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SunCoke Energy, Inc.
Form S-1/A
May 11, 2011
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As filed with the Securities and Exchange Commission on May 11, 2011

Registration No. 333-173022

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1
to
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

SUNCOKE ENERGY, INC.

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of
incorporation or organization)

3312
(Primary Standard Industrial
Classification Code Number)
Parkside Plaza

90-0640593
(I.R.S. Employer
Identification Number)

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(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement is declared effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting 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
Non-accelerated filer (Do not check if a smaller reporting company) Accelerated filer
Smaller reporting company

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. The selling stockholder may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MAY 11, 2011

Shares

SunCoke Energy, Inc.

Common Stock

This is an initial public offering of our common stock. Sunoco, Inc., in its capacity as selling stockholder for federal securities law purposes, is offering _____ shares of our common stock if and to the extent the debt exchange party acquires such shares from Sunoco, Inc. prior to the completion of the offering in exchange for Sunoco, Inc. indebtedness held by the debt exchange party as described in Underwriting. Under the federal securities laws, Sunoco, Inc. is the selling stockholder of these shares. However, the debt exchange party, and not Sunoco, Inc., will receive the cash proceeds from the offering. The debt exchange party is also an affiliate of one of the underwriters in this offering. We will not receive any proceeds from the sale of shares of our common stock in the offering.

Prior to this offering, there has been no public market for our common stock. The initial public offering price of the common stock is expected to be between \$ _____ and \$ _____ per share. We intend to apply to list our common stock on the New York Stock Exchange under the symbol SXC.

The underwriters have an option to acquire a maximum of _____ additional shares from the selling stockholder as described in Underwriting to cover over-allotments of shares. We will not receive any of the proceeds from the shares of common stock sold pursuant to the over-allotment option.

Investing in our common stock involves risks. See Risk Factors on page 15.

	Price to Public	Underwriting Discounts and Commissions	Proceeds
Per Share	\$	\$	\$
Total	\$	\$	\$
Delivery of the shares of common stock will be made on or about _____, 2011.			

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Credit Suisse

The date of this prospectus is _____, 2011.

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You should rely only on the information contained in this prospectus, or any free writing prospectus prepared by or on behalf of us, or to which we have referred you. None of Sunoco, Inc., SunCoke Energy, Inc., the debt exchange party or the underwriters has authorized anyone to provide you with information different from, or inconsistent with, the information contained in this prospectus. None of Sunoco, Inc., SunCoke Energy, Inc., the debt exchange party or the underwriters is making an offer to sell these securities in any jurisdiction where such offer or sale is not permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common stock.

Dealer Prospectus Delivery Obligation

Until _____, 2011 (25 days after the commencement of the offering), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to unsold allotments or subscriptions.

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PROSPECTUS SUMMARY

The following summary highlights significant aspects of our business and this offering, but it is not complete and does not contain all of the information that you should consider before making your investment decision. In addition to this summary, you should read the entire prospectus carefully, including the risks of investing in our common stock and the other information discussed under Risk Factors, and the financial statements and related notes, before making an investment decision. This summary contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from the results discussed in the forward-looking statements as a result of certain factors, including those set forth in Risk Factors and Cautionary Statement Concerning Forward-Looking Statements.

We describe in this prospectus the businesses contributed to us by Sunoco, Inc. as part of our separation from Sunoco, Inc. as if they were our businesses for all historical periods described. Please see Our Separation from Sunoco for a description of this separation. Our historical financial results as part of Sunoco, Inc. contained in this prospectus may not reflect our financial results in the future as a stand-alone company or what our financial results would have been had we been a stand-alone company during the periods presented.

As used in this prospectus, references to our company, SunCoke, we, our or us refer to SunCoke Energy, Inc., and its consolidated subsidiaries, after giving effect to the transfer to us by Sunoco, Inc. of the assets and liabilities that comprise our business. As used in this prospectus, references to Sunoco refer to Sunoco, Inc. and its consolidated subsidiaries, other than SunCoke. Certain industry and other technical terms used throughout this prospectus relating primarily to our business, including terms related to the coke and coal industries are defined in the Glossary of Selected Terms included elsewhere in this prospectus.

