Jeff Glajch: As you are aware, throughout this presentation I may make some forward-looking statements. Please refer to our Safe Harbor statement policy on slide two regarding those statements.

Slide 4
I'd like to take you through our business and strategic outlook. Graham has financial goals to double revenue growth over a cycle, to have an average EBITDA margin of greater than 17% and a return on invested capital north of 12%. As you can see from our recent performance on those latter two measures, we exceeded those and we had very strong growth from fiscal 2014 to fiscal 2015. For those of you who are not familiar with Graham, our fiscal year ends in March, so fiscal 2015 ended in March of 2015.

Slide 5
We are looking to execute our strategy to expand earnings. We want to leverage our assets to capture additional market share. We want to expand our predictable base business. We want to use the capital on our balance sheet to diversify and strengthen our revenues streams. Throughout that, we want to focus on our key markets of refining, petrochemical, power and U.S. Navy.

Slide 6
Our near-term expansion targets are to double revenue from our previous peak of $100 million up to greater than $200 million, and you can see in fiscal 2015, we made a pretty significant step in that direction. We believe at that $200 million level we can have gross profit margins in the mid- to upper- 30% range, up from 31% in fiscal 2015 and that we can have EBITDA margins in the low-to-mid 20% range. We can achieve this by utilizing our facilities and generating operating leverage, as well as improving pricing over a cycle to see those margins expand.

Slide 7
A key component of this has been our diversification strategy, a strategy that we took on a number of years back. If you went back to the previous cycle, you'd see that about three-quarters of our revenue fell into the refining and chemical/petrochemical sectors, a very small power sector and then we had a piece of our business which included a lot of ancillary markets that we call other. For our recent mix which would be the most recent fiscal year, you can see the refining and petrochem sector were both larger today than they had been, but the percentage of the overall business has shifted from about three-quarters down to about two-thirds of the business.

What's changed during that time period in the other markets is that we have a much stronger power segment which is about 15% of our business up from 5%. The stronger power segment was really driven by an acquisition that we made in the nuclear energy market a few years back. And then in the other sector, the other piece has shrunk. However, we have a business with the U.S. Navy that we have diversified into over last number of years and that has made up a meaningful piece of business in the most recent fiscal year and we expect going forward it will be even larger.

Slide 8
As we look to that $200 million target level, you can see again refining and petrochem, the pie is bigger and the absolute dollars in refining and petrochem are bigger, but as a percentage of our total business, it will drop further from about two-thirds to about half of our business, with the remaining half being split between a larger power segment and a larger Navy segment. The path to $200 million from where we were at end of the fiscal '15, from $135 million up to $200 million, we will still have additional growth in refining and petrochem, but those aren't the main drivers. The main drivers, as you can see on the far right, are the diversification in power and Navy.

In the power segment, we believe we can take the business that we purchased and double its size over the cycle. How do we double the size of that business? We believe that we can execute better; we have changed our management team within that business and we believe there's opportunity for us to gain share within the nuclear power market, specifically within the MRO portion of the nuclear power market.

The U.S. Navy has, over the last number of years, made up somewhere between mid- to upper-single digits as a percent of our total revenue. We believe we can grow that to a $20 million to $30 million business, perhaps even beyond that. Why are we confident that we can grow that? If you look at our backlog today, we have a significant increase in our Navy backlog and I'll speak to that briefly in a few minutes. That growth in the Navy backlog will not drive revenue in the immediate term because these are long-life projects. We do expect and are very confident that it will drive revenue out over the next couple of years and I'll speak to that in a minute.

Slide 9
One of the things that we're also doing to expand our businesses is to grow what we refer to as our predictable base business. Our predictable base business is really made up of four components. The obvious one is our aftermarket strategy. We sell aftermarket products within the refining and petrochemical markets to our existing customer base and those are aftermarket products of existing Graham installations. We also have a short cycle products strategy, where we have projects that come in and out within one quarter or two quarters from order to shipment. We focused to increase that revenue level over the past couple of years and have continued programs in-house to focus on growing that going forward.

