



# Investor Presentation

August 2021

Forward Looking Statements

This document includes forward-looking statements. These forward-looking statements are based on Alpha's expectations and beliefs concerning future events and involve risks and uncertainties that may cause actual results to differ materially from current expectations. These factors are difficult to predict accurately and may be beyond Alpha's control.

The following factors are among those that may cause actual results to differ materially from our forward-looking statements:

- the effects of the COVID-19 pandemic on our operations and the world economy;
- the financial performance of the company;
- our liquidity, results of operations and financial condition;
- our ability to generate sufficient cash or obtain financing to fund our business operations;
- depressed levels or declines in coal prices;
- worldwide market demand for coal, steel, and electricity, including demand for U.S. coal exports, and competition in coal markets;
- our ability to obtain financing and other services, and the form and degree of these services available to us, which may be significantly limited by the lending, investment and similar policies of financial institutions and insurance companies regarding carbon energy producers and the environmental impacts of coal combustion;
- our ability to meet collateral requirements;
- the imposition or continuation of barriers to trade, such as tariffs:
- reductions or increases in customer coal inventories and the timing of those changes;
- our production capabilities and costs;
- inherent risks of coal mining beyond our control;
- changes in, interpretations of, or implementations of domestic or international tax or other laws and regulations, including the Tax Cuts and Jobs Act and its related regulations;
- changes in domestic or international environmental laws and regulations, and court decisions, including those directly affecting our coal mining and production, and those affecting our customers' coal usage, including potential climate change initiatives;
- our ability to self-insure certain of our black lung obligations without a significant increase in required collateral;
- our relationships with, and other conditions affecting, our customers, including the inability to collect payments from our customers if their creditworthiness declines;
- changes in, renewal or acquisition of, terms of and performance of customers under coal supply arrangements and the refusal by our customers to receive coal under agreed contract terms;
- our ability to obtain, maintain or renew any necessary permits or rights, and our ability to mine properties due to defects in title on leasehold interests;
- attracting and retaining key personnel and other employee workforce factors, such as labor relations:
- funding for and changes in employee benefit obligations:
- cybersecurity attacks or failures, threats to physical security, extreme weather conditions or other natural disasters;
- reclamation and mine closure obligations;
- utilities switching to alternative energy sources such as natural gas, renewables and coal from basins where we do not operate;
- our assumptions concerning economically recoverable coal reserve estimates;
- disruptions in delivery or changes in pricing from third party vendors of key equipment and materials that are necessary for our operations, such as diesel fuel, steel products, explosives, tires and purchased coal;
- failures in performance, or non-performance, of services by third-party contractors, including contract mining and reclamation contractors;
- inflationary pressures on supplies and labor and significant or rapid increases in commodity prices;
- railroad, barge, truck and other transportation availability, performance and costs;
- disruption in third party coal supplies;
- the consummation of financing or refinancing transactions, acquisitions or dispositions and the related effects on our business and financial position;
- our indebtedness and potential future indebtedness; and
- our ability to obtain or renew surety bonds on acceptable terms or maintain our current bonding status.

Forward-looking statements in this document or elsewhere speak only as of the date made. New uncertainties and risks arise from time to time, and it is impossible for Alpha to predict these events or how they may affect Alpha. Except as required by law, Alpha has no duty to, and does not intend to, update or revise the forward-looking statements in this document or elsewhere. In light of these risks and uncertainties, investors should keep in mind that results, events or developments discussed in any forward-looking statement made in this document may not occur.

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## **Table of Contents**

Vision, Execution & Leadership	4
Company Overview – Alpha Advantages	11
Operations Update – Significant Cost Improvements	17
Market Analysis – Macro Environment Trending Positive	21
Conclusion: Alpha Well-Positioned for the Future	25
Appendix	27







Vision, Execution & Leadership

## Alpha Investment Thesis

Levered to a market turn-around with scale, strategic asset base and cost position Leading management team to take advantage of Alpha's key strengths and proactively meet sector dynamics Favorable asset and market position with majority DTA ownership and ability to blend to meet precise customer demand

Strategic exit from thermal market nearly complete with the last pure thermal mine expected to close at the end of 2022

## **Investment Highlights**

- 1 Largest and Most Diverse Metallurgical Coal Producer in U.S.
- Portfolio of Long-Lived Mines and Substantial Organic Reserve Growth Opportunities
- 3 Operational Excellence: Cost Reductions, Safety, Environmental
- 4 Advantaged Sales & Logistics Platform Serving Both Domestic and International Markets



