



Welcome to Investor Day

December 6, 2022



Forward-Looking Statements / Non-GAAP Measures

This presentation and the related materials contain forward-looking statements within the meaning of the safe harbor provision of the Private Securities Litigation Reform Act of 1995, as amended. These statements are not statements of historical fact and relate to future events or future performance of Norfolk Southern Corporation (NYSE: NSC) (“Norfolk Southern,” “NS,” the “Company,” “we,” “our,” or “us”), 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,” “may,” “could,” “should,” 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, 2021, 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.

In addition to disclosing financial results in accordance with U.S. GAAP, the accompanying presentation contains non-GAAP financial measures. These non-GAAP measures should be viewed as a supplement to and not a substitute for our U.S. GAAP measures, and the financial results calculated in accordance with U.S. GAAP and reconciliations from these results should be carefully evaluated. All reconciliations to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP can be found on our website at www.norfolksouthern.com on the Invest in NS page under Events for this event.

Investor Day 2022

Alan Shaw
President & CEO





Reliable and Resilient Service

Continuous Productivity Improvement

Smart and Sustainable Growth

Norfolk Southern is uniquely positioned to deliver long-term shareholder value through top-tier revenue and earnings growth, industry-competitive margins, and balanced capital deployment.

2021 Operating Ratio: 60.1%

↓ **530 bps**

Earnings per Share Growth

+27%

Cumulative Shareholder
Distributions

~\$10B

Total Shareholder Return

110%

A Franchise Built for Growth

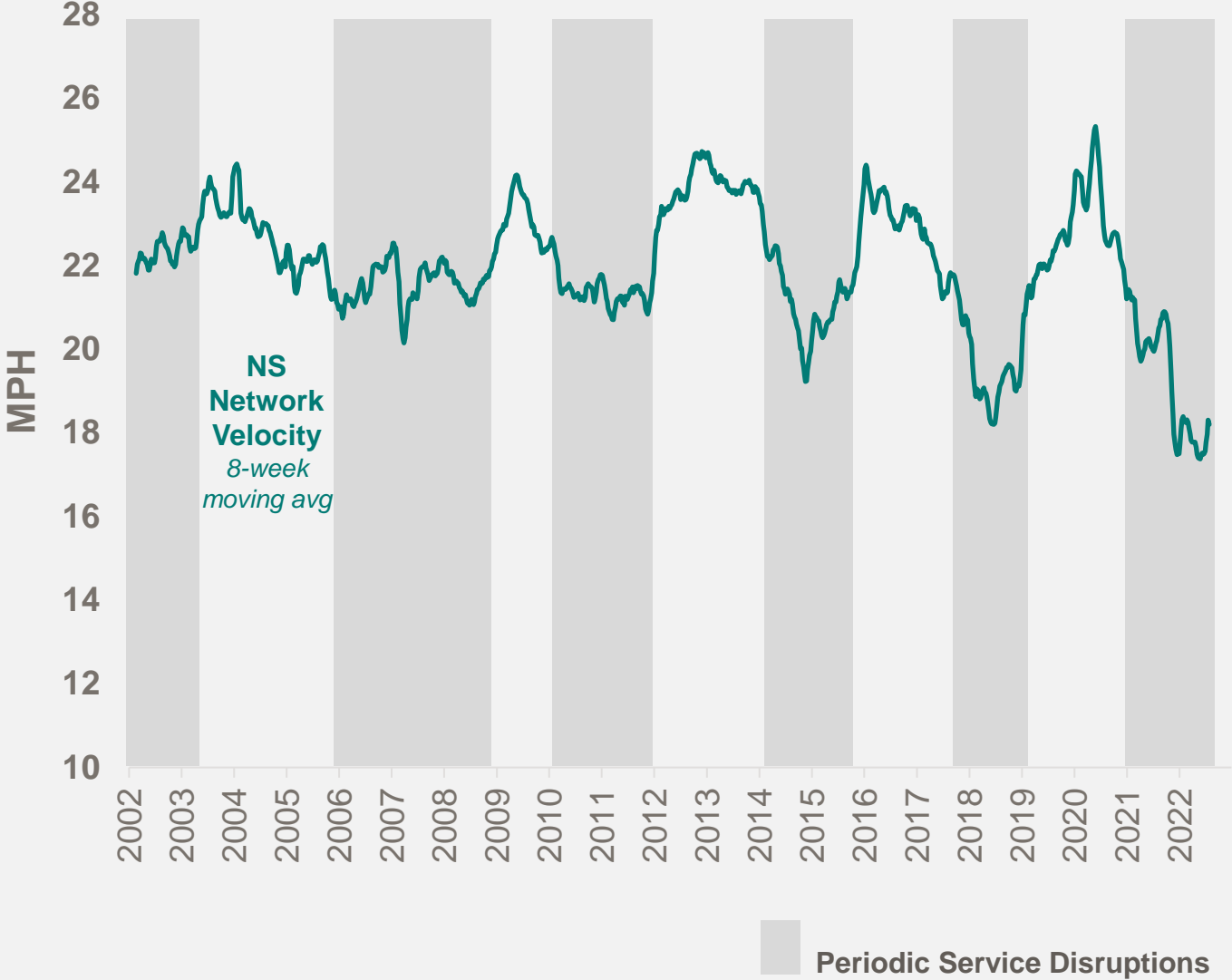
- Powerful network
- Favorable market trends
- Balanced growth strategy
- Right team and culture





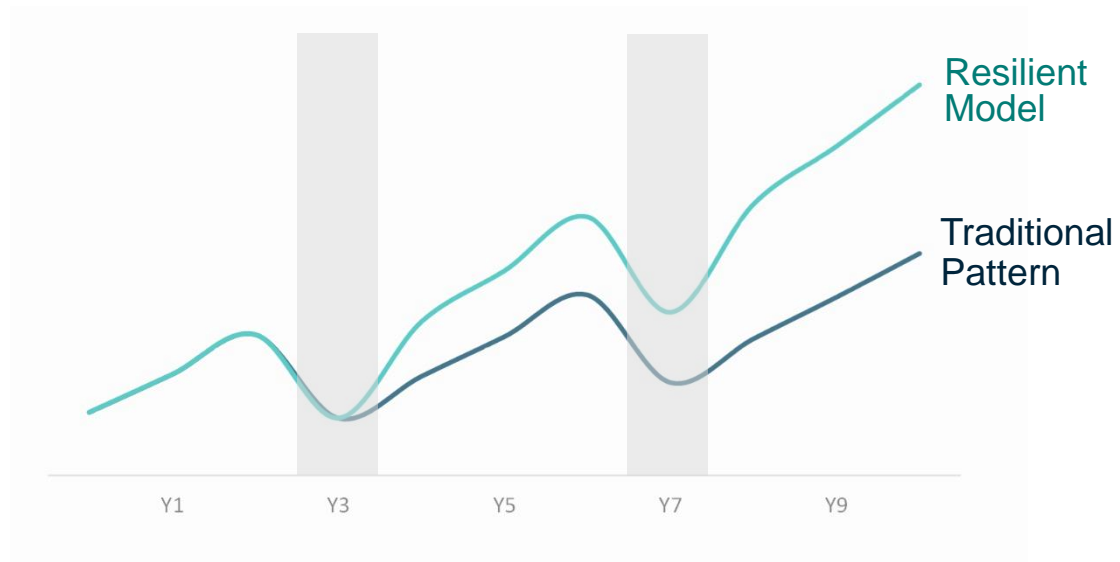
CUSTOMER
CENTRIC
OPERATIONS
DRIVEN

To grow volumes over the long-term, railroads must break the cycle of service disruptions every few years.

