Centurion
Peabody's Cornerstone Metallurgical Coal Asset

October 14, 2024

Peabody

Disclosure Regarding Forward-Looking Statements

Peabody

This presentation contains forward-looking statements within the meaning of the securities laws. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words or variation of words such as "expects,” "anticipates," "intends," "plans," "believes," "seeks," "estimates," "projects," "forecasts," "targets," "would," "will," "should," "goal," "could" or "may" or other similar expressions. Forward-looking statements provide management's or the Board’s current expectations or predictions of future conditions, events or results. All statements that address operating performance, events, or developments that may occur in the future are forward-looking statements, including statements regarding the shareholder return framework, execution of Peabody's operating plans, market conditions, reclamation obligations, financial outlook, potential acquisitions and strategic investments, and liquidity requirements. They may include estimates of sales and other operating performance targets, cost savings, capital expenditures, other expense items, actions relating to strategic initiatives, demand for the company’s products, liquidity, capital structure, market share, industry volume, other financial items, descriptions of management’s plans or objectives for future operations and descriptions of assumptions underlying any of the above. All forward-looking statements speak only as of the date they are made and reflect Peabody’s good faith beliefs, assumptions and expectations, but they are not guarantees of future performance or events. Furthermore, Peabody disclaims any obligation to publicly update or revise any forward-looking statement, except as required by law. By their nature, forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Factors that might cause such differences include, but are not limited to, a variety of economic, competitive, and regulatory factors, many of which are beyond Peabody's control, that are described in Peabody's periodic reports filed with the SEC including its Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2023 and Quarterly Report on Form 10-Q for the quarter ended Jun. 30, 2024 and other factors that Peabody may describe from time to time in other filings with the SEC. You may get such filings for free at Peabody's website at www.peabodyenergy.com. You should understand that it is not possible to predict or identify all such factors and, consequently, you should not consider any such list to be a complete set of all potential risks or uncertainties.

Peabody – The Investment Thesis

Peabody is committed to increasing shareholder value through a balanced approach of maximizing shareholder returns and investing in the development of the Centurion metallurgical coal project

- Proven commitment to shareholder returns
  - Allocated nearly $600 million primarily through buybacks since restarting the shareholder return program in Q2 2023
  - Continuing commitment to return 65-100% of available free cash flow (2)
- Unique diversified portfolio offers unmatched option value in all three segments
  - 2022/2023 Segment Adjusted EBITDA(1) contributions weighted:
    - ~40% Seaborne Thermal;
    - ~40% Seaborne Metallurgical;
    - ~20% U.S. Thermal
- Developing Centurion, a hard coking coal growth project with average annual production of 4.7 million tons, 1st quartile cost production and mine life of 25+ years
  - Reweights Seaborne Metallurgical Segment Adjusted EBITDA(1) to 56%
- Seaborne Thermal segment serves demand in Asia for expanding power generation
- U.S. Thermal segments generate substantial free cash flow and are some of the lowest-cost, most competitive coal assets in the U.S.
- Strong and resilient balance sheet
  - No secured debt and 100% funded global reclamation obligations

(1) Adjusted EBITDA is a non-GAAP financial measure. Refer to the definitions and reconciliations to the nearest GAAP measures in the appendix
(2) Available Free Cash Flow is a non-GAAP financial measure defined as operating cash flow less investing cash flow and distributions to noncontrolling interests; plus/minus changes to restricted cash and collateral and other anticipated expenditures.

Centurion - Peabody's Cornerstone Metallurgical Coal Asset

Peabody

NPV $1.6B **At 08/2024 excludes $375M of previous capex**	**NPV/Share** $12.80/share **~125.9 million shares**
IRR ~25% **Total project return**	**Adj. EBITDA Margin(1)** ~45% **LOM average**
Capex $489M **to 1st Longwall production**	**FOB Cost** ~$105/Short ton **LOM average**

- Tier one premium hard coking coal mine complex utilizing $1.0+ billion of existing infrastructure and equipment
- Mine life of 25+ years with ~140 million tons integrated mine plan
- Further weights Peabody's long-term cash flows toward premium hard coking coal when longwall production begins in 2026
- Premium grade hard coking coal, mined from the Goonyella Middle Seam, an established cornerstone of coking coal blends
- Enables Peabody to meet the increasing demand in the market for premium low vol coking coal

(1) Adjusted EBITDA is a non-GAAP financial measure. Refer to the definitions and reconciliations to the nearest GAAP measures in the appendix

Steelmaking Coal – Market Overview

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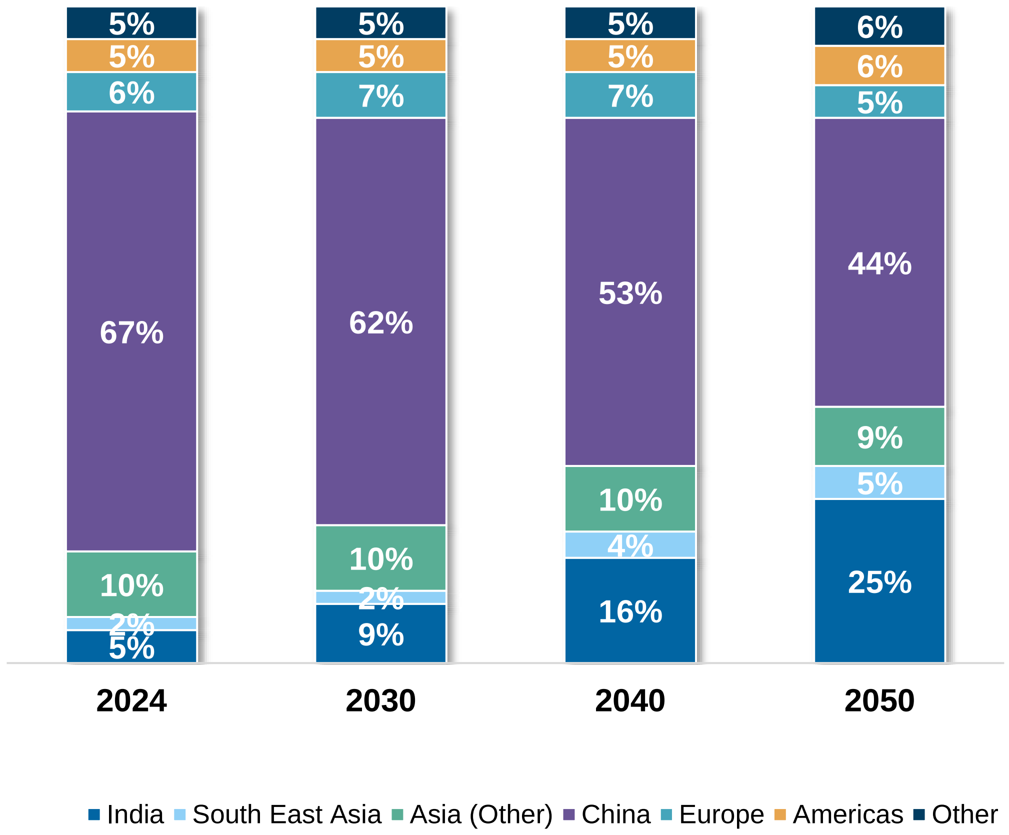
The World Requires Steel and Centurion Steelmaking Coal

- Metallurgical coal is an essential ingredient in the production of steel, making it one of the most widely used industrial materials on Earth
- It takes around 770 kilograms of coal to make one ton of steel, with approximately 70 percent of global steel produced in basic oxygen blast furnaces
- Centurion Coal enables highly efficient coke and steel production. Centurion high-quality hard coking (HCC) coal when processed into coke has **very low impurities and excellent strength** both in low and high temperatures, resulting in **high reduction efficiency in the blast furnace**
- Centurion expected to achieve a high FOB price point relative to other metallurgical coals

Blast Furnace Steel Production Shifting to India & Southeast Asia, Fueling Seaborne Metallurgical Coal Demand

