Quarterly Investor Update

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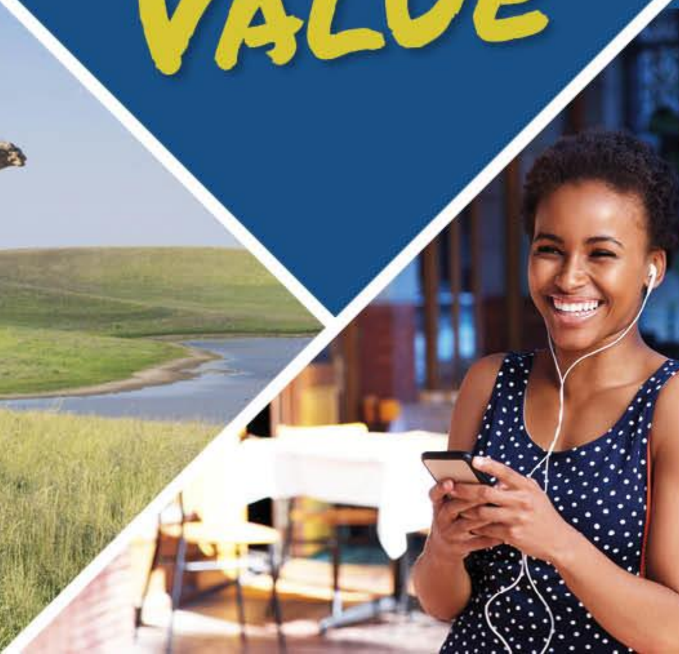
May 1, 2019

Peabody

DELIVERING RESULTS
GENERATING 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 we expect or anticipate will occur in the future are forward-looking statements. They may include estimates of revenues, income, earnings per share, cost savings, capital expenditures, dividends, share repurchases, 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 the company's good faith beliefs, assumptions and expectations, but they are not guarantees of future performance or events. Furthermore, the company 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 the company's control, that are described in our Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2018, as well as additional factors we may describe from time to time in other filings with the SEC. You may get such filings for free at our 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.

Strong Results; Unusual Challenges

- ✓ Shoal Creek Mine rises to top earnings contributor
- ✓ Seaborne thermal delivers 38% Adjusted EBITDA margins
- ✓ Maximum insurance recoveries recognized for North Goonyella
- ✓ Shareholder returns nearly double quarterly Free Cash Flow
- ✓ Logistics chain challenges impact PRB shipments

Advancing Multiple Strategies to Create Value

Continuing to reweight investments toward greater SEABORNE THERMAL and SEABORNE METALLURGICAL access to capture higher-growth Asian demand

Optimizing lowest-cost and highest-margin U.S. THERMAL operations in a low-capital fashion to maximize cash generation

Executing financial approach of generating cash, maintaining financial strength, investing wisely and RETURNING CASH TO SHAREHOLDERS

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Note: Adjusted EBITDA margin and Free Cash Flow are a non-GAAP metrics. Adjusted EBITDA margin is equal to segment Adjusted EBITDA divided by segment revenue. Refer to the reconciliation to the nearest GAAP measures in the appendix.

Shoal Creek Acquisition Upgrades Seaborne Met Portfolio; Represents Multiple Strategic and Financial Benefits

- Purchased mine, prep plant and supporting assets for $390 million in cash
  - Excludes legacy liabilities other than reclamation
- Acquisition offers significant strategic, financial benefits
- First quarter cash flows implies payback period of less than two-years
- Integration well under way

* CLEARLY MEETS STRICT INVESTMENT FILTERS

- ✓ *Strategic portfolio fit*
- ✓ *Maintains financial strength*
- ✓ *Generates returns above cost of capital*
- ✓ *Provides a ~~reasonable~~ RAPID payback period*
- ✓ *Provides tangible synergies*
- ✓ *Creates significant value for <u>our</u> shareholders*

