



MONTANA
DEPARTMENT OF
REVENUE

**2026 Capitalization Rate Study
Railroads**

Final

Completed: April 22, 2026

MONTANA DEPARTMENT OF REVENUE

Yield Capitalization Rate Conclusion

Industry: Railroads

2026 Assessment Year

Capital Structure ^[1]

Equity	81.00%
Debt	19.00%

Equity Cost of Capital

		Weighting
Capital Asset Pricing Model - Ex Post ^[2]	12.16%	56%
Capital Asset Pricing Model - Ex Ante ^[2]	9.61%	14%
3 Stage Dividend Discount Model - Dividends ^[3]	7.29%	15%
3 Stage Dividend Discount Model - Earnings ^[3]	8.71%	15%
Weighted Average	10.55%	100%
Selected Cost of Equity	10.55%	

Debt Cost of Capital

		Weighting
Aa - Avg. YTM of Aa Rated Corporate Bonds ^[4]	5.63%	0%
A - Avg. YTM of A Rated Corporate Bonds ^[4]	5.71%	67%
Baa - Avg. YTM of Baa Rated Corporate Bonds ^[4]	5.98%	33%
Ba - Avg. YTM of Ba Rated Corporate Bonds ^[5]	7.39%	0%
B - Avg. YTM of B Rated Corporate Bonds ^[5]	8.47%	0%
Weighted Average	5.80%	100%
Selected Cost of Debt	5.80%	

Weighted Average Cost of Capital (WACC)

Source of Capital	Capital Structure	Capital Cost of Capital	Marginal Tax Rate	After-tax Unweighted	Pre-tax Debt Weighted	After-tax Weighted
Equity	81.00%	10.55%		10.55%	8.55%	8.55%
Debt	19.00%	5.80%	24.00%	4.41%	1.10%	0.84%
WACC	100.00%				9.65%	9.39%
WACC (Rounded)						9.39%

Notes

[1] From worksheet: Capital Structure

[2] From worksheet: Capital Asset Pricing Model Summary

[3] From worksheet: Yield Equity Summary

[4] January 2026 Mergent Bond Record, Bloomberg, and Capital IQ

[5] MDOR High Yield Debt Study, Bloomberg, and Capital IQ

MONTANA DEPARTMENT OF REVENUE

Direct Capitalization Rate Conclusion

Industry: Railroads

2026 Assessment Year

Capital Structure ^[1]

Equity	81.00%
Debt	19.00%

Equity Capitalization Rate ^[2]

NOI After-tax	4.93%
GCF	6.56%

Debt Capitalization Rate ^[3]

Calculated Current Yield	5.02%
--------------------------	--------------

NOI After-tax Direct Capitalization Rate

Source of Capital	Capital Structure	Capitalization Rate	Marginal Tax Rate	After-tax Unweighted	Pre-tax Debt Weighted	After-tax Weighted
Equity	81.00%	4.93%		4.93%	3.99%	3.99%
Debt	19.00%	5.02%	24.00%	3.82%	0.95%	0.73%
Total	100.00%				4.95%	4.72%
Total (Rounded)						4.72%

GCF Direct Capitalization Rate

Source of Capital	Capital Structure	Capitalization Rate	Marginal Tax Rate	After-tax Unweighted	Pre-tax Debt Weighted	After-tax Weighted
Equity	81.00%	6.56%		6.56%	5.32%	5.32%
Debt	19.00%	5.02%	24.00%	3.82%	0.95%	0.73%
Total	100.00%				6.27%	6.04%
Total (Rounded)						6.04%

Notes:

[1] From worksheet: Capital Structure

[2] From worksheet: Direct Equity Summary

[3] From worksheet: Calculated Current Yield

MONTANA DEPARTMENT OF REVENUE

Selection of Guideline Companies

Industry: Railroads

2026 Assessment Year

Screening Requirements:

The universe of companies is all companies listed in Value Line under the Railroad industry.

