



SunCoke Energy®

SunCoke Energy, Inc. Q1 2022 Earnings Conference Call

Forward-Looking Statements

This slide presentation should be reviewed in conjunction with the First Quarter 2022 earnings release of SunCoke Energy, Inc. (SunCoke) and conference call held on May 2, 2022 at 11:30 a.m. ET.

This presentation 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.

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.

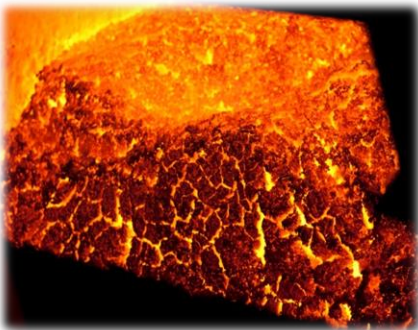
Currently, such risks and uncertainties also include the impacts on our industry and on the U.S. and global economy resulting from COVID-19, including actions by domestic and foreign governments and others to contain the spread, or mitigate the severity, thereof.

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 the earnings 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 and other important information regarding the matters discussed in this presentation, 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 presentation are expressly qualified in their entirety by such cautionary statements. Unpredictable or unknown factors not discussed in this presentation also could have material adverse effects on forward-looking statements.

Q1 2022 Highlights

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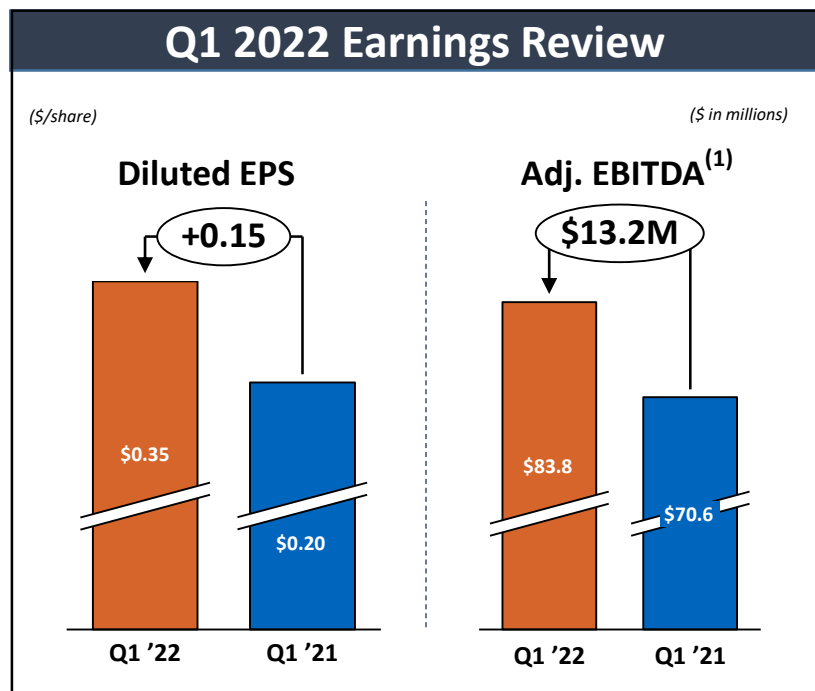


- ✓ **Strong start to the year across our coke and logistics operations**
- ✓ **Delivered Q1 '22 Adjusted EBITDA of \$83.8M, representing best ever quarterly results**
- ✓ **Export and foundry coke initiatives continue to excel**
- ✓ **Extended coal handling contract at CMT through 2024; 4.0M tons annual take-or-pay volume commitment with higher base rate and upside potential with price adjustment based on API2 index pricing**
- ✓ **Gross leverage at 2.2x on a trailing twelve month Adj. EBITDA basis**
- ✓ **Well positioned to modestly exceed FY 2022 Adjusted EBITDA guidance range of \$240M - \$255M**

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

Q1 2022 Financial Performance

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Q1 '22 EPS of \$0.35, up \$0.15 from the prior year quarter

