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; its ability to generate financial returns, improve resource productivity and use innovation to enhance customer experience; implementing corporate strategies; and providing excellent service to its customers and returns to its shareholders. These statements are, or will be, forward-looking statements as defined by the Securities Act of 1933 and 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 2018, which was filed with the SEC on February 8, 2019. 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.
2019 Financial Results

**Earnings Per Share**
*Third Quarter Year-to-Date*

- **2019**: $6.36 (10% vs. 2018)
- **1Q**: 63.6
- **2Q**: 59.6
- **3Q**: 59.5 (All-Time Quarterly Record)

---

2019 Business Trends

**7-Day Monthly Carloadings**
*(000s)*

- **2018**: 174
- **2017**: 168
- **2019**: 163

**Fourth Quarter Volumes**
*2019 vs. 2018*

- Industrial: Flat
- Agricultural: -2%
- Premium: -14%
- Energy: -20%
- Total: -11%

*Carloadings as of 12/2/19*
7-Day Volume Trends
Through November 30, 2019

Agricultural Products

- Grain Inventories
- Export Market Fundamentals
- Food & Refrigerated Shipment Demand

Energy

- Natural Gas Prices
- Inventory Management
- Weather & Economy
- Frac Sand Demand
- Crude Oil Prices & Spreads

7-Day Volume Trends (cont)
Through November 30, 2019

Industrial

- Construction-Related Materials
- Housing Activity
- U.S. Dollar Impact
- Plastics Demand
- Base Chemicals Remain Solid

Premium

- North American Production & Sales
- Over-the-Road Parts Conversions
- Intermodal Market Fundamentals
- Truck Capacity
- Foreign Tariffs
The Strength of a Unique Franchise

2019 YTD* Revenue

$15.4 B

Agricultural 13%
Energy 17%
Premium 49%
Industrial 21%

2019 YTD* Volume Mix

*January - September
U.S. Economy

Union Pacific Volumes Tend to Reflect:

- Industrial Production
- International Trade Dynamics

International Trade

- Diverse Franchise Creates Opportunity
- Off-shoring/Near-shoring of U.S. Manufacturing
- Demand for Grain and Food
- Low Natural Gas Prices Favor U.S. Plastics Production
- Impacts from a Strong U.S. Dollar
  - Negative: Steel, Grain, Coal
  - Positive: International Intermodal
Agricultural Products

- Grain Inventory Management
- Export Market Fundamentals
- Food & Beverage Shipment Demand

UNP Weekly Grain Carloads*
(As reported to the AAR)

U.S. Grain Stocks**
(Bushels in Billions)

*Through November 30, 2019

**Source: USDA; As of September 1st
**Industrial 2019 YTD* Revenue**

$4.4 B

**2019 YTD* Volume Mix**

- Forest Products 12%
- Metals 11%
- Industrial Chemicals 18%
- Plastics 16%
- Soda Ash 7%
- Specialized 12%
- Industrial 20%

**Network and Regional Manifest Terminals**

- Gulf Coast Infrastructure

**Gulf Coast Infrastructure**

- Construction 24%

**Soda Ash**

- Lumber, Paper

**Steel**

- Copper, Iron Ore, Salt, Lime and Other Minerals

**Lumber, Paper**

- Pipe, Cement, Aggregates

**Copper, Iron Ore, Salt, Lime and Other Minerals**

**Lumber, Paper**

**Pipe, Cement, Aggregates**

**Copper, Iron Ore, Salt, Lime and Other Minerals**

**Gulf Coast Infrastructure**

**Forest Products**

- Lumber, Paper

**Metals**

- Steel

**Plastics**

- Specialized

**Soda Ash**

**Industrial Chemicals**

**Network and Regional Manifest Terminals**

**Major Transload Terminals**

- Construction 24%

- Soda Ash

- Plastics 16%

- Metals 11%

- Specialized 12%

**2019 YTD* Volume Mix**

- Construction 24%

- Specialized 12%

- Forest Products 12%

- Industrial Chemicals 18%

**Housing Trends**

- Housing Market still well Below Historical Averages
- **UP Lumber, Stone & Glass Business Correlates with Housing Starts**
- Housing also Drives Appliances, Roofing, Rebar, Aggregates, and Cement Demand

