



UNION PACIFIC 2024

# Investor Day

## PURSUIT OF WHAT'S POSSIBLE

UNION PACIFIC CORPORATION



September 19, 2024



# WELCOME

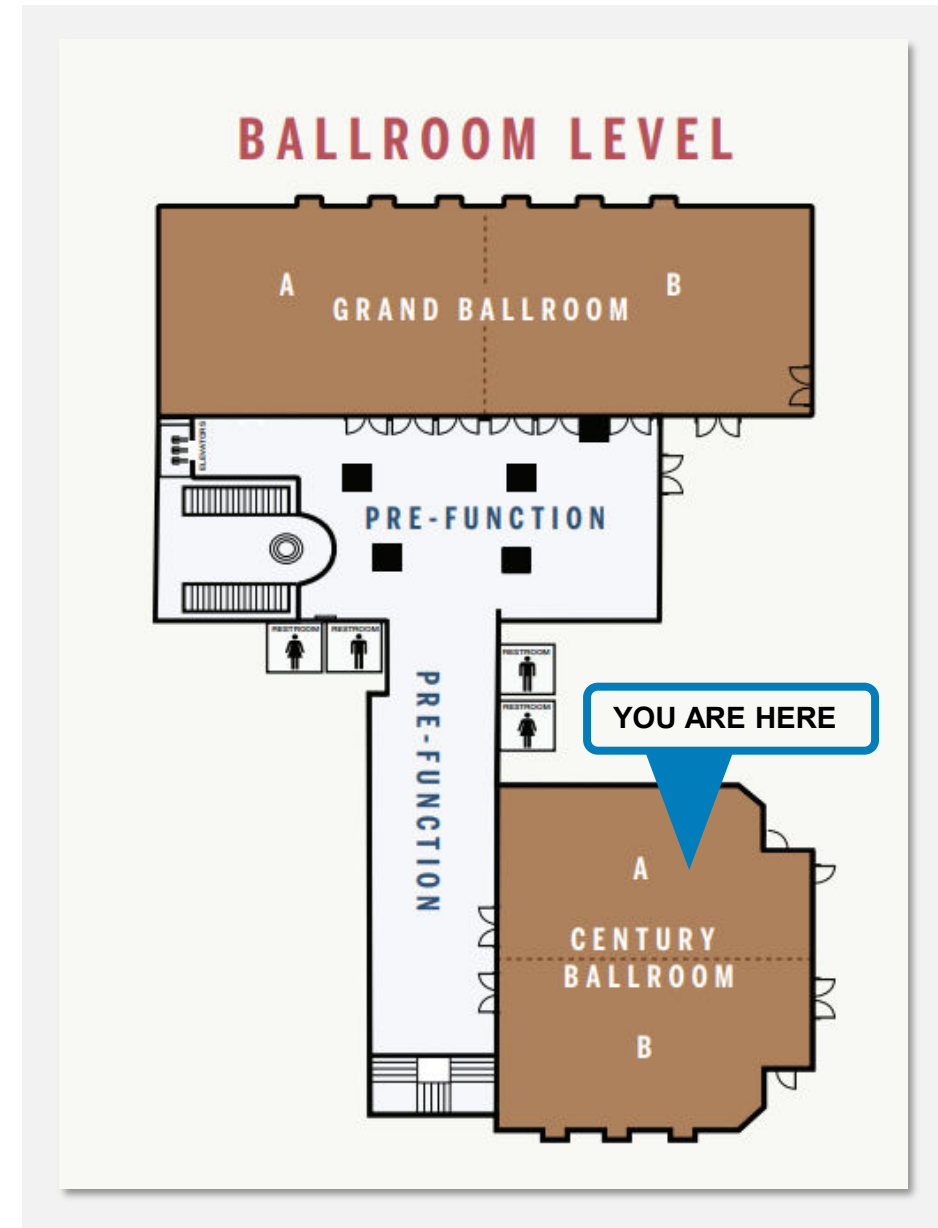


**BRAD STOCK**  
Assistant Vice President –  
Investor Relations



# Safety Briefing

- Restrooms
- Inclement Weather
- Fire Extinguisher, Exits & Meeting Locale
- Medical Emergency
  - First Aid
  - 911
  - CPR
  - AED
- Run, Hide, Fight



# Cautionary Information

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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 (including those in response to increased traffic), its results of operations, and potential impacts of public health crises, including pandemics, epidemics or the outbreak of other contagious diseases, such as coronavirus and its variants (COVID), and the Russia-Ukraine and Israel-Hamas wars and other geopolitical tensions in the middle east. 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 2023, which was filed with the SEC on February 9, 2024. 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.





‘How We Win – Safety, Service & Operational Excellence = Growth’

[Please Place Player in Full-Screen Mode]



# PURSUIT OF WHAT'S POSSIBLE



**JIM VENA**  
Chief Executive Officer



# Dallas, TX Metroplex Key to UP Franchise



## Prime Pointe Industrial Park

Rail Served Industrial Park  
3,000-acres



## Davidson Yard

Classification Yard  
Daily Switches: 1,825



## Dallas Yard

Classification Yard  
Daily Switches: 330



## Dallas Intermodal Terminal

Intermodal Terminal  
Daily Lift Capacity: 750

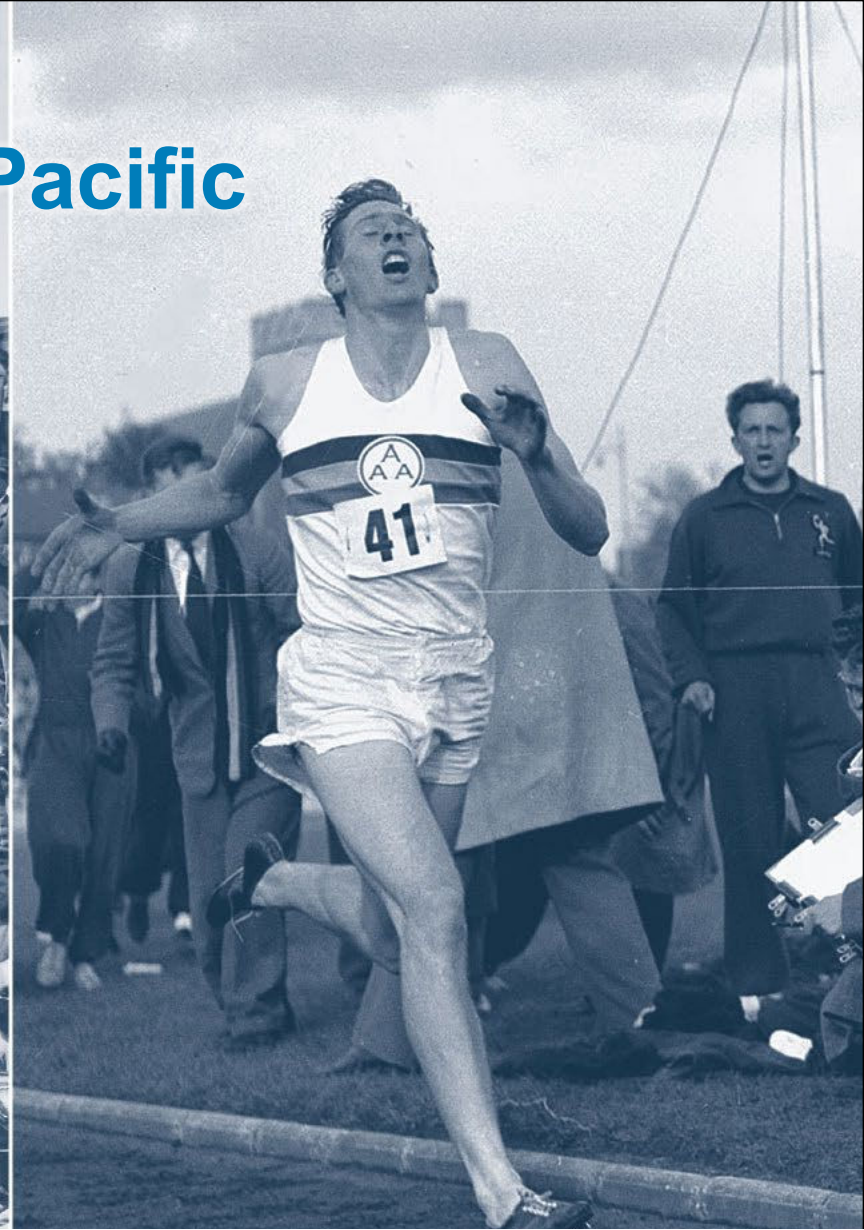
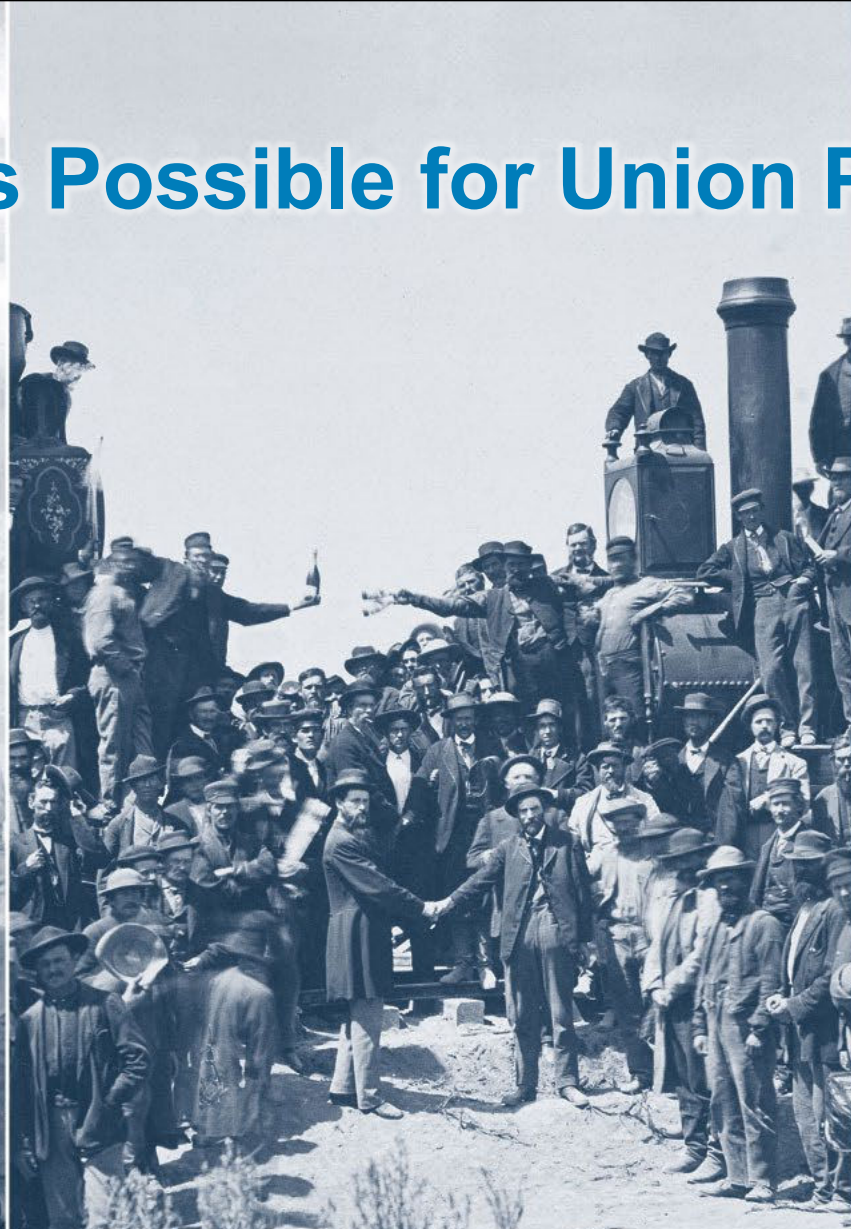
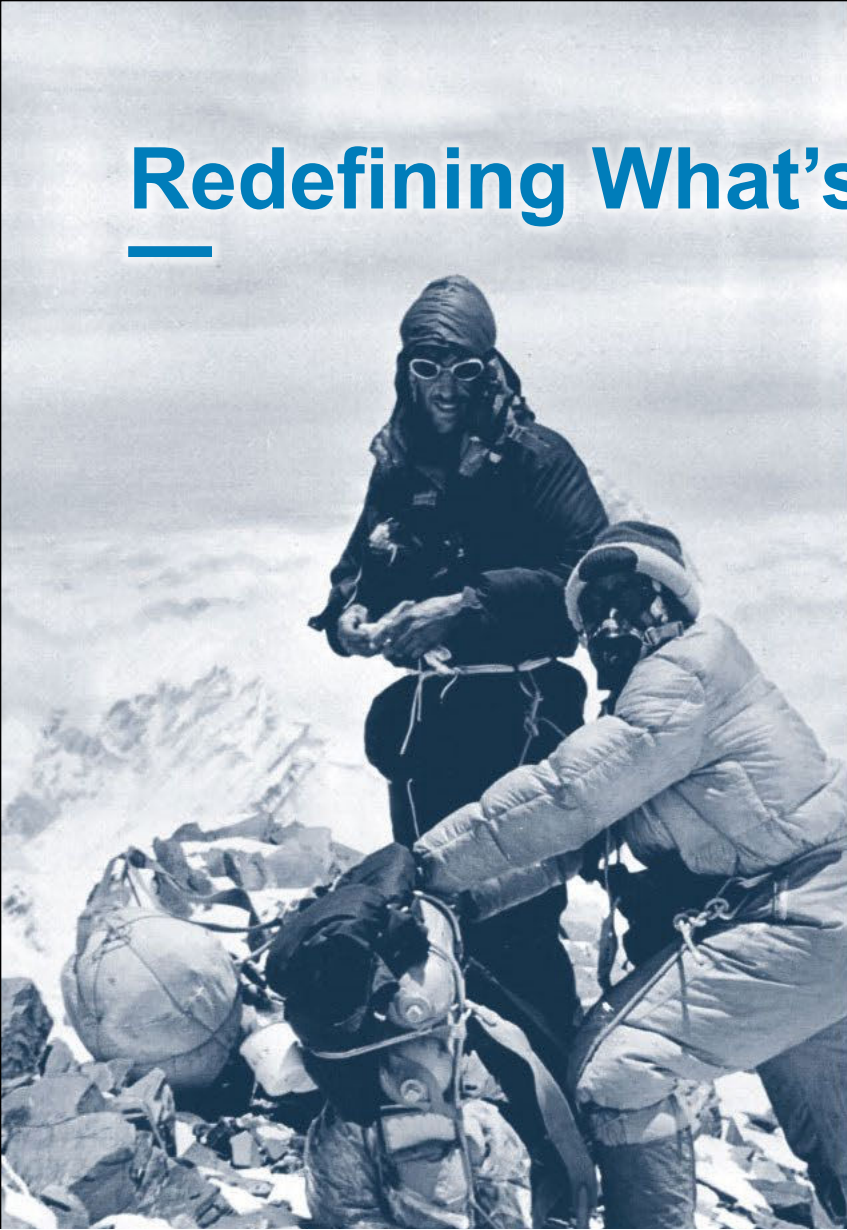


