UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from_____ to _____

Commission file number: 1-13888

GRAFTECH INTERNATIONAL LTD.
(Exact name of registrant as specified in its charter)

Delaware	**27-2496053**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**
982 Keynote Circle Brooklyn Heights, OH	**44131**
(Address of principal executive offices)	**(Zip code)**

Registrant's telephone number, including area code: (216) 676-2000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, $0.01 par value per share	EAF	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☐	Accelerated Filer	☒	Emerging Growth Company	☐
Non-Accelerated Filer	☐	Smaller Reporting Company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 18, 2025, 258,151,443 shares of common stock were outstanding.

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Presentation of Financial, Market and Industry Data

We present our financial information on a consolidated basis. Unless otherwise noted, when we refer to dollars, we mean U.S. dollars.

Certain market and industry data included in this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2025 (the "Report") has been obtained from third-party sources that we believe to be reliable. Market estimates are calculated by using independent industry publications, government publications and third-party forecasts in conjunction with our assumptions about our markets. We cannot guarantee the accuracy or completeness of this market and market share data and have not independently verified it. None of the sources has consented to the disclosure or use of data in this Report. While we are not aware of any misstatements regarding any market, industry or similar data presented herein, such data involves risks and uncertainties and is subject to change based on various factors, including those discussed under the headings "Cautionary Note Regarding Forward-Looking Statements" in this Report and "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024 ("Annual Report on Form 10-K") filed with the Securities and Exchange Commission ("SEC") on February 14, 2025.

Cautionary Note Regarding Forward-Looking Statements

This Report 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, future economic performance and short-term and long-term liquidity. Examples of forward-looking statements include, among others, statements we make regarding future estimated volume, pricing and revenue, and anticipated levels of capital expenditures and cost of goods sold. 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 Report 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 ("EAF") steel industry in particular;
- the cyclical nature of our business and the selling prices of our products, which may decline in the future, and may lead to prolonged periods of reduced profitability and net losses or adversely impact liquidity;
- 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, including our ability to effectively implement price increases and shift sales to regions with higher average selling prices;
- continued overcapacity of the global graphite electrode industry, which may further 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 primary reliance on one facility in Monterrey, Mexico for the manufacturing of connecting pins;
- the 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 further 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 a global 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 incidents, network disruptions and breaches of data security, including with respect to our third-party suppliers and business partners;
- 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 long-lived assets 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 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 the imposition of current, new or increases of existing custom duties and other tariffs in the countries in which we, our customers and our suppliers operate could adversely affect our operations and results of operations;
- 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;

- past increases in benchmark interest rates and the fact that any current or future borrowings may subject us to interest rate risk;
- risks and uncertainties associated with our ability to access the capital and credit markets could adversely affect our results of operations, cash flows and financial condition;
- the possibility that disruptions in the capital and credit markets could adversely affect 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;
- our ability to continue to meet the New York Stock Exchange ("NYSE") listing standards; and
- our ability to obtain stockholder approval for a reverse stock split with respect to our common stock (the "Reverse Stock Split"), the implementation of the Reverse Stock Split pending such approval, and the potential effects of the Reverse Stock Split, including, among others, effects on our compliance with NYSE listing requirements, our market capitalization, the trading price, marketability and liquidity of our common stock and certain accounting matters.

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 Annual Report on Form 10-K and other filings with the SEC. The forward-looking statements made in this Report 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 Report and in our Annual Report on Form 10-K 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.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

GRAFTECH INTERNATIONAL LTD. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except per share data)
(Unaudited)

	June 30, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 158,543	$ 256,248
Accounts and notes receivable, net of allowance for doubtful accounts of $4,286 as of June 30, 2025 and $7,114 as of December 31, 2024	90,757	93,576
Inventories	255,926	231,241
Prepaid expenses and other current assets	61,225	55,732
Total current assets	566,451	636,797
Property, plant and equipment	962,754	910,247
Less: accumulated depreciation	474,400	427,548
Net property, plant and equipment	488,354	482,699
Deferred income taxes	12,010	53,139
Other assets	45,211	51,639
Total assets	$ 1,112,026	$ 1,224,274
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 50,367	$ 72,833
Accrued income and other taxes	9,991	9,642
Other accrued liabilities	54,068	55,432
Tax Receivable Agreement	—	2,022
Total current liabilities	114,426	139,929
Long-term debt	1,090,811	1,086,915
Other long-term obligations	48,657	48,559
Deferred income taxes	26,567	23,971
Tax Receivable Agreement long-term	—	3,802
Commitments and contingencies - Note 8		
Stockholders' deficit:		
Preferred stock, par value $0.01, 300,000,000 shares authorized, none issued	—	—
Common stock, par value $0.01, 3,000,000,000 shares authorized, 258,151,443 and 257,263,710 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	2,582	2,572
Additional paid-in capital	757,185	755,338
Accumulated other comprehensive loss	(8,864)	(43,359)
Accumulated deficit	(919,338)	(793,453)
Total stockholders' deficit	(168,435)	(78,902)
Total liabilities and stockholders' deficit	$ 1,112,026	$ 1,224,274

See accompanying Notes to the Condensed Consolidated Financial Statements

GRAFTECH INTERNATIONAL LTD. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Dollars in thousands, except per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS				
Net sales	$ 131,840	$ 137,327	$ 243,679	$ 273,911
Cost of goods sold	129,885	131,970	240,650	267,174
Lower of cost or market inventory valuation adjustment	1,893	1,381	4,676	4,073
Gross profit (loss)	62	3,976	(1,647)	2,664
Research and development	1,348	1,447	3,227	3,074
Selling and administrative expenses	13,267	5,098	27,889	20,375
Rationalization expenses	—	110	—	3,255
Operating loss	(14,553)	(2,679)	(32,763)	(24,040)
Other income, net	(2,426)	(1,091)	(1,979)	(1,484)
Interest expense	25,418	15,609	55,259	31,235
Interest income	(1,866)	(1,853)	(3,801)	(3,377)
Loss before income taxes	(35,679)	(15,344)	(82,242)	(50,414)
Income tax expense (benefit)	51,207	(592)	43,995	(4,793)
Net loss	$ (86,886)	$ (14,752)	$ (126,237)	$ (45,621)
Basic loss per common share:				
Net loss per share	$ (0.34)	$ (0.06)	$ (0.49)	$ (0.18)
Weighted average common shares outstanding	259,183,478	257,772,069	258,779,643	257,587,613
Diluted loss per common share:				
Net loss per share	$ (0.34)	$ (0.06)	$ (0.49)	$ (0.18)
Weighted average common shares outstanding	259,183,478	257,772,069	258,779,643	257,587,613
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS				
Net loss	$ (86,886)	$ (14,752)	$ (126,237)	$ (45,621)
Other comprehensive income (loss):				
Foreign currency translation adjustments, net of tax of $0, $0, $0 and $45, respectively	21,981	(6,240)	34,577	(12,712)
Commodities, interest rate and foreign currency derivatives, net of tax benefit of $5, $573, $12 and $1,725, respectively	(32)	(1,948)	(82)	(6,201)
Other comprehensive income (loss), net of tax	21,949	(8,188)	34,495	(18,913)
Comprehensive loss	$ (64,937)	$ (22,940)	$ (91,742)	$ (64,534)

See accompanying Notes to the Condensed Consolidated Financial Statements

GRAFTECH INTERNATIONAL LTD. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)
(Unaudited)

	Six Months Ended June 30,	
	2025	**2024**
Cash flow from operating activities:		
Net loss	$ (126,237)	$ (45,621)
Adjustments to reconcile net loss to cash used in operations:		
Depreciation and amortization	29,345	28,202
Deferred income tax expense (benefit)	42,137	(6,118)
Non-cash stock-based compensation expense	2,422	2,608
Non-cash interest expense	3,896	(2,970)
Lower of cost or market inventory valuation adjustment	4,676	4,073
Other adjustments	9,551	1,203
Net change in working capital*	(45,388)	(13,345)
Change in Tax Receivable Agreement	(5,824)	(5,417)
Net cash used in operating activities	(85,422)	(37,385)
Cash flow from investing activities:		
Capital expenditures	(14,190)	(17,490)
Proceeds from the sale of fixed assets	33	80
Net cash used in investing activities	(14,157)	(17,410)
Cash flow from financing activities:		
Payments for taxes related to net share settlement of equity awards	(213)	(82)
Principal payments under finance lease obligations	(51)	(35)
Net cash used in financing activities	(264)	(117)
Net change in cash and cash equivalents	(99,843)	(54,912)
Effect of exchange rate changes on cash and cash equivalents	2,138	(1,240)
Cash and cash equivalents at beginning of period	256,248	176,878
Cash and cash equivalents at end of period	$ 158,543	$ 120,726
* Net change in working capital due to changes in the following components:		
Accounts and notes receivable, net	$ 6,591	$ 4,442
Inventories	(25,654)	20,786
Prepaid expenses and other current assets	(4,268)	717
Income taxes payable	(243)	(2,864)
Accounts payable and accruals	(21,817)	(36,412)
Interest payable	3	(14)
Net change in working capital	$ (45,388)	$ (13,345)
Net cash paid during the periods for:		
Interest	$ 45,052	$ 34,219
Income taxes	$ 2,070	$ 3,132
Non-cash investing activities:		
Change in capital expenditures in accounts payable	$ (5,508)	$ (10,133)

See accompanying Notes to the Condensed Consolidated Financial Statements

GRAFTECH INTERNATIONAL LTD. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' (DEFICIT) EQUITY
(Dollars in thousands, except per share data)
(Unaudited)

	Issued Shares of Common Stock	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' (Deficit) Equity
Balance as of December 31, 2024	257,263,710	$ 2,572	$ 755,338	$ (43,359)	$ (793,453)	$ (78,902)
Net loss	—	—	—	—	(39,351)	(39,351)
Other comprehensive income:						
Foreign currency derivatives income, net of tax of $0	—	—	—	—	—	—
Foreign currency derivatives reclassification adjustments, net of tax of $7	—	—	—	(50)	—	(50)
Foreign currency translation adjustments, net of tax of $0	—	—	—	12,596	—	12,596
Total other comprehensive income	—	—	—	12,546	—	12,546
Stock-based compensation	1,048,789	9	571	—	—	580
Payments for taxes related to net share settlement of equity awards	(199,542)	—	(565)	—	352	(213)
Balance as of March 31, 2025	258,112,957	$ 2,581	$ 755,344	$ (30,813)	$ (832,452)	$ (105,340)
Net loss	—	—	—	—	(86,886)	(86,886)
Other comprehensive income:						
Foreign currency derivatives income, net of tax of $(20)	—	—	—	131	—	131
Foreign currency derivatives reclassification adjustments, net of tax of $25	—	—	—	(163)	—	(163)
Foreign currency translation adjustments, net of tax of $0	—	—	—	21,981	—	21,981
Total other comprehensive income	—	—	—	21,949	—	21,949
Stock-based compensation	38,486	1	1,841	—	—	1,842
Balance as of June 30, 2025	258,151,443	$ 2,582	$ 757,185	$ (8,864)	$ (919,338)	$ (168,435)

GRAFTECH INTERNATIONAL LTD. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' (DEFICIT) EQUITY
(Dollars in thousands, except per share data)
(Unaudited)

	Issued Shares of Common Stock	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' (Deficit) Equity
Balance as of December 31, 2023	256,831,870	$ 2,568	$ 749,527	$ (11,458)	$ (662,390)	$ 78,247
Net loss	—	—	—	—	(30,869)	(30,869)
Other comprehensive loss:						
Commodity, interest rate and foreign currency derivatives loss, net of tax of $17	—	—	—	(121)	—	(121)
Commodity, interest rate and foreign currency derivatives reclassification adjustments, net of tax of $1,135	—	—	—	(4,132)	—	(4,132)
Foreign currency translation adjustments, net of tax of $45	—	—	—	(6,472)	—	(6,472)
Total other comprehensive loss	—	—	—	(10,725)	—	(10,725)
Stock-based compensation	390,490	4	1,043	—	—	1,047
Payments for taxes related to net share settlement of equity awards	(61,185)	—	(173)	—	91	(82)
Balance as of March 31, 2024	257,161,175	$ 2,572	$ 750,397	$ (22,183)	$ (693,168)	$ 37,618
Net loss	—	—	—	—	(14,752)	(14,752)
Other comprehensive loss:						
Commodity, interest rate and foreign currency derivatives income, net of tax of $21	—	—	—	(151)	—	(151)
Commodity, interest rate and foreign currency derivatives reclassification adjustments, net of tax of $552	—	—	—	(1,797)	—	(1,797)
Foreign currency translation adjustments, net of tax of $0	—	—	—	(6,240)	—	(6,240)
Total other comprehensive loss	—	—	—	(8,188)	—	(8,188)
Stock-based compensation	5,952	—	1,561	—	—	1,561
Balance as of June 30, 2024	257,167,127	$ 2,572	$ 751,958	$ (30,371)	$ (707,920)	$ 16,239

See accompanying Notes to the Condensed Consolidated Financial Statements

(1) Organization and Summary of Significant Accounting Policies

A. Organization

GrafTech International Ltd. (the "Company" or "GrafTech") is a leading manufacturer of high-quality graphite electrode products essential to the production of electric arc furnace ("EAF") steel and other ferrous and non-ferrous metals. References herein to "GTI," "we," "our," or "us" refer collectively to the Company and its subsidiaries. The Company's common stock is listed on the NYSE under the symbol "EAF."