**Housing Related Shipments Represent ~ 5 - 10% of Current UP Volumes**

- Housing Market still well Below Historical Averages
- **UP Lumber, Stone & Glass Business Correlates with Housing Starts**
- Housing also Drives Appliances, Roofing, Rebar, Aggregates, and Cement Demand

**Housing Related Shipments Represent ~ 5 - 10% of Current UP Volumes**

*Through November 30, 2019
Chemical Export Opportunities

- North American Production Will Exceed Domestic Demand
- Surplus U.S. Production Targeted for Export
- UP Uniquely Positioned to Handle Expansion Related Growth

Likely Export Flow

- Asia & Europe
- Europe & Africa
- South America
- Asia

Packaging
Energy

2019 YTD* Revenue
$2.9 B

Volume Mix
PRB Coal** 53%

Other Coal / Coke 17%
Petroleum, LPG, Renewables 21%
Sand* 9%

*January - September

Weather Impacts Demand
Natural Gas Prices
Coal Inventory Levels

Energy - Coal Trends

UNP Weekly Coal Carloads*
(As reported to the AAR)

Energy - Electricity Generation Market Share**

- % from coal
- % from natural gas

*January - September

*Through November 30, 2019

**U.S. Energy Information Administration (EIA)
### Shale-Related Volumes

2.8% of 2019 YTD* Total Volume

<table>
<thead>
<tr>
<th>2019 YTD*</th>
<th>Volume (000s)</th>
<th>% Incr (vs 2018)</th>
<th>% of Total UP Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frac Sand**</td>
<td>104</td>
<td>(47%)</td>
<td>1.6%</td>
</tr>
<tr>
<td>Crude</td>
<td>52</td>
<td>90%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Pipe</td>
<td>23</td>
<td>2%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Total Shale</td>
<td>179</td>
<td>(27%)</td>
<td>2.8%</td>
</tr>
</tbody>
</table>

*January – September
**Includes Barites

- **Frac Sand Drivers**
  - Energy Prices
  - Rig Counts
  - Enhanced Fracking Technology
  - White / Brown Sand Mix

### Frac Sand Volume*

(By Shale, 000s)

<table>
<thead>
<tr>
<th>Year</th>
<th>Eagle Ford</th>
<th>Marcellus/Utica</th>
<th>Bakken</th>
<th>Haynesville</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>129</td>
<td>158</td>
<td>195</td>
<td></td>
<td>482</td>
</tr>
<tr>
<td>2012</td>
<td>158</td>
<td>190</td>
<td>234</td>
<td></td>
<td>482</td>
</tr>
<tr>
<td>2013</td>
<td>190</td>
<td>234</td>
<td>277</td>
<td></td>
<td>501</td>
</tr>
<tr>
<td>2014</td>
<td>234</td>
<td>277</td>
<td>330</td>
<td></td>
<td>541</td>
</tr>
<tr>
<td>2015</td>
<td>277</td>
<td>330</td>
<td>330</td>
<td></td>
<td>541</td>
</tr>
<tr>
<td>2016</td>
<td>330</td>
<td>330</td>
<td>330</td>
<td></td>
<td>541</td>
</tr>
<tr>
<td>2017</td>
<td>330</td>
<td>330</td>
<td>330</td>
<td></td>
<td>541</td>
</tr>
<tr>
<td>2018</td>
<td>38</td>
<td>37</td>
<td>37</td>
<td></td>
<td>112</td>
</tr>
<tr>
<td>2019</td>
<td>29</td>
<td>29</td>
<td>29</td>
<td></td>
<td>87</td>
</tr>
</tbody>
</table>

### Crude Oil Volume (000s)

- Eagle Ford
- Marcellus/Utica
- Bakken
- Haynesville

### Premium

2019 YTD* Revenue

$4.7 B

- Domestic** 49%
- International Intermodal 40%
- Domestic includes domestic intermodal and auto parts moved in intermodal containers

*January – September
**Other includes finished vehicles, intermodal terminals, and key intermodal and automotive border crossings, gateways, and interchanges
Highway Conversion Growth Opportunities

- Highway Conversion Opportunities in All Business Groups
- ELD Impact
- Truck Capacity
- LOUP
- Highway Congestion

