



UNION PACIFIC CORPORATION

November 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 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 October 22, 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.

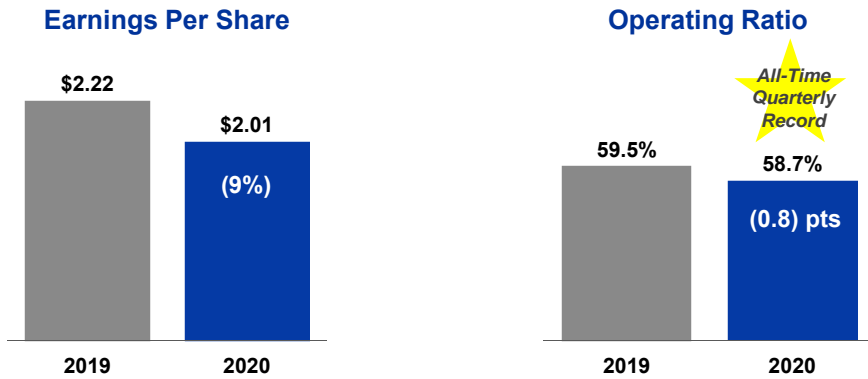


CURRENT OVERVIEW / BUSINESS UPDATE

November 2020



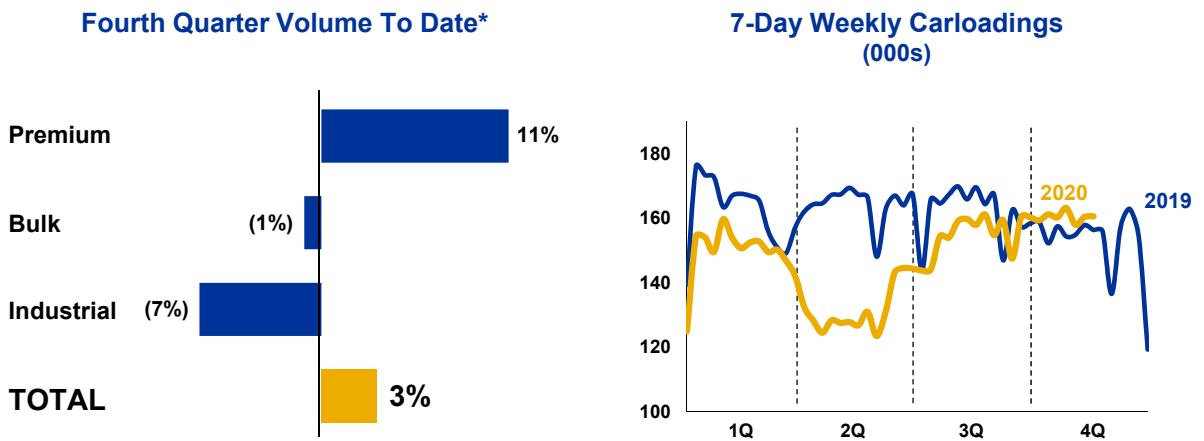
Third Quarter 2020 Results



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Fourth Quarter Volume & Outlook



5 * Volume through November 11

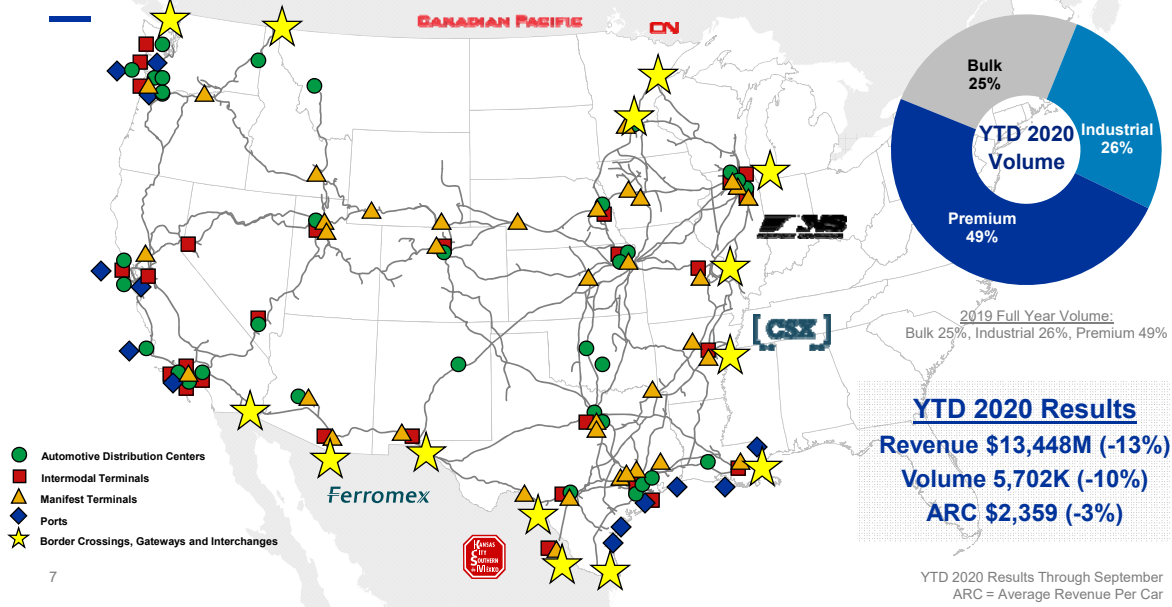


BUSINESS TEAM REVIEW

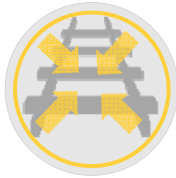
November 2020



Diverse Portfolio of Business



Foundation to Grow With Customers



Reduced Complexity

=



Consistent Service

&



Lower Cost



Consistent Service

+



Lower Cost

=



Open New Markets



Economic Indicators



Industrial Production



GDP



Housing Starts (MM)



Light Vehicle Sales (MM)



Imports of Goods



Exports of Goods

2019

0.9%

2.2%

1.30

17.0

0.5%

(0.1%)

2020

(7.4%)

(3.6%)

1.36

14.4

(7.5%)

(10.2%)

2021

1.8%

3.1%

1.36

15.8

8.4%

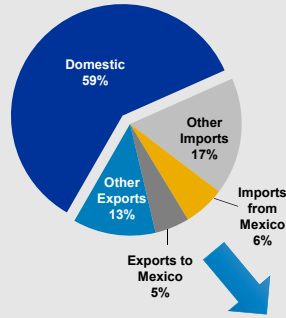
9.8%



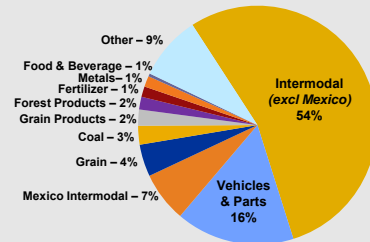
International Trade

- Diverse franchise creates opportunity
- Off-shoring/near-shoring of U.S. manufacturing
- Demand for grain and food

