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

FORM 10-K/A

Amendment No. 1

(Mark One)

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

For the fiscal year ended March 31, 2024

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 001-08462

GRAHAM CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**16-1194720** (I.R.S. 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

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, Par Value $0.10 Per Share	GHM	NYSE

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☐ NO ☒

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. YES ☐ NO ☒

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, anon-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	☒
Non-accelerated filer	☐	Smaller reporting company	☒
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. ☐

Indicate by checkmark whether the Registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the Registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the Registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b). ☐

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

The aggregate market value of the Registrant's Common Stock held by non-affiliates of the Registrant, based on the closing price of the shares of common stock on the NYSE Stock Market on September 30, 2023, was approximately $168.0 million.

As of June 5, 2024, the number of shares of the Registrant's Common Stock outstanding was 10,870,564 shares.

EXPLANATORY NOTE

Graham Corporation (the "Company") is filing this Amendment No.1 on Form 10-K/A to its Annual Report on Form 10-K for the fiscal year ended March 31, 2024 (the "Original Filing"), which was filed with the Securities and Exchange Commission ("SEC") on June 7, 2024, solely for the purpose of adding the conformed signature of Deloitte & Touche LLP to the Report of Independent Registered Public Accounting Firm included in Item 8 and Part 9A of Part II of the Original Filing (the "Audit Reports"). The signed Audit Reports were received by the Company prior to the Original Filing being filed with the SEC, but the conformed signature in the Audit Reports was inadvertently omitted from the Original Filing.

Pursuant to Rule 12b-15 of the Securities Exchange Act of 1934, as amended, this Amendment No. 1 contains the complete text of Item 15. Exhibits, Financial Statement Schedules and certifications of the Company's Principal Executive Officer and Principal Financial Officer required under Items 302 and 906 of the Sarbanes-Oxley Act of 2002, as amended, dated as of the date of this Amendment.

Except as expressly set forth in this Amendment No. 1, no other changes have been made to the Original Filing, and this Form 10-K/A does not modify, amend or update in any way any of the financial or other information contained in the Original Filing. This Form 10-K/A does not reflect events that may have occurred subsequent to the filing date of the Original Filing.

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Item 8. Financial Statements and Supplementary Data

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Graham Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Graham Corporation and subsidiaries (the "Company") as of March 31, 2024 and 2023; the related consolidated statements of operations, comprehensive (loss) income, changes in stockholders' equity, and cash flows, for each of the three years in the period ended March 31, 2024 and the related notes and the schedule listed in the Index at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended March 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of March 31, 2024, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated June 7, 2024, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Recognition — Over time Revenue – Refer to Notes 1 and 3 to the financial statements

Critical Audit Matter Description

The Company recognizes a majority of its revenue over time when contract performance results in the creation of a product for which the Company does not have an alternative use and the contract includes an enforceable right to payment in an amount that corresponds directly with the value of the performance completed. To measure progress towards completion on performance obligations for which revenue is recognized over time the Company primarily utilizes an input method based upon a ratio of direct labor hours incurred to date to management's estimate of the total direct labor hours to be incurred at completion on each contract or an input method based upon a ratio of direct costs incurred to date to management's estimate of total costs to be incurred at the completion of each contract. Revenue from contracts that is recognized over time accounted for approximately 77% of revenue in fiscal 2024.

We identified revenue associated with certain in-process contracts recognized over time utilizing an input method as a critical audit matter because of the judgments necessary for management to estimate total direct labor hours or costs, at completion. An extensive audit effort and a high degree of auditor judgment was required when performing audit procedures to audit management's estimates of total direct labor hours or total costs at completion used to recognize revenue over time and evaluating the results of those procedures.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to management's estimate of total direct labor hours or total costs, at completion, for in-process contracts recognized over time included the following, among others:

- We tested the effectiveness of controls over management's estimate of total direct labor hours or total costs at completion for in-process contracts recognized over time.
- Performed a risk assessment over the contract population which included analyzing the population using various characteristics of audit interest
- We tested the mathematical accuracy of management's calculation of revenue recognized over time.
- For a selection of in-process contracts with customers that were recognized over time utilizing an input method, we performed the following procedures, among others:
  a. Evaluated whether the contracts were properly included in management's calculation of revenue recognized over time based on the terms and conditions of each contract.
  b. Evaluated the reasonableness and consistency of the methodology used by management to estimate total direct labor hours or total costs at completion for each contract and tested the mathematical accuracy of such estimate.
  c. Evaluated the direct labor hours or costs estimate by obtaining original estimates and any change orders, testing direct labor hours or costs completed to date, observing the work sites and inspecting the progress to completion as of fiscal year end, and performing corroborating inquiries with the Company's project managers and engineers regarding the estimates of total direct labor hours or total costs at completion.
- We evaluated management's ability to estimate total direct labor hours or total costs at completion accurately by comparing actual direct labor hours or costs incurred to management's historical estimates for a selection of similar contracts that were completed in fiscal year 2024.

/s/ *DELOITTE & TOUCHE LLP*
Rochester, New York
June 7, 2024

We have served as the Company's auditor since 1993.

CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollar amounts in thousands, except per share data)

	Years Ended March 31, 2024	2023	2022
Net sales	$185,533	$157,118	$122,814
Cost of products sold	144,948	131,710	113,685
Gross profit	40,585	25,408	9,129
Operating expenses and income:			
Selling, general and administrative	32,217	23,063	20,386
Selling, general and administrative—amortization	1,366	1,095	913
Other operating expense (income), net	80	—	(827)
Operating income (loss)	6,922	1,250	(11,343)
Other expenses and income:			
Loss on extinguishment of debt	726	—	—
Other expense (income), net	374	(250)	(527)
Interest expense, net	248	939	400
Total other expenses and income	1,348	689	(127)
Income (loss) before provision (benefit) for income taxes	5,574	561	(11,216)
Provision (benefit) for income taxes	1,018	194	(2,443)
Net Income (loss)	$ 4,556	$ 367	$ (8,773)
Per share data:			
Basic:			
Net income (loss)	$ 0.42	$ 0.03	$ (0.83)
Diluted:			
Net income (loss)	$ 0.42	$ 0.03	$ (0.83)
Average common shares outstanding:			
Basic	10,743	10,614	10,541
Diluted	10,844	10,654	10,541
Dividends declared per share	$ —	$ —	$ 0.33

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Dollar amounts in thousands)

	Years Ended March 31,		
	2024	2023	2022
Net income (loss)	$4,556	$ 367	$(8,773)
Other comprehensive income (loss):			
Foreign currency translation adjustment	(244)	(492)	198
Defined benefit pension and other postretirement plans, net of income tax provision (benefit) of $194, $(149), and $209, for the years ended March 31, 2024, 2023 and 2022, respectively	694	(500)	728
Total other comprehensive income (loss)	450	(992)	926
Total comprehensive income (loss)	$5,006	$(625)	$(7,847)

See Notes to Consolidated Financial Statements.

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CONSOLIDATED BALANCE SHEETS
(Dollar amounts in thousands, except per share data)

	March 31, 2024	March 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 16,939	$ 18,257
Trade accounts receivable, net of allowances ($79 and $1,841 at March 31, 2024 and 2023, respectively)	44,400	24,000
Unbilled revenue	28,015	39,684
Inventories	33,410	26,293
Prepaid expenses and other current assets	3,561	1,836
Total current assets	126,325	110,070
Property, plant and equipment, net	32,080	25,523
Prepaid pension asset	6,396	6,107
Operating lease assets	7,306	8,237
Goodwill	25,520	23,523
Customer relationships	14,299	10,718
Technology and technical know-how, net	11,065	9,174
Other intangible assets, net	7,181	7,610
Deferred income tax asset	2,983	2,798
Other assets	724	158
Total assets	$ 233,879	$203,918
Liabilities and stockholders' equity		
Current liabilities:		
Current portion of long-term debt	$ —	$ 2,000
Current portion of finance lease obligations	20	29
Accounts payable	20,788	20,222
Accrued compensation	16,800	10,401
Accrued expenses and other current liabilities	6,666	6,434
Customer deposits	71,987	46,042
Operating lease liabilities	1,237	1,022
Income taxes payable	715	16
Total current liabilities	118,213	86,166
Long-term debt	—	9,744
Finance lease obligations	65	85
Operating lease liabilities	6,449	7,498
Accrued pension and postretirement benefit liabilities	1,254	1,342
Other long-term liabilities	2,332	2,150
Total liabilities	128,313	106,985
Commitments and contingencies (Notes 8 and 17)		
Stockholders' equity:		
Preferred stock, $1.00 par value, 500 shares authorized		
Common stock, $.10 par value, 25,500 shares authorized; 10,993 and 10,774 shares issued and 10,850 and 10,635 shares outstanding at March 31, 2024 and 2023, respectively	1,099	1,075
Capital in excess of par value	32,015	28,061
Retained earnings	81,999	77,443
Accumulated other comprehensive loss	(7,013)	(7,463)
Treasury stock (143 and 138 shares at March 31, 2024 and 2023, respectively)	(2,534)	(2,183)
Total stockholders' equity	105,566	96,933
Total liabilities and stockholders' equity	$ 233,879	$203,918

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See Notes to Consolidated Financial Statements.

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CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollar amounts in thousands)

	Years Ended March 31, 2024	2023	2022
Operating activities:			
Net income (loss)	$ 4,556	$ 367	$ (8,773)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:			
Depreciation	3,275	3,511	3,077
Amortization	2,157	2,476	2,522
Virgin Orbit reserves	95	3,050	—
Amortization of unrecognized prior service cost and actuarial losses	843	672	996
Amortization of debt issuance costs	131	212	—
Equity-based compensation expense	1,279	806	809
(Gain) loss on disposal or sale of property, plant and equipment	(5)	—	23
Change in fair value of contingent consideration	80	—	(1,900)
Loss on extinguishment of debt	726	—	—
Deferred income taxes	(472)	(120)	(3,233)
(Increase) decrease in operating assets:			
Accounts receivable	(20,724)	1,520	(2,055)
Unbilled revenue	11,855	(14,228)	1,550
Inventories	(6,220)	(9,919)	3,483
Income taxes receivable	998	139	(1,208)
Prepaid expenses and other current and non-current assets	(2,199)	(97)	(340)
Operating lease assets	1,212	1,206	1,059
Prepaid pension asset	(287)	(651)	(1,207)
Increase (decrease) in operating liabilities:			
Accounts payable	401	3,467	(3,238)
Accrued compensation, accrued expenses and other current and non-current liabilities	6,011	2,654	1,164
Customer deposits	25,572	20,526	5,523
Operating lease liabilities	(1,119)	(1,049)	(962)
Long-term portion of accrued compensation, accrued pension liability and accrued postretirement benefits	(45)	(628)	491
Net cash provided (used) by operating activities	28,120	13,914	(2,219)
Investing activities:			
Purchase of property, plant and equipment	(9,226)	(3,749)	(2,324)
Proceeds from disposal of property, plant and equipment	44	—	—
Redemption of investments at maturity	—	—	5,500
Acquisition of P3 Technologies, LLC, net of cash acquired	(6,812)	—	—
Acquisition of Barber-Nichols, LLC, net of cash acquired	—	—	(60,282)
Net cash used by investing activities	(15,994)	(3,749)	(57,106)
Financing activities:			
Principal repayments on debt	(25,500)	(11,000)	(39,750)
Proceeds from the issuance of debt	13,000	5,000	58,250
Principal repayments on finance lease obligations	(29)	(23)	(21)
Repayments on lease financing obligations	(287)	(275)	(225)
Payment of debt exit costs	(752)	—	—
Payment of debt issuance costs	(241)	(122)	(271)
Issuance of common stock	476	—	—
Dividends paid	—	—	(3,523)
Purchase of treasury stock	(58)	(21)	(41)
Net cash (used) provided by financing activities	(13,391)	(6,441)	14,419
Effect of exchange rate changes on cash	(53)	(208)	115
Net (decrease) increase in cash and cash equivalents	(1,318)	3,516	(44,791)
Cash and cash equivalents at beginning of year	18,257	14,741	59,532
Cash and cash equivalents at end of year	$ 16,939	$ 18,257	$ 14,741

See Notes to Consolidated Financial Statements.

