GHM

Investor Presentation

October 2025

GRAHAM CORPORATION

GHM LISTED NYSE

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.

Graham at-a-Glance

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

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GRAHAM IS A MISSION CRITICAL SOLUTION SUPPLIER ACROSS THREE CORE END-MARKETS

Defense

Mission-critical fluid, power, and heat transfer solutions for long-term strategic platforms from undersea to space

Energy & Process

Specialized solutions for energy & industrial process markets including plant-critical condensers, vacuum ejectors, cryogenic pumps, and heat exchangers

Space

Provider of critical fluid management, propulsion technologies, and thermal management systems for government and commercial space customers

1936	Founded | 1968 IPO
645+	Employees
$678M[1]	Market Cap
21%	Revenue CAGR since FY21

1) Market cap as of 10/20/2025 close

Investment Thesis

13-15% Adj. EBITDA Margin[1] BY FY27

Margin Expansion

Operational excellence drives margin expansion, supported by >20% ROIC[1] projects

$483M BACKLOG[2]

Extended Visibility

Long-term visibility enables prioritized capital allocation to continuously improve

>20%+ ROIC[1]

Disciplined Growth Strategy

Strategic ROIC projects will drive margin expansion

58% DEFENSE
42% COMMERCIAL

Diversified End-Markets

Stable, long visibility defense and global, peak-maximized commercial with secular tailwinds

GROWTH-ORIENTED LEADERSHIP

Experienced Team

Proven management after repositioning and focused on next phase of growth

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(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.

01 Business Overview

Graham Portfolio

GHM

Defense	Energy & Process	Space
58% of FY25 Revenue	35% of FY25 Revenue	7% of FY25 Revenue

Defense			Energy & Process			Space		
Aircraft Carriers / Nuclear Submarines	Military Aircraft & High-Energy Cooling	Torpedoes & Unmanned Underwater Vehicles	Refining, Petrochem, Edible Oils	Power Generation	Small Modular Nuclear Reactors (SMRs)	Rocket Launch	Life Support	Satellites & Lunar Exploration

Defense — Key Products:
- Condensers
- Heat Exchangers
- Air Turbine Pumps
- Torpedo Powerplant
- Laser / Radar Cooling Pumps & Controllers

Energy & Process — Key Products:
- Vacuum Systems
- Heat Exchangers
- Helium Circulators
- Super Critical CO_2 Turbo Machinery
- Cryogenic & Liquid Propellent Pumping

Space — Key Products:
- Fuel Delivery Turbopumps
- Cryogenic & Propellent Management
- Thermal Management Pumps
- Oxygen Fan Blowers
- Thrust Vector Control Actuators

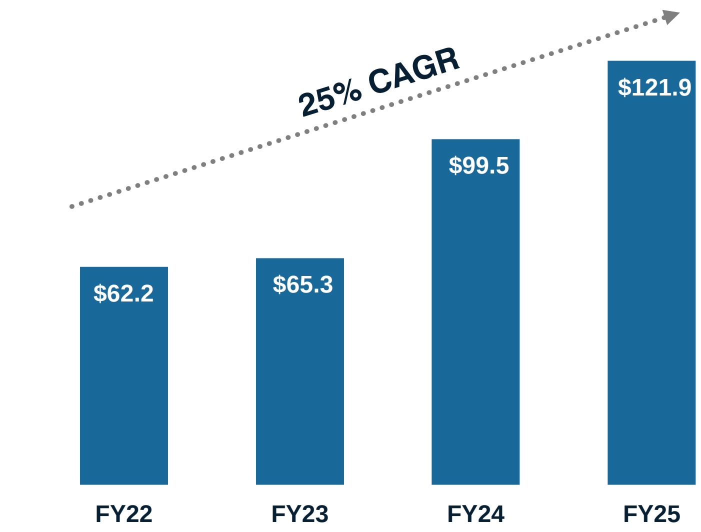
GRAHAM DEVELOPS HIGHLY ENGINEERED, SPECIALIZED PRODUCTS SERVING MISSION CRITICAL FUNCTIONS

DEFENSE | ENERGY & PROCESS | SPACE

Defense Portfolio

CATEGORIES	HIGHLIGHTS
SUMMARY	• Strong and expanding demand supported by increased U.S. defense budgets and accelerated shipbuilding driven by geopolitical tensions • Key supplier of mission-critical systems for submarines, aircraft carriers, and undersea propulsion and power systems • Approximately 80% of revenue is sole-sourced with high barriers to entry • Additional revenue opportunities based off track-record of success with aftermarket revenue; overhauls, spares, adjacencies - SSN(X) next gen attack submarine design has begun • Growth being accelerated through supplier development funding - $18 million granted to date
SERVING	• Aircraft Carriers & Nuclear Submarines • Military Aircraft • Torpedoes & Unmanned Underwater Vehicles • Ground-Based Mobility & Thermal Management
CONTENT	• Condensers • Heat Exchangers • Air Turbine Pumps • Torpedo Powerplant • Laser / Radar Cooling Pumps & Controllers

REVENUE ($ in millions)



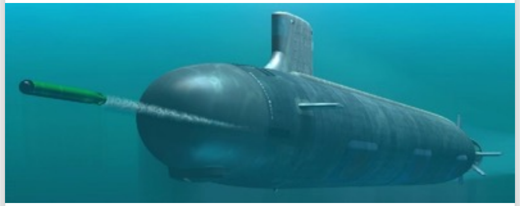
CUSTOMERS

Boeing, BPMI, General Atomics, General Dynamics Electric Boat, L3Harris, Lockheed Martin, Newport News Shipbuilding, Northrop Grumman, PennState Applied Research Laboratory, Raytheon, Rolls-Royce, SAIC

DEFENSE | ENERGY & PROCESS | SPACE

Long-Cycle Visibility on Key Navy Nuclear Programs

GRAHAM REVENUE OPPORTUNITY **~$1.7 BILLION[(2)] THROUGH 2056** BASED ON STRATEGIC PLATFORM PROJECTIONS

	CVN Ford Class Carrier	SSN Virginia Class Subs	SSBN Columbia Class Subs	Torpedoes
Build Plan[(1)]	• 2 Completed • 2 Under Construction • 6 Remaining	• 27 Completed • 11 Under Construction • 28 Remaining + 3 AUKUS	• 2 Under Construction • 10 Remaining	• Mk 48: 3 Option Years remaining • SCEPS: In LRIP
Build Timeline[(1)]	1 every 4 years Expected completion by FY58	2 per year Expected completion ~FY56	1 per year Expected completion by FY35	Mk 48: 50-120 per year SCEPS: 5-10 per year
GHM Revenue Potential	~$300M [(3)]	~$800M [(3)]	~$500M [(3)]	~$150M

(1) Build timeline and number of builds planned based on U.S. Navy Report to Congress on the Annual Long-Range Plan for Construction of Naval Vessels for Fiscal Year 2024.
(2) GHM revenue potential equals number of planned builds multiplied by approximate value of GHM products incorporated into each build at current prices and does not consider any future content, pricing increases or inflation.
(3) GHM typically building ahead on blocks with advanced funding.