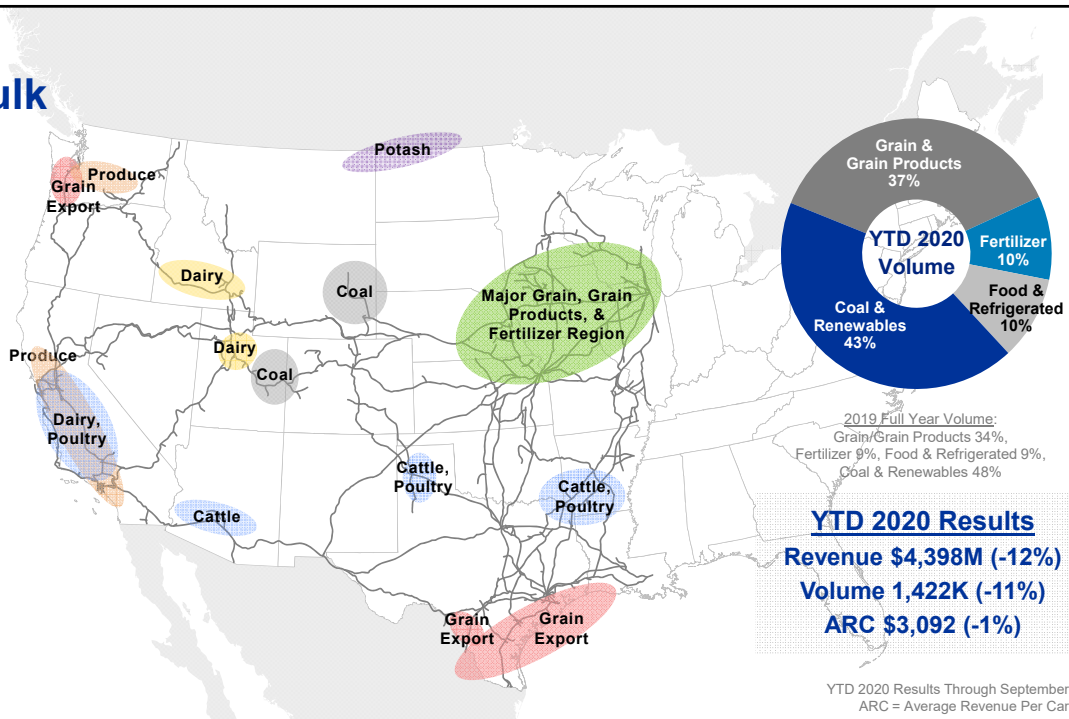
2019 Freight Volumes



International Volumes

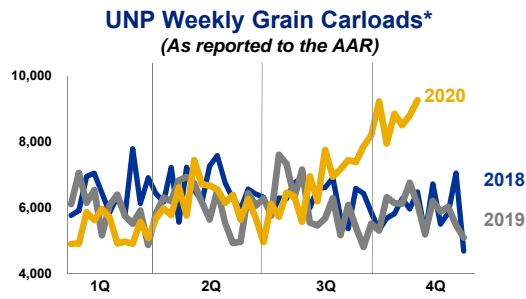


Bulk



Grain

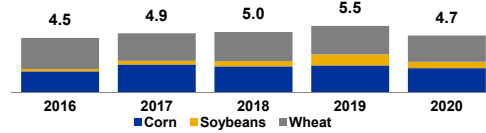
- Volume drivers
 - Grain inventory management
 - Export market fundamentals
 - Food & beverage shipment demand



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*Through November 14, 2020

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

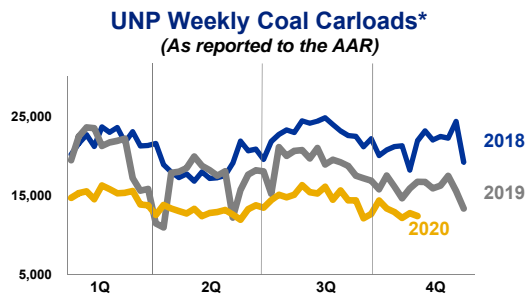


**Source: USDA; As of September 1, 2020



Coal

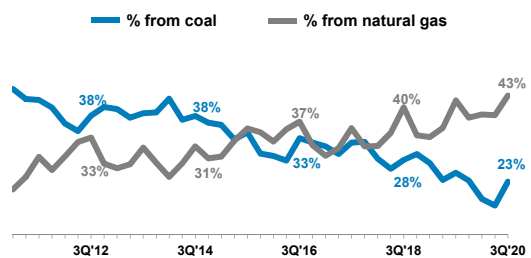
- Volume Drivers
 - Weather impacts demand
 - Natural gas prices
 - Coal inventory levels



