

# Q1 2025 Results



# Safe Harbor 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, declines in the value of Koppers assets and the effect of any resulting impairment charges, profitability and anticipated 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 “outlook,” “guidance,” “forecast,” “believe,” “anticipate,” “expect,” “estimate,” “may,” “will,” “should,” “continue,” “plan,” “potential,” “intend,” “likely,” or other similar words or phrases are generally intended to identify forward-looking statements. Any forward-looking statement contained herein, in other press releases, written statements or other documents filed with the Securities and Exchange Commission, or in Koppers communications and discussions with investors and analysts in the normal course of business through meetings, phone calls and conference calls, regarding future dividends, expectations with respect to sales, earnings, cash flows, operating efficiencies, restructurings, cost reduction efforts, product introduction or expansion, the benefits of acquisitions, divestitures, joint ventures 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, availability of and fluctuations in the prices of key raw materials, including coal tar, lumber and scrap copper; the impact of changes in commodity prices, such as oil, copper and chemicals, on product margins; the extent of the dependence of certain of our businesses on certain market sectors and customers; economic, political and environmental conditions in international markets, including governmental changes, tariffs, restrictions on trade and restrictions on the ability to transfer capital across countries; general economic and business conditions; potential difficulties in protecting our intellectual property; the ratings on our debt and our ability to repay or refinance our outstanding indebtedness as it matures; our ability to operate within the limitations of our debt covenants; unexpected business disruptions; potential delays in timing or changes to expected benefits from cost reduction efforts; potential impairment of our goodwill and/or long-lived assets; demand for Koppers goods and services; competitive conditions; capital market conditions, including interest rates, borrowing costs and foreign currency rate fluctuations; disruptions and inefficiencies in the supply chain; changes in laws; the impact of environmental laws and regulations; 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 any subsequent filings by Koppers with the Securities and Exchange Commission. 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.

# Q1 2025 Summary

# Q1 2025 Key Metrics



## HIGHLIGHTS

- ▶ **Consolidated Sales of \$456.5M vs. \$497.6M in prior year quarter**

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- ▶ **Adjusted EBITDA of \$55.5M vs. \$51.5M in prior year quarter**

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- ▶ **Adjusted EBITDA Margin of 12.2% vs. 10.3% in prior year quarter**

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- ▶ **Diluted Earnings per Share of \$(0.68) vs. \$0.59 in prior year quarter**

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- ▶ **Adjusted Earnings per Share of \$0.71 vs. \$0.62 in prior year quarter**

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- ▶ **Operating Cash Flow of \$(22.7)M<sup>1</sup> vs. \$(12.3)M in prior year quarter**

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- ▶ **Capital Expenditures, net of insurance proceeds and sale of assets, of \$10.0M vs. \$25.8M in prior year quarter**

(1) Includes \$13.9M cash use for payments associated with termination of the company's U.S. pension plan.

# Zero Harm



## ZERO *harm*

**31 OUT OF 41  
Accident-Free  
Facilities**



*Business Units with  
Zero Recordables:*

- *Europe CMC*
- *Europe PC*
- *Australasia PC*

## 2025 vs. 2024

**Leading  
Activities**

**16%**

**Recordable  
Injury Rate**

**10%**

**Serious Safety  
Incidents**

**50%**



## Drive environmental improvements

- ✓ Expanded use of leading activities
- ✓ Creating a plan of action to reduce water stress (where applicable)
- ✓ Updating our waste minimization efforts



## Use Data to guide our path to zero injuries

- ✓ Deploying tools and training to reduce highest injury and fatality risks



## Reinforce Foundational Elements of Zero Harm

- ✓ Improving policies
- ✓ Expanding training
- ✓ Ensuring effective corrective actions
- ✓ Digitizing systems to improve access

