2021 Investor Day

Driving Operational Excellence to Create Safer, More Reliable and Efficient Service Product

What you need to know:

- PSR initiatives driving significant service product and efficiency improvements
- Implementing new technologies to improve customer experience and optimize their businesses
- Improving fuel efficiency and reducing carbon footprint

Improving Safety

- Ever evolving programs
- Empowering team to identify and mitigate risks
- Leveraging technology to reduce risks and incidents

Simplifying Our Network

- Flexible transportation plans to adjust to evolving customer needs
- Repurposing infrastructure to meet market demand and enter new markets

Increasing Capital Efficiency

Improving processes and implementing technology to reduce total cost of ownership by:

- Modernizing locomotive fleet
- Increasing equipment reliability
- Leveraging data to work smarter

Implementing Next Generation Technology

UP programs:

- Mobile Work Order
- Train Builder software
- Sensing technology
- AI based optimization
- NetControl logistics platform
- Automated processes

Efficient and employee-friendly processes
Tracks infrastructure health
Reduces manual tasks and improves asset management
Faster solutions for customers
Lower operational costs
Adapt to future requirements

Growing Train Length

(Max on Route, in Feet)

<table>
<thead>
<tr>
<th>Year</th>
<th>1Q 2018</th>
<th>2Q 2018</th>
<th>3Q 2018</th>
<th>4Q 2018</th>
<th>1Q 2019</th>
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<th>3Q 2020</th>
<th>4Q 2020</th>
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<tbody>
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-30%

<table>
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<tr>
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<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
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<td>-30%</td>
<td>30%</td>
<td>6%</td>
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<tr>
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<td>4Q</td>
<td>21%</td>
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PSR Efficiency Gains

- Locomotive productivity: ↑30%
- Freight car velocity: ↑6%
- Car terminal dwell: ↓21%
- Workforce productivity: ↑19%

* Full year 2018 compared to first quarter 2021

Reducing Fuel Consumption and Participating in Energy Transition

- Energy Management System: Maximizing fuel efficiency and PTC integration
- Rail Cleaner Technology: Improving traction to reduce average locomotives per train
- Exploring New Locomotive Technologies: Alternative energy locomotives to further reduce carbon footprint
Harnessing the Potential of the Strongest Network in the Industry

What you need to know:
- Growing with PSR — moving cars faster and using assets more efficiently
- Strategically expanding reach to serve new markets and industries
- Supporting environmental and sustainability efforts

Growing with PSR
- Lower cost structure to compete more effectively
- Manifest service provides customers more optionality
- Increasing e-commerce business by improving frequency of departures

Advancing Customer Experience
- Tailoring solutions based on pain points
- Integrating APIs with customers’ supply chain; ~40 APIs to date
- Leveraging technology to deliver greater capacity, service quality and growth

Transforming Sales Culture
- People: Lean structure improves response time and simplifies customer support
- Technology: Innovative tools improve price quotes speed by -30%
- Integrating data analytics gives 360-degree view of customers

Expanding Network Reach
- New facilities and expanded access to target growing industries
- Loup - growing in the auto sector
- Constructed 200 track projects to support 325,000 annual carloads since 2018
- Invested $1.8 billion to support commercial facilities over last 10 years — 60% has been in intermodal

Strongest Franchise in North America
- 23 States
- 32K+ Route Miles
- 10K+ Shippers
- 7K+ Locomotives
- 52K+ Freight Cars

Growing Toward a Sustainable Future
- End-to-end supply chain for renewable diesel fuel
  - 455M gallons in 2021 ➔ 4.5B gallons in 2025
  - Unparalleled network of soybean oil production, ethanol plants and other feedstock sources

- Supporting growth of new supply chains for recycled products
  - Grew cullet shipments >40% in 2020

- Expanding industry leading electric vehicle supply networks
  - -9,600 trucks off the highway in 2020 ➔ +31,000 in 2021

455M ➔ 4.5B

+40%

-9.6K ➔ +31K
PSR Strategy Driving Strong Financial Performance and Enabling Significant Shareholder Returns

What you need to know:

- Expect to deliver 55.0% OR in 2022
- Capital efficiency initiatives driving continued improvements in ROIC
- Executing balanced capital allocation strategy

Clear Path to Deliver Industry Leading Operating Ratio

Revenue Growth Expectations 2022 – 2024
- Volume exceeding industry production at -3% CAGR
- Core pricing gains above inflation dollars

Driving Low Capital Intensity Growth

Growing Return on Invested Capital*

Capital Allocation Priorities

Profitability Expectations 2022 – 2024

Building on Track Record of Significant Shareholder Returns

2018 – 2020 Shareholder Return Highlights

- $25.2B Cash returned to shareholders
- 56% Increased annual dividend per share
- 114M Shares repurchased (15% of average market cap)

2022 – 2024 Shareholder Return Expectations

- 100% Cash conversion rate
- $18 – 19B Share repurchases
- 145% Net income return to shareholders
- 45% Dividend payout ratio
Cautionary Information

This communication 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.

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