



Investor Presentation

February 2023

NYSE: EAF
www.graftech.com

GRAF*Tech*
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 Asset Management Inc. 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.

Business Overview

Why GrafTech



An Industry Leader in the Production of High-Quality Graphite Electrodes

- Graphite electrodes are essential to the operation of an electric arc furnace (“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 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

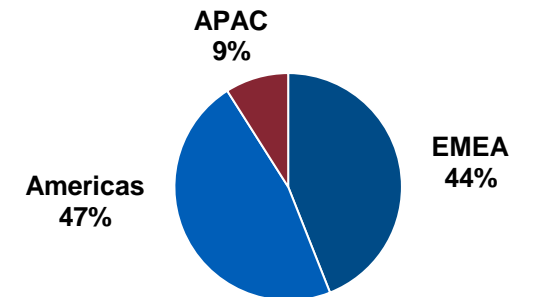


Prudent and Disciplined Long-Term Capital Allocation Strategy

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



Our Markets (2022 Net Sales by Region)

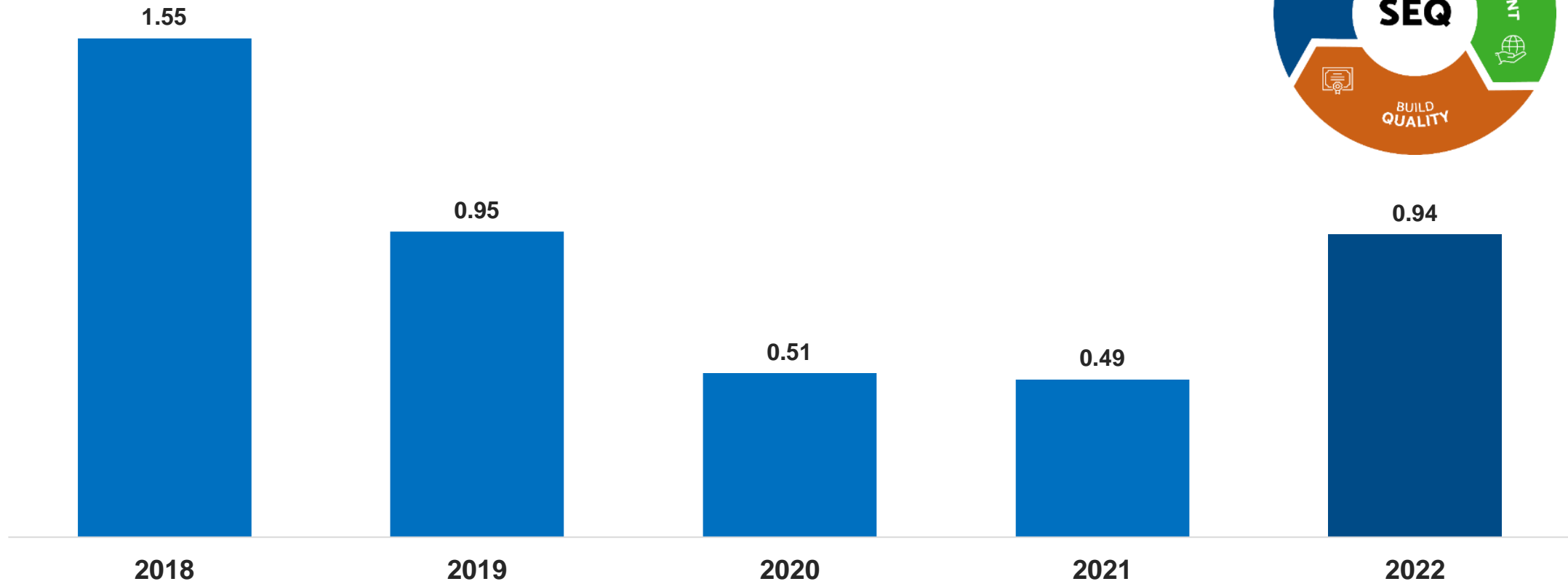


Global Network of Production & Sales



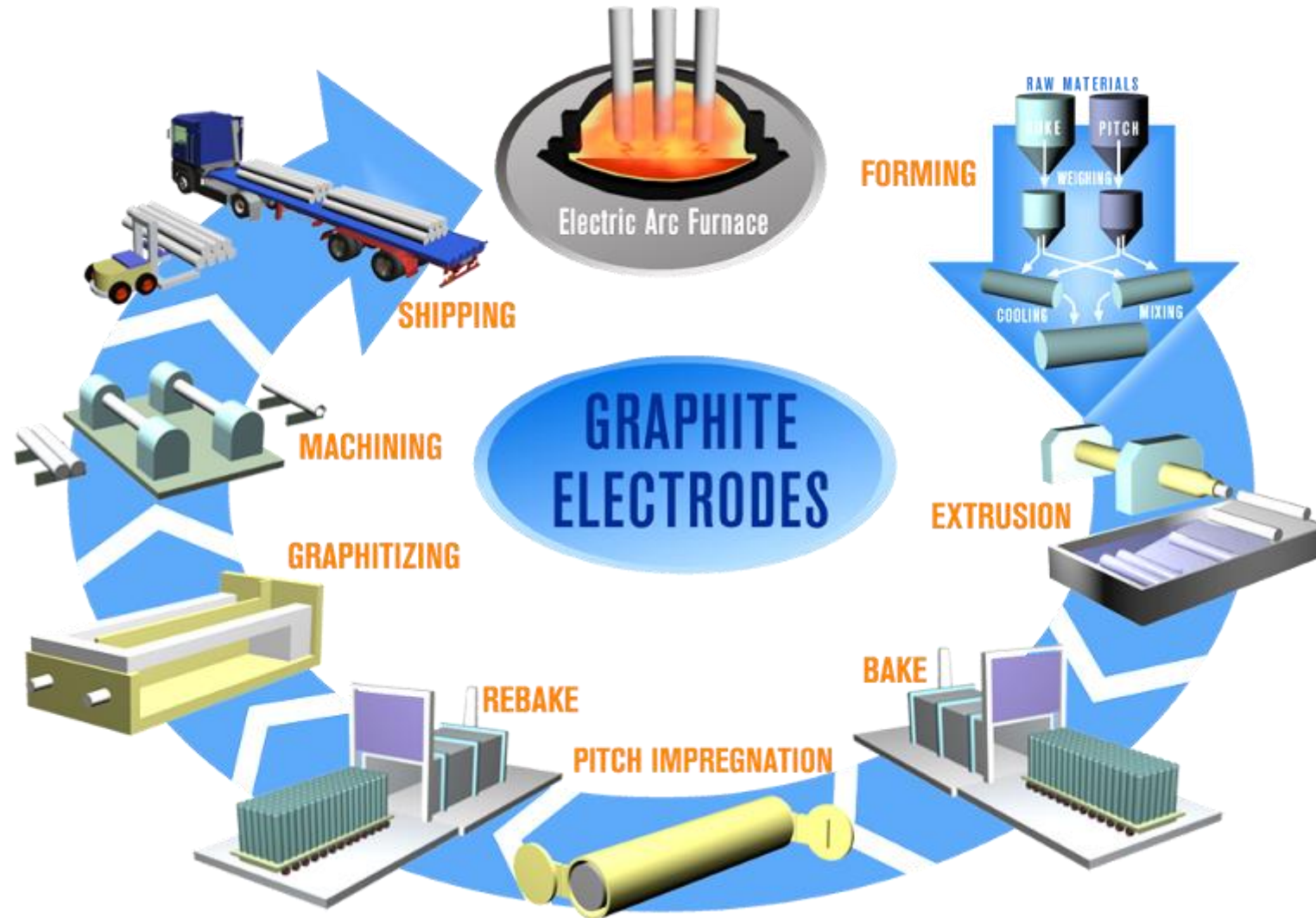
Prioritizing Safety

Total Recordable Incident Rate (“TRIR”)⁽¹⁾



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

Graphite Electrode Manufacturing Process

