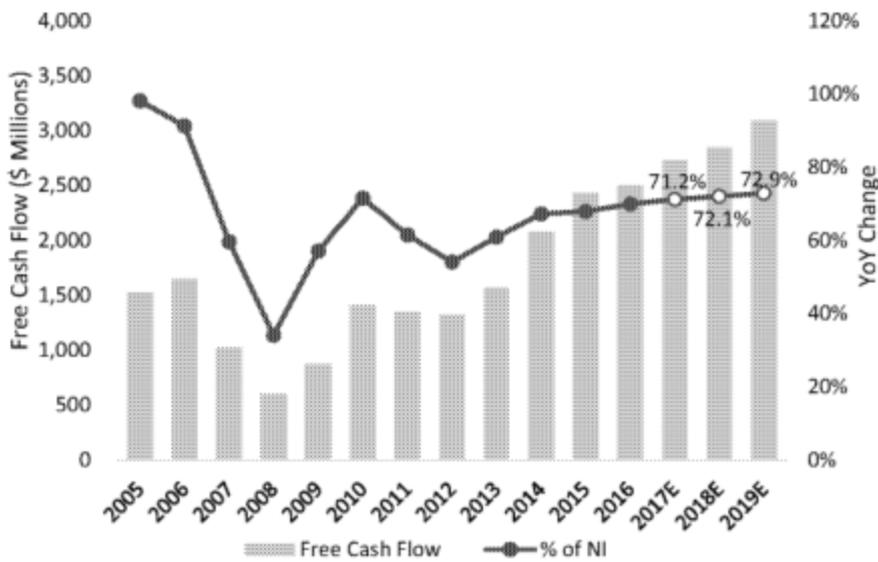




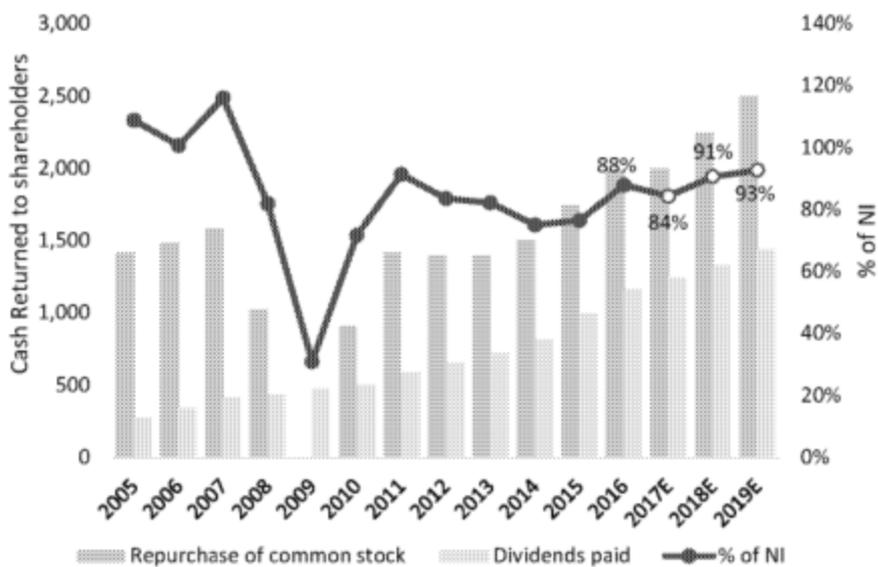
Figure 119: FCF and FCF as a % of Net Income (2005-2019E)



Source: Deutsche Bank, Company filings

CNI has done a good job of returning cash to shareholders through both dividends and share repurchases. Cumulatively, CNI has paid out over \$8bn in dividends and repurchased C\$17bn worth of shares. Moreover, CNI has grown its dividend payouts at a 13% CAGR over the past ten years. We expect the company to return 80-85% of net income to shareholders over the next several years.

Figure 120: CNI returned nearly 90% of net income to shareholders in 2016



Source: Deutsche Bank, Company filings