

---

---

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

---

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934  
(Amendment No.     )**

---

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

**Koppers Holdings Inc.**  
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

---

---

ENDURING • ESSENTIAL • SUSTAINABLE



**Amendment to  
2020 Long-Term Incentive Plan  
& 2021 Share Request**

April 2021



## Seeking Approval of Amendment to 2020 LTIP: Increase of 1.5 Million Shares



- Ability to continue to grant equity is critical to support our business strategy and attraction, motivation and retention of our team
  - ✓ Use of common shares as part of our compensation program is important; equity-based awards continue to be an essential component of our compensation program for key employees
  - ✓ Links compensation with long-term shareholder value creation and rewards participants based on service and/or performance
- At the same time, we recognize that equity compensation awards dilute shareholders' equity; committed to continuing to carefully and responsibly manage our equity incentive compensation
- Amended 2020 equity plan; company's grant practices include key provisions and facilitate awards designed to protect shareholder interests and promote sound compensation governance and best practices
- **2020 LTIP:** 61 participants, ~3% of total employee population; broad-based plan that includes employees in strategic roles, ranging from senior leaders to key managers

**Granting Equity to Individuals in Strategic Roles is Critical to Supporting Business Strategy and Retaining Talent**

- **Demonstrated the power of our strategy**, dedication of our worldwide team, and connection between our people-first culture and achieving outstanding results
- **Designated as an 'Essential' business**, which enabled Koppers to continue providing critical products and services that build and support the backbone of our global infrastructure
- **To continue providing essential products and services**, team members worldwide elevated their actions to protect themselves and their colleagues; **all-time best core Zero Harm safety performance in 2020**
- **Experienced strong demand levels** for our residential wood treatment preservatives; contributed to record-setting performance in 2020
- Through aggressive, decisive and timely actions, **Koppers achieved the following results**, positioning the company well for 2021 and beyond:
  - ✓ Consolidated sales of \$1.669 billion vs. \$1.637 billion in prior year
  - ✓ Net income attributable to Koppers of \$122.0 million vs. \$66.6 million in prior year
  - ✓ As adjusted, earnings before interest, taxes, depreciation and amortization of \$211.0 million vs. \$201.1 million in prior year
  - ✓ Diluted earnings per share (EPS) of \$5.71 for 2020, our second highest EPS ever (2008 highest) vs. \$3.16 in prior year
  - ✓ As adjusted, EPS was \$4.12 vs. \$3.18 in prior year
  - ✓ Record amount in debt paydown: reduced net debt by \$131.5 million

**Koppers Strengths Brought to Forefront in 2020,  
Despite Challenges Associated with COVID-19 Pandemic**

# Current Share Pool Insufficient for Equity Compensation Awards Needs



## ~500,000 Shares Remain for Issuance of LTI Awards; May Not Be Adequate for 2022 Grants and Require Use of Cash

- 3-year unadjusted burn rate at target:
  - ✓ 2020 at 3.8%
  - ✓ 2019 at 2.6%
  - ✓ 2018 at 1.9%
- Value of LTI awards remained consistent between each year
- Peer benchmarking shows our total LTI grant values are only slightly above median
- Significant and accelerating decline in KOP stock price (and NOT any change in grant practices) from \$38.22 at beginning of 2020 to \$12.45 in May 2020 resulted in significantly higher share usage in 2020 at target; KOP shares rebounded to \$31.16 by 12/31/20
- Share usage of the prior two years totaled:
  - ✓ **2020:** 187,701 options, 369,161 time-based RSUs and 232,481 PSUs (at target)
  - ✓ **2019:** 145,301 options, 233,781 time-based RSUs and 156,287 PSUs (at target)
  - ✓ **In aggregate, LTI values in 2020 held consistent with prior year**
- **In 2021**, Koppers reverted to a level of share usage more in line with historical grants at target
  - ✓ In January 2021 grant cycle, we granted 435,967 shares in total (90,879 options, 195,336 time-based RSUs and 149,752 PSUs at target)

