

A Union Pacific locomotive, number 6936, is shown at night, illuminated by its headlights. The locomotive is dark-colored with the Union Pacific logo and name visible. The text "UNION PACIFIC" is overlaid in large, bold, blue letters with a red outline across the center of the image. The locomotive is pulling a train of freight cars, and the scene is set on a track with gravel ballast.

UNION PACIFIC

The Dream Team

UNP GAME PLAN

SPEAKER

SEGMENT

Braden Jenschke

Company Overview, Breakdown

Brandon Chaney

Management, Growth, Risks

William Errett

Economic Moat, Competition

Joaquin Rodriguez

Interpretation of Financial Statements

Dylan Swanson

Capital Allocation, Valuation

Q&A



BUILDING AMERICA®



COMPANY OVERVIEW

Braden Jenschke

COMPANY OVERVIEW

COMPANY BREAKDOWN

**INTERPRETATION OF
FINANCIAL STATEMENTS**

MANAGEMENT

CAPITAL ALLOCATION

ECONOMIC MOAT

COMPETITOR ANALYSIS

RISK FACTORS

**GROWTH
OPPORTUNITIES**

VALUATION

CONCLUSION

OVERVIEW

- Ticker: UNP
- Headquarters: Omaha, Nebraska
- Stock Price: \$217.89
- Revenue (TTM) : \$24.4 Billion
- Market Cap: \$120.53 Billion



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CURRENT POSITION

- Portfolio weight: 3.4%
- Market Value: \$40,238.68
- Gains/Losses: 167.99%
- Shares owned: 178 shares
- Total cost: \$15,015.10
- Cost per share: \$84.35



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52 WEEK PRICE PERFORMANCE

52 WEEK STOCK HISTORY

52 Week High	\$ 273.21
52 Week Low	\$ 186.45
Current	\$ 217.89



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WHAT IS UNION PACIFIC?

- Established in 1862 making it 160 years old
- Largest rail company that spans over 23 states
- Over 32,000 miles of track west of the Mississippi
- Supplies jobs to over 32,000 people
- Delivers “North America’s safest, most reliable, and most efficient supply chain solutions”



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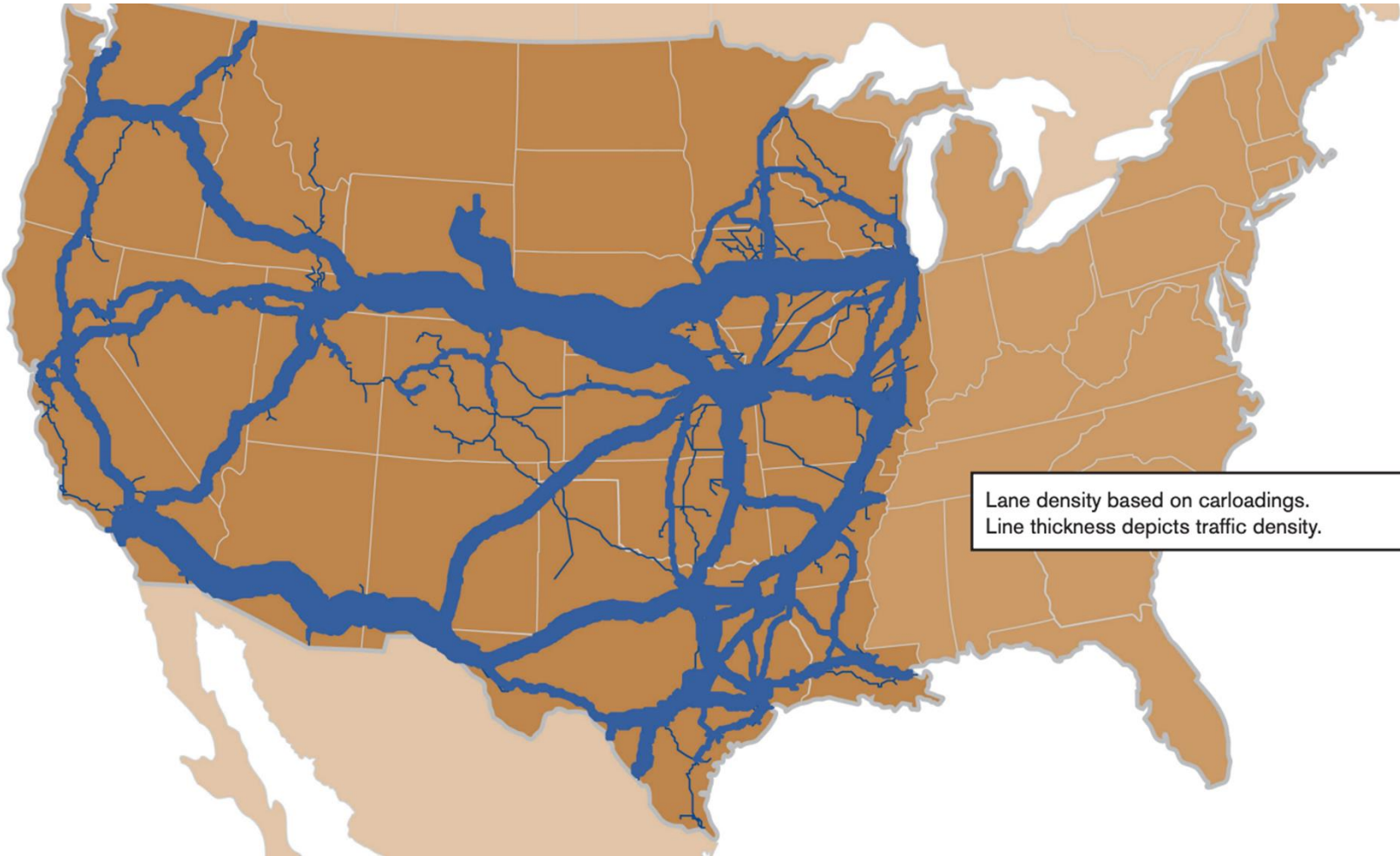
NETWORK MAP

- Spans from Mississippi River to the West Coast
- Increased efficiency with use of:
 - Single track
 - Double track
 - Triple track
 - Quadruple track



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NETWORK DENSITY



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RECENT NEWS

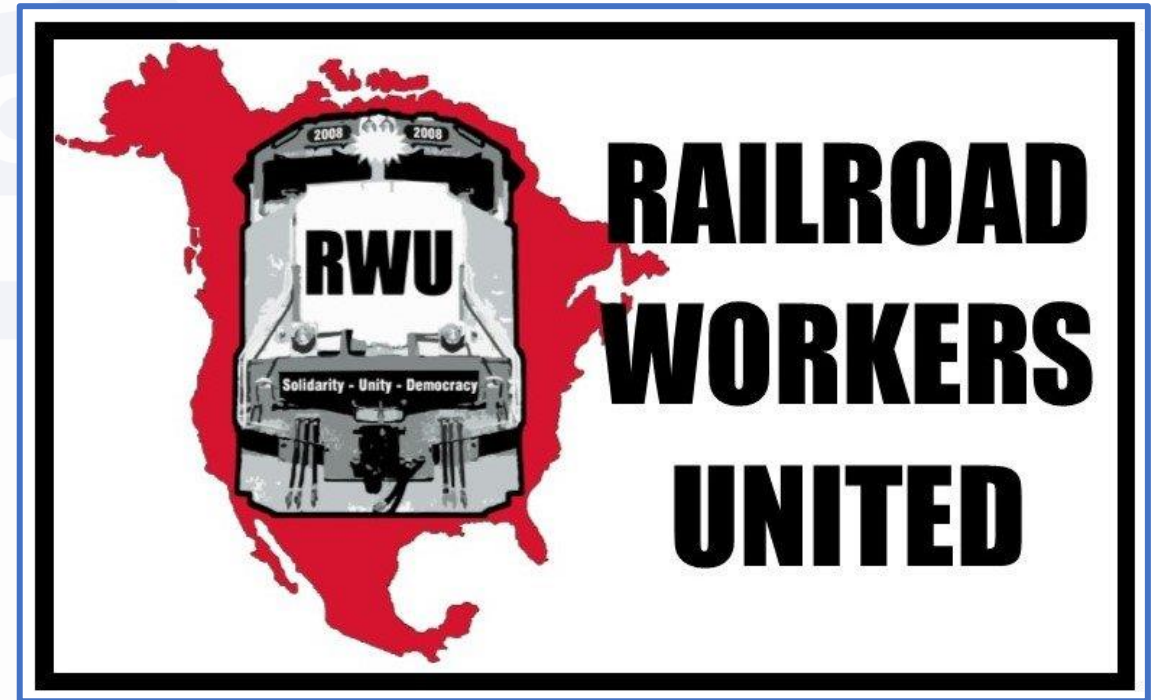
- Signed deal worth \$1 Billion with WABTEC to modernize 600 of UNP's current locomotives
- Fuel efficiency improvement of up to 18%
- More than 80% increase in reliability
- Haulage ability increase of more than 55%



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RECENT NEWS

- Out of 12 unions:
 - 7 unions have ratified the new deal
 - 2 unions have rejected
 - 3 unions have yet to decide
- Results of vote are expected Nov. 21
- "Any shutdown would be completely unacceptable"
 - White House press secretary
Karine Jean-Pierre



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COMPANY BREAKDOWN

Braden Jenschke

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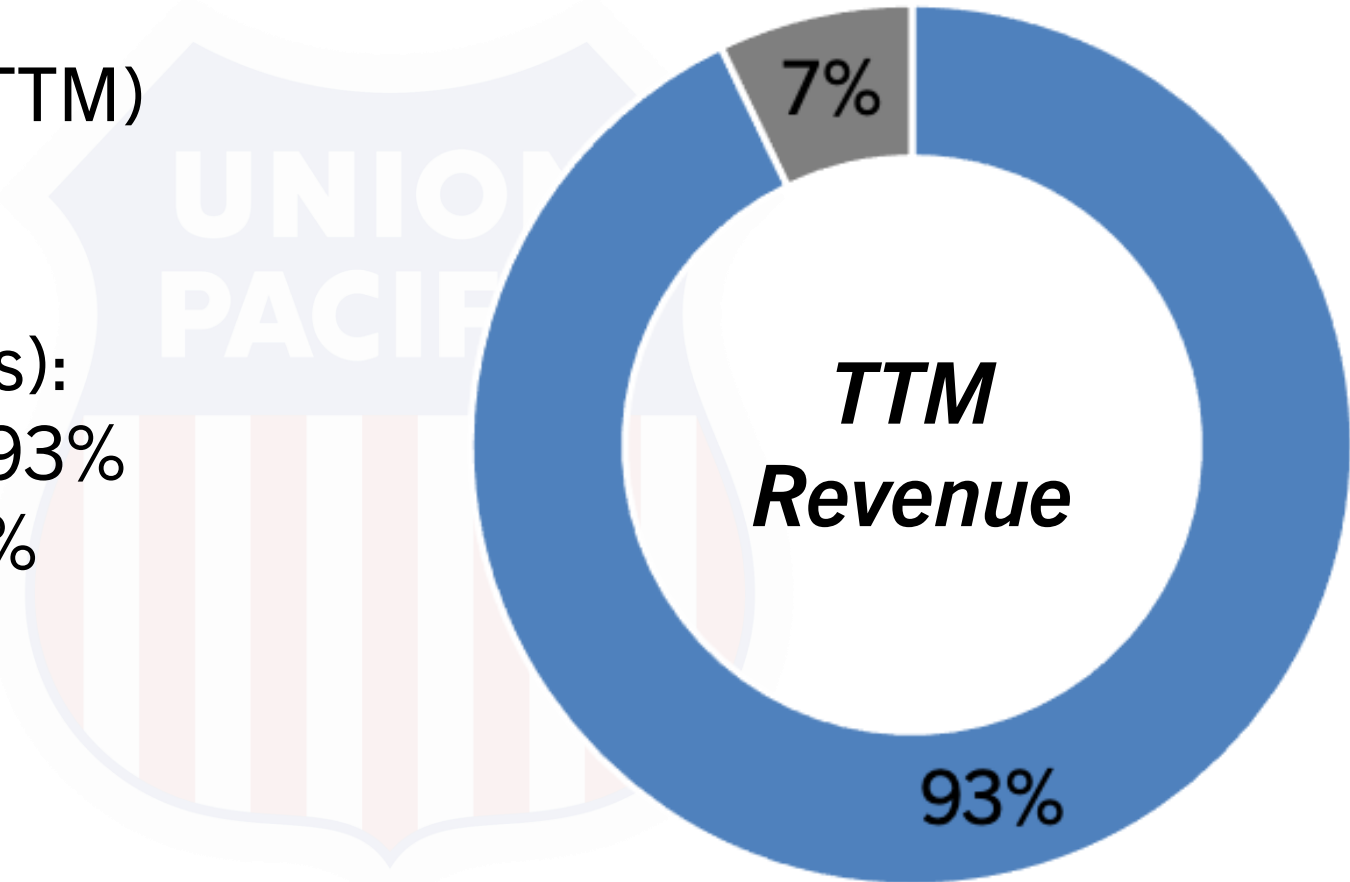
CONCLUSION

TOTAL REVENUE BREAKDOWN

Trailing Twelve Months (TTM)
Revenue: \$24.4 billion

Total Revenue (Two Areas):

- Freight revenues – 93%
- Other revenues – 7%
 - Fuel surcharge



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FREIGHT SEGMENTS



Bulk



Industrial



Premium



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FREIGHT REVENUE BREAKDOWN

Bulk - \$7.4 Billion

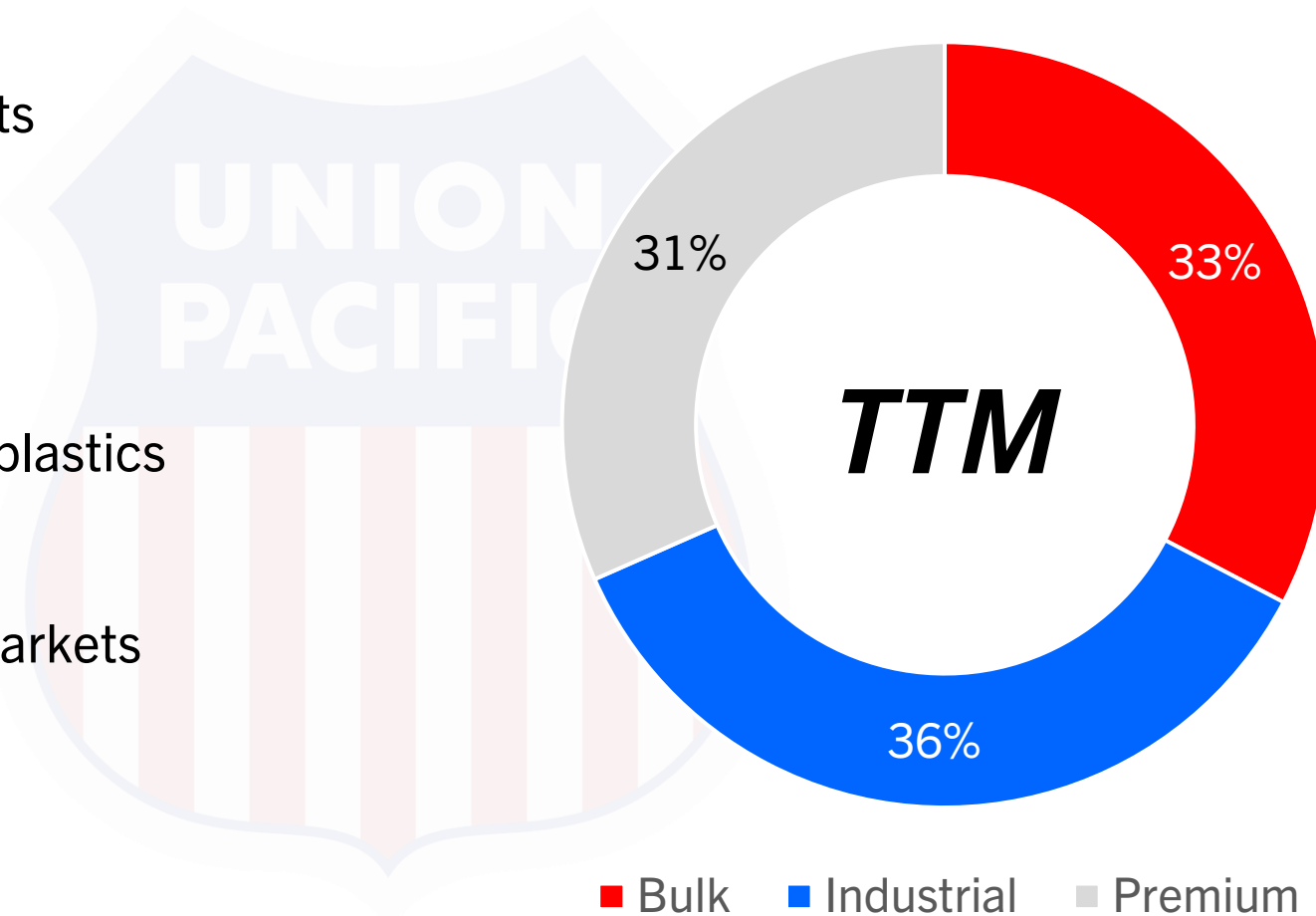
- Grain and grain products
- Fertilizer
- Food and refrigerated
- Coal and renewables

Industrial - \$8.1 Billion

- Industrial chemicals & plastics
- Metals & minerals
- Forest products
- Energy & specialized markets

Premium - \$7.2 Billion

- Automobiles
- Intermodal



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BULK SEGMENT



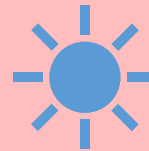
Grain and grain products



Food and refrigerated



Fertilizer



Coal and renewables

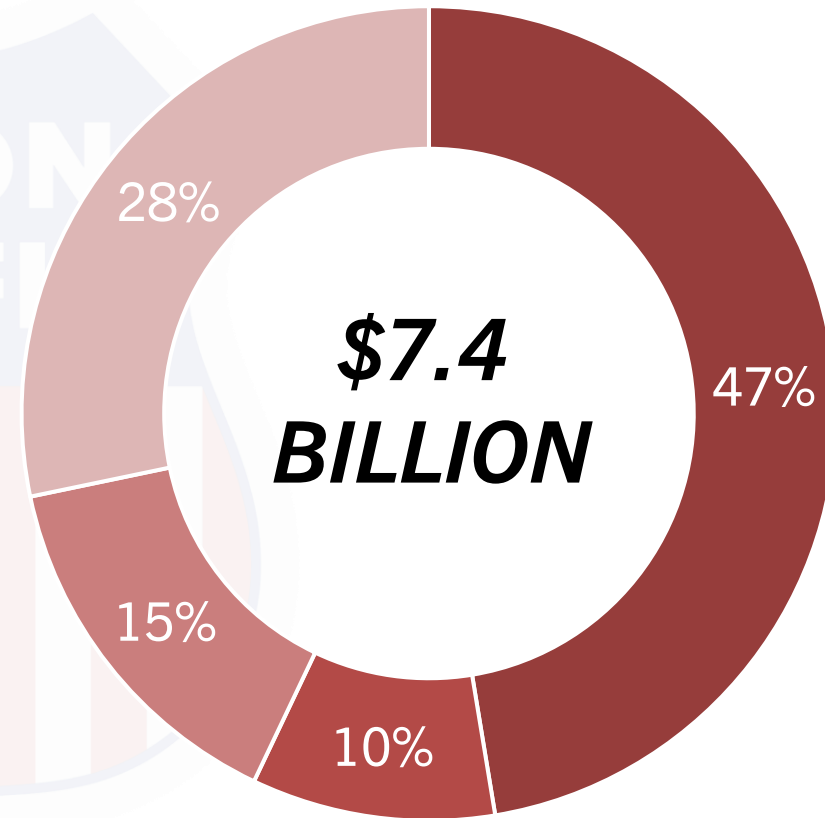


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BULK REVENUE TTM

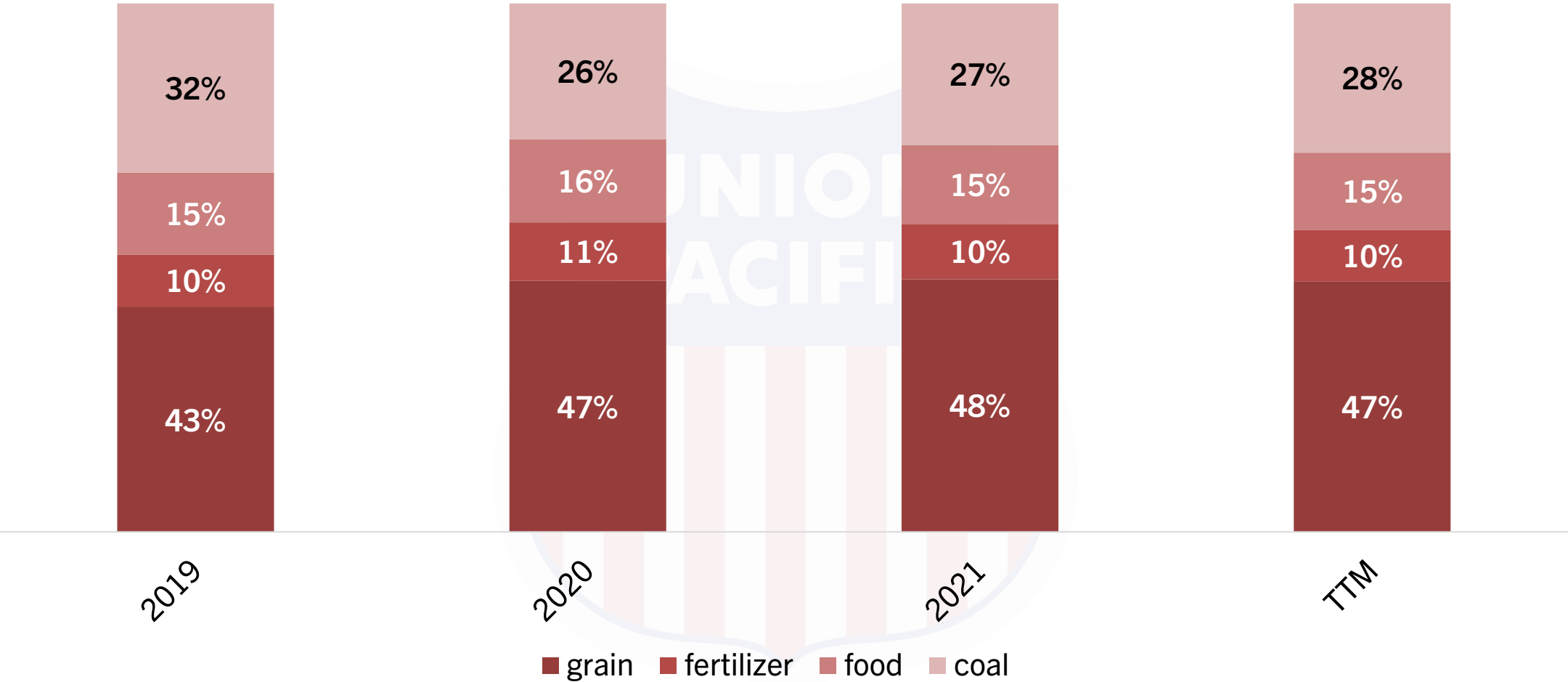
Bulk Revenues:

- Grain & grain products – 47%
- Fertilizer – 10%
- Food & refrigerated – 15%
- Coal & renewables – 28%



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BULK REVENUE MIX



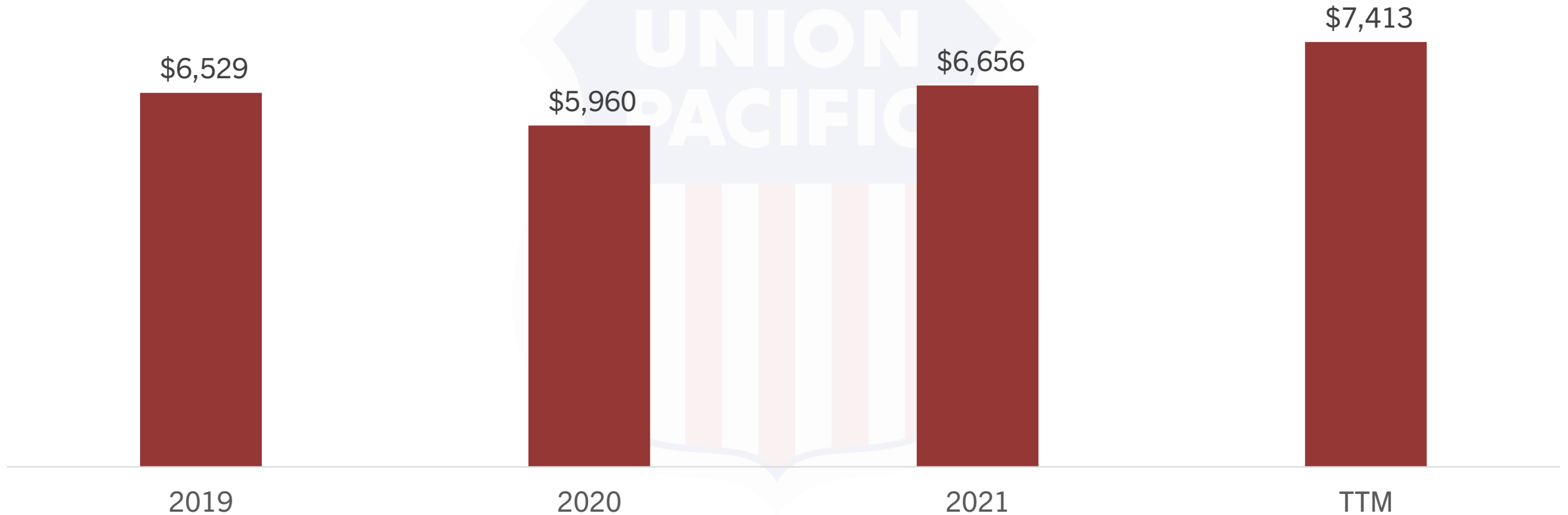
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BULK REVENUE

CAGR

3 Year 4.32%

In Millions



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INDUSTRIAL SEGMENT



Industrial Chemicals &
Plastics



Forest products



Metals & Minerals



Energy & specialized
markets

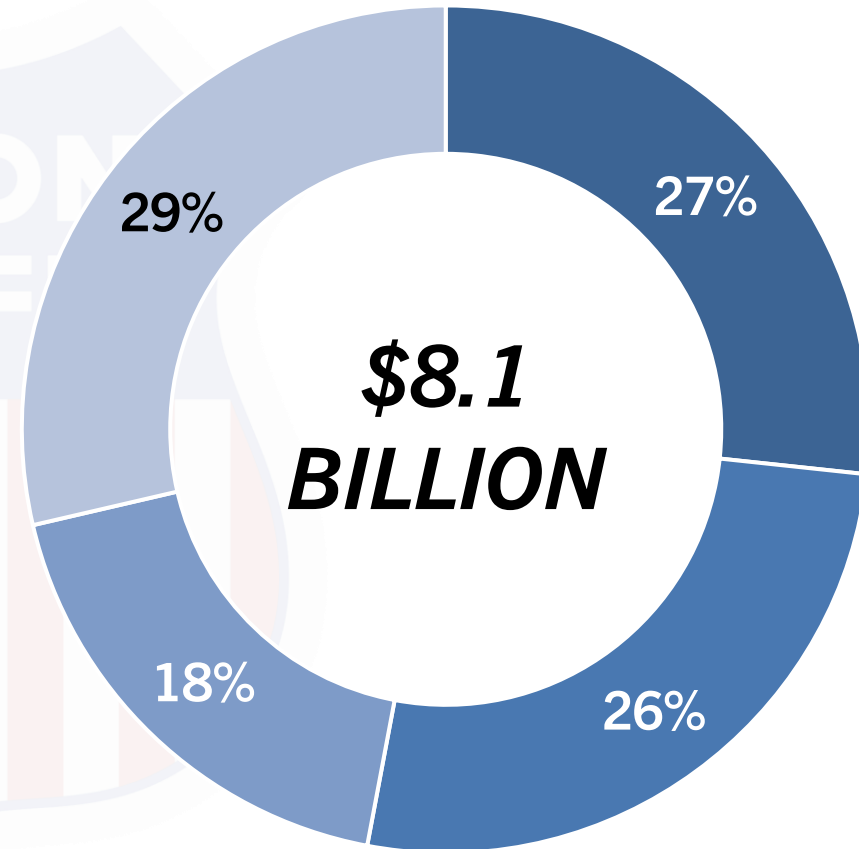


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INDUSTRIAL REVENUE TTM

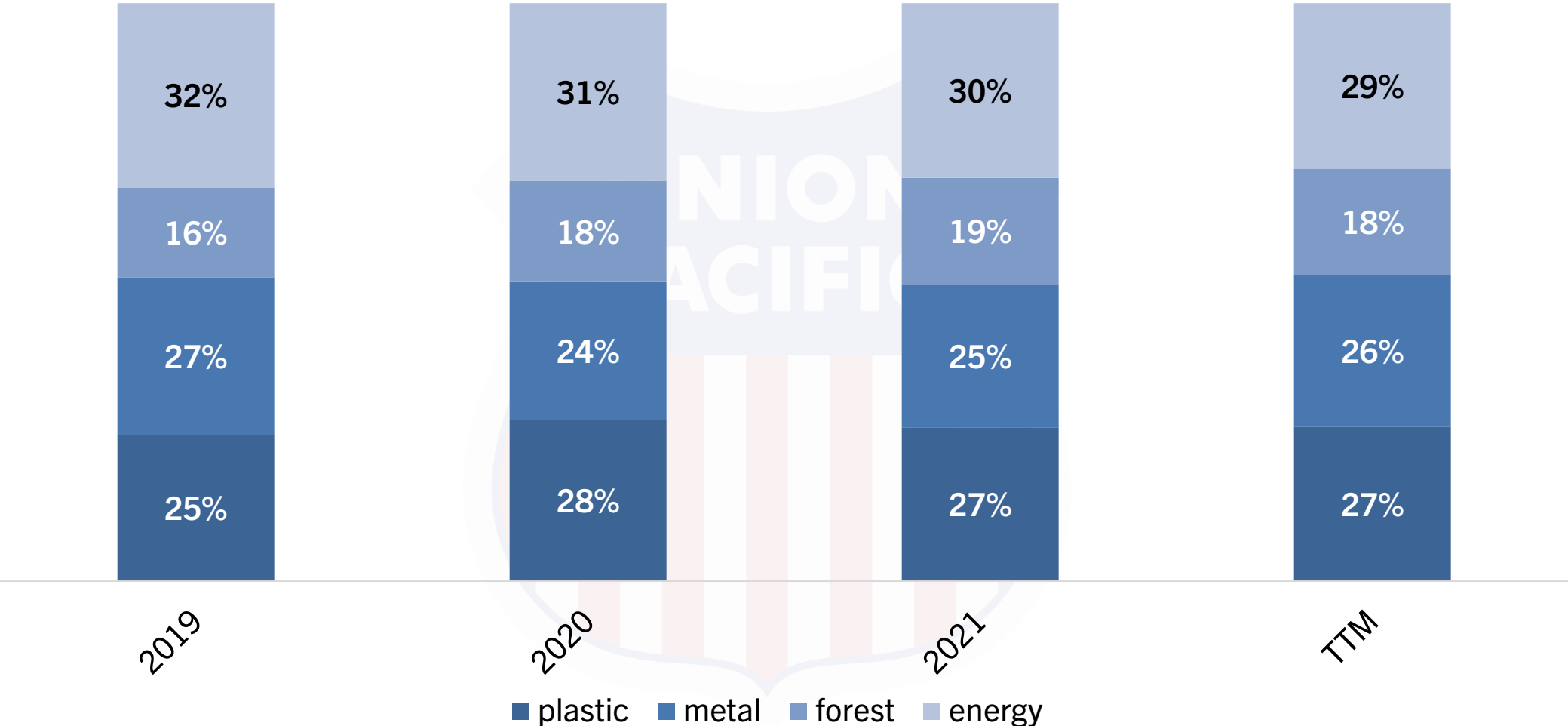
Industrial Revenues:

- Industrial chemicals & plastics – 27%
- Metals & minerals – 26%
- Forest products – 18%
- Energy & specialized markets – 29%



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INDUSTRIAL REVENUE MIX



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INDUSTRIAL REVENUE

CAGR

In Millions

3 Year 2.74%

\$7,472



2019

\$6,622



2020

\$7,323



2021

\$8,103



TTM



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PREMIUM SEGMENT



Automobiles



Intermodal

Intermodal:

- Refers to moving freight by two or more modes of transportation
- Shipments moving seamlessly between trucks, trains and cargo ships

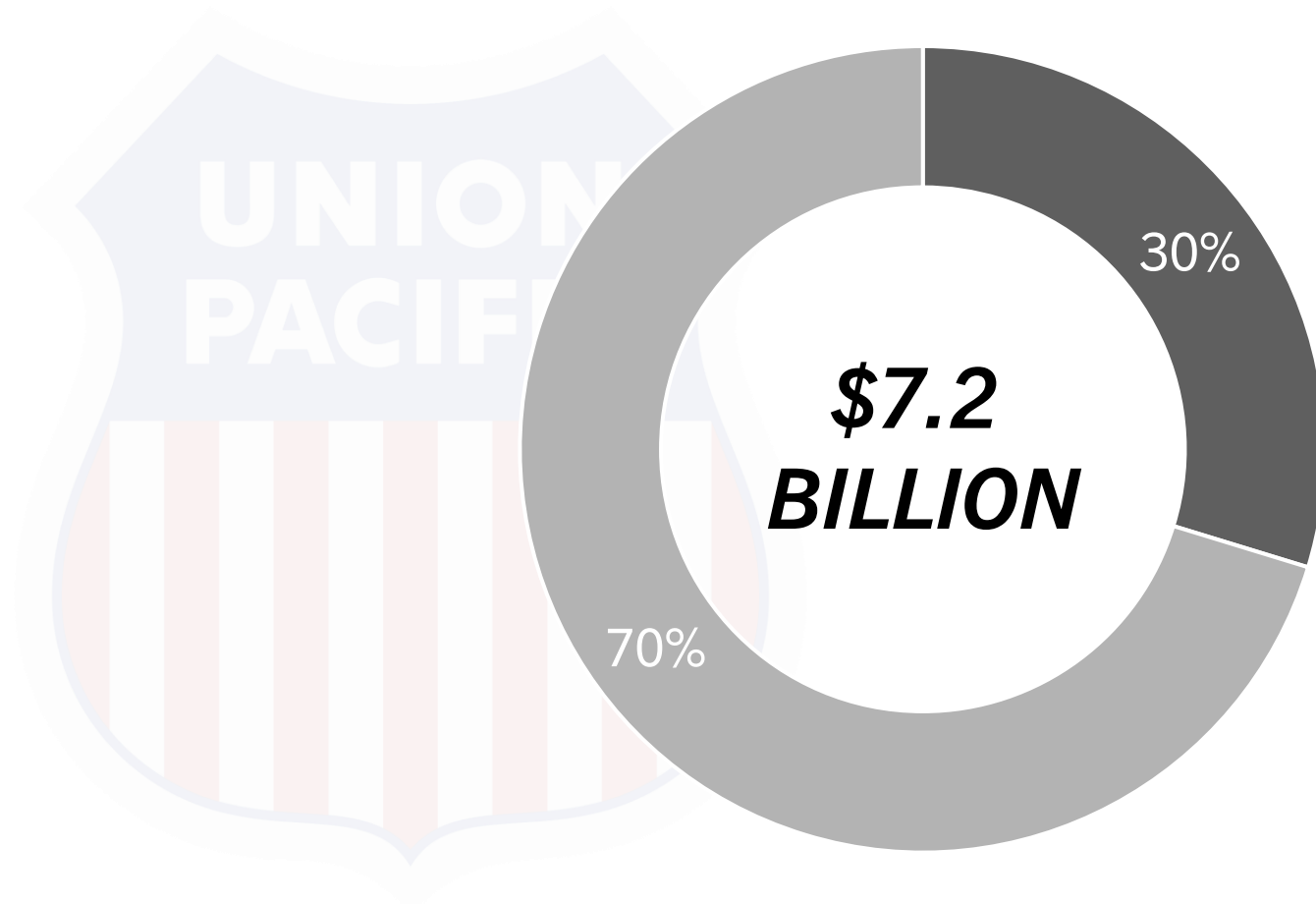


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PREMIUM REVENUE TTM

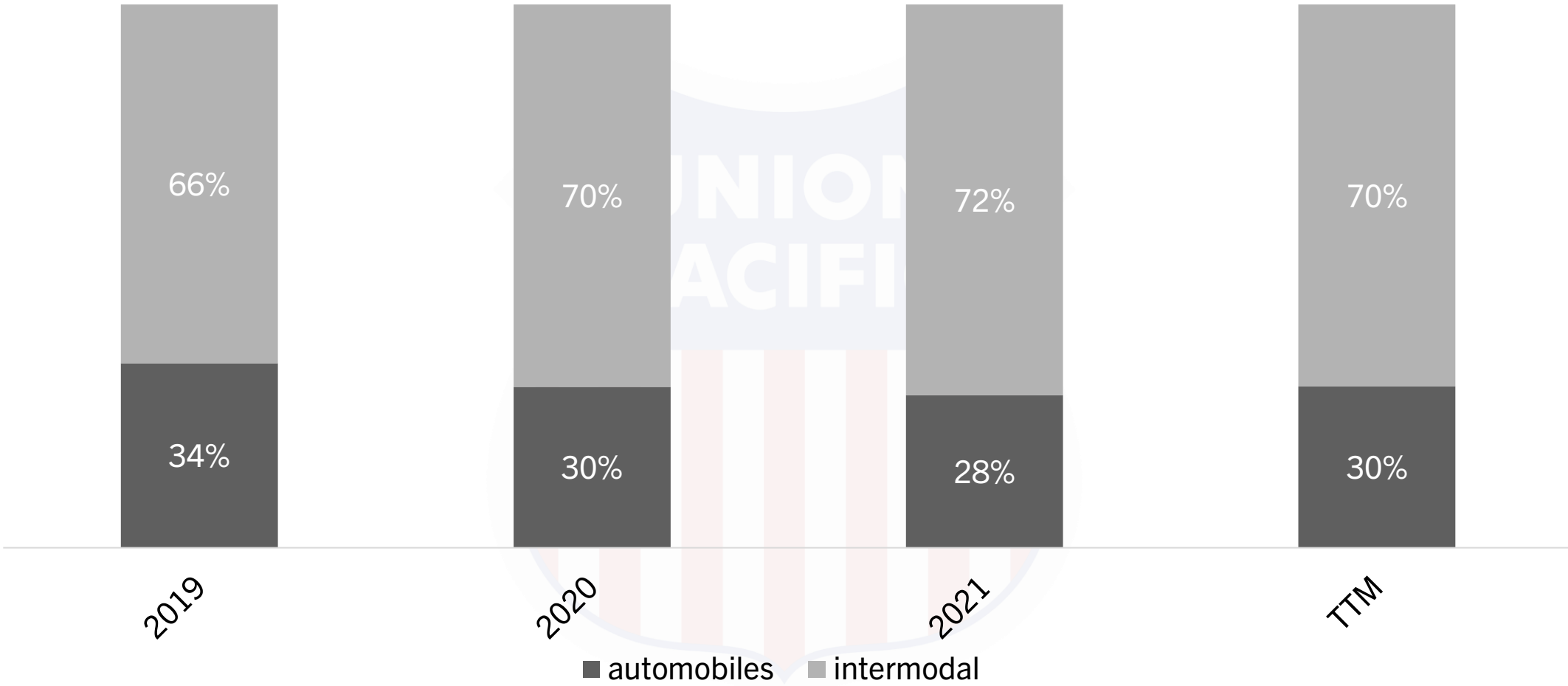
Premium:

- Automobiles – 30%
- Intermodal – 70%



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PREMIUM REVENUE MIX



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PREMIUM REVENUE

CAGR

3 Year 4.74%

In Millions

\$6,242

2019

\$5,669

2020

\$6,265

2021

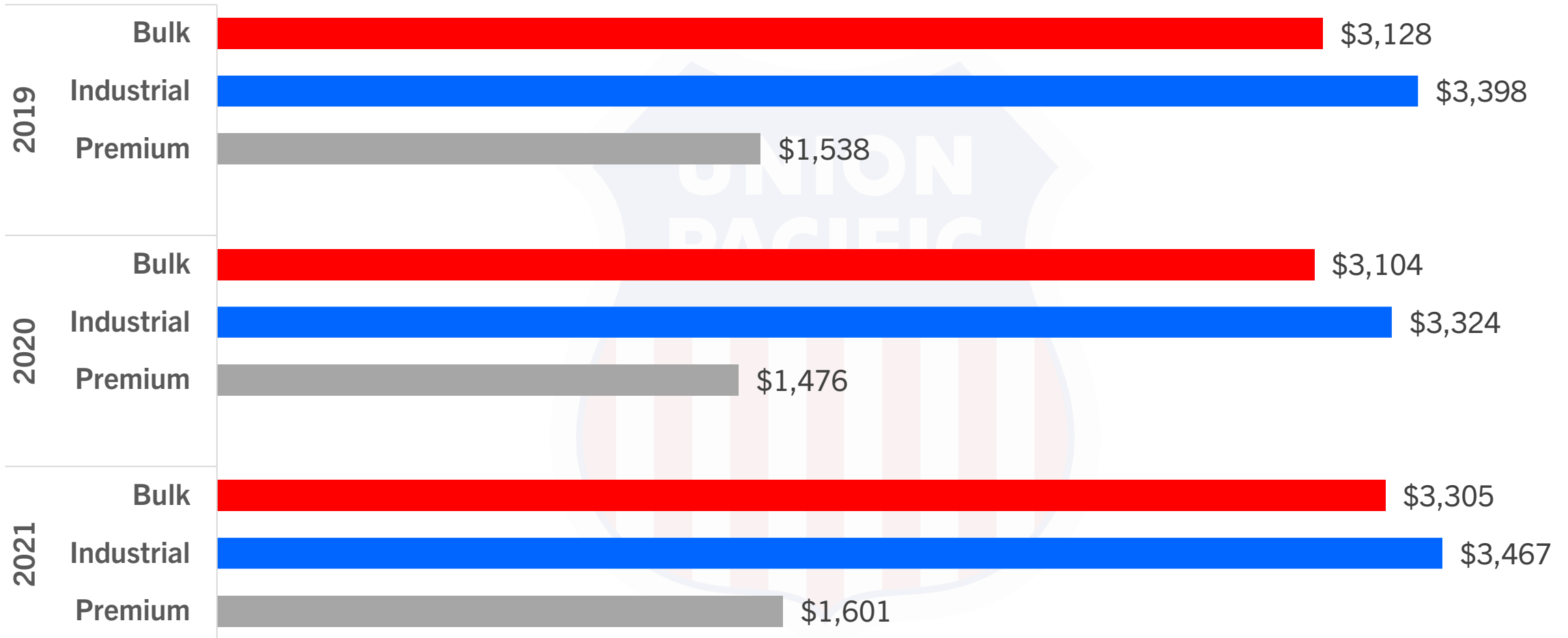
\$7,172

TTM



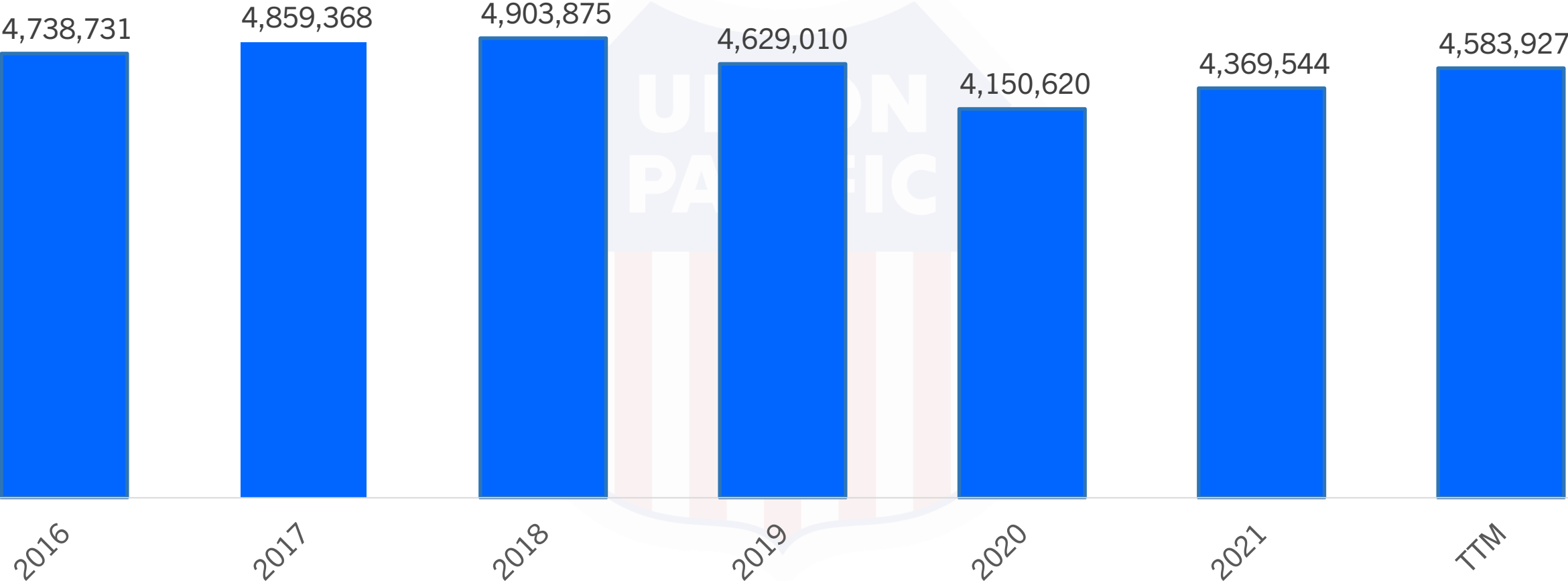
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AVERAGE REVENUE PER CAR



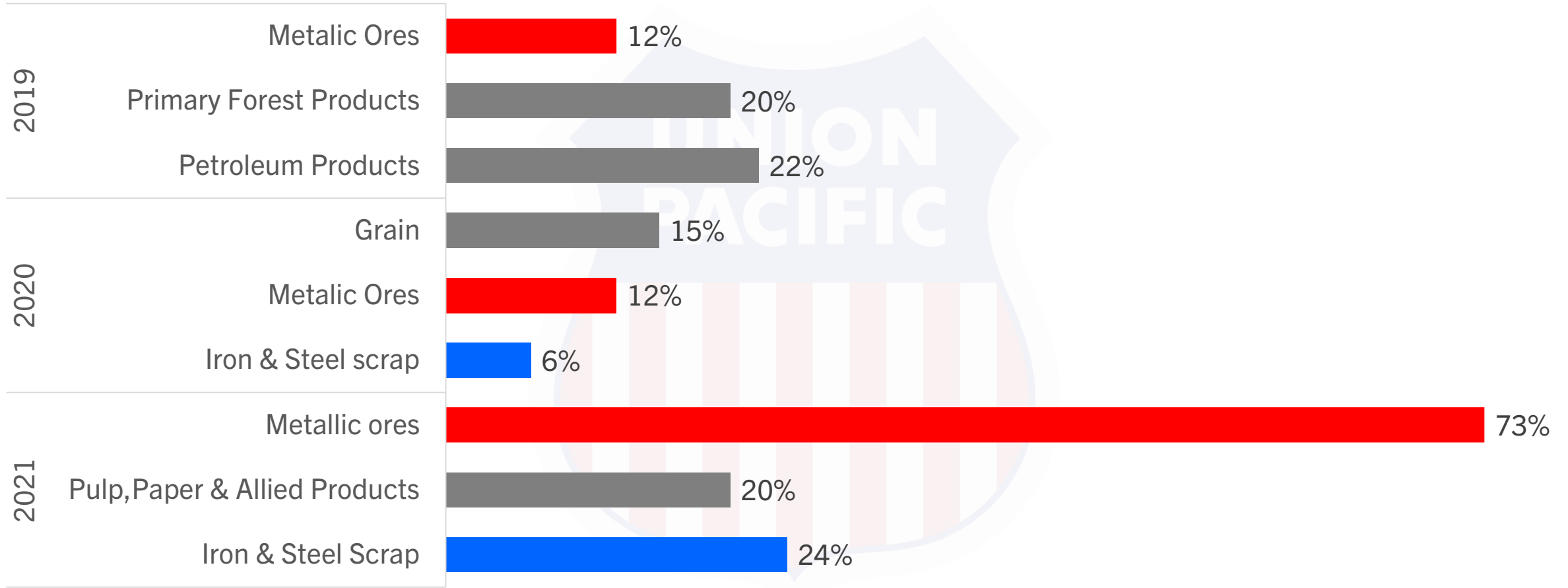
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TOTAL CARLOADS



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FASTEST GROWTH PRODUCTS



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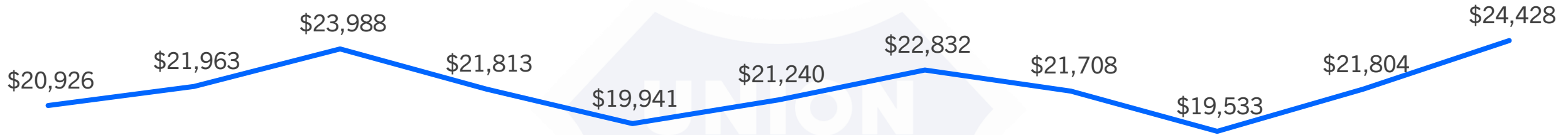


INTERPRETATION OF FINANCIAL STATEMENTS

Joaquin Rodriguez

REVENUE

In Millions



CAGR	
3-YR	4%
5-YR	3%
10-YR	2%

2012

2013

2014

2015

2016

2017

2018

2019

2020

2021

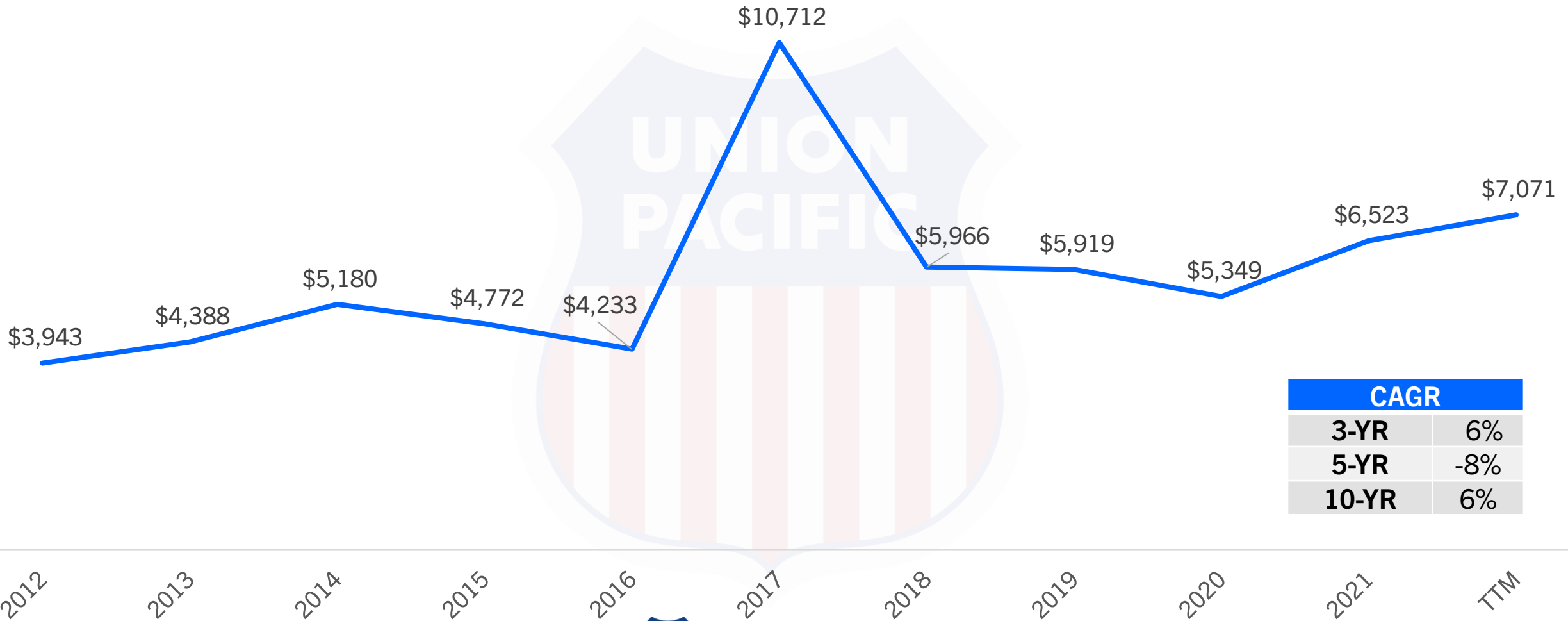
TTM



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NET INCOME

In Millions



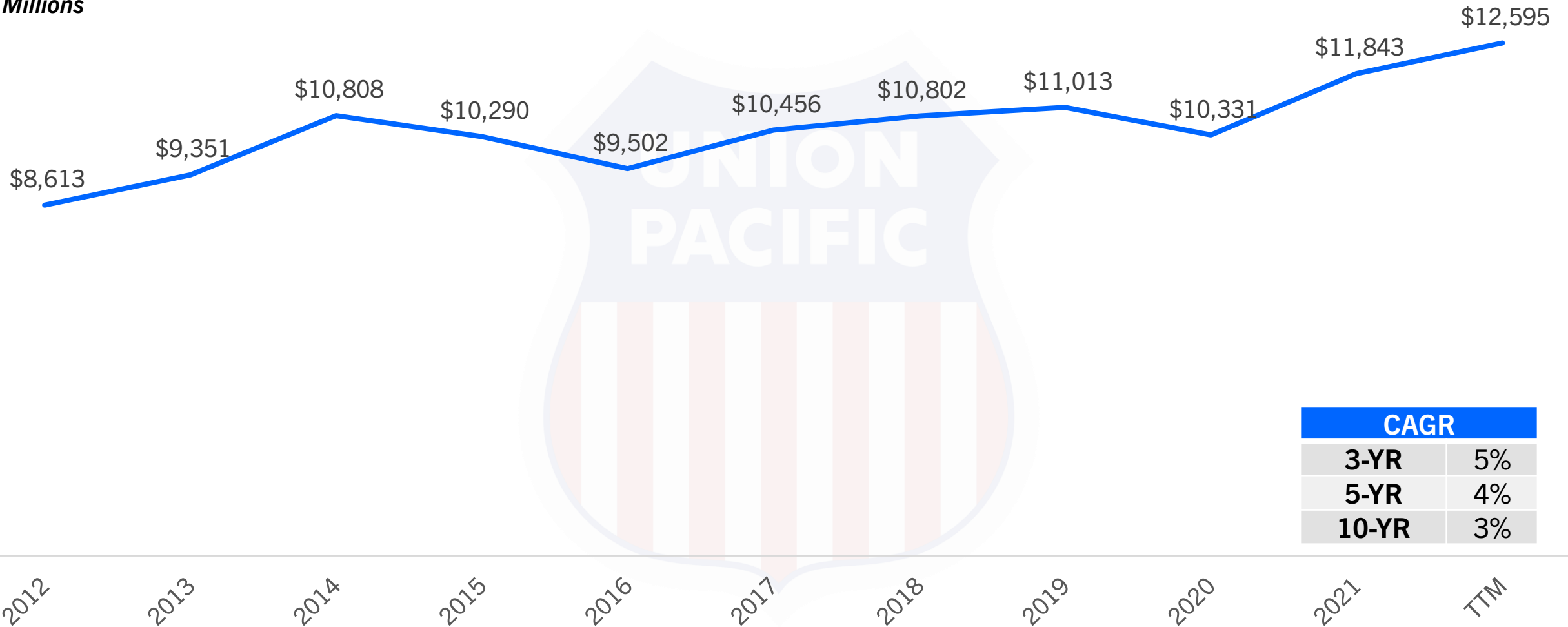
CAGR	
3-YR	6%
5-YR	-8%
10-YR	6%



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EBITDA

In Millions

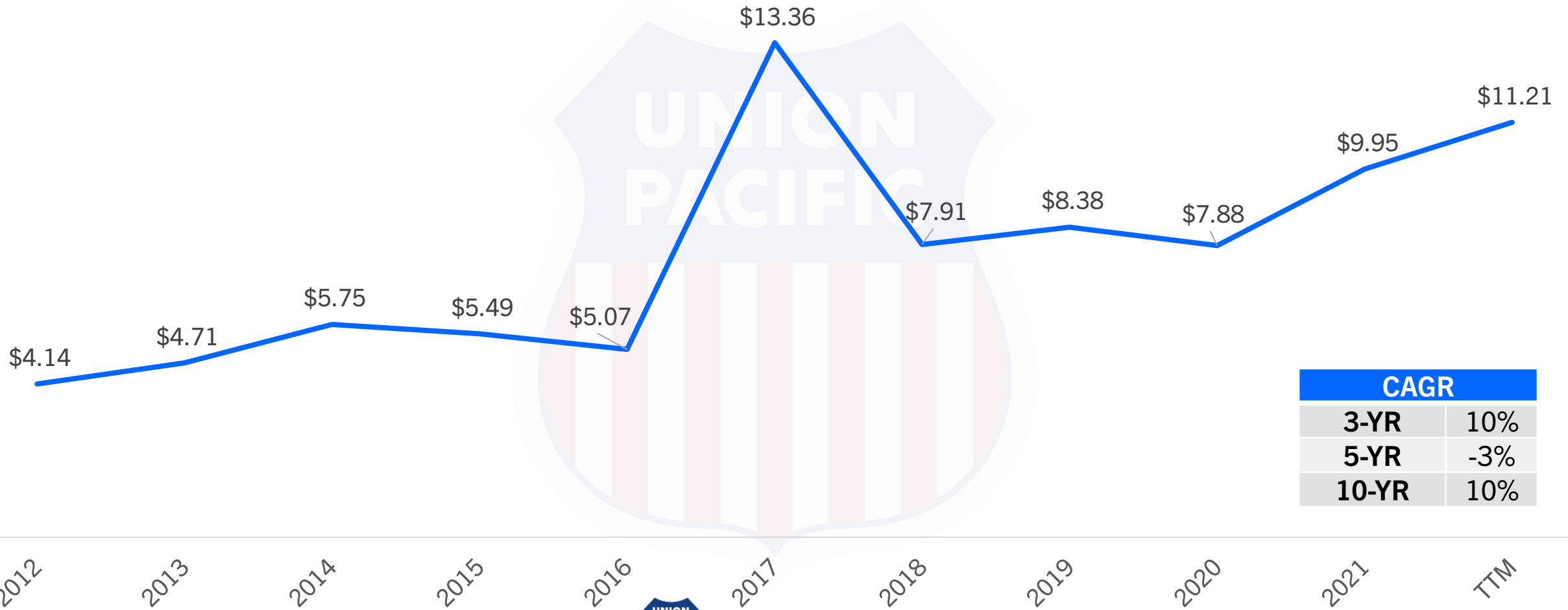


CAGR	
3-YR	5%
5-YR	4%
10-YR	3%



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EARNINGS PER SHARE



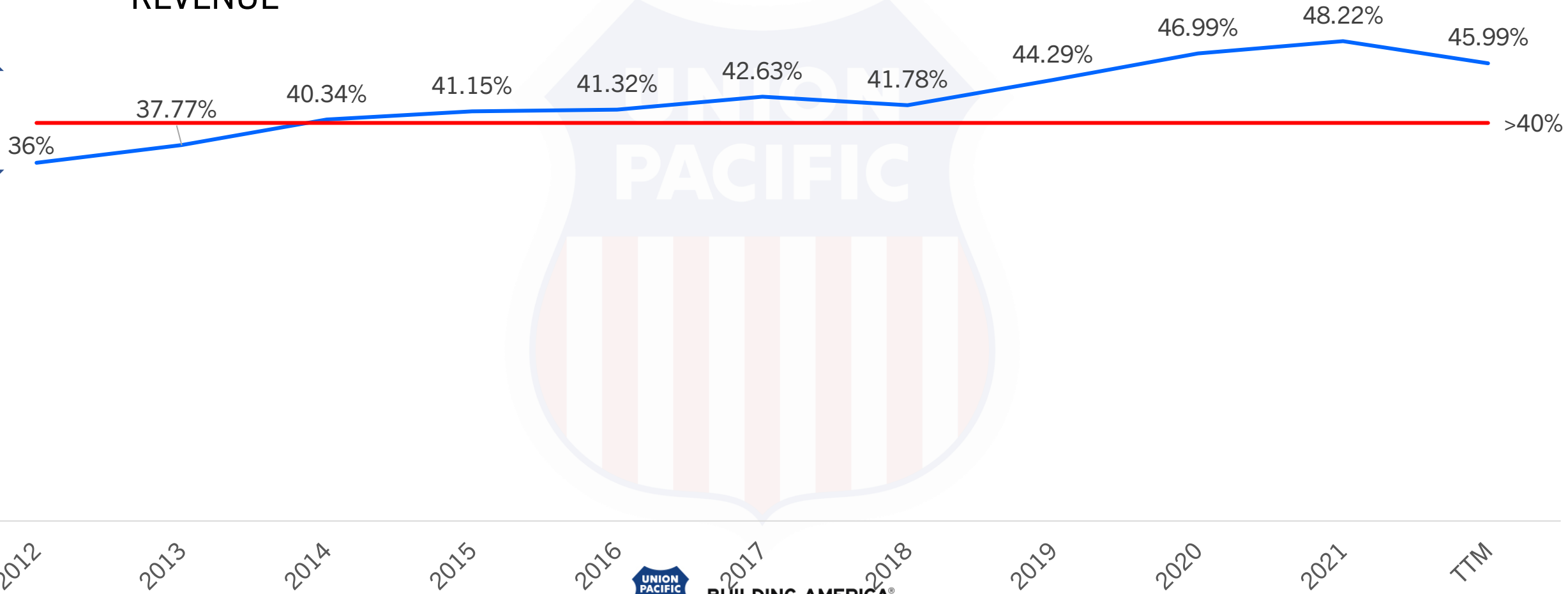
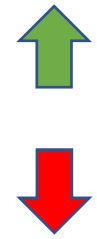
CAGR	
3-YR	10%
5-YR	-3%
10-YR	10%



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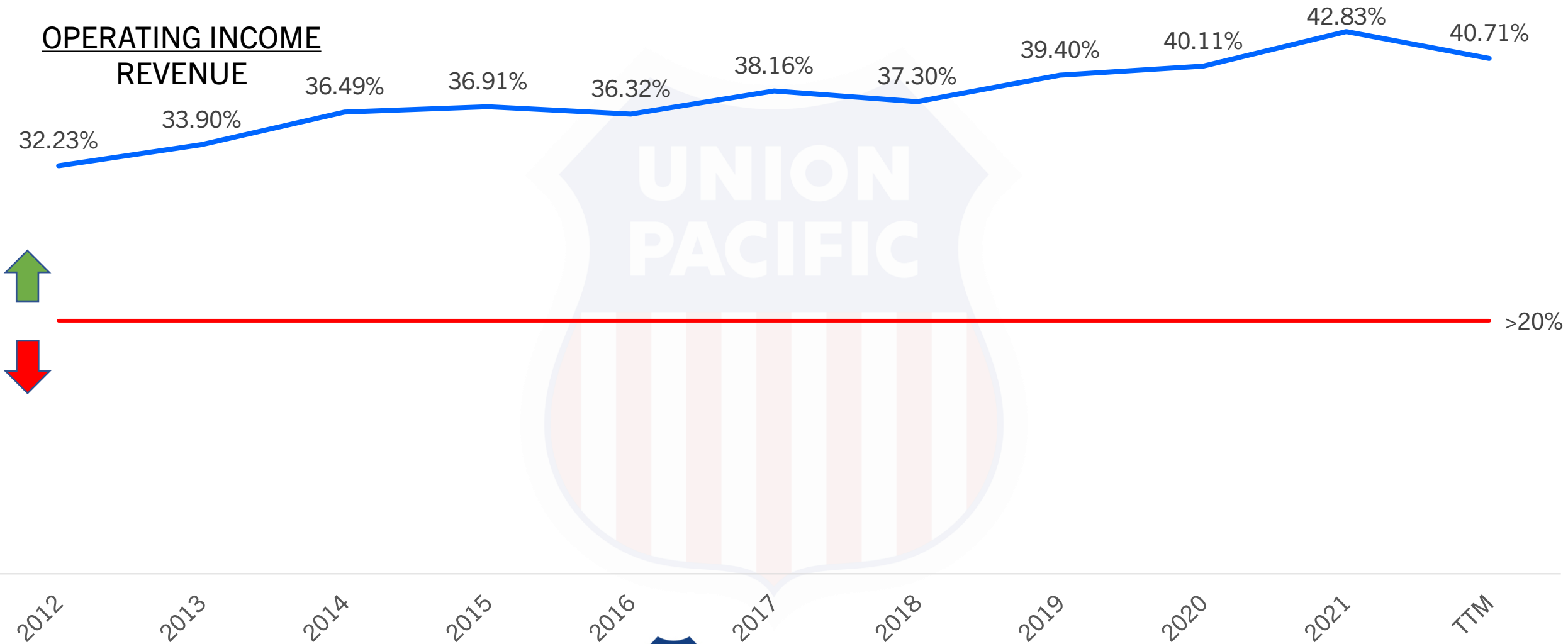
GROSS MARGIN

GROSS PROFIT
REVENUE



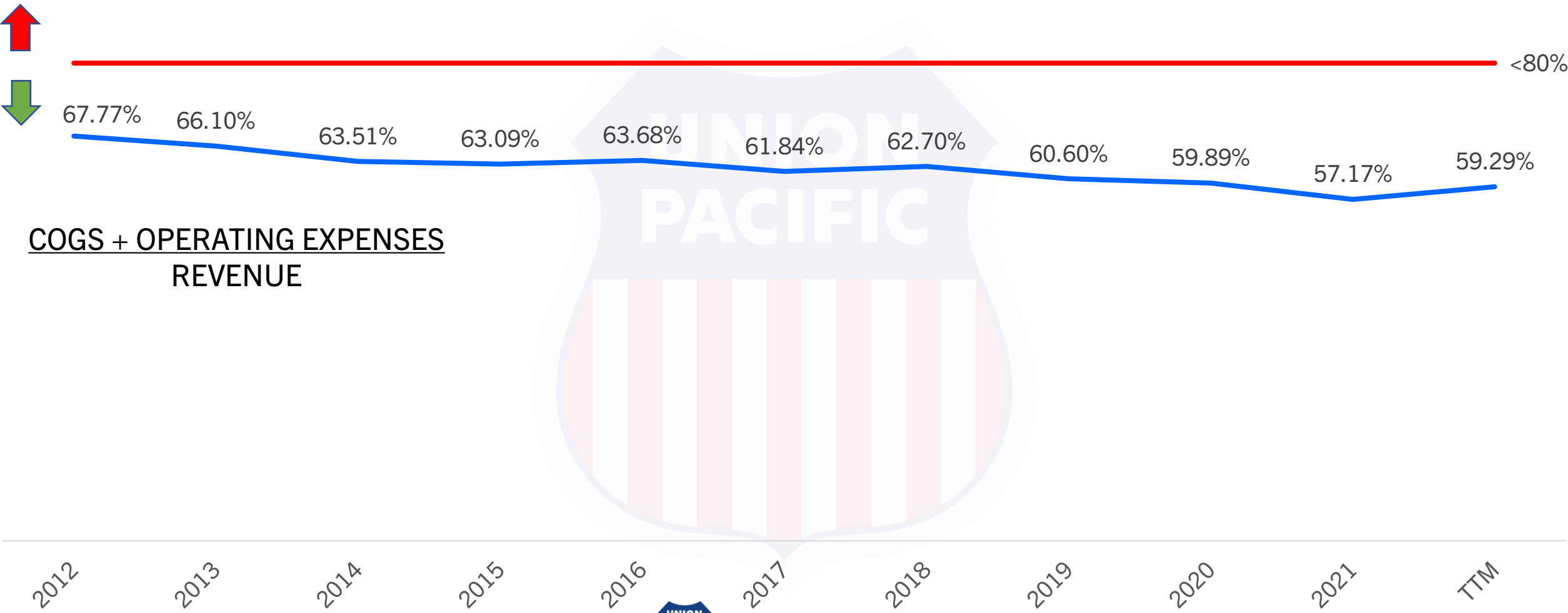
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OPERATING MARGIN



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OPERATING RATIO



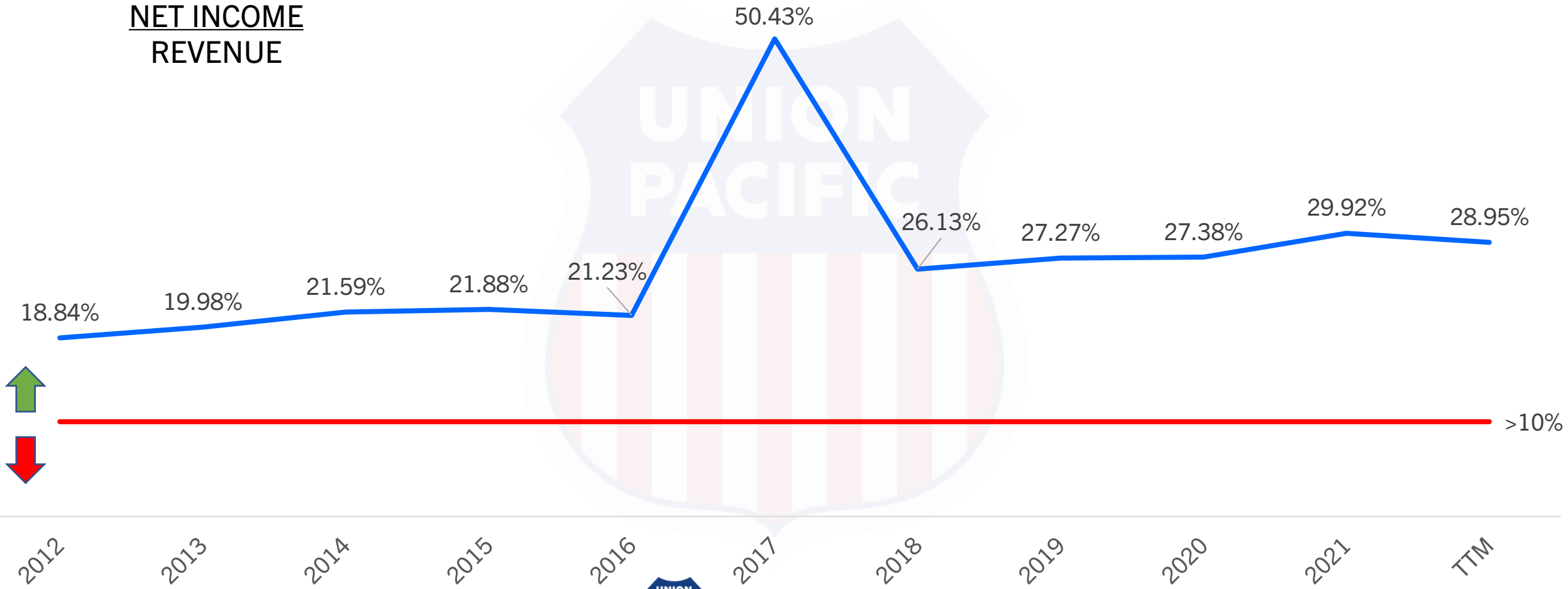
COGS + OPERATING EXPENSES
REVENUE



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NET MARGIN

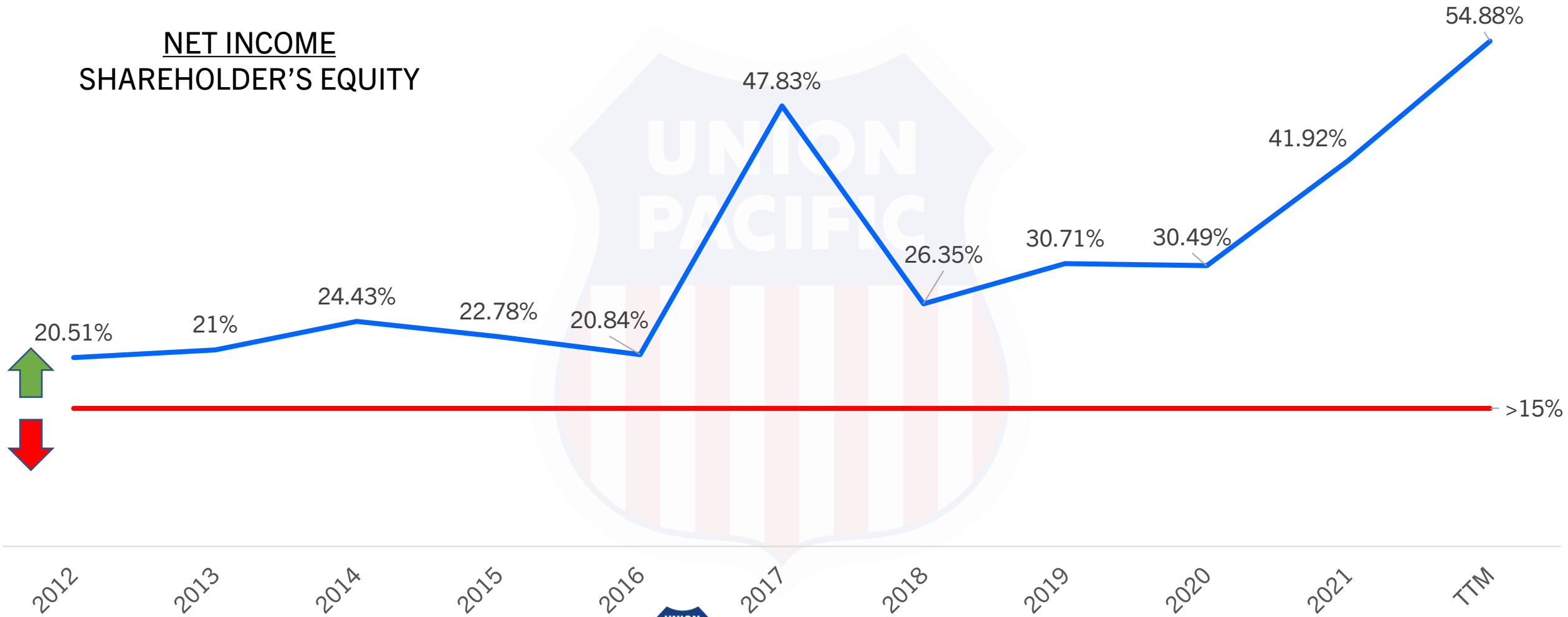
NET INCOME
REVENUE



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RETURN ON EQUITY

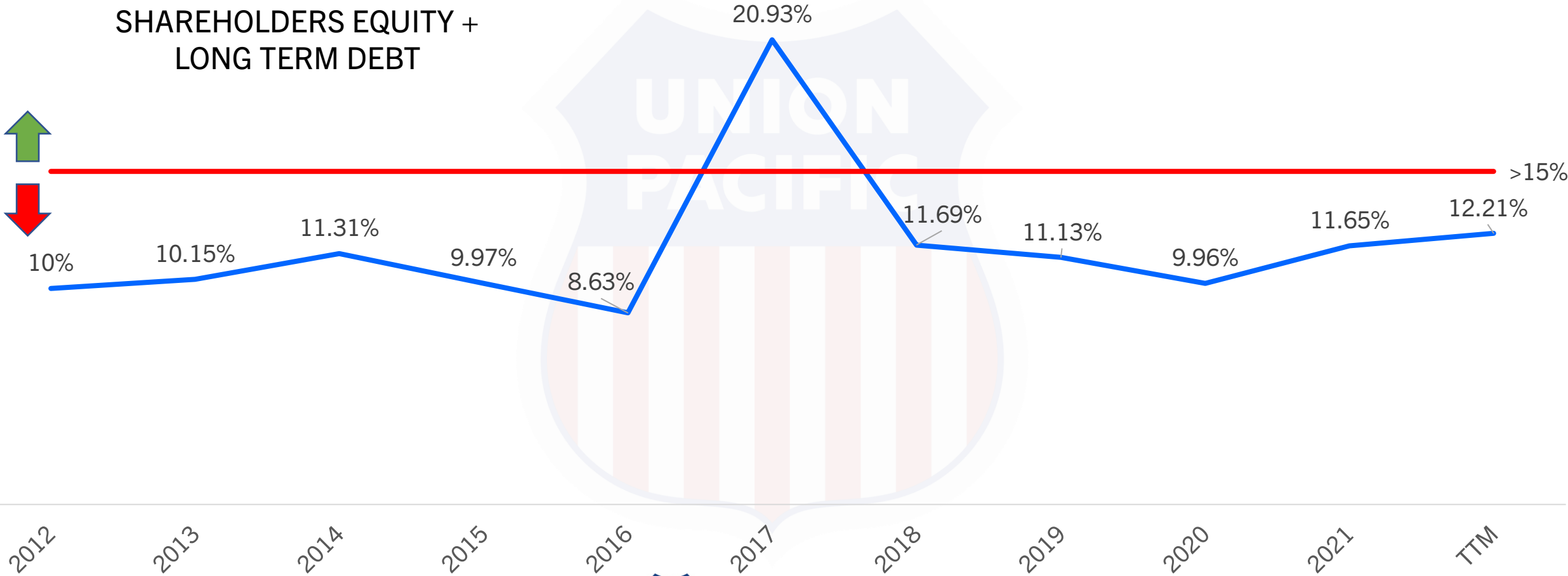
NET INCOME
SHAREHOLDER'S EQUITY



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RETURN ON INVESTED CAPITAL

NET INCOME
SHAREHOLDERS EQUITY +
LONG TERM DEBT

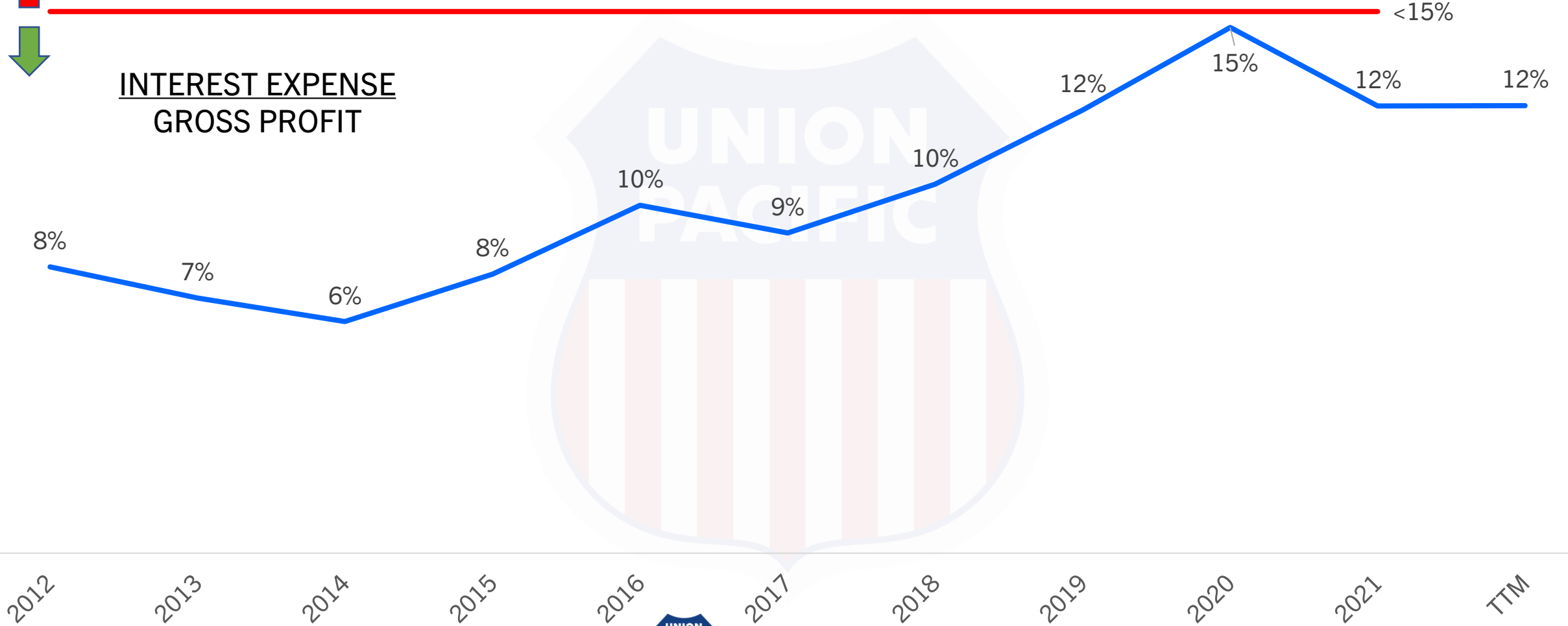


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INTEREST AS A % OF OPERATING INCOME

