



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

Q4 & Full-Year 2020 Results
February 24, 2021

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; existing and future adverse effects as a result of the coronavirus (COVID-19) pandemic; 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.

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



Employee Health & Wellbeing



Applying Zero Harm Principles: Current Status



Employees Affected by COVID-19



- ~1% currently in self-quarantine (20 employees)
- ~12% tested positive for COVID-19, to date (249 employees)
 - 244 employees in U.S.
 - 5 employees in other countries

Staying Vigilant & Staying Healthy



- Requiring face coverings as PPE at all North American (N.A.) facilities
- Reinforcing social distancing/screening practices; maintaining COVID-19 hygiene protocols
- Using self-administered saliva test kits for COVID-19 (N.A.); applying pool-testing methods for periodic screening (U.S.)
- Strengthening Zero Harm measures by adding new Life-Saving Rule to address COVID-19
 - Raising awareness of infection hazards
 - Applying additional discipline to operational routines
 - Requiring higher respiratory protection for job tasks with higher risks

COVID-19 Vaccine Deployment & Adoption

- Actively working to set up vaccination sites for U.S. employees (Phase 1b)
 - Vaccination plans subject to approval from federal or state Point of Dispensary (POD) programs, county health departments or local clinics
 - Received approval for HQ/Pittsburgh & 4 other U.S. locations, date TBD
- Vaccinations for employees outside of U.S. being managed by government of respective countries

Prioritizing Health & Wellness: COVID-19 Vaccine Incentive



3 Easy Steps to Receive \$250*



Get your full dose
of the COVID-19
vaccine



Provide your vaccination
card to your wellness
coordinator



Receive \$250
from Koppers



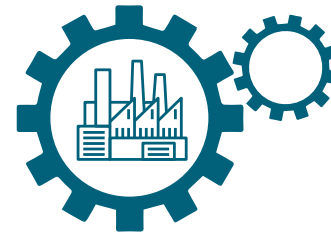
* Must be a Koppers employee to be eligible to receive the COVID-19 vaccine incentive



- **Hats off to our team at Galesburg, Illinois:**
 - To-date, 41 employees have received the first dose of the vaccine
 - First Koppers facility eligible to receive the vaccine
- **Thank you to our Galesburg employees for not only protecting yourselves from COVID-19, but also protecting your co-workers, families and friends!**



Operations Continuity



Operations & Planning: Current Status



Operations



- Koppers U.S. manufacturing facilities in Midwest and Southwest regions, particularly in Texas, experiencing extreme weather conditions
 - Temporarily ceased operations at certain facilities (all or partial) due to frozen pipes, loss of power or unsafe working conditions
 - Resuming operations as the situation improves
- Continuing to limit employee business travel to essential-only travel
- Continuing to evaluate opportunities for select plant visits by senior management to reinforce importance of health and hygiene protocols

Office Re-entry



- Strongly encouraging employees to continue working remotely
- Postponing earliest return to office until July 1, 2021
- Requiring use of face coverings and social distancing for employees that must come into office
- Identifying ways to enhance employee work/life balance (iShare challenge)

Ongoing Communications



- Conducting quarterly all-employee meetings in 3 time zones: United States, Europe, Australia/New Zealand
- CEO and Leadership Virtual Chats with plant and remote-work employees
- CEO video updates to employees available on Koppers Facebook page (@koppersinc) and on www.koppers.com

Recent Accomplishments

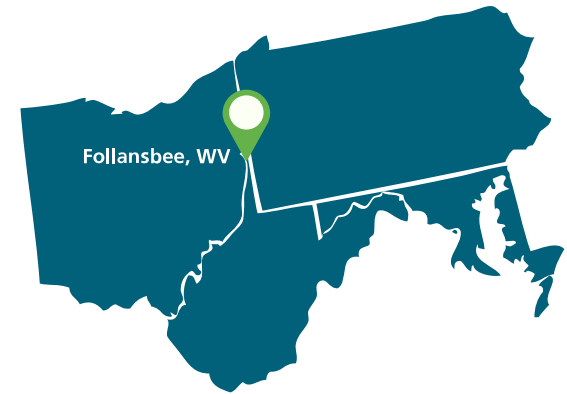


Streamlining Our Business: Sale of Follansbee Facility



Koppers announced completion of the sale of its facility in Follansbee, West Virginia, to Petro Empire Liquids and Storage, LLC

As part of Koppers previously announced strategy to restructure and streamline the operating footprint of its Carbon Materials and Chemicals (CMC) business, the company discontinued coal tar distillation processing at Follansbee in 2016. Subsequent to the commissioning of a new naphthalene refining plant in Stickney, Illinois, the company ceased naphthalene refining activities at Follansbee in late 2018.



“ I'm happy to report the completion of this transaction, which enables us to minimize our cash outlays associated with closing the Follansbee operation and redeploy it to grow shareholder value. This sale represents the latest action furthering our multi-year plan to streamline our operations and increase our focus on our businesses that play a greater role in building our global infrastructure. ”

– President and CEO Leroy Ball



Introducing New Wood-Treatment Solution: DuraClimb™ Poles



Utility and Industrial Products, in partnership with Performance Chemicals, introduced DuraClimb™ poles.

- DuraClimb poles provide utilities multiple benefits, primarily the **superior climb-ability** of the pole, something that utility linemen find of particular value when having to service poles during storm-related events.
- DuraClimb poles are treated with CCA with Climbing Additive preservative system. The DuraClimb treatment process **can be easily identified by the blue tag.**
- Targeted at utilities that have traditionally purchased **penta-treated poles**, given that the use of penta as a preservative system is being phased out within the U.S.
- For more info, visit www.duraclimbpole.com.

DuraClimb™
Poles



Improving Employee Safety: Grafton, Australia Facility



Reduces Exposure to Heat Illness

- Summer days can get extremely hot at Koppers Australia operating sites, making reductions to heat-exposure illnesses an integral part of our Zero Harm program.
- Team at Grafton facility working on ways to reduce risk to employees, particularly those performing manual tasks in the outdoor fabrication area.
- Grafton team purchased mobile mist cooling fans and installed a permanent mist cooling system in one of the fabrication sheds.
- Installing similar permanent systems in other fabrication sheds at the Grafton, Takura and Bunbury facilities – and considering similar technology in other global locations.



Congratulations to our Grafton employees who contributed to making this cool project a success!

In The News



Port of Nyborg

With a renewed long-term agreement between Koppers Denmark ApS and ADP A/S, Koppers can continue expanding its distillation and export activities from the central hub.

“ During the past years we have doubled the capacity of our distillation plant in Nyborg, and with the coming investments in the port infrastructure and increased tank capacity, the Port of Nyborg will continue to be a vital production and distribution hub for us when we expand our global business. ”

– Kent Bo Svendsen, CFO of Koppers Europe
Carbon Materials and Chemicals

“ Koppers is an important strategic customer and its growth is important to the development of the Port of Nyborg. With a new long-term agreement with Koppers and the large investment in the port infrastructure we will be investing in the future growth of both companies. ”

– Rune D. Rasmussen, ADP CEO



Manufacturing Today

Chief Operating Officer James Sullivan was featured in an interview with *Manufacturing Today*:

- Koppers vital importance to infrastructure
- Current expansion projects
- Ongoing success of our Zero Harm culture



“ Protecting What Matters and Preserving The Future. What matters to us is our people, the environment and the communities that surround us; if we protect those, we will have a strong future. ”

Executive Vice President and Chief Operating Officer,
James Sullivan

Engaging Our People



Celebrating Female Leadership

Women's Empowerment Series—Part 2

The second in a series of Zoom Chats with accomplished female leaders.



