KOPPERS

May 2023
Investor Presentation

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.

Company Overview

At-a-Glance

- Leading integrated global provider of oil and water-borne preservatives serving various market applications of treated wood
- 3 business segments
- Global geographic footprint: 45[1] locations across North America, South America, Europe and Australasia
- 2,119[1] employees globally

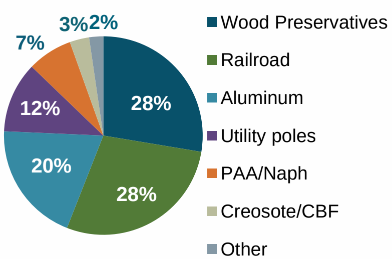
Selected Product & Brand Overview


Pre-Treated Crossties

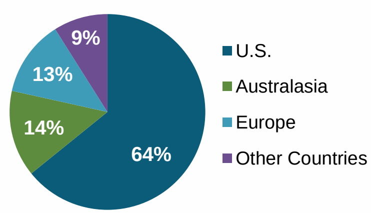

Utility Poles


Treated Crossties with End Plates

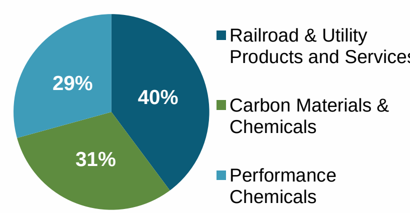
Sales by End Market



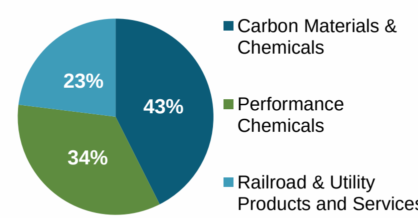
Sales by Geography



Sales by Segment



Adjusted EBITDA by Segment



2022 Sales: $1,981 million | **2022 Adjusted EBITDA: $228 million**

(1) As of 12/31/2022

Infrastructure Investments and Building Trends Offer Attractive Growth Prospects

As a global leader in water- and oil-borne preservatives serving many market applications for treated wood, especially in the infrastructure markets, Koppers is poised to capitalize on bipartisan calls for increased infrastructure spending in the U.S.

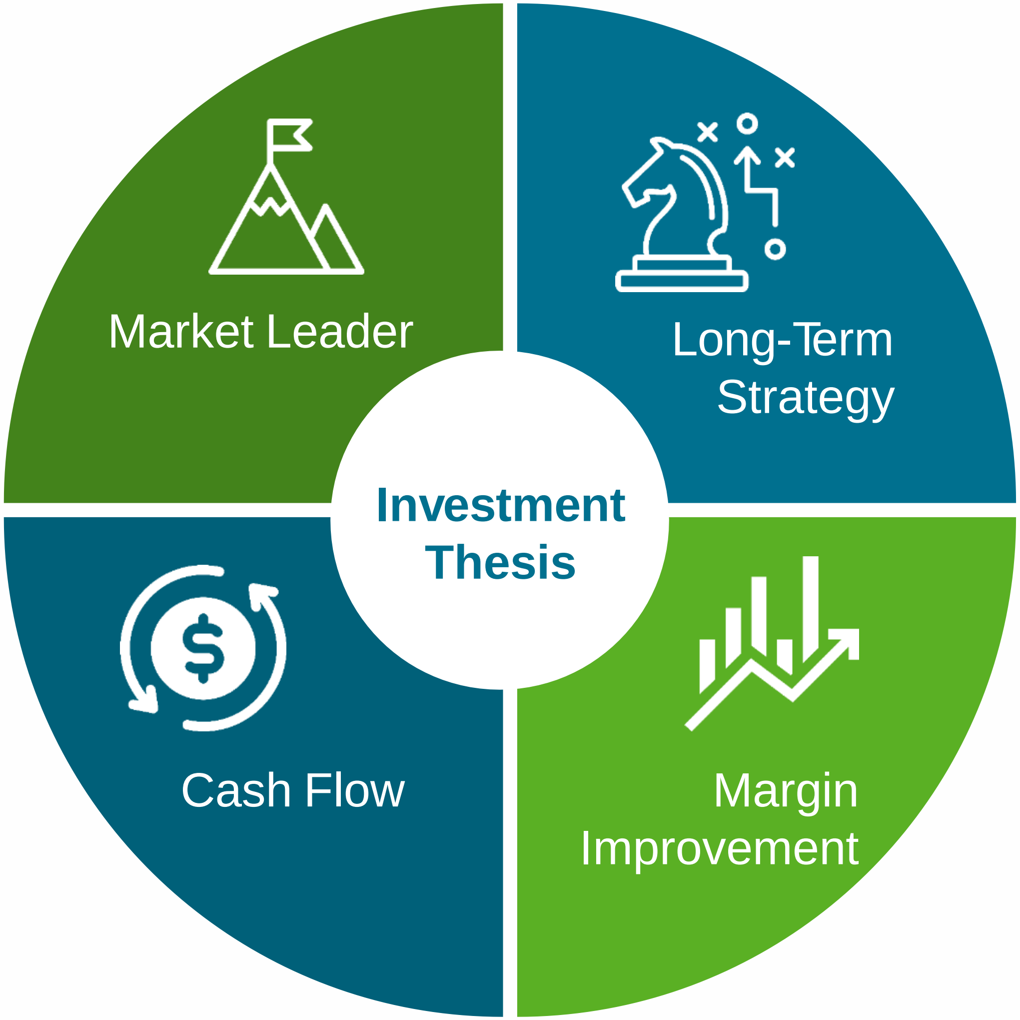
$1.2 trillion Senate infrastructure bill

$65 billion allocated for broadband deployment

$66 billion allocated for new rail funding

Est. 1.4 million new homes built in 2022

Our Investment Thesis



1. We are a market leader that delivers steady bottom line growth
2. We have a long-term strategy focused on a number of growth opportunities
3. We have the opportunity for additional margin improvement from further expansion initiatives
4. We have consistent cash flow generation to improve financial flexibility

Our Business:
Enduring, Essential and Sustainable

Enduring

Our vertically-integrated business is **time tested** and has shown to perform through **all types of market conditions**.

Essential

Our products and services compete in a market that is **mission critical**. Industries and society depend upon them.

Sustainable

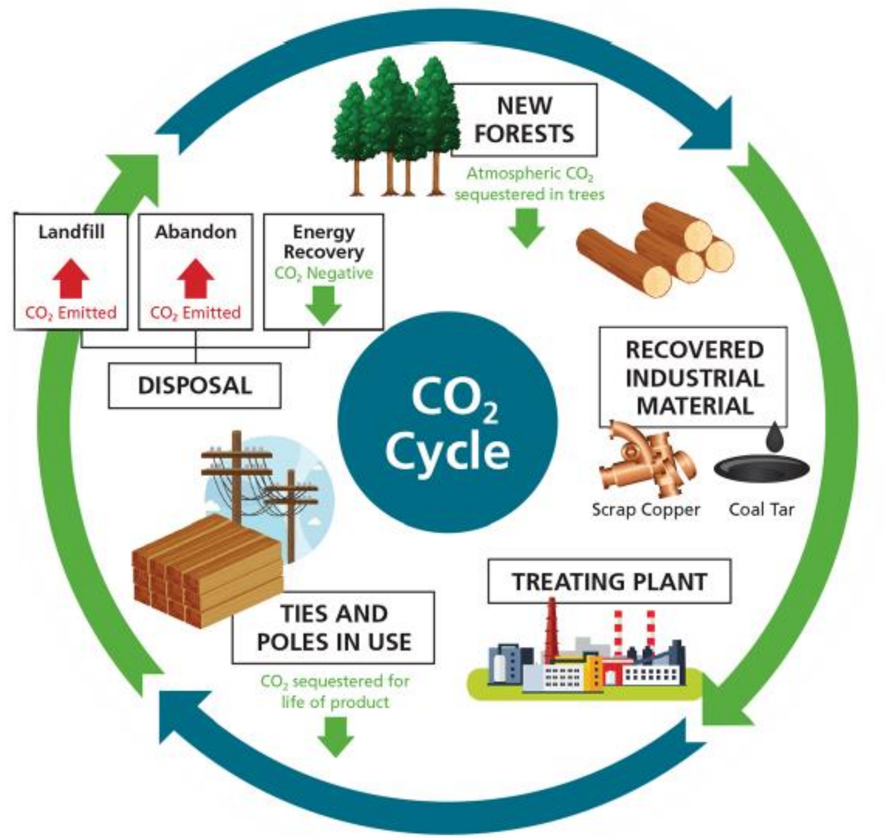
Our connection to a broad network of communities, organizations and stakeholders ensures we operate with **shared values and goals**.

