UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2020
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to
Commission File Number 001-35243

SUNCOKE ENERGY, INC.
(Exact name of registrant as specified in its charter)

Delaware	90-0640593
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1011 Warrenville Road, Suite 600
Lisle, Illinois 60532
(630) 824-1000
(Registrant's telephone number, including area code)

Securities registered pursuant to section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	SXC	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). ☐ Yes ☒ No

As of October 30, 2020, there were 82,768,075 shares of the Registrant's $0.01 par value Common Stock outstanding.

SUNCOKE ENERGY, INC.
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**Included as Exhibit 99.1 to this Quarterly Report on Form 10-Q are unaudited financial statements of SunCoke Energy Partners Finance Corp. ("Finance Corp."), to comply with applicable reporting requirements of the indenture dated May 24, 2017, by and among SunCoke Energy Partners, L.P. ("the Partnership"), which merged with and into Finance Corp. on January 1, 2020 and resulted in Finance Corp. replacing the Partnership as the issuer pursuant to a supplemental indenture, and The Bank of New York Mellon Trust Company, N.A., as amended by the supplemental indentures, dated August 5, 2019 and January 1, 2020.*

PART I – FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

SunCoke Energy, Inc.
Consolidated Statements of Operations
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
	(Dollars and shares in millions, except per share amounts)			
Revenues				
Sales and other operating revenue	$ 302.2	$ 404.3	$ 1,022.9	$ 1,203.1
Costs and operating expenses				
Cost of products sold and operating expenses	238.3	319.4	805.2	953.8
Selling, general and administrative expenses	18.4	14.3	51.1	52.9
Depreciation and amortization expense	33.5	35.6	101.7	109.8
Long-lived asset and goodwill impairment	—	247.4	—	247.4
Total costs and operating expenses	290.2	616.7	958.0	1,363.9
Operating income (loss)	12.0	(212.4)	64.9	(160.8)
Interest expense, net	13.7	15.7	43.2	45.6
Gain on extinguishment of debt	(0.5)	(1.5)	(3.4)	(1.5)
(Loss) income before income tax expense (benefit)	(1.2)	(226.6)	25.1	(204.9)
Income tax expense (benefit)	0.2	(63.5)	12.8	(57.3)
Net (loss) income	(1.4)	(163.1)	12.3	(147.6)
Less: Net income (loss) attributable to noncontrolling interests	1.3	(0.1)	3.6	3.3
Net (loss) income attributable to SunCoke Energy, Inc.	$ (2.7)	$ (163.0)	$ 8.7	$ (150.9)
(Loss) earnings attributable to SunCoke Energy, Inc. per common share:				
Basic	$ (0.03)	$ (1.81)	$ 0.10	$ (2.05)
Diluted	$ (0.03)	$ (1.81)	$ 0.10	$ (2.05)
Weighted average number of common shares outstanding:				
Basic	82.8	89.9	83.1	73.7
Diluted	82.8	89.9	83.2	73.7

(See Accompanying Notes)

SunCoke Energy, Inc.
Consolidated Statements of Comprehensive (Loss) Income
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
	(Dollars in millions)			
Net (loss) income	$ (1.4)	$ (163.1)	$ 12.3	$ (147.6)
Other comprehensive (loss) income:				
Reclassifications of prior service benefit and actuarial benefit amortization to earnings, net of tax	0.1	—	0.1	—
Currency translation adjustment	(0.4)	(0.9)	(1.9)	(0.8)
Comprehensive (loss) income	(1.7)	(164.0)	10.5	(148.4)
Less: Comprehensive income (loss) attributable to noncontrolling interests	1.3	(0.1)	3.6	3.3
Comprehensive (loss) income attributable to SunCoke Energy, Inc.	$ (3.0)	$ (163.9)	$ 6.9	$ (151.7)

(See Accompanying Notes)

SunCoke Energy, Inc.
Consolidated Balance Sheets

	September 30, 2020	December 31, 2019
	(Unaudited)	
	(Dollars in millions, except par value amounts)	
Assets		
Cash and cash equivalents	$ 86.0	$ 97.1
Receivables, net	46.8	59.5
Inventories	129.7	147.0
Income tax receivable	7.4	2.2
Other current assets	4.9	2.5
Total current assets	274.8	308.3
Properties, plants and equipment (net of accumulated depreciation of $1,001.2 million and $903.7 million at September 30, 2020 and December 31, 2019, respectively)	1,332.5	1,390.2
Goodwill and other intangible assets, net	37.7	38.1
Deferred charges and other assets	16.8	17.2
Total assets	$ 1,661.8	$ 1,753.8
Liabilities and Equity		
Accounts payable	$ 92.7	$ 142.4
Accrued liabilities	43.9	47.3
Current portion of financing obligation	5.1	2.9
Interest payable	13.9	2.2
Total current liabilities	155.6	194.8
Long-term debt and financing obligation	719.7	780.0
Accrual for black lung benefits	52.0	50.5
Retirement benefit liabilities	23.0	24.5
Deferred income taxes	163.0	147.6
Asset retirement obligations	14.8	14.4
Other deferred credits and liabilities	24.4	23.6
Total liabilities	1,152.5	1,235.4
Equity		
Preferred stock, $0.01 par value. Authorized 50,000,000 shares; no issued shares at both September 30, 2020 and December 31, 2019	—	—
Common stock, $0.01 par value. Authorized 300,000,000 shares; issued 98,172,557 and 98,047,389 shares at September 30, 2020 and December 31, 2019, respectively	1.0	1.0
Treasury stock, 15,404,482 and 13,783,182 shares at September 30, 2020 and December 31, 2019, respectively	(184.0)	(177.0)
Additional paid-in capital	714.7	712.1
Accumulated other comprehensive loss	(16.2)	(14.4)
Retained deficit	(36.6)	(30.1)
Total SunCoke Energy, Inc. stockholders' equity	478.9	491.6
Noncontrolling interest	30.4	26.8
Total equity	509.3	518.4
Total liabilities and equity	$ 1,661.8	$ 1,753.8

(See Accompanying Notes)

SunCoke Energy, Inc.
Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
	2020	2019
	(Dollars in millions)	
Cash Flows from Operating Activities:		
Net income (loss)	$ 12.3	$ (147.6)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Long-lived asset and goodwill impairment	—	247.4
Depreciation and amortization expense	101.7	109.8
Deferred income tax expense (benefit)	15.4	(64.2)
Payments in excess of expense for postretirement plan benefits	(1.4)	(1.5)
Share-based compensation expense	2.9	3.3
Gain on extinguishment of debt	(3.4)	(1.5)
Changes in working capital pertaining to operating activities:		
Receivables	12.7	12.7
Inventories	17.3	(46.6)
Accounts payable	(38.8)	6.0
Accrued liabilities	(3.3)	(2.2)
Interest payable	11.7	10.8
Income taxes	(5.2)	(2.4)
Other	1.2	(3.5)
Net cash provided by operating activities	123.1	120.5
Cash Flows from Investing Activities:		
Capital expenditures	(53.4)	(81.5)
Other investing activities	(1.4)	0.2
Net cash used in investing activities	(54.8)	(81.3)
Cash Flows from Financing Activities:		
Repayment of long-term debt	(15.8)	(90.5)
Debt issuance costs	—	(2.0)
Proceeds from revolving credit facility	407.9	392.6
Repayment of revolving credit facility	(446.9)	(354.3)
Repayment of financing obligation	(2.1)	(2.1)
Dividends paid	(15.0)	—
Shares repurchased	(7.0)	(13.2)
Cash distribution to noncontrolling interests	—	(14.2)
Other financing activities	(0.5)	(7.5)
Net cash used in financing activities	(79.4)	(91.2)
Net decrease in cash and cash equivalents	(11.1)	(52.0)
Cash and cash equivalents at beginning of period	97.1	145.7
Cash and cash equivalents at end of period	$ 86.0	$ 93.7
Supplemental Disclosure of Cash Flow Information		
Interest paid, net of capitalized interest of $0.1 million and $2.3 million, respectively	$ 28.0	$ 32.3
Income taxes paid, net of refunds of $0.3 million and zero, respectively	$ 2.6	$ 8.8

(See Accompanying Notes)

SunCoke Energy, Inc.
Consolidated Statements of Equity
Three Months Ended September 30, 2020
(Unaudited)

	Common Stock		Treasury Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Deficit	Total SunCoke Energy, Inc. Equity	Non-controlling Interests	Total Equity
	Shares	Amount	Shares	Amount						
					(Dollars in millions)					
At June 30, 2020	98,172,557	$ 1.0	15,404,482	$ (184.0)	$ 714.1	$ (15.9)	$ (28.8)	$ 486.4	$ 29.1	$ 515.5
Net loss	—	—	—	—	—	—	(2.7)	(2.7)	1.3	(1.4)
Reclassifications of prior service benefit and actuarial benefit amortization to earnings, net of tax	—	—	—	—	—	0.1	—	0.1	—	0.1
Currency translation adjustment	—	—	—	—	—	(0.4)	—	(0.4)	—	(0.4)
Share-based compensation expense	—	—	—	—	0.6	—	—	0.6	—	0.6
Dividends	—	—	—	—	—	—	(5.1)	(5.1)	—	(5.1)
At September 30, 2020	98,172,557	$ 1.0	15,404,482	$ (184.0)	$ 714.7	$ (16.2)	$ (36.6)	$ 478.9	$ 30.4	$ 509.3

SunCoke Energy, Inc.
Consolidated Statements of Equity
Three Months Ended September 30, 2019
(Unaudited)

	Common Stock		Treasury Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings (Deficit)	Total SunCoke Energy, Inc. Equity	Non-controlling Interests	Total Equity
	Shares	Amount	Shares	Amount						
					(Dollars in millions)					
At June 30, 2019	98,036,174	$ 1.0	7,477,657	(140.7)	709.7	(13.0)	139.5	696.5	26.3	722.8
Net loss	—	—	—	—	—	—	(163.0)	(163.0)	(0.1)	(163.1)
Currency translation adjustment	—	—	—	—	—	(0.9)	—	(0.9)	—	(0.9)
Share-based compensation expense	—	—	—	—	1.2	—	—	1.2	—	1.2
Share issuances, net of shares withheld for taxes	4,198	—	—	—	—	—	—	—	—	—
Share repurchases	—	—	2,066,475	(13.2)	—	—	—	(13.2)	—	(13.2)
At September 30, 2019	98,040,372	$ 1.0	9,544,132	$ (153.9)	$ 710.9	$ (13.9)	$ (23.5)	$ 520.6	$ 26.2	$ 546.8

SunCoke Energy, Inc.
Consolidated Statements of Equity
Nine Months Ended September 30, 2020
(Unaudited)

	Common Stock		Treasury Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Deficit	Total SunCoke Energy, Inc. Equity	Non-controlling Interests	Total Equity
	Shares	Amount	Shares	Amount						
					(Dollars in millions)					
At December 31, 2019	98,047,389	$ 1.0	13,783,182	$ (177.0)	$ 712.1	$ (14.4)	$ (30.1)	$ 491.6	$ 26.8	$ 518.4
Net income	—	—	—	—	—	—	8.7	8.7	3.6	12.3
Reclassifications of prior service benefit and actuarial benefit amortization to earnings, net of tax	—	—	—	—	—	0.1	—	0.1	—	0.1
Currency translation adjustment	—	—	—	—	—	(1.9)	—	(1.9)	—	(1.9)
Share-based compensation expense	—	—	—	—	2.9	—	—	2.9	—	2.9
Share issuances, net of shares withheld for taxes	125,168	—	—	—	(0.3)	—	—	(0.3)	—	(0.3)
Share repurchases	—	—	1,621,300	(7.0)	—	—	—	(7.0)	—	(7.0)
Dividends	—	—	—	—	—	—	(15.2)	(15.2)	—	(15.2)
At September 30, 2020	98,172,557	$ 1.0	15,404,482	$ (184.0)	$ 714.7	$ (16.2)	$ (36.6)	$ 478.9	$ 30.4	$ 509.3

SunCoke Energy, Inc.
Consolidated Statements of Equity
Nine Months Ended September 30, 2019
(Unaudited)

	Common Stock		Treasury Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings (Deficit)	Total SunCoke Energy, Inc. Equity	Non-controlling Interests	Total Equity
	Shares	Amount	Shares	Amount						
					(Dollars in millions)					
At December 31, 2018	72,233,750	$ 0.7	7,477,657	(140.7)	488.8	(13.1)	127.4	463.1	219.6	682.7
Net income	—	—	—	—	—	—	(150.9)	(150.9)	3.3	(147.6)
Currency translation adjustment	—	—	—	—	—	(0.8)	—	(0.8)	—	(0.8)
Cash distribution to noncontrolling interests	—	—	—	—	—	—	—	—	(14.2)	(14.2)
Share-based compensation expense	—	—	—	—	3.3	—	—	3.3	—	3.3
Share issuances, net of shares withheld for taxes	352,971	—	—	—	(1.7)	—	—	(1.7)	—	(1.7)
Share repurchases	—	—	2,066,475	(13.2)	—	—	—	(13.2)	—	(13.2)
Simplification Transaction:								—		—
Share issuances, for the acquisition of Partnership public units	24,818,149	0.3	—	—	182.2	—	—	182.5	(182.5)	—
Share issuances, for the final Partnership distribution	635,502	—	—	—	—	—	—	—	—	—
Transaction costs	—	—	—	—	(5.4)	—	—	(5.4)	—	(5.4)
Deferred tax adjustment	—	—	—	—	43.7	—	—	43.7	—	43.7
At September 30, 2019	98,040,372	$ 1.0	9,544,132	$ (153.9)	$ 710.9	$ (13.9)	$ (23.5)	$ 520.6	$ 26.2	$ 546.8

SunCoke Energy, Inc.
Notes to the Consolidated Financial Statements

1. General

Description of Business

SunCoke Energy, Inc. (“SunCoke Energy,” “SunCoke,” “Company,” “we,” “our” and “us”) is the largest independent producer of high-quality coke in the Americas, as measured by tons of coke produced each year, and has over 55 years of coke production experience. Coke is a principal raw material in the blast furnace steelmaking process and is produced by heating metallurgical coal in a refractory oven, which releases certain volatile components from the coal, thus transforming the coal into coke. Additionally, we own and operate a logistics business, which primarily provides handling and/or mixing services of coal and other aggregates to third-party customers as well as to our own cokemaking facilities.

We have designed, developed, built, own and operate five cokemaking facilities in the United States (“U.S.”), which consist of our Haverhill, Middletown, Granite City, Jewell and Indiana Harbor cokemaking facilities. Our cokemaking facilities have collective nameplate capacity to produce approximately 4.2 million tons of blast furnace coke per year. Our U.S. coke sales are made pursuant to long-term, take-or-pay agreements with ArcelorMittal USA LLC and/or its affiliates (“AM USA”), AK Steel Corporation (“AK Steel”) and United States Steel Corporation (“U.S. Steel”), who are three of the largest blast furnace steelmakers in North America. Additionally, we have designed and operate one cokemaking facility in Brazil under licensing and operating agreements on behalf of ArcelorMittal Brasil S.A. (“ArcelorMittal Brazil”), which has approximately 1.7 million tons of annual cokemaking capacity. To diversify our business and customer base, SunCoke began exploring the foundry coke market. Foundry coke is a high-quality grade of coke that is used at foundries to melt iron and various metals in cupola furnaces, which is further processed via casting or molding into products used in various industries such as construction, transportation and industrial products. Throughout 2020, we have been testing production capacity and executing successful test sales of foundry coke. We expect we will be in a position to produce and sell approximately 100 thousand tons of foundry coke in 2021.

Our cokemaking ovens utilize efficient, modern heat recovery technology designed to combust the coal’s volatile components liberated during the cokemaking process and use the resulting heat to create steam or electricity for sale. This differs from by-product cokemaking, which repurposes the coal’s liberated volatile components for other uses. We have constructed the only greenfield cokemaking facilities in the U.S. in approximately 30 years and are the only North American coke producer that utilizes heat recovery technology in the cokemaking process. We provide steam pursuant to steam supply and purchase agreements with our customers. Electricity is sold into the regional power market or pursuant to energy sales agreements.

Our logistics business provides handling and/or mixing services to steel, coke (including some of our domestic cokemaking facilities), electric utility, coal producing and other manufacturing based customers. Our logistics business consists of Convent Marine Terminal (“CMT”), Kanawha River Terminal (“KRT”), SunCoke Lake Terminal (“Lake Terminal”) and Dismal River Terminal (“DRT”) and has collective capacity to mix and/or transload more than 40 million tons of coal and other aggregates annually and has total storage capacity of approximately 3 million tons.

Incorporated in Delaware in 2010 and headquartered in Lisle, Illinois, we became a publicly-traded company in 2011 and our stock is listed on the New York Stock Exchange under the symbol “SXC.”

Basis of Presentation

The accompanying unaudited consolidated financial statements included herein have been prepared in accordance with accounting principles generally accepted in the U.S. (“GAAP”) for interim reporting. Certain information and disclosures normally included in financial statements have been omitted pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). In management’s opinion, the financial statements reflect all adjustments, which are of a normal recurring nature, necessary for a fair presentation of the results of operations, financial position and cash flows for the periods presented. The results of operations for the period ended September 30, 2020 are not necessarily indicative of the operating results expected for the entire year. These unaudited interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2019.

2. Acquisitions

Simplification Transaction

Prior to June 28, 2019, SunCoke owned a 60.4 percent limited partner interest in SunCoke Energy Partners, L.P. (the "Partnership") as well as our 2.0 percent general partner interest. The remaining 37.6 percent limited partner interest in the

Partnership was held by public unitholders. On June 28, 2019, the Company acquired all of the outstanding common units of the Partnership not already owned by SunCoke (the "Simplification Transaction"). Following the completion of the Simplification Transaction, the Partnership became a wholly-owned subsidiary of SunCoke, the Partnership common units ceased to be publicly traded and the Partnership's incentive distribution rights were eliminated. As of January 1, 2020, the Partnership merged with and into SunCoke Energy Partners Finance Corp. ("Finance Corp."), which is also a wholly-owned subsidiary of the Company.

The following table summarizes the effects of the changes in the Company's ownership interest in the Partnership on SunCoke's equity:

	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2019
	(Dollars in millions)	
Net loss attributable to SunCoke Energy, Inc.	$ (163.0)	$ (150.9)
Increase in SunCoke Energy, Inc. equity for the change in ownership interest in the Partnership[1]	—	182.5
Change from net (loss) income attributable to SunCoke Energy, Inc. and transfers from noncontrolling interest	$ (163.0)	$ 31.6

(1) Represents the non-cash impact related to the Simplification Transaction.

3. Inventories

The components of inventories were as follows:

	September 30, 2020	December 31, 2019
	(Dollars in millions)	
Coal	$ 71.6	$ 94.4
Coke	11.7	8.1
Materials, supplies and other	46.4	44.5
Total inventories	$ 129.7	$ 147.0

4. Goodwill and Other Intangible Assets

Goodwill, which represents the excess of the purchase price over the fair value of net assets acquired, is assessed for impairment as of October 1 of each year, or when events occur or circumstances change that would, more likely than not, reduce the fair value of a reporting unit to below its carrying value. Goodwill allocated to our Domestic Coke segment was $3.4 million at both September 30, 2020 and December 31, 2019.

The components of other intangible assets, net, excluding fully amortized intangible assets, were as follows:

		September 30, 2020			December 31, 2019		
	Weighted - Average Remaining Amortization Years	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
		(Dollars in millions)					
Customer contracts	—	$ —	$ —	$ —	$ 7.7	$ 7.2	$ 0.5
Customer relationships	4	6.7	4.3	2.4	6.7	3.9	2.8
Permits	22	31.7	1.4	30.3	31.7	0.3	31.4
Other	30	1.6	—	1.6	—	—	—
Total		$ 40.0	$ 5.7	$ 34.3	$ 46.1	$ 11.4	$ 34.7

Total amortization expense for intangible assets subject to amortization was $0.7 million and $2.0 million for the three and nine months ended September 30, 2020, respectively, and $2.7 million and $8.1 million for the three and nine months ended September 30, 2019, respectively.