Lead, Inspire and Network at Koppers

Panelists:

- **Ashley Everman**, Manager, Talent Development
- **Melissa Hadley**, Manager, Business Planning, RPS & CMC
- **Stacey McKinney**, Vice President, Technical Services
- **Kim Nelson**, Logistics Manager



Receiving Recognition



Chuck Cooper Foundation Leadership Award

On behalf of Koppers employees worldwide, CEO Leroy Ball accepted the Chuck Cooper Foundation Leadership Award!

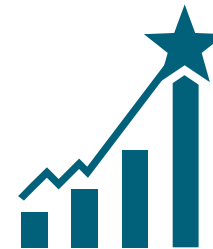


In recognition of a company or individual within the Pittsburgh region that has demonstrated extraordinary leadership, a commitment to diversity and outstanding contributions within the community.

The presentation of this award took place in a program named "*Chuck Cooper: Hall of Famer and Barrier Breaker.*" The program celebrates the life and Hall of Fame career of basketball pioneer Chuck Cooper.



2020 Record Performance



Delivered Record-Setting 2020

Accomplishments

Zero Harm: All-time best safety performance in 2020

Consolidated Sales*: \$1.669 billion

- 4th consecutive year of growth
- Record sales year

Operating Profit*: \$157 million

- Record year; 25% increase from prior year

Adjusted EBITDA*: record year; \$211 million vs. \$201 million in prior year

Adjusted EBITDA Margin*: 12.6%

- Highest since 2017
- 5th consecutive year in 12%-14% range

Diluted Earnings Per Share: \$5.71

- Highest since 2008

Adjusted Earnings Per Share*: \$4.12; record year

- ~30% increase from prior year of \$3.18/share
- \$9.5 million SG&A cost savings

* Excluding Koppers (Jiangsu) Carbon Chemical Company Limited (KJCC)

Delivered Record-Setting 2020

Accomplishments

Second-Highest Operating Cash Flow: 5 of 6 Prior Years' Cash Flow > \$100 million

Record Amount in Debt Paydown: Reduced Net Debt by \$131.5 million

Reduced Net Leverage Ratio to 3.5 at 12/31/20 vs. 4.3 at prior year-end

Invested in Capital Expenditures of \$69.8 million

Record Book Value per Share for KOP Equity

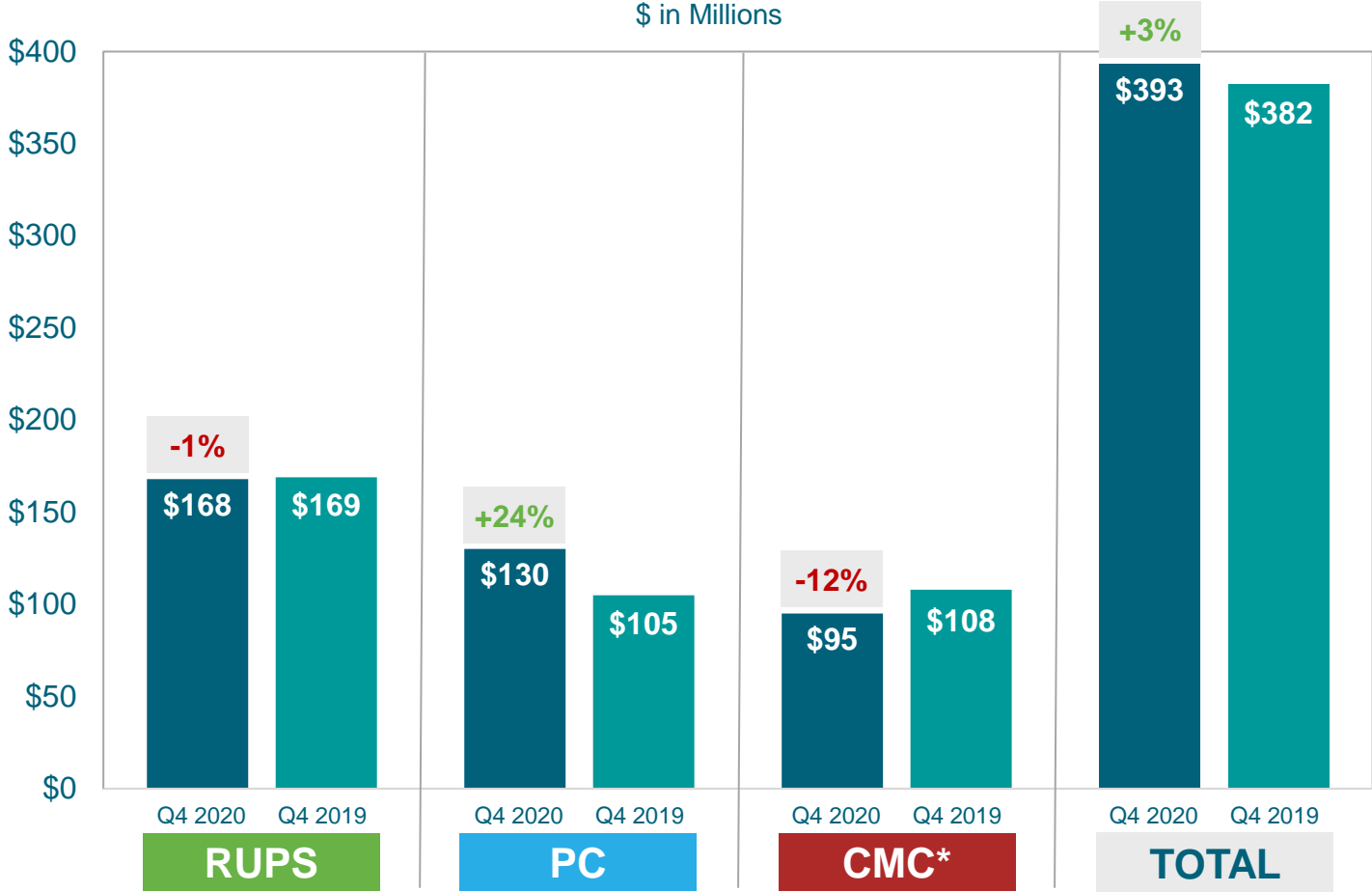
Q4 & Full-Year 2020 Results



Q4: Sales by Segment (Unaudited)

