



2024

QUARTERLY FINANCIAL DATA

Q2





# 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)

	Second Quarter			First Six Months		
	2024	2023	% Change	2024	2023	% Change
<b>Railway operating revenues</b>						
Merchandise	\$ 1,904	\$ 1,826	4%	\$ 3,767	\$ 3,704	2%
Intermodal	742	745	—%	1,487	1,559	(5%)
Coal	398	409	(3%)	794	849	(6%)
Total railway operating revenues	<u>3,044</u>	<u>2,980</u>	2%	<u>6,048</u>	<u>6,112</u>	(1%)
<b>Railway operating expenses</b>						
Compensation and benefits	700	693	1%	1,436	1,383	4%
Purchased services and rents	516	506	2%	1,044	1,002	4%
Fuel	257	263	(2%)	541	578	(6%)
Depreciation	335	321	4%	672	642	5%
Materials and other	173	205	(16%)	388	417	(7%)
Restructuring and other charges	(3)	—		96	—	
Eastern Ohio incident	(65)	416		527	803	(34%)
Total railway operating expenses	<u>1,913</u>	<u>2,404</u>	(20%)	<u>4,704</u>	<u>4,825</u>	(3%)
<b>Income from railway operations</b>	1,131	576	96%	1,344	1,287	4%
Other income – net	17	57	(70%)	35	113	(69%)
Interest expense on debt	<u>204</u>	<u>170</u>	20%	<u>405</u>	<u>345</u>	17%
Income before income taxes	944	463	104%	974	1,055	(8%)
Income taxes	<u>207</u>	<u>107</u>	93%	<u>184</u>	<u>233</u>	(21%)
<b>Net income</b>	<u>\$ 737</u>	<u>\$ 356</u>	107%	<u>\$ 790</u>	<u>\$ 822</u>	(4%)
<b>Railway operating ratio (%)</b>	62.8	80.7	(22%)	77.8	78.9	(1%)
<b>Earnings per share – diluted</b>	\$ 3.25	\$ 1.56	108%	\$ 3.48	\$ 3.60	(3%)

## Notes

### 1. Eastern Ohio Incident

On February 3, 2023, a train operated by us derailed in East Palestine, Ohio (the Incident). We recognized expenses of \$527 million and \$803 million during the first six months of 2024 and 2023, respectively, for costs related to the Incident. Insurance recoveries exceeded expenses by \$65 million in the second quarter of 2024 compared to expenses of \$416 million in the second quarter of 2023. The total expense recognized in the first six months of 2024 includes the impact of \$264 million in insurance recoveries, of which \$156 million was recognized in the second quarter 2024. No insurance recoveries were recorded during the first six months of 2023. Any additional amounts recoverable under our insurance policies or from third parties will be reflected in future periods in which recovery is considered probable. No amounts have been recorded related to potential third-party recoveries, which may reduce amounts payable by our insurers under applicable insurance coverage.

### 2. Restructuring and Other Charges

During the first six months of 2024, the Company executed a voluntary and an involuntary separation program that resulted in a reduction of approximately 350 management employees. In the first six months of 2024, “Restructuring and other charges” includes \$61 million of costs related to these programs which primarily consists of separation payments to the impacted management employees. The Company also incurred \$35 million of costs associated with the March 2024 appointment of our chief operating officer. Additionally, “Other income – net” includes a \$20 million curtailment gain on our other postretirement benefit plan resulting from the restructuring, recorded in the second quarter of 2024.

### 3. Shareholder Advisory Costs

“Other income – net” includes costs associated with shareholder advisory matters, which amounted to \$29 million and \$50 million during the second quarter and first six months of 2024, respectively.

