



Supplemental Data Pack – Accompaniment to Publication

# **Norfolk Southern vs. Ancora Proxy Fight – Why Alan Shaw Deserves The Opportunity To Continue His Remarkable Transformation Of Norfolk Southern**

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Yale Chief Executive Leadership Institute



# Norfolk Southern vs. Ancora Proxy Fight

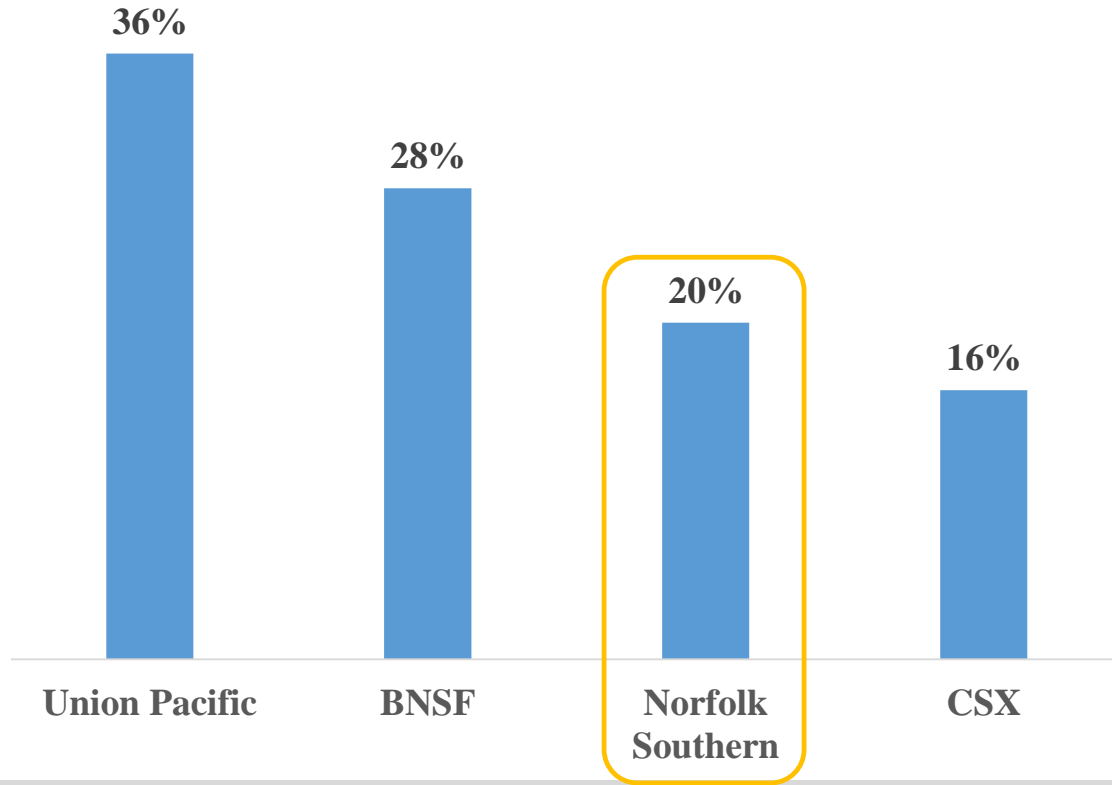
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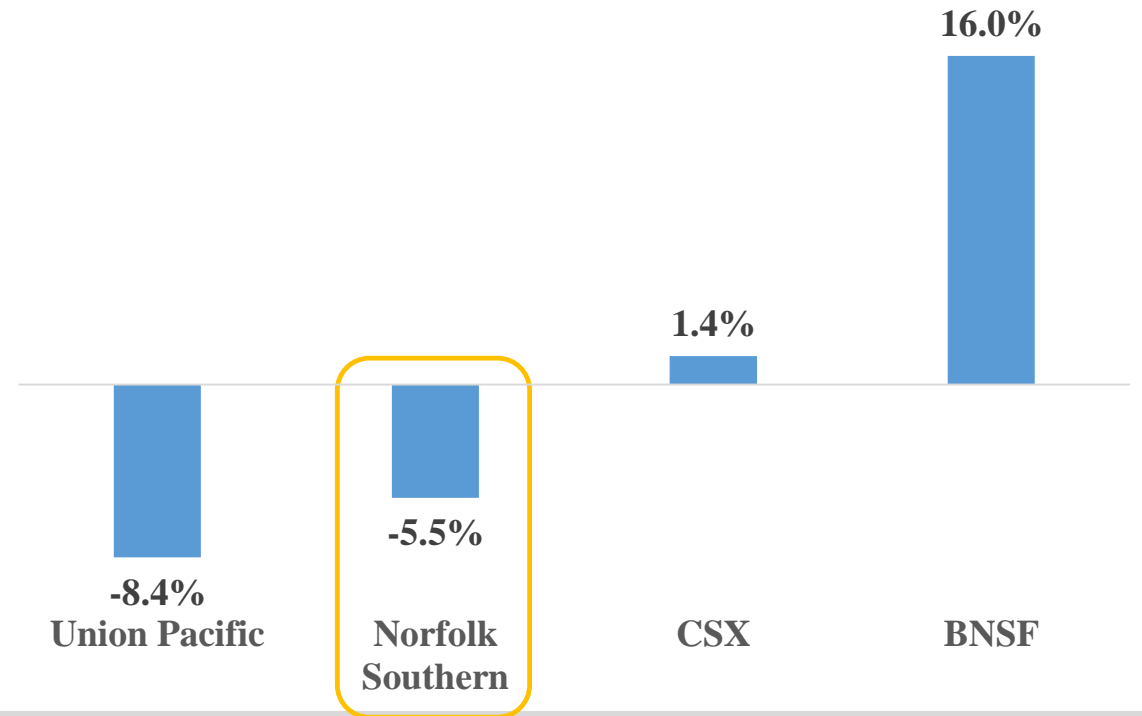


## Data Shows Meaningful Improvements In The Safety Track Record Of Norfolk Southern Under CEO Alan Shaw, Compared To US Class I Railroad Peers

**Total US Class I Railroad Accidents In 2023, By Railroad**  
(as % of total US Class I rail accidents, per data from Federal Railroad Administration – Office of Safety Analysis)



**US Class I Railroad Accidents – Percentage % Change in 2023 From 2022**  
(per data from Federal Railroad Administration – Office of Safety Analysis)

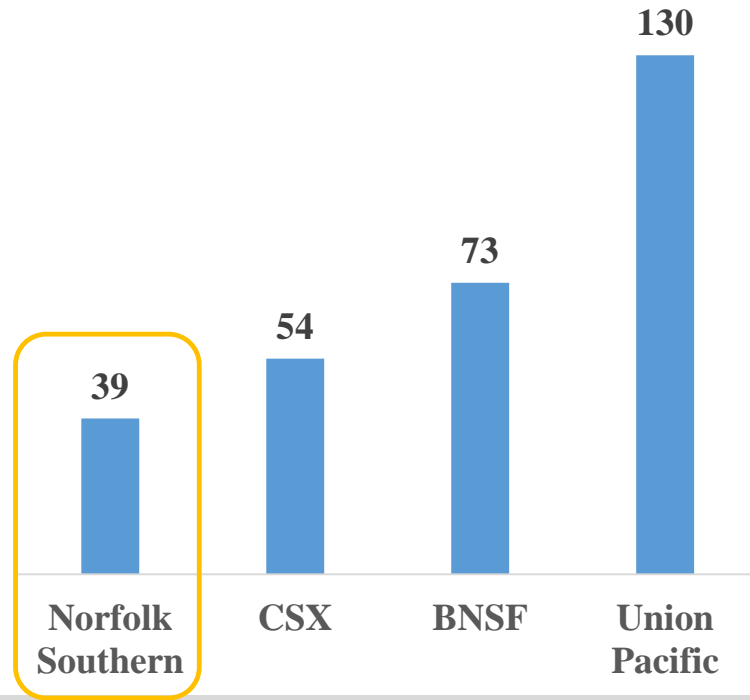




# Norfolk Southern Had The Single Best Mainline Accident Rate And Improvement In 2023, Alan Shaw's First Full Year As CEO, Compared To US Class I Railroad Peers

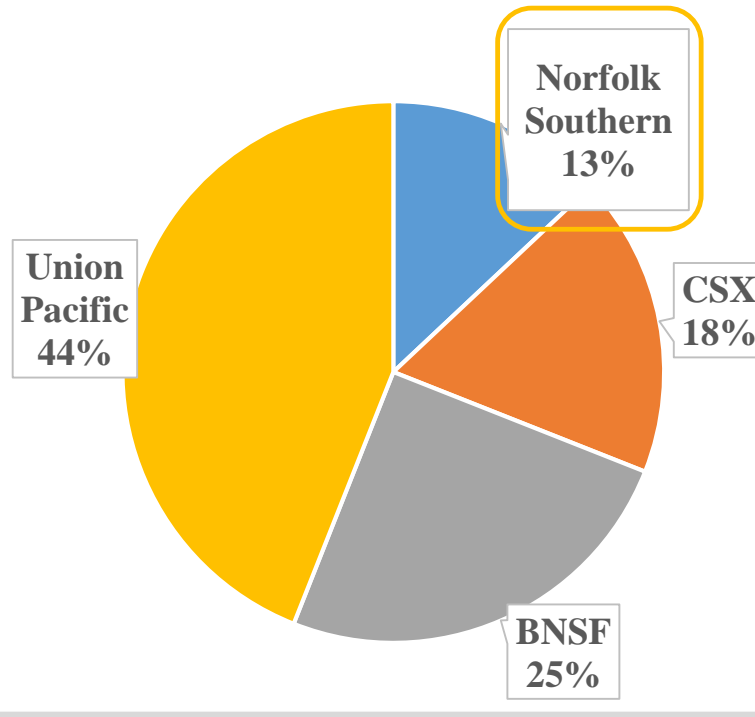
## Total Number of US Class I Mainline Accidents In 2023, By Railroad

