Quarterly Investor Update

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VALUE

Statement on Forward-Looking Information

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 current expectations or predictions of future conditions, events or results. All statements that address operating performance, events or developments that Peabody expects will occur in the future are forward-looking statements. They may include estimates of value accretion, joint venture synergies, closing of the joint venture, revenues, income, earnings per share, cost savings, capital expenditures, dividends, share repurchases, debt reduction, liquidity, capital structure, market share, industry volume, or other financial items, descriptions of management's plans or objectives for future operations, or 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, including (i) risks that the proposed joint venture may not be completed, including as a result of a failure to obtain required regulatory approvals, (ii) risks that the anticipated synergies from the proposed joint venture may not be fully realized, including as a result of actions necessary to obtain regulatory approvals, (iii) other factors that are described in Peabody's Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2018, and (iv) 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.

2019 Highlights: Peabody Advanced Initiatives Against Difficult Backdrop

- ✓ Completed the year with strong cash and liquidity position
- ✓ Progressed the regulatory review for the proposed PRB/Colorado JV
- ✓ Delivered 33% margins for the year in seaborne thermal segment; Obtained regulatory approval to form the United Wambo JV and advanced the Wilpinjong Extension Project in Australia
- ✓ Cut North Goonyella holding costs; Commencing commercial process in tandem with ongoing mine development plan
- ✓ Enhanced organizational structure to increase efficiencies and lower costs
- ✓ Earned prestigious honors in safety, environmental excellence, leadership, employment and diversity
- ✓ Recognized as best in the metals and mining sector for ESG metrics as well as governance in 2019 Institutional Investor rankings

Note: Peabody named Best in ESG and Corporate Governance in 2020 All-American Executive Team Midcap and Small Cap rankings for companies with a market cap of $10 billion or less.

Fourth Quarter Results Reflect Cost Improvements Across Four of Five Operating Segments

Segment	4Q 2018	4Q 2019	% Cost Improvement
Seaborne Thermal	$33.91	$30.68	**10%**
Seaborne Met	$98.95	$88.91	**10%**
PRB	$9.36	$9.13	**2%**
Midwestern	$35.21	$31.61	**10%**

- Seaborne thermal platform delivers 33% Adjusted EBITDA margins
  - Excellent cost performance from Wambo Underground
- 4Q marks highest quarterly production volumes of 2019 for the CMJV
- PRB earns 23% Adjusted EBITDA margins despite 8% decline in shipments from prior year
- Midwestern costs improve on higher productivity and favorable mix, following reduced production from several uneconomic mines

Note: Adjusted EBITDA is a non-GAAP financial measure. Adjusted EBITDA margin and cost per ton are non-GAAP operating/statistical measures. Adjusted EBITDA margin is equal to segment Adjusted EBITDA divided by segment revenues. Refer to the definition and reconciliation to the nearest GAAP measures in the appendix. Seaborne Met costs excludes net North Goonyella equipment and development costs.

Peabody Remains Committed to Longstanding Financial Approach; Maintains Strong Cash and Liquidity Position

- Debt reduction nearly ~$50 million in fourth quarter
- $1.2 billion of reduced total liabilities since mid-2017
  - ~$650 million debt reduction
- Net leverage totals 0.7x 2019 Adjusted EBITDA; Gross leverage of only 1.6x
- Capex totals $285 million in 2019 – nearly 30% lower than guidance at beginning of 2019

Total Liquidity ($ in millions)	Dec. 2018	Dec. 2019	Change
Cash & Cash Equivalents	$982	$732	($250)
Revolver Availability	$244	$499	$255
ARS Availability	$93	$45	($48)
Total Liquidity	**$1,319**	**$1,276**	**($43)**

Total Liabilities ($ in millions)	Dec. 2018	Dec. 2019	Change
Pension	$31	($1)	($32)
Retiree Healthcare	$580	$626	$46
ARO	$750	$752	$2
Total Debt	$1,367	$1,311	($56)
Other Liabilities	$1,244	$1,182	($62)
Total Liabilities	**$3,972**	**$3,870**	**($102)**

Note: Liability balances reflect current and non-current balances. Net Debt, Net leverage and Gross leverage are non-GAAP financial measures. Net leverage is equal to Net Debt divided by Adjusted EBITDA. Gross leverage is equal to current portion of long-term debt plus long-term debt, less current portion divided by Adjusted EBITDA. Refer to the definition and reconciliation to the nearest GAAP measures in the appendix.

