



Q1 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.



Investor Day 2023 • Save The Date

Facility Tour at Stickney, Illinois

Wednesday, September 13, 2023

12 P.M. Central Time

Meet at InterContinental Chicago for transportation

Management Presentation*

Thursday, September 14, 2023

10 A.M. Eastern (9 A.M. Central Time)

InterContinental Chicago



INTERCONTINENTAL.
CHICAGO MAGNIFICENT MILE

Additional details will be provided at a future date. Contingent on health and safety guidelines, as deemed appropriate by management.

*A live-streamed webcast, including video, audio and presentation slides, will be accessible on www.koppers.com. An archived copy of webcast will be available following conclusion of the event.

Q1 2023 Summary



HIGHLIGHTS



Consolidated Sales of \$513M vs. \$459M in prior year quarter

✓ **Record Q1 sales**

Adjusted EBITDA of \$61.5M vs. \$52.6M in prior year quarter

✓ **Record Q1 profitability**

Adjusted EBITDA Margin of 12.0% vs. 11.5% in prior year quarter

Diluted EPS of \$1.19 vs. \$0.87 in prior year quarter

✓ **Record Q1 diluted EPS**

Adjusted Earnings Per Share of \$1.12

✓ **Exceeded prior year Q1 of \$0.91**

Zero Harm



Zero Harm 2.0



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

50+% frontline manufacturing employees have been trained to conduct Peer-to-Peer safety observations

Training resulted in 14% increase in leading activities; helped to reduce Serious Safety Incidents by 60% vs. prior year

Key uniform safety messages discussed globally during “Toolbox Talks”; small-group format proving to be successful in encouraging discussion and understanding of personal safety

Koppers Life-Saving Rule “Protect Yourself While Working at Heights” was April’s topic

35 out of 45 Facilities Accident-Free in Q1/2023



Recordable Injury Rate:

↓ 30%

Q1 2023 Results

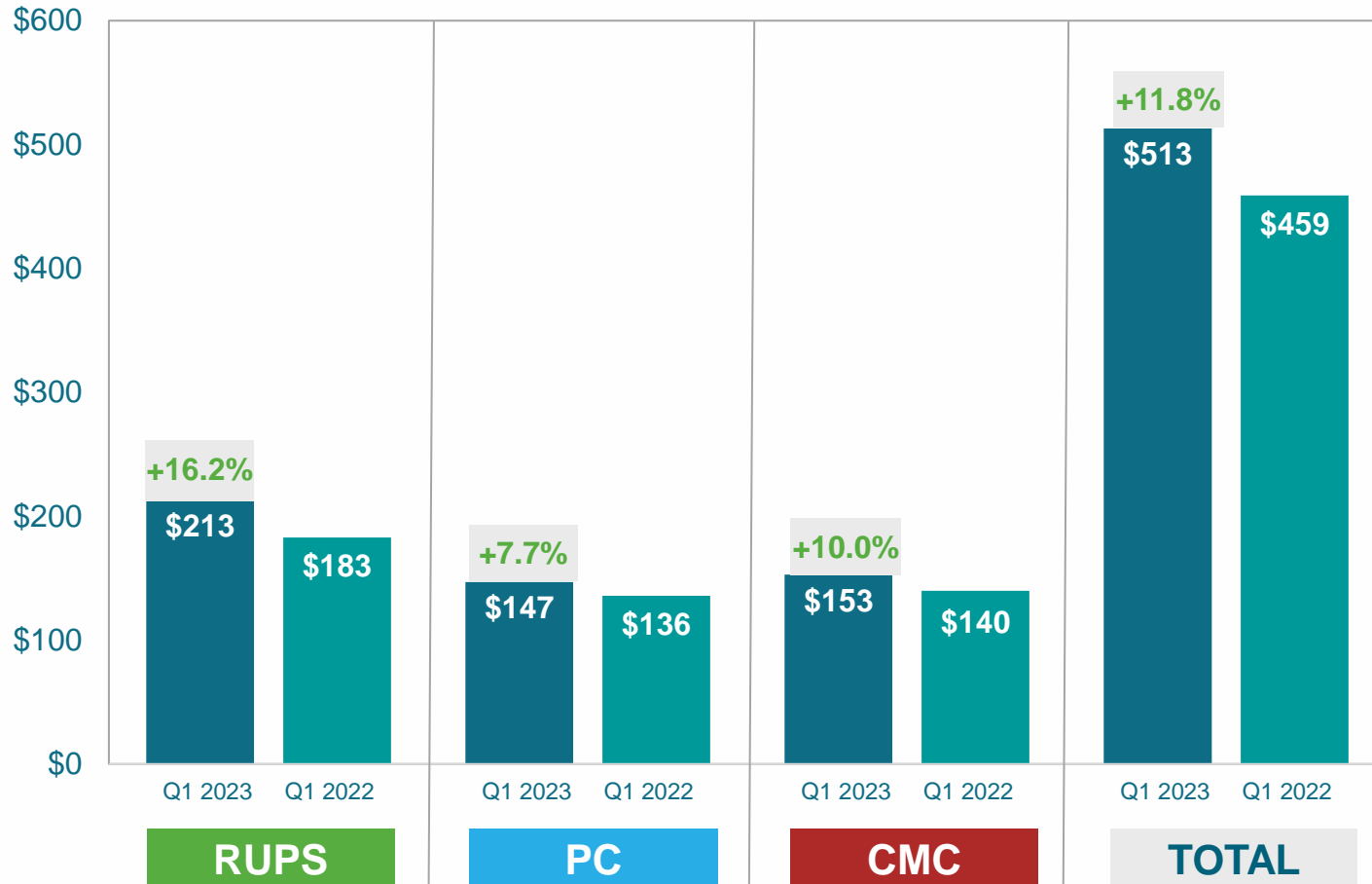


Q1: Sales by Segment (Unaudited)