Premium – Finished Vehicles

U.S. Light Vehicle SAAR*

*Source: Global Insight

*UP Owned/Leased and Private
North American Auto Production

North American Light Vehicle Production Forecast*

*Source: Global Insight

What We Do
Full-Service Meets Extensive Expertise

Supply Chain Optimization  Warehousing  Transloading  Door-to-Door

Market Reach  Cross-Border Expertise  Shipment Visibility  Just-in-Time
2019 Volume Outlook

**Agricultural Products**
- Biofuels
- Food and Beverage
- Grain

**Energy**
- Petroleum Products
- Sand
- Coal Headwinds

**Industrial**
- Plastics
- Construction
- Forest Products

**Premium**
- Light Truck / SUV Sales
- Domestic Intermodal
- Trade & Economy

Mexico
2019 YTD* Revenue
$1.8 B

*January - September

1H 2019 Volume Mix
- Premium 65%
- Energy 6%
- Industrial 13%
- Ag. Products 16%
### Safety

<table>
<thead>
<tr>
<th>Safety Category</th>
<th>YTD15</th>
<th>YTD16</th>
<th>YTD17</th>
<th>YTD18</th>
<th>YTD19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employee</strong></td>
<td>0.82</td>
<td>0.77</td>
<td>0.78</td>
<td>0.77</td>
<td>0.82</td>
</tr>
<tr>
<td>(Reportable Personal Injury Incidents Per 200,000 Employee-Hours)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Rail Equipment</strong></td>
<td>3.26</td>
<td>3.13</td>
<td>3.03</td>
<td>3.20</td>
<td>4.50</td>
</tr>
<tr>
<td>(Reportable Derailment Incidents Per Million Train Miles)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Public</strong></td>
<td>2.25</td>
<td>2.55</td>
<td>2.57</td>
<td>2.66</td>
<td>2.70</td>
</tr>
<tr>
<td>(Crossing Accidents Per Million Train Miles)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Continued Focus on Safety
- Goal of Zero Incidents
Unified Plan 2020
Precision Scheduled Railroading Tenets

• Shifting the focus of operations from moving trains to moving cars
• Minimizing car dwell, car classification events and locomotive requirements
• Utilizing general-purpose trains by blending train services
• Balancing train movements to improve the utilization of crews and rail assets

Unified Plan 2020 Update
Terminal Rationalization & Network Changes

System Train Length (Max on route, in feet)

-1,250 ft
+18%

Q1 18  Q3 18  Q1 19  Q3 19  Mar 19  May 19  Jul 19  Sep 19  Nov 19

- 6,500
- 7,000
- 7,500
- 8,000
- ~1,250 ft
+18%
**Unified Plan 2020**

**Key Performance Indicators**

### Freight Car Terminal Dwell

**(Hours)**

<table>
<thead>
<tr>
<th></th>
<th>3Q18</th>
<th>3Q19</th>
<th>Nov ’18</th>
<th>Nov ’19</th>
</tr>
</thead>
<tbody>
<tr>
<td>29.3</td>
<td>23.4</td>
<td>26.3</td>
<td>22.8</td>
<td></td>
</tr>
</tbody>
</table>

**Improved Service Product**

- Year-over-Year Improvement
- Continued Focus on Asset Utilization and Minimizing Car Classifications

### Train Speed

**(Miles per Hour)**

<table>
<thead>
<tr>
<th></th>
<th>3Q18</th>
<th>3Q19</th>
<th>Nov ’18</th>
<th>Nov ’19</th>
</tr>
</thead>
<tbody>
<tr>
<td>24.0</td>
<td>23.7</td>
<td>24.5</td>
<td>24.7</td>
<td></td>
</tr>
</tbody>
</table>

### Freight Car Velocity

**(Daily Miles per Car)**

<table>
<thead>
<tr>
<th></th>
<th>3Q18</th>
<th>3Q19</th>
<th>Nov ’18</th>
<th>Nov ’19</th>
</tr>
</thead>
<tbody>
<tr>
<td>193</td>
<td>213</td>
<td>209</td>
<td>222</td>
<td></td>
</tr>
</tbody>
</table>

