



Q3

2025
QUARTERLY FINANCIAL DATA



Not all lines shown.

NORFOLK SOUTHERN RAILWAY SYSTEM

INVESTOR INQUIRIES: LUKE NICHOLS, 470-867-4807

The accompanying unaudited financial information and summary of certain notes to the consolidated financial statements should be read in conjunction with: (a) the consolidated financial statements and notes included in Norfolk Southern Corporation's (NS, we, us and our) latest Annual Report on Form 10-K and in subsequent Quarterly Reports on Form 10-Q, and (b) any Current Reports on Form 8-K.

Any statements contained in this document which are not related to historical facts are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995, and NS undertakes no obligation to update such statements. Such forward-looking statements are subject to risks and uncertainties (the most significant of which are described in our SEC filings) which could cause actual results to differ materially.

Consolidated Statements of Income

(\$ in millions, except per share amounts)

	Third Quarter			First Nine Months		
	2025	2024	% Change	2025	2024	% Change
Railway operating revenues						
Merchandise	\$ 1,969	\$ 1,861	6%	\$ 5,804	5,628	3%
Intermodal	759	763	(1%)	2,262	2,250	1%
Coal	375	427	(12%)	1,140	1,221	(7%)
Total railway operating revenues	<u>3,103</u>	<u>3,051</u>	2%	<u>9,206</u>	<u>9,099</u>	1%
Railway operating expenses						
Compensation and benefits	738	690	7%	2,169	2,126	2%
Purchased services and rents	519	497	4%	1,537	1,541	—%
Fuel	237	216	10%	700	757	(8%)
Depreciation	348	339	3%	1,040	1,011	3%
Materials and other	147	(188)	178%	547	200	174%
Merger-related expenses	15	—		15	—	
Restructuring and other charges	12	60	(80%)	22	156	(86%)
Eastern Ohio incident	(11)	(159)	(93%)	(243)	368	(166%)
Total railway operating expenses	<u>2,005</u>	<u>1,455</u>	38%	<u>5,787</u>	<u>6,159</u>	(6%)
Income from railway operations	1,098	1,596	(31%)	3,419	2,940	16%
Other income – net	23	34	(32%)	78	69	13%
Interest expense on debt	<u>197</u>	<u>203</u>	(3%)	<u>597</u>	<u>608</u>	(2%)
Income before income taxes	924	1,427	(35%)	2,900	2,401	21%
Income taxes	<u>213</u>	<u>328</u>	(35%)	<u>671</u>	<u>512</u>	31%
Net income	<u>\$ 711</u>	<u>\$ 1,099</u>	(35%)	<u>\$ 2,229</u>	<u>\$ 1,889</u>	18%
Railway operating ratio (%)	64.6	47.7	35%	62.9	67.7	(7%)
Earnings per share – diluted	\$ 3.16	\$ 4.85	(35%)	\$ 9.88	\$ 8.34	18%

Notes

1. Gains on Railway Line Sales

During the third quarter of 2024, we completed sales of two railway lines in the states of Virginia and North Carolina resulting in gains of \$380 million included in “Materials and other” expense. The gains from these transactions are reflected in “Gains and losses on properties” and cash proceeds are included in “Property sales and other transactions” on the Consolidated Statement of Cash Flows.

2. Merger-Related Expenses

During the third quarter of 2025, we incurred \$15 million in merger-related expenses primarily related to third-party advisor fees, legal fees, and costs associated with employee retention arrangements.

3. Restructuring and Other Charges

Restructuring and other charges in 2025 includes expenses associated with the rationalization of certain software development projects that had not been placed into service and the restructuring of certain technology functions, including severance costs for impacted employees. Restructuring and other charges in 2024 includes expenses associated with our voluntary and involuntary separation programs that reduced our management workforce, expenses associated with the rationalization of certain software development projects that had not been placed into service, costs associated with the appointment of our new chief operating officer, and the disposition of an asset class. We incurred expenses of \$12 million and \$60 million in the third quarters of 2025 and 2024, respectively, and \$22 million and \$156 million for the first nine months of 2025 and 2024, respectively. Additionally, the first nine months of 2024 “Other income – net” includes a \$20 million curtailment gain on our other postretirement benefit plan resulting from the restructuring, recorded in the second quarter of 2024.

