

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 25, 2024 (January 25, 2024)

**UNION PACIFIC CORPORATION**

(Exact name of registrant as specified in its charter)

|   |  |   |
|---|--|---|
| <b>Utah</b><br>(State or other jurisdiction<br>of Incorporation)                        | <b>1-6075</b><br>(Commission<br>File Number) | <b>13-2626465</b><br>(IRS Employer<br>Identification No.) |
| <b>1400 Douglas Street, Omaha, Nebraska</b><br>(Address of principal executive offices) |  | <b>68179</b><br>(Zip Code)                                |

Registrant's telephone number, including area code: **(402) 544-5000**

**N/A**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| <u>Title of each Class</u>                | <u>Trading Symbol</u> | <u>Name of each exchange on which registered</u> |
|---|-----------------------|--|
| Common Stock (Par Value \$2.50 per share) | UNP                   | New York Stock Exchange                          |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02 Results of Operations and Financial Condition.**

On January 25, 2024, Union Pacific Corporation issued a press release announcing its financial results for the quarter and year ended December 31, 2023. A copy of the press release is furnished herewith as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

99.1 [Press Release of Union Pacific Corporation, dated January 25, 2024, announcing its financial results for the quarter and year ended December 31, 2023.](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: January 25, 2024

UNION PACIFIC CORPORATION

By: /s/ Jennifer L. Hamann

Jennifer L. Hamann  
Executive Vice President and  
Chief Financial Officer

## Union Pacific Reports Fourth Quarter and Full Year 2023 Results

- *Fourth quarter earnings per diluted share of \$2.71, up 1%*
- *Fourth quarter net income up 1%*
- *Full year earnings per diluted share of \$10.45, down 7%*
- *Full year net income down 9%*

**Omaha, Neb., January 25, 2024** – Union Pacific Corporation (NYSE: UNP) today reported 2023 fourth quarter net income of \$1.7 billion, or \$2.71 per diluted share. This compares to 2022 fourth quarter net income of \$1.6 billion, or \$2.67 per diluted share.

Reported net income for full year 2023 was \$6.4 billion, or \$10.45 per diluted share. These full year results compare to full year 2022 net income of \$7.0 billion, or \$11.21 per diluted share.

“The team continues to execute our multi-year strategy to be the industry’s best in safety, service, and operational excellence,” said Jim Vena, Union Pacific Chief Executive Officer. “Our fourth quarter results show much of what’s possible at Union Pacific and that we’re on the right path to reaching our goals. Service and operational metrics showed great improvement in the quarter. Those improvements propel us toward a service product that supports growth with our customers. We enter 2024 with strong momentum, recognizing we have plenty of opportunity to improve. We’re excited to show our stakeholders what our great team can accomplish.”

### **Fourth Quarter Summary: 2023 vs. 2022**

#### **Financial Results: Increased Volume and Core Pricing Gains Offset by Lower Fuel Surcharge Revenue Led to Flat Operating Revenue**

- Operating revenue of \$6.2 billion was flat driven by increased volume and core pricing gains offset by reduced fuel surcharge revenue and business mix.
- Revenue carloads were up 3%.
- Operating ratio was 60.9%, an improvement of 10 basis points.
- Operating income of \$2.4 billion was flat.

#### **Operating Performance: Improved Resource Utilization Drives Strong Service Metrics and Fluid Network; Fourth Quarter Record for Workforce Productivity**

- Quarterly freight car velocity was 217 daily miles per car, a 14% improvement.
- Quarterly locomotive productivity was 140 gross ton-miles (GTMs) per horsepower day, a 14% improvement.
- Average maximum train length was 9,413 feet, a 2% increase.
- Quarterly workforce productivity improved 4% to 1,051 car miles per employee.
- Fuel consumption rate of 1.091, measured in gallons of fuel per thousand GTMs, deteriorated 3%.

-more-

## **Full Year Summary: 2023 vs. 2022**

### **Financial Results: Lower Fuel Surcharge Revenue and Volume Drive Reduced Operating Revenue**

- Operating revenue of \$24.1 billion was down 3% driven by lower fuel surcharge revenue, business mix, and volume declines partially offset by core pricing gains.
- Revenue carloads declined 1%.
- Union Pacific's 62.3% reported operating ratio deteriorated 220 basis points. Lower fuel prices positively impacted the operating ratio by 50 basis points.
- Operating Income of \$9.1 billion was down 8%.
- Union Pacific's 2023 capital program totaled \$3.7 billion.
- The company repurchased 3.5 million shares in 2023 at an aggregate cost of \$712 million.

### **Operating Performance: Improving Resource Availability and Utilization Through the Year Results in Fluid Operations to End 2023**

- Union Pacific's reportable derailment rates improved, while reportable personal injury rates did not improve.
- Freight car velocity was 204 daily miles per car, a 7% improvement.
- Locomotive productivity was 129 GTMs per horsepower day, a 3% increase.
- Average maximum train length of 9,356 feet was flat.
- Workforce productivity of 1,000 car miles per employee declined 3%.
- Fuel consumption rate of 1.088, measured in gallons of fuel per thousand GTMs, deteriorated 1%.

