



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

**Investor Presentation
December 2020**

Forward Looking Statement

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Strategic Overview

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**
- ✓ 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
 - ✓ Market share gains
 - ✓ New products/R&D
 - ✓ KJCC divestiture pending
 - ✓ Potential for sale of additional non-core assets
- Opportunity to realize significant benefits/synergies
 - ✓ 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
 - ✓ Relentless focus on debt reduction

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: 43 locations across North America, South America, Asia, Europe and Australia

Selected Product & Brand Overview

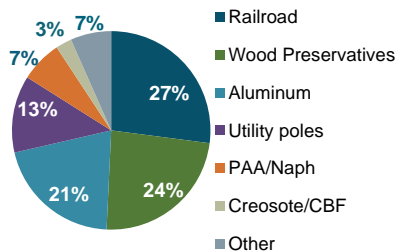


Pre-Treated Crossties

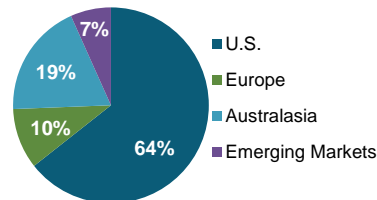


Treated Crossties with End Plates

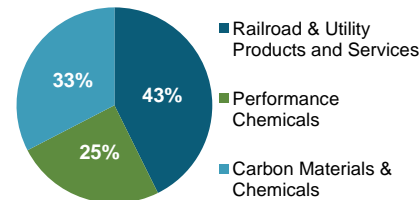
Sales by End Market



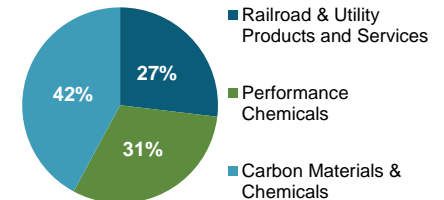
Sales by Geography



Sales by Segment



Adj. EBITDA by Segment¹



2019 Sales: \$1,773M

2019 Adj EBITDA: \$211M

¹) Excludes corporate unallocated amounts

Segment Overview

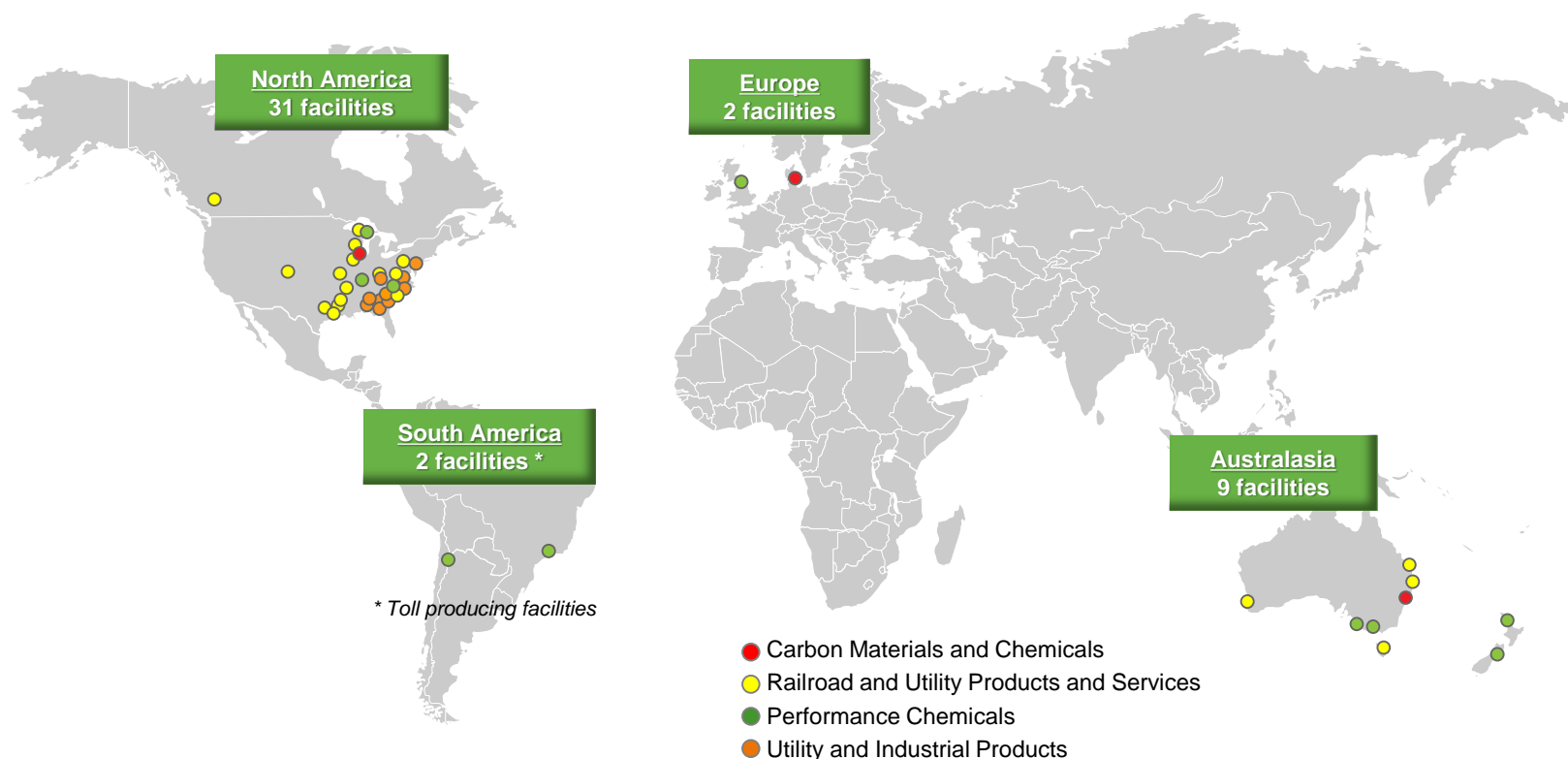
Unique Product & Service Portfolio; Niche End Market Focus			
	Railroad and Utility Products and Services (RUPS)	Performance Chemicals (PC)	Carbon Materials and Chemicals (CMC)
Key Financials ^{1,2} LTM 9/30/20	<ul style="list-style-type: none"> Net Sales: \$760 Million Adj. EBITDA: \$65 Million Adj. EBITDA Margin: 8.6% 	<ul style="list-style-type: none"> Net Sales: \$501 Million Adj. EBITDA: \$92 Million Adj. EBITDA Margin: 18.4% 	<ul style="list-style-type: none"> Net Sales: \$408 Million Adj. EBITDA: \$46 Million Adj. EBITDA Margin: 11.3%
Highlights	<ul style="list-style-type: none"> Largest Supplier of Crossties to Class I Railroads #1 Provider of Utility Poles in Eastern U.S.; #2 in U.S. 	<ul style="list-style-type: none"> Global Leader in Developing, Manufacturing/Marketing Wood Preservation Chemicals and Technologies 	<ul style="list-style-type: none"> Key Supplier of Creosote to Railroad Industry in N.A. Vertically Integrated with RUPS
Products & Services	<ul style="list-style-type: none"> Railroad Crossties Railroad Bridge Services Rail Joint Bars Utility Poles 	<ul style="list-style-type: none"> Wood Preservation Chemicals Coatings Water Repellants Pigmented Stains Fire Retardants 	<ul style="list-style-type: none"> Carbon Pitch Creosote Carbon Black Feedstock Naphthalene Phthalic Anhydride
Market Position Market Growth Key Market Drivers	<ul style="list-style-type: none"> #1 or #2 1-3% Crosstie and Utility Pole Replacement Cycles 	<ul style="list-style-type: none"> #1 2-4% Repair & Remodel; Existing Home Sales 	<ul style="list-style-type: none"> #1 or #2 1-3% Global Industrial Growth Crosstie Replacement Cycle

