



SunCoke Energy®

SunCoke Energy, Inc.

Q4 & FY 2022 Earnings and 2023  
Guidance

Conference Call

# Forward-Looking Statements

This presentation should be reviewed in conjunction with the Fourth Quarter and Full-Year 2022 earnings release of SunCoke Energy, Inc. (SunCoke) and conference call held on February 2, 2023 at 11:00 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. Any statements made in this presentation that are not statements of historical fact, including statements about our full-year 2023 guidance, the timing of completing the foundry expansion project, the ability of our domestic coke plants to continue to operate at full capacity, and our anticipation to continue a quarterly dividend, are forward-looking statements and should be evaluated as such. Forward-looking statements 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 (SEC).

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](http://www.suncoke.com) or on the SEC's website at [www.sec.gov](http://www.sec.gov). 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.

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. You 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.

# 2022 Year In Review

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Delivered record FY 2022 Adjusted EBITDA of \$297.7M; achieved growth in foundry coke market; increased quarterly dividend; and significantly reduced debt

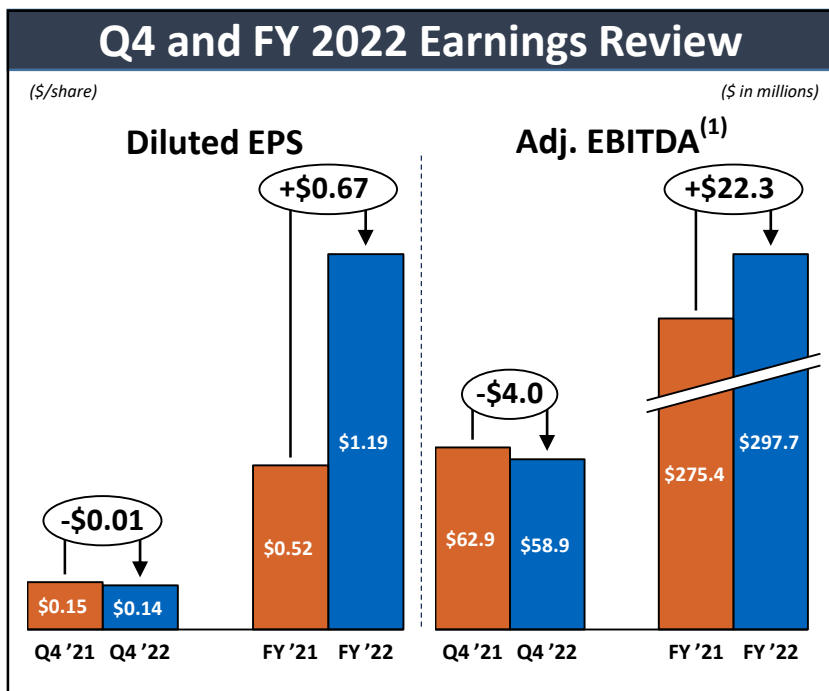
FY 2022 Objective	2022 Achievements	Commentary
<p><b>Surpass FY 2022 Consolidated Adj. EBITDA<sup>(1)</sup> guidance high end of \$285M</b></p> <p><b>Generate \$120M – \$135M Free Cash Flow<sup>(2)</sup></b></p>	<ul style="list-style-type: none"> <li>Delivered FY 2022 consolidated Adj. EBITDA of \$297.7M</li> <li>Generated ~\$133.4M of Free Cash Flow</li> </ul>	<ul style="list-style-type: none"> <li>Highest Adjusted EBITDA in Company's history</li> <li>Record financial performance driven by higher contribution margins on export coke sales and excellent Logistics segment performance</li> </ul>
<p><b>Build on the Commercial Success of Foundry/Export Business</b></p> <p><b>Support Full Cokemaking Capacity Utilization</b></p>	<ul style="list-style-type: none"> <li>Successfully sold all uncontracted tons into export and foundry coke markets</li> <li>Initiated foundry coke expansion project to enable 100% foundry production at Jewell plant while maintaining flexibility to shift between blast and foundry coke production</li> </ul>	<ul style="list-style-type: none"> <li>Took advantage of the strong coke export market in 2022</li> <li>Built on the success in foundry by increasing market participation</li> <li>Plan to complete foundry coke expansion project and continue to grow market participation in 2023</li> </ul>
<p><b>Pursue Balanced Capital Allocation</b></p>	<ul style="list-style-type: none"> <li>Lowered gross debt by \$83.2M; Gross leverage ratio at 1.83x (LTM basis)</li> <li>Increased quarterly dividend from \$0.06/share to \$0.08/share</li> <li>Entered into a non-binding letter of intent with US Steel to manufacture granulated pig iron (GPI)</li> </ul>	<ul style="list-style-type: none"> <li>Continued focus on strengthening the balance sheet</li> <li>Anticipate continuation of quarterly dividend</li> <li>Continue to develop the GPI Project</li> </ul>

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

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

# Q4 & FY 2022 Financial Performance

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**Q4 '22 EPS of \$0.14 per share, down \$0.01 versus prior year quarter**

- Lower export coke contribution margins partially offset by lower interest expense

**FY '22 EPS of \$1.19, up \$0.67 per share from the prior year period**

- Primarily driven by strong operating results, absence of debt refinancing expenses, and lower interest expense

**Q4 '22 Consolidated Adj. EBITDA<sup>(1)</sup> of \$58.9M, down \$4.0M compared to Q4 '21**

- Coke operations down \$8.0M primarily driven by lower export coke contribution margins
- Logistics operations up by \$2.1M driven by higher volumes
- Corporate and other costs lower by \$1.9M mainly driven by lower legacy liability expense (non-cash)

