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

FORM 8-K

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

Date of Report (Date of earliest event reported): June 9, 2025

Graham Corporation

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-08462
(Commission
File Number)

16-1194720
(IRS Employer
Identification No.)

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

14020
(Zip Code)

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

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

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

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

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

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

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

Emerging growth company

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

Item 2.02. Results of Operations and Financial Condition.

On June 9, 2025, Graham Corporation (the “Company”) issued a press release describing its results of operations and financial condition for its fourth quarter and fiscal year ended March 31, 2025 (“Fiscal 2025”). The Company’s earnings press release is furnished to this Current Report on Form 8-K as Exhibit 99.1.

Item 7.01. Regulation FD Disclosure.

On June 9, 2025, the Company will post on its website at www.grahamcorp.com supplemental data tables, furnished hereto as Exhibit 99.2, regarding historical sales, orders and backlog information.

Additionally, on June 9, 2025, the Company will post slides with respect to its fourth quarter and Fiscal 2025 financial results to the Investor Relations section of its website that will accompany the Company’s earnings conference call and webcast. The slides are furnished as Exhibit 99.3.

The information furnished pursuant to these Items 2.02 and 7.01, including Exhibit 99.1, Exhibit 99.2 and Exhibit 99.3 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities under such section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--|
| 99.1 | <u>Press Release dated June 9, 2025 describing the results of operations and financial condition for Graham Corporation’s fourth quarter and fiscal year ended March 31, 2025.</u> |
| 99.2 | <u>Supplemental Data Tables.</u> |
| 99.3 | <u>Slides with respect to Graham Corporation’s fourth quarter and Fiscal 2025 financial results for the June 9, 2025 Earnings Conference Call and Webcast.</u> |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document). |

SIGNATURES

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

Date: June 9, 2025

Graham Corporation

By: /s/ Christopher J. Thome
Christopher J. Thome
Vice President – Finance, Chief Financial Officer and Chief
Accounting Officer



Graham Corporation " 20 Florence Avenue " Batavia, NY 14020

IMMEDIATE RELEASE

Graham Corporation Reports Fourth Quarter and Full-Year Fiscal 2025 Results

- Fourth quarter 2025 results reflect continued strength in the business
 - Revenue grew 21% to \$59.3 million driven by strength across all markets
 - Gross margin expanded 110 basis points to 27.0% and achieved operating margin of 9.3% compared to 3.1% in the prior-year period
 - Net Income was \$4.4 million; Adjusted net income¹ was \$4.8 million and Adjusted EBITDA¹ was \$7.7 million or 12.9% of sales
- Fiscal 2025 results demonstrate strong execution on Graham's long-term strategic plan
 - Sales growth of 13% driven by Defense projects and Space demand
 - Gross Margin Expanded 330 Basis Points to 25.2%
 - Net Income was \$12.2 million compared with \$4.6 million in prior fiscal year; achieved Adjusted EBITDA¹ of \$22.4 million or 10.7% of sales
 - Received full year orders² of \$231.1 million, which represented a Book-to-Bill ratio² of 1.1x
 - Record Backlog of \$412.3 million
- Initiated fiscal 2026 guidance with revenue of \$225 million to \$235 million, up 10% at Mid-Point over fiscal 2025 with Adjusted EBITDA¹ in the range of \$22 million to \$28 million, up 12% at the mid-point over fiscal 2025

BATAVIA, NY, June 9, 2025 – Graham Corporation (NYSE: GHM) ("GHM" or the "Company"), a global leader in the design and manufacture of mission critical fluid, power, heat transfer and vacuum technologies for the Defense, Energy & Process, and Space industries, today reported financial results for the fourth quarter and fiscal year 2025 ending March 31, 2025 ("fiscal 2025").

"We closed fiscal 2025 with strong momentum, as our fourth quarter results reflected solid execution and sustained demand across our diversified product portfolio," said Daniel J. Thoren, Chief Executive Officer. "We continue to advance projects with an expected 20%+ ROIC¹, including automated welding, the expansion of our Batavia, NY facility, and a new cryogenic testing facility in Florida, which will drive enhanced margins and create additional revenue opportunities."

Mr. Thoren continued, "Looking ahead to fiscal 2026, we are well-positioned to achieve our long-term growth and profitability targets and are strategically looking to invest in key organic and inorganic growth opportunities."

Management Transition

As previously announced on February 6, 2025, Graham began a planned management transition aligned with its succession strategy. Effective June 10, 2025, Chief Executive Officer Daniel J. Thoren will transition to Executive Chairman and Strategic Advisor. Matt Malone, currently President and Chief Operating Officer, will succeed him as CEO.

Jonathan W. Painter, Chairman of the Board, will transition to Lead Independent Director. Additionally, Michael E. Dixon, promoted to General Manager of Barber-Nichols in February 2025, will assume the role of Vice President of Graham Corporation and General Manager of Barber-Nichols.

¹ *Adjusted net income, Adjusted EBITDA and ROIC are non-GAAP measures. See attached tables and other information for important disclosures regarding Graham's use of these non-GAAP measures.*

² *Orders, backlog and book-to-bill ratio are key performance metrics. See "Key Performance Indicators" below for important disclosures regarding Graham's use of these metrics.*

Graham Corporation Reports Fourth Quarter and Full-Year Fiscal 2025 Results

June 9, 2025

Page 2 of 13

“It has been a career highlight and honor to lead Graham Corporation over the last four years and I want to thank our Board and each one of our employees for their commitment and belief in our mission to build better companies, supply mission critical equipment to our customers, and deliver superior performance to our investors” said Mr. Thoren. “The company is well positioned to achieve its 2027 goals we set in 2022, and I have every confidence in Matt to lead the company to even greater achievements beyond that.”

Fourth Quarter Fiscal 2025 Performance Review

(All comparisons are with the same prior-year period unless noted otherwise.)

| <i>(Sin thousands except per share data)</i> | Q4 FY25 | Q4 FY24 | \$ Change | % Change |
|--|----------------|----------------|------------------|-----------------|
| Net sales | \$59,345 | \$49,070 | \$10,275 | 21% |
| Gross profit | \$16,008 | \$12,694 | \$ 3,314 | 26% |
| <i>Gross margin</i> | <i>27.0%</i> | <i>25.9%</i> | | <i>+110 bps</i> |
| Operating profit | \$ 5,519 | \$ 1,524 | \$ 3,995 | 262% |
| <i>Operating margin</i> | <i>9.3%</i> | <i>3.1%</i> | | <i>+620 bps</i> |
| Net income | \$ 4,395 | \$ 1,340 | \$ 3,055 | 228% |
| <i>Net income margin</i> | <i>7.4%</i> | <i>2.7%</i> | | <i>+470 bps</i> |
| Net income per diluted share | \$ 0.40 | \$ 0.12 | \$ 0.28 | 233% |
| Adjusted net income* | \$ 4,752 | \$ 1,608 | \$ 3,144 | 195% |
| Adjusted net income per diluted share* | \$ 0.43 | \$ 0.15 | \$ 0.28 | 187% |
| Adjusted EBITDA* | \$ 7,650 | \$ 2,955 | \$ 4,695 | 159% |
| <i>Adjusted EBITDA margin*</i> | <i>12.9%</i> | <i>6.0%</i> | | <i>+690 bps</i> |

* Graham believes that, when used in conjunction with measures prepared in accordance with U.S. generally accepted accounting principles, adjusted net income, adjusted net income per diluted share, adjusted EBITDA and adjusted EBITDA margin, which are non-GAAP measures, help in the understanding of its operating performance. See attached tables and other information provided at the end of this press release for important disclosures regarding Graham's use of these non-GAAP measures.

We have updated our end market disclosures to better align with how management evaluates the business and product portfolio. As part of this change, revenue previously classified as Refining, Chemical/Petrochemical, and Other, which included New Energy product sales, will now be consolidated into one market, which has been renamed “Energy & Process.” The Defense and Space end market classifications remain unchanged. Prior period amounts have been updated to reflect this change.

Quarterly net sales of \$59.3 million increased 21%, or \$10.3 million. Sales to the Defense market grew by \$7.7 million, or 28% from the prior year period, driven by growth in existing programs, better execution, improved pricing, and the timing of key project milestones. Energy & Process sales contributed \$1.8 million to growth driven by increased sales of capital equipment to foreign markets and higher aftermarket sales. Aftermarket sales to the Energy & Process and Defense markets of \$12.1 million remained strong and were 3.3% higher than the prior year. See supplemental data for a further breakdown of sales by market and region.

