

A Union Pacific freight train is shown traveling along a track that curves through a dry, grassy landscape. The train is led by a yellow locomotive with the number 3012 and features the Union Pacific logo and an American flag graphic. Behind it are several black hopper cars. In the background, a range of large, rugged mountains is partially covered in snow under a clear blue sky. The foreground is filled with tall, dry grass and some green shrubs.

UNION PACIFIC CORPORATION

March 2020



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; enhancing the 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 2019, which was filed with the SEC on February 7, 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.



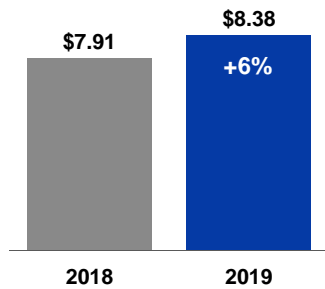
CURRENT OVERVIEW / BUSINESS UPDATE

March 2020

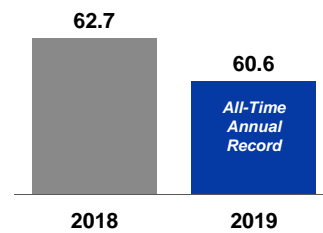


2019 Financial Results

Earnings Per Share

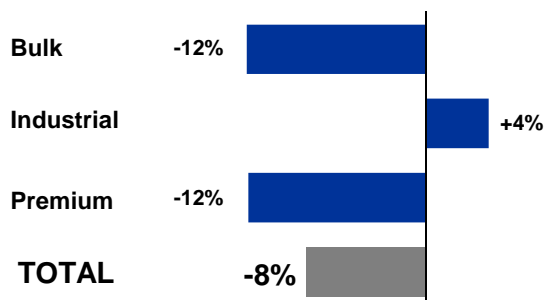


Operating Ratio

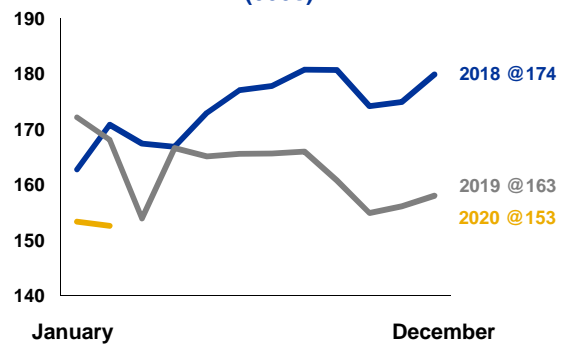


2020 Business Trends

Volume Growth*



7-Day Monthly Carloadings (000s)



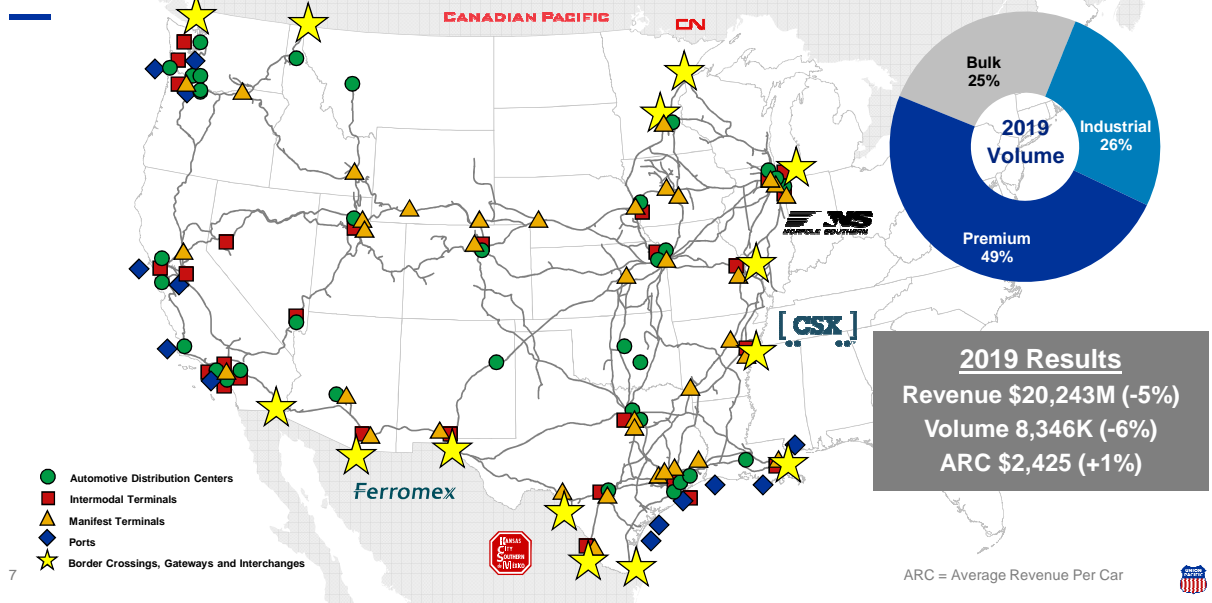
BUSINESS TEAM REVIEW

March 2020

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Diverse Portfolio of Business



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Economic Indicators

						
	Industrial Production	GDP	Housing Starts (MM)	Light Vehicle Sales (MM)	Imports of Goods	Exports of Goods
2019	0.8%	2.3%	1.30	16.9	0.2%	0.2%
2020	0.0%	2.1%	1.36	16.7	2.2%	2.2%
2021	1.4%	2.0%	1.32	16.5	5.7%	4.3%

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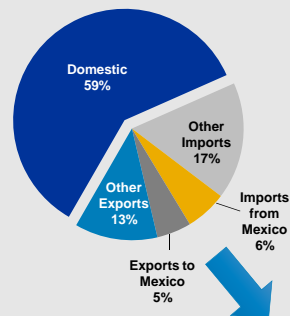
Source: IHS Markit U.S. Economic Outlook, February 2020



