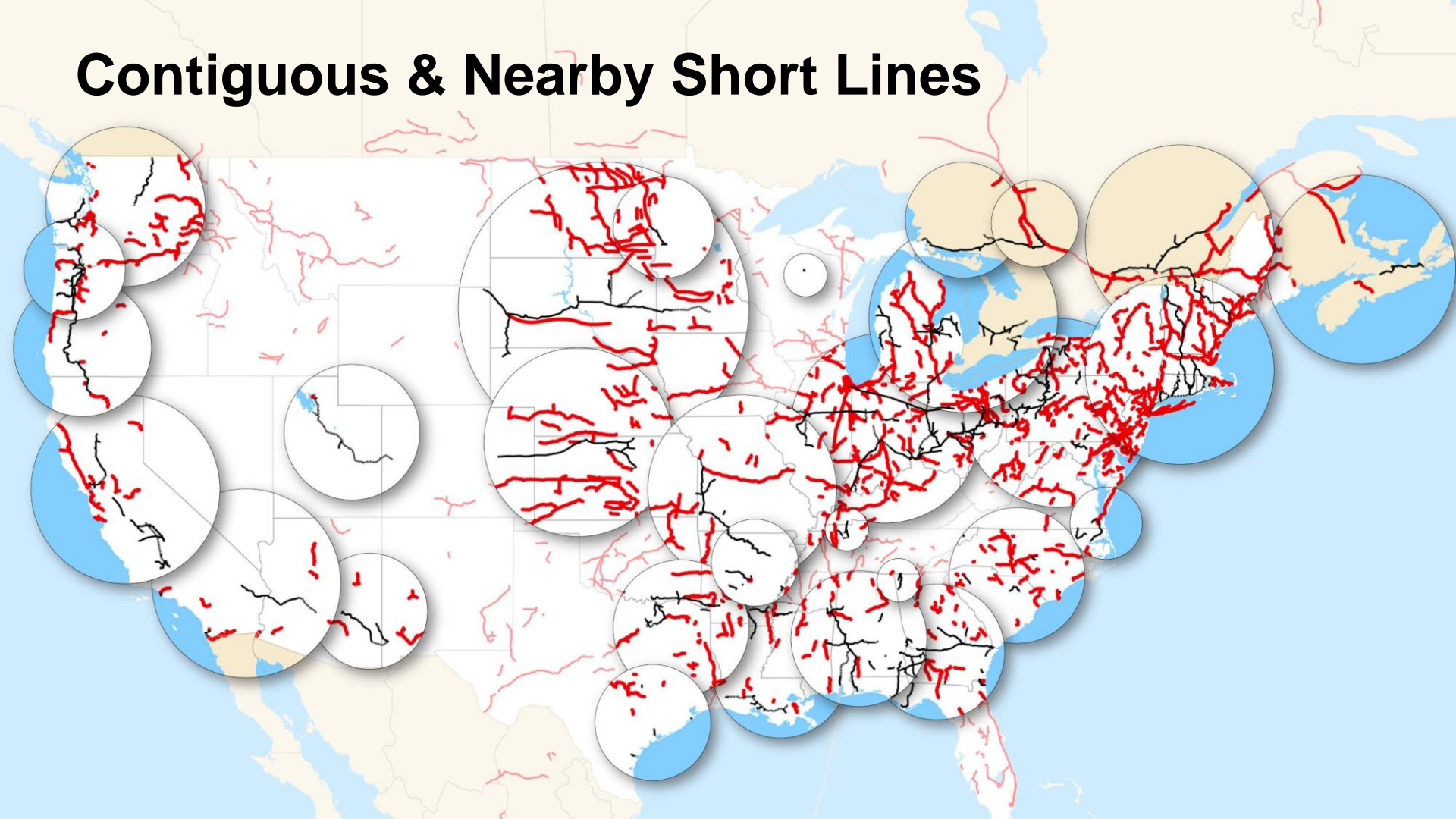


Size of U.S. & Canada Short Line Market

US Short Line Universe	Class II & III ^(a)	G&W US	% G&W	Who Owns Short Lines	
Number of Railroads	603	107	18%		1. Individuals
Track Miles	47,500	10,661	22%		2. Holding companies
Employees	18,000	3,860	21%		3. Private equity
Revenues (\$bn)	\$4.6	\$1.3	28%		4. Class Is and Class I Joint Facilities
Canada Short Line Universe	Class II & III ^(b)	G&W Canada	% G&W	5. Government entities: port authorities, states, municipalities	
Number of Railroads	50	8	16%	6. Industrial owners (energy, steel, agriculture, minerals, forest products, etc.)	
Revenues (C\$)	650	140	22%		
Employees	3,000	509	17%		

(a) Estimate from ASLRRA; (b) Financial Post, July 13, 2013, citing a 2010 Railway Assoc. of Canada Study

Contiguous & Nearby Short Lines



Future Opportunities: International

- **Australia^(a)**: ~10 railways, ~50% of all freight moved by rail^(b)
 - Opportunities mostly infrastructure and equipment investment
- **UK**: 9% of freight moved by rail (2015)
 - Maritime container total market share ~20%; Bulk freight market share ~25%^(c)
- **Continental Europe**:
 - State-owned incumbents dominate; focus on niche and / or contracted opportunities

(a) Australasian Railway Association 2017 – 2019 Strategic Plan; (b) 2017 Aurizon Annual Report; 2016 Asciano Annual Report; (c) Company estimates; UK Dept, of Transport

Future Opportunities: Rail Related/Adjacent

(All Geographies)

- Rail and container storage yards (including related services)
- Port terminals with rail component
- Transload facilities
- Rail ferry
- Provision of freight rail management (e.g., Saudi)

Acquisitions Typically Lead to Further Investment

- **Arizona Eastern:** Under-capitalized former owner
 - G&W committed to significant track upgrade and service levels underpinned by long-term customer contract