**FY '22 Consolidated Adj. EBITDA<sup>(1)</sup> of \$297.7M, up \$22.3M compared to FY '21**

- Driven by higher contribution margins on export coke sales and higher volumes & pricing in Logistics segment

(\$ in millions, except volumes)	Qtr4 2021	Qtr4 2022	FY 2021	FY 2022
Domestic Coke Sales Volumes	1,026	1,040	4,183	4,031
Logistics Volumes	4,589	5,525	19,933	22,291
Coke Adj. EBITDA <sup>(2)</sup>	\$57.6	\$49.6	\$260.6	\$277.9
Logistics Adj. EBITDA (incl. CMT)	\$9.6	\$11.7	\$43.5	\$49.7
Corporate and Other Adj EBITDA <sup>(3)</sup>	(\$4.3)	(\$2.4)	(\$28.7)	(\$29.9)
Adjusted EBITDA (Consolidated) <sup>(1)</sup>	\$62.9	\$58.9	\$275.4	\$297.7
Operating Cash Flow	\$49.1	\$88.3	\$233.1	\$208.9

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

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

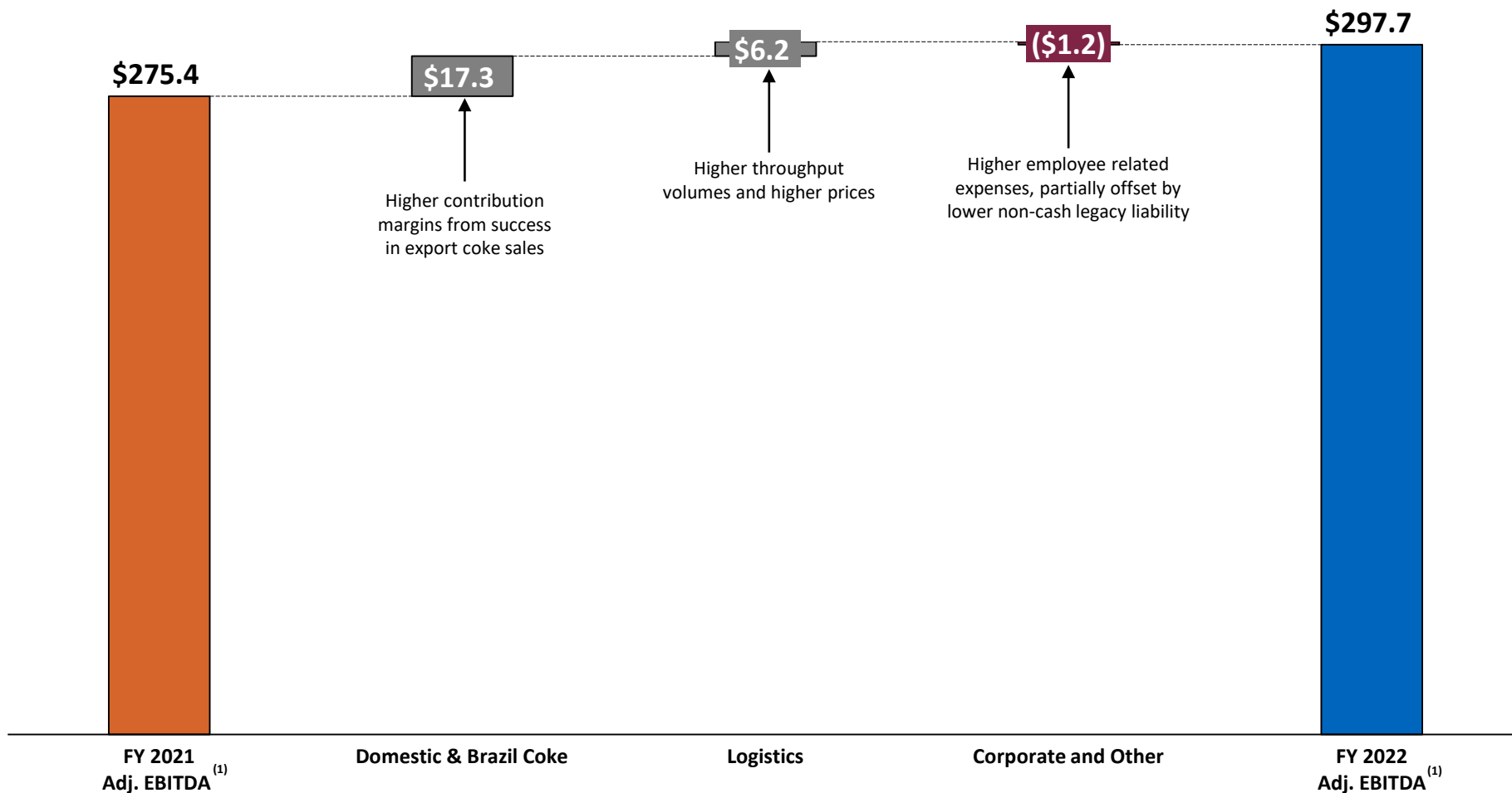
(3) Corporate and Other Adj. EBITDA includes activity from our legacy coal mining business

# Adjusted EBITDA<sup>(1)</sup> – FY '21 to FY '22

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FY '22 performance driven by higher contribution margins on export coke sales and higher volumes & pricing in Logistics

(\$ in millions)



