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2025
QUARTERLY FINANCIAL DATA

NORFOLK SOUTHERN



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)

	First Quarter		
	2025	2024	% Change
Railway operating revenues			
Merchandise	$ 1,863	$ 1,863	—%
Intermodal	760	745	2%
Coal	370	396	(7%)
Total railway operating revenues	2,993	3,004	—%
Railway operating expenses			
Compensation and benefits	739	736	—%
Purchased services and rents	498	528	(6%)
Fuel	244	284	(14%)
Depreciation	346	337	3%
Materials and other	205	215	(5%)
Restructuring and other charges	—	99	(100%)
Eastern Ohio incident	(185)	592	(131%)
Total railway operating expenses	1,847	2,791	(34%)
Income from railway operations	1,146	213	438%
Other income – net	31	18	72%
Interest expense on debt	199	201	(1%)
Income before income taxes	978	30	3,160%
Income taxes	228	(23)	(1,091%)
Net income	$ 750	$ 53	1,315%
Railway operating ratio (%)	61.7	92.9	(34%)
Earnings per share – diluted	$ 3.31	$ 0.23	1,339%

Notes

1. Restructuring and Other Charges

During the first quarter of 2024, we recognized $99 million for restructuring and other charges. This includes $64 million of costs associated with our voluntary and involuntary separation programs that reduced our management workforce and $35 million in costs associated with the appointment of our chief operating officer.

2. Eastern Ohio Incident

On February 3, 2023, a train operated by us derailed in East Palestine, Ohio (the Incident). Insurance recoveries exceeded expenses by $185 million in the first quarter of 2025 compared to expenses of $592 million in the first quarter of 2024. The total expense recognized includes the impact of $224 million and $108 million in insurance recoveries during first quarter 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. No amounts have been recorded related to potential third-party recoveries, which may reduce amounts payable by our insurers under applicable insurance coverage.

3. Shareholder Advisory Costs

During the first quarter of 2024, the Company recorded $21 million in costs associated with shareholder advisory matters, which are included in “Other income – net.”

Consolidated Balance Sheets

($ in millions)

	March 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 1,006	$ 1,641
Accounts receivable – net	1,231	1,069
Materials and supplies	273	277
Other current assets	191	201
Total current assets	2,701	3,188
Investments	4,003	3,370
Properties less accumulated depreciation of $14,188 and $13,957, respectively	35,803	35,831
Other assets	1,293	1,293
Total assets	$ 43,800	$ 43,682
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 1,445	$ 1,704
Income and other taxes	490	337
Other current liabilities	960	949
Current maturities of long-term debt	555	555
Total current liabilities	3,450	3,545
Long-term debt	16,660	16,651
Other liabilities	1,702	1,760
Deferred income taxes	7,477	7,420
Total liabilities	29,289	29,376
Stockholders' equity:		
Common stock $1.00 per share par value, 1,350,000,000 shares authorized; outstanding 225,443,501 and 226,320,894 shares, respectively, net of treasury shares	227	228
Additional paid-in capital	2,249	2,247
Accumulated other comprehensive loss	(261)	(262)
Retained income	12,296	12,093
Total stockholders' equity	14,511	14,306
Total liabilities and stockholders' equity	$ 43,800	$ 43,682

4. Deferred Income Taxes

In the first quarter 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.

5. Stock Repurchase Program

We repurchased and retired 1.0 million shares of common stock under our stock repurchase program in the first three months of 2025 at a cost of $250 million, inclusive of excise taxes, while we did not repurchase any shares of common stock in the first three months of 2024.

Consolidated Statements of Cash Flows

($ in millions)

	First Three Months	
	2025	2024
Cash flows from operating activities		
Net income	$ 750	$ 53
Reconciliation of net income to net cash provided by operating activities:		
Depreciation	346	337
Deferred income taxes	57	(26)
Gains and losses on properties	(23)	(1)
Changes in assets and liabilities affecting operations:		
Accounts receivable	(165)	(51)
Materials and supplies	4	(6)
Other current assets	31	33
Current liabilities other than debt	22	560
Other – net	(72)	(60)
Net cash provided by operating activities	950	839
Cash flows from investing activities		
Property additions	(449)	(557)
Acquisition of assets of CSR	—	(1,642)
Property sales and other transactions	18	32
Investment purchases	(609)	(1)
Investment sales and other transactions	19	324
Net cash used in investing activities	(1,021)	(1,844)
Cash flows from financing activities		
Dividends	(306)	(305)
Common stock transactions	(9)	(6)
Purchase and retirement of common stock	(248)	—
Proceeds from borrowings	—	400
Debt repayments	(1)	—
Net cash provided by (used in) financing activities	(564)	89
Net decrease in cash and cash equivalents	(635)	(916)
Cash and cash equivalents		
At beginning of year	1,641	1,568
At end of period	$ 1,006	$ 652
Supplemental disclosures of cash flow information		
Cash paid during the period for:		
Interest (net of amounts capitalized)	$ 192	$ 182
Income taxes (net of refunds)	1	(2)