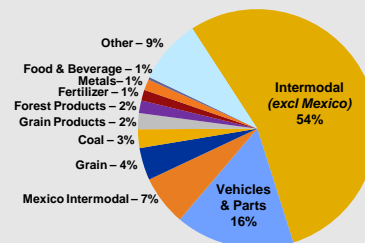
International Trade

- 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

2019 Freight Volumes



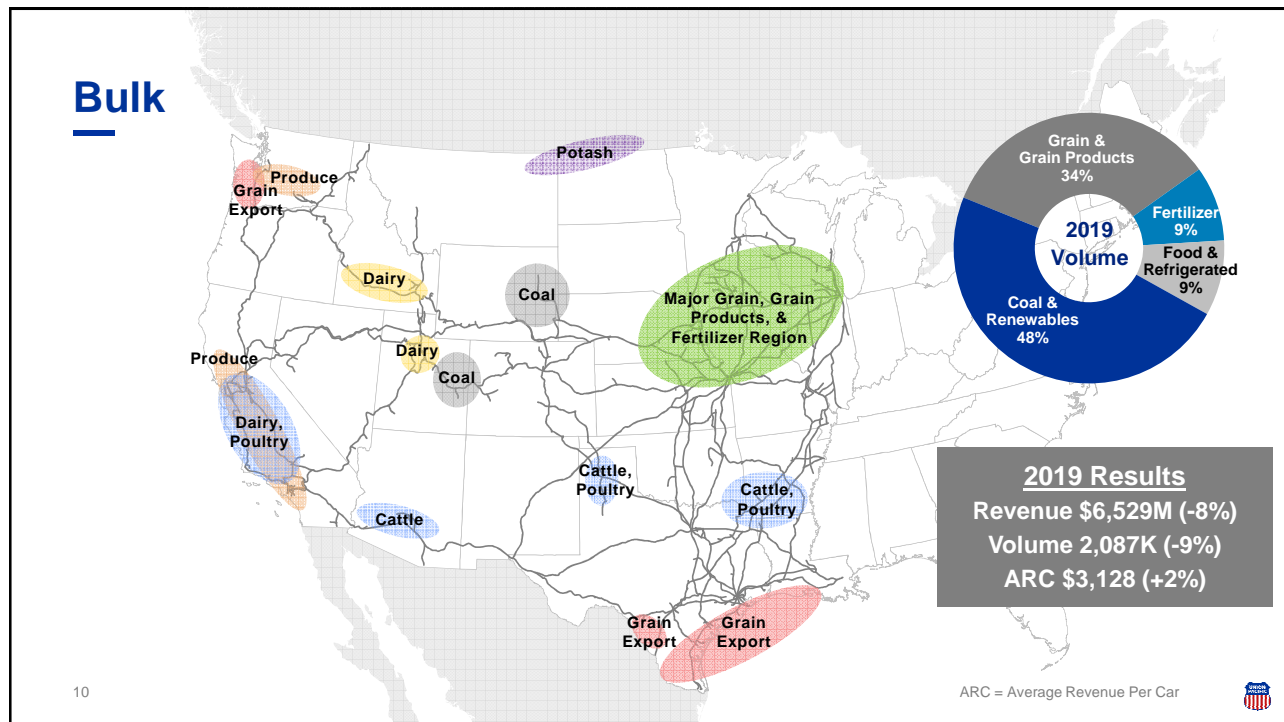
International Volumes



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Bulk



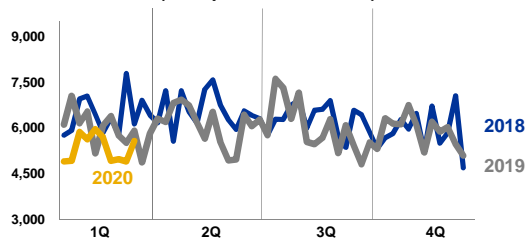
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Grain

- Grain inventory management
- Export market fundamentals
- Food & beverage shipment demand



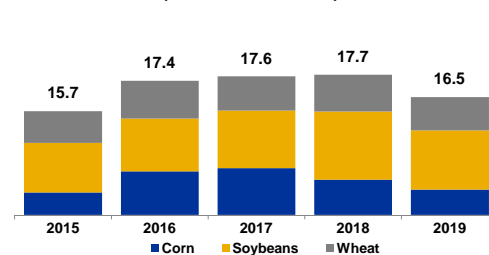
UNP Weekly Grain Carloads*
(As reported to the AAR)



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*Through March 7, 2020

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



**Source: USDA; As of December 1, 2019

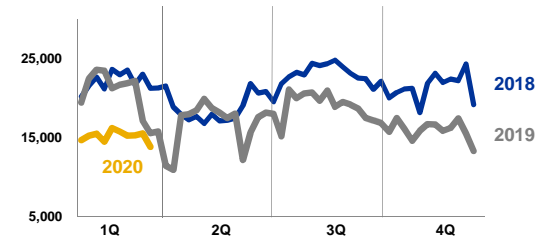


Coal

- Weather impacts demand
- Natural gas prices
- Coal inventory levels



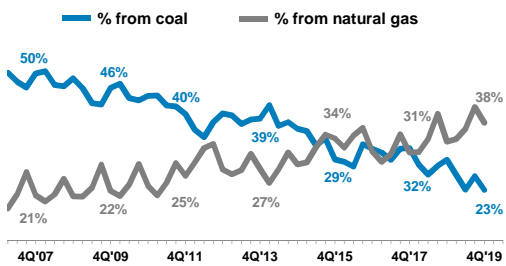
UNP Weekly Coal Carloads*
(As reported to the AAR)



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*Through March 7, 2020

Electricity Generation Market Share**



**Source: U.S. Energy Information Administration (EIA)



Food & Beverage

- Food network reaching coast to coast
- Cold Connect competitive advantage to truck
 - Full service logistics
 - Warehouse capacity
- New generation of refrigerated boxcars
 - Hybrid refrigeration unit improves efficiency and reduces emissions
 - Double-sealed doors and customized air distribution preserve freshness and quality