Q1 2023 Sales vs. Prior Year

\$ in Millions

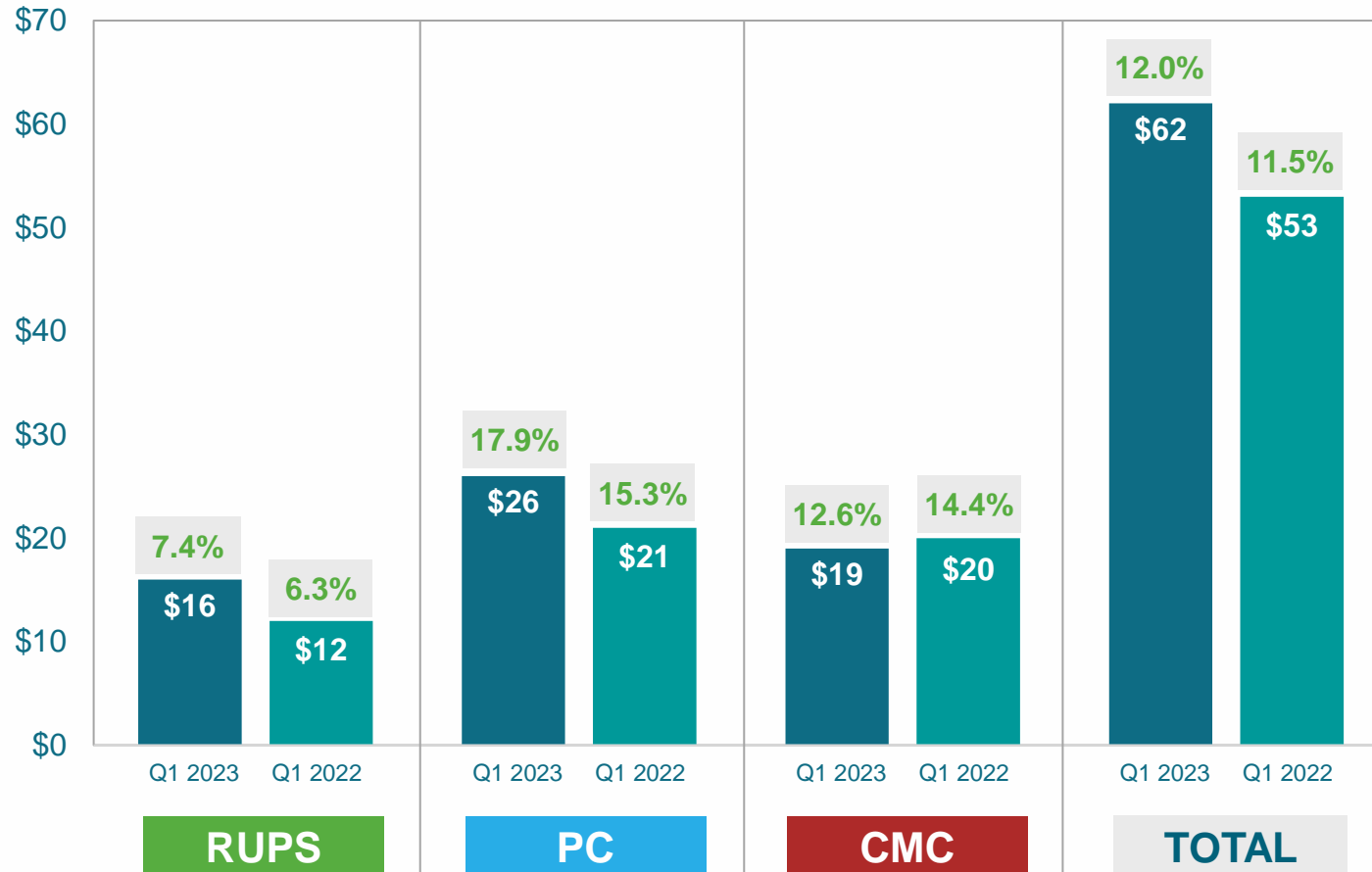


Q1: Adjusted EBITDA by Segment (Unaudited)



Q1 2023 Adjusted EBITDA \$ and % vs. Prior Year

\$ in Millions



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

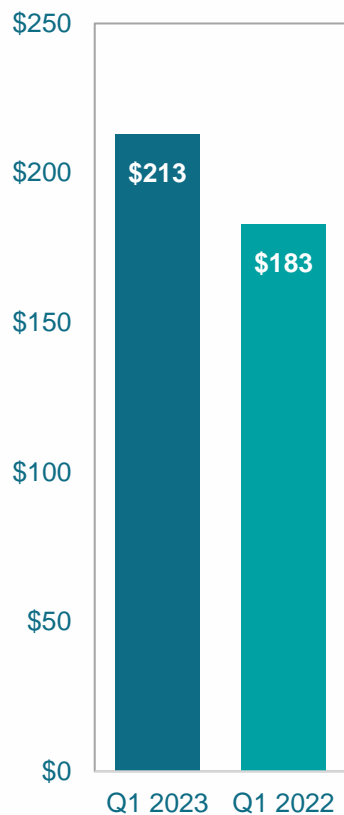
Q1 2023 RUPS Segment



RAILROAD AND UTILITY PRODUCTS AND SERVICES

Sales (Unaudited)

\$ in Millions

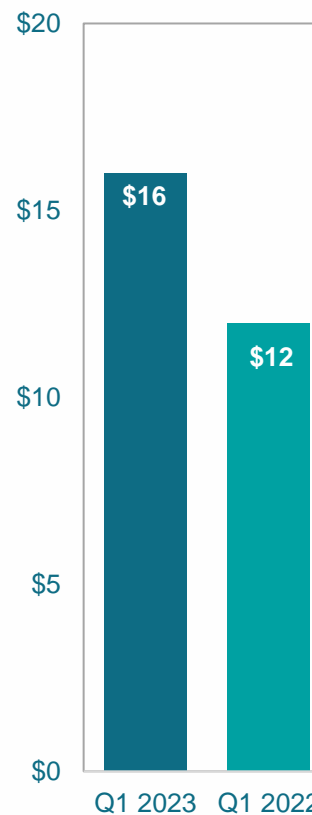


Highlights

- Record quarter sales primarily attributed to:
 - ✓ Pricing increases in crossties and utility poles in U.S.
 - ✓ Increased untreated crosstie volumes (Gross & Janes)
- Market prices for untreated crossties remain at relatively high levels but stabilizing
 - ✓ Year over year, Q1 crosstie procurement up 64% and crosstie treatment 11% lower

