

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): April 27, 2022 (April 26, 2022)



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

On April 27, 2022, the Registrant issued a Press Release, attached hereto as Exhibit 99.1, reporting first-quarter results for 2022.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

As previously disclosed in the Form 8-K filed by Norfolk Southern Corporation (the “Company”) on January 26, 2022, the Company’s Board of Directors (the “Board”), appointed Alan H. Shaw as Chief Executive Officer (“CEO”), effective May 1, 2022.

On April 26, 2022, the Board approved additional compensation actions relating to Mr. Shaw’s appointment as President and CEO effective May 1, 2022. The Board approved Mr. Shaw’s adjusted base salary in the amount of \$950,000 related to the additional duties of CEO. Effective May 1, 2022, the Company’s Compensation Committee approved Mr. Shaw’s annual incentive opportunity as President and CEO under the Company’s Executive Management Incentive Plan as 225% of base salary, with the actual payment increased or decreased as described in the Company’s annual proxy statement. In addition, the Company’s Compensation Committee also granted Mr. Shaw a supplemental long-term incentive award with a grant date fair market value of \$2,600,000, consisting of a combination of restricted stock units, performance share units and stock options. The value of the supplemental 2022 grant reflects Mr. Shaw’s transition to the CEO role on May 1, 2022.

Item 7.01. Regulation FD Disclosure

Quarterly Financial Data is attached hereto, as Exhibit 99.2, reporting first quarter results for 2022. This document is available on the Registrant’s website, www.norfolksouthern.com, in the “Invest in NS” section, 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

The following exhibits are filed as part of this Current Report on Form 8-K:

Exhibit Number	Description
99.1	Press Release dated April 27, 2022
99.2	2022 1Q 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 duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SIGNATURES

NORFOLK SOUTHERN CORPORATION

(Registrant)

/s/ Denise W. Hutson

Name: Denise W. Hutson

Title: Corporate Secretary

Date: April 27, 2022



Norfolk Southern reports first-quarter 2022 results

ATLANTA, April 27, 2022 – Norfolk Southern Corporation (NYSE: NSC) today reported first-quarter 2022 financial results which included first-quarter records for railway operating revenues, income from railway operations, net income, and diluted earnings per share.

First-quarter railway operating revenue was \$2.9 billion, income from railway operations was \$1.1 billion, net income was \$703 million, and diluted earnings per share was \$2.93.

Norfolk Southern reported double-digit revenue and EPS growth in the quarter. “Our financial results in the first quarter were solid, despite current network challenges,” said Alan H. Shaw, Norfolk Southern President. “I am confident that our efforts to improve our service through accelerated hiring and refinements to our operating plan will provide a platform for long-term growth and efficiency for both our customers and shareholders.”

First-Quarter Summary

- Railway operating revenues of \$2.9 billion were a first-quarter record, up 10%, or \$276 million, compared with first-quarter 2021, driven by a 16% increase in revenue per unit.
- Railway operating expenses were \$1.8 billion, an increase of 13%, or \$206 million, compared with the same period last year due to higher fuel, purchased services, and equipment rents expenses.
- Income from railway operations was a first-quarter record of \$1.1 billion, an increase of 7%, or \$70 million, year-over-year.
- The railway operating ratio was 62.8%.

About Norfolk Southern

Norfolk Southern Corporation (NYSE: NSC) is one of the nation’s premier transportation companies, moving the goods and materials that drive the U.S. economy. Norfolk Southern connects customers to markets and communities to economic opportunity, with safe, reliable, and sustainable shipping solutions. The company’s service area includes 22 states and the District of Columbia, every major container port in the eastern United States, and a majority of the U.S. population and manufacturing base.

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Investor Inquiries:

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Forward-looking statements

This news release contains forward-looking statements that may be identified by the use of words like “believe,” “expect,” “anticipate,” “estimate,” “plan,” “consider,” “project,” and similar references to the future. Forward-looking statements reflect our good-faith evaluation of information currently available. These forward-looking statements are subject to a number of risks and uncertainties, and our actual results may differ materially from those projected. Please refer to our annual and quarterly reports filed with the SEC 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 performance or results, nor will they necessarily prove to be accurate indications of the times at or by which any such performance or results 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.

