



SERVE

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Eric Gehringer – EVP Operations

May 4, 2021

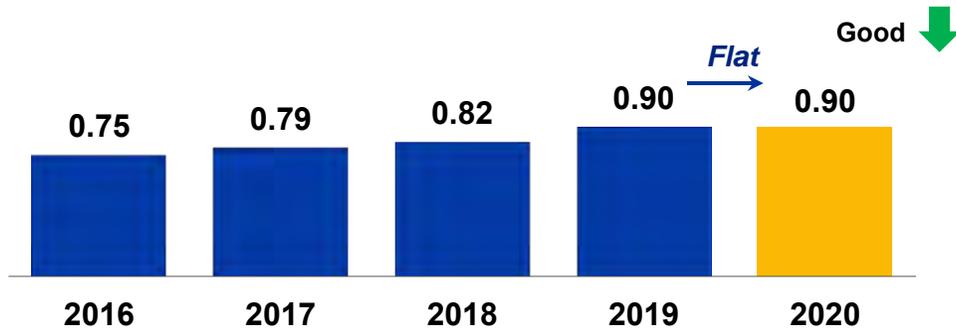


Safety – Foundation of Operational Excellence



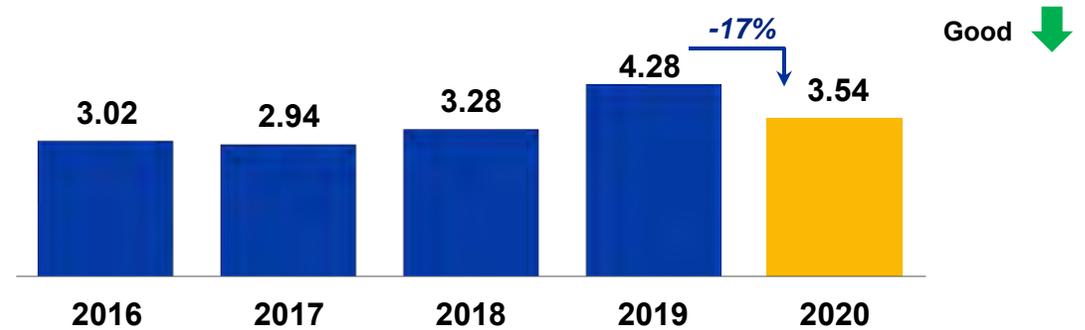
Employee

(Reportable Personal Injury Incidents Per 200,000 Employee-Hours)



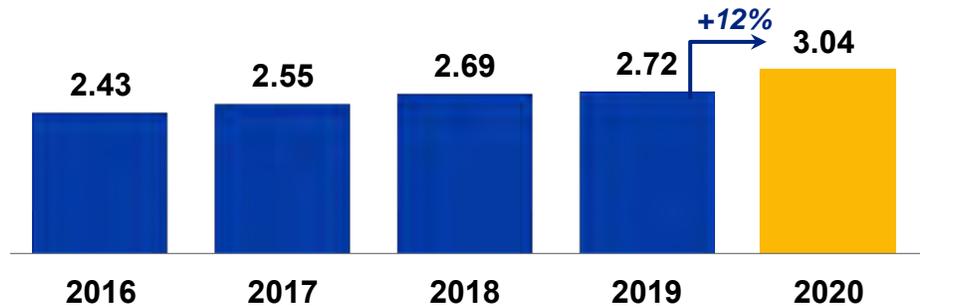
Rail Equipment

(Reportable Derailment Incidents Per Million Train Miles)



