Warrior Met Coal

Fourth Quarter 2017 Results
February 14, 2018

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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, including statements regarding 2018 guidance, sales and production growth, ability to maintain cost structure, demand, the future direction of prices, expected capital expenditures and future effective income tax rates. 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 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 initiate a stock repurchase program; 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 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 filings with the U.S. Securities and Exchange Commission ("SEC"), including its Form 10-K for the year ended December 31, 2017 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.

2017 Achievements

- ✓ Successful Initial Public Offering and NYSE listing under ticker symbol “HCC”
- ✓ Strong operational and financial performance
- ✓ Met or exceeded the Company’s guidance targets
- ✓ Adoption of capital allocation policy
- ✓ Initiation of regular $0.05 quarterly dividend
- ✓ Paid $797 million ($14.92 per share) in special dividends to shareholders
- ✓ Successfully tapped capital markets for $350 million of 8% Senior Secured Notes due 2024
- ✓ Management initiative to maximize value of Company’s tax assets
- ✓ Obtained favorable Internal Revenue Service Private Letter Ruling on unlimited use of Net Operating Losses (“NOLs”)
- ✓ Cash tax savings of approximately $123 million, or $2.33, per diluted share
- ✓ Recognized $39 million receivable for Alternative Minimum Tax Credits
- ✓ Successful completion of 4 longwall operation moves (3 in Q4’17)

Note: The industry benchmark price was replaced in the second quarter by a new average index pricing methodology, which varies by supplier, but was based on three month average of the Platts premium low-volatile index, the Steel Index (“TSI”) premium coking coal index and the Argus Index on a one month lag during each quarter (the "Australian LV Index").

Sales and Production in Q4 2017

Q4 2017	
Tons produced (in 000s Short tons ("St"))	1,573
Tons sold (in 000s St)	1,355
Gross price realization (1)	101%
Average net selling price (per St)	$168.89
Revenue	$239.8 million
Net income	$97.2 million
Cash cost of sales (per St)*	$100.97
Adjusted EBITDA*	$86.3 million
Adjusted Net income*	$97.2 million
EPS/Adjusted EPS*	$1.83

FULL YEAR 2017	
Tons produced (in 000s St)	6,714
Tons sold (in 000s St)	6,527
Gross price realization (1)	96%
Average net selling price (per St)	$172.31
Revenue	$1.2 billion
Net income	$455.0 million
Cash cost of sales (per St)*	$90.58
Adjusted EBITDA*	$517.7 million
Adjusted Net income*	$467.9 million
EPS/Adjusted EPS*	$8.62 / $8.86

*See "Non-GAAP Financial Measures".
1 short ton is equivalent to 0.907185 metric tons.
(1) Gross price realization represents gross sales, excluding demurrage and other charges, divided by tons sold as a percentage of the Australian LV Index. The gross price realization for the year ended December 31, 2017 is based on a volume weighted average of the Australian LV Index.

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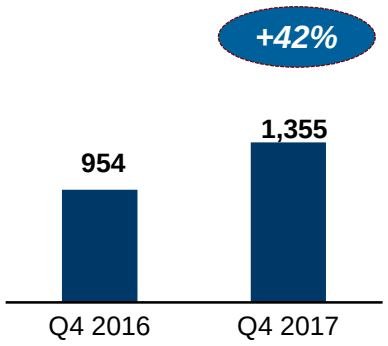
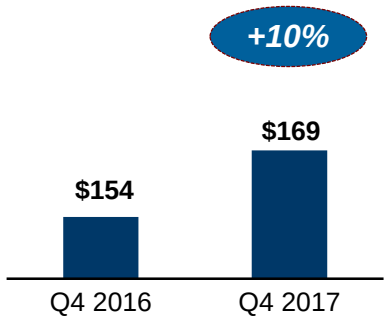
Strong Performance Across Key Metrics in Q4 2017

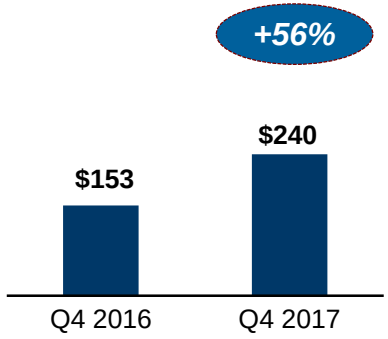
Sales Volume (St in 000s)
Q4 2016 vs. Q4 2017