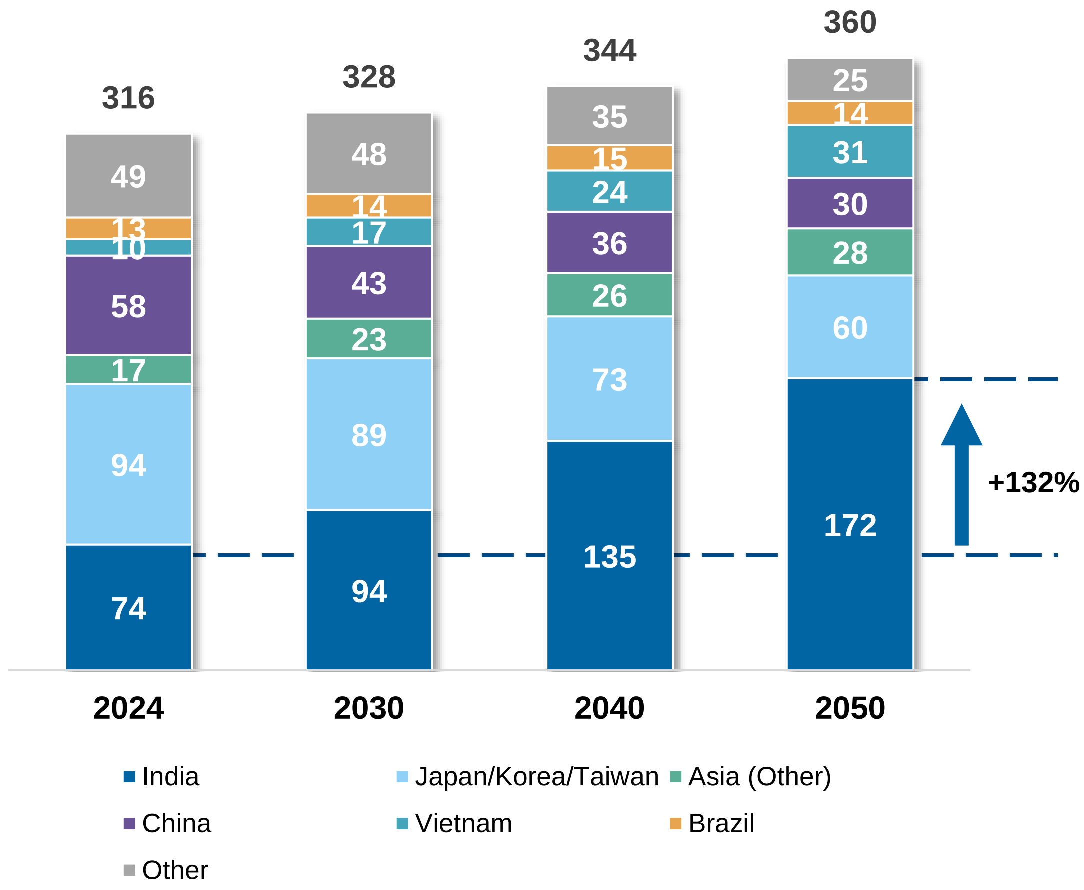
Proportionate Location of BOF Steel Production

(% of Global Production)



Seaborne Metallurgical Coal Demand

(Million Tonnes)



Source: Data obtained from Wood Mackenzie Data Service; Peabody Data Analysis.

New Supply of HCC Required to Meet Demand

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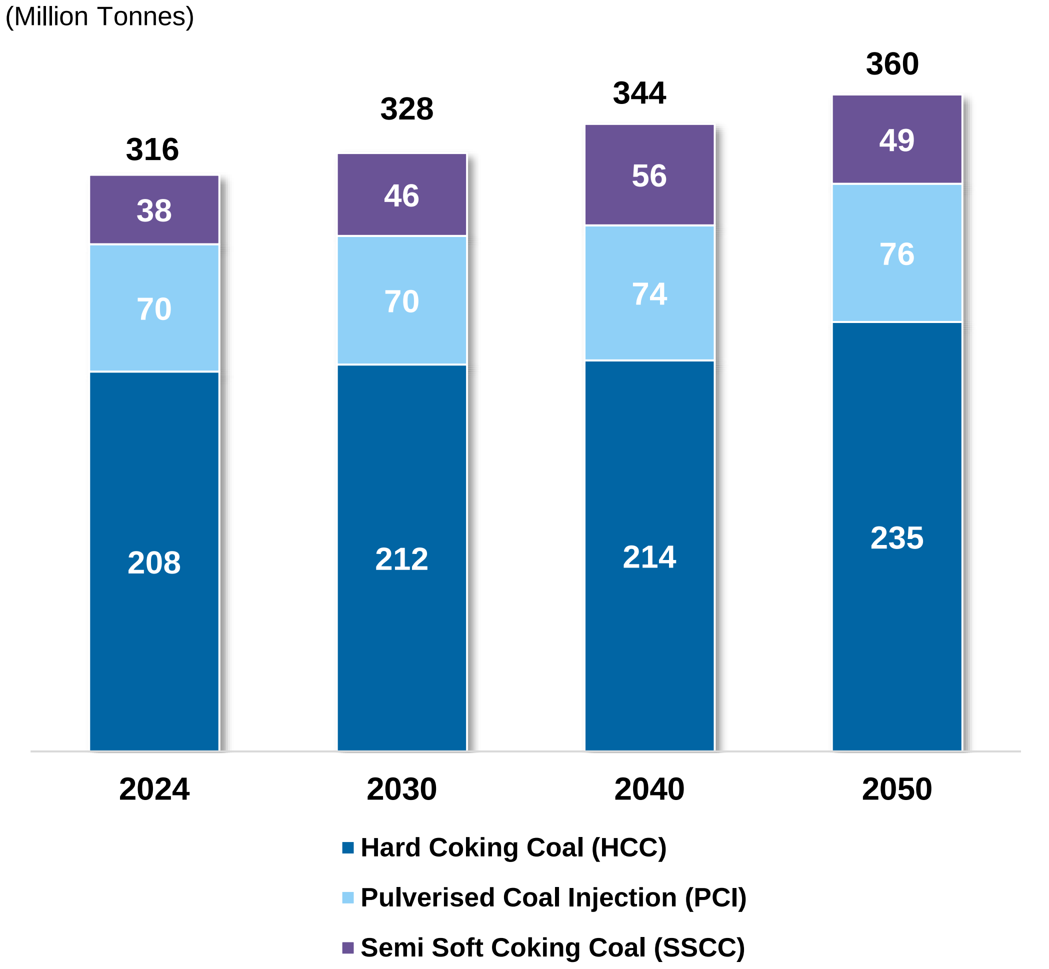
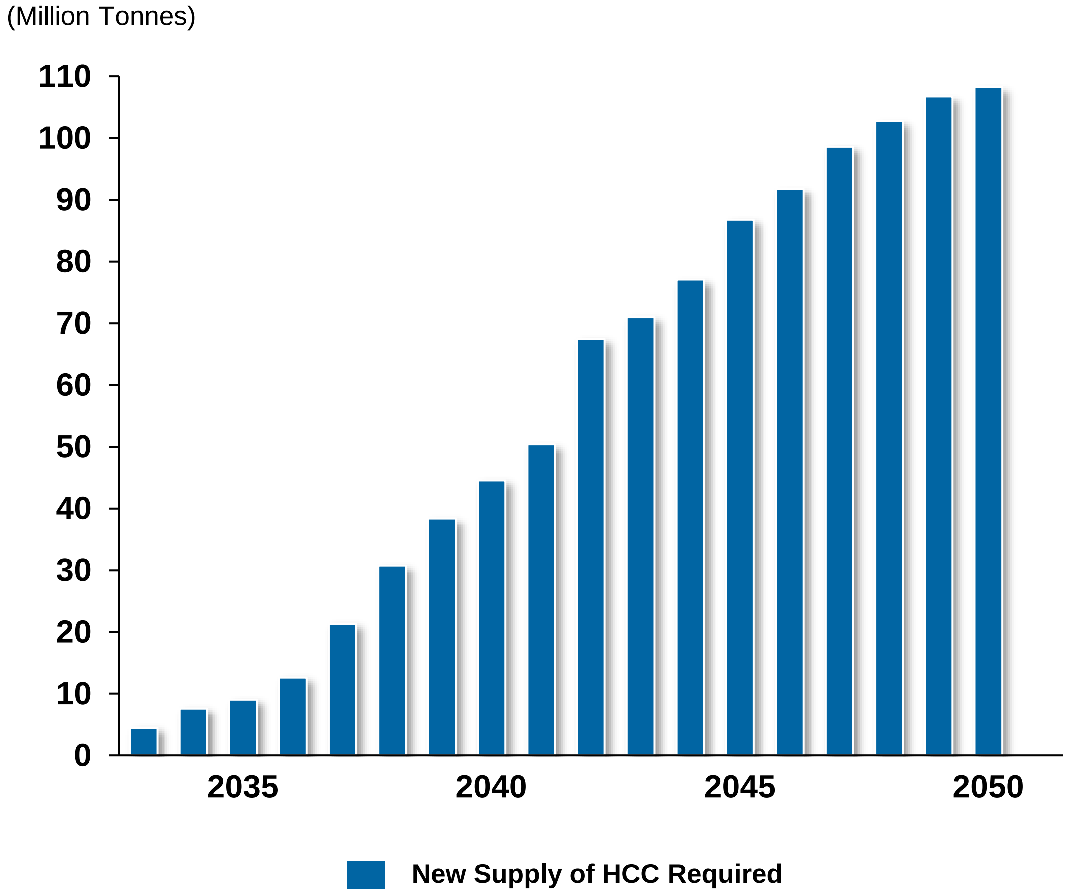
Seaborne Demand By Grade



