



**Blue Creek**  
*Transformational Strategic Investment  
with Unparalleled Return Profile*  
*February 2020*



**WARRIOR**  
MET COAL



# 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 and are based on current market conditions and are therefore subject to change, including demand for metallurgical coal, High-Vol A metallurgical coal or otherwise, and projected or expected results or returns from the development of Blue Creek, including expected production levels, expected cost position, expected mine life, projected internal rate of return, projected net present value and projected payback. Forward looking statements by their nature address matters that are, to different degrees, uncertain and depend upon important estimates and assumptions concerning our financial and operating results. No representations or warranties are made by us as to the accuracy of any such forward-looking statements. The inclusion of this information should not be regarded as an indication that we consider it to be necessarily predictive of actual future results. The words "believe," "expect," "anticipate," "plan," "intend," "estimate," "project," "target," "foresee," "should," "would," "could," "potential," or "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; 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 or temporary or permanent suspension of the Blue Creek Project; operational, logistical, geological, permit, license, labor and weather-related factors, including equipment, permitting, site access, operational risks and new technologies related to mining; inaccuracies in the Company's estimates of its met coal reserves; 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; the Company's ability to comply with covenants in its ABL Facility or indenture relating to its senior secured notes; 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 Form 10-K for the year ended December 31, 2019 and other reports filed from time to time with the Securities and Exchange Commission (the "SEC"), which could cause the Company's actual results from the development of Blue Creek 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](http://www.warriormetcoal.com) and on the SEC's website at [www.sec.gov](http://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 Appendix and the Company's filings with the SEC.*



# Blue Creek Provides High-Return Growth Opportunity via World-Class Asset<sup>1</sup>



- 1 One of the Last Remaining Large-Scale (4.3 Mst p.a.), Untapped Premium HVA Mines in the U.S. ✓
- 2 Increases Production Capacity by ~54% and Adds ~50 Years of Expected Production<sup>2</sup> ✓
- 3 Projected to Create Significant Stockholder Value with >\$1.0B NPV (>\$20.00/sh) and ~30% IRR ✓
- 4 First Quartile Cash Cost Position Projected to Drive Industry Leading EBITDA Margins of >50% ✓
- 5 Enhances Warrior's Unique Value Proposition as a Strategic Supplier to Global Steel Industry ✓
- 6 Allows Customers to Load 3 Premium Coal Qualities at Single Port from Single Supplier ✓
- 7 Provides Exposure to Attractive HVA Supply-Demand Fundamentals ✓
- 8 Warrior's Strong Financial Position Allows Flexibility and Optionality to Fund Blue Creek ✓

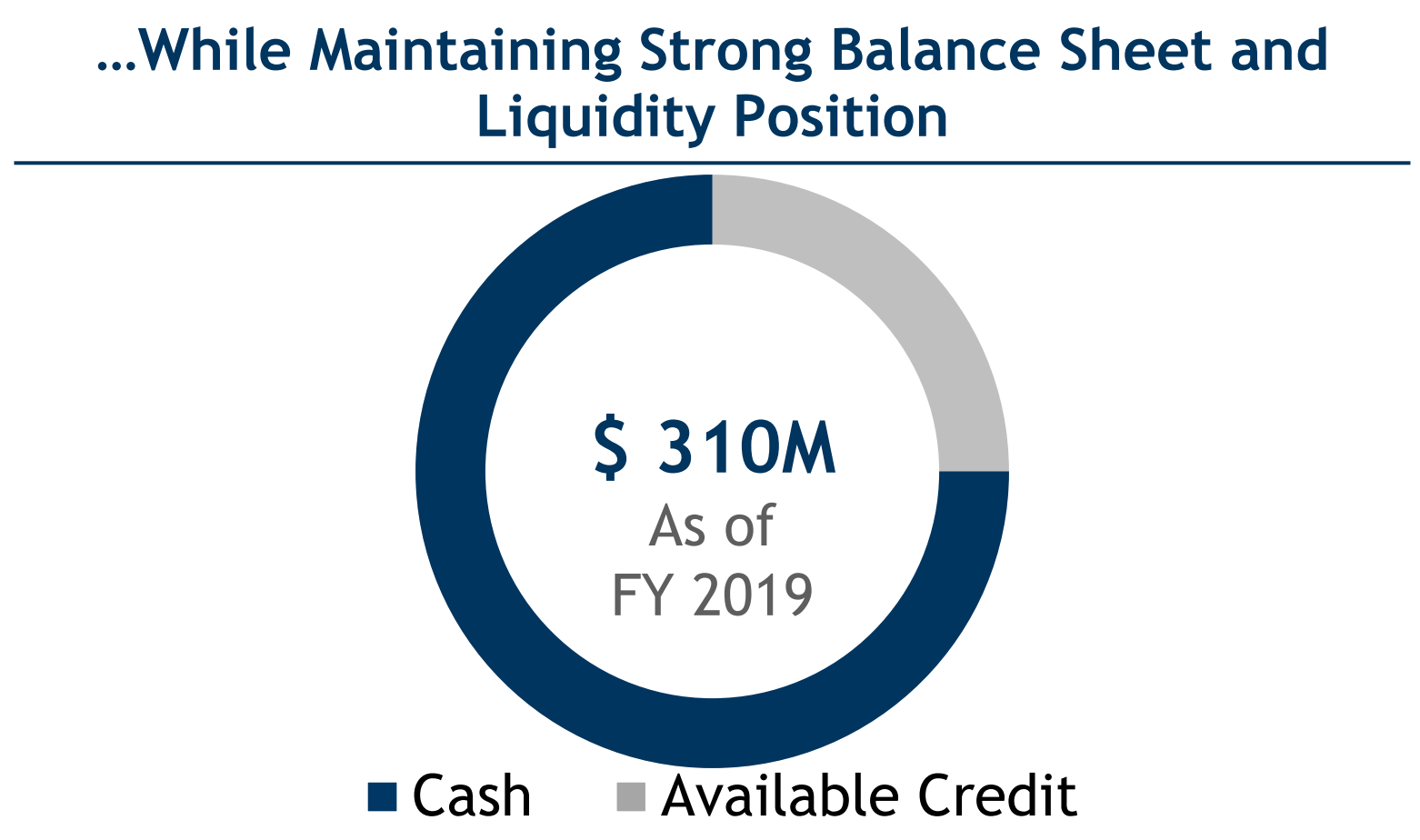
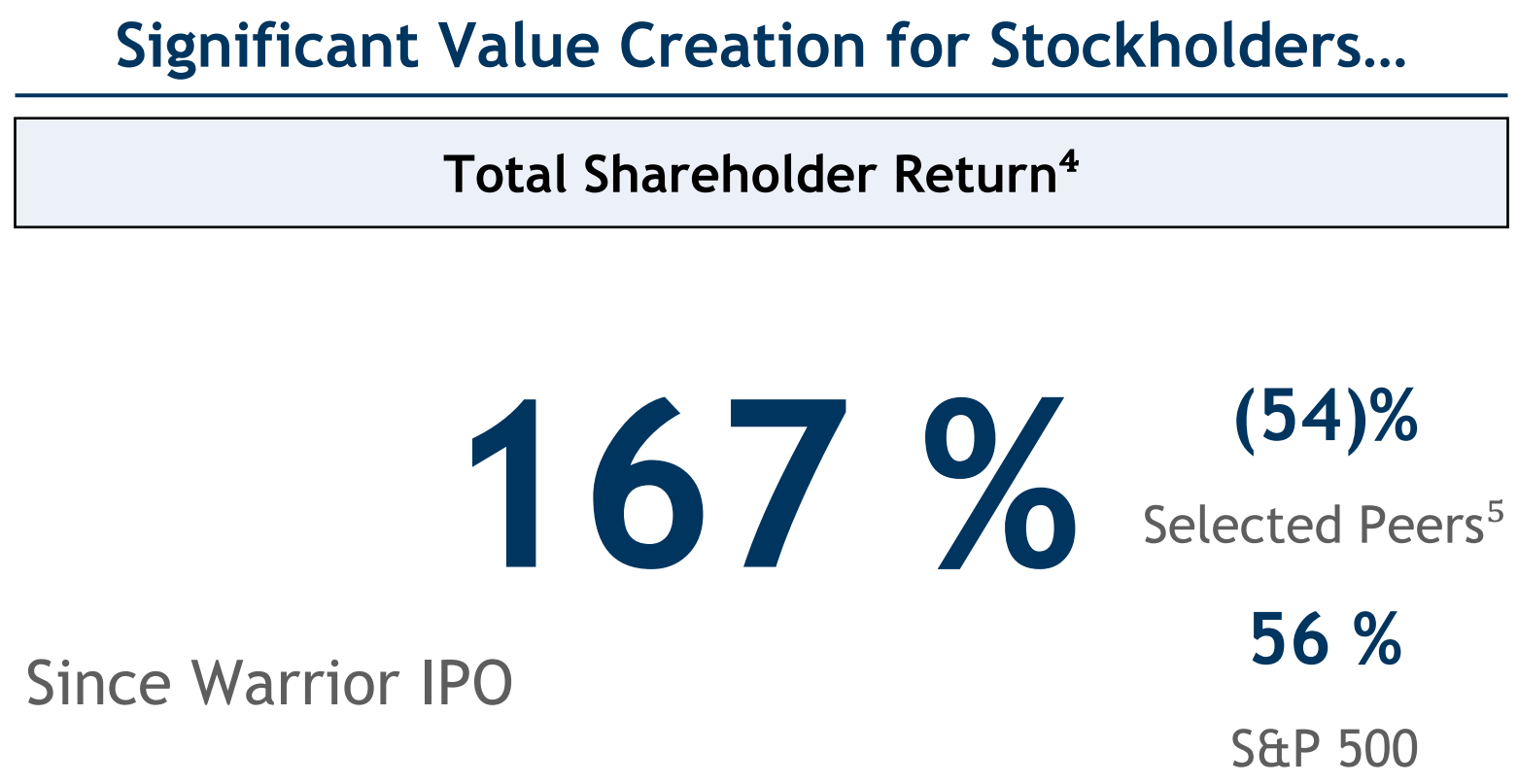
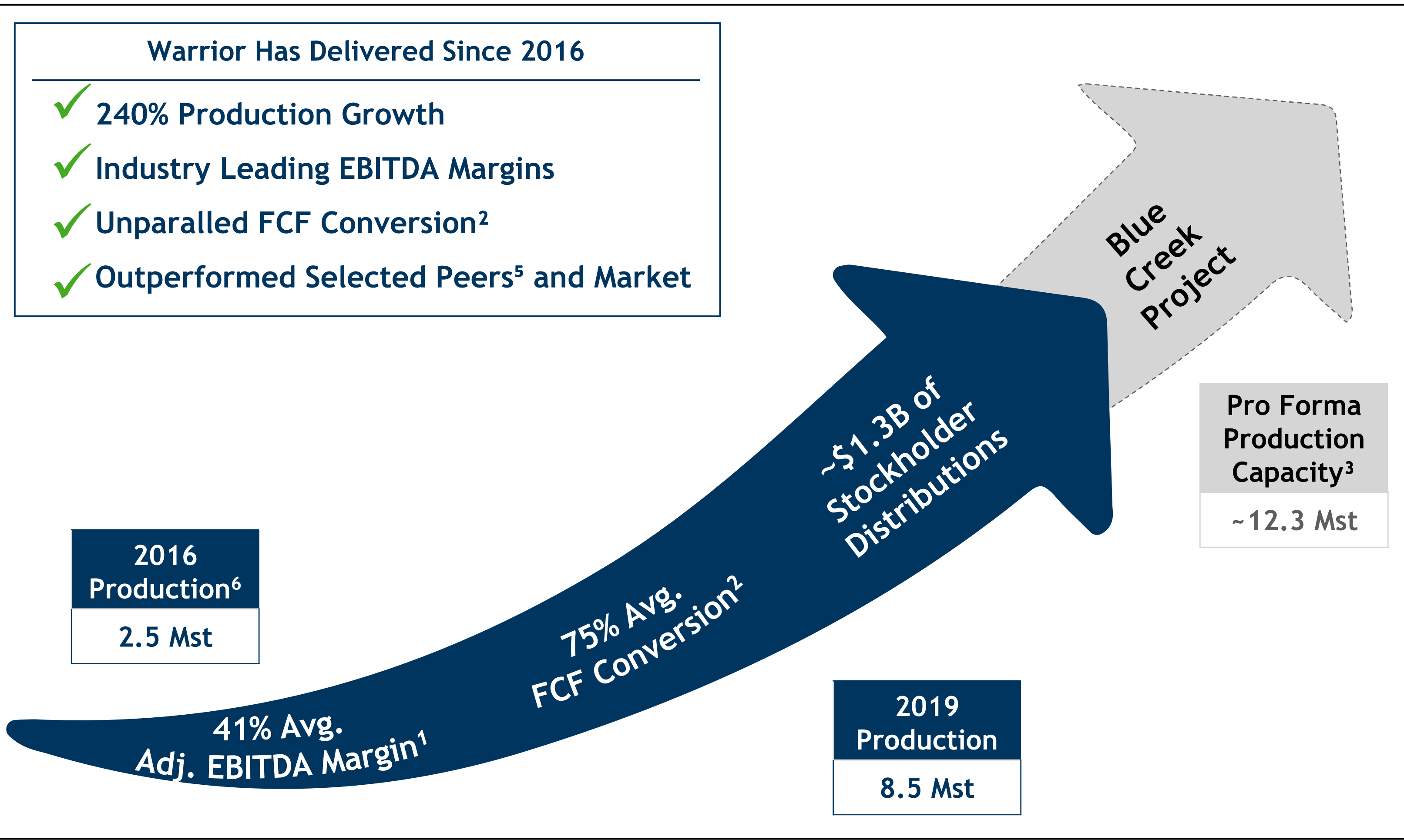