¹ Excludes corporate unallocated amounts

² Adjusted EBITDA margin defined as Adjusted EBITDA as a percentage of GAAP sales

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 3 (2014-2020)
- CMC processes coal tar into creosote consumed by RUPS for treatment of railroad crossties



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

Enhanced Business Profile



Our Value Creation Strategy: *Wood Preservation Focus*



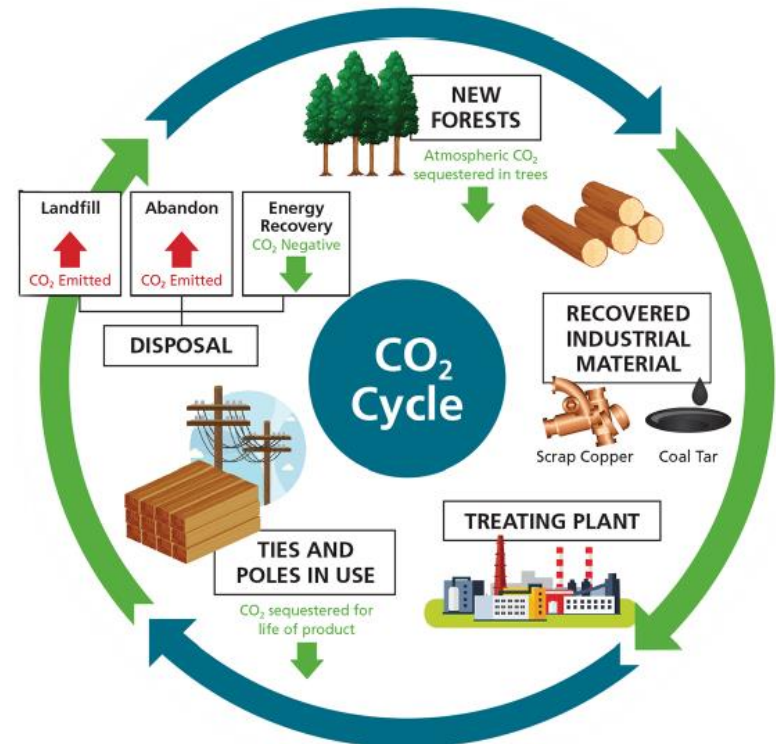
Commitment to Sustainability



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
 - ✓ Collect 2M-3M used railroad crossties annually, nearly 1,000+ miles of railroad track
 - ✓ Convert used ties to biomass to sell as fuel, offsetting need for fossil fuels
- Provide environmentally-friendly, turnkey solutions for **disposal of poles and pallets**

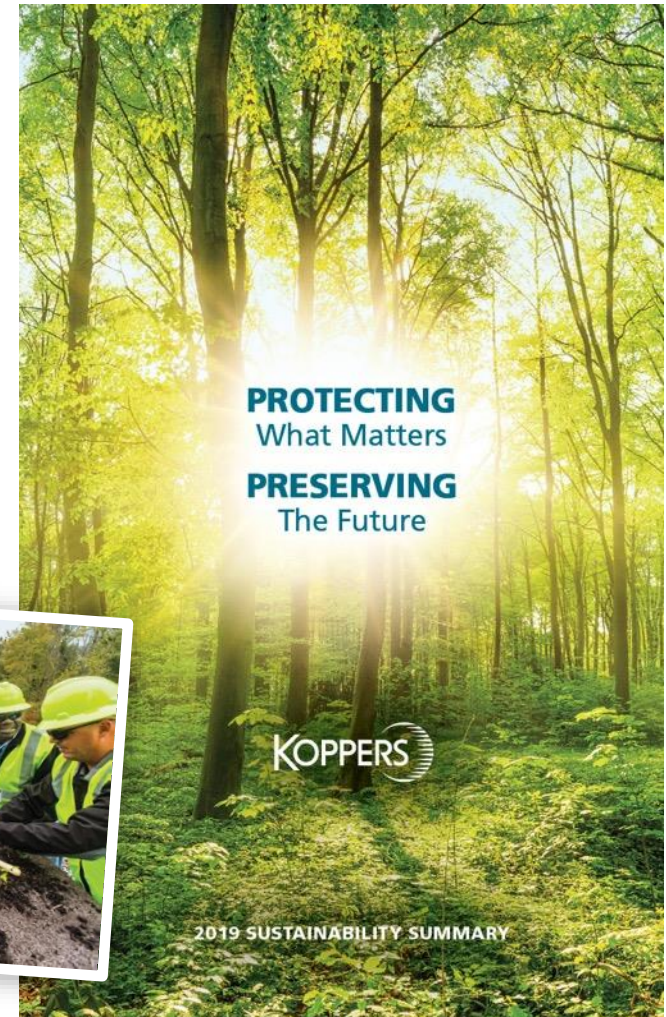
2019 Corporate Sustainability Report



Our guiding Purpose is to
**Protect What Matters and
Preserve The Future.**

- Our Sustainability strategy is about operating our business in a way that ensures we are taking care of our people and communities, fostering an inclusive and innovative workplace, being a good steward of the environment, and contributing beneficial products to society for generations to come.

[View 2019 CSR Online](#)



Safety Awards

- Koppers received two awards from Class I railroads in North America for safe rail shipping in 2019 – proving that our Zero Harm culture remains strong
- ✓ **Chemical Safety Excellence Award (CSX)**
which is awarded to customers who ship more than 600 carloads of hazardous materials or hazardous waste without experiencing a non-accident release during the entire year
- ✓ **Pinnacle Award (Union Pacific)**
which honors customers who implement release prevention protocols, corrective action plans and have zero non-accident releases (NARs) of regulated hazardous materials shipments.

The ZERO harm logo features the word "ZERO" in a large, bold, blue, sans-serif font. Below it, the word "harm" is written in a smaller, green, cursive script font.

