

# Q1 2023 Results

April 28, 2023

NYSE: EAF  
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**GRAFTech**  
*International*

# 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 volume derived from our take-or-pay agreements with 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: our dependence on the global steel industry generally and the electric arc furnace steel industry in particular; 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 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 possibility that we may be unable to implement our business strategies in an effective manner; the possibility that global graphite electrode overcapacity may adversely affect graphite electrode prices; the competitiveness of the graphite electrode industry; our dependence on the supply of raw materials, including decant oil and petroleum needle coke, and disruptions in supply chains for these materials; our reliance on one facility in Monterrey, Mexico for the manufacturing of connecting pins; the availability and cost of electric power and natural gas, particularly in Europe; our manufacturing operations are subject to hazards; 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; the risks and uncertainties associated with litigation, arbitration, and like disputes, including disputes related to contractual commitments; our dependence on third parties for certain construction, maintenance, engineering, transportation, warehousing and logistics services; the possibility that we are subject to information technology systems failures, cybersecurity attacks, network disruptions and breaches of data security; 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; 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 impact of inflation and our ability to mitigate the effect on our costs; the impact of macroeconomic and geopolitical events, including developments arising from the COVID-19 pandemic and the conflict between Russia and Ukraine, on our business, results of operations, financial condition and cash flows, and the disruptions and inefficiencies in our supply chain that may occur as a result of such events; 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; recent increases in benchmark interest rates and 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 restrictive covenants in our financing agreements could restrict or limit our operations; changes in, or more stringent enforcement of, health, safety and environmental regulations applicable to our manufacturing operations and facilities; 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 Corporation and its affiliates (together, “Brookfield”); the fact that our stockholders have the right to engage or invest in the same or similar businesses as us; and the possibility that we may not pay cash dividends on our common stock in the future.

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. 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.

# Successfully Executing Business Plans

## Navigating Near-term Challenges

- Managing operating costs, capital expenditures and working capital levels
- Aligning production volume with our outlook for graphite electrode demand
- Making targeted investments to further improve our competitive positioning

## Advancing our Business in Key Areas

- Operations
- Commercial
- Sustainability

## Taking Actions to Benefit from Long-term Industry Tailwinds

- Anticipate medium- to long-term demand growth for graphite electrodes
- Needle coke demand expected to accelerate
- Sustainable competitive advantages position GrafTech well



# Monterrey, Mexico Facility Update

## Background

- Temporary suspension notice issued Sept. 15, 2022
- Suspension notice conditionally lifted on Nov. 17, 2022
- Plant restarted immediately upon lifting of suspension

## Current Status (as of April 2023)

- Operating consistent with our expectations
- Successfully executing our production plan
- Progressing well on rebuilding pin stock inventory
- Satisfying agreed-upon restart conditions
- Expanding engagement with the community



# St. Marys, Pennsylvania Facility Update

## Background

- Temporarily idled in 2016, other than machining operations
- Restarted graphitization operations in 2018
- Restart of remaining processes planned for 2023
- Provides risk mitigation related to pin stock production