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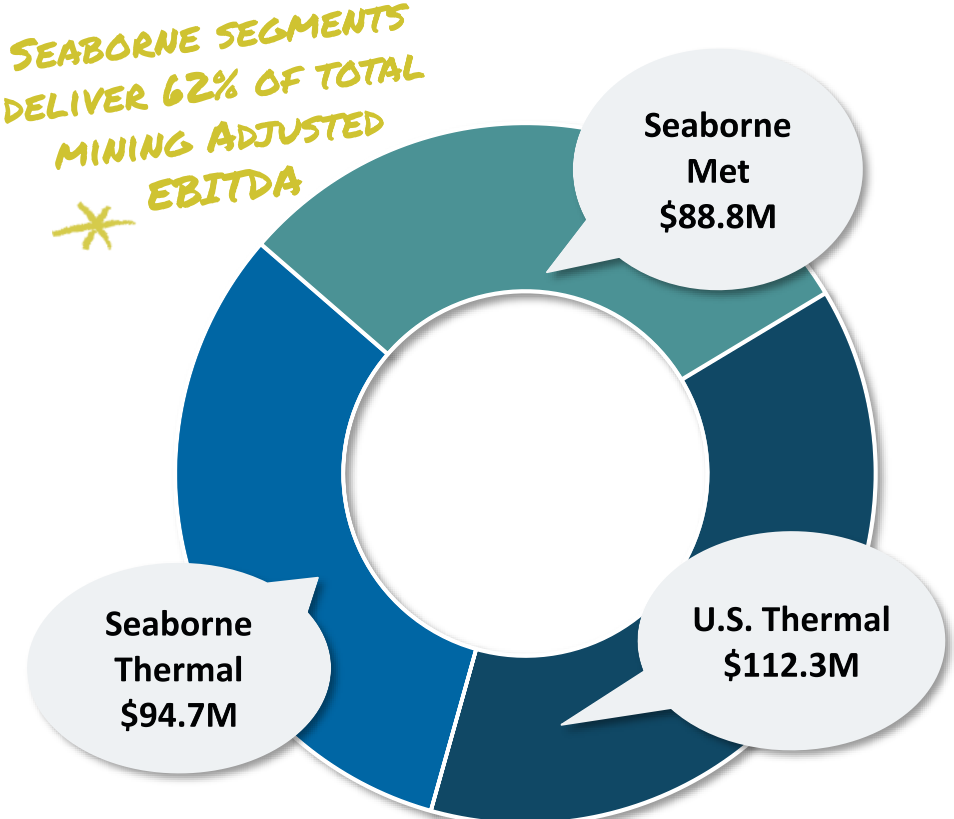
Seaborne Thermal Again Leads Segments in Total Adjusted EBITDA Contributions and Adjusted EBITDA Margins