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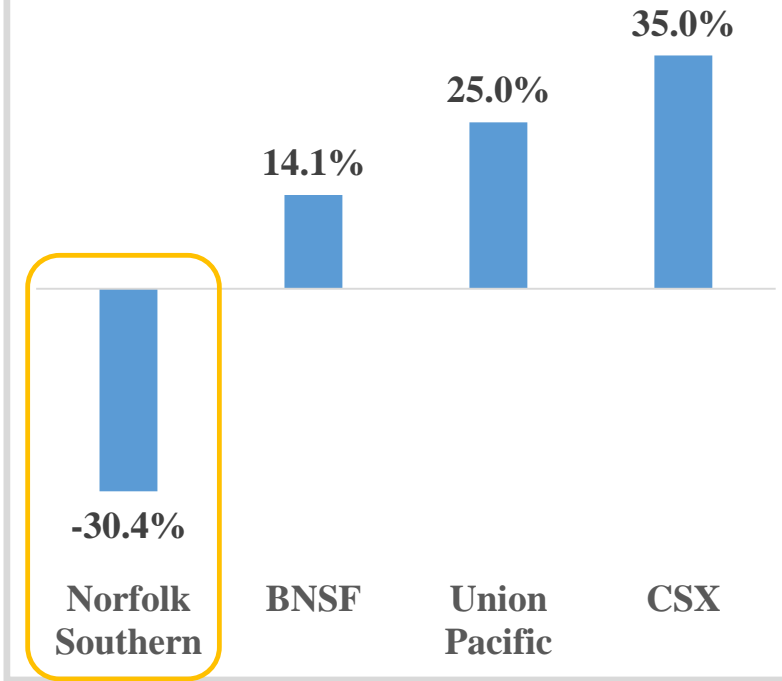
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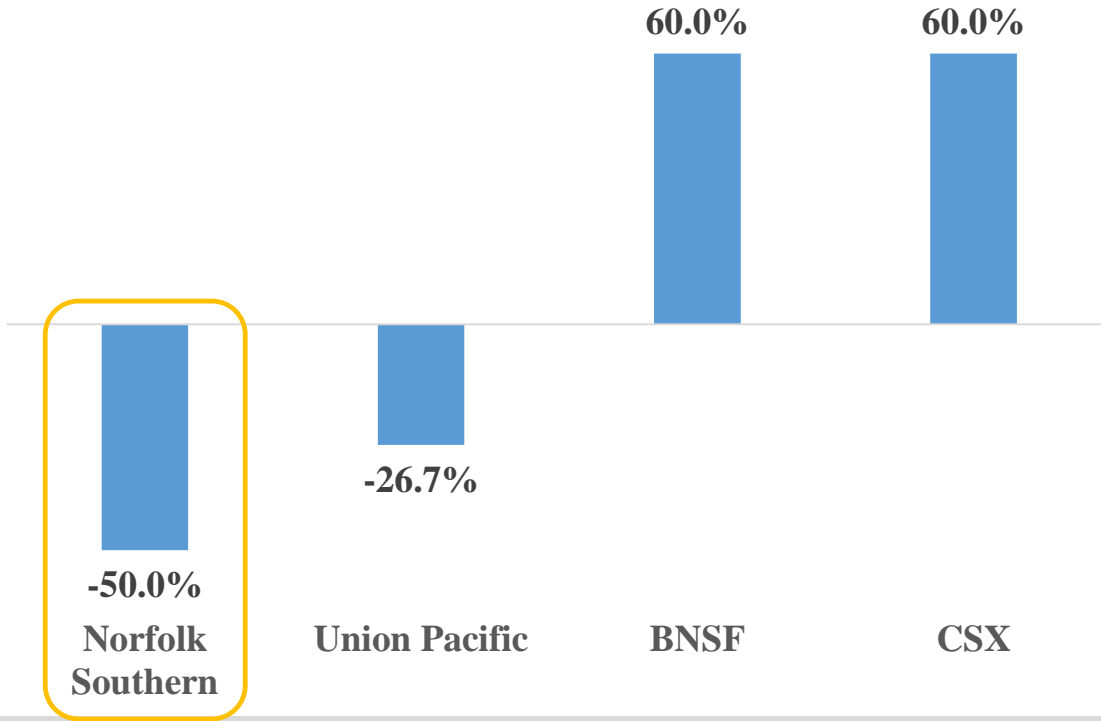




# Not Just A 2023 Aberration: Data Shows Norfolk Southern Continuing To Improve On Safety Entering 2024

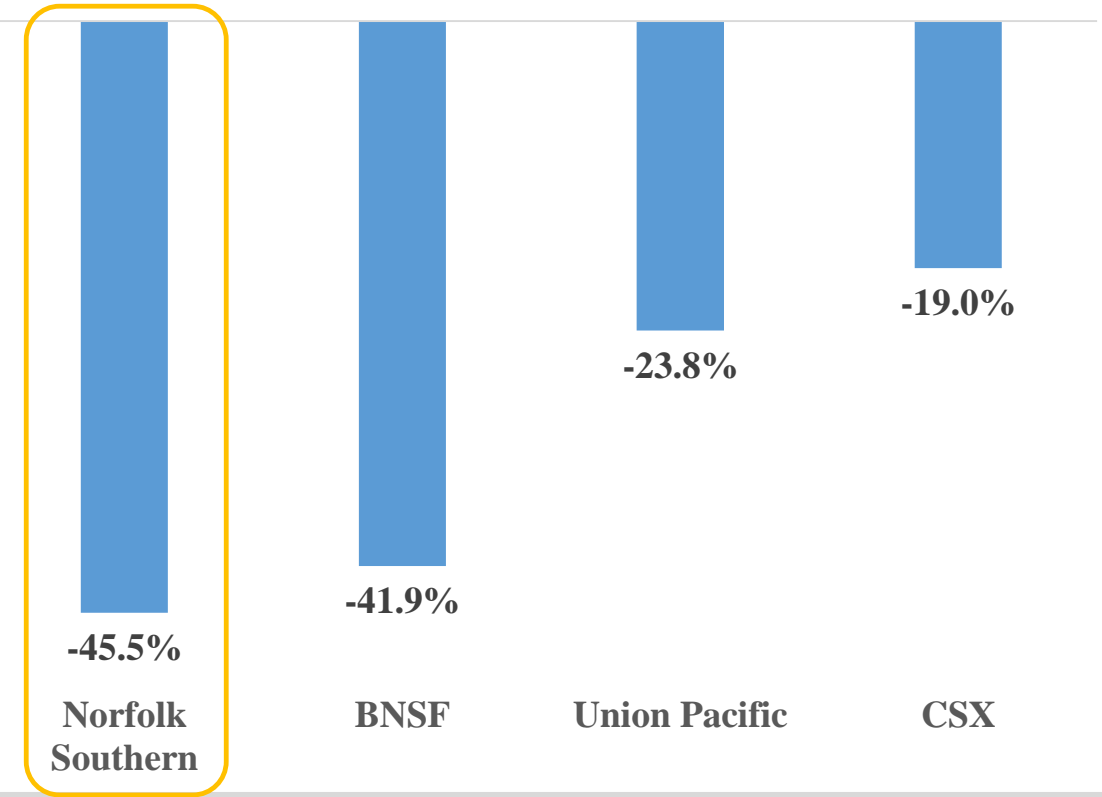
## US Class I Mainline Accidents – Percentage % Change in January 2024 From January 2023

(per data from Federal Railroad Administration – Office of Safety Analysis)



## US Class I Railroad Accidents – Percentage % Change in January 2024 From January 2023

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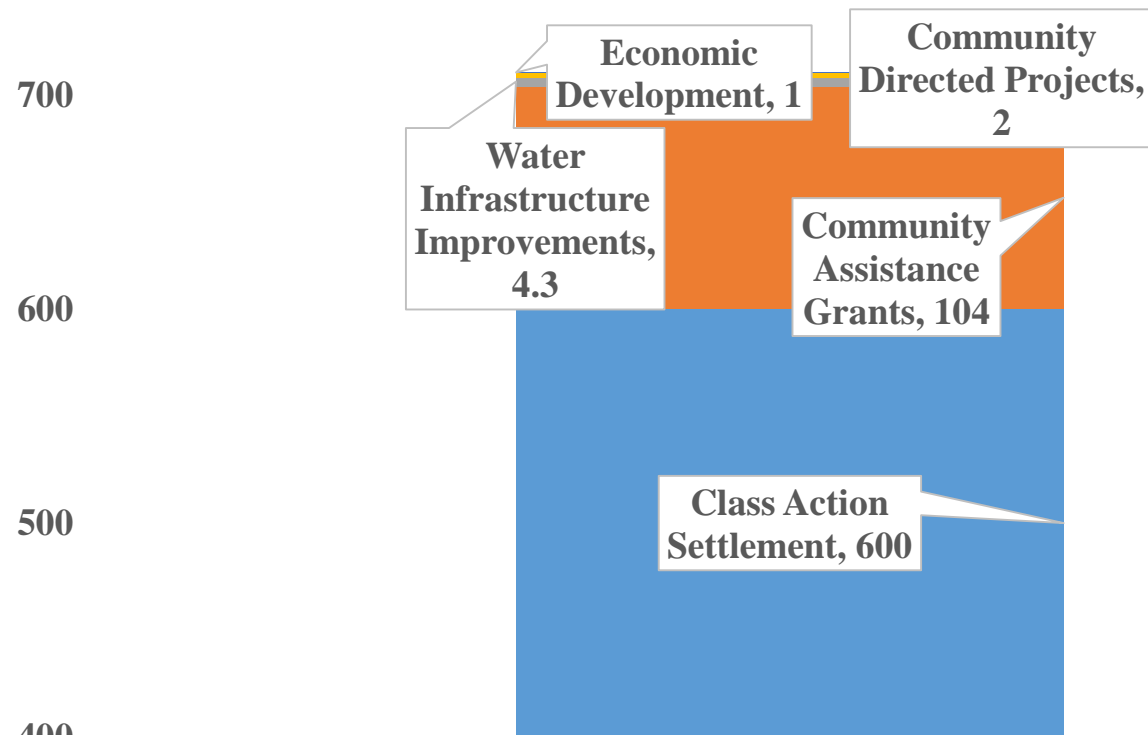




# Alan Shaw Has Kept His Promises To The East Palestine, Ohio Community

## Breakdown Of Financial Support For The East Palestine, Ohio And Surrounding Communities

(in \$ billions)



**“Norfolk Southern has taken responsibility....and helped the village. They are contributing to the village. They’ve been good partners”**  
– Mayor Trent Conaway, East Palestine, Ohio