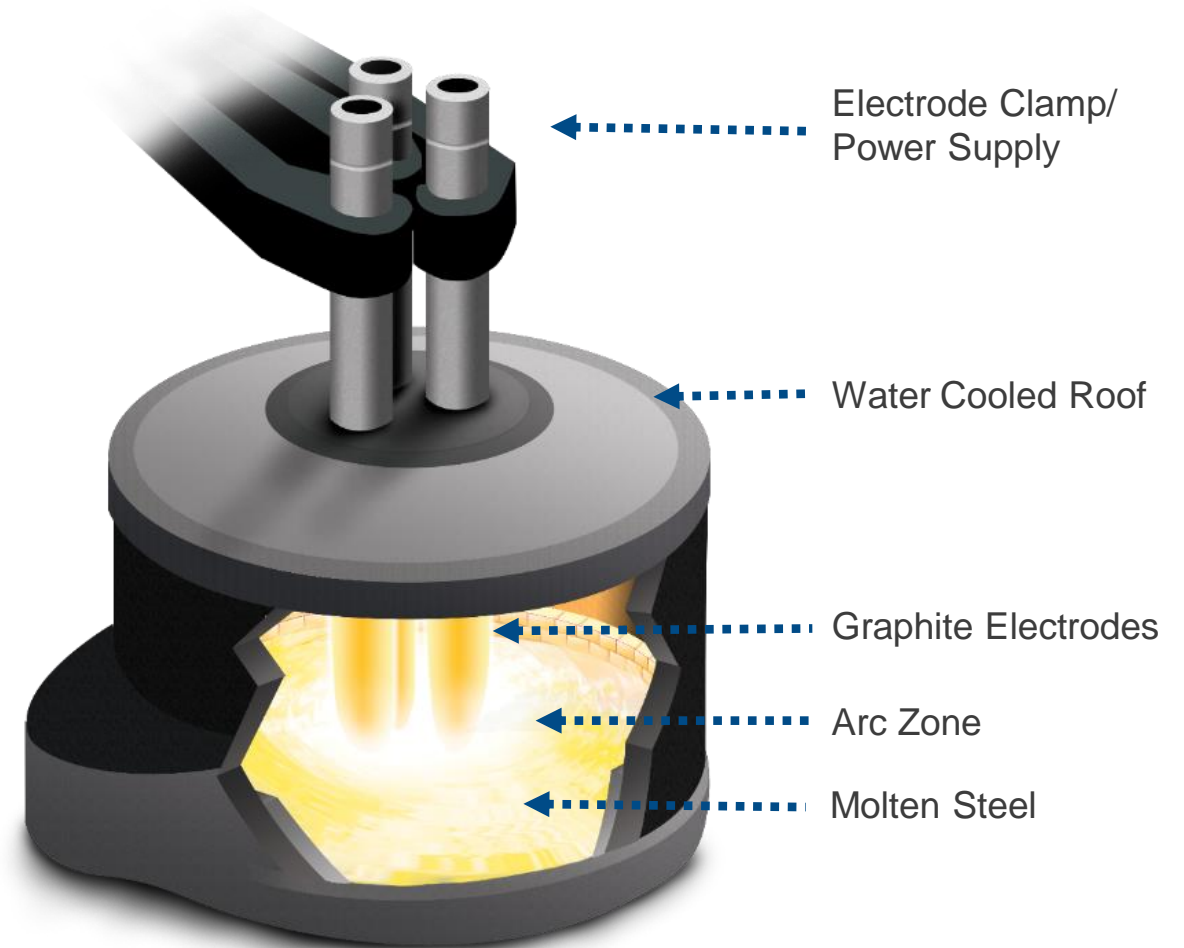


Graphite Electrodes – Mission Critical Consumable for EAF Steel Production

Key Graphite Electrode Attributes

- **No substitute:**
 - Essential to the function of an EAF steel mill
 - No known alternative
- **Mission critical consumable:**
 - Average of 6 months to produce, except for special requests
 - 8-10 hours to consume
 - Electrode consumption rate is approximately:
 - 1.7 kgs per metric ton (“MT”) of steel produced
 - Less than 5% of EAF steel production COGS
- **Highly engineered:**
 - Requires extensive product/process knowledge

Electric Arc Furnace



GrafTech: Competitively Advantaged

- Only large-scale graphite electrode producer **substantially vertically integrated** into petroleum needle coke
- **Secure, high-quality supply** of our key raw material
- Internal needle coke production is **cost advantaged** relative to third-party needle coke
- Operate **three of the largest** graphite electrode manufacturing facilities in the world
