KOPPERS

Unified Focus. Diversified Portfolio.

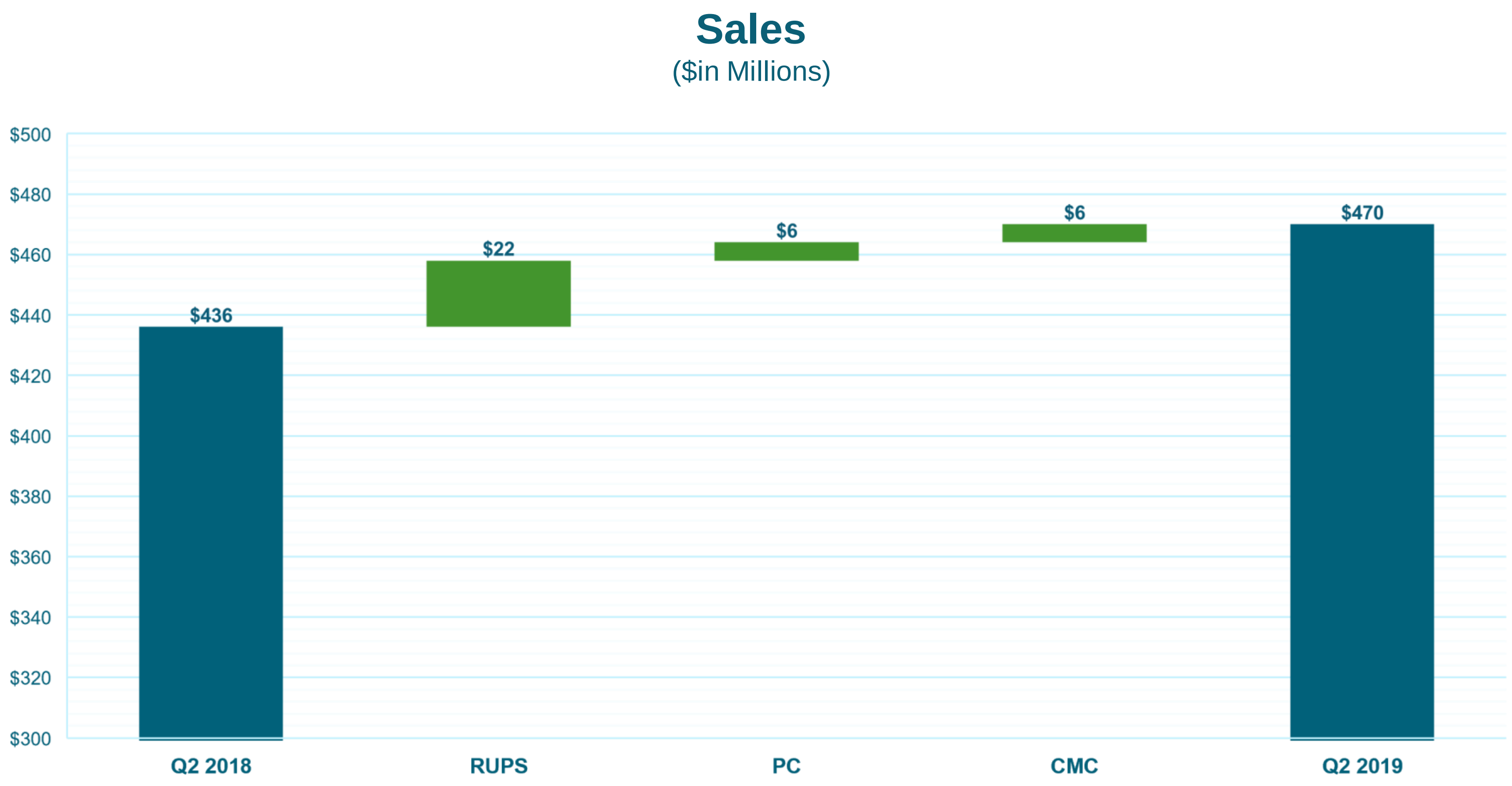
Q2 2019 Earnings Call & Webcast
August 8, 2019

