



**KOPPERS**

INVESTING IN OUR PEOPLE-BASED CULTURE

*Q1 2018 Earnings Call & Webcast*

*May 3, 2018*

# 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," "plans," "potential," "intends," "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.

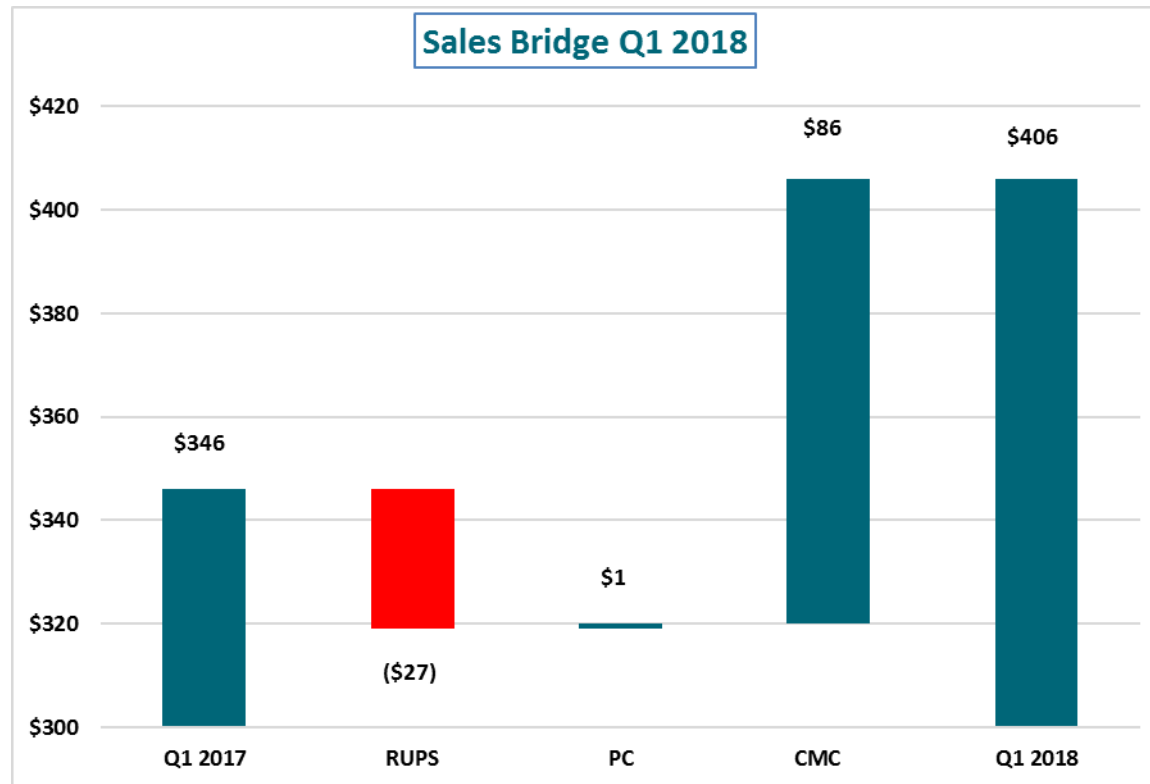
# Q1 2018 Results

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# Q1 Sales of \$406M; Higher CMC Sales Offset RUPS Weakness



(\$ in millions)

