

# Q1 2024 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, 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, 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, the impact of changes in commodity prices, such as oil and copper, on product margins; 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 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; availability and fluctuations in the prices of key raw materials; disruptions and inefficiencies in the supply chain; economic, political and environmental conditions in international markets; 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 release 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 release speak only as of the date of this release, 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 2024 Summary

# Q1 2024 Summary of Key Metrics



## HIGHLIGHTS

- ▶ **Consolidated Sales of \$497.6M vs. \$513.4M in prior year quarter**
  - ✓ RUPS and PC reported higher year-over-year sales, offset by weaker demand and unplanned costs in CMC

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- ▶ **Adjusted EBITDA of \$51.5M vs. \$61.5M in prior year quarter**
  - ✓ Adjusted EBITDA margin of 10.3% vs. 12.0% in prior year quarter, primarily driven by significant decline in CMC

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- ▶ **Diluted EPS of \$0.59 vs. \$1.19 in prior year quarter**

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- ▶ **Adjusted Earnings Per Share of \$0.62 vs. \$1.12 in prior year quarter**

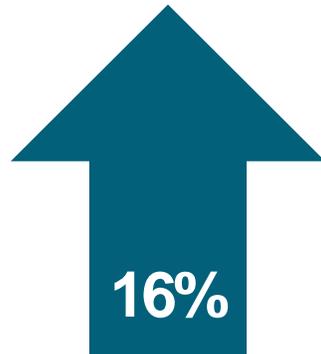
# Zero Harm





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

Q1 2024 vs Prior Year



**16%**  
Leading Activities

34 OUT OF 45

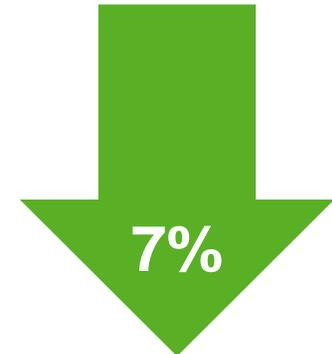
Accident-Free Facilities in Q1 2024



*Business Units with Zero Recordables:*

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

Recordable Injury Rate:



# Q1 2024 Financials

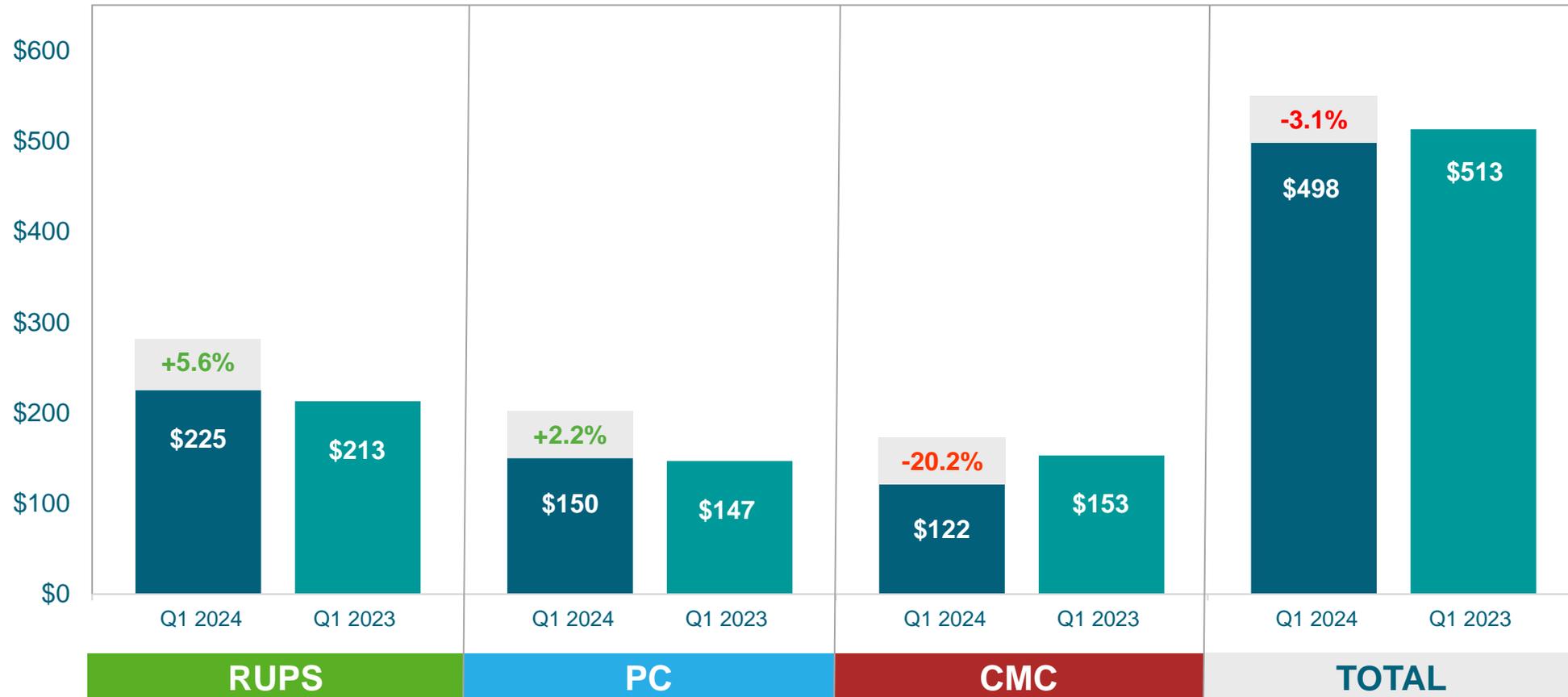


# Q1: Sales by Segment (Unaudited)



## Q1 2024 Sales vs. Prior Year

\$ in Millions



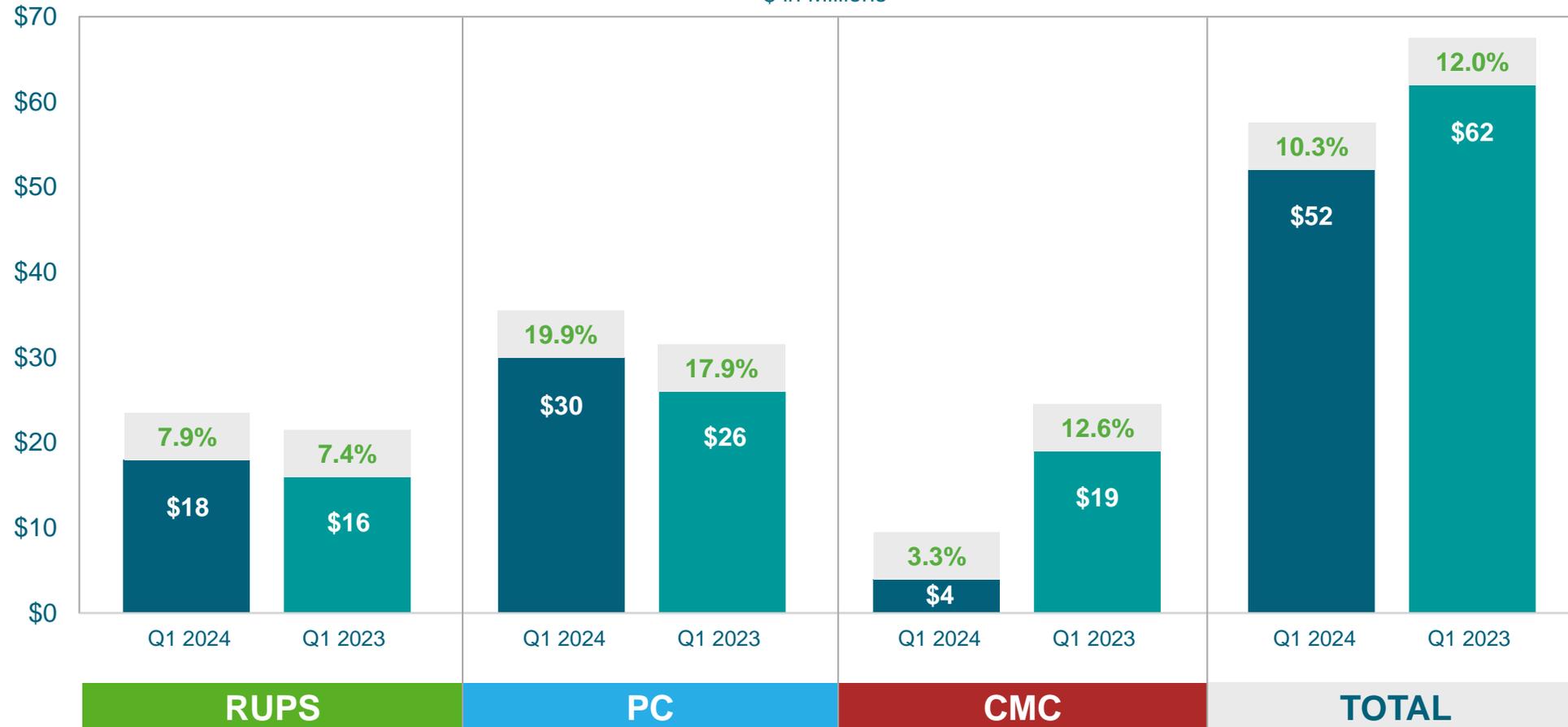
Note: Segment amounts may not agree with consolidated totals due to rounding.

# Q1: Adjusted EBITDA by Segment (Unaudited)



## Q1 2024 Adjusted EBITDA \$ and % vs. Prior Year

\$ in Millions



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

# Q1 2024 RUPS Segment



## RAILROAD AND UTILITY PRODUCTS AND SERVICES

### Sales (Unaudited)

\$ in Millions



#### Highlights

- Sales growth was driven by:
  - ✓ \$9.6M of volume increases for crossties
  - ✓ \$8.1M of pricing increases, particularly for crossties and domestic utility poles
  - ✓ Partly offset by lower activity in maintenance-of-way businesses and 4.2% volume decrease in domestic utility poles
- Market prices for untreated crossties are stable but remain at relatively high levels
  - ✓ Year over year, Q1 crosstie procurement up 2% and crosstie treatment 7% higher

### Adjusted EBITDA (Unaudited)

\$ in Millions



#### Highlights

- Profitability improved due to:
  - ✓ Net sales price increases
  - ✓ \$3.7M from improved plant utilization
  - ✓ Partly offset by \$10.6M of higher costs
    - Operating expenses
    - Raw material costs
    - SG&A expenses

# Q1 2024 PC Segment



## PERFORMANCE CHEMICALS

### Sales (Unaudited)

\$ in Millions



#### Highlights

- Sales growth primarily driven by:
  - ✓ Volume increases of \$6.8M, including 6.1% in the Americas, primarily for copper-based preservatives
  - ✓ Partly offset by \$3.3M of lower prices, primarily in the Americas and Australasia

### Adjusted EBITDA (Unaudited)

\$ in Millions



#### Highlights

- Profitability benefited from:
  - ✓ Volume increases
  - ✓ Lower sales prices were offset by decrease in raw material costs

# Q1 2024 CMC Segment



## CARBON MATERIALS AND CHEMICALS

### Sales (Unaudited)

\$ in Millions



#### Highlights

- Decrease in sales primarily driven by:
  - ✓ Reduced market demand, with \$28.6M in lower sales prices across most products
    - Carbon pitch prices down 24.6% globally
    - \$11.5M in lower volumes of carbon pitch and carbon black feedstock
  - ✓ Partly offset by volume increases for phthalic anhydride