2019 Impairments

A significant portion of our logistics business had historically been from long-term, take-or-pay contracts with Murray American Coal, Inc. ("Murray") and Foresight Energy LLC ("Foresight"), which were adversely impacted by declining coal

export prices and domestic demand. On October 29, 2019, Murray filed for Chapter 11 bankruptcy and also filed a motion to reject its contract with CMT, which was subsequently authorized by the bankruptcy court. In addition, during the third quarter of 2019, Foresight engaged outside counsel and financial advisors to assess restructuring options and subsequently filed for Chapter 11 bankruptcy on March 10, 2020.

Impairment of Goodwill

The Company concluded the impact of the events discussed above could more likely than not reduce the fair value of the Logistics reporting unit below its carrying value, requiring SunCoke to perform its annual goodwill test as of September 30, 2019. The fair value of the Logistics reporting unit, which was determined based on a discounted cash flow analysis, did not exceed the carrying value of the reporting unit. Key assumptions in our goodwill impairment test included reduced forecasted volumes and reduced rates from Foresight, no further business from Murray, incremental merchant business and a discount rate of 12 percent, representing the estimated weighted average cost of capital for this business line. As a result, the Company recorded a $73.5 million non-cash, pre-tax impairment charge to the Logistics segment on the Consolidated Statements of Operations during 2019, which represents a full impairment of the Logistics goodwill balance.

Impairment of Long-Lived Assets

As a result of our logistics customers' events discussed above, CMT's long-lived assets, including customer contracts, customer relationships, permits and properties, plant and equipment, were also assessed for impairment as of September 30, 2019. The Company re-evaluated its projections for throughput volumes, pricing and customer performance against the existing long-term take-or-pay contracts. The resulting undiscounted cash flows were lower than the carrying value of the asset group. Therefore, the Company assessed the fair value of the asset group to measure the amount of impairment. The fair value of the CMT long-lived assets was determined to be $112.1 million based on discounted cash flows, asset replacement cost and adjustments for capacity utilization, which are considered Level 3 inputs in the fair value hierarchy as defined in Note 11. Key assumptions in our discounted cash flows included reduced forecasted volumes and reduced rates from Foresight, no further business from Murray, incremental merchant business and a discount rate of 11 percent, representing the estimated weighted average cost of capital for this asset group. As a result, during 2019, the Company recorded a total non-cash, pre-tax long-lived asset impairment charge of $173.9 million included in long-lived asset and goodwill impairment on the Consolidated Statements of Operations, all of which was attributable to the Logistics segment. The charge included an impairment of CMT's long-lived intangible assets of $113.3 million and of CMT's property, plant and equipment of $60.6 million.

5. Income Taxes

At the end of each interim period, we make our best estimate of the effective tax rate and the impact of discrete items, if any, and adjust the rate as necessary.

The Company recorded income tax expense of $0.2 million and $12.8 million for the three and nine months ended September 30, 2020, respectively, resulting in effective tax rates of (16.7) percent and 51.0 percent, respectively, as compared to the 21.0 percent federal statutory rate. The difference between the Company's effective tax rate and the federal statutory rate during the three months ended September 30, 2020 was primarily the result of state tax rates. Differences between the Company's effective tax rates and the federal statutory rate during the nine months ended September 30, 2020 were primarily driven by the revaluation of certain deferred tax assets due to lower apportioned state tax rates, which resulted in $6.5 million of deferred income tax expense. Additionally, the new tax law passed in response to the novel coronavirus ("COVID-19"), the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act, which was enacted March 27, 2020, allows the Company to carry back net operating losses generated in 2019 to each of the five years preceding 2019. As a result, SunCoke expects to receive income tax refunds of approximately $4.8 million for prior year taxes paid and recorded a tax benefit of $1.5 million during the nine months ended September 30, 2020.

The Company recorded income tax benefit of $63.5 million and $57.3 million for the three and nine months ended September 30, 2019, respectively, resulting in effective tax rates of (28.0) percent in both periods, as compared to the 21.0 percent federal statutory rate. This tax benefit was the result of the impairment charges recorded to our Logistics assets, which resulted in a $68.7 million decrease to the related deferred tax liabilities on the Consolidated Balance Sheets. Differences between the Company's effective tax rates and the statutory rate during the three and nine months ended September 30, 2019 were primarily due to the impact of state income taxes.

6. Accrued Liabilities

Accrued liabilities consisted of the following:

	September 30, 2020	December 31, 2019
	(Dollars in millions)	
Accrued benefits	$ 17.8	$ 21.7
Current portion of postretirement benefit obligation	2.9	2.9
Other taxes payable	11.2	9.9
Current portion of black lung liability	4.6	4.6
Other	7.4	8.2
Total accrued liabilities	$ 43.9	$ 47.3

7. Debt and Financing Obligation

Total debt and financing obligation, including the current portion of the financing obligation, consisted of the following:

	September 30, 2020	December 31, 2019
	(Dollars in millions)	
7.50 percent senior notes, due 2025 ("2025 Senior Notes")	$ 630.5	$ 650.0
$400.0 million revolving credit facility, due 2024 ("Revolving Facility")	104.3	143.3
5.82 percent financing obligation, due 2021 ("Financing Obligation")	5.1	7.2
Total borrowings	739.9	800.5
Original issue discount	(3.7)	(4.3)
Debt issuance costs	(11.4)	(13.3)
Total debt and financing obligation	$ 724.8	$ 782.9
Less: current portion of financing obligation	5.1	2.9
Total long-term debt and financing obligation	$ 719.7	$ 780.0

2025 Senior Notes

During the nine months ended September 30, 2020, the Company repurchased $19.5 million face value of outstanding 2025 Senior Notes for $15.8 million of cash payments, resulting in a gain on extinguishment of debt on the Consolidated Statements of Operations of $3.4 million, net of the write-off of unamortized debt issuance costs and original issue discount. Subsequent to September 30, 2020, the Company repurchased an additional $33.2 million face value of outstanding 2025 Senior Notes for $30.2 million of cash payments, which will result in an additional gain on extinguishment of debt of $2.4 million, net of the write-off of unamortized debt issuance costs and original issue discount.

Revolving Facility

As of September 30, 2020, the Revolving Facility had letters of credit outstanding of $11.8 million and a $104.3 million outstanding balance, leaving $283.9 million available. Additionally, the Company has certain letters of credit totaling $11.5 million, which do not reduce the Revolving Facility's available balance.

Covenants

Under the terms of the Revolving Facility, the Company is subject to a maximum consolidated net leverage ratio of 4.50:1.00 and a minimum consolidated interest coverage ratio of 2.50:1.00. The Company's debt agreements contain other covenants and events of default that are customary for similar agreements and may limit our ability to take various actions including our ability to pay a dividend or repurchase our stock.

If we fail to perform our obligations under these and other covenants, the lenders' credit commitment could be terminated and any outstanding borrowings, together with accrued interest, under the Revolving Facility could be declared immediately due and payable. The Company has a cross default provision that applies to our indebtedness having a principal amount in excess of $35.0 million.

As of September 30, 2020, the Company was in compliance with all applicable debt covenants. We do not anticipate a violation of these covenants nor do we anticipate that any of these covenants will restrict our operations or our ability to obtain additional financing.

8. Commitments and Contingent Liabilities

Legal Matters

Between 2005 and 2012, the U.S. Environmental Protection Agency ("EPA") and the Ohio Environmental Protection Agency (“OEPA”) issued Notices of Violations (“NOVs”), alleging violations of air emission operating permits for our Haverhill and Granite City cokemaking facilities. We worked in a cooperative manner with the EPA, the OEPA and the Illinois Environmental Protection Agency to address the allegations and, in November 2014, entered into a consent decree with these parties in federal district court in the Southern District of Illinois. The consent decree included a civil penalty paid in December 2014, and a commitment to undertake capital projects to improve reliability and enhance environmental performance. The Haverhill project was completed in 2016, but completion of the Granite City project was delayed to June 2019, with SunCoke agreeing to pay an immaterial amount associated with the delay.

Between 2010 and 2016, SunCoke Energy also received certain NOVs, Findings of Violations (“FOVs”), and information requests from the EPA, alleging violations of air operating permit conditions related to our Indiana Harbor cokemaking facility. To reach a settlement of these NOVs and FOVs, we met regularly with the EPA, the Indiana Department of Environmental Management and Cokenergy, LLC., an independent power producer that processes hot flue gas from our Indiana Harbor facility to reduce the sulfur and particulate content and produce steam and electricity. A consent decree among the parties was entered by the federal district court in the Northern District of Indiana during the fourth quarter of 2018. The settlement included a civil penalty paid in the fourth quarter of 2018, and implementation of certain capital projects, completed during the fourth quarter of 2019, to improve reliability and environmental performance of the coke ovens at the facility.

The Company is a party to certain other pending and threatened claims, including matters related to commercial disputes, employment claims, personal injury claims, common law tort claims and environmental claims. Although the ultimate outcome of these claims cannot be ascertained at this time, it is reasonably possible that some portion of these claims could be resolved unfavorably to the Company. Management of the Company believes that any liability which may arise from these claims would not have a material adverse impact on our consolidated financial statements.

Black Lung Benefit Liabilities

The Company has obligations related to coal workers’ pneumoconiosis, or black lung, benefits to certain former coal miners and their dependents. Such benefits are provided for under Title IV of the Federal Coal Mine and Safety Act of 1969 and subsequent amendments, as well as for black lung benefits provided in the states of Virginia, Kentucky and West Virginia pursuant to workers’ compensation legislation. The Patient Protection and Affordable Care Act (“PPACA”), which was implemented in 2010, amended previous legislation related to coal workers’ black lung obligations. PPACA provides for the automatic extension of awarded lifetime benefits to surviving spouses and changes the legal criteria used to assess and award claims.

We adjust our liability each year based upon actuarial calculations of our expected future payments for these benefits. Our independent actuarial consultants calculate the present value of the estimated black lung liability annually based on actuarial models utilizing our population of former coal miners, historical payout patterns of both the Company and the industry, actuarial mortality rates, disability incidence, medical costs, death benefits, dependents, discount rates and the current federally mandated payout rates. The estimated liability may be impacted by future changes in the statutory mechanisms, modifications by court decisions and changes in filing patterns driven by perceptions of success by claimants and their advisors, the impact of which cannot be estimated. The estimated liability was $56.6 million and $55.1 million at September 30, 2020 and December 31, 2019, respectively, of which the current portion of $4.6 million was included in accrued liabilities on the Consolidated Balance Sheets in both periods.

On February 1, 2013, SunCoke obtained commercial insurance for any black lung liabilities for employees with a last date of employment after that date. Also during 2013, we were reauthorized to continue to self-insure black lung liabilities incurred prior to February 1, 2013 by the U.S. Department of Labor's Division of Coal Mine Workers' Compensation (“DCMWC”) in exchange for $8.4 million of collateral. In July 2019, the DCMWC required that SunCoke, along with a number of other companies, file an application and supporting documentation for reauthorization to self-insure our legacy black lung obligations incurred prior to February 1, 2013. The Company provided the requested information in the fourth quarter of 2019. The DCMWC subsequently notified the Company in a letter dated February 21, 2020 that the Company was reauthorized to self-insure certain of its black lung obligations; however, the reauthorization is contingent upon the Company providing collateral of $40.4 million to secure certain of its black lung obligations. This proposed collateral requirement is a substantial increase from the $8.4 million in collateral that the Company currently provides to secure these self-insured black lung obligations. The reauthorization process provided the Company with the right to appeal the security determination. SunCoke exercised its right to appeal the DCMWC’s security determination and provided additional information supporting the Company’s position in May 2020. If the Company’s appeal is unsuccessful, the Company may be required to provide additional collateral to receive the self-insurance reauthorization from the DCMWC, which could potentially reduce the Company’s liquidity.

9. Share-Based Compensation

Equity Classified Awards

During the nine months ended September 30, 2020, the Company granted share-based compensation to eligible participants under the SunCoke Energy, Inc. Long-Term Performance Enhancement Plan (“SunCoke LTPEP”). All awards vest immediately upon a qualifying termination of employment, as defined by the SunCoke LTPEP, following a change in control.

Restricted Stock Units Settled in Shares

The Company issued 304,332 stock-settled restricted stock units (“RSUs”) to certain employees to be settled in shares of the Company’s common stock during the nine months ended September 30, 2020. The weighted average grant date fair value was $6.04 per unit and was based on the closing price of our common stock on the day of the grant. The RSUs vest in three annual installments beginning one year from the date of grant.

Performance Share Units

The Company granted the following performance share units (“PSUs”) to certain employees to be settled in shares of the Company's common stock during the nine months ended September 30, 2020, for which the service period will end on December 31, 2022 and will vest during the first quarter of 2023:

	Shares	Grant Date Fair Value per Unit
PSUs[(1)(2)]	228,248	$ 6.70

(1) The PSU awards are split 50/50 between the Company's three year cumulative Adjusted EBITDA (as defined in Note 13) performance measure and the Company's three-year average pre-tax return on capital performance measure for its coke and logistics businesses and unallocated corporate expenses.

(2) The number of PSUs ultimately awarded will be determined by the above performance measures versus targets and the Company's three-year total shareholder return (“TSR”) as compared to the TSR of the companies making up the Nasdaq Iron & Steel Index (“TSR Modifier”). The TSR Modifier can impact the payout between 75 percent and 125 percent of the Company's final performance measure results.

The award may vest between zero and 250 percent of the original units granted. The fair value of the PSUs granted during the nine months ended September 30, 2020 is based on the closing price of our common stock on the date of grant as well as a Monte Carlo simulation for the valuation of the TSR Modifier.

Stock Options

The Company did not grant any stock options during the nine months ended September 30, 2020.

Liability Classified Awards

Restricted Stock Units Settled in Cash

During the nine months ended September 30, 2020, the Company issued 263,998 restricted stock units to certain employees to be settled in cash (“Cash RSUs”), which vest in three annual installments beginning one year from the grant date.

The weighted average grant date fair value of the Cash RSUs granted during the nine months ended September 30, 2020 was $6.04 per unit and was based on the closing price of our common stock on the day of grant.

The Cash RSU liability is adjusted based on the closing price of our common stock at the end of each quarterly period and at both September 30, 2020 and December 31, 2019 was not material.

Cash Incentive Awards

The Company also granted share-based compensation to eligible participants under the SunCoke Energy, Inc. Long-Term Cash Incentive Plan ("SunCoke LTCIP"), which became effective January 1, 2016. The SunCoke LTCIP is designed to provide for performance-based, cash-settled awards. All awards vest immediately upon a qualifying termination of employment, as defined by the SunCoke LTCIP, following a change in control.

The Company issued awards with an aggregate grant date fair value of $2.0 million during the nine months ended September 30, 2020, for which the service period will end on December 31, 2022 and will vest during the first quarter of 2023. The awards are split 50/50 between the Company's three-year cumulative Adjusted EBITDA performance and the Company's three-year average pre-tax return on capital for its coke and logistics businesses and unallocated corporate expenses. The 2020 awards are not subject to the Company's three-year TSR Modifier performance.

The cash incentive award liability at September 30, 2020 was adjusted based on the Company's three-year cumulative Adjusted EBITDA performance and adjusted average pre-tax return on capital for the Company's coke and logistics businesses and unallocated corporate expenses. The cash incentive award liability at both September 30, 2020 and December 31, 2019 was not material.

Summary of Share-Based Compensation Expense

Below is a summary of the compensation expense, unrecognized compensation costs, and the period for which the unrecognized compensation cost is expected to be recognized over:

	Three Months Ended September 30,		Nine Months Ended September 30,		September 30, 2020	
	2020	2019	2020	2019		
	Compensation Expense[1] (Dollars in millions)				Unrecognized Compensation Cost	Weighted Average Remaining Recognition Period (Years)
Equity Awards:						
Stock Options	$ —	$ 0.3	$ 0.3	$ 0.8	$ 0.2	1.2
RSUs	0.5	0.3	1.4	0.7	$ 1.0	1.3
PSUs	0.1	0.6	1.1	1.6	$ 2.2	1.6
Total equity awards	$ 0.6	$ 1.2	$ 2.8	$ 3.1		
Liability Awards:						
Cash RSUs	$ 0.2	$ —	$ 0.3	$ 0.7	$ 0.7	1.8
Cash incentive award	0.3	(0.1)	0.6	0.3	$ 1.6	2.1
Total liability awards	$ 0.5	$ (0.1)	$ 0.9	$ 1.0		

(1) Compensation expense recognized by the Company is included in selling, general and administrative expenses on the Consolidated Statements of Operations.

The Company issued $0.1 million and $0.2 million of share-based compensation to the Company's Board of Directors during the nine months ended September 30, 2020 and 2019, respectively.

10. Earnings per Share

Basic earnings per share ("EPS") has been computed by dividing net income attributable to SunCoke Energy, Inc. by the weighted average number of shares outstanding during the period. Except where the result would be anti-dilutive, diluted earnings per share has been computed to give effect to share-based compensation awards using the treasury stock method.

The following table sets forth the reconciliation of the weighted-average number of common shares used to compute basic EPS to those used to compute diluted EPS:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
	(Shares in millions)			
Weighted-average number of common shares outstanding-basic	82.8	89.9	83.1	73.7
Add: Effect of dilutive share-based compensation awards	—	—	0.1	—
Weighted-average number of shares-diluted	82.8	89.9	83.2	73.7

The following table shows equity awards that are excluded from the computation of diluted earnings per share as the shares would have been anti-dilutive:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
	(Shares in millions)			
Stock options	3.1	3.1	3.1	3.0
Restricted stock units	0.4	0.2	0.3	0.1
Performance stock units	0.5	0.6	0.3	0.3
Total	4.0	3.9	3.7	3.4

11. Fair Value Measurement

The Company measures certain financial and non-financial assets and liabilities at fair value on a recurring basis. Fair value is defined as the price that would be received from the sale of an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. Fair value disclosures are reflected in a three-level hierarchy, maximizing the use of observable inputs and minimizing the use of unobservable inputs.

The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels are defined as follows:

- Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for an identical asset or liability in an active market.
- Level 2 - inputs to the valuation methodology include quoted prices for a similar asset or liability in an active market or model-derived valuations in which all significant inputs are observable for substantially the full term of the asset or liability.
- Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement of the asset or liability.

Financial Assets and Liabilities Measured at Fair Value on a Recurring Basis

Certain assets and liabilities are measured at fair value on a recurring basis. The Company's cash and cash equivalents were measured at fair value at September 30, 2020 and December 31, 2019 based on quoted prices in active markets for identical assets. These inputs are classified as Level 1 within the valuation hierarchy.

Certain Financial Assets and Liabilities not Measured at Fair Value

At September 30, 2020 and December 31, 2019, the fair value of the Company’s total debt was estimated to be $673.6 million and $776.1 million, respectively, compared to a carrying amount of $739.9 million and $800.5 million, respectively. The fair value was estimated by management based upon estimates of debt pricing provided by financial institutions, which are considered Level 2 inputs.

12. Revenue from Contracts with Customers

Cokemaking

Substantially all our coke sales are made pursuant to long-term, take-or-pay coke sales agreements with AM USA, AK Steel and U.S. Steel, who are three of the largest blast furnace steelmakers in North America. The take-or-pay provisions in our

agreements require our customers to purchase all or substantially all of the coke volumes produced as specified in the agreements or pay the contract price for any tonnage they do not purchase. The take-or-pay provisions of our agreements also require us to deliver minimum annual tonnage, which vary by contract, and have historically been approximately 4.1 million tons, covering at least 90 percent of each facility's nameplate capacity.