Graham Corporation Reports Fourth Quarter and Full-Year Fiscal 2025 Results

June 9, 2025

Page 3 of 13

Gross profit for the quarter increased \$3.3 million to \$16.0 million compared to the prior-year period of \$12.7 million. As a percentage of sales, gross profit margin increased 110 basis points to 27.0%, compared to the fiscal fourth quarter of 2024. This increase was driven by leverage on higher volume, better execution, and improved pricing, partially offset by higher incentive compensation compared to the prior year period.

Selling, general and administrative expense (“SG&A”), including amortization, totaled \$10.8 million, or 18.1% of sales, down \$0.3 million compared with the prior year. This decrease reflects the timing of various project expenses partially offset by higher salaries and performance-based compensation as we continue to invest in our people, our processes and our technology to drive long-term sustainable growth.

Full Year Fiscal 2025 Performance Review

(All comparisons are with the same prior-year period unless noted otherwise.)

| <i>(In thousands except per share data)</i> | FY 2025 | FY 2024 | Change | % Change |
|---|----------------|----------------|---------------|-----------------|
| Net sales | \$209,896 | \$185,533 | \$24,363 | 13% |
| Gross profit | \$ 52,861 | \$ 40,585 | \$12,276 | 30% |
| <i>Gross margin</i> | <i>25.2%</i> | <i>21.9%</i> | | <i>+330 bps</i> |
| Operating profit | \$ 15,188 | \$ 6,922 | \$ 8,266 | 119% |
| <i>Operating margin</i> | <i>7.2%</i> | <i>3.7%</i> | | <i>+350 bps</i> |
| Net income | \$ 12,230 | \$ 4,556 | \$ 7,674 | 168% |
| <i>Net income margin</i> | <i>5.8%</i> | <i>2.5%</i> | | <i>+330 bps</i> |
| Net income per diluted share | \$ 1.11 | \$ 0.42 | \$ 0.69 | 164% |
| Adjusted net income* | \$ 13,716 | \$ 6,796 | \$ 6,920 | 102% |
| Adjusted net income per diluted share* | \$ 1.24 | \$ 0.63 | \$ 0.61 | 97% |
| Adjusted EBITDA* | \$ 22,429 | \$ 13,285 | \$ 9,144 | 69% |
| <i>Adjusted EBITDA margin*</i> | <i>10.7%</i> | <i>7.2%</i> | | <i>+350 bps</i> |

* Graham believes that, when used in conjunction with measures prepared in accordance with U.S. generally accepted accounting principles, adjusted net income, adjusted net income per diluted share, adjusted EBITDA and adjusted EBITDA margin, which are non-GAAP measures, help in the understanding of its operating performance. See attached tables and other information provided at the end of this press release for important disclosures regarding Graham's use of these non-GAAP measures.

Net sales of \$209.9 million increased 13%, or \$24.4 million. Incremental revenue from the acquisition of P3 Technologies (“P3”) in November 2023 accounted for \$2.8 million of this increase. Sales to the Defense market grew by \$22.4 million, or 23% from the prior year, driven by the addition of new Defense programs, the growth of existing programs, better execution, improved pricing and the timing of key project milestones. Additionally, net sales to the Space industry for fiscal 2025 increased 11% over the prior year primarily due to the addition of P3. Finally, net sales to the Energy & Process industry for fiscal 2025 was consistent with the prior year as increased sales to Asia and the Middle-East were offset by a \$2.7 million decline in aftermarket sales from the record levels of fiscal 2024, but which remain strong. See supplemental data for a further breakdown of sales by market and region.

Graham Corporation Reports Fourth Quarter and Full-Year Fiscal 2025 Results

June 9, 2025

Page 4 of 13

Gross profit for the year increased \$12.3 million to \$52.9 million compared to the prior-year period of \$40.6 million. As a percentage of sales, gross profit margin increased 330 basis points to 25.2%, compared to fiscal 2024. This increase was driven by leverage on higher volume, better execution, and improved pricing. Additionally, fiscal 2025 gross profit benefited \$1.3 million from a grant received from the BlueForge Alliance earlier this fiscal year to reimburse Graham for the cost of the Company's Defense welder training programs in Batavia and related equipment. The Company currently does not expect to receive any additional welder training grants in fiscal 2026.

SG&A, including amortization, totaled \$38.9 million, or 18.5% of sales, up \$5.3 million compared with the prior year. This increase reflects the Company's continued investments in its people, processes, and technology to drive long-term sustainable growth including costs related to the implementation of a new enterprise resource planning ("ERP") system at our Batavia facility, incremental costs related to P3, and increased research and development investment, among others.

Cash Management and Balance Sheet

Cash provided by operating activities totaled \$24.3 million for the year-ending March 31, 2025, a decrease of \$3.8 million from the comparable period in fiscal 2024. As of March 31, 2025, cash and cash equivalents were \$21.6 million, up from \$16.9 million at the end of fiscal 2024.

Capital expenditures for fiscal 2025 were \$19.0 million, focused on capacity expansion, increasing capabilities, and productivity improvements. All major capital projects are on time and on budget.

The Company had no debt outstanding March 31, 2025 with \$44.7 million available on its revolving credit facility after taking into account outstanding letters of credit.

Orders, Backlog, and Book-to-Bill Ratio

See supplemental data filed with the Securities and Exchange Commission on Form 8-K and provided on the Company's website for a further breakdown of orders and backlog by market. See "Key Performance Indicators" below for important disclosures regarding Graham's use of these metrics (in millions).

| | Q4 24 | FY24 | Q1 25 | Q2 25 | Q3 25 | Q4 25 | FY25 |
|---------|---------|---------|---------|---------|---------|---------|---------|
| Orders | \$ 40.8 | \$268.4 | \$ 55.8 | \$ 63.7 | \$ 24.8 | \$ 86.9 | \$231.1 |
| Backlog | \$390.9 | \$390.9 | \$396.8 | \$407.0 | \$384.7 | \$412.3 | \$412.3 |

Orders for the fourth quarter of fiscal 2025 increased to \$86.9 million, including \$50.0 million, of a \$136.5 million total contract value, to procure long-lead time materials for follow-on contracts to support the U.S. Navy's Virginia Class Submarine program. Aftermarket orders for the Energy & Process and Defense markets remained strong and totaled \$11.8 million for the fourth quarter of fiscal 2025, an increase of 50% over the prior year.

Graham Corporation Reports Fourth Quarter and Full-Year Fiscal 2025 Results

June 9, 2025

Page 5 of 13

For fiscal 2025, orders decreased to \$231.1 million, primarily due to a record level of orders in fiscal 2024 as a result of follow-on orders for critical U.S. Navy programs related to the Columbia Class submarine and Ford Class carrier programs. Aftermarket orders in fiscal 2025 for the Energy & Process, and Defense markets increased 8% to \$46.6 million, compared with fiscal 2024.

Orders tend to be lumpy given the nature of our business (i.e. large capital projects) and in particular, orders to the Defense industry, which span multiple years and can be significantly larger in size. Book-to-bill for fiscal 2025 was 1.1x.

Backlog as of March 31, 2025, was \$412.3 million, a 5% increase over the prior-year period. Approximately 45% of orders currently in backlog are expected to be converted to sales in the next twelve months and another 25% to 30% are expected to convert to sales within one to two years. Approximately 83% of our backlog at March 31, 2025 was to the Defense industry, which we believe provides stability and visibility to our business.

Fiscal 2026 Outlook

"I am pleased to announce our fiscal 2026 outlook, which reflects the continued momentum in our business and the initial impacts of the strategic investments we have made. The Company is deploying capital to support our organic and inorganic growth initiatives, while making strategic improvements to enhance our operations and drive margin expansion, which is being enabled by our strong balance sheet. The outlook we are providing reflects the expected impact of tariffs on our fiscal 2026 results, which we estimate to be approximately \$2.0 million to \$5.0 million. This is subject to change based on the fluidity of global trade policy" said Christopher Thome, Chief Financial Officer.

| <i>(as of June 9, 2025)</i> | Fiscal 2026 Guidance |
|--|----------------------------------|
| Net Sales | \$225 million to \$235 million |
| Gross Margin ⁽¹⁾ | 24.5% to 25.5% of sales |
| SG&A expense (including amortization) ⁽²⁾ | 17.5% to 18.5% of sales |
| Adjusted EBITDA ⁽¹⁾⁽³⁾ | \$22 million to \$28 million |
| Effective Tax Rate | 20% to 22% |
| Capital Expenditures | \$15.0 million to \$18.0 million |

(1) Includes the estimated impact of increased tariffs over the prior year of approximately \$2.0 million to \$5.0 million.

