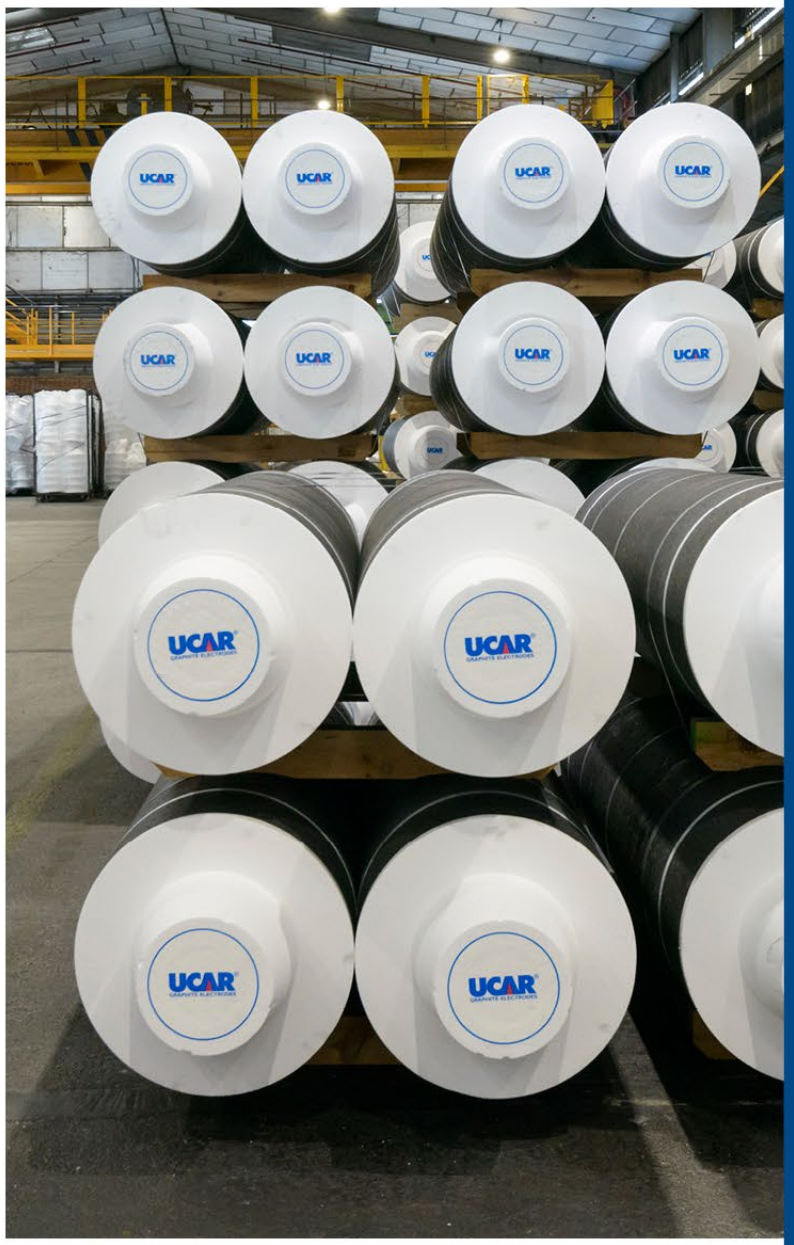

Q3 2022 Results

November 4, 2022

NYSE: EAF
www.graftech.com

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Forward-Looking Statements

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS: This presentation and related discussions may contain forward-looking statements within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements reflect our current views with respect to, among other things, financial projections, plans and objectives of management for future operations, and future economic performance. Examples of forward-looking statements include, among others, statements we make regarding future estimated revenues and volumes derived from our take-or-pay agreements that had initial terms of three-to-five years ("LTA"), future pricing of short-term agreements and spot sales ("Non-LTA"), anticipated levels of capital expenditures, and guidance relating to earnings per share and adjusted EBITDA. 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 the COVID-19 pandemic has on our business, results of operations, financial condition and cash flows, including the duration and spread of any variants, the duration and scope of related government orders and restrictions, the impact on our employees, and the disruptions and inefficiencies in our supply chain; the ultimate impact the conflict between Russia and Ukraine has on our business, results of operations, financial condition and cash flows, including the duration and scope of such conflict, its impact on disruptions and inefficiencies in our supply chain and our ability to procure certain raw materials; 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 cyclical nature of our business and the selling prices of our products, which may decline in the future, may lead to periods of reduced profitability and net losses in the future; the impact of inflation and our ability to mitigate the effect on our costs; the risks and uncertainties associated with litigation, arbitration, and like disputes, including disputes related to contractual commitments; the possibility that global graphite electrode overcapacity may adversely affect graphite electrode prices; our dependence on the global steel industry generally and the electric arc furnace steel industry in particular; the sensitivity of our business and operating results to economic conditions, including any recession, and the possibility others may not be able to fulfill their obligations to us in a timely fashion or at all; the competitiveness of the graphite electrode industry; our dependence on the supply of raw materials, including decant oil, petroleum needle coke, and energy, and disruptions in supply chains for these materials; 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, including the suspension of our operations located in Monterrey, Mexico and our ability to resume operations in Monterrey; 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 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 and the possibility that third parties may claim that our products or processes infringe their intellectual property rights; 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 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 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 ("Brookfield"); the possibility that we may not pay cash dividends on our common stock in the future; and the fact that our stockholders have the right to engage or invest in the same or similar businesses as us.