Our Products: Essential To The World

RUPS Segment		PC Segment	CMC Segment
Railroad Products & Services	**Utility & Industrial Products**	**Performance Chemicals**	**Carbon Materials & Chemicals**
Keep railroads safe and operational to deliver **ESSENTIAL** goods:	Provide families and businesses with **ESSENTIAL** electricity and telecommunications needs:	Produce chemicals **ESSENTIAL** for treating:	Produce carbon materials and chemicals **ESSENTIAL** for:
Retail products from fruits to toilet paper	Keeping lights on	Utility poles for electricity and telecommunications	Creosote for treating railroad ties and utility poles
Chemicals required for medical supplies	Connecting to Internet/TV	Pressure treated wood for essential home repairs	Aluminum and steel for infrastructure needs
Chlorine-based disinfectants for treating water	Air-conditioning and heating	Agriculture and farming	Aluminum, plastics and rubber for medical uses and food packaging

Our Commitment to Sustainability

- 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



Key Investment Highlights

Company Highlights

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Leading Global Producer of Wood Preservation and Enhancement Products

Vertical Integration Creates Competitive Advantage

Strategically Located Footprint

Long-Term Contracts with Key Customers

Diverse, Attractive End Markets with Stable Growth Prospects Over the Cycle

Trend of Historical Profitable Growth

Consistent Free Cash Flow Generation & Deleveraging

Track Record Executing Strategic Initiatives

Leading Global Producer of Wood Preservation Technologies; Serving Key Infrastructure Markets

KOPPERS

Serving many market applications for treated wood

Global leader in water- and oil-borne preservatives

	Railroad and Utility Products and Services (RUPS) Segment	Performance Chemicals (PC) Segment	Carbon Materials and Chemicals (CMC) Segment
Key Financials (FY 2022)	• Net Sales: $788 Million • Adjusted EBITDA: $54 Million • Adjusted EBITDA Margin: 6.8%	• Net Sales: $580 Million • Adjusted EBITDA: $76 Million • Adjusted EBITDA Margin: 13.0%	• Net Sales: $612 Million • Adjusted EBITDA: $99 Million • Adjusted EBITDA Margin: 16.2%
Products & Services	• Railroad Crossties • Railroad Bridge Services • Rail Joint Bars • Utility Poles	• Wood Preservation, Chemicals, Coatings, Water Repellants, Pigmented Stains, Fire Retardants	• Carbon Pitch, Creosote, Carbon Black Feedstock, Naphthalene, Phthalic Anhydride

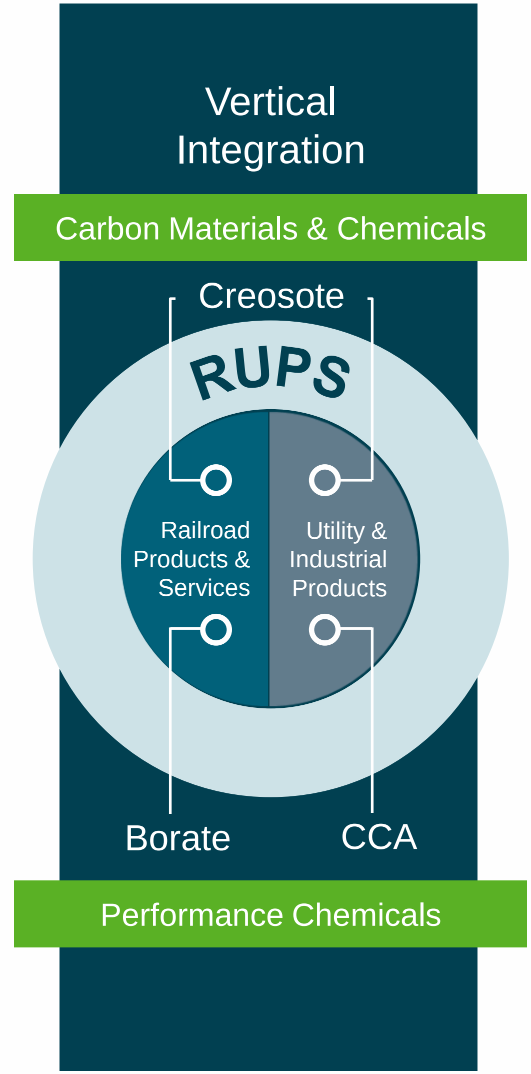
Highlights

Railroad Products & Services	Utility & Industrial Products	Performance Chemicals	Carbon Materials & Chemicals
			
#1 Supplier of crossties to Class I railroads	**#1** Provider of utility poles in Eastern U.S., #2 overall U.S.	**#1** Globally in developing, manufacturing and marketing wood preservation chemicals and technologies	**Key Supplier** of Creosote to railroad industry in North America

Vertical Integration: De-Risks Business & Creates Competitive Advantage

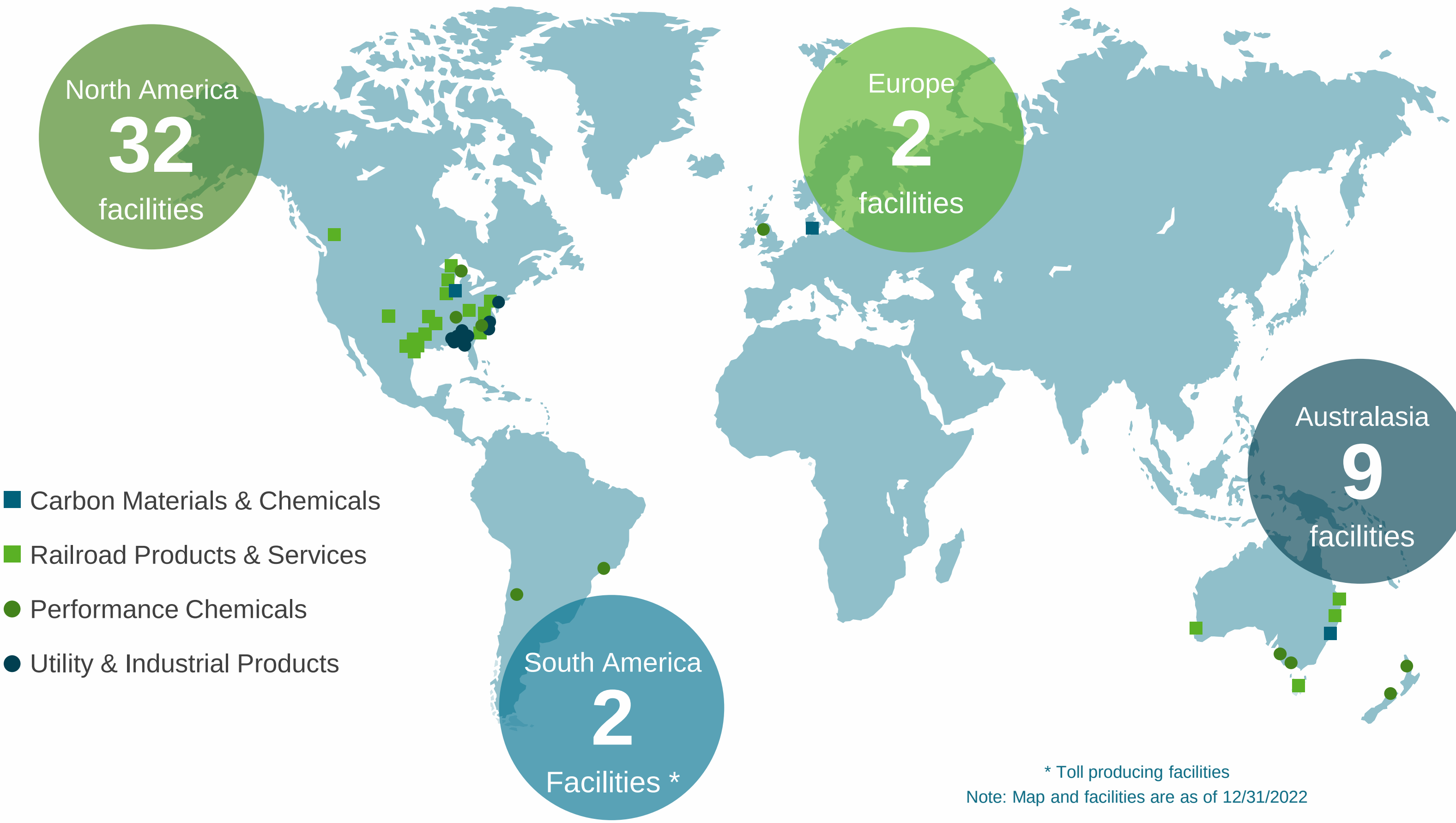
We are the only vertically-integrated chemical manufacturer/ wood treater