The Company's only reportable segment, Industrial Materials, is comprised of its two major product categories: graphite electrodes and petroleum needle coke products. Petroleum needle coke is our key raw material used in the production of graphite electrodes. The Company's vision is to provide highly engineered graphite electrode products, services and solutions to EAF operators.

B. Basis of Presentation

The interim condensed consolidated financial statements are unaudited; however, in the opinion of management, they have been prepared in accordance with Rule 10-01 of Regulation S-X and in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The December 31, 2024 Consolidated Balance Sheet data included herein was derived from the audited consolidated financial statements included in the Company's Annual Report on Form 10-K, but does not include all disclosures required by GAAP in audited financial statements. These interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements, including the accompanying notes, contained in the Company's Annual Report on Form 10-K.

The unaudited condensed consolidated financial statements reflect all adjustments (all of which are of a normal, recurring nature) which management considers necessary for a fair presentation of our financial statements for the interim periods presented. The results for the interim periods are not necessarily indicative of results which may be expected for any other interim period or for the full year.

Certain prior period amounts within net cash used in operating activities have been reclassified to conform to the current period presentation. These reclassifications did not impact net cash used in operating activities in total.

C. New Accounting Standards

Recently Adopted Accounting Standards

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The guidance is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The guidance is to be applied retrospectively to all prior periods presented in the financial statements. Upon transition, the segment expense categories and amounts disclosed in the prior periods should be based on the significant segment expense categories identified and disclosed in the period of adoption. The adoption of this ASU did not have a material impact on our consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* , which is intended to enhance the transparency, decision usefulness and effectiveness of income tax disclosures. The amendments in this ASU require a public entity to disclose a tabular tax rate reconciliation, using both percentages and currency, with specific categories. A public entity is also required to provide a qualitative description of the states and local jurisdictions that make up the majority of the effect of the state and local income tax category and the net amount of income taxes paid, disaggregated by federal, state and foreign taxes and also disaggregated by individual jurisdictions. The amendments also remove certain disclosures that are no longer considered cost beneficial. The amendments are effective prospectively for annual periods beginning after December 15, 2024. Adoption of this ASU will result in additional disclosure in our Annual Report on Form 10-K for the year ended December 31, 2025 but will not impact our consolidated financial position, results of operations or cash flows.

Recently Issued Accounting Pronouncements Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. Under this ASU, a public entity would be required to disclose information about purchases of inventory, employee compensation, depreciation, intangible asset amortization, and depletion for each income statement line item that contains those expenses. This ASU is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. This ASU allows for early adoption and requires either prospective adoption to financial statements issued for reporting periods after the effective date of this ASU or retrospectively to any or all prior periods presented in the financial statements. The Company is currently assessing the impact of this ASU on its financial statements and disclosures, but does not expect it to be material.

(2) Revenue from Contracts with Customers

Disaggregation of Revenue

The following table provides information about disaggregated revenue by type of product:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(Dollars in thousands)			
Graphite Electrodes	$ 119,440	$ 124,807	$ 220,702	$ 248,794
By-products and other	12,400	12,520	22,977	25,117
Total Revenues	$ 131,840	$ 137,327	$ 243,679	$ 273,911

In the first quarter of 2025, the Company updated its presentation of disaggregated revenue to align with how management evaluates its top-line commercial and financial performance. Due to the immaterial amount of remaining take or pay contracts with initial terms of three to five years ("LTAs"), we no longer show these revenues as a separate line item.

Contract Balances

Substantially all of the Company's receivables relate to contracts with customers. Accounts receivables are recorded when the right to consideration becomes unconditional. Payment terms on invoices range from 20 to 180 days depending on the customary business practices of the jurisdictions in which we do business.

We did not have any contract asset balances as of June 30, 2025 or December 31, 2024.

Deferred revenue is recorded for consideration received from customers in advance of satisfaction of the related performance obligations.

Deferred revenue is included in "Other accrued liabilities" on the Condensed Consolidated Balance Sheets. The timing of revenue recognition, billings, and cash collections resulted in a deferred revenue balance of $11.2 million as of June 30, 2025 and December 31, 2024.

(3) Segment Reporting

Our Industrial Materials segment, our only operating and reportable segment, manufactures high-quality graphite electrodes essential to the production of EAF steel and other ferrous and non-ferrous metals. Petroleum needle coke, a crystalline form of carbon derived from decant oil, is a key raw material used in the production of graphite electrodes. We utilize the majority of the needle coke that we produce internally to manufacture our graphite electrodes and as a result over 90% of our revenues from external customers are derived from the sale of graphite electrodes.

Our chief operating decision maker is our chief executive officer. The chief operating decision maker assesses performance for our Industrial Materials segment and decides how to allocate resources based on net income or losses, which are reported on the Condensed Consolidated Statements of Operations and Comprehensive Loss.

The chief operating decision maker uses net loss to evaluate growth trends, establish budgets, assess operational efficiencies and evaluate our overall financial performance.

The following table presents selected financial information with respect to the Company's single operating segment for the three and six months ended June 30, 2025 and 2024, respectively:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(Dollars in thousands)			
Net sales	$ 131,840	$ 137,327	$ 243,679	$ 273,911
Cash cost of goods sold[(1)]	107,354	110,021	197,560	220,763
Other segment expenses	22,531	21,949	43,090	46,411
Lower of cost or market inventory valuation adjustment	1,893	1,381	4,676	4,073
Research and development	1,348	1,447	3,227	3,074
Selling and administrative expenses	13,267	5,098	27,889	20,375
Rationalization expenses	—	110	—	3,255
Other income, net	(2,426)	(1,091)	(1,979)	(1,484)
Interest expense	25,418	15,609	55,259	31,235
Interest income	(1,866)	(1,853)	(3,801)	(3,377)
Income tax expense (benefit)	51,207	(592)	43,995	(4,793)
Net loss	$ (86,886)	$ (14,752)	$ (126,237)	$ (45,621)

(1) Cash cost of goods sold is defined as cost of goods sold less depreciation and amortization and less cost of goods sold associated with the portion of our sales that consist of deliveries of by-products of the manufacturing processes, and is the significant expense the chief operating decision maker uses to evaluate segment expenses.

(4) Intangible Assets

The following table summarizes intangible assets with determinable useful lives by major category, which are included in "Other assets" on our Condensed Consolidated Balance Sheets:

	June 30, 2025			December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(Dollars in thousands)					
Trade names	$ 22,500	$ (18,628)	$ 3,872	$ 22,500	$ (18,226)	$ 4,274
Technology	55,300	(49,886)	5,414	55,300	(48,613)	6,687
Customer relationships	64,500	(43,184)	21,316	64,500	(41,063)	23,437
Total finite-lived intangible assets	$ 142,300	$ (111,698)	$ 30,602	$ 142,300	$ (107,902)	$ 34,398

Amortization expense for intangible assets was $1.9 million and $2.1 million for the three months ended June 30, 2025 and 2024, respectively, and $3.8 million and $4.1 million for the six months ended June 30, 2025 and 2024, respectively. Amortization expense is expected to be approximately $3.5 million for the remainder of 2025, $6.7 million in 2026, $6.1 million in 2027, $5.5 million in 2028, $4.9 million in 2029 and $2.9 million in 2030.

(5) Debt and Liquidity

The following table presents our long-term debt:

	June 30, 2025	December 31, 2024
	(Dollars in thousands)	
Initial First Lien Term Loans due 2029	175,000	175,000
Existing 4.625% Senior Notes due 2028	1,755	1,755
New 4.625% Second Lien Notes due 2029	498,245	498,245
Existing 9.875% Senior Notes due 2028	3,833	3,833
New 9.875% Second Lien Notes due 2029	446,167	446,167
Unamortized debt discount and issuance costs	(34,189)	(38,085)
Total long-term debt	$ 1,090,811	$ 1,086,915

The fair value of our debt was approximately $875.6 million and $905.8 million as of June 30, 2025 and December 31, 2024, respectively. The fair values were determined using Level 1 quoted market prices for the same or similar debt instruments.

Initial First Lien Term Loan Facility; Delayed Draw First Lien Term Loan Facility

As of June 30, 2025 and December 31, 2024, we did not have any borrowings under our Delayed Draw First Lien Term Loan Facility, with $100 million available as of the end of each period.

2018 Term Loan and 2018 Revolving Credit Facility

As of June 30, 2025 and December 31, 2024, the availability under our 2018 Revolving Credit Facility was $108.0 million. As any borrowings under the 2018 Revolving Credit Facility remain subject to compliance with the financial covenant thereunder, our operating performance as of June 30, 2025 and December 31, 2024 resulted in our inability to access the full amount of commitments under the facility. As of June 30, 2025 and December 31, 2024, there were no borrowings outstanding on the 2018 Revolving Credit Facility and there was $7.4 million of letters of credit drawn against the 2018 Revolving Credit Facility.

As of June 30, 2025 and December 31, 2024, there were no outstanding term loans under the 2018 Term Loan Facility.

We were in compliance with all of our debt covenants as of June 30, 2025 and December 31, 2024.

(6) Inventories

Inventories are comprised of the following:

	June 30, 2025	December 31, 2024
	(Dollars in thousands)	
Inventories:		
Raw materials and supplies	$ 89,721	$ 78,386
Work in process	136,039	122,590
Finished goods	30,166	30,265
Total	$ 255,926	$ 231,241

In the second quarter and first six months of 2025, we recorded lower of cost or market ("LCM") inventory valuation adjustments of $1.9 million and $4.7 million, respectively, in order to state our inventories at the lower of cost or market.

(7) Interest Expense

The following table presents the components of interest expense:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(Dollars in thousands)			
Interest incurred on debt	$ 22,539	$ 17,110	$ 45,071	$ 34,205
Accretion of original issue discount	1,260	521	2,527	1,041
Amortization of debt issuance costs	688	749	1,369	1,497
Debt modification costs	931	—	6,292	—
Amortization of interest rate swap deferred gains	—	(2,771)	—	(5,508)
Total interest expense	$ 25,418	$ 15,609	$ 55,259	$ 31,235

The financing transactions entered into in 2024 were accounted for as a modification of the existing debt under ASC 470-50, Debt—Modifications and Extinguishments.

The Company incurred $0.9 million and $6.3 million of fees and expenses related to post-closure costs attributable to the modification, which were expensed as incurred in the second quarter and first six months of 2025, respectively, and are included in Interest expense on the Condensed Consolidated Statements of Operations.

The Existing 9.875% Notes and the New 9.875% Notes carry fixed interest rates of 9.875%. The Existing 4.625% Notes and the New 4.625% Notes carry fixed interest rates of 4.625%. The Initial First Lien Term Loan had an effective interest rate of 10.32% as of June 30, 2025.

See Note 5, "Debt and Liquidity" for details of our debt.

(8) Commitments and Contingencies

Legal Proceedings

We are involved in various investigations, lawsuits, claims, demands, labor disputes and other legal proceedings, including with respect to environmental and human exposure or other personal injury matters, arising out of or incidental to the conduct of our business. While it is not possible to determine the ultimate disposition of each of these matters and proceedings,

we do not believe that their ultimate disposition will have a material adverse effect on our financial position, results of operations or cash flows. Additionally, we are involved in the following legal proceedings:

Brazil Clause IV

Pending litigation in Brazil has been brought by employees seeking to recover additional amounts and interest thereon under certain wage increase provisions applicable in 1989 and 1990 under collective bargaining agreements to which employers in the Bahia region of Brazil were a party (including our subsidiary in Brazil). Companies in Brazil have settled claims arising out of these provisions and, in May 2015, the litigation was remanded by the Brazilian Supreme Court in favor of the employees union. After denying an interim appeal by the Bahia region employers on June 26, 2019, the Brazilian Supreme Court finally ruled in favor of the employees union on September 26, 2019. The employers union has determined not to seek annulment of such decision. Separately, on October 1, 2015, a related action was filed by current and former employees against our subsidiary in Brazil to recover amounts under such provisions, plus interest thereon, which amounts together with interest could be material to us. If the Brazilian Supreme Court proceeding above had been determined in favor of the employers union, it would also have resolved this proceeding in our favor. In the first quarter of 2017, the state court initially ruled in favor of the employees. We appealed this state court ruling, and the appellate court issued a decision in our favor on May 19, 2020. The employees have further appealed and, on December 16, 2020, the court upheld the decision in favor of GrafTech Brazil. On February 22, 2021, the employees filed a further appeal and, on April 28, 2021, the court rejected the employees' appeal in favor of GrafTech Brazil. The employees filed a further appeal and on September 12, 2022, we filed our response in opposition. We intend to vigorously defend our position. As of June 30, 2025, we are unable to assess the potential loss associated with these proceedings as the claims do not currently specify the number of employees seeking damages or the amount of damages being sought.

Securities and Derivative Litigation

On January 25, 2024, a stockholder of the Company filed a class action complaint on behalf of a putative class consisting of purchasers of GrafTech common stock between February 8, 2019 and August 3, 2023 in the United States District Court for the Northern District of Ohio. The complaint names the Company, certain past and present executive officers, and three entities associated with Brookfield Corporation and its affiliates (together, "Brookfield") as defendants. The complaint alleges that certain public filings and statements made by the Company contained material misrepresentations or omissions relating to the circumstances before and after the prior temporary suspension of the Company's graphite electrode facility located in Monterrey, Mexico, in September 2022. The complaint seeks unspecified compensatory damages, costs and expenses, and unspecified equitable or injunctive relief. On May 15, 2024, the Court appointed the University of Puerto Rico Retirement System as the lead plaintiff. On October 7, 2024, the plaintiff filed an amended complaint. The defendants have moved to dismiss the complaint.

