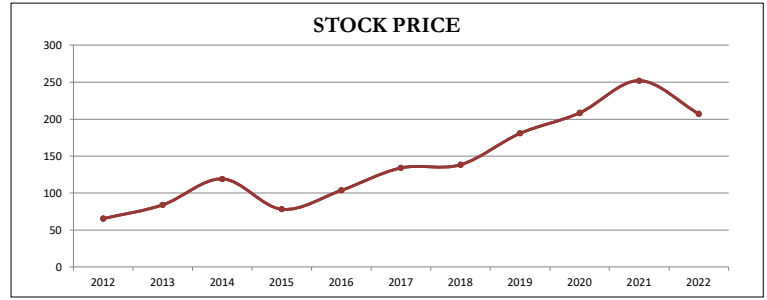
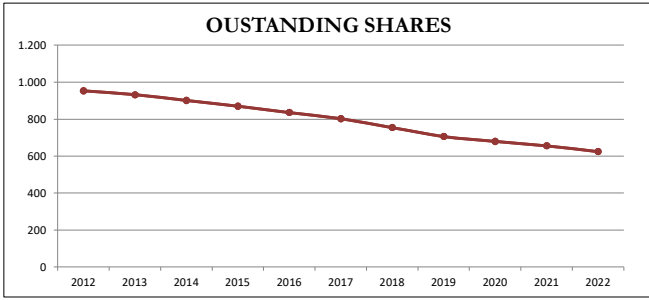


UNION PACIFIC CORPORATION

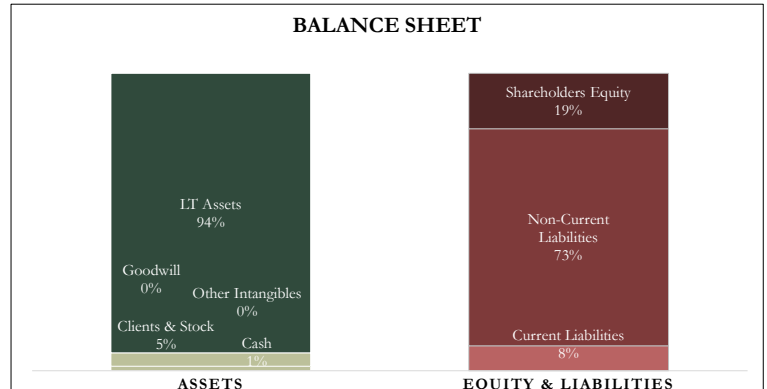
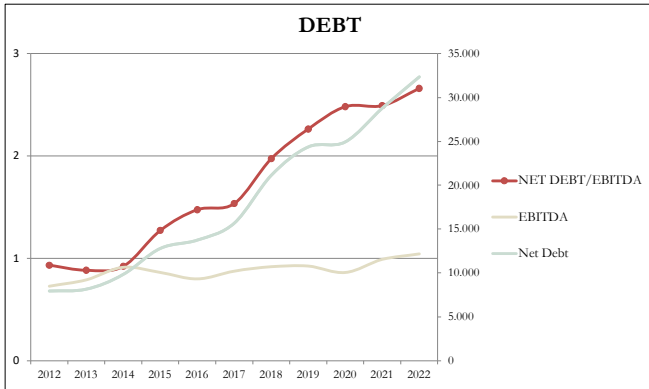
Report Date: 01/03/2023
 Fical Year End Date: 31 December



2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2025 (e)	(Fiscal Year End date)
953	932	901	869	835	802	754	706	679	655	624	624	Ousting Shares (Millions) ▲ Ousting Shares vs Last Year CAGR
	-2,26%	-3,26%	-3,52%	-3,91%	-4,03%	-5,91%	-6,39%	-3,82%	-3,49%	-4,79%	-4,15%	
65,44	84,00	119,13	78,20	103,68	134,10	138,23	180,79	208,22	251,93	207,07	205,00	Share Price (\$) Market Cap. (\$ Millions)
62,364	78,246	107,348	67,987	86,614	107,508	104,267	127,656	141,402	165,115	129,212	127,920	

SHARE REPURCHASE - SCORE

Share Repurchase 5
 A lot of Shares repurchased.