4. Eastern Ohio Incident

On February 3, 2023, a train operated by us derailed in East Palestine, Ohio (the Incident). During the third quarter of 2025, we incurred net expenses of \$13 million, as compared to \$159 million of net benefits for the same period last year. Recoveries exceeded expenses by \$219 million in the first nine months of 2025 as compared to expenses of \$368 million during the first nine months of 2024. The total expense recognized includes the impact of \$394 million and \$552 million in recoveries during the first nine months of 2025 and 2024, respectively, of which \$16 million and \$288 million was recognized in the third quarters of 2025 and 2024, respectively. Any additional amounts recoverable under our insurance policies or from third parties will be reflected in future periods in which recovery is considered probable.

5. Shareholder Advisory Costs

“Other income – net” includes costs associated with shareholder advisory matters, which amounted to \$1 million and \$51 million during the third quarter and first nine months of 2024, respectively.

Consolidated Balance Sheets

(\$ in millions)

	<u>September 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,418	\$ 1,641
Accounts receivable – net	1,102	1,069
Materials and supplies	297	277
Other current assets	219	201
Total current assets	<u>3,036</u>	<u>3,188</u>
Investments	4,081	3,370
Properties less accumulated depreciation of \$14,438 and \$13,957, respectively	36,112	35,831
Other assets	<u>1,351</u>	<u>1,293</u>
Total assets	<u><u>\$ 44,580</u></u>	<u><u>\$ 43,682</u></u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 1,657	\$ 1,704
Income and other taxes	227	337
Other current liabilities	1,033	949
Current maturities of long-term debt	607	555
Total current liabilities	<u>3,524</u>	<u>3,545</u>
Long-term debt	16,476	16,651
Other liabilities	1,705	1,760
Deferred income taxes	<u>7,734</u>	<u>7,420</u>
Total liabilities	29,439	29,376
Stockholders' equity:		
Common stock \$1.00 per share par value, 1,350,000,000 shares authorized; outstanding 224,386,617 and 226,320,894 shares, respectively, net of treasury shares	226	228
Additional paid-in capital	2,283	2,247
Accumulated other comprehensive loss	(262)	(262)
Retained income	<u>12,894</u>	<u>12,093</u>
Total stockholders' equity	<u>15,141</u>	<u>14,306</u>
Total liabilities and stockholders' equity	<u><u>\$ 44,580</u></u>	<u><u>\$ 43,682</u></u>

6. Deferred Income Taxes

During the first nine months of 2024, we recorded a \$27 million reduction to deferred income taxes, the result of a subsidiary restructuring that reduced our estimated deferred state income tax rate.

7. Stock Repurchase Program

We repurchased and retired 2.2 million shares of common stock under our stock repurchase program in the first nine months of 2025 at a cost of \$533 million, inclusive of accrued excise taxes, while we did not repurchase any shares of common stock in the first nine months of 2024.

Consolidated Statements of Cash Flows

(\$ in millions)

	First Nine Months	
	2025	2024
Cash flows from operating activities		
Net income	\$ 2,229	\$ 1,889
Reconciliation of net income to net cash provided by operating activities:		
Depreciation	1,040	1,011
Deferred income taxes	315	141
Gains and losses on properties	(142)	(425)
Changes in assets and liabilities affecting operations:		
Accounts receivable	(53)	(156)
Materials and supplies	(20)	(24)
Other current assets	68	80
Current liabilities other than debt	25	774
Other – net	(164)	(189)
Net cash provided by operating activities	<u>3,298</u>	<u>3,101</u>
Cash flows from investing activities		
Property additions	(1,475)	(1,706)
Acquisition of assets of CSR	—	(1,643)
Property sales and other transactions	120	527
Investment purchases	(615)	(318)
Investment sales and other transactions	52	349
Net cash used in investing activities	<u>(1,918)</u>	<u>(2,791)</u>
Cash flows from financing activities		
Dividends	(912)	(915)
Common stock transactions	1	15
Purchase and retirement of common stock	(534)	—
Proceeds from borrowings	396	1,051
Debt repayments	(554)	(1,054)
Net cash used in financing activities	<u>(1,603)</u>	<u>(903)</u>
Net decrease in cash and cash equivalents	(223)	(593)
Cash and cash equivalents		
At beginning of year	<u>1,641</u>	<u>1,568</u>
At end of period	<u>\$ 1,418</u>	<u>\$ 975</u>
Supplemental disclosures of cash flow information		
Cash paid during the period for:		
Interest (net of amounts capitalized)	\$ 570	\$ 571
Income taxes (net of refunds)	433	284

