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

**July 2020 Business Update**  
**August 25, 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; the expected closing of the sale of KJCC; 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. 2

# Our Place in the 'Essential' Business Landscape

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# 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

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# Applying Zero Harm Principles: Current Status



## Employees Affected by COVID-19



- 45 employees (2%) tested positive for COVID-19, in total
  - 3 Koppers locations have cases that were transmitted inside plant
  - To date, 2 employees were hospitalized and have since been discharged (one person returned to work, one person recovering at home)
- Cumulatively, ~27% of employees self-identified as having symptoms
- ~1.3% of employees remain in self-quarantine

## Staying Vigilant & Staying Healthy



- Requiring face coverings as PPE at all N.A. facilities
- Enhancing social distancing and screening practices
- Maintaining COVID-19 hygiene protocols
  - Wash hands for 20 seconds
  - Wear proper PPE
  - Avoid close contact
  - Clean and disinfect surfaces



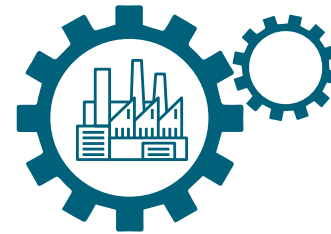
## Ongoing Communications through Virtual Chats & Weekly Videos



- CEO Virtual Chats with plant employees
- CEO video updates to employees available on Koppers Facebook page (@koppersinc) and on [www.koppers.com](http://www.koppers.com)

# Operations Continuity

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# Operations & Planning: Current Status



## Operations



- Worldwide, Koppers manufacturing facilities remain operational, except:
  - KJCC - scheduled outage at customer's plant
- Brief shutdown at 1 PC facility due to multiple employees infected with COVID-19 and have since resumed operations
- No employees currently furloughed or laid off
- Effective June 7, employees permitted to travel if essential for business
- Planning select plant visits by senior management to reinforce importance of health and hygiene protocols

## Office Re-entry



- Strongly encouraging employees to continue working remotely
- Voluntary return-to-office plans postponed
- No plans to require returning to office through end of 2020
- Requiring use of face coverings and social distancing for employees that must come into office

## 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



# Supporting Our Employees During COVID-19 Crisis and More

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# Launching Employee Relief Fund

## How it Works

- Charitable fund that provides grants to Koppers employees during unexpected times of need from natural disasters to family emergencies
- Funded by employees to allow employees to support each other during life events beyond their control



## Program Funding

Designed to help our company take care of our own through:

- Employee donations
- Annual company contribution



# July 2020 (Unaudited): Sales by Segment

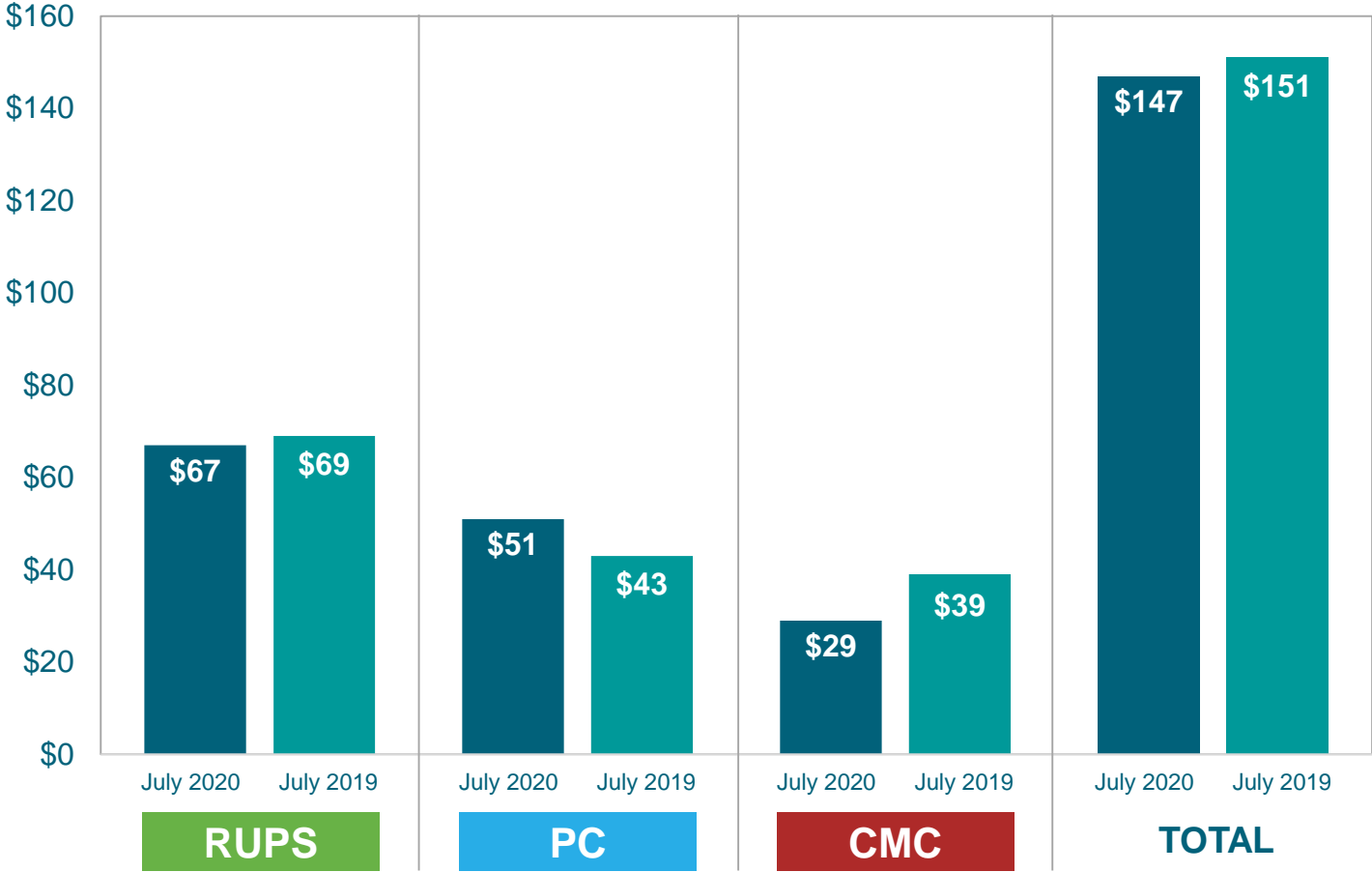
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# Sales by Segment (Unaudited)

## July 2020 vs Prior Year

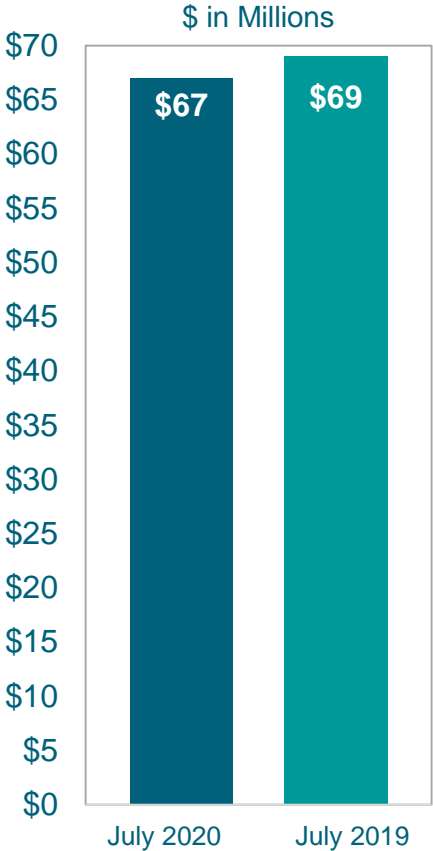
\$ in Millions



# RUPS Sales (Unaudited)



## RAILROAD AND UTILITY PRODUCTS & SERVICES



**RUPS**

### July Highlights

- Crosstie Procurement up 16% YTD
  - ✓ +17% in July
- Crosstie Treatment up 8% YTD
  - ✓ +9% in July
- Some slowdown in commercial crosstie market
- Maintenance-of-Way: Railroad Structures and Recovery Resources showing higher year-over-year activity
- Increased demand in Australia utility business