(2) Includes approximately \$6.0 million to \$7.0 million of Barber-Nichols supplemental performance bonus, equity-based compensation, and enterprise resource planning ("ERP") conversion costs included in SG&A expense.

(3) Excludes net interest expense (income), income taxes, depreciation, and amortization from net income, as well as approximately \$2.0 million to \$3.0 million of equity-based compensation and ERP conversion costs included in SG&A expense, net.

Our expectations for sales and profitability assumes that we will be able to operate our production facilities at planned capacity, have access to our global supply chain including our subcontractors, do not experience any global disruptions, and experience no impact from any other unforeseen events.

Webcast and Conference Call

GHM's management will host a conference call and live webcast on June 9, 2025 at 11:00 a.m. Eastern Time ("ET") to review its financial results as well as its strategy and outlook. The review will be accompanied by a slide presentation, which will be made available immediately prior to the conference call on GHM's investor relations website.

A question-and-answer session will follow the formal presentation. GHM's conference call can be accessed by calling (201)689-8560. Alternatively, the webcast can be monitored from the events section of GHM's investor relations website.

A telephonic replay will be available from 3:00 p.m. ET today through Monday, June 16, 2025. To listen to the archived call, dial (412)17-6671 and enter conference ID number 13753289 or access the webcast replay via the Company's website at ir.grahamcorp.com, where a transcript will also be posted once available.

About Graham Corporation

Graham is a global leader in the design and manufacture of mission critical fluid, power, heat transfer and vacuum technologies for the Defense, Energy & Process, and Space industries. Graham Corporation and its family of global brands are built upon world-renowned engineering expertise in vacuum and heat transfer, cryogenic pumps, and turbomachinery technologies, as well as its responsive and flexible service and the unsurpassed quality customers have come to expect from the Company's products and systems. Graham Corporation routinely posts news and other important information on its website, grahamcorp.com, where additional information on Graham Corporation and its businesses can be found.

Safe Harbor Regarding Forward Looking Statements

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

Forward-looking statements are subject to risks, uncertainties and assumptions and are identified by words such as "continue," "expects," "future," "goal," "outlook," "anticipates," "believes," "could," "guidance," "may," "will," "plan" and other similar words. All statements addressing operating performance, events, or developments that Graham Corporation expects or anticipates will occur in the future, including but not limited to, profitability of future projects and the business, its ability to deliver to plan, its ability to continue to strengthen relationships with customers in the Defense industry, its ability to secure future projects and applications, expected expansion and growth opportunities, anticipated sales, revenues, adjusted EBITDA, adjusted EBITDA margins, capital expenditures and SG&A expenses, the timing of conversion of backlog to sales, orders, market presence, profit margins, tax rates, foreign sales operations, customer preferences, changes in market conditions in the industries in which it operates, changes in general economic conditions and customer behavior, forecasts regarding the timing and scope of the economic recovery in its markets, and its acquisition and growth strategy, are forward-looking statements. Because they are forward-looking, they should be evaluated in light of important risk factors and uncertainties. These risk factors and uncertainties are more fully described in Graham Corporation's most recent Annual Report filed with the Securities and Exchange Commission (the "SEC"), included under the heading entitled "Risk Factors", and in other reports filed with the SEC.

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

Non-GAAP Financial Measures

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

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

ROIC is defined as a return on invested capital and is calculated by dividing net operating profit after taxes by the total invested capital. ROIC is not a measure determined in accordance with GAAP. Nevertheless, Graham believes that providing ROIC is important for investors and other readers of Graham's financial statements, as it is used as an analytical indicator by Graham's management to better understand profitability and efficiency of use of capital for certain projects. Because ROIC is a non-GAAP measure and is thus susceptible to varying calculations, ROIC, as presented, may not be directly comparable to other similarly titled measures used by other companies.

Forward-Looking Non-GAAP Measures

Forward-looking ROIC, adjusted EBITDA and adjusted EBITDA margin are non-GAAP measures. The Company is unable to present a quantitative reconciliation of these forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures because such information is not available, and management cannot reliably predict the necessary components of such GAAP measures without unreasonable effort largely because forecasting or predicting our future operating results is subject to many factors out of our control or not readily predictable. In addition, the Company believes that such reconciliations would imply a degree of precision that would be confusing or misleading to investors. The unavailable information could have a significant impact on the Company's fiscal 2025 financial results. These non-GAAP financial measures are preliminary estimates and are subject to risks and uncertainties, including, among others, changes in connection with purchase accounting, quarter-end, and year-end adjustments. Any variation between the Company's actual results and preliminary financial estimates set forth above may be material.

Key Performance Indicators

In addition to the foregoing non-GAAP measures, management uses the following key performance metrics to analyze and measure the Company's financial performance and results of operations: orders, backlog, and book-to-bill ratio. Management uses orders and backlog as measures of current and future business and financial performance, and these may not be comparable with measures provided by other companies. Orders represent written communications received from customers requesting the Company to provide products and/or services. Backlog is defined as the total dollar value of net orders received for which revenue has not yet been recognized. Management believes tracking orders and backlog are useful as they often times are leading indicators of future performance. In accordance with industry practice, contracts may include provisions for cancellation, termination, or suspension at the discretion of the customer.

The book-to-bill ratio is an operational measure that management uses to track the growth prospects of the Company. The Company calculates the book-to-bill ratio for a given period as net orders divided by net sales.

Given that each of orders, backlog, and book-to-bill ratio are operational measures and that the Company's methodology for calculating orders, backlog and book-to-bill ratio does not meet the definition of a non-GAAP measure, as that term is defined by the U.S. Securities and Exchange Commission, a quantitative reconciliation for each is not required or provided.

For more information, contact:

Christopher J. Thome
Vice President - Finance and CFO
Phone: (585) 343-2216

Tom Cook
Investor Relations
(203) 682-8250
Tom.Cook@icrinc.com

Source: Graham Corporation

Consolidated Statements of Operations - Unaudited
(\$in thousands, except per share data)

| | Three Months Ended March 31, | | | Year Ended March 31, | | |
|--|---------------------------------|-----------------|-------------|-------------------------|------------------|-------------|
| | 2025 | 2024 | % Change | 2025 | 2024 | % Change |
| Net sales | \$59,345 | \$49,070 | 21% | \$209,896 | \$185,533 | 13% |
| Cost of products sold | 43,337 | 36,376 | 19% | 157,035 | 144,948 | 8% |
| Gross profit | 16,008 | 12,694 | 26% | 52,861 | 40,585 | 30% |
| <i>Gross margin</i> | <i>27.0%</i> | <i>25.9%</i> | | <i>25.2%</i> | <i>21.9%</i> | |
| Operating expenses and income: | | | | | | |
| Selling, general and administrative | 10,322 | 10,654 | (3%) | 37,143 | 32,217 | 15% |
| Selling, general and administrative – amortization | 436 | 436 | 0% | 1,745 | 1,366 | 28% |
| Other operating (income) expense, net | (269) | 80 | NA | (1,215) | 80 | NA |
| Operating profit | 5,519 | 1,524 | 262% | 15,188 | 6,922 | 119% |
| <i>Operating margin</i> | <i>9.3%</i> | <i>3.1%</i> | | <i>7.2%</i> | <i>3.7%</i> | |
| Loss on extinguishment of debt | — | — | NA | — | 726 | NA |
| Other expense, net | 91 | 94 | (3%) | 364 | 374 | NA |
| Interest (income) expense, net | (141) | (29) | 386% | (583) | 248 | NA |
| Income before provision for income taxes | 5,569 | 1,459 | 282% | 15,407 | 5,574 | 176% |
| Provision for income taxes | 1,174 | 119 | 887% | 3,177 | 1,018 | 212% |
| Net income | \$ 4,395 | \$ 1,340 | 228% | \$ 12,230 | \$ 4,556 | 168% |
| Per share data: | | | | | | |
| Basic: | | | | | | |
| Net income | \$ 0.40 | \$ 0.12 | 233% | \$ 1.12 | \$ 0.42 | 167% |
| Diluted: | | | | | | |
| Net income | \$ 0.40 | \$ 0.12 | 233% | \$ 1.11 | \$ 0.42 | 164% |
| Weighted average common shares outstanding: | | | | | | |
| Basic | 10,898 | 10,844 | | 10,884 | 10,743 | |
| Diluted | 11,115 | 10,988 | | 11,066 | 10,844 | |

