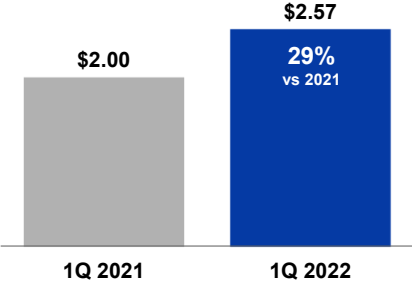


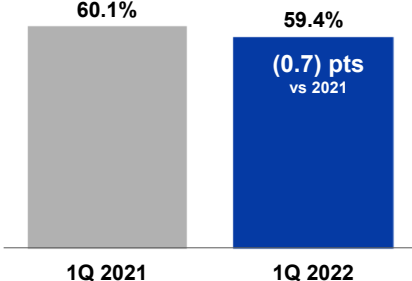


# First Quarter 2022 Results

Earnings Per Share



Operating Ratio



Key Themes

- Positive Volume, Price and Mix
- Operational Inefficiencies
- Rising Fuel Prices





# FIRST QUARTER 2022 MARKETING & SALES REVIEW

Kenny Rocker

Executive Vice President – Marketing & Sales



FIRST QUARTER 2022

## Bulk

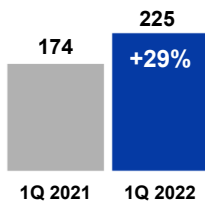
Revenue \$1,832 (+21%)

Volume 522K (+12%)

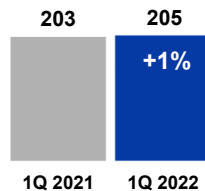
ARC \$3,508 (+8%)

### Major Markets

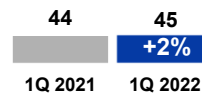
#### Coal & Renewables



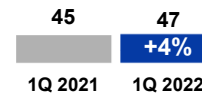
#### Grain & Grain Products



#### Fertilizer



#### Food & Refrigerated



### Quarterly Drivers

Favorable Natural Gas Prices

Strong Biofuels Production

Import Beer Demand

<sup>4</sup> Volume in thousands of carloads.



FIRST QUARTER 2022

## Industrial

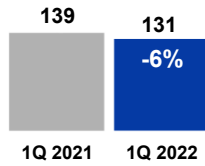
Revenue \$1,921 (+16%)

Volume 537K (+11%)

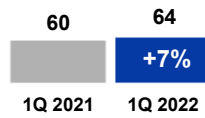
ARC \$3,574 (+5%)

### Major Markets

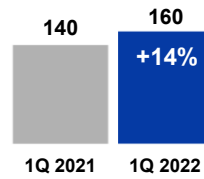
#### Energy & Specialized



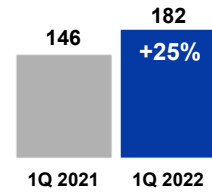
#### Forest Products



#### Industrial Chemicals & Plastics



#### Metals & Minerals



### Quarterly Drivers

2021 Winter Storm Uri

Industrial Production

Business Development

<sup>5</sup> Volume in thousands of carloads.



FIRST QUARTER 2022

## Premium

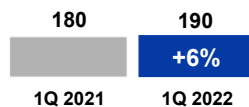
Revenue \$1,687 (+14%)

Volume 947K (-3%)

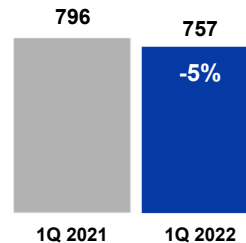
ARC \$1,782 (+17%)

### Major Markets

#### Automotive



#### Intermodal



### Quarterly Drivers

Increased Auto Parts

Global Supply Chain Disruption

Tight Truck Capacity

<sup>6</sup> Volume in thousands of carloads.



