GrafTech International

Q1 2021 Results

May 5, 2021

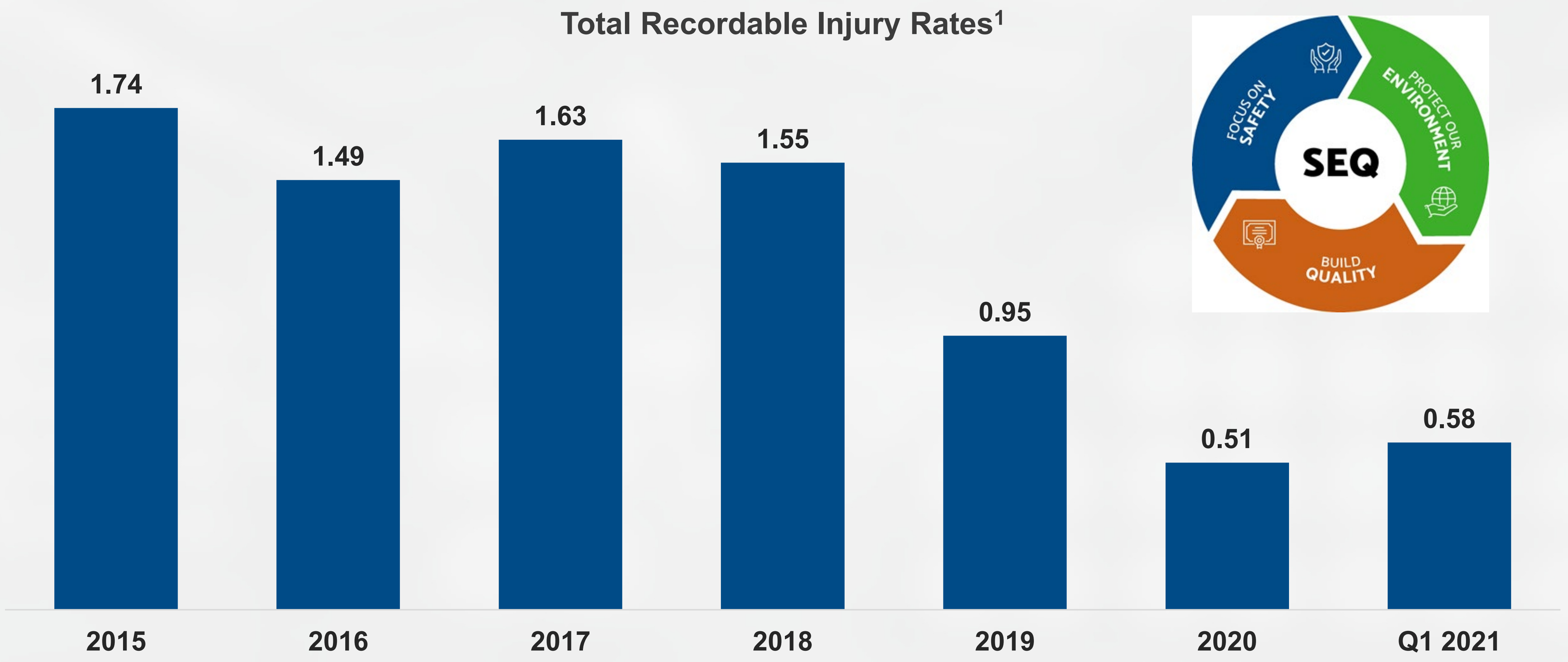
NYSE: EAF
www.graftech.com

Forward-looking Statements

NOTE ON FORWARD-LOOKING STATEMENTS: This presentation and related discussions may contain forward-looking statements that reflect our current views with respect to, among other things, future events and financial performance. You can identify these forward-looking statements by the use of forward-looking words such as “will,” “may,” “plan,” “estimate,” “project,” “believe,” “anticipate,” “expect,” “foresee,” “intend,” “should,” “would,” “could,” “target,” “goal,” “continue to,” “positioned to,” “are confident,” or the negative versions of those words or other comparable words. Any forward-looking statements contained in this presentation are based upon our historical performance and on our current plans, estimates and expectations considering information currently available to us. The inclusion of this forward-looking information should not be regarded as a representation by us that the future plans, estimates, or expectations contemplated by us will be achieved. Our expectations and targets are not predictions of actual performance and historically our performance has deviated, often significantly, from our expectations and targets. These forward-looking statements are subject to various risks and uncertainties and assumptions relating to our operations, financial results, financial condition, business, prospects, growth strategy and liquidity. Accordingly, there are or will be important factors that could cause our actual results to differ materially from those indicated in these statements. We believe that these factors include, but are not limited to: the ultimate impact that the COVID-19 pandemic has on our business, results of operations, financial condition and cash flows; the cyclical nature of our business and the selling prices of our products may lead to periods of reduced profitability and net losses in the future; the possibility that we may be unable to implement our business strategies, including our ability to secure and maintain longer-term customer contracts, in an effective manner; the risks and uncertainties associated with litigation, arbitration, and like disputes, including the current stockholder litigation and disputes related to contractual commitments; the possibility that global graphite electrode overcapacity may adversely affect graphite electrode prices; pricing for graphite electrodes has historically been cyclical and the price of graphite electrodes may continue to decline in the future; the sensitivity of our business and operating results to economic conditions and the possibility others may not be able to fulfill their obligations to us in a timely fashion or at all; our dependence on the global steel industry generally and the electric arc furnace steel industry in particular; the competitiveness of the graphite electrode industry; our dependence on the supply of petroleum needle coke; our dependence on supplies of raw materials (in addition to petroleum needle coke) and energy; the possibility that our manufacturing operations are subject to hazards; changes in, or more stringent enforcement of, health, safety and environmental regulations applicable to our manufacturing operations and facilities; the legal, compliance, economic, social and