Q4 2020 Sales vs. Prior Year

\$ in Millions



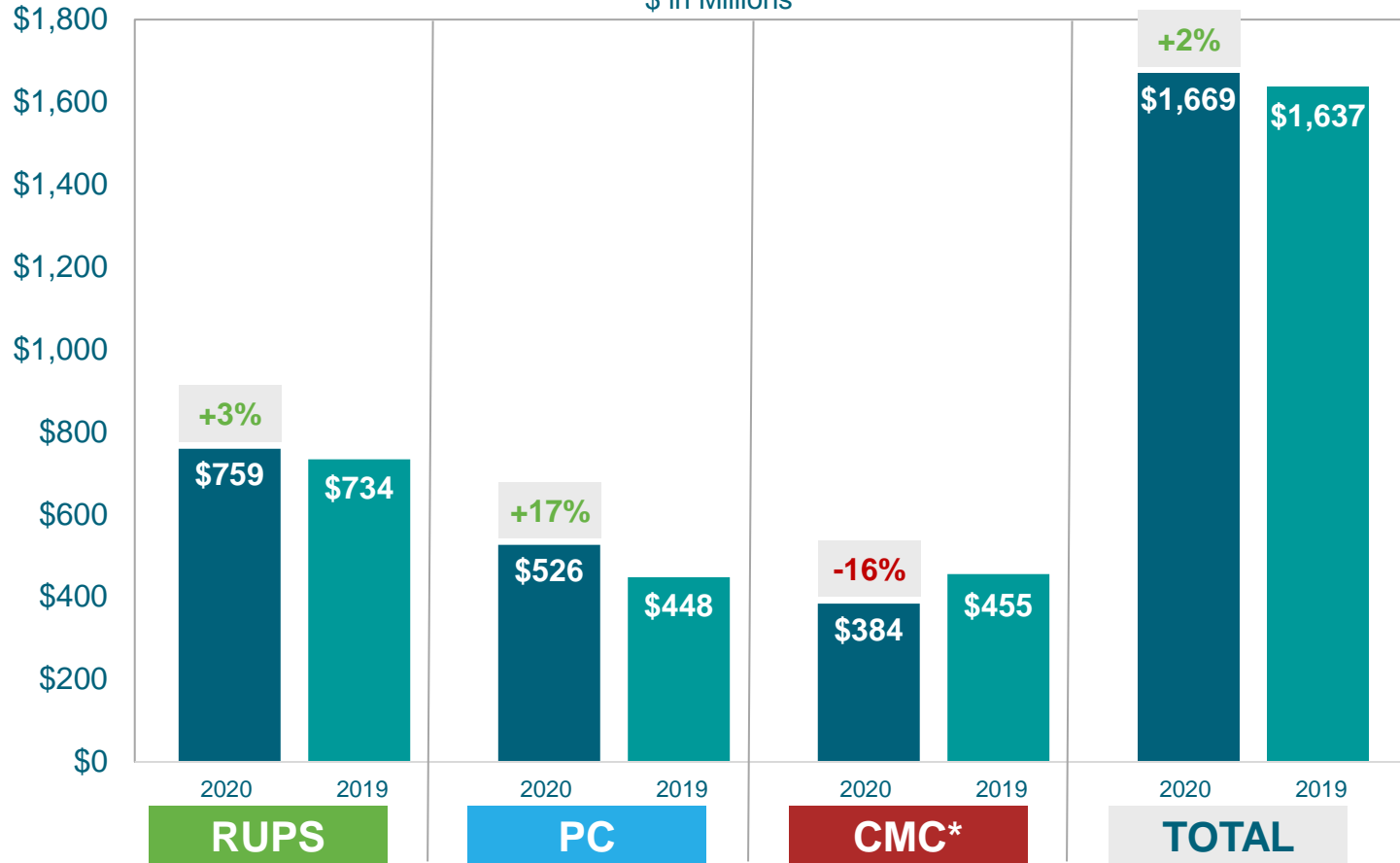
* Excluding KJCC

2020 Record Sales: Driven by Wood-Preservation Businesses



2020 Sales vs. Prior Year

\$ in Millions



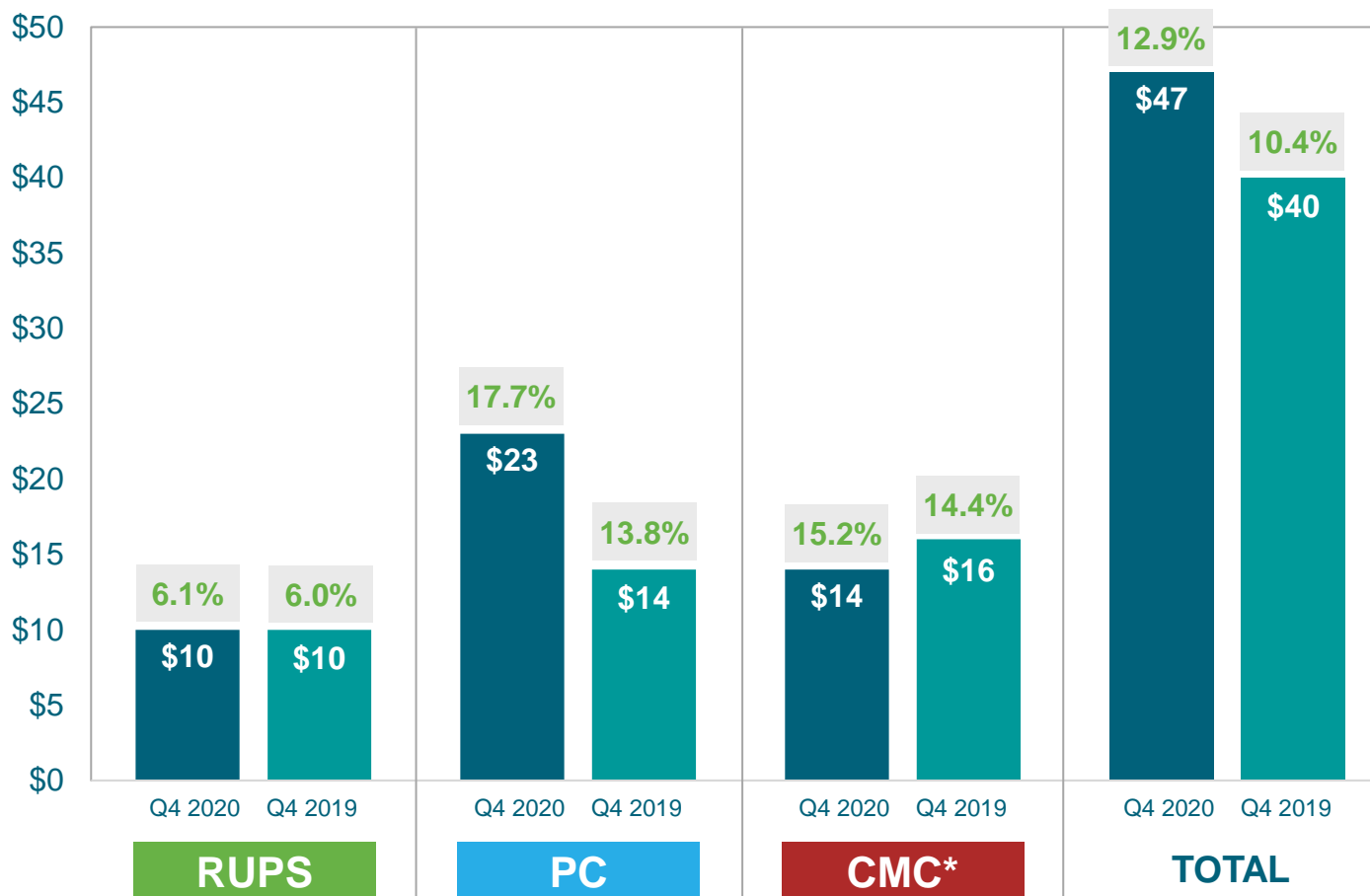
* Excluding KJCC

Q4: Adjusted EBITDA by Segment (Unaudited)