BUILDING AMERICA®

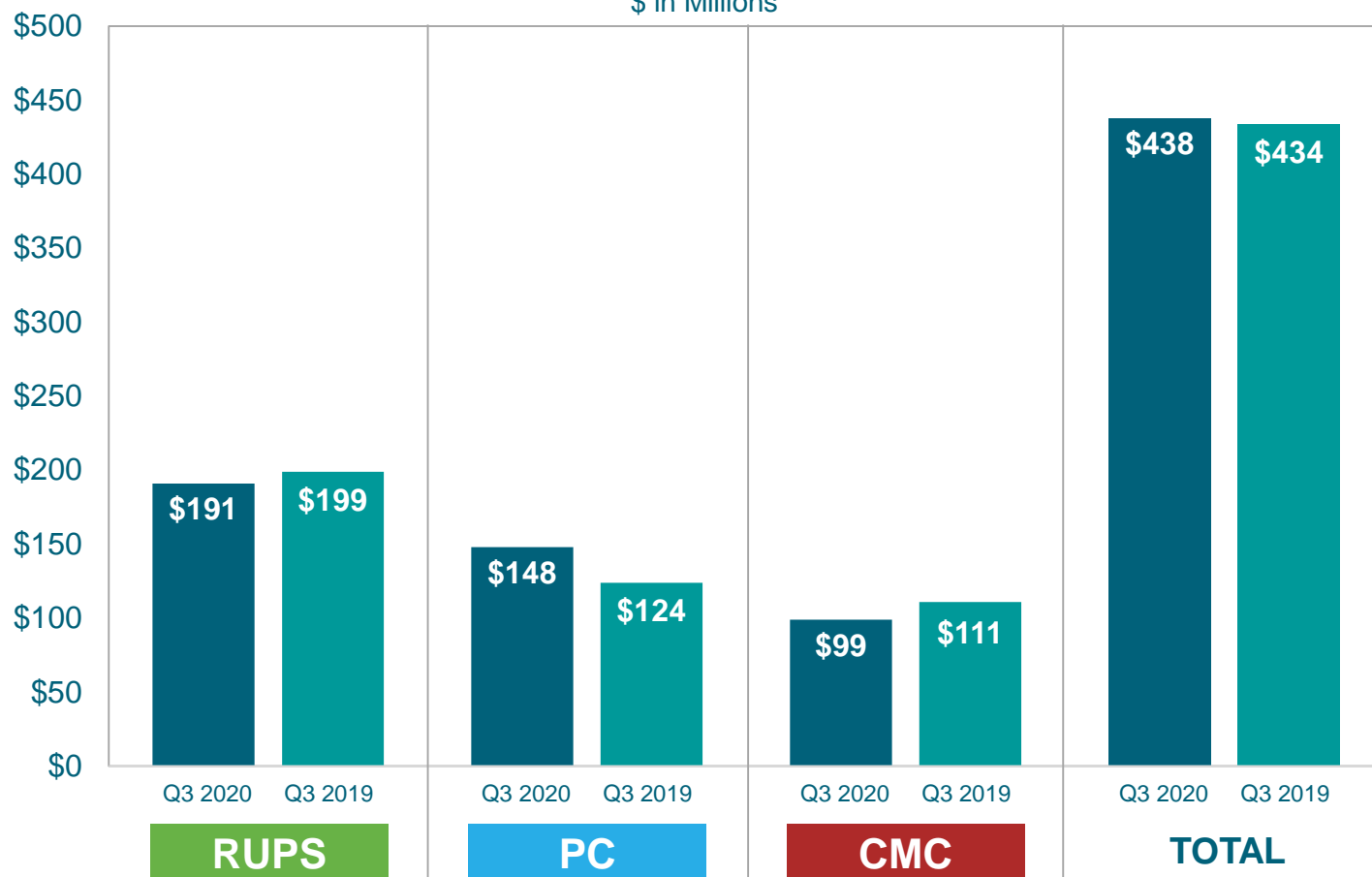
Q3 2020 Results:



Sales by Segment (Unaudited)

