



First Quarter 2022 Results

May 5, 2022



Forward-looking statements







These slides contain, and the officers and representatives of Warrior Met Coal, Inc. (the "Company") may from time to time make, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included in these slides that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future are forward-looking statements, including statements regarding sales and production growth, the future direction of prices and expected capital expenditures. The words "believe," "expect," "anticipate," "plan," "intend," "estimate," "project," "target," "foresee," "should," "would," "could," "potential," "outlook," "guidance" or other similar expressions are intended to identify forward-looking statements. However, the absence of these words does not mean that the statements are not forward-looking. These forward-looking statements represent management's good faith expectations, projections, guidance or beliefs concerning future events, and it is possible that the results described in these slides will not be achieved. These forward-looking statements are subject to risks, uncertainties and other factors, many of which are outside of the Company's control, that could cause actual results to differ materially from the results discussed in the forward-looking statements, including, without limitation, fluctuations or changes in the pricing or demand for the Company's coal (or met coal generally) by the global steel industry; the impact of COVID-19 on its business and that of its customers, including the risk of a decline in demand for the Company's met coal due to the impact of COVID-19 on steel manufacturers; the inability of the Company to effectively operate its mines and the resulting decrease in production; the inability of the Company to ship its products to customers in the case of a partial or complete shut-down of the Port of Mobile; federal and state tax legislation; changes in interpretation or assumptions and/or updated regulatory guidance regarding the Tax Cuts and Jobs Act of 2017; legislation and regulations relating to the Clean Air Act and other environmental initiatives; regulatory requirements associated with federal, state and local regulatory agencies, and such agencies' authority to order temporary or permanent closure of the Company's mines; operational, logistical, geological, permit, license, labor (including strikes and slowdowns) and weather-related factors, including equipment, permitting, site access, operational risks and new technologies related to mining; the timing and impact of planned longwall moves; the Company's obligations surrounding reclamation and mine closure; inaccuracies in the Company's estimates of its met coal reserves; the Company's ability to develop Blue Creek; the accuracy of any projections or estimates regarding Blue Creek, including the expected returns from this project, if any, and the ability of Blue Creek to enhance the Company's portfolio of assets; the Company's ability to develop or acquire met coal reserves in an economically feasible manner; significant cost increases and fluctuations, and delay in the delivery of raw materials, mining equipment and purchased components; competition and foreign currency fluctuations; fluctuations in the amount of cash the Company generates from operations, including cash necessary to pay any special or quarterly dividend; the Company's expectations regarding its future tax rate as well as its ability to effectively utilize its NOLs to reduce or eliminate its cash taxes; the Company's ability to comply with covenants in its second amended and restated credit agreement or the indenture governing its senior secured notes; integration of businesses that the Company may acquire in the future; adequate liquidity and the cost, availability and access to capital and financial markets; failure to obtain or renew surety bonds on acceptable terms, which could affect the Company's ability to secure reclamation and coal lease obligations; costs associated with litigation, including claims not yet asserted; and other factors described in the Company's filings with the U.S. Securities and Exchange Commission ("SEC"), including its Form 10-K for the year ended December 31, 2021 and other reports filed from time to time with the SEC, which could cause the Company's actual results to differ materially from those contained in any forward-looking statement. The Company's filings with the SEC are available on its website at www.warriormetcoal.com and on the SEC's website at www.sec.gov.

Any forward-looking statement speaks only as of the date on which it is made, and, except as required by law, the Company does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. New factors emerge from time to time, and it is not possible for the Company to predict all such factors.

Non-GAAP Financial Measures

This presentation contains certain Non-GAAP financial measures that are used by the Company's management when evaluating results of operations and cash flows. Non-GAAP financial measures should not be construed as being more important than comparable GAAP measures. The definition of these Non-GAAP financial measures and detailed reconciliations of these Non-GAAP financial measures to comparable GAAP financial measures for the three months ended March 31, 2022 and 2021 can be found in the Appendix. In addition, detailed reconciliations of these Non-GAAP financial measures for certain other historical periods in this presentation can be found in earnings press releases located on our website at www.warriormetcoal.com within the Investors section.

