



UNION PACIFIC CORPORATION

May 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 generate financial returns, improve resource productivity; enhancing the customer experience; implementing corporate strategies; and providing excellent service to its customers, returns to its shareholders and potential impacts of the Covid-19 pandemic. These statements are, or will be, forward-looking statements as defined 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. 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.



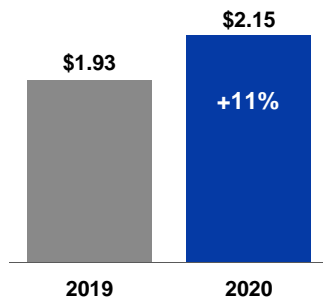
CURRENT OVERVIEW / BUSINESS UPDATE

May 2020

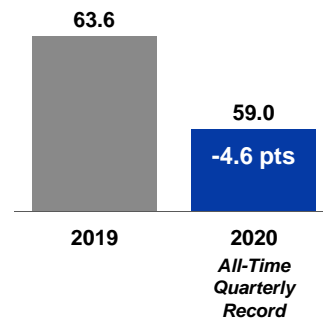


First Quarter 2020 Results

Earnings Per Share



Operating Ratio

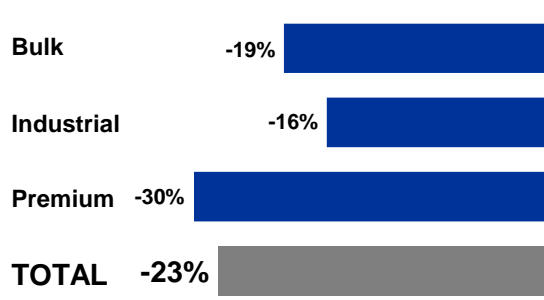


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Second Quarter Business Trends

Second Quarter Volume*



- Growth in Export Grain Driven by China Purchases
- Food and Refrigerated Commodities Impacted by the Pandemic
- Low Oil Prices Limit Crude and Sand Shipments
- Construction Related Rock Shipments Currently Strong
- Premium Decline due to Auto Plant Shutdowns and Overall Consumer Demand

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*Through May 19, 2020



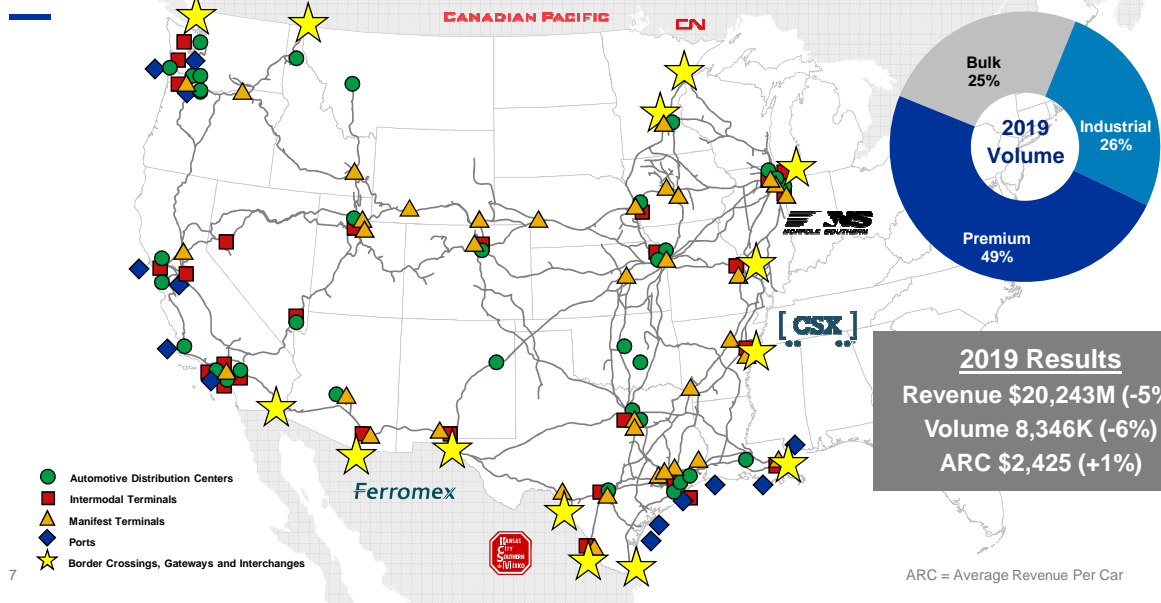
BUSINESS TEAM REVIEW

May 2020

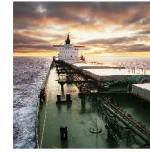
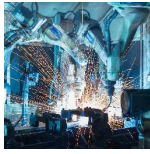
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Diverse Portfolio of Business



Economic Indicators



	Industrial Production	GDP	Housing Starts (MM)	Light Vehicle Sales (MM)	Imports of Goods	Exports of Goods
2019	0.9%	2.3%	1.30	16.9	0.3%	0.2%
2020	-12.9%	-7.3%	1.10	12.4	-14.1%	-4.5%
2021	5.1%	5.1%	1.24	14.2	14.4%	11.0%

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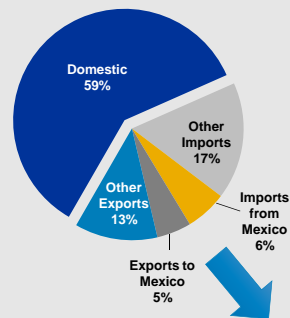
Source: IHS Markit U.S. Economic Outlook, May 2020



