

**Norfolk Southern Corporation and Subsidiaries**  
**Consolidated Statements of Income**  
(Unaudited)

	<b>Fourth Quarter</b>		<b>Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<i>(in millions, except per share amounts)</i>			
<b>Railway operating revenues</b>				
Merchandise	\$ 1,876	\$ 1,671	\$ 7,331	\$ 6,669
Intermodal	913	831	3,681	3,163
Coal	448	350	1,733	1,310
Total railway operating revenues	<u>3,237</u>	<u>2,852</u>	<u>12,745</u>	<u>11,142</u>
<b>Railway operating expenses</b>				
Compensation and benefits	653	598	2,621	2,442
Purchased services and rents	520	472	1,922	1,726
Fuel	367	226	1,459	799
Depreciation	309	298	1,221	1,181
Materials and other	207	129	713	547
Total railway operating expenses	<u>2,056</u>	<u>1,723</u>	<u>7,936</u>	<u>6,695</u>
<b>Income from railway operations</b>	1,181	1,129	4,809	4,447
Other income – net	34	21	13	77
Interest expense on debt	177	165	692	646
Income before income taxes	1,038	985	4,130	3,878
Income taxes				
Current	188	199	777	689
Deferred	60	26	83	184
Total income taxes	<u>248</u>	<u>225</u>	<u>860</u>	<u>873</u>
<b>Net income</b>	<u>\$ 790</u>	<u>\$ 760</u>	<u>\$ 3,270</u>	<u>\$ 3,005</u>
<b>Earnings per share – diluted</b>	\$ 3.42	\$ 3.12	\$ 13.88	\$ 12.11
<b>Weighted average shares outstanding – diluted</b>	230.7	243.5	235.6	248.1

*See accompanying notes to consolidated financial statements.*

**Norfolk Southern Corporation and Subsidiaries**  
**Consolidated Balance Sheets**  
(Unaudited)

	At December 31,	
	2022	2021
	(\$ in millions)	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 456	\$ 839
Accounts receivable – net	1,148	976
Materials and supplies	253	218
Other current assets	150	134
Total current assets	2,007	2,167
Investments	3,694	3,707
Properties less accumulated depreciation of \$12,592 and \$12,031, respectively	32,156	31,653
Other assets	1,028	966
<b>Total assets</b>	\$ 38,885	\$ 38,493
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 1,293	\$ 1,351
Short-term debt	100	—
Income and other taxes	312	305
Other current liabilities	341	312
Current maturities of long-term debt	603	553
Total current liabilities	2,649	2,521
Long-term debt	14,479	13,287
Other liabilities	1,759	1,879
Deferred income taxes	7,265	7,165
<b>Total liabilities</b>	26,152	24,852
Stockholders' equity:		
Common stock \$1.00 per share par value, 1,350,000,000 shares authorized; outstanding 228,076,415 and 240,162,790 shares, respectively, net of treasury shares	230	242
Additional paid-in capital	2,157	2,215
Accumulated other comprehensive loss	(351)	(402)
Retained income	10,697	11,586
<b>Total stockholders' equity</b>	12,733	13,641
<b>Total liabilities and stockholders' equity</b>	\$ 38,885	\$ 38,493

See accompanying notes to consolidated financial statements.

**Norfolk Southern Corporation and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**(Unaudited)**

	<b>Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<i>(\$ in millions)</i>	
<b>Cash flows from operating activities</b>		
Net income	\$ 3,270	\$ 3,005
Reconciliation of net income to net cash provided by operating activities:		
Depreciation	1,221	1,181
Deferred income taxes	83	184
Gains and losses on properties	(82)	(86)
Changes in assets and liabilities affecting operations:		
Accounts receivable	(171)	(133)
Materials and supplies	(35)	3
Other current assets	(18)	(6)
Current liabilities other than debt	23	283
Other – net	(69)	(176)
Net cash provided by operating activities	<u>4,222</u>	<u>4,255</u>
<b>Cash flows from investing activities</b>		
Property additions	(1,948)	(1,470)
Property sales and other transactions	263	159
Investment purchases	(12)	(10)
Investment sales and other transactions	94	99
Net cash used in investing activities	<u>(1,603)</u>	<u>(1,222)</u>
<b>Cash flows from financing activities</b>		
Dividends	(1,167)	(1,028)
Common stock transactions	(4)	17
Purchase and retirement of common stock	(3,110)	(3,390)
Proceeds from borrowings	1,832	1,676
Debt repayments	(553)	(584)
Net cash used in financing activities	<u>(3,002)</u>	<u>(3,309)</u>
Net decrease in cash and cash equivalents	(383)	(276)
<b>Cash and cash equivalents</b>		
At beginning of year	<u>839</u>	<u>1,115</u>
At end of year	<u>\$ 456</u>	<u>\$ 839</u>
<b>Supplemental disclosures of cash flow information</b>		
Cash paid during the year for:		
Interest (net of amounts capitalized)	\$ 619	\$ 579
Income taxes (net of refunds)	750	654

*See accompanying notes to consolidated financial statements.*

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS:**

### **1. Stock Repurchase Program**

We repurchased and retired 12.6 million and 12.7 million shares of common stock under our stock repurchase programs in 2022 and 2021, respectively, at a cost of \$3.1 billion and \$3.4 billion, respectively.