

REFINITIV

## DELTA REPORT

### 10-Q

ORN - ORION GROUP HOLDINGS INC

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

**TOTAL DELTAS** 2399

■ CHANGES	247
■ DELETIONS	432
■ ADDITIONS	1720

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q

(Mark One)

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

For the quarterly period ended **September 30, 2023** **March 31, 2024**

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 1-33891

ORION GROUP HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware  
State of Incorporation

26-0097459

IRS Employer Identification Number

12000 Aerospace Avenue, Suite 300

Houston, Texas 77034

(713) 852-6500

Address of Principal Executive Office

Registrant's telephone number (including area code)

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, \$0.01 par value per share	ORN	The New York Stock Exchange

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days:  Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files): Yes  No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "small reporting" company and "emerging growth" company in Rule 12b-2 of the Exchange Act:

Large Accelerated Filer

Accelerated Filer

Non-accelerated filer

Smaller reporting company

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) 13(a)** of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act):  Yes  No

There were **32,491,110** **32,855,783** shares of common stock outstanding as of **October 26, 2023** **April 25, 2024**.

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ORION GROUP HOLDINGS, INC.

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**PART I. FINANCIAL INFORMATION**  
**ITEM 1. FINANCIAL STATEMENTS**

**Orion Group Holdings, Inc. and Subsidiaries**  
**Condensed Consolidated Balance Sheets**  
**(In Thousands, Except Share and Per Share Information)**

	September 30,	December 31,		
	2023 (Unaudited)	2022	March 31, 2024 (Unaudited)	December 31, 2023
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 3,881	\$ 3,784	\$ 4,638	\$ 30,938
Accounts receivable:				
Trade, net of allowance for credit losses of \$496 and \$606, respectively	111,624	106,758		
Trade, net of allowance for credit losses of \$366 and \$361, respectively			90,801	101,229
Retainage	55,096	50,873	37,394	42,044
Income taxes receivable	468	402	626	626
Other current	3,820	3,526	3,736	3,864
Inventory	2,885	2,862	2,662	2,699
Contract assets	44,618	43,903	70,974	81,522
Prepaid expenses and other	6,073	8,229	6,668	8,894
Total current assets	228,465	220,337	217,499	271,816
Property and equipment, net of depreciation	89,585	100,977	85,473	87,834
Operating lease right-of-use assets, net of amortization	27,374	14,978	26,723	25,696
Financing lease right-of-use assets, net of amortization	20,601	15,839	25,463	23,602
Inventory, non-current	5,961	5,469	6,785	6,361
Intangible assets, net of amortization	6,934	7,317		
Deferred income tax asset	54	70	26	26
Other non-current	1,248	2,168	1,615	1,558
Total assets	\$ 380,222	\$ 367,155	\$ 363,584	\$ 416,893
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
Current liabilities:				
Current debt, net of debt issuance costs	\$ 13,852	\$ 34,956	\$ 9,222	\$ 13,453
Accounts payable:				
Trade	49,435	87,605	51,012	80,294
Retainage	1,799	1,198	2,354	2,527
Accrued liabilities	31,847	18,466	22,548	37,074
Income taxes payable	525	522	374	570
Contract liabilities	47,655	37,720	58,619	64,079
Current portion of operating lease liabilities	9,089	4,738	9,416	9,254
Current portion of financing lease liabilities	6,342	4,031	10,018	8,665
Total current liabilities	160,544	189,236	163,563	215,916
Long-term debt, net of debt issuance costs	36,452	716	28,299	23,740
Operating lease liabilities	18,406	11,018	17,679	16,632
Financing lease liabilities	12,920	11,102	13,563	13,746
Other long-term liabilities	26,149	17,072	24,355	25,320

Deferred income tax liability	119	211	55	64
Total liabilities	254,590	229,355	247,514	295,418
Stockholders' equity:				
Preferred stock -- \$0.01 par value, 10,000,000 authorized, none issued	—	—	—	—
Common stock -- \$0.01 par value, 50,000,000 authorized, 33,053,341 and 32,770,550 issued; 32,342,110 and 32,059,319 outstanding at September 30, 2023 and December 31, 2022, respectively	331	328		
Treasury stock, 711,231 shares, at cost, as of September 30, 2023 and December 31, 2022, respectively	(6,540)	(6,540)		
Common stock -- \$0.01 par value, 50,000,000 authorized, 33,575,345 and 33,260,011 issued; 32,864,114 and 32,548,780 outstanding at March 31, 2024 and December 31, 2023, respectively			336	333
Treasury stock, 711,231 shares, at cost, as of March 31, 2024 and December 31, 2023, respectively			(6,540)	(6,540)
Additional paid-in capital	189,523	188,184	190,378	189,729
Retained loss	(57,682)	(44,172)	(68,104)	(62,047)
<b>Total stockholders' equity</b>	<b>125,632</b>	<b>137,800</b>	<b>116,070</b>	<b>121,475</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 380,222</b>	<b>\$ 367,155</b>	<b>\$ 363,584</b>	<b>\$ 416,893</b>

*The accompanying notes are an integral part of these condensed consolidated financial statements*

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**Orion Group Holdings, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Operations**  
**(In Thousands, Except Share and Per Share Information)**  
**(Unaudited)**

	Nine months ended September				Three months ended March 31,	
	Three months ended September 30,		30,		2024	2023
	2023	2022	2023	2022		
Contract revenues	\$ 168,476	\$ 182,621	\$ 510,184	\$ 552,127	\$ 160,672	\$ 159,174
Costs of contract revenues	149,406	169,189	471,488	511,548	145,134	153,334
<b>Gross profit</b>	<b>19,070</b>	<b>13,432</b>	<b>38,696</b>	<b>40,579</b>	<b>15,538</b>	<b>5,840</b>
Selling, general and administrative expenses	17,135	15,380	52,271	48,783	18,999	17,017
Amortization of intangible assets	59	309	383	929	—	162
Gain on disposal of assets, net	(685)	(3,388)	(7,915)	(4,561)	(337)	(696)
<b>Operating income (loss)</b>	<b>2,561</b>	<b>1,131</b>	<b>(6,043)</b>	<b>(4,572)</b>	<b>(3,124)</b>	<b>(10,643)</b>
<b>Operating loss</b>						
Other (expense) income:						
Other income	49	48	592	147	72	293
Interest income	21	36	90	71	17	28
Interest expense	(3,414)	(1,215)	(7,674)	(2,913)	(3,374)	(1,633)
Other expense, net	(3,344)	(1,131)	(6,992)	(2,695)	(3,285)	(1,312)
<b>Loss before income taxes</b>	<b>(783)</b>	<b>—</b>	<b>(13,035)</b>	<b>(7,267)</b>	<b>(6,409)</b>	<b>(11,955)</b>
<b>Income tax (benefit) expense</b>	<b>(123)</b>	<b>(247)</b>	<b>475</b>	<b>396</b>	<b>(352)</b>	<b>640</b>

<b>Net (loss) income</b>	\$ (660)	\$ 247	\$ (13,510)	\$ (7,663)		
<b>Net loss</b>					\$ (6,057)	\$ (12,595)
<b>Basic (loss) income per share</b>	\$ (0.02)	\$ 0.01	\$ (0.42)	\$ (0.25)		
<b>Diluted (loss) income per share</b>	\$ (0.02)	\$ 0.01	\$ (0.42)	\$ (0.25)		
<b>Shares used to compute (loss) income per share:</b>						
<b>Basic loss per share</b>					\$ (0.19)	\$ (0.39)
<b>Diluted loss per share</b>					\$ (0.19)	\$ (0.39)
<b>Shares used to compute loss per share:</b>						
Basic	32,384,446	31,613,519	32,285,921	31,180,417	32,553,750	32,180,274
Diluted	32,384,446	31,613,519	32,285,921	31,180,417	32,553,750	32,180,274