- Flexible **worldwide manufacturing footprint** allows us to serve customers globally
- **135+ years** of R&D and technical know-how
- **125+ patents** and pending patent applications
- Dedicated **team of scientists**




Key raw material




GrafTech: Enabling the Sustainability of Steel

As graphite electrodes are essential to the operation of EAFs, we are part of the solution by



Contributing to the Decarbonization of Steel

“EAF steelmaking is more energy efficient than traditional steelmaking – with **75%** fewer CO₂ emissions and less environmental impact.”⁽¹⁾



Contributing to a Circular Economy

“The EAF process is a sustainable model for recycling scrap-based raw materials into new steel – which is **100%** (and infinitely) recyclable at the end of its useful life.”⁽¹⁾

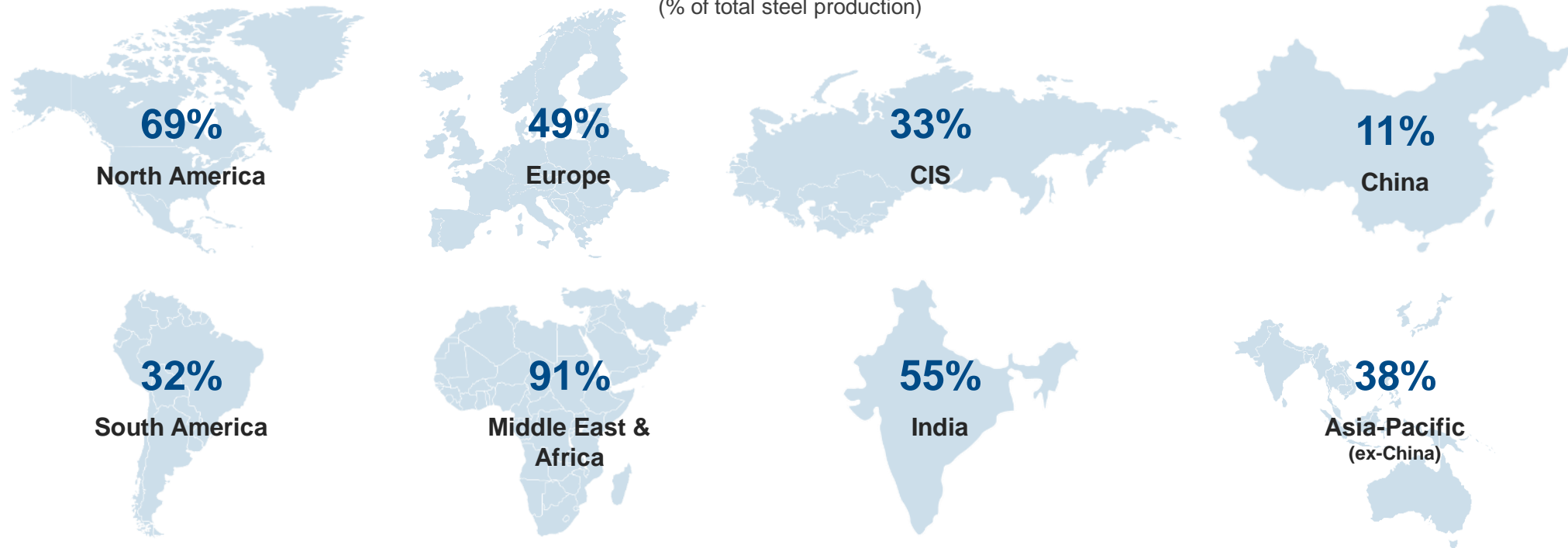


Industry Tailwinds

Global EAF Steel Production

EAF Steel Production Share in 2021⁽¹⁾

(% of total steel production)