### Adjusted EBITDA (Unaudited)

\$ in Millions



#### Highlights

- Decline in profitability reflects:
  - ✓ Price and volume decreases
  - ✓ Lower NA plant utilization, primarily due to weather-related plant outage in January
  - ✓ Partly offset by \$18.6M reduction in raw material costs, particularly in Europe and NA
- Compared with Q4 2023, avg. pricing of major products 2% lower and avg. coal tar costs down 8%
- Compared with Q1 2023, avg. pricing of major products 18% lower and average coal tar costs 16% lower

# Capital Allocation



# Uses of Cash: Balanced Approach



- **Investing in our business**
  - ✓ Net capital expenditures of \$25.8M in Q1
  - ✓ \$80M to \$90M projected in 2024 (previously \$100M), compared with \$116M in 2023
- **Returning capital to shareholders**
  - ✓ Quarterly dividend of \$0.07/share
- **Reducing leverage<sup>(1)</sup> as appropriate**
  - ✓ \$820M net debt and ~\$340M liquidity at 3/31/24
  - ✓ Long-term target of 2x-3x net leverage ratio

**Confident In Ability to Grow and Generate Cash**

(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 and liquidity will fluctuate before, after and throughout the related period based upon the timing of receipts and payables.

# Term Loan B: Repriced & Upsized (April 2024)



- **Term Loan B (TLB)**
  - ✓ Seven-year senior secured TLB due April 10, 2030
- **Reduces interest rate margins applicable to TLB by 50 basis points**
  - ✓ From 3.50% with a floor of 50 bps to 3.00% with a floor of 50 bps at adjusted Term SOFR Rate or adjusted Daily Simple SOFR
  - ✓ Removes 10 bps credit spread adjustment from pricing structure
- **Upsized, at par, by \$100M**
  - ✓ Increased principal balance from \$397M to \$497M (as of 4/12/24)

**Enhancing Liquidity & Financial Flexibility**

# Q1 2024 Capital Expenditures



(\$ in Millions) CapEx by Business Unit	Maintenance	Zero Harm	Growth & Productivity	Q1 2024
RUPS	\$6.1	\$0.2	\$7.2	\$13.5
PC	1.8	0.3	1.1	3.2
CMC	5.6	0.6	1.7	7.9
Administration	0.8	--	0.9	1.7
<b>Total</b>	<b>\$14.3</b>	<b>\$1.1</b>	<b>\$10.9</b>	<b>\$26.3</b>
Less: Cash Proceeds				<b>0.5</b>
<b>Capital Expenditures, Net</b>				<b>\$25.8</b>

# 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*

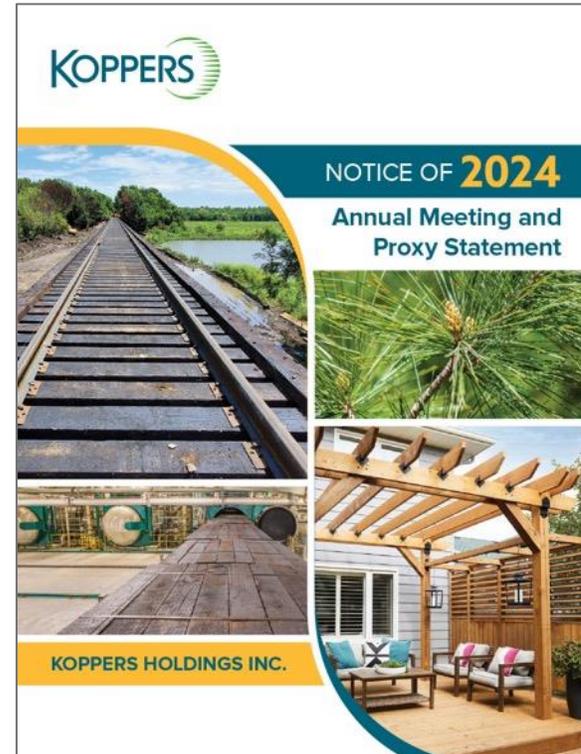
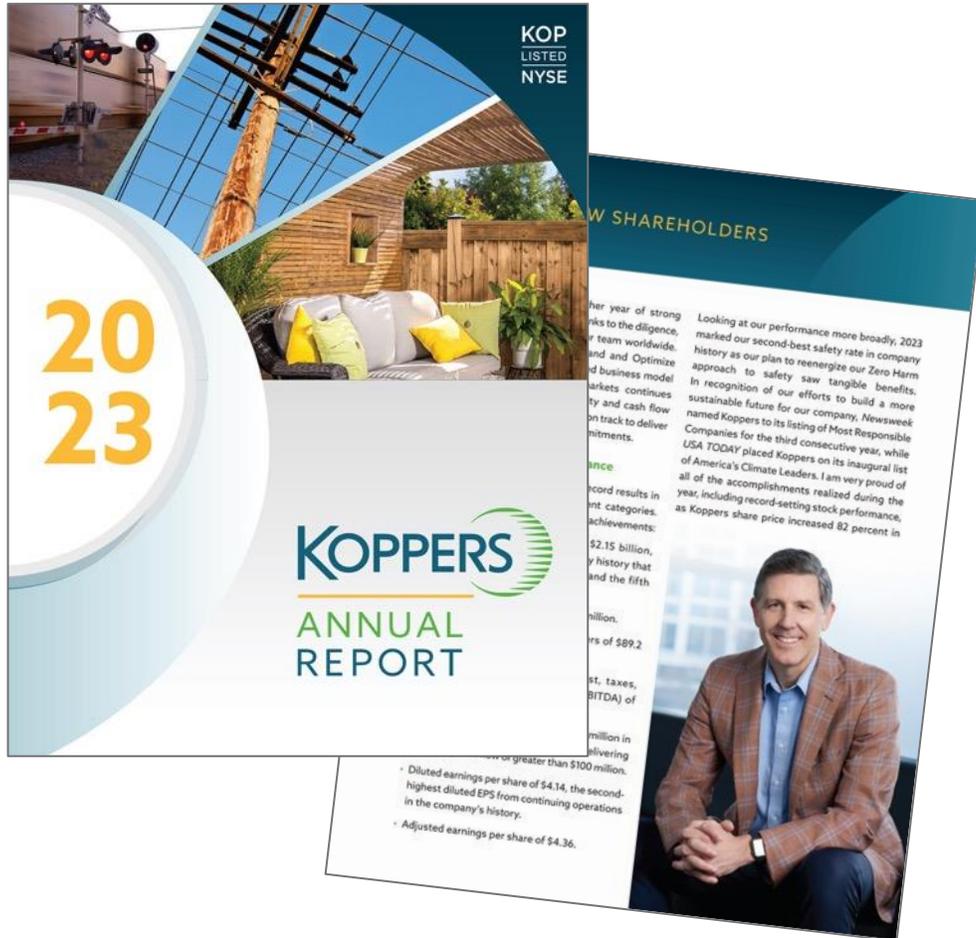


