



Q3 2023 Results



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, future dividends, 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; 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.

Thank You To Participants

KOPPERS Investor Day

September 13-14, 2023



Expand & Optimize
Strategic Plan

IN-PERSON: 24



VIRTUAL: 62



Video replay available [here](#)



Agenda



**Welcome &
Forward-Looking Statements**
Quynh McGuire



**Halftime Report: Company
Overview and Strategy Update**
Leroy Ball



Sustainability Overview
Leslie Hyde



Halftime Report: Operations Update
James Sullivan



Halftime Report: Financial Update
Jimmi Sue Smith

Q3 2023 Summary



Q3 2023 Summary of Key Metrics

HIGHLIGHTS



Consolidated Sales of \$550M vs. \$536M in prior year quarter

- ✓ Record third quarter sales
- ✓ 8th consecutive record current-quarter sales

Adjusted EBITDA of \$70.7M vs. \$68.8M in prior year quarter

- ✓ Record quarter profitability
- ✓ 5th consecutive record current-quarter adjusted EBITDA

Adjusted EBITDA Margin of 12.8% (prior year 12.8%)

Operating Cash Flow of \$81.6M vs. \$46.2M in prior year quarter

- ✓ Record quarter cash flow

Diluted EPS of \$1.22

- ✓ Exceeded prior year quarter of \$0.91

Adjusted Earnings Per Share of \$1.32

- ✓ Exceeded prior year quarter of \$1.19

Zero Harm



Zero Harm 2.0



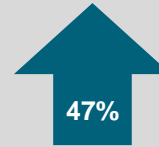
ZERO
harm 2.0

Re-energize Zero Harm engagement at the frontline and accelerate progress towards Zero

- **UIP Leadership: Understanding and Influencing Behavior Workshop Continuing**
 - ✓ YTD 9/30/23, UIP recordable injury rate decreased ~75% vs. prior year
- **Improvements to Koppers Permit-to-Work Policy Providing Frontline Supervisors More Control Over Work in the Process Areas**
 - ✓ Rollout Starting in Q1 2024

2023 vs 2022

Leading Activities



Serious Incidents



25 out of 45
Accident-Free
Facilities in Q3 2023



Business Units with Zero Recordables

- Australasia CMC
- Australasia PC
- Europe PC

Recordable Injury Rate:

↑ 7.5%

Zero Harm Events

Completed (September 28-29)

Safety, Health & Environmental Coordinator Conference



- **Held in Chicago (included Stickney plant visit)**
- **Training focused on:**
 - ✓ *Enhancing technical skills for proper energy isolation*
 - ✓ *Air emissions control technology*
 - ✓ *Pending improvements to the Permit to Work Policy*

Upcoming (November 6-7)

3rd Zero Harm Truck Driving Championship!

- **Top professional drivers from Koppers, based on safe driving performance metrics, will compete in a skills competition!**



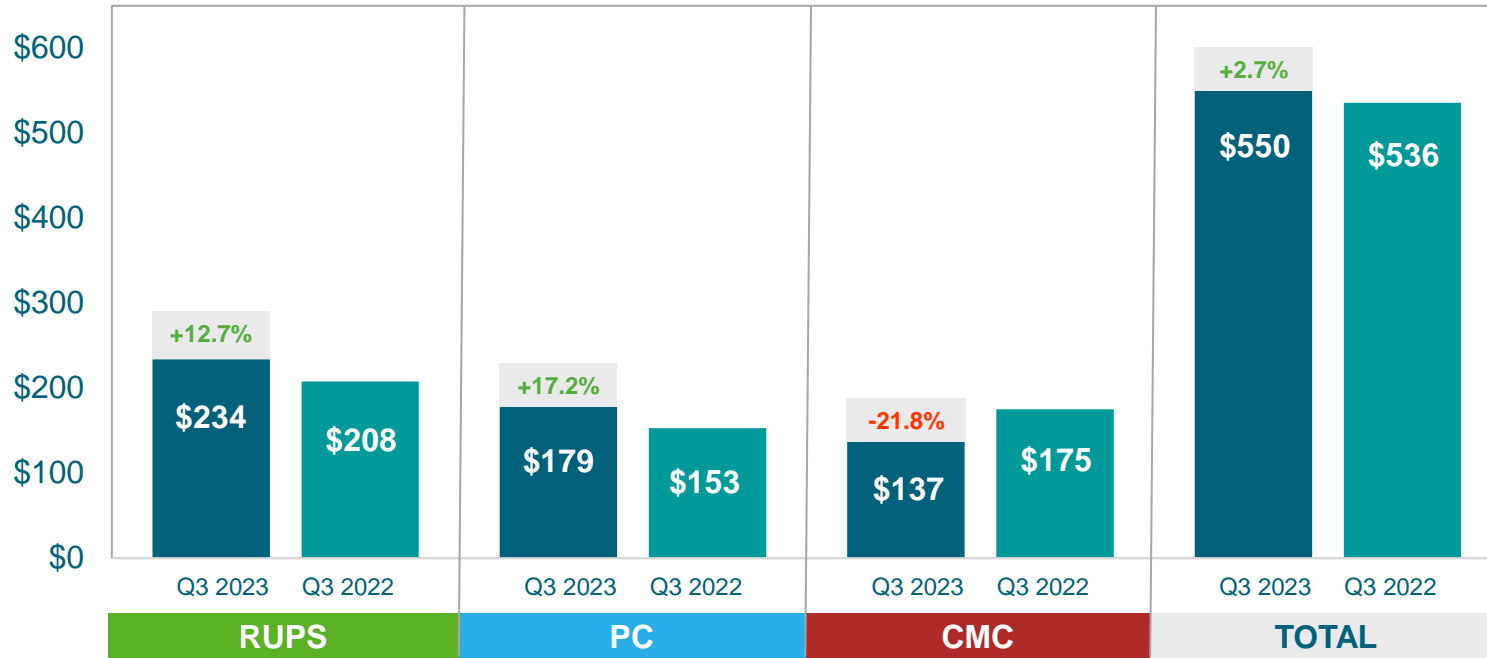
Q3 2023 Results



Q3: Sales by Segment (Unaudited)