Adjusted EBITDA (Unaudited)

\$ in Millions



Highlights

- Higher profitability primarily driven by:
 - ✓ Net sales price increases of \$21.2 million
 - ✓ Partly offset by higher raw material costs and higher operating expenses
- First-quarter records for UIP sales, adjusted EBITDA \$ and margin

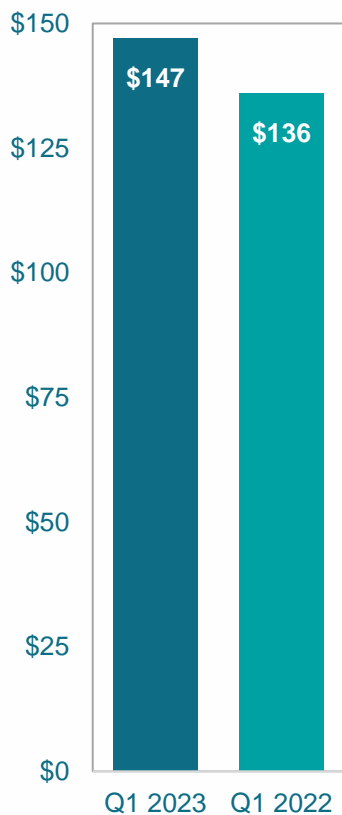
Q1 2023 PC Segment



PERFORMANCE CHEMICALS

Sales (Unaudited)

\$ in Millions

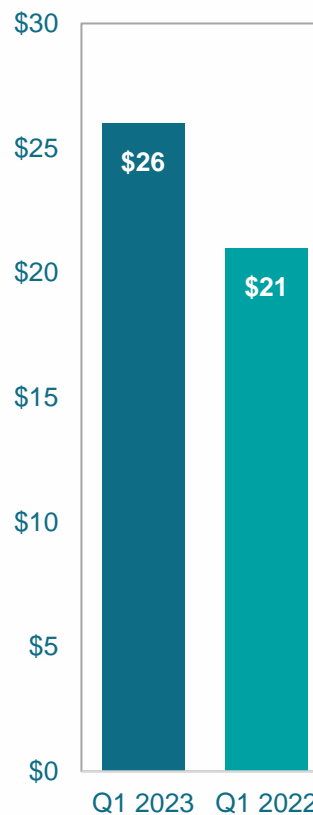


Highlights

- Record first-quarter sales primarily driven by:
 - ✓ \$24.7 million in global price increases, primarily for copper-based preservatives in the Americas
 - ✓ Partly offset by volume decreases of wood treatment preservatives, primarily in Europe and Australasia; N.A. lower year-over-year by 4%

Adjusted EBITDA (Unaudited)

\$ in Millions



Highlights

- Profitability was favorably impacted by:
 - ✓ Higher pricing from renegotiated customer contracts to recapture prior year cost increases
 - ✓ Returned EBITDA margin to normalized levels at 18%

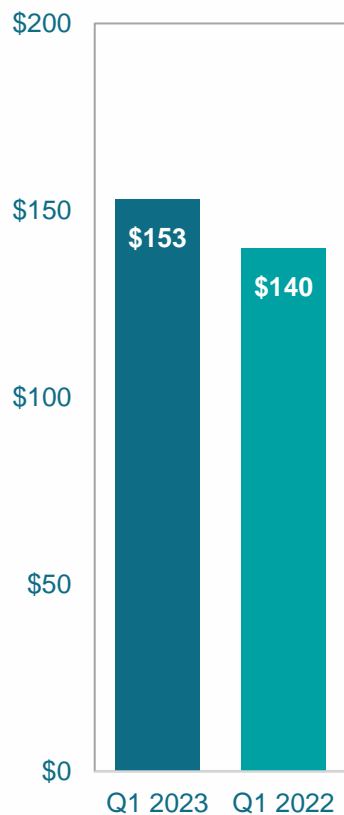
Q1 2023 CMC Segment



CARBON MATERIALS AND CHEMICALS

Sales (Unaudited)

\$ in Millions



Highlights

- Increase in sales primarily driven by:
 - ✓ \$37.1 million in higher sales prices, primarily for carbon pitch
 - ✓ Partly offset by volume decreases of phthalic anhydride, carbon pitch and carbon black feedstock
 - ✓ Strong end markets in a constrained raw material supply environment

Adjusted EBITDA (Unaudited)

\$ in Millions



Highlights

- Year-over-year decrease in profitability reflects:
 - ✓ Raw material cost increases outpacing sales price increases, particularly in N.A. and Europe
 - ✓ Partly offset by record results from CMC Australia
- Compared with Q4 2022, average pricing of major products increased 3% and average coal tar costs higher by 6%
- Compared with Q1 2022, average pricing of major products increased 29% and average coal tar costs 32% higher

Capital Allocation



Uses of Cash: Balanced Approach



- **Investing in our business**
 - ✓ Capital expenditures of \$28.5M (net) in Q1
- **Returning capital to shareholders**
 - ✓ Reinstated dividends in 2022; declared quarterly dividend \$0.06/share
 - ✓ Repurchased \$5.8M⁽¹⁾ of shares
- **Reducing leverage⁽²⁾ as appropriate**
 - ✓ \$835M net debt and \$400M available borrowings at 3/31/23
 - ✓ NLR 3.5x at 3/31/23
 - ✓ 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.

