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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

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

**Date of Report (Date of earliest event reported): August 25, 2021**

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**Graham Corporation**

(Exact name of Registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**1-08462**  
(Commission  
File Number)

**16-1194720**  
(IRS Employer  
Identification No.)

**20 Florence Avenue, Batavia, New York**  
(Address of principal executive offices)

**14020**  
(Zip Code)

**Registrant's telephone number, including area code: (585) 343-2216**

**N/A**  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
<b>Common Stock, par value \$0.10 per share</b>	<b>GHM</b>	<b>NYSE</b>

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth 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.

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**Item 7.01 Regulation FD Disclosure.**

On August 25, 2021, Graham Corporation (the “Company”) posted slides to the investor relations section of its website that will accompany the Company’s presentation at the 12<sup>th</sup> Annual Midwest IDEAS Investor Conference on August 26, 2021. A copy of the slide presentation is furnished herewith as Exhibit 99.1.

The information furnished pursuant to this Item 7.01, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) or otherwise subject to the liabilities under such section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Slide Presentation for August 26, 2021 12<sup>th</sup> Annual Midwest IDEAS Investor Conference</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**SIGNATURES**

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 hereunto duly authorized.

Date: August 25, 2021

**Graham Corporation**

By: /s/ Jeffrey Glajch  
Jeffrey Glajch  
Vice President – Finance & Administration and  
Chief Financial Officer



# GRAHAM CORPORATION INVESTOR PRESENTATION

NYSE: GHM • August 2021



Daniel J. Thoren, President and Chief Operating Officer  
Jeffrey F. Glajch, Vice President & Chief Financial Officer

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# Safe Harbor Statement

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended.

Forward-looking statements are subject to risks, uncertainties and assumptions and are identified by words such as “expects,” “estimates,” “confidence,” “projects,” “typically,” “outlook,” “anticipates,” “indicates,” “believes,” “appears,” “could,” “opportunities,” “seeking,” “plans,” “aim,” “pursuit,” “look towards” and other similar words. All statements addressing operating performance, events, “growing,” “pro forma”, or developments that Graham Corporation (“Graham or the Company”) expects or anticipates will occur in the future, including but not limited to, effects of the COVID-19 global pandemic, the integration of the BN acquisition, the future expected contributions of BN, expected expansion and growth opportunities within its domestic and international markets, anticipated revenue, the timing of conversion of backlog to sales, market presence, profit margins, tax rates, foreign sales operations, its ability to improve cost competitiveness and productivity, customer preferences, changes in market conditions in the industries in which it operates, the effect on its business of volatility in commodities prices, including, but not limited to, changes in general economic conditions and customer behavior, forecasts regarding the timing and scope of the economic recovery in its markets, its acquisition and growth strategy and its operations in China, India and other international locations, are forward-looking statements. Because they are forward-looking, they should be evaluated in light of important risk factors and uncertainties. These risk factors and uncertainties are more fully described in Graham Corporation’s most recent Annual Report on Form 10-K, its Quarterly Reports on Form 10-Q, and its other filings with the Securities and Exchange Commission, including under the heading entitled “Risk Factors.”

Should one or more of these risks or uncertainties materialize or should any of Graham Corporation’s underlying assumptions prove incorrect, actual results may vary materially from those currently anticipated. In addition, undue reliance should not be placed on Graham Corporation’s forward-looking statements. Except as required by law, Graham Corporation disclaims any obligation to update or publicly announce any revisions to any of the forward-looking statements contained in this presentation.

This presentation includes some non-GAAP financial measures, which the Company believes are useful in evaluating our performance. You should not consider the presentation of this additional information in isolation or as a substitute for results compared in accordance with GAAP. The Company has provided a discussion of these non-GAAP financial measures and reconciliations of comparable GAAP to non-GAAP measures in tables found in the Supplemental Information portion of this presentation.

Pro forma information and Company estimates included in this presentation are used for illustrative purposes only, are not forecasts and may not reflect actual results.

