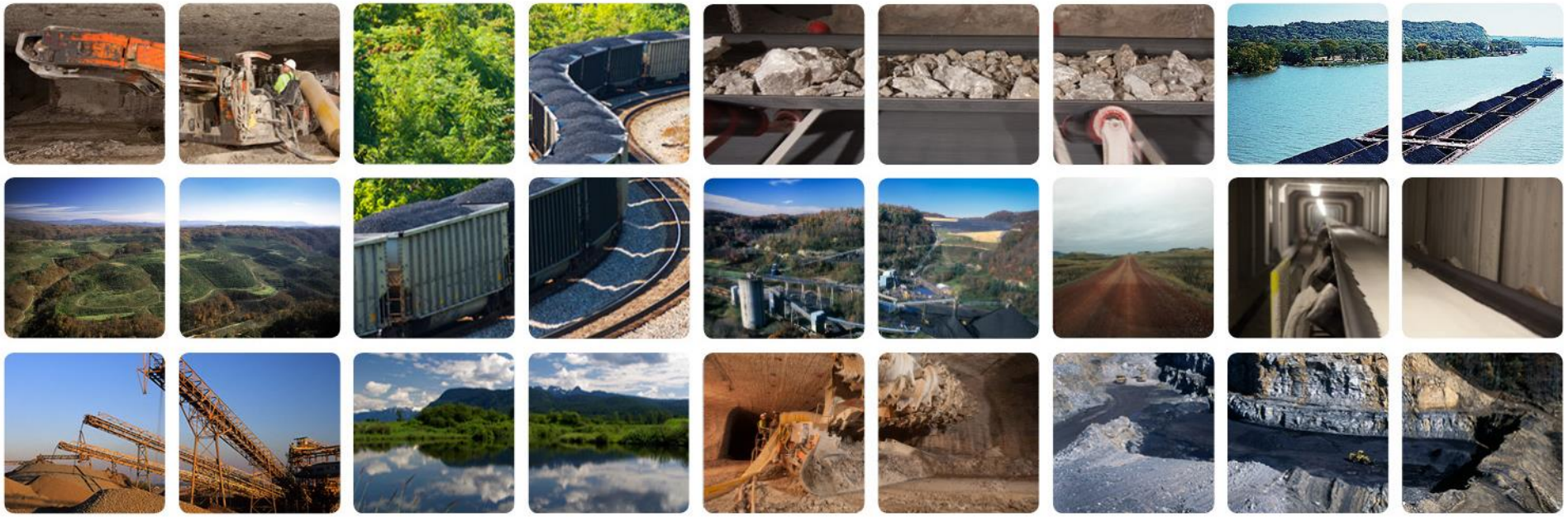
NATURAL RESOURCE PARTNERS L.P.

2020 CITI ONE-ON-ONE MIDSTREAM / ENERGY INFRASTRUCTURE CONFERENCE

August 2020



FORWARD-LOOKING STATEMENTS

This presentation includes “forward-looking statements” as defined by the Securities and Exchange Commission. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that the Partnership expects, believes or anticipates will or may occur in the future are forward-looking statements. These statements are based on certain assumptions made by the Partnership based on its experience and perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate in the circumstances. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Partnership. These risks include, among other things, statements regarding: the effects of the global COVID-19 pandemic; future distributions on the Partnership’s common and preferred units; the Partnership's business strategy; its liquidity and access to capital and financing sources; its financial strategy; prices of and demand for coal, trona and soda ash, and other natural resources; estimated revenues, expenses and results of operations; projected future performance by the Partnership's lessees, including Foresight Energy; Ciner Wyoming LLC’s trona mining and soda ash refinery operations; distributions from the soda ash joint venture; the impact of governmental policies, laws and regulations, as well as regulatory and legal proceedings involving the Partnership, and of scheduled or potential regulatory or legal changes; global and U.S. economic conditions; and other factors detailed in Natural Resource Partners’ Securities and Exchange Commission filings. Natural Resource Partners L.P. has no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Use of Non-GAAP Financial Measures

This presentation includes the use of Free cash flow (“FCF”), Cash flow cushion, Adjusted EBITDA and Return on Capital Employed (“ROCE”), which are financial measures not calculated in accordance with generally accepted accounting principals (“GAAP”). Please refer to the appendix for a reconciliation of FCF, Cash flow cushion, Adjusted EBITDA and ROCE.