First Quarter 2022 Achievements

- 1 Achieved net income of \$146.2 million, which is the second consecutive quarter of record quarterly results since the fourth quarter of 2018 
- 2 Posted second consecutive quarter of all-time record adjusted EBITDA of \$243.8 million and adjusted EBITDA margin of 64% 
- 3 Strengthened balance sheet with total liquidity of \$556.7 million, consisting of cash and cash equivalents of \$434.0 million and \$122.7 million available under our ABL Facility 
- 4 Delivered positive cash flow from operations of \$70.1 million and free cash flow of \$49.7 million while continuing to invest \$20.4 million in purchases of P,P&E and mine development 
- 5 Achieved sales volume of 1.1 million short tons ("St") and cash cost of sales (free-on-board port) per St of \$119.23 
- 6 Increased the regular quarterly cash dividend by 20% to \$0.06 per share. 

*See "Non-GAAP Financial Measures".
1 short ton ("St") is equivalent to 0.907185 metric tons.

Key Metrics for Q1 2022 vs. Q1 2021

Q1 2022		Q1 2021		% Change
Tons produced (in 000s St)	1,538	Tons produced (in 000s St)	2,172	(29%)
Tons sold (in 000s St)	1,127	Tons sold (in 000s St)	1,952	(42%)
Average net selling price (per St)	\$339.34	Average net selling price (per St)	\$106.04	220%
Revenue (in millions)	\$378.7	Revenue (in millions)	\$213.8	77%
Net income (in millions)	\$146.2	Net loss (in millions)	(\$21.4)	783%
Cash cost of sales (per St)	\$119.23	Cash cost of sales (per St)	\$78.64	(52%)
Adjusted EBITDA (in millions)	\$243.8	Adjusted EBITDA (in millions)	\$47.1	418%
Free cash flow (in millions)	\$49.7	Free cash flow (in millions)	\$23.4	112%
Adjusted net income (in millions)	\$153.6	Adj. net income (in millions)	\$3.9	3,838%
Diluted EPS/Adjusted Diluted EPS	\$2.83 / \$2.97	Diluted EPS/Adjusted Diluted EPS	(\$0.42) / \$0.08	774% / 3,613%

Leverage and Liquidity Analysis

Financial Metrics (\$MM except ratios)

Leverage (for the trailing twelve months ended March 31, 2022)

Adjusted EBITDA*	\$ 654.2
Consolidated Net Debt* ⁽¹⁾	\$ (47.1)
Net Leverage Ratio ⁽²⁾	(0.07x)

Liquidity (as of March 31, 2022)

Cash and Cash Equivalents	\$ 434.0
Asset-Based Revolving Credit Agreement Availability ⁽³⁾	\$ 122.7
Total Liquidity	\$ 556.7

*See "Non-GAAP Financial Measures".

