



Warrior Met Coal

Second Quarter 2018 Results
August 1, 2018



Forward looking statements

These slides contain, and the Company's officers and representatives 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 2018 guidance, sales and production growth, ability to maintain cost structure, demand, the future direction of prices, expected capital expenditures, future effective income tax rates or the Company's purchases of shares of its common stock pursuant to the stock repurchase program or otherwise. The words "believe," "expect," "anticipate," "plan," "intend," "estimate," "project," "target," "foresee," "should," "would," "could," "potential," 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; federal and state 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 and weather-related factors, including equipment, permitting, site access, operational risks and new technologies related to mining; 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 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 or to repurchase any of its common stock; the Company's expectations regarding its future tax rate as well as its ability to effectively utilize its NOLs; the Company's ability to comply with covenants in its credit facility 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, 2017 and Form 10-Q for the quarterly period ended March 31, 2018 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 can be found in the earnings press releases located on our website at www.warriormetcoal.com within the Investors section.

2018 Achievements

- 1 Successfully tapped capital markets for \$125 million of 8% Senior Secured Notes due 2024 ✓
- 2 Strong operational and financial performance ✓
- 3 Raised the Company's 2018 guidance targets ✓
- 4 Paid \$350 million (\$6.53 per share) in special dividends to shareholders ✓
- 5 Paid regular \$0.05 quarterly dividend ✓
- 6 Implemented a \$40 million stock repurchase program and repurchased 500,000 shares of common stock totaling \$12.1 million ✓

Sales and Production in Q2 2018 vs. Q2 2017

Q2 2018		Q2 2017	
Tons produced (in 000s Short tons ("St"))	1,929	Tons produced (in 000s St)	1,909
Tons sold (in 000s St)	1,886	Tons sold (in 000s St)	1,942
Gross price realization ⁽¹⁾	100%	Gross price realization ⁽¹⁾	105%
Average net selling price (per St)	\$167.04	Average net selling price (per St)	\$181.14
Revenue	\$322.6 million	Revenue	\$363.4 million
Net income	\$91.3 million	Net income	\$129.9 million
Cash cost of sales (per St)*	\$93.90	Cash cost of sales (per St)*	\$82.22
Adjusted EBITDA*	\$128.8 million	Adjusted EBITDA*	\$188.5 million
Adjusted Net income*	\$95.9 million	Adjusted Net income*	\$132.9 million
EPS/Adjusted EPS*	\$1.72 / \$1.81	EPS/Adjusted EPS*	\$2.46 / \$2.52

*See "Non-GAAP Financial Measures".

1 short ton is equivalent to 0.907185 metric tons.

⁽¹⁾ For the three months ended June 30, 2018, our gross price realization represents a volume weighted-average calculation of our daily realized price per ton based on gross sales, which excludes demurrage and other charges, as a percentage of the Platts Premium LV FOB Australia Index price. For the three months ended June 30, 2017, gross price realization represents gross sales, excluding demurrage and other charges, divided by tons sold as a percentage of the Australian LV Index.

Sales and Production in 2018 vs. 2017

2018		2017	
Tons produced (in 000s Short tons ("St"))	4,027	Tons produced (in 000s St)	3,522
Tons sold (in 000s St)	4,002	Tons sold (in 000s St)	3,069
Gross price realization ⁽¹⁾	99%	Gross price realization ⁽¹⁾	95%
Average net selling price (per St)	\$181.89	Average net selling price (per St)	\$193.17
Revenue	\$744.3 million	Revenue	\$617.3 million
Net income	\$270.0 million	Net income	\$238.2 million
Cash cost of sales (per St)*	\$91.74	Cash cost of sales (per St)*	\$86.45
Adjusted EBITDA*	\$345.3 million	Adjusted EBITDA*	\$323.9 million
Adjusted Net income*	\$277.9 million	Adjusted Net income*	\$249.4 million
EPS/Adjusted EPS*	\$5.10/ \$5.24	EPS/Adjusted EPS*	\$4.52 / \$4.73