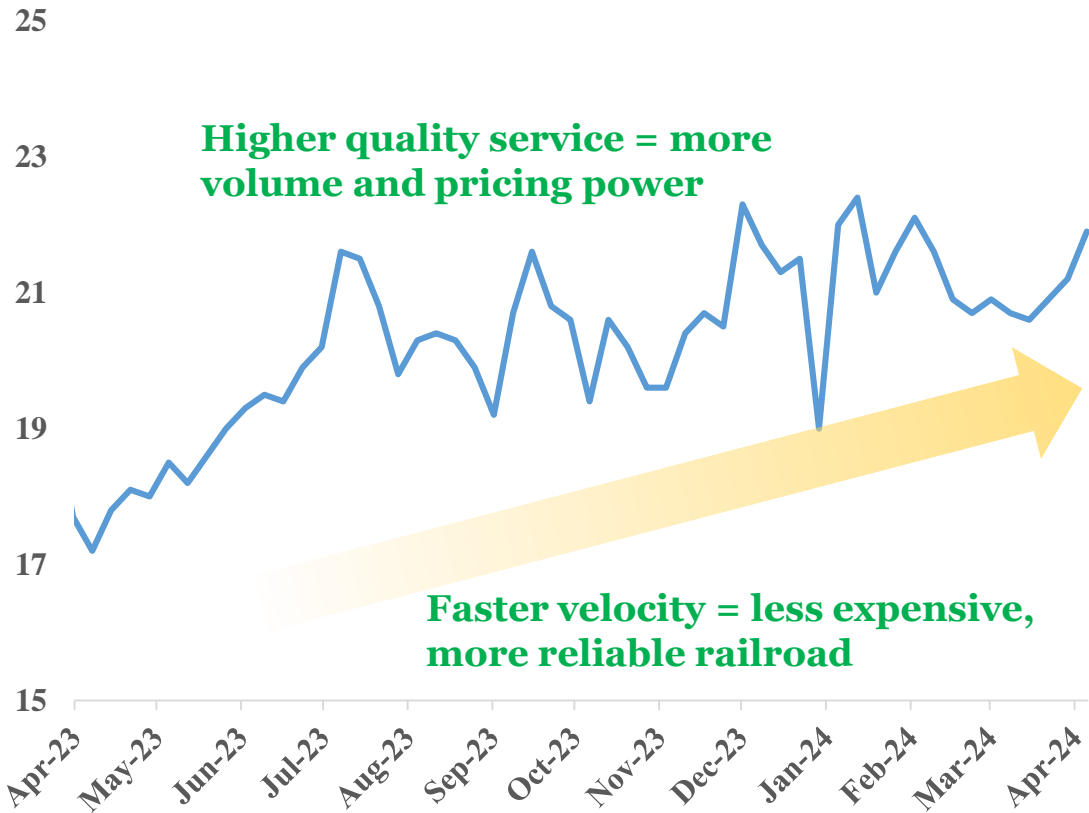
**“We said we were going to make a safe railroad safer, and we did.”**  
– Alan Shaw, CEO, Norfolk Southern



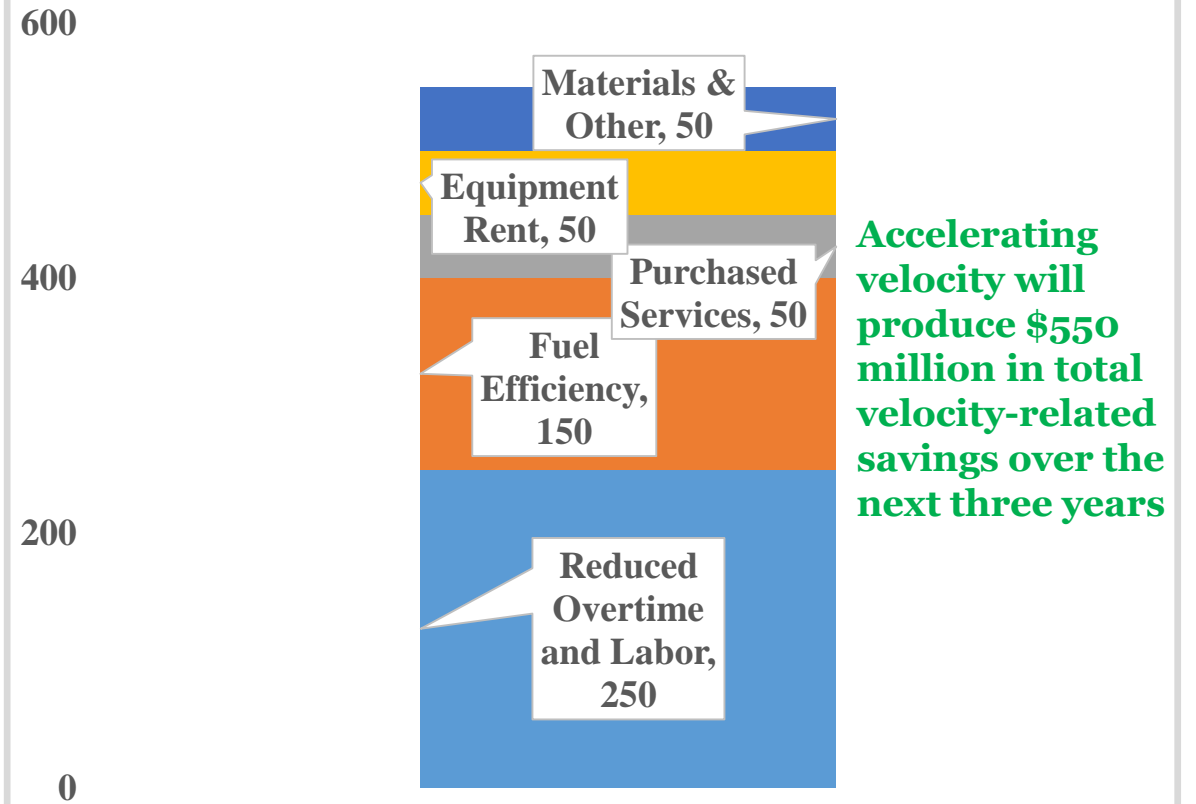


# Over Past Year, CEO Alan Shaw Is Driving Greater Operational Efficiency And Reliability At Norfolk Southern As Part Of “PSR 2.0” – Not Slash-And-Burn

**Average Weekly Norfolk Southern Train Velocity**  
(in miles per hour; across intermodal, manifest, multilevel, coal, and grain cars)



**Breakdown of Total Velocity-Related Savings**  
(units in \$ millions)





## Over Past Year, CEO Alan Shaw Is Driving Greater Operational Efficiency And Reliability At Norfolk Southern As Part Of “PSR 2.0” – Not Slash-And-Burn

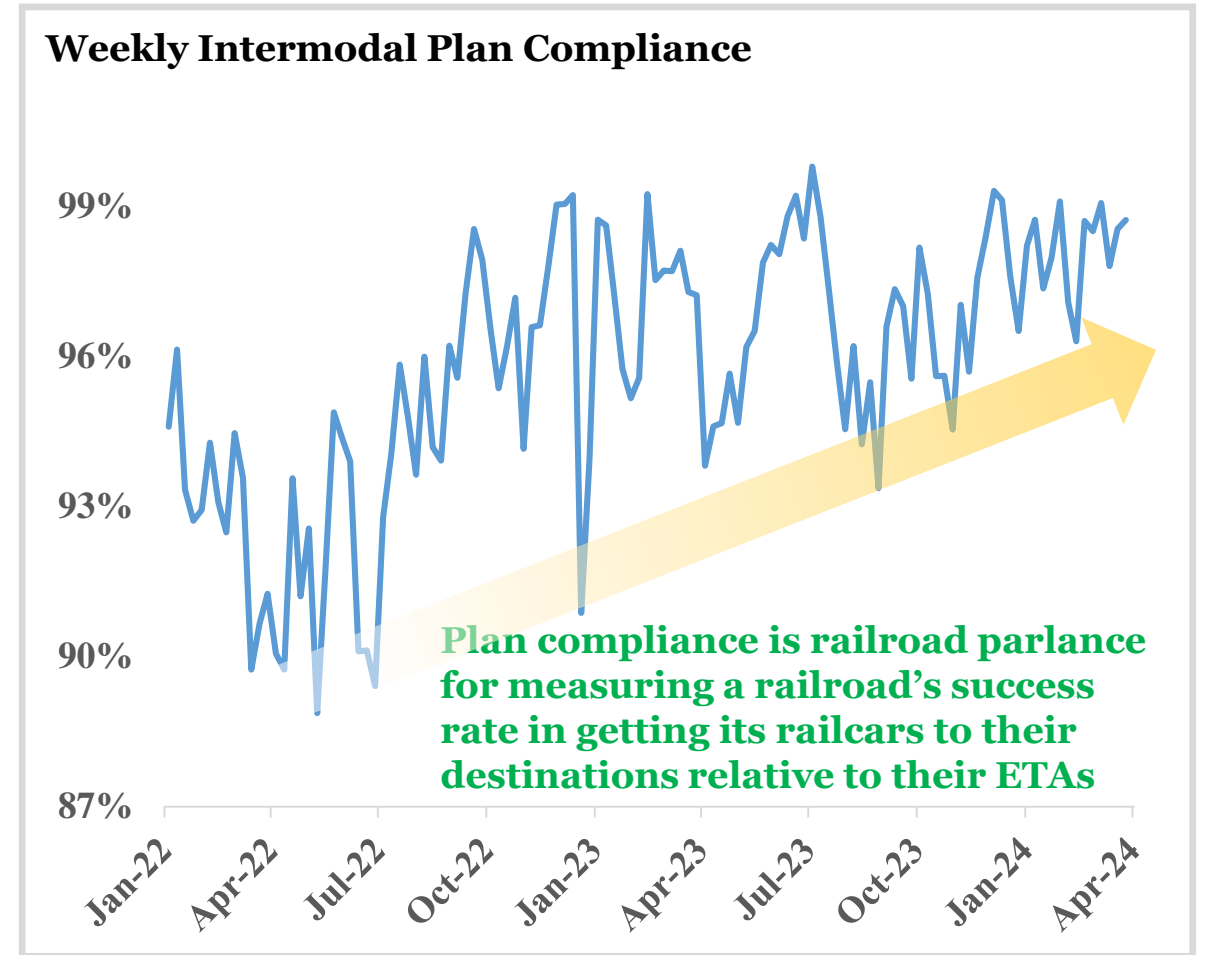
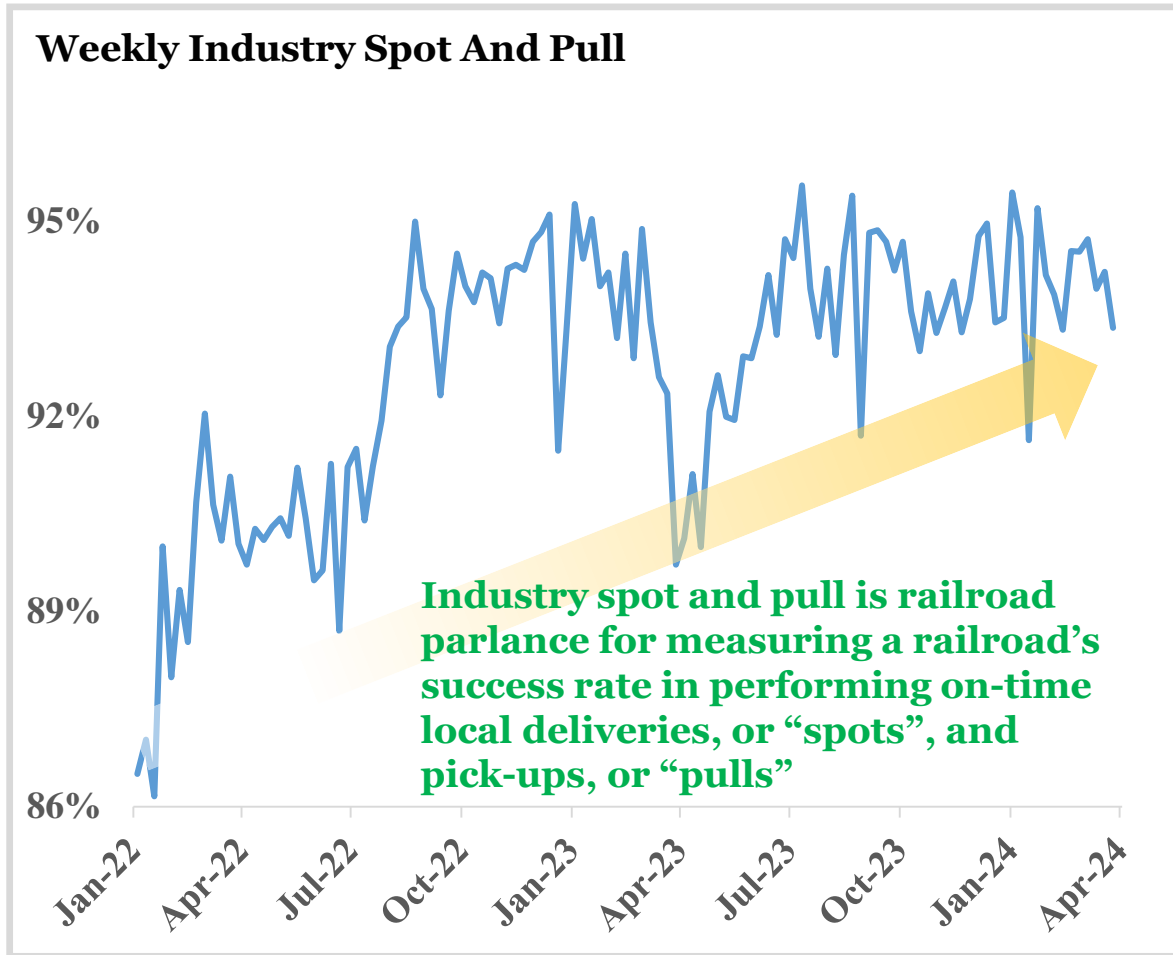
Average Weekly Norfolk Southern Terminal Dwell Time  
(in hours, across all terminals)