NA: Not Applicable

Consolidated Balance Sheets
(Amounts in thousands, except per share data)

| | March 31, | |
|---|-------------------------|-------------------------|
| | 2025 | 2024 |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 21,577 | \$ 16,939 |
| Trade accounts receivable, net of allowances (\$630 and \$79 at March 31, 2025 and 2024, respectively) | 35,507 | 44,400 |
| Unbilled revenue | 38,494 | 28,015 |
| Inventories | 40,025 | 33,410 |
| Prepaid expenses and other current assets | 4,249 | 3,561 |
| Income taxes receivable | 1,520 | — |
| Total current assets | 141,372 | 126,325 |
| Property, plant and equipment, net | 50,649 | 32,080 |
| Prepaid pension asset | 5,950 | 6,396 |
| Operating lease assets | 6,386 | 7,306 |
| Goodwill | 25,520 | 25,520 |
| Customer relationships, net | 13,159 | 14,299 |
| Technology and technical know-how, net | 10,310 | 11,065 |
| Other intangible assets, net | 6,858 | 7,181 |
| Deferred income tax asset | 1,502 | 2,983 |
| Other assets | 2,404 | 724 |
| Total assets | <u>\$264,110</u> | <u>\$233,879</u> |
| Liabilities and stockholders' equity | | |
| Current liabilities: | | |
| Current portion of finance lease obligations | \$ 21 | \$ 20 |
| Accounts payable | 27,309 | 20,788 |
| Accrued compensation | 19,161 | 16,800 |
| Accrued expenses and other current liabilities | 4,322 | 6,666 |
| Customer deposits | 84,062 | 71,987 |
| Operating lease liabilities | 1,275 | 1,237 |
| Income taxes payable | — | 715 |
| Total current liabilities | 136,150 | 118,213 |
| Finance lease obligations | 44 | 65 |
| Operating lease liabilities | 5,514 | 6,449 |
| Accrued pension and postretirement benefit liabilities | 1,192 | 1,254 |
| Other long-term liabilities | 1,633 | 2,332 |
| Total liabilities | <u>144,533</u> | <u>128,313</u> |
| Stockholders' equity: | | |
| Preferred stock, \$1.00 par value, 500 shares authorized | — | — |
| Common stock, \$0.10 par value, 25,500 shares authorized, 11,077 and 10,993 shares issued and 10,903 and 10,850 shares outstanding at March 31, 2025 and 2024, respectively | 1,107 | 1,099 |
| Capital in excess of par value | 34,616 | 32,015 |
| Retained earnings | 94,229 | 81,999 |
| Accumulated other comprehensive loss | (6,987) | (7,013) |
| Treasury stock (174 and 143 shares at March 31, 2025 and 2024, respectively) | (3,388) | (2,534) |
| Total stockholders' equity | <u>119,577</u> | <u>105,566</u> |
| Total liabilities and stockholders' equity | <u>\$264,110</u> | <u>\$233,879</u> |

Consolidated Statements of Cash Flows
(Amounts in thousands)

| | Year Ended March 31, | |
|--|-------------------------|------------------|
| | 2025 | 2024 |
| Operating activities: | | |
| Net income | \$ 12,230 | \$ 4,556 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation | 3,718 | 3,275 |
| Amortization | 2,218 | 2,157 |
| Virgin Orbit and other bad debt reserves | 829 | 95 |
| Amortization of unrecognized prior service cost and actuarial losses | 781 | 843 |
| Amortization of debt issuance costs | — | 131 |
| Equity-based compensation expense | 1,957 | 1,279 |
| Gain on disposal or sale of property, plant and equipment | — | (5) |
| Change in fair value of contingent consideration | (1,215) | 80 |
| Loss on extinguishment of debt | — | 726 |
| Deferred income taxes | 1,471 | (472) |
| (Increase) decrease in operating assets, net of acquisitions: | | |
| Accounts receivable | 7,999 | (20,724) |
| Unbilled revenue | (10,595) | 11,855 |
| Inventories | (6,627) | (6,220) |
| Income taxes receivable | (2,235) | 998 |
| Prepaid expenses and other current and non-current assets | (2,190) | (2,199) |
| Operating lease assets | 1,294 | 1,212 |
| Prepaid pension asset | (234) | (287) |
| Increase (decrease) in operating liabilities, net of acquisitions: | | |
| Accounts payable | 3,491 | 401 |
| Accrued compensation, accrued expenses and other current and non-current liabilities | 639 | 6,011 |
| Customer deposits | 12,090 | 25,572 |
| Operating lease liabilities | (1,272) | (1,119) |
| Long-term portion of accrued compensation, accrued pension liability and accrued postretirement benefits | (33) | (45) |
| Net cash provided by operating activities | 24,316 | 28,120 |
| Investing activities: | | |
| Purchase of property, plant and equipment | (18,957) | (9,226) |
| Proceeds from disposal of property, plant and equipment | — | 44 |
| Acquisition of P3 Technologies, LLC, net of cash acquired | (170) | (6,812) |
| Net cash used by investing activities | (19,127) | (15,994) |
| Financing activities: | | |
| Principal repayments on debt | — | (25,500) |
| Proceeds from the issuance of debt | — | 13,000 |
| Repayments on finance lease obligations | (320) | (316) |
| Payment of debt exit costs | — | (752) |
| Payment of debt issuance costs | — | (241) |
| Issuance of common stock | 653 | 476 |
| Purchase of treasury stock | (854) | (58) |
| Net cash used by financing activities | (521) | (13,391) |
| Effect of exchange rate changes on cash | (30) | (53) |
| Net increase (decrease) in cash and cash equivalents | 4,638 | (1,318) |
| Cash and cash equivalents at beginning of year | 16,939 | 18,257 |
| Cash and cash equivalents at end of year | <u>\$ 21,577</u> | <u>\$ 16,939</u> |

Adjusted EBITDA Reconciliation
(Unaudited, \$in thousands)

| | Three Months Ended March 31, | | Year Ended March 31, | |
|--|---------------------------------|-----------------|-------------------------|------------------|
| | 2025 | 2024 | 2025 | 2024 |
| Net income | \$ 4,395 | \$ 1,340 | \$ 12,230 | \$ 4,556 |
| Acquisition & integration (income) expense | (270) | 158 | (1,170) | 432 |
| ERC tax credit, net | — | (702) | — | (702) |
| Debt amendment costs | — | 37 | — | 781 |
| ERP Implementation costs | 178 | 185 | 882 | 241 |
| Net interest (income) expense | (141) | (29) | (583) | 248 |
| Income tax expense | 1,174 | 119 | 3,177 | 1,018 |
| Equity-based compensation expense | 753 | 277 | 1,957 | 1,279 |
| Depreciation & amortization | 1,561 | 1,570 | 5,936 | 5,432 |
| Adjusted EBITDA | \$ 7,650 | \$ 2,955 | \$ 22,429 | \$ 13,285 |
| Net sales | \$59,345 | \$49,070 | \$209,896 | \$185,533 |
| Net income margin | 7.4% | 2.7% | 5.8% | 2.5% |
| Adjusted EBITDA margin | 12.9% | 6.0% | 10.7% | 7.2% |

Adjusted Net Income and Adjusted Net Income per Diluted Share Reconciliation
(Unaudited, \$ in thousands, except per share amounts)

| | Three Months Ended March 31, | | Year Ended March 31, | |
|--|---------------------------------|-----------------|-------------------------|-----------------|
| | 2025 | 2024 | 2025 | 2024 |
| Net income | \$ 4,395 | \$ 1,340 | \$12,230 | \$ 4,556 |
| Acquisition & integration (income) expense | (270) | 158 | (1,170) | 432 |
| Amortization of intangible assets | 555 | 670 | 2,218 | 2,157 |
| ERC tax credit, net | — | (702) | — | (702) |
| Debt amendment costs | — | 37 | — | 781 |
| ERP Implementation costs | 178 | 185 | 882 | 241 |
| Normalized tax rate ⁽¹⁾ | (106) | (80) | (444) | (669) |
| Adjusted net income | \$ 4,752 | \$ 1,608 | \$13,716 | \$ 6,796 |
| GAAP net income per diluted share | \$ 0.40 | \$ 0.12 | \$ 1.11 | \$ 0.42 |
| Adjusted net income per diluted share | \$ 0.43 | \$ 0.15 | \$ 1.24 | \$ 0.63 |
| Diluted weighted average common shares outstanding | 11,115 | 10,988 | 11,066 | 10,844 |

(1) Applies a normalized tax rate to non-GAAP adjustments, which are pre-tax, based upon the statutory tax rate.

