



SunCoke Energy®

SunCoke Energy, Inc. Q2 2022 Earnings Conference Call

Forward-Looking Statements

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

This presentation 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). 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. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. Forward-looking statements are not historical facts, but instead represent only our beliefs regarding future events, many of which are inherently uncertain and involve significant known and unknown risks and uncertainties (many of which are beyond the control of SunCoke) that could cause our actual results and financial condition to differ materially from the anticipated results and financial condition indicated in such forward-looking statements. These risks and uncertainties include, but are not limited to, the risks and uncertainties described in Item 1A (“Risk Factors”) of our Annual Report on Form 10-K for the most recently completed fiscal year, as well as those described from time to time in our other reports and filings with the Securities and Exchange Commission.

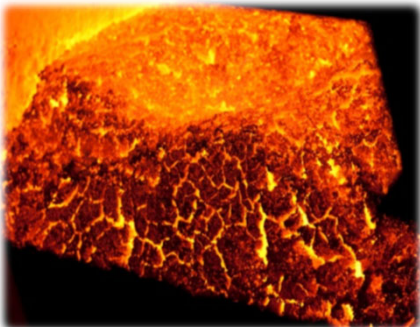
In accordance with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, SunCoke has included in its filings with the Securities and Exchange Commission cautionary language identifying important factors (but not necessarily all the important factors) that could cause actual 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, 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.

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In addition, throughout this presentation, we will use non-GAAP financial measures. Non-GAAP financial measures should not be considered as alternatives to the measures derived in accordance with U.S. GAAP. Non-GAAP financial measures have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for results as reported under U.S. GAAP. Reconciliations to the most comparable GAAP financial measures can be found in the Appendix to this presentation.

Q2 2022 Highlights

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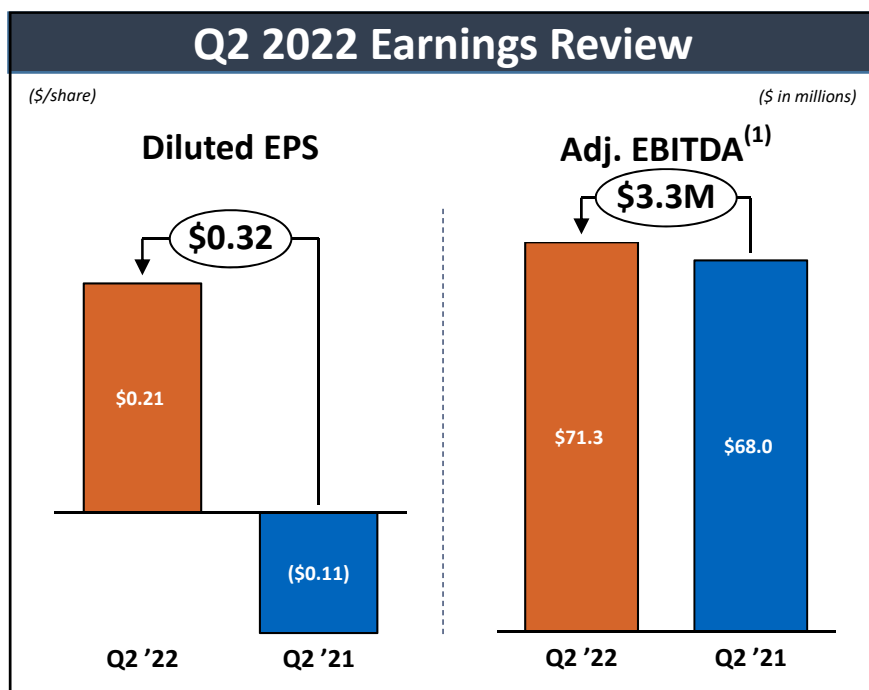


- ✓ **Delivered Q2 '22 Adjusted EBITDA of \$71.3M**
- ✓ **Continued strong performance across our coke and logistics operations**
- ✓ **Export and foundry coke initiatives continue to perform well**
- ✓ **Entered into a non-binding letter of intent with US Steel to manufacture granulated pig iron (GPI)**
 - SunCoke to acquire Granite City Works blast furnaces
 - SunCoke to construct, own and operate 2.0M tons GPI facility
 - 10 year initial term
- ✓ **Meaningful increase in quarterly dividend demonstrates continued progress and stability in the underlying core businesses**
- ✓ **Increasing FY 2022 Adjusted EBITDA guidance range to \$270M - \$285M from original guidance of \$240M - \$255M**

