



Fourth Quarter 2022 Results

February 15, 2023

# 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 this press release 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 2023 guidance, sales and production growth, ability to maintain cost structure, demand, the future direction of prices, management of liquidity, cash flows, expenses and expected capital expenditures and working capital, the Company's pursuit of strategic growth opportunities, the Company's future ability to return excess cash to stockholders, future effective income tax rates and payment of cash taxes, if any, as well as statements regarding production, the Company's ability to withstand economic instability, and the development of the Blue Creek and 4 North Portal Projects. 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 this press release 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 impact of inflation on the Company, the impact of geopolitical events, including the effects of the Russia-Ukraine war; the inability of the Company to effectively operate its mines and the resulting decrease in production; the inability of the Company to transport its products to customers due to rail performance issues or the impact of weather and mechanical failures at the McDuffie Terminal at 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 and weather-related factors, including equipment, permitting, site access, operational risks and new technologies related to mining and labor strikes or slowdowns; 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; 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 expectations regarding its future tax rate as well as its ability to effectively utilize its net operating losses to reduce or eliminate its cash taxes; the Company's ability to develop Blue Creek; 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 ability to comply with covenants in its ABL Facility or indenture relating to 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 Form 10-K for the year ended December 31, 2022 and other reports filed from time to time with the Securities and Exchange Commission (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](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 Generally Accepted Accounting Principles ("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 and years ended December 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](http://www.warriormetcoal.com) within the Investors section.*

# Pure Play Steelmaking Coal Producer and 100% Exporter



Warrior

- Alabama-based exporter of Australian Premium Low-Vol HCC to the global steel industry
- Variable cost structure that adjusts with benchmark HCC prices, allowing Warrior to remain flexible and adapt to changing circumstances
- Clean balance sheet with no legacy pension / OPEB liabilities



Mine No. 7

- Underground operation with two longwall systems producing a premium high-CSR<sup>(1)</sup>, low-vol met coal comparable to Peak Downs and Saraji in Australia
- High quality met coal product that achieves significant pricing premium vs. all other U.S. met coals
- Nameplate capacity is 5.6Mst<sup>(1)</sup> annually



Mine No. 4

- Underground operation with single longwall system
- Produces premium high-CSR<sup>(1)</sup>, low to mid-vol met coal product with industry-leading price realizations
- Name plate capacity is 2.4Mst<sup>(1)</sup> annually



Blue Creek

- One of the few remaining untapped High Vol A met coal reserves in the US, with expected annual run-rate production of 4.8Mst<sup>(1)</sup> of premium quality, high CSR met coal
- NPV<sup>(4)</sup> is approximately \$1 billion over the life of the mine, with a projected after-tax IRR<sup>(4)</sup> of ~30% and a payback of approximately two and a half years from initial longwall production
- Development resumed in Q2 2022; Longwall expected to start in Q2 2026

6.3Mst<sup>(2)</sup>  
Production

\$1,739M<sup>(2)</sup>  
Revenue

\$994M<sup>(2)</sup>  
Adj. EBITDA\*

0.3x<sup>(2)</sup>  
Gross Leverage<sup>(3)</sup>



Source: Company filings

<sup>(1)</sup> MST means million short ton

<sup>(2)</sup> As of December 31, 2022.

<sup>(3)</sup> Gross Leverage calculated as Gross Debt of \$336M / Adjusted EBITDA. Gross debt includes \$33M in capital lease obligations.

<sup>(4)</sup> NPV means net present value. IRR means internal rate of return. 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. 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.

# Why Steelmaking Coal?

Met or steelmaking coal plays a long-term, critical role in an environmentally-sustainable world









- Steel has an important role in today and tomorrow's society and is required for everything from rail to bridges to buildings to electric vehicles to wind and solar power.
- Met coal is used in the production of high-quality steel, unlike thermal coal, which is used for power generation. Warrior Met Coal ("WMC" or "Warrior") is a pure-play producer of met coal.
- The pipeline of premium met coal projects is not sufficient to satisfy the projected demand.
- More seaborne met coal is needed as BF-BOF<sup>(1)</sup> growth comes from countries that do not have access to domestic met coal.
- High-quality steel is required for the production of key green technologies at the core of global decarbonization initiatives.
- The global transition to lower carbon emissions will be fueled by met coal. High-quality steel produced using Warrior coal is vital in supporting growing demand for products foundational to an economy that prioritizes lower environmental impact. Steel is an easily recyclable material, which further lowers carbon emissions.
- LEED-certified buildings, electric vehicles, wind turbines, and solar panels are all produced with clean, high-quality steel and the demand is increasing. The growth trajectory of these products is expected to increase over the next several decades as the global economy transitions to lower carbon emissions.



Source: Company information.

<sup>(1)</sup> BF-BOF means blast furnace-blast oxygen furnace, which is how most steel is produced today

# Full Year 2022 Achievements

- 1 Achieved full year strong net income of \$641.3 million, an all-time record adjusted net income<sup>(1)\*</sup> of \$666.1 million and adjusted net income per share\* of \$12.88 per diluted share. 
- 2 Achieved all-time record Adjusted EBITDA<sup>\*(2)</sup> of \$994.2 million, a 118% increase over the prior year comparable period, and adjusted EBITDA margin of 57.2%. 
- 3 Strengthened balance sheet with an all-time record total liquidity of \$952.8 million, consisting of cash and cash equivalents of \$829.5 million and \$123.3 million available under our ABL Facility. 
- 4 Delivered an all-time record positive cash flow from operations of \$841.9 million and an all-time record free cash flow<sup>\*(3)</sup> of \$587.7 million while investing \$254.2 million in capital and mine development. 
- 5 Achieved production volume of 6.3 million short tons running three longwalls and eight continuous miner units. 
- 6 Achieved sales volume of 5.6 million short tons and cash cost of sales (free-on-board) per short ton of \$125.50 
- 6 Increased regular quarterly cash dividend by 20% and paid \$0.24 per share and two special cash dividends totaling \$1.30 per share 
- 6 Relunched the development of Blue Creek with expected investment of \$700 million over five years. 

