

Q4

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)

	Fourth Quarter			Years Ended December 31,		
	2025	2024	% Change	2025	2024	% Change
Railway operating revenues						
Merchandise	$ 1,880	$ 1,842	2%	$ 7,684	$ 7,470	3%
Intermodal	747	792	(6%)	3,009	3,042	(1%)
Coal	347	390	(11%)	1,487	1,611	(8%)
Total railway operating revenues	2,974	3,024	(2%)	12,180	12,123	—%
Railway operating expenses						
Compensation and benefits	753	697	8%	2,922	2,823	4%
Purchased services and rents	558	507	10%	2,095	2,048	2%
Fuel	232	230	1%	932	987	(6%)
Depreciation	353	342	3%	1,393	1,353	3%
Materials and other	87	133	(35%)	634	333	90%
Merger-related expenses	65	—		80	—	
Restructuring and other charges	—	27	(100%)	22	183	(88%)
Eastern Ohio incident	(11)	(43)	(74%)	(254)	325	(178%)
Total railway operating expenses	2,037	1,893	8%	7,824	8,052	(3%)
Income from railway operations	937	1,131	(17%)	4,356	4,071	7%
Other income (expense) – net	23	(4)	675%	101	65	55%
Interest expense on debt	195	199	(2%)	792	807	(2%)
Income before income taxes	765	928	(18%)	3,665	3,329	10%
Income taxes	121	195	(38%)	792	707	12%
Net income	$ 644	$ 733	(12%)	$ 2,873	$ 2,622	10%
Railway operating ratio (%)	68.5	62.6	9%	64.2	66.4	(3%)
Earnings per share – diluted	$ 2.87	$ 3.23	(11%)	$ 12.75	$ 11.57	10%

Notes

1. Gains on Railway Line Sales

During 2024, we completed sales of two railway lines in Virginia and North Carolina resulting in gains of $433 million on operating property transactions included in "Materials and other" expense, of which $53 million was recognized in the fourth quarter. The gains from these transactions are reflected in "Gains and losses on properties" and cash proceeds of $389 million are included in "Property sales and other transactions" on the Consolidated Statement of Cash Flows.

2. Merger-Related Expenses

During 2025, we incurred $80 million in merger-related expenses primarily related to employee retention agreements, third-party advisors, and legal services, of which $65 million was recognized in the fourth quarter.

3. Restructuring and Other Charges

Restructuring and other charges in 2025 includes expenses associated with the restructuring of certain technology functions, including severance costs for impacted employees, and the rationalization of certain software development projects that had not been placed into service. Restructuring and other charges in 2024 includes expenses associated with our voluntary and involuntary separation programs that reduced our management workforce, expenses associated with the rationalization of certain software development projects that had not been placed into service, costs associated with the appointment of our new chief operating officer, and the disposition of an asset class. During 2025 and 2024, we recorded $22 million and $183 million in restructuring and other charges, respectively, of which $27 million was incurred in the fourth quarter of 2024. Additionally, 2024 includes a $20 million curtailment gain on our other postretirement benefit plan resulting from the restructuring, which is reflected in "Other income - net."

4. Eastern Ohio Incident

On February 3, 2023, a train operated by us derailed in East Palestine, Ohio (the Incident). During the fourth quarter and full year 2025, the overall expense impact on operating expenses resulting from costs and recoveries associated with the Incident was $29 million in net expenses and $190 million in net recoveries, respectively. During the fourth quarter and full year 2024, the Company recorded $43 million of net recoveries and $325 million of net expenses related to the Incident, respectively. The total expense recognized includes the impact of $418 million and $650 million in recoveries during 2025 and 2024, respectively, of which $24 million and $98 million were recognized in the fourth quarters of 2025 and 2024, respectively.

5. Shareholder Advisory Costs

"Other income – net" includes costs incurred in 2024 associated with shareholder advisory matters, which amounted to $8 million in the fourth quarter and $59 million for the full year.

