



Ahead At The Half

Investor Day 2023



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.

Agenda

8:30 A.M. CT

Presentations

Welcome

Quynh McGuire

Halftime Report: Company Overview and Strategy Update

Leroy Ball

Sustainability Overview

Leslie Hyde

Halftime Report: Operations Update

James Sullivan

Halftime Report: Financial Update

Jimmi Sue Smith

10:30 A.M. CT

10:30 A.M. CT

Q&A

All

11:00 A.M. CT



Halftime Report: Company Overview and Strategy Update

Leroy Ball, President and Chief Executive Officer



Key Takeaways

Confidence in Growth Driven by Profitability Improvements

On track to deliver against 2025 goals with potential upside to stated EBITDA goals

Delivering on EBITDA target with 35% less capital spend than anticipated

Improved Cash Flow profile providing flexibility to drive growth and return capital to shareholders

Unlocking shareholder value through 2025 and beyond



6 Consecutive Quarters of
Record-Breaking Sales

\$203M

Cumulative Operating Cash Flow 2021-6/30/23

4 Consecutive Years of
Record-Breaking Adjusted EBITDA

\$249M

Net CapEx¹ Spend of \$625M target

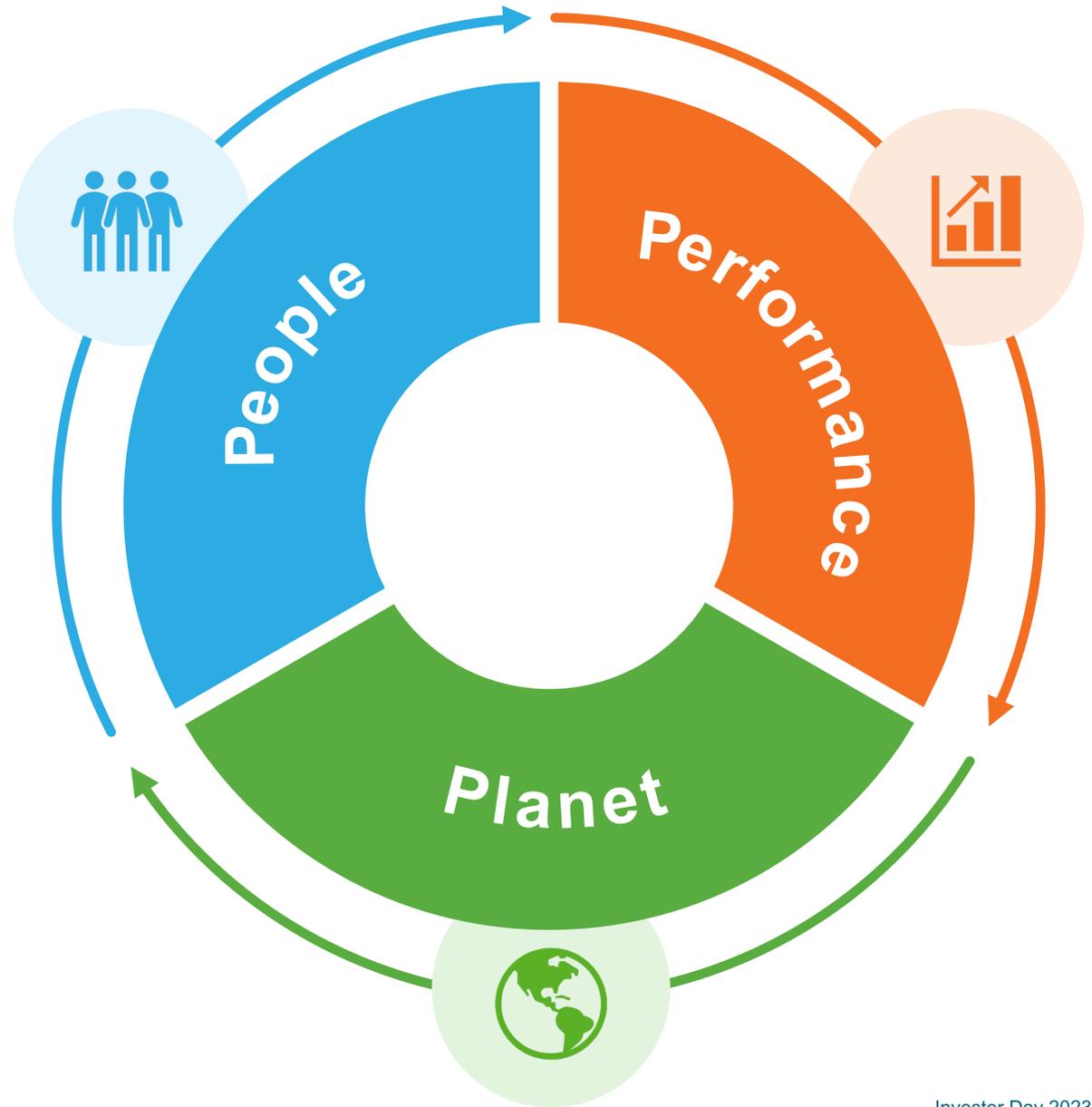
LTM EBITDA up \$42M
vs LTM 6/30/22

\$48M

Capital Returned to Shareholders since 2020

Protecting What Matters. Preserving The Future.

Treating People the Right Way,
Taking Care of Our Planet, and
Balancing Results With Impact



Enduring, Essential and Sustainable



Enduring

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



Essential

Our **products and services** compete in markets that are **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**.



Leader in Providing Critical Infrastructure Products



**Railroad
Products &
Services**

Leading Supplier of Crossties
to Class I Railroads in North America



**Utility &
Industrial
Products**

Leading Supplier of Utility Poles in
the U.S. and Australia



**Performance
Chemicals**

Global Leader in Developing,
Manufacturing and Marketing Wood
Preservation Chemicals and
Technologies



**Carbon
Materials &
Chemicals**

Key Supplier of Critical Components
to Railroad, Construction and
Aluminum Markets



Serving Customers Globally

Koppers Currently Supplies

8 of the 10
Largest

Lumber Treating
Companies in the U.S.

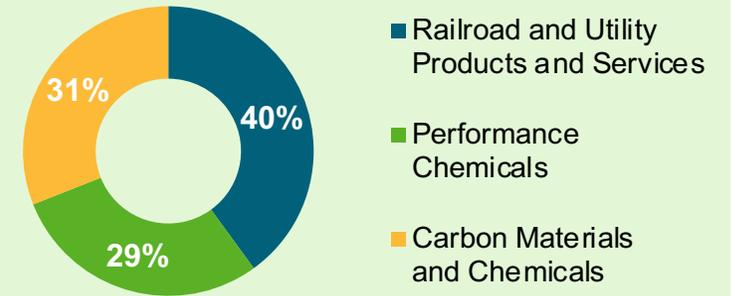
Top 3

Lumber Treating
Companies in Canada

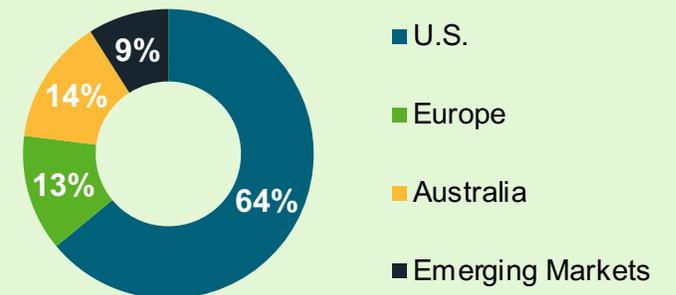
All 6 North American
Class I Railroads

Diversified Customer Base

2022 Sales by Segment



2022 Sales by Geography



Experienced Management Team Navigating Complex Macroeconomic Challenges

2020



2021



2022



2023



2024+

COVID-19 Pandemic

Inflation

Supply Chain Shortages

Russia-Ukraine Conflict

Tactical Levers to Combat Macroeconomic Pressures

2020



2021



2022



2023



2024+

Resilient and Able to Pivot through COVID-19 pandemic
Implemented over 17 *Expand and Optimize* projects in 2021
Successful integration of Cox

Pricing Actions to **Offset Inflationary Pressure**

Supply Chain Shortages: Added Capacity to Produce In-House

Russia Ukraine Conflict: Pivoted to Alternative Feedstocks; Adjusted Production Processes;
Pricing Adjustments

Koppers: Key Differentiators

R&D

Creates Differentiated Portfolio
and Customer Collaboration
Opportunities

Sustainability

Enhanced Durability and
Customer Satisfaction

Vertical Integration

Secures Supply Chain
and Optimizes Network

Infrastructure Investments

Provide Opportunities for Accelerated Growth



\$42B

over five years awarded for broadband deployment in the U.S., with a significant portion earmarked for utility poles



\$1.2T

Infrastructure Investment & Jobs Act



1.5M

new housing starts by end of 2024 (Moody's)



\$457B¹

Expected spending on home improvement projects over next year



1. Leading Indicator of Remodeling Activity, as reported by the Joint Center for Housing Studies of Harvard University

Balanced Portfolio Generates Counter Cyclicality

RUPS | CMC | PC

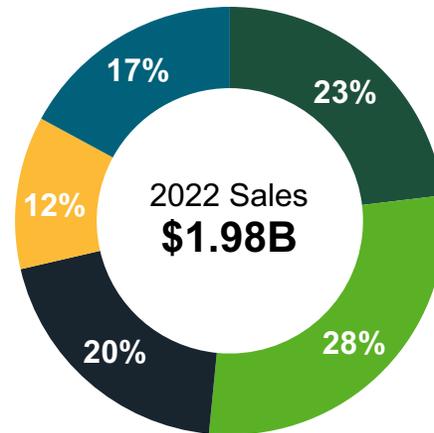
~140M poles in existing, aging network; **expected to replace 2-2.5M poles per year**¹