*The accompanying notes are an integral part of these condensed consolidated financial statements*

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Orion Group Holdings, Inc. and Subsidiaries											
Condensed Consolidated Statements of Stockholders' Equity											
(In Thousands, Except Share and Per Share Information) (Unaudited)											
		Common		Treasury		Additional					
		Stock		Stock		Paid-In		Retained			
		Shares	Amount	Shares	Amount	Capital	Loss	Total		Stock	Stock
Balance,											
December 31,											
2022	32,770,550	\$ 328	(711,231)	\$ (6,540)	\$ 188,184	\$ (44,172)	\$ 137,800				
Stock-based compensation	—	—	—	—	524	—	524				
								Shares	Amount	Shares	Amount
								Capital	Loss	Total	
Balance,											
December 31,											
2023								33,260,011	\$ 333	(711,231)	\$ (6,540)
Share-based compensation								—	—	—	358
Exercise of stock options								46,322	—	—	294
Issuance of restricted stock	187,775	2	—	—	(2)	—	—	275,954	3	—	(3)
Forfeiture of restricted stock	(8,977)	—	—	—	—	—	—	(6,942)	—	—	—

Payments												
related to tax												
withholding for												
stock-based												
compensation	(62,876)	(1)	—	—	(171)	—	(172)					
Net loss	—	—	—	—	—	(12,595)	(12,595)	—	—	—	—	(6,057)
Balance,												
March 31,												
2023	32,886,472	\$ 329	(711,231)	\$ (6,540)	\$ 188,535	\$ (56,767)	\$ 125,557					
Stock-based												
compensation	—	—	—	—	945	—	945					
Issuance of												
restricted stock	242,637	2	—	—	(2)	—	—					
Forfeiture of												
restricted stock	—	—	—	—	—	—	—					
Payments												
related to tax												
withholding for												
stock-based												
compensation	(6,341)	—	—	—	(17)	—	(17)					
Net loss	—	—	—	—	—	(255)	(255)					
Balance, June												
30, 2023	33,122,768	\$ 331	(711,231)	\$ (6,540)	\$ 189,461	\$ (57,022)	\$ 126,230					
Stock-based												
compensation	—	—	—	—	364	—	364					
Issuance of												
restricted stock	12,862	—	—	—	—	—	—					
Forfeiture of												
restricted stock	—	—	—	—	—	—	—					
Payments												
related to tax												
withholding for												
share-based												
compensation	(82,289)	—	—	—	(302)	—	(302)					
Net loss	—	—	—	—	—	(660)	(660)					
Balance,												
September 30,												
2023	33,053,341	\$ 331	(711,231)	\$ (6,540)	\$ 189,523	\$ (57,682)	\$ 125,632					
Balance,												
March 31,												
2024												
	33,575,345	\$ 336	(711,231)	\$ (6,540)	\$ 190,378	\$ (68,104)	\$ 116,070					

	Common				Treasury				Additional				Common				Treasury				Additional					
	Stock		Stock		Paid-In		Retained		Stock		Stock		Paid-In		Retained		Stock		Stock		Paid-In		Retained			
	Shares	Amount	Shares	Amount	Capital	Loss	Total	Shares	Amount	Shares	Amount	Capital	Loss	Total	Shares	Amount	Shares	Amount	Capital	Loss	Total	Shares	Amount	Capital	Loss	
Balance,																										
December																										
31, 2021	31,712,457	\$ 317	(711,231)	\$ (6,540)	\$ 185,881	\$ (31,560)	\$ 148,098																			
Stock-based																										
compensation	—	—	—	—	370	—	370																			
Balance,																										
December																										
31, 2022																										
Share-based																										
compensation																										
	—	—	—	—	—	—	524		—	—	—	—	—	524		—	—	—	—	—	524					

Issuance of restricted stock	8,929	—	—	—	—	—	—	187,775	2	—	—	(2)	—	—	
Forfeiture of restricted stock	(39,922)	—	—	—	—	—	—	(8,977)	—	—	—	—	—	—	
Payments related to tax withholding for stock-based compensation	(4,739)	—	—	—	(15)	—	(15)								
Payments related to tax withholding for share-based compensation								(62,876)	(1)	—	—	(171)	—	(172)	
Net loss	—	—	—	—	—	(4,856)	(4,856)	—	—	—	—	—	(12,595)	(12,595)	
Balance, March 31, 2022	31,676,725	\$ 317	(711,231)	\$ (6,540)	\$ 186,236	\$ (36,416)	\$ 143,597								
Stock-based compensation	—	—	—	—	794	—	794								
Issuance of restricted stock	623,655	6	—	—	(6)	—	—								
Forfeiture of restricted stock	(302,561)	(3)	—	—	3	—	—								
Payments related to tax withholding for stock-based compensation	(31,004)	—	—	—	(82)	—	(82)								
Net loss	—	—	—	—	—	(3,054)	(3,054)								
Balance, June 30, 2022	31,966,815	\$ 320	(711,231)	\$ (6,540)	\$ 186,945	\$ (39,470)	\$ 141,255								
Stock-based compensation	—	—	—	—	951	—	951								
Issuance of restricted stock	905,915	9	—	—	(9)	—	—								
Forfeiture of restricted stock	(3,750)	—	—	—	—	—	—								
Payments related to tax withholding for stock-based compensation	(102,864)	(1)	—	—	(286)	—	(287)								
Net income	—	—	—	—	—	247	247								

Balance, September 30, 2022	32,766,116	\$ 328	(711,231)	\$ (6,540)	\$ 187,601	\$ (39,223)	\$ 142,166
Balance, March 31, 2023							32,886,472 \$ 329 (711,231) \$ (6,540) \$ 188,535 \$ (56,767) \$ 125,557

*The accompanying notes are an integral part of these condensed consolidated financial statements*

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**Orion Group Holdings, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Cash Flows**  
(in Thousands)  
(Uaudited)

	Nine months ended September 30,		Three months ended March 31,	
	2023	2022	2024	2023
<b>Cash flows from operating activities:</b>				
Net loss	\$ (13,510)	\$ (7,663)	\$ (6,057)	\$ (12,595)
Adjustments to reconcile net (loss) income to net cash used in operating activities:				
Adjustments to reconcile net loss to net cash used in operating activities:				
Operating activities:				
Depreciation and amortization	13,874	16,035	4,208	4,721
Amortization of ROU operating leases	4,456	3,612	2,419	1,211
Amortization of ROU finance leases	3,008	2,391	1,811	725
Write-off of debt issuance costs upon debt modification	119	—	—	—
Amortization of deferred debt issuance costs	1,067	290	553	163
Deferred income taxes	(76)	20	(9)	54
Stock-based compensation	1,833	2,115	—	—
Share-based compensation			358	524
Gain on disposal of assets, net	(7,914)	(4,561)	(338)	(695)
Allowance for credit losses	26	262	4	(35)
Change in operating assets and liabilities:				
Accounts receivable	(9,410)	(21,375)	15,202	5,011
Income tax receivable	(66)	(73)	—	3
Inventory	(514)	(893)	(387)	76
Prepaid expenses and other	3,076	6,239	2,169	(1,457)
Contract assets	(715)	(7,845)	10,548	13,883
Accounts payable	(36,223)	27,339	(29,399)	(14,757)
Accrued liabilities	7,096	(2,329)	(16,013)	1,802
Operating lease liabilities	(4,566)	(3,556)	(2,238)	(1,208)
Income tax payable	3	(84)	(196)	688
Contract liabilities	9,935	(823)	(5,460)	(1,147)
<b>Net cash (used in) provided by operating activities</b>	<b>(28,501)</b>	<b>9,101</b>	<b>(22,825)</b>	<b>(3,033)</b>
<b>Net cash used in operating activities</b>				

