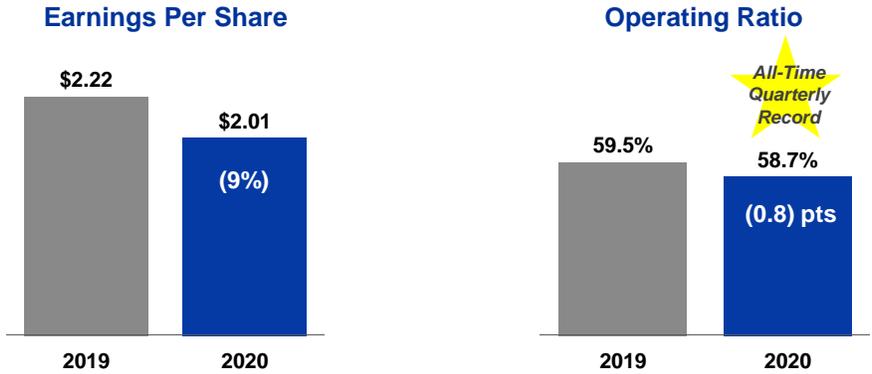




Third Quarter 2020 Results



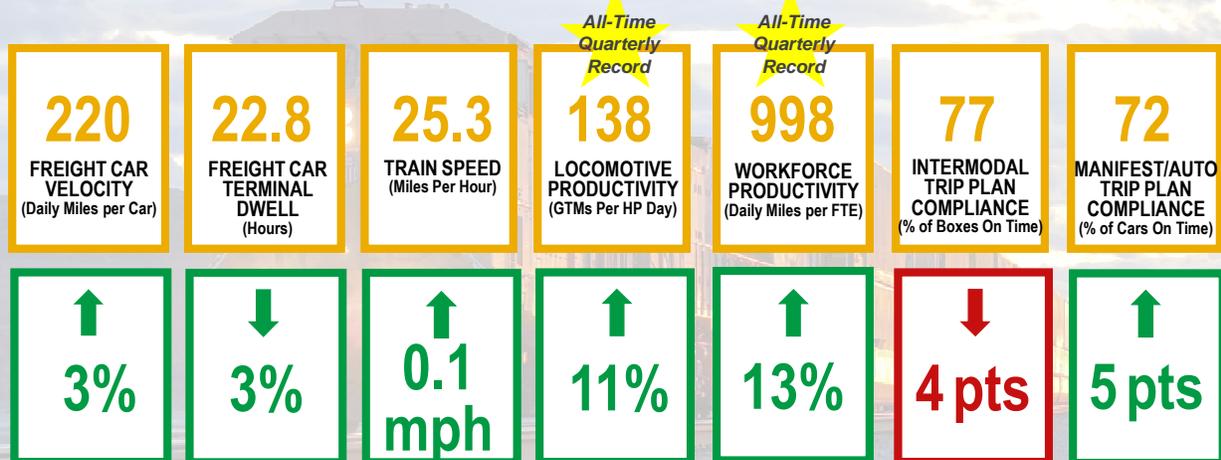
THIRD QUARTER 2020 OPERATIONS REVIEW

Jim Vena
Chief Operating Officer



Unified Plan 2020

Key Performance Metrics – 3Q 2020 vs. 3Q 2019

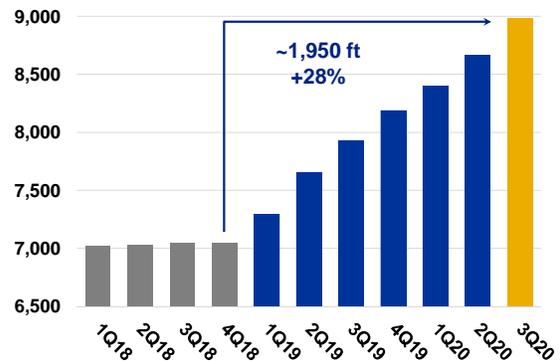


Unified Plan 2020 Update

Terminal Rationalization & Network Changes

- Continued Focus on Increasing Train Length
- Completed Twenty-Eight 15,000 Foot Sidings
- Network Changes
 - Curtailed North Platte East Hump Yard
 - Chicago Intermodal Changes
 - Houston Intermodal and Switching Changes
- Workforce Reduction & Organizational Changes