### **2024 Outlook**

- Volume outlook muted by international intermodal business loss, lower coal demand, and soft economic conditions.
- Pricing dollars in excess of inflation dollars
- No change to long-term capital allocation strategy:
  - Capital plan of \$3.4 billion
  - No first quarter share repurchases

## **Fourth Quarter 2023 Earnings Conference Call**

Union Pacific will webcast its fourth quarter 2023 earnings release presentation live at [www.up.com/investor](http://www.up.com/investor) and via teleconference on Thursday, January 25, 2024, at 8:45 a.m. Eastern Time. Participants may join the conference call by dialing 877-407-8293 (or for international participants, 201-689-8349).

### **ABOUT UNION PACIFIC**

Union Pacific (NYSE: UNP) delivers the goods families and businesses use every day with safe, reliable, and efficient service. Operating in 23 western states, the company connects its customers and communities to the global economy. Trains are the most environmentally responsible way to move freight, helping Union Pacific protect future generations. More information about Union Pacific is available at [www.up.com](http://www.up.com).

**Union Pacific Investor contact:** Brad Stock at 402-544-4227 or [bkstock@up.com](mailto:bkstock@up.com)

**Union Pacific Media contact:** Clarissa Beyah at 402-957-4793 or [cbeyah@up.com](mailto:cbeyah@up.com)

**Supplemental financial information is attached.**

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*This news release and related materials contain statements about the Company's future that are not statements of historical fact, including specifically the statements regarding the potential impacts of public health crises, including pandemics, epidemics and the outbreak of other contagious diseases, such as the coronavirus and its variant strains (COVID); the Russia-Ukraine and Israeli wars and any impacts on our business operations, financial results, liquidity, and financial position, and on the world economy (including customers, employees, and supply chains), including as a result of fluctuations in volume and carloadings; expectations as to general macroeconomic conditions, including slowdowns and recessions, domestically or internationally, and future volatility in interest rates and fuel prices; closing of customer manufacturing, distribution, or production facilities; expectations as to operational or service improvements; expectations as to hiring challenges; availability of employees; expectations regarding the effectiveness of steps taken or to be taken to improve operations, service, infrastructure improvements, and transportation plan modifications; expectations as to cost savings, revenue growth, and earnings; the time by which goals, targets, or objectives will be achieved; projections, predictions, expectations, estimates, or forecasts as to business, financial, and operational results, future economic performance, and planned capital investments ; proposed new products and services; estimates of costs relating to environmental remediation and restoration; estimates and expectations regarding tax matters; expectations that claims, litigation, environmental costs, commitments, contingent liabilities, labor negotiations or agreements, cyberattacks or other matters. 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 2022, which was filed with the SEC on February 10, 2023. 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 the Company's 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.*

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**UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES**
*Condensed Consolidated Statements of Income (unaudited)*

| <i>Millions, Except Per Share Amounts and Percentages, For the Periods Ended December 31,</i> | <b>4th Quarter</b> |             |          | <b>Full Year</b> |             |          |
|---|--------------------|-------------|----------|------------------|-------------|----------|
|   | <b>2023</b>        | <b>2022</b> | <b>%</b> | <b>2023</b>      | <b>2022</b> | <b>%</b> |
| <b>Operating Revenues</b>   |                    |             |          |                  |             |          |
| Freight revenues  | \$ 5,801           | \$ 5,768    | 1%       | \$ 22,571        | \$ 23,159   | (3)%     |
| Other revenues  | 358                | 412         | (13)     | 1,548            | 1,716       | (10)     |
| Total operating revenues  | 6,159              | 6,180       | -        | 24,119           | 24,875      | (3)      |
| <b>Operating Expenses</b>   |                    |             |          |                  |             |          |
| Compensation and benefits   | 1,169              | 1,174       | -        | 4,818            | 4,645       | 4        |
| Fuel  | 759                | 853         | (11)     | 2,891            | 3,439       | (16)     |
| Purchased services and materials  | 645                | 633         | 2        | 2,616            | 2,442       | 7        |
| Depreciation  | 589                | 569         | 4        | 2,318            | 2,246       | 3        |
| Equipment and other rents   | 229                | 238         | (4)      | 947              | 898         | 5        |
| Other   | 361                | 301         | 20       | 1,447            | 1,288       | 12       |
| Total operating expenses  | 3,752              | 3,768       | -        | 15,037           | 14,958      | 1        |
| <b>Operating Income</b>   | 2,407              | 2,412       | -        | 9,082            | 9,917       | (8)      |
| Other income, net   | 108                | 92          | 17       | 491              | 426         | 15       |
| Interest expense  | (331)              | (333)       | (1)      | (1,340)          | (1,271)     | 5        |
| Income before income taxes  | 2,184              | 2,171       | 1        | 8,233            | 9,072       | (9)      |
| Income tax expense  | (532)              | (533)       | -        | (1,854)          | (2,074)     | (11)     |
| <b>Net Income</b>   | \$ 1,652           | \$ 1,638    | 1        | \$ 6,379         | \$ 6,998    | (9)      |
| <b>Share and Per Share</b>  |                    |             |          |                  |             |          |
| Earnings per share - basic  | \$ 2.71            | \$ 2.67     | 1%       | \$ 10.47         | \$ 11.24    | (7)%     |
| Earnings per share - diluted  | \$ 2.71            | \$ 2.67     | 1        | \$ 10.45         | \$ 11.21    | (7)      |
| Weighted average number of shares - basic   | 608.9              | 612.7       | (1)      | 609.2            | 622.7       | (2)      |
| Weighted average number of shares - diluted   | 609.9              | 613.7       | (1)      | 610.2            | 624.0       | (2)      |
| Dividends declared per share  | \$ 1.30            | \$ 1.30     | -        | \$ 5.20          | \$ 5.08     | 2        |
| <b>Operating Ratio</b>  | 60.9%              | 61.0%       | (0.1)pts | 62.3%            | 60.1%       | 2.2pts   |
| <b>Effective Tax Rate</b>   | 24.4%              | 24.6%       | (0.2)    | 22.5%            | 22.9%       | (0.4)    |



**UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES**
**Freight Revenues Statistics (unaudited)**

| For the Periods Ended December 31,  | 4th Quarter |          |      | Full Year |           |      |
|-------------------------------------|-------------|----------|------|-----------|-----------|------|
|                                     | 2023        | 2022     | %    | 2023      | 2022      | %    |
| <b>Freight Revenues (Millions)</b>  |             |          |      |           |           |      |
| Grain & grain products              | \$ 986      | \$ 974   | 1%   | \$ 3,644  | \$ 3,598  | 1%   |
| Fertilizer                          | 194         | 171      | 13   | 757       | 712       | 6    |
| Food & refrigerated                 | 264         | 265      | -    | 1,041     | 1,093     | (5)  |
| Coal & renewables                   | 494         | 523      | (6)  | 1,916     | 2,134     | (10) |
| Bulk                                | 1,938       | 1,933    | -    | 7,358     | 7,537     | (2)  |
| Industrial chemicals & plastics     | 538         | 502      | 7    | 2,176     | 2,158     | 1    |
| Metals & minerals                   | 540         | 548      | (1)  | 2,194     | 2,196     | -    |
| Forest products                     | 335         | 325      | 3    | 1,347     | 1,465     | (8)  |
| Energy & specialized markets        | 665         | 624      | 7    | 2,521     | 2,386     | 6    |
| Industrial                          | 2,078       | 1,999    | 4    | 8,238     | 8,205     | -    |
| Automotive                          | 600         | 594      | 1    | 2,421     | 2,257     | 7    |
| Intermodal                          | 1,185       | 1,242    | (5)  | 4,554     | 5,160     | (12) |
| Premium                             | 1,785       | 1,836    | (3)  | 6,975     | 7,417     | (6)  |
| Total                               | \$ 5,801    | \$ 5,768 | 1%   | \$ 22,571 | \$ 23,159 | (3)% |
| <b>Revenue Carloads (Thousands)</b> |             |          |      |           |           |      |
| Grain & grain products              | 216         | 208      | 4%   | 798       | 798       | - %  |
| Fertilizer                          | 47          | 41       | 15   | 191       | 190       | 1    |
| Food & refrigerated                 | 42          | 44       | (5)  | 175       | 187       | (6)  |
| Coal & renewables                   | 217         | 215      | 1    | 867       | 885       | (2)  |
| Bulk                                | 522         | 508      | 3    | 2,031     | 2,060     | (1)  |
| Industrial chemicals & plastics     | 161         | 151      | 7    | 645       | 637       | 1    |
| Metals & minerals                   | 189         | 196      | (4)  | 793       | 785       | 1    |
| Forest products                     | 52          | 52       | -    | 213       | 241       | (12) |
| Energy & specialized markets        | 153         | 140      | 9    | 582       | 552       | 5    |
| Industrial                          | 555         | 539      | 3    | 2,233     | 2,215     | 1    |
| Automotive                          | 197         | 198      | (1)  | 820       | 778       | 5    |
| Intermodal [a]                      | 782         | 743      | 5    | 3,028     | 3,116     | (3)  |
| Premium                             | 979         | 941      | 4    | 3,848     | 3,894     | (1)  |
| Total                               | 2,056       | 1,988    | 3%   | 8,112     | 8,169     | (1)% |
| <b>Average Revenue per Car</b>      |             |          |      |           |           |      |
| Grain & grain products              | \$ 4,580    | \$ 4,681 | (2)% | \$ 4,567  | \$ 4,509  | 1 %  |
| Fertilizer                          | 4,085       | 4,167    | (2)  | 3,962     | 3,749     | 6    |
| Food & refrigerated                 | 6,174       | 5,957    | 4    | 5,929     | 5,844     | 1    |
| Coal & renewables                   | 2,281       | 2,431    | (6)  | 2,211     | 2,410     | (8)  |
| Bulk                                | 3,712       | 3,799    | (2)  | 3,623     | 3,658     | (1)  |
| Industrial chemicals & plastics     | 3,353       | 3,335    | 1    | 3,374     | 3,388     | -    |
| Metals & minerals                   | 2,860       | 2,790    | 3    | 2,765     | 2,797     | (1)  |
| Forest products                     | 6,326       | 6,264    | 1    | 6,310     | 6,092     | 4    |
| Energy & specialized markets        | 4,347       | 4,459    | (3)  | 4,335     | 4,320     | -    |
| Industrial                          | 3,742       | 3,711    | 1    | 3,689     | 3,704     | -    |
| Automotive                          | 3,061       | 3,007    | 2    | 2,955     | 2,902     | 2    |
| Intermodal [a]                      | 1,515       | 1,672    | (9)  | 1,504     | 1,656     | (9)  |
| Premium                             | 1,824       | 1,953    | (7)  | 1,813     | 1,905     | (5)  |
| Average                             | \$ 2,822    | \$ 2,902 | (3)% | \$ 2,782  | \$ 2,835  | (2)% |