As a result of the impacts the COVID-19 global pandemic has had on our customers, in July 2020, SunCoke entered into customer agreement amendments, providing near-term coke supply relief for our customers, in exchange for extending certain agreements. Subsequent to these amendments, in October 2020, the contract expiration date of the Haverhill II contract with AK Steel was further extended from June 2023 to June 2025.

Our coke sales agreements have approximately 18.5 million tons of unsatisfied or partially unsatisfied performance obligations, which are expected to be delivered over an average remaining contract term of approximately six years.

Disaggregated Sales and Other Operating Revenue

The following table provides disaggregated sales and other operating revenue by product or service, excluding intersegment revenues:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
	(Dollars in millions)			
Sales and other operating revenue:				
Cokemaking	$ 275.8	$ 363.9	$ 937.3	$ 1,073.0
Energy	11.2	13.7	36.3	40.4
Logistics	8.0	16.0	24.0	57.4
Operating and licensing fees	7.1	9.6	22.8	29.3
Other	0.1	1.1	2.5	3.0
Sales and other operating revenue	$ 302.2	$ 404.3	$ 1,022.9	$ 1,203.1

The following table provides disaggregated sales and other operating revenue by customer:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
	(Dollars in millions)			
Sales and other operating revenue:				
AM USA	$ 154.2	$ 196.8	$ 530.3	$ 586.4
AM Brazil	7.1	9.5	22.8	29.2
AK Steel	79.0	109.7	276.7	326.5
U.S. Steel	49.4	68.9	159.3	191.9
Other	12.5	19.4	33.8	69.1
Sales and other operating revenue	$ 302.2	$ 404.3	$ 1,022.9	$ 1,203.1

13. Business Segment Information

The Company reports its business through three segments: Domestic Coke, Brazil Coke and Logistics. The Domestic Coke segment includes the Jewell, Indiana Harbor, Haverhill, Granite City and Middletown cokemaking facilities. Each of these facilities produces coke, and all facilities except Jewell recover waste heat, which is converted to steam or electricity.

The Brazil Coke segment includes the licensing and operating fees payable to us under long-term contracts with ArcelorMittal Brazil, under which we operate a cokemaking facility located in Vitória, Brazil through at least 2023.

Logistics operations are comprised of CMT, KRT, Lake Terminal, which provides services to our Indiana Harbor cokemaking facility, and DRT, which provides services to our Jewell cokemaking facility. Handling and mixing results are presented in the Logistics segment.

Corporate expenses that can be identified with a segment have been included in determining segment results. The remainder is included in Corporate and Other. Corporate and Other also includes activity from our legacy coal mining business.

Segment assets are those assets utilized within a specific segment and exclude taxes.

The following table includes Adjusted EBITDA, which is the measure of segment profit or loss reported to the chief operating decision maker for purposes of allocating resources to the segments and assessing their performance:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
	(Dollars in millions)			
Sales and other operating revenue:				
Domestic Coke	$ 287.1	$ 378.5	$ 975.8	$ 1,115.8
Brazil Coke	7.1	9.6	22.8	29.3
Logistics	8.0	16.2	24.3	58.0
Logistics intersegment sales	5.0	6.1	16.8	19.3
Elimination of intersegment sales	(5.0)	(6.1)	(16.8)	(19.3)
Total sales and other operating revenues	$ 302.2	$ 404.3	$ 1,022.9	$ 1,203.1
Adjusted EBITDA:				
Domestic Coke	$ 48.7	$ 59.8	$ 173.7	$ 174.6
Brazil Coke	3.2	3.9	10.5	12.7
Logistics	4.3	9.6	10.6	34.1
Corporate and Other[1]	(8.4)	(6.6)	(25.9)	(24.3)
Total Adjusted EBITDA	$ 47.8	$ 66.7	$ 168.9	$ 197.1
Depreciation and amortization expense:				
Domestic Coke	$ 29.8	$ 28.9	$ 90.7	$ 90.1
Brazil Coke	0.2	0.2	0.4	0.5
Logistics	3.2	6.1	9.6	18.2
Corporate and Other	0.3	0.4	1.0	1.0
Total depreciation and amortization expense	$ 33.5	$ 35.6	$ 101.7	$ 109.8
Capital expenditures:				
Domestic Coke	$ 12.5	$ 28.0	$ 44.8	$ 78.4
Logistics	4.0	0.4	8.6	3.1
Total capital expenditures	$ 16.5	$ 28.4	$ 53.4	$ 81.5

(1) Corporate and Other includes activity from our legacy coal mining business, which contributed Adjusted EBITDA losses of $1.3 million and $5.8 million during the three and nine months ended September 30, 2020, respectively, as well as $2.0 million and $5.8 million during the three and nine months ended September 30, 2019, respectively. Additionally, Corporate and Other includes foundry related research and development costs of $0.9 million and $2.3 million during the three and nine months ended September 30, 2020, respectively.

The following table sets forth the Company's segment assets:

	September 30, 2020	December 31, 2019
	(Dollars in millions)	
Segment assets		
Domestic Coke	$ 1,352.8	$ 1,434.2
Brazil Coke	14.4	14.6
Logistics	196.4	200.8
Corporate and Other	90.8	102.0
Segment assets, excluding tax assets	1,654.4	1,751.6
Tax assets	7.4	2.2
Total assets	$ 1,661.8	$ 1,753.8

The Company evaluates the performance of its segments based on segment Adjusted EBITDA, which is defined as earnings before interest, taxes, depreciation and amortization (“EBITDA”), adjusted for any impairments, gain 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. Additionally, other companies may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

Below is a reconciliation of Adjusted EBITDA to net (loss) income, which is its most directly comparable financial measure calculated and presented in accordance with GAAP:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
	(Dollars in millions)			
Net (loss) income attributable to SunCoke Energy, Inc.	$ (2.7)	$ (163.0)	$ 8.7	$ (150.9)
Add: Net income (loss) attributable to noncontrolling interests	1.3	(0.1)	3.6	3.3
Net (loss) income	$ (1.4)	$ (163.1)	$ 12.3	$ (147.6)
Add:				
Long-lived asset and goodwill impairment	—	247.4	—	247.4
Depreciation and amortization expense	33.5	35.6	101.7	109.8
Interest expense, net	13.7	15.7	43.2	45.6
Gain on extinguishment of debt	(0.5)	(1.5)	(3.4)	(1.5)
Income tax expense (benefit)	0.2	(63.5)	12.8	(57.3)
Contingent consideration adjustments[1]	—	(3.9)	—	(4.2)
Restructuring costs[2]	2.3	—	2.3	—
Simplification Transaction costs[3]	—	—	—	4.9
Adjusted EBITDA	$ 47.8	$ 66.7	$ 168.9	$ 197.1
Subtract: Adjusted EBITDA attributable to noncontrolling interests[4]	2.3	1.6	6.6	39.1
Adjusted EBITDA attributable to SunCoke Energy, Inc.	$ 45.5	$ 65.1	$ 162.3	$ 158.0

(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 in the first half of 2019 were primarily the result of modifications to the volume forecast. This liability was written to zero during the third quarter of 2019, and the related contract was terminated in 2020.

(2) Charges related to a company-wide restructuring and cost-reduction initiative.

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

(4) Reflects noncontrolling interest in Indiana Harbor and the portion of the Partnership owned by public unitholders prior to the Simplification Transaction.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Quarterly Report on Form 10-Q contains certain forward-looking statements of expected future developments, as defined in the Private Securities Litigation Reform Act of 1995. This discussion contains forward-looking statements about our business, operations and industry that involve risks and uncertainties, such as statements regarding our plans, objectives, expectations and intentions. Our future results and financial condition may differ materially from those we currently anticipate as a result of the factors we describe in our filings with the SEC, including this Quarterly Report on Form 10-Q, and under "Cautionary Statement Concerning Forward-Looking Statements."

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 pandemic; 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.

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is based on financial data derived from the financial statements prepared in accordance with the United States generally accepted accounting principles ("GAAP") and certain other financial data that is prepared using a non-GAAP measure. For a reconciliation of the non-GAAP measure to its most comparable GAAP component, see "*Non-GAAP Financial Measures*" *at the end of this Item and Note 13 to our consolidated financial statements.*

Our MD&A is provided in addition to the accompanying consolidated financial statements and notes to assist readers in understanding our results of operations, financial condition and cash flow.

Overview

SunCoke Energy, Inc. ("SunCoke Energy," "SunCoke," "Company," "we," "our" and "us") is the largest independent producer of high-quality coke in the Americas, as measured by tons of coke produced each year, and has over 55 years of coke production experience. Coke is a principal raw material in the blast furnace steelmaking process and is produced by heating metallurgical coal in a refractory oven, which releases certain volatile components from the coal, thus transforming the coal into coke. We also own and operate a logistics business that primarily provides handling and/or mixing services to steel, coke (including some of our domestic cokemaking facilities), electric utility, coal producing and other manufacturing based customers.

Cokemaking

We have designed, developed, built, own and operate five cokemaking facilities in the United States ("U.S."), which consist of our Haverhill, Middletown, Granite City, Jewell and Indiana Harbor cokemaking facilities. These five cokemaking facilities have collective nameplate capacity to produce approximately 4.2 million tons of blast furnace coke per year. Additionally, we have designed and operate one cokemaking facility in Brazil under licensing and operating agreements on behalf of ArcelorMittal Brasil S.A. ("ArcelorMittal Brazil"), which has approximately 1.7 million tons of annual cokemaking capacity. To diversify our business and customer base, SunCoke began exploring the foundry coke market. Foundry coke is a high-quality grade of coke that is used at foundries to melt iron and various metals in cupola furnaces, which is further processed via casting or molding into products used in various industries such as construction, transportation and industrial products. Throughout 2020, we have been testing production capacity and executing successful test sales of foundry coke. We expect we will be in a position to produce and sell approximately 100 thousand tons of foundry coke in 2021.

Our core business model is predicated on providing steelmakers an alternative to investing capital in their own captive coke production facilities. We direct our marketing efforts principally towards steelmaking customers that require coke for use in their blast furnaces. Our U.S. coke sales are made pursuant to long-term, take-or-pay agreements with ArcelorMittal USA LLC and/or its affiliates ("AM USA"), AK Steel Corporation ("AK Steel") and United States Steel Corporation ("U.S. Steel"), who are three of the largest blast furnace steelmakers in North America. These coke sales agreements have a weighted average remaining term of approximately six years based on annual nameplate capacity and contain pass-through provisions for costs we incur in the cokemaking process, including coal costs (subject to meeting contractual coal-to-coke yields), operating and maintenance expenses, costs related to the transportation of coke to our customers, taxes (other than income taxes) and costs associated with changes in regulation. The coal component of the Jewell coke price is based on the weighted-average contract price of third-party coal purchases at our Haverhill facility applicable to AM USA coke sales.

In March 2020, Cleveland-Cliffs Inc. ("Cliffs"), a leading producer of iron ore pellets, completed the acquisition of AK Steel. In September 2020, Cliffs announced that it has entered into a definitive agreement with AM USA to acquire

substantially all of the operations of AM USA and its subsidiaries. We do not currently anticipate any impact to our contracts resulting from these transactions.

Steelmaking customers continue to operate in a challenging environment. In response to the decline in end user demand as well as in an effort to slow the spread of the novel coronavirus ("COVID-19"), in March 2020, end user manufacturers began idling plants, which directly and adversely impacted our customers. As a result, the U.S. steel production utilization rate declined approximately 10 percent from December 2019 to approximately 70 percent in October 2020, up from 50 percent in June 2020. In response to this decrease in demand for steel production, certain blast furnaces have idled and other steelmaking facilities that continue to operate have turned down production. In order to help navigate through this challenging environment, SunCoke worked with our customers to provide near-term coke supply relief for customers in exchange for extending certain contracts. See further discussion in "Recent Developments."

We expect it will take substantial time to return to normalized production levels, but given current market uncertainties and uncertainty regarding the duration, severity and potential resurgence of the COVID-19 pandemic, we cannot predict when production levels will normalize. Before steel production ramps back up, stockpiles throughout the supply chain likely will be utilized and end user demand will likely not return to its previous levels until the overall economy recovers.

Our Granite City facility and the first phase of our Haverhill facility, or Haverhill I, have steam generation facilities, which use hot flue gas from the cokemaking process to produce steam for sale to customers, pursuant to steam supply and purchase agreements. Granite City sells steam to U.S. Steel and Haverhill I provides steam, at minimal cost, to Altivia Petrochemicals, LLC. Our Middletown facility and the second phase of our Haverhill facility, or Haverhill II, have cogeneration plants that use the hot flue gas created by the cokemaking process to generate electricity, which either is sold into the regional power market or to AK Steel pursuant to energy sales agreements. Our Haverhill II facility amended energy agreement with AK Steel expires in 2021, at which time Haverhill II intends to continue to generate electricity for sale at prevailing market rates, either into the regional power market or to AK Steel.

The following table sets forth information about our cokemaking facilities and our coke and energy sales agreements as of September 30, 2020:

Facility	Location	Customer	Year of Start Up	Contract Expiration	Number of Coke Ovens	Annual Cokemaking Nameplate Capacity[1] (thousands of tons)	Use of Waste Heat
Owned and Operated:							
Jewell	Vansant, Virginia	AM USA	1962	December 2025[3]	142	720	Partially used for thermal coal drying
Indiana Harbor	East Chicago, Indiana	AM USA	1998	October 2023	268	1,220	Heat for power generation
Haverhill I	Franklin Furnace, Ohio	AM USA	2005	December 2025[3]	100	550	Process steam
Haverhill II	Franklin Furnace, Ohio	AK Steel	2008	June 2025[4]	100	550	Power generation
Granite City	Granite City, Illinois	U.S. Steel	2009	December 2024	120	650	Steam for power generation
Middletown[2]	Middletown, Ohio	AK Steel	2011	December 2032	100	550	Power generation
					830	4,240	
Operated:							
Vitória	Vitória, Brazil	ArcelorMittal Brazil	2007	January 2023	320	1,700	Steam for power generation
					1,150	5,940	

(1) Cokemaking nameplate capacity represents stated capacity for production of blast furnace coke. The minimum tons in our coke sales agreements may be lower than the annual cokemaking nameplate capacity.

(2) The Middletown coke sales agreement provides for coke sales on a “run of oven” basis, which includes both blast furnace coke and small coke. Middletown nameplate capacity on a “run of oven” basis is 578 thousand tons per year.

(3) In July 2020, the Jewell and Haverhill I contracts with AM USA were amended to extend the contract expiration date from December 2020 to December 2025. See "Recent Developments" for additional details.

(4) In July 2020, the Haverhill II contract with AK Steel was amended to extend the contract expiration date from December 2021 to June 2023. In October 2020, the contract expiration date was further extended to June 2025. See "Recent Developments" for additional details. The energy supply agreement, whereby AK Steel purchases electricity produced from the Haverhill II cogeneration plant, will expire in December 2021.

Logistics

Our logistics business consists of Convent Marine Terminal (“CMT”), Kanawha River Terminal (“KRT”), Lake Terminal and Dismal River Terminal (“DRT”). CMT is one of the largest export terminals on the U.S. Gulf Coast. CMT provides strategic access to seaborne markets for coal and other industrial materials. The terminal provides loading and unloading services and has direct rail access and has the current capability to transload 15 million tons annually with its top of the line shiploader. The facility serves coal mining customers as well as other merchant business, including aggregates (crushed stone) and petroleum coke. CMT's efficient barge unloading capabilities complement its rail and truck offerings and provide the terminal with the ability to transload and mix a significantly broader variety of materials, including petroleum coke and other materials from barges at its dock. KRT is a leading metallurgical and thermal coal mixing and handling terminal service provider with collective capacity to mix and transload 25 million tons annually through its two operations in West Virginia. Lake Terminal and DRT provide coal handling and mixing services to SunCoke's Indiana Harbor and Jewell cokemaking operations, respectively.

Our logistics business has the collective capacity to mix and/or transload more than 40 million tons of coal and other aggregates annually and has storage capacity of approximately 3 million tons. Materials are transported in numerous ways, including rail, truck, barge or ship. We do not take title of the materials handled but instead derive our revenues by providing handling and/or mixing services to our customers on a per ton basis. Revenues are recognized when services are provided as defined by customer contracts. Logistics services provided to our domestic cokemaking facilities are provided under contracts with terms equivalent to those of arm's-length transactions.

Certain CMT customers are impacted by seaborne export market dynamics. Fluctuations in the benchmark price for coal delivery into northwest Europe, as referenced in the Argus/McCloskey's Coal Price Index report (“API2 index price”), as well as Newcastle index coal prices, as referenced in the Argus/McCloskey's Coal Price Index report (“API6 index price”), which reflect low-ash coal prices shipped from Australia, contribute to our customers' decisions to place tons into the export market and thus impact transloading volumes through CMT. Tempered demand from Europe and increasing Russian coal supply have caused the global thermal coal prices to remain at depressed levels, which have continued to unfavorably impact export volumes from our customers.

Our KRT terminals serve two primary domestic markets: metallurgical coal trade and thermal coal trade. Metallurgical markets are primarily impacted by steel prices and blast furnace operating levels, whereas thermal markets are impacted by natural gas prices and electricity demand. Challenging market conditions have impacted the volume of coal moving through our domestic logistics terminals, including the terminals that serve our own cokemaking facilities, as a result of the volume relief provided to our Domestic Coke customers.

Historically, a significant portion of our logistics business was derived from a long-term, take-or-pay contract with Foresight Energy LLC ("Foresight"). On March 10, 2020, Foresight filed for Chapter 11 bankruptcy and our contract with Foresight was subsequently rejected. CMT is handling tons in 2020 under a new agreement with Javelin Global Commodities (UK) Ltd (“Javelin”), the global coal trading and marketing agent for Foresight and others, and is in the process of negotiating a longer term contract with Javelin.

Third Quarter Key Financial Results

Our consolidated results of operations were as follows:

	Three Months Ended September 30,		Increase (Decrease)	Nine Months Ended September 30,		Increase (Decrease)
	2020	2019		2020	2019	
	(Dollars in millions)					
Net (loss) income	$ (1.4)	$ (163.1)	$ 161.7	$ 12.3	$ (147.6)	$ 159.9
Net cash provided by operating activities	$ 74.5	$ 84.9	$ (10.4)	$ 123.1	$ 120.5	$ 2.6
Adjusted EBITDA	$ 47.8	$ 66.7	$ (18.9)	$ 168.9	$ 197.1	$ (28.2)

The three and nine months ended September 30, 2020 reflect the impact of volume relief provided to certain Domestic Coke customers beginning during the second quarter, partly offset by the ongoing success of our oven rebuild program at Indiana Harbor, as well as lower Logistics volumes. See detailed analysis of the quarter's results throughout the MD&A. See

Note 13 to our consolidated financial statements for the definition and reconciliation of Adjusted EBITDA, a non-GAAP measure.

Recent Developments

- ***COVID-19.*** On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. Our facilities have continued to operate during the COVID-19 pandemic due to our inclusion in the Critical Manufacturing Sector as defined by the U.S. Department of Homeland Security and the designation as an essential business by state and local government authorities.

  Our top priority has been and continues to be the safety and health of our employees and contractors. In response to the outbreak, we established an internal task force of subject matter experts, initiated enhanced health and safety measures across our facilities and enacted a work from home program for all qualifying personnel. The majority of qualifying personnel have returned to working on-site. We have implemented screening procedures consistent with U.S. Centers for Disease Control and Prevention ("CDC") recommendations at each of our sites, which may include screen questionnaires and temperature checks for employees, contractors, or other service providers. Additionally, to ensure employee safety, we have also adopted protocols consistent with CDC, state, and local guidance, which include but are not limited to increased cleaning and disinfection, social distancing, physical separations, and, in certain instances, mask-wearing.