Beginning on June 9, 2025, stockholders filed three derivative actions purporting to assert claims on behalf of and in the name of the Company in the U.S. District Court for the Northern District of Ohio, against certain past and present directors and officers of the Company and three entities associated with Brookfield. The complaints generally allege breaches of fiduciary duty and mismanagement based on the same facts and circumstances alleged in the securities class action lawsuit described above, and seek an award to the Company of unspecified damages, costs, expenses, and equitable relief.

At this stage of the proceedings, it is too early to determine if any of these matters would reasonably be expected to have a material adverse effect on our financial condition.

Tax Receivable Agreement

On April 23, 2018, the Company entered into the tax receivable agreement ("Tax Receivable Agreement") that provides Brookfield as the sole stockholder prior to the Company's initial public offering in April 2018 (the "IPO"), the right to receive future payments from us for 85% of the amount of cash savings, if any, in U.S. federal income tax and Swiss tax that we and our subsidiaries realize as a result of the utilization of the pre-IPO tax assets. In addition, we will pay interest on the payments we will make to Brookfield with respect to the amount of these cash savings from the due date (without extensions) of our tax return where we realize these savings to the payment date. On April 10, 2023, the Tax Receivable Agreement was amended and restated to change the applicable interest rate from LIBOR plus 1.00% per year to the one-month period secured overnight financing rate administered by the Federal Reserve Bank of New York plus 1.10%. The term of the Tax Receivable Agreement commenced on April 23, 2018 and will continue until there is no potential for any future tax benefit payments.

In the second quarter of 2025, we recorded a full valuation allowance against our U.S. deferred tax assets as it is more likely than not that we will not be able to utilize U.S. deferred tax assets. These deferred taxes include the remaining pre-IPO tax assets covered by the Tax Receivable Agreement for which the related foreign tax credits are more likely than not to expire prior to being utilized. As a result, the remaining $3.8 million Tax Receivable Agreement liability was written off to Other income, net in the Condensed Consolidated Financial Statements.

Brazil Income Tax Audit

On October 23, 2024, GrafTech Brasil Participações Ltda. received an income tax assessment notice from the Brazilian Internal Revenue Service ("IRS") totaling approximately $32.6 million including approximately $19.4 million of interest and penalties, resulting from an audit carried out between 2023 and 2024, related to the period from 2019 to 2020. In this assessment, two issues were raised by the tax auditor. The first item disallowed the investment tax incentive (75% reduction of income tax), under the allegation that the Company did not have a negative tax debt certificate. The second disallowed the use of the VAT benefit (called Desenvolve) to increase the investment tax incentive. The Company believes that the IRS assessment is incorrect and does not believe that it is probable that it will incur a loss related to these matters. The Company intends to vigorously defend its position regarding both items.

(9) Income Taxes

We compute and apply to ordinary income or loss an estimated annual effective tax rate on a quarterly basis based on current and forecasted business levels and activities, including the mix of domestic and foreign results and enacted tax laws. The estimated annual effective tax rate is updated quarterly based on actual results and updated operating forecasts. Ordinary income or loss refers to income or loss before income taxes excluding significant, unusual or infrequently occurring items. The tax effect of an unusual or infrequently occurring item is recorded in the interim period in which it occurs as a discrete item of tax.

The following table summarizes the income tax benefit:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(Dollars in thousands)			
Income tax expense (benefit)	$ 51,207	$ (592)	$ 43,995	$ (4,793)
Loss before income taxes	(35,679)	(15,344)	(82,242)	(50,414)
Effective tax rate	(143.5)%	3.9 %	(53.5)%	9.5 %

The effective tax rate for the second quarter and first six months of 2025 was different than the U.S. statutory tax rate of 21% primarily due to the recording of a valuation allowance against the Company's previously realizable U.S. and Switzerland deferred tax assets of $34.2 million and $8.4 million, respectively, as described below. The effective tax rate for the second quarter and first six months of 2024 was different from the U.S. statutory rate of 21% primarily due to the mix of U.S. and foreign earnings, tax incentives and provisions of the Tax Cuts and Jobs Act of 2017 (the "Tax Cuts and Jobs Act").

We file income tax returns in the U.S. federal jurisdiction, and various state and foreign jurisdictions. All U.S. federal tax years prior to 2021 are generally closed by statute or have been audited and settled with the applicable domestic tax authorities. Other jurisdictions are generally closed for years prior to 2019.

At each reporting period, the Company assesses the need for valuation allowances against deferred tax assets and whether it is more likely than not that deferred tax benefits will be realized in each jurisdiction. Consideration is given to all available evidence, both positive and negative, in assessing the need for a valuation allowance. Examples of positive evidence include a strong earnings history, an event or events that would increase the Company's taxable income or reduce expenses, or tax planning strategies that would create the ability to realize deferred tax assets. Examples of negative evidence include cumulative losses in recent years or a history of tax attributes expiring unused. In circumstances where the negative evidence outweighs the positive evidence, the Company has established or maintained valuation allowances on the jurisdiction's net deferred tax assets. However, the recognition of the valuation allowance does not limit the Company's ability to utilize these tax assets on a tax return in the future should taxable income be realized in sufficient amount to realize the assets.

At the end of the second quarter of 2025, the Company's cumulative losses in the U.S. and Switzerland in recent years, when assessed with other positive and negative evidence, represented sufficient negative evidence to require full valuation allowances on its U.S. and Switzerland previously realizable deferred tax assets. As of June 30, 2025, the Company's U.S. and Switzerland operations had valuation allowances recorded of $52.4 million and $8.4 million, respectively.

On July 4, 2025, the One Big Beautiful Bill Act (the "OBBBA"), containing various changes to U.S. corporate tax laws was enacted. Following enactment, we have assessed the applicability of the retroactive business provisions in the OBBBA. We are still evaluating the potential future impact of the OBBBA on our consolidated financial statements.

(10) Fair Value Measurements and Derivative Instruments

In the normal course of business, we are exposed to certain risks related to fluctuations in currency exchange rates, commodity prices and interest rates. We use various derivative financial instruments, primarily foreign currency derivatives, commodity derivative contracts, and interest rate swaps as part of our overall strategy to manage risks from these market fluctuations.

Since the counterparties to these financial instruments are large commercial banks and similar financial institutions, we do not believe that we are exposed to material counterparty credit risk. We do not anticipate nonperformance by any of the counterparties to our instruments.

Foreign currency derivatives

We enter into foreign currency derivatives from time to time to attempt to manage exposure to changes in currency exchange rates. These foreign currency instruments, which include, but are not limited to, forward exchange contracts and purchased currency options, are used to hedge global currency exposures such as foreign currency denominated debt, receivables, payables, sales and purchases.

Foreign currency forward and swap contracts are used to mitigate the foreign exchange risk of balance sheet items. These derivatives are fair value hedges. Gains and losses from these derivatives are recorded in cost of goods sold and they are largely offset by the financial impact of translating foreign currency-denominated payables and receivables.

In the second quarter of 2025, we entered into foreign currency derivatives with maturities of one month to 12 months in order to protect against the risk that cash flows associated with certain sales and purchases denominated in a currency other than the U.S. dollar will be adversely affected by future changes in foreign exchange rates. These derivatives are designated as cash flow hedges. The resulting unrealized gains or losses from these derivatives are recorded in AOCL and subsequently, when realized, are reclassified to net sales or cost of goods sold in the Condensed Consolidated Statements of Operations when the hedged exposures affect earnings.

Commodity derivative contracts

From time to time, we enter into commodity derivative contracts for refined oil products. These contracts are entered into to protect against the risk that eventual cash flows related to these products will be adversely affected by future changes in prices. The unrealized gains or losses related to commodity derivative contracts designated as cash flow hedges are recorded in AOCL and subsequently, when realized, are reclassified to the Condensed Consolidated Statement of Operations when the hedged item impacts earnings, which is when the finished product is sold.

Interest rate swap contracts

We have utilized interest rate swaps in the past to limit exposure to market fluctuations on our variable-rate debt. For each derivative agreement that is designated as a cash-flow hedge, the unrealized gain or loss is recorded in AOCL and, when realized, is recorded to interest expense. Upon discontinuance of a designated cash-flow hedging relationship, when interest payments are still probable of occurring, the fair value at the date of discontinuance is deferred into AOCL and amortized into interest expense based upon the term of the cash-flow hedging relationship.

All derivatives are recorded on the balance sheet at fair value. If the derivative is designated and effective as a cash flow hedge, changes in the fair value of the derivative are recognized in AOCL until the hedged item is recognized in earnings. The ineffective portion of a derivative's fair value, if any, is recognized in earnings immediately. If a derivative is not a hedge, changes in the fair value are adjusted through earnings. The fair values of the outstanding derivatives are recorded on the

balance sheet as assets (if the derivatives are in a gain position) or liabilities (if the derivatives are in a loss position). The fair values will also be classified as short-term or long-term depending upon their maturity dates. The fair value of all of our derivatives was determined using Level 2 inputs.

The notional amounts of our outstanding derivative instruments as of June 30, 2025 and December 31, 2024 were as follows:

	June 30, 2025	December 31, 2024
	Notional Amount	Notional Amount
	(Dollars in thousands)	
Derivative instruments designated as hedges:		
Foreign currency derivatives	$ 5,740	$ —
Derivative instruments not designated as hedges:		
Foreign currency derivatives	$ 24,059	$ 11,918

The fair value of our outstanding derivatives designated as hedges was a pre-tax unrealized gain $0.1 million as of June 30, 2025, which was recorded in prepaid and other current assets on the Condensed Consolidated Balance Sheets.

As of June 30, 2025, net realized pre-tax gains of $0.1 million related to our foreign currency derivatives were reported in AOCL and will be released to earnings within the next 12 months. No ineffectiveness expense was recorded in the second quarter or first six months of 2025 or 2024.

The pre-tax realized (gains) losses on designated cash flow hedges are recognized in the Statements of Operations when the hedged item impacts earnings and were as follows for the periods ended June 30, 2025 and 2024:

		Amount of (Gain) Loss Recognized	
		Three Months Ended June 30,	
	Location of Realized (Gain) Loss Recognized in the Condensed Consolidated Statement of Operations	2025	2024
Derivatives designated as cash flow hedges:		*(Dollars in thousands)*	
Foreign currency derivatives	Cost of goods sold	$ (188)	$ 423
Interest rate swap contracts	Interest expense	—	(2,771)

		Amount of (Gain)/Loss Recognized	
		Six Months Ended June 30,	
	Location of Realized (Gain)/Loss Recognized in the Condensed Consolidated Statement of Operations	2025	2024
Derivatives designated as cash flow hedges:		*(Dollars in thousands)*	
Foreign currency derivatives	Cost of goods sold	$ (245)	$ 355
Commodity derivative contracts	Cost of goods sold	—	(2,462)
Interest rate swap contracts	Interest expense	—	(5,508)

Pretax gains and losses on non-designated derivatives recognized in earnings were as follows:

	Location of (Gain)/Loss Recognized in the Condensed Consolidated Statement of Operations	Amount of (Gain)/Loss Recognized	
		Three Months Ended June 30,	
		2025	2024
Derivatives not designated as hedges:		*(Dollars in thousands)*	
Foreign currency derivatives	Cost of goods sold	$ (292)	$ (170)

	Location of (Gain)/Loss Recognized in the Condensed Consolidated Statement of Operations	Amount of (Gain)/Loss Recognized	
		Six Months Ended June 30,	
		2025	2024
Derivatives not designated as hedges:		*(Dollars in thousands)*	
Foreign currency derivatives	Cost of goods sold	$ (528)	$ (43)

The following table summarizes the fair value of our outstanding derivatives not designated as hedges (on a gross basis) and balance sheet classification as of June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024
	Fair Value	Fair Value
	(Dollars in thousands)	
Prepaid and other current assets		
Foreign currency derivatives	$ 259	$ 296
Other accrued liabilities		
Foreign currency derivatives	(86)	(248)
Net asset	$ 173	$ 48

(11) Accumulated Other Comprehensive Loss

The balance in our Accumulated other comprehensive loss is set forth in the following table:

	June 30, 2025	December 31, 2024
	(Dollars in thousands)	
Foreign currency translation adjustments, net of tax	$ (8,996)	$ (43,573)
Foreign currency derivatives, net of tax	132	214
Total accumulated other comprehensive loss	$ (8,864)	$ (43,359)

(12) Loss per Share

The following table presents a reconciliation of the numerator and denominator of basic and diluted loss per share for the three and six months ended June 30, 2025 and 2024, respectively:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(Dollars in thousands, except per share amounts)			
Numerator for basic and diluted loss per share:				
Net loss	$ (86,886)	$ (14,752)	$ (126,237)	$ (45,621)
Denominator:				
Weighted average common shares outstanding for basic calculation	259,183,478	257,772,069	258,779,643	257,587,613
Weighted average common shares outstanding for diluted calculation	259,183,478	257,772,069	258,779,643	257,587,613
Basic loss per share	$ (0.34)	$ (0.06)	$ (0.49)	$ (0.18)
Diluted loss per share	$ (0.34)	$ (0.06)	$ (0.49)	$ (0.18)

Basic loss per share is calculated by dividing net loss by the weighted average number of common shares outstanding. Diluted loss per share is calculated by dividing net loss by the sum of the weighted average number of common shares outstanding plus the additional common shares that would have been outstanding if potentially dilutive securities had been issued.

