EARNINGS CONFERENCE CALL
2020 First Quarter
FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of the safe harbor provision of the Private Securities Litigation Reform Act of 1995, as amended. These statements relate to future events or future performance of Norfolk Southern Corporation’s (NYSE: NSC) (“Norfolk Southern,” “NS” or the “Company”), including but not limited to statements regarding future financial performance and anticipated results, benefits, and targets related to the strategic plan. In some cases, these forward-looking statements may be identified by the use of words like “will,” “believe,” “expect,” “targets,” “anticipate,” “estimate,” “plan,” “consider,” “project,” and similar references to the future. The Company has based these forward-looking statements on management's current expectations, assumptions, estimates, beliefs, and projections. While the Company believes these expectations, assumptions, estimates, and projections are reasonable, forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which involve factors or circumstances that are beyond the Company’s control, including but not limited to: general North American and global economic conditions; changes in energy prices and fuel markets; uncertainty surrounding timing and volumes of commodities being shipped; changes in laws and regulations; uncertainties of claims and lawsuits; labor disputes; transportation of dangerous goods; effects of changes in capital market conditions; severe weather; and the impact of the COVID-19 pandemic on us, our customers, our supply chain and our operations. These and other important factors, including those discussed under “Risk Factors” in the Annual Report on Form 10-K for the year ended December 31, 2019, filed with the Securities and Exchange Commission (the “SEC”), as well as the Company’s subsequent filings with the SEC, may cause actual results, benefits, performance, or achievements to differ materially from those expressed or implied by these forward-looking statements. Please refer to these SEC filings for a full discussion of those risks and uncertainties we view as most important.

Forward-looking statements are not, and should not be relied upon as, a guarantee of future events or performance, nor will they necessarily prove to be accurate indications of the times at or by which any such events or performance will be achieved. As a result, actual outcomes and results may differ materially from those expressed in forward-looking statements. We undertake no obligation to update or revise forward-looking statements, whether as a result of new information, the occurrence of certain events or otherwise, unless otherwise required by applicable securities law.
2020 HIGHLIGHTS
First Quarter

James A. Squires
Chairman, President and
Chief Executive Officer
Norfolk Southern thanks our employees for protecting each other and supporting our customers. Your hard work and commitment are a testament to the character necessary to keep the steel wheels rolling.
### FIRST QUARTER 2020 RESULTS

**Strategic transformation driving structural operating ratio improvement**

<table>
<thead>
<tr>
<th></th>
<th>1Q20</th>
<th>Adjusted 1Q20</th>
<th>vs 1Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$2,625M</td>
<td>$2,625M</td>
<td>(8%)</td>
</tr>
<tr>
<td>Income from operations$^{(1)}$</td>
<td>$568M</td>
<td>$953M</td>
<td>(1%)</td>
</tr>
<tr>
<td>Operating ratio$^{(1)}$</td>
<td>78.4%</td>
<td>63.7%</td>
<td>(230)bps</td>
</tr>
<tr>
<td>Net income$^{(1)}$</td>
<td>$381M</td>
<td>$669M</td>
<td>(1%)</td>
</tr>
<tr>
<td>Earnings per share$^{(1)}$</td>
<td>$1.47</td>
<td>$2.58</td>
<td>3%</td>
</tr>
</tbody>
</table>

(1) Adjusted 1Q20 excludes $385M non-cash locomotive disposition charge. Please see reconciliation to GAAP posted on our website on the **Invest in NS** page under **Events** for this event.
MARKETING OVERVIEW
First Quarter

Alan H. Shaw
Executive Vice President and Chief Marketing Officer
### RAILWAY OPERATING REVENUE CHANGE
#### Q1 2020 vs. 2019

Revenue change $ millions

<table>
<thead>
<tr>
<th></th>
<th>Merchandise</th>
<th>Intermodal</th>
<th>Coal</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$1,672M (1%)</td>
<td>$655M (9%)</td>
<td>$298M (31%)</td>
<td>$2,625M (8%)</td>
</tr>
<tr>
<td>Volume</td>
<td>569,100 (5%)</td>
<td>955,100 (11%)</td>
<td>163,500 (31%)</td>
<td>1,687,700 (11%)</td>
</tr>
<tr>
<td>RPU</td>
<td>$2,939 4%</td>
<td>$685 2%</td>
<td>$1,826 (1%)</td>
<td>$1,556 4%</td>
</tr>
</tbody>
</table>