## Mesquite Intermodal & Automotive Ramp

Intermodal & Automotive Terminal  
Daily Lift Capacity: 1,025



# Redefining What's Possible for Union Pacific



UNION PACIFIC 2024

# Investor Day



# Laying Foundation For Success

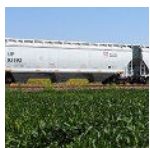
YEAR OVER YEAR IMPROVEMENTS FOR TRAILING 12 MONTHS ENDED JUNE 30, 2024



## Reportable Injury Rates\*

\*YTD August 2024

↓ 22%



## Freight Car Velocity

Daily Miles per Car

↑ 6%



## Freight Car Terminal Dwell

Average Hours at Terminal

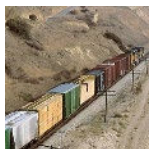
↓ 4%



## Intermodal Service Performance Index

% of Boxes On Time

↑ 11 pts



## Manifest Service Performance Index

% of Cars On Time

↑ 7 pts



## Locomotive Productivity

GTMS per HP Day

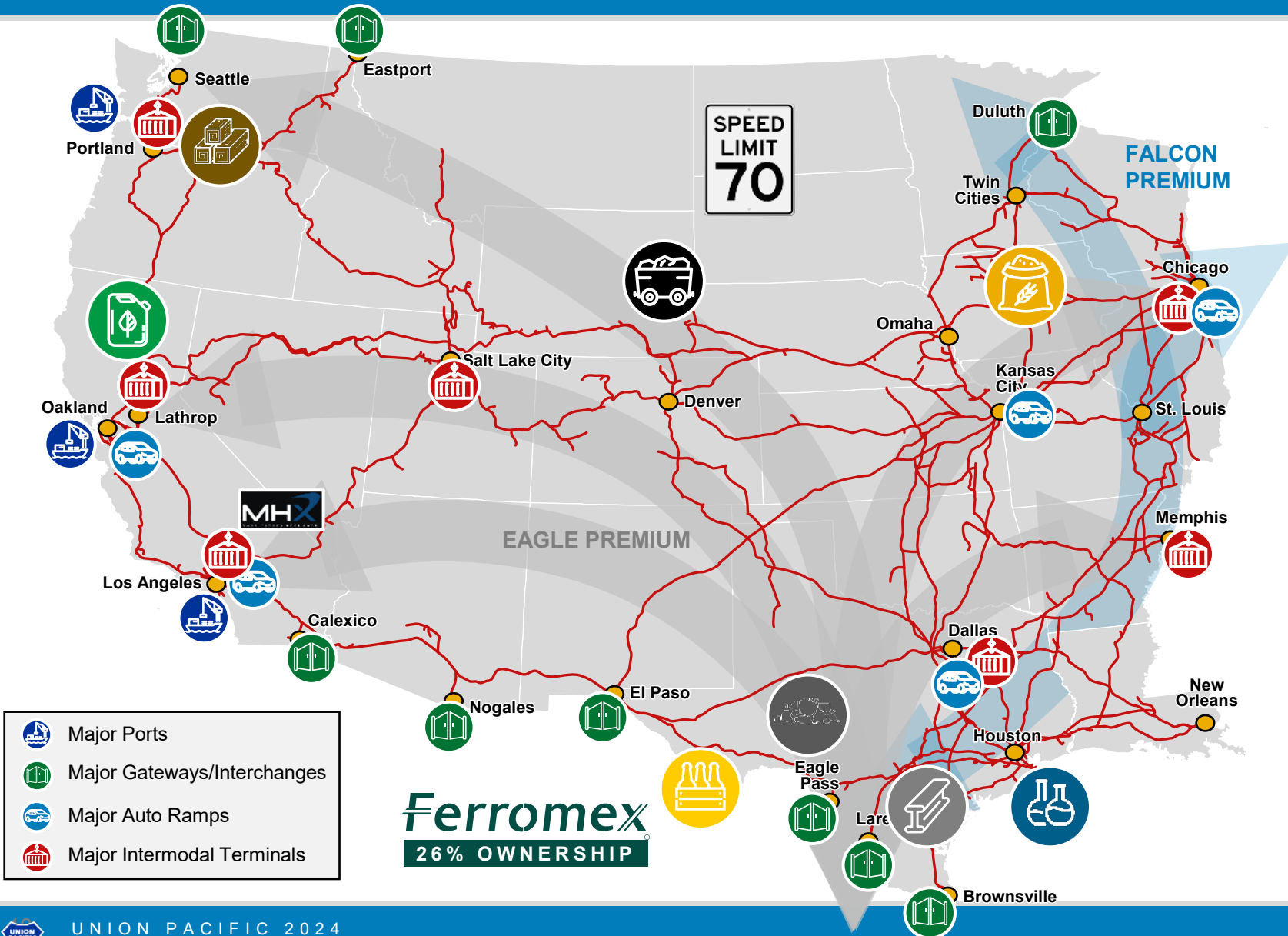
↑ 9%



UNION PACIFIC 2024

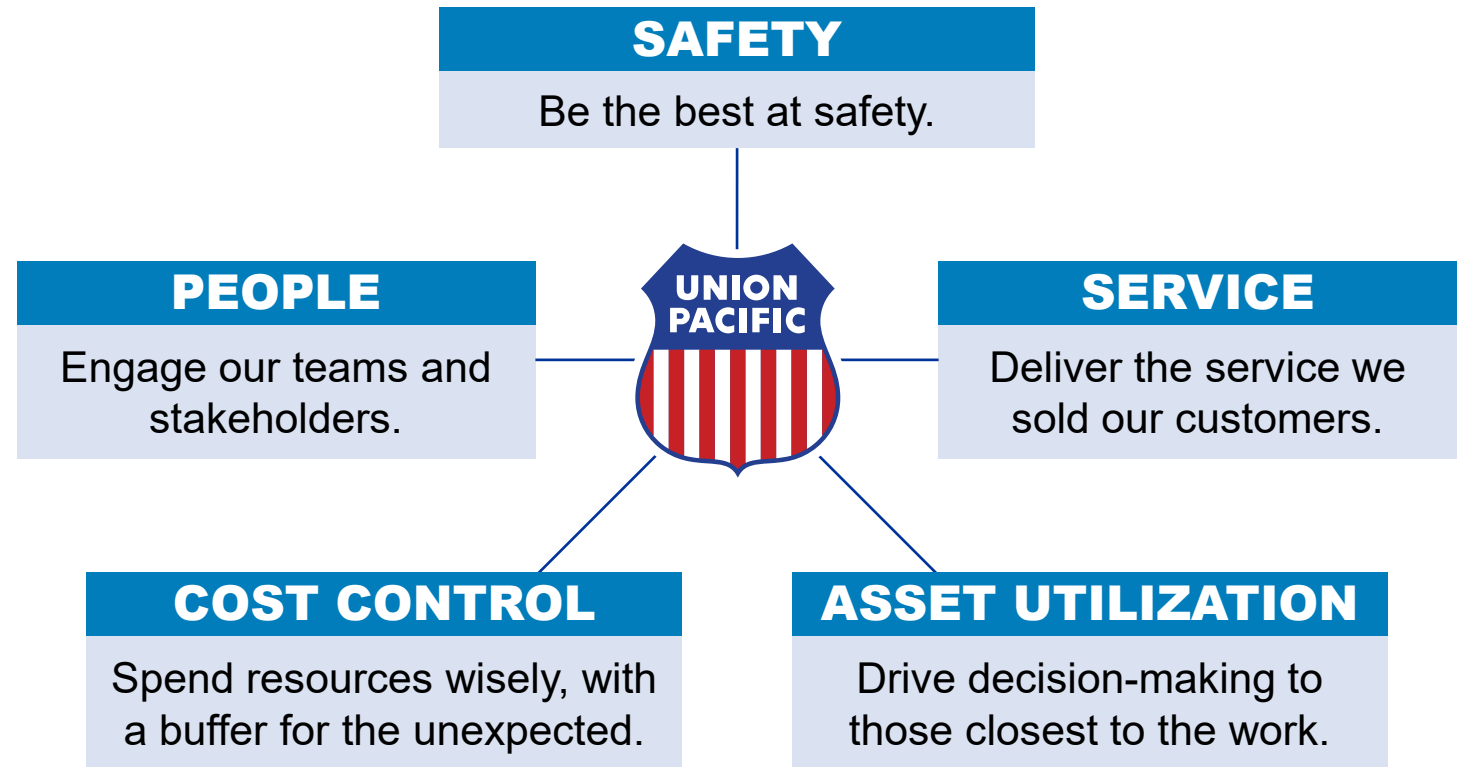
Investor Day

# A Unique Opportunity to Lead Premier Rail Franchise

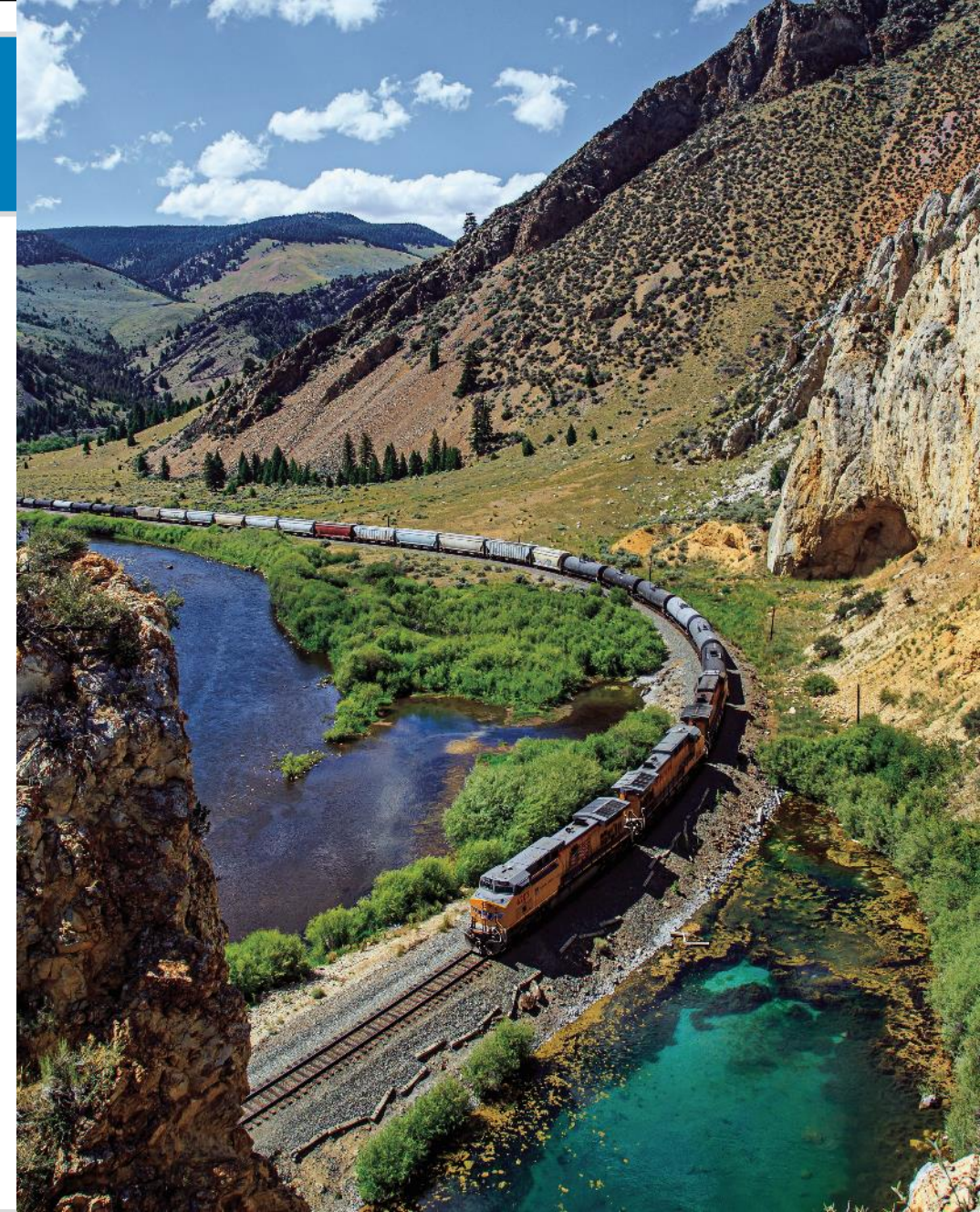


- Connects 23 States in Western Two-Thirds of U.S.
- Diversified Business Mix
- Serves Fastest-Growing U.S. Population Centers
- Only Railroad Serving All Six Major Mexico Gateways
- Operates From All Major West Coast & Gulf Coast Ports
- Unparalleled Petrochemical Footprint In South
- Connects With Canada's Rail Systems

# Safety, Service & Operational Excellence Leads to Growth



# Balancing Expectations & Results



# Agenda



## Pursuit of What's Possible

Jim Vena, Chief Executive Officer



## Pursuit of Safety, Service & Operational Excellence

Eric Gehringer, Executive Vice President – Operations



## Pursuit of Smarter Operations Through Innovation

Rahul Jalali, EVP & Chief Information Officer



## Customer-Driven Pursuit of Growth

Kenny Rocker, Executive Vice President – Marketing & Sales



## Pursuit of Tomorrow, Today

Beth Whited, President



## Pursuit of Industry Leadership

Jennifer Hamann, EVP & Chief Financial Officer





# 'Tech-Enabled Operations'

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# PURSUIT OF SAFETY, SERVICE & OPERATIONAL EXCELLENCE

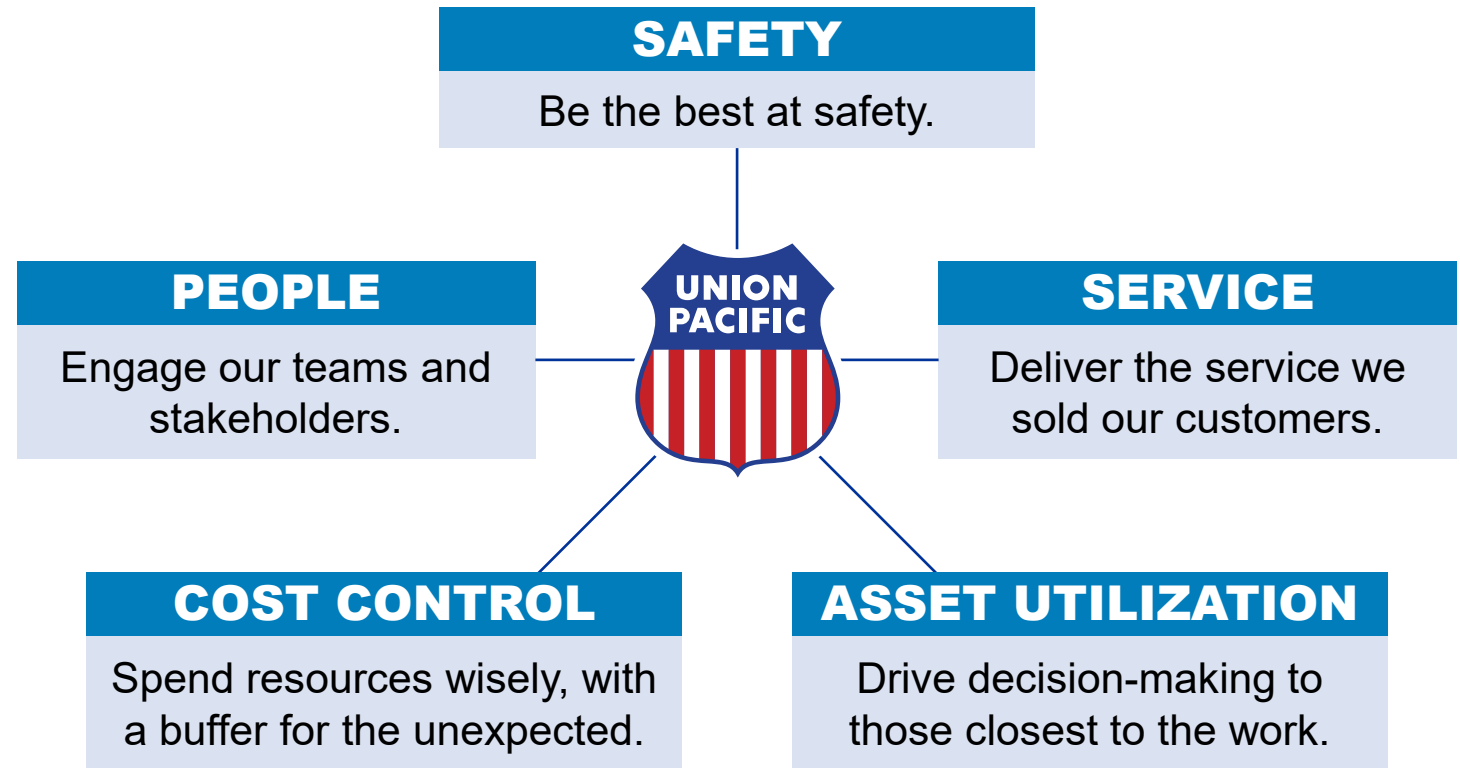


**ERIC GEHRINGER**

Executive Vice President –  
Operations



# Safety, Service & Operational Excellence Leads to Growth



# World-Class Safety

## Injury Prevention



Emphasis on specific, critical rules to reduce risk of injury or derailment

## Leverage Technology



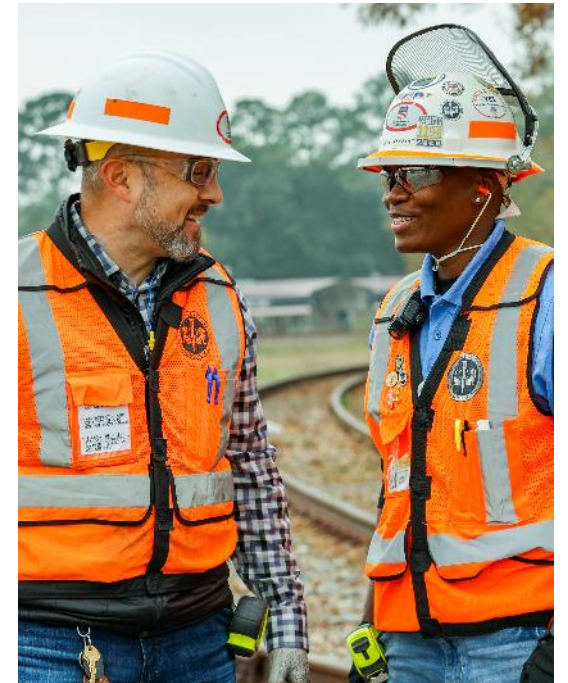
Incorporate new technology to eliminate or automate activities with most risk

## COMMIT Testing



Observation, testing and coaching of employees to ensure understanding and compliance with rules