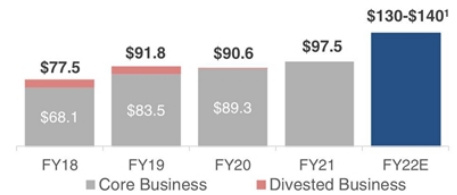
# Critical Equipment Supplier for Defense, Energy, Chem/Petrochem and Aerospace/Space

<b>NYSE: GHM</b>	<b>Pivoting to Growth</b>	<b>Transforming and Expanding to Defense and Space</b>	<i>How we do it</i>
			Engaged people Continuous improvement Unique capabilities Smart investments Employee-driven culture

<b>\$151 million</b>	Market capitalization	<b>10.7 million</b>	Shares outstanding
<b>\$14.16</b>	Recent price	<b>\$0.44 / 3.1%</b>	Annualized dividend/ yield
<b>\$12.00 – \$17.44</b>	52-week range	<b>75%</b>	Institutional holders
<b>68.3k</b>	Avg. daily volume	<b>7.3%</b>	Insider ownership

Fiscal YE: March 31; Founded 1936 - IPO 1968

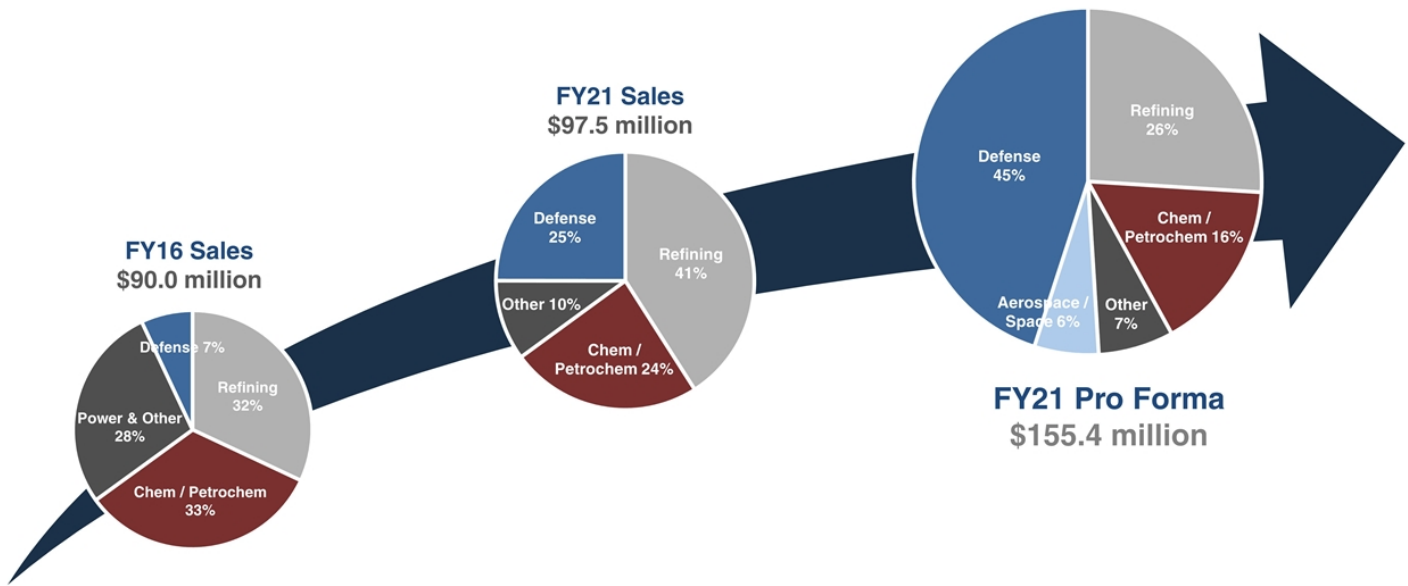
**Acquisition Accelerates Growth**  
(\$ in millions)



(1) FY 2022 guidance as of August 10, 2021; Includes impact of Barber-Nichols (BN) acquisition  
 Note: Market data as of August 3, 2021 [Source: S&P Capital IQ]; ownership as of recent filings;  
 Shares outstanding as of August 6, 2021 and includes 610,000 shares used in the BN acquisition

# Acquisition Creates Growth Momentum

Acquisition of Barber-Nichols (BN) expands reach into more stable, higher growth markets



# BN: Compelling Strategic Rationale





# Building Opportunities on Two Primary Platforms

## Defense and Space

- Strong visibility into future naval programs – ships and submarines
- Engaged in Space development programs