Q3 2020 vs Prior Year

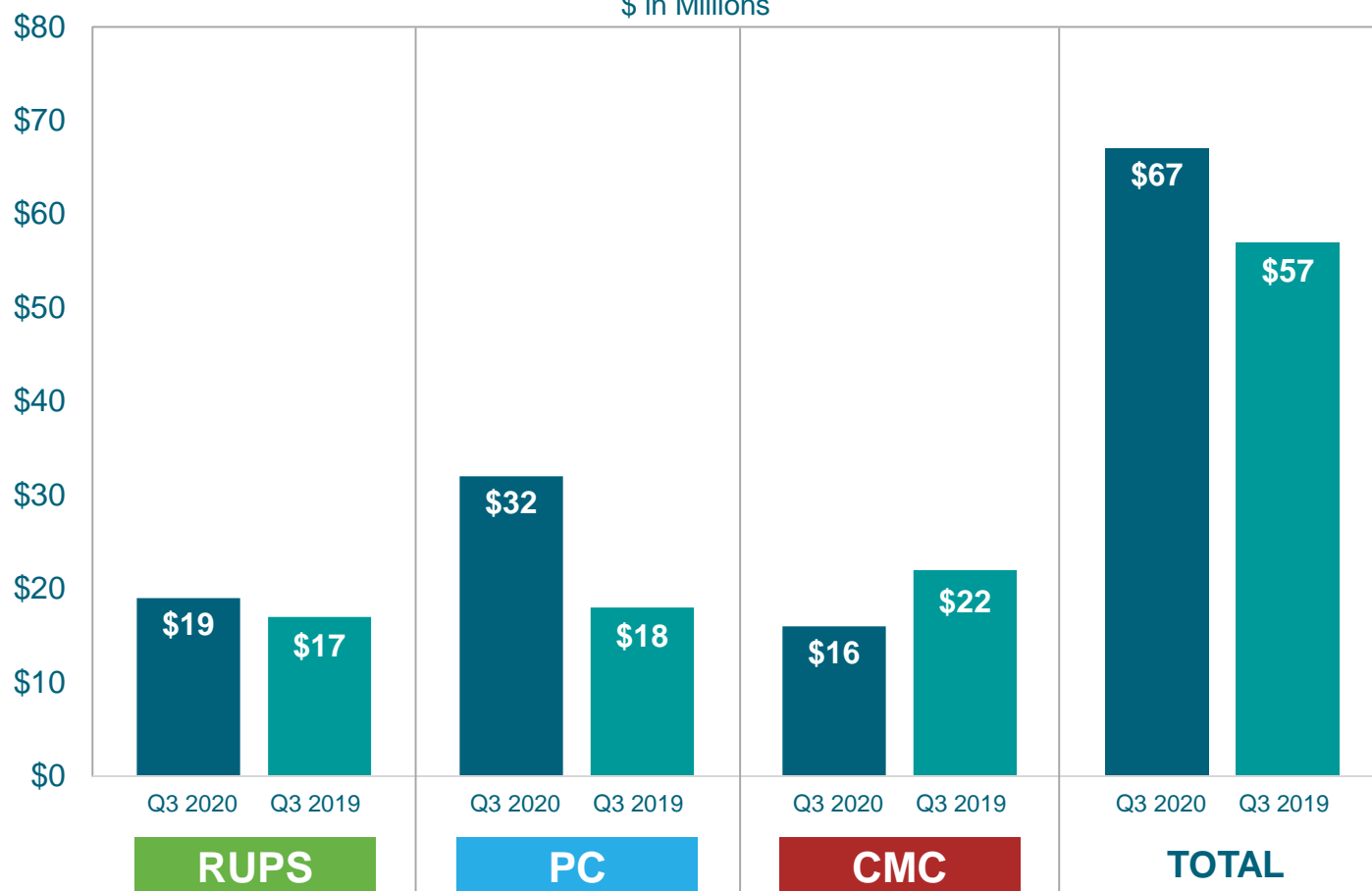
\$ in Millions



Adjusted EBITDA by Segment (Unaudited)

Q3 2020 vs Prior Year

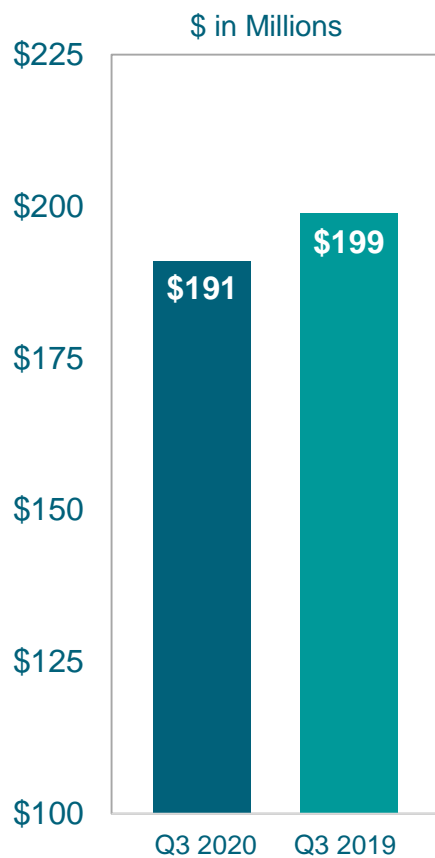
\$ in Millions



RUPS Sales (Unaudited)



RAILROAD AND UTILITY PRODUCTS & SERVICES



RUPS

Q3 Highlights

- Sales decreased from prior year primarily due to:
 - ✓ Crosstie volumes lower in commercial market; pricing discounts for select customers
 - ✓ Utility poles in U.S. seeing steady year-over-year demand
 - ✓ Partly offset by increased demand for utility poles in Australia and Recovery Resources crosstie disposal services in U.S.
- Crosstie Procurement up 10% YTD
- Crosstie Treatment up 4% YTD

Adjusted RUPS EBITDA (Unaudited)



RAILROAD AND UTILITY PRODUCTS & SERVICES



RUPS

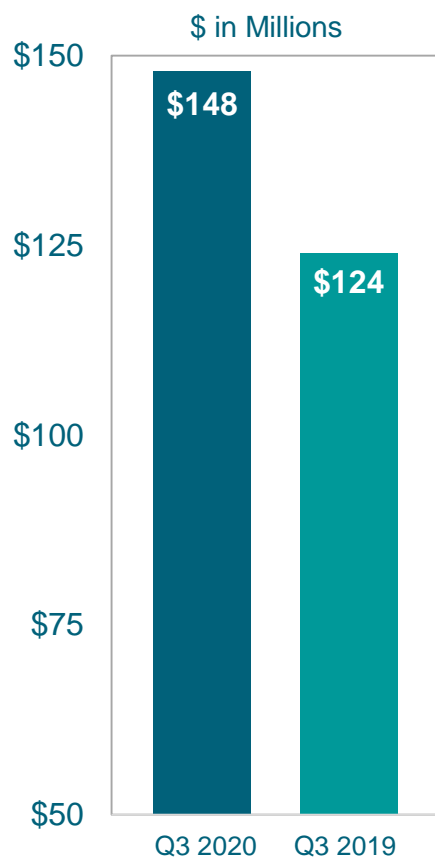
Q3 Highlights

- Higher year-over-year EBITDA driven by:
 - ✓ Higher profitability in Class I sales due to favorable product/service mix
 - ✓ Higher profitability in crosstie disposal business
 - ✓ Lower selling, general and administrative costs

PC Sales (Unaudited)



PERFORMANCE CHEMICALS



PC

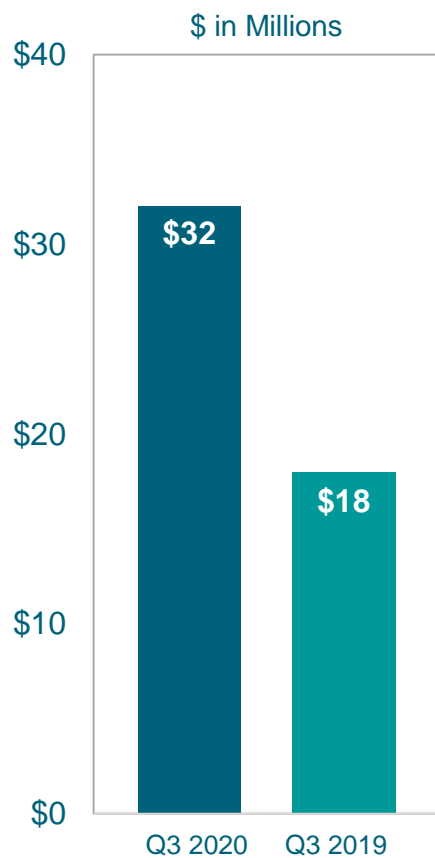
Q3 Highlights

- Record sales quarter
- Continued demand for copper-based preservatives in U.S. driven by:
 - ✓ Strength in home repair and remodeling markets in U.S.
 - ✓ International markets benefiting from pent-up demand following several months of restrictions due to pandemic

Adjusted PC EBITDA (Unaudited)