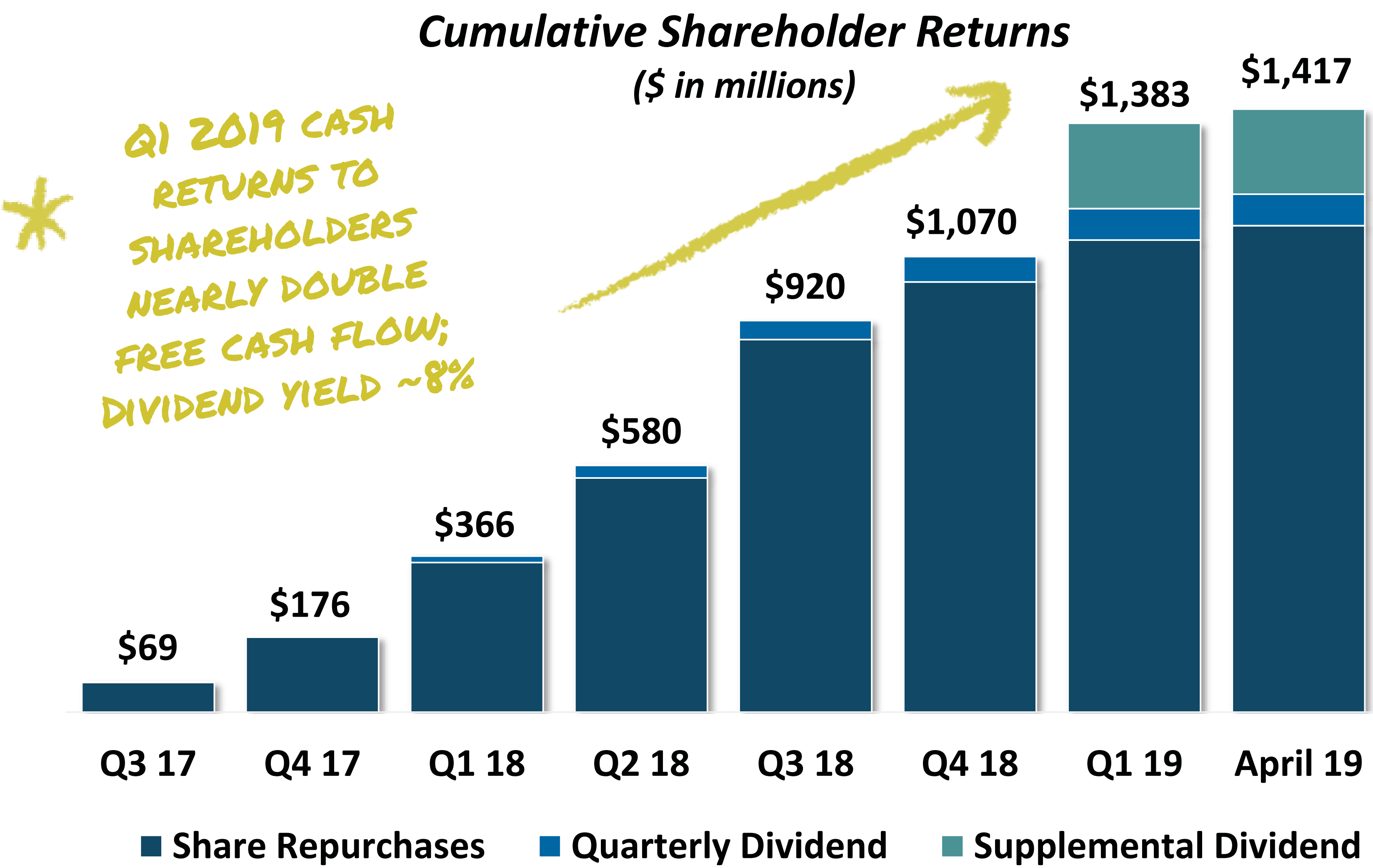
Q1 2019 Adjusted EBITDA by Mining Portfolios



- Seaborne thermal delivers 38% Adjusted EBITDA margins
  - 2.6 million short tons exported, 24% increase over prior year
  - Newcastle-spec shipments comprised 71% of export sales
- Shoal Creek Mine enhances seaborne met segment
  - Segment costs temporarily elevated due to lower volumes, dragline repairs, Shoal Creek inventory adjustment
  - Shoal Creek cash costs at lower end of guidance range
- U.S. thermal shipments decline on rail issues due to winter weather, flooding

Note: Adjusted EBITDA and Adjusted EBITDA margins are non-GAAP metrics. Refer to the reconciliation to the nearest GAAP measures in the appendix. Seaborne met Adjusted EBITDA excludes North Goonyella Costs, Less Insurance Recoveries

Peabody Intends to Return to Shareholders Equal or Greater Amount of Free Cash Flow in 2019



Note: Free Cash Flow is a non-GAAP metric. Refer to the reconciliation to the nearest GAAP measure in the appendix. Ongoing quarterly dividend pace ($0.13 per share per quarter) and supplemental dividend of $1.85 per share equates to a 2019 yield of ~8% based on current share price.