\*See "Non-GAAP Financial Measures".

1 short ton ("St") is equivalent to 0.907185 metric tons.

- (1) Adjusted net income is defined as net income net of asset retirement obligation valuation adjustments, other non-cash valuation adjustments, business interruption expenses, idle mine expenses, loss on early extinguishment of debt, incremental stock compensation expense and other income, net of tax.
- (2) Adjusted EBITDA is defined as net income before net interest expense, income taxes, depreciation and depletion, non-cash asset retirement obligation accretion and valuation adjustments, non-cash stock compensation expense, other non-cash accretion and valuation adjustments, mark-to-market gain on gas hedges, loss on early extinguishment of debt, business interruption, idle mine and other.
- (3) Free Cash Flow (FCF) is defined as net cash provided by operating activities less purchases of property, plant and equipment and mine development costs.

# Key Metrics for Three Months Ended December 31, 2022 vs. Q4 2022

For the three months ended December 31, 2022		For the three months ended December 31, 2021		% Change
Tons produced (in 000s St)	1,468	Tons produced (in 000s St)	1,108	32%
Tons sold (in 000s St)	1,452	Tons sold (in 000s St)	1,449	0%
Average net selling price (per St)	\$227.21	Average net selling price (per St)	\$273.84	(17%)
Revenue (in millions)	\$344.8	Revenue (in millions)	\$415.5	(17%)
Net income (in millions)	\$99.7	Net income (in millions)	\$138.5	(28%)
Cash cost of sales <sup>*(1)</sup> (per St)	\$123.40	Cash cost of sales <sup>*(1)</sup> (per St)	\$105.80	(17%)
Adjusted EBITDA* (in millions)	\$147.5	Adjusted EBITDA* (in millions)	\$240.2	(39%)
Free cash flow* (in millions)	\$96.5	Free cash flow* (in millions)	\$151.0	(36%)
Adjusted net income* (in millions)	\$98.3	Adjusted net income* (in millions)	\$163.3	(40%)
Diluted EPS/Adjusted Diluted EPS*	\$1.93 / \$1.90	Diluted EPS/Adjusted Diluted EPS*	\$2.68 / \$3.17	(28%)/(40%)

\*See "Non-GAAP Financial Measures".

1 short ton is equivalent to 0.907185 metric tons.

"St" means short ton

(1) Cash cost of sales (free-on-board port) is based on reported cost of sales and includes items such as freight, royalties, labor, fuel and other similar production and sales cost items, and may be adjusted for other items that, pursuant to GAAP, are classified in the Condensed Statements of Operations as costs other than cost of sales, but relate directly to the costs incurred to produce met coal. Cash cost of sales (free-on-board port) is a non-GAAP financial measure which is not calculated in conformity with U.S. GAAP and should be considered supplemental to, and not as a substitute or superior to financial measures calculated in conformity with GAAP.

# Key Metrics for the Years Ended December 31, 2022 vs. 2021

For the year ended December 31, 2022		For the year ended December 31, 2021		% Change
Tons produced (in 000s St)	6,315	Tons produced (in 000s St)	5,604	13%
Tons sold (in 000s St)	5,621	Tons sold (in 000s St)	6,282	(11%)
Average net selling price (per St)	\$303.79	Average net selling price (per St)	\$163.69	86%
Revenue (in millions)	\$1,738.7	Revenue (in millions)	\$1,059.2	64%
Net income (in millions)	\$641.3	Net income (in millions)	\$150.9	325%
Cash cost of sales* (per St)	\$125.50	Cash cost of sales* (per St)	\$87.48	(43%)
Adjusted EBITDA* (in millions)	\$994.2	Adjusted EBITDA* (in millions)	\$457.0	118%
Free cash flow* (in millions)	\$587.7	Free cash flow* (in millions)	\$280.2	110%
Adjusted net income* (in millions)	\$666.1	Adjusted net income* (in millions)	\$227.7	193%
Diluted EPS/Adjusted Diluted EPS*	\$12.40 / \$12.88	Diluted EPS/Adjusted Diluted EPS*	\$2.93 / \$4.43	323%/191%



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

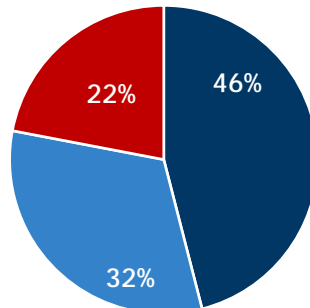
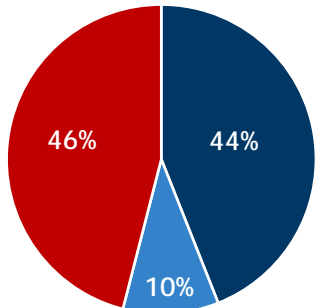
# Customer Revenue by Geography Provides Significant Logistical Cost Advantage to the Seaborne Market

Customer revenue by geography

Delivered cost advantage into Europe based on ~2 week transport time vs. ~5 weeks from Australia

Q4 2021

Q4 2022

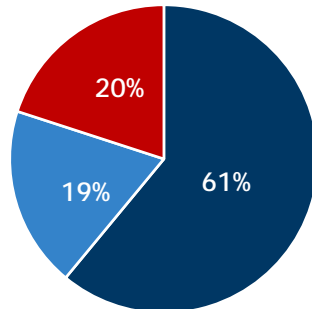
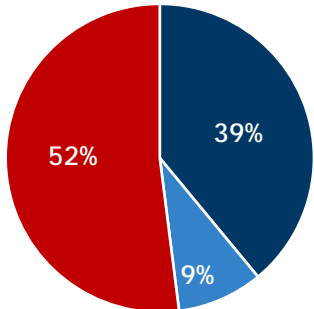