EAF steelmaking method continues to increase as a percentage of global steel production, excluding China⁽¹⁾:

2021: 49%

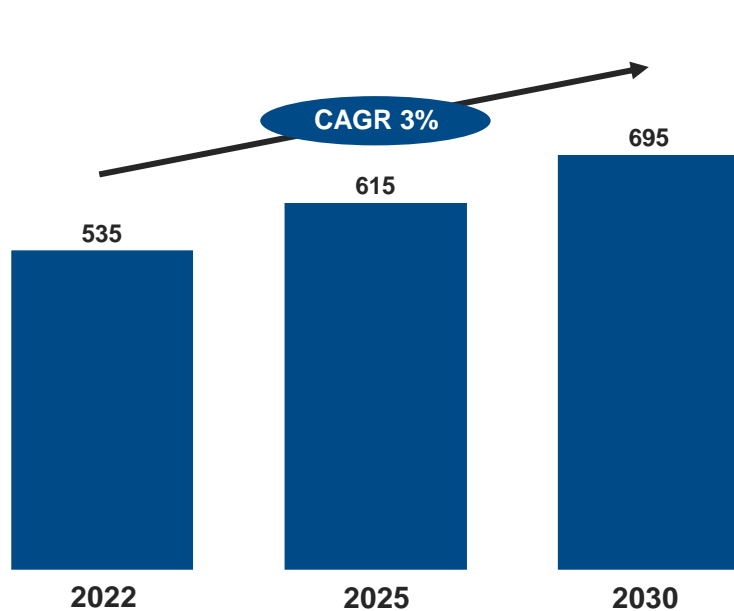
2015: 44%

EAF Capacity Additions will Increase Demand for Graphite Electrodes

- Reflecting environmental benefits, growth in EAF steelmaking expected to continue outpacing overall steel production
- Industry announcements of incremental EAF capacity additions represent a significant tailwind for graphite electrode demand

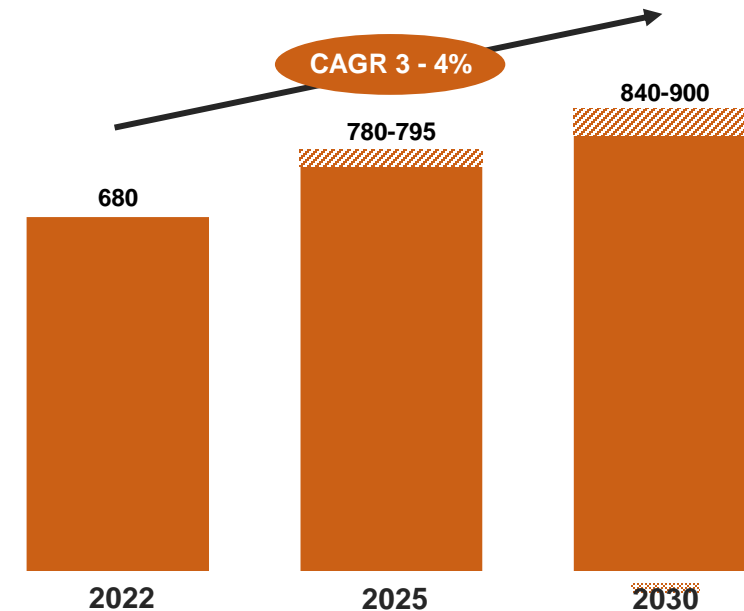
Incremental EAF capacity additions⁽¹⁾ ...

Projected Global EAF Capacity, excluding China (millions of MT)



... to drive incremental demand for graphite electrodes⁽²⁾

Projected Graphite Electrode Demand, excluding China (thousands of MT)



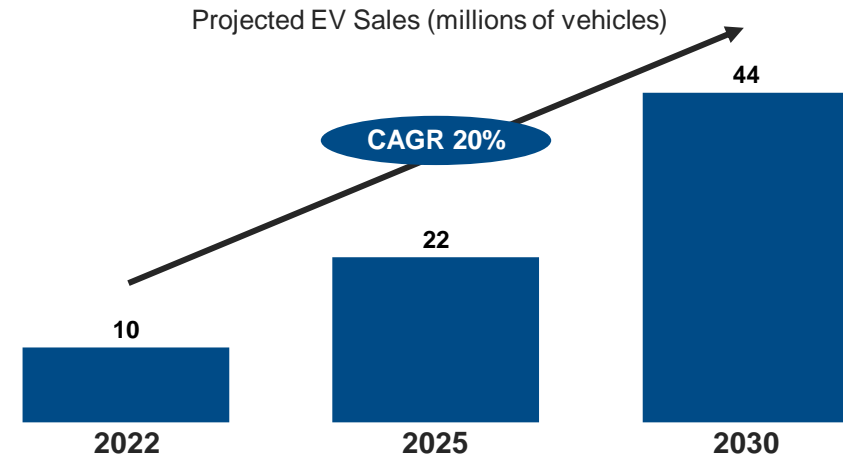
(1) Source: For 2022, Metal Expert as of Q4 2022; for 2025 and 2030 projections, Metal Expert, public announcements made by steel manufacturers and GrafTech analysis as of Q4 2022.

