
**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 **June 30, 2022**
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
(State or other jurisdiction of
incorporation or organization)

90-0640593
(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:

<u>Title of each class</u>	<u>Trading symbol(s)</u>	<u>Name of each exchange on which registered</u>
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 July 29, 2022, there were 83,391,343 shares of the Registrant's \$0.01 par value Common Stock outstanding.

SUNCOKE ENERGY, INC.
TABLE OF CONTENTS

PART I – FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements	1
Consolidated Statements of Operations (Unaudited) For the Three and Six Months Ended June 30, 2022 and 2021	1
Consolidated Statements of Comprehensive Income (Loss) (Unaudited) For the Three and Six Months Ended June 30, 2022 and 2021	2
Consolidated Balance Sheets at June 30, 2022 (Unaudited) and December 31, 2021	3
Consolidated Statements of Cash Flows (Unaudited) For the Six Months Ended June 30, 2022 and 2021	4
Consolidated Statements of Equity (Unaudited) For the Three and Six Months Ended June 30, 2022 and 2021	5
Notes to the Consolidated Financial Statements	7
1. General	7
2. Inventories	7
3. Intangible Assets	8
4. Income Taxes	8
5. Accrued Liabilities	8
6. Debt and Financing Obligation	9
7. Commitments and Contingent Liabilities	9
8. Share-Based Compensation	10
9. Earnings per Share	12
10. Fair Value Measurement	13
11. Revenue from Contracts with Customers	13
12. Business Segment Information	14
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	17
Item 3. Quantitative and Qualitative Disclosures about Market Risk	29
Item 4. Controls and Procedures	29

PART II – OTHER INFORMATION

Item 1. Legal Proceedings	30
Item 1A. Risk Factors	30
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	30
Item 3. Defaults Upon Senior Securities	30
Item 4. Mine Safety Disclosures	30
Item 5. Other Information	30
Item 6. Exhibits	31
Signature	32

PART I – FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
(Dollars and shares in millions, except per share amounts)				
Revenues				
Sales and other operating revenue	\$ 501.9	\$ 364.3	\$ 941.7	\$ 724.2
Costs and operating expenses				
Cost of products sold and operating expenses	411.8	278.6	749.8	552.6
Selling, general and administrative expenses	19.8	17.7	37.8	33.0
Depreciation and amortization expense	35.8	34.1	71.0	66.5
Total costs and operating expenses	467.4	330.4	858.6	652.1
Operating income	34.5	33.9	83.1	72.1
Interest expense, net	8.3	14.2	16.3	26.9
Loss on extinguishment of debt	—	31.9	—	31.9
Income (loss) before income tax expense (benefit)	26.2	(12.2)	66.8	13.3
Income tax expense (benefit)	7.2	(4.7)	17.2	2.6
Net income (loss)	19.0	(7.5)	49.6	10.7
Less: Net income attributable to noncontrolling interests	1.0	1.3	2.1	3.0
Net income (loss) attributable to SunCoke Energy, Inc.	\$ 18.0	\$ (8.8)	\$ 47.5	\$ 7.7
Earnings (loss) attributable to SunCoke Energy, Inc. per common share:				
Basic	\$ 0.21	\$ (0.11)	\$ 0.57	\$ 0.09
Diluted	\$ 0.21	\$ (0.11)	\$ 0.56	\$ 0.09
Weighted average number of common shares outstanding:				
Basic	83.9	83.0	83.7	82.9
Diluted	84.6	83.0	84.4	83.5

(See accompanying notes to the consolidated financial statements)

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(Dollars in millions)			
Net income (loss)	\$ 19.0	\$ (7.5)	\$ 49.6	\$ 10.7
Other comprehensive income (loss):				
Reclassifications of prior service benefit and actuarial loss amortization to earnings, net of tax	0.1	0.1	0.2	0.2
Currency translation adjustment	(1.0)	0.9	0.3	0.2
Comprehensive income (loss)	18.1	(6.5)	50.1	11.1
Less: Comprehensive income attributable to noncontrolling interests	1.0	1.3	2.1	3.0
Comprehensive income (loss) attributable to SunCoke Energy, Inc.	\$ 17.1	\$ (7.8)	\$ 48.0	\$ 8.1

(See accompanying notes to the consolidated financial statements)

SunCoke Energy, Inc.
Consolidated Balance Sheets

	June 30, 2022 (Unaudited)	December 31, 2021
	(Dollars in millions, except par value amounts)	
Assets		
Cash and cash equivalents	\$ 63.4	\$ 63.8
Receivables, net	108.1	77.6
Inventories	193.1	127.0
Other current assets	6.6	3.5
Total current assets	371.2	271.9
Properties, plants and equipment (net of accumulated depreciation of \$1,230.0 million and \$1,160.1 million at June 30, 2022 and December 31, 2021, respectively)	1,253.5	1,287.9
Intangible assets, net	34.2	35.2
Deferred charges and other assets	18.5	20.4
Total assets	\$ 1,677.4	\$ 1,615.4
Liabilities and Equity		
Accounts payable	\$ 159.4	\$ 126.0
Accrued liabilities	51.6	52.4
Current portion of financing obligation	3.2	3.2
Income tax payable	1.4	0.6
Total current liabilities	215.6	182.2
Long-term debt and financing obligation	594.6	610.4
Accrual for black lung benefits	59.4	57.9
Retirement benefit liabilities	20.9	21.8
Deferred income taxes	178.2	169.0
Asset retirement obligations	12.2	11.6
Other deferred credits and liabilities	22.4	27.1
Total liabilities	1,103.3	1,080.0
Equity		
Preferred stock, \$0.01 par value. Authorized 50,000,000 shares; no issued shares at both June 30, 2022 and December 31, 2021	—	—
Common stock, \$0.01 par value. Authorized 300,000,000 shares; issued 98,795,825 and 98,496,809 shares at June 30, 2022 and December 31, 2021, respectively	1.0	1.0
Treasury stock, 15,404,482 shares at both June 30, 2022 and December 31, 2021	(184.0)	(184.0)
Additional paid-in capital	724.4	721.2
Accumulated other comprehensive loss	(16.2)	(16.7)
Retained earnings (deficit)	13.9	(23.4)
Total SunCoke Energy, Inc. stockholders' equity	539.1	498.1
Noncontrolling interest	35.0	37.3
Total equity	574.1	535.4
Total liabilities and equity	\$ 1,677.4	\$ 1,615.4

(See accompanying notes to the consolidated financial statements)

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

	Six Months Ended June 30,	
	2022	2021
	(Dollars in millions)	
Cash Flows from Operating Activities		
Net income	\$ 49.6	\$ 10.7
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	71.0	66.5
Deferred income tax expense	9.2	0.6
Share-based compensation expense	3.0	2.3
Loss on extinguishment of debt	—	31.9
Changes in working capital pertaining to operating activities:		
Receivables, net	(30.5)	(3.2)
Inventories	(66.1)	(17.7)
Accounts payable	31.9	14.1
Accrued liabilities	(0.9)	(2.8)
Interest payable	—	(1.4)
Income taxes	0.8	2.7
Other	(1.8)	0.9
Net cash provided by operating activities	66.2	104.6
Cash Flows from Investing Activities		
Capital expenditures	(34.0)	(33.7)
Net cash used in investing activities	(34.0)	(33.7)
Cash Flows from Financing Activities		
Proceeds from issuance of long-term debt	—	500.0
Repayment of long-term debt	—	(609.3)
Proceeds from revolving facility	327.0	470.6
Repayment of revolving facility	(342.0)	(405.9)
Repayment of financing obligation	(1.6)	(1.4)
Debt issuance costs	—	(10.5)
Dividends paid	(10.3)	(10.1)
Cash distribution to noncontrolling interests	(4.4)	—
Other financing activities	(1.3)	(1.0)
Net cash used in financing activities	(32.6)	(67.6)
Net (decrease) increase in cash and cash equivalents	(0.4)	3.3
Cash and cash equivalents at beginning of period	63.8	48.4
Cash and cash equivalents at end of period	\$ 63.4	\$ 51.7
Supplemental Disclosure of Cash Flow Information		
Interest paid, net of capitalized interest of zero and \$0.3 million, respectively	\$ 14.2	\$ 25.6
Income taxes paid, net of refunds of zero and \$2.9 million, respectively	\$ 7.2	\$ (0.6)

(See accompanying notes to the consolidated financial statements)

SunCoke Energy, Inc.
Consolidated Statements of Equity
Three Months Ended June 30, 2022
(Unaudited)

	Common Stock		Treasury Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total SunCoke Energy, Inc. Equity	Non-controlling Interests	Total Equity
	Shares	Amount	Shares	Amount						
(Dollars in millions)										
At March 31, 2022	98,754,995	\$ 1.0	15,404,482	\$ (184.0)	\$ 722.3	\$ (15.3)	\$ 1.0	\$ 525.0	\$ 36.9	\$ 561.9
Net income	—	—	—	—	—	—	18.0	18.0	1.0	19.0
Reclassifications of prior service benefit and actuarial loss amortization to earnings, net of tax	—	—	—	—	—	0.1	—	0.1	—	0.1
Currency translation adjustment	—	—	—	—	—	(1.0)	—	(1.0)	—	(1.0)
Share-based compensation	—	—	—	—	1.9	—	—	1.9	—	1.9
Share issuances, net of shares withheld for taxes	40,830	—	—	—	0.2	—	—	0.2	—	0.2
Dividends	—	—	—	—	—	—	(5.1)	(5.1)	—	(5.1)
Cash distribution to noncontrolling interests	—	—	—	—	—	—	—	—	(2.9)	(2.9)
At June 30, 2022	<u>98,795,825</u>	<u>\$ 1.0</u>	<u>15,404,482</u>	<u>\$ (184.0)</u>	<u>\$ 724.4</u>	<u>\$ (16.2)</u>	<u>\$ 13.9</u>	<u>\$ 539.1</u>	<u>\$ 35.0</u>	<u>\$ 574.1</u>

SunCoke Energy, Inc.
Consolidated Statements of Equity
Three Months Ended June 30, 2021
(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 March 31, 2021	98,382,357	\$ 1.0	15,404,482	\$ (184.0)	\$ 715.3	\$ (17.7)	\$ (35.1)	\$ 479.5	\$ 33.6	\$ 513.1
Net (loss) income	—	—	—	—	—	—	(8.8)	(8.8)	1.3	(7.5)
Reclassifications of prior service benefit and actuarial loss amortization to earnings, net of tax	—	—	—	—	—	0.1	—	0.1	—	0.1
Currency translation adjustment	—	—	—	—	—	0.9	—	0.9	—	0.9
Share-based compensation	—	—	—	—	1.8	—	—	1.8	—	1.8
Share issuances, net of shares withheld for taxes	9,702	—	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	(5.1)	(5.1)	—	(5.1)
At June 30, 2021	<u>98,392,059</u>	<u>\$ 1.0</u>	<u>15,404,482</u>	<u>\$ (184.0)</u>	<u>\$ 717.1</u>	<u>\$ (16.7)</u>	<u>\$ (49.0)</u>	<u>\$ 468.4</u>	<u>\$ 34.9</u>	<u>\$ 503.3</u>

(See accompanying notes to the consolidated financial statements)

SunCoke Energy, Inc.
Consolidated Statements of Equity
Six Months Ended June 30, 2022
(Unaudited)