## Energy and Chemical/Petrochemical

- Expanding geographically and into more price sensitive markets
- Expect petrochem to decouple from refinery



# Deepening Presence in Defense Industry

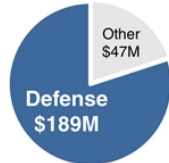
Long history with the U.S. Navy



~\$65M FY22 Est. Sales

>\$500M Market Opportunity<sup>(1)</sup>

- Highly specialized propulsion and ejection systems for a variety of undersea defense applications
- Customized, highly engineered surface condensers for Naval Nuclear Propulsion Program
- Employs knowledge in rotating equipment, power generation cycles, electrical and thermal management systems
- Growing lifecycle management and repair opportunities



\$235.9M Total Backlog  
Q1 FY22

Propulsion Turbine Condenser

Alternator & Regulator

Steam Generator Cool Down Heat Exchanger

Air Turbine Pump used for Torpedo Ejection System

# Current Defense Programs and Pipeline

**CVN Carrier**



**SSN Virginia Class Subs**



**SSBN Columbia Class Subs**



<i>Content</i>		
Condenser and various heat exchangers	PPFW HEXs*, SGCD HEX*, ATP*, ALT/Regulator for Torpedoes	Condenser, Air Ejectors, PPFW HEXs*, Pulsation Dampener, ALT/Regulator for Torpedoes
<i>Value</i>		
\$40 to \$50 million / carrier	\$15 to \$20+ million / sub	\$25 to \$35+ million / sub
<i>Vessel build rate expectation over next 25 years</i>		
5 to 6	66+	10 to 12

\* Definitions - PFW: power plant fresh water; HEX: heat exchanger; SGCD: steam generator cool down; ATP: Air turbine pump; ALT: Alternator

# *New Frontier: Space*

Serving the private space exploration market

NASA is long time BN customer

- Relationships at Marshall, Johnson, and Glenn centers

Critical space flight hardware

- Leader in specialized turbomachinery for cryogenic rocket engine fuels
- High-end turbomachinery and fluid transfer for life support systems

Certified with required AS 9100 quality system

- Clean room assembly to ensure exacting product conformity



# Large Energy and Petrochemical Installed Base

End markets investing in existing facilities before new capacity

## Refining

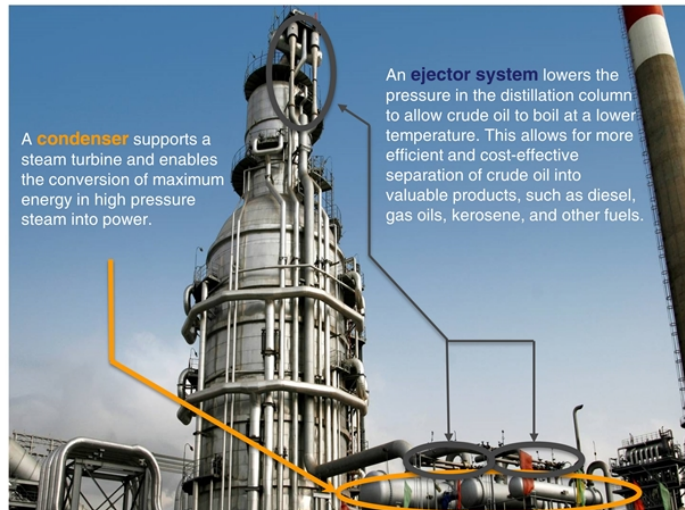
**\$41.7M** Q1FY22 TTM Sales    **\$150M** Market Opportunity<sup>(1)</sup>

## Chemical / Petrochemical

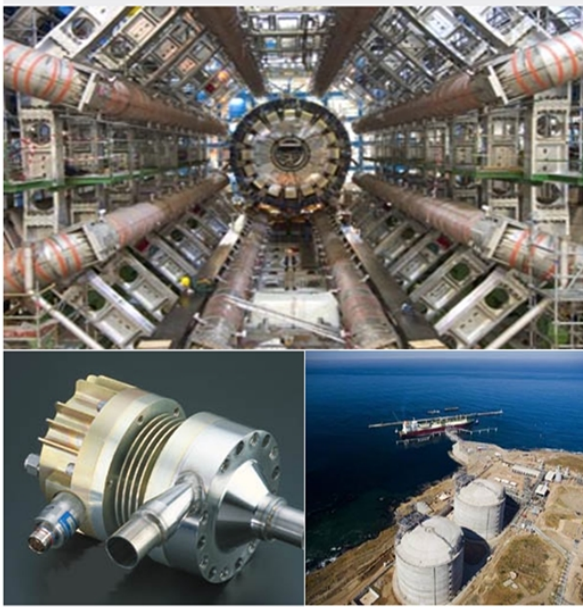
**\$20.6M** Q1FY22 TTM Sales    **\$150M** Market Opportunity<sup>(1)</sup>

