

## BNSF's First Quarter 2022 Financial Performance: Volumes, Revenues and Expenses

Statement of Income (in millions)	Q1 - 2022	Q1 - 2021	Q/Q % Change
<b>Total revenues</b>	\$ 5,968	\$ 5,401	10 %
<b>Operating expenses</b>	3,927	3,512	12 %
<b>Operating income</b>	2,041	1,889	8 %
<b>Other (income) expense, Interest expense and Income tax expense</b>	670	638	5 %
<b>Net income</b>	\$ 1,371	\$ 1,251	10 %
<b>Operating ratio (a)</b>	64.6 %	63.7 %	

Source: Amounts derived from the GAAP results in the Burlington Northern Santa Fe, LLC Forms 10-Q for the period ended March 31, 2022.

(a) Operating ratio excludes impacts of BNSF Logistics.

### Volumes and Revenues

Operating income for the first quarter of 2022 was \$2.0 billion, an increase of \$152 million (8%) compared to the same period in 2021. Operating ratio was 64.6% for the first quarter, an increase of 0.9% compared to the same period in 2021.

Total revenues for the first quarter of 2022 increased 10% compared with the same period in 2021 primarily due to a 14% increase in average revenue per car/unit resulting from higher fuel surcharge revenue driven by higher fuel prices along with increased rates per car, partially offset by a 3% decrease in unit volume. Revenue changes also resulted from the following:

- Consumer Products volumes decreased 8% for the first quarter of 2022 compared with the same period in 2021 due to lower international intermodal volumes as a result of supply chain challenges and lower automotive shipments due to production impacts from a global microchip shortage, partially offset by an increase in domestic intermodal volumes.
- Agricultural Products volumes decreased 4% in the first quarter of 2022 compared with the same period in 2021 primarily due to lower grain exports, partially offset by higher volumes of ethanol and related commodities.
- Industrial Products volumes increased 1% for the first quarter of 2022 compared with the same period in 2021 primarily due to growth in the U.S. industrial economy.
- Coal volumes increased 14% for the first quarter of 2022 compared with the same period in 2021 primarily due to increased electricity generation, higher natural gas prices, and improved export demand.

Listed below are details by business units, including revenues, volumes and average revenue per car/unit.

Business Unit	Q1 - 2022	Q1 - 2021	Q/Q % Change
<b>Revenues (in millions)</b>			
Consumer Products	\$ 2,084	\$ 1,890	10 %
Agricultural Products	1,356	1,308	4 %
Industrial Products	1,297	1,226	6 %
Coal	889	686	30 %
<b>Total Freight Revenues</b>	<b>\$ 5,626</b>	<b>\$ 5,110</b>	<b>10 %</b>
Other Revenues	342	291	18 %
<b>Total Operating Revenues</b>	<b>\$ 5,968</b>	<b>\$ 5,401</b>	<b>10 %</b>
<b>Volumes (in thousands)</b>			
Consumer Products	1,275	1,393	(8)%
Agricultural Products	305	318	(4)%
Industrial Products	404	399	1 %
Coal	385	339	14 %
<b>Total Volumes</b>	<b>2,369</b>	<b>2,449</b>	<b>(3)%</b>
<b>Average Revenue per Car/Unit</b>			
Consumer Products	\$ 1,635	\$ 1,357	20 %
Agricultural Products	4,446	4,113	8 %
Industrial Products	3,210	3,073	4 %
Coal	2,309	2,024	14 %
<b>Total Freight Revenue per Car/Unit</b>	<b>\$ 2,375</b>	<b>\$ 2,087</b>	<b>14 %</b>

Source: Amounts derived from the GAAP results in the Burlington Northern Santa Fe, LLC Form 10-Q for the period ended March 31, 2022.

## Expenses

Operating expenses for the first quarter of 2022 increased 12% compared to 2021. A significant portion of the increase is due to the following factors:

- Compensation and benefits expense increased 5% in the first quarter of 2022 compared to the same period in 2021 primarily due to wage inflation, health and welfare costs, and lower productivity.
- Fuel expense increased 57% in the first quarter of 2022 compared to the same period in 2021 primarily due to higher average fuel prices. Locomotive fuel price per gallon increased at a similar rate in the first quarter of 2022 compared to the same period in 2021.
- Materials and other expense increased 8% in the first quarter of 2022 compared to the same period in 2021 primarily due to increased general inflation and higher casualty costs.
- There were no significant changes in purchased services, depreciation and amortization, equipment rents or interest expense.

<b>Operating Expenses (in millions)</b>	<b>Q1 - 2022</b>	<b>Q1 - 2021</b>	<b>Q/Q % Change</b>
Compensation and benefits	\$ 1,241	\$ 1,183	5 %
Purchased services	668	665	— %
Depreciation and amortization	627	619	1 %
Fuel	861	550	57 %
Equipment rents	179	171	5 %
Materials and other	351	324	8 %
<b>Total Operating Expenses</b>	<b>\$ 3,927</b>	<b>\$ 3,512</b>	<b>12 %</b>

Source: Amounts derived from the GAAP results in the Burlington Northern Santa Fe, LLC Form 10-Q for the period ended March 31, 2022.