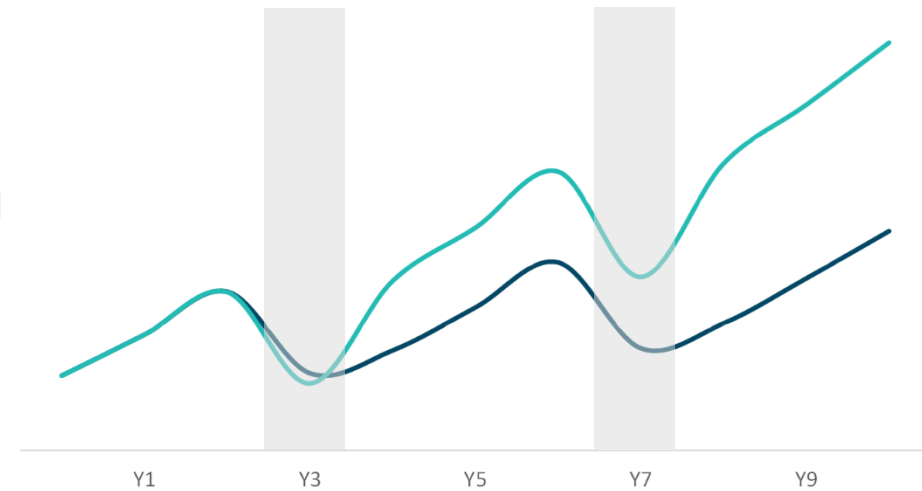


Creating Value Through Resilience

Revenue



Operating Income



ILLUSTRATIVE

Recessions



We have the right team

Shareholder Value Creation

Mark George

EVP & Chief Financial Officer





CUSTOMER
CENTRIC

OPERATIONS
DRIVEN

**Shareholder
Value Creation**



Our Value-Creation Framework



Securing Revenue Growth Above GDP



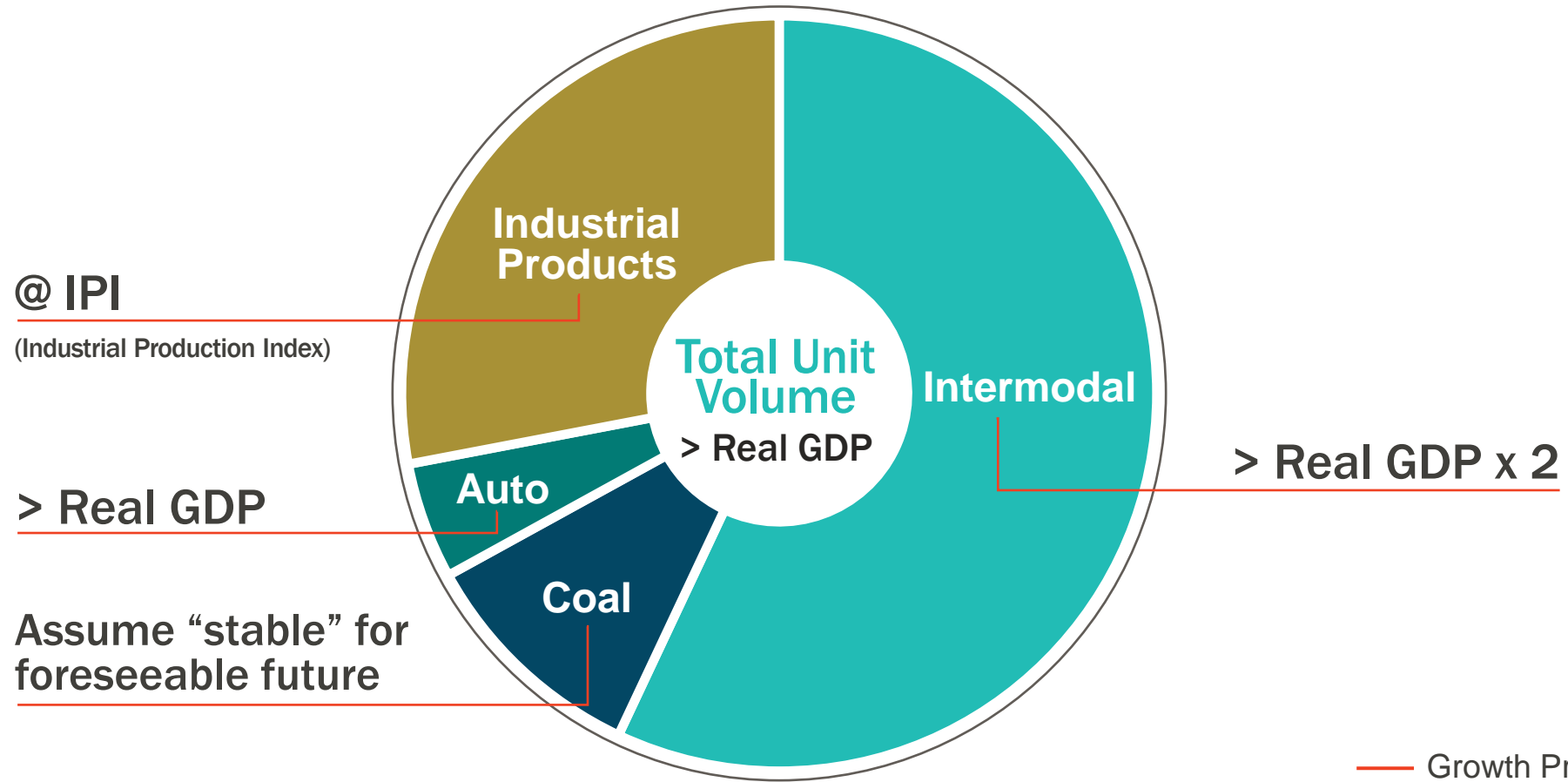
Revenue (less fuel)
(CAGR mid single digits)

- Price > Inflation
- Volume > Real GDP



Intermodal will Lead Volume Growth

Unit mix by commodity group



Achieving Enhanced Profitability



Revenue (less fuel)
(CAGR mid single digits)

Operating Income Growth > Revenue Growth
(Accretive incremental margins)

- Price > Inflation
- Volume > Real GDP



Delivering Accretive Incremental Margins

Revenue Leverage

- Volume absorption
- Yields

Train Densification

Labor Productivity

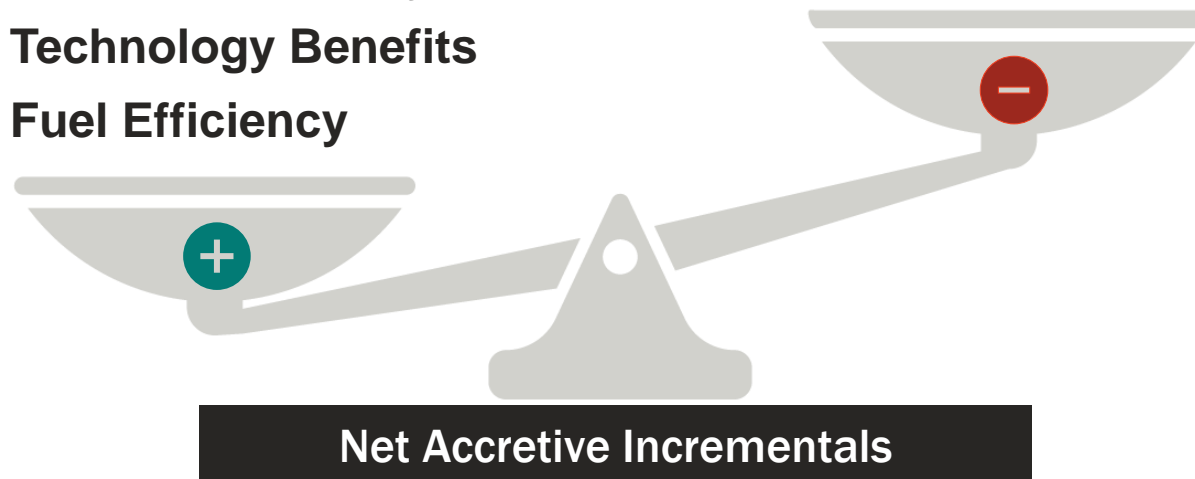
Technology Benefits

Fuel Efficiency

Cost Inflation

Cost of Investments

Commodity Mix



Maintaining Financial Discipline



Revenue (less fuel)
(CAGR mid single digits)

- Price > Inflation
- Volume > Real GDP

Operating Income Growth
> Revenue Growth
(Accretive Incremental margins)

Disciplined Capital Investment
For network resiliency & growth

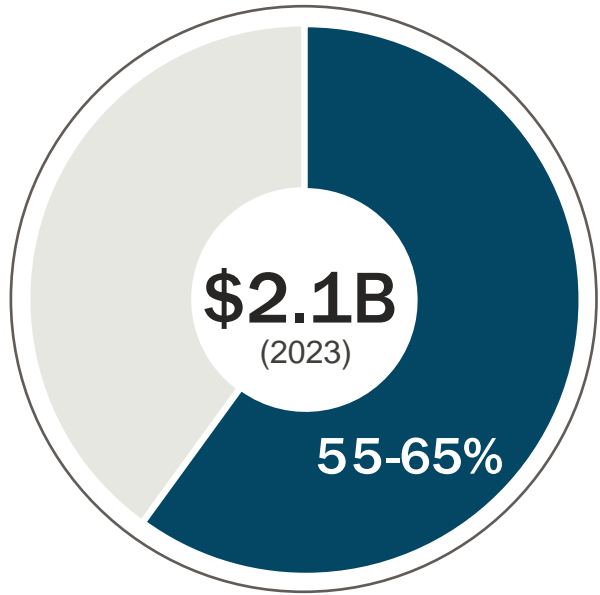
Strong Balance Sheet
Maintain BBB+ & Baa1 rating

Secure, Growing Dividends
Payout 35-40% of Net Income

Continued Share Repurchases
After meeting needs of the business

Disciplined Capital Spending

Discretionary spending projects prioritized by returns

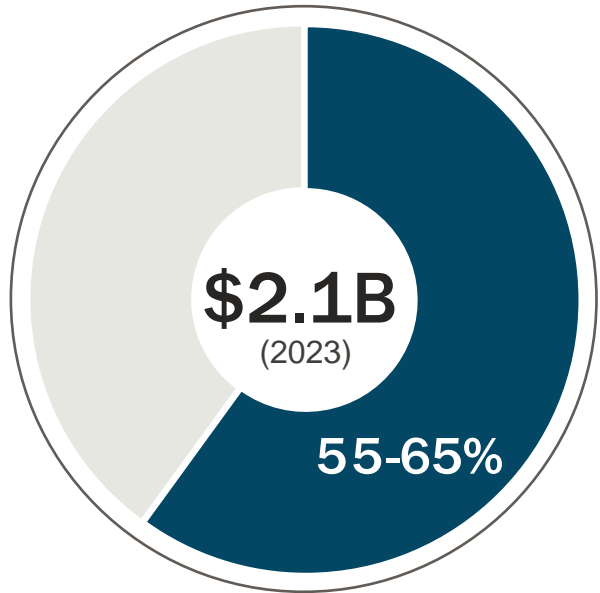


Network Safety & Resiliency

On replacement cycle; grows in-line with associated inflation

Disciplined Capital Spending

Discretionary spending projects prioritized by returns

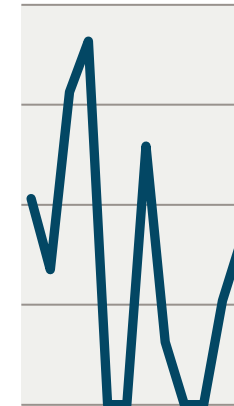


Network Safety & Resiliency

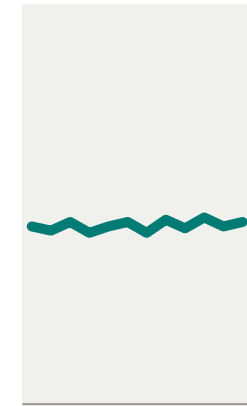
On replacement cycle; grows in-line with associated inflation