Public

(Crossing Accidents Per Million Train Miles) Good ↓



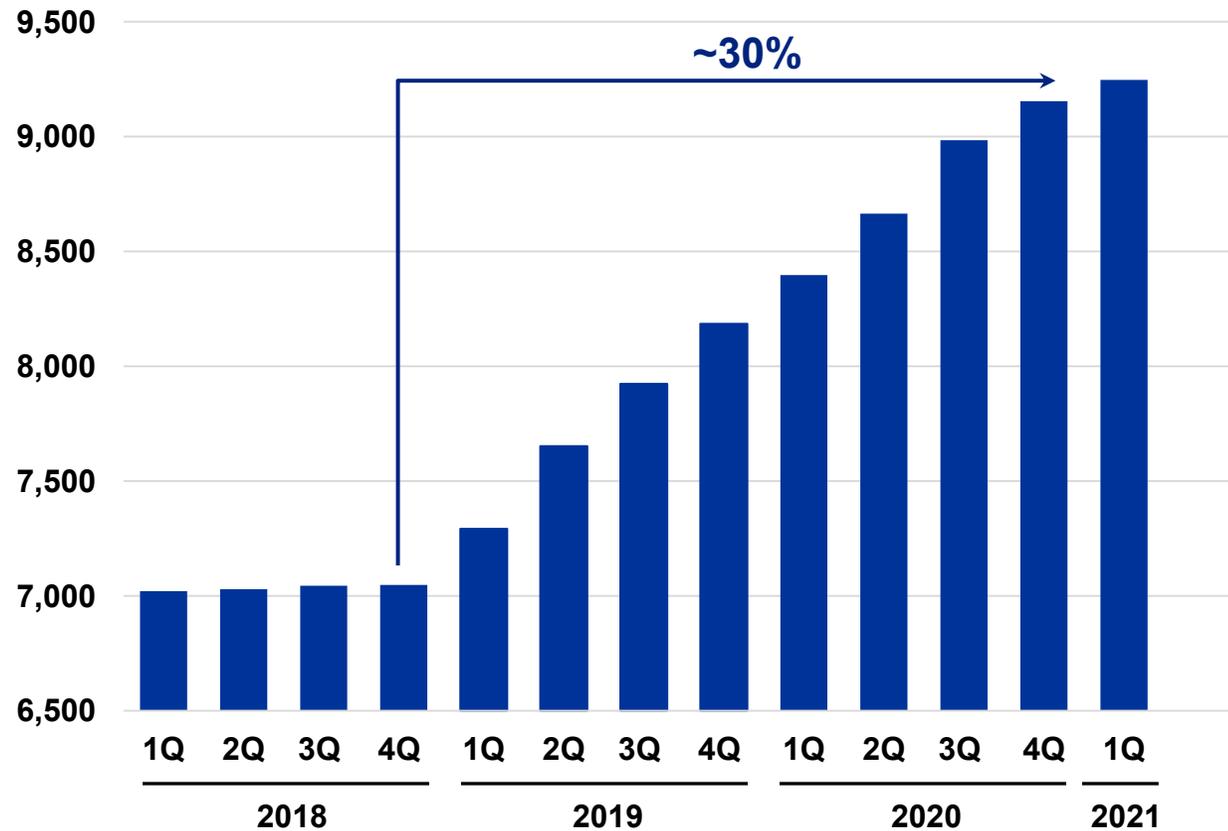
- Ever Evolving
- Empower Teams
- Using Technology



Train Length – Demonstrated Results



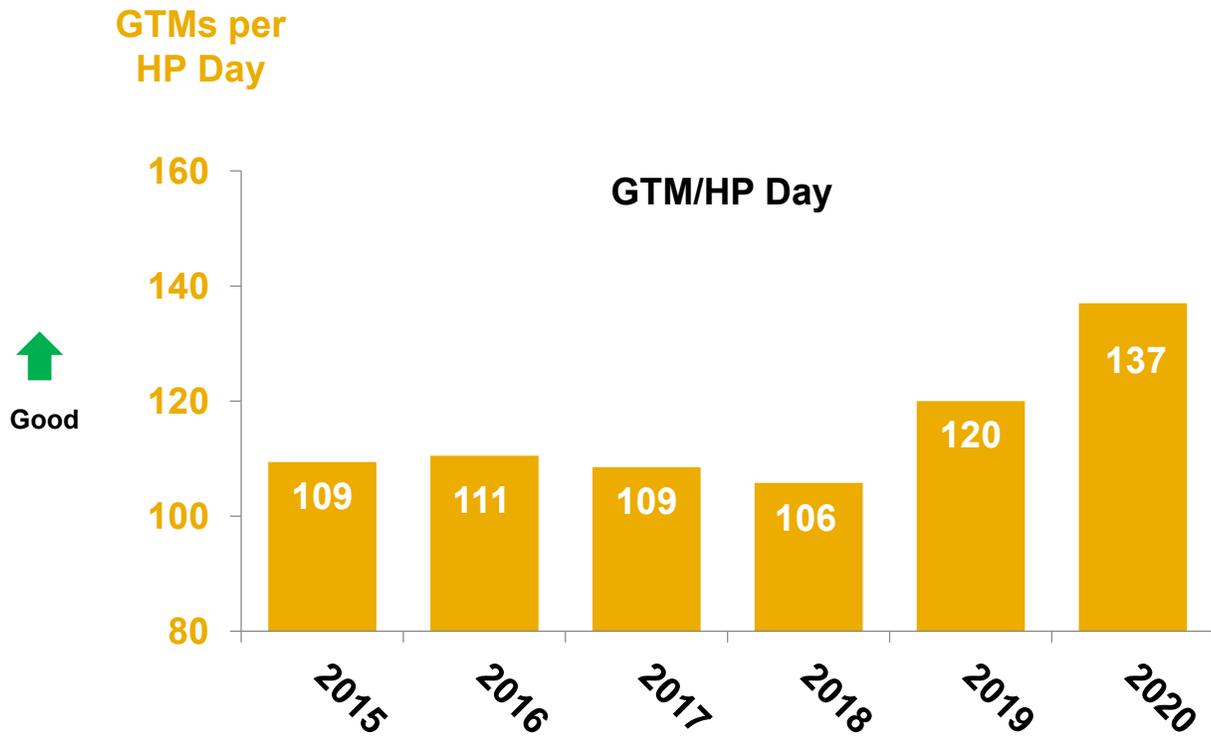
Train Length
(Max on Route, in Feet)