Forward Looking Statement

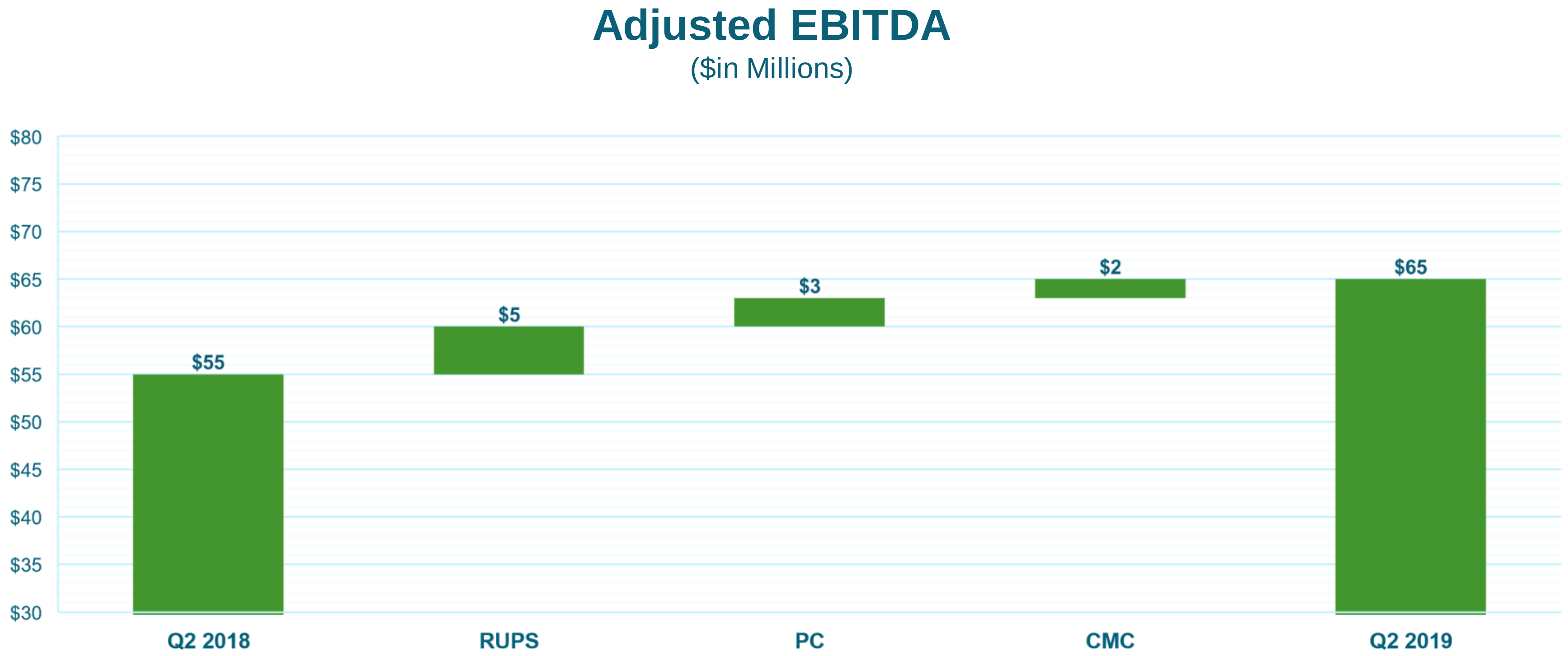
Certain statements in this presentation are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and may include, but are not limited to, statements about sales levels, acquisitions, restructuring, profitability and anticipated synergies, expenses and cash outflows. All forward-looking statements involve risks and uncertainties. All statements contained herein that are not clearly historical in nature are forward-looking, and words such as "believe," "anticipate," "expect," "estimate," "may," "will," "should," "continue," "plan,“ “potential,” "intend," "likely," “outlook," “guidance," “forecast," or other similar words or phrases are generally intended to identify forward-looking statements. Any forward-looking statement contained herein, in press releases, written statements or documents filed with the Securities and Exchange Commission, or in Koppers communications with and discussions with investors and analysts in the normal course of business through meetings, phone calls and conference calls, regarding expectations with respect to sales, earnings, cash flows, operating efficiencies, restructurings, the benefits of acquisitions and divestitures or other matters as well as financings and debt reduction, are subject to known and unknown risks, uncertainties and contingencies. Many of these risks, uncertainties and contingencies are beyond our control, and may cause actual results, performance or achievements to differ materially from anticipated results, performance or achievements. Factors that might affect such forward-looking statements, include, among other things, the impact of changes in commodity prices, such as oil and copper, on product margins; general economic and business conditions; 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.

