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)

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Railway operating revenues</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Merchandise</td>
<td>$1,307</td>
<td>$1,756</td>
<td>(26%)</td>
</tr>
<tr>
<td>Intermodal</td>
<td>569</td>
<td>701</td>
<td>(19%)</td>
</tr>
<tr>
<td>Coal</td>
<td>209</td>
<td>468</td>
<td>(55%)</td>
</tr>
<tr>
<td><strong>Total railway operating revenues</strong></td>
<td>2,085</td>
<td>2,925</td>
<td>(29%)</td>
</tr>
<tr>
<td>Railway operating expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation and benefits</td>
<td>586</td>
<td>712</td>
<td>(18%)</td>
</tr>
<tr>
<td>Purchased services and rents</td>
<td>372</td>
<td>418</td>
<td>(11%)</td>
</tr>
<tr>
<td>Fuel</td>
<td>84</td>
<td>254</td>
<td>(67%)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>282</td>
<td>284</td>
<td>(1%)</td>
</tr>
<tr>
<td>Materials and other</td>
<td>151</td>
<td>192</td>
<td>(21%)</td>
</tr>
<tr>
<td><strong>Total railway operating expenses</strong></td>
<td>1,475</td>
<td>1,860</td>
<td>(21%)</td>
</tr>
<tr>
<td><strong>Income from railway operations</strong></td>
<td>610</td>
<td>1,065</td>
<td>(43%)</td>
</tr>
<tr>
<td>Other income – net</td>
<td>49</td>
<td>22</td>
<td>123%</td>
</tr>
<tr>
<td>Interest expense on debt</td>
<td>156</td>
<td>153</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Income before income taxes</strong></td>
<td>503</td>
<td>934</td>
<td>(46%)</td>
</tr>
<tr>
<td>Income taxes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td>66</td>
<td>136</td>
<td>(51%)</td>
</tr>
<tr>
<td>Deferred</td>
<td>45</td>
<td>76</td>
<td>(41%)</td>
</tr>
<tr>
<td><strong>Total income taxes</strong></td>
<td>111</td>
<td>212</td>
<td>(48%)</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>$392</td>
<td>$722</td>
<td>(46%)</td>
</tr>
<tr>
<td>Railway operating ratio (%)</td>
<td>70.7</td>
<td>63.6</td>
<td>11%</td>
</tr>
<tr>
<td><strong>Earnings per share – diluted</strong></td>
<td>$1.53</td>
<td>$2.70</td>
<td>(43%)</td>
</tr>
</tbody>
</table>

### Notes

1. **Stock Repurchase Program**
   
   We repurchased and retired 3.9 million and 5.7 million shares of common stock under our stock repurchase program during the first six months of 2020 and 2019, respectively, at a cost of $669 million and $1.1 billion, respectively.
Consolidated Statements of Income
(in millions, except per share amounts)