Our Company

We are the largest independent producer of high-quality metallurgical coke in the Americas, as measured by tons of coke produced each year, and have over 45 years of coke production experience. Metallurgical coke is a principal raw material in the integrated steelmaking process. We have designed, developed and built, and currently own and operate four metallurgical cokemaking facilities in the United States and designed and operate one cokemaking facility in Brazil under licensing and operating agreements on behalf of our customer. We are currently constructing a fifth U.S. facility that we also will own and operate and that is expected to be completed in the fourth quarter of 2011. Upon its completion, we expect that our total cokemaking capacity will increase to approximately 4.2 million tons of coke per year in the United States. The cokemaking facility that we operate in Brazil has cokemaking capacity of approximately 1.7 million tons of coke per year. We also have a preferred stock investment in the project company that owns the Brazil facility. We own and operate coal mining operations in Virginia and West Virginia that have sold an average of approximately 1.2 million tons of metallurgical coal per year (including internal sales to our cokemaking operations) over the past three years.

We are a technological leader in cokemaking. Our advanced heat recovery cokemaking process has numerous advantages over by-product cokemaking, including producing higher quality coke, using waste heat to generate derivative energy for resale and reducing environmental impact. The Clean Air Act Amendments of 1990 specifically directed the U.S. Environmental Protection Agency, or EPA, to evaluate our heat recovery coke oven technology as a basis for establishing Maximum Achievable Control Technology, or MACT, standards for new cokemaking facilities. In addition, each of the three cokemaking facilities that we have built since 1990 have either met or exceeded the applicable Best Available Control Technology, or BACT, or Lowest Achievable Emission Rate, or LAER, standards, as applicable, set forth by the EPA for cokemaking facilities. In conducting our cokemaking operations, we direct our marketing efforts principally towards steelmaking facilities that require high quality metallurgical coke for their blast furnaces. We currently sell approximately 3.6 million tons of metallurgical coke per year to our three primary customers in the United States: ArcelorMittal, United States

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Steel Corporation, or U.S. Steel, and AK Steel Corporation, or AK Steel. For the year ended December 31, 2010, ArcelorMittal, our largest customer, accounted for approximately 69 percent of our total revenues. Substantially all of our coke sales are made pursuant to long-term take-or-pay agreements which require that our customers either take all of our coke production up to a specified tonnage maximum or pay the contract price for any such coke they elect not to accept. These coke sales agreements have an average remaining term of approximately 9 years.

Our underground metallurgical coal mining operations near our Jewell cokemaking facility had at least 85 million tons of proven and probable coal reserves as of December 31, 2010. In January 2011, we acquired Harold Keene Coal Co., Inc. and its affiliated companies, or the HKCC Companies, for approximately \$51 million, consisting of a net cash payment of \$36 million and contingent consideration totaling \$15 million. This acquisition adds between 250 thousand and 300 thousand tons of coal production annually, with the potential to expand production in the future, and 21 million tons of proven and probable coal reserves located in Russell and Buchanan Counties in Virginia, contiguous to our existing metallurgical coal mining operations.

All of our expected 2011 coal production volumes, including production from the HKCC Companies, are contracted for sale. An expansion plan is underway that we expect will increase our coal production from our underground mines by approximately 500 thousand tons per year, which will increase our ongoing annualized sales to approximately two million tons by late 2012. Capital outlays for this project are expected to total approximately \$25 million. We are also currently evaluating opportunities to economically extract a limited amount of metallurgical and steam coal from surface mines at our Jewell coal mining operations that are not included in our current proven and probable reserve estimate. We currently believe such surface mining activity could produce approximately 1.3 million tons of coal over three years beginning in 2012. Estimated cash outlays for this potential surface mining project are expected to total approximately \$20 million.

Including the HKCC Companies, our mining operations now consists of 13 active underground mines, one active surface mine and one active highwall mine in Russell and Buchanan Counties, Virginia and McDowell County, West Virginia. Our coal mining operations have historically produced coal that we believe possesses highly desirable coking properties: mid-volatility and low sulfur and ash content. Substantially all of our mined coal has been used internally at our nearby Jewell cokemaking facility or at our other domestic cokemaking facilities. The operations of the recently acquired HKCC Companies produce high volatile A and high volatile B metallurgical coals, which can be blended with the mid-volatility coal produced by our existing coal mining operations, and high quality steam coal.

For the year ended December 31, 2010, our total revenues, net income and Adjusted EBITDA were approximately \$1.3 billion, \$146.3 million and \$227.3 million, respectively. For the definition of Adjusted EBITDA and a presentation of net income (loss) calculated in accordance with generally accepted accounting principles, or GAAP, and reconciliation to our Adjusted EBITDA, see Summary Historical and Pro Forma Financial and Operating Data.