Companies were then selected using the following screening criteria:

1. Primarily provides rail, intermodal transportation, and rail-to-truck transload services.
2. Actively traded on an American exchange.
3. Headquartered / incorporated in the United States
4. No significant merger & acquisition activity during the year.

Company Ticker	Primarily provide rail services	Actively Traded on an American Exchange	Headquartered/ Incorporated in the U.S.	Consider as Potential Guideline Company	Not Engaged in Material M&A Activity	Use as Guideline Company	Note
CNI	Yes	Yes	No				
CP	Yes	Yes	No				
CSX	Yes	Yes	Yes	Yes	Yes	Yes	
GATX	No						
GBX	No						
NSC	Yes	Yes	Yes	Yes	No	Yes	[1]
RAIL	No						
TRN	No						
UNP	Yes	Yes	Yes	Yes	No	Yes	[1]
WAB	No						

[1] Regardless of their ongoing merger discussions, it has been decided to include UNP and NSC due to the limited availability of guideline public companies in the railroad industry.

MONTANA DEPARTMENT OF REVENUE

Support for Capital Structure

Industry: Railroads

2026 Assessment Year

(\$ and Shares Outstanding In Millions, Except Per Share Amounts)

A	B	C	D	E	F	G	H	I	J	K	L	M	N
Ticker	Company	Industry Group	Financial Strength	Shares Outstanding	End of Year Closing Stock Price	MV Common Stock	MV Preferred Stock	MV Long Term Debt	PV of Operating Leases	Total Common, Preferred, LT Debt, & Op Leases	% Common	% Preferred	% Debt & Op Leases
		<i>Value Line</i>	<i>Value Line</i>	<i>10-K</i>	<i>Yahoo</i>	<i>ExF</i>	<i>10-K</i>	<i>10-K</i>	<i>10-K</i>	<i>G+H+I+J</i>	<i>G/K</i>	<i>H/K</i>	<i>(I+J)/K</i>
							<i>[Note 1]</i>	<i>[Note 2]</i>					
CSX	CSX Corp.	RAILROAD	A	1,860	36.25	67,409	0	17,305	546	85,260	79%	0%	21%
NSC	Norfolk Southern	RAILROAD	A	224	288.72	64,795	0	15,865	218	80,878	80%	0%	20%
UNP	Union Pacific	RAILROAD	A+	593	231.32	137,230	0	26,514	1,008	164,752	83%	0%	17%
All Companies						269,433	0	59,684	1,772	330,889	81%	0%	19%
Average											81%	0%	19%
Median											80%	0%	20%
High											83%	0%	21%
Low											79%	0%	17%
Selected											81%		19%

Notes

[1] Market value of preferred stock assumed to equal book value

[2] Market value of debt is fair value of long term debt from 10-K notes

MCA 15-1-210, rationale for changes to guideline companies:

2026 - No changes to guideline companies.

		<u>Median</u>	
Current Year	80%	0%	20%
Prior Year	78%	0%	22%
2 Years Prior	79%	0%	21%
3 Year Average	79%	0%	21%

MONTANA DEPARTMENT OF REVENUE

Capital Asset Pricing Model (CAPM)

Industry: Railroads

2026 Assessment Year

$$k_e = R_f + \beta \times ERP$$

		<i>Ex Post</i>	<i>Ex Ante</i>
$k_e =$	Cost of Equity	12.16%	9.61%
$R_f =$	Risk Free Rate	4.79%	4.79%
$\beta =$	Beta	1.00	1.00
$ERP =$	Equity Risk Premium ($R_m - R_f$)	7.37%	4.82%
$R_m =$	Market Rate of Return	12.16%	9.61%

Risk Free Rate Measures (R_f):

The Value Line Investment Survey: Selection & Opinion^[1]

January 2, 2026 Page 1934

Selected Yields on Taxable U.S. Treasury Securities as of 12/22/25

10-year	4.17%
30-year	4.84%

Federal Reserve Statistical Release^[2]

U.S. government securities, Treasury constant maturities, Nominal, December 31, 2025