PERFORMANCE CHEMICALS



PC

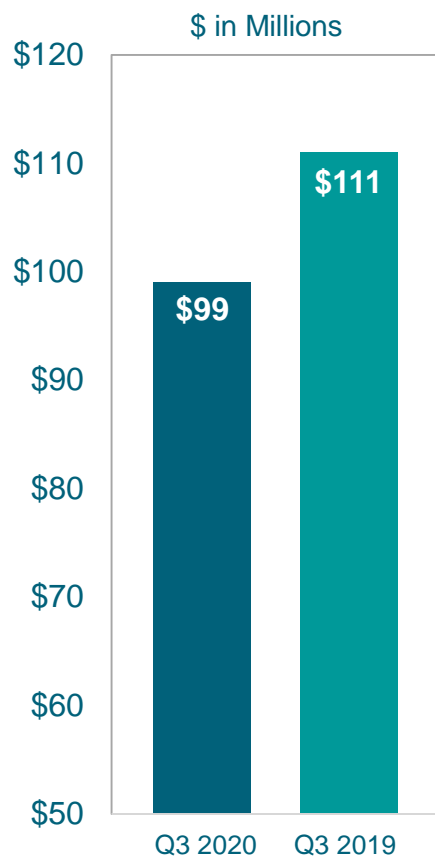
Q3 Highlights

- Record quarter EBITDA, driven by:
 - ✓ Higher sales volumes
 - ✓ Lower average raw material costs
 - ✓ Favorable product mix
 - ✓ Better absorption on higher production volumes

CMC Sales (Unaudited)



CARBON MATERIALS & CHEMICALS



CMC

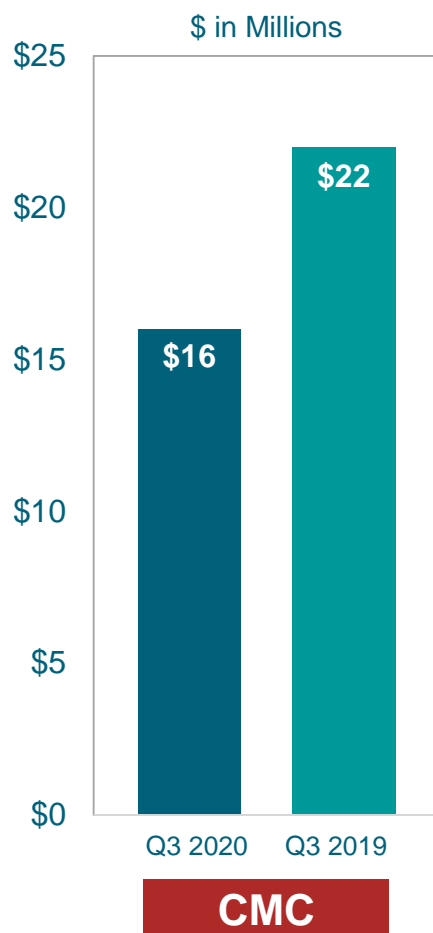
Q3 Highlights

- Each region except Australia was lower than prior year, in line with expectations
- Lower average oil prices and market slowdown during pandemic resulted in:
 - ✓ Lower pricing for carbon pitch globally
 - ✓ Lower pricing for phthalic anhydride in North America
 - ✓ Lower demand for CBF globally
- Partly offset by higher volumes of carbon pitch in Australia and phthalic anhydride in North America

Adjusted CMC EBITDA (Unaudited)



CARBON MATERIALS & CHEMICALS



Q3 Highlights

- Year-over-year decline in EBITDA; ongoing demand weakness in its end markets
- Lower profitability as expected; Q3 reflects margin recovery
 - ✓ Compared with Q2, average pricing of major products up 1%, while average coal tar costs declined 4%
 - ✓ Compared with Q3/2019, average pricing of major products down 14%, while average coal tar costs declined 21%
- Sequential improvement compared with first half 2020

Q3 2020 Record Performance

Record Performance Despite Pandemic

Record Quarter (Preliminary)

Consolidated diluted EPS from continuing operations of **\$1.83**

Consolidated adjusted EPS of **\$1.64**

Consolidated operating profit of **\$58.6M**

Consolidated adjusted EBITDA of **\$66.7M**

PC sales of **\$147.9M**

PC adjusted EBITDA of **\$31.5M**

Debt & Liquidity



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



- **9/30/20 Status**

- ✓ In compliance with all debt covenants
- ✓ No current plans to amend credit facility (i.e. covenant relief)
- ✓ \$770.3M net debt; \$97M Q3 debt paydown
- ✓ \$ 342.9 M available liquidity

- **\$125M Debt Reduction in 2020 (Projected)**

- ✓ KJCC divestiture net proceeds (\$65M)
- ✓ Cash income/other Working Capital (\$30M)
- ✓ Lower cash taxes and interest (\$16M)
 - \$11M lower at 9/30/20 vs. prior year
- ✓ Lower capital expenditures (\$8M) vs. 2020 Program
 - \$8M lower at 9/30/20 vs. 2020 Program
- ✓ Deferred payroll taxes (\$6M)

No Significant Debt Maturities Pre-2024

\$ in Millions

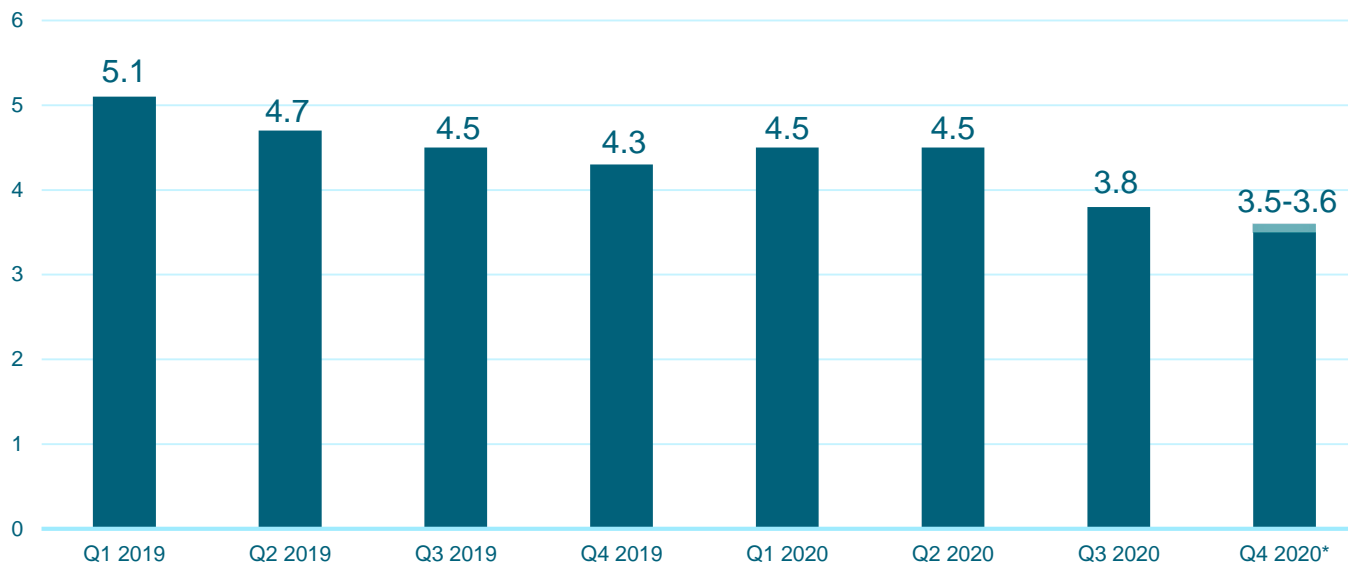
2020	\$2.5
2021	\$10.0
2022	\$10.0
2023	\$10.0
2024	\$286.5
Thereafter	\$500.0
Total Debt	\$819.0