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CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
Years Ended March 31, 2024, 2023 and 2022
(Dollar and share amounts in thousands)

	Common Stock		Capital in		Accumulated Other		Total
	Shares	Par Value	Excess of Par Value	Retained Earnings	Comprehensive Loss	Treasury Stock	Stockholders' Equity
Balance at March 31, 2021	10,748	$1,075	$27,272	$89,372	$ (7,397)	$(12,393)	$ 97,929
Comprehensive income (loss)				(8,773)	926		(7,847)
Issuance of shares	164	16	(16)				—
Forfeiture of shares	(111)	(11)	11				—
Dividends				(3,523)			(3,523)
Recognition of equity-based compensation expense			809				809
Purchase of treasury stock						(41)	(41)
Issuance of treasury stock			(306)			9,473	9,167
Balance at March 31, 2022	10,801	1,080	27,770	77,076	(6,471)	(2,961)	96,494
Comprehensive income (loss)				367	(992)		(625)
Issuance of shares	17	—	—				—
Forfeiture of shares	(44)	(5)	5				—
Recognition of equity-based compensation expense			806				806
Purchase of treasury stock						(21)	(21)
Issuance of treasury stock			(520)			799	279
Balance at March 31, 2023	10,774	1,075	28,061	77,443	(7,463)	(2,183)	96,933
Comprehensive income (loss)				4,556	450		5,006
Issuance of shares	229	25	2,674			(293)	2,406
Forfeiture of shares	(10)	(1)	1				—
Recognition of equity-based compensation expense			1,279				1,279
Purchase of treasury stock						(58)	(58)
Balance at March 31, 2024	10,993	$1,099	$32,015	$81,999	$ (7,013)	$ (2,534)	$ 105,566

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended March 31, 2024, 2023 and 2022
(Amounts in thousands, except per share data)

Note 1 - The Company and Its Accounting Policies:

Graham Corporation, and its operating subsidiaries, (together, the "Company"), is a global leader in the design and manufacture of mission critical fluid, power, heat transfer and vacuum technologies for the defense, space, energy and process industries. The Company acquired Barber-Nichols, LLC ("BN") in June 2021. The accompanying Consolidated Financial Statements include BN at March 31, 2024, 2023 and for the period June 1, 2021 through March 31, 2024. The Company acquired P3 Technologies, LLC ("P3") in November 2023. The accompanying Consolidated Financial Statements include P3 at March 31, 2024 and for the period of November 9, 2023 through March 31, 2024. The Company's significant accounting policies are set forth below.

The Company's fiscal years ended March 31, 2024, 2023 and 2022 are referred to as "fiscal 2024," "fiscal 2023" and "fiscal 2022," respectively.

Principles of consolidation and use of estimates in the preparation of consolidated financial statements

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, BN, located in Arvada, CO, P3, located in Jupiter, FL, Graham Vacuum and Heat Transfer Technology (Suzhou) Co., Ltd., located in China, and Graham India Private Limited ("GIPL"), located in India. All intercompany balances, transactions and profits are eliminated in consolidation.

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the U.S. ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the related revenues and expenses during the reporting period. Actual amounts could differ from those estimated.

Translation of foreign currencies

Assets and liabilities of the Company's foreign subsidiaries are translated into U.S. dollars at currency exchange rates in effect at year end and revenues and expenses are translated at average exchange rates in effect for the year. Gains and losses resulting from foreign currency transactions are included in results of operations. The Company's sales and purchases in foreign currencies are not material to the overall consolidated financial statements. Therefore, foreign currency transaction gains and losses have not historically impacted the Company's financial results materially. Gains and losses resulting from translation of the foreign subsidiaries balance sheets are included in a separate component of stockholders' equity. Translation adjustments are not adjusted for income taxes since they relate to an investment, which is permanent in nature.

Revenue recognition

The Company accounts for revenue in accordance with Accounting Standard Codification 606, "Revenue from Contracts with Customers" ("ASC 606").

The Company recognizes revenue on all contracts when control of the product is transferred to the customer. Control is generally transferred when products are shipped, title is transferred, significant risks of ownership have transferred, the Company has rights to payment, and rewards of ownership pass to the customer. Customer acceptance may also be a factor in determining whether control of the product has transferred. Although revenue on the majority of the Company's contracts, as measured by number of contracts, is recognized upon shipment to the customer, revenue on larger contracts, which are fewer in number but generally represent the majority of revenue, is recognized over time as these contracts meet specific criteria in ASC 606.

Unbilled revenue (contract assets) in the Consolidated Balance Sheets represents revenue recognized that has not been billed to customers on contracts in which revenue is recognized over time. All progress payments exceeding unbilled revenue are presented as customer deposits (contract liabilities) in the Consolidated Balance Sheets.

Cash and cash equivalents

Cash and cash equivalents consist of cash and highly liquid, short-term investments with maturities at the time of purchase of three months or less.

Trade Accounts receivable, net of allowances

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The provision for credit losses is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable; however, changes in circumstances relating to accounts receivable may result in a requirement for additional provisions in the future.

Shipping and handling fees and costs

Shipping and handling fees billed to the customer are recorded in Net sales and the related costs incurred for shipping and handling are included in Cost of products sold.

Inventories

Inventories are stated at the lower of cost or net realizable value, using the average cost method.

Property, plant, equipment and depreciation

Property, plant and equipment are stated at cost net of accumulated depreciation. Major additions and improvements are capitalized, while maintenance and repairs are charged to expense as incurred. Depreciation is provided based upon the estimated useful lives, or lease term if shorter, under the straight-line method. Estimated useful lives range from approximately three to eight years for office equipment, eight to 25 years for manufacturing equipment, eight years for land improvements, 40 years for buildings and improvements, and leasehold improvements are depreciated over the remaining term of the lease. Upon sale or retirement of assets, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the results of operations.

Business combinations

The Company records its business combinations under the acquisition method of accounting. Under the acquisition method of accounting, the Company allocates the purchase price of each acquisition to the tangible and identifiable intangible assets acquired and liabilities assumed based on their respective fair values at the date of acquisition. The fair value of identifiable intangible assets is based upon detailed valuations that use various assumptions made by management. Any excess of the purchase price over the fair value of the net tangible and intangible assets acquired is allocated to goodwill. Direct acquisition-related costs are expensed as incurred.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of identifiable net tangible and intangible assets acquired in a business combination.

Goodwill is not amortized, but is reviewed for impairment at least annually or more frequently if impairment indicators arise. Goodwill is evaluated for impairment by first performing a qualitative assessment to determine whether a quantitative goodwill test is necessary. If it is determined, based on qualitative factors, that the fair value of the reporting unit may be more likely than not less than its carrying amount, or if significant adverse changes in the Company's future financial performance occur that could materially impact fair value, a quantitative goodwill impairment test would be required. Additionally, the Company can elect to forgo the qualitative assessment and perform the quantitative test. If the qualitative assessment indicates that the quantitative analysis should be performed, or if management elects to bypass a qualitative assessment, the Company then evaluates goodwill for impairment by comparing the fair value of the reporting unit to its carrying amount, including goodwill.

Intangible Assets

Acquired intangible assets other than goodwill consist of backlog, customer relationships, technology and technicalknow-how and tradenames. Backlog and trade names are included in the line item Other intangible assets, net in the Consolidated Balance Sheet. The Company amortizes a portion of its Technology and technical know-how, tradenames, and Customer relationships in Selling, general and administrative expense on a straight line basis over each of their estimated useful lives of eight to twenty years. Backlog and a portion of Technology and technical know-how are amortized in Cost of products sold over the projected conversion period of four to ten years which is based on management estimates at the time of purchase. All other intangibles have indefinite lives and are not amortized.

Impairment of long-lived assets

The Company assesses the impairment of definite-lived long-lived assets or asset groups when events or changes in circumstances indicate that the carrying value may not be recoverable. Factors that are considered in deciding when to perform an impairment review include: a significant decrease in the market price of the asset or asset group; a significant adverse change in the extent or manner in which a long-lived asset or asset group is being used or in its physical condition; an accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction; a current-period operating or cash flow loss combined with a history of operating or cash flow losses or a projection or forecast that demonstrates continuing losses associated with the use of a long-lived asset or asset group; or a current expectation that, more likely than not, a long-lived asset or asset group will be sold or otherwise disposed of significantly before the end of its previously estimated useful life. The term more likely than not refers to a level of likelihood that is more than 50%.

Recoverability potential is measured by comparing the carrying amount of the asset or asset group to its related total future undiscounted cash flows. If the carrying value is not recoverable through related cash flows, the asset or asset group is considered to be impaired. Impairment is measured by comparing the asset or asset group's carrying amount to its fair value. When it is determined that useful lives of assets are shorter than originally estimated, and no impairment is present, the rate of depreciation is accelerated in order to fully depreciate the assets over their new shorter useful lives.

Goodwill and intangible assets with indefinite lives are tested annually for impairment. The Company assesses goodwill for impairment by comparing the fair value of its reporting units to their carrying amounts. If the fair value of a reporting unit is less than its carrying value, an impairment loss is recorded to the extent that the implied fair value of the goodwill within the reporting unit is less than its carrying value. Fair values for reporting units are determined based on a weighted combination of the market approach and the income approach using discounted cash flows. Indefinite lived intangible assets are assessed for impairment by comparing the fair value of the asset to its carrying value.

Other Long-Term Assets

Other long-term assets include service based cloud computing software implementation costs of $361. Upon implementation completion, these costs will be amortized over the expected term of the hosting arrangement on a straight line basis.

Product warranties

The Company estimates the costs that may be incurred under its product warranties and records a liability in the amount of such costs at the time revenue is recognized. The reserve for product warranties is based upon past claims experience and ongoing evaluations of any specific probable claims from customers. A reconciliation of the changes in the product warranty liability is presented in Note 7.

Research and development

Research and development costs are expensed as incurred. The Company incurred estimated research and development costs of $3,944 in fiscal 2024 and research and development costs of $4,144 and $3,845 in fiscal 2023 and fiscal 2022, respectively. Research and development costs are included in the line item Cost of products sold and Selling, general and administrative in the Consolidated Statements of Operations.

Income taxes

The Company recognizes deferred income tax assets and liabilities for the expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns. Deferred income tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using currently enacted tax rates. The Company evaluates the available evidence about future taxable income and other possible sources of realization of deferred income tax assets and records a valuation allowance to reduce deferred income tax assets to an amount that represents the Company's best estimate of the amount of such deferred income tax assets that more likely than not will be realized.

The Company accounts for uncertain tax positions using a "more likely than not" recognition threshold. The evaluation of uncertain tax positions is based on factors including, but not limited to, changes in tax law, the measurement of tax positions taken or expected to be taken in tax returns, the effective resolution of matters subject to audit, new audit activity and changes in facts or circumstances related to a tax position. These tax positions are evaluated on a quarterly basis. It is the Company's policy to recognize any interest related to uncertain tax positions in interest expense and any penalties related to uncertain tax positions in selling, general and administrative expense.