\$400M Term Loan B

Ongoing focus on enhancing our balance sheet flexibility, one of the company's core strategic pillars.



7-year \$400 million senior secured Term Loan B (TLB), bearing interest at adjusted Term SOFR or adjusted Daily Simple SOFR (at the company's option)

- plus 4.00% with a floor of 50 bps

Redeemed \$500 million 6.00% Senior Unsecured Notes (due 2025) funded by:

- Proceeds from TLB
- Cash on hand
- Borrowing under revolving credit facility

Consistent with capital structure priorities:

- Reducing risk
- Gaining flexibility by extending the maturity date

Q1 2023 Capital Expenditures



(\$ in millions) CapEx by Category	2023 YTD
Maintenance	\$11.8
Zero Harm	7.1
Growth & Productivity	11.5
Total	\$30.4
Less: Cash Proceeds	(\$1.9)
Capital Expenditures, Net	\$28.5

(\$ in millions) CapEx by Business Unit	Maintenance	Zero Harm	Growth & Productivity	2023 YTD
RUPS	\$4.6	\$0.3	\$8.7	\$13.6
PC	0.8	0.2	0.5	1.5
CMC	5.9	6.6	2.2	14.7
Administration	0.5	--	0.1	0.6
Total	\$11.8	\$7.1	\$11.5	\$30.4

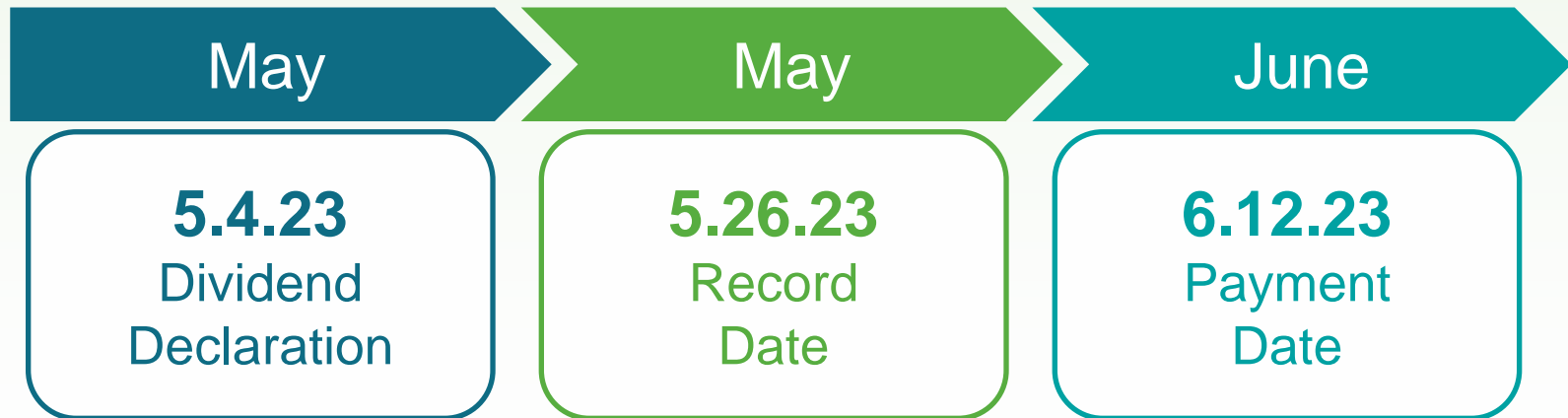
Dividend Declaration



Declaring Quarterly Cash Dividend



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



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

Notable Happenings



2023 Global Leadership Conference



Living Our Values: People, Planet & Performance

- *Connecting with People*
- *Strengthening Leadership Skills*
- *Advancing Sustainability*
- *Delivering Strong Performance*
- *Balancing Stakeholder Priorities*

By The Numbers:

- **3 ½ Days** in Pittsburgh
- **~150 Attendees** from **38 Locations**
- **7 Countries:** Australia, Brazil, Canada, Denmark, New Zealand, United Kingdom, and United States





Andrew Sandifer

FMC Corporation, global agricultural sciences company

- Executive VP & CFO (May 2018-Present)
- VP & Treasurer (March 2016-May 2018)

ARAMARK Corporation

- VP, Strategic Initiatives

Additional Roles

- Strategic planning, sales, marketing, investor relations, and general management
- Engineering, operations
- Consulting

Broad international business experience guiding organizations through major transitions, including mergers and acquisitions, strategic realignment, restructuring and enterprise resource planning system implementation.

Experience spans multiple industry sectors, with an emphasis on technology-driven product and materials businesses.

Q1 Plant Visits



STICKNEY, IL



Plant Manager: Seth Herring

MILLINGTON, TN



Plant Manager: Greg Weese

NORTH LITTLE ROCK, AR



Plant Manager: Chris Martin



Business Sentiment: Keys to Success



2023 Keys to Success



PERFORMANCE CHEMICALS

Price increases stick without major loss of volume

- \$25M of price in Q1 exceeding projections for 2023
- New residential volume offsetting losses elsewhere

Residential demand declines less than 10%

- Expect 5%-10% year-over-year decline in base volumes; 4% decline in Q1
- Existing-home sales showed first increase in 12 months in February, then slowing slightly again in March (*Source: National Association of Realtors*)
- Further deceleration in remodeling spending projected, anticipating first decline in ten years in Q1 2024 (*Source: Leading Indicator of Remodeling Activity*)
- Consumers benefiting from treated wood being one of the only segments with consumer prices lower now than in 2022, due to lumber prices returning to pre-pandemic levels



Koppers continues to take share of shifting industrial preservative market

- Phase-out of major industrial chemical enabled increased share of Koppers-produced preservatives
- Koppers industrial preservative sales volumes grew 24% in Q1 over prior year quarter
- Continued market growth anticipated due to infrastructure spending