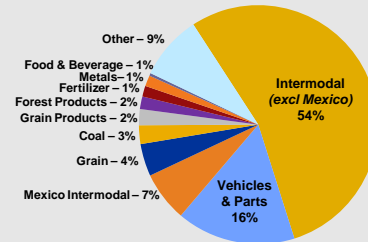
International Trade

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

2019 Freight Volumes



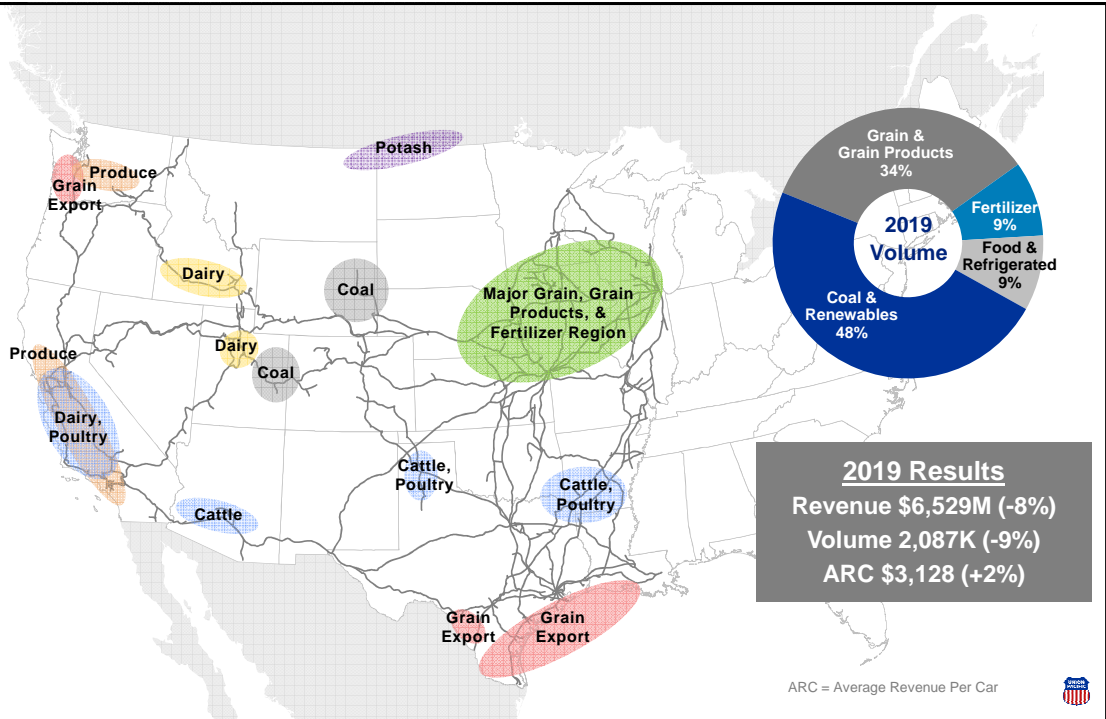
International Volumes



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Bulk



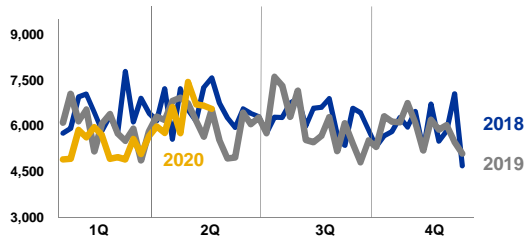
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Grain

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



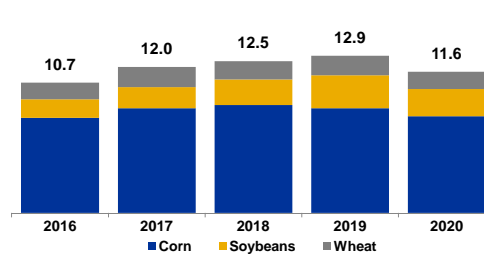
UNP Weekly Grain Carloads*
(As reported to the AAR)



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*Through May 16, 2020

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



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

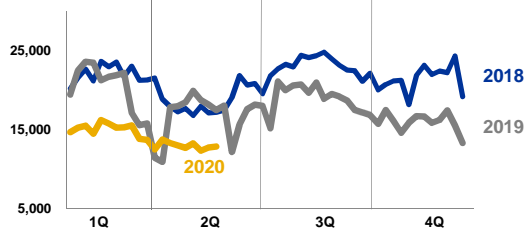


Coal

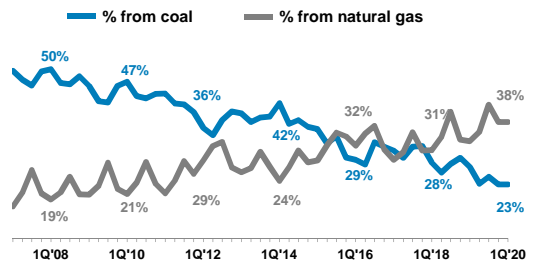
- Coal drivers
 - Weather impacts demand
 - Natural gas prices
 - Coal inventory levels