Consolidated Balance Sheets

($ in millions)

	At December 31, 2025	2024
Assets		
Current assets:		
Cash and cash equivalents	$ 1,530	$ 1,641
Accounts receivable – net	988	1,069
Materials and supplies	271	277
Other current assets	409	201
Total current assets	3,198	3,188
Investments	4,089	3,370
Properties less accumulated depreciation of $14,617 and $13,957, respectively	36,479	35,831
Other assets	1,470	1,293
Total assets	$ 45,236	$ 43,682
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 1,863	$ 1,704
Income and other taxes	340	337
Other current liabilities	965	949
Current maturities of long-term debt	607	555
Total current liabilities	3,775	3,545
Long-term debt	16,480	16,651
Other liabilities	1,723	1,760
Deferred income taxes	7,711	7,420
Total liabilities	29,689	29,376
Stockholders' equity:		
Common stock $1.00 per share par value, 1,350,000,000 shares authorized; outstanding 224,420,699 and 226,320,894 shares, respectively, net of treasury shares	226	228
Additional paid-in capital	2,296	2,247
Accumulated other comprehensive loss	(210)	(262)
Retained income	13,235	12,093
Total stockholders' equity	15,547	14,306
Total liabilities and stockholders' equity	$ 45,236	$ 43,682

6. Deferred Income Taxes

During 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.

7. Stock Repurchase Program

We repurchased and retired 2.2 million shares of common stock under our stock repurchase programs in 2025 at a cost of $533 million, inclusive of accrued excise taxes, while we did not repurchase any shares of common stock in 2024.

Consolidated Statements of Cash Flows

($ in millions)

	Years Ended December 31, 2025	2024
Cash flows from operating activities		
Net income	$ 2,873	$ 2,622
Reconciliation of net income to net cash provided by operating activities:		
Depreciation	1,393	1,353
Deferred income taxes	277	176
Gains and losses on properties	(253)	(490)
Changes in assets and liabilities affecting operations:		
Accounts receivable	59	85
Materials and supplies	6	(13)
Other current assets	(23)	5
Current liabilities other than debt	259	548
Other – net	(230)	(234)
Net cash provided by operating activities	4,361	4,052
Cash flows from investing activities		
Property additions	(2,204)	(2,381)
Acquisition of assets of CSR	—	(1,643)
Property sales and other transactions	164	558
Investment purchases	(621)	(319)
Investment sales and other transactions	99	1,005
Net cash used in investing activities	(2,562)	(2,780)
Cash flows from financing activities		
Dividends	(1,215)	(1,221)
Common Stock transactions	2	26
Purchase and retirement of Common Stock	(534)	—
Proceeds from borrowings	396	1,051
Debt repayments	(559)	(1,055)
Net cash used in financing activities	(1,910)	(1,199)
Net increase (decrease) in cash and cash equivalents	(111)	73
Cash and cash equivalents		
At beginning of year	1,641	1,568
At end of year	$ 1,530	$ 1,641
Supplemental disclosures of cash flow information		
Cash paid during the year for:		
Interest (net of amounts capitalized)	$ 765	$ 764
Income taxes (net of refunds)	491	305