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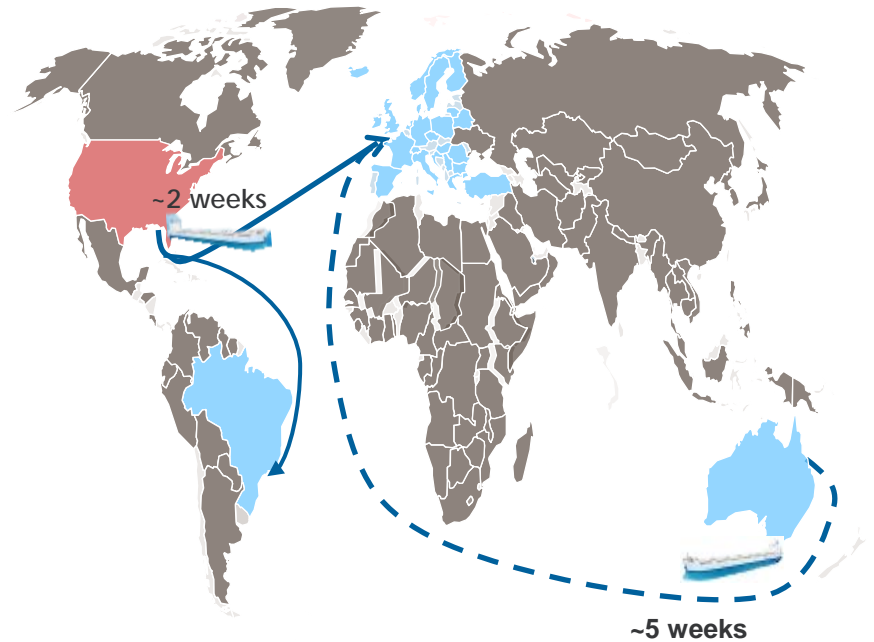
Q4 2021 YTD

Q4 2022 YTD



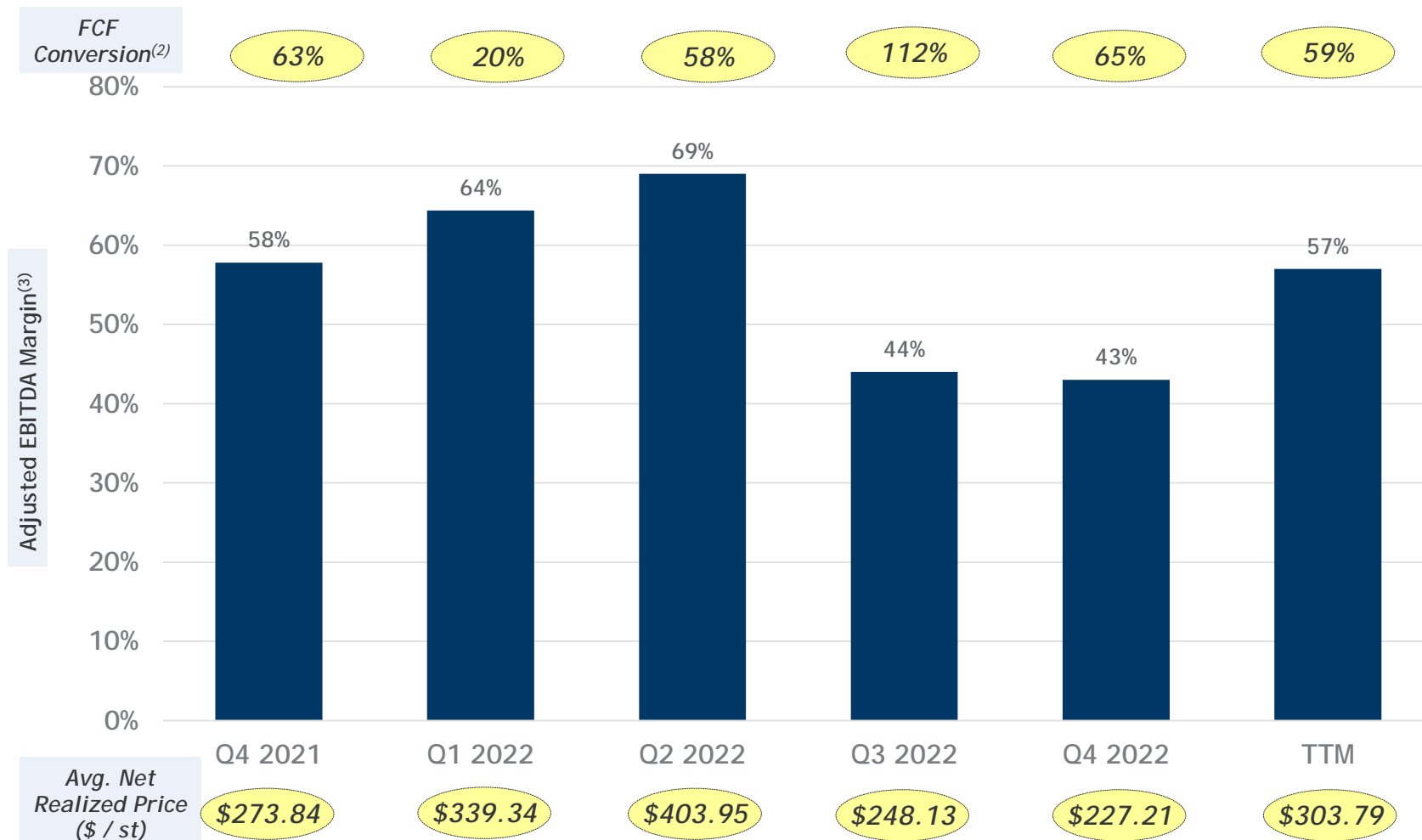
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# Generated Significant Free Cash Flow\* on Strong Conversion of Adjusted EBITDA\* Margins<sup>(1)</sup>



\*See "Non-GAAP Financial Measures".