Transition to Balanced and Consistent Investing Patterns

Intermodal Chassis & Container Units



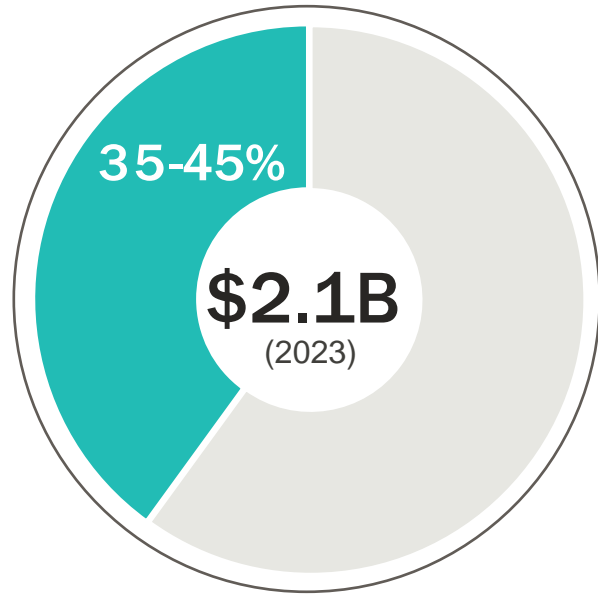
Last 10 Years



Going Forward

Disciplined Capital Spending

Discretionary spending projects prioritized by returns

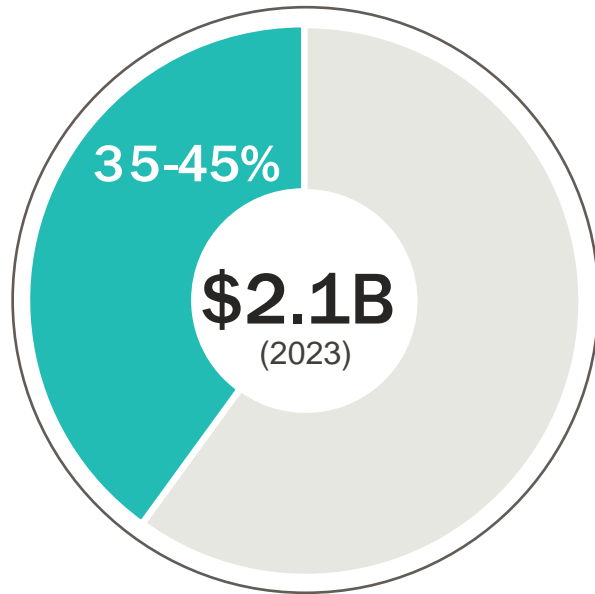


Growth & Productivity

Grows strong mid-single digits to drive revenue growth

Disciplined Capital Spending

Discretionary spending projects prioritized by returns



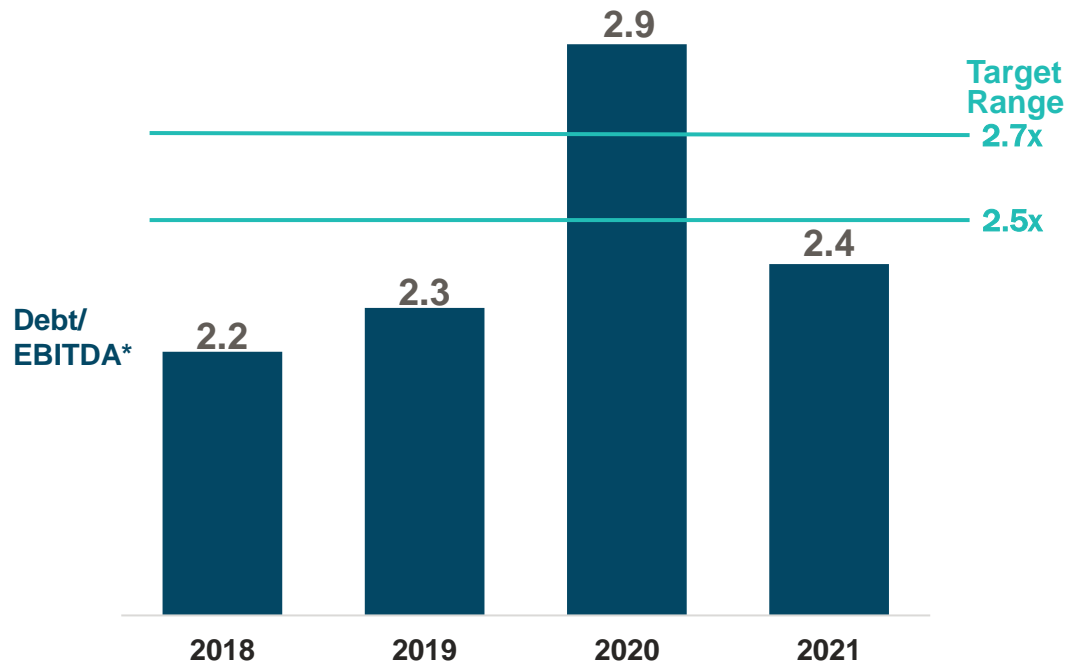
Growth & Productivity

Grows strong mid-single digits to drive revenue growth

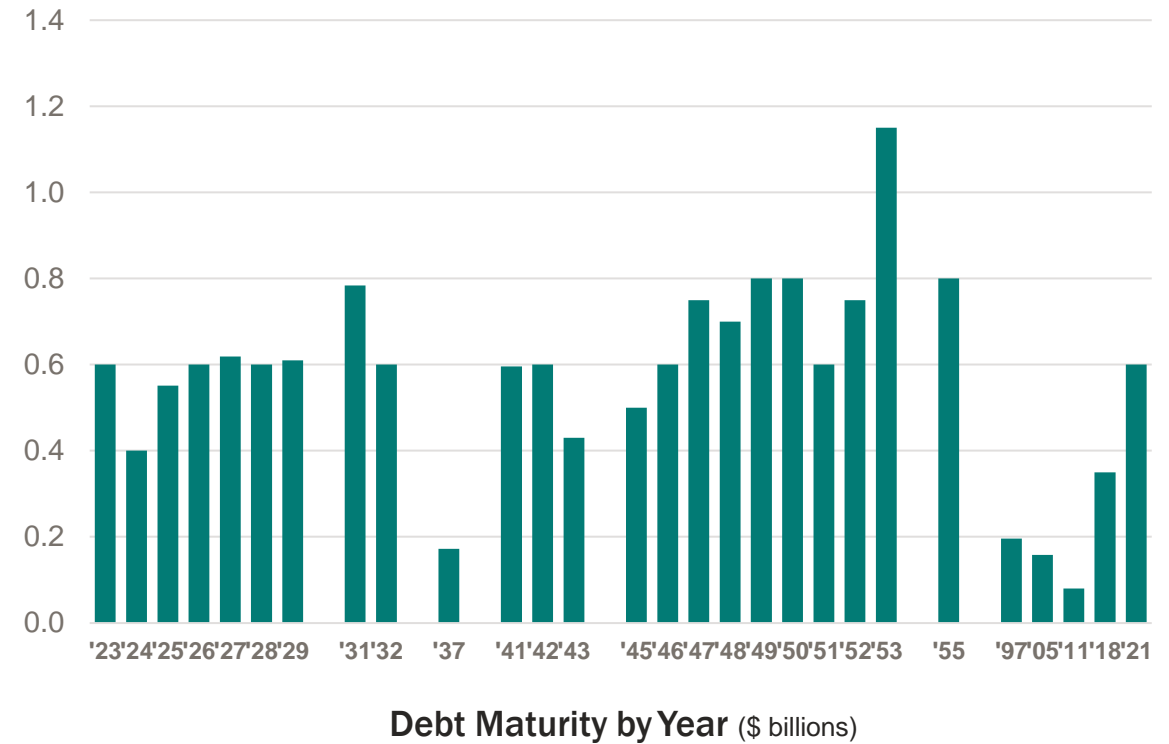


Maintaining a Strong Balance Sheet

Responsible Use of Leverage

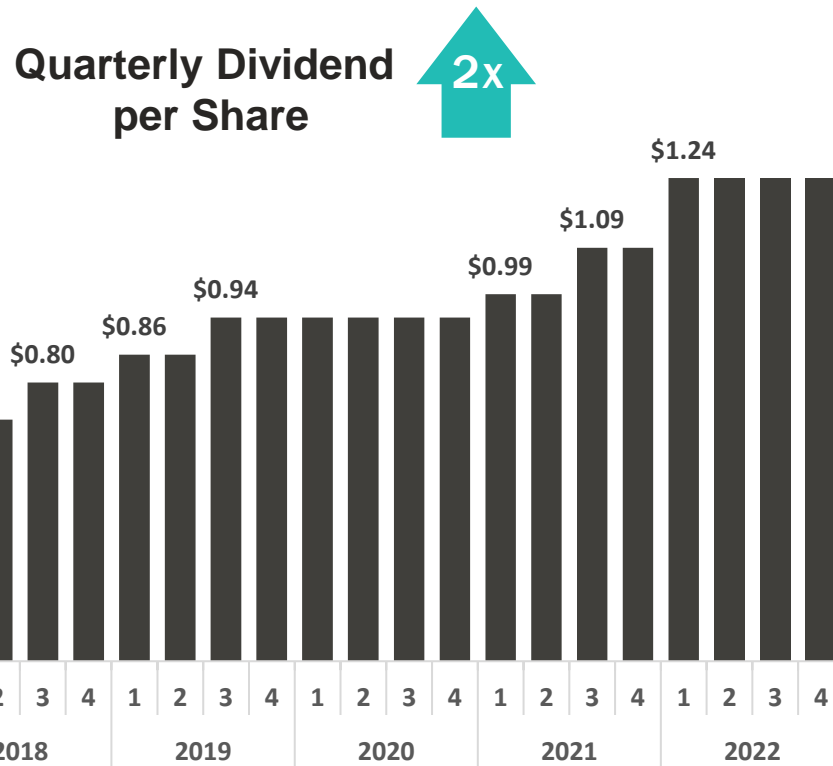


Manageable Term Debt Maturity Profile

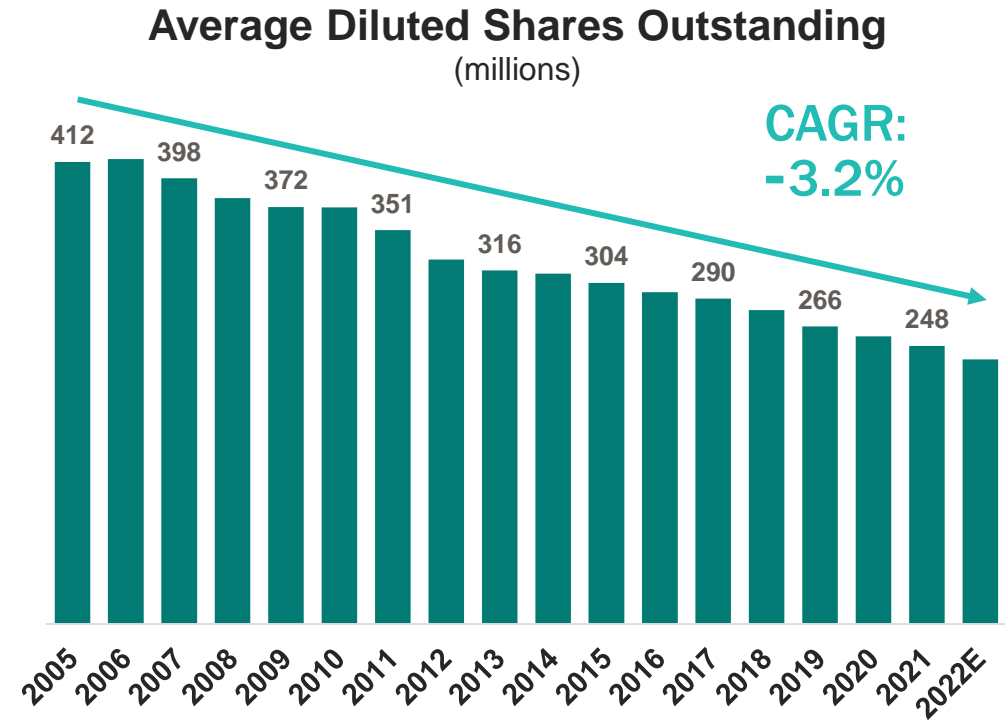


Returning Capital to Shareholders

Rewarding shareholders through dividends and share repurchases



Target Dividend Payout ratio 35-40%

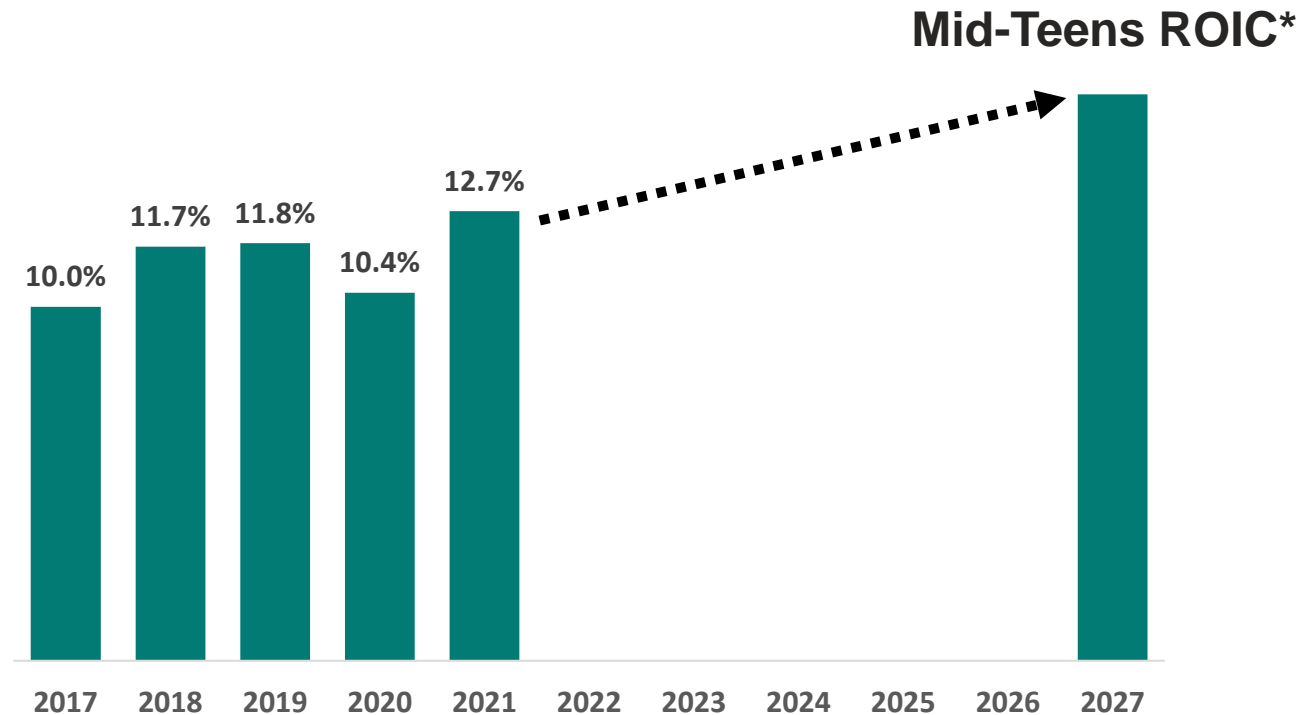


43% reduction in shares outstanding since 2006 program inception (\$23B @ avg price \$103/share)