# CEO Alan Shaw Has Been Driving Dramatic Increases In Reliability, Consistency Of On-Time Deliveries, And Quality Of Service For Customers

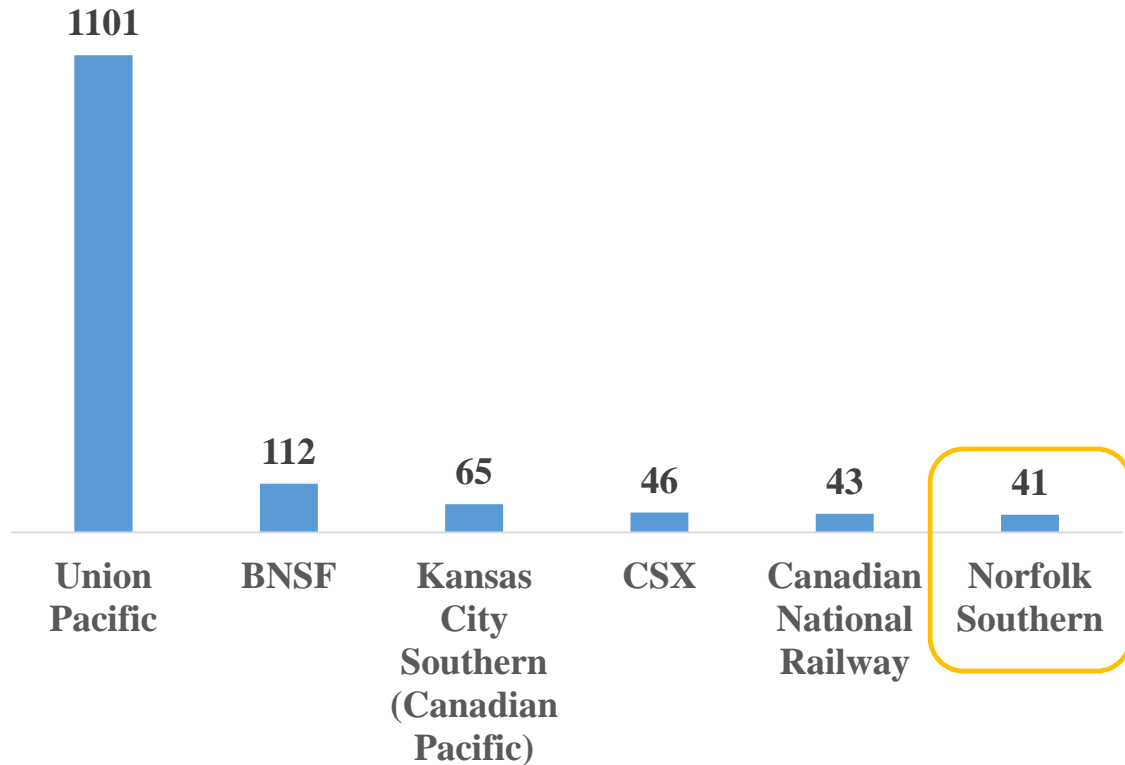




# Norfolk Southern Had Fewest Number Of Embargoes Of Any North American Class I Railroad In Alan Shaw's First Year As CEO

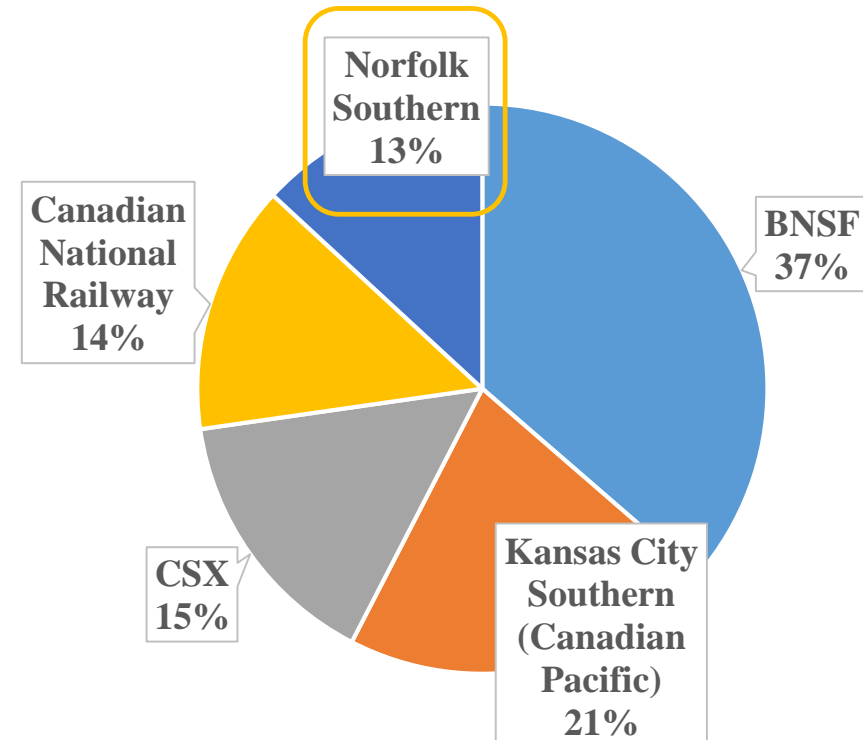
**Embargoes By Each North America Class I Railroad In Alan Shaw's First Year As CEO**

(excessive embargoes tend to be a sign of poor operational execution)



**Embargoes By Each North American Class I Railroad In Alan Shaw's First Year As CEO, As % Of Total Embargoes**

(excluding Union Pacific, which had ten times the number of embargoes as any other peers due to esoteric factors)





## Norfolk Southern Operating Ratio Trending Below 60% Within Three Years

### Norfolk Southern Operating Ratio (OR) By Year

(in hours, across all terminals)

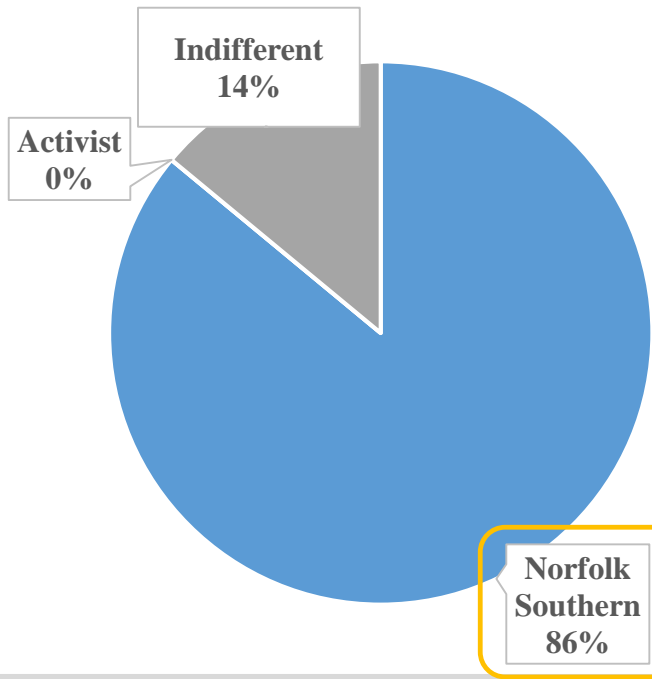




# Stephens Survey Of Rail Customers Makes Clear That Norfolk's Customers Believe In The Proven Track Record Of Incumbent Management Over Activist Hype

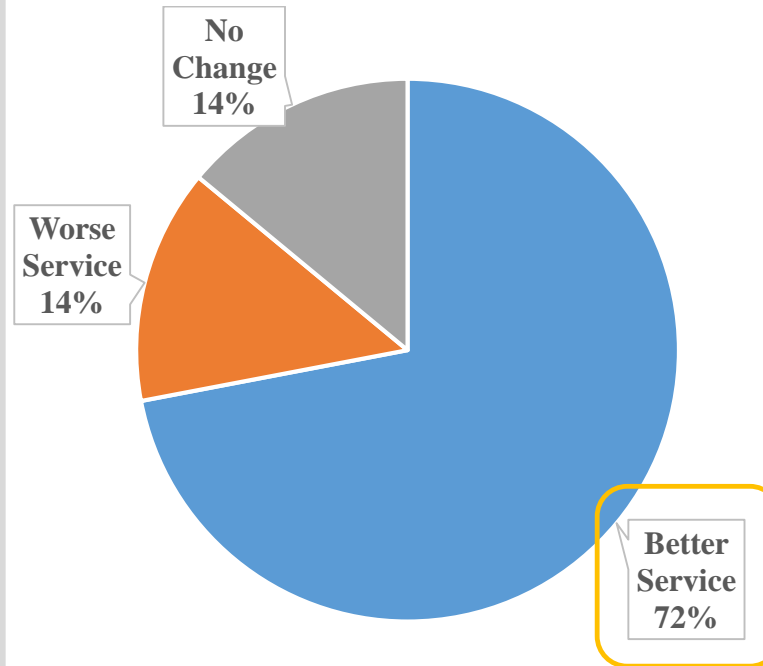
## Survey Results: Whose Strategic Plan Do You Prefer?

