





NORFOLK SOUTHERN

Q1 2025 EARNINGS CALL

April 23, 2025

FORWARD-LOOKING STATEMENTS / NON-GAAP MEASURES

This presentation and the related materials contain "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, as amended. These statements relate to future events or future performance of Norfolk Southern Corporation (NYSE: NSC) (“Norfolk Southern,” “NS,” the “Company,” “we,” “our,” or “us”) and involve known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance, or our achievements or those of our industry to be materially different from those expressed or implied by any forward-looking statements. In some cases, forward-looking statements may be identified by the use of words like "may," "will," "could," "would," "should," "expect," "anticipate," "believe," "project," or other comparable terminology. The Company has based these forward-looking statements on management’s current expectations, assumptions, estimates, beliefs, and projections. While the Company has based these forward-looking statements on those expectations, assumptions, estimates, beliefs, and projections it views as reasonable, such 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: (i) changes in domestic or international economic, political or business conditions, including those impacting the transportation industry; (ii) the Company's ability to successfully implement its operational, productivity, and strategic initiatives; (iii) a significant adverse event on our network, including but not limited to a mainline accident, discharge of hazardous material, or climate-related or other network outage; (iv) the outcome of claims, litigation, governmental proceedings, and investigations involving the Company, including those with respect to the Eastern Ohio incident; (v) the nature and extent of the Company’s environmental remediation obligations with respect to the Eastern Ohio incident; (vi) new or additional governmental regulation and/or operational changes resulting from or related to the Eastern Ohio incident; and (vii) a significant cybersecurity incident or other disruption to our technology infrastructure. 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, 2024 filed with the Securities and Exchange Commission (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 and our subsequent 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. The forward-looking statements herein are made only as of the date they were first issued, and unless otherwise required by applicable securities laws, we disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

In addition to disclosing financial results in accordance with U.S. GAAP, the accompanying presentation contains non-GAAP financial measures. These non-GAAP measures should be viewed as a supplement to and not a substitute for our U.S. GAAP measures, and the financial results calculated in accordance with U.S. GAAP and reconciliations from these results should be carefully evaluated. Reconciliations to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP can be found on slides 14 and 22-23 hereto, as well as on our website at www.norfolksouthern.com on the Investors page under Events and Presentations for this event.

