



Unified Focus.  
Diversified Portfolio.



*Investor Presentation  
August-September-October 2019*

# Forward Looking Statement

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Certain statements in this presentation are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and may include, but are not limited to, statements about sales levels, acquisitions, restructuring, profitability and anticipated synergies, expenses and cash outflows. All forward-looking statements involve risks and uncertainties. All statements contained herein that are not clearly historical in nature are forward-looking, and words such as "believe," "anticipate," "expect," "estimate," "may," "will," "should," "continue," "plan," "potential," "intend," "likely," "outlook," "guidance," "forecast," or other similar words or phrases are generally intended to identify forward-looking statements. Any forward-looking statement contained herein, in press releases, written statements or documents filed with the Securities and Exchange Commission, or in Koppers communications with and discussions with investors and analysts in the normal course of business through meetings, phone calls and conference calls, regarding expectations with respect to sales, earnings, cash flows, operating efficiencies, restructurings, the benefits of acquisitions and divestitures or other matters as well as financings and debt reduction, are subject to known and unknown risks, uncertainties and contingencies. Many of these risks, uncertainties and contingencies are beyond our control, and may cause actual results, performance or achievements to differ materially from anticipated results, performance or achievements. Factors that might affect such forward-looking statements, include, among other things, the impact of changes in commodity prices, such as oil and copper, on product margins; general economic and business conditions; potential difficulties in protecting our intellectual property; the ratings on our debt and our ability to repay or refinance outstanding indebtedness; our ability to operate within the limitations of our debt covenants; potential impairment of our goodwill and/or long-lived assets; demand for Koppers goods and services; competitive conditions; interest rate and foreign currency rate fluctuations; availability of key raw materials and unfavorable resolution of claims against us, as well as those discussed more fully elsewhere in this presentation and in documents filed with the Securities and Exchange Commission by Koppers, particularly our latest annual report on Form 10-K and subsequent filings. Any forward-looking statements in this presentation speak only as of the date of this presentation, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after that date or to reflect the occurrence of unanticipated events.

# Strategic Overview

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# Why Invest in KOP?

- ✓ Attractive **valuation**
- ✓ **Unified focus on wood protection technologies**; global leader; strong market position; **generally #1 or #2**
  - Railroad sector: treatment of wood crossties
  - Utility pole market: treatment of utility poles and piling
  - Pressure treated lumber: residential decking, fencing, outdoor structures, interior fire protection
  - Carbon pitch: serving aluminum industry
  - Refined chemicals: for production of concrete, rubber, plasticizers
- ✓ **Serving diversified geographies & end markets**; GDP-like growth with potential to outperform in select areas
- ✓ Consistently generate **strong cash flows**
- ✓ Demonstrated track record on **re-allocation of capital structure**
  - **Debt paydown priority use of cash**

**Global Leader in High Value, Vertically Integrated,  
Wood-Based Solutions Market**

# Investment Thesis

**Global leader in oil and water-borne preservatives**  
serving many market applications for **treated wood**

Successfully transitioned from a business built on producing carbon pitch to serve global aluminum industry into **an enterprise centered on the preservation and enhancement of wood**

**Knowledge of wood preservation is a core competency**

- Largest integrated producer of wood treatment preservatives for railroad crosstie industry in North America
- Performance Chemicals wood treatment preservatives serve various residential, industrial and agricultural markets

**Strategic plan to deliver significant profitability improvements;**  
continue to enhance product portfolio and capital structure

- Focusing on network optimization, commercial development and cost savings
- Improved CMC profitability by streamlining footprint/cost structure
- Reduced dependence on highly cyclical industries tied to oil and aluminum

**Wood Treatment Technologies Are At The Heart Of Our Value Creation Model**



# Business Strategy

## Repositioned As Leader In Wood Treatment Technologies

- Focusing on wood treatment and protection technology; niche markets with small number of sizable competitors
- Tighter focus around core competency of wood allows for better stability and visibility of earnings stream
- Investing in capacity to serve increased demand of copper-based wood preservative products; improve distribution of oil-borne wood preservative products
- Pursue growth opportunities through selective tuck-in acquisitions primarily in wood related markets

## Improve Profitability; Expand Margin

- Drivers to further profitability improvements
  - ✓ Savings from strategic initiatives
  - ✓ Full year of contribution from acquisitions
  - ✓ PC: new commercial opportunities
  - ✓ RUPS: cyclical recovery
  - ✓ CMC: cost efficiencies related to naphthalene unit at Stickney, IL; plant closure at Follansbee, WV
- Benefits of \$20M-\$25M in 2019
  - ✓ \$10M-\$15M related to new naphthalene unit at Stickney, IL
  - ✓ Network optimization
  - ✓ Commercial development opportunities
  - ✓ Raw materials/other savings

## Strengthen Balance Sheet; Improve Financial Flexibility

- Strong cash flow generation
- Divested non-core businesses
- Highly focused on debt reduction; increased leverage due to acquisitions in 2018
  - ✓ M.A. Energy Resources (February 2018)
  - ✓ Cox Industries (April 2018)
- Long-term goal of 2-3X net leverage ratio
  - ✓ Expect to be 3.8x-4.1x at 12/31/19

# At-A-Glance

- Leading integrated global provider of oil and water-borne preservatives serving various market applications of treated wood
- Right-sized CMC business
- Global geographic footprint: 44 locations across North America, South America, Asia, Europe and Australia