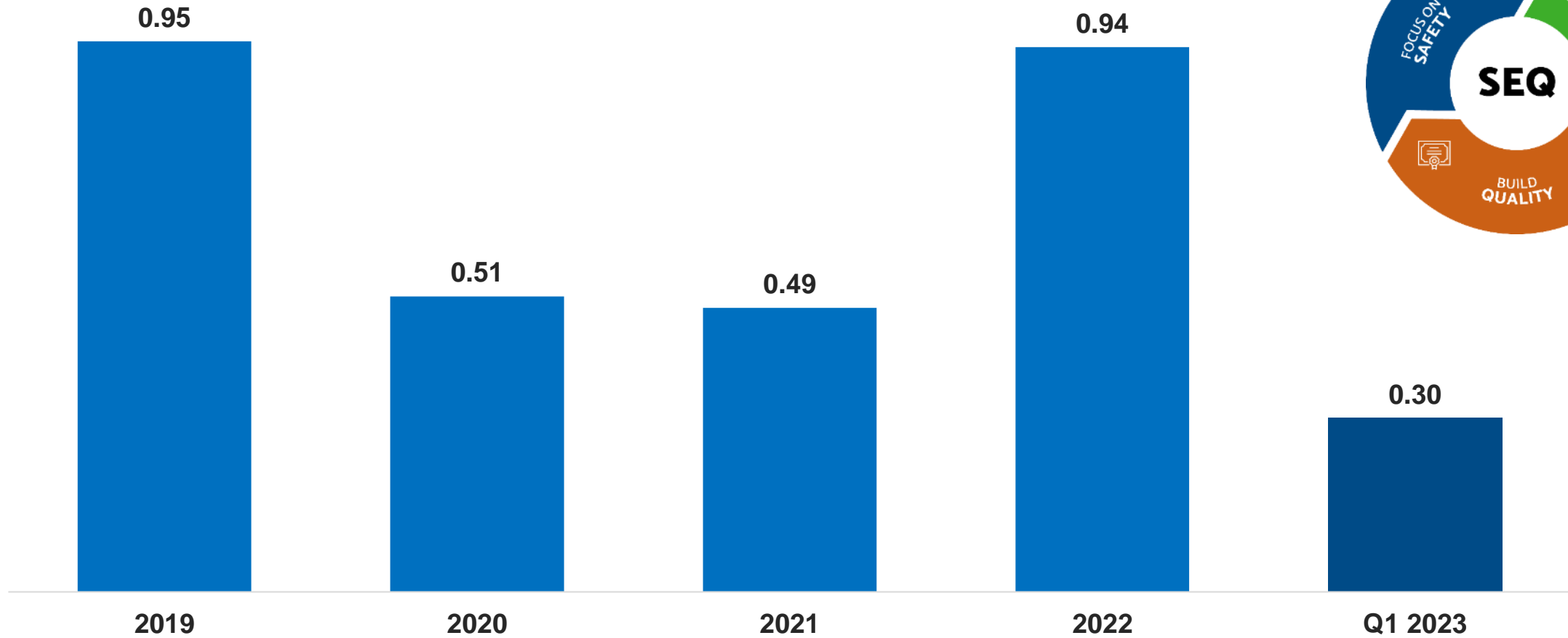
## Current Status (as of April 2023)

- Received regulatory approval to restart production
- Received first shipment of needle coke since 2016
- Have begun production operations at the facility



