



INVESTOR PITCHBOOK

# UNION PACIFIC CORPORATION

AUGUST 2024

## Cautionary Information

This presentation 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 (including those in response to increased traffic), its results of operations, and potential impacts of public health crises, including pandemics, epidemics or the outbreak of other contagious diseases, such as coronavirus and its variants (COVID), and the Russia-Ukraine and Israel-Hamas wars. 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 2023, which was filed with the SEC on February 9, 2024. 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.

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## Union Pacific Investor PitchBook

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## Fast Facts

**32,693** ROUTE MILES IN 23 STATES  
WITH 7 BORDER CROSSINGS

**8.1 Million** ANNUAL CARLOADS

**7,154** LOCOMOTIVES

**59,189** RAIL CARS

**32,973** EMPLOYEES

**~30,000** RAILROAD CROSSINGS

**~16,900** BRIDGES

*As of December 31, 2023*



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# How We Win

## Safety + Service & Operational Excellence

### Safety

Be the best at safety.

Have the Courage to Care,  
and we will all Go Home Safe.

### People

Engage our teams  
and stakeholders.

Know how our teams, customers  
and stakeholders work, think and  
make decisions.



### Service

Deliver the service we  
sold our customers.

Commit to what we can do and  
do it with excellence.

### Cost Control

Be efficient and  
productive.

Act like "It's Your Money." Get the  
best value for the resources spent.

### Asset Utilization

Deliver value safely  
with speed.

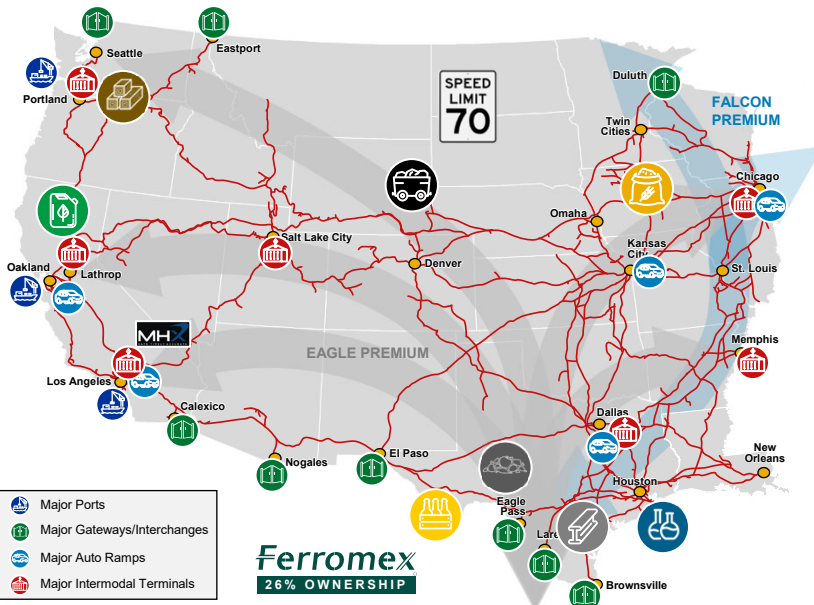
Simplify how we work, so those  
closest can get it done.



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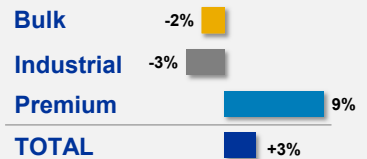
## Premier North American Rail Franchise



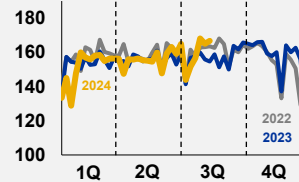
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### Third Quarter AAR Volumes\* (Year Over Year Change)



### 7-Day Weekly Carloadings\* (000s)



\*AAR Volumes Through Week 32 2024





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## We Will Never Compromise on Safety

<p><b>Serious Injuries</b></p> <p>Year-over-year <b>REDUCED BY 15%</b></p>	<p><b>Serious Derailments</b></p> <p>Metric <b>IMPROVED</b> by <b>26%</b> since 2019</p>	<p><b>Track-Related Derailments</b></p> <p>Over the past 10 years, <b>DECLINED 28%</b></p>
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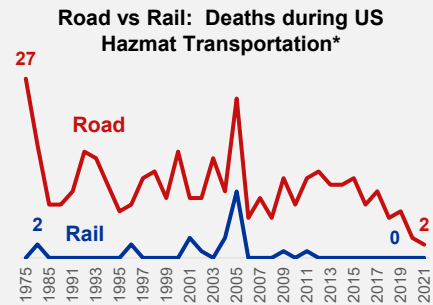
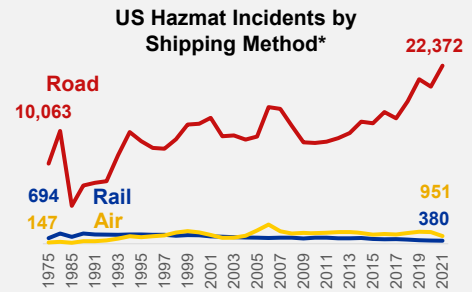
Union Pacific is committed to achieving the best safety outcomes, using technology, training capital investment.