2023 Keys to Success



RUPS: UTILITY AND INDUSTRIAL PRODUCTS

Keep facilities running uninterrupted

- Strong Q1 demand yields second straight high in profitability for the respective quarter
- March 2023 was second best profit month of all time
- Kiln damaged by fire, filling gap with third-party white wood
- Board-approved construction of 2 kilns, includes replacing damaged kiln
- Remain on pace to achieve record profitability in 2023



Bring Leesville, LA, facility online by Q3

- Texas market remains hungry for another supplier; backlog of orders waiting for fulfillment
- Extremely strong end market ready to absorb increased output from Leesville

2023 Keys to Success



RUPS: RAILROAD PRODUCTS AND SERVICES

Build dry inventory as soon as possible

- On pace to procure 7M ties in 2023, compared to 4M in early 2022
- Dry inventory up 20% over year-end, totaling more than 5M ties
- Higher dry inventory moderates need for additional boultonizing treatment

Recoup value of preservative

- Cost of raw material exceeds sales price; dynamic cannot be sustained
- Realized \$13M 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

- First cylinder commissioned, remainder to be online by mid-year 2023
- New plant should be most efficient with best sustainability footprint for safety and our environment
- Actively working on promising leads to secure remaining volume and maximize output



2023 Keys to Success



CARBON MATERIALS AND CHEMICALS

Manage challenging raw material environment

- Russia/Ukraine conflict reduced European raw material supply by 20%
- Turkey/Syria earthquake putting further pressure on supply
- U.S. steel producers continue to decarbonize; supply of traditional coal tar raw material down 14% in Q1
- Supplementing with petroleum-based feedstock to mitigate limited supply of coal tar

Continue to push acceptance of petroleum-blended products

- Half of N.A. pitch consumers currently using Koppers hybrid product
- New pavement sealer being trialed now to meet market demand
- Market more willing to try new applications, which plays to our advantage

No recessionary impact to aluminum and steel markets

- Expect similar demand levels as 2022; should support similar price levels
- Any worsening in raw material markets puts additional pressure on costs beyond expected increases