- 30% Increase since 2018
- Continued opportunities to grow train length through process improvements & capital investment
- Critical to additional productivity & facilitating volume growth
- Next Stop – 10,000!



Lean Locomotive Fleet – Ready for Growth

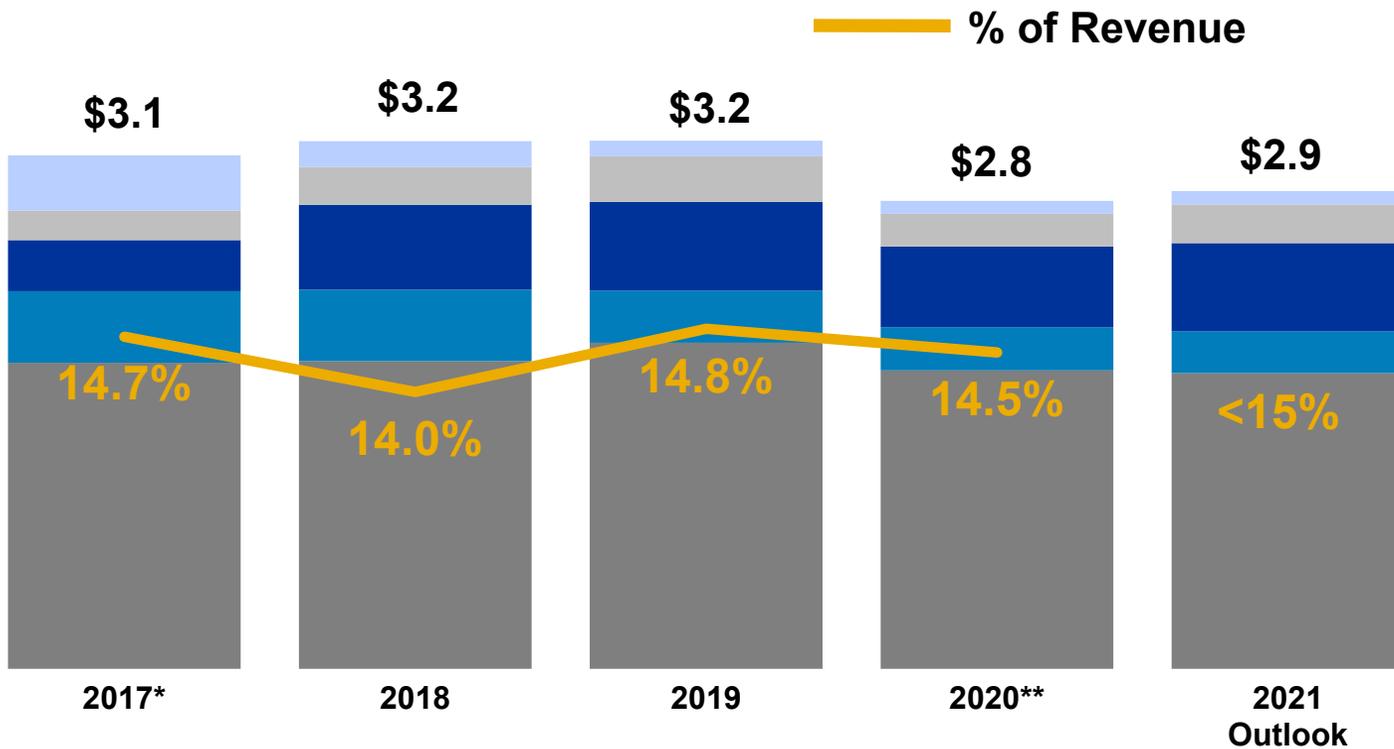


- Deliver 20%+ reduction in locomotive variability
- Modernize our locomotive fleet

