STONEGATE CAPITAL PARTNERS

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INDUSTRY: ENERGY

RESEARCH UPDATE

ALLIANCE RESOURCE PARTNERS, L.P. (NASDAQ: ARLP)

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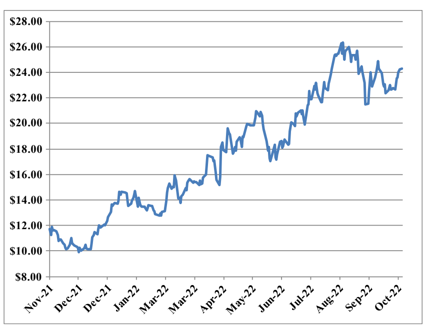
MARKET STATISTICS

Price	$23.48
52-Week Range	$9.66 - $27.63
Daily Vol. (3 Month Avg.)	632,370
Market Cap ($M)	$2,986.5
Enterprise Value ($M)	$3,160.5
Shares Outstanding (M)	127.2
Float (M)	87.2
Insider Ownership	31.46%
Institutional Ownership	27.44%

FINANCIAL SUMMARY

Equity (M)	$ 1,467.8
BV/S	$ 11.54
Cash (M)	$ 278.5
Debt (M)	$ 441.4
Debt/Cap	23%

FYE: Dec	2021A	2022E	2023E
(in $M)			
Rev	$ 1,570.0	$ 2,404.2	$ 2,669.5
Chng%	18%	53%	11%
EBITDA	$ 479.1	$ 930.1	$ 1,091.2
EPS	$ 1.36	$ 4.21	$ 5.62
EV/R	2.1x	1.4x	1.2x
EV/EBITDA	6.8x	3.5x	3.0x
P/E	16.8x	5.4x	4.1x



COMPANY DESCRIPTION

Alliance Resource Partners, L.P., a diversified natural resource company, produces and markets coal primarily to utilities and industrial users in the United States. The company operates through four segments: Illinois Basin Coal Operations, Appalachia Coal Operations, Oil & Gas Royalties, and Coal Royalties. As of December 31, 2021, it had approximately 547.1 million tons of proven and probable coal mineral reserves, as well as 1.17 billion tons of measured, indicated, and inferred coal mineral resources. The company was founded in 1971 and is headquartered in Tulsa, Oklahoma.

Record 3Q22 Revenue Leads to Increased Dividend

ARLP reported solid 3Q22 results that continued the trend of strong growth. Both volume and pricing came in better than both last quarter and last year. While inflationary pressures and supply chain disruptions were present, top line performance more than offset the effect. While inflationary pressures and supply/transportation issues are expected to remain in the short-term, so are the current energy supply/demand dynamics. Given this, ARLP adjusted coal volumes and prices per ton sold estimates downward but increased midpoints for O&G royalties. Lastly, ARLP raised its quarterly dividend 250% y/y and 25% q/q to $0.50/sh.

Strong 3Q22 results stem from record sales prices – ARLP reported revenue, adjusted EBITDA, and adjusted EPS of $628.4M, $250.2M, and $1.29, respectively. This compared to our/consensus estimates of $663.1M/$667.8M, $277.7/$282.9M and $1.51/$1.52, respectively. Upside was seen at all segments, but coal sales was the main driver of the strong year over year revenue growth. Additionally, margins were slightly lower as volumes and pricing surpassed our expectations to partially offset inflationary pressures.

Coal opeartions continue to point positively – ARLP 3Q22 coal sales were $550.6M, up 52% y/y and 4% q/q. Volumes sold also increased 8.1% y/y to 9.2M tons. Pricing (asp/ton) was also up significantly 40.5% y/y to arrive at $59.94 compared to $42.65 in 3q21. While transportation issues continue to negatively impact operations, supply/demand dynamics remain favorable to the coal industry and ARLP. Additionally, these trends are expected to continue such that ARLP believes in should see continued margin expansion in F22 and into F23 and F24.

Royalty business also has tailwinds – O&G royalties saw solid results with revenue growing 76% y/ to $35.3M. Volumes were up 33% y/y and prices were up 32% y/y. The royalty business is expected to continue to benefit from the favorable energy market conditions, favorable forward pricing, and increased drilling/completion activity.

Green energy transformation adds new investment - Following two investments made in 1Q22, ARLP announced an additional $25.0M commitment to a private equity fund, NGP Energy Capital. NGP's focuses on investments in green energy during 2Q22. Fitting nicely into its announced strategy, ARLP hopes to gain additional exposure to green energy investments, but more importantly, to leverage NGP's expertise to learn and find additional attractive areas for investment. Recently ARLP elected to hold its commitment to Francis Energy at the initial $20M convertible note investment, reiterating their investment in the EV infrastructure market.

Valuation - We use a comparative analysis to frame valuation. Given the volatility in coal prices, we are averaging our FY22 and FY23 adjusted EBITDA estimate to obtain a "normalized" run rate. Using an EV/EBITDA range of 3.5x to 4.5x with a midpoint of 4.0x, we arrive at a valuation range of $26.53 to $34.47 with a mid-point of $30.50.

INVESTMENT FACTORS

Alliance Resource Partners, L.P. is a diversified natural resource company operating as an MLP. The Company is the second largest coal producer in the Eastern U.S. and has an oil and gas minerals platform where it owns mineral and royalty interests in approximately 1.5 million gross acres. Its coal operations span seven underground mines located in the Illinois Basin and the Appalachia Basin where it produces a range of thermal and metallurgical coal with varying sulfur and heat contents. It markets its coal primarily to utilities and industrial users in the U.S. The Company's oil and gas minerals platform operates primarily in the Permian, Anadarko, and Williston Basins.

The Company aims to maximize the value of its existing assets while also looking to expand its operations into green energy opportunities. As a result, the Company is engaged in a transformation to be an energy company for today and the future. This reflects the fact that while green energy is a significant long-term trend, fossil fuels, such as coal, remain an important part of electricity generation today and in the near-term. By redeploying its strong cash flows and leveraging its decades of operational experience, Alliance is positing itself to create long-term value for its unitholders.

Investment Positives

Diversified energy company with deep operational experience is undergoing a transformation

Alliance owns and operates coal mining assets along with a portfolio of oil and gas mineral interests located in strategic producing regions in the US. The Company has been in existence since the early 70's and its management team has nearly three decades of operational expertise in the natural resources industry. With a focus on maximizing shareholder value, the Company is looking to maximize current assets while also expanding its operations into green energy opportunities.

Proven track record bodes well for transformation

Alliance is going to leverage its existing operational capabilities and redeploy its solid cash flows into its next generation energy platforms. The Company first accomplished this "shift" in 2014, when it started engaging in its oil and gas minerals platform as a passive investor. As time progressed and management concluded it had the requisite expertise, it acquired these assets and became directly responsible for managing and expanding these assets. The Company intends to use this same playbook to create its new energy platform that is positioned in green energy.

Strong history of genearting cash flow to support strategic objectives

Over the past 15 years, the Company has generated positive FCF in each year. FY21 FCF was $371M, up ~14% from $325M in FY20. This favorable cash flow profile, coupled with the company's focus on maintaining a conservative balance sheet, should help drive its growth initiatives within its oil and natural gas royalty business, along with its diversification efforts into green energy. What's more, the Company intends to return 30% of its annual FCF before growth investments in the form of cash distributions and recently raised its quarterly cash distribution for unitholders by 250% y/y to $0.50 per unit or an annualized $2.00 per unit.

Green energy transformation starts with two new investments

In April 2022, Alliance announced its first two strategic investments for its new energy platform. Francis Energy is an owner operator of a network of EV fast charging infrastructure in Oklahoma with plans to expand across the Midwest and Eastern U.S. Infinitum Electric is a Texas-based developer and manufacturer of electric motors, which potentially offers a more efficient and environmentally friendly alternative to conventional electric motors. Following the two investments made in 1Q22, ARLP announced an additional $25.0M commitment to a private equity fund, NGP Energy Capital. NGP's focuses on investments in green energy. Fitting nicely into its announced strategy, ARLP hopes to gain additional exposure to green energy investments, but more importantly, to leverage NGP's expertise to learn and find additional attractive areas for investment.

But coal remains an important fossil fuel

The demand for coal should continue as it remains an important component in electricity generation today and in the near term. According to the EIA, coal accounted for 22% of the U.S.' electricity generation in 2021. On a global scale, according to the World Coal Association, electricity production from coal represents ~37% of total electricity production with the IEA projecting coal should still generate ~ 22% of the world's electricity in 2040. Alliance should stand to benefit as it is the second largest coal producer in the Eastern U.S.

Investment Challenges / Risks

Changes in global economic conditions

Weakness in global economic conditions or economic conditions in customer's industries could adversely affect the company's operating results and financial condition.