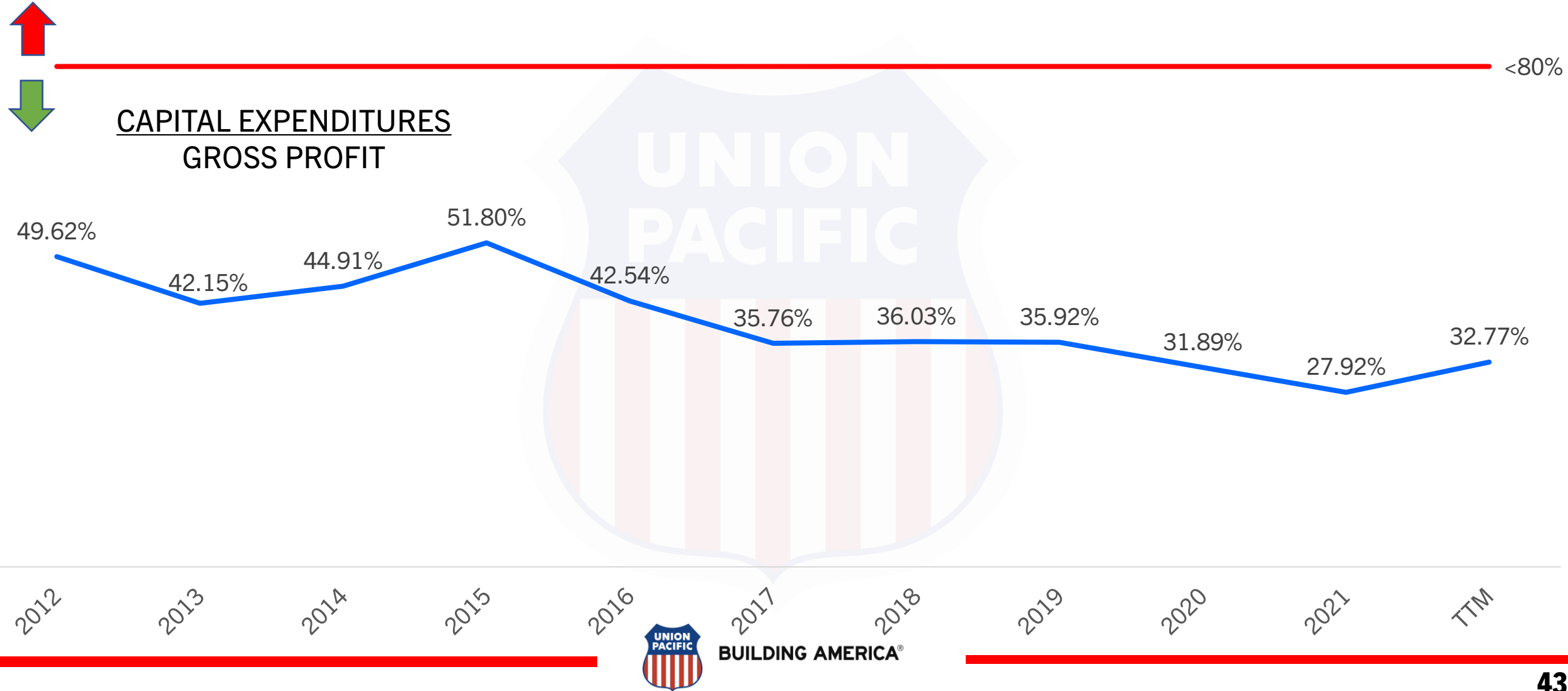


INTEREST EXPENSE
GROSS PROFIT



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CAPITAL EXPENDITURE AS A % OF GROSS PROFIT



CASH FLOW FROM OPERATIONS

In Millions



CAGR	
3-YR	4%
5-YR	6%
10-YR	5%



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FREE CASH FLOW

In Millions



CAGR	
3-YR	5%
5-YR	8%
10-YR	9%



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OBLIGATION RATIO

(+) LT Debt	\$31,744
(+) ST Debt	\$1,678
(+) Leases *7	\$2,282
(+) Pension Shortfall	\$0
(+) Preferred Stock	\$0
(-) Cash	\$1,267
<hr/>	
Net Income	\$7,071

Obligation Ratio = **4.87 Years**



DEBT MATURITY SCHEDULE

IN MILLIONS	DEBT
TIME:	
2022	\$2,180
2023	\$1,385
2024	\$1,439
2025	\$1,429
2026	\$1,016
THEREAFTER	\$24,043
UNAMORTIZED DISCOUNT AND DEFERRED OF ISSUANCE COSTS	(\$1,763)
TOTAL	\$29,729





MANAGEMENT

Brandon Chaney

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MANAGEMENT



Lance Fritz
President & CEO

Tenure: 22 Years



Jennifer Hamann
Executive VP & CFO

Tenure: 30 Years



Kenny Rocker
Executive VP, Marketing and Sales

Tenure: 27 Years



Conductor Santi
VP, Conducting

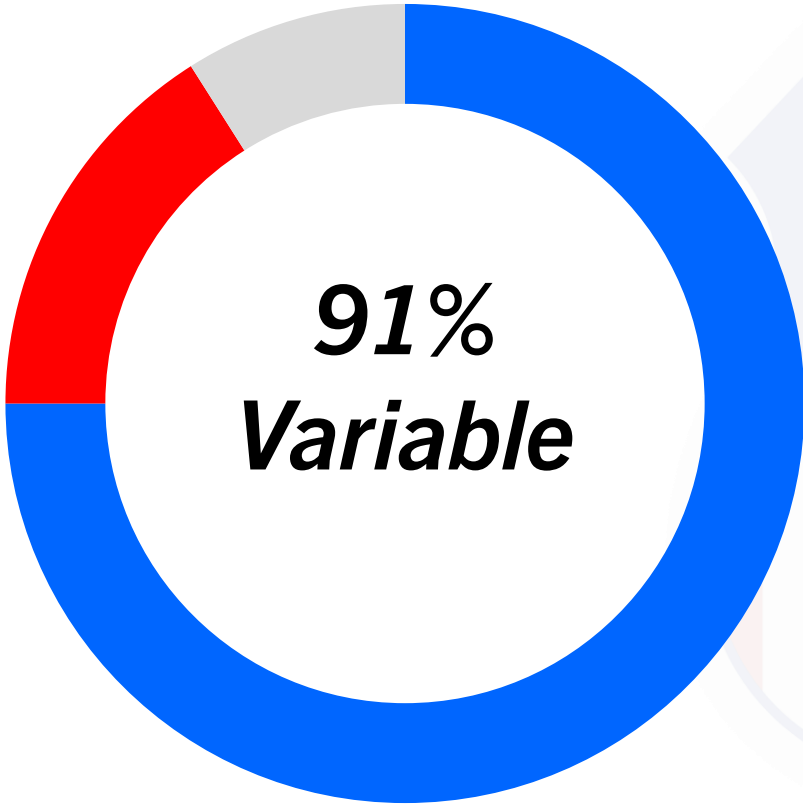
Tenure: 5 Years



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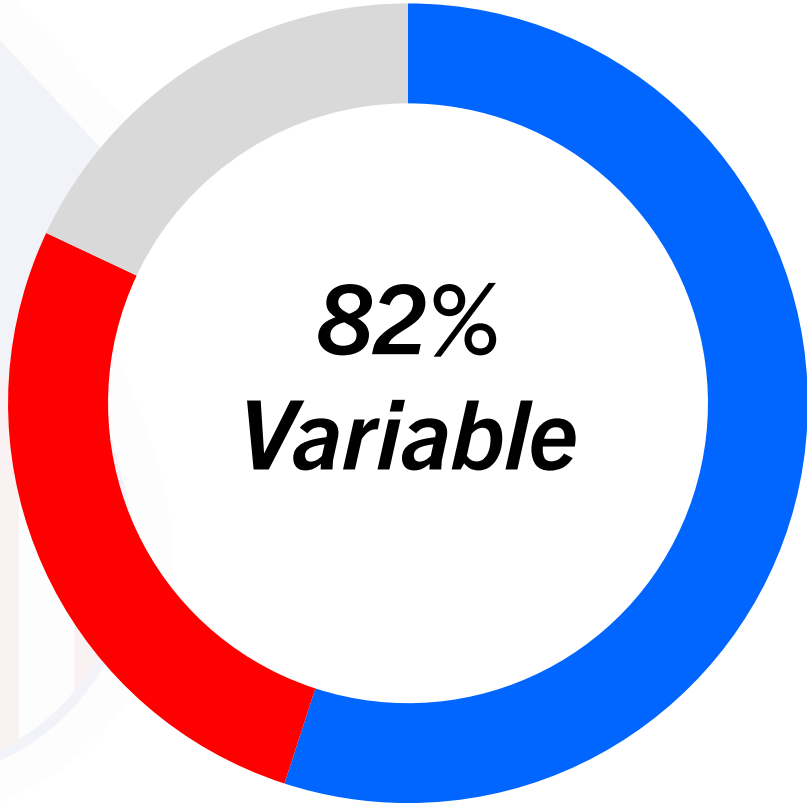
MANAGEMENT COMPENSATION

CEO Compensation Structure



■ Long-Term Incentives ■ Annual Incentive Bonus ■ Base Salary

NEO Compensation Structure



■ Long-Term Incentives ■ Annual Incentive Bonus ■ Base Salary



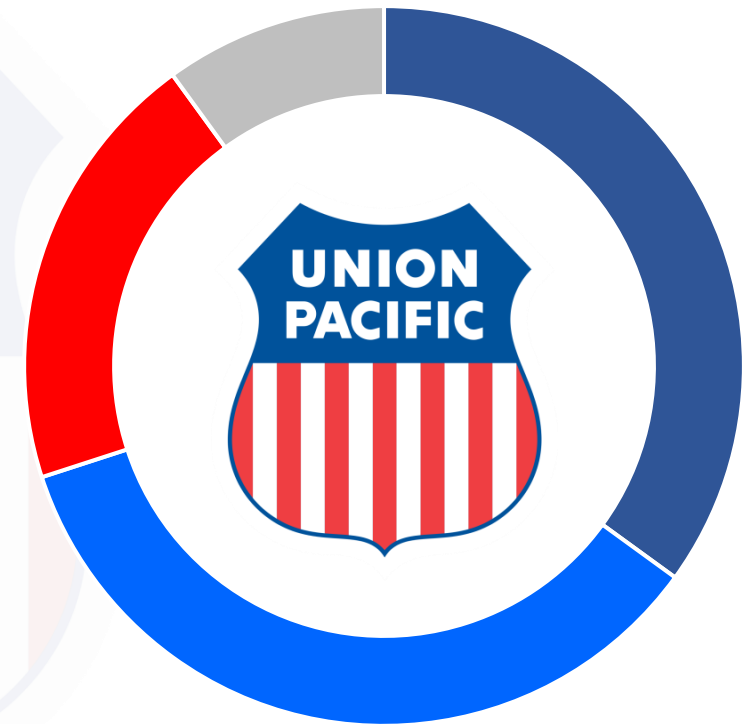
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ANNUAL INCENTIVE PLAN

Annual Incentive Plan Mix

Annual Incentive Plan:

- Operating Income – 35%
- Operating Ratio – 35%
- Strategic Scorecard – 20%
- Individual Performance – 10%



■ Operating Income

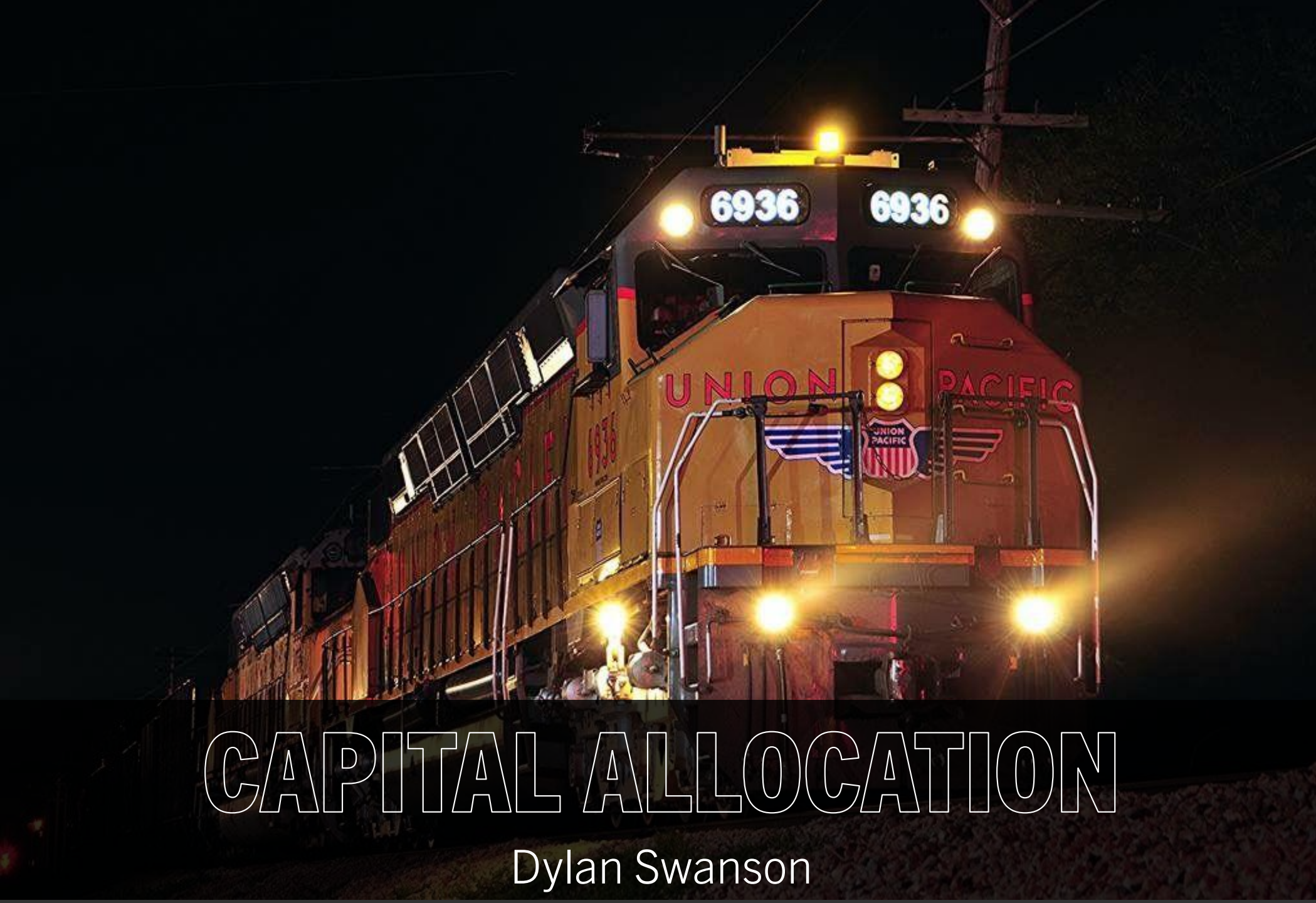
■ Strategic Scorecard

■ Operating Ratio

■ Individual Performance



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CAPITAL ALLOCATION

Dylan Swanson

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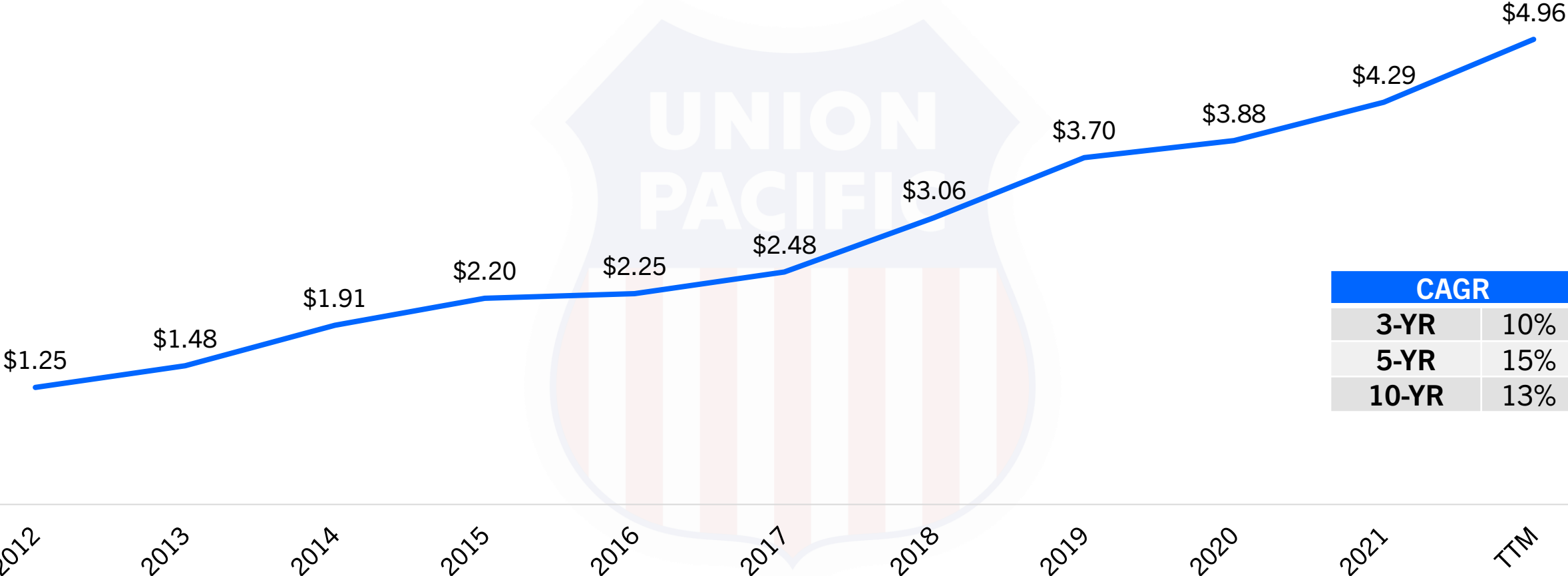
RISK FACTORS

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OPPORTUNITIES**

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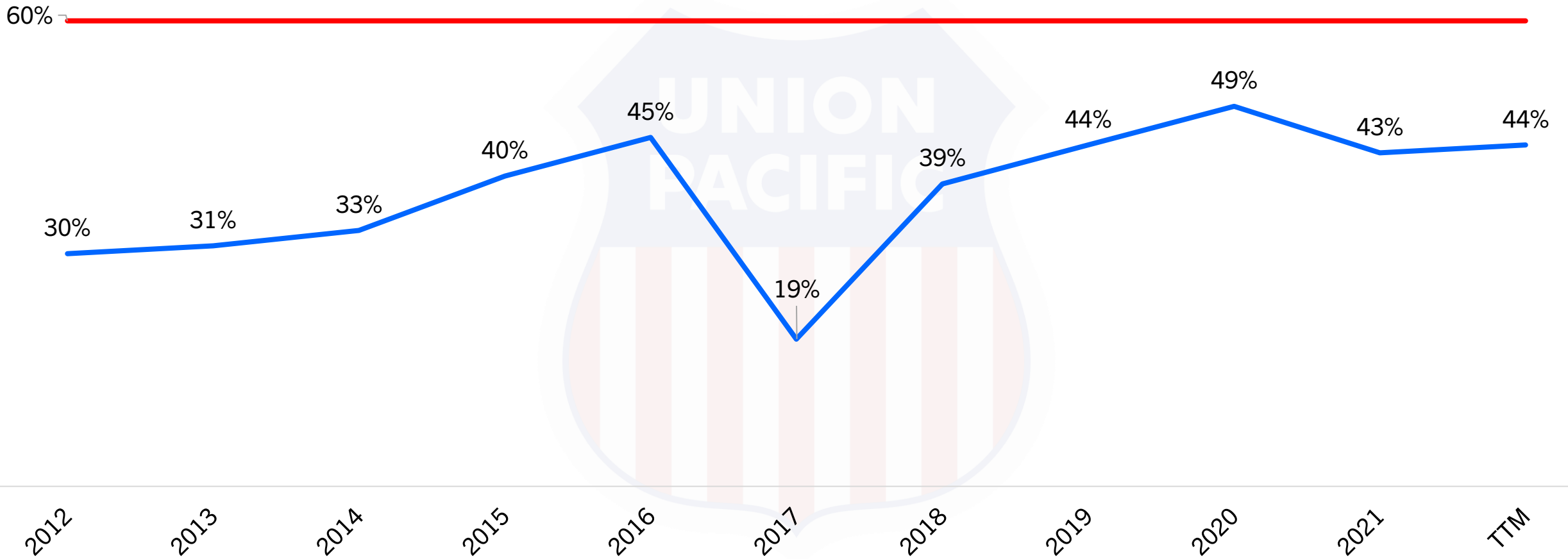
CONCLUSION

DIVIDENDS PER SHARE



CAGR	
3-YR	10%
5-YR	15%
10-YR	13%

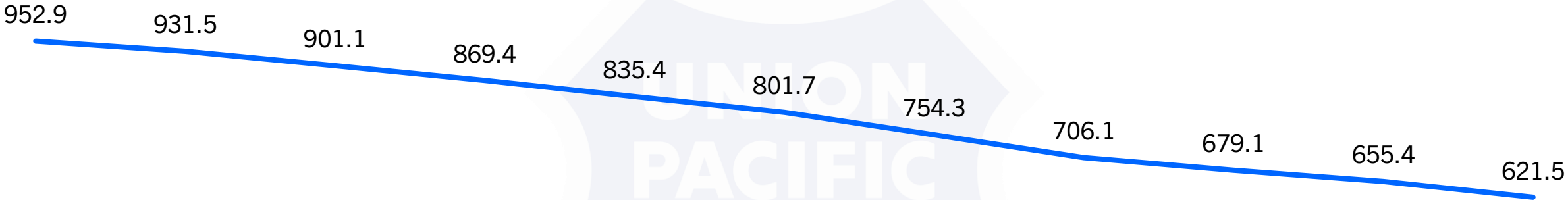
DIVIDEND PAYOUT RATIO



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SHARES OUTSTANDING

In Millions



CAGR	
3-YR	-5%
5-YR	-5%
10-YR	-4%

2012

2013

2014

2015

2016

2017

2018

2019

2020

2021

TTM



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SHARE REPURCHASE PLANS

February 3,
2022,
100M
shares
authorized

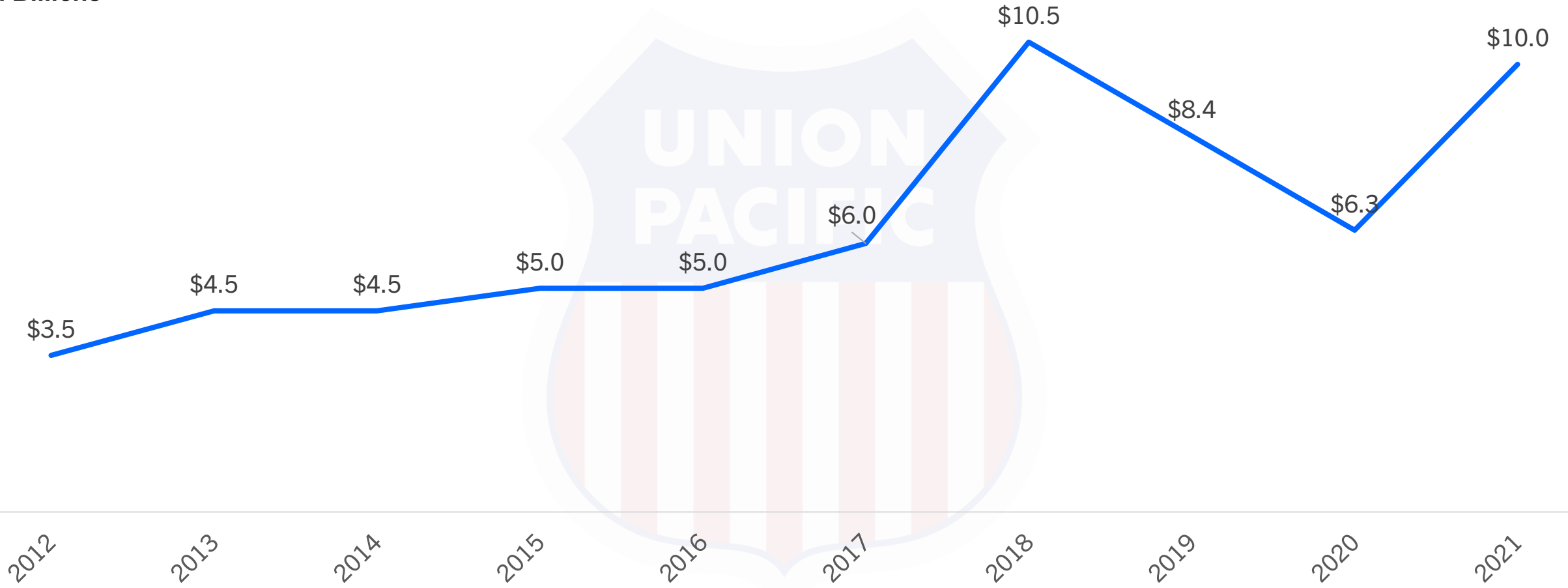
Expires in
2025

Works
out to be
16% of
the
company



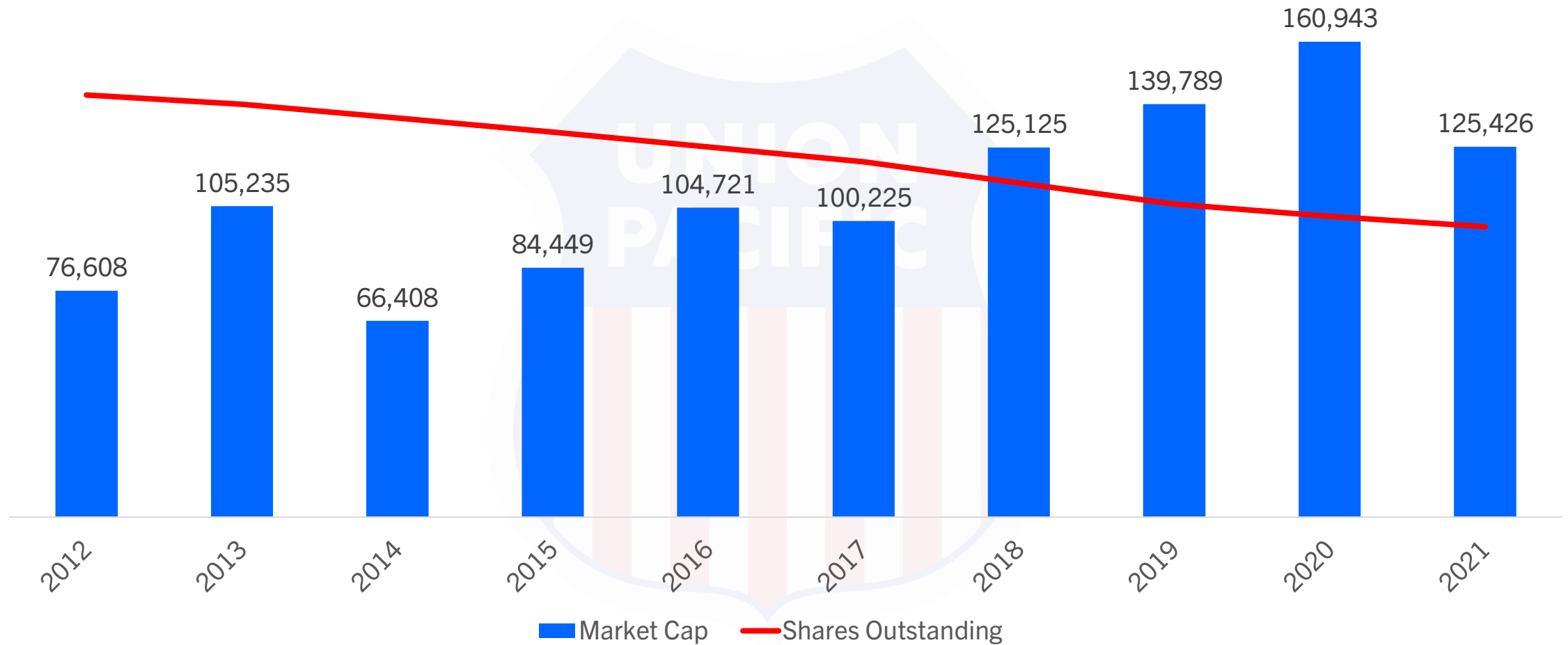
VALUE RETURNED TO SHAREHOLDERS

In Billions

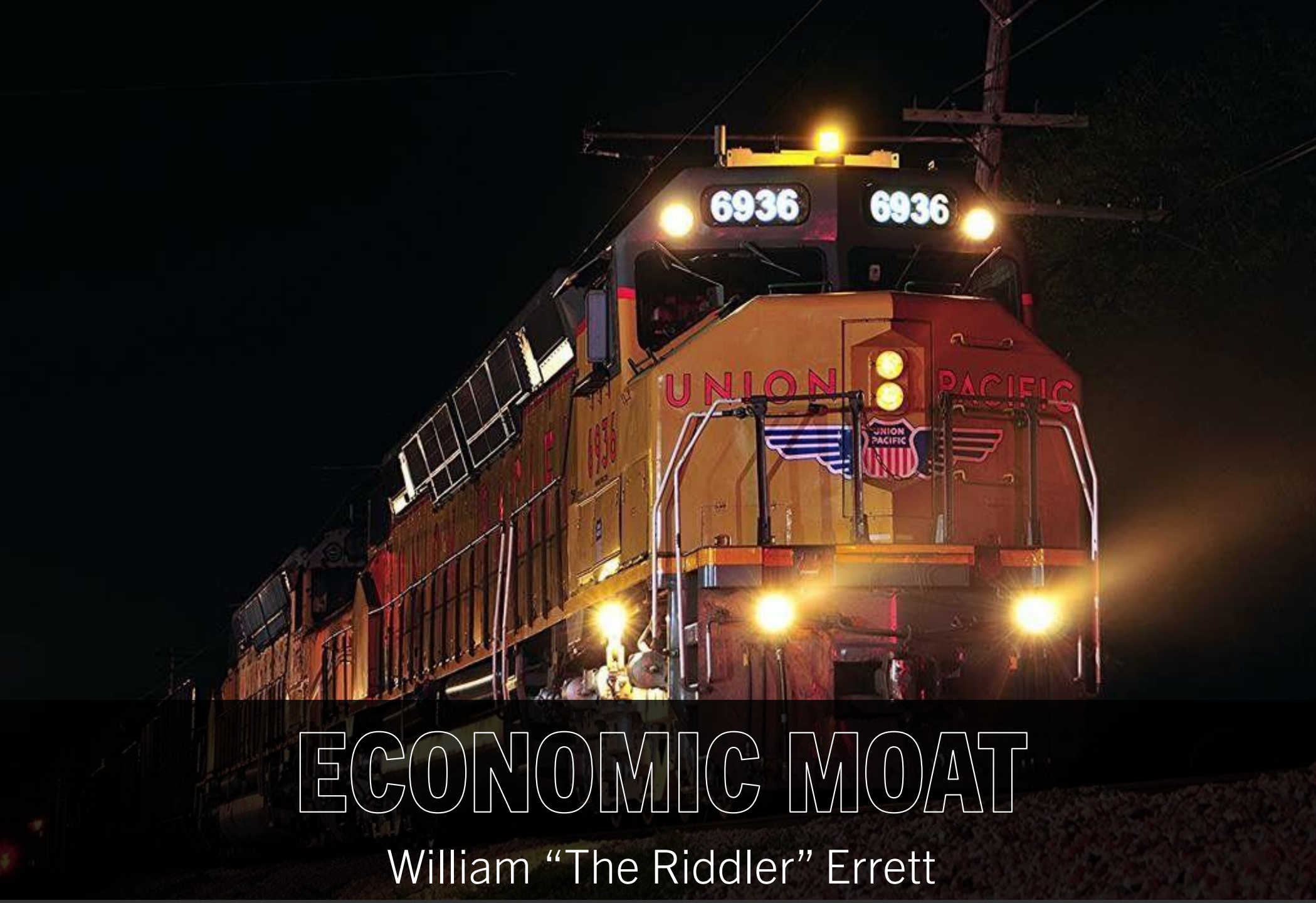


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MARKET CAP VS. SHARES OUTSTANDING



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ECONOMIC MOAT

William "The Riddler" Errett

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ECONOMIC MOAT



Long Lasting History



Economies of Scale



Switching Costs



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ECONOMIC MOAT



How do we know if the economic moat will protect the business if it has not been attacked?