Acquisition and integration (income) expense are incremental costs that are directly related to and as a result of the P3 acquisition or the subsequent accounting for the contingent earn-out liability. These costs (income) may include, among other things, professional, consulting and other fees, system integration costs, and contingent consideration fair value adjustments. ERP implementation costs primarily relate to consulting costs (training, data conversion, and project management) incurred in connection with the ERP system being implemented throughout our Batavia, New York facility in order to enhance efficiency and productivity and are not expected to recur once the project is completed. Debt amendment costs consist of accelerated write-offs of unamortized deferred debt issuance costs and discounts, prepayment penalties and attorney fees in connection with the amendment of our credit facility in October 2023.

###

Graham Corporation
Additional Information - Unaudited
(\$ in thousands)

Graham Corporation
Q4 FY 2025
Supplemental Information - Unaudited
(\$ in thousands)

| SALES BY MARKET | FY 2024 | | | | | | | | | | FY 2025 | | | | | | | | | | Q4 25 vs Q4 24 | | Q4 25 vs Q3 25 | |
|------------------|-----------|------------|-----------|------------|-----------|------------|-----------|------------|------------|------------|-----------|------------|-----------|------------|-----------|------------|-----------|------------|------------|------------|----------------|----------|----------------|-----|
| | Q1 2024 | % of Total | Q2 2024 | % of Total | Q3 2024 | % of Total | Q4 2024 | % of Total | YTD 2024 | % of Total | Q1 2025 | % of Total | Q2 2025 | % of Total | Q3 2025 | % of Total | Q4 2025 | % of Total | YTD 2025 | % of Total | Variance | Variance | | |
| Defense | \$ 22,817 | 48% | \$ 25,118 | 56% | \$ 24,330 | 56% | \$ 27,228 | 55% | \$ 99,493 | 54% | \$ 29,094 | 58% | \$ 30,897 | 58% | \$ 27,023 | 57% | \$ 34,911 | 59% | \$ 121,925 | 58% | \$ 7,683 | 28% | \$ 7,888 | 29% |
| Energy & Process | 19,930 | 42% | 17,183 | 38% | 16,557 | 38% | 19,088 | 39% | 72,758 | 39% | 16,910 | 34% | 19,250 | 36% | 16,193 | 34% | 20,934 | 35% | 73,287 | 35% | 1,846 | 10% | 4,741 | 29% |
| Space | 4,822 | 10% | 2,775 | 6% | 2,931 | 7% | 2,754 | 6% | 13,282 | 7% | 3,947 | 8% | 3,416 | 6% | 3,821 | 8% | 3,500 | 6% | 14,684 | 7% | 746 | 27% | (321) | -8% |
| | \$ 47,569 | 100% | \$ 45,076 | 100% | \$ 43,818 | 100% | \$ 49,070 | 100% | \$ 185,533 | 100% | \$ 49,951 | 100% | \$ 53,563 | 100% | \$ 47,037 | 100% | \$ 59,345 | 100% | \$ 209,896 | 100% | \$ 10,275 | 21% | \$ 12,308 | 26% |

| SALES BY REGION | FY 2024 | | | | | | | | | | FY 2025 | | | | | | | | | | Q4 25 vs Q4 24 | | Q4 25 vs Q3 25 | |
|-----------------|-----------|------------|-----------|------------|-----------|------------|-----------|------------|------------|------------|-----------|------------|-----------|------------|-----------|------------|-----------|------------|------------|------------|----------------|----------|----------------|------|
| | Q1 2024 | % of Total | Q2 2024 | % of Total | Q3 2024 | % of Total | Q4 2024 | % of Total | YTD 2024 | % of Total | Q1 2025 | % of Total | Q2 2025 | % of Total | Q3 2025 | % of Total | Q4 2025 | % of Total | YTD 2025 | % of Total | Variance | Variance | | |
| United States | \$ 38,141 | 80% | \$ 38,604 | 86% | \$ 36,822 | 84% | \$ 42,341 | 86% | \$ 155,908 | 84% | \$ 40,930 | 82% | \$ 45,460 | 85% | \$ 39,675 | 84% | \$ 43,878 | 74% | \$ 169,943 | 81% | \$ 1,537 | 4% | \$ 4,203 | 11% |
| Middle East | 1,049 | 2% | 669 | 1% | 501 | 1% | 348 | 1% | 2,567 | 1% | 983 | 2% | 794 | 1% | 1,551 | 3% | 3,760 | 6% | 7,088 | 3% | 3,412 | 980% | 2,209 | 142% |
| Asia | 5,902 | 12% | 2,979 | 7% | 4,017 | 9% | 2,245 | 5% | 15,143 | 8% | 5,304 | 11% | 4,274 | 8% | 2,273 | 5% | 5,033 | 8% | 16,884 | 8% | 2,788 | 124% | 2,760 | 121% |
| Other | 2,477 | 5% | 2,824 | 6% | 2,478 | 6% | 4,136 | 8% | 11,915 | 6% | 2,734 | 5% | 3,035 | 6% | 3,538 | 8% | 6,074 | 11% | 15,981 | 8% | 2,538 | 61% | 3,136 | 89% |
| | \$ 47,569 | 100% | \$ 45,076 | 100% | \$ 43,818 | 100% | \$ 49,070 | 100% | \$ 185,533 | 100% | \$ 49,951 | 100% | \$ 53,563 | 100% | \$ 47,037 | 100% | \$ 59,345 | 100% | \$ 209,896 | 100% | \$ 10,275 | 21% | \$ 12,308 | 26% |

| ORDERS BY MARKET | FY 2024 | | | | | | | | | | FY 2025 | | | | | | | | | | Q4 25 vs Q4 24 | | Q4 25 vs Q3 25 | |
|------------------|-----------|------------|-----------|------------|------------|------------|-----------|------------|------------|------------|-----------|------------|-----------|------------|-----------|------------|-----------|------------|------------|------------|----------------|----------|----------------|------|
| | Q1 2024 | % of Total | Q2 2024 | % of Total | Q3 2024 | % of Total | Q4 2024 | % of Total | YTD 2024 | % of Total | Q1 2025 | % of Total | Q2 2025 | % of Total | Q3 2025 | % of Total | Q4 2025 | % of Total | YTD 2025 | % of Total | Variance | Variance | | |
| Defense | 32,958 | 49% | 20,844 | 57% | 103,233 | 84% | 20,375 | 50% | 177,410 | 66% | 28,617 | 51% | 30,507 | 48% | 6,723 | 27% | 68,724 | 79% | 134,571 | 58% | \$ 48,349 | 237% | \$ 62,001 | 922% |
| Energy & Process | 30,369 | 45% | 12,571 | 34% | 13,948 | 11% | 17,324 | 42% | 74,212 | 28% | 25,796 | 46% | 19,633 | 31% | 14,828 | 60% | 16,170 | 19% | 76,427 | 33% | (1,154) | -7% | 1,342 | 9% |
| Space | 4,606 | 7% | 3,049 | 8% | 6,086 | 5% | 3,084 | 8% | 16,825 | 6% | 1,354 | 2% | 13,538 | 21% | 3,235 | 13% | 1,988 | 2% | 20,114 | 9% | (1,096) | -36% | (1,247) | -39% |
| | \$ 67,933 | 100% | \$ 36,464 | 100% | \$ 123,267 | 100% | \$ 40,783 | 100% | \$ 268,447 | 100% | \$ 55,767 | 100% | \$ 63,678 | 100% | \$ 24,786 | 100% | \$ 86,882 | 100% | \$ 231,112 | 100% | \$ 46,099 | 113% | \$ 62,096 | 251% |