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

Q2 2022 Financial Performance

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- **Q2 '22 EPS of \$0.21, up \$0.32 from the prior year quarter**
 - Prior year quarter EPS included a (\$0.27) impact of debt extinguishment charges related to debt refinancing
- **Adjusted EBITDA⁽¹⁾ of \$71.3M, an increase of \$3.3M from the prior year quarter**
 - Coke operations up \$2.8M, driven by higher margins on export tons
 - Logistics segment up \$1.1M driven by API2 coal price adjustment benefit at CMT

(\$ in millions, except volumes)	Q2 '22	Q2 '21	Q2 '22 vs Q2 '21
Domestic Coke Sales Volumes	1,007	1,063	(56)
Logistics Volumes	5,809	5,104	706
Coke Adj. EBITDA ⁽²⁾	\$68.2	\$65.4	\$2.8
Logistics Adj. EBITDA	\$12.5	\$11.4	\$1.1
Corporate and Other Adj. EBITDA ⁽³⁾	(\$9.4)	(\$8.8)	(\$0.6)
Consolidated Adjusted EBITDA⁽¹⁾	\$71.3	\$68.0	\$3.3

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

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

(3) Q2 '22 Corporate and Other Adj. EBITDA includes activity from our legacy coal mining business

Q2 2022 Liquidity

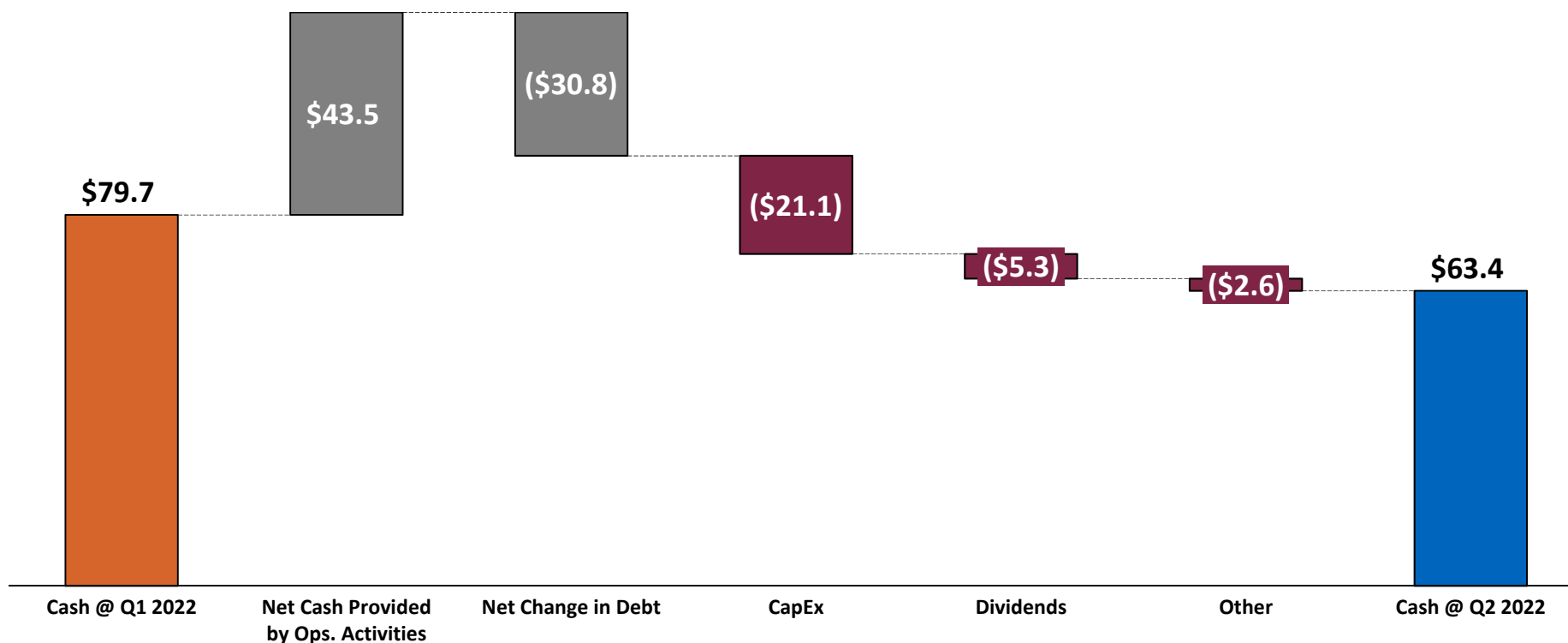
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Maintained strong liquidity position of ~\$313M; Continued objective to strengthen the balance sheet