Cash flows from investing activities:				
Proceeds from sale of property and equipment	12,069	4,472	280	576
Purchase of property and equipment	(6,678)	(10,627)	(1,853)	(1,876)
Net cash provided by (used in) investing activities	5,391	(6,155)		
Net cash used in investing activities			(1,573)	(1,300)
Cash flows from financing activities:				
Borrowings on credit	89,491	9,000	1,554	5,000
Payments made on borrowings on credit	(73,236)	(18,219)	(1,679)	(69)
Proceeds from failed sale-leaseback arrangement	14,140	—		
Proceeds from sale-leaseback financing	2,359	—		
Loan costs from borrowings on credit	(6,532)	(664)		
Loan costs from Credit Agreement and prior credit facility			(100)	(586)
Payments of finance lease liabilities	(2,524)	(2,235)	(1,971)	(779)
Payments related to tax withholding for share-based compensation	(491)	(384)	—	(172)
Exercise of stock options			294	—
Net cash provided by (used in) financing activities	23,207	(12,502)	(1,902)	3,394
Net change in cash, cash equivalents and restricted cash	97	(9,556)	(26,300)	(939)
Cash, cash equivalents and restricted cash at beginning of period	3,784	12,293	30,938	3,784
Cash, cash equivalents and restricted cash at end of period	\$ 3,881	\$ 2,737	\$ 4,638	\$ 2,845
Supplemental disclosures of cash flow information:				
Cash paid during the period for:				
Interest	\$ 10,111	\$ 1,990	\$ 1,652	\$ 1,576
Taxes, net of refunds	\$ 615	\$ 533	\$ (148)	\$ (104)

*The accompanying notes are an integral part of these condensed consolidated financial statements*

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**Orion Group Holdings, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
(Tabular Amounts in Thousands, Except Share and per Share Amounts)  
(Uaudited)

**1. Description of Business and Basis of Presentation**

**Description of Business**

Orion Group Holdings, Inc., its and subsidiaries and affiliates (hereafter collectively referred to as the "Company"), provide a broad range of leading specialty construction services in company serving the infrastructure, industrial, and building sectors, provides providing services both on and off the water in the continental United States, Alaska, Hawaii, Canada and the Caribbean Basin through its marine segment and its concrete segment. The Company's Our marine segment provides construction and dredging services relating to including marine transportation facility construction, marine pipeline construction, marine environmental structures construction, dredging of waterways, channels and ports, environmental dredging, design, and specialty

services. Its services related to marine construction, fabrication, and dredging. Our concrete segment provides turnkey concrete construction services including concrete surface place and finish, site prep, preparation, layout, forming, and rebar placement for large commercial, structural and other associated business areas. The Company is We are headquartered in Houston, Texas with regional offices throughout its our operating areas.

Although we describe the business in this report in terms of the services the Company provides, its base of customers and the areas in which it operates, the Company has determined that its operations currently comprise two reportable segments pursuant to Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 280, *Segment Reporting*.

The tools used by the chief operating decision maker ("CODM") to allocate resources and assess performance are based on two reportable and operating segments: marine and concrete, which operates operate under the Orion brand and logo, and concrete, which operates under the TAS Commercial Concrete brand and logo.

In making this determination, the Company considered the similar economic characteristics of its operations that comprise its marine segment. For the marine segment, the methods used, and the internal processes employed, to deliver marine construction services are similar throughout the segment, including standardized estimating, project controls and project management. This segment has the same customers with similar funding drivers and are subject to similar regulatory regimes driven through Federal agencies such as the U.S. Army Corps of Engineers, U.S. Fish and Wildlife Service, U.S. Environmental Protection Agency and U.S. Occupational Safety and Health Administration ("OSHA"), among others. Additionally, the segment is driven by macro-economic considerations including the level of import/export seaborne transportation, development of energy-related infrastructure, cruise line expansion and operations, marine bridge infrastructure development, waterway pipeline crossings and the maintenance of waterways. These considerations, and others, are key catalysts for future prospects and are similar across the segment.

For the concrete segment, the Company also considered the similar economic characteristics of these operations. The methods used, and the internal processes employed, to deliver concrete construction services are similar throughout the segment, including standardized estimating, project controls and project management. The projects of this segment are subject to similar regulatory regimes such as OSHA. Additionally, this segment is driven by macro-economic considerations, including movements in population, commercial real estate development, institutional funding and expansion, and recreational development,

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specifically in metropolitan areas of Texas. These considerations, and others, are key catalysts for current operations and future prospects and are similar across the segment.

### ***Basis of Presentation***

The accompanying condensed consolidated financial statements and financial information included herein have been prepared pursuant to the interim period reporting requirements of Form 10-Q. Consequently, certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") have been condensed or omitted. Readers of this report should also read the Company's consolidated financial statements and the notes thereto included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2022 December 31, 2023 ("2022 2023 Form 10-K") as well as Item 7 – *Management's Discussion and Analysis of Financial Condition and Results of Operations* also included in its 2022 2023 Form 10-K.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments considered necessary for a fair presentation of the Company's financial position, results of operations, and cash flows for the periods presented. Such adjustments are of a normal recurring nature. Interim results of operations for the three and nine months ended September 30, 2023 March 31, 2024 are not necessarily indicative of the results realizable for the year ending December 31, 2023 December 31, 2024.

In connection with preparing consolidated financial statements for each annual and interim reporting period, the Company is required to evaluate whether there are conditions or events, considered in aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued. Substantial doubt exists when conditions and events, considered in aggregate, indicate that it is probable that a company will be unable to meet its obligations as they become due within one year after the date that the consolidated financial statements are issued. This evaluation initially does not take into consideration the potential mitigating effect of management's plans and actions that have not been fully implemented as of the date that the financial statements are issued. When substantial doubt exists, management evaluates whether the mitigating effect of its plans sufficiently alleviates substantial doubt about the Company's ability to continue as a going concern. The mitigating effect of management's plans, however, is only considered if both: (1) it is probable that the plans will be effectively implemented within one year after the date that the financial statements are issued; and (2) it is probable that the plans, when implemented, will mitigate the relevant conditions or events that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued. Generally, to be considered probable of being effectively implemented, the plans must have been approved before the date that the financial statements are issued.

The assessment of the liquidity and going concern requires the Company to make estimates of future activity and judgments about whether the Company is compliant with financial covenant calculations under its debt and other agreements and has adequate liquidity to operate. Significant assumptions used in the Company's forecasted model of liquidity include forecasted sales, costs, and our ability to manage spending on capital expenditures, and expected timing and proceeds of planned real estate transactions. The Company has sustained operating losses for the years ended December 31, 2022 and 2021. Also as described in Note 11, the Company had \$40.0 million of outstanding indebtedness under its Credit Facility as of March 31, 2023 which was scheduled to mature on July 31, 2023. As of the date of the filing of the Company's 2022 Form 10-K on March 16, 2023, the Company's existing cash and cash equivalents were not sufficient to satisfy the Company's operating cash needs for at least one year after the issuance of the financial statements. These conditions raised substantial doubt about the Company's our ability to continue as a going concern within one year after the date the financial statements were issued. As

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such, management concluded at the date of the issuance of the financial statements included in the Company's 2022 Form 10-K that substantial doubt existed as to going concern.

At the beginning of 2023, the Company began a process to refinance the outstanding debt. On May 15, 2023, the Company entered into a new three-year \$103.0 million senior secured credit facility (the "Credit Agreement") complete certain asset sales, collect claims and unapproved change order revenue and improve working capital with White Oak ABL, LLC and White Oak Commercial Finance, LLC (collectively, "White Oak") which includes a \$65.0 million asset based revolving credit facility (the "Revolver") and a \$38.0 million fixed asset term loan (the "Term Loan"). See [Note 11](#) for more information regarding the debt refinancing.