Railway Operating Revenues Analysis

Commodity and Period	Revenues (\$ in millions)			Units (in thousands)			Revenue per Unit (\$ per unit)		
	2025	2024	% Change	2025	2024	% Change	2025	2024	% Change
First Quarter									
Agriculture, forest and consumer products	\$ 636	\$ 629	1%	183.6	184.1	—%	\$ 3,466	\$ 3,415	1%
Chemicals	535	527	2%	132.0	130.5	1%	4,051	4,039	—%
Metals and construction	414	430	(4%)	148.3	160.6	(8%)	2,791	2,679	4%
Automotive	278	277	—%	88.3	88.3	—%	3,152	3,133	1%
Merchandise	1,863	1,863	—%	552.2	563.5	(2%)	3,374	3,306	2%
Intermodal	760	745	2%	1,022.9	988.8	3%	743	754	(1%)
Coal	370	396	(7%)	164.7	167.1	(1%)	2,247	2,369	(5%)
Total	\$ 2,993	\$ 3,004	—%	1,739.8	1,719.4	1%	1,720	1,747	(2%)
Second Quarter									
Agriculture, forest and consumer products	\$ 645	\$ 622	4%	186.4	181.2	3%	\$ 3,456	\$ 3,433	1%
Chemicals	546	532	3%	139.1	130.1	7%	3,927	4,090	(4%)
Metals and construction	458	440	4%	171.1	167.9	2%	2,676	2,620	2%
Automotive	323	310	4%	104.0	97.2	7%	3,104	3,196	(3%)
Merchandise	1,972	1,904	4%	600.6	576.4	4%	3,282	3,304	(1%)
Intermodal	743	742	—%	1,010.9	1,003.5	1%	735	739	(1%)
Coal	395	398	(1%)	181.7	162.9	12%	2,173	2,445	(11%)
Total	\$ 3,110	\$ 3,044	2%	1,793.2	1,742.8	3%	1,734	1,747	(1%)
Third Quarter									
Agriculture, forest and consumer products	\$ 630	\$ 624	1%	182.5	186.3	(2%)	\$ 3,453	\$ 3,351	3%
Chemicals	569	543	5%	141.3	128.9	10%	4,028	4,210	(4%)
Metals and construction	448	420	7%	168.0	160.8	4%	2,672	2,611	2%
Automotive	322	274	18%	103.3	87.9	18%	3,115	3,114	—%
Merchandise	1,969	1,861	6%	595.1	563.9	6%	3,310	3,299	—%
Intermodal	759	763	(1%)	1,032.1	1,052.2	(2%)	735	726	1%
Coal	375	427	(12%)	176.7	185.3	(5%)	2,120	2,306	(8%)
Total	\$ 3,103	\$ 3,051	2%	1,803.9	1,801.4	—%	1,721	1,694	2%
Year-to-date									
Agriculture, forest and consumer products	\$ 1,911	\$ 1,875	2%	552.5	551.6	—%	\$ 3,458	\$ 3,399	2%
Chemicals	1,650	1,602	3%	412.4	389.5	6%	4,001	4,112	(3%)
Metals and construction	1,320	1,290	2%	487.4	489.3	—%	2,710	2,636	3%
Automotive	923	861	7%	295.6	273.4	8%	3,122	3,149	(1%)
Merchandise	5,804	5,628	3%	1,747.9	1,703.8	3%	3,321	3,303	1%
Intermodal	2,262	2,250	1%	3,065.9	3,044.5	1%	738	739	—%
Coal	1,140	1,221	(7%)	523.1	515.3	2%	2,179	2,370	(8%)
Total	\$ 9,206	\$ 9,099	1%	5,336.9	5,263.6	1%	1,725	1,729	—%