# PC Sales (Unaudited)



## PERFORMANCE CHEMICALS



PC

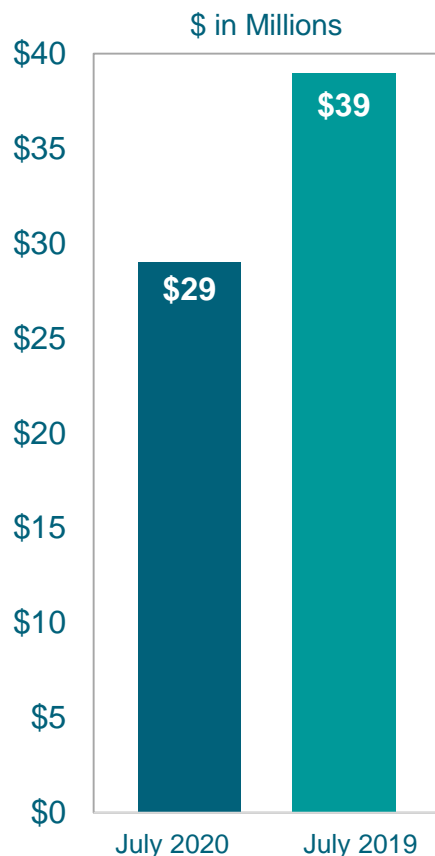
### July Highlights

- Strong sales/volumes in North America (N.A.) continued in July
  - ✓ In line with May sales but down from record June
  - ✓ Sales growth from across the board; serving all customers while prioritizing top customers
- International sales showing sizeable improvements
  - ✓ Restrictions lifted in Europe, Brazil, New Zealand, etc.
  - ✓ Pent up demand resulted in record sales month for Europe, South America and Australasian regions

# CMC Sales (Unaudited)



## CARBON MATERIALS & CHEMICALS



**CMC**

### July Highlights

- NA and Europe lower than prior year; Australia higher
  - ✓ Sales pushed to August due to outage at facility in Stickney, IL
- Average global pricing for major product lines 2% lower than Q2 and 15% lower than July 2019
- Average global coal tar costs 5% lower than Q2 and 26% lower than July 2019
- Volumes for major product lines in July were 10% lower compared to July 2019

# Debt & Liquidity

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



- **6/30/20 Status**

- ✓ In compliance with all debt covenants
- ✓ No current plans to amend credit facility, i.e. covenant relief
- ✓ \$874.1M net debt
- ✓ \$190.5M available liquidity

- **\$120M Debt Reduction in 2020 (Projected)**

- ✓ KJCC divestiture net proceeds (\$65M)
  - Received \$10M in August
- ✓ Working capital reduction (\$22M)
  - \$30M lower at 6/30/20 vs. prior year
- ✓ Lower cash taxes and interest (\$16M)
  - \$10M lower at 6/30/20 vs. prior year
- ✓ Lower capital expenditures (\$10M) vs. 2020 Program
  - \$11M lower at 7/31/20 vs. 2020 Program
- ✓ Deferred payroll taxes (\$7M)

## No Significant Debt Maturities Pre-2024

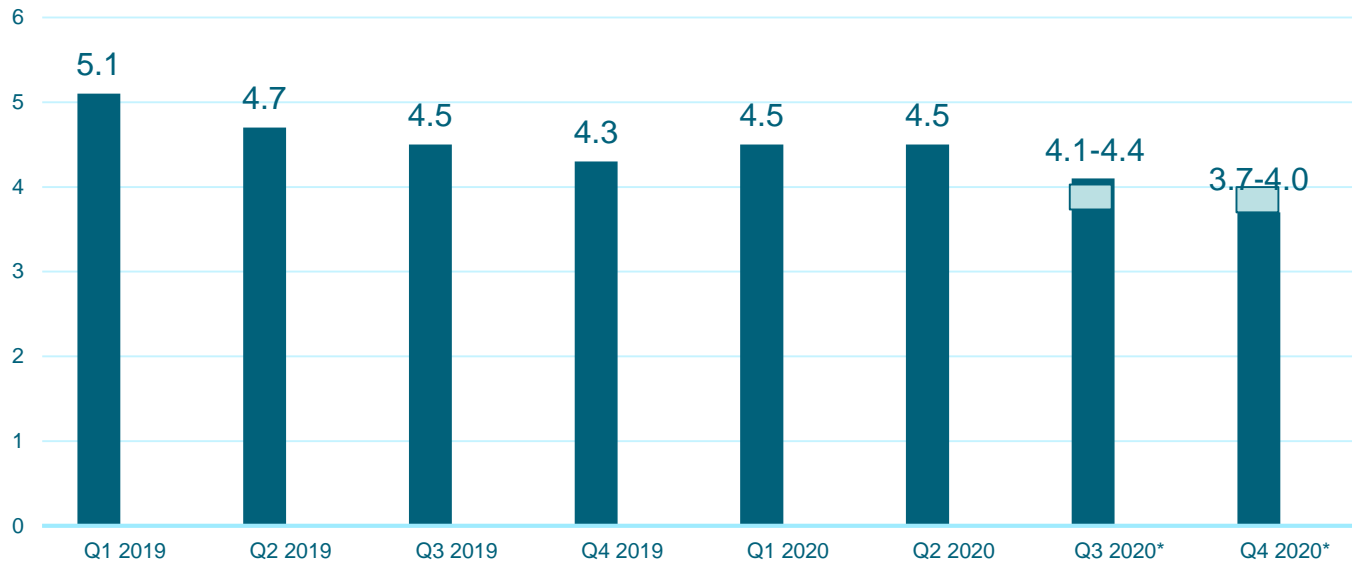
	<i>\$ in Millions</i>
2020	\$5.0
2021	\$10.0
2022	\$10.0
2023	\$10.0
2024	\$381.0
Thereafter	\$500.0
<b>Total Debt</b>	<b>\$916.0</b>