Stable replacement demand of **18.8-22 million crossties** in the U.S. and Canada annually²

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 chemicals³

End Market Breakdown



- Railroad Treated Products
- Wood Preservatives
- Aluminum
- Utility Poles
- Other

U.S. Class I Railroad Infrastructure Spending (\$ in billions)



Source: Association of American Railroads

U.S. Homeowner Repair and Improvement Activity (\$ in billions)



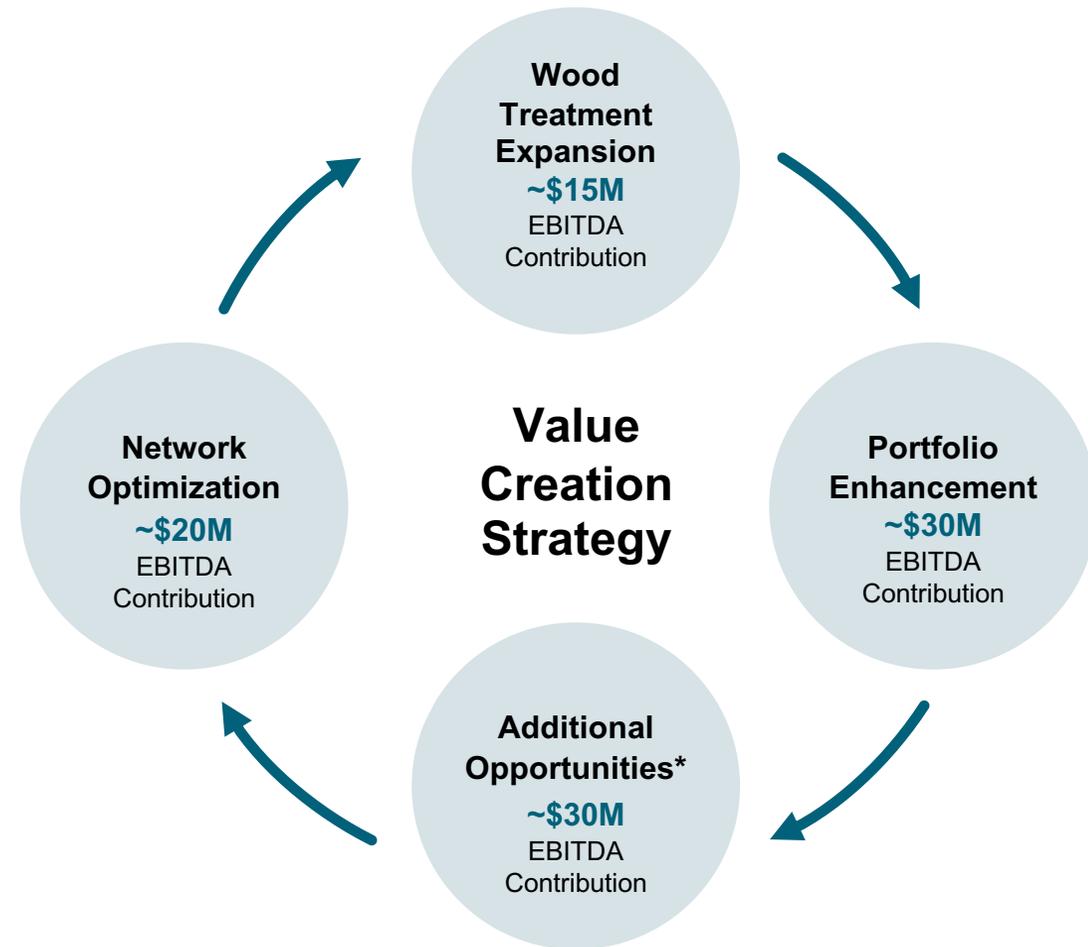
Source: Joint Center for Housing Studies



1. Management estimates
2. Railway Tie Association (RTA)
3. Leading Indicator of Remodeling Activity (LIRA)

Expand & Optimize

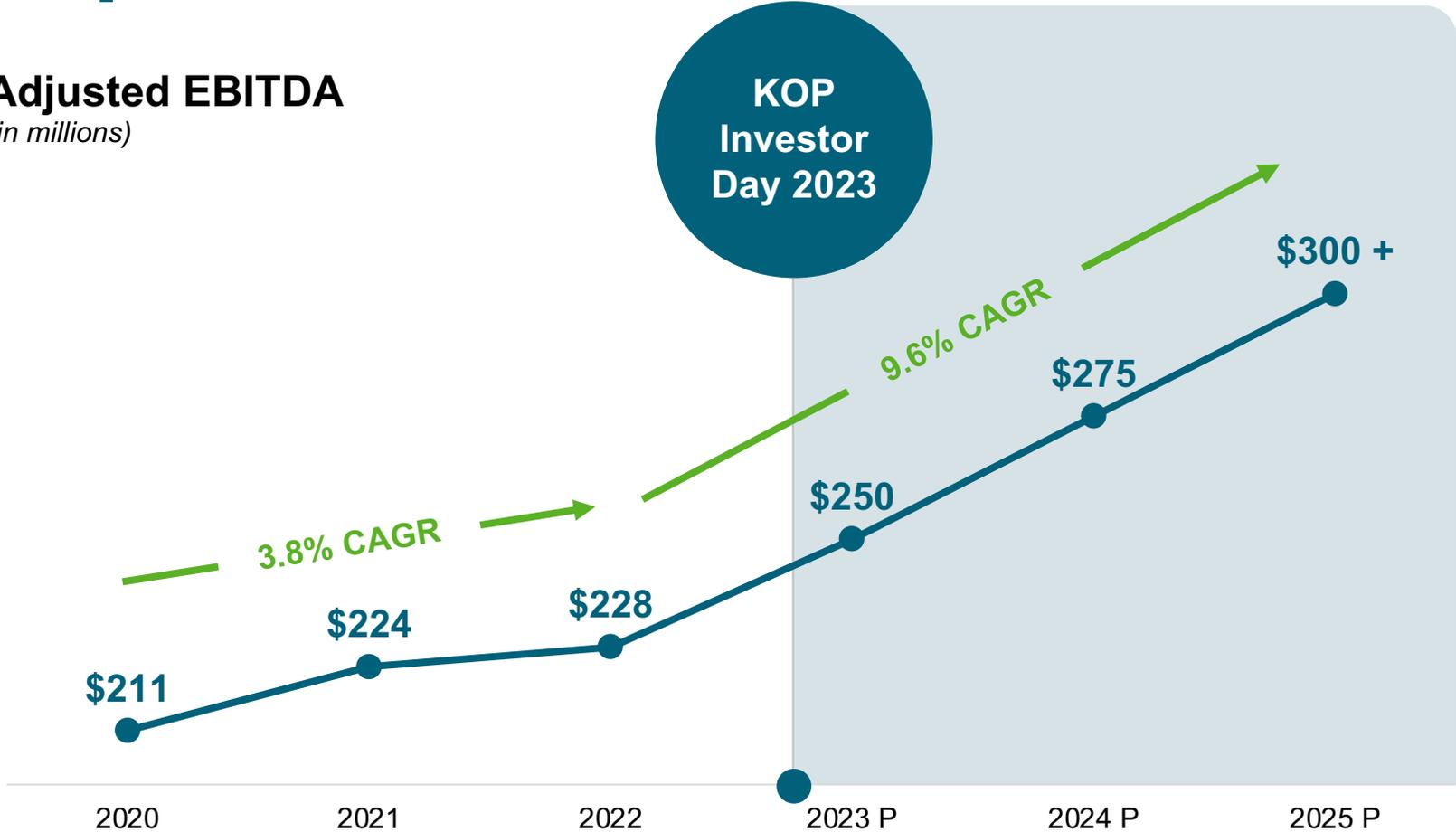
Key Strategic Pillars



*Additional Opportunities include Cradle-to-Cradle, Strengthen Business Model, and Balance Sheet Flexibility

Inflection Point of EBITDA Expansion

Adjusted EBITDA
(in millions)