Q3 2023 Sales vs. Prior Year

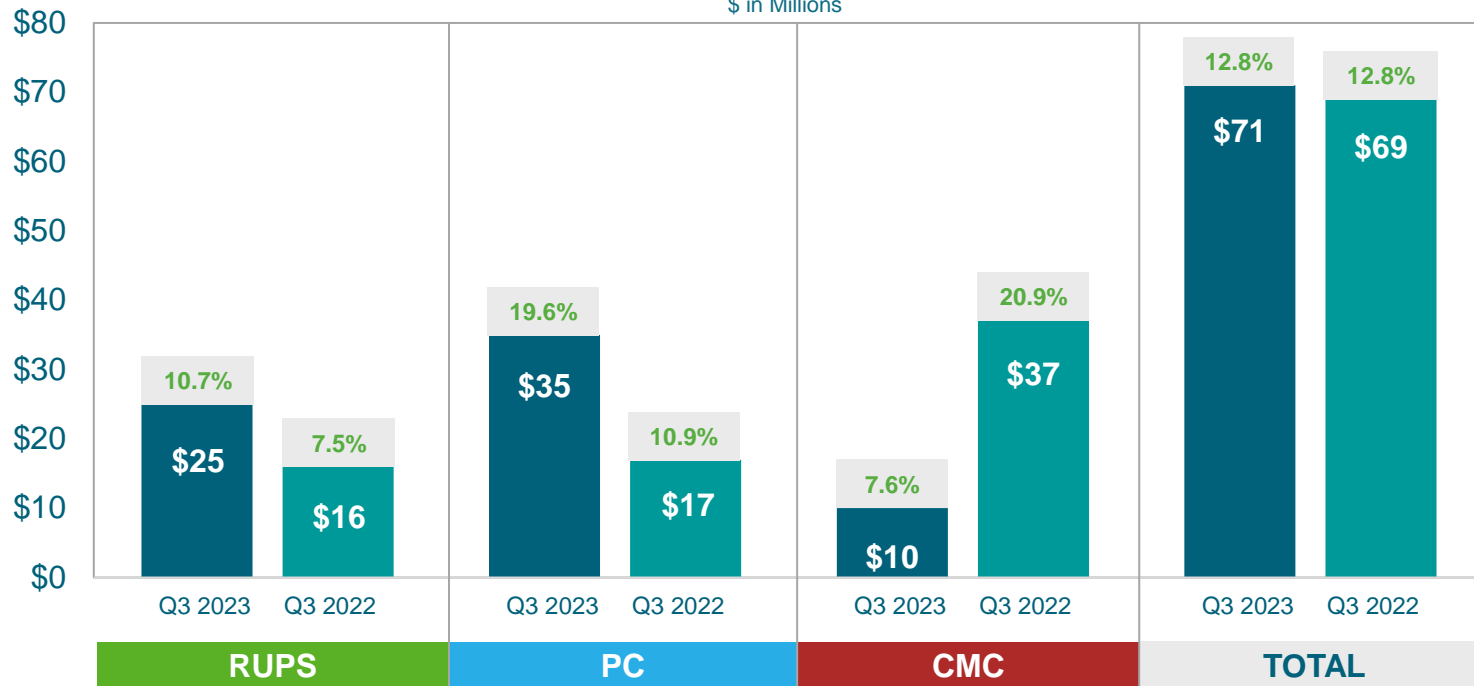
\$ in Millions



Q3: Adjusted EBITDA by Segment (Unaudited)

Q3 2023 Adjusted EBITDA \$ and % vs. Prior Year

\$ in Millions



Note: Segment amounts may not agree with consolidated totals due to rounding.

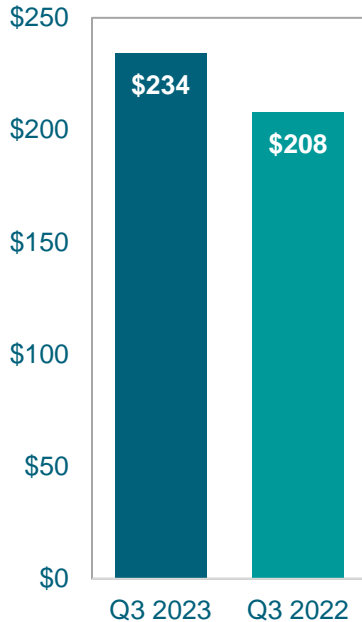
Q3 2023 RUPS Segment



RAILROAD AND UTILITY PRODUCTS AND SERVICES

Sales (Unaudited)