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



Electricity Generation Market Share**



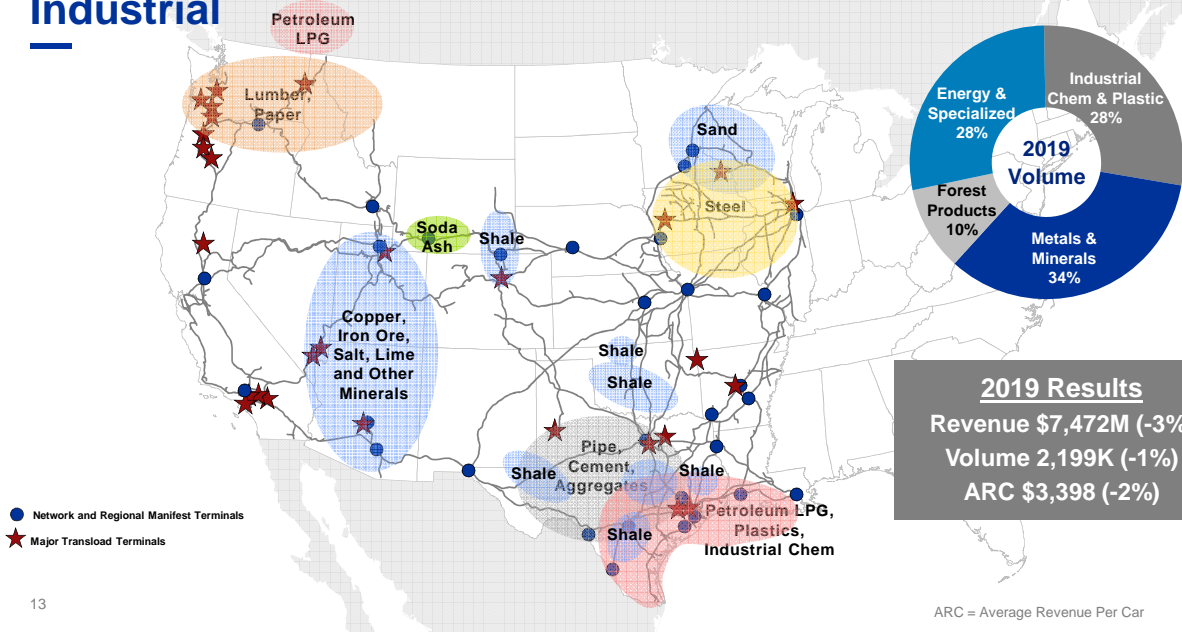
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*Through May 16, 2020

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



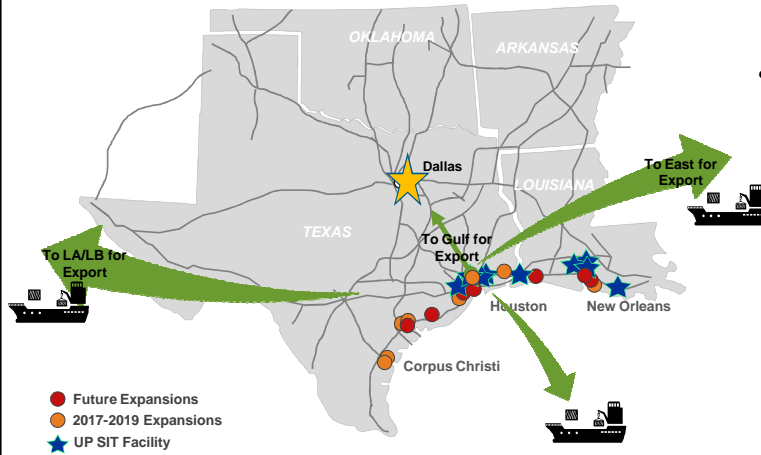
Industrial



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Plastics



- \$204 billion petrochemical investment in Gulf*
- Comprehensive product offerings & service excellence
- Dallas to Dock service solution for export plastics
 - Plastic pellets travel in hopper cars from Gulf region to Dallas
 - Pellets are packaged and transferred into intermodal containers for export
 - Katoen Natie expanding their Dallas packaging facility to double capacity to 500,000+ square feet by Q4 2020
 - KTN has the ability to grow to 2.5 million square feet

14 *Source: American Chemistry Council, June 2019

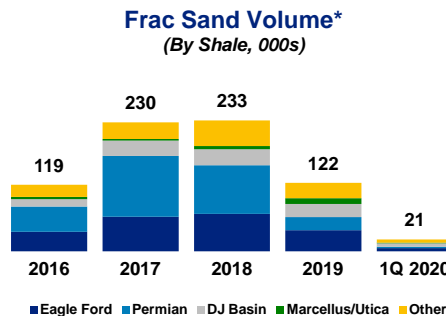
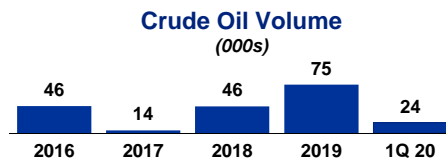


Shale Related Volumes

First Quarter 2020*	Volume (000s)	% Incr (vs 2019)	% of Total UP Volume
Crude	24	68%	1.2%
Frac Sand**	21	(41%)	1.1%

* Exclude pipe related to shale activity
 ** Includes Barites

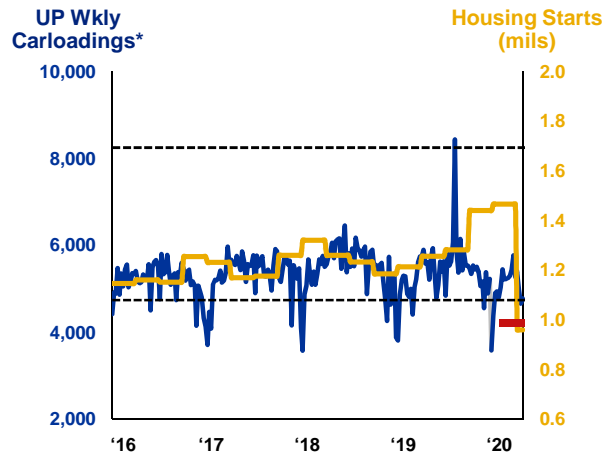
- Crude oil drivers
 - Crude oil price spreads
 - Production & demand
 - Pipeline capacity
- Frac sand drivers
 - Energy prices
 - Rig counts
 - Enhanced fracing technology
 - White / brown sand mix