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*Through November 14, 2020

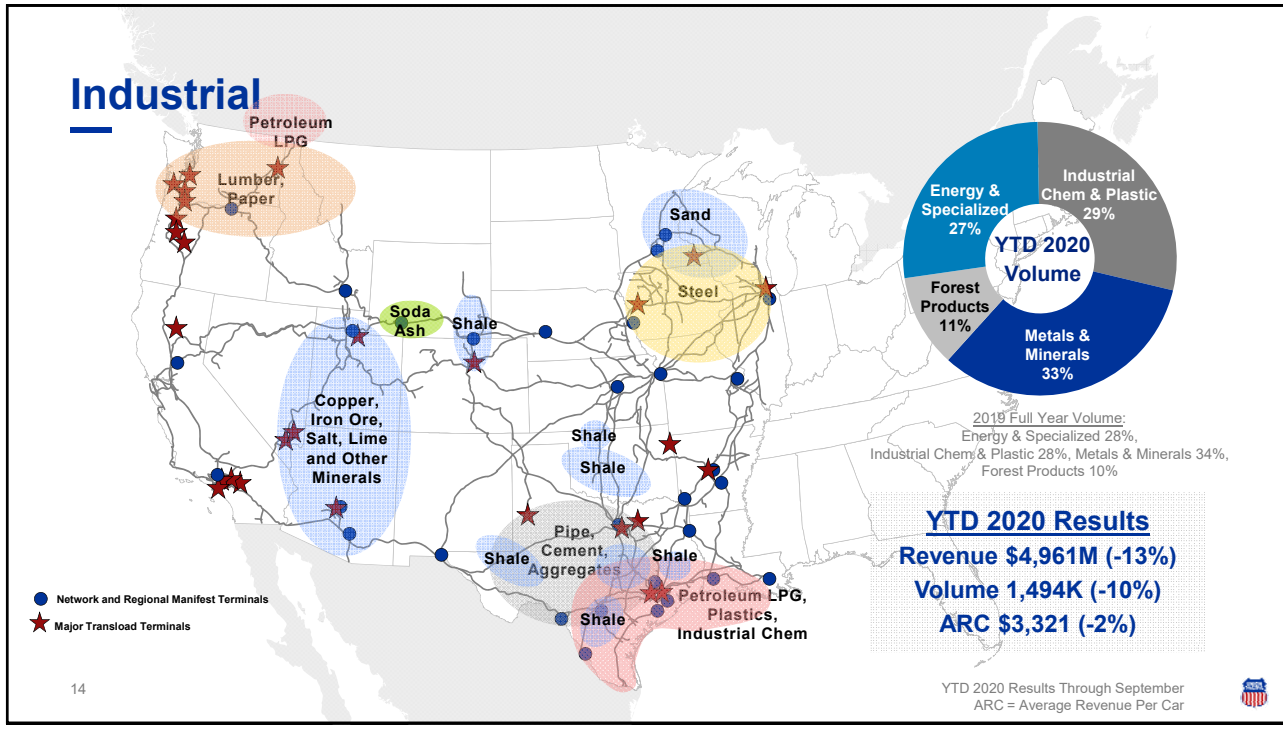
Electricity Generation Market Share**



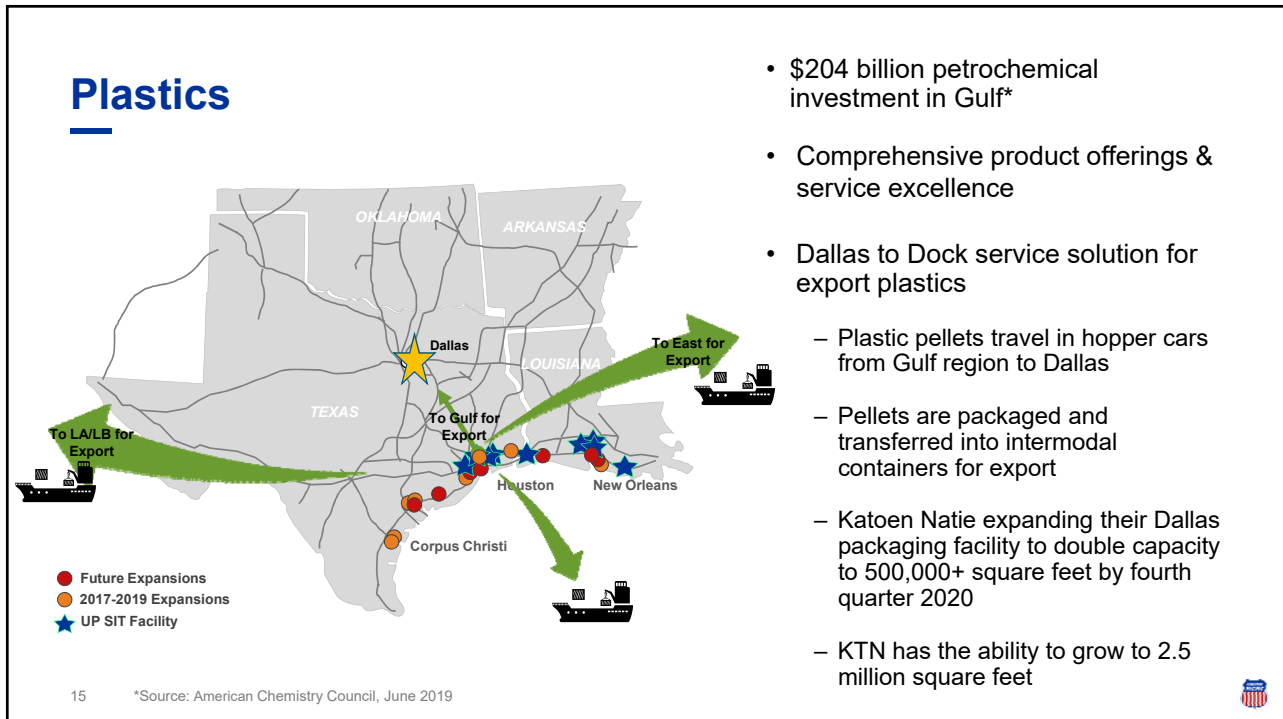
**Source: U.S. Energy Information Administration (EIA)



Industrial



Plastics

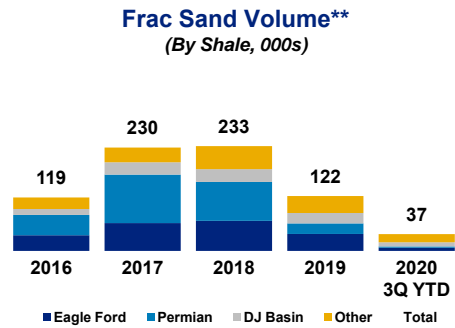
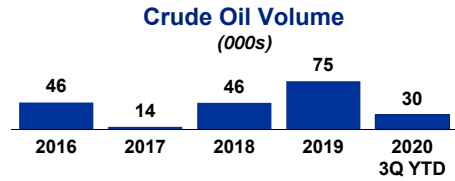


Shale Related Volumes

Third Quarter YTD 2020*	Volume (000s)	% Change (vs 2019)	% of Total UP Volume
Crude	30	(42%)	0.5%
Frac Sand**	37	(64%)	0.7%

* Excludes pipe related to shale activity
 ** Includes Barites

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



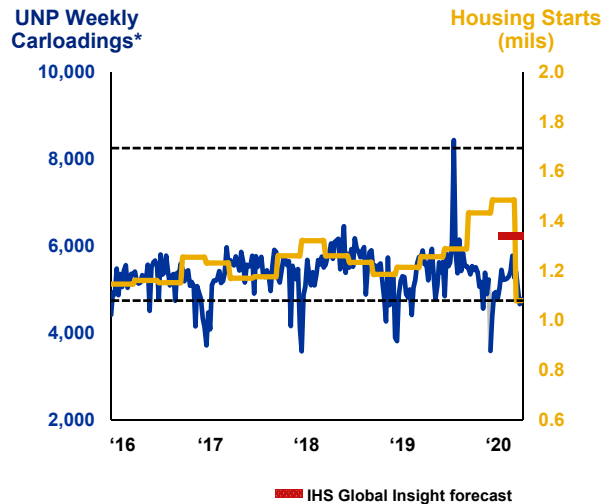
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Housing Trends

