

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):  
July 29, 2020 (July 29, 2020)



**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)

**Three Commercial Place**  
**Norfolk, Virginia**  
**23510-9241**  
(Address of principal executive offices, including zip code)

**757-629-2680**  
(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 July 29, 2020, the Registrant issued a Press Release, attached hereto as Exhibit 99.1, reporting second quarter results for 2020. Quarterly financial data is attached hereto as Exhibit 99.2. These documents are available on the Registrant's website, [www.norfolksouthern.com](http://www.norfolksouthern.com), in the "Invest in NS" section, under "Financial Reports."

The accompanying 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:

<u><b>Exhibit Number</b></u>	<u><b>Description</b></u>
99.1	<a href="#">Press Release dated July 29, 2020</a>
99.2	<a href="#">2020 2Q Financial Data</a>
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: July 29, 2020

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FOR IMMEDIATE RELEASE

## Norfolk Southern reports second-quarter 2020 results

NORFOLK, Va., July 29, 2020 – Norfolk Southern Corporation (NYSE: NSC) today reported second-quarter financial results.

Second-quarter net income was \$392 million, diluted earnings per share were \$1.53 and the operating ratio was 70.7 percent.

"In a period when working safely and delivering for our customers was abruptly redefined, our employees responded by protecting each other and innovating to serve rapidly evolving freight demand. Underscoring our commitment to shareholder value, we forged ahead with our ongoing transformation by further reducing our hump yard footprint, achieving fuel efficiency gains, and increasing train size. These are astounding achievements while managing the unprecedented economic disruption and public health crisis," said James A. Squires, Norfolk Southern chairman, president and CEO. "We are mobilized and driven to meet the challenges and opportunities that lie ahead, and we will continue to create collaborative change and relentlessly pursue increased productivity as a leading supply chain partner throughout the economic recovery and beyond."

### Second-quarter summary

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- Railway operating revenues of \$2.1 billion decreased 29 percent compared with second-quarter 2019, driven by a 26 percent decline in total volume.
- Railway operating expenses of \$1.5 billion decreased 21 percent compared with second-quarter 2019, driven by lower fuel, compensation and benefits, and purchased services expenses.
- Income from railway operations was \$610 million and the operating ratio was 70.7 percent.

### About Norfolk Southern

Norfolk Southern Corporation (NYSE: NSC) is one of the nation's premier transportation companies. Its Norfolk Southern Railway Company subsidiary operates approximately 19,500 route miles in 22 states and the District of Columbia, serves every major container port in the eastern United States, and provides efficient connections to other rail carriers. Norfolk Southern is a major transporter of industrial products, including chemicals, agriculture, and metals and construction materials. In addition, the railroad operates the most extensive intermodal network in the East and is a principal carrier of coal, automobiles, and automotive parts.

### 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. Additional risks include the impact of the COVID-19 pandemic on us, our customers, our supply chain and our operations. 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.*

### Media Inquiries:

Media Relations, 404-420-4444 (media.relations@nscorp.com)

### Investor Inquiries:

Pete Sharbel, 470-867-4807 (peter.sharbel@nscorp.com)

<http://www.norfolksouthern.com>

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

	Second Quarter		First Six Months	
	2020	2019	2020	2019
	<i>(in millions, except per share amounts)</i>			
<b>Railway operating revenues</b>				
Merchandise	\$ 1,307	\$ 1,756	\$ 2,979	\$ 3,442
Intermodal	569	701	1,224	1,420
Coal	209	468	507	903
Total railway operating revenues	<u>2,085</u>	<u>2,925</u>	<u>4,710</u>	<u>5,765</u>
<b>Railway operating expenses</b>				
Compensation and benefits	586	712	1,208	1,439
Purchased services and rents	372	418	775	842
Fuel	84	254	273	504
Depreciation	282	284	574	567
Materials and other	151	192	317	382
Loss on asset disposal	—	—	385	—
Total railway operating expenses	<u>1,475</u>	<u>1,860</u>	<u>3,532</u>	<u>3,734</u>
<b>Income from railway operations</b>	610	1,065	1,178	2,031
Other income – net	49	22	71	66
Interest expense on debt	<u>156</u>	<u>153</u>	<u>310</u>	<u>302</u>
<b>Income before income taxes</b>	503	934	939	1,795
<b>Income taxes</b>				
Current	66	136	110	263
Deferred	45	76	56	133
Total income taxes	<u>111</u>	<u>212</u>	<u>166</u>	<u>396</u>
<b>Net income</b>	<u>\$ 392</u>	<u>\$ 722</u>	<u>\$ 773</u>	<u>\$ 1,399</u>
<b>Earnings per share – diluted</b>	\$ 1.53	\$ 2.70	\$ 3.00	\$ 5.21
<b>Weighted average shares outstanding – diluted</b>	256.7	267.1	257.7	268.3