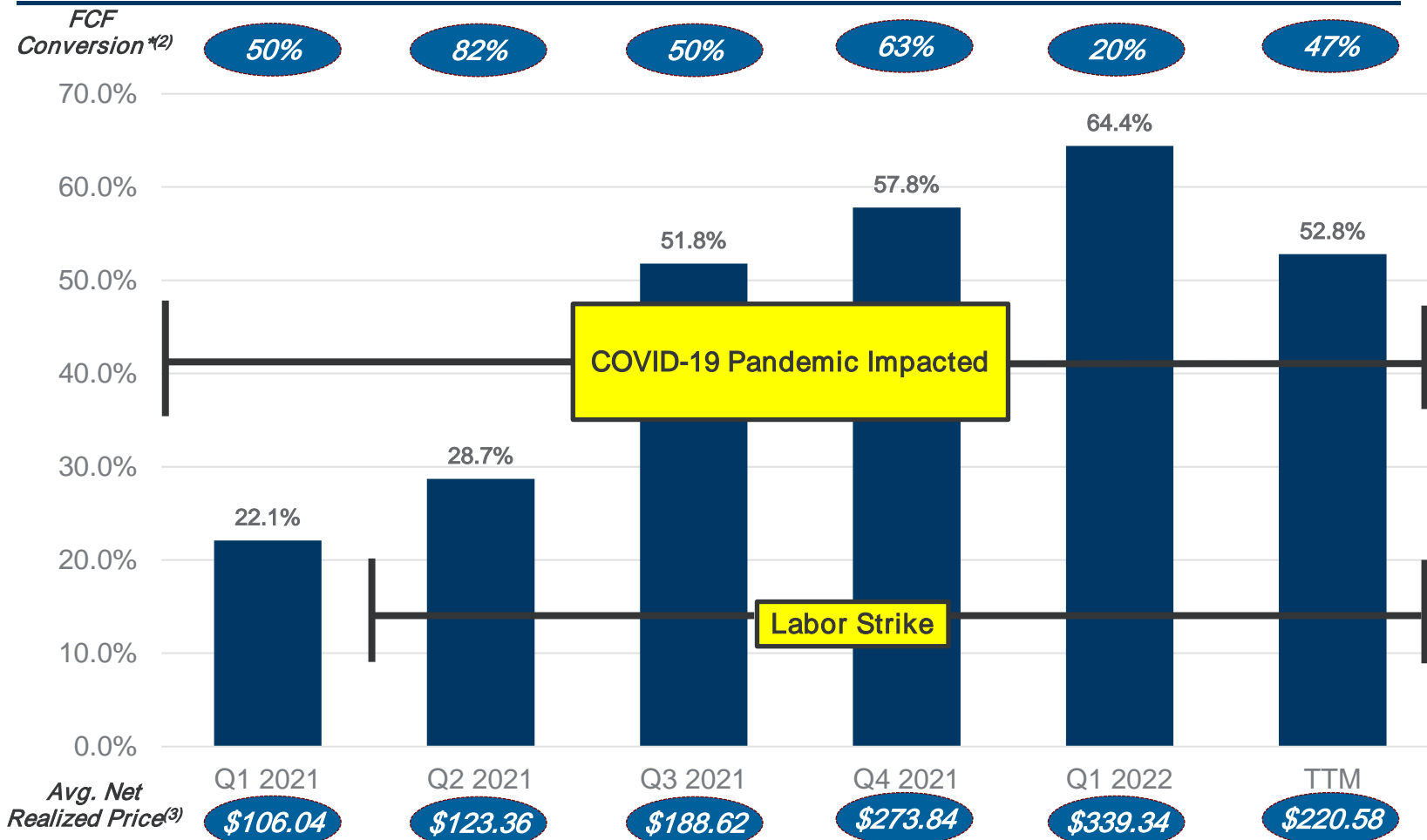
(1) Calculated as of March 31, 2022, and represents total long-term debt of \$340.1 million, plus capital lease obligations of \$46.8 million, less cash and cash equivalents of \$434.0 million.

(2) Represents consolidated net debt of (\$47.1) million divided by Adjusted EBITDA of \$654.2 million.

(3) Net of outstanding letters of credit of \$9.4 million.

Generated Significant Free Cash Flow* on Strong Conversion of Adjusted EBITDA* Margins⁽¹⁾

Adjusted EBITDA* Margin ⁽¹⁾



*See "Non-GAAP Financial Measures".

- (1) Adj. EBITDA* margin is defined as Adjusted EBITDA* divided by total revenue
- (2) Free cash flow conversion* defined as free cash flow* divided by Adjusted EBITDA*
- (3) Presented in short tons.