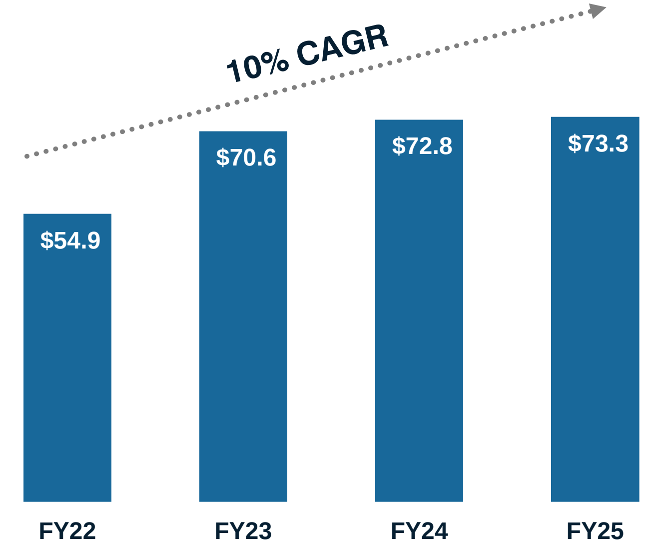
DEFENSE | ENERGY & PROCESS | SPACE

Energy & Process Portfolio

CATEGORIES	HIGHLIGHTS
SUMMARY	• Stable demand in traditional O&G energy markets and strong aftermarket demand from global energy and chemical customers • Increasing growth opportunities in international markets such as India, Middle East, and North Africa • Increasing market penetration in clean energy and other sectors, including SMRs, hydrogen, thermal, bioenergy, and geothermal
SERVING	• Oil & Gas / Chemical Process • Power Generation • Small Modular Nuclear Reactors (SMRs) • Cryogenics
CONTENT	• Vacuum Systems • Heat Exchangers • Helium Circulators • Super Critical CO2 Turbo Machinery • Cryogenic & Liquid Propellent Pumping




REVENUE ($ in millions)

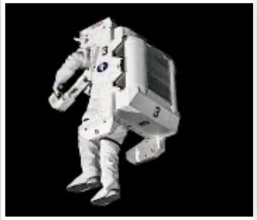


CUSTOMERS

Air Liquide, aramco ventures, CERN, Cummins, Dow, DuPont, ECHOGEN power systems, Exxon, FLUOR, Jacobs, Kairos Power, KOCH FERTILIZER, MITSUBISHI, Oak Ridge National Laboratory, RADIANT, Rolls-Royce

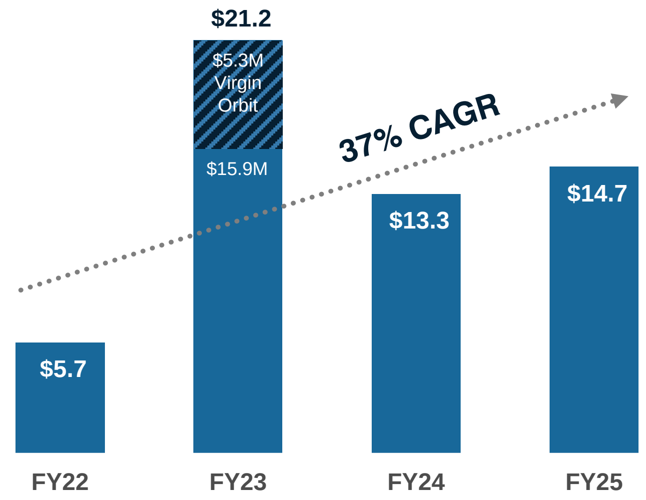
Space Portfolio

CATEGORIES	HIGHLIGHTS
SUMMARY	• Developing content commercial space through rocket engine turbopump systems and satellite launch support • Positioned for long-term growth from extended space exploration and next-gen aerospace propulsion technologies • Products play key roles in thermal/fluid management and environmental control systems critical for future missions
SERVING	• Rocket Launch • Satellites • Life Support • Lunar Exploration Satellites
CONTENT	• Fuel Delivery Turbopumps • Cryogenic & Propellant Mgmt. • Thermal Management Pumps • Oxygen Fan Blowers • Satellite Thermal Management



1) FY24 Impacted by Virgin Orbit Bankruptcy

REVENUE[1] ($ in millions)



CUSTOMERS

AXIOM SPACE · BLUE ORIGIN · BOEING · INTUITIVE MACHINES · LOCKHEED MARTIN · NASA · NORTHROP GRUMMAN · Relativity · SES · SIERRA SPACE · ULA

