



PROTECTING WHAT MATTERS. PRESERVING THE FUTURE.



INNOVATION + TECHNOLOGY SUSTAINABILITY
GLOBAL INFRASTRUCTURE GROWTH-FOCUSED
RESEARCH EXPERTISE EMPLOYEE ENGAGEMENT
PRODUCT PORTFOLIO INCLUSION + DIVERSITY
VERTICAL INTEGRATION COMMUNITY IMPACT
PROFITABILITY ENVIRONMENTAL STEWARDSHIP

May 2020 Business Update
June 17, 2020

Forward Looking Statement

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; the length and extent of economic contraction as a result of the coronavirus (COVID-19) pandemic; disruption in the U.S. and global financial markets; 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.

Our Place in the 'Essential' Business Landscape



ESSENTIAL TO OUR WORLD

RAILROAD PRODUCTS & SERVICES
 Rail Ties, Joints, Maintenance

Keep railroads safe and operational to deliver **ESSENTIAL** goods:



Retail products from fruits to toilet paper



Chemicals required for medical supplies



Chlorine-based disinfectants for treating water

UTILITY & INDUSTRIAL PRODUCTS
 Utility Poles

Provide families and businesses with **ESSENTIAL** electricity and telecommunications needs:



Keeping lights on



Connecting to Internet/TV



Air-conditioning and heating

CARBON MATERIALS & CHEMICALS
 Coal Tar Distillation; Creosote Supplier (to RPS)

Produce carbon materials and chemicals **ESSENTIAL** for:



Creosote for treating railroad ties and utility poles



Aluminum and steel for infrastructure needs



Aluminum, plastics and rubber for medical uses and food packaging

PERFORMANCE CHEMICALS
 Wood Treatment Chemicals

Produce chemicals **ESSENTIAL** for treating:



Utility poles for electricity and telecommunications



Pressure treated wood for essential home repairs



Agriculture and farming

Employee Health & Wellbeing



Applying Zero Harm Principles: Current Status



Employees Affected by COVID-19



- 2 employees recently tested positive for COVID-19; company-wide total of 3 employees to-date
- To date, ~10 percent of employees self-identified as having symptoms
- <1 percent of employees remain in self-quarantine

Staying Vigilant & Staying Healthy



- Maintaining COVID-19 hygiene protocols and social distancing practices
 - Wash hands for 20 seconds
 - Wear proper PPE
 - Avoid close contact
 - Clean and disinfect surfaces
- Kicked off annual Wellness Program for U.S. employees; launched *OneKoppers* Wellness Channel for employees globally

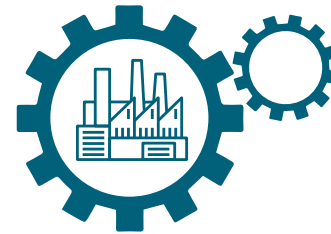


Weekly Letter & Video Updates



- CEO weekly letters to employees
- CEO video updates to employees available on Koppers Facebook page (@koppersinc) and on www.koppers.com

Operations Continuity



Operations & Planning: *Current Status*



Operations



- All worldwide Koppers manufacturing facilities remain operational, except KJCC due to scheduled outage at customer's plant (KJCC employees working on maintenance projects)
- <1 percent of employees furloughed or laid off; being paid while off work
- Effective June 7, employees permitted to travel if essential for business; still required to take appropriate health and hygiene precautions

Office Re-entry



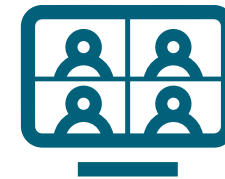
- Strongly encouraging employees to continue working remotely
- Return to office on July 1 on voluntary basis
- Employees assigned to teams and permitted in office during alternating weeks; restricted access for visitors
- Adopting safety and distancing measures; continuing to monitor situation
- Providing PPE and hygiene products for office use

Technology Capabilities



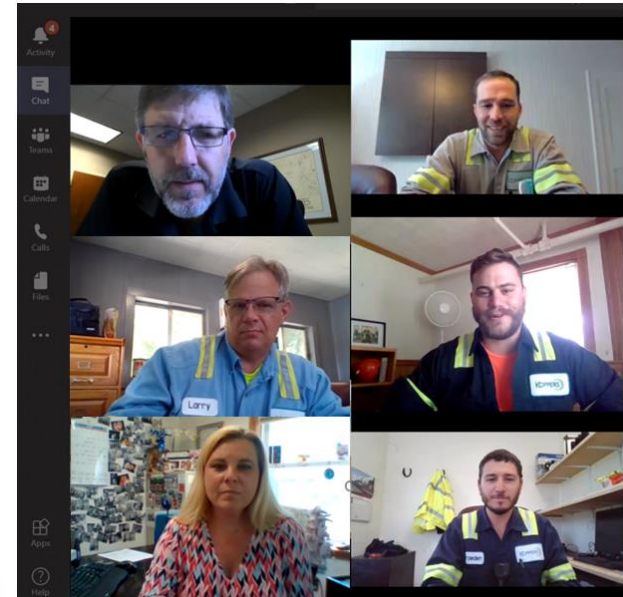
- Using multiple technology solutions to enable virtual facility visits; connect employees globally via *OneKoppers* channels
- Evaluating Microsoft HoloLens technology for use in virtual facility audits
- Evaluating multiple solutions for testing, temperature screenings and contact-tracing/alerting technology

