



Q2 2023 Results



Forward-Looking Statement



Certain statements in this presentation are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and may include, but are not limited to, statements about sales levels, acquisitions, restructuring, profitability and anticipated synergies, expenses and cash outflows. All forward-looking statements involve risks and uncertainties. All statements contained herein that are not clearly historical in nature are forward-looking, and words such as "believe," "anticipate," "expect," "estimate," "may," "will," "should," "continue," "plan," "potential," "intend," "likely," "outlook," "guidance," "forecast," or other similar words or phrases are generally intended to identify forward-looking statements. Any forward-looking statement contained herein, in press releases, written statements or documents filed with the Securities and Exchange Commission, or in Koppers communications with and discussions with investors and analysts in the normal course of business through meetings, phone calls and conference calls, regarding expectations with respect to sales, earnings, cash flows, future dividends, operating efficiencies, restructurings, the benefits of acquisitions and divestitures or other matters as well as financings and debt reduction, are subject to known and unknown risks, uncertainties and contingencies. Many of these risks, uncertainties and contingencies are beyond our control, and may cause actual results, performance or achievements to differ materially from anticipated results, performance or achievements. Factors that might affect such forward-looking statements, include, among other things, the impact of changes in commodity prices, such as oil and copper, on product margins; general economic and business conditions; disruption in the U.S. and global financial markets; potential difficulties in protecting our intellectual property; the ratings on our debt and our ability to repay or refinance outstanding indebtedness; our ability to operate within the limitations of our debt covenants; potential impairment of our goodwill and/or long-lived assets; demand for Koppers goods and services; competitive conditions; interest rate and foreign currency rate fluctuations; availability of key raw materials and unfavorable resolution of claims against us, as well as those discussed more fully elsewhere in this presentation and in documents filed with the Securities and Exchange Commission by Koppers, particularly our latest annual report on Form 10-K and subsequent filings. Any forward-looking statements in this presentation speak only as of the date of this presentation, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after that date or to reflect the occurrence of unanticipated events.

INVITATION

KOPPERS Investor Day

September 14, 2023



Leroy M. Ball
President and Chief
Executive Officer



Leslie S. Hyde
Senior Vice President and
Chief Sustainability Officer



Jimmi Sue Smith
Chief Financial Officer



James Sullivan
Executive Vice President
and Chief Operating Officer



INTERCONTINENTAL
CHICAGO MAGNIFICENT MILE

In-Person Attendance*:

505 N. Michigan Ave., Chicago, Illinois 60611

*Breakfast and Lunch will be provided

Virtual Attendance Also Available

KOP
LISTED
NYSE

Formal Presentations & Remarks:

8:30 a.m. to 10:30 a.m. Central Time (9:30 a.m. to 11:30 a.m. Eastern Time)

Question & Answer Session:

10:30 a.m. to 11 a.m. Central Time (11:30 a.m. to 12 p.m. Eastern Time)

Registration required for both
in-person and virtual attendees.

[REGISTER HERE](#)

Please join Koppers management at
Guaranteed Rate Field.

Wednesday, September 13, 2023,
6:40 p.m. Central Time



Kansas City Royals

VS.



Chicago White Sox



For any questions, please contact KOP@christensenir.com • 480-614-3012

Q2 2023 Summary



HIGHLIGHTS



Consolidated Sales of \$577M vs. \$503M in prior year quarter

- ✓ Record quarter sales
- ✓ 7th consecutive record current-quarter sales

Adjusted EBITDA of \$70.3M vs. \$54.6M in prior year quarter

- ✓ Record quarter profitability

Adjusted EBITDA Margin of 12.2% vs. 10.9% in prior year quarter

Diluted EPS of \$1.15

- ✓ Exceeded prior year quarter of \$0.55

Adjusted Earnings Per Share of \$1.26

- ✓ Exceeded prior year quarter of \$0.97

Zero Harm



Zero Harm 2.0



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

- **UIP Leadership: Completed Foundations and Observations Training**
 - ✓ YTD 6/30/23, UIP recordable injury rate decreased ~75% from prior year
- **Zero Harm Workshop: Incident Investigation and Reporting**
 - ✓ Training begins in Q3 2023 for managers and frontline supervisors
- **Peer-to-Peer safety observations training completed globally for all frontline employees; leading activities up 38% YTD 6/30/23 from prior year**
- **Zero Harm key elements discussed globally on monthly “Toolbox Talks”**
 - ✓ Safety flashes deliver brief trainings to frontline employees and encourage safety discussions at the work site
 - Life-Saving Rule “*Work with a valid work permit when required*”
 - Life-Saving Rule “*Verify energy isolation before work begins*”
 - Video: *Zero Harm Conversation with the CEO*

27 out of 45
Facilities
Accident-Free in
Q2/2023



Recordable
Injury Rate:

↓ 25%

Q2 2023 Results

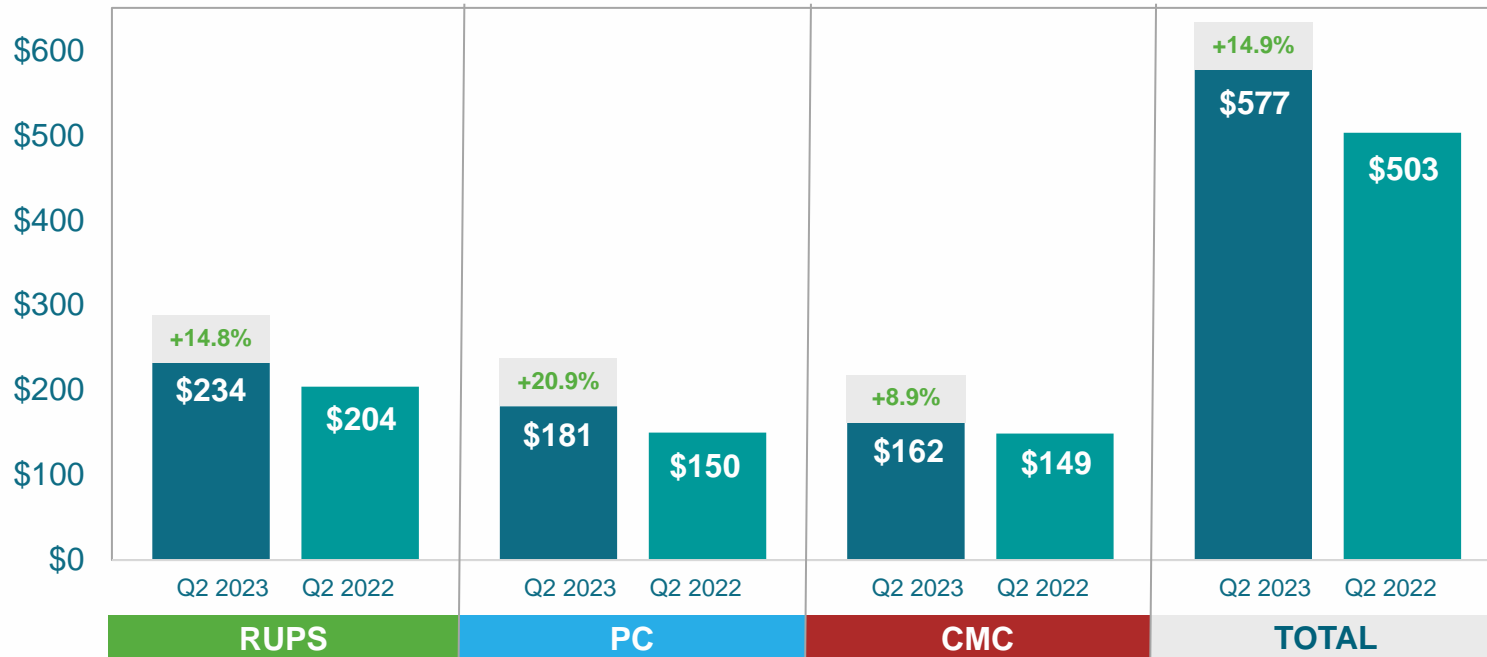


Q2: Sales by Segment (Unaudited)



Q2 2023 Sales vs. Prior Year

\$ in Millions

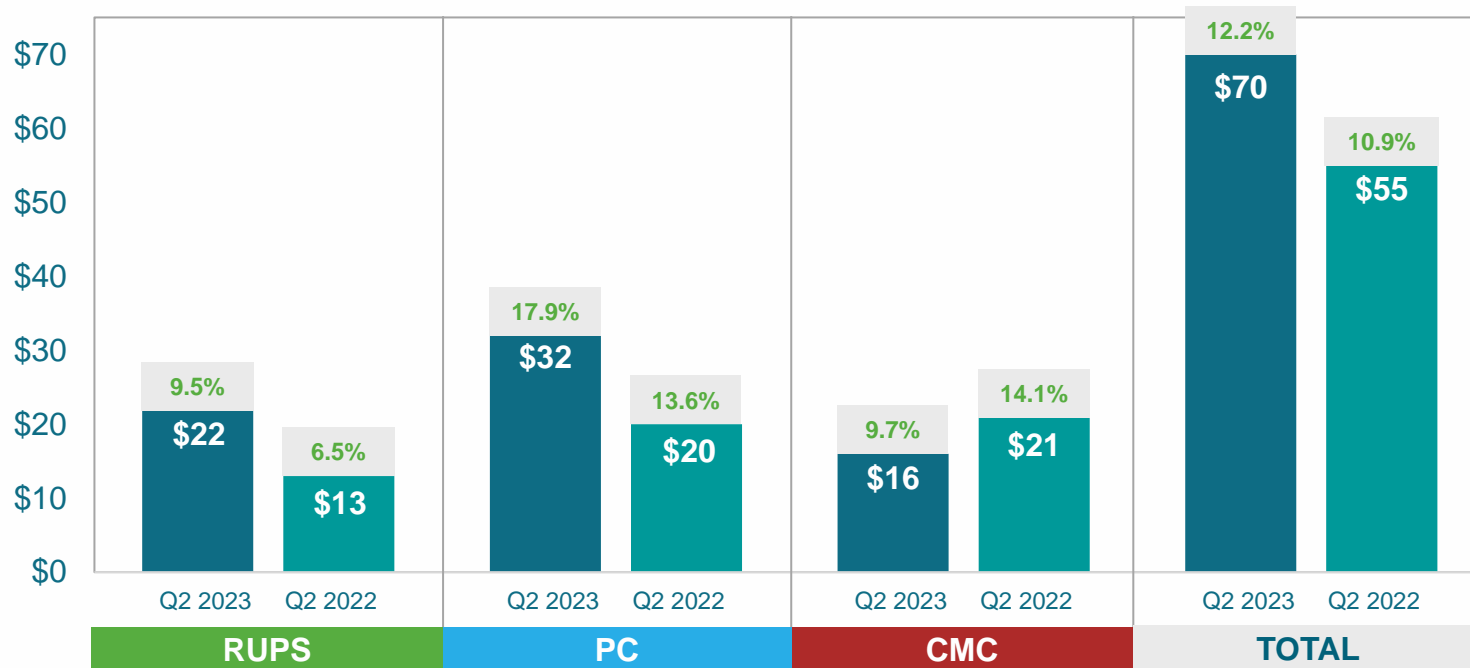


Q2: Adjusted EBITDA by Segment (Unaudited)