- Surety of raw material supply
- Ability to leverage existing relationships within related end markets
- Ability to optimize our network
- Flexibility within the value chain
- R&D collaboration across our businesses



Strategically Located Footprint

- Global presence to meet customer demand and open new market opportunities
- 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 (2014-2022)
- CMC processes coal tar into creosote consumed by RUPS for treatment of railroad crossties



* Toll producing facilities

Note: Map and facilities are as of 12/31/2022

Long-Term Contracts with Key Customers

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Key customers include railroad, wood preservation and other blue chip industrial companies

- 74% of 2022 North American RUPS sales are served under long-term contracts
- Currently supplies all 7 of the North American Class I railroads
- Supplies 8 of the 10 largest lumber treating companies in the U.S., in addition to the top 3 lumber treating companies in Canada
- Deploys a key risk mitigation strategy to hedge underlying copper prices, a key raw material, associated with processing PC products
- 100% of RUPS' creosote supply comes from CMC

Select Key Customers

Allweather Wood
BIEWER LUMBER
CALIFORNIA CASCADE BUILDING MATERIALS
Doman
CULPEPER WOOD PRESERVERS
GREAT SOUTHERN WOOD PRESERVING
HIXSON LUMBER COMPANY
Madison Wood
NORTHEAST TREATERS, INC.
SOLIDWOOD FOREST LTD.
UFP INDUSTRIES

Class I Rail Operators

BNSF RAILWAY
CSX
CP
CN
KANSAS CITY SOUTHERN LINES
NORFOLK SOUTHERN
UNION PACIFIC

Diverse, Attractive End Markets with Stable Growth Prospects Over the Cycle

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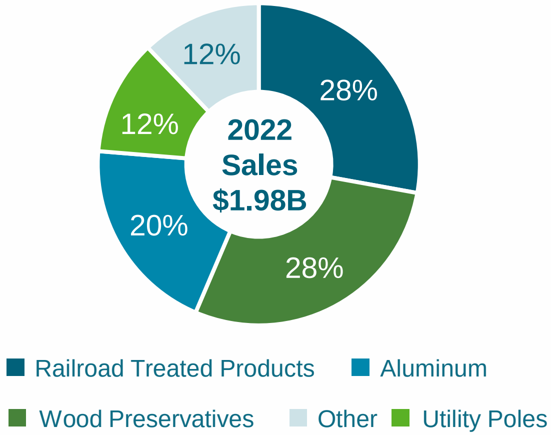
RUPS, PC, CMC

- Consistent, steady trends in U.S. Class I Railroad infrastructure spending over a long-term period[(1)]
  - ✓ ~450 million total wood crossties in the U.S. requiring periodic replacement
- Stable replacement demand of 18-22 million crossties in the U.S. and Canada annually[(1)]
- CMC's long-term strategy is to adequately meet RUPS' creosote needs for downstream products
- Repair and remodeling market trends driving strong demand for wood treatment chemicals

(1) Source: Railway Tie Association

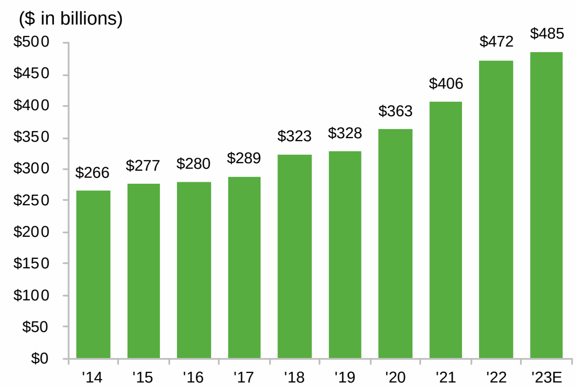
End Market Breakdown



U.S. Class I Railroad Infrastructure Spending

Source: Association of American Railroads

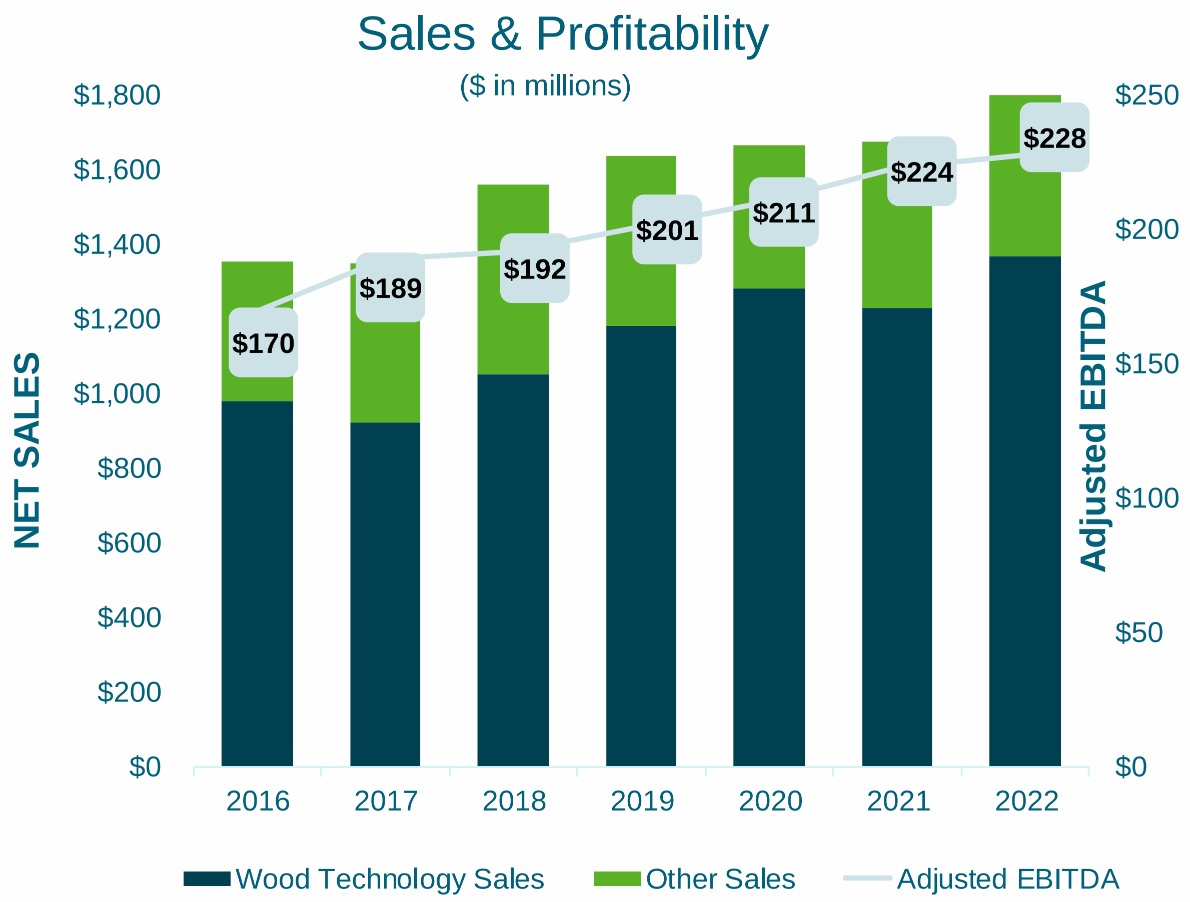
U.S. Homeowner Repair and Improvement Activity



