



SunCoke Energy®

SunCoke Energy, Inc.
Q1 2021 Earnings
Conference Call

Forward-Looking Statements

This slide presentation should be reviewed in conjunction with the First Quarter 2021 earnings release of SunCoke Energy, Inc. (SunCoke) and conference call held on April 28, 2021 at 10:30 a.m. ET.

This presentation call contains “forward-looking statements” (as defined in Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended). Such forward-looking statements include statements that are not strictly historical facts, and include, among other things, statements regarding: our expectations of financial results, condition and outlook; anticipated effects of the COVID-19 pandemic and responses thereto, including the pandemic’s impact on general economic and market conditions, as well as on our business, our customers, our results of operations and financial condition; anticipated actions to be taken by management to sustain SunCoke during the economic uncertainty caused by the pandemic and related business actions; and anticipated actions by governments to contain the spread of COVID-19 or mitigate the severity thereof.

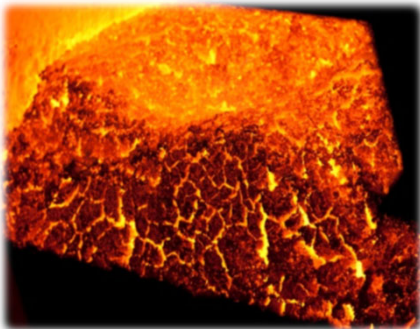
Forward-looking statements often may be identified by the use of such words as "believe," "expect," "plan," "project," "intend," "anticipate," "estimate," "predict," "potential," "continue," "may," "will," "should," or the negative of these terms, or similar expressions. Forward-looking statements are inherently uncertain and involve significant known and unknown risks and uncertainties (many of which are beyond the control of SunCoke) that could cause actual results to differ materially. Such risks and uncertainties include, but are not limited to domestic and international economic, political, business, operational, competitive, regulatory and/or market factors affecting SunCoke, as well as uncertainties related to: pending or future litigation, legislation or regulatory actions; liability for remedial actions or assessments under existing or future environmental regulations; gains and losses related to acquisition, disposition or impairment of assets; recapitalizations; access to, and costs of, capital; the effects of changes in accounting rules applicable to SunCoke; and changes in tax, environmental and other laws and regulations applicable to SunCoke's businesses.

Currently, such risks and uncertainties also include: SunCoke’s ability to manage its business during and after the COVID-19 pandemic; the impact of the COVID-19 pandemic on SunCoke’s results of operations, revenues, earnings and cash flows; SunCoke’s ability to reduce costs and capital spending in response to the COVID-19 pandemic; SunCoke’s balance sheet and liquidity throughout and following the COVID-19 pandemic; SunCoke’s prospects for financial performance and achievement of strategic objectives following the COVID-19 pandemic; capital allocation strategy following the COVID-19 pandemic; and the general impact on our industry and on the U.S. and global economy resulting from COVID-19, including actions by domestic and foreign governments and others to contain the spread, or mitigate the severity, thereof.

Forward-looking statements are not guarantees of future performance, but are based upon the current knowledge, beliefs and expectations of SunCoke management, and upon assumptions by SunCoke concerning future conditions, any or all of which ultimately may prove to be inaccurate. The reader should not place undue reliance on these forward-looking statements, which speak only as of the date of the earnings release. SunCoke does not intend, and expressly disclaims any obligation, to update or alter its forward-looking statements (or associated cautionary language), whether as a result of new information, future events or otherwise after the date of the earnings release except as required by applicable law.

In accordance with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, SunCoke has included in its filings with the Securities and Exchange Commission cautionary language identifying important factors (but not necessarily all the important factors) that could cause actual results to differ materially from those expressed in any forward-looking statement made by SunCoke. For information concerning these factors and other important information regarding the matters discussed in this presentation, see SunCoke's Securities and Exchange Commission filings such as its annual and quarterly reports and current reports on Form 8-K, copies of which are available free of charge on SunCoke's website at www.suncoke.com. All forward-looking statements included in this presentation are expressly qualified in their entirety by such cautionary statements. Unpredictable or unknown factors not discussed in this presentation also could have material adverse effects on forward-looking statements.