"St" means short ton

(1) Adj. EBITDA\* margin is defined as Adjusted EBITDA\* divided by total revenue

(2) Free cash flow conversion\* is defined as free cash flow\* divided by Adjusted EBITDA\*



# Leverage and Liquidity Ratio

## Financial Metrics (\$ in millions except ratios)

### Leverage (for the year ended December 31, 2022)

Adjusted EBITDA*	\$ 994.2
Consolidated Net Cash* <sup>(1)</sup>	\$ (493.8)
<b>Net Leverage Ratio<sup>(2)</sup></b>	<b>(0.50x)</b>

### Liquidity (as of December 31, 2022)

Cash and Cash Equivalents	\$ 829.5
Asset-Based Revolving Credit Agreement Availability <sup>(3)</sup>	\$ 123.3
<b>Total Liquidity</b>	<b>\$ 952.8</b>

\*See "Non-GAAP Financial Measures".

(1) Calculated as of December 31, 2022, and represents total long-term debt of \$302.6 million, plus financing lease obligations of \$33.1 million, less cash and cash equivalents of \$829.5 million.

(2) Represents consolidated net cash of (\$493.8) million divided by Adjusted EBITDA for the year ended December 31, 2022 of \$994.2 million.

(3) Net of outstanding letters of credit of \$8.7 million.

# Breaking Down Warrior's 2022 Capital Expenditures

## 2022 Capex Guidance

(\$ in millions)	Low	High
Production (Mst <sup>(5)</sup> )	5.8	6.3
Capex		
Sustaining <sup>(1)</sup>	\$75	\$80
Discretionary	110	120
<b>Total Capex</b>	<b>\$185</b>	<b>\$200</b>

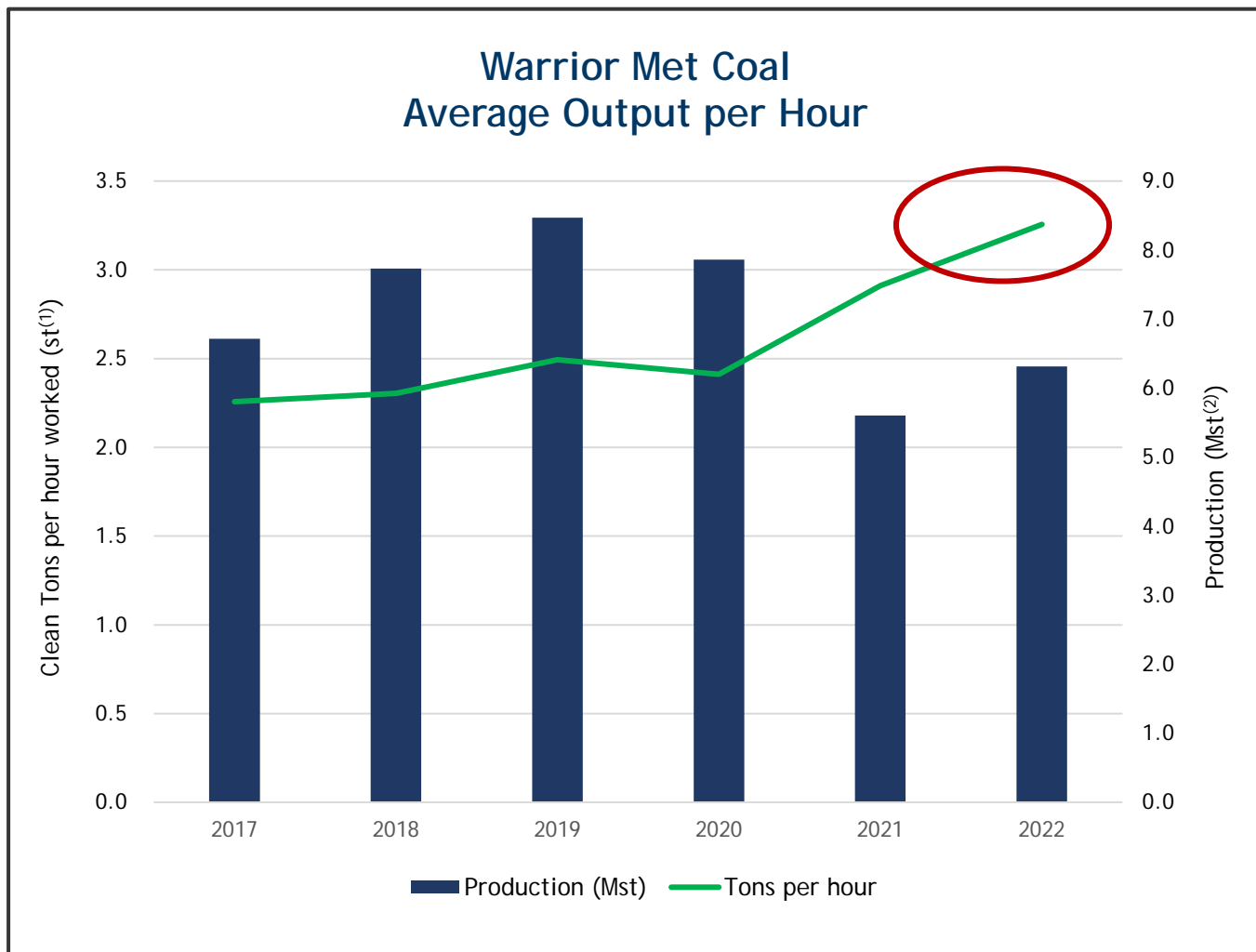
- Approximately \$105 million to be spent on longwall shields through 2023
- 4 North expected to be completed 2023
- Approximately \$700 million to be spent on Blue Creek through 2028