- 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

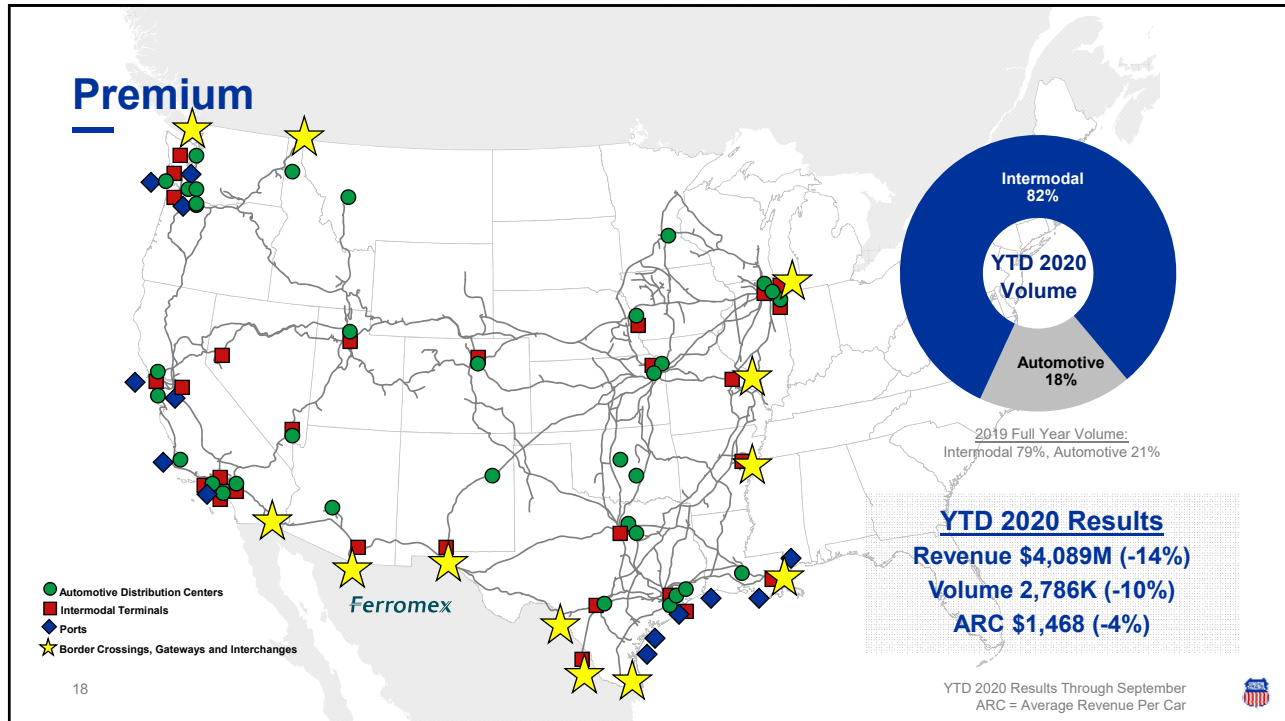


*Through November 14, 2020

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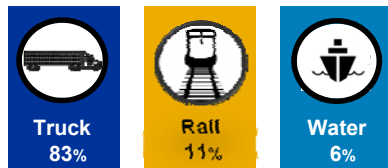


Premium

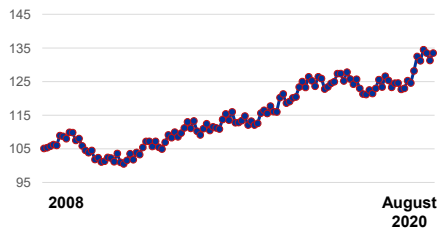


Highway Conversion Growth Opportunities

Transportation Mode
(By Tonnage)



Cass Truckload Linehaul Index

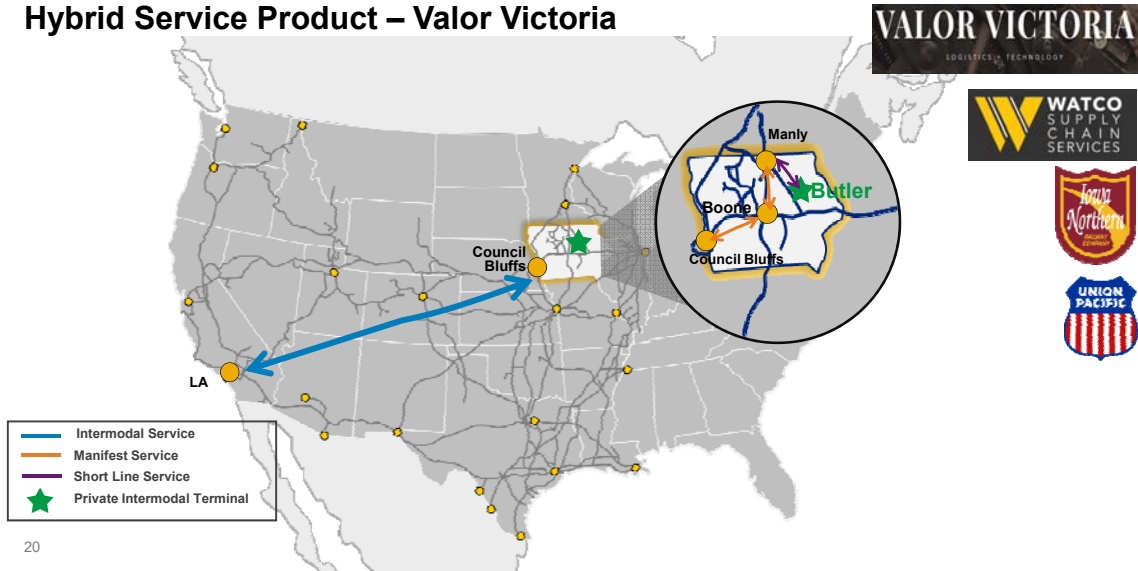


- Highway conversion opportunities in all business groups
- High insurance costs
- Drug & alcohol testing
- Truck capacity
- LOUP



