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Reading & Northern Continues to Grow Even During the Pandemic

FOR IMMEDIATE RELEASE

January 8, 2020 - Port Clinton, PA – Despite the economic slowdown caused by COVID-19, Reading & Northern Railroad (R&N) had another banner year breaking previous records for carloadings and freight revenue.

Although rail traffic in North American fell 7.4% and our principal connection, Norfolk Southern, had a drop off of 11.9%, R&N managed a slight increase in carloadings. R&N ended the year hauling over 34,000 carloads. Revenues were also up almost four percent. The increase in revenues resulted in shifts in traffic mix and increasing the tonnage moved in RBMN's fleet of coal cars.

Our coal business increased as measured in tonnage moved and revenues. Although our export business was down in part due to foreign exchange rates, which made Russian anthracite cheaper, our strategy of developing rail-truck facilities throughout the Midwest and southeast to handle anthracite for steel mills led to increased business. We expect that business to increase significantly in 2021 as additional steel-making capacity comes on line.

Another area of growth was R&N's transloading and warehouse business. 2020 brought with it a demand for warehousing raw materials, as a result of the COVID pandemic. This resulted in a 54% increase in carloads moving to our owned and operated Ransom warehouse. 2020 was also the first full year of operation for our steel coil transload at West Hazleton. By handling the steel coils through our transload, the customer has been able to streamline their supply chain while taking nearly 700 trucks off the highways.

Two significant industrial development projects were completed in 2020. Iris USA is now up and running in the Humboldt Industrial Park and Crossroads Beverage outside of Reading began new rail service last June. Both are expected to continue ramping up production and their inbound plastics by rail over the course of 2021. R&N is currently working with other prospects to begin construction on plants that will need rail service in years to come.

Although R&N shut down its passenger train service during the height of the pandemic, it resumed service June 27th with COVID protocols. We added more cars to the trains so people could social distance. R&N also canceled all of its full day train rides and focused on operations from Jim Thorpe. Even with these restrictions and with the cancelation of the Fall Foliage festival in Jim Thorpe, R&N had an excellent year. Over 91,000 people came out to ride the trains, which continued into the Christmas season. R&N is hopeful that it will be able to proceed with a full slate of passenger offerings in 2021.



The continuation of growth year after year at R&N reflects the hard work and dedication of nearly 300 men and women. As R&N continues to grow it continues to add and promote its employees. In 2020 R&N continued to add people to its ranks to help manage the freight business, including a new VP Transportation, a former Norfolk Southern Harrisburg Division Superintendent, and a VP Coal Marketing, who came from the local anthracite industry. In addition to investing in its employees, R&N also heavily invested in capital assets in 2020. Under the direction of entrepreneurial owner/CEO, Andy Muller, Jr., R&N purchased 143 rail cars for anthracite coal service, 17 locomotives from NS, a welded rail train and over 34,000 ties.

Most impressively, R&N completed its investment in its Nesquehoning Bridge project, which opened for business on February 4th. R&N spent over \$4 million of its own capital to build this critical link in the northeastern rail system.

“2020 was a difficult year for many. I am proud of the way the men and women of Reading & Northern responded to the situation. We stayed focused on serving our customers. And we stayed focused on keeping ourselves and our co-workers safe. As a result, we were able to remain open throughout the pandemic and we were able to not only survive, but to thrive. We handled more cars and earned more revenue all while staying safe. I am committed to our employees and our communities and I will continue to invest money into the railroad so we can continue to grow for years to come.” said Andy Muller, Jr.

Reading & Northern Railroad, with its corporate headquarters in Port Clinton, is a privately held railroad company serving over 70 customers in nine eastern Pennsylvania counties (Berks, Bradford, Carbon, Columbia, Lackawanna, Luzerne, Northumberland, Schuylkill and Wyoming). Reading and Northern operates both freight services and steam and diesel-powered excursion passenger services over its 400 miles of railroad, owns almost 1,300 freight cars, and employs nearly 300 dedicated employees. Reading & Northern has repeatedly been honored as one of the premier railroads in the nation.