political risks associated with our substantial operations in multiple countries; the possibility that fluctuation of foreign currency exchange rates could materially harm our financial results; the possibility that our results of operations could deteriorate if our manufacturing operations were substantially disrupted for an extended period, including as a result of equipment failure, climate change, regulatory issues, natural disasters, public health crises, such as the COVID-19 pandemic, political crises or other catastrophic events; our dependence on third parties for certain construction, maintenance, engineering, transportation, warehousing and logistics services; the possibility that we are unable to recruit or retain key management and plant operating personnel or successfully negotiate with the representatives of our employees, including labor unions; the possibility that we may divest or acquire businesses, which could require significant management attention or disrupt our business; the sensitivity of goodwill on our balance sheet to changes in the market; the possibility that we are subject to information technology systems failures, cybersecurity attacks, network disruptions and breaches of data security; our dependence on protecting our intellectual property; the possibility that third parties may claim that our products or processes infringe their intellectual property rights; the possibility that significant changes in our jurisdictional earnings mix or in the tax laws of those jurisdictions could adversely affect our business; the possibility that our indebtedness could limit our financial and operating activities or that our cash flows may not be sufficient to service our indebtedness; the possibility that restrictive covenants in our financing agreements could restrict or limit our operations; the fact that borrowings under certain of our existing financing agreements subject us to interest rate risk; the possibility of a lowering or withdrawal of the ratings assigned to our debt; the possibility that disruptions in the capital and credit markets could adversely affect our results of operations, cash flows and financial condition, or those of our customers and suppliers; the possibility that highly concentrated ownership of our common stock may prevent minority stockholders from influencing significant corporate decisions; the possibility that we may not pay cash dividends on our common stock in the future; the fact that certain of our stockholders have the right to engage or invest in the same or similar businesses as us; the possibility that the market price of our common stock could be negatively affected by sales of substantial amounts of our common stock in the public markets, including by Brookfield Asset Management Inc. and its affiliates; the fact that certain provisions of our Amended and Restated Certificate of Incorporation and our Amended and Restated By-Laws could hinder, delay or prevent a change of control; the fact that the Court of Chancery of the State of Delaware will be the exclusive forum for substantially all disputes between us and our stockholders; and the loss of our status as a “controlled company” within the meaning of the New York Stock Exchange corporate governance standards, which will result in us no longer qualifying for exemptions from certain corporate governance requirements.