\$ in Millions

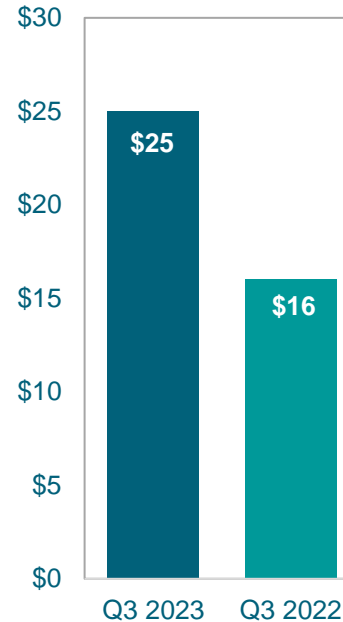


Highlights

- Record third-quarter sales primarily attributed to:
 - ✓ \$20.3M of price increases, particularly for crossties and utility poles in U.S.
 - ✓ Higher volumes for crossties and crosstie recovery
 - ✓ Third-quarter record for UIP
- Market prices for untreated crossties remain at relatively high levels but stabilizing
- ✓ Year over year, Q3 crosstie procurement up 23% and crosstie treatment 12% higher

Adjusted EBITDA (Unaudited)

\$ in Millions



Highlights

- Record quarter adjusted EBITDA primarily driven by:
 - ✓ Price increases
 - ✓ \$3.8M from improved plant utilization
 - ✓ More than offset higher raw material costs and increased SG&A expenses
- Third-quarter record for UIP
 - ✓ Adjusted EBITDA \$
 - ✓ Adjusted EBITDA %

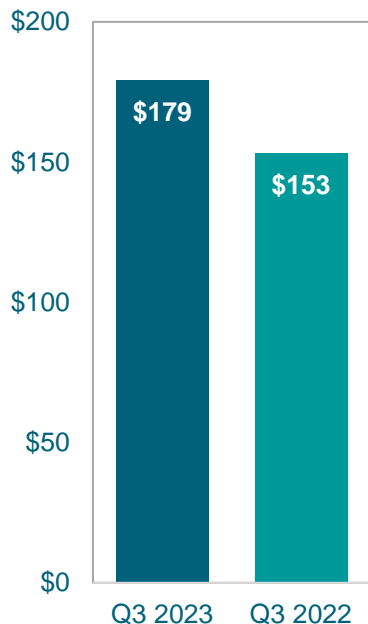
Q3 2023 PC Segment



PERFORMANCE CHEMICALS

Sales (Unaudited)

\$ in Millions

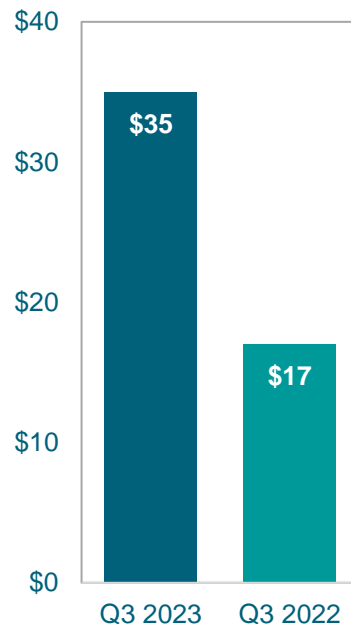


Highlights

- Record third-quarter sales primarily driven by:
 - ✓ Global price increases of \$15.7M, or 10.3%, particularly in the Americas for copper-based preservatives
 - ✓ 7.1% increase in volumes globally, reflecting 10.2% increase in the Americas
 - ✓ Partly offset by volume decreases in Australasia

Adjusted EBITDA (Unaudited)

\$ in Millions



Highlights

- Record quarter adjusted EBITDA benefited from:
 - ✓ Renegotiated customer contracts, which allowed for increased pricing to recoup prior year cost increases
 - ✓ Higher volumes for wood treatment preservatives in the Americas
 - ✓ More than offset higher raw material costs and increased SG&A expenses
- EBITDA margin returned to normalized levels at 18+% YTD

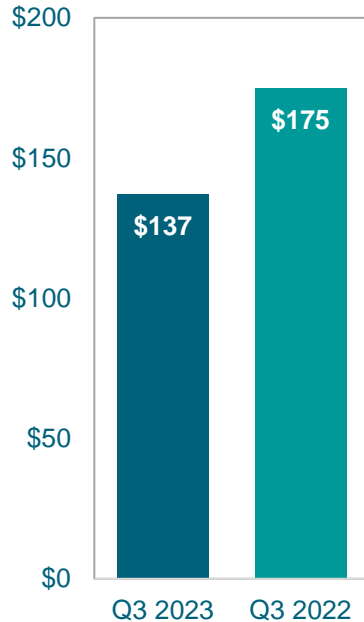
Q3 2023 CMC Segment



CARBON MATERIALS AND CHEMICALS

Sales (Unaudited)