*See accompanying notes to consolidated financial statements*

**Norfolk Southern Corporation and Subsidiaries**  
**Consolidated Balance Sheets**  
(Unaudited)

	June 30, 2020	December 31, 2019
	(\$ in millions)	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,143	\$ 580
Accounts receivable – net	822	920
Materials and supplies	257	244
Other current assets	128	337
Total current assets	2,350	2,081
Investments	3,590	3,428
Properties less accumulated depreciation of \$11,823 and \$11,982, respectively	31,217	31,614
Other assets	805	800
<b>Total assets</b>	<b>\$ 37,962</b>	<b>\$ 37,923</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 1,268	\$ 1,428
Income and other taxes	239	229
Other current liabilities	343	327
Current maturities of long-term debt	85	316
Total current liabilities	1,935	2,300
Long-term debt	12,612	11,880
Other liabilities	1,680	1,744
Deferred income taxes	6,874	6,815
<b>Total liabilities</b>	<b>23,101</b>	<b>22,739</b>
Stockholders' equity:		
Common stock \$1.00 per share par value, 1,350,000,000 shares authorized; outstanding 255,109,247 and 257,904,956 shares, respectively, net of treasury shares	256	259
Additional paid-in capital	2,217	2,209
Accumulated other comprehensive loss	(475)	(491)
Retained income	12,863	13,207
<b>Total stockholders' equity</b>	<b>14,861</b>	<b>15,184</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 37,962</b>	<b>\$ 37,923</b>

*See accompanying notes to consolidated financial statements*

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

	<b>First Six Months</b>	
	<b>2020</b>	<b>2019</b>
	(\$ in millions)	
<b>Cash flows from operating activities</b>		
Net income	\$ 773	\$ 1,399
Reconciliation of net income to net cash provided by operating activities:		
Depreciation	574	567
Deferred income taxes	56	133
Gains and losses on properties	(11)	(7)
Loss on asset disposal	385	—
Changes in assets and liabilities affecting operations:		
Accounts receivable	98	(30)
Materials and supplies	(13)	(49)
Other current assets	30	55
Current liabilities other than debt	—	(30)
Other – net	(134)	(86)
Net cash provided by operating activities	1,758	1,952
<b>Cash flows from investing activities</b>		
Property additions	(735)	(979)
Property sales and other transactions	258	214
Investment purchases	(5)	(12)
Investment sales and other transactions	(58)	(75)
Net cash used in investing activities	(540)	(852)
<b>Cash flows from financing activities</b>		
Dividends	(482)	(458)
Common stock transactions	26	18
Purchase and retirement of common stock	(669)	(1,050)
Proceeds from borrowings	784	1,054
Debt repayments	(314)	(750)
Net cash used in financing activities	(655)	(1,186)
Net increase (decrease) in cash, cash equivalents, and restricted cash	563	(86)
<b>Cash, cash equivalents, and restricted cash</b>		
At beginning of year	580	446
At end of period	\$ 1,143	\$ 360
<b>Supplemental disclosures of cash flow information</b>		
Cash paid during the period for:		
Interest (net of amounts capitalized)	\$ 287	\$ 271
Income taxes (net of refunds)	1	215

*See accompanying notes to consolidated financial statements*

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS:**

### **1. Stock Repurchase Program**

We repurchased and retired 3.9 million and 5.7 million shares of common stock under our stock repurchase program during the first six months of 2020 and 2019, respectively, at a cost of \$669 million and \$1.1 billion, respectively.

### **2. Loss on Asset Disposal**

In the first quarter of 2020, we committed to a plan to dispose of certain locomotives deemed excess and no longer needed for railroad operations. Specifically, during the first six months of 2020, the Company recorded a charge related to the loss on the sale of approximately 450 locomotives disposed of in the first six months, and a write-down of approximately 250 additional locomotives that we are actively marketing to sell. Accordingly, a \$385 million loss was recorded to adjust their carrying amount to their estimated fair value. The loss on asset disposal reduced "Earnings per share – diluted" for the first six months by \$1.11.

### **3. Restricted Cash**

The "Cash, cash equivalents, and restricted cash" line item on the Consolidated Statements of Cash Flows includes restricted cash of \$88 million in 2019, reflecting deposits held by a third-party bond agent as collateral for certain debt obligations which matured on October 1, 2019.

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