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

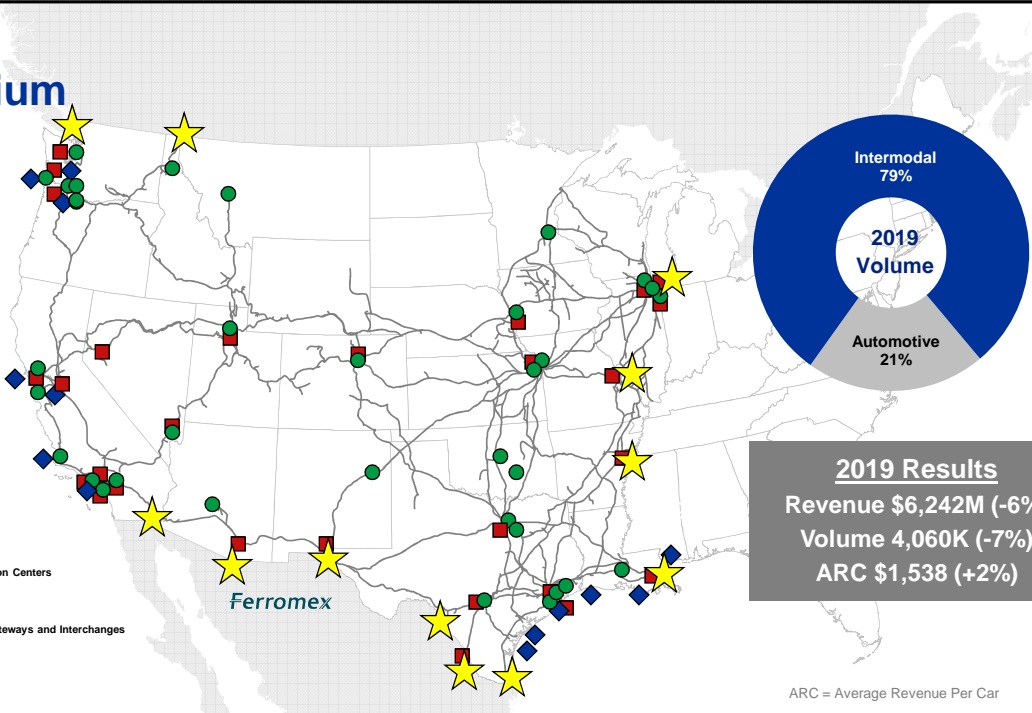


*Through May 16, 2020



Premium

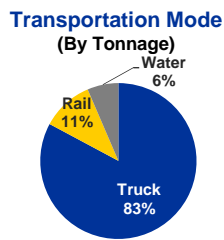
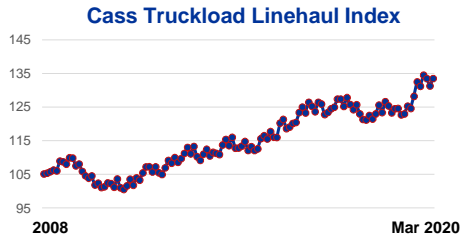
- Automotive Distribution Centers
- Intermodal Terminals
- ◆ Ports
- ★ Border Crossings, Gateways and Interchanges



ARC = Average Revenue Per Car



Highway Conversion Growth Opportunities

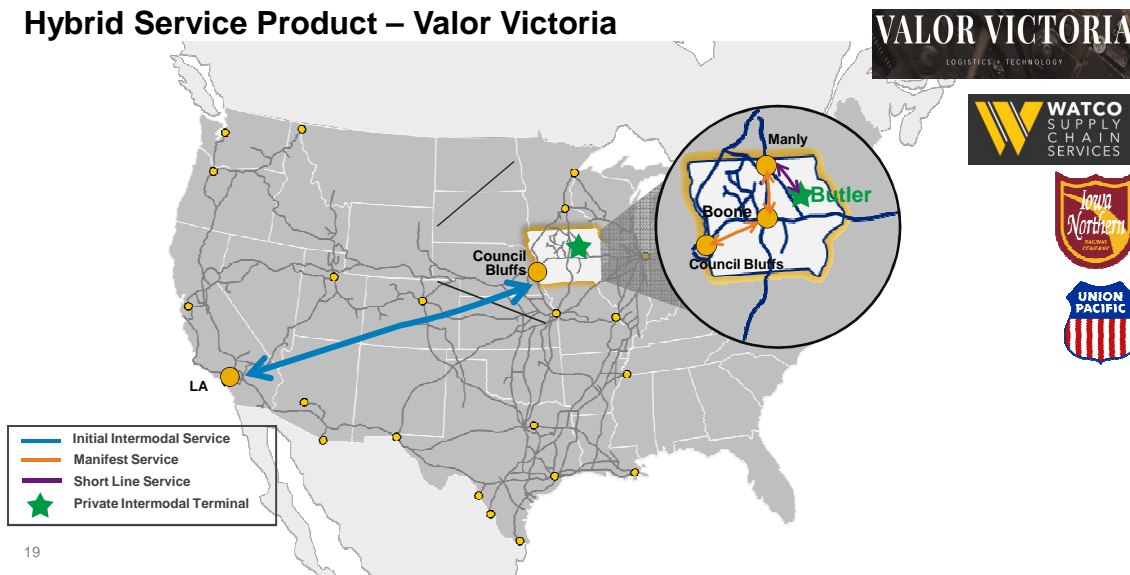


- Highway conversion opportunities in all business groups
- High insurance costs
- Drug & alcohol testing
- Truck capacity
- LOUP