	Common Stock		Treasury Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained (Deficit) Earnings	Total SunCoke Energy, Inc. Equity	Non- controlling Interests	Total Equity
	Shares	Amount	Shares	Amount						
(Dollars in millions)										
At December 31, 2021	98,496,809	\$ 1.0	15,404,482	\$ (184.0)	\$ 721.2	\$ (16.7)	\$ (23.4)	\$ 498.1	\$ 37.3	\$ 535.4
Net income	—	—	—	—	—	—	47.5	47.5	2.1	49.6
Reclassifications of prior service benefit and actuarial loss amortization to earnings, net of tax	—	—	—	—	—	0.2	—	0.2	—	0.2
Currency translation adjustment	—	—	—	—	—	0.3	—	0.3	—	0.3
Share-based compensation	—	—	—	—	4.4	—	—	4.4	—	4.4
Share issuances, net of shares withheld for taxes	299,016	—	—	—	(1.2)	—	—	(1.2)	—	(1.2)
Dividends	—	—	—	—	—	—	(10.2)	(10.2)	—	(10.2)
Cash distribution to noncontrolling interests	—	—	—	—	—	—	—	—	(4.4)	(4.4)
At June 30, 2022	98,795,825	\$ 1.0	15,404,482	\$ (184.0)	\$ 724.4	\$ (16.2)	\$ 13.9	\$ 539.1	\$ 35.0	\$ 574.1

SunCoke Energy, Inc.
Consolidated Statements of Equity
Six Months Ended June 30, 2021
(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, 2020	98,177,941	\$ 1.0	15,404,482	\$ (184.0)	\$ 715.7	\$ (17.1)	\$ (46.6)	\$ 469.0	\$ 31.9	\$ 500.9	
Net income	—	—	—	—	—	—	7.7	\$ 7.7	3.0	10.7	
Reclassifications of prior service benefit and actuarial loss amortization to earnings, net of tax	—	—	—	—	—	0.2	—	0.2	—	0.2	
Currency translation adjustment	—	—	—	—	—	0.2	—	0.2	—	0.2	
Share-based compensation	—	—	—	—	2.3	—	—	2.3	—	2.3	
Share issuances, net of shares withheld for taxes	214,118	—	—	—	(0.9)	—	—	(0.9)	—	(0.9)	
Dividends	—	—	—	—	—	—	(10.1)	(10.1)	—	(10.1)	
At June 30, 2021	98,392,059	\$ 1.0	15,404,482	\$ (184.0)	\$ 717.1	\$ (16.7)	\$ (49.0)	\$ 468.4	\$ 34.9	\$ 503.3	

(See accompanying notes to the consolidated financial statements)

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 more than 60 years of coke production experience. We have designed, developed and built, and we currently own and operate, five cokemaking facilities in the United States (“U.S.”), which have collective nameplate capacity to produce approximately 4.2 million tons of blast furnace coke per year. Additionally, we have designed and currently 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. 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. The majority of our coke is used in the blast furnace production of steel and is sold under long-term, take-or-pay agreements with our steelmaking customers. Our coke is also used in the foundry production of casted iron, as well as exported to international customers seeking high-quality products for their blast furnaces.

We also own and operate a logistics business that 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 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.

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 June 30, 2022 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, 2021.

2. Inventories

The components of inventories were as follows:

	June 30, 2022	December 31, 2021
	(Dollars in millions)	
Coal	\$ 120.7	\$ 63.5
Coke	21.2	16.6
Materials, supplies and other	51.2	46.9
Total inventories	<u>\$ 193.1</u>	<u>\$ 127.0</u>

3. Intangible Assets

Intangible assets, net, include Goodwill allocated to our Domestic Coke segment of \$3.4 million at both June 30, 2022 and December 31, 2021, and other intangibles detailed in the table below, excluding fully amortized intangible assets.

	Weighted - Average Remaining Amortization Years	June 30, 2022			December 31, 2021		
		Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
		(Dollars in millions)					
Customer relationships	2	\$ 6.7	\$ 5.3	\$ 1.4	\$ 6.7	\$ 5.0	\$ 1.7
Permits	20	31.7	3.8	27.9	31.7	3.1	28.6
Other	28	1.6	0.1	1.5	1.6	0.1	1.5
Total		\$ 40.0	\$ 9.2	\$ 30.8	\$ 40.0	\$ 8.2	\$ 31.8

Total amortization expense for intangible assets subject to amortization was \$0.5 million and \$1.0 million for the three and six months ended June 30, 2022, and June 30, 2021, respectively.

4. 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 \$7.2 million and \$17.2 million during the three and six months ended June 30, 2022, respectively, resulting in an effective tax rate of 27.5 percent and 25.7 percent, respectively, and an income tax benefit of \$4.7 million for the three months ended June 30, 2021 and income tax expense of \$2.6 million for the six months ended June 30, 2021 resulting in an effective tax rate of 38.5 percent and 19.5 percent, respectively. During both the three and six months ended June 30, 2022 and 2021, the difference between the Company's effective tax rate and the federal statutory rate of 21.0 percent primarily reflects the impact of state taxes as well as compensation deduction limitations under Section 162(m) of the Internal Revenue Code.

The impact of state taxes during the six months ended June 30, 2022 included the revaluation of certain deferred tax liabilities due to changes in apportioned state tax rates, which resulted in an income tax benefit of \$1.0 million recorded during the first quarter of 2022. The impact of state taxes during the six months ended June 30, 2021 included changes in state tax laws, which resulted in a state tax benefit of \$1.3 million recorded during the second quarter of 2021.

5. Accrued Liabilities

Accrued liabilities consisted of the following:

	June 30, 2022	December 31, 2021
	(Dollars in millions)	
Accrued benefits	\$ 18.9	\$ 21.7
Current portion of postretirement benefit obligation	2.6	2.6
Other taxes payable	11.8	9.2
Current portion of black lung liability	5.4	5.4
Accrued legal	4.5	4.5
Other	8.4	9.0
Total accrued liabilities	<u>\$ 51.6</u>	<u>\$ 52.4</u>

6. Debt and Financing Obligation

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

	June 30, 2022	December 31, 2021
	(Dollars in millions)	
4.875 percent senior notes, due 2029 ("2029 Senior Notes")	\$ 500.0	\$ 500.0
\$350.0 revolving credit facility, due 2026 ("Revolving Facility")	100.0	115.0
5.346 percent financing obligation, due 2024	10.4	12.0
Total borrowings	610.4	627.0
Debt issuance costs	(12.6)	(13.4)
Total debt and financing obligation	\$ 597.8	\$ 613.6
Less: current portion of financing obligation	3.2	3.2
Total long-term debt and financing obligation	\$ 594.6	\$ 610.4

Revolving Facility

As of June 30, 2022, the Revolving Facility had a \$100.0 million outstanding balance, leaving \$250.0 million available. Additionally, the Company has certain letters of credit totaling \$23.6 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 June 30, 2022, 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.

7. Commitments and Contingent Liabilities

Legal Matters

The Company is a party to certain 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. SunCoke's threshold for disclosing material environmental legal proceedings involving a government authority where potential monetary sanctions are involved is \$1.0 million.

Black Lung Benefit Liabilities

The Company has obligations related to coal workers' pneumoconiosis, or black lung, benefits to certain of its 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 \$64.8 million and \$63.3 million at June 30, 2022 and December 31, 2021, respectively, of which the current portion of \$5.4 million was included in accrued liabilities on the Consolidated Balance Sheets in both periods.

On February 1, 2013, SunCoke obtained commercial insurance for black lung claims in excess of a deductible 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 and February 2021. 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.

8. Share-Based Compensation

Equity Classified Awards

During the six months ended June 30, 2022, 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.

On May 12, 2022, the Company adopted the SunCoke Energy, Inc. Omnibus Long-Term Incentive Plan (the "Omnibus Plan"). The Omnibus Plan provides for the grant of equity-based awards including stock options and share units, or restricted stock, to the Company's Board of Directors and certain employees selected for participation in the plan. The total number of shares of common stock authorized for issuance under the Omnibus Plan consists of 2,700,000 new shares in addition to shares previously authorized for issuance under the SunCoke Energy Inc. Retainer Stock Plan for Outside Directors ("the Retainer Stock Plan") and the SunCoke LTPEP. As of the effective date, new awards will no longer be granted under the Retainer Stock Plan or SunCoke LTPEP. The awards previously granted under these two plans were not modified or impacted by the adoption of the Omnibus Plan.

Restricted Stock Units Settled in Shares

During the six months ended June 30, 2022, the Company issued 322,453 restricted stock units ("RSUs") to certain employees and members of the Board of Directors, to be settled in shares of the Company's common stock. The weighted average grant date fair value was \$7.63 per unit, based on the closing price of our common stock on the date of grant. RSUs granted to employees vest and become payable in three annual installments beginning one year from the date of grant. RSUs granted to the Company's Board of Directors vest upon grant, but are paid out upon termination of board service.

Performance Share Units

Performance share units ("PSUs") were granted to certain employees to be settled in shares of the Company's common stock during the six months ended June 30, 2022, for which the service period will end on December 31, 2024, and will vest and become payable during the first quarter of 2025. The service period for certain retiree eligible participants is accelerated. The Company granted the following PSUs:

	Shares	Weighted Average Grant Date Fair Value per Unit
PSUs ⁽¹⁾⁽²⁾	154,860	\$ 7.76

- (1) Performance measures for the PSU awards are split 50/50 between the Company's three-year cumulative Adjusted EBITDA (as defined in Note 12) and the Company's three-year average pre-tax return on capital 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 80 percent and 120 percent of the Company's final performance measure results.

Each PSU award may vest between 25 and 200 percent of the original units granted. The fair value of the PSUs granted during the six months ended June 30, 2022 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. The valuation of the TSR Modifier is adjusted during the period if the Company's performance measure results drive the calculation of final vested units granted above the maximum percentage.

Liability Classified Awards

Restricted Stock Units Settled in Cash

During the six months ended June 30, 2022, the Company issued 250,615 restricted stock units to certain employees to be settled in cash ("Cash RSUs"), which vest and become payable 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 six months ended June 30, 2022 was \$7.56 per unit, based on the closing price of our common stock on the date of grant.

The Cash RSUs liability is adjusted based on the closing price of our common stock at the end of each quarterly period and was \$1.1 million at June 30, 2022 and \$1.9 million at December 31, 2021.

Cash Incentive Awards

The Company also granted long-term cash 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. As of May 12, 2022, performance-based, cash-settled awards will be granted under the new Omnibus Plan. The awards previously granted under the SunCoke LTCIP were not modified or impacted by the adoption of the Omnibus Plan. The cash incentive award liability will continue to be included in accrued liabilities and other deferred credits and liabilities on the Consolidated Balance Sheets under the Omnibus Plan.

The Company issued awards with an aggregate grant date fair value of approximately \$2.0 million during the six months ended June 30, 2022, for which the service period will end on December 31, 2024 and will vest and become payable during the first quarter of 2025. The service period for certain retiree eligible participants is accelerated. The performance measures for these awards are split 50/50 between the Company's three-year cumulative Adjusted EBITDA and the Company's three-year average pre-tax return on capital for its coke and logistics businesses and unallocated corporate expenses.

The cash incentive award liability at June 30, 2022 was adjusted based on the Company's three-year cumulative Adjusted EBITDA 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 was \$6.1 million at June 30, 2022 and \$4.1 million at December 31, 2021.

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 June 30,		Six Months Ended June 30,		June 30, 2022	
	2022	2021	2022	2021		
	Compensation Expense ⁽¹⁾				Unrecognized Compensation Cost	Weighted Average Remaining Recognition Period
	(Dollars in millions)					(Years)
Equity Awards:						
RSUs	\$ 0.7	\$ 0.7	\$ 1.0	\$ 1.0	\$ 1.7	1.1
PSUs	1.1	1.1	1.8	1.2	2.6	1.0
Total equity awards	<u>1.8</u>	<u>1.8</u>	<u>2.8</u>	<u>2.2</u>		
Liability Awards:						
Cash RSUs	\$ 0.2	\$ 0.3	\$ 0.9	\$ 1.1	\$ 2.0	2.0
Cash incentive award	1.4	1.1	2.4	1.3	4.5	1.4
Total liability awards	<u>1.6</u>	<u>1.4</u>	<u>3.3</u>	<u>2.4</u>		

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

The Company issued \$0.2 million and \$0.1 million of share-based compensation to the Company's Board of Directors during the six months ended June 30, 2022 and 2021, respectively.