<table>
<thead>
<tr>
<th></th>
<th>2020 (GAAP)</th>
<th>Adjusted 2020 (Non-GAAP)</th>
<th>2019</th>
<th>% Change (Non-GAAP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Railway operating revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Merchandise</td>
<td>$ 2,979</td>
<td>$ 2,979</td>
<td>$ 3,442</td>
<td>(13%)</td>
</tr>
<tr>
<td>Intermodal</td>
<td>1,224</td>
<td>1,224</td>
<td>1,420</td>
<td>(14%)</td>
</tr>
<tr>
<td>Coal</td>
<td>507</td>
<td>507</td>
<td>903</td>
<td>(44%)</td>
</tr>
<tr>
<td>Total railway operating revenues</td>
<td>4,710</td>
<td>4,710</td>
<td>5,765</td>
<td>(18%)</td>
</tr>
<tr>
<td>Railway operating expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation and benefits</td>
<td>1,208</td>
<td>1,208</td>
<td>1,439</td>
<td>(16%)</td>
</tr>
<tr>
<td>Purchased services and rents</td>
<td>775</td>
<td>775</td>
<td>842</td>
<td>(8%)</td>
</tr>
<tr>
<td>Fuel</td>
<td>273</td>
<td>273</td>
<td>504</td>
<td>(46%)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>574</td>
<td>574</td>
<td>567</td>
<td>1%</td>
</tr>
<tr>
<td>Materials and other</td>
<td>317</td>
<td>317</td>
<td>382</td>
<td>(17%)</td>
</tr>
<tr>
<td>Loss on asset disposal</td>
<td>385</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total railway operating expenses</td>
<td>3,532</td>
<td>3,147</td>
<td>3,734</td>
<td>(16%)</td>
</tr>
<tr>
<td>Income from railway operations</td>
<td>1,178</td>
<td>1,563</td>
<td>2,031</td>
<td>(23%)</td>
</tr>
<tr>
<td>Other income – net</td>
<td>71</td>
<td>71</td>
<td>66</td>
<td>8%</td>
</tr>
<tr>
<td>Interest expense on debt</td>
<td>310</td>
<td>310</td>
<td>302</td>
<td>3%</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>939</td>
<td>1,324</td>
<td>1,795</td>
<td>(26%)</td>
</tr>
<tr>
<td>Income taxes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td>110</td>
<td>112</td>
<td>263</td>
<td>(57%)</td>
</tr>
<tr>
<td>Deferred</td>
<td>56</td>
<td>151</td>
<td>133</td>
<td>14%</td>
</tr>
<tr>
<td>Total income taxes</td>
<td>166</td>
<td>263</td>
<td>396</td>
<td>(34%)</td>
</tr>
<tr>
<td>Net income</td>
<td>$ 773</td>
<td>$ 1,061</td>
<td>$ 1,399</td>
<td>(24%)</td>
</tr>
<tr>
<td>Railway operating ratio (%)</td>
<td>75.0</td>
<td>66.8</td>
<td>64.8</td>
<td>3%</td>
</tr>
<tr>
<td>Earnings per share – diluted</td>
<td>$ 3.00</td>
<td>$ 4.11</td>
<td>$ 5.21</td>
<td>(21%)</td>
</tr>
</tbody>
</table>

Notes

2. Loss on Asset Disposition

In the first quarter of 2020, we committed to a plan to dispose of certain locomotives deemed excess and no longer needed for railroad operations. Specifically, during the first six months of 2020, the Company recorded a charge related to the loss on the sale of approximately 450 locomotives disposed of in the first six months, and a write-down of approximately 250 additional locomotives that we are actively marketing to sell. Accordingly, a $385 million loss was recorded to adjust their carrying amount to their estimated fair value. These amounts have been reflected on a non-GAAP basis. See the Reconciliation of Non-GAAP Financial Measures and explanation on page 3.
Reconciliation of Non-GAAP Financial Measures

Information included within this Second Quarter 2020 Quarterly Financial Data includes non-GAAP financial measures, as defined by SEC 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).

Consolidated Statements of Income - excluding Loss on asset disposal
($ in millions except per share amounts)

<table>
<thead>
<tr>
<th></th>
<th>2020 (GAAP)</th>
<th>Loss on asset disposal $</th>
<th>Adjusted 2020 (Non-GAAP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total railway operating expenses</td>
<td>$2,057</td>
<td>($385)</td>
<td>$1,672</td>
</tr>
<tr>
<td>Income from railway operations</td>
<td>$568</td>
<td>$385</td>
<td>$953</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>$436</td>
<td>$385</td>
<td>$821</td>
</tr>
<tr>
<td>Total income taxes</td>
<td>$55</td>
<td>$97</td>
<td>$152</td>
</tr>
<tr>
<td>Net income</td>
<td>$381</td>
<td>$288</td>
<td>$669</td>
</tr>
<tr>
<td>Railway operating ratio (%)</td>
<td>78.4</td>
<td>(14.7)</td>
<td>63.7</td>
</tr>
<tr>
<td>Earnings per share – diluted</td>
<td>$1.47</td>
<td>$1.11</td>
<td>$2.58</td>
</tr>
</tbody>
</table>