These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements, including the Risk Factors sections that are included in our most recent Annual Report on Form 10-K, and other filings with the Securities and Exchange Commission (the SEC). The forward-looking statements made in this presentation relate only to events as of the date on which the statements are made. We do not undertake any obligation to publicly update or review any forward-looking statement, except as required by law, whether as a result of new information, future developments or otherwise.

Building Safe and Efficient Operations



[1] Total recordable injury rates measured per 200,000 hours worked.

Industry Conditions

Steel Industry Fundamentals continued improving in Q1

- Global steel production, excluding China[1], of ~216 million tons in Q1; up 3% sequentially vs. Q4
- Global steel manufacturing utilization rate (ex-China) improved to ~73% in Q1[2], from ~72% in Q4
- Steel prices continue to increase globally

Graphite Electrode Industry

- Graphite electrode demand is strengthening; expect demand to continue to improve through balance of year
- Global graphite electrode prices are rising after hitting a low in Q1
- Expect second half of 2021 to reflect benefits of increased graphite electrode pricing

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[1]Source: World Steel Association, April 22, 2021
[2]Source: World Steel Association and Metal Expert

Commercial Outlook

- Market conditions **have continued to improve in 2021**
- Seeing **improved demand for our products**
- Expect volumes to increase through balance of year
- Expect improved pricing in second half of 2021
- Unchanged **long term agreement (LTA) sales volume and revenues estimates** for 2021 through 2024:

	2021	2022	2023 through 2024
Estimated LTA volume (thousands of MT's)	98-108	95-105	35-45
Estimated LTA revenue (millions of $'s)	$925-$1,025	$910-$1,010	$350-$450[(1)]

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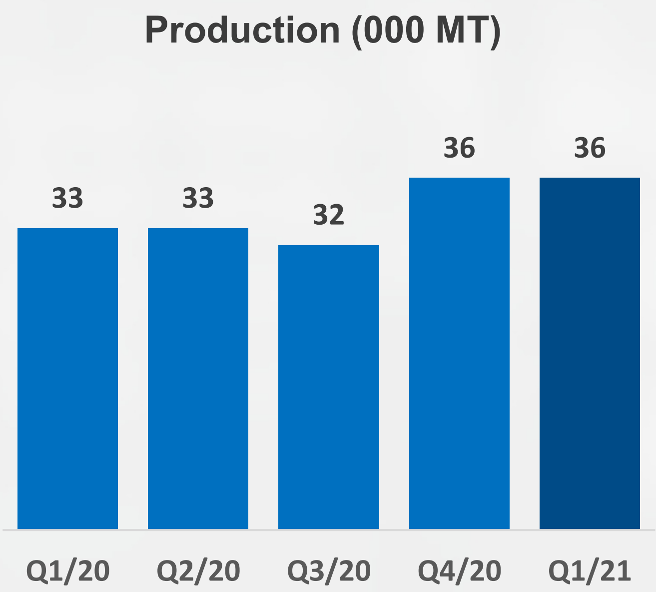
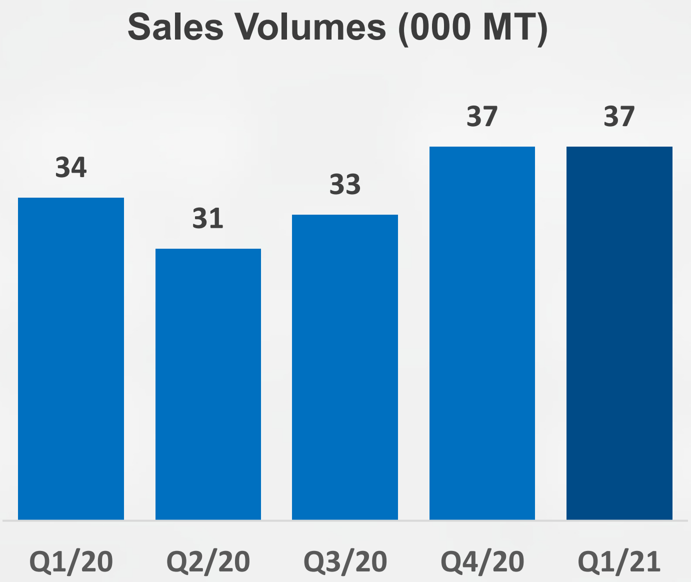
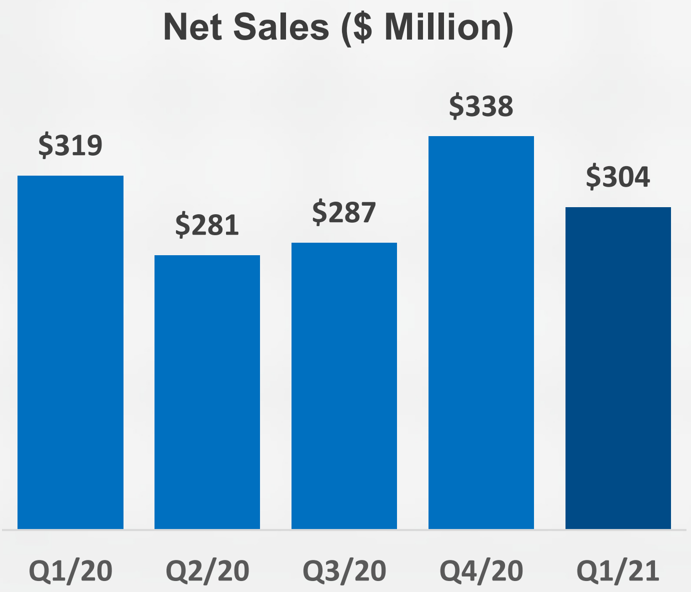
[1] Includes expected termination fees from a few customers that have failed to meet certain obligations under their LTAs.

