First Quarter 2020 Results

Earnings Per Share

- 2019: $1.93
- 2020: $2.15
  - Increase of +11%

Operating Ratio

- 2019: 63.6%
- 2020: 59.0%
  - Decrease of -4.6 pts
  - All-Time Quarterly Record
FIRST QUARTER 2020
OPERATIONS REVIEW

Jim Vena
Chief Operating Officer

Unified Plan 2020
Key Performance Metrics – 1Q 2020 vs. 1Q 2019

<table>
<thead>
<tr>
<th>Metric</th>
<th>2020</th>
<th>2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>FREIGHT CAR VELOCITY*</td>
<td>209</td>
<td>232</td>
<td>-11%</td>
</tr>
<tr>
<td>(Daily Miles per Day)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FREIGHT CAR TERMINAL Dwell*</td>
<td>894</td>
<td>926</td>
<td>-3%</td>
</tr>
<tr>
<td>(Hours)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRAIN SPEED*</td>
<td>25.4</td>
<td>22.3</td>
<td>13%</td>
</tr>
<tr>
<td>(Miles Per Hour)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LOCOMOTIVE PRODUCTIVITY</td>
<td>131</td>
<td>115</td>
<td>14%</td>
</tr>
<tr>
<td>(GTMs Per HP Day)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WORKFORCE PRODUCTIVITY</td>
<td>85</td>
<td>75</td>
<td>13%</td>
</tr>
<tr>
<td>(Daily Miles per FTE)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INTERMODAL TRIP PLAN COMPLIANCE</td>
<td>64</td>
<td>56</td>
<td>13%</td>
</tr>
<tr>
<td>(% of Cars On Time)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MANIFEST/AUTO TRIP PLAN COMPLIANCE</td>
<td>4</td>
<td>3</td>
<td>33%</td>
</tr>
<tr>
<td>(% of Cars On Time)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Prior years have been recast to conform to the current year presentation which reflects minor refinements.
Unified Plan 2020 Update

Terminal Rationalization & Network Changes

• Consolidated Mechanical shops
• Santa Teresa Block Swap Facility In Service
• Completed Eight 15,000 Foot Sidings
• Continued Improvement in Train Length

Operating Outlook

• Safety First
• Adjusting Resources for Volume Impacts from COVID-19
• Continue Unified Plan 2020 Implementation
• Drive Service Improvements
• Focus on Asset Utilization and Network Efficiency
FIRST QUARTER 2020 MARKETING & SALES REVIEW

Kenny Rocker
Executive Vice President – Marketing & Sales

Bulk

Revenue $1,534M (-5%)  Volume 477K (-7%)  ARC $3,219 (+2%)

Coal & Renewables
-19%

Grain & Grain Products
+4%

Fertilizer
+7%

Food & Beverage
+2%

Quarterly Drivers

- Continued Coal Challenges
- Export Ethanol Strength
- Strong Domestic Fertilizer Demand
- Growth in Import Beer

Volume in thousands of carloads.
**Industrial**

- Revenue: $1,894M (+3%)
- Volume: 546K (+3%)
- ARC: $3,469 (Flat)

<table>
<thead>
<tr>
<th>Segment</th>
<th>2019</th>
<th>2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy &amp; Specialized</td>
<td>147</td>
<td>162</td>
<td>+10%</td>
</tr>
<tr>
<td>Forest Products</td>
<td>56</td>
<td>56</td>
<td>Flat</td>
</tr>
<tr>
<td>Industrial Chem &amp; Plastics</td>
<td>148</td>
<td>154</td>
<td>+4%</td>
</tr>
<tr>
<td>Metals &amp; Minerals</td>
<td>180</td>
<td>174</td>
<td>-3%</td>
</tr>
</tbody>
</table>

**Quarterly Drivers**

- Strong Crude Shipments
- Construction Strength
- Reduced Sand Shipments

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**Premium**

- Revenue: $1,452M (-6%)
- Volume: 917K (-12%)
- ARC: $1,583 (+6%)

<table>
<thead>
<tr>
<th>Segment</th>
<th>2019</th>
<th>2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>210</td>
<td>208</td>
<td>-1%</td>
</tr>
<tr>
<td>Intermodal</td>
<td>831</td>
<td>709</td>
<td>-15%</td>
</tr>
</tbody>
</table>

**Quarterly Drivers**

- Automotive Manufacturing Suspension
- Soft Domestic Market
- International Trade

---

9 Volume in thousands of carloads.

10 Volume in thousands of carloads.
Second Quarter Volume & Outlook

Second Quarter Volume YTD*

- **Premium**: -30%
- **Bulk**: -17%
- **Industrial**: -14%
- **TOTAL**: -22%

7-Day Weekly Carloadings (000s)

January October

- 2009
- 2019
- 2020

* Volume through April 21
First Quarter Operating Ratio and EPS

Favorable / (Unfavorable)