10-year	4.18%
20-year	4.79%
30-year	4.84%
Risk Free Rate Selected	<u>4.79%</u>

Notes

[1] "Value Line Selection & Opinion", Value Line (January 2, 2026)

[2] <https://www.federalreserve.gov/releases/h15/>

Ex Post - Equity Risk Premium Measures ($ERP = R_m - R_f$)

Kroll, 2026 Cost of Capital Navigator

		<u>R_m</u>	<u>R_f</u>	<u>ERP</u>
ERP "Historical" - <i>Ex Post</i>	<i>Arithmetic Avg.</i>	12.16%	4.79%	7.37%
ERP "Supply-side" - <i>Ex Post</i>	<i>Arithmetic Avg.</i>	11.10%	4.79%	6.31%
Ex Post Equity Risk Premium Selected		<u>12.16%</u>	<u>4.79%</u>	<u>7.37%</u>

MONTANA DEPARTMENT OF REVENUE

Capital Asset Pricing Model (CAPM)

Industry: Railroads

2026 Assessment Year

$$k_e = R_f + \beta \times ERP$$

Ex Ante - Equity Risk Premium Measures (ERP = Rm - Rf)

DOR 3 Stage Dividend Growth Model, S & P 500, See Exhibit

	<u>R_m</u>	<u>R_f</u>	<u>ERP</u>
3 Stage Dividend Discount Model - <i>Ex Ante</i>	7.73%	4.79%	2.94%
Implied Premium - <i>Ex Ante</i>	8.92%	4.79%	

Kroll, 2026 Cost of Capital Navigator

	<u>R_m</u>	<u>R_f</u>	<u>ERP</u>
ERP "Conditional" - <i>Ex Ante</i>	9.79%	4.79%	5.00%

Damodaran Implied ERP (Jan 1, 2026)

	<u>R_m</u>	<u>R_f</u>	<u>ERP</u>
Implied Premium - <i>Ex Ante</i> - Trailing 12 month, with sustainable payout	8.36%	4.18%	4.18%
Implied Premium - <i>Ex Ante</i> - Trailing 12 month cash yields	8.41%	4.18%	4.23%
Implied Premium - <i>Ex Ante</i> - Average CF yield last 10 years	10.36%	4.18%	6.18%
Implied Premium - <i>Ex Ante</i> - Net cash yield	8.14%	4.18%	3.96%
Implied Premium - <i>Ex Ante</i> - Normalized earnings and payout	<u>7.80%</u>	<u>4.18%</u>	<u>3.62%</u>
Damodaran Average	8.61%	4.18%	4.43%

	<u>R_m</u>	<u>R_f</u>	<u>ERP</u>
<u>Average</u>	8.69%		4.30%
<u>Median</u>	8.39%		4.18%
<u>High</u>	10.36%		6.18%
<u>Low</u>	7.73%		2.94%

Ex Ante Equity Risk Premium Selected

9.61%	4.79%	4.82%
--------------	--------------	--------------

MONTANA DEPARTMENT OF REVENUE

Support for Beta Selection in CAPM

Industry: Railroads

2026 Assessment Year

A	B	C	D	E
Ticker	Company	Industry Group	Financial Strength	Beta
		<i>Value Line</i>	<i>Value Line</i>	<i>Value Line</i>
CSX	CSX Corp.	RAILROAD	A	1.00
NSC	Norfolk Southern	RAILROAD	A	1.00
UNP	Union Pacific	RAILROAD	A+	0.95
Average				0.98
Median				1.00
High				1.00
Low				0.95
Selected				1.00

MONTANA DEPARTMENT OF REVENUE

Inflation & Real Growth

Industry: Railroads

2026 Assessment Year

A	B	C	D	Nominal Growth	
				E	F
Source Description	Inflation (CPI)	Real Growth (GDP)	Nominal Growth	Low	High
Livingston Survey ^[1]	2.29%	2.01%	4.30%		
Survey of Professional Forecasters ^[2]	2.25%	2.40%	4.65%		
Congressional Budget Office ^[3]	2.30%	1.80%	4.10%		
Average	2.28%	2.07%	4.35%		
Median	2.29%	2.01%	4.30%		
High	2.30%	2.40%	4.70%		
Low	2.25%	1.80%	4.05%		
Selected	2.30%	2.00%	4.30%	4.05%	4.70%

