

# SunCoke Energy Investor Meetings

March 2018



SunCoke Energy®

**SXCP**  
SXCPartners

# Forward-Looking Statements

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Due to rounding, numbers presented throughout this presentation may not add up precisely to the totals indicated and percentages may not precisely reflect the absolute figures for the same reason.

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# Attractive Investment Thesis

## Steady Cashflow Generation

- Steady cash flow generation supported by **long-term, take-or-pay contracts** with **limited commodity price exposure**
- Average **remaining cokemaking contract life** of **~8 years** across fleet
- **Over 90%** of logistics Adj. EBITDA underpinned by **take-or-pay commitments** through at least **2023**



## Insulated Market Position with Advantaged Assets

- Unique competitive advantages in cokemaking and logistics providing **industry leading positions**
- **Youngest and most-advanced** cokemaking fleet with **EPA MACT environmental signature**
- **Low cost, logistically advantaged** terminals enjoy **sustainable competitive advantages**



## Improved Industry and Customer Health

- Steel and coal industry tailwinds driven by **improving global fundamentals** and **domestic policies**
- **Customer credit** profiles continue to **meaningfully improve**



## Prudent Capital Allocation Strategy

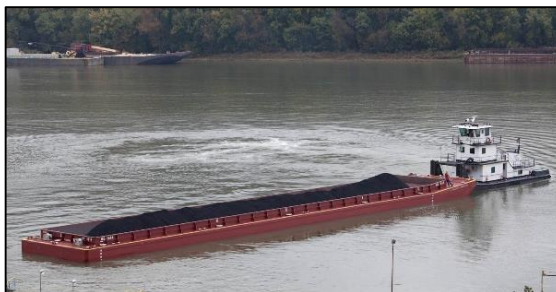
- Recently **refinanced SunCoke capital structure** with average weighted average debt **maturity of ~7 years**
- Deployed SXC free cash flow in 2017 to **purchase ~2.9M SXCP units**
- Pursuing **tuck-in acquisitions** and/or **organic growth** opportunities

**Attractive  
SunCoke  
Value  
Proposition**

# Who is SunCoke?

**Leading raw materials processing and handling company with existing operations in cokemaking & logistics**

## Current Business



### Cokemaking

- Largest independent coke producer in North America serving all 3 major blast furnace steel producers
- 4.2M tons of domestic capacity
- Long-term, take-or-pay contracts with key pass-through provisions
- Advantaged operating characteristics

### Logistics

- Strategically located coal handling terminals with access to rail, barge and truck
- Fee per ton handled, limited commodity risk
- 35M tons total throughput capacity
- 10M tons volume commitment via take-or-pay contracts with low cost ILB producers

## Future Growth Opportunities



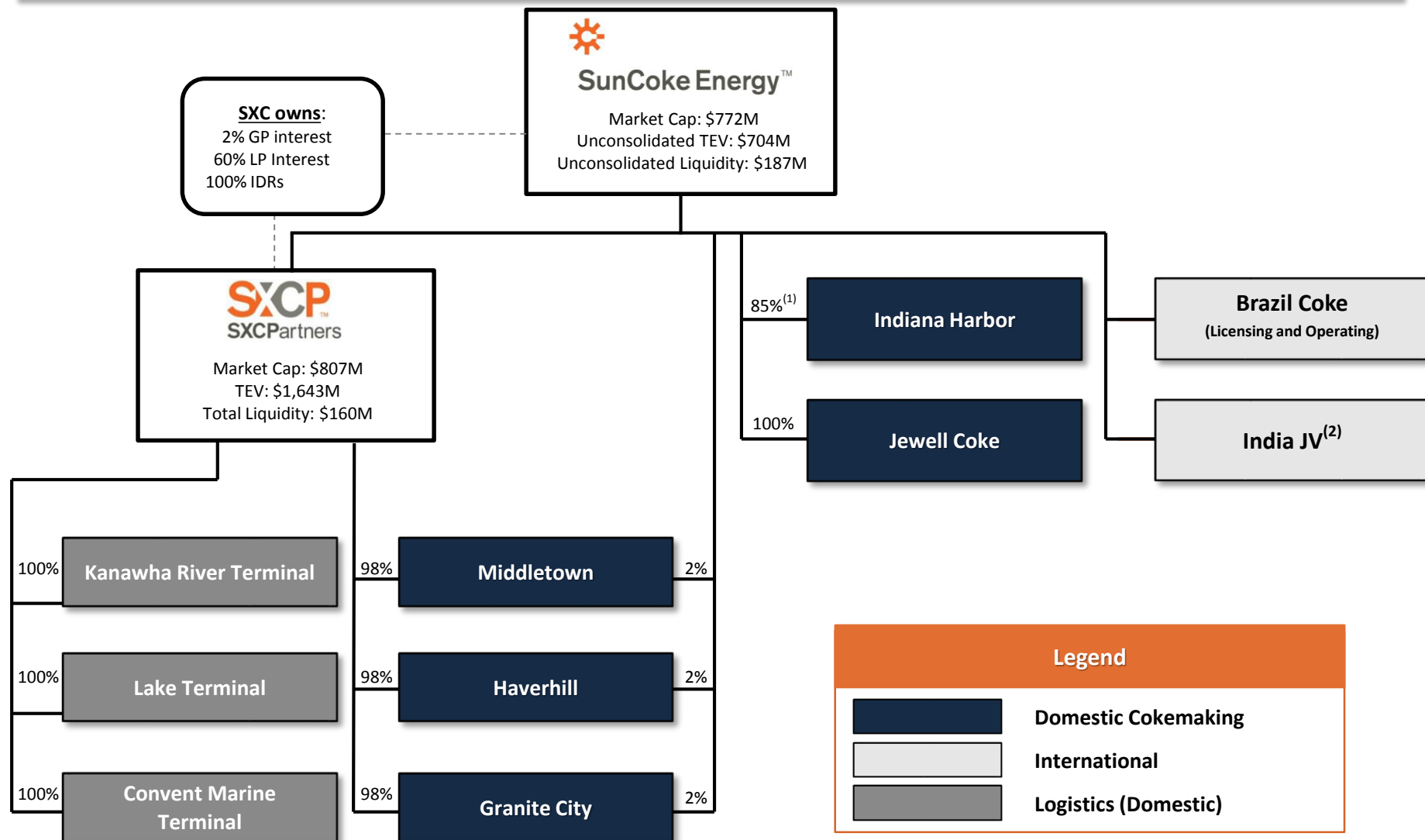
### Organic

- Optimize existing cokemaking and logistics assets (e.g., secure bulk and/or liquids volumes at CMT)

### M&A

- Complementary tuck-in acquisitions with customer and/or product synergies (e.g., bulk logistics)

# Legal and Capital Structure Overview SunCoke Energy®



Note: Market Cap., TEV and Liquidity data as of 12/31/2017

1) DTE Energy owns a 14.8% non-controlling interest in Indiana Harbor

2) The India JV was fully impaired in 2015 due to deteriorating coke margins in Asia

# Strategically Located Network of Assets SunCoke Energy®

## Legend

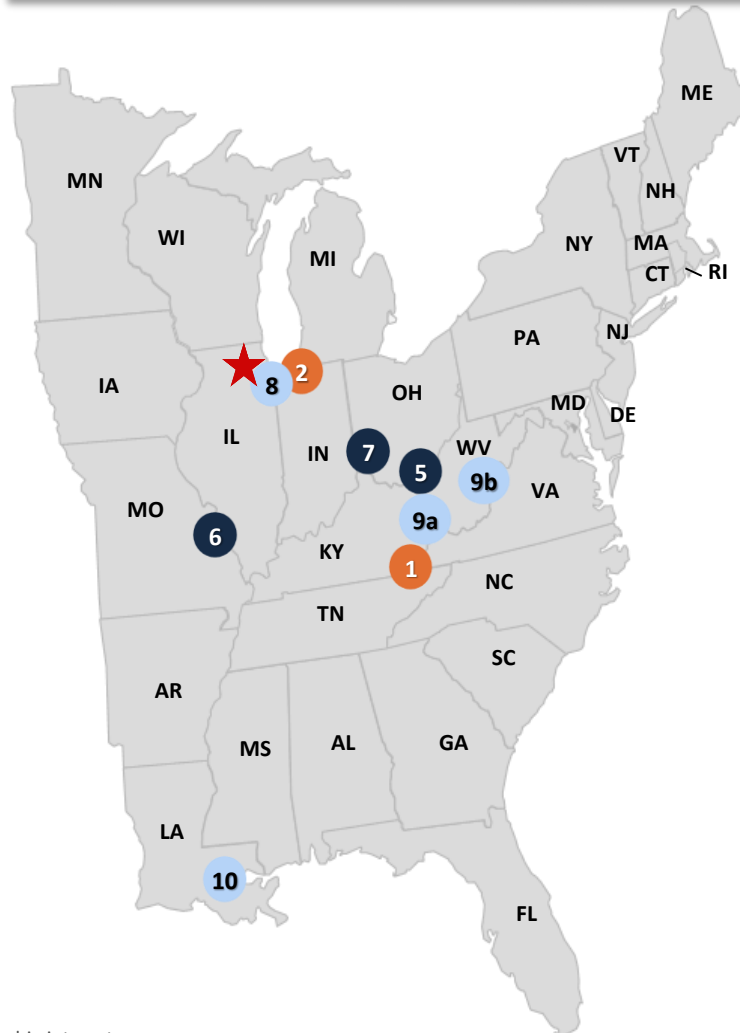
- |    |                         |
|----|-------------------------|
| 1  | Jewell Coke             |
| 2  | Indiana Harbor          |
| 3  | Vitória, Brazil         |
| 4  | India JV                |
| 5  | Haverhill I & II*       |
| 6  | Granite City*           |
| 7  | Middletown*             |
| 8  | Lake Terminal           |
| 9a | KRT Ceredo              |
| 9b | KRT Quincy              |
| 10 | Convent Marine Terminal |

SXC SXCP  
Cokemaking  

Logistics 

SunCoke Headquarters 

## North American Operations



## Cokemaking Advantages

- Domestic cokemaking assets strategically located to serve customers' blast furnace assets
  - Three facilities co-located with customers' blast furnace
  - Remaining two facilities benefit from advantaged rail logistics
- Advantaged proximity to met. coal feedstock
- Advantaged outbound coke logistics provide flexibility to serve multiple customer blast furnace assets

## Logistics Advantages

- CMT only rail served bulk export facility on lower Mississippi River
- KRT Ceredo dock uniquely positioned with dual-rail and barge in/out capability on Ohio River
- KRT Quincy dock serves as effective captive operation for key customers' nearby low cost mines

\* Denotes 98% SXCP ownership interest / 2% SXC ownership interest

# COKEMAKING OVERVIEW

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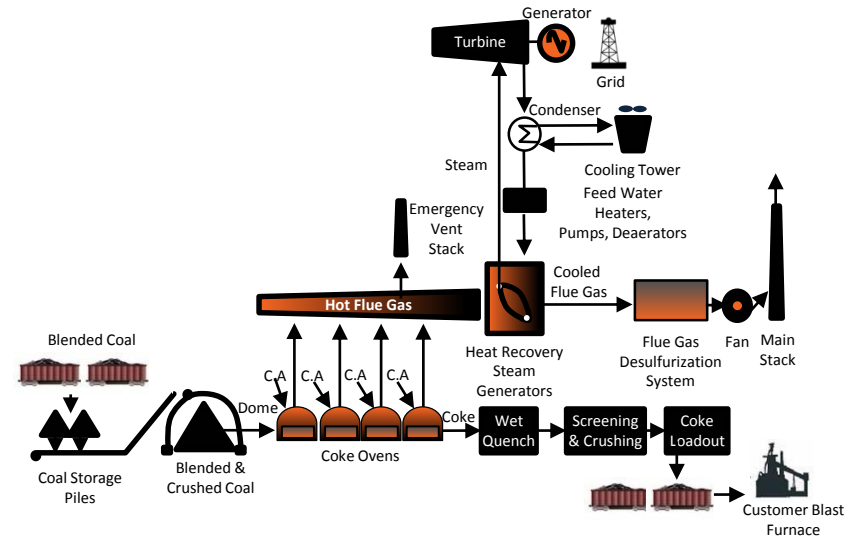


# Largest and Most Advanced Supplier in North America

## Summary

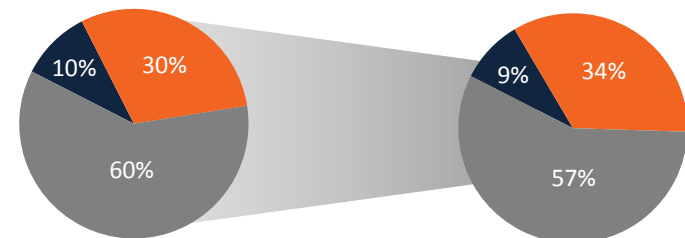
- Coke is a critical raw material input for production of virgin iron and steel
  - Acts as a fuel, provides structural support and allows gas to reduce iron in BOF
  - Cokemaking requires sophisticated blending and coking techniques
  - Quality is crucial to blast furnace performance
- SunCoke supplies high-quality coke to the three major US integrated steel producers utilizing an innovative heat-recovery cokemaking technology that captures excess heat for steam or electrical power generation<sup>(1)</sup>
  - Heat recovery is a more environmentally friendly process relative to by-product technology, while offering steam or electric power as an emission free by-product
  - Only company to have constructed U.S. greenfield coke facility in last 25 years
- Total SunCoke capacity of 4.2 million tons per annum, accounting for approximately 30% of total domestic coke capacity (combined global operated capacity of 6.2Mt)
  - 100% committed nameplate capacity through long-term, take-or-pay contracts incorporating commodity pass-throughs

## Heat Recovery Cokemaking Process



## Total 2016 U.S. Coke Capacity

**Nameplate Capacity: 14.0<sup>(2)</sup> million tons Effective Capacity: 11.9<sup>(3)</sup> million tons**



■ SunCoke ■ Integrated Steel ■ Merchant

<sup>1)</sup> Jewell Coke does not utilize heat recovery technology

<sup>2)</sup> Total U.S. nameplate coke capacity estimated to be approximately 14.0 million tons. Source: CRU Group

<sup>3)</sup> SunCoke estimates based on market intelligence



# Insulated Coke Market Position

## Stable, Long-term Business Model

- Steady cash flow generation supported by **long-term, fee-based, take-or-pay** contracts
- **Limited commodity price exposure**
- Average **remaining cokemaking contract life** of **~8 years** across fleet



## Superior Asset Characteristics

- **Newer, more modern** cokemaking facilities & equipment
- **Leading technology** with **EPA MACT environmental signature**
- **Logistically advantaged** assets provide inbound and outbound efficiencies



## Significantly Improved Customer Credit

- **De-levering** accomplished by all customers
- **Refinanced** and **extended** maturity profile
- **Increased liquidity** and **reduced borrowing costs**



## Favorable Coke Supply/Demand Dynamics

- Long-run **steel demand stable** with potential upside from **policy tailwinds**, and any increased domestic steel demand could result in **coke shortage**
- Natural level of **support** for BFs given **technology/product mix**
- **By-product** coke battery **retirements** continue to shrink supply base
- Coke **imports not viable long-term supply alternative** for BF operators

...provide support for continued stable cokemaking performance

# Long-term, Contracted Earnings Stream SunCoke Energy®

## Long-term, take-or-pay contracts generate stable cash flow and insulate business from industry cyclicality

### Take-or-Pay Contract Provisions

#### General Provisions

Fixed Fee	✓
Take-or-Pay	✓
Termination Provisions	✓/x <sup>(1)</sup>
Contract Duration	15 – 20 yrs.
Avg. Remaining Contract Life	~8 yrs.