The weighted average common shares outstanding for the diluted loss per share calculation for the three and six months ended June 30, 2025 excludes the dilutive effect of approximately 289,651 shares and 281,620 shares, respectively, and 2,543 shares and 1,490 shares for the three and six months ended June 30, 2024, respectively, primarily related to restricted stock units ("RSUs"), as their inclusion would have been anti-dilutive due to the Company's net loss.

Additionally, the weighted average common shares outstanding for the diluted loss per share calculation excludes consideration of 7,440,245 and 6,704,650 equivalent shares for the three and six months ended June 30, 2025, respectively, and 5,671,092 and 4,574,726 equivalent shares for the three and six months ended June 30, 2024, respectively, as their effect would have been anti-dilutive.

(13) Stock-Based Compensation

The Human Resources and Compensation Committee of our Board of Directors granted 3,680,476 RSUs and 1,702,363 performance-based restricted stock units ("PSUs") to our employees during the first six months of 2025 under our Omnibus Equity Incentive Plan. Our electing non-employee directors received 297,901 deferred share units ("DSUs") and 953,332 deferred RSUs ("DRSUs") during the six months ended June 30, 2025 under our Omnibus Equity Incentive Plan.

We measure the fair value of grants of RSUs, DSUs and DRSUs based on the closing market price of a share of our common stock on the date of the grant (or if the market is not open for trading on such date, the immediately preceding day on which the market is open for trading). The weighted average fair value per share was $1.19 for RSUs granted to employees and $0.92 and $0.71, respectively, for DSUs and DRSUs granted to non-employee directors during the six months ended June 30, 2025.

We measure the fair value of grants of PSUs using a Monte Carlo valuation. The weighted average fair value of the PSUs granted in the first six months of 2025 was $0.61 per share and will be expensed over a vesting period of three years. The final payout to holders of PSUs will be based upon the Company's total shareholder return relative to a peer group's performance measured at the end of each performance period. The final payout for PSUs granted in 2025 is subject to a 3.5x value cap.

In the three months ended June 30, 2025 and 2024, we recognized $1.8 million and $1.6 million, respectively, of stock-based compensation expense. The majority of the expense, $1.6 million and $1.4 million, respectively, was recorded in selling and administrative expense in the Condensed Consolidated Statements of Operations, with the remaining expense recorded in cost of goods sold.

In the six months ended June 30, 2025 and 2024, we recognized $2.4 million and $2.6 million, respectively, of stock-based compensation expense. The majority of the expense, $1.9 million and $2.2 million, respectively, was recorded in selling and administrative expense in the Condensed Consolidated Statements of Operations, with the remaining expense recorded in cost of goods sold.

As of June 30, 2025, the unrecognized compensation cost related to the unvested portion of all stock-based awards was approximately $10.8 million and is expected to be recognized over the remaining vesting period of the respective grants.

(14) Supplementary Balance Sheet Detail

Supplier Finance Program ("SFP") Obligations

GrafTech Mexico S.A. de C.V. ("GrafTech Mexico") participates in an electronic vendor voucher payment program supported by the Mexican Government through one of its national banks, whereby suppliers can factor their invoices through a financial intermediary. This program gives GrafTech Mexico's suppliers the option to settle trade receivables by obtaining payment from the financial intermediary prior to the invoice due date for a discounted amount. GrafTech Mexico's responsibility is limited to making payment on the terms originally negotiated with its supplier, regardless of whether the supplier elects to receive early payment. The range of payment terms GrafTech Mexico negotiates with its suppliers is consistent, irrespective of whether a supplier participates in the program.

As of June 30, 2025 and December 31, 2024, $4.8 million and $5.6 million, respectively, of SFP obligations were included in accounts payable on the Condensed Consolidated Balance Sheets and upon settlement, are reflected as cash flow from operating activities in the Condensed Consolidated Statements of Cash Flows.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The Company

We are a leading manufacturer of high-quality graphite electrode products essential to the production of EAF steel and other ferrous and non-ferrous metals. We believe that we have the most competitive portfolio of low cost ultra-high power graphite electrode manufacturing facilities in the industry, with some of the highest capacity facilities in the world. We are the only large scale graphite electrode producer that is substantially vertically integrated into petroleum needle coke, our key raw material for graphite electrode manufacturing.

The environmental and economic advantages of EAF steel production position both that industry and the graphite electrode industry for long-term growth.

We believe GrafTech's leadership position and vertical integration are sustainable competitive advantages. The services and solutions we provide will position our customers and us for a better future.

Operational and Commercial Update

Sales volume for the second quarter of 2025 was 28.6 thousand metric tons ("MT") and increased 12% compared to the second quarter of 2024.

For the second quarter of 2025, our weighted-average realized price was approximately $4,200 per MT. This represented a decrease of 12% compared to the second quarter of 2024, but a sequential increase of 2% compared to the first quarter of 2025. The year-over-year decline reflected the substantial completion in 2024 of our LTAs, as well as persistent competitive pressures across all of our principal commercial regions. These impacts were partially mitigated by our initiative to actively shift more sales volume to the United States, which remains the strongest region for graphite electrode pricing.

Production volume was 29.4 thousand MT for the second quarter of 2025, an increase of 10% compared to the second quarter of 2024. On a full-year basis, our expectation remains to balance our production and sales volume levels.

Outlook

Geopolitical uncertainty, particularly as it relates to global trade and tariffs, continues to have a significant impact on broader steel industry trends. As we closely monitor developments and assess their potential impact on the commercial environment for graphite electrodes, we continue to expect demand for graphite electrodes in the near term will remain relatively flat in most of the regions in which we operate. In the United States, steel production is expected to increase modestly in 2025 on a full-year basis, with growth expected to be driven by the electric arc furnace method of steelmaking, resulting in higher graphite electrode demand in this key region.

For GrafTech, our expectation remains achieving an approximate 10% year-over-year increase in our sales volume for 2025 on a full-year basis, as we continue to regain market share. This reflects our compelling customer value proposition and our ongoing focus on delivering on the needs of our customers.

As it relates to price, challenging pricing dynamics have persisted in most regions and the pricing environment remains unsustainably low. As a result, we continue to execute actions to accelerate our path to normalized levels of profitability and support our ability to invest in our business. These include initiatives to optimize our order book and actively shift the geographic mix of our sales volume to regions where there is an opportunity to capture higher average selling prices, particularly in the United States. In addition, as previously announced, we informed our customers in early 2025 of our intention to increase prices by 15% on 2025 volume that was not yet committed as of the date of the announced price increase.

As it relates to costs, we now expect a 7-9% year-over-year decline in our cash cost of goods sold per MT for 2025 on a full-year basis, exceeding our previous guidance of a mid-single digit percentage point decline compared to 2024. This change reflects ongoing strong execution of our initiatives to enhance our cost structure. Regarding the impact of tariffs, we believe we are well-positioned to minimize the potential impacts imposed by current trade policies, reflecting our integrated and global production network that provides us manufacturing flexibility along with proactive measures we have taken across our supply chain. As a result, we anticipate second half 2025 adjusted EBITDA to be near breakeven.

In addition, we will continue to closely manage our working capital levels and capital expenditures. For 2025, we continue to expect the net impact of working capital will be favorable to our full year cash flow performance. We also continue to anticipate our full year 2025 capital expenditures will be approximately $40 million.

Longer term, we remain confident that the steel industry's efforts to decarbonize will lead to increased adoption of the electric arc furnace method of steelmaking, driving long-term demand growth for graphite electrodes. We also anticipate the demand for petroleum needle coke, the key raw material we use to produce graphite electrodes, to accelerate driven by its utilization in producing synthetic graphite for use in lithium-ion batteries for the growing electric vehicle market. We believe that the near-term actions we are taking, supported by an industry-leading position and our sustainable competitive advantages, including our substantial vertical integration into petroleum needle coke via our Seadrift facility, will optimally position GrafTech to benefit from that long-term growth.

Capital Structure and Liquidity

As of June 30, 2025, we had liquidity of $366.5 million, consisting of cash and cash equivalents of $158.5 million, $108.0 million of availability under our 2018 Revolving Credit Facility and $100.0 million of availability under our Initial First Lien Term Loan Facility (with respect to the Delayed Draw Commitments thereunder, which we intend to draw in full prior to their expiration in July 2026). As of June 30, 2025, we had total debt of approximately $1.1 billion.

Key metrics used by management to measure performance

In addition to measures of financial performance presented in our Condensed Consolidated Financial Statements in accordance with generally accepted accounting principles in the United States ("GAAP"), we use certain other financial measures and operating metrics to analyze the performance of our Company. Our "non-GAAP" financial measures consist of EBITDA, adjusted EBITDA, adjusted net loss and adjusted loss per share, which help us evaluate growth trends, establish budgets, assess operational efficiencies and evaluate our overall financial performance. Our key operating metrics consist of sales volume, production volume, production capacity and capacity utilization.

Key financial measures

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands, except per share data)	2025	2024	2025	2024
Net sales	$ 131,840	$ 137,327	$ 243,679	$ 273,911
Net loss	(86,886)	(14,752)	(126,237)	(45,621)
Loss per share[(1)]	(0.34)	(0.06)	(0.49)	(0.18)
EBITDA[(2)]	3,435	12,731	(1,439)	5,646
Adjusted net loss[(2)]	(42,247)	(13,564)	(76,402)	(38,725)
Adjusted loss per share[(1)(2)]	(0.16)	(0.05)	(0.30)	(0.15)
Adjusted EBITDA[(2)]	3,471	14,493	(201)	14,687

(1) Loss per share represents diluted loss per share. Adjusted loss per share represents adjusted diluted loss per share.
(2) Non-GAAP financial measure; see below for information and reconciliations of EBITDA, adjusted EBITDA and adjusted net loss to net loss and adjusted loss per share to loss per share, the most directly comparable financial measures calculated and presented in accordance with GAAP.

Key operating measures

In addition to measures of financial performance presented in accordance with GAAP, we use certain operating metrics to analyze the performance of our Company. These metrics align with management's assessment of our revenue performance and profit margin, and will help investors understand the factors that drive our profitability.

Sales volume reflects the total volume of graphite electrodes sold for which revenue has been recognized during the period. For a discussion of our revenue recognition policy, see "—Critical accounting policies—Revenue recognition" in our Annual Report on Form 10-K. Sales volume helps management and investors understand the factors that drive our net sales.

Production volume, production capacity and capacity utilization help us understand the efficiency of our production, evaluate cost of goods sold and consider how to approach our sales contract initiative.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands, except utilization)	**2025**	**2024**	**2025**	**2024**
Sales volume (MT)	28.6	25.5	53.3	49.6
Production volume (MT)	29.4	26.8	57.9	52.8
Production capacity (MT)[1][2]	45.0	45.0	90.0	90.0
Capacity utilization[3]	65 %	60 %	64 %	59 %

[1] Production capacity reflects expected maximum production volume during the period depending on product mix and expected maintenance outage. Actual production may vary.
[2] Includes graphite electrode facilities in Calais, France; Monterrey, Mexico; and Pamplona, Spain.
[3] Capacity utilization reflects production volume as a percentage of production capacity.

Results of Operations

The Three Months Ended June 30, 2025 Compared to the Three Months Ended June 30, 2024

The table presented in our period-over-period comparisons summarizes our Condensed Consolidated Statements of Operations and illustrates key financial indicators used to assess the consolidated financial results. Throughout this "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Report ("MD&A"), insignificant changes may be deemed not meaningful and are generally excluded from the discussion.

	Three Months Ended June 30,		Increase/ Decrease	% Change
	2025	**2024**		
	(Dollars in thousands)			
Net sales	$ 131,840	$ 137,327	$ (5,487)	(4)%
Cost of goods sold	129,885	131,970	(2,085)	(2)%
Lower of cost or market inventory valuation adjustment	1,893	1,381	512	37 %
Gross profit	62	3,976	(3,914)	(98)%
Research and development	1,348	1,447	(99)	(7)%
Selling and administrative expenses	13,267	5,098	8,169	160 %
Rationalization expenses	—	110	(110)	NM
Operating loss	(14,553)	(2,679)	(11,874)	443 %
Other income, net	(2,426)	(1,091)	(1,335)	122 %
Interest expense	25,418	15,609	9,809	63 %
Interest income	(1,866)	(1,853)	(13)	1 %
Loss before income taxes	(35,679)	(15,344)	(20,335)	133 %
Income tax expense (benefit)	51,207	(592)	51,799	(8,750)%
Net loss	$ (86,886)	$ (14,752)	$ (72,134)	489 %

NM = Not Meaningful.

Net sales decreased $5.5 million, or 4%, compared to the second quarter of 2024. The decline primarily reflected a decrease in our weighted-average realized price, partially offset by increased sales volume.

Cost of goods sold decreased $2.1 million, or 2%, compared to the second quarter of 2024, reflecting our ongoing initiatives to reduce our cost structure and the year-over-year improvement in our sales and production volume levels. In addition, the second quarter of 2024 included the recognition of an incremental $1.1 million of fixed manufacturing costs (including depreciation) related to low production levels.