## Selected Product & Brand Overview

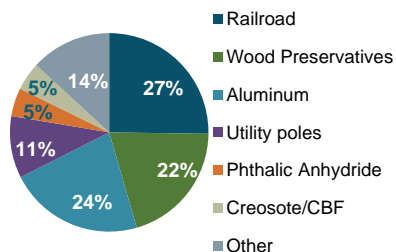


Pre-Treated Crossties

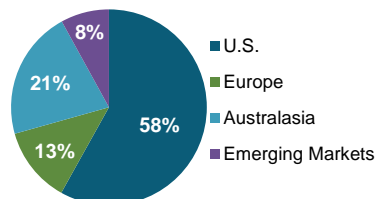


Treated Crossties with End Plates

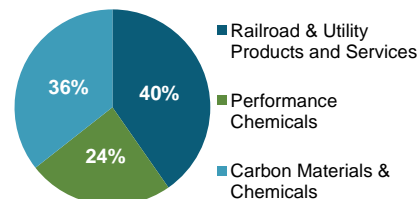
### Sales by End Market



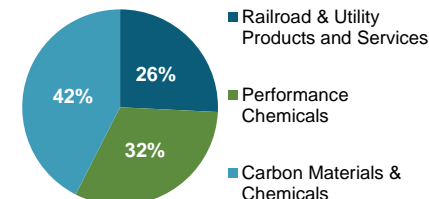
### Sales by Geography



### Sales by Segment



### Adj. EBITDA by Segment<sup>1</sup>



2018 Sales: \$1,710M

LTM 6/30/19 Sales: \$1,773M

LTM 6/30/19 Adj EBITDA: \$211M

<sup>1</sup>) Excludes corporate unallocated amounts

# Segment Overview

## Unique Product & Service Portfolio; Niche End Market Focus

	Railroad and Utility Products and Services (RUPS)	Performance Chemicals (PC)	Carbon Materials and Chemicals (CMC)
<b>Key Financials<sup>1,2</sup></b> <b>LTM 6/30/19</b> <b>(Preliminary)</b>	<ul style="list-style-type: none"> <li>Net Sales: \$715 Million</li> <li>Adj. EBITDA: \$55 Million</li> <li>Adj. EBITDA Margin: 7.7%</li> </ul>	<ul style="list-style-type: none"> <li>Net Sales: \$427 Million</li> <li>Adj. EBITDA: \$67 Million</li> <li>Adj. EBITDA Margin: 15.7%</li> </ul>	<ul style="list-style-type: none"> <li>Net Sales: \$631 Million</li> <li>Adj. EBITDA: \$91 Million</li> <li>Adj. EBITDA Margin: 14.4%</li> </ul>
<b>Highlights</b>	<ul style="list-style-type: none"> <li>Largest Supplier of Crossties to Class I Railroads</li> <li>#1 Provider of Utility Poles in Eastern U.S.; #2 in U.S.</li> </ul>	<ul style="list-style-type: none"> <li>Global Leader in Developing, Manufacturing/Marketing Wood Preservation Chemicals and Technologies</li> </ul>	<ul style="list-style-type: none"> <li>Key Supplier of Creosote to Railroad Industry in N.A.</li> <li>Vertically Integrated with RUPS</li> </ul>
<b>Products &amp; Services</b>	<ul style="list-style-type: none"> <li>Railroad Crossties</li> <li>Railroad Bridge Services</li> <li>Rail Joint Bars</li> <li>Utility Poles</li> </ul>	<ul style="list-style-type: none"> <li>Wood Preservation Chemicals</li> <li>Coatings</li> <li>Water Repellants</li> <li>Pigmented Stains</li> <li>Fire Retardants</li> </ul>	<ul style="list-style-type: none"> <li>Carbon Pitch</li> <li>Creosote</li> <li>Carbon Black Feedstock</li> <li>Naphthalene</li> <li>Phthalic Anhydride</li> </ul>
<b>Market Position</b> <b>Market Growth</b> <b>Key Market Drivers</b>	<ul style="list-style-type: none"> <li>#1 or #2</li> <li>1-3%</li> <li>Crosstie and Utility Pole Replacement Cycles</li> </ul>	<ul style="list-style-type: none"> <li>#1</li> <li>2-4%</li> <li>Repair &amp; Remodel; Existing Home Sales</li> </ul>	<ul style="list-style-type: none"> <li>#1 or #2</li> <li>1-3%</li> <li>Global Industrial Growth</li> <li>Crosstie Replacement Cycle</li> </ul>

<sup>1</sup> Excludes corporate unallocated amounts

<sup>2</sup> Adjusted EBITDA margin defined as Adjusted EBITDA as a percentage of GAAP sales



KOPPERS  
**ZERO**  
*harm*

# Zero Harm Culture






- **Committed to creating a Zero Harm culture that strives to place the well-being of our employees, the protection of the environment and the strength of our communities first at all times**
  - Requires a heightened awareness of process safety, product safety, environmental stewardship and security
  - Empowers each employee to ensure safe operations and to act to identify and correct unsafe situations in real time
- **Achieved certification in American Chemistry Council's Responsible Care® initiative across 18 global facilities and corporate headquarters**



# Zero Harm – YTD

26 of 47 operating locations free of OSHA recordables



<div>RUPS</div> 	<div>UIP</div> 	<div>RR</div> 	<div>PC</div> 	<div>CMC</div> 
Grafton	Blackstone	Queen City	Christchurch	KJCC
Guthrie	Bowman	L'Anse	Darlington	Nyborg
Longford	Eutawville	Orange	Geelong	
Takura	Fulton		Griffin R&D	
	Hainesport		Millington Transport.	
	Jasper		Mt. Gambier	
	Newsoms		Rock Hill	
	North			
	Sweetwater			
	Vance			

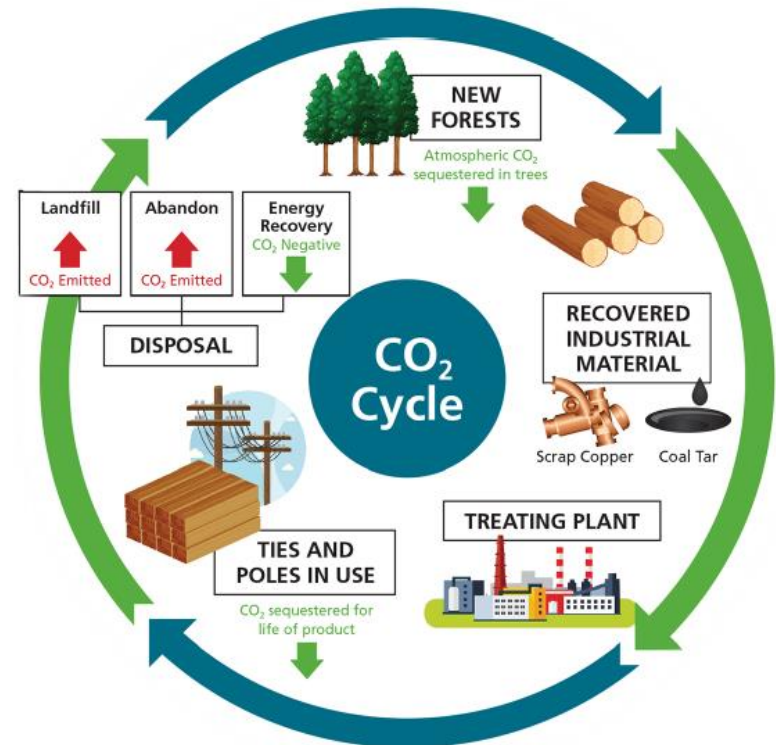
# Sustainability Overview

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# Our Place in the Circular Economy

- ✓ Our products serve as foundational elements of global infrastructure
- ✓ Long history of sustainability in our operations
  - Reuse waste streams generated by other industries as key production inputs (coal tar, scrap copper)
  - Utilize renewable resources for raw material requirements
- ✓ Our products increase durability and extend life of wood products
  - Significantly aids in sequestering atmospheric carbon



# Extending Our Sustainability Model

## Responsible Supply Chain

- Ensure materials sourced in ethical and responsible manner
- Committed to implementing **Guiding Principles of Responsible Care** throughout supply chain
- Engage with suppliers to ensure safe manufacturing and transporting of products
- Recognized 3 of past 4 years by Association of American Railroads with **Non-Accident Release Grand Slam Award**
  - ✓ Awarded to companies that demonstrate exemplary performance in shipping hazardous materials

## Innovation Focus

- Solve customers' most important challenges
- Ensure product quality and drive new product development
- **Koppers Global Technology Center** – applied research facility in Harmarville, PA
- **Koppers Research & Development Lab** in Griffin, GA
- **iShare** – virtual innovation lab where employees submit ideas

## Lifecycle Management

- Pursuing **cradle-to-cradle solutions** and offering lifecycle management capabilities
- **Recover and repurpose railroad crossties** that reached end of useful service life
  - ✓ In 2018, Koppers collected nearly 3.5 million railroad ties, equivalent to 1,000+ miles of railroad track
  - ✓ Converted ties to biomass to sell as fuel, offsetting need for fossil fuels
- Provide environmentally-friendly, turnkey solutions for **disposal of poles and pallets**

# Investment Highlights

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# Leading Global Producer of Wood Preservation and Enhancement Products



**Products Play Critical Role In End Application; Often Have No Substitutes**

	Product	Market Position
<b>Wood-Related</b>	North American Crosstie – Class I Railroads	#1
	North American Wood Treating Chemicals	#1
	North American Creosote	#1 or #2
	Australian Creosote	#1
	Australian Utility Poles	#1
	Australian / New Zealand Wood Treating Chemicals	#1
	South / Central American Wood Treating Chemicals	#1
<b>Other</b>	Australian Carbon Pitch <sup>1</sup>	#1
	North American Merchant Phthalic Anhydride <sup>2</sup>	#1

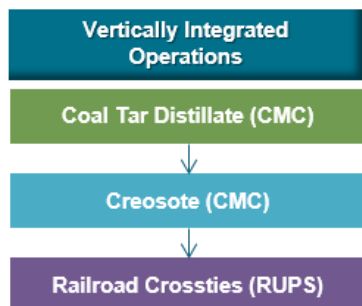
<sup>1</sup> Australian carbon pitch includes New Zealand market