Strong Core, Investing for Future



Capital Spending



- Positive Train Control
- Technology / Other
- Capacity / Commercial Facilities
- Locomotives / Equipment
- Infrastructure Replacement

- Productivity Focus / Siding Extensions
- Efficiency Investment in Locomotive Modernization
- Growth Investment in New Intermodal Ramps

PSR Foundation to Grow



Reduced Complexity



Consistent Service



Lower Cost



Consistent Service



Lower Cost



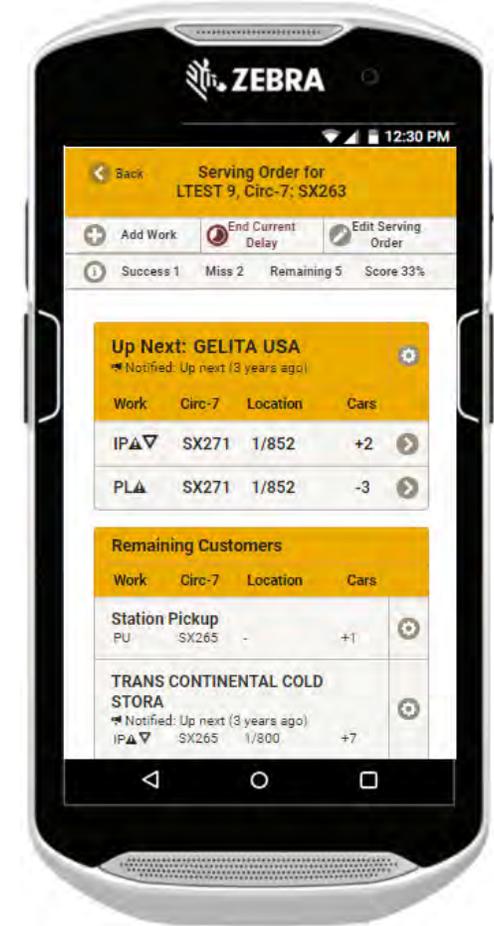
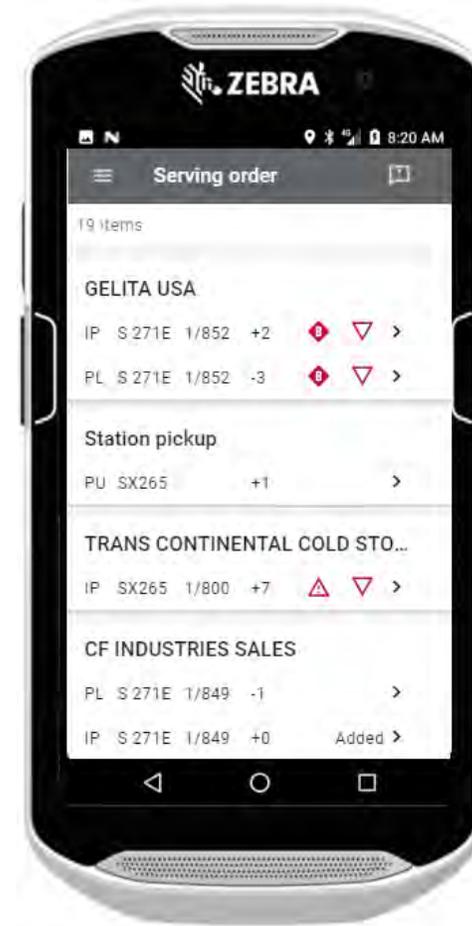
Open New Markets