## 2022 Capex Guidance Detail versus Actual

(\$ in millions)	Guidance	QTD Actuals	YTD Actuals
	High End	Q4 2022	Q4 2022
Sustaining <sup>(1)</sup>			
Mines	\$75	\$36	\$75
Gas operations	5	2	7
<b>Total Sustaining<sup>(1)</sup></b>	<b>\$80</b>	<b>\$38</b>	<b>\$82</b>
Discretionary			
Blue Creek <sup>(2)</sup>	\$45	\$27	\$47
Longwall Shields	50	7	55
4 North <sup>(3)</sup>	25	10	16
Other <sup>(4)</sup>	-	3	5
<b>Total Discretionary</b>	<b>\$120</b>	<b>\$47</b>	<b>\$123</b>
<b>Total</b>	<b>\$200</b>	<b>\$85</b>	<b>\$205</b>

- (1) Sustaining capital expenditures inclusive of gas business spending.
- (2) Represents development of Blue Creek slope, shaft and overland conveyor belt
- (3) Primarily includes Mine 4 North bath house, bunker and surface equipment
- (4) Represents non-mining related capital expenditures
- (5) Mst means million short tons

# Workforce Productivity Consistently Achieving New Highs



## Efficiency and Effectiveness

- In 2022, consolidated average hourly output was an all-time high of 3.26st
- Mine 7 average hourly output was an all-time high of 3.47st
- Mine 4 average hourly output was an all-time high of 2.74st
- The efficiencies are primarily due to well capitalized mining operations and reevaluating and modifying work schedules

Source: Company information and Mine Safety and Health Administration (MSHA) data  
 Note: 1 short ton is equivalent to 0.907185 metric tons.

# Strong Track Record and Continued Focus on Safety

## Total Reportable Incident Rate

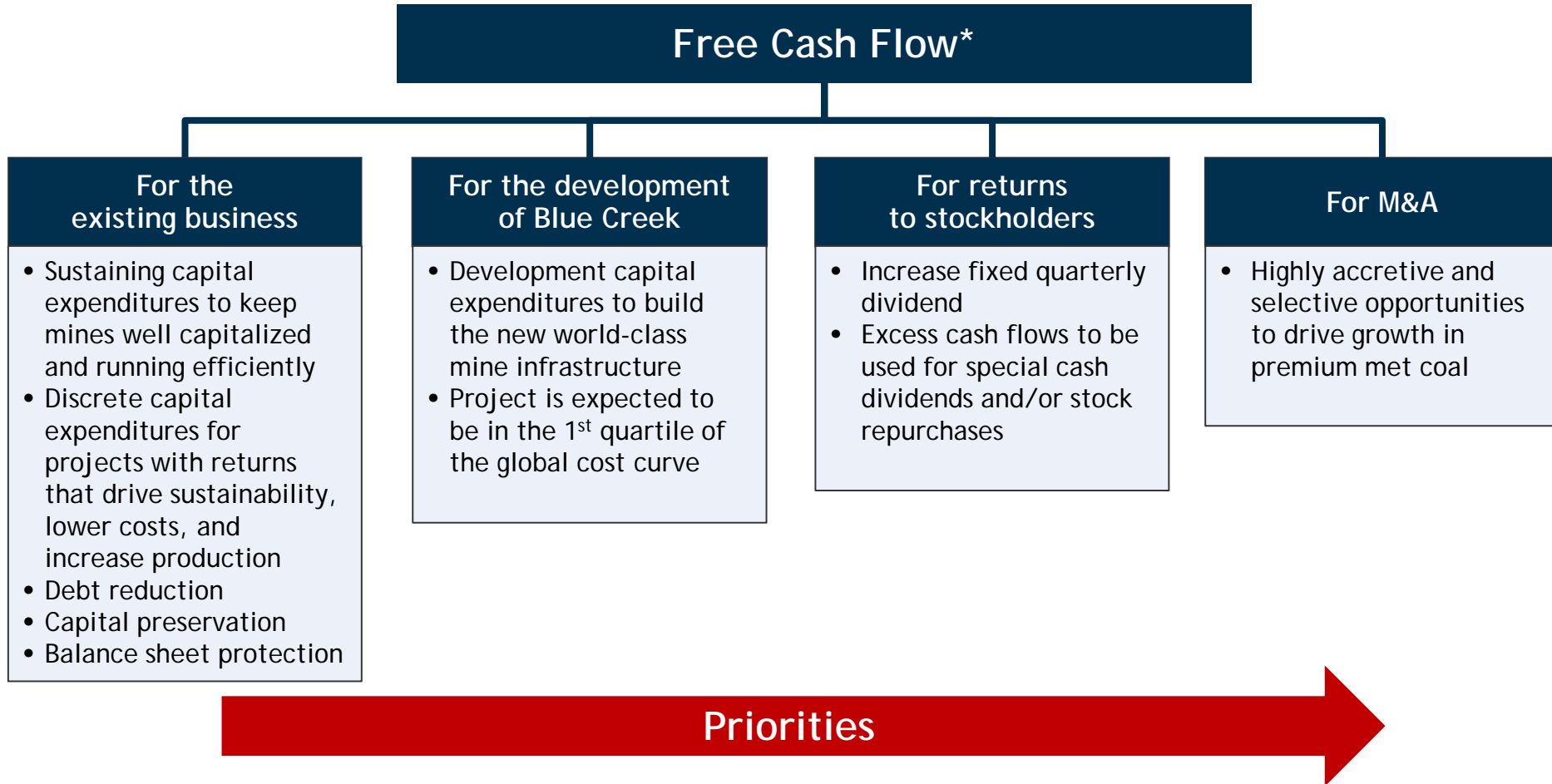
	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
Tons produced (000s St <sup>(3)</sup> )	8,470	7,862	5,605	6,315,
<i>Annual % increase/(decrease)</i>	<i>10%</i>	<i>(7%)</i>	<i>(29%)</i>	<i>(29%)</i>
Mine 4	2.43	3.94	0.93	2.05
Mine 7	2.23	3.06	1.34	1.61
<b>Total Company</b>	<b>2.30</b>	<b>3.36</b>	<b>1.25</b>	<b>1.74</b>
Industry Average <sup>(1)</sup>	4.73	4.40	4.77	4.68 <sup>(2)</sup>
<b>% higher/(lower) vs. national rate</b>	<b>(51.3%)</b>	<b>(23.7%)</b>	<b>(73.6%)</b>	<b>(62.8%)</b>