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## Rail – Safest Freight Transportation

- Lower employee injury rates than most major industries - trucking, airlines, mining, even grocery stores
  - Rails have reduced employee casualty rates by 63% since 2000, and 15% since 2013
- More than 99.9% of hazmat shipments arrive safely
- 16X more fatalities in road-related hazardous materials incidents vs rail from 1975 – 2021
- Rails prioritize safety
  - Invested more than \$260K per mile of track on network improvements, or ~\$760B over the last 20 years
  - Wayside Detectors Installation, AI and Machine Learning Utilization, Automated Car & Track Inspection
  - Positive Train Control



\*Source: U.S. Bureau of Transportation Statistics

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## Keeping Communities Safe

More than 7,000 wayside detection devices monitor the condition of equipment in real time.



### Hot Box Detectors

measure bearing temperatures.



### Wheel Impact Detectors

measure force exerted by an out-of-round wheel.



### Wheel Temperature Detectors

measure the temperature of the wheel plate.



### Wheel Profile Detectors

measure wheel shapes with lasers to determine wear.



### Acoustic Bearing Detectors

record bearing sound signatures.



### Machine Vision Systems

Analyze captured images to identify defects.

Wayside detectors generate more than 16M data points that send immediate alerts, allowing Union Pacific to stop train immediately, repair at next planned maintenance visit or repair at next location

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SECOND QUARTER 2024

## Key Performance Metrics

YTD Reportable Personal Injury and Derailment Rates Improved

Freight Car Velocity	Intermodal Service Performance Index	Manifest/Auto Service Performance Index
201	93	84
Flat	▲ 4 pts	Flat

Quarterly Drivers

Challenging Weather Environment

Balancing Intermodal Growth

Lower Freight Car Dwell

11 Year-over-year change in metrics.

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## Improving the Customer Experience

### API Solutions



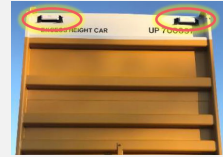
- Numerous customer sign-ups and active customers
- New Services: Tableau Data Connector, Create Waybill, Invoice & Route

### Container GPS



- Completed on large portion of container fleet
- End-to-end container visibility including door sensors

### RailPulse Pilot



- Testing sensors in live operating environment
  - GPS
  - Load / Empty
  - Open / Close
- Identifying practical use cases to test

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## OPERATIONAL EXCELLENCE

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SECOND QUARTER 2024

## Key Efficiency Metrics

Locomotive  
Productivity

134

▲ 6%

Workforce  
Productivity

1,031

▲ 5%

Train  
Length

9,544

▲ 2%

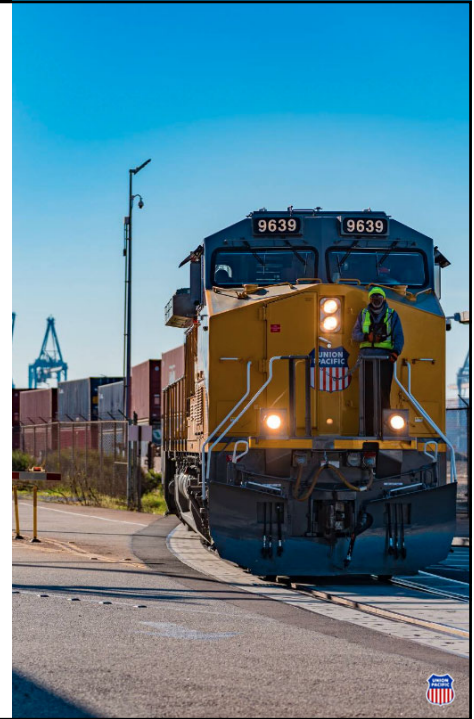
Quarterly Drivers

Improving Asset  
Utilization

Lower Workforce  
Levels

Optimizing  
Transportation Plan

14 Year-over-year change in metrics.



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## Union Pacific Workforce



**Train, Engine & Yard: ~15K**

Operates and supports train movements



**Maintenance of Way: ~7K**

Maintains track infrastructure



**Management: ~5K**

Strategic policies, processes and practices



**Mechanical: ~5K**

Maintains locomotives & rolling stock

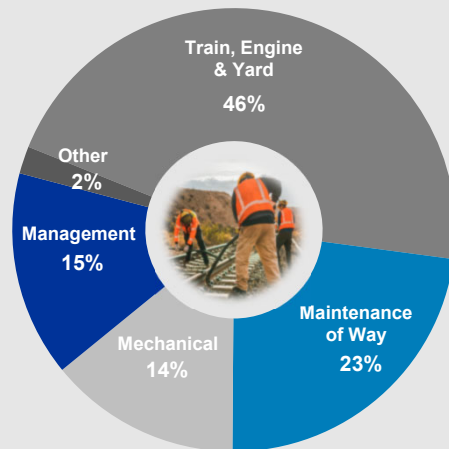


**Other Union: ~800**

Performs clerical and supervisory roles

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## Workforce Distribution



Source: December 2023 monthly report of number of employees filed with Surface Transportation Board



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# Technology Transforming Operations at Union Pacific

## Integration



- Customer
- Carrier / Driver
- Contractor
- Ports
- Industry Data Sharing
- Autonomous Trucking

## Automation



- Lift Equipment
- Hostlers
- Gate
- Damage Detection
- Inventory
- Driver Interaction