Food Network

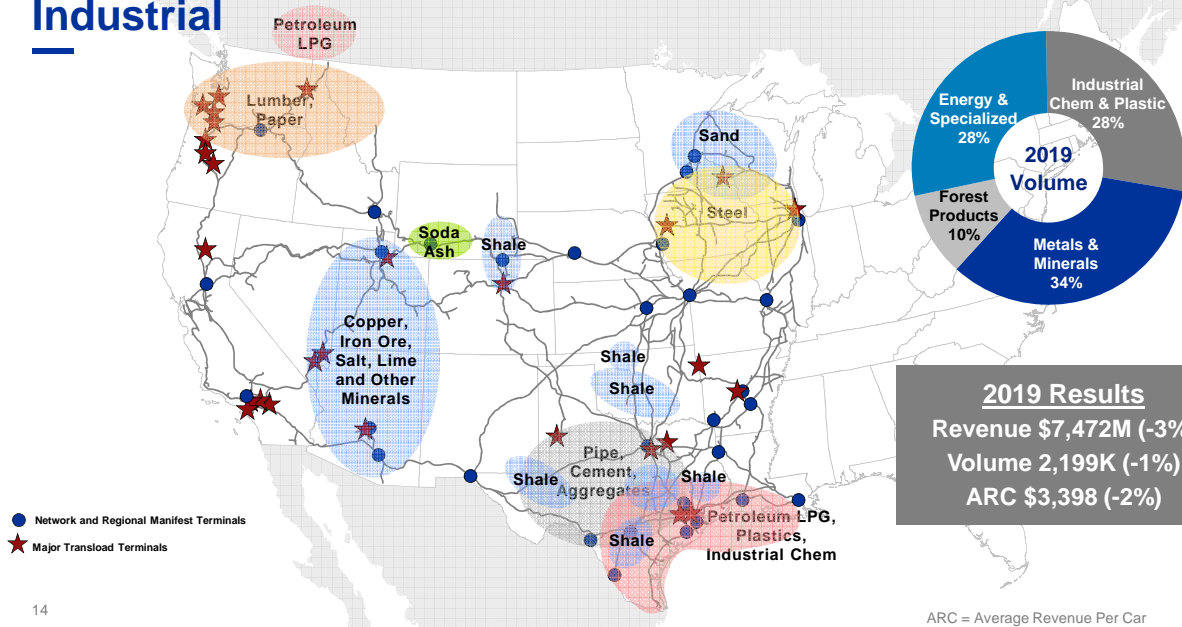


New Refrigerated Boxcars
Re-engineered for Optimal Performance



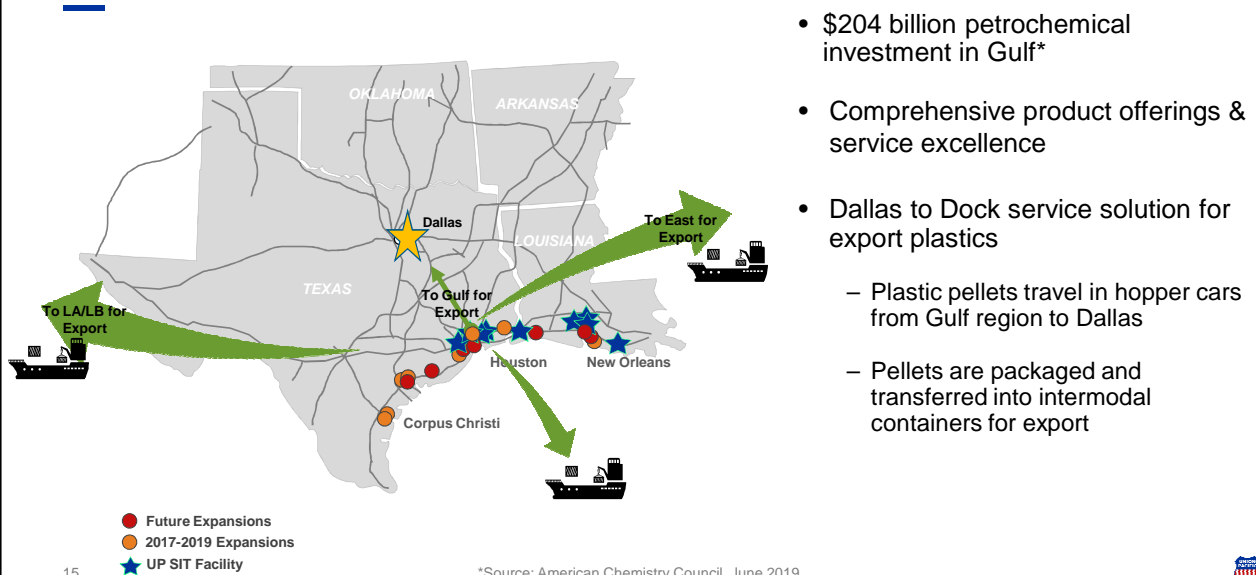
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Industrial



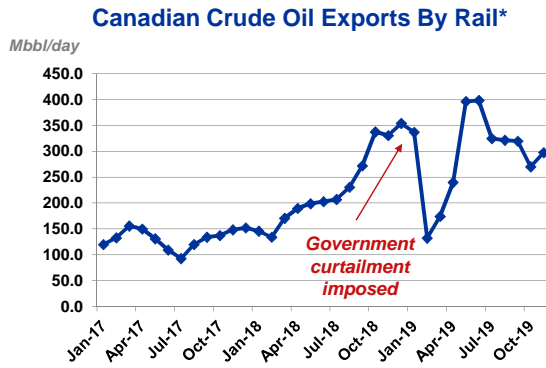
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Plastics



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Crude Oil



- Canadian crude oil growth
- Favorable crude oil price spreads
- Production exceeds pipeline capacity
- Alberta government easing production curtailments

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*Source: National Energy Board – Government of Canada

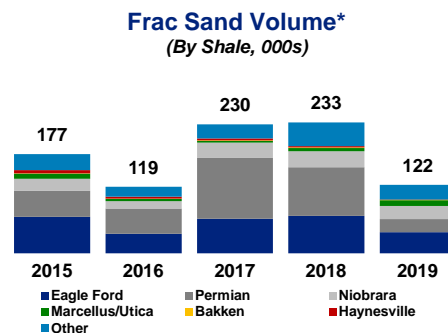
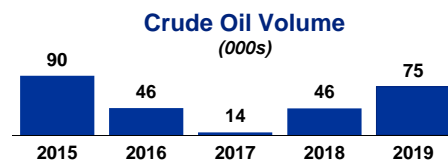