Debt Reduction Focus:

Debt Paydown \$82M in 2019; \$125M 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 \$125M in 2020****

** Includes proceeds already received from sale of KJCC

Business Sentiment: Customers & Suppliers



Customers & Suppliers



UTILITY & INDUSTRIAL PRODUCTS

Overall Business

- Strong focus on customer service; trend of investments in broadband infrastructure; electrical and network connectivity critical to support increase in remote working
- Continue to work with utilities on using CCA and creosote as treatment alternatives to penta preservative; customers conducting tests on sample poles
- UIP on track for best year since acquired by Koppers; long-term fundamentals remain solid

Utilities

- Providing storm response service to customers; near-term slowing from postponed projects or lack of crews due to hurricanes
- Recent wins with some multi-year contract extensions; continue to evaluate opportunities for share gains

Piling

- Improving as restrictions lifted for construction projects; gaining new customers/business

Recovery

- Targeting investor-owned utilities; opportunity for synergies with Rail Structures projects

Supply Chain

- Wood flow slowing at some facilities due to wet weather conditions
- Seeing some increases in transportation costs

Customers & Suppliers



RAILROAD PRODUCTS AND SERVICES

Overall Business

- Crosstie business remains solid with improved margin mix for Class I; commercial markets slowing and more competitive pricing
- Savings from Denver/North Little Rock consolidation will help offset any demand softness
- Expect trend of year-over-year improvement in quarterly EBITDA to continue

Crossties

- For October 17, 2020 YTD vs. prior year period, U.S. railroads reported cumulative volumes lower by 14.9%; intermodal units declined 5.1%; total combined U.S. traffic decreased 9.8% (*American Association of Railroads*)
- Class I railroads and transit agencies taking advantage of reduced track time to continue or expedite maintenance programs resulting in earlier purchases/demand than typical (*American Association of Railroads*)

Maintenance-of-Way

- Ongoing demand and improved profitability in Rail Structures and Recovery Resources; expect some weakness in Q4 for Rail Joints

Supply Chain

- Reducing crosstie purchases as inventories stabilizing; third party providing dry ties for certain customers; challenges at sawmills due to lower demand in other industries

Customers & Suppliers



PERFORMANCE CHEMICALS

Overall Business

- Despite pandemic, anticipate continuing strong demand in North America for 2020; expect elevated demand for international markets to continue in Q4
- Treating market currently short on chemicals and expected to improve in Q4
- On track to deliver record full-year EBITDA in 2020 (previous record high at \$88M in 2017)

North America

- Retail sales accelerated their rate of growth in September, according to the Census Bureau; building materials continued to show strength
- Market forecasts continue to vary:
 - ✓ Leading Indicator of Remodeling Activity projects growth of 4.1% in renovation and repair spending by Q1/2021 then softening to 1.7% by Q3/2021; surge in DIY and small project activity lifting remodeling market
 - ✓ Consumer Confidence Index® increased in September to 101.8, after declining in August to 86.3; remains below pre-pandemic levels
 - ✓ National Association of Realtors® reports total existing-home sales grew in September for 4th consecutive month; increased 9.4% from August; up 20.9 % from prior year; attributed to record-low interest rates and buyers willing to relocate given flexibility to work remotely

Customers & Suppliers



PERFORMANCE CHEMICALS

International

- Germany seeing increased demand; Nordic region benefiting from favorable mix; U.K./Ireland outlook uncertain heading into Brexit
- Australia capturing market share gains; favorable market conditions expected to continue through Q1/2021; Melbourne remains on lockdown, but restrictions may ease soon
- New Zealand reporting high volumes across the board; expect demand to continue through year-end 2020
- Brazil/Chile experiencing strong production volumes

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 demand outstripping internal production capacity; sourcing through external suppliers for certain intermediates; higher input costs; expecting some relief in Q4
- Moving forward on several initiatives to expand capacity for intermediates
- Lumber prices declining; treaters waiting for market to stabilize before taking inventory position for 2021

Customers & Suppliers



CARBON MATERIALS & CHEMICALS

Overall Business

- Demand lower but beginning to recover; expect year-over-year demand/volumes to be at similar levels for 2nd half 2020
- Strong focus on cost containment; mitigate impact from softer market conditions
- 2nd half 2020 EBITDA should be nearly double 1st half; expect double-digit margin for 2020

North America

- Lower utilization and higher tar costs due to having to more imported supply

Europe

- In best shape of the 3 regions due to supplementing U.S. tar and creosote supply
- Lower year-over-year demand/production levels; lower coal tar prices; lower avg. pricing

Australia

- Strong sales volumes; favorable raw materials and production costs

Supply Chain

- Overcapacity at tar distillers; expect tar production to remain depressed through 2021
- Reduced coal tar availability in N.A.; recovery in 2021 dependent on steel industry

Current Guidance for 2020 Now Tops Original Guidance Issued Pre-Pandemic



History of 2020 Guidance

Current 2020 Adjusted EBITDA Guidance: \$204 - \$210 million

Current 2020 Continuing Ops Adjusted EPS Guidance: \$3.65 - \$3.95/share

Prior 2020 Adjusted EBITDA Guidance: \$196 - \$204 million

Prior 2020 Continuing Ops Adjusted EPS Guidance: \$3.25 - \$3.50/share

Initial 2020 Adjusted EBITDA Guidance*: \$200 - \$210 million

Initial 2020 Continuing Ops Adjusted EPS Guidance*: \$3.00 - \$3.30/share

*Initial Guidance Provided February 2020

Actions Taken & Additional Opportunities



Actions Taken: *Mitigating Impact of COVID-19*



SG&A Cost Savings (excluding Specials)

- \$12M-\$14M of SG&A savings in 2020, compared with 2019 SG&A expenses
 - ✓ Incentive comp higher than expected at beginning of pandemic
 - ✓ Additional headcount and merit increases for front-line salaried employees
- \$9M savings realized September YTD

Cost Reduction Summary September YTD

	<u>\$ Millions</u>
• Compensation & Benefits	\$2.0
• Travel & Entertainment	\$4.0
• Legal & Consulting	<u>\$3.0</u>
Total	<u>\$9.0</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

Appendix

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, adjusted EBITDA margin, adjusted net income, adjusted earnings per share, 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.