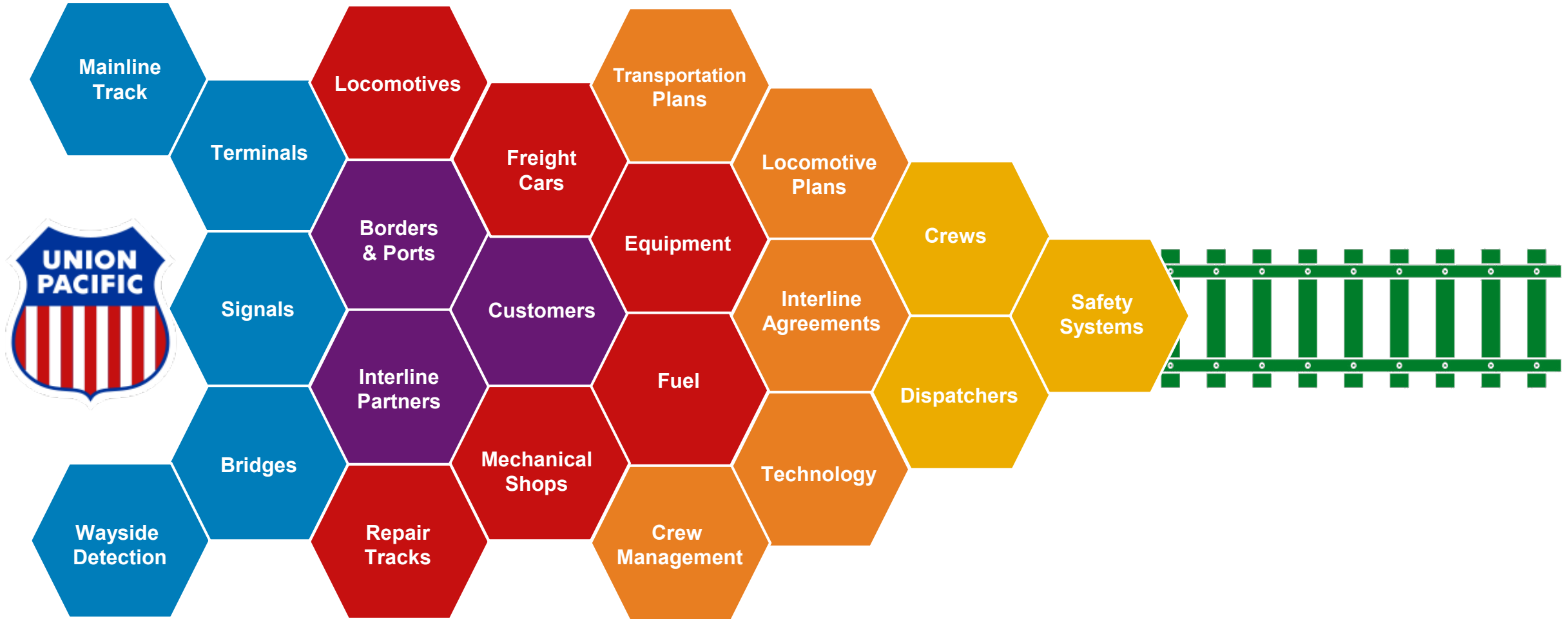
## Peer-to-Peer Engagement



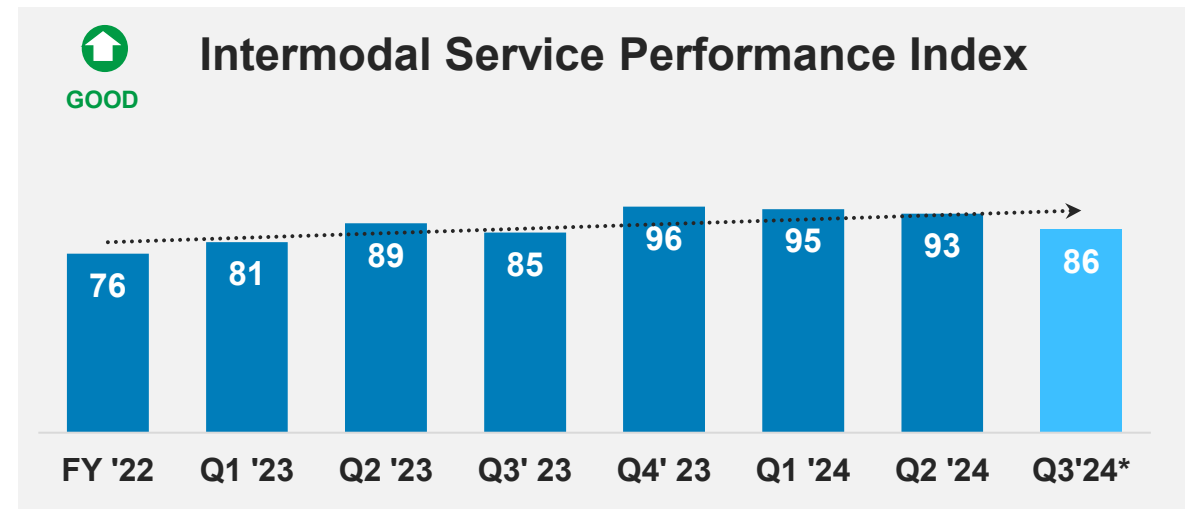
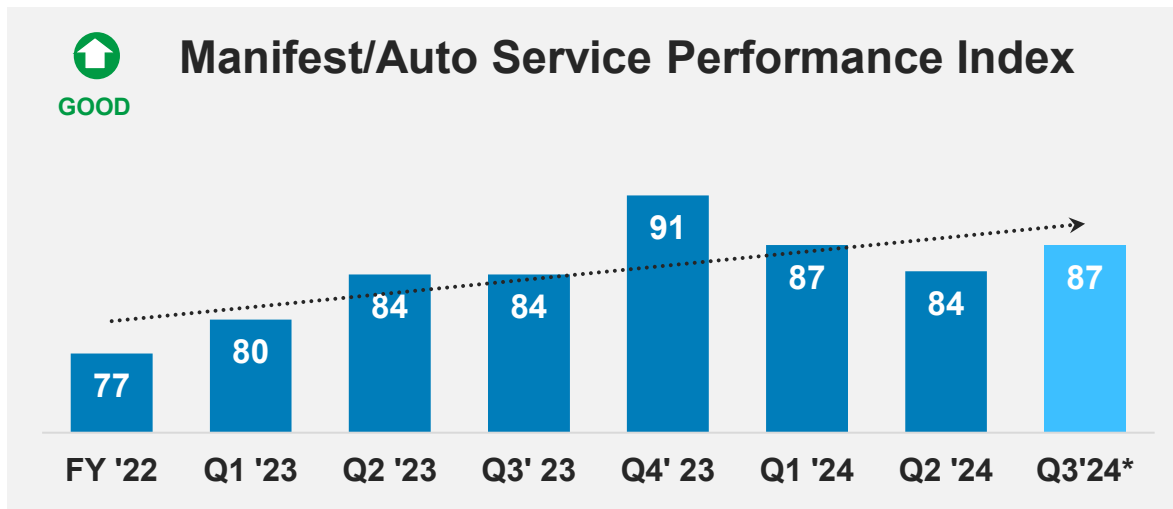
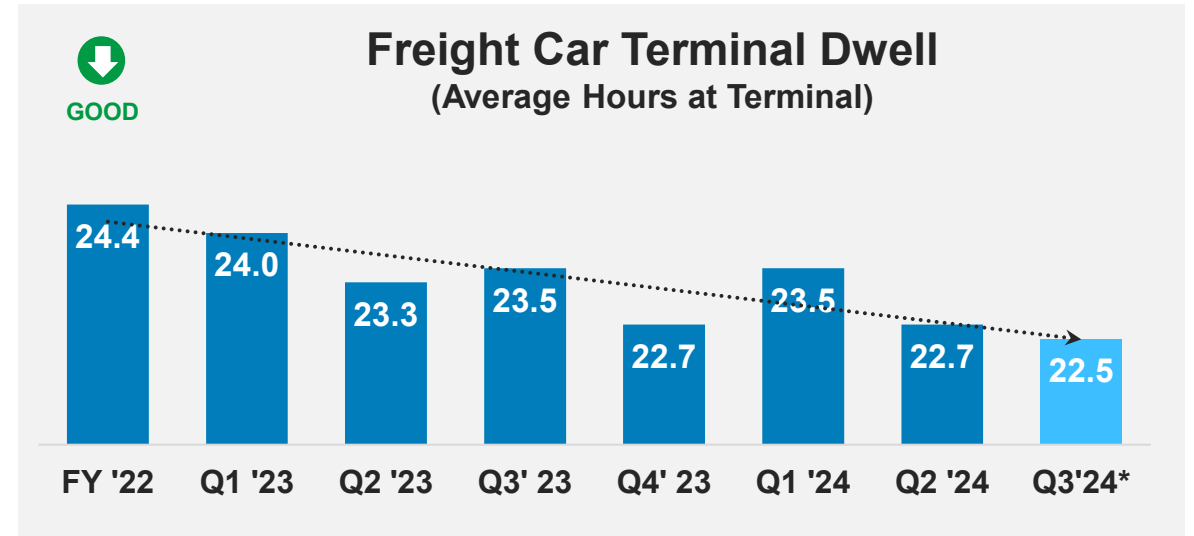
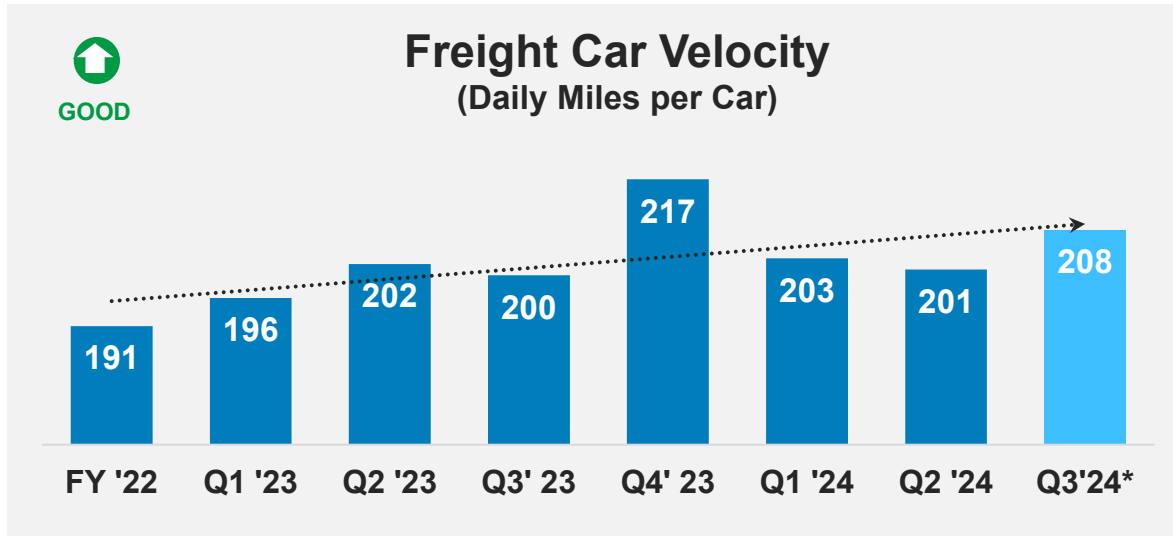
Employee ownership through engagement with Safety programs



# Managing Variables to Deliver Strong Service Product



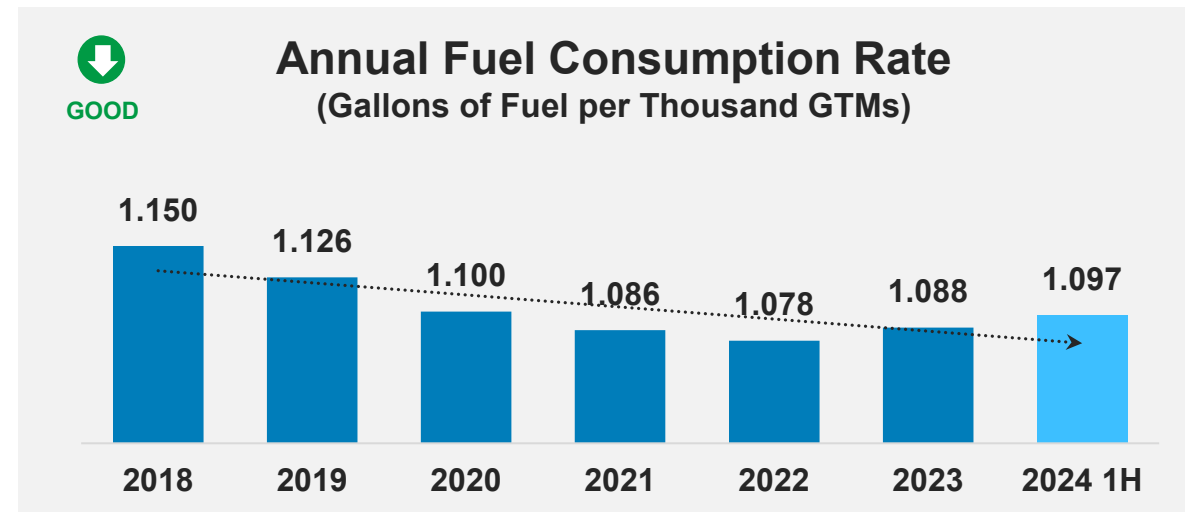
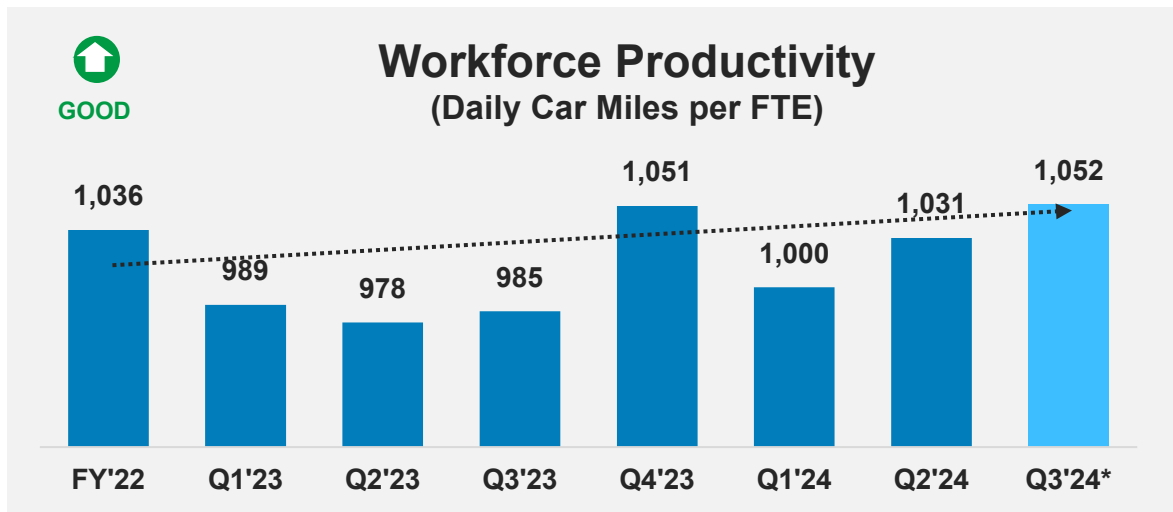
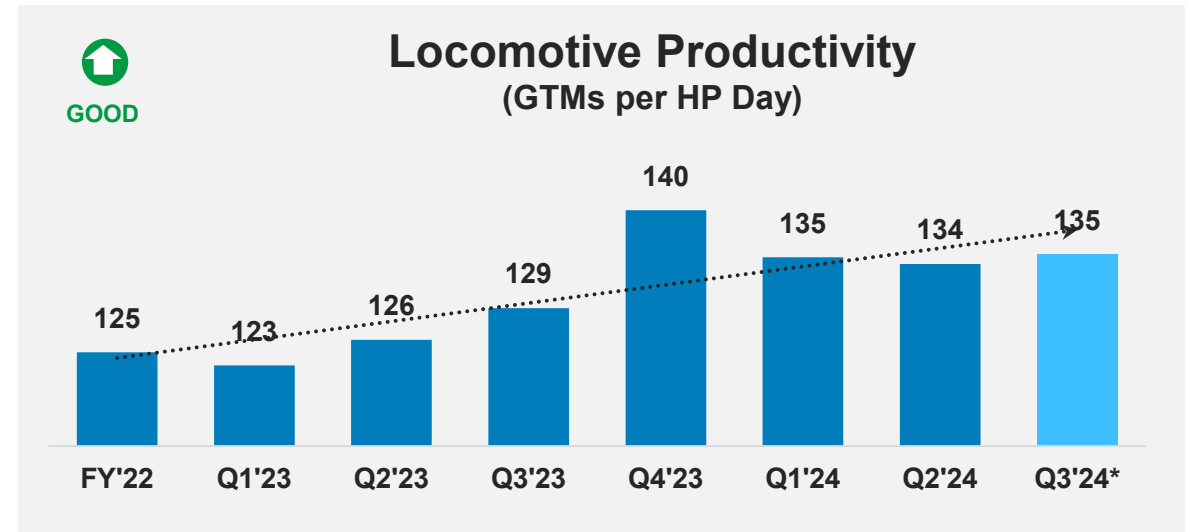
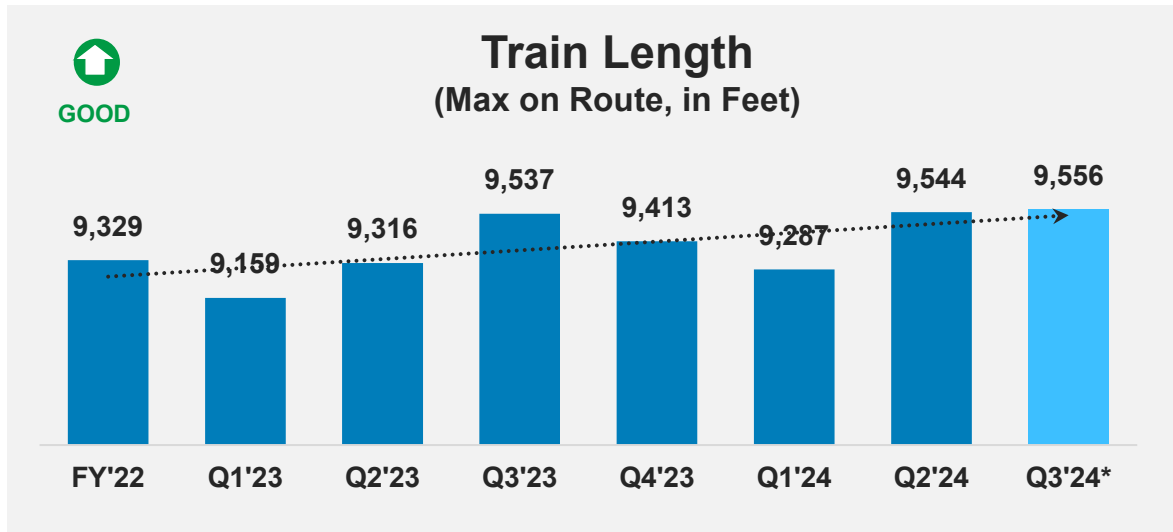
# Service – What We Sold Our Customers



