SunCoke Energy, Inc.
Form 10-Q
July 27, 2017
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

ý QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2017
OR
¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to
Commission File Number 001-35243

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

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

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

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. ý Yes ¨ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). ý 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” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	¨	Accelerated filer	ý
Non-accelerated filer	¨ (Do not check if a smaller reporting company)	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 ý No

As of July 21, 2017, there were 64,329,418 shares of the Registrant's $0.01 par value Common Stock outstanding.

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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,	
	2017	2016	2017	2016
	(Dollars and shares in millions, except per share amounts)			
Revenues				
Sales and other operating revenue	$323.2	$292.7	$632.9	$603.8
Costs and operating expenses				
Cost of products sold and operating expenses	257.2	224.4	491.6	464.9
Selling, general and administrative expenses	24.1	23.7	43.8	47.0
Depreciation and amortization expense	33.3	28.6	66.6	56.8
Loss on divestiture of business	—	5.1	—	14.7
Total costs and operating expenses	314.6	281.8	602.0	583.4
Operating income	8.6	10.9	30.9	20.4
Interest expense, net	15.2	13.4	28.9	27.4
Loss (gain) on extinguishment of debt	20.2	(3.5)	20.3	(23.9)
(Loss) income before income tax expense	(26.8)	1.0	(18.3)	16.9
Income tax expense	4.7	—	70.9	3.3
Net (loss) income	(31.5)	1.0	(89.2)	13.6
Less: Net (loss) income attributable to noncontrolling interests	(7.3)	5.6	(66.0)	22.3
Net loss attributable to SunCoke Energy, Inc.	$(24.2)	$(4.6)	$(23.2)	$(8.7)
Loss attributable to SunCoke Energy, Inc. per common share:				
Basic	$(0.38)	$(0.07)	$(0.36)	$(0.14)
Diluted	$(0.38)	$(0.07)	$(0.36)	$(0.14)
Weighted average number of common shares outstanding:				
Basic	64.3	64.2	64.3	64.1
Diluted	64.3	64.2	64.3	64.1

(See Accompanying Notes)

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	(Dollars in millions)			
Net (loss) income	$(31.5)	$1.0	$(89.2)	$13.6
Other comprehensive income:				
Currency translation adjustment	(0.3)	0.7	(0.2)	1.1
Comprehensive (loss) income	(31.8)	1.7	(89.4)	14.7
Less: Comprehensive (loss) income attributable to noncontrolling interests	(7.3)	5.6	(66.0)	22.3
Comprehensive (loss) income attributable to SunCoke Energy, Inc.	$(24.5)	$(3.9)	$(23.4)	$(7.6)

(See Accompanying Notes)

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SunCoke Energy, Inc.
Consolidated Balance Sheets

	June 30, 2017	December 31, 2016
	(Unaudited)	
	(Dollars in millions, except par value amounts)	
Assets		
Cash and cash equivalents	$136.7	$ 134.0
Receivables	65.3	60.7
Receivable from redemption of Brazilian investment	—	20.5
Inventories	116.4	92.5
Income tax receivable	16.5	4.6
Other current assets	6.1	3.8
Total current assets	341.0	316.1
Properties, plants and equipment (net of accumulated depreciation of $679.4 and $625.9 million at June 30, 2017 and December 31, 2016, respectively)	1,510.9	1,542.6
Goodwill	76.9	76.9
Other intangible assets, net	173.5	179.0
Deferred charges and other assets	4.5	6.3
Total assets	$2,106.8	$ 2,120.9
Liabilities and Equity		
Accounts payable	$126.4	$ 98.6
Accrued liabilities	43.6	49.8
Deferred revenue	12.0	2.5
Current portion of long-term debt and financing obligation	3.7	4.9
Interest payable	6.6	16.2
Total current liabilities	192.3	172.0
Long-term debt and financing obligation	870.3	849.2
Accrual for black lung benefits	46.0	45.4
Retirement benefit liabilities	27.8	29.0
Deferred income taxes	428.7	352.5
Asset retirement obligations	13.9	13.9
Other deferred credits and liabilities	20.4	19.0
Total liabilities	1,599.4	1,481.0
Equity		
Preferred stock, $0.01 par value. Authorized 50,000,000 shares; no issued shares at June 30, 2017 and December 31, 2016	—	—
Common stock, $0.01 par value. Authorized 300,000,000 shares; issued 71,807,075 and 71,707,304 shares at June 30, 2017 and December 31, 2016, respectively	0.7	0.7
Treasury stock, 7,477,657 shares at June 30, 2017 and December 31, 2016, respectively	(140.7)	(140.7)
Additional paid-in capital	489.2	492.1
Accumulated other comprehensive loss	(19.2)	(19.0)
Retained deficit	(45.5)	(22.0)
Total SunCoke Energy, Inc. stockholders' equity	284.5	311.1
Noncontrolling interests	222.9	328.8
Total equity	507.4	639.9
Total liabilities and equity	$2,106.8	$ 2,120.9

(See Accompanying Notes)

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

	Six Months Ended June 30,	
	2017	2016
	(Dollars in millions)	
Cash Flows from Operating Activities:		
Net (loss) income	$(89.2)	$13.6
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Loss on divestiture of business	—	14.7
Depreciation and amortization expense	66.6	56.8
Deferred income tax expense	79.8	3.6
Payments in excess of expense for postretirement plan benefits	(1.2)	(1.2)
Share-based compensation expense	3.0	3.4
Loss (gain) on extinguishment of debt	20.3	(23.9)
Changes in working capital pertaining to operating activities (net of the effects of divestiture):		
Receivables	(4.6)	16.2
Inventories	(23.9)	15.5
Accounts payable	15.6	(5.5)
Accrued liabilities	(6.2)	7.0
Deferred revenue	9.5	18.2
Interest payable	(9.6)	(2.1)
Income taxes	(11.9)	1.9
Other	6.2	3.3
Net cash provided by operating activities	54.4	121.5
Cash Flows from Investing Activities:		
Capital expenditures	(22.4)	(30.2)
Decrease in restricted cash	0.1	15.9
Return of Brazilian investment	20.5	—
Divestiture of coal business	—	(12.1)
Other investing activities	—	2.1
Net cash used in investing activities	(1.8)	(24.3)
Cash Flows from Financing Activities:		
Proceeds from issuance of long-term debt	620.6	—
Repayment of long-term debt	(532.2)	(47.0)
Repayment of financing obligation	(1.2)	—
Proceeds from revolving credit facility	128.0	20.0
Repayment of revolving credit facility	(200.0)	(60.4)
Debt issuance costs	(15.6)	—
Acquisition of additional interest in the Partnership	(24.6)	—
Cash distribution to noncontrolling interests	(24.6)	(24.7)
Other financing activities	(0.3)	(0.5)
Net cash used in financing activities	(49.9)	(112.6)
Net increase (decrease) in cash and cash equivalents	2.7	(15.4)
Cash and cash equivalents at beginning of period	134.0	123.4
Cash and cash equivalents at end of period	$136.7	$108.0

Supplemental Disclosure of Cash Flow Information		
Interest paid	$37.2	$30.8
Income taxes paid, net of refunds of $0.1 million and $4.0 million in 2017 and 2016, respectively.	$3.1	$(2.2)

(See Accompanying Notes)

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

	Common Stock		Treasury Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Deficit	Total SunCoke Energy, Inc. Equity	Noncontrolling Interests	Total Equity
	Shares	Amount	Shares	Amount						
	(Dollars in millions)									
At December 31, 2016	71,707,304	$ 0.7	7,477,657	$ (140.7)	$ 492.1	$ (19.0)	$ (22.0)	$ 311.1	$ 328.8	$ 639.9
Net loss	—	—	—	—	—	—	(23.2)	(23.2)	(66.0)	(89.2)
Currency translation adjustment	—	—	—	—	—	(0.2)	—	(0.2)	—	(0.2)
Cash distribution to noncontrolling interests	—	—	—	—	—	—	—	—	(24.6)	(24.6)
Share-based compensation expense	—	—	—	—	2.9	—	—	2.9	0.1	3.0
Share-issuances, net of shares withheld for taxes	99,771	—	—	—	(0.3)	—	—	(0.3)	—	(0.3)
Acquisition of additional interest in the Partnership:										
Cash paid	—	—	—	—	(9.2)	—	—	(9.2)	(15.4)	(24.6)
Deferred tax adjustment	—	—	—	—	3.4	—	—	3.4	—	3.4
Cumulative effect from adoption of ASU 2016-09	—	—	—	—	0.3	—	(0.3)	—	—	—
At June 30, 2017	71,807,075	$ 0.7	7,477,657	$ (140.7)	$ 489.2	$ (19.2)	$ (45.5)	$ 284.5	$ 222.9	$ 507.4