**KOP
Investor
Day 2023**



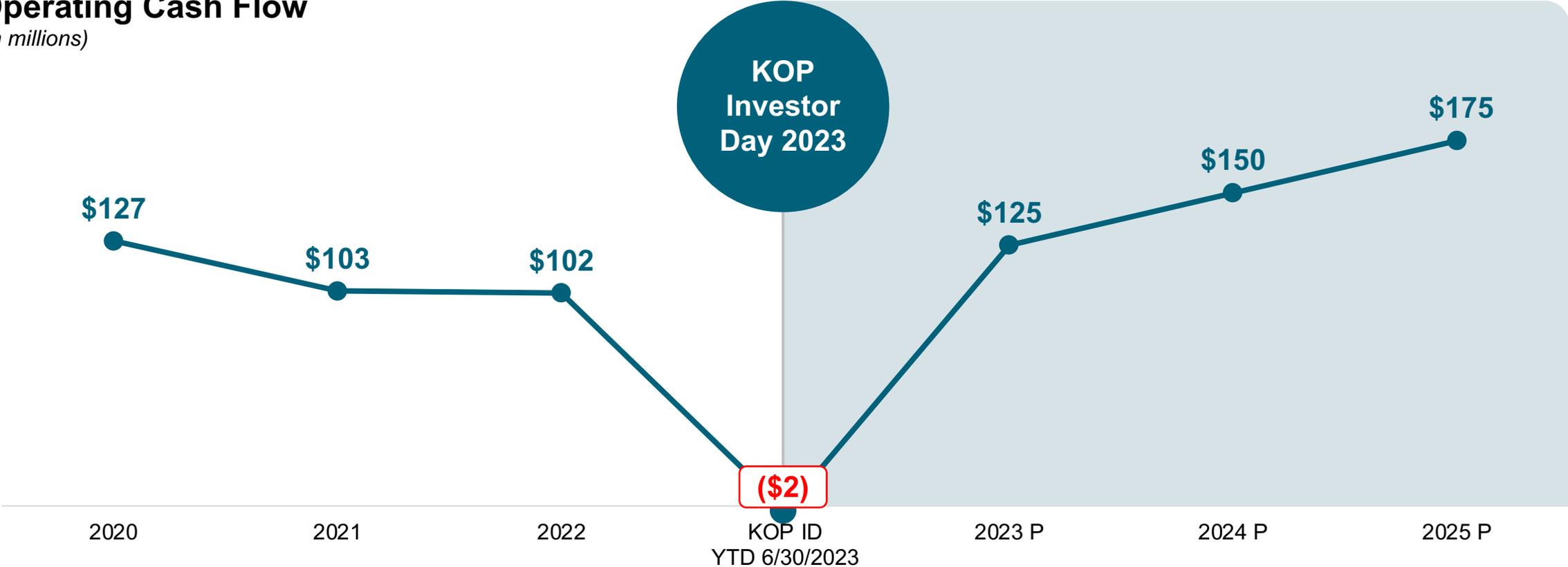
Expand and Optimize

at Inflection Point –
benefits to be
realized in the near
term with long term
potential upside.



Improving Cash Flow Profile Provides Flexibility

Operating Cash Flow
(in millions)



Profitability Supports Balanced Capital Allocation Strategy

Higher EBITDA. Higher Cash Flow. More Flexibility.

\$450M

Operating cash flow projected
Q3 23-FY2025

\$250M+

Free cash flow* projected
Q3 23-FY2025



Return Capital to Shareholders

Dividends
—
Share Repurchases

Invest Back into the Business

Growth Capex
—
Productivity Capex

Long Term Debt Reduction

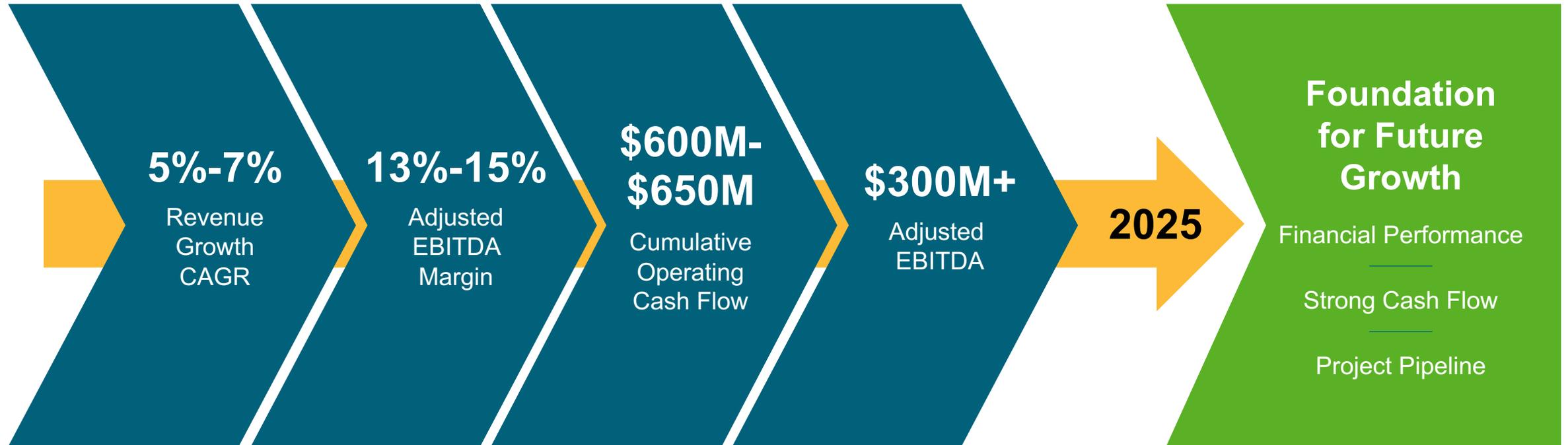
Reduce Net Leverage Below 3x
—
Reduce Cash Interest
—
Transfer Pension Risk

M&A Considerations

Bolt-Ons
—
Core Adjacencies

*Free Cash Flow defined as Operating Cash Flow less Maintenance and Zero Harm CapEx

Confidence in Meeting 2025 Goals and Beyond



Investment Thesis



Market leader in critical end markets

positioned to 'Expand and Optimize'—with stable market growth and margin expansion pathway



Sustainability

provides key competitive advantage and enhances business durability



Experienced, tested management team

proven to execute through complex market conditions



Future strong cash flow generation

to improve financial flexibility



Inflection point in strategy

with capital projects closing and expected to return significant improvement in the near-term with additional long-term upside potential



Sustainability Overview

Leslie Hyde, Senior Vice President and Chief Sustainability Officer



Key Takeaways



It's All Connected:
Integrated Sustainability into Strategy and Operational Practices



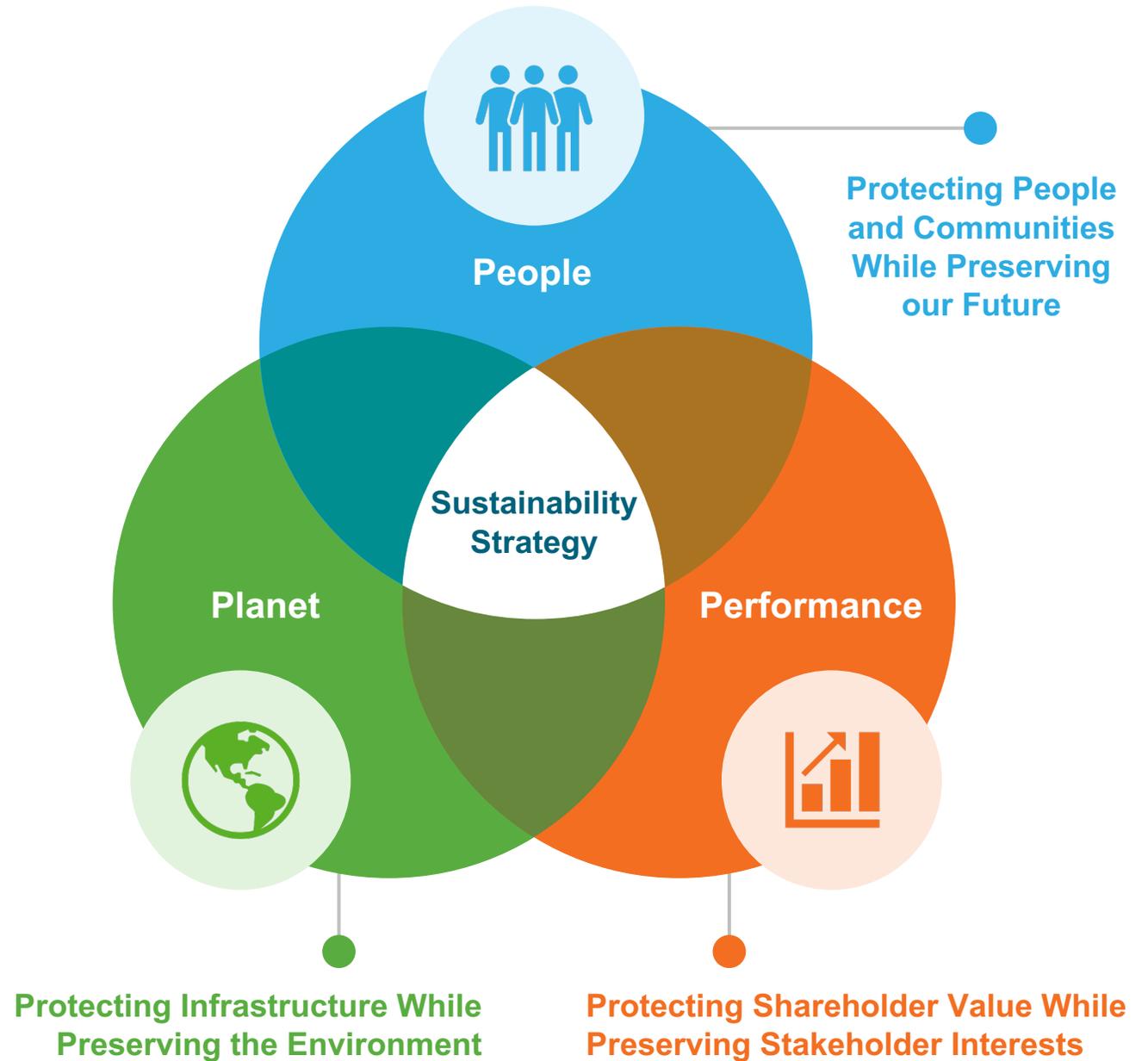
Sustainability is Imperative
to Koppers Business Durability and Differentiation



Focused on Creating and Protecting Sustainable Value

It's All Connected

We believe Sustainability exists at the intersection of People, Planet and Performance; this is reflected in our values and our operational philosophy.