Selling and administrative expenses increased $8.2 million, or 160%, compared to the second quarter of 2024. The second quarter of 2024 included $9.2 million for the reimbursement of legal fees in connection with the favorable outcome of an arbitration. Excluding this one-time reimbursement, selling and administrative expenses decreased approximately $1.0 million, compared to the second quarter of 2024, due to reduced employee-related expenses driven by of our cost rationalization and footprint optimization plan announced in February 2024.

Interest expense increased $9.8 million, or 63%, compared to the second quarter of 2024. Interest expense for the second quarter of 2025 included interest expense incurred on our Initial First Lien Term Loan Facility and our Delayed Draw First Lien Term Loan Facility that did not exist in the second quarter of 2024. In addition, interest expense in the second quarter of 2024 included $2.8 million of net gains recognized related to our interest rate swaps that were terminated in the second quarter of 2023. See Note 7, "Interest Expense" in the Notes to the Condensed Consolidated Financial Statements for further discussion.

The following table summarizes the income tax expense (benefit):

	Three Months Ended June 30,	
	2025	**2024**
	(Dollars in thousands)	
Income tax expense (benefit)	$ 51,207	$ (592)
Loss before income taxes	(35,679)	(15,344)
Effective tax rate	(143.5)%	3.9 %

The effective tax rate for the second quarter of 2025 was different than the U.S. statutory tax rate of 21% primarily due to the recording of a valuation allowance against the Company's previously realizable U.S. and Switzerland deferred tax assets of $34.2 million and $8.4 million, respectively. The effective tax rate for the second quarter of 2024 was different from the U.S. statutory rate of 21% primarily due to the mix of U.S. and foreign earnings, tax incentives and provisions of the Tax Cuts and Jobs Act. See Note 9, "Income Taxes" in the Notes to the Condensed Consolidated Financial Statements for further discussion.

The Six Months Ended June 30, 2025 Compared to the Six Months Ended June 30, 2024

The table presented in our period-over-period comparisons summarize our Consolidated Statements of Operations and illustrate key financial indicators used to assess the consolidated financial results. Throughout this MD&A, insignificant changes may be deemed not meaningful and are generally excluded from the discussion.

	Six Months Ended June 30,		Increase/ Decrease	% Change
	2025	2024		
	(Dollars in thousands)			
Net sales	$ 243,679	$ 273,911	$ (30,232)	(11)%
Cost of goods sold	240,650	267,174	(26,524)	(10)%
Lower of cost or market inventory valuation adjustment	4,676	4,073	603	15 %
Gross (loss) profit	(1,647)	2,664	(4,311)	(162)%
Research and development	3,227	3,074	153	5 %
Selling and administrative expenses	27,889	20,375	7,514	37 %
Rationalization expenses	—	3,255	(3,255)	NM
Operating loss	(32,763)	(24,040)	(8,723)	36 %
Other income, net	(1,979)	(1,484)	(495)	33 %
Interest expense	55,259	31,235	24,024	77 %
Interest income	(3,801)	(3,377)	424	(13)%
Loss before income taxes	(82,242)	(50,414)	(31,828)	63 %
Income tax expense (benefit)	43,995	(4,793)	48,788	NM
Net loss	$ (126,237)	$ (45,621)	$ (80,616)	177 %

NM = Not Meaningful.

Net sales decreased $30.2 million, or 11%, compared to the first six months of 2024. The decline primarily reflected a decrease in our weighted-average realized price, partially offset by increased sales volume.

Cost of goods sold decreased $26.5 million, or 10%, compared to the first six months of 2024, reflecting our ongoing initiatives to reduce our cost structure. Inventory written down in prior periods due to LCM inventory valuation adjustments had a $5.5 million favorable impact on cost of goods sold in the first six months of 2025 compared to the first six months of 2024. In addition, the first six months of 2024 included the recognition of an incremental $10.9 million of fixed manufacturing costs (including depreciation) related to low production levels. These decreases were partially offset by the impact of increased volume.

Selling and administrative expenses increased $7.5 million, or 37%, compared to the first six months of 2024. The first six months of 2024 included $9.2 million for the reimbursement of legal fees in connection with the favorable outcome of an arbitration. Excluding this one-time reimbursement, selling and administrative expenses decreased approximately $1.7 million, compared to the first six months of 2024, due to reduced employee-related expenses driven by our cost rationalization and footprint optimization plan announced in February 2024.

Interest expense increased $24.0 million, or 77%, compared to the first six months of 2024. Interest expense for the first six months of 2025 included interest expense incurred on our Initial First Lien Term Loan Facility and our Delayed Draw First Lien Term Loan Facility that did not exist in the first six months of 2024. In addition, interest expense in the first six months of 2025 included $6.3 million of debt modification costs due to post-closure costs related to our debt transactions announced in the fourth quarter of 2024 and are primarily legal, advisory and other administrative costs. See Note 7, "Interest Expense" in the Notes to the Condensed Consolidated Financial Statements for further discussion.

The following table summarizes the income tax expense (benefit):

	Six Months Ended June 30,	
	2025	2024
	(Dollars in thousands)	
Income tax expense (benefit)	$ 43,995	$ (4,793)
Loss before income taxes	(82,242)	(50,414)
Effective tax rate	(53.5)%	9.5 %

The effective tax rate for the first six months of 2025 was different than the U.S. statutory tax rate of 21% primarily due to the recording of a valuation allowance against the Company's previously realizable U.S. and Switzerland deferred tax assets of $34.2 million and $8.4 million, respectively. The effective tax rate for the first six months of 2024 was different from the U.S. statutory rate of 21% primarily due to the mix of U.S. and foreign earnings, tax incentives and provisions of the Tax Cuts and Jobs Act. See Note 9, "Income Taxes" in the Notes to the Condensed Consolidated Financial Statements for further discussion.

Effects of Changes in Currency Exchange Rates

When the currencies of non-U.S. countries in which we have a manufacturing facility decline (or increase) in value relative to the U.S. dollar, this has the effect of reducing (or increasing) the U.S. dollar equivalent cost of goods sold and other expenses with respect to those facilities. In certain countries in which we have manufacturing facilities, and in certain export markets, we sell in currencies other than the U.S. dollar. Accordingly, when these currencies increase (or decline) in value relative to the U.S. dollar, this has the effect of increasing (or reducing) net sales. The result of these effects is to increase (or decrease) operating and net loss.

Many of the countries in which we have a manufacturing facility or commercial activities have been subject to significant economic and political changes, which have significantly impacted currency exchange rates. We cannot predict changes in currency exchange rates in the future or whether those changes will have net positive or negative impacts on our net sales, cost of goods sold or net loss.

The impact of these changes in the average exchange rates of other currencies against the U.S. dollar on our net sales was increases of $2.2 million and $1.3 million, respectively, for the second quarter and first six months of 2025 compared to the same periods of 2024. The impact of these changes on our cost of goods sold was increases of $3.0 million and $0.6 million for the second quarter and first six months of 2025, respectively, compared to the same periods of 2024.

We have in the past and may in the future use various financial instruments to manage certain exposures to risks caused by currency exchange rate changes, as described under Part I, Item 3., Quantitative and Qualitative Disclosures about Market Risk.

Liquidity and Capital Resources

Our sources of funds have consisted principally of cash flow from operations and debt, including our credit facilities (subject to continued compliance with the financial covenants and representations). Our uses of those funds (other than for operations) have consisted principally of capital expenditures, debt repayment, dividends, share repurchases and other general purposes. On an ongoing basis, we expect to evaluate and consider strategic transactions, including acquisitions, divestitures, joint ventures, equity investments, debt issuances, refinancing our existing debt or repurchases of our outstanding debt obligations in open market or privately negotiated transactions, as well as other strategic transactions. These transactions may require cash expenditures, which may be funded through a combination of cash on hand, proceeds from the issuance of debt or from equity offerings. Disruptions in the U.S. and international financial markets could adversely affect our liquidity and the cost and availability of financing to us in the future.

We believe that we have adequate liquidity to meet our needs for at least the next twelve months. As of June 30, 2025, we had liquidity of $366.5 million, consisting of cash and cash equivalents of $158.5 million, $108.0 million of availability under our 2018 Revolving Credit Facility (after giving effect to $7.4 million of letters of credit) and $100.0 million of availability under our Initial First Lien Term Loan Facility (with respect to the Delayed Draw Commitments thereunder). As any borrowings under the 2018 Revolving Credit Facility remain subject to compliance with the financial covenants thereunder (see below and Note 5, "Debt and Liquidity"), our operating performance as of June 30, 2025 and December 31, 2024 resulted

in a reduction of the availability under the 2018 Revolving Credit Facility. We had long-term debt of $1.1 billion as of each of June 30, 2025 and December 31, 2024. As of December 31, 2024, we had liquidity of $464.2 million, consisting of cash and cash equivalents of $256.2 million, $108.0 million of availability under our 2018 Revolving Credit Facility (after giving effect to $7.4 million of letters of credit) and $100.0 million of availability under our Initial First Lien Term Loan Facility (with respect to the Delayed Draw Commitments thereunder).

As of June 30, 2025 and December 31, 2024, $60.7 million and $60.0 million, respectively, of our cash and cash equivalents were located outside of the U.S. We repatriate funds from our foreign subsidiaries through dividends. All of our subsidiaries face the customary statutory limitation that distributed dividends cannot exceed the amount of retained and current earnings. Upon repatriation to the U.S., the foreign source portion of dividends we receive from our foreign subsidiaries are not subject to U.S. federal income tax because the amounts were either previously taxed or are exempted from tax by Section 245A of the Internal Revenue Service Code (the "Code").

Cash flow. Our cash flow typically fluctuates significantly between quarters due to various factors. These factors include customer order patterns, fluctuations in working capital requirements, timing of tax and interest payments and other factors.

Debt Structure

New Notes due 2029

On December 23, 2024, GrafTech Finance issued New 4.625% Notes in an aggregate principal amount of $498.2 million and GrafTech Global issued New 9.875% Notes in an aggregate principal amount of $446.2 million in exchange for $498.2 million of GrafTech Finance's Existing 4.625% Notes and $446.2 million of GrafTech Global's Existing 9.875% Notes, respectively, validly tendered and accepted in connection with the Exchange Offers. The New Notes are the Issuers' second lien obligations.

The New 4.625% Notes were issued pursuant to an indenture, dated as of the Settlement Date (the "New 4.625% Notes Indenture"), by and among GrafTech Finance, the Company, each subsidiary guarantor from time to time party thereto (collectively, the "Subsidiary Guarantors," and, together with the Company, the "Guarantors"), and U.S. Bank Trust Company, National Association, as trustee (the "New Trustee") and collateral agent (the "New Notes Collateral Agent"). The New 4.625% Notes will pay interest of 4.625% semiannually per annum.

The New 9.875% Notes were issued pursuant to an indenture, dated as of the Settlement Date (the "New 9.875% Notes Indenture" and, together with the New 4.625% Notes Indenture, the "New Notes Indentures"), by and among GrafTech Global, the Guarantors, GrafTech Finance, the New Trustee and the New Notes Collateral Agent. The New 9.875% Notes will pay interest of 9.875% semiannually per annum.

GrafTech Finance may redeem some or all of the New 4.625% Notes at the redemption prices and on the terms specified in the New 4.625% Notes Indenture. If, at any time prior to December 23, 2026, all or a portion of the outstanding principal amount of the New 4.625% Notes are prepaid, repaid, redeemed or accelerated (or deemed accelerated), including as a result of GrafTech Finance filing for bankruptcy or becoming subject to any other insolvency proceeding, GrafTech Finance will be required to pay the applicable New 4.625% Notes Redemption Price (as defined in the New 4.625% Notes Indenture). If the Company or GrafTech Finance experiences specific kinds of changes in control or the Company or any of the restricted subsidiaries sells certain of its assets, then GrafTech Finance must offer to repurchase the New 4.625% Notes on the terms set forth in the New 4.625% Notes Indenture.

On and after December 23, 2026, GrafTech Global may redeem some or all of the New 9.875% Notes at the redemption prices and on the terms specified in the New 9.875% Notes Indenture. At any time prior to December 23, 2026, GrafTech Global may also at its option and on one or more occasions redeem up to 40% of the aggregate principal amount of the notes issued with the proceeds from certain equity offerings, at a redemption price of 109.875% of the aggregate principal amount of the notes, together with accrued and unpaid interest, if any, to, but not including, the date of redemption. In addition, at any time prior to December 23, 2026, GrafTech Global may at its option on one or more occasions redeem all or a part of the notes, at a redemption price equal to 100% of the principal amount of the notes redeemed, plus a "make-whole" premium, together with accrued and unpaid interest, if any, to, but not including, the date of redemption. If, at any time prior to December 23, 2028, all or a portion of the outstanding principal amount of the New 9.875% Notes are prepaid, repaid, redeemed or accelerated (or deemed accelerated), including as a result of GrafTech Global filing for bankruptcy or becoming subject to any other insolvency proceeding, GrafTech Global will be required to pay the applicable New 9.875% Notes Redemption Price or the Applicable Premium (each as defined in the New 9.875% Notes Indenture), as applicable. If the Company or GrafTech

Global experiences specific kinds of changes in control or the Company or any of the restricted subsidiaries sells certain of its assets, then GrafTech Global must offer to repurchase the New 9.875% Notes on the terms set forth in the New 9.875% Notes Indenture.