## **Accomplishments and Continued Success**

Over the last several quarters, Alpha has executed on its stated goals and transformed the organization into a stronger company. These actions include the following accomplishments:

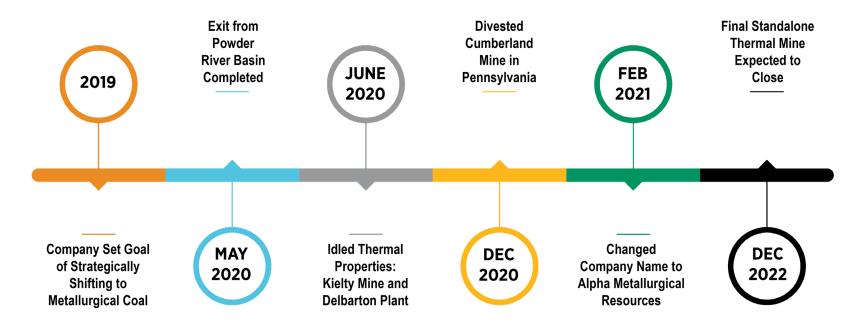
- Achieved internal safety and environmental performance goals across the company, winning several awards and beating the national average in VPID and NFDL metrics
- ✓ Lowered met costs by ~\$20 per ton in 2020
- Significantly reduced SG&A expenses; rationalized headcount to maximize performance while improving safety
- Oivested the Cumberland Mine, reducing the company's surety collateral requirements
- Successfully orchestrated the company's exit from the Powder River Basin
- ✓ Completed low-cost development projects, replacing higher cost operations and building a foundation for future growth
- 🗹 Effectively weathered pandemic uncertainty, ending the year with lower inventory stockpiles and a strong sales book
- Instituted a flatter organization structure to streamline decision-making
- Solidified leadership vision through succession planning process
- Strengthened corporate governance with the addition of a diverse group of new board members
- Sebranded the company to reflect strategic shift toward a pure-play metallurgical supplier to the steel industry

#### What's Next:

Continue focus on safety, environmental stewardship, cost containment, and cash preservation



## Pathway to a Pure Metallurgical Portfolio

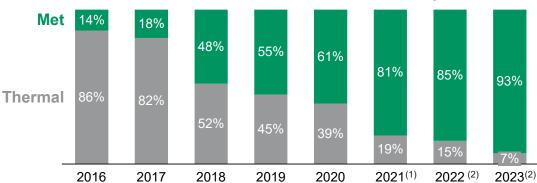


Sharpening our focus on metallurgical coal is expected to yield an improved ESG profile and lower capital expenditures

#### 1) Based on midpoint of guidance.

(2) Targeted goal.

## Metallurgical Shipments Expected to Account for More than 90% of the Total Volume by 2023



## Cost-Efficient, Well-Managed and Robust Operating Portfolio

### Mid West Virginia Underground

2020 Production
1.7 million tons Met
1.3 million tons Thermal

Reserves 183 million tons

Mines
Black Eagle
Horse Creek Eagle
Panther Eagle
Slabcamp Stockton

Preparation Plants
Mammoth (1,200 TPH)
Marfork (2,400 TPH)

# Mid West Virginia Surface

2020 Production
3.5 million tons Met

Reserves
124 million tons

Mines
Pax\*\*
Republic\*\*
Workman Creek North\*\*
Workman Creek South\*\*
Kingston #2
Kingston Surface\*\*

Preparation Plants
Kingston (600 TPH)

#### West Virginia Southeast

2020 Production
3.3 million tons Met
0.7 million tons Thermal

Reserves 157 million tons

Mines
Jerry Fork Eagle
Road Fork 52
Cedar Grove No. 2
Lynn Branch
Davy Branch

Preparation Plants
Kepler (900 TPH)
Power Mountain (1,200 TPH)
Bandmill (1,200 TPH)

### Virginia

2020 Production
3.7 million tons Met

Reserves 87 million tons

Mines
Deep Mine 41
Deep Mine 44
Bear Ridge Upper Banner\*
88 Strip\*\*
Long Branch\*\*

Preparation Plants McClure (1,000 TPH) Toms Creek (1,050 TPH)

Note: Production and reserves information as of 12/31/20. List of active mines as of 6/30/21.



