

Figure 13: DB North American Class I Rail Comparative Valuation Table

Company (Ticker)	Rating	Current		Valuation Methodology	Market Cap (\$mm)	NTM Dividend Yield	EPS				EPS Growth			Price/Earnings					EV/EBITDA			
		Price 30 Oct	Price Target				2016				2016	2017E	2018E	2016	2017E	2018E	NTM	5-Yr.		5-Yr.		
							2016	2017E	2018E	NTM	YoY	YoY	YoY	2016	2017E	2018E	NTM	Avg.	2017E	2018E	NTM	Avg.
CSX Corp. (CSX)	Buy	51.60	60	Blended Avg.	46,596	1.8%	2.21	2.80	2.93	2.91	22.5%	26.6%	4.5%	23.3x	18.4x	17.6x	17.7x	14.3x	9.9x	9.4x	10.1x	8.1x
Norfolk Southern (NSC)	Hold	132.80	135	17.5x 2018 EPS	37,669	2.0%	6.45	6.90	7.75	7.61	14.8%	7.0%	12.2%	20.6x	19.2x	17.1x	17.5x	14.1x	10.0x	9.4x	10.1x	8.3x
Union Pacific (UNP)	Hold	116.37	129	17.0x 2018 EPS	88,818	2.5%	5.81	6.69	7.60	7.45	14.6%	15.2%	13.5%	20.0x	17.4x	15.3x	15.6x	15.6x	9.6x	9.0x	9.8x	8.8x
Canadian National (CNI)	Sell	81.21	73	15.5x 2018 EPS	59,924	1.9%	3.92	4.26	4.70	4.63	13.1%	8.9%	10.3%	20.7x	19.0x	17.3x	17.5x	15.6x	12.5x	11.7x	11.8x	10.9x
Canadian Pacific (CP)	Buy	174.74	209	17.5x 2019 EPS	24,362	1.2%	8.84	10.48	11.93	11.69	14.0%	18.5%	13.8%	19.8x	16.7x	14.6x	15.0x	16.5x	11.4x	10.5x	10.6x	11.1x
Class I Average						1.9%					15.8%	15.3%	10.9%	20.9x	18.1x	16.4x	16.7x	15.2x	10.7x	10.0x	10.5x	9.5x

Note: we are translating Canadian rail numbers to USD at an exchange rate of USD/CAD of 1.25

Source: Deutsche Bank, Company Filings, FactSet