(See Accompanying Notes)

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SunCoke Energy, Inc.
Notes to the Consolidated Financial Statements

1. General

Description of Business

SunCoke Energy, Inc. (“SunCoke Energy,” “Company,” "we," "our" and "us") is an independent owner and operator of five cokemaking facilities in the United States ("U.S."), which consists of our Haverhill Coke Company LLC ("Haverhill"), Middletown Coke Company, LLC ("Middletown"), Gateway Energy and Coke Company, LLC ("Granite City"), Jewell Coke Company, L.P. ("Jewell") and Indiana Harbor Coke Company ("Indiana Harbor") cokemaking facilities. Internationally, we operate a cokemaking facility in Brazil. We hold a 49 percent investment in a cokemaking joint venture with VISA Steel Limited in India ("VISA SunCoke"), which was fully impaired in 2015, and consequently, beginning in the fourth quarter of 2015, we no longer included our share of VISA SunCoke in our financial results.

Additionally, we own and operate a coal logistics business, which provides coal handling and/or mixing services to third-party customers as well as to our own cokemaking facilities. Our coal logistics business consists of Convent Marine Terminal ("CMT"), Kanawha River Terminals, LLC ("KRT"), SunCoke Lake Terminal, LLC ("Lake Terminal") and Dismal River Terminal, LLC ("DRT").

Our consolidated financial statements include SunCoke Energy Partners, L.P. (the "Partnership"), a publicly-traded partnership. At June 30, 2017, we owned the general partner of the Partnership, which consists of a 2.0 percent ownership interest and incentive distribution rights, and owned a 57.0 percent limited partner interest in the Partnership. The remaining 41.0 percent interest in the Partnership was held by public unitholders. SunCoke is considered the primary beneficiary of the Partnership as it has the power to direct the activities that most significantly impact the Partnership's economic performance.

Until April 2016, when the business was disposed of, we also controlled coal mining operations in Virginia and West Virginia.

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

Basis of Presentation

The accompanying unaudited consolidated financial statements included herein have been prepared in accordance with accounting principles generally accepted in the U.S. (“GAAP”) for interim reporting. Certain information and disclosures normally included in financial statements have been omitted pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). In management’s opinion, the financial statements reflect all adjustments, which are of a normal recurring nature, necessary for a fair presentation of the results of operations, financial position and cash flows for the periods presented. The results of operations for the periods ended June 30, 2017 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, 2016.

New Accounting Pronouncements

In May 2014, Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2014-09, “Revenue from Contracts with Customers (Topic 606),” which supersedes the revenue recognition requirements in “Revenue Recognition (Topic 605),” and requires entities to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Subsequently, the FASB has issued various ASUs to provide further clarification around certain aspects of ASC 606. This standard will be effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period, and early adoption is permitted on a limited basis. Our implementation team has gained an understanding of the standard’s revenue recognition model and is completing the analysis and documentation of our contract details for impacts under the new revenue recognition model. Based on the current status of our assessment, we expect the timing of our revenue recognition to generally remain the same under the new standard on an annual basis. Deferred revenue at Convent Marine Terminal may be recognized on a more accelerated basis during quarterly periods within the year based on facts and circumstances

considered at each quarter under the new guidance. The Company expects to adopt this standard on January 1, 2018 using the modified retrospective method.

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)." ASU 2016-02 requires lessees to be recognized as assets and liabilities on the balance sheet for the rights and obligations created by all leases with terms of more than 12 months. It is effective for annual and interim periods in fiscal years beginning after December 15, 2018, with early

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adoption permitted. The standard requires the use of a modified retrospective transition method. A multi-disciplined implementation team has gained an understanding of the accounting and disclosure provisions of the standard and is in the process of analyzing the impacts to our business, including the development of new accounting processes to account for our leases and support the required disclosures. While we are still evaluating the impact of adopting this standard, we expect that upon adoption the right-of-use assets and lease liabilities, such as various plant equipment rentals and the lease of our corporate office space, will increase the reported assets and liabilities on our Consolidated Balance Sheets. The Company expects to adopt this standard on January 1, 2019.

2. Inventories

The components of inventories were as follows:

	June 30, 2017	December 31, 2016
	(Dollars in millions)	
Coal	$72.0	$ 49.4
Coke	8.4	7.7
Materials, supplies and other	36.0	35.4
Total inventories	$116.4	$ 92.5

3. Goodwill and Other Intangible Assets

Goodwill, which represents the excess of the purchase price over the fair value of net assets acquired, is tested for impairment as of October 1 of each year, or when events occur or circumstances change that would, more likely than not, reduce the fair value of a reporting unit to below its carrying value. Goodwill allocated to our Domestic Coke and Coal Logistics segments was $3.4 million and $73.5 million at both June 30, 2017 and December 31, 2016, respectively.

The components of intangible assets were as follows:

		June 30, 2017			December 31, 2016		
	Weighted - Average Remaining Amortization Years	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
		(Dollars in millions)					
Customer contracts	5	$31.7	$ 11.8	$19.9	$31.7	$ 9.9	$21.8
Customer relationships	14	28.7	4.7	24.0	28.7	3.8	24.9
Permits	25	139.0	9.7	129.3	139.0	7.1	131.9
Trade name	1	1.2	0.9	0.3	1.2	0.8	0.4
Total		$200.6	$ 27.1	$173.5	$200.6	$ 21.6	$179.0

The permits above represent the environmental and operational permits required to operate a coal export terminal in accordance with the United States Environmental Protection Agency and other regulatory bodies. Intangible assets are amortized over their useful lives in a manner that reflects the pattern in which the economic benefit of the asset is consumed. The permits' useful lives were estimated to be 27 years at acquisition based on the expected useful life of the significant operating equipment at the facility. These permits have an average remaining renewal term of approximately 3.9 years. The permits were renewed regularly prior to our acquisition of CMT. We also have historical experience of renewing and extending similar arrangements at our other facilities and intend to continue to renew our permits as they come up for renewal for the foreseeable future.

Total amortization expense for intangible assets subject to amortization was $2.8 million and $5.5 million for the three and six months ended June 30, 2017, respectively, and $2.9 million and $5.6 million for the three and six months ended June 30, 2016, respectively.

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4. Income Taxes
At the end of each interim period, we make our best estimate of the effective tax rate expected to be applicable for the full fiscal year and the impact of discrete items, if any, and adjust the rate as necessary.
The Company recorded income tax expense of $4.7 million and $70.9 million during the three and six months ended June 30, 2017, respectively. Income tax expense during the three months ended June 30, 2017 was driven primarily by a valuation allowance of $4.9 million recorded as a result of changes in future state allocation assumptions partially offset by a state income tax benefit of $2.5 million related to the filing of an amended state tax return. Income tax expense during the six months ended June 30, 2017, also included the impacts of the Internal Revenue Service ("IRS") announcement of its final regulations on qualifying income in January 2017, discussed below.
In January 2017, the IRS announced its decision to exclude cokemaking as a qualifying income generating activity in its final regulations (the "Final Regulations") issued under section 7704(d)(1)(E) of the Internal Revenue Code relating to the qualifying income exception for publicly traded partnerships. However, the Final Regulations include a transition period for activities that were reasonably interpreted to be qualifying income and carried on by publicly traded partnerships prior to the Final Regulations. The Partnership previously received a will-level opinion from its counsel, Vinson & Elkins LLP, that the Partnership's cokemaking operations generated qualifying income prior to the Final Regulations. Therefore, the Partnership believes it had a reasonable basis to conclude its cokemaking operations were considered qualifying income before the issuance of the new regulations and as such expects to maintain its treatment as a partnership through the transition period. Cokemaking entities in the Partnership will become taxable as corporations on January 1, 2028, after the transition period ends.
As a result of the Final Regulations discussed above, the Partnership recorded deferred income tax expense of $148.6 million to set up its initial deferred income tax liability during the first quarter of 2017, primarily related to differences in the book and tax basis of fixed assets, which are expected to exist at the end of the 10-year transition period when the cokemaking operations become taxable. As the Company consolidates the Partnership, the entire deferred income tax expense was recognized during the first quarter of 2017. However, the Company had already recorded $84.4 million of the deferred income tax liability in its financial statements related to the Company's share of the deferred tax liability for the book and tax differences in its investment in the Partnership. Therefore, the net impact to the Company’s deferred tax expense was $64.2 million during the six months ended June 30, 2017. This incremental tax impact is solely attributable to the Partnership’s public unitholders. As such, an equal reduction to noncontrolling interest was recorded. As a result, the Final Regulations have no impact to net income attributable to the Company.
The Company recorded income tax expense of zero and $3.3 million for the three and six months ended June 30, 2016, resulting in effective tax rates of zero percent and 19.5 percent, respectively, as compared to the 35.0 percent federal statutory rate, primarily due to the impact of earnings attributable to noncontrolling ownership interests in partnerships.
On January 17, 2012, SunCoke Energy and Sunoco, Inc. entered into a tax sharing agreement that governs the parties’ respective rights, responsibilities and obligations with respect to tax liabilities and benefits, tax attributes, the preparation and filing of tax returns, the control of audits and other tax proceedings and other matters regarding taxes. SunCoke Energy will continue to monitor the utilization of all tax attributes subject to the tax sharing agreement as applicable tax returns are filed or as tax examinations progress and will record additional adjustments when necessary, consistent with the terms of the tax sharing agreement.
5. Accrued Liabilities
Accrued liabilities consisted of the following:

	June 30, 2017	December 31, 2016
	(Dollars in millions)	
Accrued benefits	$14.3	$ 21.4
Current portion of postretirement benefit obligation	3.3	3.3

Other taxes payable	12.7	10.4
Current portion of black lung liability	4.8	4.8
Accrued legal	3.6	4.4
Other	4.9	5.5
Total accrued liabilities	$43.6	$ 49.8

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6. Debt and Financing Obligation

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

	June 30, 2017	December 31, 2016
	(Dollars in millions)	
7.500 percent senior notes, due 2025 ("2025 Partnership Notes")	$630.0	$ —
7.375 percent senior notes, due 2020 ("2020 Partnership Notes")	—	463.0
7.625 percent senior notes, due 2019 ("Notes")	44.6	44.6
Partnership's term loan, due 2019 ("Partnership Term Loan")	—	50.0
SunCoke's revolving credit facility, due 2022 ("Revolving Facility")	—	—
Partnership's revolving credit facility, due 2022 and 2019, respectively ("Partnership Revolver")	100.0	172.0
Partnership's promissory note payable, due 2021 ("Promissory Note")	112.6	113.2
5.82 percent financing obligation, due 2021 ("Partnership Financing Obligation")	14.0	15.2
Total borrowings	901.2	858.0
Original issue (discount) premium	(9.3)	7.5
Debt issuance costs	(17.9)	(11.4)
Total debt and financing obligation	874.0	854.1
Less: current portion of long-term debt and financing obligation	3.7	4.9
Total long-term debt and financing obligation	$870.3	$ 849.2

Issuance of 2025 Partnership Senior Notes

In May 2017, the Partnership issued $630.0 million aggregate principal amount of senior notes with an interest rate of 7.5 percent due in May 2025. The Partnership received proceeds of $620.6 million, net of an original issue discount of $9.4 million. The Partnership incurred debt issuance costs related to this transaction of $11.8 million, which were included in long-term debt and financing obligation on the Consolidated Balance Sheets as of June 30, 2017. The 2025 Partnership Senior Notes are the senior unsecured obligations of the Partnership, and are guaranteed on a senior unsecured basis by each of the Partnership’s existing and certain future subsidiaries (other than SunCoke Energy Partners Finance Corp.). Interest on the 2025 Partnership Senior Notes is payable semi-annually in cash in arrears on June 15 and December 15 of each year, commencing on December 15, 2017.

The Partnership may redeem some or all of the 2025 Partnership Senior Notes at any time on or after June 15, 2020 at specified redemption prices plus accrued and unpaid interest, if any, to the redemption date. Before June 15, 2020, and following certain equity offerings, the Partnership also may redeem up to 35% of the 2025 Partnership Senior Notes at a price equal to 107.50% of the principal amount, plus accrued and unpaid interest, if any, to the redemption date. In addition, at any time prior to June 15, 2020, the Partnership may redeem some or all of the 2025 Partnership Senior Notes at a price equal to 100% of the principal amount, plus accrued and unpaid interest, if any, to the redemption date, plus a “make-whole” premium.

The Partnership is obligated to offer to purchase all or a portion of the 2025 Partnership Senior Notes at a price of (a) 101% of their principal amount, together with accrued and unpaid interest, if any, to the date of purchase, upon the occurrence of certain change of control events and (b) 100% of their principal amount, together with accrued and unpaid interest, if any, to the date of purchase, upon the occurrence of certain asset dispositions. These restrictions and prohibitions are subject to certain qualifications and exceptions set forth in the Indenture, including without limitation, reinvestment rights with respect to the proceeds of asset dispositions.

The Indenture contains covenants that, among other things, limit the Partnership’s ability and the ability of certain of the Partnership’s subsidiaries to (i) incur indebtedness, (ii) pay dividends or make other distributions, (ii) prepay, redeem or repurchase certain subordinated debt, (iv) make loans and investments, (v) sell assets, (vi) incur liens, (vii) enter into transactions with affiliates, (viii) enter into agreements restricting the ability of subsidiaries to pay dividends and (ix) consolidate or merge.

Purchase and Redemption of 2020 Partnership Senior Notes and Repayment of the Partnership Term Loan
During the second quarter of 2017, the Partnership used the proceeds from the issuance of the 2025 Partnership Notes to purchase and redeem all of its 2020 Partnership Notes, including principal of $463.0 million and a premium of $18.7 million, and to repay the $50.0 million outstanding on the Partnership Term Loan. As a result, during the three and six months ended

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June 30, 2017, the Partnership recorded a loss on extinguishment of debt on the Consolidated Statement of Operations of $19.1 million, which included the premium paid and a write-off of unamortized debt issuance costs of $7.0 million partly offset by a write-off of unamortized premiums of $6.6 million.

Revolving Facility

In February 2017, the Company extended the maturity of its Revolving Facility to December 2018 and reduced its capacity by $25.0 million to $125.0 million, resulting in additional debt issuance costs of $0.6 million, which were included in long-term debt and financing obligation on the Consolidated Balance Sheets as of June 30, 2017. Additionally, the Company recorded a loss on extinguishment of debt on the Consolidated Statement of Operations of $0.1 million, representing a write-off of unamortized debt issuance costs, during the six months ended June 30, 2017.

In May 2017, the Company amended and restated its Revolving Facility, which extended its maturity date to May 2022 and reduced its capacity to $100.0 million, resulting in additional debt issuance costs of $1.1 million, which were included in long-term debt and financing obligation on the Consolidated Balance Sheets as of June 30, 2017. Additionally, the Company recorded a loss on extinguishment of debt on the Consolidated Statement of Operations of $0.3 million, representing a write-off of unamortized debt issuance costs, during the three and six months ended June 30, 2017. As of June 30, 2017, the Revolving Facility had letters of credit outstanding of $29.3 million and no outstanding balance, leaving $70.7 million available.

Partnership Revolver

In May 2017, the Partnership amended and restated the Partnership Revolver, which increased the Partnership's capacity from $250.0 million to $285.0 million and extended the maturity to May 2022, resulting in additional debt issuance costs of $3.0 million, which were included in long-term debt and financing obligation on the Consolidated Balance Sheets as of June 30, 2017. Additionally, the Partnership recorded a loss on extinguishment of debt on the Consolidated Statement of Operations of $0.8 million, representing a write-off of unamortized debt issuance costs, during the three and six months ended June 30, 2017.

The Partnership repaid the revolver outstanding balance of $172.0 million and borrowed $100.0 million under the amended and restated credit facility during the second quarter of 2017. As of June 30, 2017, the Partnership had $1.9 million of letters of credit outstanding and an outstanding balance of $100.0 million, leaving $183.1 million available.

