Reconciliation of Non-GAAP Financial Measures

Information presented by Claude E. Elkins and Jason A. Zampi during NS' second quarter earnings conference call on July 23, 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)

Second Quarter	2026	2025	Change	% Change
Total revenue	$ 3,465	$ 3,110	$ 355	11%
Less: Fuel surcharge revenue	415	203	212	104%
Revenue less fuel surcharge revenue[1]	$ 3,050	$ 2,907	$ 143	5%
Merchandise revenue	$ 2,133	$ 1,972	$ 161	8%
Less: Fuel surcharge revenue	149	73	76	104%
Merchandise revenue less fuel surcharge revenue[1]	$ 1,984	$ 1,899	$ 85	4%
Intermodal revenue	$ 908	$ 743	$ 165	22%
Less: Fuel surcharge revenue	247	124	123	99%
Intermodal revenue less fuel surcharge revenue[1]	$ 661	$ 619	$ 42	7%
Coal revenue	$ 424	$ 395	$ 29	7%
Less: Fuel surcharge revenue	19	6	13	217%
Coal revenue less fuel surcharge revenue[1]	$ 405	$ 389	$ 16	4%

Revenue Per Unit

Second Quarter	2026	2025	Change	% Change
Total revenue per unit	$ 1,861	$ 1,734	$ 127	7%
Less: Fuel surcharge revenue per unit	223	113	110	97%
Revenue per unit less fuel surcharge revenue[2]	$ 1,638	$ 1,621	$ 17	1%
Merchandise revenue per unit	$ 3,493	$ 3,282	$ 211	6%
Less: Fuel surcharge revenue per unit	243	123	120	98%
Merchandise revenue per unit less fuel surcharge revenue[2]	$ 3,250	$ 3,159	$ 91	3%
Intermodal revenue per unit	$ 853	$ 735	$ 118	16%
Less: Fuel surcharge revenue per unit	232	122	110	90%
Intermodal revenue per unit less fuel surcharge revenue[2]	$ 621	$ 613	$ 8	1%
Coal revenue per unit	$ 2,264	$ 2,173	$ 91	4%
Less: Fuel surcharge revenue per unit	104	31	73	235%
Coal revenue per unit less fuel surcharge revenue[2]	$ 2,160	$ 2,142	$ 18	1%

Financial Results - excluding the merger-related expenses[3], Eastern Ohio incident[4], and restructuring and other costs[5]
($ in millions, except per share amounts)

	Second Quarter 2026				
	Reported 2026 (GAAP)	Merger-Related Expenses[3]	Eastern Ohio Incident[4]	Restructuring and Other Charges[5]	Adjusted 2026 (Non-GAAP[3,4,5])
Railway operating expenses					
Compensation and benefits	$ 744	$ -	$ -	$ -	744
Purchased services and rents	550	-	-	-	550
Fuel	405	-	-	-	405
Depreciation	358	-	-	-	358
Materials and other	212	-	-	-	212
Merger-related expenses	51	(51)	-	-	-
Restructuring and other charges	6	-	-	(6)	-
Eastern Ohio incident	15	-	(15)	-	-
Total railway operating expenses	$ 2,341	$ (51)	$ (15)	$ (6)	2,269
Income from railway operations	$ 1,124	$ 51	$ 15	$ 6	1,196
Income taxes	$ 225	$ 9	$ 3	$ 1	238
Net income	$ 734	$ 42	$ 12	$ 5	793
Earnings per share - diluted	$ 3.26	$ 0.19	$ 0.05	$ 0.02	3.52
Railway operating ratio (%)	67.6	(1.5)	(0.4)	(0.2)	65.5

	Second Quarter 2025			
	Reported 2025 (GAAP)	Eastern Ohio Incident[4]	Restructuring and Other Charges[5]	Adjusted 2025 (Non-GAAP[4,5])
Railway operating expenses				
Compensation and benefits	$ 692	$ -	$ -	$ 692
Purchased services and rents	520	-	-	520
Fuel	219	-	-	219
Depreciation	346	-	-	346
Materials and other	195	-	-	195
Restructuring and other charges	10	-	(10)	-
Eastern Ohio incident	(47)	47	-	-
Total railway operating expenses	$ 1,935	$ 47	$ (10)	$ 1,972
Income from railway operations	$ 1,175	$ (47)	$ 10	$ 1,138
Income taxes	$ 230	$ (12)	$ 2	$ 220
Net income	$ 768	$ (35)	$ 8	$ 741
Earnings per share - diluted	$ 3.41	$ (0.16)	$ 0.04	$ 3.29
Railway operating ratio (%)	62.2	1.5	(0.3)	63.4

[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 merger-related expenses. During the second quarter of 2026, the Company incurred $51 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.

[4] GAAP financial results are adjusted to exclude the effects of the February 3, 2023 derailment in Eastern Ohio (the Incident). During the second quarter of 2026, the Company recorded $15 million of net expenses related to the Incident. During the second quarter of 2025, the Company recorded $47 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.

[5] GAAP financial results are adjusted to exclude the effects of restructuring and other charges. During the second quarter of 2026, the Company recorded $6 million of restructuring and other charges related to severance costs associated with organizational changes. During the second quarter of 2025, the Company recorded $10 million of restructuring and other charges related to the restructuring of certain technology functions. 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.