First Six Months

<table>
<thead>
<tr>
<th></th>
<th>2020 (GAAP)</th>
<th>Loss on asset disposal $</th>
<th>Adjusted 2020 (Non-GAAP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total railway operating expenses</td>
<td>$3,532</td>
<td>($385)</td>
<td>$3,147</td>
</tr>
<tr>
<td>Income from railway operations</td>
<td>$1,178</td>
<td>$385</td>
<td>$1,563</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>$939</td>
<td>$385</td>
<td>$1,324</td>
</tr>
<tr>
<td>Total income taxes</td>
<td>$166</td>
<td>$97</td>
<td>$263</td>
</tr>
<tr>
<td>Net income</td>
<td>$773</td>
<td>$288</td>
<td>$1,061</td>
</tr>
<tr>
<td>Railway operating ratio (%)</td>
<td>75.0</td>
<td>(8.2)</td>
<td>66.8</td>
</tr>
<tr>
<td>Earnings per share – diluted</td>
<td>$3.00</td>
<td>$1.11</td>
<td>$4.11</td>
</tr>
</tbody>
</table>

* GAAP financial results are adjusted to exclude the effects of the $385 million loss on asset disposal. For additional information see Note 2 on the Consolidated Statements of Income on page 2 of the Quarterly Financial Data.

The Company uses these non-GAAP financial measures internally and believes this information provides useful supplemental information to investors to facilitate making period-to-period comparisons by excluding the effects of the 2020 loss on asset disposal. While the Company believes that these non-GAAP financial measures are useful in evaluating the Company’s business, this information should be considered as supplemental in nature and is not meant to be considered in isolation 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.
# Consolidated Balance Sheets

($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2020</th>
<th>December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,143</td>
<td>$580</td>
</tr>
<tr>
<td>Accounts receivable – net</td>
<td>822</td>
<td>920</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>257</td>
<td>244</td>
</tr>
<tr>
<td>Other current assets</td>
<td>128</td>
<td>337</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>2,350</strong></td>
<td><strong>2,081</strong></td>
</tr>
<tr>
<td>Investments</td>
<td>3,590</td>
<td>3,428</td>
</tr>
<tr>
<td>Properties less accumulated depreciation of $11,823 and $11,982, respectively</td>
<td>31,217</td>
<td>31,614</td>
</tr>
<tr>
<td>Other assets</td>
<td>805</td>
<td>800</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>37,962</strong></td>
<td><strong>37,923</strong></td>
</tr>
<tr>
<td><strong>Liabilities and stockholders’ equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$1,268</td>
<td>$1,428</td>
</tr>
<tr>
<td>Income and other taxes</td>
<td>239</td>
<td>229</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>343</td>
<td>327</td>
</tr>
<tr>
<td><strong>Current maturities of long-term debt</strong></td>
<td><strong>85</strong></td>
<td><strong>316</strong></td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>1,935</strong></td>
<td><strong>2,300</strong></td>
</tr>
<tr>
<td>Long-term debt</td>
<td>12,612</td>
<td>11,880</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>1,680</td>
<td>1,744</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>6,874</td>
<td>6,815</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>23,101</strong></td>
<td><strong>22,739</strong></td>
</tr>
<tr>
<td>Stockholders’ equity:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock $1.00 per share par value, 1,350,000,000 shares authorized; outstanding 255,109,247 and 257,904,956 shares, respectively, net of treasury shares</td>
<td>256</td>
<td>259</td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>2,217</td>
<td>2,209</td>
</tr>
<tr>
<td>Accumulated other comprehensive loss</td>
<td>(475)</td>
<td>(491)</td>
</tr>
<tr>
<td>Retained income</td>
<td>12,863</td>
<td>13,207</td>
</tr>
<tr>
<td><strong>Total stockholders’ equity</strong></td>
<td><strong>14,861</strong></td>
<td><strong>15,184</strong></td>
</tr>
<tr>
<td><strong>Total liabilities and stockholders’ equity</strong></td>
<td><strong>37,962</strong></td>
<td><strong>37,923</strong></td>
</tr>
</tbody>
</table>
Consolidated Statements of Cash Flows
($ in millions)