<sup>\*</sup> Contractor mine

<sup>\*\*</sup> Surface mine

## Recently Completed Low-Cost Mine Development Projects

- Commenced production on multiple metallurgical coal projects with direct mining costs expected at or below \$70 per ton:
  - Contributed to driving Met cost of coal sales down by ~\$20 per ton in 2020
  - Reserve bases with lives greater than 20 years
  - Further strengthens product portfolio with LV, HVA and HVB+ qualities



Operation	Estimated Production (mm tons / year)	Quality	Estimated Cost of Coal Sales/ton	Approx. Mine Life in years <sup>(1)</sup>
Road Fork 52	1.1 – 1.3	LV	~\$70	27
Black Eagle	0.7 – 0.8	HVA	~\$70	23
Lynn Branch	0.9 – 1.2	HVB	~\$65	22



<sup>(1)</sup> Calculated using the midpoint of estimated production.

## **Experienced Leadership Team Streamlining Decision-Making**

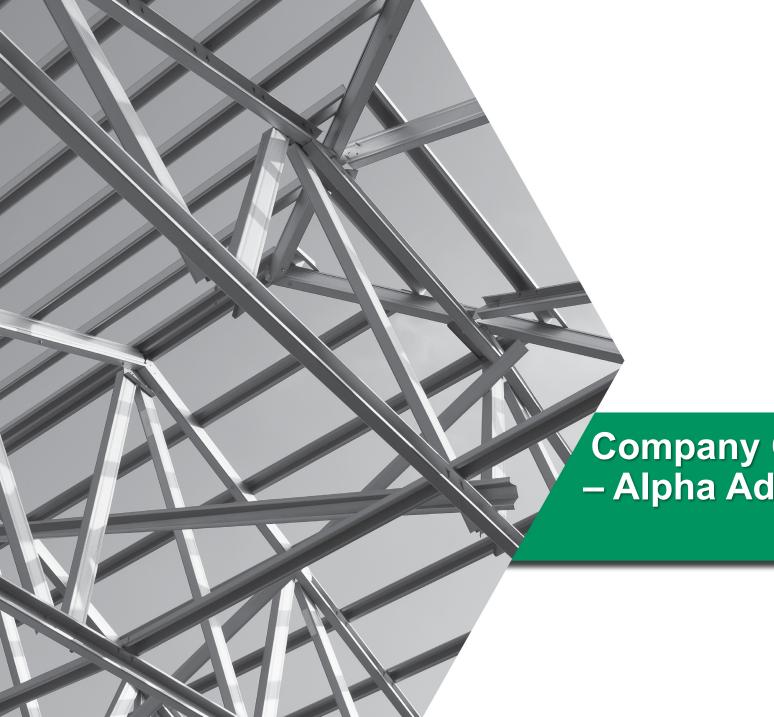
	Age	Years of Industry Experience
DAVID STETSON Chairman & CEO	64	34
ANDY EIDSON  President & Chief Financial Officer	45	16
JASON WHITEHEAD  Executive Vice President & Chief Operating Officer	43	21
ROGER NICHOLSON  Executive Vice President, Chief Administrative Officer, General Counsel & Secretary	60	34
DAN HORN  Executive Vice President of Sales	60	39

Implemented wide-ranging cost reductions across SG&A and Operations

Successfully orchestrated divestiture of Cumberland Mine and exit from Powder River Basin

Lowered Met cost of coal sales by ~\$20 per ton







Company Overview

– Alpha Advantages

## Alpha Snapshot (1) NYSE: AMR



3,250 Employees



**Founded in 2003** (2)



19 Metallurgical Coal Mines (3) 8 Preparation Plants (3)



2020 Revenues of \$1.4 Billion



~14 Million Metallurgical Coal Capacity (Tons)



65% Ownership of Dominion Terminal Associates (DTA)



~560 Million Metallurgical Coal Reserves (Tons)



Shipped to 23
Countries in 2020 (4)