Q4 2020 Adj EBITDA vs Prior Year

\$ in Millions



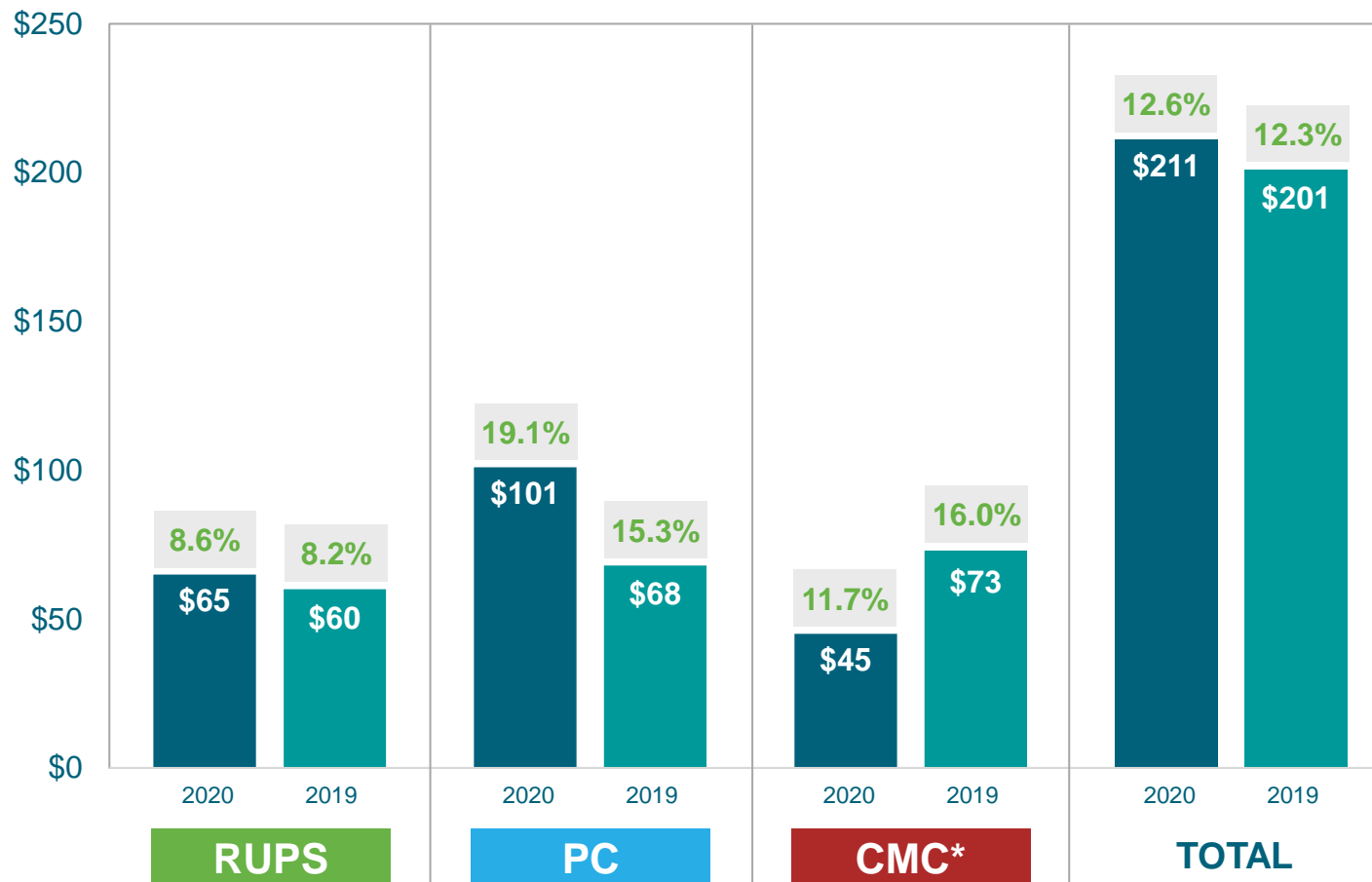
* Excluding KJCC

2020 Adjusted EBITDA: PC Business Delivered Strong Results



2020 Adj EBITDA vs Prior Year

\$ in Millions



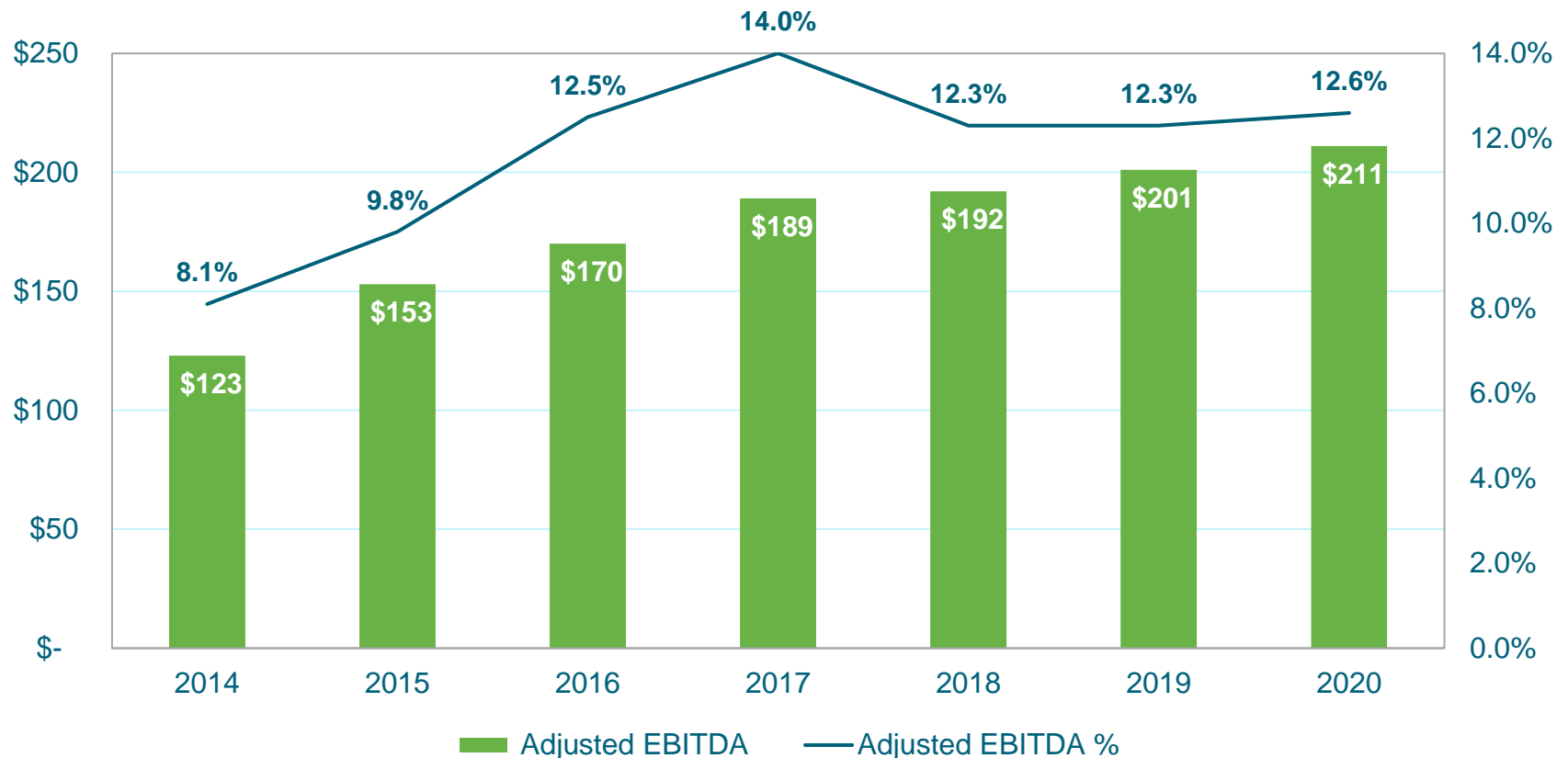
* Excluding KJCC

Improved Profitability Driven by Core Business



Adjusted EBITDA*

\$ in Millions



* Excluding special charges and KJCC

Debt & Liquidity



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

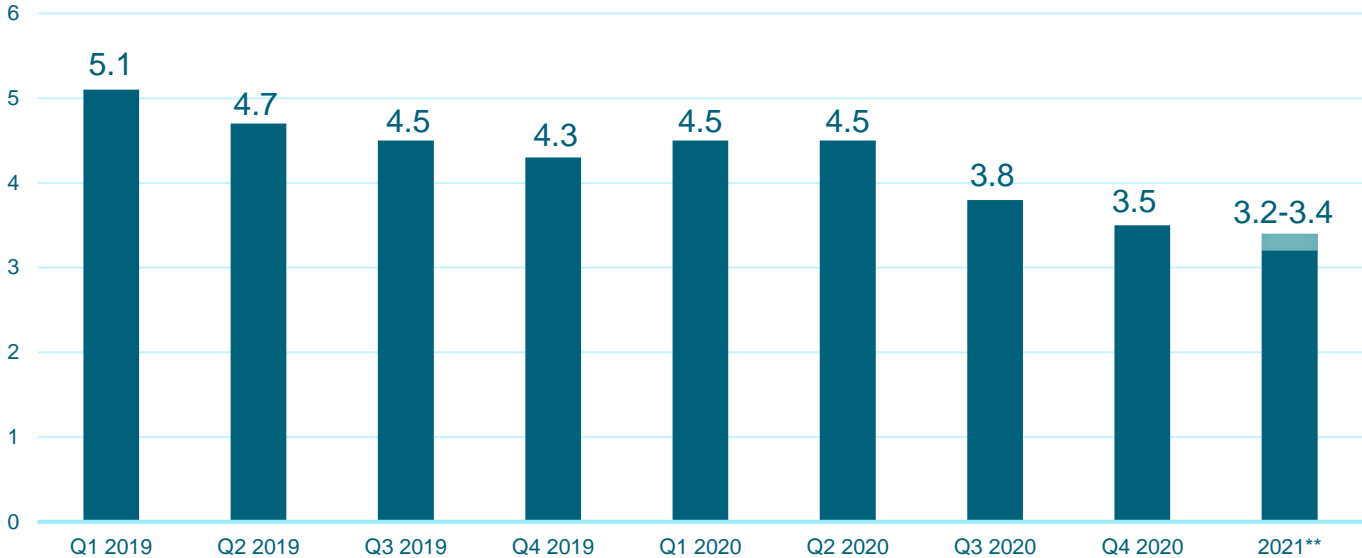


- **12/31/20 Status**
 - ✓ In compliance with all debt covenants
 - ✓ \$737.4M net debt
 - ✓ \$346.3M available liquidity
- **\$131.5M Debt Reduction in 2020 (Net)**
 - ✓ KJCC divestiture net proceeds (~\$65M)
 - ✓ Cash income/other Working Capital (\$50.5M)
 - ✓ Lower cash taxes and interest (\$16M)
 - ✓ Higher capex (-\$6M) vs. 2020 Program
 - ✓ Deferred payroll taxes (\$6M)

No Significant Debt Maturities Pre-2024	
	<i>\$ in Millions</i>
2021	\$10
2022	\$2
2023	---
2024	\$272
2025	\$500
Total Debt	\$784

Strong Focus on Debt Reduction

Net Leverage Ratio*



* Excluding KJCC

** Projected

Net Leverage
LT Goal: 2x-3x

- Proven track record of disciplined debt reduction
- Reduced debt by \$131.5M in 2020 and \$82M in 2019
- **Plan to further reduce debt by ~\$30M in 2021**

Business Sentiment: Customers & Suppliers



Customers & Suppliers



PERFORMANCE CHEMICALS

Overall Business

- Presents biggest wildcard to 2021 performance and highest level of variability
 - ✓ What happens to pandemic-driven demand and where do discretionary dollars get spent as virus is brought under control?
- Focusing on elements that we can control, such as customer service, cost and capacity

North America

- Strong start to 2021 in January, but record lumber prices slowed demand in February as treaters try to avoid having high-priced lumber when market price drops
- Market forecasts vary considerably
 - ✓ Three months ago, we were told that 2021 expected to be 10% lower than 2020
 - ✓ Before lull in February, we were told to expect 2021 to be 15% higher than 2020
 - ✓ High lumber prices and recent weather events need to be sorted out, before we can gain any confidence in 2021 demand levels exceeding 2020
- 2021 expected to be big year for preservative conversions; CCA/Duraclimb poised to take market share
- Continue to evaluate right entry point into copper naphthenate or other systems

Customers & Suppliers



PERFORMANCE CHEMICALS

North America (cont'd)

- Hubbell capacity expansion expected to be in place in Q3; expect cost relief in 2H2021