## Implementation



- Precision Gate Technology
- UPGo
- Intermodal Vision
- Widespan Crane
- Contractor Safety Reporting
- Mobile Terminal

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# GROWTH

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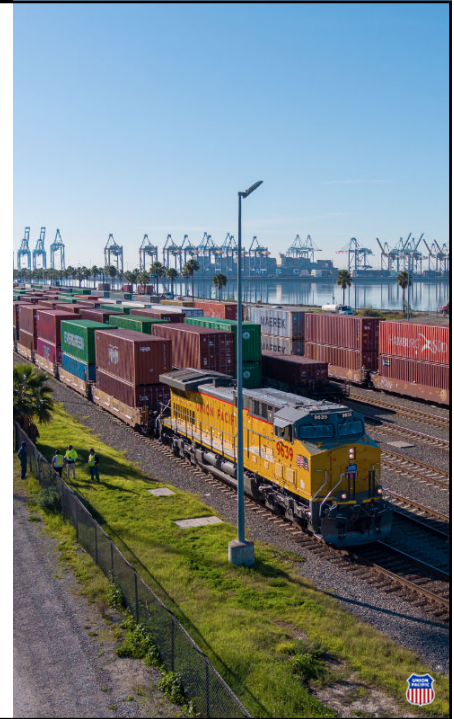


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## 2024 Volume Outlook

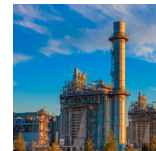
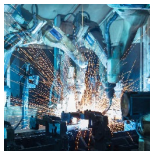
Commodity	Outlook	2024 Volume Drivers
Bulk	↓	<ul style="list-style-type: none"> <li>⊖ Coal</li> <li>⊕ Grain</li> <li>⊕ Grain Products</li> </ul>
Industrial	↓	<ul style="list-style-type: none"> <li>⊖ Rock</li> <li>⊕ Petroleum</li> <li>⊕ Petrochemical</li> </ul>
Premium	↑	<ul style="list-style-type: none"> <li>⊕ International Intermodal</li> <li>↔ Domestic Intermodal</li> <li>⊕ Automotive</li> </ul>

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## Economic Indicators



Year	Industrial Production	GDP	Housing Starts (MM)	Light Vehicle Sales (MM)	Consumer Spending*	Natural Gas Prices
2023	0.2%	2.5%	1.42	15.5	2.1%	\$2.54
2024	<b>0.1%</b>	<b>2.4%</b>	<b>1.37</b>	<b>15.8</b>	<b>1.1%</b>	<b>\$2.43</b>

**Economic environment forecasted to be muted in 2024**

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\* Durable & Non-Durable Goods  
Source: July 2024 S&P Global Market Intelligence



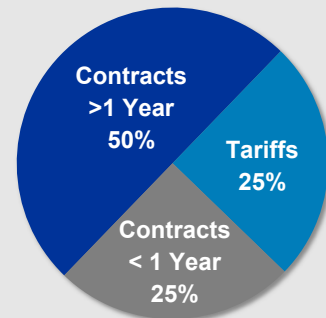
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## Pricing Fundamentals

- Lower cost structure from PSR allows UP to be more competitive in the market
- Balanced portfolio provides flexibility for repricing as value grows
- Price to market and service value
  - Committed to achieving pricing dollars in excess of inflation dollars