### Locomotive Productivity

**(GTMs per Horsepower Day)**

<table>
<thead>
<tr>
<th></th>
<th>3Q18</th>
<th>3Q19</th>
<th>Oct ’18</th>
<th>Oct ’19</th>
</tr>
</thead>
<tbody>
<tr>
<td>105</td>
<td>124</td>
<td>109</td>
<td>123</td>
<td></td>
</tr>
</tbody>
</table>

### Workforce Productivity

**(Daily Car Miles per FTE)**

<table>
<thead>
<tr>
<th></th>
<th>3Q18</th>
<th>3Q19</th>
<th>Oct ’18</th>
<th>Oct ’19</th>
</tr>
</thead>
<tbody>
<tr>
<td>852</td>
<td>883</td>
<td>852</td>
<td>872</td>
<td></td>
</tr>
</tbody>
</table>

### Car Trip Plan Compliance

**(% Cars On Time)**

<table>
<thead>
<tr>
<th></th>
<th>3Q18</th>
<th>3Q19</th>
<th>Nov ’18</th>
<th>Nov ’19</th>
</tr>
</thead>
<tbody>
<tr>
<td>61</td>
<td>71</td>
<td>69</td>
<td>76</td>
<td></td>
</tr>
</tbody>
</table>

- ~2,800 Stored Locomotives as of November 30th
- Third Quarter Workforce Down 13%
- Improved Service Product
**Unified Plan 2020**
*Locomotive Productivity*

- ~2,800 Stored Locomotives as of November 30th or ~35% of Total Fleet
- Result of using the Locomotive Fleet more efficiently
- October 2019 GTMs per Horsepower Day increased 13% compared to October 2018
- Driven by less units, increased train length and reduced dwell

**Unified Plan 2020**
*Employee Force Levels*

- Unified Plan 2020 Driving a Significant Reduction in FTEs
  - Down ~15% or about 6,300 FTEs in 3Q19 from 2016 at equivalent volume levels
  - Lowest number of FTEs in the last 15 years
  - Driven by Asset Utilization and Process Improvements
- Additional Opportunity Exists
Unified Plan 2020
Inventory Management

- **Operating Inventory Reduced with Unified Plan 2020**
  - Excludes Cars in Storage and Cars placed at Customer
  - Change driven by improved Freight Car Velocity and Terminal Dwell
  - Weather challenges in 1H19

- **Cars in Storage on the Rise**
  - Increased more than 60% since Third Quarter 2018

---

Positive Train Control (PTC) Status Overview

- Approximately $2.8 Billion Invested through June 2019
- Total Estimated Investment ~ $2.9 Billion
- Field Testing since October 2013
- Installed on 100% of Required Rail Lines
- Implemented on 93% of Required Rail Lines
- Continue Implementing, Testing and Refining PTC in 2019 & 2020
Technology Advancing Operations

Net Control
• Premier transportation operating system
• Manages all transportation assets including trains, cars, shipment, locomotives, and terminals
• Foundational platform for innovation, customer experience, productivity, and efficiency

Sensor X
• Accelerometer
• Strain Gauge
• Digital Temp Sensor

Mobile Work Order
• Real time inventory updates and corrections
• Enables dynamic work instructions & planning
• Platform to digitize other work activities
• Reduced user work load

Technology Improving Customer Experience

Streamlined interfaces
• Ease of navigation
• Quick access to information
• Modern and intuitive

Notifications
• “You are next” notifications
• No service today | customer exceptions notifications
• Numerous other notification types

Enhanced shipment management
• Dashboards
• Mobile available

Future state
Financial Performance
Expanding Margins and Driving Returns

<table>
<thead>
<tr>
<th>Operating Ratio</th>
<th>EPS</th>
<th>ROIC**</th>
</tr>
</thead>
<tbody>
<tr>
<td>87.5% 63.5% 62.7%</td>
<td>$0.71 5.75 7.91</td>
<td>16.2% 15.1%</td>
</tr>
</tbody>
</table>