## Consolidated Balance Sheets

(\$ in millions)

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 659	\$ 1,568
Accounts receivable – net	1,189	1,147
Materials and supplies	308	264
Other current assets	148	292
Total current assets	<u>2,304</u>	<u>3,271</u>
Investments	3,812	3,839
Properties less accumulated depreciation of \$13,630 and \$13,265, respectively	35,280	33,326
Other assets	<u>1,162</u>	<u>1,216</u>
<b>Total assets</b>	<u><u>\$ 42,558</u></u>	<u><u>\$ 41,652</u></u>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 1,535	\$ 1,638
Short-term debt	400	—
Income and other taxes	208	262
Other current liabilities	1,269	728
Current maturities of long-term debt	255	4
Total current liabilities	<u>3,667</u>	<u>2,632</u>
Long-term debt	16,937	17,175
Other liabilities	1,747	1,839
Deferred income taxes	<u>7,228</u>	<u>7,225</u>
<b>Total liabilities</b>	29,579	28,871
Stockholders' equity:		
Common stock \$1.00 per share par value, 1,350,000,000 shares authorized; outstanding 226,096,433 and 225,681,254 shares, respectively, net of treasury shares	227	227
Additional paid-in capital	2,208	2,179
Accumulated other comprehensive loss	(330)	(320)
Retained income	<u>10,874</u>	<u>10,695</u>
<b>Total stockholders' equity</b>	<u>12,979</u>	<u>12,781</u>
<b>Total liabilities and stockholders' equity</b>	<u><u>\$ 42,558</u></u>	<u><u>\$ 41,652</u></u>

#### 4. Deferred Income Taxes

During the first six months of 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.

#### 5. Stock Repurchase Program

We did not repurchase shares of common stock under our stock repurchase program in the first six months of 2024, while we repurchased and retired 1.3 million shares of common stock at a cost of \$305 million in the first six months of 2023, inclusive of excise taxes.

# Consolidated Statements of Cash Flows

(\$ in millions)

	First Six Months	
	2024	2023
<b>Cash flows from operating activities</b>		
Net income	\$ 790	\$ 822
Reconciliation of net income to net cash provided by operating activities:		
Depreciation	672	642
Deferred income taxes	5	(35)
Gains and losses on properties	(25)	(25)
Changes in assets and liabilities affecting operations:		
Accounts receivable	(43)	57
Materials and supplies	(44)	(19)
Other current assets	57	36
Current liabilities other than debt	596	460
Other – net	(133)	(92)
Net cash provided by operating activities	<u>1,875</u>	<u>1,846</u>
<b>Cash flows from investing activities</b>		
Property additions	(1,125)	(948)
Acquisition of assets of CSR	(1,643)	—
Property sales and other transactions	70	61
Investment purchases	(206)	(6)
Investment sales and other transactions	337	152
Net cash used in investing activities	<u>(2,567)</u>	<u>(741)</u>
<b>Cash flows from financing activities</b>		
Dividends	(610)	(615)
Common stock transactions	(5)	(9)
Purchase and retirement of common stock	—	(303)
Proceeds from borrowings	600	724
Debt repayments	(202)	(802)
Net cash used in financing activities	<u>(217)</u>	<u>(1,005)</u>
Net increase (decrease) in cash and cash equivalents	(909)	100
<b>Cash and cash equivalents</b>		
At beginning of year	<u>1,568</u>	<u>456</u>
At end of period	<u>\$ 659</u>	<u>\$ 556</u>
<b>Supplemental disclosures of cash flow information</b>		
Cash paid during the period for:		
Interest (net of amounts capitalized)	\$ 373	\$ 318
Income taxes (net of refunds)	107	315