Our third part of that stable revenue base is the nuclear business that I spoke about before. It's an MRO business. It is serving the existing approximately 100 operating nuclear plants within the United States today. We provide equipment, many times we're providing equipment that is replacing equipment that the original manufacturers can no longer provide because they no longer have the nuclear certification hence they can no longer sell to a nuclear plant.

Finally, the fourth piece of our predictable base, and this may seem a little off from the other three, is the naval strategy. While it's not predictable from an order perspective, and the orders from those other three strategies are smaller or medium size orders, in actuality these are very, very larger orders. However, once those orders are in-house, our ability to predict their conversion to revenue and production is actually quite easy, quite reasonable and this allows us to have a high level of predictability once we have an order in-house with the U.S. Navy.

We believe that by focusing on these segments and taking our predictable business, which has been in the high teens or in the low 20s back in previous cycles, and taking it forward from today which is about $50 million, we believe in the near term we can take it to $60 million and above. We believe that reduces our earnings volatility as we look more into the future.

Slide 10
Our backlog remains strong. If you look at our backlog over the last many years, you'll notice that over the past three years, that is relatively constant, despite some of the turmoil in the energy markets today. However, the makeup of that backlog is dramatically different than it has been in the past.

If you look at the pie graph on the top left, you'll see that 48% of our backlog today is with the U.S. Navy. And while we are very pleased about that, it shows that our U.S. Navy strategy and the execution of that strategy is going quite well, and also that the projects for the U.S. Navy have a very long life to them. Whereas a normal commercial project might have an order-to-shipment of anywhere between 9 to 15 months, projects for the U.S. Navy will have an order-to-shipment of four to five to six years. So while the backlog is now approximately half the U.S. Navy, if you went back couple of years you would find it was 25% two years ago. What that leads to is less of that backlog converting in the upcoming fiscal year, but you've got more predictability two, three, four years out because you've got so much backlog that is tied to long-life projects.

And therefore our projected backlog conversion has changed pretty dramatically over the past couple of years. If you went back two years ago, you would see 70% to 75% of our backlog would convert over the next 12 months. If you look at today's backlog, only 45% to 50% converts over the next 12 months, a slice of it converts between 12 months and 24 months and a very large portion of it, more than 40%, will convert beyond 24 months. And what's in that beyond the 24-month time period is primarily U.S. Navy work. One last point that I want to mention is that more than half of our backlog today is from markets or customers that we didn't serve in the last cycle. I think that's important, as we've gone down this path of our diversification strategy.

Slide 11
We have a diverse bidding pipeline. The bidding pipeline is between $800 million and $1 billion. That may include multiple bids for the same opportunity, but this raw data is very important to us. We've been tracking this over the last 25 years to 30 years and it allows us to give a high level of predictability to what we expect over the next few quarters and over the next year or two and ultimately what will convert into orders. While the recent drop in oil prices has impacted our bid activity, because this is a trailing 12 month number, you won't fully see the impact of it yet. So we have seen a little bit of it and you should assume to see an impact from the reduced price of oil on the refining market.

And if I can talk to refining markets for a second, I think this is important for investors to understand, we have three sets of customers in the refining market. I will speak to them from the smallest to the largest as a portion of our overall refining business. The smallest of the three are the independent refiners, those who are less impacted by the lower oil prices and more focused on the spread from what comes in to what goes out for them, and they actually are doing quite well right now. And that's an area you would continue to expect to see investment in, we're certainly seeing some activity there now, but again, that's the smallest of the three pieces.

The second largest piece for us would be the multinational integrated refiners, someone like an Exxon, Shell or British Petroleum. They are impacted more so because they've got upstream opportunities, as well as downstream opportunities and their upstream opportunities are being dramatically impacted by the lower cost of oil. And with that, the capital investment across their business is at a depressed level compared to where it was a year or so ago.

Finally, the third piece of our customer base, which is larger than the multinationals, would be the state-owned refiners, someone like Saudi Aramco or Pemex or Petrobras, they have the same issues as multinationals, but they also have governmental issues, where they use their cash flow, not only to reinvest, but also use that cash flow to support their country social programs. So they have even more of an impact on their capital spending in the near term.

So those last two groups have certainly been impacted by lower oil prices. We expect in the near term they will continue to be. What they are looking for, quite frankly, is stabilization of oil prices. It is less important where the absolute oil price is, but more important that it's stabilized. They can work to a stable oil price.