Railway Operating Revenues Analysis

Commodity and Period	Revenues ($ in millions) 2025	Revenues ($ in millions) 2024	% Change	Units (in thousands) 2025	Units (in thousands) 2024	% Change	Revenue per Unit ($ per unit) 2025	Revenue per Unit ($ per unit) 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%)
Second Quarter									
Agriculture, forest and consumer products	$ 645	$ 622	4%	186.4	181.2	3%	$ 3,456	$ 3,433	1%
Chemicals	546	532	3%	139.1	130.1	7%	3,927	4,090	(4%)
Metals and construction	458	440	4%	171.1	167.9	2%	2,676	2,620	2%
Automotive	323	310	4%	104.0	97.2	7%	3,104	3,196	(3%)
Merchandise	1,972	1,904	4%	600.6	576.4	4%	3,282	3,304	(1%)
Intermodal	743	742	—%	1,010.9	1,003.5	1%	735	739	(1%)
Coal	395	398	(1%)	181.7	162.9	12%	2,173	2,445	(11%)
Total	$ 3,110	$ 3,044	2%	1,793.2	1,742.8	3%	1,734	1,747	(1%)
Third Quarter									
Agriculture, forest and consumer products	$ 630	$ 624	1%	182.5	186.3	(2%)	$ 3,453	$ 3,351	3%
Chemicals	569	543	5%	141.3	128.9	10%	4,028	4,210	(4%)
Metals and construction	448	420	7%	168.0	160.8	4%	2,672	2,611	2%
Automotive	322	274	18%	103.3	87.9	18%	3,115	3,114	—%
Merchandise	1,969	1,861	6%	595.1	563.9	6%	3,310	3,299	—%
Intermodal	759	763	(1%)	1,032.1	1,052.2	(2%)	735	726	1%
Coal	375	427	(12%)	176.7	185.3	(5%)	2,120	2,306	(8%)
Total	$ 3,103	$ 3,051	2%	1,803.9	1,801.4	—%	1,721	1,694	2%
Fourth Quarter									
Agriculture, forest and consumer products	$ 627	$ 646	(3%)	180.9	190.1	(5%)	$ 3,466	$ 3,398	2%
Chemicals	556	521	7%	139.1	128.8	8%	3,998	4,047	(1%)
Metals and construction	404	392	3%	151.2	152.3	(1%)	2,670	2,573	4%
Automotive	293	283	4%	94.1	89.3	5%	3,116	3,171	(2%)
Merchandise	1,880	1,842	2%	565.3	560.5	1%	3,326	3,287	1%
Intermodal	747	792	(6%)	989.1	1,063.2	(7%)	755	744	1%
Coal	347	390	(11%)	171.9	169.5	1%	2,018	2,297	(12%)
Total	$ 2,974	$ 3,024	(2%)	1,726.3	1,793.2	(4%)	1,723	1,686	2%
Year									
Agriculture, forest and consumer products	$ 2,538	$ 2,521	1%	733.4	741.7	(1%)	$ 3,460	$ 3,399	2%
Chemicals	2,206	2,123	4%	551.5	518.3	6%	4,000	4,096	(2%)
Metals and construction	1,724	1,682	2%	638.6	641.6	—%	2,700	2,621	3%
Automotive	1,216	1,144	6%	389.7	362.7	7%	3,121	3,155	(1%)
Merchandise	7,684	7,470	3%	2,313.2	2,264.3	2%	3,322	3,299	1%
Intermodal	3,009	3,042	(1%)	4,055.0	4,107.7	(1%)	742	740	—%
Coal	1,487	1,611	(8%)	695.0	684.8	1%	2,139	2,352	(9%)
Total	$ 12,180	$ 12,123	—%	7,063.2	7,056.8	—%	1,724	1,718	—%

Railway Operating Revenues Variance Analysis

($ in millions)

Fourth Quarter
2025 vs. 2024

	Merchandise		Intermodal		Coal	
	Amount	Percent	Amount	Percent	Amount	Percent
Revenue Variance due to:						
Volume	$ 15	1%	$ (55)	(7%)	$ 6	1%
Fuel surcharge revenue	3	— %	6	1%	1	—%
Rate, mix and other	20	1 %	4	1%	(50)	(13%)
Total	$ 38	2%	$ (45)	(6%)	$ (43)	(11%)

Year
2025 vs. 2024

	Merchandise		Intermodal		Coal	
	Amount	Percent	Amount	Percent	Amount	Percent
Revenue Variance due to:						
Volume	$ 161	2%	$ (39)	(1%)	$ 24	1%
Fuel surcharge revenue	(73)	(1%)	(45)	(1%)	(16)	(1%)
Rate, mix and other	126	2%	51	2%	(132)	(8%)
Total	$ 214	3%	$ (33)	(1%)	$ (124)	(8%)

Intermodal Units by Market

(in thousands)

	Fourth Quarter			Year		
	2025	2024	% Change	2025	2024	% Change
Domestic	621.6	655.6	(5%)	2,450.2	2,500.0	(2%)
International	367.5	407.6	(10%)	1,604.8	1,607.7	—%
Total	989.1	1,063.2	(7%)	4,055.0	4,107.7	(1%)