Q2 2019 Results

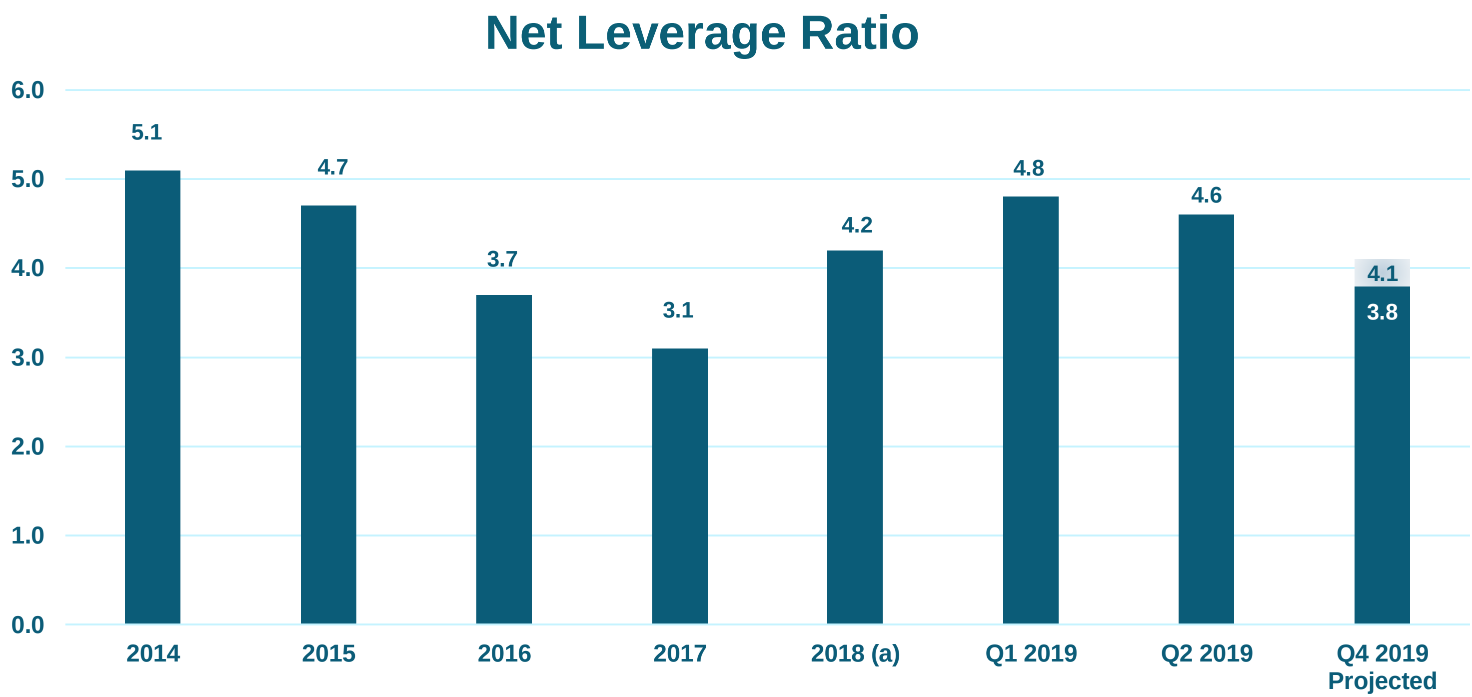
Q2: Record Sales Quarter of $470M:
Driven by Higher Volumes/Pricing in RUPS



Record Q2 Adjusted EBITDA of $65M:
Reflects Strong Profitability



Refocus on Debt Reduction:
$80M Minimum in 2019



(a) Pro-forma

Net Leverage *LT Goal: 2x-3x*	• Proven track record of disciplined debt reduction (2015-2017) • Net leverage ratio of 4.2x at 12/31/18 on pro-forma basis • Projected net leverage to be in range of 3.8x to 4.1x at 12/31/19