# Prioritizing Safety

Total Recordable Incident Rate (“TRIR”)<sup>(1)</sup>

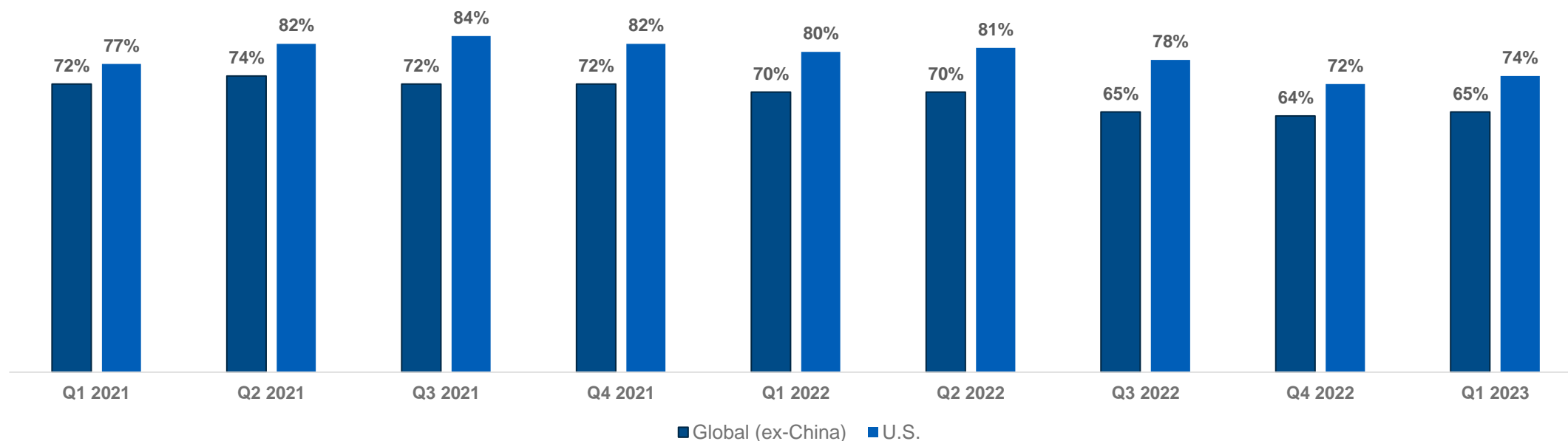


(1) TRIR measured per 200,000 hours worked.

# Steel Industry Trends

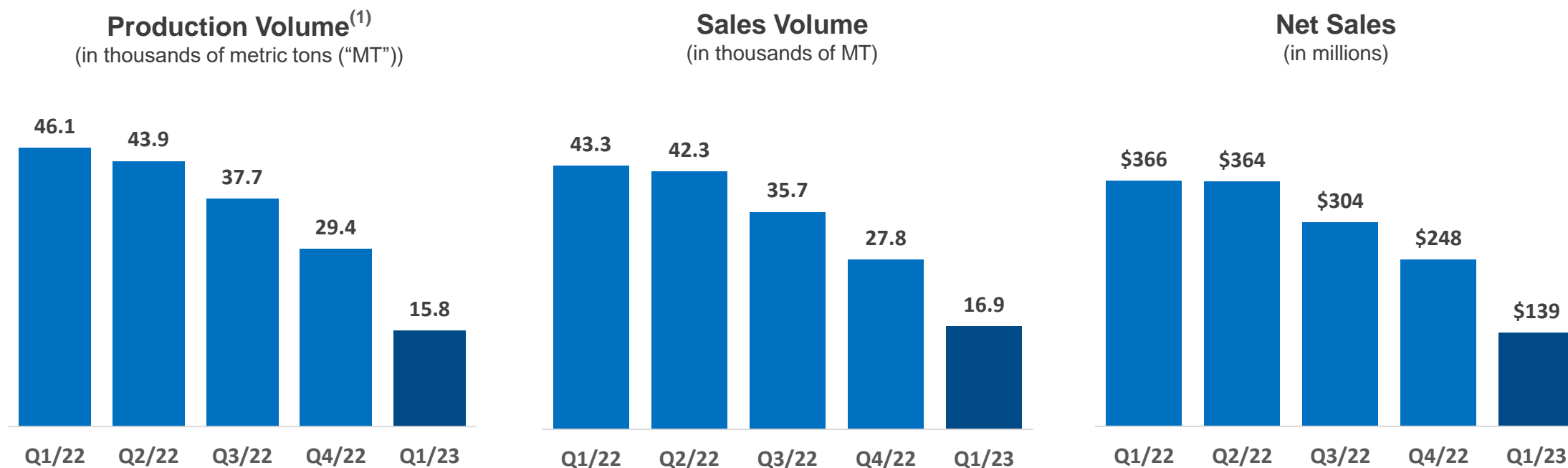
- Sequential improvement in key metrics, although remain below year ago levels
- Global steel production, excluding China, of **198 million** tons in Q1 2023 versus **214 million** tons in Q1 2022<sup>(1)</sup>

## Steel Capacity Utilization Rates<sup>(2)</sup>



# Production and Sales

- Q1 2023 production volume **down 66%**, sales volume **down 61%** and net sales **down 62%** compared to Q1 2022
- Reflects residual impact of suspension of Monterrey, Mexico operations and softness in graphite electrode demand
- We proactively reduced production at our European facilities to align with our current demand outlook