Railway Operating Revenues Variance Analysis

(\$ in millions)

Third Quarter 2025 vs. 2024

	Merchandise		Intermodal		Coal	
	Amount	Percent	Amount	Percent	Amount	Percent
Revenue Variance due to:						
Volume	\$ 103	6%	\$ (15)	(2%)	\$ (20)	(5%)
Fuel surcharge revenue	(14)	(1%)	(11)	(1%)	(5)	(1%)
Rate, mix and other	19	1%	22	3%	(27)	(6%)
Total	<u>\$ 108</u>	6%	<u>\$ (4)</u>	(1%)	<u>\$ (52)</u>	(12%)

Year-to-date 2025 vs. 2024

	Merchandise		Intermodal		Coal	
	Amount	Percent	Amount	Percent	Amount	Percent
Revenue Variance due to:						
Volume	\$ 146	3%	\$ 16	1%	\$ 18	2%
Fuel surcharge revenue	(76)	(1%)	(51)	(2%)	(17)	(1%)
Rate, mix and other	106	2%	47	2%	(82)	(7%)
Total	<u>\$ 176</u>	3%	<u>\$ 12</u>	1%	<u>\$ (81)</u>	(7%)

Intermodal Units by Market

(in thousands)

	Third Quarter			Year-to-date		
	2025	2024	% Change	2025	2024	% Change
Domestic	616.7	637.7	(3%)	1,828.6	1,844.4	(1%)
International	415.4	414.5	—%	1,237.3	1,200.1	3%
Total	<u>1,032.1</u>	<u>1,052.2</u>	(2%)	<u>3,065.9</u>	<u>3,044.5</u>	1%

Coal Tonnage by Market

(in thousands)

	Third Quarter			Year-to-date		
	2025	2024	% Change	2025	2024	% Change
Utility	8,735	8,272	6%	25,343	22,846	11%
Export	7,434	8,816	(16%)	23,198	24,812	(7%)
Domestic metallurgical	2,661	2,706	(2%)	7,488	7,472	—%
Industrial	977	991	(1%)	2,712	2,640	3%
Total	<u>19,807</u>	<u>20,785</u>	(5%)	<u>58,741</u>	<u>57,770</u>	2%

Reconciliation of Non-GAAP Financial Measures

Information included within this Third Quarter 2025 Quarterly Financial Data includes non-GAAP financial measures, as defined by Securities and Exchange Commission Regulation G. Non-GAAP financial measures should be considered in addition to, not as a substitute for, the financial measures reported in accordance with U.S. generally accepted accounting principles (GAAP).

The following tables adjust our GAAP financial results for the third quarter and first nine months of 2025 to exclude merger-related expenses, restructuring and other charges, and the overall impact on operating expenses resulting from costs and recoveries associated with the Incident. The following tables adjust our GAAP financial results for the third quarter and first nine months of 2024 to exclude gains on railway line sales, restructuring and other charges, and costs and recoveries associated with the Incident. Additionally, the adjusted results for the first nine months of 2024 exclude shareholder advisory costs and a deferred income tax adjustment. The income tax effects of these non-GAAP adjustments were calculated based on the applicable tax rates to which the non-GAAP adjustments related. We use these non-GAAP financial measures internally and believe this information provides useful supplemental information to investors to facilitate making period-to-period comparisons by excluding these items. While we believe that these non-GAAP financial measures are useful in evaluating our business, this information should be considered as supplemental in nature and is not meant to be considered in isolation from, or as a substitute for, the related financial information prepared in accordance with GAAP. In addition, these non-GAAP financial measures may not be the same as similar measures presented by other companies.