Competitive Strengths

Our competitive strengths are as follows:

Largest independent metallurgical coke producer in the Americas. We are the largest independent metallurgical coke producer in the Americas as measured by tons of coke produced each year. By the end of 2011, we expect to be operating facilities with total cokemaking capacity of approximately 6 million tons, including a facility in Brazil that we operate on behalf of one of our customers. We believe that our operating scale and cokemaking facilities provide strong name recognition throughout the industry and serve as an effective marketing platform to help grow our business. The scale of our operations allows us to leverage company-wide best practices and systems for the continuous improvement of our facilities. In

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addition, because our facilities, equipment and operational practices are highly standardized, we expect to be able to leverage our experience with our existing facilities in the start up and establishment of projects in new markets.

Highly efficient, commercially proven cokemaking technology and valuable proprietary know-how. Our cokemaking technology has been developed over five decades through our operational experience and research and development efforts. We operate over one thousand ovens, some of which have been in service for more than 20 years, and have built a record of reliable operations with our customers. Over the last 20 years, we have also made significant advances in the design of our facilities and have been granted numerous patents for certain proprietary features. As a result of our design improvements and extensive operational know-how, we believe that we possess the most advanced and environmentally sound cokemaking technology in the industry. For example, our oven design and operational practices allow us to produce more electricity from our heat recovery process than any competing heat recovery technology. Our facilities can generate approximately nine megawatts of electric power each hour per 110 thousand tons of cokemaking capacity (e.g., a 550 thousand ton per year facility can produce approximately 45 megawatts per hour) whereas competing heat recovery designs can produce seven or less megawatts of electric power each hour per 110 thousand tons of cokemaking capacity. The Clean Air Act Amendments of 1990 specifically directed the EPA to evaluate our heat recovery coke oven technology as a basis for establishing MACT standards for new cokemaking facilities. In addition, each of the three cokemaking facilities that we have built since 1990 have either met or exceeded the applicable BACT or LAER standards, as applicable, set forth by the EPA for cokemaking facilities. The negative pressure operation of our ovens contains and virtually eliminates emissions of hazardous pollutants that by-product ovens can emit.

Secure, long-term agreements with leading steelmakers. We make substantially all of our metallurgical coke sales pursuant to long-term coke sales agreements with ArcelorMittal, U.S. Steel and AK Steel, which are three of the largest integrated steelmakers in North America. These coke sales agreements have an average remaining term of approximately 9 years and contain take-or-pay provisions, which require that our customers either take all of our coke production up to a specified tonnage maximum or pay the contract price for any such coke they elect not to accept. To date, our customers have always satisfied their obligations under these agreements. With the exception of our Jewell cokemaking facility, where we mine our own coal, all of our coke sales agreements also effectively provide for the pass-through of coal costs, subject to meeting contractual coal-to-coke yields. The coal component of the Jewell coke price is fixed annually for each calendar year based on the weighted-average contract price of third-party coal purchases at our Haverhill facility applicable to ArcelorMittal coke sales. These features of our coke sales agreements reduce our exposure to coal price changes over the remaining terms of the agreements. In addition, we designed and currently operate one cokemaking facility in Brazil under long-term licensing and operating agreements with affiliates of ArcelorMittal that will run through 2023, subject, in the case of the licensing agreement, to the issuance prior to 2014 of certain patents in Brazil that have been granted in the United States.

Proven ability to develop, permit, construct and start up new facilities. We have executed the development, permitting, construction and start up of three projects in the United States with approximately 1.75 million tons of cokemaking capacity in the last six years. We have received permits and have begun construction of a facility in Middletown, Ohio that we expect will become operational in the fourth quarter of 2011, and we are the only company to complete a greenfield cokemaking facility in the United States in the last 25 years. We believe our demonstrated capability to develop, permit, construct and start up new facilities provides us with an advantage in pursuing growth opportunities in the United States and internationally.

Demonstrated international operating experience. The Vitória, Brazil cokemaking facility is the largest facility that we operate. Prior to the start up of the facility, we did not have a presence outside of the United States. Using our technology and operating expertise, we provided technical advice during

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construction, and we completed start up and initiated operation of this facility, including the development and training of the local management team. We believe that our standardized plant design, well-developed operating practices and systems, and experience from our existing operations facilitated the successful execution of this international project and can be replicated for projects in new markets.