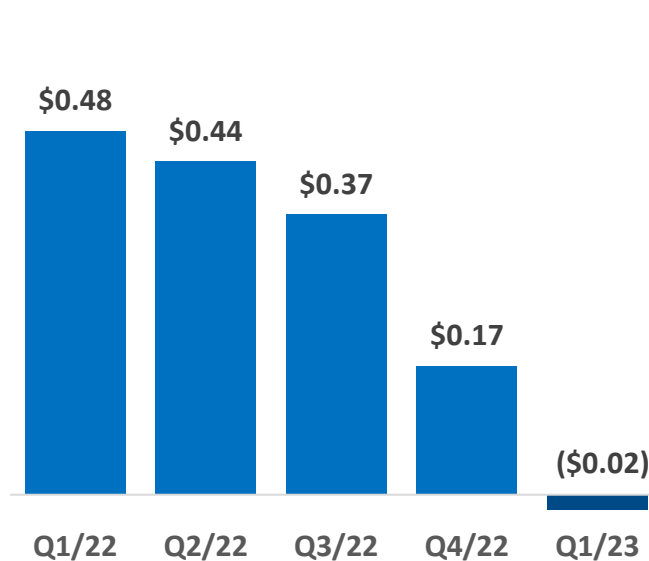


(1) Annual planned maintenance work at our two European facilities typically occurs in our third quarter.

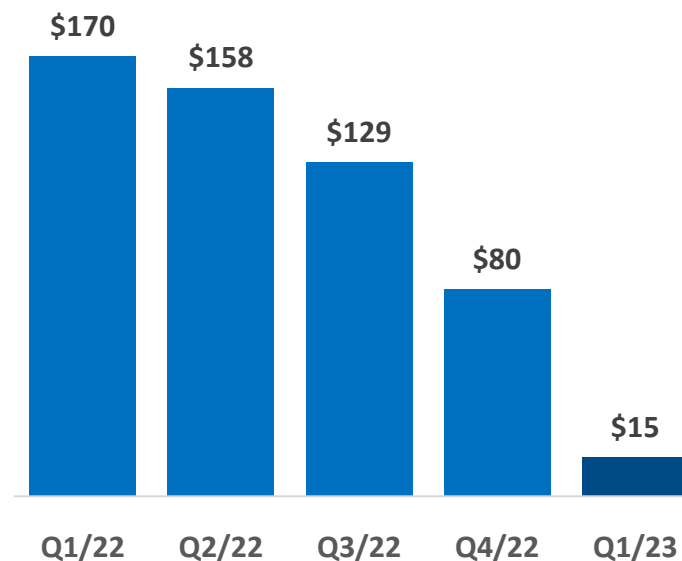
# Earnings and Cash Flow

- Net loss of **\$7 million**, or **\$0.03** per share, for a net loss margin of **5%**
- Adjusted EBITDA<sup>(1)</sup> of **\$15 million** and adjusted EBITDA margin<sup>(2)</sup> of **11%**
- Operating cash flow of **\$25 million** and adjusted free cash flow<sup>(1)</sup> of **\$3 million**

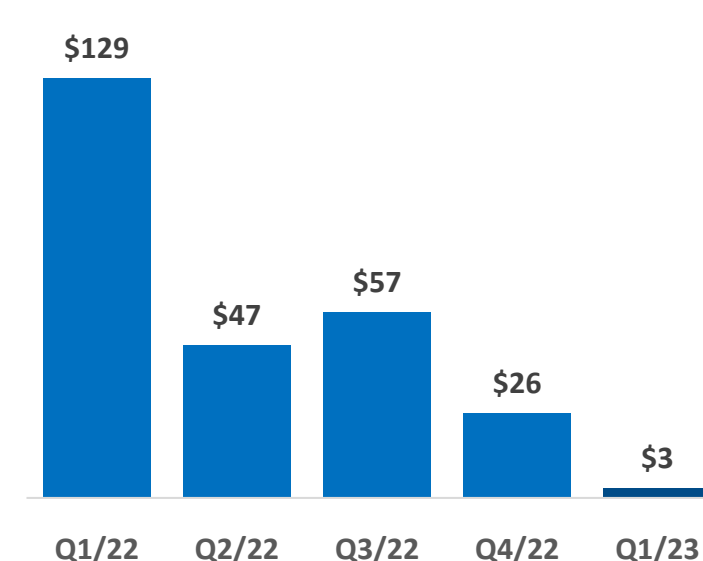
**Adjusted Earnings (Loss)  
Per Share<sup>(1)</sup>**



**Adjusted EBITDA<sup>(1)</sup>  
(in millions)**



**Adjusted Free Cash Flow<sup>(1)</sup>  
(in millions)**



(1) Non-GAAP financial measure, see pages 14-19 for reconciliations.