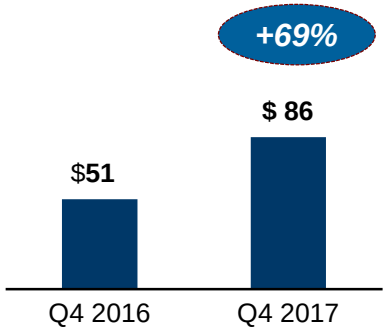
Average Net Selling Price ($/St)
Q4 2016 vs. Q4 2017



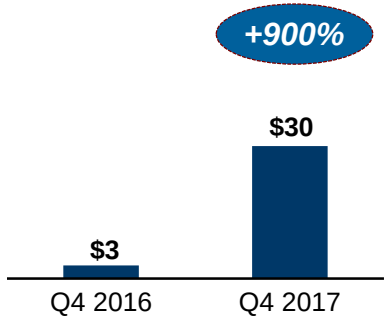
Revenue ($ in millions)
Q4 2016 vs. Q4 2017



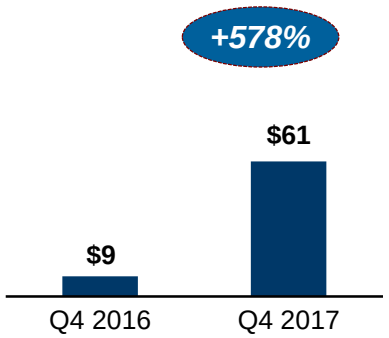
Adjusted EBITDA* ($ in millions)
Q4 2016 vs. Q4 2017



Capital Expenditures[1] ($ in millions)
Q4 2016 vs. Q4 2017



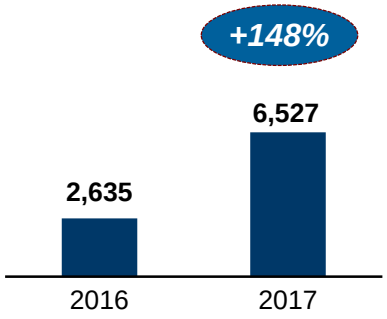
Free Cash Flow* ($ in millions)
Q4 2016 vs. Q4 2017



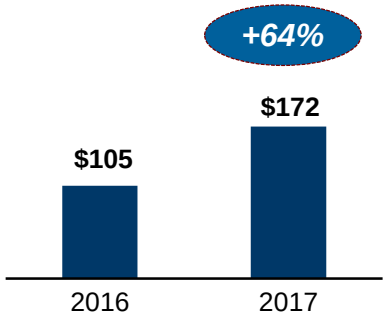
*See "Non-GAAP Financial Measures".
1 short ton is equivalent to 0.907185 metric tons.
(1) Represents cash capital expenditures and excludes non-cash capital accruals and capital leases of approximately $15 million.

Strong Performance Across Key Metrics in Full Year 2017

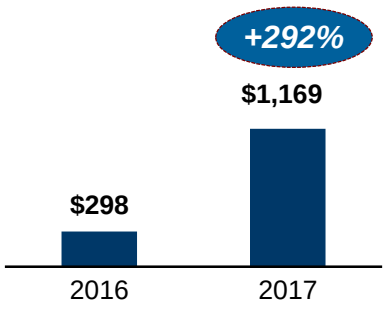
Sales Volume (St in 000s)
2016(1) vs. 2017(2)



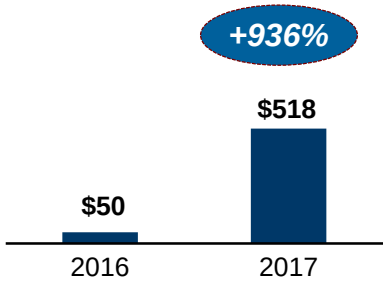
Average Net Selling Price ($/St)
2016(1) vs. 2017(2)



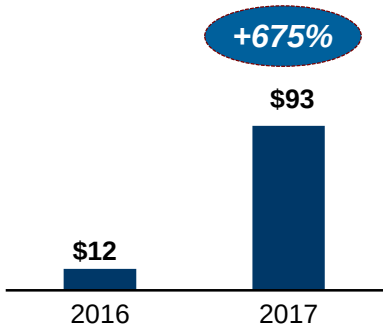
Revenue ($ in millions)
2016(1) vs. 2017(2)