Availability of high-quality metallurgical coal reserves. Including the acquisition of the HKCC Companies in January 2011, we control at least 106 million tons of proven and probable coal reserves. We have sold an average of approximately 1.2 million tons of metallurgical coal per year (including internal sales to our cokemaking operations) over the past three years. In addition, the HKCC Companies sell between 250 thousand and 300 thousand tons of coal annually and have the potential to expand production in the future. Our coal mining operations have historically produced metallurgical coal that we believe possesses highly desirable coking properties and, as such, it can be used as a single-coal blend for making high-quality coke or as a high-quality supplement to nearly any coal blend. We have also used our coal production to supplement coal purchases at our other domestic cokemaking facilities and have the ability to sell coal to third parties, including those in international markets. The operations of the recently acquired HKCC Companies produce high volatile A and high volatile B metallurgical coals, which can be blended with the mid-volatility coal produced by our existing coal mining operations, and high quality steam coal. Since 2003, prices for metallurgical coal have risen by 320 percent. We expect demand for high quality metallurgical coal to continue to grow.

Excellent safety record in coal mining and cokemaking operations. The health and safety of our employees is of paramount importance to us. We believe that we employ best practices and conduct continual training programs in compliance with regulatory requirements to ensure that all of our employees are focused on safety. We have consistently operated our metallurgical coke operations within or near the top quartile for the U.S. Occupational Safety and Health Administration's recordable injury rates as measured and reported by the American Coke and Coal Chemicals Institute. Our coal mining operations are among the safest in the United States, consistently operating in the top quartile for the U.S. Department of Labor's Mine Safety and Health Administration, or MSHA, recordable injury rates for underground bituminous coal mining. We have also won the Sentinels of Safety award for 2008 from the MSHA for having the mine with the most employee hours worked without experiencing a lost-time injury.

Highly experienced management team. Our senior operating management team averages 26 years of experience in global industrial manufacturing and infrastructure development, including in the coal, coke and steel-related industries. In September 2010, we hired a new chief executive officer, Frederick A. Henderson, who served as chief executive officer, chief operating officer and chief financial officer of one of the largest global automakers and has extensive global operations and manufacturing experience as well as extensive expertise in dealing with the steel industry. We believe that our management team's combination of industry knowledge, experience in major manufacturing operations and experience in developing large global fixed asset projects provides a strong leadership foundation for our future growth.

Business and Growth Strategies

Our business and growth strategies are as follows:

Maintain our consistent focus on operational excellence, safety and environmental stewardship. Operating our cokemaking facilities reliably and at low cost while producing consistently high quality coke is critical to maintaining the satisfaction of our existing customers and our ability to secure new customers and projects. We have developed and instituted a management program to drive the reliable and cost-efficient operation of our facilities through standardized processes, procedures and management systems incorporating best practices that we refer to as the SunCoke Way. We believe that the SunCoke Way provides the foundation to achieve operational excellence at our facilities and represents a key

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component of the future growth of our business. Our expertise at developing, constructing and operating our facilities will enable us to continue growing with our customers, and others, as they construct new blast furnaces and their existing cokemaking facilities require replacement. We are also currently implementing operational improvements in our coal mining business. These initiatives focus on improving the productivity and safety of our operations and include the upgrading or replacement of mining equipment, the implementation of improved operating practices, and the use of enhanced reporting metrics. We are also committed to maintaining a safe work environment and ensuring strict compliance with applicable laws and regulations at both our cokemaking and coal mining operations. To support these objectives, we are in the process of implementing a structured safety and environmental process that provides a robust framework for managing and monitoring safety and environmental performance. We also seek to foster good relationships with regulators, policymakers, state and local officials and the communities in which we operate.