Water Quality Compliance Rate of 99.9%



2.7 Million Trees Planted (5) 4,800 Acres Reclaimed (5)

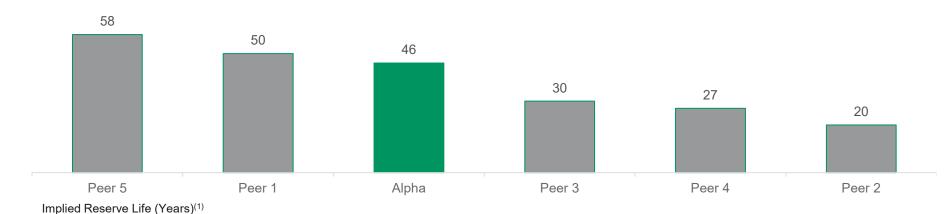


- (1) Metrics as of 12/31/20 unless otherwise noted.
- (2) Alpha Natural Resources, Inc. founded in 2003.
- 3) As of 6/30/21. See slide 8 for list of mines and preparation plants.
- See map on slide 16 for specific countries.
- (5) Since 2016.

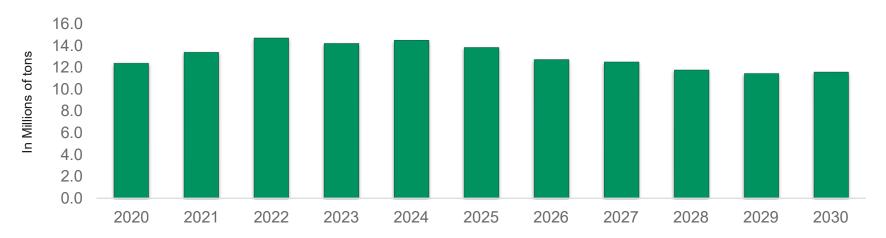


## Alpha Advantages – Well Positioned for Longevity

Met Reserve Life of Public U.S. Met Coal Producers



## Recent Investment in Low-Cost Mines Enables Future Production to Remain Strong with Minimal Growth Capital Investment



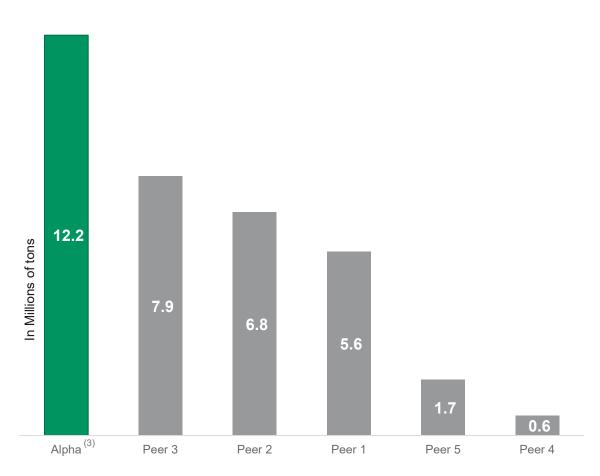
Source: Public Company Filings



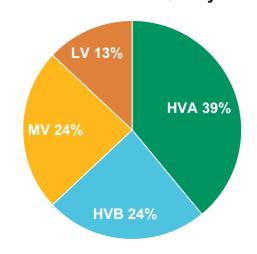
<sup>(1)</sup> Calculated as metallurgical reserves divided by 2020A production, or 2019 in case of meaningful COVID idlings. Data is based on U.S. mines only.

## Alpha Advantages – Most Diverse Domestic Met Producer

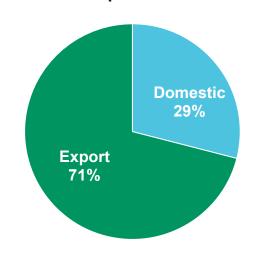
#### **Largest Domestic Met Producer** (1)(2)



#### Well-Balanced Met Quality Mix (2)



#### Diversified Export Revenue Mix (2)



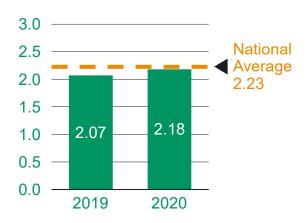
Source: Public Company Filings

- (1) Includes only U.S. sourced met coal production.
- (2) For full-year 2020.
- (3) Met segment only.