9. 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 EPS 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 June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(Shares in millions)			
Weighted-average number of common shares outstanding-basic	83.9	83.0	83.7	82.9
Add: Effect of dilutive share-based compensation awards	0.7	—	0.7	0.6
Weighted-average number of shares-diluted	<u>84.6</u>	<u>83.0</u>	<u>84.4</u>	<u>83.5</u>

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 June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(Shares in millions)			
Stock options	1.6	3.1	1.7	2.9
Restricted stock units	—	0.6	—	0.1
Performance stock units	—	0.7	—	—
Total	<u>1.6</u>	<u>4.4</u>	<u>1.7</u>	<u>3.0</u>

10. 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 June 30, 2022 and December 31, 2021 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 June 30, 2022 and December 31, 2021, the fair value of the Company's total debt was estimated to be \$511.7 million and \$625.1 million, respectively, compared to a carrying amount of \$610.4 million and \$627.0 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.

11. Revenue from Contracts with Customers

Cokemaking

Our blast furnace coke sales are largely made pursuant to long-term, take-or-pay coke sales agreements primarily with Cleveland-Cliffs Steel Holding Corporation and Cleveland-Cliffs Steel LLC, both subsidiaries of Cleveland Cliffs Inc. and collectively referred to as "Cliffs Steel", United States Steel Corporation ("U.S. Steel"), and Algoma Steel Inc. The take-or-pay provisions in our agreements require our customers to purchase coke volumes 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. As of June 30, 2022, our coke sales agreements have approximately 13.3 million tons of unsatisfied or partially unsatisfied performance obligations, which are expected to be delivered over a weighted average remaining contract term of approximately six years.

Foundry coke sales are generally made under annual agreements with our customers for an agreed upon price and do not contain take-or-pay volume commitments. Export coke sales are generally made on a spot basis at the current market price.

Revenues on all coke sales are recognized when performance obligations to our customers are satisfied in an amount that reflects the consideration that we expect to receive in exchange for the coke.

Logistics

In our logistics business, handling and/or mixing services are provided to steel, coke (including some of our domestic cokemaking facilities), electric utility, coal producing and other manufacturing based customers. Materials are transported in numerous ways, including rail, truck, barge or ship. We do not take possession of materials handled, but rather act as intermediaries between our customers and end users, deriving our revenues from services provided on a per ton basis. The handling and mixing services consist primarily of two performance obligations, unloading and loading of materials. Revenues are recognized when the customer receives the benefits of the services provided, in an amount that reflects the consideration that we will receive in exchange for those services.

The long-term, take-or-pay agreement between Convent Marine Terminal ("CMT") and Javelin Global Commodities (UK) Ltd. ("Javelin") for coal handling and storage was extended during the first quarter of 2022, which includes 4 million take-or-pay tons in both 2023 and 2024. Estimated take-or-pay revenue of approximately \$37.8 million from all of our multi-

year logistics contracts is expected to be recognized over the next three years for unsatisfied or partially unsatisfied performance obligations as of June 30, 2022.

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 June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
(Dollars in millions)				
Sales and other operating revenue:				
Cokemaking	\$ 455.0	\$ 324.2	\$ 850.9	\$ 644.3
Energy	17.0	13.8	31.7	28.6
Logistics	19.6	16.5	38.3	32.4
Operating and licensing fees	9.6	9.0	19.0	17.5
Other	0.7	0.8	1.8	1.4
Sales and other operating revenue	\$ 501.9	\$ 364.3	\$ 941.7	\$ 724.2

The following tables provide disaggregated sales and other operating revenue by customer:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
(Dollars in millions)				
Sales and other operating revenue:				
Cliffs Steel	\$ 294.3	253.0	558.7	508.7
U.S. Steel	74.1	52.9	134.6	103.9
Other	133.5	58.4	248.4	111.6
Sales and other operating revenue	\$ 501.9	\$ 364.3	\$ 941.7	\$ 724.2

12. 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, Kanawha River Terminal ("KRT"), Lake Terminal, which provides services to our Indiana Harbor cokemaking facility, and Dismal River Terminal ("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, which 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, as defined below, 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 June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
(Dollars in millions)				
Sales and other operating revenue:				
Domestic Coke	\$ 472.5	\$ 338.6	\$ 884.1	\$ 673.9
Brazil Coke	9.6	9.0	19.0	17.5
Logistics	19.8	16.7	38.6	32.8
Logistics intersegment sales	7.3	7.4	14.8	14.0
Elimination of intersegment sales	(7.3)	(7.4)	(14.8)	(14.0)
Total sales and other operating revenues	<u>\$ 501.9</u>	<u>\$ 364.3</u>	<u>\$ 941.7</u>	<u>\$ 724.2</u>
Adjusted EBITDA:				
Domestic Coke	\$ 64.3	\$ 61.4	\$ 140.3	\$ 124.9
Brazil Coke	3.9	4.0	8.1	8.5
Logistics	12.5	11.4	25.1	22.3
Corporate and Other, net	(9.4)	(8.8)	(18.4)	(17.1)
Total Adjusted EBITDA	<u>\$ 71.3</u>	<u>\$ 68.0</u>	<u>\$ 155.1</u>	<u>\$ 138.6</u>
Depreciation and amortization expense:				
Domestic Coke	\$ 31.9	\$ 30.4	\$ 63.2	\$ 59.1
Brazil Coke	0.1	0.1	0.1	0.2
Logistics	3.6	3.3	7.2	6.6
Corporate and Other	0.2	0.3	0.5	0.6
Total depreciation and amortization expense	<u>\$ 35.8</u>	<u>\$ 34.1</u>	<u>\$ 71.0</u>	<u>\$ 66.5</u>
Capital expenditures:				
Domestic Coke	\$ 20.1	\$ 11.0	\$ 31.2	\$ 27.4
Brazil Coke	—	—	0.1	0.1
Logistics	1.0	2.6	2.7	6.2
Total capital expenditures	<u>\$ 21.1</u>	<u>\$ 13.6</u>	<u>\$ 34.0</u>	<u>\$ 33.7</u>

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

	June 30, 2022	December 31, 2021
	(Dollars in millions)	
Segment assets		
Domestic Coke	\$ 1,429.4	\$ 1,370.6
Brazil Coke	16.3	18.0
Logistics	202.3	202.9
Corporate and Other	29.4	23.9
Total assets	<u>\$ 1,677.4</u>	<u>\$ 1,615.4</u>

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, restructuring costs, gains or losses on extinguishment of debt and transaction costs. EBITDA and Adjusted EBITDA do not represent and should not be considered alternatives to net income or operating income under GAAP and may not be comparable to other similarly titled measures in other businesses.

Management believes Adjusted EBITDA is an important measure in assessing operating performance. Adjusted EBITDA provides useful information to investors because it highlights trends in our business that may not otherwise be apparent when relying solely on GAAP measures and because it eliminates items that have less bearing on our operating performance. EBITDA and Adjusted EBITDA are not measures calculated in accordance with GAAP, and they should not be

considered a substitute for net income or any other measure of financial performance presented in accordance with GAAP. Additionally, other companies may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

Reconciliation of Non-GAAP Financial Measures

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
(Dollars in millions)				
Net income (loss) attributable to SunCoke Energy, Inc.	\$ 18.0	\$ (8.8)	\$ 47.5	\$ 7.7
Add: Net income attributable to noncontrolling interests	1.0	1.3	2.1	3.0
Net income (loss)	<u>\$ 19.0</u>	<u>\$ (7.5)</u>	<u>\$ 49.6</u>	<u>\$ 10.7</u>
Add:				
Depreciation and amortization expense	35.8	34.1	71.0	66.5
Interest expense, net	8.3	14.2	16.3	26.9
Loss on extinguishment of debt	—	31.9	—	31.9
Income tax expense (benefit)	7.2	(4.7)	17.2	2.6
Transaction costs ⁽¹⁾	1.0	—	1.0	—
Adjusted EBITDA	<u>\$ 71.3</u>	<u>\$ 68.0</u>	<u>\$ 155.1</u>	<u>\$ 138.6</u>
Subtract: Adjusted EBITDA attributable to noncontrolling interests ⁽²⁾	<u>2.0</u>	<u>2.3</u>	<u>4.1</u>	<u>4.9</u>
Adjusted EBITDA attributable to SunCoke Energy, Inc.	<u>\$ 69.3</u>	<u>\$ 65.7</u>	<u>\$ 151.0</u>	<u>\$ 133.7</u>

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

(2) Reflects noncontrolling interest in Indiana Harbor.

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

This Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 (the "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, and they involve known and unknown risks that are difficult to predict. As a result, 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 our Annual Report on Form 10-K for the year ended December 31, 2021 (the "Annual Report on Form 10-K"), and as updated in this Quarterly Report on Form 10-Q, and other quarterly and current reports, which are on file with the SEC and are available at the SEC's website (www.sec.gov). Additionally, please see our "Cautionary Statement Concerning Forward-Looking Statements" located elsewhere in this Quarterly Report on Form 10-Q.

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 12 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 more than 60 years of coke production experience. We have designed, developed and built, and we currently own and operate, five cokemaking facilities in the United States ("U.S."), which have collective nameplate capacity to produce approximately 4.2 million tons of blast furnace coke per year. Additionally, we have designed and currently 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. 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. The majority of our coke is used in the blast furnace production of steel and is sold under long-term, take-or-pay agreements with our steelmaking customers. Our coke is also used in the foundry production of casted iron, as well as exported to international customers seeking high-quality products for their blast furnaces.

We also own and operate a logistics business that 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 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.

Market Discussion

The global coke trade imbalance, driven by a decrease in global coke supply and certain geopolitical events, including the Russian invasion of Ukraine and the related sanctions imposed on Russia in 2022, increased demand for and pricing of export coke out of the U.S. during the first half of 2022, which benefited our export coke sales. Global export coke demand is expected to diminish during the second half of 2022 as a result of economic uncertainty driven by inflation, commodity pricing volatility and the continuing impacts of the Russian invasion of Ukraine. Export coke tonnage is produced utilizing capacity in excess of tons contracted in our long-term, take-or-pay Domestic Coke sales agreements, which are not impacted by global coke trade imbalance and the fluctuation of coke prices.

During the first half of 2022, natural gas prices have remained high, continuing to increase global demand for coal to meet European energy needs. Additionally, geopolitical events discussed above have further contributed to the increased coal demand in Europe. Higher demand has driven up the benchmark price for coal delivery into northwest Europe. The increase in global demand for coal has benefited certain CMT customers and is expected to continue to favorably impact export coal volumes through CMT as well as our handling rates.

Second Quarter Key Financial Results

Our consolidated results of operations were as follows:

	Three Months Ended June 30,			Six Months Ended June 30,			Increase (Decrease)
	2022	2021	Increase	2022	2021		
	(Dollars in millions)						
Net income (loss)	\$ 19.0	\$ (7.5)	\$ 26.5	\$ 49.6	\$ 10.7	\$ 38.9	
Net cash provided by operating activities	\$ 43.5	\$ 39.8	\$ 3.7	\$ 66.2	\$ 104.6	\$ (38.4)	
Adjusted EBITDA	\$ 71.3	\$ 68.0	\$ 3.3	\$ 155.1	\$ 138.6	\$ 16.5	

Results in the first half of 2022 reflect strong operating performance, primarily driven by favorable pricing on our export coke sales. This was partially offset by lower Domestic Coke volumes resulting from timing of maintenance outages and oven repairs. Operating cash flows during the current year period primarily reflect higher coal prices and timing of payments. See detailed analysis of the quarter's results throughout the MD&A. See Note 12 to our consolidated financial statements for the definition and reconciliation of Adjusted EBITDA, a non-GAAP measure.