\*QTD Through 9/9/2024



# Productivity = Resource & Fuel Efficiency



\*QTD Through 9/9/2024

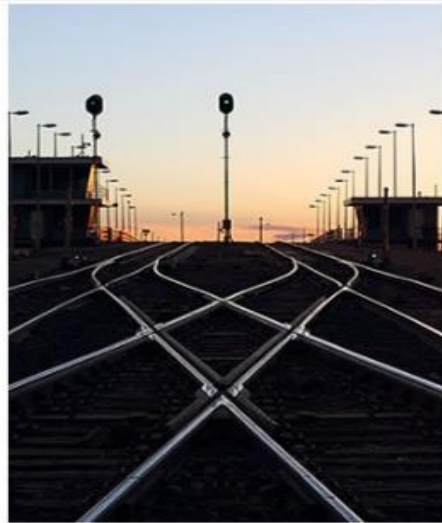


# Capacity to Grow

Line Capacity



Terminal Capacity



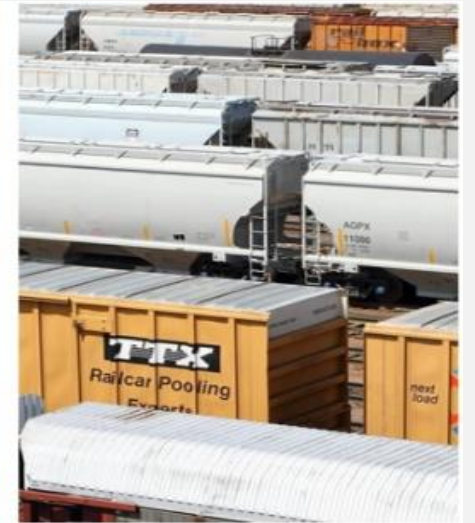
Locomotives



People



Freight Cars

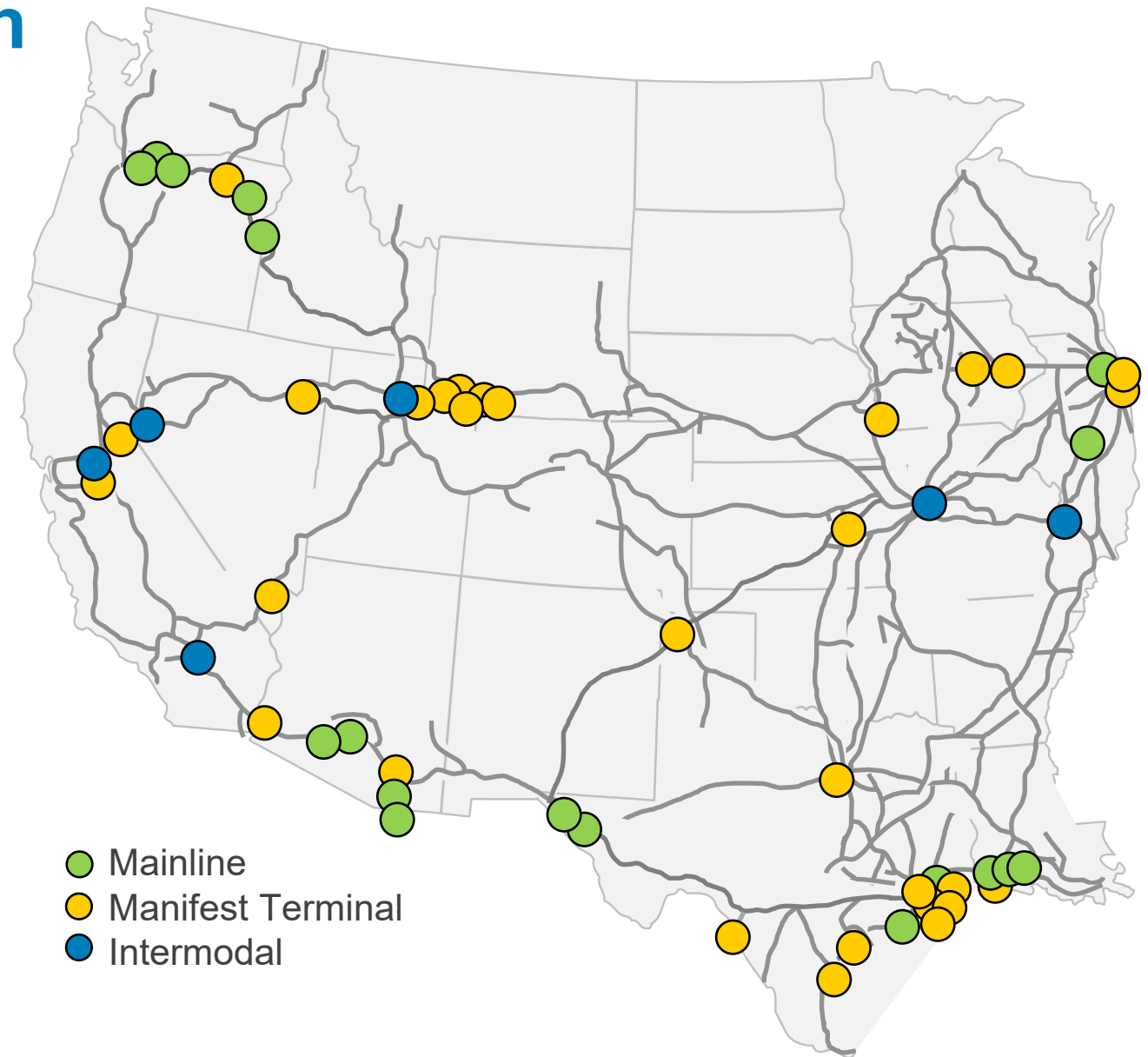


- Buffer capacity available to **capture growth and respond to major variability events**
- Mainline investments increase train length, **adding network capacity and generate productivity**
- Terminal investments increase throughput to **improve velocity and Service Performance Index**

# Investing for Future Growth

2025 - 2027

- **Focus on Terminal Investments**
  - Resiliency & Recoverability
- **Building Out in the High Growth Areas**
- **Increased Investment in Carload Growth**



# Speed to Market Captures Growth

L.A. Basin



L.A. to Chicago



Phoenix



Falcon/Eagle Premium



- Collaborating to **speed up** the new customer onboarding process
- Constructing “pop up” terminals and **building out incremental capacity** to capture carloads sooner
- **Repurposing facilities** to take advantage of new business opportunities
- **New Premium Service Products**



# PURSUIT OF SMARTER OPERATIONS THROUGH INNOVATION



**RAHUL JALALI**  
EVP & Chief Information Officer



# Technology Results Advanced By Strong Foundation

## ➤ Best-in-Class Cybersecurity

Secure by design

## ➤ Integrated, Scalable Platforms

Connected solutions thread data with plug and play integrations

## ➤ Next Generation Operating Systems

First Class I with real-time data feed from Positive Train Control, Dispatch & our Transportation Management systems harmonized for insights



# Combining Real-Time Data With AI Drives Productivity

Productivity of \$100M+ Over Next 3 Years



- **Agile Transportation Planning**  
Cost Reduction
- **Optimized Resource Placement**  
Maximize Efficiency
- **Frontline Decision-Support Tools**  
Consistent, Reliable Service
- **Automation**  
Productivity & Capacity

# Simplifying the Customer Experience Empowers Growth

## Accelerated Shopping Journey

Faster onboarding, robust sales team solutions

## Streamlined Ease of Doing Business

Supply chain connectivity with direct integrations

## Advanced Customer Visibility

Single pane centralized dashboard view



# OPERATING & TECHNOLOGY PANEL DISCUSSION



**Eric Gehringer**

**Executive Vice  
President – Operations**



**Rahul Jalali**

**EVP & Chief  
Information Officer**



**John Turner**

**Senior Vice President  
– Northern Region**



**Steven Bybee**

**Senior Vice President  
– Southern Region**



**Carl Garrison**

**Vice President –  
Network Planning &  
Operations**





Video

‘How We Grow’

[Please Place Player in Full-Screen Mode]



# CUSTOMER-DRIVEN PURSUIT OF GROWTH



**KENNY ROCKER**

Executive Vice President –  
Marketing & Sales



# Driving Revenue Growth – Rethinking What’s Possible



**BUSINESS DEVELOPMENT**  
Unleashing the Hustle Culture



**PRODUCT DEVELOPMENT**  
Innovating to Meet Customer Needs



**PRICE**  
Maximizing to the Value Sold

# Empowering the Commercial Team

## Unleashing What's Possible Through Our Hustle

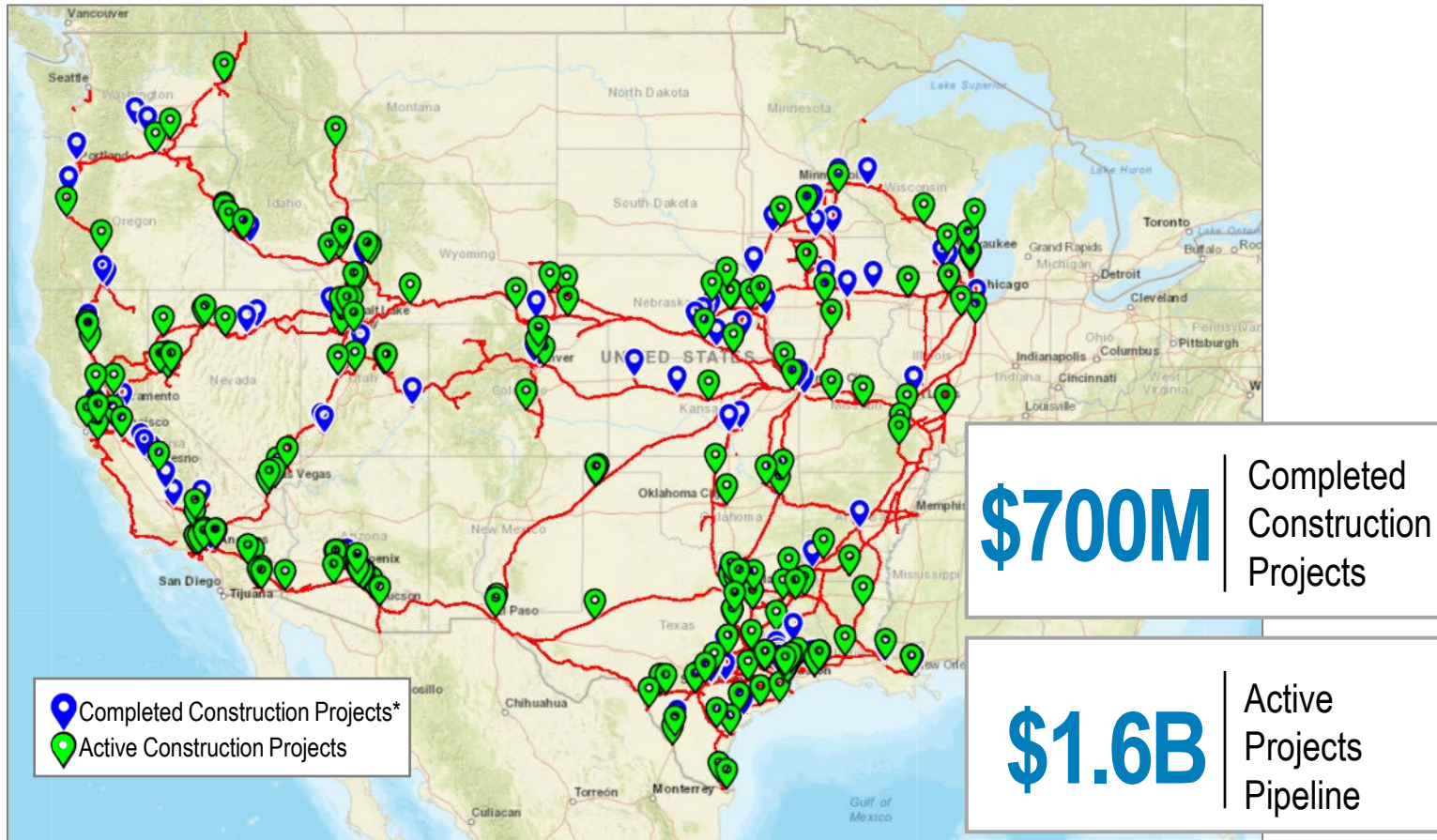
- Nimble and Faster Decision Making
- Increasing Customer Touchpoints
- Leveraging Technology to Grow
- Driving Results through Commercial Incentive Program
- Building Targeted Campaigns to Drive Business Development

— EVERY CARLOAD COUNTS —



# Adding Business to UP

## Attracting Customers to Rail-Served Facilities



- 182 track construction projects completed from 2021 – 2024 YTD, generating **over \$700M** of revenue annually
- Proactively engaging with customers, developers and community partners on new construction facilities
- Construction pipeline generates **high ROI** carload business
- Active pipeline of 200+ construction projects, potential **\$1.6 billion** in revenue opportunities

# Delivering What Customers Need

## New Products and Innovation

### Intermodal Service Offerings

- Los Angeles to Chicago Premium Service – removing 2 days transit
- Phoenix Intermodal Facility
- Port Houston On-Dock
- Mexico to Southeast
- Falcon / Eagle Premium
- Inland Empire Intermodal Facility
- Twin Cities Intermodal Facility
- Global IV Ag Transload Facility

### Extending Reach Rail Served Sites & Transloads

- Expanded SIT and Lease Tracks
- Loup & MHX Transload Facilities
- Industrial Parks and Site Selection Properties
- Grain & Grain Products Facilities
- Rock Yards
- Dallas 2 Dock

### Customer Experience Tools & Applications

- Improved Car Order Fulfillment
- Onboarding Enhancements
- Improved Invoice Management
- Loup Supply Chain Solutions
- Container GPS
- RailPulse
- UP API Services
- UPGo