[a] For intermodal shipments each container or trailer equals one carload.

**UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES**  
*Condensed Consolidated Statements of Financial Position (unaudited)*

| <i>Millions, Except Percentages</i>                      | <b>Dec. 31,<br/>2023</b> | <b>Dec. 31,<br/>2022</b> |
|--|--------------------------|--------------------------|
| <b>Assets</b>  |                          |                          |
| Cash and cash equivalents                                | \$ 1,055                 | \$ 973                   |
| Short-term investments                                   | 16                       | 46                       |
| Other current assets                                     | 3,077                    | 2,933                    |
| Investments  | 2,605                    | 2,375                    |
| Properties, net  | 57,398                   | 56,038                   |
| Operating lease assets                                   | 1,643                    | 1,672                    |
| Other assets   | 1,338                    | 1,412                    |
| <b>Total assets</b>                                      | <b>\$ 67,132</b>         | <b>\$ 65,449</b>         |
| <b>Liabilities and Common Shareholders' Equity</b>       |                          |                          |
| Debt due within one year                                 | \$ 1,423                 | \$ 1,678                 |
| Other current liabilities                                | 3,683                    | 3,842                    |
| Debt due after one year                                  | 31,156                   | 31,648                   |
| Operating lease liabilities                              | 1,245                    | 1,300                    |
| Deferred income taxes                                    | 13,123                   | 13,033                   |
| Other long-term liabilities                              | 1,714                    | 1,785                    |
| <b>Total liabilities</b>                                 | <b>52,344</b>            | <b>53,286</b>            |
| <b>Total common shareholders' equity</b>                 | <b>14,788</b>            | <b>12,163</b>            |
| <b>Total liabilities and common shareholders' equity</b> | <b>\$ 67,132</b>         | <b>\$ 65,449</b>         |
| <b>Return on Average Common Shareholders' Equity</b>     | <b>47.3%</b>             | <b>53.2%</b>             |
| <b>Return on Invested Capital as Adjusted (ROIC)*</b>    | <b>15.5%</b>             | <b>17.3%</b>             |

\* ROIC is a non-GAAP measure; however, management believes that it is an important measure in evaluating the efficiency and effectiveness of our long-term capital investments. See page 9 for a reconciliation to GAAP.

**UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES**  
*Condensed Consolidated Statements of Cash Flows (unaudited)*

| <i>Millions,<br/>For the Periods Ended December 31,</i>          | <i>Full Year</i> |             |
|--|------------------|-------------|
|  | <b>2023</b>      | <b>2022</b> |
| <b>Operating Activities</b>                                      |                  |             |
| Net income   | \$ 6,379         | \$ 6,998    |
| Depreciation   | 2,318            | 2,246       |
| Deferred and other income taxes                                  | 117              | 262         |
| Other - net  | (435)            | (144)       |
| Cash provided by operating activities                            | <b>8,379</b>     | 9,362       |
| <b>Investing Activities</b>                                      |                  |             |
| Capital investments*   | (3,606)          | (3,620)     |
| Other - net  | (61)             | 149         |
| Cash used in investing activities                                | <b>(3,667)</b>   | (3,471)     |
| <b>Financing Activities</b>                                      |                  |             |
| Dividends paid   | (3,173)          | (3,159)     |
| Debt repaid  | (2,190)          | (2,291)     |
| Debt issued  | 1,599            | 6,080       |
| Share repurchase programs  | (705)            | (6,282)     |
| Other - net  | (156)            | (235)       |
| Cash used in financing activities                                | <b>(4,625)</b>   | (5,887)     |
| Net change in cash, cash equivalents, and restricted cash        | <b>87</b>        | 4           |
| Cash, cash equivalents, and restricted cash at beginning of year | <b>987</b>       | 983         |
| Cash, cash equivalents, and restricted cash at end of year       | \$ <b>1,074</b>  | \$ 987      |
| <b>Free Cash Flow**</b>  |                  |             |
| Cash provided by operating activities                            | \$ <b>8,379</b>  | \$ 9,362    |
| Cash used in investing activities                                | <b>(3,667)</b>   | (3,471)     |
| Dividends paid   | <b>(3,173)</b>   | (3,159)     |
| Free cash flow   | \$ <b>1,539</b>  | \$ 2,732    |

\* Capital investments include locomotive and freight car early lease buyouts of \$57 million in 2023 and \$70 million in 2022.