Recent Developments

- **Granulated Pig Iron Project.** On June 28, 2022, the Company entered into a non-binding letter of intent with U.S. Steel. The letter of intent sets out the principal terms and conditions upon which SunCoke would acquire two blast furnaces from U.S. Steel's Granite City Works facility and construct a granulated pig iron facility with an annual capacity of 2 million tons to be sold to U.S. Steel for a ten year initial term.

Items Impacting Comparability

- **2021 Debt Refinancing.** During the second quarter of 2021, the Company refinanced its debt obligations. The Company issued \$500.0 million of 4.875 percent 2029 Senior Notes, amended and extended the maturity of its Revolving Facility to June 2026 and reduced the Revolving Facility capacity by \$50.0 million to \$350.0 million. The Company used the proceeds of the 2029 Senior Notes along with borrowings under the Company's Revolving Facility to purchase and redeem all of the 7.500 percent senior notes due in 2025. As a result of the debt refinancing and revolver amendment, the year ended December 31, 2021 included a loss on extinguishment of debt on the Consolidated Statement of Operations of \$31.9 million, which consisted of the premium paid of \$22.0 million and the write-off of unamortized debt issuance costs of \$6.9 million and the remaining original issue discount of \$3.0 million.

Results of Operations

The following table sets forth amounts from the Consolidated Statements of Operations for the three and six months ended June 30, 2022 and 2021, respectively:

	Three Months Ended June 30,		Increase (Decrease)	Six Months Ended June 30,		Increase (Decrease)
	2022	2021		2022	2021	
(Dollars in millions)						
Revenues						
Sales and other operating revenue	\$ 501.9	\$ 364.3	\$ 137.6	\$ 941.7	\$ 724.2	\$ 217.5
Costs and operating expenses						
Cost of products sold and operating expenses	411.8	278.6	133.2	749.8	552.6	197.2
Selling, general and administrative expenses	19.8	17.7	2.1	37.8	33.0	4.8
Depreciation and amortization expense	35.8	34.1	1.7	71.0	66.5	4.5
Total costs and operating expenses	467.4	330.4	137.0	858.6	652.1	206.5
Operating income	34.5	33.9	0.6	83.1	72.1	11.0
Interest expense, net	8.3	14.2	(5.9)	16.3	26.9	(10.6)
Loss on extinguishment of debt	—	31.9	(31.9)	—	31.9	(31.9)
Income (loss) before income tax expense (benefit)	26.2	(12.2)	38.4	66.8	13.3	53.5
Income tax expense (benefit)	7.2	(4.7)	11.9	17.2	2.6	14.6
Net income (loss)	19.0	(7.5)	26.5	49.6	10.7	38.9
Less: Net income attributable to noncontrolling interests	1.0	1.3	(0.3)	2.1	3.0	(0.9)
Net income (loss) attributable to SunCoke Energy, Inc.	\$ 18.0	\$ (8.8)	\$ 26.8	\$ 47.5	\$ 7.7	\$ 39.8

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 increased for the three and six months ended June 30, 2022 compared to the same prior year periods, primarily driven by the pass through of higher coal prices in our Domestic Coke segment, the impact of which was partially offset by lower volumes and timing of maintenance outages and oven repairs, which also resulted in decreased margins. Revenues further benefited from favorable pricing on export coke sales in our Domestic Coke segment.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased during the three and six months ended June 30, 2022 as compared to the same prior year periods, driven by higher employee related expenses, higher cost of professional services and transaction costs incurred as part of the granulated pig iron project. During the six months ended June 30, 2022, these costs were partially offset by a \$1.2 million favorable change in period-over-period, mark-to-market adjustments on deferred compensation as compared to the same prior year period.

Depreciation and Amortization Expense. Depreciation and amortization expense increased during the three and six months ended June 30, 2022 as a result of depreciable assets placed into service since the prior year period.

Interest Expense, Net. Interest expense, net benefited during the three and six months ended June 30, 2022 from a lower interest rate on the outstanding senior notes, which decreased to 4.875 percent from 7.500 percent as a result of the debt refinancing during the second quarter of 2021, as well as lower average debt balances during the current year period.

Income Tax Expense (Benefit). Income tax expense during the six months ended June 30, 2022 reflects the revaluation of certain deferred tax liabilities due to changes in the apportioned state tax rates, resulting in a benefit of approximately \$1.0 million. Income tax expense (benefit) during the three and six months ended June 30, 2021 reflects the impacts of certain changes in state tax laws, resulting in a state tax benefit of \$1.3 million. See Note 4 to our consolidated financial statements for further detail.

Noncontrolling Interest. Net income attributable to noncontrolling interest represents a 14.8 percent third-party interest in our Indiana Harbor cokemaking facility and fluctuates with the financial performance of that facility.

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 12 to our consolidated financial statements.

Segment Financial and Operating Data

The following tables set forth financial and operating data:

	Three Months Ended June 30,		Increase (Decrease)	Six Months Ended June 30,		Increase (Decrease)
	2022	2021		2022	2021	
(Dollars in millions)						
Sales and other operating revenues:						
Domestic Coke	\$ 472.5	\$ 338.6	\$ 133.9	\$ 884.1	\$ 673.9	\$ 210.2
Brazil Coke	9.6	9.0	0.6	19.0	17.5	1.5
Logistics	19.8	16.7	3.1	38.6	32.8	5.8
Logistics intersegment sales	7.3	7.4	(0.1)	14.8	14.0	0.8
Elimination of intersegment sales	(7.3)	(7.4)	0.1	(14.8)	(14.0)	(0.8)
Total sales and other operating revenues	<u>\$ 501.9</u>	<u>\$ 364.3</u>	<u>\$ 137.6</u>	<u>\$ 941.7</u>	<u>\$ 724.2</u>	<u>\$ 217.5</u>
Adjusted EBITDA⁽¹⁾:						
Domestic Coke	\$ 64.3	\$ 61.4	\$ 2.9	\$ 140.3	\$ 124.9	\$ 15.4
Brazil Coke	3.9	4.0	(0.1)	8.1	8.5	(0.4)
Logistics	12.5	11.4	1.1	25.1	22.3	2.8
Corporate and Other, net	(9.4)	(8.8)	(0.6)	(18.4)	(17.1)	(1.3)
Total Adjusted EBITDA	<u>\$ 71.3</u>	<u>\$ 68.0</u>	<u>\$ 3.3</u>	<u>\$ 155.1</u>	<u>\$ 138.6</u>	<u>\$ 16.5</u>
Coke Operating Data:						
Domestic Coke capacity utilization ⁽²⁾	100 %	100 %	— %	99 %	101 %	(2)%
Domestic Coke production volumes (thousands of tons)	997	1,054	(57)	1,972	2,090	(118)
Domestic Coke sales volumes (thousands of tons)	1,007	1,063	(56)	1,969	2,101	(132)
Domestic Coke Adjusted EBITDA per ton ⁽³⁾	\$ 63.85	\$ 57.76	\$ 6.09	\$ 71.25	\$ 59.45	\$ 11.80
Brazilian Coke production—operated facility (thousands of tons)	406	425	(19)	825	842	(17)
Logistics Operating Data:						
Tons handled (thousands of tons)	5,809	5,104	705	11,045	10,404	641

(1) See Note 12 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 six months ended June 30, 2022 and 2021.

(2) The production of foundry coke tons does not replace blast furnace coke tons on a ton for ton basis, as foundry coke requires longer coking time. The Domestic Coke capacity utilization is calculated assuming a single ton of foundry coke replaces approximately two tons of blast furnace coke.

(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 June 30, 2022 vs. 2021		Six Months Ended June 30, 2022 vs. 2021	
	Sales and other operating revenue	Adjusted EBITDA	Sales and other operating revenue	Adjusted EBITDA
(Dollars in millions)				
Prior year period	\$ 338.6	\$ 61.4	\$ 673.9	\$ 124.9
Volume ⁽¹⁾	(17.5)	(4.8)	(39.9)	(10.6)
Price ⁽²⁾	148.4	11.7	247.3	34.8
Operating and maintenance costs ⁽³⁾	N/A	(6.6)	N/A	(9.3)
Energy and other	3.0	2.6	2.8	0.5
Current year period	\$ 472.5	\$ 64.3	\$ 884.1	\$ 140.3

- (1) Volumes decreased primarily as a result of timing of maintenance outages and oven repairs during the three months ended June 30, 2022. Volumes during the six months ended June 30, 2022 were further impacted by changes in the mix of production and unfavorable weather conditions which impacted coal-to-coke yields, reducing production volumes.
- (2) Favorable pricing on export coke sales increased both revenues and Adjusted EBITDA during the three and six months ended June 30, 2022. Revenues also increased during the three and six months ended June 30, 2022, as a result of the pass through of higher coal prices on our long-term, take-or-pay agreements.
- (3) Operating and maintenance costs increased as a result of timing of maintenance outages and oven repairs.

Logistics

During the three and six months ended June 30, 2022, sales and other operating revenues, inclusive of intersegment sales were \$27.1 million and \$53.4 million, respectively, compared to \$24.1 million and \$46.8 million, respectively, in the corresponding prior year period. Adjusted EBITDA during the three and six months ended June 30, 2022 was \$12.5 million and \$25.1 million, respectively, compared to \$11.4 million and \$22.3 million, respectively, in the corresponding prior year period. Increases in Logistics results as compared to the same prior year periods reflect favorable pricing at CMT, driven by the strong export coal market.

Brazil

During the three and six months ended June 30, 2022, revenues were \$9.6 million and \$19.0 million, respectively, and Adjusted EBITDA was \$3.9 million and \$8.1 million, respectively, which were comparable to results in the prior year period.

Corporate and Other

Corporate and Other Adjusted EBITDA was a loss of \$9.4 million and \$18.4 million for the three and six months ended June 30, 2022, respectively, and \$8.8 million and \$17.1 million, respectively, in the corresponding prior year periods. The three and six months ended June 30, 2022 were primarily impacted by higher employee related expenses as compared to the same prior year periods, and higher cost of professional services. During the six months ended June 30, 2022, these costs were partially offset by a \$1.2 million favorable change in period-over-period, mark-to-market adjustments on deferred compensation 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 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 at least the next 12 months and thereafter for the foreseeable future. As of June 30, 2022, we had \$63.4 million of cash and cash equivalents and \$250.0 million of borrowing availability under our Revolving 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 "Part II Item 2 - Unregistered Sales of Equity Securities and Use of Proceeds."

During the first quarter of 2020, the U.S. Department of Labor's Division of Coal Mine Workers' Compensation ("DCMWC") requested SunCoke to 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 and February 2021. 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 7 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 six months ended June 30, 2022 and 2021:

	Six Months Ended June 30,	
	2022	2021
	(Dollars in millions)	
Net cash provided by operating activities	\$ 66.2	\$ 104.6
Net cash used in investing activities	(34.0)	(33.7)
Net cash used in financing activities	(32.6)	(67.6)
Net (decrease) increase in cash and cash equivalents	\$ (0.4)	\$ 3.3

Cash Flows from Operating Activities

Net cash provided by operating activities decreased by \$38.4 million to \$66.2 million for the six months ended June 30, 2022 as compared to the corresponding prior year period. The decrease primarily reflects an unfavorable year-over-year change in primary working capital, which is comprised of accounts receivable, inventories and accounts payable, driven by higher coal prices and timing of payments as compared to the same prior year period, as well as the timing of export coke shipments. The current year period was further impacted by higher income tax payments of \$8.0 million, primarily due to higher earnings as compared to the corresponding prior year period. These decreases were partially offset by higher operating results in both our coke and logistics businesses and lower interest payments of \$11.4 million, driven by lower interest rates as a result of the debt refinancing that took place during the second quarter of 2021.