Slide 12
Speaking of Graham with regards to what we believe is our strategic strength and what allows us to be as successful as we are, is that our equipment is critical to the process in the operation of our customers' facilities. It has, what we like to call, a high cost of failure. If it doesn't work, our customers have a big problem, because we believe we are very good in what we do; that's what we believe our customers come to us for.

They have a low tolerance, if it's not meeting its performance specifications that our customers expect. When we quote them, our product is going to work to that quoted level, and in most cases it does. It's very difficult to replace or adjust the equipment. Finally, our product has a low relative capital cost. And what I mean by that, if you're building a large refinery that perhaps may cost $5 billion, our equipment maybe is $5 million of that or $10 million of that, which is one or two-tenths of 1% of the total capital cost of their facility. So our equipment is a very small piece. They are more focused on, is it operationally going to work? Is it going to work to specifications? Is it going to start up on time? Are they going to get the right support? And while cost is always important, it's not usually one or two on their list of factors to consider.

Slide 13
An additional way that we believe we serve our customers quite well is our somewhat unique sales cycle. Our sales teams are made up of engineers. In addition to that, our sales team has a support network within Graham which also consists of engineers, who provide support to our customers not at the time the RFQ comes out, but rather at the beginning of their process. If you were to look at a typical refinery or a petrochemical plant, there is a five-year cycle from when the plant is conceptually determined to start up to when they are actually operating.

Within their five year cycle, our equipment typically is ordered 18 months to 24 months from the start of the project. Our competitors have decided to be involved in the project more so at the 18 months to 24 months stage, when the RFQs are actually released. We have a different approach. We put our engineers – our sales engineers and our support engineers – to work with the customers from month zero, month one, month two and throughout the concept stage, throughout the FEED stage, which will be the front-end engineering design stage.

During the time when the EPC is being chosen, we're still working with the end users throughout that. We believe that the total customer experience we provide allows our customers to understand the value that we bring to them. We provide engineering support, while they are designing their facility and are getting it ready to put out that RFQ. We believe all of that is important and, layering on top of that, especially as we're now in a time period where the energy markets are softer, we're continuing to support our customers.

It is very easy to say you are a full service organization when you are supporting your customers when they have many projects out there and they are very active. It is harder to support them during a time period, when they may not have projects and yet you continue to provide resources to them, even when they may not be active with new projects. We believe that our total customer experience is important to represent Graham, as not somebody who is going to be there only when there's an order but rather is someone who is going to be with our customers throughout their business cycle.

Slide 15
Looking at our financial results and financial overview, we've got a very strong balance sheet. We have over $60 million of cash on our balance sheet. We have strong operating cash flow. You can see fiscal years '13 and '14, it was very strong. The reason for the dip in fiscal year '15 – it was, quite frankly, timing. We had a very strong ramp-up in shipments and in revenue recognition in the last part of the year. As I've mentioned on a couple of our conference calls, with an increase in our accounts receivable and our unbilled revenue in late fiscal year '15 and, we expect that to unwind and to see our cash position in the first part of fiscal year '16 continue to increase.

Capital expenditures – this is not a business that requires an enormous amount of capital. Typical capital expenditure is somewhere in the range of $2 million to $3 million per year. If you look at this year's guidance, we're expecting to spend $2 million to $2.5 million. If you went back in the last two fiscal years, we did spend capital at an elevated level, in aggregate about $10.5 million. But of that $10.5 million, $6.5 million of it was for capacity expansion at our Batavia, New York facility. Of the other $4 million, approximately $2 million a year was our normal ongoing capital.

The expansion of our Batavia facility had multiple benefits, the largest of which allowed us to support, in the near term, some of the additional commercial work that we saw in fiscal 2015. But more importantly, it allows us to support our Navy strategy for the long term. We needed to increase our capacity and, more importantly, have some segregated capacity from a security standpoint to produce the Navy work – including the Navy bids that we won over the past couple of years, particularly the Navy bid that we won in the fourth quarter of fiscal '15 as well as other opportunities that we continue to bid on. The normalized capital spending of $2 million to $3 million a year is pretty much in line with our depreciation and amortization which, last year, I believe was $2.2 million. This year, with the additional capacity, I expect it to be closer to $2.5 million.