\*\* Free cash flow is a non-GAAP measure; however, we believe this measure is important to management and investors in evaluating our financial performance and measures our ability to generate cash without additional external financing.

## UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES

### Operating and Performance Statistics (unaudited)

| For the Periods Ended December 31,                 | 4th Quarter |         |       | Full Year |         |       |
|--|-------------|---------|-------|-----------|---------|-------|
|  | 2023        | 2022    | %     | 2023      | 2022    | %     |
| <b>Operating/Performance Statistics</b>            |             |         |       |           |         |       |
| Freight car velocity (daily miles per car)*        | 217         | 191     | 14%   | 204       | 191     | 7%    |
| Average train speed (miles per hour)*              | 24.9        | 23.8    | 5     | 24.2      | 23.8    | 2     |
| Average terminal dwell time (hours)*               | 22.7        | 24.5    | (7)   | 23.4      | 24.4    | (4)   |
| Locomotive productivity (GTM per horsepower day)   | 140         | 123     | 14    | 129       | 125     | 3     |
| Gross ton-miles (GTM) (millions)                   | 214,570     | 208,949 | 3     | 837,502   | 843,443 | (1)   |
| Train length (feet)                                | 9,413       | 9,191   | 2     | 9,356     | 9,329   | -     |
| Intermodal car trip plan compliance (%)**          | 85          | 73      | 12pts | 78        | 67      | 11pts |
| Manifest/Automotive car trip plan compliance (%)** | 70          | 58      | 12pts | 65        | 59      | 6pts  |
| Workforce productivity (car miles per employee)    | 1,051       | 1,010   | 4     | 1,000     | 1,036   | (3)   |
| Total employees (average)                          | 30,559      | 31,120  | (2)   | 31,490    | 30,717  | 3     |
| <b>Locomotive Fuel Statistics</b>                  |             |         |       |           |         |       |
| Average fuel price per gallon consumed             | \$ 3.16     | \$ 3.70 | (15)% | \$ 3.09   | \$ 3.65 | (15)% |
| Fuel consumed in gallons (millions)                | 234         | 222     | 5     | 911       | 909     | -     |
| Fuel consumption rate***                           | 1.091       | 1.064   | 3     | 1.088     | 1.078   | 1     |
| <b>Revenue Ton-Miles (Millions)</b>                |             |         |       |           |         |       |
| Grain & grain products                             | 21,166      | 20,683  | 2%    | 77,717    | 79,725  | (3)%  |
| Fertilizer   | 2,960       | 2,701   | 10    | 12,031    | 11,769  | 2     |
| Food & refrigerated                                | 4,586       | 4,576   | -     | 18,286    | 17,965  | 2     |
| Coal & renewables                                  | 21,876      | 21,847  | -     | 88,604    | 91,824  | (4)   |
| Bulk   | 50,588      | 49,807  | 2     | 196,638   | 201,283 | (2)   |
| Industrial chemicals & plastics                    | 7,040       | 6,626   | 6     | 28,837    | 29,572  | (2)   |
| Metals & minerals                                  | 8,712       | 9,367   | (7)   | 36,121    | 37,827  | (5)   |
| Forest products                                    | 5,447       | 5,546   | (2)   | 22,447    | 25,438  | (12)  |
| Energy & specialized markets                       | 10,349      | 9,575   | 8     | 39,286    | 37,068  | 6     |
| Industrial   | 31,548      | 31,114  | 1     | 126,691   | 129,905 | (2)   |
| Automotive   | 4,369       | 4,384   | -     | 18,080    | 17,018  | 6     |
| Intermodal   | 18,438      | 17,622  | 5     | 71,890    | 72,546  | (1)   |
| Premium  | 22,807      | 22,006  | 4     | 89,970    | 89,564  | -     |
| Total  | 104,943     | 102,927 | 2%    | 413,299   | 420,752 | (2)%  |

\* Surface Transportation Board (STB) reported performance measures.

\*\* Methodology used to report is not comparable with the reporting to the STB under docket number EP 770.

\*\*\* Fuel consumption is computed as follows: gallons of fuel consumed divided by gross ton-miles in thousands.

**UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES**
*Condensed Consolidated Statements of Income (unaudited)*

| Millions,<br>Except Per Share Amounts and Percentages, | 2023     |          |          |          |           |
|--|----------|----------|----------|----------|-----------|
|  | 1st Qtr  | 2nd Qtr  | 3rd Qtr  | 4th Qtr  | Full Year |
| <b>Operating Revenues</b>                              |          |          |          |          |           |
| Freight revenues                                       | \$ 5,656 | \$ 5,569 | \$ 5,545 | \$ 5,801 | \$ 22,571 |
| Other revenues   | 400      | 394      | 396      | 358      | 1,548     |
| Total operating revenues                               | 6,056    | 5,963    | 5,941    | 6,159    | 24,119    |
| <b>Operating Expenses</b>                              |          |          |          |          |           |
| Compensation and benefits                              | 1,179    | 1,269    | 1,201    | 1,169    | 4,818     |
| Fuel   | 766      | 664      | 702      | 759      | 2,891     |
| Purchased services and materials                       | 653      | 650      | 668      | 645      | 2,616     |
| Depreciation   | 572      | 577      | 580      | 589      | 2,318     |
| Equipment and other rents                              | 235      | 248      | 235      | 229      | 947       |
| Other  | 357      | 351      | 378      | 361      | 1,447     |
| Total operating expenses                               | 3,762    | 3,759    | 3,764    | 3,752    | 15,037    |
| <b>Operating Income</b>                                | 2,294    | 2,204    | 2,177    | 2,407    | 9,082     |
| Other income, net                                      | 184      | 93       | 106      | 108      | 491       |
| Interest expense                                       | (336)    | (339)    | (334)    | (331)    | (1,340)   |
| Income before income taxes                             | 2,142    | 1,958    | 1,949    | 2,184    | 8,233     |
| Income tax expense                                     | (512)    | (389)    | (421)    | (532)    | (1,854)   |
| <b>Net Income</b>                                      | \$ 1,630 | \$ 1,569 | \$ 1,528 | \$ 1,652 | \$ 6,379  |
| <b>Share and Per Share</b>                             |          |          |          |          |           |
| Earnings per share - basic                             | \$ 2.67  | \$ 2.58  | \$ 2.51  | \$ 2.71  | \$ 10.47  |
| Earnings per share - diluted                           | \$ 2.67  | \$ 2.57  | \$ 2.51  | \$ 2.71  | \$ 10.45  |
| Weighted average number of shares - basic              | 610.6    | 608.7    | 608.7    | 608.9    | 609.2     |
| Weighted average number of shares - diluted            | 611.5    | 609.5    | 609.8    | 609.9    | 610.2     |
| Dividends declared per share                           | \$ 1.30  | \$ 1.30  | \$ 1.30  | \$ 1.30  | \$ 5.20   |
| <b>Operating Ratio</b>                                 | 62.1%    | 63.0%    | 63.4%    | 60.9%    | 62.3%     |
| <b>Effective Tax Rate</b>                              | 23.9%    | 19.9%    | 21.6%    | 24.4%    | 22.5%     |

**UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES**
*Freight Revenues Statistics (unaudited)*

|                                     | <b>2023</b>    |                |                |                |                  |
|-------------------------------------|----------------|----------------|----------------|----------------|------------------|
|                                     | <b>1st Qtr</b> | <b>2nd Qtr</b> | <b>3rd Qtr</b> | <b>4th Qtr</b> | <b>Full Year</b> |
| <b>Freight Revenues (Millions)</b>  |                |                |                |                |                  |
| Grain & grain products              | \$ 943         | \$ 890         | \$ 825         | \$ 986         | \$ 3,644         |
| Fertilizer                          | 186            | 183            | 194            | 194            | 757              |
| Food & refrigerated                 | 263            | 255            | 259            | 264            | 1,041            |
| Coal & renewables                   | 505            | 429            | 488            | 494            | 1,916            |
| Bulk                                | 1,897          | 1,757          | 1,766          | 1,938          | 7,358            |
| Industrial chemicals & plastics     | 536            | 545            | 557            | 538            | 2,176            |
| Metals & minerals                   | 536            | 562            | 556            | 540            | 2,194            |
| Forest products                     | 332            | 347            | 333            | 335            | 1,347            |
| Energy & specialized markets        | 613            | 632            | 611            | 665            | 2,521            |
| Industrial                          | 2,017          | 2,086          | 2,057          | 2,078          | 8,238            |
| Automotive                          | 587            | 625            | 609            | 600            | 2,421            |
| Intermodal                          | 1,155          | 1,101          | 1,113          | 1,185          | 4,554            |
| Premium                             | 1,742          | 1,726          | 1,722          | 1,785          | 6,975            |
| Total                               | \$ 5,656       | \$ 5,569       | \$ 5,545       | 5,801          | 22,571           |
| <b>Revenue Carloads (Thousands)</b> |                |                |                |                |                  |
| Grain & grain products              | 202            | 197            | 183            | 216            | 798              |
| Fertilizer                          | 45             | 48             | 51             | 47             | 191              |
| Food & refrigerated                 | 44             | 44             | 45             | 42             | 175              |
| Coal & renewables                   | 216            | 203            | 231            | 217            | 867              |
| Bulk                                | 507            | 492            | 510            | 522            | 2,031            |
| Industrial chemicals & plastics     | 157            | 164            | 163            | 161            | 645              |
| Metals & minerals                   | 188            | 210            | 206            | 189            | 793              |
| Forest products                     | 52             | 55             | 54             | 52             | 213              |
| Energy & specialized markets        | 139            | 144            | 146            | 153            | 582              |
| Industrial                          | 536            | 573            | 569            | 555            | 2,233            |
| Automotive                          | 200            | 213            | 210            | 197            | 820              |
| Intermodal [a]                      | 734            | 749            | 763            | 782            | 3,028            |
| Premium                             | 934            | 962            | 973            | 979            | 3,848            |
| Total                               | 1,977          | 2,027          | 2,052          | 2,056          | 8,112            |
| <b>Average Revenue per Car</b>      |                |                |                |                |                  |
| Grain & grain products              | \$ 4,668       | \$ 4,527       | \$ 4,486       | \$ 4,580       | \$ 4,567         |
| Fertilizer                          | 4,135          | 3,830          | 3,818          | 4,085          | 3,962            |
| Food & refrigerated                 | 5,963          | 5,740          | 5,847          | 6,174          | 5,929            |
| Coal & renewables                   | 2,341          | 2,107          | 2,114          | 2,281          | 2,211            |
| Bulk                                | 3,743          | 3,568          | 3,465          | 3,712          | 3,623            |
| Industrial chemicals & plastics     | 3,402          | 3,336          | 3,406          | 3,353          | 3,374            |
| Metals & minerals                   | 2,853          | 2,677          | 2,688          | 2,860          | 2,765            |
| Forest products                     | 6,384          | 6,337          | 6,197          | 6,326          | 6,310            |
| Energy & specialized markets        | 4,408          | 4,388          | 4,201          | 4,347          | 4,335            |
| Industrial                          | 3,760          | 3,646          | 3,612          | 3,742          | 3,689            |
| Automotive                          | 2,944          | 2,928          | 2,894          | 3,061          | 2,955            |
| Intermodal [a]                      | 1,573          | 1,471          | 1,459          | 1,515          | 1,504            |
| Premium                             | 1,866          | 1,794          | 1,769          | 1,824          | 1,813            |
| Average                             | \$ 2,861       | \$ 2,748       | \$ 2,702       | \$ 2,822       | \$ 2,782         |