# Notable Happenings

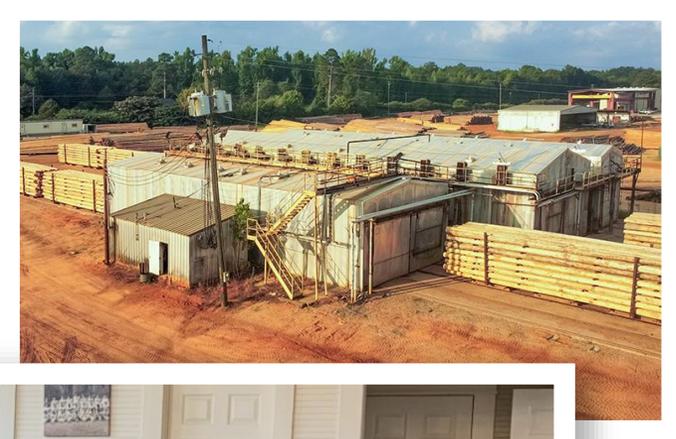


# Q1 2025 CEO Plant Visits

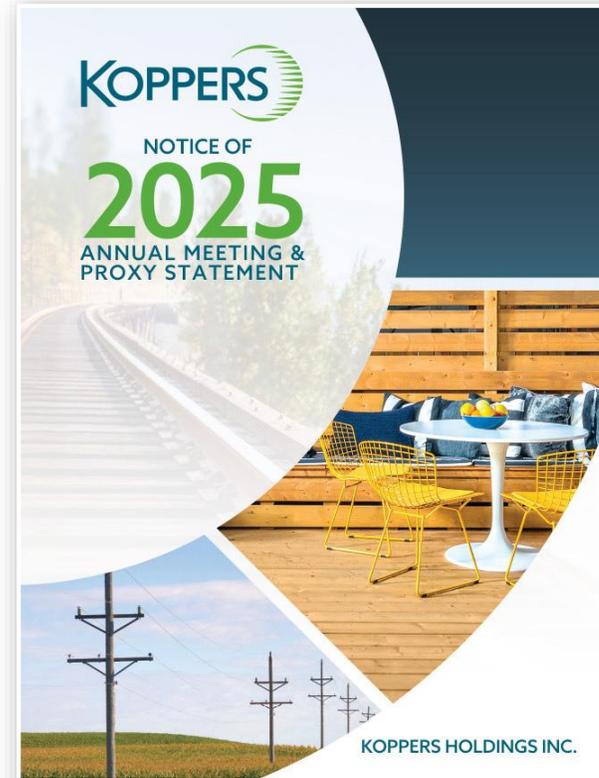


Mathiston, MS

Kennedy, AL



# 2024 Annual Report & 2025 Proxy Statement



Scan here to View our 2024 Annual Report



Scan here to View our Proxy Statement



# Commitment to Sustainability



Koppers earned a spot on USA Today's Climate Leaders list for the 3<sup>rd</sup> consecutive year. This national recognition *highlights companies that are setting a meaningful standard for emissions reduction* in the United States.



Koppers was recognized among companies that *safely transported hazardous materials and achieved zero non-accidental releases* in 2024.