(respondents total over ~\$25 billion in annual transportation spending)



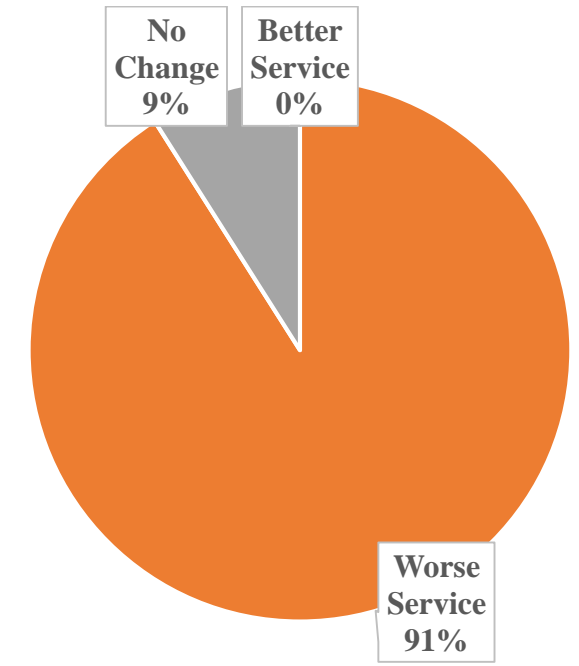
## Survey Results: How Would Norfolk Southern's Strategic Plan Impact Its Rail Service In The Next Year?

(respondents total over ~\$25 billion in annual transportation spending)



## Survey Results: How Would The Activist's Strategic Plan Impact NSC's Rail Service In The Next Year?

(respondents total over ~\$25 billion in annual transportation spending)

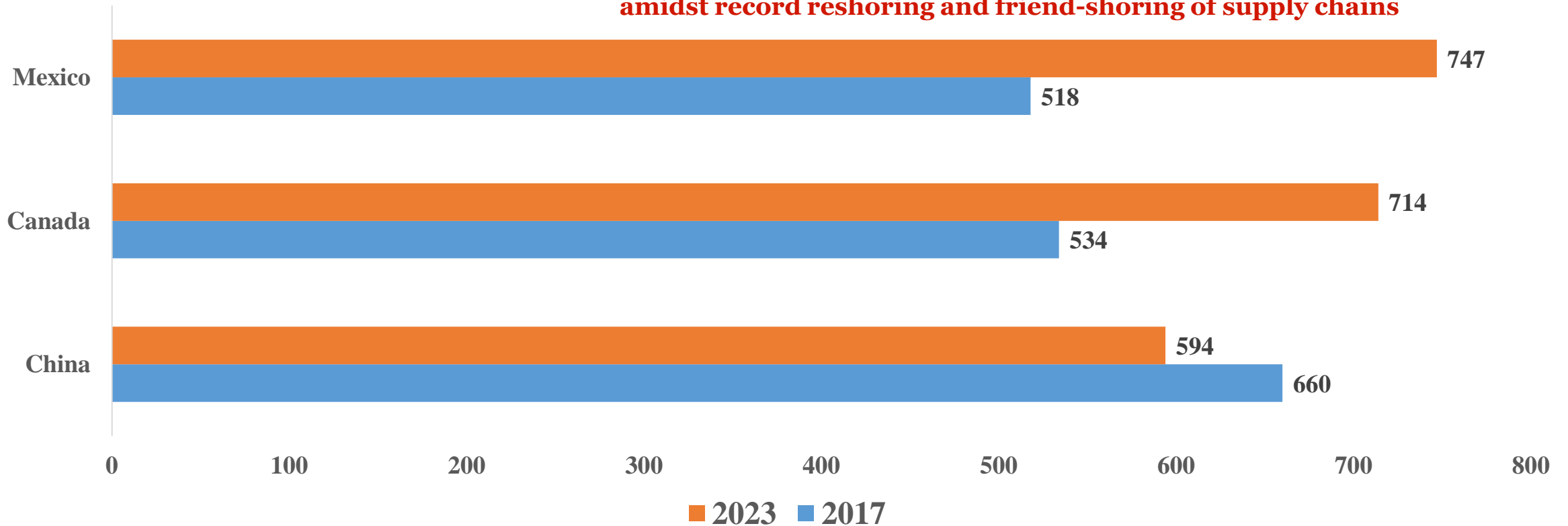




# North American Railroads Have A Once In A Generation Opportunity To Benefit From Reshoring, Friend-shoring And The Resurgence In N. American Manufacturing

Top Trade Partners of The US In 2023 vs. 2017  
(In \$ billions)

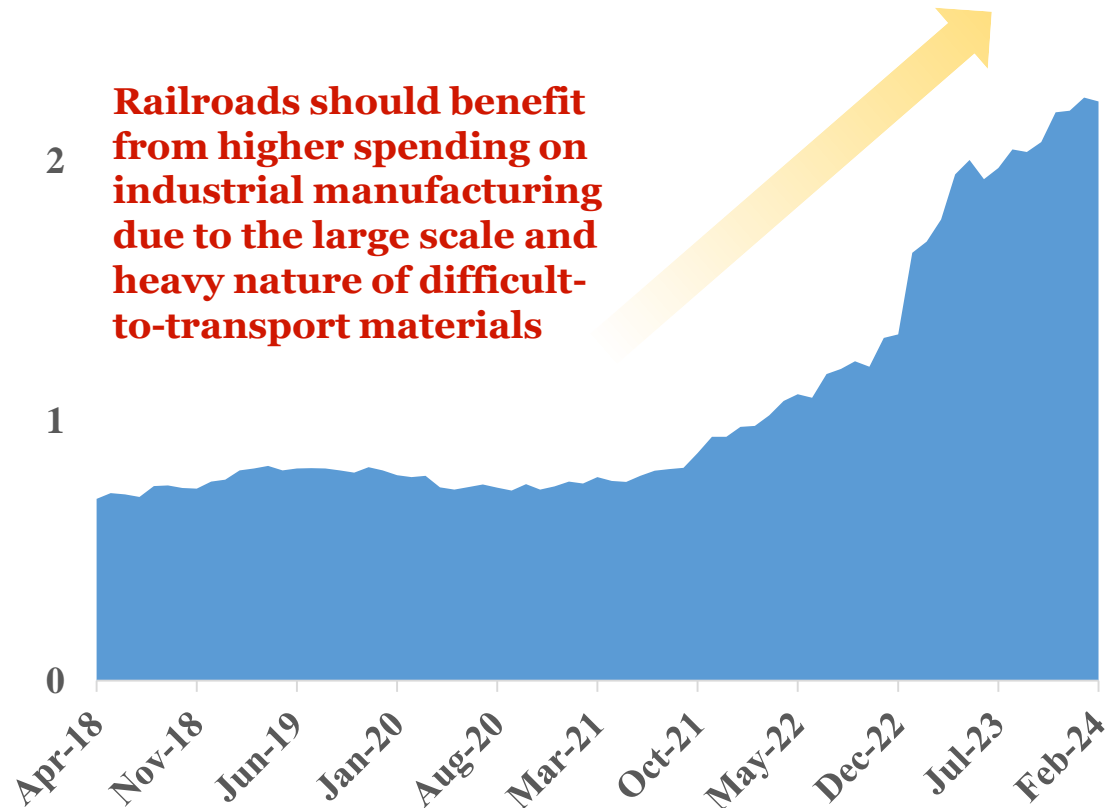
**China was America's largest trade partner by far in 2017, but now represents a small fraction of US trade with Mexico and Canada amidst record reshoring and friend-shoring of supply chains**



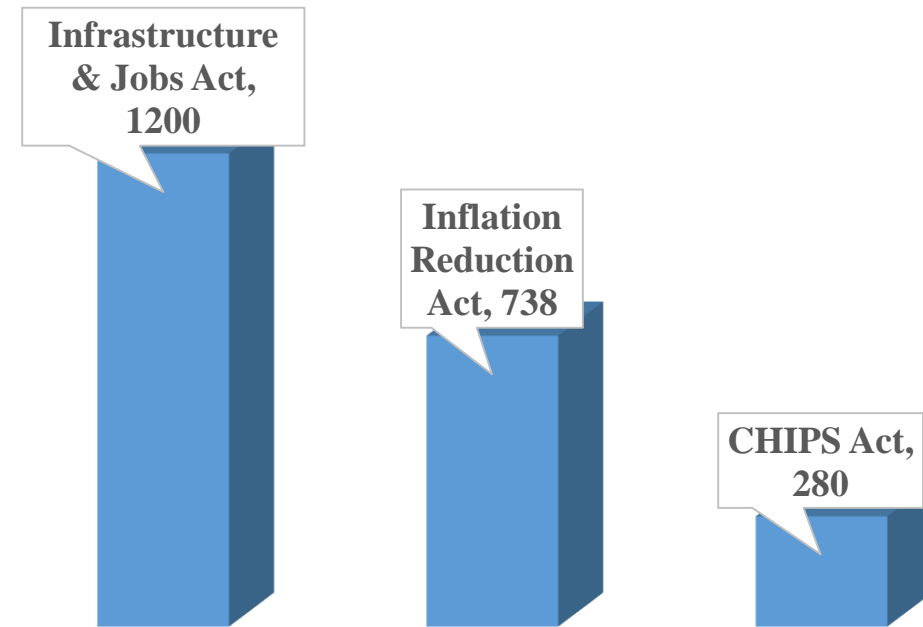


# North American Railroads Have A Once In A Generation Opportunity To Benefit From Reshoring, Friend-shoring And The Resurgence In N. American Manufacturing

**Monthly US Construction Spending On Manufacturing**  
(units in \$ billions, per US Census Bureau data)



**US Fiscal Stimulus Will Provide Strong Secular Tailwind To Domestic Manufacturing For Years To Come**  
(units in \$ billions)