### Key Drivers

- Leveraging installed base with improved lead management process
- Expanding international presence, capability and competitiveness
- Implemented Performance Improvement engineering team
- Use technology to proactively address opportunities
- Reduced lead time



# New Market: Advanced Energy Systems with Cryogenics



Top picture: the Atlas Experiment at the Large Hadron Collider at CERN

© 2021 Graham Corp.

Cryogenic fluid systems for hydrogen production, distribution and fueling systems

Full systems and equipment to support organic binary and supercritical CO<sub>2</sub> power generation systems

Among world's largest helium pumps moving liquid helium coolant through superconducting magnetic coils for ultra-pure cryogenic systems

- ATLAS EXPERIMENT at CERN detector used for particles physics research

LNG terminals – provide boil-off gas compressors

Designed and manufactured supercritical hydrogen circulator

- Oak Ridge National Laboratory's (ORNL) Spallation Neutron Source (SNS)

Among world's leading suppliers of high-speed nitrogen gas circulators used in satellite test chambers

# Differentiation with Comprehensive Customer Support Model

*Provide unique value before and throughout project life cycle*

## **Consultative Selling Platform and Product Development**

- Detailed engineering and equipment scope analysis
- Solutions engineering and prototype developments
- Deliver in-depth solutions quickly and accurately

## **Responsive Operating Model**

- Low volume / high mix operations model
- Frequent engineering change orders in development and manufacturing

## **Custom Fabrication to Tight Tolerances**

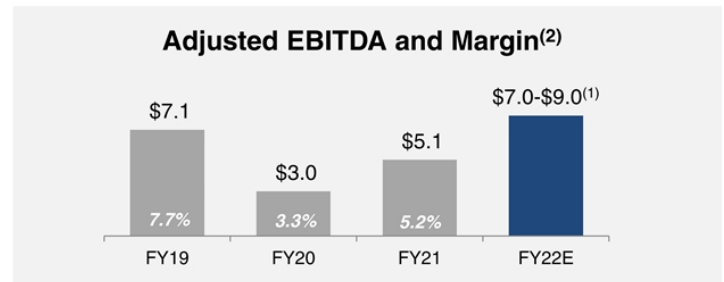
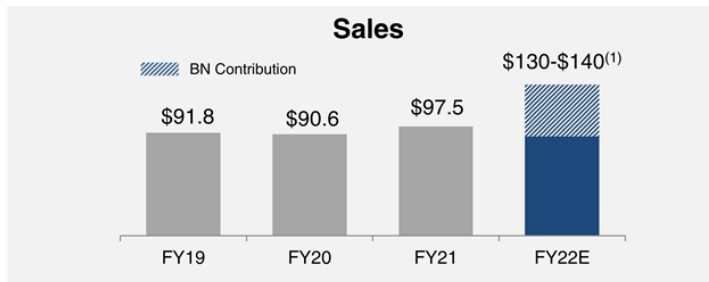
- Unique capability to fabricate large weldments with special metallurgy to tight tolerances
- Highly specialized manufacturing and electrochemical milling expertise on turbomachinery equipment
- Strong quality control with objective quality evidence

## **Complex Project Management and Product Life Cycle Service**

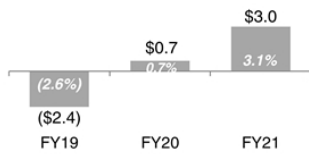
- Efficiently pause and re-initiate projects throughout project life-cycle
- Provide support and overhaul capabilities to large installed base

# Expect Growth in FY22

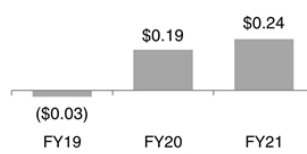
(\$ in millions, except per share data)