# Key Growth Markets

## Grain & Grain Products



Growing Agricultural Landscape

**1B** | Bushels of Production

## Petrochemicals



Continued Production Expansions

**3.2M** | Production Tons Added

## Mexico



Nearshoring & USMCA

**\$140B** | Announced Investments

## Truck Conversions



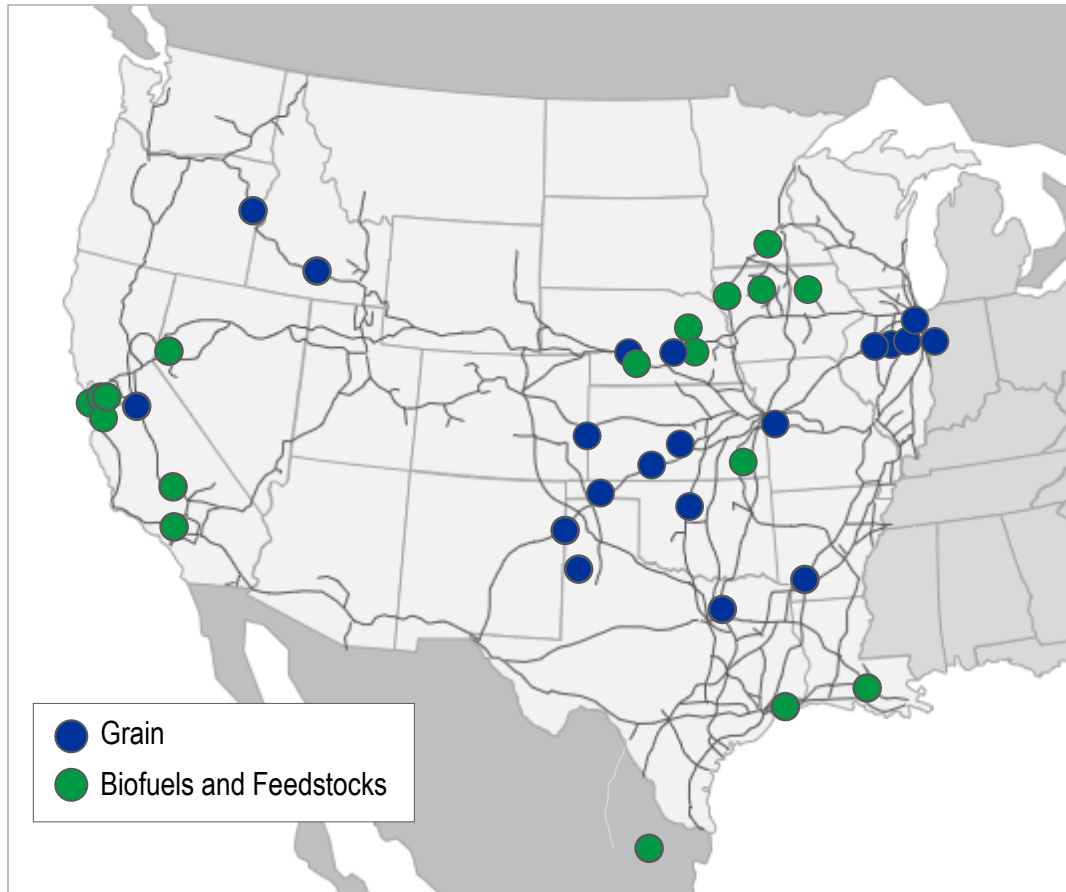
Sustainable Solutions

**17M** | Truckloads



# Grain & Grain Products Opportunities

## UP's Network Supports the Growing Agricultural Landscape



### ➤ Renewable Fuels

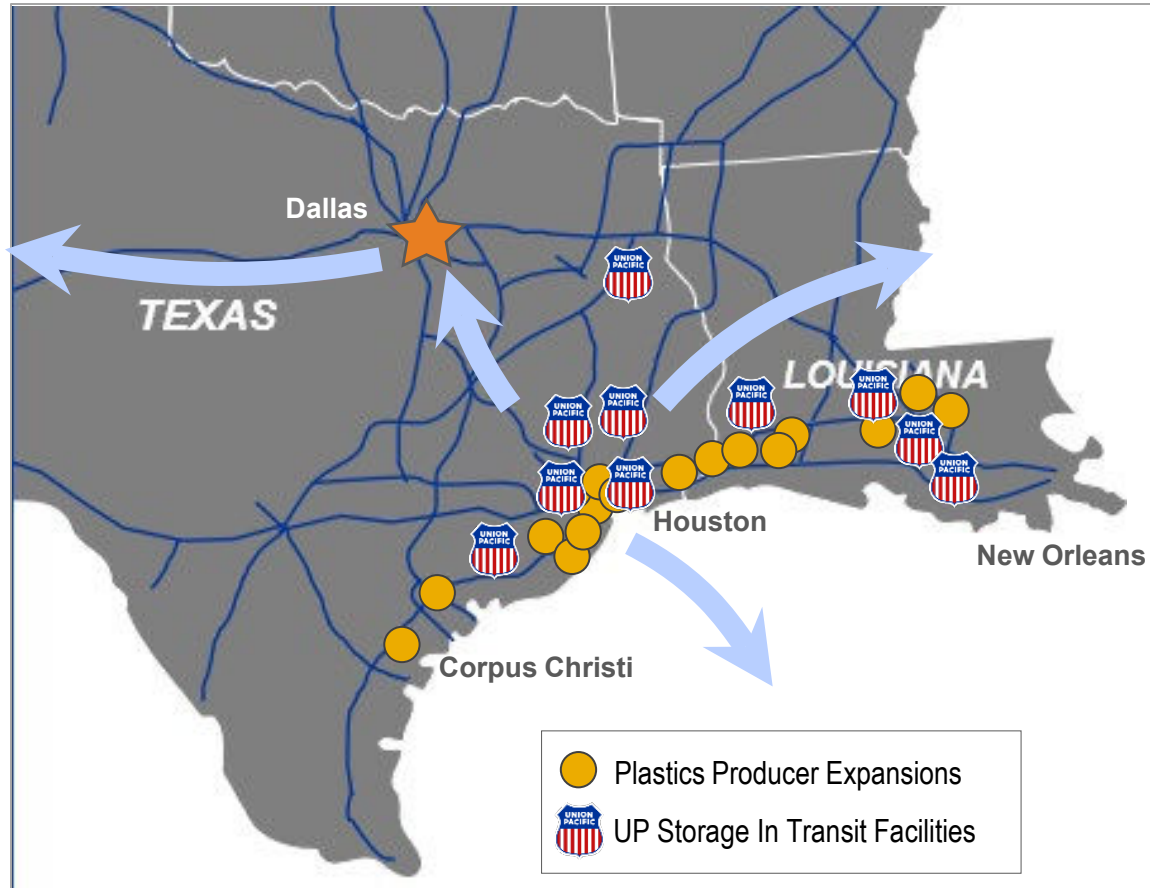
- Since 2021, UP volume has grown over 30% from renewable fuel demand
- Continued feedstock demand driving new soy crush facilities across U.S.
- **18+ new or expanded** facilities with forecasted production of 800M bushels of soybeans

### ➤ New Grain Expansion

- Winning new business from **20+ grain facilities** – newly constructed, expanded or announced in last two years

# Petrochemical Market Wins

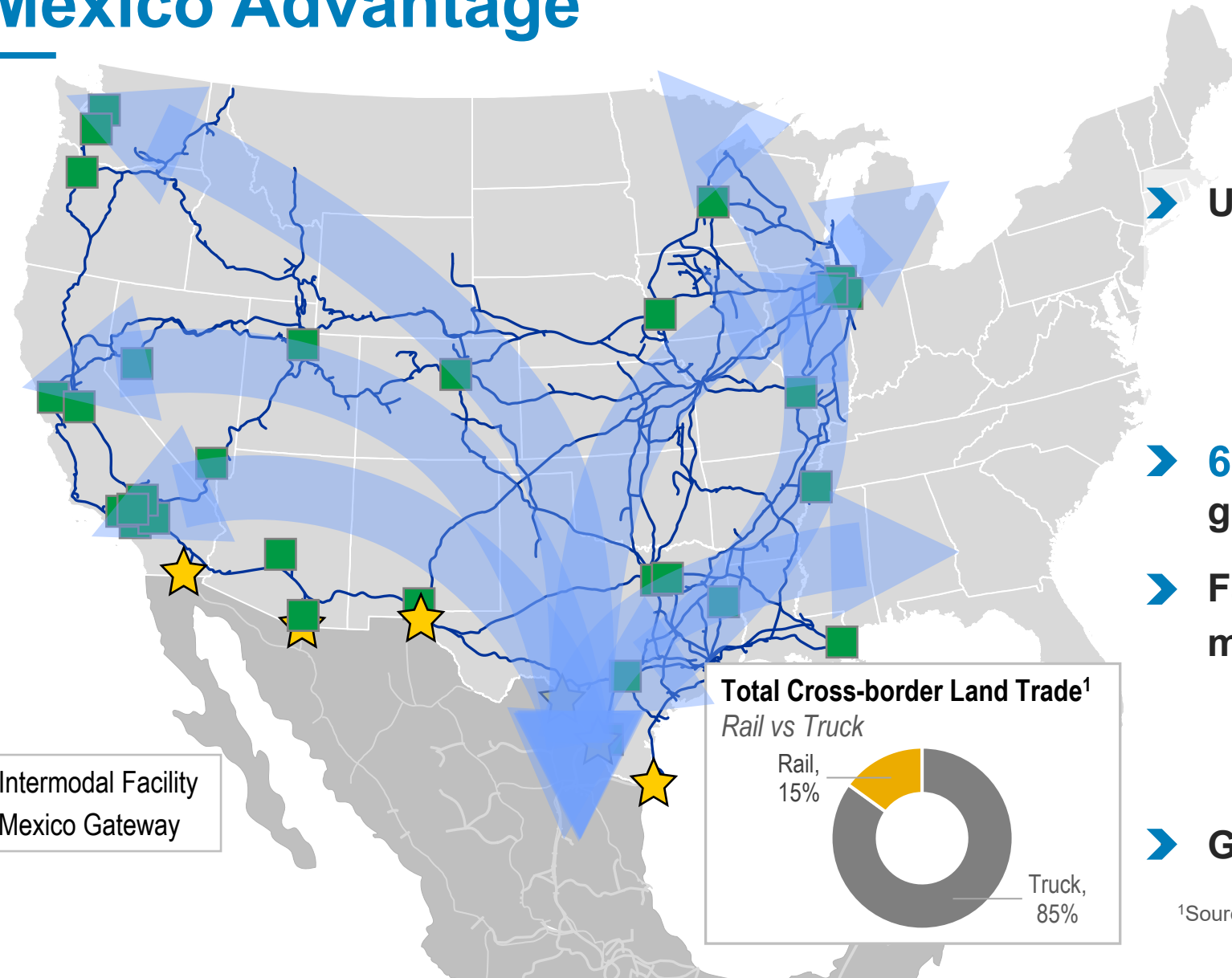
## Unmatched Gulf Coast Franchise



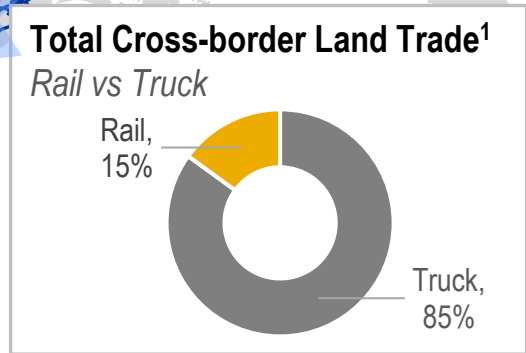
- Petrochemicals production has been expanding in Gulf Coast since 2017
  - UP Plastics volume grown over 35%
  - **Five more** expansions expected in next 2 years
- Developed innovative product solutions for customers
  - Export optionality with Dallas to Dock service
  - Premier Storage In Transit network with **2x more** capacity than our competitors
- Strong capital investments along Gulf Coast, more than **\$430 million** over last 5 years to support growth



# Mexico Advantage



- Intermodal Facility
- ★ Mexico Gateway



- **Unmatched access to North America**
  - 6 gateways to Mexico
  - Connection to interline partners in the East and Canada
- **60%+ rail share in Mexico and growing**
- **Fastest, shortest routes serving markets 7-days per week**
  - Falcon Premium
  - Eagle Premium
- **Gateway volume up 7% since 2021**

<sup>1</sup>Source: U.S. Transportation Bureau, AMTI.

# Truck Conversion Opportunities

## Winning and Poised for Growth

2021

- Twin Cities Intermodal Terminal
- Inland Empire Intermodal Terminal
- Precision Gate Technology

2022

- Won Knight-Swift
- Doubled Inland Empire capacity
- **Added 335K+** lifts of capacity

2023

- Won Schneider
- Doubled Inland Empire capacity
- Falcon Premium
- Port Houston on-dock
- Mexico to U.S. Southeast
- Container GPS
- **Added 450K+** lifts of capacity

2024

- Doubled Inland Empire capacity
- New Service LA-Chicago
- Phoenix Intermodal
- New markets for Port Houston
- **Added 110K+** lifts of capacity

Future State

- Long term relationships with key domestic customers
- New Kansas City Intermodal Terminal
- Expanding Inland Empire
- **Adding 250K+** lifts of capacity



# Win = Revenue Growth

- Maximize What's Possible
- Winning with:
  - Strong Business Development
  - Maximizing Price and Expanding Margins
  - Innovative Production Solutions



# PURSUING TOMORROW, TODAY



**BETH WHITED**

President



# Pursuing New Ways to Drive Long-Term Growth



Expanding Network through  
Acquisitions and Partnerships



Developing our Culture for a  
Growth Mindset



Delivering Sustainable  
Advantage vs. Trucks

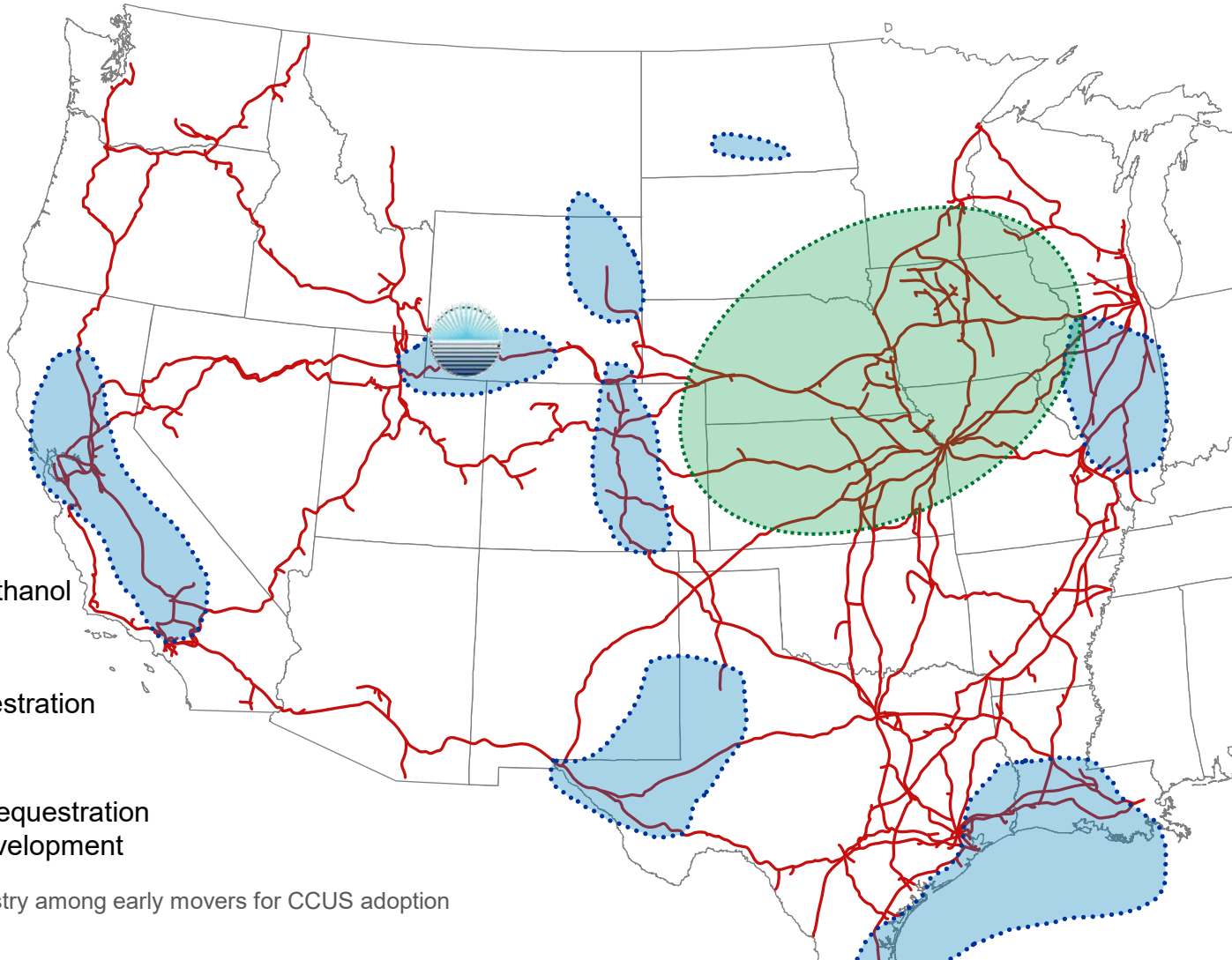


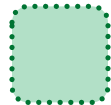


Leveraging Our  
Real Estate Assets



Identifying Emerging  
Growth Markets

# Carbon by Rail Unlocks Supply Chain Opportunities



-  Rail-Aligned Ethanol Industry<sup>2</sup>
-  Primary Sequestration Formations
-  Rail-Aligned Sequestration Site Under Development