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 September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
(Dollars in millions)	(Preliminary)		(Preliminary)	
Net sales:				
Railroad and Utility Products and Services	\$ 191.0	\$ 198.8	\$ 590.9	\$ 564.0
Performance Chemicals	147.9	123.9	396.4	343.7
Carbon Materials and Chemicals	98.6	111.5	288.7	347.2
Total	\$ 437.5	\$ 434.2	\$ 1,276.0	\$ 1,254.9
Operating profit (loss):				
Railroad and Utility Products and Services	\$ 15.0	\$ 11.3	\$ 40.4	\$ 31.8
Performance Chemicals	30.4	11.7	67.1	38.5
Carbon Materials and Chemicals	13.7	14.0	15.9	30.3
Corporate Unallocated	(0.5)	(0.4)	(1.5)	(1.7)
Total	\$ 58.6	\$ 36.6	\$ 121.9	\$ 98.9
Operating profit (loss) margin:				
Railroad and Utility Products and Services	7.9%	5.7%	6.8%	5.6%
Performance Chemicals	20.6%	9.4%	16.9%	11.2%
Carbon Materials and Chemicals	13.9%	12.6%	5.5%	8.7%
Total	13.4%	8.4%	9.6%	7.9%
Depreciation and amortization:				
Railroad and Utility Products and Services	\$ 4.9	\$ 4.8	\$ 14.8	\$ 14.4
Performance Chemicals	4.3	4.5	13.2	14.0
Carbon Materials and Chemicals	3.7	4.0	11.7	11.0
Total	\$ 12.9	\$ 13.3	\$ 39.7	\$ 39.4
Adjusted EBITDA ⁽¹⁾ :				
Railroad and Utility Products and Services	\$ 18.5	\$ 16.9	\$ 55.1	\$ 50.1
Performance Chemicals	31.5	17.8	77.7	54.2
Carbon Materials and Chemicals	16.5	22.6	30.6	57.8
Corporate Unallocated	0.2	(0.2)	0.5	(1.0)
Total	\$ 66.7	\$ 57.1	\$ 163.9	\$ 161.1
Adjusted EBITDA margin ⁽²⁾ :				
Railroad and Utility Products and Services	9.7%	8.5%	9.3%	8.9%
Performance Chemicals	21.3%	14.4%	19.6%	15.8%
Carbon Materials and Chemicals	16.7%	20.3%	10.6%	16.6%
Total	15.2%	13.2%	12.8%	12.8%

(1) The tables below describe the adjustments to EBITDA for the three and nine months ended September 30, 2020 and 2019, respectively.

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

Unaudited Reconciliation of Operating Profit to EBITDA and Adjusted EBITDA



(In millions)

Three Months Ended September 30, 2020

	RUPS	PC	CMC	Corporate Unallocated	Consolidated
					(Preliminary)
Operating profit (loss)	\$ 15.0	\$ 30.4	\$ 13.7	\$ (0.5)	\$ 58.6
Other income (loss)	(0.3)	0.7	(0.2)	0.7	0.9
Depreciation and amortization	4.9	4.3	3.7	0.0	12.9
Depreciation in impairment and restructuring charges	1.3	0.0	0.0	0.0	1.3
EBITDA with noncontrolling interest	\$ 20.9	\$ 35.4	\$ 17.2	\$ 0.2	\$ 73.7
Unusual items impacting EBITDA:					
CMC restructuring	0.0	0.0	1.4	0.0	1.4
Non-cash LIFO benefit	(2.9)	0.0	(2.1)	0.0	(5.0)
RUPS treating plant closures	0.5	0.0	0.0	0.0	0.5
Mark-to-market commodity hedging	0.0	(3.9)	0.0	0.0	(3.9)
Adjusted EBITDA	\$ 18.5	\$ 31.5	\$ 16.5	\$ 0.2	\$ 66.7
Adj. EBITDA % of Consolidated Adj. EBITDA (excluding corporate unallocated)	27.8%	47.4%	24.8%		

(In millions)

Three Months Ended September 30, 2019

	RUPS	PC	CMC	Corporate Unallocated	Consolidated
Operating profit (loss)	\$ 11.3	\$ 11.7	\$ 14.0	\$ (0.4)	\$ 36.6
Other income (loss)	(0.6)	0.3	0.0	0.2	(0.1)
Depreciation and amortization	4.8	4.5	4.0	0.0	13.3
Depreciation in impairment and restructuring charges	0.0	0.0	1.3	0.0	1.3
EBITDA with noncontrolling interest	\$ 15.5	\$ 16.5	\$ 19.3	\$ (0.2)	\$ 51.1
Unusual items impacting EBITDA:					
CMC restructuring	0.0	0.0	3.3	0.0	3.3
Non-cash LIFO expense	1.2	0.0	0.0	0.0	1.2
RUPS treating plant closures	0.2	0.0	0.0	0.0	0.2
Mark-to-market commodity hedging	0.0	1.3	0.0	0.0	1.3
Adjusted EBITDA	\$ 16.9	\$ 17.8	\$ 22.6	\$ (0.2)	\$ 57.1
Adj. EBITDA % of Consolidated Adj. EBITDA (excluding corporate unallocated)	29.5%	31.1%	39.4%		

*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



(In millions)

	Nine Months Ended September 30, 2020				
	RUPS	PC	CMC	Corporate Unallocated	Consolidated (Preliminary)
Operating profit (loss)	\$ 40.4	\$ 67.1	\$ 15.9	\$ (1.5)	\$ 121.9
Other income (loss)	(0.9)	1.6	(0.8)	2.0	1.9
Depreciation and amortization	14.8	13.2	11.7	0.0	39.7
Depreciation in impairment and restructuring charges	2.0	0.0	0.0	0.0	2.0
EBITDA with noncontrolling interest	\$ 56.3	\$ 81.9	\$ 26.8	\$ 0.5	\$ 165.5
Unusual items impacting net income:					
CMC restructuring	0.0	0.0	7.4	0.0	7.4
Non-cash LIFO benefit	(5.2)	0.0	(3.6)	0.0	(8.8)
RUPS treating plant closures	4.0	0.0	0.0	0.0	4.0
Mark-to-market commodity hedging	0.0	(4.2)	0.0	0.0	(4.2)
Adjusted EBITDA	\$ 55.1	\$ 77.7	\$ 30.6	\$ 0.5	\$ 163.9
Adj. EBITDA % of Consolidated Adj. EBITDA (excluding corporate unallocated)	33.7%	47.6%	18.7%		

(In millions)