### Operating Profit (Loss) and Margin



### Diluted EPS



- Expanded defense industry platform with BN acquisition
- Expect defense revenue to grow to range of \$60 million to \$70 million in FY22
- Developing new products for Space applications
- Expanding share in developing markets
- Early recovery in Refining market

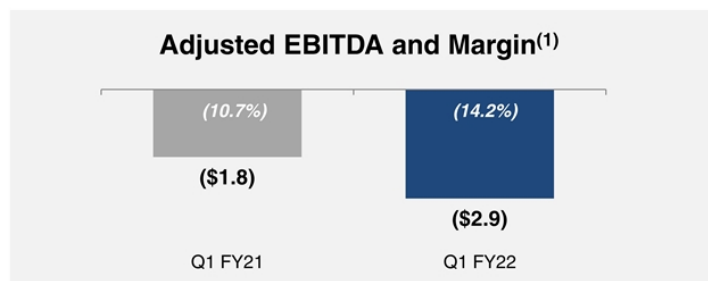
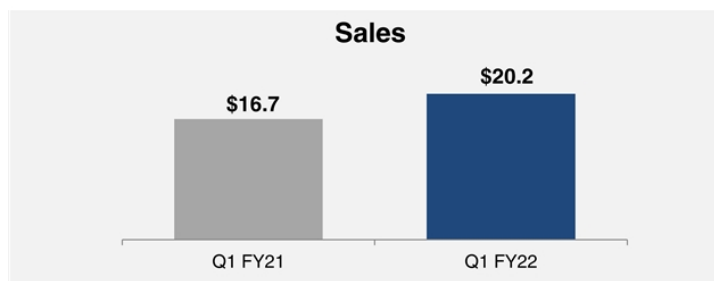
(1) FY2022 guidance as of August 10, 2021, Sales estimate includes \$45-\$48 million from BN

(2) See supplemental slide for Adjusted EBITDA and Adjusted EBITDA margin reconciliation and other important disclaimers regarding Graham's use of Adjusted EBITDA and Adjusted EBITDA margin

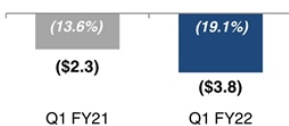


# Q1 FY22 Results – *Period of Transition*

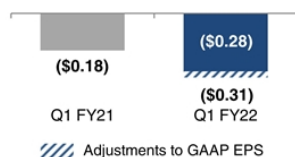
(\$ in millions, except per share data)



## Operating Loss and Margin



## GAAP and Adjusted Diluted EPS<sup>(1)</sup>



<sup>(1)</sup> See supplemental slides for additional important disclosures regarding Graham's use of Adjusted EBITDA, Adjusted EBITDA margin and Adjusted diluted EPS as well as the reconciliation of net income/(loss) to Adjusted EBITDA and Adjusted diluted EPS.

- Sales increased 21% over easy comparator period; reflects low order levels in FY21
  - + \$3.5 million from BN
  - + Higher sales to the defense and refining industry
  - Lower petrochemical sales
- Margin and profitability impacts:
  - Poor mix of projects
  - Acquisition related costs
  - Liquidated damages due to COVID-19
  - Timing of expenses

# Used Large Cash Reserves to Invest in Growth

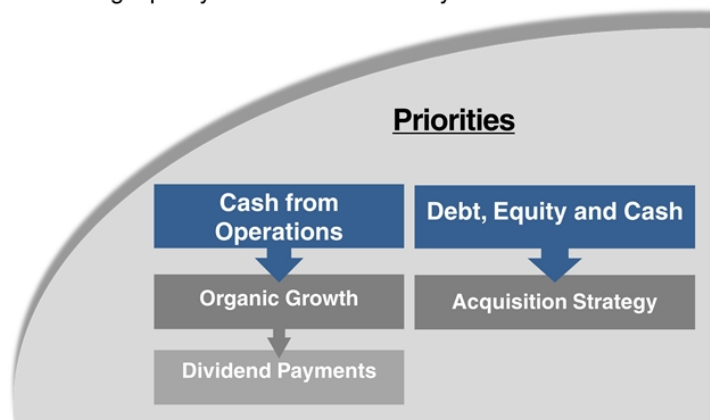
(\$ in millions)