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

If one or more of these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, our actual results may vary materially from what we may have expressed or implied by these forward-looking statements. We caution that you should not place undue reliance on any of our forward-looking statements. You should specifically consider the factors identified in this presentation that could cause actual results to differ before making an investment decision to purchase our common stock. Furthermore, new risks and uncertainties arise from time to time, and it is impossible for us to predict those events or how they may affect us.

Update on GrafTech Operations in Monterrey, Mexico

Temporary Suspension Notice

- Issued Sept. 15, 2022 by state environmental authorities
- Certain non-production activities, including inventory movement, permitted to continue

Current Status

- Production operations remain suspended
- Pursuing all options to resolve matter promptly

Background On Facility

- Annual capacity of ~60 thousand metric tons (“MT”)
- Represents 30% of GrafTech capacity (ex-St. Marys)
- Over 550 employees
- Proud member of the Monterrey community since 1959





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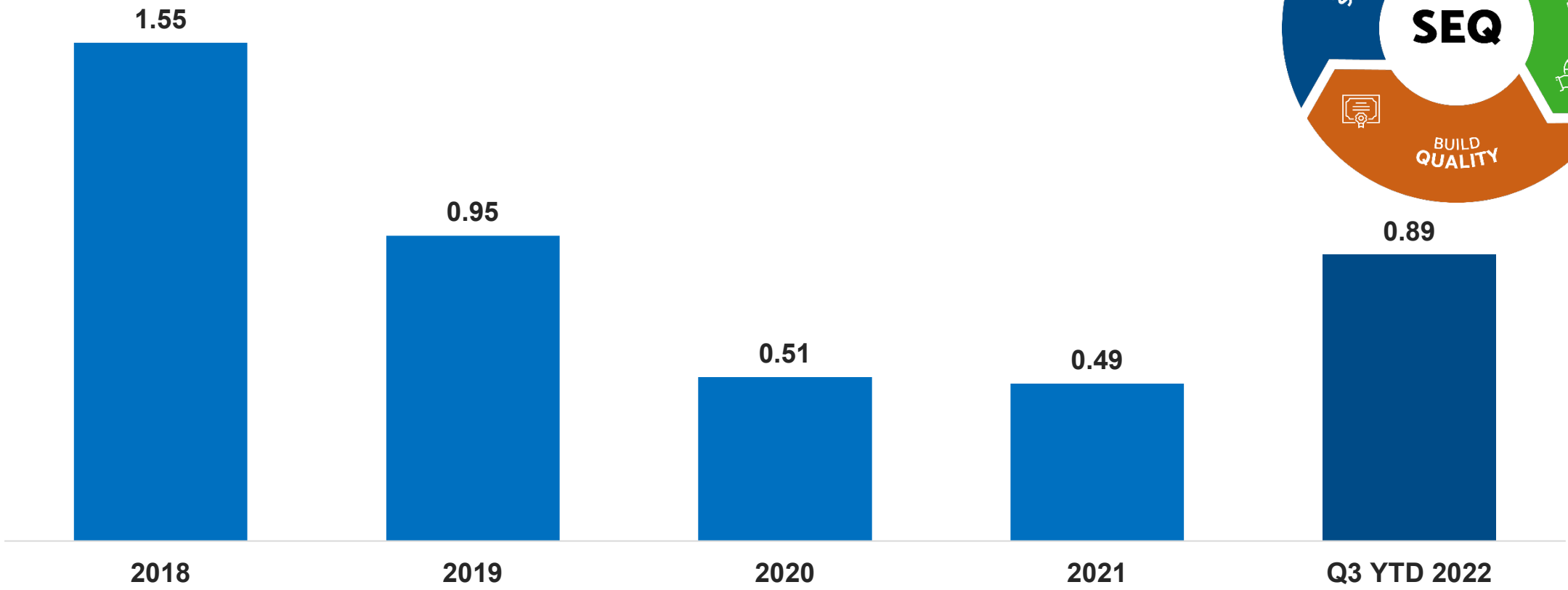
Prioritizing Safety