<table>
<thead>
<tr>
<th>First Six Months</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>$ 773</td>
<td>$ 1,399</td>
</tr>
<tr>
<td>Reconciliation of net income to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>574</td>
<td>567</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>56</td>
<td>133</td>
</tr>
<tr>
<td>Gains and losses on properties</td>
<td>(11)</td>
<td>(7)</td>
</tr>
<tr>
<td>Loss on asset disposal</td>
<td>385</td>
<td>—</td>
</tr>
<tr>
<td>Changes in assets and liabilities affecting operations:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>98</td>
<td>(30)</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>(13)</td>
<td>(49)</td>
</tr>
<tr>
<td>Other current assets</td>
<td>30</td>
<td>55</td>
</tr>
<tr>
<td>Current liabilities other than debt</td>
<td>—</td>
<td>(30)</td>
</tr>
<tr>
<td>Other – net</td>
<td>(134)</td>
<td>(86)</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>1,758</td>
<td>1,952</td>
</tr>
</tbody>
</table>

| **Cash flows from investing activities** |       |       |
| Property additions | (735) | (979) |
| Property sales and other transactions | 258   | 214   |
| Investment purchases | (5)   | (12)  |
| Investment sales and other transactions | (58)  | (75)  |
| **Net cash used in investing activities** | (540) | (852) |

| **Cash flows from financing activities** |       |       |
| Dividends | (482) | (458) |
| Common stock transactions | 26   | 18    |
| Purchase and retirement of common stock | (669) | (1,050) |
| Proceeds from borrowings | 784   | 1,054 |
| Debt repayments | (314) | (750) |
| **Net cash used in financing activities** | (655) | (1,186) |

| **Net increase (decrease) in cash, cash equivalents, and restricted cash** | 563   | (86)  |

| **Cash, cash equivalents, and restricted cash** |       |       |
| At beginning of year | 580   | 446   |
| At end of period     | $1,143 | $360  |

| **Supplemental disclosures of cash flow information** |       |       |
| Cash paid during the period for: |       |       |
| Interest (net of amounts capitalized) | $287  | $271  |
| Income taxes (net of refunds) | 1     | 215   |

3. **Restricted Cash**
The "Cash, cash equivalents, and restricted cash" line item includes restricted cash of $88 million in 2019, reflecting deposits held by a third-party bond agent as collateral for certain debt obligations which matured on October 1, 2019.
# Railway Operating Revenues Analysis

<table>
<thead>
<tr>
<th>Commodity and Period</th>
<th>Revenues ($ in millions)</th>
<th>Units (in thousands)</th>
<th>Revenue per Unit ($ per unit)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
<td>% Change</td>
</tr>
<tr>
<td><strong>First Quarter</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture, forest and consumer products</td>
<td>$551</td>
<td>$558</td>
<td>(1%)</td>
</tr>
<tr>
<td>Chemicals</td>
<td>520</td>
<td>507</td>
<td>3%</td>
</tr>
<tr>
<td>Metals and construction</td>
<td>367</td>
<td>370</td>
<td>(1%)</td>
</tr>
<tr>
<td>Automotive</td>
<td>234</td>
<td>251</td>
<td>(7%)</td>
</tr>
<tr>
<td>Merchandise</td>
<td>1,672</td>
<td>1,686</td>
<td>(1%)</td>
</tr>
<tr>
<td>Intermodal</td>
<td>655</td>
<td>719</td>
<td>(9%)</td>
</tr>
<tr>
<td>Coal</td>
<td>298</td>
<td>435</td>
<td>(31%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$2,625</td>
<td>$2,840</td>
<td>(8%)</td>
</tr>
<tr>
<td><strong>Second Quarter</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture, forest and consumer products</td>
<td>$498</td>
<td>$577</td>
<td>(14%)</td>
</tr>
<tr>
<td>Chemicals</td>
<td>423</td>
<td>544</td>
<td>(22%)</td>
</tr>
<tr>
<td>Metals and construction</td>
<td>293</td>
<td>384</td>
<td>(24%)</td>
</tr>
<tr>
<td>Automotive</td>
<td>93</td>
<td>251</td>
<td>(63%)</td>
</tr>
<tr>
<td>Merchandise</td>
<td>1,307</td>
<td>1,756</td>
<td>(26%)</td>
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<tr>
<td>Intermodal</td>
<td>569</td>
<td>701</td>
<td>(19%)</td>
</tr>
<tr>
<td>Coal</td>
<td>209</td>
<td>468</td>
<td>(55%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$2,085</td>
<td>$2,925</td>
<td>(29%)</td>
</tr>
</tbody>
</table>

