

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 22, 2021 (July 22, 2021)

UNION PACIFIC CORPORATION

(Exact name of registrant as specified in its charter)

Utah
(State or other jurisdiction
of Incorporation)

1-6075
(Commission
File Number)

13-2626465
(IRS Employer
Identification No.)

1400 Douglas Street, Omaha, Nebraska
(Address of principal executive offices)

68179
(Zip Code)

Registrant's telephone number, including area code: **(402) 544-5000**

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each Class
Common Stock (Par Value \$2.50 per share)

Trading Symbol
UNP

Name of each exchange on which registered
New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On July 22, 2021, Union Pacific Corporation issued a press release announcing its financial results for the quarter ended June 30, 2021. A copy of the press release is furnished herewith as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

99.1 [Press Release of Union Pacific Corporation, dated July 22, 2021, announcing its financial results for the quarter ended June 30, 2021.](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: July 22, 2021

UNION PACIFIC CORPORATION

By: /s/ Jennifer L. Hamann
Jennifer L. Hamann
Executive Vice President and
Chief Financial Officer

Union Pacific Reports Second Quarter 2021 Results

Omaha, Neb., July 22, 2021 – Union Pacific Corporation (NYSE: UNP) today reported 2021 second quarter net income of \$1.8 billion, or \$2.72 per diluted share. This compares to \$1.1 billion, or \$1.67 per diluted share, in the second quarter 2020.

“The Union Pacific team leveraged volume growth, core pricing gains, and productivity to produce record quarterly results,” said Lance Fritz, Union Pacific chairman, president, and chief executive officer. “Beyond our strong financial performance, we also made progress on our goal to reduce our carbon footprint, which includes a 3% improvement in our fuel consumption rate. Importantly, these strong results were achieved in a challenging environment as our rail network continues to be impacted by supply chain disruptions, particularly in the Intermodal space. As we move into the second half of 2021, we will continue working with our customers and the broader supply chain to increase fluidity and efficiently handle the strong demand for freight transportation.”

Financial Results: Quarterly Records for Operating Ratio, Operating Income, Net Income, and Earnings Per Share *Second Quarter 2021 Compared to Second Quarter 2020*

- Operating revenue of \$5.5 billion was up 30%.
- Business volumes, as measured by total revenue carloads, increased 22%.
- Union Pacific's 55.1% operating ratio improved 590 basis points. Higher fuel prices negatively impacted the operating ratio by 210 basis points.
- Operating Income of \$2.5 billion was up 50%.
- The company repurchased 12.2 million shares in second quarter 2021 at an aggregate cost of \$2.7 billion.

Operating Performance: Quarterly Records for Workforce Productivity and Train Length; Second Quarter Records for Locomotive Productivity and Fuel Consumption Rate *Second Quarter 2021 Compared to Second Quarter 2020*

- Quarterly freight car velocity was 213 daily miles per car, a 6% decline.
- Quarterly locomotive productivity was 140 gross ton-miles per horsepower day, a 3% improvement.
- Average maximum train length was 9,410 feet, a 9% increase.
- Fuel consumption rate, measured in gallons of fuel per thousand gross ton-miles (GTMs), improved 3%.
- Quarterly workforce productivity was 1,060 car miles per employee, a 22% improvement.
- Union Pacific's first half reportable personal injury rate deteriorated to 0.95 per 200,000 employee-hours compared to 0.83 for first half 2020.

-more-

Second Quarter 2021 Earnings Conference Call

Union Pacific will webcast its second quarter 2021 earnings release presentation live at www.up.com/investor and via teleconference on Thursday, July 22, 2021, 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

Union Pacific Media contact: Clarissa Beyah at 402-957-4793 or cbeyah@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 Company's expectations with respect to economic conditions and demand levels, its ability to improve network performance, its results of operations, and potential impacts of the COVID-19 pandemic. 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 2020, which was filed with the SEC on February 5, 2021. 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 our 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.

