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Union Pacific Reports Fourth Quarter and Full Year 2023 Results

January 25, 2024

- Fourth quarter earnings per diluted share of \$2.71, up 1%
- Fourth quarter net income up 1%
- Full year earnings per diluted share of \$10.45, down 7%
- Full year net income down 9%

Union Pacific Corporation (NYSE: UNP) today reported 2023 fourth quarter net income of \$1.7 billion, or \$2.71 per diluted share. This compares to 2022 fourth quarter net income of \$1.6 billion, or \$2.67 per diluted share.

Reported net income for full year 2023 was \$6.4 billion, or \$10.45 per diluted share. These full year results compare to full year 2022 net income of \$7.0 billion, or \$11.21 per diluted share.

"The team continues to execute our multi-year strategy to be the industry's best in safety, service, and operational excellence," said Jim Vena, Union Pacific Chief Executive Officer. "Our fourth quarter results show much of what's possible at Union Pacific and that we're on the right path to reaching our goals. Service and operational metrics showed great improvement in the quarter. Those improvements propel us toward a service product that supports growth with our customers. We enter 2024 with strong momentum, recognizing we have plenty of opportunity to improve. We're excited to show our stakeholders what our great team can accomplish."

Fourth Quarter Summary: 2023 vs. 2022

Financial Results: Increased Volume and Core Pricing Gains Offset by Lower Fuel Surcharge Revenue Led to Flat Operating Revenue

- Operating revenue of \$6.2 billion was flat driven by increased volume and core pricing gains offset by reduced fuel surcharge revenue and business mix.
- Revenue carloads were up 3%.
- Operating ratio was 60.9%, an improvement of 10 basis points.
- Operating income of \$2.4 billion was flat.

Operating Performance: Improved Resource Utilization Drives Strong Service Metrics and Fluid Network; Fourth Quarter Record for Workforce Productivity

- Quarterly freight car velocity was 217 daily miles per car, a 14% improvement.
- Quarterly locomotive productivity was 140 gross ton-miles (GTMs) per horsepower day, a 14% improvement.
- Average maximum train length was 9,413 feet, a 2% increase.
- Quarterly workforce productivity improved 4% to 1,051 car miles per employee.
- Fuel consumption rate of 1.091, measured in gallons of fuel per thousand GTMs, deteriorated 3%.

Full Year Summary: 2023 vs. 2022

Financial Results: Lower Fuel Surcharge Revenue and Volume Drive Reduced Operating Revenue

- Operating revenue of \$24.1 billion was down 3% driven by lower fuel surcharge revenue, business mix, and volume declines partially offset by core pricing gains.
- Revenue carloads declined 1%.
- Union Pacific's 62.3% reported operating ratio deteriorated 220 basis points. Lower fuel prices positively impacted the operating ratio by 50 basis points.
- Operating Income of \$9.1 billion was down 8%.
- Union Pacific's 2023 capital program totaled \$3.7 billion.
- The company repurchased 3.5 million shares in 2023 at an aggregate cost of \$712 million.

Operating Performance: Improving Resource Availability and Utilization Through the Year Results in Fluid Operations to End 2023

- Union Pacific's reportable derailment rates improved, while reportable personal injury rates did not improve.
- Freight car velocity was 204 daily miles per car, a 7% improvement.
- Locomotive productivity was 129 GTMs per horsepower day, a 3% increase.
- Average maximum train length of 9,356 feet was flat.
- Workforce productivity of 1,000 car miles per employee declined 3%.
- Fuel consumption rate of 1.088, measured in gallons of fuel per thousand GTMs, deteriorated 1%.

2024 Outlook

- Volume outlook muted by international intermodal business loss, lower coal demand, and soft economic conditions
- Pricing dollars in excess of inflation dollars
- No change to long-term capital allocation strategy
 - Capital plan of \$3.4 billion
 - No first quarter share repurchases

Fourth Quarter 2023 Earnings Conference Call

Union Pacific will webcast its fourth quarter 2023 earnings release presentation live at www.up.com/investor and via teleconference on Thursday, January 25, 2024, 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](#)

This news release and related materials contain statements about the Company's future that are not statements of historical fact, including specifically the statements regarding the potential impacts of public health crises, including pandemics, epidemics and the outbreak of other contagious diseases, such as the coronavirus and its variant strains (COVID); the Russia-Ukraine and Israeli wars and any impacts on our business operations, financial results, liquidity, and financial position, and on the world economy (including customers, employees, and supply chains), including as a result of fluctuations in volume and carloadings; expectations as to general macroeconomic conditions, including slowdowns and recessions, domestically or internationally, and future volatility in interest rates and fuel prices; closing of customer manufacturing, distribution, or production facilities; expectations as to operational or service improvements; expectations as to hiring challenges; availability of employees; expectations regarding the effectiveness of steps taken or to be taken to improve operations, service, infrastructure improvements, and transportation plan modifications; expectations as to cost savings, revenue growth, and earnings; the time by which goals, targets, or objectives will be achieved; projections, predictions, expectations, estimates, or forecasts as to business, financial, and operational results, future economic performance, and planned capital investments; proposed new products and services; estimates of costs relating to environmental remediation and restoration; estimates and expectations regarding tax matters; expectations that claims, litigation, environmental costs, commitments, contingent liabilities, labor negotiations or agreements, cyberattacks or other matters. These statements are, or will be, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements also generally include, without limitation, information, or statements regarding: projections, predictions, expectations, estimates, or forecasts as to the Company's and its subsidiaries' business, financial, and operational results, and future economic performance; and management's beliefs, expectations, goals, and objectives and other similar expressions concerning matters that are not historical facts.

Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times that, or by which, such performance or results will be achieved. Forward-looking information, including expectations regarding operational and financial improvements and the Company's future performance or results are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statement. Important factors, including risk factors, could affect the Company's and its subsidiaries' future results and could cause those results or other outcomes to differ materially from those expressed or implied in the forward-looking statements. Information regarding risk factors and other cautionary information are available in the Company's Annual Report on Form 10-K for 2022, which was filed with the SEC on February 10, 2023. The Company updates information regarding risk factors if circumstances require such updates in its periodic reports on Form 10-Q and its subsequent Annual Reports on Form 10-K (or such other reports that may be filed with the SEC).

Forward-looking statements speak only as of, and are based only upon information available on, the date the statements were made. The Company assumes no obligation to update forward-looking information to reflect actual results, changes in assumptions, or changes in other factors affecting forward-looking information. If the Company does update one or more forward-looking statements, no inference should be drawn that the Company will make additional updates with respect thereto or with respect to other forward-looking statements. References to the Company's website are provided for convenience and, therefore, information on or available through the website is not, and should not be deemed to be, incorporated by reference herein.

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