<sup>2</sup> Reflects merchant market sales

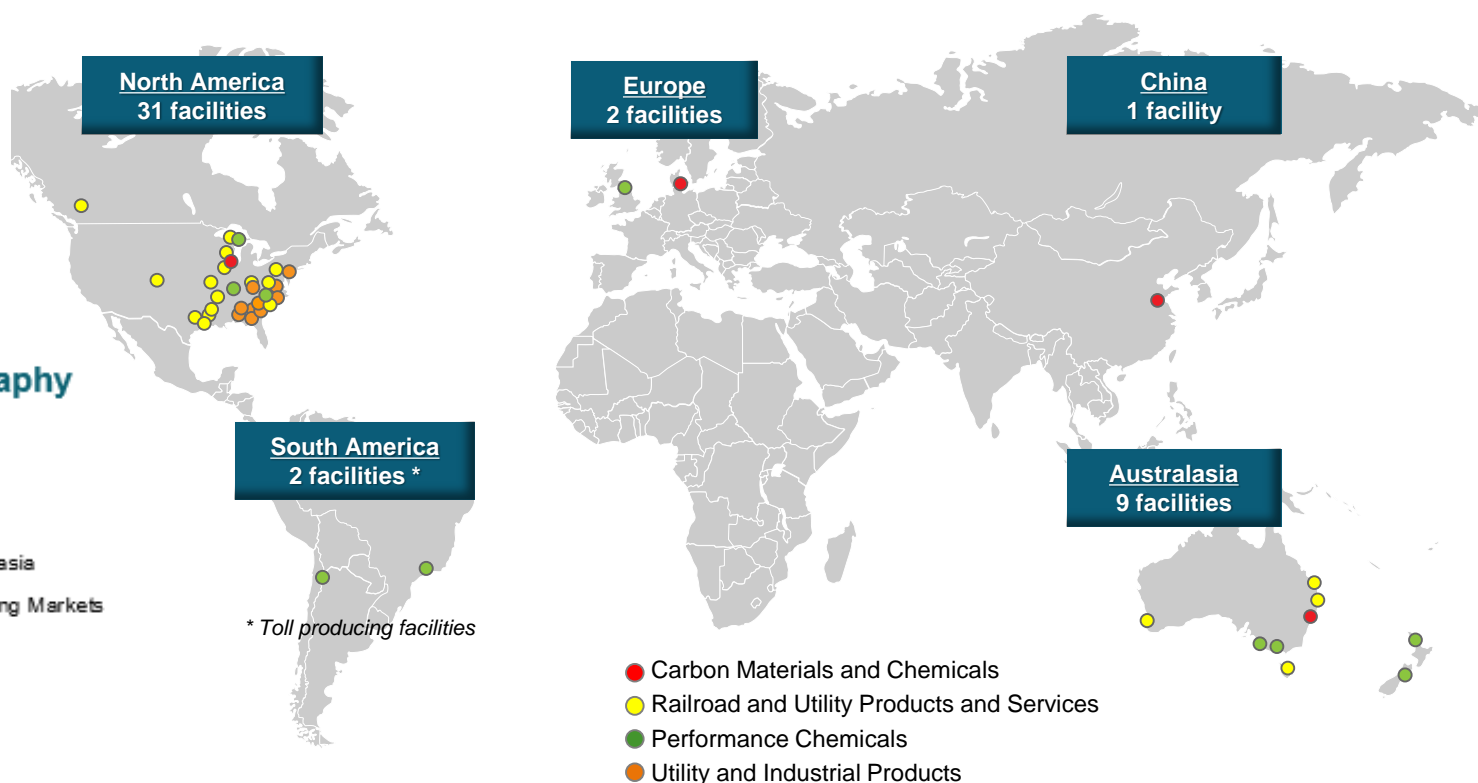
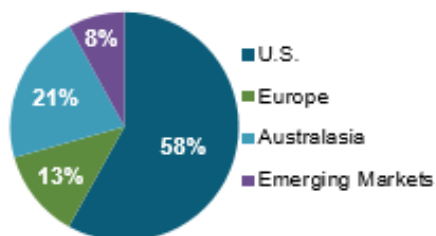


# Vertically Integrated; Strategically Located Footprint

- Well positioned to capitalize on strong market presence; focusing on growth opportunities in wood preservation
- Significantly improved efficiency; consolidated coal tar distillation facilities from 11 to 4 (2014-2016)
- CMC processes coal tar into creosote consumed by RUPS for treatment of railroad crossties



2018 Sales by Geography



# RUPS: Business Overview

## ***Key Products***

- Railroad Crossties
- Utility Poles
- Crosstie and Pole Recovery & Disposal
- Rail Joint Bars
- Railroad Bridge Services

***Serving railroad  
customers in N.A.,  
utility pole markets  
in U.S. and  
Australia***

## ***Competitive Advantages***

- Vertically integrated; secured supply of wood-treatment solutions
  - ✓ Creosote for treating railroad crossties from CMC
  - ✓ Preservatives for utility pole treating from PC
- Offering full life-cycle solutions for crossties

# PC: Business Overview

## ***Key Products***

- Wood Preservation Chemicals
- Fire Retardants
- Coatings
- Water Repellants
- Pigmented Stains

***Primary applications  
in decking, fencing,  
poles and pilings,  
construction lumber,  
outdoor structures***

## ***Competitive Advantages***

- Strong intellectual property driven by industry leading R&D
- Integrated in-house production of copper intermediaries
- Vertically integrated supplier to UIP (utility poles)

# CMC: Business Overview

## ***Key Products***

- Creosote – wood-treatment preservative primarily for railroad crossties
- Carbon Black – tires and other rubber goods
- Carbon Pitch – aluminum and steel production
- Naphthalene – feedstock for phthalic anhydride; surfactant in concrete
- Phthalic Anhydride – plasticizers, polyester resins

***Diverse product  
portfolio serving  
infrastructure and  
transportation  
markets***

## ***Competitive Advantages***

- Vertically integrated supplier to RUPS; efficient use of assets
- Provide security of supply through global footprint