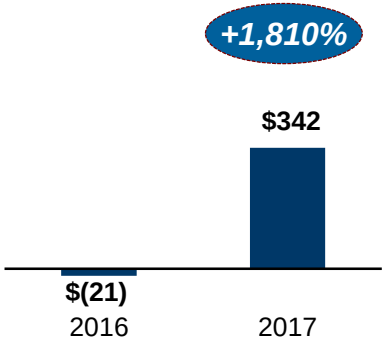
Adjusted EBITDA* ($ in millions)
2016(1) vs. 2017(2)



Capital Expenditures(3) ($ in millions)
2016(1) vs. 2017(2)



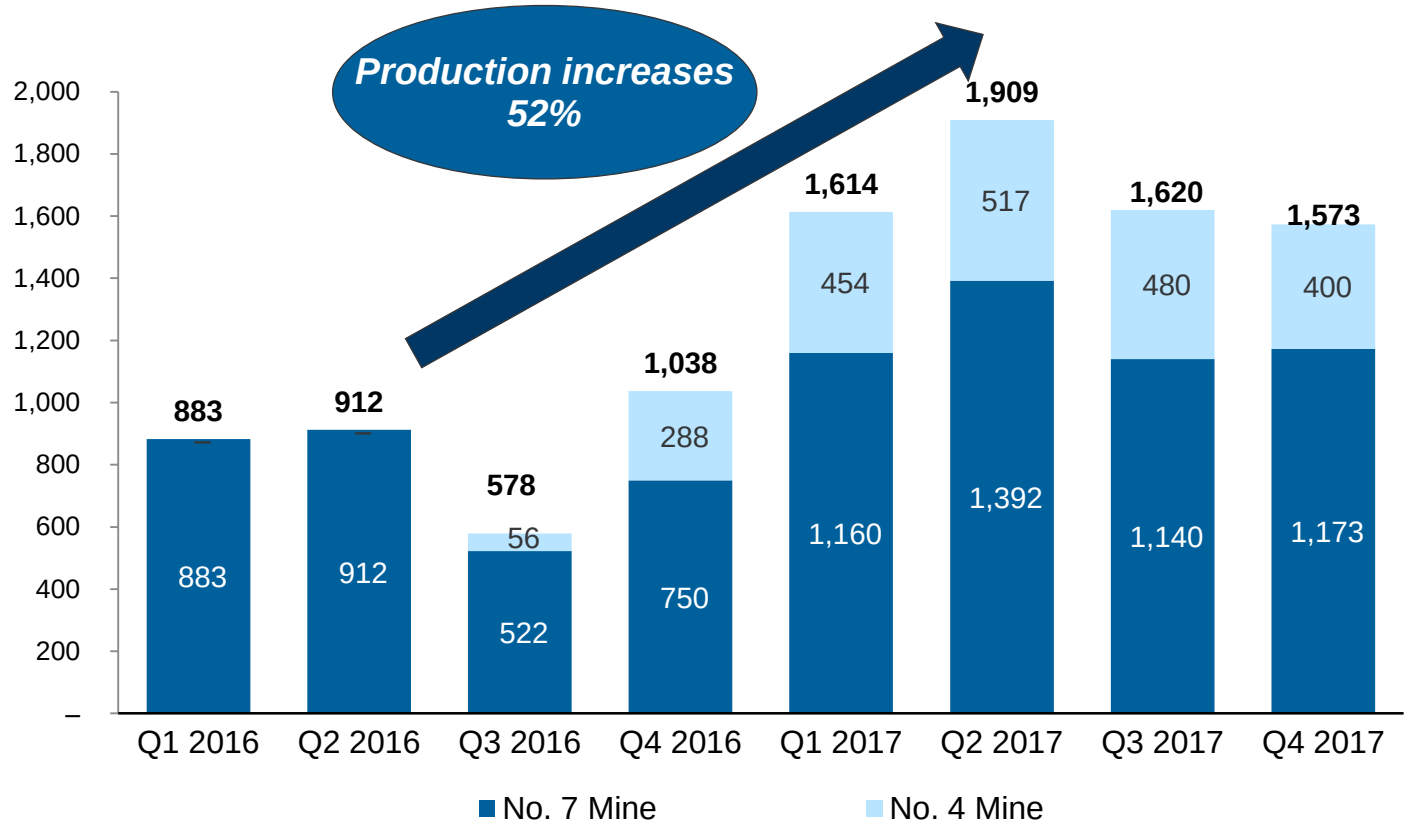
Free Cash Flow* ($ in millions)
2016(1) vs. 2017(2)