## Railway Operating Revenues Analysis

Commodity and Period	Revenues (\$ in millions)			Units (in thousands)			Revenue per Unit (\$ per unit)		
	2024	2023	% Change	2024	2023	% Change	2024	2023	% Change
<b>First Quarter</b>									
Agriculture, forest and consumer products	\$ 629	\$ 653	(4%)	184.1	187.7	(2%)	\$ 3,415	\$ 3,477	(2%)
Chemicals	527	541	(3%)	130.5	136.1	(4%)	4,039	3,979	2%
Metals and construction	430	400	8%	160.6	153.4	5%	2,679	2,607	3%
Automotive	277	284	(2%)	88.3	88.1	—%	3,133	3,226	(3%)
Merchandise	1,863	1,878	(1%)	563.5	565.3	—%	3,306	3,323	(1%)
Intermodal	745	814	(8%)	988.8	916.8	8%	754	887	(15%)
Coal	396	440	(10%)	167.1	173.8	(4%)	2,369	2,533	(6%)
Total	<u>\$ 3,004</u>	<u>\$ 3,132</u>	(4%)	<u>1,719.4</u>	<u>1,655.9</u>	4%	1,747	1,891	(8%)
<b>Second Quarter</b>									
Agriculture, forest and consumer products	\$ 622	\$ 627	(1%)	181.2	187.7	(3%)	\$ 3,433	\$ 3,342	3%
Chemicals	532	503	6%	130.1	126.7	3%	4,090	3,966	3%
Metals and construction	440	415	6%	167.9	161.7	4%	2,620	2,569	2%
Automotive	310	281	10%	97.2	90.6	7%	3,196	3,102	3%
Merchandise	1,904	1,826	4%	576.4	566.7	2%	3,304	3,222	3%
Intermodal	742	745	—%	1,003.5	925.4	8%	739	805	(8%)
Coal	398	409	(3%)	162.9	165.5	(2%)	2,445	2,470	(1%)
Total	<u>\$ 3,044</u>	<u>\$ 2,980</u>	2%	<u>1,742.8</u>	<u>1,657.6</u>	5%	1,747	1,798	(3%)
<b>Year-to-date</b>									
Agriculture, forest and consumer products	\$ 1,251	\$ 1,280	(2%)	365.3	375.4	(3%)	\$ 3,424	\$ 3,410	—%
Chemicals	1,059	1,044	1%	260.6	262.8	(1%)	4,064	3,973	2%
Metals and construction	870	815	7%	328.5	315.1	4%	2,649	2,587	2%
Automotive	587	565	4%	185.5	178.7	4%	3,166	3,164	—%
Merchandise	3,767	3,704	2%	1,139.9	1,132.0	1%	3,305	3,273	1%
Intermodal	1,487	1,559	(5%)	1,992.3	1,842.2	8%	746	846	(12%)
Coal	794	849	(6%)	330.0	339.3	(3%)	2,407	2,502	(4%)
Total	<u>\$ 6,048</u>	<u>\$ 6,112</u>	(1%)	<u>3,462.2</u>	<u>3,313.5</u>	4%	1,747	1,845	(5%)

## Railway Operating Revenues Variance Analysis

(\$ in millions)

### Second Quarter 2024 vs. 2023

	Merchandise		Intermodal		Coal	
	Amount	Percent	Amount	Percent	Amount	Percent
<b>Revenue Variance due to:</b>						
Volume	\$ 31	2%	\$ 63	8%	\$ (6)	(2%)
Fuel surcharge revenue	(17)	(1%)	(6)	(1%)	(5)	(1%)
Rate, mix and other	64	4%	(60)	(8%)	—	—%
Total	<u>\$ 78</u>	4%	<u>\$ (3)</u>	—%	<u>\$ (11)</u>	(3%)

### Year-to-date 2024 vs. 2023

	Merchandise		Intermodal		Coal	
	Amount	Percent	Amount	Percent	Amount	Percent
<b>Revenue Variance due to:</b>						
Volume	\$ 26	1%	\$ 127	8%	\$ (23)	(3%)
Fuel surcharge revenue	(78)	(2%)	(47)	(3%)	(18)	(2%)
Rate, mix and other	115	3%	(152)	(10%)	(14)	(2%)
Total	<u>\$ 63</u>	2%	<u>\$ (72)</u>	(5%)	<u>\$ (55)</u>	(6%)

## Intermodal Units by Market

(in thousands)