### Year-to-date

<table>
<thead>
<tr>
<th>Commodity and Period</th>
<th>Revenues ($ in millions)</th>
<th>Units (in thousands)</th>
<th>Revenue per Unit ($ per unit)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
<td>% Change</td>
</tr>
<tr>
<td>Agriculture, forest and consumer products</td>
<td>$1,049</td>
<td>$1,135</td>
<td>(8%)</td>
</tr>
<tr>
<td>Chemicals</td>
<td>943</td>
<td>1,051</td>
<td>(10%)</td>
</tr>
<tr>
<td>Metals and construction</td>
<td>660</td>
<td>754</td>
<td>(12%)</td>
</tr>
<tr>
<td>Automotive</td>
<td>327</td>
<td>502</td>
<td>(35%)</td>
</tr>
<tr>
<td>Merchandise</td>
<td>2,979</td>
<td>3,442</td>
<td>(13%)</td>
</tr>
<tr>
<td>Intermodal</td>
<td>1,224</td>
<td>1,420</td>
<td>(14%)</td>
</tr>
<tr>
<td>Coal</td>
<td>507</td>
<td>903</td>
<td>(44%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$4,710</td>
<td>$5,765</td>
<td>(18%)</td>
</tr>
</tbody>
</table>

At the beginning of 2020, we combined the agriculture products and forest and consumer commodity groups. In addition, we also made changes in the categorization of certain other commodity groups within Merchandise. Specifically, certain commodities were shifted between agriculture, forest, and consumer products; chemicals; and, metals and construction. These changes were made as a result of organizational initiatives to better align with how we manage these commodities. Prior period railway operating revenues, units and revenue per unit have been reclassified to conform to the current presentation.

6 / Quarterly Financial Data
Railway Operating Revenues Variance Analysis

($ in millions)

Second Quarter
2020 vs. 2019

<table>
<thead>
<tr>
<th></th>
<th>Merchandise</th>
<th>Intermodal</th>
<th>Coal</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>Percent</td>
<td>Amount</td>
</tr>
<tr>
<td>Revenue Variance due to:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volume</td>
<td>$ (515)</td>
<td>(29%)</td>
<td>$ (110)</td>
</tr>
<tr>
<td>Fuel surcharge revenue</td>
<td>(24)</td>
<td>(1%)</td>
<td>(48)</td>
</tr>
<tr>
<td>Rate, mix and other</td>
<td>90</td>
<td>5%</td>
<td>26</td>
</tr>
<tr>
<td>Total</td>
<td>$ (449)</td>
<td>(26%)</td>
<td>$ (132)</td>
</tr>
</tbody>
</table>