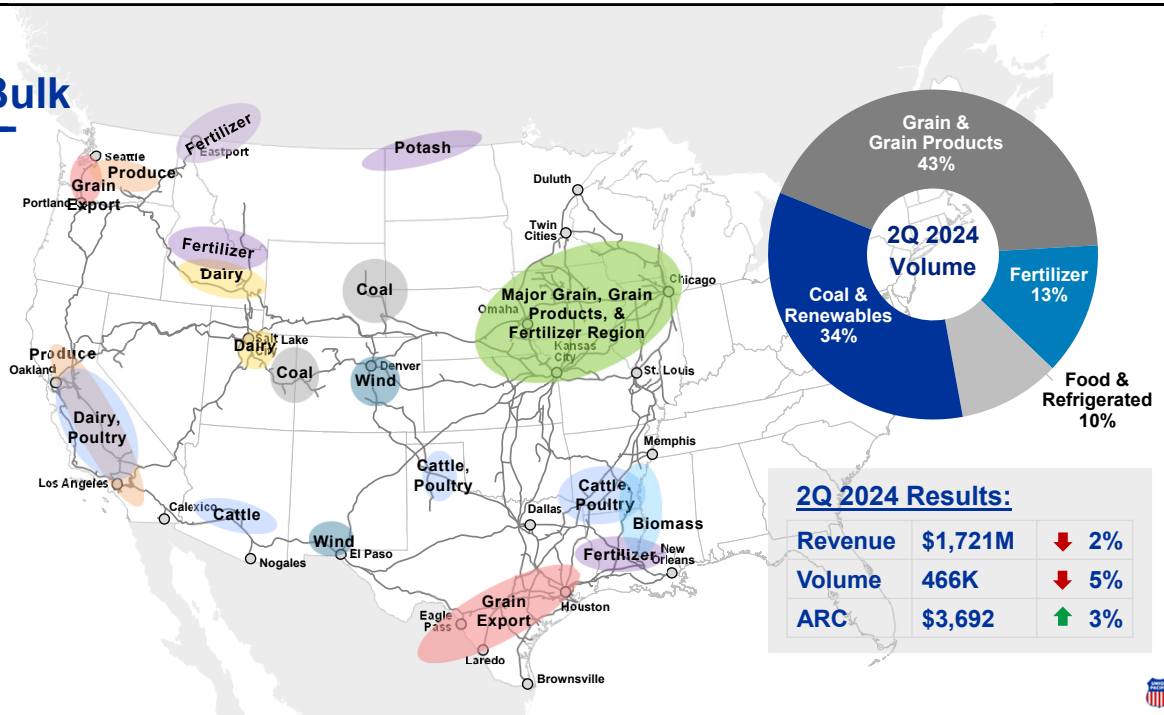
Balanced Revenue Portfolio



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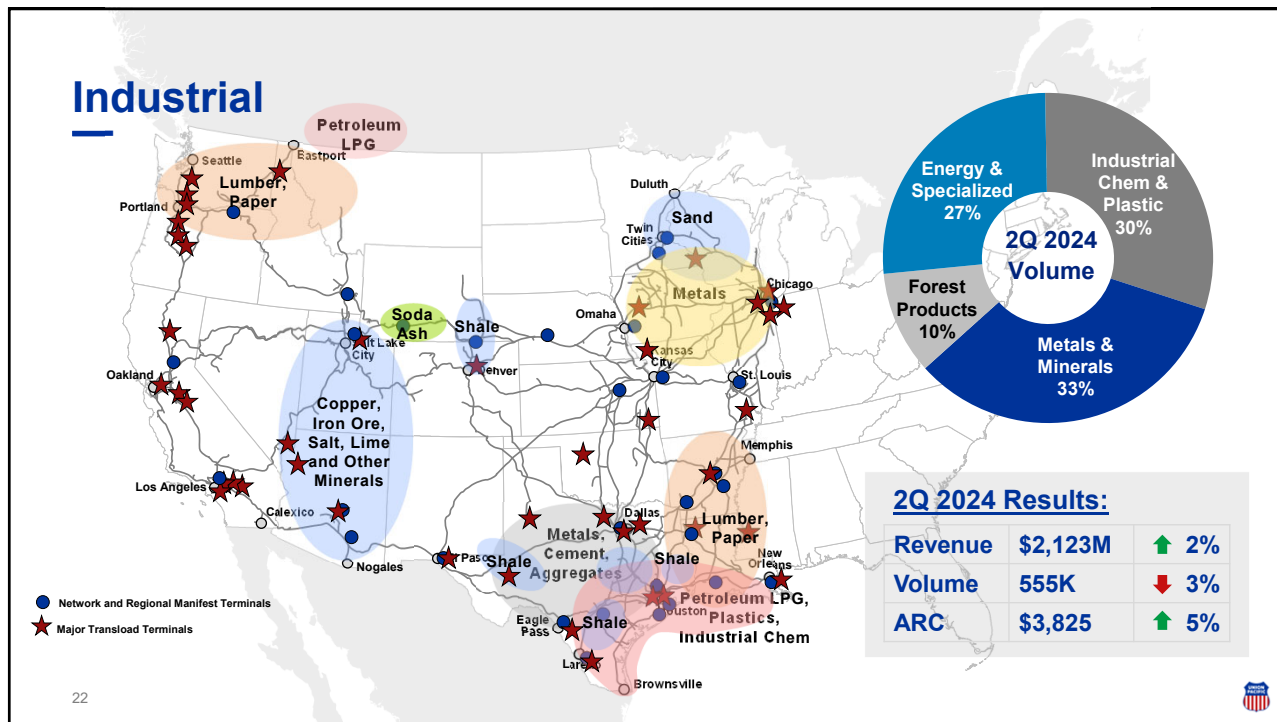
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## Bulk

