

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
October 25, 2023 (October 25, 2023)



NORFOLK SOUTHERN CORPORATION
(Exact name of registrant as specified in its charter)

Virginia
(State or other jurisdiction of incorporation)

1-8339
(Commission File Number)

52-1188014
(IRS Employer Identification Number)

650 West Peachtree Street NW
Atlanta, Georgia
30308-1925
(Address of principal executive offices, including zip code)

(855) 667-3655
(Registrant's telephone number, including area code)

No Change
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Norfolk Southern Corporation Common Stock (Par Value \$1.00)	NSC	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition**Item 7.01. Regulation FD Disclosure**

On October 25, 2023, the Registrant issued a Press Release, attached hereto as Exhibit 99.1, reporting third-quarter results for 2023. Attached hereto, as Exhibit 99.2, is the Quarterly Financial Data for the third quarter of 2023. This information is available on the Registrant's website, www.norfolksouthern.com, on the "Investors" page under "Financial Reports." This 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 the Registrant's 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.

Item 9.01. Financial Statements and Exhibits.**(d) Exhibits**

Exhibit Number	Description
99.1	Press Release dated October 25, 2023
99.2	2023 Q3 Financial Data
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SIGNATURES
NORFOLK SOUTHERN CORPORATION
(Registrant)

/s/ Denise W. Hutson

Name: Denise W. Hutson

Title: Corporate Secretary

Date: October 25, 2023



FOR IMMEDIATE RELEASE

Norfolk Southern reports third quarter 2023 results

ATLANTA, October 25, 2023 – Norfolk Southern Corporation (NYSE: NSC) announced Wednesday its third quarter 2023 financial results. For the quarter, income from railway operations was \$756 million and diluted earnings per share were \$2.10. These results include a \$163 million charge associated with the incident in Eastern Ohio which includes an initial insurance recovery of \$25 million.

Adjusting for the effects of the incident charge, third quarter results included income from railway operations of \$919 million and diluted earnings per share of \$2.65 – declines of 28% and 35%, respectively, compared to the third quarter of 2022.

“In the third quarter, we continued to invest in our people and our assets to lay the foundation for our innovative strategy,” said Norfolk Southern President and Chief Executive Officer Alan H. Shaw. “Part of charting a better way forward for Norfolk Southern is building solid operational disciplines that move us toward consistency, all to enable productivity enhancements and growth in the quarters ahead. We are building the safe, reliable, and resilient railroad our customers and shareholders expect, and we have an incredibly bright future.”

Third Quarter Summary

- Railway operating revenues of \$3.0 billion, down \$372 million, or 11%, compared to third quarter 2022.
- Income from railway operations was \$756 million inclusive of a \$163 million charge associated with the Eastern Ohio Incident, a 41% decline compared to \$1.3 billion in the third quarter of 2022.
 - Adjusting for the Eastern Ohio Incident, income from railway operations was \$919 million, down \$353 million, or 28%, compared to third quarter 2022.
- Diluted earnings per share were \$2.10, a decline of 49% compared to third quarter 2022.
 - Adjusting for the Eastern Ohio Incident, diluted earnings per share were \$2.65, down \$1.45, or 35%, compared to third quarter 2022.

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About Norfolk Southern

Since 1827, Norfolk Southern Corporation (NYSE: NSC) and its predecessor companies have safely moved the goods and materials that drive the U.S. economy. Today, it operates a customer-centric and operations-driven freight transportation network. Committed to furthering sustainability, Norfolk Southern helps its customers avoid approximately 15 million tons of yearly carbon emissions by shipping via rail. Its dedicated team members deliver more than 7 million carloads annually, from agriculture to consumer goods, and is the largest rail shipper of auto products and metals in North America. Norfolk Southern also has the most extensive intermodal network in the eastern U.S., serving a majority of the country's population and manufacturing base, with connections to every major container port on the Atlantic coast as well as the Gulf of Mexico and Great Lakes. Learn more by visiting www.NorfolkSouthern.com.