Partnership's Promissory Note

During the three and six months ended June 30, 2017, the Partnership repaid $0.3 million and $0.6 million, respectively, of principal on the Partnership's Promissory Note. The Partnership intends to repay the outstanding balance on the Partnership's Promissory Note of $112.6 million in August 2017, primarily using available borrowing capacity under the Partnership Revolver.

Covenants

Under the terms of the Company's credit agreement, the Company is subject to a maximum leverage ratio of 3.25:1.00 and a minimum consolidated interest coverage ratio of 2.75:1.00. Under the terms of the Partnership's credit agreement, the Partnership is subject to a maximum consolidated leverage ratio of 4.5:1.0 prior to June 30, 2020 and 4.0:1.0 after June 30, 2020 and a minimum consolidated interest coverage ratio of 2.5:1.0. The Company's and Partnership's credit 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.

Under the terms of the Promissory Note, Raven Energy LLC, a wholly-owned subsidiary of the Partnership, is subject to a maximum leverage ratio of 5.0:1.0 for any fiscal quarter ending prior to August 12, 2018. For any fiscal quarter ending on or after August 12, 2018 the maximum leverage ratio is 4.5:1.0. Additionally in order to make restricted payments, Raven Energy LLC is subject to a fixed charge ratio of 1.0:1.0.

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, Partnership Revolver, and Promissory Note could be declared immediately due and payable. The Company and the Partnership have a cross default provision that applies to our indebtedness having a principal amount in excess of $35 million.

As of June 30, 2017, the Company and the Partnership were in compliance with all applicable debt covenants. We do not anticipate violation of these covenants nor do we anticipate that any of these covenants will restrict our operations or our ability to obtain additional financing.

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7. Retirement Benefits Plans

The Company has plans which provide health care and life insurance benefits for many of its retirees ("postretirement benefit plans"). The postretirement benefit plans are unfunded and the costs are borne by the Company. The expense from these plans consisted of the following components:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	(Dollars in millions)			
Interest cost on benefit obligations	$0.3	$0.3	$0.6	$0.6
Amortization of:				
Actuarial losses	0.2	0.2	0.4	0.4
Prior service benefit	(0.2)	(0.2)	(0.4)	(0.4)
Total expense	$0.3	$0.3	$0.6	$0.6

Defined Contribution Plans

The Company has defined contribution plans which provide retirement benefits for certain of its employees. The Company's contributions, which are principally based on the Company's pretax income and the aggregate compensation levels of participating employees are charged against income as incurred. These contributions amounted to $1.5 million and $3.1 million for the three and six months ended June 30, 2017, respectively, and $1.1 million and $2.7 million for the three and six months ended June 30, 2016, respectively.

8. Commitments and Contingent Liabilities

Legal Matters

SunCoke Energy is party to an omnibus agreement pursuant to which we will provide indemnification to the Partnership upon the occurrence of certain potential adverse events under certain coke sales agreements, indemnification of certain environmental costs and preferential rights for growth opportunities.

The United States Environmental Protection Agency ("EPA") issued Notices of Violations ("NOVs") for our Haverhill and Granite City cokemaking facilities which stemmed from alleged violations of our air emission operating permits for these facilities. We are working in a cooperative manner with the EPA, the Ohio Environmental Protection Agency and the Illinois Environmental Protection Agency to address the allegations, and have entered into a consent decree in federal district court with these parties. The consent decree includes a $2.2 million civil penalty payment, which was paid in December 2014, as well as capital projects underway to improve the reliability of the energy recovery systems and enhance environmental performance at the Haverhill and Granite City facilities. We anticipate spending between approximately $140 million and $145 million related to these projects, of which we have spent approximately $101 million to date. The remaining capital is expected to be spent through the first quarter of 2019. A portion of the proceeds from the Partnership's initial public offering and subsequent dropdowns are expected to be used to fund $119 million of these environmental remediation projects. Pursuant to the omnibus agreement, any amounts that the Partnership spends on these projects in excess of the $119 million will be reimbursed by the Company.

SunCoke Energy has also received NOVs, Findings of Violations ("FOVs"), and information requests from the EPA related to our Indiana Harbor cokemaking facility, which allege violations of certain air operating permit conditions for this facility. The Clean Air Act (the "CAA") provides the EPA with the authority to issue, among other actions, an order to enforce a State Implementation Plan ("SIP") 30 days after an NOV. The CAA also authorizes EPA enforcement of other non-SIP requirements immediately after an FOV. Generally, an NOV applies to SIPs and requires the EPA to wait 30 days, while an FOV applies to all other provisions (such as federal regulations) of the CAA, and has no waiting period. The NOVs and/or FOVs were received in 2010, 2012, 2013, 2015 and 2016. After discussions with the EPA and the Indiana Department of Environmental Management ("IDEM") in 2010, resolution of the NOVs/FOVs was postponed by mutual agreement because of ongoing discussions regarding the NOVs at Haverhill and Granite City. In January 2012, the Company began working in a cooperative manner to address the

allegations with the EPA, the IDEM and Cokenergy, Inc., an independent power producer that owns and operates an energy facility, including heat recovery equipment and a flue gas desulfurization system, that processes hot flue gas from our Indiana Harbor facility to produce steam and electricity and to reduce the sulfur and particulate content of such flue gas. The EPA, IDEM, SunCoke Energy and Cokenergy, Inc. have met regularly since those discussions commenced, and will continue to meet regularly in 2017 to attempt to agree upon a settlement of the NOVs and FOVs. Capital projects are underway to address items that may be required in conjunction with a settlement of the NOVs/FOVs. Any such settlement likely will require payment of a penalty for alleged past violations as well as undertaking capital projects to achieve

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compliance, and possibly enhance reliability and environmental performance of our Indiana Harbor facility. The settlement of most NOVs and FOVs typically involves first agreeing on injunctive relief and then agreeing on any appropriate penalty in light of the violations and the scope and cost of any injunctive relief.

Over the past several years, EPA, IDEM, SunCoke Energy and Cokenergy, Inc. have focused on the nature and extent of any injunctive relief to settle the NOVs/FOVs. Despite the negotiations, the scope and cost of any such injunctive relief remains uncertain, including any part of such injunctive relief that would be performed by SunCoke Energy. Likewise, the amount of any civil penalties that SunCoke Energy would be willing to pay in settlement of these claims is uncertain, and is contingent on the cost of any injunctive relief. As a result, SunCoke Energy cannot yet assess the scope or cost of any injunctive relief or potential monetary penalty. Moreover, the Company believes that it has meritorious defenses to many of the claims and that a failure to reach a settlement with the EPA regarding the NOVs and FOVs may lead to litigation in which rulings in the Company's favor on some or all of the allegations are possible. For these reasons, the Company is unable to reliably estimate a range of probable or reasonably possible loss.

The Company is a party to certain other pending and threatened claims, including matters related to commercial and tax disputes, product liability, employment claims, personal injury claims, premises-liability claims, allegations of exposures to toxic substances and general 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 claims would not have a material adverse impact on our consolidated financial statements.

Black Lung Benefit Liabilities

The Company has obligations related to coal workers' pneumoconiosis, or black lung, benefits to certain of our former coal mining employees (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 act as a self-insurer for both state and federal black lung benefits and 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 mining employees, 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 $50.8 million and $50.2 million as of June 30, 2017 and December 31, 2016, respectively, of which $4.8 million was included in accrued liabilities on the Consolidated Balance Sheets in both periods.

9. Share-Based Compensation

Equity Classified Awards

During the six months ended June 30, 2017, 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 change in control and a qualifying termination of employment as defined by the SunCoke LTPEP.

Stock Options

The Company granted the following stock options during the six months ended June 30, 2017 with an exercise price equal to the closing price of our common stock on the date of grant.

	No. of Shares	Weighted Average Per Share Exercise Price	Grant Date

			Fair Value
Traditional stock options	84,332	$9.85	$5.17
Performance based options	80,595	$9.85	$4.55

The stock options vest in three equal annual installments beginning one year from the date of grant. In order to become exercisable, the performance based options also require the closing price of the Company's common stock to reach or

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exceed $14.78, or 150 percent of $9.85, for any 15 trading days during the three year period beginning on the grant date. The stock options expire ten years from the date of grant.