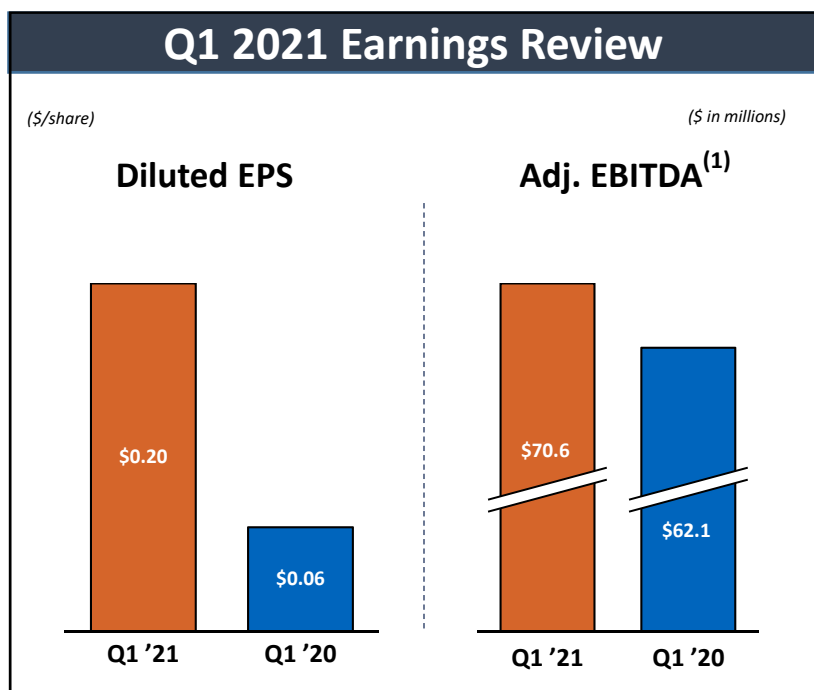
Q1 2021 Highlights



- ✓ **Strong operating performance across coke and logistics while continuing to navigate the COVID-19 pandemic**
- ✓ **Excellent safety performance, zero recordable injuries during the first quarter, a record for SunCoke**
- ✓ **Delivered Q1 '21 Adjusted EBITDA of \$70.6M; representing record first quarter performance**
- ✓ **Export and foundry coke growth initiatives meeting expectations**
- ✓ **Demonstrated progress in CMT revitalization and diversification with a new take-or-pay agreement to handle iron ore**
- ✓ **Continued execution of deleveraging initiative; anticipate achieving 3.0x or lower gross leverage target by YE 2021**
- ✓ **Well positioned to achieve top end of FY 2021 Adjusted EBITDA guidance range of \$215M to \$230M**

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

Q1 2021 Financial Performance



Q1 '21 EPS of \$0.20 per share, up \$0.14 per share from the prior year quarter

Adjusted EBITDA⁽¹⁾ of \$70.6M, up \$8.5M from the prior year quarter

- Coke operations up \$0.5M, continued strong performance across the fleet
- Logistics segment up \$7.6M mainly driven by higher throughput volumes