Shale Related Volumes

2019 Full Year	Volume (000s)	% Incr (vs 2018)	% of Total UP Volume
Crude	75	65%	0.9%
Frac Sand*	122	(48%)	1.5%
Pipe	29	(9%)	0.3%
Total Shale	226	(27%)	2.7%

* Includes Barites

- Crude oil drivers:
 - Crude oil price spreads
 - Production
 - Pipeline capacity
- Frac sand drivers
 - Energy prices
 - Rig counts
 - Enhanced fracking technology
 - White / brown sand mix



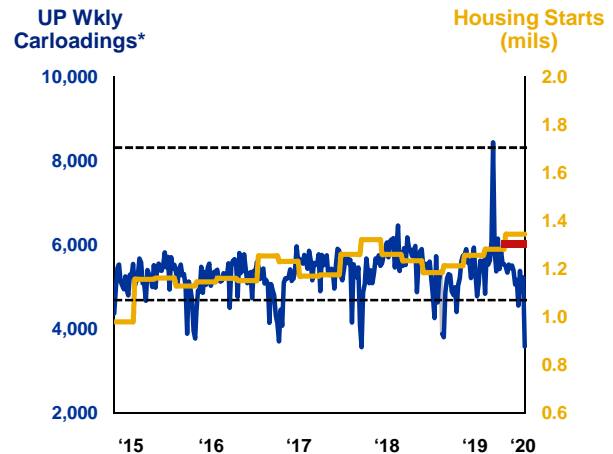
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Housing Trends

- 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

Lumber, Stone & Glass



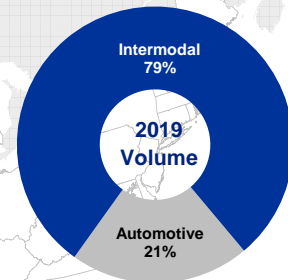
*Through March 7, 2020



Premium

- Automotive Distribution Centers
- Intermodal Terminals
- ◆ Ports
- ★ Border Crossings, Gateways and Interchanges

Ferromex

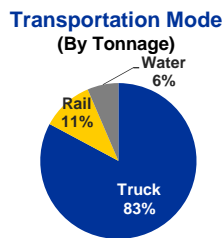
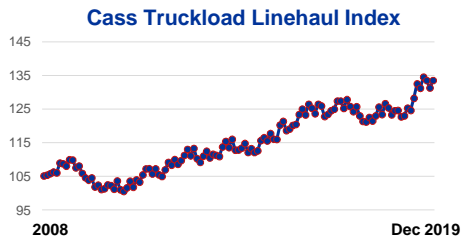


2019 Results
 Revenue \$6,242M (-6%)
 Volume 4,060K (-7%)
 ARC \$1,538 (+2%)

ARC = Average Revenue Per Car



Highway Conversion Growth Opportunities



- Highway conversion opportunities in all business groups
- ELD impact
- Truck capacity
- LOUP
- Highway congestion



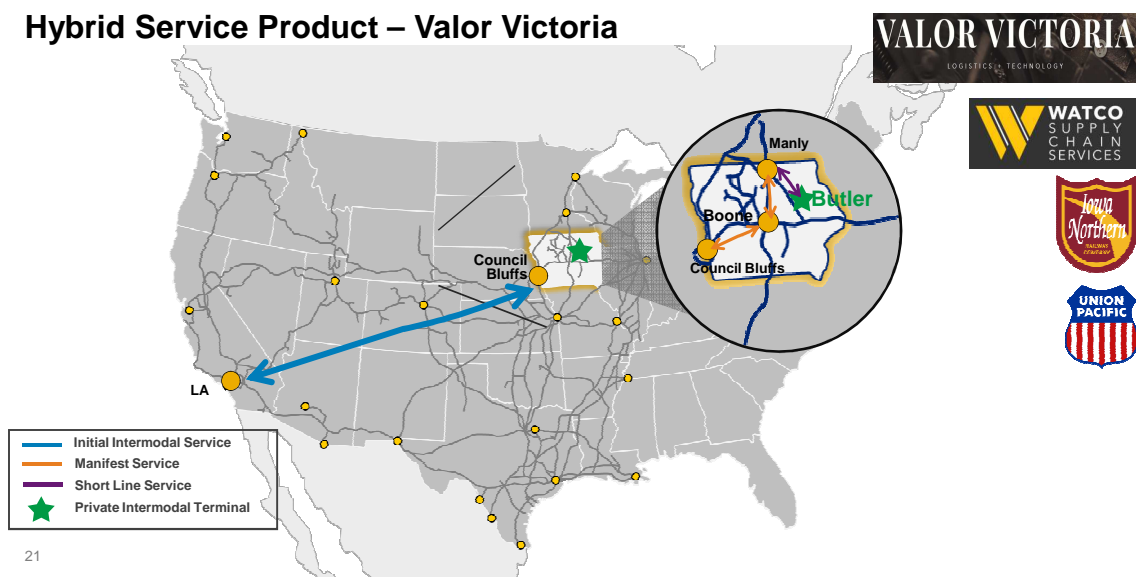
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Source: Cass Information Systems, Index uses January 2005 as its base month, U.S DOT Bureau of Transportation Statistics



