



SunCoke Energy®

SunCoke Energy, Inc. Q1 2020 Earnings Conference Call

Forward-Looking Statements

This slide presentation should be reviewed in conjunction with the First Quarter 2020 earnings release of SunCoke Energy, Inc. (SunCoke) and conference call held on May 8, 2020.

This conference call contains “forward-looking statements” (as defined in Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended). Such forward-looking statements include statements that are not strictly historical facts, and include, among other things, statements regarding: our expectations of financial results, condition and outlook; anticipated effects of the COVID-19 pandemic and responses thereto, including the pandemic’s impact on general economic and market conditions, as well as on our business, our customers, our results of operations and financial condition; anticipated actions to be taken by management to sustain SunCoke during the economic uncertainty caused by the pandemic and related business actions; and anticipated actions by governments to contain the spread of COVID-19 or mitigate the severity thereof.

Forward-looking statements often may be identified by the use of such words as “believe,” “expect,” “plan,” “project,” “intend,” “anticipate,” “estimate,” “predict,” “potential,” “continue,” “may,” “will,” “should,” or the negative of these terms, or similar expressions. Forward-looking statements are inherently uncertain and involve significant known and unknown risks and uncertainties (many of which are beyond the control of SunCoke) that could cause actual results to differ materially. Such risks and uncertainties include, but are not limited to domestic and international economic, political, business, operational, competitive, regulatory and/or market factors affecting SunCoke, as well as uncertainties related to: pending or future litigation, legislation or regulatory actions; liability for remedial actions or assessments under existing or future environmental regulations; gains and losses related to acquisition, disposition or impairment of assets; recapitalizations; access to, and costs of, capital; the effects of changes in accounting rules applicable to SunCoke; and changes in tax, environmental and other laws and regulations applicable to SunCoke's businesses.

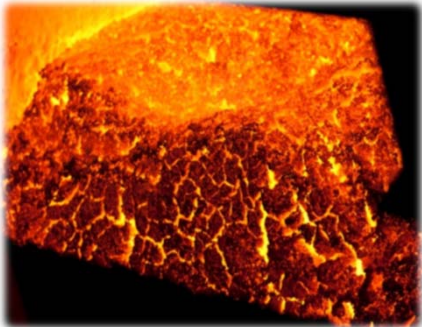
Currently, such risks and uncertainties also include: SunCoke’s ability to manage its business during and after the COVID-19 pandemic; the impact of the COVID-19 pandemic on SunCoke’s results of operations, revenues, earnings and cash flows; SunCoke’s ability to reduce costs and capital spending in response to the COVID-19 pandemic; SunCoke’s balance sheet and liquidity throughout and following the COVID-19 pandemic; SunCoke’s prospects for financial performance and achievement of strategic objectives following the COVID-19 pandemic; capital allocation strategy following the COVID-19-related outbreak; and the general impact on our industry and on the U.S. and global economy resulting from COVID-19, including actions by domestic and foreign governments and others to contain the spread, or mitigate the severity, thereof.

Forward-looking statements are not guarantees of future performance, but are based upon the current knowledge, beliefs and expectations of SunCoke management, and upon assumptions by SunCoke concerning future conditions, any or all of which ultimately may prove to be inaccurate. The reader should not place undue reliance on these forward-looking statements, which speak only as of the date of the earnings release. SunCoke does not intend, and expressly disclaims any obligation, to update or alter its forward-looking statements (or associated cautionary language), whether as a result of new information, future events or otherwise after the date of this press release except as required by applicable law.

In accordance with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, SunCoke has included in its filings with the Securities and Exchange Commission cautionary language identifying important factors (but not necessarily all the important factors) that could cause actual results to differ materially from those expressed in any forward-looking statement made by SunCoke. For information concerning these factors, see SunCoke's Securities and Exchange Commission filings such as its annual and quarterly reports and current reports on Form 8-K, copies of which are available free of charge on SunCoke's website at www.suncoke.com. All forward-looking statements included in this press release are expressly qualified in their entirety by such cautionary statements. Unpredictable or unknown factors not discussed in this release also could have material adverse effects on forward- looking statements.