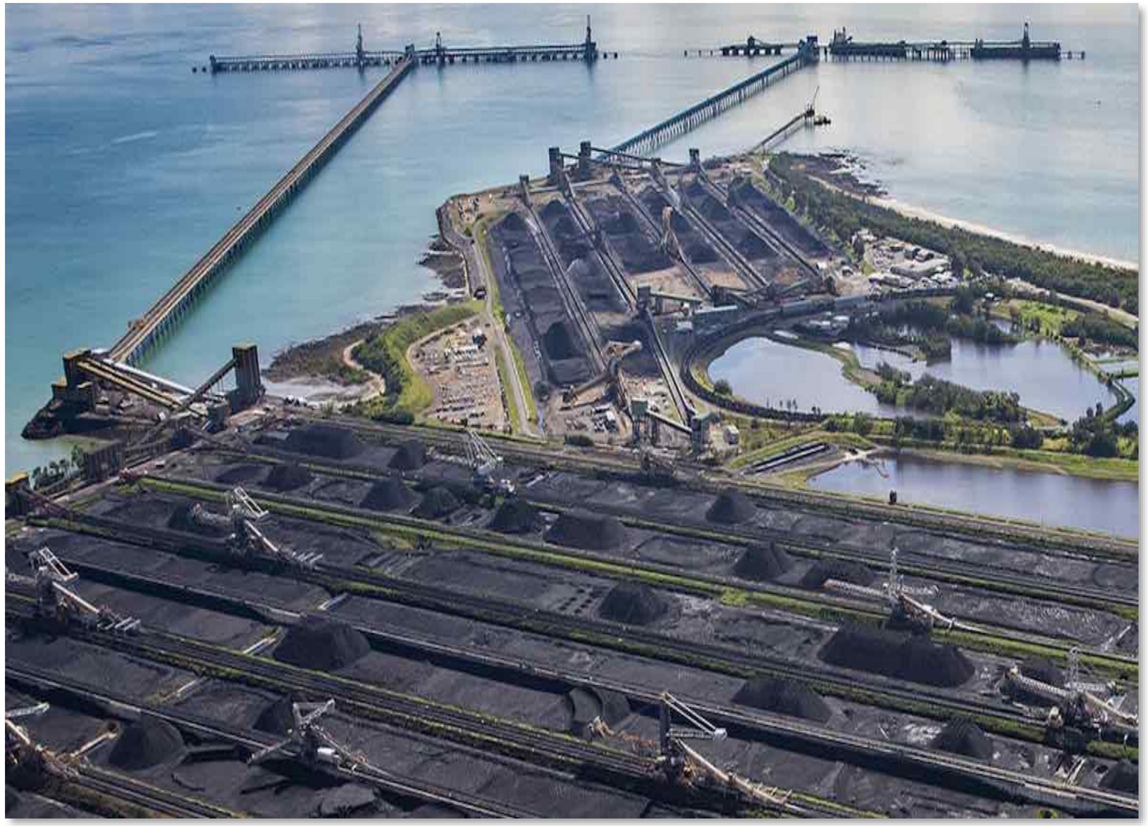
New Supply of HCC Required



Source: Data obtained from Wood Mackenzie Data Service; Peabody Data Analysis.

Queensland Coal Shipments, Advantaged by Proximity to the Center of Demand Growth – India

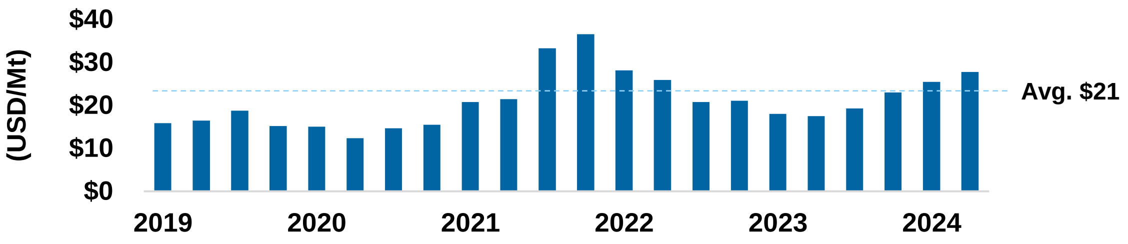
Peabody



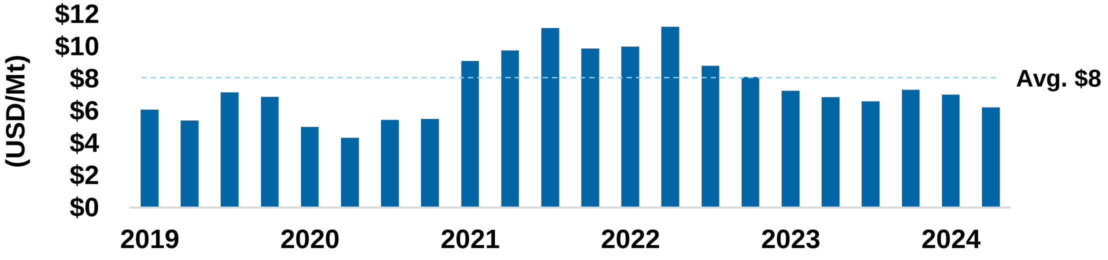
Port of Hay Point

Additional Ocean Freight Cost vs. Queensland

East Coast - USA to India



West Coast - Canada to India

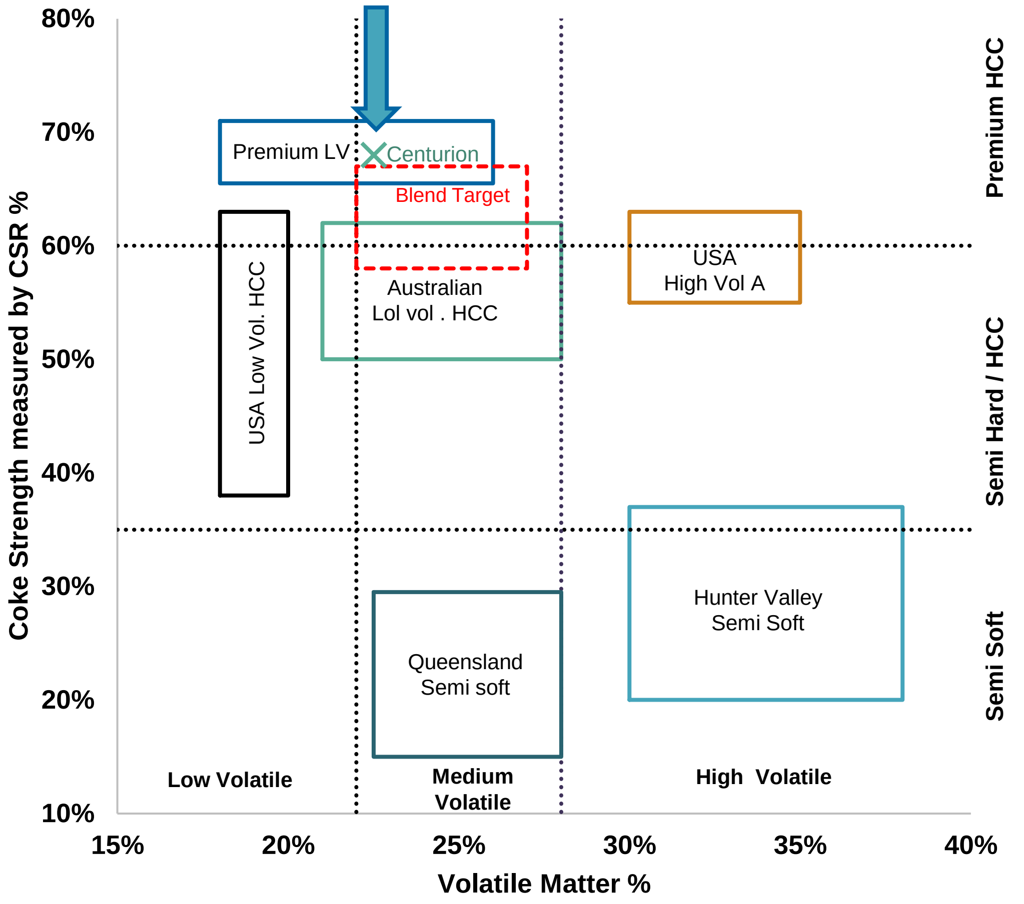


Source: Platts Freight Assessments (CDBFAIO, CDWCI04,CDBUI00) and Peabody Analysis; * Each year represents Q1