Facility Virtual Visit: Roanoke, Virginia



Virtual Visit to Roanoke Facility

- Using technology tools, CEO Leroy Ball spent half a day visiting with employees at Koppers facility in Roanoke, Virginia
 - ✓ Touring plant and seeing new crosstie end plater investment
 - ✓ Talking one-on-one with field employees
 - ✓ Joining Safety Health & Environmental Committee meeting
 - ✓ Participating in Management Roundtable



Business Sentiment: Customers & Suppliers



Customers & Suppliers

UTILITY & INDUSTRIAL PRODUCTS

Overall Business

- Continuing steady demand; strengthen customer relationships through serving replacement demand and quickly responding to storm-related outages
- Potential impact if utilities experience slowdown; however, UIP on track for best year since acquired by Koppers

Utilities

- Expect demand from utilities to remain steady as maintenance work continues
- Utility co-ops beginning to return to offices; investor-owned utilities primarily working remotely

Piling

- Some states have lifted restrictions; projects on hold due to funding availability

Recovery

- Outstanding contracts on hold due to office closures; new pole projects impacted by construction shutdowns

Supply Chain

- Wood supply for poles adjusted/stabilized; suppliers seeing inconsistent demand from mills

Customers & Suppliers



RAILROAD PRODUCTS & SERVICES

Overall Business

- Crosstie business remains solid although commercial market beginning to see lower bidding activity

Crossties

- June 6 year-to-date vs. prior year period, U.S. railroads 15.1% lower; intermodal units down 11.2%; total combined U.S. traffic decreased 13.1%
- Certain Class I customers continuing to increase volumes; one Class I customer reducing capital spending by ~10% for remainder 2020

Maintenance-of-Way

- Rail Structures seeing improving demand; crews resuming work on projects with more favorable margin mix
- Expect improved second half 2020 for Recovery Resources

Supply Chain

- Low availability of logs on hand and available for untreated crosstie production; demand outlook also relatively flat to down (*Source: Railway Tie Association*)
- Reducing crosstie purchases as inventories stabilizing
- Improvement in supply of dry ties from third party; benefits from higher capacity utilization₁₃

Customers & Suppliers



PERFORMANCE CHEMICALS

Overall Business

- Despite pandemic, expect markets to remain strong in North America for most of 2020
- International markets should improve off of Q2 lows but will be challenged throughout 2020

North America

- Unanticipated record level of treated lumber demand
- Customers dealing with tight lumber availability and higher pricing; lumber market now ramping up production
- Weekly COVID Impact Tracker by Home Improvement Research Institute (HIRI) shows *'steady increase in percentage of DIYers doing projects...intent remains strong as many homeowners...have disposable income being shifted to home improvement...'*
- Customers indicating higher demand levels through summer months and into fall to replenish 'pipeline'
- Demand remains at unprecedented high water mark with no immediate sign of slowing down
- We are shipping everything we can produce, but demand is outstripping supply at the moment
- Big question is whether current demand level represents a bubble or with telework potentially becoming more commonplace home improvement projects rise in level of importance

Customers & Suppliers



PERFORMANCE CHEMICALS

International

- In Europe, U.K. sales continue to suffer due to closures and lower volumes; should improve as restrictions easing on cross-country movements
- Australia improving across all product groupings, particularly structural products, landscaping, fencing and agricultural products
- Australian government has passed a new housing stimulus package aimed at supporting construction market that is expected to soften later this year
- New Zealand returning to Level 1 (i.e. re-opening) but borders remain closed
- South American business continues to deal with various closures but has seen slight improvement

Supply Chain

- Copper hedges for 2021-2022 at lower average costs than 2020; no additional benefit in 2020 related to lower copper prices due to being fully hedged
- High demand in U.S. is outstripping supply and we are producing at maximum capacity to fulfill orders
- Our current constraint is intermediate production capacity

Customers & Suppliers



CARBON MATERIALS & CHEMICALS

Overall Business

- Significant declines in auto manufacturing capacity as well as other industrial production markets; resulting in lower demand for our products
- Lower oil prices and softer end market demand is pressuring product pricing

North America

- Negatively impacted by higher raw material costs and lower throughput; continued demand slowdown for carbon pitch due to end market weakness, i.e. aluminum industry
- Demand and pricing remains challenged for phthalic anhydride

Europe

- Demand and pricing for carbon pitch holding up; risk for potential downturn remains
- Significant pricing decreases for naphthalene and carbon black due to lower oil prices

Australia

- Volume remains at similar levels; carbon pitch pricing likely to be lower as Asian benchmark prices continue to decline