# Debt Reduction Focus:

Debt Paydown \$82M in 2019; \$120M Expected in 2020



## Net Leverage Ratio, excluding KJCC EBITDA



\* Projected

### Net Leverage

LT Goal: 2x-3x

- Proven track record of disciplined debt reduction
- Reduced debt by \$82M in 2019
- **Expect to reduce debt by minimum of \$120M in 2020\***

\* Pending successful completion of sale of KJCC

# Business Sentiment: Customers & Suppliers

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# Customers & Suppliers

## UTILITY & INDUSTRIAL PRODUCTS

### Overall Business

- Major focus continues to be on servicing customers during storm season – Iowa, New Jersey, New York, Connecticut/New England area
- Continuing to have increased interest from utilities for using CCA and creosote as treatment alternatives to penta preservative
- UIP on track for best year since acquired by Koppers; long-term fundamentals remain solid

### Utilities

- Increased activity in pole replacements due to storm damage; expect hurricane season to be more active in next 1-2 months

### Piling

- Increased quoting activity as restrictions lifted for construction projects

### Recovery

- Evaluating synergies with crosstie disposal and potential opportunities with bridge deck removal projects

### Supply Chain

- Outlook remains positive; raw materials pricing currently in check; wet weather potential concern but typical for time of year

# Customers & Suppliers



## RAILROAD PRODUCTS & SERVICES

### Overall Business

- Crosstie business remains solid although commercial market experiencing less bidding activity and lower pricing
- Denver facility on track for closure at end of August

### Crossties

- For August 15, 2020 YTD vs. prior year period, U.S. railroads reported cumulative volumes lower by 16.2%; intermodal units declined 8.4%; total combined U.S. traffic decreased 12.2% (*American Association of Railroads*)
- In general, railroad industry offsetting lower volumes with increased productivity; certain railroads taking advantage of fewer track time to increase maintenance on their infrastructure (*Railway Tie Association*)

### Maintenance-of-Way

- Higher demand and improved profitability in Rail Structures and Recovery Resources; continued growth expected in second half 2020 for MOW businesses

### Supply Chain

- Reducing crosstie purchases as inventories stabilizing; third party supply of dry ties for certain customers

# Customers & Suppliers



## PERFORMANCE CHEMICALS

### Overall Business

- Despite pandemic, anticipate continuing strong demand in North America for 2020
- Treating market currently short on chemical and expected to continue through Q3
- International markets beginning to show improvement, primarily in Europe, New Zealand, Australia and Brazil

### North America

- Record-level demand in U.S. for residential treated wood; big-box retailers report strong demand for home improvement projects
- Market forecasts continue to vary widely:
  - ✓ Leading Indicator of Remodeling Activity expects home remodeling expenditures to increase 1.5% in 2020; slowdown expected to moderate; healthier housing market leading to more home renovation and repair
  - ✓ Consumer Confidence Index<sup>®</sup> decreased in July to 92.6 from 98.3 in June; consumers less optimistic about short-term economic outlook and labor market
  - ✓ National Association of Realtors<sup>®</sup> reports strong existing-home sales; increased 24.7% in July, marking two consecutive months of record sales gains
  - ✓ Homeowners focusing on importance of home and work/life environment during pandemic as well as historically low interest rates