###

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES
Condensed Consolidated Statements of Income (unaudited)

| Millions, Except Per Share Amounts and Percentages, For the Periods Ended June 30, | 2nd Quarter | | | Year-to-Date | | |
|---|-------------|----------|------|--------------|----------|------|
| | 2021 | 2020 | % | 2021 | 2020 | % |
| Operating Revenues | | | | | | |
| Freight revenues | \$ 5,132 | \$ 3,972 | 29 % | \$ 9,781 | \$ 8,852 | 10 % |
| Other | 372 | 272 | 37 | 724 | 621 | 17 |
| Total operating revenues | 5,504 | 4,244 | 30 | 10,505 | 9,473 | 11 |
| Operating Expenses | | | | | | |
| Compensation and benefits | 1,022 | 905 | 13 | 2,048 | 1,964 | 4 |
| Depreciation | 550 | 551 | - | 1,099 | 1,098 | - |
| Purchased services and materials | 478 | 441 | 8 | 968 | 962 | 1 |
| Fuel | 497 | 247 | U | 908 | 681 | 33 |
| Equipment and other rents | 200 | 211 | (5) | 412 | 438 | (6) |
| Other | 284 | 235 | 21 | 604 | 533 | 13 |
| Total operating expenses | 3,031 | 2,590 | 17 | 6,039 | 5,676 | 6 |
| Operating Income | 2,473 | 1,654 | 50 | 4,466 | 3,797 | 18 |
| Other income, net | 125 | 131 | (5) | 176 | 184 | (4) |
| Interest expense | (282) | (289) | (2) | (572) | (567) | 1 |
| Income before income taxes | 2,316 | 1,496 | 55 | 4,070 | 3,414 | 19 |
| Income taxes | (518) | (364) | 42 | (931) | (808) | 15 |
| Net Income | \$ 1,798 | \$ 1,132 | 59 % | \$ 3,139 | \$ 2,606 | 20 % |

| Share and Per Share | | | | | | |
|---|---------|---------|------|---------|---------|------|
| Earnings per share - basic | \$ 2.73 | \$ 1.67 | 63 % | \$ 4.73 | \$ 3.83 | 23 % |
| Earnings per share - diluted | \$ 2.72 | \$ 1.67 | 63 | \$ 4.72 | \$ 3.82 | 24 |
| Weighted average number of shares - basic | 658.5 | 677.7 | (3) | 663.1 | 681.0 | (3) |
| Weighted average number of shares - diluted | 660.1 | 679.2 | (3) | 664.7 | 682.7 | (3) |
| Dividends declared per share | \$ 1.07 | \$ 0.97 | 10 | \$ 2.04 | \$ 1.94 | 5 |

| | | | | | | |
|---------------------------|-------|-------|-----------|-------|-------|-----------|
| Operating Ratio | 55.1% | 61.0% | (5.9) pts | 57.5% | 59.9% | (2.4) pts |
| Effective Tax Rate | 22.4% | 24.3% | (1.9) pts | 22.9% | 23.7% | (0.8) pts |

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES
Freight Revenues Statistics (unaudited)