01
OPENING REMARKS



Mark George
President & Chief Executive Officer

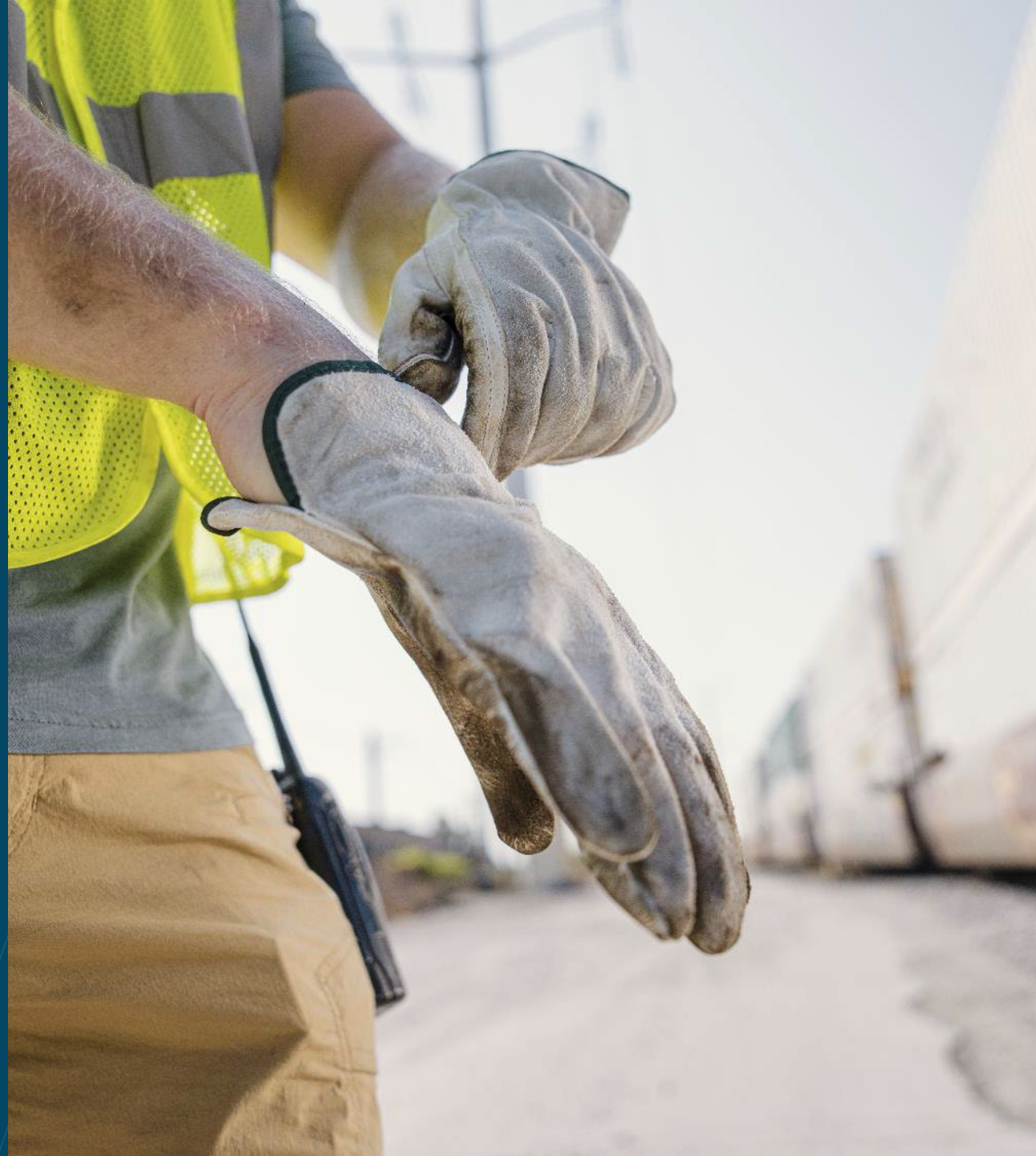


02

OPERATIONS OVERVIEW

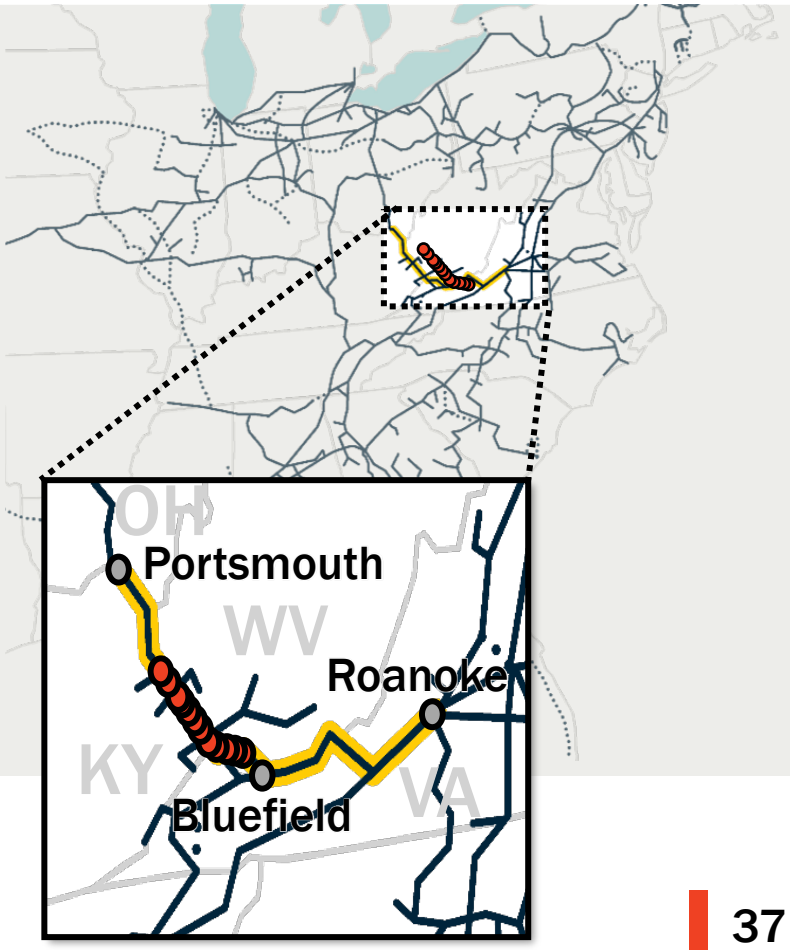


John Orr
Executive Vice President
& Chief Operating Officer



HEARTLAND CORRIDOR

Storm Challenge





52 Hours





48 Hours

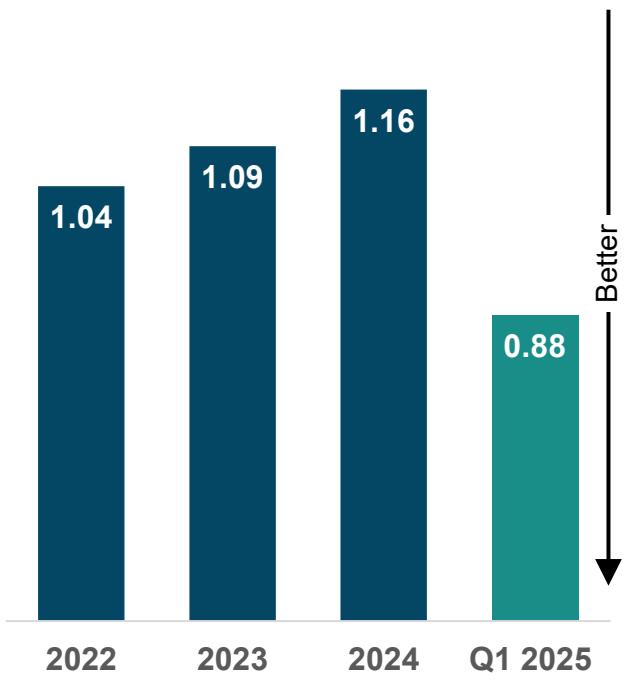


37 locations required repairs between washouts, scour, fill instability, culvert repair, surface issues, rockslides, etc. of various magnitudes