| BACKLOG BY MARKET | FY 2024 | | | | | | | | | | FY 2025 | | | | | | | | | | Q4 25 vs Q4 24 | | Q4 25 vs Q3 25 | |
|-------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|----------------|----------|----------------|-----|
| | Q1 2024 | % of Total | Q2 2024 | % of Total | Q3 2024 | % of Total | Q4 2024 | % of Total | YTD 2024 | % of Total | Q1 2025 | % of Total | Q2 2025 | % of Total | Q3 2025 | % of Total | Q4 2025 | % of Total | YTD 2025 | % of Total | Variance | Variance | | |
| Defense | 253,358 | 79% | 250,732 | 80% | 334,455 | 84% | 328,389 | 84% | 328,389 | 84% | 327,827 | 83% | 327,438 | 80% | 307,138 | 80% | 340,613 | 83% | 340,613 | 83% | \$ 12,224 | 4% | \$ 33,475 | 11% |
| Energy & Process | 59,970 | 19% | 55,348 | 18% | 53,730 | 13% | 51,828 | 13% | 51,828 | 13% | 60,890 | 15% | 61,391 | 15% | 59,969 | 16% | 55,640 | 13% | 55,640 | 13% | 3,812 | 7% | (4,329) | -7% |
| Space | 8,675 | 3% | 7,263 | 2% | 11,059 | 3% | 10,651 | 3% | 10,651 | 3% | 8,058 | 2% | 18,180 | 4% | 17,594 | 5% | 16,082 | 4% | 16,082 | 4% | 5,431 | 51% | (1,512) | -9% |
| | \$ 322,003 | 100% | \$ 313,343 | 100% | \$ 399,244 | 100% | \$ 390,868 | 100% | \$ 390,868 | 100% | \$ 396,775 | 100% | \$ 407,009 | 100% | \$ 384,701 | 100% | \$ 412,335 | 100% | \$ 412,335 | 100% | \$ 21,467 | 5% | \$ 27,634 | 7% |

| BOOK-TO-BILL RATIO | Q1 2024 | Q2 2024 | Q3 2024 | Q4 2024 | YTD 2024 | Q1 2025 | Q2 2025 | Q3 2025 | Q4 2025 | YTD 2025 |
|--------------------|---------|---------|---------|---------|----------|---------|---------|---------|---------|----------|
| | 1.4 | 0.8 | 2.8 | 0.8 | 1.4 | 1.1 | 1.2 | 0.5 | 1.5 | 1.1 |

GHM
LISTED
NYSE



Fourth Quarter & Full-Year Fiscal 2025 Financial Results

JUNE 9, 2025

GRAHAM CORPORATION

Safe Harbor Statement

Safe Harbor Regarding Forward Looking Statements

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

Forward-looking statements are subject to risks, uncertainties and assumptions and are identified by words such as "expects," "future," "outlook," "anticipates," "believes," "could," "guidance," "should," "target," "may," "will," "plan" and other similar words. All statements addressing operating performance, events, or developments that Graham Corporation expects or anticipates will occur in the future, including but not limited to, profitability of future projects and the business, its ability to deliver to plan, its ability to continue to strengthen relationships with customers in the defense industry, its ability to secure future projects and applications, expected expansion and growth opportunities, anticipated sales, revenues, adjusted EBITDA, adjusted EBITDA margins, capital expenditures and SG&A expenses, the timing of conversion of backlog to sales, orders, market presence, profit margins, tax rates, tariffs, foreign sales operations, customer preferences, changes in market conditions in the industries in which it operates, changes in general economic conditions and customer behavior, forecasts regarding the timing and scope of the economic recovery in its markets, and its acquisition and growth strategy, are forward-looking statements. Because they are forward-looking, they should be evaluated in light of important risk factors and uncertainties. These risk factors and uncertainties are more fully described in Graham Corporation's most recent Annual Report filed with the Securities and Exchange Commission (the "SEC"), included under the heading entitled "Risk Factors", and in other reports filed with the SEC.

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

Use of Key Performance Indicators

This presentation includes key performance indicators, such as orders, backlog, and book-to-bill ratio. See the slide entitled "Disclaimer Regarding Key Performance Metrics" in this presentation for information regarding these key performance indicators.

Use of Non-GAAP Measures

This presentation includes non-GAAP measures, such as Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net income (loss) and Adjusted Net income (loss) per diluted share. See the Appendix for information regarding these non-GAAP measures, including reconciliations to the most directly comparable U.S. GAAP financial measures.

Use of Forward-Looking Non-GAAP Financial Measures

Forward-looking ROIC, adjusted EBITDA and adjusted EBITDA margin are non-GAAP measures. The Company is unable to present a quantitative reconciliation of these forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures because such information is not available, and management cannot reliably predict the necessary components of such GAAP measures without unreasonable effort largely because forecasting or predicting our future operating results is subject to many factors out of our control or not readily predictable. In addition, the Company believes that such reconciliations would imply a degree of precision that would be confusing or misleading to investors. The unavailable information could have a significant impact on the Company's fiscal 2025 financial results. These non-GAAP financial measures are preliminary estimates and are subject to risks and uncertainties, including, among others, changes in connection with purchase accounting, quarter-end, and year-end adjustments. Any variation between the Company's actual results and preliminary financial estimates set forth above may be material.

Forward-looking ROIC is defined as a return on invested capital and is calculated by dividing net operating profit after taxes by the total invested capital. Forward-looking ROIC is not a measure determined in accordance with GAAP. Nevertheless, Graham believes that providing forward-looking ROIC is important for investors and other readers of Graham's financial statements, as it is used as an analytical indicator by Graham's management to better understand profitability and efficiency of use of capital for certain projects. Because forward-looking ROIC is a non-GAAP measure and is thus susceptible to varying calculations, forward-looking ROIC, as presented, may not be directly comparable to other similarly titled measures used by other companies.

Financial Highlights

Graham is a **GLOBAL LEADER** in the design and manufacture of mission-critical fluid, power, vacuum, and heat transfer solutions

GHM
LISTED
NYSE

Strong Fourth Quarter & Full-Year Results Driven by Continued Demand and Execution on FY22 Plan

4Q25 Highlights

\$59.3_M Revenue

27.0% Gross Margin

\$4.4_M Net Income

\$7.7_M Adj. EBITDA⁽¹⁾

FY25 Highlights

\$209.9_M Revenue

25.2% Gross Margin

\$12.2_M Net Income

\$22.4_M Adj. EBITDA⁽¹⁾

Record Backlog⁽²⁾ of \$412.3 million

FY25 Orders⁽²⁾ of \$231.1 million

Book-to-Bill ratio⁽²⁾ of 1.1x

(1) See appendix for additional important disclosures regarding Graham's use of the non-GAAP measure of Adjusted EBITDA and the reconciliation of Net Income to Adjusted EBITDA.
(2) See appendix for additional information regarding Graham's use of key performance metrics.