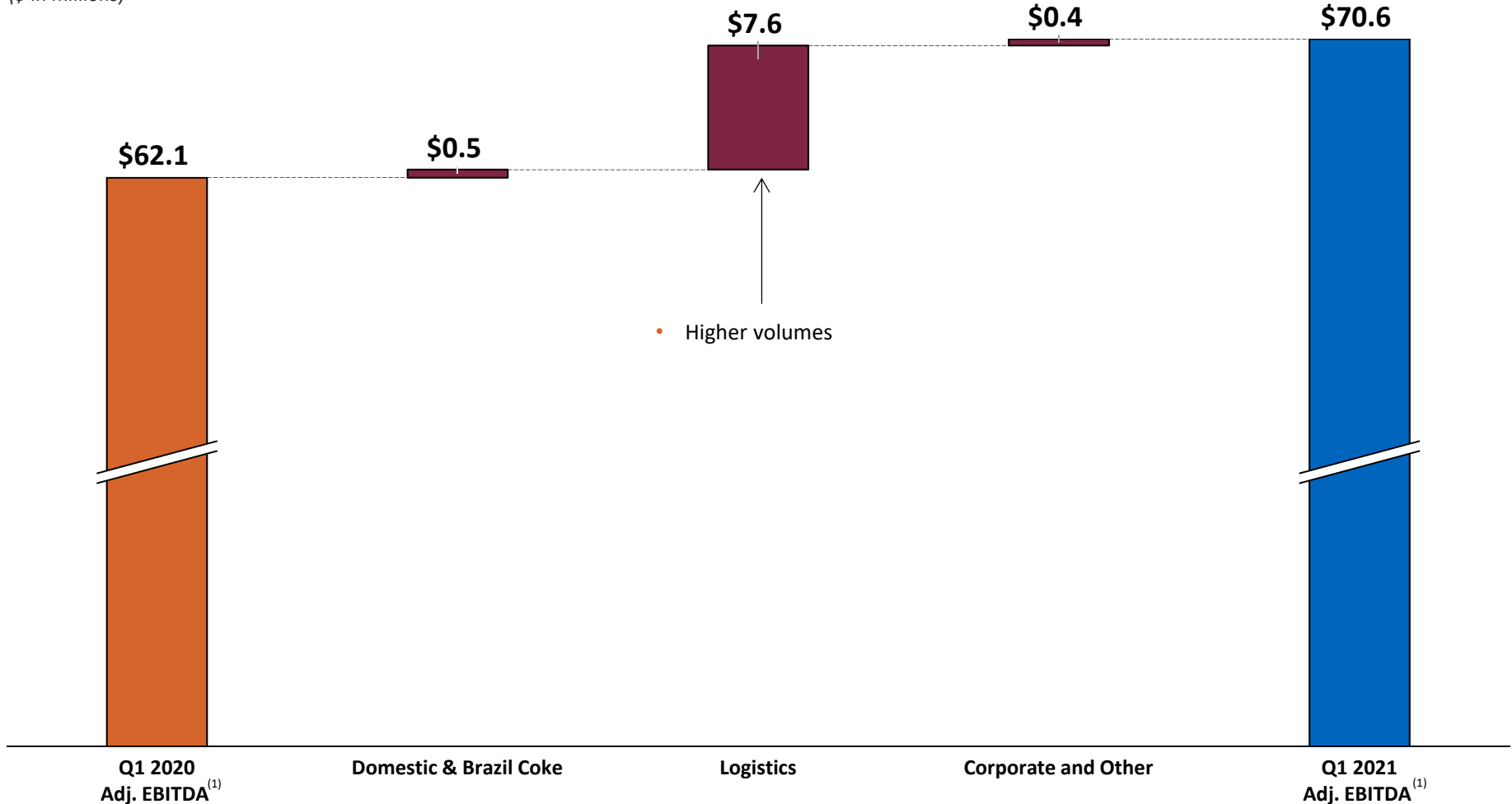
(\$ in millions, except volumes)	Q1 '21	Q1 '20	Q1 '21 vs. Q1 '20
Domestic Coke Sales Volumes	1,038	1,064	(26)
Logistics Volumes	5,300	4,214	1,086
Coke Adj. EBITDA ⁽²⁾	\$68.0	\$67.5	\$0.5
Logistics Adj. EBITDA	\$10.9	\$3.3	\$7.6
Corporate and Other Adj. EBITDA ⁽³⁾	(\$8.3)	(\$8.7)	\$0.4
Consolidated Adjusted EBITDA⁽¹⁾	\$70.6	\$62.1	\$8.5

(1) See appendix for a definition and reconciliation of Adjusted EBITDA
 (2) Coke Adjusted EBITDA includes Domestic Coke and Brazil Coke
 (3) Q1 '21 Corporate and Other Adj. EBITDA includes activity from our legacy coal mining business

Adjusted EBITDA⁽¹⁾ – Q1 '20 to Q1 '21

Q1 '21 performance mainly driven by higher volumes at CMT and continued strong performance by coke operations