COVID-19 Response and Q1 2020 Highlights

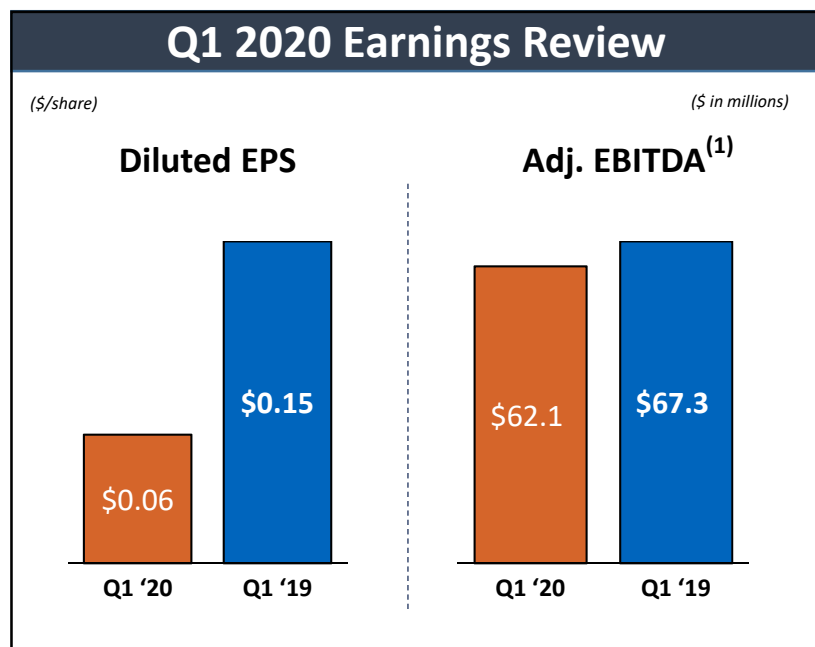
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- ✓ **SunCoke deemed essential business in every state where it operates and all facilities remain open**
- ✓ **Took proactive and enhanced measures to protect the health and safety of our employees and contractors:**
 - Screening process while entering at each site
 - Revised work schedule and cleaning procedures
 - Only essential employees allowed in work place
 - COVID-19 Internal task force
- ✓ **Minimal COVID-19 impact on Q1 2020 results; Delivered Q1 '20 Adjusted EBITDA of \$62.1M**
- ✓ **Continued solid operating performance across the coke fleet; ~63Kt increase in production compared to prior year period, driven by Indiana Harbor rebuilt ovens**
- ✓ **Foresight Energy filed for Chapter 11 bankruptcy during the quarter; Currently shipping coal for Javelin in 2020 and negotiating a longer term contract at CMT**
- ✓ **Withdrawing 2020 guidance as we explore contract restructuring alternatives with our customers to address short-term market challenges**

Q1 2020 Financial Performance

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Q1 '20 EPS of \$0.06 per share, down \$0.09 per share from the prior year quarter

- Mainly driven by Logistics segment performance

Adjusted EBITDA⁽¹⁾ of \$62.1M, down \$5.2M from the prior year quarter

- Coke operations up \$4.5M, continued strong performance across the coke segment
- Logistics segment down \$9.4M driven by lower CMT throughput volumes

(\$ in millions, except volumes)	Q1 '20	Q1 '19	Q1 '20 vs. Q1 '19
Domestic Coke Sales Volumes	1,064	1,004	60
Logistics Volumes	4,214	5,784	(1,570)
Coke Adj. EBITDA ⁽²⁾	\$67.5	\$63.0	\$4.5
Logistics Adj. EBITDA	\$3.3	\$12.7	(\$9.4)
Corporate and Other Adj. EBITDA	(\$8.7)	(\$8.4)	(\$0.3)
Consolidated Adjusted EBITDA⁽¹⁾	\$62.1	\$67.3	(\$5.2)