## 2022 Volume Outlook

### Bulk



- + Fertilizer
- + Coal
- ↔ Grain and Grain Products

### Industrial



- + Industrial Production
- + Chemicals and Plastics
- Petroleum

### Premium



- + Domestic Intermodal
- ? International Intermodal
- ? Auto Sales

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## FIRST QUARTER 2022 OPERATIONS REVIEW

Eric Gehringer  
Executive Vice President – Operating



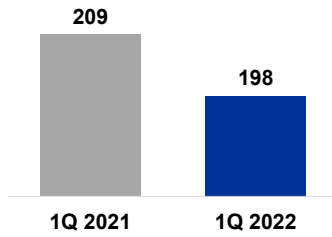
8



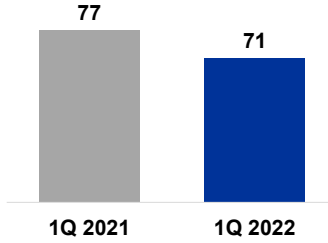
FIRST QUARTER 2022

## Key Performance Metrics

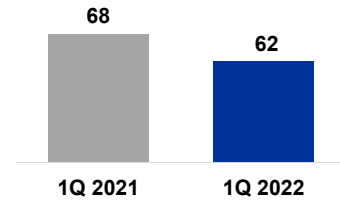
**FREIGHT CAR VELOCITY**  
(Daily Miles per Car)



**INTERMODAL TRIP PLAN COMPLIANCE**  
(% of Boxes On Time)



**MANIFEST/AUTO TRIP PLAN COMPLIANCE**  
(% of Cars On Time)



### Quarterly Drivers

Increasing Operating Car Inventory

Episodic Network Disruptions

Resource Utilization

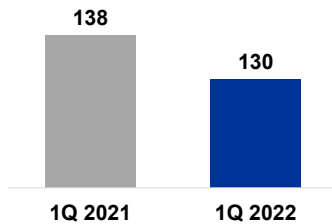
9



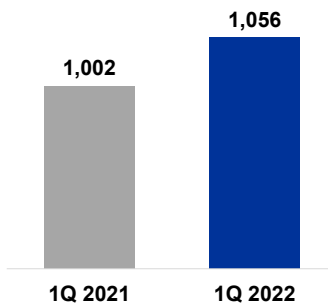
FIRST QUARTER 2022

## Key Performance Metrics

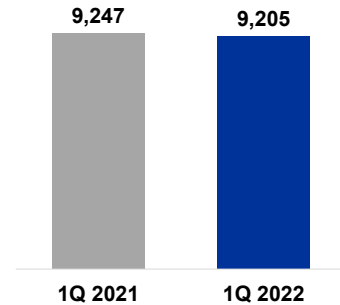
**LOCOMOTIVE PRODUCTIVITY**  
(GTM per HP Day)



**WORKFORCE PRODUCTIVITY**  
(Daily Miles per FTE)



**TRAIN LENGTH**  
(Max on Route, in Feet)



### Quarterly Drivers

Higher Active Train Counts

Labor Efficiency

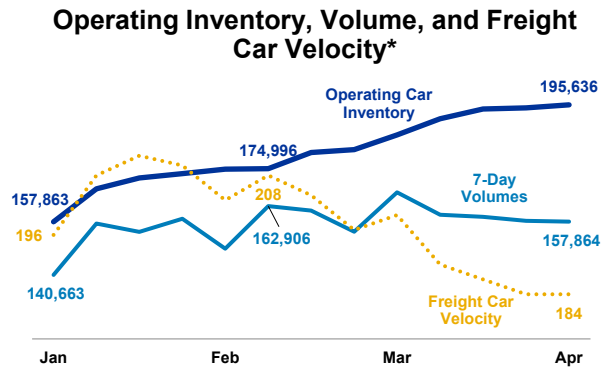
Soft International Intermodal Volumes

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## Building Network Resiliency and Consistency

- Steps to Strengthen the Network:
  - Reduce Operating Car Inventory
  - Maintain Terminal Fluidity
  - Improve Crew Availability and Continue Hiring Efforts
  - Focus on Asset Utilization and Terminal Efficiency
  - Increase Freight Car Velocity



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\*As reported weekly. See Union Pacific website under Investors for definitions of the metrics.