Supply Chain

- Pullback in steel production leading to lower domestic coal tar availability; increase in raw material imports to N.A. at higher prices; Europe/Australia supply chain remains steady

Supporting Our Communities During COVID-19 Crisis



Koppers & Urban League of Pittsburgh Team Up for *All One Pittsburgh*



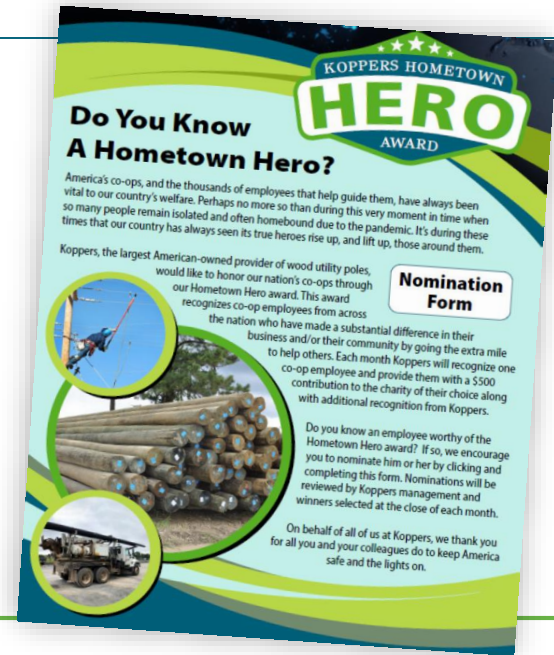
- Launched community-wide fund to obtain and distribute essential, hard to find household products to underserved neighborhoods
- **45,000+** essential items distributed to community members
- Funds raised: **~\$65,000**



Employees in the Community

- **UIP Team launches *Hometown Heroes Award* to recognize employees of U.S. utility co-ops**

- ✓ Each month, one employee will receive Hometown Hero Award
- ✓ Recognizing those who make a substantial difference in their business/community



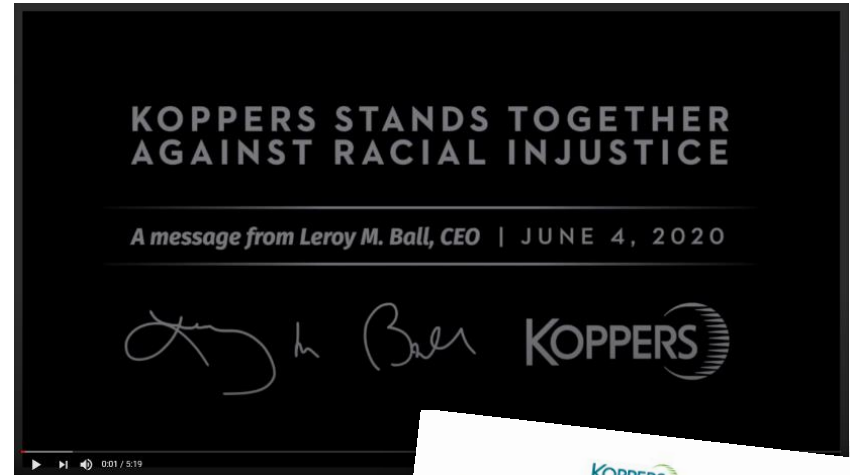
- **Employees at facility in Hubbell, Michigan, keeping busy by lending helping hands**

- ✓ Participated in drive-by parade for nursing home residents
- ✓ Volunteered to help Midland residents after severe flooding



Standing Together Against Racial Injustice

- Koppers Leadership Team, Board of Directors and Employees sign virtual pledge to Stand Together Against Racial Injustice
- Invite others to join Koppers in signing pledge
- To learn more, please visit www.koppers.com



KOPPERS STANDS TOGETHER AGAINST RACIAL INJUSTICE

CEO Leroy Ball invites you to add your name. **Sign the Virtual Pledge to:**

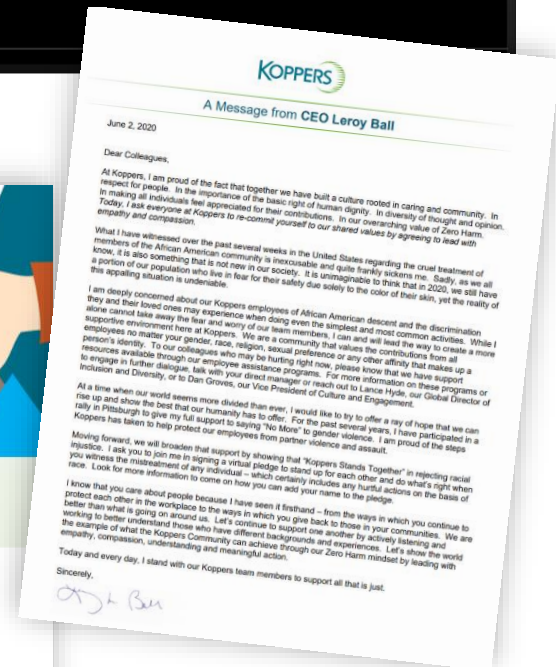
Respect Human Dignity
DO WHAT'S RIGHT
 when you witness the mistreatment of any individual.