- Continued customer consolidation provides further opportunity for volume growth as we bring additional capacity online
- Copper hedged for 2021 at slightly lower average cost than 2020; skyrocketing copper prices will need to be addressed for unhedged portion of 2022 and beyond
- Supply chain improvements now in effect to reduce supply risk and improve cost position
- Currently evaluating recent announcement of purchase of Lonza wood-preservation business by Bain/Cinven

International

- South American business is strong; continue to evaluate adding manufacturing capabilities to lower cost footprint
- Expecting better year from Australasian business due to benefits from Australian government housing stimulus, market share penetration, and full year benefits from new arsenic acid plant
- Europe expects to have strong first half 2020, and then will be challenging as certain product registrations expiring due to more restrictive regulatory environment

Customers & Suppliers

UTILITY AND INDUSTRIAL PRODUCTS

Overall Business

- Demand expected to remain strong in 2021 in both U.S. and Australia; expect some sales decline as we shift production in Texas from Jasper to Somerville
- Margin improvement in 2021 driven by cost reduction and network optimization projects
- Stable wood supply will be key to meeting global sales targets

U.S.

- Exiting site management of Texas Electric Cooperatives plant in Jasper and begin serving Texas market from Somerville facility by mid-year
- Market production of pentachlorophenol (penta) will cease by 2021 year-end; customers will need to choose new preservative system
- Expect CCA to be primary choice, particularly in Eastern U.S. market; converting Koppers first treating plant from penta to CCA in first half 2021
- Adding drying capacity at two treating sites that will reduce cost and supply risk

Australia

- Aging network and infrastructure rebuild from wildfires provide solid 2021 demand base
- Lack of availability of hardwoods creating more acceptance of pine pole alternatives
- Adding drying capacity to facilitate adoption of pine poles

Customers & Suppliers



RAILROAD AND UTILITY PRODUCTS AND SERVICES

Overall Business

- Customer sentiment indicates improved demand for all RPS business lines in 2021-2022
- Stronger demand and continued cost control expected to drive improved margins
- Key project consists of integration of plant in Somerville, Texas for treating (ties and poles) and processing of end-of-life ties