## Safety

- Superior safety record compared to the industry average
- Focus on safety managed through a rigorous training program
- As production and man hours increased in 2022, we saw a slight increase in the reportable incident rate



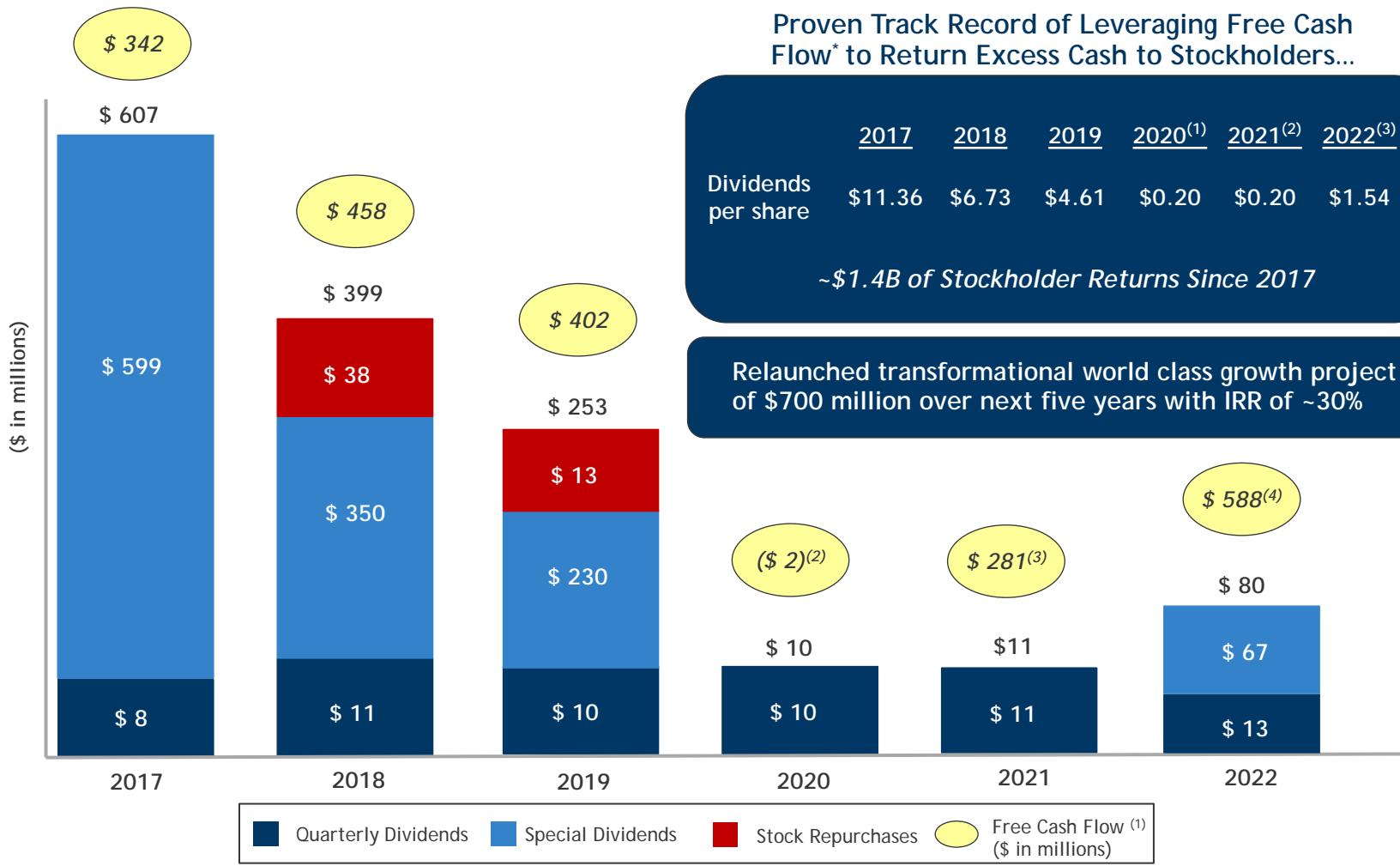
# Capital Allocation: Balancing Capital Investments for Medium to Long-Term Growth with Near-Term Returns to Stockholders



\*See "Non-GAAP Financial Measures".

# Warrior Remains Committed to Stockholder Returns and Maximizing Stockholder Value

Proven Track Record of Leveraging Free Cash Flow\* to Return Excess Cash to Stockholders...