#### Pass-through Provisions

Cost of Coal	✓
Coal Blending and Transport	✓
Ops. & Maintenance (“O&M”) Costs	✓
Taxes (ex. Income Taxes)	✓
Changes in Regulation	✓

### Contract Observations

- Customers required to **take all the coke** SunCoke produces up to contract maximum
- **Long-term, take-or-pay** nature provided **stability** during recent downturn in key customers’ businesses
- **Commodity price risk minimized** by passing through coal, transportation and certain operating costs to customer
- **No early termination** without default, except one contract under limited circumstances<sup>(1)</sup>
- **Counterparty risk mitigated** by contracting with customers’ respective parent companies

### Coke Contract Duration and Facility Annual Capacity

	Middletown	550Kt Capacity <sup>(2)</sup>	Dec. 2032	SXCP
	Granite City	650Kt Capacity	Dec. 2025	SXCP
	Indiana Harbor	1,220Kt Capacity	Oct. 2023	SXC
	Haverhill 2	550Kt Capacity	Dec. 2021	SXCP
	Haverhill 1	550Kt Capacity	Dec. 2020	SXCP
	Jewell Coke	720Kt Capacity	Dec. 2020	SXC

1) AK Steel contract at Haverhill 2 has termination right only with permanent closure of blast furnace steelmaking at its Ashland, KY facility and no replacement production elsewhere. AK must also provide 2-year notice

2) Represents production capacity for blast furnace-sized coke, however, customer takes all on a “run of oven” basis, which represents >600k tons per year

# Industry Leading Technology

**Our industry-leading cokemaking technology is the basis for U.S. EPA MACT standards and makes larger, stronger coke**

SunCoke Heat Recovery Ovens



## SunCoke's Heat Recovery Cokemaking Technology

### Negative Pressure Ovens

- MACT standard for heat recovery / non-recovery batteries

### Cogeneration potential (convert waste heat into steam or electricity)

- More fungible by-product (generate ~9MW of electrical power per 110Kt annual coke production)

No wall pressure limitations on coal blend

Higher turndown flexibility

Higher CSR coke quality

Lower capital cost and simpler operation

By-Product Ovens



## By-Product Cokemaking Technology

### Positive Pressure Ovens

- Allows fugitive emission of hazardous pollutants via cracks / leaks
- No air leaks into oven results in higher coal-to-coke yields

### By-product use and value

- Makes coke oven gas for steelmaking as natural gas pricing hedge
- Increasingly limited, less valuable market options for coal tar and oil by-products

No volatile matter limitations on coal blend

Smaller oven footprint for new and replacement ovens

# Favorable Coke Supply-Demand Fundamentals for SunCoke

## SunCoke can benefit from favorable domestic fundamentals...

**Tightly  
Balanced US  
Coke Market**



**Limited  
Domestic  
Supply  
Alternatives**

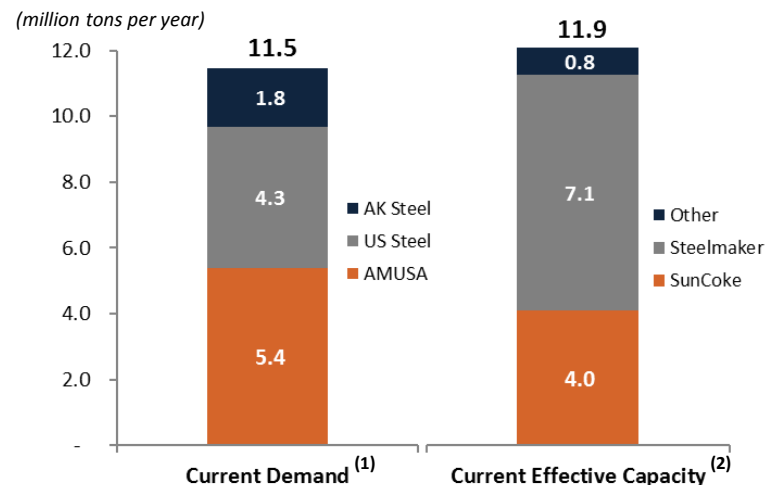


**Unattractive  
Import  
Fundamentals**

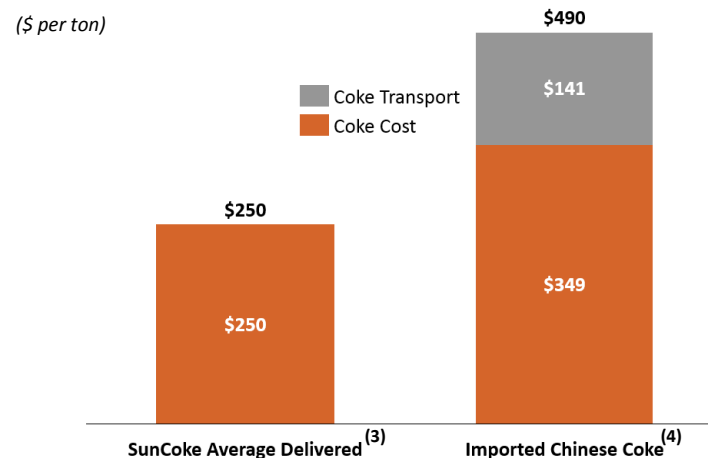
- Estimate only 3% excess capacity in overall United States market
- Slight increase in utilization, blast furnace restarts or further closures of coke capacity would tip to shortfall
  - Estimate a 1% increase in BF utilization would result in ~200Kt coke demand<sup>(1)</sup>
- New coke battery requires significant capital investment (Middletown build cost >\$400M) and 3+ years lead time
- Any new build must meet SunCoke-type technology standards
- Simply maintaining capacity requires significant capital investment; expect coke supply decline over time
- Imports available but not attractive for long-term supply
  - Challenged logistics, unreliable quality and volatile pricing



## Current Estimated United States Coke Supply-Demand



## SunCoke Delivered Cost vs. Coke Imports



1) SunCoke estimates based on AISI blast furnace operations data

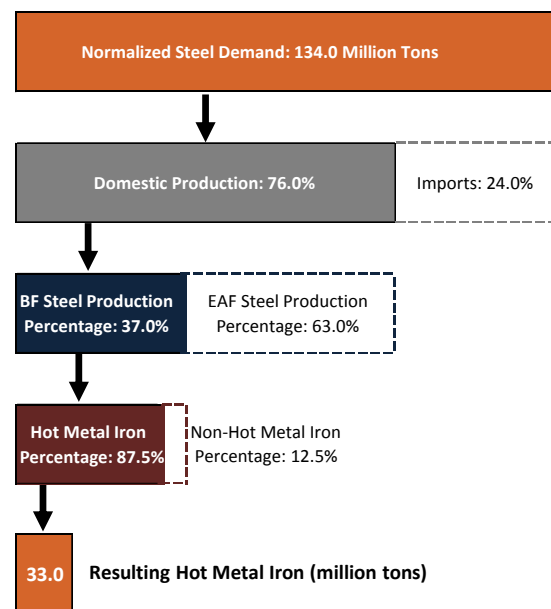
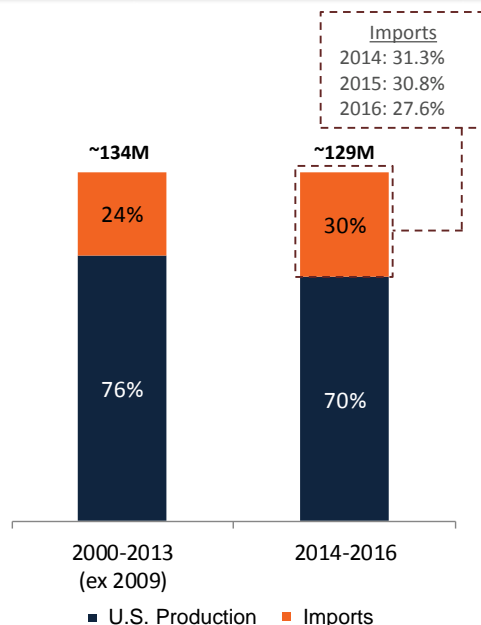
2) SunCoke estimates; excludes United States capacity currently serving Canadian demand

3) Based on Q1 2017 coke sales

4) Based on December 29, 2017 FOB China spot coke price (Source: Platts) plus SunCoke estimate of shipping costs and handling losses

# Reversion to Normalized U.S. Steel Market Results in Coke Shortage

## Reversion to normalized U.S. Steel market...



## ...would cause Domestic Coke shortage

**Potential Furnace Coke Demand:**  
**13.2 million tons**  
*(33.0Mt hot metal x 0.40 coke factor)*

**VS.**

**2017E Effective U.S. Coke Capacity<sup>(1)</sup>:**  
**11.9 million tons**

**1.3 million ton Structural Coke Shortage**  
*(with no further capacity reductions)*

## Catalysts for reversion to normalized Steel market

- More favorable trade policies and increased enforcement (e.g., potential Section 232 action)
- Continued Chinese government-mandated reductions in over-capacity provides global price support
- Non-residential construction growth expected to offset automotive slowdown
- Infrastructure stimulus
- Domestic energy rebound

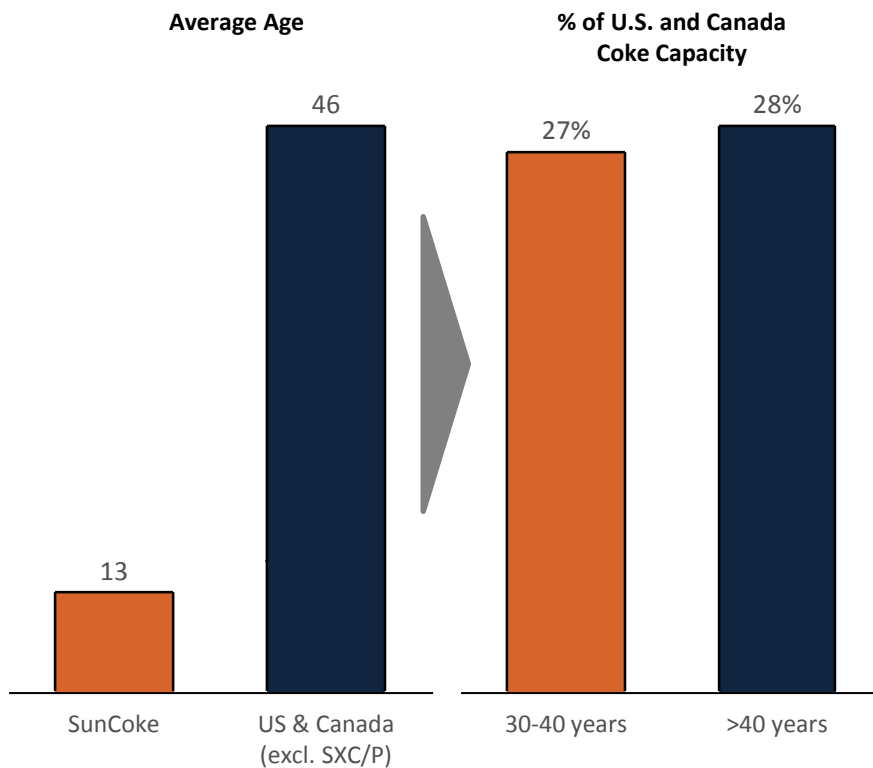
Source: AIST

1) SunCoke estimates based on market intelligence. Excludes foundry coke and ~600ktpy of U.S. volume exported to Canada

# Shrinking Coke Supply Base

**Expect aging by-product battery closures to continue,  
creating opportunity for SunCoke**

## Aging Cokemaking Facilities



***~55% of coke capacity is at facilities >30 years old***

## **Aging Capacity Creates Opportunity**

- Closures driven by combination of deteriorating facilities and environmental challenges, which increase operating costs and would have required significant capital to remediate
- AK Ashland Coke closed (2010) and resulted in long-term, take-or-pay contracts with SunCoke at Middletown and Haverhill
- In last two years, approximately 2.5 million tons of additional capacity was permanently closed:
  - USS Gary Works (1,200k)
  - USS Granite City (500k)
  - AM Dofasco (455k)
  - DTE Shenango (320k)
- Believe additional 1.5 – 2.0 million tons of cokemaking capacity is at risk of closure in the next five years

# LOGISTICS OVERVIEW

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# Advantaged Logistics Fleet

- SunCoke provides critical logistics services to coal producers, steelmakers and utility companies with the ability to support aggregates and other bulk commodity suppliers via truck, rail, river barge and ocean-going vessels
- Experienced operations and business development teams with know-how to grow business and exploit opportunities in adjacencies
- FY 2017 Adjusted EBITDA contribution of \$69.7M, up from FY 2016 Adjusted EBITDA of \$63.2M

	Convent Marine Terminal	Kanawha River	Lake Terminal
			
Location	Mississippi River (Mile 161) Convent, Louisiana	Ohio River (Mile 315, Ceredo, WV) Kanawha River (Mile 73, Quincy, WV)	East Chicago, Indiana
Capabilities & Capacity	<ul style="list-style-type: none"> <li>• Material mixing</li> <li>• Direct rail access (only terminal on lower MI River)</li> <li>• 15Mtpa throughput capacity; 1.5Mt ground storage</li> <li>• Multi-commodity capable w/10M gallons liquid storage</li> </ul>	<ul style="list-style-type: none"> <li>• Blending system (Ceredo)</li> <li>• Direct rail access (Ceredo &amp; Quincy)</li> <li>• 25Mta capacity; 0.675Mt ground storage and 5.2M gallon liquid storage facility</li> </ul>	<ul style="list-style-type: none"> <li>• Coal handling and blending</li> <li>• Direct rail access (inbound)</li> </ul>
Customer(s)	<ul style="list-style-type: none"> <li>• Foresight Energy</li> <li>• Murray Energy</li> </ul>	<ul style="list-style-type: none"> <li>• Domestic thermal coal, aggregates and pet. coke customers</li> <li>• Various metallurgical and thermal coal producers and consumers, including coal miners, coke producers and power utilities</li> </ul>	<ul style="list-style-type: none"> <li>• Indiana Harbor (SXC)</li> </ul>
Contract Structure	<ul style="list-style-type: none"> <li>• 10Mt ToP contract</li> </ul>	<ul style="list-style-type: none"> <li>• Contract structure varies by customers</li> <li>• ~0.8Mt ToP contract with SXCP's Middletown cokemaking facility</li> <li>• Other misc. handling arrangements</li> </ul>	<ul style="list-style-type: none"> <li>• 1.85Mt ToP with SXC's Indiana Harbor cokemaking facility</li> </ul>
Contract Expiration	2023 <sup>(1)</sup>	Varies by customer	2023
FY 2017 Adj. EBITDA	Total FY 2017 CMT, KRT and Lake Terminal Adjusted EBITDA of \$69.7M		

Source: FactSet

1) 10 million ton take-or-pay contract through 2022, followed by take-or-pay contract for 4Mt throughput in 2023

# Compelling Logistics Business Model

## Well Positioned Domestic Logistics Facilities

- Strategically located assets with **access to barge, rail and truck**
- Provide **key logistics services for various met. and thermal coal producers and consumers**, including coal miners, coke producers and power utilities



## Advantaged Gulf Coast Facility

- **Strategically located terminal** with significant logistical advantages, including **direct rail access** via Canadian National Railroad at CMT
- **State-of-the-art facility** with recently completed **modernization project**
- Physical facility footprint suitable for further expansion
- Access to **coal, petcoke, liquids and other industrial material markets**



## Competitive, Low-Cost ILB Producers

- **Low-cost position** in strategic Illinois Basin (“ILB”) market **insulates customers** from any potential market contraction
- Both ILB customers have **completed key refinancing efforts**, significantly **improving customer credit profiles**



## Attractive Seaborne Export Dynamics

- U.S. thermal coal producers continue to **augment domestic demand with export shipments**
- Seaborne thermal coal market expected to **remain resilient long-term**
- CMT **positioned to ship exports** into **Europe, Mediterranean and Southeast Asia**

...provide support for continued Logistics performance

## Assets well positioned to deliver stable, long-term results

### Kanawha River Terminal (KRT)

- Locations on Ohio River system well positioned to serve coal miners, power companies and steelmakers
- 25 million tons of annual capacity, as well as a liquid storage facility
- >10 customers
- Continue to handle mix of both metallurgical and thermal coals
- Acquired October 2013

### Lake Terminal

- Coal unloading, storage and blending facility adjacent to SunCoke's Indiana Harbor facility
- 10-year, take-or-pay contract with Indiana Harbor to provide all coal handling services required for the coke plant
- Cost of services passed through to ArcelorMittal via Indiana Harbor coke purchase agreement
- Acquired August 2013

# CMT Positioned for Continued Throughput Opportunities

## CMT's Competitive Advantages

- CMT strategically located as only dry-bulk, rail-serviced terminal on lower Mississippi
  - Serviced by Canadian National railway, with multiple interchanges possible for UP, BNSF, NS, CSX and others
  - Provides coal mining customers with cost, quality and time advantages vs. barge transportation
  - River dredged for 47 foot draft
- Low-cost, efficient operations
- Recently completed \$120M expansion to significantly modernize facility and increase operational efficiency
  - Commissioned new, state-of-the art shiploader that enables dual-Panamax shiploading capabilities and provides ability to efficiently load Panamax vessels in ~26 hours
  - New berth/shiploader can load cape-sized vessels to ~85% capacity at current draft limit (50 foot draft, near 100%)
  - Annual capacity now 15Mt, providing opportunity to ship added thermal coal volume/expand into new verticals
- With recently secured barge unloading solution, CMT's multi-modal capabilities now cover all modes of transport options
- Access to seaborne markets for coal, petcoke, liquids and other industrial materials provides potential growth opportunities





# CMT New Business Wins

## Continue to diversify product and customer mix at CMT with recent aggregates and petcoke shipments in 2H 2017

### Recent Wins

- Developed new domestic thermal coal business in Q3 '16
  - U.S. utility shipping thermal coal destined for Florida
  - Expect to handle volumes throughout 2018
- Recently secured new aggregates customer (via water to ground storage)
  - Multi-year contract with firm use commitments and upside
  - Began handling volumes in Q3 2017
- Successfully handled first trial shipments of rail-borne petcoke for two refinery customers
- These incremental volumes contributed ~\$1.5M to FY 2017 Adjusted EBITDA



## Active pipeline of opportunities to grow EBITDA by \$5M to \$10M in next two years; new capabilities to provide platform for long-term growth

### Near-term Opportunities

- Potential for additional coal export activity (Western low sulfur)
- Additional dry bulk and petcoke business
  - Would further diversify customer and product base while leveraging existing capacity
- Utilize existing infrastructure to further diversify product handling into liquids and other industrial materials
  - Strategically positioned as only dry-bulk, rail-serviced terminal on lower Mississippi
  - Site serviced by Canadian National railway, with multiple interchanges possible for UP, BNSF, NS, CSX, and others

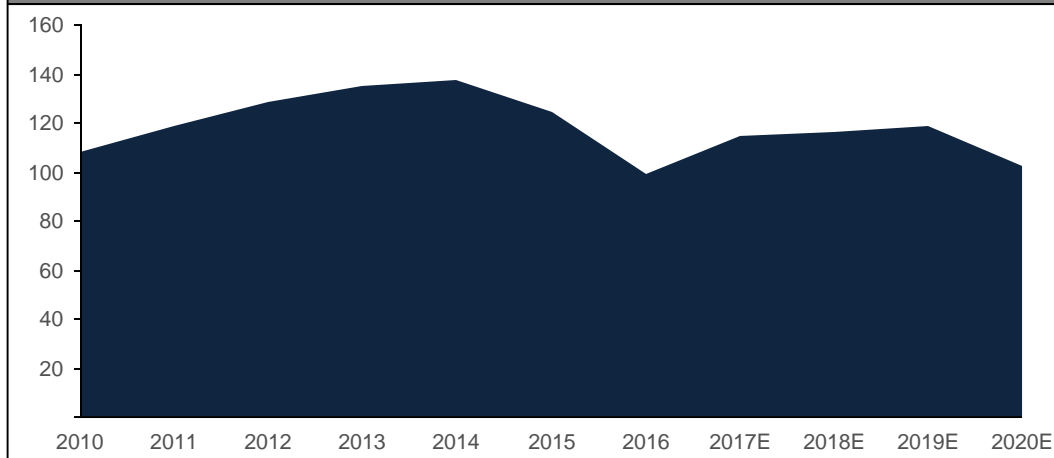
### New Capabilities

- Completed \$120M modernization program in late-2016, including commissioning of new shiploader
  - World's largest fixed-tower shiploader reduces dock times
  - Dual-vessel loading capability can accommodate Panamax, Baby Capes and Capes and load any in under 30 hours
- Developing short-term and long-term barge unloading solutions
  - Recently secured near-term unloading solution in Q4 2017
  - If long-term solution pursued, anticipate full functionality in ~2 years
  - With barge unloading solution, CMT's multi-modal capabilities now cover all modes of transport options