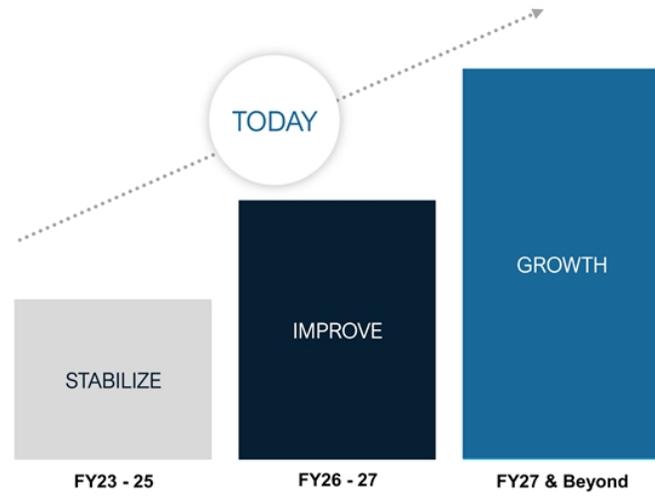


Image credit: Blue Origin

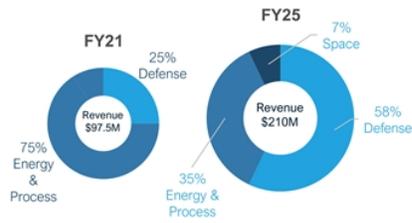
Growth Enablement

STABILIZE COMPLETE, TRACKING TO FY27 TARGETS
MOMENTUM BUILDING INTO IMPROVE & GROWTH PHASES

Accelerating Growth From a Stable Foundation



Credibility Through Action & Results



>20%
ROIC⁽¹⁾ Hurdle Rate

Stabilize Phase
Completed

Expanded Portfolio Diversification



Robust Backlog⁽²⁾ Growth

Disciplined Capital Allocation

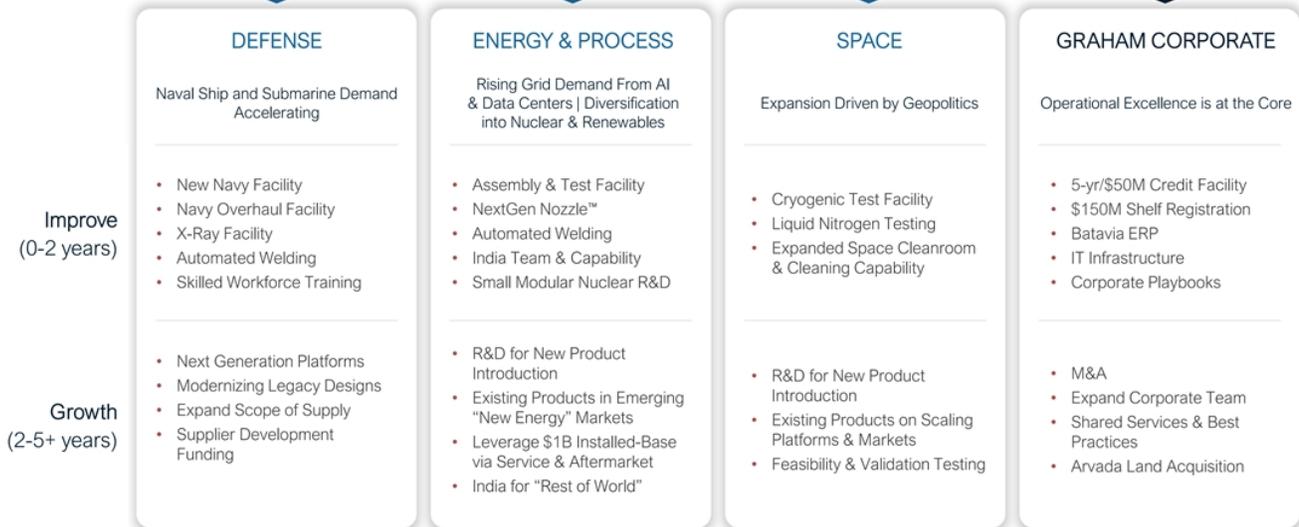


Adj. EBITDA Margin⁽¹⁾ Expansion

(1) See the Safe Harbor Statement and the appendix for additional important disclosures regarding Graham's use of the non-GAAP measures of forward-looking ROIC and Adjusted EBITDA Margins and the reconciliation of Net Income to Adjusted EBITDA Margin.
(2) See appendix for additional information regarding Graham's use of key performance metrics.

Phased Approach to Sustainable, Long-Term Growth

PROACTIVELY POSITIONING THE BUSINESS TO LONG-TERM GROWTH TRENDS LEVERAGING CORE COMPETENCY



Financials



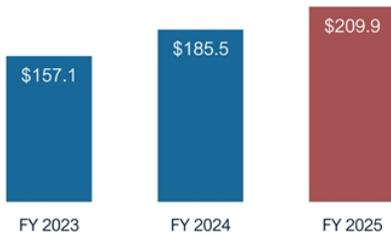
Revenue Performance

(\$ in millions; narrative compared with prior-year period unless otherwise noted)

QUARTERLY



ANNUAL



Q4 FY25 sales up \$10.3 million or 21%

- + 28% Defense
- + 27% Space
- + 10% Energy & Process
- + 3% Aftermarket

Record yearly sales up \$24.4 million or 13%

- + 23% Defense
- + 11% Space
- + 1% Energy & Process
- 8% Aftermarket

Revenue Impacts

- + Growth in existing programs
- + Improved pricing and execution
- + Timing of key project milestones
- + Increased sales in the Energy & Process industry
 - o Increased sales in Asia and Middle East

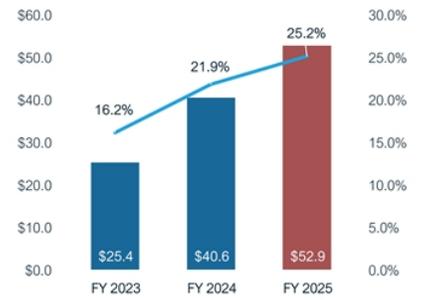
Strong Gross Profit & Margin Expansion

(\$ in millions; narrative compared with prior-year period unless otherwise noted)

QUARTERLY



ANNUAL



Q4 FY25 Gross Profit Increased \$3.3 Million or 26%

- Gross margin expanded 110 bps to 27.0%
- Q4 FY25 gross margin impacts were driven by:
 - + Volume
 - + Improved pricing and execution
 - Partially offset by higher incentive compensation

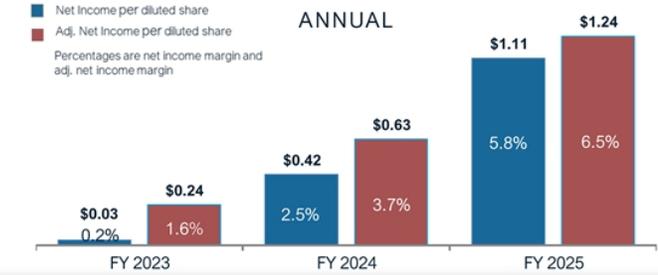
FY25 Gross Profit Increased \$12.3 million or 30%

- Gross margin expanded 330 bps to 25.2%
- FY25 gross margin impacts were driven by:
 - + Volume
 - + Improved pricing and execution
 - + \$1.3M BlueForge Alliance welder training grant

Adjusted EBITDA & Adjusted EBITDA Margins⁽¹⁾



Net Income, Adj. Net Income Per Diluted Share & Margin⁽¹⁾

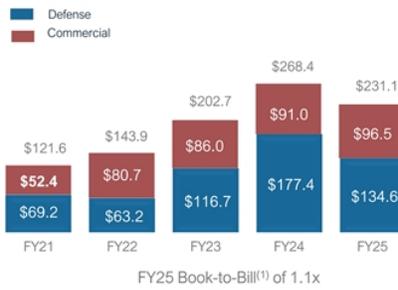


(1) See appendix for additional important disclosures regarding Graham's use of the non-GAAP measures of Adjusted EBITDA, Adjusted EBITDA Margins, Adjusted Net income and Adjusted Net Income per diluted share.

Long-Term Demand For Graham Diversified Portfolio

(\$ in millions; narrative compared with prior-year period unless otherwise noted)

Total Orders⁽¹⁾



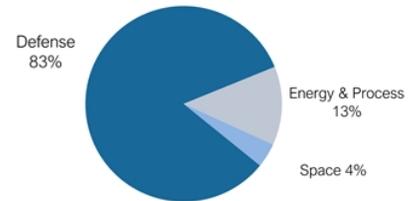
Backlog⁽¹⁾



Highlights

- Orders increased 251% vs. the sequential quarter and 113% vs. the prior year quarter with record backlog of \$412.3 million
- Approximately 45% of backlog expected to convert to sales in next 12 months; another 25% to 30% expected to convert the following year
- Q4 FY25 includes \$50.0 million of \$136.5 million total contract value for long-lead materials for follow-on contract to support U.S. Navy Virginia Class Submarine

Q4 Backlog by Industry



(1) See appendix for additional information regarding Graham's use of key performance metrics.

Balance Sheet & Liquidity

CAPITAL DEPLOYED BASED ON HIGHEST RISK-ADJUSTED RETURNS TO
MAXIMIZE LONG-TERM SHAREHOLDER VALUE

FY25 Overview

| | |
|---------------------------|--|
| \$24.3_M | Cash provided by operating activities |
| \$19.0_M | Capital Expenditures |
| \$21.6_M | Cash and cash equivalents |
| \$44.7_M | Remaining on revolving credit facility |
| \$0.0_M | Debt outstanding |

Capital Allocation Framework

01

STRONG BALANCE SHEET

- Strong cash generation and fiscal discipline

02

ORGANIC GROWTH

- Capex of 7-10% of sales | R&D of 1-2% of sales
- Greater than >20% ROIC¹ investments

03

M&A

- Leverage <3.0x
- See appendix

(1) See the Safe Harbor Statement for additional important disclosures regarding Graham's use of the non-GAAP measure of forward-looking ROIC.