  We are closely monitoring the impact of the outbreak of COVID-19 on all aspects of our business, including how it has and will impact our suppliers. We have not experienced any significant impacts or interruptions with respect to our ability to procure coal as a result of COVID-19, and we will continue to closely monitor our inventory levels to mitigate the risk of any potential supply interruptions.

- ***Customer Contract Amendments and Revised 2020 Guidance.*** SunCoke engaged in discussions with its steelmaking customers regarding market challenges presented by the current COVID-19 global pandemic. These discussions addressed near-term coke supply relief for customers in exchange for extending certain contracts.

  In July 2020, SunCoke reached an agreement with AK Steel for a supply reduction of 200 thousand tons of coke in 2020, including a 125 thousand ton reduction at Haverhill II and a 75 thousand ton reduction at Middletown, in exchange for extending the Haverhill II contract from December 31, 2021 to June 30, 2023. Subsequent to these amendments, in October 2020, the Haverhill II contract was further extended to June 30, 2025. Key provisions of the agreement, including pass-through of coal costs, reimbursement of operating and maintenance expenses subject to certain metrics, and pricing remain unchanged.

  Also in July 2020, SunCoke reached an agreement with AM USA to reduce supply by approximately 300 thousand coke tons in 2020 in exchange for extending the Haverhill I and Jewell contracts to December 31, 2025. Under the new contracts, SunCoke will produce a combined 800 thousand tons for the 2021 contract year and a combined 400 thousand tons on an annualized basis for the 2022 through 2025 contract years. In connection with these discussions, AM USA withdrew its notice declaring a force majeure event.

  As we temporarily ramp down coke production in 2020 and address market conditions in the logistics business, we have taken several steps to reduce costs and optimize our operations. The impact of these actions, along with lower volumes, will result in a reduction in 2020 Adjusted EBITDA of $40 million to $50 million from our original expectations. Consistent with our updated guidance provided in August 2020, we expect 2020 Adjusted EBITDA to be between $190 million and $200 million. Additionally, as a result of these changes as well as anticipated changes in working capital, we expect full year 2020 cash from operating activities of approximately $116 million to $136 million. We also expect 2020 capital expenditures of approximately $80 million.

  We continue to evaluate our cost structure to ensure that we remain a low-cost provider. We have taken further actions, including a reduction in force, which is anticipated to result in full year savings of approximately $10 million in 2021.

  Our business model is built on long-term customer relationships. The actions we have taken, together with our customers, not only address all the near-term contracts that were approaching expiration, but also further strengthen our long-term customer relationships and add meaningful certainty and stability to our business.

  The Company expects that the impacts of COVID-19 and related economic conditions on our future results will continue to evolve in ways that are difficult to anticipate. See "Part II - Item 1A - Risk Factors" for additional discussion.

- ***2020 Revised Key Initiatives.*** With these new challenges, SunCoke's primary focus in 2020 is to:
  - *Successfully navigate through the COVID-19 pandemic.* SunCoke will continue to make every effort to protect the safety and well-being of employees and contractors during this health crisis.
  - *Deliver operational excellence and optimize asset base.* SunCoke will continue to deliver strong operational performance and asset optimization while following all safety guidelines.
  - *Support customer base and successful relief negotiation.* SunCoke's business model is based on long-term partnerships with our coke customers. We will continue to support our customers to help them navigate through the current crisis, while providing long-term stability by navigating through successful customer relief negotiations.
  - *Maintain asset integrity for long-term viability.* SunCoke will ensure that assets are safeguarded during the current crisis situation to minimize any potential negative financial impact in the long-term. We will ensure our asset base is properly maintained, even as operating levels may fluctuate in the near term.
  - *Achieve revised 2020 financial objectives.* SunCoke is confident in our liquidity position and will remain committed to achieving our revised financial target of Adjusted EBITDA of between $190 million and $200 million in 2020.

Results of Operations

The following table sets forth amounts from the Consolidated Statements of Operations for the three and nine months ended September 30, 2020 and 2019, respectively:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2020	2019	Increase (Decrease)	2020	2019	Increase (Decrease)
	(Dollars in millions)					
Revenues						
Sales and other operating revenue	$ 302.2	$ 404.3	$ (102.1)	$ 1,022.9	$ 1,203.1	$ (180.2)
Costs and operating expenses						
Cost of products sold and operating expenses	238.3	319.4	(81.1)	805.2	953.8	(148.6)
Selling, general and administrative expenses	18.4	14.3	4.1	51.1	52.9	(1.8)
Depreciation and amortization expense	33.5	35.6	(2.1)	101.7	109.8	(8.1)
Long-lived asset and goodwill impairment	—	247.4	(247.4)	—	247.4	(247.4)
Total costs and operating expenses	290.2	616.7	(326.5)	958.0	1,363.9	(405.9)
Operating income (loss)	12.0	(212.4)	224.4	64.9	(160.8)	225.7
Interest expense, net	13.7	15.7	(2.0)	43.2	45.6	(2.4)
Gain on extinguishment of debt	(0.5)	(1.5)	1.0	(3.4)	(1.5)	(1.9)
(Loss) income before income tax expense (benefit)	(1.2)	(226.6)	225.4	25.1	(204.9)	230.0
Income tax expense (benefit)	0.2	(63.5)	63.7	12.8	(57.3)	70.1
Net (loss) income	(1.4)	(163.1)	161.7	12.3	(147.6)	159.9
Less: Net income (loss) attributable to noncontrolling interests	1.3	(0.1)	1.4	3.6	3.3	0.3
Net (loss) income attributable to SunCoke Energy, Inc.	$ (2.7)	$ (163.0)	$ 160.3	$ 8.7	$ (150.9)	$ 159.6

Sales and Other Operating Revenue and Costs of Products Sold and Operating Expenses. Sales and other operating revenue and costs of products sold and operating expenses decreased for the three and nine months ended September 30, 2020 compared to the same prior year period, partly due to the pass-through of lower coal prices in our Domestic Coke segment. Revenues further declined during the three and nine months ended September 30, 2020 as compared to the same prior year period as a result of lower volumes in our Domestic Coke segment, driven by volume relief provided to our customers impacted by the COVID-19 pandemic, as well as lower volumes in our Logistics segment.

Selling, General and Administrative Expenses. Selling, general and administrative expenses during the three and nine months ended September 30, 2020 included research and development costs related to foundry coke production of $0.9 million and $2.3 million, respectively. The three and nine months ended September 30, 2020 also included $2.3 million of restructuring costs. The three months ended September 30, 2020 was further impacted by the impact of period-over-period, mark-to-market adjustments in deferred compensation driven by changes in the Company's share price. The nine months ended September 30, 2020 benefited from the absence of $4.9 million of transaction costs incurred during the same prior year period as well as lower legal fees.

Depreciation and Amortization Expense. Depreciation and amortization expense for the three and nine months ended September 30, 2020 decreased by $2.8 million and $8.4 million, respectively, as a result of the impairment of our Logistics assets, which was recorded in the third quarter of 2019. Depreciation expense increased $2.0 million and $6.1 million, respectively, during the three and nine months ended September 30, 2020 as a result of oven rebuilds at Indiana Harbor, which were completed throughout 2019. This increase was mostly offset by the absence of additional depreciation associated with planned upgrades to certain heat recovery steam generators, which was recorded during the same prior year periods.

Interest Expense, Net. Interest expense, net benefited during the three and nine months ended September 30, 2020, as a result of 2025 Senior Notes repurchases as well as lower interest rates on the Revolving Facility, which was partly offset by lower capitalized interest of $2.1 million in the nine months ended September 30, 2020.

Income Tax Expense (Benefit). The increase in income tax expense during the three and nine months ended September 30, 2020 is due to the absence of a $68.7 million tax benefit as a result of the non-cash, pre-tax impairment charges recorded to our Logistics assets during the three and nine months ended September 30, 2019. Additionally, the revaluation of certain deferred tax assets due to lower apportioned state tax rates resulted in deferred income tax expense of $6.5 million during the nine months ended September 30, 2020. See Note 5 to our consolidated financial statements.

Noncontrolling Interest. Net income attributable to noncontrolling interest represents a 14.8 percent third-party interest in our Indiana Harbor cokemaking facility. Net income from Indiana Harbor has increased in the current year periods as a result of the completion of the oven rebuild project and resulting improved performance, which therefore resulted in an increase in net income attributable to noncontrolling interest. Prior to the Company acquiring all of the outstanding common units of the Partnership not already owned by SunCoke (the "Simplification Transaction"), net income attributable to noncontrolling interest also represented the common public unitholders' interest in the Partnership.

The following table provides details into net income (loss) attributable to noncontrolling interest:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2020	2019	Increase (Decrease)	2020	2019	Increase (Decrease)
	(Dollars in millions)					
Net income (loss) attributable to third-party interest in our Indiana Harbor cokemaking facility	$ 1.3	$ (0.1)	$ 1.4	$ 3.6	$ 0.7	$ 2.9
Net income attributable to the Partnership's common public unitholders'	$ —	$ —	$ —	$ —	$ 2.6	$ (2.6)
Net income (loss) attributable to noncontrolling interest	$ 1.3	$ (0.1)	$ 1.4	$ 3.6	$ 3.3	$ 0.3

Results of Reportable Business Segments

We report our business results through three segments:

- Domestic Coke consists of our Jewell facility, located in Vansant, Virginia, our Indiana Harbor facility, located in East Chicago, Indiana, our Haverhill facility, located in Franklin Furnace, Ohio, our Granite City facility located in Granite City, Illinois, and our Middletown facility located in Middletown, Ohio.
- Brazil Coke consists of operations in Vitória, Brazil, where we operate the ArcelorMittal Brazil cokemaking facility.
- Logistics consists of CMT, located in Convent, Louisiana, KRT, located in Ceredo and Belle, West Virginia, Lake Terminal, located in East Chicago, Indiana, and DRT, located in Vansant, Virginia. Lake Terminal and DRT are located adjacent to our Indiana Harbor and Jewell cokemaking facilities, respectively.

Corporate expenses that can be identified with a segment have been included in determining segment results. The remainder is included in Corporate and Other, including activity from our legacy coal mining business.

Management believes Adjusted EBITDA is an important measure of operating performance, which is used as the primary basis for the chief operating decision maker to evaluate the performance of each of our reportable segments. Adjusted EBITDA should not be considered a substitute for the reported results prepared in accordance with GAAP. See Note 13 to our consolidated financial statements.

Segment Financial and Operating Data

The following tables set forth financial and operating data:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2020	2019	Increase (Decrease)	2020	2019	Increase (Decrease)
			(Dollars in millions)			
Sales and other operating revenues:						
Domestic Coke	$ 287.1	$ 378.5	$ (91.4)	$ 975.8	$ 1,115.8	$ (140.0)
Brazil Coke	7.1	9.6	(2.5)	22.8	29.3	(6.5)
Logistics	8.0	16.2	(8.2)	24.3	58.0	(33.7)
Logistics intersegment sales	5.0	6.1	(1.1)	16.8	19.3	(2.5)
Elimination of intersegment sales	(5.0)	(6.1)	1.1	(16.8)	(19.3)	2.5
Total sales and other operating revenues	$ 302.2	$ 404.3	$ (102.1)	$ 1,022.9	$ 1,203.1	$ (180.2)
Adjusted EBITDA[1]:						
Domestic Coke	$ 48.7	$ 59.8	$ (11.1)	$ 173.7	$ 174.6	$ (0.9)
Brazil Coke	3.2	3.9	(0.7)	10.5	12.7	(2.2)
Logistics	4.3	9.6	(5.3)	10.6	34.1	(23.5)
Corporate and Other[2]	(8.4)	(6.6)	(1.8)	(25.9)	(24.3)	(1.6)
Total Adjusted EBITDA	$ 47.8	$ 66.7	$ (18.9)	$ 168.9	$ 197.1	$ (28.2)
Coke Operating Data:						
Domestic Coke capacity utilization	82 %	99 %	(17)%	92 %	98 %	(6)%
Domestic Coke production volumes (thousands of tons)	877	1,059	(182)	2,933	3,095	(162)
Domestic Coke sales volumes (thousands of tons)	868	1,057	(189)	2,909	3,091	(182)
Domestic Coke Adjusted EBITDA per ton[3]	$ 56.11	$ 56.58	$ (0.47)	$ 59.71	$ 56.49	$ 3.22
Brazilian Coke production—operated facility (thousands of tons)	301	427	(126)	981	1,270	(289)
Logistics Operating Data:						
Tons handled (thousands of tons)	3,346	4,706	(1,360)	10,413	16,082	(5,669)

(1) See Note 13 in our consolidated financial statements for both the definition of Adjusted EBITDA and the reconciliation from GAAP to the non-GAAP measurement for the three and nine months ended September 30, 2020 and 2019.

(2) Corporate and Other includes activity from our legacy coal mining business, which contributed Adjusted EBITDA losses of $1.3 million and $5.8 million during the three and nine months ended September 30, 2020, respectively, and $2.0 million and $5.8 million during the three and nine months ended September 30, 2019, respectively. Additionally, Corporate and Other includes foundry related research and development costs of $0.9 million and $2.3 million during the three and nine months ended September 30, 2020, respectively.

(3) Reflects Domestic Coke Adjusted EBITDA divided by Domestic Coke sales volumes.

Analysis of Segment Results

Domestic Coke

The following table sets forth year-over-year changes in the Domestic Coke segment's sales and other operating revenues and Adjusted EBITDA results:

	Three Months Ended September 30, 2020 vs. 2019		Nine Months Ended September 30, 2020 vs. 2019	
	Sales and other operating revenue	Adjusted EBITDA	Sales and other operating revenue	Adjusted EBITDA
	(Dollars in millions)			
Prior year period	$ 378.5	$ 59.8	$ 1,115.8	$ 174.6
Volumes[1]	(56.1)	(17.4)	(48.0)	(16.5)
Coal cost recovery and yields[2]	(34.4)	(1.2)	(94.8)	(2.8)
Operating and maintenance costs[3]	1.1	7.8	3.4	19.2
Energy and other[4]	(2.0)	(0.3)	(0.6)	(0.8)
Current year period	$ 287.1	$ 48.7	$ 975.8	$ 173.7

(1) Improved performance from rebuilt ovens at our Indiana Harbor facility increased volumes, which increased sales and other operating revenues and Adjusted EBITDA by $20.8 million and $6.3 million, respectively, for the three months ended September 30, 2020 and $57.8 million and $16.4 million, respectively, for the nine months ended September 30, 2020. The increase was more than offset by volume relief provided to our customers impacted by the COVID-19 pandemic beginning during the second quarter 2020.

(2) The pass through of lower coal prices resulted in the decline in revenues as well as lower coal-to-coke yields.

(3) Adjusted EBITDA benefited from lower operating and maintenance costs across the fleet as well as the absence of costs related to the Indiana Harbor oven rebuild initiative.

(4) Volume relief discussed above also resulted in decreased energy production levels.

Logistics

During the three and nine months ended September 30, 2020 revenues were $13.0 million and $41.1 million, respectively, and Adjusted EBITDA was $4.3 million and $10.6 million, respectively. During the three and nine months ended September 30, 2019 revenues were $22.3 million and $77.3 million, respectively, and Adjusted EBITDA was $9.6 million and $34.1 million, respectively. Declines in Logistics as compared to the prior year periods reflect lower volumes primarily resulting from depressed thermal coal export pricing, which has adversely impacted certain customers at CMT and contributed to the bankruptcy of Foresight. The COVID-19 pandemic further impacted volumes during the three and nine months ended September 30, 2020. These declines were partially offset by lower operating costs of $2.4 million and $5.9 million during the three and nine months ended September 30, 2020, respectively.

Brazil

During the three and nine months ended September 30, 2020, revenues were $7.1 million and $22.8 million, respectively, and Adjusted EBITDA was $3.2 million and $10.5 million, respectively, all of which reflect volume relief provided to our customer impacted by the COVID-19 pandemic.

Corporate and Other

Corporate and Other Adjusted EBITDA was a loss of $8.4 million and $25.9 million for the three and nine months ended September 30, 2020, which includes foundry related research and development costs of $0.9 million and $2.3 million in each period, respectively. Corporate and Other was further impacted by period-over-period, mark-to-market adjustments in deferred compensation driven by changes in the Company's share price during the three months ended September 30, 2020 as compared to the same prior year period.

Liquidity and Capital Resources

Our primary liquidity needs are to fund working capital, fund investments, service our debt, maintain cash reserves and replace partially or fully depreciated assets and other capital expenditures. Our sources of liquidity include cash generated from operations, borrowings under our revolving credit facility and, from time to time, debt and equity offerings. We believe our current resources are sufficient to meet our working capital requirements for our current business for the foreseeable future. However, the Company continues to evaluate whether any borrowings or other actions are needed to safeguard the business

amidst the fluid market conditions and the uncertainty around the magnitude and duration of the COVID-19 pandemic. As of September 30, 2020, we had $86.0 million of cash and cash equivalents and $283.9 million of borrowing availability under our credit facility.

We may, from time to time, seek to retire or purchase additional amounts of our outstanding equity and/or debt securities through cash purchases and/or exchanges for other securities, in open market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material. Refer to further liquidity discussion below as well as to Note 7 to our consolidated financial statements and to Share Repurchases below and "Part II - Item 2 - Unregistered Sales of Equity Securities and Use of Proceeds" for discussion of debt and equity repurchases.

During the first quarter of 2020, the U.S. Department of Labor's Division of Coal Mine Workers' Compensation ("DCMWC") requested SunCoke provide additional collateral of approximately $32 million to secure certain of its black lung obligations. SunCoke exercised its right to appeal the DCMWC's determination and provided additional information supporting the Company's position in May 2020. If the Company's appeal is unsuccessful, the Company may be required to provide additional collateral to receive its self-insurance reauthorization from the DCMWC, which could potentially reduce the Company's liquidity. See further discussion in Note 8 to our consolidated financial statements.

Cash Flow Summary

The following table sets forth a summary of the net cash provided by (used in) operating, investing and financing activities for the nine months ended September 30, 2020 and 2019:

	Nine Months Ended September 30,	
	2020	2019
	(Dollars in millions)	
Net cash provided by operating activities	$ 123.1	$ 120.5
Net cash used in investing activities	(54.8)	(81.3)
Net cash used in financing activities	(79.4)	(91.2)
Net decrease in cash and cash equivalents	$ (11.1)	$ (52.0)

Cash Flows from Operating Activities

Net cash provided by operating activities increased by $2.6 million to $123.1 million for the nine months ended September 30, 2020 as compared to the corresponding prior year period. The current period reflects a favorable impact from primary working capital, which is comprised of accounts receivable, inventories and accounts payable, primarily driven by the net impact of lower inventory volumes and lower accounts payable, both as a result of volume relief provided to our Domestic Coke customers as well as lower coal prices compared to the same prior year period. This was mostly offset by the impact the volume relief had on our operating results during the current year period.

Cash Flows from Investing Activities

Net cash used in investing activities decreased by $26.5 million to $54.8 million for the nine months ended September 30, 2020 as compared to the corresponding prior year period driven by lower capital spending further discussed in Capital Requirements and Expenditures.