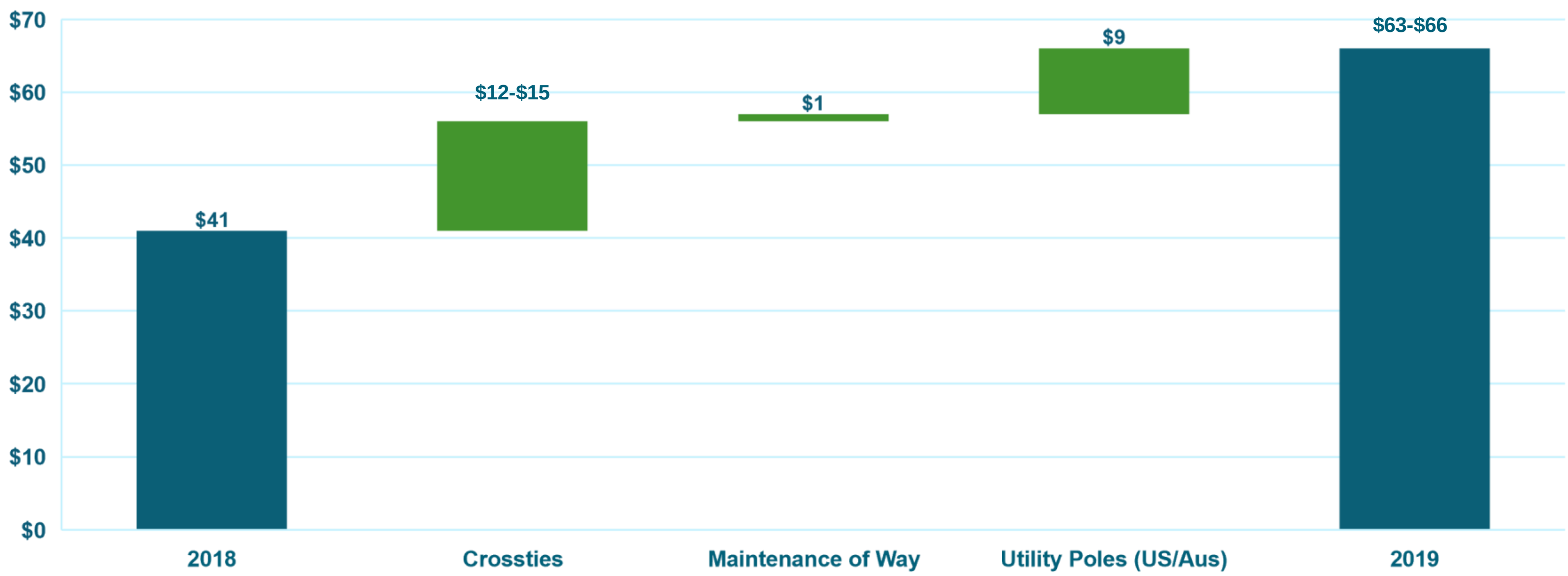
2019 Guidance

2019 Adjusted EBITDA Forecast: RUPS

Full-year of Acquisitions; Commercial Market Favorable; Higher Crosstie Procurement