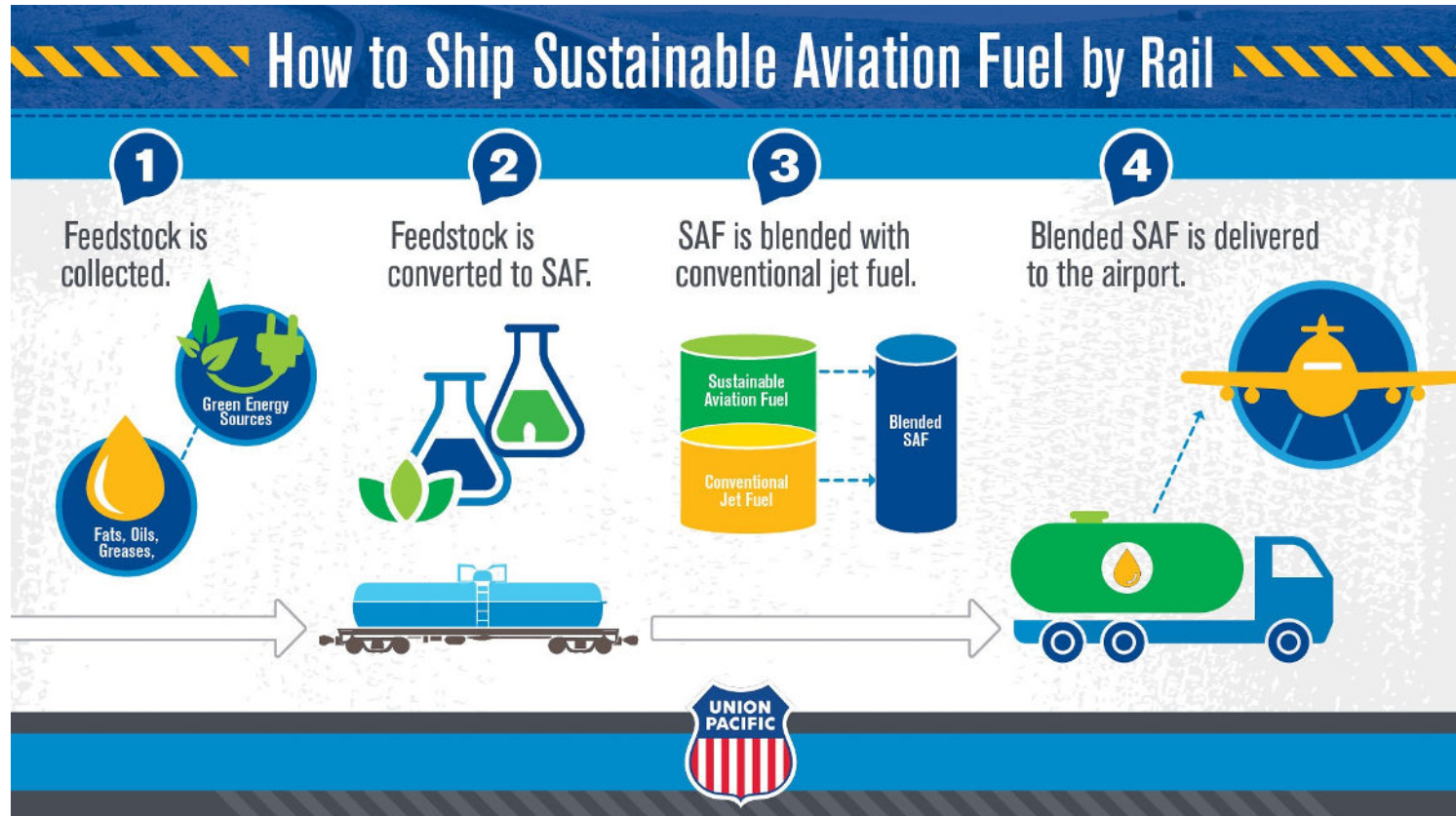
<sup>2</sup>Ethanol Industry among early movers for CCUS adoption

- Emitters Opportunity:**
- Move carbon without pipeline access
  - Increased destination optionality
  - Decarbonize hard to abate industries
- Storage Companies Opportunity:**
- Diversify feedstock sources
  - Expand potential customer base
  - Mitigate market risks
  - More flexible, resilient supply chain

**Companies must capture 4.2B+ tons per year by 2050 to meet global net-zero goals<sup>1</sup>**

<sup>1</sup>McKinsey | Scaling the CCUS industry to achieve net-zero

# New Growth on Horizon – Sustainable Aviation Fuel (SAF)



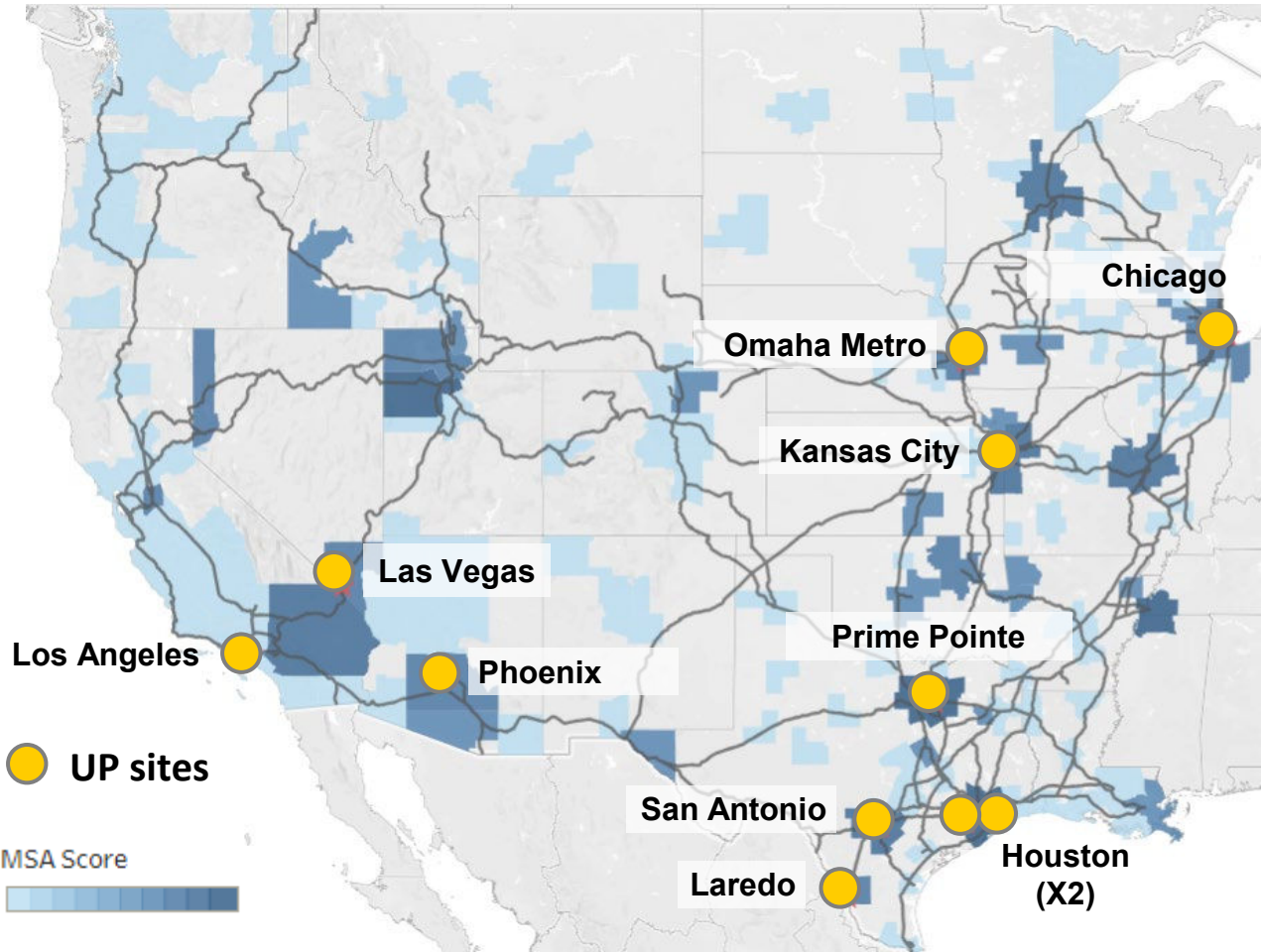
## A Market in Motion:

- Comprehensive conversion to Sustainable Aviation Fuel (SAF) underway
- US SAF consumption expected to be **35B gallons by 2050<sup>1</sup>**
- UP's rail network is optimally positioned to support the market
- Well-aligned to manage the transportation of SAF, blended products, and feedstocks

<sup>1</sup>Sustainable Aviation Fuel Grand Challenge | Department of Energy

# Developing Land for Growth

Current projects have alignment with top metro areas



MSA = Metropolitan Statistical Areas; CBRE MSA score based on labor, transportation infrastructure, climate risk, tax environment and incentives

## Putting UP on the Map:

- Driving early role in site selection process
- Creating shovel ready sites
- Streamlining processes for faster delivery
- Early customer interest with emerging technologies, light manufacturing, packagers, liquid terminals and cold storage warehouses