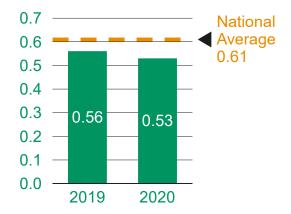
## Strong Safety and Environmental Performance Continued in 2020

#### **Non-Fatal Days Lost (NFDL)**





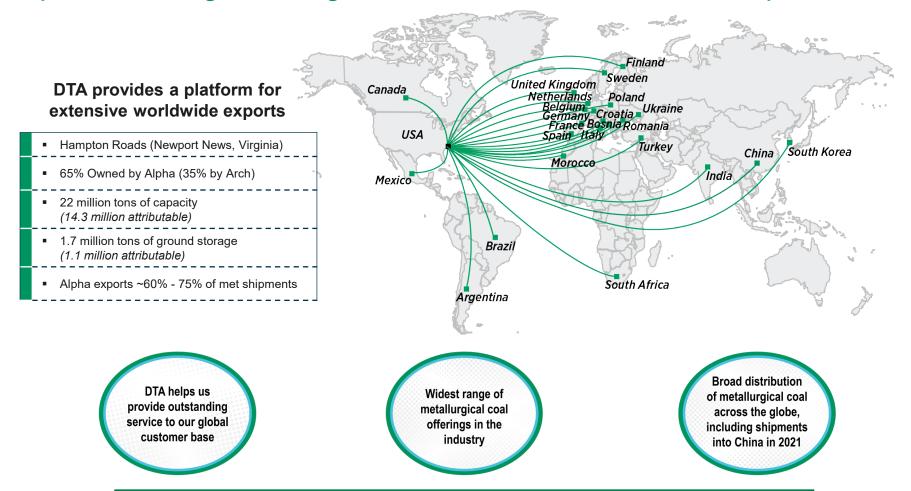
#### **Violations Per Inspection Day (VPID)**



- Maintained strong 99.9% compliance rate with all federal and state water quality standards since 2016
- Reclaimed ~4,800 acres and planted ~2.7 million trees since 2016
- Multiple operations in both VA and WV received awards for safety and reclamation performance
- Safety and environmental performance metrics are part of the company's incentive bonus plans



## Alpha Advantages – Largest Domestic Met Producer & Exporter



In addition to its vast portfolio of coal offerings, Alpha continues to provide customers with well known coking coal brands such as Kepler, Kingston, McClure and Marfork.

Note: Map reflects the 23 countries that received Alpha shipments in 2020, plus China, a new addition in 2021.





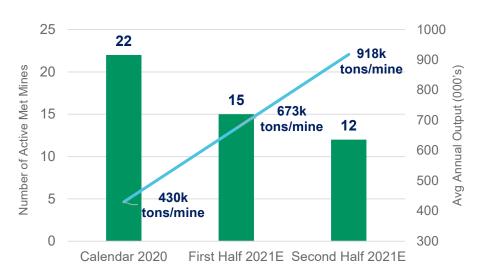


Operations Update

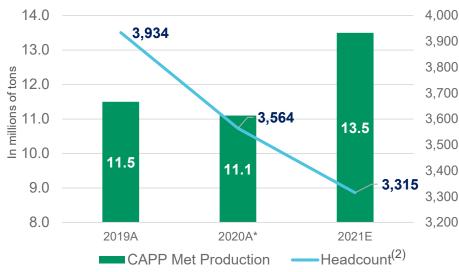
- Significant Cost
Improvements

# Improved Productivity and Cost Containment Yielding Significant Cost Savings

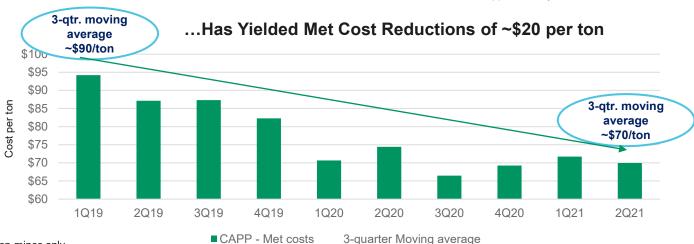
#### Mine Optimization & Improved Mine Productivity<sup>(1)</sup>



#### ...Along with Reduced Headcount



\*11.1 million tons excludes approximately 800k tons as result of COVID-related furloughs