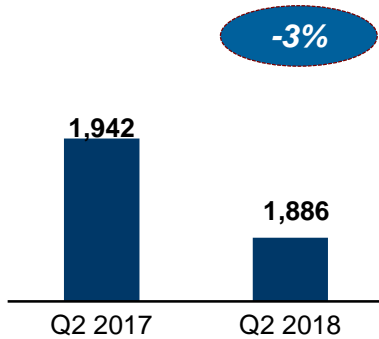
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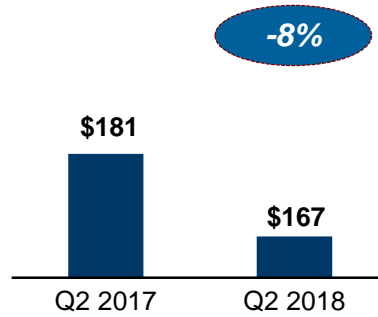
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Strong Performance Across Key Metrics in Q2 2018

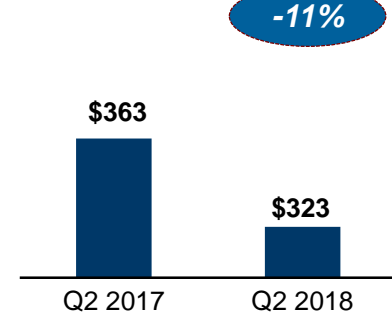
Sales Volume (St in 000s)
Q2 2017 vs. Q2 2018



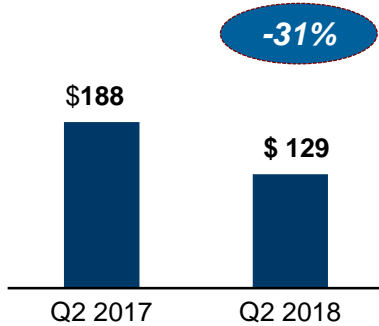
Average Net Selling Price (\$/St)
Q2 2017 vs. Q2 2018



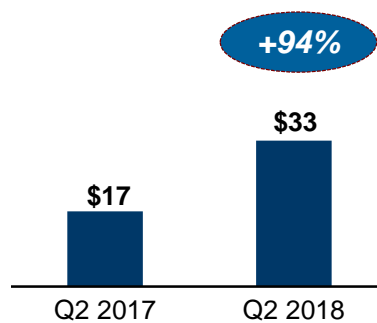
Revenue (\$ in millions)
Q2 2017 vs. Q2 2018



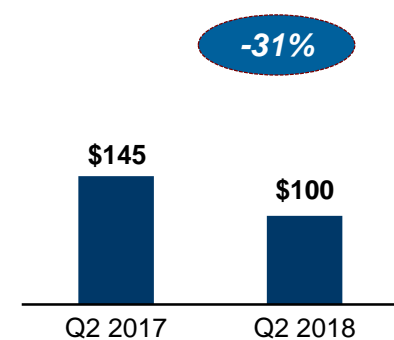
Adjusted EBITDA* (\$ in millions)
Q2 2017 vs. Q2 2018



Capital Expenditures (\$ in millions)
Q2 2017 vs. Q2 2018



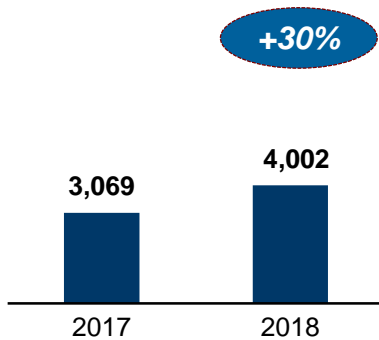
Free Cash Flow* (\$ in millions)
Q2 2017 vs. Q2 2018



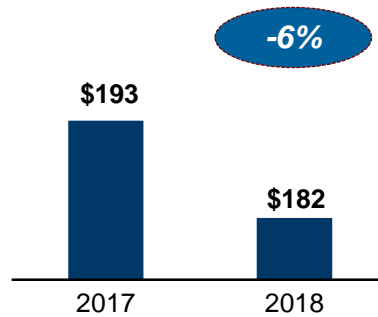
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Strong Performance Across Key Metrics in 2018