Our Value-Creation Framework

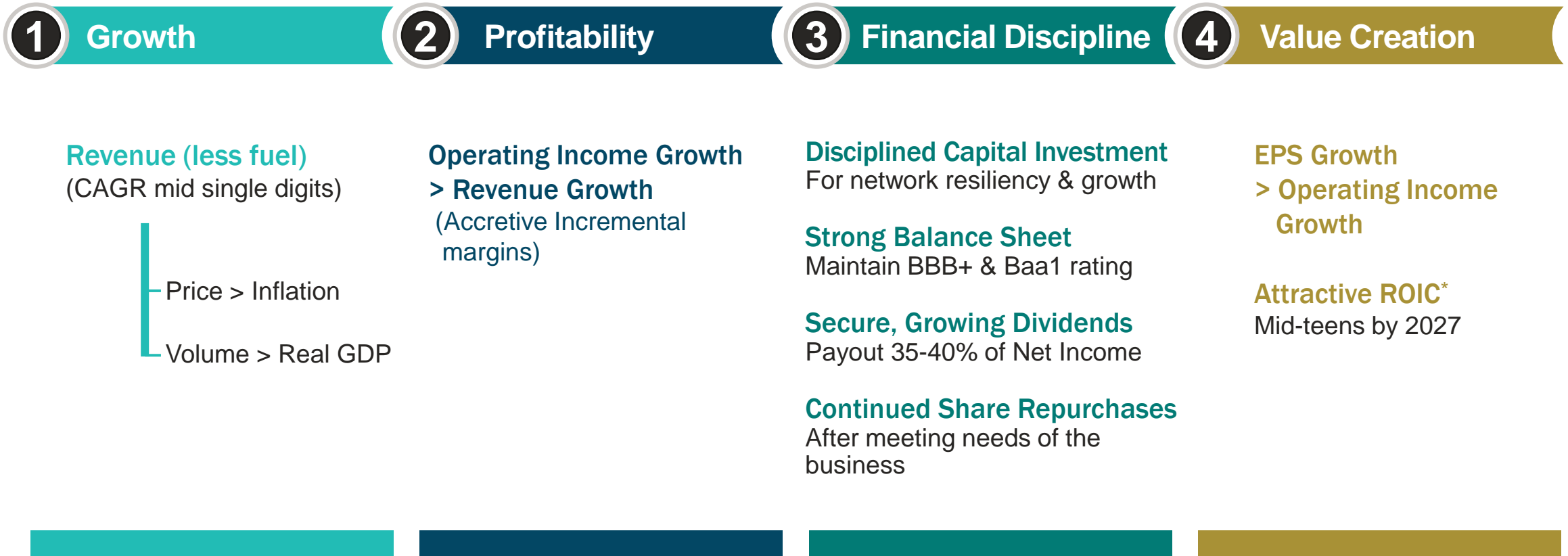


Adding Value by Growing ROIC



ROIC is Component of Incentive Compensation

Our Value-Creation Framework



The NS Network

Mike McClellan
SVP & Chief Strategy Officer





Our Powerful Network



**Our
Corridor
Development**

Designed for Growth





Leveraging Short Line Connections

Market Trends

Kathleen Smith

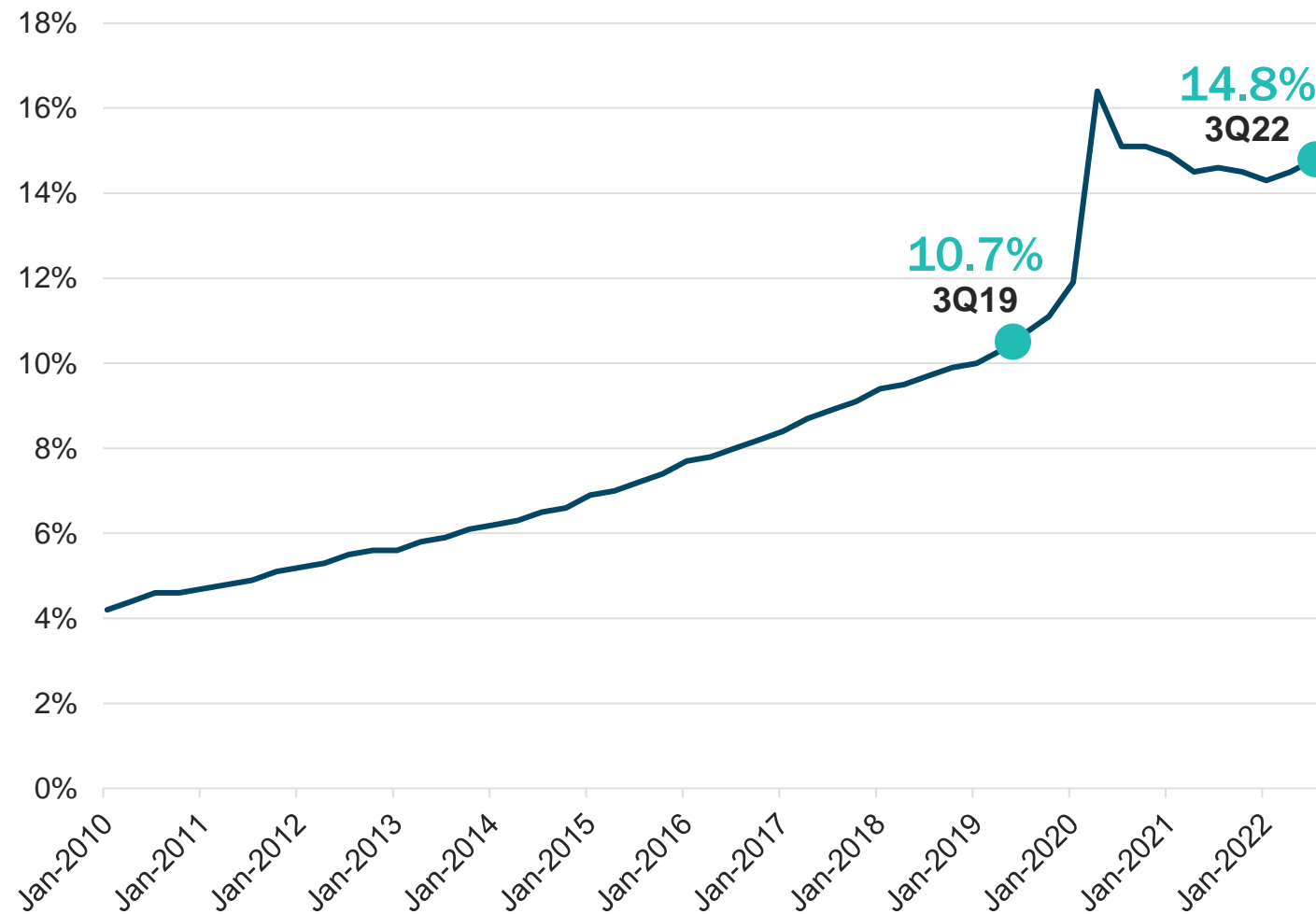
VP Business Development
& Real Estate



E-Commerce Growth a Tailwind for Volumes

E-commerce is more intermodal intensive than traditional retail sales

E-Commerce Sales as % of Total U.S. Retail Sales



Trains Are Up to 7 Times More Fuel Efficient Than Trucks



E-Commerce Warehousing

Square feet in 2020

KANSAS CITY
86.0m

ST. LOUIS
77.7m

LOUISVILLE
84.0m

MEMPHIS
64.2m

ATLANTA
254.0m

JACKSONVILLE
47.6m

MIAMI
45.1m

CHICAGO
375.1m

DETROIT
143.4m

COLUMBUS
184.4m

HARRISBURG
50.0m

NORFOLK
28.0m

CHARLOTTE
112.9m

PHILADELPHIA
163.3m

NEW YORK
233.3m

A map of the United States where nine states are highlighted in a light teal color. These states are Indiana, Ohio, Pennsylvania, West Virginia, Virginia, North Carolina, South Carolina, Georgia, and Florida. Texas is highlighted in white. The rest of the map is in a light beige color. A dark teal vertical bar is on the left side of the text box.

**We Serve 9 of the Top 10
States for Doing Business**

Source: www.areadevelopment.com



**New Mazda/Toyota Assembly Plant
Huntsville, Alabama**

**Positioning NS for
Success in an Evolving
Supply Chain**

Digital Innovation to Drive Smart Growth

NS NORFOLK SOUTHERN | **NSITES** | Industrial Sites | Transload Locations

Location ▾ Acreage ▾ Buildings ▾ NS Owned Transportation ▾ Other ▾

Map Extent Auto Zoom Draw ↻ ↺

Search Prop...