(2) Includes ultra-high power ("UHP") graphite electrodes only. Source: For 2022, World Steel Association and GrafTech analysis as of Q4 2022; for 2025 and 2030 projections, GrafTech analysis as of Q4 2022 based on estimated demand for UHP graphite electrodes from production increases at existing EAF steel plants and for new EAFs after full ramp-up (actual ramp-up and delays are not considered).

Electric Vehicle Market is Accelerating Demand for Needle Coke

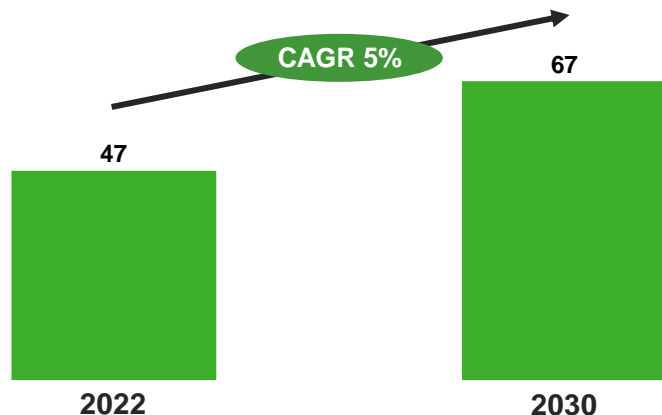
- Graphite is a key material in anodes for lithium-ion batteries
- Two types of graphite are used in anodes: synthetic (made from needle coke) and natural
- Synthetic graphite is advantaged in terms of charging rate and capacity
- Provides batteries with longer driving ranges

Increasing electric vehicle (“EV”) sales⁽¹⁾ ...



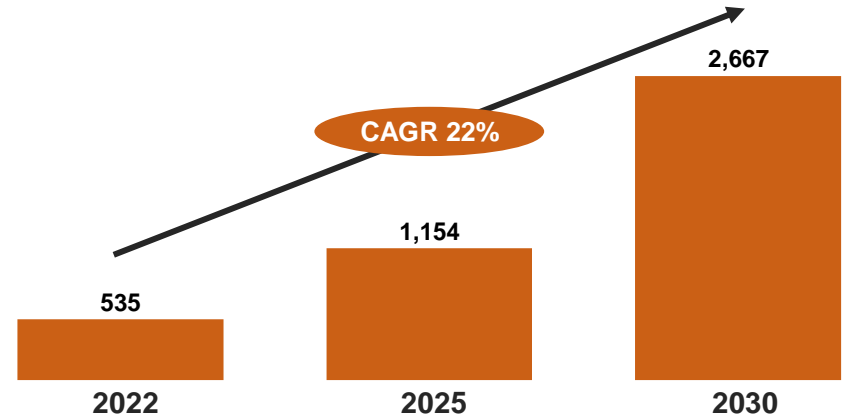
... and increased EV battery pack size⁽²⁾ ...

Expected Battery Pack Capacity for Battery and Plug-in Hybrid EV (kWh)



... are driving incremental demand for needle coke⁽³⁾

Implied Needle Coke Demand for EV Market (thousands of MT)



(1) Source: IEA Global EV Outlook as of Q4 2022, assumes the mid-point of the “Stated Policies” and “Sustainable Development” scenarios.

(2) Source: IEA Global EV Outlook and Rho Motion as of Q4 2022.

(3) Source: IEA Global EV Outlook and Rho Motion as of Q4 2022 for EV sales and battery pack capacity. Assumes 1.2kg of anode material per kWh of battery pack capacity. Also assumes anode material is approximately 61% synthetic graphite in 2022, 53% in 2025 and 50% in 2030, with a yield of 67%.

Business Update as of Q4 2022

Navigating Near-Term Challenges

Macro Events Impacting the Steel Industry

- Geopolitical conflict
- High levels of inflation
- Economic uncertainty

GrafTech Specific Headwinds

- Substantial shift in mix from LTA to non-LTA business in 2023
- Temporary suspension of Monterrey, Mexico operations in 2022