Respect Diversity of Thought
ACTIVELY LISTEN
 and work to better understand those who have different backgrounds and experiences.



Respect All People
TAKE MEANINGFUL ACTION
 and lead with empathy and compassion.



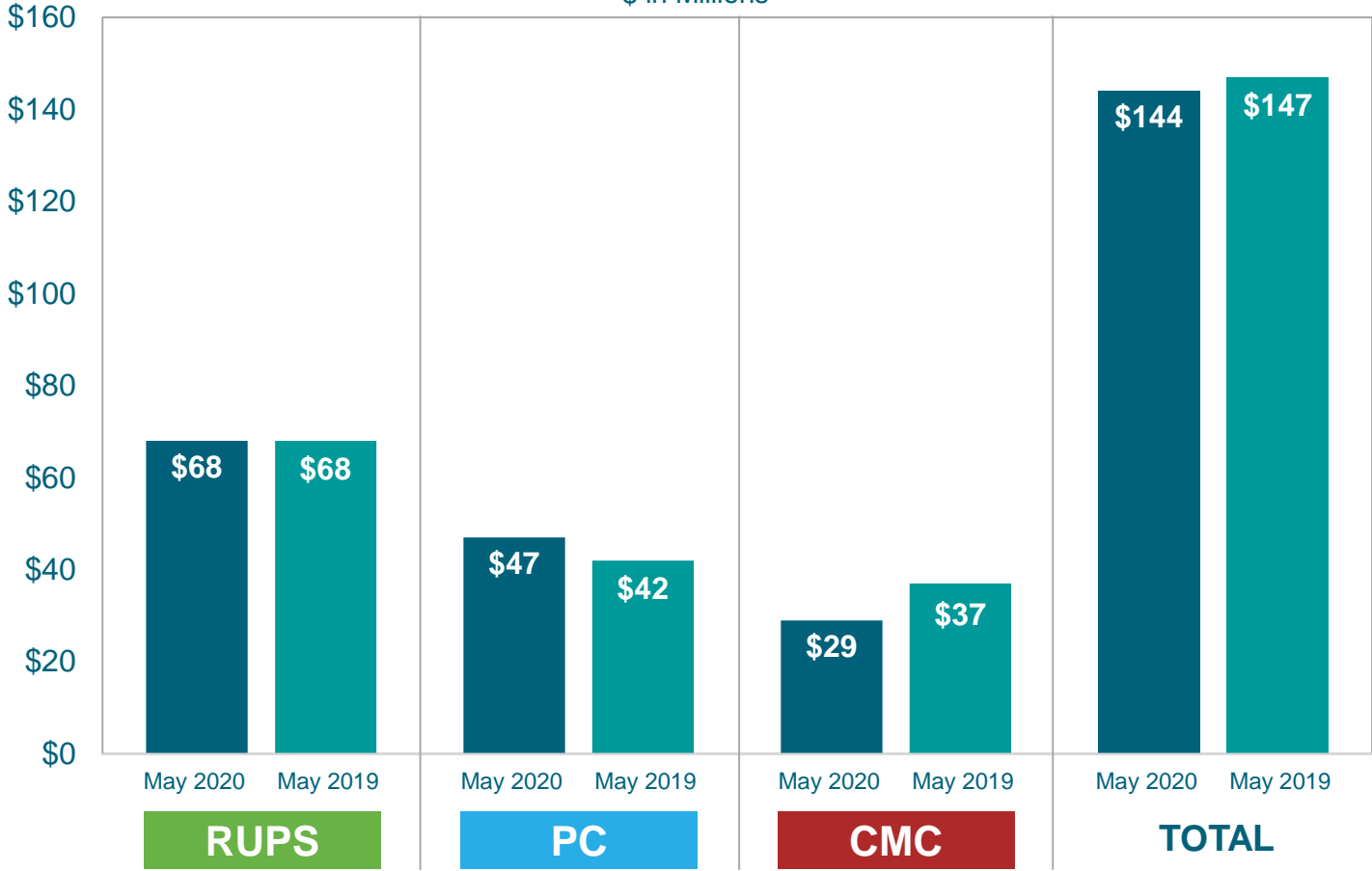
May 2020 (Unaudited): Sales by Segment



Sales by Segment (Unaudited)

May 2020 vs Prior Year

\$ in Millions



RUPS Sales (Unaudited)