NORFOLK SOUTHERN OHIO RIVER MEGASITE **875 ACRES**

City: Haverhill | County: Scioto | State: OH

NS Site Type: SITE AVAILABLE

- Ownership: Norfolk Southern Corporation
- Zoning: Not Zoned
- Map: Transportation Assets

Direct Rail Service
Norfolk Southern Railway

Interstate 64
Proximity To Interchange: 26.2 miles

Huntington Tri-State Airport
Proximity: 25.7 miles

For more information about this site please contact >> Paul Jeffers: Industrial Development Manager Phone: 614-438-6913 Email: paul.jeffers@nscorp.com

210 AC.

Count of Properties (816)

Earthstar Geographics | Esri, HERE, Garmin, FAO, NOAA, USGS, ... Powered by Esri

Smart and Sustainable Growth

Ed Elkins
EVP & Chief Marketing Officer



Smart and Sustainable Growth Through Flexible Freight Conversion



Simplicity

Reliability

Efficiency

Delivering Value to Customers and Shareholders



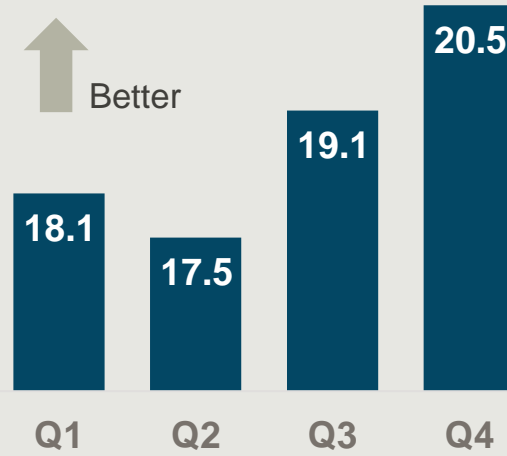
Reliable and Resilient Service

Paul Duncan
SVP Transportation
& Network Operations

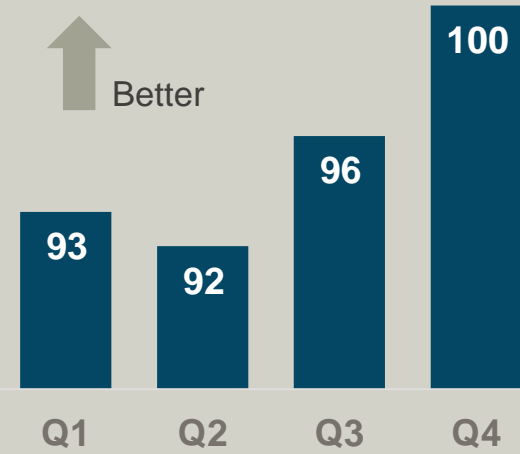


Service Improvement

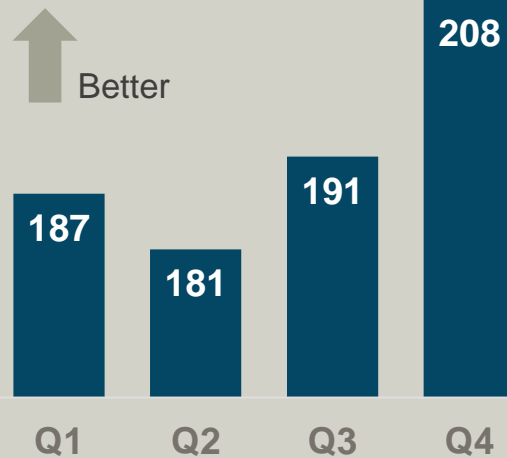
AAR Speed (MPH)



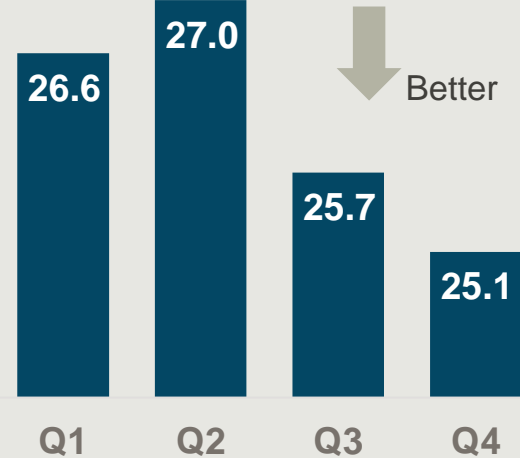
Car Miles per Day



Loco Miles per Day



Terminal Dwell (Hours)



Leadership

Resources

Plan

We've Turned the Corner on Service

Floyd Hudson
VP Transportation



Keys to Growth

3 DISCIPLINES

- Running trains on time
- Switching cars in 6 hours
- Putting the right car, on the right block, on the right train



Safety is a Cornerstone

39% Improved
FRA Reportable Injury Rate (vs 2019)





PSR Principles Support Customer Centricity

Serve Customers

Manage Assets

Control Costs

Work Safely

Develop People

Achieving Resilience

Annie Adams

EVP & Chief Transformation Officer



People and Technology

- Workforce planning
- Labor agreements
- Technology



Workforce Planning



Labor Agreements



Technology



Strong Foundation

Ed Boyle
VP Engineering





Industry Leader in Cost per Track Mile Maintained*



Industry Avg

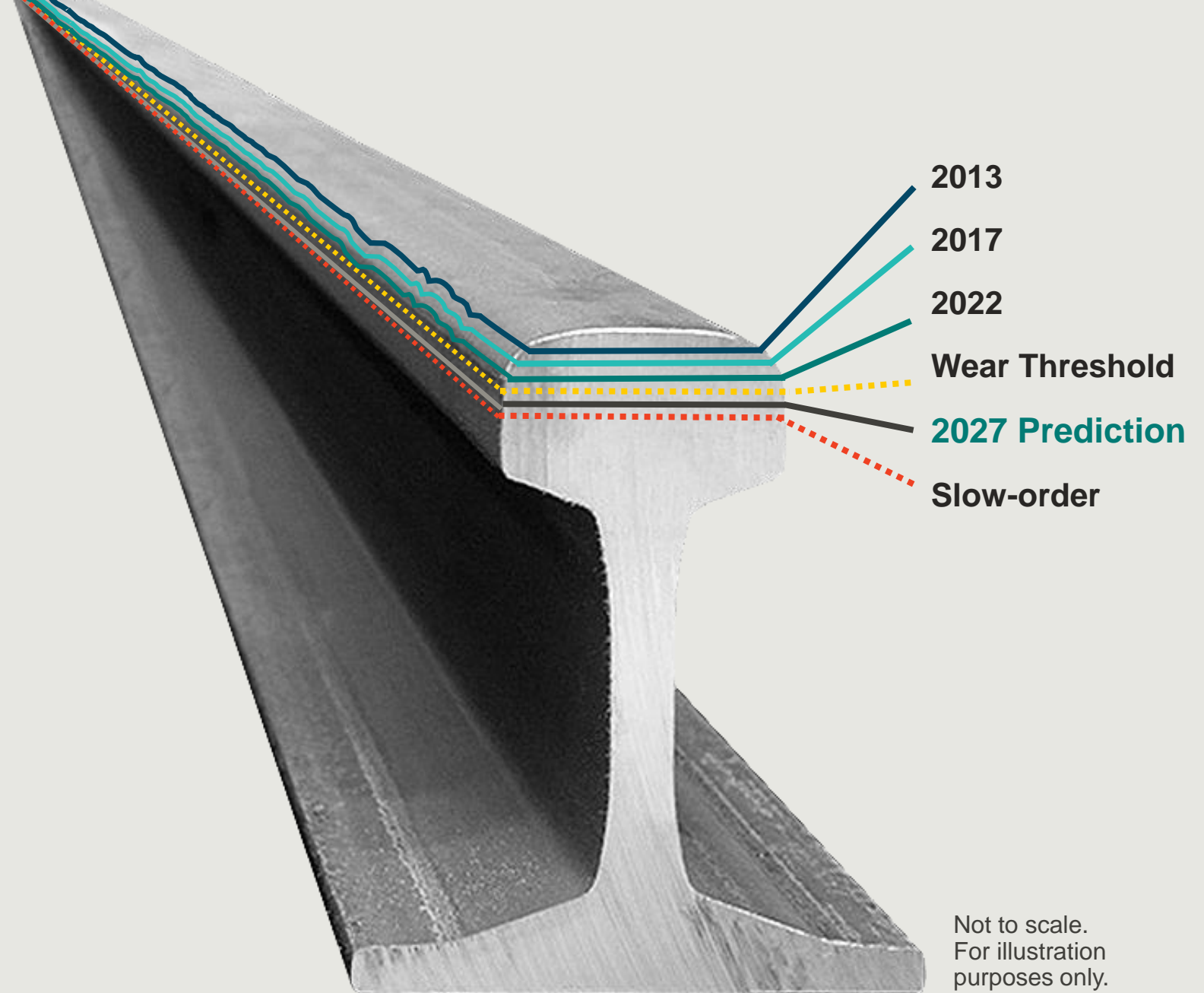
25%
Lower



Norfolk Southern

* 5-year average capital + operating expense for each mile of track maintained

Predictive Analytics



Not to scale.
For illustration
purposes only.