*Board of Directors approved a quarterly dividend rate of \$0.07 per share of Koppers common stock.*

# Notable Happenings



# 2023 Annual Report & Proxy Statement



# Completed Acquisition of Brown Wood Preserving



Louisville, Kentucky | Kennedy, Alabama | Mathiston, Mississippi

# Added Pole Drying Capacity: Leesville, LA



**Pole Peeler**



**Dried Poles from Kiln  
(For Treatment in Somerville, TX)**



**New Kiln**

# Business Sentiment



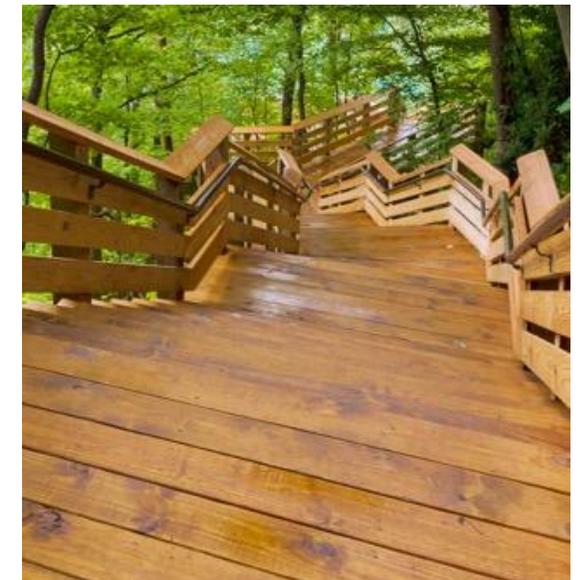
## PERFORMANCE CHEMICALS

### Prior Market Outlook (Feb 2024):

- North American residential volumes forecasted to be flat compared to 2023
- Modest contribution from market share shift
- Minimal impact from price adjustments
- 5% year-over-year volume increase of industrial preservatives in U.S. due to introduction of DCOI to replace Penta
- Additional grinding capacity online, further reducing dependence on higher-cost toll grinding
- Begin construction of CCA plant in Brazil to reduce supply risk and improve profitability in a region that continues to demonstrate growth in our product categories

### Current Market Outlook:

- Legacy residential volumes finished Q1 off 1%; still forecasting flat for the year
- Additional sales from new residential customer addition in late Q1 2023; no additional share shift expected in 2024
- 15% increase in industrial preservative in Q1 due to business added in 2023; increase will moderate as the year progresses
- Project to add grinding complete; in process of being commissioned
- Copper prices up 3% in Q1, 17% since year-end; 2024 exposure is hedged



# State of the Business



## RUPS: UTILITY AND INDUSTRIAL PRODUCTS

### Prior Market Outlook (Feb 2024):

- Industry backdrop remains strong; slow federal funding has utilities cautious about their pace of purchases
- Leesville (LA) site coming online to feed Somerville (TX) treating plant with dry material to enable full-scale move into Texas creosote pole market
- Minimal impact from price adjustments
- Additional 2.5 million cubic feet of drying capacity coming online throughout the year (excluding Leesville); another 1.2 cubic feet expected by 1/1/25
- Integration of Brown Wood Preserving into UIP operations footprint
- Potential storm activity always a wild card

### Current Market Outlook:

- Industry backdrop still strong long-term but 2024 demand softer due to multiple factors; net \$4 million negative sales volume in Q1
- Leesville site began production near end of Q1
- Price increases added \$2.6 million in Q1; will not be a big contributor in 2024
- Half of 2.5 million cubic feet of new drying capacity online and operating, remaining half to come online in Q2
- Closed on Brown Wood on 4/1; expecting \$8 million contribution in 2024
- Australian demand remains strong and steady