Relaunch of World-Class Blue Creek with High-Return for Growth

- One of the last remaining untapped premium quality High Vol A coal reserves in the U.S., that should achieve premium prices
- Once developed, expected to provide a portfolio of Premium Low, Medium and High Vol coals for our customers from the premium Blue Creek seam
- A single longwall operation with estimated 4.8 million St of annual production capacity; future potential of second longwall. Estimated capital outlay of \$650 - \$700 million over 5 years
- Supported by 170 million short tons of coal reserves, resources and adjacent properties with expected mine life of approximately 50 years assuming a single longwall operation
- See full announcement of the commencement of the Blue Creek project at www.warriormetcoal.com.

Illustrative Returns Across Range of HCC Prices ⁽¹⁾

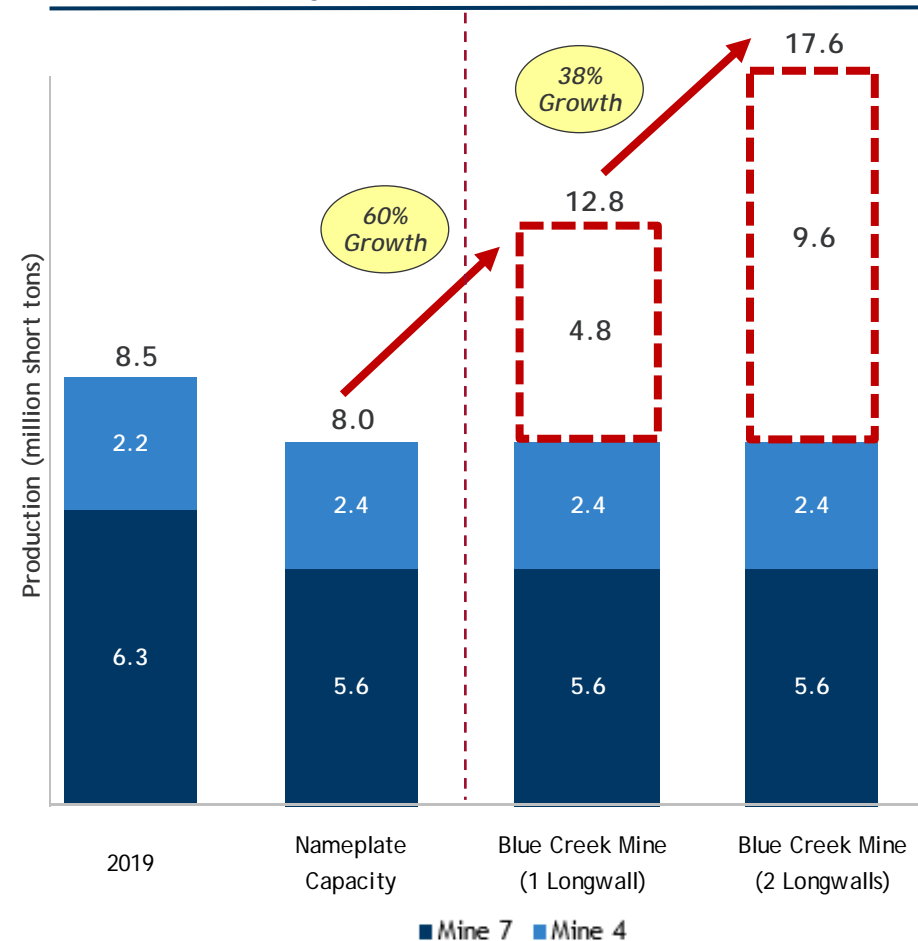
	Assumed Metallurgical Coal Price		
	\$120 / tonne	\$150 / tonne	\$180 / tonne
NPV ⁽²⁾ (10%)	\$389mm	\$987mm	\$1,584mm
Per share ⁽³⁾	\$7.58	\$19.20	\$30.82
IRR ⁽²⁾	18%	27%	35%
Payback (yrs)	3.8	2.4	1.8

⁽¹⁾ These assumed prices are in metric tons and are for illustrative purposes only and are not a predictor of actual returns from the development of this project. These prices were selected because they reflect market expectations of long-term pricing trends in met coal but there can be no guarantee of prices prevailing at any time in the future.