# GROWTH & STRATEGY PANEL DISCUSSION



**Beth Whited**

**President**



**Kenny Rucker**

**Executive Vice  
President – Marketing  
& Sales**



**Jason Hess**

**Senior Vice  
President – Bulk**



**Jacque Bendon**

**Senior Vice  
President – Industrial**



**Kari Kirchhoefer**

**Senior Vice  
President - Premium**



# PURSUIT OF INDUSTRY LEADERSHIP

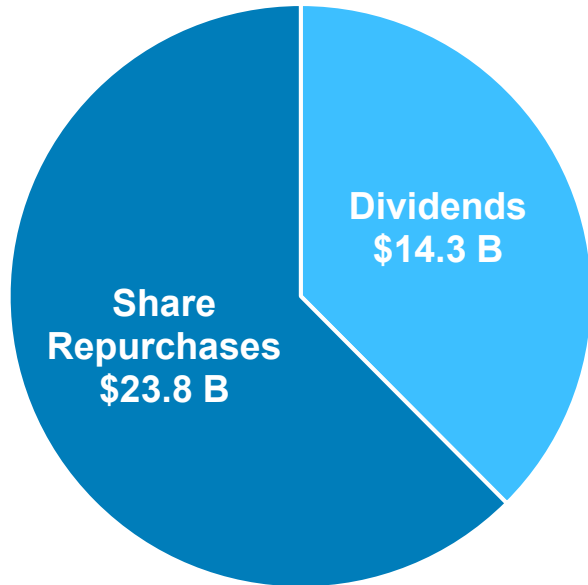


**JENNIFER HAMANN**  
EVP & Chief Financial Officer



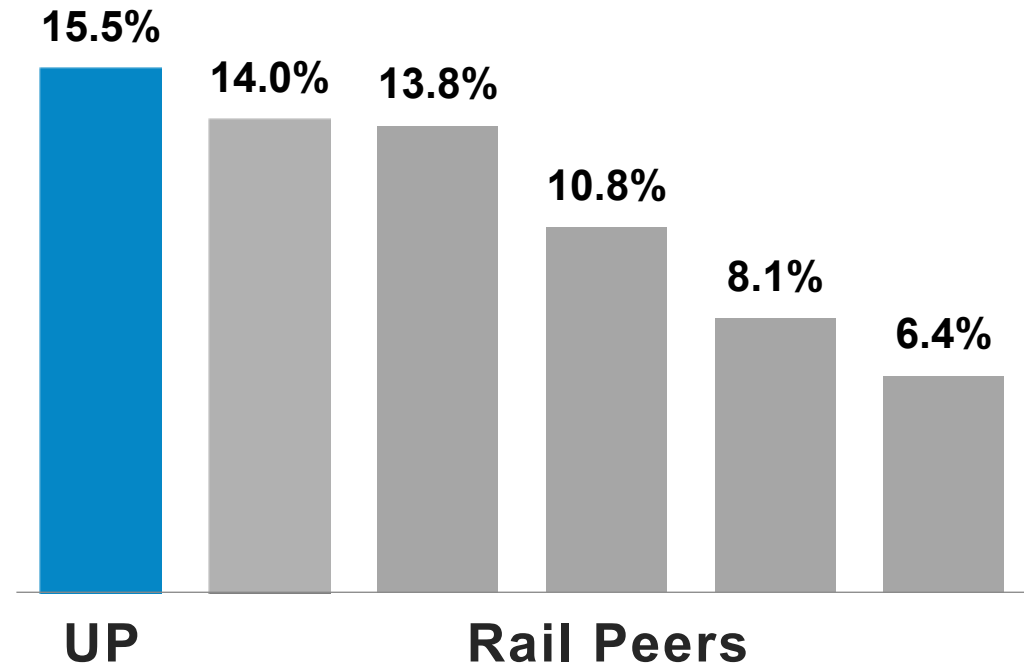
# Track Record of Strong Returns

Cash Returns To Shareholders  
2019 – 2023: \$38.1 Billion



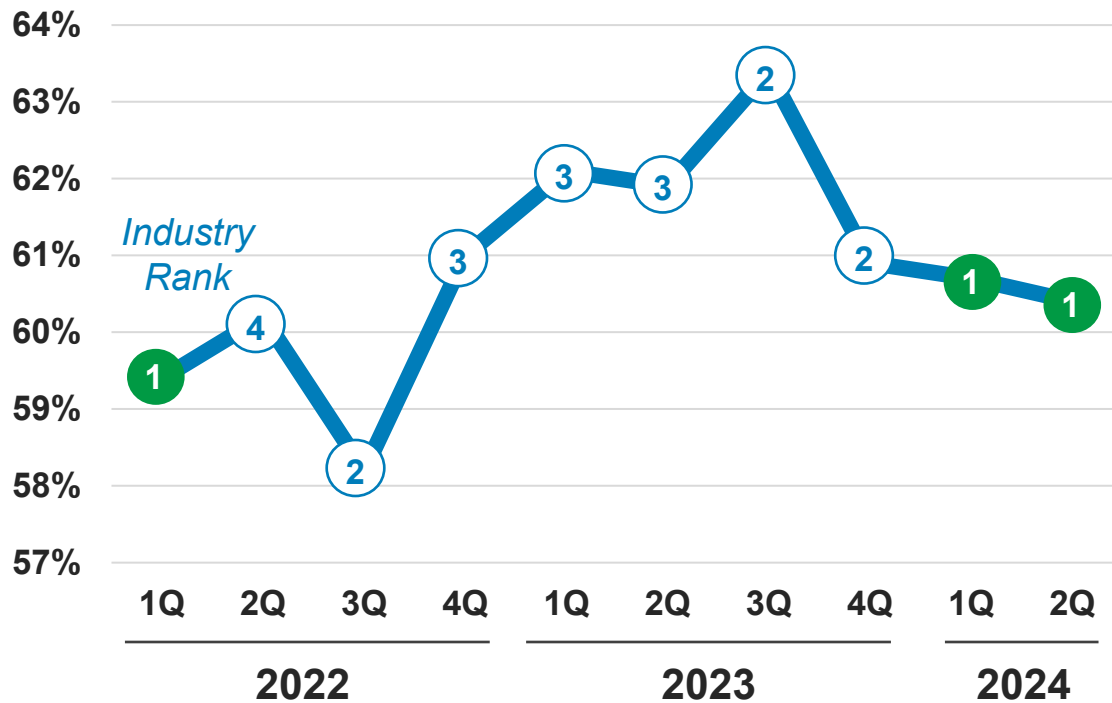
~40% of Market Capitalization

Return on Invested Capital  
2023 Industry Leading

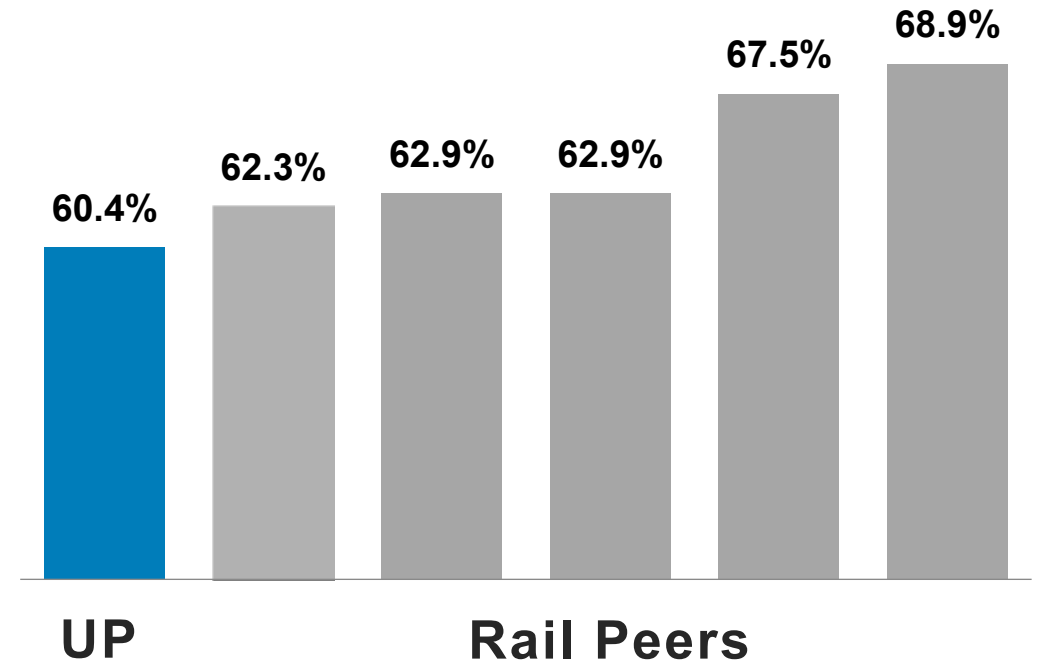


# Goal: Industry Leading Operating Ratio

## Historical Operating Ratio Performance\*



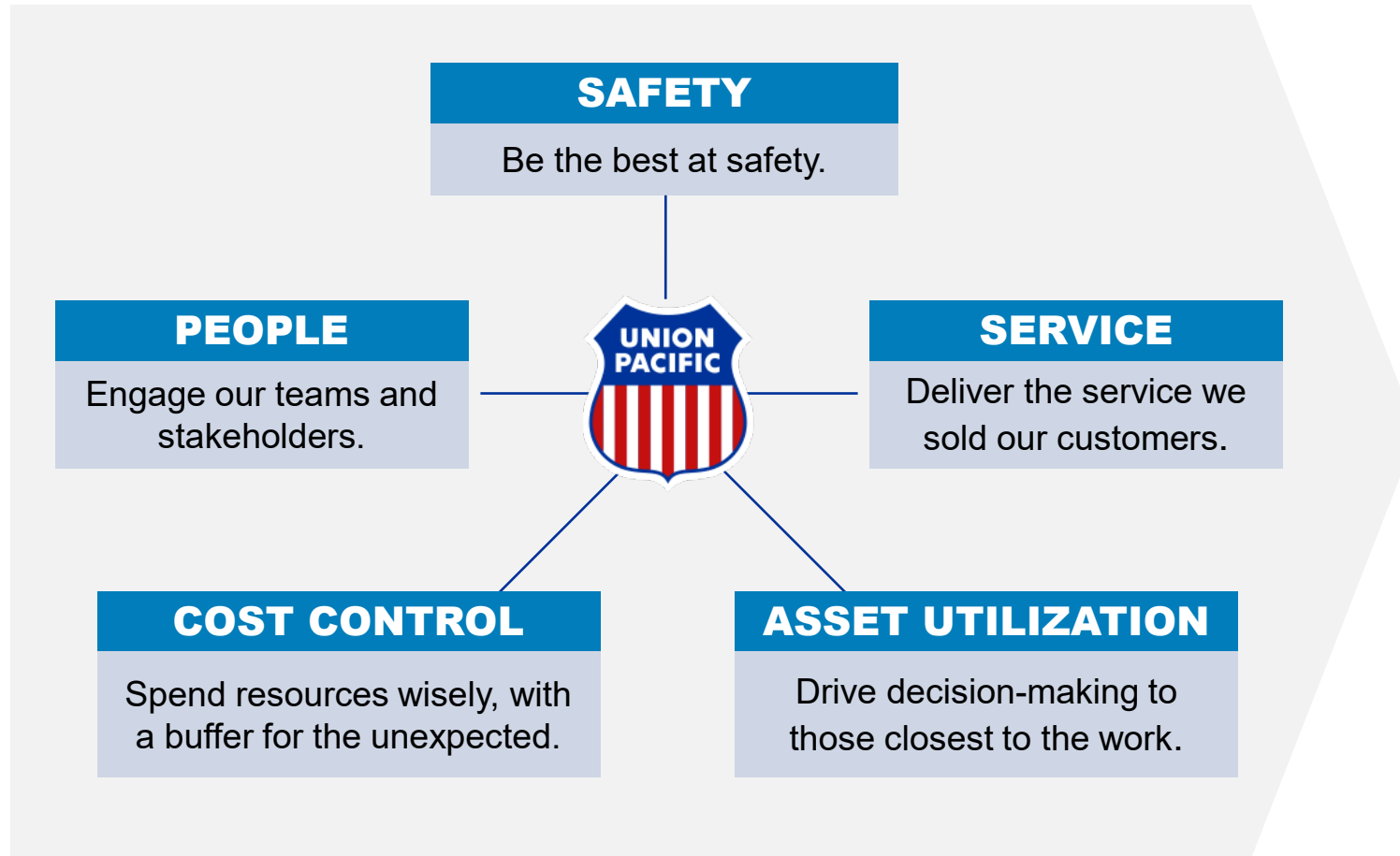
## First Half 2024 Operating Ratio\*



\*Adjusted for disclosed non-GAAP items and other items for comparability.