# Q1 2025 Financials

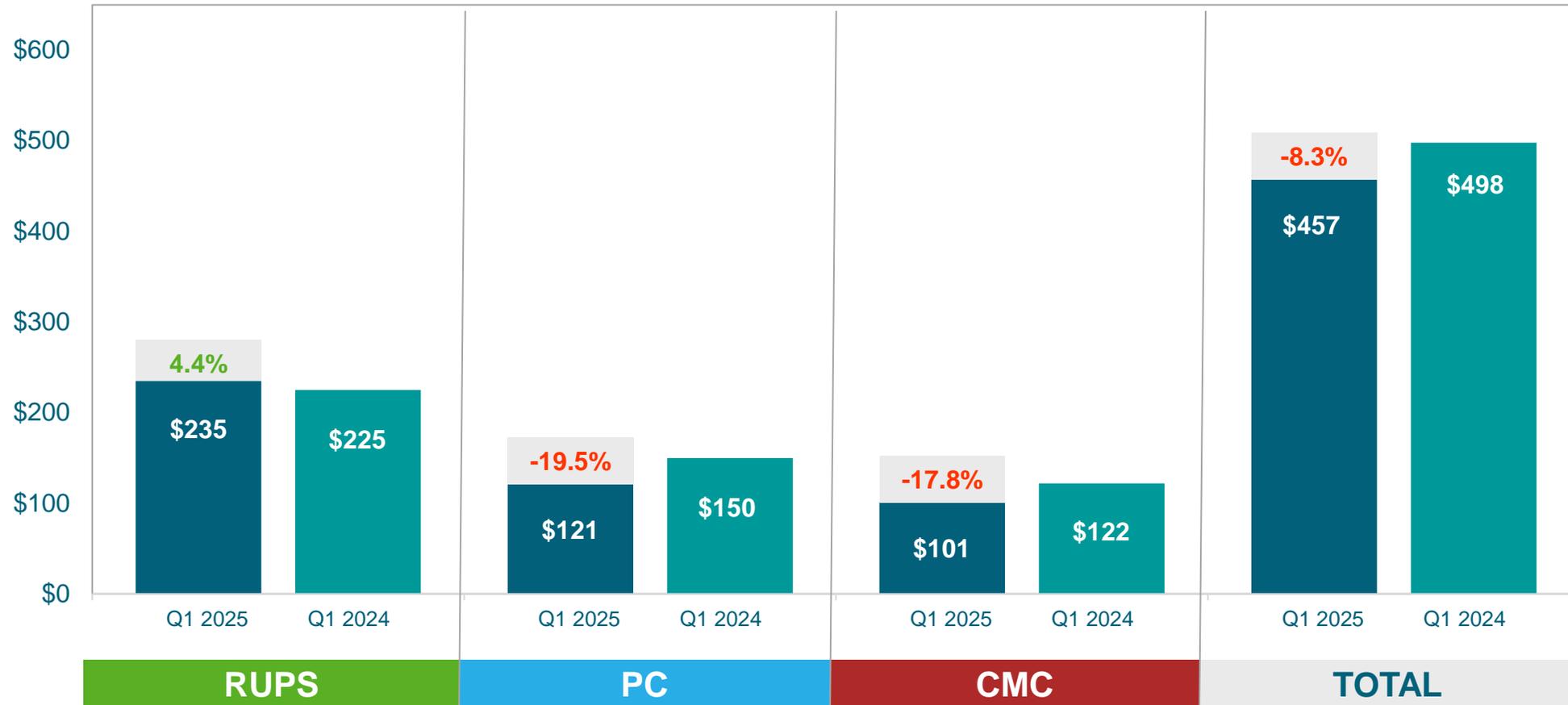


# Q1: Sales by Segment (Unaudited)



## Q1 2025 Sales vs. Prior Year

\$ in Millions



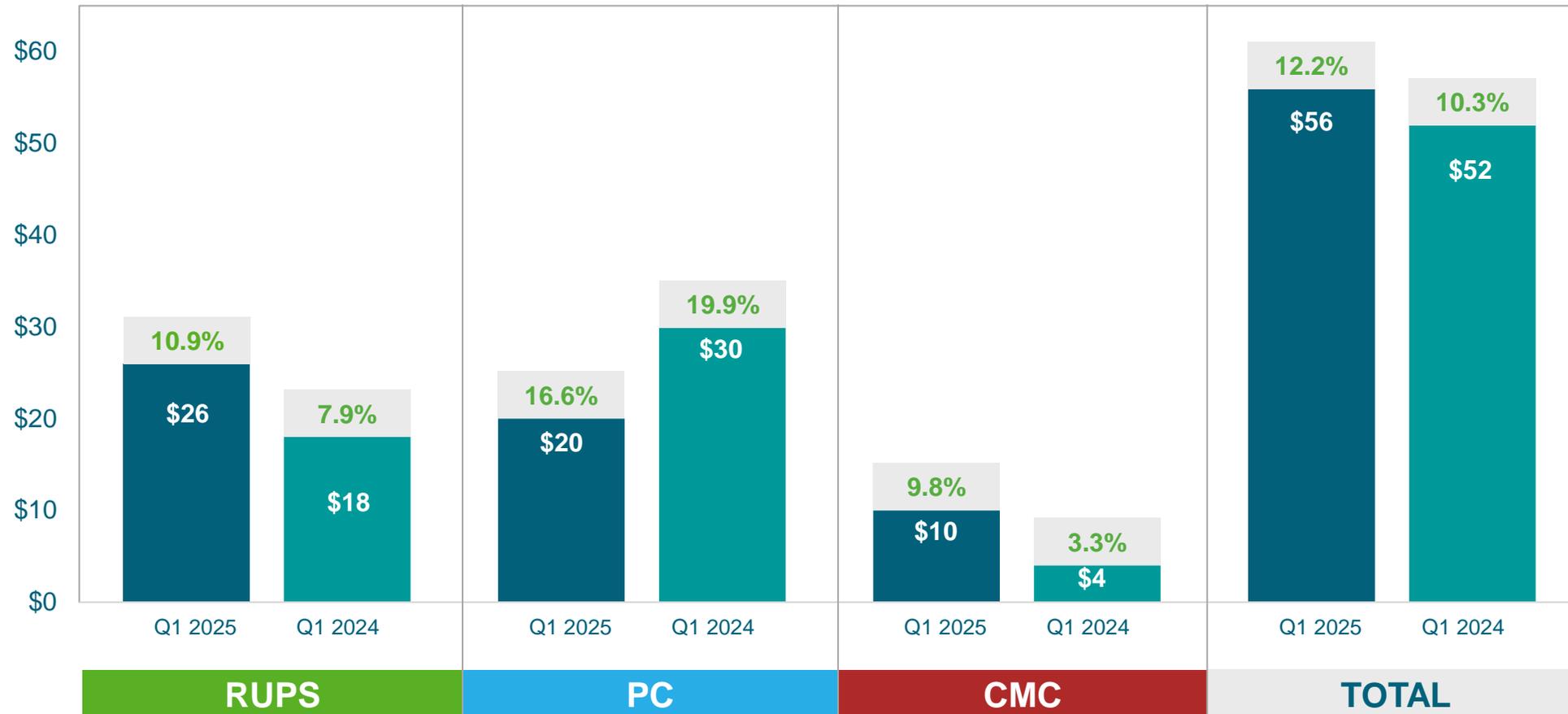
Note: Segment amounts may not agree with consolidated totals due to rounding.