The World is Changing and We Must Evolve

We are embedding sustainability into all aspects of our business to focus on sustainable solutions for our customers.



2022 Highlights: People, Planet and Performance

Koppers: Taking Care of People Matters; Taking Care of the Planet Matters; Results Matter.

Sustainability strategic goals

approved by Leadership Council and the Board connect us to our infrastructure mission

Reduced our Scope 1 and 2 **emissions by ~50%** from our 2007 baseline

Published first **TCFD¹ report**

75% of raw materials² are from **recycled, repurposed or renewable sources**

Expanded investment in professional development opportunities for employees

Increased diversity of Leadership Council
36% Female
36% Minority Representation

Koppers

Leading Position in Sustainability Achievements

Sustainability Reporting Frameworks



Committed to SASB for FY2020 reporting



Voluntary Memberships & Commitments



Recognitions

MSCI ESG RATINGS



CCC B BB BBB A AA AAA

RATING ACTION DATE: March 27, 2023
LAST REPORT UPDATE: March 27, 2023

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



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



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



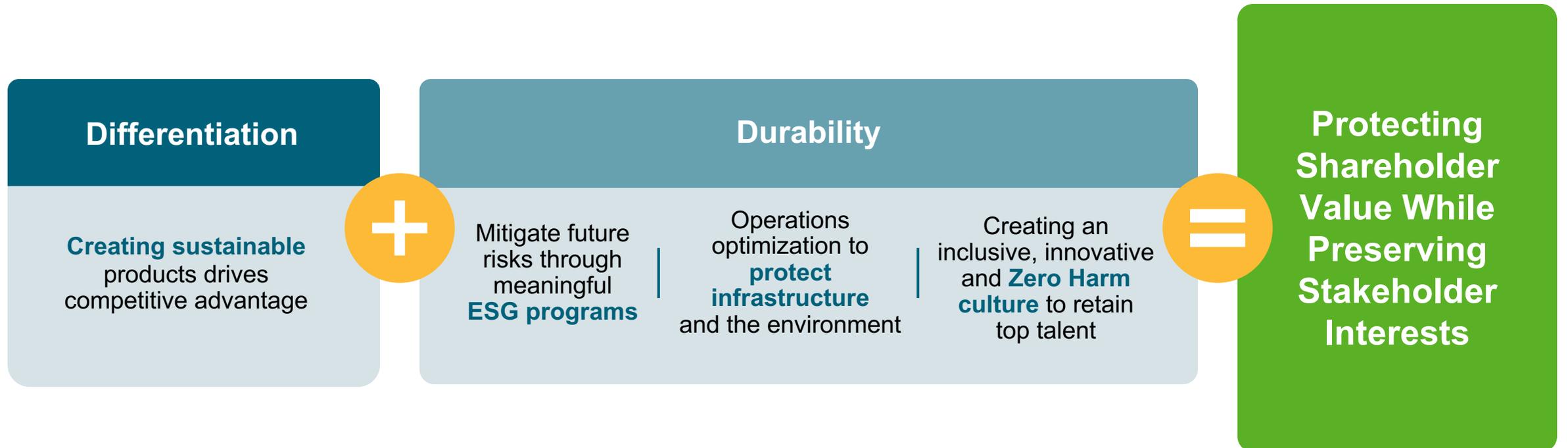
Koppers earned a place on Newsweek's list of **America's Most Responsible Companies** for the third consecutive year.



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

Sustainability at Koppers is a Business Imperative

Generating Long-term Resiliency by Focusing on Meaningful ESG Initiatives that Drive Differentiation and Durability at Koppers.





Our Connected Approach Led by
Our Values Creates **Durability and
Differentiation For the Business**

Ultimately **Protecting Shareholder
Value** While Preserving Stakeholder
Interest



Halftime Report: Operations Update

James Sullivan, Executive Vice President and Chief Operating Officer



Positioned To Deliver Significant Growth in Both the Short Term and Beyond 2025



Execution of the 2020-2025 project-based strategic plan is **on track** with the potential to **deliver value beyond the original projections**.



An **inflection point has been reached** as the building phase of the plan is nearing completion.



The completed projects, combined with ongoing optimization initiatives, position the company for **significant growth over the remainder of the plan and beyond**.

\$250

\$275

\$300

EBITDA
(in millions)