Volatility in raw material prices

Coal and oil and gas prices are volatile and based on numerous demand/supply, economic and geopolitical reasons, which are beyond the Company's control. Additionally, the Company may face an unexpected rise in raw material costs and transportation charges or supply chain disruptions, adversely impacting its margins and profitability.

Loss of key customers

In 2021, the Company derived 10% of its revenue from Louisville Gas and Electric Company. Furthermore, the company undertakes indirect sales through exports to international clients in Europe, Africa, and Asia in brokered transactions. These sales constituted approximately 12.5%, 3.3%, and 17.9% of tons sold on December 31, 2021, 2020, and 2019. If the Company loses any of its key customers, it will likely have an adverse impact on its operations and financial condition.

Access to capital

Alliance Resources business is capital intensive and has outlined a growth strategy that requires funding sources. While the Company intends to fund its operations and growth initiatives via existing cash balances, future cash flows, and its current debt facilities, there are periods of weakness in the energy sector. Weakness in the industry may negatively impact the Company's ability to meet financial covenants, refinance existing debt obligation, obtain additional financing, and/or financing on acceptable terms, which may negatively impact growth initiatives and the Company's financial condition.

Inability to carry out cash distribution

Cash distribution to unitholders is dependent on the cash generated from the Company's operations, an amount that fluctuates based on numerous factors such as coal and oil & gas production, demand and supply of coal, price of coal, operating costs, capital expenditure, debt obligations, and broader economic conditions among others.

MLP tax treatment

MLP's tax treatment depends on its status as a partnership for US Federal income taxes. As such, ARLP is not subject to a material amount of entity-level taxation. If the IRS were to change its tax position of MLPs and tax them as a corporation, operating results may be negatively impacted. Additionally, the market price of the equity may be negatively impacted by the change in tax laws.

VALUATION SUMMARY

We use a comparative analysis to frame valuation. We are using coal producers for our comps.

Alliance Resource Partners, L.P. (NASDAQ: ARLP)
(all figures in $M expect per share information)

Name	Ticker	Price (1)	Sh	Mrkt Cap	EV	EV/S (2) TTM	EV/S (2) 2022 E	EV/S (2) 2023 E	EV/EBITDA (2) TTM	EV/EBITDA (2) 2022 E	EV/EBITDA (2) 2023 E	P/E (2) TTM	P/E (2) 2022 E	P/E (2) 2023 E	P/TBV MRQ
CONSOL Energy Inc.	CEIX	$ 60.35	34.9	$ 2,104.5	$ 2,310.9	1.1x	1.2x	0.9x	3.2x	2.8x	1.7x	5.6x	N/A	2.2x	2.3x
Alpha Metallurgical Resources, Inc.	AMR	$ 155.01	15.9	$ 2,471.4	$ 2,071.7	0.5x	0.5x	0.7x	1.1x	1.1x	2.0x	2.0x	1.9x	3.2x	1.9x
Peabody Energy Corporation	BTU	$ 27.72	143.9	$ 1,183.8	$ 1,184.8	0.8x	0.7x	0.7x	2.4x	1.9x	2.3x	3.5x	4.3x	5.2x	1.5x
Arch Resources, Inc.	ARCH	$ 152.16	18.1	$ 3,059.6	$ 2,715.8	0.7x	0.7x	0.8x	1.9x	1.9x	2.6x	2.9x	2.9x	3.9x	2.3x
Warrior Met Coal, Inc.	HCC	$ 35.85	51.7	$ 2,059.2	$ 1,610.3	0.8x	0.8x	1.1x	1.4x	1.5x	2.8x	2.7x	2.8x	6.2x	1.4x
Natural Resource Partners L.P.	NRP	$ 45.25	12.5	$ 629.3	$ 1,015.6	2.9x	nm	nm	3.4x	nm	nm	3.0x	nm	nm	1.4x
					Average	**1.1x**	**0.8x**	**0.8x**	**2.2x**	**1.8x**	**2.3x**	**3.3x**	**3.0x**	**4.2x**	**1.8x**
					Median	**0.8x**	**0.7x**	**0.8x**	**2.1x**	**1.9x**	**2.3x**	**3.0x**	**2.8x**	**3.9x**	**1.7x**
Alliance Resource Partners, L.P.	**ARLP**	**$ 23.48**	**127.2**	**$ 2,986.5**	**$ 3,160.5**	**1.5x**	**1.3x**	**1.2x**	**4.1x**	**3.4x**	**2.9x**	**7.4x**	**5.6x**	**4.2x**	**1.9x**

(1) Previous day's closing price
(2) Estimates are from Capital IQ except those for ARLP, which are Stonegate estimates
Source: Company Reports; CapitalIQ; Stonegate Capital Markets

Based on our FY2022 estimates, ARLP is trading at 3.4x EV/EBITDA multiple compared to average comps at 1.8x. Our FY2023 EV/EBITDA multiple is 2.9x compared to average comps at 2.3x.

For our EV/EBITDA multiple ranges, we use a range of 3.5x to 4.5x with a mid-point of 4.0x. We believe the range is reasonable given current comp multiples, combined with historical forward valuation multiples.

Ratios & Historical Trading Multiples
Alliance Resource Partners, L.P. (NASDAQ: ARLP)

Name	Ticker	D/C (%)	D/E (%)	Debt / EBITDA	EBITDA Margin 7yr Avg (%)	5YR Frwd AVG Multiples EV/S	5YR Frwd AVG Multiples EV/EBITDA	5YR Frwd AVG Multiples P/E	7YR Frwd AVG Multiples EV/S	7YR Frwd AVG Multiples EV/EBITDA	7YR Frwd AVG Multiples P/E	10YR Frwd AVG Multiples EV/S	10YR Frwd AVG Multiples EV/EBITDA	10YR Frwd AVG Multiples P/E
CONSOL Energy Inc.	CEIX	34.2	51.9	0.6x	26.9	1.1x	3.8x	8.1x	1.1x	3.8x	8.1x	1.1x	3.8x	8.1x
Alpha Metallurgical Resources, In	AMR	0.3	0.3	0.0x	13.8	0.5x	2.8x	5.4x	0.5x	2.8x	6.0x	0.5x	2.8x	6.0x
Peabody Energy Corporation	BTU	24.9	33.2	0.6x	15.4	0.6x	3.3x	10.6x	0.7x	3.6x	10.0x	0.7x	3.6x	10.0x
Arch Resources, Inc.	ARCH	13.9	16.2	0.1x	13.5	0.6x	3.4x	6.5x	0.8x	4.1x	7.9x	0.8x	4.1x	7.9x
Warrior Met Coal, Inc.	HCC	20.2	25.4	0.3x	21.3	1.3x	3.9x	7.5x	1.2x	3.9x	7.3x	1.2x	3.9x	7.3x
Natural Resource Partners L.P.	NRP	29.2	41.3	0.9x	73.2	3.8x	5.6x	6.2x	3.9x	6.1x	5.5x	5.1x	7.2x	7.5x
	Average	**18.3**	**25.4**	**0.3x**	**17.4**	**0.7x**	**3.3x**	**7.6x**	**0.8x**	**3.6x**	**8.0x**	**0.8x**	**3.6x**	**8.0x**
	Median	**19.4**	**24.7**	**0.4x**	**14.6**	**0.6x**	**3.3x**	**7.3x**	**0.7x**	**3.7x**	**8.0x**	**0.7x**	**3.7x**	**8.0x**
Alliance Resource Partners, I	**ARLP**	**27.1**	**37.1**	**0.6x**	**32.1**	**1.2x**	**3.8x**	**8.9x**	**1.2x**	**3.7x**	**8.9x**	**1.2x**	**3.9x**	**9.2x**

Source: Capital IQ

As such, averaging our FY2022 and FY2023 adjusted EBITDA estimate to arrive at a “normalized” run- rate and using our EV/EBITDA range of 3.5x to 4.5x with a midpoint of 4.0x, we arrive at our valuation range of $26.53 to $34.47 with a mid-point of $30.50.