Production and Sales

- Production and Sales Volume both **up 9% vs. Q1 2020**
- Focused on increasing production with improving demand
- Prioritizing customer satisfaction with 95% on time delivery performance in the first quarter







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Prioritizing ESG

Business Ethics & Corporate Governance

- Our Code of Conduct and Ethics guides our daily business decisions and actions
- “Do the right thing every time”

Materiality & Sustainability Strategy

- Currently conducting Materiality Assessment

Workforce

- Safety is a top priority, with employees returning home safely every day

Society & Community

- We strive to be a good corporate citizen in our local communities and support local organizations and causes

Environment

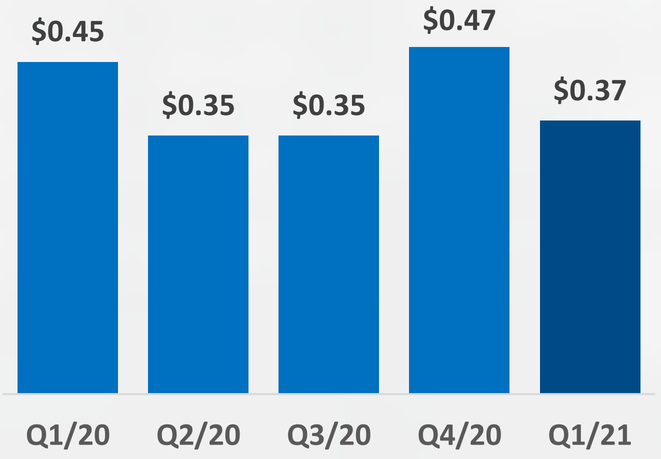
- We are being proactive to improve our environmental footprint across our operations
- Pamplona facility ISO 14001 certified in Q1
- Ongoing focus on improving environmental metrics at all of our production facilities, including upgrading manufacturing equipment

Monterrey operation working with community organization to distribute grocery packages and cloth face masks to local families