SAFETY UPDATE

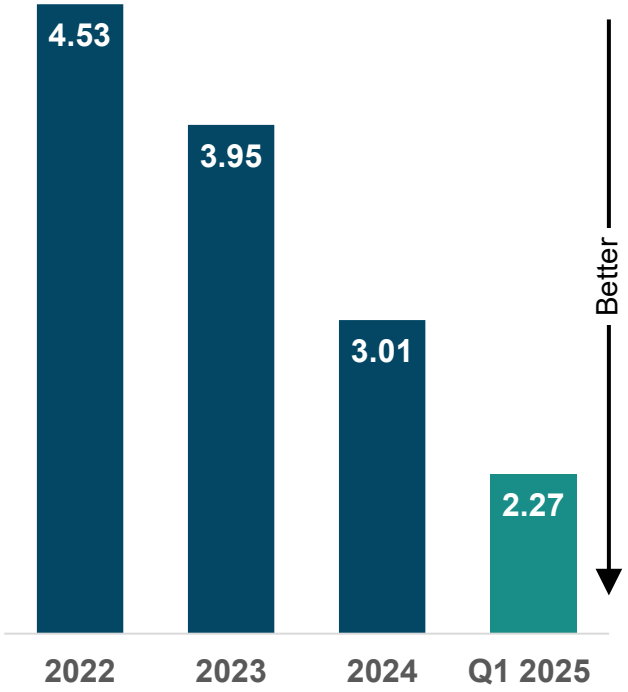
Investment in Safety continues to drive results while building long-term culture change

FRA Personal Injury Index



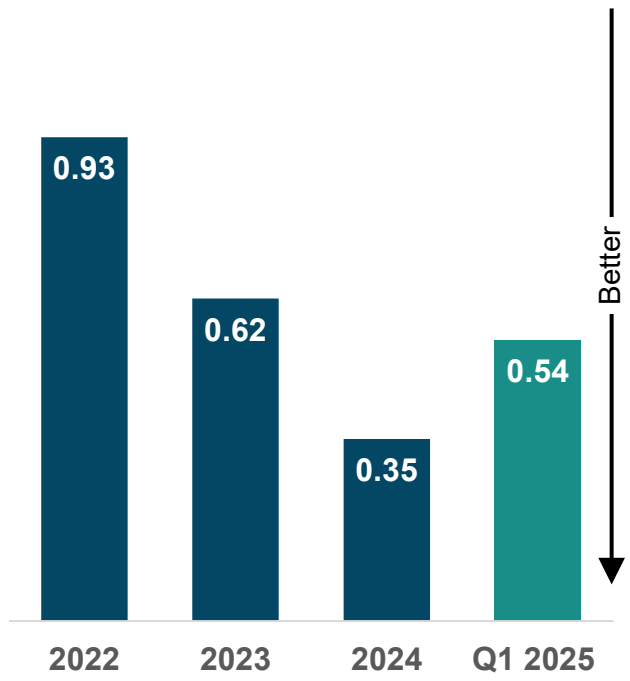
FRA Personal Injury Index calculates the number of reportable injuries/illnesses per year per 200,000 hours worked.

FRA Accident Rate



FRA Train Accident Rate calculates the total number of reportable accidents per million train miles.

FRA Mainline Accident Rate



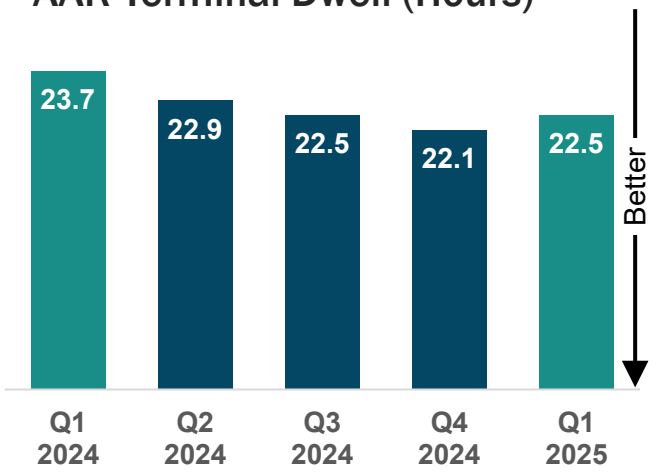
FRA Mainline Accident Rate calculates the total number of reportable events occurring on that portion of the track that connects stations (other than auxiliary track) on which trains operate (a “Mainline”) per one million Mainline miles.

The amounts above are reported through March 31st, 2025, and remain subject to future adjustment due to updated medical reports (with respect to the FRA Personal Injury Index) or cost information (with respect to the FRA Accident Rate and the FRA Mainline Accident Rate) or other FRA review. The amounts provided for 2025 are preliminary and include data not yet reported to the FRA.

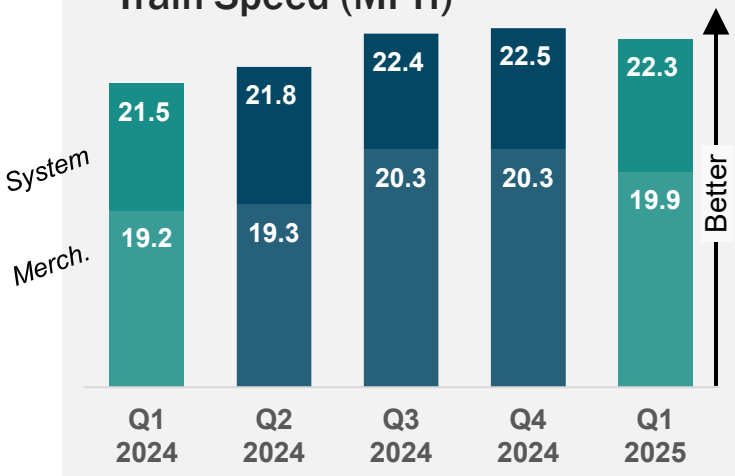
NETWORK UPDATE

NETWORK HEALTH

AAR Terminal Dwell (Hours)