Butler Intermodal Terminal

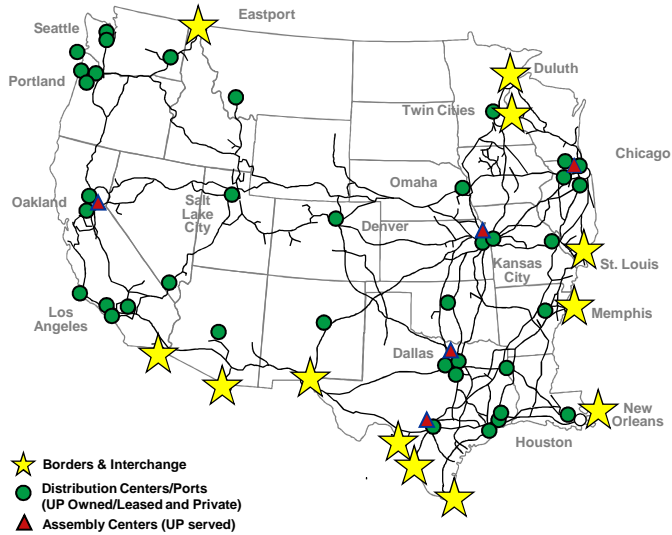
Hybrid Service Product – Valor Victoria



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Finished Vehicles

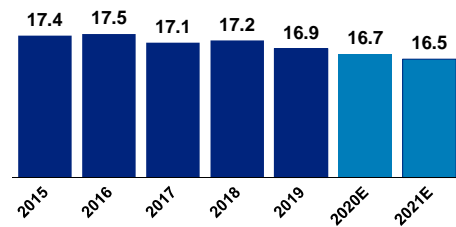


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*Source: Global Insight



U.S. Light Vehicle SAAR*



Full-Service Expertise For Almost Any Commodity

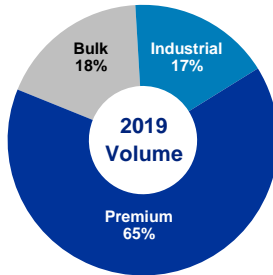
Loup Total Supply Chain Logistics



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Mexico



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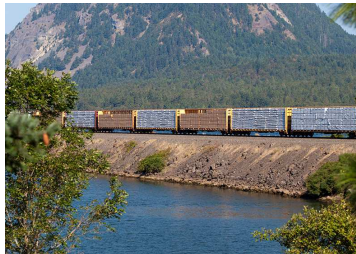
2020 Volume Outlook

Bulk



- Coal
- + Biofuels
- + Food and Beverage
- ? Grain

Industrial



- Sand
- + Plastics
- + Construction
- + Petroleum Products

Premium



- Auto Sales
- ? Domestic Intermodal
- ? Trade and Economy

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OPERATIONS OVERVIEW

March 2020

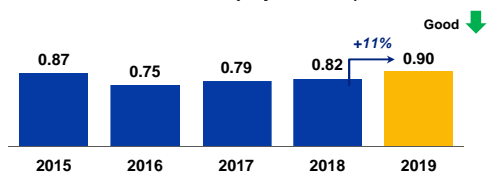
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Safety

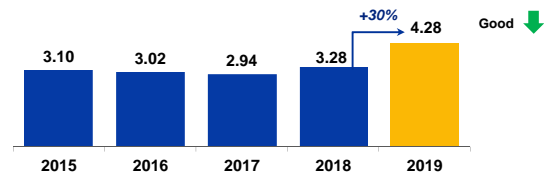
Employee

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



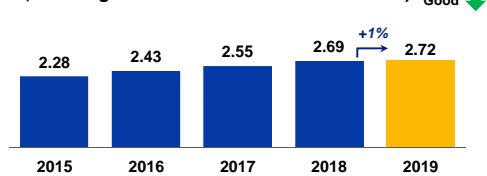
Rail Equipment

(Reportable Derailment Incidents
Per Million Train Miles)



Public

(Crossing Accidents Per Million Train Miles)



- Continued Focus on Safety
- Goal of Zero Incidents

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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



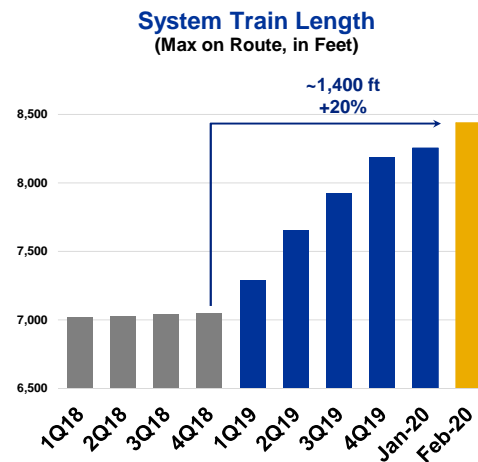
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Unified Plan 2020

Train Length Improvement

- Continued improvement in train length
- Blending service networks
- Additional work events
- Strategic capital investments