Q2 2023 Adjusted EBITDA \$ and % vs. Prior Year

\$ in Millions



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

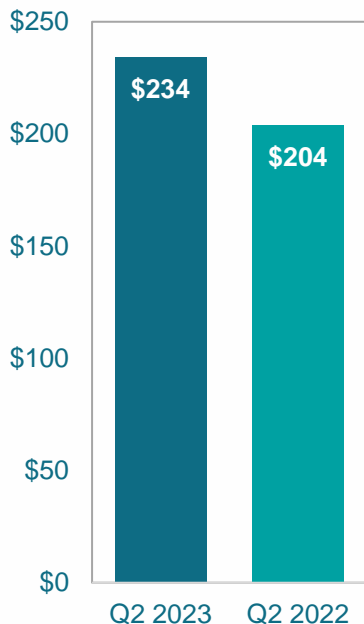
Q2 2023 RUPS Segment



RAILROAD AND UTILITY PRODUCTS AND SERVICES

Sales (Unaudited)

\$ in Millions

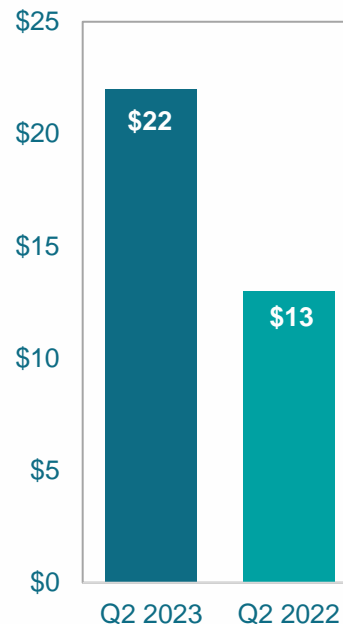


Highlights

- Record quarter sales primarily attributed to:
 - ✓ \$20.3M of price increases, particularly for crossties and utility poles
 - ✓ Higher volumes for crossties and utility poles
 - ✓ Record sales for UIP
- Market prices for untreated crossties remain at relatively high levels but stabilizing
- ✓ Year over year, Q2 crosstie procurement up 46% and crosstie treatment 3% higher

Adjusted EBITDA (Unaudited)

\$ in Millions



Highlights

- Higher profitability primarily driven by:
 - ✓ Price increases
 - ✓ \$6.5M from improved plant utilization
 - ✓ Partly offset by higher raw material and operating costs
- Record profitability for UIP
 - ✓ Adjusted EBITDA \$
 - ✓ Adjusted EBITDA %

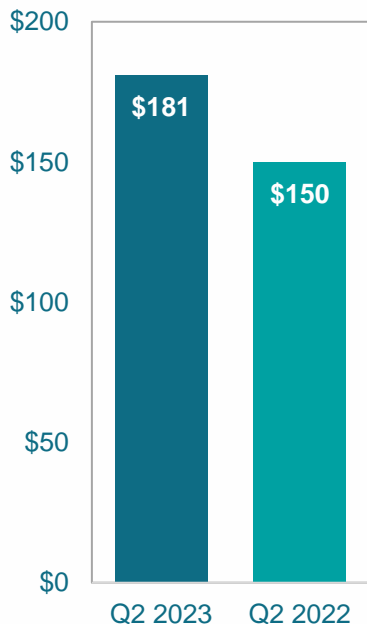
Q2 2023 PC Segment



PERFORMANCE CHEMICALS

Sales (Unaudited)

\$ in Millions

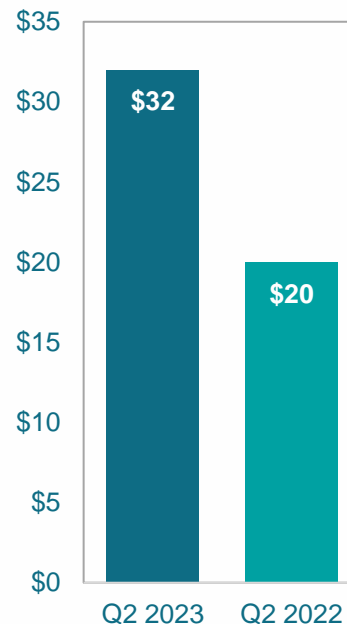


Highlights

- Record quarter sales primarily driven by:
 - ✓ Global price increases of \$21.0M, most notably in the Americas
 - ✓ 8% increase in volumes globally, driven by the Americas
 - ✓ Partly offset by volume decreases in Europe and Australasia

Adjusted EBITDA (Unaudited)

\$ in Millions



Highlights

- Profitability was favorably impacted by:
 - ✓ Renegotiated customer contracts, which allowed for increased pricing
 - ✓ Recapture of prior year cost increases
 - ✓ Higher overall volumes
 - ✓ Partly offset by higher raw material costs
- Returned EBITDA margin to normalized levels at 18% for Q2 and 1H/2023