Technology: Mobile Work Order

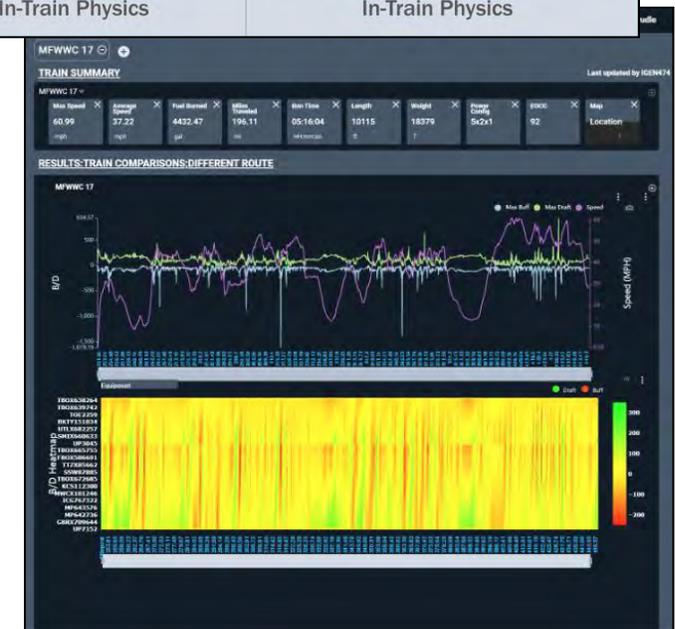


- Improve Reporting
- Enables Direct Communication with Customer
- More Efficient and Employee-Friendly Processes



Technology: Terminal Planner & Precision Train Builder

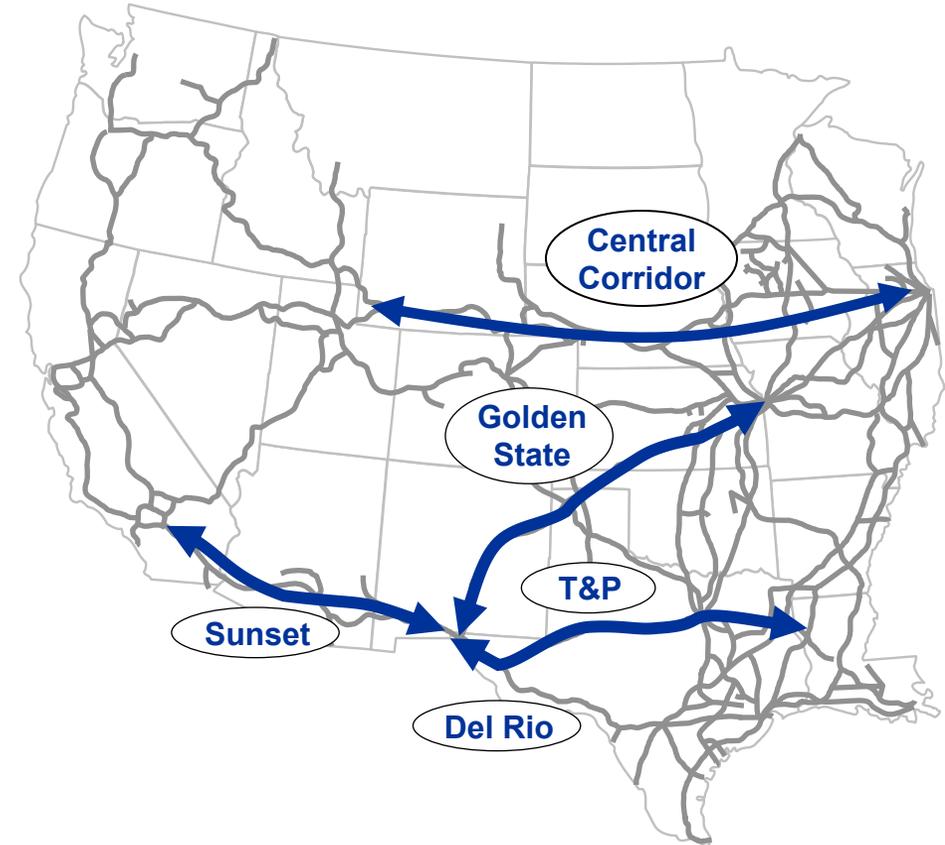
- Optimizes Terminal Connections and Train Profiles
- Creates Terminal Capacity
- Enables More Efficient Operation
- Improves Customer Experience



Productivity: Train Length



- Reduces the Demand for Resources
- Generates Capacity While Improving Service
- Opportunities
 - Leverage Existing Infrastructure
 - Strategic Transportation Plan Adjustments
 - Additional Investments In Sidings