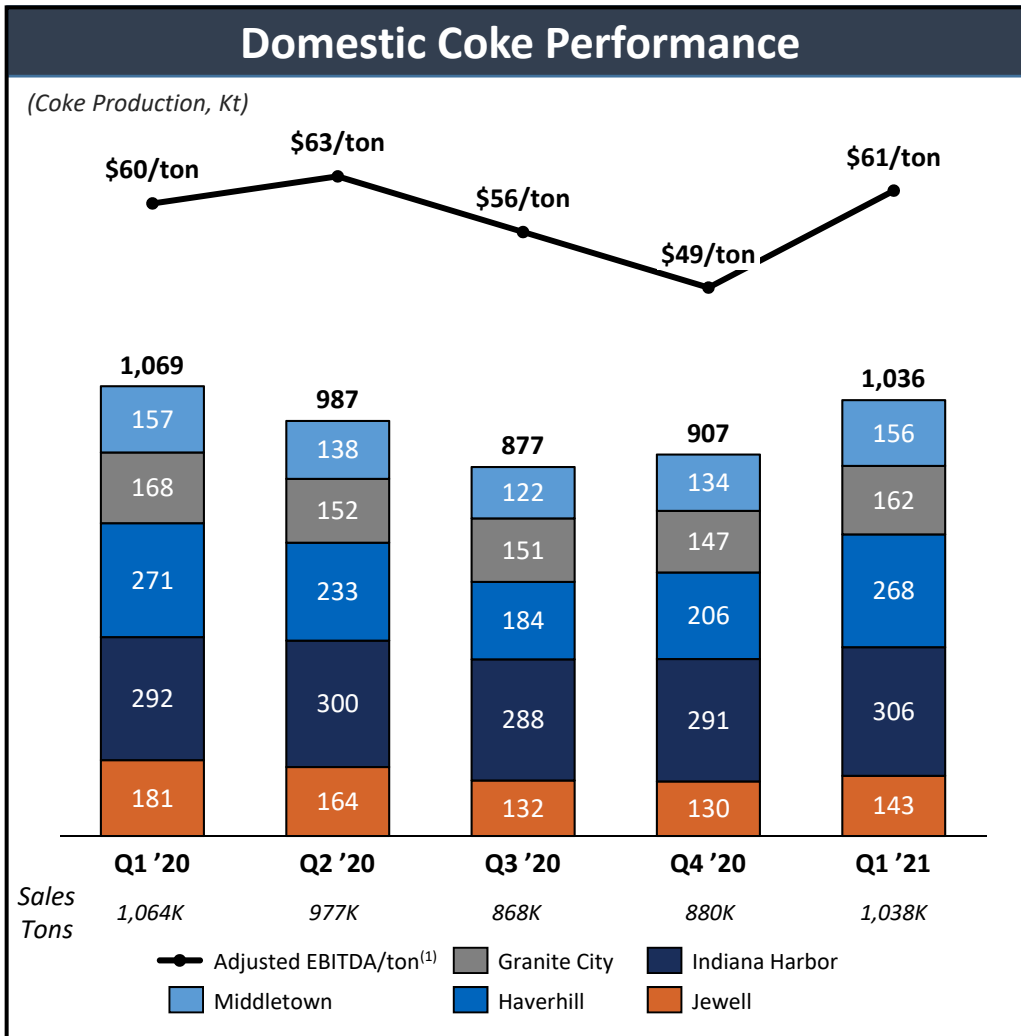
(\$ in millions)



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

Domestic Coke Business Summary

Continued strong cokemaking performance supports FY 2021 outlook; foundry and export volumes replaced some of the contract coke volumes in Q1