- **RCPE:** 670-mile branch line off Class I network
 - Post-acquisition capex for sidings, cars and loco lease buy-out generated significant incremental earnings

Freightliner Investment Case Study

1. Acquire Platform Business

Freightliner
a Genesee & Wyoming Company

2. Organic Investment

Loco shops, wagons

3. Integrate Contiguous Business

FL Australia / GWA

4. Follow-on Acquisitions from Largest Customers

A. UK: Pentalver £87mn



B. AUS: GRail A\$1.14bn
GLENCORE

5. Follow-on Investment

A. London Gateway Depot
B. Further equip. for coal spot tons

All while managing thru adversity (coal, shipping, ERS): Restructuring, Roots Reset

Summary

1. Historic investment levels average
~\$400mn annually
2. As we get bigger, investment universe increases
across entire geographic footprint
3. Growth target requires consistent small and
medium size acquisitions and investment
 - Large deals emerge every couple of years

Summary

4. Acquisitions typically lead to more organic investment opportunities
5. Unique ability to diligence, execute, integrate and generate cost saves and further opportunity
6. Success dependent on our reputation and people

Questions
?



G&W Long-Term Outlook

Timothy J. Gallagher, Chief Financial Officer



Introduction

- Recently completed new 5-year strategic plan (October 2017)
 - Bottom-up Process
 - Revenues By Customer, By Railroad, By Region
 - Long term capital requirements
- Short Line Tax Credit renewal and/or tax reform are upside

Long-Term EPS Growth of 15% to 20%

Segment	Same Railroad Revenue Growth	Same Railroad 2021 Operating Ratio
North America	4% – 5%	Low 70s
Australia	5% – 15%	Mid-High 60s
UK/Europe	5% – 10%	Low 90s
Consolidated	5% – 10%	High 70s

- Average M&A + New Investments of approximately \$300 million per year at pro-forma 7.5x EBITDA