[a] For intermodal shipments each container or trailer equals one carload.

## UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES

### Non-GAAP Measures Reconciliation to GAAP (unaudited)

#### Debt / Net Income

| Millions, Except Ratios | 2023      | 2022      |
|-------------------------|-----------|-----------|
| Debt                    | \$ 32,579 | \$ 33,326 |
| Net income              | \$ 6,379  | \$ 6,998  |
| Debt / net income       | 5.1       | 4.8       |

#### Adjusted Debt / Adjusted EBITDA\*

| Millions, Except Ratios                   | 2023      | 2022      |
|---|-----------|-----------|
| Net income                                | \$ 6,379  | \$ 6,998  |
| Add:                                      |           |           |
| Income tax expense                        | 1,854     | 2,074     |
| Depreciation                              | 2,318     | 2,246     |
| Interest expense                          | 1,340     | 1,271     |
| EBITDA                                    | \$ 11,891 | \$ 12,589 |
| Adjustments:                              |           |           |
| Other income, net                         | (491)     | (426)     |
| Interest on operating lease liabilities** | 58        | 54        |
| Adjusted EBITDA                           | \$ 11,458 | \$ 12,217 |
| Debt                                      | \$ 32,579 | \$ 33,326 |
| Operating lease liabilities               | 1,600     | 1,631     |
| Adjusted debt                             | \$ 34,179 | \$ 34,957 |
| Adjusted debt / adjusted EBITDA           | 3.0       | 2.9       |

#### Comparable Adjusted Debt / Adjusted EBITDA\*

|  | 2023 | 2022  |
|--|------|-------|
| Adjusted debt / Adjusted EBITDA            | 3.0  | 2.9   |
| Factors Affecting Comparability:           |      |       |
| Labor accrual adjustment [a]               | -    | (0.1) |
| Comparable adjusted debt / adjusted EBITDA | 3.0  | 2.8   |

[a] Adjustments remove the impact of \$69 million from net income and \$23 million from income tax expense for the year ended December 31, 2022. See page 10 for a reconciliation to GAAP.

\* Total debt plus operating lease liabilities plus after-tax unfunded pension and OPEB (other post retirement benefit) obligations divided by net income plus income tax expense, depreciation, amortization, interest expense, and adjustments for other income and interest on operating lease liabilities. Adjusted debt to adjusted EBITDA (earnings before interest, taxes, depreciation, amortization, and adjustments for other income and interest on operating lease liabilities) and comparable adjusted debt to adjusted EBITDA are considered non-GAAP financial measures by SEC Regulation G and Item 10 of SEC Regulation S-K and may not be defined and calculated by other companies in the same manner. We believe these measures are important to management and investors in evaluating the Company's ability to sustain given debt levels (including leases) with the cash generated from operations. In addition, a comparable measure is used by rating agencies when reviewing the Company's credit rating. Adjusted debt to adjusted EBITDA and comparable adjusted debt to adjusted EBITDA should be considered in addition to, rather than as a substitute for, other information provided in accordance with GAAP. The most comparable GAAP measure is debt to net income ratio. The tables above provide reconciliations from net income to adjusted EBITDA, debt to adjusted debt, debt to net income to adjusted debt to adjusted EBITDA, and adjusted debt to adjusted EBITDA to comparable adjusted debt to adjusted EBITDA. At December 31, 2023 and 2022, the incremental borrowing rate on operating lease liabilities was 3.6% and 3.3%, respectively. Pension and OPEB were funded at December 31, 2023 and 2022.