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

# FY 2022 Capital Deployment

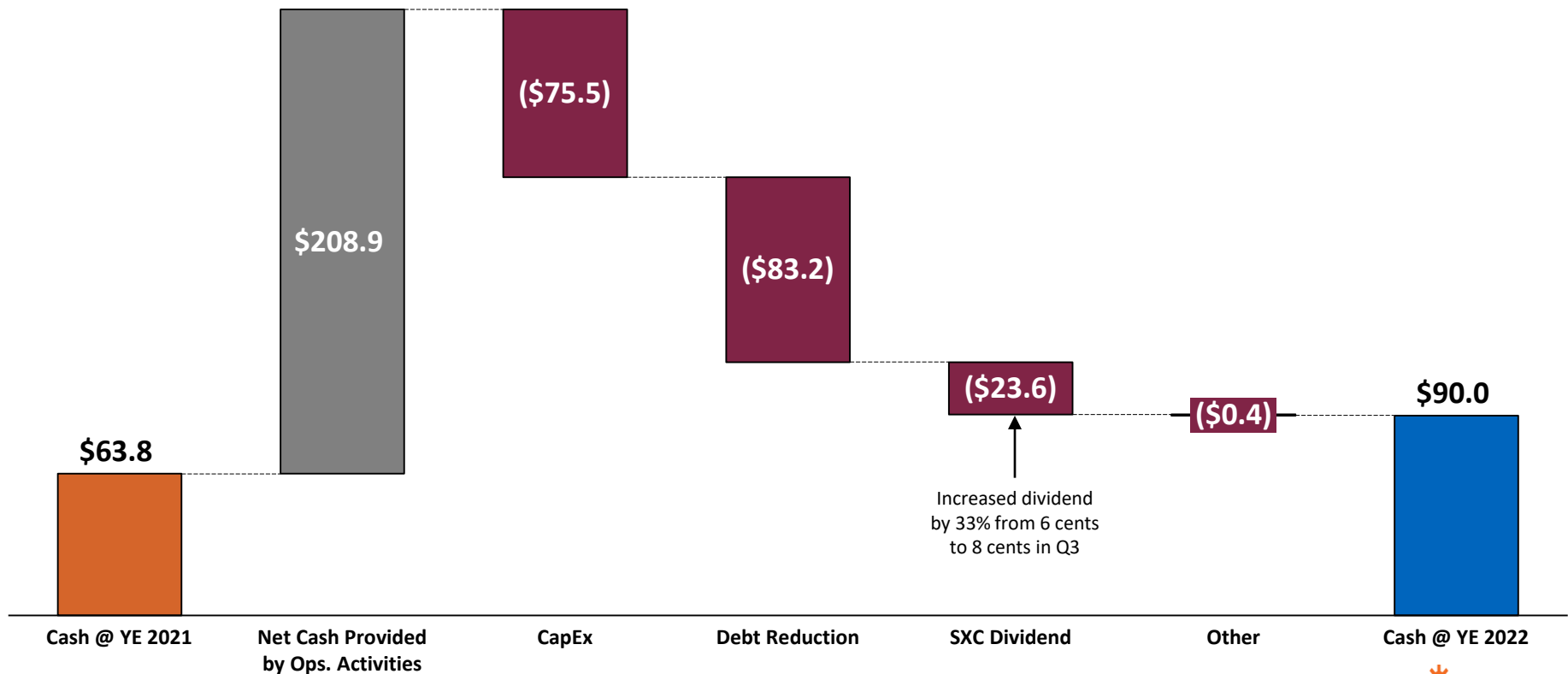
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Strong cash flow generation deployed strategically towards operational capital needs, deleveraging, and increased dividends to shareholders

(Consolidated)	12/31/2021	12/31/2022
Total Debt	\$627M	\$544M
Gross Leverage <sup>(1)</sup>	2.28x	1.83x
Net Leverage <sup>(1)</sup>	2.05x	1.52x

**Revolver  
Availability:  
\$315.0M**

(\$ in millions)



