

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

<i>Millions, For the Years Ended December 31,</i>	2023	2022
Cash provided by operating activities	\$ 8,379	\$ 9,362
Cash used in investing activities	(3,667)	(3,471)
Dividends paid	(3,173)	(3,159)
Free cash flow	\$ 1,539	\$ 2,732

Cash Flow Conversion Rate*

<i>Millions, Except Percentages, For the Years Ended December 31,</i>	2023	2022
Cash provided by operating activities	\$ 8,379	\$ 9,362
Cash used in capital investing	(3,606)	(3,620)
Total (a)	4,773	5,742
Net Income (b)	\$ 6,379	\$ 6,998
Cash flow conversion rate (a/b)	75%	82%

* 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>	2023	2022
Debt	\$ 32,579	\$ 33,326
Net income	\$ 6,379	\$ 6,998
Debt / net income	5.1	4.8

Adjusted Debt / Adjusted EBITDA*

<i>Millions, Except Ratios</i>	2023	2022
Net income	\$ 6,379	\$ 6,998
Add:		
Income tax expense/(benefit)	1,854	2,074
Depreciation	2,318	2,246
Interest expense	1,340	1,271
EBITDA	\$ 11,891	\$ 12,589
Adjustments:		
Other income, net	(491)	(426)
Interest on operating lease liabilities **	58	54
Adjusted EBITDA (a)	\$ 11,458	\$ 12,217
Debt	\$ 32,579	\$ 33,326
Operating lease liabilities	1,600	1,631
Adjusted debt (b)	\$ 34,179	\$ 34,957
Adjusted debt / adjusted EBITDA (b/a)	3.0	2.9

* Total debt plus operating lease liabilities plus after-tax unfunded pension and OPEB liabilities 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) 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, 2023 and 2022, the incremental borrowing rate on operating lease liabilities was 3.6% and 3.3%, respectively. Pension and OPEB were funded at December 31, 2023 and 2022.

** 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>	2023	2022
Net income	\$ 6,379	\$ 6,998
Average equity	\$ 13,476	\$ 13,162
Return on average common shareholders' equity	47.3%	53.2%

Return of Invested Capital as Adjusted (ROIC)*

<i>Millions, Except Percentages</i>	2023	2022
Net income	\$ 6,379	\$ 6,998
Interest expense	1,340	1,271
Interest on average operating lease liabilities	58	56
Taxes on interest	(315)	(304)
Net operating profit after taxes as adjusted (a)	\$ 7,462	\$ 8,021
Average equity	\$ 13,476	\$ 13,162
Average debt	32,953	31,528
Average operating lease liabilities	1,616	1,695
Average invested capital as adjusted (b)	\$ 48,045	\$ 46,385
Return on invested capital as adjusted (a/b)	15.5%	17.3%

* 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 a reconciliation from return on average common shareholders' equity to ROIC. At December 31, 2023 and 2022, the incremental borrowing rate on operating lease liabilities was 3.6% and 3.3%, respectively.