<i>(Consolidated)</i>	<u>Q2 '22</u>
Total Debt	\$610M
Gross Leverage ⁽¹⁾	2.09x
Net Leverage ⁽¹⁾	1.87x

Revolver
Availability:
\$250.0M

(\$ in millions)



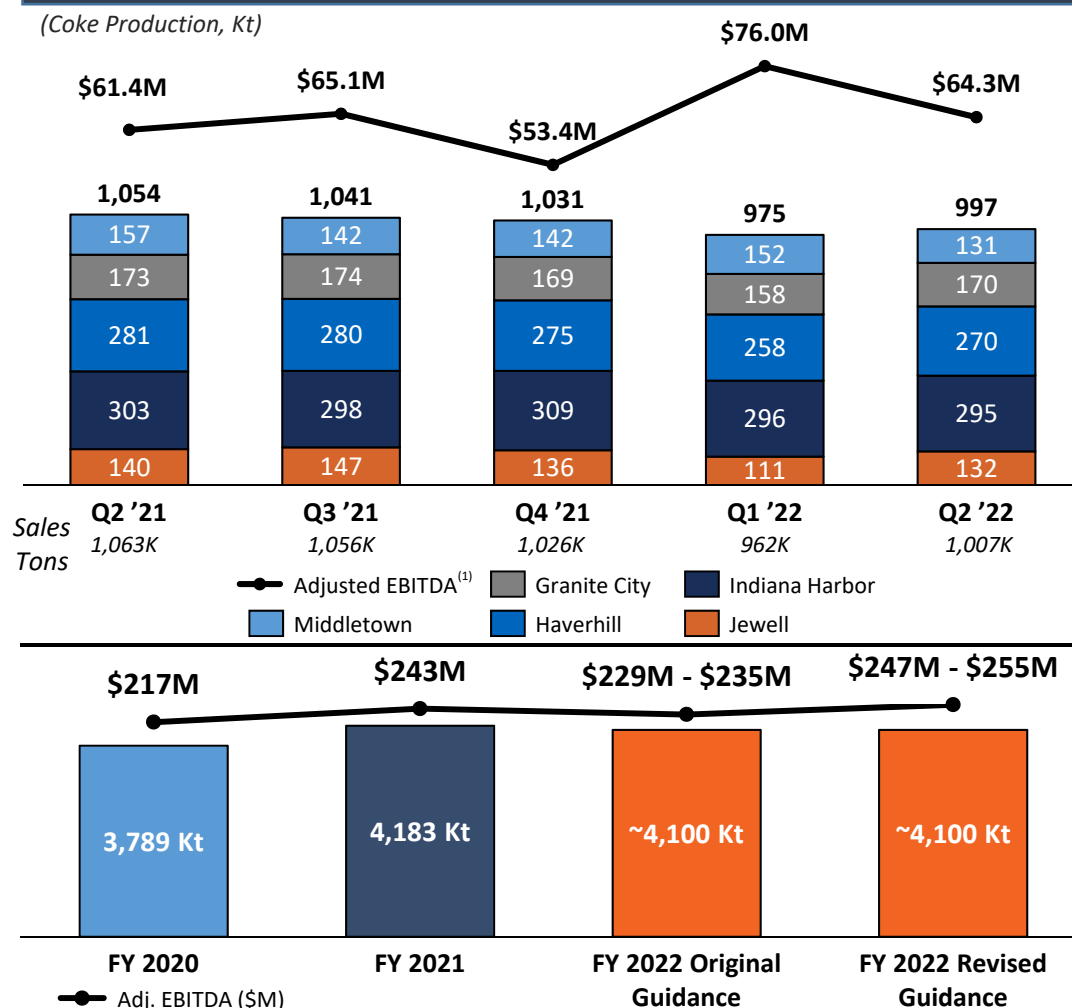
(1) Gross leverage and Net leverage for Q2 2022 calculated using Last Twelve Month(LTM) Adjusted EBITDA