We see the following essential catalysts for the stock in F2023 and beyond:

- ➢ Higher and steady coal prices ……..……………………..……………………...……………… F23+
- ➢ Strong profitability and free cash flows ………………………...……………...…………………. F23+
- ➢ New green-energy investments announced …………..…………...……………………………… F23+
- ➢ Increased global demand……...……………………...……………………...……………………..F23+

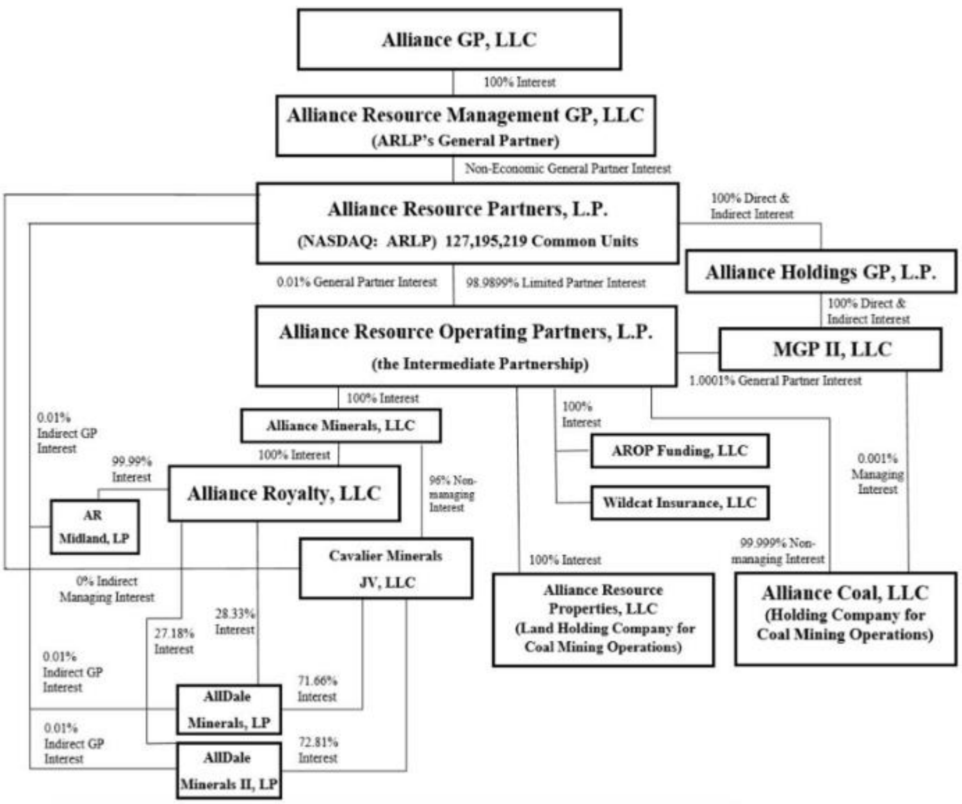
COMPANY OVERVIEW

Company Background

Alliance Resource Partners, L.P. is a diversified natural resource company that began operations in 1971 and is a publicly traded MLP on the NASDAQ under the ticker symbol ARLP. The Company is the second largest coal producer in the Eastern U.S. and owns an oil and gas minerals platform where it owns mineral and royalty interests in approximately 1.5 million gross acres. Its coal operations include seven underground mines that are in the Illinois Basin and the Appalachia Basin where it produces a range of thermal and metallurgical coal with varying sulfur and heat contents. It markets its coal primarily to utilities and industrial users in the U.S.

The Company's oil and gas minerals platform has invested over $500 million and over 56,000 net royalty acres. These operations are primarily in the Permian, Anadarko, and Williston Basins. ARLP markets its mineral interests for lease to operators in those regions and generates royalty income from the leasing and development of those mineral interests.

Exhibit 1: Alliance Resource Partners, L.P. Organization and Ownership Structure



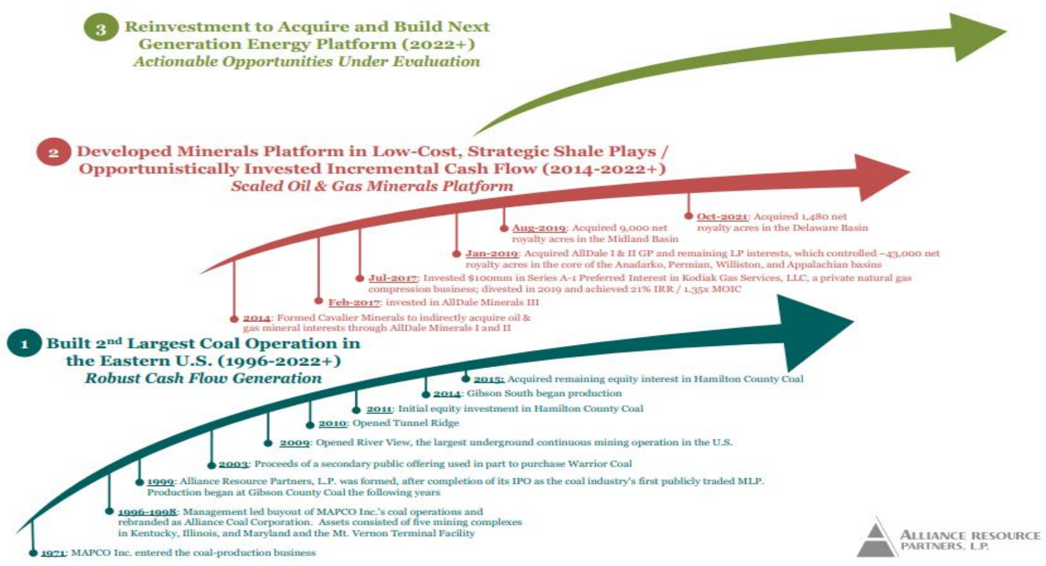
Source: Company Reports; Stonegate Capital Markets

The Company is engaged in a transformation to be an energy company for today and the future. This reflects the fact that while green energy is a significant long-term trend, fossil fuels, such as coal, remain an important part of electricity generation today and in the near-term.

Strategy and Growth Objectives

ARLP generates strong cash flows through its operations, which will help drive its growth initiatives within its oil and natural gas royalty business, along with its diversification efforts into green energy.

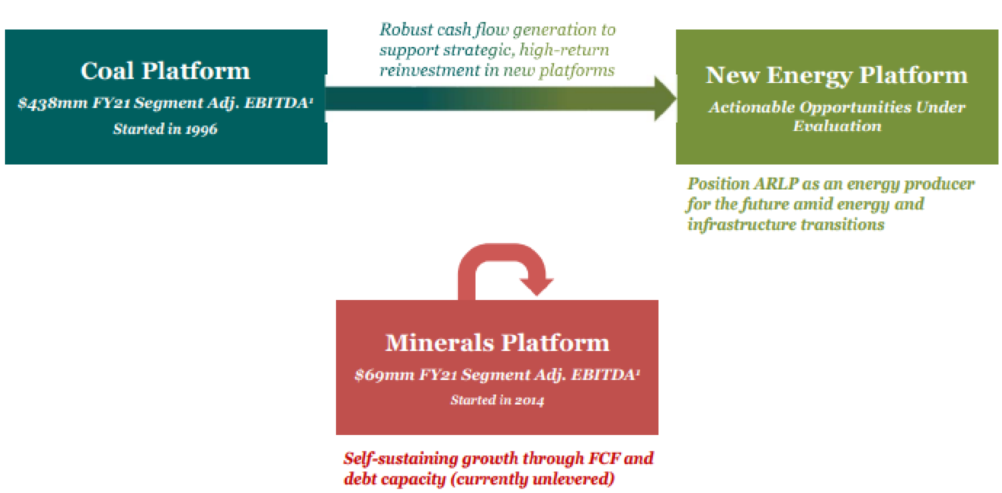
Exhibit 2: Building an Energy Company for Today and The Future



Source: Company Reports, Stonegate Capital Markets

ARLP is going to leverage its existing operational capabilities and redeploy its solid cash flows into its next generation energy platforms. The Company first accomplished this "shift" in 2014, when it started engaging in its oil and gas minerals platform as a passive investor. As time progressed and management concluded it had the requisite expertise, it acquired these assets and became directly responsible for managing and expanding these assets. The Company intends to use this same playbook to create its new energy platform that is positioned in green energy.

Exhibit 3: Increasing Cash Distribution to Unitholders



Source: Company Reports, Stonegate Capital Markets

ARLP is actively evaluating actionable strategic investments across a range of new energy sectors. Green energy opportunities involve exploring strategic minerals and metals, alternate energy sources like wind, solar, and battery and charging infrastructure for electric vehicles to name a few. The Company's strategy will seek to identify and execute opportunistic investments where the Partnership's expertise is most relevant given its (1) extensive track record of investments success and financial disciple, (2) decades of operational experience scaling capital-intensive energy businesses, (3) understanding of and relationships across the energy value chain, and (4) experience with energy and environmental governing bodies and regulators. Exhibit 4 illustrates some of the new energy themes ARLP is evaluating.

Exhibit 4: Examples of the New Energy Platform Investment Opportunities

Electrification	Battery Metals	Land Management
Electric Vehicles	Battery Metal Royalties	Solar Panels
EV Charging Infrastructure	Battery Metal Processing	Grid Storage
Industrial Electrification	Battery Metal Recycling	Retail Storage

Source: Company Reports, Stonegate Capital Markets

Importantly, in April 2022, ARLP announced its first two strategic investments for the New Energy Platform via its investments in Francis Energy and Infinitum Electric. Francis Energy is an owner operator of a network of EV fast charging infrastructure in Oklahoma. Francis Energy has plans to service states across the Midwest and the Eastern part of the U.S. Infinitum Electric is a start-up developer and manufacturer of electric motors featuring printed circuit boards stators. The product has the potential to result in motors that are smaller, lighter, quieter, more efficient, and capable of operating at a fraction of the carbon footprint of conventional electric motors. Following these two investments, ARLP announced an additional $25.0M commitment to a private equity fund, NGP Energy Capital. NGP's focuses on investments in green energy. Fitting nicely into its announced strategy, ARLP hopes to gain additional exposure to green energy investments, but more importantly, to leverage NGP's expertise to learn and find additional attractive areas for investment.