Third Quarter Financial Results - excluding Gains on Railway Lines¹, Merger-Related Expenses², Restructuring and Other Charges³, the Eastern Ohio Incident⁴, and Shareholder Advisory Costs⁵

(\$ in millions, except per share amounts)

	Third Quarter 2025				
	Reported (GAAP)	Merger - Related Expenses ²	Restructuring and Other Charges ³	Eastern Ohio Incident ⁴	Adjusted (Non-GAAP)
Compensation and benefits	\$ 738	\$ —	\$ —	\$ (24)	\$ 714
Total railway operating expenses	\$ 2,005	\$ (15)	\$ (12)	\$ (13)	\$ 1,965
Income from railway operations	\$ 1,098	\$ 15	\$ 12	\$ 13	\$ 1,138
Other income – net	\$ 23	\$ —	\$ —	\$ —	\$ 23
Income before income taxes	\$ 924	\$ 15	\$ 12	\$ 13	\$ 964
Income taxes ⁷	\$ 213	\$ 4	\$ 3	\$ 3	\$ 223
Net income	\$ 711	\$ 11	\$ 9	\$ 10	\$ 741
Railway operating ratio (%)	64.6	(0.5)	(0.4)	(0.4)	63.3
Earnings per share – diluted	\$ 3.16	\$ 0.05	\$ 0.04	\$ 0.05	\$ 3.30

Third Quarter 2024

	Reported (GAAP)	Gains on Railway Line Sales¹	Restructuring and Other Charges³	Eastern Ohio Incident⁴	Shareholder Advisory Costs⁵	Adjusted (Non- GAAP)
	<i>(\$ in millions, except per share amounts)</i>					
Compensation and benefits	\$ 690	\$ —	\$ —	\$ —	\$ —	\$ 690
Total railway operating expenses	\$ 1,455	\$ 380	\$ (60)	\$ 159	\$ —	\$ 1,934
Income from railway operations	\$ 1,596	\$ (380)	\$ 60	\$ (159)	\$ —	\$ 1,117
Other income – net	\$ 34	\$ —	\$ —	\$ —	\$ 1	\$ 35
Income before income taxes	\$ 1,427	\$ (380)	\$ 60	\$ (159)	\$ 1	\$ 949
Income taxes ⁷	\$ 328	\$ (93)	\$ 15	\$ (39)	\$ 1	\$ 212
Net income	\$ 1,099	\$ (287)	\$ 45	\$ (120)	\$ —	\$ 737
Railway operating ratio (%)	47.7	12.5	(2.0)	5.2	—	63.4
Earnings per share – diluted	\$ 4.85	\$ (1.27)	\$ 0.20	\$ (0.53)	\$ —	\$ 3.25

In the table below, references to the results for the third quarters of 2025 and 2024 and the related comparisons use the adjusted, non-GAAP results from the reconciliations in the tables above and on page 6.

	Third Quarter		
	Adjusted 2025 (Non-GAAP^{2,3,4})	Adjusted 2024 (Non-GAAP^{1,3,4,5})	Adjusted 2025 vs. Adjusted 2024 (Non-GAAP)
	<i>(\$ in millions, except per share amounts)</i>		<i>% change</i>
Compensation and benefits	\$ 714	\$ 690	3%
Total railway operating expenses	\$ 1,965	\$ 1,934	2%
Income from railway operations	\$ 1,138	\$ 1,117	2%
Other income – net	\$ 23	\$ 35	(34%)
Income before income taxes	\$ 964	\$ 949	2%
Income taxes ⁷	\$ 223	\$ 212	5%
Net income	\$ 741	\$ 737	1%
Railway operating ratio (%)	63.3	63.4	—%
Earnings per share – diluted	\$ 3.30	\$ 3.25	2%

First Nine Months Financial Results - excluding Gains on Railway Line Sales¹, Merger-Related Expenses², Restructuring and Other Charges³, the Eastern Ohio Incident⁴, Shareholder Advisory Costs⁵, and Deferred Income Tax Adjustment⁶

(\$ in millions, except per share amounts)

	First Nine Months 2025				
	Reported (GAAP)	Merger - Related Expenses ²	Restructuring and Other Charges ³	Eastern Ohio Incident ⁴	Adjusted (Non-GAAP)
Compensation and benefits	\$ 2,169	\$ —	\$ —	\$ (24)	\$ 2,145
Total railway operating expenses	\$ 5,787	\$ (15)	\$ (22)	\$ 219	\$ 5,969
Income from railway operations	\$ 3,419	\$ 15	\$ 22	\$ (219)	\$ 3,237
Other income – net	\$ 78	\$ —	\$ —	\$ —	\$ 78
Income before income taxes	\$ 2,900	\$ 15	\$ 22	\$ (219)	\$ 2,718
Income taxes ⁷	\$ 671	\$ 4	\$ 5	\$ (53)	\$ 627
Net income	\$ 2,229	\$ 11	\$ 17	\$ (166)	\$ 2,091
Railway operating ratio (%)	62.9	(0.2)	(0.3)	2.4	64.8
Earnings per share – diluted	\$ 9.88	\$ 0.05	\$ 0.07	\$ (0.73)	\$ 9.27