# State of the Business



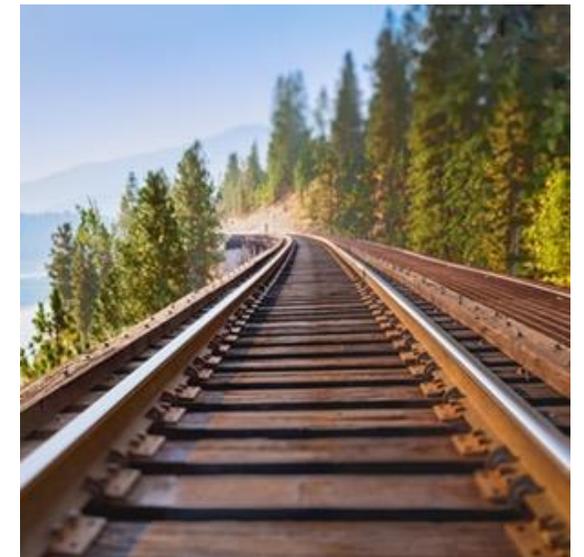
## RUPS: RAILROAD PRODUCTS AND SERVICES

### Prior Market Outlook (Feb 2024):

- Still trying to recover inflationary costs from a few remaining customer accounts
- Beginning to get full benefits from Gross & Janes integration
- Realizing operating efficiency improvements from new North Little Rock treating assets
- Getting operating leverage from utilizing Somerville treating assets for creosote pole treatment
- Expecting inventory rebuild in 2022-23 to lead to less boultonizing, greater plant efficiencies
- Forecasting treated tie volumes to be 5% higher than prior year
- Anticipating lower profitability in maintenance-of-way (MOW) due to higher tie disposal costs

### Current Market Outlook:

- \$5 million of price recognized in Q1; continue working on recouping inflationary costs
- Closing old North Little Rock plant in Q2 and will begin recognizing benefits 2H 2024
- Starting to see benefits at Somerville as utility pole treatment begins
- Still hoping for reduced need for boultonizing, but Q1 levels remained elevated
- Demand still expected to be stronger than 2023, but now closer to 3% instead of 5%
- Commercial business remains strongest we have seen in at least five years
- Tough MOW environment in Q1, but should improve as the year progresses



# State of the Business



## CARBON MATERIALS AND CHEMICALS

### Prior Market Outlook (Feb 2024):

- NA petroleum tar supplier impacted by fire back online and supplying product
- 2023 creosote price benefits from RPS flowing to CMC
- NA and EU pitch markets continue to be challenged, limiting near-term pricing power
- PAA markets continue to be challenging; considering major changes to business model
- First material contributions in sales and profitability from enhanced carbon products
- Australia profits pull back due to higher raw material cost and reduced pricing
- Will begin diversifying raw material supply in Australia, which could lead to greater throughput and sales in the future

### Current Market Outlook:

- Creosote price benefits from RPS caught up in inventory in Q1; will begin realizing benefit beginning Q2
- Struggling pitch markets impacted sales by \$24 million in lower pricing and \$8 million in lower volumes; currently at trough levels
- Unplanned outages at Stickney plant throughout Q1 led to higher operating costs
- Phthalic anhydride business had short-term volume boost in Q1, which should continue through Q2
- Enhanced carbon products slowly ramping up to full production and should contribute as the year progresses
- Trialing different raw material suppliers in Australia to mitigate long-term sole supplier risk