| For the Periods Ended June 30, | 2nd Quarter | | | Year-to-Date | | |
|-------------------------------------|-----------------|-----------------|-------------|-----------------|-----------------|-------------|
| | 2021 | 2020 | % | 2021 | 2020 | % |
| Freight Revenues (Millions) | | | | | | |
| Grain & grain products | \$ 795 | \$ 644 | 23 % | \$ 1,561 | \$ 1,333 | 17 % |
| Fertilizer | 179 | 168 | 7 | 349 | 342 | 2 |
| Food & refrigerated | 251 | 205 | 22 | 486 | 455 | 7 |
| Coal & renewables | 423 | 369 | 15 | 764 | 790 | (3) |
| Bulk | 1,648 | 1,386 | 19 | 3,160 | 2,920 | 8 |
| Industrial chemicals & plastics | 498 | 435 | 14 | 933 | 930 | - |
| Metals & minerals | 467 | 368 | 27 | 842 | 837 | 1 |
| Forest products | 348 | 266 | 31 | 664 | 569 | 17 |
| Energy & specialized markets | 546 | 431 | 27 | 1,076 | 1,058 | 2 |
| Industrial | 1,859 | 1,500 | 24 | 3,515 | 3,394 | 4 |
| Automotive | 428 | 189 | F | 875 | 713 | 23 |
| Intermodal | 1,197 | 897 | 33 | 2,231 | 1,825 | 22 |
| Premium | 1,625 | 1,086 | 50 | 3,106 | 2,538 | 22 |
| Total | \$ 5,132 | \$ 3,972 | 29 % | \$ 9,781 | \$ 8,852 | 10 % |
| Revenue Carloads (Thousands) | | | | | | |
| Grain & grain products | 204 | 167 | 22 % | 407 | 342 | 19 % |
| Fertilizer | 54 | 53 | 2 | 98 | 99 | (1) |
| Food & refrigerated | 48 | 41 | 17 | 93 | 89 | 4 |
| Coal & renewables | 198 | 186 | 6 | 372 | 394 | (6) |
| Bulk | 504 | 447 | 13 | 970 | 924 | 5 |
| Industrial chemicals & plastics | 156 | 141 | 11 | 296 | 295 | - |
| Metals & minerals | 182 | 162 | 12 | 328 | 336 | (2) |
| Forest products | 64 | 50 | 28 | 124 | 106 | 17 |
| Energy & specialized markets | 138 | 115 | 20 | 277 | 277 | - |
| Industrial | 540 | 468 | 15 | 1,025 | 1,014 | 1 |
| Automotive | 173 | 79 | F | 353 | 287 | 23 |
| Intermodal [a] | 878 | 724 | 21 | 1,674 | 1,433 | 17 |
| Premium | 1,051 | 803 | 31 | 2,027 | 1,720 | 18 |
| Total | 2,095 | 1,718 | 22 % | 4,022 | 3,658 | 10 % |
| Average Revenue per Car | | | | | | |
| Grain & grain products | \$ 3,894 | \$ 3,861 | 1 % | \$ 3,838 | \$ 3,901 | (2) % |
| Fertilizer | 3,304 | 3,181 | 4 | 3,550 | 3,456 | 3 |
| Food & refrigerated | 5,226 | 4,986 | 5 | 5,230 | 5,142 | 2 |
| Coal & renewables | 2,134 | 1,979 | 8 | 2,051 | 2,001 | 2 |
| Bulk | 3,266 | 3,099 | 5 | 3,256 | 3,161 | 3 |
| Industrial chemicals & plastics | 3,189 | 3,086 | 3 | 3,153 | 3,148 | - |
| Metals & minerals | 2,569 | 2,276 | 13 | 2,567 | 2,494 | 3 |
| Forest products | 5,463 | 5,256 | 4 | 5,357 | 5,361 | - |
| Energy & specialized markets | 3,944 | 3,739 | 5 | 3,886 | 3,813 | 2 |
| Industrial | 3,442 | 3,201 | 8 | 3,430 | 3,345 | 3 |
| Automotive | 2,479 | 2,388 | 4 | 2,482 | 2,487 | - |
| Intermodal [a] | 1,363 | 1,241 | 10 | 1,332 | 1,274 | 5 |
| Premium | 1,547 | 1,354 | 14 | 1,532 | 1,476 | 4 |
| Average | \$ 2,449 | \$ 2,312 | 6 % | \$ 2,432 | \$ 2,420 | - % |

[a] For intermodal shipments each container or trailer equals one carload.