Crossties

- Class I and Commercial demand expected to show slight upticks
- Entering tighter supply cycle for untreated crossties; higher raw material costs; may have an impact on demand
- Expect Commercial pricing to begin moving up as supply tightens
- Key Class I contract renewals in 2021
- Plan to successfully complete upgrades and expansion at North Little Rock facility by year-end; well-positioned for further EBITDA improvement in 2022

Customers & Suppliers



RAILROAD AND UTILITY PRODUCTS AND SERVICES

Maintenance-of-Way

- Despite being one of the most negatively affected businesses from COVID-19 (other than CMC), MOW business still delivered EBITDA and margin improvement in 2020
- Beginning 2021 with 50% higher backlog of projects vs. prior year
- Expecting less disruption in 2021 from COVID-19 due to project efficiency
- Actively working to expand crosstie recovery business to potentially include another Class I account
- Additional growth opportunity from synergy of landscape crosstie business with Performance Chemicals customer needs
- Introducing other value-added services to grow revenue model while lowering costs and increasing efficiency for railroad customers
- Approximately half of expected 2021 EBITDA increase in RPS attributed to maintenance-of-way

Customers & Suppliers



CARBON MATERIALS AND CHEMICALS

Overall Business

- Most indicators (e.g., steel restarts and oil prices) trending in a positive direction; providing more optimistic outlook for 2021 vs. prior year
- Expect overall EBITDA improvement as well as slight margin improvement in 2021

North America

- More tar production planned in 2021; expect savings on import transportation costs
- Carbon pitch and creosote demand expected to be solid in 2021
- Higher average oil prices should support higher profitability in phthalic anhydride business
- Sale of property in Follansbee, West Virginia represents important win; frees up resources to focus on other key improvement projects; estimated monthly savings of \$0.5M to \$0.7M in ongoing cash costs
- Capital spending plan for 2021 includes significant investments to replace end-of-life tanks
 - ✓ Improve safety and environmental controls
 - ✓ Enhance operational flexibility
 - ✓ Increase profitability

Customers & Suppliers



CARBON MATERIALS AND CHEMICALS

Europe

- Currently most challenging of three regions as aluminum capacity reduction disproportionately affected competitors and increased pressure on pricing
- Higher oil prices in Europe presents headwind as more tar moves to carbon black feedstock market, reducing supply and driving up raw material pricing
- Positive effect from higher oil prices is that it supports higher carbon black feedstock pricing
- Solid rail crosstie demand from U.S. should provide some upside on creosote demand
- Making significant progress on project to provide Koppers with ability to increase proportion of higher-value production output; expect to bring online by end of Q1

Australia

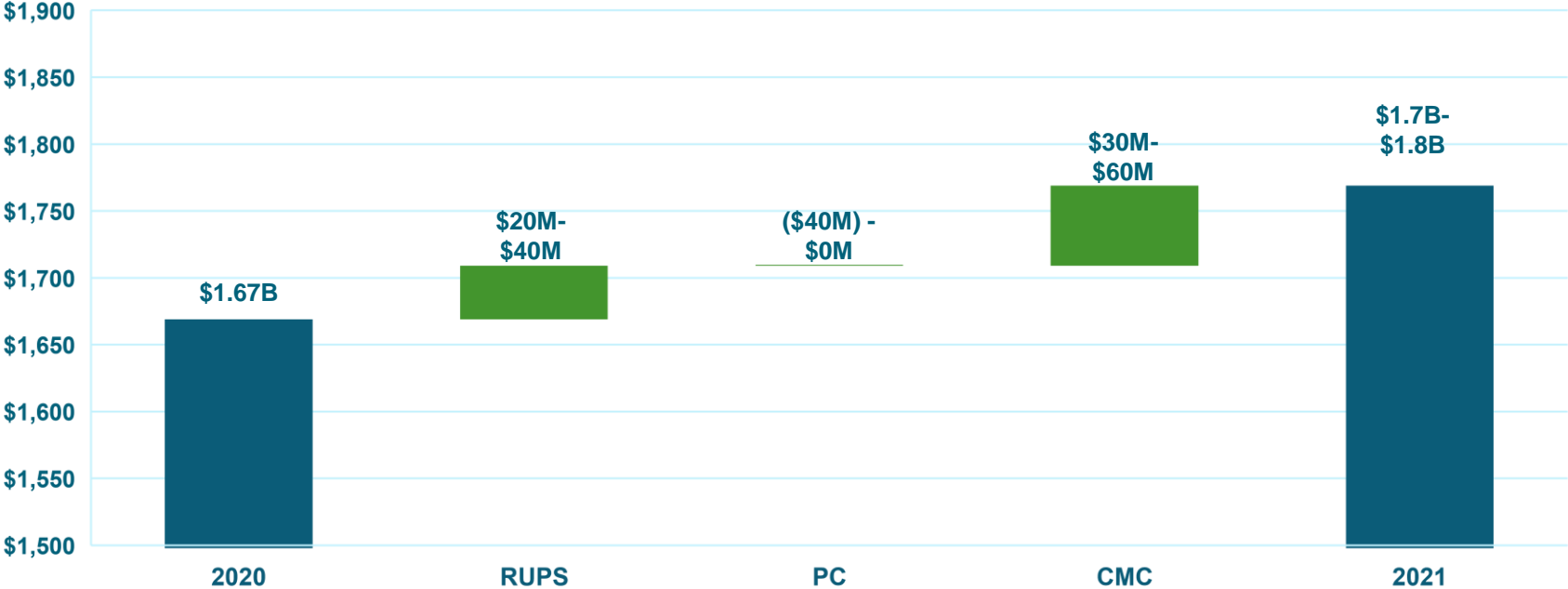
- Higher China benchmark pricing will support healthier carbon pitch pricing environment
- If pricing holds, Australia business could show the greatest year-over-year improvement
- Implemented multiple measures to improve environmental controls and plan to contribute funds to local wildlife hospital (in response to 2019 prevention notices from New South Wales EPA)

