

July 29, 2020

EARNINGS CALL

2020 Second Quarter



FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of the safe harbor provision of the Private Securities Litigation Reform Act of 1995, as amended. These statements relate to future events or future performance of Norfolk Southern Corporation's (NYSE: NSC) ("Norfolk Southern," "NS" or the "Company"), including but not limited to statements regarding future financial performance and anticipated results, benefits, and targets related to the strategic plan. In some cases, these forward-looking statements may be identified by the use of words like "will," "believe," "expect," "targets," "anticipate," "estimate," "plan," "consider," "project," and similar references to the future. The Company has based these forward-looking statements on management's current expectations, assumptions, estimates, beliefs, and projections. While the Company believes these expectations, assumptions, estimates, and projections are reasonable, forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which involve factors or circumstances that are beyond the Company's control, including but not limited to: general North American and global economic conditions; changes in energy prices and fuel markets; uncertainty surrounding timing and volumes of commodities being shipped; changes in laws and regulations; uncertainties of claims and lawsuits; labor disputes; transportation of dangerous goods; effects of changes in capital market conditions; severe weather; and the impact of the COVID-19 pandemic on us, our customers, our supply chain and our operations. These and other important factors, including those discussed under "Risk Factors" in the Annual Report on Form 10-K for the year ended December 31, 2019, filed with the Securities and Exchange Commission (the "SEC"), as well as the Company's subsequent filings with the SEC, may cause actual results, benefits, performance, or achievements to differ materially from those expressed or implied by these forward-looking statements. Please refer to these SEC filings for a full discussion of those risks and uncertainties we view as most important.

Forward-looking statements are not, and should not be relied upon as, a guarantee of future events or performance, nor will they necessarily prove to be accurate indications of the times at or by which any such events or performance will be achieved. As a result, actual outcomes and results may differ materially from those expressed in forward-looking statements. We undertake no obligation to update or revise forward-looking statements, whether as a result of new information, the occurrence of certain events or otherwise, unless otherwise required by applicable securities law.



2020 HIGHLIGHTS

Second Quarter

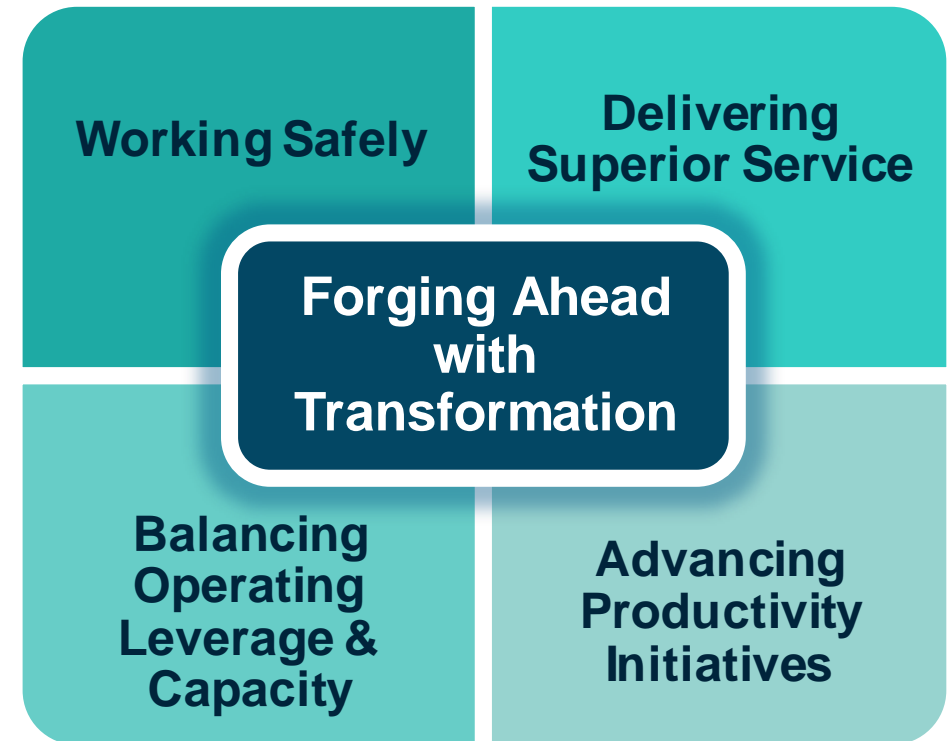
James A. Squires

Chairman, President and
Chief Executive Officer

2ND QUARTER 2020 OVERVIEW

Moving forward with structural improvements while managing through pandemic

	Q2 2020 vs Q2 2019	
Carload volume	1,447M	(26%)
Revenues	\$2,085M	(29%)
Operating expenses	\$1,475M	(21%)
Operating ratio	70.7%	710bps
Earnings per share	\$1.53	(43%)