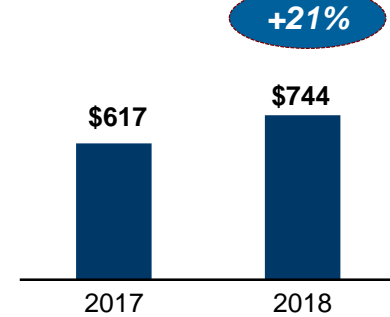
Sales Volume (St in 000s)
2017 vs. 2018



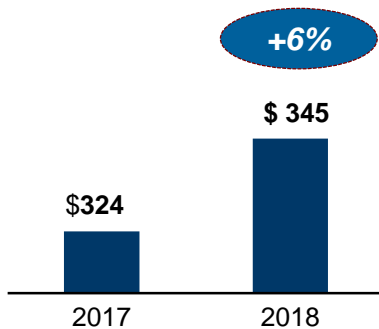
Average Net Selling Price (\$/St)
2017 vs. 2018



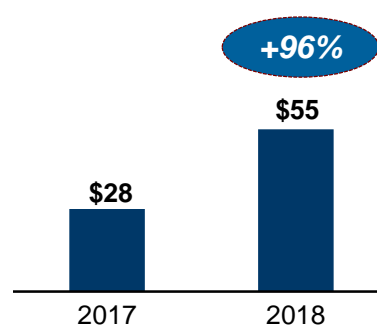
Revenue (\$ in millions)
2017 vs. 2018



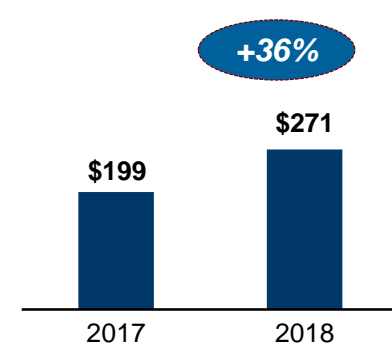
Adjusted EBITDA* (\$ in millions)
2017 vs. 2018



Capital Expenditures (\$ in millions)
2017 vs. 2018



Free Cash Flow* (\$ in millions)
2017 vs. 2018



*See "Non-GAAP Financial Measures".
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Leverage and Liquidity Analysis

Financial Metrics (\$MM except ratios, as of and for the trailing twelve months ended June 30, 2018)

Leverage

Adjusted EBITDA ^{*(1)}	\$538.9
Consolidated Net Debt ^{*(2)}	\$413.1
Net Leverage Ratio[*]	0.77x

Liquidity

Cash and Cash Equivalents ⁽³⁾	\$55.1
Asset-Based Revolving Credit Agreement Availability ⁽⁴⁾	\$95.4
Total Liquidity	\$150.5

*See "Non-GAAP Financial Measures".

(1) Represents Adjusted EBITDA for the trailing twelve months ended June 30, 2018.

(2) Calculated as of June 30, 2018, and represents total long-term debt of \$465.9 million, plus current portion of long-term debt of \$2.3 million, less cash and cash equivalents of \$55.1 million.