Grow our international footprint with a focus on key growth markets. We believe that international markets and, in particular, emerging economies will drive the vast majority of coke demand growth in the coming decade and as such will require significant new cokemaking capacity. CRU International, Ltd. estimates that global crude steel production will grow by nearly 4 percent per year to 2,244 million tons by 2020, and that global coke demand will increase by approximately 196 million tons by 2020, representing a 30 percent increase in coke demand from estimated 2010 levels. We have targeted Brazil, China, Eastern Europe and India as key markets that we believe offer us attractive growth opportunities and where we expect to focus our development efforts. We believe our track record as a technological pioneer in cokemaking and our growing portfolio of cokemaking facilities provide strong name recognition throughout the global steel industry and serve as an effective marketing platform. The Vitória, Brazil facility that we designed and operate for a subsidiary of ArcelorMittal represents the successful completion and operation of an international facility in a market where we previously had no presence. Our existing relationships with world-class steelmakers also provide potential customers with a tangible and successfully-demonstrated framework for outsourcing a critical component of their manufacturing process. Our relationships demonstrate that we have the commercial and technical capability and experience to reliably and consistently meet our customers' needs on a long-term basis.

Continue to grow our North American cokemaking businesses. Integrated steelmakers in the United States and Canada have historically imported and are currently importing coke to fill a structural deficit in the market. This deficit has ranged between two and four million tons of coke per year from 2005 to 2009. These coke volumes have been and continue to be sourced in the international market, largely from Chinese suppliers, and as such are subject to significant price volatility. In addition to this capacity deficit, more than 25 percent of the cokemaking capacity in the United States and Canada, representing 5.7 million tons per year of capacity, are older than 40 years. We believe that a significant proportion of this aging capacity will require replacement in the coming decade to address facility conditions or meet more stringent environmental standards. We believe the combination of these factors—a structural domestic capacity deficit and aging capacity—present an attractive opportunity for our continued growth in North America. To facilitate the development of these opportunities, we plan to leverage our deep knowledge of the market and our relationships with all of the largest integrated steelmakers in North America. In support of this initiative, we are currently in the early stages of permitting a potential new U.S. cokemaking facility in Kentucky that we believe, if constructed, would produce up to 1.1 million tons of coke per year. We are also assessing alternative sites in other states for this project. We believe this potential project could serve multiple customers and also provide an opportunity to sell a portion of the production in open market sales. In addition to new growth opportunities, the completion of our Middletown facility that is currently under construction is also an important component of our plan to increase the profitability and cash generation of our North American business. Once online, the facility will not only generate incremental earnings and cash flow but also will significantly increase the diversification of our earnings base. We anticipate that once our Middletown facility is in full production, none of our coke sales agreements will constitute more than

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approximately 20 percent of our overall operating income excluding corporate overhead costs, whereas our Jewell coke sales agreement accounted for nearly 80 percent of such income in 2010.

Reserve a portion of our cokemaking capacity in future projects for opportunistic market sales. All of our current cokemaking capacity, including from the Middletown facility under construction, is committed under long-term take-or-pay agreements. For our future projects we may seek to reserve a portion of the facility's overall cokemaking capacity for sales on the open market. We believe that, when combined with a base of long-term commitments, uncommitted capacity reserved for open market sales will provide an attractive opportunity to capture significant value during market up-cycles. We anticipate targeting approximately 5 to 10 percent of our overall coke sales volumes for sales in the open market. In particular, if we are successful in developing a new U.S. cokemaking facility, we may reserve a portion of the annual capacity at such facility for open market sales.

Maintain our technological advantage through the development or acquisition of new technologies. Our active engineering and technology development program is focused on maintaining our technological edge. This program is focused on adapting and improving our current cokemaking technology to meet the varying needs of customers in different regions and identifying new or adjacent technologies that could be developed or acquired to augment our offering and create additional growth opportunities. This program also provides a basis for continuous improvement in our current cokemaking operations.

Expand our domestic coal production and pursue selective reserve acquisitions. In January 2011, we acquired the HKCC Companies for approximately \$40 million including working capital. This acquisition adds 21 million tons of proven and probable coal reserves located in Russell and Buchanan Counties in Virginia, contiguous to our existing metallurgical coal mining operations. An expansion plan is underway that we expect will increase our coal production from our underground mines by approximately 500 thousand tons per year, which will increase our ongoing annualized sales to approximately two million tons by late 2012. We expect capital outlays for this project to total approximately \$25 million. We are also currently evaluating opportunities to economically extract a limited amount of metallurgical and steam coal from surface mines at our Jewell coal mining operations that are not included in our current proven and probable reserve estimate. We currently believe such surface mining activity could produce approximately 1.3 million tons of coal over three years beginning in 2012. Estimated cash outlays for this potential surface mining project are expected to total approximately \$20 million. In addition to organic growth of our coal production, we will also evaluate selective, opportunistic acquisitions of additional coal reserves that can complement our portfolio and grow our annual production.