The Company files federal and state income tax returns in several U.S. andnon-U.S. domestic and foreign jurisdictions. In most tax jurisdictions, returns are subject to examination by the relevant tax authorities for a number of years after the returns have been filed.

Equity-based compensation

The Company records compensation costs related to equity-based awards based on the estimated fair value of the award on the grant date. Compensation cost is recognized in the Company's Consolidated Statements of Operations over the applicable vesting period. The Company uses the Black-Scholes valuation model as the method for determining the fair value of its stock option awards. For service and performance based restricted stock awards and restricted stock units, the fair market value of the award is determined based upon the closing value of the Company's stock price on the grant date. The fair market value of market-based performance restricted stock awards is determined using the Monte Carlo valuation model. The amount of equity-based compensation expense recognized during a period is based on the portion of the awards that ultimately vest.

Income (loss) per share data

Basic income (loss) per share is computed by dividing net income (loss) by the weighted average number of common shares outstanding for the period. Diluted income (loss) per share is calculated by dividing net income (loss) by the weighted average number of common shares outstanding and, when applicable, potential common shares outstanding during the period.

A reconciliation of the numerators and denominators of basic and diluted income (loss) per share is presented below:

	Year ended March 31,		
	2024	2023	2022
Basic income (loss) per share:			
Numerator:			
Net income (loss)	$ 4,556	$ 367	$ (8,773)
Denominator:			
Weighted average common shares outstanding	10,743	10,614	10,541
Basic income (loss) per share	$ 0.42	$ 0.03	$ (0.83)
Diluted income (loss) per share:			
Numerator:			
Net income (loss)	$ 4,556	$ 367	$ (8,773)
Denominator:			
Weighted average common shares outstanding	10,743	10,614	10,541
Restricted stock units outstanding	101	40	—
Weighted average common and potential common shares outstanding	10,844	10,654	10,541
Diluted income (loss) per share	$ 0.42	$ 0.03	$ (0.83)

None of the options to purchase shares of common stock which totaled 33 shares in fiscal 2022, were included in the computation of diluted loss per share as the affect would be anti-dilutive given their exercise price as they would not be dilutive upon issuance or due to the net loss in the fiscal year.

Cash flow statement

Interest and income taxes paid as well asnon-cash investing and financing activities are as follows:

	Year ended March 31,		
	2024	2023	2022
Interest paid	$ 823	$1,026	$ 417
Income taxes paid	425	185	2,012
Pension and other post retirement income (loss) adjustments, net of income tax	694	(500)	728
Issuance of treasury stock to the Employee Stock Purchase Plan (See Note 13)	—	279	204
Capital purchases recorded in accounts payable	620	483	177
Issuance of treasury shares as part of the consideration of the acquisition	1,930	—	8,964

Accumulated other comprehensive income (loss)

Comprehensive income (loss) is comprised of net income and other comprehensive income or loss items, which are accumulated as a separate component of stockholders' equity. For the Company, other comprehensive income or loss items include foreign currency translation adjustments and pension and other postretirement benefit adjustments.

Fair value measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants at the measurement date. The accounting standard for fair value establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 – Valuations determined from quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in markets that are not active or by model-based techniques in which all significant inputs are observable in the market.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement. The degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The availability of observable inputs can vary and is affected by a wide variety of factors, including, the type of asset/liability, whether the asset/liability is established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, assumptions are required to reflect those that market participants would use in pricing the asset or liability at the measurement date.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of sales and expenses during the reporting period. Actual results could differ materially from those estimates.

Accounting and reporting changes

In the normal course of business, management evaluates all new Accounting Standards Updates and other accounting pronouncements issued by the Financial Accounting Standards Board, Securities and Exchange Commission, or other authoritative accounting bodies to determine the potential impact they may have on the Company's Consolidated Financial Statements. Other than those discussed below, management does not expect any of the recently issued accounting pronouncements, which have not already been adopted, to have a material impact on the Company's Consolidated Financial Statements.

In November 2023, the FASB issued ASU2023-07, Segment Reporting (Topic 280)-Improvements to Reportable Segment Disclosures. The ASU enhances disclosure of significant segment expenses by requiring disclosure of significant segment expenses regularly provided to the chief operating decision maker, extend certain annual disclosures to interim periods, and permits more than one measure of segment profit or loss to be reported under certain conditions. The amendments are effective for the Company in years beginning after December 15, 2023, and interim periods within years beginning after December 15, 2024. The Company is currently evaluating the impact that the adoption of this ASU will have on its consolidated financial statements.

In December 2023, the FASB issued ASU2023-09, Income Taxes (Topic 740)-Improvements to Income Tax Disclosures. The ASU requires additional quantitative and qualitative income tax disclosures to allow readers of the consolidated financial statements to assess how the Company's operations, related tax risks and tax planning affect its tax rate and prospects for future cash flows. For public business entities, the ASU is effective for annual periods beginning after December 15, 2024. The Company is currently evaluating the impact that the adoption of this ASU will have on its consolidated financial statements.

Note 2—Acquisition

On November 9, 2023, the Company completed its acquisition of P3, a privately-owned custom turbomachinery engineering, product development, and manufacturing business located in Jupiter, FL that serves the space, new energy, defense, and medical industries. The Company believes this acquisition advances its growth strategy, further diversifies its market and product offerings, and broadens its turbomachinery solutions. P3 will be managed through the Company's Barber-Nichols, LLC subsidiary and is highly complementary to BN's technology and enhances its turbomachinery solutions.

This transaction was accounted for as a business combination which requires that assets acquired and liabilities assumed be recognized at their fair value as of the acquisition date. The purchase price of $11,238 was comprised of 125 shares of the Company's common stock, representing a value of $1,930, and cash consideration of $7,098, subject to certain potential adjustments, including a customary working capital adjustment. The cash consideration was funded through borrowings on the Company's line of credit. The purchase agreement included a contingent earn-out dependent upon certain financial measures of P3 post-acquisition, in which the sellers are eligible to receive up to $3,000 in additional cash consideration. At November 9, 2023, a liability of $2,040 was recorded for the contingent earn-out. A rollforward of the P3 contingent earn-out liability since the date of acquisition is as follows:

Balance at November 9, 2023	$2,040
Change in fair value	80
Payments	—
Balance at March 31, 2024	$2,120

The change in fair value of the contingent earn-out liability was included in Other operating (income) expense, net in the Consolidated Statements of Operations. Acquisition and integration costs of $352 were expensed in the year ended March 31, 2024, and are included in Selling, general and administrative expenses in the Consolidated Statement of Operations.

The cost of the acquisition was allocated to the assets acquired and liabilities assumed based upon their estimated fair value at the date of acquisition and the amount exceeding the fair value of $1,997 was recorded as goodwill, which is deductible for tax purposes. Goodwill generated in the acquisition is related to P3's assembled workforce, synergies between Graham's other operations and P3 that are expected to occur as a result of the combined engineering knowledge, the ability of each of the operations to leverage each other's technology solutions, and Graham's ability to utilize acquired management knowledge in providing complementary product offerings to the Company's customers. The following table summarizes the final purchase price allocation of the assets acquired and liabilities assumed:

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	Before Adjustment of Preliminary Allocation of Purchase Price November 9, 2023	Adjustments	After Adjustment of Final Allocation of Purchase Price March 31, 2024
Assets acquired:			
Cash and cash equivalents	$ 286	$ —	$ 286
Trade accounts receivable, net of allowances	465		465
Unbilled revenue	302		302
Inventories	443	365	808
Prepaid expenses and other current assets	93		93
Property, plant & equipment, net	542		542
Operating lease assets	130		130
Goodwill	1,565	432	1,997
Customer relationships	4,400		4,400
Technology and technical know-how	2,500		2,500
Tradename	300		300
Deferred income tax asset	53	(53)	—
Total assets acquired	11,079	744	11,823
Liabilities assumed:			
Accrued compensation	62		62
Customer deposits	389		389
Operating lease liabilities	134		134
Total liabilities assumed	585	—	585
Purchase price	$ 10,494	$ 744	$ 11,238

The fair value of acquisition-related intangible assets includes customer relationships, technology and technicalknow-how, and tradename. The tradename is included in the line item “Other intangible assets, net” in the Consolidated Balance Sheets. The fair value of customer relationships was calculated using an income approach, specifically the Multi Period Excess Earnings method, which incorporates assumptions regarding retention rate, new customer growth and customer related costs. The fair value of tradename and technology and technical know-how were both calculated using a Relief from Royalty method, which develops a market based royalty rate used to reflect the after tax royalty savings attributable to owning the intangible asset.

Customer relationships and tradename are amortized in Selling, general and administrative expense on a straight line basis over their estimated useful lives of eight years and three years respectively. Technology and technical know-how is amortized in Cost of products sold on a straight line basis over its estimated useful life of ten years.

The Consolidated Statement of Operations for the year ended March 31, 2024 includes net sales of P3 of $2,206 and net income of $24. The following unaudited pro forma information presents the consolidated results of operations of the Company as if the P3 acquisition had occurred at the beginning of each of the fiscal periods presented:

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Net sales	$189,089	$160,376
Net income (loss)	5,949	(21)
Earnings per share		
Basic	$ 0.55	$ 0.00
Diluted	$ 0.54	$ 0.00

The unaudited pro forma information presents the combined operating results of Graham Corporation and P3 with the results prior to the acquisition date adjusted to include the pro forma impact of the adjustment of depreciation of fixed assets based on the preliminary purchase price allocation, the adjustment to interest expense reflecting the cash paid in connection with the acquisition, including acquisition-related expenses, at the Company's weighted average interest rate, amortization expense related to the fair value adjustments for intangible assets, non-recurring acquisition-related costs and the impact of income taxes on the pro forma adjustments utilizing the applicable statutory tax rate.

The unaudited pro forma results are presented for illustrative purposes only. These pro forma results do not purport to be indicative of the results that would have actually been obtained if the acquisition occurred as of the beginning of each of the periods presented, nor does the pro forma data intend to be a projection of results that may be obtained in the future.

Note 3 – Revenue Recognition:

The Company recognizes revenue on all contracts when control of the product is transferred to the customer. Control is generally transferred when products are shipped, title is transferred, significant risks of ownership have transferred, the Company has rights to payment, and rewards of ownership pass to the customer.

The following tables present the Company's net sales disaggregated by market and geographic area:

	Year ended March 31,		
Market	2024	2023	2022
Refining	$ 29,087	$ 27,270	$ 24,406
Chemical/Petrochemical	20,893	21,950	15,955
Defense	99,493	65,327	62,189
Space	13,282	21,180	5,744
Other Commercial	22,778	21,391	14,520
Net sales	$185,533	$157,118	$122,814

	Year ended March 31,		
Geographic Area	2024	2023	2022
Asia	$ 15,144	$ 16,040	$ 13,687
Canada	4,229	4,464	3,583
Middle East	2,568	2,914	2,489
South America	733	3,021	1,972
U.S.	155,908	127,519	97,718
All other	6,951	3,160	3,365
Net sales	$185,533	$157,118	$122,814

The final destination of products shipped is the basis used to determine net sales by geographic area. No sales were made to the terrorist sponsoring nations of Cuba, Iran, North Korea or Syria.