2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2025 (e)	(\$ Millions)
3,614	3,990	4,401	4,130	3,596	4,006	4,163	3,459	4,214	3,551	3,952		SHORT TERM ASSETS
1,063	1,432	1,586	1,391	1,277	1,275	1,273	831	1,799	960	973		
2,551	2,558	2,815	2,739	2,319	2,731	2,890	2,628	2,415	2,591	2,979		LONG TERM ASSETS
43,539	45,741	47,971	50,470	52,122	53,800	54,984	58,214	58,184	59,974	61,497		
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		% INTANGIBLES / TOTAL ASSETS
47,153	49,731	52,372	54,600	55,718	57,806	59,147	61,673	62,398	63,525	65,449		
3,119	3,791	3,764	3,206	3,640	3,939	4,626	4,351	4,173	5,744	5,520		CURRENT LIABILITIES
196	705	461	594	758	800	1,466	1,257	1,069	2,166	1,678		
2,923	3,086	3,303	2,612	2,882	3,139	3,160	3,094	3,104	3,578	3,842		NON-CURRENT LIABILITIES
24,157	24,715	27,419	30,692	32,146	29,011	34,098	39,194	41,267	43,620	47,766		
8,801	8,872	10,952	13,607	14,249	16,144	20,925	23,943	25,660	27,563	31,648		TOTAL LIABILITIES
27,276	28,506	31,183	33,898	35,786	32,950	38,724	43,545	45,440	49,364	53,286		
19,877	21,225	21,189	20,702	19,932	24,856	20,423	18,128	16,958	14,161	12,163		TOTAL EQUITY
22,271	25,288	27,367	30,233	32,587	41,317	45,284	48,605	51,326	55,049	58,887		
42%	43%	40%	38%	36%	43%	35%	29%	27%	22%	19%		FINANCIAL AUTONOMY
1,16	1,05	1,17	1,29	0,99	1,02	0,90	0,79	1,01	0,62	0,72		
0,34	0,38	0,42	0,43	0,35	0,32	0,28	0,19	0,43	0,17	0,18		LIQUIDITY RATIO
7,934	8,145	9,827	12,810	13,730	15,669	21,118	24,369	24,930	28,769	32,353		
58%	57%	60%	62%	64%	57%	65%	71%	73%	78%	81%		CASH RATIO
11%	13%	12%	9%	10%	12%	12%	10%	9%	12%	10%		
0,93	0,88	0,92	1,27	1,47	1,53	1,97	2,26	2,48	2,49	2,66		NET DEBT/EBITDA

BALANCE SHEET - SCORE

Intangibles 5
 Inexistent

Debt 2
 High and growing

Liquidity 0
 Insufficient

Retained Earnings 5
 Constantly growing

Financial Autonomy 0
 Deficient

Too many Share Repurchases, along with Net Debt augmentation, low Liquidity Ratios and a diminishing Financial Autonomy.

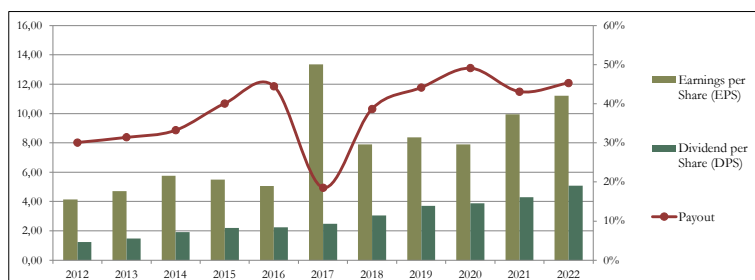
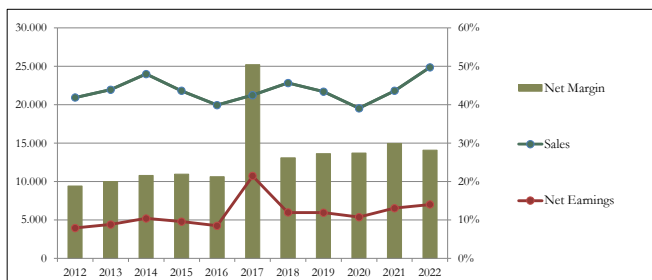
INCOME STATEMENT

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2025 (e)	(\$ Millions)
20,926	21,963	23,988	21,813	19,941	21,240	22,832	21,708	19,533	21,804	24,875		Sales
	5,0%	9,2%	-9,1%	-8,6%	6,5%	7,5%	-4,9%	-10,0%	11,6%	14,1%		Δ Sales vs Last Year
											1,74%	CAGR
8,505	9,223	10,657	10,064	9,310	10,211	10,708	10,770	10,044	11,546	12,163	14,000	EBITDA
6,745	7,446	8,753	8,052	7,272	8,106	8,517	8,554	7,834	9,338	9,917		EBIT
6,318	7,048	7,343	7,656	6,766	7,632	7,741	7,747	6,980	8,478	9,072		EBT
3,943	4,388	5,180	4,772	4,233	10,712	5,966	5,919	5,349	6,523	6,998		Net Earnings
32%	34%	36%	37%	36%	38%	37%	39%	40%	43%	40%		Operating Margin
19%	20%	22%	22%	21%	50%	26%	27%	27%	30%	28%		Net Margin
8%	9%	10%	9%	8%	19%	10%	10%	9%	10%	11%		ROA
20%	21%	24%	23%	21%	43%	29%	33%	32%	46%	58%		ROE
24%	25%	28%	24%	22%	20%	21%	20%	19%	22%	22%		ROCE

INCOME STATEMENT - SCORE

Sales	2
Moderate growth	
Net Margin	5
Very High	
ROE/ROCE/ROA	4
Very High, but not very meaningful	

Very profitable Business.
Flat Sales.