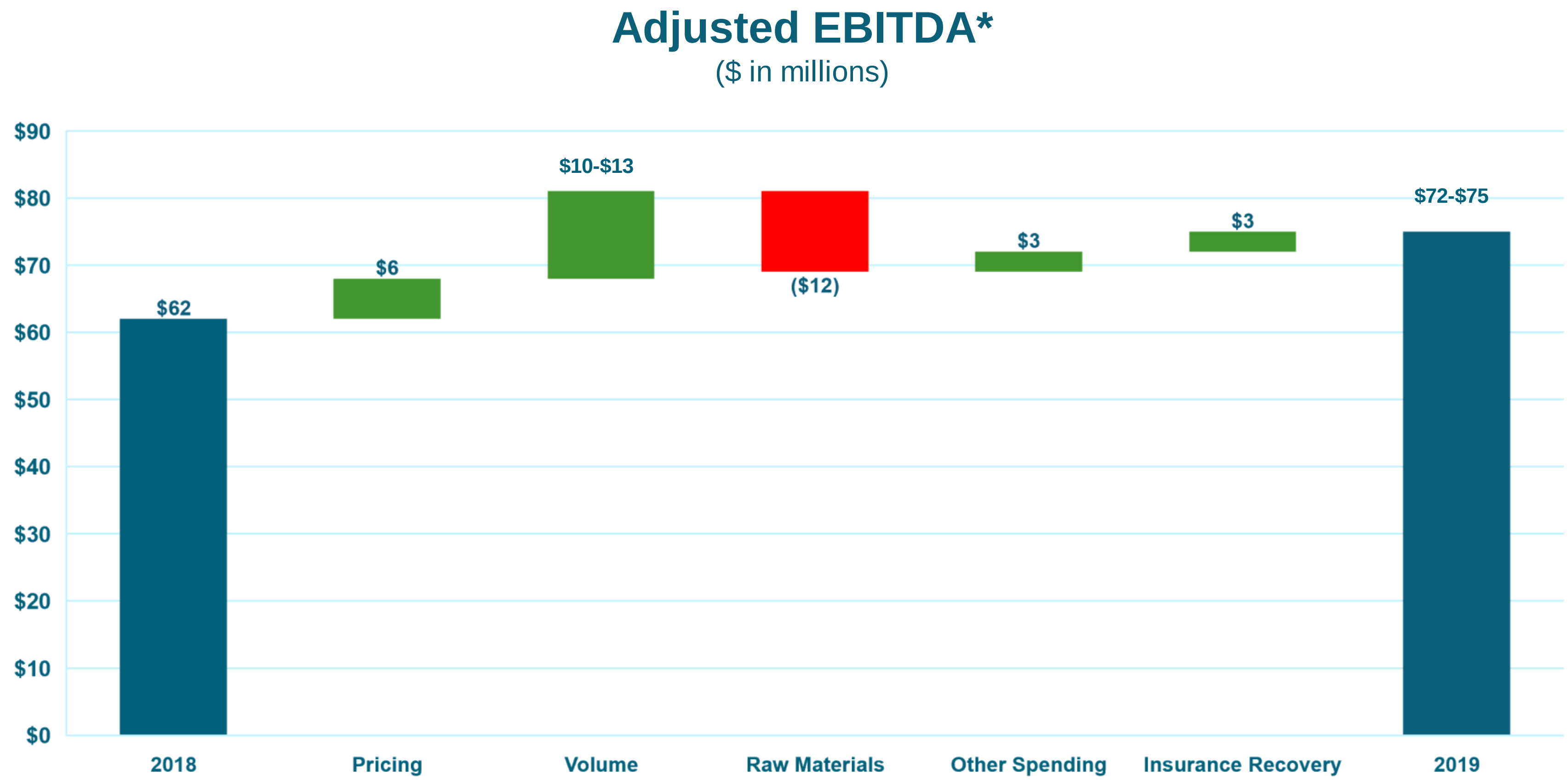
Adjusted EBITDA*

($ in millions)



* Excluding special charges

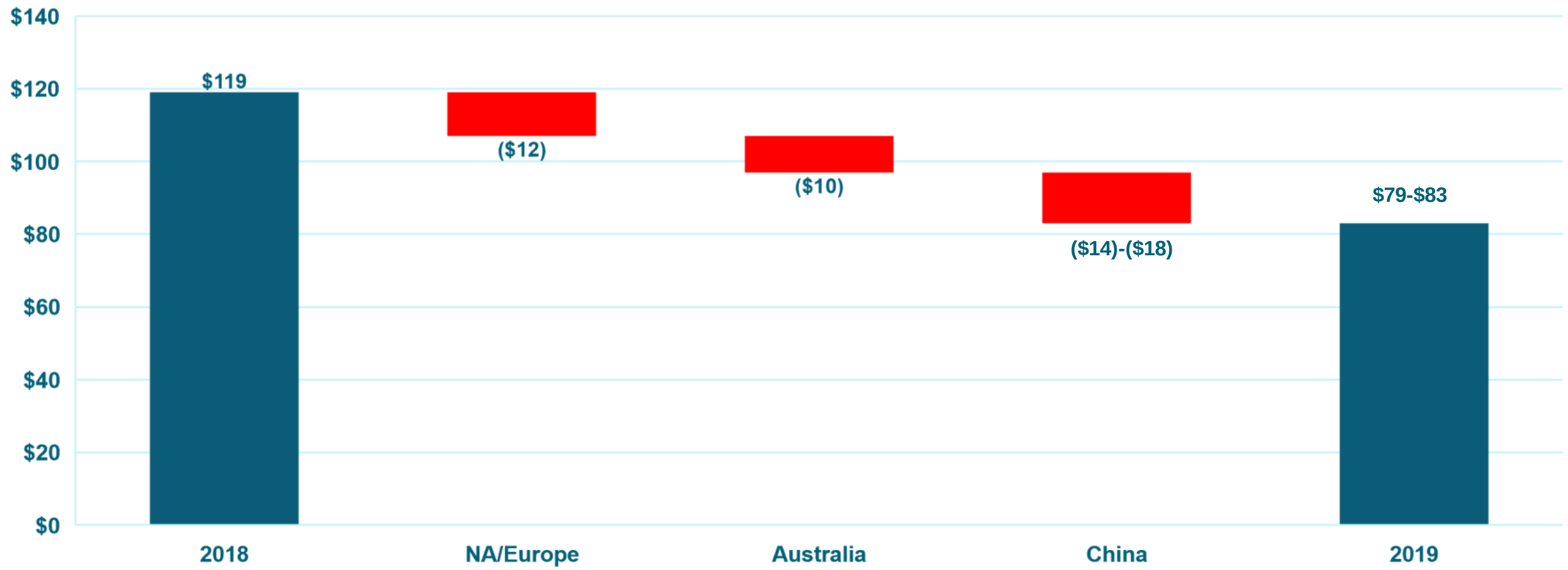
2019 Adjusted EBITDA Forecast: PC
Volumes Will Drive Improvement



* Excluding special charges

2019 Adjusted EBITDA Forecast: CMC
Represents Return to Normalized Profitability

Adjusted EBITDA*
($ in millions)