Productivity: Terminal Capacity



- Reduced Car Dwell ~20% Since 2018
- Enables Facilities to be Re-purposed
- PSR has Created Capacity to Grow



Meeting Evolving Customer Needs

Chicago: G2/Proviso



Houston: Englewood



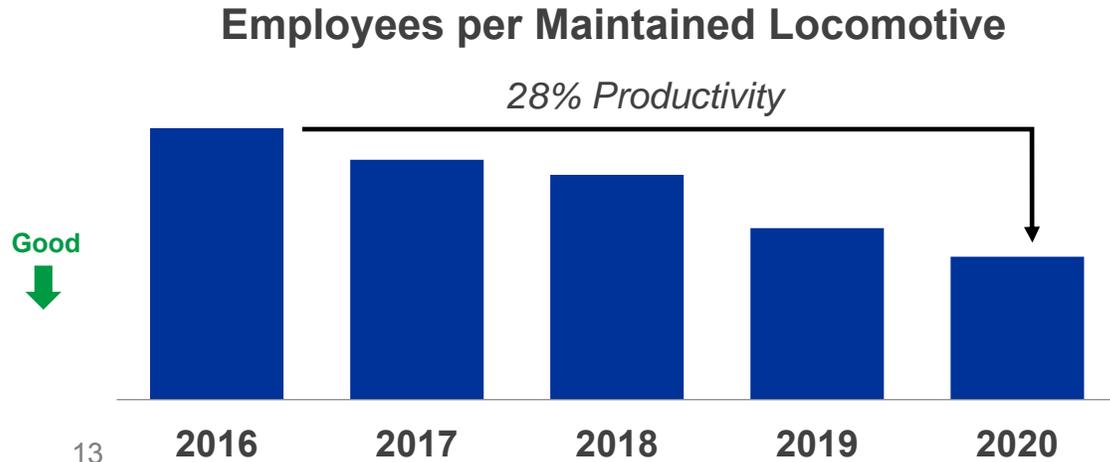
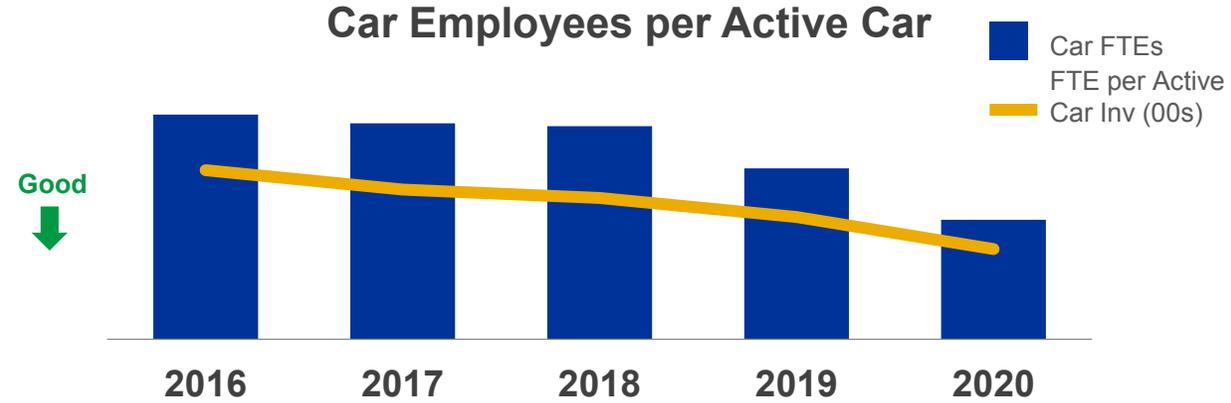
Minneapolis Ramp



- Chicago (G2): Expanded Intermodal Capability
- Houston: Englewood Modifications
- Twin Cities: New Ramp
- More to Come!