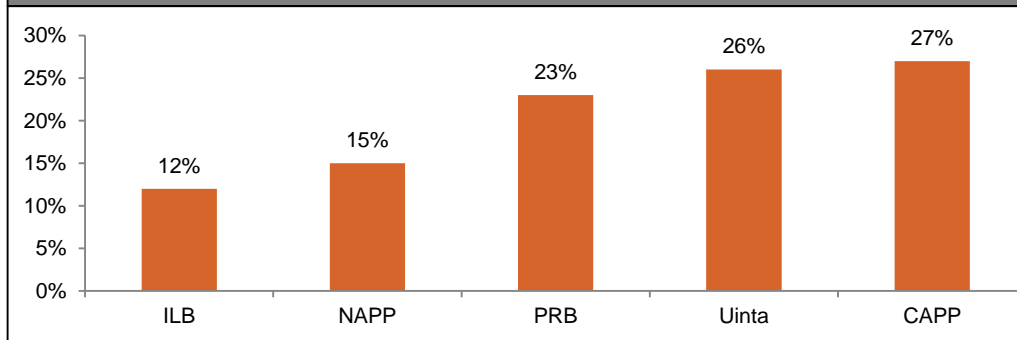
# Solid ILB Outlook Supporting Strategic CMT Customers

**ILB demand outlook is positive and key producers are positioned for stable growth**

**ILB Coal Production (Million ST)<sup>(1)</sup>**



**2015-18E utility retirements as a % of 2015 capacity<sup>(2)</sup>**



1) Goldman Sachs Coal Report May 2015

2) Jefferies (March 2017)

## Murray Energy Corporation

- Produces ~65Mtpa of high-quality bituminous coal w/ 13 active mines located in N. Appalachia, ILB and Uintah Basin
- One of lowest cost ILB producers
- Mines and coal reserves strategically located near electric utilities comprising principal customer base
- Completed refinancing of \$200M 2017 term loan, pushing maturity to 2020
- Previously completed re-financing; S&P Corp. credit rating of B-

## Foresight Energy, LLC

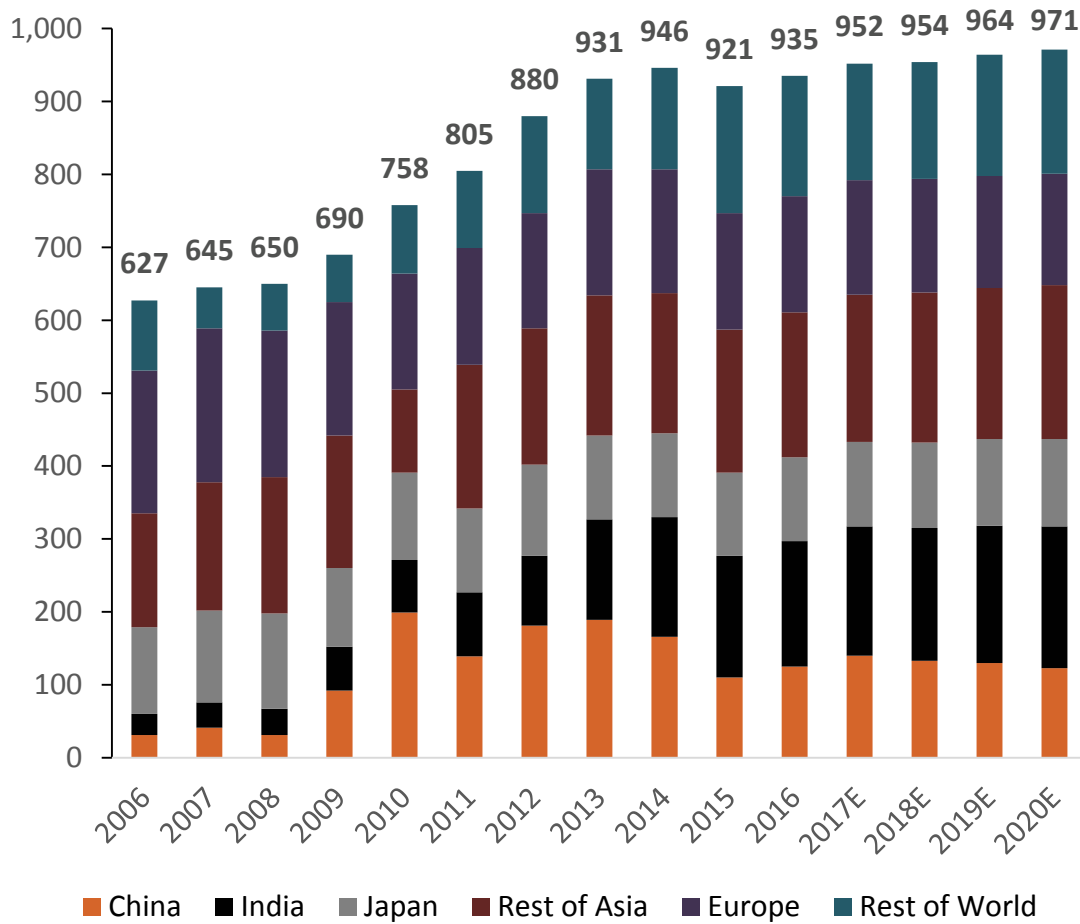
- Produces ~23Mtpa of high-Btu coal w/ 9 longwall mines in ILB
- One of lowest cost ILB producers
- Invested over \$2.0B in state-of-the-art, low-cost and highly productive longwall mining operations and related transportation infrastructure
- Raised \$450M, 11.5% second lien senior secured notes due 2023
- Previously completed re-financing; S&P Corp. credit rating of B-



# ILB Miners Leverage Export Market as Strategic Sales Channel

## Global Seaborne Thermal Coal Outlook (2006-2020E)<sup>(1)</sup>

(million metric tonnes)



1) Source: Jefferies equity research, DTC

2) Source: Rodrigo Echeverri, Head of Energy Coal Analysis at Noble Group – as reported by Platts (Feb 2017)

## Commentary

- Seaborne thermal coal market expected to remain stable over long-term as coal fired generation will continue as primary global energy source
- Noble Group expects demand for seaborne coal will exceed supply by 400 million tons by 2030<sup>(2)</sup>
  - Expect new coal-fired capacity in emerging markets to more than offset coal-fired replacements in developed markets
- ILB producers continue to augment domestic order book with export shipments
  - Swing supply between domestic and export market depending on economics
  - Enables productivity / margin optimization without flooding domestic marketplace
  - Important to maintain active relationship with counterparties
  - Given tepid domestic demand, exports becoming increasingly important for ILB producers

# ILB Netbacks Economic into Europe & Asia

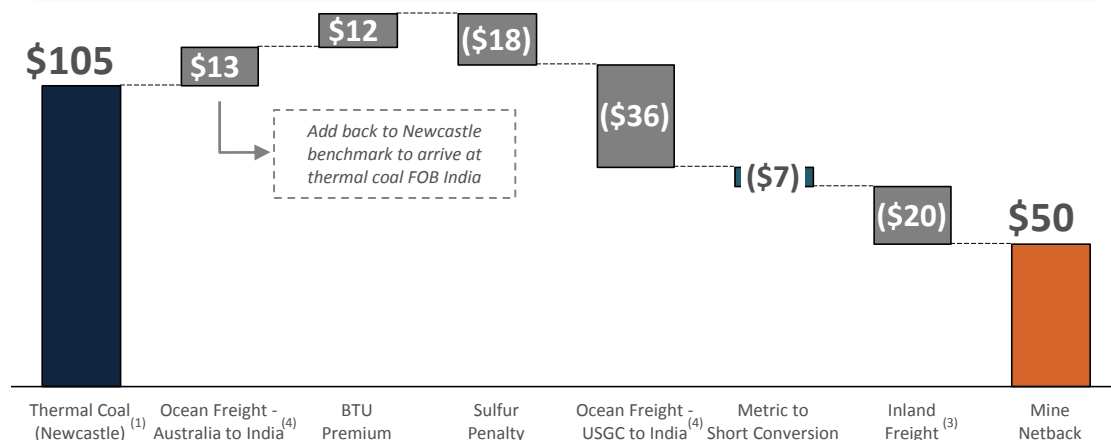
## Thermal Coal Mine Netback – Rotterdam



## Commentary

- Believe ILB export thermal coal solidly profitable into Europe at mid-January spot API2 benchmark pricing of ~\$93/t
  - Based on average ILB cash cost, netback calculation implies attractive margins
- **CMT remains well-positioned to continue to serve existing ILB thermal coal producers shipping to Europe**

## Thermal Coal Mine Netback – Newcastle



## Commentary

- Believe ILB export thermal coal also solidly profitable into Asia at current spot Newcastle benchmark pricing of ~\$105/t
  - Based on average ILB cash cost, netback calculation implies attractive margins
- **CMT is uniquely positioned as competitive logistics facility for ILB exports into Asia (vs. Newcastle exports)**

Source: Platts Coal Trader International, Internal Company Estimates

1) Netback calculation example assuming \$93 and \$105 per metric tonne January 2018 API 2 & Newcastle benchmark (spot price source: Argus Media)

2) Ocean Freight for US Gulf/ARA Coal Panamax freight.

3) Consists of CN rail transportation from ILB coal mines to CMT and terminal transloading costs.

4) Ocean Freight for Australia/India Panamax Freight (~\$13/mt) and US Gulf/India Panamax (~\$36/mt).

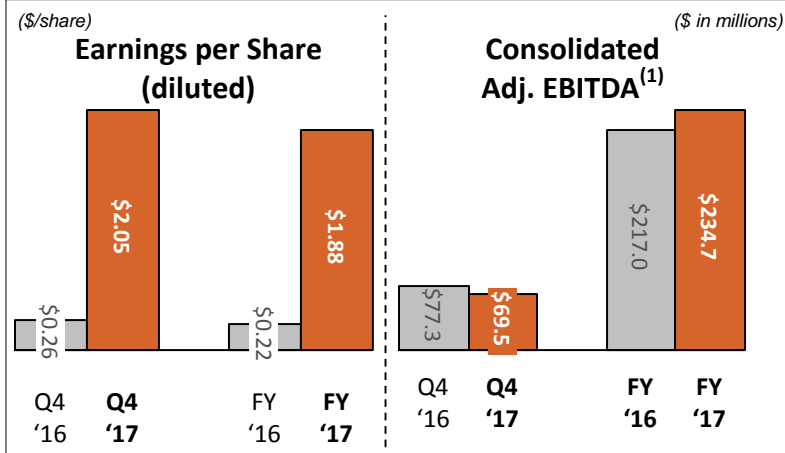
# **SXC FY 2017 PERFORMANCE AND 2018 GUIDANCE**



**SunCoke Energy<sup>®</sup>**

# Q4 & FY 2017 Financial Performance

## Q4 and FY 2017 Earnings Overview



## Q4 '17 EPS of \$2.05 and FY '17 EPS of \$1.88

- Revaluation of deferred tax items resulted in income tax benefit attrib. to SXC of ~\$125M
- Partial offset from net impact of losses on debt extinguishment in 2017 and absence of 2016 gains on debt extinguishment

## Q4 '17 Consol. Adj. EBITDA of \$69.5M

- Achieved record CMT volumes, resulting in higher revenues & EBITDA throughout 2017 and lower deferred revenue recognized in Q4 2017 on ToP shortfalls vs. Q4 2016

## FY '17 Consolidated Adj. EBITDA of \$234.7M up \$17.7M, or 8.2% vs. FY '16 and at top end of 2017 guidance range

(\$ in millions, except volumes)	Q4 '17	Q4 '16	FY 2017	FY 2016
Domestic Coke Sales Volumes	977	964	3,851	3,956
Logistics Volumes <sup>(2)</sup>	5,590	5,712	21,616	18,569
Coke Adj. EBITDA <sup>(3)</sup>	\$44.3	\$44.8	\$207.1	\$210.1
Logistics Adj. EBITDA (incl. CMT)	\$35.1	\$45.3	\$70.8	\$63.9
Corporate and Other Adj EBITDA	(\$9.9)	(\$12.8)	(\$43.2)	(\$57.0)
Adjusted EBITDA (Consolidated)	\$69.5	\$77.3	\$234.7	\$217.0
Operating Cash Flow	\$20.2	\$53.0	\$148.5	\$219.1

(1) For a definition and reconciliation of Adjusted EBITDA, please see appendix.

(2) Reflects inbound tons handled during the period.

(3) Coke Adjusted EBITDA includes Domestic Coke and Brazil Coke.

# Tax Reform Overview

**Anticipate significant medium to long-term benefit from recent tax reform, driven primarily by corporate rate cut to 21%**

## Tax Reform Key Items

### Corp. rate cut from 35% to 21%

- Signing of law in 2017 requires revaluation of deferred tax items, resulting in Q4 '17 income tax benefit attributable to SXC of ~\$125M

### 100% expensing of capital investments

- Available for purchase of new and used short-lived capital investments in 2018 – 2022
- Anticipate majority of ongoing CapEx qualifies

### Elimination of Corporate AMT

- Expected to slow utilization of tax credits

### Limit deductibility of interest expense

- Limited to 30% of taxable EBITDA 2018 – 2021
- Limited to 30% of taxable EBIT after 2021, which may impact a minor amount of interest

## Illustrative Value to SunCoke

(\$ in millions) **Average Annual Cash Tax Benefit<sup>(1)</sup>**

(Pre-Tax Reform vs. Post-Tax Reform)

*Benefit of rate cut plus tax credits being used in later years*

*No material difference from tax reform as benefit of rate cut offset by utilization of tax credits in later years*

~\$0/year

~\$15/year

2018E - 2019E

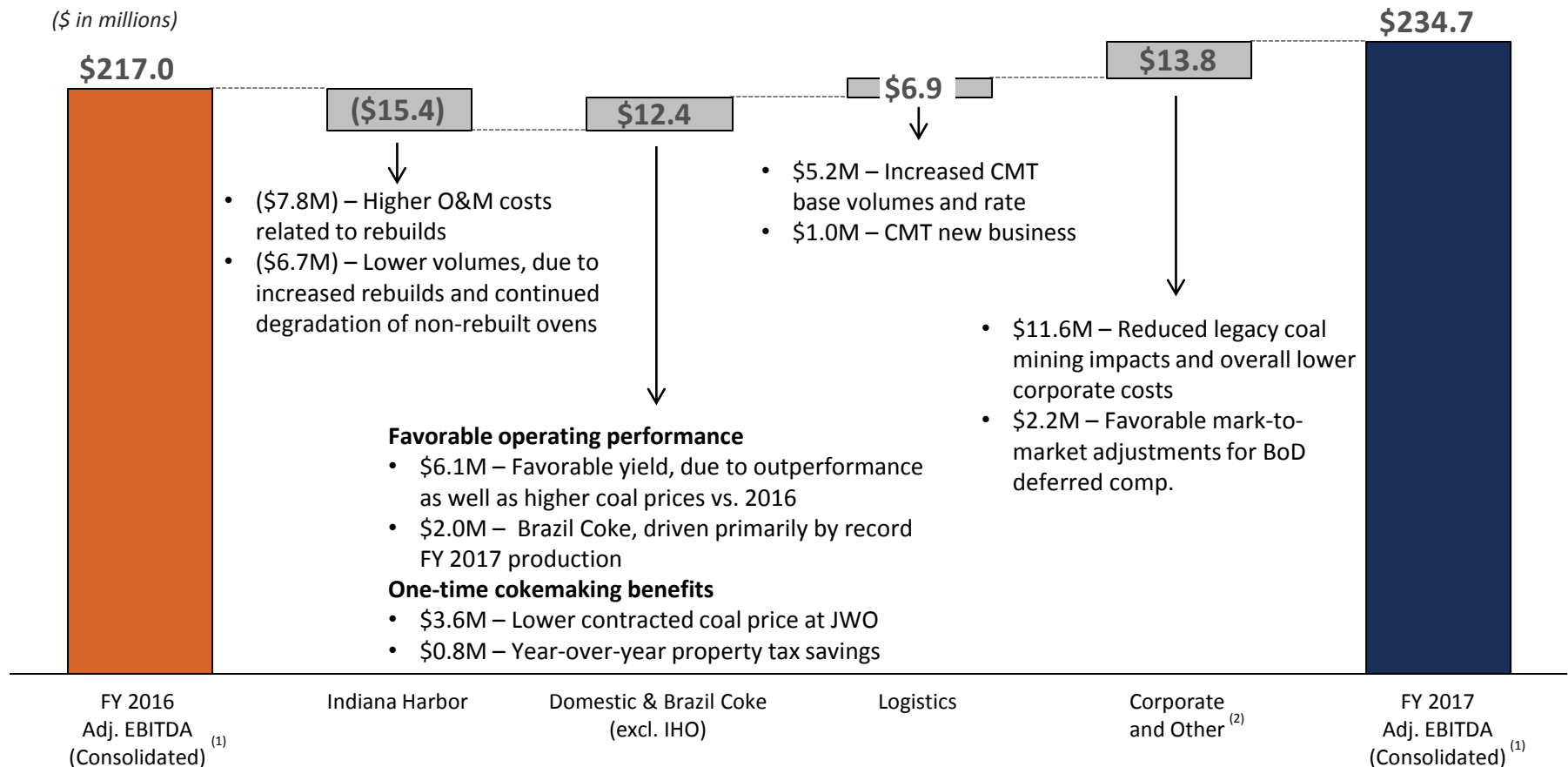
2020E - 2027E

(1) Based on currently available information and management assumptions for future years.