# Customers & Suppliers



## PERFORMANCE CHEMICALS

### International

- Nordic Region, Germany, Ireland and U.K. seeing strong volumes
- Australia and New Zealand experiencing high demand for treated timber
  - ✓ Melbourne metropolitan area entered strict 6-week shutdown to address continuing high COVID-19 infection rates
- Brazil seeing high demand in agricultural, industrial and residential markets

### 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
- Strong U.S. demand outstripping internal production capacity; purchasing some intermediate materials from external sources, resulting in higher input costs
- Moving forward on several initiatives to relieve bottleneck related to intermediates

# Customers & Suppliers



## CARBON MATERIALS & CHEMICALS

### Overall Business

- Continuing to see lower year-over-year volumes due to demand weakness in industrial production markets; expect sequential improvement in second half 2020 vs. first half
- Strong focus on cost containment; mitigate impact from softer market conditions

### North America

- Reduced plant throughput; however, higher raw material costs due to more imports
- Ended outage at facility in Stickney, IL; plant now fully operational

### Europe

- Creosote sales strong; improvement in oil prices helped CBF sales
- Low tar prices in inventory contributed to improved performance; seeing some tar prices increase in certain European regions as oil prices improve

### Australia

- Improved demands for pitch volumes
- Some upside from inventory valuation, production and raw material costs

### Supply Chain

- Coal tar costs dropping in line with end markets but lagging by approximately a quarter
- Lower domestic coal tar availability; increase in raw material imports to N.A. at higher prices; Europe/Australia remain steady



**Strategy Update:**  
***Realign Business Portfolio***  
***Network Optimization***

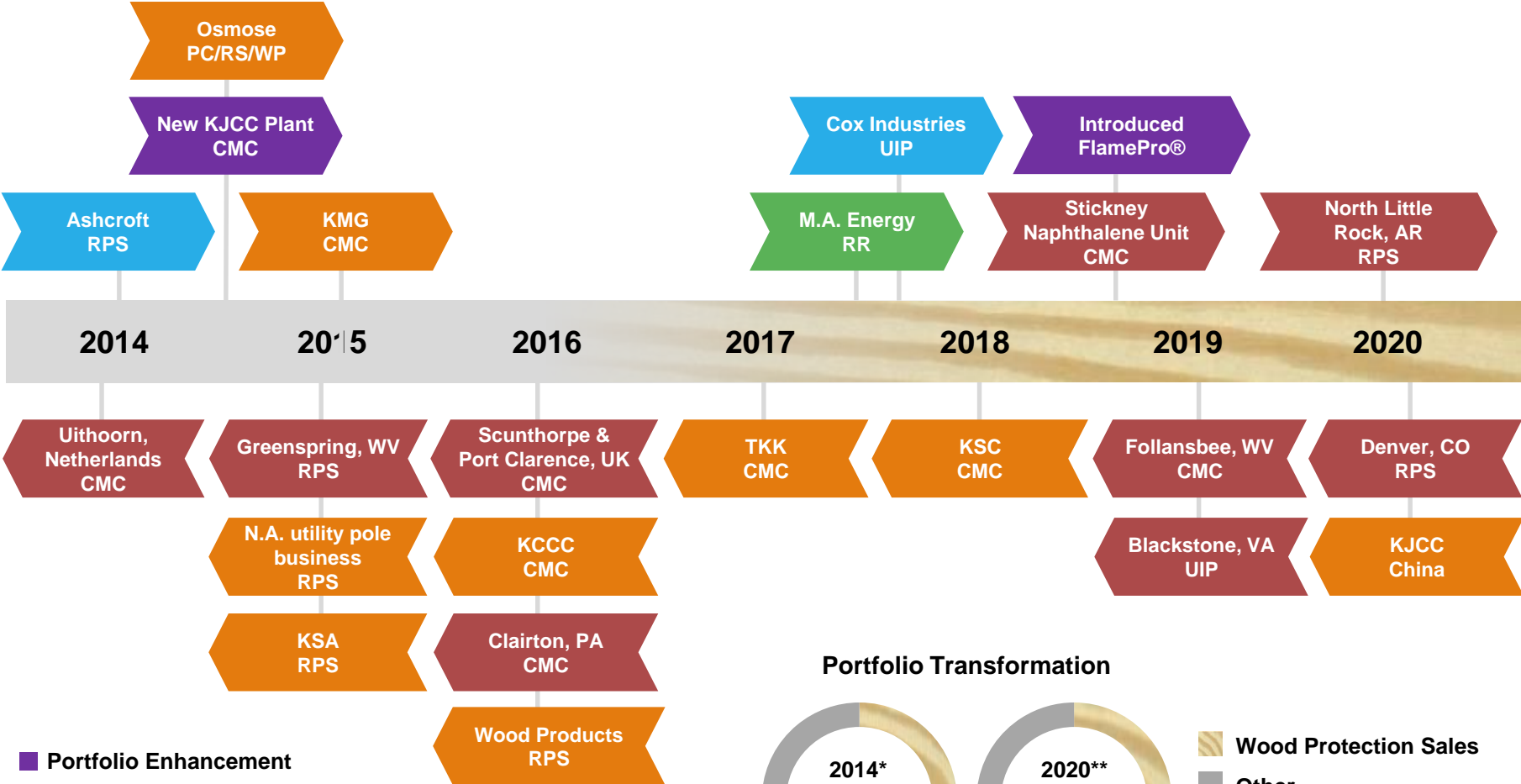
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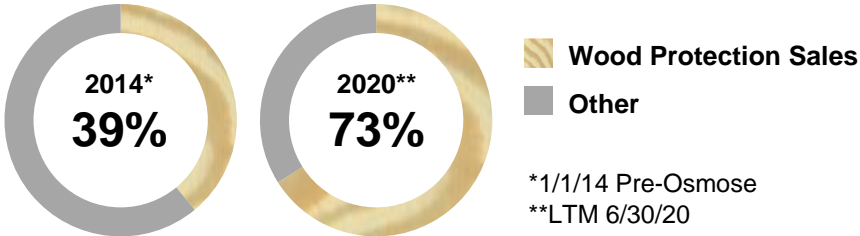
# Our Value Creation Strategy