A performance obligation represents a promise in a contract to provide a distinct good or service to a customer. The Company accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. Transaction price reflects the amount of consideration to which the Company expects to be entitled in exchange for transferred products. A contract's transaction price is allocated to each distinct performance obligation and revenue is recognized as the performance obligation is satisfied. In certain cases, the Company may separate a contract into more than one performance obligation, while in other cases, several products may be part of a fully integrated solution and are bundled into a single performance obligation. If a contract is separated into more than one performance obligation, the Company allocates the total transaction price to each performance obligation in an amount based on the estimated relative standalone selling prices of the promised goods underlying each performance obligation. The Company has made an accounting policy election to exclude from the measurement of the contract price all taxes assessed by government authorities that are collected by the Company from its customers. The Company does not adjust the contract price for the effects of a financing component if the Company expects, at contract inception, that the period between when a product is transferred to a customer and when the customer pays for the product will be one year or less.

The Company recognizes revenue over time when contract performance results in the creation of a product for which the Company does not have an alternative use and the contract includes an enforceable right to payment in an amount that corresponds directly with the value of the performance completed. To measure progress towards completion on performance obligations for which revenue is recognized over time the Company utilizes an input method based upon a ratio of direct labor hours incurred to date to management's estimate of the total labor hours to be incurred on each contract, an input method based upon a ratio of total contract costs incurred to date to management’s estimate of the total contract costs to be incurred or an output method based upon completion of operational milestones, depending upon the nature of the contract. The Company has established the systems and procedures essential to developing the estimates required to account for performance obligations over time. These procedures include monthly review by management of costs incurred, progress towards completion, identified risks and opportunities, sourcing determinations, changes in estimates of costs yet to be incurred, availability of materials, and execution by subcontractors. Sales and earnings are adjusted on a cumulative catch-up basis in current accounting periods based upon revisions in the contract value due to pricing changes and estimated costs at completion. Losses on contracts are recognized immediately when evident to management. Revenue on the majority of the Company’s contracts, as measured by number of contracts, is recognized upon shipment to the customer. Revenue on larger contracts, which are fewer in number but generally represent the majority of revenue, is recognized over time as these contracts meet specific criteria established in ASC 606. The following table presents the Company’s revenue percentages disaggregated by revenue recognized over time or upon shipment:

	Year ended March 31,		
	2024	2023	2022
Revenue recognized over time	77%	74%	75%
Revenue recognized at shipment	23%	26%	25%

The timing of revenue recognition, invoicing and cash collections affect trade accounts receivable, unbilled revenue (contract assets) and customer deposits (contract liabilities) on the Consolidated Balance Sheets. Unbilled revenue represents revenue on contracts that is recognized over time and exceeds the amount that has been billed to the customer. Unbilled revenue is separately presented in the Consolidated Balance Sheets. The Company may receive a progress payment from a customer, which is recorded as a customer deposit or have an unconditional right to receive a customer deposit prior to revenue being recognized. Because the performance obligations related to such customer deposits may not have been satisfied, a contract liability is recorded and an offsetting asset of equal amount is recorded as a trade accounts receivable until the deposit is collected. Customer deposits are separately presented in the Consolidated Balance Sheets. Customer deposits are not considered a significant financing component as they are generally received less than one year before the product is completed or used to procure specific material on a contract, as well as related overhead costs incurred during design and construction.

Net contract assets (liabilities) consisted of the following:

	March 31, 2024	March 31, 2023	Change	Change due to amounts acquired	Change due to revenue recognized	Change due to invoicing customers/ additional deposits
Unbilled revenue (contract assets)	$ 28,015	$ 39,684	$(11,669)	$ 302	$ 97,828	$(109,799)
Customer deposits (contract liabilities)	(71,987)	(46,042)	(25,945)	(389)	29,086	(54,642)
Net contract (liabilities) assets	$(43,972)	$ (6,358)	$(37,614)			

Contract liabilities at March 31, 2024 and 2023 include $21,426 and $6,092, respectively, of customer deposits for which the Company has an unconditional right to collect payment. Trade accounts receivable, as presented on the Consolidated Balance Sheets, includes corresponding balances at March 31, 2024 and 2023, respectively.

Receivables billed but not paid under retainage provisions in the Company’s customer contracts were $1,875 and $2,542 at March 31, 2024 and 2023, respectively.

The Company’s remaining unsatisfied performance obligations represent a measure of the total dollar value of work to be performed on contracts awarded and in progress. The Company also refers to this measure as backlog. As of March 31, 2024, the Company had remaining unsatisfied performance obligations of $390,868. The Company expects to recognize revenue on approximately 35% to 40% of the remaining performance obligations within one year, 25% to 30% in one to two years and the remaining beyond two years.

Note 4 – Inventories:

Major classifications of inventories are as follows:

	March 31, 2024	March 31, 2023
Raw materials and supplies	$ 4,396	$ 4,344
Work in process	27,065	20,554
Finished products	1,949	1,395
	$ 33,410	$ 26,293

Note 5 – Property, Plant and Equipment:

Major classifications of property, plant and equipment are as follows:

	March 31, 2024	March 31, 2023
Land and land improvements	$ 450	$ 450
Buildings and leasehold improvements	24,651	23,112
Machinery and equipment	45,391	41,398
Construction in progress	6,699	2,518
	77,191	67,478
Less – accumulated depreciation and amortization	45,111	41,955
	$ 32,080	$ 25,523

Depreciation expense in fiscal 2024, fiscal 2023 and fiscal 2022 was $3,275, $3,511, and $3,077, respectively.

Note 6 – Intangible Assets:

Intangible assets are comprised of the following:

	Weighted Average Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
At March 31, 2024				
Intangibles subject to amortization:				
Customer relationships	8 - 20 years	$16,200	$ 1,901	$14,299
Technology and technical know-how	10 - 20 years	12,600	1,535	11,065
Backlog	4 years	3,900	3,677	223
Tradename	3 years	300	42	258
		$33,000	$ 7,155	$25,845
Intangibles not subject to amortization:				
Tradename	Indefinite	$ 6,700	$ —	$ 6,700
		$ 6,700	$ —	$ 6,700

	Weighted Average Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
At March 31, 2023				
Intangibles subject to amortization:				
Customer relationships	20 years	$ 11,800	$ 1,082	$ 10,718
Technology and technical know-how	20 years	10,100	926	9,174
Backlog	4 years	3,900	2,990	910
		$ 25,800	$ 4,998	$ 20,802
Intangibles not subject to amortization:				
Tradename	Indefinite	$ 6,700	$ —	$ 6,700
		$ 6,700	$ —	$ 6,700

A portion of Technology and technical know-how, tradenames, and Customer relationships are amortized in Selling, general and administrative expense on a straight line basis over each of their estimated useful lives. Backlog and a portion of technology and technical know-how are amortized in Cost of products sold over the projected conversion period based on management estimates at time of purchase. Intangible asset amortization was $2,157, $2,476 and $2,522 for fiscal 2024, 2023 and 2022, respectively. The estimated annual amortization expense is as follows:

	Annual Amortization
2025	$ 2,218
2026	1,995
2027	1,953
2028	1,895
2029	1,895
2030 and thereafter	15,889
Total intangible amortization	$ 25,845

Note 7 – Product Warranty Liability:

A reconciliation of the changes in product warranty liability is as follows:

	Year ended March 31,	
	2024	2023
Balance at beginning of year	$ 578	$ 441
Expense for product warranties	410	364
Product warranty claims paid	(182)	(227)
Balance at end of year	$ 806	$ 578

The product warranty liability is included in the line item Accrued expenses and other current liabilities in the Consolidated Balance Sheets.

Note 8—Leases:

The Company leases certain manufacturing facilities, office space, machinery and office equipment. An arrangement is considered to contain a lease if it conveys the right to use and control an identified asset for a period of time in exchange for consideration. If it is determined that an arrangement contains a lease, then a classification of a lease as operating or finance is determined by evaluating the five criteria outlined in the lease accounting guidance at inception. Leases generally have remaining terms of one year to five years, whereas leases with an initial term of twelve months or less are not recorded on the Consolidated Balance Sheets. The depreciable life of leased assets related to finance leases is limited by the expected term of the lease, unless there is a transfer of title or purchase option that the Company believes is reasonably certain of exercise. Certain leases include options to renew or terminate. Renewal options are exercisable per the discretion of the Company and vary based on the nature of each lease. The term of the lease includes renewal periods only if the Company is reasonably certain that it will exercise the renewal option. When determining if a renewal option is reasonably certain of being exercised, the Company considers several factors, including but not limited to, the cost of moving to another location, the cost of disrupting operations, whether the purpose or location of the leased asset is unique and the contractual terms associated with extending the lease. The Company's lease agreements do not contain any residual value guarantees or any material restrictive covenants and the Company does not sublease to any third parties. As of March 31, 2024, the Company did not have any material leases that have been signed but not commenced.

Right-of-use ("ROU") lease assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make payments in exchange for that right of use. Finance lease ROU assets and operating lease ROU assets are included in the line items Property, plant and equipment, net and Operating lease assets, respectively, in the Consolidated Balance Sheets. The current portion and non-current portion of finance and operating lease liabilities are all presented separately in the Consolidated Balance Sheets.

The Company previously entered into operating leases with Ascent Properties Group, LLC ("Ascent"), a limited liability company of which our Chief Executive Officer holds a majority interest, for an office and manufacturing building in Arvada, CO as well as machinery and equipment. During fiscal 2023, the Company entered into an additional lease with Ascent for another manufacturing building in Arvada, CO. In connection with such leases, the Company made fixed minimum lease payments to the lessor of $952, $843 and $707 in fiscal 2024, 2023 and 2022, respectively. Future minimum lease payments under these leases as of March 31, 2024 are $5,785.

The discount rate implicit within the Company's leases is generally not readily determinable, and therefore, the Company uses an incremental borrowing rate in determining the present value of lease payments based on rates available at commencement.

The weighted average remaining lease term and discount rate for finance and operating leases are as follows:

	March 31,	
	2024	2023
Finance Leases		
Weighted-average remaining lease term in years	3.83	4.45
Weighted-average discount rate	7.75%	7.98%
Operating Leases		
Weighted-average remaining lease term in years	5.93	7.00
Weighted-average discount rate	3.30%	3.25%

The components of lease expense are as follows:

	Year Ended March 31,	
	2024	2023
Finance lease cost:		
Amortization of right-of-use assets	$ 13	$ 24
Interest on lease liabilities	8	4
Operating lease cost	1,478	1,394
Short-term lease cost	27	17
Total lease cost	$1,526	$1,439

Operating lease costs during fiscal 2024, fiscal 2023 and fiscal 2022 were included within Cost of sales and Selling, general and administrative expenses.

As of March 31, 2024, future minimum payments required under non-cancelable leases are:

	Operating Leases	Finance Leases
2025	$ 1,468	$ 26
2026	1,324	26
2027	1,353	26
2028	1,390	21
2029 and thereafter	2,940	—
Total lease payments	8,475	99
Less – amount representing interest	789	14
Present value of net minimum lease payments	$ 7,686	$ 85

ROU assets obtained in exchange for new operating lease liabilities were $149 and $1,169 in fiscal 2024 and fiscal 2023, respectively.

Note 9 - Debt:

On October 13, 2023, the Company terminated its revolving credit facility and repaid its term loan with Bank of America and entered into a new five-year revolving credit facility with Wells Fargo Bank, National Association ("Wells Fargo") that provides a $35,000 line of credit and automatically increases to $50,000 upon the Company satisfying specified covenants (the "New Revolving Credit Facility"). The additional $15,000 will automatically be available upon (a) the Company achieving a minimum consolidated EBITDA, as defined in the agreement, of $15,000, computed on a trailing twelve month basis, for three consecutive quarters and (b) a minimum liquidity (consisting of cash and borrowing availability under the New Revolving Credit Facility) for the Company of at least $7,500. The New Revolving Credit Facility has a $25,000 sub-limit for letters of credit and the Company may request the issuance of cash secured letters of credit in an aggregate amount of up to $7,500. As of March 31, 2024 , there was $0 borrowed and $1,890 letters of credit outstanding on the New Revolving Credit Facility.