Total Recordable Incident Rate ("TRIR")[1]



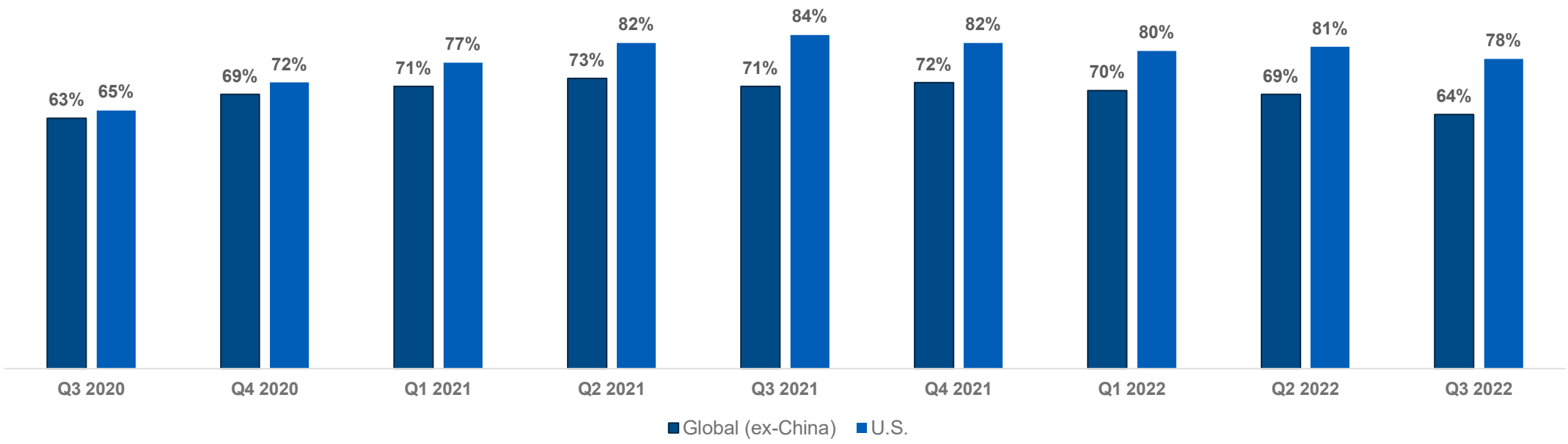


(1) TRIR measured per 200,000 hours worked.

Steel Capacity Utilization Rates

- Global steel production, excluding China, of **197.7 million** tons in Q3 2022 versus **216.4 million** tons in Q3 2021[1]
- U.S. utilization rates remain elevated compared to the global industry

Steel Capacity Utilization Rates[2]

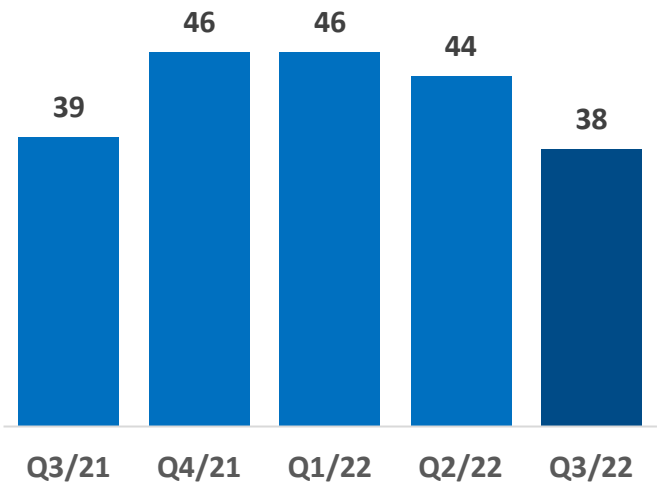


(1) Source: World Steel Association, as of October 2022.
(2) Source: World Steel Association, Metal Expert and GrafTech analysis for Global (ex-China) rates. American Iron and Steel Institute for U.S. rates. Data as of October 2022.