(2) Adjusted EBITDA margin is a non-GAAP financial measure that is calculated as adjusted EBITDA divided by net sales (Q1 2023 adjusted EBITDA of \$15 million/Q1 2023 net sales of \$139 million).

# Balance Sheet Strength and Financial Flexibility

- As of March 31, 2023:
  - Gross debt to adjusted EBITDA<sup>(1)</sup> of **2.4x**; Net debt to adjusted EBITDA<sup>(1)</sup> of **2.1x**
  - Liquidity of **\$462 million**, consistent with our liquidity as of the end of 2022
- Current capital allocation approach focused on maintaining sufficient liquidity, while making targeted investments



# Taking Actions to Benefit from Industry Tailwinds

## Long-term Industry Tailwinds

- Steel industry's efforts to decarbonize expected to drive a continued shift to electric arc furnace ("EAF") steelmaking
- Anticipate medium- to long-term demand growth for graphite electrodes driven by this ongoing transition
- Needle coke demand expected to accelerate driven by its use in the growing electric vehicle ("EV") market

## Long-term Opportunities

- Leveraging competitive advantages to capitalize on industry tailwinds for our existing electrode business
- Leveraging our assets and expertise to participate in demand growth for battery materials for the EV market
  - Petroleum needle coke production
  - Graphitization to convert needle coke to synthetic graphite

# 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

- Operate 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 EV 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 Long-Term Capital Allocation Strategy

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



# 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 (loss) income, adjusted (loss) earnings per share, free cash flow, adjusted free cash flow, gross debt to adjusted EBITDA, net debt, net debt to adjusted EBITDA and cash cost of goods sold per MT 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 adjusted by any pension and other post-employment benefit ("OPEB") plan expenses or benefits, 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 and related party payable - Tax Receivable Agreement adjustments. 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.

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 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 (loss) 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 (loss) earnings per share, a non-GAAP financial measure, as adjusted net (loss) income divided by the weighted average diluted common shares outstanding during the period. We believe adjusted net (loss) income and adjusted (loss) earnings per share 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 less capital expenditures. We define adjusted free cash flow as free cash flow adjusted by payments made or received from the settlement of interest rate swap contracts and 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. For purposes of this release, 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 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.

We define cash cost of goods sold per MT as cost of goods sold less depreciation and amortization and less cost of goods sold associated with the portion of our sales that consists of deliveries of by-products of the manufacturing processes, with this total divided by our sales volume measured in MT. We believe this is an important measure as it is used by our management and Board of Directors to evaluate our costs on a per MT basis.

In evaluating EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted net (loss) income, adjusted (loss) earnings per share, free cash flow and adjusted free cash flow, you should be aware that in the future, we will incur expenses similar to the adjustments in the reconciliations presented below. Our presentations of EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted net (loss) income, adjusted (loss) earnings per share, free cash flow and adjusted free cash flow 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 (loss) income, adjusted (loss) earnings per share, free cash flow and adjusted free cash flow alongside other measures of financial performance and liquidity, including our net (loss) income, (loss) earnings per share and cash flow from operating activities, respectively, and other GAAP measures.