LONG LASTING HISTORY



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LONG LASTING HISTORY



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LONG LASTING HISTORY



Union
Pacific
Railroad
in 1865



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LONG LASTING HISTORY

Significant Recessions Since Union Pacific's Founding

Name	Duration	% Decrease in GDP/Industrial Output
Depression of 1882-1885	3 years 2 months	24.6%
Panic of 1896	1 year 6 months	20.8%
Panic of 1907	1 year 1 month	31.0%
Depression of 1920-1921	1 year 6 months	32.7%
Great Depression	3 years 7 months	26.7%
Recession of 1937-1938	1 year 1 month	18.2%
Great Recession	1 year 6 months	5.1%
COVID-19 Recession	2 months	19.2%



ECONOMIES OF SCALE

High Fixed Costs

- \$3,000,000 per Locomotive
- \$75,000 to make one mile of track
- Tracks are privately held property

Low Variable Costs

- Capital Maintenance Expense
- Fuel Expense
- Wages Expense
- Industry-wide high Operating Margins

Industry Efficiencies

- 4 times more fuel efficient than trucking
- Lack of stops leads to lower fuel usage and faster arrival times over long distances



COST ADVANTAGES

CONSTANT

Revenues per Car

\$3,000

\$3,000

\$3,000

\$3,000

UNION
PACIFIC

DECREASING

Costs per Car

\$1,000

\$800

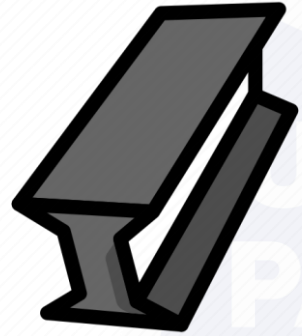
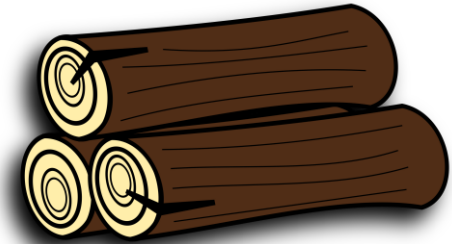
\$700

\$650



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SWITCHING COSTS



High Weight

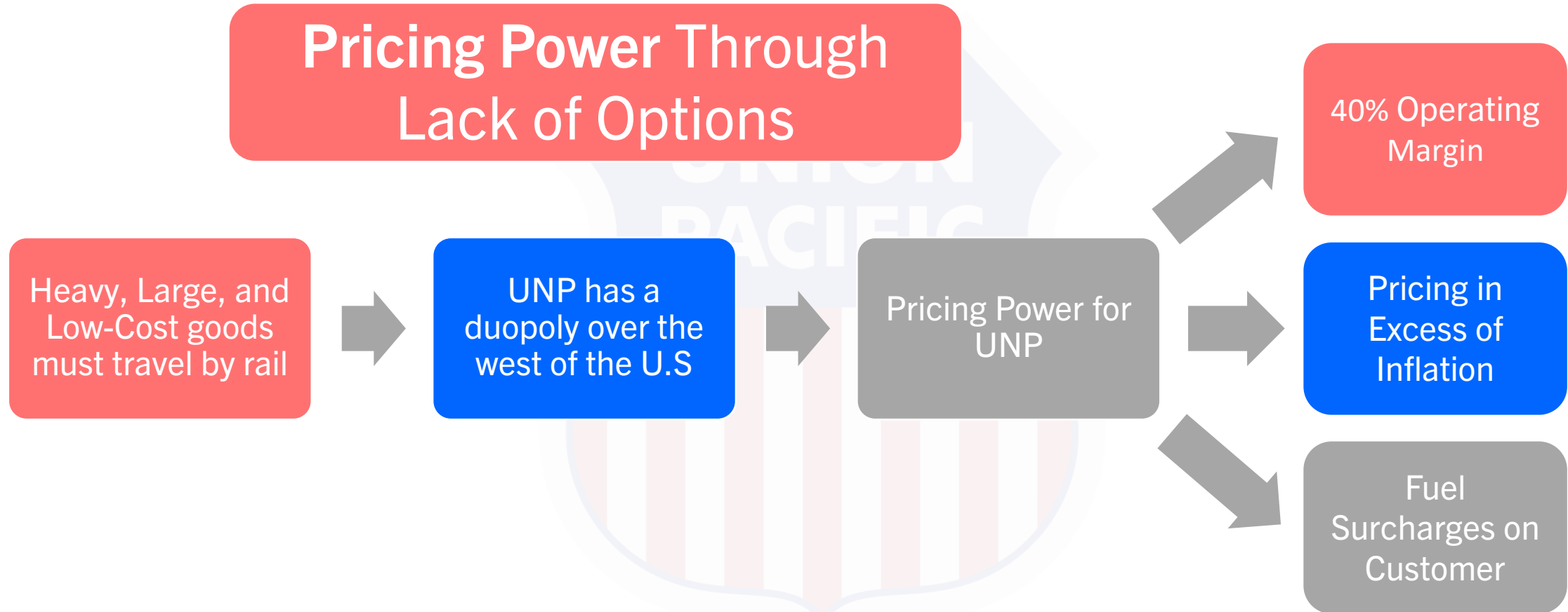
High Volume

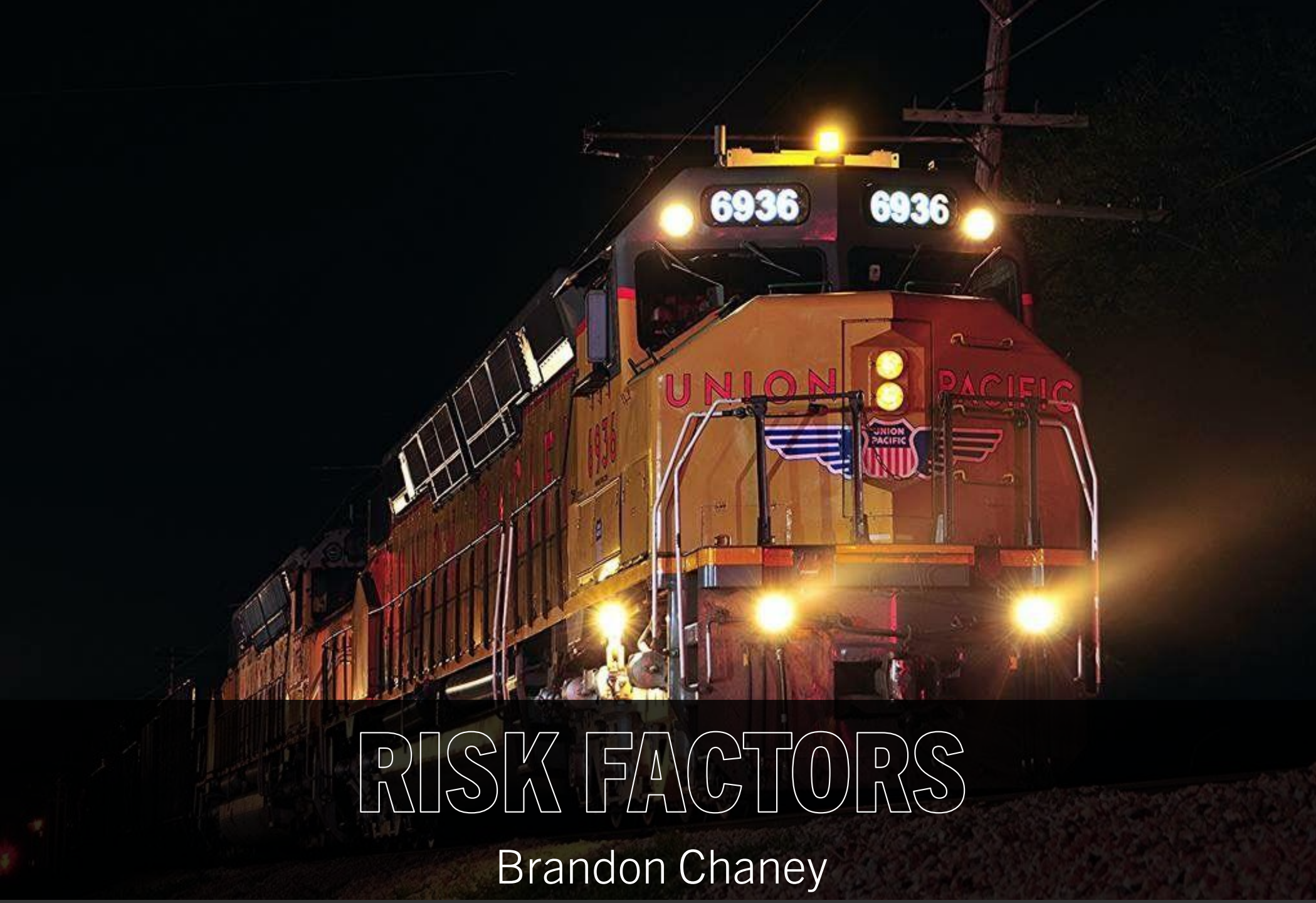
Low Price



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SWITCHING COSTS





RISK FACTORS

Brandon Chaney

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RISK FACTORS

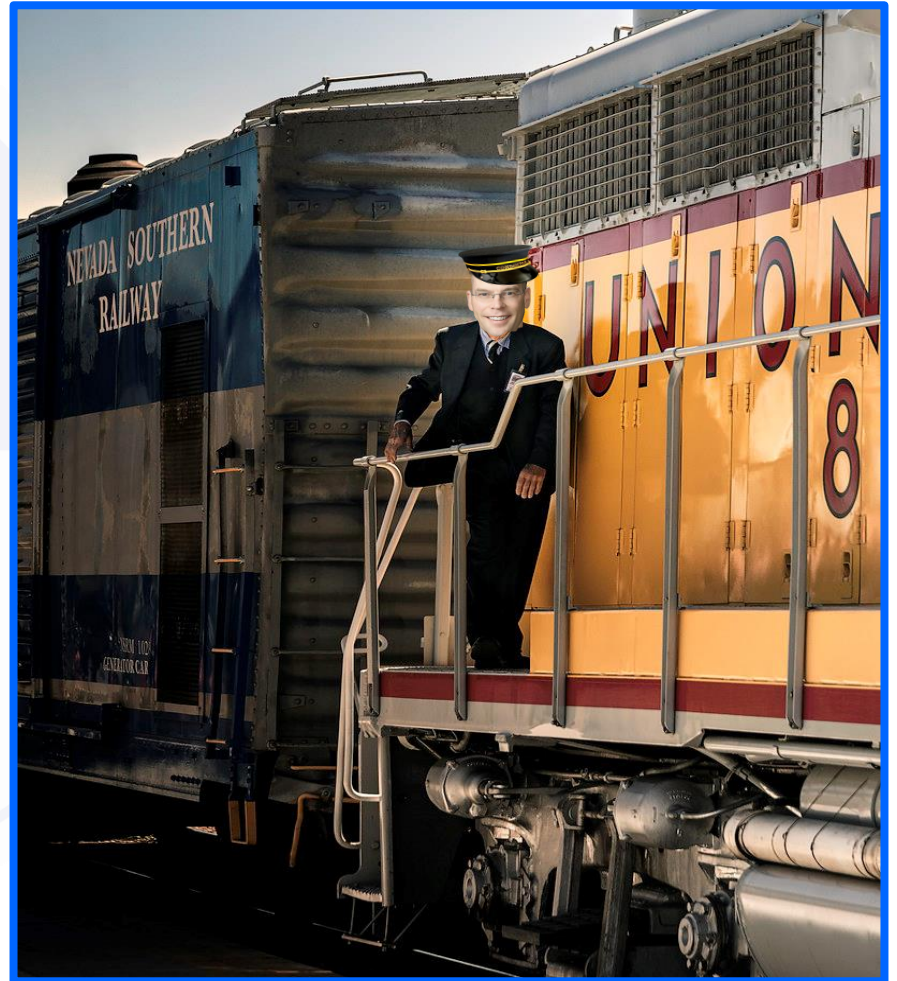
- Macroeconomic Pressures
- Unions and Workforce Concerns
- Inability to Increase Efficiencies
- Capital Intensity
- Product Concentration
- Natural Disasters
- Government Regulations



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MACROECONOMIC PRESSURES

- Increased Costs
 - Q3: Fuel costs up 71% Y/Y
- Passing costs on to the customer
 - Deteriorating pricing power
- International Volume Decline
 - Less volume from port to inland
- Volatility in demand across industries
 - Strong influence on volume



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LABOR AND WORKFORCE CONCERNS

- Labor Shortage and Hiring Concerns
 - Added 1,400 in 2022 (Year-to-Date)
- Need for Trained and Qualified Employees
 - 89% Retention Rate
- Volatility in crew availability
 - Slower and Less Accurate Delivery Times



UNIONIZED WORKFORCE

- 84% of full-time employees belong to a union
- Renegotiation with each of the 12 unions every 5 years
- Wage Inflation
 - Retroactive Accruals and Future Increases
 - Cumulative increase of 25% in the next 5 years
- Associated Risks:
 - Labor Disputes and Work Stoppages
 - Government Intervention



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INABILITY TO INCREASE EFFICIENCIES

Increasing efficiencies is a core pillar of the growth strategy

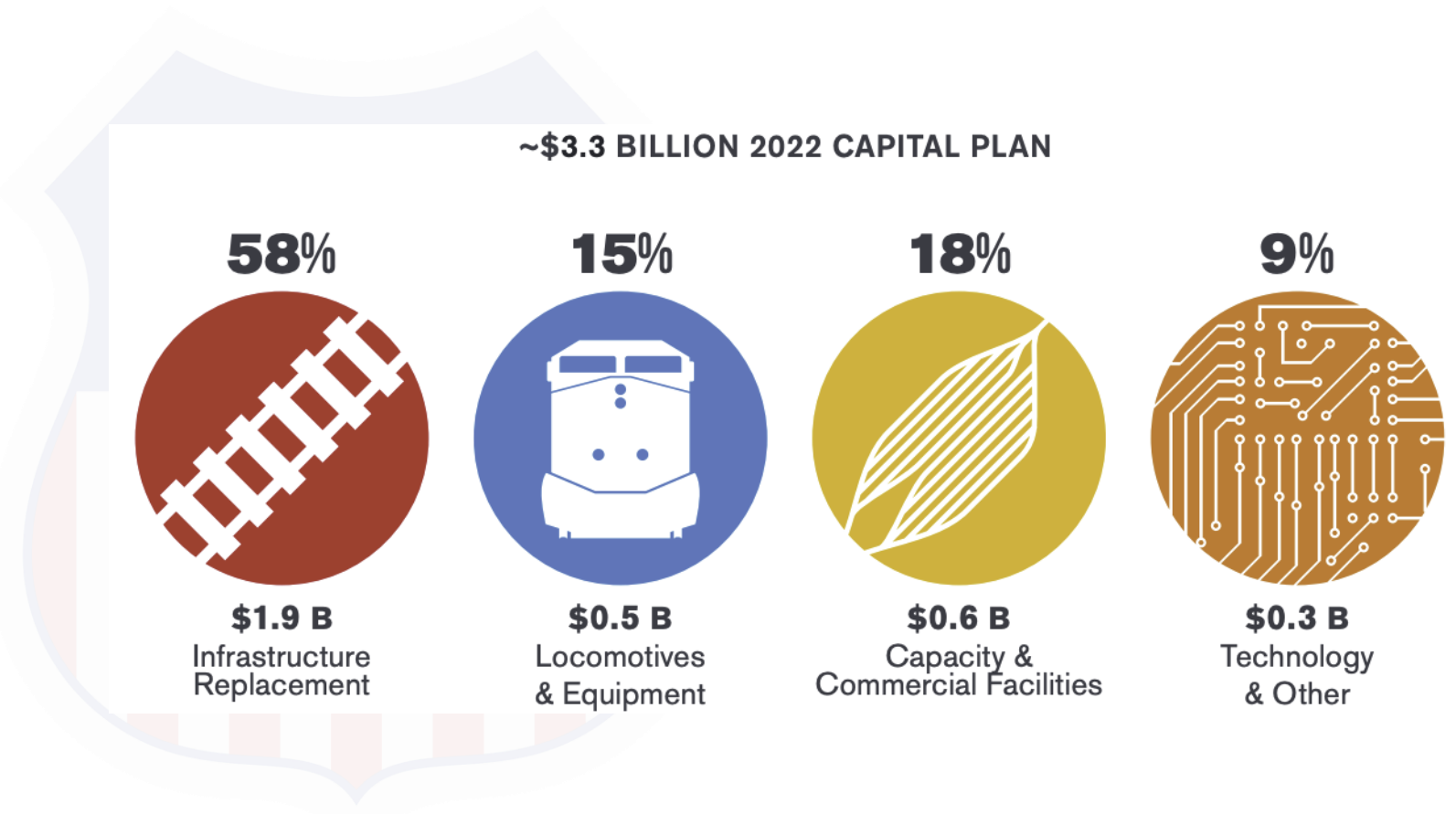
- **Inability to do this can result in:**
 - Significant Decreases in Volume and Revenues
 - Increases in Expenses
 - Slower Bottom-Line Growth



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CAPITAL INTENSITY

- Asset-Heavy Business
- Requires CapEx spend annually to maintain infrastructure
- Inability to produce cash flows can be detrimental



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PRODUCT AND INDUSTRY CONCENTRATION

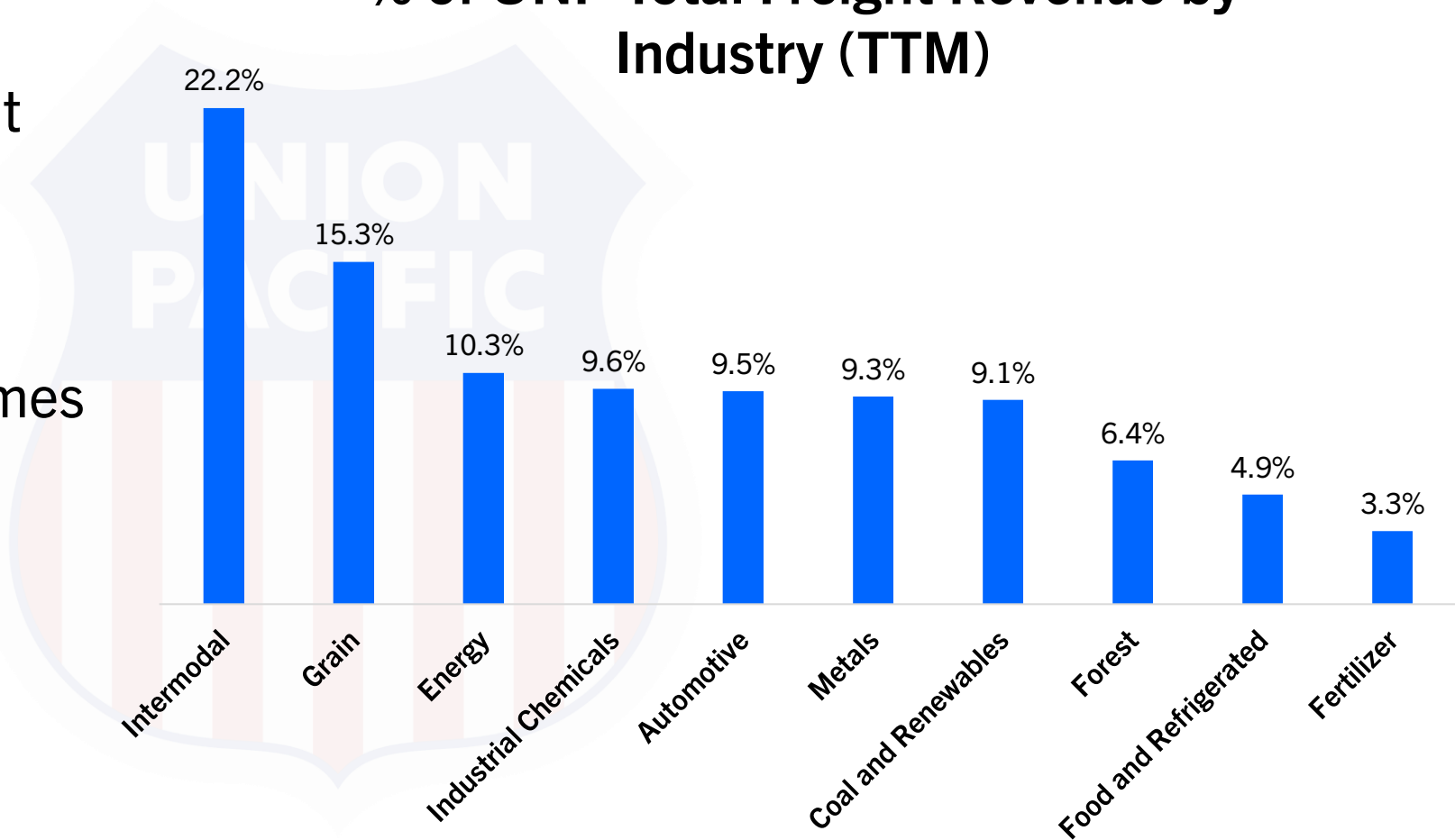
Revenue Concentration

- Top 5 Industries account for 2/3 of Revenue

Impacted By:

- Import and Export Volumes
 - Political Relations
- Shifts in:
 - Demand
 - Commodities Pricing

% of UNP Total Freight Revenue by Industry (TTM)



REGULATIONS AND DISASTERS

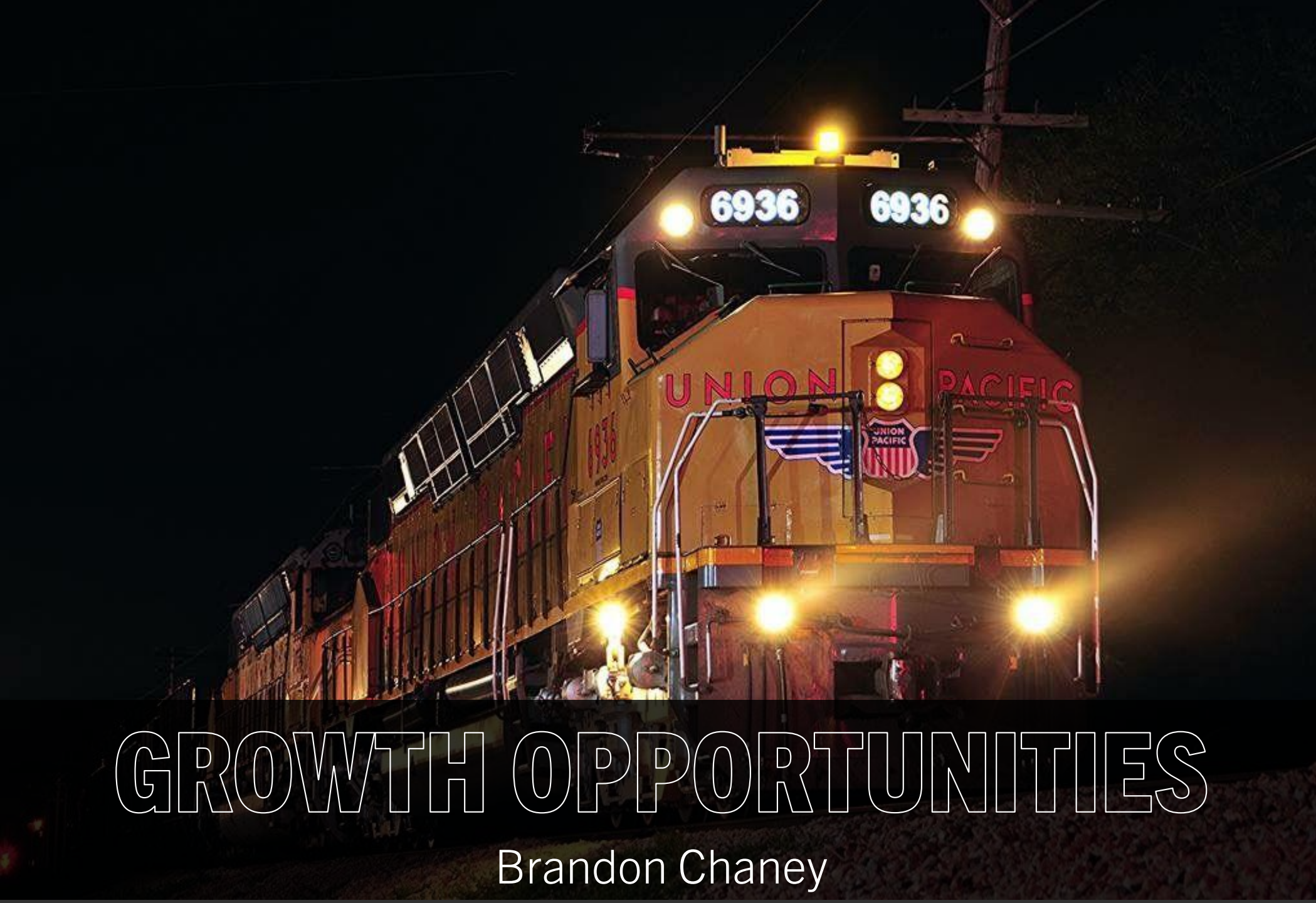
Environmental Regulations

- Focused efforts on Zero Emissions
- Regulation may accelerate shift toward hybrid and electric
- CapEx required to update infrastructure

Natural Disasters

- Severe Weather Conditions
 - Line Outages
 - Damage to Infrastructure and Goods in Transit





GROWTH OPPORTUNITIES

Brandon Chaney

- COMPANY OVERVIEW
- COMPANY BREAKDOWN
- INTERPRETATION OF FINANCIAL STATEMENTS
- MANAGEMENT
- CAPITAL ALLOCATION
- ECONOMIC MOAT
- RISK FACTORS
- GROWTH OPPORTUNITIES**
- COMPETITOR ANALYSIS
- VALUATION
- CONCLUSION

GROWTH OPPORTUNITIES

**Increasing
Volumes and
Efficiencies**

**Precision
Scheduled
Railroading**

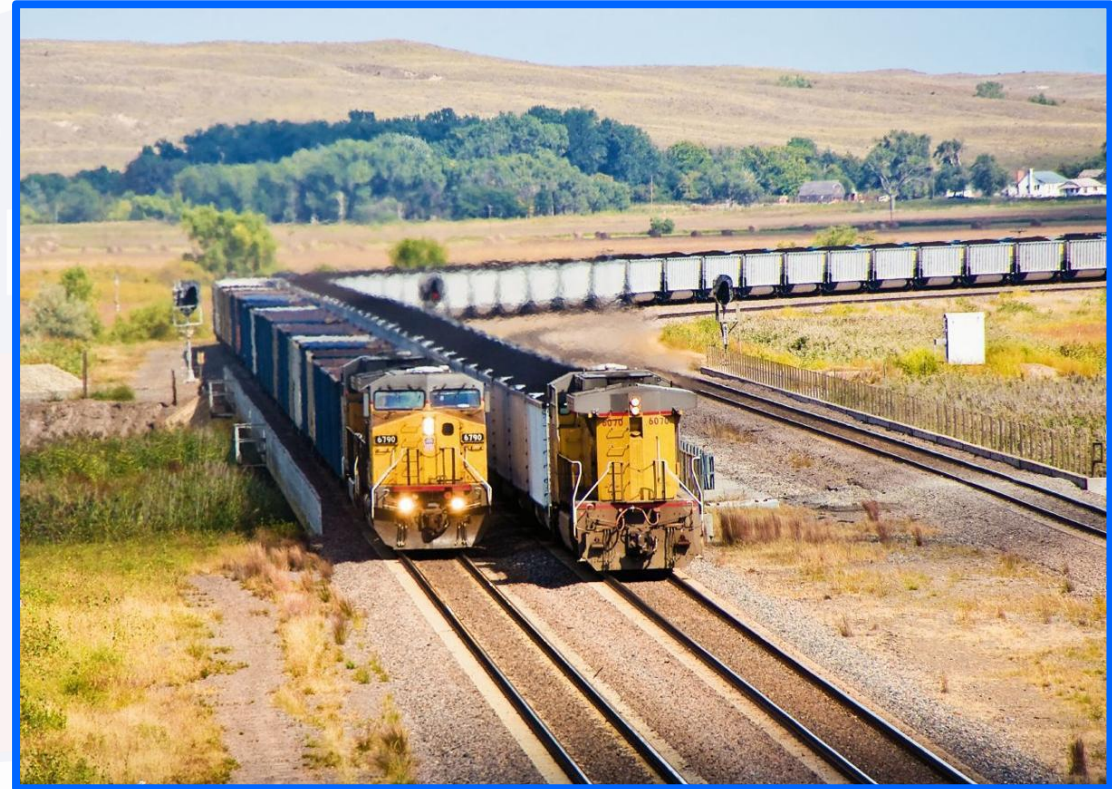
**Integrating
Technology**



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INCREASING VOLUMES AND EFFICIENCIES

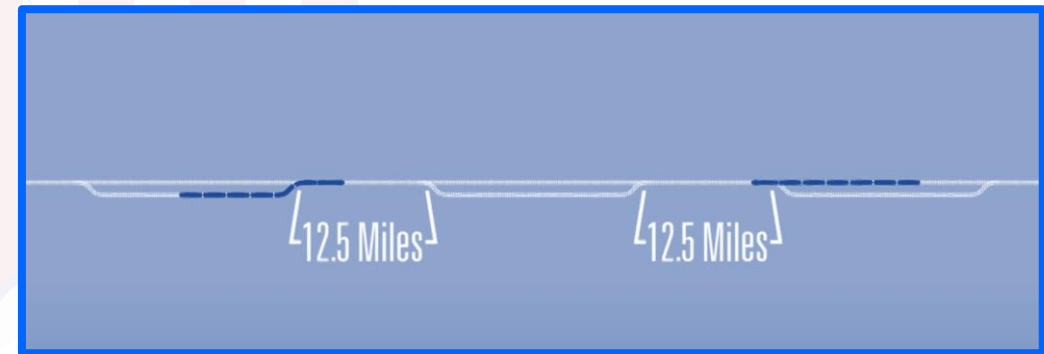
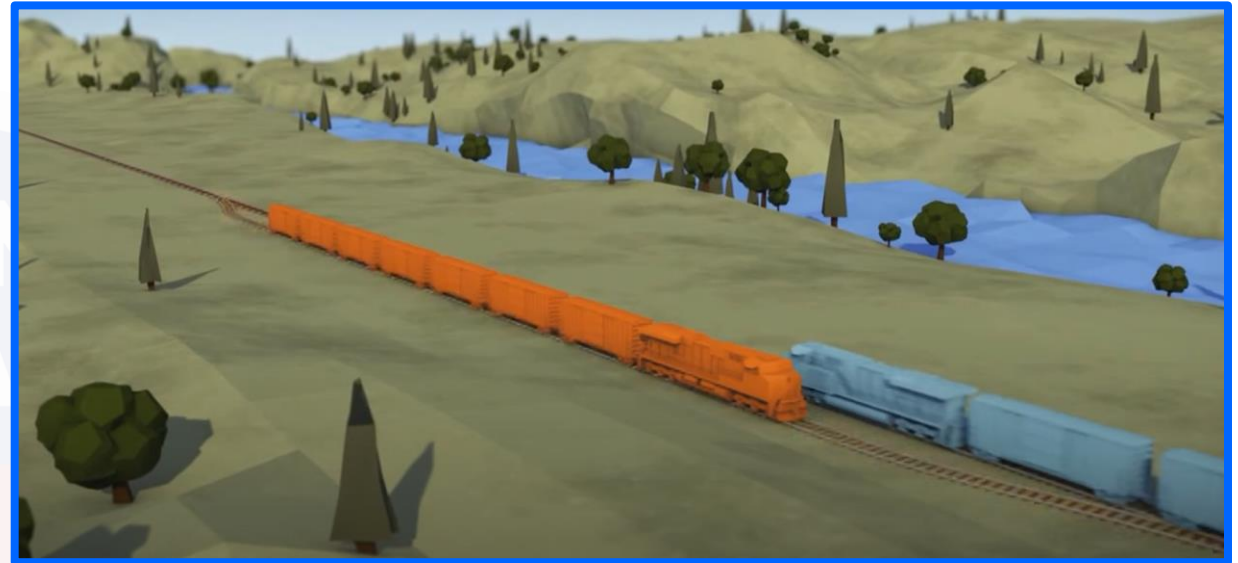
- Industry Demand and Expansion
- Efficiencies can be increased by:
 - Train Speed and Velocity
 - Consistent Crew Availability
 - Increasing rail capacity with additional siding construction
 - Increasing locomotive fuel efficiency



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RAIL CAPACITY – SIDING

- Can travel toward each other at similar speeds
- Using short “side” runs of track on long stretches
- 24 new in 2022
- 80 completed since 2019



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PRECISION SCHEDULED RAILROADING

- Shift from focusing on train length to moving train cars
- Fewer trains moving at a faster pace
- Cars are picked up on schedule
- Benefits:
 - Reliability
 - Network fluidity
 - More effective use of resources



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INTEGRATING TECHNOLOGY

- UPGo Mobile App
 - Drivers can pre-validate Intermodal missions to skip delays at the gate
 - Report infrastructure issues
- Intermodal accounts for 22% of Freight Revenues



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PRECISION GATE TECHNOLOGY

- Precision Gate Technology (PGT)
 - Minimizes check-in and wait times
 - Average in-gate time is 30 seconds
- Locations:
 - Dallas, TX
 - Mesquite, TX
 - San Antonio, TX
 - Salt Lake City, UT





COMPETITOR ANALYSIS

William Errett

- COMPANY OVERVIEW
- COMPANY BREAKDOWN
- INTERPRETATION OF FINANCIAL STATEMENTS
- MANAGEMENT
- CAPITAL ALLOCATION
- ECONOMIC MOAT
- RISK FACTORS
- GROWTH OPPORTUNITIES
- COMPETITOR ANALYSIS**
- VALUATION
- CONCLUSION