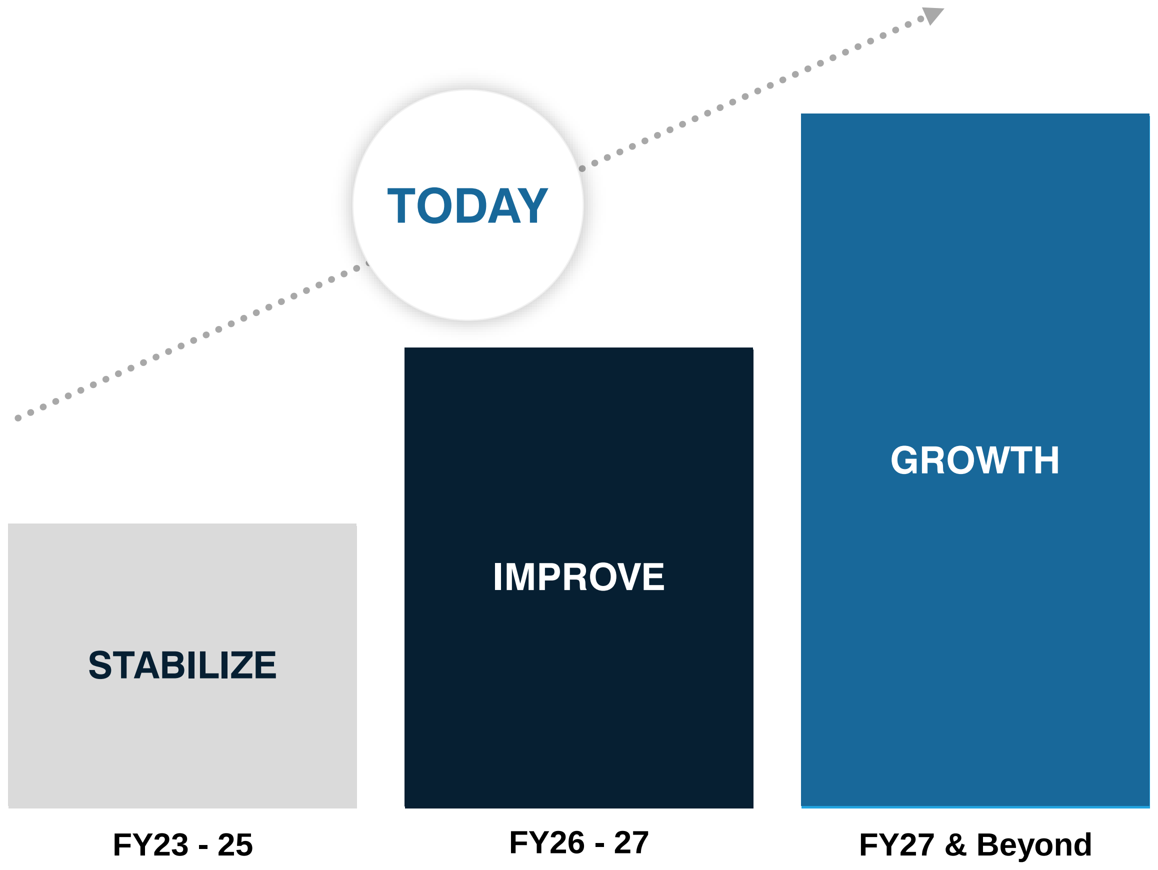
Image credit: Blue Origin

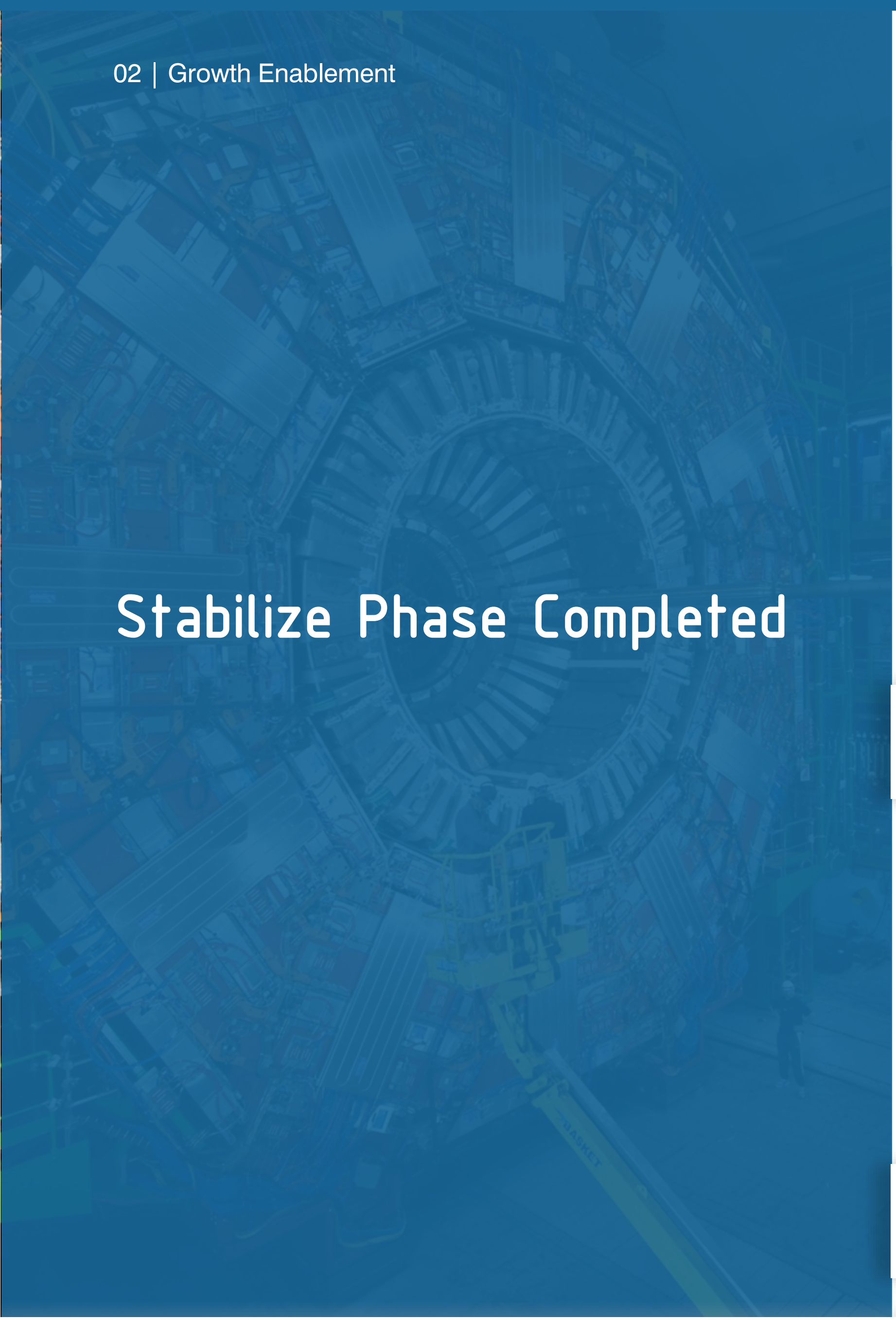
02

Growth Enablement

Accelerating Growth From a Stable Foundation

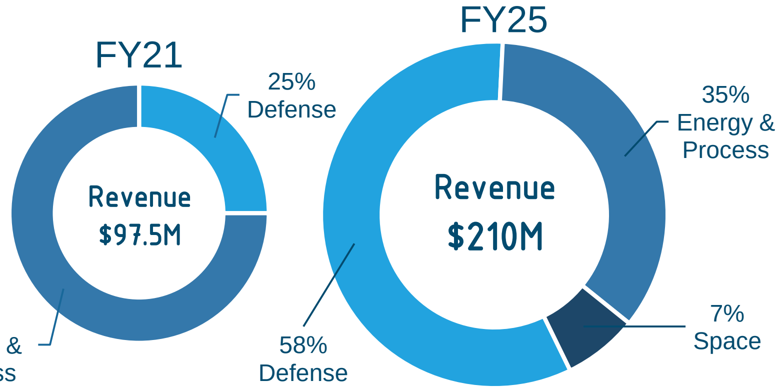
STABILIZE COMPLETE, TRACKING TO FY27 TARGETS
MOMENTUM BUILDING INTO IMPROVE & GROWTH PHASES