Source: Company information

Note: Mst p.a. represents millions of short tons per annum. <sup>1</sup> These returns are based on an assumed metallurgical coal price of \$150 per metric tonne and one longwall operation, are for illustrative purposes only and are based on certain assumptions that may change, including due to future developments. See footnote on page 7 for important qualifications. <sup>2</sup> Based on average of first 10 years of production capacity of 4.3 Mst p.a.



# Warrior Has a Proven Track Record and the Financial Strength to Develop Blue Creek



Source: Company filings, market data as of January 22, 2020  
 Note: 1 short ton is equivalent to 0.907185 metric tonnes. Mst p.a. represents millions of short tons per annum. <sup>1</sup> Adj. EBITDA margin is defined as Adjusted EBITDA divided by total revenue. <sup>2</sup> FCF conversion is defined as free cash flow divided by Adjusted EBITDA. <sup>3</sup> Pro forma current production capacity of 8.0 Mst, plus average of first 10 years of production capacity of 4.3 Mst p.a. from Blue Creek. <sup>4</sup> Total shareholder return calculated as aggregate share price appreciation plus dividends received since IPO. Warrior has paid three special dividends including \$600M (\$11.21/share) on November 22, 2017, \$350M (\$6.53/share) on April 20, 2018 and \$230M (\$4.41/share) on May 14, 2019. <sup>5</sup> Represents average of selected peers including Arch, Alliance, CONSOL, Peabody and Contura. <sup>6</sup> Represents last 9 months of production as of 31-Dec-2016.







# Blue Creek Project



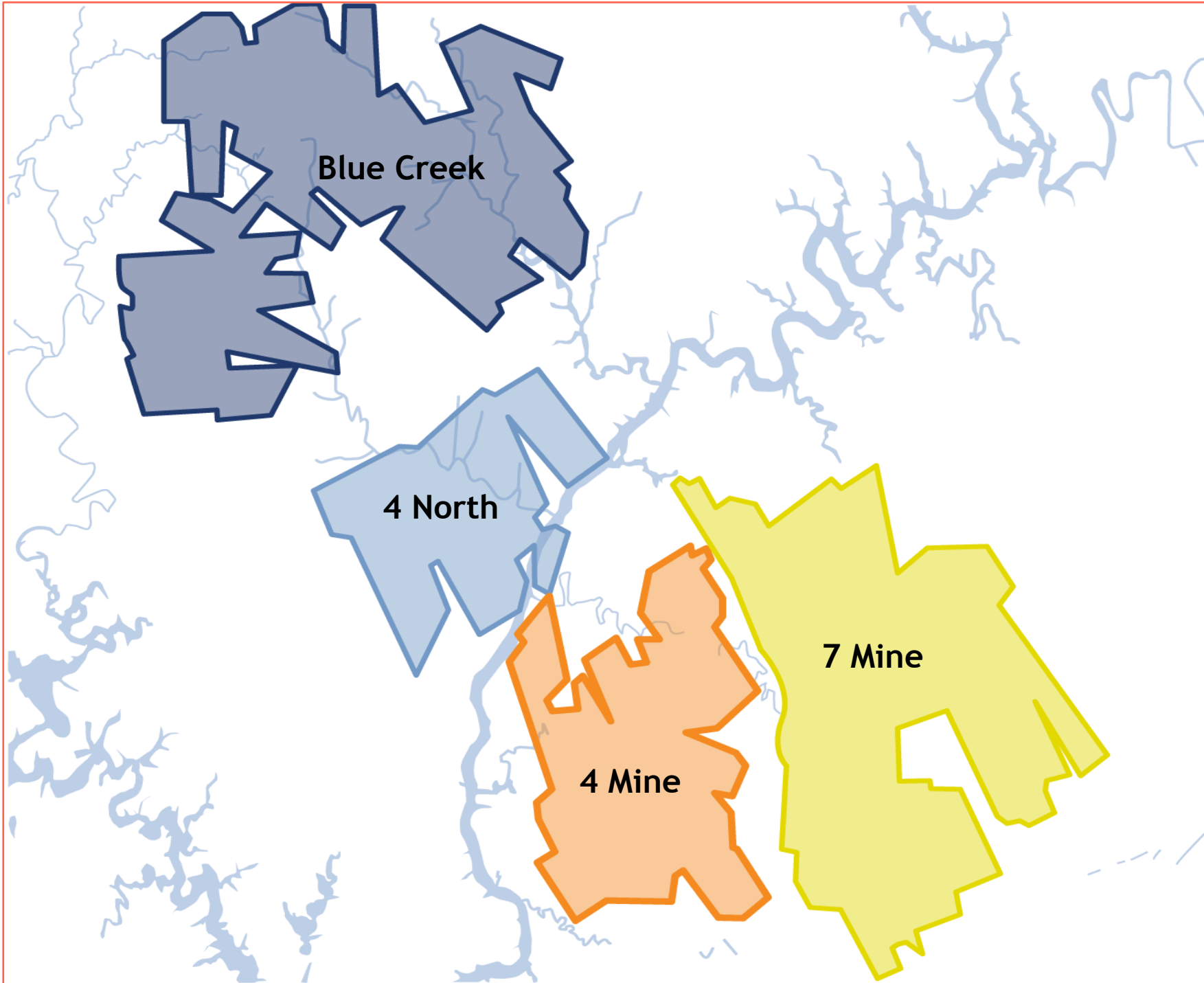
# Blue Creek is a World-Class Project



## What Makes Blue Creek World-Class?

<b>Large-Scale</b>	<b>4.3 Mst p.a. Production Capacity<sup>1</sup></b> <i>Based on Single Longwall</i>
<b>Premium Product</b>	<b>Tier 1 HVA with High CSR</b> <i>Unmatched Product Quality</i>
<b>Low Cost</b>	<b>1<sup>st</sup> Quartile Cash Costs</b> <i>Seaborne Met Coal Cost Curve<sup>2</sup></i>
<b>Long Life</b>	<b>~50 Year Expected Mine Life</b> <i>Based on 4.3Mst p.a. of Production<sup>1</sup></i>
<b>Expandable</b>	<b>Double Production via 2<sup>nd</sup> Longwall</b> <i>Supported by 174Mst of Reserves</i>

## Blue Creek Benefits from Existing Infrastructure and Logistics Advantage



~300 miles from Port of Mobile vs. ~400 miles distance for CAPP producers to east coast ports



- Robust and low-cost outbound logistics, with optionality, ensures customers receive their coals on time and in full
- Achieves economies of scale with existing operations nearby



Source: Company information, Clarksons  
<sup>1</sup> Based on average of first 10 years of production capacity.  
<sup>2</sup> Cost curve information sourced from Clarksons as of December 31, 2018.

# Blue Creek is a Transformational Strategic Investment For Warrior<sup>1</sup>...

NPV<sup>2</sup>

**\$ 1,039M**

10% real discount rate, after tax

IRR<sup>2</sup>

**~ 30 %**

Real, after tax

Payback<sup>4</sup>

**2.3 Years**

From start of longwall production

Construction Capex

**\$ 550-600M**

Over 5 year period

NPV / sh<sup>3</sup>

**\$ 20.18 / sh**

10% real discount rate, after tax

Adj. EBITDA Margin<sup>5</sup>

**> 50 %**

Based on average of first 10 years of production capacity of 4.3 Mst p.a.

All-in Cash Cost Per St<sup>6</sup>

**\$ 65 - \$ 75**

Based on average of first 10 years of production capacity of 4.3 Mst p.a.

Source: Company information

<sup>1</sup> These returns are based on an assumed metallurgical coal price of \$150 per metric tonne and one longwall operation, are for illustrative purposes only and are based on certain assumptions that may change, including due to future developments. <sup>2</sup> NPV & IRR calculations are based on 50 years, plus estimates & assumptions that may change based on future developments. IRR calculation is after-tax and unlevered. <sup>3</sup> NPV and NPV per share assume 10% real discount rate, after-tax. NPV per share based on outstanding shares of 51.5M shares as of December 31, 2019. <sup>4</sup> Payback calculation based on start of longwall production (2025). Assumes no use of NOL. Assumes 14% cash tax rate, including incentives. <sup>5</sup> Adj. EBITDA margin is defined as Adjusted EBITDA divided by total revenue. <sup>6</sup> Defined as cash cost of sales plus sustaining capex.