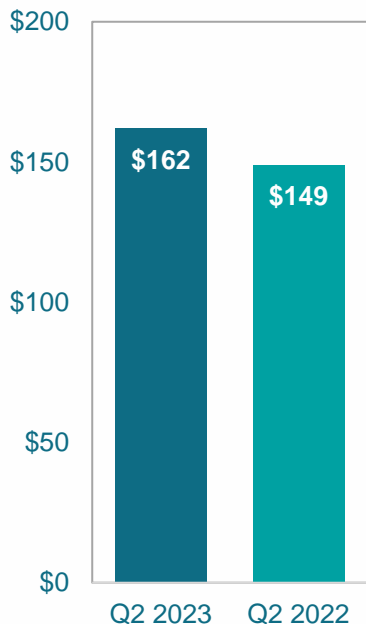
Q2 2023 CMC Segment



CARBON MATERIALS AND CHEMICALS

Sales (Unaudited)

\$ in Millions

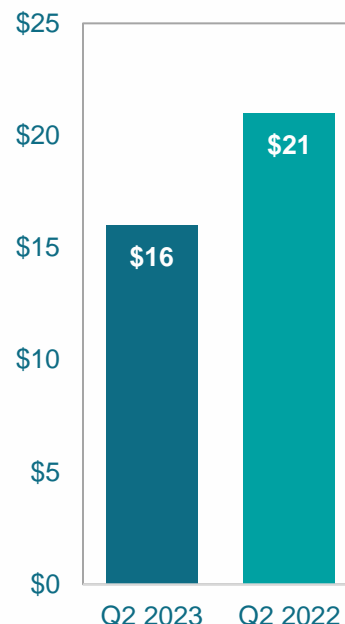


Highlights

- Increase in sales primarily driven by:
 - ✓ \$7.2M in price increases
 - ✓ Volume increases of refined tar in North America
 - ✓ Partly offset by price decreases for certain other products
 - ✓ Partly offset by volume decreases of phthalic anhydride in North America

Adjusted EBITDA (Unaudited)

\$ in Millions



Highlights

- Year-over-year decrease in profitability reflects:
 - ✓ \$17.2M in raw material cost increases, particularly in Europe and North America
 - ✓ Partly offset by higher pricing and higher volumes in North America
- Compared with Q1 2023, average pricing of major products were 4% lower and average coal tar costs 7% higher
- Compared with Q2 2022, average pricing of major products up 4% and average coal tar costs 24% higher

Capital Allocation



Uses of Cash: Balanced Approach



- **Investing in our business**
 - ✓ Capital expenditures of \$60.6M (net) through 6/30/23
- **Returning capital to shareholders**
 - ✓ Reinstated dividends in 2022; declared quarterly dividend \$0.06/share
 - ✓ Repurchased \$5.9M⁽¹⁾ of shares through 6/30/23
- **Reducing leverage⁽²⁾ as appropriate**
 - ✓ \$858M net debt and ~\$300M available borrowings at 6/30/23
 - ✓ NLR 3.4x at 6/30/23
 - ✓ 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.

Q2 2023 Capital Expenditures



(\$ in millions) CapEx by Category	2023 YTD
Maintenance	\$27.2
Zero Harm	9.5
Growth & Productivity	25.9
Total	\$62.6
Less: Cash Proceeds	(\$2.0)
Capital Expenditures, Net	\$60.6

(\$ in millions) CapEx by Business Unit	Maintenance	Zero Harm	Growth & Productivity	2023 YTD
RUPS	\$12.2	\$1.2	\$15.1	\$28.5
PC	2.5	0.6	1.4	4.5
CMC	11.6	7.7	9.2	28.5
Administration	0.9	--	0.2	1.1
Total	\$27.2	\$9.5	\$25.9	\$62.6

Dividend Declaration



Declaring Quarterly Cash Dividend



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



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

Notable Happenings



Plant Visit: Nyborg, Denmark



Ongoing Commitment to Sustainability



2022 Corporate Sustainability Report

Details our pursuit of goals supporting our company values of People, Planet, and Performance. 2022 highlights include:

- Reducing our total recordable rate of reportable injuries by 5%
- Expanding our investment in career growth and continuing education opportunities for employees at all levels of the organization
- Increasing the diversity of our leadership team
- Reducing our Scope 1 and 2 emissions by almost half from our 2007 baseline



→ To Learn More: [Koppers 2022 Corporate Sustainability Report](#)

2022 Task Force on Climate-related Disclosures Report

Discloses climate-related risks and opportunities across four primary categories:

- Governance
- Strategy
- Risk management
- Metrics and targets



→ To Learn More: [Koppers 2022 TCFD Report](#)

Sustainability as a Competitive Advantage



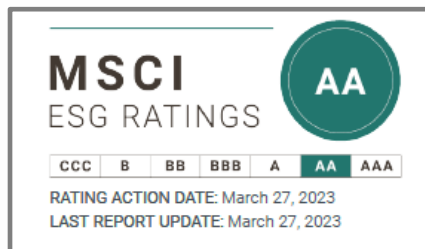
Koppers earned a place on Newsweek's list of **America's Most Responsible Companies** for the third consecutive year.



Received recognition from USA TODAY on its first ever list of **America's Climate Leaders**.



Koppers Australia moved up to Silver status from Bronze in the **Sustainability Advantage Program** run by the New South Wales EPA.