COMPETITOR ANALYSIS

Financial & Valuation Metrics



CSX



CP



Key Performance Indicators & Network Comparison



CSX



CP



BNSF
RAILWAY



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REVENUE

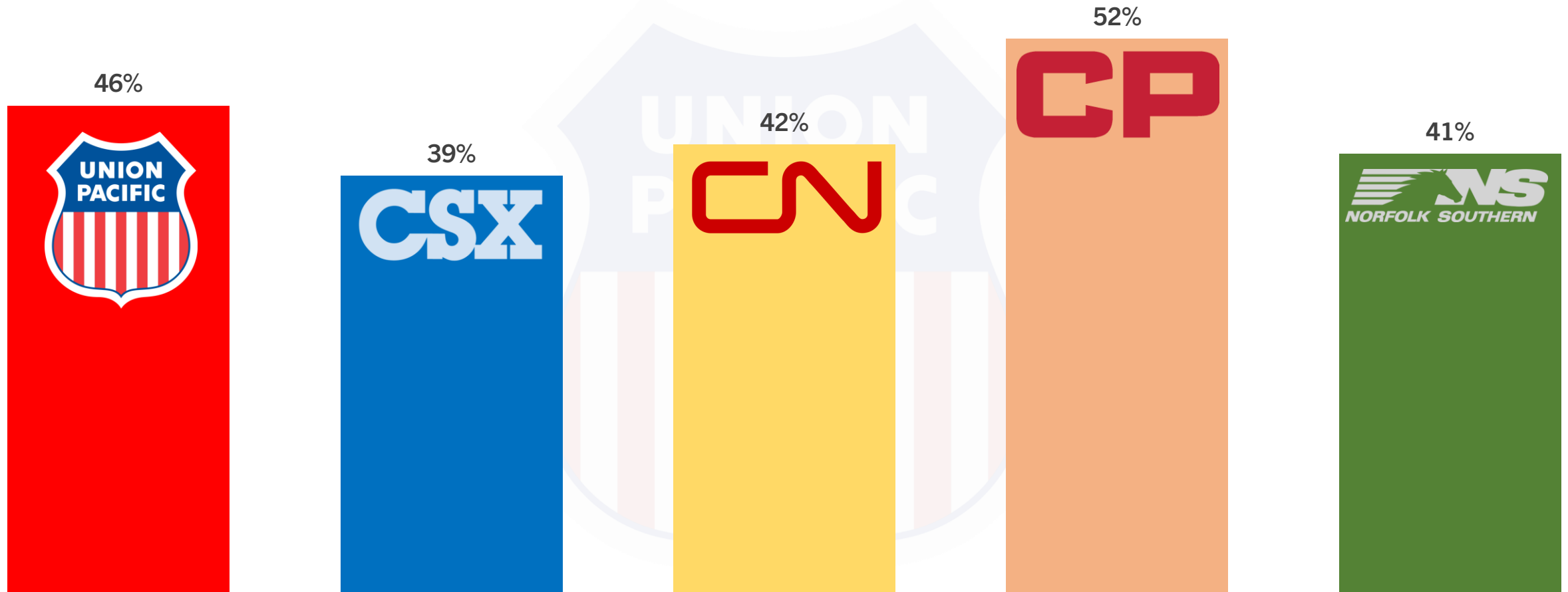
In Millions



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GROSS MARGIN

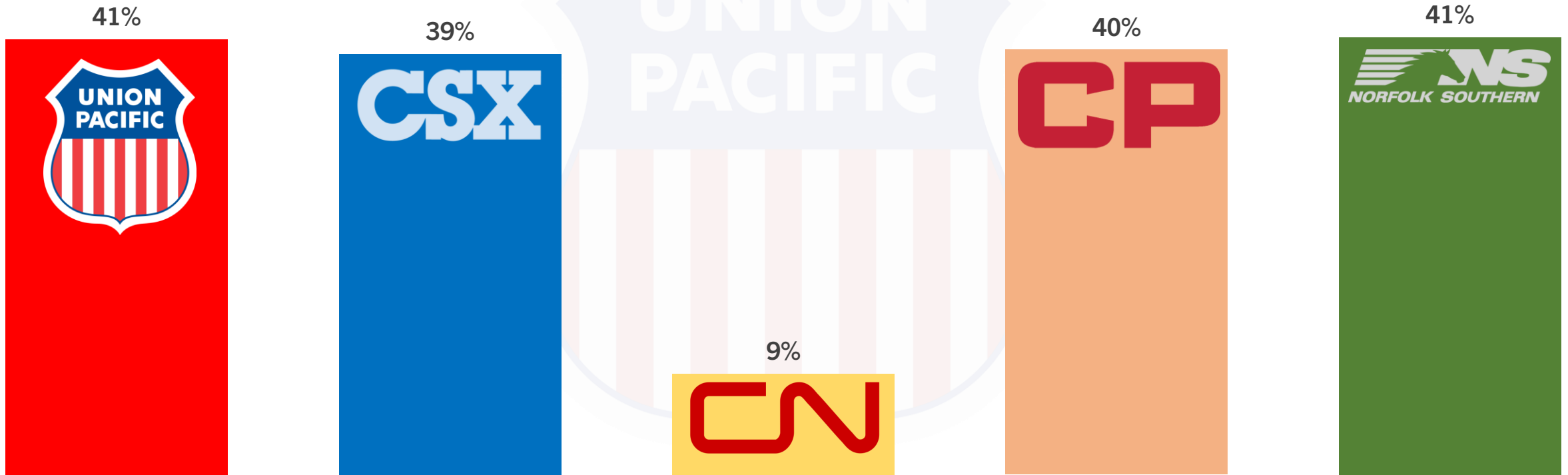
>40% Threshold



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OPERATING MARGIN

>20% Threshold



NET MARGIN

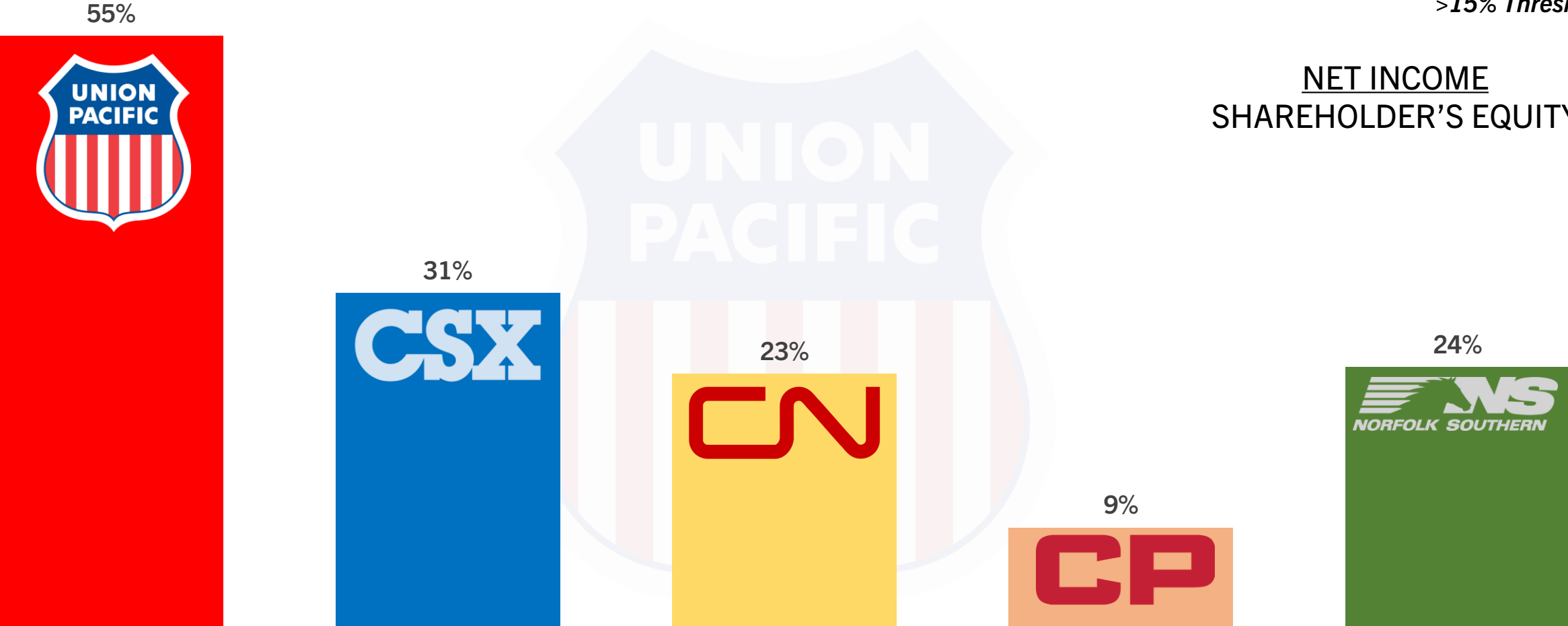
>10% Threshold



RETURN ON EQUITY

>15% Threshold

NET INCOME
SHAREHOLDER'S EQUITY



RETURN ON INVESTED CAPITAL

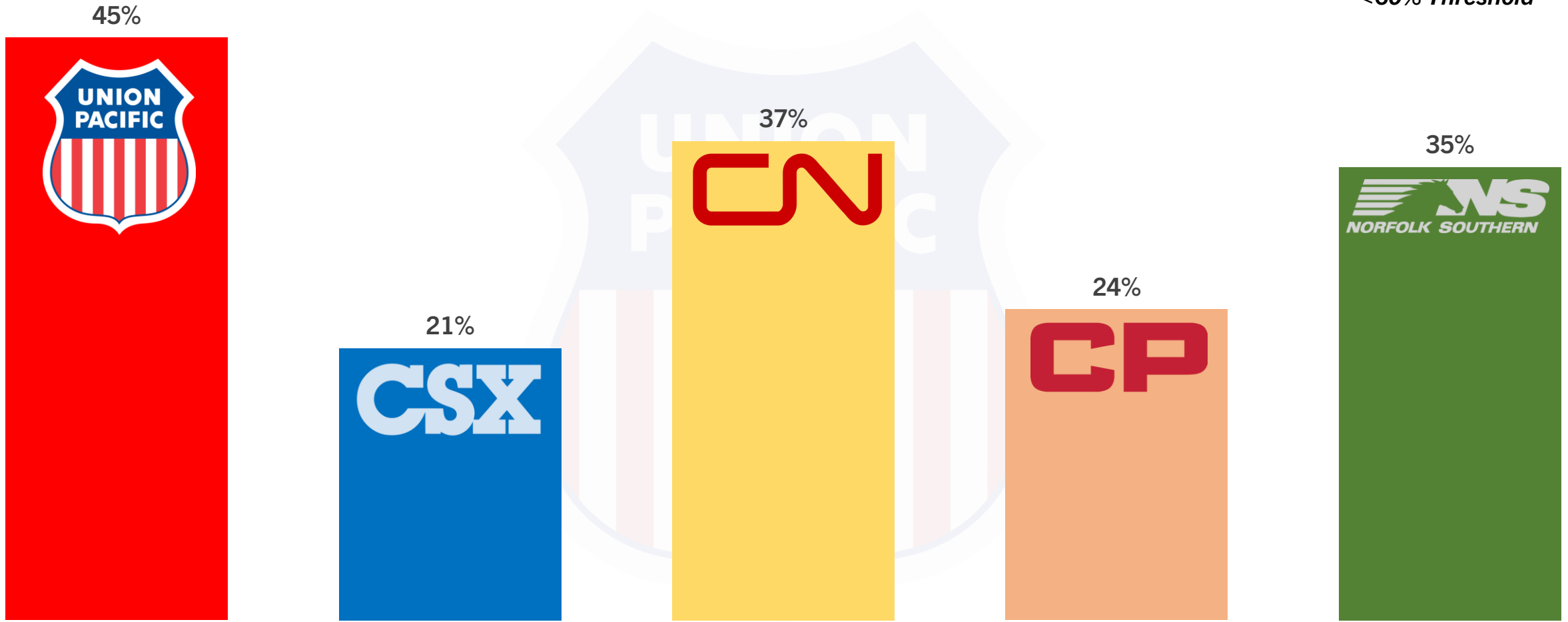
>15% Threshold

NET INCOME
SHAREHOLDER'S EQUITY +
LONG TERM DEBT



DIVIDEND PAYOUT RATIO

<60% Threshold

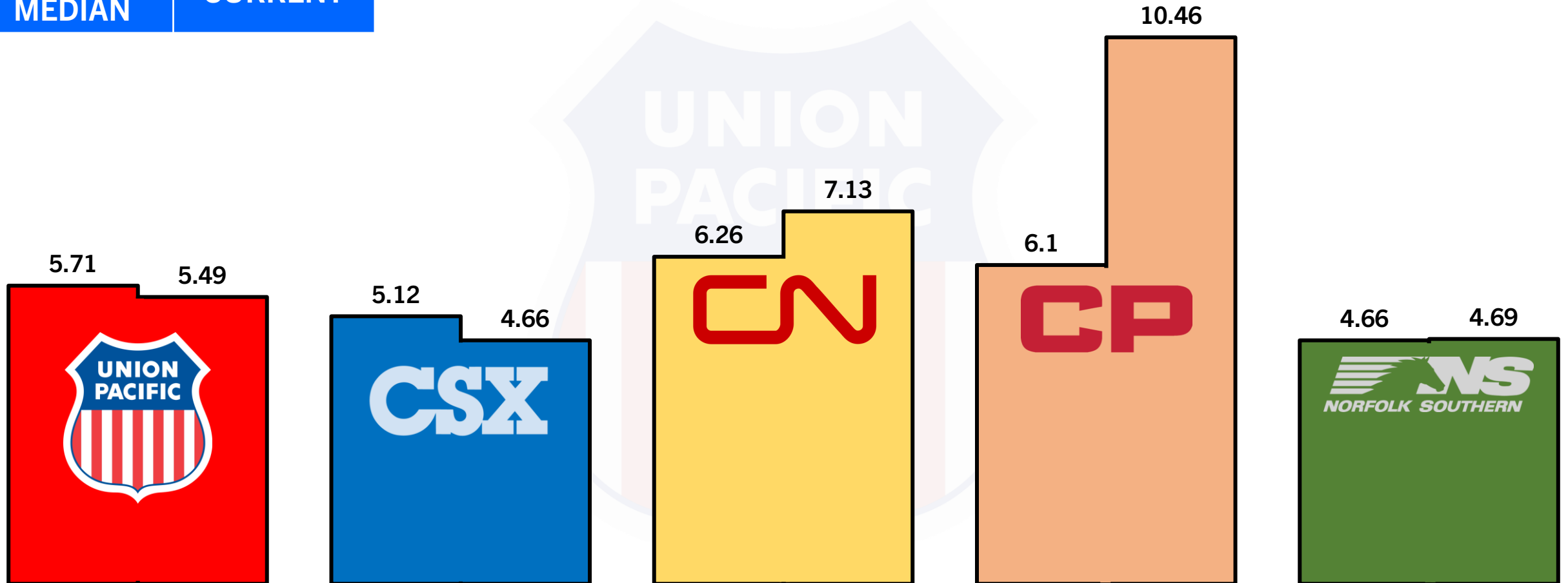


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P/S RATIO 5-YEAR MEDIAN & CURRENT

5-YR
MEDIAN

CURRENT

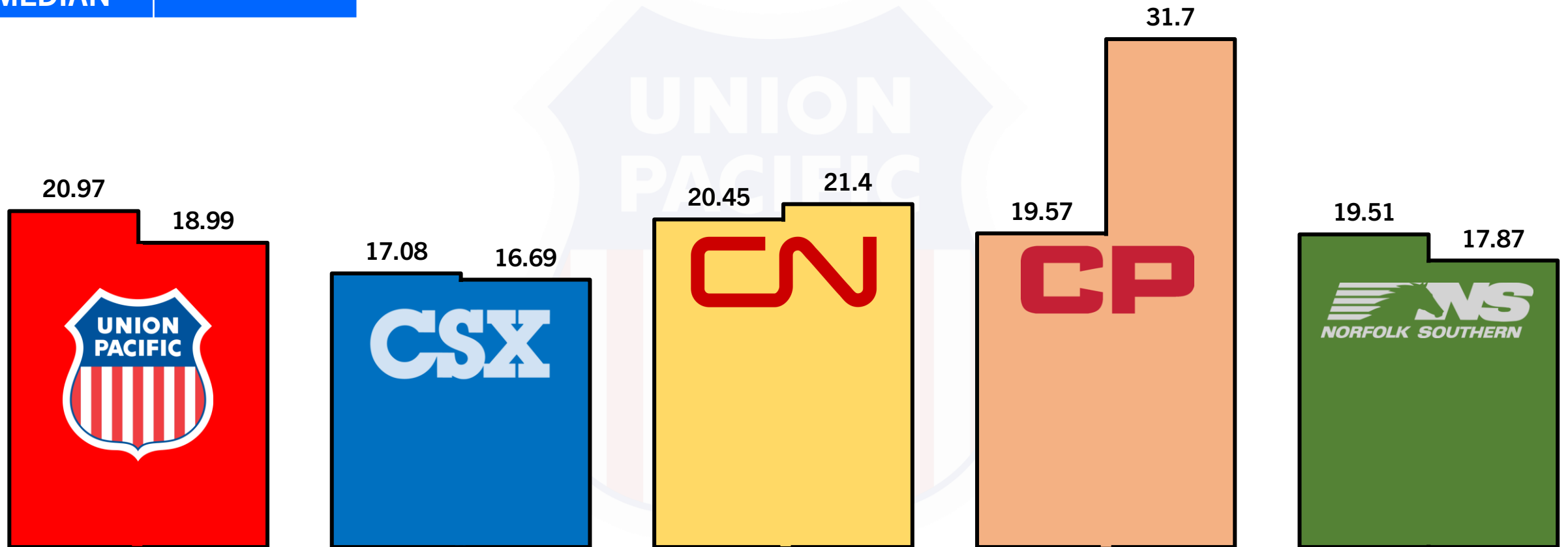


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P/E RATIO 5-YEAR MEDIAN & CURRENT

5-YR
MEDIAN

CURRENT

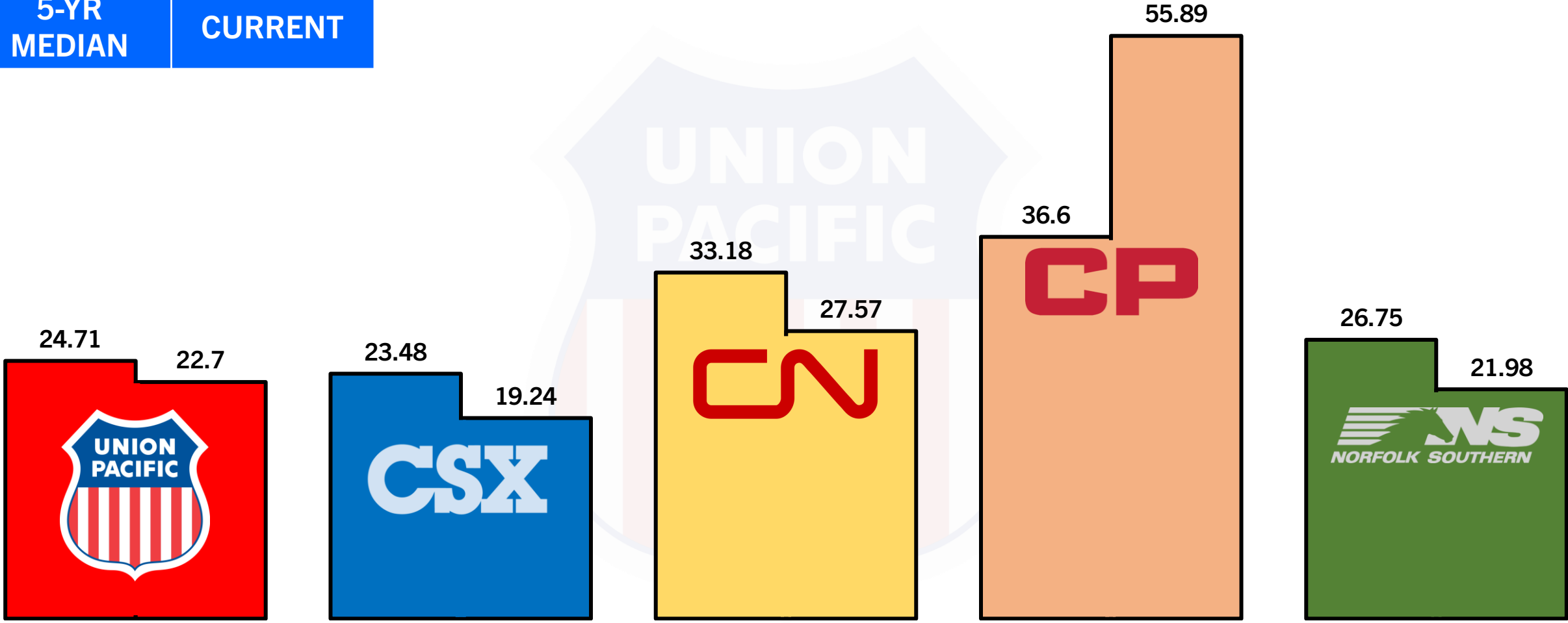


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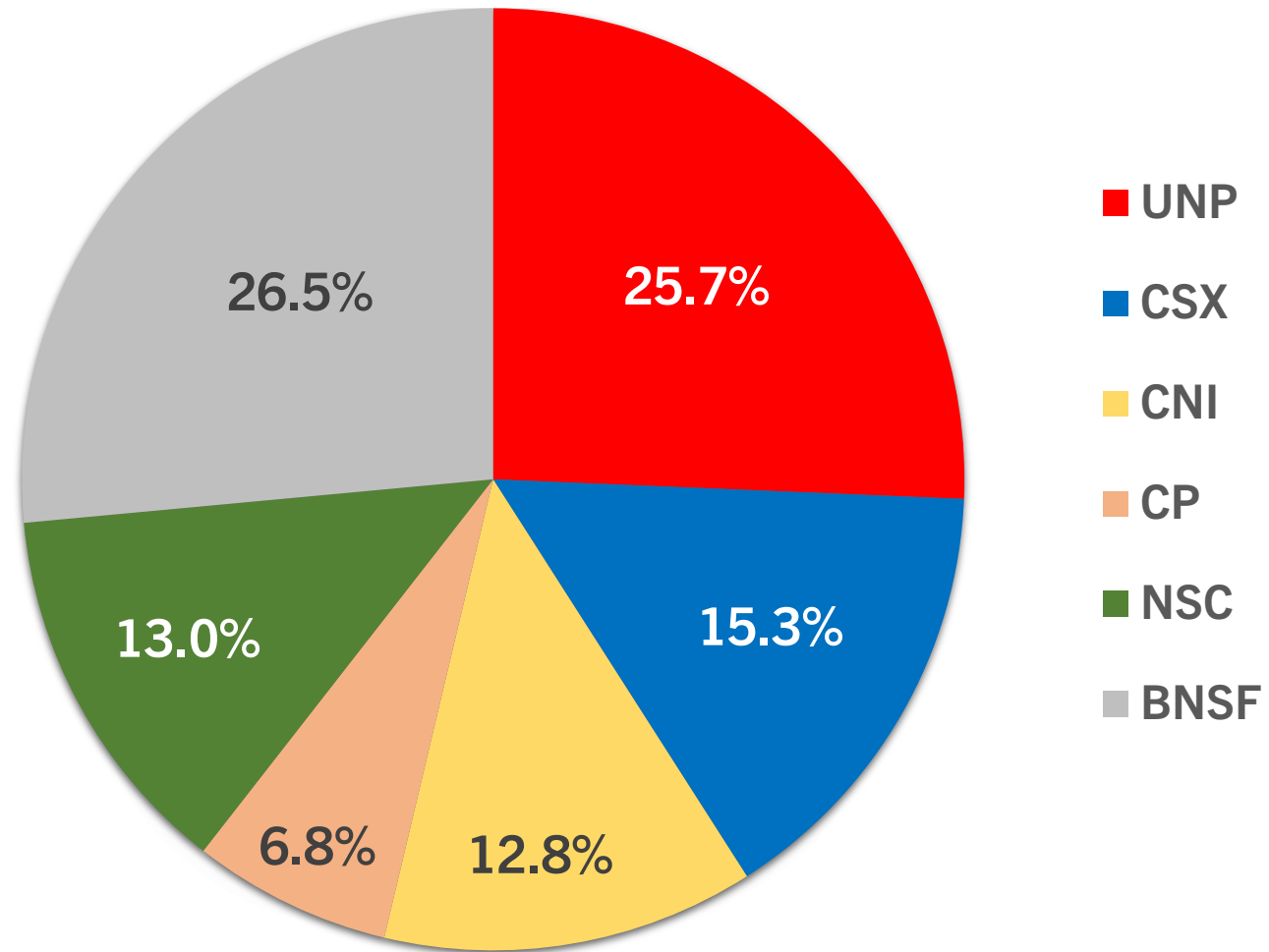
P/FCF 5-YEAR MEDIAN & CURRENT

5-YR
MEDIAN

CURRENT



MARKET SHARE



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KEY PERFORMANCE INDICATORS



Cost



Quality



Volume



BUILDING AMERICA®

COST



Fuel Metrics

Fuel Consumption

Total Fuel Expenses

Fuel Cost Per Unit



Employee Metrics

Total Employees

Total Locomotives

Employees Per Locomotive



Capital Expenditures

Capital Expenditures



Maintenance on:
Rails
Locomotives
Infrastructure



FUEL CONSUMPTION

In Millions of Gallons



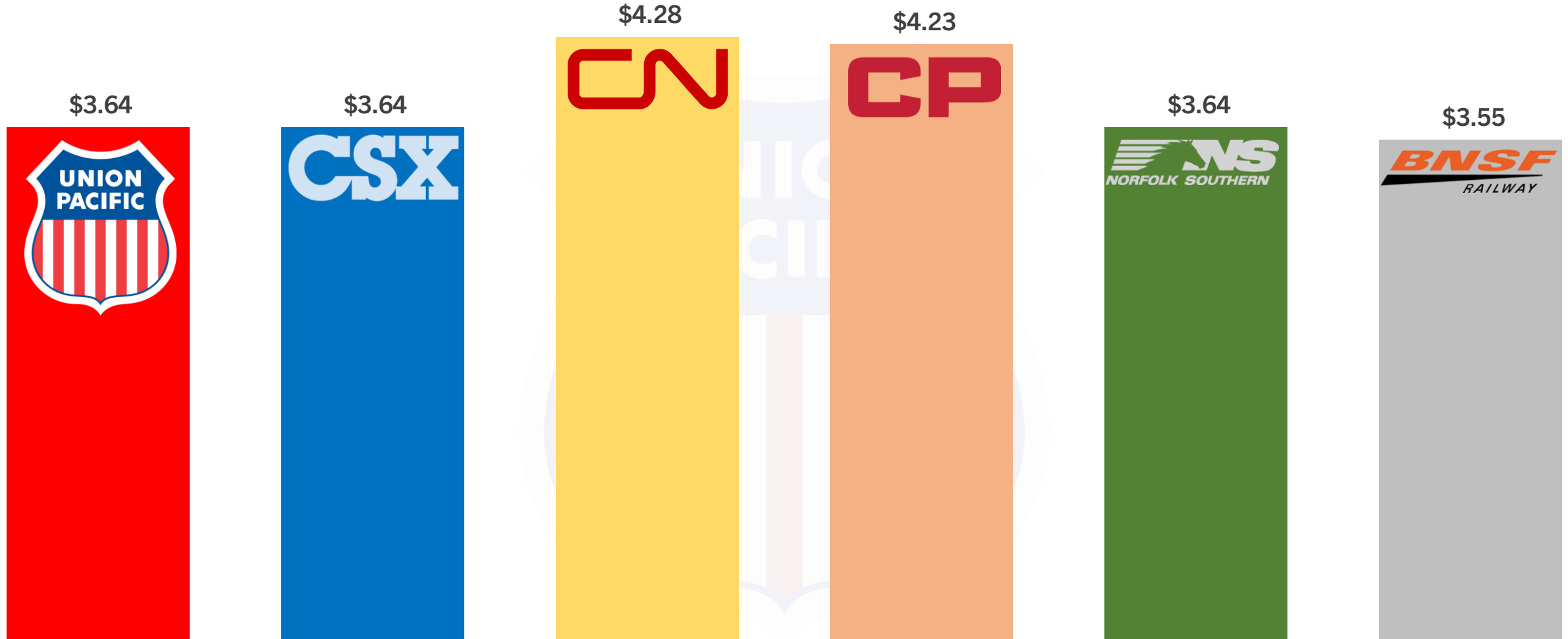
FUEL EXPENSES

In Millions



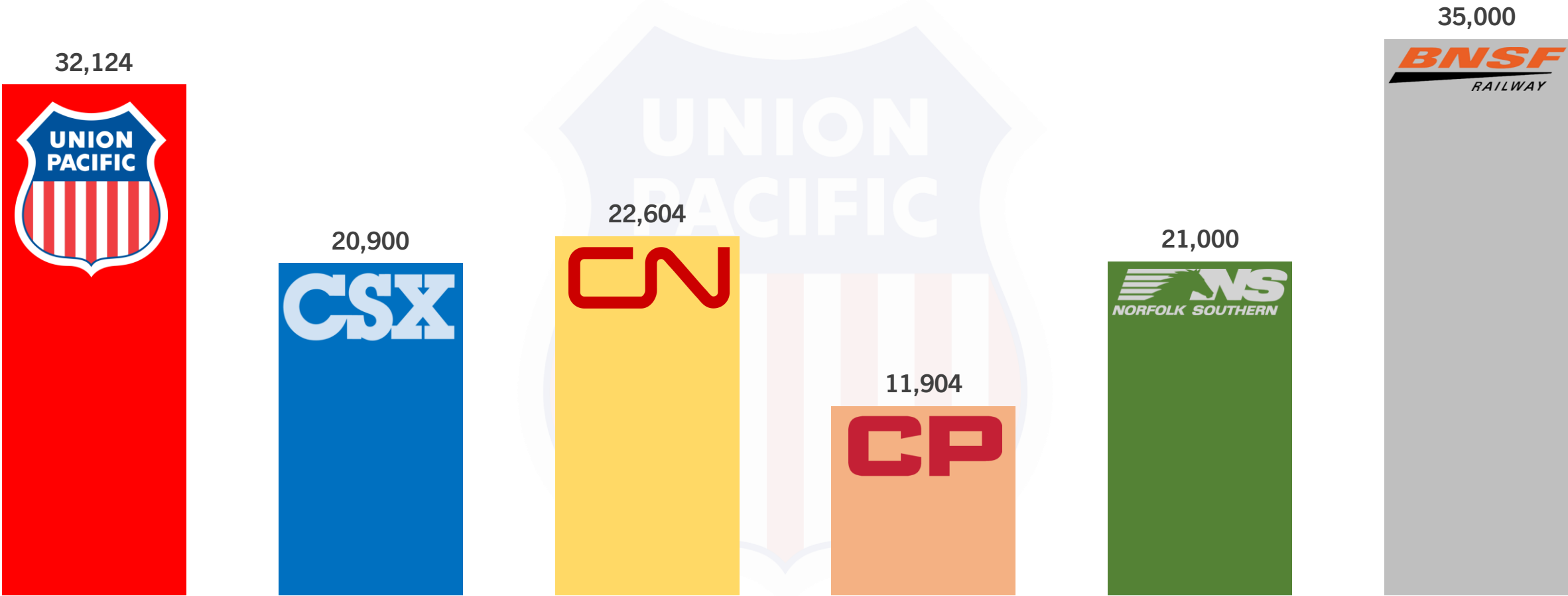
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FUEL PRICE PER UNIT

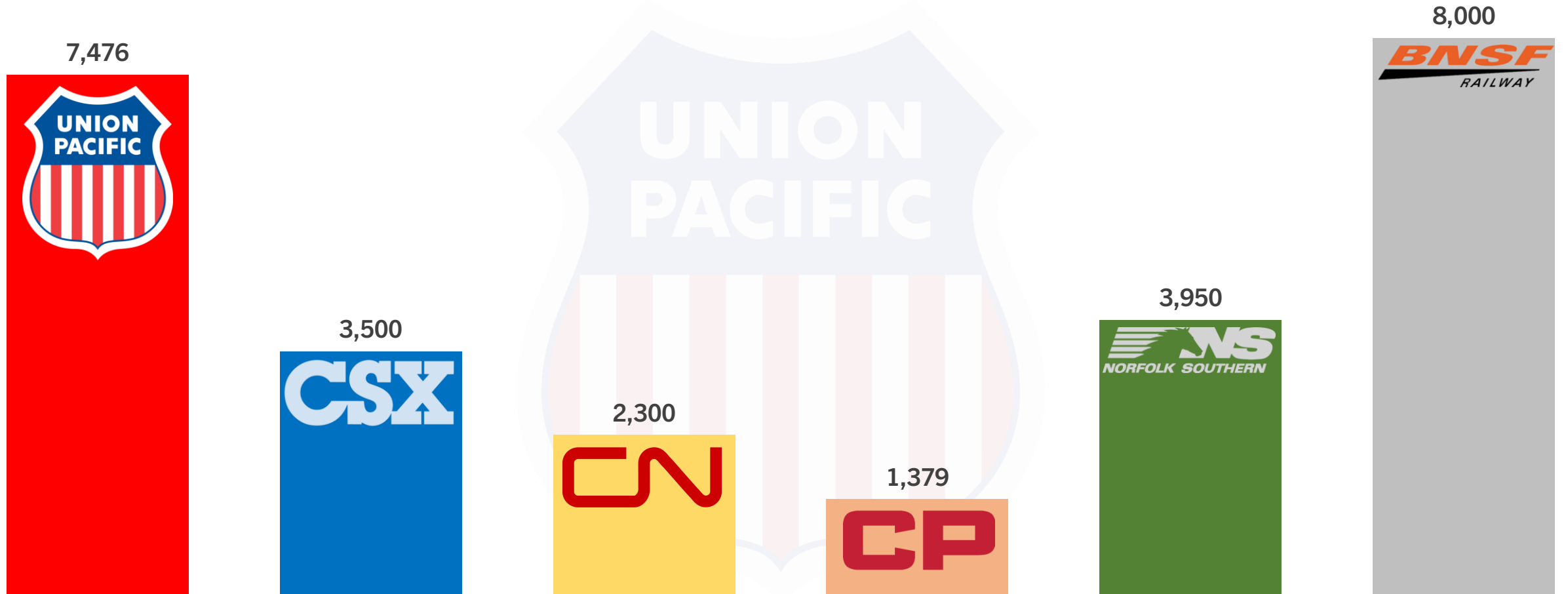


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TOTAL EMPLOYEES

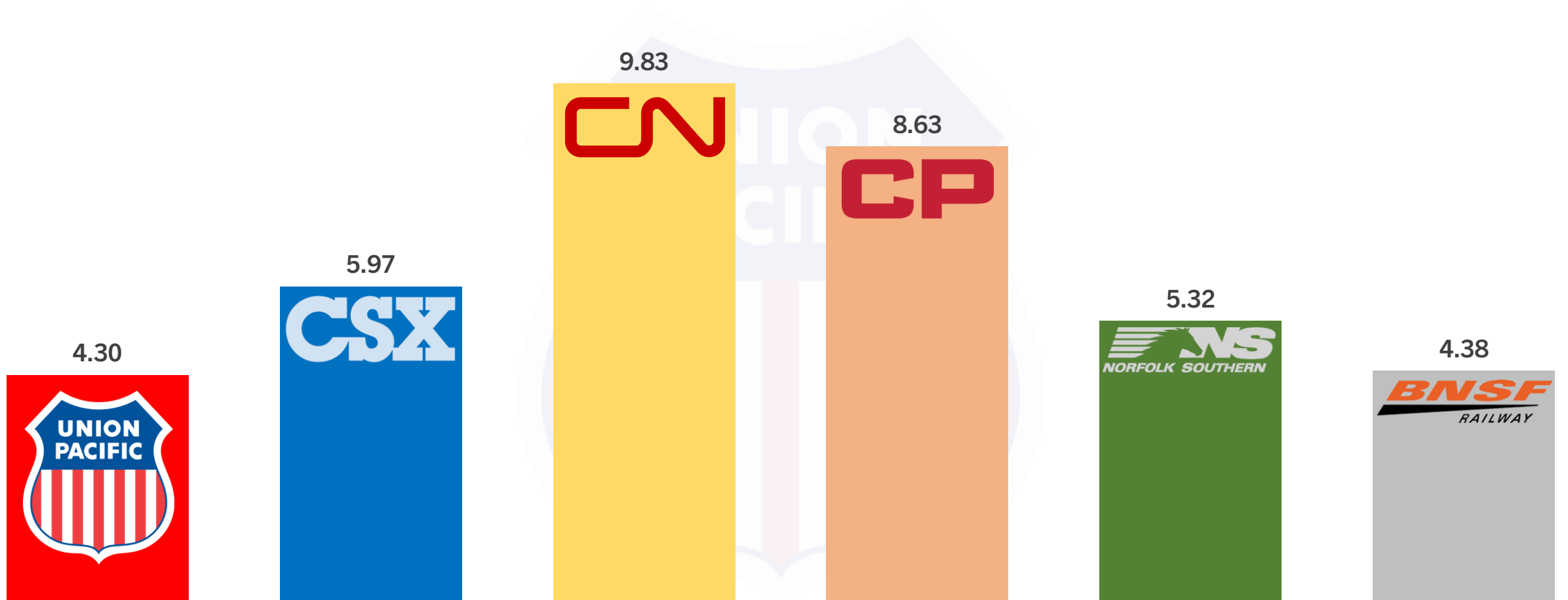


TOTAL LOCOMOTIVES



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EMPLOYEES PER LOCOMOTIVE



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CAPITAL EXPENDITURES

In Millions



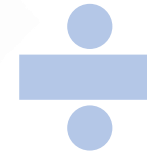
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QUALITY



Train Velocity

Miles
Traveled



Departure to
Arrival Time



Revenue Per Car



BUILDING AMERICA®

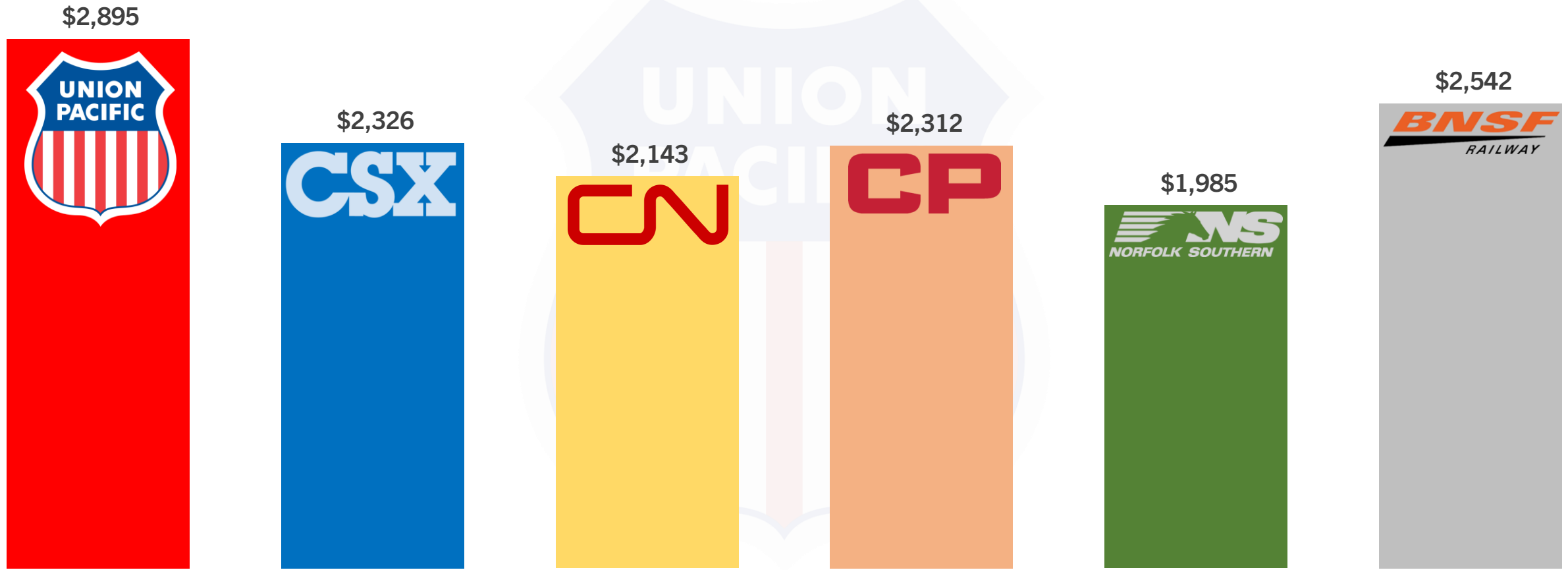
TRAIN VELOCITY

In Miles Per Hour



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REVENUE PER CARLOAD



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VOLUME



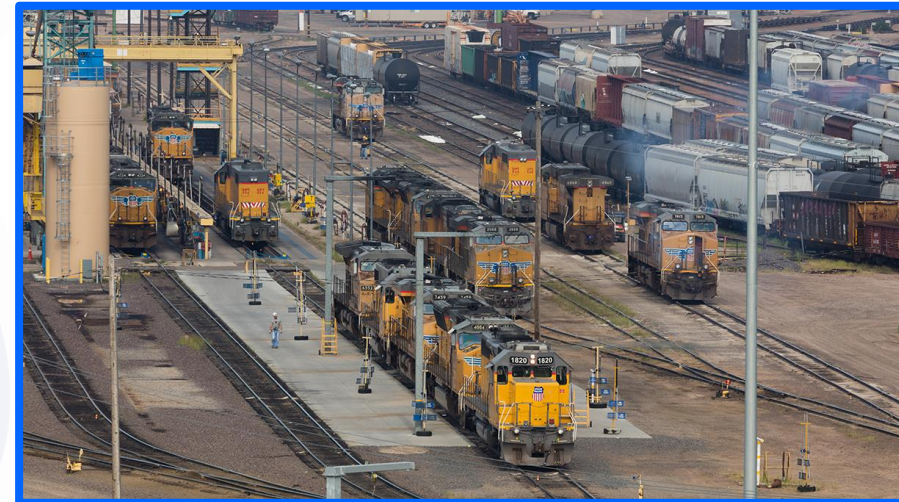
Weekly Carloads

Cars Moved
Over 1 Week



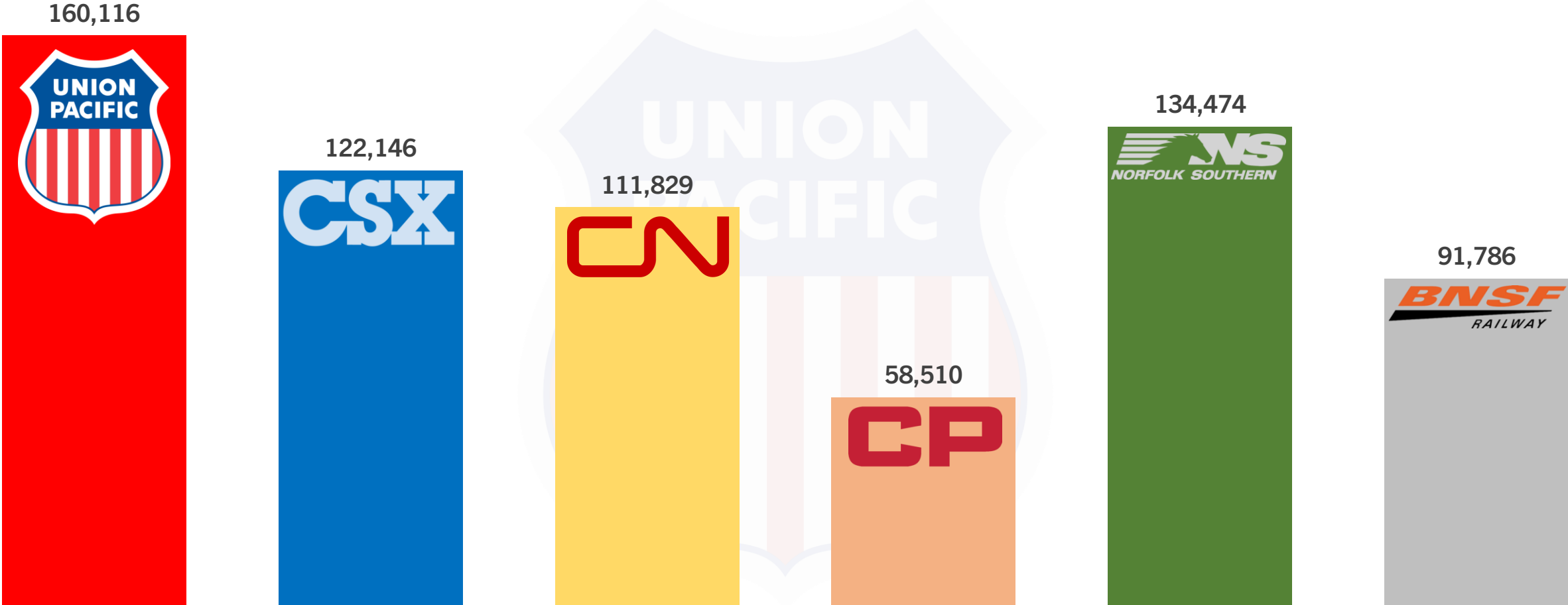
Total Miles of Track

How Large is
the Network?