Locomotive-Mounted Autonomous Track Geometry System



44%

reduction in rail service failures*

38%

reduction in track geometry defects*

*annually since 2015

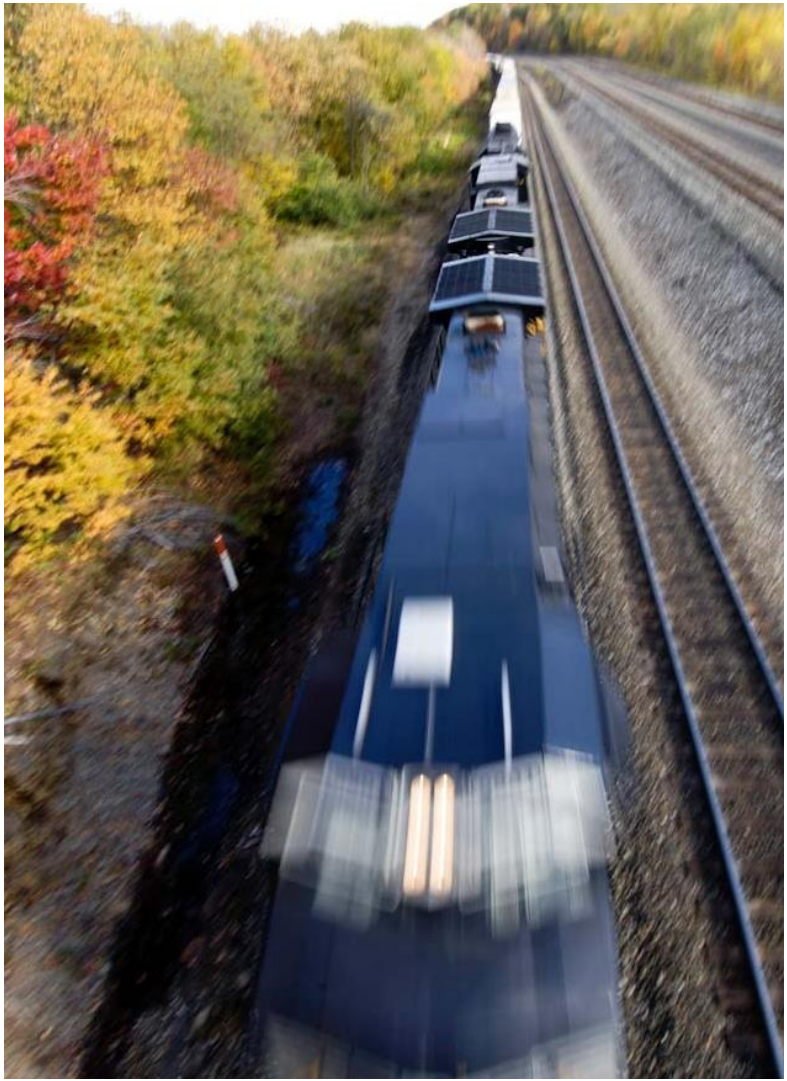


Quickly and Efficiently Responding to Growth and Resilience Projects

Resilient Network Strategy

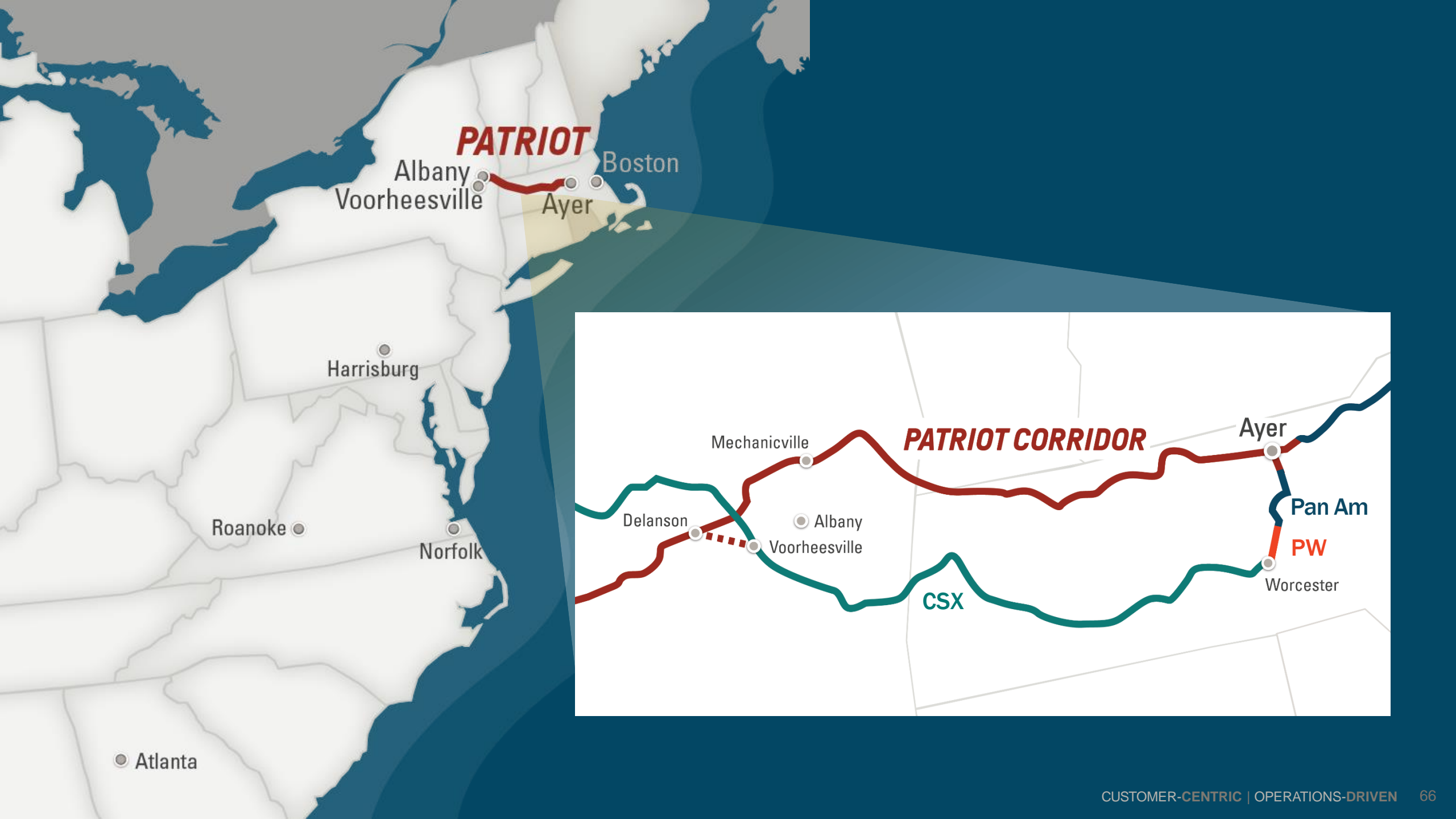
Mike McClellan
SVP & Chief Strategy Officer







Our Resilient Network Strategy



PATRIOT

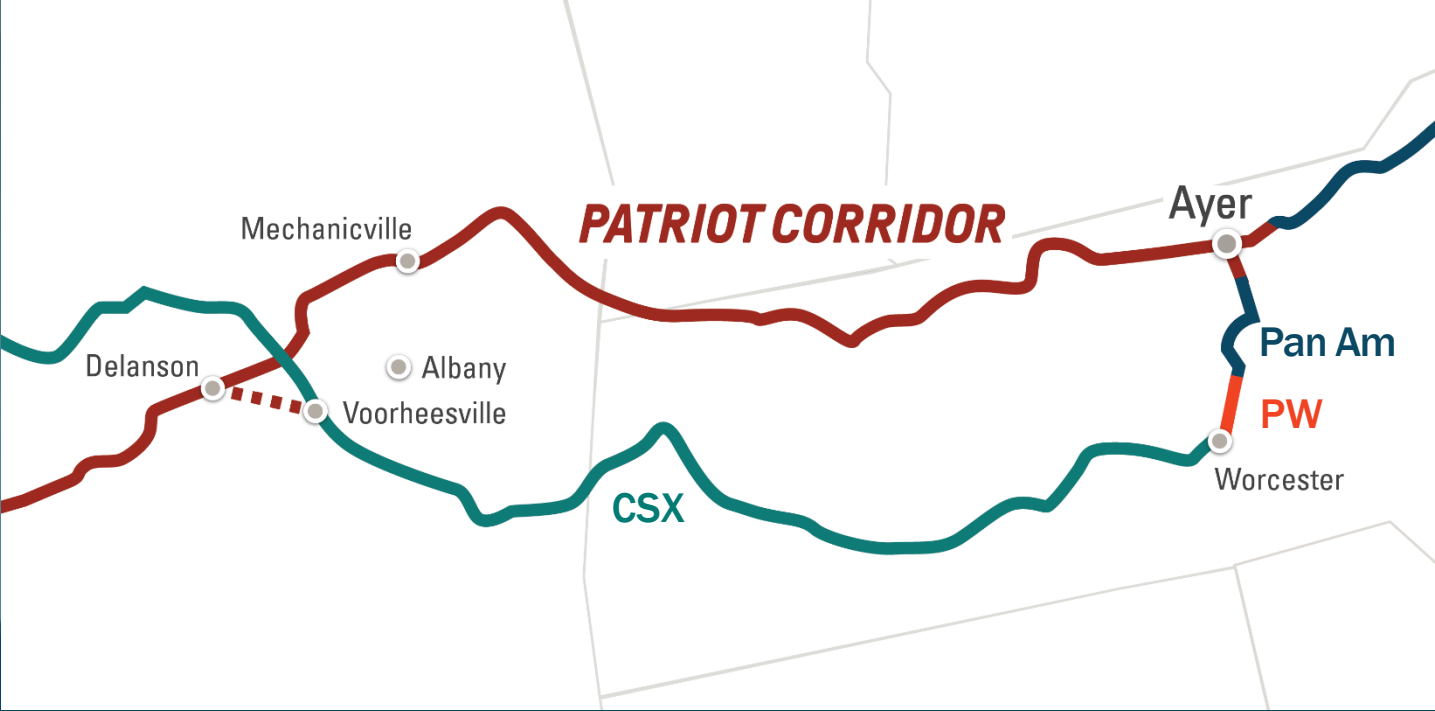
Albany
Voorheesville
Ayer
Boston

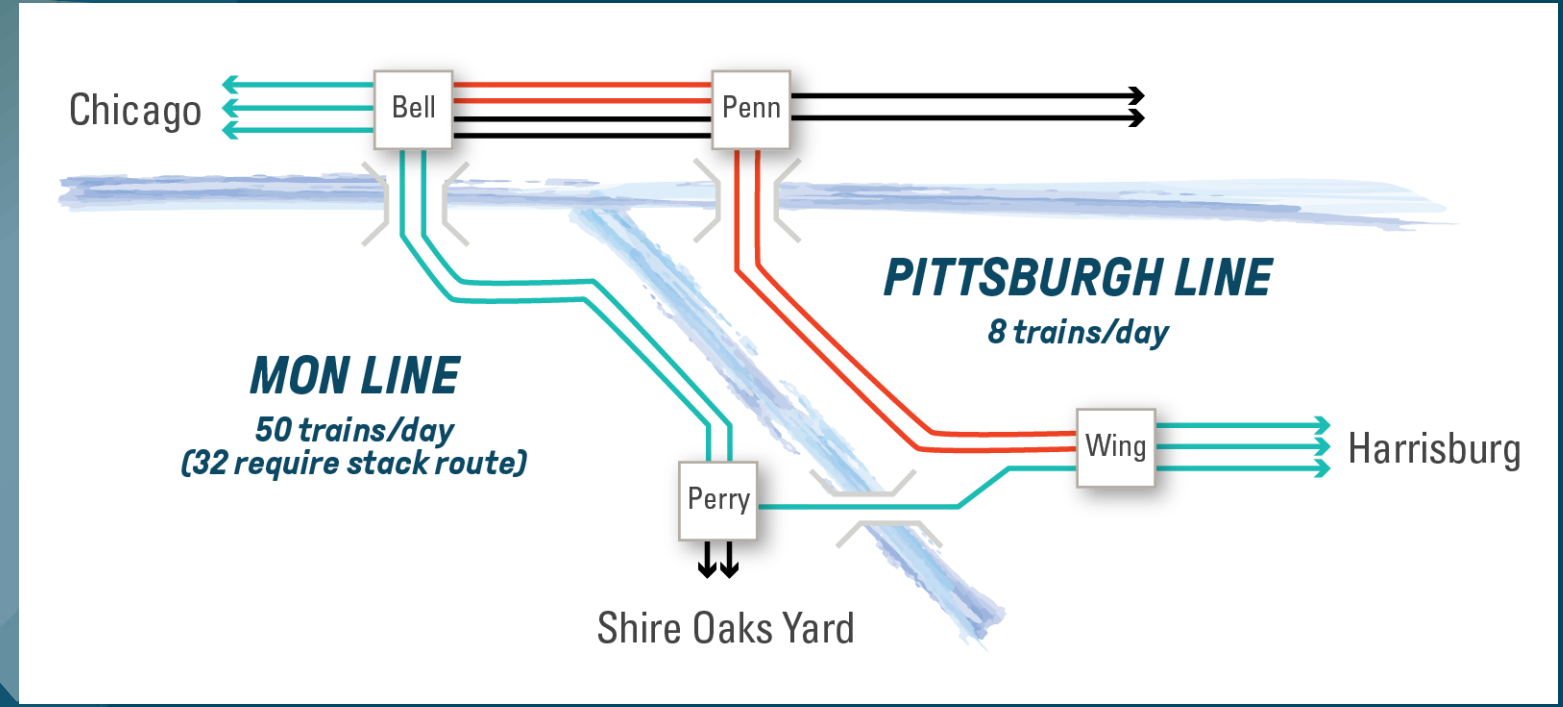
Harrisburg

Roanoke


Norfolk

Atlanta









Questions & Answers

Continuous Productivity Improvement

Paul Duncan
SVP Transportation
& Network Operations



Reducing complexity to
enable consistent service
and greater productivity

- Minimized activity
- Reduced dwell
- Balanced operations
- Optimized corridors

PSR Guides TOP | SPG

Enhancing Service and Growth

- Intermodal improvements in reliability, velocity, and capacity



Merchandise

- On-time delivery
- Car velocity
- Simple, executable, consistent
- Minimizing switching intensity