# Our Strategy In Action



Portfolio Transformation



# KJCC Divestiture Update

<div data-bbox="137 287 394 382" style="background-color: #e67e22; color: white; padding: 5px; text-align: center; margin-bottom: 10px;"> <b>KJCC China</b> </div> <p><b>Tar Distillation Facility in Pizhou City, Jiangsu Province, China</b></p>	<ul style="list-style-type: none"> <li>• February 2020: Definitive agreement first announced</li> <li>• April 2020: State Administration for Market Regulation of China (SAMR) gave approval for transaction to proceed</li> <li>• August 2020: Amendment to Definitive Agreement</li> </ul>
<p><b>Buyers</b></p>	<ul style="list-style-type: none"> <li>• Fangda Carbon New Material Co., Ltd.</li> <li>• C-Chem Co., Ltd., subsidiary of NIPPON STEEL Chemical &amp; Material Co., Ltd.</li> </ul>
<p><b>Sellers</b></p>	<ul style="list-style-type: none"> <li>• Koppers (75 percent)</li> <li>• Yizhou Group Company Limited (25 percent)</li> </ul>
<p><b>Amendment to Definite Agreement</b></p>	<ul style="list-style-type: none"> <li>• Extend closing deadline from August 18, 2020 to September 30, 2020</li> <li>• \$10M payment in earnest money paid to Koppers – apply toward acquisition price at closing</li> <li>• Upon closing, previously disclosed contractual dispute will be resolved</li> <li>• If closing does not occur by September 30, 2020, subject to certain conditions, earnest money will be retained by Koppers and Yizhou</li> </ul>
<p><b>Sale Proceeds</b></p>	<ul style="list-style-type: none"> <li>• Expect ~\$65M net cash</li> <li>• Apply toward debt reduction</li> </ul>