Based on an assessment of the completion of the debt refinancing process and the other these factors, above, management believes that the Company will have adequate liquidity for its operations for at least the next 12 months. Therefore, management's conclusion is that the conditions that previously raised substantial doubt have been resolved and substantial doubt is no longer not raised as to the Company's ability to continue as a going concern.



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## 2. Summary of Significant Accounting Policies

The preparation of **condensed** consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management's estimates, judgments and assumptions are continually evaluated based on available information and experience; however, actual amounts could differ from those estimates.

On an ongoing basis, the Company evaluates the significant accounting policies used to prepare its **condensed** consolidated financial statements, including, but not limited to, those related to:

- Revenue recognition from construction contracts;
- The recording of accounts receivable and allowance for credit losses;
- The carrying value of property, plant and equipment;
- Leases;
- **Finite and infinite-lived intangible assets, testing for indicators of impairment;**
- **Stock-based Share-based compensation;**
- Income taxes; and
- Self-insurance.

### **Revenue Recognition**

The Company's revenue is derived from contracts to provide marine construction, dredging, turnkey concrete services, and other specialty services. The Company's projects are typically brief in duration, but occasionally, span a period of over one year. The Company determines the appropriate accounting treatment for each contract before work begins and, subject to qualifications discussed in the next paragraph, **generally** records contract revenue over time.

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Performance obligations are promises in a contract to transfer distinct goods or services to the customer and are the unit of account under Topic 606. Each of the Company's contracts and related change orders typically represent a single performance obligation because the Company provides an integrated service and individual goods and services are not separately identifiable. Revenue is recognized over time because control of the promised goods and services are continuously transferred to the customer over the life of the contract. For contracts with multiple performance obligations, the Company allocates the contract's transaction price to each performance obligation using its best estimate of the stand-alone selling price of each distinct good or service. Progress is measured by the percentage of actual contract costs incurred to date to total estimated costs for each contract. This method is used because management considers contract costs incurred to be the best available measure of progress on these contracts. Contract costs include all direct costs, such as material and labor, and those indirect costs incurred that are related to contract performance such as payroll taxes and insurance. General and administrative costs are charged to

expense as incurred. Upfront costs, such as costs to mobilize personnel and equipment prior to satisfying a performance obligation are capitalized and amortized over the contract performance period.

Changes in job performance, job conditions and estimated profitability, including those arising from final contract settlements, may result in revisions to costs and reported revenue and are recognized in the period in

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which the revisions are determined. The effect of changes in estimates of contract revenue or contract costs is recognized as an adjustment to recognized revenue on a cumulative catch-up basis to match contract progress with revenue recognition. When the Company anticipates a loss on a contract that is not yet complete, it recognizes the entire loss in the period in which such losses are determined. Revenue is recorded net of any sales taxes collected and paid on behalf of the customer, if applicable.

Contract revenue is derived from the original contract price as modified by agreed-upon change orders and estimates of variable consideration related to incentive fees and change orders or claims for which price has not yet been agreed by the customer. The Company estimates variable consideration based on its assessment of the most likely amount to which it expects to be entitled. Variable consideration is included in the estimated recognition of revenue to the extent it is probable that a significant reversal of cumulative recognized revenue will not occur. A determination that the collection of a claim is probable is based upon the Company's evaluation of its compliance with the terms of the contract and the extent to which the Company performed in accordance therewith but does not guarantee collection in full.

Assets and liabilities derived from contracts with customers include the following:

- Accounts Receivable: Trade, net of allowance - Represent amounts billed and currently due from customers and are stated at their estimated net realizable value.
- Accounts Receivable: Retainage - Represent amounts which have not been billed to or paid by customers due to retainage provisions in construction contracts, which amounts generally become payable upon contract completion and acceptance by the customer.
- Contract Assets - Represent revenues recognized in excess of amounts billed, which management believes will be billed and collected within one year of the completion of the contract and are recorded as a current asset, until such amounts are either received or written off.
- Contract Liabilities - Represent billings in excess of revenues recognized and are recorded as a current liability, until the underlying obligation has been performed or discharged.

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**Classification of Current Assets and Liabilities**

The Company includes in current assets and liabilities amounts realizable and payable in the next twelve months.

#### ***Cash and Cash Equivalents and Restricted Cash***

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. At times, cash held by financial institutions may exceed federally insured limits. The Company has not historically sustained losses on its cash balances in excess of federally insured limits. Cash equivalents at **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023** consisted primarily of overnight bank deposits.

#### ***Risk Concentrations***

Financial instruments that potentially subject the Company to concentrations of credit risk principally consist of accounts receivable.

A significant portion of the Company's revenue base depends on its ability to continue to obtain federal, state and local governmental contracts, and indirectly, on the amount of funding available to these agencies for new

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and current governmental projects. Therefore, a portion of the Company's operations is dependent upon the level and timing of government funding. Statutory **mechanics' mechanics** liens provide the Company high priority in the event of lien foreclosures following financial difficulties of private owners, thus minimizing credit risk with private customers.

#### ***Accounts Receivable***

Accounts receivable are stated at the historical carrying value, net of allowances for credit losses. The Company had significant investments in billed and unbilled receivables as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**. Billed receivables represent amounts billed upon the completion of small contracts and progress billings on large contracts in accordance with contract terms and milestone achievements. Unbilled receivables on contracts represent recoverable costs and accrued profits that are not yet capable of being billed under the terms of the applicable contracts. Revenue associated with these billings is recorded net of any sales tax, if applicable.

In establishing an allowance for credit losses, the Company evaluates its contract receivables and contract assets and thoroughly reviews historical collection experience, the financial condition of its customers, billing disputes and other factors. The Company writes off potentially uncollectible accounts receivable against the allowance for credit losses if it is determined that the amounts will not be collected or if a settlement with respect to a disputed receivable is reached for an amount that is less than its carrying value. As of **September 30, 2023** **both March 31, 2024** and **December 31, 2022** **December 31, 2023**, the Company had recorded an allowance for credit losses of **\$0.5 million** and **\$0.6 million**, respectively, **\$0.4 million**.

Balances billed to customers but not paid pursuant to retainage provisions in construction contracts generally become payable upon contract completion and acceptance by the owner. Retainage at **September 30, 2023** **March 31, 2024** totaled **\$55.1 million** **\$37.4 million**, of which **\$4.8 million** **\$5.0 million** is expected to be collected beyond **September 30, 2024** **March 31, 2025**. Retainage at **December 31, 2022** **December 31, 2023** totaled **\$50.9 million** **\$42.0 million**.

From time to time, the Company negotiates change orders and claims with its customers. Unsuccessful negotiations of claims could result in a change to contract revenue that is less than amounts previously recorded, which could result in the recording of a loss in the amount of the shortfall. Successful claims negotiations could

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result in the recovery of previously recorded losses. Significant losses on receivables could adversely affect the Company's financial position, results of operations and overall liquidity.

**Advertising Costs**

The Company primarily obtains contracts through the open bid process, and therefore advertising costs are not a significant component of expense. Advertising costs are expensed as incurred.

**Environmental Costs**

Costs related to environmental remediation are charged to expense. Other environmental costs are also charged to expense unless they increase the value of the property and/or provide future economic benefits, in which event the costs are capitalized. Environmental liabilities, if any, are recognized when the liability is considered probable and the amount can be reasonably estimated. The Company did not recognize any environmental liabilities as of **September 30, 2023** **March 31, 2024** or **December 31, 2022** **December 31, 2023**.