	Second Quarter			Year-to-date		
	2024	2023	% Change	2024	2023	% Change
Domestic	616.3	577.0	7%	1,206.7	1,164.7	4%
International	387.2	348.4	11%	785.6	677.5	16%
Total	<u>1,003.5</u>	<u>925.4</u>	8%	<u>1,992.3</u>	<u>1,842.2</u>	8%

## Coal Tonnage by Market

(in thousands)

	Second Quarter			Year-to-date		
	2024	2023	% Change	2024	2023	% Change
Utility	7,555	6,852	10%	14,574	15,062	(3%)
Export	7,247	7,697	(6%)	15,996	15,903	1%
Domestic metallurgical	2,573	3,059	(16%)	4,766	5,390	(12%)
Industrial	863	882	(2%)	1,649	1,571	5%
Total	<u>18,238</u>	<u>18,490</u>	(1%)	<u>36,985</u>	<u>37,926</u>	(2%)

## Reconciliation of Non-GAAP Financial Measures

Information included within this Second Quarter 2024 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 second quarter and first six months of 2024 and 2023 to exclude the effects of the Incident, restructuring and other charges (including the curtailment gain on our other postretirement benefit plan, which is included in “Other income – net”), 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.

### Second Quarter Financial Results - excluding Eastern Ohio Incident<sup>1</sup>, Restructuring and Other Charges<sup>2</sup>, and Shareholder Advisory Costs<sup>3</sup>

(\$ in millions, except per share amounts)

	Second Quarter 2024				
	Reported 2024 (GAAP)	Eastern Ohio Incident <sup>1</sup>	Restructuring and Other Charges <sup>2</sup>	Shareholder Advisory Costs <sup>3</sup>	Adjusted 2024 (Non-GAAP)
Total railway operating expenses	\$ 1,913	\$ 65	\$ 3	\$ —	\$ 1,981
Income from railway operations	\$ 1,131	\$ (65)	\$ (3)	\$ —	\$ 1,063
Other income – net	\$ 17	\$ —	\$ (20)	\$ 29	\$ 26
Income before income taxes	\$ 944	\$ (65)	\$ (23)	\$ 29	\$ 885
Income taxes <sup>5</sup>	\$ 207	\$ (16)	\$ (7)	\$ 7	\$ 191
Net income	\$ 737	\$ (49)	\$ (16)	\$ 22	\$ 694
Railway operating ratio (%)	62.8	2.2	0.1	—	65.1
Earnings per share – diluted	\$ 3.25	\$ (0.22)	\$ (0.07)	\$ 0.10	\$ 3.06

	Second Quarter 2023		
	Reported 2023 (GAAP)	Eastern Ohio Incident <sup>1</sup>	Adjusted 2023 (Non-GAAP)
Total railway operating expenses	\$ 2,404	\$ (416)	\$ 1,988
Income from railway operations	\$ 576	\$ 416	\$ 992
Other income – net	\$ 57	\$ —	\$ 57
Income before income taxes	\$ 463	\$ 416	\$ 879
Income taxes <sup>5</sup>	\$ 107	\$ 99	\$ 206
Net income	\$ 356	\$ 317	\$ 673
Railway operating ratio (%)	80.7	(14.0)	66.7
Earnings per share – diluted	\$ 1.56	\$ 1.39	\$ 2.95



In the table below, references to the second quarters of 2024 and 2023 results and the related comparisons use the adjusted, non-GAAP results from the reconciliations in the tables on page 6.