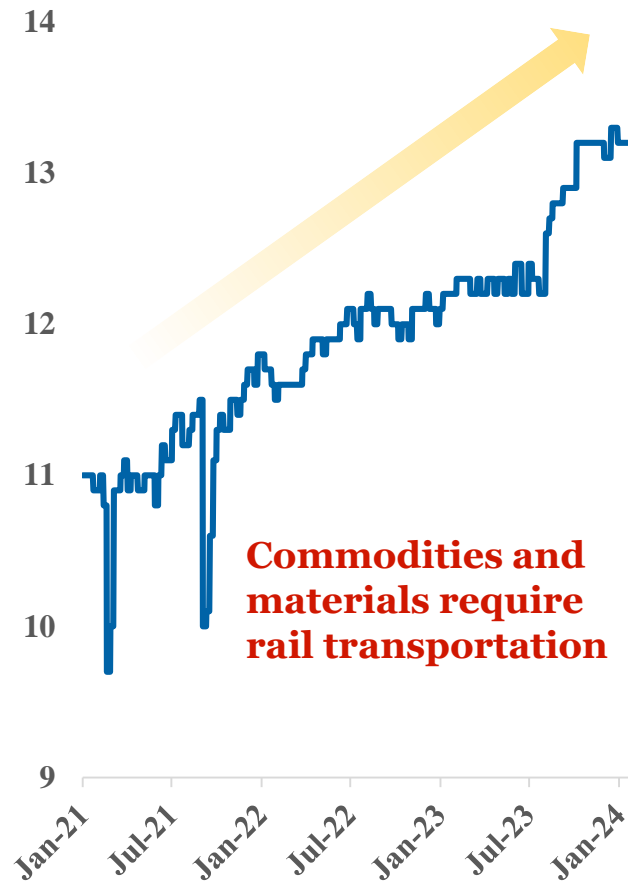




# Growth In US Commodity Production Volumes Also A Secular Tailwind For Rail

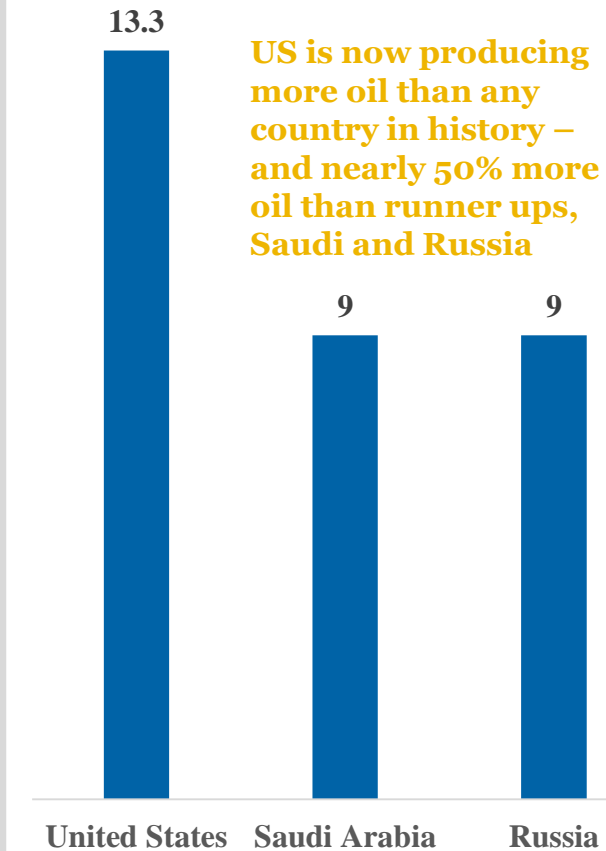
**US Oil Production Volumes**

(units in millions of barrels per day)



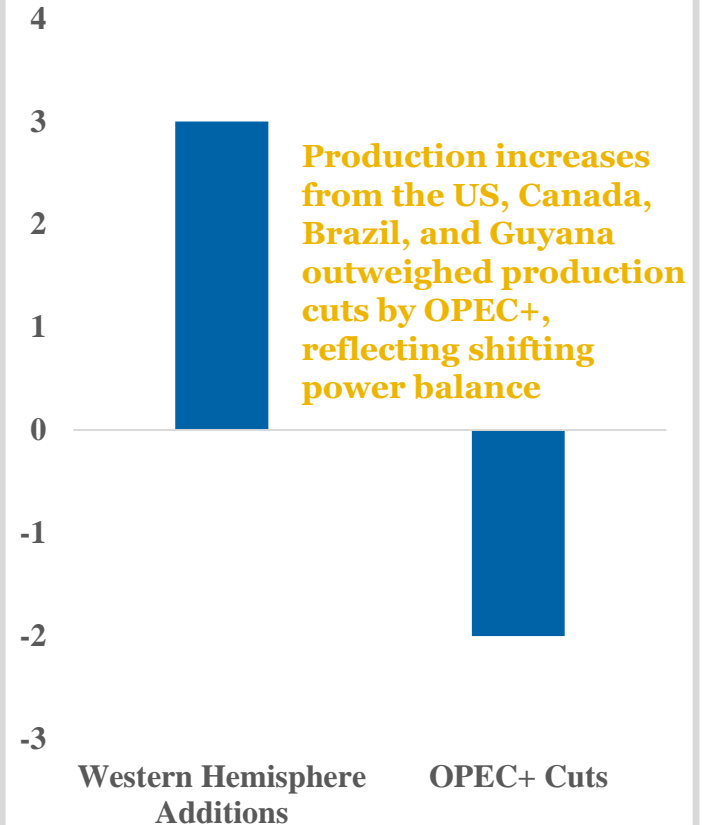
**Top Oil Producing Nations**

(units in millions of barrels per day)



**2023 Global Oil Supply Additions and Subtractions**

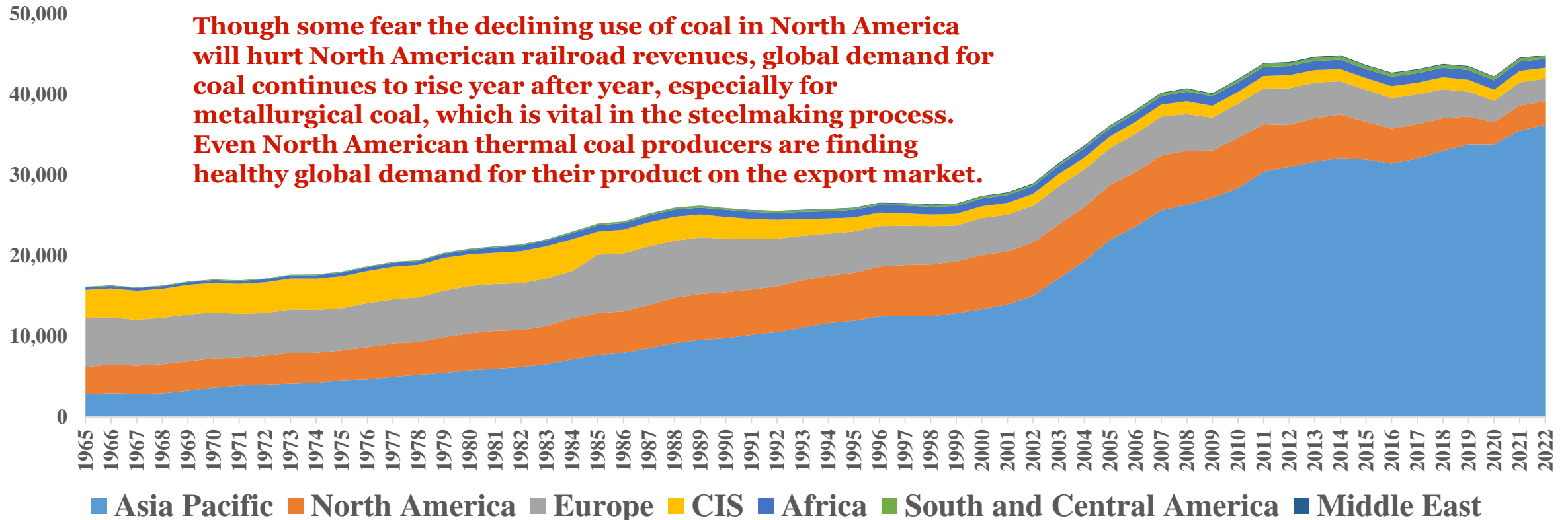
(units in millions of barrels per day)





# Coal Will Remain Major Business For Railroads – North American Demand Declining But Global Demand Still Rising

**Total Global Coal Consumption By Region**  
(annual coal consumption measured in terawatt-hours/TWh)



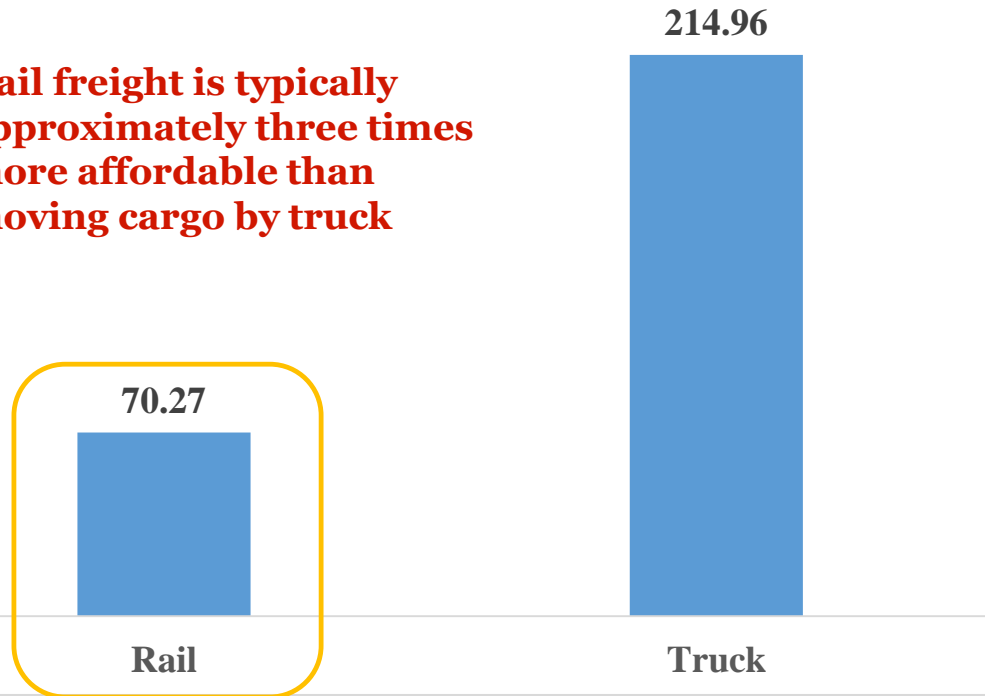




# Shipping Freight By Trucks Is Far More Expensive Than By Rail; And More Environmentally Unfriendly

**Approximate Shipping Cost Per Net Ton Of Bulk Commodities From Houston, TX to Cleveland, OH**  
(units in \$, per net ton)

**Rail freight is typically approximately three times more affordable than moving cargo by truck**



**Carbon Emissions Savings Generated From Shipping Freight By Norfolk Southern In Lieu of Trucks**  
(units in metric tons of CO<sub>2</sub>/year)