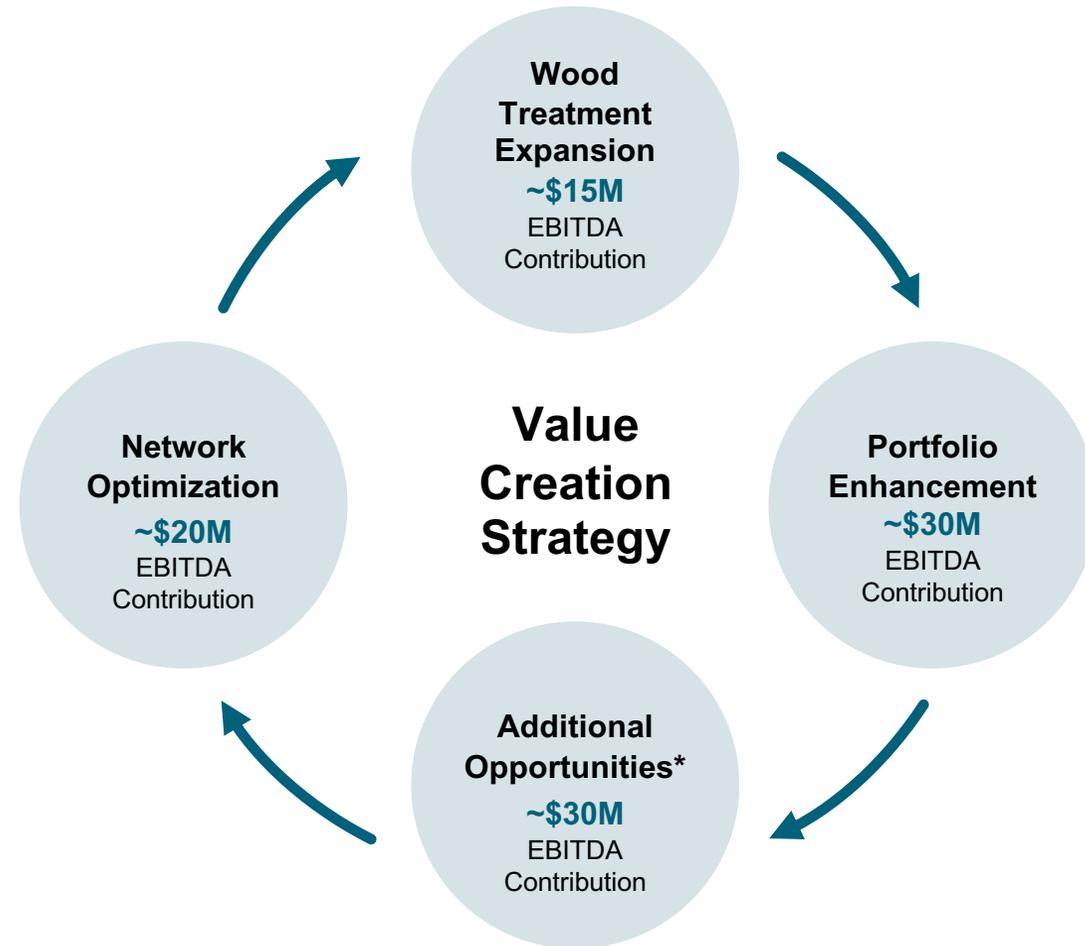
2023P

2024P

2025P

Expand & Optimize

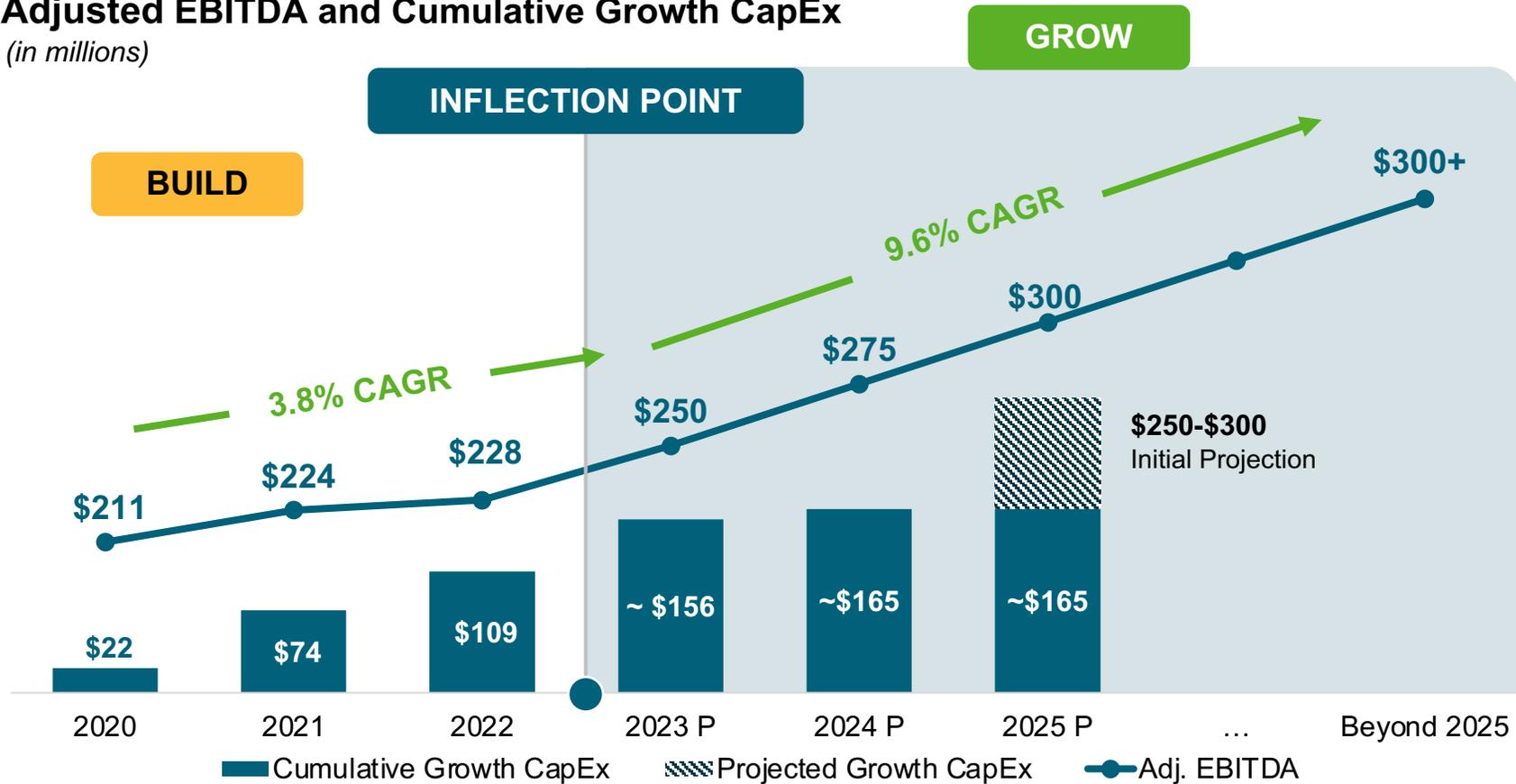
Key Strategic Pillars to Power Profitable Growth.



*Additional Opportunities include Cradle-to-Cradle, Strengthen Business Model, and Balance Sheet Flexibility

The Step Change From Build to Grow Is Happening

Adjusted EBITDA and Cumulative Growth CapEx
(in millions)




40%
ROI
 on projects to date

NETWORK
OPTIMIZATION

North Little Rock Tie Treatment Plant



Rationale

Update an existing network consisting of two aging plants that required significant investment that serviced one customer – resulting in high costs and low throughput

Strategy

Consolidate to one facility

Monetize closed facility to assist with modernization of second plant

Increase throughput, lower costs, and add to customer base

Long-Term Benefit

Sustained profitability servicing a more diverse customer base

WOOD TREATMENT EXPANSION

Leesville & Somerville Facilities



Rationale

Optimize and **expand** to **gain market share** in an underserved **utility pole market**

Strategy

Leverage new and **existing assets** to **gain market share** and **increase profitability**

Long-Term Benefit

Expand into new market

Provide a platform for continued growth

PORTFOLIO
ENHANCEMENT

Introduction of Additional Oil Borne Wood Preservative for Utility Poles

InPRO[®] DCOI
Treated Wood Utility Poles



Rationale

Market disruption caused by the **elimination** of an **oil borne preservative** provided an **opportunity** to **expand product portfolio** and **gain market share** with existing products

Strategy

Leverage **new** and **existing contacts** and reputation to **gain market share**, **integrate new** and **existing products** to establish Koppers as the **preferred supplier**

Long-Term Benefit

Provide a platform for continued growth

Positioned To Deliver Significant Growth in Both the Short Term and Beyond 2025



Execution of the 2020-2025 project-based strategic plan is **on track** with the potential to **deliver value beyond the original projections**.



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\$250

\$275

\$300

EBITDA
(in millions)

2023P

2024P

2025P



Halftime Report: Financial Update

Jimmi Sue Smith, Chief Financial Officer



Key Takeaways

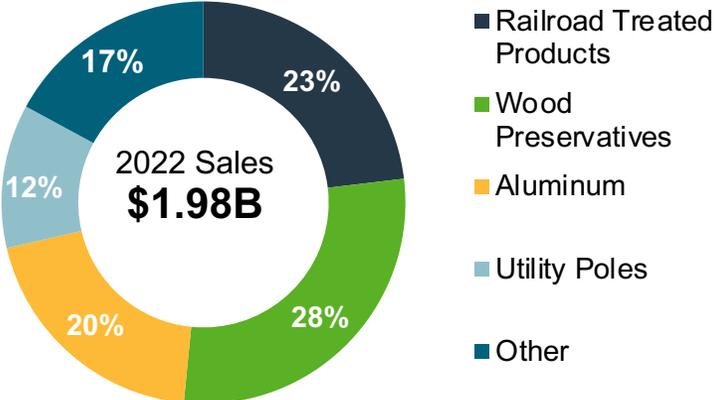
On track
to meet previously
announced goals
and deliver value
beyond 2025

**Consistent,
profitable growth**
provides strength
to deploy capital
strategically

**Strategic
projects** at inflection
point – investments
nearing completion,
**accelerating
EBITDA and
Cash Flow**

Performance on Track to Meet Goals

Project Investment Concluding with Eye Towards Value Generation

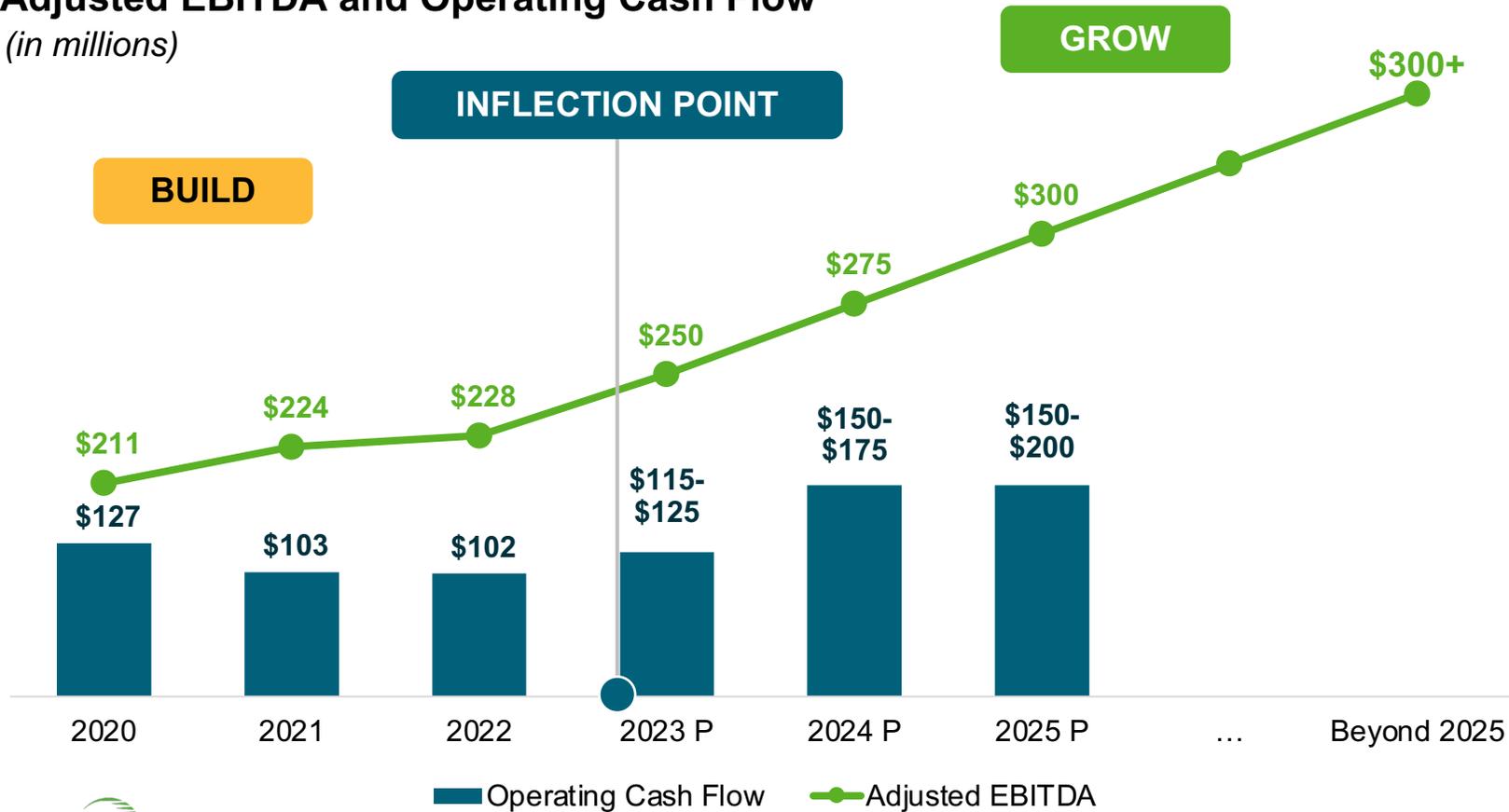


- Proven resilient through pandemic, inflation, and recession fears
- Diversified end markets and global footprint provide balance and performance throughout US business cycle
- Five consecutive years of topline growth
- Record Revenue and Adjusted EBITDA in each of past 4 years
- Adjusted EPS >\$4.00 for the past 3 years