*See "Non-GAAP Financial Measures".
1 short ton is equivalent to 0.907185 metric tons.
(1) Represents the nine months ended December 31, 2016 (Successor).
(2) Represents the twelve months ended December 31, 2017 (Successor).
(3) Represents cash capital expenditures and excludes non-cash capital accruals and capital leases of approximately $15 million.

Production Ramp Up Continues

(thousand short tons)



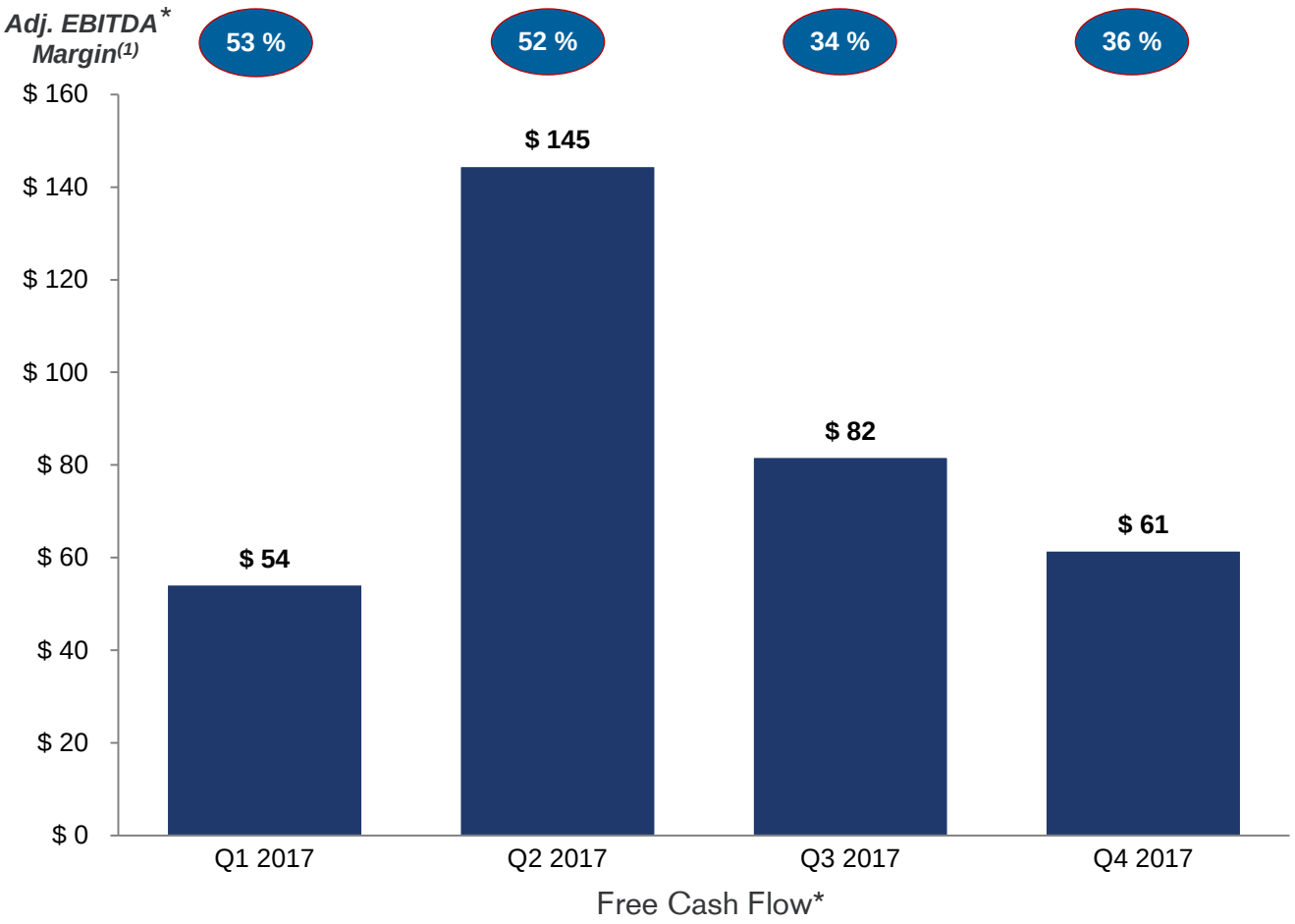
Q4'17 Achievements

- Q4'17 production 52% higher than Q4'16
- Q4'17 production only marginally lower than Q3'17 despite completion of 3 longwall moves
- Completed 3 longwall moves back-to-back in Q4'17
- Addition of 1 CM section in Q4'17 where the associated employees were added in late Q3'17

1 short ton is equivalent to 0.907185 metric tons.

Generated Significant Cash Flow with Strong Margins in 2017

Free Cash Flow* ($ in millions)



2017 Achievements

- Q4'17 Free Cash Flow* of $61 million, which is $52 million higher than in Q4'16
- Completed 3 longwall moves back to back while maintaining a 36% Adjusted EBITDA* Margin
- Free Cash Flow* for the full year 2017 was $342 million
- Adj. EBITDA* Margin(1) for the full year 2017 was 44%

*See "Non-GAAP Financial Measures".
(1) Adj. EBITDA* divided by Total Revenue.

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Looking Forward: 2018 Guidance

- On Track to Building Shareholder Value in 2018
- After three longwall moves in Q4'17, the Company is well positioned heading into 2018 to generate strong cash flows
- Coal sales of 6.6 – 7.2 million St
- Coal production of 6.6 – 7.2 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 $30 - $33 million
- Interest expense of $31 - $32 million
- Cash tax rate of 0%

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