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



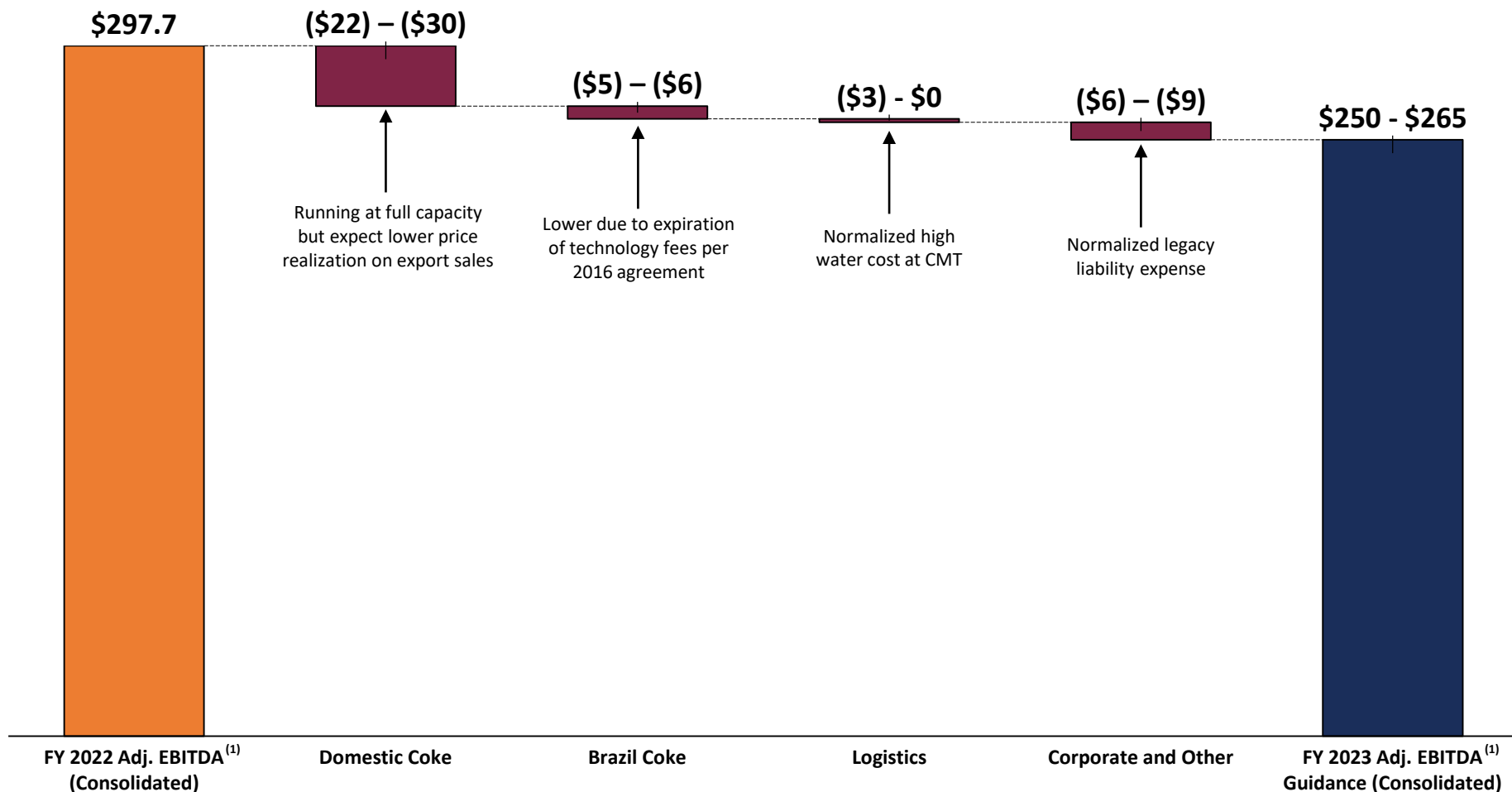
# **2023 GUIDANCE**

# Projected 2023 Adjusted EBITDA Guidance

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Expect 2023 consolidated Adjusted EBITDA <sup>(1)</sup> of \$250M - \$265M mainly driven by lower price realization on export coke sales

(\$ in millions)



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



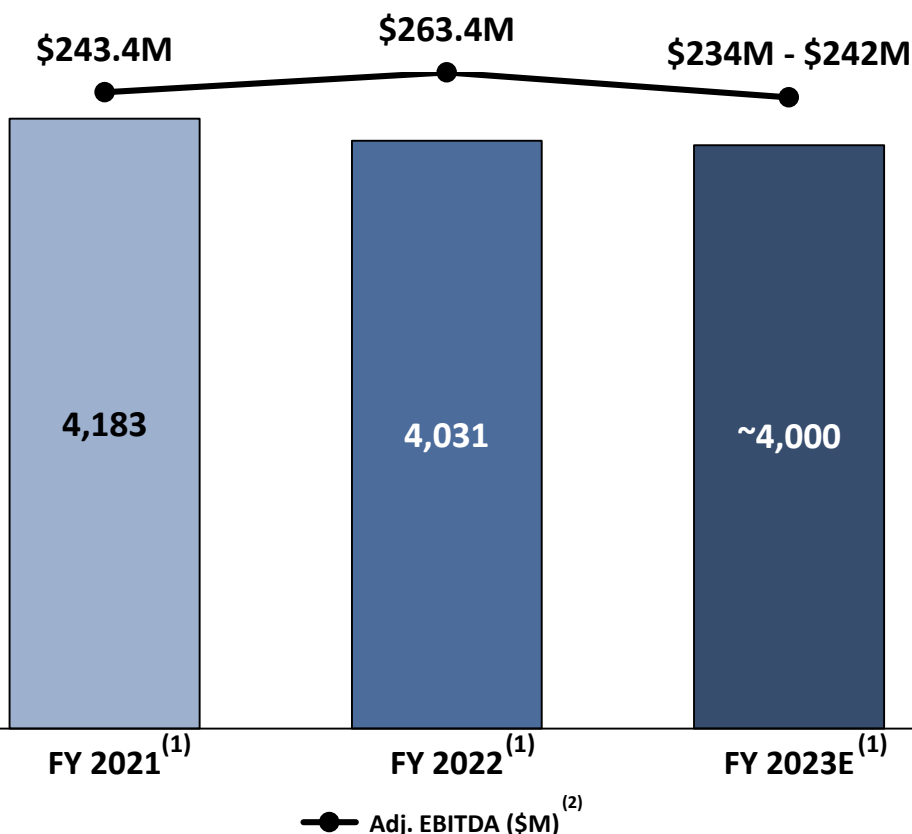
# 2023 Domestic Coke Business Outlook

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**Domestic Coke Adj. EBITDA estimated to be \$234M - \$242M; Expect to run at full capacity with continued growth in foundry market**

## Domestic Coke Performance

(Coke Sales, Kt)



- Continue to operate coke fleet at full capacity
- ~3,600Kt contracted furnace coke tons
- Remaining ~650Kt equivalent furnace coke tons to be sold in foundry and export markets
- Majority of foundry coke sales finalized for 2023 with continued year-over-year volume growth
- Q1 export coke sales finalized
- Lower price realization assumption on export sales driven by market conditions