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES
Condensed Consolidated Statements of Financial Position (unaudited)

| <i>Millions, Except Percentages</i> | Jun. 30, 2021 | <i>Dec. 31, 2020</i> |
|--|--------------------------|--------------------------|
| Assets | | |
| Cash and cash equivalents | \$ 1,115 | \$ 1,799 |
| Short-term investments | 46 | 60 |
| Other current assets | 2,603 | 2,355 |
| Investments | 2,277 | 2,164 |
| Properties, net | 54,148 | 54,161 |
| Operating lease assets | 1,635 | 1,610 |
| Other assets | 249 | 249 |
| Total assets | \$ 62,073 | \$ 62,398 |
| Liabilities and Common Shareholders' Equity | | |
| Debt due within one year | \$ 1,110 | \$ 1,069 |
| Other current liabilities | 3,247 | 3,104 |
| Debt due after one year | 27,702 | 25,660 |
| Operating lease liabilities | 1,256 | 1,283 |
| Deferred income taxes | 12,389 | 12,247 |
| Other long-term liabilities | 2,066 | 2,077 |
| Total liabilities | 47,770 | 45,440 |
| Total common shareholders' equity | 14,303 | 16,958 |
| Total liabilities and common shareholders' equity | \$ 62,073 | \$ 62,398 |

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES
Condensed Consolidated Statements of Cash Flows (unaudited)

| <i>Millions, For the Periods Ended June 30,</i> | Year-to-Date | |
|---|---------------------|-----------------|
| | 2021 | 2020 |
| Operating Activities | | |
| Net income | \$ 3,139 | \$ 2,606 |
| Depreciation | 1,099 | 1,098 |
| Deferred income taxes | 128 | 171 |
| Other - net | (147) | 517 |
| Cash provided by operating activities | 4,219 | 4,392 |
| Investing Activities | | |
| Capital investments | (1,190) | (1,599) |
| Maturities of short-term investments | 48 | 75 |
| Purchases of short-term investments | (24) | (75) |
| Other - net | 95 | 182 |
| Cash used in investing activities | (1,071) | (1,417) |
| Financing Activities | | |
| Share repurchase programs | (4,085) | (2,556) |
| Debt issued | 2,896 | 4,004 |
| Dividends paid | (1,350) | (1,319) |
| Debt repaid | (691) | (770) |
| Accelerated share repurchase programs pending final settlement | (400) | (400) |
| Debt Exchange | (268) | - |
| Net issuance of commercial paper | 125 | (1) |
| Other - net | (34) | (65) |
| Cash used in financing activities | (3,807) | (1,107) |
| Net Change in Cash, Cash Equivalents and Restricted Cash | (659) | 1,868 |
| Cash, cash equivalents, and restricted cash at beginning of year | 1,818 | 856 |
| Cash, Cash Equivalents, and Restricted Cash at End of Period | \$ 1,159 | \$ 2,724 |
| Free Cash Flow* | | |
| Cash provided by operating activities | \$ 4,219 | \$ 4,392 |
| Cash used in investing activities | (1,071) | (1,417) |
| Dividends paid | (1,350) | (1,319) |
| Free cash flow | \$ 1,798 | \$ 1,656 |

* Free cash flow is a non-GAAP measure; however, we believe this measure is important to management and investors in evaluating our financial performance and measures our ability to generate cash without additional external financing.

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES
Operating and Performance Statistics (unaudited)

| For the Periods Ended June 30, | 2nd Quarter | | | Year-to-Date | | |
|---|-------------|---------|---------|--------------|---------|--------|
| | 2021 | 2020 | % | 2021 | 2020 | % |
| Operating/Performance Statistics | | | | | | |
| Freight car velocity (daily miles per car) [a] | 213 | 227 | (6)% | 211 | 218 | (3)% |
| Average train speed (miles per hour) * | 25.0 | 26.9 | (7) | 25.1 | 26.0 | (3) |
| Average terminal dwell time (hours) * | 22.9 | 21.6 | 6 | 23.2 | 22.8 | 2 |
| Locomotive productivity (GTMs per horsepower day) | 140 | 136 | 3 | 139 | 133 | 5 |
| Gross ton-miles (GTMs) (millions) | 207,803 | 170,626 | 22 | 400,890 | 371,923 | 8 |
| Train length (feet) | 9,410 | 8,664 | 9 | 9,330 | 8,517 | 10 |
| Intermodal car trip plan compliance (%) | 71 | 82 | (11)pts | 74 | 83 | (9)pts |
| Manifest/Automotive car trip plan compliance (%) | 67 | 76 | (9)pts | 68 | 69 | (1)pts |
| Workforce productivity (car miles per employee) | 1,060 | 868 | 22 | 1,031 | 882 | 17 |
| Total employees (average) | 30,066 | 30,059 | - | 29,910 | 31,965 | (6) |