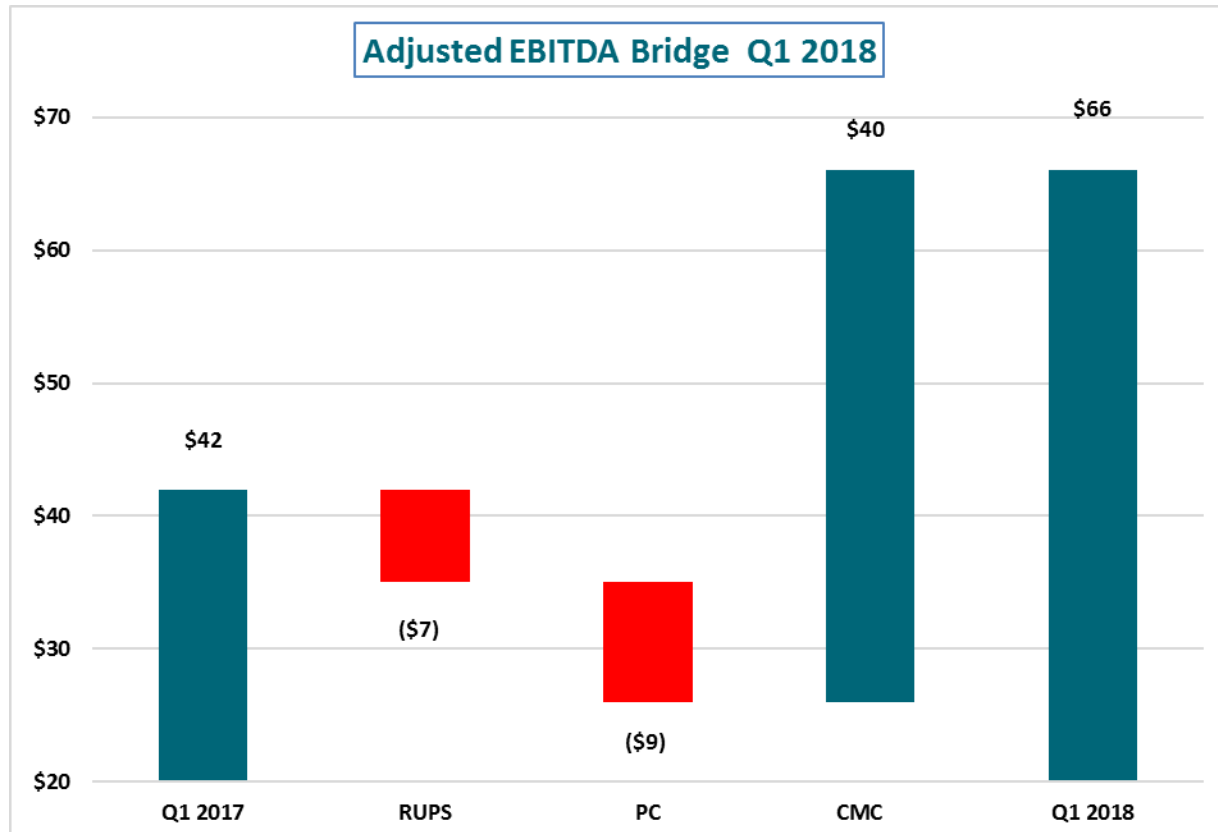




# Q1 Adjusted EBITDA of \$66M; CMC Driving