\$ in Millions

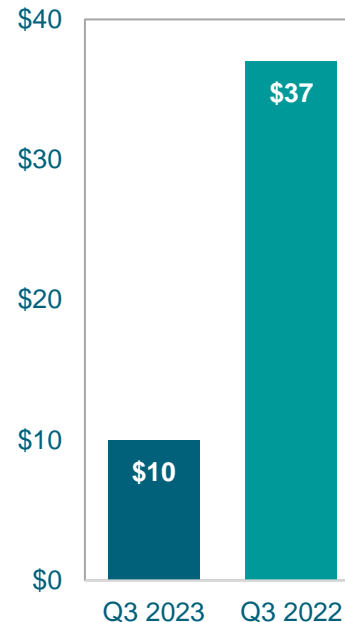


Highlights

- Decrease in sales primarily driven by:
 - ✓ \$24.3M of lower sales prices across most products
 - ✓ Reduced market demand
 - Carbon pitch prices down ~10% globally
 - \$25.9M in lower volumes of carbon pitch and PAA
 - ✓ Partly offset by volume increases for refined tar and carbon black feedstock

Adjusted EBITDA (Unaudited)

\$ in Millions



Highlights

- Decline in profitability reflects:
 - ✓ Lower prices and decreased volumes
 - ✓ Partly offset by \$4.2M lower raw material and operating costs, particularly in N.A.
 - ✓ Favorably impacted by \$2.3M of insurance proceeds
- Compared with Q2 2023, avg. pricing of major products 10% lower and avg. coal tar costs 18% lower
- Compared with Q3 2022, avg. pricing of major products 18% lower and average coal tar costs flat year-over-year

Capital Allocation



Uses of Cash: Balanced Approach

- **Operating cash flow \$81.6M in Q3, a quarterly record**
- **Investing in our business**
 - ✓ Capital expenditures of \$88.3M (net) through 9/30/23
- **Returning capital to shareholders**
 - ✓ Declared quarterly dividend \$0.06/share
 - ✓ Repurchased \$9.8M⁽¹⁾ of shares through 9/30/23
- **Reducing leverage⁽²⁾ as appropriate**
 - ✓ Reduced net debt \$48M in Q3
 - ✓ \$810M net debt and ~\$350M available borrowings at 9/30/23
 - ✓ NLR 3.2x at 9/30/23 vs. 3.4x at 6/30/23 and 12/31/22
 - ✓ Long-term target of 2x-3x net leverage ratio

Confident In Ability to Grow and Generate Cash

(1) Includes shares surrendered by insiders to cover taxes on equity vesting

(2) Net Leverage Ratio is calculated as net debt divided by adjusted EBITDA for the latest twelve-month period. Net debt represents total debt less cash at the end of a quarter. Net debt and liquidity will fluctuate before, after and throughout the related period based upon the timing of receipts and payables.

Q3 2023 Capital Expenditures

(\$ in millions) CapEx by Category	2023 YTD
Maintenance	\$40.8
Zero Harm	13.1
Growth & Productivity	37.4
Total	\$91.3
Less: Cash Proceeds	(\$3.0)
Capital Expenditures, Net	\$88.3

(\$ in millions) CapEx by Business Unit	Maintenance	Zero Harm	Growth & Productivity	2023 YTD
RUPS	\$16.8	\$2.5	\$19.6	\$38.9
PC	4.6	1.6	3.0	9.2
CMC	17.2	9.0	14.5	40.7
Administration	2.2	--	0.3	2.5
Total	\$40.8	\$13.1	\$37.4	\$91.3

Dividend Declaration



Declaring Quarterly Cash Dividend

effective capital deployment **maximize** **shareholder value**
strength and resiliency **dividend**
strategic growth plan *strong operating cash flows*
capital flexibility



Board of Directors approved a quarterly dividend of \$0.06 per share of Koppers common stock.

Business Sentiment: Keys to Success



2023 Keys to Success



PERFORMANCE CHEMICALS

Price increases stick without major loss of volume

- \$61M of price increases through nine months, exceeding projections for 2023
- New account volumes offsetting losses elsewhere

Residential demand declines less than 10%

- Actual volumes have increased 6% through September YTD compared to 2022; expect base volumes to finish in a similar position through the remainder of this year
- September existing-home sales are down 15.4% from prior year (*Source: National Association of Realtors*)
- Further deceleration in remodeling spending projected, anticipating first decline in 10 years in Q1 2024 continuing into Q3 2024 (*Source: Leading Indicator of Remodeling Activity*)
- Lumber prices are down to a third of pandemic peaks in 2021 and 2022; have settled in \$400-\$600 per thousand board feet range over the past year

Koppers continues to take share of shifting industrial preservative market

- Phase-out of major industrial chemical, which enabled increased share of Koppers preservatives such as CCA and DCOI
- Koppers industrial preservative sales volumes grew 10% year-over-year in 2023
- Continued market growth anticipated due to infrastructure spending



2023 Keys to Success



RUPS: UTILITY AND INDUSTRIAL PRODUCTS

Keep facilities running uninterrupted

- Generated second strongest quarter ever of profitability in Q3, just behind record Q2
- Contractor delays have pushed kiln installations to November 2023 and April 2024
- \$27M of price improvement through September 2023, driven by strong demand from federal incentives and infrastructure investments
- Already exceeded full year 2022 profitability through first nine months of 2023

Bring Leesville, LA, facility online

- Diverting Leesville kiln to replace fire-damaged kiln, which pushes timing of this project to Q1 2024
- Texas market remains hungry for another supplier; backlog of orders waiting for fulfillment
- Extremely strong end market demand ready to absorb increased output from Leesville facility



2023 Keys to Success



RUPS: RAILROAD PRODUCTS AND SERVICES

Build dry inventory as soon as possible

- Remain on pace to procure 7M+ ties in 2023, compared to 4M in early 2022
- Dry inventory up 28% from year-end 2022, totaling more than 5M ties; targeting 6M-7M dry tie inventory
- Higher dry inventory moderates need for additional boultonizing treatment and improves efficiency and cost structure of facilities