| | | | | | | |
|--|---------|---------|------|---------|---------|------|
| Locomotive Fuel Statistics | | | | | | |
| Average fuel price per gallon consumed | \$ 2.16 | \$ 1.26 | 71 % | \$ 2.01 | \$ 1.59 | 26 % |
| Fuel consumed in gallons (millions) | 223 | 189 | 18 | 439 | 414 | 6 |
| Fuel consumption rate** | 1.072 | 1.107 | (3) | 1.095 | 1.112 | (2) |

| | | | | | | |
|-------------------------------------|----------------|---------------|-------------|----------------|----------------|------------|
| Revenue Ton-Miles (Millions) | | | | | | |
| Grain & grain products | 20,190 | 16,242 | 24 % | 40,538 | 32,353 | 25 % |
| Fertilizer | 3,169 | 3,116 | 2 | 6,164 | 6,160 | - |
| Food & refrigerated | 4,641 | 3,752 | 24 | 9,139 | 8,258 | 11 |
| Coal & renewables | 20,716 | 18,188 | 14 | 38,252 | 38,193 | - |
| Bulk | 48,716 | 41,298 | 18 | 94,093 | 84,964 | 11 |
| Industrial chemicals & plastics | 7,990 | 6,286 | 27 | 15,045 | 13,460 | 12 |
| Metals & minerals | 8,584 | 6,402 | 34 | 15,460 | 14,935 | 4 |
| Forest products | 6,706 | 5,398 | 24 | 13,024 | 11,439 | 14 |
| Energy & specialized markets | 9,112 | 7,276 | 25 | 18,702 | 19,322 | (3) |
| Industrial | 32,392 | 25,362 | 28 | 62,231 | 59,156 | 5 |
| Automotive | 3,769 | 1,740 | F | 7,542 | 6,229 | 21 |
| Intermodal | 19,878 | 17,514 | 13 | 38,253 | 35,248 | 9 |
| Premium | 23,647 | 19,254 | 23 | 45,795 | 41,477 | 10 |
| Total | 104,755 | 85,914 | 22 % | 202,119 | 185,597 | 9 % |

[a] Prior years have been realigned to conform to the current year presentation.

* Surface Transportation Board reported performance measures.

** Fuel consumption is computed as follows: gallons of fuel consumed divided by gross ton-miles in thousands.

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES
Condensed Consolidated Statements of Income (unaudited)

| <i>Millions, Except Per Share Amounts and Percentages,</i> | 2021 | | |
|--|-----------------|-----------------|---------------------|
| | 1st Qtr | 2nd Qtr | Year-to-Date |
| Operating Revenues | | | |
| Freight revenues | \$ 4,649 | \$ 5,132 | \$ 9,781 |
| Other revenues | 352 | 372 | 724 |
| Total operating revenues | 5,001 | 5,504 | 10,505 |
| Operating Expenses | | | |
| Compensation and benefits | 1,026 | 1,022 | 2,048 |
| Depreciation | 549 | 550 | 1,099 |
| Purchased services and materials | 490 | 478 | 968 |
| Fuel | 411 | 497 | 908 |
| Equipment and other rents | 212 | 200 | 412 |
| Other | 320 | 284 | 604 |
| Total operating expenses | 3,008 | 3,031 | 6,039 |
| Operating Income | 1,993 | 2,473 | 4,466 |
| Other income, net | 51 | 125 | 176 |
| Interest expense | (290) | (282) | (572) |
| Income before income taxes | 1,754 | 2,316 | 4,070 |
| Income taxes | (413) | (518) | (931) |
| Net Income | \$ 1,341 | \$ 1,798 | \$ 3,139 |
| Share and Per Share | | | |
| Earnings per share - basic | \$ 2.01 | \$ 2.73 | \$ 4.73 |
| Earnings per share - diluted | \$ 2.00 | \$ 2.72 | \$ 4.72 |
| Weighted average number of shares - basic | 667.6 | 658.5 | 663.1 |
| Weighted average number of shares - diluted | 669.2 | 660.1 | 664.7 |
| Dividends declared per share | \$ 0.97 | \$ 1.07 | \$ 2.04 |
| Operating Ratio | 60.1% | 55.1% | 57.5% |
| Effective Tax Rate | 23.5% | 22.4% | 22.9% |