Higher Profitability



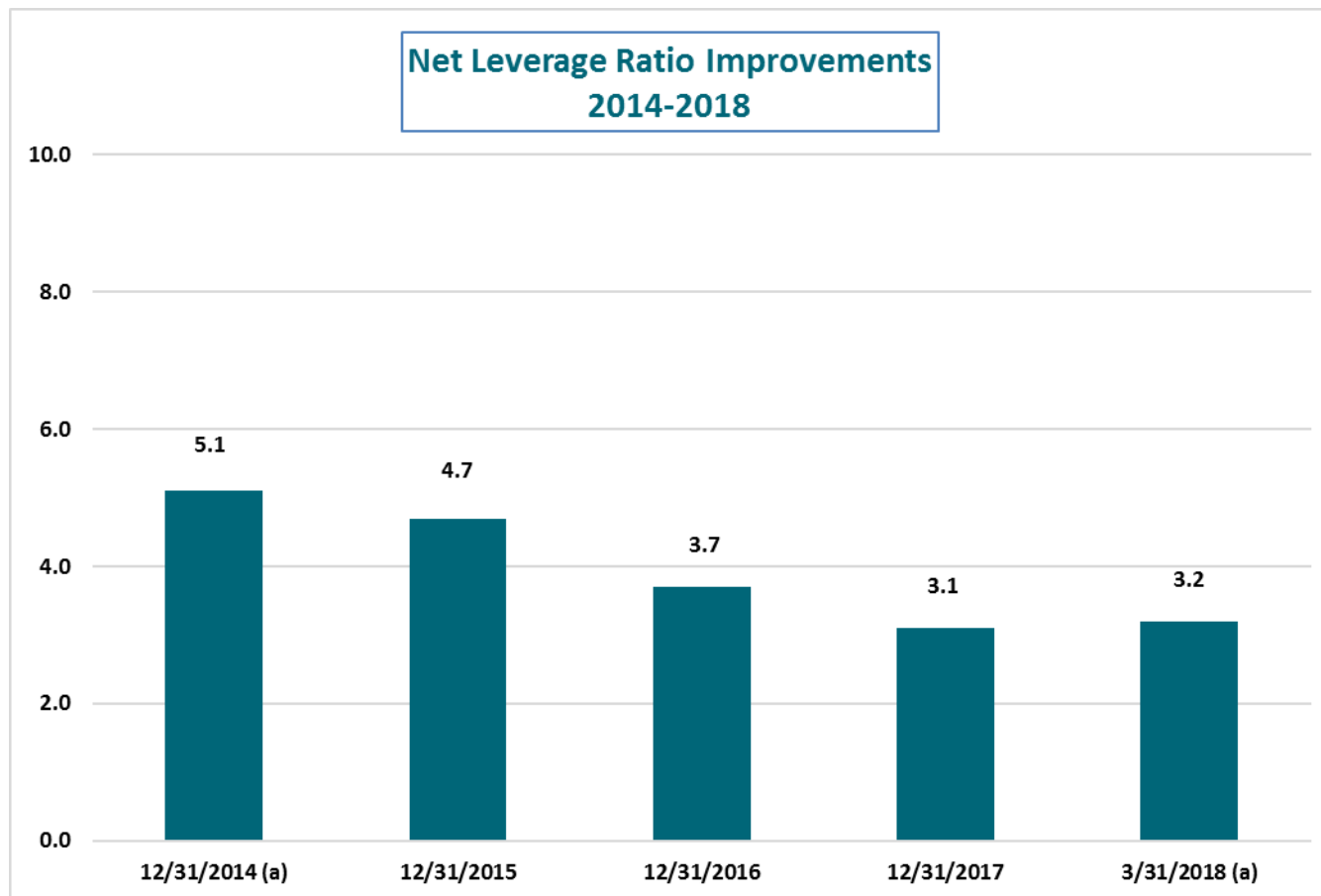
(\$ in millions)