Adjusted EBITDA⁽¹⁾ of \$83.8M, up \$13.2M from the prior year quarter

- Coke operations up \$12.2M, driven by higher margins on export sales
- Logistics segment up \$1.7M driven by API2 price adjustment benefit

<i>(\$ in millions, except volumes)</i>	Q1 '22	Q1 '21	Q1 '22 vs. Q1 '21
Domestic Coke Sales Volumes	962	1,038	(76)
Logistics Volumes	5,236	5,300	(64)
Coke Adj. EBITDA ⁽¹⁾	\$80.2	\$68.0	\$12.2
Logistics Adj. EBITDA	\$12.6	\$10.9	\$1.7
Corporate and Other Adj. EBITDA ⁽²⁾	(\$9.0)	(\$8.3)	(\$0.7)
Consolidated Adjusted EBITDA⁽³⁾	\$83.8	\$70.6	\$13.2

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

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

(3) Q1 '22 Corporate and Other Adj. EBITDA includes activity from our legacy coal mining business

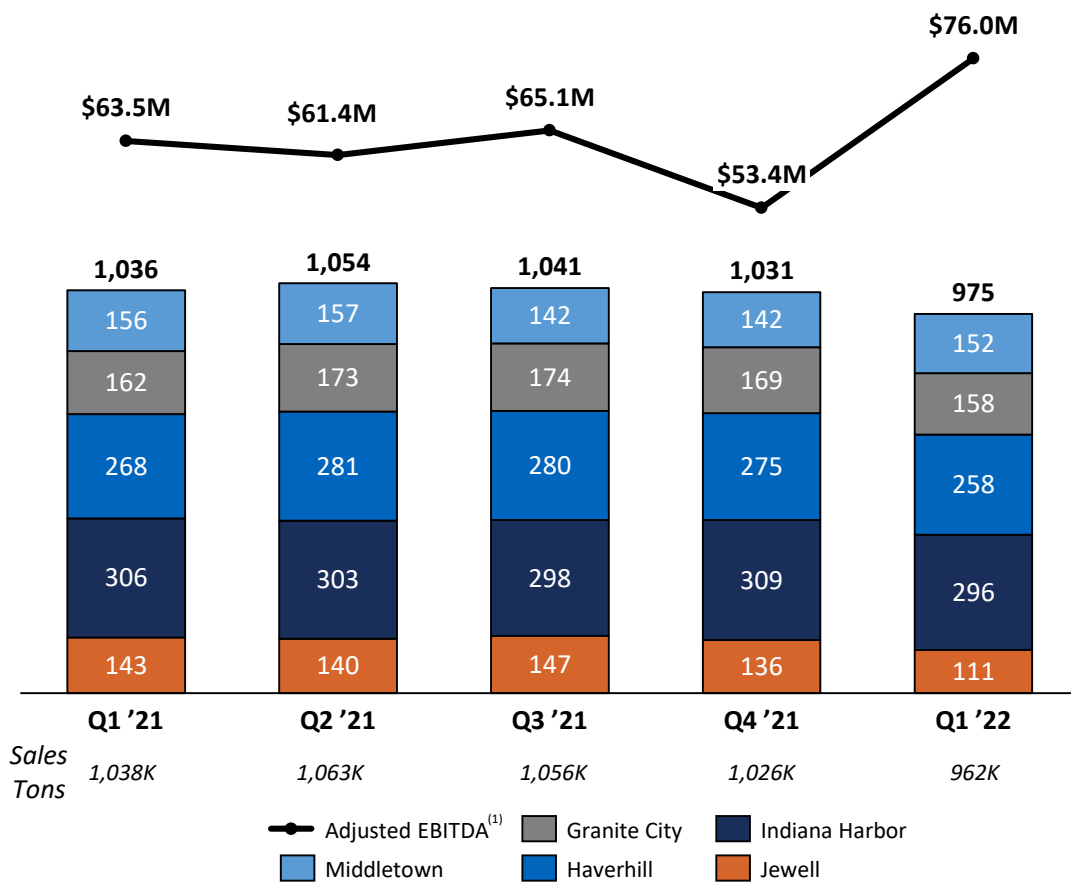
Domestic Coke Business Summary

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Coke business driven by higher margins on export sales including one time benefit of lower cost carry over coal from 2021

