UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES
Non-GAAP Measures Reconciliation to GAAP (unaudited)

Free Cash Flow*

Millions, for the Six Months Ended June 30,	***2022***	*2021*
Cash provided by operating activities	**$ 4,167**	$ 4,219
Cash used in investing activities	**(1,540)**	(1,071)
Dividends paid	**(1,556)**	(1,350)
Free cash flow	**$ 1,071**	$ 1,798

Cash Flow Conversion Rate**

Millions, for the Six Months Ended June 30,	***2022***	*2021*
Cash provided by operating activities	**$ 4,167**	$ 4,219
Cash used in capital investing	**(1,645)**	(1,190)
Total (a)	**$ 2,522**	$ 3,029
Net Income (b)	**3,465**	3,139
Cash flow conversion rate (a/b)	**73%**	96%

* Free cash flow is cash provided by operating activities less cash used in investing activities and dividends paid. Free cash flow is considered a non-GAAP financial measure by SEC Regulation G and Item 10 of SEC Regulation S-K and may not be defined and calculated by other companies in the same manner. We believe free cash flow is important to management and investors in evaluating our financial performance and measures our ability to generate cash without additional external financing. Free cash flow should be considered in addition to, rather than as a substitute for, cash provided by operating activities.

** Cash flow conversion rate is cash provided by operating activities less cash used for capital investments as a ratio of net income. Cash flow conversion rate is considered a non-GAAP financial measure by SEC Regulation G and Item 10 of SEC Regulation S-K and may not be defined and calculated by other companies in the same manner. We believe cash flow conversion rate is important to management and investors in evaluating our financial performance and measures our ability to generate cash without additional external financing. Cash flow conversion rate should be considered in addition to, rather than as a substitute for, cash provided by operating activities.

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Adjusted Incremental Margin*

Millions, Except Percentages, For the Three Months Ended June 30,	*2nd Quarter* **2022**	*2021*	***Incremental Difference***
Reported operating revenue (a)	**$ 6,269**	$ 5,504	**$ 765**
Fuel surcharge adjustment to 2022 prices	**-**	575	**(575)**
Adjusted operating revenues (c)	**$ 6,269**	$ 6,079	**$ 190**
Reported operating expenses (b)	**3,774**	3,031	**743**
Fuel adjustment for expense 2022 prices	**-**	422	**(422)**
Adjusted operating expenses (d)	**$ 3,774**	$ 3,453	**$ 321**
Operating margin (a - b) / a	**40%**	45%	
Incremental margin (a - b) / a			**3%**
Incremental margin adjusted for fuel price (c - d) / c			**(69%)**

Millions, Except Percentages, For the Six Months Ended June 30,	*Year-to-Date* **2022**	*2021*	***Incremental Difference***
Reported operating revenue (a)	**$ 12,129**	$ 10,505	**$ 1,624**
Fuel surcharge adjustment to 2022 prices	**-**	939	**(939)**
Adjusted operating revenues (c)	**$ 12,129**	$ 11,444	**$ 685**
Reported operating expenses (b)	**7,257**	6,039	**1,218**
Fuel adjustment for expense 2022 prices	**-**	681	**(681)**
Adjusted operating expenses (d)	**$ 7,257**	$ 6,720	**$ 537**
Operating margin (a - b) / a	**40%**	43%	
Incremental margin (a - b) / a			**25%**
Incremental margin adjusted for fuel price (c - d) / c			**22%**

* Adjusted incremental margin is considered a non-GAAP financial measure by SEC Regulation G and Item 10 of SEC Regulation S-K and may not be defined and calculated by other companies in the same manner. We believe adjusted incremental margin is important to management and investors in evaluating cost changes, excluding the change in fuel price, to allow the illustration of cost performance as it related to volume changes. The adjusted incremental margin is not intended to represent, and should not be considered more meaningful than, or as an alternative to incremental margin calculated using amounts in accordance with GAAP.

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES
Non-GAAP Measures Reconciliation to GAAP (unaudited)

Adjusted Debt / Adjusted EBITDA*

Millions, Except Ratios for the Trailing Twelve Months Ended [a]	***Jun 30, 2022***	*Dec 31, 2021*
Net income	**$ 6,849**	$ 6,523
Add:		
Income tax expense/(benefit)	**2,018**	1,955
Depreciation	**2,223**	2,208
Interest expense	**1,208**	1,157
EBITDA	**$ 12,298**	$ 11,843
Adjustments:		
Other income, net	**(331)**	(297)
Interest on operating lease liabilities [b]	**51**	56
Adjusted EBITDA	**$ 12,018**	$ 11,602
Debt	**$ 32,007**	$ 29,729
Operating lease liabilities	**1,609**	1,759
Unfunded/(funded) pension and OPEB, net of tax cost/(benefit) of ($33) and ($21)	**(113)**	(72)
Adjusted debt	**$ 33,503**	$ 31,416
Adjusted debt / Adjusted EBITDA	**2.8**	2.7

[a] The trailing twelve months income statement information ended June 30, 2022, is recalculated by taking the twelve months ended December 31, 2021, subtracting the six months ended June 30, 2021, and adding the six months ended June 30, 2022.

[b] Represents the hypothetical interest expense we would incur (using the incremental borrowing rate) if the property under our operating leases were owned or accounted for as finance leases.

* Total debt plus operating lease liabilities plus after-tax unfunded pension and OPEB (other postretirement benefits) obligation divided by net income plus income tax expense, depreciation, amortization, interest expense, and adjustments for other income and interest on operating lease liabilities. Adjusted debt to adjusted EBITDA (earnings before interest, taxes, depreciation, amortization, and adjustments for other income and interest on operating lease liabilities) is considered a non-GAAP financial measure by SEC Regulation G and Item 10 of SEC Regulation S-K and may not be defined and calculated by other companies in the same manner. We believe this measure is important to management and investors in evaluating the Company's ability to sustain given debt levels (including leases) with the cash generated from operations. In addition, a comparable measure is used by rating agencies when reviewing the Company's credit rating. Adjusted debt to adjusted EBITDA should be considered in addition to, rather than as a substitute for, net income. The table above provides reconciliations from net income to adjusted debt to adjusted EBITDA. At both June 30, 2022, and December 31, 2021, the incremental borrowing rate on operating lease liabilities was 3.2%.