	<b>Second Quarter</b>		
	<b>Adjusted 2024 (Non-GAAP<sup>1,2,3</sup>)</b>	<b>Adjusted 2023 (Non-GAAP<sup>1</sup>)</b>	<b>Adjusted 2024 vs. 2023 (Non-GAAP)</b>
	<i>(\$ in millions, except per share amounts)</i>		<i>% change</i>
Total railway operating expenses	\$ 1,981	\$ 1,988	—%
Income from railway operations	\$ 1,063	\$ 992	7%
Other income – net	\$ 26	\$ 57	(54%)
Income before income taxes	\$ 885	\$ 879	1%
Income taxes <sup>5</sup>	\$ 191	\$ 206	(7%)
Net income	\$ 694	\$ 673	3%
Railway operating ratio (%)	65.1	66.7	(2%)
Earnings per share – diluted	\$ 3.06	\$ 2.95	4%

**First Six Months Financial Results - excluding Eastern Ohio Incident<sup>1</sup>, Restructuring and Other Charges<sup>2</sup>, Shareholder Advisory Costs<sup>3</sup>, and Deferred Income Tax Adjustment<sup>4</sup>**

(\$ in millions, except per share amounts)

**First Six Months 2024**

	<b>Reported 2024 (GAAP)</b>	<b>Eastern Ohio Incident<sup>1</sup></b>	<b>Restructuring and Other Charges<sup>2</sup></b>	<b>Shareholder Advisory Costs<sup>3</sup></b>	<b>Deferred Income Tax Adjustment<sup>4</sup></b>	<b>Adjusted 2024 (Non-GAAP)</b>
Total railway operating expenses	\$ 4,704	\$ (527)	\$ (96)	\$ —	\$ —	\$ 4,081
Income from railway operations	\$ 1,344	\$ 527	\$ 96	\$ —	\$ —	\$ 1,967
Other income – net	\$ 35	\$ —	\$ (20)	\$ 50	\$ —	\$ 65
Income before income taxes	\$ 974	\$ 527	\$ 76	\$ 50	\$ —	\$ 1,627
Income taxes <sup>5</sup>	\$ 184	\$ 128	\$ 17	\$ 12	\$ 27	\$ 368
Net income	\$ 790	\$ 399	\$ 59	\$ 38	\$ (27)	\$ 1,259
Railway operating ratio (%)	77.8	(8.7)	(1.6)	—	—	67.5
Earnings per share – diluted	\$ 3.48	\$ 1.77	\$ 0.26	\$ 0.17	\$ (0.12)	\$ 5.56

**First Six Months 2023**

	<b>Reported 2023 (GAAP)</b>	<b>Eastern Ohio Incident<sup>1</sup></b>	<b>Adjusted 2023 (Non-GAAP)</b>
Total railway operating expenses	\$ 4,825	\$ (803)	\$ 4,022
Income from railway operations	\$ 1,287	\$ 803	\$ 2,090
Other income – net	\$ 113	\$ —	\$ 113
Income before income taxes	\$ 1,055	\$ 803	\$ 1,858
Income taxes <sup>5</sup>	\$ 233	\$ 193	\$ 426
Net income	\$ 822	\$ 610	\$ 1,432
Railway operating ratio (%)	78.9	(13.1)	65.8
Earnings per share – diluted	\$ 3.60	\$ 2.67	\$ 6.27

In the table below, references to the first six months of 2024 and 2023 results and the related comparisons use the adjusted, non-GAAP results from the reconciliations in the tables on page 8.

	<b>First Six Months</b>		
	<b>Adjusted 2024 (Non-GAAP<sup>1,2,3,4</sup>)</b>	<b>Adjusted 2023 (Non-GAAP<sup>1</sup>)</b>	<b>Adjusted 2024 vs. 2023 (Non-GAAP)</b>
	<i>(\$ in millions, except per share amounts)</i>		<i>% change</i>
Total railway operating expenses	\$ 4,081	\$ 4,022	1%
Income from railway operations	\$ 1,967	\$ 2,090	(6%)
Other income – net	\$ 65	\$ 113	(42%)
Income before income taxes	\$ 1,627	\$ 1,858	(12%)
Income taxes <sup>5</sup>	\$ 368	\$ 426	(14%)
Net income	\$ 1,259	\$ 1,432	(12%)
Railway operating ratio (%)	67.5	65.8	3%
Earnings per share – diluted	\$ 5.56	\$ 6.27	(11%)

<sup>1</sup> GAAP financial results are adjusted to exclude the effects of the Incident. During the second quarter of 2024 and 2023, the Company recorded \$65 million of net recoveries and \$416 million of expenses related to the Incident, respectively. During the first six months of 2024 and 2023, the Company recorded \$527 million and \$803 million of expenses related to the Incident, respectively. For additional information see Note 1 on the Consolidated Statements of Income on page 1 of the Quarterly Financial Data.