- **RECORD RPU**

| RPU (less fuel)(1) | $2,875 5%  | $589 2%    | $1,811 1%  | $1,478 5% |

- **RECORD RPU LF**

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**13 consecutive quarters of year-over-year RPU growth**

1Q 2019: $2,840

1Q 2020: $2,625

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COVID-19 AND ENERGY IMPACT

Resolution of COVID-19 and energy disruptions remains open-ended

(Bubble size represents percent of 2019 revenue)
OPERATIONS OVERVIEW
First Quarter

Michael J. Wheeler
Executive Vice President and Chief Operating Officer
NETWORK PERFORMANCE

Extracting additional operating leverage from the system

Record quarterly performance
- Terminal dwell
- Train performance
- Shipment consistency
- Intermodal availability
SERVICE AND PRODUCTIVITY METRICS
Q1 2020 vs. Q1 2019

Improvement in all productivity metrics

- Service Delivery Index: 27%
- T&E Productivity: 20%
- Train Weight: 6%
- Locomotive Productivity: 9%
- Fuel Efficiency: 5%
- Cars Online: -13%
TOP21 OPERATING PLAN UPDATE

Top21 Progress
- Reduced asset requirements
- Improved velocity
- Multiple initiatives to reduce fuel consumption
- Reduced local and yard assignments

Top21 Evolution
- Complete Phase 3 in Q2
- Constant network plan optimization

Top21 driving crew start reductions far exceeding volume declines
COVID-19 RESPONSE

Preparation and actionable triggers kept operating metrics high

**Workforce Safety**
- Dispersed Network Operations Center staff locally
- Distance and hygiene protocols for field operations

**Operational Resilience**
- Quick to store cars to preserve fluidity
- Reserve boards and “Go Teams” for T&E flexibility
- Proactive monitoring of gateways and subsidiaries

**Customer Support**
- Maintain high service levels
- Proactive customer communication
- Identify and prioritize critical shipments
APRIL: PRESSING THE TOP21 ACCELERATOR

**Short term**
- Pulldown of auto network
- Train consolidations

**Structural**
- Yard consolidations / closures
- Increased network blending
- Concentrating flows
FINANCE
OVERVIEW
First Quarter

Mark R. George
Executive Vice President and
Chief Financial Officer
LOCOMOTIVE RATIONALIZATION

$385 million non-cash charge due to ongoing disposal of 703 locomotives

Owned Locomotives

<table>
<thead>
<tr>
<th>Date</th>
<th>Active</th>
<th>Inactive</th>
<th>Active</th>
<th>Inactive</th>
<th>Inactive/Surge</th>
<th>Disposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/31/2018</td>
<td>3,515</td>
<td>606</td>
<td>2,884</td>
<td>1,022</td>
<td>402</td>
<td>703</td>
</tr>
<tr>
<td>12/31/2019</td>
<td>2,801</td>
<td>2,884</td>
<td></td>
<td></td>
<td></td>
<td>1,022</td>
</tr>
<tr>
<td>3/31/2020</td>
<td>2,801</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Target fleet size ~3,200
22% reduction from a year ago

Model Rationalization

- Less inventory & mechanical resources
- Simplified power optimization

Legacy Fleet
19 Models

Post-PSR Fleet
10 Models

Other Benefits

- Less yard congestion
- Lower average age + higher AC mix =
  - Improved reliability
  - Improved fuel efficiency
  - Capacity dividend
## OPERATING RATIO AND EPS

**Items Impacting Comparison to 2019**

<table>
<thead>
<tr>
<th>Operating Ratio</th>
<th>Earnings per share</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Q1 2019</strong></td>
<td></td>
</tr>
<tr>
<td>66.0%</td>
<td>$2.51</td>
</tr>
<tr>
<td>Income tax refund</td>
<td>-</td>
</tr>
<tr>
<td>Core results</td>
<td>230bps</td>
</tr>
<tr>
<td><strong>Q1 2020 Adjusted (1)</strong></td>
<td></td>
</tr>
<tr>
<td>63.7%</td>
<td>$2.58</td>
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</table>