# ...with Robust Financial Profile Across a Wide Range of Assumed HCC Prices

HVA Benchmark Price	Projected Payback <sup>1</sup>	IRR <sup>2</sup>	NPV (\$M) <sup>3</sup>	Adj. EBITDA Margin <sup>4</sup>
\$ 180 / mt	1.8 Years	36 %	\$ 1,533	62 %
\$ 160 / mt	2.1 Years	32 %	\$ 1,204	59 %
\$ 150 / mt	2.3 Years	29 %	\$ 1,039	56 %
\$ 140 / mt	2.5 Years	27 %	\$ 875	54 %
\$ 120 / mt	3.2 Years	22 %	\$ 546	48 %

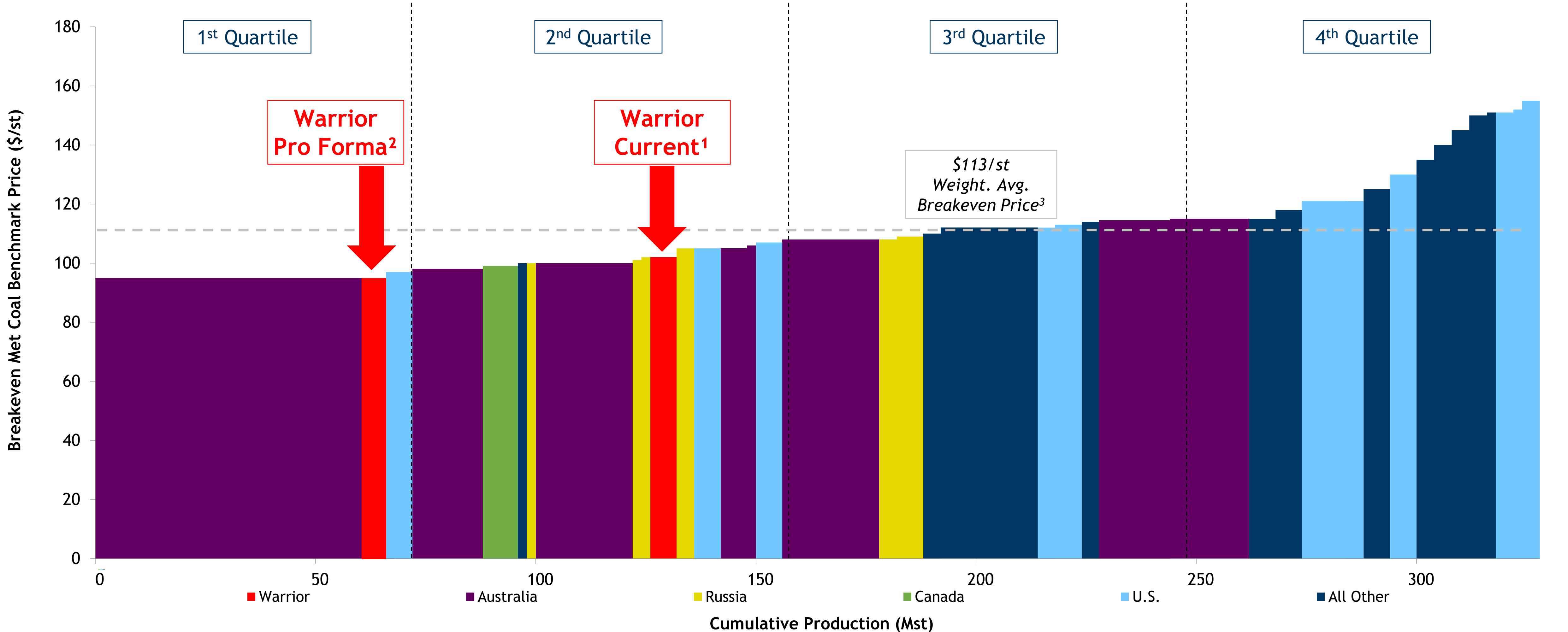


Source: Company information

Note: HVA Benchmark prices shown in metric tonnes. <sup>1</sup> Payback calculation based on start of longwall production (2025). <sup>2</sup> NPV & IRR calculations are based on 50 years, plus estimates & assumptions that may change based on future developments. IRR calculation is after-tax and unlevered. See footnote on page 7 for important qualifications. <sup>3</sup> NPV assumes 10% real discount rate, after-tax. Assumes no use of NOL. Assumes 14% cash tax rate, including incentives. <sup>4</sup> Adj. EBITDA margin is defined as Adjusted EBITDA divided by total revenue. Based on average of first 10 years of production capacity.



# Blue Creek Drives Warrior's Cash Costs to 1<sup>st</sup> Quartile Globally...



Source: Clarksons as of December 31, 2018 and company information

Note: Cost Curve shows global breakeven met coal benchmark price as of 2018. Breakeven coal benchmark price represents total company, not individual mines. <sup>1</sup> Represents year ended December 31, 2019. <sup>2</sup> Represents year ended December 31, 2019, plus average of first 10 years of production capacity of 4.3 Mst p.a. from Blue Creek. <sup>3</sup> Represents weighted average global breakeven price by company, weighted by annualized tons sold.



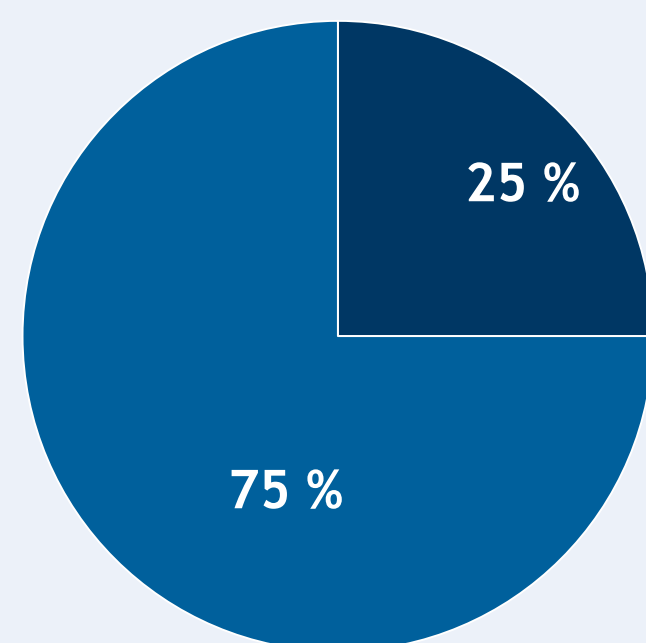


# ... and Enhances its Ability to Serve Customers

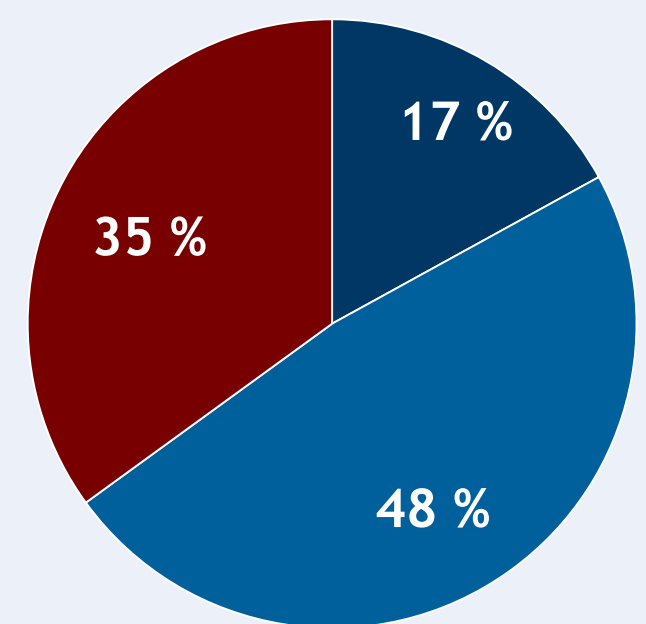
Allows Customers to Load 3 Premium Coal Qualities, at Single Port, from Single Supplier and from a Single Coal Seam

## Enhances Warrior's Product Mix

Current<sup>1</sup>



Pro Forma<sup>2</sup>



■ Premium Mid-Vol ■ Premium Low-Vol ■ Premium High-Vol A

## Port Expansion Further Increases Attractiveness to Customers

- Blue Creek to benefit by Port of Mobile expansion being undertaken by State of Alabama
- Expansion will make the Port of Mobile more attractive to customers, as they will benefit from:
  - ✓ Ability to load larger capesize vessels
  - ✓ Reduced transit times due to channel widening
- Port expansion scheduled to be completed by 2024, ahead of Blue Creek longwall production