(1) See appendix for a definition and reconciliation of Adjusted EBITDA

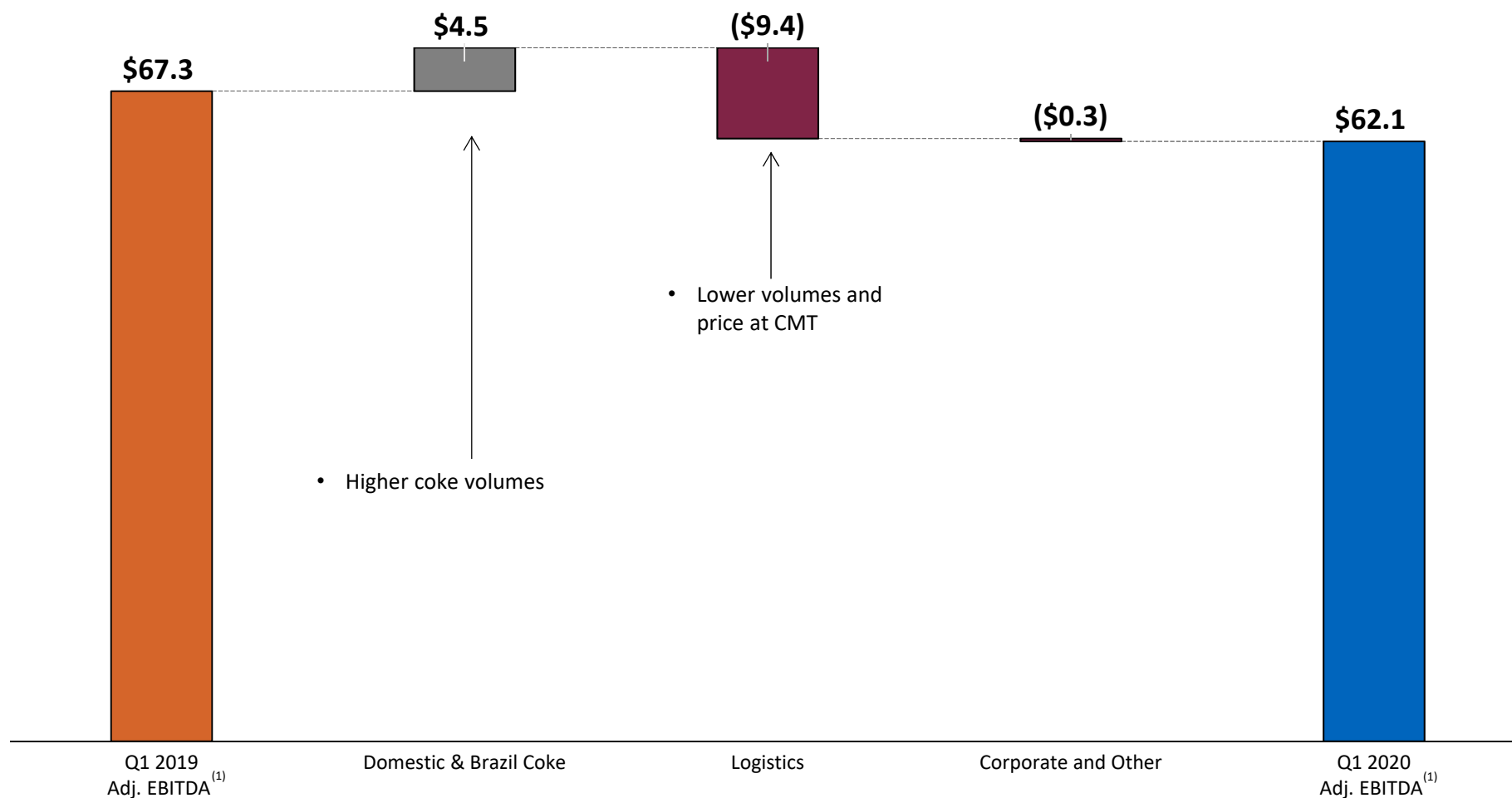
(2) Coke Adjusted EBITDA includes Domestic Coke and Brazil Coke.

Adjusted EBITDA⁽¹⁾ – Q1 '19 to Q1 '20

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Q1 '20 performance driven by lower contribution from CMT partially offset by strong performance in Domestic Coke segment

(\$ in millions)



