



## NEARS Fall Conference 2017

*To be recognized as the standard bearer for safely delivering customer focused solutions primarily through the development and application of technologies to enhance wood.*

Changing Perceptions. Advancing Our Culture.



# Zero Harm Culture



- Committed to creating a Zero Harm culture that strives to place the well-being of our employees, the protection of the environment and the strength of our communities first at all times.
  - Requires a heightened awareness of process safety, product safety, environmental stewardship and security.
  - Empowers each Koppers employee to ensure safe operations and to act to identify and correct unsafe situations in real time.
- Achieved certification in American Chemistry Council's Responsible Care® initiative across 18 global facilities and corporate headquarters to date.



# Zero Harm Culture



- Received awards from BNSF Railway, Canadian National Railway, Union Pacific Railroad, CSX and the Association of American Railroads for excellence in chemical transportation safety performance.
  - Transitioned to Ride Tight® Program in 2013
  - Only use gaskets that are chemically, thermally and mechanically compatible with our products and our fleet
  - Classroom and hands-on training on Ride Tight®
  - Standardized training and requirements across all Koppers facilities and shops
  - Well trained personnel using the proper tools, proper materials and proper procedures has enabled Koppers to dramatically improve NAR incidents
  - Grand Slam award recipient in 2014 & 2015

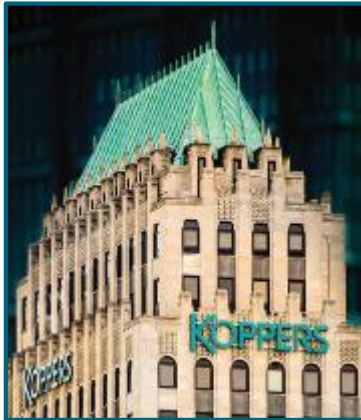


# Corporate Profile



## Quick Facts

- President & CEO: Leroy Ball
- Employees: 1,800+
- Global HQ: Pittsburgh, Pa.
- IPO: Feb. 2006 (NYSE: KOP)
- 2016 Net Sales: \$1.4B
- Website: [www.koppers.com](http://www.koppers.com)



- **Integrated global provider of treated wood products, wood treatment chemicals and carbon compounds.**
- **Operates three business segments:**
  - **Performance Chemicals –**  
Wood Preservation Chemicals, Coatings, Water Repellants, Pigmented Stains, Fire Retardants
  - **Railroad and Utility Products and Services –**  
Railroad Crossties, Railroad Bridge Services, Rail Joint Bars, Utility Poles
  - **Carbon Materials and Chemicals –**  
Carbon Pitch, Creosote, Carbon Black Feedstock, Naphthalene, Phthalic Anhydride
- **Maintains manufacturing and distribution facilities in North America, South America, Australasia, China and Europe.**
- **Committed to creating a Zero Harm culture; member of the American Chemistry Council with Responsible Care® certification at 18 facilities to date.**

# Koppers At-A-Glance



- Leading integrated global provider of oil and water-borne preservatives serving various market applications of treated wood.
- Current business mix highlights de-emphasis of CMC as a standalone business.
- Global geographic footprint:
  - 30 locations across North America, South America, Asia, Europe, and Australia.

## Selected Product and Brand Overview

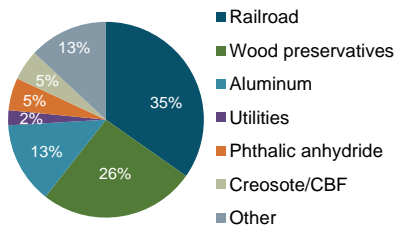


Pre-Treated Crossies

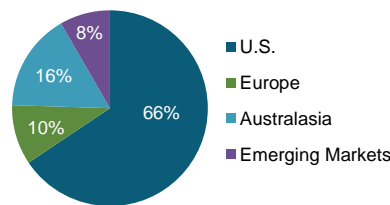


Treated Crossies with End Plates

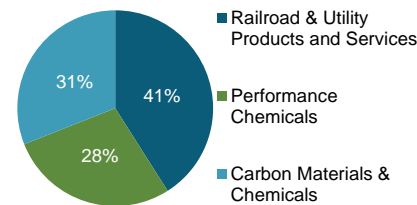
### Sales by End Market



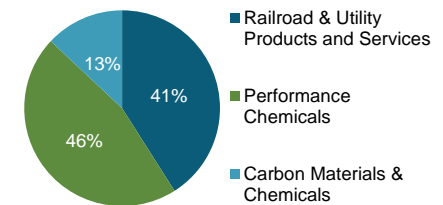
### Sales by Geography



### Sales by Segment



### Adj. EBITDA by Segment<sup>1</sup>



2016 Sales:  
\$1,416 Million

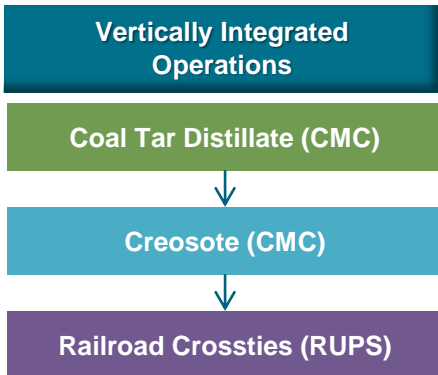
2016 Adj. EBITDA:  
\$174 million

1) Excludes corporate unallocated amounts

# Vertically Integrated, Strategically Located Footprint



- Well positioned to capitalize on strong market presence
- Significantly improved efficiency since consolidating coal tar distillation facilities from 11 to 4 over a 3-year period (2014-2016)
- CMC processes coal tar into creosote consumed by RUPS for treatment of railroad cross ties



## Globally Advantaged Operating Footprint



<sup>1</sup> Represents a toll producing facility  
<sup>2</sup> Both are toll producing facilities

- Carbon Materials and Chemicals
- Railroad and Utility Products and Services
- Performance Chemicals

# Business Transformation



- *Global leader in oil and water-borne preservatives*
- Successfully transitioning from a business built on producing carbon pitch to serve global aluminum industry into ***an enterprise centered on the preservation and enhancement of wood.***
- **Strategy continues to build momentum**
- ***Wood treatment technologies are at the heart of our value creation model.***

# North American Rail Freight Industry



- What are railroads doing well?
  - Consistent linehaul service
  - Safety culture
  
- What do railroads need to improve?
  - First Mile/Last Mile
  - Interchanges



# Business Development Successes




- Intra-plant Switching
  - Introduced Watco to manage switching within Cicero, IL plant
  - Improved service consistency from CN
- Backhaul Rates
  - Opportunity to switch from truck to rail on round-trip loads
  - Unusual opportunity; Administrative challenges
- Terminal challenges in the Gulf
  - Required to manage import of critical raw material
  - Worked with UP to develop efficient, cost effective transportation
  - NOGC was able to manage a significant increase in volume
- Railway Tie movements
  - Worked with BNSF for offline tie shipments
  - Cooperation led to continued movements to CP as well as Iowa Interstate

# Business Development Failures



- Railway Tie movements
  - Lost volume out of Muncy, PA tie facility
  - Lack of flexibility to allow business development for offline shipments



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.

[koppers.com](http://koppers.com)