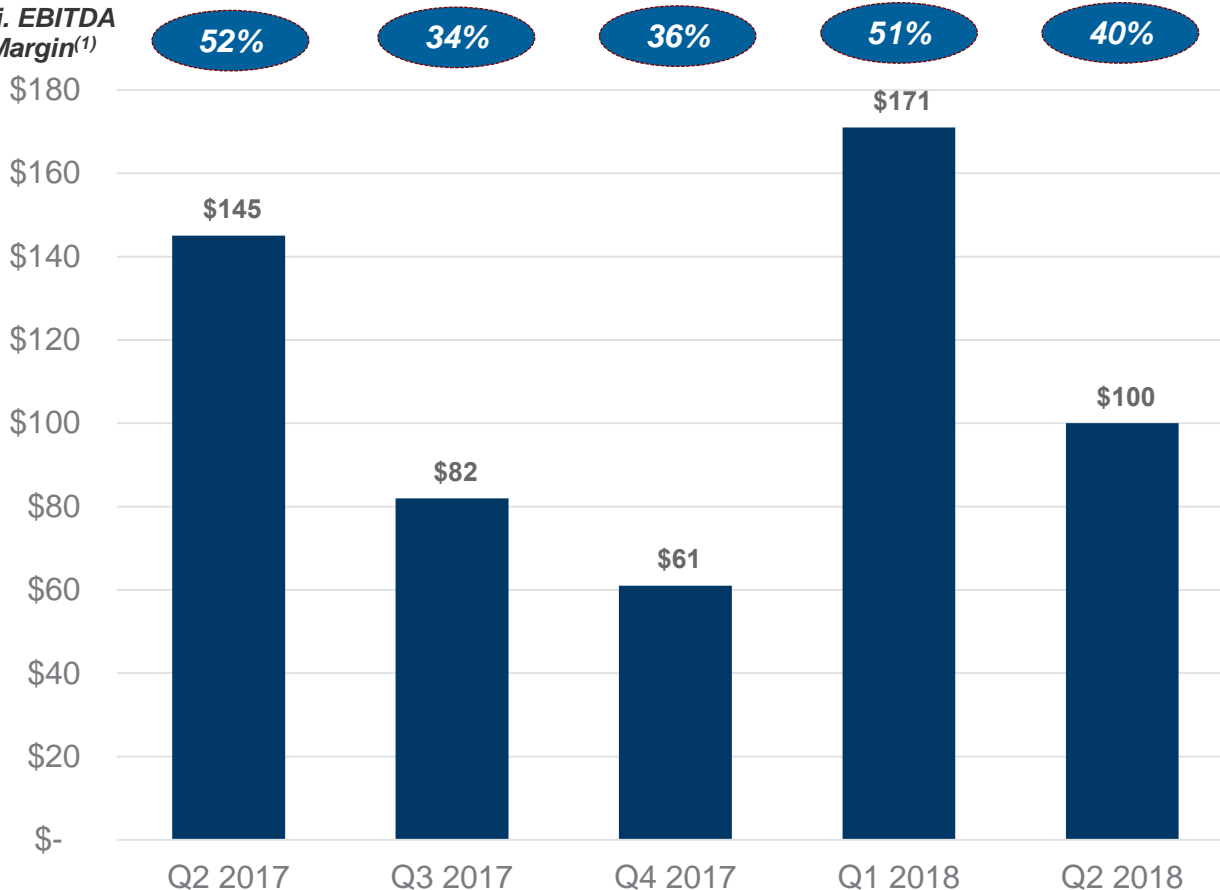
(3) Represents Cash and Cash Equivalents as of June 30, 2018.

(4) Represents availability as of June 30, 2018, net of outstanding letters of credit of \$4.6 million.

Generated Significant Cash Flow with Strong Margins

Free Cash Flow* (\$ in millions)