Focus on Seaborne Thermal Life Extension Projects, Met Operating Performance and PRB/Colorado JV

Seaborne Thermal

- United Wambo JV formed in Q4 2019 following federal permit approval; Joint production targeted to begin in late 2020
- Progressing Wilpinjong Extension Project to extend life of one of lowest-cost thermal mines in Australia; Offers attractive returns

Seaborne Metallurgical

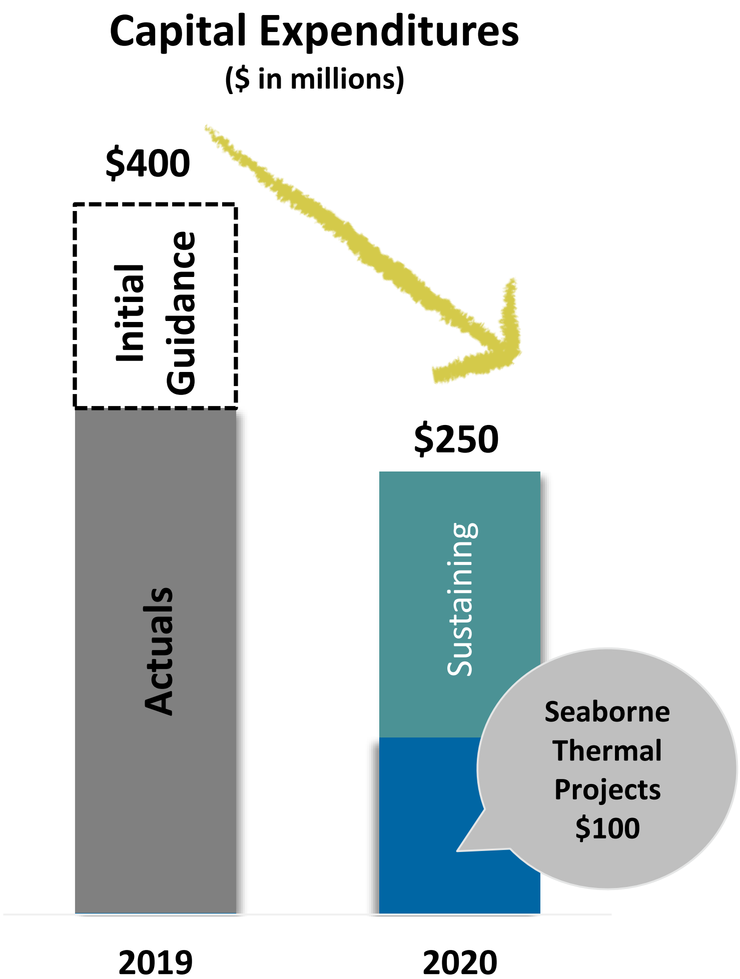
- Implementing actions to increase met coal volumes and lower unit costs
- Commencing commercial process for North Goonyella in tandem with ongoing mine development plan; Potential outcomes include a strategic financial partner, JV structure and sale of asset

U.S. Thermal

- Anticipating decision from FTC regarding formation of proposed highly-synergistic PRB/Colorado JV in Q1 2020, following extensive review
- Peabody and Arch engaged in permitted integration planning for JV

Peabody Focused on Debt Reduction Activities and "Living Within Our Means" Entering 2020