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES
Freight Revenues Statistics (unaudited)

| | 2021 | | |
|-------------------------------------|-----------------|-----------------|-----------------|
| | 1st Qtr | 2nd Qtr | Year-to-Date |
| Freight Revenues (Millions) | | | |
| Grain & grain products | \$ 766 | \$ 795 | \$ 1,561 |
| Fertilizer | 170 | 179 | 349 |
| Food & refrigerated | 235 | 251 | 486 |
| Coal & renewables | 341 | 423 | 764 |
| Bulk | 1,512 | 1,648 | 3,160 |
| Industrial chemicals & plastics | 435 | 498 | 933 |
| Metals & minerals | 375 | 467 | 842 |
| Forest products | 316 | 348 | 664 |
| Energy & specialized markets | 530 | 546 | 1,076 |
| Industrial | 1,656 | 1,859 | 3,515 |
| Automotive | 447 | 428 | 875 |
| Intermodal | 1,034 | 1,197 | 2,231 |
| Premium | 1,481 | 1,625 | 3,106 |
| Total | \$ 4,649 | \$ 5,132 | \$ 9,781 |
| Revenue Carloads (Thousands) | | | |
| Grain & grain products | 203 | 204 | 407 |
| Fertilizer | 44 | 54 | 98 |
| Food & refrigerated | 45 | 48 | 93 |
| Coal & renewables | 174 | 198 | 372 |
| Bulk | 466 | 504 | 970 |
| Industrial chemicals & plastics | 140 | 156 | 296 |
| Metals & minerals | 146 | 182 | 328 |
| Forest products | 60 | 64 | 124 |
| Energy & specialized markets | 139 | 138 | 277 |
| Industrial | 485 | 540 | 1,025 |
| Automotive | 180 | 173 | 353 |
| Intermodal [a] | 796 | 878 | 1,674 |
| Premium | 976 | 1,051 | 2,027 |
| Total | 1,927 | 2,095 | 4,022 |
| Average Revenue per Car | | | |
| Grain & grain products | \$ 3,782 | \$ 3,894 | \$ 3,838 |
| Fertilizer | 3,852 | 3,304 | 3,550 |
| Food & refrigerated | 5,234 | 5,226 | 5,230 |
| Coal & renewables | 1,958 | 2,134 | 2,051 |
| Bulk | 3,246 | 3,266 | 3,256 |
| Industrial chemicals & plastics | 3,113 | 3,189 | 3,153 |
| Metals & minerals | 2,563 | 2,569 | 2,567 |
| Forest products | 5,244 | 5,463 | 5,357 |
| Energy & specialized markets | 3,828 | 3,944 | 3,886 |
| Industrial | 3,417 | 3,442 | 3,430 |
| Automotive | 2,485 | 2,479 | 2,482 |
| Intermodal [a] | 1,299 | 1,363 | 1,332 |
| Premium | 1,517 | 1,547 | 1,532 |
| Average | \$ 2,413 | \$ 2,449 | \$ 2,432 |

[a] For intermodal shipments each container or trailer equals one carload.