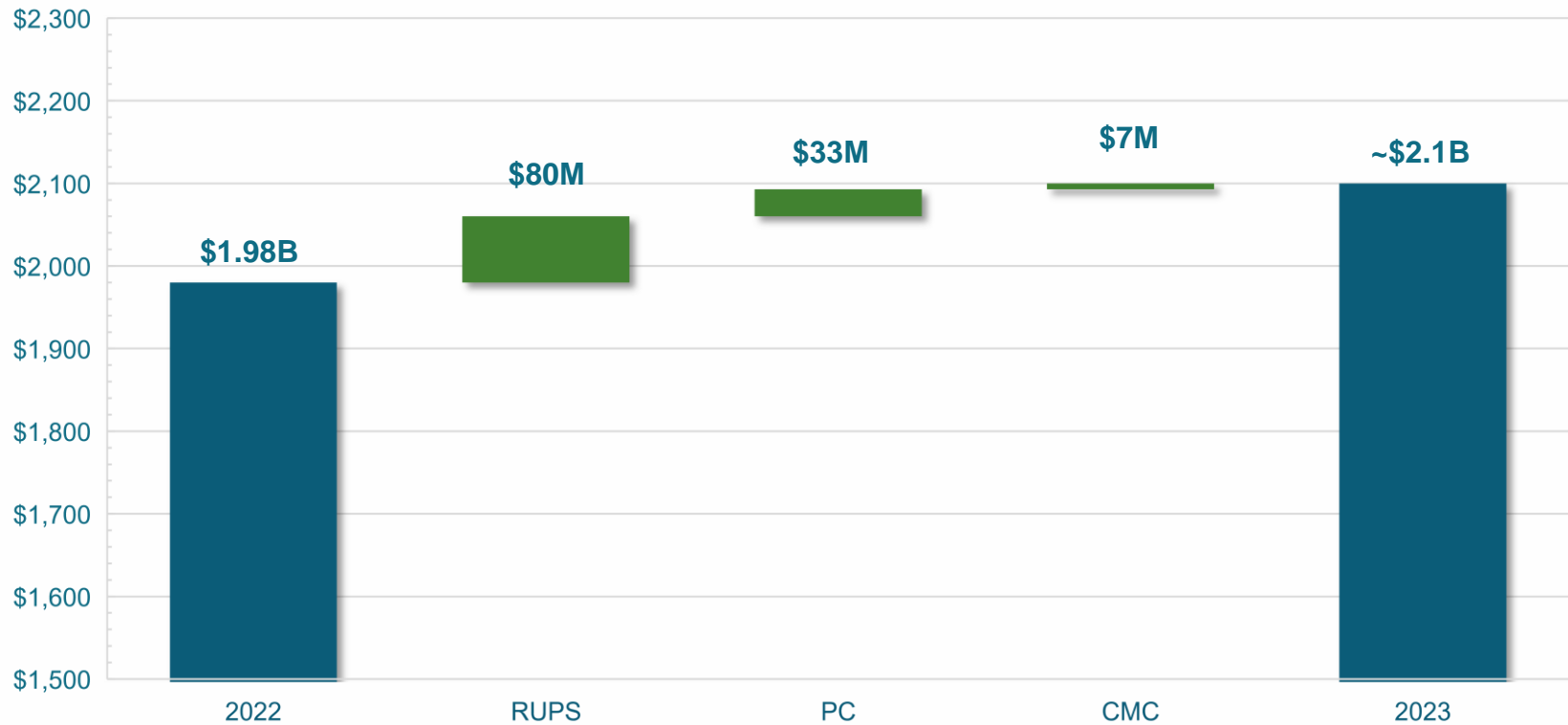
2023 Guidance



2023 Sales Forecast: ~\$2.1B



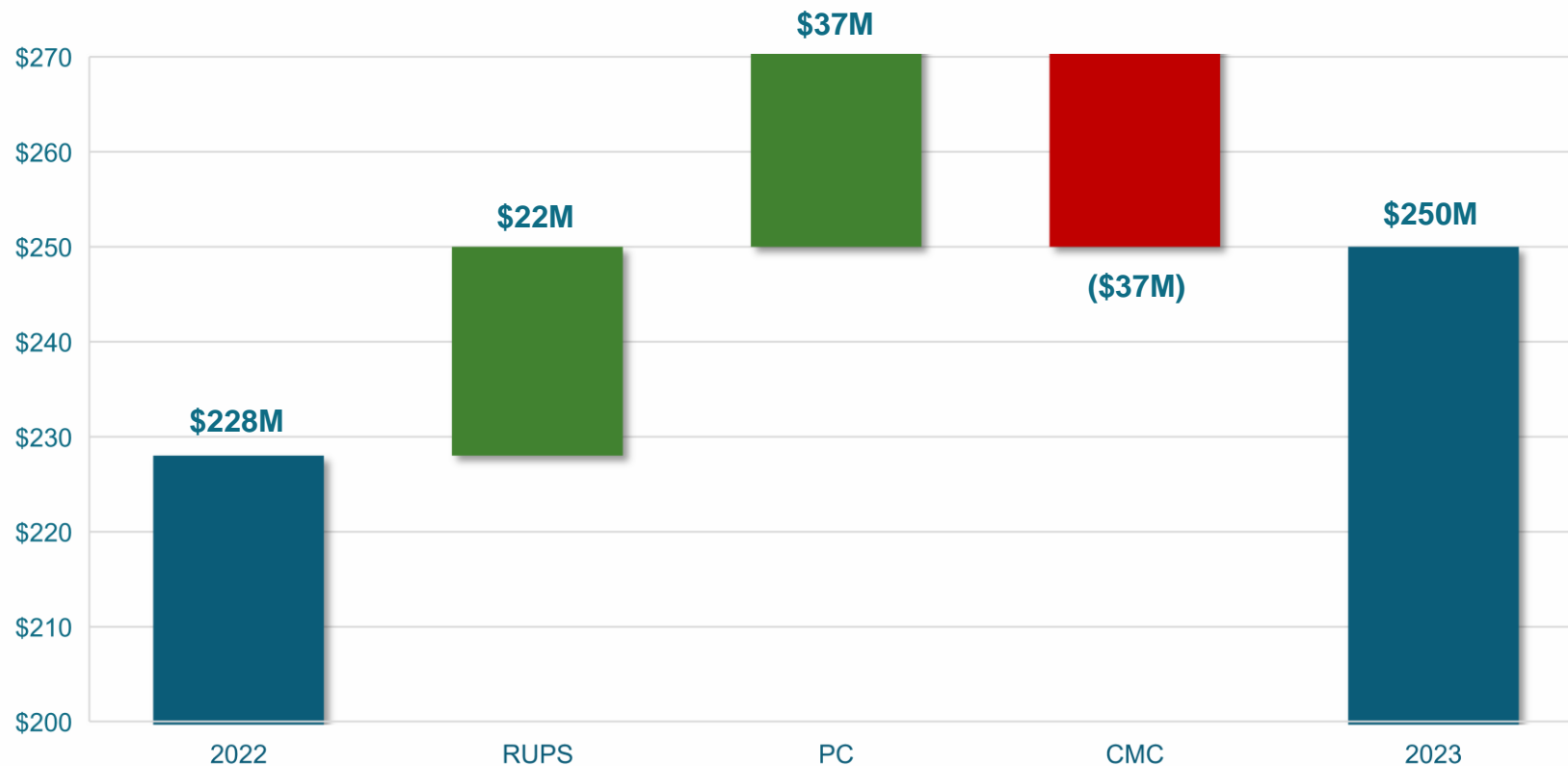
Sales
(\$ in millions)



2023 Adjusted EBITDA Forecast: \$250M



Adjusted EBITDA* (\$ in millions)