⁽²⁾ The NPV, IRR and payback calculations are for illustrative purposes only and are based on estimates and assumptions that may change, including due to future developments.

⁽³⁾ NPV per share based on outstanding shares of 51.4 million as of December 31, 2021.

Significant Growth Potential



Appendix

Appendix

	For the three months ended March 31, 2022 (Unaudited)		For the three months ended March 31, 2021 (Unaudited)	
	Short Tons	Metric Tons	Short Tons	Metric Tons
Tons sold (in 000s)	1,127	1,022	1,952	1,771
Tons produced (in 000s)	1,538	1,395	2,172	1,970
Average net selling price per ton	\$339.34	\$374.20	\$106.04	\$116.88
Cash cost of sales (free-on-board port) per ton*	\$119.23	\$131.48	\$78.64	\$86.67

Appendix

Non-GAAP Financial Measures

Reconciliation of Adjusted EBITDA to Amounts Reported Under U.S. GAAP

(in thousands)	For the three months ended March 31, (Unaudited)	
	2022	2021
Net income (loss)	\$ 146,249	\$ (21,355)
Interest expense, net	7,822	8,693
Income tax expense	33,453	23,632
Depreciation and depletion	25,797	32,903
Asset retirement obligation accretion	867	805
Stock compensation expense	7,218	1,696
Other non-cash accretion	231	361
Mark-to-market loss on gas hedges	13,165	—
Business interruption	6,688	—
Idle mine	3,008	—
Other (income) expense	(675)	402
Adjusted EBITDA	\$ 243,823	\$ 47,137
Total revenues	\$ 378,652	\$ 213,764
Adjusted EBITDA margin⁽¹⁾	64.4%	22.1%

⁽¹⁾ Adjusted EBITDA margin is defined as Adjusted EBITDA divided by total revenues

Appendix

Non-GAAP Financial Measures

Reconciliation of Free Cash Flow to Amounts Reported Under U.S. GAAP

(in thousands)	For the three months ended March 31, (Unaudited)	
	2022	2021
Net cash provided by operating activities	\$ 70,141	\$ 45,222
Purchases of property, plant and equipment and mine development costs	(20,421)	(21,812)
Free cash flow	\$ 49,720	\$ 23,410
Adjusted EBITDA	\$ 243,823	\$ 47,137
Free cash flow conversion ⁽¹⁾	20.4%	49.7%

⁽¹⁾ Free cash flow conversion defined as free cash flow divided by Adjusted EBITDA.

Appendix

Non-GAAP Financial Measures

Reconciliation of Adjusted Net Income to Amounts Reported Under U.S. GAAP

(in thousands)	For the three months ended March 31, (Unaudited)	
	2022	2021
Net income (loss)	\$ 146,249	\$ (21,355)
Alabama state income tax valuation allowance	—	24,965
Business interruption, net of tax	5,447	—
Idle mine, net of tax	2,450	—
Other (income) expense, net of tax	(550)	284
Adjusted net income	\$ 153,596	\$ 3,894
Weighted average number of basic shares outstanding	51,532	51,274
Weighted average number of diluted shares outstanding	51,634	51,471
Adjusted diluted net income per share:	\$2.97	\$0.08

Appendix

Non-GAAP Financial Measures

Reconciliation of Cash Cost of Sales (Free-On-Board Port) to Cost of Sales Reported Under U.S. GAAP

	For the three months ended March 31, (Unaudited)	
	2022	2021
(in thousands)		
Cost of sales	\$ 135,341	\$ 154,350
Asset retirement obligation accretion	(493)	(432)
Stock compensation expense	(475)	(422)
Cash cost of sales (free-on-board port)	<u>\$ 134,373</u>	<u>\$ 153,496</u>