Long term debt is comprised of the following:

	March 31, 2023
Bank of America term loan	$12,500
Less: unamortized debt issuance costs	(756)
	11,744
Less: current portion	2,000
Total	$ 9,744

The New Revolving Credit Facility contains customary terms and conditions, including representations and warranties and affirmative and negative covenants, as well as financial covenants for the benefit of Wells Fargo, which require the Company to maintain (i) a consolidated total leverage ratio not to exceed 3.50:1.00 and (ii) a consolidated fixed charge coverage ratio of at least 1.20:1.00, in both cases computed in accordance with the definitions and requirements specified in the New Revolving Credit Facility. As of March 31, 2024, the Company was in compliance with the financial covenants of the New Revolving Credit Facility.

Borrowings under the New Revolving Credit Facility bear interest at a rate equal to, at the Company's option, either (i) a forward-looking term rate based on the secured overnight financing rate ("SOFR") for the applicable interest period, subject to a floor of 0.0% per annum or (ii) a base rate determined by reference to the highest of (a) the rate of interest per annum publicly announced by the Lender as its prime rate, (b) the federal funds rate plus 0.50% per annum and (c) one-month term SOFR plus 1.00% per annum, subject to a floor of 1.00% per annum, plus, in each case, an applicable margin. The applicable margins range between (i) 1.25% per annum and 2.50% per annum in the case of any term SOFR loan and (ii) 0.25% per annum and 1.50% per annum in the case of any base rate loan, in each case based upon the Company's then-current consolidated total leverage ratio; provided, however, for a period of one year following the closing date, the applicable margin shall be set at 1.25% per annum in the case of any term SOFR loan and 0.25% per annum in the case of any base rate loan. As of March 31, 2024, the SOFR rate was 5.34%.

The Company is required to pay a quarterly commitment fee on the unused portion of the New Revolving Credit Facility during the applicable quarter at a per annum rate also determined by reference to the Company's then-current consolidated total leverage ratio, which fee ranges between 0.10% per annum and 0.20% per annum; provided, however, for a period of one year following the closing date, the quarterly commitment fee will be set at 0.10% per annum. Any outstanding letters of credit that are cash secured will bear a fee equal to the daily amount available to be drawn under such letters of credit multiplied by 0.65% per annum. Any outstanding letters of credit issued under the New Revolving Credit Facility will bear a fee equal to the daily amount drawn under such letters of credit multiplied by the applicable margin for term SOFR loans. As of March 31, 2024, the amount available under the New Revolving Credit Facility was $33,110, subject to the interest and leverage covenants.

In connection with the termination of the old revolving credit facility and term loan with Bank of America, the Company paid $752 in exit costs and recognized an extinguishment charge of $726.

As of March 31, 2024, $1,592 letters of credit remain outstanding with Bank of America and are cash secured. These outstanding letters of credit are subject to a fee of 0.60% per annum. As of March 31, 2024, $4,780 letters of credit are outstanding with HSBC Bank USA, N.A and are cash secured. These outstanding letters of credit are subject to a fee of between 0.75% and 0.85% per annum, depending on the term of the letter of credit. As of March 31, 2024, $180 letters of credit are outstanding with China Construction Bank and are cash secured. Additionally, we have a 10,000 RMB bank guaranty line of credit with China Citic Bank Co. LTD which had $0 letters of credit outstanding at March 31, 2024. Outstanding letters of credit under this agreement are subject to a fee of 0.60% per annum. Total letters of credit outstanding as of March 31, 2024 and March 31, 2023 were $8,442 and $12,842, respectively.

Note 10 - Financial Instruments and Derivative Financial Instruments:

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, cash equivalents, and trade accounts receivable. The Company places its cash, cash equivalents with high credit quality financial institutions, and evaluates the credit worthiness of these financial institutions on a regular basis. Concentrations of credit risk with respect to trade accounts receivable are limited due to the large number of customers comprising the Company's customer base and their geographic dispersion. At March 31, 2024 and 2023, the Company had no significant concentrations of credit risk.

Letters of Credit

The Company has entered into standby letter of credit agreements with financial institutions relating to the guarantee of future performance on certain contracts. At March 31, 2024 and 2023, the Company was contingently liable on outstanding standby letters of credit aggregating $8,442 and $12,842, respectively.

Fair Value of Financial Instruments

The estimates of the fair value of financial instruments are summarized as follows:

Cash and cash equivalents: The carrying amount of cash and cash equivalents approximates fair value due to the short-term maturity of these instruments and are considered Level 1 assets in the fair value hierarchy.

Short-term and long-term debt: The carrying values of credit facilities with variable rates of interest approximates fair values and is considered a Level 2 liability in the fair value hierarchy.

Note 11 – Income Taxes:

An analysis of the components of income (loss) before provision (benefit) for income taxes is presented below:

	Year ended March 31,		
	2024	2023	2022
United States	$5,077	$ (66)	$(11,954)
Asia	497	627	738
Income (loss) before provision (benefit) for income taxes	$5,574	$561	$(11,216)

The provision (benefit) for income taxes consists of:

	Year ended March 31,		
	2024	2023	2022
Current:			
Federal	$1,133	$ 37	$ (31)
State	100	204	72
Foreign	257	73	749
	1,490	314	790
Deferred:			
Federal	(419)	(89)	(2,648)
State	88	(82)	(155)
Foreign	(106)	93	(423)
Changes in valuation allowance	(35)	(42)	(7)
	(472)	(120)	(3,233)
Total provision (benefit) for income taxes	$1,018	$ 194	$(2,443)

The reconciliation of the provision (benefit) calculated using the U.S. federal tax rate with the provision (benefit) for income taxes presented in the consolidated financial statements is as follows:

	Year ended March 31,		
	2024	2023	2022
Provision (benefit) for income taxes at federal rate	$1,170	$ 118	$(2,355)
State taxes	156	92	(96)
Charges not deductible for income tax purposes	54	26	147
Stock based compensation	(8)	114	—
Research and development tax credits	(327)	(240)	(295)
Valuation allowance	(35)	(42)	(7)
Effect of foreign tax rate	26	27	31
Nondeductible fringe benefits	30	44	—
162(m)	105	—	—
Foreign withholding tax	—	—	138
Foreign-derived intangible income deduction	(134)	—	(2)
Global intangible low-taxed income	(20)	55	—
Other	1	—	(4)
Provision (benefit) for income taxes	$1,018	$ 194	$(2,443)

The net deferred income tax asset (liability) recorded in the Consolidated Balance Sheets results from differences between financial statement and tax reporting of income and deductions. A summary of the composition of the Company's net deferred income tax asset (liability) follows:

	March 31,	
	2024	2023
Depreciation	$(2,931)	$(3,117)
Accrued compensation	237	309
Goodwill	(607)	(224)
Prepaid pension asset	(1,399)	(1,355)
Accrued pension liability	232	245
Accrued postretirement benefits	68	79
Compensated absences	531	567
Inventories	2,541	(10)
Warranty liability	182	135
Accrued expenses	600	1,276
Equity-based compensation	328	230
Allowance for doubtful accounts	18	422
Operating lease assets	(1,694)	(1,894)
Operating lease liabilities	1,784	1,963
Acquisition costs	180	142
Intangible assets	187	236
New York State investment tax credit	1,030	1,066
Research and development tax credit	2,771	1,243
Research and development credit carryforward	—	367
Net operating loss carryforwards	182	2,205
Capital loss carryforward	4,211	4,211
Other	(238)	(129)
	8,213	7,967
Less: Valuation allowance	(5,241)	(5,277)
Total	$ 2,972	$ 2,690

Deferred income taxes include the impact of state investment tax credits of $236, which expire from 2025 to 2037 and state investment tax credits of $794, which have an unlimited carryforward period.

In assessing the realizability of deferred tax assets, management considers, within each taxing jurisdiction, whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the consideration of the weight of both positive and negative evidence, management determined that a portion of the deferred tax assets as of March 31, 2024 and 2023 related to certain state investment tax credits and the capital loss related to Energy Steel would not be realized, and recorded a valuation allowance of $5,241 and $5,277, respectively.

The Company files federal and state income tax returns in several domestic and international jurisdictions. In most tax jurisdictions, returns are subject to examination by the relevant tax authorities for a number of years after the returns have been filed. The Company is subject to U.S. federal examination for tax years 2020 through 2023 and examination in state tax jurisdictions for tax years 2019 through 2023. The Company is subject to examination in the People's Republic of China for tax years 2020 through 2023 and in India for tax years 2018 through 2022. The liability for unrecognized tax benefits was $0 at each of March 31, 2024 and 2023.

Note 12 – Employee Benefit Plans:

Retirement Plans

The Company has a qualified defined benefit plan covering Batavia based employees hired prior to January 1, 2003, which isnon-contributory. Benefits are based on the employee's years of service and average earnings for the five highest consecutive calendar years of compensation in the ten-year period preceding retirement. The Company's funding policy for the plan is to contribute the amount required by the Employee Retirement Income Security Act of 1974, as amended.

The components of pension (benefit) cost are:

	Year ended March 31,		
	2024	2023	2022
Service cost during the period	$ 252	$ 333	$ 373
Interest cost on projected benefit obligation	1,312	1,185	1,147
Expected return on assets	(1,851)	(2,169)	(2,727)
Amortization of:			
Actuarial loss	843	633	669
Net pension cost (benefit)	$ 556	$ (18)	$ (538)

The components of net pension (benefit) cost other than the service cost component are included in Other expense (income), net in the Consolidated Statements of Operations.

The weighted average actuarial assumptions used to determine net pension cost are:

	Year ended March 31,		
	2024	2023	2022
Discount rate	5.03%	3.66%	3.21%
Rate of increase in compensation levels	3.00%	3.00%	3.00%
Long-term rate of return on plan assets	5.75%	5.50%	6.50%

The expected long-term rate of return is based on the mix of investments that comprise plan assets and external forecasts of future long-term investment returns, historical returns, correlations and market volatilities.

The Company does not expect to make any contributions to the plan during the fiscal year ended March 31, 2025.

Changes in the Company's benefit obligation, plan assets and funded status for the pension plan are presented below:

	Year ended March 31, 2024	Year ended March 31, 2023
Change in the benefit obligation		
Projected benefit obligation at beginning of year	$26,646	$32,991
Service cost	252	333
Interest cost	1,312	1,185
Actuarial loss	(726)	(5,364)
Benefit payments	(990)	(1,116)
Liability released through annuity purchase	(1,452)	(1,383)
Projected benefit obligation at end of year	$25,042	$26,646
Change in fair value of plan assets		
Fair value of plan assets at beginning of year	$32,753	$40,049
Actual return on plan assets	1,127	(4,797)
Benefit and administrative expense payments	(990)	(1,116)
Annuities purchased	(1,452)	(1,383)
Fair value of plan assets at end of year	$31,438	$32,753
Funded status		
Funded status at end of year	$ 6,396	$ 6,107
Amount recognized in the Consolidated Balance Sheets	$ 6,396	$ 6,107

The weighted average actuarial assumptions used to determine the benefit obligation are:

	March 31, 2024	March 31, 2023
Discount rate	5.27%	5.03%
Rate of increase in compensation levels	3.00%	3.00%

During fiscal 2024 and fiscal 2023, the pension plan released liabilities for vested benefits of certain participants through the purchase of nonparticipating annuity contracts with a third-party insurance company. As a result of these transactions, in fiscal 2024 and fiscal 2023, the projected benefit obligation and plan assets decreased $1,452 and $1,383, respectively. The projected benefit obligation is the actuarial present value of benefits attributable to employee service rendered to date, including the effects of estimated future pay increases. The accumulated benefit obligation reflects the actuarial present value of benefits attributable to employee service rendered to date, but does not include the effects of estimated future pay increases. The accumulated benefit obligation as of March 31, 2024 and 2023 was $22,398 and $23,784, respectively. At March 31, 2024 and 2023, the pension plan was fully funded on an accumulated benefit obligation basis.