	Nine Months Ended September 30, 2019				
	RUPS	PC	CMC	Corporate Unallocated	Consolidated
Operating profit (loss)	\$ 31.8	\$ 38.5	\$ 30.3	\$ (1.7)	\$ 98.9
Other income (loss)	(1.1)	1.8	(1.0)	0.7	0.4
Depreciation and amortization	14.4	14.0	11.0	0.0	39.4
Depreciation in impairment and restructuring charges	0.0	0.0	2.6	0.0	2.6
EBITDA with noncontrolling interest	\$ 45.1	\$ 54.3	\$ 42.9	\$ (1.0)	\$ 141.3
Unusual items impacting net income:					
CMC restructuring	0.0	0.0	14.6	0.0	14.6
Non-cash LIFO expense	4.6	0.0	0.3	0.0	4.9
RUPS treating plant closures	0.4	0.0	0.0	0.0	0.4
Mark-to-market commodity hedging	0.0	(0.1)	0.0	0.0	(0.1)
Adjusted EBITDA	\$ 50.1	\$ 54.2	\$ 57.8	\$ (1.0)	\$ 161.1
Adj. EBITDA % of Consolidated Adj. EBITDA (excluding corporate unallocated)	30.9%	33.4%	35.7%		

*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



	<i>In millions)</i>			
	<i>Three Months Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>(Preliminary)</i>		<i>(Preliminary)</i>	
Net income	\$ 75.5	\$ 20.5	\$ 102.4	\$ 47.2
Interest expense	11.8	15.4	38.6	47.3
Depreciation and amortization	12.9	13.3	39.7	39.4
Depreciation in impairment and restructuring charges	1.3	1.3	2.0	2.6
Income taxes	8.6	2.9	14.8	9.7
Discontinued operations	(36.4)	(2.2)	(32.0)	(5.0)
EBITDA with noncontrolling interests	73.7	51.2	165.5	141.2
Unusual items impacting net income				
Impairment, restructuring and plant closure costs	1.8	3.5	11.3	15.0
Non-cash LIFO (benefit) expense	(4.9)	1.1	(8.7)	5.0
Mark-to-market commodity hedging	(3.9)	1.3	(4.2)	(0.1)
Total adjustments	(7.0)	5.9	(1.6)	19.9
Adjusted EBITDA	\$ 66.7	\$ 57.1	\$ 163.9	\$ 161.1

Unaudited Reconciliation of Net Income Attributable to Koppers and Adjusted Net Income



	(In millions)			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020 (Preliminary)	2019	2020 (Preliminary)	2019
Net income attributable to Koppers	\$ 75.6	\$ 19.9	\$ 103.4	\$ 46.0
Unusual items impacting net income				
Impairment, restructuring and plant closure costs	3.3	5.8	14.7	20.3
Non-cash LIFO (benefit) expense	(4.7)	1.2	(8.7)	4.9
Mark-to-market commodity hedging	(3.9)	1.2	(4.2)	(0.1)
Total adjustments	(5.3)	8.2	1.8	25.1
Adjustments to income tax and noncontrolling interests				
Income tax on adjustments to pre-tax income	1.3	(2.1)	(0.4)	(7.6)
Noncontrolling interest	(0.1)	0.6	(1.0)	1.2
Effect on adjusted net income	(4.1)	6.7	0.4	18.7
Adjusted net income including discontinued operations	71.5	26.6	103.8	64.7
Discontinued operations	(36.4)	(2.2)	(32.0)	(5.0)
Adjusted net income attributable to Koppers	\$ 35.1	\$ 24.4	\$ 71.8	\$ 59.7

Unaudited Reconciliation of Diluted EPS and Adjusted EPS



(In millions except share amounts)

	<i>Three Months Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>(Preliminary)</i>		<i>(Preliminary)</i>	
Income from continuing operations attributable to Koppers	\$ 39.1	\$ 18.3	\$ 70.4	\$ 42.2
Net income attributable to Koppers	\$ 75.6	\$ 19.9	\$ 103.4	\$ 46.0
Adjusted net income attributable to Koppers	\$ 35.1	\$ 24.4	\$ 71.8	\$ 59.7
Denominator for diluted earnings per share (in thousands)	21,380	21,030	21,227	20,908
Earnings per share:				
Diluted earnings per share - continuing operations	\$ 1.83	\$ 0.86	\$ 3.33	\$ 2.02
Diluted earnings per share - net income	\$ 3.53	\$ 0.94	\$ 4.88	\$ 2.20
Adjusted earnings per share	\$ 1.64	\$ 1.16	\$ 3.38	\$ 2.86

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



(In millions)

	September 30, 2020 (Preliminary)	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	Twelve months ended	
						June 30, 2019	March 31, 2019
Total Debt	\$ 809.8	\$ 907.1	\$ 953.2	\$ 901.2	\$ 959.1	\$ 1,001.0	\$ 1,002.7
Less: Cash	39.5	33.0	54.2	32.3	30.8	38.1	32.7
Net Debt	\$ 770.3	\$ 874.1	\$ 899.0	\$ 868.9	\$ 928.3	\$ 962.9	\$ 970.0
Adjusted EBITDA	\$ 203.7	\$ 194.2	\$ 197.9	\$ 201.1	\$ 206.6	\$ 203.4	\$ 191.5
Net Leverage Ratio	3.8	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)							
	September 30, 2020 (Preliminary)	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	Twelve months ended	
						June 30, 2019	March 31, 2019
Net income	\$ 119.5	\$ 67.4	\$ 52.4	\$ 67.4	\$ 44.8	\$ 31.4	\$ 18.0
Interest expense	52.9	56.6	59.8	61.9	63.4	62.2	60.2
Depreciation and amortization	54.4	54.9	54.3	54.6	53.5	52.0	52.6
Income tax provision	8.1	(0.6)	(0.6)	0.0	11.9	17.7	15.5
Discontinued operations, net of tax	(30.6)	3.6	3.4	(3.7)	(5.7)	(1.4)	(3.4)
EBITDA	204.3	181.9	169.3	180.2	167.9	161.9	142.9
Unusual items impacting net income:							
Impairment, restructuring and plant closure	16.8	18.5	18.8	20.4	26.1	27.2	23.5
Non-cash LIFO (benefit) expense	(9.2)	(3.1)	2.8	4.5	11.2	11.6	12.0
Mark-to-market commodity hedging	(8.2)	(3.1)	7.0	(4.0)	1.3	1.1	0.3
Acquisition and exit activity related costs	0.0	0.0	0.0	0.0	0.1	1.6	12.8
Adjusted EBITDA with noncontrolling interests	\$ 203.7	\$ 194.2	\$ 197.9	\$ 201.1	\$ 206.6	\$ 203.4	\$ 191.5

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

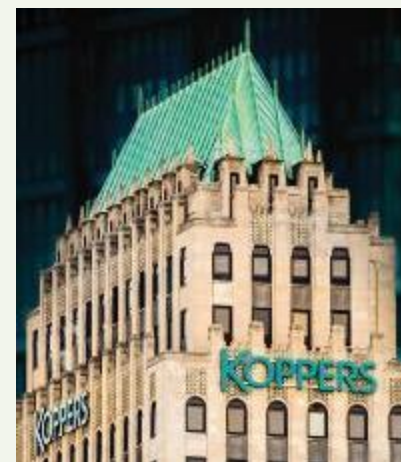
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