The New Notes Indentures contain certain covenants that, among other things, limit the Company's ability, and the ability of certain of its subsidiaries, to incur or guarantee additional indebtedness or issue preferred stock, pay distributions on, redeem or repurchase capital stock or redeem or repurchase subordinated debt, incur or suffer to exist liens securing indebtedness, make certain investments, engage in certain transactions with affiliates, consummate certain asset sales and effect a consolidation or merger, or sell, transfer, lease or otherwise dispose of all or substantially all assets. Pursuant to the New Notes Indentures, if our pro forma consolidated total net leverage ratio is no greater than 2.50 to 1.00, we can make restricted payments so long as no default or event of default has occurred and is continuing. If our pro forma consolidated total net leverage ratio is greater than 2.50 to 1.00, we can make restricted payments pursuant to certain baskets. We were in compliance with all of our debt covenants in the New Notes Indentures as of June 30, 2025 and December 31, 2024.

The New 4.625% Notes are guaranteed, jointly and severally, on a senior secured second-priority basis by the domestic Guarantors (the "U.S. Guarantors") that guarantee the Existing 4.625% Notes and certain other foreign subsidiary Guarantors of the Company (the "Foreign Guarantors"). The New 9.875% Notes are guaranteed, jointly and severally, on a senior secured second-priority basis by the U.S. Guarantors that guarantee the Existing 9.875% Notes and the Foreign Guarantors. In accordance with the terms of the New Notes Indentures, the New Trustee is obligated to first enforce the guarantees of the U.S. Guarantors prior to any guarantees of the Foreign Guarantors, subject to certain terms described therein. The New Notes are secured by a perfected second-priority security interest in all of the assets and property of the Issuers and the Guarantors that secured the Existing Notes, and certain other assets and property of the Foreign Guarantors as set forth in the New Notes Indentures (the "Collateral").

The New Notes and each guarantee constitute: senior obligations that rank pari passu in right of payment with all of our and the Guarantors' existing and future senior indebtedness, including the First Lien Term Loans (as defined below) and the 2018 Revolving Credit Facility; provided, that the First Lien Term Loans and the 2018 Revolving Credit Facility are senior in right of payment to the New Notes with respect to proceeds of the Foreign Guarantor facility located in Calais, France (the "Calais Facility") solely to the extent that such facility does not constitute Collateral; secured on a second-priority basis, subject to certain exceptions and permitted liens, on the Collateral that secures the First Lien Term Loans and the 2018 Revolving Credit Facility on a first-priority basis; effectively junior to all of our and the Guarantors' obligations under the First Lien Term Loans and the 2018 Revolving Credit Facility (and other indebtedness secured on a first-priority basis on the Collateral pari passu with the liens securing the First Lien Term Loans and the 2018 Revolving Credit Facility) to the extent of the value of the Collateral securing the First Lien Term Loans and the 2018 Revolving Credit Facility (and such other indebtedness secured on a first-priority basis on the Collateral); effectively senior to all of our and the Guarantors' future debt that is secured by liens on the Collateral securing the New Notes that are junior to those securing the New Notes and to any of our and the Guarantors' unsecured indebtedness, in each case, to the extent of the value of the Collateral securing the New Notes and the guarantees; and structurally subordinated to all of our existing and future indebtedness and other liabilities, including trade payables, of each of our subsidiaries that do not issue or guarantee the New Notes.

Existing 4.625% Notes due 2028

In December 2020, GrafTech Finance issued $500.0 million aggregate principal amount of Existing 4.625% Notes in a private offering. All of the net proceeds from the Existing 4.625% Notes were used to partially repay borrowings under our 2018 Term Loan Facility.

GrafTech Finance may redeem some or all of the Existing 4.625% Notes at the redemption prices and on the terms specified in the Existing 4.625% Notes Indenture. Prior to the Settlement Date, if the Company or GrafTech Finance experienced specific kinds of changes in control or the Company or any of its restricted subsidiaries sold certain of its assets, then GrafTech Finance was required to offer to repurchase the Existing 4.625% Notes on the terms set forth in the Existing 4.625% Notes Indenture.

In connection with the consummation of the Consent Solicitations, substantially all of the restrictive covenants and related provisions and definitions in the Existing 4.625% Notes Indenture were removed, effective as the Settlement Date.

The Existing 4.625% Notes Indenture contains certain events of default customary for agreements of its type (with customary grace periods, as applicable) and provides that, upon the occurrence of an event of default arising from certain events of bankruptcy or insolvency with respect to the Company or GrafTech Finance, all outstanding Existing 4.625% Notes will

become due and payable immediately without further action or notice. If any other type of event of default occurs and is continuing, then the trustee or the holders of at least 30% in principal amount of the then outstanding Existing 4.625% Notes may declare all of the Existing 4.625% Senior Notes to be due and payable immediately. We were in compliance with all of our debt covenants as of June 30, 2025 and December 31, 2024.

Immediately following the Exchange Offer, approximately $1.8 million aggregate principal amount of Existing 4.625% Notes remained outstanding.

Existing 9.875% Notes due 2028

In June 2023, GrafTech Global issued $450 million aggregate principal amount of Existing 9.875% Notes, including $11.4 million of original issue discount. The Existing 9.875% Notes were issued at an issue price of 97.456% of the principal amount thereof in a private offering. The net proceeds from the Existing 9.875% Notes were used to repay borrowings under our 2018 Term Loan Facility.

GrafTech Global may redeem some or all of the Existing 9.875% Notes at the redemption prices and on the terms specified in the Existing 9.875% Notes Indenture. Prior to the Settlement Date, if the Company or GrafTech Global experienced specific kinds of changes in control or the Company or any of its restricted subsidiaries sold certain of its assets, then GrafTech Global was required to offer to repurchase the Existing 9.875% Notes on the terms set forth in the Existing 9.875% Notes Indenture.

In connection with the consummation of the Consent Solicitations, substantially all of the restrictive covenants and related provisions and definitions in the Existing 9.875% Notes Indenture were removed, effective as the Settlement Date.

The Existing 9.875% Notes Indenture contains certain events of default customary for agreements of its type (with customary grace periods, as applicable) and provides that, upon the occurrence of an event of default arising from certain events of bankruptcy or insolvency with respect to the Company or GrafTech Global, all outstanding Existing 9.875% Notes will become due and payable immediately without further action or notice. If any other type of event of default occurs and is continuing, then the trustee or the holders of at least 30% in principal amount of the then outstanding Existing 9.875% Notes may declare all of the Existing 9.875% Notes to be due and payable immediately. We were in compliance with all of our debt covenants as of June 30, 2025 and December 31, 2024.

Immediately following the Exchange Offer, approximately $3.8 million aggregate principal amount of Existing 9.875% Notes remained outstanding.

Initial First Lien Term Loan Facility; Delayed Draw First Lien Term Loan Facility

Concurrent with the settlement of the Exchange Offers, on the Settlement Date, Barclays Bank plc (the "Fronting Lender"), agreed to provide GrafTech Global $175 million of new senior secured first lien term loans (the "Initial First Lien Term Loans") and provided commitments (the "Delayed Draw Commitments") with respect to $100 million of new senior secured first lien delayed draw term loans (together with the Initial First Lien Term Loans, the "First Lien Term Loans"). The First Lien Term Loans are governed by a new credit agreement, dated as of the Settlement Date, by and among GrafTech, as holdings, GrafTech Global, as borrower, GLAS USA LLC, as administrative agent, GLAS Americas LLC, as collateral agent, and the lenders from time to time party thereto (the "First Lien Term Loan Credit Agreement"). The Initial First Lien Term Loans were drawn in a single drawing on the Settlement Date. The Delayed Draw Commitments are available to the Company until July 23, 2026, subject to the satisfaction of customary conditions precedent thereto.

The First Lien Term Loans will mature on December 23, 2029, and are guaranteed by the Guarantors. The First Lien Term Loans are pari passu in right of payment with the 2018 Revolving Credit Facility and the New Notes, but the First Lien Term Loans and the 2018 Revolving Credit Facility are senior in right of payment to the New Notes with respect to the proceeds of the Calais Facility. The First Lien Term Loans and the 2018 Revolving Credit Facility are secured on a pari passu basis by perfected first-priority security interests in the Collateral.

The First Lien Term Loans bear interest at the option of GrafTech Global, at a rate equal to (i) Term SOFR (as defined in the First Lien Term Loan Credit Agreement) (subject to a 2.00% floor) plus 6.00% per annum or (ii) the ABR (as defined in the First Lien Term Loan Credit Agreement) plus 5.00% per annum.

The Company will pay a ticking fee with respect to undrawn Delayed Draw Commitments in an amount equal to 3.75% per annum of the amount of such undrawn and outstanding commitments. The First Lien Term Loans are prepayable in

whole or in part at the option of the Company (i) prior to the 24-month anniversary of the Settlement Date, subject to payment of a customary "make-whole" premium (which includes a 2.00% prepayment premium), (ii) on or after the 24-month anniversary of the Settlement Date through, but excluding, the 36-month anniversary of the Settlement Date, subject to a 2.00% prepayment premium, and (iii) on or after the 36-month anniversary of the Settlement Date, without a prepayment premium. If the Company sells certain of its assets, then GrafTech Global may be required to offer to prepay the First Lien Term Loans and/or other indebtedness of GrafTech Global and/or its subsidiaries.

The First Lien Term Credit Agreement contains certain covenants that, among other things, limit the Company's ability to incur or guarantee additional indebtedness or issue preferred stock, pay distributions on, redeem or repurchase capital stock or redeem or repurchase certain debt, incur or suffer to exist certain liens, make certain investments, engage in certain transactions with affiliates, consummate certain asset sales and effect certain fundamental changes. The First Lien Term Loan Credit Agreement also contains certain events of default (with grace periods, as applicable) that permit the agent to accelerate the First Lien Term Loans, and provide that, upon the occurrence of certain events of default arising from bankruptcy or insolvency, all First Lien Term Loans will become due and payable immediately without further action or notice.

2018 Term Loan and 2018 Revolving Credit Facility

In February 2018, the Company entered into a credit agreement (as amended, the "2018 Credit Agreement"), which provided for (i) a $2,250 million senior secured term facility (the "2018 Term Loan Facility") after giving effect to the June 2018 amendment (the "First Amendment") that increased the aggregate principal amount of the 2018 Term Loan Facility from $1,500 million to $2,250 million and (ii) a $330 million senior secured revolving credit facility after giving effect to the May 2022 amendment that increased the revolving commitments under the 2018 Credit Agreement by $80 million from $250 million (the "2018 Revolving Credit Facility"). GrafTech Finance Inc. ("GrafTech Finance") was the sole borrower under the 2018 Term Loan Facility while GrafTech Finance, GrafTech Switzerland SA ("Swissco") and GrafTech Luxembourg II S.à.r.l. ("Luxembourg Holdco" and, together with GrafTech Finance and Swissco, the "Co-Borrowers") were co-borrowers under the 2018 Revolving Credit Facility. In December 2024, the 2018 Credit Agreement was further amended to provide for a $225 million senior secured first lien revolving credit facility, reducing the revolving commitments under the 2018 Credit Agreement by $105 million. On June 26, 2023, GrafTech repaid the term loans under the 2018 Term Loan Facility with proceeds from the Existing 9.875% Notes issuance. As of June 30, 2025 and December 31, 2024, there were no outstanding term loans under the 2018 Term Loan Facility.

Until at least $275 million of First Lien Term Loans have been borrowed by the Company, the Company is not permitted to have more than $15 million in aggregate principal amount of revolving loans outstanding at any time under the 2018 Revolving Credit Facility. The Company's ability to borrow under the 2018 Revolving Credit Facility is subject to certain customary conditions precedent, including that the Company must not have more than $100 million of unrestricted cash and cash equivalents after giving effect to the applicable borrowing.

The 2018 Revolving Credit Facility matures on November 30, 2028, subject to a springing maturity date 91 days prior to the maturity date of certain other reference indebtedness. As of June 30, 2025 and December 31, 2024, the availability under our 2018 Revolving Credit Facility was $108.0 million. As of June 30, 2025 and December 31, 2024, there were no borrowings outstanding on the 2018 Revolving Credit Facility and there was $7.4 million of letters of credit drawn against the 2018 Revolving Credit Facility as of each date. As any borrowings under the 2018 Revolving Credit Facility remain subject to compliance with the financial covenants thereunder, our operating performance as of June 30, 2025 and December 31, 2024 resulted in our inability to access the full amount of commitments under the facility.

Borrowings under the 2018 Revolving Credit Facility bear interest (i) with respect to new revolving loans denominated in U.S. dollars, at the option of GrafTech Finance, Adjusted Term SOFR (as defined in the 2018 Revolving Credit Agreement) plus 3.50% per annum or ABR (as defined in the 2018 Revolving Credit Agreement) plus 2.50% per annum and (ii) with respect to new revolving loans denominated in euros, the Adjusted EURIBOR Rate (as defined in the 2018 Revolving Credit Agreement) plus 3.50% per annum. Undrawn commitments under the 2018 Revolving Credit Facility bear a commitment fee of 0.25% per annum. Lenders holding all of the Company's existing revolving commitments who agreed to provide commitments under the 2018 Revolving Credit Facility were paid a customary extension fee, in connection with the December 2024 amendment.

