



## **Koppers Holdings Inc. Announces Cessation of Activities at Follansbee, WV, Facility; Final Step in Restructuring Strategy for Carbon Materials and Chemicals Business**

June 12, 2019

PITTSBURGH, June 12, 2019 /PRNewswire/ -- Koppers Inc., a wholly-owned subsidiary of Koppers Holdings Inc. (NYSE: KOP), today announced that it plans to cease remaining production activities at its facility located in Follansbee, West Virginia.



As part of Koppers previously announced strategy to restructure and streamline the operating footprint of its Carbon Materials and Chemicals (CMC) business, the company had discontinued coal tar distillation processing at the Follansbee facility in 2016. Subsequent to the commissioning of a new naphthalene refining plant in Stickney, Illinois, the company ceased naphthalene refining activities at the Follansbee facility in the fourth quarter of 2018. This final development, which will ultimately affect 48 employees, is driven by market conditions over the past decade that resulted in lower overall supply of raw material from North American steel manufacturers and the long-term changing footprint of the aluminum sector in the United States. The company expects to ramp down production over the next few months with plant decommissioning and tank cleaning activities to be completed by the fourth quarter of 2020. The closure of Follansbee represents the final step in reducing the CMC global footprint of facilities from 11 to four.

The company anticipates that this action will result in pre-tax charges to earnings of \$4 million to \$6 million in the second quarter related to asset write-downs and site clean-up while future cash requirements to close the facility are approximately \$20 million. Both the value of charges and cash requirements are consistent with disclosures made in the company's Quarterly Report on Form 10-Q filed on May 3, 2019. The closure will be funded through cash savings from winding down operations at the site which is estimated at \$4 million in 2019, \$9 million in 2020, and \$16 million in 2021 and thereafter.

Commenting on the decision, Koppers President and CEO, Leroy Ball said, "The closure of our Follansbee facility is an unfavorable outcome of the effects of global forces on our business that were outside of our control. We made several attempts to utilize the site for other purposes in an effort to preserve jobs, but ultimately could not arrive at a solution that worked from an economic standpoint."

Mr. Ball continued, "I want to thank our dedicated employees who have continued to work hard under less than ideal circumstances over the past several years. I take seriously the fact that closing the facility may have a potential negative impact on our employees and their families. As a result, we plan to provide assistance to employees in a way that helps position them for ongoing success as they transition to their next employer."

### **About Koppers**

Koppers, with corporate headquarters in Pittsburgh, Pennsylvania, is an integrated global provider of treated wood products, wood treatment chemicals and carbon compounds. Our products and services are used in a variety of niche applications in a diverse range of end-markets, including the railroad, specialty chemical, utility, residential lumber, agriculture, aluminum, steel, rubber, and construction industries. Including our joint ventures, we serve our customers through a comprehensive global manufacturing and distribution network, with facilities located in North America, South America, Australasia, China and Europe. The stock of Koppers Holdings Inc. is publicly traded on the New York Stock Exchange under the symbol "KOP." For more information, visit us on the Web: [www.koppers.com](http://www.koppers.com). Questions concerning investor relations should be directed to Michael J. Zugay at 412 227 2231 or Quynh McGuire at 412 227 2049.

### **Safe Harbor Statement**

Certain statements in this press release 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, declines in the value of Koppers assets and the effect of any resulting impairment charges, profitability and anticipated 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 "outlook," "guidance," "forecast," "believe," "anticipate," "expect," "estimate," "may," "will," "should," "continue," "plan," "potential," "intend," "likely," or other similar words or phrases are generally intended to identify forward-looking statements. Any forward-looking statement contained herein, in other press releases, written statements or other documents filed with the Securities and Exchange Commission, or in Koppers communications 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, divestitures, joint ventures 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 our outstanding indebtedness as it matures; 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 and costs of key raw materials; unfavorable resolution of claims against us, as well as those discussed more fully elsewhere in this release and in documents filed with the Securities and Exchange Commission by Koppers, particularly our latest annual report on Form 10-K and quarterly report on Form 10-Q. Any forward-looking statements in this release speak only as of the date of this release, 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.

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