Cash Flows from Financing Activities

Net cash used in financing activities decreased $11.8 million to $79.4 million for the nine months ended September 30, 2020 as compared to the corresponding prior year period. During the current year period, the Company made $15.8 million of cash payments to redeem $19.5 million face value of 2025 Senior Notes as compared to $46.6 million of cash payments during the same prior year period to repurchase $50.0 million face value of 2025 Senior Notes. Additionally, the Company made net repayments of $39.0 million on the Revolving Facility during the nine months ended September 30, 2020 as compared to net repayments of approximately $5 million on the Revolving Facility during the same prior year period. The Revolving Facility refinancing in the third quarter of 2019, which increased borrowings on the revolver and paid down the $43.3 million term loan, had no net impact on financing cash flows. See further discussion of current period debt activities in Note 7 to our consolidated financial statements.

The current year period also included dividend payments to stockholders of $15.0 million and share repurchases under the repurchase program discussed in Item 2 of Part II of $7.0 million. The prior year period reflects share repurchases of $13.2 million, the Partnership's distribution payments to public unitholders of $14.2 million and cash payments in connection with the Simplification Transaction totaling $4.8 million.

Dividends

On August 3, 2020, SunCoke's Board of Directors declared a cash dividend of $0.06 per share of the Company's common stock. This dividend was paid on September 1, 2020, to stockholders of record on August 18, 2020.

Additionally, on November 6, 2020, SunCoke's Board of Directors declared a cash dividend of $0.06 per share of the Company's common stock. This dividend will be paid on December 1, 2020, to stockholders of record on November 20, 2020.

Debt Repurchases

Subsequent to September 30, 2020, the Company repurchased an additional $33.2 million face value of outstanding 2025 Senior Notes for $30.2 million of cash payments, which will result in an additional gain on extinguishment of debt of $2.4 million, net of the write-off of unamortized debt issuance costs and original issue discount.

Share Repurchases

During the first quarter of 2020, the Company repurchased $7.0 million of our common stock, or 1.6 million shares, in the open market for an average share price of $4.29, leaving $96.3 million available under the authorized repurchase program as of September 30, 2020. There were no share repurchases during the second or third quarter of 2020 as the Company temporarily suspended additional repurchases under the authorized repurchase program. Refer to Item 2 of Part II to this Quarterly Report on Form 10-Q for additional details on the repurchase program.

Covenants

As of September 30, 2020, we were in compliance with all applicable debt covenants. We do not anticipate a violation of these covenants nor do we anticipate that any of these covenants will restrict our operations or our ability to obtain additional financing. See Note 7 to the consolidated financial statements for details on debt covenants.

Credit Rating

In March 2020, S&P Global Ratings reaffirmed our corporate credit rating of BB- (stable). In April 2020, Moody’s Investors Service reaffirmed our corporate credit rating of B1 and changed the rating outlook to negative.

Capital Requirements and Expenditures

Our operations are capital intensive, requiring significant investment to upgrade or enhance existing operations and to meet environmental and operational regulations. The level of future capital expenditures will depend on various factors, including market conditions and customer requirements, and may differ from current or anticipated levels. Material changes in capital expenditure levels may impact financial results, including but not limited to the amount of depreciation, interest expense and repair and maintenance expense.

Our capital requirements have consisted, and are expected to consist, primarily of:

- Ongoing capital expenditures required to maintain equipment reliability, the integrity and safety of our coke ovens and steam generators and to comply with environmental regulations. Ongoing capital expenditures are made to replace partially or fully depreciated assets in order to maintain the existing operating capacity of the assets and/or to extend their useful lives and also include new equipment that improves the efficiency, reliability or effectiveness of existing assets. Ongoing capital expenditures do not include normal repairs and maintenance expenses, which are expensed as incurred;
- Environmental remediation project expenditures required to implement design changes to ensure that our existing facilities operate in accordance with existing environmental permits; and
- Expansion capital expenditures to acquire and/or construct complementary assets to grow our business and to expand existing facilities as well as capital expenditures made to grow our business through new markets or enable the renewal of a coke sales agreement and/or logistics service agreement and on which we expect to earn a reasonable return.

The following table summarizes ongoing capital expenditures and environmental remediation projects:

	Nine Months Ended September 30,	
	2020	2019
	(Dollars in millions)	
Ongoing capital[1]	$ 44.7	$ 65.6
Environmental remediation projects[2]	—	15.9
Expansion capital[3]	8.7	—
Total capital expenditures[4]	$ 53.4	$ 81.5

(1) Includes $26.4 million of capital expenditures in connection with the oven rebuild initiative at our Indiana Harbor facility during the nine months ended September 30, 2019. This initiative was completed at the end of 2019.

(2) Includes $2.3 million of capitalized interest in connection with the environmental remediation projects during the nine months ended September 30, 2019. The environmental project at Granite City was completed in June 2019.

(3) Includes capital spending in connection with the foundry cokemaking growth project.

(4) Reflects actual cash payments during the periods presented for our capital requirements.

In 2020, we expect our capital expenditures to be approximately $80 million, of which approximately $12 million will be spent on the foundry cokemaking growth project.

Off-Balance Sheet Arrangements

We have letters of credit, short term operating leases and outstanding surety bonds to secure reclamation and other performance commitments. There have been no material changes to these arrangements during the nine months ended September 30, 2020. Please refer to our Annual Report on Form 10-K filed on February 20, 2020 for further disclosure of these arrangements. Other than these arrangements, the Company has not entered into any transactions, agreements or other contractual arrangements that would result in material off-balance sheet liabilities.

Critical Accounting Policies

There have been no significant changes to our accounting policies during the nine months ended September 30, 2020. Please refer to our Annual Report on Form 10-K filed on February 20, 2020 for a summary of these policies.

Recent Accounting Standards

There have been no new accounting standards material to SunCoke Energy, Inc. that have been adopted during the nine months ended September 30, 2020.

Non-GAAP Financial Measures

In addition to the GAAP results provided in this Quarterly Report on Form 10-Q, we have provided a non-GAAP financial measure, Adjusted EBITDA. Our management, as well as certain investors, use this non-GAAP measure to analyze our current and expected future financial performance. This measure is not in accordance with, or a substitute for, GAAP and may be different from, or inconsistent with, non-GAAP financial measures used by other companies. See Note 13 in our consolidated financial statements for both the definition of Adjusted EBITDA and its reconciliation from GAAP to the non-GAAP measurement for the three and nine months ended September 30, 2020 and 2019, respectively.

Below is a reconciliation of 2020 Adjusted EBITDA guidance from its closest GAAP measure:

	2020	
	Low	High
	(Dollars in millions)	
Net income	$ (4)	$ 3
Add:		
Depreciation and amortization expense	136	134
Interest expense, net	56	56
Gain on extinguishment of debt	(6)	(6)
Income tax expense	6	11
Restructuring charges[1]	2	2
Adjusted EBITDA	$ 190	$ 200
Subtract:		
Adjusted EBITDA attributable to noncontrolling interest[2]	7	7
Adjusted EBITDA attributable to SunCoke Energy, Inc.	$ 183	$ 193

(1) Charges related to a company-wide restructuring and cost-reduction initiative.

(2) Reflects noncontrolling interest in Indiana Harbor.

Guarantor Financial and Non-Financial Disclosures

The Company has an existing shelf registration statement, which was filed on November 8, 2019, upon the expiration of the prior shelf registration statement, for the offering of debt and/or securities on a delayed or continuous basis and is presenting these guarantor financial and non-financial disclosures in connection therewith. The following information has been prepared and presented pursuant to amended SEC Rule 3-10 of Regulation S-X and new SEC Rule 13-01 of Regulation S-X, which were adopted by the SEC on March 2, 2020. Although the amendment and new rule do not become effective until January 4, 2021, early adoption is permitted. The Company early adopted these amendments on March 31, 2020.

For purposes of the following information, SunCoke Energy, Inc. is referred to as “Issuer.” All 100 percent owned subsidiaries of the Company, including Finance Corp. and its consolidated subsidiaries, are expected to serve as guarantors of obligations (“Guarantor Subsidiaries”) included in the shelf registration statement, other than the Indiana Harbor partnership and certain of the Company’s corporate financing, international and legacy coal mining subsidiaries ("Non-Guarantors"). These guarantees will be full and unconditional (subject, in the case of the Guarantor Subsidiaries, to customary release provisions as described below) and joint and several.

The guarantee of a Guarantor Subsidiary will terminate upon:

- a sale or other disposition of the Guarantor Subsidiary or of all or substantially all of its assets;
- a sale of the majority of the capital stock of a Guarantor Subsidiary to a third-party, after which the Guarantor Subsidiary is no longer a “Restricted Subsidiary” in accordance with the indenture governing the notes;
- the liquidation or dissolution of a Guarantor Subsidiary so long as no “Default” or "Event of Default”, as defined under the indenture governing the notes, has occurred as a result thereof;
- the designation of a Guarantor Subsidiary as an “unrestricted subsidiary” in accordance with the indenture governing the notes;
- the requirements for defeasance or discharge of the indenture governing the notes having been satisfied; or
- the release, other than the discharge through payments by a Guarantor Subsidiary, from other indebtedness that resulted in the obligation of the Guarantor Subsidiary under the indenture governing the notes.

The following tables present summarized financial information for the Issuer and the Guarantor Subsidiaries on a combined basis after intercompany balances and transactions between the Issuer and Guarantor Subsidiaries have been eliminated and excluding investment in and equity in earnings from the Non-Guarantor Subsidiaries:

Statements of Operations

	Issuer and Guarantor Subsidiaries	
	Nine Months Ended September 30, 2020	Year Ended December 31, 2019
	(Dollars in millions)	
Revenues	$ 741.3	$ 1,224.9
Long-lived asset and goodwill impairment	—	247.5
Costs and operating expenses	688.2	1,114.7
Operating income (loss)	53.1	(137.3)
Net income (loss)	$ 0.2	$ (139.6)

Balance Sheets

	Issuer and Guarantor Subsidiaries	
	September 30, 2020	December 31, 2019
	(Dollars in millions)	
Assets:		
Cash	$ 82.2	$ 93.3
Current receivables from Non-Guarantor subsidiaries	170.4	149.3
Other current assets	162.6	193.6
Properties, plants and equipment, net	1,173.1	1,210.0
Other non-current assets	53.6	54.2
Total assets	$ 1,641.9	$ 1,700.4
Liabilities:		
Current liabilities	$ 118.4	$ 150.8
Long-term debt and financing obligation	719.7	780.0
Long-term payable to Non-Guarantor subsidiaries	164.6	127.2
Other long-term liabilities	240.9	226.0
Total liabilities	$ 1,243.6	$ 1,284.0

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

We have made forward-looking statements in this Quarterly Report on Form 10-Q, including, among others, in the sections entitled “Risk Factors,” “Quantitative and Qualitative Disclosures About Market Risk” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Such forward-looking statements are based on management’s beliefs and assumptions and on information currently available. Forward-looking statements include, but are not limited to, the information concerning our expectations regarding the future impact of COVID-19 and the related economic conditions on our business, financial condition and results of operations, possible or assumed future results of operations, business strategies, financing plans, competitive position, potential growth opportunities, potential operating performance, the effects of competition, the anticipated expansion into the foundry coke market and the effects of future legislation or regulations. Forward-looking statements include all statements that are not historical facts and may be identified by the use of forward-looking terminology such as the words “believe,” “expect,” “plan,” “intend,” “anticipate,” “estimate,” “predict,” “potential,” “continue,” “may,” “will,” “should” or the negative of these terms or similar expressions. In particular, statements in this Quarterly Report on Form 10-Q concerning future dividend declarations are subject to approval by our Board of Directors and will be based upon circumstances then existing.

Forward-looking statements involve risks, uncertainties and assumptions. Actual results may differ materially from those expressed in these forward-looking statements. You should not put undue reliance on any forward-looking statements. We do not have any intention or obligation to update any forward-looking statement (or its associated cautionary language), whether as a result of new information or future events, after the date of this Quarterly Report on Form 10-Q, except as required by applicable law.

The risk factors discussed in “Risk Factors” in our Annual Report on Form 10-K and this Quarterly Report on Form 10-Q could cause our results to differ materially from those expressed in the forward-looking statements made in this Quarterly Report on Form 10-Q. There also may be other risks that are currently unknown to us or that we are unable to predict at this time. Such risks and uncertainties include, without limitation:

- the potential operating and financial impacts on our operations, or those of our customers and suppliers, and the general impact on our industry and on the U.S. and global economy, resulting from COVID-19 or any other widespread contagion, including actions by foreign and domestic governments and others to contain the spread, or mitigate the severity, thereof;
- volatility and cyclical downturns in the steel industry and in other industries in which our customers and/or suppliers operate;
- changes in the marketplace that may affect our cokemaking business, including the supply and demand for our coke products, as well as increased imports of coke from foreign producers;
- volatility, cyclical downturns and other change in the business climate and market for coal, affecting customers or potential customers for our logistics business;
- changes in the marketplace that may affect our logistics business, including the supply and demand for thermal and metallurgical coal;
- severe financial hardship or bankruptcy of one or more of our major customers, or the occurrence of a customer default or other event affecting our ability to collect payments from our customers;
- our ability to repair aging coke ovens to maintain operational performance;
- age of, and changes in the reliability, efficiency and capacity of the various equipment and operating facilities used in our cokemaking operations, and in the operations of our subsidiaries major customers, business partners and/or suppliers;
- changes in the expected operating levels of our assets;
- changes in the level of capital expenditures or operating expenses, including any changes in the level of environmental capital, operating or remediation expenditures;
- changes in levels of production, production capacity, pricing and/or margins for coal and coke;
- changes in product specifications for the coke that we produce or the coals we mix, store and transport;
- our ability to meet minimum volume requirements, coal-to-coke yield standards and coke quality standards in our coke sales agreements;
- variation in availability, quality and supply of metallurgical coal used in the cokemaking process, including as a result of non-performance by our suppliers;

- effects of geologic conditions, weather, natural disasters and other inherent risks beyond our control;
- effects of adverse events relating to the operation of our facilities and to the transportation and storage of hazardous materials or regulated media (including equipment malfunction, explosions, fires, spills, impoundment failure and the effects of severe weather conditions);
- the existence of hazardous substances or other environmental contamination on property owned or used by us;
- required permits and other regulatory approvals and compliance with contractual obligations and/or bonding requirements in connection with our cokemaking, logistics operations, and/or former coal mining activities;
- the availability of future permits authorizing the disposition of certain mining waste and the management of reclamation areas;
- risks related to environmental compliance;
- our ability to comply with applicable federal, state or local laws and regulations, including, but not limited to, those relating to environmental matters;
- risks related to labor relations and workplace safety;
- availability of skilled employees for our cokemaking, and/or logistics operations, and other workplace factors;
- our ability to service our outstanding indebtedness;
- our indebtedness and certain covenants in our debt documents;
- our ability to comply with the covenants and restrictions imposed by our financing arrangements;
- changes in the availability and cost of equity and debt financing;
- impacts on our liquidity and ability to raise capital as a result of changes in the credit ratings assigned to our indebtedness;
- competition from alternative steelmaking and other technologies that have the potential to reduce or eliminate the use of coke;
- our dependence on, relationships with, and other conditions affecting our customers and/or suppliers;
- nonperformance or force majeure by, or disputes with, or changes in contract terms with, major customers, suppliers, dealers, distributors or other business partners;
- effects of adverse events relating to the business or commercial operations of our customers and/or suppliers;
- changes in credit terms required by our suppliers;
- our ability to secure new coal supply agreements or to renew existing coal supply agreements;
- effects of railroad, barge, truck and other transportation performance and costs, including any transportation disruptions;
- our ability to enter into new, or renew existing, long-term agreements upon favorable terms for the sale of coke, steam, or electric power, or for handling services of coal and other aggregates (including transportation, storage and mixing);
- our ability to enter into new, or renew existing, agreements upon favorable terms for logistics services;
- our ability to successfully implement domestic and/or international growth strategies;
- our ability to identify acquisitions, execute them under favorable terms, and integrate them into our existing business operations;
- our ability to realize expected benefits from investments and acquisitions;
- our ability to enter into joint ventures and other similar arrangements under favorable terms;
- our ability to consummate assets sales, other divestitures and strategic restructuring in a timely manner upon favorable terms, and/or realize the anticipated benefits from such actions;
- our ability to consummate investments under favorable terms, including with respect to existing cokemaking facilities, which may utilize by-product technology, and integrate them into our existing businesses and have them perform at anticipated levels;

- our ability to develop, design, permit, construct, start up, or operate new cokemaking facilities in the U.S. or in foreign countries;
- disruption in our information technology infrastructure and/or loss of our ability to securely store, maintain, or transmit data due to security breach by hackers, employee error or malfeasance, terrorist attack, power loss, telecommunications failure or other events;
- the accuracy of our estimates of reclamation and other environmental obligations;
- risks related to obligations under mineral leases retained by us in connection with the divestment of our legacy coal mining business;
- risks related to the ability of the assignee(s) to perform in compliance with applicable requirements under mineral leases assigned in connection with the divestment of our legacy coal mining business;
- proposed or final changes in existing, or new, statutes, regulations, rules, governmental policies and taxes, or their interpretations, including those relating to environmental matters and taxes;
- proposed or final changes in accounting and/or tax methodologies, laws, regulations, rules, or policies, or their interpretations, including those affecting inventories, leases, post-employment benefits, income, or other matters;
- changes in federal, state, or local tax laws or regulations, including the interpretations thereof;
- claims of noncompliance with any statutory or regulatory requirements;
- changes in insurance markets impacting cost, level and/or types of coverage available, and the financial ability of our insurers to meet their obligations;
- inadequate protection of our intellectual property rights;
- volatility in foreign currency exchange rates affecting the markets and geographic regions in which we conduct business; and
- historical consolidated financial data may not be reliable indicators of future results.

The factors identified above are believed to be important factors, but not necessarily all of the important factors, that could cause actual results to differ materially from those expressed in any forward-looking statement made by us. Other factors not discussed herein also could have material adverse effects on us. All forward-looking statements included in this Quarterly Report on Form 10-Q are expressly qualified in their entirety by the foregoing cautionary statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes to the Company's exposure to market risk disclosed in our Annual Report on Form 10-K for the year ended December 31, 2019.

Item 4. Controls and Procedures

Management's Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures, (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934), as amended (the "Exchange Act") that are designed to ensure that information required to be disclosed in its reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer as appropriate, to allow timely decisions regarding required disclosure.

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

The Company carried out an evaluation, under the supervision and with the participation of management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based on this evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting since our Annual Report on Form 10-K for the year ended December 31, 2019. We have not experienced any material impact to our internal controls over financial reporting despite the fact that many of our employees worked remotely for a portion of the year due to COVID-19. We are continually monitoring and assessing the effects of COVID-19 on our internal controls to minimize the impact to their design and operating effectiveness.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

The information presented in Note 8 to our consolidated financial statements within this Quarterly Report on Form 10-Q is incorporated herein by reference.

Many legal and administrative proceedings are pending or may be brought against us arising out of our current and past operations, including matters related to commercial disputes, employment claims, personal injury claims, common law tort claims, and general environmental claims. Although the ultimate outcome of these proceedings cannot be ascertained at this time, it is reasonably possible that some of them could be resolved unfavorably to us. Our management believes that any liabilities that may arise from such matters would not be material in relation to our business or our consolidated financial position, results of operations or cash flows at September 30, 2020.

Item 1A. Risk Factors

Material updates to our risk factors disclosed in our Annual Report on Form 10-K for the year ended December 31, 2019 are disclosed below.

The COVID-19 pandemic and other possible pandemics and similar outbreaks may disrupt our operations and our customers' and suppliers' operations, which could adversely impact our cash flows, financial position and results of operations.