Finally, our working capital utilization – normally our working capital excluding cash as a percentage of our sales is somewhere in the neighborhood of about 10%, perhaps even a little below that. You can see it is certainly at an elevated level at the end of fiscal year 2015, and as I mentioned before, we expect that to unwind and to turn into cash over the next quarter or two.

<u>Slide 16</u>
We had strong financial results in fiscal '15 but, quite frankly, we've had strong financial performance over the last number of years. While our revenue was flat for three years, we saw a very nice step-up in revenue in fiscal '15 from $102 million to $135 million, an increase of 32%. We continue to operate with EBITDA margin levels that are in the mid to upper teens, which are quite strong relative to an industrial average level which is in the high single digits.

<u>Slide 17</u>
Our cash generation – this is very important for Graham and this waterfall chart looks at our cash generation over a 10-year period. I think it's important to look at it over that long period of time. If you look at our cash position 10 years back, you see our net cash position was essentially zero. Over that 10-year period, we generated about $100 million in net income, and then the other cashflow reconciliation pieces include depreciation, additional working capital usage, and capital investments as shown here.

But I'd like to focus you on the last three items which, if you add them up, amount to about $87 million. So $87 million of the $100 million of that net income, in one way or another ended up as either cash on our balance sheet or was returned to shareholders. Our cash position at March 2015 is $60 million. We made an acquisition a few years back of $18.5 million. While that is no longer cash in our balance sheet, it did benefit shareholders by having us utilize that for a strategic and profitable acquisition. And then finally, we paid almost $9 million in dividends.

<u>Slide 18</u>
Graham has capital allocation priorities and I'm going to bifurcate this into two areas, our cash from operations which is what I'll consider our annual cash needs, and then our cash from our balance sheet which is really more long-term strategic cash utilization. Our cash from operations, most importantly, we want to use that cash to support our organic growth, that is our $2 million to $3 million of normal capital spending and working capital needs and we can fund that from our annual cash flow. Our second utilization of cash from operations would be the payment of dividends and we have increased our dividends, as I will show on the next slide, a number of times over the past few years and now we are paying out just over $3 million a year in dividends.

The second part of our capital allocation is the cash on our balance sheet. We have, as I mentioned, over $60 million on our balance sheet today. I expect the cash from operations will continue to add to the $60 million if we do nothing else with it, so we continue to add to that cash stock pile. And we want to use it very clearly for acquisitions to grow this business beyond what we have today. What do we want to do? We want to look at opportunities to expand our product line that we currently sell within our existing markets. We want to look, perhaps expanding to other ancillary markets still close, still energy related but close to what we do, but not exactly in the same markets that we're in.

And finally looking at perhaps geographic expansion that would be the order in which I would prioritize them: product line expansion, market expansion and geographic expansion. We clearly want to use that asset on our balance sheet to grow this business and that is a very important priority of this management team, and a very important priority of our board of directors.

Finally, we do have a stock repurchase program that was announced back in January, of up to $18 million, which would eat into a portion of the cash balance. We look at that as a way to return to some cash to shareholders but, very importantly, that is distant second to our acquisition strategy. We don't want to take cash from our acquisition strategy simply to buyback stock, rather that's a supplemental use of cash. Of that repurchase plan, we did not repurchase any shares through the end of June. However, on our July earnings call, we mentioned that we have repurchased just under $1.5 million in the month of July.

Slide 19
I spoke a little bit about dividends before. We have strong focus on our shareholders. We've seen our dividends increase over the past two and half years, from $0.08 per year to an annualized rate of $0.32 per year. The most recent increase occurred in January of 2015. We believe this level of $0.32 per share, or approximately $3.2 million, is a sustainable level not only when the markets are strong but also when the markets aren't strong. We've also seen the share of our ownership by institutions increase from where it was several years ago, in the 30% range, and back a year or two prior it was probably in the teens, up to where it consistently has been somewhere between 75% and 80% over the past couple of years.

Slide 20
Our acquisition strategy – I spoke to briefly, let me give you a little more clarity to it. We want to buy businesses that are engineered-to-order products companies for the energy market, that's what we do well, that's what we do today, and that's what we want to continue to invest in.