First Quarter Marked by Unusual Near-Term Challenges to Coal Industry Logistics Chain in Multiple Regions

Seaborne Thermal Coal

- Pricing eases in first quarter on reduced LNG prices, above-average stockpiles and milder winter in Northern Hemisphere
- China imports ease 8% during quarter; China indicates goal of imports on par with 2018 levels
- India imports up 16% on demand for higher-CV coals
- ASEAN imports rise 23% through March

Seaborne Metallurgical Coal

- Tight supply/demand driving robust pricing
- Chinese imports rise 35% through March as safety checks, strong steel production, quality limitations tighten domestic supply
- 2019 met coal imports expected to increase 5 – 10 million tonnes over 2018 levels

Source: Industry sources and Peabody Global Analytics.

Coal Will Continue to Play a Significant Role in the Global Energy Mix for the Foreseeable Future

- Global coal generation capacity passes 2,000 GW for first time ever in 2018 per WoodMac
  - 62% increase from 2000 to 2018
- IHS Markit projects Southeast Asia's coal fleet to double in size by 2030
- ~300 GW of new coal-fueled generating plants currently under construction in Asia
- Peabody well-positioned to serve growing Asia-Pacific demand centers
- Coal essential to original steelmaking; Provides 70% of energy to create cement

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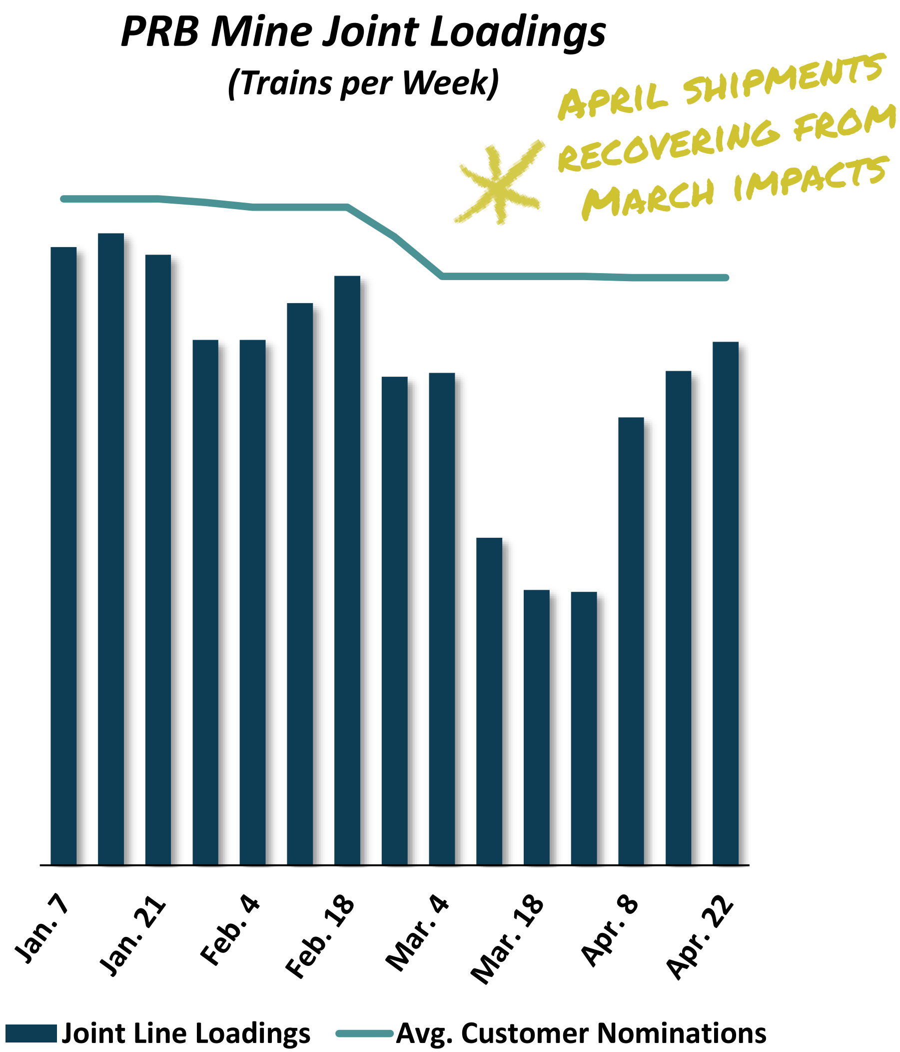
Source: World Coal Association Q1 2018 Presentation; Wood Mackenzie