- 7 Day Volume @ 184K
- 7 Day Volume @ 188K
- 7 Day Volume @ 174K

- 2004* 2014 2018
- (24.8) points
- +19% CAGR
- +9.8 points

- 2004* 2014 2018
- $7.91
- 15.1%

*2004 adjusted for asbestos pre-tax charge of $247.4 million.
** See Union Pacific website under Investors for a reconciliation to GAAP.
Financial Performance
Growing Cash Flow and Shareholder Returns

**Cash from Ops**
- 2004: $2.3B
- 2014: $7.4B (10% CAGR)
- 2018: $8.7B

**Dividends (Declared)**
- 2004: $0.30
- 2014: $1.91
- 2018: $2.48 (18% CAGR)

**Share Repurchases (Cumulative)**
- 2004: $0
- 2014: $13B
- 2018: $31B

**Market Cap**
- 2004: $105B
- 2014: $120B
- 2019: $18B

Pricing Fundamentals

- **Value is the Key to Future Price Improvement**
- **Balanced Portfolio Provides Flexibility for Repricing as Value Grows**
- **Solid Core Pricing**

**Balanced Revenue Portfolio**
- Contracts > 1 Year: 45%
- Contracts < 1 Year: 30%
- Tariffs: 25%
Productivity Update

Third Quarter Results:

~$170 Million of Productivity

• Rail Equipment Incidents Resulted in a $25 Million Headwind
• Net Productivity of $145 Million for the Quarter and $375 Million Year-to-Date
• Maintain Full-Year Productivity Outlook of at Least $500 Million

Initiatives & 3Q19 Results ($ in millions)

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Network and Train Operations</td>
<td>$56</td>
<td>Fuel, Unified Plan 2020, Car Velocity</td>
</tr>
<tr>
<td>Equipment (Locomotive and Car)</td>
<td>$75</td>
<td>Mechanical Productivity, Car Hire, Lease Savings, Car Velocity</td>
</tr>
<tr>
<td>Other</td>
<td>$14</td>
<td>Support, Supply, &amp; Engineering partially offset by Incidents &amp; Joint Facilities</td>
</tr>
</tbody>
</table>

$145 3Q19 Net Productivity

Capital Program

Capital Spending & Returns

<table>
<thead>
<tr>
<th>Year</th>
<th>Positive Train Control</th>
<th>Technology / Other</th>
<th>Capacity / Commercial Facilities</th>
<th>Locomotives / Equipment</th>
<th>Infrastructure Replacement</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$4.1</td>
<td>$16.2%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>$4.3</td>
<td>$14.3%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>$3.5</td>
<td>$12.7%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017*</td>
<td>$3.1</td>
<td>13.7%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>$3.2</td>
<td>10.1%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019 E</td>
<td>$3.1</td>
<td>15.1%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Return-Focused Capital Program
- Productivity Through G55+0 Initiatives
- Capex Less than 15% of Revenue Longer-Term

- Capital Spending & Returns

- Capital Program

* Adjusted to exclude the impact of Corporate Tax Reform.

** See Union Pacific website under Investors for a reconciliation to GAAP.
Strengthening the Franchise
Replacement, Growth & Productivity, and PTC

2019 Capital Plan: ~$3.1 Billion
($ in Millions)

- Safe & Resilient Infrastructure
- Equipment Acquisitions
  - Locomotive Modernizations
  - Targeted Freight Car Acquisitions
- Capacity & Commercial
  - Targeted Opportunities
  - Intermodal Growth
- Lower PTC Spending

Dividends

- Dividend Payout Target of 40% to 45%
- Five Dividend Increases in the past Eight Quarters

Declared Dividend Per Share
(cents)

+11x

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend Per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>8.75</td>
</tr>
<tr>
<td>2012</td>
<td>30</td>
</tr>
<tr>
<td>2013</td>
<td>34.5</td>
</tr>
<tr>
<td>2014</td>
<td>39.5</td>
</tr>
<tr>
<td>2015</td>
<td>45.5</td>
</tr>
<tr>
<td>2016</td>
<td>50</td>
</tr>
<tr>
<td>2017</td>
<td>55</td>
</tr>
<tr>
<td>2018</td>
<td>60.5</td>
</tr>
<tr>
<td>2019</td>
<td>66.5</td>
</tr>
<tr>
<td>2020</td>
<td>73</td>
</tr>
<tr>
<td>2021</td>
<td>80</td>
</tr>
<tr>
<td>2022</td>
<td>88</td>
</tr>
<tr>
<td>2023</td>
<td>97</td>
</tr>
</tbody>
</table>
Cumulative Share Repurchases