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%)

Railway Operating Revenues Variance Analysis

($ in millions)

First Quarter
2025 vs. 2024

	Merchandise		Intermodal		Coal	
	Amount	Percent	Amount	Percent	Amount	Percent
Revenue Variance due to:						
Volume	$ (38)	(2%)	$ 26	3%	$ (6)	(1%)
Fuel surcharge revenue	(34)	(2%)	(16)	(2%)	(8)	(2%)
Rate, mix and other	72	4%	5	1%	(12)	(3%)
Total	$ —	—%	$ 15	2%	$ (26)	(7%)

Intermodal Units by Market

(in thousands)

	First Quarter		
	2025	**2024**	**% Change**
Domestic	608.8	590.4	3%
International	414.1	398.4	4%
Total	1,022.9	988.8	3%

Coal Tonnage by Market

(in thousands)

	First Quarter		
	2025	**2024**	**% Change**
Utility	7,312	7,019	4%
Export	8,260	8,749	(6%)
Domestic metallurgical	2,085	2,193	(5%)
Industrial	860	786	9%
Total	18,517	18,747	(1%)

Reconciliation of Non-GAAP Financial Measures

Information included within this First 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 GAAP financial results for the first quarter 2025 and 2024 to exclude the effects of the Incident that were present in both years, as well as restructuring and other charges, shareholder advisory costs, and a deferred income tax adjustment, all of which occurred in 2024. 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.

First Quarter Financial Results - excluding Restructuring and Other Charges[1], the Eastern Ohio Incident[2], Shareholder Advisory Costs[3], and Deferred Income Tax Adjustment[4]
($ in millions, except per share amounts)

	First Quarter 2025		
	Reported 2025 (GAAP)	Eastern Ohio Incident[2]	Adjusted 2025 (Non-GAAP)
Total railway operating expenses	$ 1,847	$ 185	$ 2,032
Income from railway operations	$ 1,146	$ (185)	$ 961
Other income – net	$ 31	$ —	$ 31
Income before income taxes	$ 978	$ (185)	$ 793
Income taxes[5]	$ 228	$ (44)	$ 184
Net income	$ 750	$ (141)	$ 609
Railway operating ratio (%)	61.7	6.2	67.9
Earnings per share – diluted	$ 3.31	$ (0.62)	$ 2.69

	First Quarter 2024					
	Reported 2024 (GAAP)	Restructuring and Other Charges[1]	Eastern Ohio Incident[2]	Shareholder Advisory Costs[3]	Deferred Income Tax Adjustment[4]	Adjusted 2024 (Non-GAAP)
Total railway operating expenses	$ 2,791	$ (99)	$ (592)	$ —	$ —	$ 2,100
Income from railway operations	$ 213	$ 99	$ 592	$ —	$ —	$ 904
Other income – net	$ 18	$ —	$ —	$ 21	$ —	$ 39
Income before income taxes	$ 30	$ 99	$ 592	$ 21	$ —	$ 742
Income taxes[5]	$ (23)	$ 24	$ 144	$ 5	$ 27	$ 177
Net income	$ 53	$ 75	$ 448	$ 16	$ (27)	$ 565
Railway operating ratio (%)	92.9	(3.3)	(19.7)	—	—	69.9
Earnings per share – diluted	$ 0.23	$ 0.33	$ 1.98	$ 0.07	$ (0.12)	$ 2.49

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

	First Quarter		
	Adjusted 2025 (Non-GAAP[2])	**Adjusted 2024 (Non-GAAP[1,2,3,4])**	**Adjusted 2025 vs. Adjusted 2024 (Non-GAAP)**
	($ in millions, except per share amounts)		*% change*
Total railway operating expenses	$ 2,032	$ 2,100	(3%)
Income from railway operations	$ 961	$ 904	6%
Other income – net	$ 31	$ 39	(21%)
Income before income taxes	$ 793	$ 742	7%
Income taxes[5]	$ 184	$ 177	4%
Net income	$ 609	$ 565	8%
Railway operating ratio (%)	67.9	69.9	(3%)
Earnings per share – diluted	$ 2.69	$ 2.49	8%

[1] GAAP financial results are adjusted to exclude the effects of restructuring and other charges. During the first quarter of 2024, the Company recorded $99 million in restructuring and other costs. 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 the effects of the Incident. During the first quarter of 2025, our insurance recoveries exceeded additional Incident-related expenses by $185 million as compared to $592 million in expenses, net of insurance proceeds, for the same period last year. 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 shareholder advisory matters. During the first quarter of 2024, the Company recorded $21 million in costs associated with shareholder advisory matters. 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 a deferred income tax adjustment. During the first quarter 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 4 on the Consolidated Balance Sheets on page 2 of the Quarterly Financial Data.