**Fair Value Measurements**

The Company evaluates and presents certain amounts included in the accompanying **condensed** consolidated financial statements at "fair value" in accordance with U.S. GAAP, which requires the Company to base its estimates on assumptions that market participants, in an orderly transaction, would use to price an asset or liability, and to

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establish a hierarchy that prioritizes the information used to determine fair value. Refer to **Note 87** for more information regarding fair value determination.

The Company generally applies fair value valuation techniques on a non-recurring basis associated with (1) valuing assets and liabilities acquired in connection with business combinations and other transactions; (2) valuing potential impairment loss related to long-lived assets; and (3) valuing potential impairment loss related to goodwill and indefinite-lived intangible assets.

**Inventory**

Current inventory consists of parts and small equipment held for use in the ordinary course of business and is valued at the lower of cost (using historical average cost) or net realizable **value**. **value and is relieved as utilized**. Where shipping and handling costs are incurred by the Company, these charges are included in inventory and charged to cost of contract revenue upon use. Non-current inventory consists of spare parts (including engines, cutters and gears) that require special order or long-lead times for manufacture or fabrication but must be kept on hand to reduce downtime and is valued at the lower of cost (using historical average cost) or net realizable value.

**Property and Equipment**

Property and equipment are recorded at cost. Ordinary maintenance and repairs that do not improve or extend the useful life of the asset are expensed as incurred. Major renewals and betterments of equipment are capitalized and depreciated generally over three to ten years until the next scheduled maintenance.

When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in results of operations for the respective period.

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Depreciation is computed using the straight-line method over the estimated useful lives of the related assets for financial statement purposes, as follows:

Automobiles and trucks	3 to 10 years
Buildings and improvements	10 to 30 years
Construction equipment	3 to 10 years
Vessels and other equipment	3 to 40 years
Office equipment	3 to 5 years

The Company generally uses accelerated depreciation methods for tax purposes where beneficial.

Dry-docking costs are capitalized and amortized using the straight-line method over a period ranging from three to seven years. Dry-docking costs include, but are not limited to, the inspection, refurbishment and replacement of steel, engine components, tailshafts, mooring equipment and other parts of the vessel. Amortization related to dry-docking activities is included as a component of depreciation. These costs and the related amortization periods are periodically reviewed to determine if the estimates are accurate. If warranted, a significant upgrade of equipment may result in a revision to the useful life of the asset, in which case the change is accounted for prospectively.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows

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expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge loss is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of are separately presented in the balance sheet and reported at the lower of the carrying amount or the fair value, less the costs to sell, and are no longer depreciated. There was \$0.8 million of were no assets classified as held for sale as of both

September 30, 2023 and December 31, 2022 included in prepaid expenses and other in the Company's condensed consolidated balance sheets. March 31, 2024 or December 31, 2023.

### **Leases**

Management determines if a contract is or contains a lease at inception of the contract or modification of the contract. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. Control over the use of the identified asset means the lessee has both (a) the right to obtain substantially all of the economic benefits from the use of the asset and (b) the right to direct the use of the asset.

Finance and operating lease right-of-use ("ROU") assets and liabilities are recognized based on the present value of future minimum lease payments over the expected lease term at commencement date. As the implicit rate is not determinable in most of the Company's leases, management uses the Company's incremental borrowing rate based on the information available at commencement date in determining the present value of future payments. The expected lease term includes options to extend or terminate the lease when it is reasonably certain the Company will exercise such option. Lease expense for minimum lease payments is recognized on a straight-line basis over the expected lease term.

The Company's lease arrangements have lease and non-lease components. Leases with an expected term of 12 months or less are not accounted for on the balance sheet and the related lease expense is recognized on a straight-line basis over the expected lease term.

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The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

See [Note 18](#) for more information regarding leases.

### **Intangible Assets**

Intangible assets that have finite lives are amortized. In addition, the Company evaluates the remaining useful life of intangible assets in each reporting period to determine whether events and circumstances warrant a revision of the remaining period of amortization. If the estimate of an intangible asset's remaining life is changed, the remaining carrying value of such asset is amortized prospectively over that revised remaining useful life. Intangible assets that have infinite lives are not amortized, but are subject to impairment testing at least annually or more frequently if events or circumstances indicate that the asset may be impaired.

The Company has one infinite-lived intangible asset, a trade name, which it tests for impairment annually on October 31, or whenever events or circumstances indicate that the carrying amount of the trade name may not be recoverable. Impairment is calculated as the excess of the trade name's carrying value over its fair value. The fair value of the trade name is determined using the relief from royalty method, a variation of the income approach. This method assumes that if a company owns intellectual property, it does not have to "rent" the asset and is, therefore, "relieved" from paying a royalty. Once a supportable royalty rate is determined, the rate is then applied to the projected revenues over the expected remaining life of the intangible assets to estimate the royalty savings. This approach is dependent on a number of factors, including estimates of future growth and trends, royalty rates, discount rates and other variables.

See [Note 9](#) for additional discussion of intangible assets.

### **Stock-Based Share-Based Compensation**

The Company recognizes compensation expense for equity awards over the vesting period based on the fair value of these awards at the date of grant. The computed fair value of these awards is recognized as a non-cash cost over the period the

employee provides services, which is typically the vesting period of the award. The fair value of restricted stock grants and restricted stock units is equivalent to the fair value of the stock issued on the date of grant and is measured as the closing price of the stock on the date of grant.

Compensation expense is recognized only for stock-based share-based payments expected to vest. The Company estimates forfeitures at the date of grant based on historical experience and future expectations. This assessment is updated on a periodic basis. See [Note 15](#) for further discussion of the Company's stock-based share-based compensation plan.

#### **Income Taxes**

The Company determines its consolidated income tax provision using the asset and liability method prescribed by U.S. GAAP, which requires the recognition of income tax expense for the amount of taxes payable or refundable for the current period and for deferred tax liabilities and assets for the future tax consequences of

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events that have been recognized in an entity's financial statements or tax returns. The Company must make significant assumptions, judgments and estimates to determine its current provision for income taxes, its deferred tax assets and liabilities, and any valuation allowance to be recorded against any deferred tax asset. The current provision for income tax is based upon the current tax laws and the Company's interpretation of these laws, as well as the probable outcomes of any tax audits. The value of any net deferred tax asset depends

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upon estimates of the amount and category of future taxable income reduced by the amount of any tax benefits that the Company does not expect to realize. Actual operating results and the underlying amount and category of income in future years could render current assumptions, judgments and estimates of recoverable net deferred taxes inaccurate, thus impacting the Company's financial position and results of operations. The Company computes deferred income taxes using the liability method. Under the liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under the liability method, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company accounts for uncertain tax positions in accordance with the provisions of ASC 740, *Income Taxes* which prescribes a recognition threshold and measurement attribute for financial statement disclosure of tax positions taken, or expected to be taken, on its consolidated tax return. The Company evaluates and records any uncertain tax positions based on the amount that management deems is more likely than not to be sustained upon examination and ultimate settlement with the tax authorities in the tax jurisdictions in which it operates.

See [Note 13.11](#) for additional discussion of income taxes.

#### **Insurance Coverage**

The Company maintains insurance coverage for its business and operations. Insurance related to property, equipment, automobile, general liability, and a portion of workers' compensation is provided through traditional policies, subject to a deductible or deductibles. A portion of the Company's workers' compensation exposure is covered through a mutual association, which is subject to supplemental calls.

The marine segment maintains five levels of excess loss insurance coverage, totaling ~~\$200 million~~ \$300 million in excess of primary coverage. The marine segment's excess loss coverage responds to most of its policies when a primary limit of \$1 million has been exhausted; provided that the primary limit for Contingent Maritime Employer's Liability is \$10 million and the Watercraft Pollution Policy primary limit is \$5 million. The concrete segment maintains five levels of excess loss insurance coverage, totaling ~~\$200 million~~ \$300 million in excess of primary coverage. The concrete segment's excess loss coverage responds to most of its policies when a primary limit of \$1 million has been exhausted.