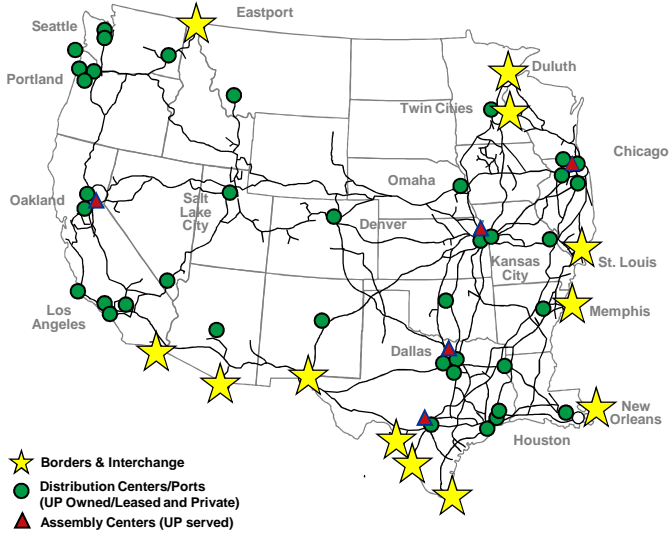


Butler Intermodal Terminal

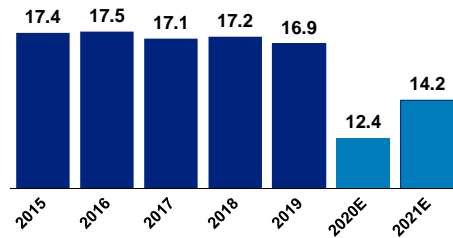
Hybrid Service Product – Valor Victoria



Finished Vehicles



U.S. Light Vehicle SAAR*



Full-Service Expertise For Almost Any Commodity

Loup Total Supply Chain Logistics



Wholesale Intermodal

Door-to-Door Service



Retail Auto Parts

Just-In-Time Performance



Carload Traditional Rail



Carrier Relations

Execution Capacity

VALUE ADDED SERVICES

EQUIPMENT MANAGEMENT

POOL MANAGEMENT

INVENTORY MANAGEMENT

NETWORK OPTIMIZATION

VISIBILITY

MILITARY SERVICES

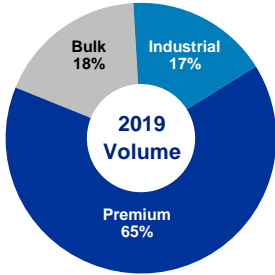
**WAREHOUSING
TRANSLOADING**

DRAYAGE SOURCING

CROSTOWN SERVICES



Mexico



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OPERATIONS OVERVIEW

May 2020

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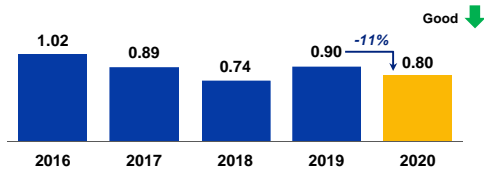