Other Disclaimers

This presentation has been prepared by NRP and includes market data and other statistical information from sources believed by NRP to be reliable, including independent industry publications, government publications or other published independent sources. Although NRP believes these sources are reliable, it has not independently verified the information and cannot guarantee its accuracy and completeness.

NRP BUSINESS OVERVIEW

NRP is a natural resource company with interests in coal and soda ash

- Publicly traded MLP
  - Enterprise value of $885 million[(1)]
  - Preferred equity of $250 million
  - Common unitholder equity of $130 million[(2)]
  - Over 25% of common units owned by insiders
- Coal royalty owner
  - NRP receives coal royalty payments not burdened with mine operating expenses
  - No legacy liabilities
  - Minimal working capital needs and limited capex
- NRP owns a 49% non-operating equity interest in Ciner Wyoming, LLC, a soda ash operator
  - Lowest-cost and most efficient soda ash producer in the United States
  - Soda ash is used in production of glass, flue gas desulphurization to reduce air emissions, battery cathodes used for electric vehicles, water and waste-water treatment, detergents, textiles, cellulose and paper, and water softening

Last Twelve Months ("LTM") 6/30/20
($ in millions)

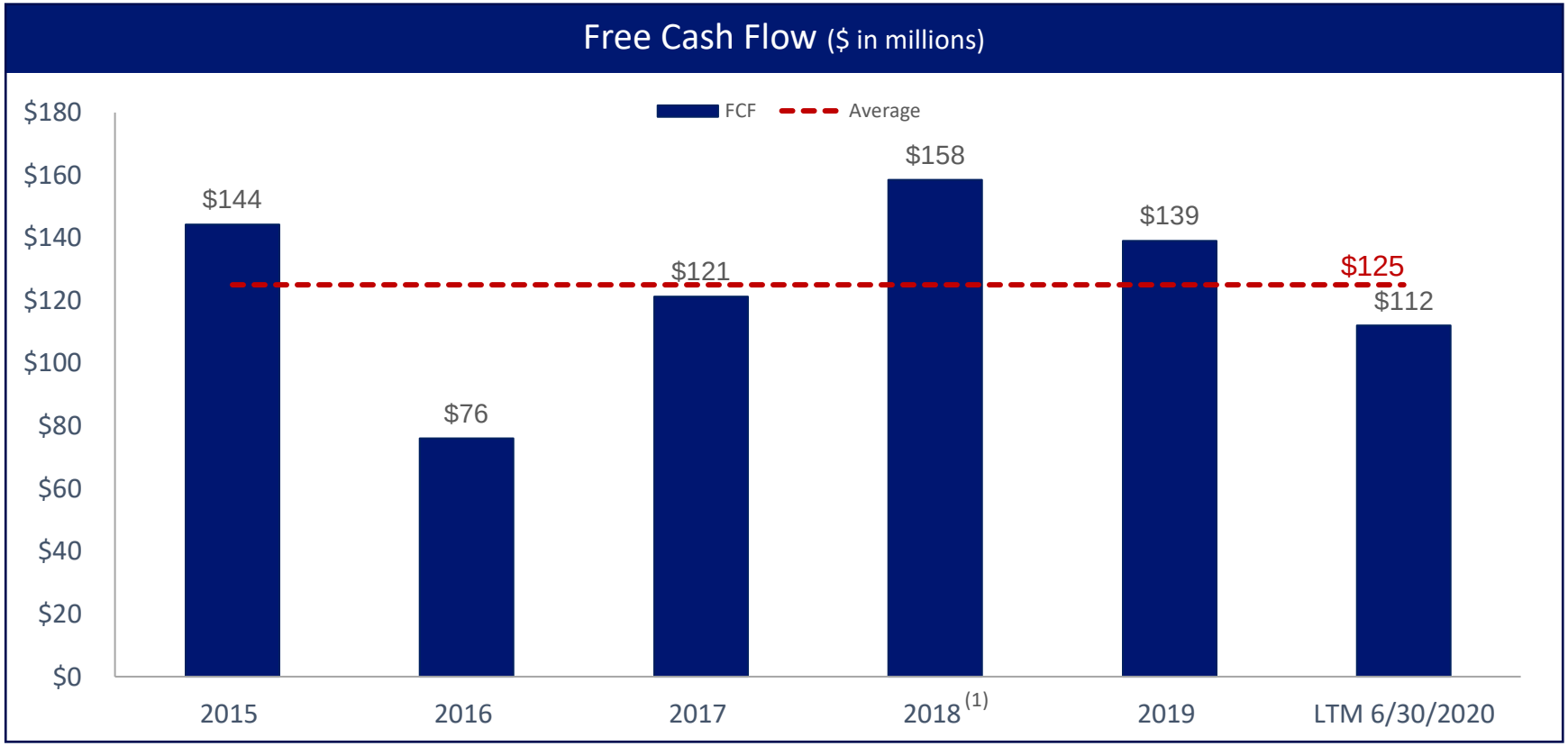
Business Segment	Net Income Excluding Asset Impairments[(3)]	Adjusted EBITDA[(3)]	FCF[(3)]	ROCE Excluding Asset Impairments[(3)]
Coal Royalty & Other	$124	$134	$144	13.9%
Soda Ash	27	27	27	10.7%
Corporate and Financing	(57)	(16)	(59)	N/A
NRP Consolidated [(4)]	**$93**	**$145**	**$112**	**11.9%**