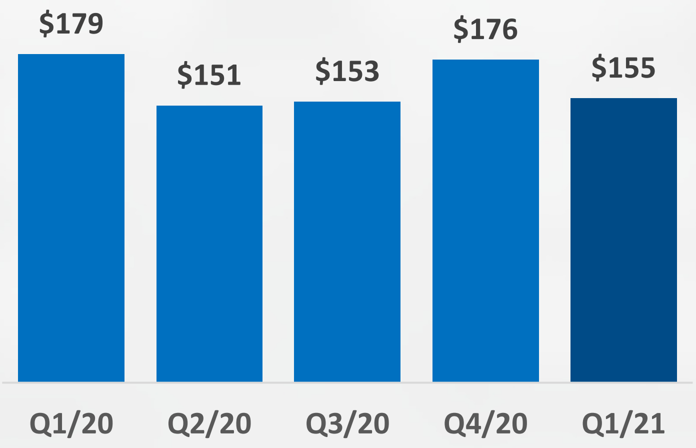
Earnings and Cash Flow

- Continuing to deliver solid results:
  - Q1 2021 EPS of **$0.37**
  - Q1 2021 adjusted EBITDA[1] of **$155 million**
  - Q1 2021 adjusted EBITDA margin[2] of **51%**
- 70% of adjusted EBITDA[1] converted to free cash flow[3] in Q1 2021

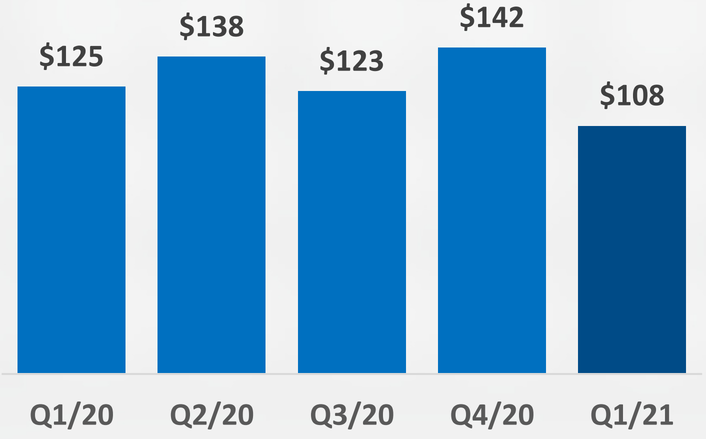
Earnings Per Share



Adjusted EBITDA ($ Million)[1]



Free Cash Flow ($ Million)[3]



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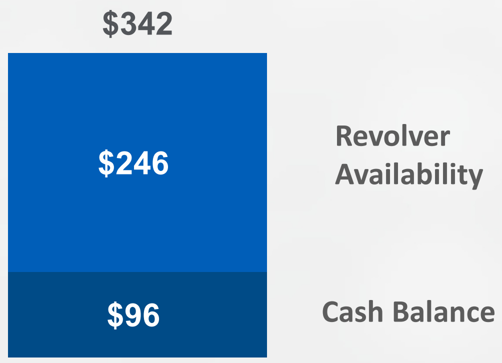
[1]Non-GAAP measure, see page 14 for reconciliation. [2]Adjusted EBITDA margin is a non-GAAP measure that is calculated as adjusted EBITDA divided by net sales (Q1 2021 adjusted EBITDA of $155 million/Q1 2021 net sales of $304 million). [3]Non-GAAP measure, see page 15 for reconciliation. Free cash flow conversion is calculated as free cash flow divided by adjusted EBITDA (Q1 2021 free cash flow of $108 million/Q1 2021 adjusted EBITDA of $155 million).

Prioritizing Balance Sheet Strength and Financial Flexibility

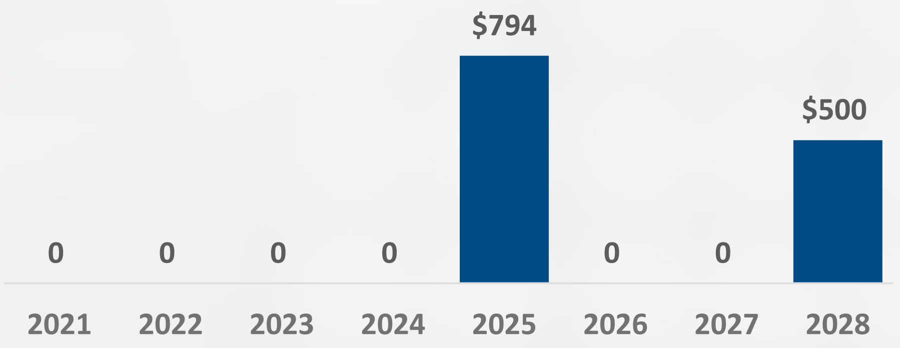
Continued to Strengthen Capital Structure in Q1 2021

- Reduced debt by **~$150 million**, continuing to decrease amount maturing in 2025
- Lowered Term Loan interest rate by **100 basis points** from Credit Agreement repricing and improved credit rating
- **Total Debt / adjusted EBITDA[1] 2.0x**
- Liquidity of **$342 million**

Liquidity ($ Million)



Debt Maturity Profile ($ Million)



[1]Non-GAAP measure, see pages 14 for reconciliation; adjusted EBITDA in this calculation is on a trailing 12-month basis.