FIRST QUARTER RESULTS

Safety

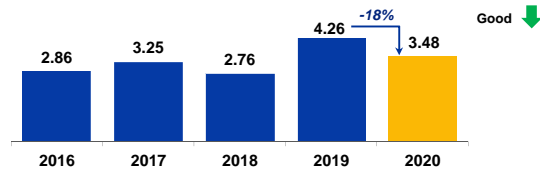
Employee

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



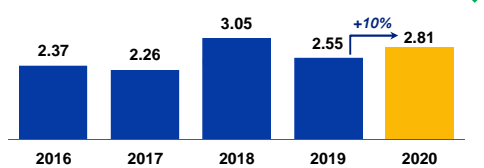
Rail Equipment

(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

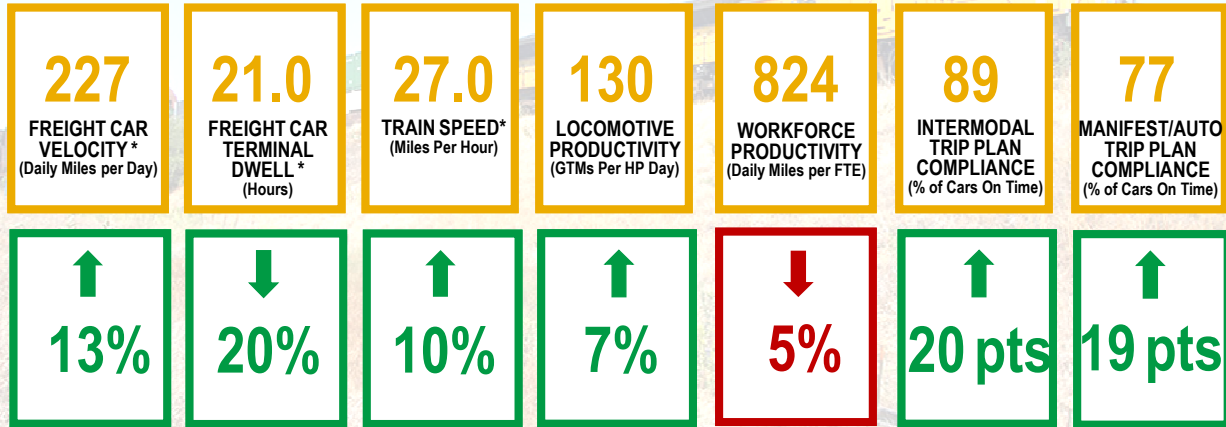
Precision Scheduled Railroading Tenets

- 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



Unified Plan 2020

Key Performance Metrics – April 2020 vs. April 2019



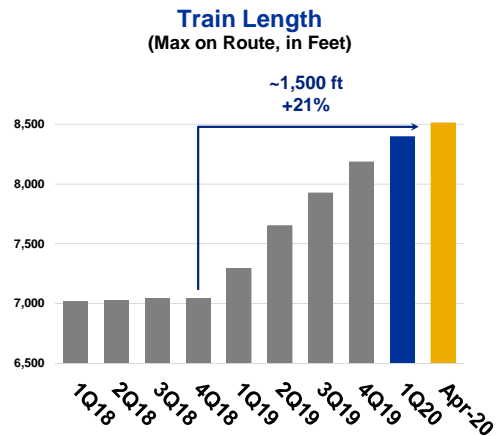
26 *Prior years have been recast to conform to the current year presentation which reflects minor refinements.



Unified Plan 2020 Update

Terminal Rationalization & Network Changes

- Consolidated Mechanical shops
- Santa Teresa Block Swap Facility In Service
- Completed Eight 15,000 Foot Sidings
- Continued Improvement in Train Length
- Temporarily Closed Facilities
 - DeSoto, MO Car Shop
 - Denver, CO Maintenance of Way Equipment Shop
 - Jenks Locomotive Shop in North Little Rock, AR

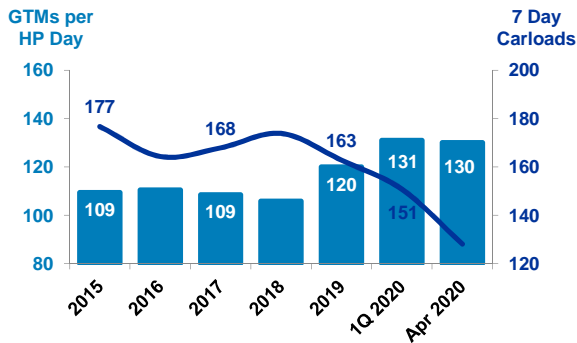


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Unified Plan 2020

Locomotive Productivity



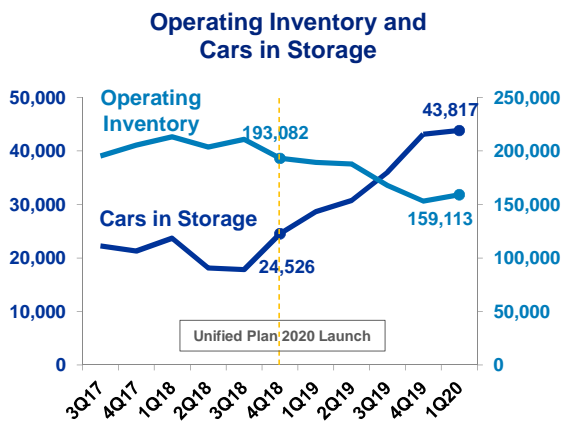
- Result of using the locomotive fleet more efficiently
- First quarter GTMs per horsepower day increased 18% compared to first quarter 2019
- Driven by less units, increased train length and reduced dwell

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Unified Plan 2020

Inventory Management



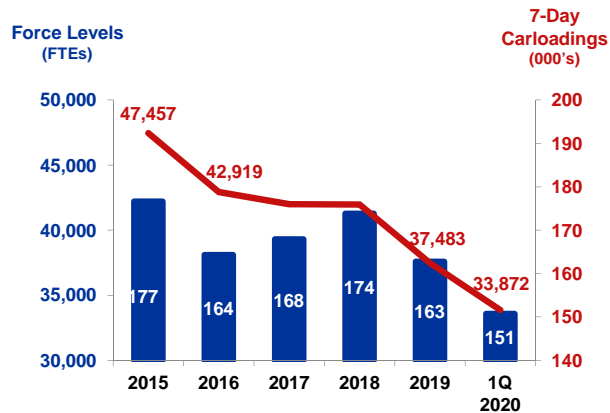
- Operating inventory reduced with Unified Plan 2020
 - Excludes cars in storage and cars placed at customer
 - Change driven by improved freight car velocity and terminal dwell
- Cars in storage on the rise
 - Increased more than 80% since fourth quarter 2018

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Unified Plan 2020

Employee Force Levels



- Unified Plan 2020 driving a significant reduction in FTEs
 - Down ~15% or about 6,200 FTEs in first quarter 2020 from first quarter 2019
 - Lowest number of FTEs in the last 15 years
 - Driven by asset utilization and process improvements
- Additional opportunity exists