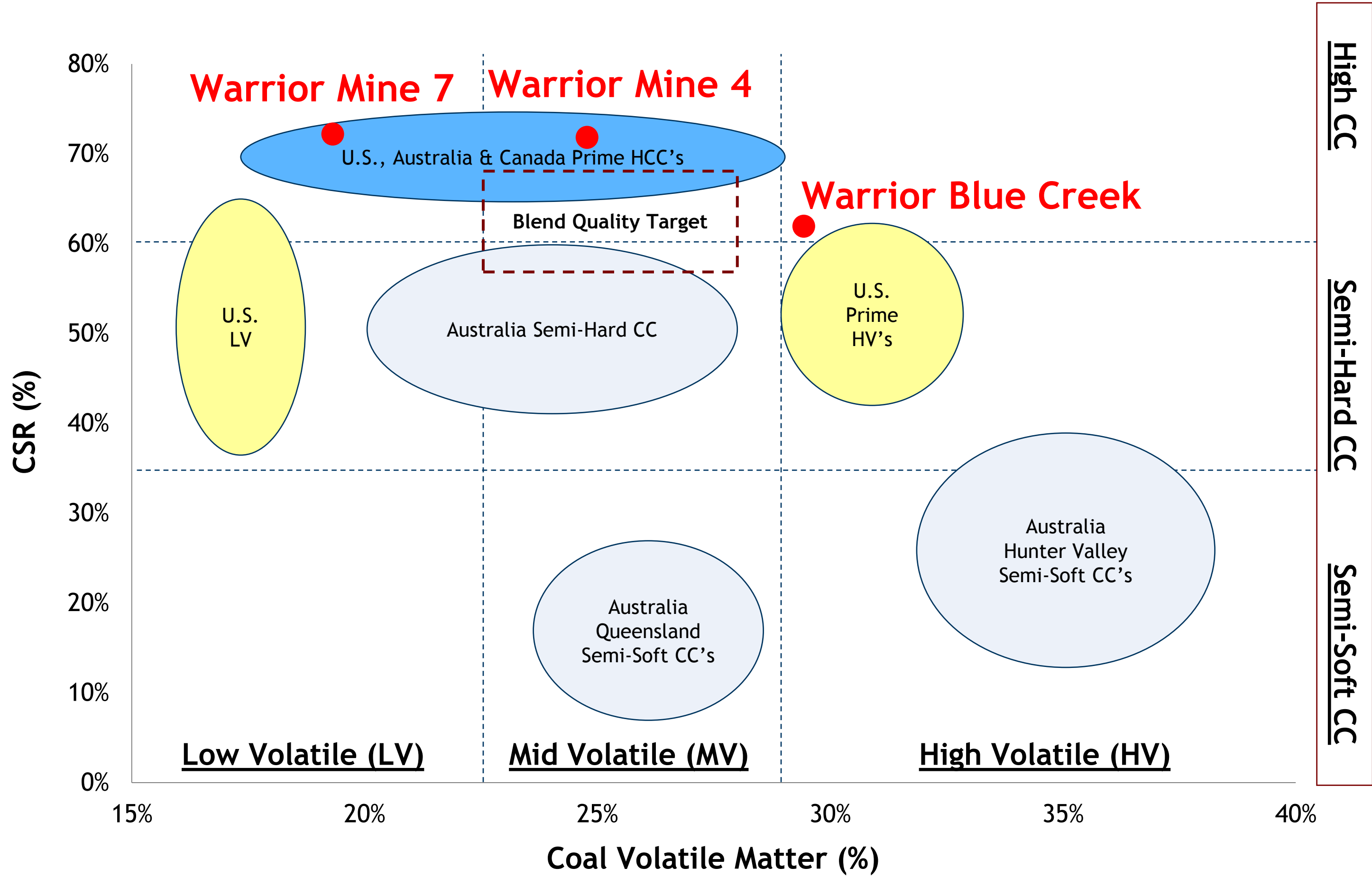
Source: Company information, Alabama State Port Authority

<sup>1</sup> Represents year ended December 31, 2019.

<sup>2</sup> Represents year ended December 31, 2019, plus average of first 10 years of production capacity of 4.3 Mst p.a. from Blue Creek.



# Blue Creek's HVA Product is a Premium Coal with Superior Coking Characteristics



- HVA provides producers with optionality in Coke battery operation
  - Allows customers with older batteries to optimize blends and manage coke battery life, thereby reducing exposure to higher wall pressure coals
  - Helps to produce higher quality coke, which reduces the BOF fuel ratios, thus reducing carbon emissions
  - Improves overall efficiency and lowers cost
- Market puts a premium on higher quality coking coals due to environmental and pollution concerns
  - Particularly in developed regions like Europe, which is a key market for Warrior
- Asian market increasingly importing U.S. high-vol coals as a result of coking characteristics and to diversify supply







# Seaborne Metallurgical Coal Market

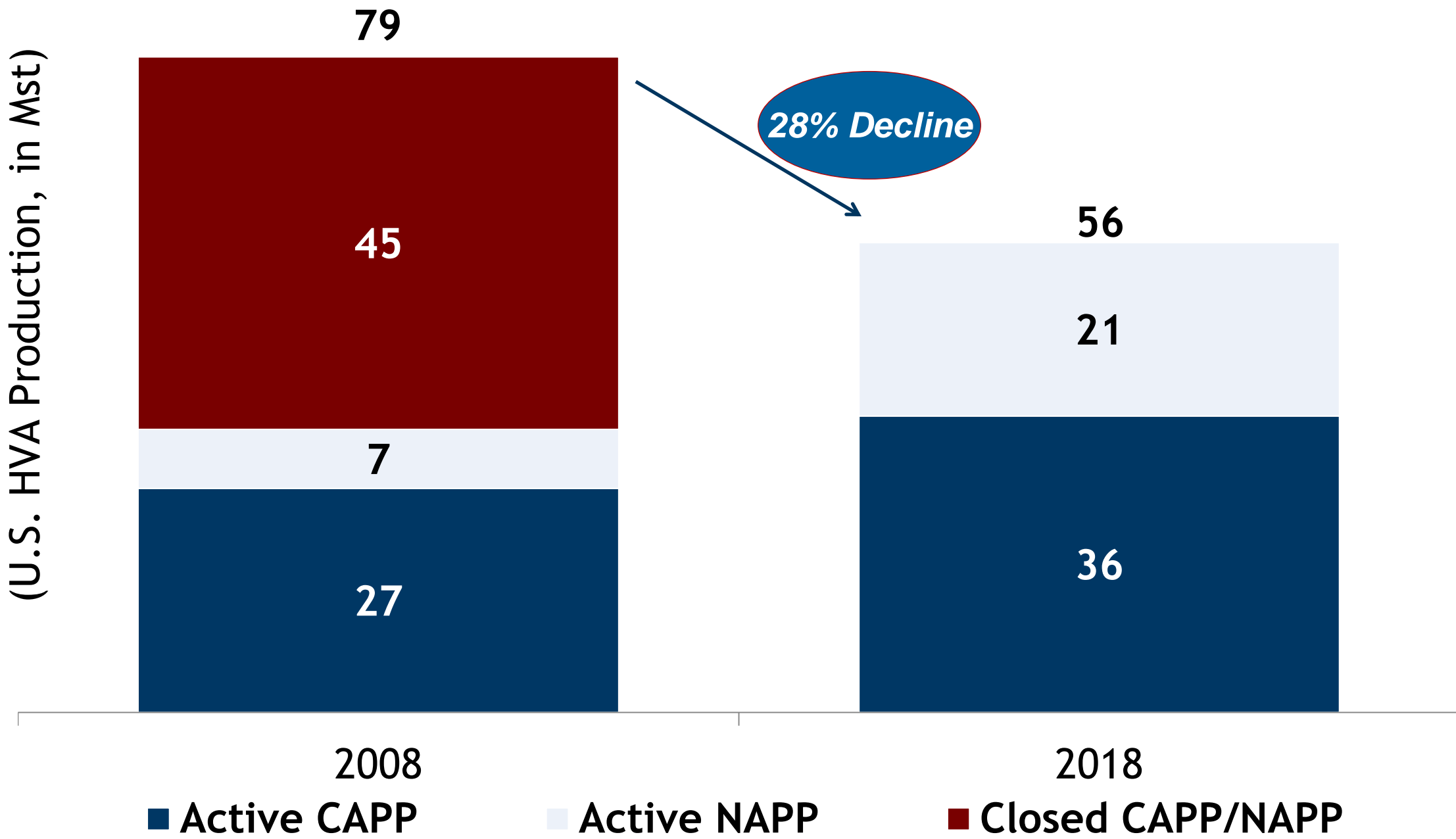


# High Vol A Represents Attractive Market for Warrior



## HVA from U.S. Mines Are Facing Reserve Depletion

Significant Mine Closures in CAPP and NAPP Result in Declining Production Profile with Only ~32 Years of Mine Life Remaining for Today's U.S. HVA Mines<sup>1</sup>



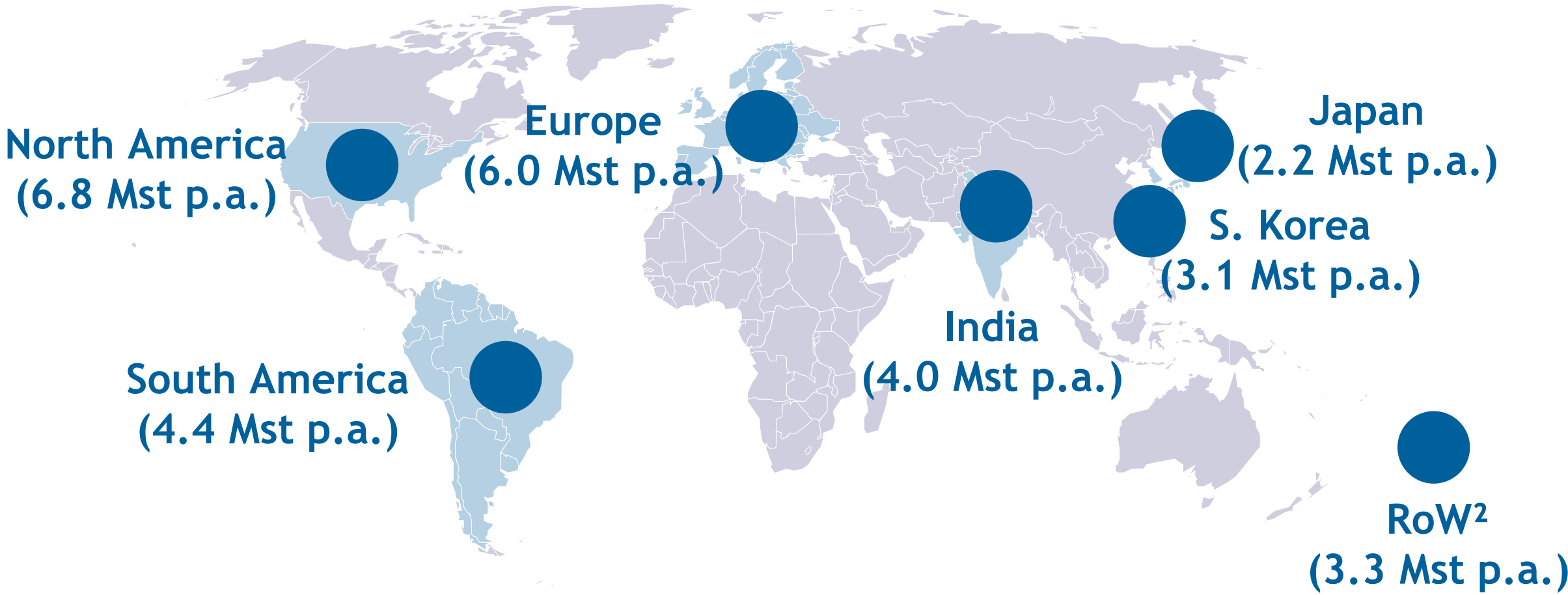
The Large Majority of HVA Supply Comes from U.S. and Focused on Serving Domestic Market

## Limited Pipeline of HVA Projects

Blue Creek One of Limited Number of Tier 1 HVA Mines with Longwall Production Capabilities

Mine	Status	HVA Quality	HVA Production (estimated Mst p.a.) <sup>3</sup>
Leer South	Under Development	Tier 1	3.3
Blue Creek	Proposed	Tier 1	4.3
Longview	Under Development	Tier 2	2.8
<b>Total</b>			<b>10.4</b>

## The Large Majority of HVA Demand is in Warrior's Target Markets



Source: Clarksons, IHS Markit, Bloomberg, Company information  
<sup>1</sup> Calculated as currently producing assets over estimated 2018 production. <sup>2</sup> RoW demand comprised of Vietnam, Malaysia and Indonesia. <sup>3</sup> 2018 estimated as per IHS Markit for all mines, except for Warrior which is based on average of first 10 years of production capacity.