# Financial Overview

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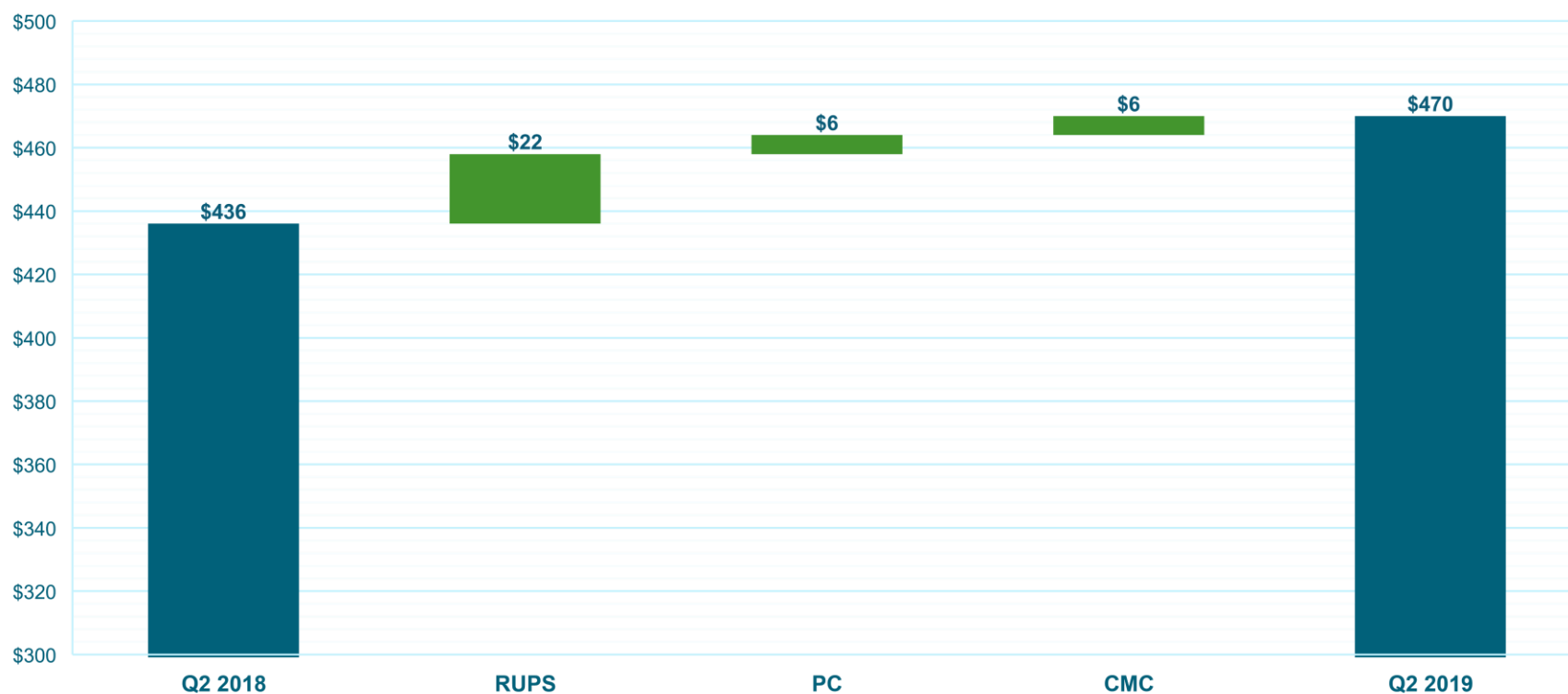
# Q2 2019 Results

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## Q2: Record Sales Quarter of \$470M: *Driven by Higher Volumes/Pricing in RUPS*



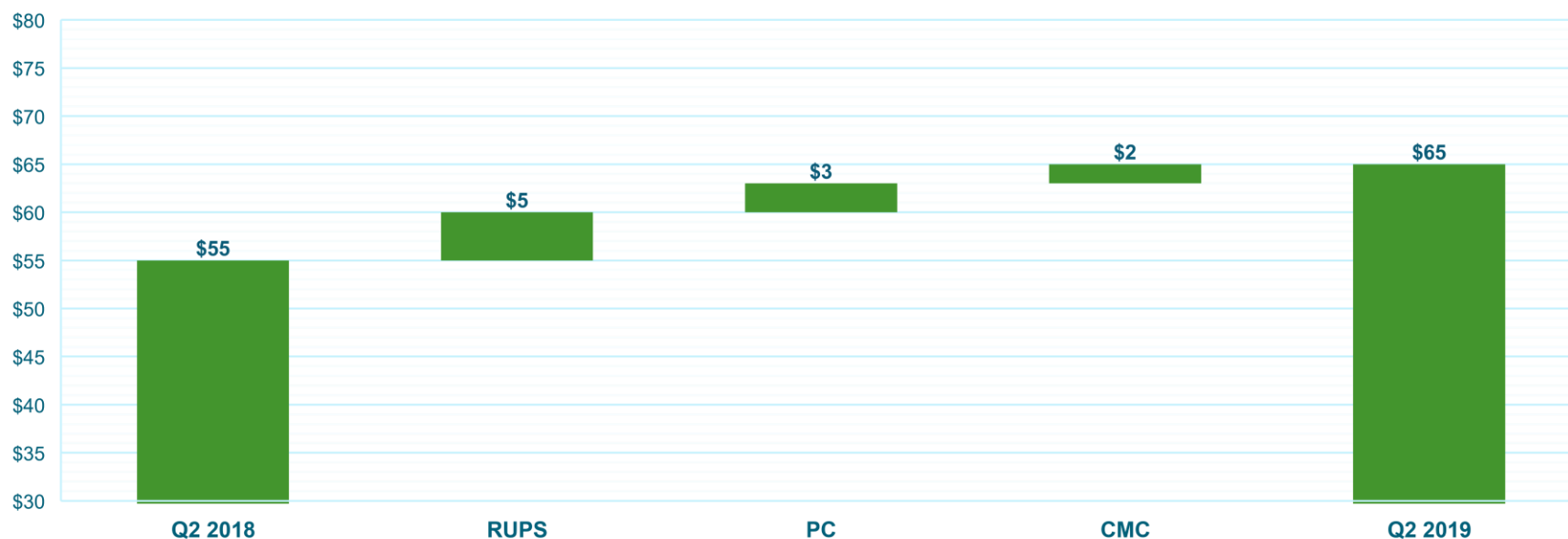
**Sales**  
(\$in Millions)



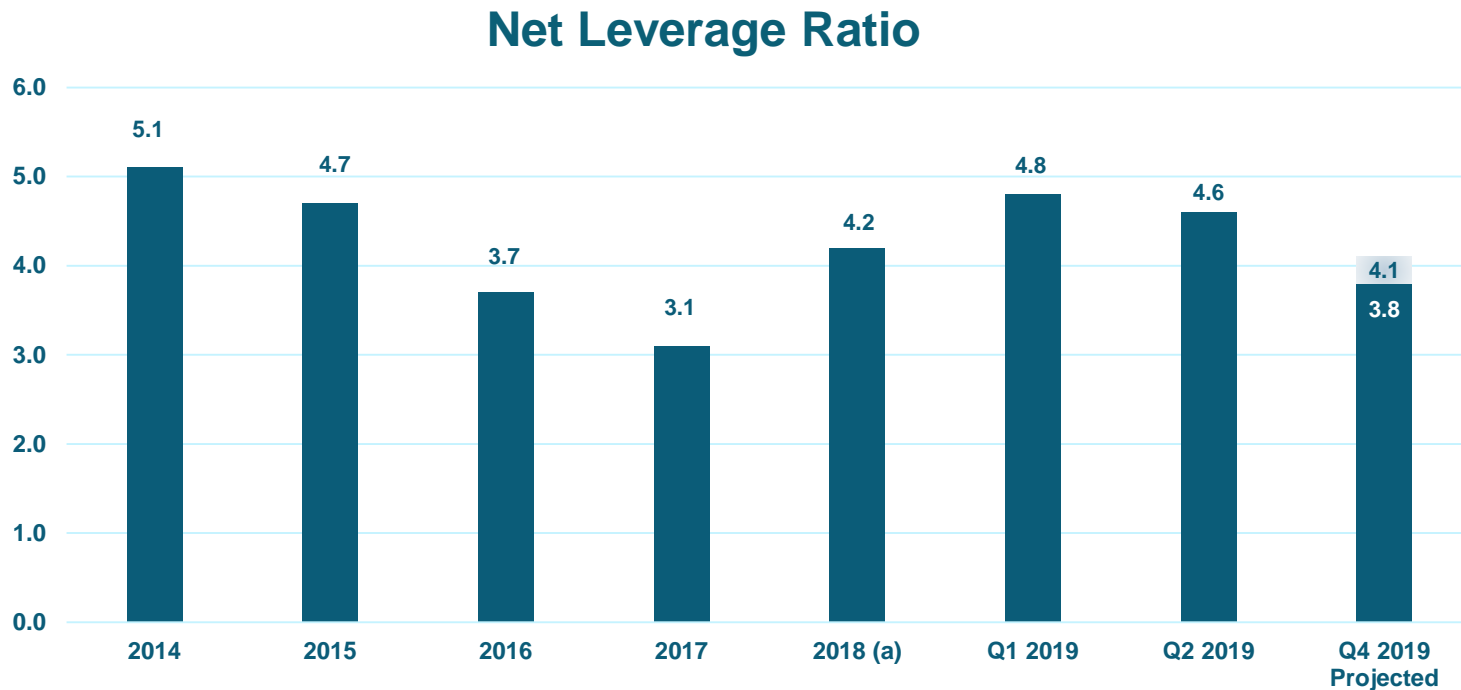
# Record Q2 Adjusted EBITDA of \$65M: *Reflects Strong Profitability*