	2017	2018	2019	2020 <sup>(1)</sup>	2021 <sup>(2)</sup>	2022 <sup>(3)</sup>
Dividends per share	\$11.36	\$6.73	\$4.61	\$0.20	\$0.20	\$1.54

~\$1.4B of Stockholder Returns Since 2017

Relaunched transformational world class growth project of \$700 million over next five years with IRR of ~30%

\*See "Non-GAAP Financial Measures".

(1) No special dividends distributed or stock repurchased in 2020 due to the impacts of COVID-19 on the steel industry.

(2) No special dividends distributed or stock repurchased in 2021 due to the labor strike and ongoing impacts of COVID-19

(3) Relaunched transformational world class growth project of \$700 million over next five years with IRR of ~30%



# 2023 Full Year Guidance

	<u>Full Year Guidance</u>
Coal Sales	6.6 - 7.2 Mst
Coal Production	6.3 - 6.9 Mst
Cash Cost of Sales (Free-on-Board Port)*	\$109 - \$125 per St
Capital Expenditures for Existing Mines	\$95 - \$105mm
Blue Creek Project and Other Discretionary Capital	\$325 - \$345mm
Mine Development	\$10 - \$14mm
S,G&A	\$42 - \$48mm
Interest Expense, net	\$5 - \$10mm
Tax Rate	18 - 20%

\*See "Non-GAAP Financial Measures". The Company does not provide reconciliations of its outlook for cash cost of sales (free-on-board port) to cost of sales in reliance on the unreasonable efforts exception provided for under Rule 100(a)(2) of Regulation G. The Company is unable, without unreasonable efforts, to forecast certain items required to develop the meaningful comparable GAAP cost of sales. These items typically included non-cash asset retirement obligation accretion expenses and other non-recurring indirect mining expenses that are difficult to predict in advance in order to include a GAAP estimate.

1 short ton is equivalent to 0.907185 metric tons.





# Project Updates



## 4 North Construction Update

- 4 North construction activities were restarted in Q1 2022
  - Bunker excavation and construction work is expected to be completed in 2023
  - The bleeder shaft and intake shaft are expected to be completed in the first half of 2023.
  - The water system upgrade and the emulsion system for longwall hydraulics is also expected to be completed by the end of the second quarter of 2023.



### 4 North Project Spending Forecast (\$mm)

2018A	2019A	2020A	2021A	2022A	2023F	2024F	Total
7.1	13.7	24.7	12.7	15.8	18.8	3.5	96.3



# 4 North Portal General Layout



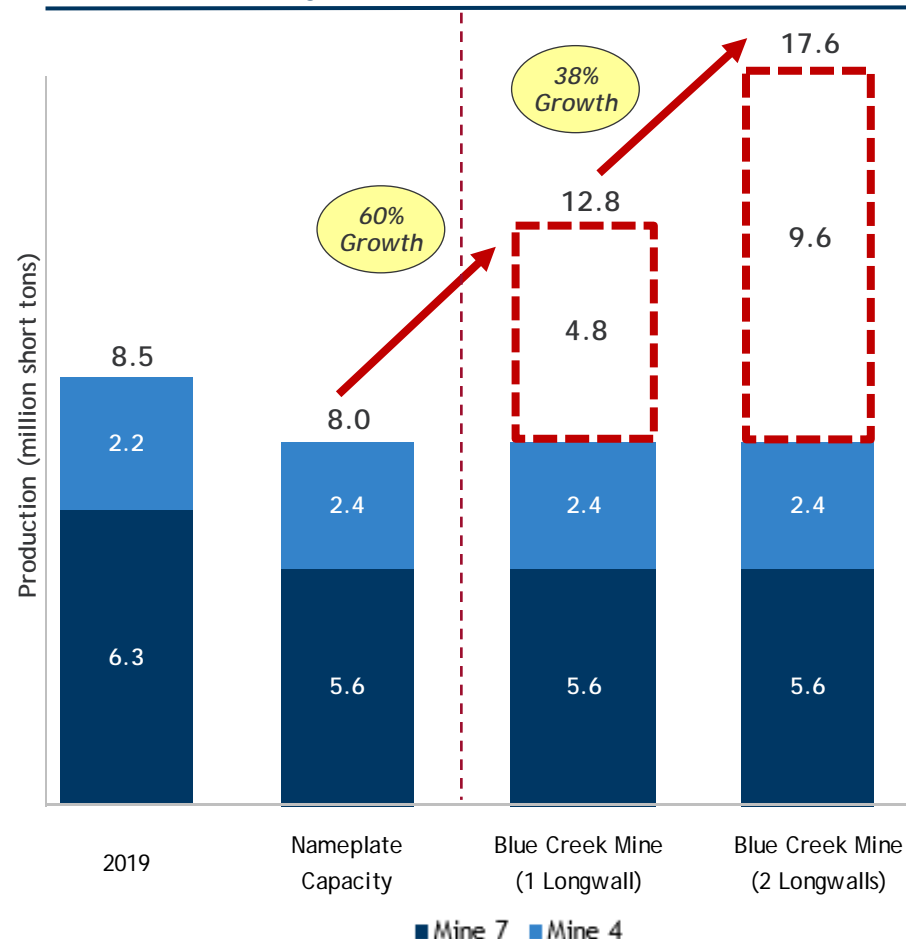
# World-Class Blue Creek Project with High-Return for Growth Under Development

- 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 159 million St 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](http://www.warriormetcoal.com).

