



BUILDING AMERICA®

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Cautionary Information



This presentation and related materials contain statements about the Company's future that are not statements of historical fact, including specifically the statements regarding the Company's expectations with respect to economic conditions; its ability to generate financial returns, improve resource productivity; enhancing the customer experience; implementing corporate strategies; and providing excellent service to its customers and returns to its shareholders. These statements are, or will be, forward-looking statements as defined by the Securities Act of 1933 and the Securities Exchange Act of 1934. Forward-looking statements also generally include, without limitation, information or statements regarding: projections, predictions, expectations, estimates or forecasts as to the Company's and its subsidiaries' business, financial, and operational results, and future economic performance; and management's beliefs, expectations, goals, and objectives and other similar expressions concerning matters that are not historical facts.

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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.



The Strength of a Unique Franchise

Balanced Network

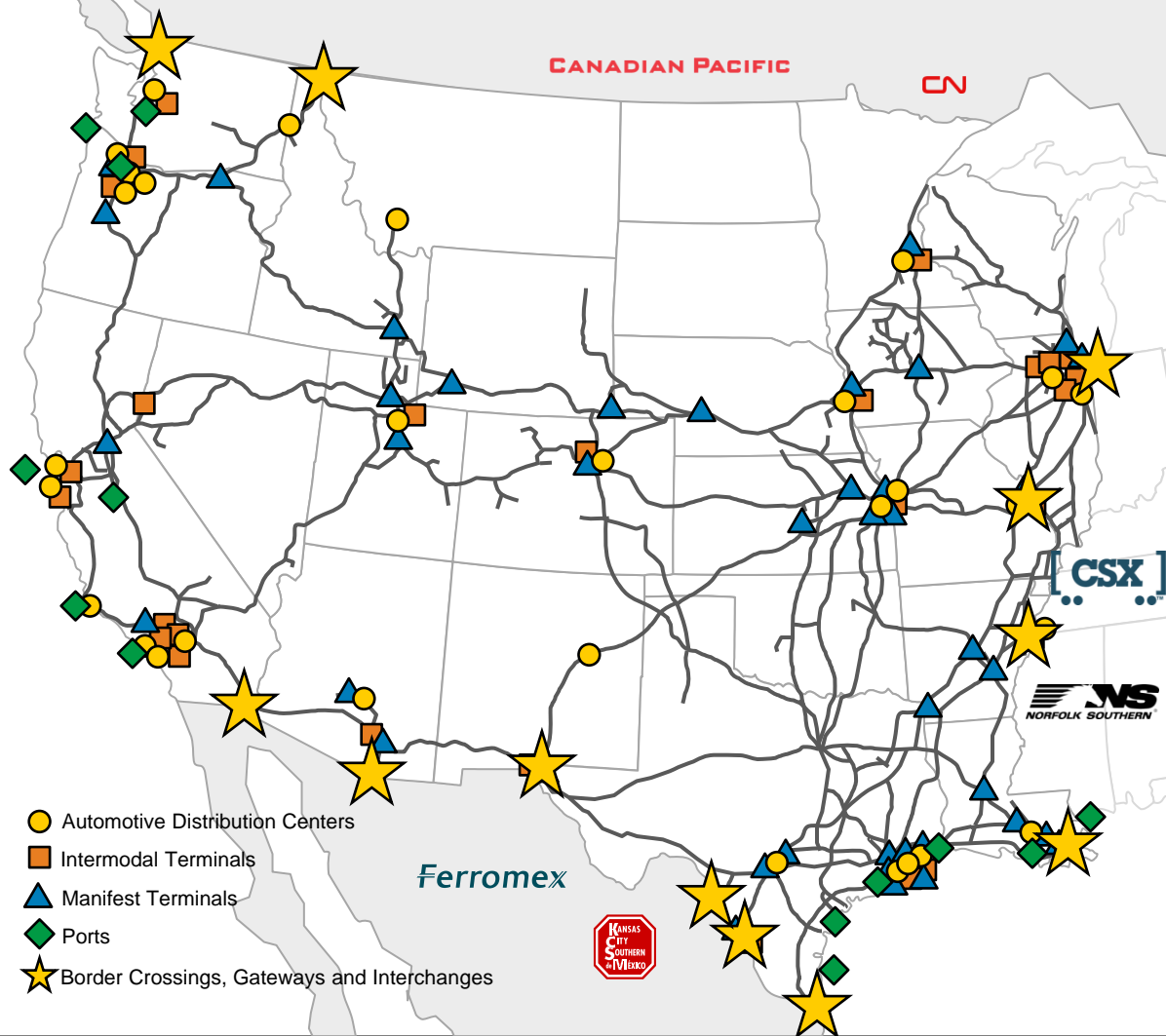
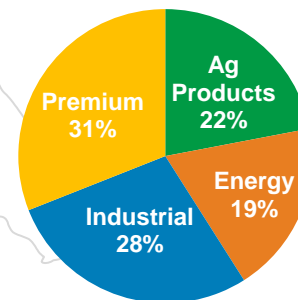
Strategic Terminal Locations