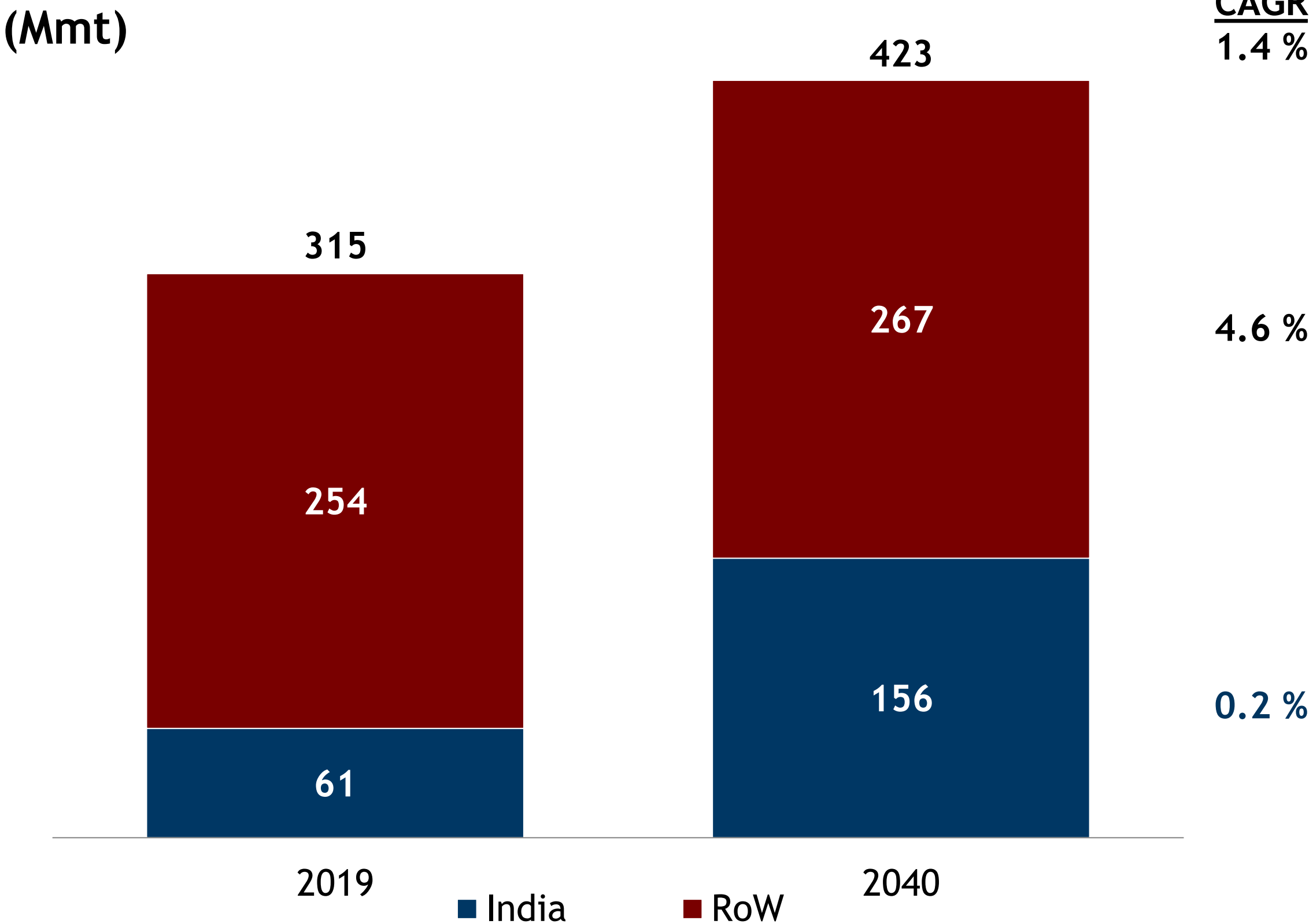


# Attractive Long-Term Supply-Demand Fundamentals for Hard Coking Coal

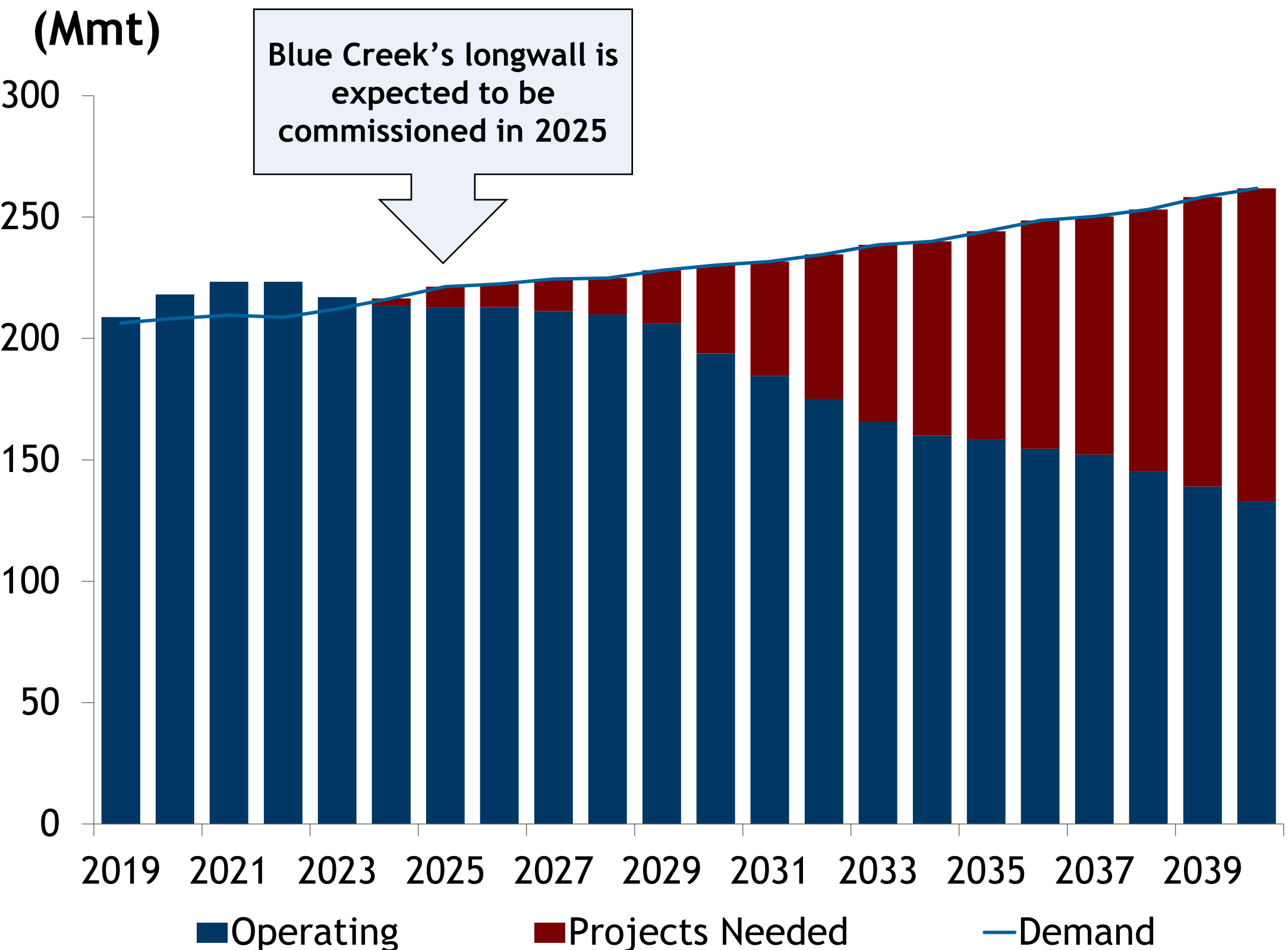


Blue Creek Commissioning Coincides with an Increase in Projects Needed as a Result of Strong Demand Growth and Depleting Supply

## Strong Demand Growth for HCC from India and RoW



## Significant New HCC Supply Required to Meet Growing Demand



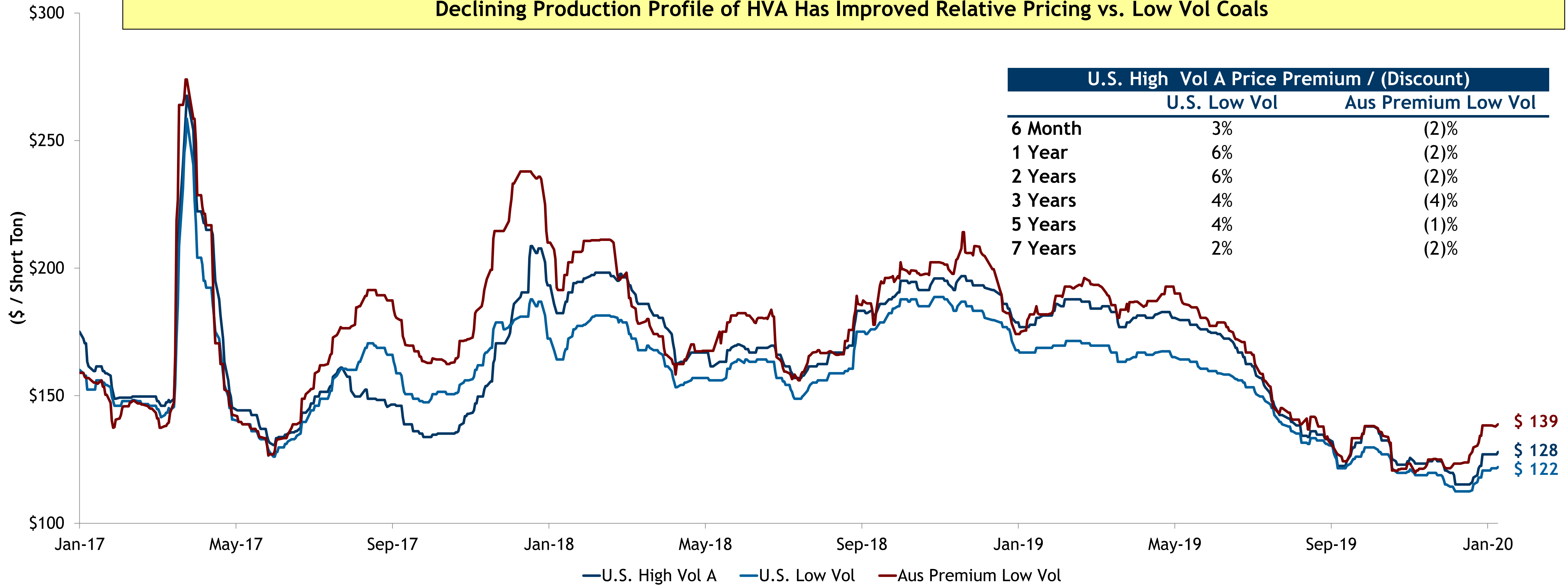
Source: Wood Mackenzie, IHS Markit, Company information  
 Note: Mmt represents millions of metric tonnes.