CAPITALIZATION		
	June 30, 2021	March 31, 2021
Cash and cash equivalents and investments	\$ 19.1	\$ 65.0
<b>Total debt</b>	<b>22.5</b>	<b>0.0</b>
Shareholders' equity	103.2	97.9
<b>Total capitalization</b>	<b>\$ 125.7</b>	<b>\$ 97.9</b>
Debt / total capitalization	18%	N/A

- Accretive acquisition expected to improve return on assets
  - Put cash to work to grow the business
  - Invested \$41.1 million of cash for acquisition
- Borrowed \$20 million of low-cost debt for acquisition
- Strong liquidity and financial flexibility

FY22 CapEx: **\$3.5 million - \$4.0 million**<sup>(1)</sup>

<sup>(1)</sup> FY2022 CapEx guidance as of August 10, 2021



# Continue to Look at Acquisitions to Complement Growth

*Extend core competencies, reduce volatility, improve revenue and earnings*

Primary focus on building defense exposure

Strong management team with customer and quality focus

Targeting \$20 million to \$60 million in revenue

Cash return exceeds equity cost of capital

Strong acquisition pricing discipline

## **Priorities**

### Defense:

- *Broaden participation in other programs*
- *Additional products*

### Aftermarket:

- *Additional products*
- *Expand share*

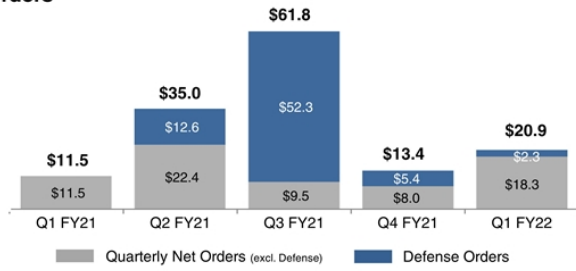
### Energy/Chemical:

- *Additional products*
- *Cost advantage*

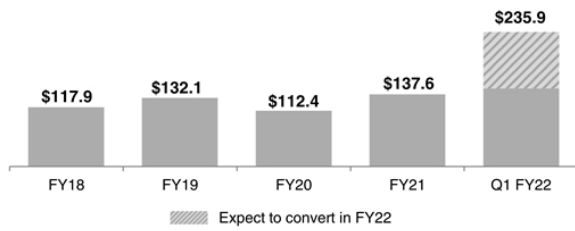
# Backlog Growth Driven by Defense

(\$ in millions)

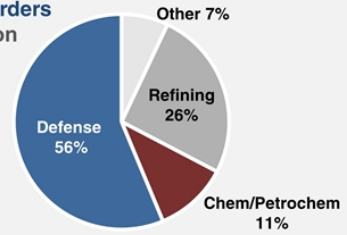
## Orders



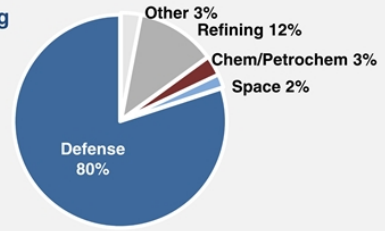
## Backlog



Q1 FY22 TTM Orders  
\$131.1 million



Q1 FY22 Backlog  
By Industry



# Transforming to Drive Value



Leveraging transformational acquisition to **accelerate growth in defense industry**



Preparing for refining and petrochem **upcycle expansion**



Enhancing leading market positions and furthering **strong brand** recognition



More **efficient balance sheet** with capacity for additional acquisitions and financial flexibility to **invest in organic growth**



Strong operating leverage and **powerful cash** generation



FOR MORE INFORMATION:

**Jeffrey F. Glajch**

Vice President – Finance and CFO

Phone: (585) 343-2216

[jglajch@graham-mfg.com](mailto:jglajch@graham-mfg.com)

**Deborah K. Pawlowski**

Kei Advisors LLC

Phone: (716) 843-3908

[dpawlowski@keiadvisors.com](mailto:dpawlowski@keiadvisors.com)





## SUPPLEMENTAL INFORMATION



# Adjusted EBITDA Reconciliation

(Unaudited, \$ in thousands)