Superior Free Cash Flow Generation

- Superior Free Cash Flow Conversion averages 140% of Book Income
- Two Drivers of Strong FCF Conversion
 - Annual Sustaining Capex is Less than D&A
 - Favorable Tax Attributes (Cash Taxes less than Book Taxes)
- Sustaining Capital: \$200 million - \$210 million
 - North America: ~\$160 million - \$165 million
 - Australia: ~\$20 million
 - UK/Europe: ~\$20 million - \$25 million
- D&A ~\$250 million
 - Depreciation ~\$200 million
 - Amortization ~\$50 million

M&A + New Investments

- Growth Requires Modest M&A and New Investment
 - “Mega-Deals” not included (but typically see one every two years)
 - Historic “Sweet Spot” \$100 million - \$200 million in North America
- Significant Opportunities in All Geographies
 - North America Shortline M&A
 - New Rolling Stock Investments (e.g., Australia)
 - Rail Related Real Estate and Terminals (e.g., U.K.)
 - Asset Light Investments in Other New Markets (typically customer partnership)

Questions
?



Summary

Jack Hellmann, Chairman and CEO



Key Takeaways from Investor Day

- Unique Global Rail Platform
- Proven Management Team
- Target 15% - 20% EPS Growth
- Superior Free Cash Flow



Reconciliation of Non-GAAP Financial Measures

Non-GAAP Financial Measures

This presentation contains references to Free Cash Flow and Free Cash Flow Before New Business Investments, which are “non-GAAP financial measures” as this term is defined in Item 10(e) of Regulation S-K under the Securities Act of 1933 and the Securities Exchange Act of 1934 and Regulation G under the Securities Exchange Act of 1934. In accordance with these rules, G&W has reconciled these non-GAAP financial measures to their most directly comparable U.S. GAAP measures.

Management views these non-GAAP financial measures as important measures of G&W’s operating performance or, in the case of Free Cash Flow, an important financial measure of how well G&W is managing its assets and a useful indicator of cash flow that may be available for discretionary use by G&W. Management also views these non-GAAP financial measures as a way to assess comparability between periods. Key limitations of the Free Cash Flow measure include the assumptions that G&W will be able to refinance its existing debt when it matures and meet other cash flow obligations from financing activities, such as principal payments on debt.

These non-GAAP financial measures are not intended to represent, and should not be considered more meaningful than, or as an alternative to, their most directly comparable GAAP measures. These non-GAAP financial measures may be different from similarly-titled non-GAAP financial measures used by other companies.

The following tables set forth reconciliations of each of these non-GAAP financial measures to their most directly comparable GAAP measure (in millions).

Free Cash Flow and Free Cash Flow Before New Business Investments

	2007	2008	2009	2010	2011	2012
Net cash provided by operating activities	\$ 35	\$ 129	\$ 127	\$ 172	\$ 174	\$ 171
Net cash used in investing activities	(70)	(414)	(54)	(389)	(235)	(2,102)
Net cash paid for acquisitions/divestitures	115	353	2	335	101	1,964
Free cash flow	\$ 80	\$ 68	\$ 75	\$ 118	\$ 40	\$ 33
New business investments	-	-	-	-	78	102
Free cash flow before new business investments	<u>\$ 80</u>	<u>\$ 68</u>	<u>\$ 75</u>	<u>\$ 118</u>	<u>\$ 118</u>	<u>\$ 135</u>

	2013	2014	2015	2016	2017 E
Net cash provided by operating activities	\$ 414	\$ 492	\$ 475	\$ 407	\$ 499
Net cash used in investing activities	(209)	(510)	(1,074)	(1,135)	(341)
Net cash paid for acquisitions/divestitures	13	221	792	987	113
Free cash flow	\$ 218	\$ 203	\$ 193	\$ 259	\$ 271
New business investments	34	93	66	25	14
Free cash flow before new business investments	<u>\$ 252</u>	<u>\$ 296</u>	<u>\$ 259</u>	<u>\$ 284</u>	<u>\$ 285</u>
Distributions to noncontrolling interest					(28)
Free cash flow attributable to G&W					<u>\$ 257</u>