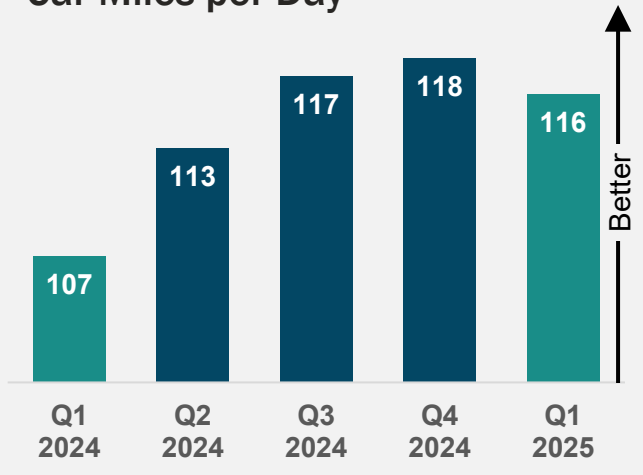


Train Speed (MPH)

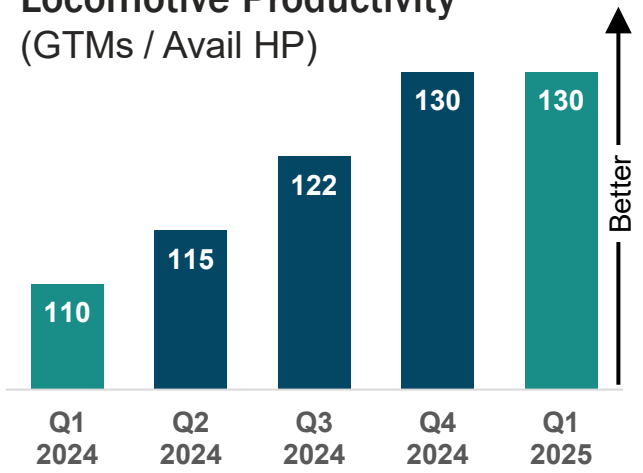


ASSET EFFICIENCY

Car Miles per Day

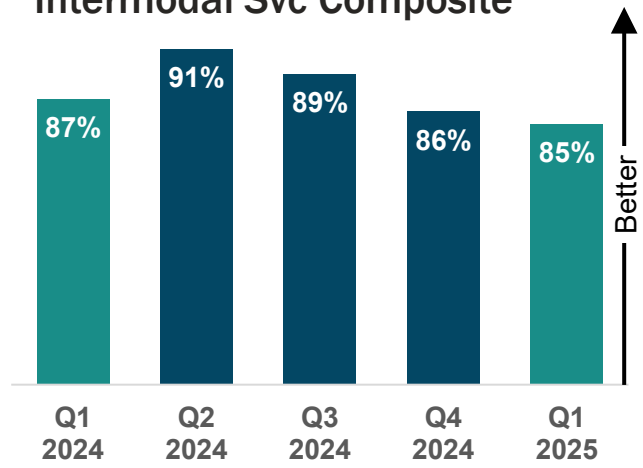


Locomotive Productivity (GTMs / Avail HP)

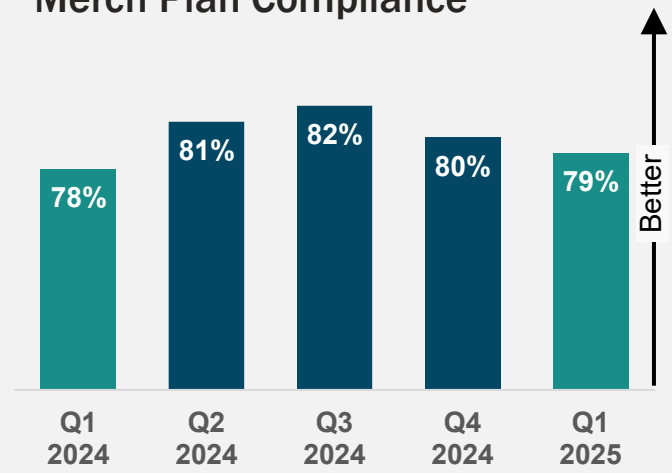


CUSTOMER FACING

Intermodal Svc Composite



Merch Plan Compliance

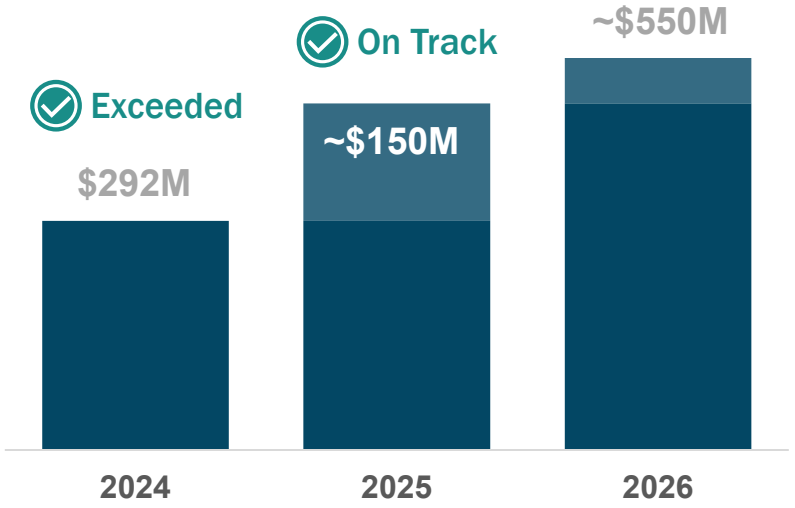


Additional information regarding how these metrics are defined and calculated is set forth on slide 24 hereto.