# Q1: Adjusted EBITDA by Segment (Unaudited)



## Q1 2025 Adjusted EBITDA \$ and % vs. Prior Year

\$ in Millions



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

# Q1 2025 RUPS Segment



## RAILROAD AND UTILITY PRODUCTS AND SERVICES

### Sales (Unaudited)

\$ in Millions



#### Highlights

- Increase in sales primarily driven by:
  - ✓ Higher volumes in Class I crosstie business
  - ✓ \$4.6M of price increases
  - ✓ 9% increase in domestic utility poles volumes, driven by Brown Wood acquisition
  - ✓ Increased activity in railroad bridge services business
  - ✓ Partly offset by lower commercial crosstie volumes
- Market prices for untreated crossties remain stable
- Q1 YoY reductions of 19% in procurement & 3% in treatment

### Adjusted EBITDA (Unaudited)

\$ in Millions



#### Highlights

- Profitability was higher due to:
  - ✓ Higher sales volumes and price increases
  - ✓ \$2.2M from lower operating expenses in crossties business
  - ✓ Partly offset by \$2.5M of higher raw material and allocated SG&A expenses

# Q1 2025 PC Segment



## PERFORMANCE CHEMICALS

### Sales (Unaudited)

\$ in Millions



#### Highlights

- Decline in sales was primarily due to:
  - ✓ 21.5% lower volumes of residential and industrial preservatives in the Americas
    - Market share shift in U.S.
    - Lower activity due to winter weather
  - ✓ \$2.4M of unfavorable impact from foreign currency

### Adjusted EBITDA (Unaudited)

\$ in Millions



#### Highlights

- Profitability was lower due to:
  - ✓ Net decrease in sales
  - ✓ Higher raw material costs
  - ✓ Partly offset by \$3.7M of lower logistics and SG&A expenses, particularly in North America

# Q1 2025 CMC Segment



## CARBON MATERIALS AND CHEMICALS

### Sales (Unaudited)

\$ in Millions



#### Highlights

- Decrease in sales primarily driven by:
  - ✓ \$10.8M of volume decreases for phthalic anhydride due to ramping down of production
  - ✓ Lower sales prices for carbon pitch of ~8% globally
    - Driven by market dynamics, particularly in Australasia
  - ✓ \$2.3M of unfavorable impact from foreign currency

### Adjusted EBITDA (Unaudited)

\$ in Millions



#### Highlights

- Profitability increased due to:
  - ✓ \$7.0M of lower raw material and allocated SG&A expenses, particularly in North America
  - ✓ Favorable sales mix
  - ✓ Plant outage in North America in prior year period
  - ✓ Partly offset by price decreases
- Compared with Q4 2024, average pricing of major products higher by 5% and average coal tar costs higher by 6%
- Compared with Q1 2024, average pricing of major products lower by 8% and average coal tar costs lower by 5%

# Capital Allocation



# Uses of Cash: Balanced Approach



Investing in Our Business	Reducing Leverage <sup>(1)</sup>
<ul style="list-style-type: none"> <li>• <b>\$10M</b> capital expenditures in Q1, net of insurance proceeds and sale of assets</li> <li>• <b>\$65M</b> total capital expenditures (net) expected in 2025</li> </ul>	<ul style="list-style-type: none"> <li>• <b>\$948M</b> net debt and <b>\$320M</b> liquidity at 3/31/25</li> <li>• 3.6x net leverage at 3/31/25</li> <li>• Long-term target of <b>2x-3x</b> net leverage ratio</li> </ul>
Share Repurchase	Quarterly Dividend
<ul style="list-style-type: none"> <li>• Share repurchases totaled <b>\$19.1M</b> in Q1, including tax withholdings</li> <li>• <b>\$100M</b> share repurchase program with <b>\$85.4M</b> remaining</li> </ul>	<ul style="list-style-type: none"> <li>• <b>\$0.08</b> per share in 2025, subject to Board approval</li> </ul>
<h2>Disciplined Capital Allocation Strategy</h2>	

(1) 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, liquidity, and operating cash flow will fluctuate before, after and throughout the related period based upon the timing of receipts and payables.

# Q1 2025 Capital Expenditures



(\$ in Millions) CapEx by Business Unit	Maintenance	Zero Harm	Growth & Productivity	Total
RUPS	\$4.1	\$0.2	\$0.8	\$5.1
PC	2.9	0.6	---	3.5
CMC	4.7	0.2	0.1	5.0
Corporate	0.5	---	0.2	0.7
<b>Total</b>	<b>\$12.2</b>	<b>\$1.0</b>	<b>\$1.1</b>	<b>\$14.3</b>
Less: Cash Proceeds				4.3
<b>Capital Expenditures, Net</b>				<b>\$10.0</b>

# Dividend Declaration



# Declaring Quarterly Cash Dividend



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



*Board of Directors approved a quarterly dividend of \$0.08 per share of Koppers common stock.*