# Net Leverage Ratio: Significantly Improved Balance Sheet



(\$ in millions)



(a) Pro-forma

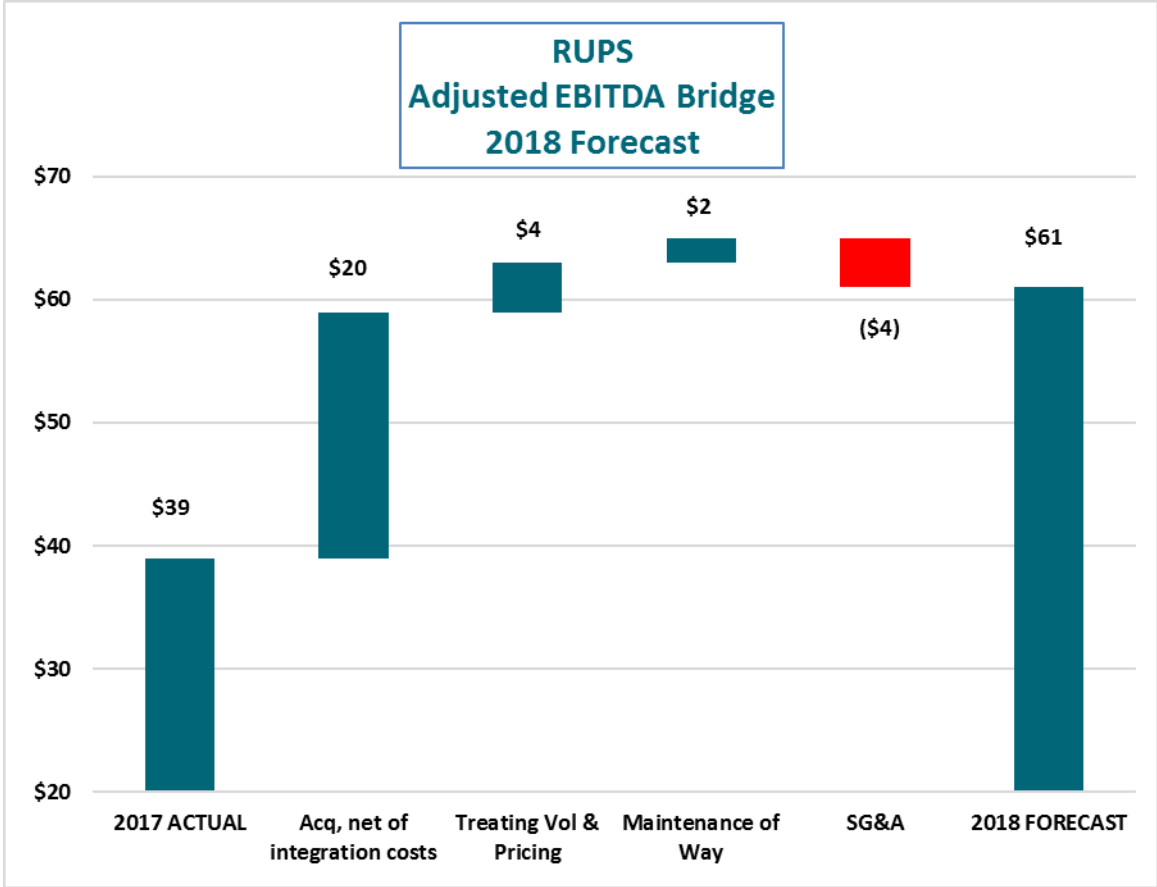
# 2018 Guidance

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# 2018 Adjusted EBITDA Forecast: RUPS M&A Driven Improvement



(\$ in millions)