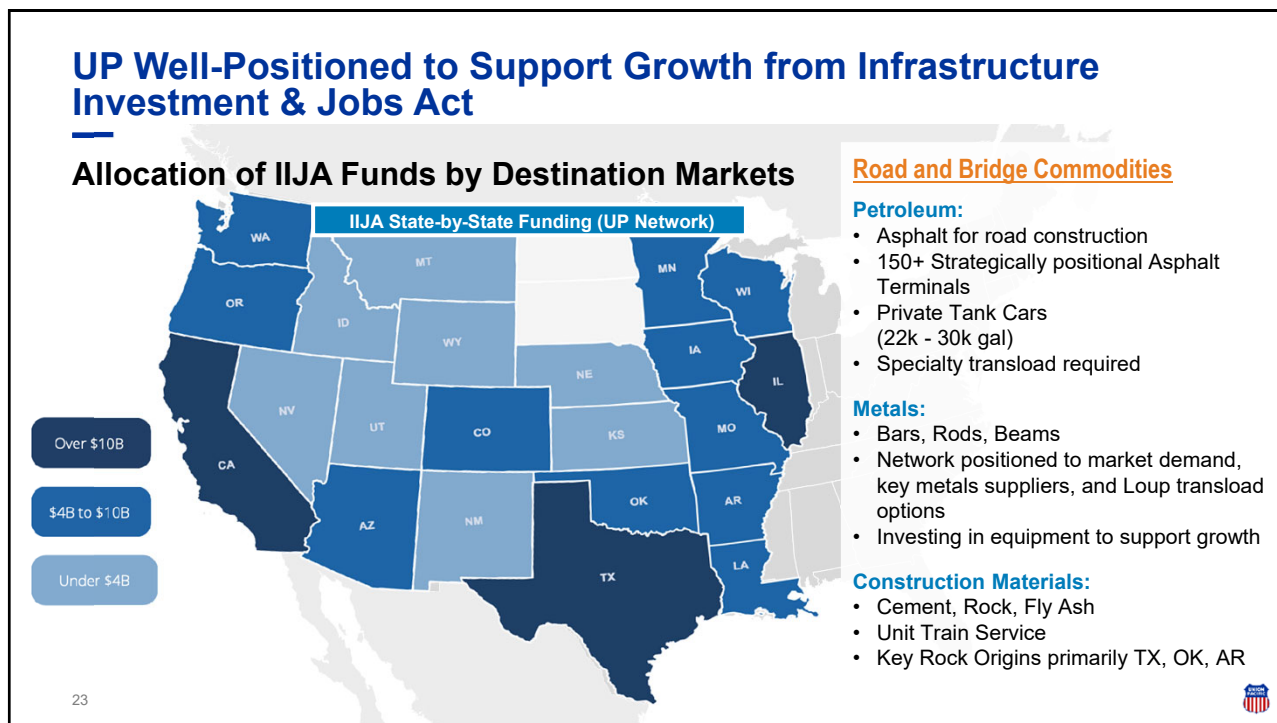


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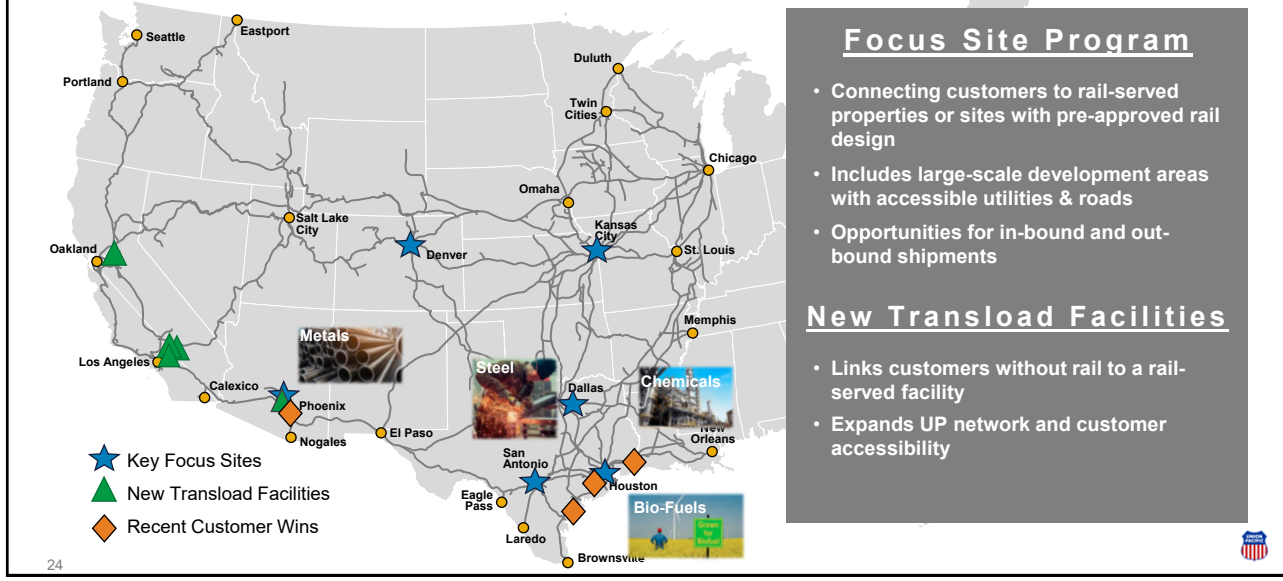


