



Company	Ticker	Sector	Industry
Union Pacific Corporation	UNP-US	Industrials	Road & Rail

Business Description

Union Pacific Corp. engages in the provision of railroad and freight transportation services. Its principal operating company, Union Pacific Railroad Co., operates as a railroad franchise. The Railroad's diversified business mix includes agricultural products, automotive, chemicals, coal, industrial products, and intermodal. The company was founded in 1969 and is headquartered in Omaha, NE.

Price Chart

Key Info & Metrics



Empirical Research Rank:	3
Date Purchased:	03/28/2022
Price:	\$209.04
52-Week Range:	\$186.45 - \$276.69
Dividend Yield:	2.43%
Market Cap (\$M):	\$128,518
Forward Price-to-Earnings:	18

Total Return

Year-to-Date:	1.0%
1 Year:	-11.3%
3 Year:	21.1%
5 Year:	80.2%

Investment Case - Updated: November 6, 2022

Rail transportation is among the most stable, industrial businesses and Union Pacific is the largest U.S.-based rail. Though labor shortages have adversely affected productivity and margins, the company has offset this pressure by passing along price increases in a strong demand environment. These increases do not typically reverse, creating the potential for stronger margins long-term as labor shortages ease. The firm is also leaning on precision-scheduled railroading (PSR) to build longer trains that boost efficiency. If executed properly, PSR could also enhance margins. Supply chain congestion has resulted in increased backlogs and lower inventories across the various end markets that Union Pacific serves. High fuel costs have created a tailwind for substitution from trucking. These factors bode well for the firm's volume growth going forward. Having grown the dividend at a faster rate than the S&P 500, Union Pacific now has a dividend yield that pays above the overall market which further enhances its investment case.

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