

**UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES***Non-GAAP Measures Reconciliation to GAAP (unaudited)***Free Cash Flow\***

<i>Millions, For the Year Ended December 31,</i>	<b>2024</b>	<b>2023</b>
Cash provided by operating activities	\$ 9,346	\$ 8,379
Cash used in investing activities	(3,325)	(3,667)
Dividends paid	(3,213)	(3,173)
Free cash flow	\$ 2,808	\$ 1,539

**Cash Flow Conversion Rate\***

<i>Millions, Except Percentages, For the Year Ended December 31,</i>	<b>2024</b>	<b>2023</b>
Cash provided by operating activities	\$ 9,346	\$ 8,379
Cash used in capital investments	(3,452)	(3,606)
Total (a)	5,894	4,773
Net income (b)	\$ 6,747	\$ 6,379
Cash flow conversion rate (a/b)	87%	75%

\* Free cash flow is defined as cash provided by operating activities less cash used in investing activities and dividends paid. Cash flow conversion rate is cash provided by operating activities less cash used for capital investments as a ratio of net income. Free cash flow and cash flow conversion rate are considered non-GAAP financial measures 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 free cash flow and cash flow conversion rate are important to management and investors in evaluating our financial performance and measures our ability to generate cash without additional external financing. Free cash flow and cash flow conversion rate should be considered in addition to, rather than as a substitute for, cash provided by operating activities.

## UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES

### Non-GAAP Measures Reconciliation to GAAP (unaudited)

#### Debt / Net Income

<i>Millions, Except Ratios</i>	<b>2024</b>		<b>2023</b>	
Debt	\$	<b>31,192</b>	\$	32,579
Net income		<b>6,747</b>		6,379
Debt / net income		<b>4.6</b>		5.1

#### Adjusted Debt / Adjusted EBITDA\*

<i>Millions, Except Ratios</i>	<b>2024</b>		<b>2023</b>	
Net income	\$	<b>6,747</b>	\$	6,379
Add:				
Income tax expense		<b>2,047</b>		1,854
Depreciation		<b>2,398</b>		2,318
Interest expense		<b>1,269</b>		1,340
EBITDA	\$	<b>12,461</b>	\$	11,891
Adjustments:				
Other income, net		<b>(350)</b>		(491)
Interest on operating lease liabilities**		<b>48</b>		58
Adjusted EBITDA (a)	\$	<b>12,159</b>	\$	11,458
Debt	\$	<b>31,192</b>	\$	32,579
Operating lease liabilities		<b>1,271</b>		1,600
Adjusted debt (b)	\$	<b>32,463</b>	\$	34,179
Adjusted debt / adjusted EBITDA (b/a)		<b>2.7</b>		3.0

\* Adjusted debt (total debt plus operating lease liabilities plus after-tax unfunded pension and OPEB (other post-retirement benefit) obligations) to adjusted EBITDA (earnings before interest, taxes, depreciation, amortization, and adjustments for other income and interest on present value of operating leases) is 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 this measure is 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 should be considered in addition to, rather than as a substitute for, other information provided in accordance with GAAP. The most comparable GAAP measure is debt to net income ratio. The tables above provide reconciliations from net income to adjusted EBITDA, debt to adjusted debt, and debt to net income to adjusted debt to adjusted EBITDA. At December 31, 2024 and 2023, the incremental borrowing rate on operating leases was 3.8% and 3.6%, respectively. Pension and OPEB were funded at December 31, 2024 and 2023.

\*\* 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 (unaudited)

### Return on Average Common Shareholders' Equity

<i>Millions, Except Percentages</i>	<b>2024</b>		<b>2023</b>	
Net income	\$	6,747	\$	6,379
Average equity	\$	15,839	\$	13,476
Return on average common shareholders' equity		42.6%		47.3%

### Return on Invested Capital as Adjusted (ROIC)

<i>Millions, Except Percentages</i>	<b>2024</b>		<b>2023</b>	
Net income	\$	6,747	\$	6,379
Interest expense		1,269		1,340
Interest on average operating lease liabilities		55		58
Taxes on interest		(308)		(315)
Net operating profit after taxes as adjusted	\$	7,763	\$	7,462
Average equity	\$	15,839	\$	13,476
Average debt		31,886		32,953
Average operating lease liabilities		1,436		1,616
Average invested capital as adjusted	\$	49,161	\$	48,045
Return on invested capital as adjusted		15.8%		15.5%

\* ROIC is 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 this measure is important to management and investors in evaluating the efficiency and effectiveness of our long-term capital investments. In addition, we currently use ROIC as a performance criterion in determining certain elements of equity compensation for our executives. ROIC should be considered in addition to, rather than as a substitute for, other information provided in accordance with GAAP. The most comparable GAAP measure is return on average common shareholders' equity. The tables above provide reconciliations from return on average common shareholders' equity to ROIC. At December 31, 2024 and 2023, the incremental borrowing rate on operating lease liabilities was 3.8% and 3.6%, respectively.