Inflationary Trend Factors						
Year	Dec. CPI-U Index	Percent Change From Previous	Dec. to Dec. Conversion Factor	Annual Avg. CPI-U Index	Percent Change From Previous	Annual Conversion Factor
	<i>Note [5]</i>	<i>Note [6]</i>	<i>Note [7]</i>	<i>Note [5]</i>	<i>Note [6]</i>	<i>Note [7]</i>
2014	234.812	0.8%	1.3801	236.736	1.6%	1.3599
2015	236.525	0.7%	1.3701	237.017	0.1%	1.3583
2016	241.432	2.0%	1.3422	240.007	1.2%	1.3414
2017	246.524	2.1%	1.3145	245.120	2.1%	1.3134
2018	251.233	1.9%	1.2899	251.107	2.4%	1.2821
2019	256.974	2.2%	1.2610	255.657	1.8%	1.2593
2020	260.474	1.3%	1.2441	258.811	1.2%	1.2439
2021	278.802	6.6%	1.1623	270.970	4.5%	1.1881
2022	296.797	6.1%	1.0918	292.655	7.4%	1.1001
2023	306.746	3.2%	1.0564	304.702	4.0%	1.0566
2024	315.605	2.8%	1.0268	313.689	2.9%	1.0263
2025	324.054	2.6%	1.0000	321.943	2.6%	1.0000

Notes

[1] Federal Reserve Bank of Philadelphia The Livingston Survey December 19, 2025 Table 3 Inflation Rate and Real GDP mean

<https://www.philadelphiafed.org/research-and-data/real-time-center/livingston-survey>

[2] Federal Reserve Bank of Philadelphia Survey of Professional Forecasters November 17, 2025 Table 8 Average over next 10-Year mean

<https://www.philadelphiafed.org/surveys-and-data/real-time-data-research/survey-of-professional-forecasters>

[3] The Budget and Economic Outlook: 2026 To 2036

<https://www.cbo.gov/data/budget-economic-data#4>

[5] Historical Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, all items, index averages (1982-84=100, unless otherwise noted)

<https://www.bls.gov/cpi/tables/supplemental-files/>

[6] (Row year - Previous Year) / Row Year

[7] Most current year / Row year

MONTANA DEPARTMENT OF REVENUE

3 Stage Dividend Discount Model (DDM)

Industry: Railroads

2026 Assessment Year

$$k_e = (D_1 / P_0) + g$$

k_e = Cost of Equity

D_1 = Expected Dividend

P_0 = Current Price Per Share

g = Sustainable Long-Term Growth

A	B	C	D	E	F	G	H	I
Ticker	Company	2025 Year End Stock Price	2026 Est Div'ds Decl'd per sh	Expected Equity Payout Yield	Sustainable Long-Term Growth Rate ^[1]	Sustainable Long-Term Growth Rate ^[1]	Cost of Equity Dividend Growth	Cost of Equity Earnings Growth
		<i>Yahoo</i>	<i>Value Line</i>	<i>D/C</i>	<i>Dividends</i>	<i>Earnings</i>	<i>E+F</i>	<i>E+G</i>
		P_0	D_1	D_1/P_0	g	g	k_e	k_e
CSX	CSX Corp.	36.25	0.60	1.66%	6.18%	7.54%	7.84%	9.20%
NSC	Norfolk Southern	288.72	5.40	1.87%	4.11%	6.95%	5.98%	8.82%
UNP	Union Pacific	231.32	5.60	2.42%	5.63%	5.69%	8.05%	8.11%
Average							7.29%	8.71%
Median							7.84%	8.82%
High							8.05%	9.20%
Low							5.98%	8.11%
Selected							7.29%	8.71%