2021 Guidance



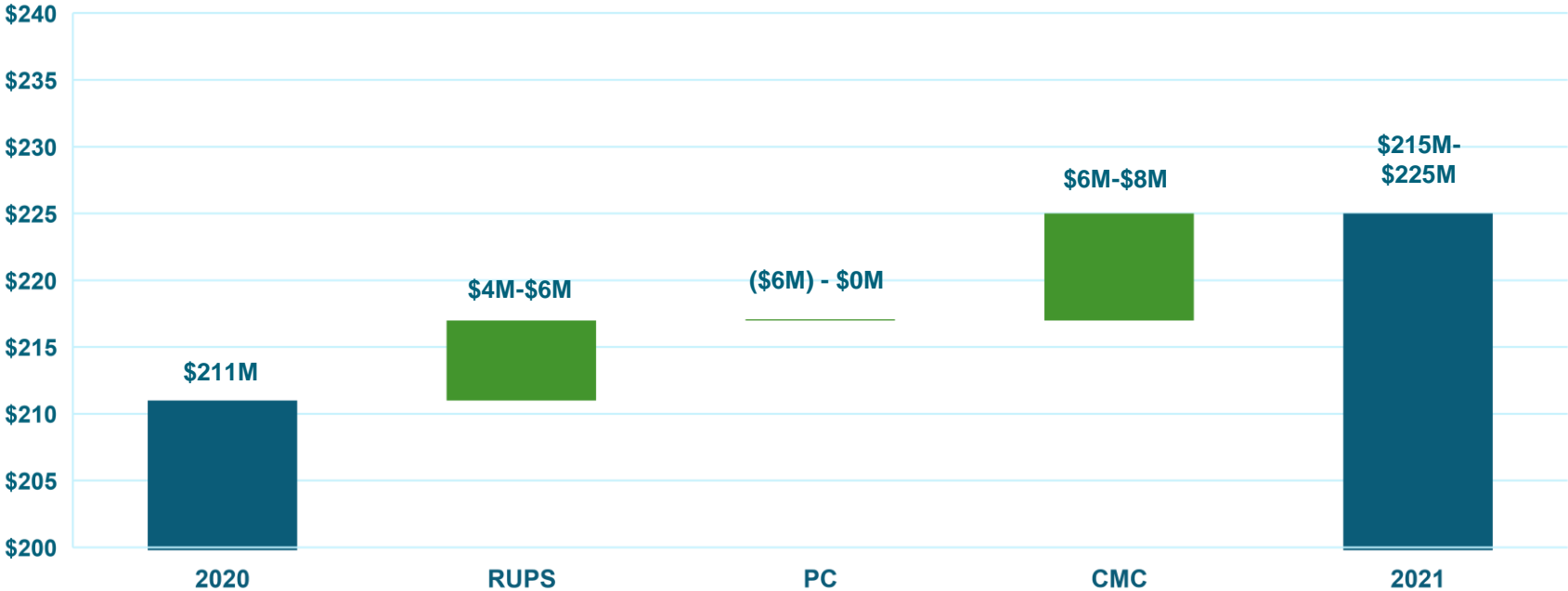
2021 Sales Forecast: \$1.7B-\$1.8B

Sales
(\$ in millions)



2021 Adjusted EBITDA Forecast: \$215M-\$225M

Adjusted EBITDA*
(\$ in millions)



* Excluding special charges

2021 Capital Expenditures: \$80M-\$90M (Net)

Description	Low	High
Maintenance	\$35M	\$40M
Zero Harm	\$30M	\$30M
Growth & Productivity	\$40M	\$45M
Total	\$105M	\$115M
Less: Cash Proceeds	(\$25M)	(\$25M)
Capital Expenditures, Net	\$80M	\$90M
2022 EBITDA Generation from Growth & Productivity Investments	\$8M	\$12M

In Summary

Protecting what Matters

- 2020 delivered new highs in revenue, operating income, adjusted EBITDA, adjusted EPS, net debt reduction, book value per share and best-ever underlying safety metrics*
- GAAP EPS and operating cash flow were just short of new highs*
- 2020 was the sixth straight year of adjusted EBITDA growth*

Preserving the Future

- Expectations for 2021 are new records in safety, revenue, adjusted EBITDA, adjusted EPS, operating cash flow and book value per share
- Earning our license to operate by advancing our sustainability efforts
- Laying the groundwork for even better results in 2022 and beyond
- Charting a sustainable growth path towards \$300 million of EBITDA



Protecting
WHAT MATTERS
Preserving
THE FUTURE
KOPPERS 

* Excluding Koppers (Jiangsu) Carbon Chemical Company Limited (KJCC)

Q&A Session

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 December 31,		Year Ended December 31,	
	2020	2019	2020	2019
<i>(Dollars in millions)</i>				
Net sales:				
Railroad and Utility Products and Services	\$ 168.2	\$ 169.5	\$ 759.1	\$ 733.5
Performance Chemicals	129.9	104.6	526.3	448.3
Carbon Materials and Chemicals	95.0	108.0	383.7	455.2
Total	\$ 393.1	\$ 382.1	\$ 1,669.1	\$ 1,637.0
Operating profit (loss):				
Railroad and Utility Products and Services	\$ 6.3	\$ 4.0	\$ 46.7	\$ 35.8
Performance Chemicals	21.5	13.6	88.6	52.1
Carbon Materials and Chemicals	7.5	8.9	23.4	39.2
Corporate Unallocated	(0.5)	(0.5)	(2.0)	(2.1)
Total	\$ 34.8	\$ 26.0	\$ 156.7	\$ 125.0
Operating profit margin:				
Railroad and Utility Products and Services	3.7%	2.4%	6.2%	4.9%
Performance Chemicals	16.6%	13.0%	16.8%	11.6%
Carbon Materials and Chemicals	7.9%	8.2%	6.1%	8.6%
Total	8.9%	6.8%	9.4%	7.6%
Adjusted EBITDA⁽¹⁾:				
Railroad and Utility Products and Services	\$ 10.3	\$ 10.2	\$ 65.4	\$ 60.2
Performance Chemicals	23.0	14.4	100.7	68.6
Carbon Materials and Chemicals	14.4	15.6	45.0	73.5
Corporate Unallocated	(0.6)	(0.4)	(0.1)	(1.2)
Total	\$ 47.1	\$ 39.8	\$ 211.0	\$ 201.1
Adjusted EBITDA margin⁽²⁾:				
Railroad and Utility Products and Services	6.1%	6.0%	8.6%	8.2%
Performance Chemicals	17.7%	13.8%	19.1%	15.3%
Carbon Materials and Chemicals	15.2%	14.4%	11.7%	16.1%
Total	12.0%	10.4%	12.6%	12.3%

(1) The tables below describe the adjustments to EBITDA for the quarters and years ended December 31, 2020 and 2019, respectively.

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

Unaudited Reconciliation of Net Income to EBITDA and Adjusted EBITDA



(In millions)

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Net income	\$ 18.6	\$ 20.1	\$ 121.0	\$ 67.4
Interest expense	10.3	14.2	48.9	61.7
Depreciation and amortization	14.4	11.9	54.1	51.4
Depreciation in impairment and restructuring charges	0.0	0.8	2.0	3.4
Income taxes	6.2	(9.7)	21.0	0.0
Discontinued operations	0.1	1.4	(31.9)	(3.7)
EBITDA with noncontrolling interests	49.6	38.7	215.1	180.2
Adjustments to arrive at adjusted EBITDA:				
Impairment, restructuring and plant closure costs	4.3	5.4	15.7	20.4
Non-cash LIFO (benefit) expense	(4.9)	(0.4)	(13.7)	4.5
Mark-to-market commodity hedging	(5.0)	(3.9)	(9.2)	(4.0)
Pension settlement	0.1	0.0	0.1	0.0
Discretionary incentive	3.0	0.0	3.0	0.0
Total adjustments	(2.5)	1.1	(4.1)	20.9
Adjusted EBITDA	\$ 47.1	\$ 39.8	\$ 211.0	\$ 201.1

Unaudited Reconciliation of EBITDA to Adjusted EBITDA by Segment



<i>(Dollars in millions)</i>	<i>Three Months December 31,</i>		<i>Year Ended December 31,</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
EBITDA with noncontrolling interests:				
Railroad and Utility Products and Services	12.5	9.1	68.8	54.0
Performance Chemicals	28.0	18.4	109.9	72.6
Carbon Materials and Chemicals	12.7	11.7	39.6	54.8
Corporate unallocated	(3.6)	(0.4)	(3.2)	(1.2)
Total EBITDA	\$ 49.6	\$ 38.8	\$ 215.1	\$ 180.2
Adjusted EBITDA:				
Railroad and Utility Products and Services	10.3	10.2	65.4	60.2
Performance Chemicals	23.0	14.4	100.7	68.6
Carbon Materials and Chemicals	14.4	15.6	45.0	73.5
Corporate unallocated	(0.6)	(0.4)	(0.1)	(1.2)
Total Adjusted EBITDA	\$ 47.1	\$ 39.8	\$ 211.0	\$ 201.1
Adjusted EBITDA margin as a percentage of GAAP sales:				
Railroad and Utility Products and Services	6.1%	6.0%	8.6%	8.2%
Performance Chemicals	17.7%	13.8%	19.1%	15.3%
Carbon Materials and Chemicals	15.2%	14.4%	11.7%	16.1%
Total Adjusted EBITDA margin	12.0%	10.4%	12.6%	12.3%