Cash Flows from Investing Activities

Net cash used in investing activities increased slightly by \$0.3 million to \$34.0 million for the six months ended June 30, 2022 as compared to the corresponding prior year period. Both periods primarily reflect ongoing capital expenditures.

Cash Flows from Financing Activities

Net cash used in financing activities decreased by \$35.0 million to \$32.6 million for the six months ended June 30, 2022 as compared to the corresponding prior year period. This decrease was primarily driven by the absence of costs associated with the debt refinancing that took place during the second quarter of 2021, which consisted of a \$22.0 million premium and \$10.5 million of debt issuance costs. The current period was further impacted by lower net repayments of \$7.6 million made on the Revolving Facility, partially offset by \$4.4 million of cash distributions made to noncontrolling interests. Dividend payments of approximately \$10 million were made by the Company during both the six months ended June 30, 2022 and 2021.

Dividends

On May 2, 2022, 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 June 1, 2022, to stockholders of record on May 18, 2022.

Additionally, on August 2, 2022, SunCoke's Board of Directors declared a cash dividend of \$0.08 per share of the Company's common stock. This dividend will be paid on September 1, 2022, to stockholders of record on August 18, 2022.

Covenants

As of June 30, 2022, 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 6 to the consolidated financial statements for details on debt covenants.

Credit Rating

In May 2022, S&P Global Ratings reaffirmed our corporate credit rating of BB- and stable outlook. In June 2022, Moody's Investors Service reaffirmed our corporate credit rating of B1 and upgraded the outlook from stable to positive.

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;
- 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; and
- Environmental remediation project expenditures required to implement design changes to ensure that our existing facilities operate in accordance with existing environmental permits; and

The following table summarizes our capital expenditures:

	Six Months Ended June 30,	
	2022	2021
	(Dollars in millions)	
Ongoing capital	\$ 31.2	\$ 27.8
Expansion capital ⁽¹⁾	2.8	5.9
Total capital expenditures ⁽²⁾	\$ 34.0	\$ 33.7

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

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

Critical Accounting Policies

There have been no significant changes to our accounting policies during the three and six months ended June 30, 2022. Please refer to our Annual Report on Form 10-K filed on February 24, 2022 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 three and six months ended June 30, 2022.

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 12 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 six months ended June 30, 2022 and 2021, respectively.

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.

For purposes of the following information, SunCoke Energy, Inc. is referred to as “Issuer.” All 100 percent owned subsidiaries of the Company 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 Income

	Issuer and Guarantor Subsidiaries	
	Six Months Ended June 30, 2022	Year Ended December 31, 2021
	(Dollars in millions)	
Revenues	\$ 691.8	\$ 1,080.7
Costs and operating expenses	613.9	961.2
Operating income	77.9	119.5
Net income	\$ 41.8	\$ 23.4

Balance Sheets

	Issuer and Guarantor Subsidiaries	
	June 30, 2022	December 31, 2021
	(Dollars in millions)	
Assets:		
Cash	\$ 17.7	\$ 10.9
Current receivables from Non-Guarantor subsidiaries	9.0	25.7
Other current assets	255.3	175.2
Properties, plants and equipment, net	1,131.6	1,158.2
Other non-current assets	67.1	65.4
Total assets	\$ 1,480.7	\$ 1,435.4
Liabilities:		
Current liabilities	\$ 159.1	\$ 143.2
Long-term debt and financing obligation	594.6	610.4
Long-term payable to Non-Guarantor subsidiaries	200.0	200.0
Other long-term liabilities	262.4	251.6
Total liabilities	\$ 1,216.1	\$ 1,205.2

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.” 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. Such forward-looking statements are based on management’s beliefs, expectations and assumptions based upon information currently available, and include, but are not limited to, statements concerning our possible or assumed future results of operations, business strategies, financing plans, competitive position, potential growth opportunities (including, among other things, anticipated expansion into the foundry coke market), the influence of competition, and the effects of future legislation or regulations. Forward-looking statements also include statements regarding the potential, assumed, or expected future impacts of COVID-19 and related economic conditions on our business, financial condition and results of operations, and/or potential operating performance. In addition, 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 are not guarantees of future performance, but are based upon the current knowledge, beliefs and expectations of SunCoke management, and upon assumptions by SunCoke concerning future conditions, any or all of which ultimately may prove to be inaccurate.

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;
- actual or potential impacts of the Russia-Ukrainian crisis on global commodity prices, inflationary pressures, and state sponsored cyber activity;
- the effect of inflation on wages and operating expenses;
- 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;
- consolidation of major customers
- 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, 2021.

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 during the quarter ended June 30, 2022. We have not experienced any material impact to our internal controls over financial reporting due to COVID-19.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

The information presented in Note 7 to our consolidated financial statements within this Quarterly Report on Form 10-Q is incorporated herein by reference.

Certain 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 June 30, 2022.

Item 1A. Risk Factors

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, 2021.

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

On October 28, 2019, the Company's Board of Directors authorized a 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. There have been no share repurchases since the first quarter of 2020. As of June 30, 2022, \$96.3 million remains available under the authorized repurchase program.

Item 3. Defaults Upon Senior Securities

None.

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 5. Other Information

None.

Item 6. Exhibits

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	SunCoke Energy, Inc. Omnibus Long-Term Incentive Plan, effective May 12, 2022 (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
101*	The following financial statements from SunCoke Energy, Inc.'s Quarterly Report on Form 10-Q for the three and six months ended June 30, 2022, filed with the Securities and Exchange Commission on August 2, 2022, is formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) the Consolidated Statements of Operations, (ii) the Consolidated Statements of Comprehensive Income (Loss), (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 three and six months ended June 30, 2022 formatted in iXBRL (Inline eXtensible Business Reporting Language) and contained in Exhibit 101.

* Filed herewith.

We are pleased to furnish this Quarterly Report on 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: August 2, 2022

By: /s/ Mark W. Marinko
Mark W. Marinko
Senior Vice President and Chief Financial Officer
(As Principal Financial Officer and Duly Authorized
Officer of SunCoke Energy, Inc.)

SUNCOKE ENERGY, INC.
OMNIBUS LONG-TERM INCENTIVE PLAN

SUNCOKE ENERGY, INC.
OMNIBUS LONG-TERM INCENTIVE PLAN
(Effective as of May 12, 2022)

ARTICLE I
ESTABLISHMENT

SunCoke Energy, Inc. (the “*Company*”) establishes the SunCoke Energy, Inc. Omnibus Long-Term Incentive Plan (the “*Plan*”) effective as of May 12, 2022 (“*Effective Date*”), subject to approval by the Company’s stockholders at the Company’s annual meeting on May 12, 2022.

ARTICLE II
PURPOSE

The purposes of the Plan are to: (a) better align the interests of stockholders and Key Employees and Directors by creating a direct linkage between Participants’ rewards and stockholders’ gains; (b) provide Key Employees and Directors with the ability to increase equity ownership in the Company; (c) provide competitive compensation opportunities that can be realized through attainment of performance goals; and (d) provide an incentive to Key Employees and Directors for continued service with the Company.

ARTICLE III
DEFINITIONS

Terms in the Plan, including in the Appendix, have the meaning set forth in the Appendix.

ARTICLE IV
TERM OF PLAN; ADMINISTRATION; TYPES OF AWARDS;
SHARES UNDER AWARDS; AWARD AGREEMENTS

4.1 Term of the Plan. No Awards shall be made under this Plan after May 12, 2032. The Plan and all Awards made under the Plan prior to such date shall remain in effect until such Awards have been satisfied or terminated in accordance with the Plan and the terms of such Awards.

4.2 Administration. The Plan shall be administered by the Committee, which shall have the authority, in its sole discretion and from time to time to, among other things:

- (a) designate the Participants;
- (b) grant Awards provided in the Plan in such form and amount as the Committee shall determine;
- (c) determine the terms and conditions of each Award under the Plan and impose such limitations, restrictions and conditions upon any such Award including performance goals, in each case as the Committee shall deem appropriate including, without limitation, the ability to modify or amend each Award (subject to Section 10.11(c)), including the discretionary authority to accelerate vesting or extend the post-termination vesting or exercise period:

(d) interpret the Plan, adopt, amend and rescind rules and regulations relating to the Plan, and make all other determinations and take all other action necessary or advisable for the implementation and administration of the Plan. The decisions and determinations of the Committee on all matters relating to the Plan shall be in its sole discretion and shall be conclusive. No member of the Committee shall be liable for any action taken or not taken or decision made or not made in good faith relating to the Plan or any Award thereunder.

The Board of Directors may delegate responsibility for administering the Plan, including with respect to designated classes of Key Employees or Directors to different committees consisting of one or more Directors subject to such limitations as the Board of Directors deems appropriate. To the extent consistent with applicable law, the Board of Directors or the Committee may authorize one or more officers of the Company to grant Awards to designated classes of Key Employees, within limits specifically prescribed by the Board of Directors or the Committee; provided, however, that no such officer shall have or obtain authority to grant Awards to himself or herself.

4.3 Types of Awards Under the Plan. Awards under the Plan may be in the form of any one or more of the following:

- (e) Options, as described in Article V;
- (f) Share Units, as described in Article VI;
- (g) Restricted Stock, as described in Article VII;
- (h) SARs, as described in Article VIII; and/or
- (i) Cash-Based Awards and Other Stock-Based Awards, as described in Article IX .

4.4 Shares Under Awards.

(a) The maximum number of shares of Common Stock that may be delivered to Participants and their beneficiaries under the Plan shall be the sum of: (i) [] shares of Common Stock (less the number of shares of Common Stock with respect to any awards granted from the Prior Plans from [date proxy statement is finalized] until May 12, 2022) transferred from the Prior Plans to the Plan on the Effective Date; (ii) three million shares of Common Stock; and (iii) shares of Common Stock subject to any awards granted under the Prior Plans that are outstanding on the Effective Date and that would return to the share reserve in accordance with Sections 4.4(d), 4.4(e) or 4.4(f) if they had been granted under the Plan. The limit set forth in this Section 4.4(a) shall be subject to the provisions of Section 10.8. Shares subject to an Award under the Plan may be authorized and unissued Shares or may be treasury Shares.

(b) The number of shares of Common Stock delivered by a Participant or beneficiary or withheld by the Company on behalf of any such Participant or beneficiary as the exercise price of an Option or SAR shall not again be available for issuance pursuant to subsequent Awards, and shall count towards the aggregate number of shares of Common Stock that may be issued under the Plan. Consequently, when an SAR is exercised, the shares of Common Stock subject to the SAR shall be counted against the numerical limits of this Section 4.4 regardless of the number of shares of Common Stock used to settle the SAR upon exercise (i.e., shares of Common Stock withheld to satisfy the exercise price of an SAR shall not remain available for issuance under the Plan).

(c) Any shares of Common Stock purchased by the Company with proceeds from an Option exercise shall not again be available for issuance pursuant to subsequent Awards, shall count against the aggregate number of shares that may be issued under the Plan and shall not increase the number of shares available under the Plan.

(d) If there is a lapse, forfeiture, expiration, termination or cancellation of any Award for any reason, or if shares of Common Stock are issued under such Award and thereafter are reacquired by the Company pursuant to rights reserved by the Company upon issuance thereof, the shares of Common Stock subject to such Award or reacquired by the Company shall again be available for issuance pursuant to subsequent Awards, and shall not count towards the aggregate number of shares of Common Stock that may be issued under the Plan.

(e) If an Award is paid out in cash rather than shares of Common Stock, such shares of Common Stock subject to such Award shall again be available for issuance pursuant to subsequent Awards, and shall not count towards the aggregate number of shares of Common Stock that may be issued under the Plan.

(f) The number of shares of Common Stock delivered by a Participant or beneficiary (by either actual delivery or attestation) or withheld by the Company on behalf of any such Participant or beneficiary to satisfy tax withholding with respect to Awards other than Options and SARs shall again be available for issuance pursuant to subsequent Awards, and shall not count towards the aggregate number of shares of Common Stock that may be issued under the Plan.