If a claim arises and a potential insurance recovery is probable, the impending gain is recognized separately from the related loss. The recovery will only be recognized up to the amount of the loss once the recovery of the claim is deemed probable and any excess gain will fall under contingency accounting and will only be recognized once it is realized. The Company does not net insurance recoveries against the related claim liability as the amount of the claim liability is determined without consideration of the anticipated insurance recoveries from third parties.

Separately, the Company's marine segment employee health care is paid for by general assets of the Company and currently administered by a third party. The administrator has purchased appropriate stop-loss coverage.

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Losses on these policies up to the deductible amounts are accrued based upon known claims incurred and an estimate of claims incurred but not reported. The accruals are derived from known facts, historical trends and industry averages to determine the best estimate of the ultimate expected loss. Actual claims may vary from estimates. Any adjustments to such reserves are included in the ~~condensed consolidated statements~~ [Consolidated Statements of operations](#) [Operations](#) in the period in which they become known. The Company's concrete segment employee health care

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is provided through two policies. A fully funded policy is offered primarily to salaried employees and their dependents while a partially self-funded plan with an appropriate stop-loss is offered primarily to hourly employees and their dependents. The self-funded plan is funded to the maximum exposure and, as a result, is expected to receive a partial refund after the policy expiration.

The total accrual for insurance claims liabilities was ~~\$4.3 million~~ \$5.5 million and ~~\$5.8 million~~ \$7.5 million at ~~September 30, 2023~~ March 31, 2024 and ~~December 31, 2022~~ December 31, 2023, respectively, reflected as a component of accrued liabilities in the ~~condensed~~ consolidated balance sheets. ~~sheet~~.

#### **Recent Accounting Pronouncements**

The Financial Accounting Standards Board ("FASB") issues accounting standards and updates (each, an "ASU") from time to time to its Accounting Standards Codification ('ASC'), which is the primary source of U.S. GAAP. The Company regularly monitors ASUs as they are issued and considers applicability to its business. All ASUs are adopted by their respective due dates and in the manner prescribed by the FASB.

In November 2023, the Financial Accounting Standards Board (FASB) issued ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. The amendments are intended to increase reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses. The ASU is effective on a retrospective basis for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The Company is currently evaluating the impact that this guidance will have on the disclosures within its consolidated financial statements.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The amendments require disclosure of specific categories in the rate reconciliation and provides additional information for reconciling items that meet a quantitative threshold and further disaggregation of income taxes paid for individually significant jurisdictions. The ASU is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact that this guidance will have on the disclosures within its consolidated financial statements.

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### **3. Revenue**

Contract revenues are recognized when control of the promised goods or services is transferred to the customer in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. The following table represents a disaggregation of the Company's contract revenues by service line for the marine and concrete segments:

	Three months ended September 30,		Nine months ended September 30,		Three months ended March 31,	
	2023	2022	2023	2022	2024	2023
<b>Marine Segment</b>						
Construction	\$ 58,162	\$ 56,765	\$ 189,895	\$ 169,127	\$ 88,789	\$ 54,012
Dredging	9,444	17,408	44,993	63,894	14,670	20,730
Specialty Services	13,307	1,925	25,866	9,876	2,866	4,556
Marine segment contract revenues	\$ 80,913	\$ 76,098	\$ 260,754	\$ 242,897	\$ 106,325	\$ 79,298
<b>Concrete Segment</b>						
Structural	\$ 12,268	\$ 15,070	\$ 41,849	\$ 46,610	\$ 11,573	\$ 15,744
Light Commercial	75,295	91,453	207,581	262,620	42,774	64,132
Concrete segment contract revenues	\$ 87,563	\$ 106,523	\$ 249,430	\$ 309,230	\$ 54,347	\$ 79,876

<b>Total contract revenues</b>	\$ 168,476	\$ 182,621	\$ 510,184	\$ 552,127	\$ 160,672	\$ 159,174
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The Company has determined that it has two reportable segments pursuant to FASB ASC Topic 280, *Segment Reporting*, but has disaggregated its contract revenues in the above chart in terms of services provided within such segments. In making this determination, the Company considered the similar characteristics of its operations as discussed in [Note 1](#). Additionally, as discussed, both the marine and concrete segments have limited contracts with multiple performance obligations. The Company's contracts are often estimated and bid as one project and evaluated as to performance as one project, not by individual services performed by each. Both the marine and concrete segments have a single individual responsible for managing the entire segment, not by service lines of the segments. Resources are allocated by segment and financial and budgetary information is compiled and reviewed by segment, not service line.

#### [Marine Segment](#)

Construction services include construction, restoration, maintenance, dredging and repair of marine transportation facilities, marine pipelines, bridges and causeways and marine environmental structures. Dredging services generally enhance or preserve the navigability of waterways or the protection of shorelines through the removal or replenishment of soil, sand or rock. Specialty services include design, salvage, demolition, surveying, towing, diving and underwater inspection, excavation and repair.

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#### [Concrete Segment](#)

Structural services include elevated concrete pouring for products such as columns, elevated beams and structural walls. Light commercial services include horizontally poured concrete for products such as slabs, sidewalks, ramps and tilt walls. Other services comprise labor related to concrete pouring such as rebar installation and pumping services and typically support the Company's structural and light commercial services.

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#### **4. Concentration of Risk and Enterprise-Wide Disclosures**

In both reportable segments accounts receivable include amounts billed to governmental agencies and private customers and do not bear interest. Balances billed to customers but not paid pursuant to retainage provisions generally become payable upon contract completion and acceptance by the owner.

The table below presents the concentrations of current receivables (trade and retainage) at [September 30, 2023](#) [March 31, 2024](#) and [December 31, 2022](#) [December 31, 2023](#), respectively:

	September 30, 2023		December 31, 2022	
Federal Government	\$ 16,408	10 %	\$ 4,612	3 %
State Governments	2,206	1 %	3,111	2 %
Local Governments	21,196	13 %	16,197	10 %
Private Companies	127,406	76 %	134,317	85 %
Gross receivables	167,216	100 %	158,237	100 %
Allowance for credit losses	(496)		(606)	
Net receivables	<u>\$ 166,720</u>		<u>\$ 157,631</u>	

	March 31, 2024		December 31, 2023	
Federal Government	\$ 15,048	12 %	\$ 8,885	6 %
State Governments	4,577	4 %	2,355	2 %
Local Governments	17,358	13 %	12,804	9 %
Private Companies	91,578	71 %	119,590	83 %
Gross receivables	128,561	100 %	143,634	100 %
Allowance for credit losses	(366)		(361)	
Net receivables	<u>\$ 128,195</u>		<u>\$ 143,273</u>	

At both September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, no single a customer in the Private Companies category accounted for more than 10.0% 14.9% and 19.9% of total current receivables, receivables, respectively.