(1) See appendix for a definition and reconciliation of Adjusted EBITDA

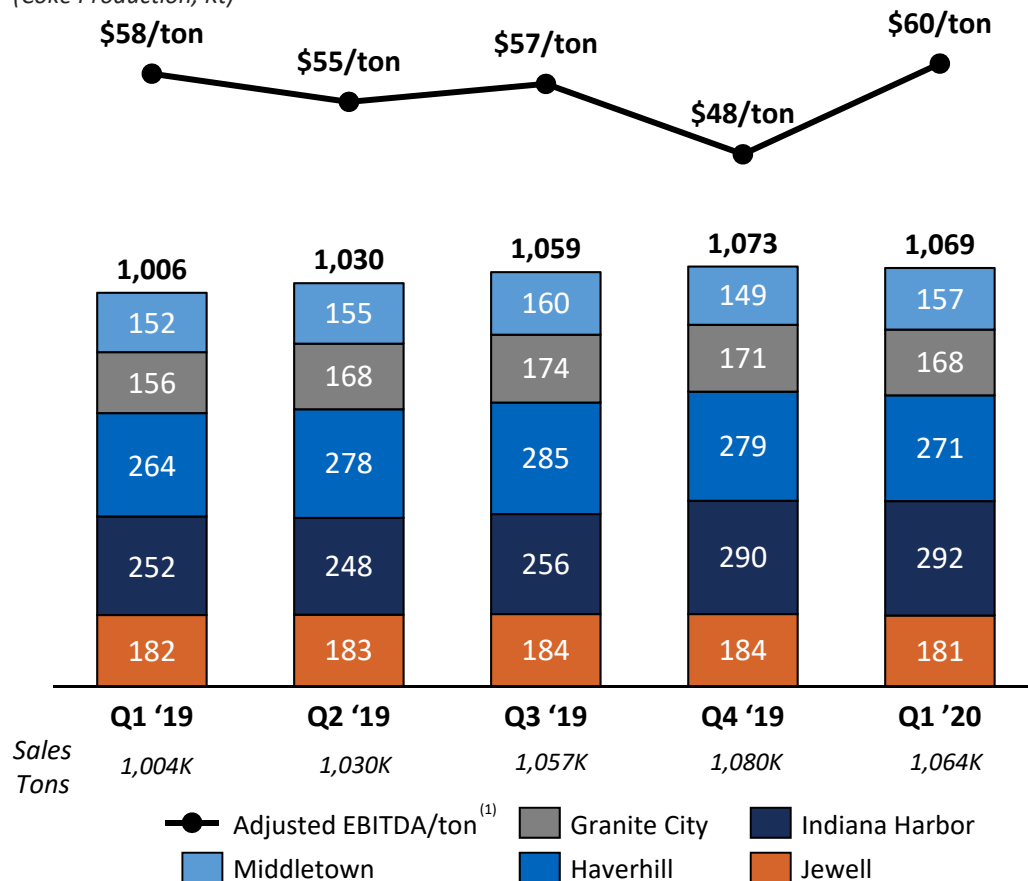
Domestic Coke Business Summary

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Strong Q1 '20 cokemaking performance driven by higher production at IHO

Domestic Coke Performance

(Coke Production, Kt)