MSCI moved Koppers up to an AA rating which puts our company in the **top 8%** of commodity chemical companies.



EcoVadis score improved to the 75th percentile from the 56th percentile, also moving us up to Silver status.

Business Sentiment: Keys to Success



2023 Keys to Success



PERFORMANCE CHEMICALS

Price increases stick without major loss of volume

- \$46M of price increases through six months exceeding projections for 2023
- New account volume offsetting losses elsewhere

Residential demand declines less than 10%

- Expect flat to 5% year-over-year decline in base volumes, improved from Q1 view; increase of 6.5% through June YTD driven by extraordinarily strong June
- June existing-home sales dropped 3.3% from prior month, and down 18.9% from prior year (*Source: National Association of Realtors*)
- Further deceleration in remodeling spending projected, anticipating first decline in 10 years in Q1 2024 continuing into Q2 2024 (*Source: Leading Indicator of Remodeling Activity*)
- Lumber prices spiked to \$500+ per thousand board-feet, but still well below peak prices seen in parts of 2021 and 2022

Koppers continues to take share of shifting industrial preservative market

- Phase-out of major industrial chemical, which enabled increased share of Koppers preservatives such as CCA and DCOI
- Koppers industrial preservative sales volumes grew 13% in 1H 2023 vs. 1H 2022
- Continued market growth anticipated due to infrastructure spending



2023 Keys to Success



RUPS: UTILITY AND INDUSTRIAL PRODUCTS

Keep facilities running uninterrupted

- Generated one of our strongest operating quarters in Q2, despite losing kiln capacity in April due to fire damage
- Fire-damaged kiln will be replaced in October 2023 and additional kiln capacity online in January 2024
- Q2 was UIP's most profitable quarter since joining Koppers
- \$20M of price improvement through 1H 2023, driven by strong demand from federal incentives and infrastructure improvement
- Already exceeded full year 2022 profitability through 1H 2023

Bring Leesville, LA, facility online

- Diverting Leesville kiln to replace fire-damaged kiln, which pushes the timing of this project to Q1 2024
- Texas market remains hungry for another supplier; backlog of orders waiting for fulfillment
- Extremely strong end market demand ready to absorb increased output from Leesville facility



2023 Keys to Success



RUPS: RAILROAD PRODUCTS AND SERVICES

Build dry inventory as soon as possible

- Remain on pace to procure 7M ties in 2023, compared to 4M in early 2022
- Dry inventory up 21% from year-end, totaling more than 5M ties; targeting 6M-7M dry tie inventory
- Higher dry inventory moderates need for additional boultonizing treatment and improves efficiency and cost structure of facilities

Recoup value of preservative

- Raw material cost exceeds sales price; dynamic cannot be sustained
- Realized \$24M 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 in Q3 2023
- New plant anticipated to be most efficient with best sustainability footprint for safety and our environment
- Volume commitments received to maximize treating output



2023 Keys to Success



CARBON MATERIALS AND CHEMICALS

Manage challenging raw material environment

- Russia/Ukraine conflict reduced European raw material supply by 20%
- Declining aluminum production in Europe due to curtailments has outpaced pullback in steel production, improving raw material supply in certain geographic markets
- Slower recovery in China having a net positive impact on global CMC business

Continue to push acceptance of petroleum-blended products

- Half of N.A. pitch consumers currently use Koppers hybrid product
- Abundance of coal tar pavement sealer on the market has slowed adoption of petroleum-based pavement sealer
- Progress continues in providing variations in creosote petroleum product blends, simplifying our supply chain and improving our ability to meet demand

No recessionary impact to aluminum and steel markets

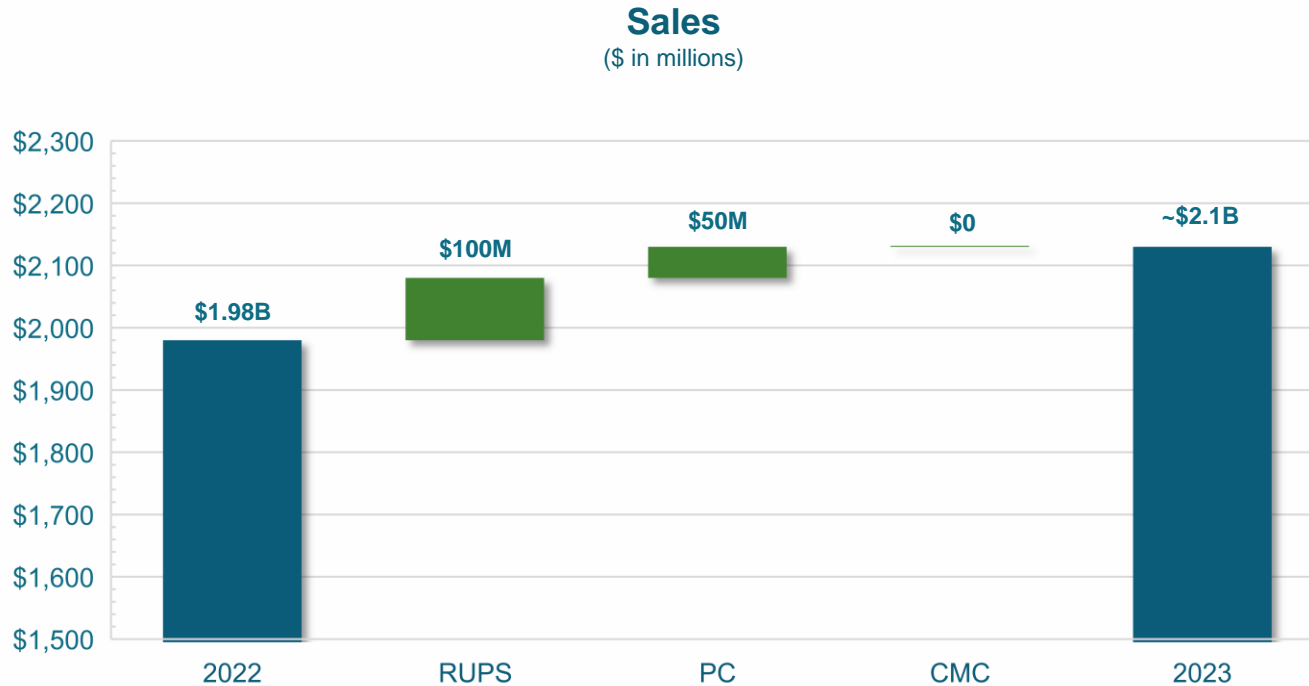
- CMC volumes down slightly through June year-to-date; industry volumes seeing more weakness, particularly Europe
- Supply/demand imbalance putting pressure on both pricing and raw material costs in affected markets while other markets experiencing a healthier environment for margin spread