Train Length
(Max on Route, in Feet)

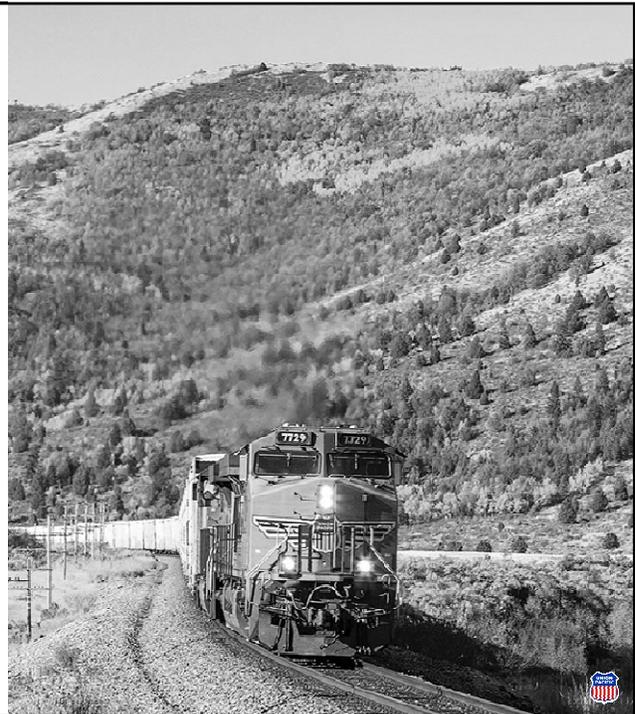


5



Operating Outlook

- Safety First
- Continue Redesign of Operations
- Focus on Asset Utilization and Network Efficiency
- Deliver a Highly Consistent and Reliable Service Product



6



THIRD QUARTER 2020 MARKETING & SALES REVIEW

Kenny Rocker

Executive Vice President – Marketing & Sales

7

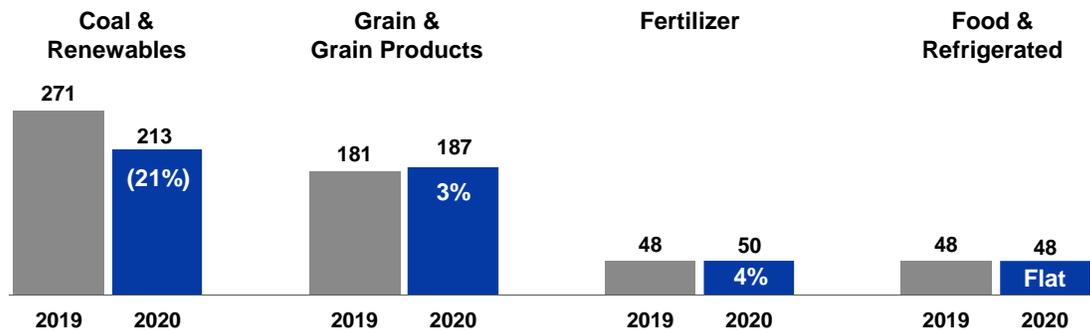


Bulk

Revenue \$1,478M (-12%)

Volume 498K (-9%)

ARC \$2,964 (-3%)