Domestic Coke Business Summary and 2022 Outlook

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Coke results driven by higher margins on export sales; now expect 2022 Domestic Coke Adj. EBITDA to be \$247M - \$255M

Domestic Coke Performance and Guidance



- **Delivered Adj. EBITDA of \$64.3M in Q2 '22 vs \$61.4M in Q2 '21**
 - Higher Adj. EBITDA driven by higher margins on export sales
 - Lower production and sales driven by product mix and timing of outages
- **Anticipate approximately \$19M increase in Domestic Coke Adj. EBITDA versus original guidance for FY 2022**
 - Driven by higher margin from export sales
 - Expect FY 2022 coke sales volumes to remain unchanged from original guidance

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

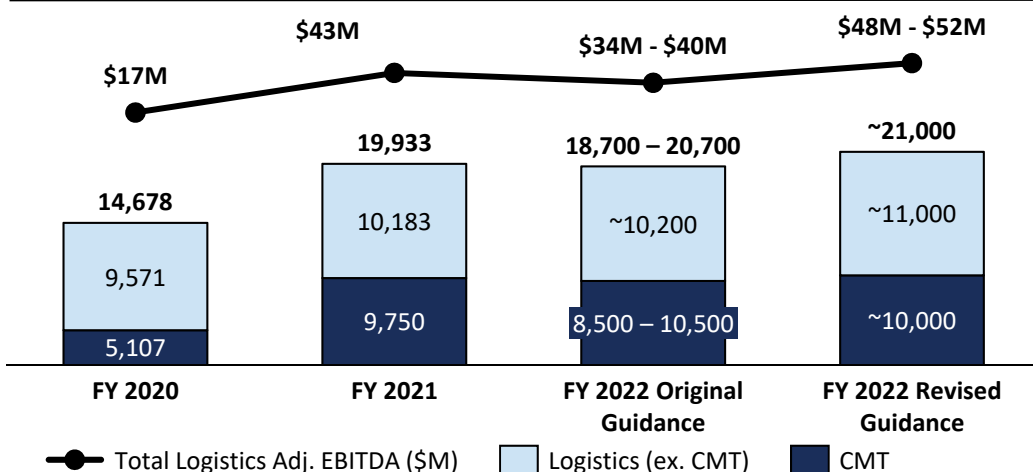
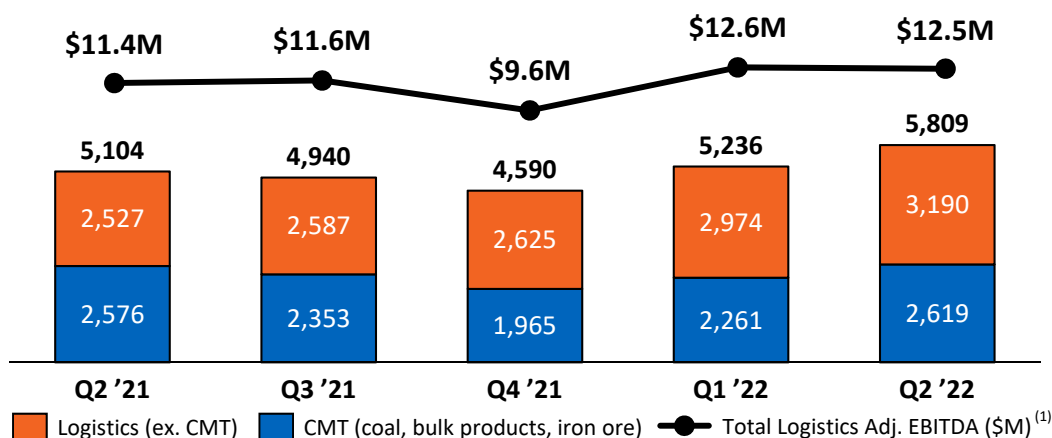
Logistics Business Summary and 2022 Outlook