- Pacing and quantum of debt reduction dependent on industry and company-specific factors, including commercial processes underway for PRB/Colorado JV and North Goonyella
- Reduced capex, modified portfolio and continuing improvement activities
- Suspending dividends; No intentions to repurchase stock under current conditions
- Steps important to enable long-term value creation



Full-Year 2020 Guidance and First Quarter Expectations

- Targeting lower SG&A of ~$135 million in 2020 relative to 2019
- Capital expenditures of ~$250 million, include $100 million related to seaborne thermal life extension projects
- Met volumes of ~8.3 million tons weighted toward second half of 2020
- ~96 million tons of PRB coal fully priced for 2020; flexibility to increase volumes should demand warrant
- ~20 million tons of Other U.S. Thermal tons fully priced for 2020
- U.S. thermal costs expected to be impacted by ~$30 million due to higher federal coal excise tax
- Expect lower first quarter results relative to Q4 2019
  - $89 million in non-recurring settlement income realized in Q4
  - $20 million – $30 million in pricing impacts
  - Q1 met costs expected to be significantly higher than full-year guidance

Appendix

2020 Guidance Targets

Segment Performance

Segment	Volume (millions of short tons)	Contracted Pricing per Short Ton	Average Cost per Short Ton
PRB – Priced	~96	$11.13	~$9.70
Other U.S. Thermal – Priced	~20	$37	~$31.75
Seaborne Thermal (Export) – Priced	~3.2	~$65	
Seaborne Thermal (Export) – Total	~11.5		~$32
Seaborne Thermal (Domestic)	~7.7		
Seaborne Metallurgical	~8.3		~$95

Other Annual Financial Metrics ($ in millions)

SG&A	~$135
DD&A	~$425
Net Cash Interest Payments	~$110
Interest Expense (Including Non-Cash)	~$135
Capital Expenditures	~$250
ARO Cash Spend	~$65

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2020 Guidance Targets

Supplemental Pricing Information

U.S. Thermal	PRB and Other U.S. Thermal volumes reflect volumes priced as of Dec. 31, 2019. Peabody has the flexibility to increase volumes should demand warrant.
Seaborne Thermal	~65% of Peabody's annual export seaborne thermal sales realize the NEWC index price with the remaining 35% realizing the API 5 price. Peabody's 2020 priced position reflects a combination of NEWC and API 5 quality in USD per short ton.
Seaborne Metallurgical	On average, Peabody's total metallurgical sales realize ~75% of the premium hard-coking coal index price. Peabody's total metallurgical sales are expected to be comprised of ~40% hard coking coal and ~60% PCI.

Note: Seaborne thermal costs reflect the weighted average cost for both export and domestic volumes.

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.

In addition, Peabody estimates retiree healthcare cash costs will exceed expense by approximately $30 million in 2020 given previously made plan amendments.

Historical Seaborne Pricing ($/Tonne)

Time Period	HCC – Settlement	HCC – Spot	LV PCI – Settlement	LV PCI – Spot	NEWC – Prompt	API 5 – Prompt
Q4 2019	$142	$140	$114.50	$88	$67	$50
Q3 2019	$178	$160	$134.50	$104	$68	$50
Q2 2019	$208	$203	$138.50	$125	$80	$57
Q1 2019	$210	$206	$141	$126	$97	$60
Q4 2018	$212	$221	$139	$128	$105	$63
Q3 2018	$188	$189	$150	$128	$117	$69
Q2 2018	~$197	$190	$155	$140	$104	$75
Q1 2018	$237	$228	$156.50	$149	$103	$82
Q4 2017	$192	$205	$127	$126	$98	$76
Q3 2017	$170	$189	$115/$127	$117	$93	$74
Q2 2017	$194	$190	$135	$124	$80	$67
Q1 2017	$285	$169	$180	$110	$82	$65
Q4 2016	$200	$266	$133	$159	$94	$73

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Source: HCC, LV PCI, and NEWC spot prices per Platts; API5 spot prices per Platts through Q1 2019, and per Argus/McCloskey Weekly Index for Q2 – Q3 2019. Settlement prices per IHS Markit benchmark history.