RAILROAD AND UTILITY PRODUCTS & SERVICES



RUPS

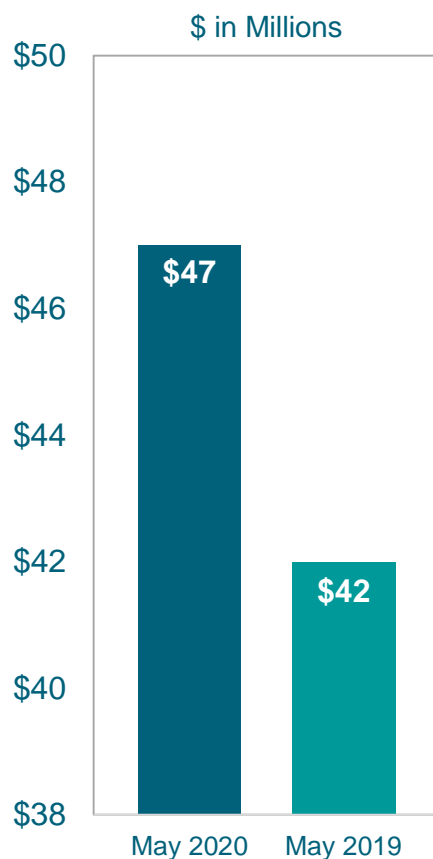
May Highlights

- Crosstie Procurement up 22% YTD
✓ +5% in May
- Crosstie Treatment up 6% YTD
✓ +6% in May
- Crosstie demand held steady; decreased activity in commercial market
- Maintenance-of-Way: Railroad Structures resumed project work, while Rail Joints business remains steady
- UIP benefiting from pole replacement activities, primarily co-ops
- Steady demand in Australia Utility business

PC Sales (Unaudited)



PERFORMANCE CHEMICALS



PC

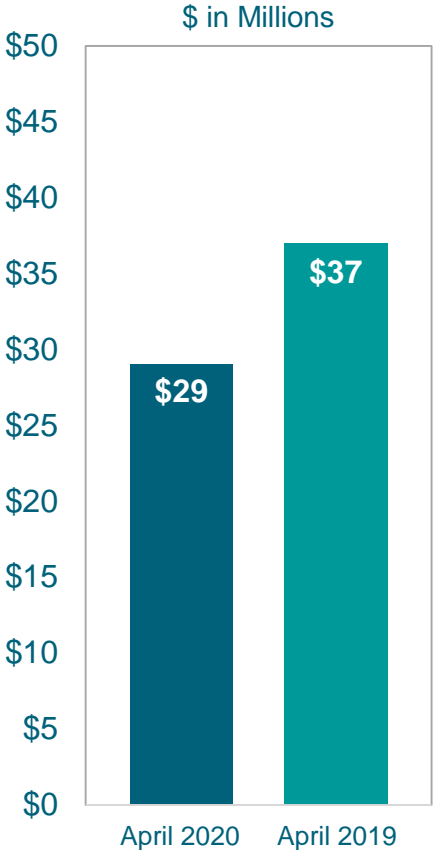
May Highlights

- Record sales/volumes in North America (N.A.) in May
 - ✓ Surpassed prior record in July 2019 by 15% or \$5.1M
 - ✓ Driven by sales to top 10 customers
- International sales continued to be soft; expect improvements in coming months
 - ✓ Restrictions being lifted in Europe, Brazil, New Zealand, etc.

CMC Sales (Unaudited)



CARBON MATERIALS & CHEMICALS



CMC

May Highlights

- Each region lower than prior year, in line with expectations
- Global EBITDA significantly lower than prior year but slightly better than April; approx mid-single digit in month
- Average global pricing for major product lines 8% lower than Q1 and down 19% compared to May 2019
- Average global coal tar costs 17% lower than Q1 and 20% lower than May 2019
- Volumes for major product lines in May were flat compared to May 2019

Debt & Liquidity



No Near-Term Debt Maturities; Cash Events Providing Liquidity Cushion



- **5/31/20 Status**
 - ✓ No current plans to amend credit facility, i.e. covenant relief
- **3/31/20 Status**
 - ✓ \$899M net debt
 - ✓ \$185M available liquidity
 - ✓ In compliance with all debt covenants
- **\$120M Debt Reduction in 2020 (Projected)**
 - ✓ KJCC divestiture proceeds (\$65M)
 - ✓ Working capital reduction (\$22M)
 - ✓ Lower cash taxes and interest (\$16M)
 - ✓ Lower capital expenditures (\$10M)
 - ✓ Deferred payroll taxes (\$7M)

No Significant Debt Maturities Pre-2024	
	<i>\$ in Millions</i>
2020	\$7.5
2021	\$10.0
2022	\$10.0
2023	\$10.0
2024	\$425.5
Thereafter	\$500.0
Total Debt	\$963.0