Australian PLV – The Cornerstone of Customer Blends and Widely considered the Highest-grade Coal in the Market

- The framework diagram on the right demonstrates why Centurion will be the cornerstone of customer blends
- Centurion product fits well within the Premium Low Volatile Hard Coking Coal (PLV HCC) Category
- PLV HCC is high yielding when converted to coke compared to USA high volatile coals
- Centurion coal produces high strength coke and is essential for a high productivity blast furnace
- High productivity coke, enables lower CO_2 emissions per ton of hot metal produced
- PLV HCC primarily exported from Australia and Canada

Coal Blending for Coke Optimization Framework



Illustrative

Source: Peabody analysis

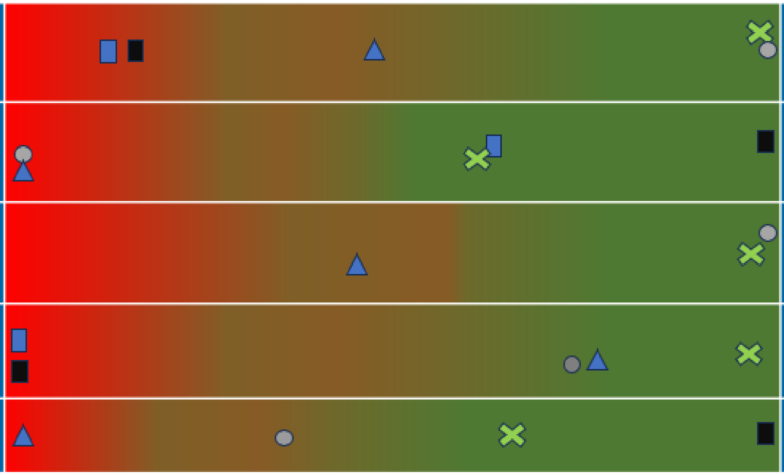
Centurion Expected to Price Favorably Amongst the Highest-grade Coals in the Market

Peabody

Centurion quality is perfect balance of high coal reactivity and coke strength

- **Very high coke strength**
  - +68 CSR means highly productive coke
- **Very low ash for premium coking coal**
  - Less than 10% ash, increasingly rare
- **Low phosphorus**
  - Improves steel quality, lowers steel cost
- **Low sulphur**
  - Assists steel mills to meet environmental standards while reducing treatment costs
- **Very high fluidity for premium coking coal**
  - Enabler for blending and lowering coke cost

Specification Parameter	Lower VIU	Hard Coking Coal Value In Use (VIU) Continuum	Higher VIU	Centurion Spec.
Coke Strength (CSR)	55%		70%	68%
Ash Content	10.5%		6.5%	8.5%
Phosphorous Content (ppm)	1000		400	450
Sulphur Content	1.0%		0.4%	0.5%
Fluidity (Log10)	2.00		4.48	3.00



Lower VIU ← - - - - - - - - → Higher VIU

Centurion Hard Coking Coal
Platts Premium Low Vol Hard Coking Coal
Platts Low Vol Hard Coking Coal
Platts USEC Low Vol Hard Coking Coal
Platts USEC High Vol A Hard Coking Coal

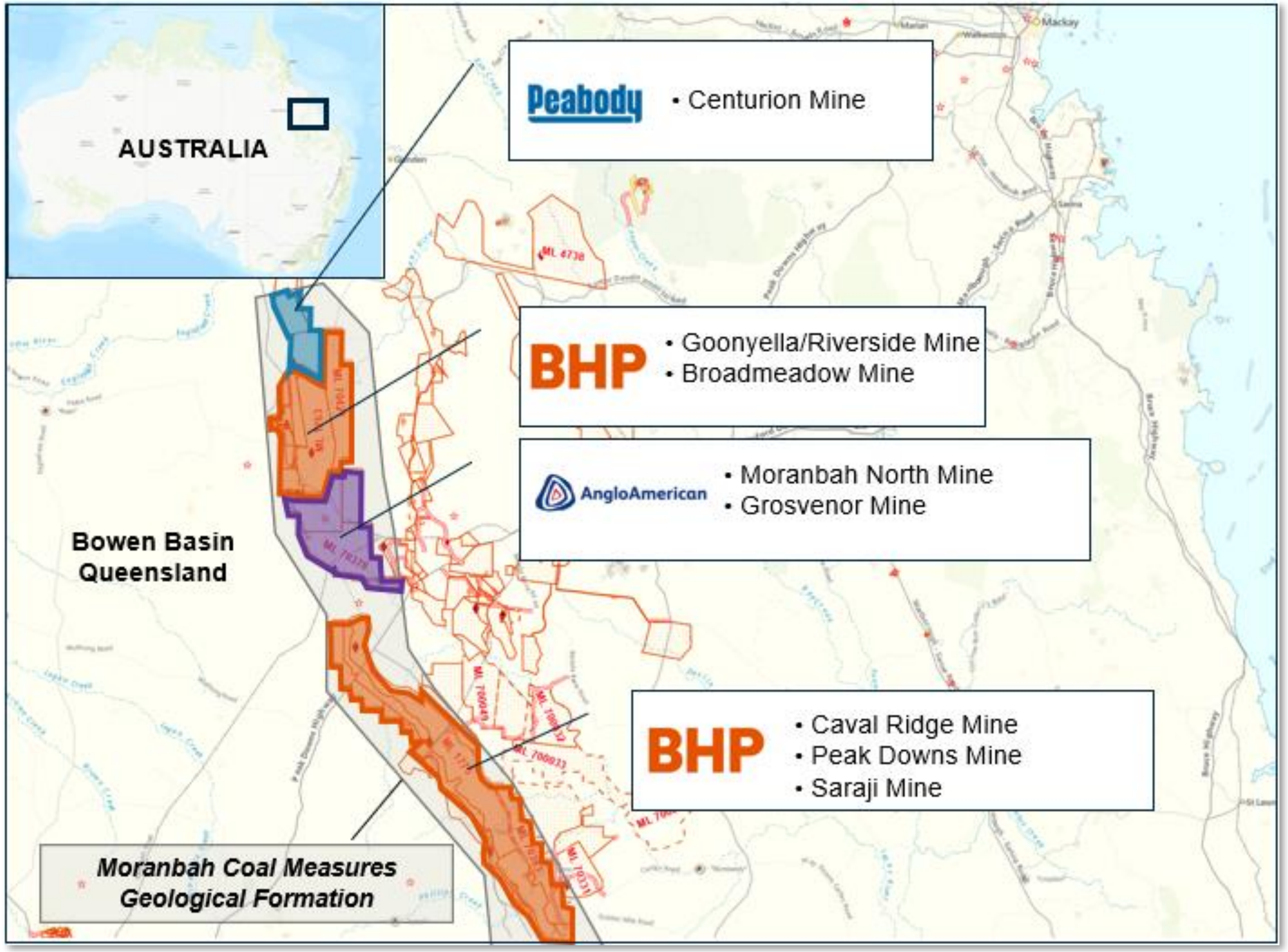
Illustrative

Source: Peabody analysis

Centurion - Tier One Asset Within World's Premier HCC Corridor

Peabody

- The majority of the world's Premium HCC comes from Australia's Bowen Basin, specifically the Moranbah Coal Measures
- Moranbah Coal Measures are the widely assumed "Benchmark" of HCC qualities
- Ownership of mines in this premium corridor is concentrated with BHP/Mitsubishi Alliance (BMA), Anglo American and Peabody
- Centurion the new mine in this corridor, includes the Wards Well deposit