Reconciliation of Non-GAAP Measures

	Quarter Ended		Year Ended	
	Dec. 2019	Dec. 2018	Dec. 2019	Dec. 2018
Tons Sold (In Millions)				
Seaborne Thermal Mining Operations	5.4	5.5	19.5	19.1
Seaborne Metallurgical Mining Operations	1.9	2.3	8.1	11.0
Powder River Basin Mining Operations	27.6	30.0	108.1	120.3
Midwestern U.S. Mining Operations	3.7	4.6	16.0	18.9
Western U.S. Mining Operations	1.9	3.5	11.9	14.7
Total U.S. Thermal Mining Operations	33.2	38.1	136.0	153.9
Corporate and Other	0.3	0.3	1.9	2.7
Total	40.8	46.2	165.5	186.7

	Quarter Ended		Year Ended	
	Dec. 2019	Dec. 2018	Dec. 2019	Dec. 2018
Revenue Summary (In Millions)				
Seaborne Thermal Mining Operations	$ 251.0	$ 325.3	$ 971.7	$ 1,099.2
Seaborne Metallurgical Mining Operations	201.4	299.0	1,033.1	1,553.0
Powder River Basin Mining Operations	325.2	340.3	1,228.7	1,424.8
Midwestern U.S. Mining Operations	147.1	193.3	669.7	801.0
Western U.S. Mining Operations	191.5	152.6	639.7	592.0
Total U.S. Thermal Mining Operations	663.8	686.2	2,538.1	2,817.8
Corporate and Other	1.2	86.6	80.5	111.8
Total	$ 1,117.4	$ 1,397.1	$ 4,623.4	$ 5,581.8

Reconciliation of Non-GAAP Measures

	Quarter Ended		Year Ended	
	Dec. 2019	Dec. 2018	Dec. 2019	Dec. 2018
Total Reporting Segment Costs [1] Summary (In Millions)				
Seaborne Thermal Mining Operations	$ 167.5	$ 187.8	$ 642.3	$ 647.2
Seaborne Metallurgical Mining Operations	188.2	273.2	892.9	1,111.6
North Goonyella Equipment & Development Costs	16.9	49.0	77.6	58.0
Seaborne Metallurgical Mining Operations, Excluding North Goonyella Equipment & Development Costs	171.3	224.2	815.3	1,053.6
Powder River Basin Mining Operations	251.3	280.5	1,007.5	1,140.3
Midwestern U.S. Mining Operations	116.4	160.0	539.0	655.8
Western U.S. Mining Operations	102.1	101.6	409.0	446.6
Total U.S. Thermal Mining Operations	469.8	542.1	1,955.5	2,242.7
Corporate and Other	31.1	28.3	73.5	115.2
Total	$ 856.6	$ 1,031.4	$ 3,564.2	$ 4,116.7
Adjusted EBITDA [2] (In Millions)				
Seaborne Thermal Mining Operations	$ 83.5	$ 137.5	$ 329.4	$ 452.0
Seaborne Metallurgical Mining Operations	13.2	25.8	140.2	441.4
North Goonyella Equipment & Development Costs	16.9	49.0	77.6	58.0
Seaborne Metallurgical Mining Operations, Excluding North Goonyella Equipment & Development Costs	30.1	74.8	217.8	499.4
Powder River Basin Mining Operations	73.9	59.8	221.2	284.5
Midwestern U.S. Mining Operations	30.7	33.3	130.7	145.2
Western U.S. Mining Operations	89.4	51.0	230.7	145.4
Total U.S. Thermal Mining Operations	194.0	144.1	582.6	575.1
Middlemount [3]	(4.9)	8.1	(9.8)	51.1
Resource Management Results [4]	2.2	1.9	8.2	44.7
Selling and Administrative Expenses	(37.2)	(38.4)	(145.0)	(158.1)
Transaction Costs Related to Business Combinations and Joint Ventures	(11.8)	(4.9)	(21.6)	(7.4)
Other Operating Costs, Net [5]	(34.1)	(0.4)	(46.9)	(19.5)
Adjusted EBITDA [2]	$ 204.9	$ 273.7	$ 837.1	$ 1,379.3

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Note: Refer to definitions and footnotes on slides 17 – 18.