Bank Covenant Stress Test: In Compliance Even with ~30% EBITDA Reduction



Description	Q4 2019 Actual	Q1 2020 Actual	Q2 2020 Max	Q3 2020 Max	Q4 2020 Max
EBITDA (per covenants)	\$ 213.5	\$ 210.1	\$ 177.5	\$ 163.8	\$ 160.0 ⁽¹⁾
Total Debt (per covenants)	\$ 919.7	\$ 972.0	\$ 932.0	\$ 860.0	\$ 800.0 ⁽²⁾
Total Leverage (TL)	4.31	4.63	5.25	5.25	5.00
Max TL (per covenants)	5.25	5.25	5.25	5.25	5.00
Change in Y-o-Y EBITDA		\$ (3.3)	\$ (32.6)	\$ (13.7)	\$ (3.8) ⁽³⁾
Cumulative Change in Y-oY EBITDA		\$ (3.3)	\$ (35.9)	\$ (49.6)	\$ (53.5) ⁽⁴⁾
Quarterly 2019 EBITDA (ex China)		\$ 41.0	\$ 63.9	\$ 57.6	\$ 40.1

(1) Bank covenant EBITDA at maximum leverage (B/D)

(2) Forecasted Total Debt

(3) Reduction in year-over-year quarterly EBITDA before violating total leverage covenant

(4) Cumulative reduction in year-over-year quarterly EBITDA before violating total leverage covenant

Liquidity Stress Test: Ample Liquidity @ 20% EBITDA Reduction



Description	Q4 2019 Actual	Q1 2020 Actual	10% Reduction	20% Reduction	25% Reduction
EBITDA (per covenants)	\$ 213.5	\$ 210.1	\$ 192.1	\$ 170.8	\$ 160.1
Maximum Leverage Ratio	\$ 1,120.6	\$ 1,103.0	\$ 960.5	\$ 853.8	\$ 800.4
Less: Senior Notes	\$ (500.0)	\$ (500.0)	\$ (500.0)	\$ (500.0)	\$ (500.0)
Less: Revolving Credit Facility	\$ (329.0)	\$ (383.0)	\$ (220.0)	\$ (220.0)	\$ (220.0)
Less: Term Loan	\$ (82.5)	\$ (80.0)	\$ (72.5)	\$ (72.5)	\$ (72.5)
Less: Letters of Credit and Other	\$ (8.2)	\$ (9.0)	\$ (9.0)	\$ (9.0)	\$ (9.0)
Remaining Borrowing Capacity	\$ 200.9	\$ 131.0	\$ 159.0	\$ 52.3	\$ (1.1)
Add: Cash	\$ 33.0	\$ 54.6	\$ 34.6	\$ 34.6	\$ 34.6
Liquidity	\$ 233.9	\$ 185.6	\$ 193.6	\$ 86.9	\$ 33.5