\*\* Represents the hypothetical interest expense we would incur (using the incremental borrowing rate) if the property under our operating leases were owned or accounted for as finance leases.

## UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES

Non-GAAP Measures Reconciliation to GAAP (unaudited)

### Return on Average Common Shareholders' Equity

| Millions, Except Percentages                  | 2023      | 2022      |
|---|-----------|-----------|
| Net income                                    | \$ 6,379  | \$ 6,998  |
| Average equity                                | \$ 13,476 | \$ 13,162 |
| Return on average common shareholders' equity | 47.3%     | 53.2%     |

### Return on Invested Capital as Adjusted (ROIC)\*

| Millions, Except Percentages                    | 2023      | 2022      |
|---|-----------|-----------|
| Net income                                      | \$ 6,379  | \$ 6,998  |
| Interest expense                                | 1,340     | 1,271     |
| Interest on average operating lease liabilities | 58        | 56        |
| Taxes on interest                               | (315)     | (304)     |
| Net operating profit after taxes as adjusted    | \$ 7,462  | \$ 8,021  |
| Average equity                                  | \$ 13,476 | \$ 13,162 |
| Average debt                                    | 32,953    | 31,528    |
| Average operating lease liabilities             | 1,616     | 1,695     |
| Average invested capital as adjusted            | \$ 48,045 | \$ 46,385 |
| Return on invested capital as adjusted          | 15.5%     | 17.3%     |

### Comparable Return on Invested Capital as Adjusted (Comparable ROIC)\*

|   | 2023  | 2022  |
|---|-------|-------|
| Return on invested capital as adjusted            | 15.5% | 17.3% |
| Factors Affecting Comparability:                  |       |       |
| Labor accrual adjustment [a]                      | -     | 0.1   |
| Comparable return on invested capital as adjusted | 15.5% | 17.4% |

[a] Adjustments remove the impact of \$69 million from both net income for the year ended and shareholders' equity as of December 31, 2022. See page 10 for a reconciliation to GAAP.

\* ROIC and comparable ROIC are considered non-GAAP financial measures by SEC Regulation G and Item 10 of SEC Regulation S-K and may not be defined and calculated by other companies in the same manner. We believe these measures are important to management and investors in evaluating the efficiency and effectiveness of our long-term capital investments. In addition, we currently use ROIC as a performance criterion in determining certain elements of equity compensation for our executives. ROIC and comparable ROIC should be considered in addition to, rather than as a substitute for, other information provided in accordance with GAAP. The most comparable GAAP measure is return on average common shareholders' equity. The tables above provide reconciliations from return on average common shareholders' equity to ROIC and comparable ROIC. At December 31, 2023 and 2022, the incremental borrowing rate on operating lease liabilities was 3.6% and 3.3%, respectively.



## UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES

### Non-GAAP Measures Reconciliation to GAAP (unaudited)

#### Financial Performance\*

| <i>Millions, Except Per Share Amounts and Percentages</i> | <i>Reported results<br/>(GAAP)</i> | <i>Labor accrual<br/>adjustment</i> | <i>Adjusted results<br/>(non-GAAP)</i> |
|---|------------------------------------|-------------------------------------|--|
| <i>For the Twelve Months Ended December 31, 2022</i>      |                                    |                                     |  |
| Compensation and benefits expense                         | \$ 4,645                           | \$ (92)                             | \$ 4,553                               |
| Operating expense   | 14,958                             | (92)                                | 14,866                                 |
| Operating income  | 9,917                              | 92                                  | 10,009                                 |
| Income taxes  | (2,074)                            | (23)                                | (2,097)                                |
| Net income  | 6,998                              | 69                                  | 7,067                                  |
| Diluted EPS   | 11.21                              | 0.12                                | 11.33                                  |
| Operating ratio   | 60.1%                              | (0.3) pts                           | 59.8%                                  |
| <i>As of December 31, 2022</i>                            |                                    |                                     |  |
| Shareholders' equity                                      | \$ 12,163                          | \$ 69                               | \$ 12,232                              |

\* The above table reconciles our results for the twelve months ended and as of December 31, 2022, to adjust results that exclude the impact of certain items identified as affecting comparability. We use adjusted compensation and benefits expense, adjusted operating expense, adjusted operating income, adjusted income taxes, adjusted net income, adjusted diluted EPS (earnings per share), adjusted operating ratio, and adjusted shareholders' equity, as applicable, among other measures, to evaluate our actual operating performance. We believe these non-GAAP financial measures provide valuable information regarding earnings and business trends by excluding specific items that we believe are not indicative of our ongoing operating results of our business, providing a useful way for investors to make a comparison of our performance over time and against other companies in our industry. Since these are not measures of performance calculated in accordance with GAAP, they should be considered in addition to, rather than as a substitute for, compensation and benefits expense, operating expense, operating income, income taxes, net income, diluted EPS, operating ratio, and shareholders' equity as indicators of operating performance.