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Union Pacific Reports First Quarter 2022 Results

April 21, 2022

First Quarter Results

- Earnings per diluted share of \$2.57
- Operating revenue up 17%
- Operating income up 19%

Union Pacific Corporation (NYSE: UNP) today reported 2022 first quarter net income of \$1.6 billion, or \$2.57 per diluted share. This compares to 2021 first quarter net income of \$1.3 billion, or \$2.00 per diluted share.

“Union Pacific translated revenue growth from a strong economy, our focused business development initiatives, core pricing gains, and positive business mix, into solid financial results,” said Lance Fritz, Union Pacific chairman, president, and chief executive officer. “Operationally, we did not meet expectations, which is having an impact on our customers. We are taking actions to improve resource utilization, increase crews and locomotives where needed, and reduce freight car inventory levels to restore fluidity.”

Financial Results: Revenue Growth Drives First Quarter Records for Operating Revenue, Operating Income, Net Income, and Earnings Per Share

First Quarter 2022 Compared to First Quarter 2021

- Operating revenue of \$5.9 billion was up 17% driven by higher fuel surcharge revenue, volume growth, core pricing gains, and a positive business mix.
- Business volumes, as measured by total revenue carloads, were up 4%.
- Union Pacific’s 59.4% operating ratio improved 70 basis points. Operating ratio included 160 basis points of positive impact from 2021 weather events. Higher fuel prices negatively impacted the operating ratio 80 basis points.
- Operating income of \$2.4 billion was up 19%.
- The company repurchased 11.0 million shares in first quarter 2022 at an aggregate cost of \$2.8 billion.

Operating Performance: Operational Inefficiencies and Incidents Impacted Service and Productivity

First Quarter 2022 Compared to First Quarter 2021

- Quarterly freight car velocity of 198 daily miles per car, a 5% decline.
- Quarterly locomotive productivity was 130 gross ton-miles (GTMs) per horsepower day, a 6% decline.
- Average maximum train length was flat.
- Quarterly workforce productivity was 1,056 car miles per employee, a 5% improvement.
- Fuel consumption rate, measured in gallons of fuel per thousand GTMs, was flat.
- Union Pacific’s reportable personal injury rate deteriorated to 0.97 per 200,000 employee-hours compared to 0.85 for 2021.

2022 Guidance

Updated

- Operating ratio beginning with “55”, up from ~55.5%
 - Pressure from rising fuel prices and current operational performance

Affirmed

- Full year volume growth exceeding Industrial Production
- Pricing gains in excess of inflation dollars
- Incremental margins of mid-60%
- Capital spending of \$3.3 billion
- Dividend payout target of 45% of earnings
- Share repurchases in line with 2021

First Quarter 2022 Earnings Conference Call

Union Pacific will webcast its first quarter 2022 earnings release presentation live at www.up.com/investor and via teleconference on Thursday, April 21, 2022, at 8:45 a.m. Eastern Time. Participants may join the conference call by dialing 877-407-8293 (or for international participants, 201-689-8349).

About Union Pacific

Union Pacific (NYSE: UNP) delivers the goods families and businesses use every day with safe, reliable, and efficient service. Operating in 23 western

states, the company connects its customers and communities to the global economy. Trains are the most environmentally responsible way to move freight, helping Union Pacific protect future generations. More information about Union Pacific is available at www.up.com.

Union Pacific Investor contact: Brad Stock at 402-544-4227 or bkstock@up.com

- [Supplemental financial information is attached.](#)