Delivered Adj. EBITDA/ton⁽¹⁾ of ~\$60 vs. ~\$58 in Q1 '19

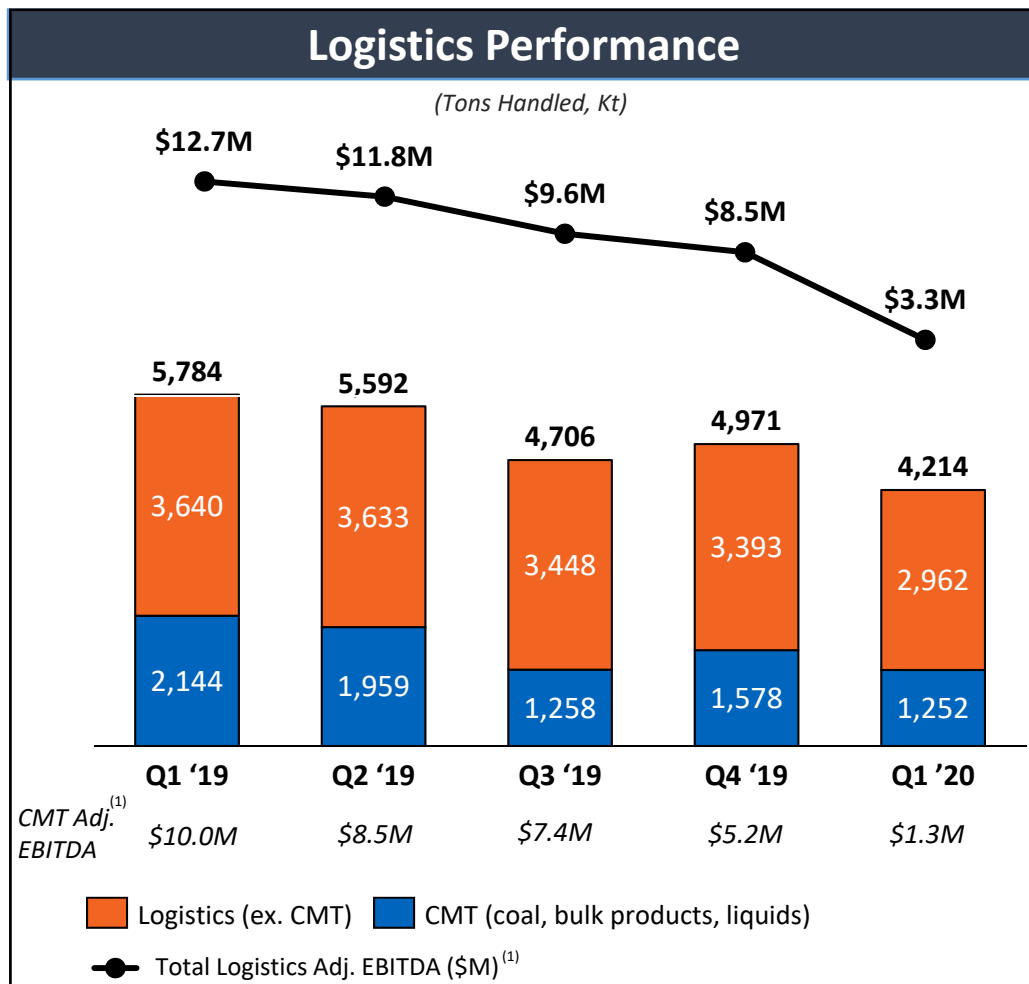
- Increased production across the fleet
- Lower coal-to-coke yield gains due to lower coal price offset by lower O&M costs

(1) See appendix for a definition and reconciliation of Adjusted EBITDA and Adjusted EBITDA per ton

Logistics Business Summary

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Lower throughput volumes and price at CMT driving Logistics results



- Logistics segment contributed \$3.3M to Q1 '20 Adj. EBITDA
- CMT contributed \$1.3M to Q1 '20 Adj. EBITDA driven by lower volumes and lower price

(1) See appendix for a definition and reconciliation of Adjusted EBITDA.

Q1 2020 Liquidity

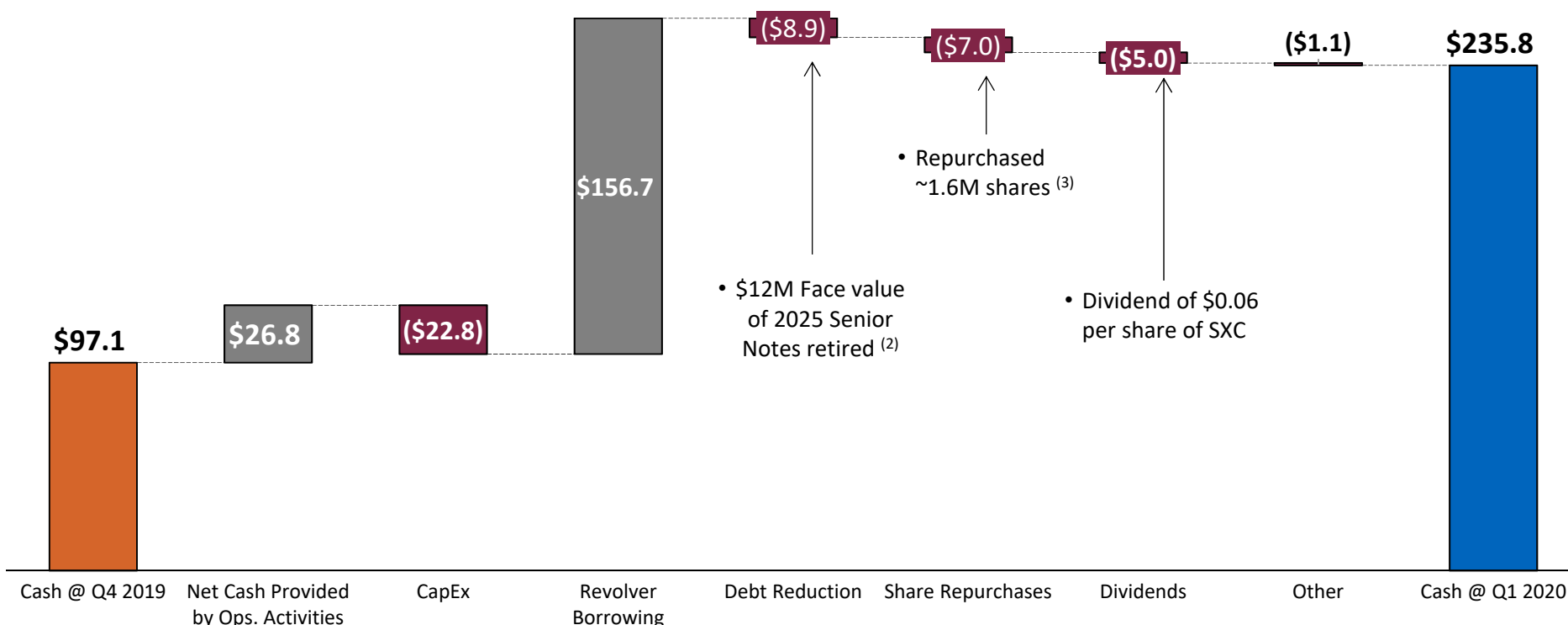
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Maintain strong liquidity position of ~\$324M; Revolver drawdown to increase cash position and preserve financial flexibility