Reconciliation of Non-GAAP Measures

Reconciliation of Non-GAAP Financial Measures (In Millions)	Quarter Ended Dec. 2019	Quarter Ended Dec. 2018	Year Ended Dec. 2019	Year Ended Dec. 2018
(Loss) Income from Continuing Operations, Net of Income Taxes	$ (290.2)	$ 233.5	$ (188.3)	$ 645.7
Depreciation, Depletion and Amortization	121.6	175.9	601.0	679.0
Asset Retirement Obligation Expenses	13.8	15.1	58.4	53.0
Gain on Formation of United Wambo Joint Venture	(48.1)	-	(48.1)	-
Asset Impairment	250.2	-	270.2	-
Provision for North Goonyella Equipment Loss	58.5	17.1	83.2	66.4
North Goonyella Insurance Recovery - Equipment (6)	-	-	(91.1)	-
Changes in Deferred Tax Asset Valuation Allowance and Reserves and Amortization of Basis Difference Related to Equity Affiliates	(19.1)	3.8	(18.8)	(18.3)
Interest Expense	36.8	36.5	144.0	149.3
Loss on Early Debt Extinguishment	0.2	-	0.2	2.0
Interest Income	(4.5)	(9.3)	(27.0)	(33.6)
Net Mark-to-Market Adjustment on Actuarially Determined Liabilities	67.4	(125.5)	67.4	(125.5)
Reorganization Items, Net	-	-	-	(12.8)
Unrealized Losses (Gains) on Economic Hedges	2.0	(54.6)	(42.2)	(18.3)
Unrealized (Gains) Losses on Non-Coal Trading Derivative Contracts	(1.0)	(0.7)	(1.2)	0.7
Fresh Start Take-or-Pay Contract-Based Intangible Recognition	(2.7)	(5.2)	(16.6)	(26.7)
Income Tax Provision (Benefit)	20.0	(12.9)	46.0	18.4
Adjusted EBITDA (2)	$ 204.9	$ 273.7	$ 837.1	$ 1,379.3

Note: Refer to definitions and footnotes on slides 17 – 18.

Reconciliation of Non-GAAP Measures

	Quarter Ended		Year Ended	
	Dec. 2019	Dec. 2018	Dec. 2019	Dec. 2018
Operating Costs and Expenses	$ 825.1	$ 1,021.5	$ 3,536.6	$ 4,071.4
Unrealized Gains (Losses) on Non-Coal Trading Derivative Contracts	1.0	0.7	1.2	(0.7)
Fresh Start Take-or-Pay Contract-Based Intangible Recognition	2.7	5.2	16.6	26.7
North Goonyella Insurance Recovery - Cost Recovery and Business Interruption (6)	-	-	(33.9)	-
Net Periodic Benefit Costs, Excluding Service Cost	4.8	4.5	19.4	18.1
Restructuring Charges (Benefit)	23.0	(0.5)	24.3	1.2
Total Reporting Segment Costs (1)	$ 856.6	$ 1,031.4	$ 3,564.2	$ 4,116.7