(g) The number of Shares that are available for ISOs shall not exceed one million shares of Common Stock (as adjusted pursuant to Section 10.8 of the Plan, and as determined in accordance with Section 422 of the Code).

(h) Substitute Awards may be granted under the Plan and such Substitute Awards shall not reduce the aggregate number of shares of Common Stock that may be issued under the Plan.

4.5 Award Agreements. Each Award shall be evidenced by a written Award Agreement specifying the terms and conditions of the Award. An Award Agreement may contain a vesting schedule as determined in the sole discretion of the Committee. In the sole discretion of the Committee, the Award Agreement may condition the grant of an Award upon the Participant's entering into one or more of the following agreements with the Company: (i) an agreement not to compete with the Company which shall become effective as of the date of the grant of the Award and remain in effect for a specified period of time following termination of the Participant's employment with the Company; (ii) an agreement to cancel any employment agreement, fringe benefit or compensation arrangement in effect between the Company and the Participant; and (iii) an agreement to retain the confidentiality of certain information. Such agreements may contain such other terms and conditions as the Committee shall determine. If the Participant shall fail to enter into any such agreement at the request of the Committee, then the Award granted or to be granted to such Participant shall be forfeited and cancelled.

ARTICLE V OPTIONS

5.1 Award of Options. From time to time, subject to the provisions of the Plan and such other terms and conditions as the Committee may prescribe, the Committee may grant to any Participant, one or more Options to purchase the shares of Common Stock ("**Options**"). Options that are ISOs may be granted only to Key Employees. The grant date for each Option shall be the date of the Committee action to make the Award or, if later, the date selected by the Committee as the date of grant of the Option pursuant to the Plan.

5.2 Option Agreements. The grant of an Option shall be evidenced by a written Award Agreement, executed by the Company and the holder of an Option, stating the number of shares subject to the Option, the vesting terms, the treatment of the Option upon a Participant's

termination of service, and such other provisions as the Committee may from time to time determine.

5.3 Exercise Price. The per share exercise price of each Option shall be not less than the Fair Market Value of a share of Common Stock on the grant date.

5.4 Term and Exercise. The term and the vesting schedule of each Option shall be determined by the Committee. No Option shall be exercisable after the expiration of its term and the maximum term of any Option shall be ten years.

5.5 Required Terms and Conditions of ISOs. In addition to the foregoing, each ISO granted to a Key Employee shall be subject to the following specific rules:

(i) The aggregate exercise price of a Key Employee's ISOs that become exercisable for the first time during a particular calendar year shall not exceed \$100,000. If this dollar limit is exceeded, the portion of the ISO that does not exceed the applicable limit shall be an ISO and the remainder shall not be an ISO; but in all other respects, the original Option Agreement shall remain in full force and effect.

(j) Notwithstanding anything herein to the contrary, if an ISO is granted to a Key Employee who owns more than 10% of the Common Stock (or stock possessing more than 10% of the total combined voting power of all classes of stock of the Company and its Subsidiaries): (i) the exercise price of the ISO shall be not less than 110% of the Fair Market Value on the ISO's grant date; and (ii) the ISO shall expire, and all rights to purchase Common Stock thereunder shall expire, no later than the fifth anniversary of the ISO's grant date.

(k) No ISOs shall be granted under the Plan after ten years from the earlier of the date the Plan's ISO provisions are adopted or approved by stockholders of the Company.

5.6 Transferability.

ARTICLE V No Option may be transferred by the Participant other than by will, by the laws of descent and distribution or, to the extent not inconsistent with the applicable provisions of the Code, pursuant to a domestic relations order under applicable provisions of law, and during the Participant's lifetime the Option may be exercised only by the Participant; provided, however, that, subject to such limits as the Committee may establish, the Committee, in its discretion, may allow the Participant to transfer an Option that is not an ISO for no consideration to, or for the benefit of, an immediate family member or to a bona fide trust for the exclusive benefit of such immediate family member, or a partnership or limited liability company in which immediate family members are the only partners or members. Immediate family members are the Participant's spouse (including common law spouse), siblings, parents, children, step-children, adoptive relations and grandchildren, and shall include the Participant.

(a) A transfer pursuant to Section 5.6(a) may only be effected following advance written notice from the Participant (or Participant's estate) to the Committee describing the terms and conditions of the proposed transfer, and such transfer shall become effective only when recorded in the Company's record of outstanding Options. Any such transfer pursuant to Section 5.6(a) is further conditioned on the Participant and the immediate family member or other transferee agreeing to abide by the Company's Option transfer guidelines. In the discretion of the Committee, the right to transfer an Option pursuant to Section 5.6(a) also will apply to the right to transfer ancillary rights associated with such Option, and to the right to consent to any amendment to the applicable Option agreement.

(b) Subsequent transfers by a transferee pursuant to Section 5.6(a) shall be prohibited except in accordance with the laws of descent and distribution, or by will.

(c) Following any transfer pursuant to this Section 5.6, any transferred Option shall continue to be subject to the same terms and conditions as were applicable immediately

prior to transfer, and the terms “Optionee” or “Participant” shall be deemed to include the transferee; provided, however, that the terms governing exercisability of an Option that apply following any events of termination of employment shall apply based on the employment status of the original Optionee. Neither the Committee nor the Company will have any obligation to inform any transferee of an Option of any expiration, termination, lapse or acceleration of such Option. The Company will have no obligation to register with any federal or state securities commission or agency any Shares issuable or issued under an Option that has been transferred by a Participant under this Section 5.6.

(d) In no event shall a Participant be permitted to transfer an Option to a third party financial institution without approval of the Company’s stockholders.

5.7 Dividends/Dividend Equivalents. No dividends or dividend equivalents shall be paid with respect to any shares subject to an Option prior to the exercise of the Option.

5.8 Manner of Payment. Each Option agreement shall set forth the procedure governing the exercise of any portion of the Option granted thereunder, and shall provide that, upon such exercise, the Optionee shall pay to the Company, in full, an amount equal to the product of (a) the exercise price and (b) the number of shares of Common Stock with respect to which Optionee exercises the Option. A Participant may pay the aggregate exercise price through cash payment (including cash received from a broker-dealer to whom the Participant has submitted an exercise notice together with irrevocable instructions to deliver promptly to the Company the amount of sales proceeds from the sale of the shares subject to the Option necessary to pay the exercise price), the delivery of shares of Common Stock owned by the Optionee, or by foregoing delivery of shares of Common Stock subject to the Option, in each case having an aggregate Fair Market Value (as determined as of the date prior to exercise) equal to the aggregate exercise price; provided, however, that any use of shares of Common Stock to satisfy the aggregate exercise price must be in compliance with then applicable accounting rules.

ARTICLE VI SHARE UNITS

6.1 Award of Share Units. The Committee, from time to time, and subject to the provisions of the Plan, may grant to any Participant Awards denominated in shares of Common Stock (“*Share Units*”) that will be settled, subject to the terms and conditions of the Share Units, in an amount in cash, shares of Common Stock or both, at the sole discretion of the Committee. At the time it authorizes the grant of any Share Units, the Committee shall condition the vesting of the Share Units upon (a) continued service of the applicable Participant and/or (b) the attainment of performance goals. The medium of payment shall be set forth in the Committee’s resolution granting the Share Units and in the Share Unit agreement with the Participant.

6.2 Share Unit Agreements. Share Units granted under the Plan shall be evidenced by a written Award Agreement stating the type of Share Units, the number of Share Units granted, the vesting and settlement terms, the form of payment, the treatment of Share Units upon a Participant’s termination of service, and such other provisions as the Committee may from time to time determine.

6.3 Dividend Equivalents. The Committee may provide for dividend equivalents with respect to Share Units in accordance with the provisions of Section 10.10.

ARTICLE VII RESTRICTED STOCK

7.1 Award of Restricted Stock. The Committee, from time to time, and subject to the provisions of the Plan, may grant to any Participant Awards in the form of actual shares of Common Stock that are subject to restrictions on transfer, the lapse of which restrictions is contingent upon continued service and/or the satisfaction of performance conditions ("***Restricted Stock***"). Until such restrictions lapse, the shares of Restricted Stock shall be held in "book-entry" form in the records of the Company's transfer agent, and no shares will be delivered to the Participant until the applicable restrictions lapse.

7.2 Restricted Stock Agreements. Restricted Stock granted under the Plan shall be evidenced by a written Award Agreement stating the number of shares of Restricted Stock granted, the vesting and settlement terms, the treatment of the Award upon a Participant's termination of service, and such other provisions as the Committee may from time to time determine.

7.3 Rights of a Stockholder. Except as provided in this Article and in the applicable Award Agreement, a Participant shall have, with respect to the shares of Restricted Stock, all of the rights of a stockholder of the Company holding Common Stock, including, if applicable, the right to vote the shares and the right to receive any cash dividends. Vesting and payment of any cash dividends will correspond to the vesting of the Restricted Stock with respect to which such dividends relate. If so determined by the Committee in the applicable Award Agreement, (a) cash dividends on the Common Stock subject to the Restricted Stock Award shall be automatically reinvested in additional Restricted Stock, subject to the vesting of the underlying Restricted Stock, and (b) subject to any adjustment pursuant to Section 10.8, dividends payable in Common Stock shall be paid in the form of Restricted Stock, held subject to the vesting of the underlying Restricted Stock.

ARTICLE VIII SARs

8.1 Award of SARs. The Committee, from time to time, and subject to the provisions of the Plan and such other terms and conditions as the Committee may prescribe, may grant to any Participant one or more SARs, which upon exercise entitles the Participant to receive from the Company the number of shares of Common Stock having an aggregate Fair Market Value equal to the excess of the Fair Market Value of one share as of the date on which the SAR is exercised over the exercise price, multiplied by the number of shares with respect to which the SAR is being exercised ("***SAR***"). At the Committee's discretion, an exercised SAR may be settled in cash, shares of Common Stock or a combination. The grant date for each SAR shall be the date of the Committee action to make the Award or, if later, the date selected by the Committee as the date of grant of the Option pursuant to the Plan.

8.2 SAR Agreements. The grant of an SAR shall be evidenced by a written Award Agreement, executed by the Company and the holder of the SAR, stating the number of shares subject to the SAR, the vesting terms, the treatment of the SAR upon a Participant's termination of service, and such other provisions as the Committee may from time to time determine.

8.3 Exercise Price. The per share exercise price of each SAR shall be not less than the Fair Market Value of a share of Common Stock on the grant date.

8.4 Term and Exercise. The term and the vesting schedule of each SAR shall be determined by the Committee. No SAR shall be exercisable after the expiration of its term and the maximum term of any SAR shall be ten years.

8.5 Dividends/Dividend Equivalents. No dividends or dividend equivalents shall be paid with respect to any SAR.

8.6 Manner of Payment. Each SAR Award Agreement shall set forth the procedure governing the exercise of any portion of the SAR granted thereunder, and shall provide that, upon such exercise, the Company shall (a) issue the total number of full shares of Common Stock to which the Participant is entitled and cash in an amount equal to the Fair Market Value, as of the date of exercise, of any resulting fractional share, and (b) if the Committee causes the Company to elect to settle all or part of its obligations arising out of the exercise of the SAR in cash, deliver to the Participant an amount in cash equal to the Fair Market Value, as of the date of exercise, of the shares it would otherwise be obligated to deliver.

ARTICLE IX CASH-BASED AWARDS AND OTHER STOCK-BASED AWARDS

9.1. Grant of Cash-Based Awards. Subject to the terms of the Plan, the Committee may, at any time and from time to time, grant Awards denominated in cash ("***Cash-Based Awards***") to Participants in such amounts and upon such terms and conditions as the Committee may determine.