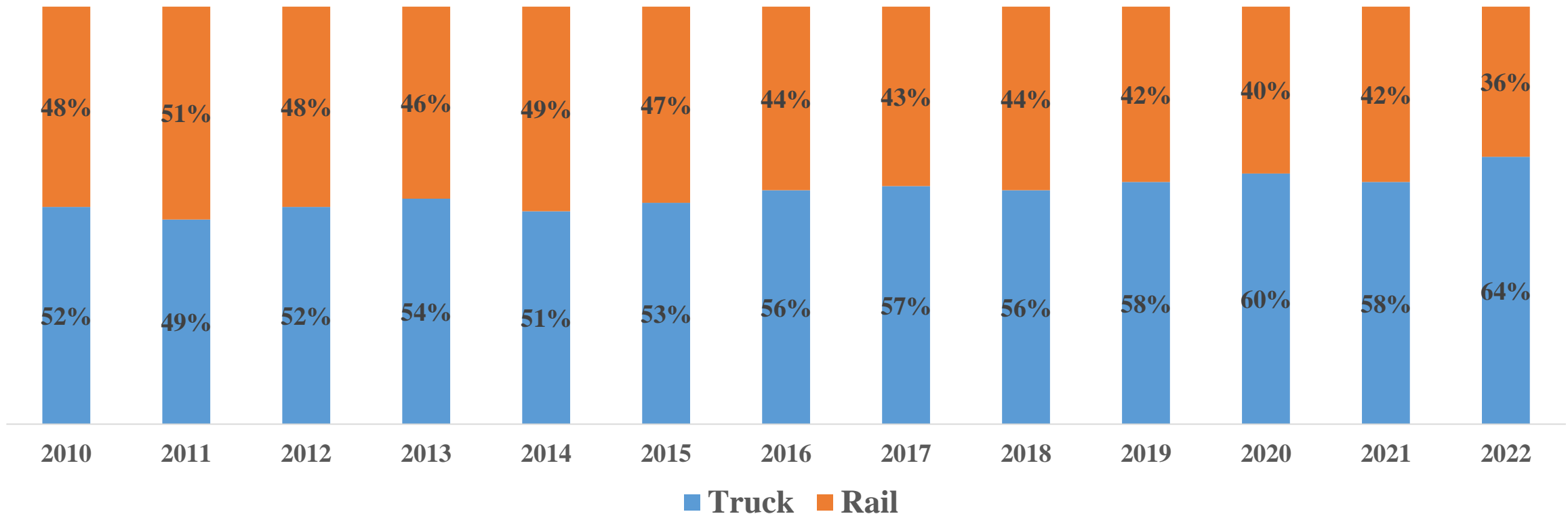
**Shipping by truck releases four times more carbon emissions into the environment than by rail**





# Railroads Continue To Cede Transportation Market Share To Trucks Due To Declining Rail Quality Of Service

**Transportation Market Share Held By Railroads vs. Trucks**  
(In %, US Ton-Miles Of Land Freight Carried Per US Bureau Of Transportation Statistics)

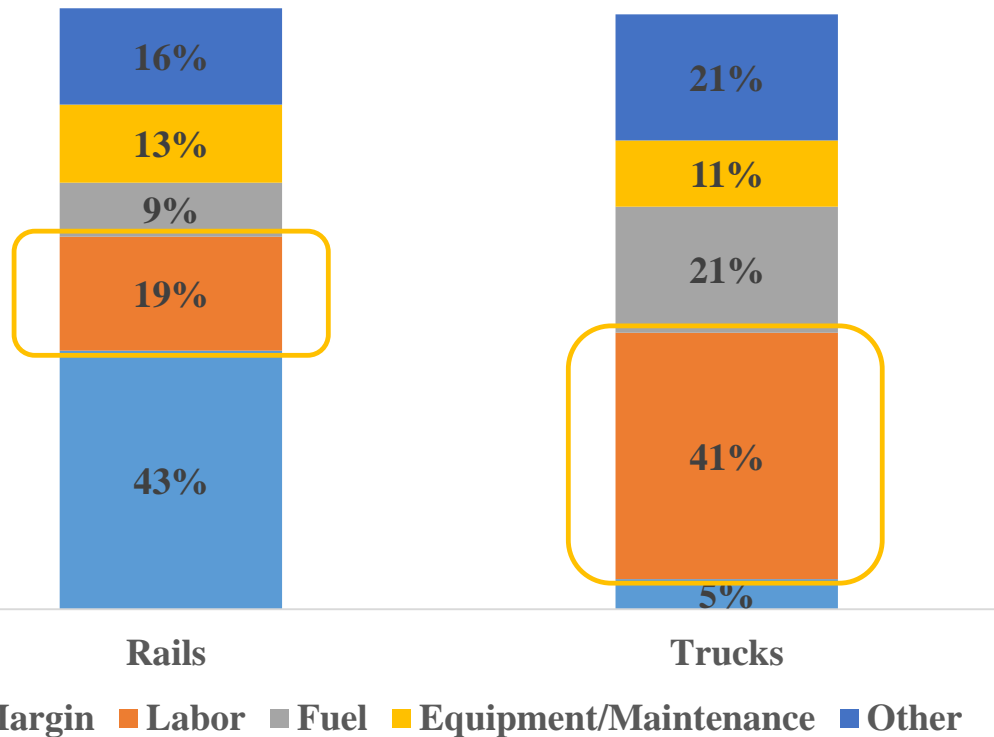




# Railroads Losing Market Share To Trucks Despite Trucks Facing More Structural Headwinds, With Greater Vulnerability To Rising Labor Costs

## Truckers More Vulnerable Than Railroads To Rising Labor Cost Inflation

(Price Component Breakdown Of Railroads vs. Truck)



## Average Annual Truck Driver Wages

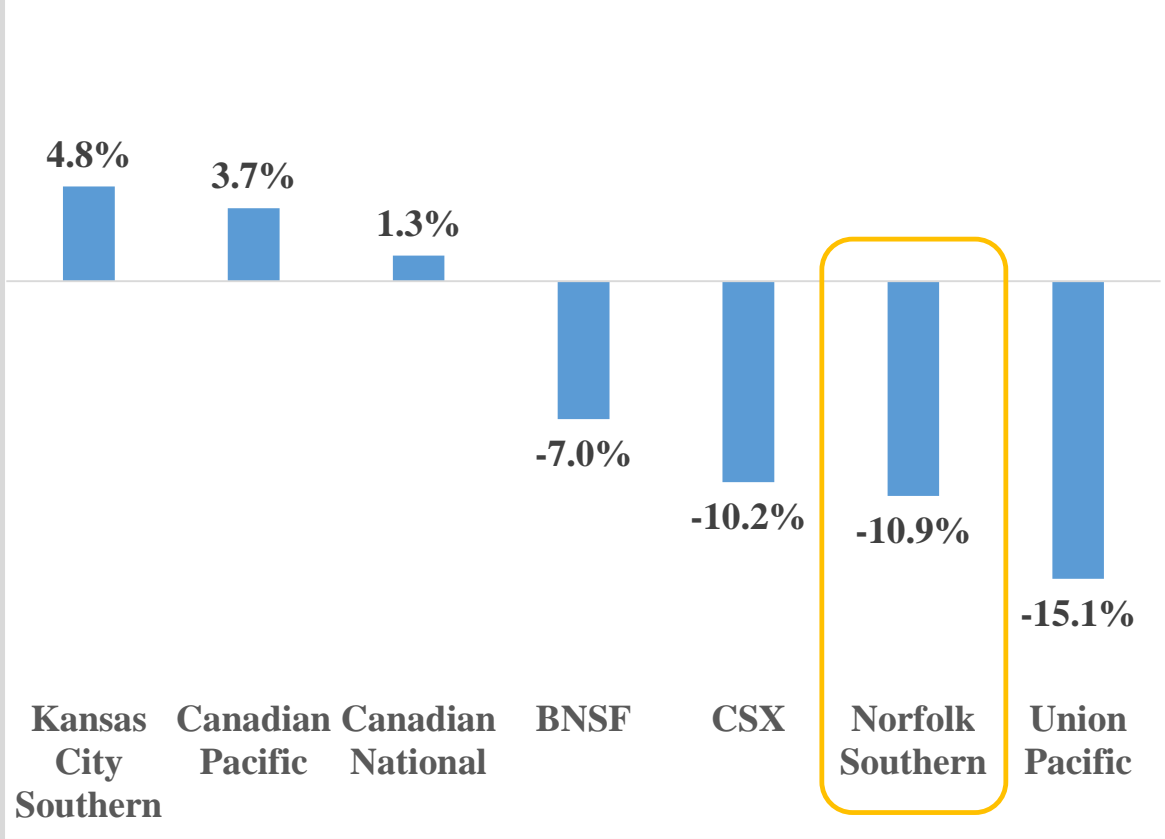
(Per US Bureau of Labor Statistics, in \$)





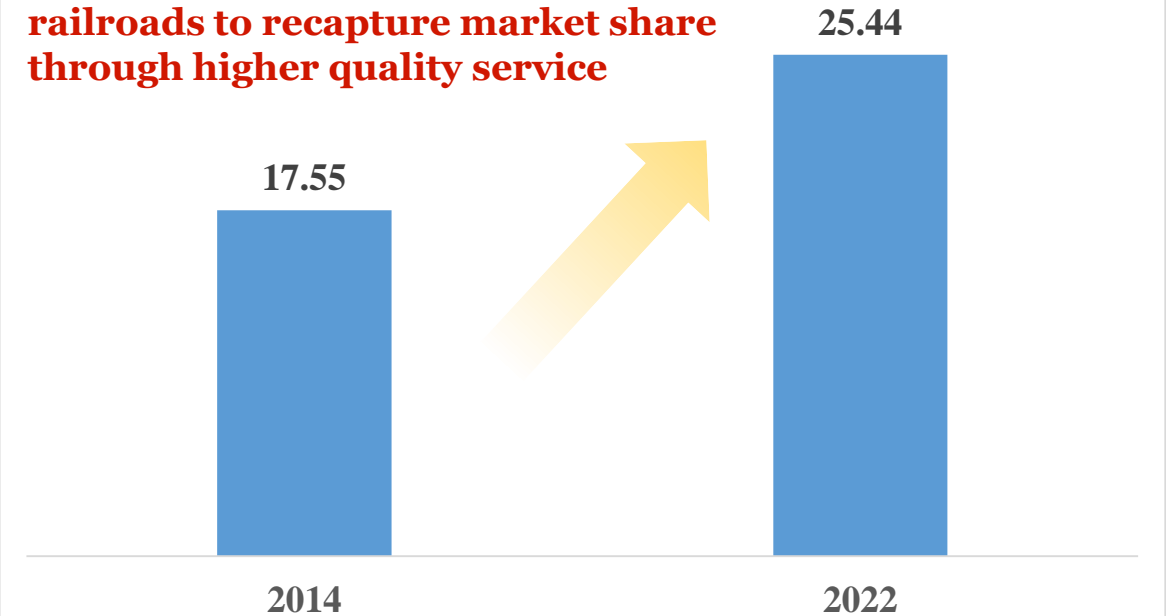
# Opportunity For Railroads To Recapture Market Share Is Huge – Revenue Growth Over Last Decade Trailed US GDP Growth By Nearly 50%