	Three Months Ended	
	June 30,	
	2021	2020
<b>Net (loss)</b>	<b>\$ (3,126)</b>	<b>\$ (1,818)</b>
Acquisition related inventory step-up expense	-	-
Acquisition related costs	169	-
Net interest expense (income)	22	(89)
Income taxes	(745)	(372)
Depreciation & amortization	820	486
<b>Adjusted EBITDA</b>	<b>\$ (2,860)</b>	<b>\$ (1,793)</b>
Adjusted EBITDA margin %	-14.2%	-10.7%

## Non-GAAP Financial Measure:

Adjusted EBITDA is defined as consolidated net income (loss) before net interest expense, income taxes, depreciation, amortization and other acquisition related expenses and Adjusted EBITDA margin is defined as Adjusted EBITDA as a percentage of sales. Adjusted EBITDA and Adjusted EBITDA margin are not measures determined in accordance with generally accepted accounting principles in the United States, commonly known as GAAP. Nevertheless, Graham believes that providing non-GAAP information, such as Adjusted EBITDA and Adjusted EBITDA margin, is important for investors and other readers of Graham's financial statements, as it is used as an analytical indicator by Graham's management to better understand operating performance. Moreover, Graham's credit facility also contains ratios based on EBITDA. Because Adjusted EBITDA and Adjusted EBITDA margin are a non-GAAP measures and are thus susceptible to varying calculations, Adjusted EBITDA and Adjusted EBITDA margin, as presented, may not be directly comparable to other similarly titled measures used by other companies.



# Adjusted Net Income Reconciliation

(Unaudited, \$ in thousands)

	Three Months Ended June 30,	
	2021	2020
<b>Net (loss)</b>	<b>\$ (3,126)</b>	<b>\$ (1,818)</b>
Acquisition related inventory step-up expense	-	-
Acquisition related costs	169	-
Amortization of intangible assets	225	-
Normalize tax rate to 19% <sup>(1)</sup>	(75)	-
<b>Adjusted Net income (loss)</b>	<b>\$ (2,807)</b>	<b>\$ (1,818)</b>
Adjusted diluted earnings per share	\$ (0.28)	\$ (0.18)

<sup>1)</sup> Applies a normalized tax rate of 19% to GAAP pre-tax income and non-GAAP adjustments above, which are each pre-tax.

## Non-GAAP Financial Measure:

Adjusted net income and diluted EPS are defined as net income and diluted EPS as reported, adjusted for certain items and at a normalized tax rate. Adjusted net income and diluted EPS are not measures determined in accordance with generally accepted accounting principles in the United States, commonly known as GAAP, and may not be comparable to the measures as used by other companies. Nevertheless, Graham believes that providing non-GAAP information, such as adjusted net income and diluted EPS, is important for investors and other readers of the Company's financial statements and assists in understanding the comparison of the current quarter's and current year's net income and diluted EPS to the historical periods' net income and diluted EPS. Graham also believes that adjusted EPS, which adds back intangible amortization expense related to acquisitions, provides a better representation of the cash earnings of the Company.

# Barber-Nichols (BN) and Transaction Overview

- HQ: Arvada, Colorado
- Established: 1966
- Employees: 155
- 2020 revenue: \$56 million
- Demonstrated growth
- Operating margin: low double digit

Item	Terms
<b>Purchase Price</b>	\$72.0 million purchase price: split 87% cash / 13% stock <ul style="list-style-type: none"> <li>• \$61.1M in cash (funded with \$20M term loan and \$41.1M cash)</li> <li>• \$9M in stock</li> <li>• \$1.9M earn out</li> </ul> 11x twelve-month forward EBITDA multiple
<b>Cost Synergies</b>	None assumed
<b>Year Three Earn Out (FY'24) - All cash earn-out</b>	Up to \$14 million
<b>Close Date</b>	June 1, 2021
<b>Shares Required to Close</b>	610,000 shares (approximately 6% of GHM shares outstanding)

# BN: Highly Engineered Suite of Products



## Pumps

- Electric motor driven
- Mixed flow, full and partial emission centrifugal pumps
- Mechanically sealed, hermetic and submersible configurations



## Rocket Engine Turbopumps

- Robust and economical
- Designed and manufactured significant number of turbopumps compared with other U.S. companies



## Compressors & Fans

- High speed electric motor driven
- Vane axial, mixed flow, full and partial emission centrifugal fans, blowers, and compressors
- Variety of bearing configurations to suit most applications



## Motors, Generators & Controllers

- Permanent magnet motors & generators matched with custom controllers.
- Advanced semiconductor technologies & specialized architectures



## Turbines & Power Systems

- Axial and radial inflow turbines and turbine generators
- Output capacities from 1 kW to 5 MW+
- Specialized steam, organics, refrigerants, and CO2 fluid applications



## Thermal Management Solutions

- Ground and flight-qualified coolant pumps
- Complete cooling system solutions
- Engineered for most demanding environments.