## Higher Share Usage in 2020 due to Stock Price Volatility; Returning to More Typical Levels in 2021

## Projected Share Dilution: 17.4% on Fully-Diluted Basis



### ~75 Percent of Outstanding LTI Awards are Performance Based

#### Share dilution impacted by outstanding options:

- We consider stock options to be a performance-based incentive as they can only be exercised as a result of share price appreciation
- Over 50% of outstanding LTI awards consist of stock options with a weighted average exercise price of \$27.26
- Over 340,000 options (30% of total options) have an exercise price in excess of \$37 per share
- Over 128,000 options, which are scheduled to expire through March 2024, have an average exercise price of \$39.60

## 2021 Equity Grant Practices Continue Long-Term Use of Performance-Based Compensation



- **Continued focus on performance**, with 80% of most senior executive LTI awards tied to absolute and relative stock price performance
- **Modest use of time-based RSUs (20%)**
- **Investor friendly relative TSR plan design**
  - ✓ Requires significant outperformance to receive above target performance (70th percentile pays out at 150% of target; 80th percentile pays out at 200%)
  - ✓ Maintains an absolute TSR cap, limits payouts if absolute change in stock price is negative
  - ✓ PSUs vest after 3 years based on relative total shareholder return for 1-year, 2-year and 3-year nested periods during the 3-year performance period
    - Approach emphasizes both near-term performance and long-term sustained performance, requires participants to stay with company for 3-year period
  - ✓ **Only significant change made for 2021** was to grant equity in early January to more closely align with performance period

## **Additional Shares Necessary; Shares Will Be Carefully Managed**



### **Highlights of our equity plan and grant practices include:**

- Performance-based stock units that reinforce our pay-for-performance philosophy
- Minimum one-year vesting provisions with limited exceptions
- Limited share recycling provisions
- No repricing or cash buyout of stock options or stock appreciation rights (SARs) without shareholder approval, subject to certain exceptions
- No discounted stock options or SARs, subject to certain exceptions
- No “evergreen” renewal feature
- Grants to non-employee directors are subject to compensation limitations
- Double-trigger vesting upon a change-in-control
- No current dividends or dividend equivalents are paid on unvested awards
- Performance awards are subject to pre-established goals, and when granted are typically subject to clawback provisions

# **Appendix: 2020 Performance & Non-GAAP Reconciliations**

---

## Accomplishments

Zero Harm: All-time best safety performance in 2020

**Consolidated Sales\*:** \$1.669 billion

- 4<sup>th</sup> consecutive year of growth
- Record sales year

**Operating Profit\*:** \$157 million

- Record year; 25% increase from prior year

**Adjusted EBITDA\*:** record year; \$211 million vs. \$201 million in prior year

**Adjusted EBITDA Margin\*:** 12.6%

- Highest since 2017
- 5<sup>th</sup> consecutive year in 12%-14% range

**Diluted Earnings Per Share:** \$5.71

- Highest since 2008

**Adjusted Earnings Per Share\*:** \$4.12; record year

- ~30% increase from prior year of \$3.18/share
- \$9.5 million SG&A cost savings

\* Excluding Koppers (Jiangsu) Carbon Chemical Company Limited (KJCC)

### Accomplishments

Second-Highest Operating Cash Flow: 5 of 6 Prior Years' Cash Flow > \$100 million

Record Amount in Debt Paydown: Reduced Net Debt by \$131.5 million

Reduced Net Leverage Ratio to 3.5 at 12/31/20 vs. 4.3 at prior year-end

Invested in Capital Expenditures of \$69.8 million

Record Book Value per Share for KOP Equity

*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 earnings per share, 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.*

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

# Unaudited Reconciliation of Net Income to EBITDA and Adjusted EBITDA



(In millions)