Coal Tonnage by Market

(in thousands)

	Fourth Quarter			Year		
	2025	2024	% Change	2025	2024	% Change
Utility	7,783	6,731	16%	33,126	29,577	12%
Export	7,977	8,497	(6%)	31,175	33,309	(6%)
Domestic metallurgical	2,501	2,616	(4%)	9,989	10,088	(1%)
Industrial	1,044	1,088	(4%)	3,756	3,728	1%
Total	19,305	18,932	2%	78,046	76,702	2%

Reconciliation of Non-GAAP Financial Measures

Information included within this Fourth 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 fourth quarter and year ended 2025 to exclude merger-related expenses, restructuring and other charges, and the overall impact on operating expenses resulting from costs and recoveries associated with the Incident. The following tables adjust our GAAP financial results for the fourth quarter and year ended 2024 to exclude gains on railway line sales, restructuring and other charges, costs and recoveries associated with the Incident, shareholder advisory costs and a deferred income tax adjustment. 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.

Fourth Quarter Financial Results - excluding Gains on Railway Line Sales[1], Merger-Related Expenses[2], Restructuring and Other Charges[3], the Eastern Ohio Incident[4], and Shareholder Advisory Costs[5]
($ in millions, except per share amounts)

	Fourth Quarter 2025			
	Reported (GAAP)	Merger - Related Expenses[2]	Eastern Ohio Incident[4]	Adjusted (Non-GAAP)
Compensation and benefits	$ 753	$ —	$ (40)	$ 713
Total railway operating expenses	$ 2,037	$ (65)	$ (29)	$ 1,943
Income from railway operations	$ 937	$ 65	$ 29	$ 1,031
Other income – net	$ 23	$ —	$ —	$ 23
Income before income taxes	$ 765	$ 65	$ 29	$ 859
Income taxes[7]	$ 121	$ 7	$ 6	$ 134
Net income	$ 644	$ 58	$ 23	$ 725
Railway operating ratio (%)	68.5	(2.2)	(1.0)	65.3
Earnings per share – diluted	$ 2.87	$ 0.25	$ 0.10	$ 3.22

	Fourth Quarter 2024					
	Reported 2024 (GAAP)	Gains on Railway Line Sales[1]	Restructuring and Other Charges[3]	Eastern Ohio Incident[4]	Shareholder Advisory Costs[5]	Adjusted 2024 (Non-GAAP)
Compensation and benefits	$ 697	$ —	$ —	$ —	$ —	$ 697
Total railway operating expenses	$ 1,893	$ 53	$ (27)	$ 43	$ —	$ 1,962
Income from railway operations	$ 1,131	$ (53)	$ 27	$ (43)	$ —	$ 1,062
Other income – net	$ (4)	$ —	$ —	$ —	$ 8	$ 4
Income before income taxes	$ 928	$ (53)	$ 27	$ (43)	$ 8	$ 867
Income taxes[7]	$ 195	$ (13)	$ 6	$ (11)	$ 2	$ 179
Net income	$ 733	$ (40)	$ 21	$ (32)	$ 6	$ 688
Railway operating ratio (%)	62.6	1.8	(0.9)	1.4	—	64.9
Earnings per share – diluted	$ 3.23	$ (0.17)	$ 0.09	$ (0.14)	$ 0.03	$ 3.04

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

	Fourth Quarter Adjusted (Non-GAAP)		
	2025[2,4]	2024[1,3,4,5]	2025 vs. 2024
	($ in millions, except per share amounts)		*% change*
Compensation and benefits	$ 713	$ 697	2%
Total railway operating expenses	$ 1,943	$ 1,962	(1%)
Income from railway operations	$ 1,031	$ 1,062	(3%)
Other income – net	$ 23	$ 4	475%
Income before income taxes	$ 859	$ 867	(1%)
Income taxes[7]	$ 134	$ 179	(25%)
Net income	$ 725	$ 688	5%
Railway operating ratio (%)	65.3	64.9	1%
Earnings per share – diluted	$ 3.22	$ 3.04	6%