The Step Change From Build to Grow Is Happening

Adjusted EBITDA and Operating Cash Flow
(in millions)



8

Consecutive
Years of EBITDA
Increases

>\$100M

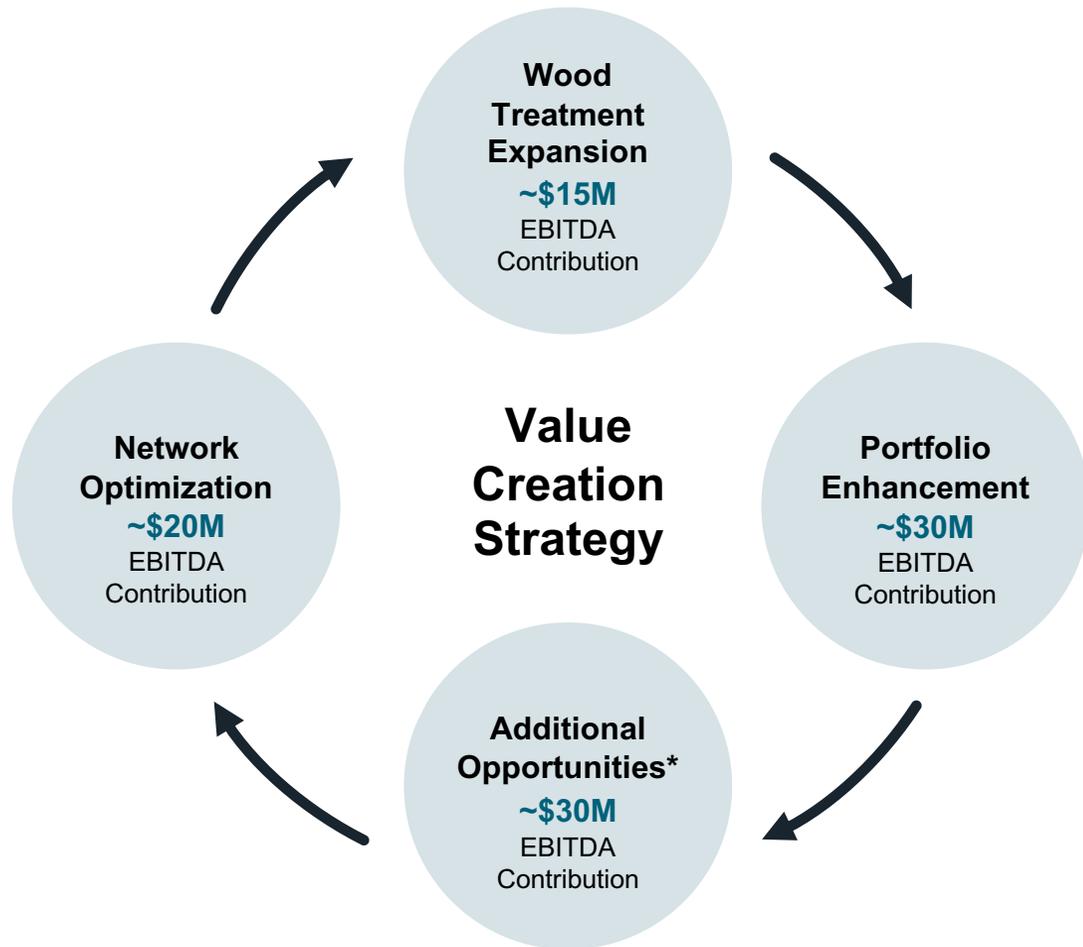
Operating
Cash Flow in
7 of past 8 Years

EBITDA
Growth Drives

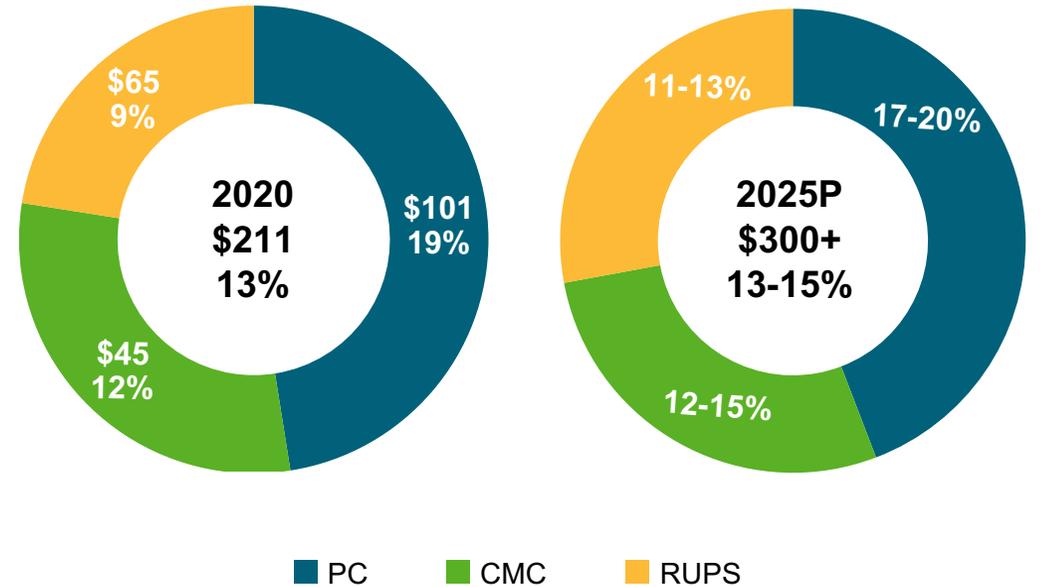
Increased
Cash Flow



Journey to \$300M+ in Adjusted EBITDA

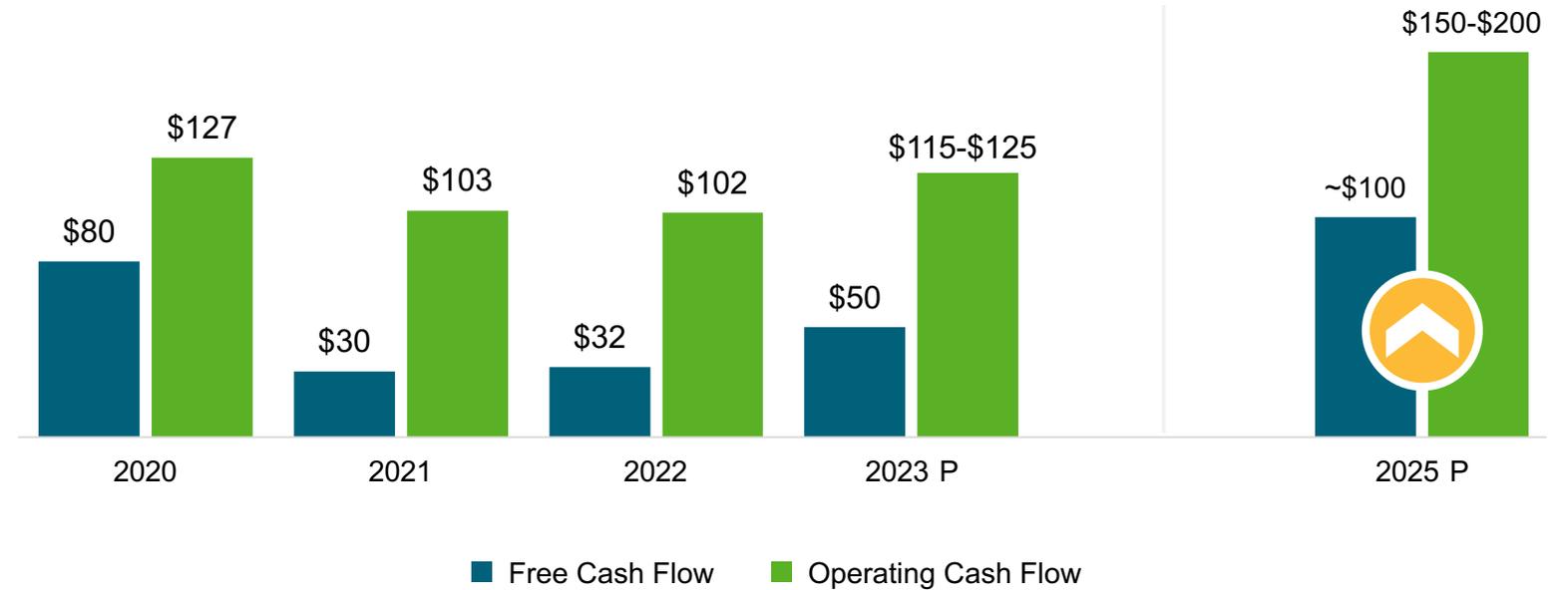


Adjusted EBITDA and Adjusted EBITDA Margin by Segment
(in millions)



Consistent Cash Generation Funds Growth Initiatives

Historical Annual Free and Operating Cash Flows*
(in millions)