Source: Joint Center for Housing Studies

Trend of Historical Profitable Growth

1. **Record sales year of $1.98 billion**
2. **8 consecutive years of Adjusted EBITDA increases**
3. **8 consecutive years of 11.5%+ Adjusted EBITDA Margin**
4. **Positive net income every year since 2016**



Consistent Cash Flow Generation & Deleveraging

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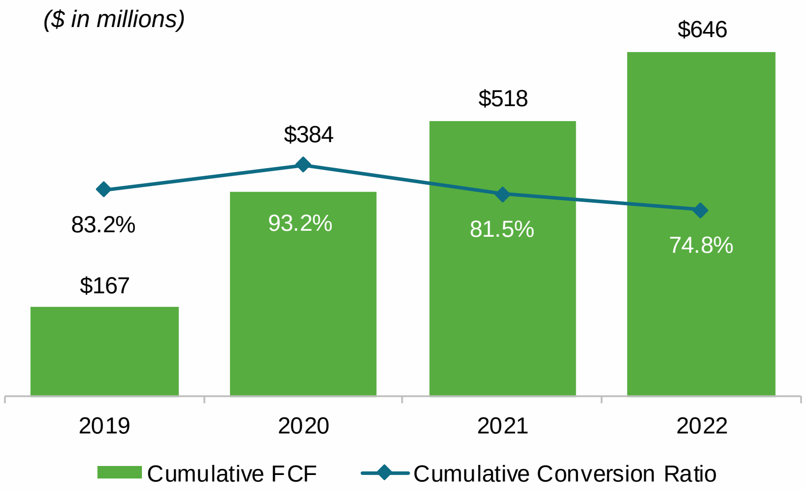
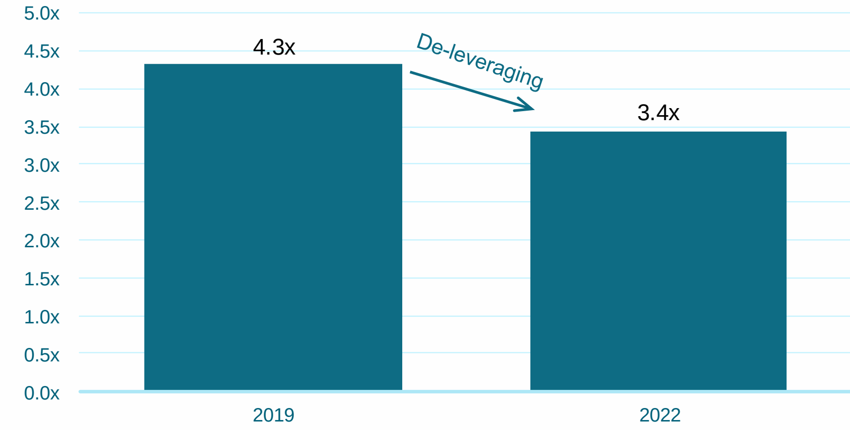
Cumulative Free Cash Flow & Conversion[1]



- Generated ~$646 million in free cash flow since 2019
- Moderate maintenance capex and working capital requirements provide average free cash flow conversion of ~83%

(1) Free cash flow defined as Adjusted EBITDA, less capital expenditures, plus net cash proceeds from divestitures and insurance. Free cash flow conversion ratio is calculated on a cumulative basis, defined as cumulative free cash flow divided by cumulative Adjusted EBITDA for the respective periods

Net Leverage Ratio[2]



Net Leverage[2] *LT Goal: 2x-3x*	
	• **We have successfully deleveraged ~0.9x since 2019** • **Proven track record of disciplined debt reduction** • **$423 million available liquidity as of FY 2022[3]**

(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
(3) Defined as unused Revolver availability after restrictions from $7.8 million L/Cs and covenants plus Cash and Cash Equivalents

Expand & Optimize: Track Record Executing Strategic Initiatives

Management team has a proven track record of executing strategic initiatives, including right-sizing CMC business and increasing exposure to higher-margin, wood technology offerings

OPTIMIZE FOOTPRINT

2016

$170 million
Adjusted EBITDA

2022

$228 million
Adjusted EBITDA

EXPAND MARKET PRESENCE

Summary

Expand & Optimize: Key Strategic Pillars*

Portfolio Enhancement

PC achieved ~$40M new industrial business via transition to CCA or new entry into oil-borne preservative (InPro 23 and InPro 50 DCOI)

Wood Treatment Expansion

Purchased a 105-acre property in Leesville, LA which will increase peeling and drying capacity for utility pole treatment process

Cradle-to-Cradle

Recovery Resources business signed new 5-year, $50M agreement with Class I railroad customer to collect and grade railroad crossties at the end of useful life

Network Optimization

Continued upgrading facility at N. Little Rock; modernizing processes; improving environmental performance

Sold utility pole treating facility in Sweetwater, TN

Strengthen Business Model

Acquired Gross & Janes, largest independent supplier of untreated railroad crossties in N.A.; further strengthening vertically integrated business model

Balance Sheet Flexibility

Extended debt maturity profile; closed on $400M Term Loan B; redeemed $500M 6% Senior Unsecured Notes due 2025

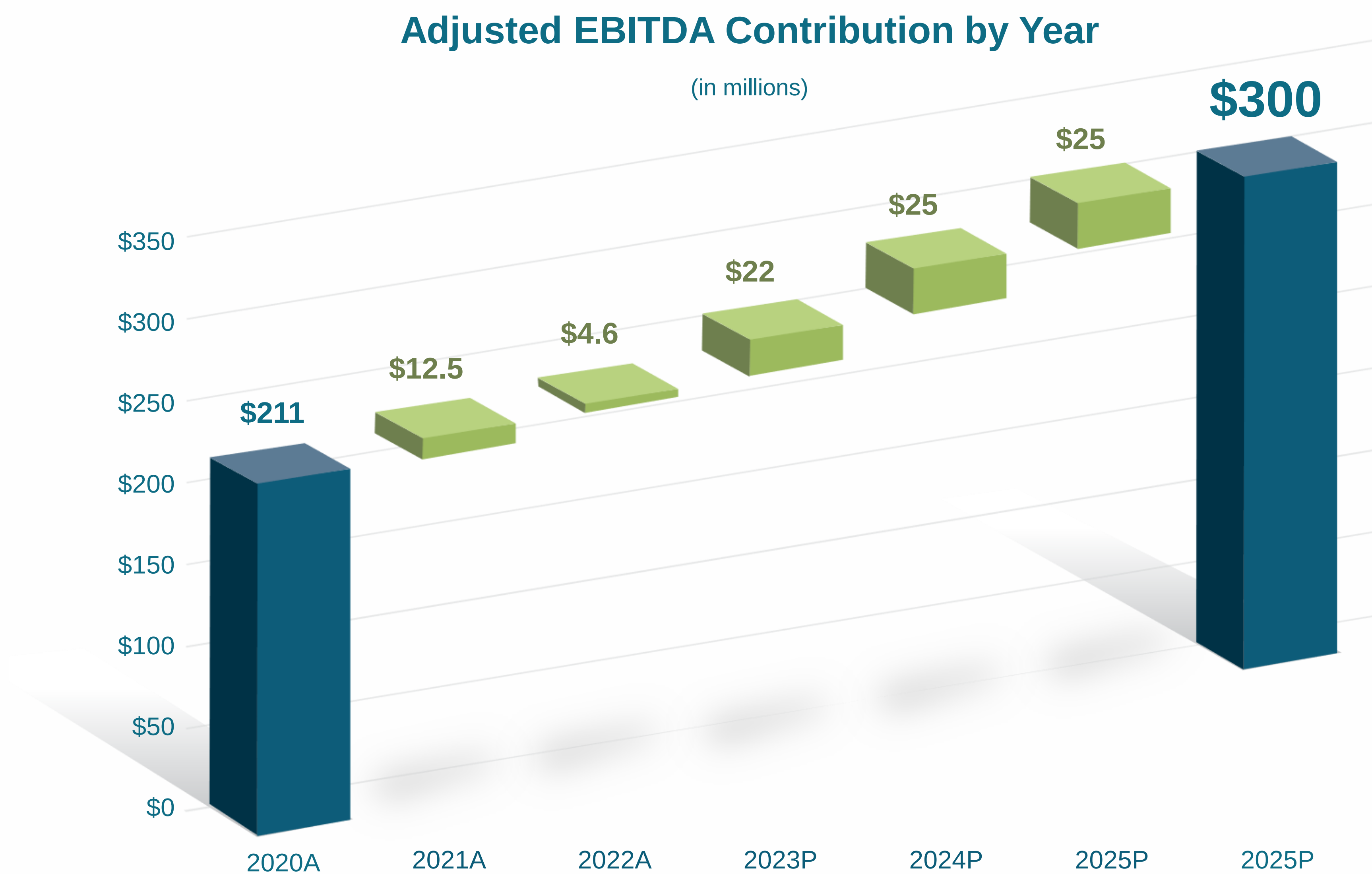
Entered into a Credit Agreement for $800M credit facility