<table>
<thead>
<tr>
<th></th>
<th>Operating Ratio</th>
<th>EPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Quarter 2019</td>
<td>63.6%</td>
<td>$1.93</td>
</tr>
<tr>
<td>2019 Payroll Tax Refund</td>
<td>(0.8) pts</td>
<td>($0.05)</td>
</tr>
<tr>
<td>2019 Weather Expense</td>
<td>0.8 pts</td>
<td>$0.05</td>
</tr>
<tr>
<td>Fuel Impact</td>
<td>0.8 pts</td>
<td>$0.04</td>
</tr>
<tr>
<td>Core Results</td>
<td>3.8 pts</td>
<td>$0.18</td>
</tr>
<tr>
<td>First Quarter 2020</td>
<td>59.0%</td>
<td>$2.15</td>
</tr>
</tbody>
</table>

First Quarter Income Statement

$ in Millions (except EPS)

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues</td>
<td>$5,229</td>
<td>$5,384</td>
<td>(3)</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>3,086</td>
<td>3,424</td>
<td>(10)</td>
</tr>
<tr>
<td>Operating Income</td>
<td>2,143</td>
<td>1,960</td>
<td>9</td>
</tr>
<tr>
<td>Other Income</td>
<td>53</td>
<td>77</td>
<td>(31)</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>(278)</td>
<td>(247)</td>
<td>13</td>
</tr>
<tr>
<td>Income Taxes</td>
<td>(444)</td>
<td>(399)</td>
<td>11</td>
</tr>
<tr>
<td>Net Income</td>
<td>$1,474</td>
<td>$1,391</td>
<td>6</td>
</tr>
<tr>
<td>Weighted Average Diluted Shares</td>
<td>686.2</td>
<td>719.5</td>
<td>(5)</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>$2.15</td>
<td>$1.93</td>
<td>11</td>
</tr>
</tbody>
</table>
First Quarter Freight Revenue

$ in Millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume</th>
<th>Mix/Price</th>
<th>Fuel Surcharge</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>(7.00%)</td>
<td>4.75%</td>
<td>(0.25%)</td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td>-2.50%</td>
</tr>
</tbody>
</table>

$5,010

$4,880

First Quarter Operating Expenses

$ in Millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Compensation &amp; Benefits</th>
<th>Fuel</th>
<th>Purchased Services &amp; Materials</th>
<th>Equipment &amp; Other Rents</th>
<th>Depreciation</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$146 (12%)</td>
<td>$97  (18%)</td>
<td>$55 (10%)</td>
<td>$31 (12%)</td>
<td>$2</td>
<td>$7 (2%)</td>
</tr>
<tr>
<td>2020</td>
<td>$3,086</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**FIRST QUARTER RESULTS**

**Productivity Update**

**Net Productivity of $220 Million**

- **Car Velocity & Inventory**: $35
- **Train Length**: $55
- **Locomotive Efficiency**: $70
- **Other Workforce Productivity**: $60

**Union Pacific is More Efficient Than During Past Recessions**

- Greater Than 100% Volume Variable in First Quarter 2020
- 1500+ Basis Points Operating Ratio Improvement Since 2008/2009

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**Managing Returns & Liquidity**

**Cash From Ops**

- 1Q 2019: $1,959
- 1Q 2020: $2,155

**Cash to Shareholders**

- 1Q 2019: $4,100
- 1Q 2020: $3,600

**Cash Balance**

- 12/31/2019: $831
- 3/31/2020: $1,130
- Current: -$2,000

**First Quarter Year-to-Date**

- Cash Flow Conversion Rate Equal to 91% of Net Income
- Repurchased 14 million Shares for a 5% Reduction in the Average Share Balance
- Adjusted Debt Increased $2.5 Billion since Year-End 2019
- Adjusted Debt / EBITDA of 2.7x
Updated 2020 Guidance

Withdrawning Full Year Guidance on:
- Volume
- Headcount
- Operating Ratio
- Share Repurchases

Second Quarter Outlook
- Volumes Down ~25%
- Aggressive Cost Control
- Volume Outlook Makes Operating Ratio Improvement Unlikely

Full Year 2020
- Pricing Gains in Excess of Inflation Dollars
- $400-500 Million of Productivity
- Solid Free Cash Flow After Dividends Under Various Scenarios
- Capital Allocation Plan Based on Scenarios:
  - Capital Spending Reduced by $150 to $200 Million
  - Maintain Dividend
  - Suspend Share Repurchases

FIRST QUARTER 2020

Lance Fritz
Chairman, President & CEO
Looking Ahead

• Committed to Employee Safety & Health
• Deliver a Highly Consistent and Reliable Service Product
• Strong Balance Sheet & Liquidity
• Continued Unified Plan 2020 Implementation

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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 generate financial returns, improve resource productivity; enhancing the customer experience; implementing corporate strategies; and providing excellent service to its customers, returns to its shareholders and potential impacts of the Covid-19 pandemic. These statements are, or will be, forward-looking statements as defined 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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Question & Answer Session