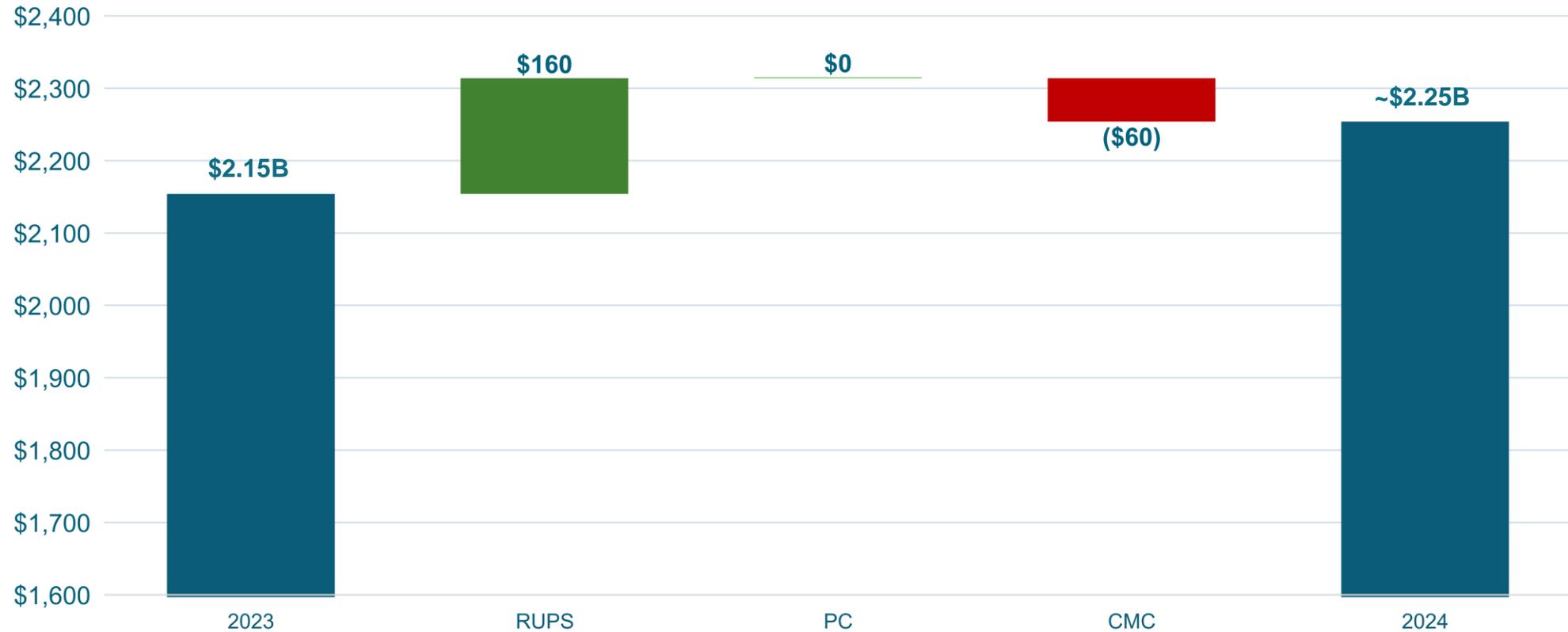
# 2024 Guidance



# 2024 Sales Forecast: ~\$2.25B



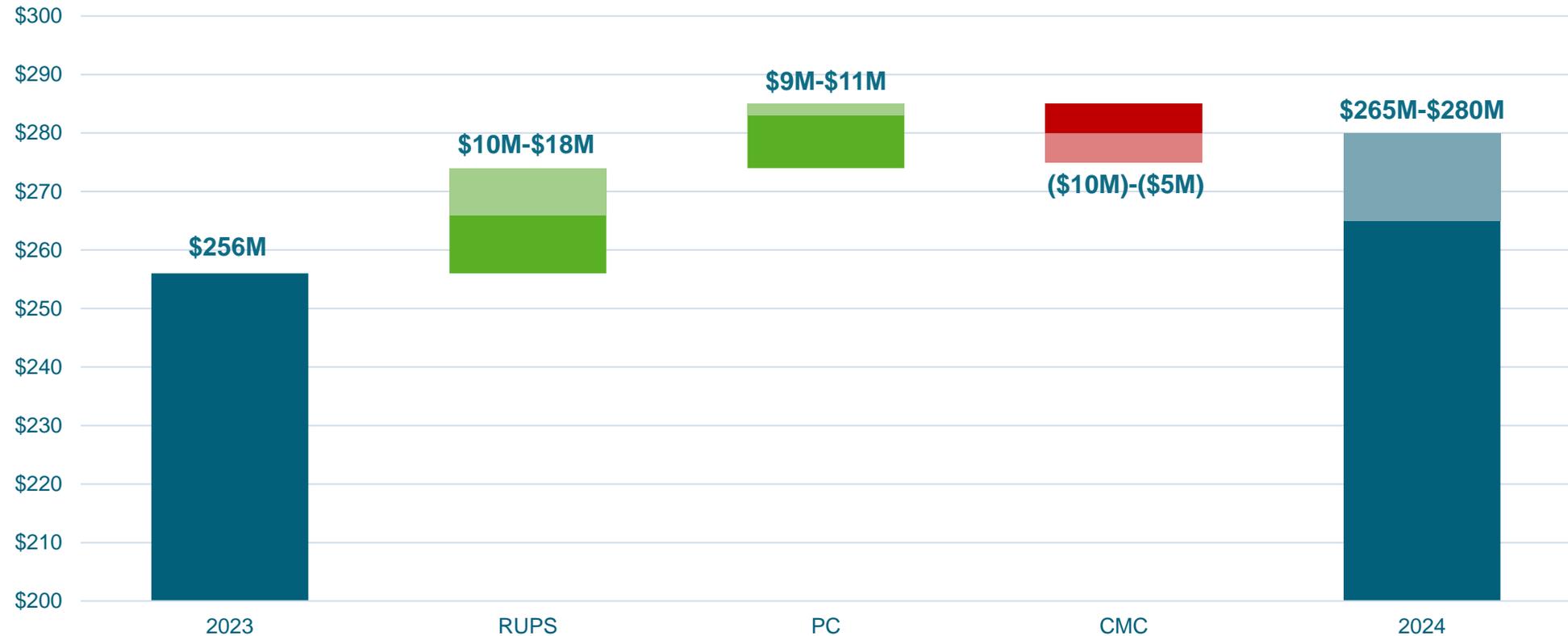
**Sales**  
(\$ in Millions)