## Adjusted EBITDA (\$in Millions)



# Refocus on Debt Reduction: \$80M Minimum in 2019



(a) Pro-forma

## Net Leverage

LT Goal: 2x-3x

- Proven track record of disciplined debt reduction (2015-2017)
- Net leverage ratio of 4.2x at 12/31/18 on pro-forma basis
- Projected net leverage to be in range of 3.8x to 4.1x at 12/31/19

# 2019 Guidance

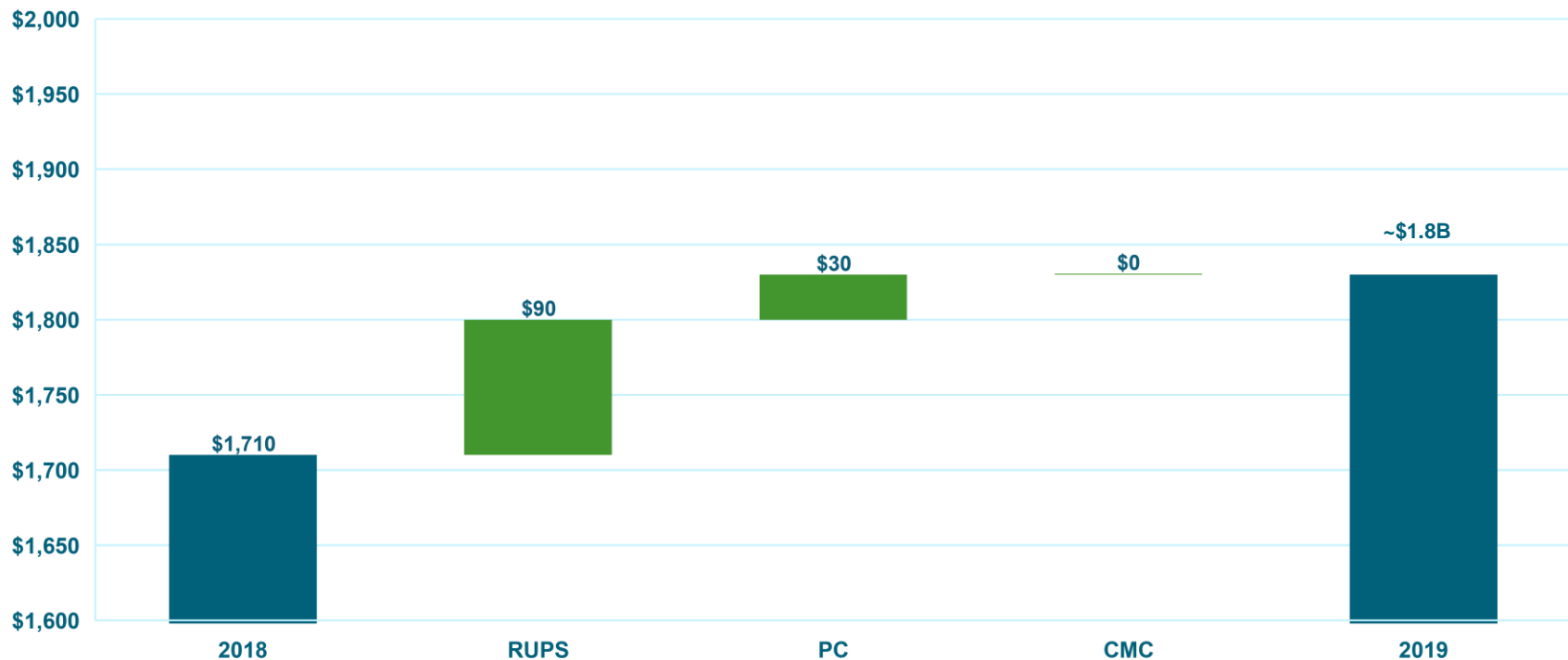
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# 2019 Sales Forecast of \$1.8B: *Growth Driven by Wood-Based Businesses*