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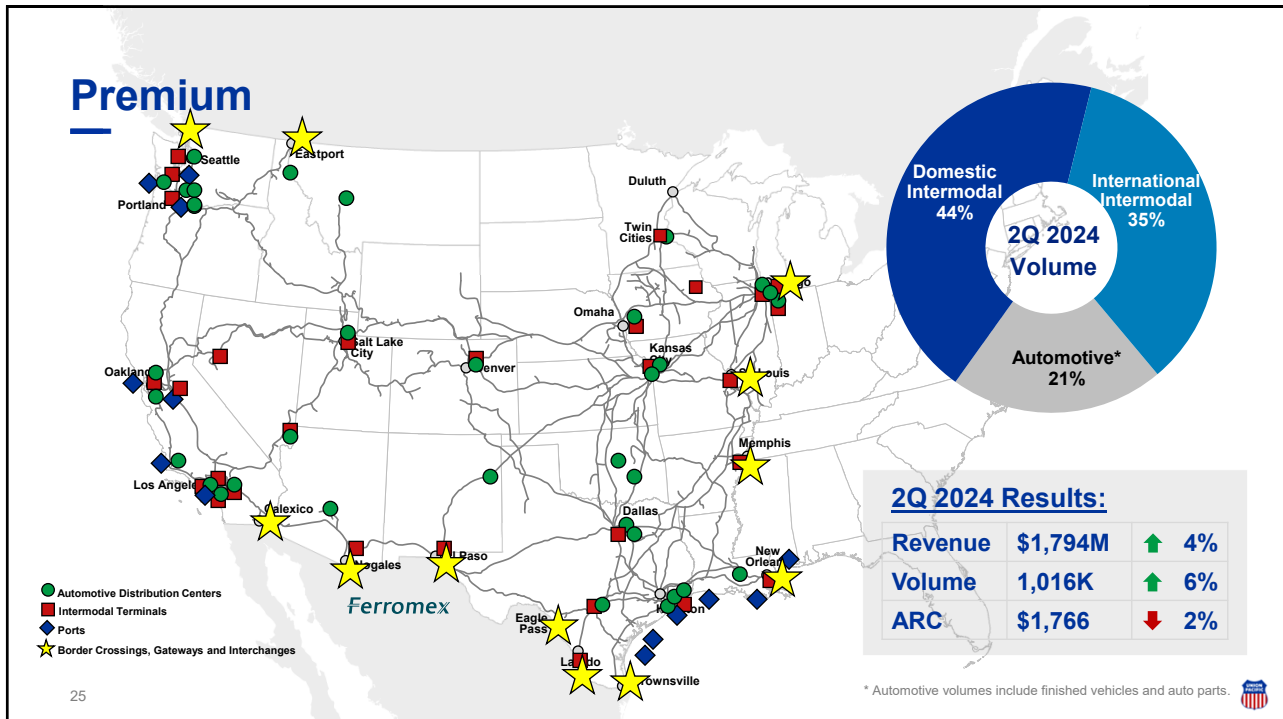


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# Bringing Customers to UP Drives Growth



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# UP's Growing Intermodal Franchise Poised to Capture Truck Share

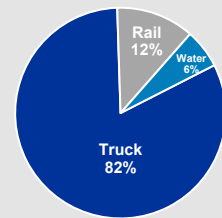
Investing to expand capacity & improve productivity:

- New or Expanded Intermodal Terminals
  - Twin Cities
  - Kansas City
  - Lathrop
  - Inland Empire
  - Phoenix
- Wide-Span Cranes in Chicago
- Technology & Driver Experience
  - Progressive Gate Technology
  - UPGo Application



Opportunity to Capture Truck Share

Domestic Freight Shipments % Share by Mode\* (Weight in Thousands of Tons)



\*Source: Freight Analysis Framework, version 4.5, 2019 U.S. Bureau of Transportation Statistics



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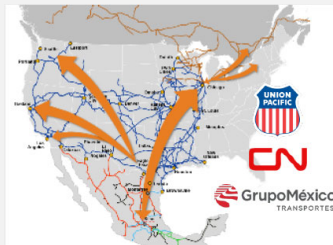
# Delivering Competitive Intermodal Solutions

## Port Houston On-Dock



- Provides more optionality for ocean carriers & BCOs
- On-dock operation saves time by eliminating need for dray carrier

## Falcon & Eagle Premium



- Best-In-Class Mexico-US-Canada service
- Unbeatable schedule between Mexico's border and Chicago

## Phoenix Pop-Up Ramp



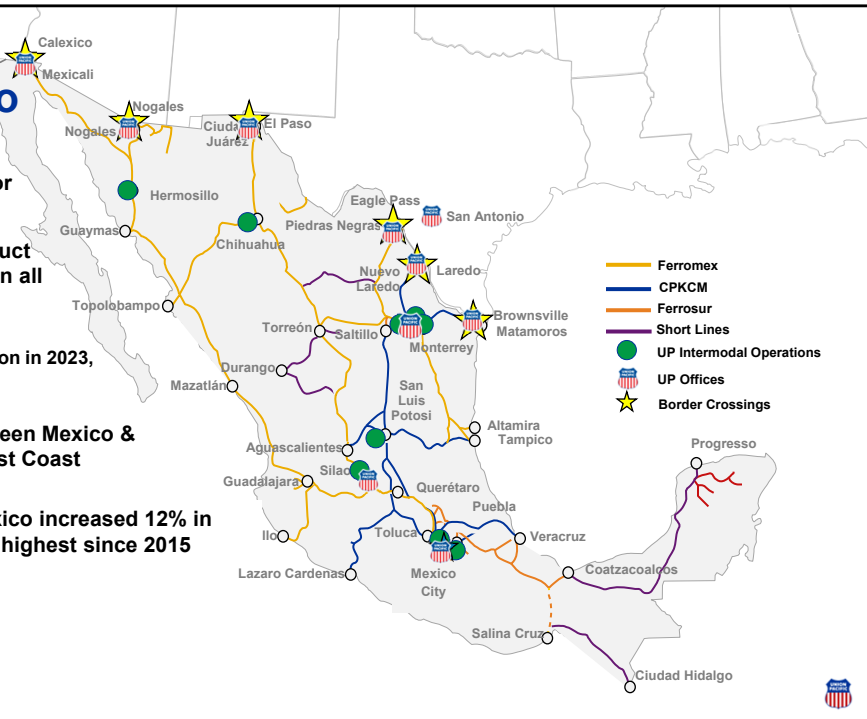
- New intermodal ramp to support Phoenix's fast-growing markets
- February 2024 start up