Years Ended December 31 — Financial Results - excluding Gains on Railway Line Sales[1], Merger-Related Expenses[2], Restructuring and Other Charges[3], the Eastern Ohio Incident[4], Shareholder Advisory Costs[5], and Deferred Income Tax Adjustment[6]

($ in millions, except per share amounts)

	Year Ended December 31,				
	Reported 2025 (GAAP)	Merger - Related Expenses[2]	Restructuring and Other Charges[3]	Eastern Ohio Incident[4]	Adjusted 2025 (Non-GAAP)
Compensation and benefits	$ 2,922	$ —	$ —	$ (64)	$ 2,858
Total railway operating expenses	$ 7,824	$ (80)	$ (22)	$ 190	$ 7,912
Income from railway operations	$ 4,356	$ 80	$ 22	$ (190)	$ 4,268
Other income – net	$ 101	$ —	$ —	$ —	$ 101
Income before income taxes	$ 3,665	$ 80	$ 22	$ (190)	$ 3,577
Income taxes[7]	$ 792	$ 11	$ 5	$ (47)	$ 761
Net income	$ 2,873	$ 69	$ 17	$ (143)	$ 2,816
Railway operating ratio (%)	64.2	(0.6)	(0.2)	1.6	65.0
Earnings per share – diluted	$ 12.75	$ 0.31	$ 0.07	$ (0.64)	$ 12.49

	Year Ended December 31,						
	Reported 2024 (GAAP)	Gains on Railway Line Sales[1]	Restructuring and Other Charges[3]	Eastern Ohio Incident[4]	Shareholder Advisory Costs[5]	Deferred Income Tax Adjustment[6]	Adjusted 2024 (Non-GAAP)
Compensation and benefits	$ 2,823	$ —	$ —	$ —	$ —	$ —	$ 2,823
Total railway operating expenses	$ 8,052	$ 433	$ (183)	$ (325)	$ —	$ —	$ 7,977
Income from railway operations	$ 4,071	$ (433)	$ 183	$ 325	$ —	$ —	$ 4,146
Other income – net	$ 65	$ —	$ (20)	$ —	$ 59	$ —	$ 104
Income before income taxes	$ 3,329	$ (433)	$ 163	$ 325	$ 59	$ —	$ 3,443
Income taxes[7]	$ 707	$ (106)	$ 38	$ 78	$ 15	$ 27	$ 759
Net income	$ 2,622	$ (327)	$ 125	$ 247	$ 44	$ (27)	$ 2,684
Railway operating ratio (%)	66.4	3.6	(1.5)	(2.7)	—	—	65.8
Earnings per share – diluted	$ 11.57	$ (1.44)	$ 0.55	$ 1.09	$ 0.20	$ (0.12)	$ 11.85

In the table below, references to the results of 2025 and 2024 and the related comparisons use the adjusted, non-GAAP results from the reconciliations in the tables on page 8.

	Years Ended December 31, Adjusted (Non-GAAP)		
	2025[2,3,4]	2024[1,3,4,5,6]	2025 vs. 2024
	($ in millions, except per share amounts)		*% change*
Compensation and benefits	$ 2,858	$ 2,823	1%
Total railway operating expenses	$ 7,912	$ 7,977	(1%)
Income from railway operations	$ 4,268	$ 4,146	3%
Other income – net	$ 101	$ 104	(3%)
Income before income taxes	$ 3,577	$ 3,443	4%
Income taxes[7]	$ 761	$ 759	—%
Net income	$ 2,816	$ 2,684	5%
Railway operating ratio (%)	65.0	65.8	(1%)
Earnings per share – diluted	$ 12.49	$ 11.85	5%