(1) Enterprise value calculated as $130 million of equity value plus $505 million of debt plus preferred stock of $250 million
(2) Market data as of August 10, 2020. Unit price of $10.59; Common units outstanding of 12.26 million
(3) Non-GAAP financial measure; See appendix for reconciliations
(4) May not foot due to rounding

COVID-19 UPDATE AND RESPONSE

- Employee safety
  - Our employees have remained safe and healthy throughout the COVID-19 pandemic
  - Implemented remote work protocols on March 13th and plan to remain working remotely for the foreseeable future
- Operations
  - Partnership is conducting business as usual
  - All employees continue to effectively execute job responsibilities from remote locations
  - Coal lessees continue to operate, but inventories are high and demand has been negatively impacted by COVID-19
  - Ciner Wyoming is operating well, but global soda ash pricing and demand negatively impacted by COVID-19
- Continue to prioritize cash and liquidity
  - $111 million of cash on hand at June 30, 2020
  - $100 million available revolver capacity

FREE CASH FLOW GENERATION THROUGH MARKET VOLATILITY

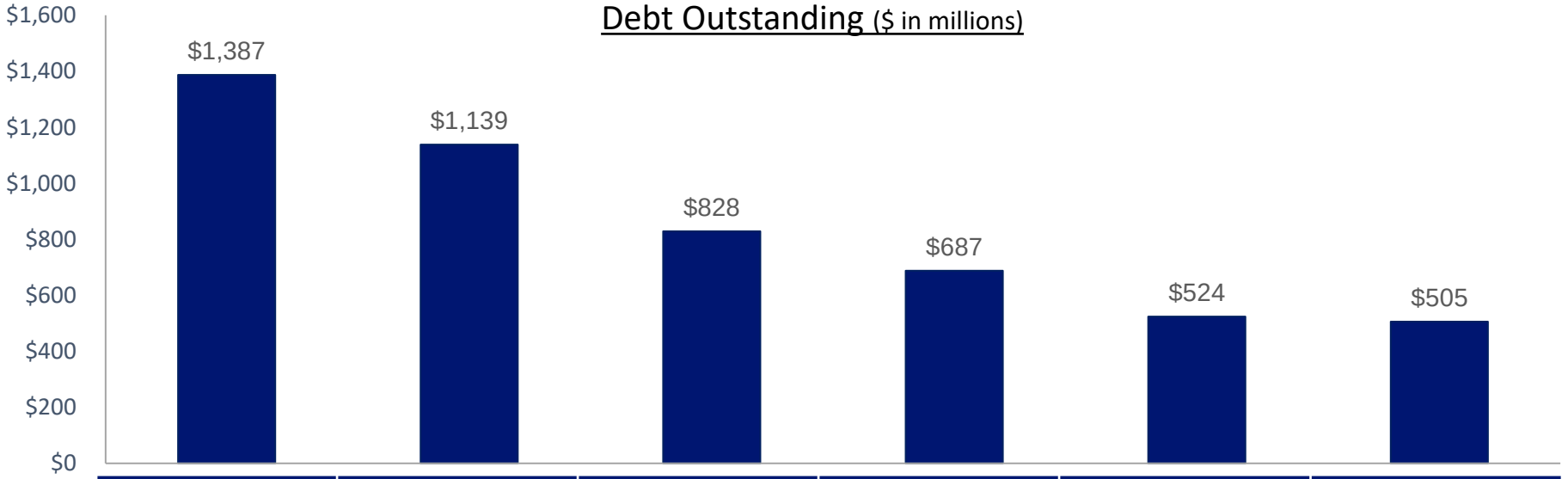


- NRP generated Free Cash Flow through the bear markets of 2015 & 2016 and continues to generate Free Cash Flow through COVID-19 related market declines
- Free Cash Flow generation is used to aggressively pay down debt, de-risk the capital structure and increase common unitholders equity

Note: Non-GAAP financial measure. See appendix for reconciliations. Free Cash Flow figures as of fiscal years ended December 31 unless otherwise noted
(1) Excludes one-time $25 million Hillsboro litigation settlement

COMMITMENT TO DELEVERAGING AND ENHANCING UNITHOLDER VALUE

NRP repaid over $880 million of debt since 2015



2015	2016	2017	2018	2019	6/30/2020