Business Overview

The Company operates in four business segments: Illinois Basin Coal Operations, Appalachia Coal Operation, Oil and Gas Royalties, and Coal Royalties.

Coal Mines and Facilities

ARLP is the second-largest coal producer in the eastern U.S and produces a wide variety of coal that cater to the specific needs of a diverse set of customers. ARLP's coal properties are in the Illinois Basin and the Appalachia Basin. Mining operations on these properties consist of underground mines that produce bituminous coal intended primarily for use in electric power generation (thermal) and steel production (metallurgical). In addition, to mining, the Company also holds and leases/subleases coal mineral interests. In 2021, the Company sold 32.2 million tons of coal and had substantial reserves as seen in Exhibit 5 and Exhibit 6.

Exhibit 5: ARLP Coal Operations - Mineral Resources as of December 31, 2021

Resources (tons in millions)	Heat Content (Btus per pound)	Pounds SO2 per MMBtu			Resource Classification				Ownership		
		<1.2	1.2-2.5	>2.5	Measured	Indicated	Combined (1)	Inferred	Owned	Leased	Total
Illinois Basin											
Dotiki (KY)	12,100	—	2.3	73.7	51.2	24.8	76.0	—	27.6	48.4	76.0
Henderson/Union (KY)	11,450	—	3.2	520.3	175.4	286.0	461.4	62.1	74.6	448.9	523.5
Sebree South (KY)	11,750	—	—	43.5	22.1	16.8	38.9	4.6	0.3	43.2	43.5
Hamilton County (IL)	11,650	5.1	33.8	398.8	187.1	239.3	426.4	11.3	32.6	405.1	437.7
Region Total		5.1	39.3	1,036.3	435.8	566.9	1,002.7	78.0	135.1	945.6	1,080.7
Appalachian Basin											
Mountain View (WV)	13,200	—	0.5	6.3	2.1	4.5	6.6	0.2	1.7	5.1	6.8
Penn Ridge (PA)	12,500	—	—	78.0	21.9	53.2	75.1	2.9	78.0	—	78.0
Region Total		—	0.5	84.3	24.0	57.7	81.7	3.1	79.7	5.1	84.8
Total		5.1	39.8	1,120.6	459.8	624.6	1,084.4	81.1	214.8	950.7	1,165.5
% of Total		0.4%	3.4%	96.1%	39.5%	53.6%	93.0%	7.0%	18.4%	81.6%	100.0%

(1) Combined resources are defined as measured plus indicated resources.

Source: Company Reports, Stonegate Capital Market

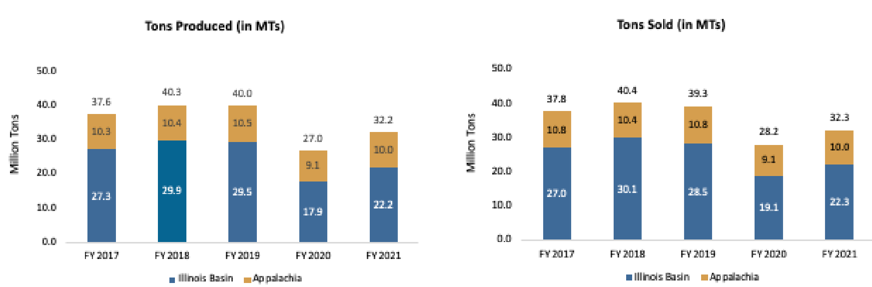
Exhibit 6: ARLP Coal Operation - Mineral Reserves as of December 31, 2021

Reserves (tons in millions)	Heat Content (Btus per pound)	Pounds SO2 per MMBtu			Classification		Ownership		
		<1.2	1.2-2.5	>2.5	Proven	Probable	Owned	Leased	Total
Illinois Basin Operations									
Warrior (KY)	12,300	—	—	77.1	61.4	15.7	18.7	58.4	77.1
River View (KY)	11,450	—	—	214.6	117.8	96.8	62.0	152.6	214.6
Hamilton County (IL)	11,650	—	—	128.5	57.6	70.9	22.5	106.0	128.5
Gibson (South) (IN)	11,500	0.7	12.4	39.5	44.2	8.4	18.3	34.3	52.6
Region Total		0.7	12.4	459.7	281.0	191.8	121.5	351.3	472.8
Appalachian Basin Operations									
MC Mining (KY)	12,800	11.9	1.0	—	9.1	3.8	—	12.9	12.9
Mountain View (WV)	13,200	—	4.2	3.5	6.4	1.3	—	7.7	7.7
Tunnel Ridge (WV)	12,600	—	—	53.7	28.6	25.1	—	53.7	53.7
Region Total		11.9	5.2	57.2	44.1	30.2	—	74.3	74.3
Total		12.6	17.6	516.9	325.1	222.0	121.5	425.6	547.1
% of Total		2.3%	3.2%	94.5%	59.4%	40.6%	22.2%	77.8%	100.0%

Source: Company Reports, Stonegate Capital Market

Total coal sold in 2021 consisted of 14.2% low-sulfur coal, 50.3% medium-sulfur coal, and 35.5% high-sulfur coal. In 2021, nearly 81.6% (2020: 94.2%) of tons sold were to United States electric utilities, while international buyers purchased 12.5% (2020: 3.3%) through brokered transactions.

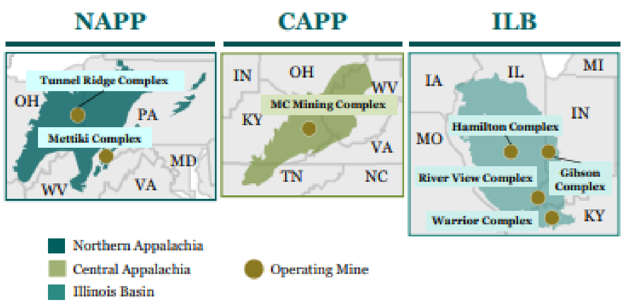
Exhibit 7: Coal Operations - Production Vs Sales Trend: 2017 to 2021



Source: Company Reports, Stonegate Capital Market

The Company produces a wide range of thermal and metallurgical coal that has varied sulfur and heat contents to cater to the specifications laid down by customers. In 2021, nearly 81.6% of the tons sold were to domestic electric utilities, while 12.5% were purchased by international markets through brokered transactions. The rest went to third-party resellers and industrial consumers.

Exhibit 8: Location of Coal Mining Operations



Source: Company Reports; Stonegate Capital Markets

Illinois Basin

The Illinois basin properties are in western Kentucky, southern Illinois, and southern Indiana.

The basin has four active mining complexes.

Gibson Complex is in Gibson County, Indiana. It is an underground mine and uses continuous mining units that use groom-and-pillar mining techniques to generate low/medium-sulfur coal. The preparation plant has a capacity of 1,800 tons of raw coal per hour, and the production is shipped directly to customers or the Mt. Vernon Transfer Terminal trans-loading facility for barge delivery.

Hamilton Complex is in Hamilton County, Illinois. The mine is an underground long wall mine that produces medium/high-sulfur coal. The preparation plant has a throughput capacity of 2,000 tons of raw coal per hour. The Company acquired complete control and ownership of the mine in 2015. production is shipped directly to customers or the Mt. Vernon Transfer Terminal trans-loading facility for barge delivery.

River View Complex is in Union County, Kentucky. The mine is the largest room-and-pillar coal mine in the U.S. The mine began production in 2009 and uses continuous mining units to produce medium/high-sulfur coal. The preparation plant has a throughput capacity of 2,700 tons of raw coal per hour. Coal is transported by overland belt to a barge loading facility on the Ohio River.

Warrior Complex operates an underground mining complex located near Madisonville in Hopkins County, Kentucky. The complex opened in 1985 and was acquired by ARLP in February 2023. The mine uses continuous mining units employing a room-and-pillar mining technique to produce medium/high sulfur coal. The preparation plant has throughput capacity of 1,200 tons of raw coal per hour. production is shipped directly to customers or the Mt. Vernon Transfer Terminal trans-loading facility for barge delivery.

Mt. Vernon Transfer Terminal is a coal-loading terminal on the Ohio River at Mt. Vernon, Indiana, operated by the Company's subsidiary Mt. Vernon which leases land and operates the facility. The coal is delivered to the location by both rail and truck. It has a capacity of 8.0 million tons per year, with a storage capacity of nearly 200,000 tons. In 2021, the terminal loaded approximately 1.4 million tons for Gibson County Coal and Hamilton customers.