The Company calculates the value of each employee stock option, estimated on the date of grant, using the Black-Scholes option pricing model with a Monte Carlo simulation for the performance based options. The weighted-average fair value of employee stock options granted during the six months ended June 30, 2017 was based on using the following weighted-average assumptions:

	Six Months Ended June 30, 2017	
Risk-free interest rate	2	%
Expected term	6 years	
Volatility	54	%
Dividend yield	—	%

The risk-free interest rate assumption is based on the U.S. Treasury yield curve at the date of grant for periods which approximate the expected life of the option. The expected term of the employee options represent the average contractual term adjusted by the average vesting period of each option tranche. We used a blended expected volatility assumption that incorporates 90 percent historical volatility and 10 percent implied volatility. The historical volatility is calculated based on our historical daily stock returns over the options' expected term. The implied volatility is calculated based on our near-the-money call options traded over the 90-day period preceding the valuation date. The dividend yield assumption is based on the Company's expectation of dividend payouts at the time of grant.

Restricted Stock Units Settled in Shares

The Company issued 22,628 stock-settled restricted stock units ("RSUs") to certain employees for shares of the Company's common stock during the six months ended June 30, 2017. The weighted average grant date fair value was $9.85 per share. The RSUs vest in three annual installments beginning one year from the date of grant. All awards vest immediately upon a change in control as defined by the SunCoke LTPEP.

Performance Share Units

The Company granted the following performance share units ("PSUs") for shares of the Company's common stock during the six months ended June 30, 2017 that vest on December 31, 2019:

	Shares	Fair Value per Share
PSUs[(1)(2)]	237,610	$11.40

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

(2) The number of PSU's ultimately awarded will be determined by the above performance 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 50 percent and 150 percent of the Company's final performance measure results.

The award may vest between zero and 250 percent of the original units granted. The fair value of the PSUs granted during the six months ended June 30, 2017 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.

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Liability Classified Awards

Restricted Stock Units Settled in Cash

During the six months ended June 30, 2017, the Company issued 95,364 restricted stock units to be settled in cash ("Cash RSUs"), which vest in three annual installments beginning one year from the grant date. The weighted average grant date fair value of the Cash RSUs granted during the six months ended June 30, 2017 was $9.85 and was based on the closing price of our common stock on the day of grant.

The Cash RSU liability at June 30, 2017 was adjusted based on the closing price of our common stock on June 30, 2017 of $10.90 per share. The liability at June 30, 2017 was $0.6 million, of which $0.4 million was included in accrued liabilities and $0.2 million was included in other deferred credits and liabilities on the Consolidated Balance Sheets.

Cash Incentive Award

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

The Company issued a grant date fair value award of $0.7 million during the six months ended June 30, 2017 that vest on December 31, 2019. The awards are split 50/50 between the Company's three cumulative Adjusted EBITDA performance and the Company's three year average per-tax return on capital for its coke and logistics businesses and unallocated corporate expense. The ultimate award value will be determined by the performance versus targets and the Company's three year TSR Modifier performance, but will be capped at 250 percent of the target award.

The cash incentive award liability at June 30, 2017 was adjusted based on the Company's three year cumulative Adjusted EBITDA performance and adjusted average pre-tax return on capital for the Company's coke and logistics businesses and unallocated corporate expenses. The cash incentive award liability at June 30, 2017 was $0.4 million, which was included in other deferred credits and liabilities on the Consolidated Balance Sheets.

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, 2017	
	2017	2016	2017	2016	Unrecognized Compensation Cost	Recognition Period
	Compensation Expense[1]					
	(Dollars in millions)					(Years)
Equity Awards:						
Stock Options	$ 0.2	$ 0.5	$ 0.8	$ 1.0	$ 0.8	1.2
RSUs	0.3	0.6	0.7	1.5	$ 0.8	1.2
PSUs	0.8	0.4	1.2	0.7	$ 4.2	2.4
Total equity awards	$ 1.3	$ 1.5	$ 2.7	$ 3.2		
Liability Awards:						
Cash RSUs	$ 0.4	$ 0.1	$ 0.4	$ 0.1	$ 1.7	2.0
Cash incentive award	0.2	0.1	0.3	0.1	$ 0.9	2.2
Total liability awards	$ 0.6	$ 0.2	$ 0.7	$ 0.2		

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

The Company and the Partnership issued $0.3 million and $0.2 million of shared-based compensation to the Company's and the Partnership's Board of Directors during the six months ended June 30, 2017 and 2016,

respectively.

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10. Acquisition of Noncontrolling Interest

Partnership Public Unit Purchase Program

On April 17, 2017, the Company's Board of Directors authorized a program for the Company to purchase outstanding Partnership public units at any time and from time to time in the open market, through privately negotiated transactions, block transactions, or otherwise for a total aggregate cost to the Company not to exceed $50.0 million. During the second quarter of 2017, the Company purchased 1,460,404, or approximately 7 percent, of outstanding Partnership public units in the open market for a total cost of $24.6 million, which resulted in a decrease of $15.4 million in noncontrolling interest on the Consolidated Balance Sheets related to the Partnership's net book value acquired by the Company. The Company decreased its additional paid-in capital balance by $5.8 million on the Consolidated Balance Sheets for the consideration paid in excess of the net book value of the noncontrolling interest acquired, net of a deferred tax adjustment of $3.4 million.

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

	Three months ended June 30, 2017	Six months ended June 30, 2017
Net income attributable to SunCoke Energy, Inc.	$(24.2)	$(23.2)
Decrease in SunCoke Energy, Inc. equity for the purchase of additional interest in the Partnership	(5.8)	(5.8)
Change from net income attributable to SunCoke Energy, Inc. and transfers to noncontrolling interest	$(30.0)	$(29.0)

In July 2017, the Company's Board of Directors authorized the Company to purchase an additional $50.0 million of Partnership public units in the open market. Subsequent to June 30, 2017, the Company purchased an additional 131,274 of outstanding Partnership public units in the open market for a total cost of $2.3 million, leaving a remaining public unit purchase program balance of $73.1 million as of July 26, 2017.

11. Earnings per Share

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	(Shares in millions)			
Weighted-average number of common shares outstanding-basic	64.3	64.2	64.3	64.1
Add: Effect of dilutive share-based compensation awards	—	—	—	—
Weighted-average number of shares-diluted	64.3	64.2	64.3	64.1

The following table shows stock options, restricted stock units, and performance stock units 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,	
	2017	2016	2017	2016

	(Shares in millions)			
Stock options	3.3	3.2	3.3	3.1
Restricted stock units	0.1	0.3	0.2	0.4
Performance stock units	1.0	0.4	0.9	0.3
Total	4.4	3.9	4.4	3.8

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12. Supplemental Accumulated Other Comprehensive Loss Information

Changes in accumulated other comprehensive loss, by component, are presented below:

	Benefit Plans	Currency Translation Adjustments	Total
	(Dollars in millions)		
At December 31, 2016	$(4.8)	$ (14.2)	$(19.0)
Other comprehensive income	—	(0.2)	(0.2)
At June 30, 2017	$(4.8)	$ (14.4)	$(19.2)

Reclassifications out of the accumulated other comprehensive loss were as follows:[1]

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	(Dollars in millions)			
Amortization of postretirement benefit plan items to net income:				
Actuarial loss[2]	$0.2	$0.2	$0.4	$0.4
Prior service benefit[2]	(0.2)	(0.2)	(0.4)	(0.4)
Total expense before taxes	—	—	—	—
Less income tax benefit	—	—	—	—
Total expense, net of tax	$—	$—	$—	$—

(1) Amounts in parentheses indicate credits to net income.

(2) These accumulated other comprehensive (income) loss components are included in the computation of postretirement benefit plan expense (benefit). See Note 7.

13. 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 equivalents, which amounted to $4.5 million and $4.4 million at June 30, 2017 and December 31, 2016, respectively, were measured at fair value based on quoted prices in active markets for identical assets. These inputs are classified as Level 1 within the valuation hierarchy.

CMT Contingent Consideration

In connection with the CMT acquisition, the Partnership entered into a contingent consideration arrangement that requires the Partnership to make future payments to The Cline Group based on future volume over a specified threshold, price and contract renewals. The fair value of the contingent consideration was estimated based on a probability-weighted analysis

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using significant inputs that are not observable in the market, or Level 3 inputs. Key assumptions included probability adjusted levels of coal handling services provided by CMT, anticipated price per ton on future sales and probability of contract renewal, including length of future contracts, volume commitment, and anticipated price per ton. The fair value of the contingent consideration at June 30, 2017 and December 31, 2016 was $4.5 million and $4.2 million, respectively, and was included in other deferred credits and liabilities on the Consolidated Balance Sheets. As a result of the increase in fair value, the Partnership recognized $0.3 million of additional expense in costs of products sold and operating expenses on the Consolidated Statements of Operations during the three and six months ended June 30, 2017. During the first quarter of 2016, the Partnership amended the contingent consideration terms with The Cline Group, which resulted in a $3.7 million gain recognized as a reduction to costs of products sold and operating expenses on the Consolidated Statements of Operations during the six months ended June 30, 2016.