✓ Reduced quarterly distribution from $3.50 to $0.45 ✓ Set long-term goal to strengthen our balance sheet and increase liquidity	✓ Divested oil & gas assets and royalty interests for $152 million ✓ Divested other mineral assets for $17 million ✓ Divested certain aggregates royalty assets for $10 million	✓ Re-cap transactions: - Issued $250 million of Class A convertible preferred equity - Extended bond maturity from 2018 to 2022 - Extended credit facility maturity from 2018 to 2020	✓ Divested VantaCore for $205 million: - Eliminated low-performing business segment - Reduced operating risk - Eliminated capex ✓ Settled Hillsboro litigation	✓ Repaid $163 million of debt ✓ Extended $100 million revolver maturity to 2023 ✓ Extended $300 million bond maturity to 2025 and lowered coupon to 9.125%	✓ Repaid $19 million of debt YTD 6/30/20 ✓ Suspended first quarter common unit distribution to preserve cash in response to COVID-19 uncertainty ✓ Ample liquidity of $211 million, including $111 million of cash

Note: Debt Outstanding figures as of fiscal years ended December 31 unless otherwise noted

MAXIMIZING CASH FLOW CUSHION

Continued focus on maximizing the cash flow remaining after paying our mandatory debt amortizations and distributions to common and preferred unitholders

Cash Flow Cushion ($ in millions)



Cash Flow Cushion ($ in millions)	2015	2016	2017	2018	2019	LTM 6/30/2020
Free Cash Flow	$144.2	$76.0	$121.3	$158.4 (1)	$139.0	$112.2
Less: Mandatory debt payments	(80.8)	(82.9)	(80.8)	(80.7)	(68.1)	(47.7)
Less: Preferred unit distributions	--	--	(8.8)	(39.1)	(30.0)	(30.1)
Less: Common unit distributions	(71.8)	(22.5)	(22.5)	(22.5)	(33.1)	(16.9)
Cash Flow Cushion (2)	$(8.3)	$(29.4)	$9.2	$16.1	$7.8	$17.5

Note: Non-GAAP financial measure. See appendix for reconciliations. Cash Flow Cushion figures as of fiscal years ended December 31 unless otherwise noted
(1) Excludes one-time $25 million Hillsboro litigation settlement
(2) May not foot due to rounding

STRATEGY

- Maintain strong liquidity and continue to strengthen balance sheet
- Maximize Free Cash Flow and Return on Capital Employed
- Use internally generated cash to pay down debt, de-risk the capital structure and increase common unitholder equity
- Prioritize use of excess cash flow as follows:
  1) Pay down debt
  2) Redeem preferred equity
  3) Invest in opportunities with attractive risk-adjusted returns
  4) Increase common unit distributions