MARKETING OVERVIEW

Second Quarter

Alan H. Shaw

Executive Vice President and
Chief Marketing Officer

RAILWAY OPERATING REVENUE CHANGE

Ten consecutive quarters of Y-o-Y RPU (less fuel)⁽¹⁾ growth in all three business groups

Q2 2020 vs. 2019 / Revenue change \$ millions



	Merchandise	Intermodal	Coal	Total
Revenue	\$1,307M (26%)	\$569M (19%)	\$209M (55%)	\$2,085M (29%)
Volume	451,100 (29%)	884,400 (16%)	111,600 (57%)	1,447,100 (26%)
RPU	\$2,897 5%	\$644 (4%)	\$1,864 3%	\$1,440 (4%)
RPU (less fuel) ⁽¹⁾	\$2,869 7%	\$581 2%	\$1,857 3%	\$1,393 (3%)

2020 OUTLOOK

New products and efficiency initiatives will supplement operating leverage



MERCHANDISE

- Automotive inventory rebuild
- Pressure from energy-related markets
- Slowly improving manufacturing



INTERMODAL

- Growth in consumer demand
- Tightening truck capacity
- New service offerings



COAL

- Sustained low energy prices
- Export weakness



OPERATIONS OVERVIEW

Second Quarter

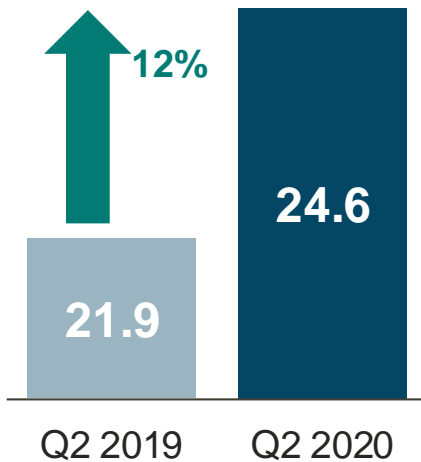
Michael J. Wheeler

Executive Vice President and
Chief Operating Officer

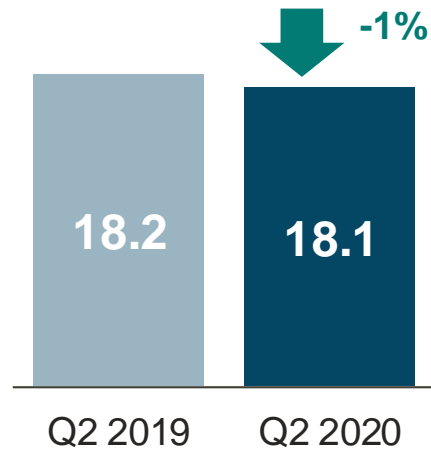
NETWORK PERFORMANCE

Continued record-setting performance despite volume volatility

Train Speed (mph)



Terminal Dwell (Hours)