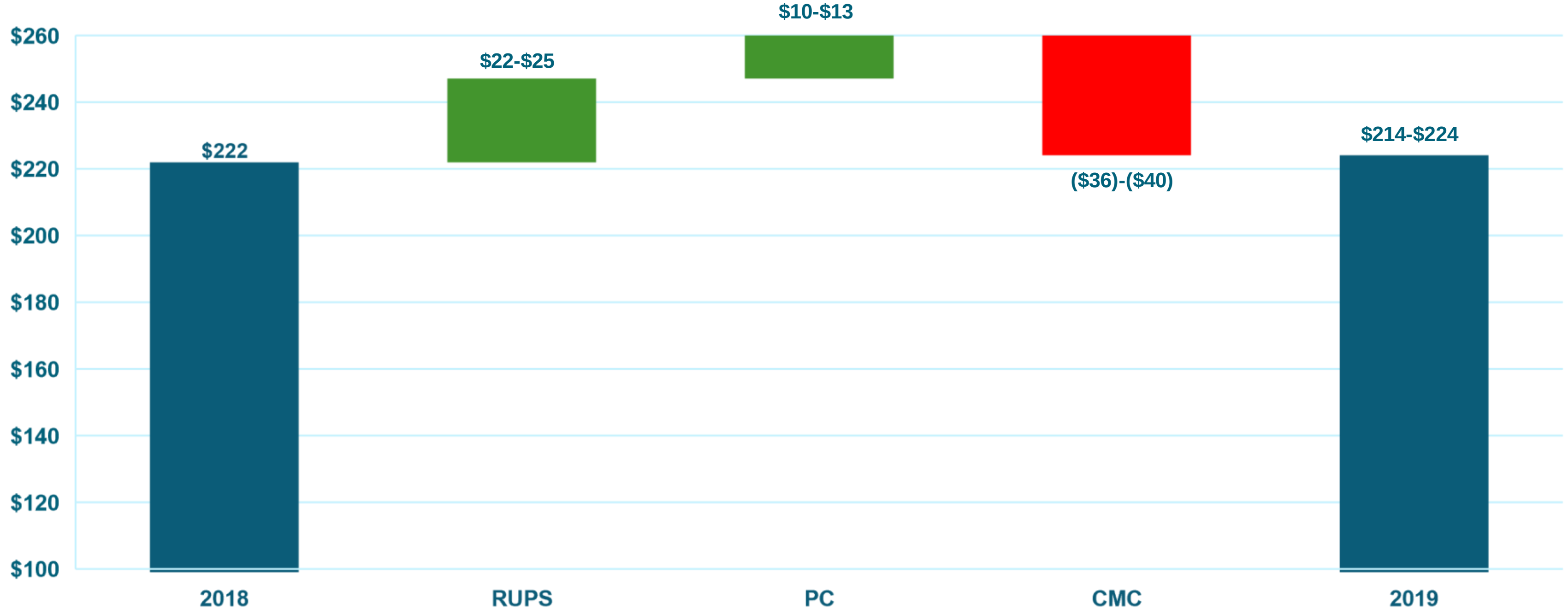


* Excluding special charges

2019 Sales Forecast of $1.8B:
Growth Driven by Wood-Based Businesses

2019 Adjusted EBITDA Forecast:
Improved Profitability in Wood-Based Businesses

Adjusted EBITDA*
($ in millions)



* Excluding special charges

Q&A Session

Appendix

Non-GAAP Measures and Guidance

This presentation includes unaudited "non-GAAP financial measures" as defined in Regulation G under the Securities Exchange Act of 1934, including adjusted EBITDA and net leverage ratio. Koppers believes that the presentation of non-GAAP financial measures such as adjusted EBITDA and net leverage ratio provide 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 performance measures under the company's annual incentive plans.

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

Koppers does not provide reconciliations of guidance for adjusted EBITDA and adjusted EPS to comparable GAAP measures, in reliance on the unreasonable efforts exception. Koppers is unable, without unreasonable efforts, to forecast certain items required to develop meaningful comparable GAAP financial measures. These items include restructuring, impairment, non-cash LIFO charges, acquisition-related costs, and non-cash mark-to-market commodity hedging that are difficult to predict in advance in order to include in a GAAP estimate and may be significant.