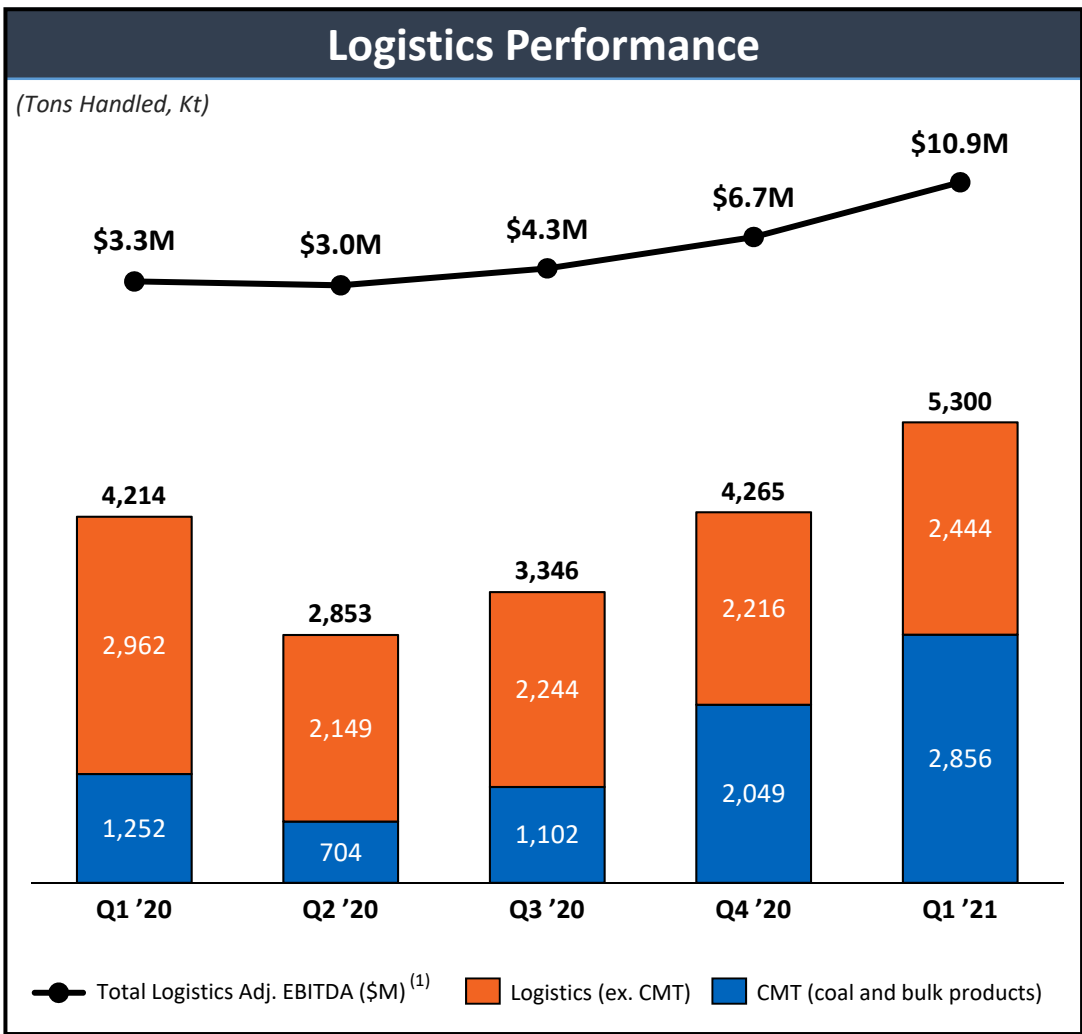
Delivered Adj. EBITDA/ton⁽¹⁾ of ~\$61 vs. ~\$60 in Q1 '20

- Full capacity utilization across the fleet
- Continued operational excellence and disciplined cost control
- Positioned to deliver FY '21 Domestic Coke Adj. EBITDA/ton of \$53 - \$55 on ~4.1M tons production

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

Logistics Business Summary

Robust logistics performance driven by higher volumes, new business, and lower operating cost



Logistics segment contributed \$10.9M to Q1 '21 Adj. EBITDA

- Global demand and strong API2 index driving coal exports
- Executed a new take-or-pay agreement to handle iron-ore
- Expect volume to remain strong in second quarter
- Well positioned to deliver at the higher end or even exceed Logistics Adj. EBITDA guidance range of \$20M - \$25M
- CMT Volume breakdown for Q1 2021:
 - Coal : 2.1M tons
 - Other Products: 0.75M tons
- Full Year 2021 Anticipated Volume:
 - CMT Coal: ~5M tons
 - CMT other products : 2.5M – 3.0M tons
 - Logistics (ex CMT) : ~10.5M tons