Improved service while idling hump operations and reducing crew starts

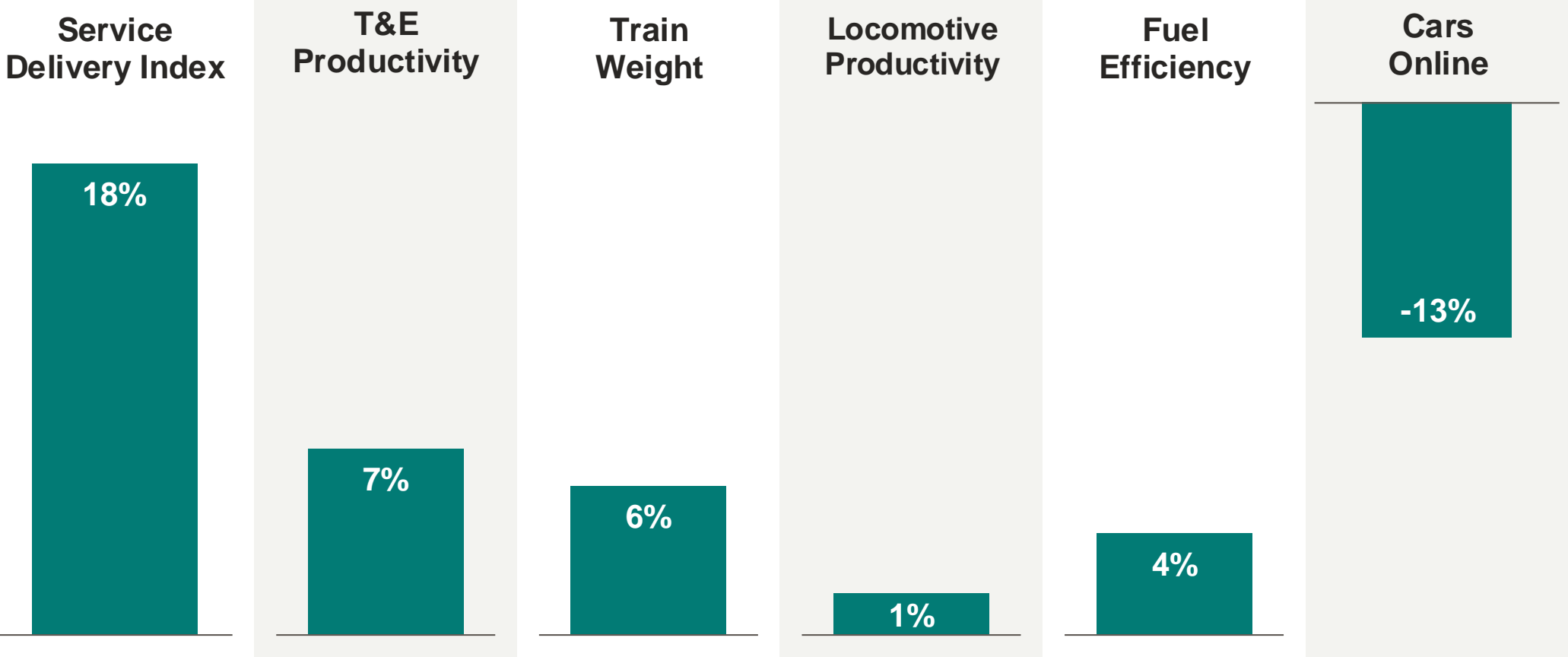
Committed to excellent service as volume returns