In December 2019, COVID-19, a novel strain of coronavirus surfaced in Wuhan, China. Since then, in 2020, COVID-19 has spread to other countries including the U.S. and has become a global pandemic. Efforts to contain the spread of COVID-19 including social distancing, travel bans and quarantines, are generally having negative impacts on the U.S. and global economy. These measures affect our operations and may hamper our efforts to provide investors with timely information and/or comply with SEC filing obligations. The pandemic and response to the pandemic continues to evolve, and any preventative or protective actions that governments or we may take in respect of the pandemic could result in periods of significant business disruption. While our facilities have continued to operate during the COVID-19 pandemic due to our inclusion in the Critical Manufacturing Sector as defined by the U.S. Department of Homeland Security, COVID-19 has had, and may continue to have, a negative impact on our business and result of operations due to the impacts of the COVID-19 pandemic on our customers. For example, certain of our steelmaking and logistics customers have been adversely impacted by the idling of manufacturing plants and closed international ports, respectively, as a result of the COVID-19 pandemic. In an effort to assist certain of our steelmaking customers impacted by the COVID-19 pandemic, we have implemented volume relief measures by providing near-term coke supply relief for such customers in exchange for extending of certain contracts. These relief measures have negatively impacted our revenue in the near term and may negatively impact other results of operations in the near term and, if not effective in mitigating the effect of the COVID-19 pandemic, may adversely affect our business and results of operations. In addition, the progression of and global response to COVID-19 increases the risk of delays in construction activities related to our capital projects. The extent of such delays and other effects of COVID-19 on our anticipated investments to upgrade or enhance existing operations and to meet environmental and operational regulations is unknown, but could impact or delay the timing of anticipated benefits on capital projects. The extent to which COVID-19 impacts our results of operations, and our customers' and suppliers' results of operations, are out of our control and will depend on future developments that are highly uncertain and cannot be predicted, including the severity and duration of the pandemic and actions taken to contain it or mitigate its effects. As a result, the ultimate financial impact to SunCoke of the COVID-19 global pandemic cannot be reasonably estimated at this time, but could materially and adversely affect our business, financial position and results of operations.

Other than the new risk factor above, there have been no material changes with respect to risk factors disclosed in our Annual Report on Form 10-K for the year ended December 31, 2019.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On July 23, 2014, the Company's Board of Directors authorized a program to repurchase outstanding shares of the Company's common stock, $0.01 par value, at any time and from time to time in the open market, through privately negotiated transactions, block transactions, or otherwise for a total aggregate cost to the Company not to exceed $150.0 million. The Company repurchased $3.3 million of our common stock, or 0.5 million shares, in the open market for an average share price of $6.25, during the first quarter of 2020, resulting in the completion of this share repurchase program.

On October 28, 2019, the Company's Board of Directors authorized a new program to repurchase outstanding shares of the Company's common stock, $0.01 par value, from time to time in open market transactions at prevailing market prices, in privately negotiated transactions, or by other means in accordance with federal securities laws, for a total aggregate cost to the Company not to exceed $100.0 million. During the first quarter of 2020, the Company repurchased $3.7 million of our common stock, or 1.1 million shares, in the open market for an average share price of $3.35, leaving $96.3 million available under the new authorized repurchase program as of March 31, 2020. There were no share repurchases during the quarters ended June 30, 2020 or September 30, 2020.

Item 4. Mine Safety Disclosures

While the Company divested substantially all of its remaining coal mining assets in April 2016, the Company continues to own certain logistics assets that are also regulated by Mine Safety and Health Administration. The information concerning mine safety violations and other regulatory matters that we are required to report in accordance with Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K (17 CFR 229.014) is included in Exhibit 95.1 to this Quarterly Report on Form 10-Q.

Item 6. Exhibits

The following exhibits are filed as part of, or incorporated by reference into, this Form 10-Q.

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation of the Company (incorporated by reference herein to Exhibit 3.1 to the Company's Amendment No. 4 to Registration Statement on Form S-1 filed on July 6, 2011, File No. 333-173022)
3.2	Amended and Restated Bylaws of SunCoke Energy, Inc., effective as of February 1, 2016 (incorporated by reference herein to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed on February 2, 2016, File No. 001-35243)
10.1	Second Amendment to Coke Purchase Agreement, dated as of July 8, 2020, by and between Haverhill Coke Company, LLC (f/k/a Haverhill North Coke Company) and AK Steel Corporation (incorporated by reference herein to exhibit 10.1 to the Company's Current Report on form 8-K for the quarter ended June 30, 2020, filed on August 3, 2020, File No. 001-35243)
10.2*	Third Amendment to Coke Purchase Agreement, dated as of October 8, 2020, by and between Haverhill Coke Company, LLC (f/k/a Haverhill North Coke Company) and AK Steel Corporation (filed herewith)
10.3*	Amendment No. 8 to Coke Purchase Agreement, dated as of July 30, 2020, by and among Haverhill Coke Company LLC (f/k/a Haverhill North Coke Company) and ArcelorMittal Cleveland LLC (f/k/a ArcelorMittal Cleveland, Inc.) and ArcelorMittal USA LLC (f/k/a ISG Indiana Harbor Inc.) (filed herewith)
10.4*†	Amendment No. 7 to Coke Purchase Agreement, dated as of July 30, 2020, by and among Jewell Coke Company, L.P. and ArcelorMittal Cleveland LLC (f/k/a ArcelorMittal Cleveland, Inc.) and ArcelorMittal USA LLC (f/k/a ISG Indiana Harbor Inc.)(filed herewith)
22.1*	List of Issuers and Guarantor Subsidiaries
31.1*	Chief Executive Officer Certification Pursuant to Exchange Act Rule 13a-14(a) or Rule 15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Chief Financial Officer Certification Pursuant to Exchange Act Rule 13a-14(a) or Rule 15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Chief Executive Officer Certification Pursuant to Exchange Act Rule 13a-14(b) or Rule 15d-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code, as Adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Chief Financial Officer Certification Pursuant to Exchange Act Rule 13a-14(b) or Rule 15d-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code, as Adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
95.1*	Mine Safety Disclosures
99.1*	SunCoke Energy Partners Finance Corp. Consolidated Statements of Operations, Consolidated Balance Sheets and Consolidated Statements of Cash Flows
101*	The following financial statements from SunCoke Energy, Inc.'s Quarterly Report on Form 10-Q for the nine months ended September 30, 2020, filed with the Securities and Exchange Commission on November 6, 2020, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) the Consolidated Statements of Operations, (ii) the Consolidated Statements of Comprehensive Income, (iii) the Consolidated Balance Sheets, (iv) the Consolidated Statements of Cash Flows, (v) the Consolidated Statements of Equity, and (vi) the Notes to Consolidated Financial Statements.
104*	The cover page from SunCoke Energy, Inc's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 formatted in iXBRL (Inline eXtensible Business Reporting Language) and contained in Exhibit 101.

* Filed herewith.

† Certain portions of this document that constitute confidential information have been redacted in accordance with Regulation S-K, Item 601(b)(10).

****

We are pleased to furnish this Form 10-Q to shareholders who request it by writing to:

SunCoke Energy, Inc.
Investor Relations
1011 Warrenville Road
Suite 600
Lisle, Illinois 60532

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SunCoke Energy, Inc.

Dated: November 6, 2020

By: /s/ Fay West

Fay West

Senior Vice President and Chief Financial Officer
(As Principal Financial Officer and
Duly Authorized Officer of SunCoke Energy, Inc.)

Exhibit 10.2

THIRD AMENDMENT TO COKE PURCHASE AGREEMENT

THIS THIRD AMENDMENT (this "Third Amendment"), dated as of October 8, 2020, is made by and between AK Steel Corporation, a Delaware corporation, with a principal office and place of business located at 9227 Centre Pointe Drive, West Chester, OH 45069 ("Purchaser") and Haverhill Coke Company, LLC (f/k/a Haverhill North Coke Company), a Delaware limited liability company, with a principal office and place of business located at 1011 Warrenville Road, Suite 600, Lisle, IL 60532 ("Seller"). The foregoing named entities are sometimes referred to in this Agreement each as a "Party" and collectively as the "Parties."

RECITALS:

WHEREAS, Purchaser and Seller have entered into that certain Coke Purchase Agreement, dated as of August 31, 2009, as amended by a First Amendment, dated as of May 8, 2012, and as further amended by a Second Amendment, dated as of July 7, 2020 (the "Second Amendment") (as amended, modified or otherwise supplemented, the "Coke Purchase Agreement"); and

WHEREAS, Purchaser and Seller desire to amend the Coke Purchase Agreement as set forth in this Third Amendment to extend the term by twenty-four (24) months from July 1, 2023 to June 30, 2025 ("Second Extension Period"), such that the Coke Purchase Agreement will expire on June 30, 2025.

NOW THEREFORE, in consideration of the promises and the mutual agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Patties, intending to be legally bound, hereby agree as follows:

1. Definitions. Except as otherwise provided herein, capitalized terms used in this Third Amendment but not otherwise defined herein shall have the respective meanings assigned to such terms in the Coke Purchase Agreement.

2. Third Amendment Effective Date. This Third Amendment shall be effective as of the date first set forth above (the "Third Amendment Effective Date").

3. Prorations. Section 3(a)(ii) of the Second Amendment provided for certain prorations with respect to partial calendar years occurring during the Extension Period (as defined in the Second Amendment) or during any Renewal Term (as defined in the Second Amendment) and Section 3(a)(iii) of the Second Amendment provided for ce1tain prorations for partial calendar years in any Contract Year before the end of the Term or Renewal Term (as each of such terms is defined in the Second Amendment). For the avoidance of doubt, such proration provisions shall continue to apply with respect to partial calendar years occurring during the Extension Period, Second Extension Period, or Renewal Term, as the case may be.

4. Amendments.

(a) Effective on and as of the Third Amendment Effective Date, Section 2.1(a) of the Coke Purchase Agreement shall be deleted in its entirety and replaced with the following:

> "Subject to Section 2.1(b), the term of this Agreement ("Term") shall commence on the Effective Date and shall continue in effect through June 30, 2025 (including both the Extension Period and the Second Extension Period, as defined in the Second Amendment and this Third Amendment). Upon the conclusion of the Term, this Agreement shall automatically renew for two (2) consecutive five (5) year terms (each such term, a "Renewal Term") unless notice of termination is given by either Party at least one (1) year prior to the end of the Term."

(b) Effective on and as of the Amendment Effective Date, Section 3(d) of the Second Amendment is deleted and the following shall instead apply. For purposes of determining the Production Turndown Adjustment Fee under Section 3.4 of the Coke Purchase Agreement during the period from January 1, 2022 through June 30, 2025, if Purchaser validly nominates a Production Turndown under Section 6.6 of the Coke Purchase Agreement, "Monthly Coke Purchase Shortfall", as set forth in Appendix A of the Coke Purchase Agreement, shall be defined as follows:

> "Monthly Coke Purchase Shortfall" means, for any Month during any Production Turndown Period, the difference between (a) the result of 105% of the Purchaser's Targeted Coke Production divided by three hundred sixty five (365) and multiplied by the number of days in the Month in which the shortfall occurs, and (b) the actual amount of Coke purchased by Purchaser during such Month."

5. Miscellaneous.

(a) Counterparts. This Third Amendment may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract.

(b) Mutuality in Drafting. The Parties hereby stipulate and agree that each of them fully participated and was adequately represented by counsel in the negotiation and preparation of this Third Amendment and the Parties further stipulate and agree that in the event of any ambiguity or other necessity for the interpretation to be made of the context of this Third Amendment, this Third Amendment shall not be construed in favor of or against Seller or Purchaser as a consequence of one Party having had a greater role in the preparation of this Third Amendment, but shall be construed as if the Language were mutually drafted by both parties with full assistance of counsel.

(c) Governing Law. This Third Amendment shall be construed in accordance with and governed by the law of the State of Ohio without regard to its conflicts of law provisions and the rights and remedies of the Parties will be determined in accordance with such laws.

(d) Captions. The captions and heading in this Third Amendment are for convenience of reference only and have no legal force or effect. Such captions and headings shall not be considered a part of this Third Amendment for purposes of interpreting, construing or applying this Third Amendment and will not define, limit, extend, explain or describe the scope or extent of this Third Amendment or any of its terms and conditions.

(e) Terms and Conditions of the Agreement. Except as expressly modified hereby, all terms and condition of the Coke Purchase Agreement remain in full force and effect and are hereby in all respects ratified and confirmed.

IN WITNESS WHEREOF, the Parties have executed this Third Amendment on, and effective as of, the Amendment Effective Date.

AK STEEL CORPORATION

By: /s/ R. Christopher Cebula
Name: R. Christopher Cebula
Title: VP, Chief Administrative Officer-
Steel Mills

HAVERHILL COKE COMPANY LLC

By: /s/ Michael G. Rippey
Name: Michael G. Rippey
Title: Authorized Representative

Exhibit 10.3

AMENDMENT NO. 8 TO COKE PURCHASE AGREEMENT

THIS AMENDMENT NO. 8 to COKE PURCHASE AGREEMENT (this "Amendment"), dated as of July 30, 2020, is made by and between HAVERHILL COKE COMPANY (f/k/a HAVERHILL NORTH COKE COMPANY) ("Seller"), on the one hand, and ARCELORMITIAL CLEVELAND LLC (f/k/a ARCELORMITIAL CLEVELAND INC.) and ARCELORMITIAL USA LLC (f/k/a ISG INDIANA HARBOR INC.) (collectively, ARCELORMITIAL CLEVELAND LLC and ARCELORMITIAL USA LLC are the "Purchasers"), on the other hand.

WHEREAS, Seller and Purchasers are parties to that certain Coke Purchase Agreement dated October 28, 2003 (as amended, modified or otherwise supplemented, the "Coke Purchase Agreement"); and

WHEREAS Seller and Purchaser desire to amend the Coke Purchase Agreement as set forth in this Amendment.

NOW THEREFORE, in consideration of the promises and mutual agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, agree as follows:

1. Definitions. Capitalized terms used in this Amendment that are not otherwise defined herein shall have the meaning set forth in the Coke Purchase Agreement. Additionally, the terms set forth below shall be defined as follows:

   "Jewell" means Jewell Coke Company, L.P.

   "Jewell Agreement" means the Amended and Restated Coke Supply Agreement dated October 28, 2003 between Jewell, ArcelorMittal Cleveland LLC, and ArcelorMittal USA LLC, as amended, modified, or otherwise supplemented.

   "Jewell Coke Supply and Purchase Obligation" means the "Coke Supply and Purchase Obligation" as defined in the Jewell Agreement.

2. Amendment Effective Date. The effective date of this Amendment shall be July 30, 2020 (the "Amendment Effective Date").

3. Coke Supply and Purchase Obligation. Effective on and as of the Amendment Effective Date, the following is added to Section 6.1 of the Coke Purchase Agreement:

   "Notwithstanding any term or condition to the contrary in Section 6.1 of the Agreement:

   (i) For the 2020 Contract Year, the Coke Supply and Purchase Obligation shall be not less than ninety eight percent (98%) nor more than one hundred two percent (102%) of 450,000 Tons of Coke. Seller started ratably reducing Coke production at the Coke Plant in the month of June 2020 and will continue to do for balance of the 2020 Contract Year to approximately achieve such Coke Supply and Purchase Obligation.

   (ii) For the 2021 Contract Year, the Coke Supply and Purchase Obligation shall be not less than ninety eight percent (98%) nor more than one hundred two percent (102%) of 400,000 Tons of Coke. For the 2021 Contract Year, the Coke Supply and Purchase Obligation may be modified as set forth in Sections 6.4 and 6.5 of the Coke Purchase Agreement.

   (iii) For each of the 2022, 2023, 2024 and 2025 Contract Years, the Coke Supply and Purchase Obligation is equal to the Haverhill Transfer Tons (if any) for the applicable Contract Year, as set forth in Section 6.5 of the Coke Purchase Agreement.

   (iv) Notwithstanding any term or condition to the contrary in the Coke Purchase Agreement,

the maximum volume of Coke that Purchasers are required to purchase from Seller and Jewell in the aggregate during the 2021 Contract Year is 800,000 Tons. Additionally, the Parties will work in good faith to address any excess inventory during the 2021 Contract Year."

4. Term. Effective on and as of the Amendment Effective Date, Section 2.1 of the Coke Purchase Agreement is hereby deleted in its entirety and replaced by the following:

"2.1 Term. This Agreement shall be effective as of the date of execution hereof and shall continue in full force and effect through December 31, 2025 (the "Term"), unless terminated earlier in accordance with other provisions of this Agreement."

5. Transfer of Coke Production from Haverhill to Jewell. Effective on and as of the Amendment Effective Date, the following is added to the Coke Purchase Agreement as Section 6.4:

"6.4 Transfer of Production Coke from Haverhill to Jewell. By providing Written notice to Purchasers on or before September 30, 2020, Seller may transfer the production, delivery, and sale of a portion of the Coke Supply and Purchase Obligation for the 2021 Contract Year to Jewell (the "Jewell Transfer Tons"), provided that Seller must produce, deliver and sell at least 250,000 Tons of Coke from the Coke Plant during the 2021 Contract Year. The Coke Supply and Purchase Obligation for the 2021 Contract Year will be reduced by the Jewell Transfer Tons, and the Jewell Coke Supply and Purchase Obligation will be increased by the Jewell Transfer Tons. At any time during the 2021 Contract Year, Seller may modify the Jewell Transfer Tons by a total of +/- 2% based on actual production."

6. Transfer of Coke Production from Jewell to Haverhill. Effective on and as of the Amendment Effective Date, the following is added to the Coke Purchase Agreement as Section 6.5:

"6.5 Transfer of Coke Production from Jewell to Haverhill. If Jewell transfers a portion of the Jewell Coke Supply and Purchase Obligation to Seller pursuant to the Jewell Agreement (the "Haverhill Transfer Tons"), then (i) for the 2021 Contract Year, the Coke Supply and Purchase Obligation will be increased by the Haverhill Transfer Tons, if any, and (ii) for the 2022, 2023, 2024 and 2025 Contract Years, the Coke Supply and Purchase Obligation will be equal to the Haverhill Transfer Tons, if any, for the applicable Contract Year. The Jewell Coke Supply and Purchase Obligation will be decreased by the Haverhill Transfer Tons for the applicable Contract Year, if any. At any time during the applicable Contract Year, Jewell may modify the Haverhill Transfer Tons by a total of +/- 2% based on actual production."

7. Miscellaneous.

7.1 Counterparts. This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single Amendment.

7.2 Governing Law. This Amendment shall be construed in accordance with, and governed by, the laws of the State of Ohio without regard to its conflicts of law provisions, and the rights and remedies of the Parties hereunder will be determined in accordance with such laws.

7.3 Captions. The captions and headings in this Amendment are for convenience of reference purposes only and have no legal force or effect. Such captions and headings shall not be considered a part of this Amendment for purposes of interpreting, construing or applying this Amendment and will not define, limit, extend, explain or describe the scope or extent of this amendment or any of its terms and conditions.

7.4 Terms and Conditions of the Coke Purchase Agreement. Except as expressly modified hereby, all terms and conditions of the Coke Purchase Agreement remain in full force and effect.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date first set forth above.

HAVERHILL COKE COMPANY LLC

By: /s/ P. Michael Hardesty
Its: Senior Vice president
Date: 7/30/2020

ARCELORMITTAL CLEVELAND LLC

By: /s/ Neil Kohlberg
Its: Vice President, Finance & Procurement
Date: 7/30/2020

ARCELORMITTAL USA LLC

By: /s/ Curtis Geissler
Its: Vice President, Procurement
Date: 7/30/2020

Exhibit 10.4

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED, SINCE SUCH TERMS ARE BOTH (1) NOT MATERIAL AND (2) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED. THE REDACTED TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH FIVE ASTERISKS IN BRACKETS ([*****]).