Project Overview

Major Project Stages & Milestones

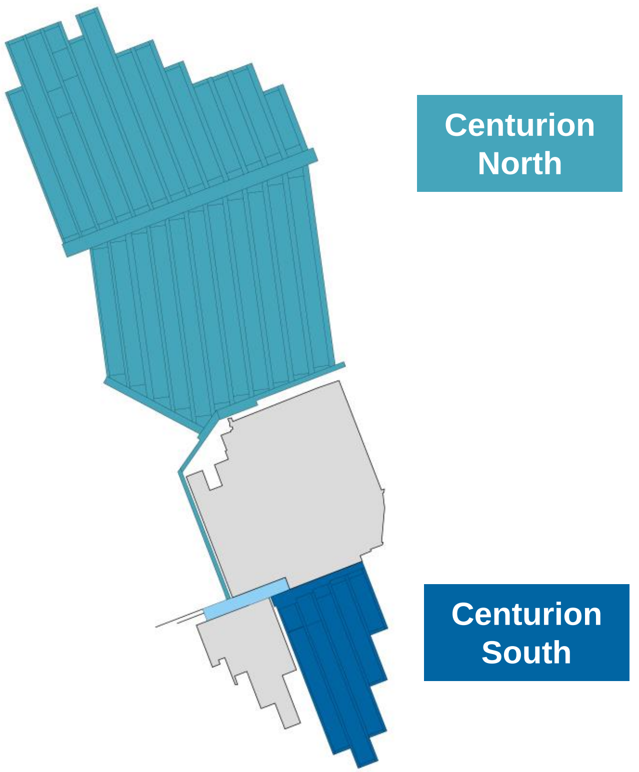
Major Project Stages & Milestones	Completed/Estimated
First Development Coal	June 2024
Second Continuous Miner & ~140 Employees	July 2024
CHPP Refurbishment	September 2024
First Coal Shipment	Q4 2024
Third Continuous Miner	Q4 2024
~300 Employees	2025
~400 Employees	2026
First Longwall Coal	March 2026

First Production Development Coal
June 2024

Centurion Project Summary – Development KPI's

Centurion South	
Development Meters to LW Coal Production (Km)	2024: 4.1 2025: 18.1 2026: 3.5
Reserves	20 million tons
LOM Production	~3.8 million saleable tons average per year

Project Map



Centurion North	
Development Meters to LW Coal Production (Km)	2025: 5.1 2026: 7.2 2027: 11.1 2028: 18.9
Reserves	121 million tons
LOM Production	~4.8 million saleable tons average per year

Centurion Mine Complex - World-Class Infrastructure in Place

Peabody

Brownfield redevelopment benefits from utilizing $1.0+ billion of existing infrastructure and equipment

Coal Handling Prep Plant (CHPP) with successful history

New **CAT longwall** system on the surface

Dedicated **accommodation village** for over 400 workers

Dedicated **rail loop** connected to Goonyella rail system

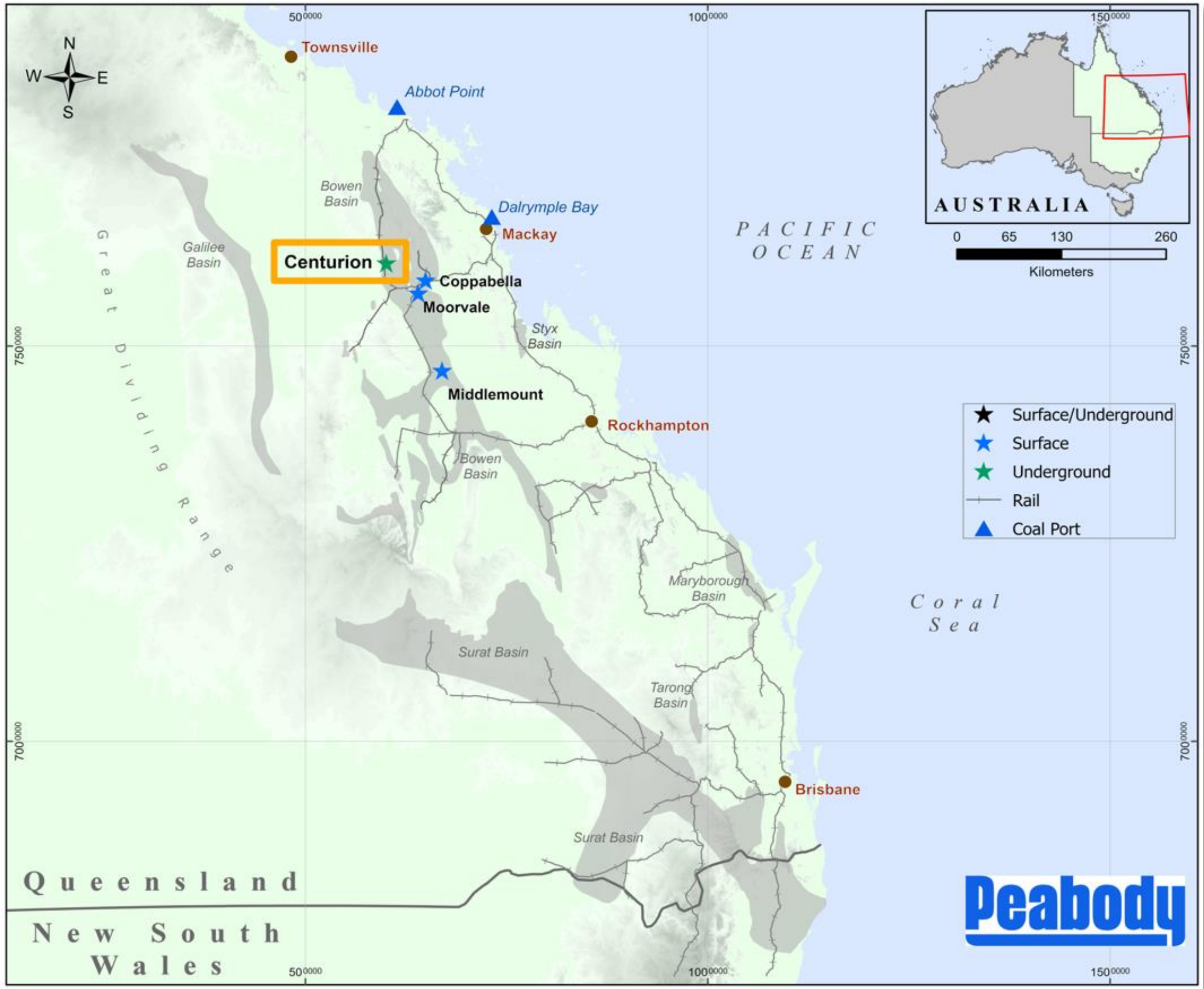
Mining Equipment

Type	Manufacturer/Model	Description	# of Units
Development	Komatsu 12CM30	Continuous Miner	3
	Komatsu BF-14	Feeder Breaker	2
	Komatsu 10SC32	Shuttle Car	4
	Sandvik LS190	Loader	5
	Torque Titan	Loader	5
	AME Mine Cruisers MK8	Personnel Transporter	10
	AMP Control	Power Center	2
	Howdens 24m3	Ancillary Fan	4
Longwall	CAT EL3000	Shearer	1
	CAT 2m 1501t	Shields	153
	CAT PF6 1242mm	AFC	1
	CAT BSL	Stageloader & Crusher	1
	Kamat	Hydraulic System	1
	AMP Control	Power Center	1

Established Logistics Arrangements in the Coking Coal Heartland – The Goonyella Rail System and Port of Hay Point

Peabody

- All surface logistics infrastructure in place
- The port and rail are also used by our existing operations Coppabella, Moorvale, and Middlemount
- Trains will travel 217km to the Port of Hay Point and load into stockpiles at Dalrymple Bay Coal Terminal (DBCT)
- Shipping of coal to customers will take place on an ocean-going vessel, often shared with other coal suppliers



Safety – A Core Value

Peabody

- We have taken the lessons from past incidents and incorporated them into our management plans for longwall operations
- At Centurion, the approach will be multifaceted with advanced gas drainage and active inertization
- Peabody has spent considerable time, effort and funds to mitigate future risks. Some of these implemented and improved plans include:
    - Best-in-class monitoring
    - Sealing & Spontaneous Combustion management plans
    - Development of trigger points for convening the Site Incident Management Team, along with clearly defined responsibilities for mine site personnel

Project Economics

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Centurion - Our Cornerstone Metallurgical Coal Asset