Record Performance

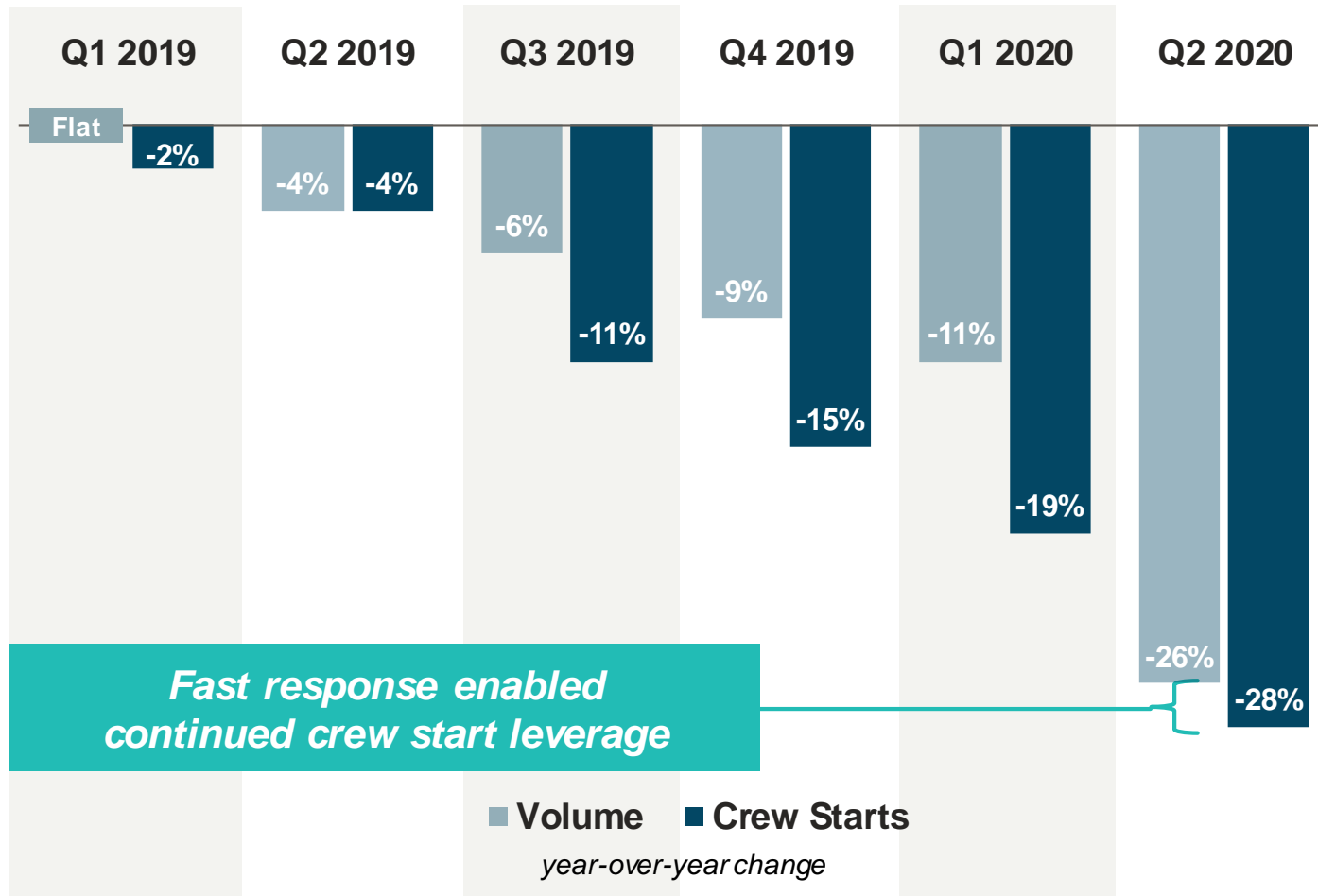
- Train performance
- Shipment consistency
- Train speed
- Terminal dwell
- Plan adherence

SERVICE AND PRODUCTIVITY METRICS

YTD 2020 vs. YTD 2019



TOP21 OPERATING PLAN UPDATE



TOP21 Accomplishments

- Proceeding ahead of schedule
- Fewer assets and crews
- Improved velocity
- Yard rationalization