Domestic Coke Performance

(Coke Production, Kt)



Delivered Adj. EBITDA of \$76.0M in Q1 '22 vs \$63.5M in Q1 '21

- Higher Adj. EBITDA driven by higher margins on export sales
- Lower production and sales across the fleet driven by unusually wet winter weather
- Expect FY 2022 Domestic Coke EBITDA to modestly exceed the guidance range of \$229M - \$235M

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

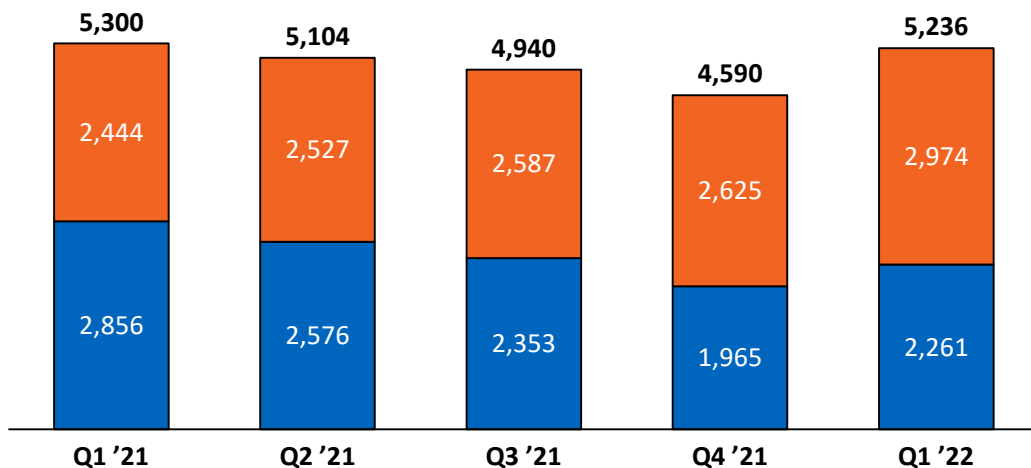
Logistics Business Summary

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Q1 '22 CMT volumes lower than Q1 '21 driven by coal supply and rail delivery issues; Domestic terminals experiencing increased demand and new customers

Logistics Performance and Guidance

(Tons Handled, Kt)



Logistics (ex. CMT) CMT (coal, bulk products, liquids) Total Logistics Adj. EBITDA (\$M) ⁽¹⁾

Logistics segment contributed \$12.6M to Q1 '22 Adj. EBITDA

- Domestic terminals volume higher versus Q1 '21 driven by increased demand and new customers
- CMT coal handling benefitted from API2 price adjustment
- CMT volumes lower than Q1 '21 driven by continued coal supply and rail delivery issues
- Extended take-or-pay coal handling agreement through 2024
 - ✓ 4.0M annual take-or-pay volume
 - ✓ Higher base rate than current contract
 - ✓ Price adjustment tied to API2 index provides upside potential
- Volume guidance remains unchanged