Year-to-date
2020 vs. 2019

<table>
<thead>
<tr>
<th></th>
<th>Merchandise</th>
<th>Intermodal</th>
<th>Coal</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>Percent</td>
<td>Amount</td>
</tr>
<tr>
<td>Revenue Variance due to:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volume</td>
<td>$ (602)</td>
<td>(17%)</td>
<td>$ (188)</td>
</tr>
<tr>
<td>Fuel surcharge revenue</td>
<td>(30)</td>
<td>(1%)</td>
<td>(58)</td>
</tr>
<tr>
<td>Rate, mix and other</td>
<td>169</td>
<td>5%</td>
<td>50</td>
</tr>
<tr>
<td>Total</td>
<td>$ (463)</td>
<td>(13%)</td>
<td>$ (196)</td>
</tr>
</tbody>
</table>

Intermodal Units by Market
(in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Second Quarter</th>
<th>Year-to-date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>Domestic</td>
<td>566.6</td>
<td>635.8</td>
</tr>
<tr>
<td>International</td>
<td>317.8</td>
<td>412.7</td>
</tr>
<tr>
<td>Total</td>
<td>884.4</td>
<td>1,048.5</td>
</tr>
</tbody>
</table>

Coal Tonnage by Market
(in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Second Quarter</th>
<th>Year-to-date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>Utility</td>
<td>5,700</td>
<td>17,129</td>
</tr>
<tr>
<td>Export</td>
<td>3,669</td>
<td>6,626</td>
</tr>
<tr>
<td>Domestic metallurgical</td>
<td>2,338</td>
<td>3,851</td>
</tr>
<tr>
<td>Industrial</td>
<td>747</td>
<td>1,181</td>
</tr>
<tr>
<td>Total</td>
<td>12,454</td>
<td>28,787</td>
</tr>
</tbody>
</table>

Quarterly Financial Data / 7
# Financial, Traffic and Operating Statistics

($ in millions - except as noted)