NON-GAAP RECONCILIATIONS

NON-GAAP RECONCILIATIONS

"Adjusted EBITDA" is a non-GAAP financial measure that we define as net income (loss) from continuing operations less equity earnings from unconsolidated investment, net income attributable to non-controlling interest and gain on reserve swap; plus total distributions from unconsolidated investment, interest expense, net, debt modification expense, loss on extinguishment of debt, depreciation, depletion and amortization and asset impairments. Adjusted EBITDA should not be considered an alternative to, or more meaningful than, net income or loss, net income or loss attributable to partners, operating income, cash flows from operating activities or any other measure of financial performance presented in accordance with GAAP as measures of operating performance, liquidity or ability to service debt obligations. There are significant limitations to using Adjusted EBITDA as a measure of performance, including the inability to analyze the effect of certain recurring items that materially affect our net income (loss), the lack of comparability of results of operations of different companies and the different methods of calculating Adjusted EBITDA reported by different companies. In addition, Adjusted EBITDA presented below is not calculated or presented on the same basis as Consolidated EBITDA as defined in our partnership agreement or Consolidated EBITDDA as defined in Opco's debt agreements. Adjusted EBITDA is a supplemental performance measure used by our management and by external users of our financial statements, such as investors, commercial banks, research analysts and others to assess the financial performance of our assets without regard to financing methods, capital structure or historical cost basis.

Adjusted EBITDA

(In thousands)	Coal Royalty and Other	Soda Ash	Corporate and Financing	Total
Last Twelve Months June 30, 2020				
Net income (loss) from continuing operations	$ (156,838)	$ 26,994	$ (57,163)	$ (187,007)
Less: equity earnings from unconsolidated investment	—	(27,288)	—	(27,288)
Add: total distributions from unconsolidated investment	—	26,950	—	26,950
Add: interest expense, net	15	—	41,445	41,460
Add: depreciation, depletion and amortization	10,644	—	—	10,644
Add: asset impairments	280,497	—	—	280,497
Adjusted EBITDA	$ 134,318	$ 26,656	$ (15,718)	$ 145,256

NON-GAAP RECONCILIATIONS (CONTINUED)

"Free cash flow" or "FCF" is a non-GAAP financial measure that we define as net cash provided by (used in) operating activities of continuing operations plus distributions from unconsolidated investment in excess of cumulative earnings and return of long-term contract receivables (including affiliate); less maintenance and expansion capital expenditures, cash flow used in acquisition costs classified as financing or investing activities and distributions to non-controlling interest. FCF is calculated before mandatory debt repayments. Free cash flow is not a measure of financial performance under GAAP and should not be considered as an alternative to cash flows from operating, investing or financing activities. Free cash flow may not be calculated the same for us as for other companies. Free cash flow is a supplemental liquidity measure used by our management and by external users of our financial statements, such as investors, commercial banks, research analysts and others to assess our ability to make cash distributions and repay debt.

Free Cash Flow

(In thousands)	Coal Royalty and Other	Soda Ash	Corporate and Financing	Total
Last Twelve Months June 30, 2020				
Net cash provided by (used in) operating activities of continuing operations	$ 142,645	$ 26,657	$ (58,084)	$ 111,218
Add: return of long-term contract receivables	1,981	—	—	1,981
Less: acquisition costs	(1,022)	—	—	(1,022)
Free cash flow	$ 143,604	$ 26,657	$ (58,084)	$ 112,177

	Year Ended December 31,				
(In thousands)	2015	2016	2017	2018	2019
Net cash provided by operating activities of continuing operations	$ 144,907	$ 80,243	$ 112,151	$ 178,282	$ 137,319
Add: distributions form unconsolidated investment in excess of cumulative earnings	—	—	5,646	2,097	—
Add: return of long term contract receivables	2,463	2,968	3,010	3,061	1,743
Less: maintenance capital expenditures	(416)	(28)	—	—	—
Less: distributions to non-controlling interest	(2,744)	—	—	—	—
Less: acquisition costs	—	(7,213)	517	—	(22)
Free cash flow	$ 144,210	$ 75,970	$ 121,324	$ 183,440	$ 139,040

NON-GAAP RECONCILIATIONS (CONTINUED)

"Return on capital employed" or "ROCE" is a non-GAAP financial measure that we define as Net income from continuing operations plus financing costs (interest expense plus loss on extinguishment of debt) divided by the sum of equity excluding equity of discontinued operations, and debt. Return on capital employed should not be considered an alternative to, or more meaningful than, net income or loss, net income or loss attributable to partners, operating income, cash flows from operating activities or any other measure of financial performance presented in accordance with GAAP as measures of operating performance, liquidity or ability to service debt obligations. Return on capital employed is a supplemental performance measure used by our management team that measures our profitability and efficiency with which our capital is employed. The measure provides an indication of operating performance before the impact of leverage in the capital structure.