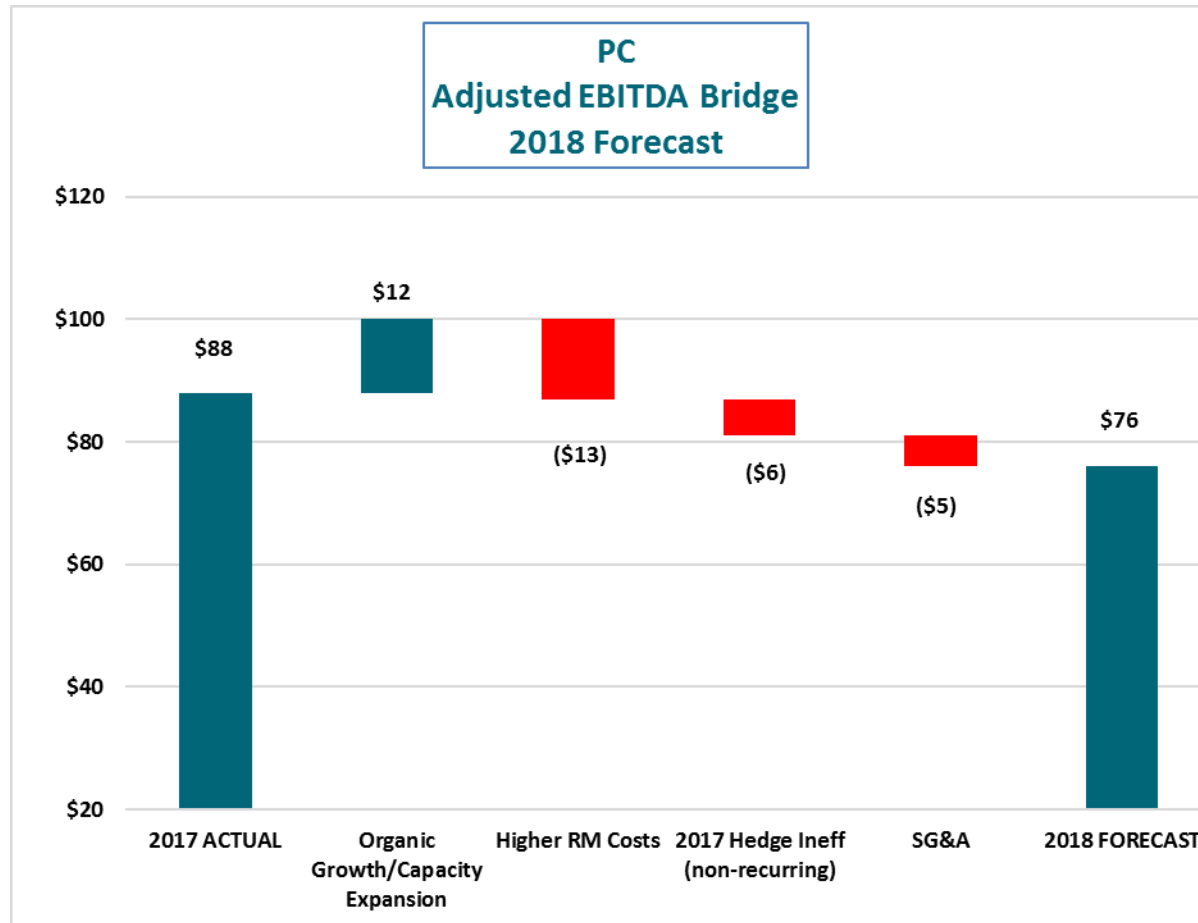




# 2018 Adjusted EBITDA Forecast: PC Growth Offset by Raw Material Headwind



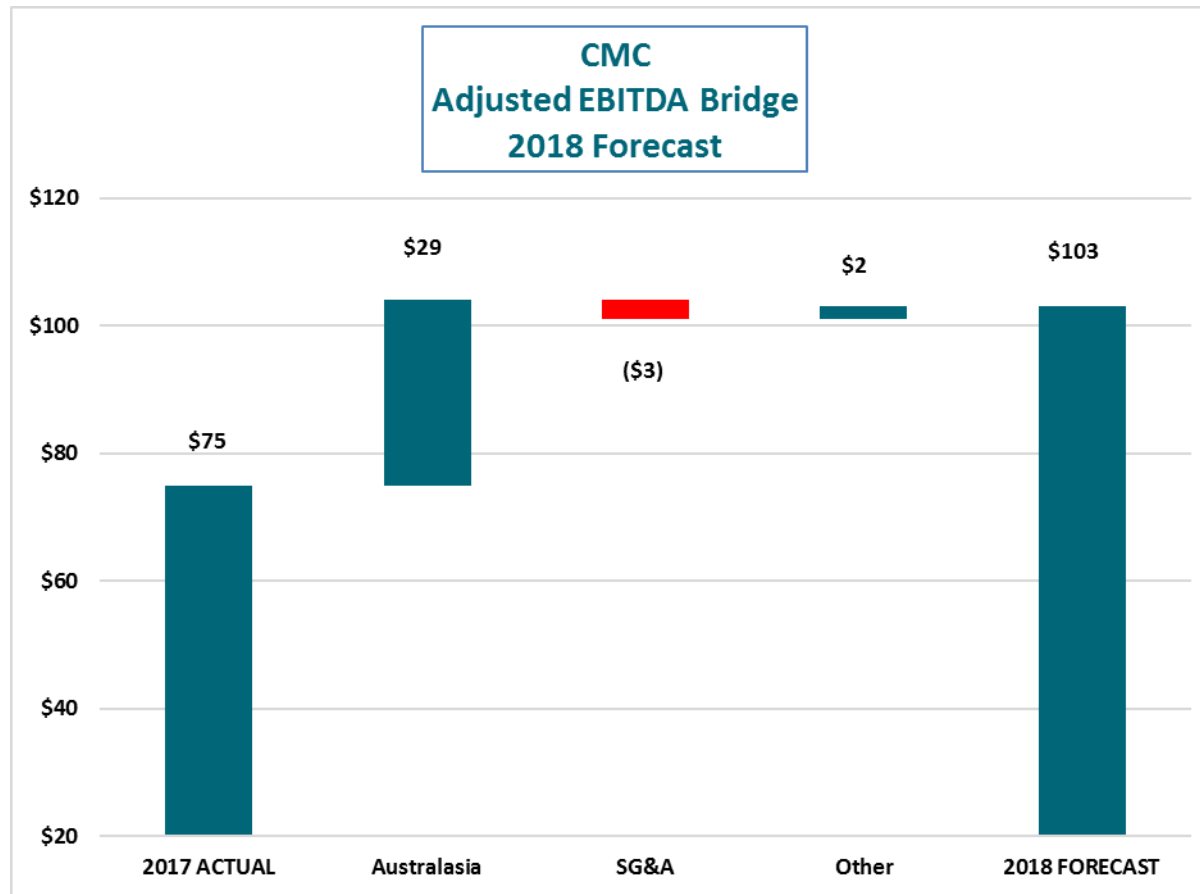
(\$ in millions)