PSR 2.0 TRANSFORMATION

Delivering Financial Commitment

Cost Takeout



In-Flight Initiatives

Safety, Service, and Cost

Thoroughbred Academy
- Generational Railroaders
- Enterprise Safety Culture

Zero-Based Operating Plan
- Service Standards & Reliability
- Cost Structure

Fuel
- Four Consecutive Quarterly Records
- Energy Management Systems
- Fueling Strategy

Purchased Services
- Supply Management Spend Taskforce
- Leveraging Purchasing Strength

Mechanical Architecture
- Inventory Distribution
- Simplify Maintenance

03
MARKET OVERVIEW

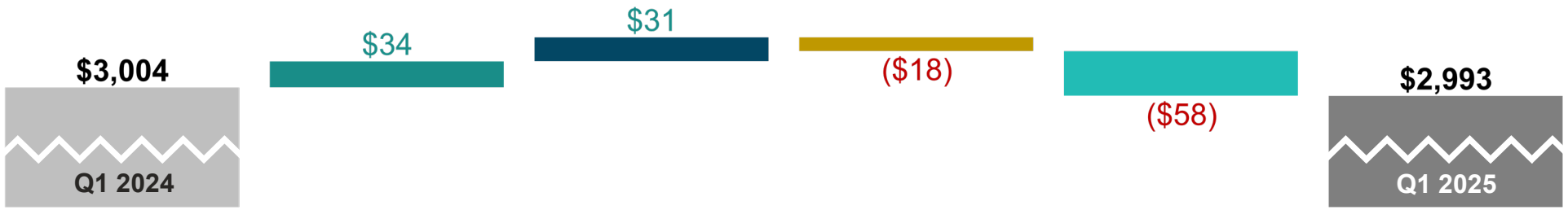


Ed Elkins
Executive Vice President
& Chief Commercial Officer



1ST QUARTER 2025 RESULTS

Q1 2025 vs. Q1 2024 / *Revenue change $ in millions* / *favorable* / *unfavorable*



	Merchandise		Intermodal		Coal		Fuel		Total	
Volume	552,200	(2%)	1,022,900	3%	164,700	(1%)			1,739,800	1%
Revenue	$1,863M	–	$760M	2%	$370M	(7%)			$2,993M	–
RPU	$3,374	2%	$743	(1%)	$2,247	(5%)			$1,720	(2%)
Revenue (less fuel)[1]	$1,796M	2%	$629M	5%	$366M	(5%)	$202M	(22%)	$2,791M	2%
RPU (less fuel)[1]	$3,253 RECORD	4%	$615	2%	$2,224	(3%)			$1,604	1%

39 out of 40 consecutive quarters of y-o-y RPU (less fuel)[1] growth in Merchandise

(1) Please see reconciliation to GAAP posted on our website on the Investors page under Events and Presentations for this event.

MARKET OUTLOOK

Merchandise

- Vehicle Production
- Manufacturing Activity
- Chemicals (Non-Energy)