	First Nine Months 2024						
	Reported (GAAP)	Gains on Railway Line Sales ¹	Restructuring and Other Charges ³	Eastern Ohio Incident ⁴	Shareholder Advisory Costs ⁵	Deferred Income Tax Adjustment ⁶	Adjusted (Non-GAAP)
Compensation and benefits	\$ 2,126	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,126
Total railway operating expenses	\$ 6,159	\$ 380	\$ (156)	\$ (368)	\$ —	\$ —	\$ 6,015
Income from railway operations	\$ 2,940	\$ (380)	\$ 156	\$ 368	\$ —	\$ —	\$ 3,084
Other income – net	\$ 69	\$ —	\$ (20)	\$ —	\$ 51	\$ —	\$ 100
Income before income taxes	\$ 2,401	\$ (380)	\$ 136	\$ 368	\$ 51	\$ —	\$ 2,576
Income taxes ⁷	\$ 512	\$ (93)	\$ 32	\$ 89	\$ 13	\$ 27	\$ 580
Net income	\$ 1,889	\$ (287)	\$ 104	\$ 279	\$ 38	\$ (27)	\$ 1,996
Railway operating ratio (%)	67.7	4.2	(1.7)	(4.1)	—	—	66.1
Earnings per share – diluted	\$ 8.34	\$ (1.27)	\$ 0.46	\$ 1.23	\$ 0.17	\$ (0.12)	\$ 8.81

In the table below, references to the results for the first nine months of 2025 and 2024 and the related comparisons use the adjusted, non-GAAP results from the reconciliations in the tables on page 8.

	First Nine Months		
	Adjusted 2025	Adjusted 2024	Adjusted 2025 vs.
	(Non-GAAP^{2,3,4})	(Non-GAAP^{1,3,4,5,6})	Adjusted 2024
	<i>(\$ in millions, except per share amounts)</i>		(Non-GAAP)
			<i>% change</i>
Compensation and benefits	\$ 2,145	\$ 2,126	1%
Total railway operating expenses	\$ 5,969	\$ 6,015	(1%)
Income from railway operations	\$ 3,237	\$ 3,084	5%
Other income – net	\$ 78	\$ 100	(22%)
Income before income taxes	\$ 2,718	\$ 2,576	6%
Income taxes ⁷	\$ 627	\$ 580	8%
Net income	\$ 2,091	\$ 1,996	5%
Railway operating ratio (%)	64.8	66.1	(2%)
Earnings per share – diluted	\$ 9.27	\$ 8.81	5%

¹ GAAP financial results are adjusted to exclude gains on railway line sales. During the third quarter of 2024, the Company completed sales of two railway lines in the states of Virginia and North Carolina resulting in gains of \$380 million. See Note 1 on the Consolidated Statements of Income on page 1 of the Quarterly Financial Data.

² GAAP financial results are adjusted to exclude merger-related expenses. During the third quarter of 2025, we incurred \$15 million in merger-related expenses primarily related to third-party advisor fees, legal fees, and costs associated with employee retention arrangements. See Note 2 on the Consolidated Statements of Income on page 1 of the Quarterly Financial Data.

³ GAAP financial results are adjusted to exclude the effects of restructuring and other charges. Restructuring and other charges in 2025 includes expenses associated with the rationalization of certain software development projects that had not been placed into service and the restructuring of certain technology functions, including severance costs for impacted employees. Restructuring and other charges in 2024 includes expenses associated with our voluntary and involuntary separation programs that reduced our management workforce, expenses associated with the rationalization of certain software development projects that had not been placed into service, costs associated with the appointment of our new chief operating officer, and the disposition of an asset class. We incurred expenses of \$12 million and \$60 million in the third quarters of 2025 and 2024, respectively, and \$22 million and \$156 million for the first nine months of 2025 and 2024, respectively. See Note 3 on the Consolidated Statements of Income on page 1 of the Quarterly Financial Data.