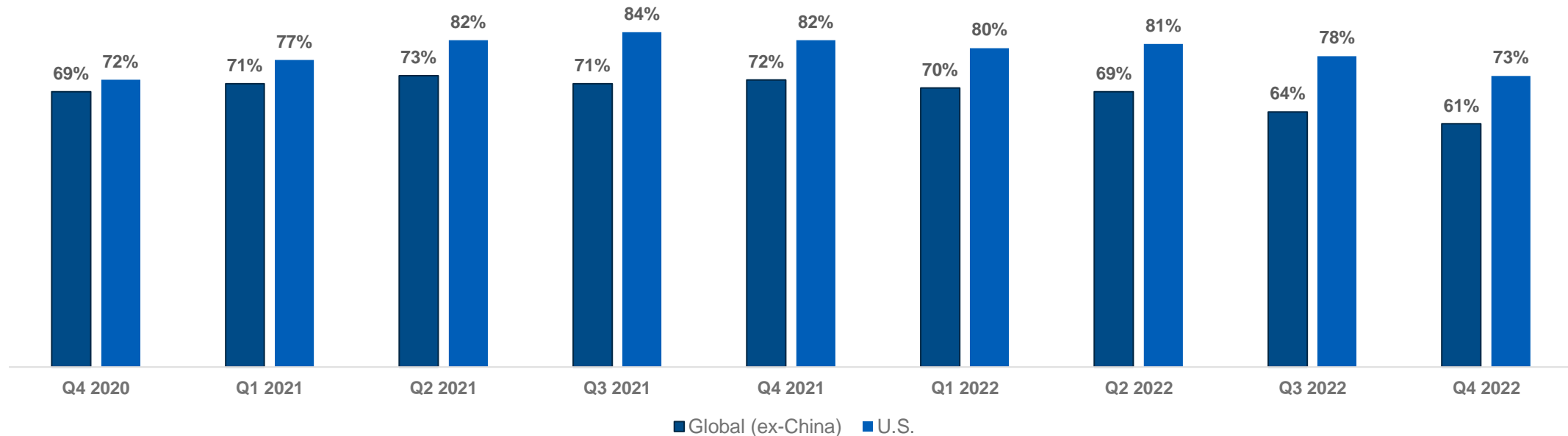
Looking Ahead

- 2023 business performance to be significantly impacted by these events, particularly in the first half
- Remain confident in recovery and being well-positioned to capitalize on long-term demand growth
 - Monterrey restart progressing well
 - Temporarily reducing production in Europe to match sales volume expectations
 - Strong balance sheet and ample liquidity
 - Accelerating demand growth for graphite electrodes is anticipated as we move ahead

Steel Capacity Utilization Rates

- Global steel production, excluding China, of **194 million** tons in Q4 2022 versus **219 million** tons in Q4 2021⁽¹⁾
- U.S. utilization rates remain elevated compared to the global industry

Steel Capacity Utilization Rates⁽²⁾



Monterrey, Mexico – Update on Restart of Operations

Current Status

- Temporary suspension notice issued Sept. 15, 2022
- Suspension notice conditionally lifted on Nov. 17, 2022
- Plant restarted immediately and all phases are operating
- Production plan focused on rebuilding pin inventory
- Significant progress being made on restart conditions
- Proceeding with prior risk mitigation action plan for pins

Background On Facility

- Annual capacity of ~60 thousand MT
- Represents 30% of GrafTech capacity (ex-St. Marys)
- Approximately 500 employees
- Proud member of the Monterrey community since 1959



St. Marys – Update on Restart Plans

Current Status

- Currently utilizing graphitization and machining capabilities
- Intent is to restart the remaining processes in 2023
- Focus is on pin production
- Capacity to produce most of our pin needs

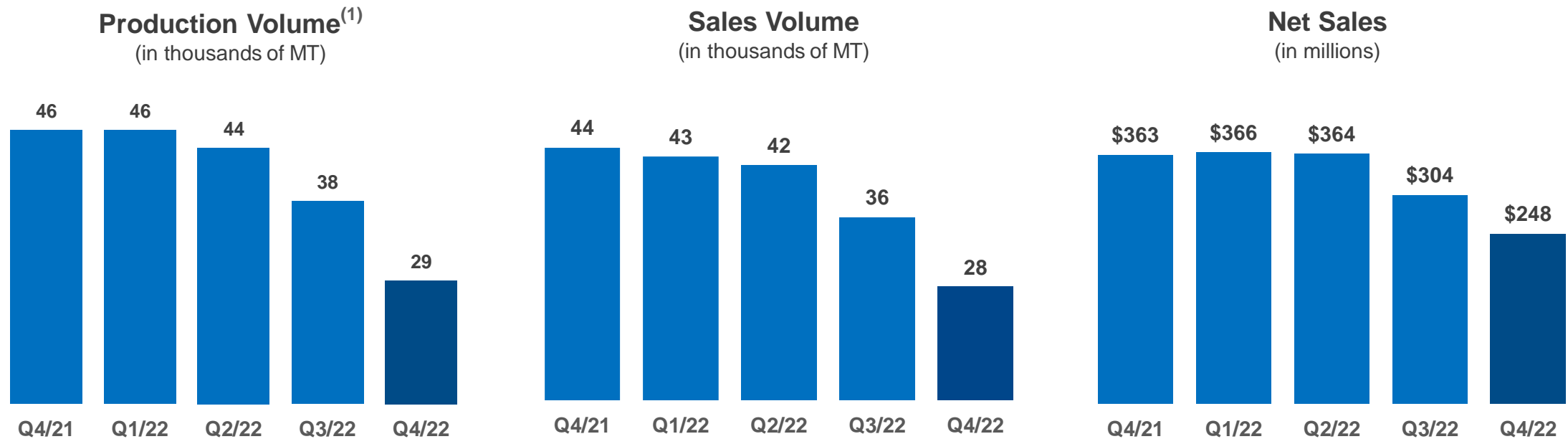
Key Workstreams are Progressing Well

- Permitting process
- Equipment maintenance and engineering
- Employee recruitment and onboarding