# High Vol A Pricing Dynamics Further Enhance Attractiveness to Warrior



Declining Production Profile of HVA Has Improved Relative Pricing vs. Low Vol Coals







# Financing Strategy & Capital Allocation



# Blue Creek Meets Warrior's Strict Investment Criteria<sup>1</sup>



## World Class Asset

- Large-scale, 1<sup>st</sup> quartile cost, high margin, long-life and expandable
- Premium HCC product that is complementary to current product portfolio
- Strong cash flow generation potential through the cycle



## Attractive Financial Returns

- ~30% IRR on \$550-600M of capital expenditures
- >1.0x NPV / Capex under all reasonable HCC prices
- Quick payback period across wide range of HCC prices
- Industry leading EBITDA margins of >50%



## Maximize Stockholder Returns

- Expected to deliver significant organic growth for stockholders through high-return project
- Industry leading margin profile expected to drive sustainable returns for stockholders across wide range of HCC prices
- Builds upon Warrior's proven track record of stockholder value creation with world-class project
- Expected to enhance Warrior's industry leading margin profile and cash flow generation to drive future returns



Source: Company information

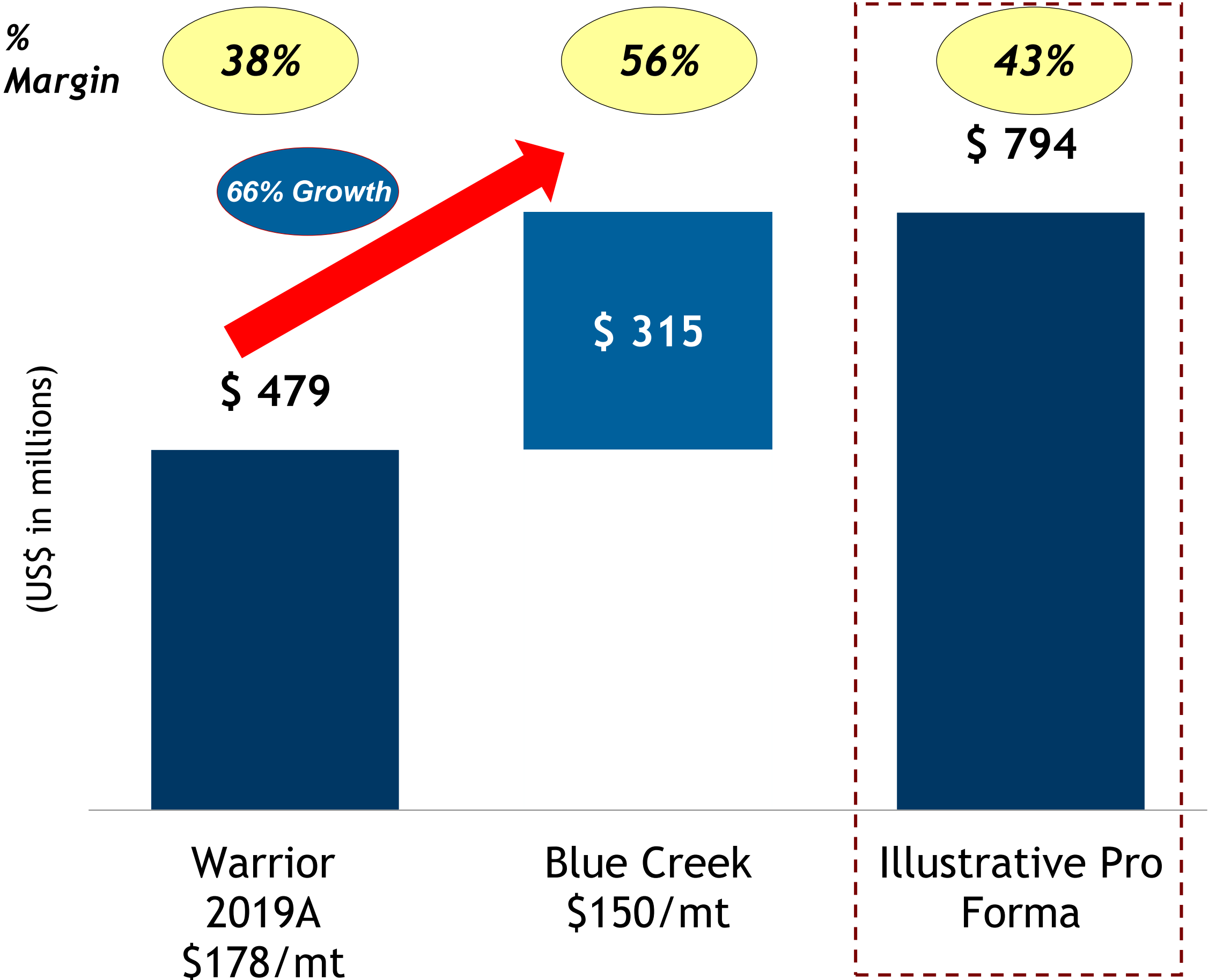
<sup>1</sup> These returns are based on an assumed metallurgical coal price of \$150 per metric tonne and one longwall operation, are for illustrative purposes only and are based on certain assumptions that may change, including due to future developments. See footnote on page 7 for important qualifications.



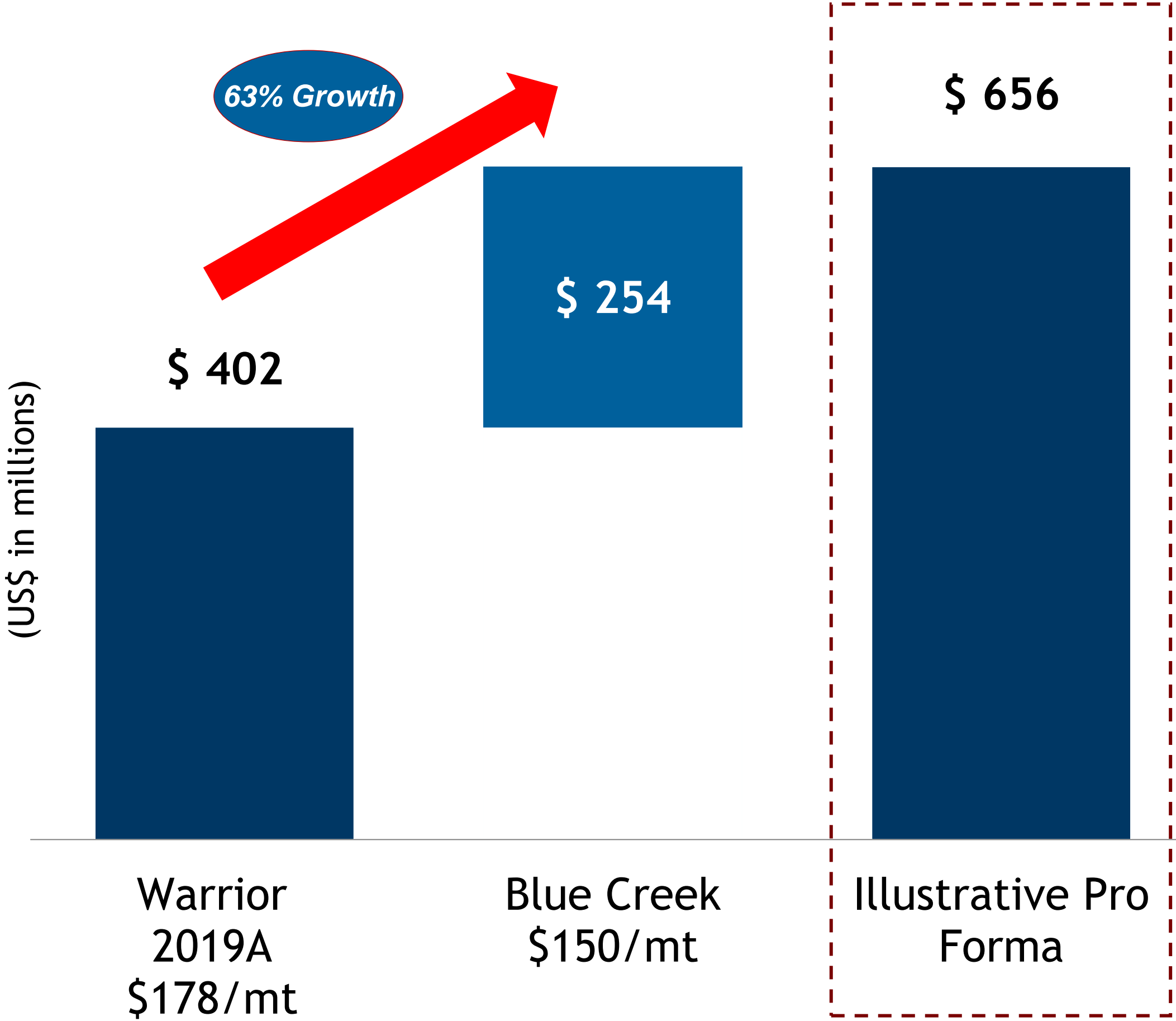
# Blue Creek to Enhance Warrior's Profitability and Cash Flow Generation<sup>1</sup>