Broad Port Coverage

Border and Interchange Access

Business Mix

First Half 2019 Revenue: \$10.2 Billion



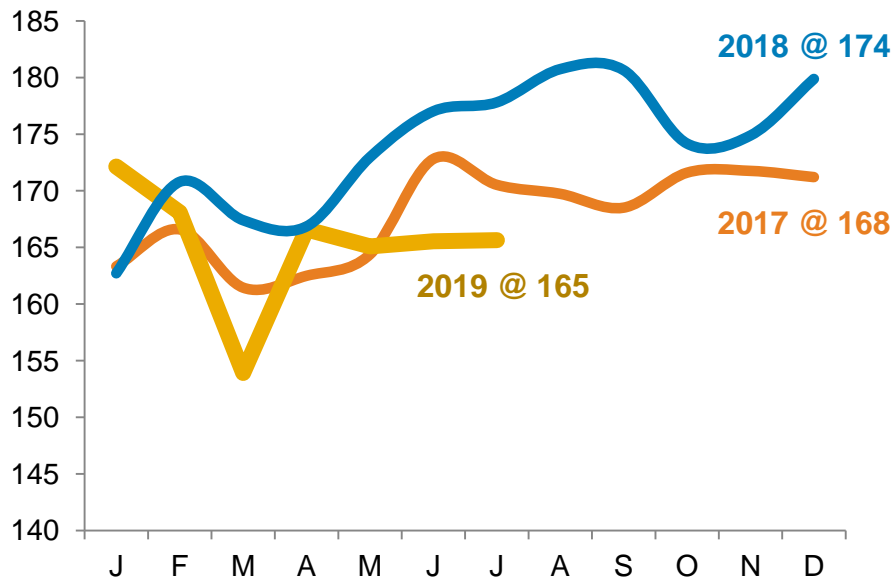
- Automotive Distribution Centers
- Intermodal Terminals
- ▲ Manifest Terminals
- ◆ Ports
- ★ Border Crossings, Gateways and Interchanges

2019 Business Trends



7-Day Monthly Carloadings

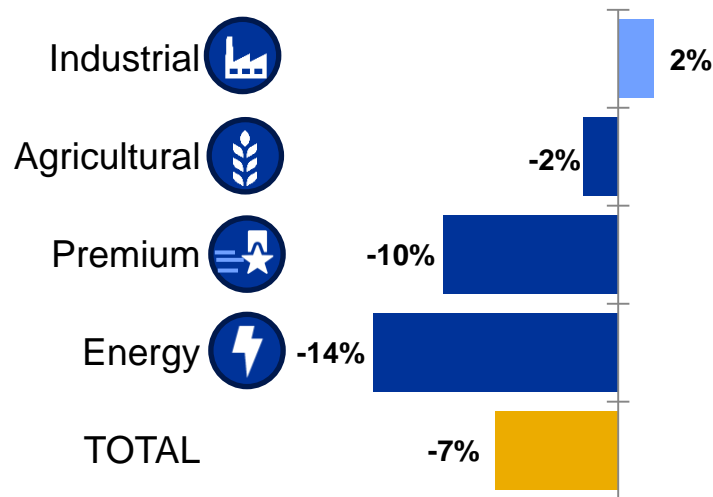
(000s)