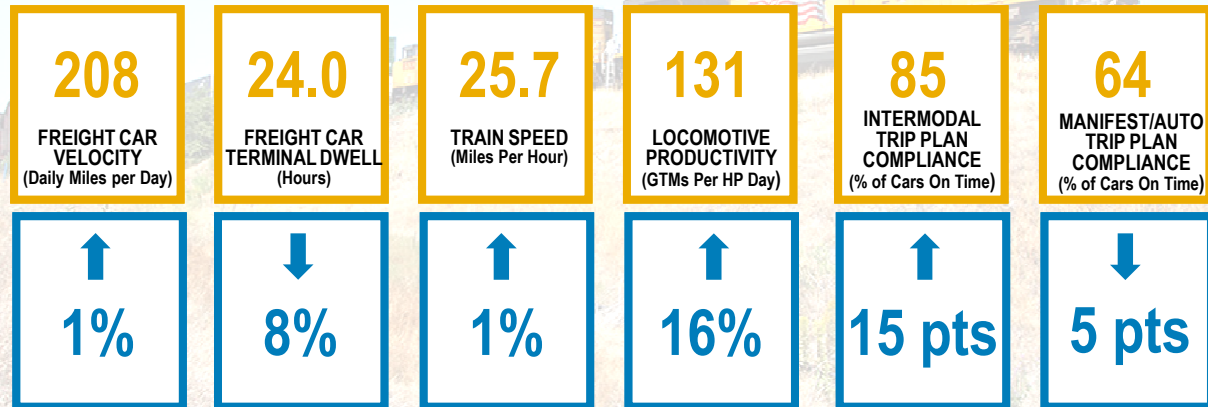


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Unified Plan 2020

Key Performance Metrics – February YTD 2020 vs. February YTD 2019

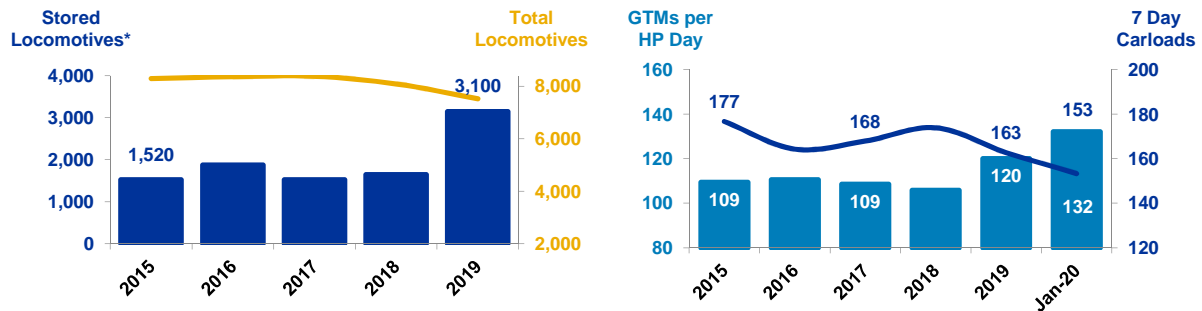


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Unified Plan 2020

Locomotive Productivity



- ~3,100 stored locomotives as of December 31st or ~40% of the total fleet, which excludes 300 units that were sold or retired

- Result of using the locomotive fleet more efficiently

- Full year 2019 GTMs per horsepower day increased 13% compared to full year 2018

- Continued improvement in January 2020

- Driven by less units, increased train length and reduced dwell

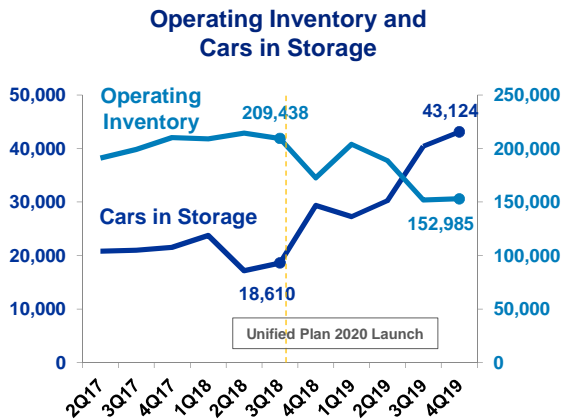
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*Stored locomotives as of December 31



Unified Plan 2020

Inventory Management



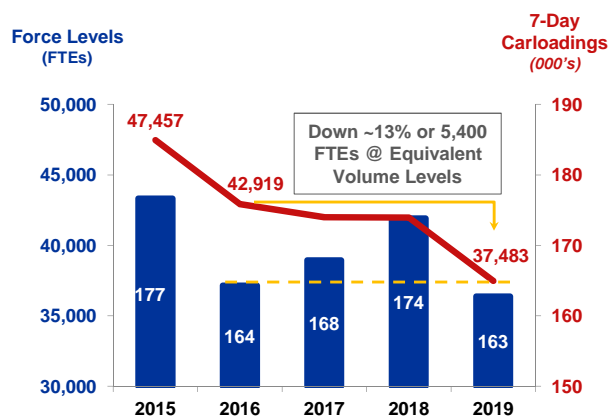
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- Operating inventory reduced with Unified Plan 2020
 - Excludes cars in storage and cars placed at customer
 - Change driven by improved freight car velocity and terminal dwell
 - Weather challenges in 1H19
- Cars in storage on the rise
 - Increased more than 45% since fourth quarter 2018



Unified Plan 2020

Employee Force Levels



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- Unified Plan 2020 driving a significant reduction in FTEs
 - Down ~13% or about 5,400 FTEs in 2019 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



Positive Train Control (PTC)

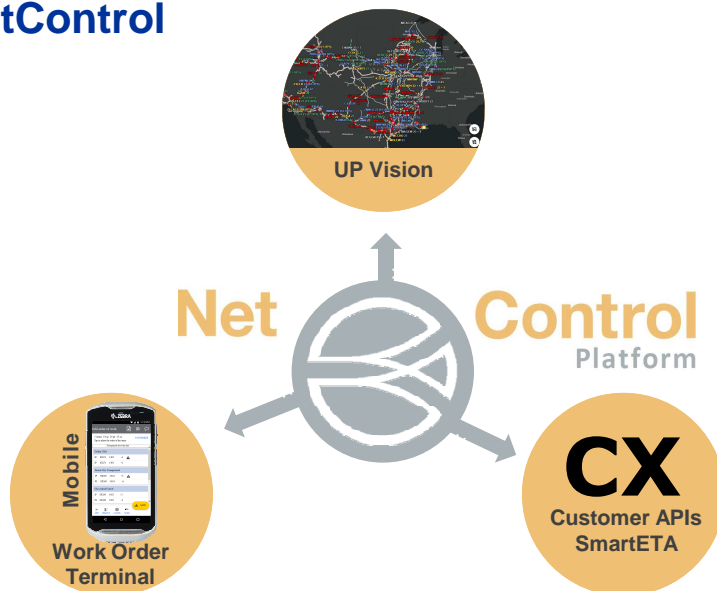
- Approximately \$2.9 billion invested through 2019
- Total estimated investment ~ \$2.9 billion
- Field testing since October 2013
- Installed on 100% of required rail lines
- Implemented on 100% of required rail lines
- Continue testing and refining PTC interoperability in 2020 and enhance the Energy Management Systems



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Enabling New Capabilities

NetControl



Lines of Code



Micro-services



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Improving the Customer Experience Through APIs

- 13 API services in 2019 with additional services in 2020
- Real-time access to data between applications and devices
- Streamline and automate workflows
- Enables customer to take action on their shipments from their interfaces
- Expands visibility into the supply chain



Shipment
Learn about your shipment(s) including their locations, events, product, status and ETA



Location/Tracks
Display information about tracks at your facility



Order In
Request rail car if you are an *Order In* customer



Release
Identify rail cars to be released to/from an industry track



Equipment
Display details and characteristics of specific equipment IDs



Cases (Service Issues)
Retrieve case (service issue) status, details and responses