# 2024 Adjusted EBITDA Forecast: \$265M-\$280M

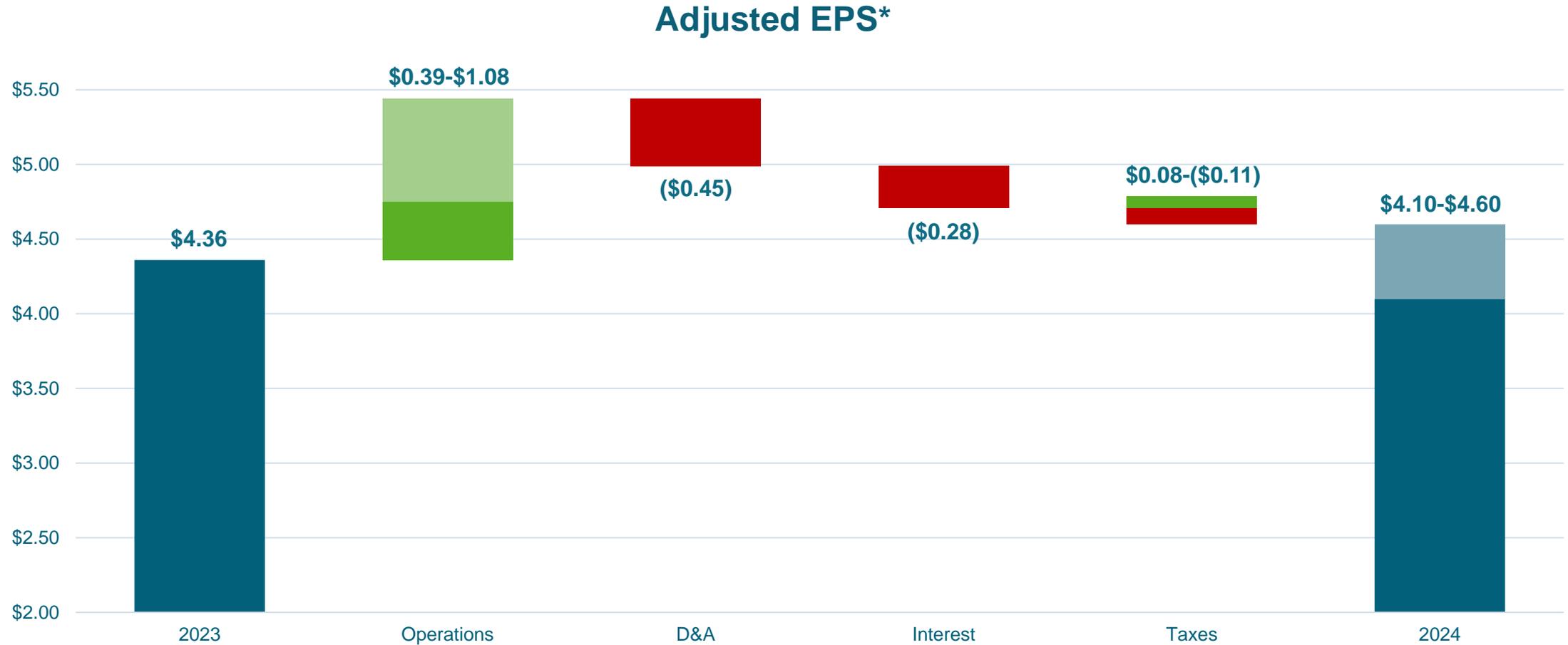


Adjusted EBITDA\*  
(\$ in Millions)



\* Excluding special charges

# 2024 Adjusted EPS Forecast: \$4.10 - \$4.60



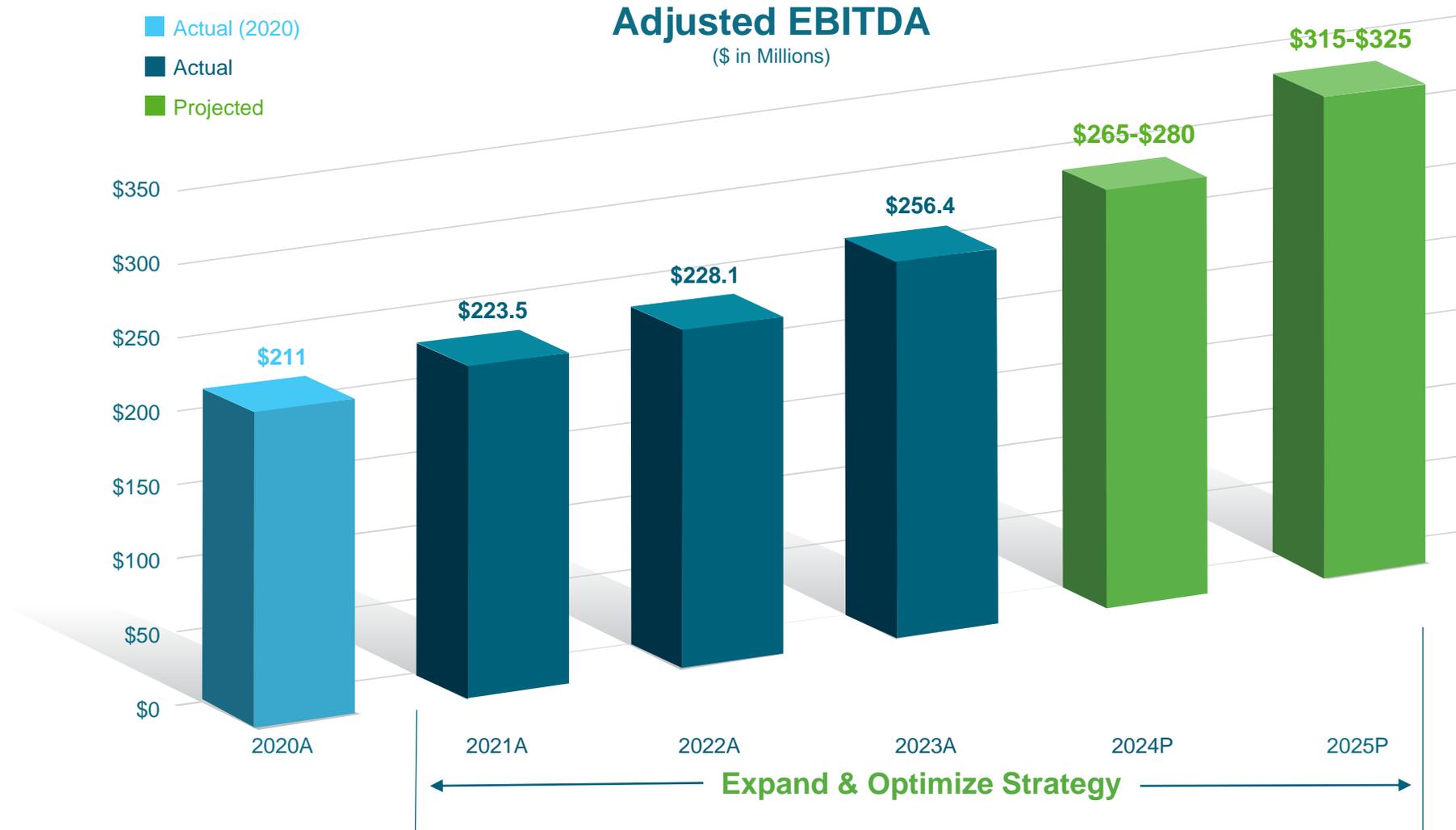
\* Excluding special charges

# 2024 Capital Expenditures



(\$ in Millions) CapEx by Business Unit	Maintenance	Zero Harm	Growth & Productivity		2024	
			Low	High	Low	High
RUPS	\$18.8	\$1.0	\$13.9	\$18.5	\$33.7	\$38.3
PC	7.6	1.9	2.5	5.9	12.0	15.4
CMC	23.4	2.6	2.0	2.0	28.0	28.0
Administration	1.3	--	5.0	7.0	6.3	8.3
<b>Total</b>	<b>\$51.1</b>	<b>\$5.5</b>	<b>\$23.4</b>	<b>\$33.4</b>	<b>\$80.0</b>	<b>\$90.0</b>
Less: Cash Proceeds					1.2	
<b>Capital Expenditures, Net</b>					<b>\$78.8</b>	<b>\$88.8</b>