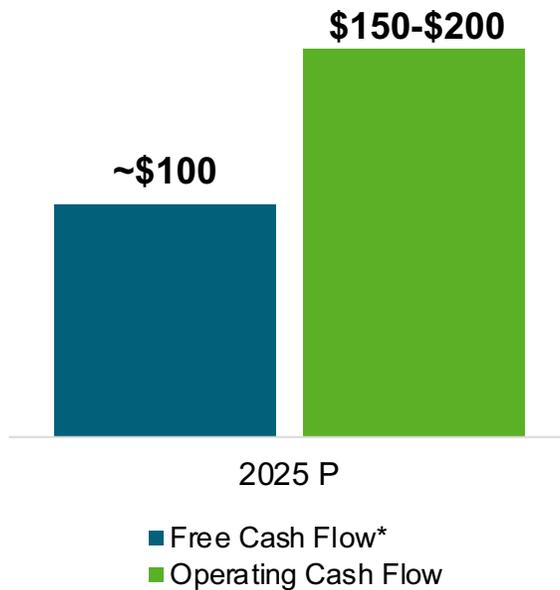


<p>Performance Chemicals Added micronizing and distillation capacity</p>	<p>Utility Poles Plant conversions and peeling/drying capacity</p>	<p>Crossties Plant expansion</p>	<p>Additional Profitable Growth Projects Being evaluated</p>
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Cash Flow Generation Provides Financial Flexibility

2025P Cash Flows

(in millions)



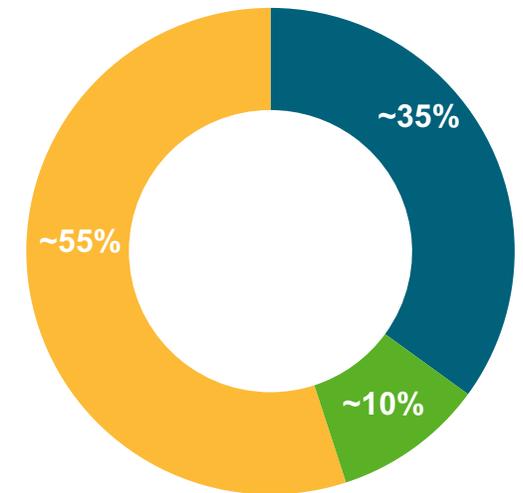
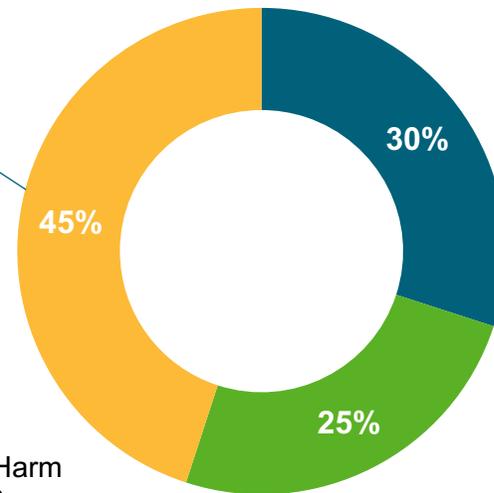
2021-2025 Strategic Plan

2021-June 2023¹

July 2023-2025

\$48M
Returned to shareholders

- Maintenance and Zero Harm (Est. \$60-\$80M per year)
- Growth CapEx/Bolt on M&A
- Available Cash



Executing a Balanced Capital Allocation Strategy

2021 Priority Uses of Operating Cash Flow*



Capital expenditures



Potential bolt-on acquisitions with a strict M&A strategy



Long term debt reduction (targeting 2.0x-3.0x net leverage)



Return capital to shareholders

Progress to Date

Forecasted \$250-\$300M of growth capital, **reduced to \$165M**, \$113M invested through 6/30/23

\$15M invested through 6/30/23, continuing to evaluate opportunities

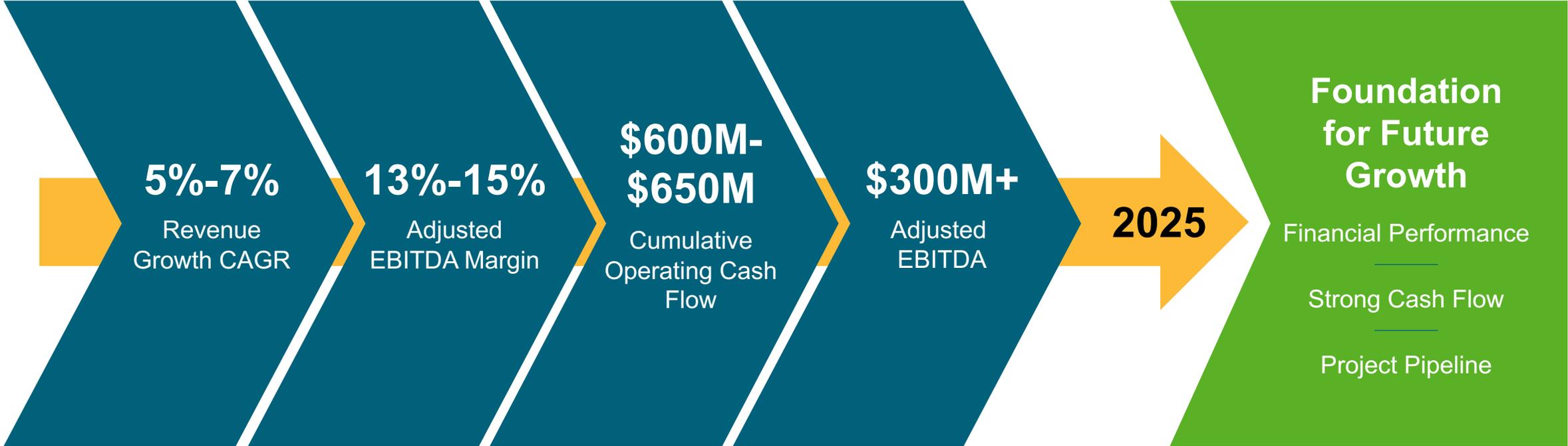
3.4x as of 6/30/23

\$48M returned to shareholders via dividends, share repurchases through 6/30/23



*As outlined at 2021 Investor Day

Generating Value Through 2025 and Beyond



Investment Thesis



Market leader in critical end markets

positioned to 'Expand and Optimize'—with stable market growth and margin expansion pathway



Sustainability

provides key competitive advantage and enhances business durability



Experienced, proven management team

proven to execute through complex market conditions



Future strong cash flow generation

to improve financial flexibility



Inflection point in strategy

with capital projects closing and expected to return significant improvement in the near-term with additional long-term upside potential



Biographies



Leroy Ball

President and Chief Executive Officer



Leroy M. Ball is President and Chief Executive Officer of Koppers and serves on the company's Board of Directors. Under Leroy's leadership as CEO, Koppers is focused on safely delivering customer-focused solutions through the development and application of technologies to enhance and preserve wood. Additionally, he has placed special emphasis on advancing the company's people-focused culture.

Leroy joined Koppers in September 2010 as Vice President and Chief Financial Officer, providing oversight for the finance, treasury, information technology and investor relations functions. From May to December 2014, he held the role of Chief Operating Officer, with responsibility for the company's global business operations. He was elected President and Chief Executive Officer in January 2015.

Prior to Koppers, Leroy spent 10 years with Calgon Carbon Corporation, an international chemical company. During this time, he served as Controller before being named Senior Vice President and Chief Financial Officer in 2002. He also served as President of the company's majority-owned Japanese joint venture. Previously, Leroy was employed with Carmeuse Lime Co./Dravo Corporation for nine years, where he held several positions in the finance area.

Leroy is a member of the ATI Inc. (NYSE: ATI) Board of Directors, Highmark Inc. Board of Directors and serves as Treasurer on the Board of Directors of the Allegheny Conference on Community Development.

Leroy received a bachelor's degree in accounting from Florida International University and earned an MBA from Robert Morris University.



Leslie Hyde

Senior Vice President and Chief Sustainability Officer



Leslie S. Hyde is Senior Vice President, Chief Sustainability Officer for Koppers. She is responsible for driving global sustainability initiatives while advancing the company's strategic vision for the future. She also leads the enterprise risk management and product stewardship functions.

Leslie joined Koppers in 1999 and most recently served as Vice President, Corporate Strategy and Risk Management for Koppers in 2019. Prior to that she was the Vice President, Risk Management and Deputy General Counsel in 2016-2017. Among her many accomplishments, she developed a Global Enterprise Risk Management System for the company and assumed responsibility for Product Stewardship.

Previously, Leslie held the role of Vice President, Safety, Health and Environmental Affairs progressing from Manager of Environmental Affairs for a combined total of 16 years. In this capacity, she developed and implemented the compliance and management systems that were instrumental in advancing the company's Environmental, Health and Safety practices. Prior to joining Koppers, Leslie was a facility manager for a regional chemical manufacturing company, a consulting engineer, and served 10 years on active duty with the United States Army.

She earned a bachelor's degree in engineering from the United States Military Academy, an MBA from Golden Gate University, and a Juris Doctorate from Duquesne University School of Law.

Quynh McGuire

Vice President, Investor Relations



Quynh T. McGuire is Vice President, Investor Relations for Koppers. In this role since January 2020, she serves as the company's primary liaison to inform and engage the investment community, while also providing insights on market activity and ensuring compliance with financial disclosure regulations. Additionally, she is also actively involved in messaging and branding efforts to enhance engagement of employees and other stakeholder audiences.