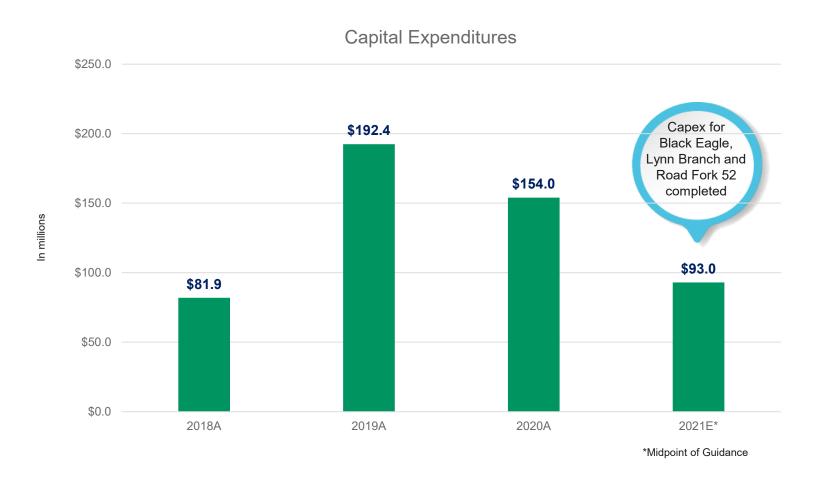


<sup>(1)</sup> Includes CAPP deep mines only.



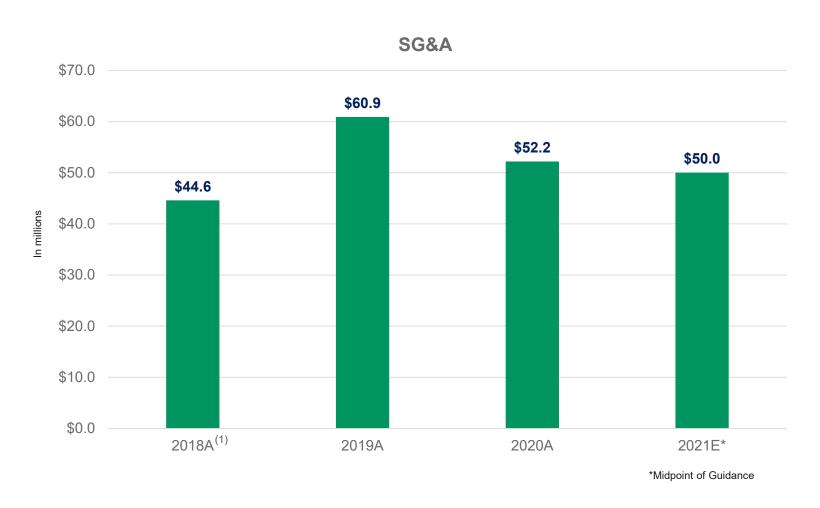
<sup>(2)</sup> Includes contract labor.

## Capex Approaches Maintenance Level in 2021





## SG&A Reductions are Further Indication of Increased Cost Focus



<sup>(1)</sup> Contura Energy standalone for Jan – Nov 2018; Combined company thereafter.

Note: Excludes expenses related to non-cash stock compensation and non-recurring business development expenses.