- Repurchased ~40% of Shares since 2007
- Share Repurchase Authorization
  - Three Years Beginning April 1, 2019
  - Up to 150 Million Shares
- $2.5 Billion Accelerated Share Repurchase Program February 2019

* Through September 30, 2019

Growing Margins

- Adjusted to exclude the impact of Corporate Tax Reform and include the retrospective adoption of ASU 2017-07
Drivers of Margin Improvement

<table>
<thead>
<tr>
<th>Volume</th>
<th>(11%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>$1.3 B</td>
</tr>
<tr>
<td>Productivity</td>
<td>$1 B</td>
</tr>
</tbody>
</table>

- Positive Volume Growth
- Above Inflation
- Achieve Through Innovation & Efficiency Gains

- Sub-61% Operating Ratio in 2019
- Below 60% Operating Ratio in 2020
- Unified Plan 2020 & G55+0 Opportunities
- Growing Earnings & Cash Flow

Capital Structure

**Adjusted Debt / EBITDA**

<table>
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</thead>
<tbody>
<tr>
<td></td>
<td>1.4</td>
<td>1.7</td>
<td>1.9</td>
<td>1.9</td>
<td>2.3</td>
<td>2.6</td>
<td>≤ 2.7</td>
</tr>
</tbody>
</table>

- Increased Leverage
  - Consistent Financial Performance
  - Tax Reform
  - Free Cash Flow Growth
- Target Debt / EBITDA ratio: up to 2.7x
- Maintain Strong Investment Grade Credit Rating
  - No Lower than Baa1 and BBB+
- Dependent on Economy and Achievement of Financial Goals

* at year-end  ** at September 30, 2019
What This Means for Shareholders

Return ~$20 Billion + Dividends to Shareholders

Cash to Shareholders

2018 to 2020

- ~$20 Billion of Share Repurchases Over Next 3 Years
  - ~67% Complete at June 30, 2019
  - $2.5 Billion Accelerated Share Repurchase Program February 2019

- Dividend Payout Ratio of 40% to 45%

2019 Outlook

- Fourth Quarter Volumes Down at Level Similar to Third Quarter
- Pricing Gains In Excess of Inflation Dollars
- Capital Expenditures Down $100 Million to ~$3.1 Billion
- Significant Productivity Savings from G55 and 0, Including Unified Plan 2020
  - At Least $500 Million in 2019
  - Fourth Quarter Force Levels Down At Least 15%
- Reiterate Operating Ratio Guidance
  - Sub-61% in 2019
  - Below 60% in 2020
Growing Shareholder Value

<table>
<thead>
<tr>
<th>KEY DRIVERS</th>
<th>2019 - 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm Economy</td>
<td>Positive Volume Growth</td>
</tr>
<tr>
<td>Diverse Franchise Opportunities</td>
<td></td>
</tr>
<tr>
<td>Strong Value Proposition</td>
<td>Real Core Price $ Above Inflation $</td>
</tr>
<tr>
<td>Volume + Pricing + Productivity</td>
<td>Sub-61% OR in 2019, Below 60% OR in 2020</td>
</tr>
<tr>
<td>Return-Focused Capital Program</td>
<td>CapEx &lt; 15% of Revenue</td>
</tr>
<tr>
<td>Increase Cash to Shareholders</td>
<td>Share Repurchases: ~$20 Billion over 3 years</td>
</tr>
<tr>
<td>Increase Leverage</td>
<td>Dividend Payout Ratio: 40% to 45%</td>
</tr>
<tr>
<td>Strong Credit Ratings</td>
<td>Debt / EBITDA Ratio: ≤ 2.70</td>
</tr>
<tr>
<td></td>
<td>Baa1 and BBB+ or Better</td>
</tr>
</tbody>
</table>

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; its ability to generate financial returns, improve resource productivity and use innovation to enhance customer experience; implementing corporate strategies; and providing excellent service to its customers and returns to its shareholders. These statements are, or will be, forward-looking statements as defined by the Securities Act of 1933 and 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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