Peabody

NPV
$1.6B

At 08/2024 excludes $375M of previous capex

NPV/Share
$12.80/share

~125.9 million shares

IRR
~25%

Total project return

Adj. EBITDA Margin (1)
~45%

LOM average

Capex
$489M

to 1st Longwall production

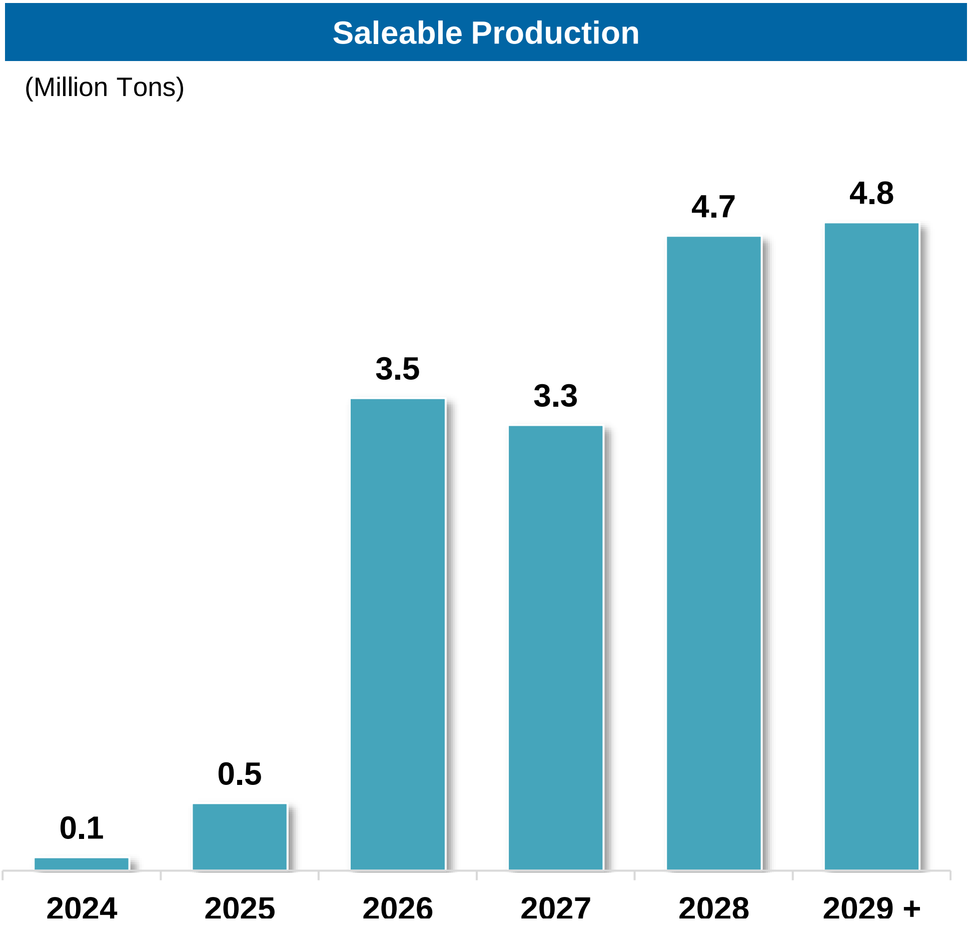
FOB Cost
~$105/Short ton

LOM average

(1) Adjusted EBITDA is a non-GAAP financial measure. Refer to the definitions and reconciliations to the nearest GAAP measures in the appendix

Centurion Project Summary – Financial KPI's

Description	Centurion South & North
Reserves	GM Seam: ~140 million tons
Product	Premium Low Vol Hard Coking Coal (PLV HCC)
LOM Production	~4.7 million saleable tons average per year
Costs	~$105/ton (includes royalties) LOM average
Project Returns	~25 percent at ~$210/metric tonne PLV HCC price



All values in real US$ and short tons, unless otherwise noted. An allowance for the Australian Safeguard Mechanism has been included in costs.

Capital Expenditures

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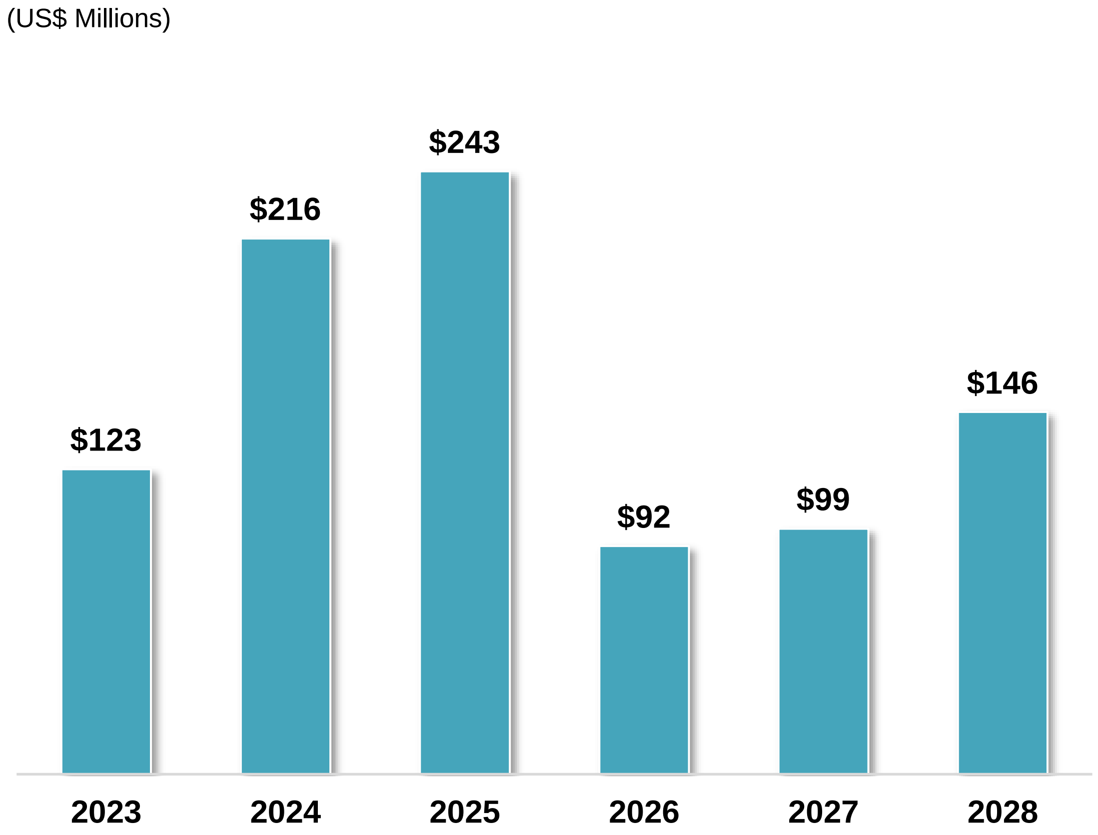
Total Project Development Capex



Centurion South

- $489M to 1st Longwall in 2026
- ~$250M Spent to Date (through 9/30/2024)