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Delivering on Key Capital Priorities

Generate meaningful cash flows

- Anticipate strong operating and free cash flow in 2021
- Q1 operating cash flow of $122 million and free cash flow[1] of $108 million
- Converted 70% percent of adjusted EBITDA[2] to free cash flow[3]

Continuing focus on balance sheet strength to allow for operational and strategic flexibility

- Expect to use majority of free cash flow in 2021 for debt reduction

Reinvest to maintain productive, high quality, low cost operations

- Maintaining our assets and targeting operational improvements that generate high return on investment
- Expect capital expenditures of $55 million – $65 million in 2021

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[1] Non-GAAP measure, see page 15 for reconciliation. [2]Non-GAAP measure, see page 14 for reconciliation. [3]Non-GAAP measure, see page 15 for reconciliation Free cash flow conversion is calculated as free cash flow divided by adjusted EBITDA (Q1 2021 free cash flow of $108 million/Q1 2021 adjusted EBITDA of $155 million).

An Industry-Leading Producer of Graphite Electrodes

- ✓ **Graphite electrodes are a highly engineered, mission critical industrial consumable for electric arc furnace steel production, that constitute only 1-5% of customer COGS**
  - EAF steelmaking long-term growth rate of ~3%[1], low capital and cost structure and flexible to operate
- ✓ **Sharp focus on providing services and solutions for electric arc furnace steel producers**
- ✓ **Sustainable competitive advantage from our low cost structure**
  - Substantial vertical integration into petroleum needle coke
  - Efficient operation of three of the largest graphite electrode manufacturing facilities in the world
- ✓ **Consistent cash flow generation and commitment to strong balance sheet**
- ✓ ESG factors are a tailwind; EAF steelmaking produces **~75% less carbon dioxide emissions** than integrated steelmaking

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[1] Source: World Steel Association

Disclosures

Non-GAAP Financial Measures

Investors are encouraged to read the information contained in this presentation in conjunction with the following information, the Forward-looking statements information on page 2 and the factors described under the “Risk Factors” section of the Company’s most recent Annual Report on Form 10-K and disclosure in the Company’s other SEC filings.

Adjusted EBITDA is a non-GAAP financial measure and the primary metric used by our management and our board of directors to establish budgets and operational goals for managing our business and evaluating our performance. We define adjusted EBITDA as EBITDA plus any pension and other post-employment benefit plan expenses, initial and follow-on public offering and related expenses, non-cash gains or losses from foreign currency remeasurement of non-operating assets and liabilities in our foreign subsidiaries where the functional currency is the U.S. dollar, related party Tax Receivable Agreement expense, stock-based compensation and non-cash fixed asset write-offs. We define EBITDA, a non-GAAP financial measure, as net income or loss plus interest expense, minus interest income, plus income taxes, and depreciation and amortization. We monitor adjusted EBITDA as a supplement to our GAAP measures, and believe it is useful to present to investors because we believe that it facilitates evaluation of our period to period operating performance by eliminating items that are not operational in nature, allowing comparison of our recurring core business operating results over multiple periods unaffected by differences in capital structure, capital investment cycles and fixed asset base. Adjusted EBITDA margin is also a non-GAAP financial measure used by our management and our board of directors as supplemental information to assess the Company’s operational performance and is calculated as adjusted EBITDA divided by net sales. In addition, we believe adjusted EBITDA, adjusted EBITDA margin and similar measures are widely used by investors, securities analysts, ratings agencies, and other parties in evaluating companies in our industry as a measure of financial performance and debt service capabilities. We also monitor the ratio of total debt to trailing twelve month adjusted EBITDA, because we believe it is a useful and widely used way to assess our leverage.