# Business Sentiment

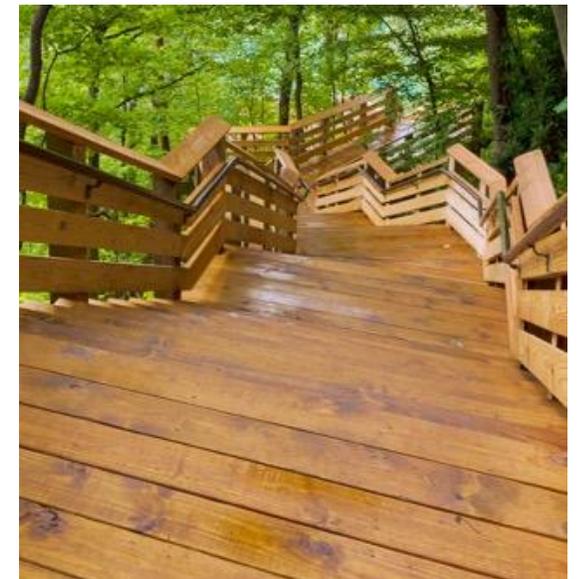


# State of the Business



## PC: PERFORMANCE CHEMICALS

- Demand started the year solid but lost steam as quarter progressed
- Worried that economic uncertainty could continue dampening demand throughout 2025
- External markers of demand remain negative to neutral at best
  - Existing home sales continue to be soft
  - Mortgage rates remain persistently high
  - Leading Indicator of Remodeling Activity is flat year-over-year and only expected to improve slightly throughout remainder of this year
- PC is the segment most exposed to tariff activity, but we have been actively working on mitigation plans
- Disparity in copper markets could result in headwind in 2025
- Good progress has been made on controlling costs thus far in 2025



# State of the Business



## RUPS: UTILITY AND INDUSTRIAL PRODUCTS

- Demand in early part of 2025 has been similar to 2024 levels, which were down compared to strong 2023
- Expecting Q2 to look similar to Q1 with a pickup in second half of the year
- Worried that fiscal policy uncertainties and persistently high interest rates could hold back demand uptick
- Remain bullish on long-term demand dynamics due to increasing demand for power
- Starting to see greater interest from customer base in new geographic markets
- Continuing to invest resources to grow our presence in underrepresented markets
- Manufacturing sites added from Brown acquisition performing solidly
- Australia pole business had best Q1 since 2021; anticipating another year of steady profitability



# State of the Business



## RUPS: RAILROAD PRODUCTS AND SERVICES

- Despite demand being lower than forecast in Q1, slightly higher pricing and lower operating costs resulted in the strongest profitability for crossties since 2016
- If demand picks up as expected, 2025 will be one of the best years ever for the rail business
- No major near-term capital needs set RPS up for significant free cash flow generation
- Have been able to avoid direct tariff impact for this segment thus far; worried about the effect of reduced hardwood exports to China on sawmill health and crosstie production
- Shift away from crosstie recovery and disposal to just crosstie recovery is already reaping economic benefits
- Maintenance-of-way business had solid Q1 and is on pace for best year since 2016



# State of the Business

## CMC: CARBON MATERIALS AND CHEMICALS

- Most end markets remain in a tough spot and expected to remain that way throughout 2025
- CMC profit improvement expected to come from lower operating costs and better operating performance
- Ceased primary phthalic anhydride production in April 2025, ahead of target date of May 2025
- With closure of phthalic anhydride plant, evaluating other opportunities to improve cost footprint of U.S. operations
- Long-term raw material supply agreement extended in Australia; evaluating similar opportunities in North America and Europe
- Coal tar carbon products industry has been suffering for some time now and needs further rationalization in North America and Europe to improve health