Gate Reservation
Provides intermodal specific services, like create and view gate reservations



Accounts/Contacts
Retrieve information associated with your business(s) and people



UPGo - Intermodal
Provides intermodal driver services to expedite the intermodal terminal experience

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Protecting the Environment

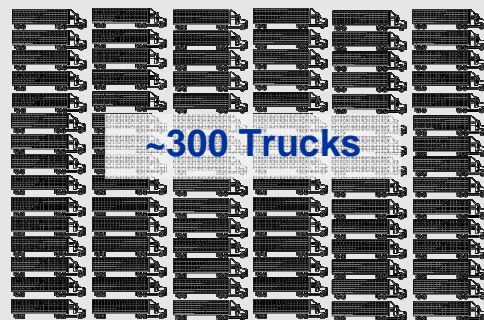
Fuel Efficiency

- Union Pacific can move one ton of freight 444 miles on a single gallon of diesel fuel
- Our customers eliminate GHG emissions by choosing rail over truck
- Innovative locomotive software to help save fuel installed on the majority of high horsepower units

One Train



Equals



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FINANCIAL REVIEW

February 2020

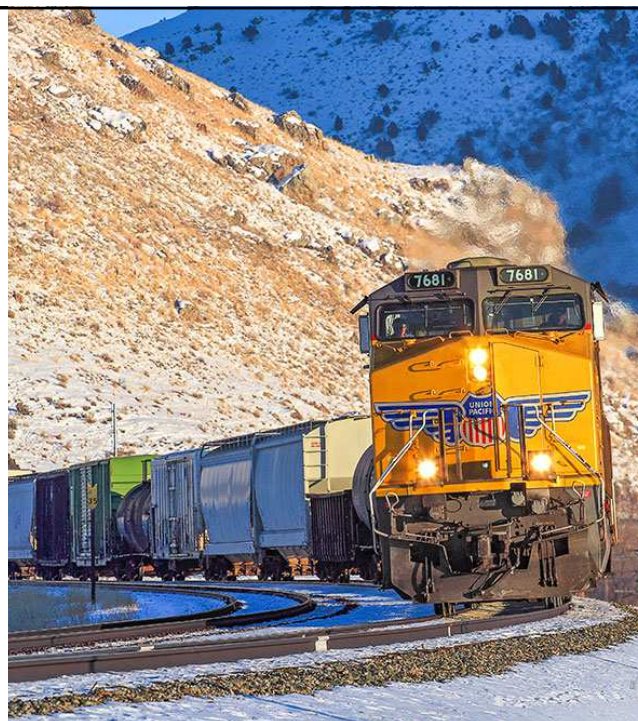
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A Look Ahead to 2020

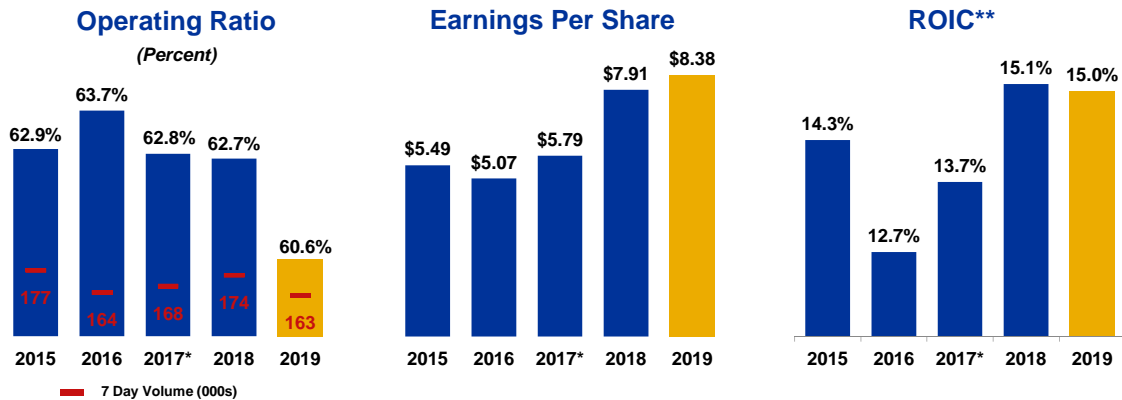
- Volumes Improving – Slightly Positive Overall
 - Pricing Gains in Excess of Inflation Dollars
 - Force Levels Down 8% +/-
 - At Least \$500 Million of Productivity
 - Operating Ratio of ~59% in 2020
- Capital Allocation:
 - Capital Spending < 15% of Revenue
 - Dividend Target Payout 40-45% of Earnings
 - Complete \$20B Share Repurchase Program

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Financial Performance

Expanding Margins and Driving Returns



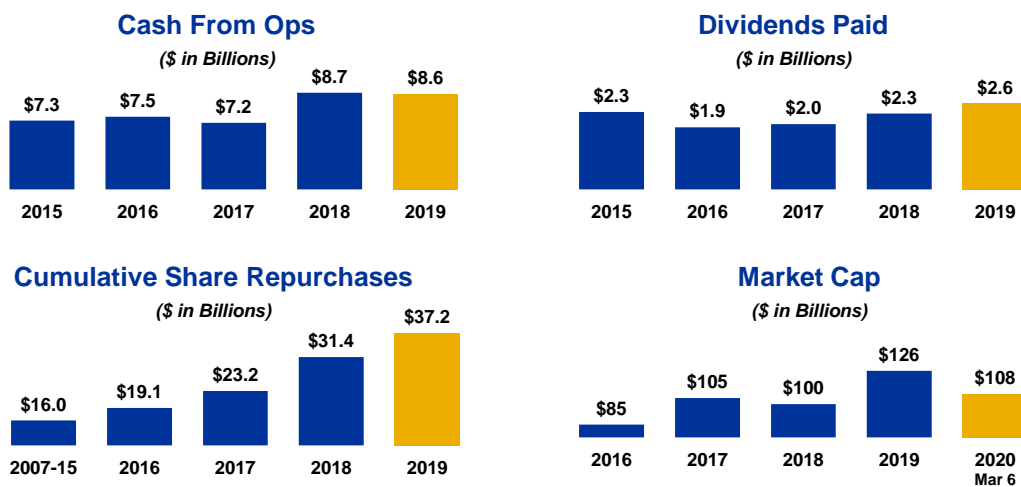
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*Adjusted to exclude the impact of Corporate Tax Reform
 ** See Union Pacific website under Investors for a reconciliation to GAAP.