(1) Reduced EBITDA from 12/31/19 by 10%, 20% and 30%

(2) Maximum leverage ratio of 5.25X EBITDA reduces to 5X at 12/31/20

(3) Reflects projected debt at year end with \$120M reduction

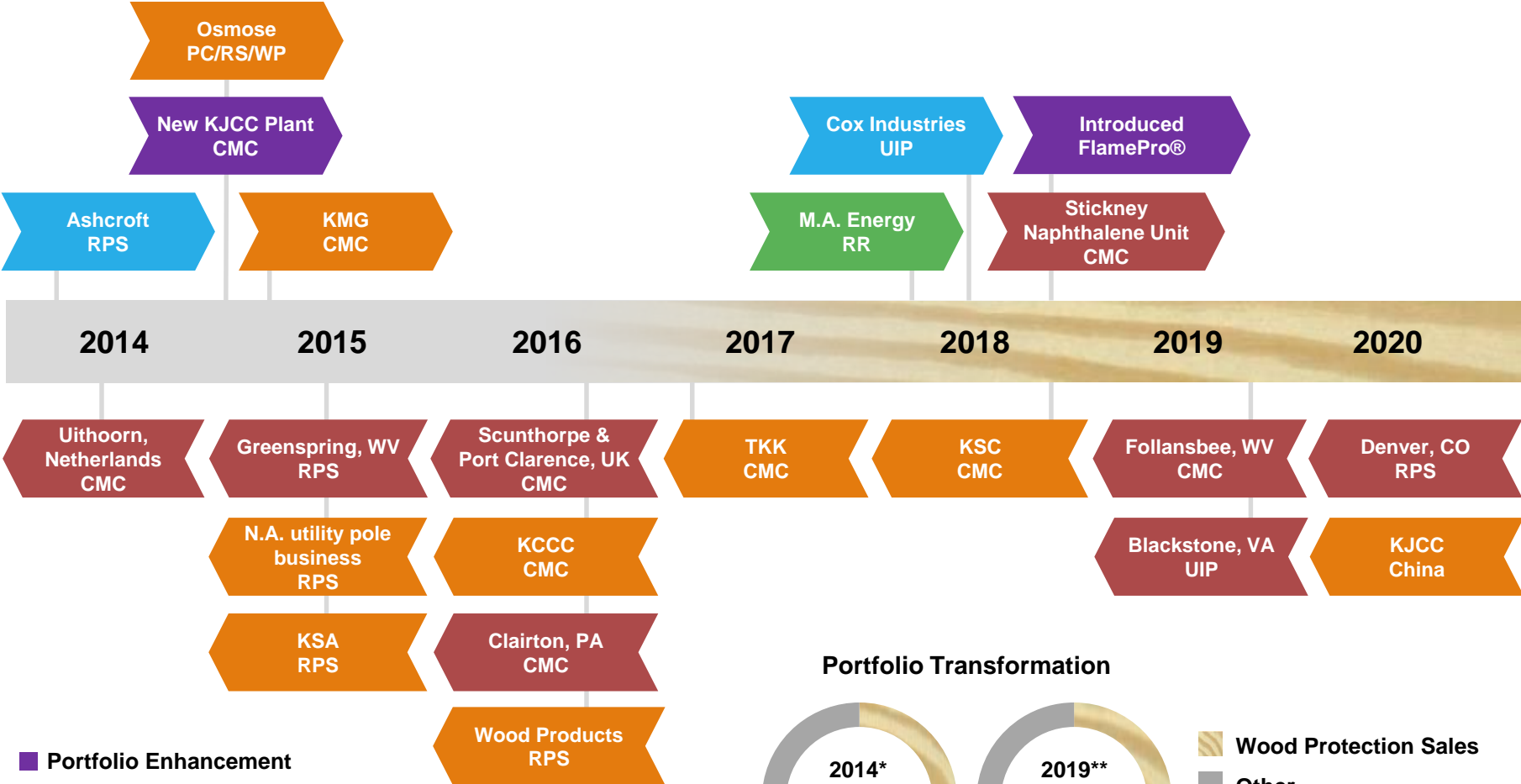
Strategy Update: Network Optimization



Our Value Creation Strategy

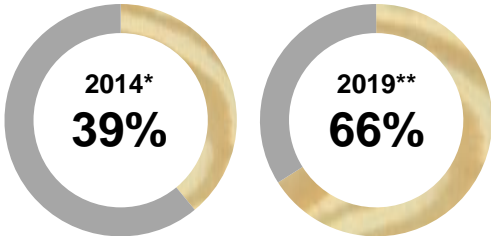


Our Strategy In Action



- Portfolio Enhancement
- Wood Treatment Expansion
- Cradle-to-Cradle
- Realign Business Portfolio
- Network Optimization