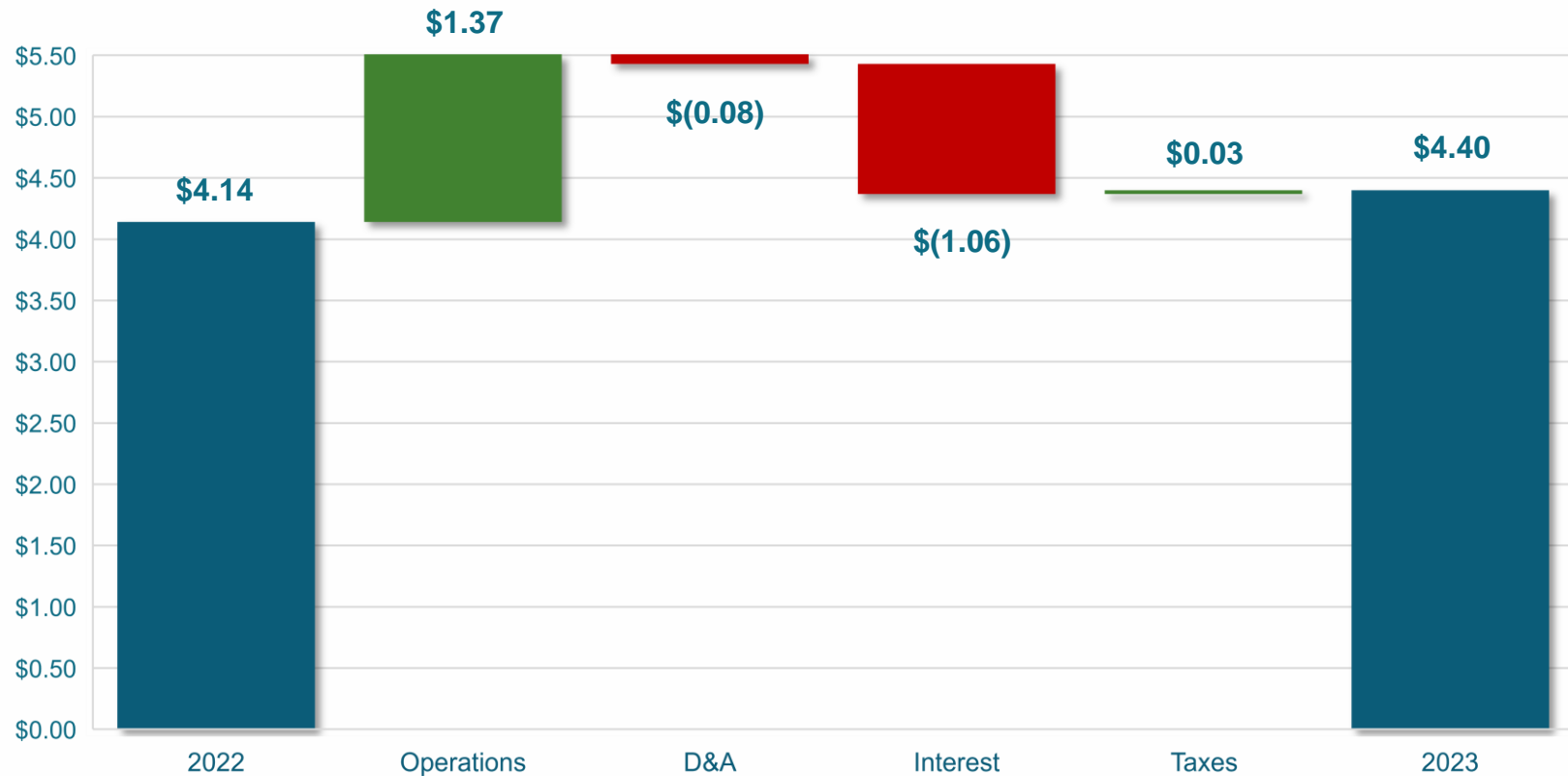


* Excluding special charges

2023 Adjusted EPS Forecast: \$4.40



Adjusted EPS*



* Excluding special charges

2023 Capital Expenditures



(\$ in millions)	
CapEx by Category	2023
Maintenance	\$52
Zero Harm	16
Growth & Productivity	42-52
Total	\$110-\$120
Less: Cash Proceeds	(\$5)
Capital Expenditures, Net	\$105-\$115

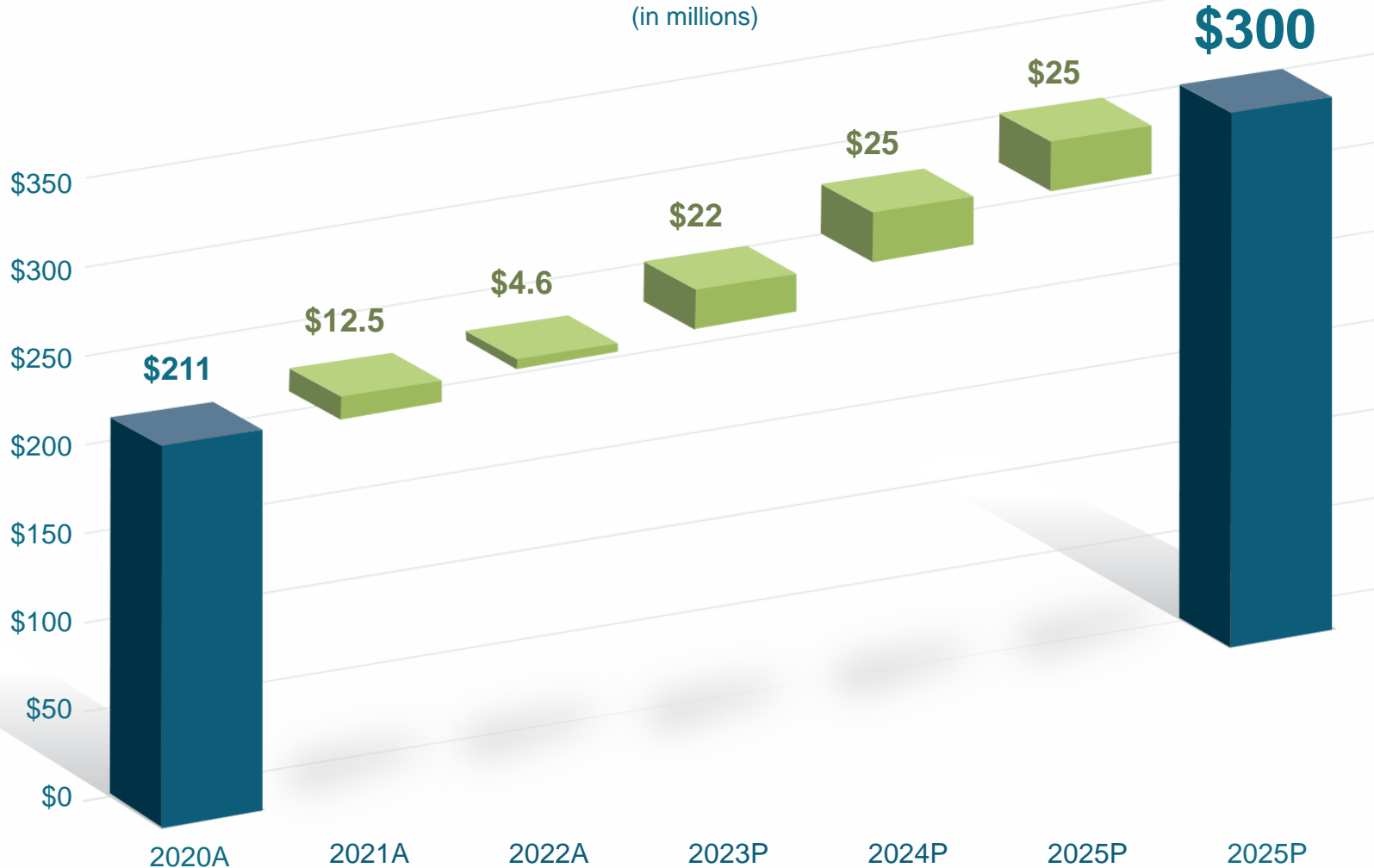
(\$ in millions) CapEx by Business Unit	Maintenance	Zero Harm	Growth & Productivity		2023	
			Low	High	Low	High
RUPS	\$17	\$2	\$20	\$30	\$39	\$49
PC	4	3	5	5	12	12
CMC	24	11	17	17	52	52
Administration	7	--	--	--	7	7
Total	\$52	\$16	\$42	\$52	\$110	\$120

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.