PRB Continued Customer Demand Despite Rail Outages and Delays Caused by Severe Flooding



- Rail outages, delays drive 12% decline in coal production
  - PRB shipments down 5 – 10 million tons
  - Further reduces already low utility stockpiles
- Customer nominations exceed train loadings by 60% in March
- Coal-fueled generation down ~9% through March
  - Natural gas generation rises 11%, all other fuel sources decline
- 2019 retirements expected to be less than half that of 2018

Source: Industry reports and Peabody Global Analytics.

Strong Second Half 2019 Expected to Contribute More Than Half Full-Year Adjusted EBITDA

- Second half of the year results improve on higher seaborne and PRB volumes, lower met coal costs
- Second quarter impacted by two longwall moves in Australia; PRB shipments in line with first quarter as rail recovery offsets shoulder season impact
- Lowering 2019 capex guidance to $350 million to $375 million
- Continued pursuit of opportunities to create value following highly accretive Shoal Creek acquisition
- Sustained commitment to return cash to shareholders

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2019 Guidance Targets

Sales Volumes (Short Tons in millions)

PRB	105 – 115
ILB	17.5 – 18.5
Western	11 – 12
Seaborne Metallurgical	9.4 – 10.4
HCC[1]:	40% – 50%
PCI[2]:	50% – 60%
Seaborne Export Thermal	12.0 – 12.5
NEWC:	60% – 70%
API 5:	30% – 40%
Australia Domestic Thermal	7 – 8

Revenues per Ton

Total U.S. Thermal	$17.10 – $18.10

Costs Per Ton (USD per Short Ton)

PRB	$9.25 – $9.75
ILB	$32 – $35
Total U.S. Thermal	$13.95 – $14.95
Seaborne Thermal[3] (includes Aus. Domestic Thermal)	$32 – $36
Seaborne Metallurgical[3] (excluding North Goonyella)	$90 – $95

Quarterly North Goonyella Costs	$30 – $35 million
Quarterly SG&A Expense	~$40 million
Full-Year Capital Expenditures	$350 – $375 million
Full-Year DD&A	$600 – $650 million
Full-Year Interest Expense[4]	~$150 million
Full-Year ARO Cash Spend	~$50 million

Cost Sensitivities[5]

$0.05 Decrease in A$ FX Rate[6]	+ ~$65 million
$0.05 Increase in A$ FX Rate[6]	- ~$65 million
Fuel (+/- $10/barrel)	+/- ~$20 million

2019 Priced Position (Avg. Price per Short Ton)

PRB	$11.25
ILB	~$42
Seaborne Export Thermal Volumes (Q2 – Q4) [7]	~$83

~95% of Peabody's 2019 U.S. thermal volumes are priced based on the mid-point of 2019 volume guidance

~5.7 million short tons of seaborne export thermal coal priced (Q2 – Q4) [7]

2020 Priced Position (Avg. Price per Short Ton)

~40% and ~60% of Peabody's 2020 U.S. thermal volumes are priced and committed, respectively, based on the mid-point of 2019 volume guidance

Seaborne Export Thermal Volumes	~$77

~2.1 million short tons of seaborne export thermal coal priced for 2020

2019 Guidance Targets

[1] Peabody expects to realize ~80%-90% of the premium HCC quoted index price on a weighted average across all its products.