Appalachia Basin

The Appalachian properties are in northern west Virginia, Maryland, western Pennsylvania and eastern Kentucky. The Company operates three mining complexes in the region.

Tunnel Ridge Complex is an underground longwall mine located in West Virginia. Operations at the mine began in May 2012. The preparation plant has a capacity of 2,000 tons of raw coal per hour. The coal produced is a medium/high-sulfur coal that is transported directly through a conveyor belt to a barge loading facility on the Ohio River.

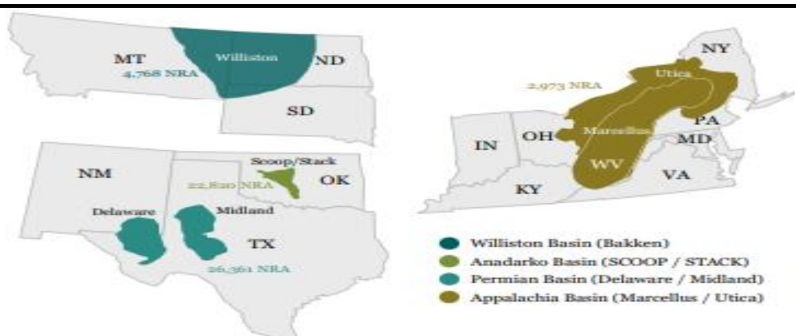
Mettiki Complex consists of two properties: the Mountain View mine located in Tucker County, West Virginia, and a preparation plant located in Garrett County, Maryland. The Mountain View mine produces medium-sulfur coal and is shipped to the Mettiki (MD) preparation plant for processing for the metallurgical coal market or to the coal blending facility at the Virginia Electric and Power Company Mt. Storm Power Station. The preparation plant has a throughput capacity of 1,350 tons of raw coal per hour.

MC Mining Complex, located in Pike County, Kentucky, and was acquired by ARLP in 1989. The development of mine five was completed in July 2020. The mine uses continuous mining units using room-and-pillar mining techniques to produce low-sulfur coal and has a throughput capacity of 1,000 tons of raw coal per hour. The coal produced at t MC Mining in 2021 met or exceeded the compliance requirements of Phase II of the Federal Clean Air Act.

Oil and Gas Mineral Interests

ARLP's oil & gas mineral interests are primarily located on private islands in three basins, including Permian (Delaware and Midland), Anadarko (SCOOP/STACK), and Williston (Bakken) Basins.

Exhibit 9: ARLP's Oil & Gas Mineral Interests



Source: Company Reports; Stonegate Capital Markets

The Company's developed and undeveloped net acres are standardized to a 1/8th royalty, equate to nearly 57,000 oil & gas net royalty acres, which also includes 3,976 oil & gas net royalty acres owned through equity interest in AllDale III.

Exhibit 10: ARLP Net Proved Oil & Gas Reserves

	As of December 31, 2021			
	Crude Oil (MBbl)	Natural Gas (MMcf)	Natural Gas Liquids (MBbl)	Total (MBOE) (2)
Estimated proved developed reserves	5,493	28,426	3,039	13,269
Estimated proved undeveloped reserves	1,353	4,126	578	2,618
Total estimated proved reserves (1)	6,846	32,552	3,617	15,887

(1) Proved reserves of approximately 1,285 MBOE were attributable to noncontrolling interests as of December 31, 2021.
(2) Natural gas reserve volumes are converted to BOE based on a 6:1 ratio: 6 Mcf of natural gas converts to one BOE.

Source: Company Reports; Stonegate Capital Markets

Furthermore, when the Company leases its interests, it receives a lease bonus (upfront cash payment) and a mineral royalty that entitles it to receive a fixed percentage of the revenue or production from the oil & gas produced from the acreage underlying its interests, free of lease operating expenses and capital costs. The Company is actively investing in oil & gas mineral interests in premier oil-rich basins. The primary Oil and Gas interests of the Company are:

Permian Basin—Delaware and Midland Basins ranges from West Texas into southeastern New Mexico and is the most active area for horizontal drilling in the U.S. The basin is further divided into the Delaware Basin in the west and the Midland Basin in the east. The Company has multiple producing zones of horizontal economic development including Wolfcamp, Spraberry, and Bone Spring formations. ARLP recently purchased acreage in the Permian Basin through Boulders Acquisition, reiterating its commitment to acquiring strategic properties in the highest growth oil & gas plays.

Anadarko Basin—SCOOP and STACK Plays – The South-Central Oklahoma Oil Province is located in central Oklahoma in Grady, Garvin, Stephens, and McClain Counties that contains multiple producing zones of horizontal economic development including numerous Woodford benches and the Springer Shale. Other formations in the area attract operator interest, including the Sycamore, Caney, and Osage, also known as SCORE (Sycamore Caney Osage Resource Expansion). On the other hand, the STACK play (Sooner Trend, Anadarko Basin, Canadian, and Kingfisher Counties) is located in central Oklahoma in Kingfisher, Canadian, Caddo, and Blaine Counties that include multiple producing zones of horizontal economic development including but not limited to the Meramec and Woodford formations.

Williston Basin—Bakken extends from western North Dakota into eastern Montana and includes multiple producing zones of horizontal economic development including the Bakken and Three Forks formations.

Exhibit 11: ARLP Oil & Gas Mineral Interests – Acreage Concentration

	Developed Acreage			Undeveloped Acreage		
	Gross	Net Mineral	Net Royalty	Gross	Net Mineral	Net Royalty
Basin						
Permian Basin	249,660	5,345	6,930	525,983	14,574	19,431
Anadarko Basin	142,311	5,106	7,282	294,826	10,905	15,538
Williston Basin	113,579	1,834	2,399	113,437	1,803	2,369
Other	27,885	863	1,086	37,821	1,525	1,887
Total	533,435	13,148	17,697	972,067	28,807	39,225

Source: Company Reports; Stonegate Capital Markets

Other interests include mineral interests owned in the Appalachia Basin comprising Ohio, West Virginia, and Pennsylvania. In the Appalachia Basin, the most prominent plays include the Marcellus Shale, and Utica plays, covering most of Pennsylvania, northern West Virginia, and eastern Ohio. The Company also holds interests in the Tuscaloosa Marine Shale play in Mississippi and Haynesville Shale formation located in northwest Louisiana.

Coal Royalties

ARLP leases its reserves and resources to its mining complexes under long-term leases. Nearly two-thirds of the royalty-based leases have initial terms of five to 40 years, with the option to extend the lease for additional terms. ARLP grants lessees the right to mine and sell in exchange for royalty payments based on a percentage of the sale price or a fixed royalty per ton of coal mined and sold. The lessee is also responsible for providing information about the tons of coal mined and sold, the sales price of extracted coal, and calculating royalty payments.

End Markets & Customer Base

The Company has an established customer base that it acquired through existing business relationships or participation in a bidding process. The Company enters into long-term supply agreements with many of its customers, which allow the Company to predict its sales volume and prices. In 2021, approximately 77.9% and 75.1% of ARLP's sales tonnage and total coal sales, respectively were sold under long-term agreements with committed term expirations ranging from 2021 to 2026. As of September 30, 2022, the Company's is expected to deliver 35.9 million tons in 2022.

In 2021, Company's most significant revenue from a single customer was from Louisville Gas and Electric Company at 10%. Furthermore, ARLP sells indirectly (through brokered transactions) to the international market, including end-users in Europe, Africa, Asia, North America, and South America. During the years December 31, 2021, 2020, and 2019, export tons represented approximately 12.5%, 3.3%, and 17.9% of tons sold, respectively.

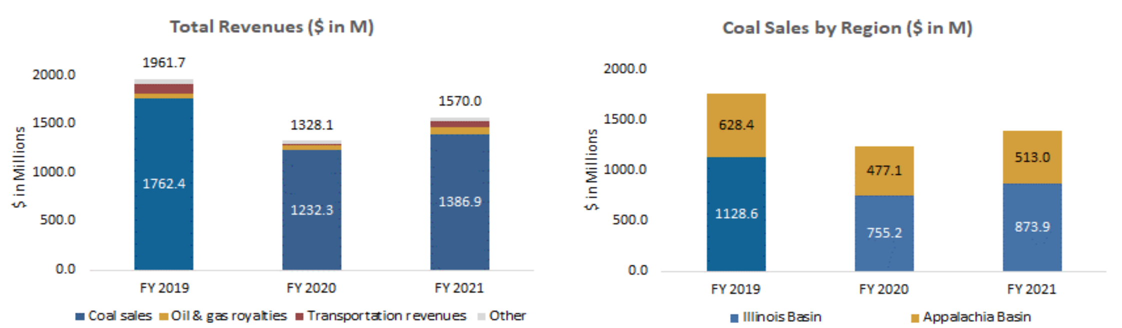
In 2014, the Company began investing in oil & gas mineral interests in some of the most important oil-rich basins. However, in 2019 ARLP turned into an active and material participant from a passive investor in oil and gas minerals. The Company is adding acreage to its existing interests and aims to become a significant participant in the nation's highest growth oil & gas plays.