Appendix

Appendix

	For the three months ended December 31, 2017 (Unaudited)		For the three months ended December 31, 2016 (Unaudited)	
	Short Tons	Metric Tons	Short Tons	Metric Tons
Tons sold (in 000s)	1,355	1,229	954	865
Tons produced (in 000s)	1,573	1,427	1,038	942
Gross price realization [1]	101%	101%	88%	88%
Average net selling price	$168.89	$186.20	$153.82	$169.65
Quarterly HCC benchmark/index price [2]	$173.90	$191.69	$181.44	$200.00
Cash cost of sales (free-on-board port)* per ton	$100.97	$111.33	$83.94	$92.57

[1] Gross price realization represents gross sales, excluding demurrage and other charges, divided by tons sold as a percentage of the Australian LV Index.
[2] Beginning in the second quarter of 2017, a quarterly benchmark for hard coking coal was not set and was replaced with the Australian LV Index.
*See "Non-GAAP Financial Measures".
1 short ton is equivalent to 0.907185 metric tons.

Appendix

The table below compares certain operating statistics for us on a "Successor" and "Predecessor" basis. Successor is Warrior Met Coal, Inc. ("Warrior") and Predecessor is the business acquired by Warrior from Walter Energy, Inc.	Successor		Successor		Predecessor	
	For the year ended December 31, 2017		For the nine months ended December 31, 2016		For the three months ended March 31, 2016	
	Short Tons	Metric Tons	Short Tons	Metric Tons	Short Tons	Metric Tons
Tons sold (in 000s)	6,527	5,921	2,635	2,391	856	777
Tons produced (in 000s)	6,714	6,091	2,529	2,294	883	801
Gross price realization [1]	96%	96%	92%	92%	104%	104%
Average net selling price [2]	$172.31	$189.94	$104.96	$115.67	$76.11	$83.85
HCC benchmark/index price [3]	$190.63	$210.14	$113.85	$125.50	$73.50	$81.00
Cash cost of sales (free-on-board port)* per ton	$90.58	$99.86	$75.17	$82.84	$63.30	$69.74