Maintain liquidity and financial flexibility to facilitate growth. Our core business model is predicated on providing alternatives for steelmakers to investing capital in captive coke production facilities. Consequently, our ability to grow requires significant capital investment for most projects and in turn requires a solid financial profile to support such investments. Our aim is to maintain liquidity and capital resources at levels that will permit us to continue to finance additional growth projects that are likely to require significant capital investment. Where appropriate, we also will pursue opportunities for attractive strategic partnerships and other project financing and structuring options, to maximize value for our stockholders and our customers.

Recent Developments

In January 2011, we amended our Jewell and Haverhill coke sales agreements with ArcelorMittal to, among other things, extend their respective take-or-pay provisions through 2020. We entered into these amendments as part of our settlement with ArcelorMittal to resolve the lawsuit concerning coke pricing for our Jewell cokemaking facility. If these amendments had been in place during 2010, our pretax earnings would have been reduced by approximately \$60 million. In February 2011, we entered into a settlement agreement with ArcelorMittal to resolve arbitration claims at our Indiana Harbor cokemaking facility. We do not expect this

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settlement to significantly impact our future income. For more information on the settlement, the amendments to the coke sales agreements and their impact on our business, see Management's Discussion and Analysis of Financial Position and Results of Operations Outlook Resolution of Contract Disputes with ArcelorMittal and Business Legal Proceedings.

Relationship with Sunoco

We are currently a wholly owned subsidiary of Sunoco. After completion of this offering, Sunoco will have the ownership interests described below under The Offering, and we will no longer be its wholly owned subsidiary. We had no material assets or activities as a separate corporate entity until the contribution to us by Sunoco of the businesses described in this prospectus.

After completion of this offering, Sunoco plans to distribute all of the shares of our common stock it then owns to Sunoco's shareholders before by means of a spin-off, which is a *pro rata* distribution by Sunoco of the shares of our common stock it owns to holders of Sunoco's common stock. Sunoco's agreement to complete the distribution on or before is contingent on the satisfaction or waiver of a variety of conditions. In addition, Sunoco has the right to terminate its obligations to complete the distribution if, at any time, Sunoco's board of directors determines, in its sole discretion, that the distribution is not in the best interests of Sunoco or its shareholders. As a result, the distribution may not occur by the contemplated time or at all. For a discussion of the conditions to the distribution, Sunoco's rights to terminate its obligation to complete the distribution and restrictions in Sunoco's indebtedness that may prohibit the distribution, see Arrangements Between Sunoco and Our Company and Risk Factors.

Prior to the completion of this offering, we will enter into agreements with Sunoco that will govern the separation of our businesses from Sunoco and various interim and ongoing relationships. These agreements will be in effect as of the completion of this offering. They will provide for, among other things, the transfer from Sunoco to us of assets and the assumption by us of liabilities comprising our businesses. For more information regarding the assets and liabilities to be transferred to us, see our combined pro forma and historical financial statements and accompanying notes included elsewhere in this prospectus. See Arrangements Between Sunoco and Our Company for a more detailed discussion of these agreements. All of the agreements relating to our separation from Sunoco will be made in the context of a parent-subsiidiary relationship and will be entered into in the overall context of our separation from Sunoco. The terms of these agreements may be more or less favorable to us than if they had been negotiated with unaffiliated third parties. See Risk Factors Risks Related to Our Ongoing Relationship with Sunoco.

The Underwriting and Exchange

Instead of selling shares of our common stock directly to the underwriters for cash, Sunoco will first exchange the shares of our common stock to be sold in this offering with the debt exchange party for outstanding debt obligations of Sunoco held by the debt exchange party. The debt exchange party, which is an affiliate of one of the underwriters, will then sell our shares to the underwriters. Upon completion of the debt for equity exchange, the Sunoco debt obligations exchanged in the debt for equity exchange will be retired. We do not guarantee or have any other obligations in respect of these Sunoco debt obligations. See Underwriting The Exchange.

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Risk Factors

There are a number of risks that you should understand before making an investment decision regarding this offering. These risks are discussed more fully in the section entitled "Risk Factors" following this prospectus summary. These risks include, but are not limited to:

Risks related to our operations generally, such as:

Unfavorable economic conditions could cause our customers to reduce their demand for our products, default on the debts they owe to us or defer contracted shipments of coke or coal.