Declared first quarterly cash dividend since November 2014; paid $4M total dividends to shareholders in 2022 and $1.3M in Q1/2023

$23.6M in share repurchases in 2022 and $5.8M in Q1/2023; $68.3M remains of original authorization of $100M

** Key accomplishments in 2022 and to-date 2023.*

Expand & Optimize:
Path to $300M Adjusted EBITDA By 2025



Expand & Optimize: 3 Key Takeaways

Koppers Has:

- A Strong Foundation
- A Proven Track Record
- Essential Products and Services

$300 million

Adjusted EBITDA Target for 2025

Mostly within our control and with significant upside

$646 million

Cumulative Free Cash Flow[(1)] 2019-2022

Solid Balance Sheet results in strong credit profile

(1) Free cash flow defined as Adjusted EBITDA less capital expenditures plus net cash proceeds from divestitures and insurance

Appendix I:
Q1 2023 Results &
2023 Guidance

Q1 2023 Summary of Key Metrics

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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

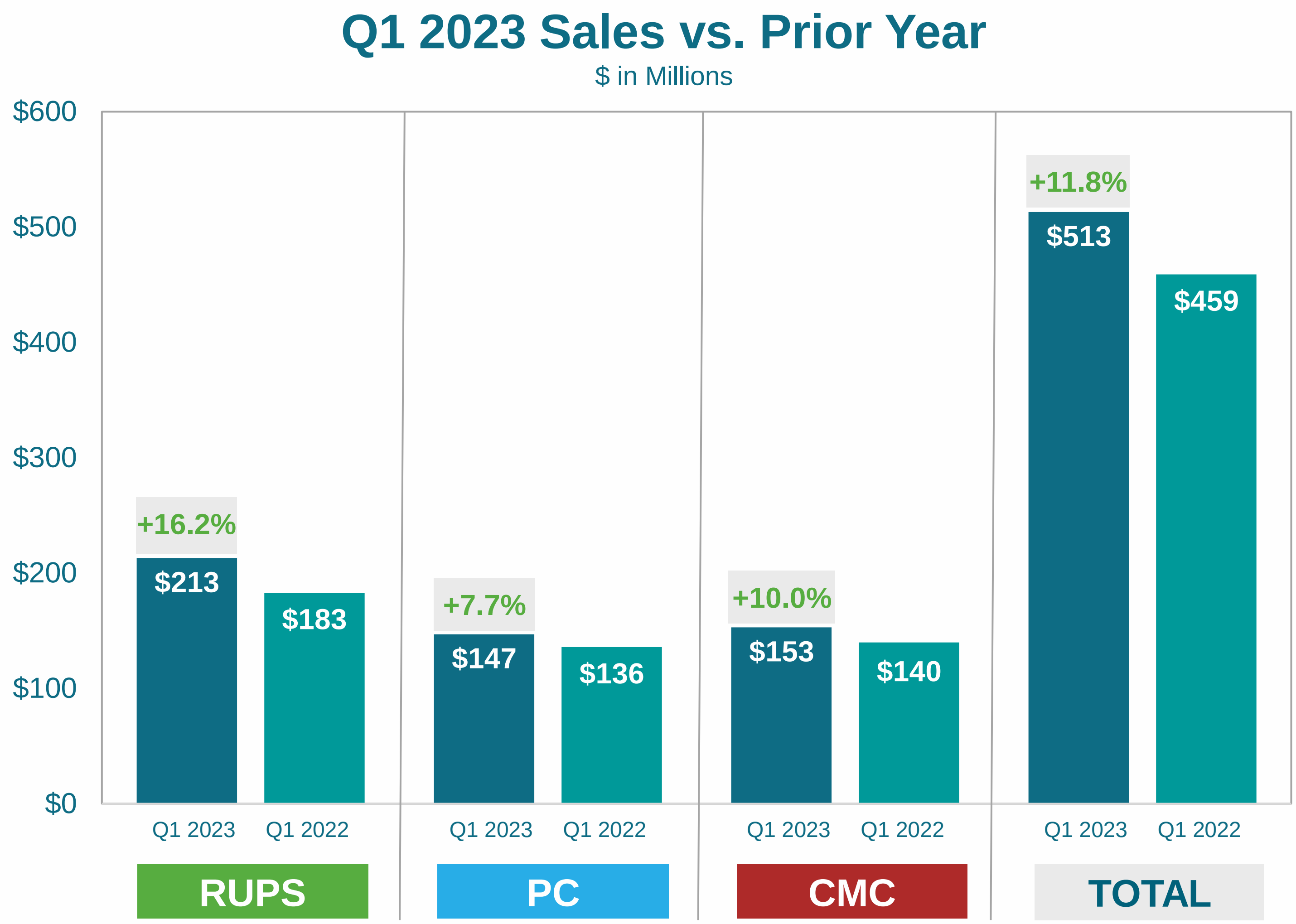
Diluted EPS of $1.19 vs. $0.87 in prior year quarter

- ✓ Record Q1 diluted EPS

Adjusted Earnings Per Share of $1.12

- ✓ Exceeded prior year Q1 of $0.91

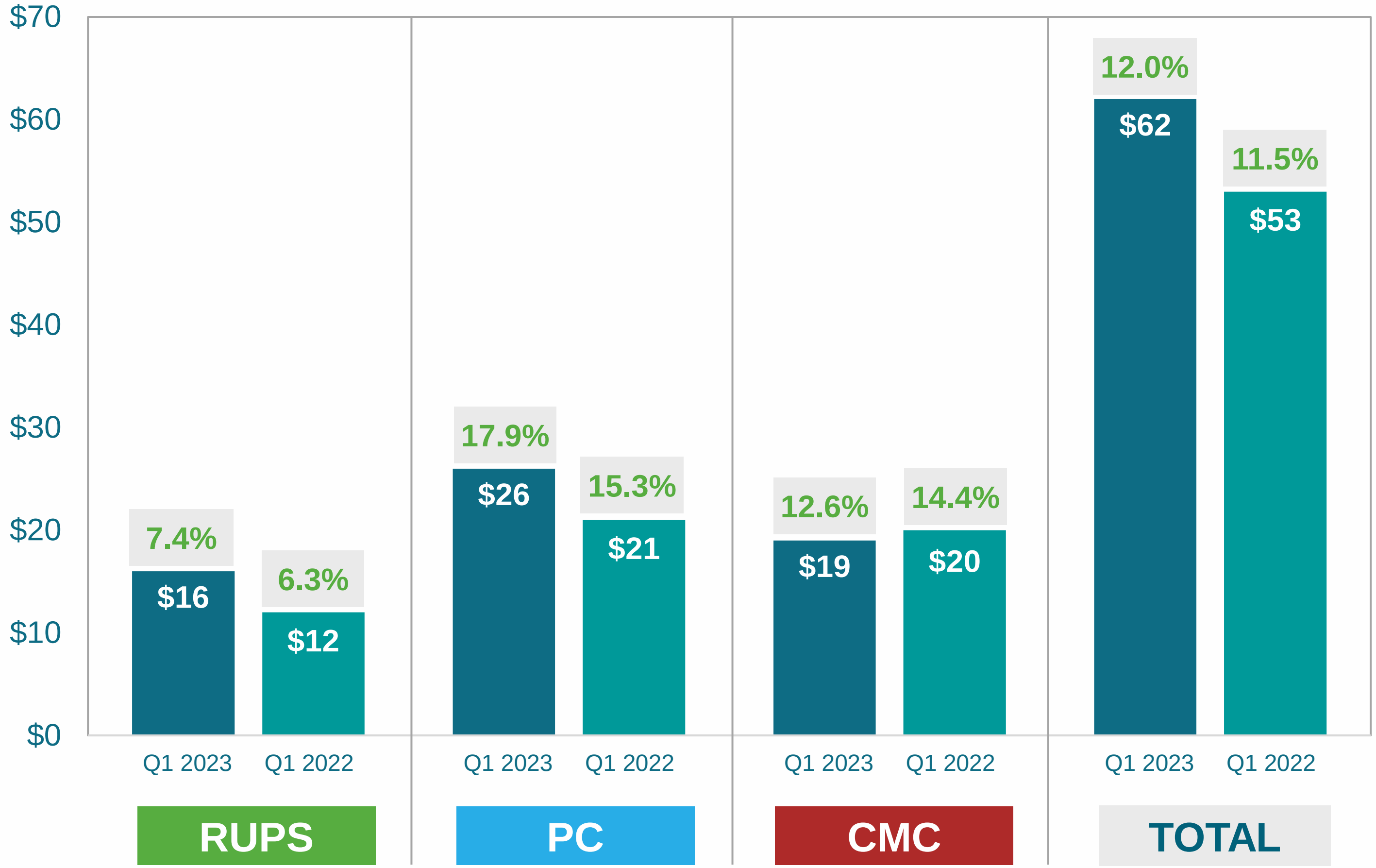
Q1: Sales by Segment (Unaudited)