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Media Relations, 404-420-4444

Investor Inquiries:

Luke Nichols, 470-867-4807

Forward-looking statements

Certain statements in this press release may be considered “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, as amended. These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance, or our achievements or those of our industry to be materially different from those expressed or implied by any forward-looking statements. In some cases, forward-looking statements may be identified by the use of words like “may,” “will,” “could,” “would,” “should,” “expect,” “plan,” “anticipate,” “intend,” “believe,” “estimate,” “project,” “consider,” “predict,” “potential,” “feel,” or other comparable terminology. We have based these forward-looking statements on our current expectations, assumptions, estimates, beliefs, and projections. While we believe these expectations, assumptions, estimates, and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which involve factors or circumstances that are beyond our control. These and other important factors, including those discussed under “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the Securities and Exchange Commission (the SEC), as supplemented in Part II, Item 1A of our Form 10-Q to be filed with the SEC on the same date as this press release, may cause actual results, performance, or achievements to differ materially from those expressed or implied by these forward-looking statements. The forward-looking statements herein are made only as of the date they were first issued, and unless otherwise required by applicable securities laws, we disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Reconciliation of Non-GAAP Financial Measures

Information included within this filing includes non-GAAP financial measures, as defined by SEC 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).

GAAP financial results are adjusted to exclude the effects of a February 3, 2023 train derailment in East Palestine, Ohio that included 11 non-Company-owned tank cars carrying hazardous materials, fires associated with the derailment that threatened certain of the tank cars, and a controlled vent and burn procedure conducted on February 6, 2023 on the five derailed tank cars containing vinyl chloride (the Incident). The Company recognized \$163 million of expenses during the third quarter related to the Incident. The income tax effects of this non-GAAP adjustment were calculated based on the applicable tax rates to which the non-GAAP adjustment related. The Company uses these non-GAAP financial measures internally and believes this information provides useful supplemental information to investors to facilitate making period-to-period comparisons by excluding the effects of the Incident.

While the Company believes that these non-GAAP financial measures are useful in evaluating the Company's 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.

(\$ in millions except per share amounts)	Third Quarter 2023
Income from railway operations	\$ 756
Effect of the Incident	163
Adjusted income from railway operations	\$ 919
Diluted earnings per share	\$ 2.10
Effect of the Incident	0.55
Adjusted diluted earnings per share	\$ 2.65

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Norfolk Southern Corporation and Subsidiaries
Consolidated Statements of Income
(Unaudited)

	Third Quarter		First Nine Months	
	2023	2022	2023	2022
	<i>(in millions, except per share amounts)</i>			
Railway operating revenues				
Merchandise	\$ 1,800	\$ 1,930	\$ 5,504	\$ 5,455
Intermodal	737	942	2,296	2,768
Coal	434	471	1,283	1,285
Total railway operating revenues	<u>2,971</u>	<u>3,343</u>	<u>9,083</u>	<u>9,508</u>
Railway operating expenses				
Compensation and benefits	715	735	2,098	1,968
Purchased services and rents	517	484	1,519	1,402
Fuel	289	383	867	1,092
Depreciation	326	306	968	912
Materials and other	205	163	622	506
Eastern Ohio incident	163	—	966	—
Total railway operating expenses	<u>2,215</u>	<u>2,071</u>	<u>7,040</u>	<u>5,880</u>
Income from railway operations	756	1,272	2,043	3,628
Other income (expense) – net	40	(2)	153	(21)
Interest expense on debt	<u>182</u>	<u>177</u>	<u>527</u>	<u>515</u>
Income before income taxes	614	1,093	1,669	3,092
Income tax expense (benefit)				
Current	154	223	422	589
Deferred	<u>(18)</u>	<u>(88)</u>	<u>(53)</u>	<u>23</u>
Total income tax expense	<u>136</u>	<u>135</u>	<u>369</u>	<u>612</u>
Net income	<u>\$ 478</u>	<u>\$ 958</u>	<u>\$ 1,300</u>	<u>\$ 2,480</u>
Earnings per share – diluted	\$ 2.10	\$ 4.10	\$ 5.70	\$ 10.45
Weighted average shares outstanding – diluted	227.0	234.0	227.8	237.2

See accompanying notes to consolidated financial statements.