* Carloadings as of 9/1/19

Third Quarter Volumes*

2019 vs. 2018



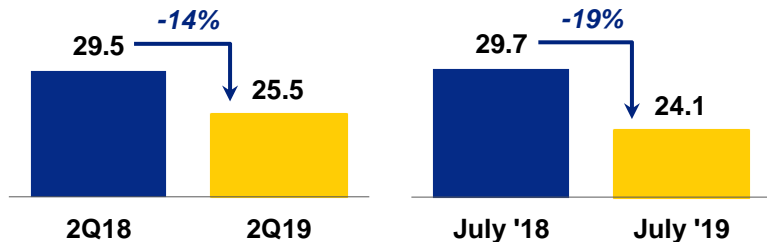
Unified Plan 2020

Key Performance Indicators



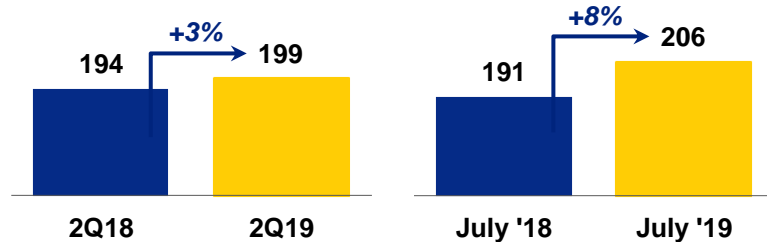
Freight Car Terminal Dwell

(Hours)



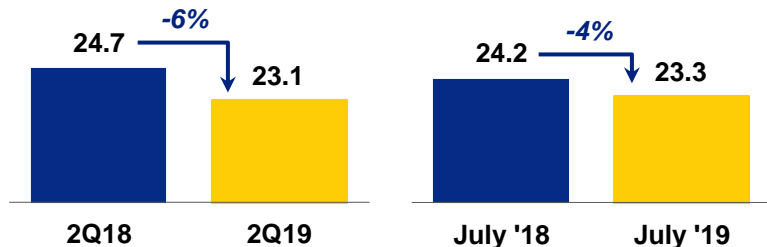
Freight Car Velocity*

(Daily Miles per Car)



Train Speed

(Miles per Hour)



- Continued Improvement in the Third Quarter
- Focus on Asset Utilization and Minimizing Car Touches

* Calculation revised to better reflect cars that are under Union Pacific's direct operational control. Prior periods have been adjusted to reflect the change.