Bulk

- Service and growth
- Advancing train productivity
- Leveraging DC/AC strategy



Mobile Technology Solutions

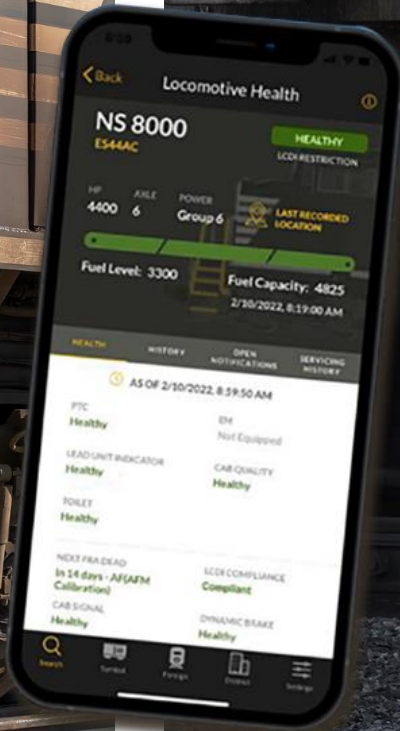
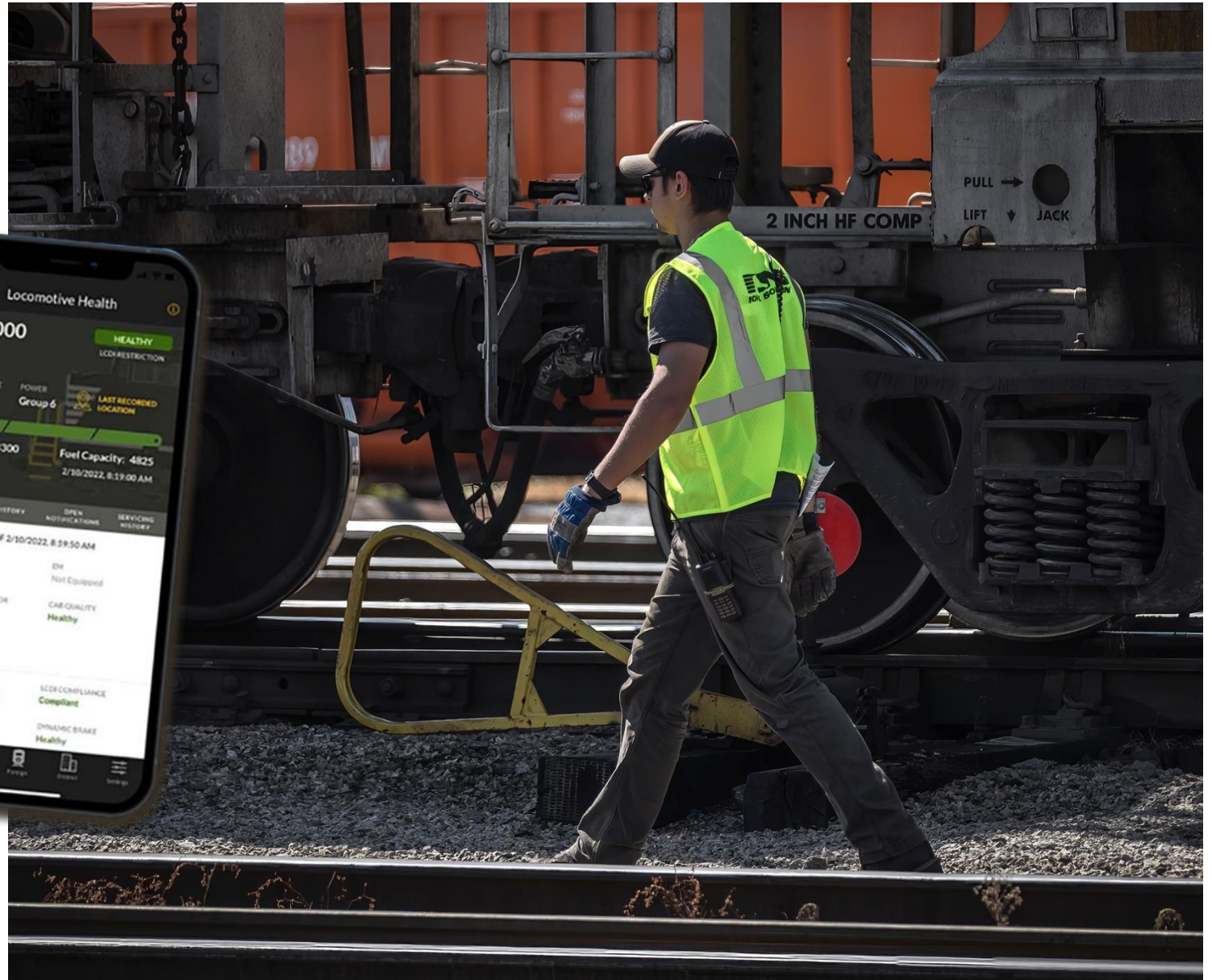
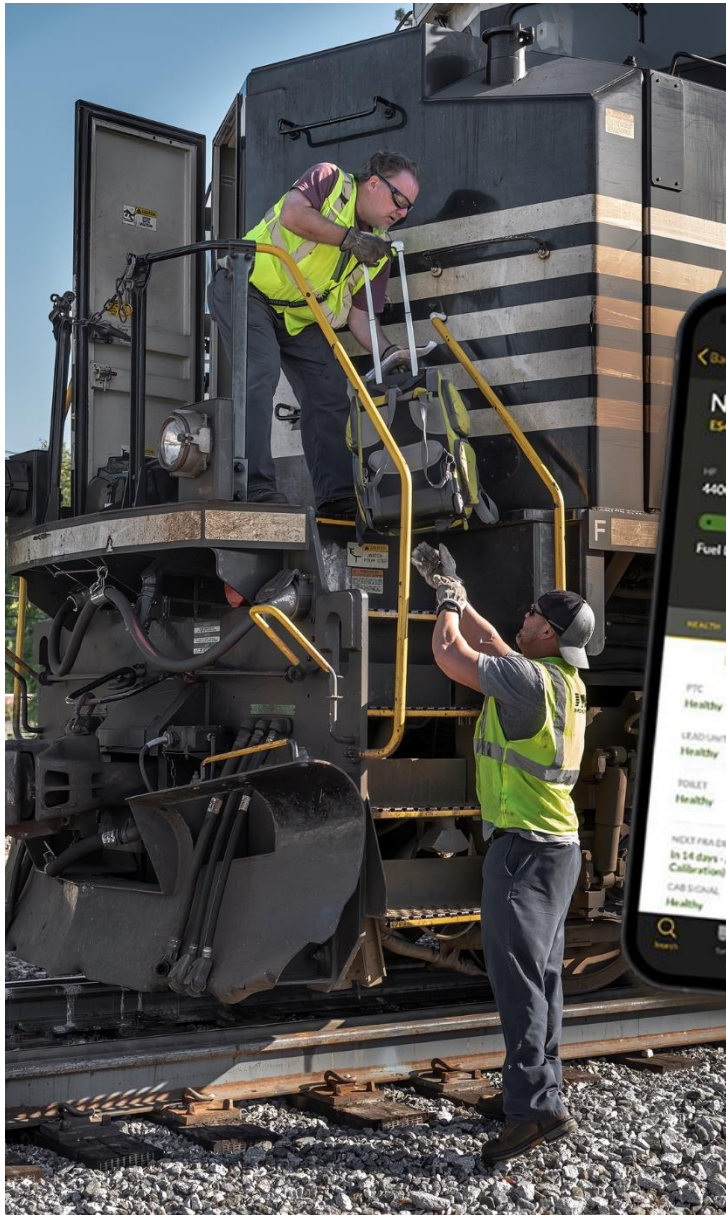
Rodney Moore
VP Network Operations