[2] Approximately 40% of Peabody's seaborne metallurgical PCI sales are on a spot basis, with the remainder linked to the quarterly contract. Peabody expects to realize ~80%-90% of the LV PCI benchmark for its PCI products.

[3] Assumes 2019 average A$ FX rate of $0.72. Cost ranges include sales-related cost, which will fluctuate based on realized prices.

[4] Interest expense includes interest on funded debt, surety bonds, commitment fees and letters of credit fees issued under the revolver and accounts receivable securitization program, and non-cash interest related to certain contractual arrangements and amortization of debt issuance costs.

[5] Sensitivities reflect approximate impacts of changes in variables on financial performance. When realized, actual impacts may differ significantly.

[6] As of March 31, 2019, Peabody had outstanding average rate call options to manage market price volatility associated with the Australian dollar in aggregate notional amount of approximately AUD $975 million with strike price levels ranging from $0.76 to $0.77 with settlement dates through Dec. 31, 2019. Sensitivities provided are relative to an assumed average A$ FX exchange rate of ~$0.71 as of March 31, 2019.

[7] Approximately 40%-50% of Peabody's unpriced seaborne thermal export volumes is NEWC-specification, with the reminder closer to an API5 product. Priced position assumes settlement of JFY tons at $94.75 per tonne.

Note 1: Peabody classifies its seaborne metallurgical or thermal segments based on the primary customer base and reserve type. A small portion of the coal mined by the seaborne metallurgical segment is of a thermal grade and vice versa. Peabody may market some of its metallurgical coal products as a thermal product from time to time depending on industry conditions. Per ton metrics presented are non-GAAP 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.

Note 2: A sensitivity to changes in seaborne pricing should consider Peabody's estimated split of products and the weighted average discounts across all products to the applicable index prices, in addition to impacts on sales-related costs, and applicable conversions between short tons and metric tonnes as necessary.

Note 3: As of April 30, 2019 Peabody had approximately 107.1 million shares of common stock outstanding. Including approximately 3 million shares of unvested equity awards, Peabody has approximately 110 million shares of common stock on a fully diluted basis.

Historical Seaborne Pricing ($/Tonne)

Time Period	HCC – Settlement	HCC – Spot	LV PCI – Settlement	LV PCI – Spot	NEWC – Spot	API 5 - Prompt
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
Q3 2016	$93	$135	$75	$88	$66	$55
Q2 2016	$84	$91	$73	$72	$52	$43