Extensive laws and regulations, including those related to permits, environmental matters and health and safety, may increase our costs of conducting our cokemaking and coal mining businesses.

Equipment upgrades, equipment failures and depreciation of assets may lead to production curtailments, shutdowns or additional expenditures.

Risks related to our cokemaking business, such as:

Our customers operate in a competitive and cyclical industry, which may result in their default on, or failure to comply with, their contractual obligations to purchase coke, failure to extend their existing contracts with us, or enter into new long-term contracts with us that are less advantageous than our existing contracts with them.

Our current customer base is concentrated among three customers, with one customer, ArcelorMittal, accounting for approximately 69 percent of our total revenues.

Our domestic or international growth strategies to develop, design, construct, start up and operate new cokemaking facilities domestically or internationally may not be successfully implemented.

Risks related to our coal mining business, such as:

Coal prices are subject to change and a substantial or extended decline in prices could materially and adversely affect our profitability and the value of our coal reserves.

Extensive environmental and safety regulations impose significant costs on our coal mining operations, and future regulations could materially increase those costs, impose new or increased liabilities, limit our ability to produce and sell coal, or require us to change our operations significantly.

Operating risks related to our coal mining operations that are beyond our control could result in a material increase in operating expenses and a decrease in production levels.

Conflicts of Interest

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Sunoco, as selling stockholder, will own all of our outstanding common stock until the completion of this offering. Immediately following completion of this offering, we expect Sunoco will own approximately percent of our shares of common stock, assuming the underwriters do not exercise their over-allotment option. Prior to this offering, we have had, and, after this offering, we will continue to have, certain commercial and contractual arrangements with Sunoco and its affiliates. Sunoco intends to consummate a debt exchange pursuant to which it will exchange a portion of our outstanding common stock for outstanding indebtedness of Sunoco pursuant to an exchange agreement with an affiliate of one of the underwriters, who we refer to in this prospectus as the debt exchange party. The debt exchange party will receive all of the net proceeds of this offering if the exchange described in Underwriting takes place. Certain of the underwriters may be deemed to have a conflict of interest under Rule 5121 of the Conduct Rules of the Financial Industry Regulatory Authority, Inc., or FINRA. See Risk Factors Risks Related to Our Relationship with Sunoco, Use of Proceeds, and Underwriting.

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Corporate and Other Information

We were incorporated as SunCoke Energy, Inc. in December 2010 under the laws of the State of Delaware. Our principal executive offices are located at Parkside Plaza, 11400 Parkside Drive, Knoxville, Tennessee 37934. Our telephone number is +1 (865) 288-5200. Our website is www.suncoke.com. **The information and other content contained on our website is not incorporated by reference in this prospectus. You should not consider information and other content contained on our website to be a part of this prospectus.**

About Sunoco, Inc.

Sunoco, Inc., headquartered in Philadelphia, Pennsylvania, is a leading transportation fuel provider, with operations located mainly in the East Coast and Midwest regions of the United States. In addition to its ownership interest in us, Sunoco sells transportation fuels through more than 4,900 branded retail locations in 23 states. APlus convenience stores are operated by Sunoco or independent dealers in more than 600 of its retail locations. The retail network in the Northeast is principally supplied by Sunoco-owned refineries with a combined crude oil processing capacity of 505 thousand barrels per day. Sunoco is also the general partner and has a 31 percent interest in Sunoco Logistics Partners, L.P., a publicly traded master limited partnership which owns and operates 7,600 miles of refined product and crude oil pipelines and approximately 40 active product terminals. Many of Sunoco Logistics' pipelines and terminals and storage facilities are integrated with Sunoco's retail network and refineries.

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The Offering

Common stock to be sold in this offering shares (percent of shares outstanding)

Total common stock to be issued and outstanding immediately after this offering shares

Common stock to be held by Sunoco immediately after this offering shares (percent of shares outstanding)

Over-allotment option The underwriters have an option to acquire a maximum of additional shares from the selling stockholder as described in Underwriting to cover over-allotments of shares. We will not receive any of the proceeds from the shares of common stock sold pursuant to the over-allotment option.

Selling stockholder Sunoco, as selling stockholder, will grant the debt exchange party the right to purchase up to shares of our common stock, in connection with this offering, if and to the extent Sunoco completes the exchange of certain of its indebtedness with the debt exchange party for our shares prior to the completion of the offering. Although, under U.S. federal securities laws, Sunoco is the selling stockholder of any shares of our common stock, the debt exchange party, not Sunoco, will receive the cash proceeds from the sale of the shares of our common stock in this offering.