Quarterly Drivers

Continued Coal Challenges

Strength in Export Grain

COVID-19 Related Impacts

8 Volume in thousands of carloads.

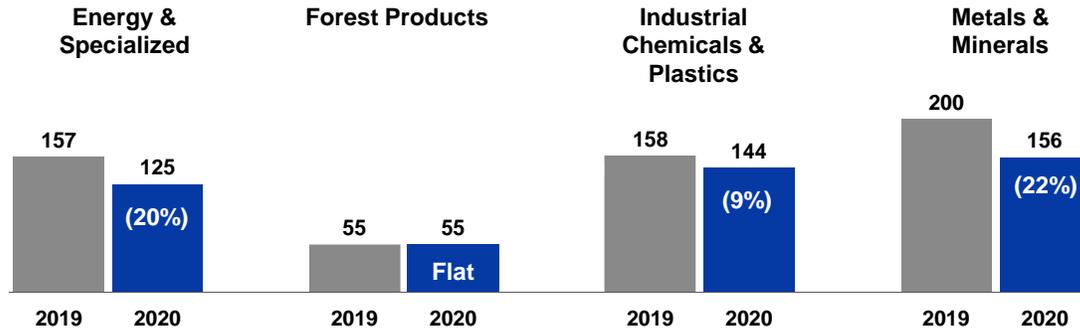


Industrial

Revenue \$1,567M (-18%)

Volume 480K (-16%)

ARC \$3,271 (-2%)



Quarterly Drivers

Energy Market Challenges

Pandemic Impacts on Demand

Reduced Mineral Shipments

⁹ Volume in thousands of carloads.

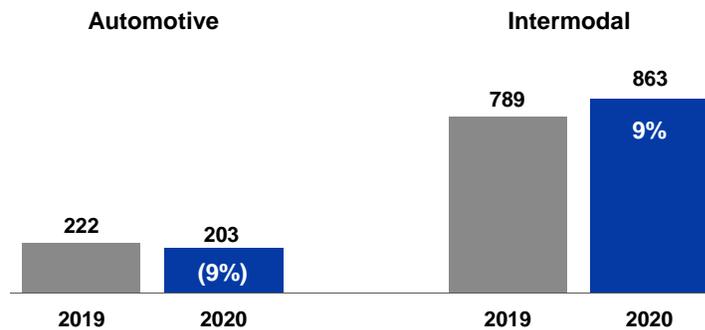


Premium

Revenue \$1,551M (-1%)

Volume 1,066K (+5%)

ARC \$1,454 (-6%)



Quarterly Drivers

Automotive Manufacturing Recovery & Restocking

Strong Retail Spending & Inventory Restocking

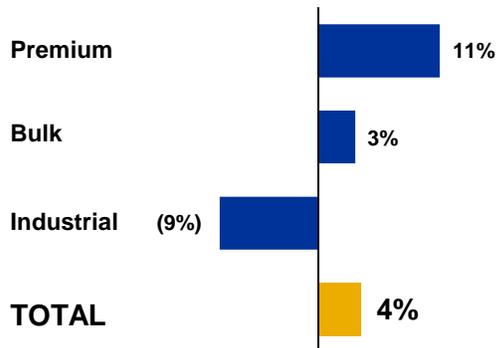
E-Commerce Strength

¹⁰ Volume in thousands of carloads.

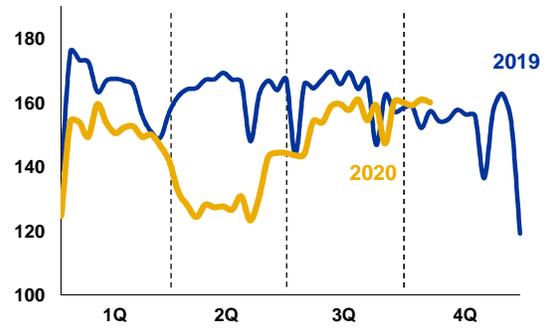


Fourth Quarter Volume & Outlook

Fourth Quarter Volume To Date*



7-Day Weekly Carloadings (000s)