Notes

[1] From worksheet: DDM Sustainable Long-Term Growth

Implied Sustainable LTG:

5.31%

6.73%

MONTANA DEPARTMENT OF REVENUE

Support for DDM - Short Term Growth Rate Calculations

Industry: Railroads

2026 Assessment Year

A	B	C	D	E	F	G
Ticker	Company	End of Year Closing Stock Price	Div'ds Decl'd per sh 2026 Est	Expected Dividend Yield	Div'ds Decl'd per sh 2028-2030 Est	Short-Term Growth Rate
		<i>Yahoo</i>	<i>Value Line</i>	<i>D / C</i>	<i>Value Line</i>	<i>Note [1]</i>
CSX	CSX Corp.	36.25	0.60	1.66%	0.80	10.06%
NSC	Norfolk Southern	288.72	5.40	1.87%	6.00	3.57%
UNP	Union Pacific	231.32	5.60	2.42%	7.00	7.72%

A	B	C	D	E
Ticker	Company	Earnings per share 2026 Est	Earnings per share 2028-2030 Est	Short-Term Growth Rate
		<i>Value Line</i>	<i>Value Line</i>	<i>Note [1]</i>
CSX	CSX Corp.	1.90	2.75	13.12%
NSC	Norfolk Southern	13.75	19.00	11.38%
UNP	Union Pacific	12.75	16.00	7.86%

Notes

[1] 4 year compound annual growth rate (CAGR) - 3 periods

MONTANA DEPARTMENT OF REVENUE

Support for DDM - Sustainable Long Term Growth

Industry: Railroads

2026 Assessment Year

Dividend Growth Rate									Stage 1				
Ticker	Company	Year End Stock Price	Expected Short-Term Dividend Growth Rate	Expected Long-Term Growth Rate	Expected Dividend Yield	Internal Rate of Return	Implied Sustainable Long-Term Growth Rate (g)	Initial Investment	D ₁	D ₂	D ₃	D ₄	D ₅
		Yahoo	Note [1]	Note [2]	D_1/P_0	$K_e = IRR \text{ of } D_1 : D_{500}$	$g = IRR - Div. \text{ Yield}$						
CSX	CSX Corp.	36.25	10.06%	4.30%	1.66%	7.84%	6.18%	(36.25)	0.60	0.66	0.73	0.80	0.88
NSC	Norfolk Southern	288.72	3.57%	4.30%	1.87%	5.98%	4.11%	(288.72)	5.40	5.59	5.79	6.00	6.21
UNP	Union Pacific	231.32	7.72%	4.30%	2.42%	8.05%	5.63%	(231.32)	5.60	6.03	6.50	7.00	7.54

Earnings Growth Rate									Stage 1				
Ticker	Company	Year End Stock Price	Expected Short-Term Earnings Growth Rate	Expected Long-Term Growth Rate	Expected Dividend Yield	Internal Rate of Return	Implied Sustainable Long-Term Growth Rate (g)	Initial Investment	D ₁	D ₂	D ₃	D ₄	D ₅
		Yahoo	Note [1]	Note [2]	D_1/P_0	$K_e = IRR \text{ of } D_1 : D_{500}$	$g = IRR - Div. \text{ Yield}$						
CSX	CSX Corp.	36.25	13.12%	4.30%	1.66%	9.20%	7.54%	(36.25)	0.60	0.68	0.77	0.87	0.98
NSC	Norfolk Southern	288.72	11.38%	4.30%	1.87%	8.82%	6.95%	(288.72)	5.40	6.01	6.70	7.46	8.31
UNP	Union Pacific	231.32	7.86%	4.30%	2.42%	8.11%	5.69%	(231.32)	5.60	6.04	6.52	7.03	7.58