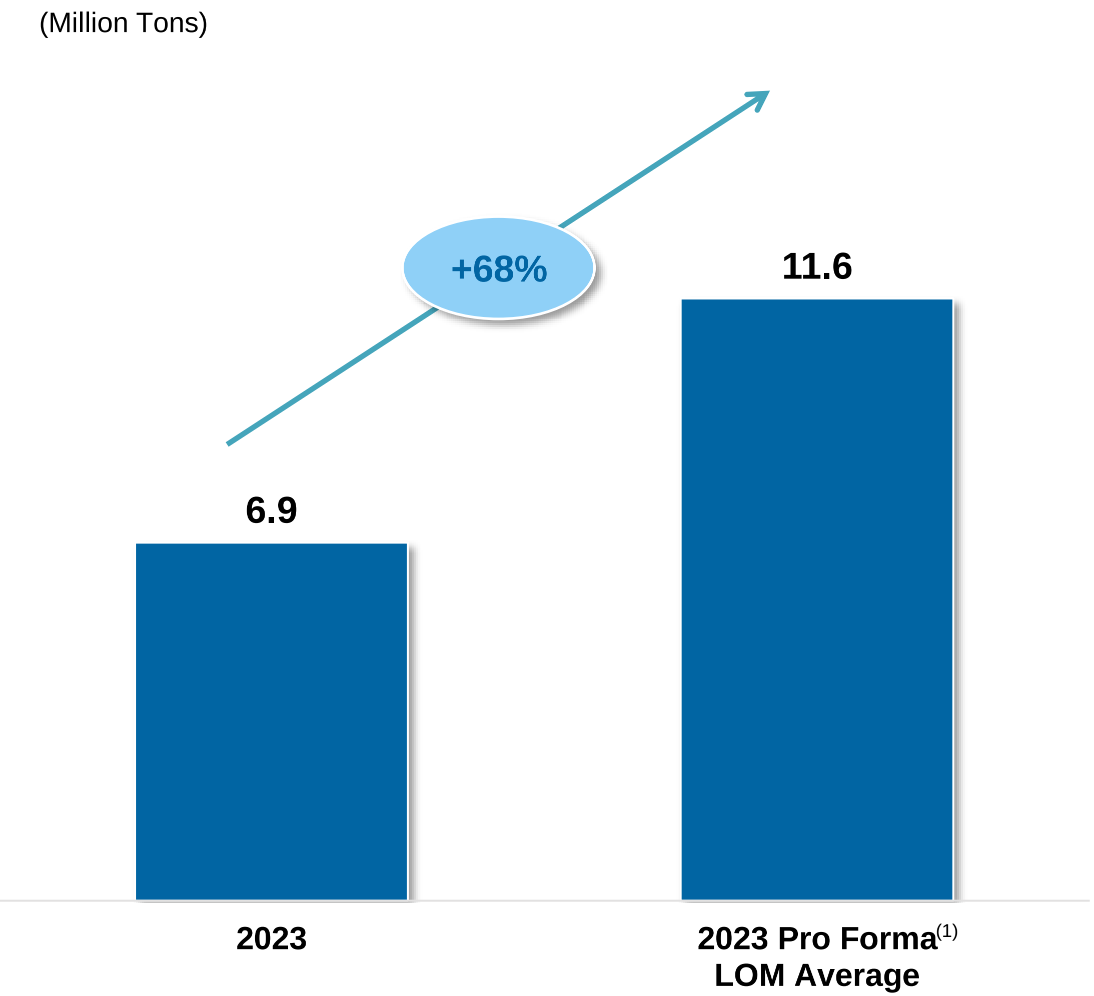
Centurion North

- $430M to 1st Longwall in 2029
- ~$20M Spent to Date (through 9/30/2024)

Centurion Transforms Peabody's Seaborne Metallurgical Coal Segment

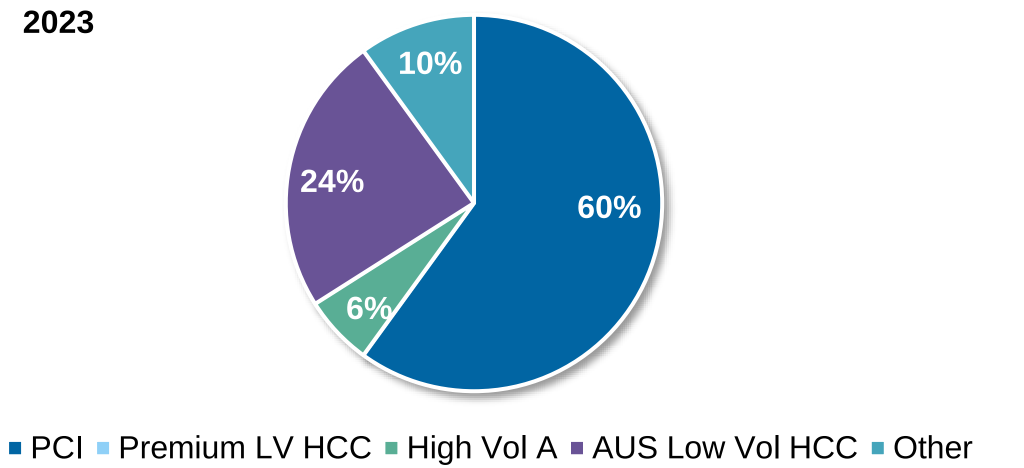
Peabody

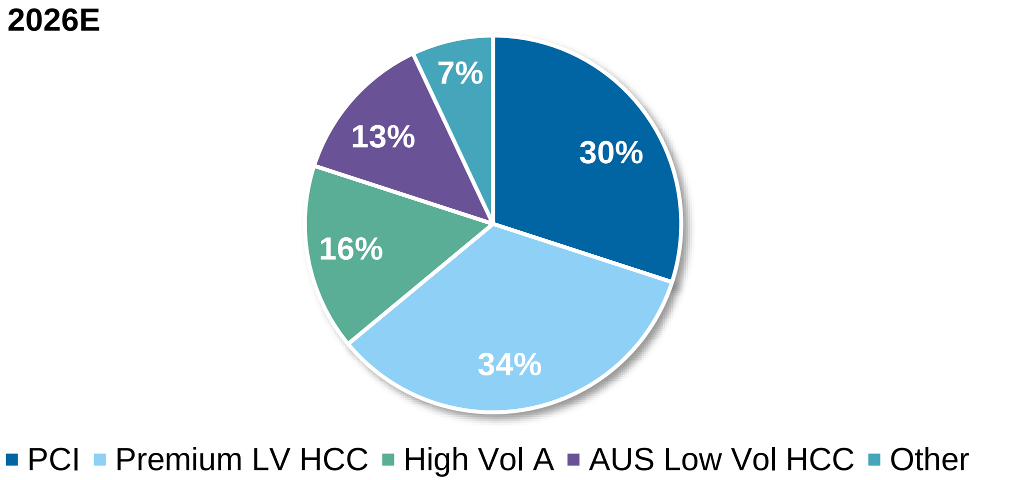
Metallurgical Coal Sales



(1) 2023 Pro forma with LOM average of 4.7 million tons

Metallurgical Sales By Grade





Consistent Free Cash Flow Generator

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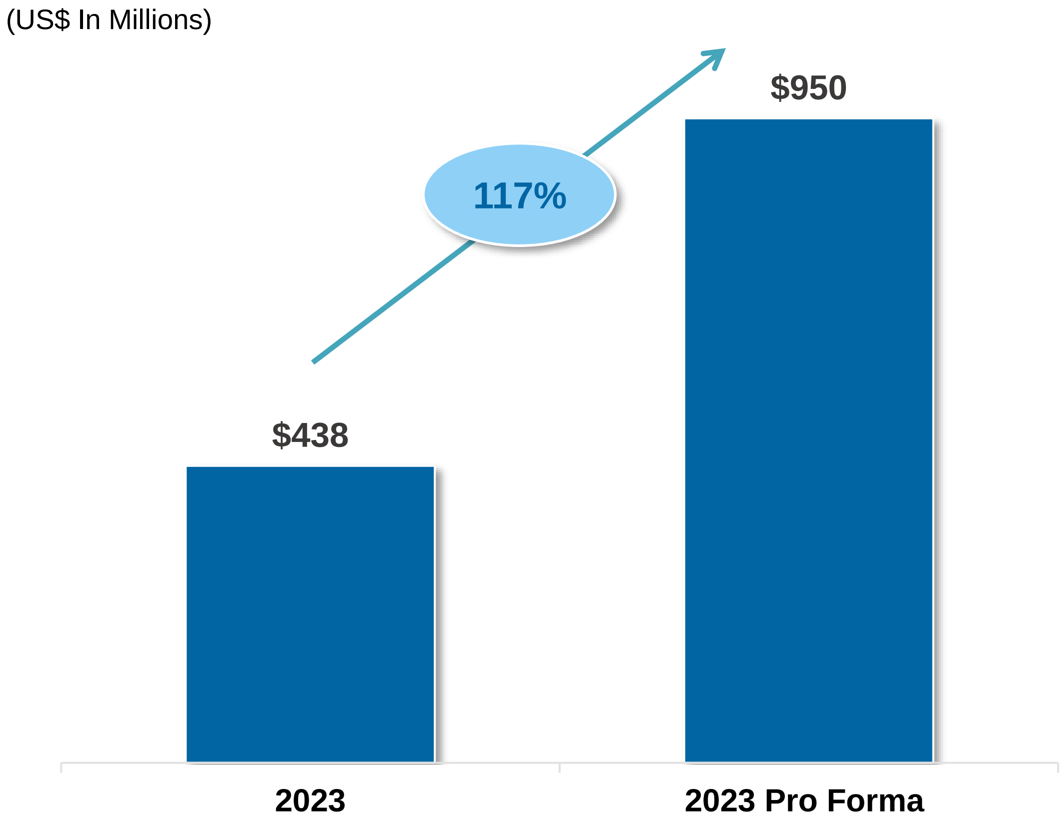
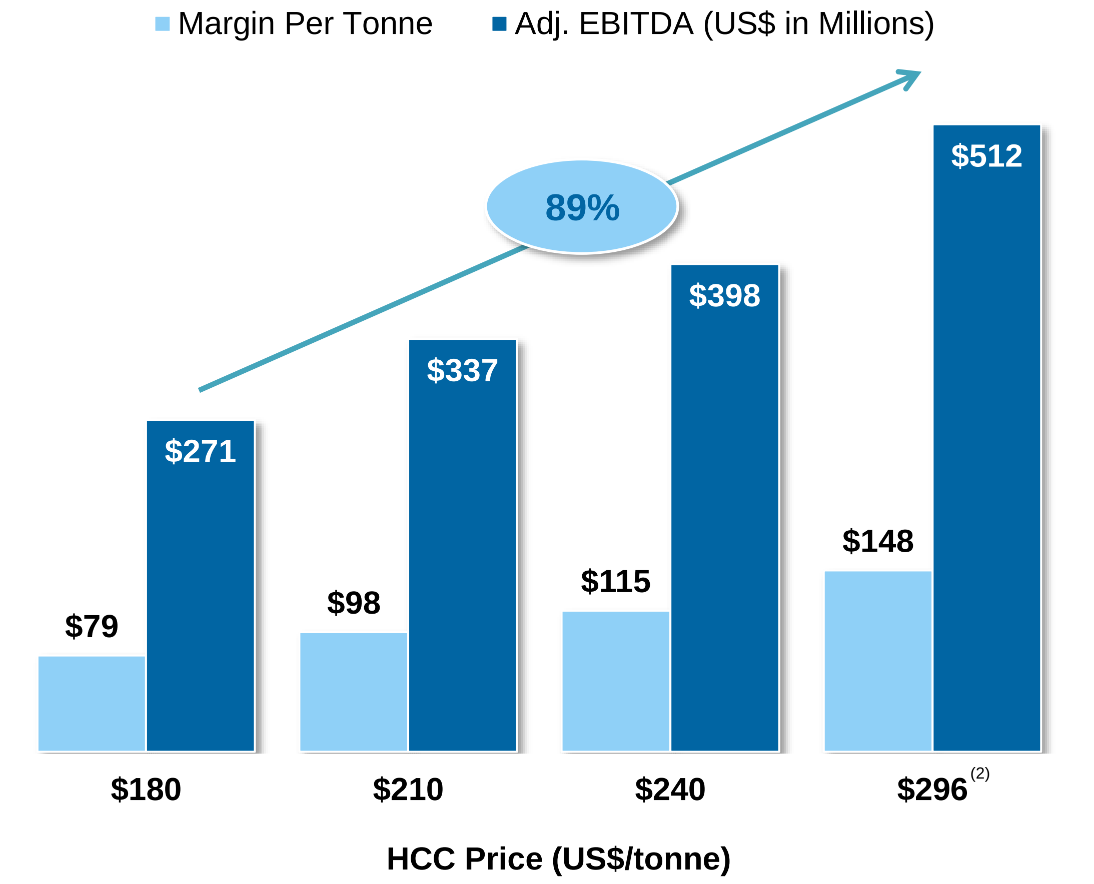
Centurion increases Peabody's metallurgical coal optionality