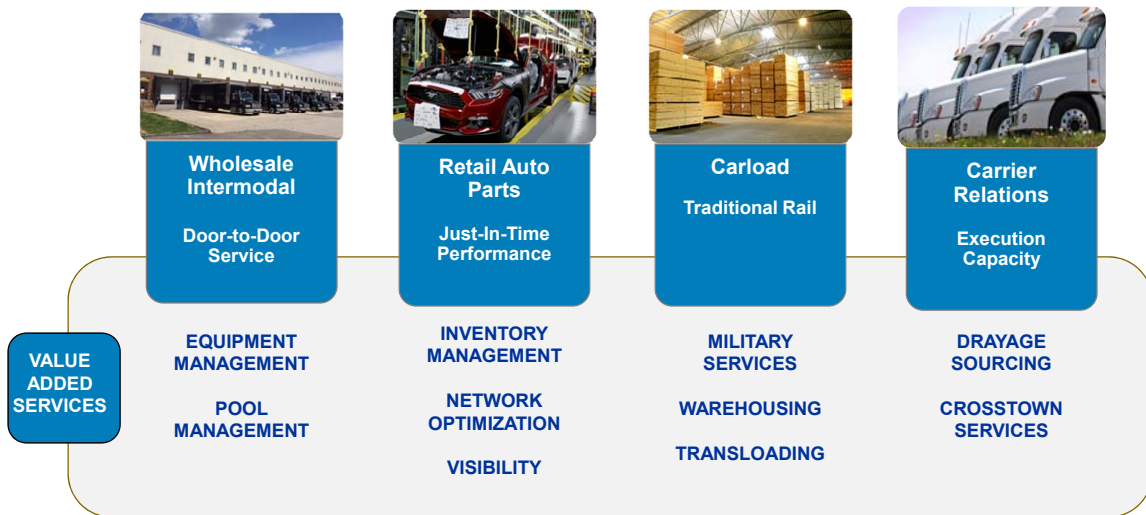
Butler Intermodal Terminal

Hybrid Service Product – Valor Victoria

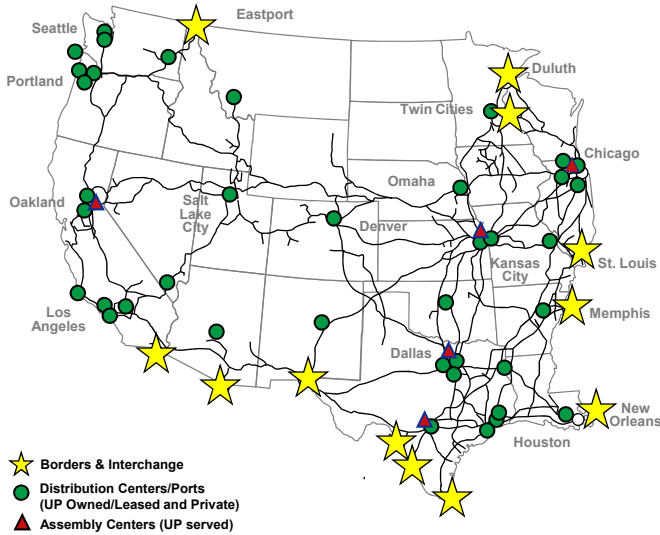


Full-Service Expertise For Almost Any Commodity

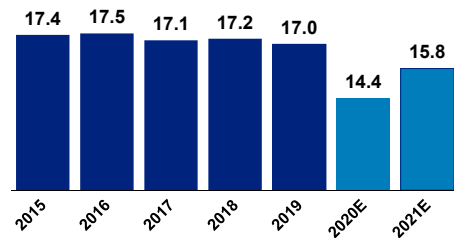
Loup Total Supply Chain Logistics



Finished Vehicles



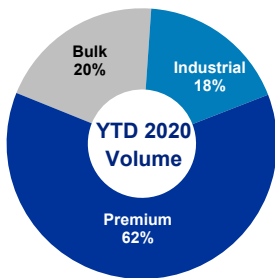
U.S. Light Vehicle SAAR*



*Source: Global Insight



Mexico



2019 Full Year Volume:
Bulk 18%, Industrial 17%, Premium 65%



YTD 2020 Results Through September
ARC = Average Revenue Per Car



OPERATIONS OVERVIEW

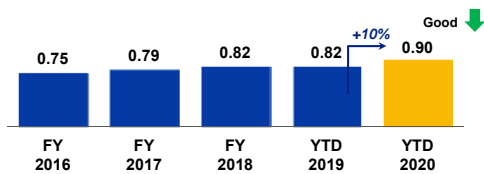
November 2020



Safety

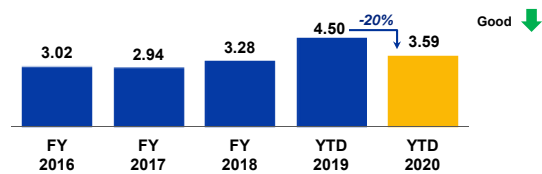
Employee

(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



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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Balancing Service and Efficiency

Key Performance Metrics

October 2020 vs. October 2019

Freight Car Velocity*
(Daily Miles per Car)

224
↑ 1%

Freight Car Terminal Dwell
(Hours)

22.6
Flat

Locomotive Productivity
(GTMs per HP Day)

142
↑ 15%

Intermodal Trip Plan Compliance
(% of Boxes on Time)

83
↑ 1 pt

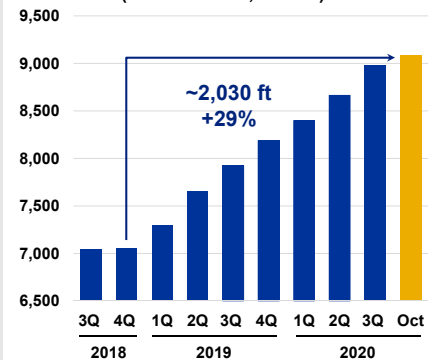
Manifest/Auto Trip Plan Compliance
(% of Cars on Time)

73
↑ 1 pt

Workforce Productivity
(Daily Miles per FTE)

1,050
↑ 20%

Train Length (Max on Route, in Feet)



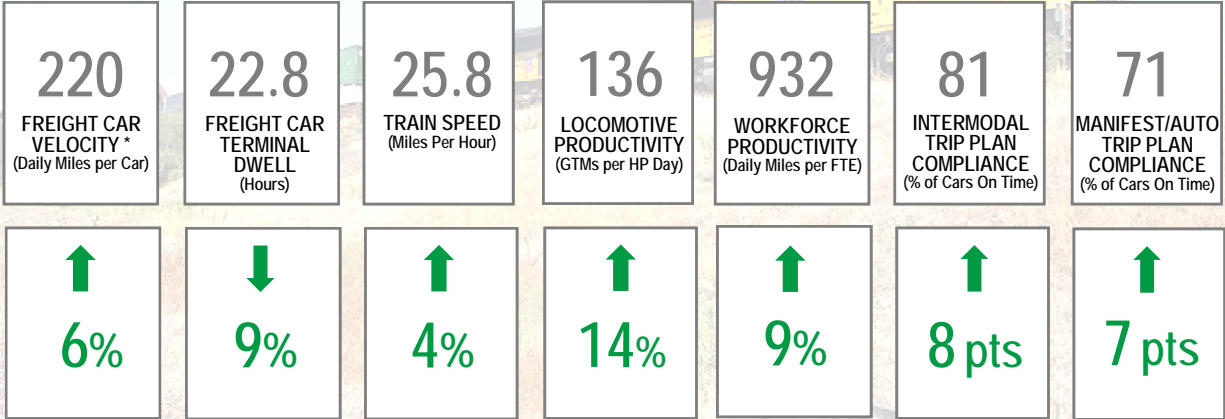
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*Prior years have been recast to conform to the current year presentation which reflects minor refinements.



Balancing Service and Efficiency

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

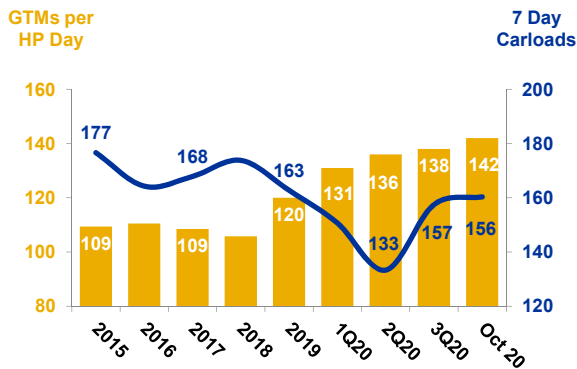


28 *Prior years have been recast to conform to the current year presentation which reflects minor refinements.