DIVIDEND

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2025 (e)	(\$ Millions)
4,14	4,71	5,75	5,49	5,07	13,36	7,91	8,38	7,90	9,95	11,21	14,10	Earnings per Share (EPS)
	13,9%	22,1%	-4,5%	-7,7%	163,5%	-40,8%	5,9%	-5,7%	25,9%	12,7%		Δ EPS vs Last Year
											10,49%	CAGR
1,25	1,48	1,91	2,20	2,26	2,48	3,06	3,70	3,88	4,29	5,08		Dividend per Share (DPS)
	18,88%	29,05%	15,18%	2,50%	9,98%	23,39%	20,92%	4,86%	10,57%	18,41%		Δ DPS vs Last Year
30%	31%	33%	40%	44%	19%	39%	44%	49%	43%	45%		Payout
1,90%	1,76%	1,60%	2,81%	2,17%	1,85%	2,21%	2,05%	1,86%	1,70%	2,45%		Dividend Yield

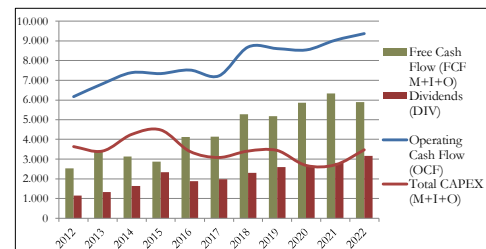
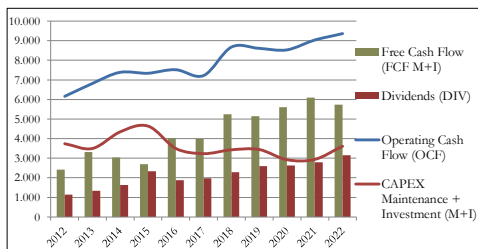
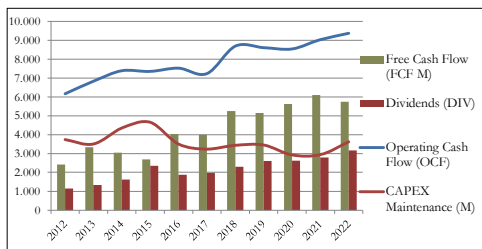
5,01% Expected Dividend Yield in 5Y
10,11% Expected Dividend Yield in 10Y
15,10% CAGR

DIVIDEND - SCORE

Dividend	1
Moderate	
Growth	5
Strongly growing	
Payout	5
Low	

Moderate Dividend Yield, but growing very much with a low payout.

CASH FLOW

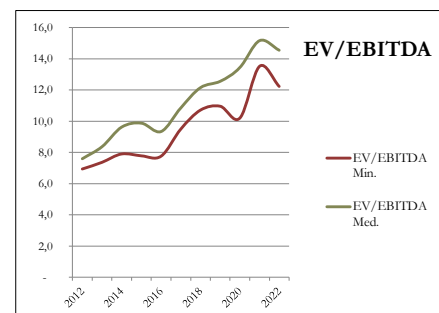
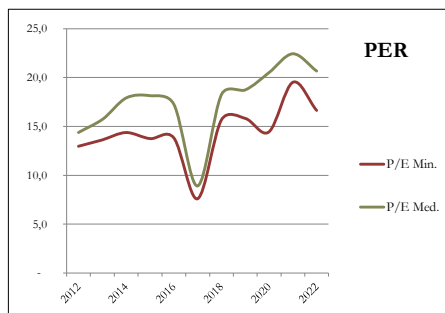
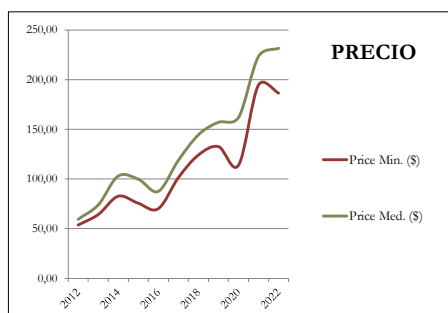