Amounts recognized in accumulated other comprehensive loss, net of income tax, consist of:

	March 31, 2024	March 31, 2023
Net actuarial loss	$6,847	$7,506

The increase in accumulated other comprehensive loss, net of income tax, consists of:

	March 31, 2024	March 31, 2023
Net actuarial loss arising during the year	$ —	$1,246
Amortization of actuarial loss	(659)	(493)
	$ (659)	$ 753

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The following benefit payments, which reflect future service, are expected to be paid during the fiscal years ending March 31:

2025	$ 1,036
2026	1,001
2027	1,013
2028	1,126
2029	1,193
2030-2034	7,939
Total	$13,308

The weighted average asset allocation of the plan assets by asset category is as follows:

Asset Category	Target Allocation	March 31, 2024	March 31, 2023
Equity securities	20%	22%	20%
Debt securities	80%	78%	80%
		100%	100%

The investment strategy of the plan is to generate a consistent total investment return sufficient to pay present and future plan benefits to retirees, while minimizing the long-term cost to the Company. Target allocations for asset categories are used to earn a reasonable rate of return, provide required liquidity and minimize the risk of large losses. Targets are adjusted when considered necessary to reflect trends and developments within the overall investment environment.

The fair values of the Company's pension plan assets at March 31, 2024 and 2023, by asset category, are as follows:

		Fair Value Measurements Using		
Asset Category	At March 31, 2024	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Cash	$ 81	$ 81	$ —	$ —
Equity securities:				
U.S. companies	4,141	4,141	—	—
International companies	2,610	2,610	—	—
Fixed income:				
Corporate bond funds				
Long-term	24,606	24,606	—	—
	$ 31,438	$ 31,438	$ —	$ —

		Fair Value Measurements Using		
Asset Category	At March 31, 2023	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Cash	$ 91	$ 91	$ —	$ —
Equity securities:				
U.S. companies	3,824	3,824	—	—
International companies	2,555	2,555	—	—
Fixed income:				
Corporate bond funds				
Long-term	26,283	26,283	—	—
	$ 32,753	$ 32,753	$ —	$ —

The fair value of Level 1 pension assets is obtained by reference to the last quoted price of the respective security on the market which it trades. See Note 1 to the Consolidated Financial Statements.

On February 4, 2003, the Company closed the defined benefit plan to all employees hired on or after January 1, 2003. In place of the defined benefit plan, these employees participate in the Company's domestic defined contribution plan. The Company contributes a fixed percentage of employee compensation to this plan on an annual basis for these employees. The Company's contribution to the defined contribution plan for these employees in fiscal 2024, fiscal 2023 and fiscal 2022 was $1,237, $1,030 and $710, respectively.

The Company has an unfunded Supplemental Executive Retirement Plan ("SERP") which provides retirement benefits associated with wages in excess of the legislated qualified plan maximums. Pension expense recorded in fiscal 2024, fiscal 2023, and fiscal 2022 related to this plan was $54, $74 and $346, respectively. The weighted average discount rate used to determine pension expense for this plan was 5.01%, 3.64% and 3.21% for fiscal 2024, fiscal 2023 and fiscal 2022, respectively. The weighted average rate of increase in compensation levels used to develop pension expense for this plan was 3% in each of fiscal 2024, fiscal 2023 and fiscal 2022. At March 31, 2024 and 2023, the projected benefit obligation was $1,060 and $1,104, respectively, and is included in the caption "Accrued Pension and Postretirement Benefit Liabilities" in the Consolidated Balance Sheets. The amounts recognized in accumulated other comprehensive loss, net of income tax, consist of a net actuarial loss of ($69) and ($47) at March 31, 2024 and 2023, respectively.

The Company has a domestic defined contribution plan (401(k)) covering substantially all employees. The Company provides matching contributions equal to 100% of the first 3% of an employee's salary deferral and 50% of the next 2% percent of an employee's salary deferral. Company contributions are immediately vested. Contributions were $1,914 in fiscal 2024, $1,904 in fiscal 2023 and $1,365 in fiscal 2022.

Other Postretirement Benefits

In addition to providing pension benefits, the Company has a plan in the U.S. that provides health care benefits for eligible retirees and eligible survivors of retirees. The Company's share of the medical premium cost has been capped at $4 for family coverage and $2 for single coverage for early retirees, and $1 for both family and single coverage for regular retirees.

On February 4, 2003, the Company terminated postretirement health care benefits for its U.S. employees. Benefits payable to retirees of record on April 1, 2003 remained unchanged.

The components of postretirement benefit expense are:

	Year ended March 31,		
	2024	2023	2022
Interest cost on accumulated benefit obligation	$15	$15	$13
Amortization of actuarial loss	0	12	25
Net postretirement benefit expense	$15	$27	$38

Net postretirement benefit expense is included in Other (expense) income, net in the Consolidated Statements of Operations.

The weighted average discount rates used to develop the net postretirement benefit cost were 4.76%, 3.32% and 2.34% in fiscal 2024, fiscal 2023 and fiscal 2022, respectively.

Changes in the Company's benefit obligation, plan assets and funded status for the plan are as follows:

	Year ended March 31, 2024	2023
Change in the benefit obligation		
Projected benefit obligation at beginning of year	$ 355	$ 478
Interest cost	15	15
Actuarial gain	(15)	(95)
Benefit payments	(44)	(43)
Projected benefit obligation at end of year	$ 311	$ 355
Change in fair value of plan assets		
Fair value of plan assets at beginning of year	$ —	$ —
Employer contribution	44	43
Benefit payments	(44)	(43)
Fair value of plan assets at end of year	$ —	$ —
Funded status		
Funded status at end of year	$ (311)	$ (355)
Amount recognized in the Consolidated Balance Sheets	$ (311)	$ (355)

The weighted average actuarial assumptions used to develop the accrued postretirement benefit obligation were:

	March 31, 2024	2023
Discount rate	5.08%	4.76%
Medical care cost trend rate	7.00%	7.00%

The medical care cost trend rate used in the actuarial computation ultimately reduces to 4.5% in 2028 and subsequent years. This was accomplished using 0.5% decrements for the years ended March 31, 2024 through 2029.

The current portion of the accrued postretirement benefit obligation of $49 at March 31, 2024 and 2023, respectively, is included in the caption Accrued compensation and the long-term portion is included in the caption Accrued pension and postretirement benefit liabilities in the Consolidated Balance Sheets.

Amounts recognized in accumulated other comprehensive loss, net of income tax, consist of:

	March 31, 2024	2023
Net actuarial (gain) loss	$ (2)	$11

The decrease in accumulated other comprehensive loss, net of income tax, consists of:

	March 31, 2024	2023
Net actuarial gain arising during the year	$(13)	$(74)
Amortization of actuarial loss	(0)	(9)
	$ (13)	$ (83)

The following benefit payments are expected to be paid during the fiscal years ending March 31:

2025	$ 44
2026	41
2027	38
2028	35
2029	32
2030-2034	119
Total	$309

Note 13 - Stock Compensation Plans:

The 2020 Graham Corporation Equity Incentive Plan (the "2020 Plan") provides for the issuance of 722 shares of common stock in connection with grants of incentive stock options, non-qualified stock options, restricted stock units and stock awards to officers, key employees and outside directors, including 112 shares that became available under the 2020 Plan from the Company's prior plan, the Amended and Restated 2000 Graham Corporation Incentive Plan to increase Shareholder Value (the "2000 Plan"). As of August 11, 2020, the effective date of the 2020 Plan, no further awards will be granted under the 2000 Plan. There were 424 shares available for future grants pursuant to the 2020 Plan at March 31, 2024.

The following grants of restricted stock units ("RSUs"), performance stock units ("PSUs"), and restricted stock awards ("RSAs") were awarded:

	Vest 100% on First Anniversary [1]	Vest One-Third Per Year Over Three-Year Term [1]	Vest 100% on Third Anniversary [1]	
Year Ended March 31,	Directors	Officers and Key Employees	Officers and Key Employees	Total Shares Awarded
2024				
Time Vesting RSUs	38	40	—	78
Performance Vesting PSUs	—	—	79	79
2023				
Time Vesting RSUs	37	56	33	126
Performance Vesting PSUs	—	—	112	112
2022				
Time Vested RSAs	22	54	—	76
Performance Vested RSAs	—	—	88	88

(1) Subject to the terms of the applicable award.

Stock-based compensation cost and the related tax benefits were as follows:

Year Ended March 31,	Stock-Based Compensation Cost	Related Tax Benefits
2024	1,188	264
2023	785	173
2022	780	173

The following table summarizes information about the Company's stock option awards during, fiscal 2023 and fiscal 2022:

	Shares Under Option	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at March 31, 2021	37	18.92		
Exercised	—			
Expired	(4)	21.19		
Outstanding at March 31, 2022	33	18.65		
Exercised	—			
Expired	(33)	18.65		
Outstanding at March 31, 2023	—			
Vested or expected to vest at March 31, 2023	—			
Exercisable at March 31, 2023	—			

As of March 31, 2024, there was $2,007 of total unrecognized stock-based compensation expense related tonon-vested restricted stock. The Company expects to recognize this expense over a weighted average period of 1.32 years.