Illustrative Impact to Adj. EBITDA and Adj. EBITDA Margin<sup>2</sup>



Illustrative Impact to Free Cash Flow (FCF)<sup>3</sup>



Source: Company information

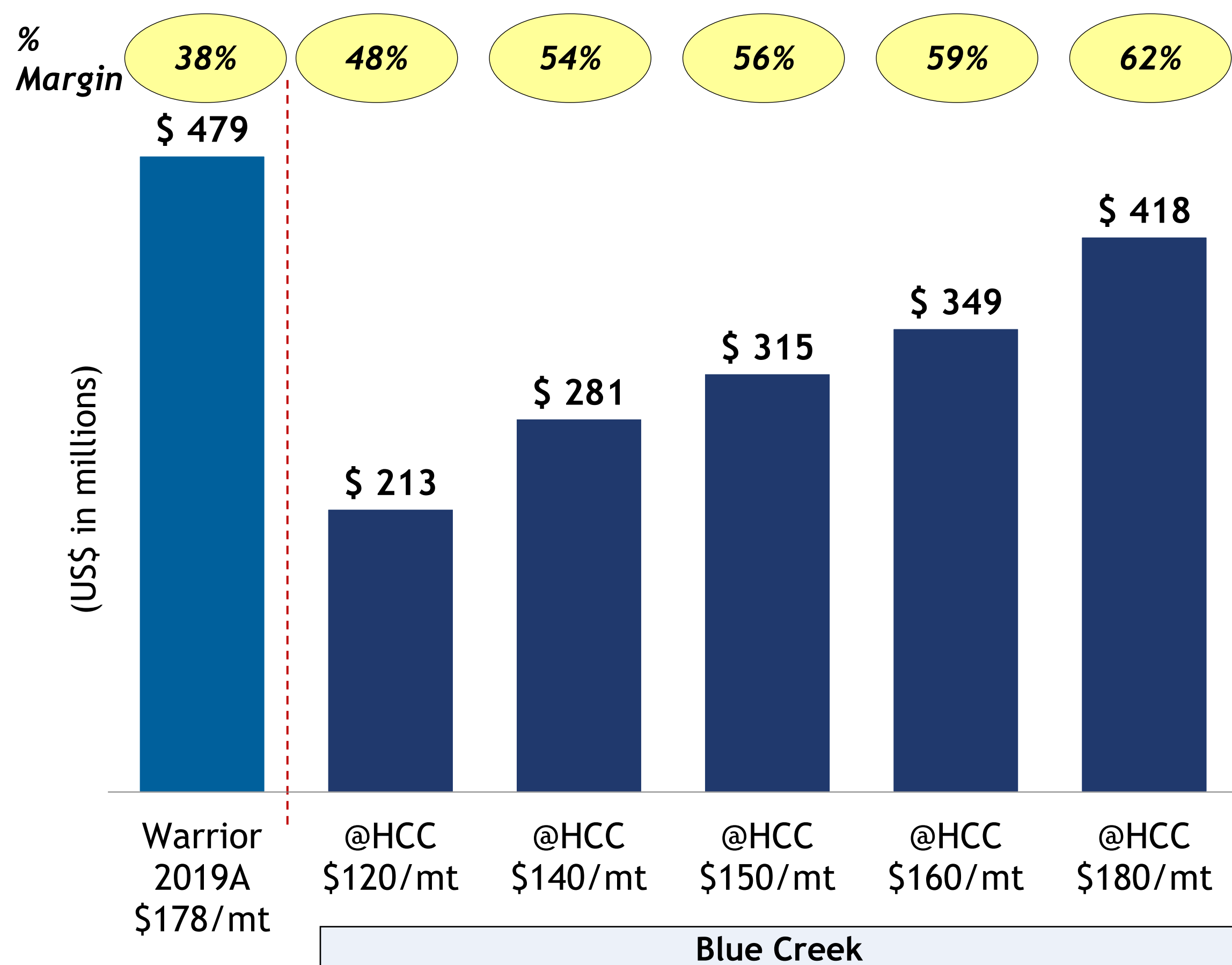
Note: Blue Creek represents average of first 10 years of production capacity. Pricing of \$178/mt shown in metric tonnes and represents Australian Premium Low Vol Benchmark Index. Pricing of \$150/mt shown in metric tonnes and represents HVA Benchmark price. <sup>1</sup> The illustrative Blue Creek Adjusted EBITDA, Adjusted EBITDA Margin and Free Cash Flow numbers are based on certain assumptions which may change, including due to future developments. <sup>2</sup> Adj. EBITDA margin is defined as Adjusted EBITDA divided by total revenue. <sup>3</sup> Free cash flow is defined as net cash provided by operating activities less purchases of property, plant and equipment and mine development costs.



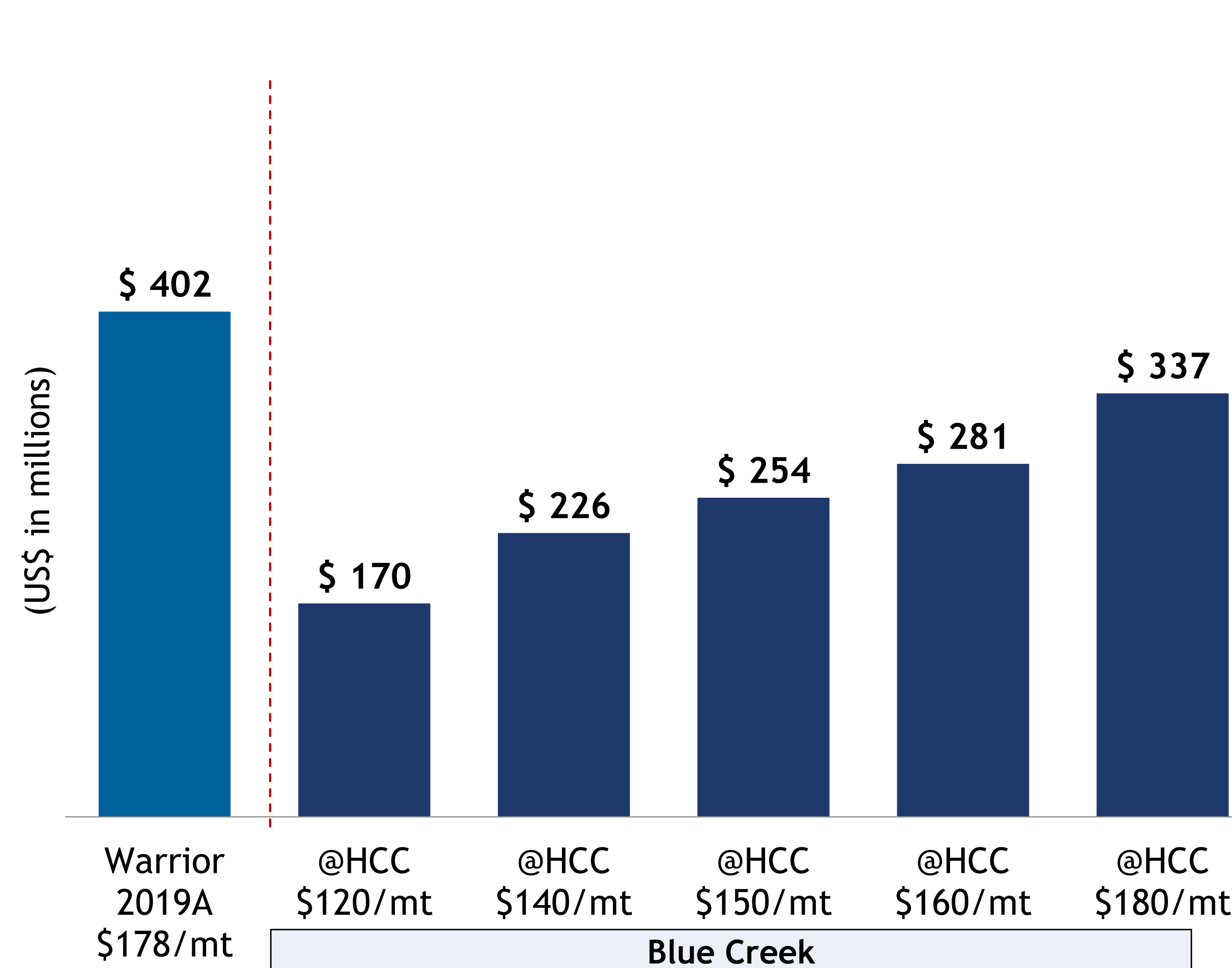


# Blue Creek Remains Profitable Through-the-Cycle<sup>1</sup>

### Adj. EBITDA and Adj. EBITDA Margin<sup>2</sup>



### Free Cash Flow (FCF)<sup>3</sup>



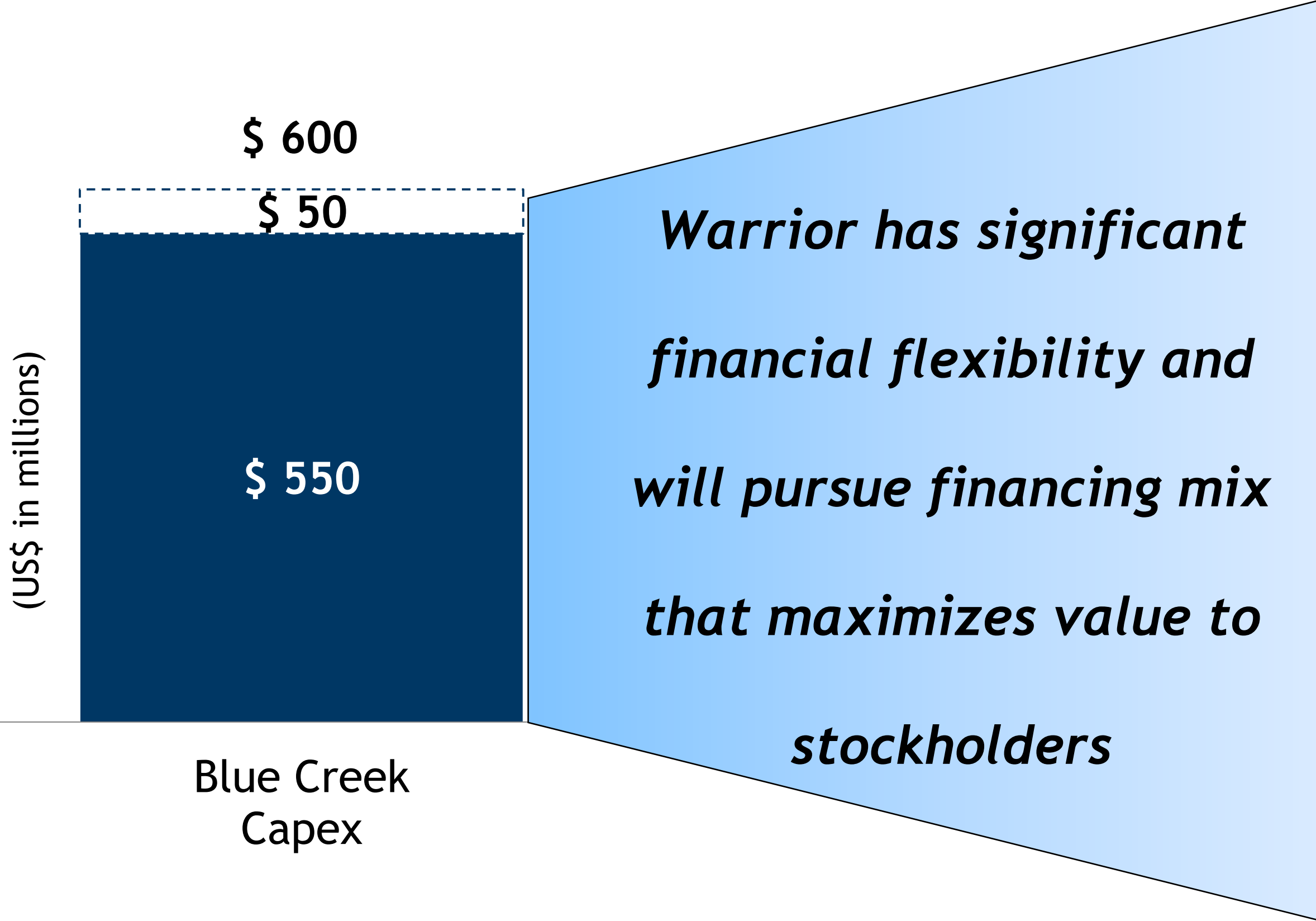
Source: Company information

Note: Blue Creek represents average of first 10 years of production capacity. Pricing of \$178/mt shown in metric tonnes and represents Australian Premium Low Vol Benchmark Index. Blue Creek HCC pricing shown in metric tonnes and represents HVA Benchmark price. <sup>1</sup> The prices indicated are hypothetical and shown for purposes of the sensitivity analysis; the illustrative Blue Creek Adjusted EBITDA, Adjusted EBITDA Margin and Free Cash Flow numbers are based on certain assumptions which may change, including due to future developments. <sup>2</sup> Adj. EBITDA margin is defined as Adjusted EBITDA divided by total revenue. <sup>3</sup> Free cash flow is defined as net cash provided by operating activities less purchases of property, plant and equipment and mine development costs.