Stabilize Phase Completed

Credibility Through Action & Results

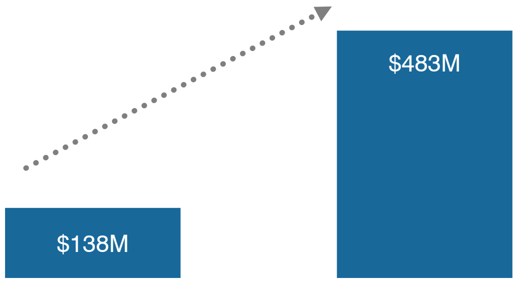


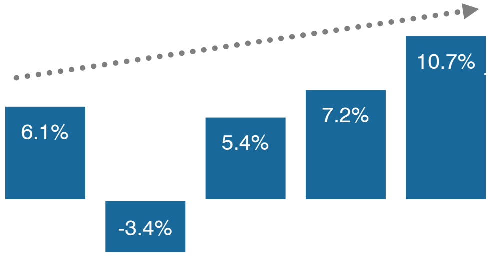
>20%

ROIC(1) Hurdle Rate

Expanded Portfolio Diversification

Disciplined Capital Allocation





Robust Backlog Growth

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.

Phased Approach to Sustainable, Long-Term Growth

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

	DEFENSE	ENERGY & PROCESS	SPACE	GRAHAM CORPORATE
	Naval Ship and Submarine Demand Accelerating	**Rising Grid Demand From AI & Data Centers | Diversification into Nuclear & Renewables**	**Expansion Driven by Geopolitics**	**Operational Excellence is at the Core**
Improve (0-2 years)	✓ New Navy Facility ✓ Automated Welding ✓ Navy Overhaul Facility • X-Ray Facility • Skilled Workforce Training	✓ Assembly & Test Facility ✓ India Team & Capability • NextGen™ Nozzle • Automated Welding • Small Modular Nuclear R&D	• Cryogenic Test Facility • Liquid Nitrogen Testing • Expanded Space Cleanroom & Cleaning Capability	✓ IT Infrastructure ✓ 5-yr/$50M Credit Facility ✓ $150M Shelf Registration • Batavia ERP • Corporate Playbooks
Growth (2-5+ years)	• Next Generation Platforms • Modernizing Legacy Designs • Expand Scope of Supply • Supplier Development Funding	• R&D for New Product Introduction • Existing Products in Emerging "New Energy" Markets • Leverage $1B Installed-Base via Service & Aftermarket • India for "Rest of World"	• R&D for New Product Introduction • Existing Products on Scaling Platforms & Markets • Feasibility & Validation Testing	• M&A • Expand Corporate Team • Shared Services & Best Practices • Arvada Land Acquisition

Enabling the Growth Phase Through Product Lifecycle Expansion

PRODUCT LIFECYCLE

VALUE IDENTIFICATION → **VALUE CREATION** → **VALUE EXTRACTION**

Market & Customer Need — 1 — Technology & Product Solution — 2 — Commercialization & Production Scale — 3 — 4 — Service & Aftermarket

GROWTH DRIVERS

1. Disruptive Solutions

Utilize innovative R&D to enhance competitive advantage in new and existing markets

Ex. NextGen™ Nozzle, Multi-Channel Diffuser

2. Product Go-To-Market

Productize & commercialize existing solutions to scale across multiple customers & applications

Ex. Heliflow, SCAMP, Motor Controller

3. Global Expansion

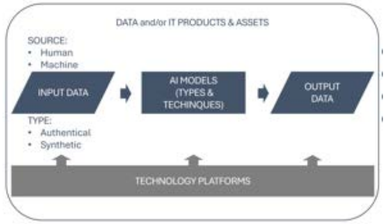
Expand international localization footprint to expand global reach and competitive advantage

Ex. India for "Rest of World"

4. Digital Transformation

Integrate market intel with business systems to proactively stimulate service & aftermarket growth

Ex. AI for Proactive Aftermarket



M&A: PURSUE OPPORTUNISTIC DEALS WITH MOATED ENGINEERED PRODUCTS, ALIGNED WITH CORE MARKETS THROUGHOUT THE PRODUCT LIFECYCLE

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

Xdot Bearing Technologies Acquisition

A ***specialized*** consulting, design and engineering firm focused on foil bearing technology

Acquisition **strengthens** BN's position in advanced, energy-efficient rotating machinery markets

About Xdot

- Specialized in foil bearing design and engineering for last 20 years
- Holds patented technology improving performance and lowering cost
- Served automotive, aerospace, defense, medical, and industrial high speed turbomachinery markets

Strategic Rationale

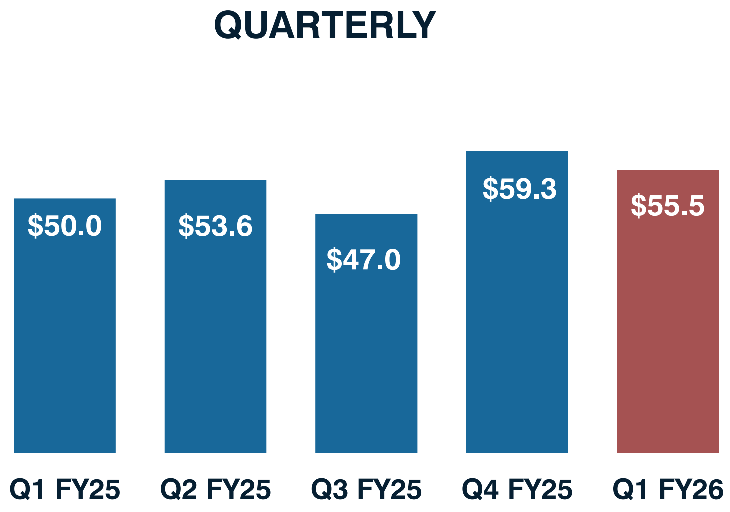
- Enhances BN's turbomachinery capabilities and fills key technology gap
- Expands high-speed pump and compressor offerings
- Supports growth in A&D, energy transition, and industrial markets