# Connecting the Strategy to Profit Drivers



## + Productivity

Industry leading safety & operational excellence

## + Price

Consistent, reliable service product

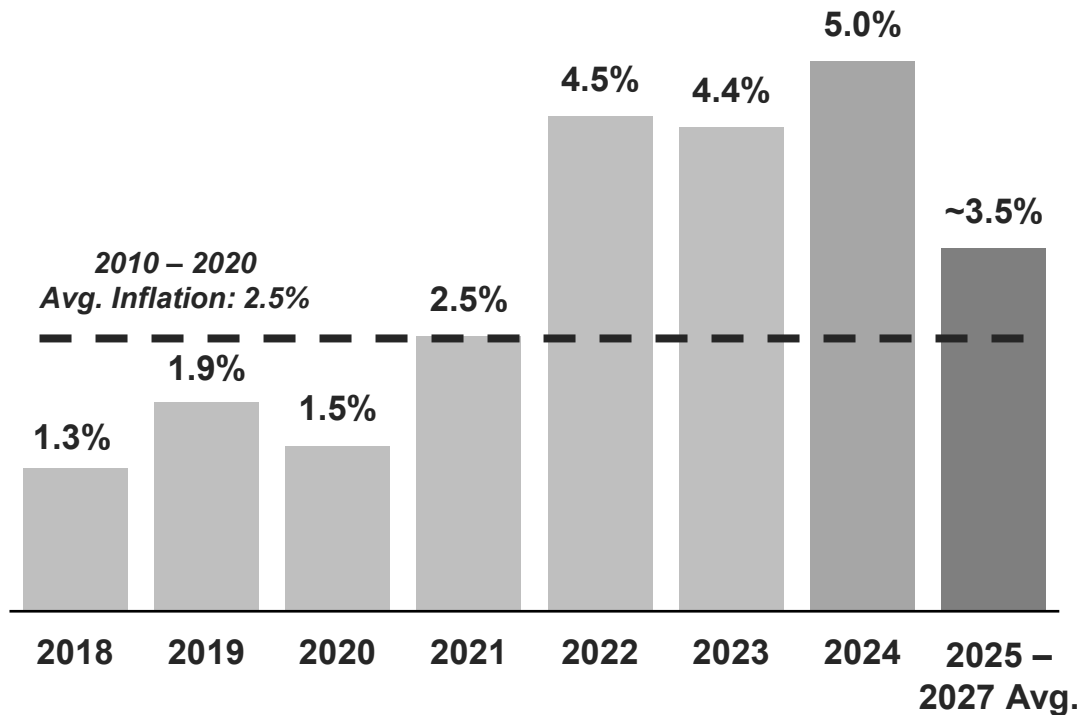
## + Volume

Differentiated services & products to win new business

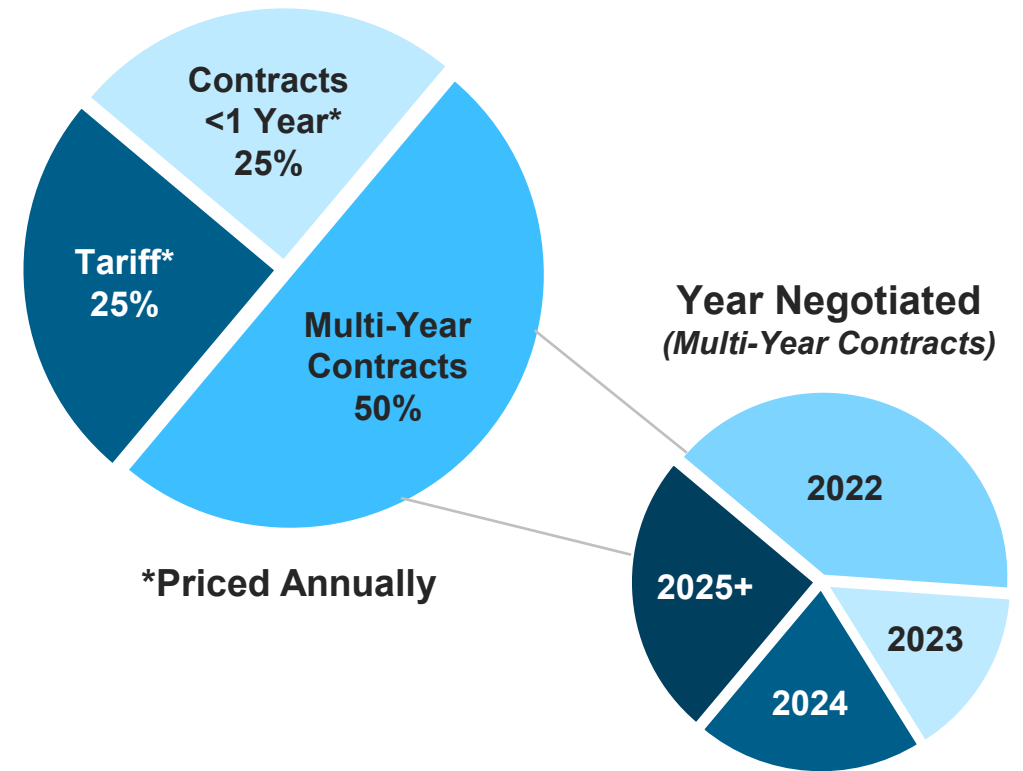


# Pricing Opportunities to Recapture Inflation

## Historical Inflation Levels

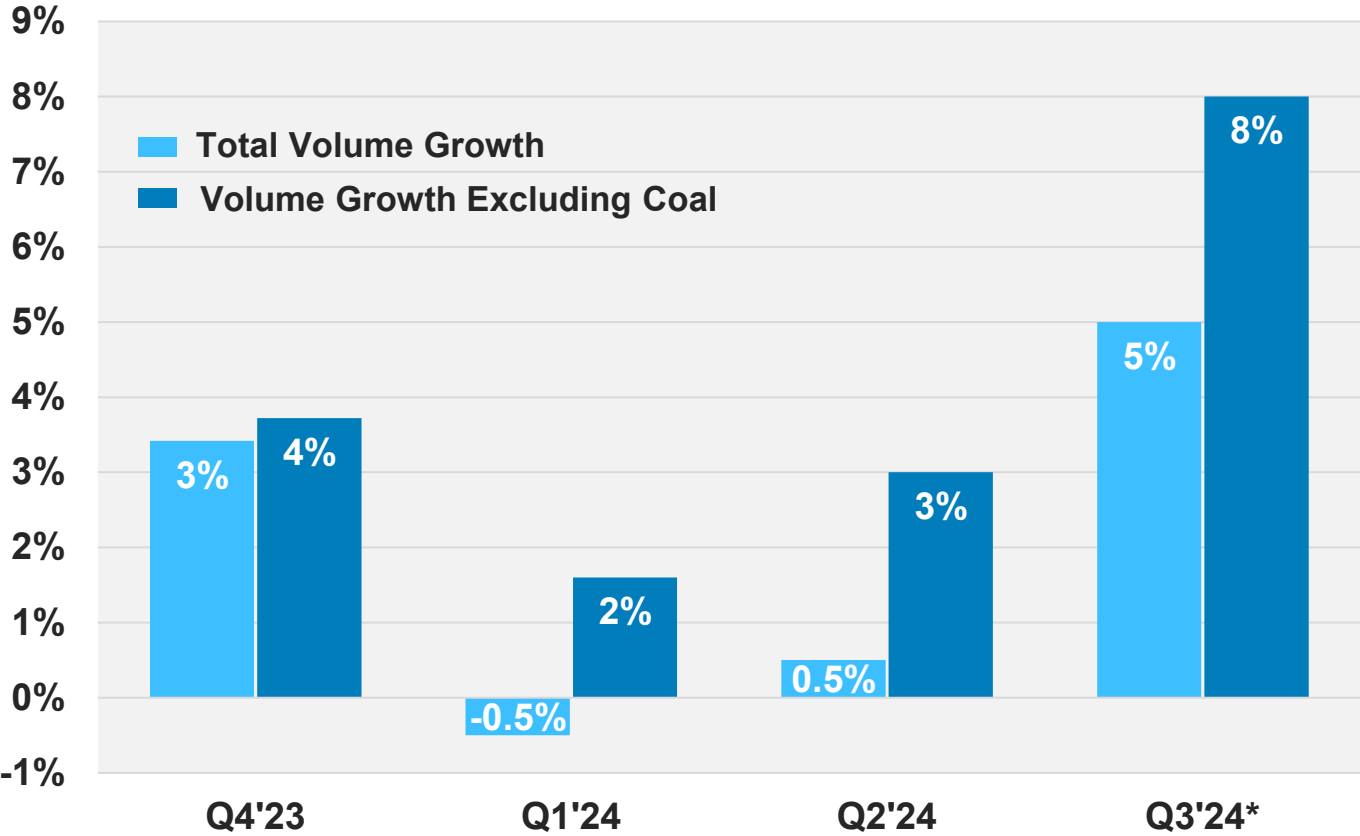


## Revenue Portfolio



# Achieving Volume Growth

## Year-Over-Year Volume Growth

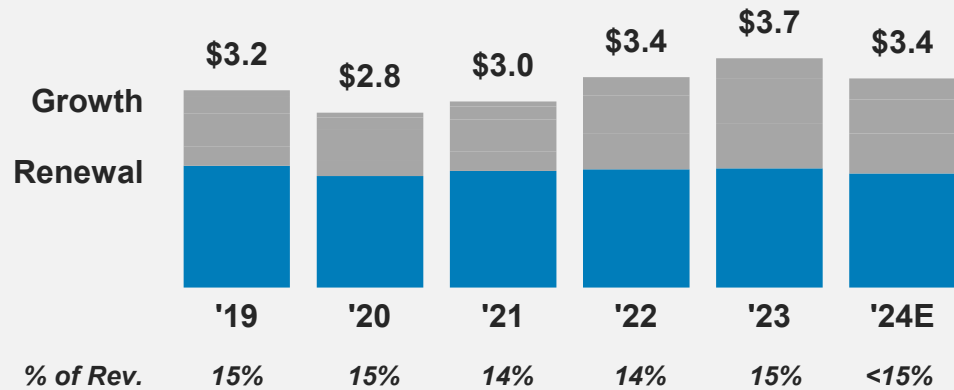


\*AAR Volumes Through Week 37

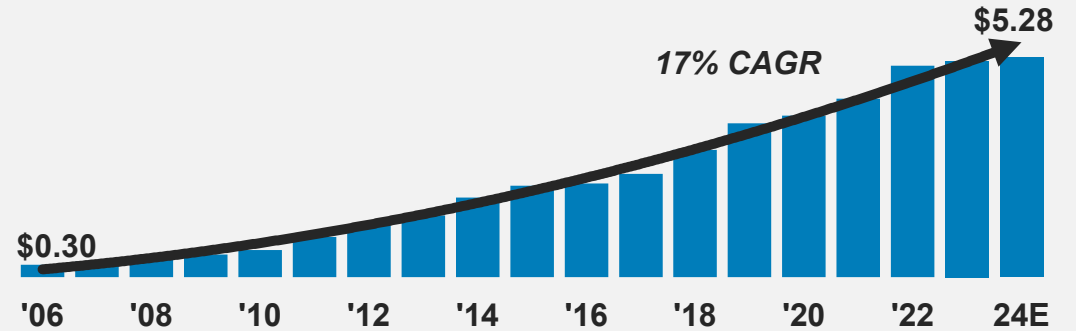


# Efficient Capital Deployment Supporting Growth & Returns

## Return Focused Capital Program

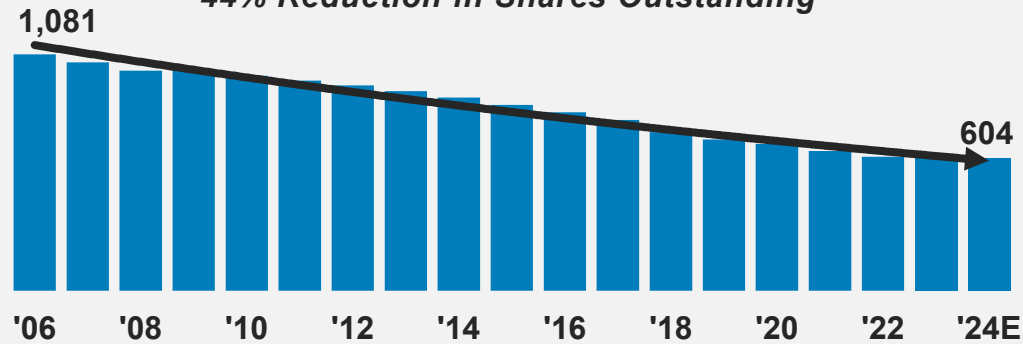


## 18 Consecutive Years of Increased Annual Dividends

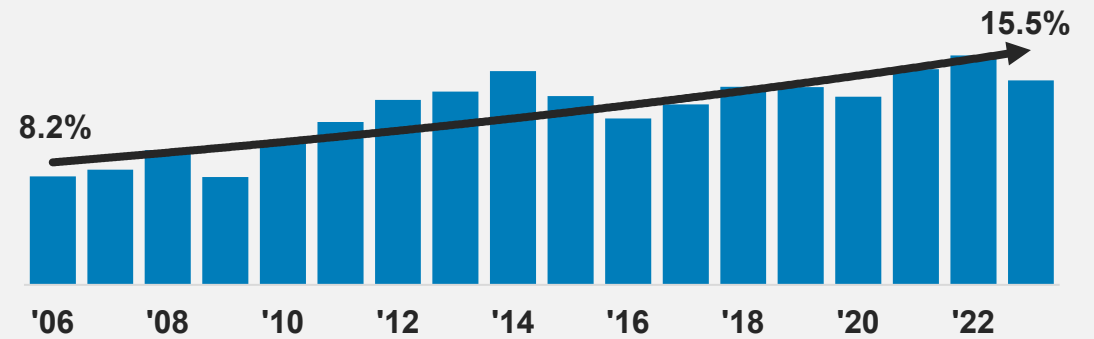


## Accretive Share Repurchases

44% Reduction in Shares Outstanding

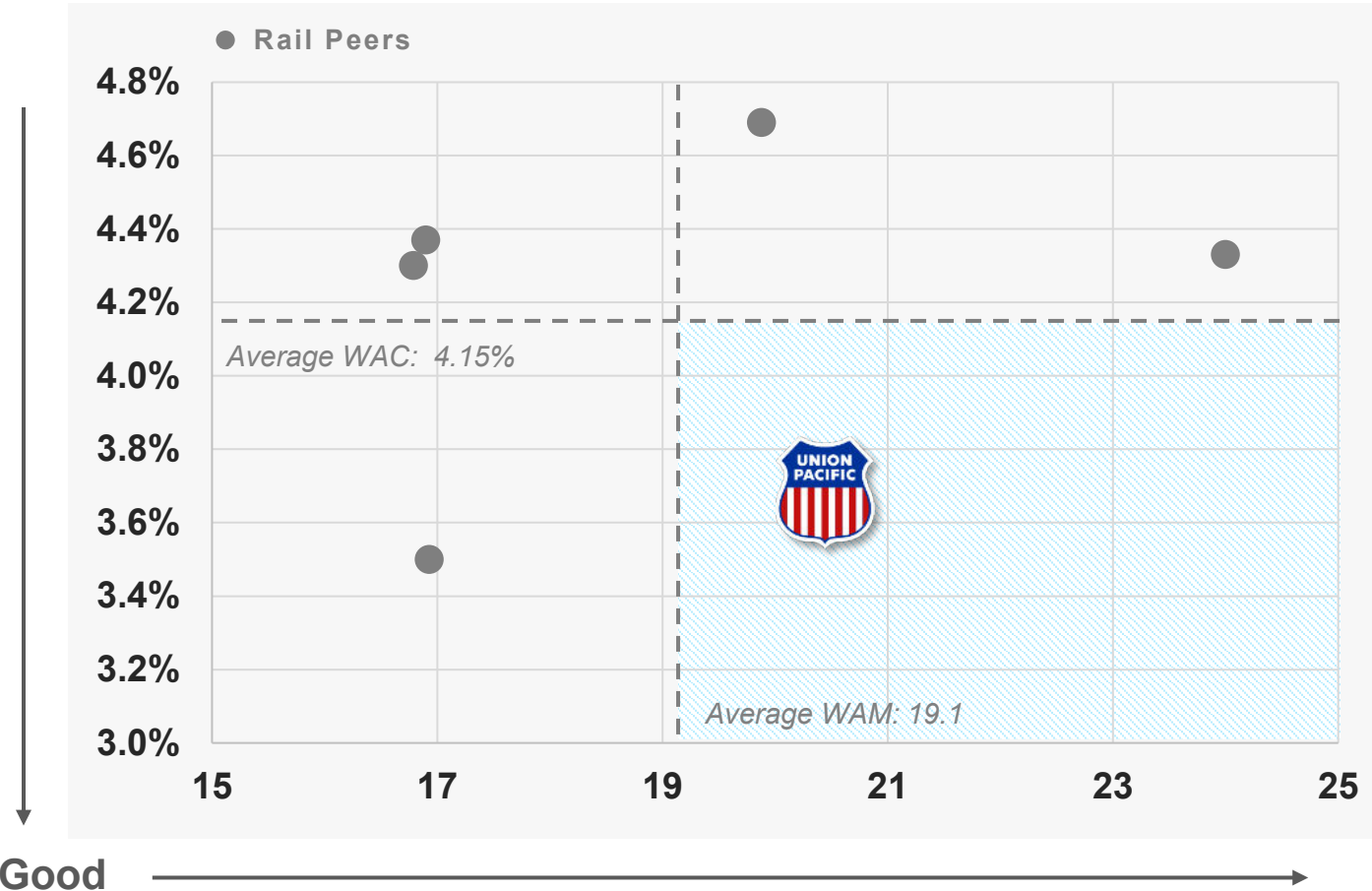


## Strong Return on Invested Capital



# Strong Balance Sheet & Capital Access

Weighted Average Maturity (Years) vs. Coupon (%)

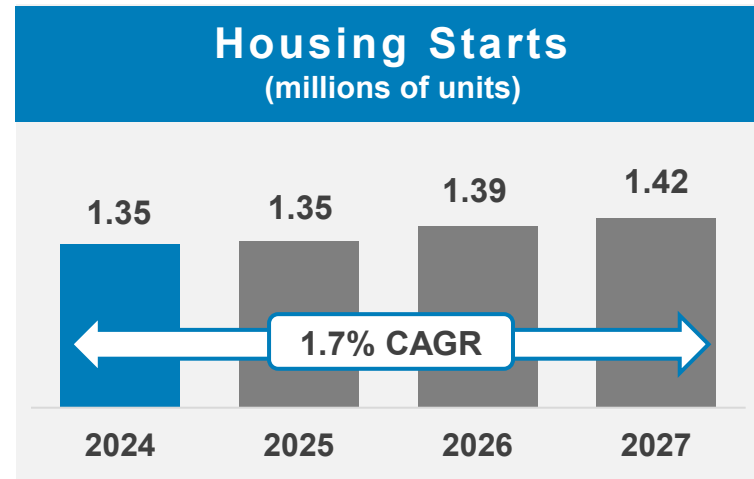
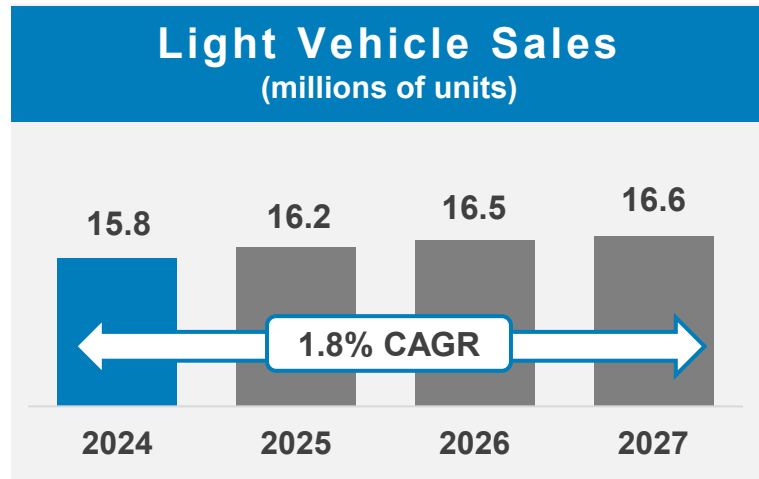
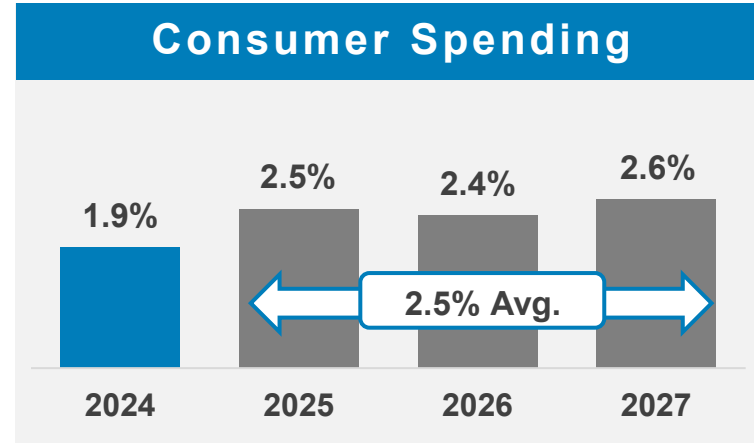
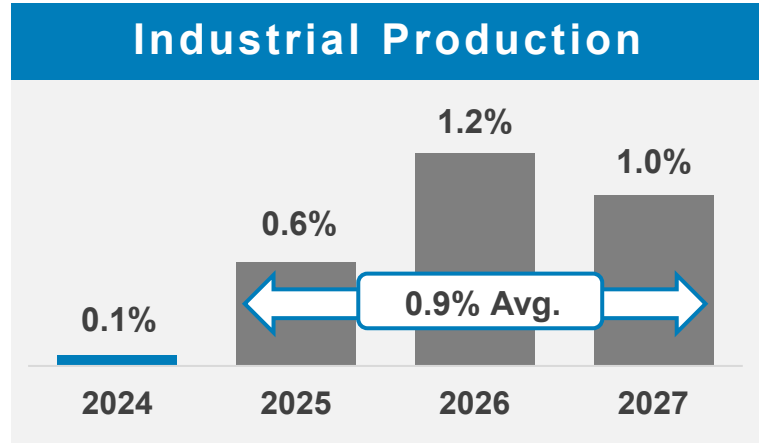


## Optimized Balance Sheet:

- **Weighted Average Coupon**  
~3.7%
- **Weighted Average Maturity**  
~20 Years
- **Manageable Debt Towers**  
< \$2.0 Billion per Year
- **Strong Investment Grade Credit Ratings**

Fitch	A-
Moody's	A3
S&P	A-

# Economic Indicators – Growth Prospects Improving



Source: S&P Global Market Intelligence, U.S. Economic Outlook, September 2024



# Industry Leading Financials – Driving Shareholder Returns

2025 - 2027

## Revenue Growth

- Revenue > Volume > Markets\*
- Pricing Dollars Accretive to Operating Ratio

## Profitability

- Industry Leading Operating Ratio
- High Single to Low Double Digit EPS Growth CAGR

## Capital, Leverage & Returns

- Annual Capital Investments of \$3.5 – \$3.7 Billion
- Strong Investment Grade Credit Rating
- Industry Leading Return on Invested Capital

## Cash to Shareholders

- Annual Share Repurchases of \$4 – \$5 Billion
- Consistent, Annual Dividend Increases
- Dividend Payout Ratio ~45%

*\*Revenue Excluding Fuel; Volume Excluding Coal*



# QUESTION & ANSWER SESSION



**Jim  
Vena**

**Chief  
Executive  
Officer**



**Beth  
Whited**

**President**



**Jennifer  
Hamann**

**EVP & Chief  
Financial  
Officer**



**Kenny  
Rocker**

**Executive Vice  
President –  
Marketing &  
Sales**



**Eric  
Gehringer**

**Executive Vice  
President -  
Operations**



**Rahul  
Jalali**

**EVP & Chief  
Information  
Officer**



# CLOSING REMARKS



**JIM VENA**  
Chief Executive Officer



# Key Investor Takeaways

- **RIGHT STRATEGY** to achieve industry leadership.
- **RIGHT TEAM** to execute and deliver on that strategy.
- **DETAILED ACTION PLANS** to be the leader in safety, service, and operational excellence.
- Will **INNOVATE** to drive productivity & improve customer experience.
- Will deliver **REVENUE GROWTH** by selling UP's service and capacity at a price that recognizes the value we offer.
- Setting ourselves up for **FUTURE GROWTH**.
- Will deliver **INDUSTRY LEADING RETURNS** to our owners.





UNION PACIFIC 2024

# Investor Day

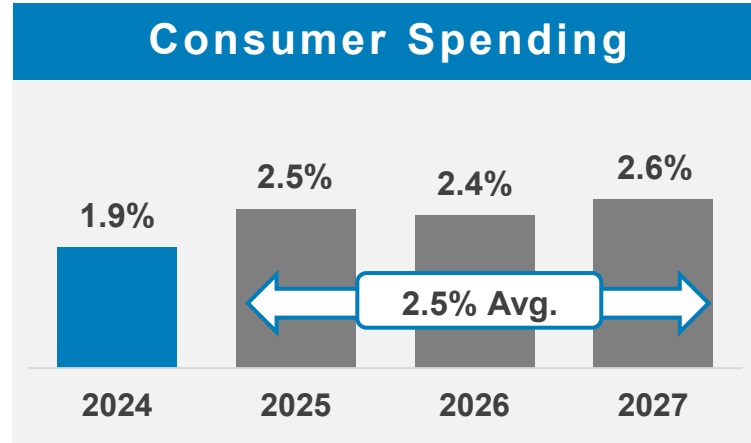
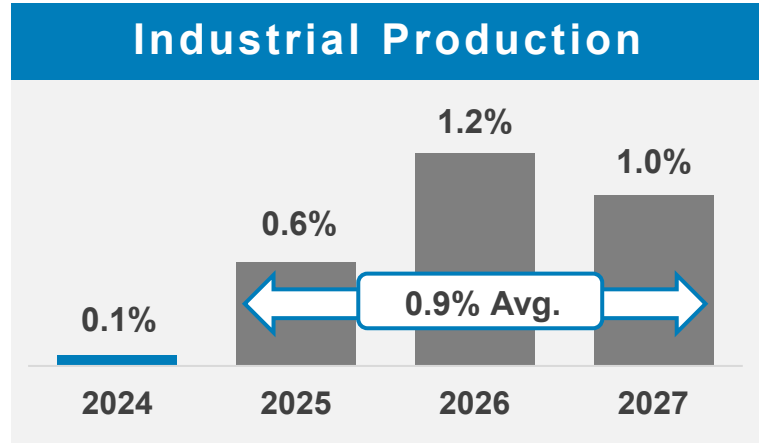
# THANK YOU



# APPENDIX

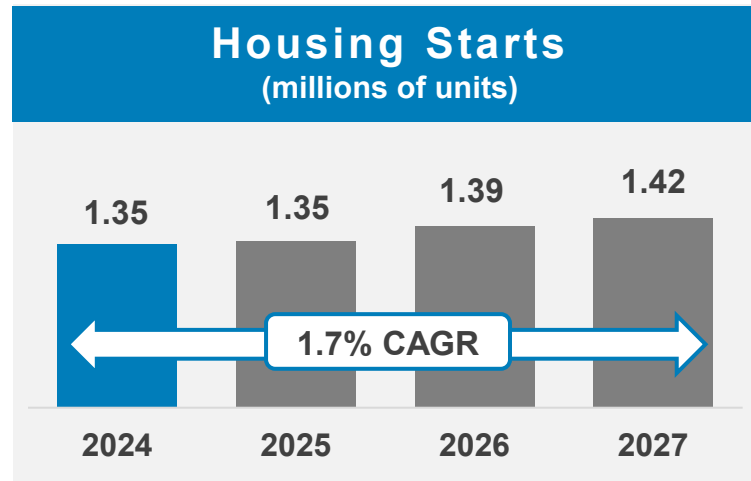
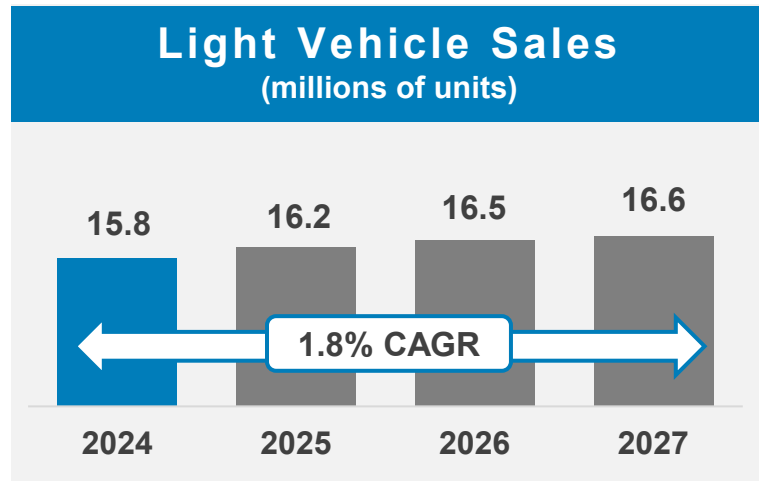


# Core Assumptions



### Key Modeling Data:

➤ Inflation	~3.5%
➤ Fuel Price Per Gallon	\$2.60
➤ Effective Tax Rate	~24%



Source: S&P Global Market Intelligence, U.S. Economic Outlook, September 2024