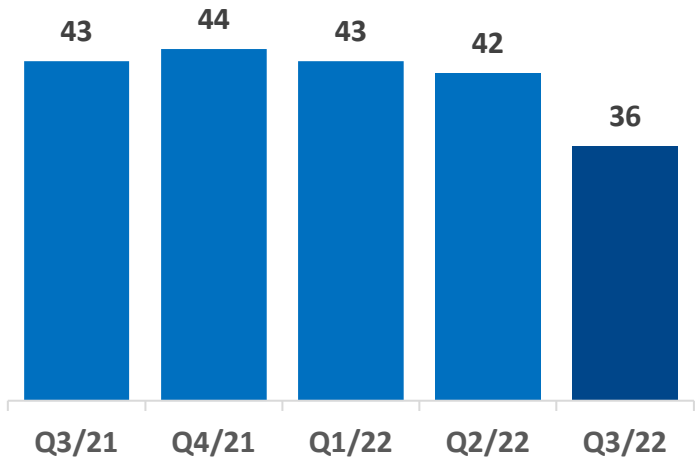
Production and Sales

- Q3 2022 production volume **down 5%**, sales volume **down 18%** and net sales **down 13%** compared to Q3 2021
- Q3 2022 weighted-average realized non-LTA prices **up 30%** compared to Q3 2021 and consistent with Q2 2022

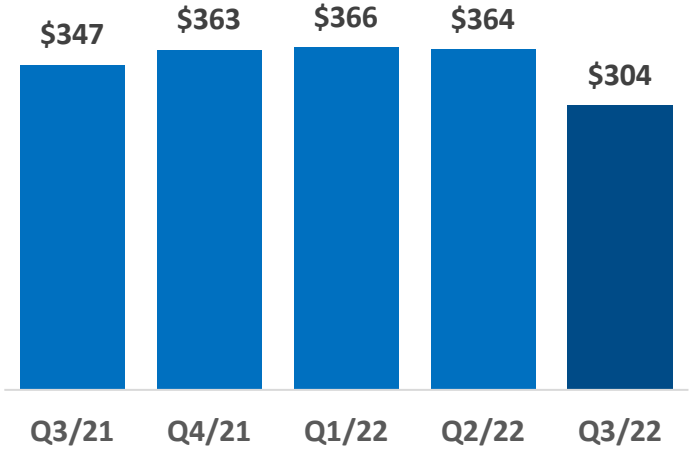
Production Volume[(1)]
(in thousands of MT)



Sales Volume
(in thousands of MT)



Net Sales
(in millions)

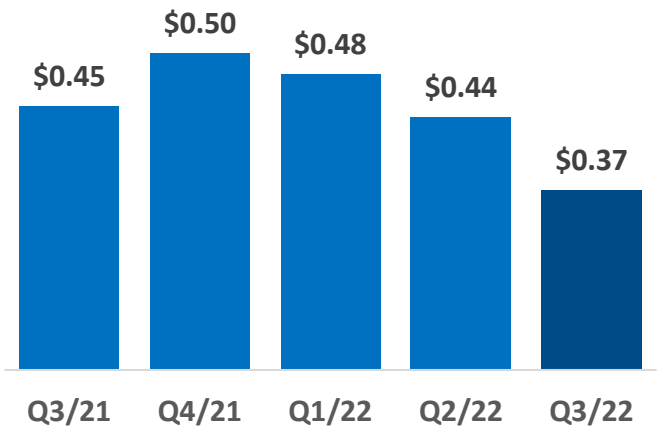


(1) Annual planned maintenance work at our two European facilities typically occurs in our third quarter.

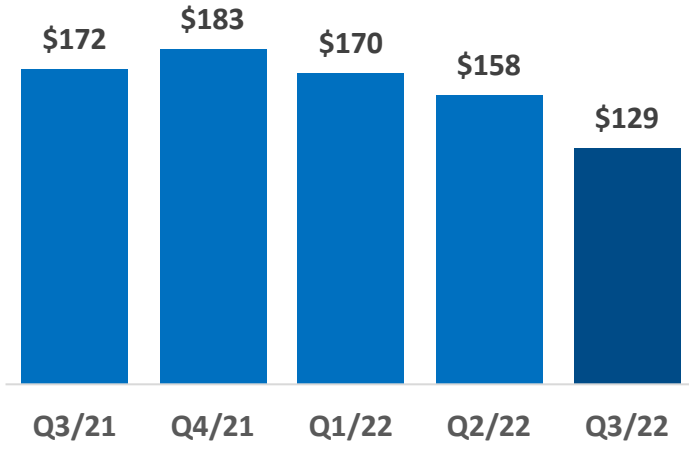
Earnings and Cash Flow

- Net income of **$93 million**; Earnings per share ("EPS") of **$0.36** and adjusted EPS[(1)] of **$0.37**
- Adjusted EBITDA[(1)] of **$129 million** and adjusted EBITDA margin[(2)] of **42%**
- Operating cash flow of **$68 million** and adjusted free cash flow[(1)] of **$52 million**
- Converted **41%** of adjusted EBITDA[(1)] to adjusted free cash flow[(1)(3)]