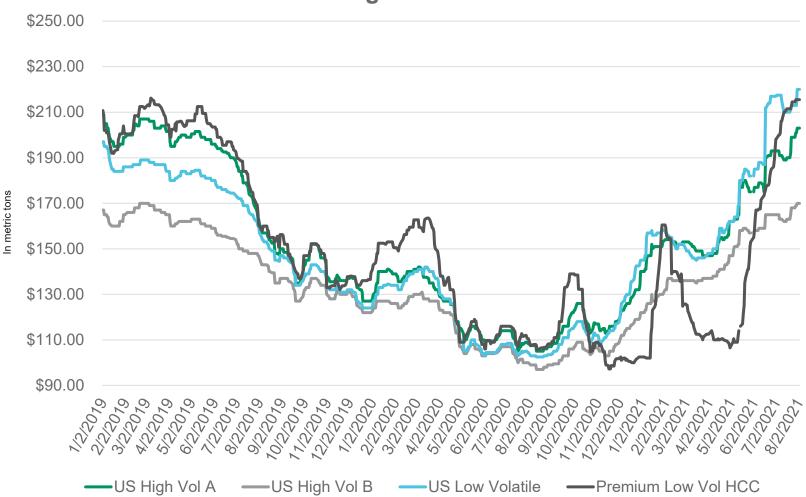






## Upward Trend in Met Demand Driving Improvement in Pricing

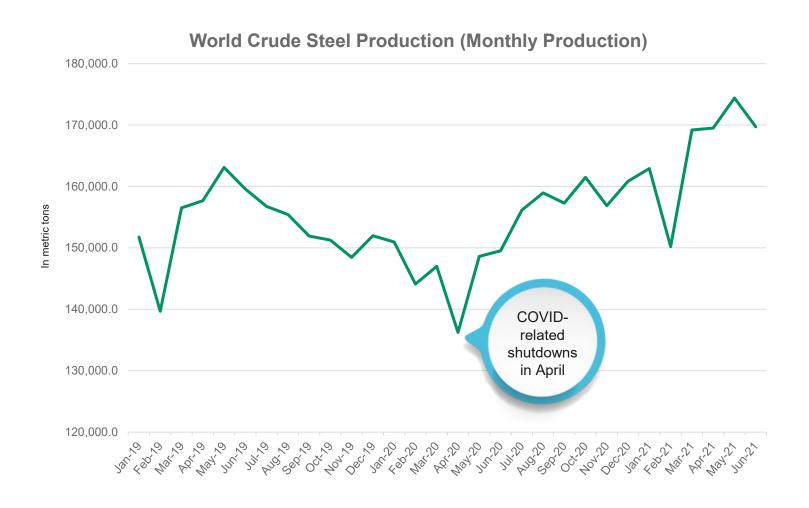




Sources: Bloomberg and Platts



# Crude Steel Production Rebounds Solidly After April 2020 COVID-Related Shutdowns

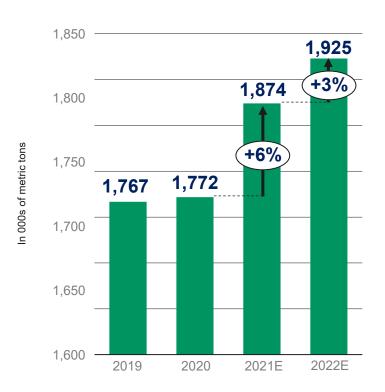


Source: World Steel Association

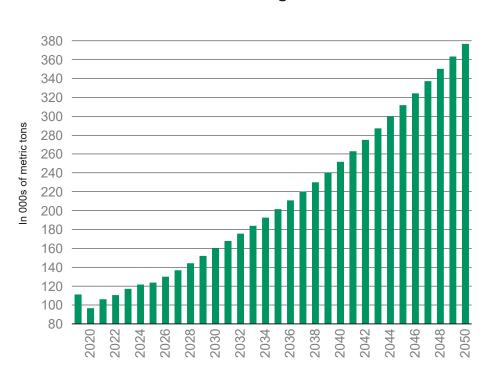


## Solid Steel Demand Growth Expected in 2021 and Beyond





## Projected Crude Steel Production in India through 2050



India has accounted for ~26% of Alpha's export sales over the past 4 years

Sources: World Steel Association & Wood Mackenzie







Conclusion: Alpha Well-Positioned for the Future

## Conclusion: Alpha Well-Positioned for the Future

- 1 Opportunities to build on the significant accomplishments of 2020, which include:
  - Lowered met production cost by ~\$20 per ton
  - Lowered SG&A<sup>(1)</sup> by nearly \$10 million to ~\$52 million
  - Completed majority of capital investments for new, low-cost met mines
  - Eliminated ~7 million tons of annual thermal production (Cumberland and Kielty)
  - Solidified leadership vision and enhanced corporate governance
- 2 Favorable asset and market position with majority DTA ownership and ability to blend to meet precise customer demand
- Levered to a market turn-around with scale, strategic asset base and cost position
- Has assembled a leading management team to take advantage of Alpha's key strengths, proactively meet sector dynamics and excel in the marketplace going forward



Excludes expenses related to non-cash stock compensation and non-recurring expenses.





Appendix

## 2021 Guidance (as of August 6, 2021)

Shipments (million tons)	Low	High
Metallurgical	13.0	14.0
Non-Metallurgical By-Product	1.3	1.8
Met Segment	14.3	15.8
All Other	1.3	1.7
Total Shipments	15.6	17.5

Committed / Priced Volumes <sup>(1)(2)(3)</sup>	% Committed	Average Price (\$/ton)
Metallurgical – Domestic		\$87.86
Metallurgical – Export		91.24
Metallurgical Total	79%	89.78
Non-Metallurgical By-Product	98%	52.68
Met Segment	81%	\$85.30
All Other	100%	59.66

Cost per ton (\$/ton) (4)	Low	High
Met Segment	\$68.00	\$74.00
All Other	45.00	49.00