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

Unaudited Segment Information

	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
(Dollars in millions)				
Net sales:				
Railroad and Utility Products and Services	$ 199.1	$ 177.2	$ 365.2	$ 285.6
Performance Chemicals	120.8	115.1	219.8	212.5
Carbon Materials and Chemicals	149.9	143.7	319.7	344.0
Total	$ 469.8	$ 436.0	$ 904.7	$ 842.1
Operating profit (loss):				
Railroad and Utility Products and Services	$ 11.8	$ (1.0)	$ 20.5	$ 0.1
Performance Chemicals	14.0	11.6	26.8	17.2
Carbon Materials and Chemicals	13.3	12.5	20.7	49.7
Corporate Unallocated	(0.6)	(0.8)	(1.1)	(1.4)
Total	$ 38.5	$ 22.3	$ 66.9	$ 65.6
Operating profit margin:				
Railroad and Utility Products and Services	5.9%	-0.6%	5.6%	0.0%
Performance Chemicals	11.6%	10.1%	12.2%	8.1%
Carbon Materials and Chemicals	8.9%	8.7%	6.5%	14.4%
Total	8.2%	5.1%	7.4%	7.8%
Depreciation and amortization:				
Railroad and Utility Products and Services	$ 4.8	$ 4.9	$ 9.6	$ 7.9
Performance Chemicals	4.6	4.5	9.5	8.9
Carbon Materials and Chemicals	4.0	4.3	8.9	8.7
Total	$ 13.4	$ 13.7	$ 28.0	$ 25.5
Adjusted EBITDA(1):				
Railroad and Utility Products and Services	$ 18.9	$ 13.9	$ 33.2	$ 19.3
Performance Chemicals	21.0	17.9	36.4	31.7
Carbon Materials and Chemicals	25.0	23.1	41.7	70.3
Corporate Unallocated	(0.4)	0.4	(0.7)	0.2
Total	$ 64.5	$ 55.3	$ 110.6	$ 121.5
Adjusted EBITDA margin(2):				
Railroad and Utility Products and Services	9.5%	7.8%	9.1%	6.8%
Performance Chemicals	17.4%	15.6%	16.6%	14.9%
Carbon Materials and Chemicals	16.7%	16.1%	13.0%	20.4%
Total	13.7%	12.7%	12.2%	14.4%

(1) The tables below describe the adjustments to EBITDA for the three and six months ended June 30, 2019 and 2018, respectively.

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

Unaudited Reconciliation of Operating Profit to EBITDA and Adjusted EBITDA*

	Three months ended June 30, 2019									
		RUPS		*PC*		*CMC*		*Corporate Unallocated*		*Consolidated*
Operating profit (loss)	$	11.8	$	14.0	$	13.3	$	(0.6)	$	38.5
Other (loss) income		(0.3)		0.5		(0.4)		0.2		0.0
Depreciation and amortization		4.8		4.6		4.0		0.0		13.4
Depreciation in impairment and restructuring charges		0.0		0.0		0.9		0.0		0.9
EBITDA with noncontrolling interest	$	16.3	$	19.1	$	17.8	$	(0.4)	$	52.8
Unusual items impacting EBITDA:										
CMC restructuring		0.0		0.0		6.9		0.0		6.9
RUPS treating plant closures		0.2		0.0		0.0		0.0		0.2
Non-cash LIFO expense		2.4		0.0		0.3		0.0		2.7
Mark-to-market commodity hedging		0.0		1.9		0.0		0.0		1.9
Adjusted EBITDA	$	18.9	$	21.0	$	25.0	$	(0.4)	$	64.5
Adj. EBITDA % of Consolidated Adj. EBITDA (excluding corporate unallocated)		*29.1%*		*32.4%*		*38.5%*				

**A reconciliation of segment net income to adjusted segment EBITDA is not available without unreasonable efforts as we do not measure net income at the segment level or use it as a measure of operating performance.*

Unaudited Reconciliation of Operating Profit to EBITDA and Adjusted EBITDA*

KOPPERS

	Three months ended June 30, 2018				
				Corporate	
	RUPS	PC	CMC	Unallocated	Consolidated
Operating profit (loss)	$ (1.0)	$ 11.6	$ 12.5	$ (0.8)	$ 22.3
Other income (loss)	0.5	1.9	0.9	(4.0)	(0.7)
Depreciation and amortization	4.9	4.5	4.3	0.0	13.7
Depreciation in impairment and restructuring charges	0.0	0.0	1.3	0.0	1.3
EBITDA with noncontrolling interest	$ 4.4	$ 18.0	$ 19.0	$ (4.8)	$ 36.6
Unusual items impacting EBITDA:					
CMC restructuring	0.0	0.0	3.6	0.0	3.6
Non-cash LIFO expense	2.5	0.0	0.5	0.0	3.0
Mark-to-market commodity hedging	0.0	1.0	0.0	0.0	1.0
Acquisition closing costs	0.0	0.0	0.0	3.0	3.0
Sale of land	0.0	(1.1)	0.0	2.2	1.1
Contract buyout	1.5	0.0	0.0	0.0	1.5
UIP inventory purchase accounting adjustment	5.5	0.0	0.0	0.0	5.5
Adjusted EBITDA	$ 13.9	$ 17.9	$ 23.1	$ 0.4	$ 55.3
Adj. EBITDA % of Consolidated Adj. EBITDA (excluding corporate unallocated)	*25.3%*	*32.6%*	*42.1%*		