Unified Plan 2020

Locomotive Productivity



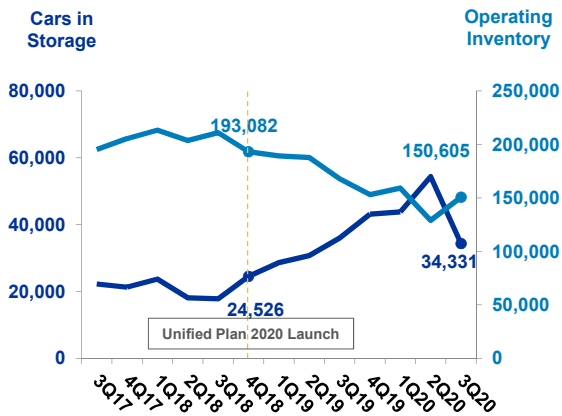
- Result of using the locomotive fleet more efficiently
- Third quarter GTMs per horsepower day increased 11% compared to third quarter 2019
- Driven by less units, increased train length and reduced dwell

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Unified Plan 2020

Inventory Management



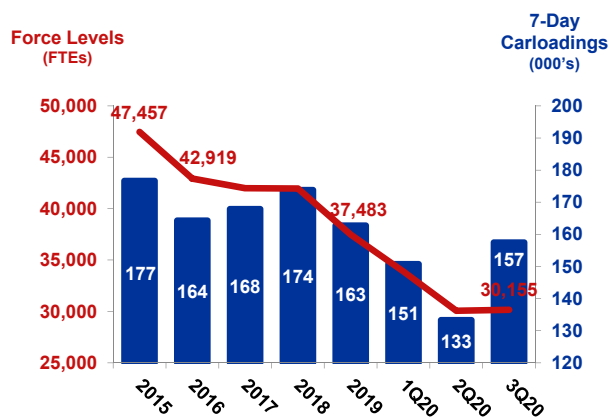
30

- 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
- Cars in storage on the rise
 - Increased 40% since fourth quarter 2018



Unified Plan 2020

Employee Force Levels



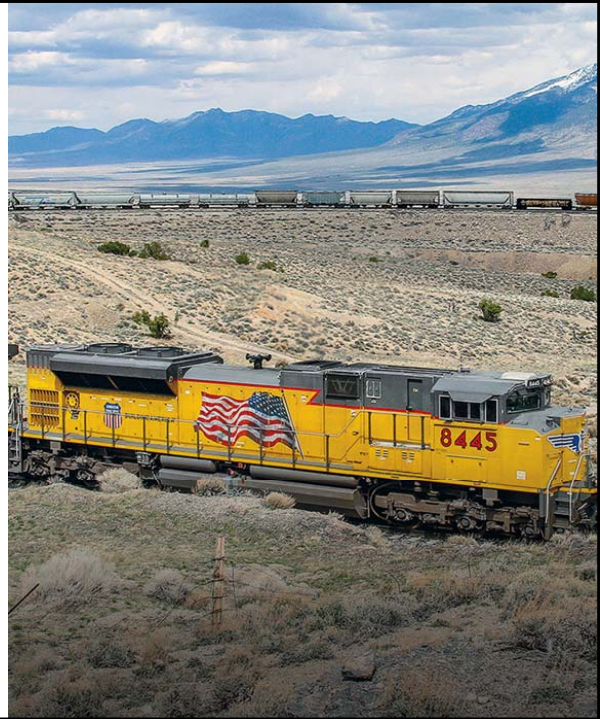
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- Unified Plan 2020 driving a significant reduction in FTEs
 - Down ~18% or about 6,500 FTEs in third quarter 2020 from third quarter 2019
 - Lowest number of FTEs in the last 15 years
 - Driven by asset utilization and process improvements
- Additional opportunity exists



Positive Train Control (PTC)

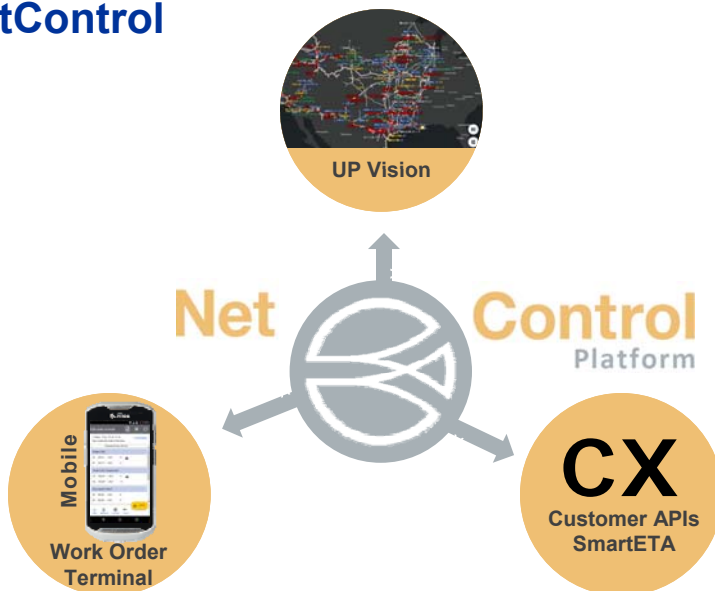
- Approximately \$2.9 billion invested through 2019
- Total estimated investment ~ \$2.9 billion
- Field testing since October 2013
- Installed on 100% of required rail lines
- Implemented on 100% of required rail lines
- Testing and refining PTC interoperability in 2020 and enhancing the Energy Management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



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Enabling New Capabilities

NetControl



Lines of Code



Micro-services



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Improving the Customer Experience Through APIs

- Launched over 30 external customer APIs since 2019, with more on the way
- Today we have nearly 75,000 subscriptions
- 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(es) and people



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

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ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

November 2020

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Sustainability Development Goals



Union Pacific has a role to play in all of the UN's Sustainability Goals, with a focus on these seven:



Union Pacific's Sustainability Work



Quality Education

- Our funding covers educational programs for youth to adult learners
- Invest in programming for youth that emphasizes STEM-related careers
- Innovative partnership with University of Nebraska at Omaha allows employees to continue to work while pursuing degrees
- Union Pacific is the largest private donor to the National Park Foundation's Open Outdoors for Kids program



Gender Equality

- Taking aggressive steps to remove barriers for women in a predominantly male-dominated rail industry
- Goal to double representation of women to 11% by 2030



Decent Work and Economic Growth

- One job in the rail sector supports eight others across the economy
- Create economic opportunities for local communities through direct employment and prosperity created by local employee spending



Industry, Innovation and Infrastructure

- Capital investments of approximately \$3 billion annually represent our commitment to building a sustainable rail network that can support economic growth for generations to come
- Continually invest in new technologies that enhance safety, efficiency and service



Union Pacific's Sustainability Work



Reduced Inequalities

- Create a work environment that respects and values differences, which is essential for employees to reach their fullest potential
- Believe diversity, equity and inclusion is the right approach and also our responsibility



Sustainable Cities and Communities

- Work with businesses to find solutions that decrease emissions and congestion on America's already stressed highways and interstates
- Union Pacific generated an estimated 1.4 million tons of waste and diverted approximately 67% from landfills.