[1] GAAP financial results are adjusted to exclude gains on railway line sales. In 2024, the Company completed sales of two railway lines in Virginia and North Carolina resulting in gains of $433 million on operating property sales. The fourth quarter of 2024 includes a $53 million gain. 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 merger-related expenses. During 2025, we incurred $80 million in merger-related expenses primarily related to employee retention agreements, third-party advisors, and legal services, of which $65 million was recognized in the fourth quarter. 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 restructuring and other charges. Restructuring and other charges in 2025 includes expenses associated with restructuring of certain technology functions, including severance costs for impacted employees, and the rationalization of certain software development projects that had not been placed into service. Restructuring and other charges in 2024 includes expenses associated with our voluntary and involuntary separation programs that reduced our management workforce, expenses associated with the rationalization of certain software development projects that had not been placed into service, costs associated with the appointment of our new chief operating officer, and the disposition of an asset class. During 2025 and 2024, we recorded $22 million and $183 million in restructuring and other charges, respectively. During the fourth quarter of 2024, we incurred $27 million in restructuring and other charges. Additionally, 2024 includes a $20 million curtailment gain on our other postretirement benefit plan resulting from the restructuring, which is reflected in "Other income - net." 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 the Incident. During the fourth quarter and full year 2025, the overall expense impact on operating expenses resulting from costs and recoveries associated with the Incident was $29 million in net expenses and $190 million in net recoveries, respectively. During the fourth quarter and full year 2024, the Company recorded $43 million of net recoveries and $325 million of net expenses related to the Incident, respectively. See Note 4 on the Consolidated Statements of Income on page 1 of the Quarterly Financial Data.

[5] GAAP financial results are adjusted to exclude costs incurred in 2024 associated with shareholder advisory matters, which amounted to $8 million in the fourth quarter and $59 million for the full year. See Note 5 on the Consolidated Statements of Income on page 1 of the Quarterly Financial Data.

[6] GAAP financial results are adjusted to exclude the effects of a deferred income tax adjustment. During 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 6 on the Consolidated Balance Sheets on page 2 of the Quarterly Financial Data.