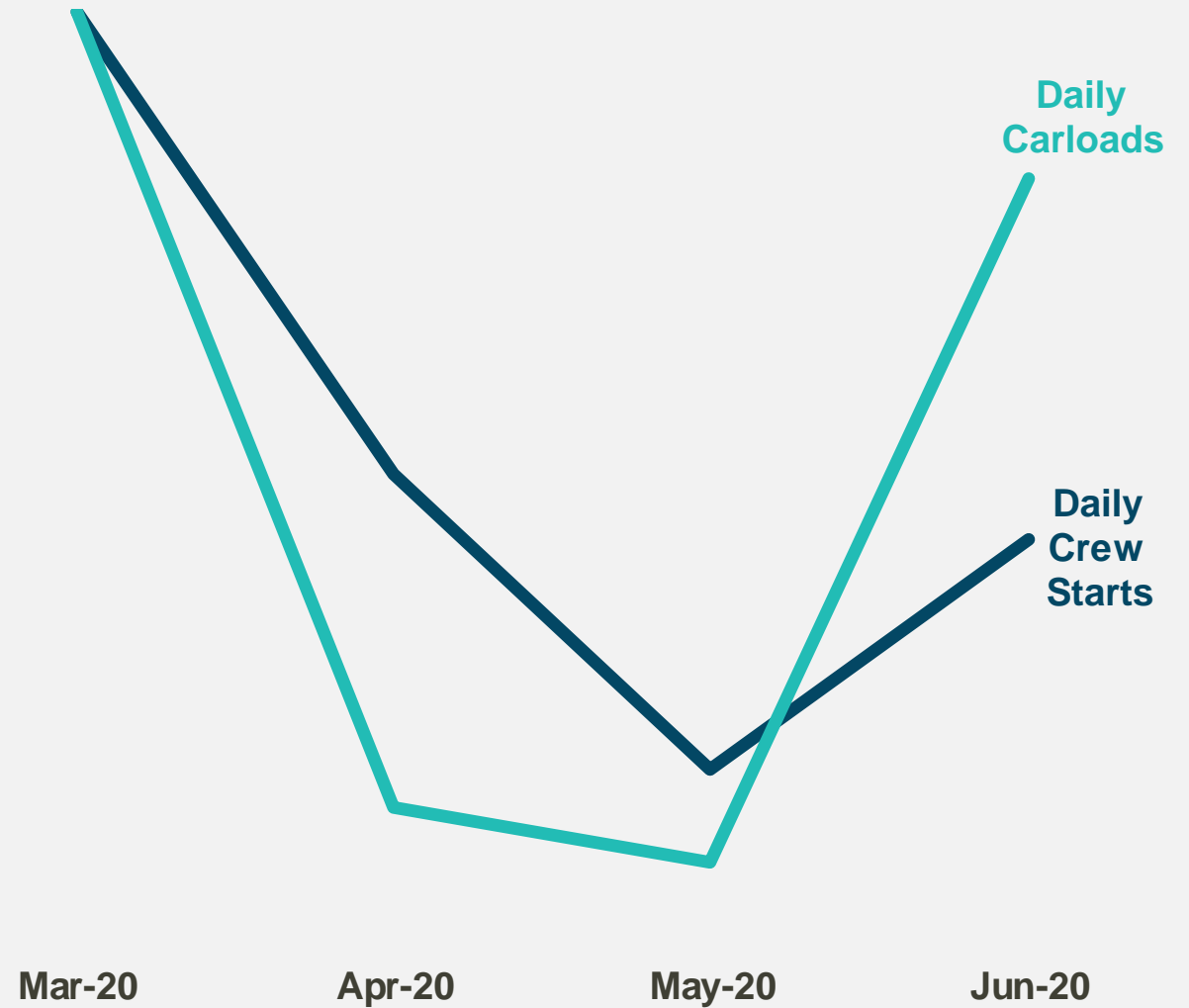
PSR Next Steps

- Constant network plan optimization
- Exploit opportunities exposed by TOP21

SEIZING THE OPPORTUNITY

- Advancing efficiency during the pandemic
- Optimizing train plan as traffic returns
- Making structural, long-term cost reductions

Daily Crew Starts and Carloads Indexed to March 2020



PARALLEL PATHS TO SUCCESS

Q2 Structural Changes

- Closed 1 of 2 heavy repair shops
 - Roanoke, VA
- Ceased hump operations
 - Linwood, NC
 - Bellevue, OH
- Route consolidation

Operating Leverage

- Minimize resource additions as traffic returns
- Further blending of service networks
- PSR capacity dividend