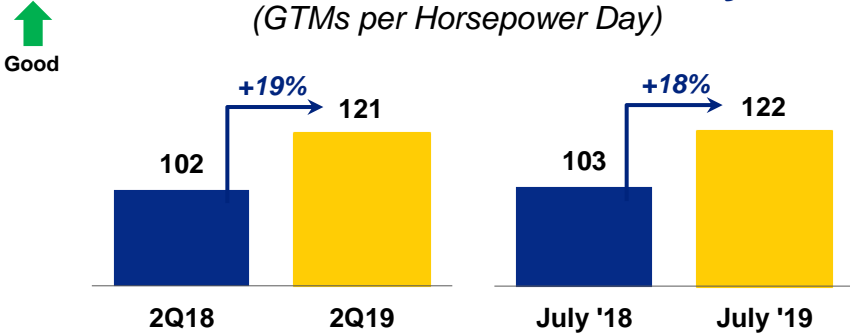
Unified Plan 2020

Key Performance Indicators



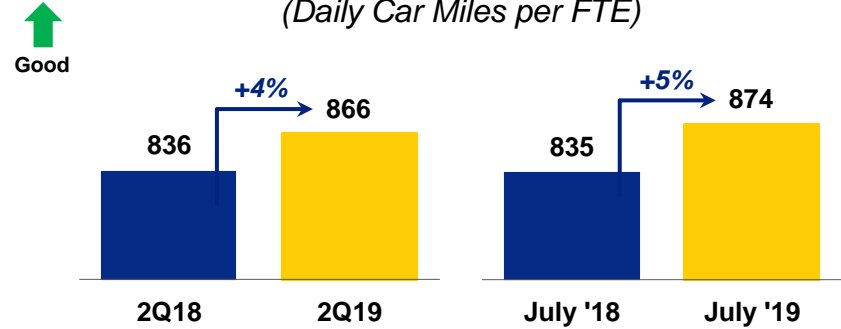
Locomotive Productivity

(GTM per Horsepower Day)



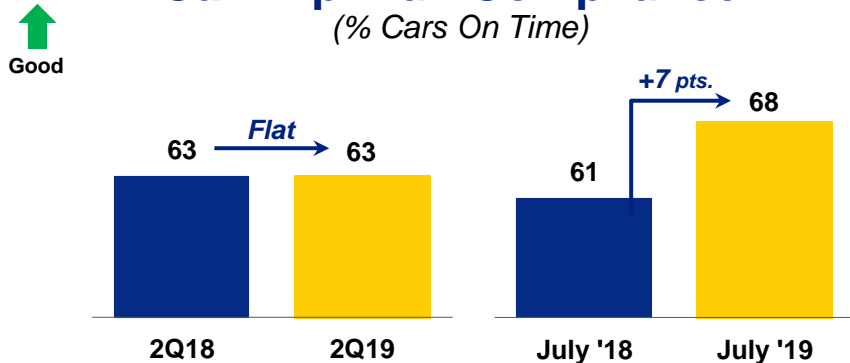
Workforce Productivity

(Daily Car Miles per FTE)



Car Trip Plan Compliance*

(% Cars On Time)



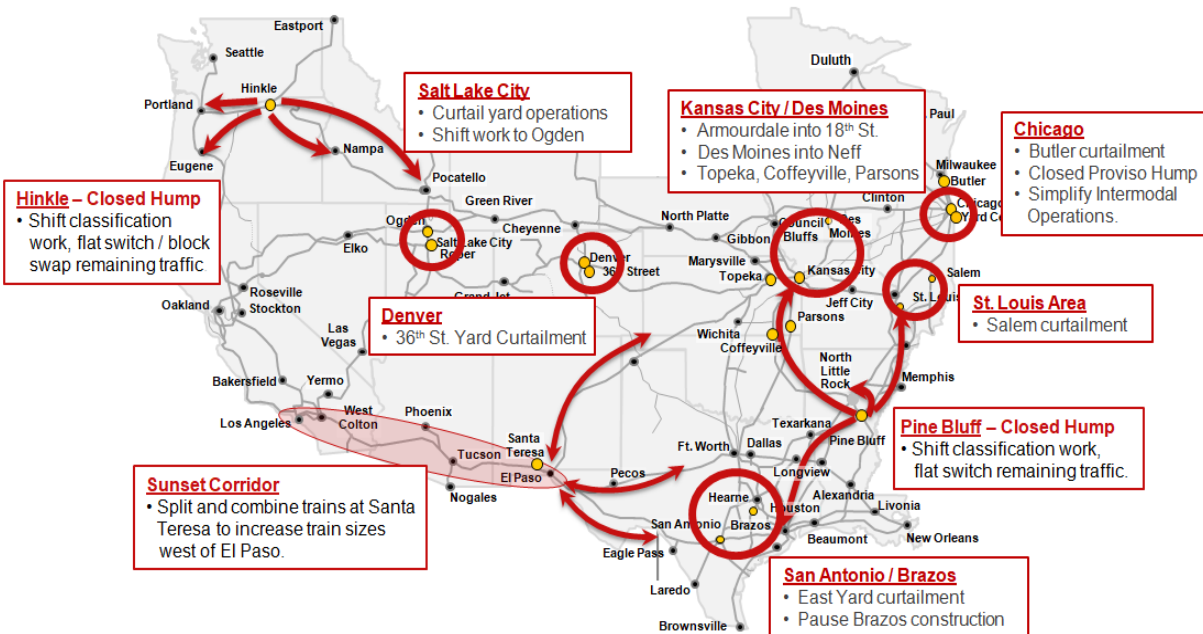
- ~2,300 Stored Locomotives as of August 31st
- Force Levels Down 8% in Second Quarter
- Improved Car Trip Plan Compliance