(1) FY 2021-2022 and FY 2023E estimated Domestic Coke sales includes coke produced for export and foundry sales

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

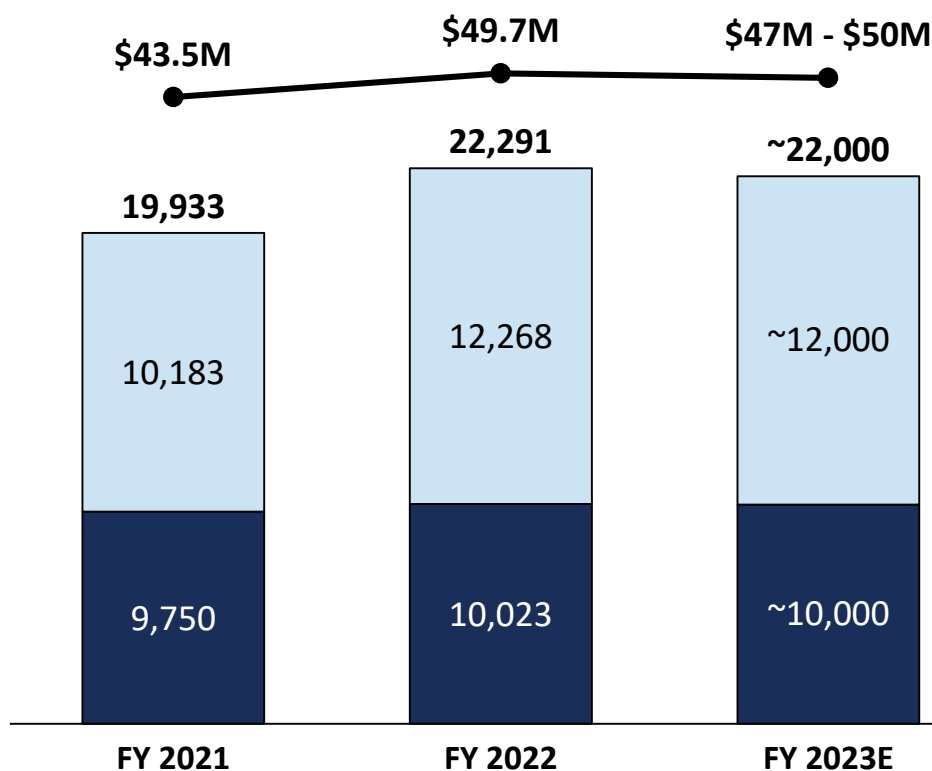
# 2023 Logistics Business Outlook

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Logistics Adjusted EBITDA estimated to be \$47M - \$50M; Anticipate similar volumes at CMT year-over-year

## Logistics Performance

(Tons Handled, Kt)



● Logistics Adj. EBITDA (\$M)<sup>(1)</sup> ■ Logistics (ex. CMT) ■ CMT

## 2023 outlook based on current expectations for thermal coal export volumes and pricing

- Expect CMT volumes to be relatively flat year-over-year
- Anticipate CMT to handle ~5.7Mt coal for export and ~4.3Mt other products
- Similar to 2021, 2022 was an unusual year with no high-water cost; 2023 assumed to be a more normalized year

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

# 2023 Guidance Summary

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**Expect 2023 Consolidated Adjusted EBITDA of \$250M - \$265M;  
2023 Free Cash Flow of \$105M - \$120M**

Metric	2022 Results	2023 Guidance
Adjusted EBITDA Consolidated <sup>(1)</sup>	\$297.7M	\$250M - \$265M
Domestic Coke EBITDA	\$263.4M	\$234M - \$242M
Logistics EBITDA	\$49.7M	\$47M - \$50M
Domestic Coke Sales <sup>(2)</sup>	4.03M	~4M tons
Dom. Coke Adj. EBITDA/ton <sup>(3)</sup>	\$65/ton	\$59 - \$61/ton
Total Capital Expenditures	\$75.5M	~\$95M <sup>(4)</sup>
Free Cash Flow <sup>(5)</sup>	\$133.4M	\$105M - \$120M
Cash Taxes	\$14.6M	\$12M - \$16M

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

(2) Domestic coke sales for 2022 and 2023 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			
	2022	2023E	
	Actuals	Low End	High End
(\$ in millions except per share amounts)			
Adjusted EBITDA <sup>(1)</sup>	\$298	\$250	\$265
Cash interest	(\$30)	(\$28)	(\$26)
Cash taxes	(\$15)	(\$12)	(\$16)
Total capex	(\$76)	(\$95)	(\$95)
Transaction Costs	(\$2)	\$0	\$0
Working Capital changes	(\$43)	(\$10)	(\$8)
Free Cash Flow (FCF) <sup>(2)</sup>	\$133	\$105	\$120
SXC Shares Outstanding on 12/31/22	83.4	83.4	83.4
FCF/Share	\$1.60	\$1.26	\$1.44

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

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

# 2023 Key Initiatives

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## Continued Safety and Environmental Excellence

- Continue to deliver strong safety and environmental performance

## Deliver Operational Excellence and Optimize Asset Utilization

- Successfully execute on operational and capital plan
- Support full capacity utilization of cokemaking assets

## Build on the Commercial Success of Foundry Business

- Execute on foundry expansion project
- Continue to grow foundry market participation and strengthen customer relationships for long-term success

## Execute on Well-Established Capital Allocation Priorities

- Continue to pursue balanced capital allocation including growth opportunities, deleveraging, and returning capital to shareholders