	Quarter Ended		Year Ended	
	Dec. 2019	Dec. 2018	Dec. 2019	Dec. 2018
Net Cash Provided By Operating Activities	$ 124.8	$ 228.9	$ 677.4	$ 1,489.7
Net Cash Used In Investing Activities	(113.7)	(451.8)	(261.3)	(517.3)
Add Back: Amount Attributable to Acquisition of Shoal Creek Mine	-	387.4	2.4	387.4
Free Cash Flow (7)	$ 11.1	$ 164.5	$ 418.5	$ 1,359.8

Reconciliation of Non-GAAP Financial Measures (In Millions)	(Unaudited) Dec. 31, 2019
Current Portion of Long-Term Debt	$ 18.3
Long-Term Debt, Less Current Portion	1,292.5
Less: Cash and Cash Equivalents	(732.2)
Net Debt (8)	$ 578.6

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Note: Refer to definitions and footnotes on slides 17 – 18.

Reconciliation of Non-GAAP Measures: Definitions

Note: Total Reporting Segment Costs, Adjusted EBITDA, Free Cash Flow and Net Debt are non-GAAP financial measures. Management believes that non-GAAP performance measures are used by investors to measure our operating performance and lenders to measure our ability to incur and service debt. 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.

(1) Total Reporting Segment Costs is defined as operating costs and expenses adjusted for the discrete items that management excluded in analyzing each of our segment's operating performance as displayed in the reconciliation above. Total Reporting Segment Costs is used by management as a metric to measure each of our segment's operating performance.

(2) Adjusted EBITDA is defined as (loss) income from continuing operations before deducting net interest expense, income taxes, asset retirement obligation expenses, depreciation, depletion and amortization and reorganization items, net. 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.

(3) We account for our 50% equity interest in Middlemount Coal Pty Ltd. (Middlemount), which owns the Middlemount Mine, under the equity method. Middlemount's standalone results exclude the impact of related changes in deferred tax asset valuation allowance and reserves and amortization of basis difference recorded by the company in applying the equity method. Middlemount's standalone results include (on a 50% attributable basis):

	Quarter Ended		Year Ended	
	Dec. 2019	Dec. 2018	Dec. 2019	Dec. 2018
	(In Millions)			
Tons sold	0.3	0.6	1.5	2.1
Depreciation, depletion and amortization and asset retirement obligation expenses	$ 7.8	$ 3.1	$ 23.1	$ 14.9
Net interest expense	2.7	3.9	9.1	13.9
Income tax (benefit) provision	(5.5)	2.6	(7.1)	18.0

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Reconciliation of Non-GAAP Measures: Definitions

(4) Includes gains (losses) on certain surplus coal reserve and surface land sales, property management costs and revenues, the Q3 2018 gain of $20.5 million on the sale of surplus coal resources associated with the Millennium Mine and the Q1 2018 gain of $20.6 million on the sale of certain surplus land assets in Queensland's Bowen Basin.

(5) Includes trading and brokerage activities, costs associated with post-mining activities, certain coal royalty expenses, minimum charges on certain transportation-related contracts, restructuring charges and the Q1 2018 gain of $7.1 million recognized on the sale of our interest in the Red Mountain Joint Venture.

(6) We recorded a $125.0 million insurance recovery during the year ended December 31, 2019 related to losses incurred at our North Goonyella Mine. Of this amount, Adjusted EBITDA excludes an allocated amount applicable to total equipment losses recognized at the time of the insurance recovery settlement, which consisted of $24.7 million and $66.4 million recognized during the years ended December 31, 2019 and 2018, respectively. The remaining $33.9 million, applicable to incremental costs and business interruption losses, is included in Adjusted EBITDA for the year ended December 31, 2019.

(7) Free Cash Flow is defined as net cash provided by operating activities less net cash used in investing activities and excludes cash outflows related to business combinations. Free Cash Flow is used by management as a measure of our financial performance and our ability to generate excess cash flow from our business operations.

(8) Net Debt is defined as current portion of long-term debt plus long-term debt, less current portion less cash and cash equivalents. Net Debt is reviewed by management as an indicator of our overall financial flexibility, capital structure and leverage.