Financial Overview

The Company reported a robust increase in key operating and financial metrics in 3Q22. These included increased coal sales and production volumes growth of 52.0% and 8.1%, respectively, while royalty sales for oil and gas and coal climbed 33.1% and 5.8%, respectively on a YoY basis. Higher commodity prices during the quarter led to coal sales price per ton increasing 40.5%, oil and gas prices jumping 31.6% per BOE, and coal royalty revenue climbing 17.5% per ton.

During FY21, the Company witnessed a significant improvement in coal operations and oil & gas royalties, which faced a setback in 2020 due to the pandemic that impacted global demand and commodity prices. During FY2021, coal sales increased 12.6%, while oil and gas royalties increased 74.7%, which helped drive a 18.2% growth rate in total revenues to $1.57 billion. This improvement in 2021 has continued into the first three quarters of 2022 and is expected to remain strong into 4Q22

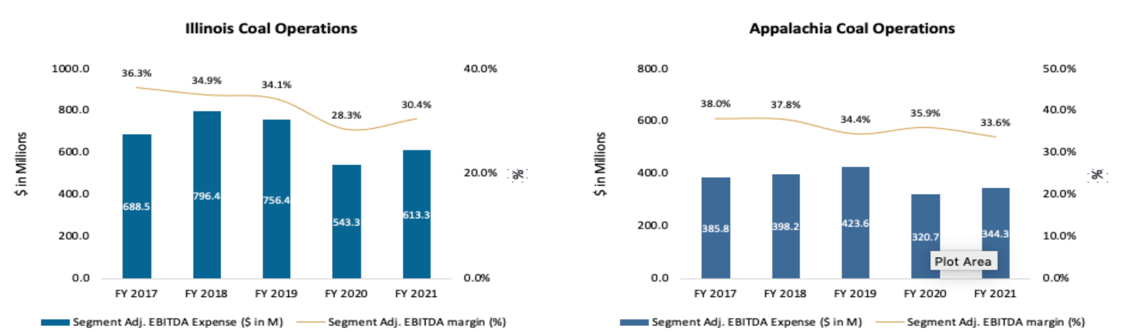
Exhibit 12: Revenue Performance: 2019 to 2021



Source: Company Reports, Stonegate Capital Market

As per its updated FY22 full-year guidance, given strong commodity prices and robust customer demand, the planned sales of coal now stand at ~34.9 million tons, with ~32.9 million tons committed and priced for 2023.

Exhibit 13: Coal Segment Operational Performance: 2017 to 2021

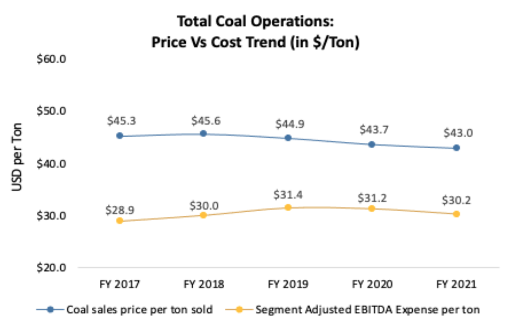


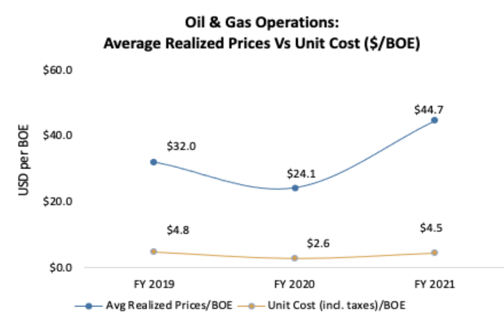
Source: Company Reports, Stonegate Capital Market

The Company witnessed sequentially higher commodity prices throughout 2022. While the price realization increased by 5.6% YoY in 4q21 to $45.19 per ton, it zoomed 40.5% YoY in 3Q22 to $59.94 per ton. Considering the current scenario, the Company expects coal sales price realizations per ton to be $57.50 to $59.00.

For its oil and gas operations, the average price realized per unit was $44.7 for FY21, while unit cost (including taxes) was $4.5. This is a significant improvement over the price realized in FY20, which was $24.1, with a unit cost of $2.6. As of 3Q22 the average sale price is $64.03 per unit.

Exhibit 14: Average Realized Prices Vs. Cost/unit Trends





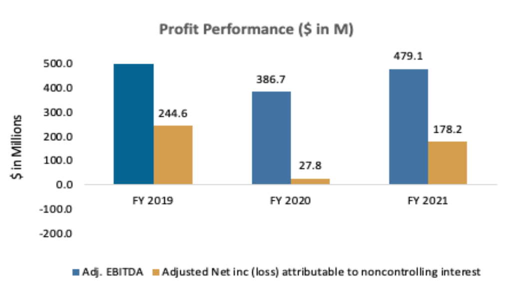
Source: Company Reports, Stonegate Capital Market

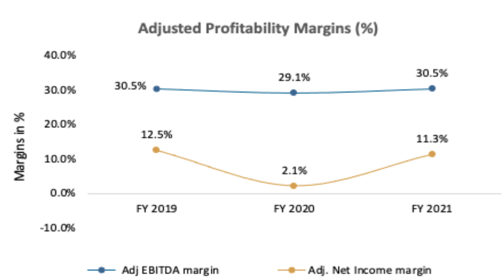
The segment adjusted EBITDA expense per ton in coal operations, which was almost at the same level in 2019 and 2020, came down marginally by 3.2% to $30.24 per ton in 2021. This led to the improvement in the Company's EBITDA margin which improved by 110bps to 30.5%.

Due to inflationary pressure on various expense items such as labor-related expenses and supply and maintenance costs, the Company's segment adjusted EBITDA expense per ton increased by 27.0% in 3Q22 to $36.77 per ton, compared to $28.95 per ton in 3q21 quarter.

During FY21, adjusted EBITDA rose 23.9% to $479.1 million compared to $386.7 million in FY20, due to higher sales volume. The higher sales volume and price realizations have continued in 2022, leading to an increase in ARLP's total revenues, income before income taxes, and EBITDA by 51.3%, 196.0%, and 84.0%, respectively, in 3Q22 as compared to the 3q21.

Exhibit 15: Profitability Performance: 2019 to 2021





Source: Company Reports, Stonegate Capital Market

During FY21, the adjusted net income increased to $178.2 million, or $1.36 per limited partner unit, compared to an adjusted net income of $27.8 million, or $0.22 per limited partner unit in FY20, excluding a non-cash impairment charge. The adjusted net income for 3Q22 increased 186% to $164.6 million or $1.25 per limited partner unit, compared to $57.5 million or $0.44 per limited partner unit in 3q21.

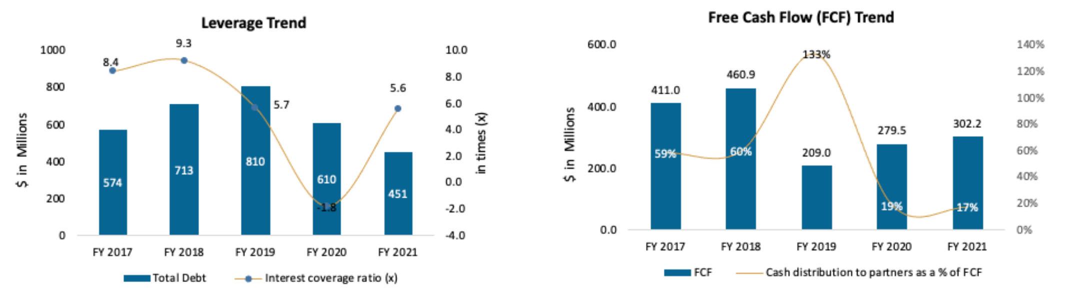
Balance Sheet, Liquidity, And Distributions

During FY21, ARLP generated a free cash flow of $244.8 million that was used to lower its debt and increase their cash dividends to $0.50 per quarter or $2.00 annualized.

ARLP reported cash and cash equivalents of $278.5 million as of September 30, 2022. ARLP's total debt is $430.7 million as of 3Q22 and was $450.7 million in FY21, while in FY20, the Company had $609.8 million in total debt and $809.5 million in FY19, indicating that the steps undertaken by the Company to reduce its debt are working. Current debt is a result of expansion initiatives and low coal prices. Most of the debt obligation comprises senior notes with an annual interest rate of 7.5% due on May 1, 2025.

ARLP has maintained a high-interest coverage ratio of 5.6x+ in the past other than in the pandemic-affected period (FY20). The Company ended 3Q22 with working capital of $339.2 million and further reduce total leverage to approximately 0.4x trailing adjusted EBITDA.