* Calculation revised to utilize a more comprehensive data source. Prior periods have been adjusted to reflect the change.

Unified Plan 2020

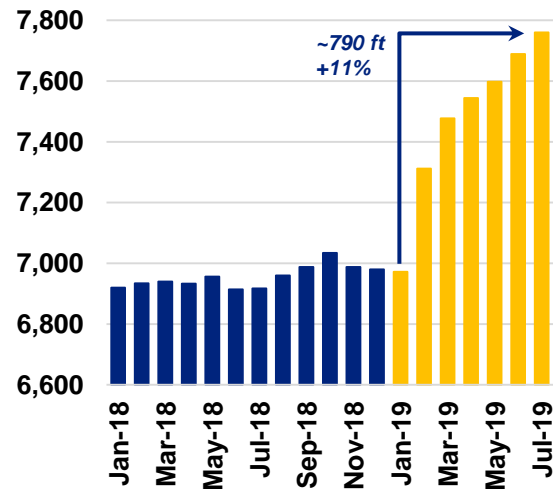


Terminal Rationalization & Network Changes



System Train Length

(Max on route, in feet)

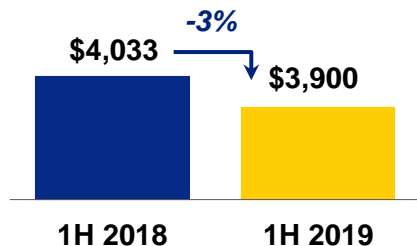


Cash Flow & Debt

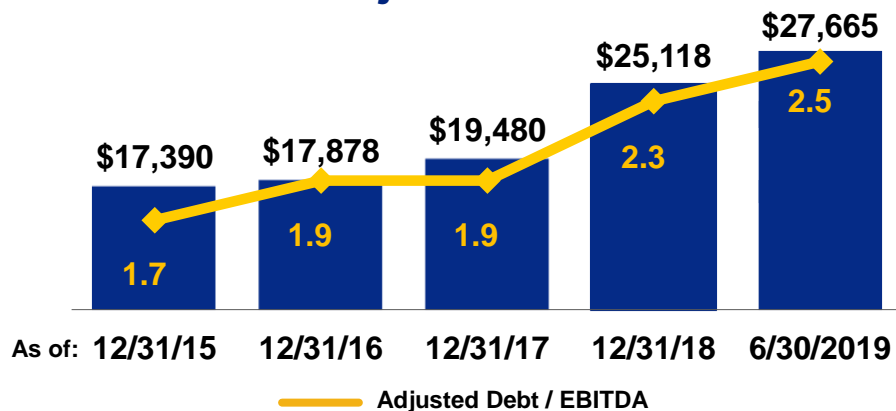
\$ in Millions



Cash From Operations



Adjusted Debt*



- Strong Cash Flow Generation
- Free Cash Flow Conversion Rate Equal to 77% of Net Income
- Adjusted Debt / EBITDA of 2.5x
 - Leverage Target is up to 2.7x
 - Credit Rating no lower than BBB+ and Baa1
 - \$1 Billion Debt Offering in July 2019