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th></th>
<th></th>
<th></th>
<th>2020</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>First</td>
<td>Second</td>
<td>Third</td>
<td>Fourth</td>
<td>Year-to-date</td>
<td>First</td>
<td>Second</td>
<td>Year-to-date</td>
</tr>
<tr>
<td></td>
<td>Quarter</td>
<td>Quarter</td>
<td>Quarter</td>
<td>Quarter</td>
<td></td>
<td>Quarter</td>
<td>Quarter</td>
<td></td>
</tr>
<tr>
<td>Railway operating revenues</td>
<td>$ 2,840</td>
<td>$ 2,925</td>
<td>$ 2,841</td>
<td>$ 2,690</td>
<td>$ 11,296</td>
<td>(Non-GAAP) $ 2,625</td>
<td>(Non-GAAP) $ 2,985</td>
<td>(Non-GAAP) $ 4,710</td>
</tr>
<tr>
<td>Compensation and benefits</td>
<td>727</td>
<td>712</td>
<td>682</td>
<td>630</td>
<td>2,751</td>
<td>622</td>
<td>586</td>
<td>1,208</td>
</tr>
<tr>
<td>Purchased services</td>
<td>346</td>
<td>347</td>
<td>355</td>
<td>386</td>
<td>1,434</td>
<td>321</td>
<td>302</td>
<td>623</td>
</tr>
<tr>
<td>Equipment rents</td>
<td>78</td>
<td>71</td>
<td>68</td>
<td>74</td>
<td>291</td>
<td>82</td>
<td>70</td>
<td>152</td>
</tr>
<tr>
<td>Fuel</td>
<td>259</td>
<td>254</td>
<td>226</td>
<td>223</td>
<td>953</td>
<td>189</td>
<td>84</td>
<td>273</td>
</tr>
<tr>
<td>Depreciation</td>
<td>283</td>
<td>284</td>
<td>286</td>
<td>285</td>
<td>1,138</td>
<td>292</td>
<td>282</td>
<td>574</td>
</tr>
<tr>
<td>Materials</td>
<td>87</td>
<td>82</td>
<td>85</td>
<td>73</td>
<td>327</td>
<td>72</td>
<td>62</td>
<td>134</td>
</tr>
<tr>
<td>Claims</td>
<td>49</td>
<td>50</td>
<td>48</td>
<td>46</td>
<td>193</td>
<td>42</td>
<td>40</td>
<td>82</td>
</tr>
<tr>
<td>Other</td>
<td>54</td>
<td>60</td>
<td>95</td>
<td>11</td>
<td>220</td>
<td>52</td>
<td>49</td>
<td>101</td>
</tr>
<tr>
<td>Total railway operating expenses</td>
<td>$ 1,874</td>
<td>$ 1,860</td>
<td>$ 1,845</td>
<td>$ 1,728</td>
<td>$ 7,307</td>
<td>$ 1,672</td>
<td>$ 1,475</td>
<td>$ 3,147</td>
</tr>
<tr>
<td>Income from railway operations</td>
<td>966</td>
<td>1,065</td>
<td>996</td>
<td>962</td>
<td>3,989</td>
<td>953</td>
<td>610</td>
<td>1,563</td>
</tr>
<tr>
<td>Other income - net</td>
<td>44</td>
<td>22</td>
<td>22</td>
<td>18</td>
<td>106</td>
<td>22</td>
<td>49</td>
<td>71</td>
</tr>
<tr>
<td>Interest expense on debt</td>
<td>149</td>
<td>153</td>
<td>150</td>
<td>152</td>
<td>604</td>
<td>154</td>
<td>156</td>
<td>310</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>861</td>
<td>934</td>
<td>868</td>
<td>828</td>
<td>3,491</td>
<td>821</td>
<td>503</td>
<td>1,324</td>
</tr>
<tr>
<td>Total income taxes</td>
<td>184</td>
<td>212</td>
<td>211</td>
<td>162</td>
<td>769</td>
<td>152</td>
<td>111</td>
<td>263</td>
</tr>
<tr>
<td>Net income</td>
<td>$ 677</td>
<td>$ 722</td>
<td>$ 657</td>
<td>$ 666</td>
<td>$ 2,722</td>
<td>$ 669</td>
<td>$ 392</td>
<td>$ 1,061</td>
</tr>
<tr>
<td>Weighted average shares outstanding - diluted (in millions)</td>
<td>269.4</td>
<td>267.1</td>
<td>264.3</td>
<td>261.6</td>
<td>265.6</td>
<td>258.7</td>
<td>256.7</td>
<td>(10.7)</td>
</tr>
<tr>
<td>Earnings per share - diluted (dollars)</td>
<td>$ 2.51</td>
<td>$ 2.70</td>
<td>$ 2.49</td>
<td>$ 2.55</td>
<td>$ 10.25</td>