**A reconciliation of segment net income to adjusted segment EBITDA is not available without unreasonable efforts as we do not measure net income at the segment level or use it as a measure of operating performance.*

Unaudited Reconciliation of Net Income to EBITDA and Adjusted EBITDA*

	Three Months Ended June 30,				Six Months Ended June 30,			
	2019		2018		2019		2018	
Net income	$	14.4	$	1.0	$	26.8	$	24.7
Interest expense		16.0		14.5		32.7		25.0
Depreciation and amortization		13.4		13.7		28.0		25.5
Depreciation in impairment and restructuring charges		0.9		1.3		1.2		2.7
Income taxes		8.0		6.6		7.9		15.8
Income from discontinued operations		0.0		(0.5)		0.0		(0.4)
EBITDA with noncontrolling interests		52.7		36.6		96.6		93.3
Unusual items impacting net income								
Impairment, restructuring and plant closure costs		7.1		3.6		11.5		8.0
Mark-to-market commodity hedging		2.0		1.0		(1.2)		4.5
Non-cash LIFO expense		2.7		3.0		3.7		4.6
Acquisition closing costs		0.0		3.0		0.0		3.0
Sale of land		0.0		1.1		0.0		1.1
Contract buyout		0.0		1.5		0.0		1.5
UIP inventory purchase accounting adjustment		0.0		5.5		0.0		5.5
Total adjustments		11.8		18.7		14.0		28.2
Adjusted EBITDA	$	64.5	$	55.3	$	110.6	$	121.5

*A reconciliation of segment net income to adjusted segment EBITDA is not available without unreasonable efforts as we do not measure net income at the segment level or use it as a measure of operating performance.

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

(In millions)

	Twelve months ended				
	June 30, 2019	*March 31, 2019*	*Proforma December 31, 2018*	*December 31, 2018*	*December 31, 2017*
Total Debt	$ 1,007.2	$ 1,012.7	$ 990.4	$ 990.4	$ 677.0
Less: Cash	42.1	38.1	40.6	40.6	$ 60.3
Net Debt	$ 965.1	$ 974.6	$ 949.8	$ 949.8	$ 616.7
Adjusted EBITDA	$ 210.7	$ 201.5	$ 225.7	$ 221.6	$ 200.4
Net Leverage Ratio	4.6	4.8	4.2	4.3	3.1

	Year ended December 31,		
	2016	*2015*	*Pro-Forma 2014*
Total Debt	$ 662.4	$ 722.3	$ 850.5
Less: Cash	20.8	21.8	$ -
Net Debt	$ 641.6	$ 700.5	$ 850.5
Adjusted EBITDA	$ 174.2	$ 150.2	$ 167.1
Net Leverage Ratio	3.7	4.7	5.1

Unaudited Reconciliation of Net Income to EBITDA and Adjusted EBITDA

(In millions)

	June 30, 2019	March 31, 2019	Twelve months ended December 31, 2018
Net income	$ 31.4	$ 18.0	$ 29.2
Interest expense	63.9	62.2	56.3
Depreciation and amortization	55.8	56.4	54.8
Income tax provision	18.1	16.8	26.0
Income from discontinued operations	0.0	(0.5)	(0.4)
EBITDA	169.2	152.9	165.9
Unusual items impacting net income:			
Impairment, restructuring and plant closure	27.2	23.5	23.5
Non-cash LIFO expense	11.6	12.0	12.6
Mark-to-market commodity hedging	1.1	0.3	6.9
UIP inventory purchase accounting adjustment	0.5	6.0	6.0
Acquisition closing costs	0.0	3.1	3.1
Contract buyout	0.1	1.6	1.6
Sale of land	0.0	1.1	1.1
Sale of specialty chemicals business	1.0	1.0	0.9
Adjusted EBITDA with noncontrolling interests	**$ 210.7**	**$ 201.5**	**$ 221.6**
Proforma adjusted EBITDA from acquisitions	0.0	0.0	4.1
Proforma adjusted EBITDA with noncontrolling interests	**$ 210.7**	**$ 201.5**	**$ 225.7**

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

Stock Exchange Listing
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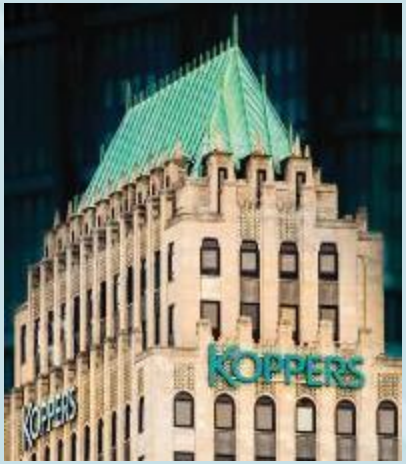

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