# Path to \$315M-\$325M Adjusted EBITDA By 2025\*



\* Includes contributions from the acquisition of Brown Wood Preserving

# 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>(Dollars in millions)</i>	<i>Three Months Ended March 31,</i>	
	<i>2024</i>	<i>2023</i>
<b>Net sales:</b>		
Railroad and Utility Products and Services	\$ 225.1	\$ 213.1
Performance Chemicals	150.1	146.9
Carbon Materials and Chemicals	122.4	153.4
Total	\$ 497.6	\$ 513.4
<b>Adjusted EBITDA<sup>(1)</sup>:</b>		
Railroad and Utility Products and Services	\$ 17.7	\$ 15.8
Performance Chemicals	29.8	26.3
Carbon Materials and Chemicals	4.0	19.4
Total	\$ 51.5	\$ 61.5
<b>Adjusted EBITDA margin<sup>(2)</sup>:</b>		
Railroad and Utility Products and Services	7.9%	7.4%
Performance Chemicals	19.9%	17.9%
Carbon Materials and Chemicals	3.3%	12.6%

(1) The tables below 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 Adjusted EBITDA Margin



(Dollars in millions)	Three Months Ended March 31,				Year Ended December 31,	
	2024	2023	2023	2022	2021	2020
Net income	\$ 13.0	\$ 26.2	\$ 89.8	\$ 63.2	\$ 84.9	\$ 121.0
Interest expense	17.1	14.0	71.0	44.8	40.5	48.9
Depreciation and amortization	16.1	14.0	57.0	56.1	58.4	56.1
Income tax provision	4.4	9.9	34.8	31.6	34.5	21.0
Discontinued operations	0.0	0.0	0.0	0.6	0.2	(31.9)
Sub-total	50.6	64.1	252.6	196.3	218.5	215.1
Adjustments to arrive at adjusted EBITDA:						
LIFO expense (benefit) <sup>(1)</sup>	2.6	0.3	6.0	25.6	28.2	(13.7)
Mark-to-market commodity hedging (gains) losses	(1.7)	(1.1)	(0.5)	6.5	3.8	(9.2)
Impairment, restructuring and plant closure costs	0.0	0.0	0.1	1.1	4.2	15.7
(Gain) on sale of assets	0.0	(1.8)	(1.8)	(2.5)	(31.2)	0.0
Inventory adjustment	0.0	0.0	0.0	1.1	0.0	0.0
Pension settlement	0.0	0.0	0.0	0.0	0.0	0.1
Discretionary incentive	0.0	0.0	0.0	0.0	0.0	3.0
Total adjustments	0.9	(2.6)	3.8	31.8	5.0	(4.1)
Adjusted EBITDA	\$ 51.5	\$ 61.5	\$ 256.4	\$ 228.1	\$ 223.5	\$ 211.0
Net sales	\$ 497.6	\$ 513.4	\$ 2,154.2	\$ 1,980.5	\$ 1,678.6	\$ 1,669.1
Adjusted EBITDA margin	10.3%	12.0%	11.9%	11.5%	13.3%	12.6%

(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.

# 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,			
	2024		2023	
<i>(Dollars in millions, except share and per share amounts)</i>				
Net income attributable to Koppers	\$	13.0	\$	25.5
Adjustments to arrive at adjusted net income:				
LIFO expense <sup>(1)</sup>		2.6		0.3
Mark-to-market commodity hedging gains		(1.7)		(1.1)
(Gain) on sale of assets		0.0		(1.8)
Total adjustments		0.9		(2.6)
Adjustments to income tax and noncontrolling interests:				
Income tax on adjustments to pre-tax income		(0.3)		0.2
Deferred tax adjustments		0.0		0.2
Noncontrolling interest		0.0		0.7
Effect on adjusted net income		0.6		(1.5)
Adjusted net income attributable to Koppers	\$	13.6	\$	24.0
Diluted weighted average common shares outstanding (in thousands)		21,909		21,385
Diluted earnings per share	\$	0.59	\$	1.19
Adjusted earnings per share	\$	0.62	\$	1.12

(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 March 31,</i>	
<i>(Dollars in millions)</i>		<i>2024</i>
Total Debt	\$	869.1
Less: Cash		49.0
Net Debt	\$	820.1
Adjusted EBITDA	\$	246.4
Net Leverage Ratio		3.3

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



<i>(Dollars in millions)</i>	<i>Twelve Months Ended March 31,</i>	
		<i>2024</i>
Net income	\$	76.6
Interest expense		74.1
Depreciation and amortization		59.1
Income tax provision		29.3
Sub-total		239.1
Adjustments to arrive at adjusted EBITDA:		
LIFO expense <sup>(1)</sup>		8.3
Mark-to-market commodity hedging gains		(1.1)
Impairment, restructuring and plant closure costs		0.1
Adjusted EBITDA	\$	246.4

*(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 2,200 employees create, protect and preserve key elements of our global infrastructure – including railroad crossies, 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

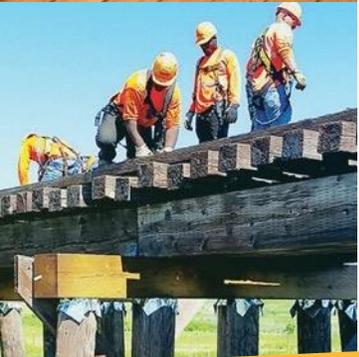
### **Investor Relations and Media Information**

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