⁴ GAAP financial results are adjusted to exclude the effects of the Incident. During the third quarter of 2025, we incurred net expenses of \$13 million related to the Incident, as compared to \$159 million of net benefits for the same period last year. During the first nine months of 2025 and 2024, the Company recorded \$219 million of net benefits and \$368 million of net expenses related to the Incident, respectively. See Note 4 on the Consolidated Statements of Income on page 1 of the Quarterly Financial Data.

⁵ GAAP financial results are adjusted to exclude the effects of shareholder advisory matters. During the third quarter and first nine months of 2024, the Company recorded \$1 million and \$51 million, respectively, of costs associated with shareholder advisory matters. See Note 5 on the Consolidated Statements of Income on page 1 of the Quarterly Financial Data.

⁶ GAAP financial results are adjusted to exclude the effects of a deferred income tax adjustment. During the first nine months of 2024, the Company recorded a \$27 million deferred tax benefit, the result of a subsidiary restructuring that reduced our estimated deferred state income tax rate. See Note 6 on the Consolidated Balance Sheets on page 2 of the Quarterly Financial Data.

⁷ The tax effect for each adjustment is determined by calculating the tax impact of the adjustment on the Company's effective tax rate, unless the nature of the item and/or the tax jurisdiction in which the item has been recorded requires application of a specific tax rate or tax treatment, in which case the effect of such item is estimated by applying such specific tax rate or tax treatment. Adjustments reported above are reported on a pre-tax basis before the tax effect described on the applicable income taxes line for the associated adjustment in the reconciliations above.

Financial, Traffic and Operating Statistics

(\$ in millions - except as noted)