# 2018 Adjusted EBITDA Forecast: CMC Australasia Drives Improvement



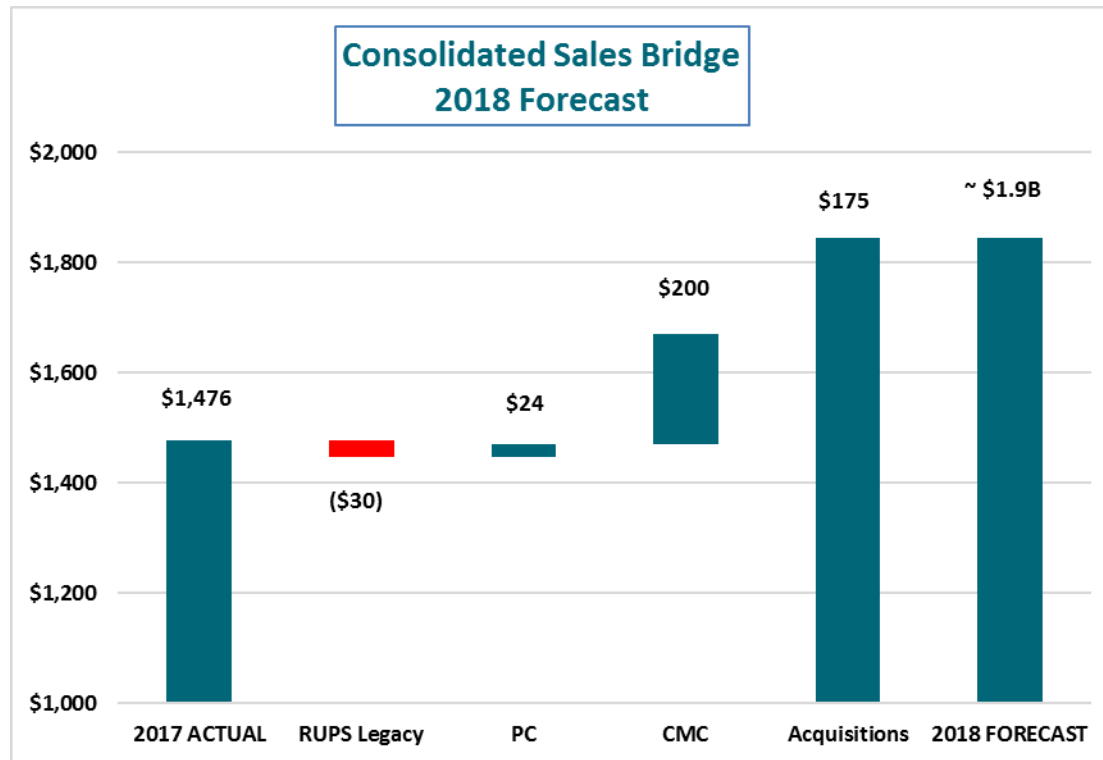
(\$ in millions)