(Consolidated)	Q1 '20
Total Debt	\$944.5M
Gross Leverage ⁽¹⁾	3.89x
Net Leverage ⁽¹⁾	2.92x

Revolver
Availability:
\$88.2M

(\$ in millions)



(1) Gross leverage and Net leverage for Q1 2020 calculated using Last Twelve Month(LTM) Adjusted EBITDA

(2) Average bond repurchase price of \$0.743 per \$1.00 face value

(3) Average share repurchase price of \$4.29 per share

2020 Revised Key Initiatives

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Successfully Navigate through the Pandemic Crisis

- Protect the safety and well-being of employees and contractors during this health crisis

Deliver Operational Excellence and Optimize Asset Base

- Continue to deliver strong operational performance and asset optimization while following safety guidelines

Support Customer Base and Successful Relief Negotiation

- Business model based on long-term partnership with customers; Support our customers to help them navigate through current crisis while providing long-term stability

Maintain Asset Integrity for Long-Term Viability

- Ensure that assets are safeguarded during the current crisis to minimize any potential negative financial impact in the long-term

APPENDIX

Definitions

Adjusted EBITDA represents earnings before interest, loss (gain) on extinguishment of debt, taxes, depreciation and amortization (“EBITDA”), adjusted for impairments, loss on extinguishment of debt, changes to our contingent consideration liability related to our acquisition of CMT, and/or transaction costs incurred as part of the Simplification Transaction. 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 in assessing operating performance. 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. EBITDA and Adjusted EBITDA are not measures calculated in accordance with GAAP, and they should not be considered a substitute for net income 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 represents Adjusted EBITDA less Adjusted EBITDA attributable to noncontrolling interests.

Adjusted EBITDA/Ton represents Adjusted EBITDA divided by tons sold/handled.

Reconciliation to Adjusted EBITDA and Adjusted EBITDA attributable to SXC

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(\$ in millions)	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19	Q1 '20
Net income (loss) attributable to SunCoke Energy, Inc.	\$ 9.8	\$ 2.3	\$(163.0)	\$ (1.4)	\$(152.3)	\$ 4.9
Net income (loss) attributable to noncontrolling interests	2.4	1.0	(0.1)	0.6	3.9	1.0
Net Income (loss)	\$ 12.2	\$ 3.3	\$(163.1)	\$ (0.8)	\$(148.4)	\$ 5.9
Depreciation and amortization expense	37.2	37.0	35.6	34.0	143.8	34.1
Gain on extinguishment of debt, net	-	-	(1.5)	-	(1.5)	(2.9)
Interest expense, net	14.8	15.1	15.7	14.7	60.3	14.6
Income tax expense (benefit)	3.0	3.2	(63.5)	2.6	(54.7)	10.4
Contingent consideration adjustments ⁽¹⁾	(0.4)	0.1	(3.9)	-	(4.2)	-
Simplification Transaction costs ⁽²⁾	0.5	4.4	-	0.3	5.2	-
Long-lived asset and goodwill impairment	-	-	247.4	-	247.4	-
Adjusted EBITDA	\$ 67.3	\$ 63.1	\$ 66.7	\$ 50.8	\$ 247.9	\$ 62.1
Adjusted EBITDA attributable to noncontrolling interest ⁽³⁾	(18.9)	(18.6)	(1.6)	(1.6)	(40.7)	(2.0)
Adjusted EBITDA attributable to SXC	\$ 48.4	\$ 44.5	\$ 65.1	\$ 49.2	\$ 207.2	\$ 60.1