The 2018 Revolving Credit Facility has customary negative covenants and events of default and is required to be prepaid in the case of certain mandatory prepayments of the First Lien Term Loans. The 2018 Revolving Credit Facility also includes a financial covenant requiring that the Company have a Senior Secured First Lien Net Leverage Ratio of no more than 4.00 to 1.00, tested quarterly, to the extent outstanding revolving loans and letters of credit (subject to certain exclusions)

exceed 51.3% of the amount of commitments then-existing under the 2018 Revolving Credit Facility. We were in compliance with all of our debt covenants as of June 30, 2025 and December 31, 2024.

Uses of Liquidity

In July 2019, our Board of Directors authorized a program to repurchase up to $100.0 million of our outstanding common stock. In November 2021, our Board of Directors authorized the repurchase of an additional $150.0 million of stock repurchases under this program. We may purchase shares from time to time on the open market, including under Rule 10b5-1 and/or Rule 10b-18 plans. The amount and timing of repurchases are subject to a variety of factors including liquidity, stock price, applicable legal requirements, other business objectives and market conditions. In the second quarter and first six months of 2025, we did not repurchase any shares of our common stock. As of June 30, 2025, we had $99.0 million remaining under our stock repurchase authorization.

On August 2, 2023, the Company's Board of Directors elected to suspend the quarterly cash dividend of $0.01 per share. There can be no assurance that we will resume paying dividends in the future in this amount or at all. Our Board of Directors may change the timing and amount of any future dividend payments, if reinstated, or eliminate the payment of future dividends in its sole discretion, without any prior notice to our stockholders. Our ability to pay dividends will depend upon many factors, including our financial position and liquidity, results of operations, legal requirements, restrictions that may be imposed by the terms of our current and future credit facilities and other debt obligations and other factors deemed relevant by our Board of Directors.

Potential uses of our liquidity (other than operations) include capital expenditures, debt repayments, dividends, share repurchases, and other general purposes. Any such potential uses of our liquidity may be funded by existing available liquidity, the incurrence of new secured or unsecured loans, capital market issuances, divestitures, joint ventures or equity investments. An improving economy, while resulting in improved results of operations, could increase our cash requirements to purchase inventories, make capital expenditures and fund payables and other obligations until increased accounts receivable are converted into cash. A downturn, including any recession, could significantly and negatively impact our results of operations and cash flows, which, coupled with increased borrowings, could negatively impact our credit ratings, our ability to comply with debt covenants, our ability to secure additional financing and the cost and availability of such financing.

In order to seek to minimize our credit risks, we may reduce our sales of, or refuse to sell (except for prepayment, cash on delivery or under letters of credit or parent guarantees), our products to some customers and potential customers. Our unrecovered trade receivables worldwide have not been material during the last two years individually or in the aggregate.

We manage our capital expenditures by taking into account quality, plant reliability, safety, environmental and regulatory requirements, prudent or essential maintenance requirements, global economic conditions, available capital resources, liquidity, long-term business strategy and return on invested capital for the relevant expenditures, cost of capital and return on invested capital of the Company as a whole and other factors. Capital expenditures totaled $14.2 million in the six months ended June 30, 2025. We continue to expect full-year capital expenditures to be approximately $40.0 million for 2025.

In the event that operating cash flows fail to provide sufficient liquidity to meet our business needs, including capital expenditures, any such shortfall would need to be made up by borrowings under the First Lien Term Loans and 2018 Revolving Credit Facility, to the extent available, or other liquidity options described above. The Company also maintains access to credit and capital markets and may incur additional debt or issue equity securities from time to time, which may provide an additional source of liquidity. However, there can be no guarantee that we would be able to access the credit or capital markets on commercially satisfactory terms or at all.

Cash Flow

The following table summarizes our cash flow activities:

	Six Months Ended June 30,	
	2025	2024
	(in thousands)	
Net cash used in:		
Operating activities	$ (85,422)	$ (37,385)
Investing activities	(14,157)	(17,410)
Financing activities	(264)	(117)
Net change in cash and cash equivalents	$ (99,843)	$ (54,912)

Net cash used in operating activities increased $48.0 million in the first six months of 2025 compared to the first six months of 2024. The increase was primarily due to a $32.0 million increase in cash used for working capital. Cash flow used for inventories increased $46.4 million in the first six months of 2025 compared to the first six months of 2024 primarily due to increased quantities on-hand as we execute our initiative to manage costs by level-loading our production in 2025. Cash flow used for accounts payable and accruals decreased $14.6 million in the first six months of 2025 compared to the first six months of 2024 primarily due to the timing of payments.

Net cash used in investing activities was $14.2 million in the six months ended June 30, 2025 compared to $17.4 million in the six months ended June 30, 2024 and represents capital expenditures made in the ordinary course of business.

Net cash used in financing activities was $0.3 million in the first six months of 2025 compared to $0.1 million in the first six months of 2024, primarily in connection with vesting of RSUs and tax withholding on behalf of the participants.

Description of Our Financing Structure

We discuss our financing structure in more detail in Note 5, "Debt and Liquidity" in the Notes to the Condensed Consolidated Financial Statements.

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 net loss, adjusted loss per share, free cash flow, adjusted free cash flow and cash cost of goods sold per MT are non-GAAP financial measures.

We define EBITDA, a non-GAAP financial measure, as net loss plus interest expense, minus interest income, plus income taxes and depreciation and amortization. We define adjusted EBITDA, a non-GAAP financial measure, as EBITDA adjusted by any pension and other post-employment benefit ("OPEB") expenses, rationalization and rationalization-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, proxy contest expenses and 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. In addition, we believe adjusted EBITDA 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.

Our use of adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;

- adjusted EBITDA does not reflect our cash expenditures for capital equipment or other contractual commitments, including any capital expenditure requirements to augment or replace our capital assets;
- adjusted EBITDA does not reflect the interest expense or the cash requirements necessary to service interest or principal payments on our indebtedness;
- adjusted EBITDA does not reflect tax payments that may represent a reduction in cash available to us;
- adjusted EBITDA does not reflect expenses relating to our pension and OPEB plans;
- adjusted EBITDA does not reflect rationalization or rationalization-related expenses;
- adjusted EBITDA does not reflect the 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;
- adjusted EBITDA does not reflect stock-based compensation expense;
- adjusted EBITDA does not reflect proxy contest expenses;
- adjusted EBITDA does not reflect Tax Receivable Agreement adjustments; and
- other companies, including companies in our industry, may calculate EBITDA and adjusted EBITDA differently, which reduces its usefulness as a comparative measure.

We define adjusted net loss, a non-GAAP financial measure, as net loss, excluding the items used to calculate adjusted EBITDA and further excluding debt modification costs, less the tax effect of those adjustments and non-cash income tax expense related to the establishment of a deferred tax valuation allowance. We define adjusted loss per share, a non-GAAP financial measure, as adjusted net loss divided by the weighted average diluted common shares outstanding during the period. We believe adjusted net loss and adjusted loss per share are useful to present to investors because we believe that they assist investors' understanding of the underlying operational profitability of the Company.

We define free cash flow, a non-GAAP financial measure, as net cash provided by or used in operating activities less capital expenditures. We define adjusted free cash flow, a non-GAAP financial measure, as free cash flow adjusted by payments made for debt modification costs. We use free cash flow and adjusted free cash flow as critical measures in the evaluation of liquidity in conjunction with related GAAP amounts. We also use these measures when considering available cash, including for decision-making purposes related to dividends and discretionary investments. Further, these measures help management, the Board of Directors, and investors evaluate the Company's ability to generate liquidity from operating activities.

We define cash cost of goods sold per MT, a non-GAAP financial measure, as cost of goods sold less depreciation and amortization, less cost of goods sold associated with the portion of our sales that consists of deliveries of by-products of the manufacturing processes and less rationalization-related expenses, 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 these non-GAAP financial measures, you should be aware that in the future, we may incur expenses similar to the adjustments in the reconciliations presented below. Our presentations of these non-GAAP financial measures 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 these non-GAAP financial measures alongside other measures of financial performance and liquidity, including our net loss, loss per share, cash flow from operating activities, cost of goods sold, and other GAAP measures.

The following tables reconcile our non-GAAP financial measures to the most directly comparable GAAP measures:

Reconciliation of Net Loss to Adjusted Net Loss

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(Dollars in thousands, except per share data)			
Net loss	$ (86,886)	$ (14,752)	$ (126,237)	$ (45,621)
Diluted loss per common share:				
Net loss per share	$ (0.34)	$ (0.06)	$ (0.49)	$ (0.18)
Weighted average shares outstanding	259,183,478	257,772,069	258,779,643	257,587,613
Adjustments, pre-tax:				
Pension and OPEB plan expenses[1]	633	477	1,261	824
Rationalization expenses[2]	—	110	—	3,255
Rationalization-related expenses[3]	—	—	—	2,655
Non-cash losses (gains) on foreign currency remeasurement[4]	1,363	(928)	1,346	(1,090)
Stock-based compensation expense[5]	1,842	1,561	2,422	2,608
Proxy contest expenses[6]	—	542	—	752
Tax Receivable Agreement adjustment[7]	(3,802)	—	(3,791)	37
Debt modification costs[8]	932	—	6,293	—
Total non-GAAP adjustments pre-tax	968	1,762	7,531	9,041
Income tax non-GAAP adjustment[9]	(42,624)	—	(42,624)	—
Income tax impact on non-GAAP adjustments[10]	(1,047)	574	320	2,145
Adjusted net loss	$ (42,247)	$ (13,564)	$ (76,402)	$ (38,725)

(1) Net periodic benefit cost for our pension and OPEB plans.
(2) Severance and contract termination costs associated with the cost rationalization and footprint optimization plan announced in February 2024.
(3) Other non-cash costs, primarily inventory and fixed asset write-offs, associated with the cost rationalization and footprint optimization plan announced in February 2024.
(4) 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.
(5) Non-cash expense for stock-based compensation awards.
(6) Expenses associated with our proxy contest.
(7) Prior to the second quarter of 2025, represents expense adjustment for future payment to our sole pre-IPO stockholder for tax assets that have been utilized. In the second quarter of 2025, represents the write-off of the remaining liability for pre-IPO tax assets that are not expected to be utilized.
(8) Debt modification costs related to the December 2024 debt transactions, which are recognized in interest expense on the Condensed Consolidated Statements of Operations.
(9) Represents non-cash income tax expense recorded in the second quarter of 2025 related to the establishment of a full valuation allowance against the Company's U.S. and Switzerland deferred tax assets.
(10) Represents the tax impact on the non-GAAP adjustments.

Reconciliation of Loss per share to Adjusted Loss per Share

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Loss per share	$ (0.34)	$ (0.06)	$ (0.49)	$ (0.18)
Adjustments per share:				
Pension and OPEB plan expenses[1]	—	—	—	—
Rationalization expenses[2]	—	—	—	0.01
Rationalization-related expenses[3]	—	—	—	0.01
Non-cash losses (gains) on foreign currency remeasurement[4]	0.01	—	0.01	—
Stock-based compensation expense[5]	0.01	0.01	0.01	0.01
Proxy contest expenses[6]	—	—	—	—
Tax Receivable Agreement adjustment[7]	(0.01)	—	(0.01)	—
Debt modification costs[8]	—	—	0.02	—
Total non-GAAP adjustments pre-tax per share	0.01	0.01	0.03	0.03
Income tax non-GAAP adjustment per share[9]	(0.16)	—	(0.16)	—
Income tax impact on non-GAAP adjustments per share[10]	(0.01)	—	—	—
Adjusted loss per share	$ (0.16)	$ (0.05)	$ (0.30)	$ (0.15)

(1) Net periodic benefit cost for our pension and OPEB plans.
(2) Severance and contract termination costs associated with the cost rationalization and footprint optimization plan announced in February 2024.
(3) Other non-cash costs, primarily inventory and fixed asset write-offs, associated with the cost rationalization and footprint optimization plan announced in February 2024.
(4) 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.
(5) Non-cash expense for stock-based compensation awards.
(6) Expenses associated with our proxy contest.
(7) Prior to the second quarter of 2025, represents expense adjustment for future payment to our sole pre-IPO stockholder for tax assets that have been utilized. In the second quarter of 2025, represents the write-off of the remaining liability for pre-IPO tax assets that are not expected to be utilized.
(8) Debt modification costs related to the December 2024 debt transactions, which are recognized in interest expense on the Condensed Consolidated Statements of Operations.
(9) Represents non-cash income tax expense recorded in the second quarter of 2025 related to the establishment of a full valuation allowance against the Company's U.S. and Switzerland deferred tax assets.
(10) Represents the tax impact on the Non-GAAP adjustments.