## FIRST QUARTER 2022 FINANCIAL REVIEW

Jennifer Hamann

Executive Vice President & Chief Financial Officer



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## First Quarter Operating Ratio and EPS

Favorable / (Unfavorable)

|                    | Operating Ratio | EPS    |
|--------------------|-----------------|--------|
| First Quarter 2021 | 60.1%           | \$2.00 |
| Weather            | 1.6 pts         | \$0.16 |
| Fuel Price         | (0.8) pts       | \$0.12 |
| Core Results       | (0.1) pts       | \$0.29 |
| First Quarter 2022 | 59.4%           | \$2.57 |

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## First Quarter Income Statement

|                                 | 2022    | 2021    | 2022 vs.<br>2021 |     |
|---------------------------------|---------|---------|------------------|-----|
| Operating Revenues              | \$5,860 | \$5,001 | 17               | %   |
| Operating Expenses              | 3,483   | 3,008   | 16               |     |
| Operating Income                | 2,377   | 1,993   | 19               |     |
| Other Income                    | 47      | 51      | (8)              |     |
| Interest Expense                | (307)   | (290)   | 6                |     |
| Income Taxes                    | (487)   | (413)   | 18               |     |
| Net Income                      | \$1,630 | \$1,341 | 22               | %   |
| Weighted Average Diluted Shares | 633.6   | 669.2   | (5)              |     |
| Diluted EPS                     | \$2.57  | \$2.00  | 29               |     |
| Operating Ratio                 | 59.4%   | 60.1%   | (0.7)            | pts |

**56%**  
Incremental  
Margins\*

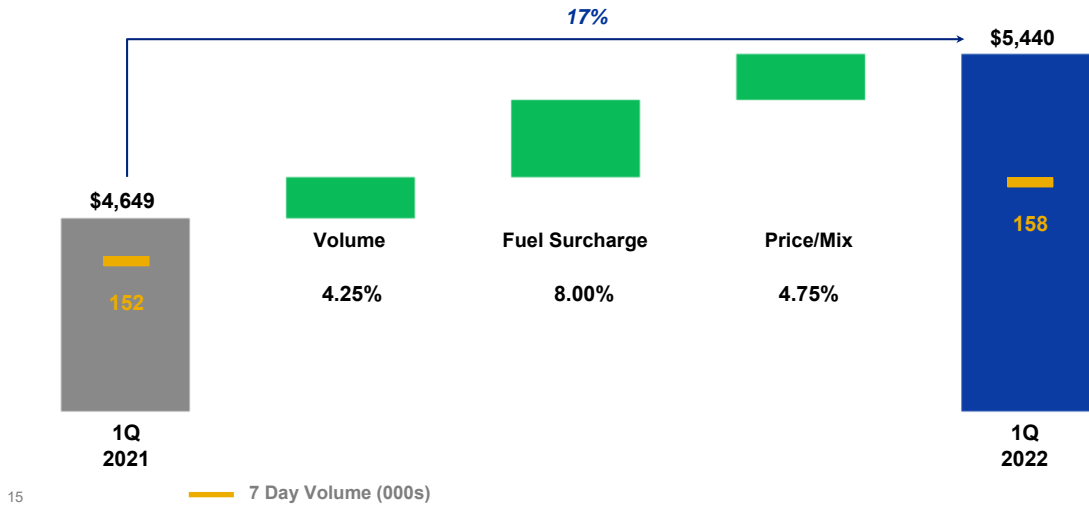
14 \$ in Millions, except EPS

\*See Union Pacific website under Investors for a reconciliation to GAAP.