<sup>2</sup> GAAP financial results are adjusted to exclude the effects of restructuring and other charges. During the second quarter of 2024, the Company recorded a \$3 million reduction to restructuring and other costs and a \$20 million curtailment gain on our other postretirement benefit plan resulting from the restructuring. During the first six months of 2024, the Company recorded \$96 million in restructuring and other costs and a \$20 million curtailment gain on our other postretirement benefit plan resulting from the restructuring. For additional information see Note 2 on the Consolidated Statements of Income on page 1 of the Quarterly Financial Data.

<sup>3</sup> GAAP financial results are adjusted to exclude the cost associated with shareholder advisory matters. During the second quarter and first six months of 2024, the Company recorded \$29 million and \$50 million, respectively, for costs associated with shareholder advisory matters. For additional information see Note 3 on the Consolidated Statements of Income on page 1 of the Quarterly Financial Data.

<sup>4</sup> GAAP financial results are adjusted to exclude the effects of a deferred income tax adjustment. During the first six months of 2024, the Company recorded \$27 million deferred tax benefit, the result of a subsidiary restructuring that reduced our estimated deferred state income tax rate. For additional information see Note 4 on the Consolidated Balance Sheets on page 2 of the Quarterly Financial Data.

<sup>5</sup> 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 reconciliation above.

## Financial, Traffic and Operating Statistics

(\$ in millions - except as noted)