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

	First Quarter	
	2022	2021
	<i>(in millions, except per share amounts)</i>	
Railway operating revenues		
Merchandise	\$ 1,672	\$ 1,608
Intermodal	854	719
Coal	389	312
Total railway operating revenues	<u>2,915</u>	<u>2,639</u>
Railway operating expenses		
Compensation and benefits	619	611
Purchased services and rents	437	393
Fuel	301	177
Depreciation	302	292
Materials and other	171	151
Total railway operating expenses	<u>1,830</u>	<u>1,624</u>
Income from railway operations	1,085	1,015
Other income (expense) – net	(5)	7
Interest expense on debt	<u>168</u>	<u>156</u>
Income before income taxes	912	866
Income taxes		
Current	161	141
Deferred	48	52
Total income taxes	<u>209</u>	<u>193</u>
Net income	<u>\$ 703</u>	<u>\$ 673</u>
Earnings per share – diluted	\$ 2.93	\$ 2.66
Weighted average shares outstanding – diluted	240.2	252.6

See accompanying notes to consolidated financial statements.

Norfolk Southern Corporation and Subsidiaries
Consolidated Balance Sheets
(Unaudited)

	March 31, 2022	December 31, 2021
	(\$ in millions)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,571	\$ 839
Accounts receivable – net	1,070	976
Materials and supplies	264	218
Other current assets	110	134
Total current assets	3,015	2,167
Investments	3,697	3,707
Properties less accumulated depreciation of \$12,123 and \$12,031, respectively	31,657	31,653
Other assets	992	966
Total assets	\$ 39,361	\$ 38,493
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 1,181	\$ 1,351
Income and other taxes	443	305
Other current liabilities	370	312
Current maturities of long-term debt	1,153	553
Total current liabilities	3,147	2,521
Long-term debt	13,691	13,287
Other liabilities	1,845	1,879
Deferred income taxes	7,217	7,165
Total liabilities	25,900	24,852
Stockholders' equity:		
Common stock \$1.00 per share par value, 1,350,000,000 shares authorized; outstanding 238,332,514 and 240,162,790 shares, respectively, net of treasury shares	240	242
Additional paid-in capital	2,203	2,215
Accumulated other comprehensive loss	(394)	(402)
Retained income	11,412	11,586
Total stockholders' equity	13,461	13,641
Total liabilities and stockholders' equity	\$ 39,361	\$ 38,493

See accompanying notes to consolidated financial statements.

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

	First Three Months	
	2022	2021
	(\$ in millions)	
Cash flows from operating activities		
Net income	\$ 703	\$ 673
Reconciliation of net income to net cash provided by operating activities:		
Depreciation	302	292
Deferred income taxes	48	52
Gains and losses on properties	(6)	(8)
Changes in assets and liabilities affecting operations:		
Accounts receivable	(94)	(95)
Materials and supplies	(46)	(20)
Other current assets	21	9
Current liabilities other than debt	83	158
Other – net	(17)	(46)
Net cash provided by operating activities	994	1,015
Cash flows from investing activities		
Property additions	(389)	(265)
Property sales and other transactions	36	37
Investment purchases	(1)	—
Investment sales and other transactions	19	26
Net cash used in investing activities	(335)	(202)
Cash flows from financing activities		
Dividends	(297)	(249)
Common stock transactions	(18)	(6)
Purchase and retirement of common stock	(600)	(591)
Proceeds from borrowings	989	—
Debt repayments	(1)	(84)
Net cash provided by (used in) financing activities	73	(930)
Net increase (decrease) in cash and cash equivalents	732	(117)
Cash and cash equivalents		
At beginning of year	839	1,115
At end of period	\$ 1,571	\$ 998
Supplemental disclosures of cash flow information		
Cash paid during the period for:		
Interest (net of amounts capitalized)	\$ 114	\$ 110
Income taxes (net of refunds)	9	27

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Stock Repurchase Program

We repurchased and retired 2.2 million and 2.3 million shares of common stock under our stock repurchase program during the first three months of 2022 and 2021, respectively, at a cost of \$600 million and \$591 million, respectively.