Recoup value of preservative

- Raw material cost exceeds sales price; dynamic cannot be sustained
- Realized \$36M in price to-date; need additional pricing increases
- Remain in discussions with customers to implement price increases and maintain healthy supply chain

Finish North Little Rock expansion by mid-year

- Commissioning completed in September; working through normal start-up items
- New plant anticipated to be most efficient, with best sustainability footprint for safety and our environment
- Volume commitments received to maximize treating output



2023 Keys to Success



CARBON MATERIALS AND CHEMICALS

Manage challenging raw material environment

- Russia/Ukraine conflict reduced European raw material supply by 20%
- Declining demand has created a temporary oversupply situation in Asia and Europe
- Fire at domestic supplier has put focus back on importing raw material from Europe

Continue to push acceptance of petroleum-blended products

- Half of N.A. pitch consumers currently use Koppers hybrid product
- Abundance of coal tar pavement sealer on the market has slowed adoption of petroleum-based pavement sealer
- Progress continues in providing variations in creosote petroleum product blends, simplifying our supply chain and improving our ability to meet demand

No recessionary impact to aluminum and steel markets

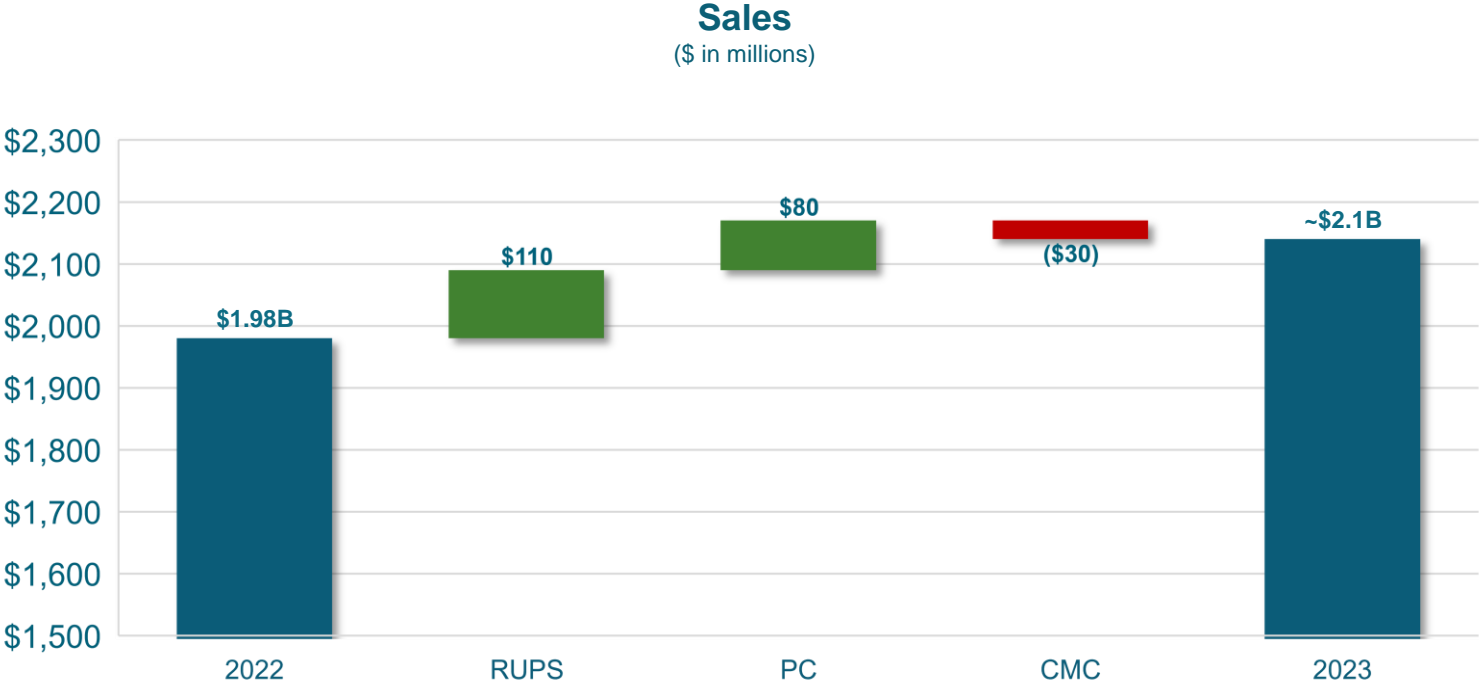
- CMC volumes down through September year-to-date; industry volumes seeing more weakness, particularly Europe
- Supply/demand imbalance putting pressure on both pricing and raw material costs in affected markets, while other markets experiencing a healthier environment for margin spread