Additionally, the table below represents concentrations of contract revenue by type of customer for the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively:

	Three months ended September 30,				Nine months ended September 30,				Three months ended March 31,			
	2023	%	2022	%	2023	%	2022	%	2024	%	2023	%
Federal												
Government	\$ 27,336	16 %	\$ 15,394	8 %	\$ 94,808	19 %	\$ 57,923	11 %	\$ 53,382	33 %	\$ 23,056	14 %
State												
Governments	12,360	7 %	17,836	10 %	44,864	9 %	39,293	7 %	13,984	9 %	18,328	12 %
Local												
Governments	29,422	17 %	31,609	17 %	71,803	14 %	90,209	16 %				
Local												
Government									28,973	18 %	20,688	13 %
Private												
Companies	99,358	59 %	117,782	65 %	298,709	59 %	364,702	66 %	64,333	40 %	97,102	61 %
Total contract												
revenues	\$ 168,476	99 %	\$ 182,621	100 %	\$ 510,184	101 %	\$ 552,127	100 %	\$ 160,672	100 %	\$ 159,174	100 %

In For the three months ended September 30, 2023 March 31, 2024, one customer the United States Navy, which is included in the Federal Government category, accounted for 10.2% 23.7% of total contract revenues. In For the nine three months ended September 30, 2023 March 31, 2023, no single one customer in the Private Companies category accounted for more than 10.0% 10.9% of total contract revenues. In

With the three and nine months ended September 30, 2022, no single customer accounted for more than 10.0% exception of total contract revenues.

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The the United States Navy, the Company does not believe that the loss of any one of its customers would have a material adverse effect on the Company or its subsidiaries and affiliates since no single specific customer besides the United States Navy sustains such a large portion of receivables or contract revenue over time. On March 10, 2023, the United States Navy awarded the Dragados/Hawaiian Dredging/Orion Joint Venture a \$2.8 billion contract to complete the construction of a dry dock at Pearl Harbor Naval Shipyard. The Company's portion of work as a dedicated subcontractor totals \$435.4 million. For the fiscal year ended December 31, 2023 and the three months ended March 31, 2024, the Company's revenue related to the joint venture subcontract was approximately \$90.5 million and \$38.0 million, respectively.

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The concrete segment primarily purchases concrete from select suppliers. The loss of any one of these suppliers could adversely impact short-term operations.

Contract revenues generated outside the United States totaled 2.7% 6.0% and 1.4% 1.7% of total revenues for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and 2.8% and 0.9% for the nine months ended September 30, 2023 and 2022, 2023, respectively, and were primarily located in the Caribbean Basin.

**5. Contracts in Progress**

Contracts in progress are as follows at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Costs incurred on uncompleted contracts	\$ 1,428,144	\$ 1,251,853	\$ 1,402,010	\$ 1,394,243
Estimated earnings	181,619	180,705	161,886	176,904
	1,609,763	1,432,558	1,563,896	1,571,147
Less: Billings to date	(1,612,800)	(1,426,375)	(1,551,541)	(1,553,704)
	\$ (3,037)	\$ 6,183	\$ 12,355	\$ 17,443
Included in the accompanying Condensed Consolidated Balance Sheets under the following captions:				
Included in the accompanying Consolidated Balance Sheets under the following captions:				
Contract assets	\$ 44,618	\$ 43,903	\$ 70,974	\$ 81,522
Contract liabilities	(47,655)	(37,720)	(58,619)	(64,079)
	\$ (3,037)	\$ 6,183	\$ 12,355	\$ 17,443

Included in contract assets is approximately \$14.1 million \$13.7 million and \$13.4 million \$13.0 million at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, related to claims and unapproved change orders. See Note 2 to the Company's consolidated financial statements for discussion of the accounting for these claims.

Remaining performance obligations represent the transaction price of firm orders or other written contractual commitments from customers for which work has not been performed or is partially completed and excludes unexercised contract options and

potential orders. As of **September 30, 2023** **March 31, 2024**, the aggregate amount of the remaining performance obligations was approximately **\$877.5 million** **\$756.6 million**. Of this amount, the current expectation of the Company is that it will recognize **\$610.8 million** **\$691.9 million**, or **70%** **91%**, in the next 12 months and the remaining balance thereafter.

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**6. Property and Equipment**

The following is a summary of property and equipment at **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**:

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Automobiles and trucks	\$ 2,008	\$ 2,232	\$ 1,959	\$ 1,985
Building and improvements	36,931	36,952	36,931	36,931
Construction equipment	125,521	130,660	125,374	125,705
Vessels and other equipment	91,308	91,495	94,730	94,030
Office equipment	6,909	6,885	6,708	6,708
	262,677	268,224	265,702	265,359
Less: Accumulated depreciation	(199,736)	(195,948)	(209,236)	(206,243)
Net book value of depreciable assets	62,941	72,276	56,466	59,116
Construction in progress	1,696	816	4,059	3,770
Land	24,948	27,885	24,948	24,948
	\$ 89,585	\$ 100,977	\$ 85,473	\$ 87,834

For the three months ended **September 30, 2023** **March 31, 2024** and **2022, 2023**, depreciation expense was **\$4.5 million** **\$4.2 million** and **\$4.9 million**, respectively. For the nine months ended **September 30, 2023** and **2022**, depreciation expense was **\$13.5 million** and **\$15.1 million** **\$4.6 million**, respectively. Substantially all depreciation expense is included in the cost of contract revenue in the Company's Condensed Consolidated Statements of Operations. Substantially all of the assets of the Company are pledged as collateral under the Company's Credit Agreement (as defined in [Note 11](#)).

In the three and nine months ended **September 30, 2023**, **March 31, 2024** and **2023**, the Company sold property and equipment. The book value of the assets and related accumulated depreciation were removed from the balance sheet and the Company recognized a net gain on the sales of **\$0.4 million** and **\$7.0 million**, respectively.

In **\$0.3 million** in both the three and nine months ended **September 30, 2022**, the Company sold property **March 31, 2024** and equipment. The book value of the assets and related accumulated depreciation were removed from the balance sheet and the Company recognized a net gain on the sales of **\$3.4 million** and **\$4.6 million**, respectively.

Substantially all of the Company's long-lived assets are located in the United States.

See [Note 2](#) to the Company's condensed consolidated financial statements for further discussion of property and equipment.

**7. Other Current Accounts Receivable**

Other current accounts receivable at September 30, 2023 and December 31, 2022 consisted of the following:

	September 30, 2023	December 31, 2022
Accident loss receivables	\$ 1,974	\$ 1,328
Purchase incentive receivable	866	695
Bond premium dividend receivable	404	391
Vendor receivables	74	807
Other current accounts receivable	502	305
<b>Total other current accounts receivable</b>	<b>\$ 3,820</b>	<b>\$ 3,526</b>

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## 8. Fair Value

### *Recurring Fair Value Measurements*

The fair value of financial instruments is the amount at which the instrument could be exchanged in a current transaction between willing parties. Due to their short-term nature, the Company believes that the carrying value of its accounts receivable, other current assets, accounts payable and other current liabilities approximate their fair values.

The Company classifies financial assets and liabilities into the following three levels based on the inputs used to measure fair value in the order of priority indicated:

- Level 1- fair values are based on observable inputs such as quoted prices in active markets for identical assets or liabilities;
- Level 2 - fair values are based on pricing inputs other than quoted prices in active markets for identical assets and liabilities and are either directly or indirectly observable as of the measurement date; and

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- Level 3- fair values are based on unobservable inputs in which little or no market data exists.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value requires judgment and may affect the placement of assets and liabilities within the fair value hierarchy levels.

The following table sets forth by level within the fair value hierarchy the Company's recurring financial assets and liabilities that were accounted for at fair value on a recurring basis as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**:

	Fair Value Measurements				Fair Value Measurements			
	Carrying Value	Level 1	Level 2	Level 3	Carrying Value	Level 1	Level 2	Level 3
<b>September 30, 2023</b>								
<b>March 31, 2024</b>								
Assets:								
Cash surrender value of life insurance policy	\$ 1,199	—	1,199	—	\$ 1,356	—	1,356	—
<b>December 31, 2022</b>								
<b>December 31, 2023</b>								
Assets:								
Cash surrender value of life insurance policy	\$ 1,811	—	1,811	—	\$ 1,299	—	1,299	—

Our concrete segment had life insurance policies with a combined face value of \$11.1 million as of **September 30, 2023** **March 31, 2024**. The policies are invested in mutual funds and the fair value measurement of the cash surrender balance associated with these policies is determined using Level 2 inputs within the fair value hierarchy and will vary with investment performance. These assets are included in the "Other noncurrent" asset section in the Company's Condensed Consolidated Balance Sheets.