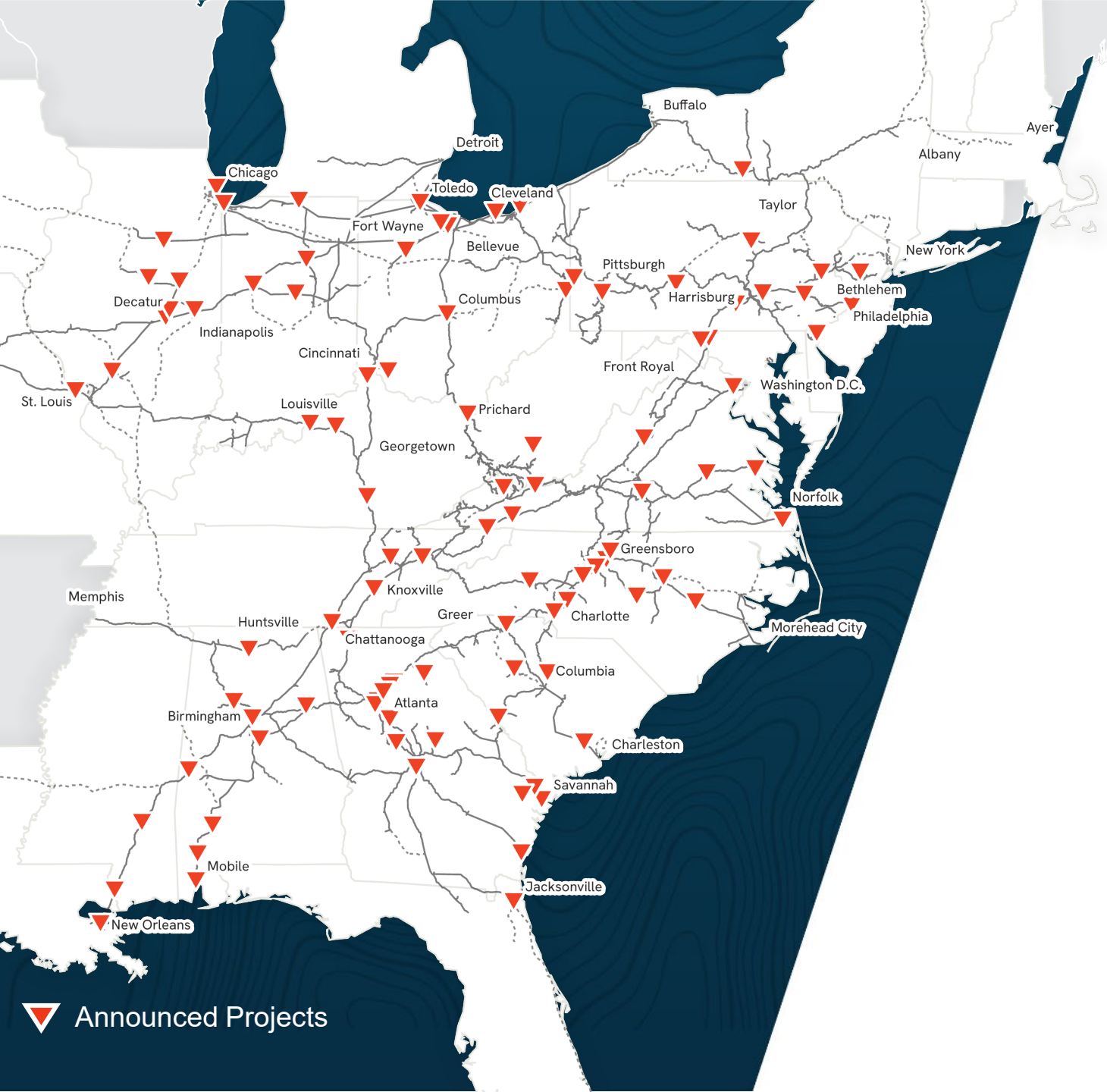
Intermodal

- East Coast Share Normalization
- Import Demand
- Truck Capacity

Coal

- Seaborne Prices
- Export Demand
- Utility Demand

Sentiment versus prior expectation



INDUSTRIAL DEVELOPMENT DRIVING LONG TERM GROWTH

- **NS's Industrial Development pipeline sits at a historic high**
  - 517 projects
  - 25% increase in activity relative to Q1 2024
- **116 announced projects**
  - 150K new annualized carloads
  - Full ramp up over 3 years
- **NS remains cautiously optimistic on continued momentum in Industrial Development across our territory**

04
FINANCIAL RESULTS



Jason Zampi
Executive Vice President
& Chief Financial Officer



RECONCILIATION OF FIRST QUARTER 2025 NON-GAAP MEASURES

$ in millions, except per share

	GAAP Q1'25	Non-GAAP adjustment Increase / (Decrease) E. Ohio Incident net recovery	Adjusted (1) Q1'25
Revenues	$2,993	–	$2,993
Operating expenses	$1,847	$185	$2,032
Operating ratio	61.7%	620 bps	67.9%
Operating income	$1,146	($185)	$961
Income tax expense	$228	($44)	$184
Net income	$750	($141)	$609
EPS – diluted	$3.31	($0.62)	$2.69

E. Ohio Detail	
Legal & other	$39
Insurance recoveries	($224)

(1) Adjusted results modifies Q1'25 GAAP results for expenses associated with the Eastern Ohio incident. All presentations of revenues above refer to U.S. GAAP revenue. Please see the reconciliation to GAAP posted on our website on the Investors page under Events and Presentations for this event.

ADJUSTED(1) RESULTS

First quarter versus prior year and prior quarter

favorable / unfavorable
$ millions, except per share

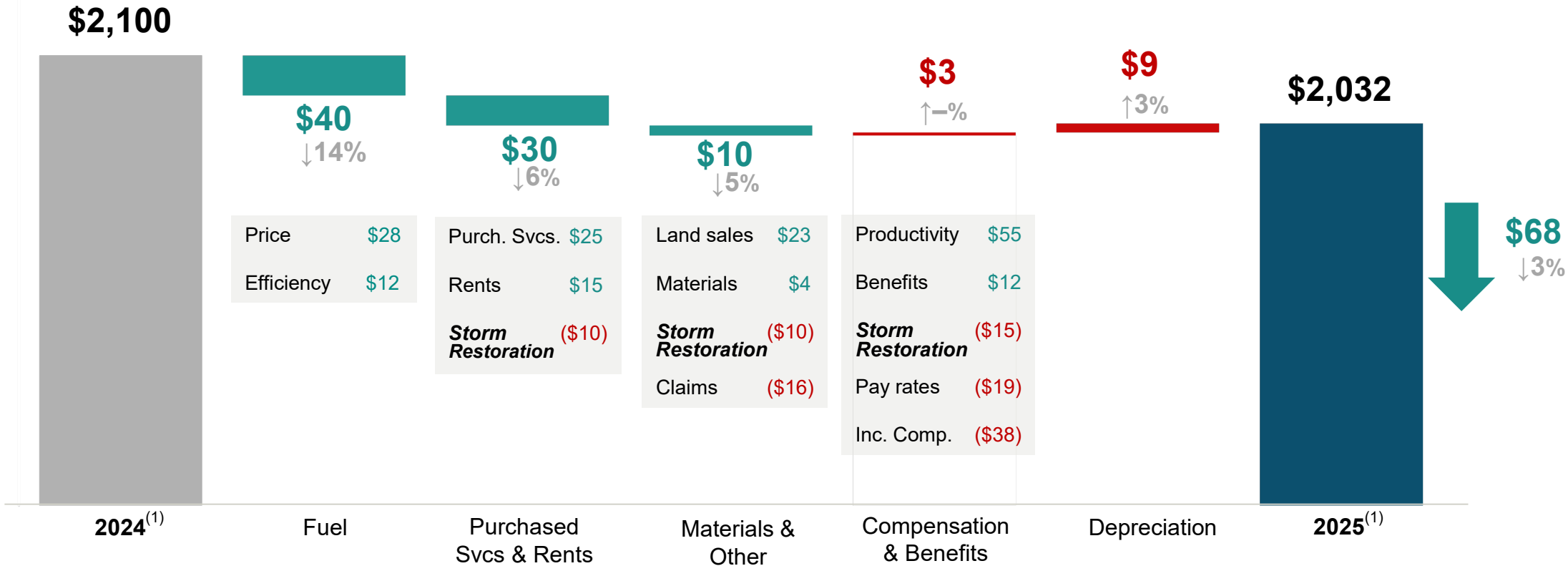
	Adjusted (1)			Q1'25 vs. Q1'24 Variances		Q1'25 vs. Q4'24 Variances	
	Q1'25	Q1'24	Q4'24				
Revenues	$2,993	$3,004	$3,024	($11)	(--%)	($31)	(1%)
Operating expenses	$2,032	$2,100	$1,962	($68)	(3%)	$70	4%
Operating ratio	67.9%	69.9%	64.9%	⬇ 200 bps		⬆ 300 bps	
Operating income	$961	$904	$1,062	$57	6%	($101)	(10%)
Net income	$609	$565	$688	$44	8%	($79)	(11%)
EPS – diluted	$2.69	$2.49	$3.04	$0.20	8%	($0.35)	(12%)