Responsible Consumption and Protection

- Our footprint touches many diverse ecosystems, and we are committed to being a responsible steward of the land we own.
- We work to preserve our ecosystems, improve our resiliency and reduce our impact
 - Fuel efficiency efforts
 - Protect water sources
 - Utility conservation projects

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Safety Is Our Priority

Safety Inspection Fleet

- State-of-the-art equipment to regularly inspect rail lines
- Evaluates track structure wear and tests for defects to help prevent derailments, maintain track health and increase track longevity



Autonomous Boxcar Geometry Measurement System

- Track inspection system housed in a regular boxcar and powered by solar panels
- Attached to a train hauling freight to look for track abnormalities

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Protecting the Environment

- We move one ton of freight 444 miles on a single gallon of diesel fuel
- Rail moves 33% of all freight ton miles in U.S. but responsible for 2% of transportation emissions*
- Committed to setting science-based targets to reduce emissions by 2030
- Innovative locomotive software to help save fuel installed on the majority of high-horsepower units



LESS FUEL = CLEANER AIR

40 *Source: EPA Inventory of U.S. Greenhouse Gas Emissions and Sinks 1990-2017; Bureau of Transportation Statistics 2017



Reducing the Impact on the Environment

In 2019

- Union Pacific reduced greenhouse gas (GHG) emissions 1.8M metric tons or 11% due to decreased freight volume and significantly improved operations
- Carbon Emissions Estimator
 - Calculate GHG emissions savings
 - Sending emissions savings estimate to customers since 2013
- Our customers reduced 25M metric tons of GHG emissions by choosing rail over truck transportation

Origin City, State:

Destination City, State:

Commodity:

Number of Truckloads:

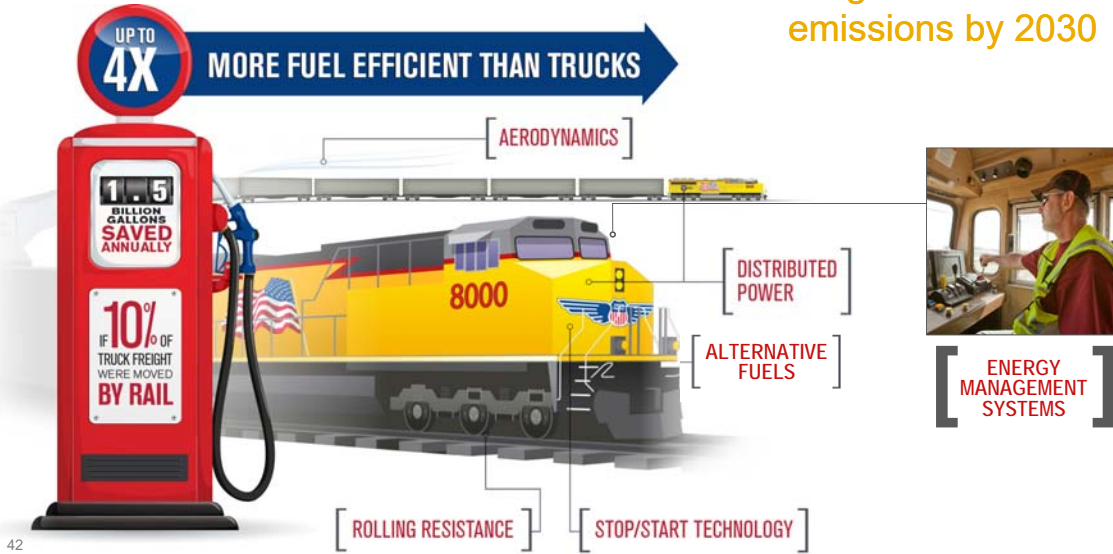
Select a Commodity

41

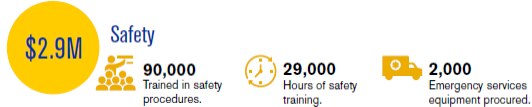
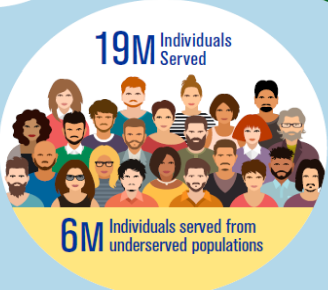


Innovations Conserve Fuel

Setting science-based targets to reduce emissions by 2030



Strengthening Our Communities



FINANCIAL REVIEW

November 2020

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Updated 2020 Guidance

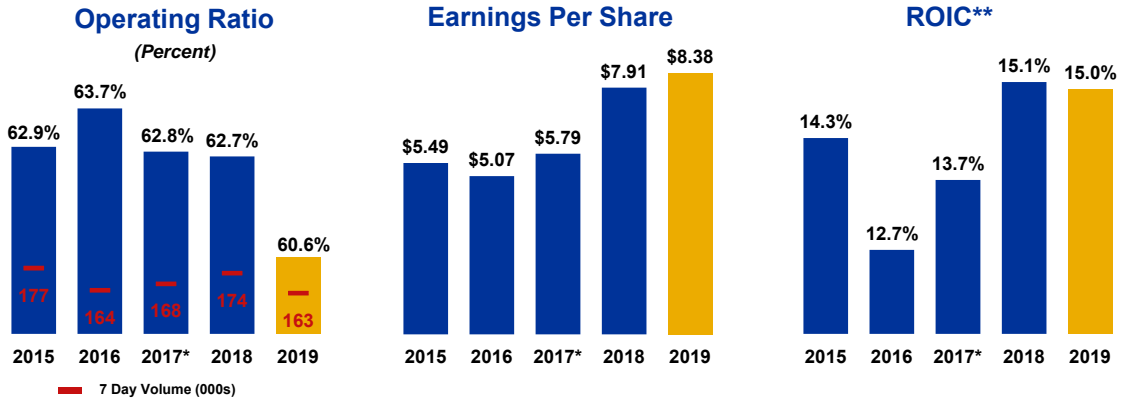
- Full Year Volume Down ~7%
- Productivity to Exceed \$700 Million
- Pricing Gains in Excess of Inflation Dollars
- Sub-60 Operating Ratio
- Strong Cash Generation and Cash Conversion Expected
 - Capital Spend of ~\$2.9 Billion
 - Maintain Dividend
 - Share Repurchases Restarted