11 * Volume through October 14



THIRD QUARTER 2020 FINANCIAL REVIEW

Jennifer Hamann

Executive Vice President & Chief Financial Officer

12



Third Quarter Income Statement

\$ in Millions (except EPS)

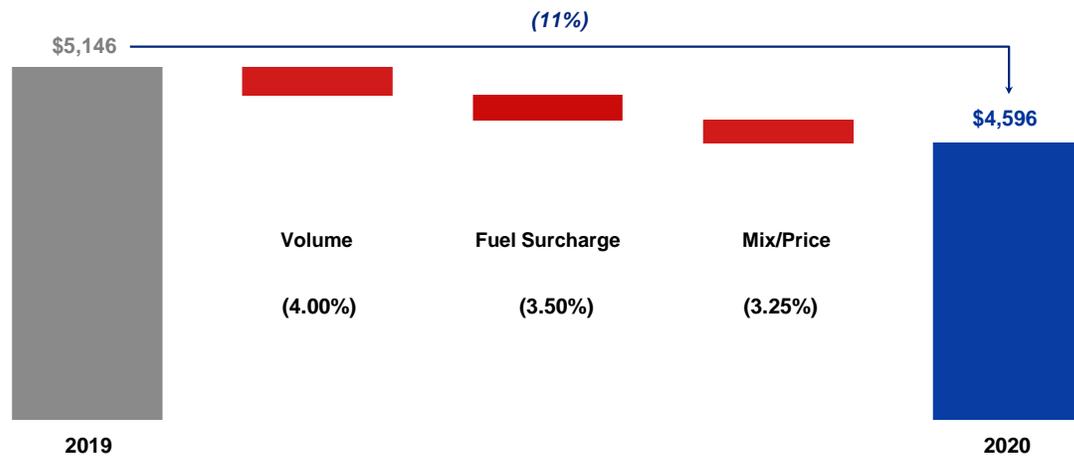
	2020	2019	Variance	
Operating Revenues	\$4,919	\$5,516	(11)	%
Operating Expenses	2,888	3,282	(12)	
Operating Income	2,031	2,234	(9)	
Other Income	37	53	(30)	
Interest Expense	(295)	(266)	11	
Income Taxes	(410)	(466)	(12)	
Net Income	\$1,363	\$1,555	(12)	%
Weighted Average Diluted Shares	676.8	701.9	(4)	
Diluted EPS	\$2.01	\$2.22	(9)	
Operating Ratio	58.7%	59.5%	(0.8)	pts