(1) Adjusted Q1'25 results modifies Q1'25 GAAP for expenses associated with the Eastern Ohio incident (as reflected on the preceding slide). Adjusted Q1'24 results modifies Q1'24 GAAP results for expenses associated with the Eastern Ohio incident, restructuring and other charges, shareholder advisory costs, and a deferred tax adjustment (as reflected in the appendix). Adjusted Q4'24 results modifies Q4'24 GAAP results for expenses associated with the Eastern Ohio incident, restructuring and other charges, gains on railway line transactions, and shareholder advisory costs (as reflected in the appendix). All presentations of revenues above refer to U.S. GAAP revenue. Please see the reconciliation to GAAP posted on our website on the Investors page under Events and Presentations for this event.

ADJUSTED(1) OPERATING EXPENSES

First quarter 2025 vs. 2024

favorable / unfavorable
$ millions



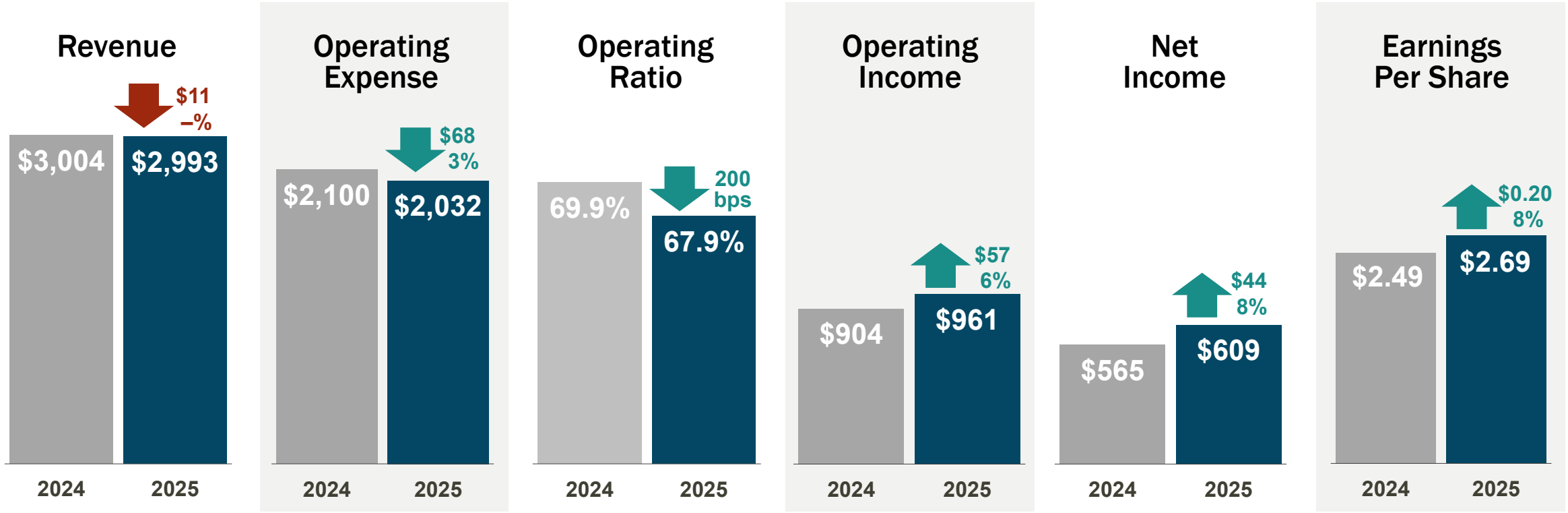
3% Reduction in OpEx thanks to $55M Labor Productivity savings, while absorbing approximately $35M of "incremental" winter storm-related costs

(1) Adjusted results modifies Q1'25 and Q1'24 for expenses associated with the Eastern Ohio incident, in addition to modifying Q1'24 for expenses associated with restructuring and other charges (as reflected in the appendix). Please see the reconciliation to GAAP posted on our website on the Investors page under Events and Presentations for this event.

ADJUSTED[(1)] FINANCIAL RESULTS

First quarter 2025 vs. 2024

favorable / unfavorable
$ millions, except per share



Continued productivity delivering improved financial results; resumption of share repurchase program returned nearly $250M to shareholders

(1) Adjusted results modifies Q1'25 and Q1'24 for expenses associated with the Eastern Ohio incident, in addition to modifying Q1'24 for expenses associated with restructuring and other charges, shareholder advisory matters, and a deferred tax adjustment (as reflected in the appendix). All presentations of revenues above refer to U.S. GAAP revenue. Please see the reconciliation to GAAP posted on our website on the Investors page under Events and Presentations for this event.