Return on Capital Employed ("ROCE")

(In thousands)	Coal Royalty and Other	Soda Ash	Corporate and Financing	Total
LTM Ended June 30, 2020				
Net income (loss) from continuing operations	$ (156,838)	$ 26,994	$ (57,163)	$ (187,007)
Financing costs	—	—	42,702	42,702
Return	$ (156,838)	$ 26,994	$ (14,461)	$ (144,305)
As of June 30, 2019				
Total assets of continuing operations	$ 949,198	$ 251,135	$ 18,126	$ 1,218,459
Less: total current liabilities of continuing operations excluding current debt	(12,365)	—	(9,482)	(21,847)
Less: total long-term liabilities of continuing operations excluding long-term debt	(47,667)	—	(354)	(48,021)
Capital employed excluding discontinued operations	$ 889,166	$ 251,135	$ 8,290	$ 1,148,591
Total partners' capital [1]	$ 892,101	$ 251,135	$ (700,366)	$ 443,196
Less: non-controlling interest	(2,935)	—	—	(2,935)
Less: partners' capital from discontinued operations	—	—	—	(326)
Total partners' capital excluding discontinued operations	$ 889,166	$ 251,135	$ (700,366)	$ 439,935
Class A convertible preferred units	—	—	164,587	164,587
Debt	—	—	544,069	544,069
Capital employed excluding discontinued operations	$ 889,166	$ 251,135	$ 8,290	$ 1,148,591
ROCE excluding discontinued operations	(17.6)%	10.7%	N/A	(12.6)%
Excluding asset impairments:				
Return	$ (156,838)	$ 26,994	$ (14,461)	$ (144,305)
Add: asset impairments	280,497	—	—	280,497
Return excluding asset impairments	$ 123,659	$ 26,994	$ (14,461)	$ 136,192
ROCE excluding discontinued operations and asset impairments	13.9%	10.7%	N/A	11.9%

(1) Total partners' capital includes $0.3 million from discontinued operations.

NON-GAAP RECONCILIATIONS (CONTINUED)

"Cash flow cushion" is a non-GAAP financial measure that we define as Free cash flow less one-time beneficial items, mandatory Opco debt payments, preferred unit distributions and common unit distributions. Cash flow cushion is not a measure of financial performance under GAAP and should not be considered as an alternative to cash flows from operating, investing or financing activities. Cash flow cushion is a supplemental liquidity measure used by our management to assess the Partnership's ability to make or raise cash distributions to our common and preferred unitholders and our general partner and repay debt or redeem preferred units.

	Year Ended December 31,					LTM
Cash Flow Cushion	**2015**	**2016**	**2017**	**2018**	**2019**	**June 30, 2020**
Free Cash Flow						
Coal Royalty Segment	$ 204,237	$ 137,446	$ 169,665	$ 215,455	$ 180,584	$ 143,604
Soda Ash	43,029	39,321	49,000	46,550	31,601	26,657
Corporate and Finance	(103,056)	(100,797)	(97,341)	(78,565)	(73,145)	(58,084)
Free Cash Flow	144,210	75,970	121,324	183,440	139,040	112,177
Less: cash flow from one-time Hillsboro litigation settlement	—	—	—	(25,000)	—	—
Less: Mandatory OPCO debt repayments	(80,791)	(82,949)	(80,765)	(80,706)	(68,128)	(47,672)
Less: Preferred unit distributions	—	—	(8,844)	(39,109)	(30,000)	(30,113)
Less: Common unit distributions	(71,758)	(22,465)	(22,467)	(22,486)	(33,150)	(16,890)
Cash Flow Cushion	$ (8,339)	$ (29,444)	$ 9,248	$ 16,139	$ 7,762	$ 17,502