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## Union Pacific - Gateway to Mexico

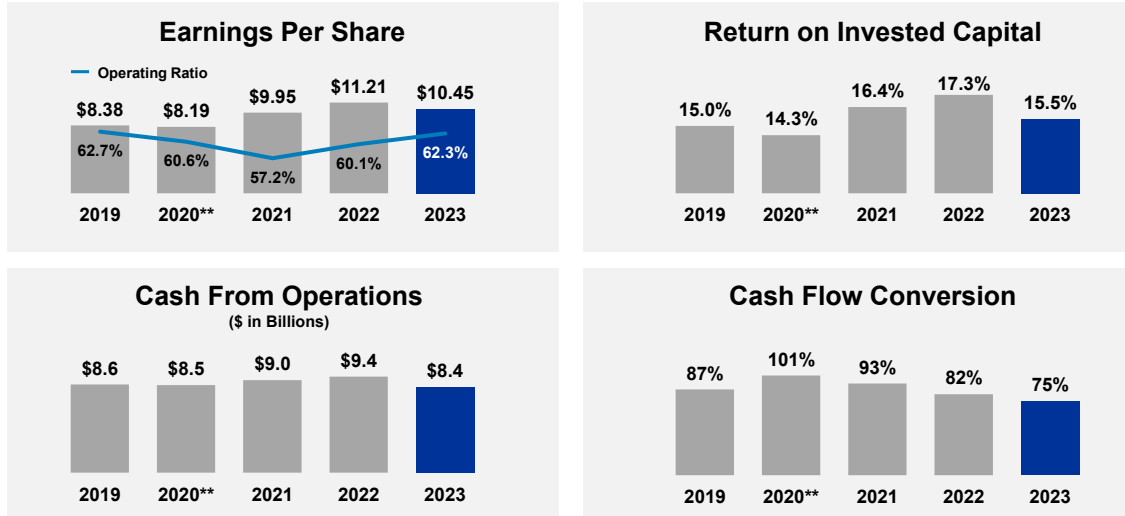
- Only railroad serving all six major crossings
- UP moves more intermodal product between the U.S. and Mexico than all other rail competitors combined
  - Mexico revenues totaled \$2.8 billion in 2023, up 2% compared to 2022
- UP offers most direct route between Mexico & Chicago as well as Mexico & West Coast
- Foreign direct investment in Mexico increased 12% in 2022 to just under \$35.3 billion\*; highest since 2015



28\*Source: Mexico Ministry of Economy

## FINANCE REVIEW

## Strong Financial Performance

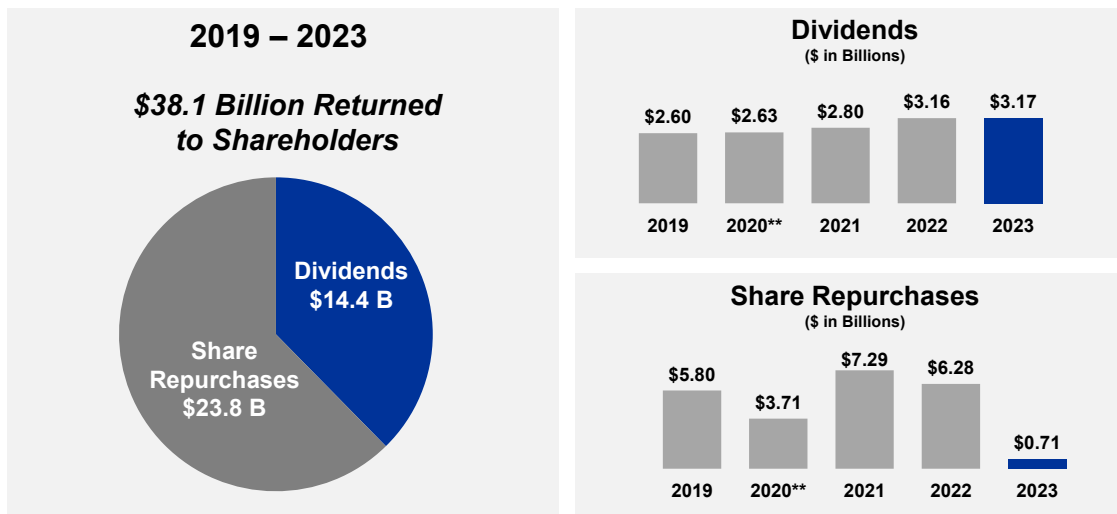


<sup>30</sup> \*\* 2020 Net Income adjusted to exclude the Brazos non-cash impairment charge. See Union Pacific website under Investors for a reconciliation to GAAP.



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## Driving Long-Term Shareholder Value



<sup>31</sup> \*\* 2020 Net Income adjusted to exclude the Brazos non-cash impairment charge. See Union Pacific website under Investors for a reconciliation to GAAP.