# 2018 Sales Forecast of ~\$1.9B; Includes Recent Acquisitions



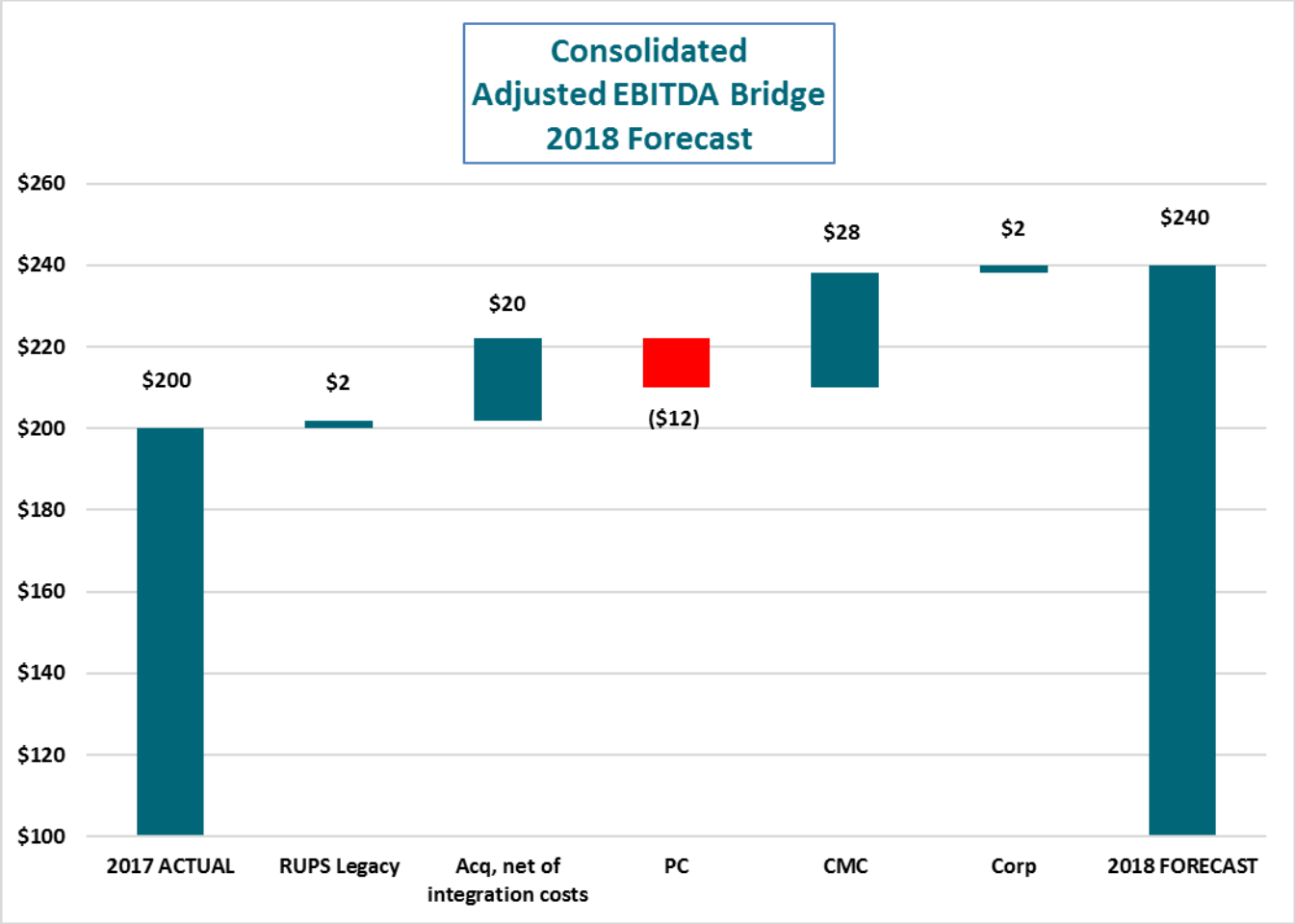
(\$ in millions)



# 2018 Adjusted EBITDA Forecast: M&A and CMC Drive Higher Profitability



(\$ in millions)



# Q&A Session

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# Appendix

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# 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. Koppers believes that the presentation of non-GAAP financial measures such as adjusted EBITDA 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.*

*For the company's guidance, adjusted EBITDA excludes restructuring, impairment, non-cash LIFO charges, and non-cash mark-to-market commodity hedging. The forecasted amounts for these items cannot be reasonably estimated due to their nature, but may be significant. For that reason, the company is unable to provide GAAP earnings estimates at this time. Final results could also be affected by various other factors that management is unaware of at this time.*

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

# Unaudited Segment Information

	<i>Three Months Ended March 31,</i>	
	2018	2017
<i>(Dollars in millions)</i>		
<b>Net sales:</b>		
Railroad and Utility Products and Services	\$ 108.4	\$ 135.5
Performance Chemicals	97.4	96.7
Carbon Materials and Chemicals	200.3	114.4
<b>Total</b>	<b>\$ 406.1</b>	<b>\$ 346.6</b>
<b>Operating profit (loss):</b>		
Railroad and Utility Products and Services	\$ 1.1	\$ 9.3
Performance Chemicals	5.6	18.6
Carbon Materials and Chemicals	37.2	0.6
Corporate Unallocated	(0.6)	(0.4)
<b>Total</b>	<b>\$ 43.3</b>	<b>\$ 28.1</b>
<b>Operating profit margin:</b>		
Railroad and Utility Products and Services	1.0%	6.9%
Performance Chemicals	5.7%	19.2%
Carbon Materials and Chemicals	18.6%	0.5%
<b>Total</b>	<b>10.7%</b>	<b>8.1%</b>
<b>Depreciation and amortization:</b>		
Railroad and Utility Products and Services	\$ 3.0	\$ 3.0
Performance Chemicals	4.4	4.4
Carbon Materials and Chemicals	4.4	3.8
<b>Total</b>	<b>\$ 11.8</b>	<b>\$ 11.2</b>
<b>Adjusted EBITDA<sup>(1)</sup>:</b>		
Railroad and Utility Products and Services	\$ 5.4	\$ 11.9
Performance Chemicals	13.8	22.9
Carbon Materials and Chemicals	47.0	7.3
Corporate Unallocated	0.0	(0.3)
<b>Total</b>	<b>\$ 66.2</b>	<b>\$ 41.8</b>
<b>Adjusted EBITDA margin<sup>(2)</sup>:</b>		
Railroad and Utility Products and Services	5.0%	8.8%
Performance Chemicals	14.2%	23.7%
Carbon Materials and Chemicals	23.5%	6.4%
<b>Total</b>	<b>16.3%</b>	<b>12.1%</b>