Notes

[1] From worksheet: DDM Short Term Growth Rate Calculations

[2] From worksheet: Inflation & Real Growth

MONTANA DEPARTMENT OF REVENUE

Support for DDM - Sustainable Long Term Growth

Industry: Railroads

2026 Assessment Year

Dividend	Stage 2															Stage 3		
Ticker	D ₆	D ₇	D ₈	D ₉	D ₁₀	D ₁₁	D ₁₂	D ₁₃	D ₁₄	D ₁₅	D ₁₆	D ₁₇	D ₁₈	D ₁₉	D ₂₀	D ₂₁	D ₂₂	D ₅₀₀
CSX	0.97	1.06	1.16	1.27	1.40	1.53	1.68	1.84	2.02	2.22	2.43	2.67	2.93	3.21	3.52	3.67	3.83	2,104,328,127
NSC	6.44	6.67	6.91	7.17	7.42	7.69	7.97	8.26	8.56	8.87	9.19	9.53	9.87	10.23	10.60	11.05	11.53	6,334,333,912
UNP	8.11	8.71	9.37	10.07	10.82	11.63	12.50	13.44	14.45	15.53	16.70	17.95	19.29	20.74	22.29	23.25	24.25	13,323,234,842

Earnings	Stage 2															Stage 3		
Ticker	D ₆	D ₇	D ₈	D ₉	D ₁₀	D ₁₁	D ₁₂	D ₁₃	D ₁₄	D ₁₅	D ₁₆	D ₁₇	D ₁₈	D ₁₉	D ₂₀	D ₂₁	D ₂₂	D ₅₀₀
CSX	1.11	1.24	1.40	1.58	1.77	1.99	2.24	2.53	2.84	3.20	3.60	4.05	4.56	5.13	5.77	6.02	6.28	3,448,910,400
NSC	9.22	10.22	11.34	12.58	13.95	15.47	17.16	19.03	21.11	23.41	25.96	28.80	31.94	35.42	39.29	40.98	42.74	23,480,639,399
UNP	8.16	8.78	9.45	10.17	10.95	11.78	12.68	13.64	14.69	15.80	17.01	18.31	19.70	21.21	22.82	23.80	24.83	13,640,351,475

MONTANA DEPARTMENT OF REVENUE

Support for Yield Capitalization Rate - Debt Rating

Industry: Railroads

2026 Assessment Year

A	B	C	D	E	F
Ticker	Company	Industry Group	Financial Strength	Moody's Long Term Rating	Yield to Maturity
		<i>Value Line</i>	<i>Value Line</i>	<i>Moodys.com</i>	
CSX	CSX Corp.	RAILROAD	A	A3	5.71%
NSC	Norfolk Southern	RAILROAD	A	Baa1	5.98%
UNP	Union Pacific	RAILROAD	A+	A3	5.71%
Average					5.80%
Median					5.71%
High					5.98%
Low					5.71%
Selected					5.80%

MONTANA DEPARTMENT OF REVENUE

Support for Direct Capitalization - Equity Capitalization Rates

Industry: Railroads

2026 Assessment Year

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
Ticker	Company	End of Year Closing Stock Price	VL Historic EPS	VL Est EPS	VL Historic P/E Ratio	VL Est P/E Ratio	Ke Estimate - Earnings (Hist. P/E)	Ke Estimate - Earnings (Est. P/E)	VL Historic Cash Flow Per Share	VL Est Cash Flow Per Share	VL Historic P/CF Ratio	VL Est P/CF Ratio	Ke Estimate - Cash Flow (Hist. P/CF)	Ke Estimate - Cash Flow (Est. P/CF)	Market Value of Equity	Book Value of Equity	MTBR
		<i>Yahoo</i>	<i>Value Line</i>	<i>Value Line</i>	<i>C/D</i>	<i>C/E</i>	<i>1/F</i>	<i>1/G</i>	<i>Value Line</i>	<i>Value Line</i>	<i>C/J</i>	<i>C/K</i>	<i>1/L</i>	<i>1/M</i>	<i>Price x Shrs</i>	<i>Value Line</i>	<i>P/Q</i>
CSX	CSX Corp.	36.25	1.61	1.90	22.52	19.08	4.44%	5.24%	2.70	0.00	13.43		7.45%		67,409	12,502	5.39
NSC	Norfolk Southern	288.72	12.15	13.75	23.76	21.00	4.21%	4.76%	17.56	18.70	16.44	15.44	6.08%	6.48%	64,795	14,306	4.53
UNP	Union Pacific	231.32	11.67	12.75	19.82	18.14	5.04%	5.51%	15.14	0.00	15.28		6.55%		137,230	16,890	8.12
Average					22.03	19.41	4.56%	5.17%			15.05	15.44	6.69%	6.48%			6.02
Median					22.52	19.08	4.44%	5.24%			15.28	15.44	6.55%	6.48%			5.39
High					23.76	21.00	5.04%	5.51%			16.44	15.44	7.45%	6.48%			8.12
Low					19.82	18.14	4.21%	4.76%			13.43	15.44	6.08%	6.48%			4.53
Selected					20.29		4.93%				15.24		6.56%				5.39