# Adjusted EBITDA – FY '16 to FY '17

**FY 2017 Adj. EBITDA up \$17.7M, or 8.2%, vs. FY 2016 driven primarily by reduced Corp. & Other spending and improved Logistics performance**

(\$ in millions)



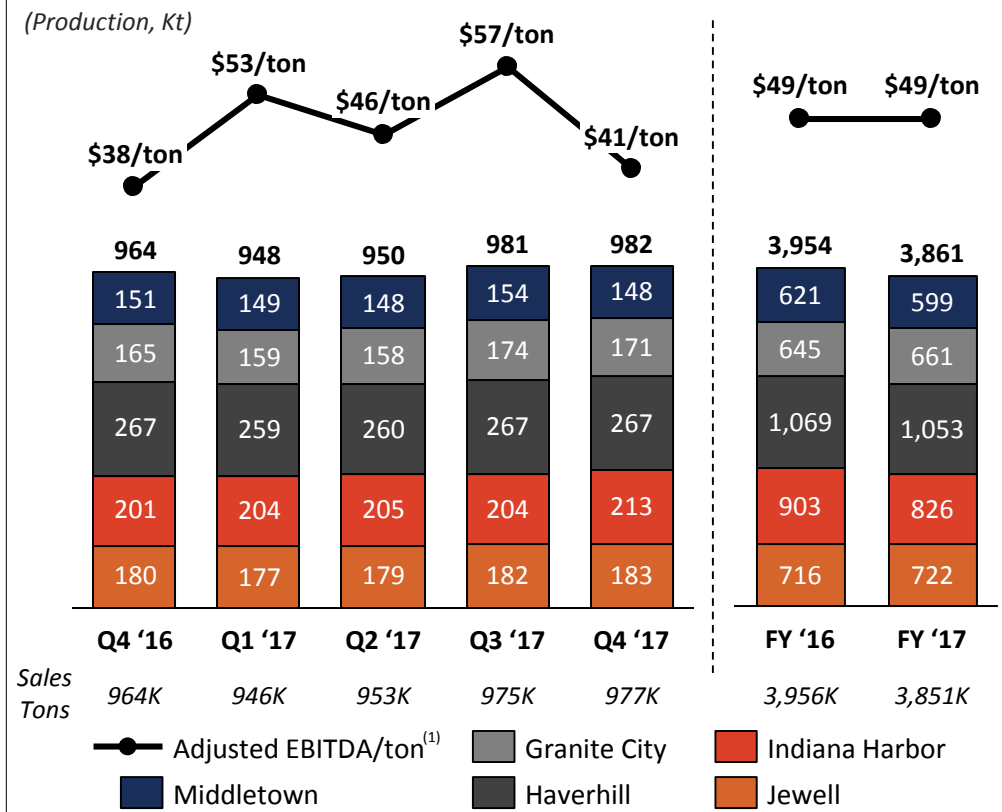
(1) For a definition and reconciliation of Adjusted EBITDA, please see appendix.

(2) Corporate and Other includes the activity from our legacy coal mining business, which incurred expenses of \$10.5 million and \$15.0 million during the years ended December 31, 2017 and December 31, 2016, respectively.

# Domestic Coke Business Summary

**Achieved solid Q4 2017 Domestic Coke results, and delivered FY 2017 Adjusted EBITDA and Adj. EBITDA/ton at top end of guidance**

## Domestic Cokemaking Performance



(1) For a definition and reconciliation of Adjusted EBITDA and Adjusted EBITDA per ton, please see appendix.

**Q4 '17 Adjusted EBITDA of \$39.6M and Adjusted EBITDA/ton of \$41/t improved vs. Q4 '16**

- Higher volumes, driven primarily by increased IHO production

**FY 2017 Adj. EBITDA/ton of \$49/t**

- Adj. EBITDA/ton at top end of guidance range of \$46 – \$49 and in line with FY '16 of \$49/t

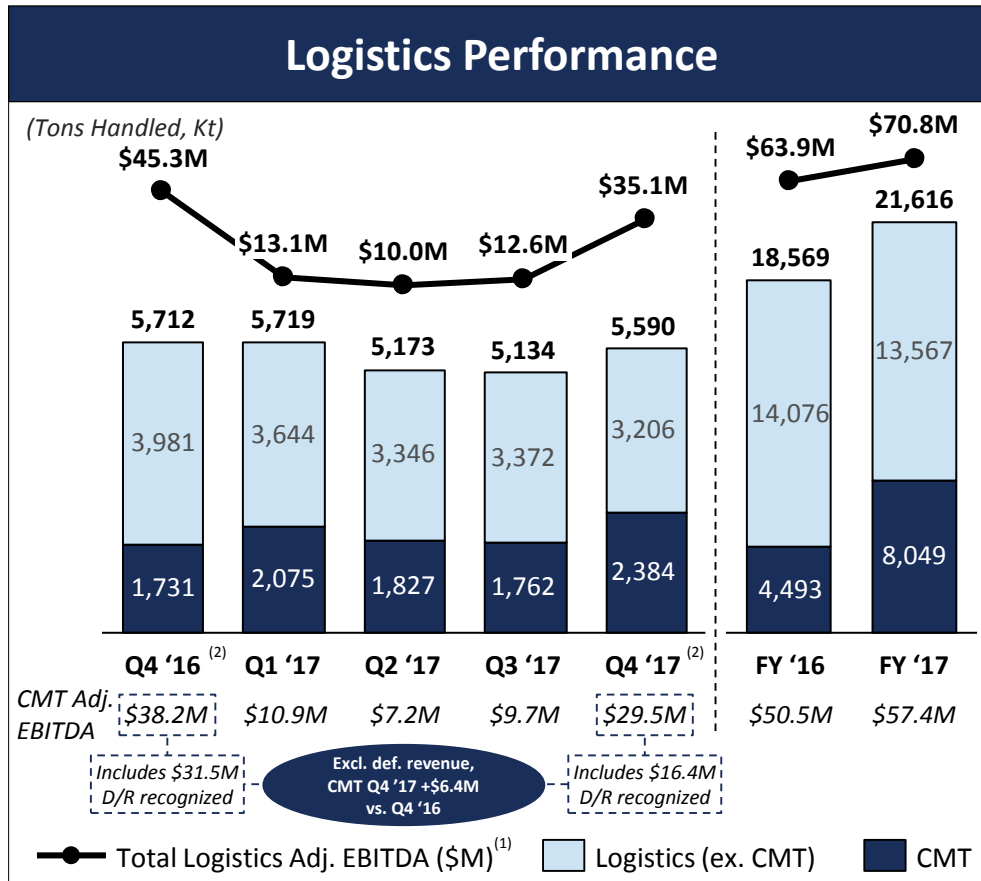
**Delivered FY 2017 Adj. EBITDA of \$188.9M, at top end of full-year guidance of \$184M – \$189M**

- Includes FY 2017 IHO Adj. EBITDA loss of \$18.5M, which included \$10.6M oven rebuild expenses



# Logistics Business Summary

**Record CMT volumes driving strong logistics performance in Q4 2017;  
FY 2017 performance up \$6.9M, or 10.8%, vs. FY 2016**



**Delivered Q4 '17 Adjusted EBITDA of \$35.1M**

- Solid CMT throughput due to sustained coal market improvement
- Partial offset from lower KRT volumes due to reduced thermal coal burn

**Convent contributed \$29.5M to Q4 '17 Adjusted EBITDA**

- Substantially higher quarterly volumes up 653Kt, or 38%, vs. Q4 '16

**FY '17 Logistics Adj. EBITDA of \$70.8M in line with guidance and \$6.9M improved vs. FY 2016**

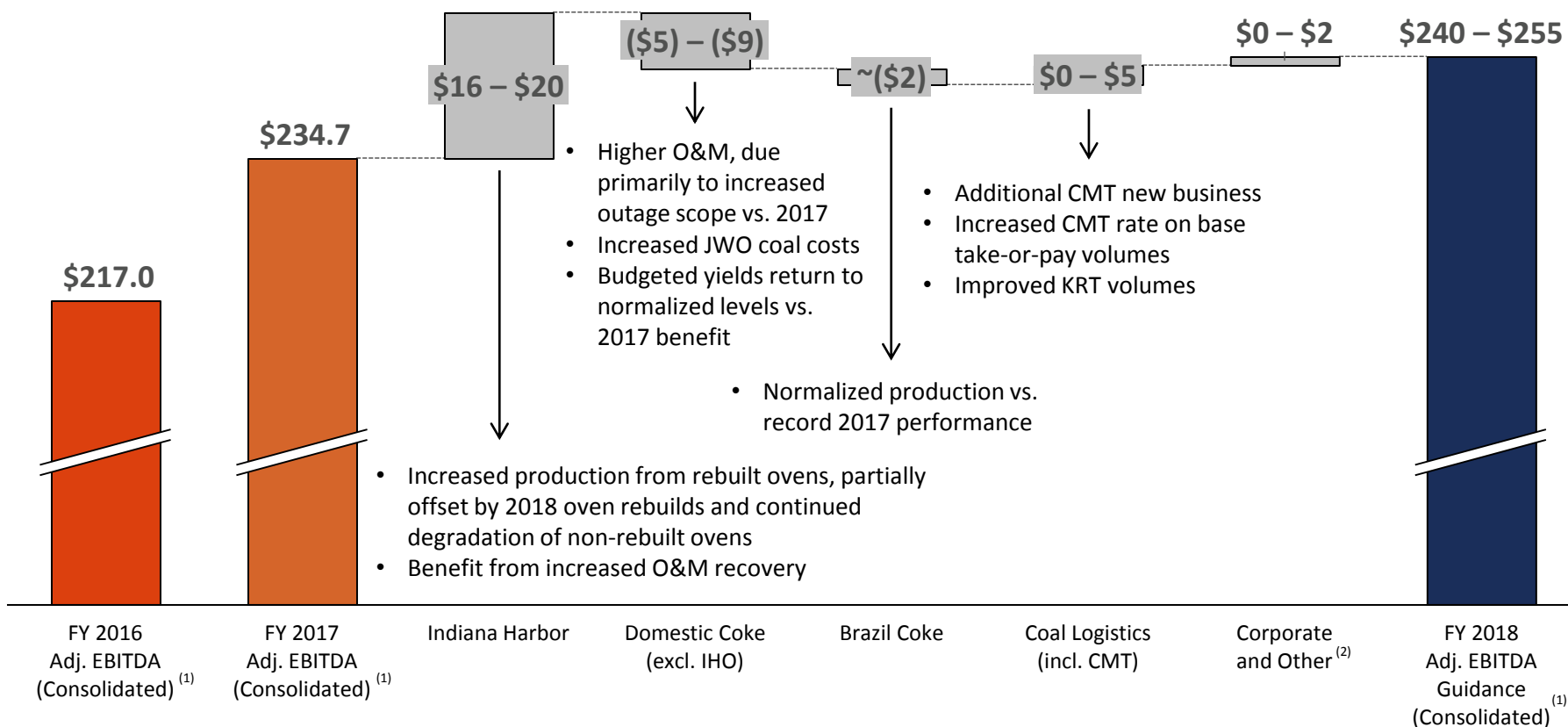
- Highest annual volumes in CMT history, including \$1.5M new business

(1) Adjusted EBITDA includes Logistics deferred revenue when it is recognized as GAAP revenue. For a definition and reconciliation of Adjusted EBITDA, please see appendix.  
(2) Q4 2017 and Q4 2016 Adjusted EBITDA includes \$16.4M and \$31.5M recognition of previously deferred revenue, respectively, related to take-or-pay shortfalls.

# Expected 2018 Adjusted EBITDA

**Expect FY 2018 Consolidated Adjusted EBITDA of \$240M – \$255M, driven primarily by improved Indiana Harbor performance**

(\$ in millions)



(1) For a definition and reconciliation of Adjusted EBITDA, please see appendix.

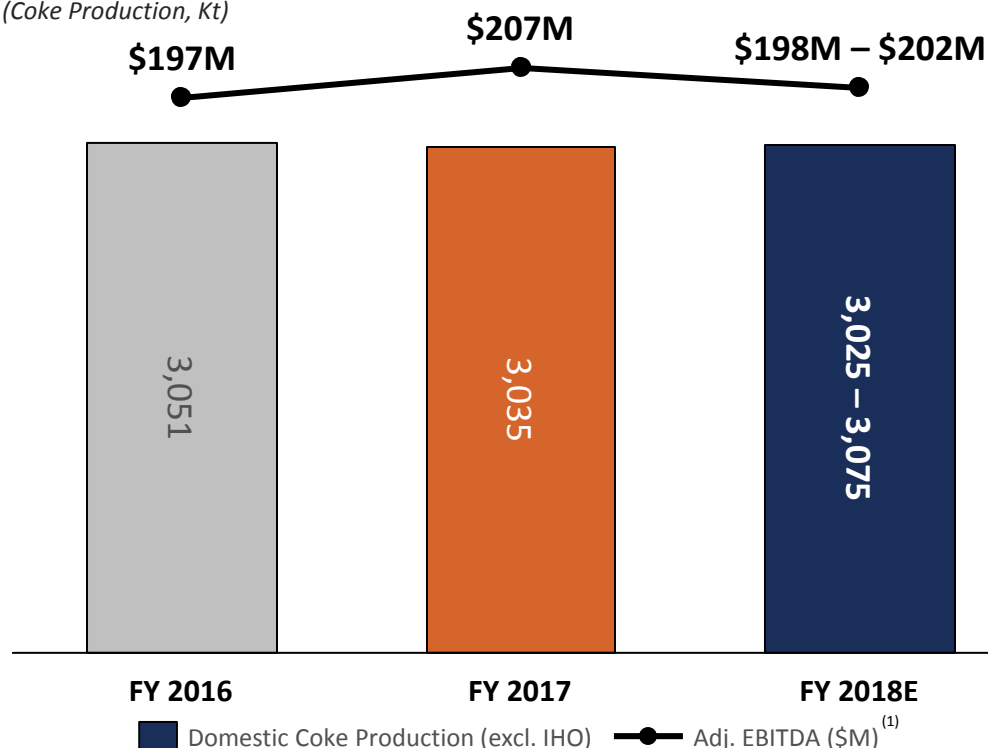
(2) Corporate and Other segment include results from our divested Coal Mining operation (formerly reported separately).

# 2018 Domestic Coke Business Outlook

**Continue to expect solid Domestic Coke (excl. IHO) operations in 2018;  
Domestic Coke Adj. EBITDA (excl. IHO) expected to be \$198M – \$202M**

## Domestic Coke Performance (excl. IHO)

(Coke Production, Kt)



(1) For a definition and reconciliation of Adjusted EBITDA, please see appendix.

**Anticipate FY 2018 Dom. Coke (excl. IHO) performance in line with historical range**

**FY 2018 guidance includes**

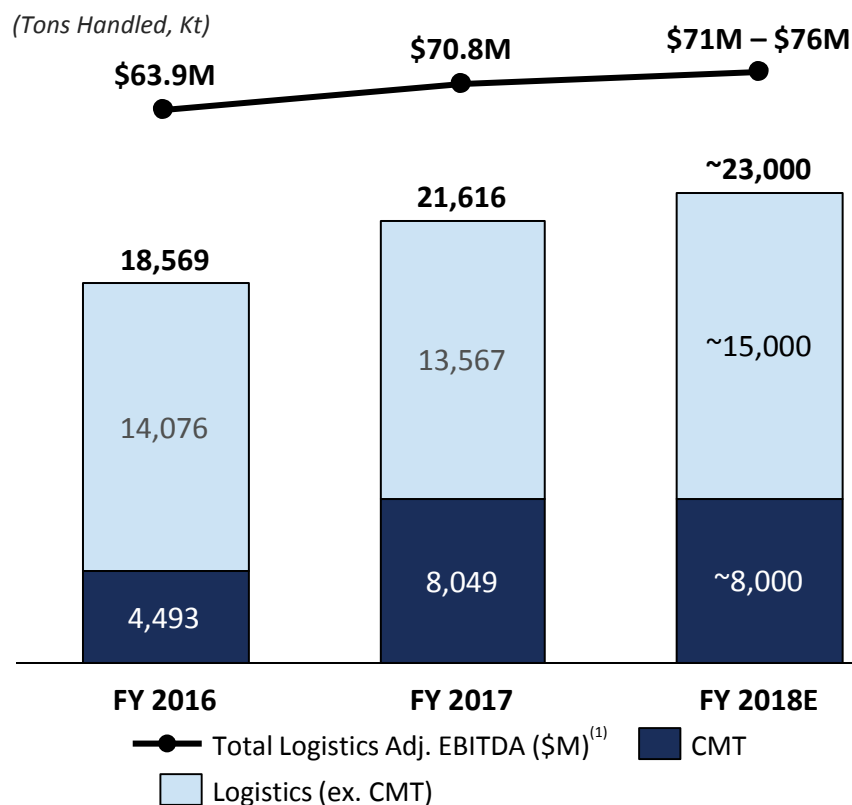
- Higher outage costs due to increased scope vs. 2017
- Increased coal costs at Jewell Coke vs. 2017
- Budgeted yields return to normalized levels vs. 2017 benefit

**Expect FY 2018 production of 3.025Mt – 3.075Mt (ex. IHO)**

# 2018 Logistics Business Outlook

**Anticipate continued growth in Logistics volumes and earnings;  
FY 2018 Adjusted EBITDA guidance of \$71M – \$76M**

## Logistics Performance



(1) Adjusted EBITDA includes Logistics deferred revenue when it is recognized as GAAP revenue. For a definition and reconciliation of Adjusted EBITDA, please see appendix.

## Expect continued growth in logistics volumes in FY 2018

- Anticipate CMT will handle ~6.5Mt of base ToP volumes and ~1.5Mt new business (e.g., aggregates, pet. coke)
- Also expect higher KRT volumes driven by increased customer demand

## Continuing active pursuit of new business opportunities across fleet

- Exploring additional opportunities to diversify customer and product mix
- With recently secured barge unloading solution, CMT's multi-modal capabilities now cover all transport options

# 2018 CapEx Overview

**Anticipate increased 2018 CapEx due to GCO gas sharing project, IHO oven rebuild campaign and coke improvement projects**

## 2017 CapEx

(\$ in millions)	<u>SXC</u>	<u>SXCP</u>	<u>Consolidated</u>
Ongoing (ex. IHO rebuilds)	\$6	\$19	\$25
IHO Oven Rebuild Initiative	30	0	30
<b>Total Ongoing CapEx<sup>(1)</sup></b>	<b>\$36</b>	<b>\$19</b>	<b>\$55</b>
Other / Expansion	0	1	1
Environmental Project (Gas Sharing)	0	18	18
<b>Total CapEx</b>	<b>\$36</b>	<b>\$38</b>	<b>\$74</b>

*Note: FY 2017 gas sharing results exclude \$1.1M of capitalized interest.*

## 2018 Expected CapEx

(\$ in millions)	<u>SXC</u>	<u>SXCP</u>	<u>Consolidated</u>
Ongoing (ex. IHO rebuilds)	\$7	\$25	\$32
IHO Oven Rebuild Initiative	27	0	27
<b>Total Ongoing CapEx<sup>(2)</sup></b>	<b>\$34</b>	<b>\$25</b>	<b>\$59</b>
Other / Expansion	0	1	1
Environmental Project (Gas Sharing)	0	35	35
<b>Total CapEx</b>	<b>\$34</b>	<b>\$61</b>	<b>\$95</b>

(1) 2017 ongoing CapEx includes approximately \$51M in ongoing Coke CapEx and \$3M ongoing Logistics.