Production and Sales as of Q4 2022

- Q4 2022 production volume **down 36%**, sales volume **down 37%** and net sales **down 32%** compared to Q4 2021
- Reflects impact of temporary suspension of Monterrey, Mexico operations and softness in graphite electrode demand
- Q4 2022 weighted-average realized non-LTA prices **up 22%** compared to Q4 2021



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

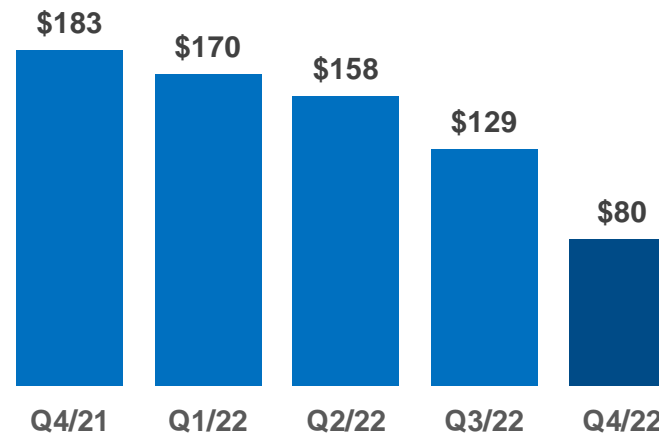
Earnings and Cash Flow as of Q4 2022

- Net income of **\$50 million** and net income margin of **20%**
- Earnings per share (“EPS”) of **\$0.20** and adjusted EPS⁽¹⁾ of **\$0.17**
- Adjusted EBITDA⁽¹⁾ of **\$80 million** and adjusted EBITDA margin⁽²⁾ of **32%**
- Operating cash flow of **\$50 million** and adjusted free cash flow⁽¹⁾ of **\$23 million**

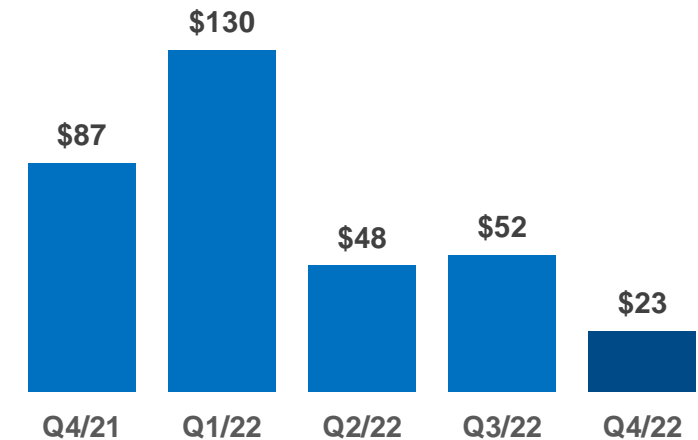
Adjusted Earnings Per Share⁽¹⁾



Adjusted EBITDA⁽¹⁾
(in millions)



Adjusted Free Cash Flow⁽¹⁾
(in millions)



(1) Non-GAAP measure, see pages 26-30 for reconciliations.

(2) Adjusted EBITDA margin is a non-GAAP measure that is calculated as adjusted EBITDA divided by net sales (Q4 2022 adjusted EBITDA of \$80 million/Q4 2022 net sales of \$248 million).

Balance Sheet Strength and Financial Flexibility

- Gross debt to adjusted EBITDA⁽¹⁾ of **1.7x** as of December 31, 2022
- Net debt to adjusted EBITDA⁽¹⁾ of **1.5x** as of December 31, 2022
- Liquidity of **\$462 million** as of December 31, 2022



(1) Non-GAAP measure using the trailing twelve month adjusted EBITDA, see page 29 for reconciliation.

Capital Allocation

Balanced Capital Allocation in 2022

- Repaid **\$110 million** of term loan
- Returned **\$70 million** to stockholders through stock repurchases and dividends
- Invested **\$72 million** in capital assets
- Preserved **\$76 million** of cash flow generation to increase liquidity

Near-Term Capital Allocation Priorities

- Disciplined strategy that focuses on targeted capital deployment
- Investments in opportunities that generate operational improvements and high returns
- Expect capital expenditures of **\$55 million – \$60 million** in 2023

GrafTech: Key Areas of Focus

Near-term: Navigating Challenges in the Operating Environment

- Restart of Monterrey operations and enabling pin production at St. Marys
- Managing operating costs and capital expenditures as well as working capital levels
- Aligning our production volume with our near-term outlook for graphite electrode demand
- Focusing on delivering excellent customer service
- Making targeted investments to further improve our competitive positioning

Long-term: Leveraging Competitive Advantages to Capitalize on Industry Tailwinds

- Steel industry's efforts to decarbonize expected to drive a continued shift to EAF steelmaking
- Anticipate long-term demand growth for graphite electrodes driven by this ongoing transition in steelmaking
- Needle coke demand expected to accelerate driven by its use in the growing electric vehicle market
- Substantial vertical integration into petroleum needle coke production is a critical differentiator

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, 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.