Q1: Adjusted EBITDA by Segment (Unaudited)

Q1 2023 Adjusted EBITDA $ and % vs. Prior Year

$ in Millions

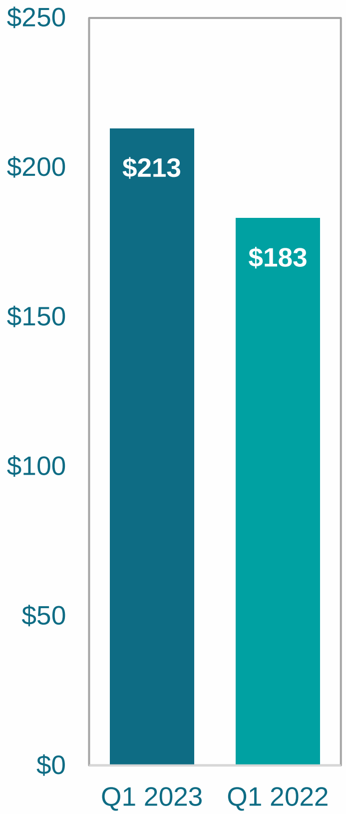


Note: Segment amounts may not agree with consolidated totals due to rounding.

Q1 2023 RUPS Segment

RAILROAD AND UTILITY PRODUCTS AND SERVICES

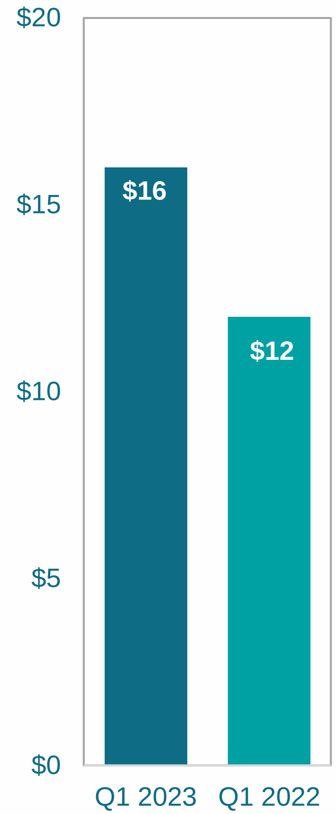
Sales (Unaudited)
$ in Millions



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



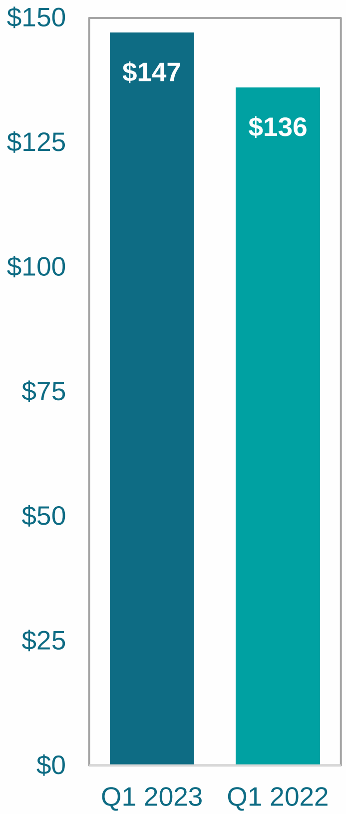
Highlights

- 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

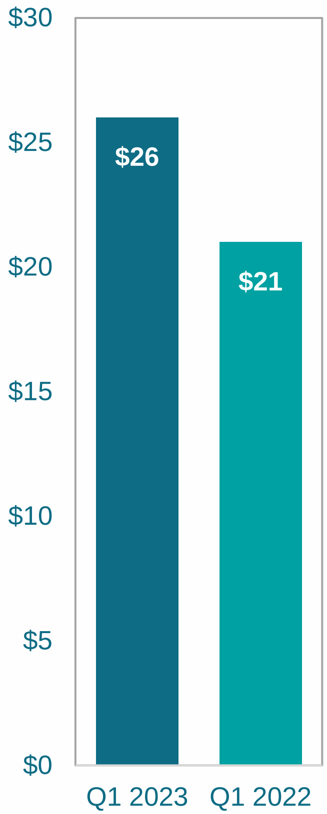
Sales (Unaudited)
$ in Millions



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

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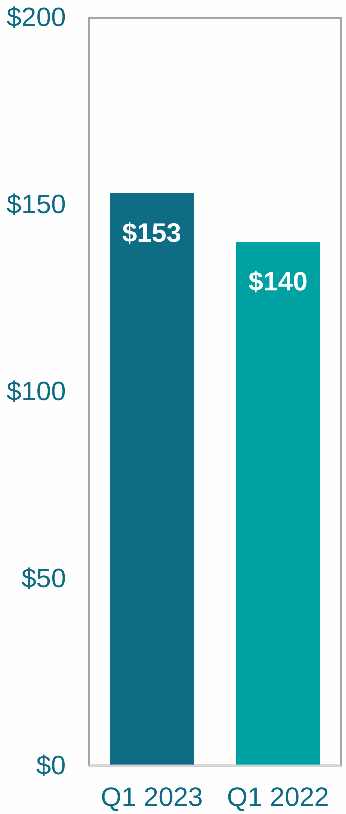
CARBON MATERIALS AND CHEMICALS

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

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- **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**