(2) 2018 ongoing CapEx includes approximately \$54M in ongoing Coke CapEx and \$5M ongoing Logistics.

# 2018 Guidance Summary

**Expect improved FY 2018 Adjusted EBITDA of \$240M to \$255M**

Metric	2016 Results	2017 Guidance	2017 Results	2018 Guidance
<b>Adjusted EBITDA<sup>(1)</sup></b>				
Consolidated	\$217.0M	\$220M – \$235M	\$234.7M	\$240M – \$255M
Attrib. to SXC	\$130.4M	\$130M – \$141M	\$148.3M	\$160M – \$171M
<b>Total Capital Expenditures<sup>(2)</sup></b>	<b>\$47.5M</b>	<b>~\$80M</b>	<b>\$74.5M</b>	<b>~\$95M</b>
<i>IHO Oven Rebuilds</i>	<i>\$14.0M</i>	<i>\$20M – \$25M</i>	<i>\$29.7M</i>	<i>\$25M – \$30M</i>
<i>GCO Gas Sharing</i>	<i>\$1.0M</i>	<i>~\$25M</i>	<i>\$18.3M</i>	<i>~\$35M</i>
<b>Domestic Coke Production</b>	<b>3.95 Mt</b>	<b>~3.9 Mt</b>	<b>3.86 Mt</b>	<b>~3.9 Mt</b>
<b>Dom. Coke Adj. EBITDA/ton</b>	<b>\$49 / ton</b>	<b>\$46 – \$49 / ton</b>	<b>\$49 / ton</b>	<b>\$50 – \$52 / ton</b>
<b>Operating Cash Flow<sup>(4)</sup></b>	<b>\$219.1M</b>	<b>\$140M – \$155M</b> <b>\$128M – \$143M</b>	<b>\$148.5M</b>	<b>\$150M – \$165M</b>
<b>Cash Taxes<sup>(3)</sup></b>	<b>\$5.9M</b>	<b>\$6M – \$10M<sup>(4)</sup></b>	<b>\$6.8M</b>	<b>\$7M – \$14M</b>

(1) For a definition and reconciliation of Adjusted EBITDA, please see appendix.

(2) FY 2016 results exclude \$5.0M of capitalized interest and \$11.2M of pre-funded capex related to the CMT shiploader, and FY 2017 results exclude \$1.1M of capitalized interest.

(3) Included in Operating Cash Flow.

(4) FY 2017 guidance for Operating Cash Flow and Cash Taxes was revised in Q2 2017 from \$140M – \$155M and \$8M – \$15M, respectively.

# **SXCP FY 2017 PERFORMANCE AND 2018 GUIDANCE**

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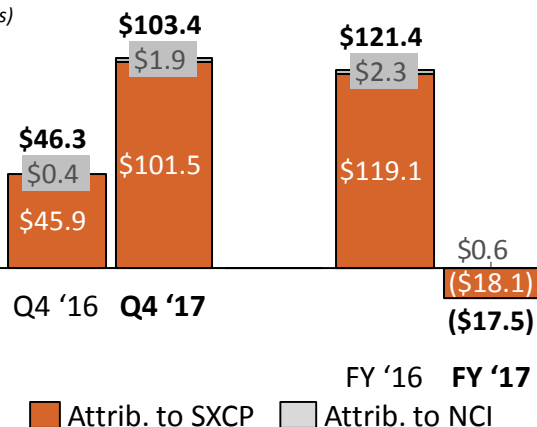




# Q4 and FY 2017 Overview

## Net Income

(\$ in millions)



## Q4 '17 NI attrib. to SXCP of \$101.5M

- Revaluation of deferred tax items, resulting in \$67.4M income tax benefit attrib. to SXCP

## FY '17 net loss attrib. to SXCP of \$18.1M

- Impacted by regulations on Qualifying Income finalized by the IRS in Q1 2017

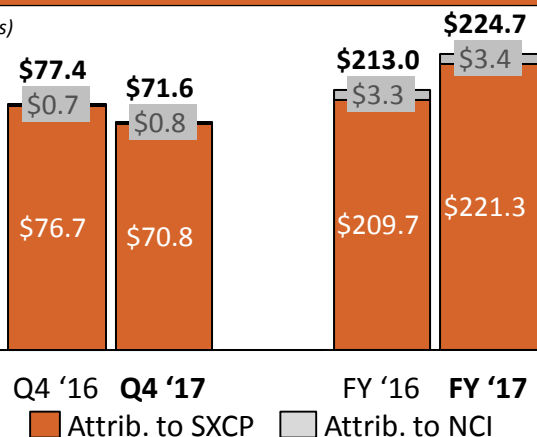
## FY '17 OCF of \$136.7M vs. \$183.6M in 2016 driven by working capital changes

## Q4 '17 Adj. EBITDA attrib. SXCP of \$70.8M

- Achieved record CMT volumes, resulting in higher revenues & EBITDA throughout 2017 and lower deferred revenue recognized in Q4 2017 on ToP shortfalls vs. Q4 2016

## Adjusted EBITDA<sup>(1)</sup>

(\$ in millions)



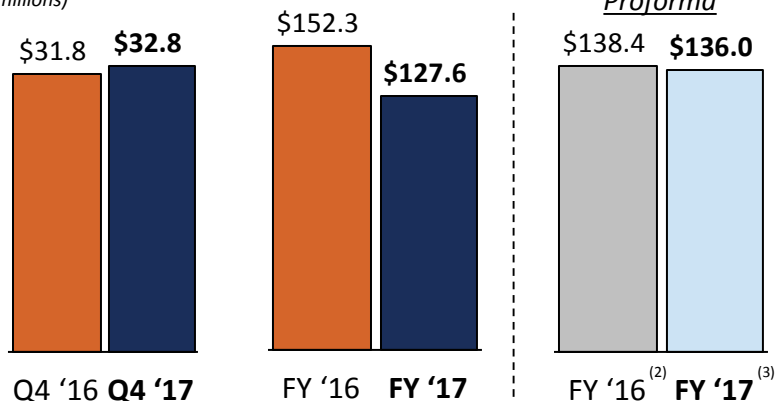
## FY '17 Adj. EBITDA attrib. to SXCP of \$221.3M, up \$11.6M, or 5.5%, vs. FY '16 and above 2017 guidance range

(1) For a definition and reconciliation of Adjusted EBITDA and Adjusted EBITDA attributable to SXCP, please see appendix.

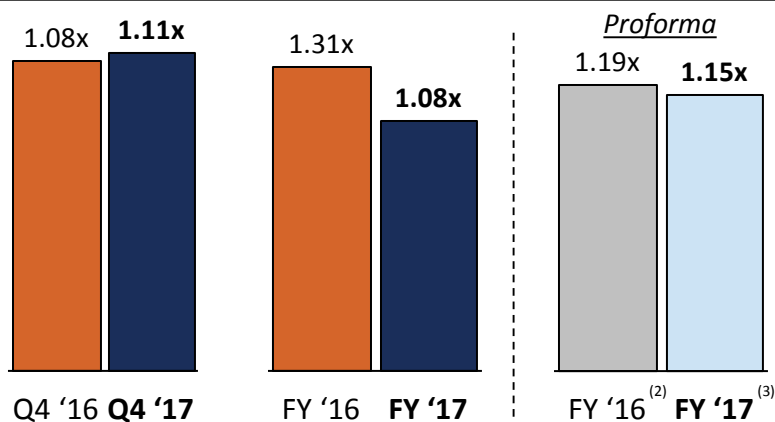
# Q4 and FY 2017 Overview

## Distributable Cash Flow<sup>(1)</sup>

(\$ in millions)



## Distribution Cash Coverage Ratio<sup>(1)</sup>



**Q4 '17 and FY '17 OCF coverage ratio of 0.82x and 1.16x, respectively<sup>(4)</sup>**

**Q4 '17 DCF of \$32.8M comparable to Q4 '16, and FY '17 DCF of \$127.6M down vs. FY '16 DCF of \$152.3M**

- Includes \$8.4M repayment of sponsor support in '17 vs. \$13.9M benefit in '16
- Excluding impacts, 2017 DCF and Cash Coverage Ratio comparable to 2016

**2017 results at top end of guidance**

- FY 2017 DCF of \$127.6M vs. guidance of \$119M to \$130M
- FY 2017 Distribution Cash Coverage of 1.08x vs. guidance of 1.01x to 1.10x

(1) For a definition and reconciliation of Distributable Cash Flow and Distribution Cash Coverage Ratio, please see appendix.

(2) FY 2016 Distributable Cash Flow and Distribution Cash Coverage Ratio excluding benefit of \$13.9M sponsor support.

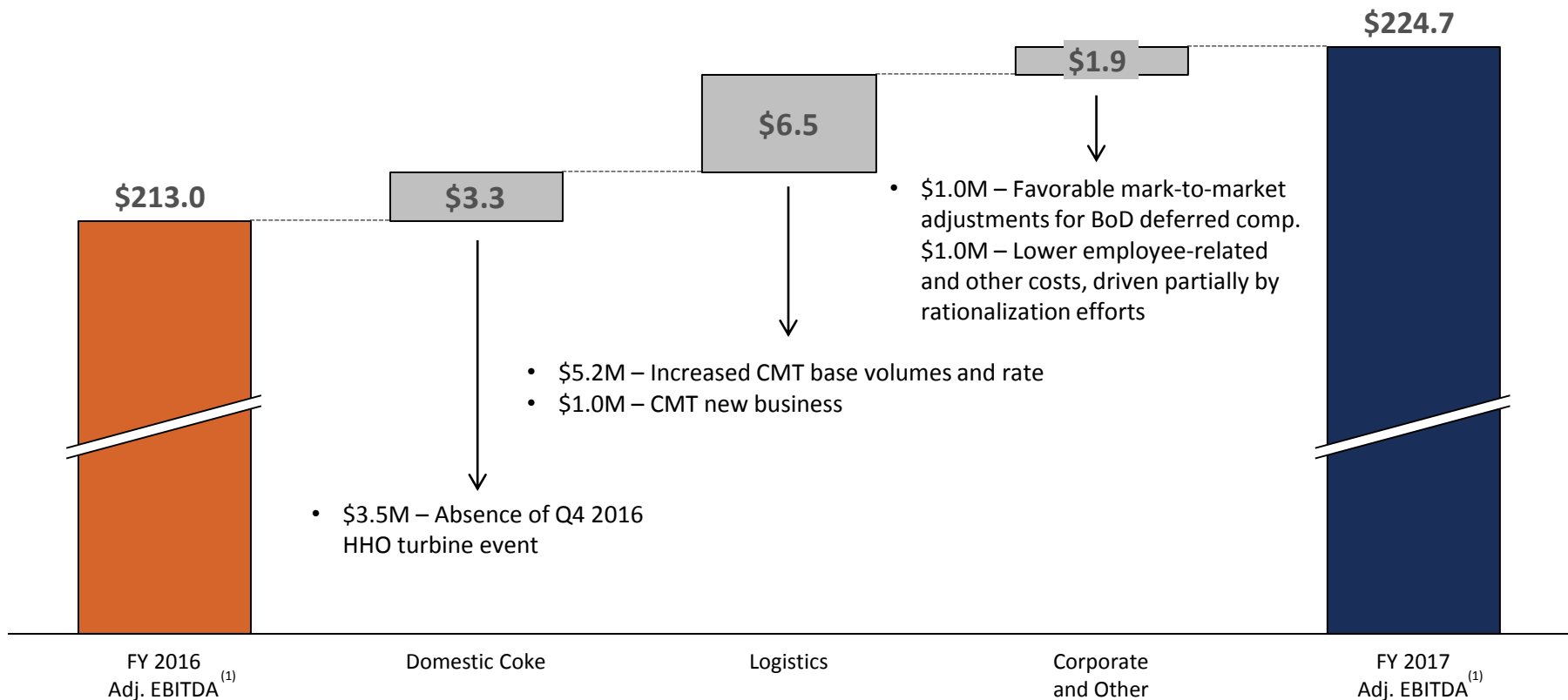
(3) FY 2017 Distributable Cash Flow and Distribution Cash Coverage Ratio excluding repayment of \$8.4M sponsor support.

(4) Operating cash flow coverage ratio is net cash provided by operating activities divided by total estimated distributions to the limited and general partners.

# Adjusted EBITDA – FY '16 to FY '17

**Delivered strong FY 2017 Adjusted EBITDA of \$224.7M,  
up \$11.7M, or 5.5%, vs. FY 2016**

(\$ in millions)

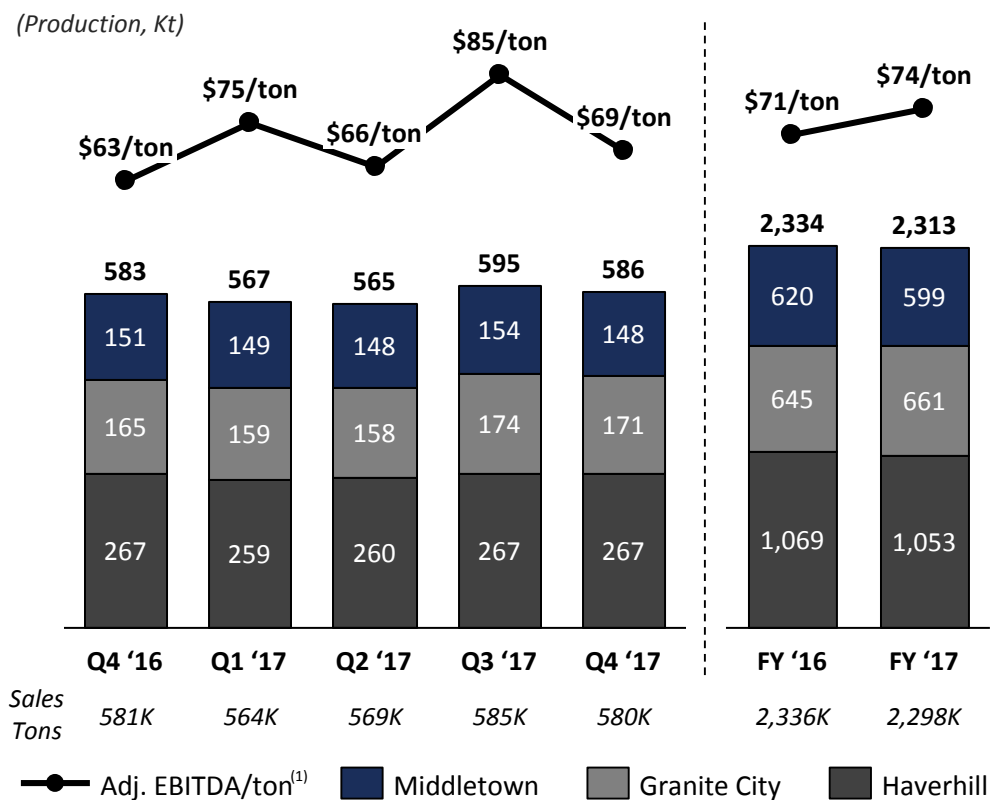


(1) For a definition and reconciliation of Adjusted EBITDA, please see appendix.

# Domestic Coke Business Summary

**Achieved strong Q4 2017 Coke results, and delivered improved FY 2017 Adjusted EBITDA/ton vs. 2016**

## Domestic Cokemaking Performance



**Q4 '17 cokemaking Adj. EBITDA of \$40.3M up \$3.6M vs. Q4 '16**

**Delivered strong Q4 2017 Adjusted EBITDA/ton of ~\$69**

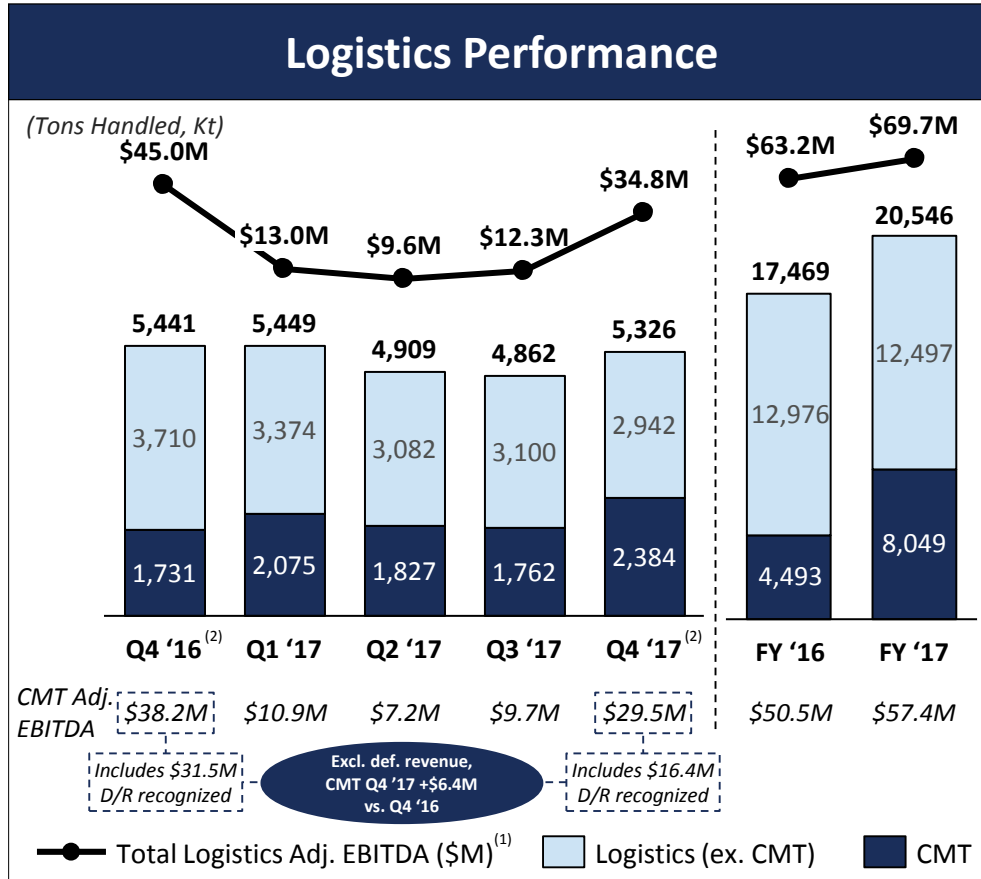
**Delivered FY '17 cokemaking results above guidance & FY '16**

- Adj. EBITDA of \$170.3M above guidance of \$163M to \$168M and up vs. \$167.0M in FY 2016
- Adj. EBITDA/ton of \$74/t above guidance of \$69 to \$73 and up vs. \$71/t in FY 2016

(1) For a definition and reconciliation of Adjusted EBITDA and Adjusted EBITDA per ton, please see appendix.