Exhibit 16: Continuing to Deliver Cash Flows



Source: Company Reports, Stonegate Capital Market

The Company's board of directors aims to return 30% of the free cash flow to unitholders in cash distribution, before investments in growth opportunities. In the most recent quarter, ARLP increased its quarterly cash distribution to unitholders to $0.50 per unit or $2.00 on an annualized basis.

The demand for coal, oil, and gas remains strong with a resurgence in economic activity, and the prices are rising; this provides an opportunity for the Company to sell its uncommitted tonnage at higher-than-average prices. In addition, the Company can look forward to more favorable pricing in 2023, as it has priced and committed 32.9 million tons of coal.

Modeling Assumptions

For FY2022, we are forecasting revenues to grow to $2.4B. Growth is driven by 49.6% growth in coal operations to $2.08B. We assume total coal volumes of 35.7M with an average ASP/ton of ~$58.13 in FY2022. We note that these figures are in the middle of company guidance. For FY2023, our 11.6% growth forecast in coal sales is driven primarily by price increases. We assume Alliance volumes remain relatively steady y/y, but Alliance can capture higher ASP/tons given that the Company has already booked 32.9M tons for 2023. We also expect that as FY2022 finishes, Alliance can continue locking in additional volumes at higher prices.

We are forecasting O&G royalty revenue of $139.3M, for a growth rate of ~86%. Our forecast is driven by volumes of 2,211MBOE with average oil, natural gas, and NGL prices of ~$95.00/Bbl, ~$8.50/Mcf, and ~$32.63/Bbl, respectively. Our O&G price deck is largely driven by futures pricing curves. Our price deck and volume forecast yields an average BOE of ~$66.83/MBbls. For FY2023, we assume MBOE volumes remain relatively steady, but average realized prices drop and produce an average BOE of ~$58.23/MBbls which drives our revenue forecast to ~$123M.

Rounding out our revenue forecast, transportation revenue is forecast at $132.6M and $150.5M, in FY2022 and FY2023 respectively, tied primarily to our coal forecast and the lessening of supply chain disruptions. Other revenues are forecast at $57.3M and $80.4M, respectively.

Segment adjusted EBITDA expense per ton for coal operations is estimated at $36.11 in FY2022 and $37.75 in FY2023. For O&G royalties, we estimated adjusted EBITDA expense at ~10.2% of sales. We are forecasting G&A to remain in the 4% of revenue range with D&A in the $65M - $70M range per quarter.

BALANCE SHEET

Alliance Resource Partners, L.P. (NASDAQ: ARLP)
Consolidated Balance Sheets (in millions $)
Fiscal Year: December

ASSETS	FY 2020	FY 2021	Q1 Mar-22	Q2 Jun-22	Q3 Sep-22
Current Assets					
Cash & cash equivalents	55.6	122.4	128.2	106.1	278.5
Trade receivables, net	104.6	129.5	156.7	230.6	190.4
Other receivables	3.5	0.7	0.4	0.4	6.9
Inventories, net	56.4	60.3	95.7	109.7	98.8
Advance royalties	4.2	5.0	4.4	3.5	3.5
Prepaid expenses & other assets	21.6	21.4	19.2	15.9	14.7
Total Current Assets	**245.8**	**339.2**	**404.7**	**466.1**	**592.7**
Property, plant and equipment, net	1,800.2	1,698.7	1,691.6	1,685.9	1,731.1
Advance royalties	56.8	63.5	71.4	70.8	70.2
Equity method investments	27.3	26.3	26.2	46.4	46.2
Goodwill	4.4	4.4	4.4	4.4	4.4
Operating lease rights of use assets	15.0	14.2	15.2	14.7	15.4
Other long-term assets	16.6	13.1	12.1	44.9	44.5
Total Assets	**2,166.0**	**2,159.4**	**2,225.5**	**2,333.2**	**2,504.4**
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current Liabilities					
Accounts payable	47.5	69.6	92.9	90.4	97.0
Accrued taxes other than income taxes	25.1	17.8	15.2	14.0	25.1
Accrued payroll and related expenses	28.5	36.8	31.2	38.8	43.0
Accrued interest	5.1	5.0	12.5	5.0	12.5
Workers' compensation and pneumoconiosis benefi	10.6	12.3	12.3	12.3	12.3
Current finance lease obligations	0.8	0.8	0.7	0.5	0.3
Current operating lease obligations	1.9	1.8	2.1	2.2	2.8
Other current liabilities	21.9	17.4	19.8	18.5	45.4
Current maturities, long-term debt, net	73.2	16.1	15.4	14.9	15.1
Total Current Liabilities	**214.6**	**177.6**	**202.1**	**196.5**	**253.5**
Long-Term Liabilities					
Long-term debt, excluding current maturities, net	519.4	418.9	416.0	413.0	409.9
Pneumoconiosis benefits	105.1	107.6	108.5	108.8	109.7
Accrued pension benefit	47.0	25.6	24.9	24.1	23.4
Workers' compensation	47.5	44.9	44.7	38.7	39.0
Asset retirement obligations	121.5	123.5	124.0	124.2	124.6
Long-term finance lease obligations	1.5	0.6	0.6	0.6	0.5
Long-term operating lease obligations	13.1	12.4	13.0	12.7	12.8
Other long-term liabilities	24.1	22.3	58.5	62.4	63.1
Total Long-Term Liabilities	**879.1**	**755.8**	**790.1**	**784.5**	**783.1**
Partners' Capital:					
ARLP Partners' Capital:					
Limited Partners - Common Unitholders	1,148.6	1,279.2	1,285.7	1,403.7	1,518.7
Accumulated other comprehensive loss	(87.7)	(64.2)	(63.4)	(62.6)	(61.8)
Total ARLP Partners' Capital	**1,060.9**	**1,215.0**	**1,222.3**	**1,341.1**	**1,456.8**
Non-controlling interest	11.4	11.1	11.1	11.1	11.0
Total Partners' Capital	**1,072.3**	**1,226.1**	**1,233.4**	**1,352.2**	**1,467.8**
Total Liabilities and Partners' Capital	**2,166.0**	**2,159.4**	**2,225.5**	**2,333.2**	**2,504.4**
Ratios					
Liquidity					
Current Ratio	1.1x	1.9x	2.0x	2.4x	2.3x
Quick Ratio	0.7x	1.4x	1.4x	1.7x	1.8x
Working Capital	31.2	161.7	202.6	269.5	339.2
Leverage					
Debt To Equity	57.5%	37.1%	36.6%	33.1%	30.3%
Debt To Capital	36.5%	27.1%	26.8%	24.9%	23.3%
Capital Usage - Annualized					
A/R Turns	10.0x	13.4x	12.9x	12.7x	11.9x
Inv Turns	11.2x	17.5x	14.9x	13.7x	13.8x
A/P Turns	13.8x	17.4x	14.3x	15.4x	15.3x

Source: Company Reports, Stonegate Capital Markets

INCOME STATEMENT

Alliance Resource Partners, L.P. (NASDAQ: ARLP)
Consolidated Statements of Income (in $Ms, except per share amounts)
Fiscal Year: December