Mobile Solutions to Drive Service and Productivity

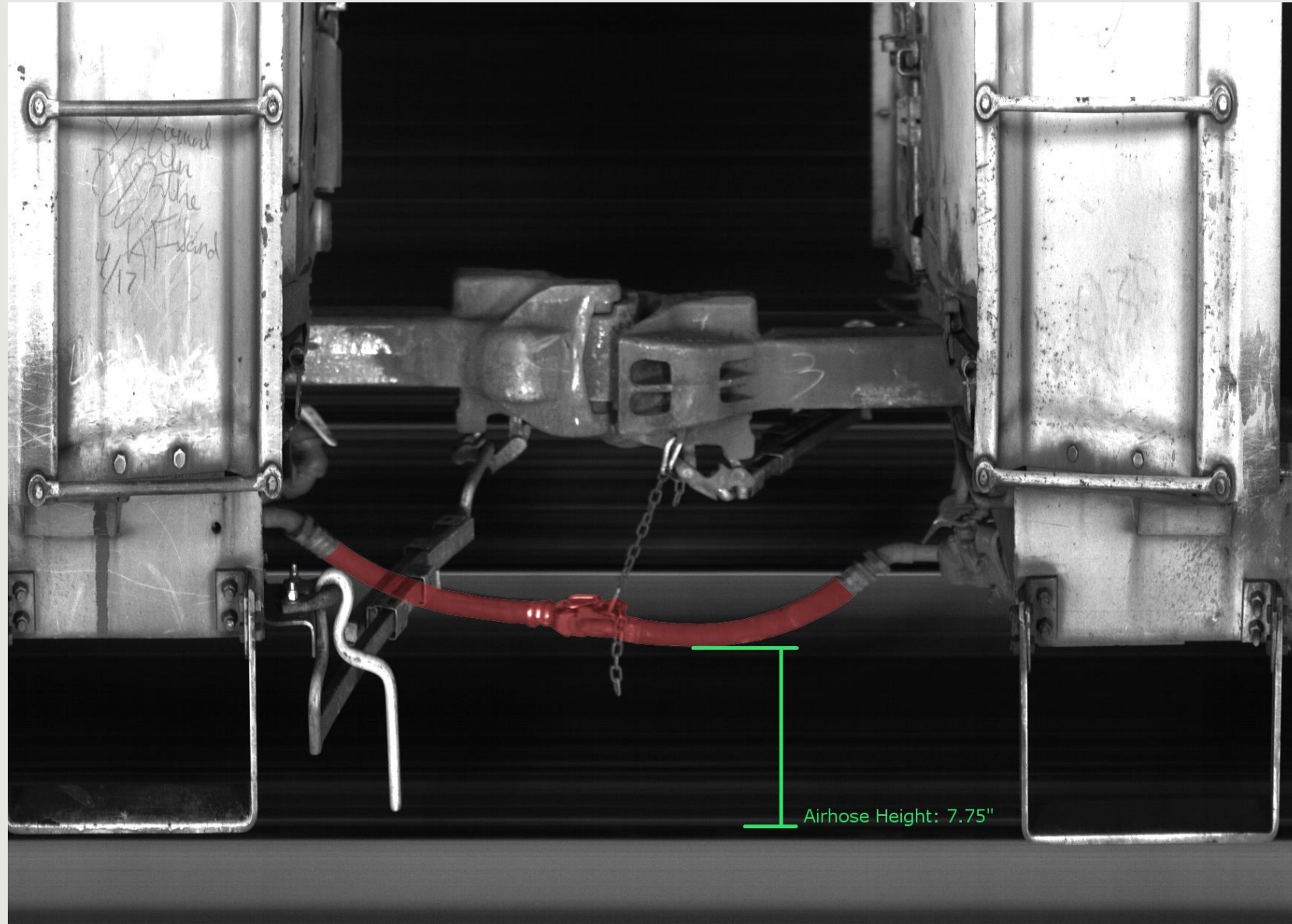


Advanced Technologies

Mabby Amouie
AVP Enterprise Platforms & Data



AI Offers Real-Time Intelligence



An End-to-End Process



Hardware

Machine Vision Camera Portals



Software

AI Algorithms & Automated Notifications



People

Response Protocol



Fully Automated Inspection Corridors

Smart and Sustainable Growth

Ed Elkins
EVP & Chief Marketing Officer





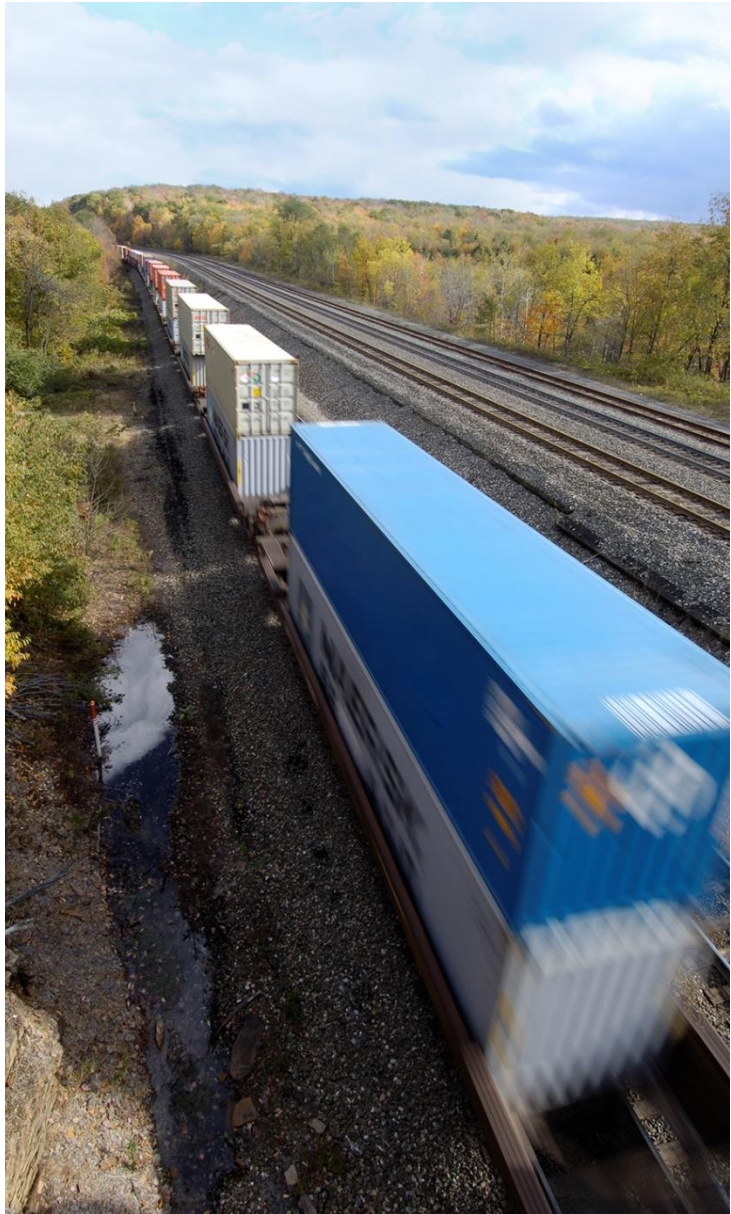
**CUSTOMER
CENTRIC
OPERATIONS
DRIVEN**

Delivering Velocity

Jacob Elium

VP Network Planning & Optimization





Capacity for Growth

Shawn Tureman

VP Intermodal & Automotive



Powerful Upside to Reliable and Resilient Service



Terminal of the Future



Channel Breadth



Customer Centricity and Our Industrial Products Portfolio

Leggett Kitchin
VP Industrial Products



Strong and Diverse Industrial Products and Coal Franchise



Agriculture, Forest & Consumer



Metals & Construction



Chemicals



Coal

\$8 Billion Revenue*

1,000+ Commodities

3,500+ Customers

CUSTOMER
CENTRIC
OPERATIONS
DRIVEN





Unlocking the Value of Carload Rail for More Freight

- Predictable service
- Making rail easier to use
- New solutions

Innovative Products and Technology

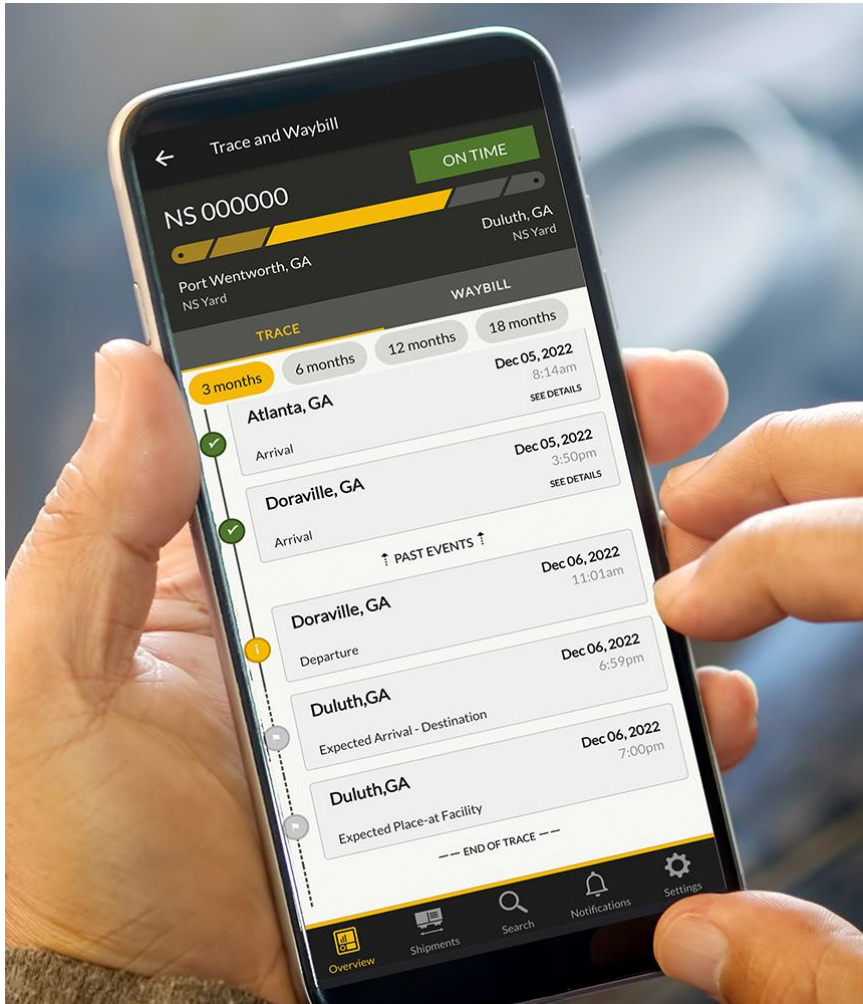
Meghan Achimasi
Group Vice President





The Simplicity of Truck with the Efficiency of Rail

- Waypoint
- Transload network
- Thoroughbred Freight Transfer



Selling Sustainability

Carbon Calculator

Norfolk Southern is committed to helping our customers reduce and avoid carbon emissions. Use this calculator to see the amount of CO₂ saved when shipping on our rails.

Interested in shipping with Norfolk Southern?

Want more information?

[SHIP WITH NS](#)

Shipment Informa... Trip Informa... Savings & Savings Equival...



STEP 1

Shipment Information

Fields are required, unless otherwise noted.

Tell us more about your commodity.

Commodity group Commodity type

Tell us more about your truck shipping volume.

Number of trucks per shipment: Weight of commodity per truck... Tons


Price of carbon: i
\$ 25 USD

What is your shipment frequency?

One Time Per Day Per Week Per Month
 Per Year

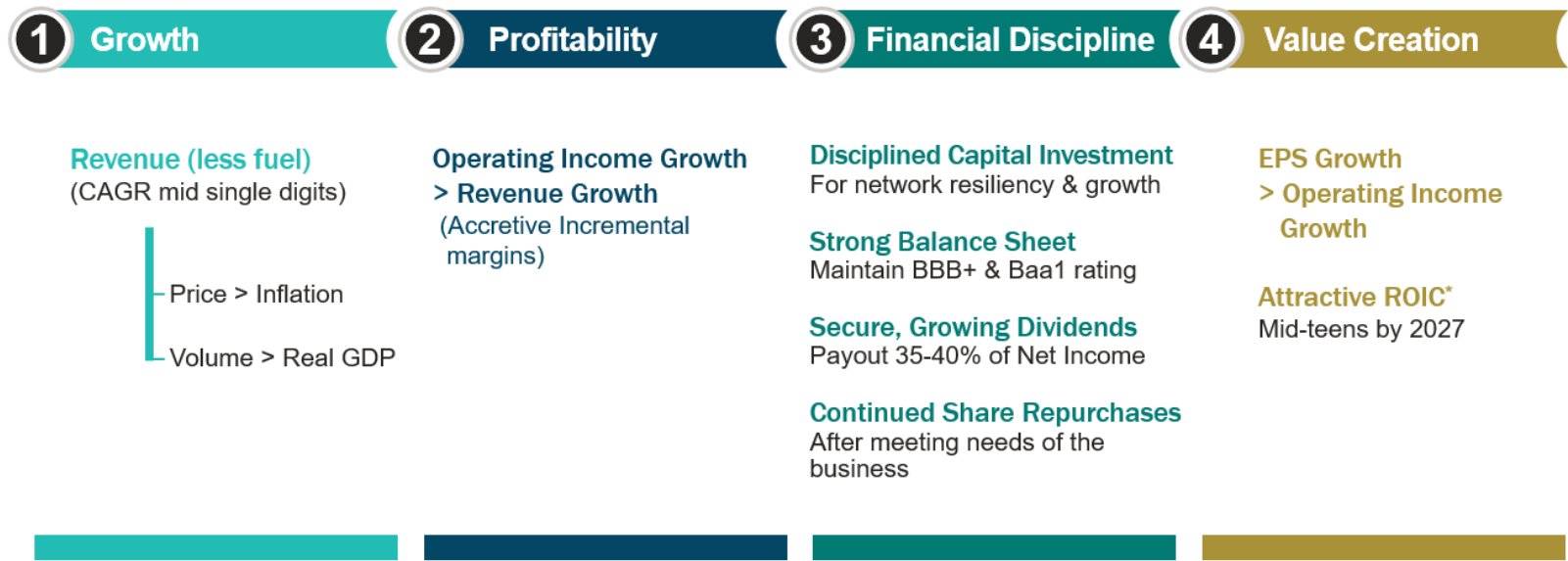
[NEXT](#) →





Questions & Answers

CUSTOMER
CENTRIC
OPERATIONS
DRIVEN



*More information on ROIC is provided on our website on the Invest in NS page under Events for this event.





Thank You

www.norfolksouthern.com