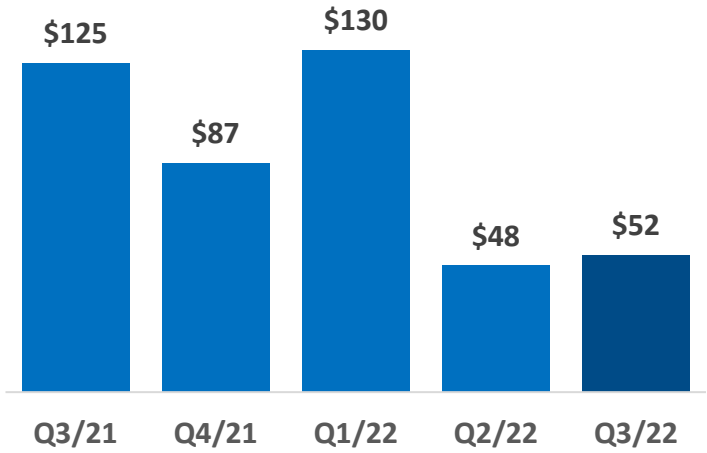
Adjusted Earnings Per Share[(1)]



Adjusted EBITDA[(1)]
(in millions)



Adjusted Free Cash Flow[(1)]
(in millions)



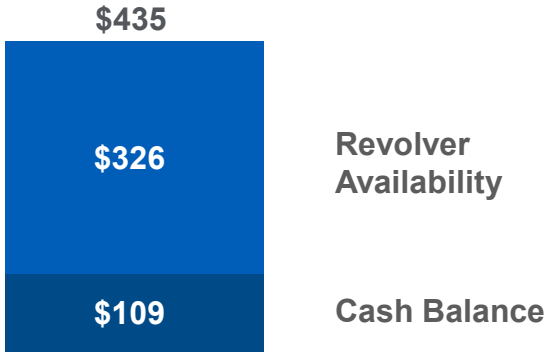
(1) Non-GAAP measure, see pages 14-18 for reconciliations.
(2) Adjusted EBITDA margin is a non-GAAP measure that is calculated as adjusted EBITDA divided by net sales (Q3 2022 adjusted EBITDA of $128.6 million/Q3 2022 net sales of $303.8 million).
(3) Adjusted free cash flow conversion is a non-GAAP measure that is calculated as adjusted free cash flow divided by adjusted EBITDA (Q3 2022 adjusted free cash flow of $52.2 million/Q3 2022 adjusted EBITDA of $128.6 million).

Balance Sheet Strength and Financial Flexibility

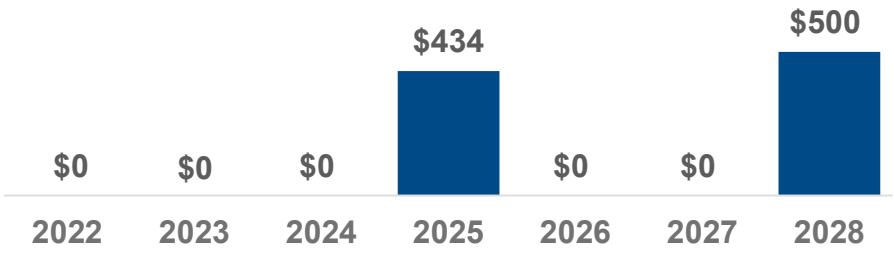
Strengthening Capital Structure through Meaningful Cash Flow Generation

- In Q3 2022, elected to utilize cash flow generation to increase liquidity by **$53 million**
- Gross debt to adjusted EBITDA[(1)] of **1.5x** as of September 30, 2022
- Liquidity of **$435 million** as of September 30, 2022

Liquidity
(in millions)



Debt Maturity Profile
(in millions)



(1) Non-GAAP measure using the trailing twelve month adjusted EBITDA, see page 17 for reconciliation.