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

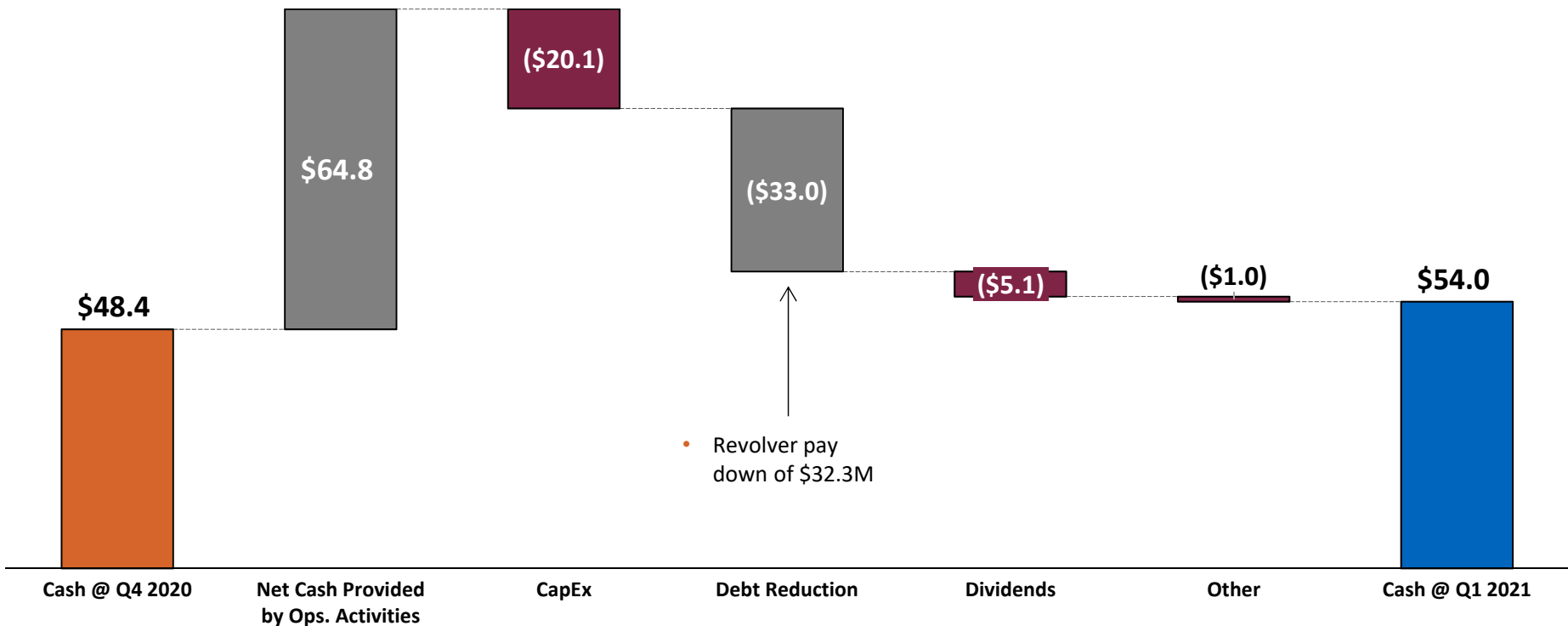
Q1 2021 Liquidity

Maintained strong liquidity position of ~\$386M; Continued objective to strengthen the balance sheet

(Consolidated)	Q1 '21
Total Debt	\$658M
Gross Leverage ⁽¹⁾	3.07x
Net Leverage ⁽¹⁾	2.82x

Revolver Availability: \$331.9M

(\$ in millions)



(1) Gross leverage and Net leverage for Q1 2021 calculated using Last Twelve Month(LTM) Adjusted EBITDA

2021 Key Initiatives

Deliver Operational Excellence and Optimize Asset Base

- Continue strong operational and safety performance while optimizing asset utilization
- Successfully execute on capital plan

Support Full Capacity Utilization via Export and Foundry Sales

- Further develop foundry customer book and participate in coke export market enabling coke operations to run at full capacity

Position Coke Business and CMT for Long-Term Success

- Provide stability in coke business by addressing uncontracted coke tons in the near future
- Continue to work towards revitalizing CMT with new product and customer mix

Further Stabilize and Strengthen SunCoke Capital Structure

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

Achieve 2021 Financial Objectives

- \$215M - \$230M Adjusted EBITDA

APPENDIX



Definitions

Adjusted EBITDA represents earnings before interest, taxes, depreciation and amortization (“EBITDA”), adjusted for any impairments and gain on extinguishment of debt. 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.

Adjusted EBITDA attributable to SXC represents Adjusted EBITDA less Adjusted EBITDA attributable to non-controlling interests.