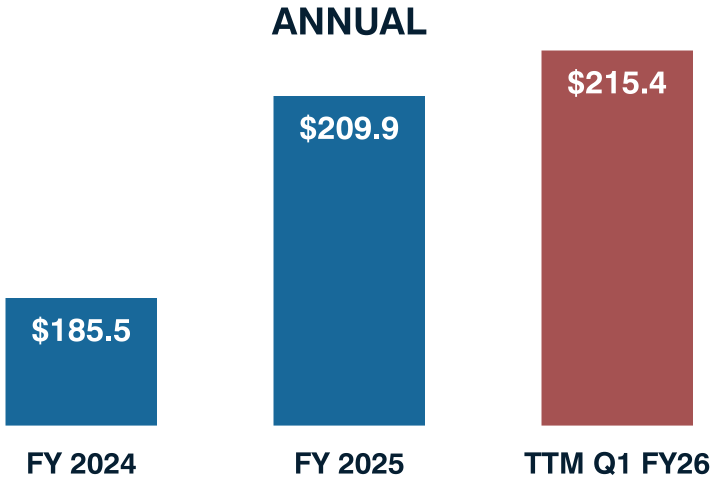
Financial Overview & Terms

- Annual revenue of ~$1M
- Slightly accretive to FY26 GAAP net income
- Cash Purchase price: $1.5M (incl. earn-outs)

03 | Financials

Revenue Performance





Q1 FY26 sales up $5.5 million or 11%

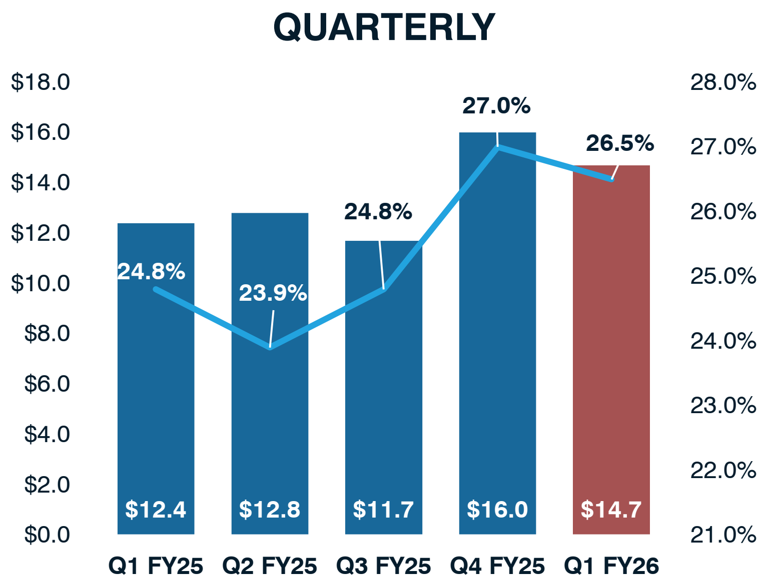
+ 33% Energy & Process
+ 33% Aftermarket
+ 2% Defense
– 14% Space

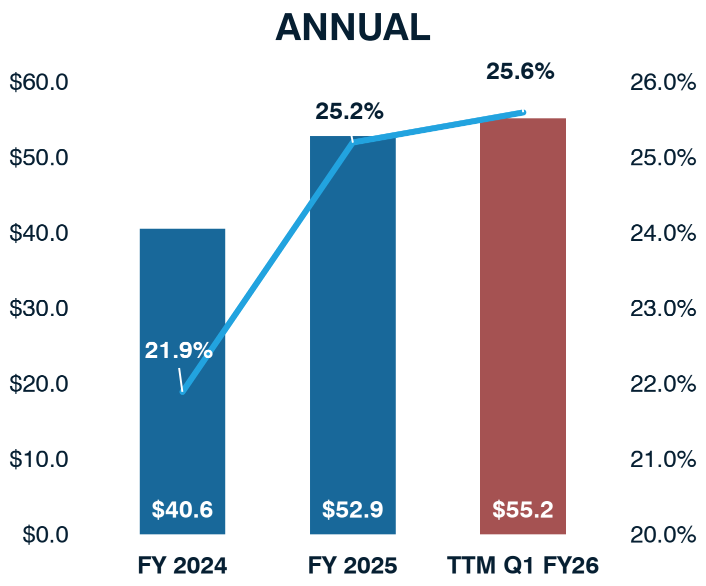
Revenue Impacts

+ Growth in existing programs
+ Improved pricing and execution
+ Mix
+ Increase in New Energy (Hydrogen and SMRs)
+ Increased Aftermarket sales in Energy & Process and Defense

Strong Gross Profit & Margin Expansion

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



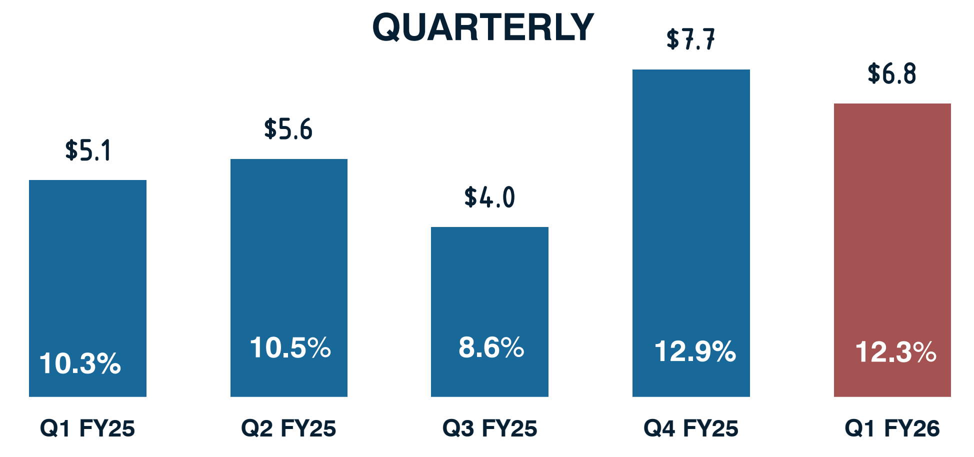


Q1 FY26 Gross Profit Increased $2.4 Million or 19%

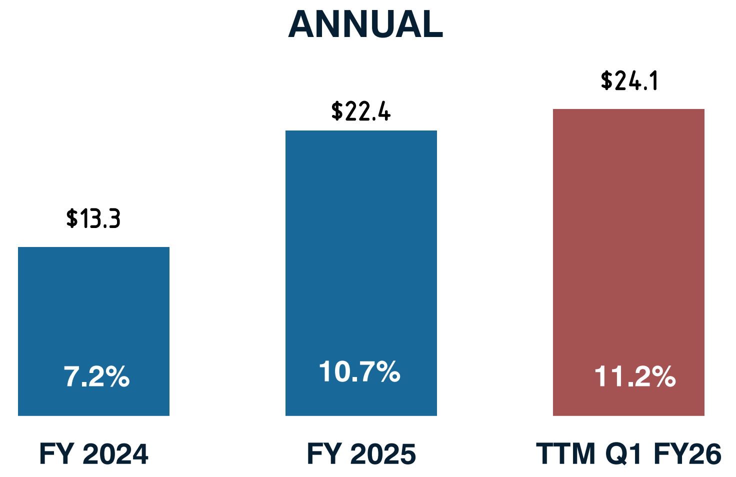
- Gross margin expanded 170 bps to 26.5%
- Q1 FY26 gross margin impacts were driven by:

+ Volume
+ Improved pricing and execution
+ Improved mix of higher margin sales

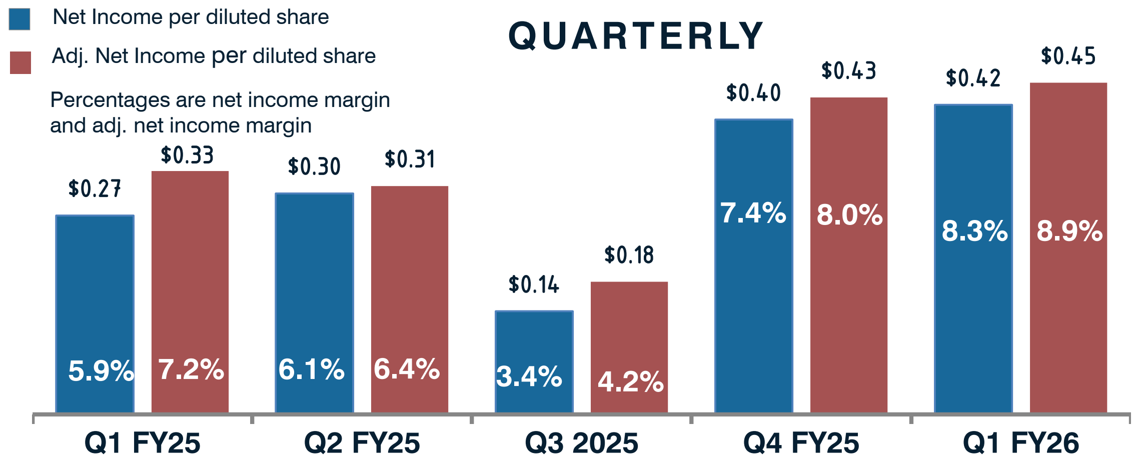
Adjusted EBITDA & Adjusted EBITDA Margins[1]



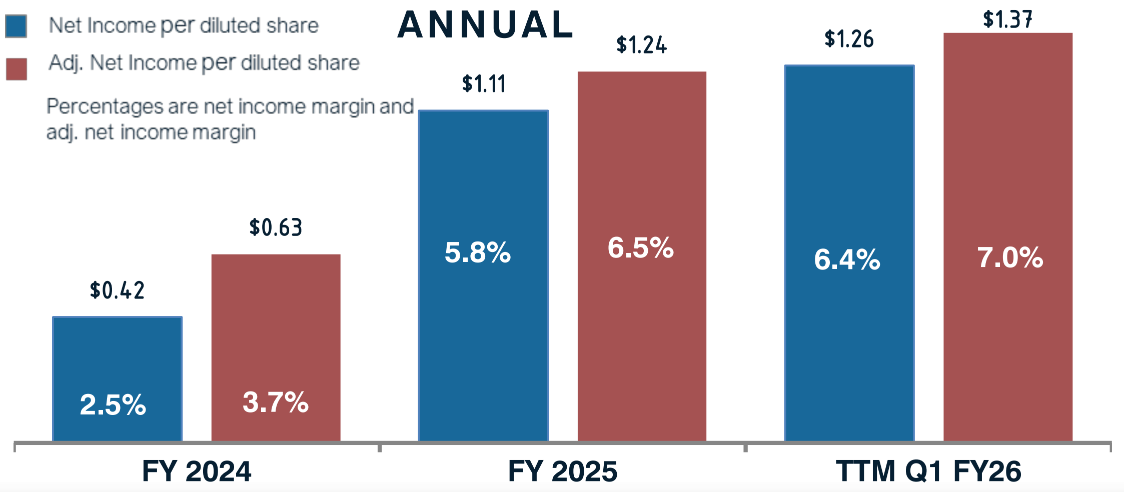
($ in millions except per share data)



Net Income, Adj. Net Income Per Diluted Share & Margin[1]



($ in millions except per share data)

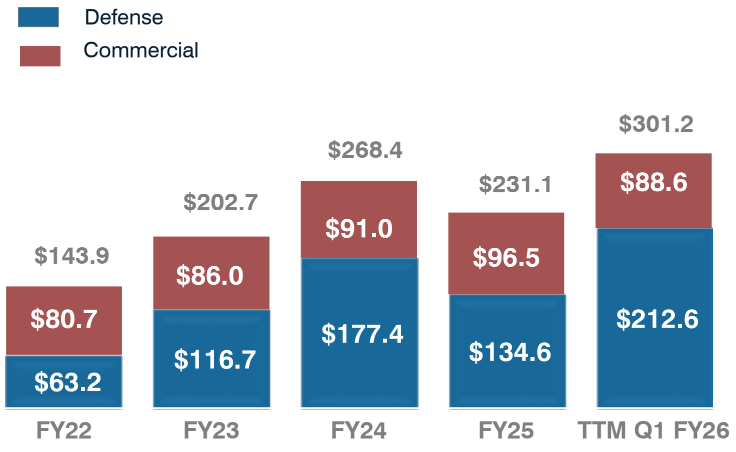


(1) See appendix for additional important disclosures regarding Graham's use of the non-GAAP measures of Adjusted EBITDA, Adjusted EBITDA Margins, Adjusted Net income and Adjusted Net Income per diluted share.