# Reconciliation to Adjusted Net Income (Loss)

(\$ in thousands)	Three Months Ended				
	Mar 31, 2022	June 30, 2022	Sept 30, 2022	Dec 31, 2022	Mar 31, 2023
<b>Net income (loss)</b>	\$ 124,183	\$ 114,997	\$ 93,451	\$ 50,331	\$ (7,369)
Adjustments, pre-tax:					
Pension and OPEB plan expenses (benefits) <sup>(1)</sup>	551	553	534	(8,993)	918
Public offerings and related expenses <sup>(2)</sup>	-	100	-	-	-
Non-cash losses (gains) on foreign currency remeasurement <sup>(3)</sup>	1,236	(1,002)	(532)	819	447
Stock-based compensation expense <sup>(4)</sup>	465	573	628	645	796
Non-cash fixed asset write-off <sup>(5)</sup>	-	-	-	1,068	-
Related party payable - Tax Receivable Agreement adjustment <sup>(6)</sup>	(180)	-	-	97	16
Total non-GAAP adjustments pre-tax	2,072	224	630	(6,364)	2,177
Income tax impact on non-GAAP adjustments <sup>(7)</sup>	335	119	198	(794)	357
<b>Adjusted net income (loss)</b>	<b>\$ 125,920</b>	<b>\$ 115,102</b>	<b>\$ 93,883</b>	<b>\$ 44,761</b>	<b>\$ (5,549)</b>

(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 losses (gains) 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-initial public offering ("IPO") stockholder for tax assets that are expected to be utilized.

(7) The tax impact on the non-GAAP adjustments is affected by their tax deductibility and the applicable jurisdictional tax rates.

# Reconciliation to Adjusted Earnings (Loss) Per Share

	Three Months Ended				
	Mar 31, 2022	June 30, 2022	Sept 30, 2022	Dec 31, 2022	Mar 31, 2023
<b>Earnings (loss) per share</b>	\$ 0.47	\$ 0.44	\$ 0.36	\$ 0.20	\$ (0.03)
Adjustments per share, pre-tax:					
Pension and OPEB plan (benefits) expenses <sup>(1)</sup>	-	-	-	(0.04)	0.01
Public offerings and related expenses <sup>(2)</sup>	-	-	-	-	-
Non-cash losses (gains) on foreign currency remeasurement <sup>(3)</sup>	0.01	-	-	-	-
Stock-based compensation expense <sup>(4)</sup>	-	-	0.01	-	-
Non-cash fixed asset write-off <sup>(5)</sup>	-	-	-	0.01	-
Related party payable - Tax Receivable Agreement adjustment <sup>(6)</sup>	-	-	-	-	-
Total non-GAAP adjustments pre-tax per share	0.01	-	0.01	(0.03)	0.01
Income tax impact on non-GAAP adjustments per share <sup>(7)</sup>	-	-	-	-	-
<b>Adjusted earnings (loss) per share</b>	<b>\$ 0.48</b>	<b>\$ 0.44</b>	<b>\$ 0.37</b>	<b>\$ 0.17</b>	<b>\$ (0.02)</b>

- (1) Net periodic benefit (credit) cost 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 losses (gains) 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) The tax impact on the non-GAAP adjustments is affected by their tax deductibility and the applicable jurisdictional tax rates.

# Reconciliation to Adjusted EBITDA

(\$ in thousands)	Three Months Ended				
	Mar 31, 2022	June 30, 2022	Sept 30, 2022	Dec 31, 2022	Mar 31, 2023
<b>Net income (loss)</b>	\$ 124,183	\$ 114,997	\$ 93,451	\$ 50,331	\$ (7,369)
Add:					
Depreciation and amortization	14,434	14,012	13,262	13,788	10,777
Interest expense	9,212	9,399	6,424	11,533	12,806
Interest income	(98)	(1,858)	(241)	(2,283)	(372)
Income taxes	19,797	21,422	15,041	13,096	(2,904)
<b>EBITDA</b>	<b>167,528</b>	<b>157,972</b>	<b>127,937</b>	<b>86,465</b>	<b>12,938</b>
Adjustments:					
Pension and OPEB plan expenses (benefits) <sup>(1)</sup>	551	553	534	(8,993)	918
Public offerings and related expenses <sup>(2)</sup>	-	100	-	-	-
Non-cash losses (gains) on foreign currency remeasurement <sup>(3)</sup>	1,236	(1,002)	(532)	819	447
Stock-based compensation expense <sup>(4)</sup>	465	573	628	645	796
Non-cash fixed asset write-off <sup>(5)</sup>	-	-	-	1,068	-
Related party payable - Tax Receivable Agreement adjustment <sup>(6)</sup>	(180)	-	-	97	16
<b>Adjusted EBITDA</b>	<b>\$ 169,600</b>	<b>\$ 158,196</b>	<b>\$ 128,567</b>	<b>\$ 80,101</b>	<b>\$ 15,115</b>

- (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 losses (gains) 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.