Implementing PSR principles & structural change to create value



FINANCE OVERVIEW

Second Quarter

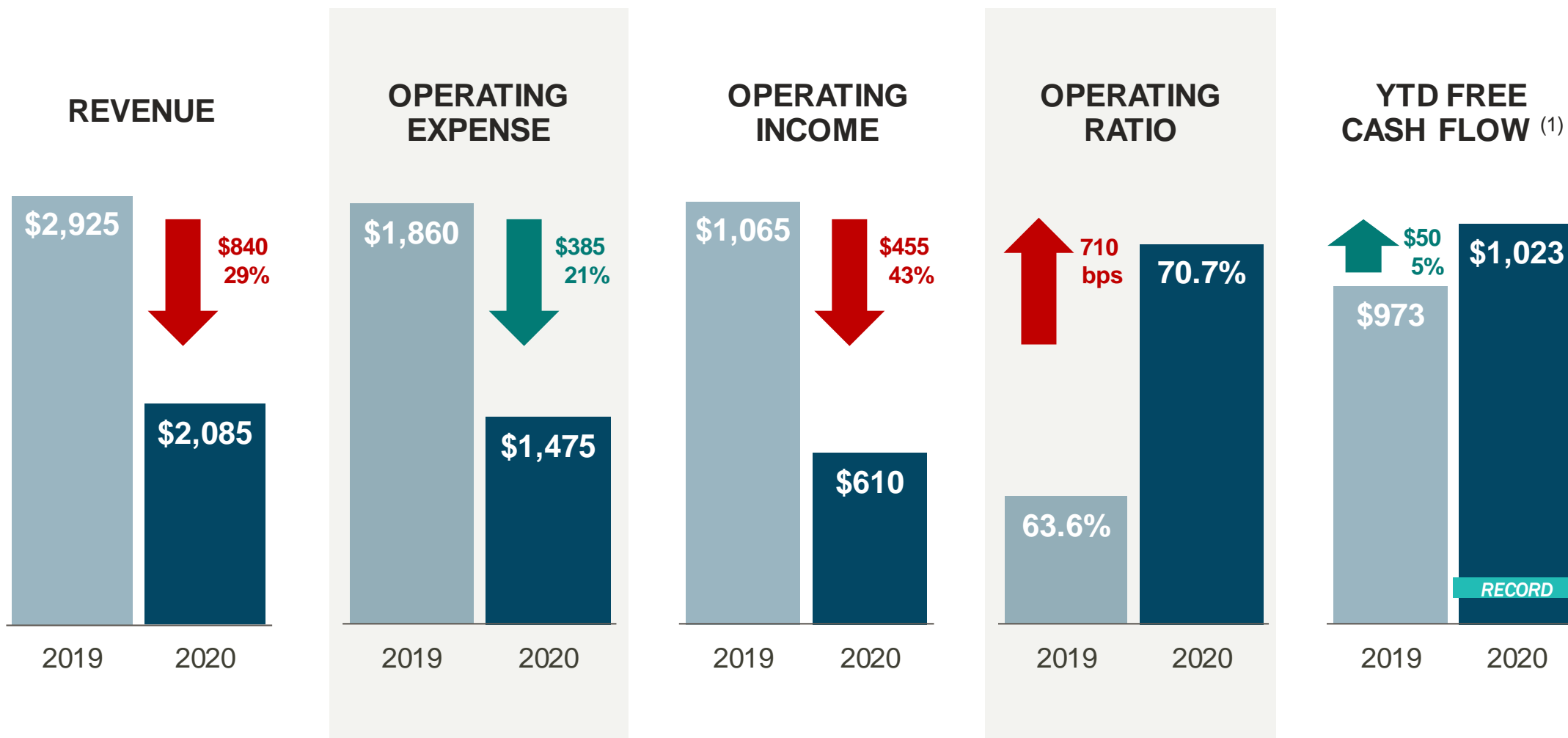
Mark R. George

Executive Vice President and
Chief Financial Officer

SECOND QUARTER HIGHLIGHTS

Q2 2020 vs. Q2 2019 / *favorable* / *unfavorable*