Delivering on Capital Allocation Strategy

Reducing Debt Remains a Priority

- Reduced debt by **$110 million** year-to-date
- Further strengthening our balance sheet to support strategic flexibility

Returning Capital to Stockholders

- Repurchased an aggregate of **$60 million** of our common stock year-to-date
- Have **$99 million** remaining available under our stock repurchase program

Reinvesting in Productive, High-Quality, Low-Cost Operations

- Expect capital expenditures of **$70 million – $80 million** in 2022
- Targeting operational improvements that generate high return on investment

Current Operating Environment

Further Softening of Steel Industry Trends

- Global steel prices continue to moderate from recent highs
- Year-to-date global steel production, excluding China, has declined 5% year-over-year[1]
- U.S. steel region trends remain healthy but have weakened somewhat reflecting softer economic conditions

Near-term Headwinds

- Uncertainty in steel markets impacting demand for graphite electrodes
- Inflationary impact on raw material, energy and logistics costs
- Suspension of our operations in Monterrey, Mexico
- Shift in our sales mix from LTA to non-LTA volume continues

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(1) Source: World Steel Association, as of October 2022.

GrafTech: Key Areas of Focus

Navigating Near-term Challenges in the Operating Environment

- Working to ensure operations in Monterrey resume as quickly as possible
- Prudently managing operating and capital expenditures
- Maintaining a strong balance sheet

Leveraging Competitive Advantages to Capitalize on Long-term Industry Tailwinds

- Steel industry's efforts to decarbonize expected to drive a continued shift to electric arc furnace ("EAF") steelmaking
- Anticipate long-term demand growth for graphite electrodes driven by this ongoing transition in steelmaking
- Our vertical integration into petroleum needle coke production is a critical differentiator

Why GrafTech

An industry leader in the production of high-quality graphite electrodes

- Graphite electrodes are essential to the operation of an EAF
- Reflecting environmental benefits, growth in EAF steelmaking expected to continue outpacing integrated steelmaking



Sustainable competitive advantages

- Own three of the highest capacity graphite electrode manufacturing facilities in the world
- Substantial vertical integration into petroleum needle coke
- Needle coke demand expected to accelerate driven by use in the growing electric vehicle market

Focus on providing value-added services and solutions for customers

- Extensive intellectual property portfolio and experience in research and development
- GrafTech's proprietary ArchiTech® Furnace Productivity System provides enhanced customer value



Prudent and disciplined capital allocation strategy

- Debt reduction to strengthen our balance sheet and provide strategic flexibility
- Investing in our operations
- Returning capital to our stockholders

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Non-GAAP Financial Measures

In addition to providing results that are determined in accordance with GAAP, we have provided certain financial measures that are not in accordance with GAAP. EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted EPS, free cash flow, adjusted free cash flow, adjusted free cash flow conversion, gross debt to adjusted EBITDA, net debt and net debt to adjusted EBITDA are non-GAAP financial measures.

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 define adjusted EBITDA as EBITDA plus any pension and other post-employment benefit ("OPEB") plan expenses, adjustments for public offerings 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, stock-based compensation expense, non-cash fixed asset write-offs, related party payable - Tax Receivable Agreement adjustments, Change in Control charges that were triggered as a result of the ownership of our largest stockholder falling below 30% of our total outstanding shares and value-added tax credit gains in Brazil. Adjusted EBITDA is 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. For purposes of this presentation, a Change in Control occurred when Brookfield and any affiliates thereof ceased to own stock of the Company that constitutes at least thirty percent (30%) or thirty-five percent (35%), as applicable, of the total fair market value or total voting power of the stock of the Company (the "Change in Control").

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.

We define adjusted net income, a non-GAAP financial measure, as net income or loss, excluding the items used to calculate adjusted EBITDA, less the tax effect of those adjustments. We define adjusted EPS, a non-GAAP financial measure, as adjusted net income divided by the weighted average diluted common shares outstanding during the period. We believe adjusted net income and adjusted EPS are useful to present to investors because we believe that they assist investors' understanding of the underlying operational profitability of the Company.

Free cash flow and adjusted free cash flow, non-GAAP financial measures, are metrics 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 minus capital expenditures. We define adjusted free cash flow as free cash flow adjusted by payments of the Change in Control charges that were triggered as a result of the ownership of our largest stockholder falling below 30% of our total outstanding shares. We believe these free cash flow metrics are useful to present to investors because we believe that they facilitate comparison of the Company's performance with its competitors. Adjusted 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 adjusted free cash flow conversion as adjusted free cash flow divided by adjusted EBITDA.

We define net debt as gross debt (the most directly comparable GAAP measure) minus cash and cash equivalents. We calculate debt to adjusted EBITDA as gross debt (or net debt) divided by the trailing twelve month adjusted EBITDA. We believe these are important measurements as they are an indicator of our ability to obtain additional capital resources for our future cash needs and are more representative of our financial position and ability to reduce debt if needed.