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>Three Months Ended March 31,</i>	
	<i>2023</i>	<i>2022</i>
<i>(Dollars in millions)</i>		
Net sales:		
Railroad and Utility Products and Services	\$ 213.1	\$ 183.4
Performance Chemicals	146.9	136.4
Carbon Materials and Chemicals	153.4	139.5
Total	\$ 513.4	\$ 459.3
Adjusted EBITDA⁽¹⁾:		
Railroad and Utility Products and Services	\$ 15.8	\$ 11.6
Performance Chemicals	26.3	20.9
Carbon Materials and Chemicals	19.4	20.1
Total	\$ 61.5	\$ 52.6
Adjusted EBITDA margin⁽²⁾:		
Railroad and Utility Products and Services	7.4%	6.3%
Performance Chemicals	17.9%	15.3%
Carbon Materials and Chemicals	12.6%	14.4%

1) The tables below describe the adjustments to arrive at adjusted EBITDA for the quarters ended March 31, 2023, and 2022, respectively.

2) Adjusted EBITDA as a percentage of GAAP sales.

Unaudited Reconciliation of Net Income to Adjusted EBITDA and Margin



(In millions)

	<i>Three Months Ended March 31,</i>	
	2023	2022
Net income	\$ 26.2	\$ 18.8
Interest expense	14.0	9.8
Depreciation and amortization	14.0	14.2
Income tax provision	9.9	9.7
Discontinued operations	0.0	0.5
Sub-total	64.1	53.0
Adjustments to arrive at adjusted EBITDA:		
Impairment, restructuring and plant closure costs	0.0	0.1
(Gain) on sale of assets	(1.8)	(2.5)
LIFO expense ⁽¹⁾	0.3	1.7
Mark-to-market commodity hedging (gains) losses	(1.1)	0.3
Total adjustments	(2.6)	(0.4)
Adjusted EBITDA	\$ 61.5	\$ 52.6
Net Sales	\$ 513.4	\$ 459.3
Adjusted EBITDA Margin	12.0%	11.5%

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 and Adjusted Net Income



(In millions)

	<i>Three Months Ended March 31,</i>	
	<i>2023</i>	<i>2022</i>
Net income attributable to Koppers	\$ 25.5	\$ 18.8
Adjustments to arrive at adjusted net income:		
Impairment, restructuring and plant closure costs	0.0	0.1
(Gain) on sale of assets	(1.8)	(2.5)
LIFO expense ⁽¹⁾	0.3	1.7
Mark-to-market commodity hedging (gains) losses	(1.1)	0.3
Total adjustments	(2.6)	(0.4)
Adjustments to income tax and noncontrolling interests:		
Income tax on adjustments to pre-tax income	0.2	0.1
Deferred tax adjustments	0.2	0.7
Noncontrolling interest	0.7	0.0
Effect on adjusted net income	(1.5)	0.4
Adjusted net income including discontinued operations	24.0	19.2
Discontinued operations	0.0	0.5
Adjusted net income attributable to Koppers	\$ 24.0	\$ 19.7

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 Diluted Earnings Per Share and Adjusted Earnings Per Share



(In millions except share amounts)

	<i>Three Months Ended March 31,</i>	
	<i>2023</i>	<i>2022</i>
Income from continuing operations attributable to Koppers	\$ 25.5	\$ 19.3
Net income attributable to Koppers	\$ 25.5	\$ 18.8
Adjusted net income attributable to Koppers	\$ 24.0	\$ 19.7
Denominator for diluted earnings per share (in thousands)	21,385	21,692
Earnings per share:		
Diluted earnings per share - continuing operations	\$ 1.19	\$ 0.89
Diluted earnings per share - net income	\$ 1.19	\$ 0.87
Adjusted earnings per share	\$ 1.12	\$ 0.91

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



(in millions)

	<i>March 31, 2023</i>		<i>December 31, 2022</i>		<i>Twelve Months Ended, March 31, 2022</i>
Total Debt	\$	881.0	\$	817.7	\$ 829.4
Less: Cash		46.4		33.3	49.2
Net Debt	\$	834.6	\$	784.4	\$ 780.2
Adjusted EBITDA	\$	237.0	\$	228.1	\$ 221.0
Net Leverage Ratio		3.5		3.4	3.5

Unaudited Reconciliation of Net Income to Adjusted EBITDA (LTM)



(in millions)

	<i>Twelve Months Ended,</i>		
	<i>March 31, 2023</i>	<i>December 31, 2022</i>	<i>March 31, 2022</i>
Net income	\$ 70.7	\$ 63.2	\$ 77.9
Interest expense	49.0	44.8	40.1
Depreciation and amortization	56.0	56.1	56.5
Income tax provision	31.7	31.6	35.7
Discontinued operations	0.0	0.6	0.3
Sub-total	207.4	196.3	210.5
Adjustments to arrive at adjusted EBITDA:			
Impairment, restructuring and plant closure costs	1.0	1.1	1.0
(Gain) on sale of assets	(1.8)	(2.5)	(26.2)
LIFO expense ⁽¹⁾	24.2	25.6	28.9
Mark-to-market commodity hedging losses	5.1	6.5	6.8
Inventory adjustment	1.1	1.1	0.0
Adjusted EBITDA	\$ 237.0	\$ 228.1	\$ 221.0

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



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, and Europe.

Stock Exchange Listing

NYSE: KOP

Investor Relations and Media Information

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