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

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

Balance Sheet & Debt Metrics

	As of 3/31/2021	As of 12/31/2020
Cash	\$ 54	\$ 48
Available Revolver Capacity	\$ 332	\$ 300
Total Liquidity	\$ 386	\$ 348
Gross Debt (Long and Short-term)	\$ 658	\$ 691
Net Debt (Total Debt less Cash)	\$ 604	\$ 642
LTM Adj. EBITDA	\$ 214	\$ 206
Gross Debt / LTM Adj. EBITDA	3.07x	3.35x
Net Debt / LTM Adj. EBITDA	2.82x	3.12x
Adj. EBITDA (Guidance)	\$215M - \$230M	
Gross Leverage (Guidance)	2.86x - 3.06x	
Net Leverage (Guidance)	2.62x - 2.81x	

As of 3/31/2021 (\$ in millions)						Consolidated Total
	2021	2022	2023	2024	2025	
Sr. Notes	\$ -	\$ -	\$ -	\$ -	\$ 587.3	\$ 587.3
Sale Leaseback	2.3	3.2	3.3	5.4	-	14.2
Revolver	-	-	-	56.0	-	56.0
Total	\$ 2.3	\$ 3.2	\$ 3.3	\$ 61.4	\$ 587.3	\$ 657.5

2021 Guidance Summary

Expect to deliver at the top end of 2021 Adjusted EBITDA guidance range of \$215M - \$230M

Metric	2021 Guidance
Adjusted EBITDA Consolidated ⁽¹⁾	\$215M - \$230M
Domestic Coke EBITDA	\$219M - \$224M
Logistics EBITDA	\$20M - \$25M
Domestic Coke Production ⁽²⁾	~4.1M tons
Dom. Coke Adj. EBITDA/ton ⁽³⁾	\$53-\$55/ton
Total Capital Expenditures	~\$80M ⁽⁴⁾
Free Cash Flow ⁽⁵⁾	\$80M - \$100M
Cash Taxes	\$5M - \$10M

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

(2) Domestic coke production for 2021 estimate includes production for foundry and export sales

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

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

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

Adjusted EBITDA to FCF Walk		
	2021E	
	Low End	High End
<i>(\$ in millions except per share amounts)</i>		
Adjusted EBITDA⁽¹⁾	\$215	\$230
Cash interest	(\$50)	(\$45)
Cash taxes	(\$5)	(\$10)
Total capex	(\$80)	(\$80)
Adjustment for non-cash items	\$0	\$5
Free Cash Flow (FCF)⁽²⁾	\$80	\$100
SXC Shares Outstanding on 3/31/21	83.0	83.0
FCF/Share	\$0.96	\$1.21

1) See appendix for definition and reconciliation of Adjusted EBITDA

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

2021 Guidance Reconciliation

<i>(\$ in millions)</i>	<u>Low</u>	<u>High</u>
Net Income	\$15	\$35
Depreciation and amortization expense	137	133
Interest expense, net	55	50
Income tax expense	8	12
Adjusted EBITDA (Consolidated)	\$215	\$230
Adjusted EBITDA attributable to noncontrolling interest ⁽¹⁾	(9)	(9)
Adjusted EBITDA attributable to SXC	\$206	\$221

(1) Reflects non-controlling interest in Indiana Harbor

Free Cash Flow Reconciliation

<i>(\$ in millions)</i>	<u>Low</u>	<u>High</u>
Operating Cash Flow	\$160	\$180
Capital Expenditures	(80)	(80)
Free Cash Flow (FCF)	\$80	\$100

SXC FCF/Share Reconciliation

(\$ in millions except per share amounts)	2021E	
	Low End	High End
Net Income	\$15	\$35
Depreciation and amortization expense	137	133
Interest expense, net	55	50
Income tax benefit	8	12
Adjusted EBITDA	\$215	\$230
Cash interest	(50)	(45)
Cash taxes	(5)	(10)
Total capex	(80)	(80)
Working capital changes	-	5
Free Cash Flow (FCF)	\$80	\$100
SXC Shares Outstanding on 3/31/2021	83.0	83.0
FCF/Share	\$0.96	\$1.21