## Achieve 2023 Financial Objectives

- \$250M - \$265M Adjusted EBITDA



# **APPENDIX**

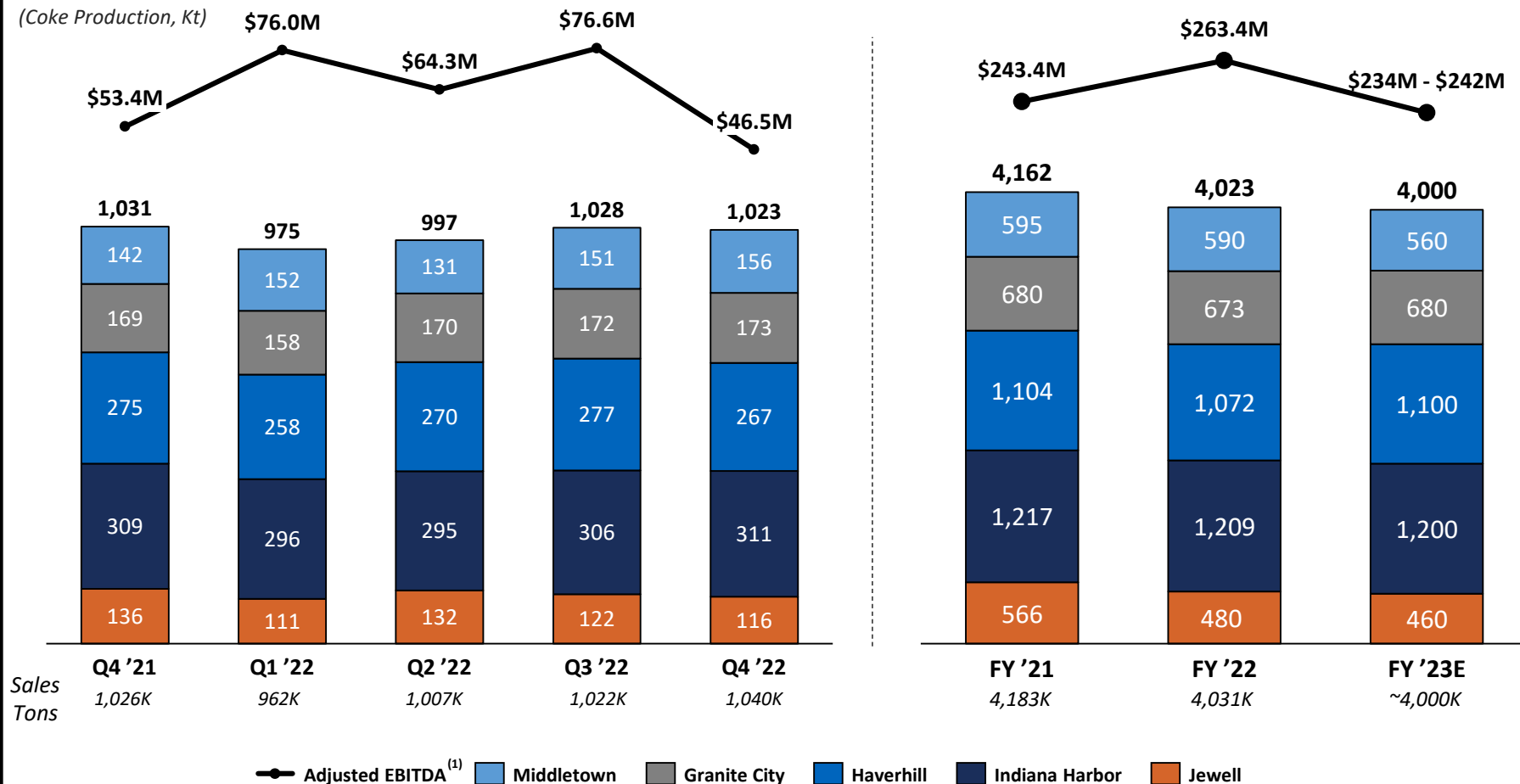
# Domestic Coke Business Summary

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FY '22 Domestic Coke Adjusted EBITDA above the revised guidance range driven by high contribution margins on export coke sales

## Domestic Coke Performance

(Coke Production, Kt)