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

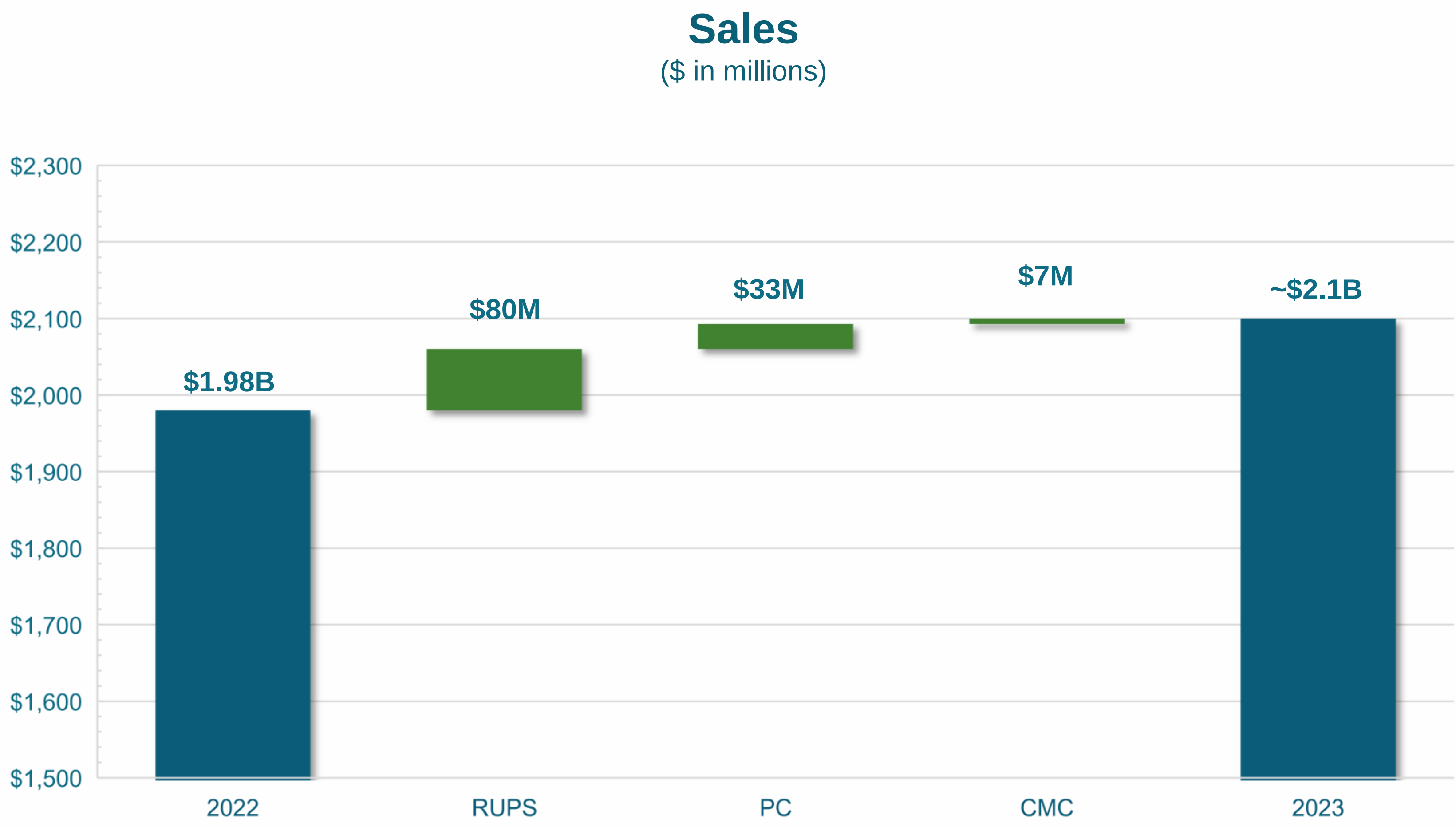
- Half of N.A. pitch consumers currently using Koppers hybrid product
- New pavement sealer being trialed now to meet market demand
- Market more willing to try new applications, which plays to our advantage