**Sales**  
(\$ in millions)



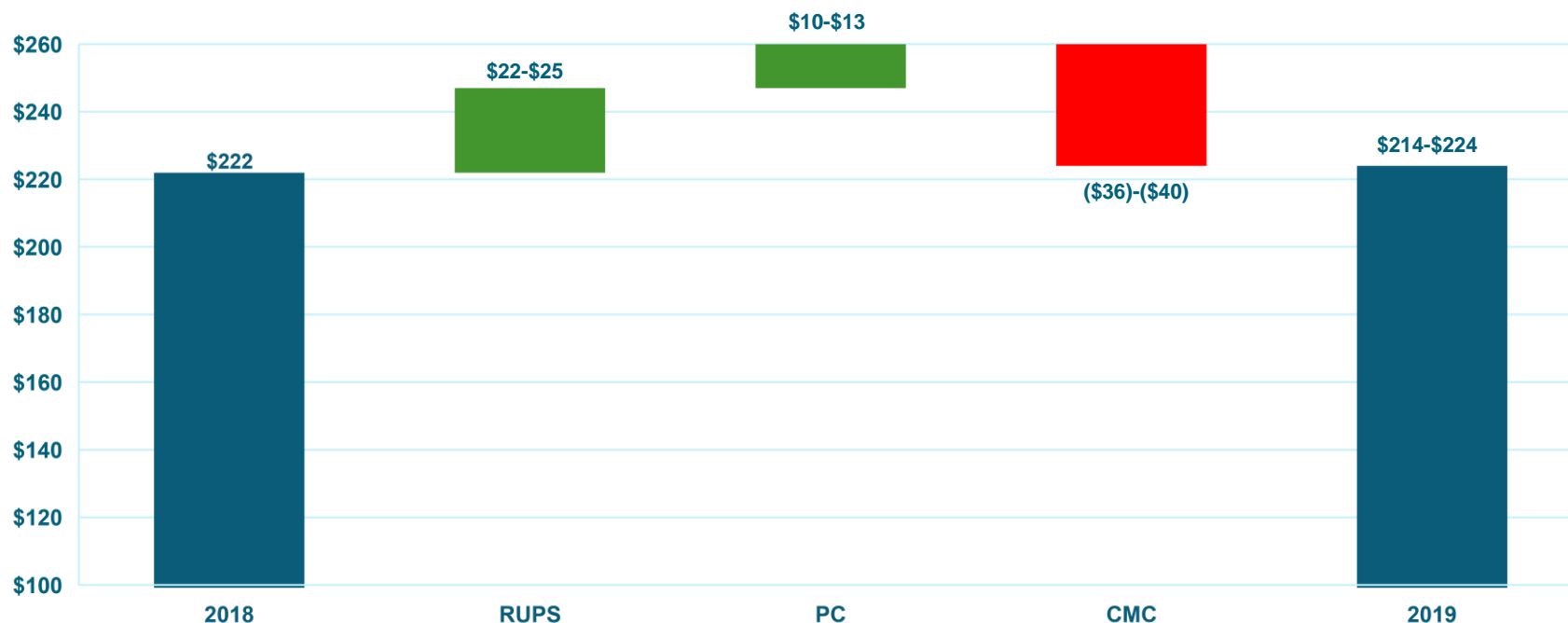
# Path To Improved Profitability

<b>RUPS</b>	<ul style="list-style-type: none"> <li>• Class I demand for treated ties improving from trough levels; working to increase availability of dry crossties ready for treatment; strong demand and favorable pricing environment in commercial crosstie markets</li> <li>• Full-year of contribution from acquisitions</li> <li>• Higher volumes; better production utilization; margin expansion</li> </ul>
<b>PC</b>	<ul style="list-style-type: none"> <li>• Top-line benefiting from customer demand, share gains from new business wins and price realization</li> <li>• Capacity expansion largely completed at end of Q2; expect year-over-year savings in 2nd half of 2019 from processing feedstock internally</li> </ul>
<b>CMC</b>	<ul style="list-style-type: none"> <li>• Completed new naphthalene unit at Stickney, IL; closure of facility at Follansbee, WV</li> <li>• Improved demand for carbon pitch in N.A.; higher aluminum production in U.S.</li> <li>• Stabilize profitability and cash flows at China subsidiary KJCC</li> </ul>
<b>Integration Synergies &amp; Strategic Initiatives</b>	<ul style="list-style-type: none"> <li>• On track to realize \$20M-\$25M of benefits in 2019, including savings of \$10M-\$15M related to naphthalene unit at Stickney, IL</li> <li>• Network optimization, i.e. crosstie and pole treating processes, logistics</li> <li>• Commercial development opportunities</li> <li>• SG&amp;A efficiencies; raw materials and other cost savings</li> </ul>

# 2019 Adjusted EBITDA Forecast: *Improved Profitability in Wood-Based Businesses*



## Adjusted EBITDA\* (\$ in millions)



\* Excluding special charges

# RUPS: What We Expect in 2019

<b>Opportunities</b>	<ul style="list-style-type: none"> <li>• Improved year-over-year demand for treated crossties for track replacements</li> <li>• Crosstie inventory improving but remains at low levels; ~10-15% of Class I customers allowing boultonizing to accelerate drying time</li> <li>• Integration synergies from network optimization, procurement/supply chain and logistics planning</li> </ul>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>• According to Railway Tie Association, availability of untreated crossties remains limited due to record-breaking rainfall in many major tie procurement regions</li> <li>• Class I railroads in various stages of 'Precision Railroading', i.e. evaluating overall network, capital spending, maintenance costs, etc.</li> <li>• Rail service demand impacted by lower U.S. manufacturing output, decelerating trends in housing, and tensions with trading partners overseas</li> </ul>
<b>Market Outlook</b>	<ul style="list-style-type: none"> <li>• Expect year-over-year volume and demand improvements after trough years 2017-2018; RTA forecast remains at ~22M-23M crossties for 2019</li> <li>• Well-positioned to gain share with Class I customers; increasing our presence in commercial crosstie markets</li> </ul>

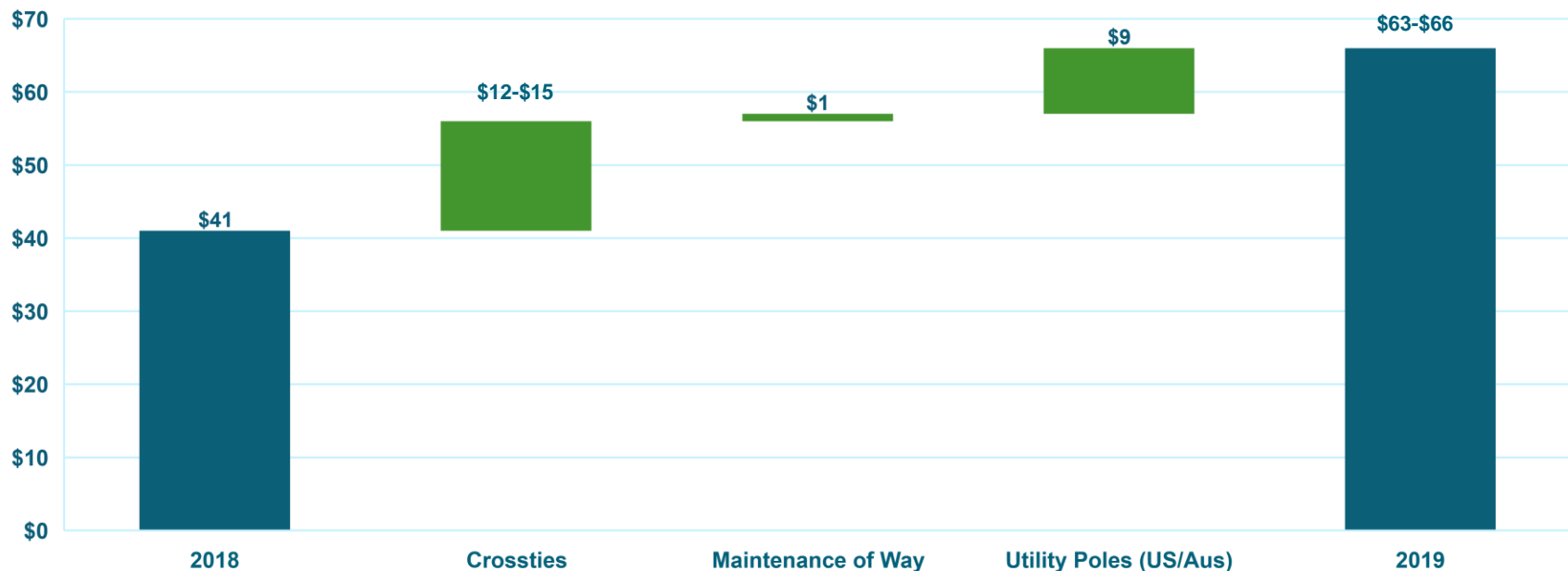
# 2019 Adjusted EBITDA Forecast: RUPS

## *Full-year of Acquisitions; Commercial Market Favorable; Higher Crosstie Procurement*



### Adjusted EBITDA\*

(\$ in millions)



\* Excluding special charges

# PC: What We Expect in 2019

## Opportunities

- Realizing some price increases in 2019; additional pricing action in 2020
- Converting new customers; beginning to ship products in Q2; expect demand to be at full run rate in Q3
- Q2 completion of capacity expansion; expect benefits related to new capacity for increased feedstock processing

## Challenges

- Higher year-over-year copper costs
- Supply chain volatility for certain raw materials sourced from China; potential impact from tariffs
- Customers cautious due to volatile lumber prices in first half 2019; should improve as lumber prices stabilized in June and remaining relatively flat

## Market Outlook

- According to National Association of Realtors®, June existing-home sales 7% lower than May and declined 2.2% from prior year; solid demand but shortage of supply for mid-to-lower priced homes
- Remodeling spending projected at \$320+B nationally, even with significant decline; forecast of 6.3% in Q3/2019, 5.5% in Q4/2019, then 0.4% in mid-2020
- Consumer Confidence Index® at 135.7 in July, highest level in 2019 despite uncertainties related to trade and tariff tensions