# Logistics Business Summary

**Record CMT volumes driving strong logistics performance in Q4 2017;  
FY 2017 performance up \$6.5M, or 10.3%, vs. FY 2016**



**Delivered Q4 '17 Adjusted EBITDA of \$34.8M**

- Solid CMT throughput due to sustained coal market improvement
- Partial offset from lower KRT volumes due to reduced thermal coal burn

**Convent contributed \$29.5M to Q4 '17 Adjusted EBITDA**

- Substantially higher quarterly volumes up 653Kt, or 38%, vs. Q4 '16

**FY '17 Logistics Adj. EBITDA of \$69.7M in line with guidance and \$6.5M improved vs. FY 2016**

- Highest annual volumes in CMT history, including \$1.5M new business

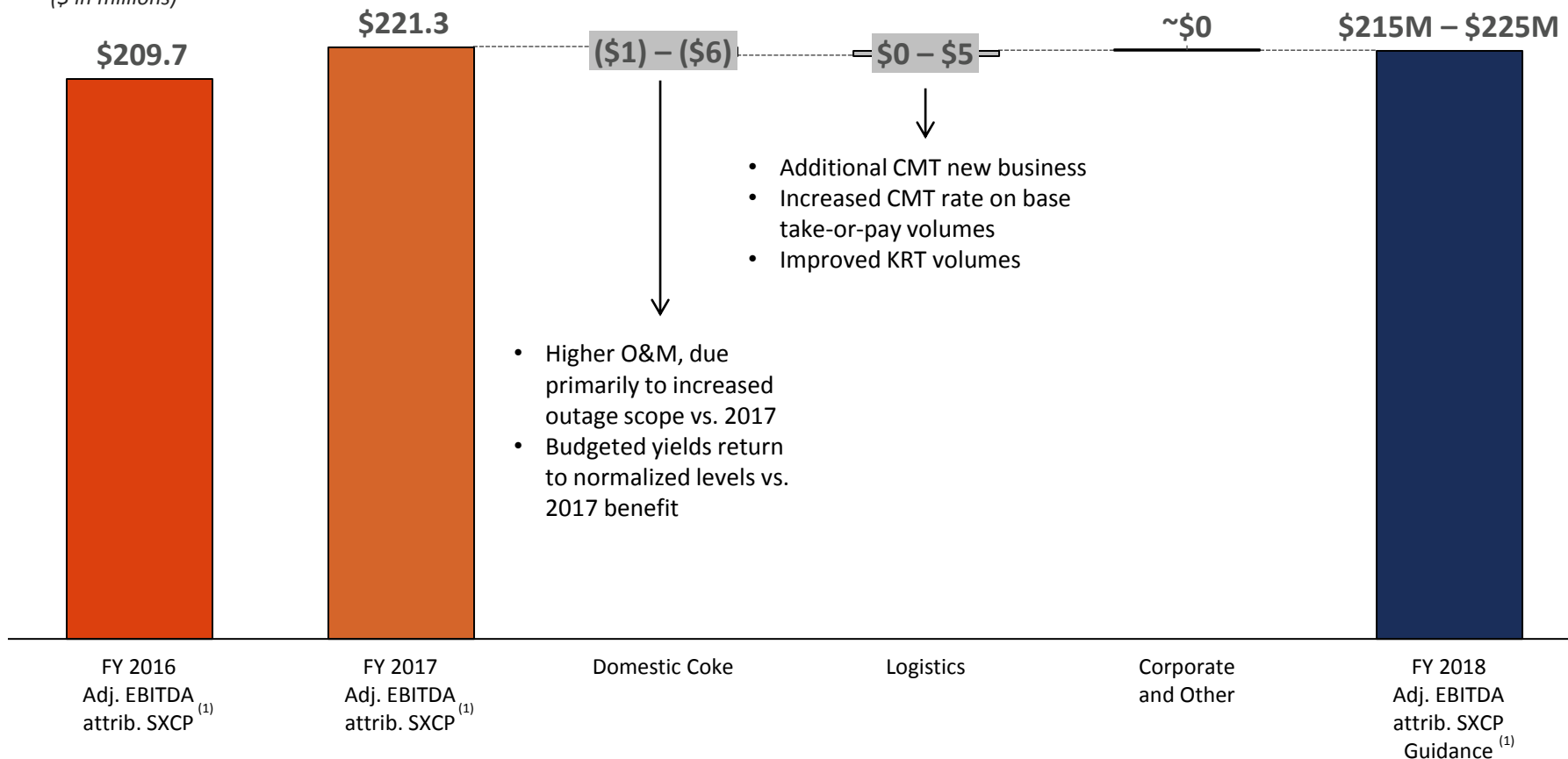
(1) Adjusted EBITDA includes Logistics deferred revenue when it is recognized as GAAP revenue. For a definition and reconciliation of Adjusted EBITDA, please see appendix.  
(2) Q4 2017 and Q4 2016 Adjusted EBITDA includes \$16.4M and \$31.5M recognition of previously deferred revenue, respectively, related to take-or-pay shortfalls.

# Expected 2018 Adj. EBITDA Attrib. SXCP



**Expect FY 2018 Adj. EBITDA attributable to SXCP of \$215M – \$225M**

(\$ in millions)



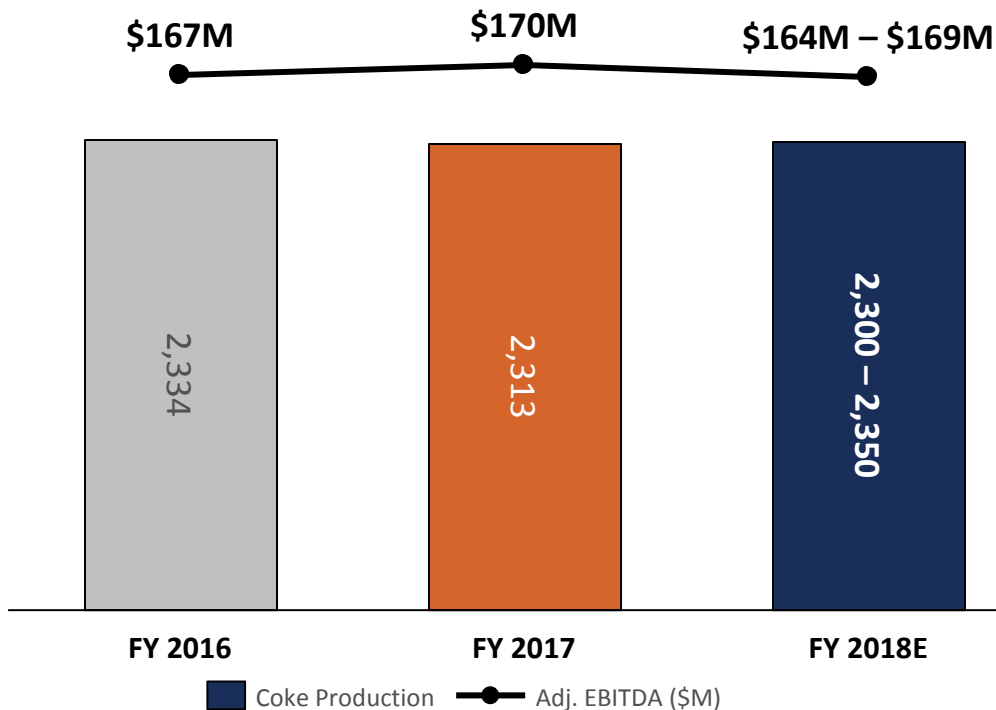
(1) For a definition and reconciliation of Adjusted EBITDA, please see appendix.

# 2018 Domestic Coke Business Outlook

**Continue to expect solid cokemaking performance in 2018;  
FY 2018 Coke Adj. EBITDA<sup>(1)</sup> expected to be \$164M – \$169M**

## Domestic Coke Performance (100% basis)<sup>(1)</sup>

(Coke Production, Kt)



(1) Represents Haverhill, Middletown and Granite City on a 100% basis.

**Anticipate FY 2018 Dom. Coke performance in line with historical range**

- Higher outage costs due to increased scope vs. 2017
- Budgeted yields return to normalized levels vs. 2017 benefit

**Anticipate FY 2018 production of 2.30Mt – 2.35Mt**

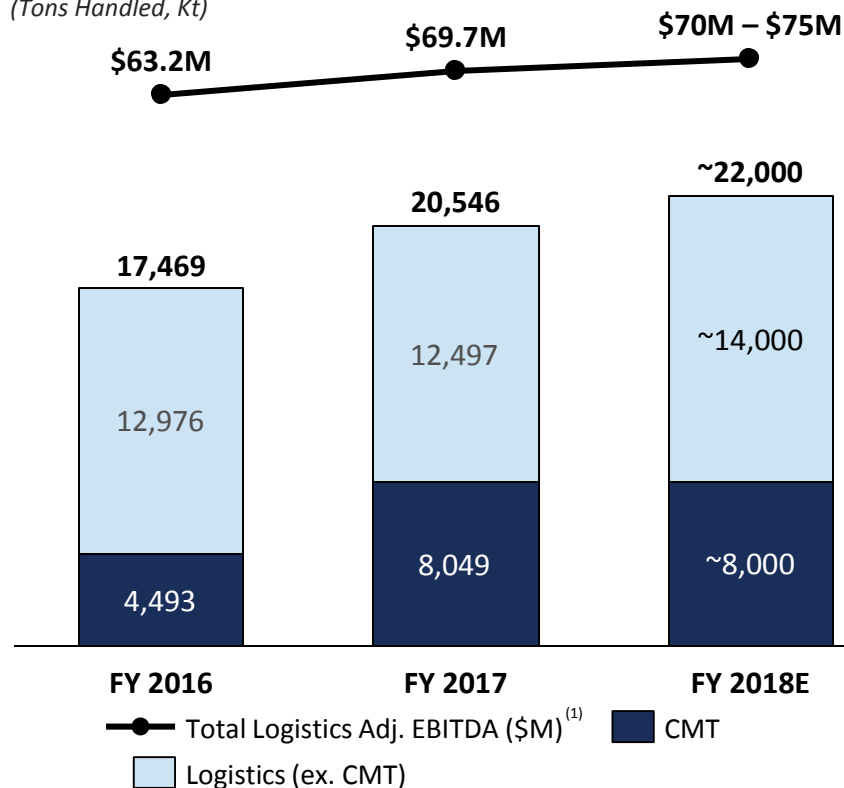


# 2018 Logistics Business Outlook

**Anticipate continued growth in Logistics from increased volumes;  
FY 2018 Adjusted EBITDA guidance of \$70M to \$75M**

## Logistics Performance

(Tons Handled, Kt)



(1) Adjusted EBITDA includes Logistics deferred revenue when it is recognized as GAAP revenue.  
For a definition and reconciliation of Adjusted EBITDA, please see appendix.

## Expect continued growth in logistics volumes in FY 2018

- Anticipate CMT will handle ~6.5Mt of base ToP volumes and ~1.5Mt new business (e.g., aggregates, pet. coke)
- Also expect higher KRT volumes driven by increased customer demand

## Continuing active pursuit of new business opportunities across fleet

- Exploring additional opportunities to diversify customer and product mix
- With recently secured barge unloading solution, CMT's multi-modal capabilities now cover all transport options

# 2018 Guidance Summary

**Outlook assumes distributions held flat for FY 2018;  
Excess cash flow after distributions will fund remaining GCO CapEx**

(\$ in millions, except per unit data)	FY 2017	2018 Guidance	
	As Reported	Low	High
<b>Adjusted EBITDA attributable to SXCP</b>	<b>\$221</b>	<b>\$215</b>	<b>\$225</b>
<b>Less:</b>			
Corporate cost holiday/deferral <sup>(1)</sup>	\$8	\$0	\$0
CMT Deferred Revenue	1	0	0
Ongoing capex (SXCP share)	19	25	25
Replacement capex accrual	8	8	8
Cash tax accrual <sup>(2)</sup>	3	3	3
Cash interest accrual	55	57	57
<b>Estimated distributable cash flow</b>	<b>\$128</b>	<b>\$122</b>	<b>\$132</b>
<b>Estimated distributions<sup>(3)</sup></b>	<b>\$118</b>	<b>\$118</b>	<b>\$118</b>
<b>Total distribution cash coverage ratio<sup>(4)</sup></b>	<b>1.08x</b>	<b>1.03x</b>	<b>1.12x</b>

(1) In 2017, represents repayment of Q2 2016 corporate cost reimbursement and IDR deferral.

(2) Cash tax impact from operations of Gateway Cogeneration Company LLC, which is an entity subject to income taxes for federal and state purposes at the corporate level.

(3) FY 2018 guidance assumes distributions held constant at \$0.5940 per quarter.

(4) Total distribution cash coverage ratio is estimated distributable cash flow divided by estimated distributions.

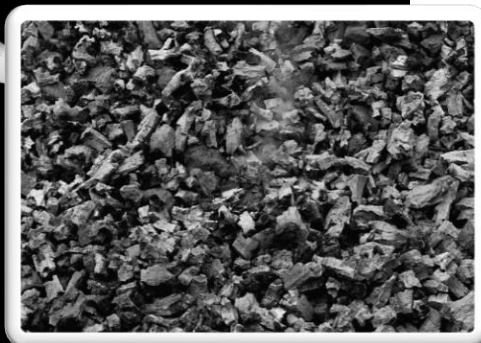
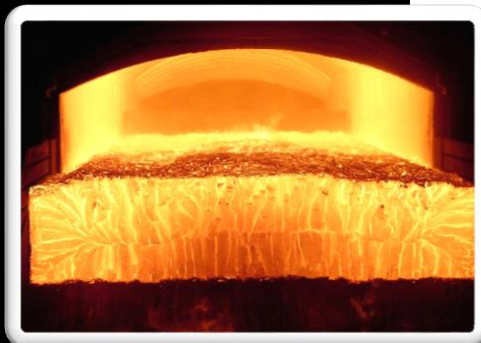
(5) Cash flow after distributions of \$12M to \$22M represents distributable cash flow less estimated distributions plus non-cash replacement capex accrual.

**Expect to generate between  
\$122M – \$132M of DCF in 2018**

- Includes lapping of 2017 repayment of sponsor support
- Also includes slightly higher CapEx from 2018 coke projects
- Assumes distributions held flat at \$0.5940/quarter for FY 2018

**Cash flow after distributions<sup>(5)</sup>  
will be used to fund remaining  
GCO Gas Sharing project**

- Per Omnibus Agreement, expect SXC will reimburse SXCP ~\$20M in 2018 for environmental remediation spend



**Investor Relations**  
**630-824-1907**  
**[www.suncoke.com](http://www.suncoke.com)**



**SunCoke Energy®**

**SXCP™**  
**SXCPartners**

# APPENDIX

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SunCoke Energy<sup>®</sup>

**SXCP**<sup>™</sup>  
SXCPartners

- **Adjusted EBITDA** represents earnings before interest, loss (gain) on extinguishment of debt, taxes, depreciation and amortization (“EBITDA”), adjusted for impairments, coal rationalization costs, changes to our contingent consideration liability related to our acquisition of CMT and the expiration of certain acquired contractual obligations. EBITDA and Adjusted EBITDA do not represent and should not be considered alternatives to net income or operating income under GAAP and may not be comparable to other similarly titled measures in other businesses. Management believes Adjusted EBITDA is an important measure of the operating performance and liquidity of the Company's net assets and its ability to incur and service debt, fund capital expenditures and make distributions. Adjusted EBITDA provides useful information to investors because it highlights trends in our business that may not otherwise be apparent when relying solely on GAAP measures and because it eliminates items that have less bearing on our operating performance and liquidity. EBITDA and Adjusted EBITDA are not measures calculated in accordance with GAAP, and they should not be considered a substitute for net income, operating cash flow or any other measure of financial performance presented in accordance with GAAP.
- **EBITDA** represents earnings before interest, taxes, depreciation and amortization.
- **Adjusted EBITDA attributable to SXC/SXCP** represents Adjusted EBITDA less Adjusted EBITDA attributable to noncontrolling interests.
- **Adjusted EBITDA/Ton** represents Adjusted EBITDA divided by tons sold/handled.

- **Adjusted EBITDA** represents earnings before interest, (gain) loss on extinguishment of debt, taxes, depreciation and amortization, adjusted for changes to our contingent consideration liability related to our acquisition of the CMT and the expiration of certain acquired contractual obligations. Adjusted EBITDA does not represent and should not be considered an alternative to net income or operating income under GAAP and may not be comparable to other similarly titled measures in other businesses. Management believes Adjusted EBITDA is an important measure of the operating performance and liquidity of the Partnership's net assets and its ability to incur and service debt, fund capital expenditures and make distributions. Adjusted EBITDA provides useful information to investors because it highlights trends in our business that may not otherwise be apparent when relying solely on GAAP measures and because it eliminates items that have less bearing on our operating performance and liquidity. EBITDA and Adjusted EBITDA are not measures calculated in accordance with GAAP, and they should not be considered an alternative to net income, operating cash flow or any other measure of financial performance presented in accordance with GAAP.
- **EBITDA** represents earnings before interest, taxes, depreciation and amortization.
- **Adjusted EBITDA attributable to SXC/SXCP** represents Adjusted EBITDA less Adjusted EBITDA attributable to noncontrolling interests.
- **Adjusted EBITDA/Ton** represents Adjusted EBITDA divided by tons sold/handled.