Volume Growth Across North American Class I Railroads From 2014 To 2022



US GDP Growth Between 2014 and 2022 (in \$ trillions)

**US GDP grew by ~40% from 2014 to 2022 – yet rail volumes were stagnant, or in the case of Norfolk Southern, declined....massive opportunity for railroads to recapture market share through higher quality service**





**Norfolk Southern is connected to some of the highest growth population centers in the US, across the Eastern Seaboard and reaching into the Midwest**

**Norfolk Southern is especially positioned to benefit from the continuing popularity of e-commerce, which is driving increased freight and transport needs across the supply chain**



## Ancora Alternatives' Returns Significantly Trail The Major Indices – Through Feb. 29, 2024

Ancora Catalyst Master Fund	1-Year	2-Year	3-Year	5-Year	7-Year	Since Inception (September, 2014)
<b>Annualized Return</b>	<b>2.57%</b>	<b>2.54%</b>	<b>2.24%</b>	<b>8.48%</b>	<b>7.50%</b>	<b>7.79%</b>
<b>Index Comparisons</b>						
S&P 500 Annualized Total Shareholder Return	30.68%	10.42%	10.90%	14.48%	13.25%	12.28%
Dow Jones Annualized Total Shareholder Return	21.60%	10.33%	9.33%	10.57%	11.40%	11.40%
Nasdaq 100 Annualized Total Shareholder Return	51.79%	14.19%	11.41%	21.09%	19.68%	17.84%

**Ancora's own investment performance all meaningfully trailed the major indices – S&P 500, Dow Jones, and Nasdaq 100 – across virtually every timespan**





## Ancora Alternatives' Returns Significantly Trail Norfolk Southern Stock – Through Feb. 29, 2024

Ancora Catalyst Master Fund	1-Year	5-Year	7-Year	Since Inception (September, 2014)
<b>Annualized Return</b>	<b>2.57%</b>	<b>8.48%</b>	<b>7.50%</b>	<b>7.79%</b>
<b>Comparisons</b>				
Norfolk Southern Annualized Total Shareholder Return	<b>15.23%</b>	<b>9.35%</b>	<b>13.04%</b>	<b>11.85%</b>

**Ancora holds a minimal ~0.15% stake in Norfolk Southern as of the end of 2023, yet Ancora wishes to gain complete control over the board, putting up 8 nominees on a 13-seat board. One Ancora nominee withdrew, leaving 7 standing for election. Ancora has rejected settlements proposed by Norfolk Southern, including the possible addition of several Ancora-backed directors, while even Ancora's original activist allies are no longer working with Ancora amidst its increasingly shrill, fact-free approach.**







## Ancora Alternatives' Underwhelming Sharpe Ratios And Excessive Volatility – Through Feb. 29, 2024

Ancora Catalyst Master Fund	1-Year	3-Year	5-Year	7-Year	Since Inception (September, 2014)
<b>Annualized Return</b>	<b>2.57%</b>	<b>2.24%</b>	<b>8.48%</b>	<b>7.50%</b>	<b>7.79%</b>
<b>Volatility and Sharpe Ratio</b>					
<b>Annualized Volatility</b>	<b>13.30%</b>	<b>9.50%</b>	<b>10.49%</b>	<b>9.49%</b>	<b>8.57%</b>
<b>Gross Sharpe Ratio</b>	<b>0.19</b>	<b>0.24</b>	<b>0.81</b>	<b>0.79</b>	<b>0.90</b>

**Underwhelming Sharpe Ratios for Ancora**







## Ancora Catalyst Master Fund Annualized And Monthly Returns

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Jan	-3.49%	2.40%	0.22%	4.41%	-0.82%	3.23%	0.72%	1.47%	-1.24%	-0.05%	
Feb	5.02%	1.35%	-0.13%	3.64%	-4.43%	3.72%	-1.05%	0.65%	-0.73%	1.17%	
Mar		-1.87%	1.53%	2.56%	-7.34%	2.82%	1.39%	0.78%	5.54%	-0.69%	
Apr		-0.82%	-0.02%	-1.11%	5.17%	-1.71%	1.96%	-0.23%	0.99%	-1.00%	
May		-4.18%	0.75%	0.41%	5.74%	0.25%	1.36%	0.46%	0.72%	0.78%	
Jun		4.15%	-5.36%	-0.74%	3.74%	-1.12%	2.31%	0.34%	-0.15%	1.88%	
Jul		3.46%	1.59%	-1.82%	2.65%	2.71%	-0.79%	0.70%	2.41%	-1.43%	
Aug		-3.16%	1.21%	-0.22%	5.10%	-2.05%	-0.20%	-0.10%	1.57%	-0.96%	
Sep		-3.62%	-2.80%	-4.07%	0.02%	0.91%	-1.62%	1.63%	-0.79%	-0.09%	0.39%
Oct		-1.68%	1.98%	2.25%	4.14%	0.28%	-1.85%	0.70%	-0.94%	-0.80%	0.32%
Nov		3.40%	1.29%	2.20%	6.04%	0.25%	0.55%	0.51%	3.30%	-0.05%	2.35%
Dec		6.14%	-1.16%	2.31%	3.68%	1.50%	-5.68%	1.50%	2.65%	1.27%	2.54%
YTD	1.35%	5.03%	-1.15%	9.90%	25.18%	11.11%	-3.13%	8.72%	13.91%	-0.03%	5.70%





## Ancora Catalyst Master Fund Annualized Volatility and Sharpe Ratio By Year

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Returns</b>	1.35%	5.03%	-1.15%	9.90%	25.18%	11.11%	-3.13%	8.72%	13.91%	-0.03%	5.70%
<b>Annualized Volatility</b>	N/A	11.95%	7.41%	8.63%	14.82%	6.73%	7.61%	2.05%	7.17%	3.65%	4.23%
<b>Gross Sharpe Ratio</b>	N/A	0.42	-0.16	1.15	1.70	1.65	-0.41	4.26	1.94	-0.01	1.35





## **Regulators, Workers, And Other Key Stakeholders Have Made Clear They Do Not Believe Ancora's Plans Are Feasible**

**“For Ancora to condemn the management of Norfolk Southern, it shows a lack of understanding about moving freight around the country....In fact, the rapid reduction in OR championed by Ancora can only be accomplished by major new reductions in the workforce. Clearly, their plan is to install a CEO ordered to reverse Norfolk Southern's recently instituted corporate strategy to maintain a resilient workforce and to invest more in infrastructure to grow the railroad's capacity long term.....Norfolk Southern has been one of the leaders in shifting gears, and building workforce and capital investment for the future. Now it threatens to be punished for that activity by an activist investor.”**

**– Marty Oberman, Chairman, Surface Transportation Board (whom Ancora repeatedly declined to meet with, despite his direct regulatory/supervisory role over the nation's rail systems)**

**“Ancora's plan will decimate the railroad all over again.”**

**– Scott Bunten, Norfolk Southern Locomotive Engineer and Official, The Brotherhood of Locomotive Engineers and Trainment Union**

**“Any backsliding, as a result of a change in leadership or otherwise, on the safety-oriented path Norfolk Southern has laid out and communicated with us will likely attract renewed oversight attention from my office as we pursue our safety mission.”**

**– Amit Bose, Administrator, Federal Railroad Administration**





# Ancora Refused To Meet With Key Railroad Regulators, Needlessly Alienating Them



Surface Transportation Board  
Washington, D.C. 20423-0001

March 8, 2024

Frederick D. DiSanto  
Chairman and Chief Executive Officer  
Ancora Holdings Group LLC

James Chadwick  
President  
Ancora Alternatives LLC

Dear Messrs. DiSanto and Chadwick,

Thank you for your letter of February 5, 2024, describing your recent investment in Norfolk Southern Corporation (“NS”). I appreciated your offer to speak with me about your concerns and goals for NS. In response to your offer, my office contacted you the next day to arrange a meeting. You responded by indicating that Ancora was not prepared to meet at that time, despite your offer. I am disappointed that you have not yet scheduled a meeting.

Given the concerns about your real goals for the company raised by numerous other rail stakeholders and by me over the past month, I would think a meeting to more fully discuss the future of NS would be beneficial. I await your response.

A copy of your letter and this reply have been posted to the Non-Docketed Correspondence page of the Board’s website. If you have any questions, please contact Ms. Janie Sheng, Director of the Board’s Office of Public Assistance, Governmental Affairs, and Compliance, at 202-245-0238.

Sincerely,

Martin J. Oberman  
Chairman

**“You responded by indicating that Ancora was not prepared to meet at that time, despite your offer. I am disappointed that you have not yet scheduled a meeting. Given the concerns about your real goals for the company raised by numerous other rail stakeholders and by me over the past month, I would think a meeting to more fully discuss the future of NS would be beneficial. I await your response.”**

**– Marty Oberman, Chairman, Surface Transportation Board**





## Ancora Board Nominee Withdraws From Consideration While Ancora Loses Support From Even Fellow Activist Funds And Allies

- On November 28, 2023, Ancora delivered a Notice of Nomination of candidates for election to the Board and a shareholder proposal to be presented at the 2024 Annual Meeting (as supplemented on November 29, 2023, the “Notice”). The Notice nominated Ms. Nelda Connors and the Ancora Nominees and included the Bylaw Proposal, and was delivered to the Company’s Corporate Secretary and the Chair of the Governance and Nominating Committee of the Board (the “Governance and Nominating Committee”) electronically and by hand delivery. In the Notice, Ancora indicated it was cooperating with, and had the support of, EdgePoint Investment Group, Inc. (“EdgePoint”), a Toronto, Canada-based investment management company. Prior to the filing of their preliminary Proxy Statement on February 26, 2024, the Ancora Parties terminated their arrangement with EdgePoint and ceased all cooperation with EdgePoint and its affiliates in connection with the 2024 Annual Meeting or any other matters relating to the Company.
- On March 20, 2024, Ms. Nelda Connors informed Ancora that, due to a pressing and time sensitive development at another business she is involved in requiring a meaningful amount of her attention, she had determined it was necessary to withdraw from being a nominee for election to the board of Norfolk Southern.
- On March 20, 2024, the Ancora Parties informed the Company of Ms. Connors’ withdrawal from the Ancora Parties’ slate of director candidates.