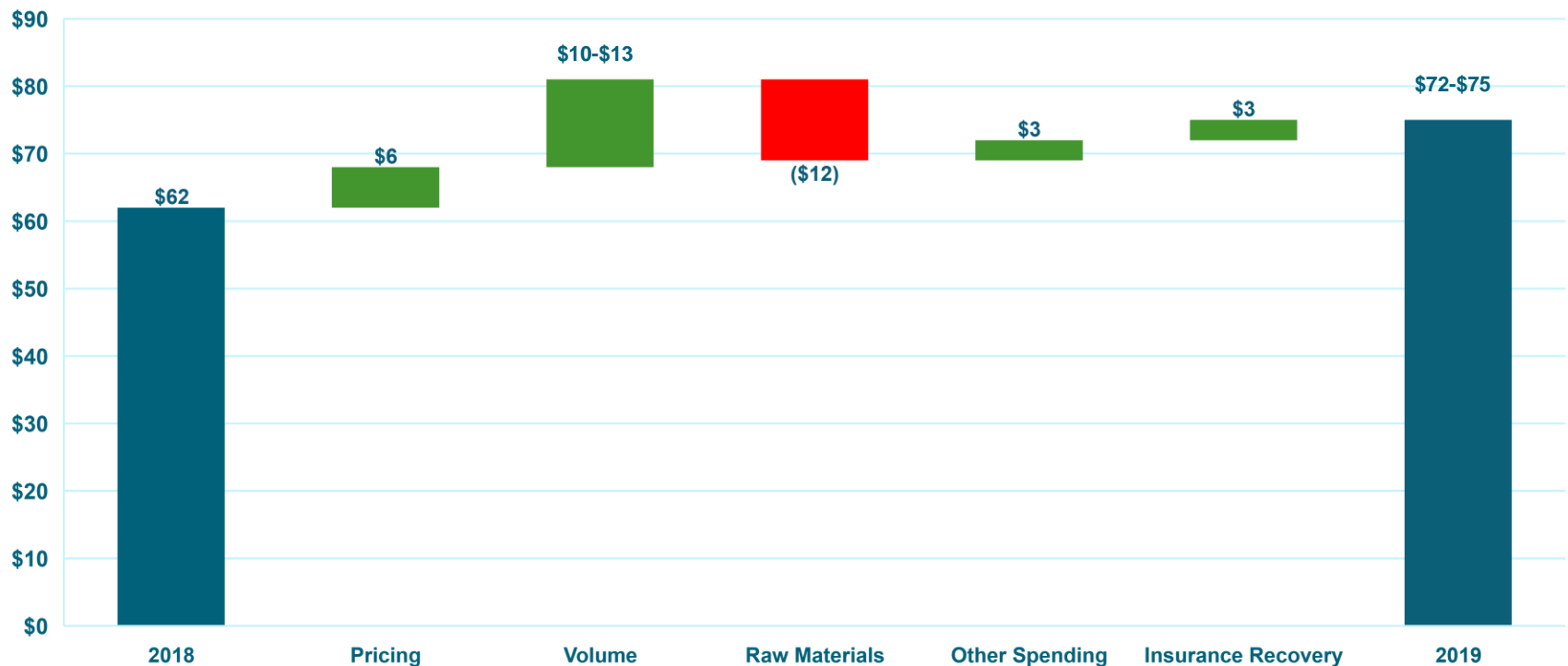


# 2019 Adjusted EBITDA Forecast: PC

## *Volumes Will Drive Improvement*

### Adjusted EBITDA\*

(\$ in millions)



\* Excluding special charges

# CMC: What We Expect in 2019

## Opportunities

- Aluminum customers in U.S. increasing capacity; demand in Europe remains relatively steady
- Streamlined cost structure provides margin opportunity for any incremental business
- Evaluate options related to KJCC/China subsidiary

## Challenges

- Pricing pressure in certain regions as competitors attempt to gain market share
- Raw material markets remain volatile in certain regions
- Phthalic anhydride markets showing signs of softness

## Market Outlook

- Creosote demand contingent on RUPS having dry crosstie inventory available
- Carbon pitch demand favorable in N.A., Europe and Australia, partially offset by lower pricing in Europe
- Tariffs on certain imported steel and aluminum products leading to increased aluminum production in U.S.

# 2019 Adjusted EBITDA Forecast: CMC *Represents Return to Normalized Profitability*



## Adjusted EBITDA\* (\$ in millions)



\* Excluding special charges

# Appendix

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# Non-GAAP Measures and Guidance

*This presentation includes unaudited “non-GAAP financial measures” as defined in Regulation G under the Securities Exchange Act of 1934, including adjusted EBITDA and net leverage ratio. Koppers believes that the presentation of non-GAAP financial measures such as adjusted EBITDA and net leverage ratio provide information useful to investors in understanding the underlying operational performance of the company, its business and performance trends and facilitates comparisons between periods and with other corporations in similar industries. The exclusion of certain items permits evaluation and a comparison of results for ongoing business operations, and it is on this basis that Koppers management internally assesses the company's performance. In addition, the Board of Directors and executive management team use adjusted EBITDA as performance measures under the company's annual incentive plans.*

*Although Koppers believes that these non-GAAP financial measures enhance investors' understanding of its business and performance, these non-GAAP financial measures should not be considered an alternative to GAAP basis financial measures and should be read in conjunction with the relevant GAAP financial measure. Other companies in a similar industry may define or calculate these measures differently than the company, limiting their usefulness as comparative measures. Because of these limitations, these non-GAAP financial measures should not be considered in isolation from, or as substitutes for performance measures calculated in accordance with GAAP.*

*Koppers does not provide reconciliations of guidance for adjusted EBITDA and adjusted EPS to comparable GAAP measures, in reliance on the unreasonable efforts exception. Koppers is unable, without unreasonable efforts, to forecast certain items required to develop meaningful comparable GAAP financial measures. These items include restructuring, impairment, non-cash LIFO charges, acquisition-related costs, and non-cash mark-to-market commodity hedging that are difficult to predict in advance in order to include in a GAAP estimate and may be significant.*

*References to historical EBITDA herein means adjusted EBITDA, for which the company has provided calculations and reconciliations in the Appendix.*

# Unaudited Segment Information

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
<i>(Dollars in millions)</i>				
Net sales:				
Railroad and Utility Products and Services	\$ 199.1	\$ 177.2	\$ 365.2	\$ 285.6
Performance Chemicals	120.8	115.1	219.8	212.5
Carbon Materials and Chemicals	149.9	143.7	319.7	344.0
Total	\$ 469.8	\$ 436.0	\$ 904.7	\$ 842.1
Operating profit (loss):				
Railroad and Utility Products and Services	\$ 11.8	\$ (1.0)	\$ 20.5	\$ 0.1
Performance Chemicals	14.0	11.6	26.8	17.2
Carbon Materials and Chemicals	13.3	12.5	20.7	49.7
Corporate Unallocated	(0.6)	(0.8)	(1.1)	(1.4)
Total	\$ 38.5	\$ 22.3	\$ 66.9	\$ 65.6
Operating profit margin:				
Railroad and Utility Products and Services	5.9%	-0.6%	5.6%	0.0%
Performance Chemicals	11.6%	10.1%	12.2%	8.1%
Carbon Materials and Chemicals	8.9%	8.7%	6.5%	14.4%
Total	8.2%	5.1%	7.4%	7.8%
Depreciation and amortization:				
Railroad and Utility Products and Services	\$ 4.8	\$ 4.9	\$ 9.6	\$ 7.9
Performance Chemicals	4.6	4.5	9.5	8.9
Carbon Materials and Chemicals	4.0	4.3	8.9	8.7
Total	\$ 13.4	\$ 13.7	\$ 28.0	\$ 25.5
Adjusted EBITDA <sup>(1)</sup> :				
Railroad and Utility Products and Services	\$ 18.9	\$ 13.9	\$ 33.2	\$ 19.3
Performance Chemicals	21.0	17.9	36.4	31.7
Carbon Materials and Chemicals	25.0	23.1	41.7	70.3
Corporate Unallocated	(0.4)	0.4	(0.7)	0.2
Total	\$ 64.5	\$ 55.3	\$ 110.6	\$ 121.5
Adjusted EBITDA margin <sup>(2)</sup> :				
Railroad and Utility Products and Services	9.5%	7.8%	9.1%	6.8%
Performance Chemicals	17.4%	15.6%	16.6%	14.9%
Carbon Materials and Chemicals	16.7%	16.1%	13.0%	20.4%
Total	13.7%	12.7%	12.2%	14.4%

(1) The tables below describe the adjustments to EBITDA for the three and six months ended June 30, 2019 and 2018, respectively.

(2) Adjusted EBITDA as a percentage of GAAP sales.