30



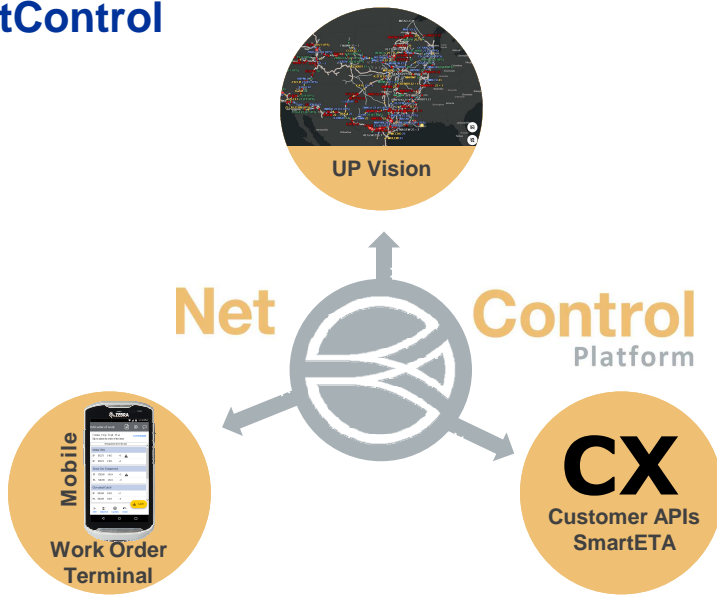
Positive Train Control (PTC)

- 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 enhance the Energy Management Systems



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Enabling New Capabilities
NetControl




Lines of Code

- NetControl** 85M
- 62M
- 40M
- 145k

Micro-services

- 7,500
- NetControl** 4,500
- NETFLIX** 1,000



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



Protecting the Environment

Fuel Efficiency

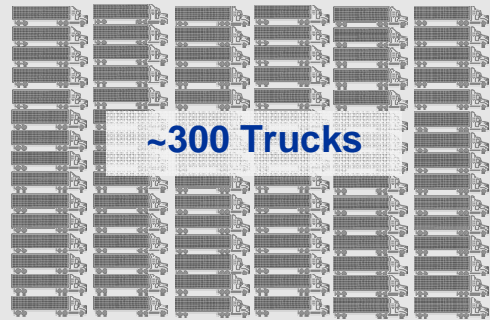
- Union Pacific can move one ton of freight 444 miles on a single gallon of diesel fuel
- Our customers eliminate GHG emissions by choosing rail over truck
- Innovative locomotive software to help save fuel installed on the majority of high horsepower units

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One Train



Equals



~300 Trucks



FINANCIAL REVIEW

May 2020

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Updated 2020 Guidance

Withdrawing Full Year Guidance on:

- Volume
- Headcount
- Operating Ratio
- Share Repurchases

Second Quarter Outlook

- Volumes Down ~25%
- Aggressive Cost Control
- Volume Outlook Makes Operating Ratio Improvement Unlikely

Full Year 2020

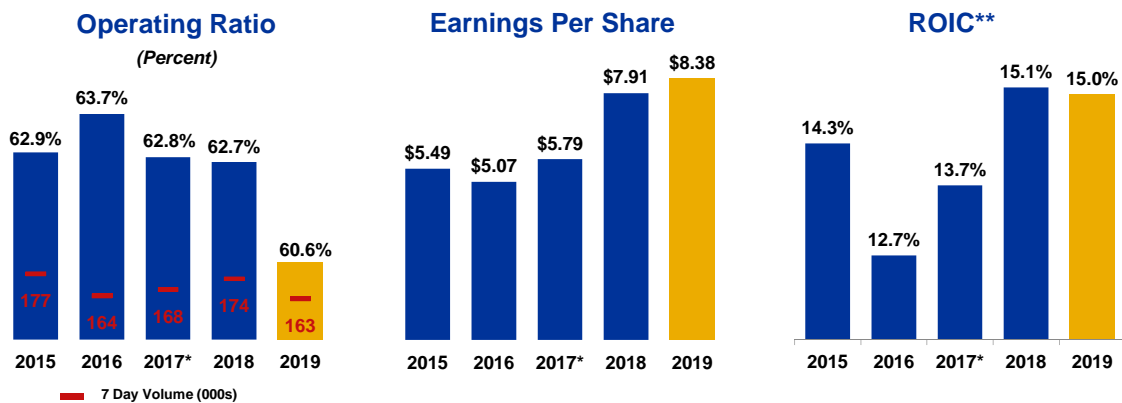
- Pricing Gains in Excess of Inflation Dollars
- \$400-500 Million of Productivity
- Solid Free Cash Flow After Dividends Under Various Scenarios
- Capital Allocation Plan Based on Scenarios:
 - Capital Spending Reduced by \$150 to \$200 Million
 - Maintain Dividend
 - Suspend Share Repurchases

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Financial Performance

Expanding Margins and Driving Returns



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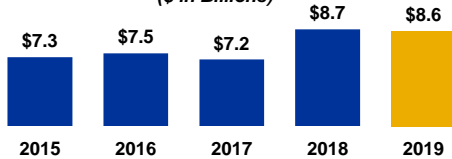
*Adjusted to exclude the impact of Corporate Tax Reform
 ** See Union Pacific website under Investors for a reconciliation to GAAP.



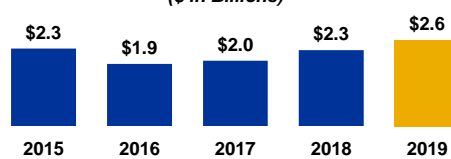
Financial Performance

Growing Cash Flow and Shareholder Returns

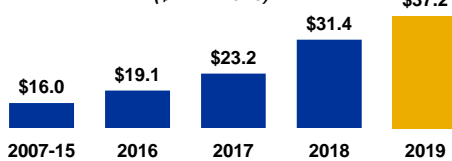
Cash From Ops
(\$ in Billions)



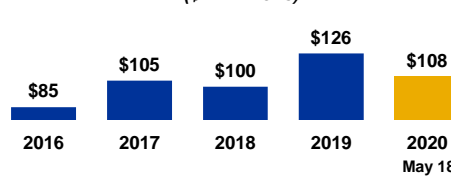
Dividends Paid
(\$ in Billions)