We want to buy strong management teams with customer and quality focus. We don't want to buy a broken company. We want to buy a company that's operating well, that perhaps has hit some barrier, perhaps some market barrier, perhaps it's a risk tolerance barrier, perhaps it's a capital allocation barrier. That is likely a small company, ideally private company, but not necessarily. But they have hit some limitation that, by Graham and them combining, we can take the business that they have had and make it even stronger. But very importantly, we want the management team to come with them, we don't want to buy a company and dump the management team; that is not our intent.

Our target range is $20 million to $60 million in annual revenue. We have looked outside that range and we will continue to look outside the range if there is a right opportunity. But in the ideal world, a $20 million to $60 million annual revenue business would be a great fit for Graham.

We have a very high threshold of cash return, the financial criteria. We are not simply looking at a scenario where we want to be accretive. We are using cash in the deal, we are using cash on something that is accretive, so that's not really a difficult threshold. We want a cash return on this investment that exceeds an equity-type cost of capital. Why do we want to do that? We believe our shareholders are looking for us to make investments that are not going to simply make an accretive acquisition, but they do want to get a good return on that investment and that mindset is our criteria. Obviously, that limits the number of opportunities that are out there, that's okay. We've got that strong pricing discipline, we're willing to pay for a good company, but we are not willing to overpay for a good company.

Slide 21
Finally, fiscal year 2016, certainly a challenging time for those of us in the energy market to service the energy market. We have revenue guidance that we provided in May and that we reiterated in July, our

revenue range of $95 million to $105 million, obviously down from where we were last year and that is really reflective of the near-term order outlook in the refining sector, particularly, and, to some extent, the petrochemicals sector. Our gross margin will be 26% and 28%, partly driven by utilization, partly driven by some weaker pricing.

SG&A will be 17% to 18% of sales, a little bit higher than last year. In absolute dollar terms, it will not be higher than last year, it will be at or possibly nominally less than last year. We went through a restructuring program at the end of fiscal year 2015 for an after-tax cost of about $1.1 million. The pre-tax cost for the restructuring was about $1.7 million.

As a result of the restructuring, we have taken about $3 million of costs out of our business. Approximately $2 million of that $3 million will be realized in fiscal year 2016, as a portion of it wasn't effective until first and early second quarter of fiscal 2016. The reduction in cost was primarily headcount, and was primarily done through a voluntary early retirement program for some of our long-term employees.

Finally, the tax rate is very similar to where it's been in the last number of years.

I want to reiterate though, our strategic goal is to exceed $200 million in organic revenue. We view the current market climate as a bump in the road, as a side step, and we believe that when the energy markets starts to recover, we will get back to where we were and then we have the significant benefit of our diversification strategy in the Navy and the power on top of the core historic markets of refining and petrochem.

<u>Slide 22</u>
Finally, this is the last slide. I just want to talk very briefly about some investment highlights for Graham. We're a long-term investment—we believe long-term energy demand will drive opportunity for us, we are not wavering from that position. We believe that the long-term has not changed, short-term has been impacted, but the long term has not. We have a very strong market position, we want to grow our market position, we want to take share, not just in power and Navy as I discussed, but also in refining and petrochem.

We have a very good sales model and ability to identify and address opportunities very early on. We've got a great balance sheet; we want to use that balance sheet to grow via acquisitions. And, as you've seen over the last number of years, we have a very strong results-oriented management team driving strong financial performance.

With that, I will take any questions.

<Q>: For your refining end market, can you provide more detail on your sales mix?

<A>: Sure, the question was, for our refining end market, if we can give a percentage of our sales between what are independent refineries, what are multinationals and what are the state-owned. Unfortunately, that's not public information that we provide, but what I can say is, as I said earlier, the small, the independent refineries are the smaller piece and then the multinational integrators and then the largest piece would be the state-owned. So I apologize for not being able to give any more clarity there.

<Q>: Do your customers pay you over time when you hit certain milestones in the project?