2023 Guidance



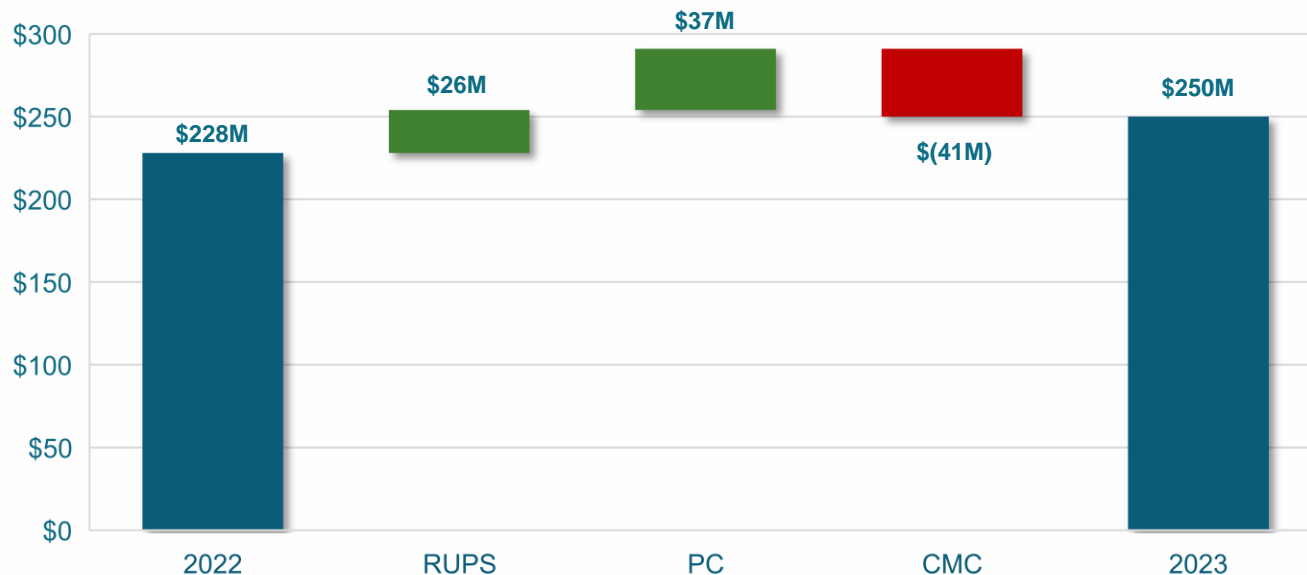
2023 Sales Forecast: ~\$2.1B



2023 Adjusted EBITDA Forecast: \$250M



Adjusted EBITDA*
(\$ in millions)