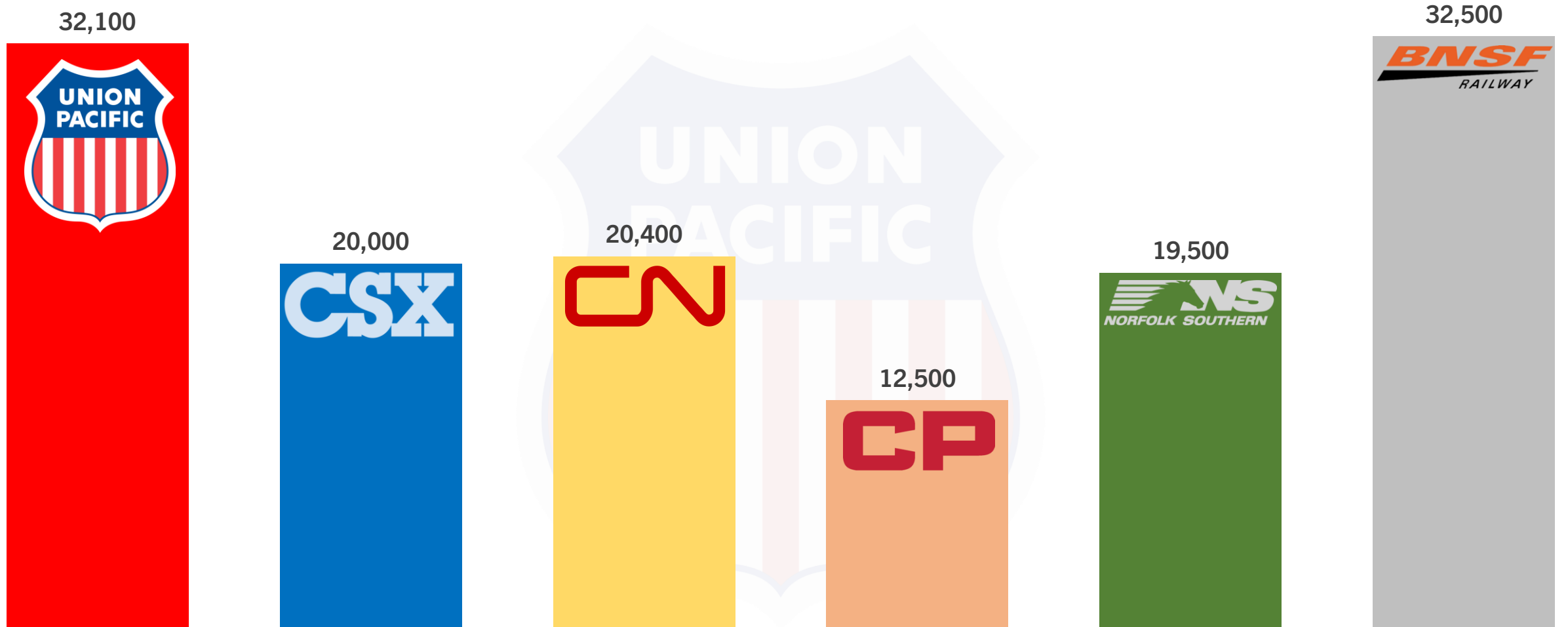


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WEEKLY CARLOADS



TOTAL MILES OF TRACK



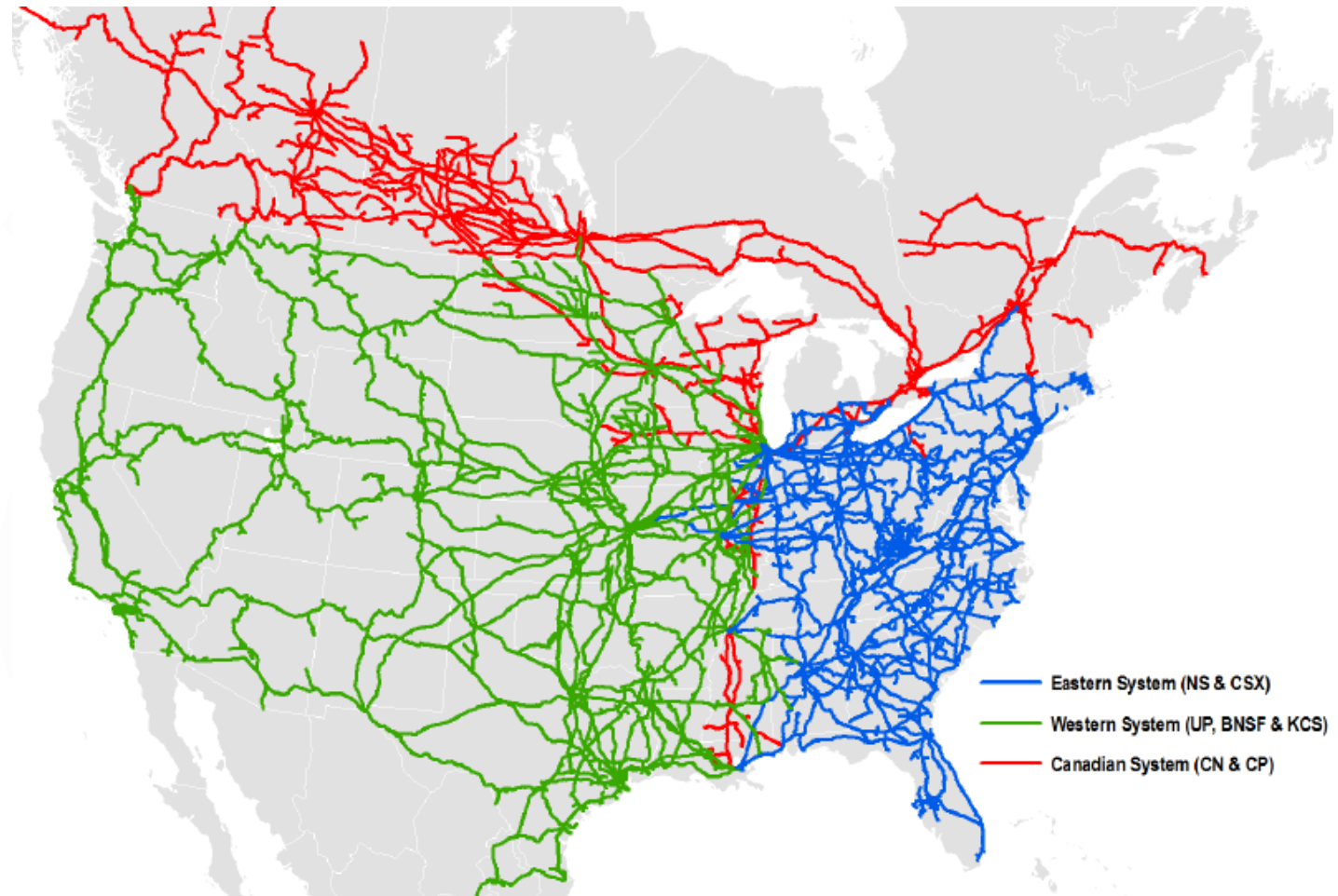
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RAIL NETWORK COMPARISON

Growth

Risks

Advantages



BUILDING AMERICA®

RAIL NETWORK COMPARISON

Key Markets

- Population
- Industrial Areas
- Original Shipments
- International linking

Hazards

- Unexpected Weather
- Market Share Risks
- Accidents

Network Efficiencies

- Elevation changes
- Track Length



UNION PACIFIC

Precision Scheduled
Railroading

Significant KPIs

1 gallon per 1000 miles

62% of freight on time

2 Derails per million miles



Key Characteristics

Long Tracks

Predictable Weather

High Elevation Changes

Agriculture Connections

Low Population Base

Access to:

- Canada
- Mexico
- Gulf of Mexico
- West Coast America
- Mississippi River



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BURLINGTON NORTHERN

Precision Scheduled
Railroading

Key Characteristics

Long Tracks

Predictable Weather

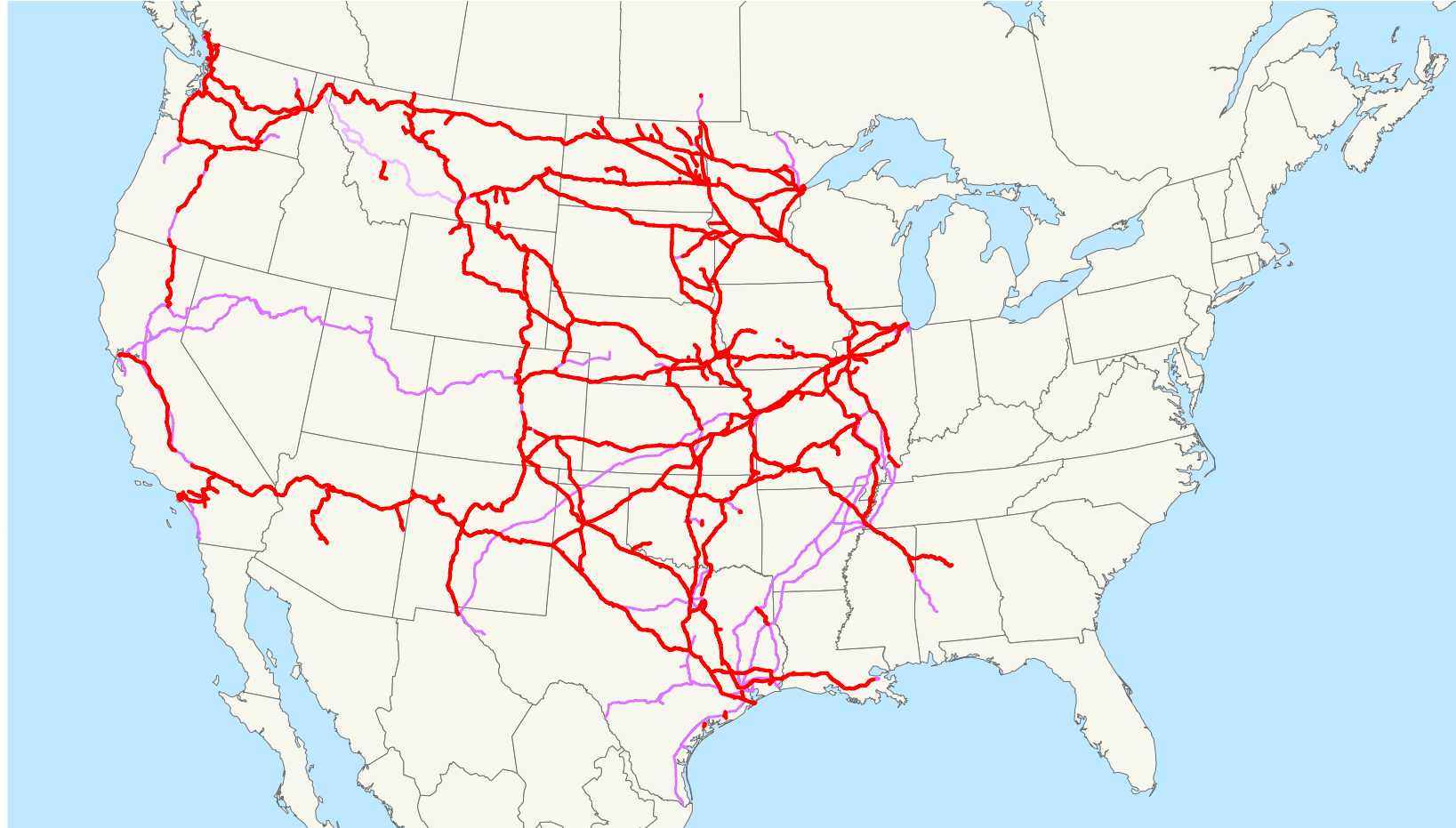
High Elevation Changes

Agriculture Connections

Low Population Base

Access to:

- Canada
- Mexico
- Gulf of Mexico
- West Coast America
- Mississippi River



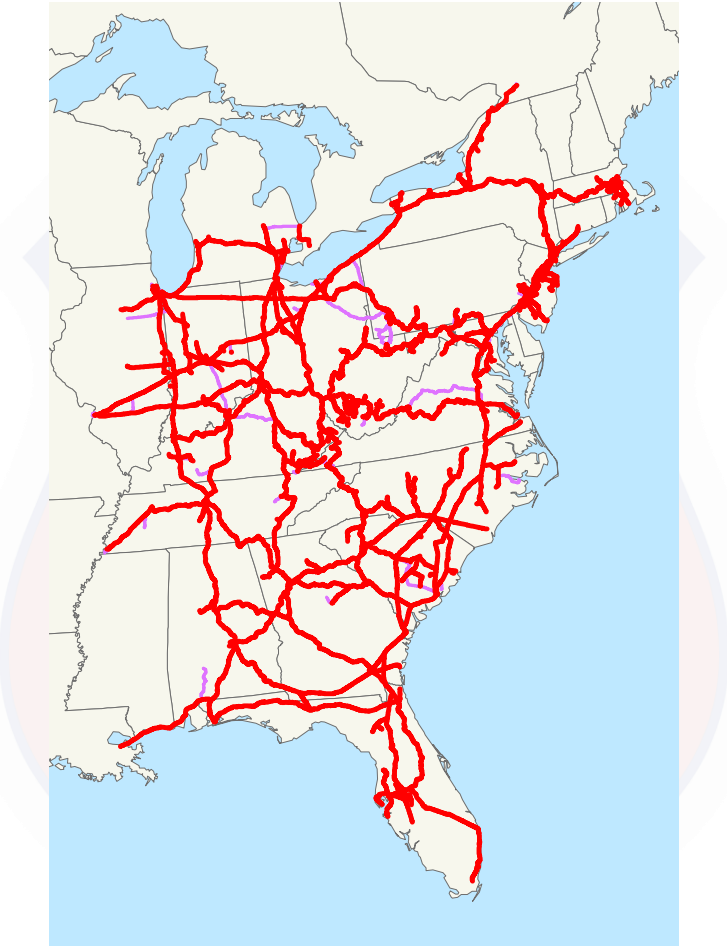
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CSX RAIL NETWORK

Precision Scheduled
Railroading

Key Characteristics

- Short Tracks
- More Unpredictable Weather
- Low Elevation Changes
- High Industrial Areas
- High Population Base
- Access to:
 - East Coast America
 - Mississippi
 - Great Lakes
 - Canada
 - Gulf of Mexico

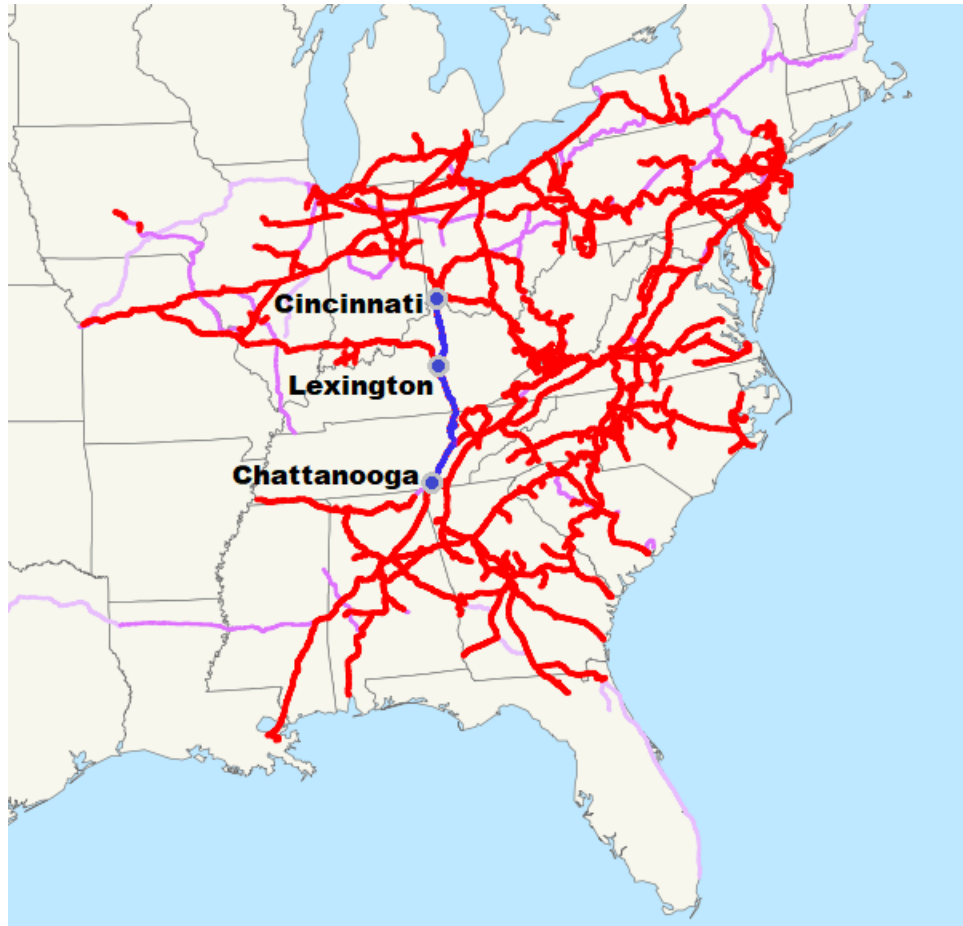


Significant KPIs

- 1 gallon per 1000 miles
- 46% of freight on time
- 2.8 Derails per million miles

NORFOLK SOUTHERN

Precision Scheduled
Railroading



Key Characteristics

Short Tracks

More Unpredictable Weather

Low Elevation Changes

High Industrial Areas

High Population Base

Access to:

- East Coast America
- West of Mississippi
- Great Lakes
- Canada
- Gulf of Mexico



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CANADIAN NATIONAL

Precision Scheduled
Railroading

Significant KPIs

.85 gallons per 1000
miles

60% of freight on time

1.8 Derails per million
miles



Key Characteristics

Long Tracks

Predictable Weather

Low Elevation Changes

Agriculture Connections

Midrange Population Reach

Access to:

- Canada
- Middle America
- Mississippi River
- Gulf of Mexico
- East and West Coast Canada



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CANADIAN PACIFIC

Precision Scheduled
Railroading

Key Characteristics

Long Tracks

Predictable Weather

Low Elevation Changes

Agriculture Connections

High Population Reach

Access to:

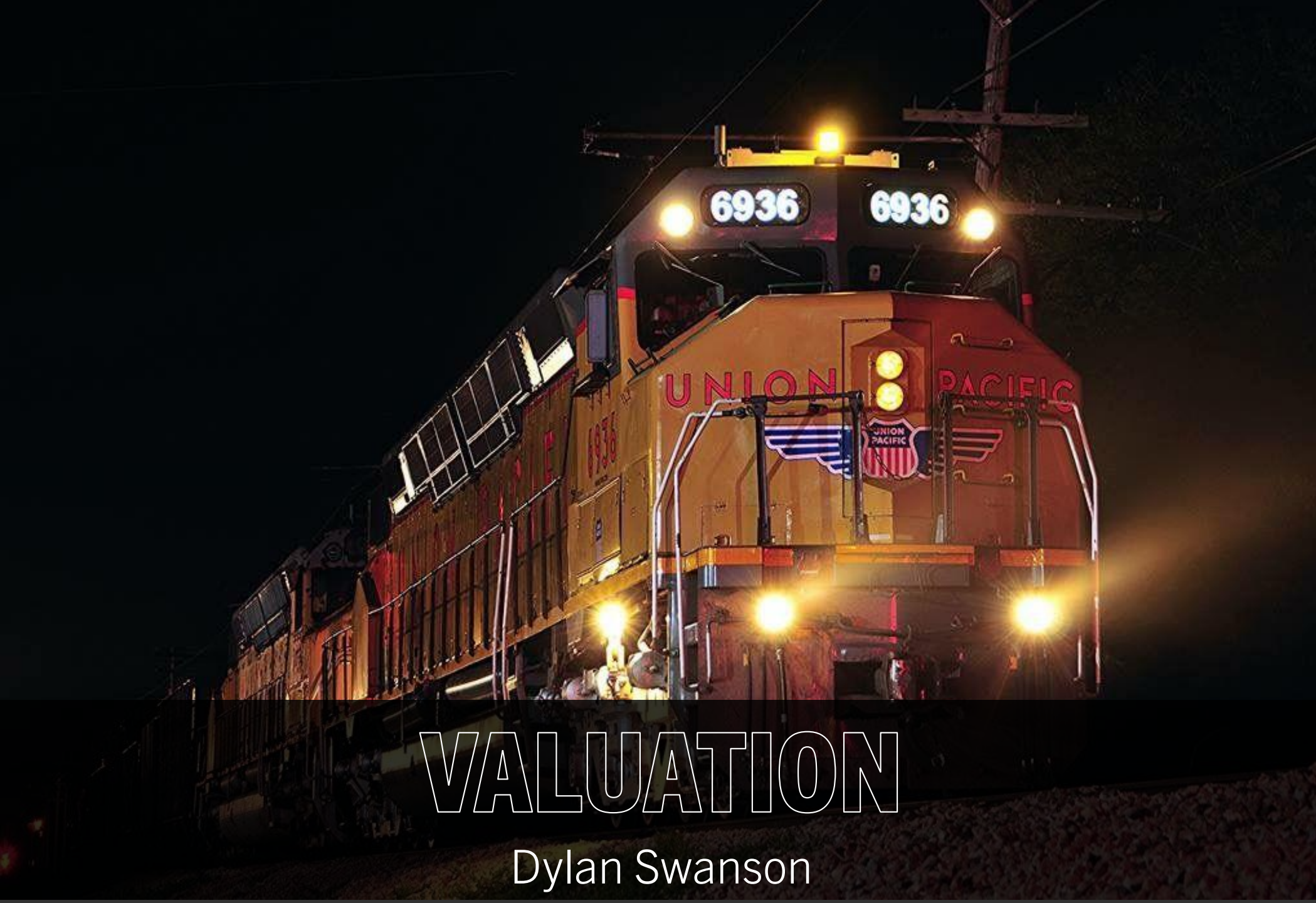
- Canada
- Middle America
- Upper Mississippi River
- West Coast Canada

Significant KPIs

.9 gallons per 1000 miles



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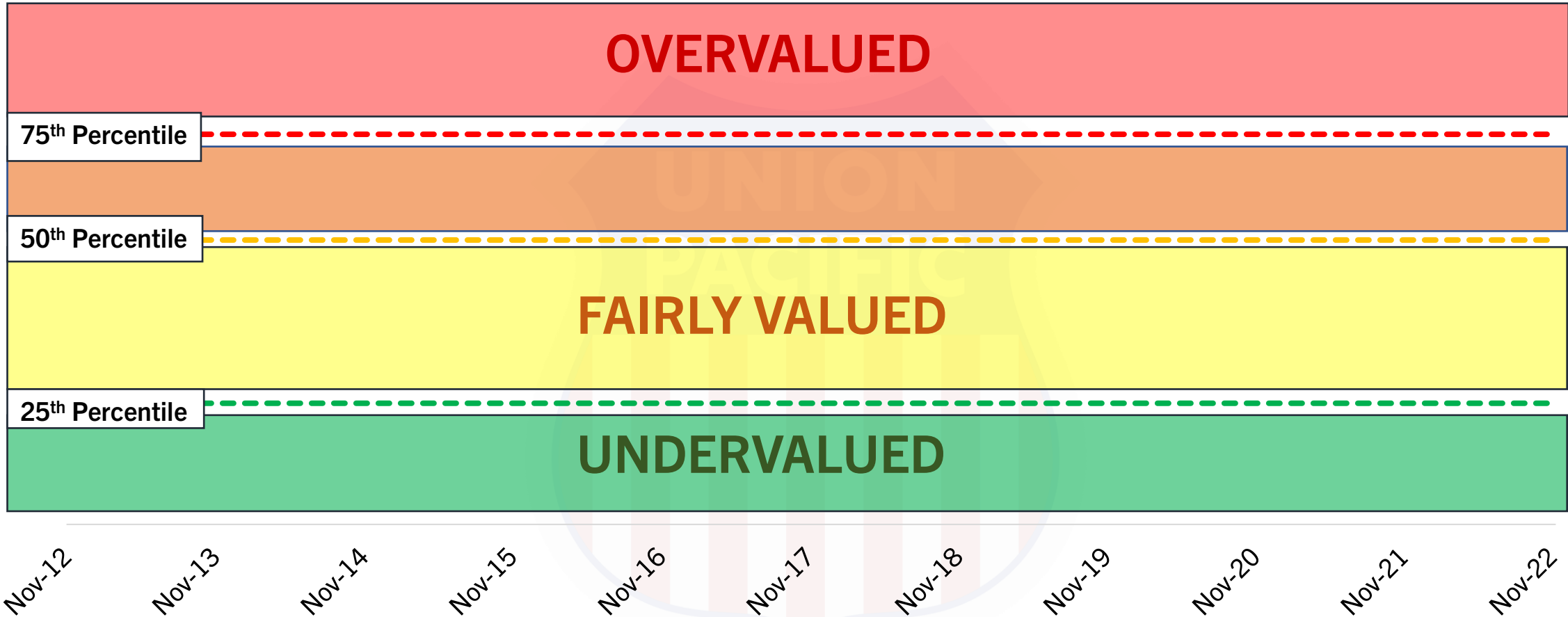


VALUATION

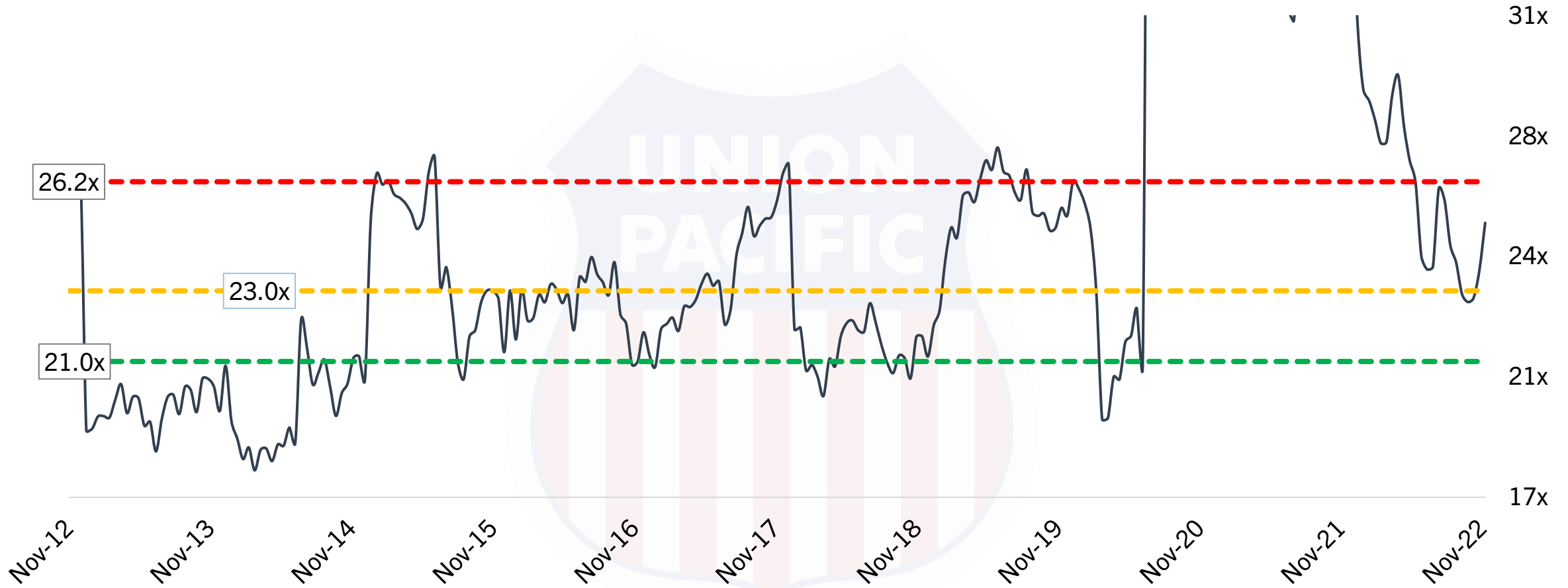
Dylan Swanson

COMPANY OVERVIEW
COMPANY BREAKDOWN
INTERPRETATION OF FINANCIAL STATEMENTS
MANAGEMENT
CAPITAL ALLOCATION
ECONOMIC MOAT
RISK FACTORS
GROWTH OPPORTUNITIES
COMPETITOR ANALYSIS
VALUATION
CONCLUSION

VALUE BANDS

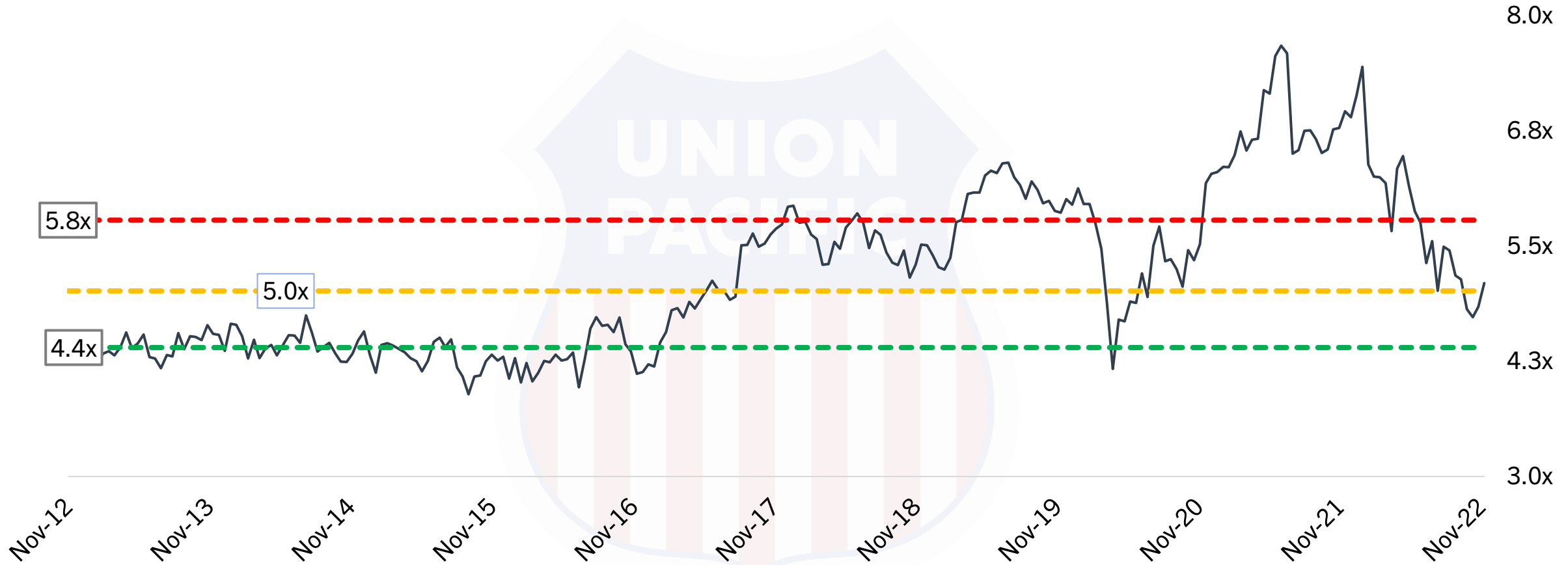


PRICE TO EARNINGS



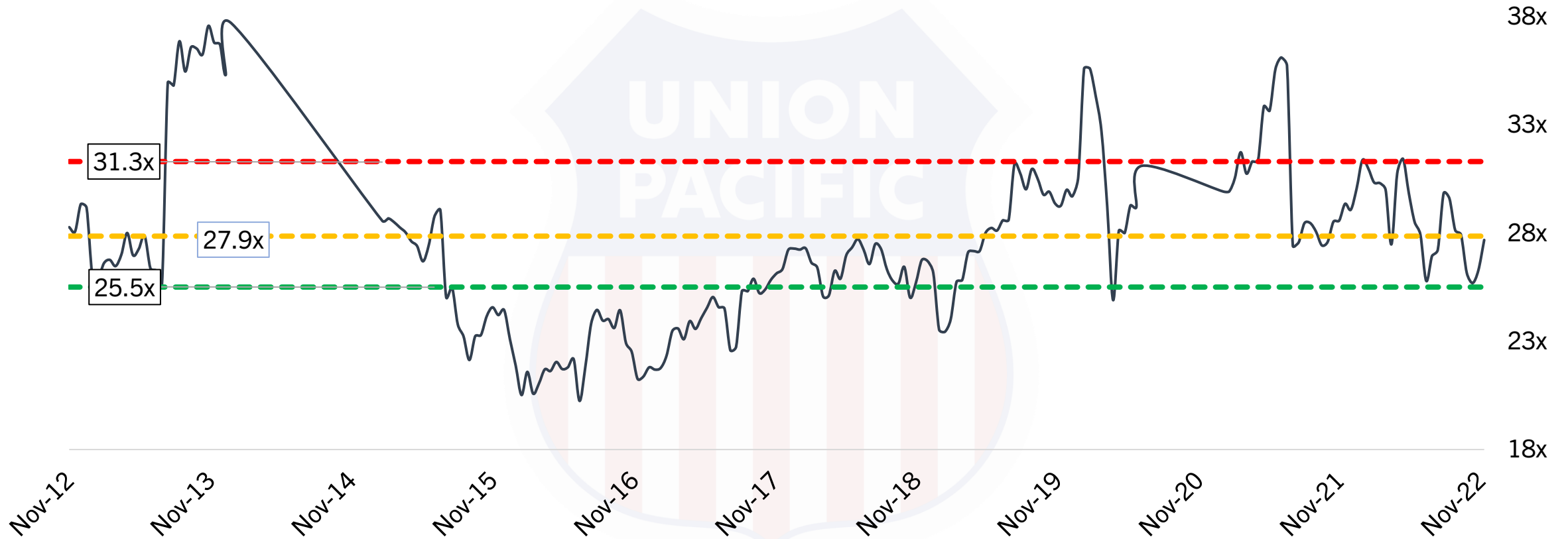
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PRICE TO SALES



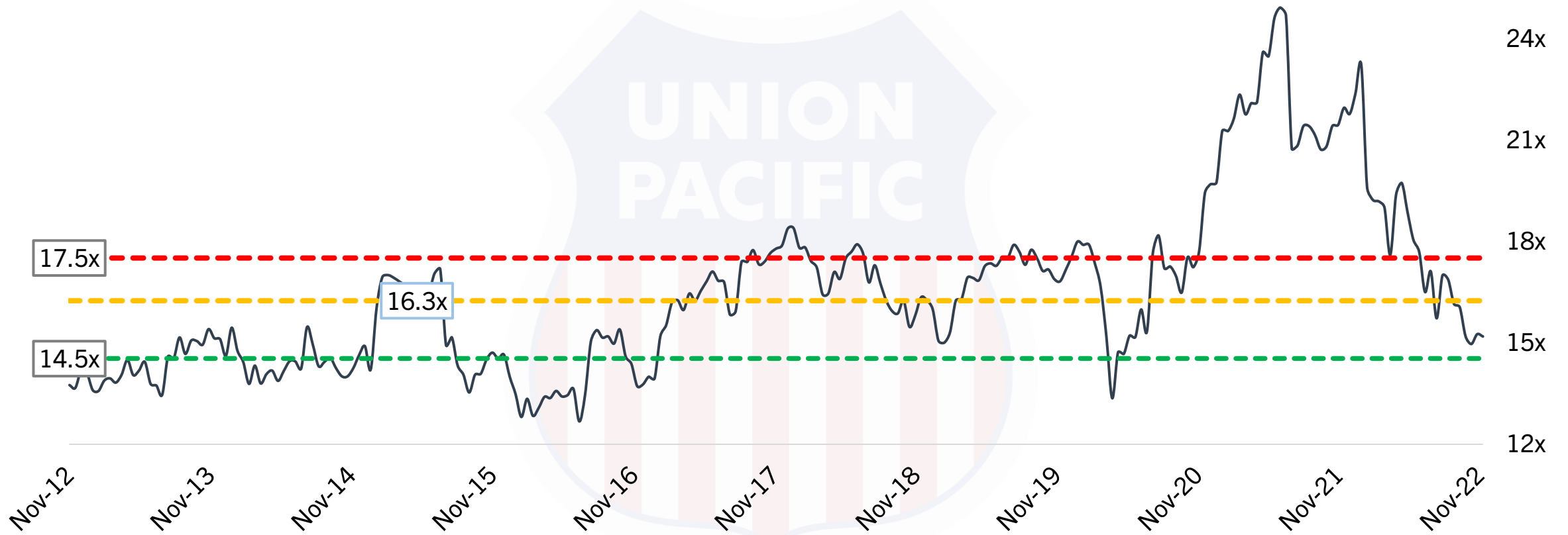
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PRICE TO FREE CASH FLOW



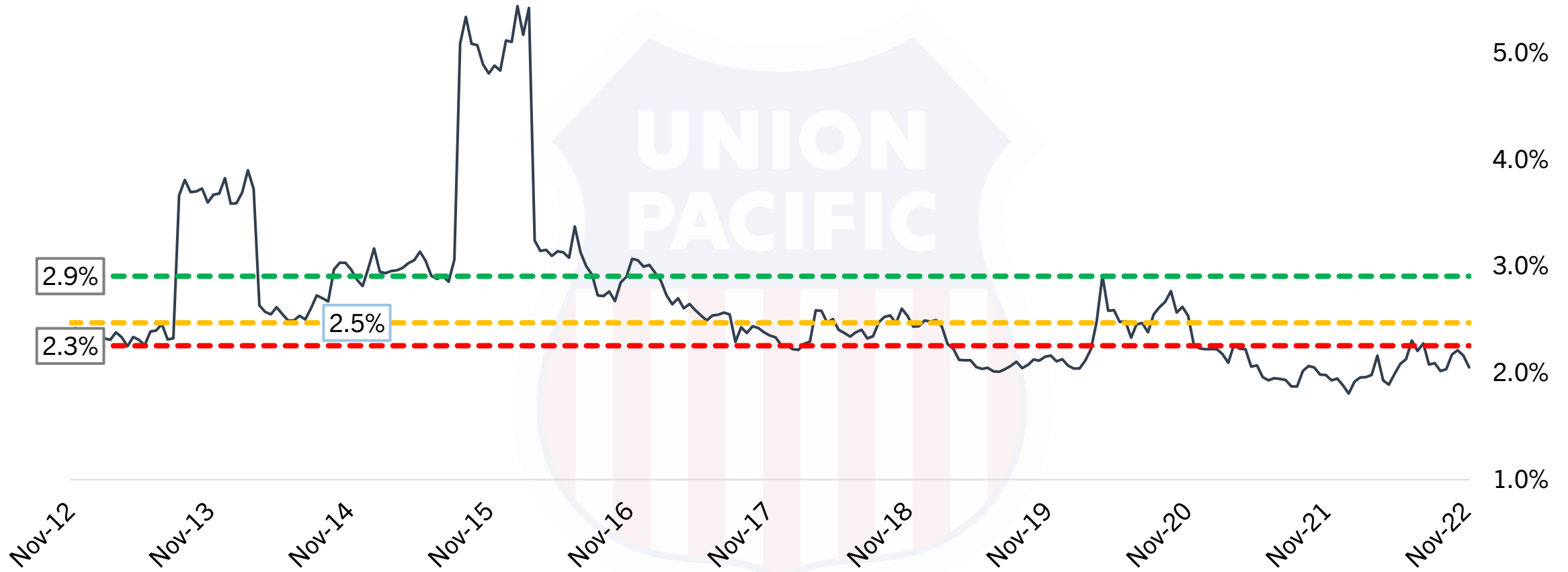
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ENTERPRISE VALUE TO EBITDA