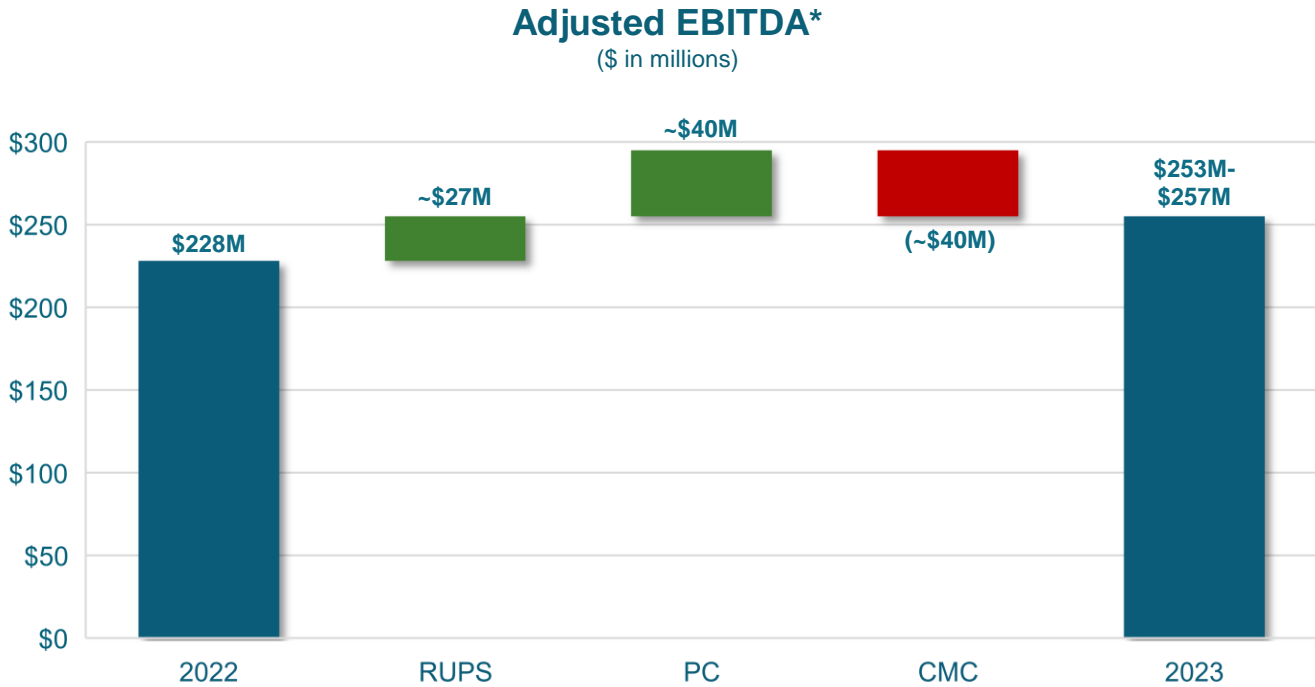
2023 Guidance



2023 Sales Forecast: ~\$2.1B



2023 Adjusted EBITDA Forecast: \$253M-\$257M

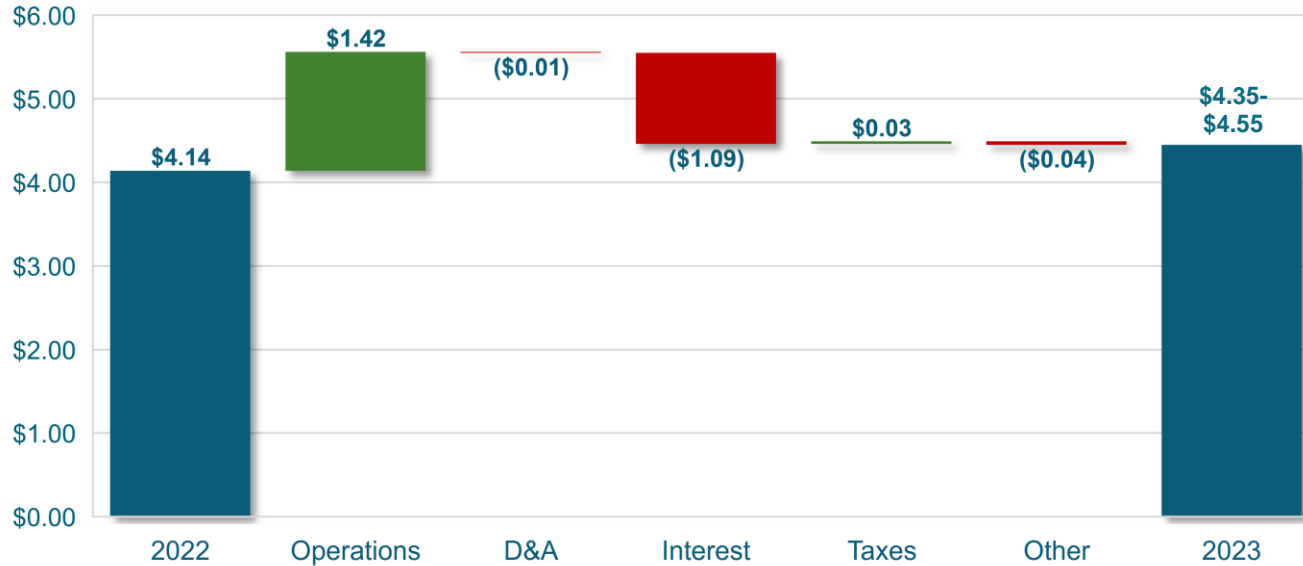


* Excluding special charges



2023 Adjusted EPS Forecast: \$4.35 - \$4.55

Adjusted EPS*



* Excluding special charges

2023 Capital Expenditures

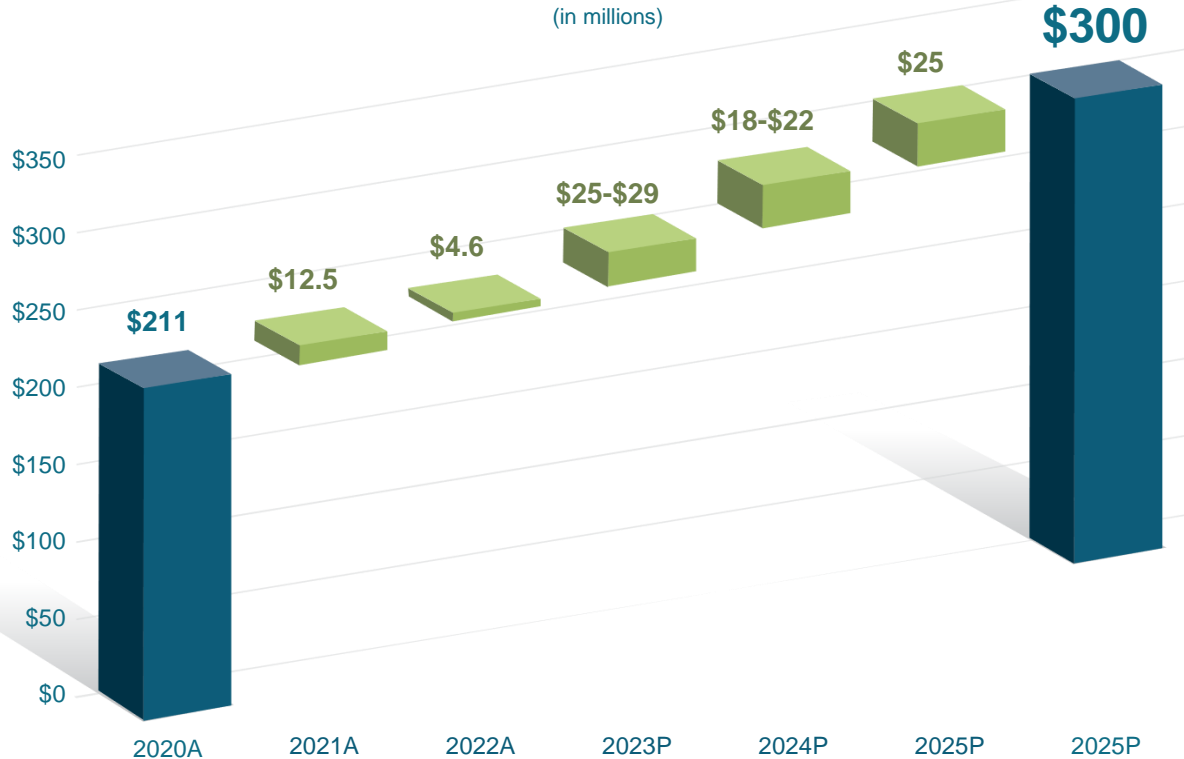
(\$ in millions)	
CapEx by Category	2023
Maintenance	\$54
Zero Harm	16
Growth & Productivity	40-50
Total	\$110-\$120
Less: Cash Proceeds	(\$5)
Capital Expenditures, Net	\$105-\$115

(\$ in millions) CapEx by Business Unit	Maintenance	Zero Harm	Growth & Productivity		2023	
			Low	High	Low	High
RUPS	\$20	\$2	\$21	\$27	\$43	\$49
PC	6	3	4	5	13	14
CMC	23	11	15	17	49	51
Administration	5	--	--	1	5	6
Total	\$54	\$16	\$40	\$50	\$110	\$120

Path to \$300M Adjusted EBITDA By 2025

Adjusted EBITDA Contribution by Year

(in millions)



Appendix

Non-GAAP Measures & Guidance

This presentation includes unaudited “non-GAAP financial measures” as defined in Regulation G under the Securities Exchange Act of 1934, including adjusted EBITDA, adjusted EBITDA margin, adjusted EPS, net debt and net leverage ratio. Koppers believes that the presentation of non-GAAP financial measures provides 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 a performance measure under the company's annual incentive plans and for certain performance share units granted to management.

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, but are not limited to, restructuring and impairment charges, acquisition-related costs, mark-to-market commodity hedging, and LIFO adjustments 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

<i>(Dollars in millions)</i>	<i>Three Months Ended September 30,</i>	
	<i>2023</i>	<i>2022</i>
Net sales:		
Railroad and Utility Products and Services	\$ 234.0	\$ 207.7
Performance Chemicals	179.4	153.1
Carbon Materials and Chemicals	137.0	175.3
Total	\$ 550.4	\$ 536.1
Adjusted EBITDA⁽¹⁾:		
Railroad and Utility Products and Services	\$ 25.1	\$ 15.5
Performance Chemicals	35.2	16.7
Carbon Materials and Chemicals	10.4	36.6
Total	\$ 70.7	\$ 68.8
Adjusted EBITDA margin⁽²⁾:		
Railroad and Utility Products and Services	10.7%	7.5%
Performance Chemicals	19.6%	10.9%
Carbon Materials and Chemicals	7.6%	20.9%

(1) The tables below describe the adjustments to arrive at adjusted EBITDA.