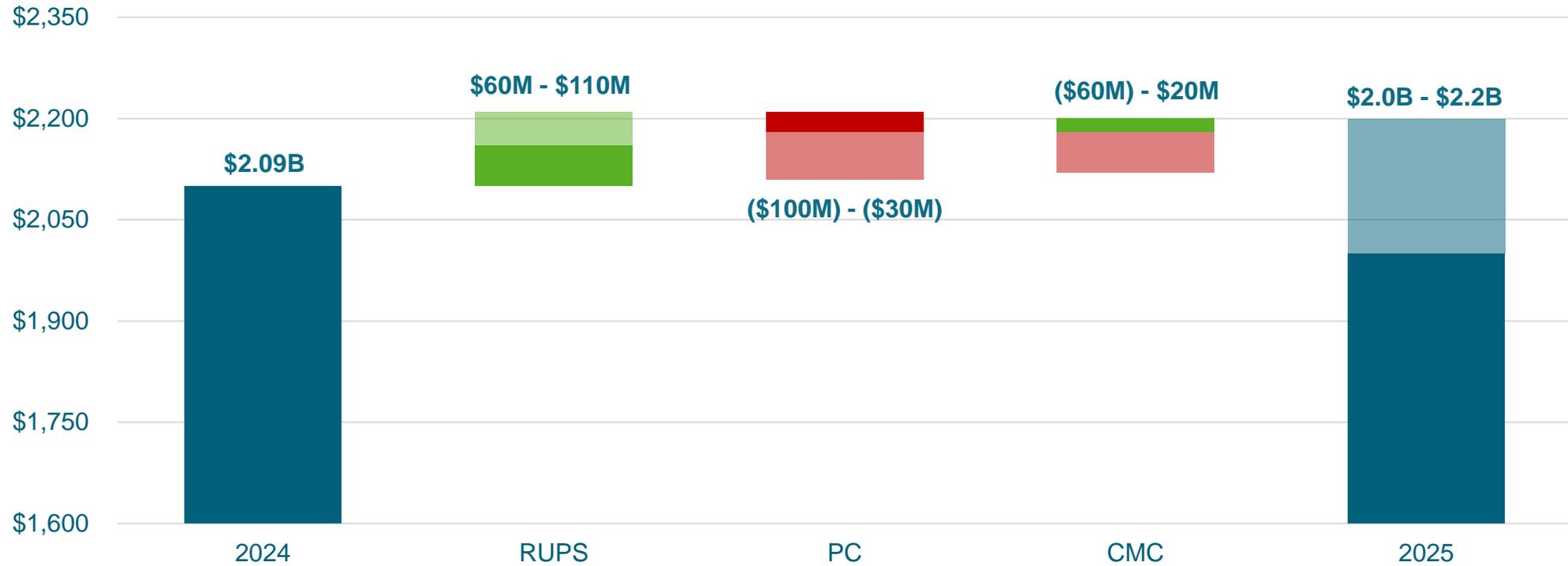
# 2025 Guidance



# 2025 Sales Forecast: ~\$2.0B - \$2.2B



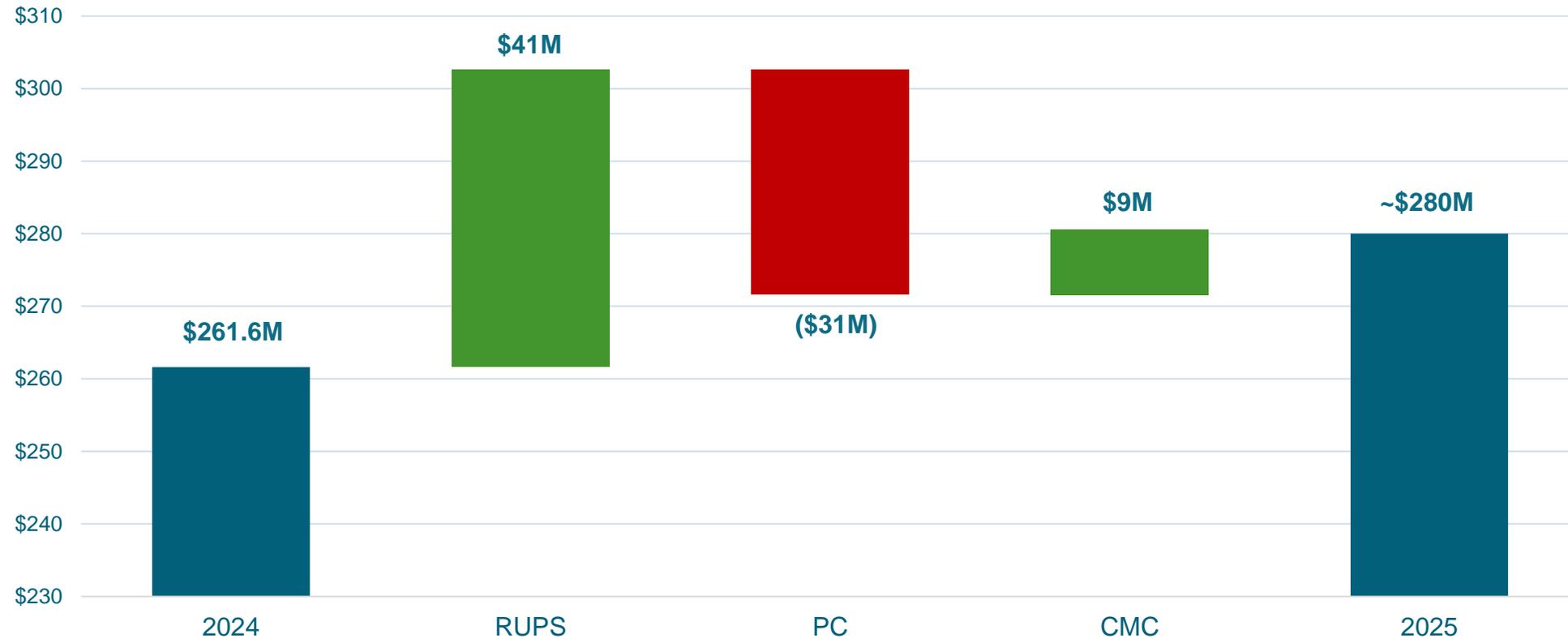
**Sales**  
(\$ in Millions)



# 2025 Adjusted EBITDA Forecast: ~\$280M



Adjusted EBITDA\*  
(\$ in Millions)