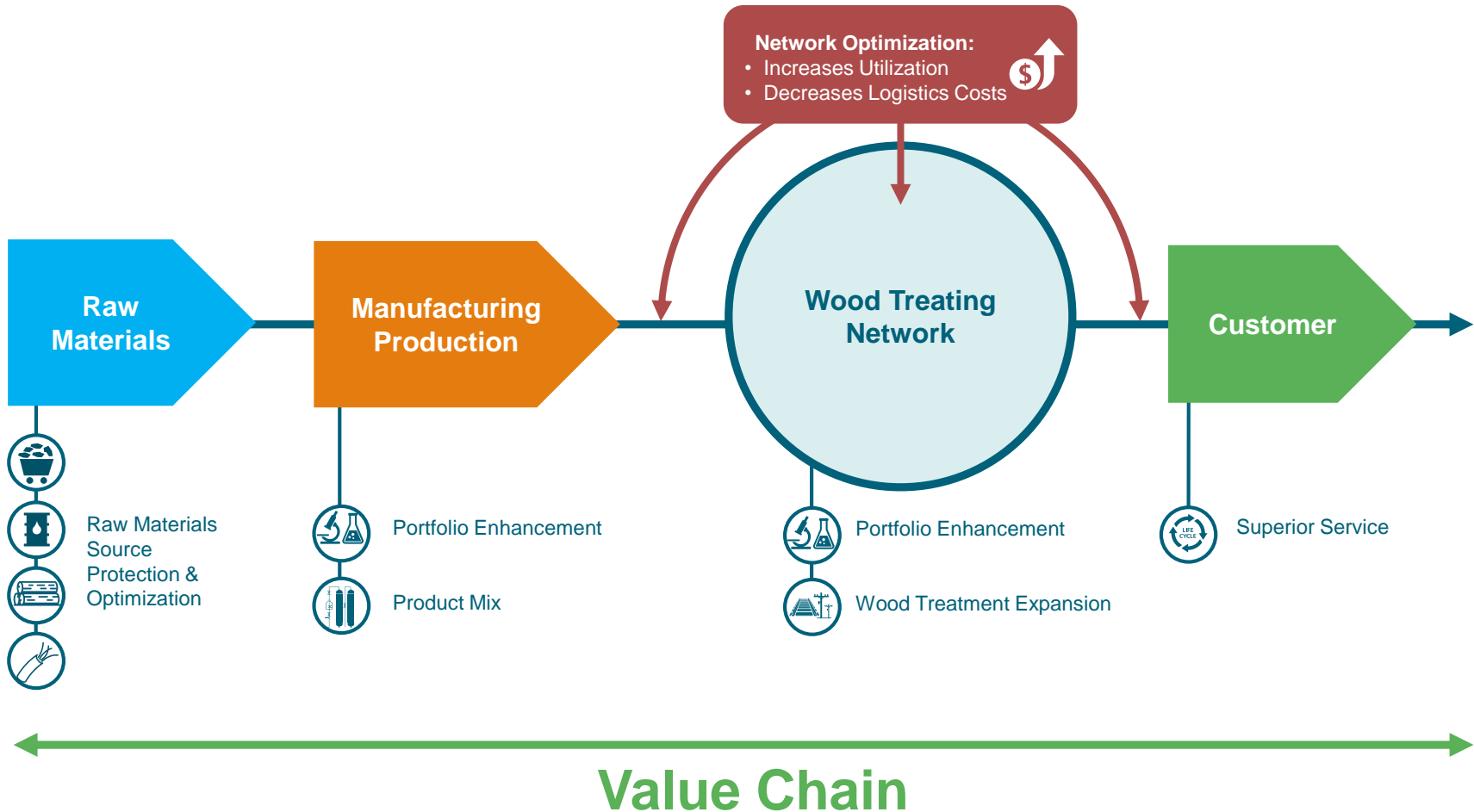
Portfolio Transformation



■ Wood Protection Sales
■ Other

*1/1/14 Pre-Osmose
 **Year-to-date as of 9/30/19

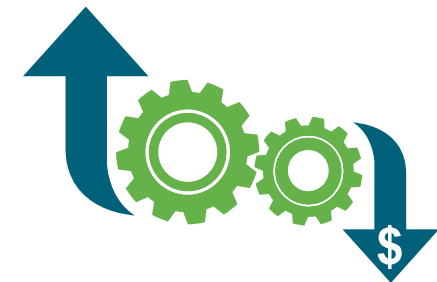
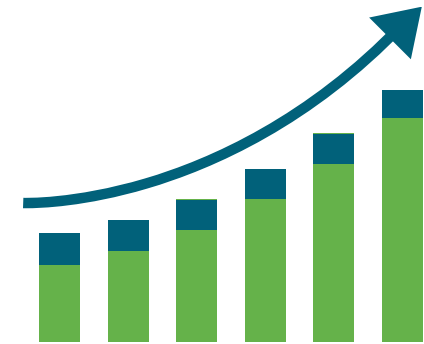
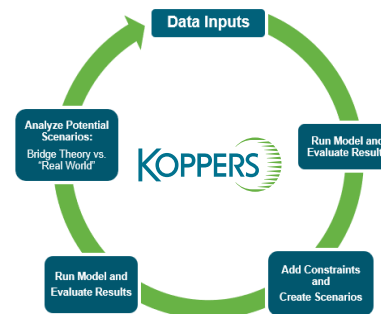
Network Optimization: Wood Treating Value Chain



Network Optimization: *Opportunities & Benefits*



- Provide opportunities to gain market share through optimized network
 - ✓ Competitive advantage
 - ✓ Operational expertise
 - ✓ More efficient supply chain
- Increase asset utilization
- Optimize logistics
- Lower cost structure
- Improve working capital efficiencies



Network Optimization: *Facility Closure @ Denver, Colorado*



- Recently signed long-term contract amendment with Class I customer
- Extend market opportunities for treated wood crossties, switch ties, and other types of lumber
- Plan to cease production activities at facility in Denver; further consolidate treating network
 - ✓ Ramping down production over next 2 months; targeting August 2020 for discontinuing activities
- Anticipate future investments to upgrade and modernize parts of treating network
 - ✓ Additional treating capacity at a yet to be determined facility
 - ✓ Accommodate potential future market share gains



Actions Taken & Additional Opportunities



Actions Taken: *Mitigating Impact of COVID-19*



SG&A Cost Savings (excl. Special):

- Identified \$15M to \$20M of SG&A savings; using 2019 SG&A expenses as baseline
- \$7M savings realized in May YTD

Cost Reduction Summary May YTD

• Compensation & Benefits	\$3.7
• Travel & Entertainment	1.8
• Legal & Consulting	1.1
• Office-related	1.0
• Other	<u>(0.6)</u>
• Total	<u>\$7.0</u>

Initiatives and Opportunities: *Emerge Stronger after Pandemic*



Initiatives In Progress:

- Market Share Gains
 - ✓ RPS ✓ PC
 - ✓ UIP ✓ KRR
- New Products
- New Processes
- New Markets
- Network Optimization

Other Cash Opportunities:

- Sale of other non-core businesses
- Sale of closed properties and associated assets
- Nearing completion of major site closing costs

Q&A Session



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

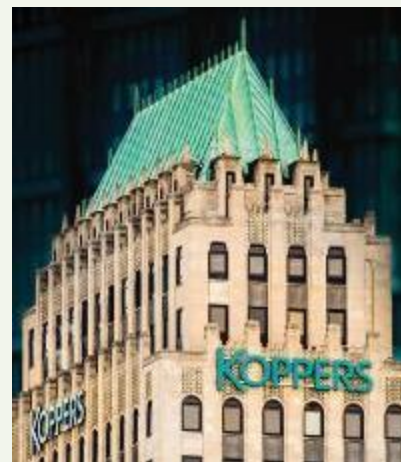
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