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Financial Performance

Expanding Margins and Driving Returns



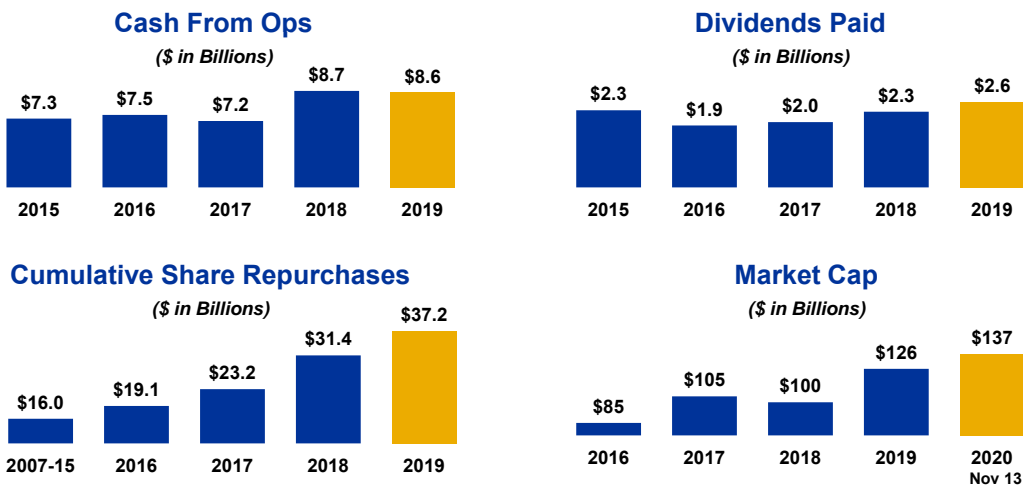
46

*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



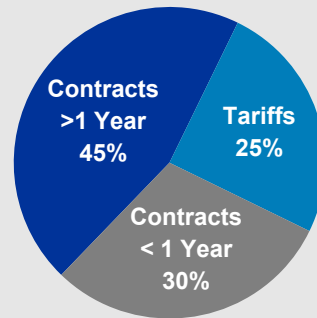
47



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

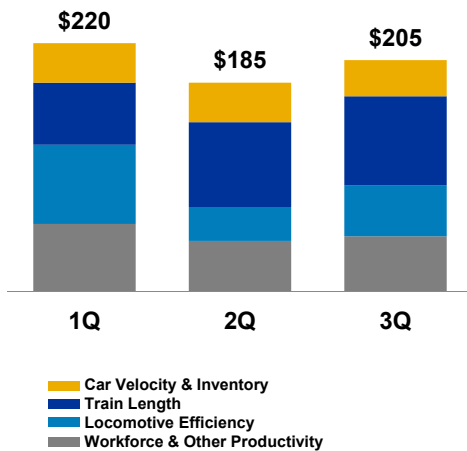


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Productivity Results

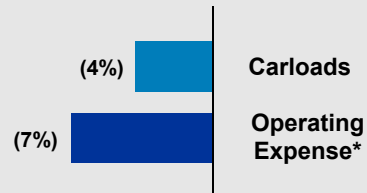
Net Productivity of \$610 Million (Third Quarter YTD 2020)



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Volume Variability

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



3Q 2020 vs. 2Q 2020 (Sequential)

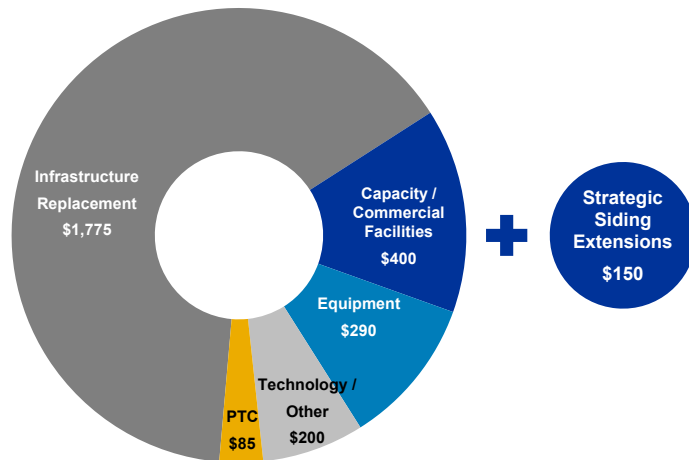


* Excluding fuel price



Strengthening the Franchise

2020 Capital Plan (\$ In Millions)



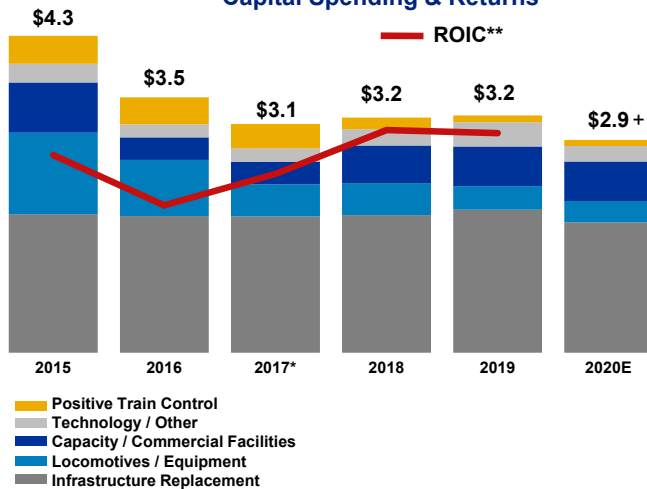
50

- 2020 Capital Plan ~\$2.9+ billion
- Safe & resilient infrastructure
- Capacity & commercial facilities
- \$150 million for strategic siding extensions
- Equipment acquisitions:
 - Locomotive modernizations
 - Targeted freight car purchases
- PTC spending



Capital Program

Capital Spending & 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.

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

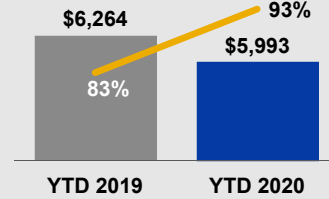


Cash Generation & Liquidity

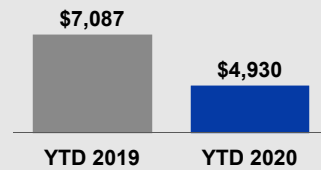
Year-to-Date Results

- 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

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



Cash to Shareholders (\$ in millions)



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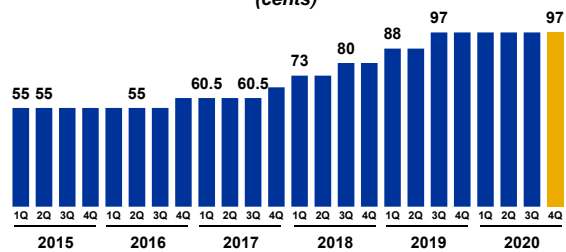
* See Union Pacific website under Investors for a reconciliation to GAAP



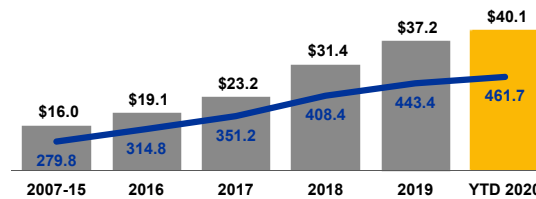
Shareholder Returns

- Dividend payout target of 40% to 45%
- Repurchased ~40% of shares since 2007
- Share repurchase authorization three years beginning April 1, 2019
- Up to 150 million shares
- Resumed share repurchases in October 2020

Declared Dividend Per Share (cents)



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



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YTD 2020 Results Through September