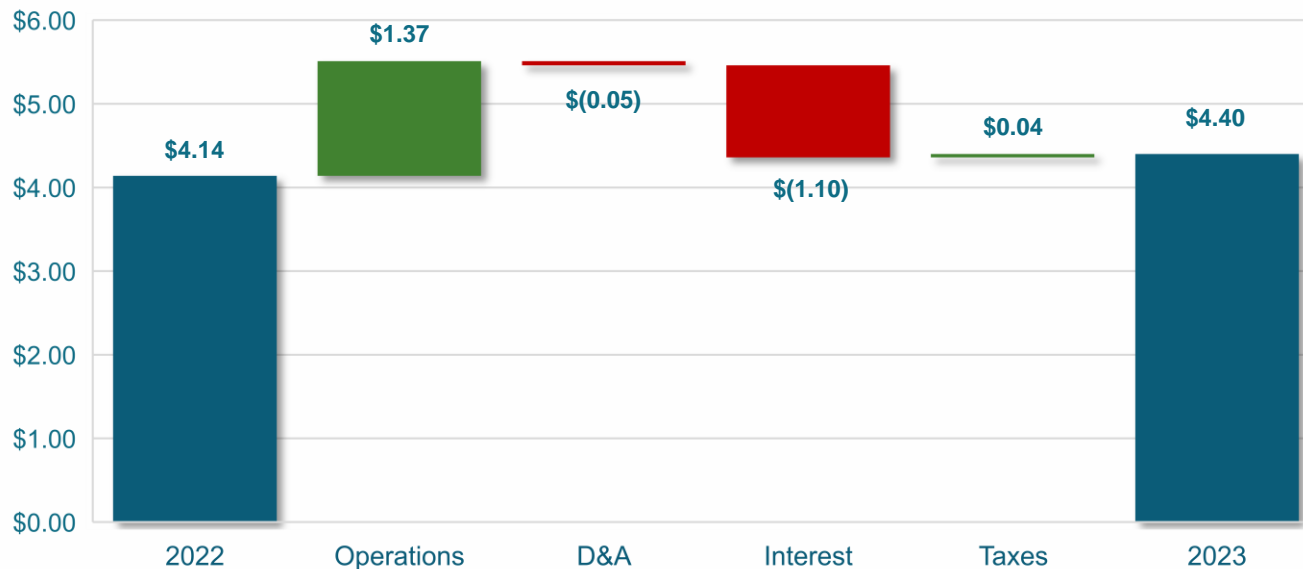


* Excluding special charges

2023 Adjusted EPS Forecast: \$4.40



Adjusted EPS*



* Excluding special charges

2023 Capital Expenditures



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

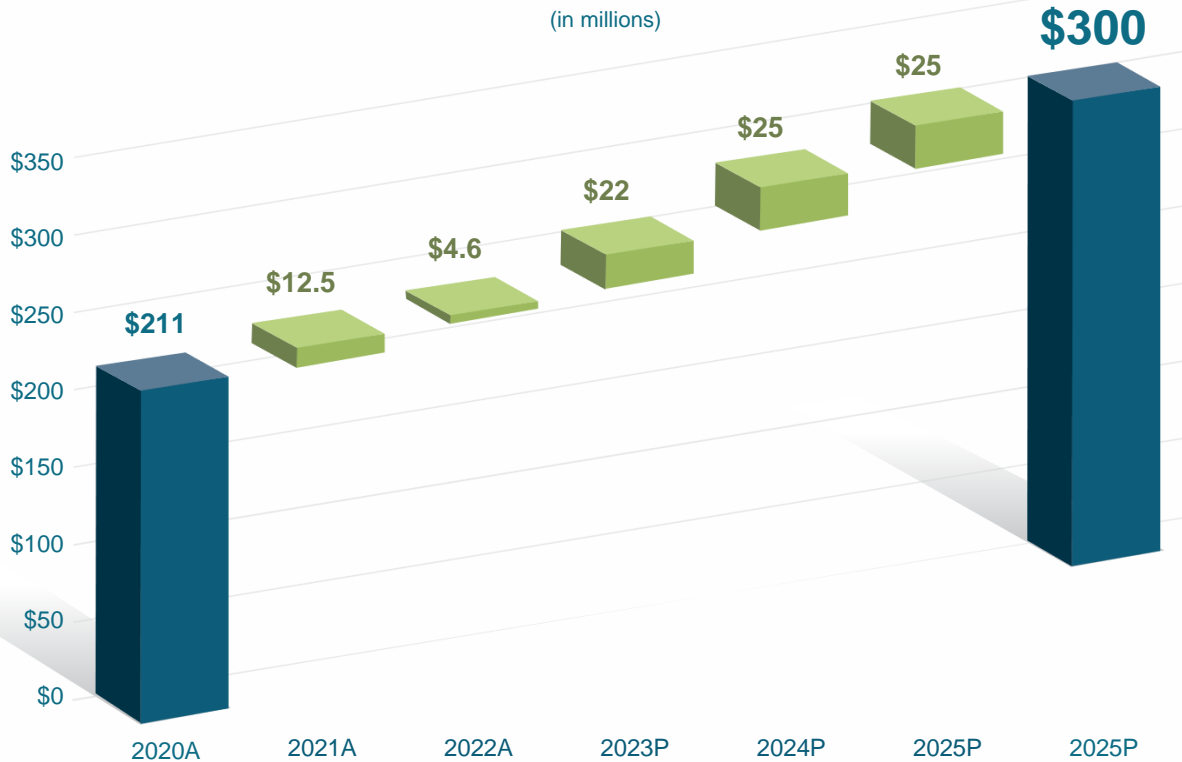
(\$ in millions) CapEx by Business Unit	Maintenance	Zero Harm	Growth & Productivity		2023	
			Low	High	Low	High
RUPS	\$17	\$2	\$20	\$30	\$39	\$49
PC	4	3	5	5	12	12
CMC	24	11	17	17	52	52
Administration	7	--	--	--	7	7
Total	\$52	\$16	\$42	\$52	\$110	\$120

Path to \$300M Adjusted EBITDA By 2025



Adjusted EBITDA Contribution by Year

(in millions)



Appendix

Non-GAAP Measures & Guidance



This presentation includes unaudited “non-GAAP financial measures” as defined in Regulation G under the Securities Exchange Act of 1934, including adjusted EBITDA, adjusted EBITDA margin, adjusted EPS, net debt and net leverage ratio. Koppers believes that the presentation of non-GAAP financial measures provides information useful to investors in understanding the underlying operational performance of the company, its business and performance trends and facilitates comparisons between periods and with other corporations in similar industries. The exclusion of certain items permits evaluation and a comparison of results for ongoing business operations, and it is on this basis that Koppers management internally assesses the company’s performance. In addition, the Board of Directors and executive management team use adjusted EBITDA as a performance measure under the company’s annual incentive plans 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.