Mechanical Productivity

Optimized Fleet Size & Maintenance Resources



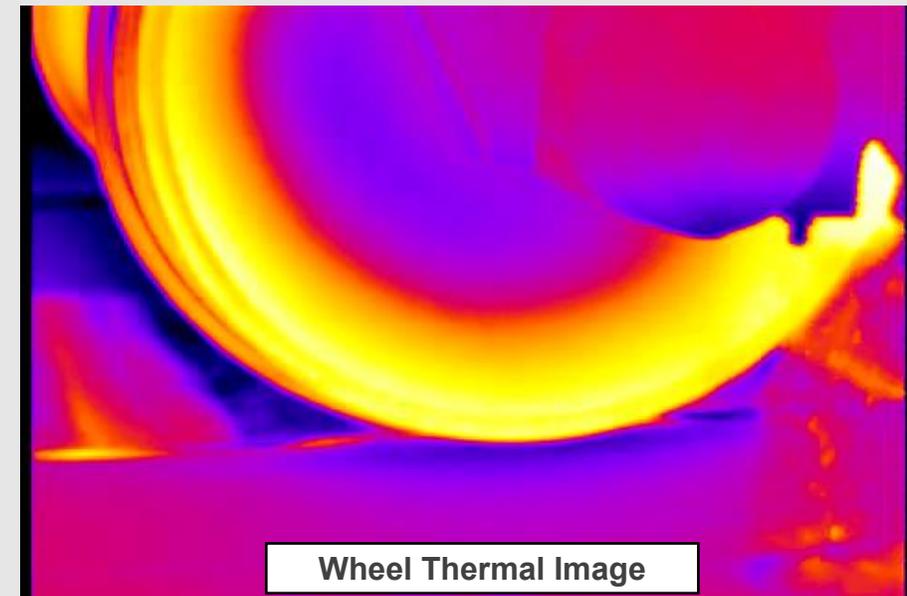
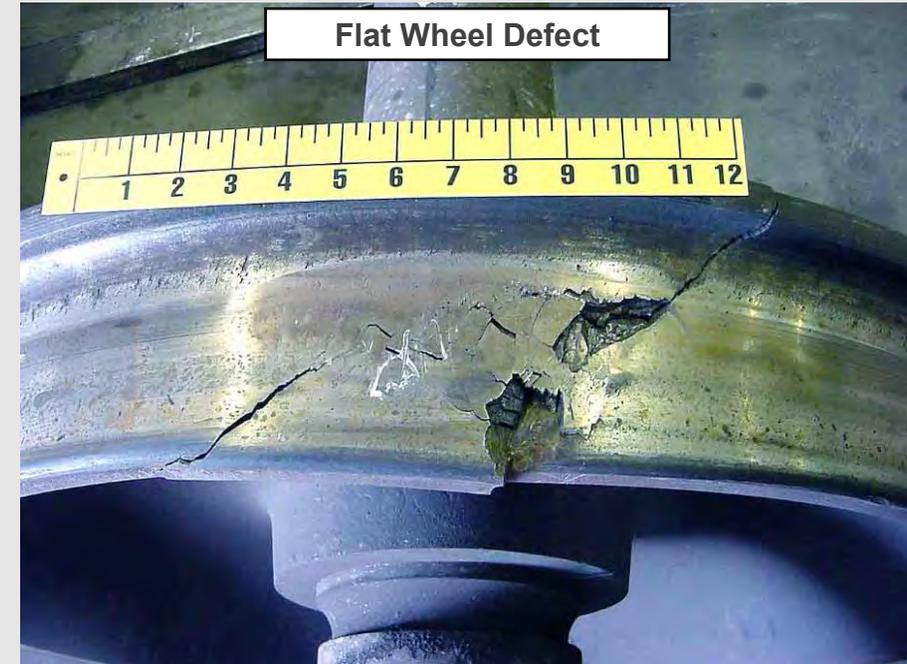
- Reduced Labor Cost & Increased Labor Productivity

Mechanical Technology

Trending Performance & Component Replacement

- Hot Box / Wheel Journal
- Hot Wheel
- Flat Wheel

Reduces Online Failure
Variability & Associated Costs



Rethinking Our Future

Jenks Locomotive Shop, N. Little Rock



- Re-opening Facilities as Volume Dictates
- Re-open Strategy:
 - World Class Safety
 - Best in Industry Productivity
 - Cost Competitive

Engineering Technology – Rail Sensor

Improving Reliability, Performance and Efficiency



Geometry Car



Boxcar



Locomotive



Semi Autonomous Track Inspections via:

- Geometry Car
- Boxcars
- Locomotives



Wood Tie Unloading Automation



- Simplify Process
- Reduce Touch Points
- Reduce Cost



Tie Plate Distribution Automation



Foundational Platform Enabling a Connected Future

- Connects Operational Systems
- Enables Smart Capabilities
- Provides Frictionless Integrations
- Delivers Ability to Evolve with Business