AMENDMENT NO. 7 TO COKE SUPPLY AGREEMENT

THIS AMENDMENT NO. 7 to COKE SUPPLY AGREEMENT {this "Amendment"), dated as of July 30, 2020, is made by and between JEWELL COKE COMPANY, L.P. ("Jewell"), on the one hand, and ARCELORMITTAL CLEVELAND LLC (f/k/a ARCELORMITTAL CLEVELAND INC.) and ARCELORMITTAL USA LLC (f/k/a ISG INDIANA HARBOR INC) (collectively, ARCELORMITTAL CLEVELAND LLC and ARCELORMITTAL USA LLC are the "Purchasers"), on the other hand.

WHEREAS, Jewell and Purchasers are parties to that certain Amended and Restated Coke Supply Agreement dated October 28, 2003 (as amended, modified or otherwise supplemented, the "Coke Supply Agreement"); and

WHEREAS, Jewell and Purchaser desire to amend the Coke Supply Agreement as set forth in this Amendment.

NOW THEREFORE, in consideration of the promises and mutual agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, agree as follows:

1. Definitions.

   (a) Capitalized terms used in this Amendment that are not otherwise defined herein shall have the meaning set forth in the Coke Supply Agreement.

   (b) The definitions set forth on Appendix A, attached hereto, shall be added to Article I of the Coke Supply Agreement.

2. Amendment Effective Date. The effective date of this Amendment shall be July 30, 2020 {the "Amendment Effective Date").

3. Coke Supply and Purchase Obligation. Effective on and as of the Amendment Effective Date, the following is added to Section 4.1 of the Coke Supply Agreement

   "Notwithstanding any term or condition to the contrary in Section 4.1 of the Coke Supply Agreement:

   (i) For the 2020 Contract Year, the Coke Supply and Purchase Obligation is that Jewell shall produce, sell and deliver in full train shipments to Purchasers, and Purchasers shall purchase and accept delivery from Jewell, on a take or pay basis, not less than five hundred forty thousand (540,000) nor more than five hundred sixty thousand {560,000} Tons of Coke in the aggregate. Jewell started ratably reducing Coke production at the Coke Plant in

the month of June 2020 and will continued to do so for the balance of the 2020 Contract Year to approximately achieve such Coke Supply and Purchase Obligation.

(ii) For each of the 2021, 2022, 2023, 2024, and 2025 Contract Years, the Coke Supply and Purchase Obligation is that Jewell shall produce, sell and deliver in full train shipments to Purchasers, and Purchasers shall purchase and accept delivery from Jewell, on a take or pay basis, not less than three hundred and ninety thousand (390,000) nor more than four hundred ten thousand (410,000) Tons of Coke in the aggregate per Contract Year.

(iii) Notwithstanding any term or condition to the contrary in the Coke Supply Agreement, the maximum volume of Coke that Purchasers are required to purchase from Jewell and Haverhill in the aggregate during the 2021 Contract Year is 800,000 Tons. Additionally, the Parties will work in good faith to address any excess inventory during the 2021 Contract Year."

4. Take or Pay Term. Effective on and as of the Amendment Effective Date, Section 2.1 of the Coke Supply Agreement is hereby deleted in its entirety and replaced by the following:

"2.1 This Agreement shall be effective as of the date of execution hereof and shall continue in full force and effect through December 31, 2025 (the "Take or Pay Term"), unless terminated earlier in accordance with other provisions of this Agreement."

5. Variable Cost Per Ton of Coke. Effective on and as of January 1,2022, Section 3.2(b) of the Coke Supply Agreement shall be deleted in its entirety and replaced by the following:

"(b) Beginning January 1, 2022, the Variable Cost per Ton of Coke shall be the sum of the Variable Cost per Ton of Coke for the 2021 Contract Year *plus* $[*****]. Beginning January 1, 2023 and each January 1st thereafter throughout the Take or Pay Term, the Variable Cost per Ton of Coke is subject to increase or decrease annually based on the corresponding percentage increase or decrease in the Variable Cost Index."

6. Coal Cost Per Ton. Effective on and as of January 1,2022, Section 3.2(c) of the Coke Supply Agreement shall be deleted in its entirety and replaced with the following:

"3.2(c) Coal Cost Per Ton of Coke

(i) The Coal Cost per Ton of Coke is: (i) the actual monthly weighted average Coal Costs divided by (ii) the product of: (x) the Moisture Adjusted Coal Blend Tonnage charged to the coke ovens at the Coke Plant set forth in each applicable invoice, taking into account Coal Handling Losses, and (y) the Guaranteed Coke Yield Percentage.

The Moisture Adjusted Coal Blend Tonnage shall be the weighted average thereof for each applicable calendar month, and shall account for Coal Blend moisture on a fixed seven percent (7%) basis to be determined in accordance with the following formula:

Moisture Adjusted Coal Blend Tonnage = actual Coal Blend Tonnage (as determined in accordance with Section 3.2(c)(ii)) x [(1-the actual moisture content of the such Coal Blend Tonnage) ÷0.93]

Such actual moisture shall be determined based on sampling of the actual Coal Blend Tonnage immediately prior to coking thereof, and the testing and analysis on a composite basis, all of which shall be performed in accordance with ASTM Standards.

The Coal Handling Losses shall be fixed at 0.75%, and shall be accounted in accordance with the following formula:

Moisture Adjusted Coal Blend Tonnage for each Coke Shipment x (1- 0.0075)

(ii) Jewell's belt scale shall weigh Coal Blend Tonnages immediately prior to coking. Such scale shall have an accuracy of not less than plus or minus (+/-) one half of one percent (0.5%), and shall be calibrated by a third party on a quarterly basis in a manner that is consistent with reasonable and customary industry practice at Jewell's sole cost and expense. Jewell will provide the results of the quarterly calibrations to Purchasers. Absent Manifest Error, such weight determinations shall be conclusive and binding on the Parties.

(iii) The Guaranteed Coke Yield Percentage is determined in accordance with the following formula:

Blast furnace coke "dry" yield equals 100% less the sum of (i) the percentage of dry basis volatile matter in the Coal Blend (described as the typical dry basis volatile matter in the Coal contracts pertaining to the Coal Blend); (ii) a four and one half percent (4.5%} allowance for Breeze; and (iii) a three percent {3%} allowance for net operating losses in the coking process.

Jewell will re-determine the Guaranteed Coke Yield Percentage whenever the Coal Committee directs Jewell to change any of the coals included in any Coal Blend, such that the proportionate share of such coals within such Coal Blend is increased or decreased by one and one half percent (1.5%) or more."

7. The Coal Committee and Coal Blend Selection. Effective on and as of January 1, 2022, the following is added to Article Ill of the Coke Supply Agreement starting with Section 3.7:

"3.7 Authority. The Coal Committee shall select, by majority vote, Coal Blends that conform to the Coal Blend Standards, and may make recommendations to Jewell regarding Jewell's acquisition of coals and related testing, blending, handling and delivery procedures. A single representative of Purchasers shall be the chairman of the Coal Committee. Purchasers shall be entitled, on a collective basis, to exercise one vote, and Jewell shall be entitled to one vote with respect to Coal Committee matters. Meetings of the Coal Committee shall be scheduled at intervals and at locations to be mutually agreed upon by the Parties.

3.8 Selection of Coal Blends.

(a) On an annual basis, Jewell will perform analysis and testing with respect to Coal Blends recommended by the Coal Committee for the purpose of selecting the Coal Blend for the succeeding (approximate) twelve- month period.

(b) Coal Committee Disputes.

(i) Coal Committee disputes are to be resolved by a third party consultant (the "Third Party Consultant"), within seven (7) days of a Party giving Written notice to the other Party requesting referral of an issue to a Third Party Consultant. The selection of such Third Party Consultant shall be made from a list to be approved by the Coal Committee prior to its selection of the Coal Blend for the 2022 Contract Year. The Coal Committee may, in its sole discretion, supplement or otherwise modify that list from time to time. The Third Party Consultant shall be designated from such list not later than the third (3rd) business day following the expiration of the seven (7) day notice period. Within two (2) business days of the effectiveness of the designation of a Third Party Consultant, each of the Parties shall submit to the Third Party Consultant a notice (a "Position Notice") setting forth in detail such Party's position in respect of the issues in dispute. Such Position Notice shall include supporting documentation, if appropriate.

(ii) The Third Party Consultant shall issue its decision as promptly as reasonably possible, but in any event within ten (10) business days of the date on which both Position Notices are submitted. In resolving a dispute, the Third Party Consultant shall

consider all facts and circumstances it deems reasonable given the nature of the dispute. The decision of the Third Party Consultant shall be final.

(iii) The list of Third Party Consultants and consultants shall contain qualified consultants with experience in the design, operation and maintenance of coke batteries and coal testing, analysis, processing, shipping and carbonization. A Party may at any time remove a particular Third Party Consultant from the list by obtaining the other Party's reasonable consent to such removal. However, neither Party may remove a name or names from the list if such removal would leave the list without at least three (3) names. During January of each year, the Parties shall review the current list of Third Party Consultants and give notice to the other of any proposed additions to the list and any intended deletions. Proposed additions or deletions shall become effective thirty (30} days after notice is received by the other Party unless written objection is made by such other Party within such thirty (30) days.

3.9 Jewell's Responsibilities. Jewell shall develop good faith estimates of Coal Costs for each Coal Blend evaluated by the Coal Committee, including such costs on a per Ton of Coke basis. Jewell shall exercise reasonable commercial efforts to purchase Coal Blends selected by the Coal Committee at the market price for the Coals constituting such Coal Blends, to cause each actual Coal Blend used in the production of Coke to conform to the selected Coal Blend, and to implement the recommendations of the Coal Committee. Unless otherwise authorized in Writing by the Coal Committee, Jewell shall not purchase Coal from an Affiliate of Jewell, and Coal purchase agreements shall have a term not less than one (1) year each. Jewell shall retain the responsibility and authority for daily operating matters involving the Coal Blends and compliance with the Guaranteed Quality Standards, without any requirement to consult with or obtain the approval of the Coal Committee.

3.10 Sampling and Testing. Prior to purchasing any of the Coals comprising any Coal Blend selected by the Coal Committee (except for purchases made for the purpose of sampling and testing thereof), sampling and testing of all such Coals shall be performed in a manner reasonably acceptable to the Parties, and each Party shall be provided with a reasonable opportunity to review and, if appropriate, object to such test results. Such sampling and testing shall include the collection of representative samples of meaningful quantities of each potential Coal to be prepared and tested in a laboratory approved by the Coal Committee for moisture, ash, sulfur, volatile matter, FSI (free swelling index), oxidation (via petrographic techniques and US Steel method), ash mineral analysis (including P205, Na20, K20 and chlorine) and other parameters as agreed to from time to time. Jewell and Purchasers will use their best commercial efforts to have the cost of such analysis be to the account of the potential Coal supplier(s). Jewell shall arrange for similar sampling and testing to be carried out with respect to Coals actually purchased by Jewell for the production of coke and each Party shall be provided a reasonable opportunity to review and, if appropriate, object to such test results. Upon the reasonable request of Purchasers, Jewell shall process blends of Coals for trial purposes at the Coke Plant.

3.11 Good Faith Review. If Jewell determines that any selected Coal Blend will not conform to the Coal Blend Standards, then it shall promptly notify the chairman of the Coal Committee in Writing of that opinion, and shall provide evidence in support of that opinion that is reasonably satisfactory to Purchasers. Should the Coal Committee not promptly select a new Coal Blend following such notification by Jewell, then the Coal Committee shall appoint, as soon as reasonably possible, a qualified independent laboratory to sample and test the Coals constituting the Coal Blend to determine whether the Coal Blend will conform to the Coal Blend Standards. The cost of such independent laboratory and testing procedures shall be borne equally by the Parties. Such sampling and testing shall be

performed in accordance with ASTM Standards. If, following such sampling and testing, Jewell reasonably determines that the Coal Blend will not conform to the Coal Blend Standards, and promptly provides Written notice of such determination to the chairman of the Coal Committee, then the Coal Committee shall select another Coal Blend that complies with the Coal Blend Standards. The Parties shall cooperate in good faith to efficiently implement each changeover of the Coal Blend.

3.12 Unsuitability of Selected Coal Blend. If the Coal Blend selected by the Coal Committee does not in practice conform to the Coal Blend Standards, or if sufficient quantities thereof become unavailable, then Jewell shall promptly inform Purchasers in Writing of such nonconformity or unavailability and the Coal Committee shall thereafter select, as soon as reasonably possible, a new Coal Blend that conforms to the Coal Blend Standards. If, pending selection of any such Coal Blend by the Coal Committee, the use by Jewell of the Coal Blend originally selected by the Coal Committee materially affects the Coke Plant or Jewell's ability to comply with its obligations under this Agreement, then, pending Coal Committee selection of a new Coal Blend, Jewell shall have the authority to direct the Coal Committee to utilize another Coal Blend that incorporates the Coals at the Coke Plant or Coals that are otherwise reasonably available to Jewell and which, in Jewells' reasonable judgment, meets or reasonably approximates the Coal Blend Standards. For the purpose of determining conformity of the Coal Blend to the Coal Blend Standard, the Parties agree that in no event shall sulfur content constitute non-conformity unless the aggregate sulfur content of the Coal Blend exceeds 0.88%."

8. Transfer of Coke Production from Jewell to Haverhill. Effective on and as of the Amendment Effective Date, the following is added to the Agreement as Section 4.8:

"4.8 Transfer of Production Coke from Jewell to Haverhill. By providing Written notice to Purchasers on or before August 31st of the year prior to the applicable Contract Year, Jewell may transfer the production, delivery, and sale of all or a portion of the Coke Supply and Purchase Obligation for the applicable Contract Year to Haverhill (the "Haverhill Transfer Tons"). The Coke Supply and Purchase Obligation for the applicable Contract Year will be reduced by the Haverhill Transfer Tons, and the Haverhill Coke Supply and Purchase Obligation will be increased by the Haverhill Transfer Tons. At any time during the applicable Contract Year, Jewell may modify the Haverhill Transfer Tons by a total of +/- 2% based on actual production."

9. Transfer of Coke Production from Haverhill to Jewell. Effective on and as of the Amendment Effective Date, the following is added to the Agreement as Section 4.9:

"4.9 Transfer of Coke Production from Haverhill to Jewell. If Haverhill transfers a portion of the Haverhill Coke Supply and Purchase Obligation for the 2021 Contract Year to Jewell pursuant to the Haverhill Agreement (the "Jewell Transfer Tons"), then the Coke Supply and Purchase Obligation for the 2021 Contract Year will be increased by the Jewell Transfer Tons, if any. The Haverhill Coke Supply and Purchase Obligation will be decreased by the Jewell Transfer Tons for the applicable Contract Year, if any. At any time during the applicable Contract Year, Haverhill may modify the Jewell Transfer Tons by a total of +/- 2% based on actual production."

10. Dispute Resolution. Effective on and as of the Amendment Effective Date, the last sentence of Section 8.9 of Coke Supply Agreement is deleted its entirety and Sections 8.11and 8.12 titled "Attempt at Resolution" and "Interpretation and Dispute Resolution", respectively, are added to the Coke Supply Agreement and shall read as follows:

"8.11 Attempt at Resolution. Other than a claim for equitable relief, which may be brought directly to any court of proper jurisdiction, should any claim or dispute arise out of any of the provisions of this Agreement, the Parties shall first attempt in good faith to resolve such claim or dispute within thirty (30} calendar days after either Party notifies the other that a claim or dispute exists. If the Parties cannot resolve any such dispute within such thirty (30} day period, either Party may invoke the provisions of Section 10.2. This provision will not limit any Party from exercising any remedy it may have under this Agreement."

8.12 Interpretation and Dispute Resolution.

(a) Other than a claim for equitable relief, which may be brought to any court of competent jurisdiction, any claim or controversy between the Parties hereto arising out of or relating to this Agreement or the breach thereof which the Parties are unable to resolve pursuant to Section 8.11, shall be settled by arbitration pursuant to the terms of the United States Arbitration Act, whether or not federal jurisdiction is obtained. Notwithstanding the foregoing, the parties agree to preserve, without diminution, those remedies that any Party hereto may employ or exercise freely, independently or in connection with an arbitration proceeding or after an arbitration action is started. The Parties shall have the right to proceed in any court of appropriate jurisdiction to exercise or prosecute the following remedies, as applicable:

(i) procedures for immediate relief such as Jewell's remedies to stop goods in transit, withhold or refuse delivery, reclaim or replevy goods and resell goods, and Purchasers' remedy of cover, or other remedy deemed reasonably appropriate by Purchasers to obtain coke supply; and (ii) procedures for obtaining equitable relief.

(b) The Parties shall attempt to agree on the selection of an arbitrator within forty- five (45) days from receipt of notice of intent to arbitrate. If the Parties cannot agree on an arbitrator then either Party may move to have the arbitrator appointed by the United States District Court for the Southern District of Ohio, Western Division. Time shall be of the essence in nomination of the arbitrator. The arbitration award by the arbitrator shall be final and binding, shall include reasonable interest at the Interest Rate, and, unless the arbitrator expressly determines them not to be appropriate, shall include costs, including reasonable attorney's fees, together with interest at the Interest Rate. A judgment to enforce the arbitration award may be entered in any court of appropriate jurisdiction.

(c) Any arbitration hereunder shall be conducted in Cincinnati, Ohio in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

(d) Upon the date of an arbitration award, if it is determined that an amount is due from one Party to the other, then such amount will be paid to the Party to whom it is due within ten (10) days from the final settlement, or written determination of the arbitrator, as the case may be. A Party's failure to pay any amount due or otherwise take the required actions within the required time shall be a Purchaser Default or Jewell Default, as the case may be, by such Party."

11. Miscellaneous.

11.1 Counterparts. This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single Amendment.

11.2 Governing Law. This Amendment shall be construed in accordance with, and governed by, the laws of the State of Ohio without regard to its conflicts of law provisions,

and the rights and remedies of the Parties hereunder will be determined in accordance with such laws.

11.3 Captions. The captions and headings in this Amendment are for convenience of reference purposes only and have no legal force or effect. Such captions and headings shall not be considered a part of this Amendment for purposes of interpreting, construing or applying this Amendment and will not define, limit, extend, explain or describe the scope or extent of this amendment or any of its terms and conditions.

11.4 Terms and Conditions of the Coke Supply Agreement. Except as expressly modified hereby, all terms and conditions of the Coke Supply Agreement remain in full force and effect.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date first set forth above.

JEWELL COKE COMPANY, L.P.
By: Jewell Coke Acquisition Company,
Its General Partner

By: /s/ P. Michael Hardesty_____
Its: Senior Vice President
Date: 07/30/2020

ARCELORMITTAL CLEVELAND LLC
By: /s/ Neil Kohlberg_____
Its: Vice President, Finance & Procurement
Date: 07/30/2020_____

ARCELORMITTAL USA LLC
By: /s/ Curtis Geissler_____
Its: Vice President, Procurement____
Date: 07/30/2020_____

Appendix A

"Affiliate" means as to any Person, any other Person which, directly or indirectly, controls, or is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly, to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"Coal(s)" are metallurgical coking coals and/or "green" petroleum coke that are reliable and readily available for use in the Coal Blend.

"Coal Blend" means a particular blend of not more than four (4) Coals plus "green" petroleum coke (not to exceed five percent (5%) of the total Coal Blend) that is being used or may be used to produce Coke, including the original coal blend selected by the Coal Committee, each new coal blend selected by the Coal Committee, and as applicable, any coal blend utilized independently by Jewell. In the case of coal blends selected by the Coal Committee, the actual percentage of each Coal comprising such coal blend shall be blended to within one and one-half percent (1.5%) of the Coal Blend composition selected by the Coal Committee.