Norfolk Southern Corporation and Subsidiaries
Consolidated Balance Sheets
(Unaudited)

	September 30,	December 31,
	2023	2022
	<i>(\$ in millions)</i>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,506	\$ 456
Accounts receivable – net	1,210	1,148
Materials and supplies	303	253
Other current assets	123	150
Total current assets	3,142	2,007
Investments	3,824	3,694
Properties less accumulated depreciation of \$13,162 and \$12,592, respectively	32,668	32,156
Other assets	1,105	1,028
Total assets	\$ 40,739	\$ 38,885
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 1,499	\$ 1,293
Short-term debt	—	100
Income and other taxes	213	312
Other current liabilities	797	341
Current maturities of long-term debt	405	603
Total current liabilities	2,914	2,649
Long-term debt	16,179	14,479
Other liabilities	1,824	1,759
Deferred income taxes	7,207	7,265
Total liabilities	28,124	26,152
Stockholders' equity:		
Common stock \$1.00 per share par value, 1,350,000,000 shares authorized; outstanding 226,136,334 and 228,076,415 shares, respectively, net of treasury shares	227	230
Additional paid-in capital	2,163	2,157
Accumulated other comprehensive loss	(364)	(351)
Retained income	10,589	10,697
Total stockholders' equity	12,615	12,733
Total liabilities and stockholders' equity	\$ 40,739	\$ 38,885

See accompanying notes to consolidated financial statements.

Norfolk Southern Corporation and Subsidiaries
Consolidated Statements of Cash Flows
(Unaudited)

	First Nine Months	
	2023	2022
	(\$ in millions)	
Cash flows from operating activities		
Net income	\$ 1,300	\$ 2,480
Reconciliation of net income to net cash provided by operating activities:		
Depreciation	968	912
Deferred income taxes	(53)	23
Gains and losses on properties	(34)	(54)
Changes in assets and liabilities affecting operations:		
Accounts receivable	(65)	(174)
Materials and supplies	(50)	(58)
Other current assets	37	57
Current liabilities other than debt	538	273
Other – net	(135)	(35)
Net cash provided by operating activities	2,506	3,424
Cash flows from investing activities		
Property additions	(1,496)	(1,282)
Property sales and other transactions	62	193
Investment purchases	(120)	(8)
Investment sales and other transactions	160	37
Net cash used in investing activities	(1,394)	(1,060)
Cash flows from financing activities		
Dividends	(920)	(881)
Common stock transactions	(9)	(5)
Purchase and retirement of common stock	(503)	(2,284)
Proceeds from borrowings	2,303	1,732
Debt repayments	(933)	(551)
Net cash used in financing activities	(62)	(1,989)
Net increase in cash and cash equivalents	1,050	375
Cash and cash equivalents		
At beginning of year	456	839
At end of period	<u>\$ 1,506</u>	<u>\$ 1,214</u>
Supplemental disclosures of cash flow information		
Cash paid during the period for:		
Interest (net of amounts capitalized)	\$ 451	\$ 425
Income taxes (net of refunds)	521	578

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Eastern Ohio Incident

On February 3, 2023, a train operated by Norfolk Southern derailed in East Palestine, Ohio. During the first nine months of 2023, we recognized \$966 million of expense for costs primarily associated with environmental matters and legal proceedings resulting from the incident (\$163 million of which was recognized in the third quarter). These amounts are net of \$25 million in insurance recoveries recorded during the third quarter related to the incident. 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. Stock Repurchase Program

We repurchased and retired 2.2 million and 9.2 million shares of common stock under our stock repurchase programs in the first nine months of 2023 and 2022, respectively, at a cost of \$508 million and \$2.3 billion, inclusive of excise taxes.