(1) The tables below describe the adjustments to EBITDA for the quarters ended March 31, 2018 and 2017, respectively.

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

# Unaudited Reconciliation of Operating Profit To EBITDA and Adjusted EBITDA



Three months ended March 31, 2018

	Corporate				
	RUPS	PC	CMC	Unallocated	Consolidated
Operating profit (loss)	\$ 1.1	\$ 5.6	\$ 37.2	\$ (0.6)	\$ 43.3
Other income (loss)	(0.3)	0.3	(0.4)	0.6	0.2
Depreciation and amortization	3.0	4.4	4.4	0.0	11.8
Depreciation in impairment and restructuring charges	0.0	0.0	1.4	0.0	1.4
EBITDA with noncontrolling interest	\$ 3.8	\$ 10.3	\$ 42.6	\$ (0.0)	\$ 56.7
Unusual items impacting EBITDA:					
CMC restructuring	0.0	0.0	4.1	0.0	4.1
RUPS treating plant closures	0.3	0.0	0.0	0.0	0.3
Non-cash LIFO expense	1.3	0.0	0.3	0.0	1.6
Mark-to-market commodity hedging	0.0	3.5	0.0	0.0	3.5
Adjusted EBITDA	\$ 5.4	\$ 13.8	\$ 47.0	\$ (0.0)	\$ 66.2
Adj. EBITDA % of Consolidated Adj. EBITDA (excluding corporate unallocated)	8.2%	20.8%	71.0%		

# Unaudited Reconciliation of Operating Profit To EBITDA and Adjusted EBITDA



Three months ended March 31, 2017

	Corporate				
	RUPS	PC	CMC	Unallocated	Consolidated
Operating profit (loss)	\$ 9.3	\$ 18.6	\$ 0.6	\$ (0.4)	\$ 28.1
Other income (loss)	(0.4)	0.6	1.3	0.0	1.5
Depreciation and amortization	3.0	4.4	3.8	0.0	11.2
Depreciation in impairment and restructuring charges	0.0	0.0	1.2	0.0	1.2
EBITDA with noncontrolling interest	\$ 11.9	\$ 23.6	\$ 6.9	\$ (0.4)	\$ 42.0
Unusual items impacting EBITDA:					
CMC restructuring	0.0	0.0	0.8	0.0	0.8
RUPS treating plant closures	0.1	0.0	0.0	0.0	0.1
Non-cash LIFO benefit	(0.1)	0.0	(0.4)	0.0	(0.5)
Mark-to-market commodity hedging	0.0	(0.7)	0.0	0.0	(0.7)
Debt refinancing costs	0.0	0.0	0.0	0.1	0.1
Adjusted EBITDA	\$ 11.9	\$ 22.9	\$ 7.3	\$ (0.3)	\$ 41.8

Adj. EBITDA % of Consolidated Adj. EBITDA (excluding corporate unallocated)

28.3%      54.4%      17.3%

## **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, China and Europe.

## **Stock Exchange Listing**

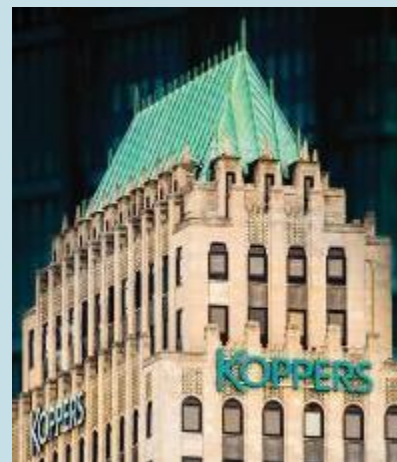
NYSE: KOP

## **Investor Relations and Media Information**

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