Use of proceeds We will not receive any proceeds from the sale of our common stock in this offering. All of the net proceeds from this offering will be received by the debt exchange party, which will acquire our common stock being sold in this offering from Sunoco in exchange for outstanding Sunoco indebtedness held by the debt exchange party.

Dividend policy We do not anticipate paying any dividends on our common stock in the foreseeable future. We currently intend to retain our future earnings for use in the operation and expansion of our business. Our board of directors is free to change our dividend practices at any time, including to increase, decrease or eliminate our dividend. See Dividend Policy.

New York Stock Exchange symbol We intend to apply to have the shares of our common stock listed on the New York Stock Exchange, or NYSE, under the symbol SXC.

Unless otherwise indicated, all references to the number and percentage of shares of common stock outstanding and percentage ownership information are based on our pro forma shares of common stock, in each case following this offering and the separation and assuming the following:

 There is no exercise of the underwriters' option to purchase up to additional shares of our common stock to cover over-allotments, if any; and

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The number of pro forma shares of common stock excludes approximately shares of our common stock reserved for issuance under benefit plans for our employees and directors.

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Summary Historical and Pro Forma Financial and Operating Data

The following table sets forth certain of our summary historical and pro forma financial and operating data. We derived our summary historical financial data as of December 31, 2010 and 2009, and for the years ended December 31, 2010, 2009 and 2008 from our audited combined financial statements, included elsewhere in this prospectus.

Our financial statements include allocations of costs from certain corporate and shared services functions provided to us by Sunoco, as well as costs associated with participation by certain of our executives in Sunoco's benefit and management incentive plans. The allocation methods for corporate and shared services costs vary by function but generally consist of one of the following: level of support required, usage, headcount or historical costs of assets. The employee benefit costs are allocated as a percentage of the executives' actual pay while the incentive plan costs represented the actual costs associated the executives.

The financial statements included in this prospectus may not necessarily reflect our financial position, results of operations and cash flows as if we had operated as a stand-alone public company during the periods presented. Accordingly, our historical results should not be relied upon as an indicator of our future performance.

The summary unaudited pro forma financial data is derived from our pro forma financial statements as of December 31, 2010 and for the year then ended, included elsewhere in this prospectus. We derived our summary pro forma financial statements by application of pro forma adjustments to our historical financial statements included elsewhere in this prospectus. The unaudited pro forma statement of income gives effect to the transactions described elsewhere in this prospectus as if they had occurred as of January 1, 2010. The unaudited pro forma combined balance sheet gives effect to such transactions as if they had occurred as of December 31, 2010.

Our summary unaudited pro forma financial statements have been prepared to reflect adjustments to our historical financial information that are attributable to our separation activities from Sunoco and to this offering, described in more detail elsewhere in this prospectus. The adjustments attributable to our separation activities reflect changes that will take place to enable us to operate separately from Sunoco, including changes in our capital structure.

The pro forma adjustments are based upon available information and certain assumptions that we believe are reasonable. The summary unaudited pro forma financial data are for illustrative and informational purposes only and do not purport to represent what the financial position or results of operations would have been if we had operated as a stand-alone public company during the periods presented or if the transactions described above had actually occurred as of the dates indicated, nor does it project the financial position at any future date or the results of operations or cash flows for any future period.

The following table includes one financial measure, Adjusted EBITDA, which we use in our business and is not calculated or presented in accordance with GAAP, but we believe such measure is useful to help investors understand our results of operations. We explain this measure and reconcile it to our net income, which is its most directly comparable financial measure calculated and presented in accordance with GAAP in note (3) to the following table.

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The information below should be read in conjunction with Use of Proceeds, Capitalization, Selected Historical Financial and Operating Data, Unaudited Pro Forma Combined Financial Statements, Management's Discussion and Analysis of Financial Condition and Results of Operations, Arrangements Between Sunoco and Our Company, and our audited financial statements and related notes included elsewhere in this prospectus.

	Historical Years Ended December 31			Pro Forma
	2010	2009	2008	2010 (unaudited)
Income Statement Data:				
Revenues				
Sales and other operating revenue	\$ 1,316,547	\$ 1,124,016		