Adjusted Debt / Adjusted EBITDA*

| <i>Millions, Except Ratios for the Trailing Twelve Months Ended [a]</i> | Jun. 30, 2021 | <i>Dec. 31, 2020</i> |
|---|--------------------------|--------------------------|
| Net income | \$ 5,882 | \$ 5,349 |
| Add: | | |
| Income tax expense | 1,754 | 1,631 |
| Depreciation | 2,211 | 2,210 |
| Interest expense | 1,146 | 1,141 |
| EBITDA | \$ 10,993 | \$ 10,331 |
| Adjustments: | | |
| Other income, net | (279) | (287) |
| Interest on operating lease liabilities** | 53 | 59 |
| Adjusted EBITDA | \$ 10,767 | \$ 10,103 |
| Debt | \$ 28,812 | \$ 26,729 |
| Operating lease liabilities | 1,553 | 1,604 |
| Unfunded pension and OPEB, net of taxes of \$180 and \$195 | 607 | 637 |
| Adjusted debt | \$ 30,972 | \$ 28,970 |
| Adjusted debt / Adjusted EBITDA | 2.9 | 2.9 |

Comparable Adjusted Debt / Adjusted EBITDA*

| <i>for the Trailing Twelve Months Ended [a]</i> | Jun. 30, 2021 | <i>Dec. 31, 2020</i> |
|---|--------------------------|--------------------------|
| Adjusted debt / Adjusted EBITDA | 2.9 | 2.9 |
| Factors Affecting Comparability: | | |
| Brazos yard impairment [b] | (0.1) | (0.1) |
| Comparable Adjusted Debt / Adjusted EBITDA* | 2.8 | 2.8 |

[a] The trailing twelve months income statement information ended June 30, 2021, is recalculated by taking the twelve months ended December 31, 2020, subtracting the six months ended June 30, 2020, and adding the six months ended June 30, 2021.

[b] Adjustments remove the impact of \$209 million from net income and \$69 million from income tax expense for the year ended December 31, 2020. See page 9 for a reconciliation to GAAP.

* Total debt plus operating lease liabilities plus after-tax unfunded pension and OPEB obligation divided by net income plus income tax expense, depreciation, amortization, interest expense, and adjustments for other income and interest on operating lease liabilities. Adjusted debt to adjusted EBITDA (earnings before interest, taxes, depreciation, amortization, and adjustments for other income and interest on operating lease liabilities) and comparable adjusted debt to adjusted EBITDA are considered a non-GAAP financial measure by SEC Regulation G and Item 10 of SEC Regulation S-K and may not be defined and calculated by other companies in the same manner. We believe these measures are important to management and investors in evaluating the Company's ability to sustain given debt levels (including leases) with the cash generated from operations. In addition, a comparable measure is used by rating agencies when reviewing the Company's credit rating. Adjusted debt to adjusted EBITDA and comparable adjusted debt to adjusted EBITDA should be considered in addition to, rather than as a substitute for, net income. The table above provides reconciliations from net income to adjusted debt to adjusted EBITDA and comparable adjusted debt to adjusted EBITDA. At June 30, 2021, and December 31, 2020, the incremental borrowing rate on operating lease liabilities was 3.4% and 3.7%, respectively.

** Represents the hypothetical interest expense we would incur (using the incremental borrowing rate) if the property under our operating leases were owned or accounted for as finance leases.

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES*Non-GAAP Measures Reconciliation to GAAP***Financial Performance***

| <i>Millions, Except Per Share Amounts and Percentages</i> | <i>Reported results (GAAP)</i> | <i>Brazos Yard Impairment</i> | <i>Adjusted results (non-GAAP)</i> |
|---|------------------------------------|-----------------------------------|--|
| <i>For the Year Ended December 31, 2020</i> | | | |
| Income taxes | \$ 1,631 | \$ 69 | \$ 1,700 |
| Net income | \$ 5,349 | \$ 209 | \$ 5,558 |

* The above table reconciles our results for the year ended December 31, 2020, to adjusted results that exclude the impact of certain items identified as affecting comparability. We use adjusted income taxes and adjusted net income, as applicable, among other measures, to evaluate our actual operating performance. We believe these non-GAAP financial measures provide valuable information regarding earnings and business trends by excluding specific items that we believe are not indicative of our ongoing operating results of our business, providing a useful way for investors to make a comparison of our performance over time and against other companies in our industry. Since these are not measures of performance calculated in accordance with GAAP, they should be considered in addition to, rather than as a substitute for, income taxes and net income.