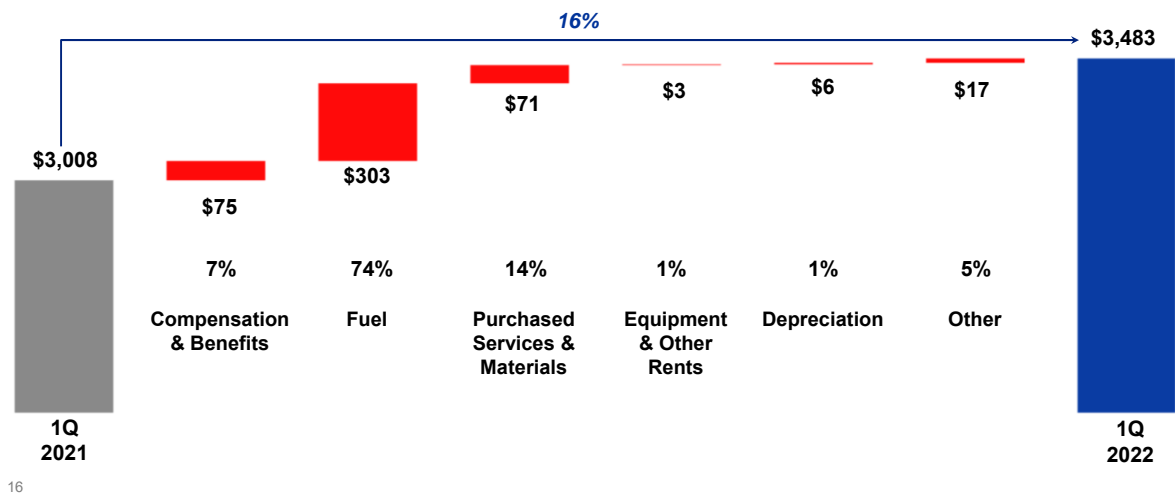
## Broad Based Freight Revenue Growth

\$ in Millions



## Rising Fuel Prices and Network Inefficiencies Impact Quarterly Operating Expenses

\$ in Millions



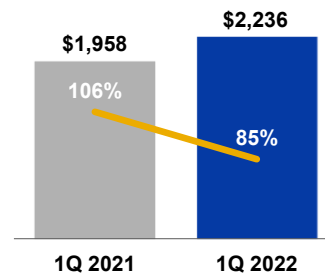


## Solid Cash Generation and Shareholder Returns

### First Quarter Results

- \$2.2 Billion Cash From Operations, an increase of 14%
- Cash Capital Spending of \$848 Million, an increase of 58%
- 85% Cash Flow Conversion Rate\*
- Returned \$3.5 Billion in Cash to Shareholders
  - \$2.2 Billion Accelerated Share Repurchase Program
- Repurchased 11.0 million Shares for a 5% Reduction in the Average Share Balance

### Cash From Operations vs. Cash Conversion\* (\$ in millions)



17 \*See Union Pacific website under Investors for a reconciliation to GAAP.



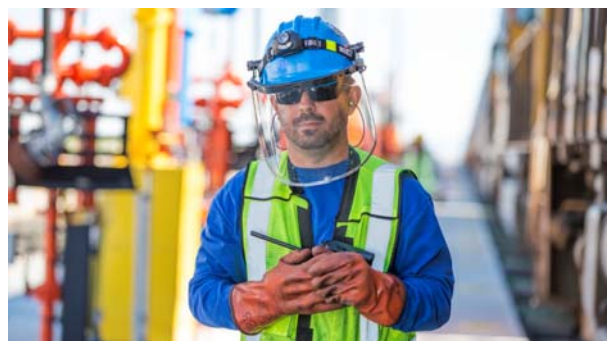
## 2022 Guidance

### 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



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# FIRST QUARTER 2022

Lance Fritz  
Chairman, President & CEO



## 2022 Success Drivers

Enhance Safety Programs

Operational Excellence

Provide Value to All Stakeholders

ESG Leader



Advance Customer Experience

Expand Reach to Service New Markets and Industries

Win with Customers

Industry Leading Cash Returns



## 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 the COVID-19 pandemic and the Russian-Ukraine conflict. 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 2021, which was filed with the SEC on February 4, 2022. 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.