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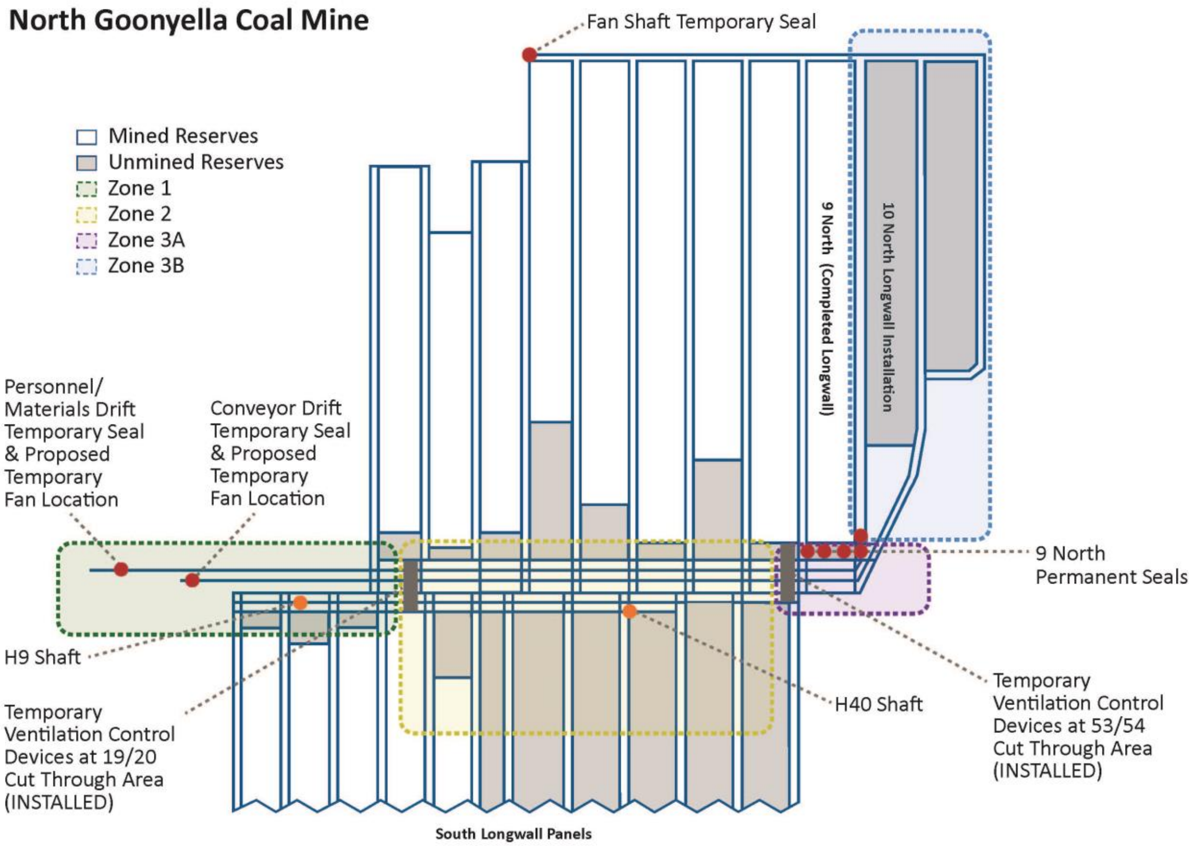
Source: HCC, LV PCI, NEWC and API5 spot prices per Platts; Settlement prices per IHS Markit benchmark history.

North Goonyella Mine: Segmenting of Multiple Zones

North Goonyella Fan Installation



Reconciliation of Non-GAAP Measures

	Quarter Ended	
	Mar. 2019	Mar. 2018
Tons Sold (In Millions)		
Seaborne Thermal Mining Operations	4.5	3.8
Seaborne Metallurgical Mining Operations	2.3	3.0
Powder River Basin Mining Operations	25.3	32.4
Midwestern U.S. Mining Operations	4.2	4.7
Western U.S. Mining Operations	3.7	3.7
Total U.S. Thermal Mining Operations	33.2	40.8
Corporate and Other	0.5	0.7
Total	40.5	48.3

	Quarter Ended	
	Mar. 2019	Mar. 2018
Revenue Summary (In Millions)		
Seaborne Thermal Mining Operations	$ 251.0	$ 201.4
Seaborne Metallurgical Mining Operations	324.5	466.2
Powder River Basin Mining Operations	287.3	389.3
Midwestern U.S. Mining Operations	179.1	201.7
Western U.S. Mining Operations	155.7	143.7
Total U.S. Thermal Mining Operations	622.1	734.7
Corporate and Other	53.0	60.4
Total	$ 1,250.6	$ 1,462.7

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Reconciliation of Non-GAAP Measures