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

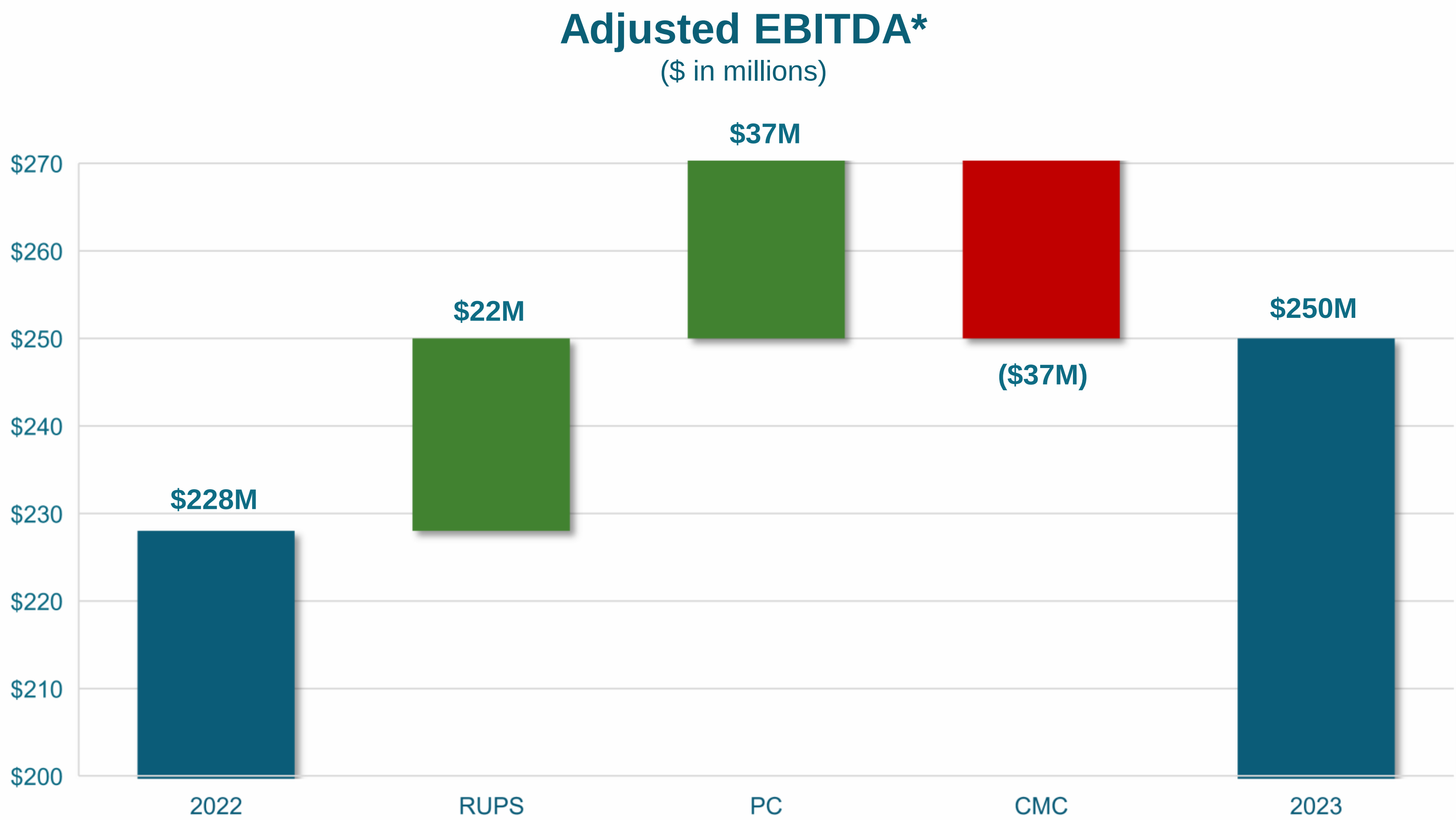
2023 Guidance

2023 Sales Forecast: ~$2.1B



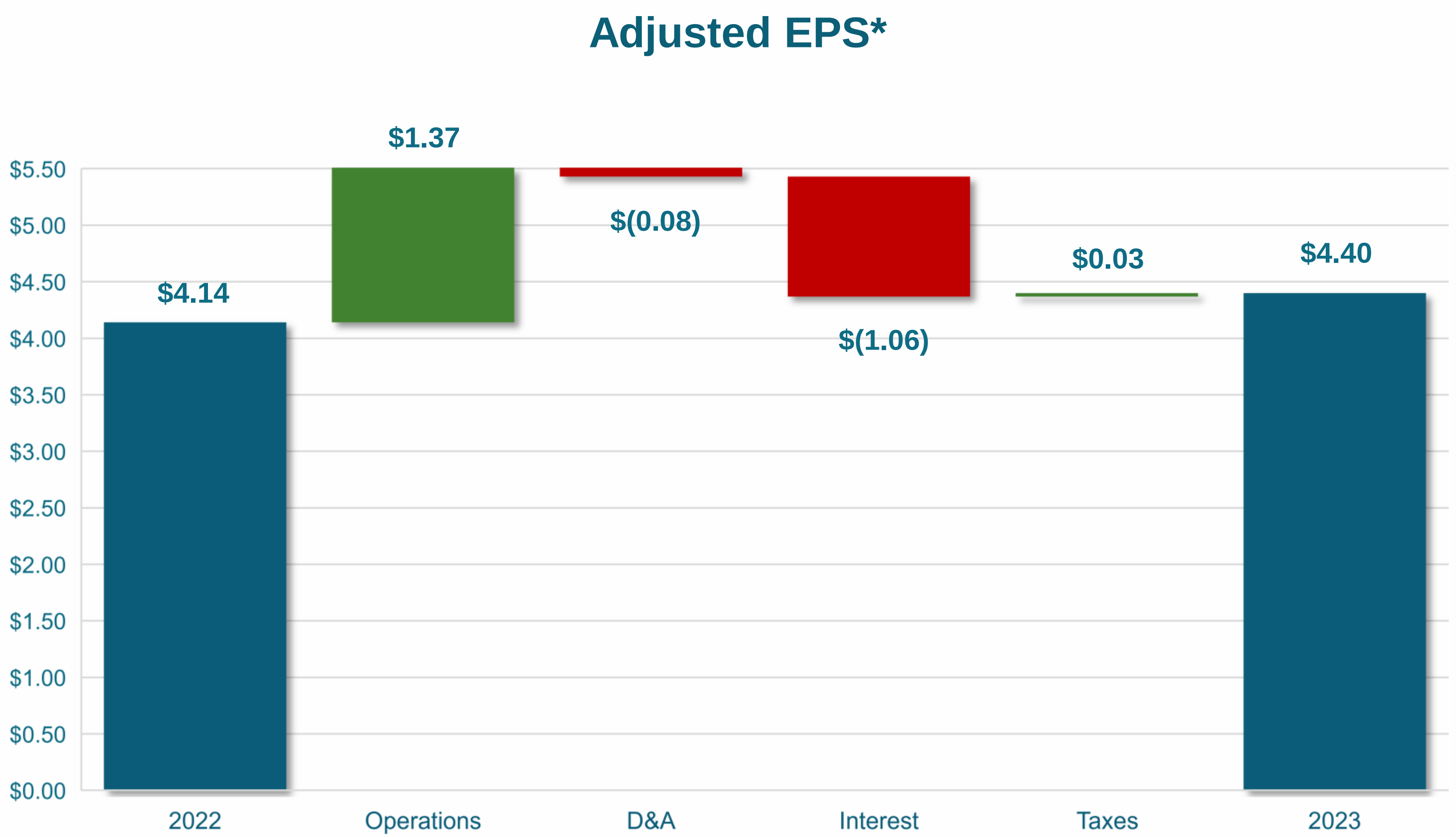
2023 Adjusted EBITDA Forecast: $250M

KOPPERS



* Excluding special charges

2023 Adjusted EPS Forecast: $4.40



* 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**

Discretionary CapEx spent on strategic projects to expand and optimize operations, leading to increased market penetration and EBITDA growth

($ 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**

Appendix II:
Non-GAAP Reconciliations

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, free cash flow, free cash flow conversion ratio, 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.

Reconciliation of Net Income to Adjusted EBITDA and Adjusted EBITDA Margin

	Year Ended December 31,						
(Dollars in millions)	*2016*	*2017*	*2018*	*2019*	*2020*	*2021*	*2022*
Net income	$ 27.7	$ 30.5	$ 29.2	$ 67.4	$ 121.0	$ 84.9	$ 63.2
Interest expense	50.8	38.9	54.1	61.7	48.9	40.5	44.8
Loss on extinguishment of debt	0.0	13.3	0.0	0.0	0.0	0.0	0.0
Depreciation and amortization	56.8	59.1	50.9	54.8	56.1	58.4	56.1
Income taxes	11.4	29.0	25.7	0.0	21.0	34.5	31.6
Discontinued operations	(1.4)	(3.6)	(23.7)	(3.7)	(31.9)	0.2	0.6
Subtotal	145.3	167.2	136.2	180.2	215.1	218.5	196.3
Adjustments to arrive at adjusted EBITDA:							
Impairment, restructuring and plant closure costs	33.2	15.9	23.5	20.4	15.7	4.2	1.1
(Gain) on sale of assets	0.0	0.0	0.0	0.0	0.0	(31.2)	(2.5)
LIFO expense (benefit)	(9.5)	(0.5)	12.5	4.5	(13.7)	28.2	25.6
Mark-to-market commodity hedging losses (gains)	(1.7)	(3.5)	6.9	(4.0)	(9.2)	3.8	6.5
Pension settlement	4.4	10.0	0.0	0.0	0.1	0.0	0.0
Discretionary incentive	0.0	0.0	0.0	0.0	3.0	0.0	0.0
Acquisition-related costs and adjustments	(3.7)	(0.4)	10.7	0.0	0.0	0.0	0.0
Net loss on sale of business and assets	1.7	0.0	2.0	0.0	0.0	0.0	0.0
Inventory adjustment	0.0	0.0	0.0	0.0	0.0	0.0	1.1
Total adjustments	24.4	21.5	55.6	20.9	(4.1)	5.0	31.8
Adjusted EBITDA	$ 169.7	$ 188.7	$ 191.8	$ 201.1	$ 211.0	$ 223.5	$ 228.1
Net sales	$ 1,353.5	$ 1,350.9	$ 1,562.7	$ 1,636.9	$ 1,669.1	$ 1,678.6	$ 1,980.5
Adjusted EBITDA margin	12.5%	14.0%	12.3%	12.3%	12.6%	13.3%	11.5%

Reconciliation of Free Cash Flow and Free Cash Flow Conversion Ratio

(Dollars in millions)	*Year Ended December 31,* 2019	*2020*	*2021*	*2022*
Adjusted EBITDA	$ 201.1	$ 211.0	$ 223.5	$ 228.1
Capital expenditures	(37.2)	(69.8)	(125.0)	(105.3)
Net cash proceeds from divestitures and insurance	3.4	75.4	35.5	5.2
Free cash flow	$ 167.3	$ 216.6	$ 134.0	$ 128.0
Free cash flow conversion ratio	83.2%	102.7%	60.0%	56.1%

Reconciliation of Total Debt to Net Debt and Net Leverage Ratio

(Dollars in millions)	December 31, 2019	2020	2021	2022
Total Debt	$ 901.2	$ 775.9	$ 783.5	$ 817.7
Less: Cash	32.3	38.5	45.5	33.3
Net Debt	$ 868.9	$ 737.4	$ 738.0	$ 784.4
Adjusted EBITDA	$ 201.1	$ 211.0	$ 223.5	$ 228.1
Net Leverage Ratio	4.3	3.5	3.3	3.4

Unaudited Segment Information

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
(Dollars in millions)		
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)

	Three Months Ended March 31,	
	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)

	Three Months Ended March 31, 2023	2022
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)

	Three Months Ended March 31,			
		2023		*2022*
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)

	Twelve Months Ended,		
	March 31, 2023	*December 31, 2022*	*March 31, 2022*
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)

	Twelve Months Ended,		
	March 31, 2023	December 31, 2022	March 31, 2022
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.*

Unaudited Reconciliation of Diluted & Adjusted Earnings Per Share

(In millions except share amounts)		*Year Ended December 31, 2022*
Income from continuing operations attributable to Koppers	$	64.0
Net income attributable to Koppers	$	63.4
Adjusted net income attributable to Koppers	$	88.3
Denominator for diluted earnings per share (in thousands)		21,313
Earnings per share:		
Diluted earnings per share - continuing operations	$	3.00
Diluted earnings per share - net income	$	2.98
Adjusted earnings per share	$	4.14

Unaudited Reconciliation of Net Income and Adjusted Net Income

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(Dollars in millions)		Year Ended December 31, 2022
Net income attributable to Koppers	$	63.4
Adjustments to arrive at adjusted net income:		
Impairment, restructuring and plant closure costs		1.1
(Gain) on sale of assets		(2.5)
LIFO expense		25.6
Mark-to-market commodity hedging losses		6.5
Inventory adjustment		1.1
Writeoff of debt issue costs		0.3
Total adjustments		32.1
Adjustments to income tax and noncontrolling interests:		
Income tax on adjustments to pre-tax income		(8.5)
Income tax attributable to statutory rate changes		0.0
Deferred tax adjustments		0.9
Noncontrolling interest		(0.2)
Effect on adjusted net income		24.3
Adjusted net income including discontinued operations		87.7
Discontinued operations		0.6
Adjusted net income attributable to Koppers	$	88.3

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
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