Illustrative Impact to Seaborne Met Adj. EBITDA (1)



Illustrative Centurion Adj. EBITDA(1) Across Various PLV HCC Prices



(1) Adjusted EBITDA is a non-GAAP financial measure. Refer to the definitions and reconciliations to the nearest GAAP measures in the appendix. (2) Illustrative - 2023 average benchmark HCC price $296 (US$/tonne)

Centurion - Organic Growth with a Cornerstone Asset

Peabody

KEY TAKEAWAYS

- Peabody's organic investment plan is to maximize shareholder value with Centurion growth project ✓
- Provides Peabody's shareholders exposure to increasing demand for hard coking coal ✓
- Premier large-scale hard coking coal asset with Australia geographical proximity to Asian demand ✓
- ~$1.6B NPV / ~25% IRR ✓
- ~4.7M Saleable tons per year beginning in 2026 at cost of ~$105 per ton ✓
- Mine life 25+ years ✓

Q&A

Peabody

Appendix

Centurion Royalties

Peabody

- Centurion is subject to the Queensland Government Royalty charged on total revenue. Queensland Government royalties are based on coal prices per tonne (in $A).
- Centurion South is subject to a special private royalty agreement established in relation to the sale of the property by a prior owner. This special royalty is limited to production from the Goonyella Middle Seam (GMS) within a defined area. The royalty, paid annually, amounts to 20% of the nominal before-tax cashflow attributable to sales from the defined area less capex, and any accumulated losses (since the original sale process was completed in CY2000).
- Centurion North (Wards Well) tenements, is subject to a price-linked royalty payable to the prior owner on the first 120Mt of product coal mined from the area, capped at US$200M. Peabody will only commence making payments once it has recovered its upfront investment in the development of Centurion North.
- All royalties have been considered in the financial analysis.

Queensland Government Royalty Rates

Average price per tonne for period	Rate
Up to and including $100	7%
Over $100 and up to and including $150	First $100: 7% Balance: 12.5%
More than $150 and up to and including $175	First $100: 7% Next $50: 12.5% Balance: 15%
More than $175 and up to and including $225	First $100: 7% Next $50: 12.5% Next $25: 15% Balance: 20%
More than $225 and up to and including $300	First $100: 7% Next $50: 12.5% Next $25: 15% Next $50: 20% Balance: 30%
More than $300	First $100: 7% Next $50: 12.5% Next $25: 15% Next $50: 20% Next $75: 30% Balance: 40%

Australian Safeguard Mechanism

- Centurion Mine is subject to the Australian Safeguard Mechanism, which requires
  - Determination and assurance of a site-specific emission intensity
  - Annual reductions in emissions, aligned with Australian greenhouse gas emission reduction targets
  - Retirement of offsets, in the form of Australian Carbon Credit Units, for emissions exceeding annual baseline
- Multiple mitigation measures are being considered, from concept to operationalization, including
  - Capture of goaf gas for flaring / power generation
  - Gas drainage and enhanced flaring, power generation, and sale into pipeline
  - Regenerative thermal oxidation

Reconciliation of Non-GAAP Measures

Peabody

	Year Ended Dec. 31, 2022	Year Ended Dec. 31, 2023
Adjusted EBITDA (In Millions) [1]		
Seaborne Thermal	$ 647.6	$ 576.8
Seaborne Metallurgical	781.7	438.1
Powder River Basin	68.2	153.7
Other U.S. Thermal	242.4	207.5
Total U.S. Thermal	310.6	361.2
Middlemount	132.8	13.2
Resource Management Results [2]	29.3	21.0
Selling and Administrative Expenses	(88.8)	(90.7)
Other Operating Costs, Net [3]	31.5	44.3
Adjusted EBITDA [2]	$ 1,844.7	$ 1,363.9
Reconciliation of Non-GAAP Financial Measures (In Millions)		
Income from Continuing Operations, Net of Income Taxes	$ 1,317.4	$ 816.0
Depreciation, Depletion and Amortization	317.6	321.4
Asset Retirement Obligation Expenses	49.4	50.5
Restructuring Charges	2.9	3.3
Asset Impairment	11.2	2.0
Provision for NARM and Shoal Creek Losses	-	40.9
Changes in Amortization of Basis Difference Related to Equity Affiliates	(2.3)	(1.6)
Interest Expense	140.3	59.8
Net Loss on Early Debt Extinguishment	57.9	8.8
Interest Income	(18.4)	(76.8)
Net Mark-to-Market Adjustment on Actuarially Determined Liabilities	(27.8)	(0.3)
Unrealized Losses (Gains) on Derivative Contracts Related to Forecasted Sales	35.8	(159.0)
Unrealized Losses (Gains) on Foreign Currency Option Contracts	2.3	(7.4)
Take-or-Pay Contract-Based Intangible Recognition	(2.8)	(2.5)
Income Tax (Benefit) Provision	(38.8)	308.8
Adjusted EBITDA [1]	$ 1,844.7	$ 1,363.9

Note: Refer to definitions and footnotes on slides 32.

Reconciliation of Non-GAAP Measures

Note: Management believes that non-GAAP performance measures are used by investors to measure our operating performance. These measures are not intended to serve as alternatives to U.S. GAAP measures of performance and may not be comparable to similarly-titled measures presented by other companies.

Note: Certain forward-looking measures and metrics presented are non-GAAP financial and operating/statistical measures. Due to the volatility and variability of certain items needed to reconcile these measures to their nearest GAAP measure, no reconciliation can be provided without unreasonable cost or effort.

(1) Adjusted EBITDA is defined as income from continuing operations before deducting net interest expense, income taxes, asset retirement obligation expenses and depreciation, depletion and amortization. Adjusted EBITDA is also adjusted for the discrete items that management excluded in analyzing each of our segment's operating performance as displayed in the reconciliation above. Adjusted EBITDA is used by management as the primary metric to measure each of our segment's operating performance and allocate resources.

(2) Includes gains (losses) on certain surplus coal reserve and surface land sales and property management costs and revenue.

(3) Includes trading and brokerage activities; costs associated with post-mining activities; gains (losses) on certain asset disposals; minimum charges on certain transportation-related contracts; costs associated with suspended operations including the Centurion Mine; and revenue of $25.9 million related to the assignment of port and rail capacity during 2023.