MONTANA DEPARTMENT OF REVENUE

Support for Direct Capitalization - Debt Capitalization Rate

Industry: Railroads

2026 Assessment Year

(\$ in Millions)

A	B	C	D	E	F	G	H	I	J
Ticker	Company	Current Year Interest Exp.	Previous Year MV LT Debt	Previous Year BV LT Debt	Current Year MV LT Debt	Current Year BV LT Debt	Average MV LT Debt	Current Yield	MTBR
	Source	10-K	10-K	10-K	10-K	10-K	(D+F)/2	(C/H)	(F/G)
CSX	CSX Corp.	844	16,481	18,503	17,305	18,873	16,893	5.00%	0.92
NSC	Norfolk Southern	792	15,656	17,206	15,865	17,087	15,761	5.03%	0.93
UNP	Union Pacific	1,309	25,292	31,192	26,514	31,814	25,903	5.05%	0.83
All Companies		2,945			59,684	67,774	58,557	5.03%	0.88
Average								5.02%	0.89
Median								5.03%	0.92
High								5.05%	0.93
Low								5.00%	0.83
Selected								5.02%	0.89

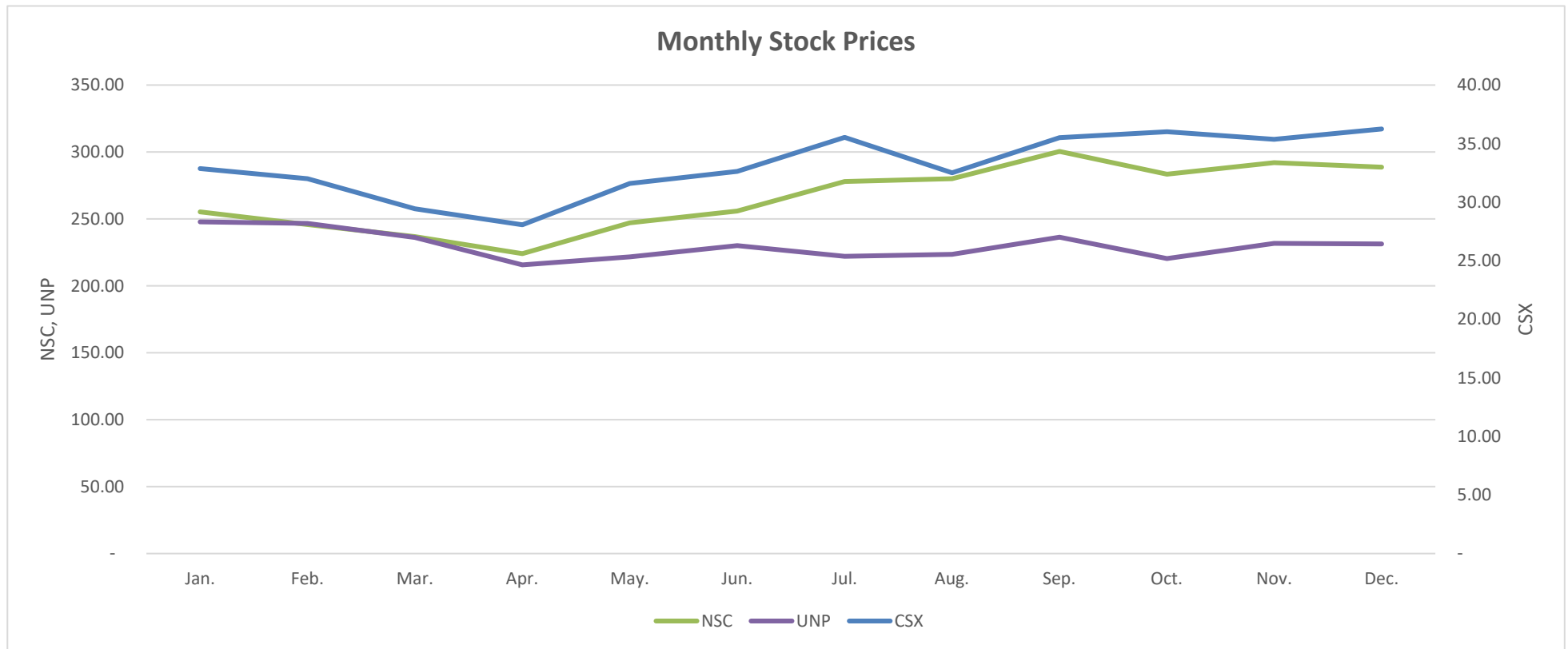
MONTANA DEPARTMENT OF REVENUE

Support of Stock Price - From YAHOO Finance

Industry: Railroads

2026 Assessment Year

		End of Period Closing Stock Price											
1	2	3	4	5	6	7	8	9	10	11	12	13	14
A	B	C	D	E	F	G	H	I	J	K	L	M	N
Ticker	Company	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
CSX	CSX Corp.	32.87	32.01	29.43	28.07	31.59	32.63	35.54	32.51	35.51	36.02	35.36	36.25
NSC	Norfolk Southern	255.30	245.75	236.85	224.05	247.12	255.97	278.00	279.98	300.41	283.38	292.09	288.72