	FY 2020	Q1 Mar-21	Q2 Jun-21	Q3 Sep-21	Q4 Dec-21	FY 2021	Q1 Mar-22	Q2 Jun-22	Q3 Sep-22	Q4 E Dec-22	FY 2022E	Q1 E Mar-23	Q2 E Jun-23	Q3 E Sep-23	Q4 E Dec-23	FY 2023E
Revenues																
Revenues	$ 1,328.1	$ 318.6	$ 362.4	$ 415.4	$ 473.5	$ 1,570.0	$ 460.9	$ 616.5	$ 628.4	$ 698.5	$ 2,404.2	$ 565.9	$ 651.0	$ 703.7	$ 749.0	$ 2,669.5
Total revenues	**1,328.1**	**318.6**	**362.4**	**415.4**	**473.5**	**1,570.0**	**460.9**	**616.5**	**628.4**	**698.5**	**2,404.2**	**565.9**	**651.0**	**703.7**	**749.0**	**2,669.5**
Expenses																
Operating expenses (excl. DD&A)	859.7	196.5	213.0	233.2	300.5	943.3	261.7	316.5	330.3	353.5	1,262.1	268.4	319.6	356.2	391.5	1,335.7
Transportation expenses	21.1	11.1	12.1	22.0	24.5	69.6	29.4	35.4	28.5	39.3	132.6	31.7	36.6	39.8	42.4	150.5
Outside coal purchases	-	-	0.1	6.1	0.2	6.4	-	0.2	-	1.0	1.2	1.0	1.0	1.0	1.0	4.0
G&A expenses	59.8	15.5	17.5	18.7	18.5	70.2	18.6	22.5	21.3	21.0	83.3	18.1	20.8	22.5	24.0	85.4
DD&A	313.4	59.2	64.7	68.8	68.7	261.4	63.3	66.7	70.1	71.0	271.2	70.0	70.0	70.0	70.0	280.0
Asset impairments	25.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Goodwill impairments	132.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expenses	1,411.0	282.3	307.4	348.7	412.3	1,350.8	373.0	441.2	450.3	485.8	1,750.4	389.2	448.1	489.5	528.8	1,855.6
Income (loss) from operations	**(82.9)**	**36.3**	**55.0**	**66.7**	**61.1**	**219.2**	**87.8**	**175.3**	**178.1**	**212.7**	**653.9**	**176.7**	**202.9**	**214.1**	**220.2**	**813.9**
Inc (loss) from operations - adj(1)	**73.3**	**35.1**	**53.9**	**67.2**	**61.6**	**217.7**	**89.0**	**177.1**	**180.0**	**212.8**	**658.9**	**176.1**	**202.3**	**213.4**	**219.4**	**811.2**
Other income (expense):																
Interest expense, net	(45.6)	(10.4)	(9.8)	(9.4)	(9.6)	(39.2)	(9.7)	(9.4)	(9.2)	(9.2)	(37.5)	(9.2)	(9.2)	(9.2)	(8.9)	(36.4)
Interest income	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.4	0.0	0.6	0.0	0.0	0.0	0.0	0.1
Equity method investment income	0.9	0.1	0.3	0.7	1.0	2.1	0.9	1.6	2.1	0.3	4.8	0.3	0.3	0.3	0.3	1.0
Other income/ (expense)	(1.6)	(1.2)	(1.4)	(0.1)	(0.4)	(3.0)	0.6	0.6	0.2	-	1.3	(0.6)	(0.7)	(0.8)	(0.8)	(2.9)
Total other income (expense):	(46.2)	(11.5)	(10.8)	(8.8)	(8.9)	(40.0)	(8.2)	(7.1)	(6.5)	(8.9)	(30.8)	(9.5)	(9.6)	(9.7)	(9.4)	(38.2)
Pre-tax income (loss)	**(129.0)**	**24.8**	**44.2**	**58.0**	**52.2**	**179.2**	**79.7**	**168.1**	**171.6**	**203.7**	**623.1**	**167.2**	**193.3**	**204.5**	**210.8**	**775.7**
Provision for taxes (benefit)	0.0	(0.0)	0.0	0.2	0.2	0.4	42.7	6.3	6.6	19.3	62.0	7.7	8.9	9.4	9.7	35.8
Net income (loss)	**(129.1)**	**24.8**	**44.2**	**57.7**	**52.0**	**178.8**	**36.9**	**161.8**	**165.0**	**184.5**	**561.1**	**159.5**	**184.4**	**195.0**	**201.0**	**740.0**
Less: NI due to non-controlling interest	0.2	0.1	0.1	0.2	0.2	0.6	0.3	0.3	0.4	0.2	1.2	0.2	0.2	0.2	0.2	0.8
Net income (loss) attributable to ARLP	**$ (129.2)**	**$ 24.3**	**$ 42.8**	**$ 55.8**	**$ 50.4**	**$ 173.4**	**$ 35.1**	**$ 156.1**	**$ 159.2**	**$ 178.7**	**$ 536.0**	**$ 154.2**	**$ 178.1**	**$ 188.4**	**$ 194.2**	**$ 715.0**
Wtd EPS (loss)	**$ (1.02)**	**$ 0.19**	**$ 0.34**	**$ 0.44**	**$ 0.40**	**$ 1.36**	**$ 0.28**	**$ 1.23**	**$ 1.25**	**$ 1.41**	**$ 4.21**	**$ 1.21**	**$ 1.40**	**$ 1.48**	**$ 1.53**	**$ 5.62**
Net income (loss) - adjusted (1)	**27.8**	**24.7**	**44.0**	**57.5**	**51.8**	**178.2**	**36.7**	**161.5**	**164.6**	**184.3**	**547.0**	**159.3**	**184.2**	**194.8**	**200.8**	**739.2**
Wtd EPS (loss) - adjusted (1)	**$ 0.22**	**$ 0.19**	**$ 0.35**	**$ 0.45**	**$ 0.41**	**$ 1.40**	**$ 0.29**	**$ 1.27**	**$ 1.29**	**$ 1.45**	**$ 4.30**	**$ 1.25**	**$ 1.45**	**$ 1.53**	**$ 1.58**	**$ 5.81**
Basic shares outstanding	127.2	127.2	127.2	127.2	127.2	127.2	127.2	127.2	127.2	127.2	127.2	127.2	127.2	127.2	127.2	127.2
Diluted shares outstanding	127.2	127.2	127.2	127.2	127.2	127.2	127.2	127.2	127.2	127.2	127.2	127.2	127.2	127.2	127.2	127.2
EBITDA (1) (2)	229.7	94.3	118.6	135.9	130.2	479.1	152.3	243.8	250.2	283.8	930.1	246.1	272.3	283.4	289.4	1,091.2
EBITDA - adjusted (1) (3)	386.7	94.3	118.6	135.9	130.2	479.1	152.3	243.8	250.2	283.8	930.1	246.1	272.3	283.4	289.4	1,091.2
Margin Analysis																
Operating margin	-6.2%	11.4%	15.2%	16.1%	12.9%	14.0%	19.1%	28.4%	28.3%	30.5%	27.2%	31.2%	31.2%	30.4%	29.4%	30.5%
Operatin margin - adjusted	5.5%	11.0%	14.9%	16.2%	13.0%	13.9%	19.3%	28.7%	28.6%	30.5%	27.4%	31.1%	31.1%	30.3%	29.3%	30.4%
EBITDA margin	17.3%	29.6%	32.7%	32.7%	27.5%	30.5%	33.0%	39.6%	39.8%	40.6%	38.7%	43.5%	41.8%	40.3%	38.6%	40.9%
EBITDA - adjusted margin	29.1%	29.6%	32.7%	32.7%	27.5%	30.5%	33.0%	39.6%	39.8%	40.6%	38.7%	43.5%	41.8%	40.3%	38.6%	40.9%
Pre-tax margin	-9.7%	7.8%	12.2%	14.0%	11.0%	11.4%	17.3%	27.3%	27.3%	29.2%	25.9%	29.5%	29.7%	29.1%	28.1%	29.1%
Net income margin	-9.7%	7.6%	11.8%	13.4%	10.7%	11.0%	7.6%	25.3%	25.3%	25.6%	22.3%	27.3%	27.4%	26.8%	25.9%	26.8%
Adjusted net income margin	2.1%	7.8%	12.1%	13.9%	10.9%	11.3%	8.0%	26.2%	26.2%	26.4%	22.8%	28.1%	28.3%	27.7%	26.8%	27.7%
Tax rate	0.0%	0.0%	0.0%	0.4%	0.4%	0.2%	53.6%	3.8%	3.8%	9.5%	9.9%	4.6%	4.6%	4.6%	4.6%	4.6%
Growth Rate Analysis Y/Y																
Total revenues	-32.3%	-9.2%	42.0%	16.8%	29.2%	18.2%	44.6%	70.1%	51.3%	47.5%	53.1%	22.8%	5.6%	12.0%	7.2%	11.0%
Operating income	-131.9%	127.4%	256.7%	69.6%	34.1%	364.6%	141.8%	218.6%	166.9%	247.9%	198.3%	101.2%	15.8%	20.2%	3.5%	24.5%
Operating income - adjusted	-74.7%	44.3%	252.5%	73.8%	34.9%	197.0%	153.4%	228.8%	168.0%	245.6%	202.6%	97.9%	14.2%	18.6%	3.1%	23.1%
EBITDA	-69.5%	260.6%	145.9%	14.4%	7.3%	108.6%	61.5%	105.6%	84.0%	117.9%	94.1%	61.6%	11.7%	13.3%	2.0%	17.3%
EBITDA - adjusted	-35.4%	-4.0%	145.9%	14.4%	7.3%	23.9%	61.5%	105.6%	84.0%	117.9%	94.1%	61.6%	11.7%	13.3%	2.0%	17.3%
Pre-tax income	-131.7%	117.1%	194.5%	110.5%	49.1%	238.9%	221.0%	280.6%	196.0%	290.1%	247.8%	109.9%	15.0%	19.2%	3.4%	24.5%
EPS	-133.1%	116.8%	191.7%	109.8%	41.7%	234.2%	44.3%	264.7%	185.1%	254.3%	209.1%	339.5%	14.1%	18.4%	8.6%	33.4%
EPS - adjusted	-88.5%	102.3%	194.4%	111.6%	48.0%	541.0%	48.1%	266.7%	186.0%	255.6%	207.0%	334.5%	14.1%	18.4%	9.0%	35.1%
Share count - fully diluted	-0.7%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

(1) Adjusted numbers exclude 1x items as defined by ARLP
(2) EBITDA defined as net income attributable to ARLP before net interest expense, income taxes and DD&A
(3) Adjusted EBITDA excludes 1x items as defined by ARLP

Source: Company Reports, Stonegate Capital Markets estimates

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