Certain Financial Assets and Liabilities not Measured at Fair Value

At June 30, 2017 and December 31, 2016, the fair value of the Company’s total debt was estimated to be $895.4 million and $854.4 million, respectively, compared to a carrying amount of $901.2 million and $858.0 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.

14. Business Segment Information

The Company reports its business through three segments: Domestic Coke, Brazil Coke and Coal 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 and Indiana Harbor recover waste heat, which is converted to steam or electricity through a similar production process. Steam is provided to customers pursuant to steam supply and purchase agreements. Electricity is sold into the regional power market or to AK Steel Holding Corporation ("AK Steel") pursuant to energy sales agreements. Coke sales at each of the Company's five domestic cokemaking facilities are made pursuant to long-term, take-or-pay agreements with ArcelorMittal S.A., AK Steel, and United States Steel Corporation. Each of the coke sales agreements contains pass-through provisions for costs incurred in the cokemaking process, including coal procurement costs (subject to meeting contractual coal-to-coke yields), operating and maintenance expense, costs related to the transportation of coke to the customers, taxes (other than income taxes) and costs associated with changes in regulation, in addition to containing a fixed fee.

The Brazil Coke segment operates a cokemaking facility located in Vitória, Brazil for a project company. The Brazil Coke segment earns income from the Brazilian facility through licensing and operating fees payable to us under long-term contracts with the local project company that will run through at least 2023.

Coal Logistics operations are comprised of CMT, located in Louisiana, KRT, located in West Virginia, SunCoke Lake Terminal, located in Indiana, and DRT, located in Virginia adjacent to our Jewell cokemaking facility. Our coal logistics operations have a collective capacity to mix and transload approximately 40 million tons of coal annually and provide coal handling and/or mixing services to its customers, which include the Partnership's cokemaking facilities and other SunCoke cokemaking facilities. Coal handling and mixing results are presented in the Coal 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, which was historically presented as a separate reportable segment. Prior year periods have been recasted to reflect current presentation.

Segment assets, net of tax are those assets utilized within a specific segment and exclude deferred taxes and current tax receivables.

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The following table includes Adjusted EBITDA, which is the measure of segment profit or loss and liquidity 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,	
	2017	2016	2017	2016
	(Dollars in millions)			
Sales and other operating revenue:				
Domestic Coke	$296.5	$274.0	$575.2	$563.0
Brazil Coke	10.5	7.3	21.3	15.0
Coal Logistics	16.2	11.3	36.4	24.3
Coal Logistics intersegment sales	5.1	5.2	10.2	10.4
Corporate and Other[1]	—	0.1	—	1.5
Corporate and Other intersegment sales[1]	—	0.7	—	22.0
Elimination of intersegment sales	(5.1)	(5.9)	(10.2)	(32.4)
Total sales and other operating revenues	$323.2	$292.7	$632.9	$603.8
Adjusted EBITDA:				
Domestic Coke	$44.0	$51.0	$93.7	$105.3
Brazil Coke	4.5	2.4	8.9	4.7
Coal Logistics	10.0	5.4	23.1	11.3
Corporate and Other[2]	(11.0)	(12.3)	(22.6)	(31.0)
Total Adjusted EBITDA	$47.5	$46.5	$103.1	$90.3
Depreciation and amortization expense:				
Domestic Coke	$26.8	$19.7	$53.4	$40.0
Brazil Coke	0.1	0.2	0.3	0.4
Coal Logistics	6.1	8.0	12.2	13.4
Corporate and Other	0.3	0.7	0.7	3.0
Total depreciation and amortization expense	$33.3	$28.6	$66.6	$56.8
Capital expenditures:				
Domestic Coke	$7.9	$6.9	$19.9	$16.9
Coal Logistics	0.7	9.0	1.3	12.4
Corporate and Other	1.1	0.5	1.2	0.9
Total capital expenditures	$9.7	$16.4	$22.4	$30.2

(1) Corporate and Other revenues related to our legacy coal mining business.

(2) Corporate and Other includes the activity from our legacy coal mining business, which incurred Adjusted EBITDA losses of $2.7 million and $6.2 million during the three and six months ended June 30, 2017, respectively, as well as losses of $3.0 million and $9.3 million during the three and six months ended June 30, 2016, respectively.

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

	June 30, 2017	December 31, 2016
	(Dollars in millions)	
Segment assets		
Domestic Coke	$1,470.1	$1,495.0

Brazil Coke	9.7	32.6
Coal Logistics	504.1	515.6
Corporate and Other	106.4	73.1
Segment assets, excluding tax assets	2,090.3	2,116.3
Tax assets	16.5	4.6
Total assets	$2,106.8	$2,120.9

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The following table sets forth the Company's total sales and other operating revenue by product or service:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	(Dollars in millions)			
Sales and other operating revenue:				
Coke sales	$284.7	$258.4	$548.8	$531.8
Steam and electricity sales	10.9	14.4	24.6	28.9
Operating and licensing fees	10.5	7.4	21.3	15.1
Coal logistics	14.3	11.0	32.4	23.6
Other	2.8	1.5	5.8	4.4
Sales and other operating revenue	$323.2	$292.7	$632.9	$603.8

The Company evaluates the performance of its segments based on segment Adjusted EBITDA, which is defined as earnings before interest, loss (gain) on extinguishment of debt, taxes, depreciation and amortization ("EBITDA"), adjusted for impairments, coal rationalization costs, changes to our contingent consideration liability related to our acquisition of CMT and the expiration of certain acquired contractual obligations. 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 of the operating performance and liquidity of the Company's net assets and its ability to incur and service debt, fund capital expenditures and make distributions. 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 and liquidity. EBITDA and Adjusted EBITDA are not measures calculated in accordance with GAAP, and they should not be considered a substitute for net income, operating cash flow or any other measure of financial performance presented in accordance with GAAP. Set forth below is additional discussion of the limitations of Adjusted EBITDA as an analytical tool.

Limitations. Other companies may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure. Adjusted EBITDA also has limitations as an analytical tool and should not be considered in isolation or as a substitute for an analysis of our results as reported under GAAP. Some of these limitations include that Adjusted EBITDA:

- does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- does not reflect items such as depreciation and amortization;
- does not reflect changes in, or cash requirement for, working capital needs;
- does not reflect our interest expense, or the cash requirements necessary to service interest on or principal payments of our debt;
- does not reflect certain other non-cash income and expenses;
- excludes income taxes that may represent a reduction in available cash; and
- includes net income attributable to noncontrolling interests.

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Below is a reconciliation of Adjusted EBITDA to net income and net cash provided by operating activities, which are its most directly comparable financial measures calculated and presented in accordance with GAAP:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	(Dollars in millions)			
Net cash provided by operating activities	$24.9	$92.1	$54.4	$121.5
Subtract:				
Loss on divestiture of business	—	5.1	—	14.7
Depreciation and amortization expense	33.3	28.6	66.6	56.8
Deferred income tax expense	14.0	0.4	79.8	3.6
Loss (gain) on extinguishment of debt	20.2	(3.5)	20.3	(23.9)
Changes in working capital and other	(11.1)	60.5	(23.1)	56.7
Net (loss) income	$(31.5)	$1.0	$(89.2)	$13.6
Add:				
Coal rationalization costs[(1)]	$—	$—	$—	$0.2
Depreciation and amortization expense	33.3	28.6	66.6	56.8
Interest expense, net	15.2	13.4	28.9	27.4
Loss (gain) on extinguishment of debt	20.2	(3.5)	20.3	(23.9)
Income tax expense	4.7	—	70.9	3.3
Contingent consideration adjustments[(2)]	0.3	—	0.3	(3.7)
Loss on divestiture of business	—	5.1	—	14.7
Expiration of land deposits and write-off of costs related to potential new cokemaking facility[(3)]	5.3	1.9	5.3	1.9
Adjusted EBITDA[(4)]	$47.5	$46.5	$103.1	$90.3
Subtract: Adjusted EBITDA attributable to noncontrolling interest[(5)]	17.5	18.6	39.1	38.9
Adjusted EBITDA attributable to SunCoke Energy, Inc.	$30.0	$27.9	$64.0	$51.4

(1) Prior to the divestiture of our coal mining business, the Company incurred coal rationalization costs including employee severance, contract termination costs and other costs to idle mines incurred during the execution of our coal rationalization plan.