Free cash flow, a non-GAAP financial measure, is a metric used by our management and our board of directors to analyze cash flows generated from operations. We define free cash flow as net cash provided by operating activities less capital expenditures. We believe free cash flow is useful to present to investors because we believe that it facilitates comparison of the Company’s performance with its competitors. Free cash flow conversion is also a non-GAAP financial measure used by our management and our board of directors as supplemental information to evaluate the Company’s ability to convert earnings from our operational performance to cash. We calculate free cash flow conversion as free cash flow divided by adjusted EBITDA.

Although adjusted EBITDA, adjusted EBITDA margin, free cash flow, and free cash flow conversion and similar measures are frequently used by other companies, our calculation of these measures is not necessarily comparable to such other similarly titled measures of other companies. The non-GAAP presentations of adjusted EBITDA, adjusted EBITDA margin, free cash flow and free cash flow conversion are not meant to be considered in isolation or as a substitute for analysis of our results as reported under GAAP. When evaluating our performance, you should consider these measures alongside other measures of financial performance and liquidity, including our net income (loss) and cash flow from operating activities, respectively, and other GAAP measures.

Reconciliation to Adjusted EBITDA

(in thousands)	March 31, 2020	June 30, 2020	Sept 30, 2020	For the Three Months Ended Dec 31, 2020	March 31, 2021	TTM Ended March 31, 2021
Net income	122,268	$ 92,776	$ 94,234	$ 125,096	$ 98,799	$ 410,905
Add:						
Depreciation and amortization	14,284	14,549	16,241	17,889	16,539	65,218
Interest expense	25,672	20,880	22,474	29,048	22,167	94,569
Interest income	(1,141)	(348)	(93)	(168)	(37)	(646)
Income taxes	23,946	19,788	18,104	13,833	16,257	67,982
EBITDA	$ 185,029	$ 147,645	$ 150,960	$ 185,698	$ 153,725	$ 638,028
Adjustments:						
Pension and OPEB plan expenses (1)	542	541	583	4,430	431	5,985
Initial and follow-on public offering and related expenses (2)	4	-	-	260	422	682
Non-cash loss (gain) on foreign currency remeasurement (3)	(3,461)	2,222	798	1,738	(348)	4,410
Stock-based compensation (4)	410	717	764	778	768	3,027
Non-cash fixed asset write-off (5)	-	-	-	378	-	378
Related party Tax Receivable Agreement adjustment (6)	(3,346)	-	-	(17,744)	47	(17,697)
Adjusted EBITDA	$ 179,178	$ 151,125	$ 153,105	$ 175,538	$ 155,045	$ 634,813

Total Debt / TTM adjusted EBITDA ratio calculation	
Total Debt as of March 31, 2021	$ 1,273,123
Trailing Twelve Month (TTM) adjusted EBITDA	$ 634,813
Total Debt to TTM adjusted EBITDA ratio	2.0

(1) Service and interest cost of our OPEB plans. Also includes a mark-to-market loss (gain) for plan assets as of December of each year.
(2) Legal, accounting, printing and registration fees associated with the initial and follow-on public offering and related expenses.
(3) Non-cash gains and losses from foreign currency remeasurement of non-operating assets and liabilities of our non-U.S. subsidiaries where the functional currency is the U.S. dollar.
(4) Non-cash expense for stock-based compensation grants.
(5) Non-cash fixed asset write-off recorded for obsolete assets.
(6) Non-cash expense for future payment to our sole pre-IPO stockholder for tax assets that are expected to be utilized.

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Reconciliation to Free Cash Flow

	For the Three Months Ended				
	March 31,	June 30,	Sept 30,	Dec 31,	March 31,
(in thousands)	**2020**	**2020**	**2020**	**2020**	**2021**
Net cash provided by operating activities	$ 139,283	$ 148,373	$ 129,009	$ 146,981	$ 122,425
Capital expenditures	(13,901)	(10,454)	(6,333)	(5,387)	(14,174)
Free cash flow	$ 125,382	$ 137,919	$ 122,676	$ 141,594	$ 108,251

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