<td>$ 2.58</td>
<td>$ 1.53</td>
<td>$ 4.11</td>
</tr>
<tr>
<td>Dividends per share (dollars)</td>
<td>$ 0.86</td>
<td>$ 0.86</td>
<td>$ 0.94</td>
<td>$ 0.96</td>
<td>$ 3.60</td>
<td>$ 0.94</td>
<td>$ 0.94</td>
<td>$ 1.88</td>
</tr>
<tr>
<td>Railway operating ratio (percent)</td>
<td>66.0</td>
<td>63.6</td>
<td>64.9</td>
<td>64.2</td>
<td>64.7</td>
<td>63.7</td>
<td>70.7</td>
<td>66.8</td>
</tr>
<tr>
<td>Property additions</td>
<td>$ 677</td>
<td>$ 512</td>
<td>$ 515</td>
<td>$ 525</td>
<td>$ 2,019</td>
<td>$ 366</td>
<td>$ 369</td>
<td>$ 735</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 4,11</td>
<td>$ 2.74</td>
<td>$ 452</td>
<td>$ 580</td>
<td>$ 580</td>
<td>$ 608</td>
<td>$ 1,143</td>
<td>$ 1,143</td>
</tr>
<tr>
<td>Total debt</td>
<td>$ 11,046</td>
<td>$ 11,477</td>
<td>$ 11,836</td>
<td>$ 12,196</td>
<td>$ 12,196</td>
<td>$ 12,207</td>
<td>$ 12,697</td>
<td>$ 12,697</td>
</tr>
<tr>
<td>Total debt-to-total capitalization (percent)</td>
<td>42.7</td>
<td>42.8</td>
<td>43.7</td>
<td>44.5</td>
<td>44.5</td>
<td>45.1</td>
<td>46.1</td>
<td>46.1</td>
</tr>
<tr>
<td>Gross tons miles (GMs) (in billions)</td>
<td>94.5</td>
<td>97.4</td>
<td>92.4</td>
<td>88.4</td>
<td>372.7</td>
<td>85.0</td>
<td>69.7</td>
<td>154.7</td>
</tr>
<tr>
<td>Revenue tons miles (in billions): Mercantile</td>
<td>29.1</td>
<td>30.6</td>
<td>29.0</td>
<td>27.1</td>
<td>115.8</td>
<td>27.3</td>
<td>22.7</td>
<td>50.9</td>
</tr>
<tr>
<td>Intermodal</td>
<td>11.2</td>
<td>11.0</td>
<td>10.9</td>
<td>10.6</td>
<td>43.7</td>
<td>10.3</td>
<td>9.5</td>
<td>19.8</td>
</tr>
<tr>
<td>Coal</td>
<td>9.0</td>
<td>9.6</td>
<td>8.2</td>
<td>7.7</td>
<td>34.5</td>
<td>6.2</td>
<td>4.0</td>
<td>10.2</td>
</tr>
<tr>
<td>Total</td>
<td>49.3</td>
<td>51.2</td>
<td>48.1</td>
<td>45.4</td>
<td>194.0</td>
<td>43.8</td>
<td>36.2</td>
<td>80.0</td>
</tr>
<tr>
<td>Railroad employees (average)</td>
<td>26,257</td>
<td>25,033</td>
<td>24,002</td>
<td>22,478</td>
<td>24,442</td>
<td>21,232</td>
<td>20,086</td>
<td>20,659</td>
</tr>
<tr>
<td>GTMs (thousands) per employee</td>
<td>3,590</td>
<td>3,893</td>
<td>3,849</td>
<td>3,931</td>
<td>15,248</td>
<td>4,902</td>
<td>3,473</td>
<td>7,693</td>
</tr>
<tr>
<td>Locomotive diesel fuel consumed (in thousands of gallons)</td>
<td>119,816</td>
<td>115,731</td>
<td>109,565</td>
<td>105,494</td>
<td>450,600</td>
<td>102,261</td>
<td>79,199</td>
<td>181,460</td>
</tr>
<tr>
<td>Average price (dollars) per gallon of locomotive diesel fuel</td>
<td>$ 1.96</td>
<td>$ 2.07</td>
<td>$ 1.95</td>
<td>$ 1.92</td>
<td>$ 1.98</td>
<td>$ 1.73</td>
<td>$ 0.97</td>
<td>$ 1.402</td>
</tr>
<tr>
<td>Gallons of fuel consumed per thousand GTMs</td>
<td>1.28</td>
<td>1.20</td>
<td>1.19</td>
<td>1.20</td>
<td>1.22</td>
<td>1.21</td>
<td>1.16</td>
<td>1.19</td>
</tr>
<tr>
<td>Train speed (miles per hour)</td>
<td>21.7</td>
<td>21.9</td>
<td>22.6</td>
<td>23.0</td>
<td>22.3</td>
<td>23.8</td>
<td>24.6</td>
<td>24.2</td>
</tr>
<tr>
<td>Terminal dwell (hours)</td>
<td>22.2</td>
<td>18.2</td>
<td>18.1</td>
<td>18.3</td>
<td>19.2</td>
<td>18.6</td>
<td>18.1</td>
<td>18.4</td>
</tr>
</tbody>
</table>

8 / Quarterly Financial Data