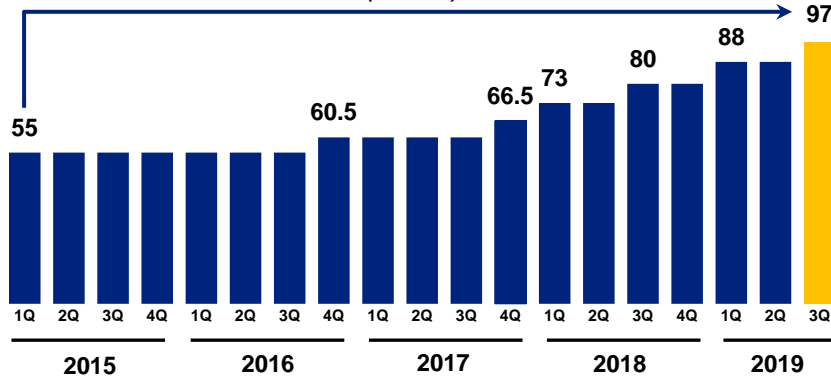
* See Union Pacific website under Investors for reconciliation to GAAP

Delivering Value to Shareholders



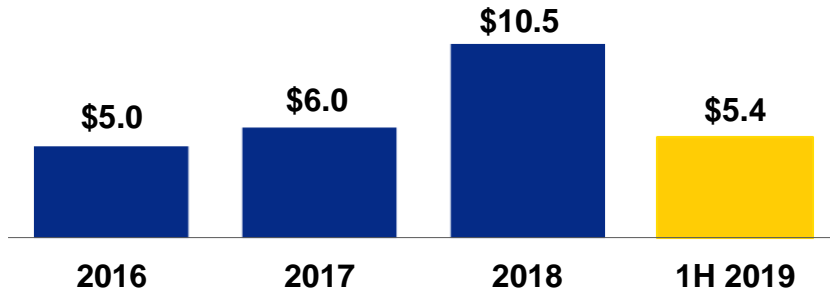
Declared Dividend Per Share

(cents)



Cash Returned to Shareholders

(\$ In Billions)

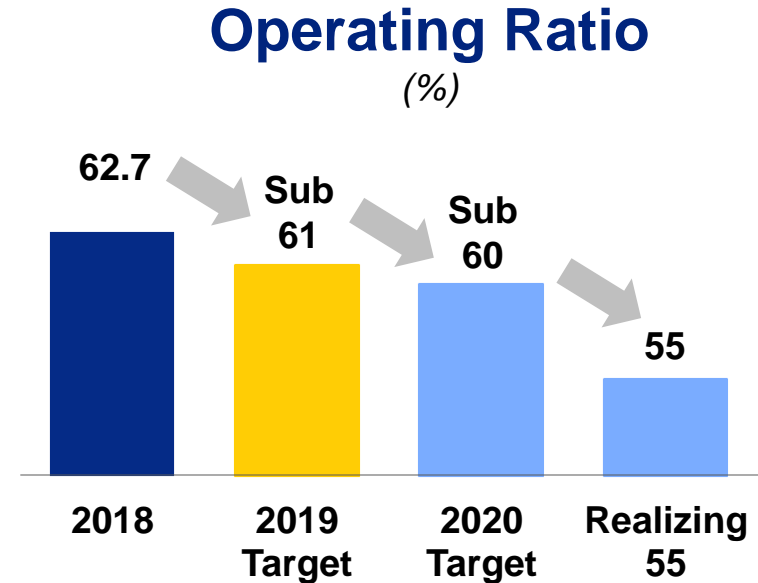


- **Five Dividend Increases in Past Eight Quarters**
 - Target Payout of 40 to 45%
- **Share Repurchases**
 - Three year Target of \$20 Billion by 2020
 - Repurchased \$12.4 Billion through Second Quarter 2019 (62% complete)
- **Returned \$5.4 Billion to Shareholders in First Half 2019**

2019 Outlook



- **Second Half Volume Down Mid-Single Digits**
- **Continued Pricing Gains In Excess of Inflation Dollars**
- **Capital Expenditures of ~\$3.2 Billion**
- **Significant Productivity Savings from G55 + 0, Including Unified Plan 2020**
 - At Least \$500 Million in 2019
 - Full-Year Force Levels Down ~10%
- **Operating Ratio Guidance Unchanged**
 - Sub-61% in 2019
 - Below 60% by 2020





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