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

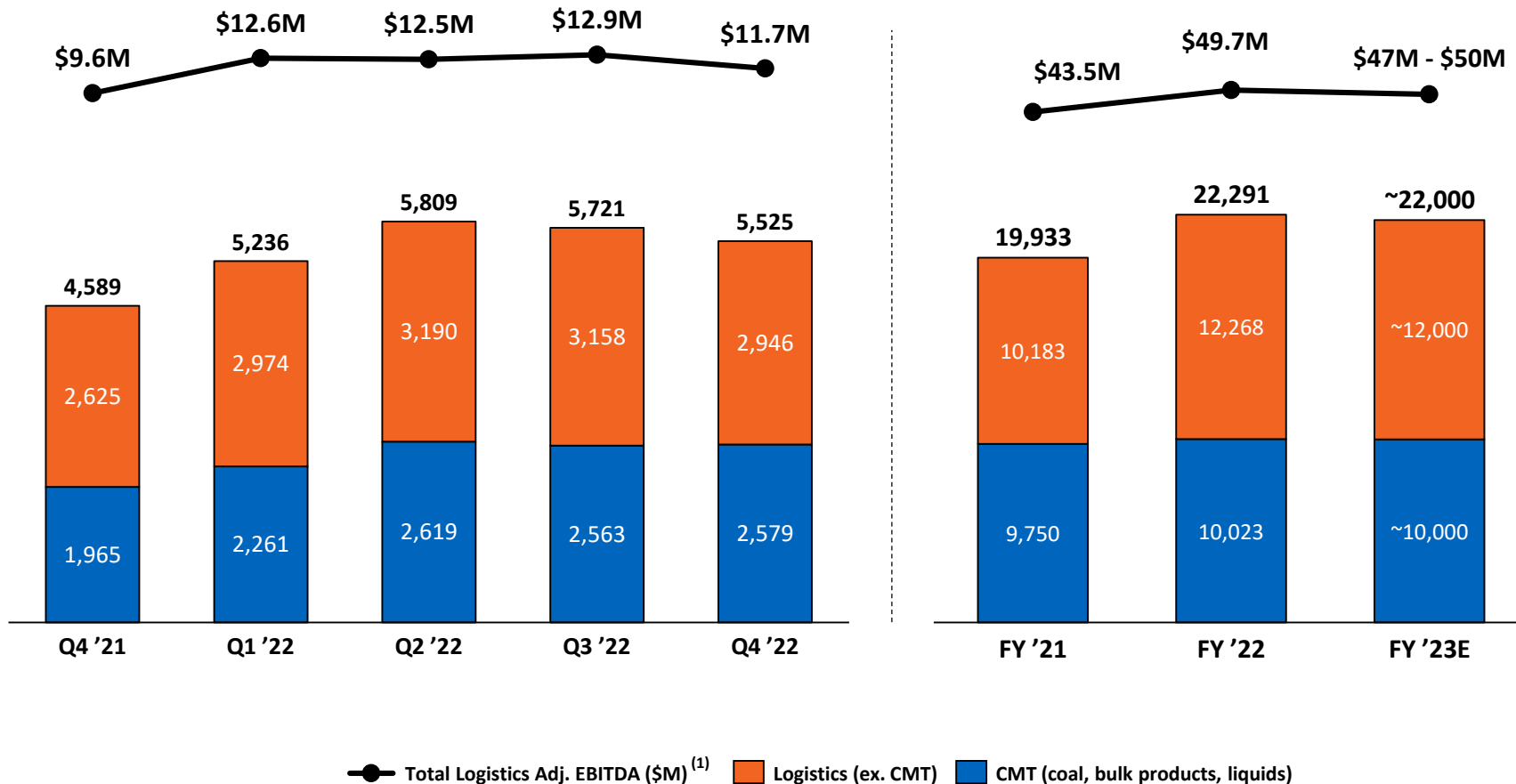
# Logistics Business Summary

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**FY '22 Logistics Adjusted EBITDA strong results driven by strong volume/price as well as minimal high water costs at CMT**

## Logistics Performance

(Tons Handled, Kt)



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

## NON-GAAP FINANCIAL MEASURES

In order to assist readers in understanding the core operating results that our management uses to evaluate the business, we describe our non-GAAP measures referenced in this presentation below. In addition to U.S. GAAP measures, this presentation contains certain non-GAAP financial measures. These 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. Additionally, other companies may calculate non-GAAP metrics differently than we do, thereby limiting their usefulness as a comparative measure. Because of these and other limitations, you should consider our non-GAAP measures only as supplemental to other U.S. GAAP-based financial performance measures, including revenues and net income. Reconciliations to the most comparable GAAP financial measures are included at the end of this 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/or transaction costs ("Adjusted EBITDA"). 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.



# Coke Facility Capacity and Contract Duration/Volume

Facility	Capacity <sup>(1)</sup>	Customer	Contract Expiry	Contract Volume
Middletown	550 Kt <sup>(2)</sup>	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 12/31/2022	As of 12/31/2021
Cash	\$ 90	\$ 64
Available Revolver Capacity	\$ 315	\$ 229
Total Liquidity	\$ 405	\$ 293
Gross Debt (Long and Short-term)	\$ 544	\$ 627
Net Debt (Total Debt less Cash)	\$ 454	\$ 563
LTM Adj. EBITDA	\$ 298	\$ 275
Gross Debt / LTM Adj. EBITDA	1.83x	2.28x
Net Debt / LTM Adj. EBITDA	1.52x	2.05x

As of 12/31/2022 (\$ in millions)	2023	2024	2025	2026	2027	2028	2029	Consolidated Total
Sr. Notes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500.0	\$ 500.0
Sale Leaseback	3.3	5.5	-	-	-	-	-	8.8
Revolver	-	-	-	35.0	-	-	-	35.0
Total	\$ 3.3	\$ 5.5	\$ -	\$ 35.0	\$ -	\$ -	\$ 500.0	\$ 543.8

# 2023 Guidance Reconciliation

(\$ in millions)	Low	High
Net Income	\$59	\$76
Depreciation and amortization expense	136	132
Interest expense, net	31	29
Income tax expense	24	28
Adjusted EBITDA (Consolidated)	\$250	\$265
Adjusted EBITDA attributable to noncontrolling interest <sup>(1)</sup>	(9)	(9)
Adjusted EBITDA attributable to SXC	\$241	\$256

(1) Reflects non-controlling interest in Indiana Harbor

## Free Cash Flow Reconciliation

(\$ in millions)	2022	2023E	
	Actuals	Low	High
Operating Cash Flow	\$209	\$200	\$215
Capital Expenditures	(76)	(95)	(95)
Free Cash Flow (FCF)	\$133	\$105	\$120