# Increasing Capacity at N. Little Rock Facility; Position Rail Business for Market Share Gains



<p>Denver, CO RPS</p> <p><b>Treating Footprint Consolidation</b></p>	<ul style="list-style-type: none"><li>• Ceasing production activities facility located in Denver, CO</li><li>• Expect to discontinue production by August 31, 2020</li></ul>
<p>North Little Rock, AR RPS</p> <p><b>Transitioning Denver Production Volumes</b></p>	<ul style="list-style-type: none"><li>• Anticipated future investments of ~\$23M over two years at facility in North Little Rock, AR</li><li>• Modernize equipment and processes that are near end-of-life</li><li>• Expand treating capacity to position RPS business for future growth</li></ul>
<p><b>Highly Supportive Business Environment</b></p>	<ul style="list-style-type: none"><li>• State of Arkansas</li><li>• Pulaski County</li><li>• City of North Little Rock</li></ul>
<p><b>Primary Funding Sources</b></p>	<ul style="list-style-type: none"><li>• Proceeds from the sale of Denver facility, non-core assets, etc.</li><li>• Tax and economic incentives</li></ul>

# Actions Taken & Additional Opportunities

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# 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
- \$8M savings realized July YTD

## Cost Reduction Summary July YTD

	<u>\$ Millions</u>
• Compensation & Benefits	\$2.4
• Travel & Entertainment	\$2.9
• Legal & Consulting	<u>\$2.7</u>
• Total	<u>\$8.0</u>

# Initiatives & 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

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# 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.*

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

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



(In millions)

	<i>Twelve months ended</i>					
	<i>June 30, 2020 (Preliminary)</i>	<i>March 31, 2020</i>	<i>December 31, 2019</i>	<i>September 30, 2019</i>	<i>June 30, 2019</i>	<i>March 31, 2019</i>
Total Debt	\$ 907.1	\$ 953.2	\$ 901.2	\$ 959.1	\$ 1,001.0	\$ 1,002.7
Less: Cash	33.0	54.2	32.3	30.8	38.1	32.7
Net Debt	\$ 874.1	\$ 899.0	\$ 868.9	\$ 928.3	\$ 962.9	\$ 970.0
Adjusted EBITDA	\$ 194.2	\$ 197.9	\$ 201.1	\$ 206.6	\$ 203.4	\$ 191.5
Net Leverage Ratio	4.5	4.5	4.3	4.5	4.7	5.1

# Unaudited Reconciliation of Net Income to EBITDA and Adjusted EBITDA on LTM Basis



(In millions)

	June 30, 2020 <i>(Preliminary)</i>	March 31, 2020	December 31, 2019	September 30, 2019	<i>Twelve months ended</i>	
					June 30, 2019	March 31, 2019
Net income	\$ 67.4	\$ 52.4	\$ 67.4	\$ 44.8	\$ 31.4	\$ 18.0
Interest expense	56.6	59.8	61.9	63.4	62.2	60.2
Depreciation and amortization	54.9	54.3	54.6	53.5	52.0	52.6
Income tax provision	(0.6)	(0.6)	0.0	11.9	17.7	15.5
Discontinued operations, net of tax	3.6	3.4	(3.7)	(5.7)	(1.4)	(3.4)
EBITDA	181.9	169.3	180.2	167.9	161.9	142.9
Unusual items impacting net income:						
Impairment, restructuring and plant closure	18.5	18.8	20.4	26.1	27.2	23.5
Non-cash LIFO (benefit) expense	(3.1)	2.8	4.5	11.2	11.6	12.0
Mark-to-market commodity hedging	(3.1)	7.0	(4.0)	1.3	1.1	0.3
Acquisition and exit activity related costs	0.0	0.0	0.0	0.1	1.6	12.8
Adjusted EBITDA with noncontrolling interests	\$ 194.2	\$ 197.9	\$ 201.1	\$ 206.6	\$ 203.4	\$ 191.5



### **Koppers Holdings Inc.**

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Pittsburgh, PA 15219-1800

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**

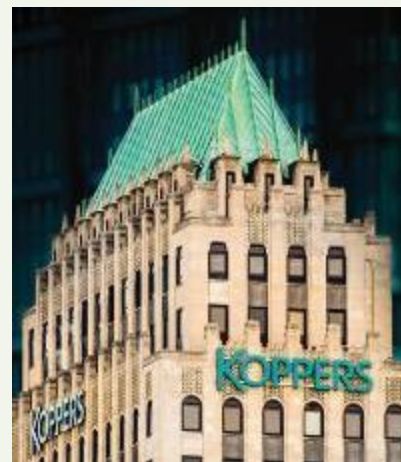
NYSE: KOP

### **Investor Relations and Media Information**

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