(1) In connection with the CMT acquisition, the Company entered into a contingent consideration arrangement that required the Company to make future payments to the seller based on future volume over a specified threshold, price and contract renewals. Contingent consideration adjustments were primarily the result of modifications to the volume forecast.

Customer events during the third quarter of 2019 drove a decrease in our forecast such that the contingent consideration liability was reduced to zero.

(2) Costs expensed by the Partnership associated with the Simplification Transaction.

(3) Reflects non-controlling interests in Indiana Harbor and the portion of the Partnership owned by public unitholders prior to the closing of the Simplification Transaction

Adjusted EBITDA and Adjusted EBITDA per ton

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Reconciliation of Segment Adjusted EBITDA and Adjusted EBITDA per Ton					
(\$ in millions, except per ton data)	Domestic Coke	Brazil Coke	Logistics	Corporate and Other ⁽¹⁾	Consolidated
Q1 2020					
Adjusted EBITDA	\$63.4	\$4.1	\$3.3	(\$8.7)	\$62.1
Sales Volume (thousands of tons)	1,064	410	4,214		
Adjusted EBITDA per Ton	\$59.59	\$10.01	\$0.78		
FY 2019					
Adjusted EBITDA	\$226.7	\$16.0	\$42.6	(\$37.4)	\$247.9
Sales Volume (thousands of tons)	4,171	1,641	21,053		
Adjusted EBITDA per Ton	\$54.35	\$9.75	\$2.02		
Q4 2019					
Adjusted EBITDA	\$52.1	\$3.3	\$8.5	(\$13.1)	\$50.8
Sales Volume (thousands of tons)	1,080	371	4,971		
Adjusted EBITDA per Ton	\$48.24	\$8.89	\$1.71		
Q3 2019					
Adjusted EBITDA	\$59.8	\$3.9	\$9.6	(\$6.6)	\$66.7
Sales Volume (thousands of tons)	1,057	427	4,706		
Adjusted EBITDA per Ton	\$56.58	\$9.13	\$2.04		
Q2 2019					
Adjusted EBITDA	\$56.3	\$4.3	\$11.8	(\$9.3)	\$63.1
Sales Volume (thousands of tons)	1,030	424	5,592		
Adjusted EBITDA per Ton	\$54.66	\$10.14	\$2.11		
Q1 2019					
Adjusted EBITDA	\$58.5	\$4.5	\$12.7	(\$8.4)	\$67.3
Sales Volume (thousands of tons)	1,004	419	5,784		
Adjusted EBITDA per Ton	\$58.27	\$10.74	\$2.20		

(1) Corporate and Other includes the results of our legacy coal mining business.

Balance Sheet & Debt Metrics

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	As of 3/31/2020	As of 12/31/2019
Cash	\$ 236	\$ 97
Available Revolver Capacity	88	245
Total Liquidity	\$ 324	\$ 342
Gross Debt (Long and Short-term)	\$ 945	\$ 801
Net Debt (Total Debt less Cash)	\$ 709	\$ 704
LTM Adj. EBITDA	\$ 243	\$ 248
Gross Debt / LTM Adj. EBITDA	3.89x	3.23x
Net Debt / LTM Adj. EBITDA	2.92x	2.84x

As of 3/31/2020							Consolidated Total
(\$ in millions)	2020	2021	2022	2023	2024	2025	
Sr. Notes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 638.0	\$ 638.0
Sale Leaseback	2.2	4.3	-	-	-	-	6.5
Revolver	-	-	-	-	300.0	-	300.0
Total	\$ 2.2	\$ 4.3	\$ -	\$ -	\$ 300.0	\$ 638.0	\$ 944.5