# North American Competition

Market	Competitors
Naval Nuclear Propulsion Program/Defense	DC Fabricators; Joseph Oat; PCC; Triumph Aerospace; Xylem
Refining vacuum distillation	Croll Reynolds Company, Inc.; Gardner Denver, Inc.; GEA Wiegand GmbH
Chemicals/Petrochemicals	Croll Reynolds Company, Inc.; Gardner Denver, Inc.; Schutte Koerting
Defense and aerospace/space - turbomachinery	Kratos Defense & Security Solns, Concepts NREC, Ametek, Inc.
Turbomachinery OEM – refining, petrochemical	Donghwa Entec Co., Ltd.; KEMCO; Oeltechnik GmbH
Turbomachinery OEM – power and power producer	Holtec; KEMCO; Maarky Thermal Systems; Thermal Engineering International (USA), Inc.

# International Competition

Market	Competitors
Refining vacuum distillation	Edwards, Ltd.; Gardner Denver, Inc.; GEA Wiegand GmbH; Korting Hannover AG
Chemicals/Petrochemicals	Croll Reynolds Company, Inc.; Edwards, Ltd.; Gardner Denver, Inc.; GEA Wiegand GmbH; Korting Hannover AG; Schutte Koerting
Turbomachinery OEM – refining, petrochemical	Chem Process Systems; Donghwa Entec Co., Ltd.; Hangzhou Turbine Equipment Co., Ltd.; KEMCO; Mazda (India); Oeltechnik GmbH
Turbomachinery OEM – power and power producer	Chem Process Systems; Holtec; KEMCO; Mazda (India); SPX Heat Transfer; Thermal Engineering International

# Representative List of Customers

<i>Aerojet Rocketdyne</i>	<i>Cummins</i>	<i>Jacobs Engineering Group Inc.</i>	<i>Oak Ridge National Laboratory</i>
<i>Air Liquide</i>	<i>DuPont</i>	<i>Kairos Power</i>	<i>Raytheon Technologies</i>
<i>Applied Research Laboratory</i>	<i>Dow Chemical</i>	<i>Koch Fertilizer ENID LLC</i>	<i>Roush</i>
<i>Aramco</i>	<i>General Atomics</i>	<i>Lockheed Martin</i>	<i>SAIC</i>
<i>Bechtel Plant Machinery Inc.</i>	<i>General Dynamics Electric Boat</i>	<i>MHI Compressor International Corporation</i>	<i>Sierra Space</i>
<i>Boeing</i>	<i>General Electric</i>	<i>NASA</i>	<i>U.S. Navy</i>
<i>CERN</i>	<i>ExxonMobil</i>	<i>Newport News Shipbuilding</i>	<i>Virgin Orbit</i>
<i>China State-owned Refiners</i>	<i>Fluor Corporation</i>	<i>Northrop Grumman</i>	

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# Executive Compensation

## *Shareholder alignment*

### Base Salary

- *Reviewed annually by our compensation committee and determined based on company performance, individual performance, job responsibilities, and internal pay equity*
- *Provides compensation that is not “at-risk” to compensate executive officers*

### Annual Incentive Cash Compensation

- *Based on achievement of threshold, target and maximum levels of net income and order level targets as well as personal goals*

### Long Term Equity Incentive Compensation

- *Performance-Vested Restricted Stock*
  - *Relative Total Shareholder Return (“TSR”) measure*

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# Sales of Divested Business

*(\$ in thousands)*

	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
Consolidated sales as reported	\$ 77,534	\$ 91,831	\$ 90,604
Commercial nuclear utility sales included above	\$ 9,476	\$ 8,336	\$ 1,276