Reconciliation of Non-GAAP Financial Measures

Information presented by Claude E. Elkins and Jason A. Zampi during NS' third quarter earnings conference call on October 23, 2025 (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).

Financial Results - excluding the Eastern Ohio incident[1], restructuring and other charges[2], merger-related expenses[3], and sales of railway lines[4]
($ in millions, except per share amounts)

	Third Quarter 2025				
	Reported 2025 (GAAP)	Eastern Ohio Incident[1]	Restructuring and Other Charges[2]	Merger-Related Expenses[3]	Adjusted 2025 (Non-GAAP[1,2,3])
Railway operating expenses					
Compensation and benefits	$ 738	$ (24)	$ -	$ -	$ 714
Purchased services and rents	519	-	-	-	519
Fuel	237	-	-	-	237
Depreciation	348	-	-	-	348
Materials and other	147	-	-	-	147
Merger-related expenses	15	-	-	(15)	-
Restructuring and other charges	12	-	(12)	-	-
Eastern Ohio incident	(11)	11	-	-	-
Total railway operating expenses	$ 2,005	$ (13)	$ (12)	$ (15)	$ 1,965
Income from railway operations	$ 1,098	$ 13	$ 12	$ 15	$ 1,138
Income taxes	$ 213	$ 3	$ 3	$ 4	$ 223
Net income	$ 711	$ 10	$ 9	$ 11	$ 741
Earnings per share - diluted	$ 3.16	$ 0.05	$ 0.04	$ 0.05	$ 3.30
Railway operating ratio (%)	64.6	(0.4)	(0.4)	(0.5)	63.3

	Third Quarter 2024				
	Reported 2024 (GAAP)	Eastern Ohio Incident[1]	Restructuring and Other Charges[2]	Sales of Railway Lines[4]	Adjusted 2024 (Non-GAAP[1,2,4])
Railway operating expenses					
Compensation and benefits	$ 690	$ -	$ -	$ -	$ 690
Purchased services and rents	497	-	-	-	497
Fuel	216	-	-	-	216
Depreciation	339	-	-	-	339
Materials and other	(188)	-	-	380	192
Restructuring and other charges	60	-	(60)	-	-
Eastern Ohio incident	(159)	159	-	-	-
Total railway operating expenses	$ 1,455	$ 159	$ (60)	$ 380	$ 1,934
Income from railway operations	$ 1,596	$ (159)	$ 60	$ (380)	$ 1,117
Income taxes	$ 328	$ (39)	$ 15	$ (93)	$ 211
Net income	$ 1,099	$ (120)	$ 45	$ (287)	$ 737
Earnings per share - diluted	$ 4.85	$ (0.53)	$ 0.20	$ (1.27)	$ 3.25
Railway operating ratio (%)	47.7	5.2	(2.0)	12.5	63.4

	Second Quarter 2025			
	Reported 2025 (GAAP)	Eastern Ohio Incident[1]	Restructuring and Other Charges[2]	Adjusted 2025 (Non-GAAP[1,2])
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
Other income - net	$ 24	$ -	$ -	$ 24
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

Revenue
($ in millions)

Third Quarter	2025	2024	Change	% Change
Total revenue	$ 3,103	$ 3,051	$ 52	2%
Less: Fuel surcharge revenue	208	238	(30)	-13%
Revenue less fuel surcharge revenue[5]	$ 2,895	$ 2,813	$ 82	3%
Merchandise revenue	$ 1,969	$ 1,861	$ 108	6%
Less: Fuel surcharge revenue	73	87	(14)	-16%
Merchandise revenue less fuel surcharge revenue[5]	$ 1,896	$ 1,774	$ 122	7%
Intermodal revenue	$ 759	$ 763	$ (4)	-1%
Less: Fuel surcharge revenue	131	142	(11)	-8%
Intermodal revenue less fuel surcharge revenue[5]	$ 628	$ 621	$ 7	1%
Coal revenue	$ 375	$ 427	$ (52)	-12%
Less: Fuel surcharge revenue	4	9	(5)	-56%
Coal revenue less fuel surcharge revenue[5]	$ 371	$ 418	$ (47)	-11%

Revenue Per Unit

Third Quarter	2025	2024	Change	% Change
Total revenue per unit	$ 1,721	$ 1,694	$ 27	2%
Less: Fuel surcharge revenue per unit	116	132	(16)	-12%
Revenue per unit less fuel surcharge revenue[6]	$ 1,605	$ 1,562	$ 43	3%
Merchandise revenue per unit	$ 3,310	$ 3,299	$ 11	0%
Less: Fuel surcharge revenue per unit	121	153	(32)	-21%
Merchandise revenue per unit less fuel surcharge revenue[6]	$ 3,189	$ 3,146	43	1%
Intermodal revenue per unit	$ 735	$ 726	$ 9	1%
Less: Fuel surcharge revenue per unit	127	136	(9)	-7%
Intermodal revenue per unit less fuel surcharge revenue[6]	$ 608	$ 590	$ 18	3%
Coal revenue per unit	$ 2,120	$ 2,306	$ (186)	-8%
Less: Fuel surcharge revenue per unit	24	46	(22)	-48%
Coal revenue per unit less fuel surcharge revenue[6]	$ 2,096	$ 2,260	$ (164)	-7%

[1]GAAP financial results are adjusted to exclude the effects of the February 3, 2023 derailment in Eastern Ohio (the Incident). During the third quarter of 2025, the overall expense impact on operating expenses resulting from costs and recoveries associated with the Incident was $13 million. During the third quarter of 2024 and the second quarter of 2025, the Company recorded net recoveries that exceeded Incident-related expenses of $159 million and $47 million, respectively. 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.

[2] GAAP financial results are adjusted to exclude the effects of restructuring and other charges. During the third and second quarters of 2025, the Company recorded $12 million and $10 million, respectively, of restructuring and other charges related to the restructuring of certain technology functions. In the third quarter of 2024, the Company recorded $60 million associated with the rationalization of certain software development projects that had not been placed in service and reflecting certain equipment at its net realizable value in advance of the planned disposition of that asset class. 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.

[3] GAAP financial results are adjusted to exclude the effects of merger-related expenses. During the third quarter of 2025, we incurred $15 million in merger-related expenses primarily related to third-party advisor fees, legal fees, and costs associated with employee retention agreements. 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 gains on railway line sales. During the third quarter of 2024, the Company completed sales of two railway lines in the states of Virginia and North Carolina resulting in gains of $380 million. 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 gains.

[5] Revenue less fuel surcharge revenue 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.

[6] 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.

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.