[5] 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				$ 2,993	$ (11)				$ (11)
Railway operating expenses:															
Compensation and benefits	736	700	690	697	2,823	739				739	3				3
Purchased services	420	419	405	411	1,655	401				401	(19)				(19)
Equipment rents	108	97	92	96	393	97				97	(11)				(11)
Fuel	284	257	216	230	987	244				244	(40)				(40)
Depreciation	337	335	339	342	1,353	346				346	9				9
Materials	98	92	96	83	369	100				100	2				2
Claims	48	50	66	73	237	66				66	18				18
Other	69	31	30	30	160	39				39	(30)				(30)
Total railway operating expenses[1]	2,100	1,981	1,934	1,962	7,977	2,032				2,032	(68)				(68)
Income from railway operations[1]	904	1,063	1,117	1,062	4,146	961				961	57				57
Other income – net[1]	39	26	35	4	104	31				31	(8)				(8)
Interest expense on debt	201	204	203	199	807	199				199	(2)				(2)
Income before income taxes[1]	742	885	949	867	3,443	793				793	51				51
Income taxes[1]	177	191	212	179	759	184				184	7				7
Net income[1]	$ 565	$ 694	$ 737	$ 688	$ 2,684	$ 609				$ 609	$ 44				$ 44
Weighted average shares outstanding – diluted (in millions)	226.2	226.4	226.5	226.7	226.4	226.5				226.5	0.3				0.3
Earnings per share – diluted (dollars)[1]	$ 2.49	$ 3.06	$ 3.25	$ 3.04	$ 11.85	$ 2.69				$ 2.69	$ 0.20				$ 0.20
Dividends per share (dollars)	$ 1.35	$ 1.35	$ 1.35	$ 1.35	$ 5.40	$ 1.35				$ 1.35	$ —				$ —
Railway operating ratio (percent)[1]	69.9	65.1	63.4	64.9	65.8	67.9				67.9	(2.0)				(2.0)
Property additions	$ 557	$ 568	$ 581	$ 675	$ 2,381	$ 449				$ 449	$ (108)				$ (108)
Cash and cash equivalents	$ 652	$ 659	$ 975	$ 1,641	$ 1,641	$ 1,006				$ 1,006	$ 354				$ 354
Total debt	$ 17,583	$ 17,592	$ 17,199	$ 17,206	$ 17,206	$ 17,215				$ 17,215	$ (368)				$ (368)
Total debt-to-total capitalization (percent)	58.4	57.5	55.5	54.6	54.6	54.3				54.3	(4.1)				(4.1)
Gross ton miles (GTMs) (in billions)	85.9	86.5	86.7	87.5	346.6	86.5				86.5	1%				1%
Revenue ton miles (in billions):															
Merchandise	26.7	26.3	26.2	27.0	106.2	27.3				27.3	2%				2%
Intermodal	10.0	10.1	10.4	10.4	40.9	10.0				10.0	—%				—%
Coal	7.6	8.0	7.8	7.5	30.9	7.5				7.5	(1%)				(1%)
Total	44.3	44.4	44.4	44.9	178.0	44.8				44.8	1%				1%
Railroad employees (average)	20,738	20,299	19,889	19,584	20,127	19,392				19,392	(6%)				(6%)
GTMs (thousands) per employee	4,140	4,265	4,360	4,466	17,221	4,461				4,461	8%				8%
Locomotive diesel fuel consumed (in thousands of gallons)	97,906	91,614	91,205	92,749	373,474	93,521				93,521	(4%)				(4%)
Average price (dollars) per gallon of locomotive diesel fuel	$ 2.724	$ 2.629	$ 2.214	$ 2.321	$ 2.480	$ 2.419				$ 2.419	(11%)				(11%)
Gallons of fuel consumed per thousand GTMs	1.15	1.06	1.06	1.07	1.08	1.09				1.09	(5%)				(5%)
Train speed (miles per hour)	21.5	21.8	22.4	22.6	22.1	22.4				22.4	4%				4%
Terminal dwell (hours)	23.9	23.0	22.5	22.1	22.9	22.5				22.5	(6%)				(6%)

[1] Non-GAAP measures presented in the table above include 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 first quarter of 2025 and 2024 are found on pages 6 through 7 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.



2025 Quarterly Financial Data | Q1

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