Reconciliation of Net Loss to Adjusted EBITDA	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(Dollars in thousands)			
Net loss	$ (86,886)	$ (14,752)	$ (126,237)	$ (45,621)
Add:				
Depreciation and amortization	15,562	14,319	29,345	28,202
Interest expense	25,418	15,609	55,259	31,235
Interest income	(1,866)	(1,853)	(3,801)	(3,377)
Income taxes	51,207	(592)	43,995	(4,793)
EBITDA	3,435	12,731	(1,439)	5,646
Adjustments:				
Pension and OPEB plan expenses[1]	633	477	1,261	824
Rationalization expenses[2]	—	110	—	3,255
Rationalization-related expenses[3]	—	—	—	2,655
Non-cash losses (gains) on foreign currency remeasurement[4]	1,363	(928)	1,346	(1,090)
Stock-based compensation expense[5]	1,842	1,561	2,422	2,608
Proxy contest expenses[6]	—	542	—	752
Tax Receivable Agreement adjustment[7]	(3,802)	—	(3,791)	37
Adjusted EBITDA	$ 3,471	$ 14,493	$ (201)	$ 14,687

(1) Net periodic benefit cost for our pension and OPEB plans.
(2) Severance and contract termination costs associated with the cost rationalization and footprint optimization plan announced in February 2024.
(3) Other non-cash costs, primarily inventory and fixed asset write-offs, associated with the cost rationalization and footprint optimization plan announced in February 2024.
(4) 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.
(5) Non-cash expense for stock-based compensation awards.
(6) Expenses associated with our proxy contest.
(7) Prior to the second quarter of 2025, represents expense adjustment for future payment to our sole pre-IPO stockholder for tax assets that have been utilized. In the second quarter of 2025, represents the write-off of the remaining liability for pre-IPO tax assets that are not expected to be utilized.

onciliation of Net Cash Used in Operating Activities to Free Cash Flow and Adjusted Free Cash Flow

		Three Months Ended June 30,		Six Months Ended June 30,	
		2025	2024	2025	2024
		(Dollars in thousands)			
cash used in operating activities	$	(53,336)	(36,855)	(85,422)	(37,385)
ital expenditures		(3,909)	(6,979)	(14,190)	(17,490)
e cash flow		(57,145)	(43,834)	(99,612)	(54,875)
t modification costs[1]		3,808	—	6,001	—
usted free cash flow	$	(53,337)	(43,834)	(93,611)	(54,875)

(1) Cash payments of debt modification costs related to the December 2024 debt transactions, which are recognized in interest expense on the Condensed Consolidated Statements of Operations and recognized in net cash used in operating activities on the Condensed Consolidated Statements of Cash Flows.

onciliation of Cost of Goods Sold to Cash Cost of Goods Sold per MT

		Three Months Ended June 30,		Six Months Ended June 30,	
		2025	2024	2025	2024
		(Dollars in thousands, except per MT amounts)			
t of goods sold	$	129,885	131,970	240,650	267,174
s:					
reciation and amortization[1]		13,946	12,648	26,090	24,855
t of goods sold - by-products and other[2]		8,585	9,301	17,000	18,901
onalization-related expenses[3]		—	—	—	2,655
h cost of goods sold		107,354	110,021	197,560	220,763
s volume (in thousands of MT)		28.6	25.5	53.3	49.6
h cost of goods sold per MT	$	3,754	4,315	3,707	4,451

(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.
(3) Other non-cash costs, primarily inventory and fixed asset write-offs, associated with the cost rationalization and footprint optimization plan announced in February 2024.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risks, primarily from changes in interest rates, currency exchange rates, energy commodity prices and commercial energy rates. From time to time, we enter into transactions that have been authorized according to documented policies and procedures in order to manage these risks. These transactions primarily relate to financial instruments described below. Since the counterparties to these financial instruments are large commercial banks and similar financial institutions, we do not believe that we are exposed to material counterparty credit risk. We do not use financial instruments for trading purposes.

With respect to the First Lien Term Loans and any amounts that may be drawn under our 2018 Revolving Credit Facility, we are exposed to changes in interest rates. Borrowings under the 2018 Revolving Credit Facility bear interest (i) with respect to the new revolving loans denominated in U.S. dollars, at the option of GrafTech Finance, Adjusted Term SOFR plus 3.50% per annum or ABR plus 2.50% per annum and (ii) with respect to new revolving loans denominated in euros, the Adjusted EURIBOR Rate plus 3.50% per annum. The First Lien Term Loans bear interest at the option of GrafTech Global, at a rate equal to (i) Term SOFR (as defined in the First Lien Term Loan Credit Agreement) (subject to a 2.00% floor) plus 6.00% per annum or (ii) the ABR (as defined in the First Lien Term Loan Credit Agreement) plus 5.00% per annum.

Our exposure to changes in currency exchange rates results primarily from:

- sales made by our subsidiaries in currencies other than local currencies;
- raw material purchases made by our foreign subsidiaries in currencies other than local currencies; and
- investments in and intercompany loans to our foreign subsidiaries and our share of the earnings of those subsidiaries, to the extent denominated in currencies other than the U.S. dollar.

Our exposure to changes in energy commodity prices and commercial energy rates results primarily from the purchase or sale of refined oil products and the purchase of natural gas and electricity for use in our manufacturing operations.

Currency rate management. We enter into foreign currency derivatives from time to time to attempt to manage exposure to changes in currency exchange rates. These foreign currency derivatives, which include, but are not limited to, forward exchange contracts and purchased currency options, attempt to hedge global currency exposures. Forward exchange contracts are agreements to exchange different currencies at a specified future date and at a specified rate. Purchased currency options are instruments which give the holder the right, but not the obligation, to exchange different currencies at a specified rate at a specified date or over a range of specified dates. Forward exchange contracts and purchased currency options are carried at fair value.

The outstanding foreign currency derivatives represented unrealized pre-tax net gains of $0.3 million and $0.1 million as of June 30, 2025 and December 31, 2024, respectively.

Sensitivity analysis. We use sensitivity analysis to quantify potential impacts that market rate changes may have on the underlying exposures as well as on the fair values of our derivatives. The sensitivity analysis for the derivatives represents the hypothetical changes in value of the hedge position and does not reflect the related gain or loss on the forecasted underlying transaction.

As of June 30, 2025, a 10% appreciation or depreciation in the value of the U.S. dollar against foreign currencies from the prevailing market rates would have resulted in a corresponding decrease of $1.2 million or a corresponding increase of $1.2 million, respectively, in the fair value of the foreign currency hedge portfolio.

A hypothetical increase in interest rates of 100 basis points would have increased our interest expense by $0.4 million in the second quarter of 2025.

For further information related to the financial instruments described above, see Note 10, "Fair Value Measurements and Derivative Instruments" in the Notes to the Condensed Consolidated Financial Statements.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures. Management is responsible for establishing and maintaining adequate disclosure controls and procedures. Disclosure controls and procedures are designed to ensure that information required to be disclosed by a reporting company in the reports that it files or submits under Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by it in the reports that it files under the Exchange Act is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2025. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that these controls and procedures were effective as of June 30, 2025.

Changes in Internal Control over Financial Reporting. There have been no changes in our internal control over financial reporting that occurred during the three months ended June 30, 2025 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 1. Legal Proceedings

We are involved in various investigations, lawsuits, claims, demands, labor disputes and other legal proceedings, including with respect to environmental and human exposure or other personal injury matters, arising out of or incidental to the conduct of our business. While it is not possible to determine the ultimate disposition of each of these matters and proceedings, we do not believe that their ultimate disposition will have a material adverse effect on our financial position, results of operations or cash flows. Additionally, we are involved in the following legal proceedings:

Brazil Clause IV

Pending litigation in Brazil has been brought by employees seeking to recover additional amounts and interest thereon under certain wage increase provisions applicable in 1989 and 1990 under collective bargaining agreements to which employers in the Bahia region of Brazil were a party (including our subsidiary in Brazil). Companies in Brazil have settled claims arising out of these provisions and, in May 2015, the litigation was remanded by the Brazilian Supreme Court in favor of the employees union. After denying an interim appeal by the Bahia region employers on June 26, 2019, the Brazilian Supreme Court finally ruled in favor of the employees union on September 26, 2019. The employers union has determined not to seek annulment of such decision. Separately, on October 1, 2015, a related action was filed by current and former employees against our subsidiary in Brazil to recover amounts under such provisions, plus interest thereon, which amounts together with interest could be material to us. If the Brazilian Supreme Court proceeding above had been determined in favor of the employers union, it would also have resolved this proceeding in our favor. In the first quarter of 2017, the state court initially ruled in favor of the employees. We appealed this state court ruling, and the appellate court issued a decision in our favor on May 19, 2020. The employees have further appealed and, on December 16, 2020, the court upheld the decision in favor of GrafTech Brazil. On February 22, 2021, the employees filed a further appeal and, on April 28, 2021, the court rejected the employees' appeal in favor of GrafTech Brazil. The employees filed a further appeal and on September 12, 2022, we filed our response in opposition. We intend to vigorously defend our position. As of June 30, 2025, we are unable to assess the potential loss associated with these proceedings as the claims do not currently specify the number of employees seeking damages or the amount of damages being sought.

Securities and Derivative Litigation

On January 25, 2024, a stockholder of the Company filed a class action complaint on behalf of a putative class consisting of purchasers of GrafTech common stock between February 8, 2019 and August 3, 2023 in the United States District Court for the Northern District of Ohio. The complaint names the Company, certain past and present executive officers, and three entities associated with Brookfield as defendants. The complaint alleges that certain public filings and statements made by the Company contained material misrepresentations or omissions relating to the circumstances before and after the prior temporary suspension of the Company's graphite electrode facility located in Monterrey, Mexico, in September 2022. The complaint seeks unspecified compensatory damages, costs and expenses, and unspecified equitable or injunctive relief. On May 15, 2024, the Court appointed the University of Puerto Rico Retirement System as the lead plaintiff. On October 7, 2024, the plaintiff filed an amended complaint. The defendants have moved to dismiss the complaint.

Beginning on June 9, 2025 stockholders filed three derivative actions purporting to assert claims on behalf of and in the name of the Company in the U.S. District Court for the Northern District of Ohio, against certain past and present directors and officers of the Company and three entities associated with Brookfield. The complaints generally allege breaches of fiduciary duty and mismanagement based on the same facts and circumstances alleged in the securities class action lawsuit described above, and seek an award to the Company of unspecified damages, costs, expenses, and equitable relief.

At this stage of the proceedings, it is too early to determine if any of these matters would reasonably be expected to have a material adverse effect on our financial condition.

Item 1A. Risk Factors

The information set forth in this quarterly report on Form 10-Q, including, without limitation, the risk factor presented below, updates and should be read in conjunction with, the risk factors and information disclosed in Part 1, Item 1A., "Risk

Factors," in our Annual Report on Form 10-K filed on February 14, 2025. You should not interpret the disclosure of any risk factor to imply that the risk has not already materialized.

The listing of shares of our common stock does not currently comply with the continued listing requirements of the NYSE, and if the NYSE delists our common stock, it could have an adverse impact on the trading, liquidity and market price of our common stock.

The Company's common stock is listed on the NYSE under the symbol "EAF". The price of our common stock may be adversely affected due to, among other things, our financial results and market conditions. The Company's common stock does not currently comply with the continued listing requirements in the NYSE's minimum share price standard.

We are seeking to effect a reverse stock split, subject to obtaining stockholder approval, in order to address the $1.00 minimum bid price requirement under NYSE rules at our upcoming Special Meeting of Stockholders expected to be held August 14, 2025. In the event the Reverse Stock Split is implemented, we cannot predict the effect that the Reverse Stock Split would have on the market price for shares of our common stock, and the history of similar reverse stock splits for companies in like circumstances has varied. Some investors may have a negative view of a reverse stock split. Even if the Reverse Stock Split were to have a positive effect on the market price for shares of our common stock, performance of our business and financial results, general economic conditions and the market perception of our business, and other adverse factors which may not be in our control could lead to a decrease in the price of our common stock following the Reverse Stock Split. Further, even if we implement the Reverse Stock Split in the time period required, there can be no assurance that stock price of our common stock will remain above the minimum $1.00 bid price required for any post-split NYSE monitoring period or otherwise. A delisting for this reason or any other reason could materially affect our ability to raise capital, adversely affect our business and the price of our common stock.

Item 5. Other Information

None of the Company's directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted, modified, or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement (as each term is defined in Item 408 of Regulation S-K) during the Company's fiscal quarter ended June 30, 2025.

Item 6. Exhibits

Exhibit Number	Description of Exhibit
3.1	Amended and Restated Certificate of Incorporation of GrafTech International Ltd. (incorporated by reference to Exhibit 3.1 to GrafTech International Ltd.'s Quarterly Report on Form 10-Q filed May 1, 2019).
3.2	Amended and Restated By-Laws of GrafTech International Ltd. (incorporated by reference to Exhibit 3.1 to GrafTech International Ltd.'s Current Report on Form 8-K filed November 14, 2023).
31.1*	Certification pursuant to Rule 13a-14(a) under the Exchange Act by Timothy K. Flanagan, Chief Executive Officer and President (Principal Executive Officer).
31.2*	Certification pursuant to Rule 13a-14(a) under the Exchange Act by Rory O'Donnell, Chief Financial Officer and Senior Vice President (Principal Financial Officer).
32.1**	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by Timothy K. Flanagan, Chief Executive Officer and President (Principal Executive Officer).
32.2**	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by Rory O'Donnell, Chief Financial Officer and Senior Vice President (Principal Financial Officer).
101	The following financial information from GrafTech International Ltd.'s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2025 formatted in Inline XBRL (Extensible Business Reporting Language) includes: (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Operations and Comprehensive Loss, (iii) the Condensed Consolidated Statements of Cash Flows, (iv) the Condensed Consolidated Statements of Stockholders' (Deficit) Equity, and (v) Notes to the Condensed Consolidated Financial Statements.
104	Cover Page Interactive Data file (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith
** Furnished herewith

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

GRAFTECH INTERNATIONAL LTD.

Date: July 25, 2025

By: /s/ Rory O'Donnell

Rory O'Donnell

Chief Financial Officer and Senior Vice President
(Principal Financial Officer and Principal Accounting Officer)