# Reconciliation to Net Debt and Calculation of Debt to Adjusted EBITDA

(\$ in thousands)	<u>Dec 31,</u> <u>2022</u>	<u>Mar 31,</u> <u>2023</u>
Long-term debt	\$ 921,803	\$ 922,500
Long-term debt, current maturities	124	128
Add: Unamortized debt discount and issuance costs	<u>(12,049)</u>	<u>(11,353)</u>
<b>Total gross debt</b>	933,976	933,981
Less: Cash and cash equivalents	<u>134,641</u>	<u>135,440</u>
<b>Net debt</b>	<u>\$ 799,335</u>	<u>\$ 798,541</u>
<b>Adjusted EBITDA for the trailing twelve months</b>	\$ 536,464	\$ 381,979
<b>Gross debt to adjusted EBITDA</b>	<u>1.7x</u>	<u>2.4x</u>
<b>Net debt to adjusted EBITDA</b>	<u>1.5x</u>	<u>2.1x</u>

# Reconciliation to Free Cash Flow and Adjusted Free Cash Flow

(\$ in thousands)	Three Months Ended				
	Mar 31, 2022	June 30, 2022	Sept 30, 2022	Dec 31, 2022	Mar 31, 2023
<b>Net cash provided by operating activities</b>	\$ 146,316	\$ 60,123	\$ 68,166	\$ 50,023	\$ 24,798
Capital expenditures	(16,855)	(12,493)	(15,933)	(26,884)	(25,271)
<b>Free cash flow</b>	129,461	47,630	52,233	23,139	(473)
Interest rate swap settlements <sup>(1)</sup>	(887)	(546)	5,195	2,661	3,630
Change in Control payment <sup>(2)</sup>	443	-	-	-	-
<b>Adjusted free cash flow</b>	<b>\$ 129,017</b>	<b>\$ 47,084</b>	<b>\$ 57,428</b>	<b>\$ 25,800</b>	<b>\$ 3,157</b>

(1) Receipt (payment) of cash related to the monthly settlement of our outstanding interest rate swap contracts.

(2) 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 first quarter of 2023 and an additional \$1 million will be paid in subsequent quarters, as a result of the timing of related payroll tax payments.

# Reconciliation to Cash Cost of Goods Sold per MT

(\$ in thousands, except per MT amounts)	Year Ended	Three Months Ended				
	Dec 31, 2022	Mar 31, 2022	June 30, 2022	Sept 30, 2022	Dec 31, 2022	Mar 31, 2023
<b>Cost of goods sold</b>	\$ 726,373	\$ 191,214	\$ 201,496	\$ 170,171	\$ 163,492	\$ 112,645
Less:						
Depreciation and amortization <sup>(1)</sup>	48,680	12,733	12,303	11,566	12,078	9,065
Cost of goods sold - by-products and other <sup>(2)</sup>	41,611	12,469	15,974	5,452	7,716	8,332
Cash cost of goods sold	636,082	166,012	173,219	153,153	143,698	95,248
Sales volume (in thousands of MT)	149.1	43.3	42.3	35.7	27.8	16.9
<b>Cash cost of goods sold per MT</b>	<b>\$ 4,266</b>	<b>\$ 3,834</b>	<b>\$ 4,095</b>	<b>\$ 4,290</b>	<b>\$ 5,169</b>	<b>\$ 5,636</b>

(1) Reflects the portion of depreciation and amortization that is recognized in cost of goods sold.

(2) Primarily reflects cost of goods sold associated with the portion of our sales that consists of deliveries of by-products of the manufacturing processes.



GrafTech International Ltd.  
982 Keynote Circle  
Brooklyn Heights, Ohio 44131

**Ticker:** EAF (NYSE)

**Website:** [www.graftech.com](http://www.graftech.com)

**Contact:** Michael Dillon

**Email:** [investor.relations@graftech.com](mailto:investor.relations@graftech.com)

**Phone:** 1.216.676.2000