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 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, other than the Change in Control charges. Our presentations of EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted EPS, 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 income, adjusted EPS, free cash flow and adjusted free cash flow 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				
	Dec 31, 2021	Mar 31, 2022	June 30, 2022	Sept 30, 2022	Dec 31, 2022
Net income	\$ 141,480	\$ 124,183	\$ 114,997	\$ 93,451	\$ 50,331
Adjustments, pre-tax:					
Pension and OPEB plan (benefits) expenses ⁽¹⁾	(3,840)	551	553	534	(8,993)
Public offerings and related expenses ⁽²⁾	-	-	100	-	-
Non-cash (gains) losses on foreign currency remeasurement ⁽³⁾	(484)	1,236	(1,002)	(532)	819
Stock-based compensation expense ⁽⁴⁾	337	465	573	628	645
Non-cash fixed asset write-off ⁽⁵⁾	2,884	-	-	-	1,068
Related party payable - Tax Receivable Agreement adjustment ⁽⁶⁾	184	(180)	-	-	97
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	(12,430)	2,072	224	630	(6,364)
Income tax impact on non-GAAP adjustments ⁽⁹⁾	(2,130)	335	119	198	(794)
Adjusted net income	\$ 131,180	\$ 125,920	\$ 115,102	\$ 93,883	\$ 44,761

- (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 (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-initial public offering ("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				
	Dec 31, 2021	Mar 31, 2022	June 30, 2022	Sept 30, 2022	Dec 31, 2022
EPS	\$ 0.54	\$ 0.47	\$ 0.44	\$ 0.36	\$ 0.20
Adjustments per share, pre-tax:					
Pension and OPEB plan (benefits) expenses ⁽¹⁾	(0.02)	-	-	-	(0.04)
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	-	-	-	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	(0.03)
Income tax impact on non-GAAP adjustments per share ⁽⁹⁾	(0.01)	-	-	-	-
Adjusted EPS	\$ 0.50	\$ 0.48	\$ 0.44	\$ 0.37	\$ 0.17

- (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.
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Reconciliation to Adjusted EBITDA

(\$ in thousands)	For the Three Months Ended							
	Mar 31,	June 30,	Sept 30,	Dec 31,	Mar 31,	June 30,	Sept 30,	Dec 31,
	2021	2021	2021	2021	2022	2022	2022	2022
Net income	\$ 98,799	\$ 28,165	\$ 119,886	\$ 141,480	\$ 124,183	\$ 114,997	\$ 93,451	\$ 50,331
Add:								
Depreciation and amortization	16,539	16,292	15,584	17,301	14,434	14,012	13,262	13,788
Interest expense	22,167	15,994	16,048	14,551	9,212	9,399	6,424	11,533
Interest income	(37)	(199)	(417)	(219)	(98)	(1,858)	(241)	(2,283)
Income taxes	16,257	7,765	21,920	22,134	19,797	21,422	15,041	13,096
EBITDA	153,725	68,017	173,021	195,247	167,528	157,972	127,937	86,465
Adjustments:								
Pension and OPEB plan expenses (benefits) ⁽¹⁾	431	430	434	(3,840)	551	553	534	(8,993)
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)	819
Stock-based compensation expense ⁽⁴⁾	768	550	262	337	465	573	628	645
Non-cash fixed asset write-off ⁽⁵⁾	-	313	-	2,884	-	-	-	1,068
Related party payable - Tax Receivable Agreement adjustment ⁽⁶⁾	47	-	-	184	(180)	-	-	97
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	\$ 80,101

- (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.

Reconciliation to Net Debt and Calculation of Debt to Adjusted EBITDA

(\$ in thousands)	<u>Dec 31,</u> <u>2021</u>	<u>Dec 31,</u> <u>2022</u>
Long-term debt	\$ 1,029,561	\$ 921,803
Long-term debt, current maturities	127	124
Add: Unamortized debt discount and issuance costs	<u>(14,449)</u>	<u>(12,049)</u>
Total gross debt	1,044,137	933,976
Less: Cash and cash equivalents	<u>57,514</u>	<u>134,641</u>
Net debt	<u>\$ 986,623</u>	<u>\$ 799,335</u>
Adjusted EBITDA for the trailing twelve months	\$ 669,940	\$ 536,464
Gross debt to adjusted EBITDA	<u>1.6x</u>	<u>1.7x</u>
Net debt to adjusted EBITDA	<u>1.5x</u>	<u>1.5x</u>

Reconciliation to Free Cash Flow and Adjusted Free Cash Flow

(\$ in thousands)	For the Three Months Ended				
	Dec 31, 2021	Mar 31, 2022	June 30, 2022	Sept 30, 2022	Dec 31, 2022
Net cash provided by operating activities	\$ 100,029	\$ 146,316	\$ 60,123	\$ 68,166	\$ 50,023
Capital expenditures	(17,831)	(16,855)	(12,493)	(15,933)	(26,884)
Free cash flow	82,198	129,461	47,630	52,233	23,139
Change in Control payment ⁽¹⁾	4,659	443	-	-	-
Adjusted free cash flow	\$ 86,857	\$ 129,904	\$ 47,630	\$ 52,233	\$ 23,139

(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 fourth 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.