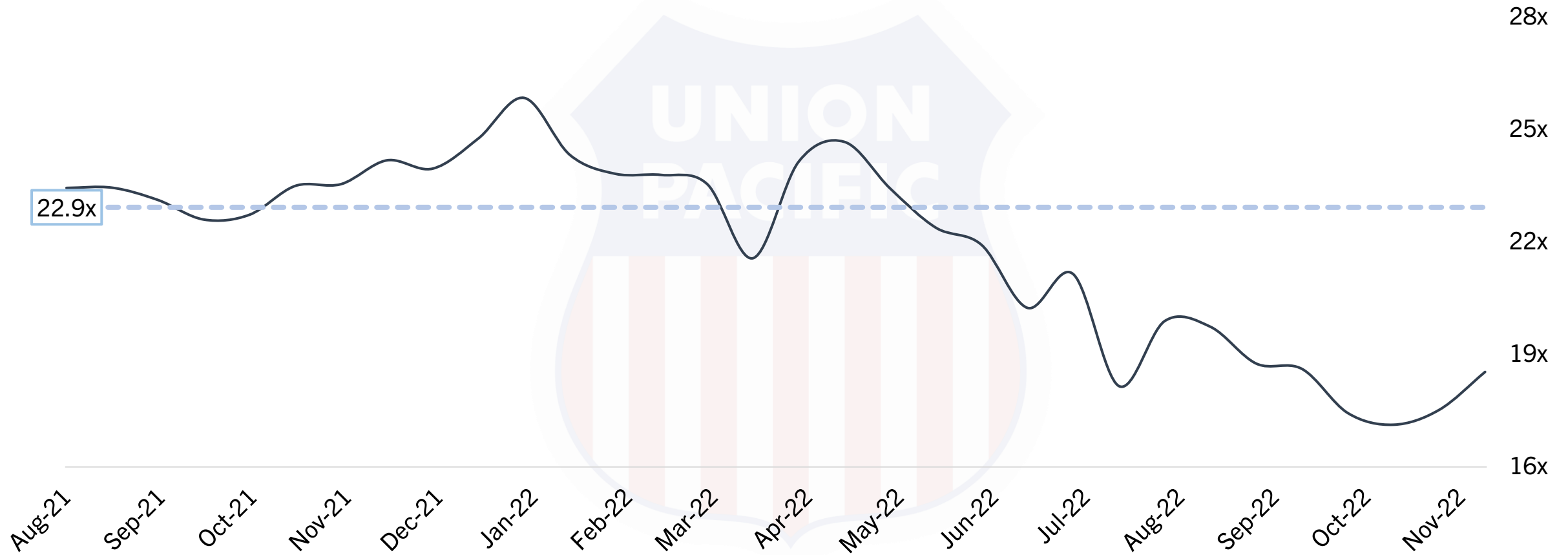
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DIVIDEND YIELD



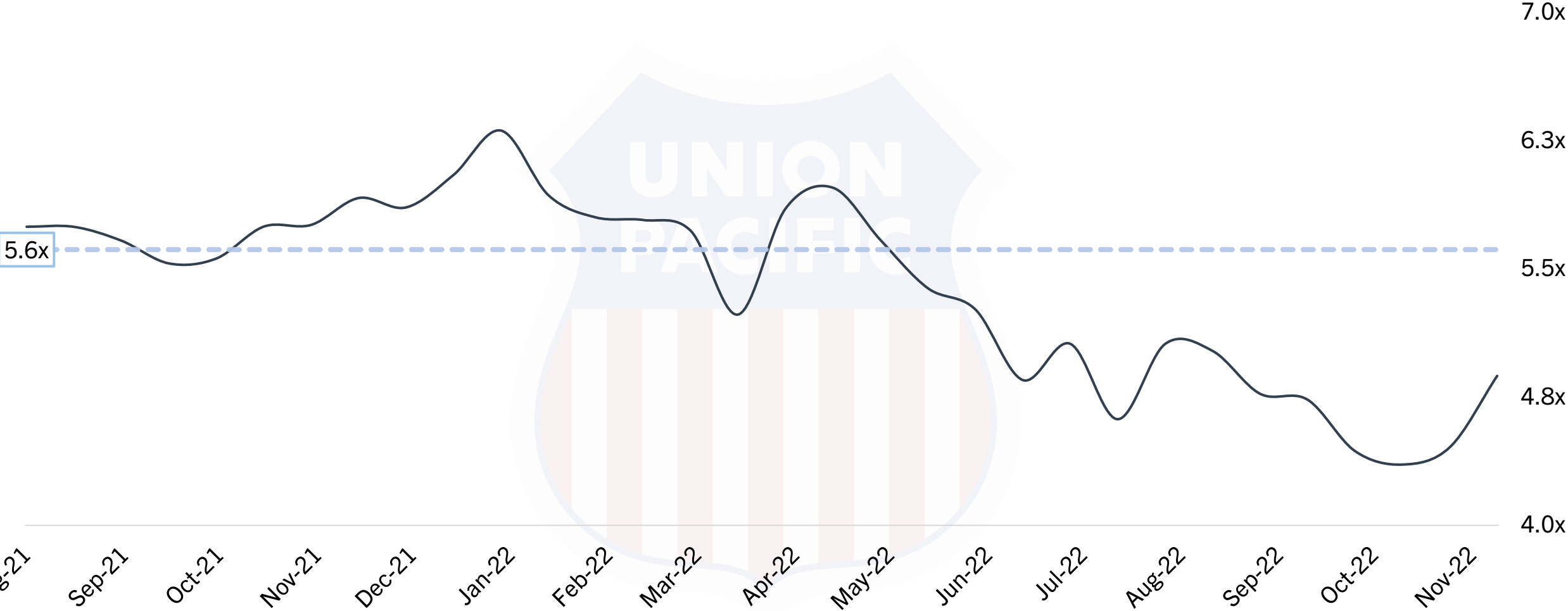
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FORWARD PRICE TO EARNINGS



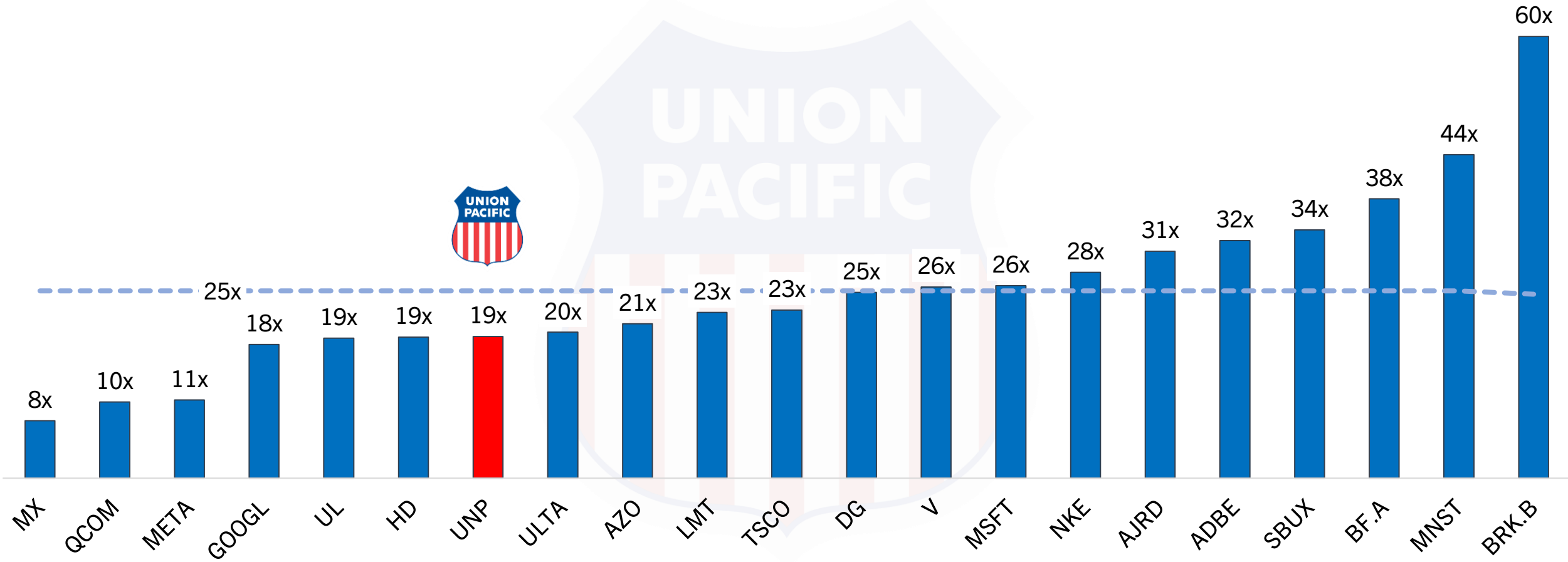
BUILDING AMERICA®

FORWARD PRICE TO SALES



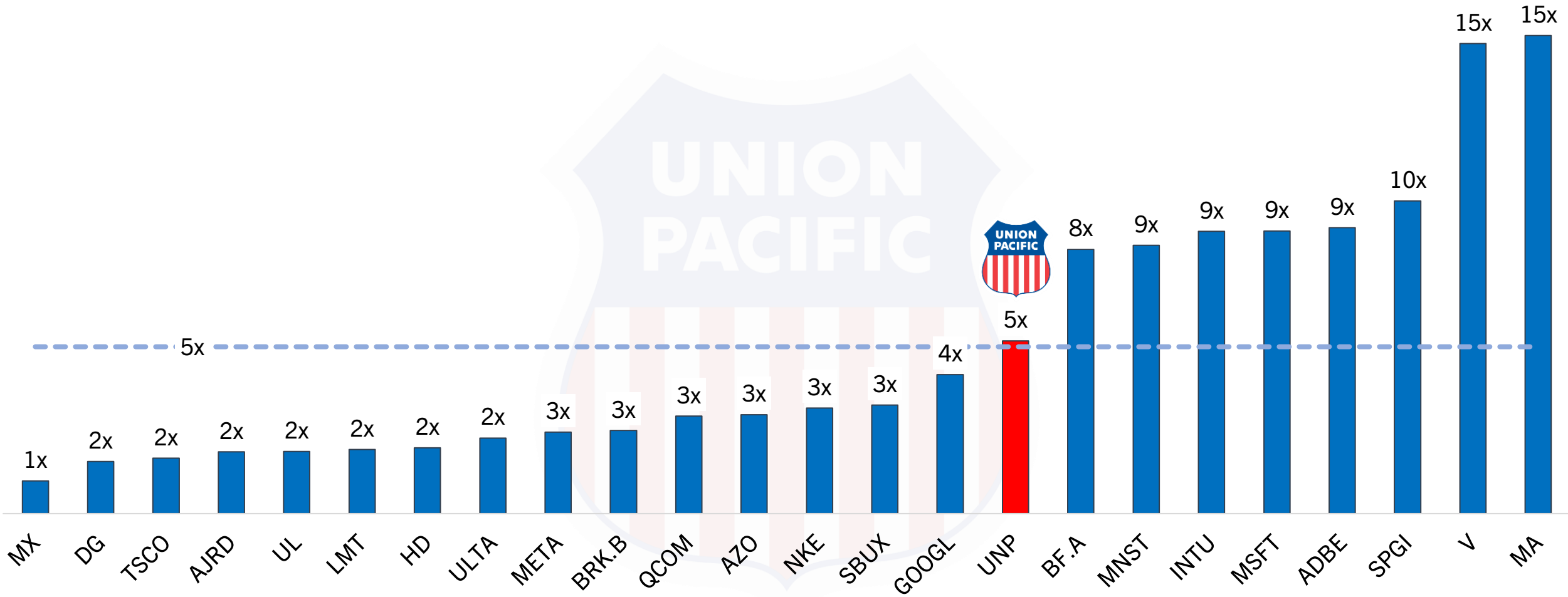
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PRICE TO EARNINGS



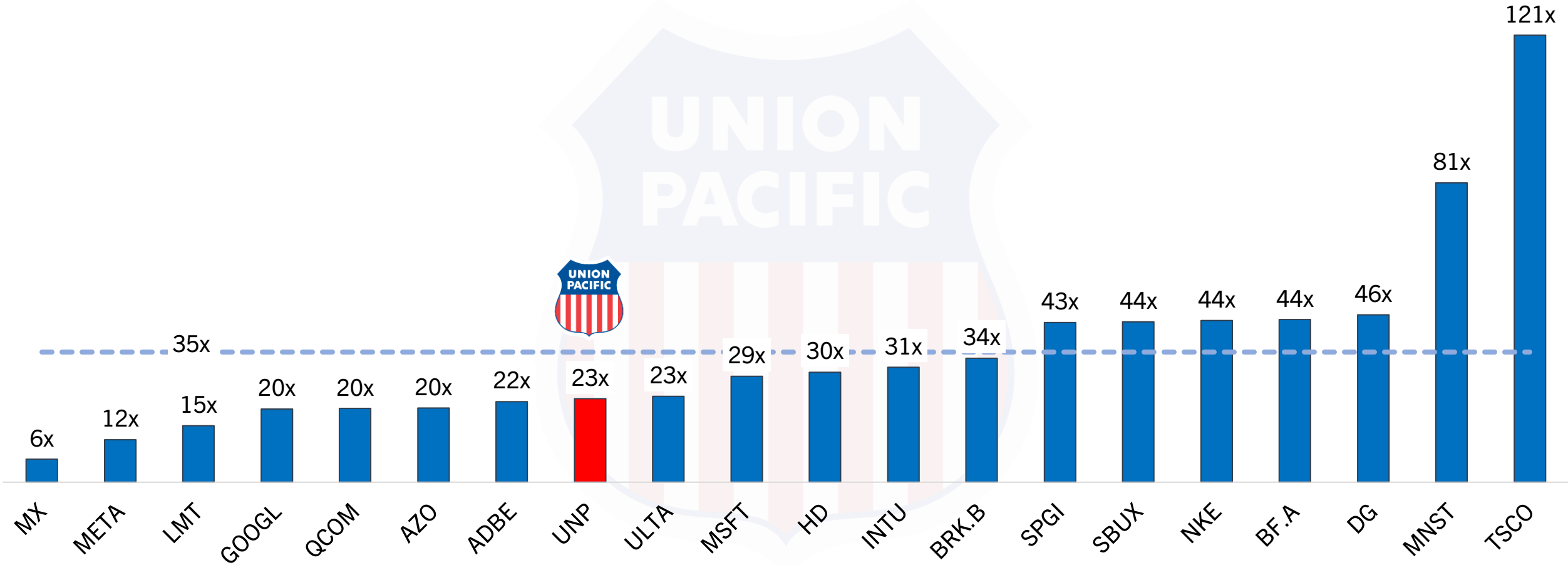
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PRICE TO SALES



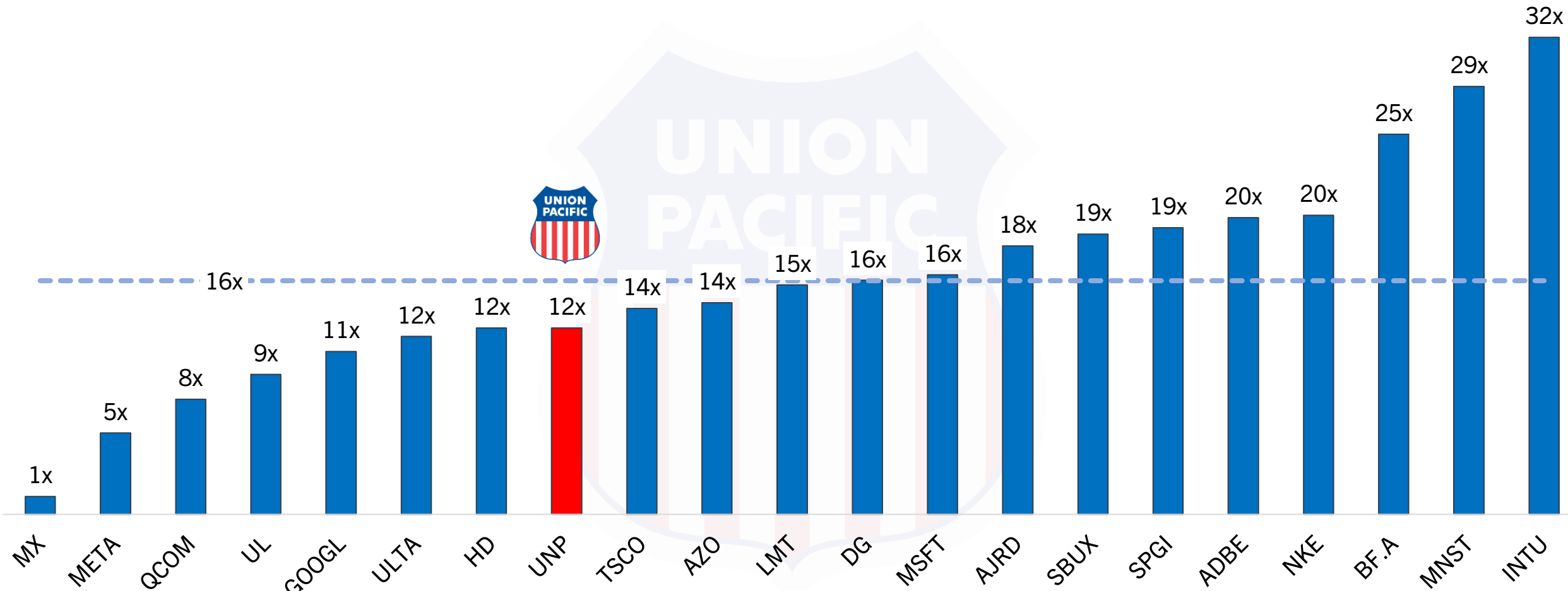
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PRICE TO FREE CASH FLOW



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ENTERPRISE VALUE TO EBITDA

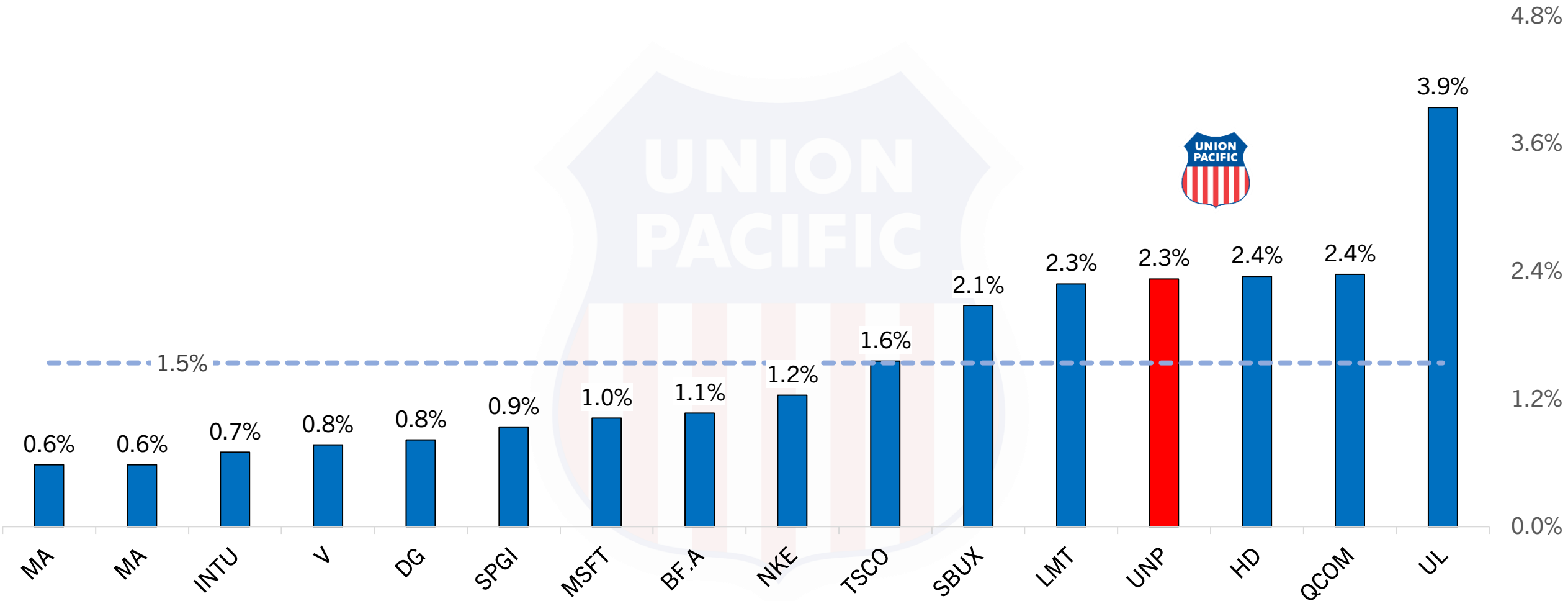


UNION PACIFIC



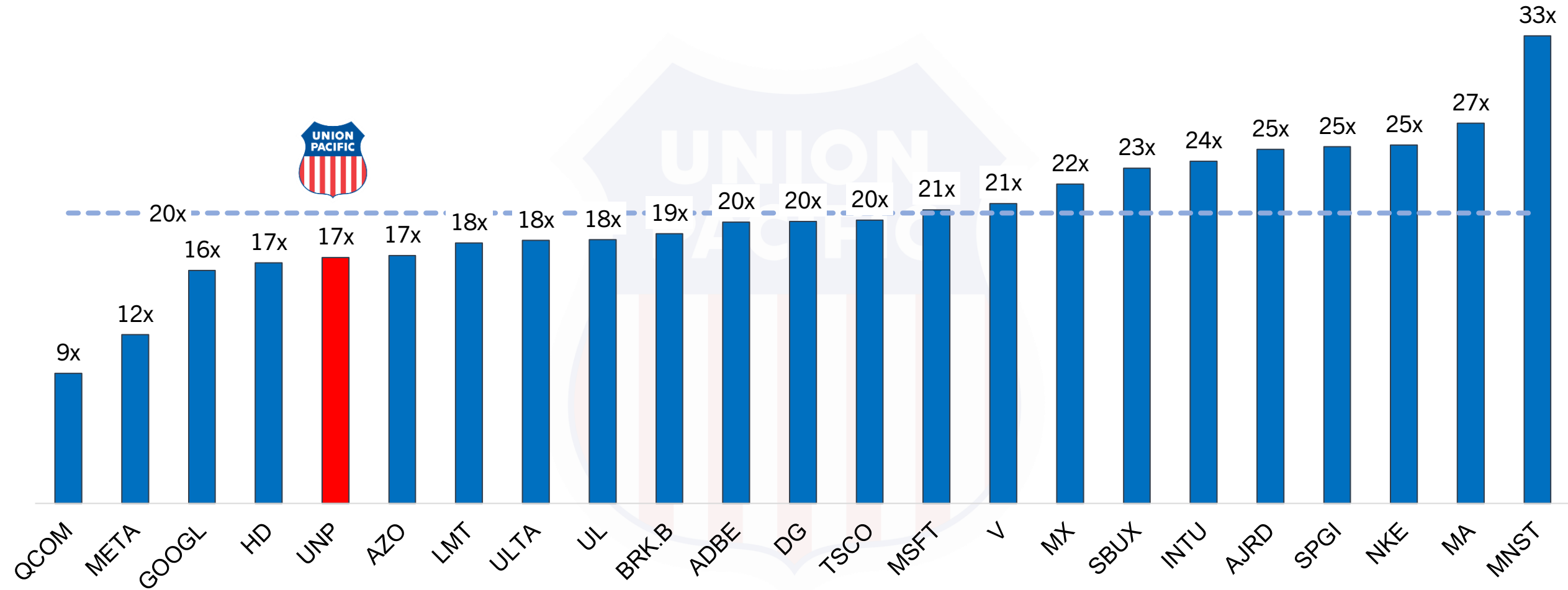
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DIVIDEND YIELD



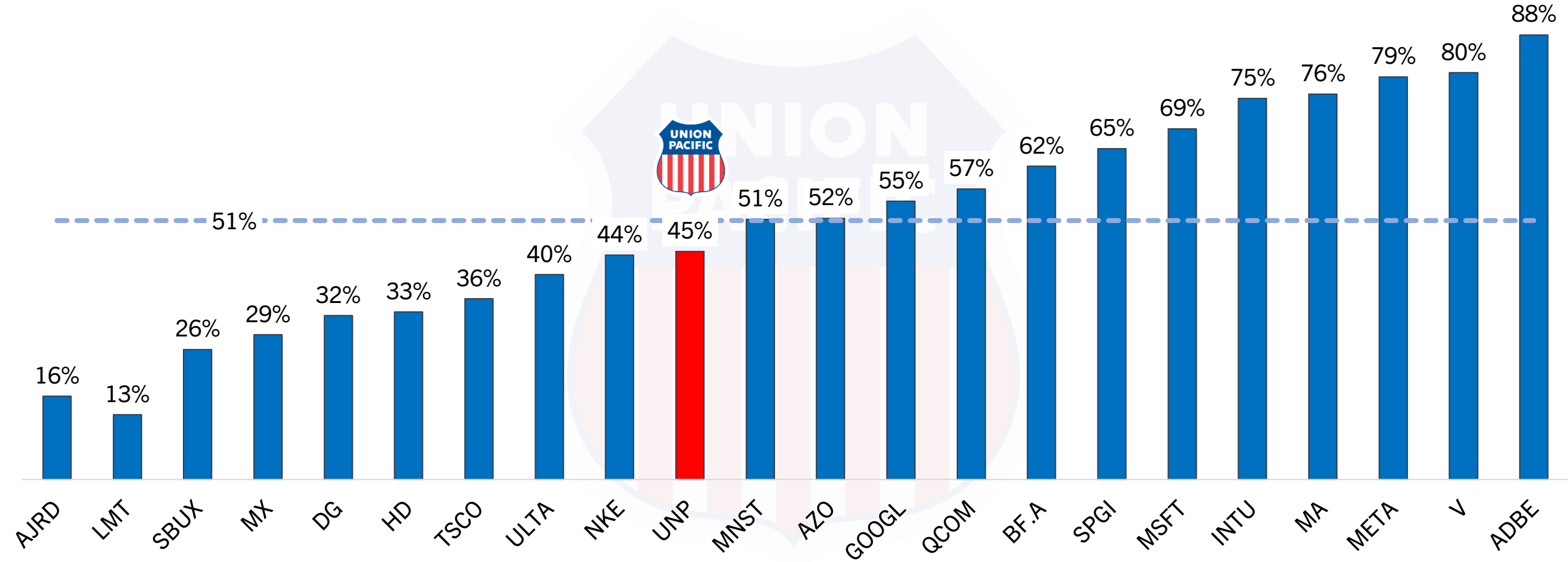
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FORWARD PRICE TO EARNINGS



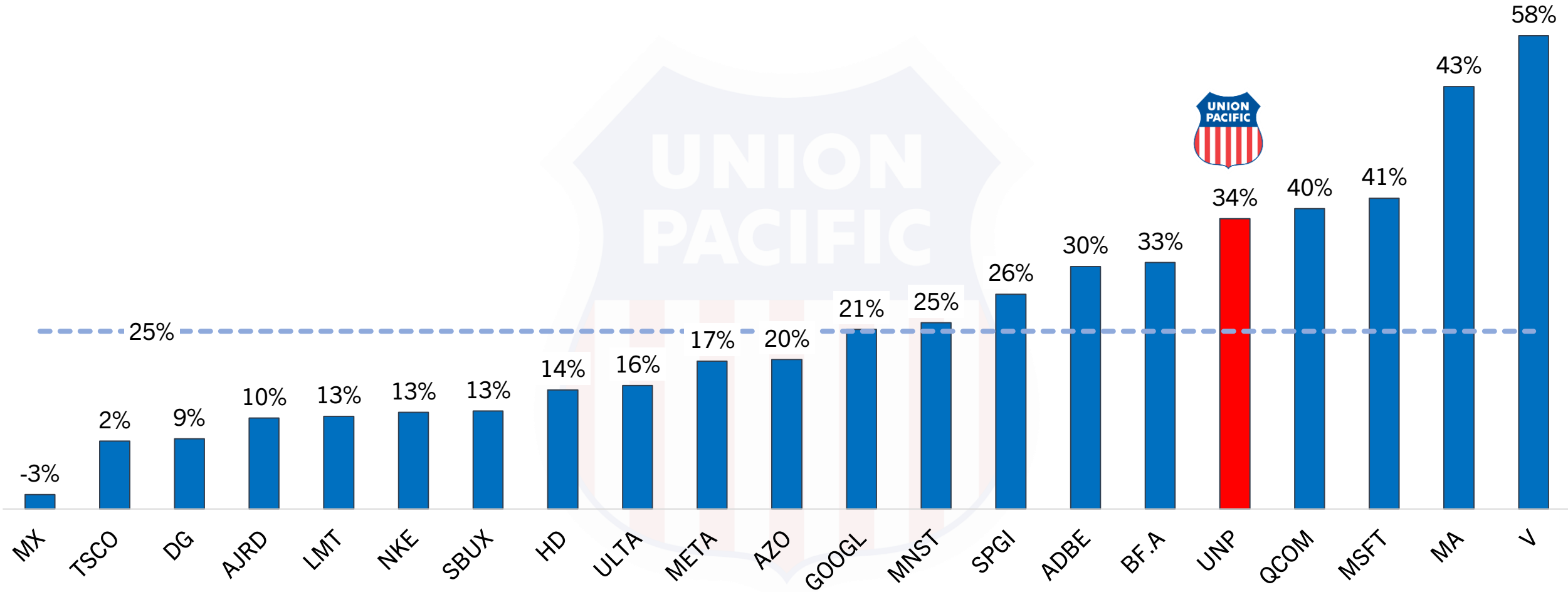
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GROSS MARGIN



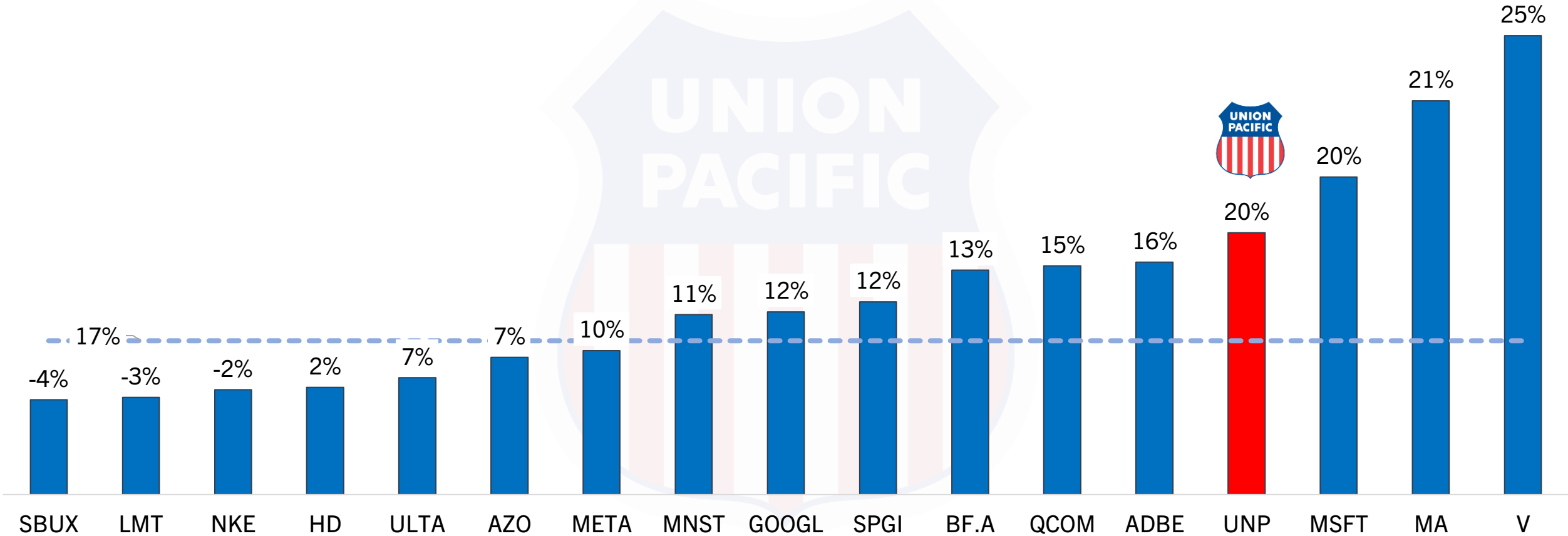
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OPERATING MARGIN



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NET MARGIN



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EPS PROJECTION INPUTS

5 YEARS	Bear	Base	Bull
Net Income Growth	4%	5%	6%
Share Buybacks	4%	5%	6%
EPS Growth	8%	10%	12%



5 YEAR EPS MODEL WITH ESTIMATED DIVIDENDS

5 year EPS projection							Discount rate:				
							P/E	Projected total return price	PV	5 year Upside	annual return
Bear	Current	2022	2023	2024	2025	2026	13.0x	\$ 256.07	\$ 159.00	20.3%	3.8%
	EPS	\$ 11.21	\$ 12.33	\$ 13.44	\$ 14.52	\$ 15.68	16.0x	\$ 306.40	\$ 190.25	43.9%	7.6%
	5yr Growth Estimate	10%	9%	8%	8%	7%	19.0x	\$ 356.72	\$ 221.50	67.6%	10.9%
	\$ Change	\$ 1.12	\$ 1.11	\$ 1.08	\$ 1.16	\$ 1.10					
Base	Current	2022	2023	2024	2025	2026	14.0x	\$ 284.63	\$ 176.73	33.7%	6.0%
	EPS	\$ 11.21	\$ 12.44	\$ 13.69	\$ 14.92	\$ 16.11	17.0x	\$ 336.83	\$ 209.15	58.2%	9.6%
	5yr Growth Estimate	11%	10%	9%	9%	9%	20.0x	\$ 389.04	\$ 241.56	82.7%	12.8%
	\$ Change	\$ 1.23	\$ 1.24	\$ 1.23	\$ 1.19	\$ 1.29				Upside	
Bull	Current	2022	2023	2024	2025	2026	15.0x	\$ 319.71	\$ 198.51	50.2%	8.5%
	EPS	\$ 11.21	\$ 12.56	\$ 13.94	\$ 15.33	\$ 16.86	18.0x	\$ 374.85	\$ 232.75	76.1%	12.0%
	5yr Growth Estimate	12%	11%	10%	10%	10%	21.0x	\$ 429.99	\$ 266.99	102.0%	15.1%
	\$ Change	\$ 1.35	\$ 1.38	\$ 1.39	\$ 1.53	\$ 1.52					



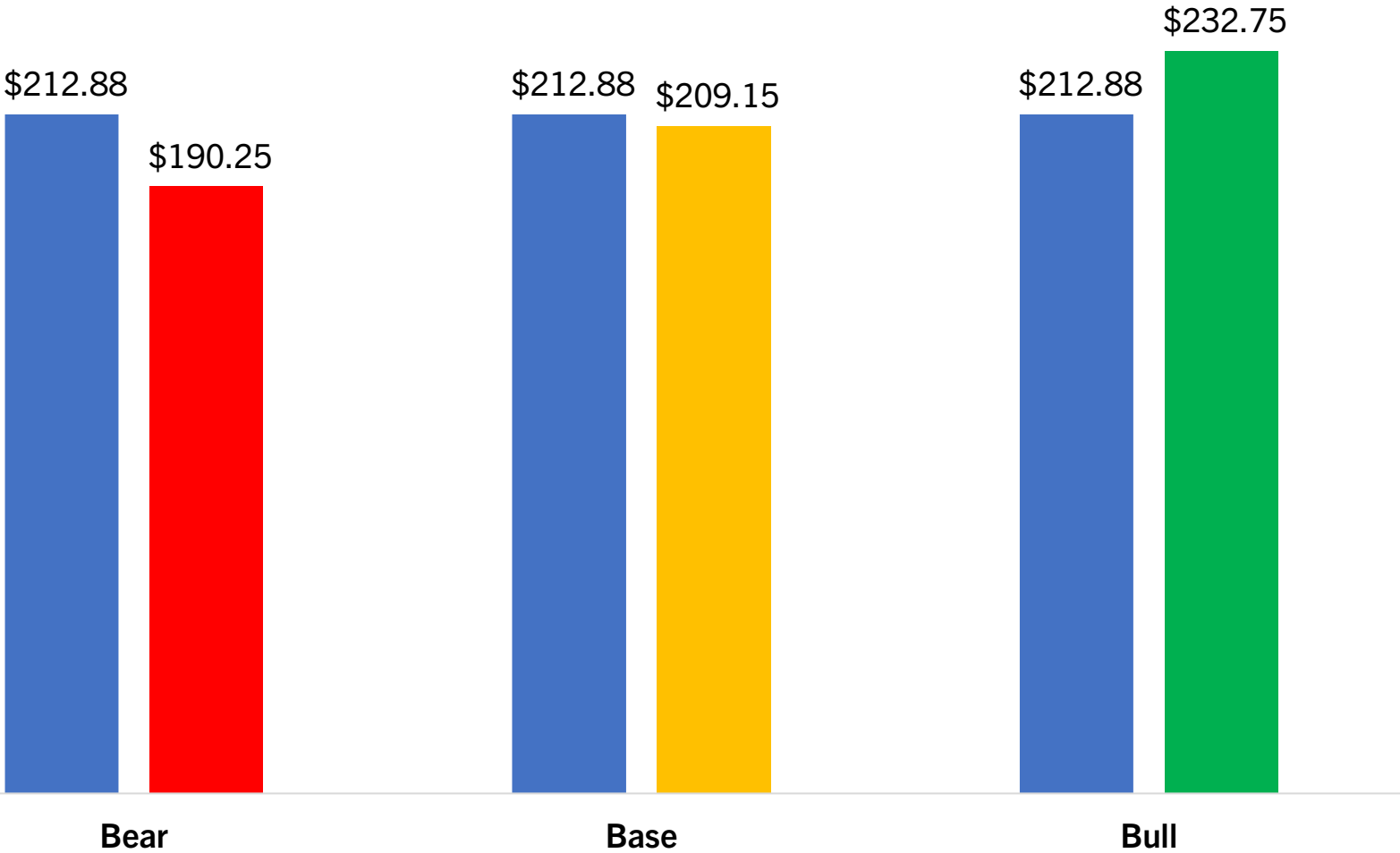
SENSITIVITY ANALYSIS WITH ESTIMATED DIVIDENDS

Sensitivity Analysis: Exp Total RoR Range

		Est. EPS growth rate		
		8%	10%	12%
Price/Earning	13.0x	3.8%	6.0%	8.5%
	16.0x	7.6%	9.6%	12.0%
	19.0x	10.9%	12.8%	15.1%