# SXC FCF/Share Reconciliation

(\$ in millions except per share amounts)	2023E	
	Low End	High End
Net Income	\$59	\$76
Depreciation and amortization expense	136	132
Interest expense, net	31	29
Income tax expense	24	28
Adjusted EBITDA	\$250	\$265
Cash interest	(28)	(26)
Cash taxes	(12)	(16)
Total capex	(95)	(95)
Working capital changes	(10)	(8)
Free Cash Flow (FCF)	\$105	\$120
SXC Shares Outstanding on 12/31/22	83.4	83.4
FCF/Share	\$1.26	\$1.44

# Reconciliation to Adjusted EBITDA and Adjusted EBITDA attributable to SXC

(\$ in millions)	Q4 '21	FY '21	Q1 '22	Q2 '22	Q3 '22	Q4 '22	FY '22
<b>Net income (loss) attributable to SunCoke Energy, Inc.</b>	<b>\$ 12.7</b>	<b>\$ 43.4</b>	<b>\$ 29.5</b>	<b>\$ 18.0</b>	<b>\$ 41.4</b>	<b>\$ 11.8</b>	<b>\$ 100.7</b>
Net income attributable to noncontrolling interests	1.3	5.4	1.1	1.0	1.1	1.0	4.2
<b>Net Income (loss)</b>	<b>\$ 14.0</b>	<b>\$ 48.8</b>	<b>\$ 30.6</b>	<b>\$ 19.0</b>	<b>\$ 42.5</b>	<b>\$ 12.8</b>	<b>\$ 104.9</b>
Depreciation and amortization expense	34.9	133.9	35.2	35.8	35.7	35.8	142.5
(Gain) Loss on extinguishment of debt, net	-	31.9	-	-	-	-	-
Interest expense, net	7.7	42.5	8.0	8.3	8.0	7.7	32.0
Income tax expense (benefit)	6.3	18.3	10.0	7.2	(2.9)	2.5	16.8
Transaction costs <sup>(2)</sup>	-	-	-	1.0	0.4	0.1	1.5
<b>Adjusted EBITDA</b>	<b>\$ 62.9</b>	<b>\$ 275.4</b>	<b>\$ 83.8</b>	<b>\$ 71.3</b>	<b>\$ 83.7</b>	<b>\$ 58.9</b>	<b>\$ 297.7</b>
Adjusted EBITDA attributable to noncontrolling interest <sup>(1)</sup>	(2.3)	(9.3)	(2.1)	(2.0)	(2.1)	(2.2)	(8.4)
<b>Adjusted EBITDA attributable to SXC</b>	<b>\$ 60.6</b>	<b>\$ 266.1</b>	<b>\$ 81.7</b>	<b>\$ 69.3</b>	<b>\$ 81.6</b>	<b>\$ 56.7</b>	<b>\$ 289.3</b>

(1) Reflects non-controlling interest in Indiana Harbor

(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					
(\$ in millions, except per ton data)	Domestic Coke	Brazil Coke	Logistics	Corporate and Other <sup>(1)</sup>	Consolidated
<b>FY 2022</b>					
Adjusted EBITDA	\$263.4	\$14.5	\$49.7	(\$29.9)	<b>\$297.7</b>
Sales Volume (thousands of tons)	4,031	1,585	22,291		
<b>Adjusted EBITDA per Ton</b>	<b>\$65.34</b>	<b>\$9.15</b>	<b>\$2.23</b>		
<b>Q4 2022</b>					
Adjusted EBITDA	\$46.5	\$3.1	\$11.7	(\$2.4)	<b>\$58.9</b>
Sales Volume (thousands of tons)	1,040	377	5,525		
<b>Adjusted EBITDA per Ton</b>	<b>\$44.71</b>	<b>\$8.22</b>	<b>\$2.12</b>		
<b>Q3 2022</b>					
Adjusted EBITDA	\$76.6	\$3.3	\$12.9	(\$9.1)	<b>\$83.7</b>
Sales Volume (thousands of tons)	1,022	382	5,721		
<b>Adjusted EBITDA per Ton</b>	<b>\$74.95</b>	<b>\$8.60</b>	<b>\$2.26</b>		
<b>Q2 2022</b>					
Adjusted EBITDA	\$64.3	\$3.9	\$12.5	(\$9.4)	<b>\$71.3</b>
Sales Volume (thousands of tons)	1,007	406	5,809		
<b>Adjusted EBITDA per Ton</b>	<b>\$63.85</b>	<b>\$9.59</b>	<b>\$2.15</b>		
<b>Q1 2022</b>					
Adjusted EBITDA	\$76.0	\$4.2	\$12.6	(\$9.0)	<b>\$83.8</b>
Sales Volume (thousands of tons)	962	419	5,236		
<b>Adjusted EBITDA per Ton</b>	<b>\$79.00</b>	<b>\$10.12</b>	<b>\$2.41</b>		
<b>FY 2021</b>					
Adjusted EBITDA	\$243.4	\$17.2	\$43.5	(\$28.7)	<b>\$275.4</b>
Sales Volume (thousands of tons)	4,183	1,685	19,933		
<b>Adjusted EBITDA per Ton</b>	<b>\$58.19</b>	<b>\$10.21</b>	<b>\$2.18</b>		
<b>Q4 2021</b>					
Adjusted EBITDA	\$53.4	\$4.2	\$9.6	(\$4.3)	<b>\$62.9</b>
Sales Volume (thousands of tons)	1,026	417	4,589		
<b>Adjusted EBITDA per Ton</b>	<b>\$52.05</b>	<b>\$10.07</b>	<b>\$2.09</b>		

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



SunCoke Energy<sup>®</sup>