- **Distributable Cash Flow** equals Adjusted EBITDA plus sponsor support and Logistics deferred revenue; less net cash paid for interest expense, ongoing capital expenditures, accruals for replacement capital expenditures and cash distributions to noncontrolling interests; plus amounts received under the Omnibus Agreement and acquisition expenses deemed to be Expansion Capital under our Partnership Agreement. Distributable Cash Flow is a non-GAAP supplemental financial measure that management and external users of SXCP's financial statements, such as industry analysts, investors, lenders and rating agencies use to assess:
  - SXCP's operating performance as compared to other publicly traded partnerships, without regard to historical cost basis;
  - the ability of SXCP's assets to generate sufficient cash flow to make distributions to SXCP's unitholders;
  - SXCP's ability to incur and service debt and fund capital expenditures; and
  - the viability of acquisitions and other capital expenditure projects and the returns on investment of various investment opportunities.
- We believe that Distributable Cash Flow provides useful information to investors in assessing SXCP's financial condition and results of operations. Distributable Cash Flow should not be considered an alternative to net income, operating income, cash flows from operating activities, or any other measure of financial performance or liquidity presented in accordance with GAAP. Distributable Cash Flow has important limitations as an analytical tool because it excludes some, but not all, items that affect net income and net cash provided by operating activities and used in investing activities. Additionally, because Distributable Cash Flow may be defined differently by other companies in the industry, our definition of Distributable Cash Flow may not be comparable to similarly titled measures of other companies, thereby diminishing its utility.
- **Distributable Cash Flow Coverage Ratio** equals Distributable Cash Flow divided by estimated distributions to the limited and general partners.
- **Operating Cash Flow Coverage Ratio** equals net cash provided by operating activities divided by total estimated distributions to the limited and general partners. Operating cash flow is generally expected to be higher than Distributable Cash Flow as Distributable Cash Flow is further reduced by certain cash reserves including capital expenditures, an investing cash flow item. Additionally, Distributable Cash Flow represents only the Partnership's share of available cash by excluding Adjusted EBITDA attributable to noncontrolling interest, while operating cash flow is reported on a consolidated basis.
- **Ongoing capital expenditures ("capex")** are capital expenditures made to maintain the existing operating capacity of our assets and/or to extend their useful lives. Ongoing capex also includes new equipment that improves the efficiency, reliability or effectiveness of existing assets. Ongoing capex does not include normal repairs and maintenance, which are expensed as incurred, or significant capital expenditures. For purposes of calculating distributable cash flow, the portion of ongoing capex attributable to SXCP is used.
- **Replacement capital expenditures ("capex")** represents an annual accrual necessary to fund SXCP's share of the estimated costs to replace or rebuild our facilities at the end of their working lives. This accrual is estimated based on the average quarterly anticipated replacement capital that we expect to incur over the long term to replace our major capital assets at the end of their working lives. The replacement capex accrual estimate will be subject to review and prospective change by SXCP's general partner at least annually and whenever an event occurs that causes a material adjustment of replacement capex, provided such change is approved by our conflicts committee.



# FINANCIAL RECONCILIATIONS

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SunCoke Energy<sup>®</sup>

**SXCP**<sup>™</sup>  
SXCPartners

# Reconciliation to Adjusted EBITDA

(\$ in millions)	FY '17	Q4 '17	Q3 '17	Q2 '17	Q1 '17	FY '16	Q4 '16	Q3 '16	Q2 '16	Q1 '16
Net cash provided by Operating activities	\$148.5	\$20.2	\$73.9	\$24.9	\$29.5	\$219.1	\$53.0	\$44.6	\$92.1	\$29.4
Depreciation, depletion and amortization expense	128.2	31.0	30.6	33.3	33.3	114.2	31.8	25.6	28.6	28.2
Loss / (gain) on extinguishment of debt <sup>(1)</sup>	20.4	-	0.1	20.2	0.1	(25.0)	(0.1)	(1.0)	(3.5)	(20.4)
Loss on divestiture of business and asset impairment <sup>(2)</sup>	-	-	-	-	-	14.7	-	-	5.1	9.6
Deferred income tax (benefit) / expense	(87.2)	(157.6)	(9.4)	14.0	65.8	3.1	(1.4)	0.9	0.4	3.2
Changes in working capital and other	(16.4)	(27.1)	33.8	(11.1)	(12.0)	52.6	(8.8)	4.7	60.5	(3.8)
Net Income / (Loss)	\$103.5	\$173.9	\$18.8	(\$31.5)	(\$57.7)	\$59.5	\$31.5	\$14.4	\$1.0	\$12.6
Depreciation, depletion and amortization expense	128.2	31.0	30.6	33.3	33.3	114.2	31.8	25.6	28.6	28.2
Interest expense, net	60.6	15.6	16.1	15.2	13.7	53.5	13.2	12.9	13.4	14.0
Loss / (gain) on extinguishment of debt <sup>(1)</sup>	20.4	-	0.1	20.2	0.1	(25.0)	(0.1)	(1.0)	(3.5)	(20.4)
Income tax (benefit) / expense	(81.6)	(151.0)	(1.5)	4.7	66.2	8.6	2.7	2.6	-	3.3
Loss on divestiture of business and asset impairment <sup>(2)</sup>	-	-	-	-	-	14.7	-	-	5.1	9.6
Coal rationalization costs <sup>(3)</sup>	-	-	-	-	-	0.4	-	0.2	-	0.2
Contingent consideration adjustments <sup>(4)</sup>	(1.7)	-	(2.0)	0.3	-	(10.1)	(1.8)	(4.6)	-	(3.7)
Expiration of land deposits and write-off of costs related to potential new cokemaking facility <sup>(5)</sup>	5.3	-	-	5.3	-	1.9	-	-	1.9	-
Non-cash reversal of acquired contractual obligations <sup>(6)</sup>	-	-	-	-	-	(0.7)	-	(0.7)	-	-
Adjusted EBITDA (Consolidated)	\$234.7	\$69.5	\$62.1	\$47.5	\$55.6	\$217.0	\$77.3	\$49.4	\$46.5	\$43.8
Adjusted EBITDA attributable to noncontrolling interests <sup>(7)</sup>	(86.4)	(25.4)	(21.9)	(17.5)	(21.6)	(86.6)	(28.8)	(18.9)	(18.6)	(20.3)
Adjusted EBITDA attributable to SXC	\$148.3	\$44.1	\$40.2	\$30.0	\$34.0	\$130.4	\$48.5	\$30.5	\$27.9	\$23.5

- (1) The Partnership recorded a loss on extinguishment of debt as a result of its debt refinancing activities which occurred during the second quarter of 2017. The Partnership recorded a gain on extinguishment of debt as a result of senior note repurchases through the first nine months of 2016.
- (2) This loss included transaction-related costs of \$1.1 million as well as an impairment charge of \$10.7 million, which reduced the carrying value of the long-lived assets to be disposed of to zero based on the value implied by the terms of the divestiture agreement with Revelation. Partially offsetting these impacts was a \$1.5 million gain recognized in connection with the disposal of certain coal mining permits and related reclamation obligations in exchange for a \$1.8 million payment made to Revelation in March 2016. This gain was recorded as a reduction to costs of products sold and operating expenses on the Consolidated Statements of Operations.
- (3) Prior to the divestiture of our coal mining business, the Company incurred coal rationalization costs including employee severance, contract termination costs and other costs to idle mines incurred during the execution of our coal rationalization plan.
- (4) As a result of changes in the fair value of the contingent consideration liability, the Partnership recognized a benefit of \$1.7 million during 2017. The Partnership amended its contingent consideration terms with The Cline Group during the first quarter of 2016. This amendment and subsequent fair value adjustments to the contingent consideration liability, resulted in gains of \$1.8 million and \$10.1 million recorded during the three and twelve months ended December 31, 2016, respectively, which were excluded from Adjusted EBITDA.
- (5) In 2014, we finalized the required permitting and engineering plan for a potential new cokemaking facility to be constructed in Kentucky. However, in June 2017, due to our focus on renewing our existing customer contracts and the lack of any long-term customer commitment for a majority of the facility's capacity, we decided to terminate the project. As a result, during the second quarter of 2017, the Company wrote-off previously capitalized engineering and land deposit costs of \$5.3 million. During the second quarter of 2016, the Company wrote-off expiring land deposits related to the project of \$1.9 million.
- (6) In association with the acquisition of CMT, we assumed certain performance obligations under existing contracts and recorded liabilities related to such obligations. In the third quarter of 2016, the final acquired contractual performance obligation expired without the customer requiring performance. Therefore, the Partnership reversed the liability as we no longer have any obligations under the contract.
- (7) Reflects non-controlling interest in Indiana Harbor and the portion of the Partnership owned by public unitholders.

# Reconciliation of Segment Adjusted EBITDA and Adjusted EBITDA per ton

Reconciliation of Segment Adjusted EBITDA and Adjusted EBITDA per Ton					
<i>(\$ in millions, except per ton data)</i>	Domestic Coke	Brazil Coke	Coal Logistics <sup>(1)</sup>	Corporate and Other <sup>(2)</sup>	Consolidated
<b>FY 2017</b>					
Adjusted EBITDA	\$188.9	\$18.2	\$70.8	(\$43.2)	<b>\$234.7</b>
Sales Volume (thousands of tons)	3,851	1,761	21,616		
<b>Adjusted EBITDA per Ton</b>	<b>\$49.05</b>	<b>\$10.34</b>	<b>\$3.28</b>		
<b>Q4 2017</b>					
Adjusted EBITDA	\$39.6	\$4.7	\$35.1	(\$9.9)	<b>\$69.5</b>
Sales Volume (thousands of tons)	977	445	5,590		
<b>Adjusted EBITDA per Ton</b>	<b>\$40.53</b>	<b>\$10.57</b>	<b>\$6.28</b>		
<b>Q3 2017</b>					
Adjusted EBITDA	\$55.6	\$4.6	\$12.6	(\$10.7)	<b>\$62.1</b>
Sales Volume (thousands of tons)	975	444	5,134		
<b>Adjusted EBITDA per Ton</b>	<b>\$57.03</b>	<b>\$10.36</b>	<b>\$2.45</b>		
<b>Q2 2017</b>					
Adjusted EBITDA	\$44.0	\$4.5	\$10.0	(\$11.0)	<b>\$47.5</b>
Sales Volume (thousands of tons)	953	437	5,173		
<b>Adjusted EBITDA per Ton</b>	<b>\$46.17</b>	<b>\$10.30</b>	<b>\$1.93</b>		
<b>Q1 2017</b>					
Adjusted EBITDA	\$49.7	\$4.4	\$13.1	(\$11.6)	<b>\$55.6</b>
Sales Volume (thousands of tons)	946	435	5,719		
<b>Adjusted EBITDA per Ton</b>	<b>\$52.54</b>	<b>\$10.11</b>	<b>\$2.29</b>		
<b>FY 2016</b>					
Adjusted EBITDA	\$193.9	\$16.2	\$63.9	(\$57.0)	<b>\$217.0</b>
Sales Volume (thousands of tons)	3,956	1,741	18,569		
<b>Adjusted EBITDA per Ton</b>	<b>\$49.01</b>	<b>\$9.30</b>	<b>\$3.44</b>		
<b>Q4 2016</b>					
Adjusted EBITDA	\$36.5	\$8.3	\$45.3	(\$12.8)	<b>\$77.3</b>
Sales Volume (thousands of tons)	964	446	5,712		
<b>Adjusted EBITDA per Ton</b>	<b>\$37.86</b>	<b>\$18.61</b>	<b>\$7.93</b>		

(1) In response to the SEC's May 2016 update to its guidance on the appropriate use of non-GAAP financial measures, Adjusted EBITDA no longer includes Logistics deferred revenue until it is recognized as GAAP revenue.

(2) Corporate and Other includes the activity from our legacy coal mining business, which incurred expenses of \$2.3 million and \$3.2 million during the three months ended December 31, 2017 and December 31, 2016, respectively.

# 2018E Guidance Reconciliation

<i>(\$ in millions)</i>	<u>2018E</u> <u>Low</u>	<u>2018E</u> <u>High</u>
Net cash provided by Operating activities	\$150	\$165
Depreciation and amortization expense	(137)	(129)
Changes in working capital and other	22	14
Net Loss	\$35	\$50
Depreciation and amortization expense	137	129
Interest expense, net	63	63
Income tax expense	5	13
Adjusted EBITDA (Consolidated)	\$240	\$255
Adjusted EBITDA attributable to noncontrolling interests <sup>(2)</sup>	(80)	(84)
Adjusted EBITDA attributable to SXC	\$160	\$171

(1) Reflects non-controlling interest in Indiana Harbor and the portion of the Partnership owned by public unitholders.

# 2017 Adj. EBITDA Reconciliation

(\$ in millions)	Q1 '16	Q2 '16	Q3 '16	Q4 '16	FY '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	FY '17
<b>Net income (loss)</b>	\$ 40.5	\$ 12.6	\$ 22.0	\$ 46.3	\$ 121.4	\$ (131.7)	\$ (12.5)	\$ 23.3	\$ 103.4	\$ (17.5)
<b>Add:</b>										
Depreciation, depletion and amortization expense	18.7	20.5	18.1	20.4	77.7	21.6	21.5	20.2	20.3	83.6
Interest expense, net	12.5	11.7	11.5	12.0	47.7	12.6	14.0	15.1	14.7	56.4
(Gain) / loss on extinguishment of debt <sup>(1)</sup>	(20.4)	(3.5)	(1.0)	(0.1)	(25.0)	-	19.9	0.1	-	20.0
Income tax expense / (benefit)	0.6	0.4	0.4	0.6	2.0	149.2	(0.2)	1.7	(66.8)	83.9
Contingent consideration adjustments <sup>(2)</sup>	(3.7)	-	(4.6)	(1.8)	(10.1)	-	0.3	(2.0)	-	(1.7)
Non-cash reversal of acquired contractual obligations <sup>(3)</sup>	-	-	(0.7)	-	(0.7)	-	-	-	-	-
<b>Adjusted EBITDA</b>	<b>\$ 48.2</b>	<b>\$ 41.7</b>	<b>\$ 45.7</b>	<b>\$ 77.4</b>	<b>\$ 213.0</b>	<b>\$ 51.7</b>	<b>\$ 43.0</b>	<b>\$ 58.4</b>	<b>\$ 71.6</b>	<b>\$ 224.7</b>
<b>Subtract:</b>										
Adjusted EBITDA attributable to noncontrolling interest <sup>(4)</sup>	(0.9)	(0.8)	(0.9)	(0.7)	(3.3)	(0.8)	(0.8)	(1.0)	(0.8)	(3.4)
<b>Adjusted EBITDA attributable to SXCP</b>	<b>\$ 47.3</b>	<b>\$ 40.9</b>	<b>\$ 44.8</b>	<b>\$ 76.7</b>	<b>\$ 209.7</b>	<b>\$ 50.9</b>	<b>\$ 42.2</b>	<b>\$ 57.4</b>	<b>\$ 70.8</b>	<b>\$ 221.3</b>

- (1) The Partnership recorded a loss on extinguishment of debt as a result of its debt refinancing activities which occurred during the second quarter of 2017. The Partnership recorded a gain on extinguishment of debt as a result of senior note repurchases in 2016.
- (2) As a result of changes in the fair value of the contingent consideration liability, the Partnership recognized a benefit of \$1.7 million during 2017. The Partnership amended its contingent consideration terms with The Cline Group during the first quarter of 2016. This amendment and subsequent fair value adjustments to the contingent consideration liability, resulted in gains of \$1.8 million and \$10.1 million recorded during the three and twelve months ended December 31, 2016, respectively, which were excluded from Adjusted EBITDA.
- (3) In association with the acquisition of CMT, we assumed certain performance obligations under existing contracts and recorded liabilities related to such obligations. These contractual performance obligations expired without the customer requiring performance. As such, the Partnership reversed the liabilities as we no longer have any obligations under the contract.
- (4) Reflects net income attributable to noncontrolling interest adjusted for noncontrolling interest's share of interest, taxes, income, and depreciation and amortization.