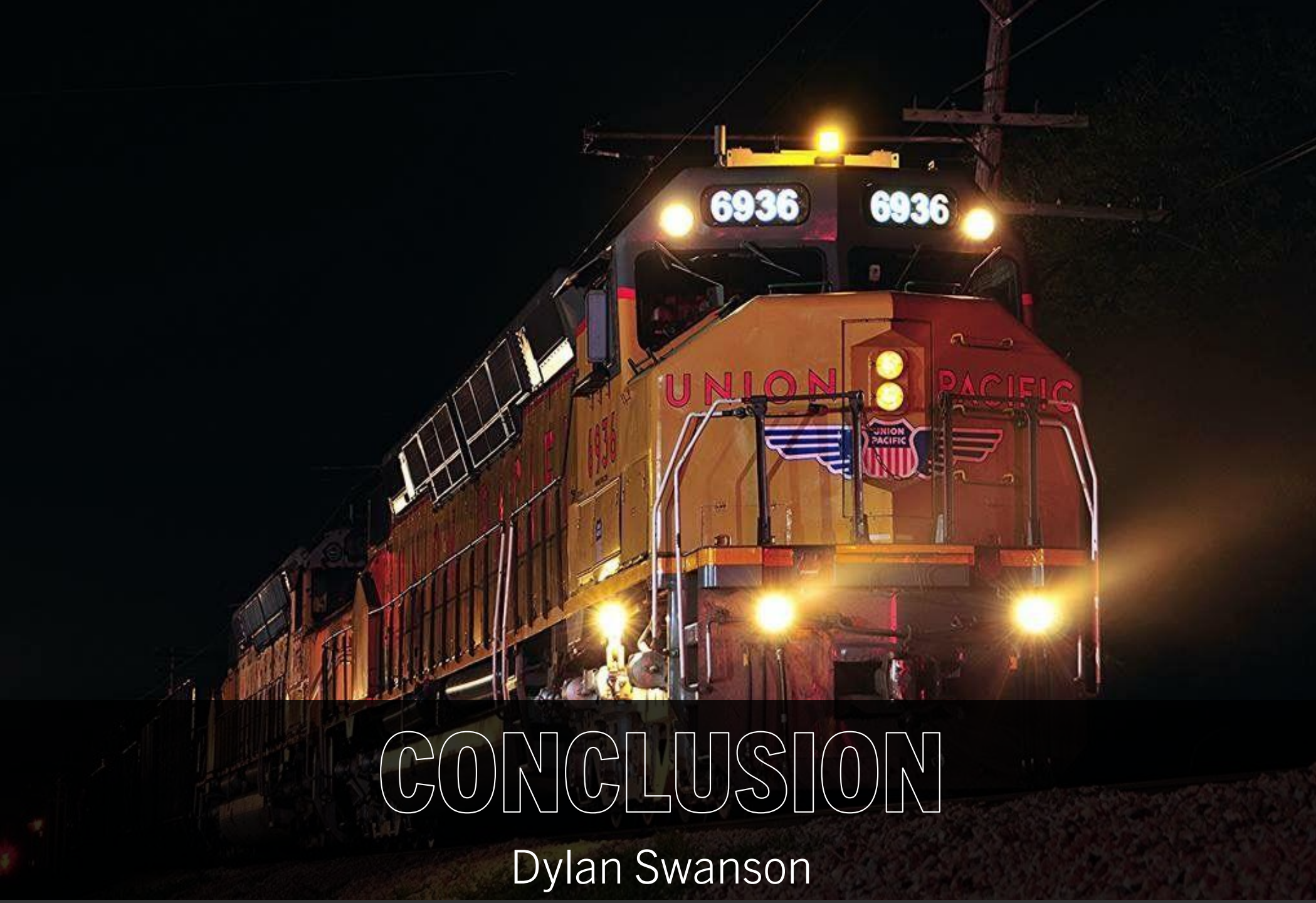


PRESENT VALUE VS. CURRENT PRICE



MoS	
BEAR	-11%
BASE	-2%
BULL	9%





CONCLUSION

Dylan Swanson

COMPANY OVERVIEW

COMPANY BREAKDOWN

**INTERPRETATION OF
FINANCIAL STATEMENTS**

MANAGEMENT

CAPITAL ALLOCATION

ECONOMIC MOAT

RISK FACTORS

**GROWTH
OPPORTUNITIES**

COMPETITOR ANALYSIS

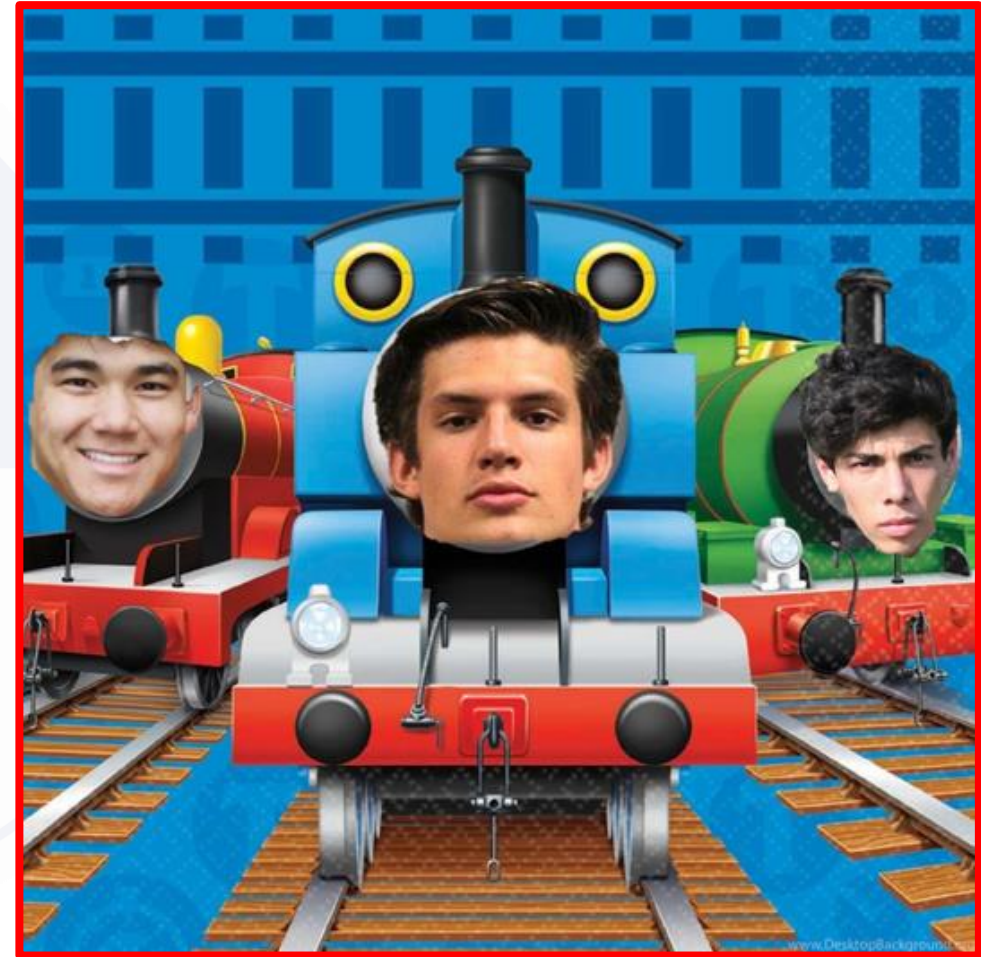
VALUATION

CONCLUSION

CONCLUSION

- Battle tested, wide-moat company
- Predictable and consistent
- Recommendation: Make 6-8% of portfolio
 - Limit Order at \$205/share

Thank you, Jenna and Pablo!



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APPENDIX

LOWER COST AVERAGING

When cost average at \$212

Sensitivity Analysis:
Exp Total RoR Range

		Est. EPS growth rate		
		8%	10%	12%
Price/Earning	13.0x	3.8%	6.0%	8.5%
	16.0x	7.6%	9.6%	12.0%
	19.0x	10.9%	12.8%	15.1%

When cost average at \$205

Sensitivity Analysis:
Exp Total RoR Range

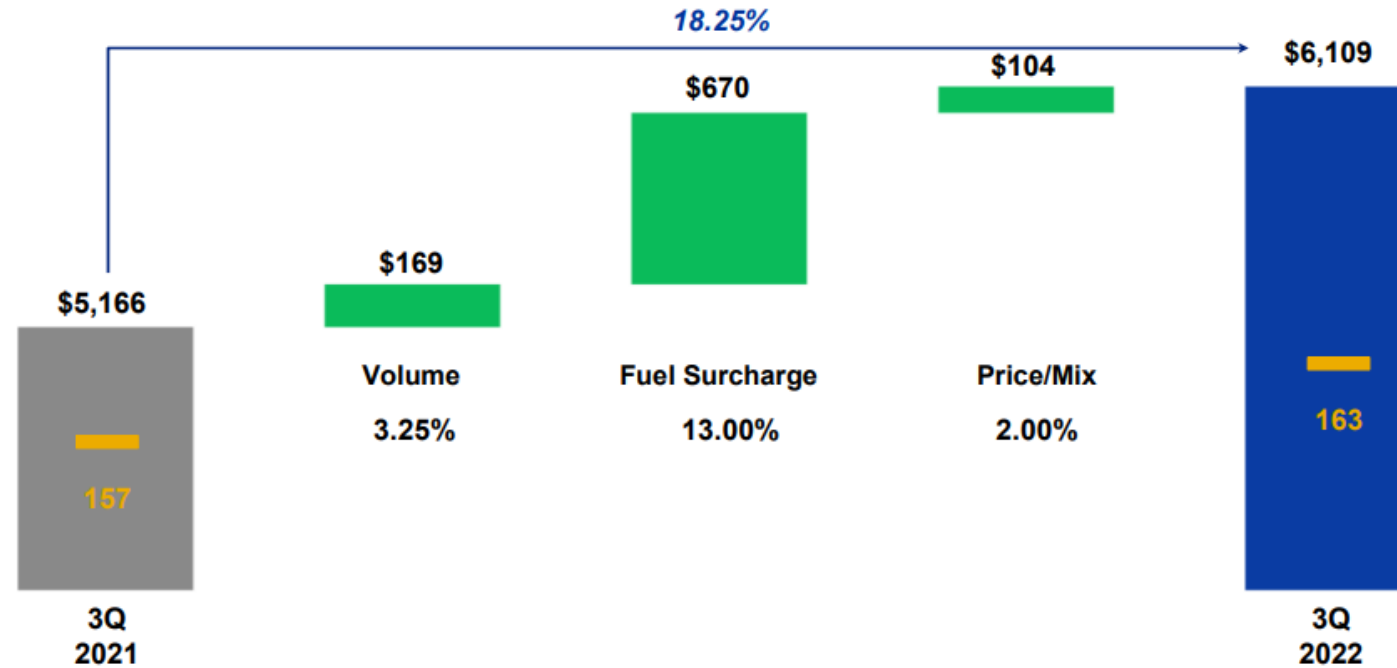
		Est. EPS growth rate		
		8%	10%	12%
Price/Earnings	13.0x	4.7%	7.1%	9.3%
	16.0x	8.5%	10.8%	12.9%
	19.0x	11.8%	14.0%	16.0%



REVENUE GROWTH Q3 '22

Freight Revenue Growth Drivers

\$ in Millions



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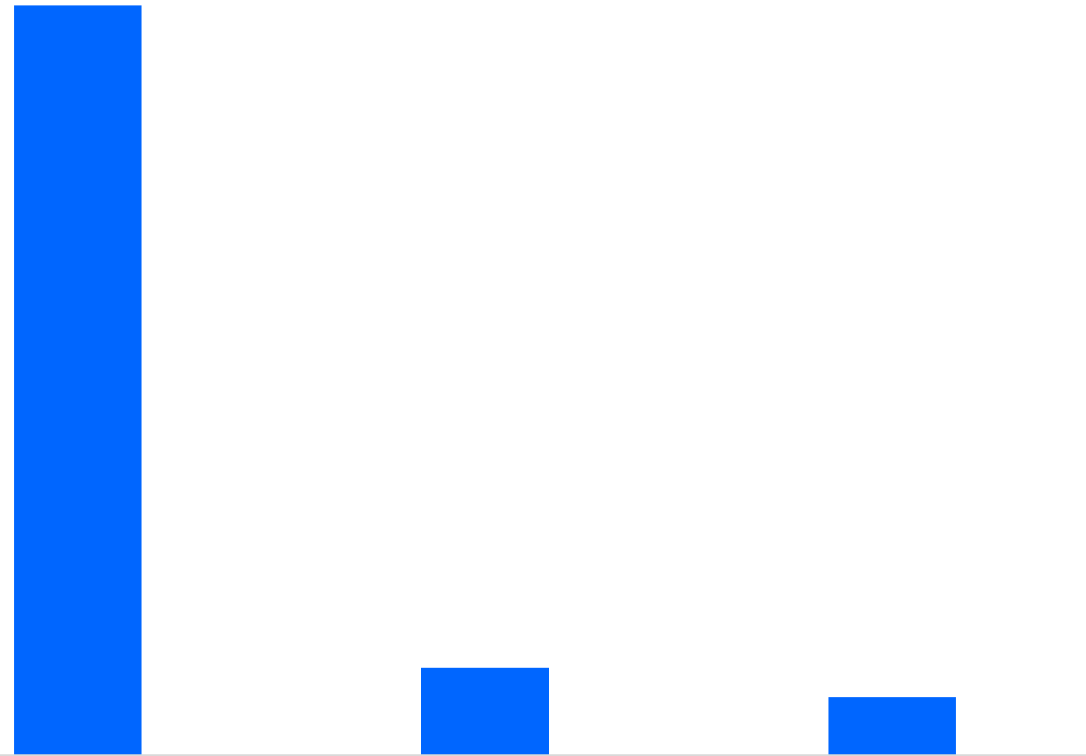
Q3 '22 HIGHLIGHTS

- \$6.5 billion in Share Repurchases for FY '22
- Volume expected to grow 3% for FY '22
- Operating Ratio: Proj. 60% FY'22
 - Wage Inflation: \$114 million
- Lumber and Grain expected to decrease
- Less transloaded freight from West Coast to Inland
 - Transloaded = Transfer of transportation methods



EXECUTIVE OWNERSHIP

Number of Shares Beneficially Owned



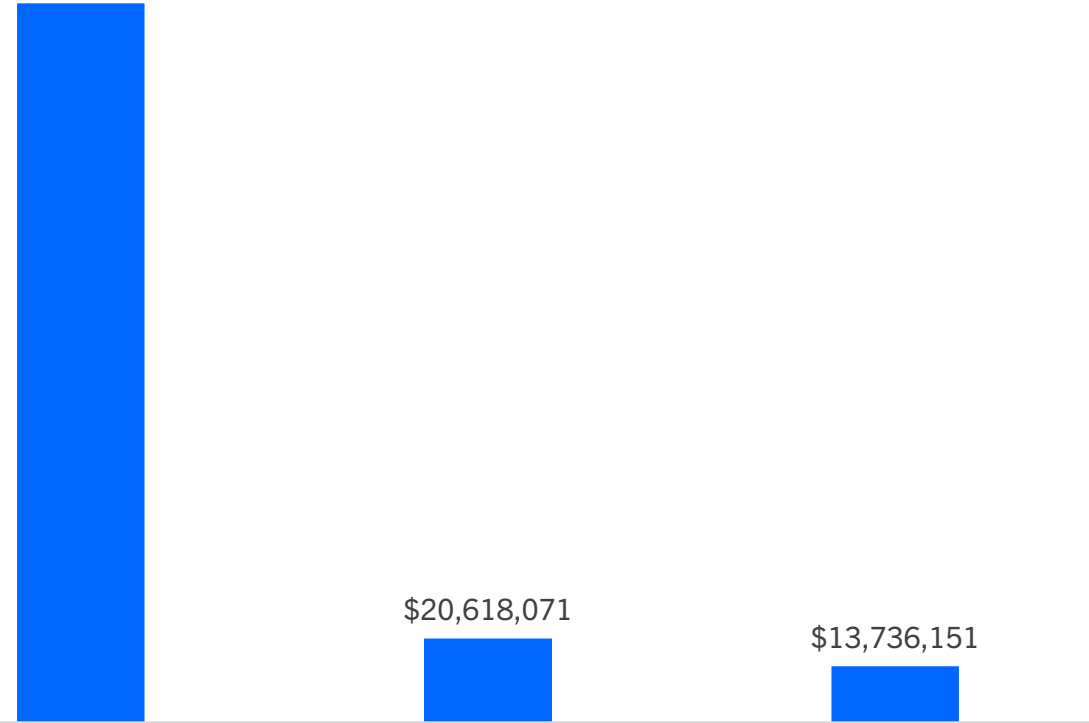
Lance Fritz

Jennifer Hamann

Kenny Rucker

\$ Value of Shares Beneficially Owned

\$177,133,559



Lance Fritz

Jennifer Hamann

Kenny Rucker



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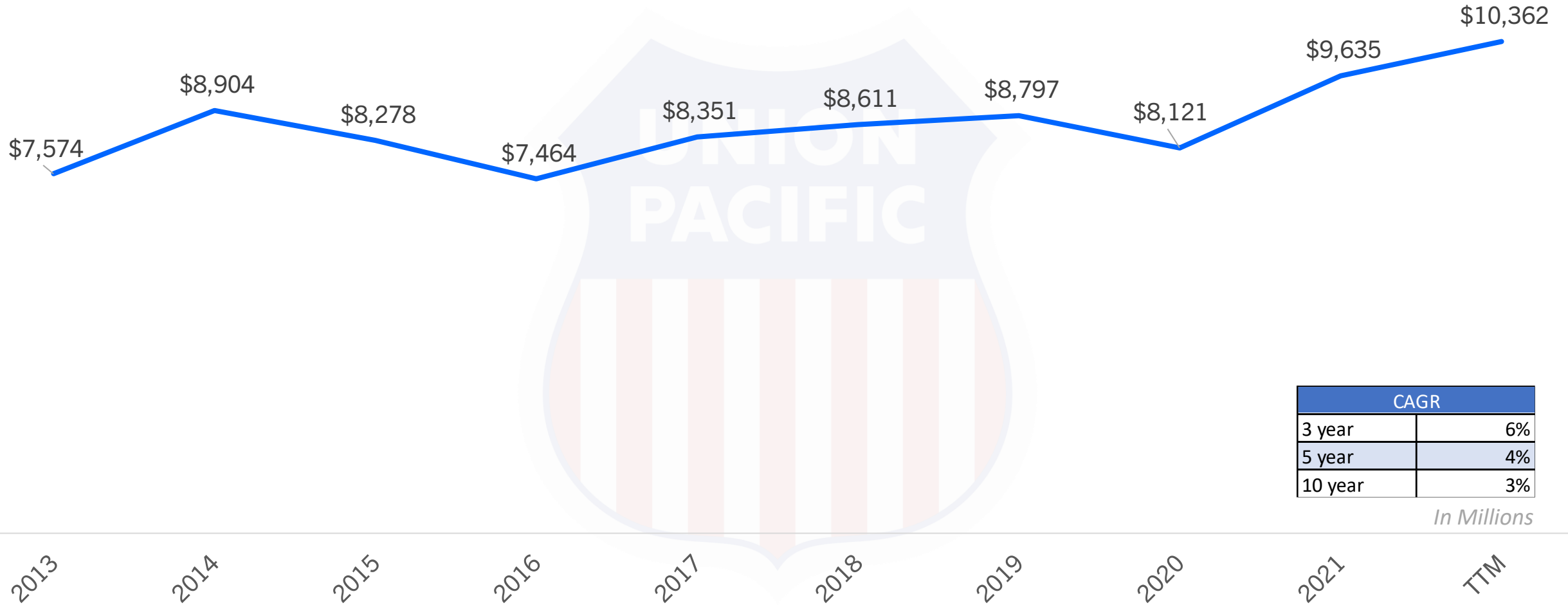
AIR FORCED ONE FLEET

- Fights the impact of natural elements
 - Clears sand, pine needles, and snow
- Minimizing red signals that cause train delays
 - Nevada – sand storms
 - California and Pacific Northwest – wildfires
 - Northern States – snow storms



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EBIT



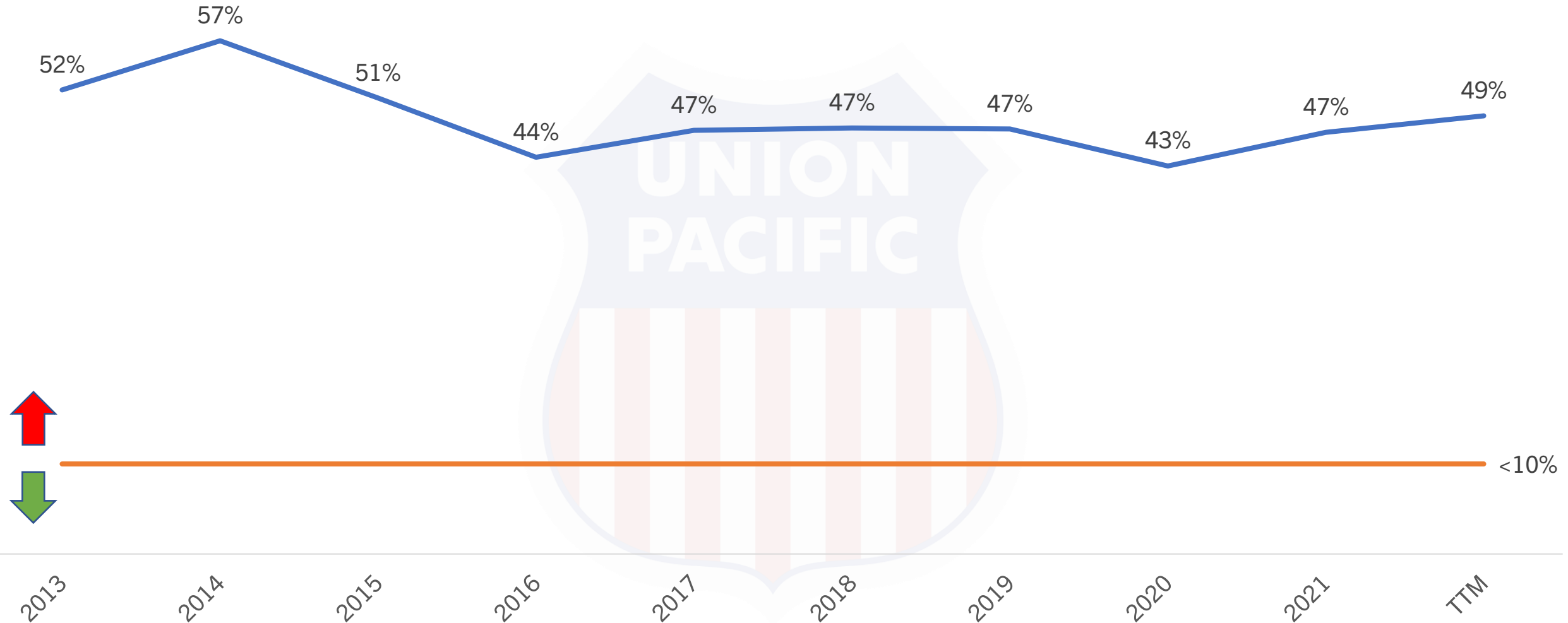
CAGR	
3 year	6%
5 year	4%
10 year	3%

In Millions



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DEPRECIATION AS A % OF GROSS PROFIT



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BULK SEGMENT



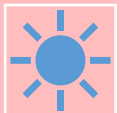
Grain and grain products



Fertilizer



Food and refrigerated



Coal and renewables

Why did freight revenues increase from 5.9 billion in 2020 to 6.6 billion in 2021?

- 5% volume increase with strong demand for grain in the first half and coal in the second, due to higher natural gas prices
- The effects of covid are starting to lift which causes an increase in volume



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Bulk segment facts

- I mean, you think about Grain & Grain Products. There are some areas inside Grain Products like renewable diesel, like biofuels, emerging markets that we have talked about that we are expecting to accelerate.

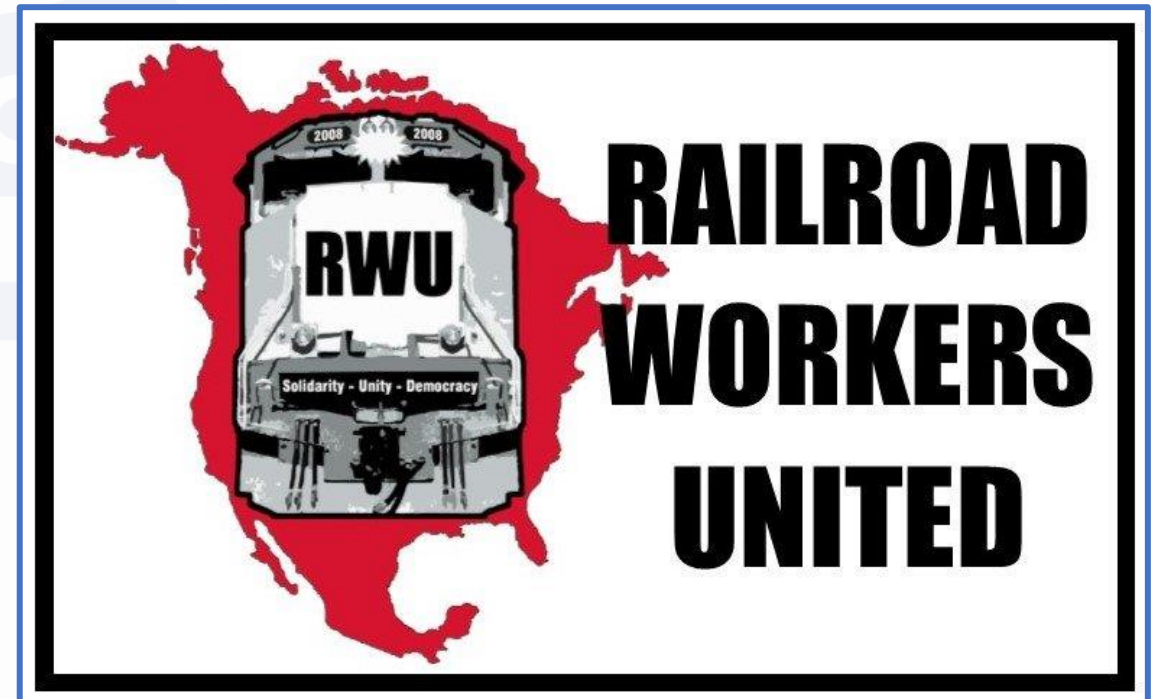


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RECENT NEWS

September 15, 2022

- All freight railroads reached an agreement with the rail labor unions
 - 24% wage increase by 2025
 - 14.1% immediate wage increase
 - Five \$1,000 lump payments annually



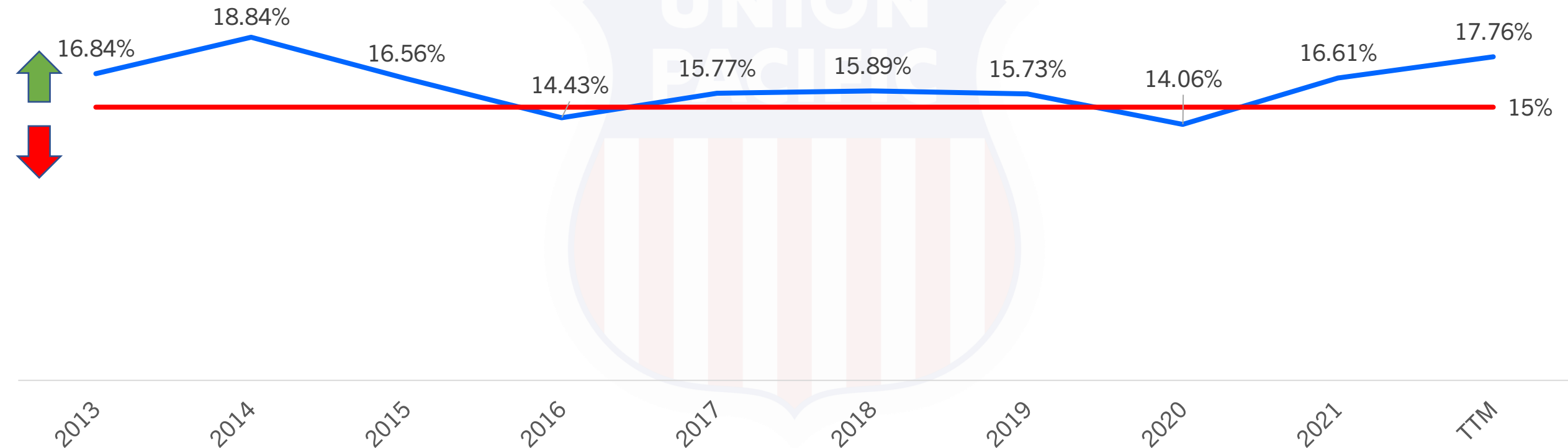
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Freight Revenues				% Change	% Change
<i>Millions</i>	2021	2020	2019	2021 v 2020	2020 v 2019
Grain & grain products	\$ 3,181	\$ 2,829	\$ 2,776	12%	2 %
Fertilizer	697	660	653	6	1
Food & refrigerated	998	937	1,008	7	(7)
Coal & renewables	1,780	1,534	2,092	16	(27)
Bulk	6,656	5,960	6,529	12	(9)
Industrial chemicals & plastics	1,943	1,845	1,885	5	(2)
Metals & minerals	1,811	1,580	2,042	15	(23)
Forest products	1,357	1,160	1,160	17	-
Energy & specialized markets	2,212	2,037	2,385	9	(15)
Industrial	7,323	6,622	7,472	11	(11)
Automotive	1,761	1,680	2,123	5	(21)
Intermodal	4,504	3,989	4,119	13	(3)
Premium	6,265	5,669	6,242	11	(9)
Total	\$ 20,244	\$ 18,251	\$ 20,243	11%	(10)%



RETURN ON CAPITAL EMPLOYED

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CAPITAL EMPLOYED

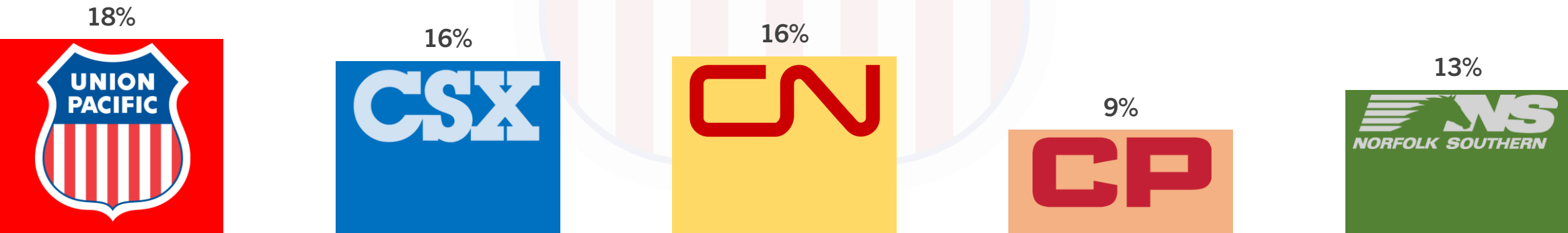


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RETURN ON CAPITAL EMPLOYED

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CAPITAL EMPLOYED

15% Threshold



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INDUSTRIAL SEGMENT



Industrial chemicals & plastics



Metals & minerals



Forest products



Energy & specialized markets

Freight revenues goes from 6.6 billion in 2020 to 7.3 billion in 2021

- 6 % increase in volume from 2020 to 2021
- Pandemic recovery overcame 2021 losses caused by winter storm Uri in gulf coast
- Forest products increased due to higher demand for cardboard boxes and lumber



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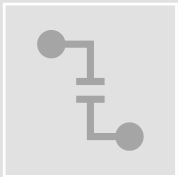
PREMIUM SEGMENT



Automobiles

Freight revenue increased from 5.6 billion in 2020 to 6.2 billion in 2021

- 2% increased volume from 2020 to 2021
- Automotive shipments of 173,000 in 2021 Q2 vs. 79,000 in 2020 Q2

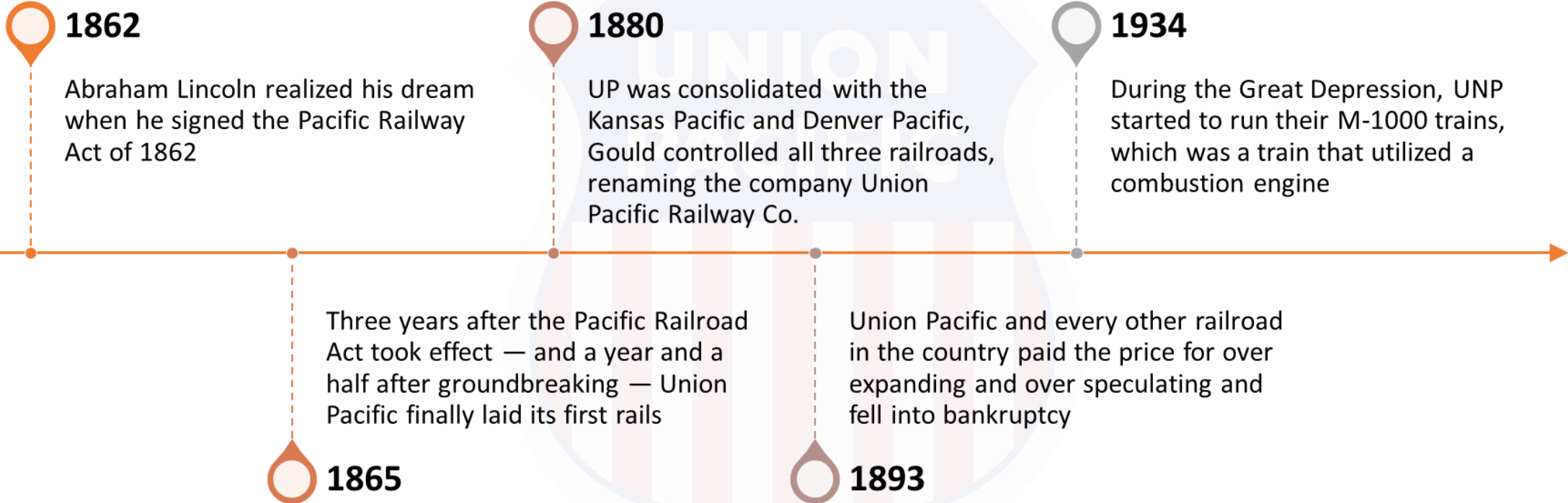


Intermodal



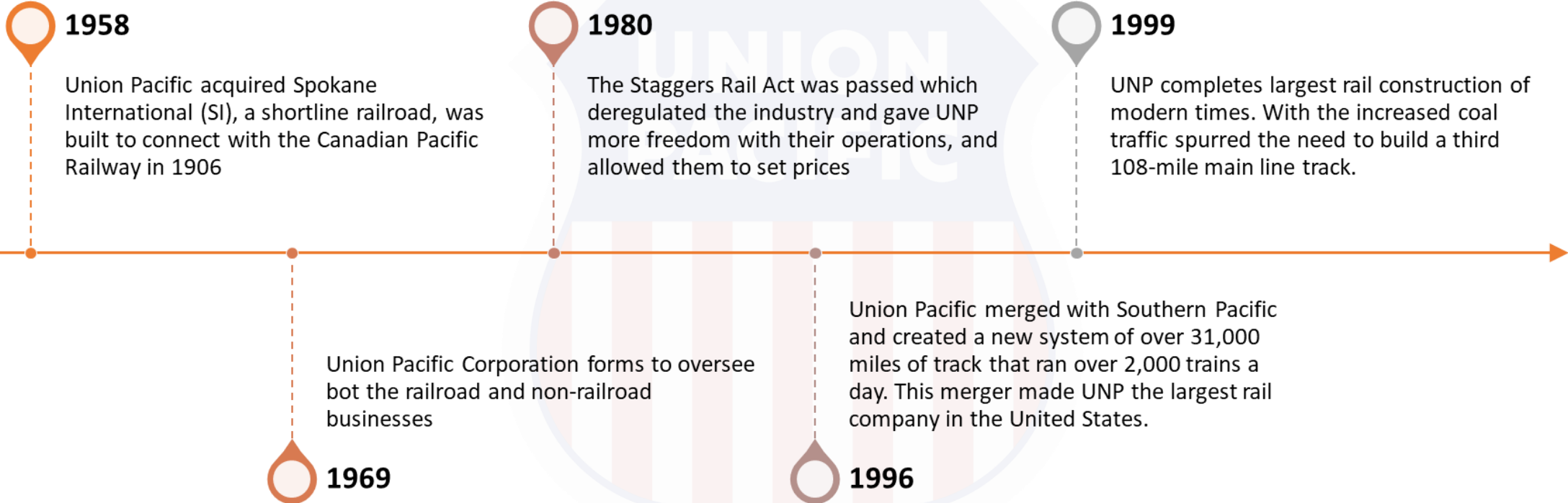
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COMPANY HISTORY



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COMPANY HISTORY



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RECENT NEWS

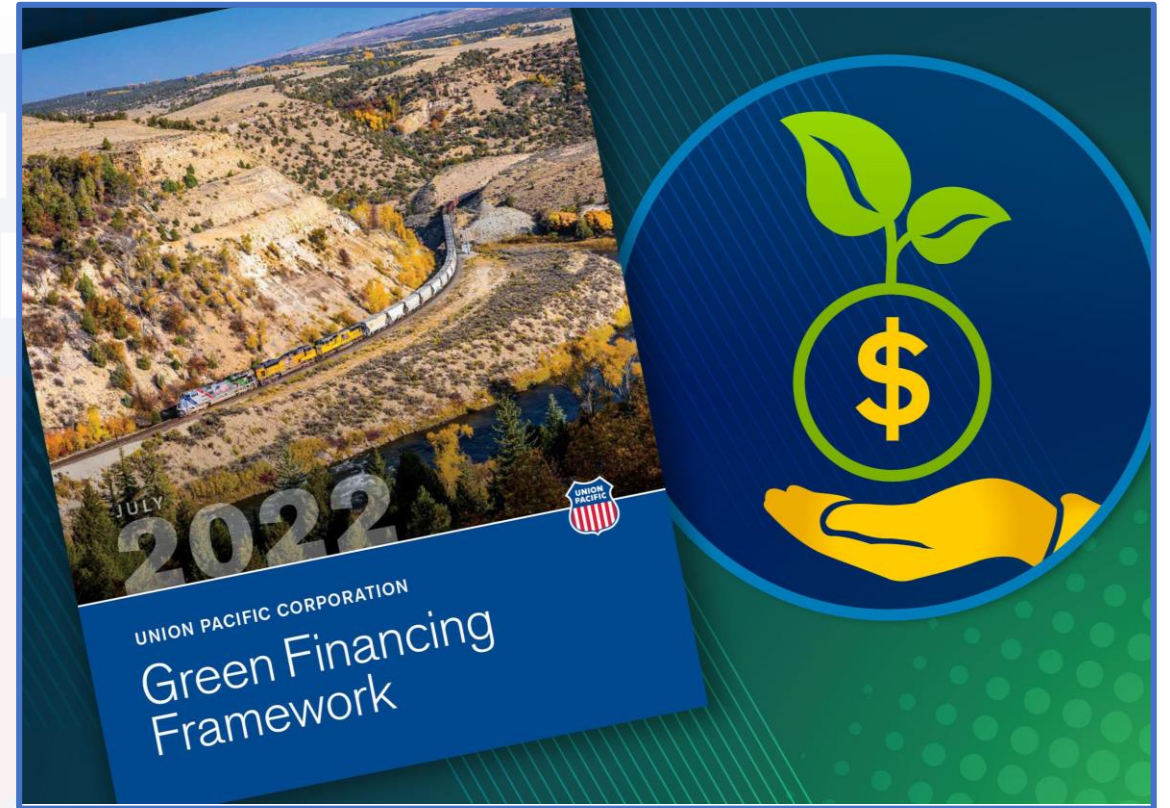
- UNP partners with ZTR to build hybrid-electric locomotive
- First prototype expected to be delivered in late 2023
- Capable of operating in multiple modes with several ways to charge as well



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RECENT NEWS

- Issued a \$600 million green bond offering to fund investments aimed at reducing carbon footprint
- Goal to reduce emissions 26% by 2030 and net zero by 2050



MEME BANK















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