



MORGAN STANLEY 9TH ANNUAL INDUSTRIALS VIRTUAL CONFERENCE

Lance Fritz – Chairman, President and Chief Executive Officer
Jennifer Hamann – Executive Vice President and Chief Financial Officer

September 14, 2021

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 2020, which was filed with the SEC on February 5, 2021. 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.



Balancing Service and Efficiency



Key Performance Metrics August YTD 2021 vs. August YTD 2020

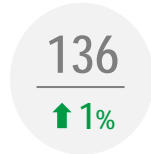
Freight Car Velocity
(Daily Miles per Car)



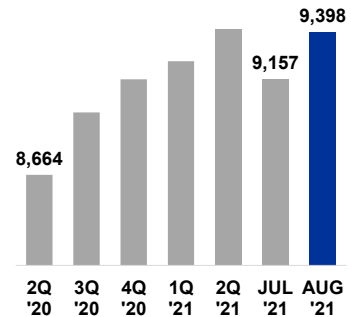
Freight Car Terminal Dwell
(Hours)



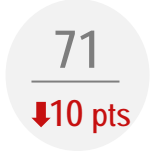
Locomotive Productivity
(GTM per HP Day)



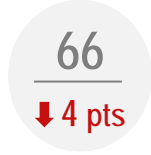
Train Length
(Max on Route, in Feet)



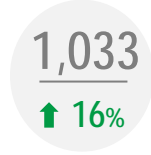
Intermodal Trip Plan Compliance
(% of Boxes on Time)



Manifest/Auto Trip Plan Compliance
(% of Cars on Time)



Workforce Productivity
(Daily Miles per FTE)



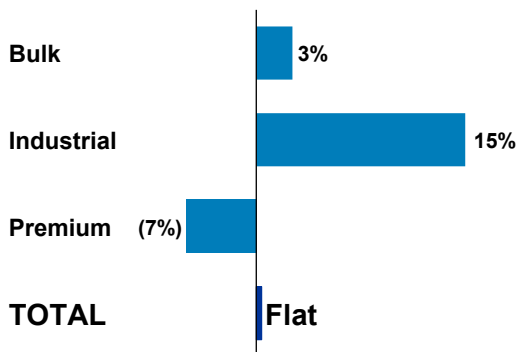
3



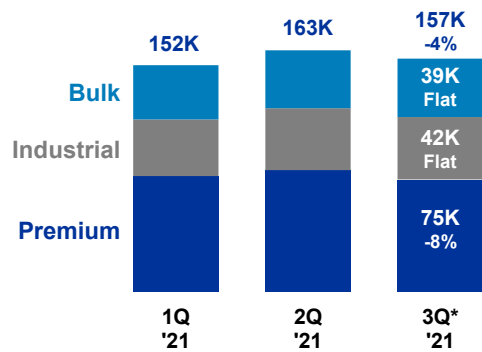
Third Quarter Volume



Third Quarter Volume To Date*
(Year Over Year Change)



7 Day Carloads
(Sequential Change)



4 * Volume through September 8



2021 Guidance



- Full Year Volume Growth of 7%
- 200 Basis Points of Operating Ratio Improvement
- Strong Free Cash Flow Generation Supporting Greater Share Repurchases
 - Targeting ~\$7 Billion in 2021
- Pricing Gains in Excess of Inflation Dollars
- \$500 Million of Productivity
- Capital Spending < 15% of Revenue
- Dividend Target Payout ~45% of Earnings



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ESG - Building a Sustainable Future 2030



Investing in Our Workforce

Diversity & Inclusion
Talent Attraction, Development, and Retention



Driving Sustainable Solutions

Improved Customer Service
Profitable and Responsible Growth

Championing Environmental Stewardship

Sustainable Transportation for Our Customers



Strengthening Our Communities

Investments Where We Work and Live



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Questions