(2) As a result of the increase in fair value of the contingent consideration liability during the second quarter of 2017, the Partnership recognized expense of $0.3 million during the three and six months ended June 30, 2017. The Partnership amended its contingent consideration terms with The Cline Group during the first quarter of 2016. This amendment resulted in a gain of $3.7 million recorded during the six months ended June 30, 2016.

(3) In 2014, we finalized the required permitting and engineering plan for a potential new cokemaking facility to be constructed in Kentucky. However, in June 2017, due to our focus on renewing our existing customer contracts and the lack of any long-term customer commitment for a majority of the facility's capacity, we decided to terminate the project. As a result, during the second quarter of 2017, the Company wrote-off previously capitalized engineering and land deposit costs of $5.3 million. During the second quarter of 2016, the Company wrote-off expiring land deposits related to the project of $1.9 million.

(4) In accordance with the SEC’s May 2016 update of its guidance on the appropriate use of non-GAAP financial measures, Adjusted EBITDA does not include Coal Logistics deferred revenue until it is recognized as GAAP revenue.

(5) Reflects noncontrolling interest in Indiana Harbor and the portion of the Partnership owned by public unitholders.

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15. Supplemental Condensed Consolidating Financial Information

Certain 100 percent owned subsidiaries of the Company serve as guarantors of the obligations under the Credit Agreement and $44.6 million of Notes (“Guarantor Subsidiaries”). These guarantees are full and unconditional (subject, in the case of the Guarantor Subsidiaries, to customary release provisions as described below) and joint and several. For purposes of the following footnote, SunCoke Energy, Inc. is referred to as “Issuer.” The indenture dated July 26, 2011 among the Company, the guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., governs subsidiaries designated as “Guarantor Subsidiaries.” All other consolidated subsidiaries of the Company are collectively referred to as “Non-Guarantor Subsidiaries.”

The ability of the Partnership and Indiana Harbor to pay dividends and make loans to the Company is restricted under the partnership agreements of the Partnership and Indiana Harbor, respectively. The credit agreement governing the Partnership’s credit facility and the indenture governing the Partnership Notes contain customary provisions which would potentially restrict the Partnership’s ability to make distributions or loans to the Company under certain circumstances. For the year ended December 31, 2016, less than 25 percent of net assets were restricted. Additionally certain coal mining entities are designated as unrestricted subsidiaries. As such, all the subsidiaries described above are presented as "Non-Guarantor Subsidiaries." There have been no changes to the "Guarantor Subsidiaries" and "Non-Guarantor Subsidiaries" during 2017.

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 indentures governing the Notes having been satisfied; and
- the release, other than the discharge through payments by a Guarantor Subsidiary, from its guarantee under the Credit Agreement or other indebtedness that resulted in the obligation of the Guarantor Subsidiary under the indenture governing the Notes.

The following supplemental condensed combining and consolidating financial information reflects the Issuer’s separate accounts, the combined accounts of the Guarantor Subsidiaries, the combined accounts of the Non-Guarantor Subsidiaries, the combining and consolidating adjustments and eliminations and the Issuer’s consolidated accounts for the dates and periods indicated. For purposes of the following condensed combining and consolidating information, the Issuer’s investments in its subsidiaries and the Guarantor and Non-Guarantor Subsidiaries’ investments in its subsidiaries are accounted for under the equity method of accounting.

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SunCoke Energy, Inc.
Condensed Consolidating Statement of Operations
Three Months Ended June 30, 2017
(Dollars in millions)

	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Combining and Consolidating Adjustments	Total
Revenues					
Sales and other operating revenue	$—	$ 51.5	$ 272.8	$ (1.1)	$323.2
Equity in (loss) earnings of subsidiaries	(17.8)	(19.6)	—	37.4	—
Total revenues, net of equity (loss) earnings of subsidiaries	(17.8)	31.9	272.8	36.3	323.2
Costs and operating expenses					
Cost of products sold and operating expense	—	38.6	219.7	(1.1)	257.2
Selling, general and administrative expense	2.9	9.9	11.3	—	24.1
Depreciation and amortization expense	—	1.8	31.5	—	33.3
Total costs and operating expenses	2.9	50.3	262.5	(1.1)	314.6
Operating (loss) income	(20.7)	(18.4)	10.3	37.4	8.6
Interest (income) expense, net - affiliate	—	(1.9)	1.9	—	—
Interest expense (income), net	1.2	—	14.0	—	15.2
Total interest expense (income), net	1.2	(1.9)	15.9	—	15.2
Loss on extinguishment of debt	0.3	—	19.9	—	20.2
(Loss) income before income tax expense (benefit)	(22.2)	(16.5)	(25.5)	37.4	(26.8)
Income tax expense (benefit)	2.0	(4.8)	7.5	—	4.7
Net (loss) income	(24.2)	(11.7)	(33.0)	37.4	(31.5)
Less: Net loss attributable to noncontrolling interests	—	—	(7.3)	—	(7.3)
Net (loss) income attributable to SunCoke Energy, Inc.	$(24.2)	$ (11.7)	$ (25.7)	$ 37.4	$(24.2)
Comprehensive (loss) income	$(24.5)	$ (11.7)	$ (33.3)	$ 37.7	$(31.8)
Less: Comprehensive loss attributable to noncontrolling interests	—	—	(7.3)	—	(7.3)
Comprehensive (loss) income attributable to SunCoke Energy, Inc.	$(24.5)	$ (11.7)	$ (26.0)	$ 37.7	$(24.5)

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SunCoke Energy, Inc.
Condensed Consolidating Statement of Operations
Three Months Ended June 30, 2016
(Dollars in millions)

	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Combining and Consolidating Adjustments	Total
Revenues					
Sales and other operating revenue	$—	$ 42.2	$ 251.5	$ (1.0)	$292.7
Equity in (loss) earnings of subsidiaries	(2.1)	—	—	2.1	—
Total revenues, net of equity in (loss) earnings of subsidiaries	(2.1)	42.2	251.5	1.1	292.7
Costs and operating expenses					
Cost of products sold and operating expenses	—	31.6	193.8	(1.0)	224.4
Selling, general and administrative expenses	2.8	6.9	14.0	—	23.7
Depreciation and amortization expense	—	2.3	26.3	—	28.6
Loss on divestiture of business	—	—	5.1	—	5.1
Total costs and operating expenses	2.8	40.8	239.2	(1.0)	281.8
Operating (loss) income	(4.9)	1.4	12.3	2.1	10.9
Interest (income) expense, net - affiliate	—	(1.9)	1.9	—	—
Interest expense, net	1.7	—	11.7	—	13.4
Total interest expense (income), net	1.7	(1.9)	13.6	—	13.4
Gain on extinguishment of debt	—	—	(3.5)	—	(3.5)
(Loss) income before income tax expense	(6.6)	3.3	2.2	2.1	1.0
Income tax (benefit) expense	(2.0)	1.0	1.0	—	—
Net (loss) income	(4.6)	2.3	1.2	2.1	1.0
Less: Net income attributable to noncontrolling interests	—	—	5.6	—	5.6
Net (loss) income attributable to SunCoke Energy, Inc.	$(4.6)	$ 2.3	$ (4.4)	$ 2.1	$(4.6)
Comprehensive (loss) income	$(3.9)	$ 2.3	$ 1.9	$ 1.4	$1.7
Less: Comprehensive income attributable to noncontrolling interests	—	—	5.6	—	5.6
Comprehensive (loss) income attributable to SunCoke Energy, Inc.	$(3.9)	$ 2.3	$ (3.7)	$ 1.4	$(3.9)

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SunCoke Energy, Inc.
Condensed Consolidating Statements of Operations
Six Months Ended June 30, 2017
(Dollars in millions)