Quynh joined Koppers in 2015 as Director, Investor Relations and Corporate Communications, bringing more than 25 years of experience in finance, communications, treasury and accounting roles. Prior to joining Koppers, Quynh held positions of increasing responsibility, which included leading Investor Relations at a global manufacturing company and a Pittsburgh-area electric utility company and developing best-practice programs that strengthened relationships with the investment community.

Quynh earned a bachelor's degree in accounting from Indiana University of Pennsylvania.

Jimmi Sue Smith

Chief Financial Officer



Jimmi Sue Smith is the Chief Financial Officer for Koppers. In this role, she leads all aspects of the company's global financial functions, including accounting, internal audit and control, financial shared services, financial planning and analysis, treasury, tax and investor relations.

Jimmi Sue joined Koppers in 2020 as Vice President of Finance and Treasurer, providing oversight of the global treasury management function. She was responsible for managing relationships with the company's banking partners and bond rating agencies, leading cash forecasting and working capital management efforts, overseeing shared services and playing an integral role in M&A activities.

Prior to Koppers, Jimmi Sue spent 11 years with natural gas producer EQT, serving in a number of significant roles, including Director of Corporate Accounting, Business Unit VP/Controller, Chief Accounting Officer and Senior Vice President/Chief Financial Officer. Previously, she held finance roles of increasing responsibility at a number of Pittsburgh-area manufacturing companies.

Jimmi Sue is a member of the U.S. Silica Holdings, Inc. (NYSE: SLCA) Board of Directors.

Jimmi Sue graduated from West Virginia University with a bachelor's degree in business administration with an accounting concentration and earned her law degree from the Duquesne University School of Law.

James Sullivan

Executive Vice President and Chief Operating Officer



James A. Sullivan is Executive Vice President and Chief Operating Officer with responsibility for all of Koppers business units. In addition, he oversees corporate procurement and corporate engineering.

Jim joined Koppers as Vice President of Business Development in June 2013. Subsequently, he held the role of Senior Vice President, Global Carbon Materials and Chemicals from April 2014 to May 2018. He was then elected Senior Vice President, Railroad Products and Services and Global Carbon Materials and Chemicals from May 2018 through December 2019.

Prior to joining Koppers, Jim served as Senior Vice President, Americas, at Calgon Carbon Corporation where he also held various management positions in the areas of operations, marketing, sales, and research and development.

He graduated from Ryerson University with a bachelor's degree in chemical engineering and earned his MBA from the University of Pittsburgh's Joseph M. Katz School of Business.



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 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, adjusted EPS and free cash flow 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 Reconciliation of Net Income to Adjusted EBITDA and Adjusted EBITDA Margin

(Dollars in millions)	Year Ended December 31,						
	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) ⁽¹⁾	(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	1.1
Net loss on sale of business and assets	1.7	0.0	2.0	0.0	0.0	0.0	0.0
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%

(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 and Adjusted EBITDA Margin

(Dollars in millions)	Three Months Ended,									
	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023
Net income	\$ 25.8	\$ 26.9	\$ 10.0	\$ 22.2	\$ 18.8	\$ 11.6	\$ 19.0	\$ 13.8	\$ 26.2	\$ 24.4
Interest expense	10.1	10.1	10.2	10.0	9.8	11.1	11.4	12.5	14.0	20.3
Depreciation and amortization	16.1	13.9	14.1	14.3	14.2	13.4	16.9	11.6	14.0	14.4
Income taxes	8.5	9.1	4.8	12.1	9.7	6.8	13.2	1.9	9.9	9.9
Discontinued operations	0.4	(1.0)	0.5	0.3	0.5	0.0	0.0	0.1	0.0	0.0
Subtotal	60.9	59.0	39.6	58.9	53.0	42.9	60.5	39.9	64.1	69.0
Adjustments to arrive at adjusted EBITDA:										
Impairment, restructuring and plant closure costs (benefits)	3.3	1.6	(0.7)	(0.1)	0.1	(0.2)	0.3	0.8	0.0	0.0
(Gain) on sale of assets	(7.5)	(0.3)	0.0	(23.4)	(2.5)	0.0	0.0	0.0	(1.8)	0.0
LIFO expense ⁽¹⁾	1.0	4.3	10.6	12.2	1.7	5.1	6.1	12.8	0.3	0.2
Mark-to-market commodity hedging losses (gains)	(2.6)	1.0	4.4	1.2	0.3	6.8	1.9	(2.5)	(1.1)	1.1
Inventory adjustment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.1	0.0	0.0
Total adjustments	(5.8)	6.6	14.3	(10.1)	(0.4)	11.7	8.3	12.2	(2.6)	1.3
Adjusted EBITDA	\$ 55.1	\$ 65.6	\$ 53.9	\$ 48.8	\$ 52.6	\$ 54.6	\$ 68.8	\$ 52.1	\$ 61.5	\$ 70.3
Net sales	\$ 407.5	\$ 441.0	\$ 424.8	\$ 405.3	\$ 459.3	\$ 502.5	\$ 536.1	\$ 482.6	\$ 513.4	\$ 577.2
Adjusted EBITDA margin	13.5%	14.9%	12.7%	12.0%	11.5%	10.9%	12.8%	10.8%	12.0%	12.2%

(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

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.

<i>(Dollars in millions)</i>	<i>Twelve Months Ended,</i>		
	<i>June 30, 2022</i>	<i>March 31, 2023</i>	<i>June 30, 2023</i>
Total Debt	\$ 833.7	\$ 881.0	\$ 906.2
Less: Cash	40.4	46.4	48.2
Net Debt	\$ 793.3	\$ 834.6	\$ 858.0
Adjusted EBITDA	\$ 209.9	\$ 237.0	\$ 252.7
Net Leverage Ratio	3.8	3.5	3.4

Unaudited Reconciliation of Net Income to Adjusted EBITDA (LTM)

<i>(Dollars in millions)</i>	<i>Twelve Months Ended,</i>		
	<i>June 30, 2022</i>	<i>March 31, 2023</i>	<i>June 30, 2023</i>
Net income	\$ 62.7	\$ 70.7	\$ 83.3
Interest expense	40.9	49.0	58.3
Depreciation and amortization	55.9	56.0	57.0
Income tax provision	33.4	31.7	35.0
Discontinued operations	1.3	0.0	0.0
Sub-total	194.2	207.4	233.6
Adjustments to arrive at adjusted EBITDA:			
Impairment, restructuring and plant closure costs (benefits)	(0.8)	1.0	1.2
(Gain) on sale of assets	(25.9)	(1.8)	(1.8)
LIFO expense ⁽¹⁾	29.7	24.2	19.2
Mark-to-market commodity hedging (gains) losses	12.7	5.1	(0.6)
Inventory adjustment	0.0	1.1	1.1
Adjusted EBITDA	\$ 209.9	\$ 237.0	\$ 252.7

(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 Reconciliations of Net Income Attributable to Koppers and Adjusted Net Income Attributable to Koppers and Diluted Earnings Per Share and Adjusted Earnings Per Share

<i>(Dollars in millions, except per share amounts)</i>	<i>Year Ended December 31,</i>		
	<i>2020</i>	<i>2021</i>	<i>2022</i>
Net income attributable to Koppers	\$ 122.0	\$ 85.2	\$ 63.4
Adjustments to arrive at adjusted net income:			
Impairment, restructuring and plant closure costs	19.7	5.5	1.0
(Gain) on sale of assets	0.0	(31.2)	(2.5)
LIFO expense (benefit) ⁽¹⁾	(13.7)	28.2	25.6
Mark-to-market commodity hedging losses (gains)	(9.2)	3.8	6.5
Pension settlement	0.1	0.0	0.0
Discretionary incentive	3.0	0.0	0.0
Inventory adjustment	0.0	0.0	1.1
Write-off of debt issuance costs	0.0	3.5	0.4
Total adjustments	(0.1)	9.8	32.1
Adjustments to income tax and noncontrolling interests:			
Income tax on adjustments to pre-tax income	(0.1)	(1.4)	(7.6)
Income tax attributable to statutory tax rate changes	(2.1)	0.0	0.0
Deferred tax adjustments	1.2	(1.2)	0.0
Noncontrolling interest	(1.0)	(0.3)	(0.2)
Effect on adjusted net income	(2.1)	6.9	24.3
Adjusted net income including discontinued operations	119.9	92.1	87.7
Discontinued operations	(31.9)	0.2	0.6
Adjusted net income attributable to Koppers	\$ 88.0	\$ 92.3	\$ 88.3
Diluted weighted average common shares outstanding (in thousands)	21,374	21,925	21,313
Earnings per share:			
Diluted earnings per share - continuing operations	\$ 4.17	\$ 3.90	\$ 3.00
Diluted earnings per share - net income	\$ 5.71	\$ 3.88	\$ 2.98
Adjusted earnings per share	\$ 4.12	\$ 4.21	\$ 4.14

(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 Operating Cash Flow to Free Cash Flow

<i>(Dollars in millions)</i>	<i>Year Ended December 31,</i>		
	<i>2020</i>	<i>2021</i>	<i>2022</i>
Operating cash flow	\$ 127.0	\$ 103.0	\$ 102.0
Less: Maintenance and Zero Harm capital expenditures	(47.0)	(73.0)	(70.0)
Free cash flow	\$ 80.0	\$ 30.0	\$ 32.0



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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Koppers is a member
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