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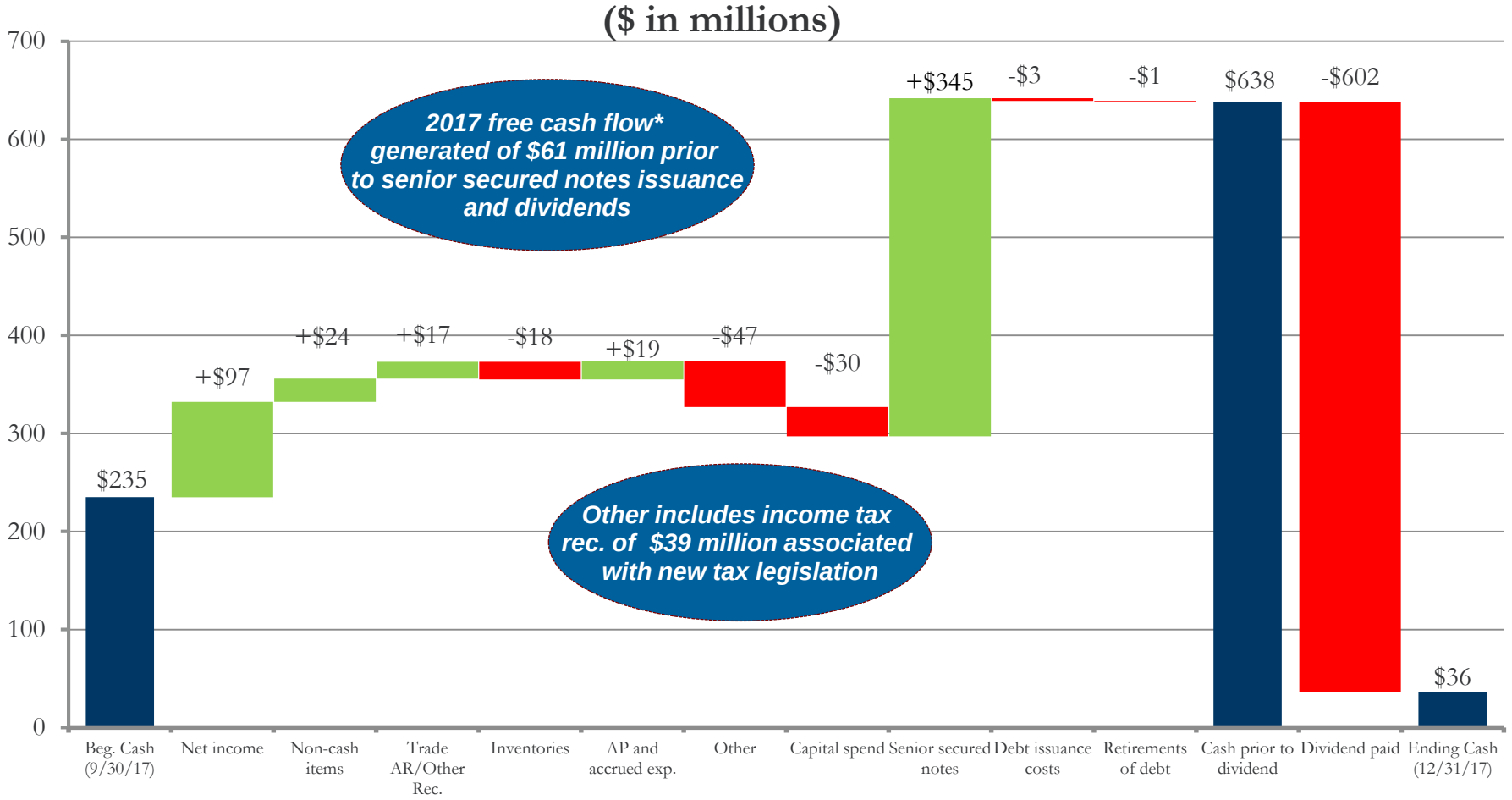
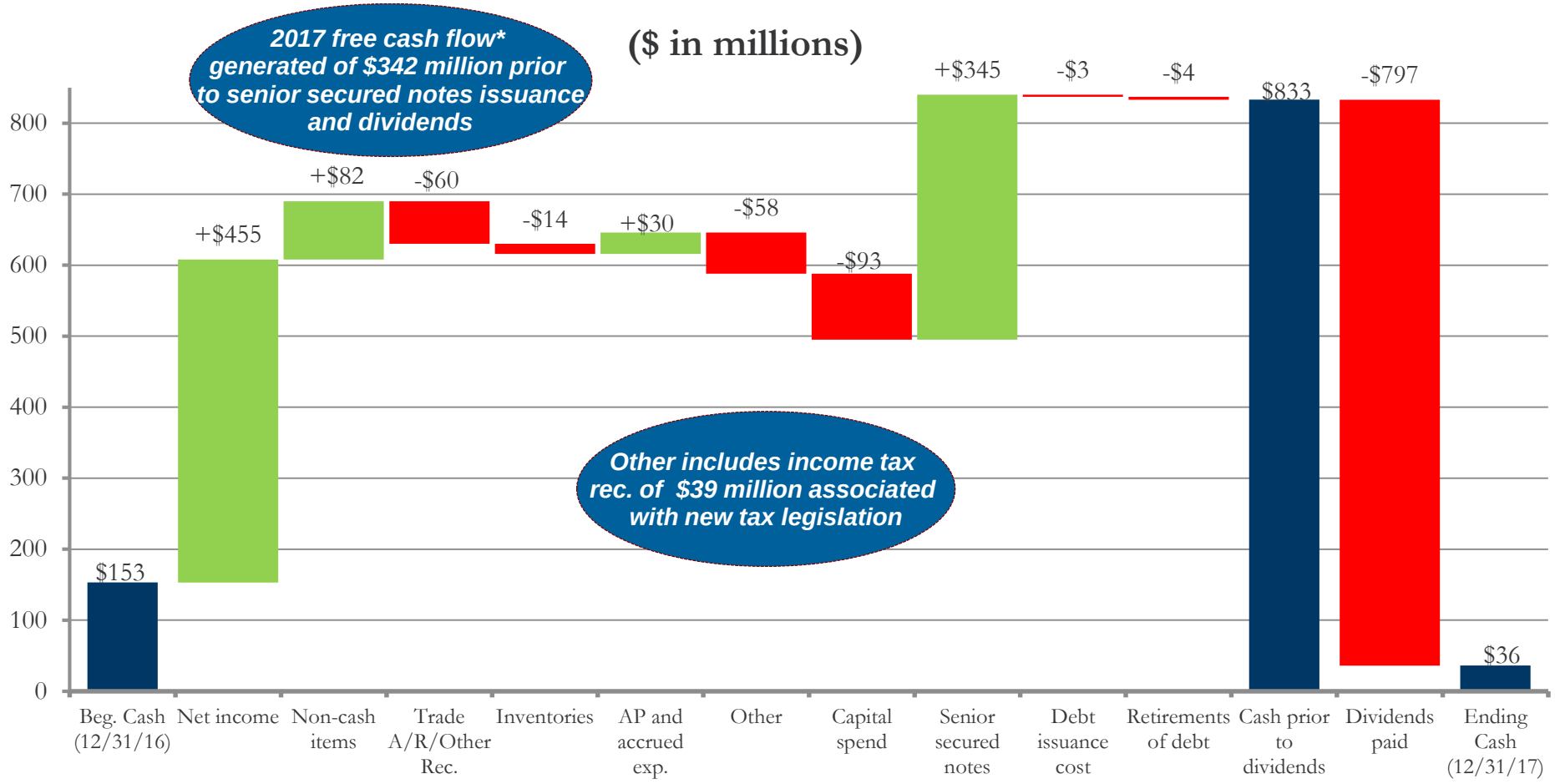
[1] Gross price realization represents gross sales, excluding demurrage and other charges, divided by tons sold as a percentage of the Australian LV Index price. The gross price realization for the year ended December 31, 2017 is based on a volume weighted average of the Australian LV Index and the nine months ended December 31, 2016 is based on a volume weighted average of the Australian HCC Benchmark.
[2] The average net selling price for the year ended December 31, 2017 is the simple average of the price for the three months ended March 31, 2017, the three months ended June 30, 2017, the three months ended September 30, 2017 and the three months ended December 31, 2017. The average net selling price for the nine months ended December 31, 2016 is the simple average of the price for the three months ended June 30, 2016, the three months ended September 30, 2016 and the three months ended December 31, 2016.
[3] Beginning in the second quarter of 2017, a quarterly benchmark for hard coking coal was not set and was replaced with the Australian LV Index.
*See "Non-GAAP Financial Measures".
1 short ton is equivalent to 0.907185 metric tons.

Appendix:
Generated Significant Cash Flow (Q4 2017)



*See "Non-GAAP Financial Measures".

Appendix:
Generated Significant Cash Flow (Full Year 2017)



*See "Non-GAAP Financial Measures".