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

Q1 2022 Liquidity

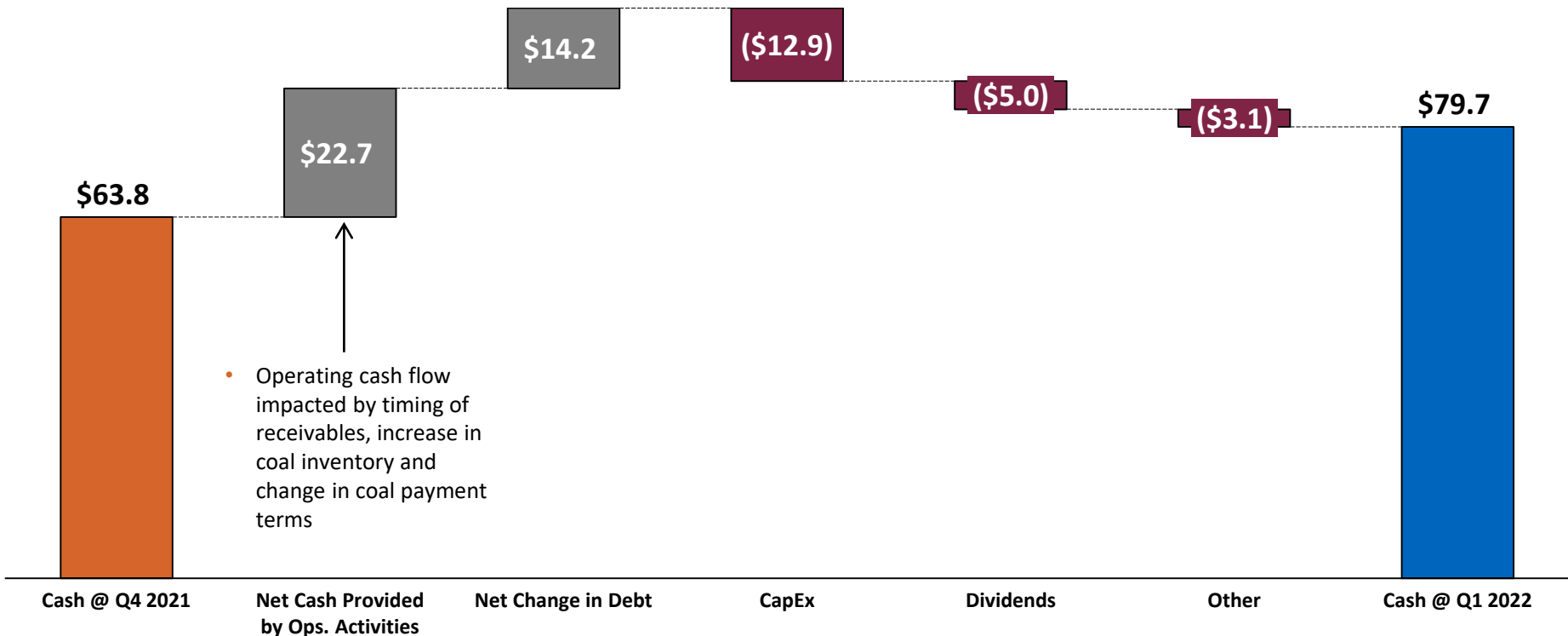
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Maintained strong liquidity position of ~\$300M; Continued objective to strengthen the balance sheet

(Consolidated)	Q1 '22
Total Debt	\$641M
Gross Leverage ⁽¹⁾	2.22x
Net Leverage ⁽¹⁾	1.94x

Revolver
Availability:
\$220.0M

(\$ in millions)



(1) Gross leverage and Net leverage for Q1 2022 calculated using Last Twelve Month(LTM) Adjusted EBITDA

2022 Key Initiatives

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Deliver Safety/Operational Excellence and Combat Inflationary Pressures

- Continue to deliver strong safety and operational excellence
- Continued focus on developing projects to minimize inflationary impacts

Pursue New Customers for Logistics Business

- Continue work on further diversifying CMT with new product and customer mix

Build on the Commercial Success of Foundry/Export Business

- Further strengthen customer relationships and grow market share for long term success
- Support full capacity utilization of cokemaking assets

Pursue Balanced Capital Allocation

- Continue to execute against our well-established capital allocation priorities of deleveraging, exploring growth opportunities and returning capital to shareholders

Achieve 2022 Financial Objectives

- \$240M - \$255M Adjusted EBITDA



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, restructuring costs, 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 non-controlling interests.

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

Free Cash Flow (FCF) represents operating cash flow adjusted for capital expenditures. Management believes FCF is an important measure of liquidity. FCF is not a measure calculated in accordance with GAAP, and it should not be considered a substitute for operating cash flow or any other measure of financial performance presented in accordance with GAAP.