[7] 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	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
Railway operating revenues	$ 3,004	$ 3,044	$ 3,051	$ 3,024	$ 12,123	$ 2,993	$ 3,110	$ 3,103	$ 2,974	$ 12,180	$ (11)	$ 66	$ 52	$ (50)	$ 57
Railway operating expenses:															
Compensation and benefits[1]	736	700	690	697	2,823	739	692	714	713	2,858	3	(8)	24	16	35
Purchased services	420	419	405	411	1,655	401	409	414	451	1,675	(19)	(10)	9	40	20
Equipment rents	108	97	92	96	393	97	111	105	107	420	(11)	14	13	11	27
Fuel	284	257	216	230	987	244	219	237	232	932	(40)	(38)	21	2	(55)
Depreciation	337	335	339	342	1,353	346	346	348	353	1,393	9	11	9	11	40
Materials	98	92	96	83	369	100	98	104	109	411	2	6	8	26	42
Claims	48	50	66	73	237	66	59	75	81	281	18	9	9	8	44
Other	69	31	30	30	160	39	38	(32)	(103)	(58)	(30)	7	(62)	(133)	(218)
Total railway operating expenses[1]	2,100	1,981	1,934	1,962	7,977	2,032	1,972	1,965	1,943	7,912	(68)	(9)	31	(19)	(65)
Income from railway operations[1]	904	1,063	1,117	1,062	4,146	961	1,138	1,138	1,031	4,268	57	75	21	(31)	122
Other income – net[1]	39	26	35	4	104	31	24	23	23	101	(8)	(2)	(12)	19	(3)
Interest expense on debt	201	204	203	199	807	199	201	197	195	792	(2)	(3)	(6)	(4)	(15)
Income before income taxes[1]	742	885	949	867	3,443	793	961	964	859	3,577	51	76	15	(8)	134
Income taxes[1]	177	191	212	179	759	184	220	223	134	761	7	29	11	(45)	2
Net income[1]	$ 565	$ 694	$ 737	$ 688	$ 2,684	$ 609	$ 741	$ 741	$ 725	$ 2,816	$ 44	$ 47	$ 4	$ 37	$ 132
Weighted average shares outstanding – diluted (in millions)	226.2	226.4	226.5	226.7	226.4	226.5	225.2	224.7	224.8	225.3	0.3	(1.2)	(1.8)	(1.9)	(1.1)
Earnings per share – diluted (dollars)[1]	$ 2.49	$ 3.06	$ 3.25	$ 3.04	$ 11.85	$ 2.69	$ 3.29	$ 3.30	$ 3.22	$ 12.49	$ 0.20	$ 0.23	$ 0.05	$ 0.18	$ 0.64
Dividends per share (dollars)	$ 1.35	$ 1.35	$ 1.35	$ 1.35	$ 5.40	$ 1.35	$ 1.35	$ 1.35	$ 1.35	$ 5.40	$ —	$ —	$ —	$ —	$ —
Railway operating ratio (percent)[1]	69.9	65.1	63.4	64.9	65.8	67.9	63.4	63.3	65.3	65.0	(2.0)	(1.7)	(0.1)	0.4	(0.8)
Property additions	$ 557	$ 568	$ 581	$ 675	$ 2,381	$ 449	$ 475	$ 551	$ 729	$ 2,204	$ (108)	$ (93)	$ (30)	$ 54	$ (177)
Cash and cash equivalents	$ 652	$ 659	$ 975	$ 1,641	$ 1,641	$ 1,006	$ 1,303	$ 1,418	$ 1,530	$ 1,530	$ 354	$ 644	$ 443	$ (111)	$ (111)
Total debt	$ 17,583	$ 17,592	$ 17,199	$ 17,206	$ 17,206	$ 17,215	$ 17,367	$ 17,083	$ 17,087	$ 17,087	$ (368)	$ (225)	$ (116)	$ (119)	$ (119)
Total debt-to-total capitalization (percent)	58.4	57.5	55.5	54.6	54.6	54.3	54.0	53.0	52.4	52.4	(4.1)	(3.5)	(2.5)	(2.2)	(2.2)
Gross ton miles (GTMs) (in billions)	85.9	86.5	86.7	87.5	346.6	86.4	90.6	90.3	88.0	355.3	1%	5%	4%	1%	3%
Revenue ton miles (in billions):															
Merchandise	26.7	26.3	26.2	27.0	106.2	27.3	28.4	28.7	27.5	111.9	2%	8%	10%	2%	5%
Intermodal	10.0	10.1	10.4	10.4	40.9	10.1	10.5	10.2	10.2	41.0	1%	4%	(2%)	(2%)	—%
Coal	7.6	8.0	7.8	7.5	30.9	7.5	8.0	7.9	7.4	30.8	(1%)	—%	1%	(1%)	—%
Total	44.3	44.4	44.4	44.9	178.0	44.9	46.9	46.8	45.1	183.7	1%	6%	5%	—%	3%
Railroad employees (average)	20,738	20,299	19,889	19,584	20,127	19,392	19,334	19,383	19,345	19,363	(6%)	(5%)	(3%)	(1%)	(4%)
GTMs (thousands) per employee	4,140	4,265	4,360	4,466	17,221	4,458	4,684	4,657	4,552	18,351	8%	10%	7%	2%	7%
Locomotive diesel fuel consumed (in thousands of gallons)	97,906	91,614	91,205	92,749	373,474	93,521	91,723	90,311	90,104	365,659	(4%)	—%	(1%)	(3%)	(2%)
Average price (dollars) per gallon of locomotive diesel fuel	$ 2.724	$ 2.629	$ 2.214	$ 2.321	$ 2.480	$ 2.419	$ 2.239	$ 2.463	$ 2.405	$ 2.381	(11%)	(15%)	11%	4%	(4%)
Gallons of fuel consumed per thousand GTMs	1.15	1.06	1.06	1.07	1.08	1.09	1.02	1.01	1.03	1.03	(5%)	(4%)	(5%)	(4%)	(5%)
Train speed (miles per hour)	21.5	21.8	22.4	22.5	22.1	22.3	21.6	22.0	22.0	22.0	4%	(1%)	(2%)	(2%)	—%
Terminal dwell (hours)	23.9	22.9	22.5	22.1	22.9	22.5	22.7	22.4	22.3	22.5	(6%)	(1%)	—%	1%	(2%)

[1] Non-GAAP measures presented in the table above include compensation and benefits, 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 fourth quarters of and years ended 2025 and 2024 are found on pages 6 through 9 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.



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