	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Combining and Consolidating Adjustments	Total
Revenues					
Sales and other operating revenue	$—	$ 102.4	$ 532.7	$ (2.2)	$632.9
Equity in (loss) earnings of subsidiaries	(13.5)	(102.1)	—	115.6	—
Total revenues	(13.5)	0.3	532.7	113.4	632.9
Costs and operating expenses					
Cost of products sold and operating expense	—	75.5	418.3	(2.2)	491.6
Selling, general and administrative expense	5.0	15.0	23.8	—	43.8
Depreciation and amortization expense	—	3.8	62.8	—	66.6
Total costs and operating expenses	5.0	94.3	504.9	(2.2)	602.0
Operating (loss) income	(18.5)	(94.0)	27.8	115.6	30.9
Interest (income) expense, net - affiliate	—	(3.7)	3.7	—	—
Interest expense (income), net	2.5	(0.2)	26.6	—	28.9
Total interest expense (income), net	2.5	(3.9)	30.3	—	28.9
Loss on extinguishment of debt	0.4	—	19.9	—	20.3
(Loss) income before income tax expense	(21.4)	(90.1)	(22.4)	115.6	(18.3)
Income tax expense (benefit)	1.8	(86.0)	155.1	—	70.9
Net (loss) income	(23.2)	(4.1)	(177.5)	115.6	(89.2)
Less: Net loss attributable to noncontrolling interests	—	—	(66.0)	—	(66.0)
Net (loss) income attributable to SunCoke Energy, Inc.	$(23.2)	$ (4.1)	$ (111.5)	$ 115.6	$(23.2)
Comprehensive (loss) income	$(23.4)	$ (4.1)	$ (177.7)	$ 115.8	$(89.4)
Less: Comprehensive loss attributable to noncontrolling interests	—	—	(66.0)	—	(66.0)
Comprehensive (loss) income attributable to SunCoke Energy, Inc.	$(23.4)	$ (4.1)	$ (111.7)	$ 115.8	$(23.4)

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SunCoke Energy, Inc.
Condensed Consolidating Statements of Operations
Six Months Ended June 30, 2016
(Dollars in millions)

	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Combining and Consolidating Adjustments	Total
Revenues					
Sales and other operating revenue	$—	$ 84.9	$ 520.9	$ (2.0)	$603.8
Equity in (loss) earnings of subsidiaries	(1.4)	11.3	—	(9.9)	—
Total revenues, net of equity in (loss) earnings of subsidiaries	(1.4)	96.2	520.9	(11.9)	603.8
Costs and operating expenses					
Cost of products sold and operating expense	—	65.5	401.4	(2.0)	464.9
Selling, general and administrative expense	5.8	15.8	25.4	—	47.0
Depreciation and amortization expense	—	4.5	52.3	—	56.8
Loss on divestiture of business	—	—	14.7	—	14.7
Total costs and operating expenses	5.8	85.8	493.8	(2.0)	583.4
Operating (loss) income	(7.2)	10.4	27.1	(9.9)	20.4
Interest (income) expense, net - affiliate	—	(3.9)	3.9	—	—
Interest expense, net	3.2	—	24.2	—	27.4
Total interest expense (income), net	3.2	(3.9)	28.1	—	27.4
Gain on extinguishment of debt	—	—	(23.9)	—	(23.9)
(Loss) income before income tax (benefit) expense	(10.4)	14.3	22.9	(9.9)	16.9
Income tax (benefit) expense	(1.7)	7.1	(2.1)	—	3.3
Net (loss) income	(8.7)	7.2	25.0	(9.9)	13.6
Less: Net income attributable to noncontrolling interests	—	—	22.3	—	22.3
Net (loss) income attributable to SunCoke Energy, Inc.	$(8.7)	$ 7.2	$ 2.7	$ (9.9)	$(8.7)
Comprehensive (loss) income	$(7.6)	$ 7.2	$ 26.1	$ (11.0)	$14.7
Less: Comprehensive income attributable to noncontrolling interests	—	—	22.3	—	22.3
Comprehensive (loss) income attributable to SunCoke Energy, Inc.	$(7.6)	$ 7.2	$ 3.8	$ (11.0)	$(7.6)

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SunCoke Energy, Inc.
Condensed Consolidating Balance Sheet
June 30, 2017
(Dollars in millions, except per share amounts)

	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Combining and Consolidating Adjustments	Total
Assets					
Cash and cash equivalents	$—	$ 94.5	$ 42.2	$ —	$ 136.7
Receivables	—	11.3	54.0	—	65.3
Inventories	—	10.9	105.5	—	116.4
Income tax receivable	—	—	83.2	(66.7)	16.5
Other current assets	—	3.0	3.1	—	6.1
Advances to affiliate	—	239.8	—	(239.8)	—
Total current assets	—	359.5	288.0	(306.5)	341.0
Notes receivable from affiliate	—	89.0	300.0	(389.0)	—
Properties, plants and equipment, net	—	61.1	1,449.8	—	1,510.9
Goodwill	—	3.4	73.5	—	76.9
Other intangible assets, net	—	2.0	171.5	—	173.5
Deferred charges and other assets	—	3.5	1.0	—	4.5
Investment in subsidiaries	519.8	731.2	—	(1,251.0)	—
Total assets	$ 519.8	$ 1,249.7	$ 2,283.8	$ (1,946.5)	$ 2,106.8
Liabilities and Equity					
Advances from affiliate	$ 165.3	$ —	$ 74.5	$ (239.8)	$—
Accounts payable	—	17.0	109.4	—	126.4
Accrued liabilities	0.8	15.9	26.9	—	43.6
Deferred revenue	—	—	12.0	—	12.0
Current portion of long-term debt and financing obligation	—	—	3.7	—	3.7
Interest payable	1.4	—	5.2	—	6.6
Income taxes payable	0.8	65.9	—	(66.7)	—
Total current liabilities	168.3	98.8	231.7	(306.5)	192.3
Long-term debt and financing obligation	42.5	—	827.8	—	870.3
Payable to affiliate	—	300.0	89.0	(389.0)	—
Accrual for black lung benefits	—	12.7	33.3	—	46.0
Retirement benefit liabilities	—	13.6	14.2	—	27.8
Deferred income taxes	21.3	278.3	129.1	—	428.7
Asset retirement obligations	—	—	13.9	—	13.9
Other deferred credits and liabilities	3.2	6.8	10.4	—	20.4
Total liabilities	235.3	710.2	1,349.4	(695.5)	1,599.4
Equity					
Preferred stock, $0.01 par value. Authorized 50,000,000 shares; no issued shares at June 30, 2017	—	—	—	—	—
Common stock, $0.01 par value. Authorized 300,000,000 shares; issued 71,807,075 shares at June 30, 2017	0.7	—	—	—	0.7
Treasury stock, 7,477,657 shares at June 30, 2017	(140.7)	—	—	—	(140.7)
Additional paid-in capital	489.2	195.4	654.8	(850.2)	489.2
Accumulated other comprehensive (loss) income	(19.2)	(1.6)	(17.6)	19.2	(19.2)

Retained (deficit) earnings	(45.5)	345.7	74.3	(420.0)	(45.5)
Total SunCoke Energy, Inc. stockholders' equity	284.5	539.5	711.5	(1,251.0)	284.5
Noncontrolling interests	—	—	222.9	—	222.9
Total equity	284.5	539.5	934.4	(1,251.0)	507.4
Total liabilities and equity	$519.8	$ 1,249.7	$ 2,283.8	$ (1,946.5)	$2,106.8

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SunCoke Energy, Inc.
Condensed Consolidating Balance Sheet
December 31, 2016
(Dollars in millions, except per share amounts)

	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Combining and Consolidating Adjustments	Total
Assets					
Cash and cash equivalents	$ —	$ 59.7	$ 74.3	$ —	$ 134.0
Receivables	—	12.2	48.5	—	60.7
Receivable from redemption of investment in Brazil	—	—	20.5	—	20.5
Inventories	—	9.0	83.5	—	92.5
Income tax receivable	17.8	—	74.3	(87.5)	4.6
Other current assets	0.2	1.8	1.8	—	3.8
Advances to affiliate	—	282.2	—	(282.2)	—
Total current assets	18.0	364.9	302.9	(369.7)	316.1
Notes receivable from affiliate	—	89.0	300.0	(389.0)	—
Properties, plants and equipment, net	—	62.8	1,479.8	—	