Reconciliation of Non-GAAP Financial Measures

Information presented by Claude E. Elkins and Jason A. Zampi during NS' first quarter earnings conference call on April 24, 2026 (posted elsewhere on our website) included 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).

Revenue
($ in millions)

First Quarter	2026	2025	Change	% Change
Total revenue	$ 2,998	$ 2,993	$ 5	0%
Less: Fuel surcharge revenue	210	202	8	4%
Revenue less fuel surcharge revenue[1]	$ 2,788	$ 2,791	$ (3)	0%
Merchandise revenue	$ 1,885	$ 1,863	$ 22	1%
Less: Fuel surcharge revenue	70	67	3	4%
Merchandise revenue less fuel surcharge revenue[1]	$ 1,815	$ 1,796	$ 19	1%
Intermodal revenue	$ 749	$ 760	$ (11)	-1%
Less: Fuel surcharge revenue	135	131	4	3%
Intermodal revenue less fuel surcharge revenue[1]	$ 614	$ 629	$ (15)	-2%
Coal revenue	$ 364	$ 370	$ (6)	-2%
Less: Fuel surcharge revenue	5	4	1	25%
Coal revenue less fuel surcharge revenue[1]	$ 359	$ 366	$ (7)	-2%

Revenue Per Unit

First Quarter	2026	2025	Change	% Change
Total revenue per unit	$ 1,746	$ 1,720	$ 26	2%
Less: Fuel surcharge revenue per unit	122	116	6	5%
Revenue per unit less fuel surcharge revenue[2]	$ 1,624	$ 1,604	$ 20	1%
Merchandise revenue per unit	$ 3,379	$ 3,374	$ 5	0%
Less: Fuel surcharge revenue per unit	126	121	5	4%
Merchandise revenue per unit less fuel surcharge revenue[2]	$ 3,253	$ 3,253	$ -	0%
Intermodal revenue per unit	$ 764	$ 743	$ 21	3%
Less: Fuel surcharge revenue per unit	137	128	9	7%
Intermodal revenue per unit less fuel surcharge revenue[2]	$ 627	$ 615	$ 12	2%
Coal revenue per unit	$ 2,034	$ 2,247	$ (213)	-9%
Less: Fuel surcharge revenue per unit	27	23	4	17%
Coal revenue per unit less fuel surcharge revenue[2]	$ 2,007	$ 2,224	$ (217)	-10%

Financial Results - excluding the Eastern Ohio incident[3] and merger-related expenses[4]
($ in millions, except per share amounts)

	First Quarter 2026			
	Reported 2026 (GAAP)	Eastern Ohio Incident[3]	Merger-Related Expenses[4]	Adjusted 2026 (Non-GAAP[3,4])
Railway operating expenses				
Compensation and benefits	$ 740	$ -	$ -	$ 740
Purchased services and rents	522	-	-	522
Fuel	256	-	-	256
Depreciation	352	-	-	352
Materials and other	189	-	-	189
Merger-related expenses	52	-	(52)	-
Eastern Ohio incident	10	(10)	-	-
Total railway operating expenses	$ 2,121	$ (10)	$ (52)	$ 2,059
Income from railway operations	$ 877	$ 10	$ 52	$ 939
Income taxes	$ 168	$ 3	$ 9	$ 180
Net income	$ 547	$ 7	$ 43	$ 597
Earnings per share - diluted	$ 2.43	$ 0.03	$ 0.19	$ 2.65
Railway operating ratio (%)	70.7	(0.3)	(1.7)	68.7

	First Quarter 2025		
	Reported 2025 (GAAP)	Eastern Ohio Incident[3]	Adjusted 2025 (Non-GAAP[3])
Railway operating expenses			
Compensation and benefits	$ 739	$ -	$ 739
Purchased services and rents	498	-	498
Fuel	244	-	244
Depreciation	346	-	346
Materials and other	205	-	205
Eastern Ohio incident	(185)	185	-
Total railway operating expenses	$ 1,847	$ 185	$ 2,032
Income from railway operations	$ 1,146	$ (185)	$ 961
Income taxes	$ 228	$ (44)	$ 184
Net income	$ 750	$ (141)	$ 609
Earnings per share - diluted	$ 3.31	$ (0.62)	$ 2.69
Railway operating ratio (%)	61.7	6.2	67.9

[1] Revenue less fuel as used here is to reflect revenue absent the effect of fuel surcharges. Management believes this non-GAAP financial measure provides useful supplemental information to investors regarding the Company's revenue trends, by excluding the volatility introduced by fuel surcharges, and is useful for period-over-period comparisons of these trends.

[2] Revenue per unit as used here is to reflect average revenue per unit absent the effect of fuel surcharges. Management believes this non-GAAP financial measure provides useful supplemental information to investors regarding the Company's pricing trends, by excluding the volatility introduced by fuel surcharges, and is useful for period-over-period comparisons of these trends.

[3] GAAP financial results are adjusted to exclude the effects of the February 3, 2023 derailment in Eastern Ohio (the Incident). During the first quarter of 2026, the Company recorded $10 million of net expenses related to the Incident. During the first quarter of 2025, the Company recorded $185 million net recoveries related to the Incident. The income tax effects of this non-GAAP adjustment were calculated based on the applicable tax rates to which the non-GAAP adjustment related. Management believes these non-GAAP financial measures provide valuable information regarding earnings and business trends of the Company. 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 and assessing trends in our performance by excluding the effects of the Incident.

[4] GAAP financial results are adjusted to exclude the effects of merger-related expenses. During the first quarter of 2026, the Company incurred $52 million for merger-related expenses primarily related to costs associated with employee retention agreements, third-party advisor fees, and legal fees. The income tax effects of this non-GAAP adjustment were calculated based on the applicable tax rates to which the non-GAAP adjustment related. Management believes these non-GAAP financial measures provide valuable information regarding earnings and business trends of the Company. 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 and assessing trends in our performance by excluding by excluding these costs.

The Company uses these non-GAAP financial measures internally and believes this information provides useful supplemental information to investors regarding the Company's financial performance as compared to prior periods. 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 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.