# Unaudited Reconciliation of Operating Profit to EBITDA and Adjusted EBITDA\*



Three months ended June 30, 2019					
	RUPS	PC	CMC	Corporate Unallocated	Consolidated
Operating profit (loss)	\$ 11.8	\$ 14.0	\$ 13.3	\$ (0.6)	\$ 38.5
Other (loss) income	(0.3)	0.5	(0.4)	0.2	0.0
Depreciation and amortization	4.8	4.6	4.0	0.0	13.4
Depreciation in impairment and restructuring charges	0.0	0.0	0.9	0.0	0.9
EBITDA with noncontrolling interest	\$ 16.3	\$ 19.1	\$ 17.8	\$ (0.4)	\$ 52.8
Unusual items impacting EBITDA:					
CMC restructuring	0.0	0.0	6.9	0.0	6.9
RUPS treating plant closures	0.2	0.0	0.0	0.0	0.2
Non-cash LIFO expense	2.4	0.0	0.3	0.0	2.7
Mark-to-market commodity hedging	0.0	1.9	0.0	0.0	1.9
Adjusted EBITDA	\$ 18.9	\$ 21.0	\$ 25.0	\$ (0.4)	\$ 64.5
Adj. EBITDA % of Consolidated Adj. EBITDA (excluding corporate unallocated)	29.1%	32.4%	38.5%		

\*A reconciliation of segment net income to adjusted segment EBITDA is not available without unreasonable efforts as we do not measure net income at the segment level or use it as a measure of operating performance.



# Unaudited Reconciliation of Operating Profit to EBITDA and Adjusted EBITDA\*



Three months ended June 30, 2018						
	RUPS	PC	CMC	Corporate Unallocated	Consolidated	
Operating profit (loss)	\$ (1.0)	\$ 11.6	\$ 12.5	\$ (0.8)	\$ 22.3	
Other income (loss)	0.5	1.9	0.9	(4.0)	(0.7)	
Depreciation and amortization	4.9	4.5	4.3	0.0	13.7	
Depreciation in impairment and restructuring charges	0.0	0.0	1.3	0.0	1.3	
EBITDA with noncontrolling interest	\$ 4.4	\$ 18.0	\$ 19.0	\$ (4.8)	\$ 36.6	
Unusual items impacting EBITDA:						
CMC restructuring	0.0	0.0	3.6	0.0	3.6	
Non-cash LIFO expense	2.5	0.0	0.5	0.0	3.0	
Mark-to-market commodity hedging	0.0	1.0	0.0	0.0	1.0	
Acquisition closing costs	0.0	0.0	0.0	3.0	3.0	
Sale of land	0.0	(1.1)	0.0	2.2	1.1	
Contract buyout	1.5	0.0	0.0	0.0	1.5	
UIP inventory purchase accounting adjustment	5.5	0.0	0.0	0.0	5.5	
Adjusted EBITDA	\$ 13.9	\$ 17.9	\$ 23.1	\$ 0.4	\$ 55.3	
Adj. EBITDA % of Consolidated Adj. EBITDA (excluding corporate unallocated)	25.3%	32.6%	42.1%			

\*A reconciliation of segment net income to adjusted segment EBITDA is not available without unreasonable efforts as we do not measure net income at the segment level or use it as a measure of operating performance.

# Unaudited Reconciliation of Net Income to EBITDA and Adjusted EBITDA\*



	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net income	\$ 14.4	\$ 1.0	\$ 26.8	\$ 24.7
Interest expense	16.0	14.5	32.7	25.0
Depreciation and amortization	13.4	13.7	28.0	25.5
Depreciation in impairment and restructuring charges	0.9	1.3	1.2	2.7
Income taxes	8.0	6.6	7.9	15.8
Income from discontinued operations	0.0	(0.5)	0.0	(0.4)
EBITDA with noncontrolling interests	52.7	36.6	96.6	93.3
Unusual items impacting net income				
Impairment, restructuring and plant closure costs	7.1	3.6	11.5	8.0
Mark-to-market commodity hedging	2.0	1.0	(1.2)	4.5
Non-cash LIFO expense	2.7	3.0	3.7	4.6
Acquisition closing costs	0.0	3.0	0.0	3.0
Sale of land	0.0	1.1	0.0	1.1
Contract buyout	0.0	1.5	0.0	1.5
UIP inventory purchase accounting adjustment	0.0	5.5	0.0	5.5
Total adjustments	11.8	18.7	14.0	28.2
Adjusted EBITDA	\$ 64.5	\$ 55.3	\$ 110.6	\$ 121.5

\*A reconciliation of segment net income to adjusted segment EBITDA is not available without unreasonable efforts as we do not measure net income at the segment level or use it as a measure of operating performance.

# Unaudited Reconciliation of Total Debt To Net Debt and Net Leverage Ratio



(In millions)

	Twelve months ended				
	June 30, 2019	March 31, 2019	Proforma December 31, 2018	December 31, 2018	December 31, 2017
Total Debt	\$ 1,007.2	\$ 1,012.7	\$ 990.4	\$ 990.4	\$ 677.0
Less: Cash	42.1	38.1	40.6	40.6	\$ 60.3
Net Debt	\$ 965.1	\$ 974.6	\$ 949.8	\$ 949.8	\$ 616.7
Adjusted EBITDA	\$ 210.7	\$ 201.5	\$ 225.7	\$ 221.6	\$ 200.4
Net Leverage Ratio	4.6	4.8	4.2	4.3	3.1

	Year ended December 31,		
	2016	2015	Pro- Forma 2014
Total Debt	\$ 662.4	\$ 722.3	\$ 850.5
Less: Cash	20.8	21.8	\$ -
Net Debt	\$ 641.6	\$ 700.5	\$ 850.5
Adjusted EBITDA	\$ 174.2	\$ 150.2	\$ 167.1
Net Leverage Ratio	3.7	4.7	5.1

# Unaudited Reconciliation of Net Income to EBITDA and Adjusted EBITDA



(In millions)

	June 30, 2019	March 31, 2019	Twelve months ended December 31, 2018
Net income	\$ 31.4	\$ 18.0	\$ 29.2
Interest expense	63.9	62.2	56.3
Depreciation and amortization	55.8	56.4	54.8
Income tax provision	18.1	16.8	26.0
Income from discontinued operations	0.0	(0.5)	(0.4)
EBITDA	169.2	152.9	165.9
Unusual items impacting net income:			
Impairment, restructuring and plant closure	27.2	23.5	23.5
Non-cash LIFO expense	11.6	12.0	12.6
Mark-to-market commodity hedging	1.1	0.3	6.9
UIP inventory purchase accounting adjustment	0.5	6.0	6.0
Acquisition closing costs	0.0	3.1	3.1
Contract buyout	0.1	1.6	1.6
Sale of land	0.0	1.1	1.1
Sale of specialty chemicals business	1.0	1.0	0.9
<b>Adjusted EBITDA with noncontrolling interests</b>	<b>\$ 210.7</b>	<b>\$ 201.5</b>	<b>\$ 221.6</b>
Proforma adjusted EBITDA from acquisitions	0.0	0.0	4.1
<b>Proforma adjusted EBITDA with noncontrolling interests</b>	<b>\$ 210.7</b>	<b>\$ 201.5</b>	<b>\$ 225.7</b>

### **Koppers Holdings Inc.**

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Koppers is an integrated global provider of treated wood products, wood treatment chemicals and carbon compounds for the railroad, specialty chemical, utility, residential lumber, agriculture, aluminum, steel, rubber, and construction industries. Headquartered in Pittsburgh, Pennsylvania, we serve our customers through a comprehensive global manufacturing and distribution network, with facilities located in North America, South America, Australasia, China and Europe.

### **Stock Exchange Listing**

NYSE: KOP

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