# Warrior has Significant Flexibility in How it Funds Blue Creek...

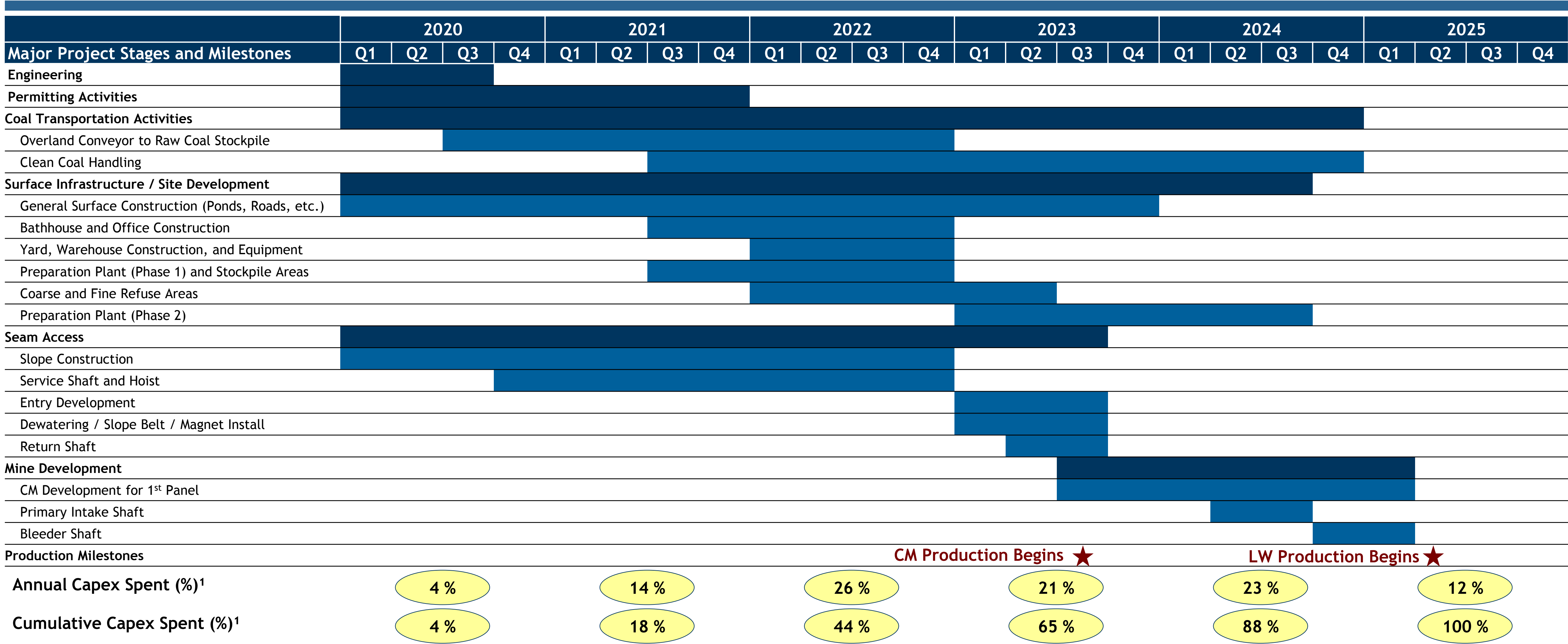


<b>Current Cash Balance (\$193M)</b>	<ul style="list-style-type: none"> <li>Warrior has a cash balance of \$193M and total liquidity of \$310M</li> <li>— Warrior’s minimum liquidity target is \$100M</li> </ul>
<b>Equipment Leases (\$115M)</b>	<ul style="list-style-type: none"> <li>Significant portion of capex can be financed with equipment leases</li> <li>Equipment leases benefit from low cost and flexible terms</li> </ul>
<b>Organic Cash Flow</b>	<ul style="list-style-type: none"> <li>Warrior has generated ~\$1.0B of FCF since IPO (~2.5 year period)</li> <li>Expect strong cash flow generation to continue over construction period</li> </ul>
<b>Capital Markets</b>	<ul style="list-style-type: none"> <li>Warrior has ability to tap capital markets to raise funds</li> <li>Investors appreciate distinction between met vs. thermal coal in context of ESG</li> </ul>





# ... and Capex Spend Profile Allows it to be Opportunistic



CM Production Begins ★

LW Production Begins ★



Source: Company information  
<sup>1</sup> Percentages based on \$600M total construction capex.

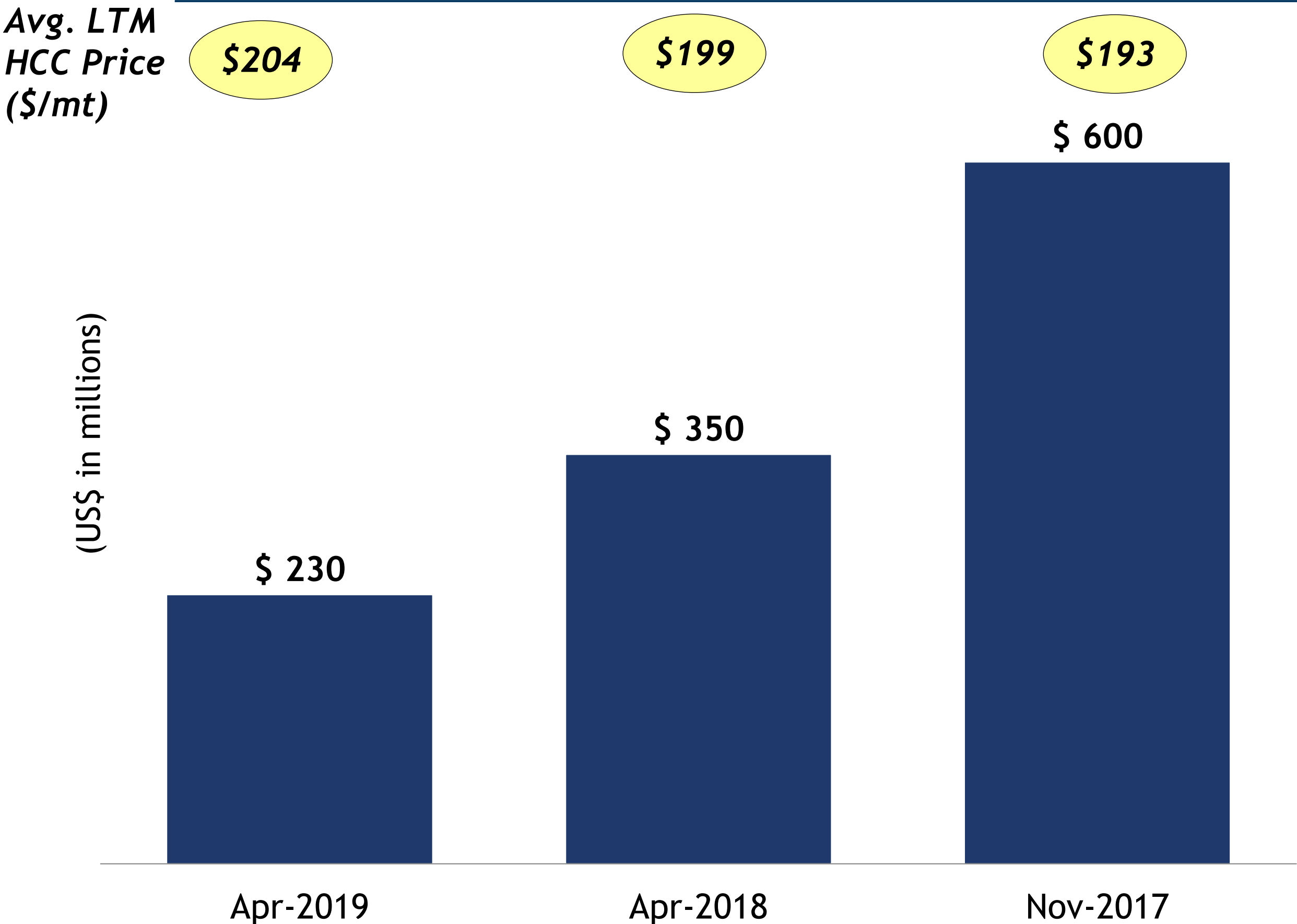


# Warrior Remains Committed to Returning Excess Cash Flows to Stockholders



- Warrior will maintain \$0.05/share quarterly dividend during Blue Creek development
  - Warrior will continually evaluate its funding and liquidity needs and remains committed to returning any excess cash flow to stockholders through special dividends and for stock repurchases
  - Excess cash flows will be dependent on HCC price
- Historical special dividends have occurred when HCC is above \$193/mt

Historical Special Dividends Occurred When HCC >\$193/mt



Source: Company filings, Platts  
 Note: Avg. LTM HCC Price represents last twelve months pricing of Australian Premium Low-Vol Benchmark Index.



# Blue Creek Provides High-Return Growth Opportunity via World-Class Asset<sup>1</sup>

## KEY TAKEAWAYS

- 1 One of the Last Remaining Large-Scale (4.3 Mst p.a.), Untapped Premium HVA Mines in the U.S. ✓
- 2 Increases Production Capacity by ~54% and Adds ~50 Years of Expected Production<sup>2</sup> ✓
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Source: Company information

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# Appendix



# Appendix

## Non-GAAP Financial Measures



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

(in thousands)	2019A \$178/mt
Net income	\$ 301,699
Interest expense, net	29,335
Income tax expense	65,417
Depreciation and depletion	97,330
Asset retirement obligation	(7,891)
Stock compensation expense	5,820
Loss on early extinguishment of debt	9,756
Other income	(22,815)
<b>Adjusted EBITDA</b>	<b>\$ 478,651</b>
Total revenues	\$ 1,268,309
<b>Adjusted EBITDA margin<sup>(1)</sup></b>	<b>38%</b>



Source: Company information

<sup>1</sup> 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

	2019A \$178/mt
(in thousands)	
Net cash provided by operating activities	\$ 532,814
Purchases of property, plant and equipment and mine development costs	(130,670)
<b>Free cash flow</b>	<b>\$ 402,144</b>







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