	2024					2025					Increase (Decrease) 2025 vs. 2024				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year-to- date	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year-to- date
Railway operating revenues	\$ 3,004	\$ 3,044	\$ 3,051	\$ 3,024	\$ 12,123	\$ 2,993	\$ 3,110	\$ 3,103		\$ 9,206	\$ (11)	\$ 66	\$ 52		\$ 107
Railway operating expenses:															
Compensation and benefits ¹	736	700	690	697	2,823	739	692	714		2,145	3	(8)	24		19
Purchased services	420	419	405	411	1,655	401	409	414		1,224	(19)	(10)	9		(20)
Equipment rents	108	97	92	96	393	97	111	105		313	(11)	14	13		16
Fuel	284	257	216	230	987	244	219	237		700	(40)	(38)	21		(57)
Depreciation	337	335	339	342	1,353	346	346	348		1,040	9	11	9		29
Materials	98	92	96	83	369	100	98	104		302	2	6	8		16
Claims	48	50	66	73	237	66	59	75		200	18	9	9		36
Other	69	31	30	30	160	39	38	(32)		45	(30)	7	(62)		(85)
Total railway operating expenses ¹	2,100	1,981	1,934	1,962	7,977	2,032	1,972	1,965		5,969	(68)	(9)	31		(46)
Income from railway operations ¹	904	1,063	1,117	1,062	4,146	961	1,138	1,138		3,237	57	75	21		153
Other income – net ¹	39	26	35	4	104	31	24	23		78	(8)	(2)	(12)		(22)
Interest expense on debt	201	204	203	199	807	199	201	197		597	(2)	(3)	(6)		(11)
Income before income taxes ¹	742	885	949	867	3,443	793	961	964		2,718	51	76	15		142
Income taxes ¹	177	191	212	179	759	184	220	223		627	7	29	11		47
Net income ¹	\$ 565	\$ 694	\$ 737	\$ 688	\$ 2,684	\$ 609	\$ 741	\$ 741		\$ 2,091	\$ 44	\$ 47	\$ 4		\$ 95
Weighted average shares outstanding – diluted (in millions)	226.2	226.4	226.5	226.7	226.4	226.5	225.2	224.7		225.5	0.3	(1.2)	(1.8)		(0.8)
Earnings per share – diluted (dollars) ¹	\$ 2.49	\$ 3.06	\$ 3.25	\$ 3.04	\$ 11.85	\$ 2.69	\$ 3.29	\$ 3.30		\$ 9.27	\$ 0.20	\$ 0.23	\$ 0.05		\$ 0.46
Dividends per share (dollars)	\$ 1.35	\$ 1.35	\$ 1.35	\$ 1.35	\$ 5.40	\$ 1.35	\$ 1.35	\$ 1.35		\$ 4.05	\$ —	\$ —	\$ —		\$ —
Railway operating ratio (percent) ¹	69.9	65.1	63.4	64.9	65.8	67.9	63.4	63.3		64.8	(2.0)	(1.7)	(0.1)		(1.3)
Property additions	\$ 557	\$ 568	\$ 581	\$ 675	\$ 2,381	\$ 449	\$ 475	\$ 551		\$ 1,475	\$ (108)	\$ (93)	\$ (30)		\$ (231)
Cash and cash equivalents	\$ 652	\$ 659	\$ 975	\$ 1,641	\$ 1,641	\$ 1,006	\$ 1,303	\$ 1,418		\$ 1,418	\$ 354	\$ 644	\$ 443		\$ 443
Total debt	\$ 17,583	\$ 17,592	\$ 17,199	\$ 17,206	\$ 17,206	\$ 17,215	\$ 17,367	\$ 17,083		\$ 17,083	\$ (368)	\$ (225)	\$ (116)		\$ (116)
Total debt-to-total capitalization (percent)	58.4	57.5	55.5	54.6	54.6	54.3	54.0	53.0		53.0	(4.1)	(3.5)	(2.5)		(2.5)
Gross ton miles (GTMs) (in billions)	85.9	86.5	86.7	87.5	346.6	86.4	90.6	90.3		267.3	1%	5%	4%		3%
Revenue ton miles (in billions):															
Merchandise	26.7	26.3	26.2	27.0	106.2	27.3	28.4	28.7		84.4	2%	8%	10%		7%
Intermodal	10.0	10.1	10.4	10.4	40.9	10.1	10.5	10.3		30.9	1%	4%	(1%)		1%
Coal	7.6	8.0	7.8	7.5	30.9	7.5	8.0	7.9		23.4	(1%)	—%	1%		—%
Total	44.3	44.4	44.4	44.9	178.0	44.9	46.9	46.9		138.7	1%	6%	6%		4%
Railroad employees (average)	20,738	20,299	19,889	19,584	20,127	19,392	19,334	19,383		19,369	(6%)	(5%)	(3%)		(5%)
GTMs (thousands) per employee	4,140	4,265	4,360	4,466	17,221	4,458	4,684	4,659		13,801	8%	10%	7%		8%
Locomotive diesel fuel consumed (in thousands of gallons)	97,906	91,614	91,205	92,749	373,474	93,521	91,723	90,311		275,555	(4%)	—%	(1%)		(2%)
Average price (dollars) per gallon of locomotive diesel fuel	\$ 2.724	\$ 2.629	\$ 2.214	\$ 2.321	\$ 2.480	\$ 2.419	\$ 2.239	\$ 2.463		\$ 2.373	(11%)	(15%)	11%		(6%)
Gallons of fuel consumed per thousand GTMs	1.15	1.06	1.06	1.07	1.08	1.09	1.02	1.01		1.04	(5%)	(4%)	(5%)		(5%)
Train speed (miles per hour)	21.5	21.8	22.4	22.5	22.1	22.3	21.6	22.0		22.0	4%	(1%)	(2%)		—%
Terminal dwell (hours)	23.9	22.9	22.5	22.1	22.9	22.5	22.7	22.1		22.4	(6%)	(1%)	(2%)		(3%)

¹ Non-GAAP measures presented in the table above include compensation and benefits, total railway operating expenses, income from railway operations, other income – net, income before income taxes, income taxes, net income, earnings per share – diluted, and railway operating ratio. Reconciliations for the third quarter and first nine months of 2025 and 2024 are found on pages 6 through 9 of this Quarterly Financial Data. Reconciliations to GAAP for prior periods are included in the Quarterly Financial Data on the Investors page under Events and Presentations for each respective period.



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