13



Third Quarter Freight Revenue

\$ in Millions

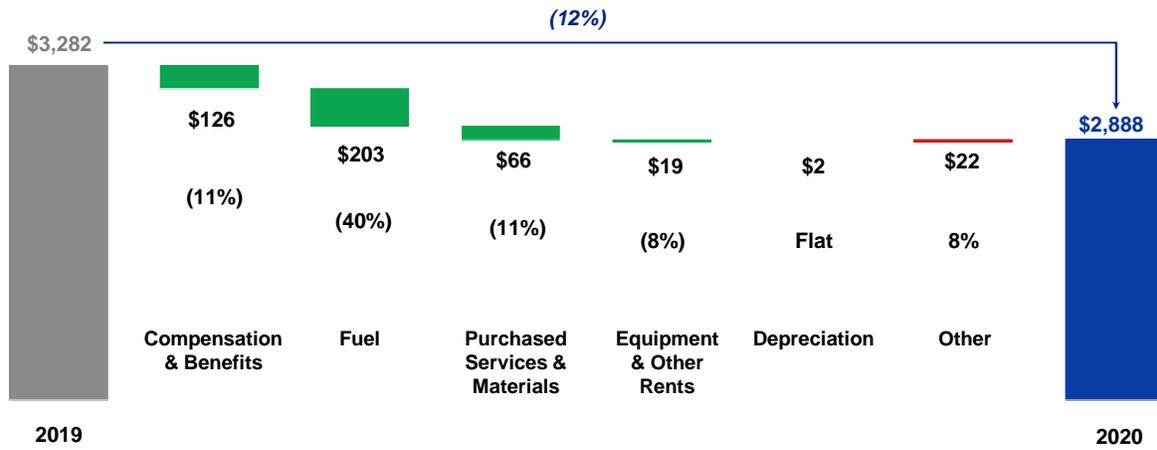


14



Third Quarter Operating Expenses

\$ in Millions

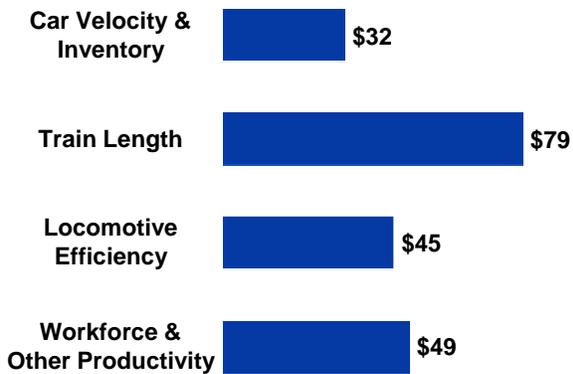


15



Productivity Results

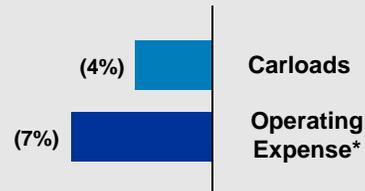
Net Productivity of \$205 Million



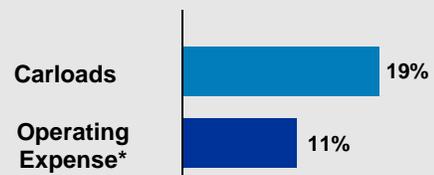
16

Volume Variability

3Q 2020 vs. 3Q 2019
(Year over Year)



3Q 2020 vs. 2Q 2020
(Sequential)



* Excluding fuel price



Cash Generation & Liquidity

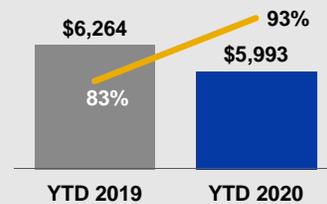
Year-to-Date Results

- Cash from Operations Down 4% as Net Income Down 12%
- Cash Flow Conversion Rate Equal to 93% of Net Income*
- Maintained Industry Leading Dividend Payout & Resumed Share Repurchases in October
- Adjusted Debt / EBITDA of 2.9x*
 - Plan to Reduce Debt Levels \$800 Million in Fourth Quarter

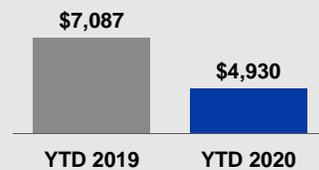
17

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

Cash From Ops vs. Cash Conversion (\$ in millions)



Cash to Shareholders (\$ in millions)



Updated 2020 Guidance

- Full Year Volume Down ~7%
- Productivity to Exceed \$700 Million
- Pricing Gains in Excess of Inflation Dollars
- Sub-60 Operating Ratio
- Strong Cash Generation and Cash Conversion Expected
 - Capital Spend of ~\$2.9 Billion
 - Maintain Dividend
 - Share Repurchases Restarted

18



THIRD QUARTER 2020

Lance Fritz

Chairman, President & CEO



Looking Ahead

- Committed to Employee Safety & Health
- Continue Implementation of Unified Plan 2020
- Deliver a Highly Consistent and Reliable Service Product
- Win with Customers



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, 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.

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 2019, which was filed with the SEC on February 7, 2020 and the Company's Quarterly Report on Form 10-Q which was filed with the SEC on July 23, 2020. 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.



Question & Answer Session