\$ millions



OPERATING RATIO AND EPS

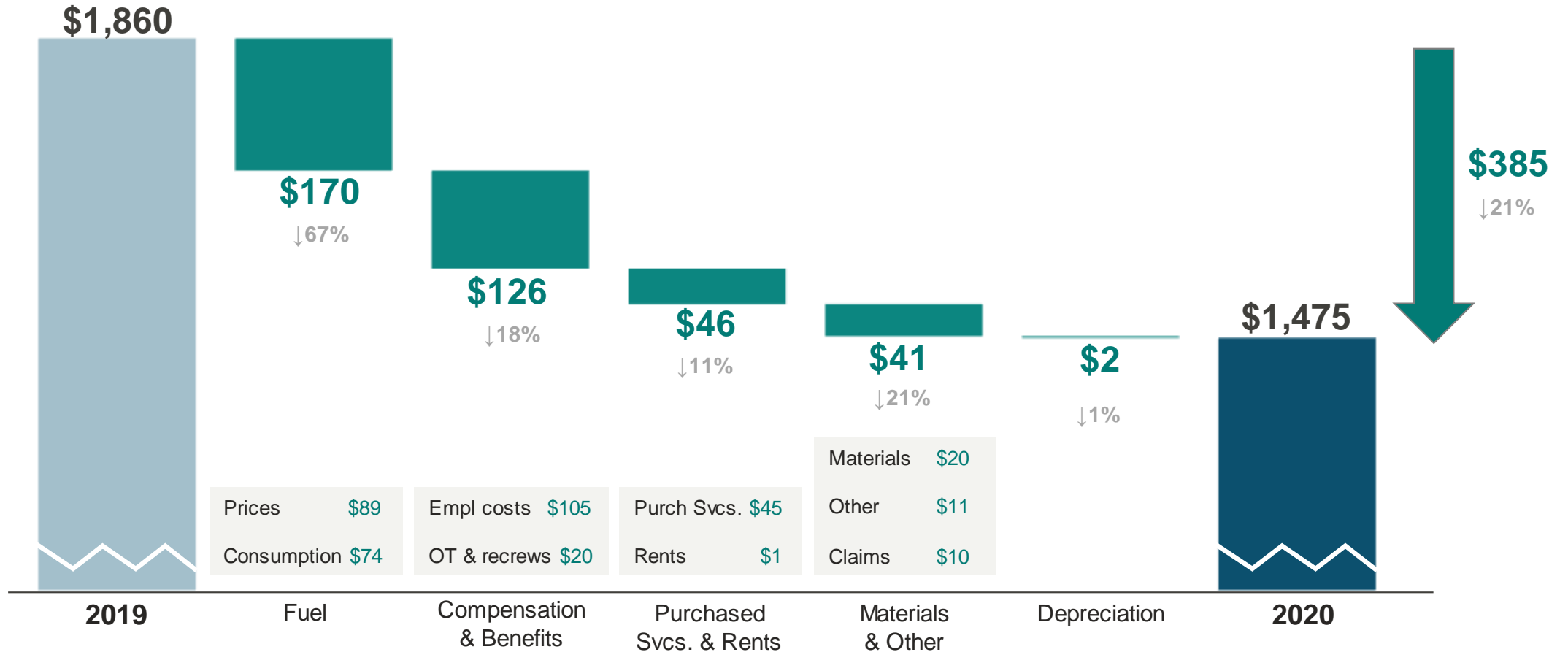
Items Impacting Comparison to 2019 / favorable / unfavorable

	Operating Ratio	Earnings Per Share
Q2 2019	63.6%	\$2.70
2019 Asset impairment	—	\$0.08
Core results	710bps	(\$1.25)
Q2 2020	70.7%	\$1.53
Change	710bps	(\$1.17)