Adj. EBITDA
Margin⁽¹⁾

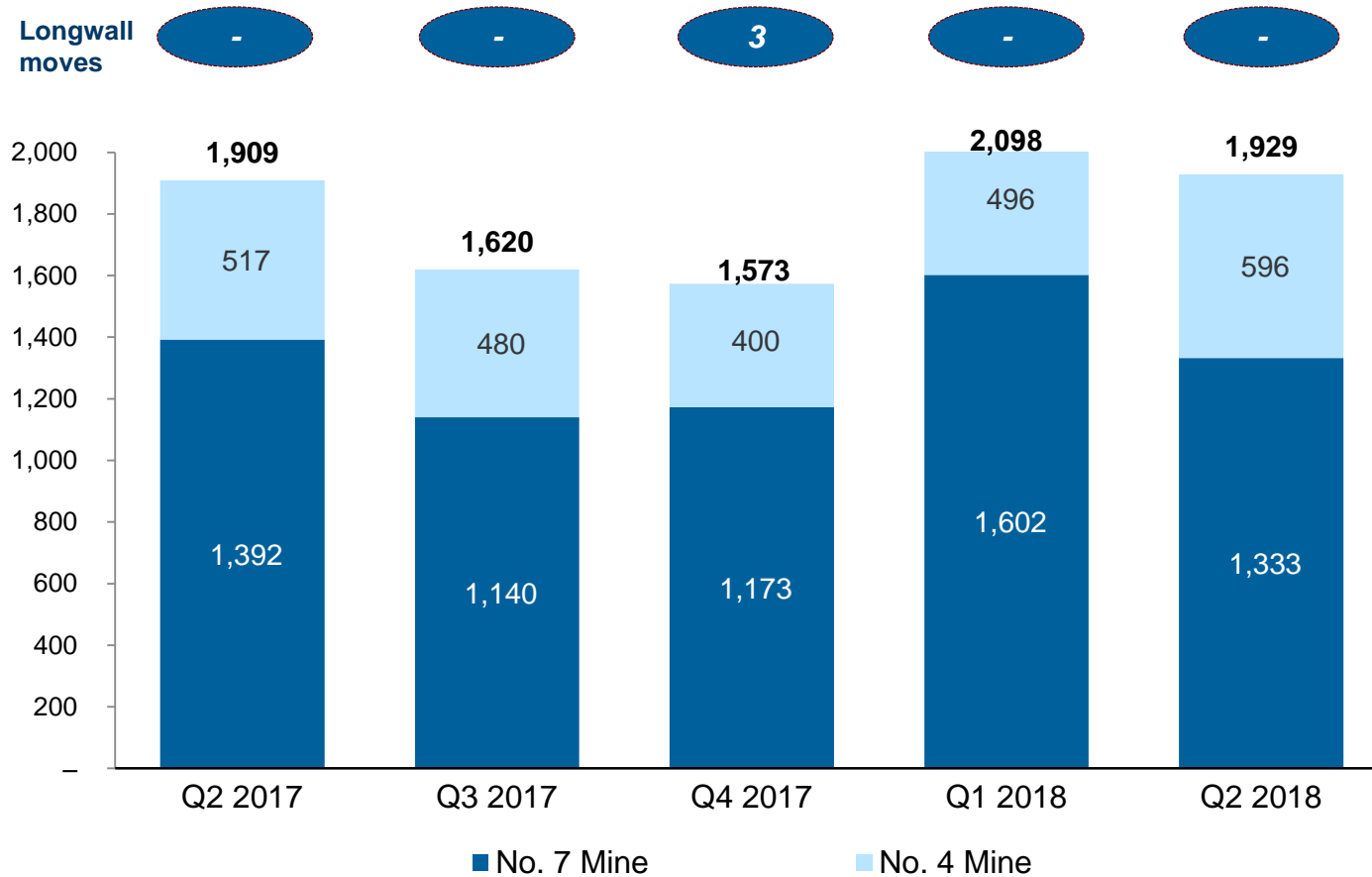


Q2 2018 Achievements

- Q2 Free Cash Flow* of \$99.6 million, net of purchases of PPE of \$32.9 million

Production Ramp Up Continues in 2018

(thousand short tons)



Q2'18 Achievements

- Q2 2018 production consistent with Q1 2018
- Q2 2018 included a scheduled week of Mine 7 maintenance
- No longwall moves during the current quarter
- Added 26 employees to workforce

Looking Forward: 2018 Revised Full Year Guidance

- **On Track to Building Shareholder Value in 2018**
- **Coal sales of 7.1 – 7.5 million St**
- **Coal production of 7.1 – 7.5 million St**
- **Cash cost of sales (free-on-board port)* of \$89 - \$95 per St**
- **Capital expenditures of \$100 - \$120 million**
- **SG&A expenses of \$36 - \$39 million**
- **Interest expense of \$40 - \$42 million**
- **Cash tax rate of 0%**

Appendix

Appendix

	For the three months ended June 30, 2018 (Unaudited)		For the three months ended June 30, 2017 (Unaudited)	
	Short Tons	Metric Tons	Short Tons	Metric Tons
Tons sold (in 000s)	1,886	1,711	1,942	1,762
Tons produced (in 000s)	1,929	1,750	1,909	1,732
Gross price realization ⁽¹⁾	100%	100%	105%	105%
Average net selling price per ton	\$167.04	\$184.13	\$181.14	\$199.65
Cash cost of sales (free-on-board port)* per ton	\$93.90	\$103.51	\$82.22	\$90.62

*See "Non-GAAP Financial Measures".