# 2017 Adj. EBITDA Reconciliation

(\$ in millions)	Q1 '16	Q2 '16	Q3 '16	Q4 '16	FY '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	FY '17
<b>Net cash provided by operating activities</b>	<b>\$ 40.4</b>	<b>\$ 67.7</b>	<b>\$ 31.9</b>	<b>\$ 43.6</b>	<b>\$ 183.6</b>	<b>\$ 39.4</b>	<b>\$ 12.2</b>	<b>\$ 61.1</b>	<b>\$ 24.0</b>	<b>\$ 136.7</b>
<b>Add:</b>										
Cash interest paid	24.3	4.0	21.5	4.2	54.0	20.9	14.6	2.8	27.3	65.6
Cash taxes paid	-	-	-	1.5	1.5	0.3	0.3	-	0.8	1.4
Changes in working capital <sup>(1)</sup>	(17.3)	(27.4)	(3.9)	30.8	(17.8)	(11.3)	17.3	(8.9)	23.1	20.2
Contingent consideration adjustments <sup>(2)</sup>	(3.7)	-	(4.6)	(1.8)	(10.1)	-	0.3	(2.0)	-	(1.7)
Non-cash reversal of acquired contractual obligation <sup>(3)</sup>	-	-	(0.7)	-	(0.7)	-	-	-	-	-
Other adjustments to reconcile cash provided by operating activities to Adjusted EBITDA	4.5	(2.6)	1.5	(0.9)	2.5	2.4	(1.7)	5.4	(3.6)	2.5
<b>Adjusted EBITDA<sup>(4)</sup></b>	<b>\$ 48.2</b>	<b>\$ 41.7</b>	<b>\$ 45.7</b>	<b>\$ 77.4</b>	<b>\$ 213.0</b>	<b>\$ 51.7</b>	<b>\$ 43.0</b>	<b>\$ 58.4</b>	<b>\$ 71.6</b>	<b>\$ 224.7</b>
<b>Subtract:</b>										
Adjusted EBITDA attributable to noncontrolling interest <sup>(5)</sup>	0.9	0.8	0.9	0.7	3.3	0.8	0.8	1.0	0.8	3.4
<b>Adjusted EBITDA attributable to SXCP</b>	<b>\$ 47.3</b>	<b>\$ 40.9</b>	<b>\$ 44.8</b>	<b>\$ 76.7</b>	<b>\$ 209.7</b>	<b>\$ 50.9</b>	<b>\$ 42.2</b>	<b>\$ 57.4</b>	<b>\$ 70.8</b>	<b>\$ 221.3</b>

- (1) Changes in working capital exclude those items not impacting Adjusted EBITDA, such as change in interest payable and income taxes payable.
- (2) As a result of changes in the fair value of the contingent consideration liability, the Partnership recognized a benefit of \$1.7 million during 2017. The Partnership amended its contingent consideration terms with The Cline Group during the first quarter of 2016. This amendment and subsequent fair value adjustments to the contingent consideration liability, resulted in gains of \$1.8 million and \$10.1 million recorded during the three and twelve months ended December 31, 2016, respectively, which were excluded from Adjusted EBITDA.
- (3) In association with the acquisition of CMT, we assumed certain performance obligations under existing contracts and recorded liabilities related to such obligations. These contractual performance obligations expired without the customer requiring performance. As such, the Partnership reversed the liabilities as we no longer have any obligations under the contract.
- (4) In accordance with SEC's May 2016 update to its guidance on the appropriate use of non-GAAP financial measures, Adjusted EBITDA does not include Logistics deferred revenue until it is recognized as GAPP revenue.
- (5) Reflects net income attributable to noncontrolling interest adjusted for noncontrolling interest's share of interest, taxes, income, and depreciation and amortization.

# 2017 Distributable Cash Flow Reconciliation

(\$ in millions)	Q1 '16	Q2 '16	Q3 '16	Q4 '16	FY '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	FY '17
<b>Net Income (loss)</b>	<b>\$40.5</b>	<b>\$12.6</b>	<b>\$22.0</b>	<b>\$46.3</b>	<b>\$121.4</b>	<b>(\$131.7)</b>	<b>(\$12.5)</b>	<b>\$23.3</b>	<b>\$103.4</b>	<b>(\$17.5)</b>
<b>Add:</b>										
Depreciation, depletion and amortization expense	18.7	20.5	18.1	20.4	77.7	21.6	21.5	20.2	20.3	83.6
Interest expense, net	12.5	11.7	11.5	12.0	47.7	12.6	14.0	15.1	14.7	56.4
(Gain) / loss on extinguishment of debt <sup>(1)</sup>	(20.4)	(3.5)	(1.0)	(0.1)	(25.0)	-	19.9	0.1	-	20.0
Income tax expense / (benefit)	0.6	0.4	0.4	0.6	2.0	149.2	(0.2)	1.7	(66.8)	83.9
Contingent consideration adjustments <sup>(2)</sup>	(3.7)	-	(4.6)	(1.8)	(10.1)	-	0.3	(2.0)	-	(1.7)
Non-cash reversal of acquired contractual obligations <sup>(3)</sup>	-	-	(0.7)	-	(0.7)	-	-	-	-	-
Logistics deferred revenue <sup>(4)</sup>	9.2	9.1	8.6	(25.4)	1.5	3.2	5.5	4.2	(13.8)	(0.9)
Corporate cost holiday/deferral	7.0	6.9	-	-	13.9	-	(8.4)	-	-	(8.4)
<b>Subtract:</b>										
Ongoing capex (SXCP share)	3.0	3.1	3.5	4.8	14.4	2.7	5.1	4.7	6.9	19.4
Replacement capex accrual	1.9	1.9	1.9	1.9	7.6	1.9	1.9	1.9	2.0	7.7
Cash interest accrual	12.4	12.5	12.2	11.9	49.0	11.8	13.7	14.7	14.5	54.7
Cash tax accrual	0.3	0.3	0.3	0.9	1.8	0.6	0.6	0.6	0.8	2.6
Adjusted EBITDA attributable to noncontrolling interest <sup>(5)</sup>	0.9	0.8	0.9	0.7	3.3	0.8	0.8	1.0	0.8	3.4
<b>Distributable Cash Flow</b>	<b>\$45.9</b>	<b>\$39.1</b>	<b>\$35.5</b>	<b>\$31.8</b>	<b>\$152.3</b>	<b>\$37.1</b>	<b>\$18.0</b>	<b>\$39.7</b>	<b>\$32.8</b>	<b>\$127.6</b>

- (1) The Partnership recorded a loss on extinguishment of debt as a result of its debt refinancing activities which occurred during the second quarter of 2017. The Partnership recorded a gain on extinguishment of debt as a result of senior note repurchases in 2016.
- (2) As a result of changes in the fair value of the contingent consideration liability, the Partnership recognized a benefit of \$1.7 million during 2017. The Partnership amended its contingent consideration terms with The Cline Group during the first quarter of 2016. This amendment and subsequent fair value adjustments resulted in gains of \$1.8 million and \$10.1 million recorded during the three months and fiscal year ended December 31, 2016, respectively.
- (3) In association with the acquisition of CMT, we assumed certain performance obligations under existing contracts and recorded liabilities related to such obligations. In the third quarter of 2016, the final acquired contractual performance obligation expired without the customer requiring performance. Therefore, the Partnership reversed the liability as we no longer have any obligations under the contract.
- (4) Logistics volume shortfall billings adjusts to include ton minimums billed throughout the year in Distributable Cash Flow to better align with cash collection. Volume shortfall billings on take-or-pay contracts are recorded as deferred revenue and are recognized into GAAP income based on the terms of the contract, at which time they will be excluded from Distributable Cash Flow.
- (5) Reflects net income attributable to noncontrolling interest adjusted for noncontrolling interest's share of interest, taxes, income, and depreciation and amortization.



# 2017 Distributable Cash Flow Reconciliation

(\$ in millions)	Q1 '16	Q2 '16	Q3 '16	Q4 '16	FY '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	FY '17
<b>Net cash provided by operating activities</b>	<b>\$ 40.4</b>	<b>\$ 67.7</b>	<b>\$ 31.9</b>	<b>\$ 43.6</b>	<b>\$ 183.6</b>	<b>\$ 39.4</b>	<b>\$ 12.2</b>	<b>\$ 61.1</b>	<b>\$ 24.0</b>	<b>\$ 136.7</b>
<b>Add:</b>										
Cash interest paid	24.3	4.0	21.5	4.2	54.0	20.9	14.6	2.8	27.3	65.6
Cash taxes paid	-	-	-	1.5	1.5	0.3	0.3	-	0.8	1.4
Changes in working capital <sup>(1)</sup>	(17.3)	(27.4)	(3.9)	30.8	(17.8)	(11.3)	17.3	(8.9)	23.1	20.2
Contingent consideration adjustments <sup>(2)</sup>	(3.7)	-	(4.6)	(1.8)	(10.1)	-	0.3	(2.0)	-	(1.7)
Non-cash reversal of acquired contractual obligation <sup>(3)</sup>	-	-	(0.7)	-	(0.7)	-	-	-	-	-
Logistics volume shortfall billings <sup>(4)</sup>	9.2	9.1	8.6	(25.4)	1.5	3.2	5.5	4.2	(13.8)	(0.9)
Corporate cost holiday/deferral	7.0	6.9	-	-	13.9	-	(8.4)	-	-	(8.4)
Other adjustments to reconcile cash provided by operating activities to Adjusted EBITDA	4.5	(2.6)	1.5	(0.9)	2.5	2.4	(1.7)	5.4	(3.6)	2.5
<b>Subtract:</b>										
Ongoing capex (SXCP share)	3.0	3.1	3.5	4.8	14.4	2.7	5.1	4.7	6.9	19.4
Replacement capex accrual	1.9	1.9	1.9	1.9	7.6	1.9	1.9	1.9	2.0	7.7
Cash interest accrual	12.4	12.5	12.2	11.9	49.0	11.8	13.7	14.7	14.5	54.7
Cash tax accrual	0.3	0.3	0.3	0.9	1.8	0.6	0.6	0.6	0.8	2.6
Adjusted EBITDA attributable to noncontrolling interest <sup>(5)</sup>	0.9	0.8	0.9	0.7	3.3	0.8	0.8	1.0	0.8	3.4
<b>Distributable Cash Flow</b>	<b>\$ 45.9</b>	<b>\$ 39.1</b>	<b>\$ 35.5</b>	<b>\$ 31.8</b>	<b>\$ 152.3</b>	<b>\$ 37.1</b>	<b>\$ 18.0</b>	<b>\$ 39.7</b>	<b>\$ 32.8</b>	<b>\$ 127.6</b>
Quarterly Cash Distribution	28.0	29.5	29.5	29.5	116.4	29.5	29.5	29.5	29.5	118.0
<b>Operating Cash Flow Coverage Ratio<sup>(6)</sup></b>	<b>1.44x</b>	<b>2.29x</b>	<b>1.08x</b>	<b>1.48x</b>	<b>1.58x</b>	<b>1.34x</b>	<b>0.41x</b>	<b>2.07x</b>	<b>0.82x</b>	<b>1.16x</b>
<b>Distribution Cash Coverage Ratio<sup>(7)</sup></b>	<b>1.64x</b>	<b>1.33x</b>	<b>1.20x</b>	<b>1.08x</b>	<b>1.31x</b>	<b>1.26x</b>	<b>0.61x</b>	<b>1.35x</b>	<b>1.11x</b>	<b>1.08x</b>

- (1) Changes in working capital exclude those items not impacting Adjusted EBITDA, such as change in interest payable and income taxes payable.
- (2) As a result of changes in the fair value of the contingent consideration liability, the Partnership recognized a benefit of \$1.7 million during 2017. The Partnership amended its contingent consideration terms with The Cline Group during the first quarter of 2016. This amendment and subsequent fair value adjustments resulted in gains of \$1.8 million and \$10.1 million recorded during the three months and fiscal year ended December 31, 2016, respectively.
- (3) In association with the acquisition of CMT, we assumed certain performance obligations under existing contracts and recorded liabilities related to such obligations. In the third quarter of 2016, the final acquired contractual performance obligation expired without the customer requiring performance. Therefore, the Partnership reversed the liability as we no longer have any obligations under the contract.
- (4) Logistics volume shortfall billings adjusts to include ton minimums billed throughout the year in Distributable Cash Flow to better align with cash collection. Volume shortfall billings on take-or-pay contracts are recorded as deferred revenue and are recognized into GAAP income based on the terms of the contract, at which time they will be excluded from Distributable Cash Flow.
- (5) Reflects net income attributable to noncontrolling interest adjusted for noncontrolling interest's share of interest, taxes, income, and depreciation and amortization.
- (6) Operating cash flow coverage ratio is net cash provided by operating activities divided by total estimated distributions to the limited and general partners. Operating cash flow is generally expected to be higher than Distributable Cash Flow as Distributable Cash Flow is further reduced by certain cash reserves including capital expenditures, an investing cash flow item. Additionally, Distributable Cash Flow represents only the Partnership's share of available cash by excluding Adjusted EBITDA attributable to noncontrolling interest, while operating cash flow is reported on a consolidated basis.
- (7) Distribution cash coverage ratio is distributable cash flow divided by total estimated distributions to the limited and general partners.

# 2018E Guidance Reconciliation

(\$ in millions)	FY 2018E	
	Low	High
<b>Net income (loss)</b>	\$ 68	\$ 83
<b>Add:</b>		
Depreciation and amortization expense	88	83
Interest expense, net	60	60
Income tax expense	2	3
<b>Adjusted EBITDA</b>	\$ 218	\$ 229
<b>Subtract:</b>		
Adjusted EBITDA attributable to noncontrolling interest <sup>(1)</sup>	3	4
<b>Adjusted EBITDA attributable to SunCoke Energy Partners, L.P.</b>	\$ 215	\$ 225

(1) Reflects net income attributable to noncontrolling interest adjusted for noncontrolling interest's share of interest, taxes, income, and depreciation and amortization.

# 2018E Guidance Reconciliation

(\$ in millions)	FY 2018E	
	Low	High
<b>Net cash provided by operating activities</b>	<b>\$ 145</b>	<b>\$ 160</b>
<b>Add:</b>		
Cash interest paid	60	60
Cash income taxes paid	2	3
Changes in working capital and other	11	6
<b>Adjusted EBITDA</b>	<b>\$ 218</b>	<b>\$ 229</b>
<b>Subtract:</b>		
Adjusted EBITDA attributable to noncontrolling interest <sup>(1)</sup>	3	4
<b>Adjusted EBITDA attributable to SunCoke Energy Partners, L.P.</b>	<b>\$ 215</b>	<b>\$ 225</b>

(1) Reflects net income attributable to noncontrolling interest adjusted for noncontrolling interest's share of interest, taxes, income, and depreciation and amortization.

# 2018E Guidance Reconciliation

(\$ in millions)	FY 2018E	
	Low	High
<b>Net income (loss)</b>	\$ 68	\$ 83
<b>Add:</b>		
Depreciation and amortization expense	88	83
Interest expense, net	60	60
Income tax expense	2	3
<b>Subtract:</b>		
Ongoing capex (SXCP share)	25	25
Replacement capex accrual	8	8
Cash interest accrual	57	57
Cash tax accrual <sup>(1)</sup>	3	3
Adjusted EBITDA attributable to noncontrolling interest <sup>(2)</sup>	3	4
<b>Distributable Cash Flow</b>	\$ 122	\$ 132

- (1) Cash tax impact from operations of Gateway Cogeneration Company LLC, which is an entity subject to income taxes for federal and state purposes at the corporate level.
- (2) Reflects net income attributable to noncontrolling interest adjusted for noncontrolling interest's share of interest, taxes, income, and depreciation and amortization.

# 2018E Guidance Reconciliation

(\$ in millions)	FY 2018E	
	Low	High
<b>Net cash provided by operating activities</b>	<b>\$ 145</b>	<b>\$ 160</b>
<b>Add:</b>		
Cash interest paid	60	60
Cash income tax paid	2	3
Changes in working capital	11	6
<b>Subtract:</b>		
Ongoing capex (SXCP share)	25	25
Replacement capex accrual	8	8
Cash interest accrual	57	57
Cash tax accrual <sup>(1)</sup>	3	3
Adjusted EBITDA attributable to noncontrolling interest <sup>(2)</sup>	3	4
<b>Adjusted EBITDA</b>	<b>\$ 122</b>	<b>\$ 132</b>
<b>Estimated distributions<sup>(3)</sup></b>	<b>\$ 118</b>	<b>\$ 118</b>
<b>Operating cash flow coverage ratio<sup>(4)</sup></b>	<b>1.23x</b>	<b>1.36x</b>
<b>Distribution cash coverage ratio<sup>(5)</sup></b>	<b>1.03x</b>	<b>1.12x</b>

- (1) Cash tax impact from operations of Gateway Cogeneration Company LLC, which is an entity subject to income taxes for federal and state purposes at the corporate level.
- (2) Reflects net income attributable to noncontrolling interest adjusted for noncontrolling interest's share of interest, taxes, income, and depreciation and amortization.
- (3) Estimated distributions assumes distributions are held constant at \$0.5940 per unit each quarter.
- (4) Operating cash flow coverage ratio is net cash provided by operating activities divided by total estimated distributions to the limited and general partners. Operating cash flow is generally expected to be higher than Distributable Cash Flow as Distributable Cash Flow is further reduced by certain cash reserves including capital expenditures, an investing cash flow item. Additionally, Distributable Cash Flow represents only the Partnership's share of available cash by excluding Adjusted EBITDA attributable to noncontrolling interest, while operating cash flow is reported on a consolidated basis.
- (5) Distribution cash coverage ratio is distributable cash flow divided by total estimated distributions to the limited and general partners.

# Balance Sheet & Debt Metrics

	As of 12/31/2017		
(\$ in millions)	SXC Consolidated	Attributable to SXCP	Balance Attributable to SXC
Cash	\$ 120	\$ 7	\$ 113
Available Revolver Capacity	227	153	74
Total Liquidity	347	160	187
Gross Debt (Long and Short-term)	887	843	45
Net Debt (Gross Debt less Cash)	767	836	(68)
FY 2017 Adj. EBITDA	234.7	221.3	148.3
Gross Debt / FY 2017 Adj. EBITDA	3.78x	3.81x	0.30x
Net Debt / FY 2017 Adj. EBITDA	3.27x	3.78x	0.00x
FY 2018E Adj. EBITDA Guidance <sup>(1)</sup>	247.5	220.0	165.5
Gross Debt / FY 2018E Adj. EBITDA	3.58x	3.83x	0.27x
Net Debt / FY 2018E Adj. EBITDA	3.10x	3.80x	0.00x

(1) Represents mid-point of FY 2018 guidance for Adj. EBITDA (Consolidated), Adj. EBITDA attributable to SXCP, and Adj. EBITDA attributable to SXC.

(\$ in millions)	SXC & SXCP Debt Maturities Schedule (as of Q4 2017)					
Maturity Year	SXCP Revolver (2022)	SXCP Sr. Notes	SXCP Sale Leasback	SXC Revolver (2022)	SXC Sr. Notes <sup>(2)</sup>	Consolidated Total
2018	-	-	2.6	-	-	2.6
2019	-	-	2.8	-	44.6	47.4
2020	-	-	7.3	-	-	7.3
2021	-	-	-	-	-	-
2022	130.0	-	-	-	-	130.0
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-
2025	-	700.0	-	-	-	700.0
Total	\$ 130.0	\$ 700.0	\$ 12.7	\$ -	\$ 44.6	\$ 887.3

2) As previously disclosed, the 2019 notes were repaid in January 2018 with the proceeds of a new term load due in May 2022.

Note: Interest payments on new 2025 SXCP Sr. Notes made in June and December of each year, as compared to February and August with the previous 2020 SXCP Sr. Notes.