05
CLOSING REMARKS



Mark George
President & Chief Executive Officer



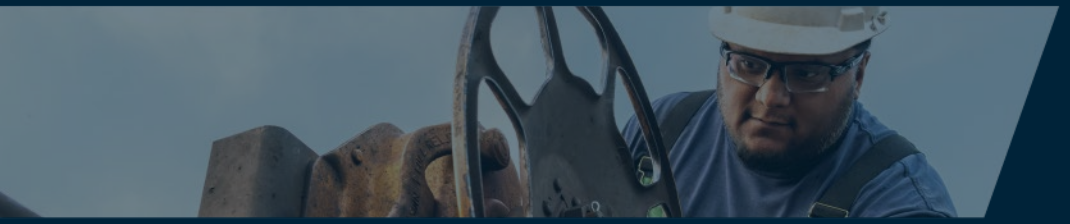
2025 GUIDANCE

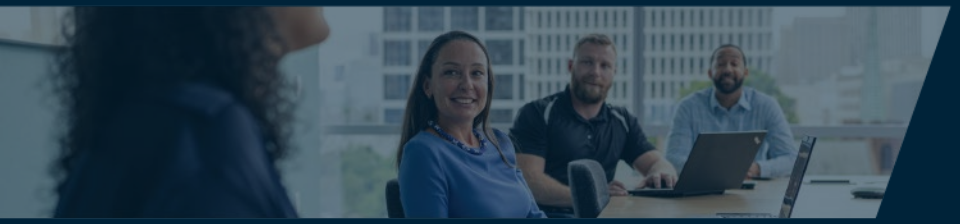
- **Building on operational momentum across the network**
  - >$150M of year-over-year productivity savings in 2025
- **3% revenue growth**
- **150 bps of year-over-year Operating Ratio improvement**

Increased macro uncertainty

- **Focused on narrowing the OR gap to peers**
- **Improving cash flow and shareholder returns**
  - Capex expected to be ~$2.2B in 2025
  - Continued execution of share repurchase plan











NORFOLK SOUTHERN

Thank You

www.NorfolkSouthern.com

APPENDIX

FIRST QUARTER 2024 RESULTS

$ in millions, except EPS

	GAAP Q1'24	Non-GAAP adjustments (Increase / (Decrease))				Adjusted Q1'24
		E. Ohio Incident Costs	Restructuring and Other Charges	Advisory Costs	Favorable Deferred Tax Adjustment	
Revenues	$3,004	–	–	–	–	$3,004
Operating expenses	$2,791	($592)	($99)	–	–	$2,100
Operating ratio	92.9%	(1970) bps	(330) bps	–	–	69.9%
Operating income	$213	$592	$99	–	–	$904
Other income – net	$18	–	–	$21	–	$39
Income taxes	($23)	$144	$24	$5	$27	$177
Net income	$53	$448	$75	$16	($27)	$565
EPS – diluted	$0.23	$1.98	$0.33	$0.07	($0.12)	$2.49

E. Ohio Detail	
Legal	$598
Env.	$60
Other	$42
Insurance	($108)

Restructuring & Other Detail	
Separation	$64
Ops. Chg.	$35

(1) Adjusted results modifies Q1'24 GAAP results for expenses associated with the Eastern Ohio incident, restructuring and other charges, shareholder advisory costs, and a deferred tax adjustment. Please see the reconciliation to GAAP posted on our website on the Investors page under Events and Presentations for this event.

FOURTH QUARTER 2024 RESULTS

$ in millions, except EPS

	GAAP Q4'24	Non-GAAP adjustments Increase / (Decrease)				Adjusted[1] Q4'24
		E. Ohio Incident	Gains on Railway Line Transactions	Restructuring and Other Charges	Shareholder Advisory Costs	
Revenues	$3,024	–	–	–	–	$3,024
Operating expenses	$1,893	$43	$53	($27)	–	$1,962
Operating ratio	62.6%	140 bps	180 bps	(90) bps	–	64.9%
Operating income	$1,131	($43)	($53)	$27	–	$1,062
Other income – net	($4)	–	–	–	$8	$4
Income taxes	$195	($11)	($13)	$6	$2	$179
Net income	$733	($32)	($40)	$21	$6	$688
EPS – diluted	$3.23	($0.14)	($0.17)	$0.09	$0.03	$3.04

E. Ohio Detail	
Insurance	($98)
Legal & Env	$25
Other	$30
Net	($43)

(1) Adjusted results modifies Q4'24 GAAP results for expenses associated with the Eastern Ohio incident, gains on railway line transactions, restructuring and other charges, and shareholder advisory costs. Please see the reconciliation to GAAP posted on our website on the Investors page under Events and Presentations for this event.

NETWORK METRICS (DEFINITIONS)

- **Terminal Dwell**: The average time a car resides at the specified terminal location expressed in hours. The measurement begins with a customer release, received interchange, or train arrival event and ends with a customer placement (actual or constructive), delivered or offered in interchange, or train departure event. Cars that move through a terminal on a run-through train are excluded, as are stored, bad ordered, and maintenance of way cars.
- **Train Speed**: Measures line-haul movement between terminals. The average speed is calculated by dividing train-miles by total hours operated, excluding yard and local trains, passenger trains, maintenance of way trains, and terminal time.
- **Car Miles per Day**: Daily mileage per car in the operating inventory.
- **GTMs per Available Horsepower**: Average gross ton miles moved each day divided by locomotive horsepower available for use in transportation service.
- **Intermodal Svc Composite**: Measures container level trip plan performance in our three lines of Intermodal business: Premium, Domestic, and International, weighted by the proportion of revenue each represents.
- **MER Plan Compliance**: Percentage of loaded shipments delivered no later than +24hrs of the First NS Trip Plan ETA.