Long-Term Demand For Graham Diversified Portfolio

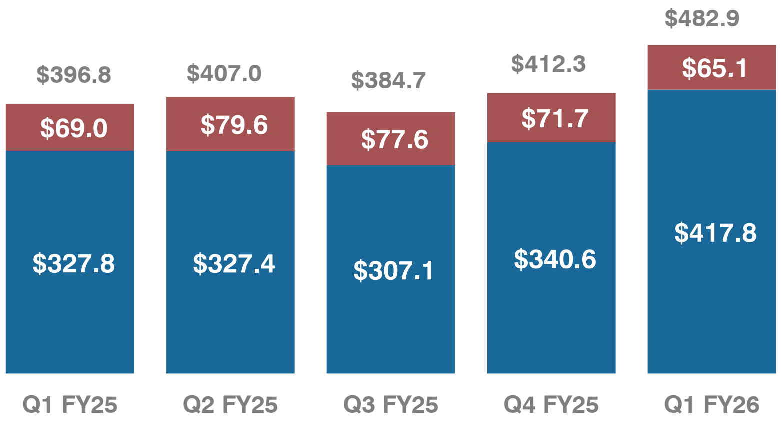
($ in millions; narrative compared with prior-year period unless otherwise noted)

Total Orders[1]



FY25 Book-to-Bill[1] of 1.1x

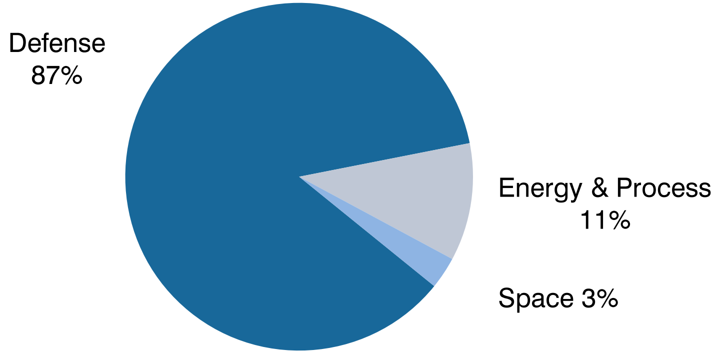
Backlog[1]



Highlights

- Orders increased 126%; on track to achieve 1.1x FY26 book-to-bill target
- Record backlog of $482.9 million
- Q1 FY26 orders included $86.5 million of $136.5 million total contract value for follow-on order to support the Virginia Class Submarine
- Expect approximately 35% to 40% of backlog to convert to sales in the next 12 months; another 25% to 30% the following year

Q1 Backlog by Industry[2]



(1) See appendix for additional information regarding Graham's use of key performance metrics.
(2) Due to rounding, percentages may not sum up to 100%

Balance Sheet & Liquidity

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

Q1 FY26 Overview

$(2.3)M	Cash used by operating activities
$7.0M	Capital Expenditures
$10.8M	Cash and cash equivalents
$44.3M	Remaining on revolving credit facility
$0.0M	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% ROIC[1] 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 11% 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.

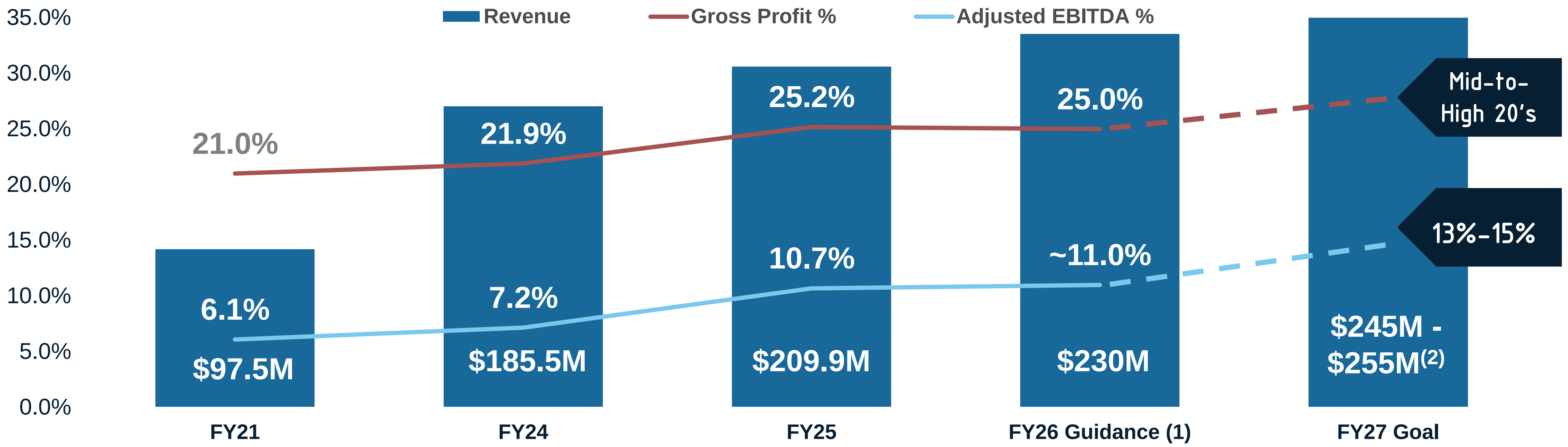
Advancing Toward Long-Term Goals with Strategic Actions

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



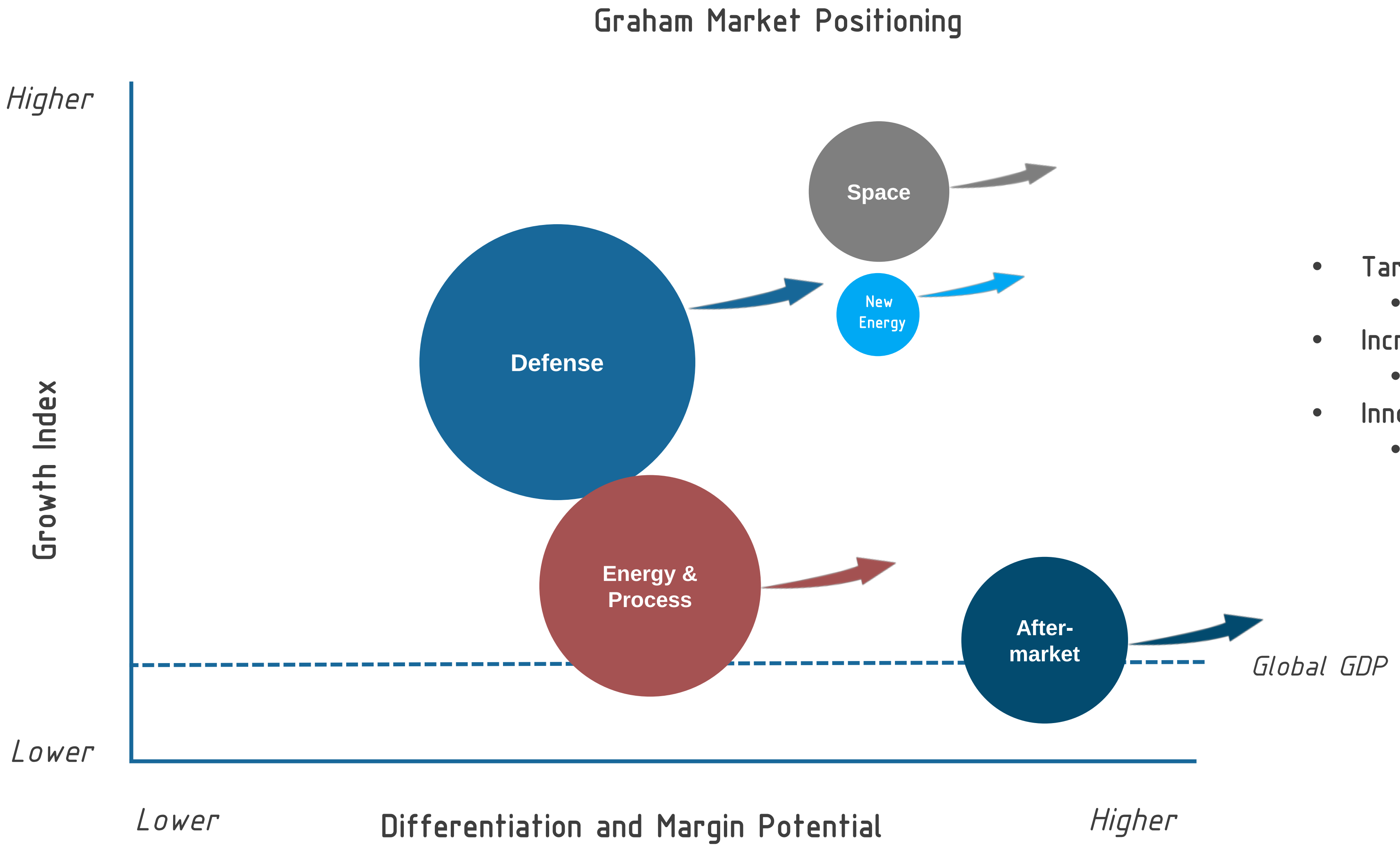
BN earnout bonus expense completes at end of FY26, expected to contribute ~200 bps to Adj EBITDA margin in FY27