FY26 Financial Outlook

| Fiscal 2026 Guidance | |
|--|--------------------------------|
| Net Sales | \$225 million to \$235 million |
| Gross Margin ⁽¹⁾ | 24.5% to 25.5% of sales |
| SG&A Expense (including amortization) ⁽²⁾ | 17.5% to 18.5% of sales |
| Adjusted EBITDA ⁽¹⁾⁽³⁾ | \$22 million to \$28 million |
| Effective Tax Rate | 20% to 22% |
| Capital Expenditures | \$15 million to \$18 million |

Highlights

- Implies 10% revenue growth at midpoint of range
- Implies 12% Adjusted EBITDA growth at midpoint of range
- Implies 10.9% Adjusted EBITDA margin at midpoint of range

Our expectations for sales and profitability assumes that we will be able to operate our production facilities at planned capacity, have access to our global supply chain including our subcontractors, do not experience any global disruptions, and experience no impact from any other unforeseen events.

- (1) Includes the estimated impact of increased tariffs over the prior year of approximately \$2.0 million to \$5.0 million.
(2) Includes approximately \$6.0 million to \$7.0 million of Barber-Nichols supplemental performance bonus, equity-based compensation, and enterprise resource planning ("ERP") conversion costs included in SG&A expense.
(3) Excludes net interest expense (income), income taxes, depreciation, and amortization from net income, as well as approximately \$2.0 million to \$3.0 million of equity-based compensation and ERP conversion costs included in SG&A expense, net.

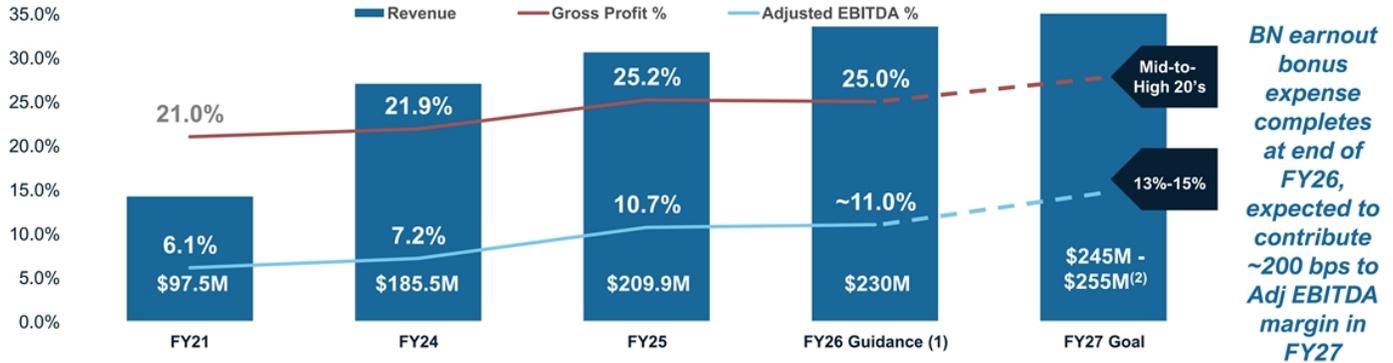
Advancing Toward Long-Term Goals with Strategic Actions

Engaging with customers to develop full life-cycle mission critical product opportunities

Operational Excellence to drive competitive positioning

Expanded capital and R&D programs to support growth initiatives; targeted ROIC >20%

Engaging with key stakeholders to empower, expand and broaden the global reach of Graham



(1) Mid-point of FY26 guidance as of June 9, 2025

(2) Goal is ~8% to 10% annualized organic revenue growth per year which implies approximately \$245M to \$255M in revenue based off FY26 guidance

Q&A



Appendix



M&A Growth

OPPORTUNISTIC ACQUISITION STRATEGY TO SUPPLEMENT 8-10% ANNUAL ORGANIC GROWTH EXPECTATIONS

| TARGET CATEGORY | ATTRIBUTES |
|---------------------------------|---|
| COMPANY TYPE | U.S. based, privately held, independently operated |
| INDUSTRY FOCUS | Fluid/power sectors supporting aerospace, defense, cryogenic, and niche industrial markets |
| MANAGEMENT & CULTURE | Leadership with a commitment to long-term growth and a high-quality, continuous improvement culture |
| PRODUCT ALIGNMENT | Complementary to GHM turbomachinery, heat transfer, and vacuum businesses |
| TECHNOLOGY MOAT | Engineered-to-order or systems developer covering full lifecycle (design, manufacturing, aftermarket) |
| FINANCIAL CRITERIA | Purchase Price of \$20M to \$80M, with a target multiple of <10x EBITDA, Combination of cash, stock, and earnout consideration, keep leverage <3.0x |



Key Performance Metrics

Key Performance Indicators

In addition to the non-GAAP measures used in this presentation, management uses the following key performance metrics to analyze and measure the Company's financial performance and results of operations: orders, backlog, and book-to-bill ratio. Management uses orders and backlog as measures of current and future business and financial performance, and these may not be comparable with measures provided by other companies. Orders represent written communications received from customers requesting the Company to provide products and/or services. Backlog is defined as the total dollar value of net orders received for which revenue has not yet been recognized. Management believes tracking orders and backlog are useful as it often times is a leading indicator of future performance. In accordance with industry practice, contracts may include provisions for cancellation, termination, or suspension at the discretion of the customer.

The book-to-bill ratio is an operational measure that management uses to track the growth prospects of the Company. The Company calculates the book-to-bill ratio for a given period as net orders divided by net sales.

Given that each of orders, backlog, and book-to-bill ratio are operational measures and that the Company's methodology for calculating orders, backlog, and book-to-bill ratio does not meet the definition of a non-GAAP measure, as that term is defined by the U.S. Securities and Exchange Commission, a quantitative reconciliation for each is not required or provided.

Adjusted EBITDA Reconciliation

| | Three Months Ended | | Year Ended | |
|--|--------------------|-----------------|------------------|------------------|
| | 2025 | 2024 | 2025 | 2024 |
| Net income | \$ 4,395 | \$ 1,340 | \$ 12,230 | \$ 4,556 |
| Acquisition & integration (income) expense | (270) | 158 | (1,170) | 432 |
| ERC tax credit, net | - | (702) | - | (702) |
| Debt amendment costs | - | 37 | - | 781 |
| ERP Implementation costs | 178 | 185 | 882 | 241 |
| Net interest (income) expense | (141) | (29) | (583) | 248 |
| Income tax expense | 1,174 | 119 | 3,177 | 1,018 |
| Equity-based compensation expense | 753 | 277 | 1,957 | 1,279 |
| Depreciation & amortization | 1,561 | 1,570 | 5,936 | 5,432 |
| Adjusted EBITDA | \$ 7,650 | \$ 2,955 | \$ 22,429 | \$ 13,285 |
| Net sales | \$ 59,345 | \$ 49,070 | \$ 209,896 | \$ 185,533 |
| Net income margin | 7.4% | 2.7% | 5.8% | 2.5% |
| Adjusted EBITDA margin | 12.9% | 6.0% | 10.7% | 7.2% |

Non-GAAP Financial Measure:

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

Adjusted Net Income & Adjusted Diluted EPS Reconciliation

| | Three Months Ended | | Year Ended | |
|--|--------------------|-----------------|------------------|-----------------|
| | 2025 | 2024 | 2025 | 2024 |
| Net income | \$ 4,395 | \$ 1,340 | \$ 12,230 | \$ 4,556 |
| Acquisition & integration (income) expense | (270) | 158 | (1,170) | 432 |
| Amortization of intangible assets | 555 | 670 | 2,218 | 2,157 |
| ERC tax credit, net | - | (702) | - | (702) |
| Debt amendment costs | - | 37 | - | 781 |
| ERP Implementation costs | 178 | 185 | 882 | 241 |
| Normalized tax rate ⁽¹⁾ | (106) | (80) | (444) | (669) |
| Adjusted net income | \$ 4,752 | \$ 1,608 | \$ 13,716 | \$ 6,796 |
| GAAP net income per diluted share | \$ 0.40 | \$ 0.12 | \$ 1.11 | \$ 0.42 |
| Adjusted net income per diluted share | \$ 0.43 | \$ 0.15 | \$ 1.24 | \$ 0.63 |
| Diluted weighted average common shares outstanding | 11,115 | 10,988 | 11,066 | 10,844 |

(1) Applies a normalized tax rate to non-GAAP adjustments, which are pre-tax, based upon the statutory tax rate.

Non-GAAP Financial Measure:

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