The following table summarizes information about the Company's RSAs, RSUs, and PSUs granted during fiscal 2024, fiscal 2023 and fiscal 2022:

	Number of RSAs, RSUs and PSUs	Weighted Average Grant Date Fair Value	Aggregate Intrinsic Value
Non-vested at March 31, 2021	165	20.56	
Granted	164	18.29	
Vested	(58)	18.15	
Forfeited	(112)	21.29	
Non-vested at March 31, 2022	159	18.59	
Granted	238	8.51	
Vested	(35)	8.14	
Forfeited	(57)	18.86	
Non-vested at March 31, 2023	305	11.09	
Granted	157	10.95	
Vested	(68)	11.96	
Forfeited	(25)	15.29	
Non-vested at March 31, 2024	369	11.05	$ 10,083

The Company has an Employee Stock Purchase Plan, as amended (the "ESPP"), which allows eligible employees to purchase shares of the Company's common stock at a discount of up to 15% of its fair market value on the lower of the last or first day of the six-month offering period. A total of 400 shares of common stock may be purchased under the ESPP. Issuance of shares, stock-based compensation cost and the related tax benefits were as follows:

Year Ended March 31,	Issued from Treasury Shares	Issued from Common Stock	Stock-Based Compensation Cost	Related Tax Benefits
2024	—	50	91	20
2023	29	17	21	5
2022	18	—	29	7

Note 14 – Changes in Accumulated Other Comprehensive Loss:

The changes in accumulated other comprehensive loss by component for fiscal 2024 and fiscal 2023 are:

	Pension and Other Postretirement Benefit Items	Foreign Currency Items	Total
Balance at April 1, 2022	(6,970)	499	(6,471)
Other comprehensive income before reclassifications	(1,023)	(492)	(1,515)
Amounts reclassified from accumulated other comprehensive loss	523	—	523
Net current-period other comprehensive income	(500)	(492)	(992)
Balance at March 31, 2023	(7,470)	7	(7,463)
Other comprehensive income before reclassifications	35	(244)	(209)
Amounts reclassified from accumulated other comprehensive loss	659	—	659
Net current-period other comprehensive income	694	(244)	450
Balance at March 31, 2024	$ (6,776)	$ (237)	$(7,013)

The reclassifications out of accumulated other comprehensive loss by component are as follows:

Year ended March 31, 2024

Details about Accumulated Other Comprehensive Loss Components	Amounts Reclassified from Accumulated Other Comprehensive Loss	Affected Line Item in the Consolidated Statements of Operations
Pension and other postretirement benefit items:		
Amortization of unrecognized prior service benefit	$ —	
Amortization of actuarial loss	(843)[1]	
	(843)	Income before provision for income taxes
	(184)	Provision for income taxes
	$ (659)	Net income

Year ended March 31, 2023

Details about Accumulated Other Comprehensive Loss Components	Amounts Reclassified from Accumulated Other Comprehensive Loss	Affected Line Item in the Consolidated Statements of Operations
Pension and other postretirement benefit items:		
Amortization of unrecognized prior service benefit	$ —	
Amortization of actuarial loss	(672)[1]	
	(672)	Income before provision for income taxes
	(149)	Provision for income taxes
	$ (523)	Net income

(1) These accumulated other comprehensive loss components are included within the computation of net periodic pension and other postretirement benefit costs. See Note 12.

Note 15—Segment Information:

The Company has one reporting segment as its operating segments meet the requirements for aggregation. The Company and its operating subsidiaries design and manufacture mission critical fluid, power, heat transfer and vacuum technologies for the defense, space, energy and process industries. The Company also services and sells spare parts for its equipment.

See Note 3 to the Consolidated Financial Statements for net sales by market and geographic area.

In fiscal 2024, the Company had two customers whose sales amounted to 16% and 15% of total consolidated net sales. In fiscal 2023, the Company had two customers whose sales amounted to 15% and 12% of total consolidated net sales. In fiscal 2022, the Company had two customers whose sales amounted to 12% and 10% of total consolidated net sales. One customer representing such sales was the same customer in fiscal 2024, fiscal 2023 and fiscal 2022.

Note 16 – Purchase of Treasury Stock:

On January 29, 2015, the Company's Board of Directors authorized a stock repurchase program. Under the stock repurchase program the Company is permitted to repurchase up to $18,000 of its common stock either in the open market or through privately negotiated transactions. Cash on hand has been used to fund all stock repurchases under the program. No shares were purchased under this program in fiscal 2024, fiscal 2023 or fiscal 2022. Under the terms of our credit agreement with Wells Fargo, the Company cannot repurchase shares of its common stock if the Company is in default or if such repurchase would result in an event of default under the credit agreement.

Note 17 – Commitments and Contingencies:

The Company has been named as a defendant in lawsuits alleging personal injury from exposure to asbestos allegedly contained in, or accompanying, products made by the Company. The Company is a co-defendant with numerous other defendants in these lawsuits and intends to vigorously defend itself against these claims. The claims in the Company's current lawsuits are similar to those made in previous asbestos-related suits that named the Company as a defendant, which either were dismissed when it was shown that the Company had not supplied products to the plaintiffs' places of work or were settled for immaterial amounts. The Company cannot provide any assurances that any pending or future matters will be resolved in the same manner as previous lawsuits.

During the third quarter of fiscal 2024, the Audit Committee of the Board of Directors, with the assistance of external counsel and forensic professionals, concluded an investigation into a whistleblower complaint received regarding GIPL. The investigation identified both evidence supporting the complaint and other misconduct by employees. The other misconduct totaled $150 over a period of four years and was isolated to GIPL. All involved employees have been terminated and the Company has implemented remedial actions, including strengthening its compliance program and internal controls. As a result of the investigation, during the third quarter of fiscal 2024, the statutory auditor and bookkeeper of GIPL tendered their resignations and new firms were appointed. The Company has voluntarily reported the findings of its investigation to the appropriate authorities in India and the U.S. Department of Justice and the Securities and Exchange Commission. Although the resolutions of these matters are inherently uncertain, we do not believe any remaining impact will be material to the Company's overall consolidated results of operations, financial position, or cash flows.

As of March 31, 2024, the Company was subject to the claims noted above, as well as other legal proceedings and potential claims that have arisen in the ordinary course of business. Although the outcome of the lawsuits, legal proceedings or potential claims to which the Company is, or may become, a party to cannot be determined and an estimate of the reasonably possible loss or range of loss cannot be made for the majority of the claims, management does not believe that the outcomes, either individually or in the aggregate, will have a material effect on the Company's results of operations, financial position or cash flows.

Note 18 - Other Operating (Income) Expense, Net:

During the fourth quarter ended March 31, 2024, the Company adjusted the earn-out value related to the acquisition of P3 (see Note 2), therefore the Company recognized a change in fair value of the contingent liability in the amount $80, which was included in Other operating expense (income), net in the Consolidated Statement of Operations in fiscal 2024.

On November 29, 2021, the Company and Jeffrey F. Glajch entered into a Severance and Transition Agreement (the "Agreement") pursuant to which Mr. Glajch agreed to retire from his position the earlier of June 30, 2022 or as of a date upon which the Company and Mr. Glajch otherwise mutually agreed. On March 27, 2022, the Company and Mr. Glajch entered into an Amended and Restated Severance and Transition Agreement (the "Amended Agreement") in which Mr. Glajch agreed to retire on April 15, 2022. Mr. Glajch agreed to provide certain transition-related services to the Company for a period of nine months following the date of separation. The Amended Agreement also provides that the company will pay Mr. Glajch a severance payment in an amount equal to nine months of Mr. Glajch's base salary commencing in April 2022 as well as health care premiums. As a result, expense of $275 is recognized and included in Other operating expense (income), net in the Consolidated Statement of Operations in fiscal 2022. As of March 31, 2024 and March 31, 2023, the liability was zero.

On August 9, 2021, the Company and James R. Lines entered into a Severance and Transition Agreement (the "Transition Agreement") pursuant to which Mr. Lines resigned from his position as the Company's Chief Executive Officer and as a member of the Board of Directors, and from positions he holds with all Company subsidiaries and affiliates, effective as of the close of business on August 31, 2021. The Transition Agreement provides that for a period of 18 months following the separation date, Mr. Lines is paid his base salary as well as health care premiums. As a result, expense of $798 is recognized and included in Other operating expense (income), net in the Consolidated Statement of Operations in fiscal 2022. As of March 31, 2024 and March 31, 2023, the liability was zero.

During the second quarter ended September 30, 2021, the Company terminated the earn-out agreement related to the acquisition of BN, therefore the Company recognized a change in fair value of the contingent liability in the amount $1,900, which was included in Other operating expense (income), net in the Consolidated Statement of Operations in fiscal 2022.

Item 9A. Controls and Procedures

Conclusion Regarding Disclosure Controls and Procedures

Management, including our President and Chief Executive Officer (principal executive officer) and Vice President–Finance and Chief Financial Officer (principal financial officer) has evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Form 10-K. Based upon, and as of the date of that evaluation, our President and Chief Executive Officer and Vice President–Finance and Chief Financial Officer (principal financial officer) concluded that the disclosure controls and procedures were effective, in all material respects, to ensure that information required to be disclosed in the reports we file and submit under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is (i) recorded, processed, summarized and reported as and when required and (ii) is accumulated and communicated to our management, including our President and Chief Executive Officer and Vice President-Finance and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

Other than the events discussed under the section entitled “P3 Technologies, LLC Acquisition” below, there has been no change to our internal control over financial reporting during the fourth quarter of the fiscal year covered by this Annual Report on Form 10-K that has materially affected, or that is reasonably likely to materially affect our internal control over financial reporting.

P3 Technologies, LLC Acquisition

On November 9, 2023, we acquired P3 Technologies, LLC, a privately-owned custom turbomachinery engineering, product development, and manufacturing business that serves the space, new energy and medical industries. For additional information regarding the acquisition, refer to Note 2 to the Consolidated Financial Statements included in Item 8 in this Annual Report on Form 10-K and Management’s Discussion and Analysis of Financial Condition and Results of Operations included in Item 7 in this Annual Report on Form 10-K. Based on the recent completion of this acquisition and, pursuant to the Securities and Exchange Commission’s guidance that an assessment of a recently acquired business may be omitted from the scope of an assessment for a period not to exceed one year form the date of acquisition, the scope of our assessment of the effectiveness of internal control over financial reporting as of the end of the period covered by this report does not include P3 Technologies, LLC.

We are in the process of implementing our internal control structure over P3 Technologies, LLC and we expect that this effort will be completed during the fiscal year ending March 31, 2025.

Management’s Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our organization have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving our stated goals under all potential future conditions. Moreover, over time controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in the design of an internal control system, misstatements due to error or fraud may occur and not be detected. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Under the supervision and with the participation of management, including our President and Chief Executive Officer (principal executive officer) and Vice President–Finance and Chief Financial Officer (principal financial officer) we conducted an assessment of the effectiveness of our internal control over financial reporting based on the framework established in *Internal Control–Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the assessment under this framework, management concluded that our internal control over financial reporting was effective as of March 31, 2024.

The effectiveness of our internal control over financial reporting as of March 31, 2024 has been audited by Deloitte & Touche LLP, our independent registered public accounting firm, as stated in their report included in this Annual Report.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Graham Corporation

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Graham Corporation and subsidiaries (the “Company”) as of March 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended March 31, 2024, of the Company and our report dated June 7, 2024, expressed an unqualified opinion on those financial statements.

As described in Management’s Report on Internal Control over Financial Reporting, management excluded from its assessment the internal control over financial reporting at P3 Technologies, LLC, which was acquired on November 9, 2023, and whose financial statements constitute 5% and 5% of net and total assets, respectively, 1% of revenues, and less than 1% of net income of the consolidated financial statement amounts as of and for the year ended March 31, 2024. Accordingly, our audit did not include the internal control over financial reporting at P3 Technologies, LLC.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ *DELOITTE & TOUCHE LLP*
Rochester, New York
June 7, 2024

We have served as the Company's auditor since 1993.

Part IV

Item 15. Exhibits, Financial Statement Schedules

We have filed our Consolidated Financial Statements in Part II, Item 8 of this Form10-K and have listed such financial statements in the Index to Financial Statements included in Item 8. In addition, the financial statement schedule entitled “Schedule II - Valuation and Qualifying Accounts” is filed as part of this Form 10-K under this Item 15.

All other schedules have been omitted since the required information is not present or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the Consolidated Financial Statements and notes thereto.

INDEX TO EXHIBITS

(3) Articles of Incorporation and By-Laws

3.1 Certificate of Incorporation of Graham Corporation, as amended, is incorporated herein by reference from Exhibit 3.1 to the Company’s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2008.

3.2 Amended and Restated By-laws of Graham Corporation is incorporated herein by reference from Exhibit 3.1 to the Company’s Current Report on Form 8-K dated August 1, 2022.

(4) Instrument Defining the Rights of Security Holders, including Indentures

4.1 Description of Securities is incorporated herein by reference from Exhibit 4.1 to the Company’s Annual Report on Form10-K for the year ended March 31, 2019.