Other Items (US\$ millions, except taxes)	Low	High
SG&A <sup>(5)</sup>	\$48	\$52
Idle Operations Expense	24	30
Cash Interest Expense	51	55
DD&A	125	145
Capital Expenditures	88	98
Cash Tax Rate	0%	5%

- (1) Based on committed and priced coal shipments as of July 26, 2021. Committed percentage based on the midpoint of shipment guidance range.
- (2) Actual average per-ton realizations on committed and priced tons recognized in future periods may vary based on actual freight expense in future periods relative to assumed freight expense embedded in projected average per-ton realizations.
- (3) Includes estimates of future coal shipments based upon contract terms and anticipated delivery schedules. Actual coal shipments may vary from these estimates.
- (4) Note: The Company is unable to present a quantitative reconciliation of its forward-looking non-GAAP cost of coal sales per ton sold financial measures to the most directly comparable GAAP measures without unreasonable efforts due to the inherent difficulty in forecasting and quantifying with reasonable accuracy significant items required for the reconciliation. The most directly comparable GAAP measure, GAAP cost of sales, is not accessible without unreasonable efforts on a forward- looking basis. The reconciling items include freight and handling costs, which are a component of GAAP cost of sales. Management is unable to predict without unreasonable efforts freight and handling costs due to uncertainty as to the end market and FOB point for uncommitted sales volumes and the final shipping point for export shipments. These amounts have historically varied and may continue to vary significantly from quarter to quarter and material changes to these items could have a significant effect on our future GAAP results.
- (5) Excludes expenses related to non-cash stock compensation and non-recurring expenses.

## Cash-Related Outflows Expected to Materially Decrease After 2022

Cash Outlays (US\$ millions)	2021	2022	2023	2024
Acquisition Related Obligations	\$8.1	\$4.3	\$	\$
Contingent Revenue Obligations <sup>(1)</sup>	12.9	13.6	3.5	
LCC Obligations <sup>(2)</sup>	13.1	4.8	2.5	
Reorganization & Transaction-related Cash Outlays	34.1	22.7	6.0	
Asset Retirement Obligations <sup>(3)</sup>	23.8	31.3	25.4	31.4
Pension Obligations <sup>(4)</sup>	11.4	8.7	4.3	7.5
Ongoing Cash Outlays	35.2	40.0	29.7	38.9
Total Cash Outlays	\$69.3	\$62.7	\$35.7	\$38.9

Cash Receipts (US\$ millions)	2021
Tax Refund – 172(f) 10-year NOL Carryback <sup>(5)</sup>	\$69.6
Total Cash Receipts	\$69.6

Note: Obligations presented represent long-term liabilities related to asset retirement obligations, pension obligations, and obligations entered into as part of Contura's formation and ANR's exit from bankruptcy which are not considered part of the long-term capital structure of Alpha Metallurgical Resources as of June 30, 2021, unless otherwise noted.

- (1) The contingent revenue obligation is a 5-year agreement, which began January 2018. The estimated payments above reflect the expected timing of cash paid into restricted cash escrow.
- (2) Inclusive of both Lexington Coal Company (LCC) Notes Payable and LCC Water Treatment Stipulation, both of which are characterized as debt on the balance sheet. Cash flows reflect the \$21.2M repayment in full of the WV allocation of the LCC Note Payable in July 2021 and the associated return of surety collateral. The final \$7.7 million payment was originally due in July of 2022, but the Company negotiated the return of \$14.0M of surety collateral in exchange for early repayment, which allowed the Company to eliminate that portion of the debt a year early and at a lower net cash outflow than was previously expected in 2021. \$2.3M remains on the KY allocation of the LCC Note Payable, which the Company expects will be paid in July of 2022.
- (3) Cash flows exclude market risk premium and inflation.
- (4) The pension obligations reflect the minimum required contributions for each year based on the Company's estimates subsequent to the recent funding relief granted under the American Rescue Plan Act.
- (5) 172(f) 10-year NOL carryback tax refund which is expected by year end 2021 and includes associated interest receivable of \$5.4M. Because the federal government was a creditor in the Alpha Natural Resources, Inc. bankruptcy proceedings, it is possible that the federal government could withhold some or all of the tax refund attributable to the NOL carryback claim and assert a right to set off the tax refund and associated interest receivable against its prepetition bankruptcy claims.