2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2025 (e)	(\$ Millions)
6,161	6,823	7,385	7,344	7,525	7,230	8,686	8,609	8,540	9,032	9,362		Operating Cash Flow (OCF)
3,738	3,496	4,346	4,650	3,505	3,238	3,437	3,453	2,927	2,936	3,620		CAPEX Maintenance (M)
3,738	3,496	4,346	4,650	3,505	3,238	3,437	3,453	2,927	2,936	3,620		CAPEX Maintenance + Investment (M+I)
3,633	3,405	4,249	4,476	3,393	3,086	3,411	3,435	2,676	2,709	3,471		Total CAPEX (M+I+O)
2,423	3,327	3,039	2,694	4,020	3,992	5,249	5,156	5,613	6,096	5,742		Free Cash Flow (FCF M)
2,423	3,327	3,039	2,694	4,020	3,992	5,249	5,156	5,613	6,096	5,742		Free Cash Flow (FCF M+I)
2,528	3,418	3,136	2,868	4,132	4,144	5,275	5,174	5,864	6,323	5,891		Free Cash Flow (FCF M+I+O)
1,146	1,333	1,632	2,344	1,879	2,299	2,626	2,299	2,800	3,159	3,159		Dividends (DIV)
1,760	1,777	1,904	2,012	2,038	2,105	2,191	2,216	2,210	2,208	2,246		Depreciation / Amortization

CASH FLOW - SCORE

Cash Flow	5
Very sustainable Free Cash Flow	

ANALYSIS - VALUATION



2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2025 (e)	
15,8	17,8	20,7	14,2	20,4	10,0	17,5	21,6	26,4	25,3	18,5		P/E (Fiscal Year End date)
8,3	9,4	11,0	8,0	10,8	12,1	11,7	14,1	16,6	16,8	13,3		EV/EBITDA (Fiscal Year End date)
65,44	84,00	123,31	123,83	105,18	136,32	164,99	181,41	209,85	251,93	276,79		Price Max. (\$)
53,58	64,23	82,58	75,43	69,99	101,40	124,14	132,68	114,04	194,33	186,45		Price Min. (\$)
59,51	74,12	102,95	99,63	87,59	118,86	144,57	157,05	161,95	223,13	231,62		Price Med. (\$)
14,4	15,7	17,9	18,1	17,3	8,9	18,3	18,7	20,5	22,4	20,7		P/E Med.
13,0	13,6	14,4	13,7	13,8	7,6	15,7	15,8	14,4	19,5	16,6		P/E Min.
58,996	67,975	84,240	78,389	72,200	96,961	114,757	118,054	102,375	156,133	148,698		EV Min.
64,647	77,183	102,591	99,428	86,899	110,959	130,163	135,258	134,907	175,008	176,884		EV Med.
6,9	7,4	7,9	7,8	7,8	9,5	10,7	11,0	10,2	13,5	12,2		EV/EBITDA Min.
7,6	8,4	9,6	9,9	9,3	10,9	12,2	12,6	13,4	15,2	14,5		EV/EBITDA Med.

2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
5.652	5.991	6.350	6.731	7.135	7.563	8.017	8.498	9.008	9.549	10.121		FCF Forecast (\$)
	5.496	5.345	5.198	5.055	4.916	4.780	4.649	4.521	4.396	4.275	4.404	FCF Discounted (\$)

PRICE MULTIPLES VALUATION

By PER Med.	\$284
By EV/EBITDA Med.	\$253
By Closer Support	\$195
By PER Min.	\$232
By EV/EBITDA Min.	\$207
By Farther Support	\$180

PRICES (DISCOUNTED CASH FLOW)

CAGR 10Y	6%	
Perpetual CAGR	3%	
Discount	9%	
Target Price	\$199	
Security Margin	15%	\$169
Security Margin	30%	\$139

PRICE RANGE

1° TARGET PRICE	\$225
2° TARGET PRICE	\$189

These prices are calculated based on an average between Discounted Cash Flows and Historical Prices. For discounts, we estimate a free cash flow based on the average of the last 4 years, while the multiples are generated from the average and minimum PER and EV/EBITDA ratios from 2017.

TOTAL SCORE

FINANCIAL HEALTH

Intangibles	5
Debt	2
Liquidity	0
Retained Earnings	5
Financial Autonomy	0

PROFITABILITY

Sales	2
Net Margin	5
Ratios	4
Adjustment	5

DIVIDEND

Dividend	1
Growth	5
Payout	5
Repurchase	5
Cash Flow	5

CONCLUSION

With less share repurchases, Financial Autonomy would grow and Net Debt would be reduced. Apart from that, UNP looks a very profitable business.

DIVIDEND ST. - FINAL SCORE **3,50**