(10) Material Contracts

#10.1 Employment Agreement, dated as of June 1, 2021, between Graham Corporation and Daniel Thoren is incorporated herein by reference from Exhibit 10.5 to the Company’s Current Report on Form 8-K dated June 1, 2021.

#10.2 Amended and Restated Employment Agreement dated as of August 31, 2021 between Graham Corporation and Daniel Thoren is incorporated herein by reference from Exhibit 10.2 to the Company’s Current Report on Form 8-K dated August 9, 2021.

#10.3 Employment Agreement, dated as of March 7, 2022, between Graham Corporation and Christopher Thome is incorporated herein by reference from Exhibit 10.1 to the Company’s Current Report on Form 8-K dated March 7, 2022.

#10.4 Employment Agreement between Graham Corporation and Alan E. Smith executed August 1, 2007 with an effective date of July 30, 2007, is incorporated herein by reference from Exhibit 10.19 to the Company’s Annual Report on Form 10-K for the year ended March 31, 2008

#10.5 Amendment to Employment Agreement dated as of December 31, 2008 by and between Graham Corporation and Alan E. Smith is incorporated herein by reference from Exhibit 99.2 to the Company’s Current Report on Form 8-K dated December 31, 2008.

#10.6 Employment Agreement dated June 1, 2021, between Graham Corporation and Matthew Malone, is incorporated herein by reference from Exhibit 10.6 to the Company’s Annual Report on Form 10-K for the year ended March 31, 2022.

#10.7 Form of Indemnification Agreement between Graham Corporation and each of its Directors and Officers is incorporated herein by reference from Exhibit 99.2 to the Company’s Current Report on Form 8-K dated January 29, 2010.

#10.8 Graham Corporation Supplemental Executive Retirement Plan is incorporated herein by reference from Exhibit 10.1 to the Company’s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2012.

#10.9 Amendment to the Graham Corporation Supplemental Executive Retirement Plan is incorporated herein by reference from Exhibit 99.3 to the Company’s Current Report on Form 8-K dated May 24, 2016.

#10.10 2020 Graham Corporation Equity Incentive Plan is incorporated herein by reference from Exhibit 10.4 to the Company’s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2020.

#10.11 Amendment No. 1 to the 2020 Graham Corporation Equity Incentive Plan is incorporated herein by reference from Appendix C to the Company’s Definitive Proxy Statement on Schedule 14A dated July 10, 2023.

#10.12	Graham Corporation Annual Stock-Based Long-Term Incentive Award Plan for Senior Executives in effect for the fiscal year ending March 31, 2023 is incorporated herein by reference from Exhibit 99.1 to the Company's Current Report on Form 8-K dated May 23, 2022.
#10.13	Graham Corporation Annual Stock-Based Long-Term Incentive Award Plan for Senior Executives in effect for the fiscal year ending March 31, 2024 is incorporated herein by reference from Exhibit 99.1 to the Company's Current Report on Form 8-K dated May 17, 2023.
#10.14	Graham Corporation Annual Executive Cash Bonus Program in effect for Company's named executive officers for the fiscal year ending March 31, 2023 is incorporate herein by reference from Exhibit 99.1 to the Company's Current Report on Form 8-K dated June 2, 2022.
#10.15	Graham Corporation Annual Executive Cash Bonus Program in effect for Company's named executive officers for the fiscal year ending March 31, 2024 is incorporated herein by reference from Exhibit 99.2 to the Company's Current Report on Form 8-K dated May 17, 2023.
#10.16	Form of Director Restricted Stock Unit Agreement is incorporated herein by reference from Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2022.
#10.17	Form of Director Restricted Stock Unit Agreement is incorporated herein by reference from Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2023.
#10.18	Form of Employee Performance Vesting Restricted Stock Unit Agreement is incorporated herein by reference from Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2022.
#10.19	Form of Employee Time Vesting Restricted Stock Unit Agreement is incorporated herein by reference from Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2022.
#10.20	Description of Amendment to the Restricted Stock Unit Agreement by and between the Company and Daniel J. Thoren incorporated herein by reference from Item 5.02 of the Company's Current Report on Form 8-K dated July 25, 2023.
#10.21	Amended and Restated Performance Bonus Agreement between Graham Acquisition I, LLC and Barber-Nichols, LLC is incorporated herein by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2022.
#10.22	Amended and Restated 2000 Graham Corporation Incentive Plan to Increase Shareholder Value is incorporated herein by reference from Appendix A to the Company's definitive Proxy Statement for its 2016 Annual Meeting of Stockholders filed with the Securities and Exchange Commission on June 13, 2016.
#10.23	Form of Director Restricted Stock Agreement is incorporated herein by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2009.
#10.24	Form of Employee Time-Vested Restricted Stock Agreement is incorporated herein by reference from Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2013.
#10.25	Form of Employee Performance-Vested Restricted Stock Agreement is incorporated herein by reference from Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2013.
10.26	Pledge Agreement between the Company and HSBC Bank USA, National Association, dated May 1, 2020 is incorporated herein by reference from Exhibit 10.2 to the Company's Current Report on Form 8-K dated April 30, 2020.
10.27	Pledge Agreement between the Company and HSBC Bank USA, National Association, dated August 13, 2020 is incorporated herein by reference from Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2020.
10.28	Letter Agreement dated October 28, 2020 between the Company and HSBC Bank USA, National Association is incorporated herein by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K dated October 28, 2020.
10.29	Unit Purchase Agreement, dated as of June 1, 2021, between Graham Corporation, Graham Acquisition I, LLC, BNI Holdings, Inc., and certain other parties thereto is incorporated herein by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K dated June 1, 2021.

	10.30	Credit Agreement dated as of October 13, 2023, by and among Graham Corporation and Wells Fargo Bank, National Association is incorporated herein by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K dated October 18, 2023.
(21)	Subsidiaries of the registrant	
	21.1	Subsidiaries of the registrant is incorporated herein by reference from Exhibit 21.1 to the Company's Annual Report on Form 10-K for the annual period ended March 31, 2024.
(23)	Consents of Experts and Counsel	
*	23.1	Consent of Deloitte & Touche LLP
(31)	Rule 13a-14(a)/15d-14(a) Certifications	
*	31.1	Certification of Principal Executive Officer
*	31.2	Certification of Principal Financial Officer
(32)	Section 1350 Certifications	
**	32.1	Section 1350 Certifications
(97)	Policy Relating to Recovery of Erroneously Awarded Compensation	
	97.1	Graham Corporation Policy for the Recovery of Erroneously Awarded Compensation is incorporated herein by reference from Exhibit 97.1 to the Company's Annual Report on Form 10-K for the annual period ended March 31, 2024.
(101)	Interactive Data File	
	101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
	101.SCH	Inline XBRL Taxonomy Extension Schema Document
	101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
	101.DEF	Inline XBRL Taxonomy Definitions Linkbase Document
	101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
	101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
(104)	Cover Page Interactive Data File embedded within the Inline XBRL document	

* Exhibits filed with this report.
** Exhibit furnished with this report.
\# Management contract or compensatory plan.

GRAHAM CORPORATION AND SUBSIDIARIES
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
(In Thousands)

Description	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts	Deductions	Balance at End of Period
Year ended March 31, 2024					
Reserves deducted from the asset to which they apply:					
Reserve for doubtful accounts receivable	$ 1,841	$ 587	$ —	$ (2,349)	$ 79
Product warranty liability	$ 578	$ 410	$ —	$ (182)	$ 806
Year ended March 31, 2023					
Reserves deducted from the asset to which they apply:					
Reserve for doubtful accounts receivable	$ 87	$ 1,765	$ —	$ (11)	$ 1,841
Reserves included in the balance sheet caption “accrued expenses”	$ 760	$ —	$ —	$ (760)	$ —
Product warranty liability	$ 441	$ 364	$ —	$ (227)	$ 578
Year ended March 31, 2022					
Reserves deducted from the asset to which they apply:					
Reserve for doubtful accounts receivable	$ 29	$ 163	$ 21	$ (126)	$ 87
Reserves included in the balance sheet caption “accrued expenses”	$ —	$ 1,073	$ —	$ (313)	$ 760
Product warranty liability	$ 626	$ 386	$ 169	$ (740)	$ 441

Amounts under the column labeled “Charged to Other Accounts” above represent amounts acquired in the BN acquisition.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

GRAHAM CORPORATION

June 28, 2024

By: /s/ CHRISTOPHER J. THOME
Christopher J. Thome
Vice President-Finance,
Chief Financial Officer, Chief Accounting Officer and
Corporate Secretary

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature		
/s/ DANIEL J. THOREN Daniel J. Thoren	President and Chief Executive Officer and Director (Principal Executive Officer)	June 28, 2024
/s/ CHRISTOPHER J. THOME Christopher J. Thome	Vice President-Finance, Chief Financial Officer, Chief Accounting Officer and Corporate Secretary (Principal Financial Officer and Principal Accounting Officer)	June 28, 2024
/s/ JAMES J. BARBER James J. Barber	Director	June 28, 2024
/s/ ALAN FORTIER Alan Fortier	Director	June 28, 2024
/s/ CARI L. JAROSLAWSKY Cari L. Jaroslawsky	Director	June 28, 2024
/s/ JONATHAN W. PAINTER Jonathan W. Painter	Director and Chairman of the Board	June 28, 2024
/s/ LISA M. SCHNORR Lisa M. Schnorr	Director	June 28, 2024
/s/ TROY A. STONER Troy A. Stoner	Director	June 28, 2024

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-279355 on Form S-3 and Registration Statement Nos. 333-274289, 333-249924, 333-71044, 333-145166, 333-266556, 333-169015, and Post-Effective Amendment Registration Statement No. 1 to 333-113426 on Form S-8 of our reports dated June 7, 2024 relating to the financial statements of Graham Corporation and the effectiveness of Graham Corporation's internal control over financial reporting appearing in this Annual Report on Form 10-K/A for the year ended March 31, 2024.

/s/ DELOITTE & TOUCHE LLP

Deloitte & Touche LLP
Rochester, New York
June 28, 2024

EXHIBIT 31.1

CERTIFICATION OF
PRINCIPAL EXECUTIVE OFFICER

On November 9, 2023, Graham Corporation acquired P3 Technologies, LLC. Management has excluded this acquisition from its assessment of internal control over financial reporting for the year ended March 31, 2024.

I, Daniel J. Thoren, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of Graham Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d–15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

June 28, 2024

/s/ DANIEL J. THOREN
Daniel J. Thoren
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF
PRINCIPAL FINANCIAL OFFICER

On November 9, 2023, Graham Corporation acquired P3 Technologies, LLC. Management has excluded this acquisition from its assessment of internal control over financial reporting for the year ended March 31, 2024.

I, Christopher J. Thome, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of Graham Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d–15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

June 28, 2024

/s/ CHRISTOPHER J. THOME
Christopher J. Thome
Vice President-Finance, Chief Financial Officer,
Chief Accounting Officer and Corporate Secretary

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Graham Corporation (the "Company") on Form10-K/A for the period ended March 31, 2024 as filed with the Securities and Exchange Commission (the "Report"), each of the undersigned certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ DANIEL J. THOREN	*/s/ CHRISTOPHER J. THOME*
Daniel J. Thoren President and Chief Executive Officer (Principal Executive Officer)	Christopher J. Thome Vice President-Finance, Chief Financial Officer, Chief Accounting Officer and Corporate Secretary (Principal Financial Officer)
June 28, 2024	June 28, 2024

A signed original of this written statement required by Section 906 has been provided to Graham Corporation and will be retained by Graham Corporation and furnished to the Securities and Exchange Commission or its staff upon request.