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## Investing in Our Franchise

### Union Pacific 2024 Capital Plan of \$3.4 Billion



#### \$1.9 B Infrastructure Replacement

Rail, Ties, & Ballast



#### \$0.6 B Locomotive & Equipment

Locomotive Modernizations & Freight Cars



#### \$0.6 B Capacity & Commercial Facilities

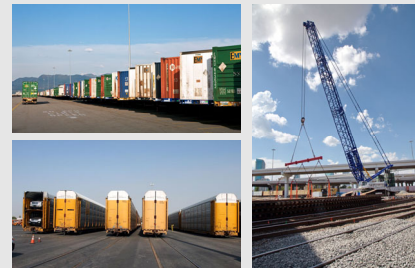
Intermodal Terminals, Siding Extensions, Industrial Leads



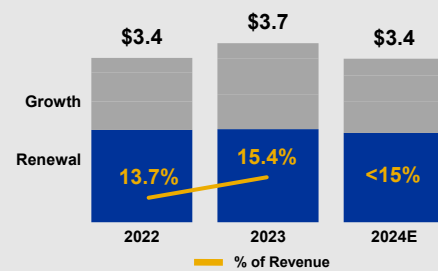
#### \$0.3 B Technology & Other

Tech-Enabled Operations, Physical Security Projects

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#### Capital Program



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## Current 2024 Outlook

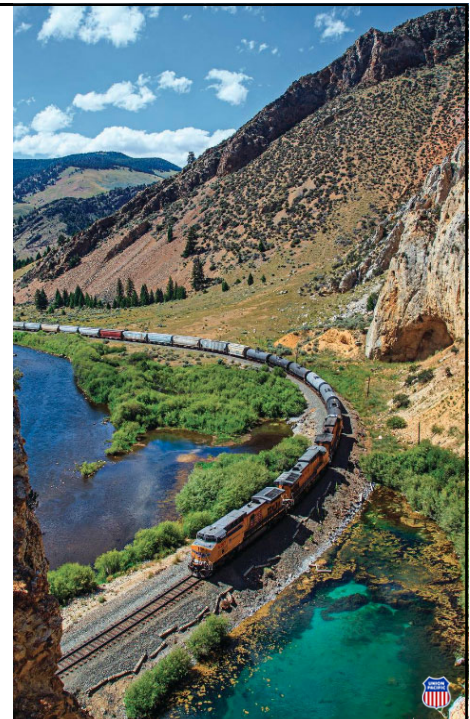
### Updated

- Second Half Volume Outlook Remains Uncertain Based on Economic Indicators and Coal Demand
- Profitability Outlook Continues Positive Momentum With Strong Service Product, Improving Network Efficiency, and Solid Pricing
- Share Repurchases of ~\$1.5 Billion in 2024

### Affirmed

- Pricing Dollars in Excess of Inflation Dollars
- No Change to Long-Term Capital Allocation Strategy
  - Capital Plan of \$3.4 Billion

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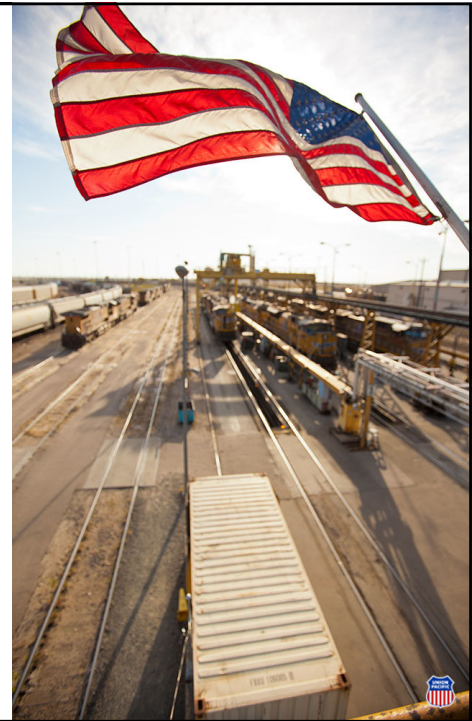
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## 2024 Full Year Financial Assumptions

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- Inflation (excluding fuel): ~5%
- Compensation & Benefits Inflation: ~5%
- Fuel Price: ~\$3.00 per gallon
- Depreciation: Up ~3.5% vs. 2023
- Other Expense: Flat to down vs. 2023
- Reported Other Income: Decline of ~\$100 million vs. 2023
  - First Quarter 2023 included \$107 million one-time real estate transaction
- Tax Rate: ~24%

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## SUSTAINABILITY

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## UP is Green – and Getting Greener

Rail is only ~2% of total U.S. Transportation Emissions

UP is committed to reducing absolute Scope 1 and Scope 2 GHG emissions by 50.4% by 2030 from 2018 base year

- Largest locomotive modernization investment in rail industry
- Low-carbon fuel consumption has climbed above 6% of total diesel consumed; goal of 20% by 2030
- Partnering to build hybrid battery-electric locomotives, with the first unit to be delivered for testing in May 2025
- By the end of 2023, approximately 83% of active locomotives in our road fleet were equipped with Energy Management Systems.

36 Source: EPA's fast facts on Transportation Greenhouse Gas Emissions

UP CUSTOMERS  
**AVOIDED**  
**22.5M**  
METRIC TONS OF GHG EMISSIONS IN 2023

CONVERTING RAIL TO TRUCK  
**REDUCES**  
GHG EMISSIONS BY  
**75%**

A SINGLE FREIGHT TRAIN CAN REPLACE  
**300 TRUCKS**  
ON THE HIGHWAY

## Sustainability Awards and Recognition