	Year Ended December 31,				
	2016	2017	2018	2019	2020
Net income	\$ 27.7	\$ 30.5	\$ 29.2	\$ 67.4	\$ 121.0
Interest expense	50.8	38.9	54.1	61.7	48.9
Loss on extinguishment of debt	0.0	13.3	0.0	0.0	0.0
Depreciation and amortization	56.8	59.1	50.9	54.8	56.1
Income taxes	11.4	29.0	25.7	0.0	21.0
Discontinued operations	(1.4)	(3.6)	(23.7)	(3.7)	(31.9)
EBITDA with noncontrolling interests	145.3	167.2	136.2	180.2	215.1
Adjustments to arrive at adjusted EBITDA:					
Impairment, restructuring and plant closure costs	33.2	15.9	23.5	20.4	15.7
Non-cash LIFO (benefit) expense	(9.5)	(0.5)	12.5	4.5	(13.7)
Mark-to-market commodity hedging	(1.7)	(3.5)	6.9	(4.0)	(9.2)
Pension settlement	4.4	10.0	0.0	0.0	0.1
Discretionary incentive	0.0	0.0	0.0	0.0	3.0
Acquisition-related costs and adjustments	(3.7)	(0.4)	10.7	0.0	0.0
Net loss on sale of business and assets	1.7	0.0	2.0	0.0	0.0
Total adjustments	24.4	21.5	55.6	20.9	(4.1)
Adjusted EBITDA	\$ 169.7	\$ 188.7	\$ 191.8	\$ 201.1	\$ 211.0
Net sales	\$ 1,353.5	\$ 1,350.9	\$ 1,562.7	\$ 1,636.9	\$ 1,669.1
Adjusted EBITDA margin	12.5%	14.0%	12.3%	12.3%	12.6%

# Unaudited Reconciliation of Net Income Attributable to Koppers & Adjusted Net Income



(In millions)

	Year Ended December 31,	
	2020	2019
Net income attributable to Koppers	\$ 122.0	\$ 66.6
Adjustments to arrive at adjusted net income:		
Impairment, restructuring and plant closure costs	19.7	25.3
Non-cash LIFO (benefit) expense	(13.7)	4.5
Mark-to-market commodity hedging	(9.2)	(4.0)
Pension settlement	0.1	0.0
Discretionary incentive	3.0	0.0
Total adjustments	(0.1)	25.8
Adjustments to income tax and noncontrolling interests		
Income tax on adjustments to pre-tax income	(1.0)	(22.7)
Noncontrolling interest	(1.0)	0.8
Effect on adjusted net income	(2.1)	3.9
Adjusted net income including discontinued operations	119.9	70.5
Discontinued operations	(31.9)	(3.7)
Adjusted net income attributable to Koppers	\$ 88.0	\$ 66.8

## Unaudited Reconciliation of Diluted Earnings Per Share & Adjusted Earnings Per Share



*(In millions)*

	Year Ended December 31,	
	2020	2019
Income from continuing operations attributable to Koppers	\$ 89.1	\$ 63.7
Net income attributable to Koppers	\$ 122.0	\$ 66.6
Adjusted net income attributable to Koppers	\$ 88.0	\$ 66.8
Denominator for diluted earnings per share (in thousands)	21,374	21,068
Earnings per share:		
Diluted earnings per share - continuing operations	\$ 4.17	\$ 3.03
Diluted earnings per share - net income	\$ 5.71	\$ 3.16
Adjusted earnings per share	\$ 4.12	\$ 3.18

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



*(In millions)*

	Year Ended December 31,	
	2020	2019
Total Debt	\$ 775.9	\$ 901.2
Less: Cash	38.5	32.3
Net Debt	\$ 737.4	\$ 868.9
Adjusted EBITDA	\$ 211.0	\$ 201.1
Net Leverage Ratio	3.5	4.3

### **Koppers Holdings Inc.**

436 Seventh Avenue  
Pittsburgh, PA 15219-1800

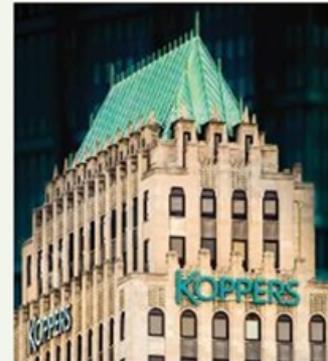
Koppers is an integrated global provider of treated wood products, wood treatment chemicals and carbon compounds for the railroad, specialty chemical, utility, residential lumber, agriculture, aluminum, steel, rubber, and construction industries. Headquartered in Pittsburgh, Pennsylvania, we serve our 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**

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



KOPPERS World Headquarters  
Pittsburgh, Pennsylvania, USA



Koppers is a member of the  
American Chemistry Council.



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.

[WWW.KOPPERS.COM](http://WWW.KOPPERS.COM)