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Strong commodities market continues to drive robust Logistics performance; now expect Logistics Adj. EBITDA to be \$48M - \$52M

Logistics Performance and Guidance

(Tons Handled, Kt)



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

- Logistics segment contributed \$12.5M to Q2 '22 Adj. EBITDA
 - CMT coal handling benefitted from API2 coal price adjustment
 - Domestic terminals handled higher volumes but mostly offset by lower margin due to higher fuel costs
- Expect strong performance to continue through second half of the year
- Revised Logistics Full Year 2022 Adj. EBITDA guidance to ~\$48M - \$52M
 - Full Year 2022 Anticipated Volumes:
 - ✓ CMT Coal: ~6M
 - ✓ CMT Other Products: ~4M
 - ✓ Logistics (ex. CMT): ~11M

2022 Revised Guidance Summary

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Increasing Adjusted EBITDA guidance by approximately \$30M driven by higher margins on export coke sales and API2 coal price benefit at CMT

Metric	2022 Original Guidance	2022 Revised Guidance
Adjusted EBITDA Consolidated ⁽¹⁾	\$240M - \$255M	\$270M - \$285M
Domestic Coke EBITDA	\$229M - \$235M	\$247M - \$255M
Logistics EBITDA	\$34M - \$40M	\$48M - \$52M
Domestic Coke Sales ⁽²⁾	~4.1M tons	~4.1M tons
Dom. Coke Adj. EBITDA/ton ⁽³⁾	\$56 - \$57/ton	\$60 - \$62/ton
Total Capital Expenditures	~\$80M ⁽⁴⁾	~\$80M ⁽⁴⁾
Free Cash Flow ⁽⁵⁾	\$110M - \$125M	\$120M - \$135M
Cash Taxes	\$8M - \$12M	\$10M - \$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⁾	\$270	\$285
Cash interest	(\$30)	(\$28)
Cash taxes	(\$10)	(\$12)
Total capex	(\$80)	(\$80)
Transaction Costs	(\$3)	(\$2)
Working Capital changes	(\$27)	(\$28)
Free Cash Flow (FCF) ⁽²⁾	\$120	\$135
SXC Shares Outstanding on 6/30/22	83.4	83.4
FCF/Share	\$1.44	\$1.62

1) See appendix for definition and reconciliation of Adjusted EBITDA

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

2022 Key Initiatives

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Deliver Safety/Operational Excellence and Offset 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 Granite City GPI opportunity and returning capital to shareholders via increased dividends

Achieve 2022 Financial Objectives

- \$270M - \$285M Adjusted EBITDA



APPENDIX

Definitions

Adjusted EBITDA represents earnings before interest, taxes, depreciation and amortization (“EBITDA”), adjusted for any impairments, restructuring costs, gains or losses on extinguishment of debt and transaction costs. 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. Additionally, other companies may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

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.

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 6/30/2022	As of 12/31/2021
Cash	\$ 63	\$ 64
Available Revolver Capacity	\$ 250	\$ 229
Total Liquidity	\$ 313	\$ 293
Gross Debt (Long and Short-term)	\$ 610	\$ 627
Net Debt (Total Debt less Cash)	\$ 547	\$ 563
LTM Adj. EBITDA	\$ 292	\$ 275
Gross Debt / LTM Adj. EBITDA	2.09x	2.28x
Net Debt / LTM Adj. EBITDA	1.87x	2.05x
Adj. EBITDA (Guidance)	\$270M - \$285M	
Gross Leverage (Guidance)	2.14x - 2.26x	
Net Leverage (Guidance)	1.92x - 2.03x	

As of 6/30/2022 (\$ in millions)	2022	2023	2024	2025	2026	2027	2028	2029	Consolidated Total
Sr. Notes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500.0	\$ 500.0
Sale Leaseback	1.6	3.3	5.5	-	-	-	-	-	10.4
Revolver	-	-	-	-	100.0	-	-	-	100.0
Total	\$ 1.6	\$ 3.3	\$ 5.5	\$ -	\$ 100.0	\$ -	\$ -	\$ 500.0	\$ 610.4