Financial Performance

Growing Cash Flow and Shareholder Returns



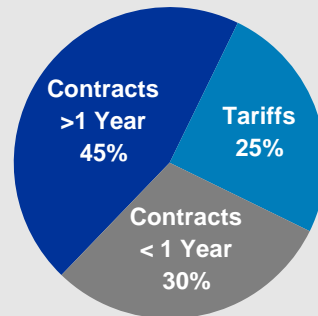
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Pricing Fundamentals

- Unified Plan 2020 service reliability drives cost savings to the customer
- Balanced portfolio provides flexibility for repricing as value grows
- Pricing above inflation





Balanced Revenue Portfolio



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2019 Productivity

Net Productivity 	Network and Train Ops 	Equipment (Loco and Car) 	Supporting and Other 
\$590M	\$181M	\$279M	\$130M

Net productivity of \$590 million for full year 2019, significantly exceeding guidance

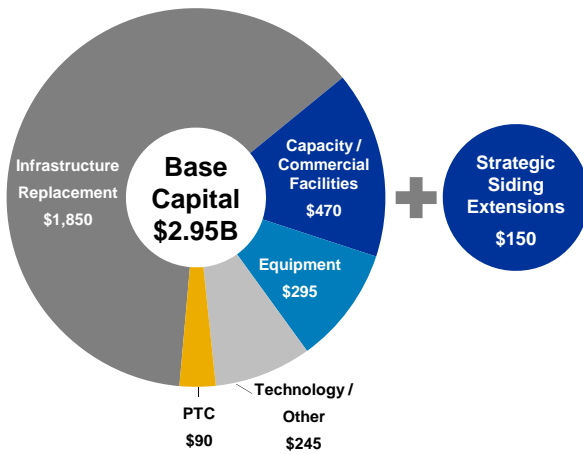
At least \$500 million of productivity for 2020

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Strengthening the Franchise

2020 Capital Plan (\$ In Millions)

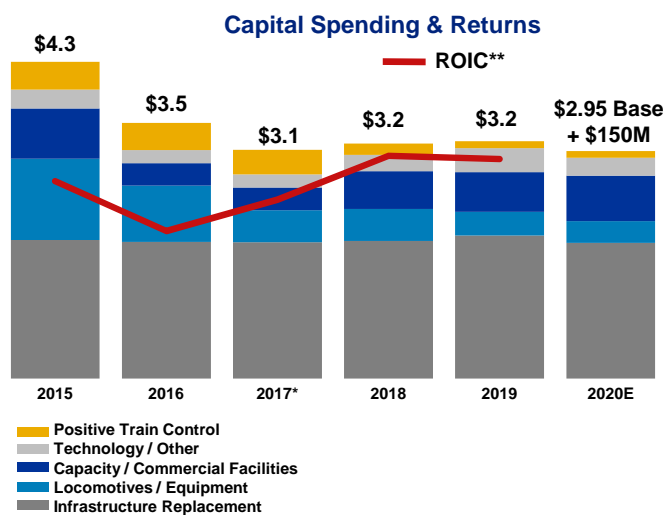


- 2020 Capital Plan:
 - Base capital of \$2.95 billion, plus
 - \$150 million for siding extensions
- Safe & resilient infrastructure
- Equipment acquisitions:
 - Locomotive modernizations
 - Targeted freight car purchases
- Capacity & commercial facilities
- PTC spending

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Capital Program



- Return-focused capital program
- Productivity through G55+0 initiatives
- Capex less than 15% of revenue longer-term

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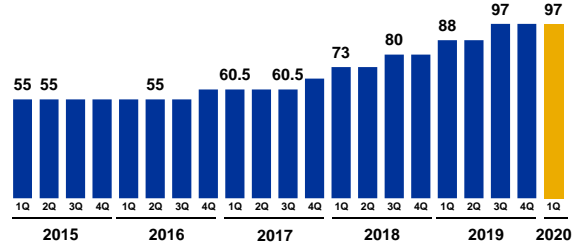
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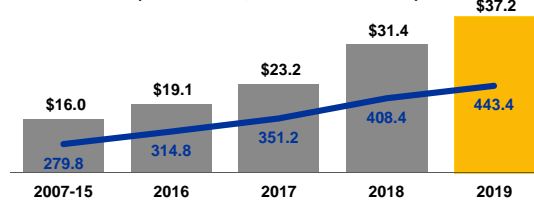
Shareholder Returns

- Dividend payout target of 40% to 45%
- Five dividend increases in the past ten quarters
- Repurchased ~40% of shares since 2007
- Share repurchase authorization three years beginning April 1, 2019
- Up to 150 million shares

Declared Dividend Per Share
(cents)



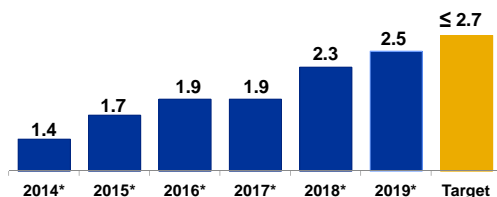
Cumulative Share Repurchases
(\$ In Billions, Shares in Millions)



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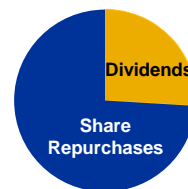
Shareholder Returns

Adjusted Debt / EBITDA



- Target debt/EBITDA ratio of up to 2.7x
- Maintain strong investment grade credit rating
 - No lower than Baa1 and BBB+
- Dependent on economy and achievement of financial goals

Cash to Shareholders
(2018 to 2020)



- Return ~\$20 billion to shareholders + dividends to shareholders
- ~\$20 billion of share repurchases over next 3 years
 - ~70% complete at December 31, 2019
- Dividend payout ratio of 40% to 45%

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* at year-end

Growing Margins