## Illustrative Returns Across Range of HCC Prices <sup>(1)</sup>

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

## Significant Growth Potential



<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

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

# Blue Creek Construction Update - Slope Site



# Blue Creek Construction Update - Portal Facility



# Blue Creek Progress Update

## 1 Project Stages

- Permitting Activities
- General surface construction (ponds, roads, etc.)
- Slope construction
- Service shaft and hoist

ON TRACK

## 2 Project Timeline

- Q3 2024 Continuous Mine Start
- Q2 2026 Longwall Start

ON TRACK

## 3 Capital Spending vs. Budget (\$mm's)

	QTD <u>Q4 2022</u>	YTD <u>Q4 2022</u>	Project to date <u>Q4 2022</u>
Capital Spend	\$ 27	\$ 47	\$ 47
Budget	19	47	47
Over/(Under) Budget	\$ 8	\$ -	\$ -

ON TRACK

# Appendix

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# Appendix

	For the three months ended December 31, 2022 (Unaudited)		For the three months ended December 31, 2021 (Unaudited)	
	Short Tons	Metric Tons	Short Tons	Metric Tons
Tons sold (in 000s)	1,452	1,317	1,449	1,314
Tons produced (in 000s)	1,468	1,332	1,108	1,006
Average net selling price per ton	\$227.21	\$250.50	\$273.84	\$301.97
Cash cost of sales (free-on-board port) per ton*	\$123.40	\$136.05	\$105.80	\$116.67

# Appendix

	For the year ended December 31, 2022 (Unaudited)		For the year ended December 31, 2021 (Unaudited)	
	Short Tons	Metric Tons	Short Tons	Metric Tons
Tons sold (in 000s)	5,621	5,099	6,282	5,699
Tons produced (in 000s)	6,315	5,729	5,604	5,084
Average net selling price per ton	\$303.79	\$334.89	\$163.69	\$180.43
Cash cost of sales (free-on-board port) per ton*	\$125.50	\$138.35	\$87.48	\$96.43

# Appendix

## Non-GAAP Financial Measures

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

<i>(in thousands)</i>	For the three months ended December 31, (Unaudited)		For the years ended December 31, (Unaudited)	
	2022	2021	2022	2021
Net income	\$ 99,654	\$ 138,490	\$ 641,298	\$ 150,881
Interest (income) expense, net	(1,711)	9,435	18,995	35,389
Income tax expense	19,665	26,657	141,806	49,096
Depreciation and depletion	28,306	39,397	115,279	141,418
Asset retirement obligation accretion and valuation adjustments	(725)	1,011	1,941	3,427
Stock compensation expense	3,371	607	17,621	9,370
Other non-cash accretion and valuation adjustments	(6,386)	800	(5,344)	1,881
Mark-to-market (gain) loss on gas hedges	—	(7,066)	27,708	1,595
Loss on early extinguishment of debt	—	9,678	—	9,678
Business interruption	3,371	7,480	23,455	21,372
Idle mine	1,996	13,696	12,137	33,899
Other income	—	—	(675)	(998)
<b>Adjusted EBITDA</b>	<b>\$ 147,541</b>	<b>\$ 240,185</b>	<b>\$ 994,221</b>	<b>\$ 457,008</b>
Total revenues	\$ 344,750	\$ 415,545	\$ 1,738,738	\$ 1,059,216
<b>Adjusted EBITDA margin<sup>(1)</sup></b>	<b>42.8%</b>	<b>57.8%</b>	<b>57.2%</b>	<b>43.1%</b>

<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

<i>(in thousands)</i>	For the three months ended December 31, (Unaudited)		For the years ended December 31, (Unaudited)	
	2022	2021	2022	2021
Net cash provided by operating activities	\$ 194,994	\$ 174,713	\$ 841,904	\$ 351,543
Purchases of property, plant and equipment and mine development costs	(98,465)	(23,744)	(254,177)	(71,355)
Free cash flow	<u>\$ 96,529</u>	<u>\$ 150,969</u>	<u>\$ 587,727</u>	<u>\$ 280,188</u>
Adjusted EBITDA	\$ 147,541	\$ 240,185	\$ 994,221	\$ 457,008
Free cash flow conversion <sup>(1)</sup>	65.4%	62.9%	59.1%	61.3%

<sup>(1)</sup> 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

<i>(in thousands)</i>	For the three months ended December 31, (Unaudited)		For the years ended December 31, (Unaudited)	
	2022	2021	2022	2021
Net income	\$ 99,654	\$ 138,490	\$ 641,298	\$ 150,881
Alabama state income tax valuation allowance	—	—	—	24,965
Asset retirement obligation valuation adjustments, net of tax	(572)	150	1,530	150
Other non-cash valuation adjustments, net of tax	(5,035)	347	(4,214)	347
Business interruption, net of tax	2,658	5,898	18,494	16,852
Idle mine, net of tax	1,574	10,799	9,570	26,729
Loss on early extinguishment of debt, net of tax	—	7,631	—	7,631
Incremental stock compensation expense, net of tax	—	—	—	960
Other income, net of tax	—	—	(532)	(820)
<b>Adjusted net income</b>	<b>\$ 98,279</b>	<b>\$ 163,315</b>	<b>\$ 666,146</b>	<b>\$ 227,695</b>
Weighted average number of diluted shares outstanding	51,760	51,580	51,715	51,445
Adjusted diluted net income per share:	\$1.90	\$3.17	\$12.88	\$4.43

# Appendix

## Non-GAAP Financial Measures

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

<i>(in thousands)</i>	For the three months ended December 31, (Unaudited)		For the years ended December 31, (Unaudited)	
	2022	2021	2022	2021
Cost of sales	\$ 180,736	\$ 155,194	\$ 710,605	\$ 554,282
Asset retirement obligation accretion and valuation adjustments	(321)	(1,506)	(1,801)	(2,802)
Stock compensation expense	(1,243)	(380)	(3,379)	(1,917)
Cash cost of sales (free-on-board port)	<u>\$ 179,172</u>	<u>\$ 153,308</u>	<u>\$ 705,425</u>	<u>\$ 549,563</u>