

## 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
- U.S. Navy
- Power
- Other

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 over 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 the Middle East, Asia, Africa, and Europe.

### Graham Vision and Strategy

Graham's vision is to be a world-class leader in the design and manufacture of engineered-to-order solutions for the energy and other markets:

- Leveraging capacity to capture market share
- Expanding predictable base business including U.S. Navy, aftermarket short-cycle products, and nuclear market MRO
- Acquiring engineered-to-order product companies to expand geographically and/or diversify products or expand markets
- Cultivating new markets, such as gas-to-liquids
- 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

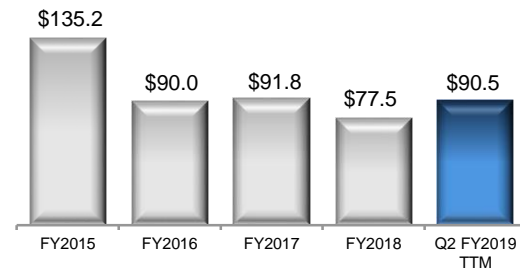
### Market Data

Recent price	\$25.17	Market capitalization (millions)	\$247.5
52-week range	\$18.50 - \$28.98	Common shares outstanding (at 9/30/18; in millions)	9.8
Average daily volume (3 months; in thousands)	23.4	Institutional ownership	79%

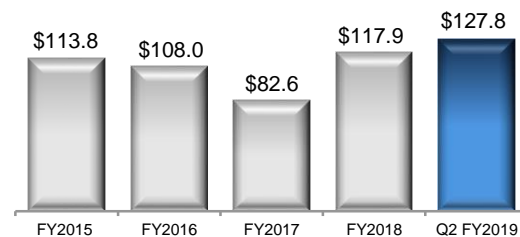
Market data as of November 19, 2018 (Source: S&P Capital IQ); ownership as of most recent filing

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

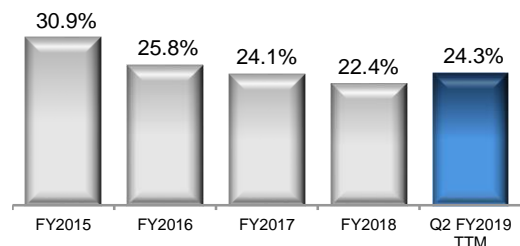
### Sales (in millions)



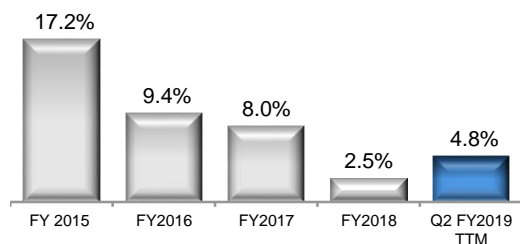
### Backlog (in millions)



### Gross Profit Margin



### Adjusted Operating Margin



### Investor Relations Contact

Karen L. Howard  
Kei Advisors LLC  
Ph 716.843.3942  
khoward@keiadvisors.com

## POSITIVE PERFORMANCE



### Financial Highlights

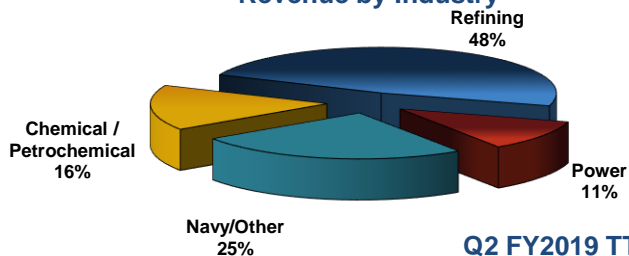
(in thousands except per share data)

	Three Months Ended September 30,		Fiscal Year Ended March 31,		
	2018	2017	2018	2017	2016
Sales	\$ 21,441	\$ 17,224	\$ 77,534	\$ 91,769	\$ 90,039
Gross profit	6,227	3,741	17,330	22,161	23,255
Selling, general and administrative	4,778	3,731	15,646	14,858	16,565
Impairment of goodwill and intangible assets	-	-	14,816	-	-
Restructuring charge	-	-	316	630	-
Other income	(206)	(120)	-	-	(1,789)
Net interest income	(350)	(160)	(594)	(376)	(251)
Income before taxes	2,005	(26)	(12,854)	7,049	8,730
Net income	1,827	10	(9,844)	5,023	6,131
Diluted earnings per share	\$ 0.19	\$ -	\$ (1.01)	\$ 0.52	\$ 0.61
Weighted average shares outstanding – diluted	9,848	9,775	9,764	9,728	9,983
Gross margin	29.0%	21.7%	22.4%	24.1%	25.8%
Adjusted operating margin	6.8%	0.0%	2.5%	8.0%	9.4%

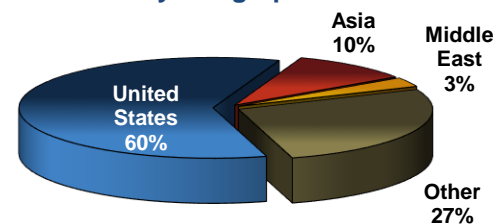
(in thousands)

	September 30, 2018	September 30, 2017	March 31, 2018	March 31, 2017	March 31, 2016
Cash and investments	\$ 78,989	\$ 72,102	\$ 76,479	\$ 73,474	\$ 65,072
Current assets	129,244	107,091	115,400	110,726	102,730
Other assets	27,814	40,762	27,933	40,844	40,401
Total assets	157,058	147,853	143,333	151,570	143,131
Current liabilities	49,051	28,243	37,295	32,038	27,923
Capital lease obligations, excluding current portion	41	91	55	143	157
Other liabilities	2,712	5,651	2,634	5,279	5,671
Stockholders' equity	105,254	113,868	103,349	114,110	109,380
Total liabilities and stockholders' equity	157,058	147,853	143,333	151,570	143,131

### Revenue by Industry



### Revenue by Geographic Market



Q2 FY2019 TTM Revenue: \$90.5 Million

### Fiscal 2019 Second Quarter Highlights

- Revenue was \$21.4 million, up 24% from \$17.2 million in Q2 FY2018
- Record backlog of \$128 million
- Net income of \$1.8 million, \$0.19 per share
- Orders were \$34 million, trailing twelve months net orders were \$140.4 million
- Narrowing fiscal 2019 revenue expectations to \$98 million to \$105 million, increasing gross margin expectations to between 25% and 27%

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.