OPERATING EXPENSE COMPONENTS

Q2 2020 vs. Q2 2019 / favorable / unfavorable

\$ millions



Reductions across all expense categories

FINANCIAL RESULTS

Q2 2020 vs. Q2 2019 / *favorable* / *unfavorable*

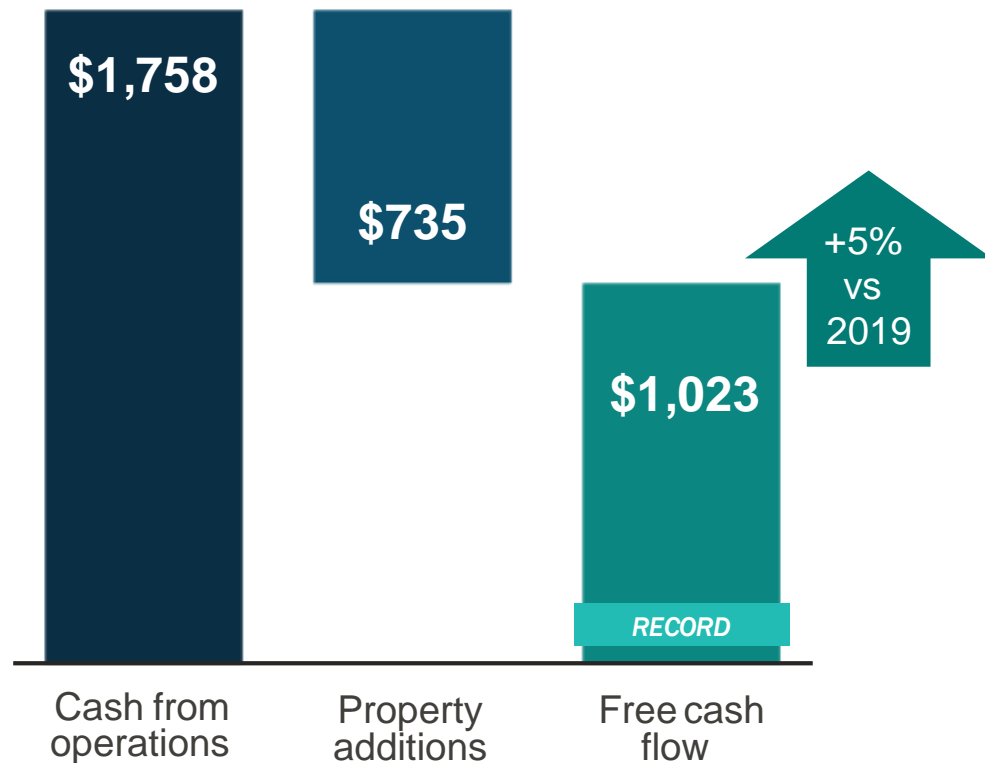
\$ millions except per share

	Q2 2019	Q2 2020	Variance	
			\$	%
Income from railway operations	\$1,065	\$610	(\$455)	(43%)
Other income – net	22	49	27	123%
Interest expense on debt	153	156	3	2%
Income before income taxes	934	503	(431)	(46%)
Income taxes	212	111	(101)	(48%)
Net income	\$722	\$392	(\$330)	(46%)
Earnings per share – diluted	\$2.70	\$1.53	(\$1.17)	(43%)

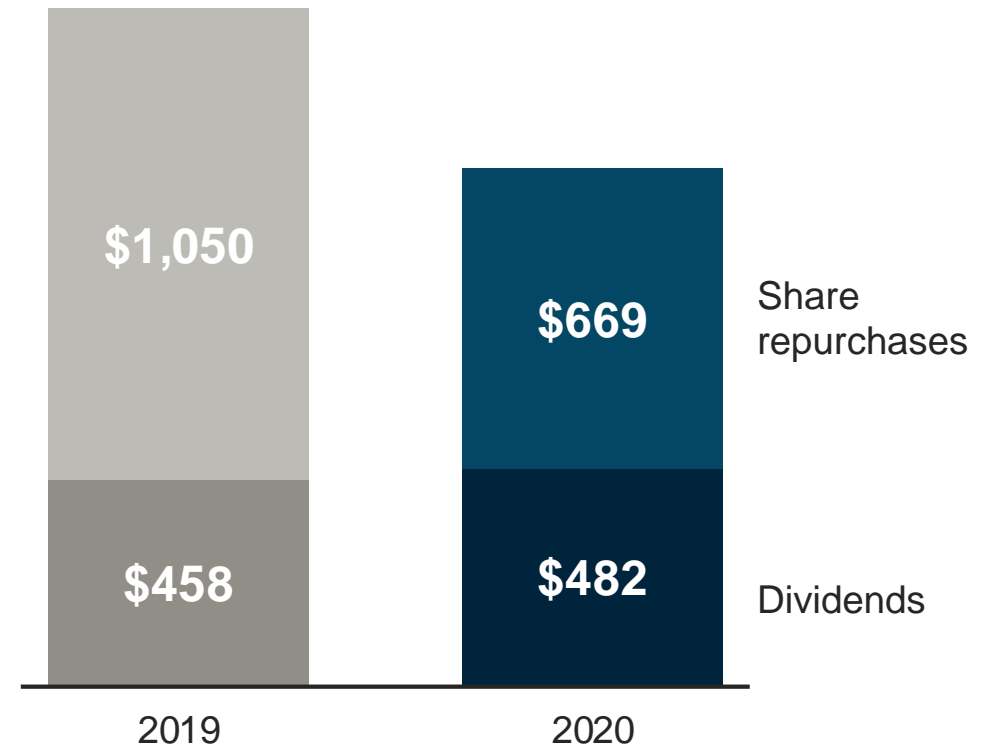
FREE CASH FLOW & SHAREHOLDER DISTR.

First Six Months / \$ millions

2020 Free Cash Flow (1)



Shareholder Distributions



CLOSING REMARKS

- Forging ahead with transformation
- Nimble response to evolving markets
- Protecting the workforce
- Balancing uneven recovery with productivity initiatives to optimize leverage





APPENDIX

ITEMS IMPACTING COMPARISON TO 2019

favorable / unfavorable

\$ millions except per share

	Second Quarter	
2019 Asset impairment	\$	28

Impact:

Operating ratio		—
Earnings per share		\$0.08

THANK YOU