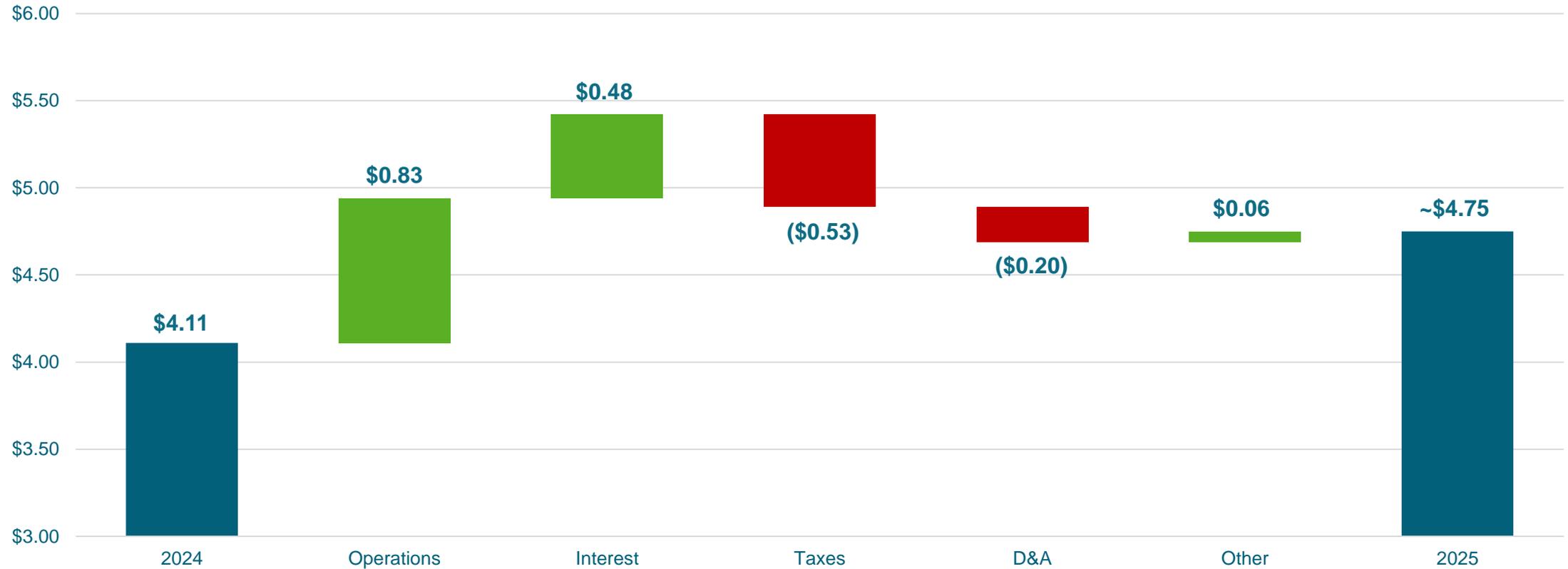


\* Excluding special charges

# 2025 Adjusted EPS Forecast: ~\$4.75



## Adjusted EPS\*



\* Excluding special charges

# 2025 Capital Expenditures



(\$ in Millions) CapEx by Business Unit	Maintenance	Zero Harm	Growth & Productivity	2025
RUPS	\$15.5	\$1.7	\$1.5	\$19.7
PC	10.2	6.5	1.0	17.7
CMC	18.8	1.7	0.1	20.6
Corporate	2.0	--	5.0	7.0
<b>Total Capital Expenditures</b>	<b>\$47.5</b>	<b>\$9.9</b>	<b>\$7.6</b>	<b>\$65.0</b>

# 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 facilitate comparisons between periods. The exclusion of certain items permits evaluation and a comparison between periods of results for ongoing business operations, and it is on this basis that Koppers management internally assesses the company’s performance. In addition, the Board of Directors and executive management team use adjusted EBITDA as a performance measure under the company’s annual incentive plans and for certain performance share units granted to management.*

*Although Koppers believes that these non-GAAP financial measures enhance investors’ understanding of its business and performance, these non-GAAP financial measures should not be considered an alternative to GAAP basis financial measures and should be read in conjunction with the relevant GAAP financial measure. Other companies in a similar industry may define or calculate these measures differently than the company, limiting their usefulness as comparative measures. Because of these limitations, these non-GAAP financial measures should not be considered in isolation from, or as substitutes for performance measures calculated in accordance with GAAP.*

*Koppers does not provide reconciliations of guidance for adjusted EBITDA and adjusted EPS to comparable GAAP measures, in reliance on the unreasonable efforts exception. Koppers is unable, without unreasonable efforts, to forecast certain items required to develop meaningful comparable GAAP financial measures. These items include, but are not limited to, restructuring and impairment charges, acquisition-related costs, mark-to-market commodity hedging, and LIFO adjustments that are difficult to predict in advance in order to include in a GAAP estimate and may be significant. Forward-looking statements, including the guidance above, are based upon current expectations and are subject to factors that could cause actual results to differ materially from those set forth above. Please see the "Safe Harbor Statement" above for more information.*

*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 March 31,	
	2025	2024
<i>(Dollars in millions)</i>		
Net sales:		
Railroad and Utility Products and Services	\$ 235.0	\$ 225.1
Performance Chemicals	120.9	150.1
Carbon Materials and Chemicals	100.6	122.4
Total	\$ 456.5	\$ 497.6
Adjusted EBITDA:		
Railroad and Utility Products and Services	\$ 25.5	\$ 17.7
Performance Chemicals	20.1	29.8
Carbon Materials and Chemicals	9.9	4.0
Total <sup>(1)</sup>	\$ 55.5	\$ 51.5
Adjusted EBITDA margin as a percentage of GAAP sales:		
Railroad and Utility Products and Services	10.9%	7.9%
Performance Chemicals	16.6%	19.9%
Carbon Materials and Chemicals	9.8%	3.3%

(1) The table on the next page describes the adjustments to arrive at adjusted EBITDA.