In evaluating EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted EPS, free cash flow, adjusted free cash flow and adjusted free cash flow conversion, you should be aware that in the future, we will incur expenses similar to the adjustments in the reconciliations presented below, other than the Change in Control charges. Our presentations of EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted EPS, free cash flow, adjusted free cash flow and adjusted free cash flow conversion should not be construed as suggesting that our future results will be unaffected by these expenses or any unusual or non-recurring items. When evaluating our performance, you should consider EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted EPS, free cash flow, adjusted free cash flow and adjusted free cash flow conversion alongside other measures of financial performance and liquidity, including our net income, EPS and cash flow from operating activities, respectively, and other GAAP measures.

Reconciliation to Adjusted Net Income

($ in thousands)	For the Three Months Ended Sept 30, 2021	Dec 31, 2021	Mar 31, 2022	June 30, 2022	Sept 30, 2022
Net income	$ 119,886	$ 141,480	$ 124,183	$ 114,997	$ 93,451
Adjustments, pre-tax:					
Pension and OPEB plan expenses (benefits)[1]	434	(3,840)	551	553	534
Public offerings and related expenses[2]	-	-	-	100	-
Non-cash (gains) losses on foreign currency remeasurement[3]	(1,542)	(484)	1,236	(1,002)	(532)
Stock-based compensation expense[4]	262	337	465	573	628
Non-cash fixed asset write-off[5]	-	2,884	-	-	-
Related party payable - Tax Receivable Agreement adjustment[6]	-	184	(180)	-	-
Change in Control LTIP award[7]	-	-	-	-	-
Change in Control stock-based compensation acceleration[7]	-	-	-	-	-
Brazil value-added tax credit[8]	-	(11,511)	-	-	-
Total non-GAAP adjustments pre-tax	(846)	(12,430)	2,072	224	630
Income tax impact on non-GAAP adjustments[9]	2	(2,130)	335	119	198
Adjusted net income	$ 119,038	$ 131,180	$ 125,920	$ 115,102	$ 93,883

(1) Net periodic benefit cost (credit) for our pension and OPEB plans, including a mark-to-market (gain) loss, representing actuarial gains and losses that result from the remeasurement of plan assets and obligations due to changes in assumptions or experience. We recognize in earnings the actuarial gains and losses in connection with the annual remeasurement in the fourth quarter of each year.
(2) Legal, accounting, printing and registration fees associated with the public offerings and related expenses.
(3) Non-cash (gains) 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 adjustment for future payment to our sole pre-IPO stockholder for tax assets that are expected to be utilized.
(7) In the second quarter of 2021, we incurred Change in Control charges as a result of the ownership of our largest stockholder, Brookfield, moving below 30% of our total shares outstanding.
(8) Gain from the settlement of a value-added tax matter in Brazil.
(9) The tax impact on the non-GAAP adjustments is affected by their tax deductibility and the applicable jurisdictional tax rates.

Reconciliation to Adjusted EPS

	For the Three Months Ended				
	Sept 30, 2021	Dec 31, 2021	Mar 31, 2022	June 30, 2022	Sept 30, 2022
EPS	$ 0.45	$ 0.54	$ 0.47	$ 0.44	$ 0.36
Adjustments per share, pre-tax:					
Pension and OPEB plan expenses (benefits)[1]	-	(0.02)	-	-	-
Public offerings and related expenses[2]	-	-	-	-	-
Non-cash (gains) losses on foreign currency remeasurement[3]	-	-	0.01	-	-
Stock-based compensation expense[4]	-	-	-	-	0.01
Non-cash fixed asset write-off[5]	-	0.01	-	-	-
Related party payable - Tax Receivable Agreement adjustment[6]	-	-	-	-	-
Change in Control LTIP award[7]	-	-	-	-	-
Change in Control stock-based compensation acceleration[7]	-	-	-	-	-
Brazil value-added tax credit[8]	-	(0.04)	-	-	-
Total non-GAAP adjustments pre-tax per share	-	(0.05)	0.01	-	0.01
Income tax impact on non-GAAP adjustments per share[9]	-	(0.01)	-	-	-
Adjusted EPS	$ 0.45	$ 0.50	$ 0.48	$ 0.44	$ 0.37

(1) Net periodic benefit cost (credit) for our pension and OPEB plans, including a mark-to-market (gain) loss, representing actuarial gains and losses that result from the remeasurement of plan assets and obligations due to changes in assumptions or experience. We recognize in earnings the actuarial gains and losses in connection with the annual remeasurement in the fourth quarter of each year.
(2) Legal, accounting, printing and registration fees associated with the public offerings and related expenses.
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(8) Gain from the settlement of a value-added tax matter in Brazil.
(9) The tax impact on the non-GAAP adjustments is affected by their tax deductibility and the applicable jurisdictional tax rates.