Reconciliation to Adjusted EBITDA and Adjusted EBITDA attributable to SXC

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	Q1 '20	Q2 '20	Q3 '20	Q4 '20	FY '20	Q1 '21
<i>(\$ in millions)</i>						
Net income (loss) attributable to SunCoke Energy, Inc.	\$ 4.9	\$ 6.5	\$ (2.7)	\$ (5.0)	\$ 3.7	\$ 16.5
Net income (loss) attributable to noncontrolling interests	1.0	1.3	1.3	1.5	5.1	1.7
Net Income (loss)	\$ 5.9	\$ 7.8	\$ (1.4)	\$ (3.5)	\$ 8.8	\$ 18.2
Depreciation and amortization expense	34.1	34.1	33.5	32.0	133.7	32.4
Loss (gain) on extinguishment of debt, net	(2.9)	-	(0.5)	(2.3)	(5.7)	-
Interest expense, net	14.6	14.9	13.7	13.1	56.3	12.7
Income tax expense (benefit)	10.4	2.2	0.2	(2.5)	10.3	7.3
Restructuring costs ⁽¹⁾	-	-	2.3	0.2	2.5	-
Adjusted EBITDA	\$ 62.1	\$ 59.0	\$ 47.8	\$ 37.0	\$ 205.9	\$ 70.6
Adjusted EBITDA attributable to noncontrolling interest ⁽²⁾	(2.0)	(2.3)	(2.3)	(2.5)	(9.1)	(2.6)
Adjusted EBITDA attributable to SXC	\$ 60.1	\$ 56.7	\$ 45.5	\$ 34.5	\$ 196.8	\$ 68.0

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

(2) Reflects non-controlling interests in Indiana Harbor and the portion of the Partnership owned by public unitholders prior to the closing of the Simplification Transaction

Adjusted EBITDA and Adjusted EBITDA per ton

Reconciliation of Segment Adjusted EBITDA and Adjusted EBITDA per Ton					
(\$ in millions, except per ton data)	Domestic Coke	Brazil Coke	Logistics	Corporate and Other ⁽¹⁾	Consolidated
Q1 2021					
Adjusted EBITDA	\$63.5	\$4.5	\$10.9	(\$8.3)	\$70.6
Sales Volume (thousands of tons)	1,038	417	5,300		
Adjusted EBITDA per Ton	\$61.18	\$10.79	\$2.06		
FY 2020					
Adjusted EBITDA	\$217.0	\$13.5	\$17.3	(\$41.9)	\$205.9
Sales Volume (thousands of tons)	3,789	1,396	14,678		
Adjusted EBITDA per Ton	\$57.27	\$9.67	\$1.18		
Q4 2020					
Adjusted EBITDA	\$43.3	\$3.0	\$6.7	(\$16.0)	\$37.0
Sales Volume (thousands of tons)	880	415	4,265		
Adjusted EBITDA per Ton	\$49.20	\$7.23	\$1.57		
Q3 2020					
Adjusted EBITDA	\$48.7	\$3.2	\$4.3	(\$8.4)	\$47.8
Sales Volume (thousands of tons)	868	301	3,346		
Adjusted EBITDA per Ton	\$56.11	\$10.63	\$1.27		
Q2 2020					
Adjusted EBITDA	\$61.6	\$3.2	\$3.0	(\$8.8)	\$59.0
Sales Volume (thousands of tons)	977	270	2,853		
Adjusted EBITDA per Ton	\$63.05	\$11.85	\$1.05		
Q1 2020					
Adjusted EBITDA	\$63.4	\$4.1	\$3.3	(\$8.7)	\$62.1
Sales Volume (thousands of tons)	1,064	410	4,214		
Adjusted EBITDA per Ton	\$59.59	\$10.01	\$0.78		
FY 2019					
Adjusted EBITDA	\$226.7	\$16.0	\$42.6	(\$37.4)	\$247.9
Sales Volume (thousands of tons)	4,171	1,641	21,053		
Adjusted EBITDA per Ton	\$54.35	\$9.75	\$2.02		
Q4 2019					
Adjusted EBITDA	\$52.1	\$3.3	\$8.5	(\$13.1)	\$50.8
Sales Volume (thousands of tons)	1,080	371	4,971		
Adjusted EBITDA per Ton	\$48.24	\$8.89	\$1.71		
Q3 2019					
Adjusted EBITDA	\$59.8	\$3.9	\$9.6	(\$6.6)	\$66.7
Sales Volume (thousands of tons)	1,057	427	4,706		
Adjusted EBITDA per Ton	\$56.58	\$9.13	\$2.04		
Q2 2019					
Adjusted EBITDA	\$56.3	\$4.3	\$11.8	(\$9.3)	\$63.1
Sales Volume (thousands of tons)	1,030	424	5,592		
Adjusted EBITDA per Ton	\$54.66	\$10.14	\$2.11		
Q1 2019					
Adjusted EBITDA	\$58.5	\$4.5	\$12.7	(\$8.4)	\$67.3
Sales Volume (thousands of tons)	1,004	419	5,784		
Adjusted EBITDA per Ton	\$58.27	\$10.74	\$2.20		

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