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

Unaudited Reconciliation of Net Income to Adjusted EBITDA and Adjusted EBITDA Margin

<i>(Dollars in millions)</i>	<i>Three Months Ended September 30,</i>	
	<i>2023</i>	<i>2022</i>
Net income	\$ 26.2	\$ 19.0
Interest expense	19.0	11.4
Depreciation and amortization	14.3	16.9
Income tax provision	8.3	13.2
Sub-total	67.8	60.5
Adjustments to arrive at adjusted EBITDA:		
LIFO expense ⁽¹⁾	2.8	6.1
Impairment, restructuring and plant closure costs	0.1	0.3
Mark-to-market commodity hedging losses	0.0	1.9
Total adjustments	2.9	8.3
Adjusted EBITDA	\$ 70.7	\$ 68.8
Net Sales	\$ 550.4	\$ 536.1
Adjusted EBITDA Margin	12.8%	12.8%

(1) The LIFO expense adjustment removes the entire impact of LIFO and effectively reflects the results as if we were on a FIFO inventory basis.

Unaudited Reconciliations of Net Income Attributable to Koppers to Adjusted Net Income Attributable to Koppers and Diluted Earnings Per Share and Adjusted Earnings Per Share

<i>(Dollars in millions)</i>	<i>Three Months Ended September 30,</i>	
	<i>2023</i>	<i>2022</i>
Net income attributable to Koppers	\$ 26.3	\$ 19.1
Adjustments to arrive at adjusted net income:		
LIFO expense ⁽¹⁾	2.8	6.1
Impairment, restructuring and plant closure costs	0.1	0.3
Mark-to-market commodity hedging losses	0.0	1.9
Total adjustments	2.9	8.3
Adjustments to income tax and noncontrolling interests:		
Income tax on adjustments to pre-tax income	(0.6)	(2.2)
Noncontrolling interest	0.0	(0.1)
Effect on adjusted net income	2.3	6.0
Adjusted net income attributable to Koppers	\$ 28.6	\$ 25.1
Diluted weighted average common shares outstanding (in thousands)	21,659	21,085
Earnings per share:		
Diluted earnings per share - continuing operations	\$ 1.22	\$ 0.91
Diluted earnings per share - net income	\$ 1.22	\$ 0.91
Adjusted earnings per share	\$ 1.32	\$ 1.19

(1) The LIFO expense adjustment removes the entire impact of LIFO and effectively reflects the results as if we were on a FIFO inventory basis.

Unaudited Reconciliation of Total Debt to Net Debt and Net Leverage Ratio

<i>(Dollars in millions)</i>	<i>September 30, 2023</i>		<i>June 30, 2023</i>		<i>Twelve Months Ended December 31, 2022</i>
Total Debt	\$	863.8	\$	906.2	\$ 817.7
Less: Cash		53.5		48.2	33.3
Net Debt	\$	810.3	\$	858.0	\$ 784.4
Adjusted EBITDA	\$	254.6	\$	252.7	\$ 228.1
Net Leverage Ratio		3.2		3.4	3.4

Unaudited Reconciliation of Net Income to Adjusted EBITDA (LTM)

<i>(Dollars in millions)</i>	September 30, 2023		June 30, 2023		<i>Twelve Months Ended</i> December 31, 2022
Net income	\$	90.6	\$	83.3	\$ 63.2
Interest expense		65.8		58.3	44.8
Depreciation and amortization		54.3		57.0	56.1
Income tax provision		30.0		35.0	31.6
Discontinued operations		0.1		0.0	0.6
Sub-total		240.8		233.6	196.3
Adjustments to arrive at adjusted EBITDA:					
LIFO expense ⁽¹⁾		16.1		19.2	25.6
Inventory adjustment		1.1		1.1	1.1
Impairment, restructuring and plant closure costs		0.9		1.2	1.1
(Gain) on sale of assets		(1.8)		(1.8)	(2.5)
Mark-to-market commodity hedging (gains) losses		(2.5)		(0.6)	6.5
Adjusted EBITDA	\$	254.6	\$	252.7	\$ 228.1

(1) The LIFO expense adjustment removes the entire impact of LIFO and effectively reflects the results as if we were on a FIFO inventory basis.

Unaudited Reconciliation of Net Income to Adjusted EBITDA

<i>(Dollars in millions)</i>	<i>Year Ended December 31,</i>		
	<i>2022</i>	<i>2021</i>	<i>2020</i>
Net income	\$ 63.2	\$ 84.9	\$ 121.0
Interest expense	44.8	40.5	48.9
Depreciation and amortization	56.1	58.4	56.1
Income tax provision	31.6	34.5	21.0
Discontinued operations	0.6	0.2	(31.9)
Subtotal	196.3	218.5	215.1
Adjustments to arrive at adjusted EBITDA:			
LIFO expense (benefit) ⁽¹⁾	25.6	28.2	(13.7)
Mark-to-market commodity hedging losses (gains)	6.5	3.8	(9.2)
Impairment, restructuring and plant closure costs	1.1	4.2	15.7
Inventory adjustment	1.1	0.0	0.0
(Gain) on sale of assets	(2.5)	(31.2)	0.0
Pension settlement	0.0	0.0	0.1
Discretionary incentive	0.0	0.0	3.0
Adjusted EBITDA	\$ 228.1	\$ 223.5	\$ 211.0

(1) The LIFO expense adjustment removes the entire impact of LIFO and effectively reflects the results as if we were on a FIFO inventory basis.

KOPPERS World Headquarters
Pittsburgh, Pennsylvania, USA



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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, and Europe.

Stock Exchange Listing

NYSE: KOP

Investor Relations and Media Information

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