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



(Dollars in millions)	Three Months Ended March 31,	
	2025	2024
Net (loss) income	\$ (13.9)	\$ 13.0
Interest expense	16.6	17.1
Depreciation and amortization	18.0	16.1
Income tax provision	(3.3)	4.4
Sub-total	17.4	50.6
Adjustments to arrive at adjusted EBITDA:		
LIFO (benefit) expense <sup>(1)</sup>	(1.8)	2.6
Impairment, restructuring and plant closure costs	20.0	0.0
(Gain) on sale of assets	(0.3)	0.0
Mark-to-market commodity hedging gains	(9.1)	(1.7)
Amortization of cloud-based software implementation costs	0.3	0.0
Loss on pension settlement	29.0	0.0
Total adjustments	38.1	0.9
Adjusted EBITDA	\$ 55.5	\$ 51.5
Net sales	\$ 456.5	\$ 497.6
Adjusted EBITDA margin as a percentage of GAAP sales	12.2%	10.3%

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

# Unaudited Reconciliations of Net Income Attributable to Koppers to Adjusted Net Income Attributable to Koppers and Diluted EPS and Adjusted EPS



	Three Months Ended March 31,	
	2025	2024
<i>(Dollars in millions, except share and per share amounts)</i>		
Net (loss) income attributable to Koppers	\$ (13.9)	\$ 13.0
Adjustments to arrive at adjusted net income:		
LIFO (benefit) expense <sup>(1)</sup>	(1.8)	2.6
Impairment, restructuring and plant closure costs	20.0	0.0
(Gain) on sale of assets	(0.3)	0.0
Mark-to-market commodity hedging gains	(9.1)	(1.7)
Amortization of cloud-based software implementation costs	0.3	0.0
Loss on pension settlement	29.0	0.0
Total adjustments	38.1	0.9
Adjustments to income tax and noncontrolling interests:		
Income tax on adjustments to pre-tax income	(9.6)	(0.3)
Effect on adjusted net income	28.5	0.6
Adjusted net income attributable to Koppers	\$ 14.6	\$ 13.6
Diluted weighted average common shares outstanding (in thousands)	20,660	21,909
Diluted (loss) earnings per share	\$ (0.68)	\$ 0.59
Adjusted earnings per share	\$ 0.71	\$ 0.62

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

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



	Twelve Months Ended March 31,	
		2025
<i>(Dollars in millions)</i>		
Total Debt	\$	980.8
Less: Cash		33.3
Net Debt	\$	947.5
Adjusted EBITDA	\$	265.6
Net Leverage Ratio		3.6

# Unaudited Reconciliation of Net Income to Adjusted EBITDA (LTM)



	Twelve Months Ended March 31,	
		2025
<i>(Dollars in millions)</i>		
Net income	\$	21.7
Interest expense		75.7
Depreciation and amortization		69.4
Income tax provision		13.0
Sub-total		179.8
Adjustments to arrive at adjusted EBITDA:		
LIFO expense <sup>(1)</sup>		1.7
Impairment, restructuring and plant closure costs		37.3
Loss on sale of assets		10.4
Mark-to-market commodity hedging loss		0.5
Acquisition inventory step-up amortization		2.3
Pension settlement		33.0
Amortization of cloud-based software implementation costs		0.6
Total adjustments		85.8
Adjusted EBITDA	\$	265.6

(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.**

436 Seventh Avenue  
Pittsburgh, PA 15219-1800

Koppers is an integrated global provider of essential treated wood products, wood preservation technologies and carbon compounds. Our team of 2,100 employees create, protect and preserve key elements of our global infrastructure – including railroad cross-ties, utility poles, outdoor wooden structures, and production feedstocks for steel, aluminum and construction materials, among others – applying decades of industry-leading expertise while constantly innovating to anticipate the needs of tomorrow. Together we are providing safe and sustainable solutions to enable rail transportation, keep power flowing, and create spaces of enjoyment for people everywhere.

Protecting What Matters, Preserving The Future. Learn more at [Koppers.com](https://www.koppers.com).

### **Stock Exchange Listing**

NYSE: KOP

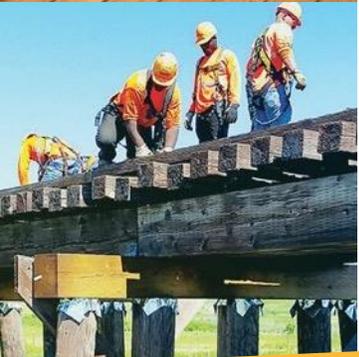
### **Investor Relations and Media Information**

Ms. Quynh McGuire  
Vice President, Investor Relations  
412 227 2049  
McGuireQT@koppers.com



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