UNP	Union Pacific	247.79	246.69	236.24	215.66	221.66	230.08	221.97	223.57	236.37	220.37	231.83	231.32



MONTANA DEPARTMENT OF REVENUE

Maintenance Capital Expenditures Estimate Based on Guideline Companies

**Industry: Railroads
2026 Assessment Year**

(\$ In Millions)

¹ A	² B	C	³ D	⁴ E	⁵ F	⁶ G	⁷ H	⁸ I	⁹ J	¹⁰ K	¹¹ L
Ticker	Company	Inflation	PP&E, Gross	PP&E, Gross	Average	Depreciation	Average			Replacement	RC as % of
			<i>Current Year</i>	<i>Previous Year</i>	<i>Current Year</i>	<i>Current Year</i>		<i>Note [1]</i>	<i>Note [1]</i>	<i>Note [1]</i>	
		<i>MTDOR (CPI)</i>	<i>10-K, Notes</i>	<i>10-K, Notes</i>	<i>(D+E)/2</i>	<i>10-K</i>	<i>F/G</i>	<i>C*H</i>	<i>1/(1+C)^H</i>	<i>G*I/(1-J)</i>	<i>K/G</i>
CSX	CSX Corp.	2.30%	53,816	52,191	53,004	1,680	32	0.73	0.49	2,381	141.73%
NSC	Norfolk Southern	2.30%	51,096	49,788	50,442	1,393	36	0.83	0.44	2,068	148.44%
UNP	Union Pacific	2.30%	86,404	83,840	85,122	2,465	35	0.79	0.46	3,599	146.00%
Average											145.39%
Median											146.00%
High											148.44%
Low											141.73%
Selected											145.39%

Notes:

[1] Cornell, B. & Gerger, R. (2017). Estimating Terminal Values with Inflation: The Inputs Matter-It Is Not a Formulaic Exercise. *Business Valuation Review*, Volume 36, Number 4, 117-123.