2022 Guidance Reconciliation

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(\$ in millions)	Low	High
Net Income	\$67	\$83
Depreciation and amortization expense	141	137
Interest expense, net	33	31
Income tax expense	26	32
Transaction Costs ⁽²⁾	3	2
Adjusted EBITDA (Consolidated)	\$270	\$285
Adjusted EBITDA attributable to noncontrolling interest ⁽¹⁾	(9)	(9)
Adjusted EBITDA attributable to SXC	\$261	\$276

(1) Reflects non-controlling interest in Indiana Harbor

(2) Costs incurred as part of the granulated pig iron project with U.S. Steel

Free Cash Flow Reconciliation

(\$ in millions)	2022E	
	Low	High
Operating Cash Flow	\$200	\$215
Capital Expenditures	(80)	(80)
Free Cash Flow (FCF)	\$120	\$135

SXC FCF/Share Reconciliation

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(\$ in millions except per share amounts)	2022E	
	Low End	High End
Net Income	\$67	\$83
Depreciation and amortization expense	141	137
Interest expense, net	33	31
Income tax expense	26	32
Transaction Costs ⁽¹⁾	3	2
Adjusted EBITDA	\$270	\$285
Cash interest	(30)	(28)
Cash taxes	(10)	(12)
Total capex	(80)	(80)
Transaction Costs ⁽¹⁾	(3)	(2)
Working capital changes	(27)	(28)
Free Cash Flow (FCF)	\$120	\$135
SXC Shares Outstanding on 6/30/2022	83.4	83.4
FCF/Share	\$1.44	\$1.62

(1) Costs incurred as part of the granulated pig iron project with U.S. Steel

Reconciliation to Adjusted EBITDA and Adjusted EBITDA attributable to SXC

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<i>(\$ in millions)</i>	Q1 '21	Q2 '21	Q3 '21	Q4 '21	FY '21	Q1 '22	Q2 '22
Net income (loss) attributable to SunCoke Energy, Inc.	\$ 16.5	\$ (8.8)	\$ 23.0	\$ 12.7	\$ 43.4	\$ 29.5	\$ 18.0
Net income attributable to noncontrolling interests	1.7	1.3	1.1	1.3	5.4	1.1	1.0
Net Income (loss)	\$ 18.2	\$ (7.5)	\$ 24.1	\$ 14.0	\$ 48.8	\$ 30.6	\$ 19.0
Depreciation and amortization expense	32.4	34.1	32.5	34.9	133.9	35.2	35.8
(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	8.3
Income tax expense (benefit)	7.3	(4.7)	9.4	6.3	18.3	10.0	7.2
Transaction costs ⁽²⁾	-	-	-	-	-	-	1.0
Adjusted EBITDA	\$ 70.6	\$ 68.0	\$ 73.9	\$ 62.9	\$ 275.4	\$ 83.8	\$ 71.3
Adjusted EBITDA attributable to noncontrolling interest ⁽¹⁾	(2.6)	(2.3)	(2.1)	(2.3)	(9.3)	(2.1)	(2.0)
Adjusted EBITDA attributable to SXC	\$ 68.0	\$ 65.7	\$ 71.8	\$ 60.6	\$ 266.1	\$ 81.7	\$ 69.3

(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

(2) Costs incurred as part of the granulated pig iron project with U.S. Steel

Adjusted EBITDA and Adjusted EBITDA per ton

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Reconciliation of Segment Adjusted EBITDA and Adjusted EBITDA per Ton					
	Domestic Coke	Brazil Coke	Logistics	Corporate and Other ⁽¹⁾	Consolidated
(\$ in millions, except per ton data)					
Q2 2022					
Adjusted EBITDA	\$64.3	\$3.9	\$12.5	(\$9.4)	\$71.3
Sales Volume (thousands of tons)	1,007	406	5,809		
Adjusted EBITDA per Ton	\$63.85	\$9.59	\$2.15		
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.