"Coal Blend Standards" are the standards for selecting the Coal Blends. Those standards require that Coal Blends that (i) consist of coals having a minimum FSI of 6 that are reliable and readily available for use at the Coke Plant; (ii) actually produce Coke that will reasonably conform to existing or proposed (as applicable) "typical" Guaranteed Quality Standards set forth in Schedule 5.2; (iii) have a volatile matter component of not less than twenty three percent (23%) and not more than twenty seven percent (27%); and (iv) allow for safe, reliable and efficient operation of the Coke Plant.

"Coal Costs" are costs, expenses and expenditures, including taxes, related to (i) sampling, testing, selecting, purchasing, storing, handling, transporting, and delivering the Coals to the coal unloading facility at the Coke Plant, and (ii) the Third Party Consultant. Coal Costs do not include overhead or administrative costs of Jewell or its Affiliates.

"Coal Committee" is a committee having the authority set forth in Section 3.7.

"Coal Handling Losses" are losses associated with the storage and handling of the Coals, shall be deemed to equal 0.75% (seventy five hundredths of one percent), and shall be determined in the manner set forth in Section 3.2(c)(i).

"Coke Plant" has the meaning set forth in the Recitals.

"Guaranteed Coke Yield Percentage" has the meaning set forth in Section 3.2(c)(i).

"Guaranteed Quality Standards" are the guaranteed quality parameters for Coke set forth in Schedule 5.2 which is set forth in Amendment #5 to the Coke Supply Agreement.

"Haverhill" means Haverhill Coke Company, LLC.

"Haverhill Agreement" means the Coke Purchase Agreement dated October 28, 2003 between Haverhill, ArcelorMittal Cleveland LLC, and ArcelorMittal USA LLC, as amended, modified, or otherwise supplemented.

"Haverhill Coke Supply and Purchase Obligation" means the "Coke Supply and Purchase Obligation" as defined in the Haverhill Agreement.

"Interest Rate" means an interest rate equal to six percent (6%) above the rate announced by Chase Manhattan Bank as its prime rate at the date of accrual of the late payment.

"Moisture Adjusted Coal Blend Tonnage" has the meaning set forth in Section 3.2(c)(i).

"Person" means and includes any individual, firm, corporation, partnership, limited liability corporation, association, trust or other enterprise or any government or political subdivision or agency, department or instrumentality thereof.

"Position Notice" has the meaning set forth in Section 3.8(b)(i).

"Third Party Consultant" has the meaning set forth in Section 3.8(b)(i).

Exhibit 22.1

SunCoke Energy, Inc.
List of Issuers and Guarantor Subsidiaries

If a series of registered debt securities issued by SunCoke Energy, Inc. is guaranteed, such series will be guaranteed by one or more of the subsidiaries listed below.

Exact Name of Registrant as Specified in its Charter	State or Other Jurisdiction of Incorporation or Organization	Designation
SunCoke Energy, Inc.	Delaware	Issuer
Ceredo Liquid Terminal LLC	Delaware	Guarantor
CMT Liquids Terminal LLC	Delaware	Guarantor
Dismal River Terminal LLC	Delaware	Guarantor
Elk River Minerals Corporation	Delaware	Guarantor
FF Farm Holdings LLC	Delaware	Guarantor
Gateway Energy & Coke Company LLC	Delaware	Guarantor
Haverhill Coke Company LLC	Delaware	Guarantor
Indiana Harbor Coke Company	Delaware	Guarantor
Indiana Harbor Coke Corporation	Indiana	Guarantor
Jewell Coal & Coke Company, Inc.	Virginia	Guarantor
Jewell Coke Acquisition Company	Virginia	Guarantor
Jewell Coke Company, L.P.	Delaware	Guarantor
Jewell Resources Corporation	Virginia	Guarantor
Kanawha River Terminals, LLC	Delaware	Guarantor
Marigold Dock, Inc.	Delaware	Guarantor
Middletown Coke Company, LLC	Delaware	Guarantor
Raven Energy, LLC	Delaware	Guarantor
Sun Coal & Coke LLC	Delaware	Guarantor
SunCoke Energy Partners Finance Corp.	Delaware	Guarantor
SunCoke Energy South Shore LLC	Delaware	Guarantor
Sun Coke International, Inc.	Delaware	Guarantor
SunCoke Lake Terminal LLC	Delaware	Guarantor
SunCoke Logistics LLC	Delaware	Guarantor
SunCoke Technology and Development LLC	Delaware	Guarantor

Exhibit 31.1

CERTIFICATION

I, Michael G. Rippey, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 of SunCoke Energy, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Michael G.Rippey
Michael G. Rippey
President and Chief Executive Officer
November 6, 2020

Exhibit 31.2

CERTIFICATION

I, Fay West, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 of SunCoke Energy, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Fay West
Fay West
Senior Vice President and
Chief Financial Officer
November 6, 2020

Exhibit 32.1

CERTIFICATION
OF
CHIEF EXECUTIVE OFFICER
OF
SUNCOKE ENERGY, INC.
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with this Quarterly Report on Form 10-Q of SunCoke Energy, Inc. for the fiscal quarter ended September 30, 2020, I, Michael G. Rippey, President and Chief Executive Officer of SunCoke Energy, Inc., hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. This Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2020 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in this Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2020 fairly presents, in all material respects, the financial condition and results of operations of SunCoke Energy, Inc. for the periods presented therein.

/s/ Michael G. Rippey
Michael G. Rippey
President and Chief Executive Officer
November 6, 2020

Exhibit 32.2

CERTIFICATION
OF
CHIEF FINANCIAL OFFICER
OF
SUNCOKE ENERGY, INC.
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with this Quarterly Report on Form 10-Q of SunCoke Energy, Inc. for the fiscal quarter ended September 30, 2020, I, Fay West, Senior Vice President and Chief Financial Officer of SunCoke Energy, Inc., hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. This Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2020 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in this Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2020 fairly presents, in all material respects, the financial condition and results of operations of SunCoke Energy, Inc. for the periods presented therein.

/s/ Fay West
Fay West
Senior Vice President and
Chief Financial Officer
November 6, 2020

Exhibit 95.1

SunCoke Energy, Inc.
Mine Safety Disclosures for the Quarter Ended September 30, 2020

We are committed to maintaining a safe work environment and working to ensure environmental compliance across all of our operations. The health and safety of our employees and limiting the impact to communities in which we operate are critical to our long-term success. We employ practices and conduct training to help ensure that our employees work safely. Furthermore, we utilize processes for managing, monitoring and improving safety and environmental performance.

We have consistently operated within the top quartiles for the U.S. Occupational Safety and Health Administration's recordable injury rates as measured and reported by the American Coke and Coal Chemicals Institute. We also have worked to maintain low injury rates reportable to the U.S. Department of Labor's Mine Safety and Health Administration ("MSHA") and won the Sentinels of Safety award for 2008 from MSHA for having the mine with the most employee hours worked without experiencing a lost-time injury in that mine's category.

The following table presents the information concerning mine safety violations and other regulatory matters that we are required to report in accordance with Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Whenever MSHA believes that a violation of the Federal Mine Safety and Health Act of 1977 (the "Mine Act"), any health or safety standard, or any regulation has occurred, it may issue a citation which describes the violation and fixes a time within which the operator must abate the violation. In these situations, MSHA typically proposes a civil penalty, or fine, that the operator is ordered to pay. In evaluating the following table regarding mine safety, investors should take into account factors such as: (1) the number of citations and orders will vary depending on the size of a coal mine, (2) the number of citations issued will vary from inspector to inspector, mine to mine and MSHA district to district and (3) citations and orders can be contested and appealed, and during that process are often reduced in severity and amount, and are sometimes dismissed.

The mine data retrieval system maintained by MSHA may show information that is different than what is provided in the table below. Any such difference may be attributed to the need to update that information on MSHA's system or other factors. Orders and citations issued to independent contractors who work at our mine sites are not reported in the table below. All section references in the table below refer to provisions of the Mine Act.

Operating Name/MSHA Identification Number	Section 104 S&S Citations (#)(2)	Section 104(b) Orders (#)(3)	Section 104(d) Citations and Orders (#)(4)	Section 110(b)(2) Violations (#)(5)	Section 107(a) Orders (#)(6)	Total Dollar Value of MSHA Assessments Proposed ($)(7)	Total Number of Mining Related Fatalities (#)	Received Notice of Pattern of Violations Under Section 104(e) (yes/no)(8)	Received Notice of Potential to Have Pattern Under Section 104(e) (yes/no)(9)	Legal Actions Pending as of Last Day of Period (#) (10)(11)	Legal Actions Initiated During Period (#)(12)	Legal Actions Resolved During Period (#)(13)
#2 Prep Plant/ 4400649	0	0	0	0	0	0	0	no	no	0	0	0
Ceredo Dock / 46-09051	0	0	0	0	0	738	0	no	no	0	0	0
Quincy Dock / 46-07736	0	0	0	0	0	123	0	no	no	0	0	0
Dismal River Terminal / B3121	0	0	0	0	0	0	0	no	no	0	0	0
Belfry #5 / 15-10789	0	0	0	0	0	0	0	no	no	0	0	0
Total	0	0	0	0	0	861	0	no	no	0	0	0

(1) The table does not include the following: (i) facilities which have been idle or closed unless they received a citation or order issued by MSHA, (ii) permitted mining sites where we have not begun operations or (iii) mines that are operated on our behalf by contractors who hold the MSHA numbers and have the MSHA liabilities.

(2) Alleged violations of mandatory health or safety standards that could significantly and substantially contribute to the cause and effect of a coal or other mine safety or health hazard.

(3) Alleged failures to totally abate a citation within the period of time specified in the citation.

(4) Alleged unwarrantable failure (i.e., aggravated conduct constituting more than ordinary negligence) to comply with a mining safety standard or regulation.

(5) Alleged flagrant violations issued.

(6) Alleged conditions or practices which could reasonably be expected to cause death or serious physical harm before such condition or practice can be abated.

(7) Amounts shown include assessments proposed during the quarter ended September 30, 2020 and do not necessarily relate to the citations or orders reflected in this table. Assessments for citations or orders reflected in this table may be proposed by MSHA after September 30, 2020.

(8) Alleged pattern of violations of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of coal or other mine health or safety hazards.

(9) Alleged potential to have a pattern of violations of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of coal or other mine health or safety hazards.

(10) This number reflects legal proceedings which remain pending before the Federal Mine Safety and Health Review Commission (the "FMSHRC") as of September 30, 2020. The pending legal actions may relate to the citations or orders issued by MSHA during the reporting period or to citations or orders issued in prior periods. The FMSHRC has jurisdiction to hear not only challenges to citations, orders, and penalties but also certain complaints by miners. The number of "pending legal actions" reported here reflects the number of contested citations, orders, penalties or complaints, which remain pending as of September 30, 2020.

(11) The legal proceedings reflected in this column of the table are categorized as follows in accordance with the categories established in the Procedural Rules of the FMSHRC:

Mine or Operating Name/MSHA Identification Number	Contests of Citations and Orders (#)	Contests of Proposed Penalties (#)	Complaints for Compensation (#)	Complaints for Discharge, Discrimination or Interference Under Section 105 (#)	Applications for Temporary Relief (#)	Appeals of Judges' Decisions or Orders (#)
4400649/ #2 Prep Plant	0	0	0	0	0	0
Ceredo Dock / 46-09051	0	0	0	0	0	0
Quincy Dock / 46-07736	0	0	0	0	0	0
Belfry #5 / 15-10789	0	0	0	0	0	0
Total	0	0	0	0	0	0

(12) This number reflects legal proceedings initiated before the FMSHRC during the quarter ended September 30, 2020. The number of "initiated legal actions" reported here may not have remained pending as of September 30, 2020.

(13) This number reflects legal proceedings before the FMSHRC that were resolved during the quarter ended September 30, 2020.

Exhibit 99.1

SunCoke Energy Partners Finance Corp.
Consolidated Statements of Operations
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
	(Dollars and shares/units in millions, except per share/unit amounts)			
Revenues				
Sales and other operating revenue	$ 168.5	$ 243.8	$ 583.2	$ 721.1
Costs and operating expenses				
Cost of products sold and operating expenses	130.5	180.6	447.3	544.9
Selling, general and administrative expenses	7.1	6.6	20.9	27.8
Depreciation and amortization expense	21.1	25.8	66.5	82.2
Long-lived asset and goodwill impairment	—	247.4	—	247.4
Total costs and operating expenses	158.7	460.4	534.7	902.3
Operating income (loss)	9.8	(216.6)	48.5	(181.2)
Interest expense, net	12.6	14.3	38.1	43.3
Gain on extinguishment of debt	(0.5)	(1.9)	(3.4)	(1.9)
(Loss) income before income tax expense (benefit)	(2.3)	(229.0)	13.8	(222.6)
Income tax expense (benefit)[1]	0.5	1.5	129.7	(87.8)
Net loss	(2.8)	(230.5)	(115.9)	(134.8)
Less: Net income attributable to noncontrolling interests	—	0.5	—	3.0
Net loss attributable to SunCoke Energy Partners Finance Corp./SunCoke Energy Partners, L.P.[1]	$ (2.8)	$ (231.0)	$ (115.9)	$ (137.8)
General partner's interest in net loss	N/A	$ (4.6)	N/A	$ (2.8)
Limited partners' interest in net loss	N/A	$ (226.4)	N/A	$ (135.0)
Net income per common share/unit (basic and diluted)	$ (0.06)	$ (4.90)	$ (2.51)	$ (2.92)
Weighted average common shares/units outstanding (basic and diluted)	46.2	46.2	46.2	46.2

(1) As of January 1, 2020, SunCoke Energy Partners, L.P. merged with and into SunCoke Energy Partners Finance Corp., both of which are wholly-owned subsidiaries of SunCoke Energy, Inc. As a result, non-cash deferred tax expense was recorded during the nine months ended September 30, 2020 to reflect the deferred tax liabilities of SunCoke Energy Partners Finance Corp. and its subsidiaries.

SunCoke Energy Partners Finance Corp.
Consolidated Balance Sheets
(Unaudited)

	September 30, 2020	December 31, 2019
	(Dollars in millions, except par value amounts)	
Assets		
Cash	$ 37.6	$ 29.3
Receivables, net	26.3	34.7
Receivables from affiliate, net	43.3	1.3
Inventories	90.7	106.9
Other current assets	4.9	0.3
Total current assets	202.8	172.5
Properties, plants and equipment (net of accumulated depreciation of $623.7 million and $559.8 million at September 30, 2020 and December 31, 2019, respectively)	1,105.1	1,152.3
Intangible assets, net	32.7	34.2
Deferred charges and other assets	3.9	4.4
Total assets	$ 1,344.5	$ 1,363.4
Liabilities and Equity		
Accounts payable	$ 51.9	$ 83.3
Accrued liabilities	13.8	13.3
Current portion of financing obligation	5.1	2.9
Interest payable	13.9	2.2
Total current liabilities	84.7	101.7
Long-term debt and financing obligation	617.7	639.4
Deferred income taxes	160.6	26.3
Other deferred credits and liabilities	13.7	12.4
Total liabilities	876.7	779.8
Equity		
Common stock, $0.01 par value (issued 46,227,148 shares at September 30, 2020)	0.5	—
Additional paid-in capital	583.2	—
Retained deficit	(115.9)	—
Total SunCoke Energy Partners Finance Corp. stockholders' equity	467.8	—
Common units (issued 46,227,148 units at December 31, 2019)	—	518.2
General partner's interest	—	52.6
Partners' capital attributable to SunCoke Energy Partners, L.P.	—	570.8
Noncontrolling interest	—	12.8
Total equity	467.8	583.6
Total liabilities and equity	$ 1,344.5	$ 1,363.4

SunCoke Energy Partners Finance Corp.
Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
	2020	2019
	(Dollars in millions)	
Cash Flows from Operating Activities:		
Net loss	$ (115.9)	$ (134.8)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Long-lived asset and goodwill impairment	—	247.4
Depreciation and amortization expense	66.5	82.2
Deferred income tax expense (benefit)	134.3	(87.7)
Gain on extinguishment of debt	(3.4)	(1.9)
Changes in working capital pertaining to operating activities:		
Receivables, net	8.4	12.2
Receivables/payables from affiliate, net	(42.0)	(3.8)
Inventories	16.2	(28.0)
Accounts payable	(23.5)	0.1
Accrued liabilities	0.5	(0.3)
Interest payable	11.7	11.2
Other	(0.6)	(2.1)
Net cash provided by operating activities	52.2	94.5
Cash Flows from Investing Activities:		
Capital expenditures	(26.1)	(46.6)
Other	0.2	0.2
Net cash used in investing activities	(25.9)	(46.4)
Cash Flows from Financing Activities:		
Repayment of financing obligation	(2.2)	(46.6)
Repayment of long-term debt	(15.8)	(2.1)
Proceeds from revolving credit facility	—	204.5
Repayment of revolving credit facility	—	(309.5)
Distributions to unitholders (public and parent)	—	(37.8)
Distributions to noncontrolling interest (SunCoke Energy, Inc.)	—	(1.6)
Capital contributions from SunCoke	—	145.0
Other financing activities	—	(0.9)
Net cash used in financing activities	(18.0)	(49.0)
Net increase (decrease) in cash and cash equivalents	8.3	(0.9)
Cash and cash equivalents at beginning of period	29.3	12.6
Cash and cash equivalents at end of period	$ 37.6	$ 11.7
Supplemental Disclosure of Cash Flow Information		
Interest paid, net of capitalized interest of zero and $2.3 million, respectively	$ 24.6	$ 29.7
Income taxes paid	$ —	$ 1.8

SunCoke Energy Partners Finance Corp.
Reconciliation of Non-GAAP Information
Adjusted EBITDA to Net Loss

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
	(Dollars in millions)			
Net loss attributable to SunCoke Energy Partners Finance Corp./SunCoke Energy Partners, L.P.[1]	$ (2.8)	$ (231.0)	$ (115.9)	$ (137.8)
Add: Net income attributable to noncontrolling interests	—	0.5	—	3.0
Net loss	$ (2.8)	$ (230.5)	$ (115.9)	$ (134.8)
Add:				
Long-lived asset and goodwill impairment	—	247.4	—	247.4
Depreciation and amortization expense	21.1	25.8	66.5	82.2
Interest expense, net	12.6	14.3	38.1	43.3
Income tax expense (benefit)	0.5	1.5	129.7	(87.8)
Gain on extinguishment of debt	(0.5)	(1.9)	(3.4)	(1.9)
Contingent consideration adjustments[2]	—	(3.9)	—	(4.2)
Simplification Transaction costs[3]	—	—	—	4.9
Adjusted EBITDA	$ 30.9	$ 52.7	$ 115.0	$ 149.1
Subtract: Adjusted EBITDA attributable to noncontrolling interest[4]	—	0.9	—	2.5
Adjusted EBITDA attributable to SunCoke Energy Partners Finance Corp./SunCoke Energy Partners, L.P.[1]	$ 30.9	$ 51.8	$ 115.0	$ 146.6

(1) As of January 1, 2020, SunCoke Energy Partners, L.P. (the "Partnership") merged with and into SunCoke Energy Partners Finance Corp., both of which are wholly-owned subsidiaries of SunCoke Energy, Inc.

(2) In connection with the CMT acquisition, the Partnership entered into a contingent consideration arrangement that required the Partnership to make future payments to the seller based on future volume over a specified threshold, price and contract renewals. Adjustments to the fair value of the contingent consideration were primarily the result of modifications to the volume forecast. This liability was written to zero during the third quarter of 2019, and the related contract was terminated in 2020.

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

(4) Reflects net income attributable to noncontrolling interest adjusted for noncontrolling interest's share of interest, taxes, income, and depreciation and amortization. Noncontrolling interest in the prior year period reflects SunCoke Energy, Inc.'s two percent ownership of our cokemaking facilities.