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



(In millions)

	<i>Three Months Ended December 31,</i>		<i>Year Ended December 31,</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
Net income attributable to Koppers	\$ 18.6	\$ 20.6	\$ 122.0	\$ 66.6
Adjustments to arrive at adjusted net income:				
Impairment, restructuring and plant closure costs	5.0	5.0	19.7	25.3
Non-cash LIFO (benefit) expense	(4.9)	(0.4)	(13.7)	4.5
Mark-to-market commodity hedging	(5.0)	(3.9)	(9.2)	(4.0)
Pension settlement	0.1	0.0	0.1	0.0
Discretionary incentive	3.0	0.0	3.0	0.0
Total adjustments	(1.8)	0.7	(0.1)	25.8
Adjustments to income tax and noncontrolling interests				
Income tax on adjustments to pre-tax income	(0.7)	(15.1)	(1.0)	(22.7)
Noncontrolling interest	0.0	(0.5)	(1.0)	0.8
Effect on adjusted net income	(2.5)	(14.9)	(2.1)	3.9
Adjusted net income including discontinued operations	16.1	5.7	119.9	70.5
Discontinued operations	0.1	1.4	(31.9)	(3.7)
Adjusted net income attributable to Koppers	\$ 16.2	\$ 7.1	\$ 88.0	\$ 66.8

Unaudited Reconciliation of Diluted Earnings Per Share & Adjusted Earnings Per Share



(In millions except share amounts)

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Income from continuing operations attributable to Koppers	\$ 18.8	\$ 22.9	\$ 89.1	\$ 63.7
Net income attributable to Koppers	\$ 18.6	\$ 20.6	\$ 122.0	\$ 66.6
Adjusted net income attributable to Koppers	\$ 16.2	\$ 7.1	\$ 88.0	\$ 66.8
Denominator for diluted earnings per share (in thousands)	21,621	21,369	21,374	21,068
Earnings per share:				
Diluted earnings per share - continuing operations	\$ 0.86	\$ 1.01	\$ 4.17	\$ 3.03
Diluted earnings per share - net income	\$ 0.86	\$ 0.96	\$ 5.71	\$ 3.16
Adjusted earnings per share	\$ 0.75	\$ 0.34	\$ 4.12	\$ 3.18

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



(In millions)

	<i>Year Ended December 31,</i>	
	<i>2020</i>	<i>2019</i>
Total Debt	\$ 775.9	\$ 901.2
Less: Cash	38.5	32.3
Net Debt	\$ 737.4	\$ 868.9
Adjusted EBITDA	\$ 211.0	\$ 201.1
Net Leverage Ratio	3.5	4.3

Unaudited Reconciliation of Net Income to EBITDA and Adjusted EBITDA



(In millions)

	Year Ended December 31,					
	2014	2015	2016	2017	2018	2019
Net income (loss)	\$ (39.4)	\$ (76.0)	\$ 27.7	\$ 30.5	\$ 29.2	\$ 67.4
Interest expense	39.1	50.7	50.8	38.9	54.1	61.7
Loss on extinguishment of debt	0.0	0.0	0.0	13.3	0.0	0.0
Depreciation and amortization	42.1	55.2	56.8	59.1	50.9	54.8
Income taxes	34.1	(4.2)	11.4	29.0	25.7	0.0
Discontinued operations	8.2	7.1	(1.4)	(3.6)	(23.7)	(3.7)
EBITDA with noncontrolling interests	84.1	32.8	145.3	167.2	136.2	180.2
Adjustments to arrive at adjusted EBITDA:						
Impairment, restructuring and plant closure costs	30.8	122.0	33.2	15.9	23.5	20.4
Non-cash LIFO (benefit) expense	1.2	0.2	(9.5)	(0.5)	12.5	4.5
Mark-to-market commodity hedging	0.0	0.7	(1.7)	(3.5)	6.9	(4.0)
Pension settlement	0.0	0.0	4.4	10.0	0.0	0.0
Discretionary incentive	0.0	0.0	0.0	0.0	0.0	0.0
Acquisition-related costs and adjustments	7.1	0.0	(3.7)	(0.4)	10.7	0.0
Net loss (gain) on sale of business and assets	0.0	(2.3)	1.7	0.0	2.0	0.0
Total adjustments	39.1	120.6	24.4	21.5	55.6	20.9
Adjusted EBITDA	\$ 123.2	\$ 153.4	\$ 169.7	\$ 188.7	\$ 191.8	\$ 201.1
Net sales	\$ 1,518.5	\$ 1,570.0	\$ 1,353.5	\$ 1,350.9	\$ 1,562.7	\$ 1,636.9
Adjusted EBITDA margin	8.1%	9.8%	12.5%	14.0%	12.3%	12.3%

Unaudited Reconciliation of Net Income to EBITDA and Adjusted EBITDA



(In Millions)

	Twelve Months Ended							
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	
Net income	\$ 18.0	\$ 31.4	\$ 44.8	\$ 67.4	\$ 52.4	\$ 67.4	\$ 119.5	
Interest expense	60.2	62.2	63.4	61.7	59.8	56.6	52.9	
Depreciation and amortization	52.6	52.0	53.5	54.8	54.3	54.9	54.4	
Income tax provision	15.5	17.7	11.9	0.0	(0.6)	(0.6)	8.1	
Discontinued operations, net of tax	(3.4)	(1.4)	(5.7)	(3.7)	3.4	3.6	(30.6)	
EBITDA	142.9	161.9	167.9	180.2	169.3	181.9	204.3	
Adjustments to arrive at adjusted EBITDA:								
Impairment, restructuring and plant closure	23.5	27.2	26.1	20.4	18.8	18.5	16.8	
Non-cash LIFO (benefit) expense	12.0	11.6	11.2	4.5	2.8	(3.1)	(9.2)	
Mark-to-market commodity hedging	0.3	1.1	1.3	(4.0)	7.0	(3.1)	(8.2)	
Acquisition and exit activity related costs	12.8	1.6	0.1	0.0	0.0	0.0	0.0	
Pension settlement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Discretionary incentive	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Adjusted EBITDA with noncontrolling interests	\$ 191.5	\$ 203.4	\$ 206.6	\$ 201.1	\$ 197.9	\$ 194.2	\$ 203.7	

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



(In Millions)

	Twelve Months Ended						
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020
Total Debt	\$ 1,002.7	\$ 1,001.0	\$ 959.1	\$ 901.2	\$ 953.2	\$ 907.1	\$ 809.8
Less: Cash	32.7	38.1	30.8	32.3	54.2	33.0	39.5
Net Debt	\$ 970.0	\$ 962.9	\$ 928.3	\$ 868.9	\$ 899.0	\$ 874.1	\$ 770.3
Adjusted EBITDA	\$ 191.5	\$ 203.4	\$ 206.6	\$ 201.1	\$ 197.9	\$ 194.2	\$ 203.7
Net Leverage Ratio	5.1	4.7	4.5	4.3	4.5	4.5	3.8



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

NYSE: KOP

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