9.2. Other Stock-Based Awards. The Committee may grant other types of stock-based or stock-related Awards not otherwise described in this Plan (including the grant or offer for sale of unrestricted shares of Common Stock) ("***Other Stock-Based Awards***") in such amounts and subject to such terms and conditions as the Committee shall determine. Such Awards may involve the transfer of shares of Common Stock to Participants, or payment in cash or otherwise of amounts based on the value of shares of Common Stock.

9.3. Value and Payment of Cash-Based Awards and Other Stock-Based Awards. Each Cash-Based Award shall specify a payment amount or payment range as determined by the Committee. Each Other Stock-Based Award shall be expressed in terms of shares of Common Stock or units based on Shares, as determined by the Committee. The Committee may establish performance objectives in its sole discretion. Any payment with respect to a Cash-Based Award or an Other Stock-Based Award shall be made in accordance with the terms of the Award, in cash, shares of Common Stock or both, as the Committee determines. Vesting and payment of any cash dividends will correspond to the vesting of the shares of Common Stock with respect to which such dividends relate. If so determined by the Committee in the applicable Award Agreement, (a) cash dividends on the shares of Common Stock subject to the Other Stock-Based Award shall be automatically reinvested in additional Other-Stock Based Award, subject to the vesting of the underlying Other-Stock Based Award, and (b) subject to any adjustment pursuant to Section 10.8, dividends payable in shares of Common Stock shall be paid in the form of additional Other-Stock Based Awards, held subject to the vesting of the underlying shares of Common Stock with respect to the Other Stock-Based Award.

ARTICLE X MISCELLANEOUS

10.1 General Restriction. Each Award under the Plan shall be subject to the requirement that if, at any time, the Committee shall determine that: (a) the listing, registration or qualification of the shares of Common Stock subject to the Award upon any securities exchange or under any state or Federal law; (b) the consent or approval of any government regulatory body; or (c) an agreement by the recipient of an Award with respect to the disposition of shares, is necessary or desirable as a condition of, or in connection with, the granting of such Award or the issue or purchase of shares thereunder, then such Award may not be consummated

in whole or in part unless such listing, registration, qualification, consent, approval or agreement shall have been effected or obtained free of any conditions not acceptable to the Committee.

10.2 Non-Assignability. Except as otherwise set forth in Section 5.6 of the Plan, Awards shall not be assignable or transferable by the recipient thereof, except by will or by the laws of descent and distribution or to the extent not inconsistent with the applicable provisions of the Code, pursuant to a domestic relations order under applicable provisions of law.

10.3 Recoupment. All Awards (including, proceeds from such Awards) shall be subject to the terms and conditions of any applicable forfeiture, reduction, recoupment, cancellation or clawback policies, practices or provisions adopted by the Company from time to time, and any applicable forfeiture, reduction, recoupment, cancellation or clawback requirements imposed under applicable laws, rules or regulations or any applicable securities exchange listing standards

10.4 Right to Terminate Employment. Nothing in the Plan or in any agreement entered into pursuant to the Plan shall confer upon any Participant the right to continue in the employment of the Company, or affect any right which the Company may have to terminate the employment of, or service by, such Participant. If an Affiliate ceases to be an Affiliate as a result of the sale or other disposition by the Company or one of its continuing Affiliates of its ownership interest in the former Affiliate, or otherwise, then individuals who remain employed by such former Affiliate thereafter shall be considered for all purposes under the Plan to have terminated their employment relationship with the Company and its Subsidiaries.

10.5 Non-Uniform Determinations. The Committee's determinations under the Plan (including without limitation, determinations of the persons to receive Awards, the form, amount and timing of such Awards, the terms and provisions of such Awards, and the agreements evidencing same) need not be uniform and may be made by it selectively among persons who receive, or are eligible to receive, Awards under the Plan, whether or not such persons are similarly situated.

10.6 Rights as a Stockholder; Share Delivery.

ARTICLE IX Except as otherwise provided in Section 7.3 with respect to Restricted Stock, a Participant receiving an Award under the Plan shall have no rights as a stockholder with respect thereto unless and until shares of Common Stock are issued on behalf of such Participant.

(a) Shares of Common Stock issued pursuant to the settlement of an Award shall be represented by stock certificates or issued on an uncertificated basis, with the ownership of such shares by the Participant evidenced solely by book entry in the records of the Company's transfer agent; provided, however, that upon the written request of the Participant, the Company shall issue, in the name of the Participant, stock certificates representing such shares of Common Stock.

10.7 Leaves of Absence. The Committee shall be entitled to make such rules, regulations and determinations as it deems appropriate under the Plan in respect of any leave of absence taken by the recipient of any Award. Without limiting the generality of the foregoing, the Committee shall be entitled to determine (a) whether or not any such leave of absence shall constitute a termination of employment within the meaning of the Plan and (b) the impact, if any, of any such leave of absence on Awards under the Plan theretofore made to any recipient who takes such leaves of absence.

10.8 Adjustments.

ARTICLE VIII In the event of a stock dividend, stock split, reverse stock split, share combination, or recapitalization or similar event affecting the capital structure of the Company, the Committee or Board of Directors shall make an equitable and proportionate anti-dilution adjustment. Such mandatory adjustment may include a change in one or more of the following: (i) the aggregate number of shares of Common Stock reserved for issuance and delivery under Section 4.4(a) of the Plan; (ii) the aggregate number of shares of Common Stock available for ISOs under Section 4.4(g) of the Plan; (iii) the number of shares or other securities subject to outstanding Awards under the Plan; (iv) the exercise price of outstanding Options and SARs; and (v) other similar matters.

(a) In the event of a merger, amalgamation, consolidation, acquisition of property or shares, separation, spinoff, other distribution of stock or property (including any extraordinary cash or stock dividend), reorganization, stock rights offering, liquidation, or similar event affecting the Company or any of its Subsidiaries that is not an event described in Section 10.8(a), the Committee or the Board of Directors may in its discretion make such substitutions or adjustments as it deems appropriate and equitable to (i) the aggregate number and kind of shares or other securities reserved for issuance and delivery under Section 4.4(a) of the Plan; (ii) the aggregate number of shares of Common Stock available for ISOs under Section 4.4(g) of the Plan; (iii) the number and kind of shares of Common Stock or other securities subject to outstanding Awards under the Plan; (iv) the exercise price of outstanding Options and SARs; and (v) other similar matters, and such adjustments may include, without limitation, (A) the cancellation of outstanding Awards granted under the Plan in exchange for payments of cash, property or a combination thereof having an aggregate value equal to the value of such Awards, as determined by the Committee or the Board of Directors in its sole discretion (it being understood that in the case of a corporate transaction with respect to which holders of Common Stock receive consideration other than publicly traded equity securities of the ultimate surviving entity, any such determination by the Committee or the Board of Directors that the value of an Option shall for this purpose be deemed to equal the excess, if any, of the value of the consideration being paid for each share of Common Stock pursuant to such corporate transaction over the exercise price of such Option shall conclusively be deemed valid), (B) the substitution of other property (including, without limitation, cash or other securities of the Company and securities of entities other than the Company) for the shares of Common Stock subject to outstanding Awards under the Plan, and (C) arranging for the assumption of Awards granted under the Plan, or replacement of Awards granted under the Plan with new Awards based on other property or other securities (including, without limitation, other securities of the Company and securities of entities other than the Company), by the affected Subsidiary, Affiliate, or division or by the entity that controls such Subsidiary, Affiliate, or division following such transaction as well as any corresponding adjustments to Awards under the Plan that remain based upon Company securities.

10.9 Change in Control. In the event of a Change in Control, except as otherwise set forth in an applicable Award Agreement, the surviving or purchasing corporation or other entity (or ultimate parent thereof), as the case may be ("**Purchaser**"), may, without the consent of any Participant, either assume the Company's rights and obligations under outstanding Awards, or substitute such Awards with substantially equivalent Awards covering shares of the Purchaser's stock, with terms no less favorable than the terms of the Awards they replace provided Purchaser's stock is traded on an established U.S. securities exchange. Except as set forth in an applicable Award Agreement, in the event that outstanding and unvested Awards or portions thereof are not assumed in connection with a Change in Control, such Awards or portions thereof shall immediately vest and shall be promptly settled in cash, shares of Common Stock, or a combination thereof, as determined by the Committee (as constituted immediately prior to the

Change in Control) (except to the extent that settlement of an Award must be made pursuant to its original schedule or following a six-month delay in order to comply with Section 409A of the Code), notwithstanding that the applicable performance period, retention period or other restrictions and conditions have not been completed or satisfied. Except as otherwise set forth in the applicable Award Agreement, any performance criteria associated with Awards that are not assumed in connection with a Change in Control shall be deemed satisfied based on the greater of target performance and projected performance. The Committee may provide in any Award Agreement for provisions relating to a Change in Control, including, without limitation, the acceleration of the exercisability of, or the lapse of restrictions or deemed satisfaction of goals with respect to, any outstanding Awards.

10.10 Dividends and Dividend Equivalents. No dividends or dividend equivalents shall be paid to Participants with respect to unvested Awards until such Awards vest but this sentence shall not prohibit the payment of dividends or dividend equivalents attributable to the period while Awards were unvested to be paid upon or after the vesting of the Award. Subject to the foregoing, Participants may, if the Committee so determines, be credited with dividends paid with respect to shares of Common Stock underlying an Award in a manner determined by the Committee in its sole discretion. The Committee may apply any restrictions to the dividends or dividend equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or dividend equivalents, including cash, shares of Common Stock, Stock Units, Other Stock-Based Awards or other Awards. The number of shares of Common Stock available for issuance under the Plan shall not be reduced to reflect any dividends or dividend equivalents that are reinvested into additional shares of Common Stock or credited as additional shares of Common Stock subject or paid with respect to an Award.

10.11 Amendment of the Plan; Amendment of Awards.

(b) The Committee may amend, alter, or discontinue the Plan, but no amendment, alteration or discontinuation shall be made which would materially impair the rights of the Participant with respect to a previously granted Award without such Participant's consent, except such an amendment made to comply with applicable law, including without limitation Section 409A of the Code, stock exchange rules or accounting rules. In addition, no such amendment shall be made without the approval of the Company's stockholders to the extent such approval is required by applicable law or the listing standards of the applicable exchange on which the Common Stock is listed.

(c) The Committee may unilaterally amend the terms of any Award theretofore granted, but no such amendment shall cause an Award, without the Participant's consent, to materially impair the rights of any Participant with respect to an Award, except such an amendment made to cause the Plan or Award to comply with applicable law, stock exchange rules or accounting rules.

(d) Notwithstanding the foregoing and except as described in Section 10.8, there shall be no amendment to the Plan or any outstanding Option Award Agreement or SAR Award Agreement that results in the repricing of Options or SARs without stockholder approval. For this purpose, repricing includes (i) a reduction in the exercise price of an Option or SAR, (ii) the cancellation of an Option or SAR in exchange for Options or SARs with an exercise price less than the exercise price of the cancelled Options or SARs, as applicable or (iii) the cancellation of an Option or SAR in exchange for cash, other property or the grant of any new Award at a time when the exercise price of the Option or SAR is greater than the current Fair Market Value of a share of Common Stock.

10.12 Required Taxes. When an amount first becomes includible in the gross income of a Participant for federal, state, local or foreign income or employment or other tax purposes with respect to any Award under the Plan, as a condition to the issuance or delivery of any shares of Common Stock to the Participant in connection therewith, the Company shall require the Participant to pay the Company the minimum amount of the tax required to be withheld, and in the Company's sole discretion, the Company may permit the Participant to pay up to the maximum individual statutory rate of applicable withholding. The Committee in its sole discretion may make available one or more of the following alternatives for the payment of such taxes: (a) in cash; (b) in cash received from a broker-dealer to whom the Participant has submitted notice together with irrevocable instructions to deliver promptly to the Company the amount of sales proceeds from the sale of the shares subject to the Award to pay the withholding taxes; (c) by directing the Company to withhold such number of shares of Common Stock otherwise issuable in connection with the Award having an aggregate Fair Market Value equal to the amount of tax to be withheld; or (d) by delivering previously acquired shares of Common Stock that have an aggregate Fair Market Value equal to the amount to be withheld. The Committee shall have the sole discretion to establish the terms and conditions applicable to any alternative made available for payment of the withholding taxes.