(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

Growth Businesses with Strategies for Expanding Margins



Target Market Growth Drivers:

- Targeting
  - Growing end markets and applications
- Increasing
  - Market share and market penetration
- Innovating
  - New products and solutions to disrupt mature markets

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

	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26
Net income	**$ 2,966**	**$ 3,281**	**$ 1,588**	**$ 4,395**	**$ 4,595**
Acquisition & integration income, net	(93)	(587)	(220)	(270)	(76)
Equity-based compensation	344	434	426	753	532
ERP implementation costs	342	205	157	178	23
Net interest income	(161)	(153)	(128)	(141)	(177)
Income tax expense	328	1,016	659	1,174	418
Depreciation & amortization	1,411	1,419	1,545	1,561	1,523
Adjusted EBITDA	**$ 5,137**	**$ 5,615**	**$ 4,027**	**$ 7,650**	**$ 6,838**
Net Sales	49,951	53,563	47,037	59,345	55,487
Net income as a % of revenue	*5.9%*	*6.1%*	*3.4%*	*7.4%*	*8.3%*
Adjusted EBITDA as a % of revenue	*10.3%*	*10.5%*	*8.6%*	*12.9%*	*12.3%*

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 EBITDA Reconciliation

	FY 2021	FY2022	FY2023	FY2024	FY2025
Net income	**$ 2,374**	**$ (8,773)**	**$ 367**	**$ 4,556**	**$ 12,230**
Acquisition & integration expense (income), net	-	(1,243)	54	432	(1,170)
Equity-based compensation	864	809	806	1,279	1,957
ERP implementation costs	-	-	-	241	882
Debt amerndment costs	-	278	194	781	-
Employee Retention Tax Credit	-	-	-	(702)	-
CEO & CFO Transition	-	1,182	-	-	-
Net interest expense (income)	(156)	400	939	248	(583)
Income tax expense	893	(2,443)	194	1,018	3,177
Depreciation & amortization	1,945	5,599	5,987	5,432	5,936
Adjusted EBITDA	**$ 5,920**	**$ (4,191)**	**$ 8,541**	**$ 13,285**	**$ 22,429**
Net Sales	97,489	122,814	157,118	185,533	209,896
Net income as a % of revenue	*2.4%*	*-7.1%*	*0.2%*	*2.5%*	*5.8%*
Adjusted EBITDA as a % of revenue	*6.1%*	*-3.4%*	*5.4%*	*7.2%*	*10.7%*

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

	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26
Net income	**$ 2,966**	**$ 3,281**	**$ 1,588**	**$ 4,395**	**$ 4,595**
Acquisition & integration income, net	(93)	(587)	(220)	(270)	(76)
Amortization of intangible assets	554	555	554	555	499
ERP implementation costs	342	205	157	178	23
Tax impact of adjustments[1]	(185)	(40)	(113)	(106)	(103)
Adjusted net income	**$ 3,584**	**$ 3,414**	**$ 1,966**	**$ 4,752**	**$ 4,938**
GAAP net income per diluted share	**$ 0.27**	**$ 0.30**	**$ 0.14**	**$ 0.40**	**$ 0.42**
Adjusted net income per diluted share	**$ 0.33**	**$ 0.31**	**$ 0.18**	**$ 0.43**	**$ 0.45**
Diluted weighted average common shares outstanding	10,958	11,024	11,057	11,115	11,033

(1) *Applies a normalized tax rate to non-GAAP adjustments, which are pre-tax, based upon the statutory tax rate of 23%.*

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.

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.

Competitors

North America		
Market		**Principal Competitors**
Defense		DC Fabricators; Joseph Oat; PCC; Triumph Aerospace; Xylem
Energy & Process		Croll Reynolds Company, Inc.; Gardner Denver, Inc.; Schutte Koerting; GEA Wiegand GmbH
Turbomachinery OEM - Defense & Space		Ametek, Inc.; Concepts NREC; Curtiss Wright; Honeywell; Kratos Defense & Security Solns
Turbomachinery OEM - Energy & Process		Donghwa Entec Co., Ltd.; KEMCO; Oeltechnik GmbH
Turbomachinery OEM - Power & Power Producer		Holtec; KEMCO; Maarky Thermal Systems; Thermal Engineering International (USA), Inc.

International		
Market		**Principal Competitors**
Energy & Process		Croll Reynolds Company, Inc.; Edwards, Ltd.; Gardner Denver, Inc.; GEA Wiegand GmbH; Korting Hannover AG; Schutte Koerting
Turbomachinery OEM - Energy & Process		Chem Process Systems; Donghwa Entec Co., Ltd.; Hangzhou Turbine Equipment Co., Ltd.; KEMCO; Mazda (India); Oeltechnik GmbH
Turbomachinery OEM - Power & Power Producer		Chem Process Systems; Holtec; KEMCO; Mazda (India); SPX Heat Transfer; Thermal Engineering International