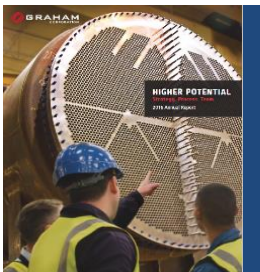


POSITIVE PERFORMANCE



Company Profile

Graham is a global business that designs, manufactures and sells critical equipment for the energy, defense and chemical/petrochemical industries. Energy markets include oil refining, cogeneration, nuclear and alternative power. For the defense industry, the Company's equipment is used in nuclear propulsion power systems for the U.S. Navy. Graham's global brand is built upon its world-renowned engineering expertise in vacuum and heat transfer technology, responsive and flexible service, and unsurpassed quality.

Graham designs and manufactures custom-engineered ejectors, vacuum pumping systems, surface condensers and vacuum systems. The Company is also a leading nuclear code accredited fabrication and specialty machining company. Sold either as components or complete system solutions, the principal markets for the Company's equipment include:

- Refining
- Chemical/Petrochemical
- Power
- Defense and Other Industrial

Graham equipment can also be found in diverse product applications, such as:

- Refrigeration
- Water Heating
- Metal Refining
- Food Processing
- Pharmaceutical
- Pulp and Paper Processing
- Shipbuilding
- HVAC
- Desalination
- Alternative Energy

For nearly 80 years, Graham has built a reputation for top quality, reliable products, and high standards of customer service. Its equipment is installed in facilities from North and South America to Europe, Asia, Africa, and the Middle East.

Graham Vision and Strategy

Graham's vision is to be a world-class leader in the design and manufacture of engineered-to-order products for the energy markets with a goal to grow organic revenue to exceed \$200 million:

- Leveraging capacity to capture market share
- Expanding predictable base business including nuclear market MRO, U.S. Navy, aftermarket and short-cycle products
- Acquiring engineered-to-order product companies to expand geographically and/or diversify products
- Cultivating new markets, such as gas-to-liquids
- Maintaining margins through engineering and manufacturing operational efficiency improvements
- Maintaining a strong balance sheet through aggressive cash management

Investment Considerations

- Expected long-term global energy demand growth driving opportunities
- Leading market position and worldwide brand recognition
- Sales model based on early engineering involvement
- Expanding addressable market opportunities
- Strong and flexible balance sheet
- Acquisition opportunities
- Results-oriented management team
- Top quartile financial performance
- Solid operating leverage and powerful cash generation

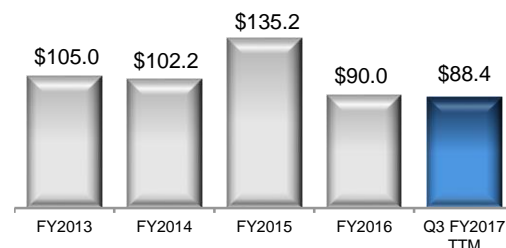
Market Data

Recent price	\$22.99	Market capitalization (millions)	\$223.0
52-week range	\$16.06 - \$25.00	Common shares outstanding (at 1/27/17; in millions)	9.7
Average daily volume (3 months; in thousands)	41.8	Institutional ownership	74.2%

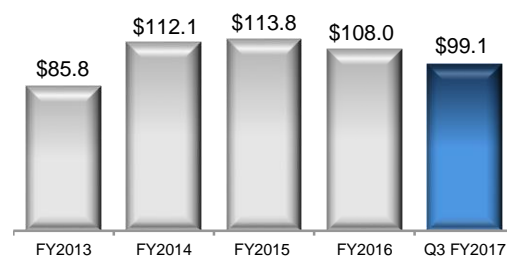
Market data as of January 26, 2017 (Source: Bloomberg); ownership as of most recent filing

Graham Corporation ♦ 20 Florence Avenue ♦ Batavia, New York 14020 ♦ (585) 343-2216

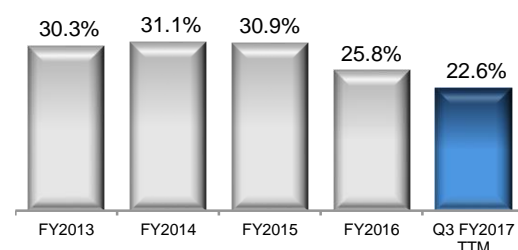
Sales (in millions)



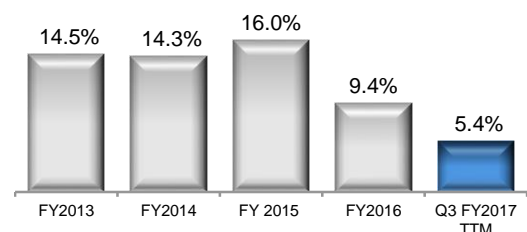
Backlog (in millions)