10.13 Section 409A of the Code. It is the intention of the Company that no Award shall be "deferred compensation" subject to Section 409A of the Code, unless and to the extent that the Committee specifically determines otherwise as provided in the immediately following sentence, and the Plan and the terms and conditions of all Awards shall be interpreted accordingly. The terms and conditions governing any Awards that the Committee determines will be subject to Section 409A of the Code, including any rules for elective or mandatory deferral of the delivery of cash or shares pursuant thereto and any rules regarding treatment of such Awards in the event of a Change in Control, shall be set forth in the applicable Award Agreement, and are intended to comply in all respects with Section 409A of the Code. Notwithstanding any other provision of the Plan to the contrary, with respect to any Award that constitutes a "nonqualified deferred compensation plan" subject to Section 409A of the Code, any payments (whether in cash, shares or other property) to be made with respect to the Award upon the Participant's termination of employment shall be delayed until the first day of the seventh month following the Participant's termination of employment if the Participant is a "specified employee" within the meaning of Section 409A of the Code. Notwithstanding anything statement herein, the Company and Committee make no representations that Awards granted under the Plan shall be exempt from or comply with Section 409A of the Code and make no undertaking to preclude Section 409A of the Code from applying to Awards granted under the Plan and shall not be liable for any penalties or costs to a Participant resulting from the application of Section 409A to the Plan or any Award granted hereunder.

10.14 Governing Law. This Plan shall be construed in accordance with and governed by the laws of the State of Delaware.

APPENDIX

“Affiliate” means any entity that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with the Company.

“Award” means an Option, Restricted Stock, Share Unit, SAR, Cash-Based Award or Other Stock-Based Award granted pursuant to the terms of the Plan or solely with respect to Section 4.4(d), 4.4(e) or 4.4(f), pursuant to the Prior Plans, .

“Award Agreement” means a written or electronic agreement, contract or other instrument or document evidencing the terms and conditions of an Award which may, but need not, be executed by the Participant or the Company.

“Board of Directors” means the Board of Directors of the Company.

“Cash-Based Award” has the meaning provided in Section 9.1.

“Change in Control” means the occurrence of any of the following events:

(a) The acquisition by any person (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (i) the then outstanding shares of Common Stock or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors; provided, however, that for purposes of this clause (a), the following acquisitions shall not constitute a Change in Control: (A) any acquisition directly from the Company, (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any company controlled by, controlling or under common control with the Company, or (D) any acquisition by any entity pursuant to a transaction that complies with clauses (c)(i), (c)(ii) and (c)(iii) of this definition.

(b) Individuals who, as of the date that the Plan becomes effective, constitute the Board of Directors (the **“Incumbent Board”**) cease for any reason to constitute at least a majority of the Board of Directors; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the stockholders of the Company, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board of Directors.

(c) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar corporate transaction involving the Company or any of its Subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company or the acquisition of assets or stock of another entity by the Company or any of its Subsidiaries, in each case unless, following such business combination:

(i) all or substantially all of the individuals and entities that were the beneficial owners of the then outstanding Common Stock and the then outstanding Company voting securities immediately prior to such business combination beneficially own, directly or indirectly, more than 50% of the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such business combination (including, without limitation, a corporation that, as a

result of such transaction, owns the Company or all or substantially all of the assets of the Company, either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such business combination of the then outstanding Common Stock and the then outstanding Company voting securities, as the case may be;

(ii) no person (excluding any corporation resulting from such business combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such business combination or any of their respective subsidiaries) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such business combination or the combined voting power of the then-outstanding voting securities of such corporation, except to the extent that such ownership existed prior to the business combination; and

(iii) at least a majority of the members of the board of directors of the corporation resulting from such business combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board of Directors providing for such business combination; or

(e) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Committee**” means the Compensation Committee of the Board of Directors, as constituted from time to time.

“**Common Stock**” means common stock, par value \$0.01 per share, of the Company.

“**Company**” means SunCoke Energy, Inc., a Delaware corporation, or any successor thereto.

“**Director**” means a member of the Board of Directors.

“**Effective Date**” means May 12, 2022.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended.

“**Fair Market Value**” means, as applied to a specific date and unless otherwise specified by the Committee or in an Award Agreement, the closing price of a share of Common Stock on the New York Stock Exchange (or, on such other national securities exchange that is the primary trading market for shares of Common Stock, if shares of Common Stock are not then listed on the New York Stock Exchange) on the date of determination, or if no sales of shares of Common Stock shall have occurred on such exchange on the applicable date of determination, the closing price of a share of Common Stock on such exchange on the next preceding date on which there were such sales. Notwithstanding the foregoing, if shares of Common Stock are not traded on any established stock securities exchange, the Fair Market Value means the price of a share of Common Stock as established by the Committee acting in good faith based on a reasonable valuation method that is consistent with the requirements of Section 409A of the Code.

“**Incentive Stock Option**” or “**ISO**” means an option granted under Article V that meets the requirements of Section 422(b) (or any successor provision) of the Code.

“Incumbent Board” has the meaning provided in (b) of the definition of Change in Control.

“Just Cause” means, unless otherwise defined in an Award Agreement, as determined by the Committee:

(a) the willful and continued failure of the Participant to substantially perform the Participant’s duties with the Company and its Subsidiaries (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Participant by the Board of Directors or the Chief Executive Officer that specifically identifies the manner in which the Board of Directors or the Chief Executive Officer believes that the Participant has not substantially performed the Participant’s duties;

(b) conviction of Participant of a felony;

(c) willful misconduct by the Participant in connection with the Participant’s employment duties or responsibilities to the Company and its Subsidiaries (including, but not limited to, dishonest or fraudulent acts);

(d) the Participant’s failure to comply in other than an insignificant manner with a policy of the Company and its Subsidiaries; or

(e) the Participant’s gross misconduct that the Committee determines in good faith adversely and materially affects the business or reputation of the Company.

For purposes of this definition, no act, or failure to act, on the part of the Participant shall be considered “willful” unless it is done, or omitted to be done, by the Participant in bad faith or without reasonable belief that the Participant’s action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board of Directors or upon the instructions of the Chief Executive Officer or a senior officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Participant in good faith and in the best interests of the Company.

“Key Employee” means an employee of the Company or any Subsidiary selected to participate in the Plan. A Key Employee may also include a person who is granted an Award in connection with the hiring of the person prior to the date the person becomes an employee of the Company or any Subsidiary, provided that such Award shall not vest prior to the commencement of employment.

“Option” has the meaning provided in Section 5.1.

“Optionee” means the holder of an Option.

“Other Stock-Based Award” has the meaning provided in Section 9.1.

“Participant” means a Key Employee or Director selected to receive an Award under the Plan.

“Plan” means this SunCoke Energy, Inc. Omnibus Long-Term Incentive Plan, as amended from time to time.

“Prior Plan” means either the SunCoke Energy, Inc. Long-Term Performance Enhancement Plan, or the SunCoke Energy, Inc. Retainer Stock Plan for Outside Directors, as the case may be.

“Qualifying Termination” means, unless otherwise defined in an Award Agreement, with respect to the employment of any Participant who is a participant in the SunCoke Energy, Inc. Special Executive Severance Plan, a “Qualifying Termination” as defined in such plan, and with respect to the employment of any other Participant, the following:

(b) a termination of employment by the Company within 24 months after a Change in Control, other than for Just Cause, death or permanent disability; or

(f) a termination of employment by the Participant within 24 months after a Change in Control for one or more of the following reasons:

(i) the assignment to such Participant of any duties inconsistent in a way significantly adverse to such Participant, with such Participant’s positions, duties, responsibilities and status with the Company and its Subsidiaries immediately prior to the Change in Control, or a significant reduction in the duties and responsibilities held by the Participant immediately prior to the Change in Control, in each case except in connection with such Participant’s termination of employment by the Company for Just Cause;

(ii) a material reduction by the Company in the Participant’s combined annual base salary and guideline (target) bonus opportunity, as in effect immediately prior to the Change in Control; or

(iii) the Company requires the Participant to be based anywhere other than the Participant’s present work location or a location within 35 miles from the present location; or the Company requires the Participant to travel on Company business to an extent substantially more burdensome than such Participant’s travel obligations during the period of 12 consecutive months immediately preceding the Change in Control;

provided, however, that in the case of any such termination of employment by a Participant under this subparagraph (b), such termination shall not be deemed to be a Qualifying Termination unless (x) Participant has notified the Company in writing describing the occurrence of one or more such events within 60 days of such occurrence, (y) the Company fails to cure such event within 30 days after its receipt of such written notice and (z) the termination of employment occurs within 120 days after the occurrence of such event.

“Restricted Stock” has the meaning provided in Section 7.1.

“Share Units” has the meaning provided in Section 6.1.

“Stock Appreciation Right” or **“SAR”** has the meaning provided in Section 8.1.

“Subsidiary” means any corporation, partnership, joint venture, limited liability company or other entity during any period in which at least a 50% voting or profits interest is owned, directly or indirectly, by the Company or any successor to the Company.

“Substitute Award” means an Award granted upon the assumption of, or in substitution or exchange for, outstanding awards granted by a company or other entity acquired by the Company, Subsidiary or any Affiliate or with which the Company, Subsidiary or any Affiliate combines.

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
SunCoke Lake Terminal LLC	Delaware	Guarantor
SunCoke Logistics LLC	Delaware	Guarantor
SunCoke Technology and Development LLC	Delaware	Guarantor

CERTIFICATION

I, Michael G. Rippey, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 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
(principal executive officer)
August 2, 2022

CERTIFICATION

I, Mark W. Marinko, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 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/ Mark W. Marinko

Mark W. Marinko
Senior Vice President and Chief Financial Officer
(principal financial officer)
August 2, 2022

**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 June 30, 2022, 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 June 30, 2022 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 June 30, 2022 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
(principal executive officer)
August 2, 2022

**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 June 30, 2022, I, Mark W. Marinko, 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 June 30, 2022 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 June 30, 2022 fairly presents, in all material respects, the financial condition and results of operations of SunCoke Energy, Inc. for the periods presented therein.

/s/ Mark W. Marinko

Mark W. Marinko
Senior Vice President and Chief Financial Officer
(principal financial officer)
August 2, 2022

SunCoke Energy, Inc.
Mine Safety Disclosures for the Quarter Ended June 30, 2022

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, 2013 and 2016 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 (#) (8)	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)
Ceredo Dock / 46-09051	—	—	—	—	—	—	—	no	no	—	—	—
Quincy Dock / 46-07736	—	—	—	—	—	—	—	no	no	—	—	—
Dismal River Terminal / B3121	—	—	—	—	—	—	—	no	no	—	—	—
Jewell Coal Corp / 44-00649	—	—	—	—	—	—	—	no	no	—	—	—
Total	0	0	0	0	0	0	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 June 30, 2022 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 June 30, 2022.
- (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 June 30, 2022. 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 June 30, 2022.
- (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 (#)
Ceredo Dock / 46-09051	0	0	0	0	0	0
Quincy Dock / 46-07736	0	0	0	0	0	0
Dismal River Terminal / B3121	0	0	0	0	0	0
Jewell Coal Corp / 44-00649	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 June 30, 2022. The number of “initiated legal actions” reported here may not have remained pending as of June 30, 2022.
- (13) This number reflects legal proceedings before the FMSHRC that were resolved during the quarter ended June 30, 2022.