2022 Guidance Summary

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Well positioned to modestly exceed Adjusted EBITDA guidance driven by higher margins on export coke sales and coal handling at CMT

Metric	2022 Guidance
Adjusted EBITDA Consolidated ⁽¹⁾	\$240M - \$255M
Domestic Coke EBITDA	\$229M - \$235M
Logistics EBITDA	\$34M - \$40M
Domestic Coke Sales ⁽²⁾	~4.1M tons
Dom. Coke Adj. EBITDA/ton ⁽³⁾	\$56 - \$57/ton
Total Capital Expenditures	~\$80M ⁽⁴⁾
Free Cash Flow ⁽⁵⁾	\$110M - \$125M
Cash Taxes	\$8M - \$12M

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

(2) Domestic coke sales for 2022 estimate includes production for foundry and export sales

(3) Domestic Coke Adj. EBITDA/ton calculated as Domestic Coke EBITDA/Domestic Coke Sales

(4) Capital expenditure guidance excludes the impact of capitalized interest

(5) See appendix for a definition and reconciliation of Free Cash Flow (FCF)

Adjusted EBITDA to FCF Walk		
	2022E	
	Low End	High End
(\$ in millions except per share amounts)		
Adjusted EBITDA ⁽¹⁾	\$240	\$255
Cash interest	(\$28)	(\$26)
Cash taxes	(\$8)	(\$12)
Total capex	(\$80)	(\$80)
Working Capital changes	(\$14)	(\$12)
Free Cash Flow (FCF) ⁽²⁾	\$110	\$125
SXC Shares Outstanding on 3/31/22	83.4	83.4
FCF/Share	\$1.32	\$1.50

1) See appendix for definition and reconciliation of Adjusted EBITDA

2) See appendix for definition and reconciliation of Free Cash Flow (FCF)

Coke Facility Capacity and Contract Duration/Volume

Facility	Capacity ⁽¹⁾	Customer	Contract Expiry	Contract Volume
Middletown	550 Kt ⁽²⁾	Cliffs Steel	Dec. 2032	Capacity
Haverhill II	550 Kt	Cliffs Steel	June 2025	Capacity
Granite City	650 Kt	US Steel	Dec. 2024	Capacity
Indiana Harbor	1,220 Kt	Cliffs Steel	Oct. 2023	Capacity
Haverhill I/JWO	1,270Kt	Cliffs Steel	Dec. 2025	400 Kt
		Algoma Steel	Dec. 2026	150 Kt

(1) Capacity represents blast furnace equivalent production capacity

(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.

Balance Sheet & Debt Metrics

	As of 3/31/2022	As of 12/31/2021
Cash	\$ 80	\$ 64
Available Revolver Capacity	\$ 220	\$ 229
Total Liquidity	\$ 300	\$ 293
Gross Debt (Long and Short-term)	\$ 641	\$ 627
Net Debt (Total Debt less Cash)	\$ 561	\$ 563
LTM Adj. EBITDA	\$ 289	\$ 275
Gross Debt / LTM Adj. EBITDA	2.22x	2.28x
Net Debt / LTM Adj. EBITDA	1.94x	2.05x
Adj. EBITDA (Guidance)	\$240M - \$255M	
Gross Leverage (Guidance)	2.51x - 2.67x	
Net Leverage (Guidance)	2.20x - 2.34x	

As of 3/31/2022 (\$ in millions)	2022	2023	2024	2025	2026	2027	2028	2029	Consolidated Total
Sr. Notes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500.0	\$ 500.0
Sale Leaseback	2.4	3.3	5.5	-	-	-	-	-	11.2
Revolver	-	-	-	-	130.0	-	-	-	130.0
Total	\$ 2.4	\$ 3.3	\$ 5.5	\$ -	\$ 130.0	\$ -	\$ -	\$ 500.0	\$ 641.2

2022 Guidance Reconciliation

(\$ in millions)	Low	High
Net Income	\$50	\$65
Depreciation and amortization expense	141	137
Interest expense, net	31	29
Income tax expense	18	24
Adjusted EBITDA (Consolidated)	\$240	\$255
Adjusted EBITDA attributable to noncontrolling interest ⁽¹⁾	(9)	(9)
Adjusted EBITDA attributable to SXC	\$231	\$246