Cumulative Share Repurchases
(\$ in Billions)



Market Cap
(\$ in Billions)



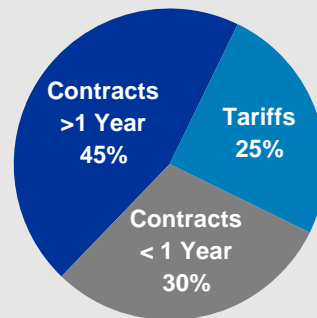
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Pricing Fundamentals

- 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

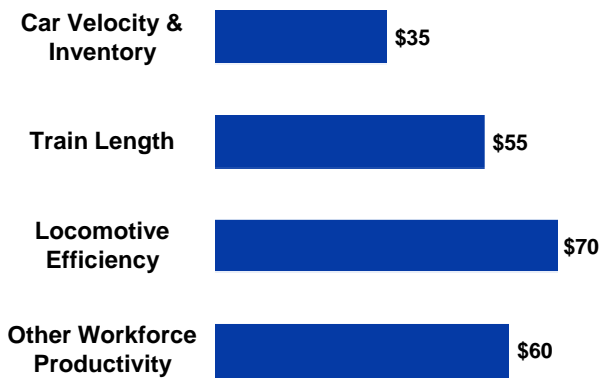


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Productivity Update

Net Productivity of \$220 Million



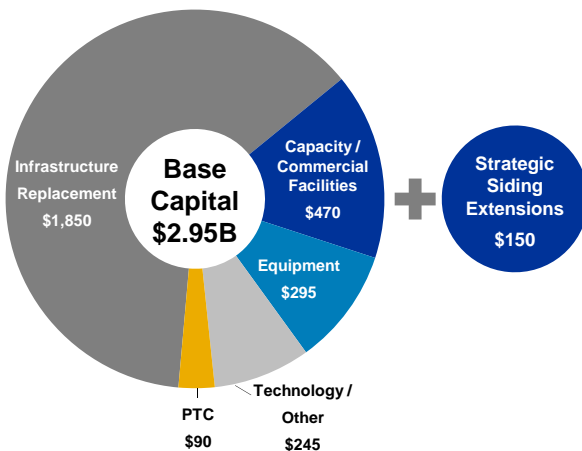
Union Pacific is More Efficient Than During Past Recessions

- Greater Than 100% Volume Variable in First Quarter 2020
- 1500+ Basis Points Operating Ratio Improvement Since 2008/2009



Strengthening the Franchise

2020 Capital Plan (\$ In Millions)

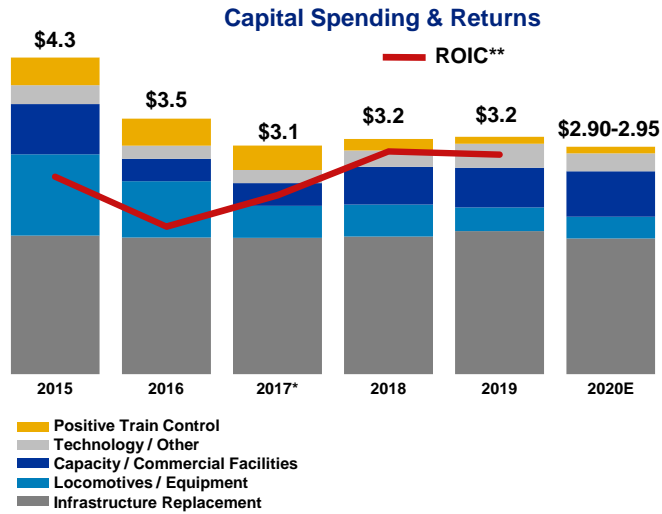


Trimming 2020 Capital by \$150-200 million (April 2020)

- 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



Capital Program



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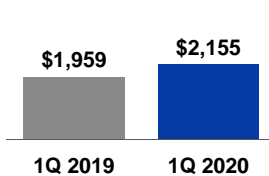
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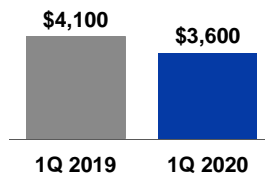
- Return-focused capital program
- Productivity through G55+0 initiatives
- Capex less than 15% of revenue longer-term

Managing Returns & Liquidity

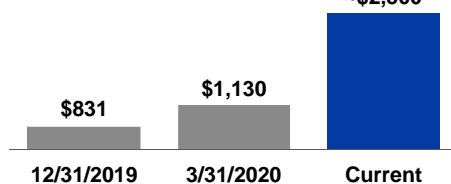
Cash From Ops
(\$ in millions)



Cash to Shareholders
(\$ in millions)



Cash Balance
(\$ in millions)



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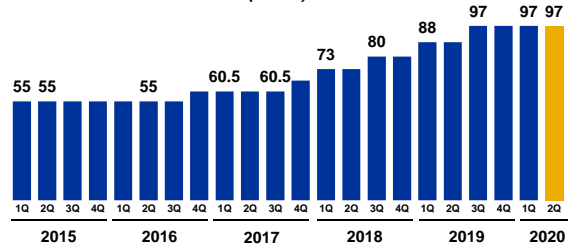
- First Quarter 2020 Cash Flow Conversion Rate Equal to 91% of Net Income
- 2020 Share Repurchases Total 14 million Shares; 5% Reduction in the Average Share Balance
- Second Quarter 2020 Dividend Declared at \$0.97/share



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
- *Suspended share repurchase program as of April 2020*

Declared Dividend Per Share
(cents)



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