	2023					2024					Increase (Decrease) 2024 vs. 2023				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year-to-date	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year-to-date
Railway operating revenues	\$ 3,132	\$ 2,980	\$ 2,971	\$ 3,073	\$ 12,156	\$ 3,004	\$ 3,044			\$ 6,048	\$ (128)	\$ 64			\$ (64)
Railway operating expenses:															
Compensation and benefits	690	693	715	721	2,819	736	700			1,436	46	7			53
Purchased services	399	407	426	451	1,683	420	419			839	21	12			33
Equipment rents	97	99	91	100	387	108	97			205	11	(2)			9
Fuel	315	263	289	303	1,170	284	257			541	(31)	(6)			(37)
Depreciation	321	321	326	330	1,298	337	335			672	16	14			30
Materials	91	88	94	91	364	98	92			190	7	4			11
Claims	54	60	57	71	242	48	50			98	(6)	(10)			(16)
Other	67	57	54	48	226	69	31			100	2	(26)			(24)
Total railway operating expenses <sup>1</sup>	2,034	1,988	2,052	2,115	8,189	2,100	1,981			4,081	66	(7)			59
Income from railway operations <sup>1</sup>	1,098	992	919	958	3,967	904	1,063			1,967	(194)	71			(123)
Other income – net <sup>1</sup>	56	57	40	38	191	39	26			65	(17)	(31)			(48)
Interest expense on debt	175	170	182	195	722	201	204			405	26	34			60
Income before income taxes <sup>1</sup>	979	879	777	801	3,436	742	885			1,627	(237)	6			(231)
Income taxes <sup>1</sup>	220	206	176	161	763	177	191			368	(43)	(15)			(58)
Net income <sup>1</sup>	\$ 759	\$ 673	\$ 601	\$ 640	\$ 2,673	\$ 565	\$ 694			\$ 1,259	\$ (194)	\$ 21			\$ (173)
Weighted average shares outstanding – diluted (in millions)	228.3	228.0	227.0	226.3	227.4	226.2	226.4			226.3	(2.1)	(1.6)			(1.8)
Earnings per share – diluted (dollars) <sup>1</sup>	\$ 3.32	\$ 2.95	\$ 2.65	\$ 2.83	\$ 11.74	\$ 2.49	\$ 3.06			\$ 5.56	\$ (0.83)	\$ 0.11			\$ (0.71)
Dividends per share (dollars)	\$ 1.35	\$ 1.35	\$ 1.35	\$ 1.35	\$ 5.40	\$ 1.35	\$ 1.35			\$ 2.70	\$ —	\$ —			\$ —
Railway operating ratio (percent) <sup>1</sup>	64.9	66.7	69.1	68.8	67.4	69.9	65.1			67.5	5.0	\$ (1.6)			1.7
Property additions	\$ 428	\$ 520	\$ 548	\$ 853	\$ 2,349	\$ 557	\$ 568			\$ 1,125	\$ 129	\$ 48			\$ 177
Cash and cash equivalents	\$ 552	\$ 556	\$ 1,506	\$ 1,568	\$ 1,568	\$ 652	\$ 659			\$ 659	\$ 100	\$ 103			\$ 103
Total debt	\$ 14,988	\$ 15,129	\$ 16,584	\$ 17,179	\$ 17,179	\$ 17,583	\$ 17,592			\$ 17,592	\$ 2,595	\$ 2,463			\$ 2,463
Total debt-to-total capitalization (percent)	54.1	54.5	56.8	57.3	57.3	58.4	57.5			57.5	4.3	3.0			3.0
Gross ton miles (GTMs) (in billions) <sup>2</sup>	85.0	85.7	83.5	87.0	341.2	85.9	86.5			172.4	1%	1%			1%
Revenue ton miles (in billions): <sup>2</sup>															
Merchandise <sup>2</sup>	27.2	27.9	26.0	26.0	107.1	26.7	26.3			53.0	(2%)	(6%)			(4%)
Intermodal <sup>2</sup>	9.5	9.5	9.7	10.3	39.0	10.0	10.1			20.1	5%	6%			6%
Coal <sup>2</sup>	7.2	6.9	7.1	7.6	28.8	7.6	7.9			15.5	6%	14%			10%
Total <sup>2</sup>	43.9	44.3	42.8	43.9	174.9	44.3	44.3			88.6	1%	—%			—%
Railroad employees (average)	19,643	20,054	20,449	20,616	20,190	20,738	20,299			20,518	6%	1%			3%
GTMs (thousands) per employee <sup>2</sup>	4,329	4,272	4,086	4,217	16,898	4,140	4,265			8,404	(4%)	—%			(2%)
Locomotive diesel fuel consumed (in thousands of gallons)	95,124	93,944	92,475	95,285	376,828	97,906	91,614			189,520	3%	(2%)			—%
Average price (dollars) per gallon of locomotive diesel fuel	\$ 3.088	\$ 2.615	\$ 2.940	\$ 2.958	\$ 2.901	\$ 2.724	\$ 2.629			\$ 2.678	(12%)	1%			(6%)
Gallons of fuel consumed per thousand GTMs <sup>2</sup>	1.13	1.10	1.11	1.10	1.11	1.15	1.06			1.11	2%	(4%)			—%
Train speed (miles per hour)	20.4	18.7	20.5	20.5	20.0	21.3	21.6			21.5	4%	16%			10%
Terminal dwell (hours)	26.3	28.1	23.2	24.6	25.6	23.9	23.0			23.5	(9%)	(18%)			(14%)

<sup>1</sup> Non-GAAP measures presented in the table above include 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 second quarter and first six months of 2023 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.

<sup>2</sup> Beginning in the second quarter of 2024, our estimates of GTMs and RTMs were updated to more accurately reflect the Company's operations. GTMs and RTMs for 2023 and the first quarter of 2024 have been restated to conform to this change, as well as the calculations of GTMs per employee and gallons of fuel consumed per thousand GTMs.



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