	Quarter Ended	
	Mar. 2019	Mar. 2018
Total Reporting Segment Costs [1] Summary (In Millions)		
Seaborne Thermal Mining Operations	$ 156.3	$ 139.8
Seaborne Metallurgical Mining Operations	238.7	299.8
North Goonyella Costs, Less Insurance Recoveries	3.0	-
Seaborne Metallurgical Mining Operations, Excluding North Goonyella Costs, Net	235.7	299.8
Powder River Basin Mining Operations	250.9	314.8
Midwestern U.S. Mining Operations	145.8	170.5
Western U.S. Mining Operations	113.1	111.7
Total U.S. Thermal Mining Operations	509.8	597.0
Corporate and Other	20.4	31.6
Total	$ 925.2	$ 1,068.2
Adjusted EBITDA [2] (In Millions)		
Seaborne Thermal Mining Operations	$ 94.7	$ 61.6
Seaborne Metallurgical Mining Operations	85.8	166.4
North Goonyella Costs, Less Insurance Recoveries	3.0	-
Seaborne Metallurgical Mining Operations, Excluding North Goonyella Costs, Net	88.8	166.4
Powder River Basin Mining Operations	36.4	74.5
Midwestern U.S. Mining Operations	33.3	31.2
Western U.S. Mining Operations	42.6	32.0
Total U.S. Thermal Mining Operations	112.3	137.7
Middlemount [3]	3.9	14.6
Resource Management Results [4]	2.0	20.8
Selling and Administrative Expenses	(36.7)	(37.0)
Other Operating Costs, Net [5]	(8.1)	(0.2)
Adjusted EBITDA [2]	$ 253.9	$ 363.9

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Note: Refer to definitions and footnotes on slides 19-20.

Reconciliation of Non-GAAP Measures

Reconciliation of Non-GAAP Financial Measures (In Millions)	Quarter Ended Mar. 2019		Quarter Ended Mar. 2018	
Income from Continuing Operations, Net of Income Taxes	$	133.3	$	208.3
Depreciation, Depletion and Amortization		172.5		169.6
Asset Retirement Obligation Expenses		13.8		12.3
Provision for North Goonyella Equipment Loss		24.7		-
North Goonyella Insurance Recoveries - Equipment [(6)]		(91.1)		-
Changes in Deferred Tax Asset Valuation Allowance and Reserves and Amortization of Basis Difference Related to Equity Affiliates		-		(7.6)
Interest Expense		35.8		36.3
Interest Income		(8.3)		(7.2)
Reorganization Items, Net		-		(12.8)
Unrealized Gains on Economic Hedges		(39.8)		(38.6)
Unrealized (Gains) Losses on Non-Coal Trading Derivative Contracts		(0.2)		1.8
Fresh Start Take-or-Pay Contract-Based Intangible Recognition		(5.6)		(8.3)
Income Tax Provision		18.8		10.1
Adjusted EBITDA [(2)]	$	253.9	$	363.9
Operating Costs and Expenses	$	948.4	$	1,057.2
Unrealized Gains (Losses) on Non-Coal Trading Derivative Contracts		0.2		(1.8)
Fresh Start Take-or-Pay Contract-Based Intangible Recognition		5.6		8.3
North Goonyella Insurance Recoveries - Cost Recoveries and Business Interruption [(6)]		(33.9)		-
Net Periodic Benefit Costs, Excluding Service Cost		4.9		4.5
Total Reporting Segment Costs [(1)]	$	925.2	$	1,068.2
Net Cash Provided By Operating Activities	$	197.6	$	579.7
Net Cash Used In Investing Activities		(38.1)		(6.4)
Add Back: Amount Attributable to Acquisition of Shoal Creek Mine		2.4		-
Free Cash Flow [(7)]	$	161.9	$	573.3

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Note: Refer to definitions and footnotes on slides 19-20.

Reconciliation of Non-GAAP Measures: Definitions

Note: Total Reporting Segment Costs, Adjusted EBITDA and Free Cash Flow 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 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	
	Mar. 2019	**Mar. 2018**
	(In millions)	
Tons sold	0.4	0.5
Depreciation, depletion and amortization and asset retirement obligation expenses	$ 3.6	$ 3.9
Net interest expense	2.2	3.6
Income tax provision	1.7	5.1

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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 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 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 quarter ended March 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 quarter ended March 31, 2019 and the year ended December 31, 2018, respectively. The remaining $33.9 million, applicable to incremental costs and business interruption losses, is included in Adjusted EBITDA for the quarter ended March 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.