**Change**

230bps  
$0.07

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**Strong core improvement in OR**

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FIRST QUARTER HIGHLIGHTS
Adjusted Q1 2020 vs. Q1 2019

Revenue

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<thead>
<tr>
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<tr>
<td>$2,840</td>
<td>$2,625</td>
<td></td>
</tr>
</tbody>
</table>

Operating Expense (1,2)

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,874</td>
<td>$1,672</td>
<td></td>
</tr>
</tbody>
</table>

Operating Income (1,2)

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>$966</td>
<td>$953</td>
<td></td>
</tr>
</tbody>
</table>

Operating Ratio (1,2)

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>66.0%</td>
<td>63.7%</td>
<td></td>
</tr>
</tbody>
</table>

Free Cash Flow (2)

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>$414</td>
<td>$589</td>
<td></td>
</tr>
</tbody>
</table>

(1) Adjusted 1Q20 excludes $385M non-cash locomotive disposition charge.
(2) Please see reconciliation to GAAP posted on our website on the Invest in NS page under Events for this event.
Focus remains on cost optimization

(1) Adjusted 1Q20 excludes $385M non-cash locomotive disposition charge. Please see reconciliation to GAAP posted on our website on the Invest in NS page under Events for this event.
# FINANCIAL RESULTS

Adjusted Q1 2020 vs. 2019

|$ millions except per share |
|---|---|---|---|
|Income from railway operations (1) | $966 | $953 | ($13) (1%) |
|Other income – net | 44 | 22 | (22) (50%) |
|Interest expense on debt | 149 | 154 | (5) (3%) |
|Income before income taxes (1) | 861 | 821 | (40) (5%) |
|Income taxes (1) | 184 | 152 | 32 17% |
|Net income (1) | $677 | $669 | ($8) (1%) |

Earnings per share – diluted (1) $2.51 $2.58 $0.07 3%

(1) Adjusted 1Q20 excludes $385M non-cash locomotive disposition charge.
Please see reconciliation to GAAP posted on our website on the Invest in NS page under Events for this event.
FREE CASH FLOW & SHAREHOLDER DISTR.

Q1 2020

$ millions

2020 Free Cash Flow (1)

- Cash from operations: $955
- Property Additions: $366
- Free Cash Flow: $589

Shareholder Distributions

- 2019:
  - Dividends: $500
  - Share repurchases: $230

- 2020:
  - Dividends: $466
  - Share repurchases: $242

+42% vs 2019

(1) Please see reconciliation to GAAP posted on our website on the Invest in NS page under Events for this event.
OUTLOOK

2020 guidance for revenue and OR withdrawn → Modeling a range of revenue scenarios

Illustrative Cost Structure

Structural

Semi-variable

Volume-variable

- Comp & Ben
- Purch Svcs
- Deprec
- Fuel
- Eq Rents
- Mat & Other

Semi-variable decision factors
- Duration of downturn
- Pace of anticipated recovery

Absolute requirements
- Network safety
- Service product

Modeling durable 2020 free cash flow thanks to cost discipline and operational performance
FINANCIALLY RESPONSIBLE

$ millions

Liquidity Sources
- Cash: $600
- Issuance Authority: $2,400
- Undrawn Facilities & COLI loan capacity: $1,800

Maintaining Access to Capital

Debt Maturities
- Jun 2020: $314
- Mar 2021: $83
- Dec 2021: $500

Comfortable Debt Ladder

Capital Expenditures
- 2018: $1,951
- 2019: $2,019
- 2020: $1,500

Aggressively Rationalizing Spend

~($500) ~25%
• Strong Q1 results demonstrate PSR success
• Proactive COVID-19 response
• Capital and operating expense control
• Resiliency in navigating market disruptions
APPENDIX
ITEMS IMPACTING COMPARISON TO 2019

favorable / (unfavorable)
$ millions except per share

<table>
<thead>
<tr>
<th>First Quarter</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-cash locomotive charge</td>
<td>$(385)</td>
</tr>
<tr>
<td>Income tax refund</td>
<td>23</td>
</tr>
</tbody>
</table>

Impact:

<table>
<thead>
<tr>
<th>Impact:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating ratio</td>
<td>(1470)bps</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>$(1.02)</td>
</tr>
</tbody>
</table>
THANK YOU