Gross Profit Margin



Operating Margin



Investor Relations Contact

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POSITIVE PERFORMANCE



Financial Highlights

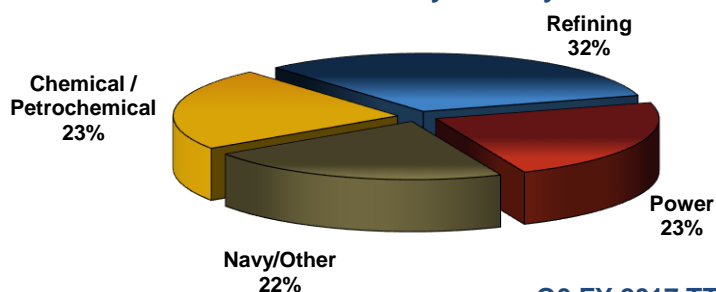
(in thousands except per share data)

	Three Months Ended December 31,		Fiscal Year Ended March 31,		
	2016	2015	2016	2015	2014
Sales	\$ 22,654	\$ 17,323	\$ 90,039	\$ 135,169	\$ 102,218
Gross profit	6,301	3,524	23,255	41,804	31,812
Selling, general and administrative	3,804	3,738	16,565	18,512	17,195
Restructuring charge	-	-	-	1,718	-
Other income	-	(1,784)	(1,789)	-	-
Net interest income	(97)	(68)	(251)	(178)	(93)
Income before taxes	2,594	1,638	8,730	21,752	14,710
Net income	1,840	1,274	6,131	14,735	10,145
Diluted earnings per share	\$ 0.19	\$ 0.13	\$ 0.61	\$ 1.45	\$ 1.00
Weighted average shares outstanding – diluted	9,733	9,927	9,983	10,143	10,104
Gross margin	27.8%	20.3%	25.8%	30.9%	31.1%
Operating margin	11.0%	9.1%	9.4%	16.0%	14.3%
Net margin	8.1%	7.4%	6.8%	10.9%	9.9%

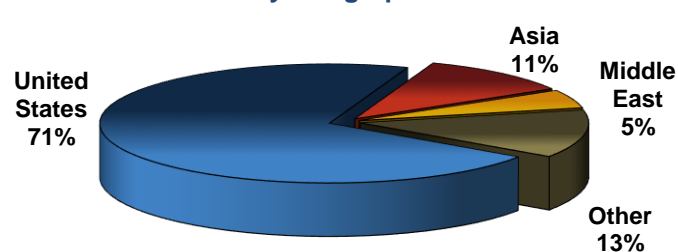
(in thousands)

	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014
Cash and investments	\$ 72,677	\$ 65,072	\$ 60,271	\$ 61,146
Current assets	109,389	102,730	111,047	96,788
Other assets	38,939	40,401	42,956	44,183
Total assets	148,328	143,131	154,003	140,971
Current liabilities	31,684	27,923	30,163	26,110
Capital lease obligations, excluding current portion	119	157	98	136
Other liabilities	5,584	5,671	7,191	8,817
Stockholders' equity	110,941	109,380	116,551	105,908
Total liabilities and stockholders' equity	148,328	143,131	154,003	140,971

Revenue by Industry



Revenue by Geographic Market



Q3 FY 2017 TTM Revenue: \$88.4 Million

Third Quarter Fiscal 2017 Highlights

- Net sales in the third quarter were \$22.7 million, compared with net sales of \$17.3 million in the third quarter of the fiscal year ended March 31, 2016; favorably impacted by execution of a large non-typical order.
- Diversification strategies positively impacted the third quarter results, with approximately one-third of sales coming from the U.S. Navy and nuclear power markets. Additionally, gross margin in the quarter was significantly and favorably impacted by conversion of a non-typical order.
- Net income of \$1.8 million, or \$0.19 per share, compared with \$1.3 million, or \$0.13 per share, for the prior-year third quarter
- Fiscal 2017 revenue expectations tightened to range of \$88 million to \$92 million. Expecting gross margin between 21% and 23% and SG&A expense between \$15 and \$15.5 million, inclusive of the \$0.6 million restructuring charge. Effective tax rate is anticipated to be between 28% and 30%.

The above 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 can be identified by words such as "expects," "estimates," "projects," "anticipates," "believes," "could," and other similar words and expressions. All statements addressing operating performance, events, or developments that Graham expects or anticipates will occur in the future, including but not limited to, statements relating to anticipated revenue, profit margins, foreign operations, Graham's strategies, the effectiveness of automation, Graham's ability to improve its cost competitiveness, customer preferences, changes in market conditions in the industries in which it operates, changes in economic conditions and customer behavior are forward-looking statements and they should be evaluated in light of important risk factors and uncertainties. These risk factors and uncertainties are more fully described in Graham's most recent Annual and Quarterly Reports filed with the Securities and Exchange Commission, included under the heading entitled "Risk Factors." Should one or more of these risks or uncertainties materialize, or should any of Graham's underlying assumptions prove incorrect, actual results may vary materially from those currently anticipated. Undue reliance should not be placed on Graham's forward-looking statements. Except as required by law, Graham disclaims any obligation to update or publicly announce any revisions to any of its forward-looking statements.