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Reconciliation to Adjusted EBITDA

($ in thousands)	For the Three Months Ended Mar 31, 2021	June 30, 2021	Sept 30, 2021	Dec 31, 2021	Mar 31, 2022	June 30, 2022	Sept 30, 2022
Net income	$ 98,799	$ 28,165	$ 119,886	$ 141,480	$ 124,183	$ 114,997	$ 93,451
Add:							
Depreciation and amortization	16,539	16,292	15,584	17,301	14,434	14,012	13,262
Interest expense	22,167	15,994	16,048	14,551	9,212	9,399	6,424
Interest income	(37)	(199)	(417)	(219)	(98)	(1,858)	(241)
Income taxes	16,257	7,765	21,920	22,134	19,797	21,422	15,041
EBITDA	153,725	68,017	173,021	195,247	167,528	157,972	127,937
Adjustments:							
Pension and OPEB plan expenses (benefits)[(1)]	431	430	434	(3,840)	551	553	534
Public offerings and related expenses[(2)]	422	241	-	-	-	100	-
Non-cash (gains) losses on foreign currency remeasurement[(3)]	(348)	2,255	(1,542)	(484)	1,236	(1,002)	(532)
Stock-based compensation expense[(4)]	768	550	262	337	465	573	628
Non-cash fixed asset write-off[(5)]	-	313	-	2,884	-	-	-
Related party payable - Tax Receivable Agreement adjustment[(6)]	47	-	-	184	(180)	-	-
Change in Control LTIP award[(7)]	-	73,384	-	-	-	-	-
Change in Control stock-based compensation acceleration[(7)]	-	14,713	-	-	-	-	-
Brazil value-added tax credit[(8)]	-	-	-	(11,511)	-	-	-
Adjusted EBITDA	$ 155,045	$ 159,903	$ 172,175	$ 182,817	$ 169,600	$ 158,196	$ 128,567

(1) Net periodic benefit cost (credit) for our pension and OPEB plans, including a mark-to-market (gain) loss, representing actuarial gains and losses that result from the remeasurement of plan assets and obligations due to changes in assumptions or experience. We recognize in earnings the actuarial gains and losses in connection with the annual remeasurement in the fourth quarter of each year.
(2) Legal, accounting, printing and registration fees associated with the public offerings and related expenses.
(3) Non-cash (gains) 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.
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(8) Gain from the settlement of a value-added tax matter in Brazil.

Reconciliation to Net Debt and Calculation of Debt to Adjusted EBITDA

($ in thousands)	Dec 31, 2021	Sept 30, 2022
Long-term debt	$ 1,029,561	$ 921,090
Long-term debt, current maturities	127	113
Add: Unamortized debt discount and issuance costs	(14,449)	(12,874)
Total gross debt	$ 1,044,137	$ 934,077
Less: Cash and cash equivalents	57,514	109,394
Net debt	$ 986,623	$ 824,683
Adjusted EBITDA for the trailing twelve months	$ 669,940	$ 639,180
Gross debt to adjusted EBITDA	1.6x	1.5x
Net debt to adjusted EBITDA	1.5x	1.3x

Reconciliation to Free Cash Flow and Adjusted Free Cash Flow

($ in thousands)	For the Three Months Ended Sept 30, 2021	Dec 31, 2021	Mar 31, 2022	June 30, 2022	Sept 30, 2022
Net cash provided by operating activities	$ 134,256	$ 100,029	$ 146,316	$ 60,123	$ 68,166
Capital expenditures	(14,374)	(17,831)	(16,855)	(12,493)	(15,933)
Free cash flow	119,882	82,198	129,461	47,630	52,233
Change in Control payment[1]	5,263	4,659	443	-	-
Adjusted free cash flow	$ 125,145	$ 86,857	$ 129,904	$ 47,630	$ 52,233

(1) In the second quarter of 2021, we incurred pre-tax Change in Control charges of $88 million as a result of the ownership of our largest stockholder, Brookfield, moving below 30% of our total shares outstanding. Of the $88 million in pre-tax Change in Control charges, $73 million are cash and $15 million are non-cash. An aggregate of $72 million of the cash charges have been paid through the third quarter of 2022 and an additional $1 million will be paid in subsequent quarters, as a result of the timing of related payroll tax payments.