<A>: Sure, that's a great question and I should have pointed that out when I was discussing our working capital. The question was, do our customers pay us over time when we hit certain milestones? The answer is yes. We typically will receive some payment not necessarily at order time, but perhaps when we finish our engineering drawings. Will also typically receive the payment at the point were we need to

pay for raw materials. And then we will receive some milestone payments tied to specific production milestones that are achieved. Obviously, we will receive a payment at time of shipment. And then there is often a very small piece of the payment that is withheld until after the warranty is done. But we do generally, on our larger projects, as our customers are funding their projects which is part of the reason our working capital, as a percentage of sales, is usually south of 10%. So again right now it's not but that was just timing issue.

<Q>: Are you required to provide a Letter of Credit in those situations?

<A>: Yes, the follow-up question was, do we have to put up an LC or performance bond -- as well, the answer is yes, we generally will put up Letters of Credit in those situations.

<Q>: Do you have a revolver?

<A>: Yes, sure, last question – but the follow-up question is do we have a revolver? The answer is yes, we have two revolvers for a total of $30 million; $25 million revolver with Bank of America, $5 million for some special situations with HSBC. We also have, on that $25 million revolver, a kind of accordion feature which could take us as high as $50 million and the reason for that is really to have that available as extra dry powder for acquisitions. Of that $30 million available for Letters of Credit, we are typically in the range of $15 million, but we've been as high as around $20 million. I think right now we are in the low to mid-teens as how much we are actually utilizing. We cash secure those Letters of Credit so the cost of the Letters of Credit is reduced because of our cash securing it.

<Q>: Are you required to put up 100% cash security for letters of credit?

<A>: 100% cash security, no. We don't have to, that's our option. We don't have to cash secure that, our Letters of Credit would be a little more costly, not that much more than if we didn't cash secure it. Since we have the cash on our balance sheet today, we are cash securing it, should we at some point in the future not have that cash, because we use it for an acquisition that would be okay. We still have that revolver and still have those Letters of Credit available; it would just be a little more costly.

<Q>: Do you have any data on a bid-to-win ratio?

<A>: The question was, do we have any data on a bid-to-win ratio? The answer is yes, what we typically find is that for those projects that we go after, when they become active projects, in their RFQ stage, we typically find that we were in somewhere between one half and two thirds of those projects. And we find it very important for that sales process that I discussed, a very important thing for us is to understand the selling process, to understand how we fit in that selling process. And there are times, when we are not successful in the bid, that perhaps we are allowed to be successful and because of the pricing or the commercial terms, we have actually decided to pass. So there are some situations where we lose when we could have won if we really wanted the projects as there are a number of reasons not to take the project.

<Q>: Is there anything you do to help potential targets get over barriers of your acquisition criteria?

<A>: Sure. So the question is, looking at our acquisition criteria and I discussed some of the barriers that perhaps potential targets might have and the fact that we might be able to help them over those targets. More specifically, when we bought Energy Steel few years back, what were their limitations and how did we help them? I'll talk to Energy Steel specifically. It was a very well-run company, can't be more complimentary of the management team that came with the business. They had run into a couple of barriers, one is that they were reticent to go after large projects. So they had challenging projects in the past, that had led them to not go after multimillion dollar projects, we are now going go after those big projects. We brought project management capabilities to them so, subsequent to the acquisition for

example, about the year or two in, we won a pair of projects to provide equipment to the new build nuclear plant in the Summer facility in South Carolina and the Vogtle facility in Georgia through our customer who is Westinghouse. Those two projects in aggregate were approximately $15 million; they are not complete yet, they are almost complete, but there are long-life projects like that. Those are projects that Energy Steel would not have been comfortable betting on in the past and perhaps Westinghouse would not have been comfortable awarding to them should Energy Steel have a bid on them, because they did not have lot of experience in project managing projects of that size, that’s one example.

Another example would be international risk. So Energy Steel again, a very good team, were exclusively domestically focused. Because Graham has such an international presence, 40% to 50% of our business historically is international, we are very comfortable operating outside the United States where the legal structure may be different. The project managers also may be different than they would be in North America. And so we’ve had some opportunities which again, through Energy Steel or within the nuclear market though Graham, we’ve been able to win, because of that risk tolerance and that international knowledge that perhaps Energy Steel didn’t feel as comfortable with yet.

Thank you.