References to historical EBITDA herein means adjusted EBITDA, for which the company has provided calculations and reconciliations in the Appendix.

Unaudited Segment Information



	<i>Three Months Ended June 30,</i>	
	<i>2023</i>	<i>2022</i>
<i>(Dollars in millions)</i>		
Net sales:		
Railroad and Utility Products and Services	\$ 234.4	\$ 204.2
Performance Chemicals	180.9	149.6
Carbon Materials and Chemicals	161.9	148.7
Total	\$ 577.2	\$ 502.5
Adjusted EBITDA⁽¹⁾:		
Railroad and Utility Products and Services	\$ 22.3	\$ 13.2
Performance Chemicals	32.3	20.4
Carbon Materials and Chemicals	15.7	21.0
Total	\$ 70.3	\$ 54.6
Adjusted EBITDA margin⁽²⁾:		
Railroad and Utility Products and Services	9.5%	6.5%
Performance Chemicals	17.9%	13.6%
Carbon Materials and Chemicals	9.7%	14.1%

1) *The following tables describe the adjustments to arrive at adjusted EBITDA.*

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

Unaudited Reconciliation of Net Income to Adjusted EBITDA and Margin



	<i>Three Months Ended June 30,</i>	
	2023	2022
<i>(Dollars in millions)</i>		
Net income	\$ 24.4	\$ 11.6
Interest expense	20.3	11.1
Depreciation and amortization	14.4	13.4
Income tax provision	9.9	6.8
Sub-total	69.0	42.9
Adjustments to arrive at adjusted EBITDA:		
Impairment, restructuring and plant closure (benefits)	0.0	(0.2)
LIFO expense ⁽¹⁾	0.2	5.1
Mark-to-market commodity hedging losses	1.1	6.8
Total adjustments	1.3	11.7
Adjusted EBITDA	\$ 70.3	\$ 54.6
Net Sales	\$ 577.2	\$ 502.5
Adjusted EBITDA Margin	12.2%	10.9%

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 to Adjusted Net Income & Diluted EPS & Adjusted EPS



	<i>Three Months Ended June 30,</i>	
	<i>2023</i>	<i>2022</i>
<i>(Dollars in millions)</i>		
Net income attributable to Koppers	\$ 24.5	\$ 11.7
Adjustments to arrive at adjusted net income:		
Impairment, restructuring and plant closure (benefits)	0.0	(0.2)
LIFO expense ⁽¹⁾	0.2	5.1
Mark-to-market commodity hedging losses	1.1	6.8
Write-off of debt issuance costs	2.0	0.4
Total adjustments	3.3	12.1
Adjustments to income tax and noncontrolling interests:		
Income tax on adjustments to pre-tax income	(0.8)	(3.2)
Noncontrolling interest	(0.1)	(0.1)
Effect on adjusted net income	2.4	8.8
Adjusted net income attributable to Koppers	\$ 26.9	\$ 20.5
Diluted weighted average common shares outstanding (in thousands)	21,351	21,239
Earnings per share:		
Diluted earnings per share - continuing operations	\$ 1.15	\$ 0.55
Diluted earnings per share - net income	\$ 1.15	\$ 0.55
Adjusted earnings per share	\$ 1.26	\$ 0.97

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



	<i>Twelve Months Ended</i>		
	<i>June 30, 2023</i>	<i>December 31, 2022</i>	<i>June 30, 2022</i>
<i>(Dollars in millions)</i>			
Total Debt	\$ 906.2	\$ 817.7	\$ 833.7
Less: Cash	48.2	33.3	40.4
Net Debt	\$ 858.0	\$ 784.4	\$ 793.3
Adjusted EBITDA	\$ 252.7	\$ 228.1	\$ 209.9
Net Leverage Ratio	3.4	3.4	3.8

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 to Adjusted EBITDA (LTM)



	<i>Twelve Months Ended</i>		
	<i>June 30, 2023</i>	<i>December 31, 2022</i>	<i>June 30, 2022</i>
<i>(Dollars in millions)</i>			
Net income	\$ 83.3	\$ 63.2	\$ 62.7
Interest expense	58.3	44.8	40.9
Depreciation and amortization	57.0	56.1	55.9
Income tax provision	35.0	31.6	33.4
Discontinued operations	0.0	0.6	1.3
Sub-total	233.6	196.3	194.2
Adjustments to arrive at adjusted EBITDA:			
Impairment, restructuring and plant closure costs (benefits)	1.2	1.1	(0.8)
(Gain) on sale of assets	(1.8)	(2.5)	(25.9)
LIFO expense ⁽¹⁾	19.2	25.6	29.7
Mark-to-market commodity hedging (gains) losses	(0.6)	6.5	12.7
Inventory adjustment	1.1	1.1	0.0
Adjusted EBITDA	\$ 252.7	\$ 228.1	\$ 209.9

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 treated wood products, wood treatment chemicals and carbon compounds for the railroad, specialty chemical, utility, residential lumber, agriculture, aluminum, steel, rubber, and construction industries. Headquartered in Pittsburgh, Pennsylvania, we serve our customers through a comprehensive global manufacturing and distribution network, with facilities located in North America, South America, Australasia, and Europe.

Stock Exchange Listing

NYSE: KOP

Investor Relations and Media Information

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Koppers is a member of the
American Chemistry Council.



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