(1) Reflects non-controlling interest in Indiana Harbor

Free Cash Flow Reconciliation

(\$ in millions)	2022E	
	Low	High
Operating Cash Flow	\$190	\$205
Capital Expenditures	(80)	(80)
Free Cash Flow (FCF)	\$110	\$125

SXC FCF/Share Reconciliation

(\$ in millions except per share amounts)	2022E	
	Low End	High End
Net Income	\$50	\$65
Depreciation and amortization expense	141	137
Interest expense, net	31	29
Income tax expense	18	24
Adjusted EBITDA	\$240	\$255
Cash interest	(28)	(26)
Cash taxes	(8)	(12)
Total capex	(80)	(80)
Working capital changes	(14)	(12)
Free Cash Flow (FCF)	\$110	\$125
SXC Shares Outstanding on 3/31/2022	83.4	83.4
FCF/Share	\$1.32	\$1.50

Reconciliation to Adjusted EBITDA and Adjusted EBITDA attributable to SXC

<i>(\$ in millions)</i>	Q1 '21	Q2 '21	Q3 '21	Q4 '21	FY '21	Q1 '22
Net income (loss) attributable to SunCoke Energy, Inc.	\$ 16.5	\$ (8.8)	\$ 23.0	\$ 12.7	\$ 43.4	\$ 29.5
Net income attributable to noncontrolling interests	1.7	1.3	1.1	1.3	5.4	1.1
Net Income (loss)	\$ 18.2	\$ (7.5)	\$ 24.1	\$ 14.0	\$ 48.8	\$ 30.6
Depreciation and amortization expense	32.4	34.1	32.5	34.9	133.9	35.2
(Gain) Loss on extinguishment of debt, net	-	31.9	-	-	31.9	-
Interest expense, net	12.7	14.2	7.9	7.7	42.5	8.0
Income tax expense (benefit)	7.3	(4.7)	9.4	6.3	18.3	10.0
Adjusted EBITDA	\$ 70.6	\$ 68.0	\$ 73.9	\$ 62.9	\$ 275.4	\$ 83.8
Adjusted EBITDA attributable to noncontrolling interest ⁽¹⁾	(2.6)	(2.3)	(2.1)	(2.3)	(9.3)	(2.1)
Adjusted EBITDA attributable to SXC	\$ 68.0	\$ 65.7	\$ 71.8	\$ 60.6	\$ 266.1	\$ 81.7

(1) 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

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 2022					
Adjusted EBITDA	\$76.0	\$4.2	\$12.6	(\$9.0)	\$83.8
Sales Volume (thousands of tons)	962	419	5,236		
Adjusted EBITDA per Ton	\$79.00	\$10.12	\$2.41		
FY 2021					
Adjusted EBITDA	\$243.4	\$17.2	\$43.5	(\$28.7)	\$275.4
Sales Volume (thousands of tons)	4,183	1,685	19,933		
Adjusted EBITDA per Ton	\$58.19	\$10.21	\$2.18		
Q4 2021					
Adjusted EBITDA	\$53.4	\$4.2	\$9.6	(\$4.3)	\$62.9
Sales Volume (thousands of tons)	1,026	417	4,589		
Adjusted EBITDA per Ton	\$52.05	\$10.07	\$2.09		
Q3 2021					
Adjusted EBITDA	\$65.1	\$4.5	\$11.6	(\$7.3)	\$73.9
Sales Volume (thousands of tons)	1,056	426	4,940		
Adjusted EBITDA per Ton	\$61.65	\$10.56	\$2.35		
Q2 2021					
Adjusted EBITDA	\$61.4	\$4.0	\$11.4	(\$8.8)	\$68.0
Sales Volume (thousands of tons)	1,063	425	5,104		
Adjusted EBITDA per Ton	\$57.76	\$9.41	\$2.23		
Q1 2021					
Adjusted EBITDA	\$63.5	\$4.5	\$10.9	(\$8.3)	\$70.6
Sales Volume (thousands of tons)	1,038	417	5,300		
Adjusted EBITDA per Ton	\$61.18	\$10.79	\$2.06		

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



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