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Appendix

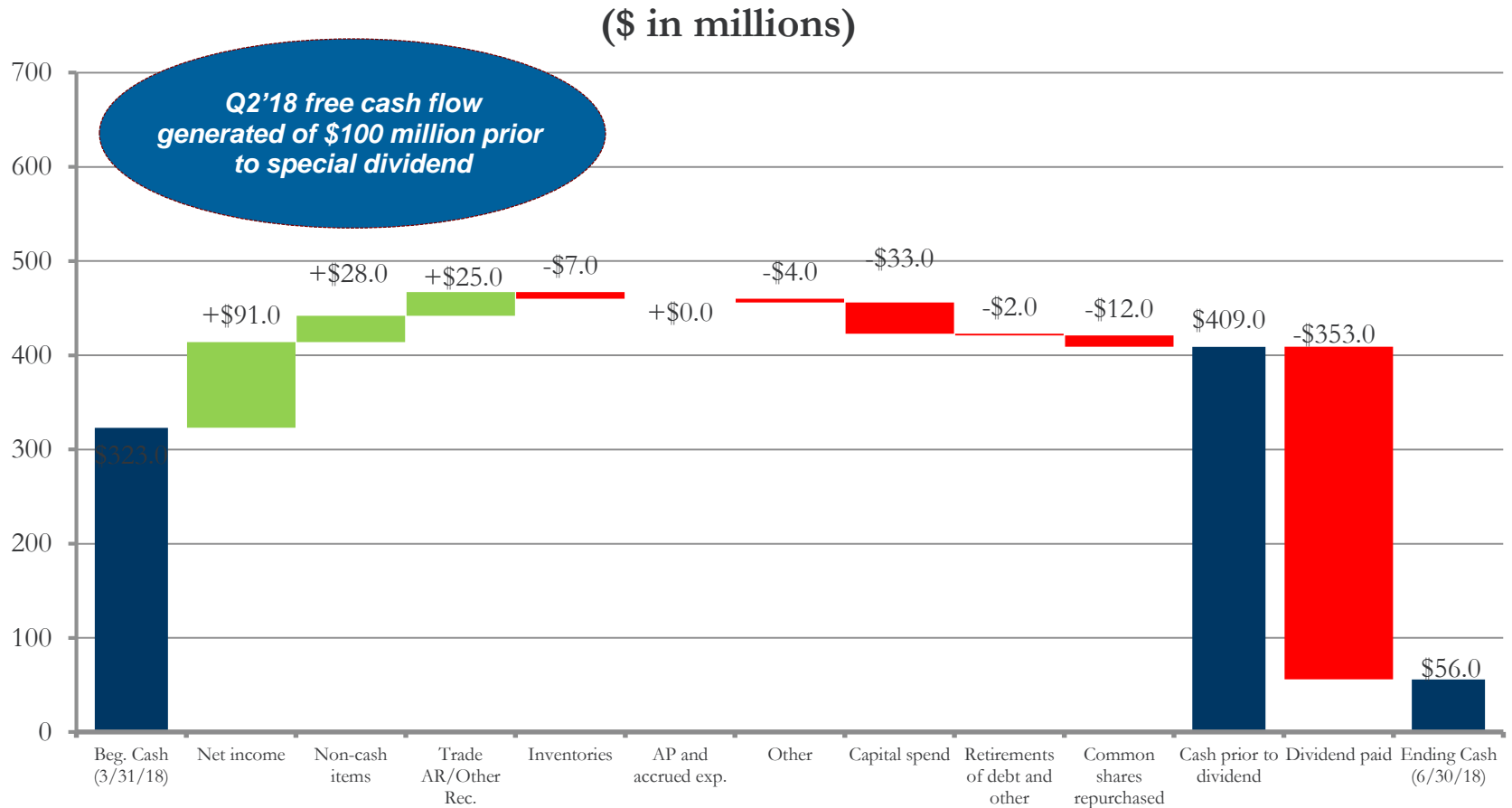
	For the six months ended June 30, 2018 (Unaudited)		For the six months ended June 30, 2017 (Unaudited)	
	Short Tons	Metric Tons	Short Tons	Metric Tons
Tons sold (in 000s)	4,002	3,631	3,069	2,784
Tons produced (in 000s)	4,027	3,654	3,522	3,195
Gross price realization ⁽¹⁾	99%	99%	95%	95%
Average net selling price per ton	\$181.89	\$200.47	\$193.17	\$212.94
Cash cost of sales (free-on-board port)* per ton	\$91.74	\$101.12	\$86.45	\$95.30

*See "Non-GAAP Financial Measures".

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Appendix: Generated Significant Cash Flow (Q2 2018)



Appendix: Generated Significant Cash Flow (2018)

(\$ in millions)