#### *Non-Recurring Fair Value Measurements*

The Company generally applies fair value valuation techniques on a non-recurring basis associated with (1) valuing assets and liabilities acquired in connection with business combinations and other transactions;

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(2) valuing potential impairment loss related to long-lived assets; and (3) valuing potential impairment loss related to the infinite-lived intangible asset.

#### *Other Fair Value Measurements*

The fair value of the Company's debt at **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023** approximated its carrying value of \$56.0 million \$42.2 million and \$36.0 million \$42.3 million, respectively, as interest is based on current market interest rates for debt with similar risk and maturity. If the Company's debt was measured at fair value, it would have been classified as Level 2 in the fair value hierarchy.

#### **9. Intangible Assets**

The tables below present the activity and amortization of finite-lived intangible assets:

	September 30, 2023	December 31, 2022
Finite-lived intangible assets, beginning of period	\$ 35,240	\$ 35,240
Additions	—	—
Total finite-lived intangible assets, end of period	\$ 35,240	\$ 35,240
Accumulated amortization, beginning of period	\$ (34,815)	\$ (33,576)

Current year amortization	(383)	(1,239)
Total accumulated amortization	<u>(35,198)</u>	<u>(34,815)</u>
Net finite-lived intangible assets, end of period	\$ 42	425
Infinite-lived intangible assets	6,892	6,892
<b>Total net intangible assets</b>	<b>\$ 6,934</b>	<b>\$ 7,317</b>

Remaining net finite-lived intangible assets were acquired as part of the purchase of TAS during 2015 and TBC during 2017 and included customer relationships. Customer relationships were valued at approximately \$18.8 million and are being amortized over eight years using an accelerated method based on the pattern in which the economic benefits of the assets are consumed. For the three months ended September 30, 2023 and 2022, \$0.1 million and \$0.3 million, respectively, of amortization expense was recognized for these assets. For the nine months ended September 30, 2023 and 2022, \$0.4 million and \$0.9 million, respectively, of amortization expense was recognized for these assets. The remaining future amortization expense will be amortized through fiscal year 2024.

The most recent annual impairment test of the Company's indefinite-lived intangible asset concluded that the fair value of the trade name was in excess of the carrying value, therefore no impairment was recorded.

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### **10.8. Accrued Liabilities**

Accrued liabilities at **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023** consisted of the following:

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Accrued salaries, wages and benefits	\$ 16,519	\$ 7,605	\$ 7,480	\$ 19,759
Sale-leaseback arrangements	3,764	813		
Accrued liabilities expected to be covered by insurance	4,340	5,757	5,478	7,478
Sales taxes	2,152	1,737	2,023	2,510
Property taxes	1,578	522	810	1,111
Sale-leaseback arrangement			3,852	3,761
Accounting and audit fees			891	659
Interest	558	60	467	530
Accounting and audit fees	569	222		
Other accrued expenses	2,367	1,750	1,547	1,266
<b>Total accrued liabilities</b>	<b>\$ 31,847</b>	<b>\$ 18,466</b>	<b>\$ 22,548</b>	<b>\$ 37,074</b>

### **11.9. Debt**

On May 15, 2023, the Company entered into a new Credit Agreement with White Oak ABL, LLC and White Oak Commercial Finance, LLC which includes a \$65.0 million asset based revolving credit facility and a \$38.0 million fixed asset term loan (the "Credit Agreement"). The Company incurred debt issuance costs related to the Credit Agreement of \$5.9 million, which will be amortized over the life of the **agreement** **agreement** under the effective interest method. The Credit Facility Agreement has a

maturity date of **May 15, 2026** **May 15, 2027**. The Company used the proceeds of the **new** Credit Agreement to repay the \$40.0 million outstanding on the Company's prior credit facility. In connection with the extinguishment of the prior credit facility, the Company wrote off the remaining \$0.1 million in debt issuance costs associated with the prior credit facility. **On December 1, 2023, the Company entered into Amendment No. 1 to the Credit Agreement which extended the maturity date for the \$15.0 million pre-payment to the earlier of June 30, 2024 and the date that is three business days after receipt of net proceeds in respect of the East and West Jones Sale.**

The Credit Agreement **provides for borrowings under a revolving line of credit and a term loan (together, the "Credit Facility"). The Credit Facility** is secured by substantially all of the assets of the Company and its subsidiaries, including fixed assets and account receivables, and is used to finance general corporate and working capital purposes, **to finance capital expenditures, to refinance existing indebtedness, to finance and permitted acquisitions and associated fees, to refinance existing indebtedness, and to pay for all expenses related expenses to the Credit Facility Agreement.** Amounts repaid under the **revolving line of credit Revolver** can be re-borrowed.

The Revolver initially **bears** **bore** interest at a rate of the 30-day SOFR plus 5.5% and the Term Loan at a rate of the 30-day SOFR plus 8.0%, subject to a SOFR floor of 4.0%. **On February 27, 2024, the Company entered into Amendment No. 2 to the Credit Agreement, which lowered the interest rate for the Revolver by 50 basis points to 30-day SOFR plus 5.0% and the Term Loan by 100 basis points to 30-day SOFR plus 7.0%, subject to a SOFR floor of 4.0%.**

The quarterly weighted average interest rate for the Credit **Facility, inclusive of the Company's prior credit facility Agreement**, as of **September 30, 2023** **March 31, 2024** was **13.06%** **13.09%**.

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The Company's obligations under debt arrangements consisted of the following:

	September 30, 2023			December 31, 2022			March 31, 2024			December 31, 2023		
	Debt Issuance			Debt Issuance			Debt Issuance			Debt Issuance		
	Principal	Costs(1)	Total	Principal	Costs(1)	Total	Principal	Costs(1)	Total	Principal	Costs(1)	
Revolving line of credit	\$ —	\$ —	\$ 35,000	\$ (327)	\$ 34,673							
Term loan - current	15,000	(1,651)	13,349	—	—	—	\$10,000	\$ (1,230)	\$ 8,770	\$15,000	\$ (2,024)	
Other debt	503	—	503	283	—	283	452	—	452	477	—	
Total current debt	15,503	(1,651)	13,852	35,283	(327)	34,956	10,452	(1,230)	9,222	15,477	(2,024)	
Revolving line of credit	13,531	—	13,531									
Revolving line of credit - long-term							2	—	2	—	—	

Term loan												
- long-term	23,000	(4,021)	18,979	—	—	—	28,000	(3,445)	24,555	23,000	(3,10)	
Other debt	3,942	—	3,942	716	—	716	3,742	—	3,742	3,844	—	
Total long-term debt	40,473	(4,021)	36,452	716	—	716	31,744	(3,445)	28,299	26,844	(3,10)	
<b>Total debt</b>	<b>\$ 55,976</b>	<b>\$ (5,672)</b>	<b>\$ 50,304</b>	<b>\$ 35,999</b>	<b>\$ (327)</b>	<b>\$ 35,672</b>	<b>\$ 42,196</b>	<b>\$ (4,675)</b>	<b>\$ 37,521</b>	<b>\$ 42,321</b>	<b>\$ (5,12)</b>	

(1) Total debt issuance costs include underwriter fees, legal fees, syndication fees and fees related to the execution of the Credit Agreement and the termination and repayment of the Company's prior credit facility.

#### Provisions of the revolving line of credit

The Company has a maximum borrowing capacity under the revolving line of credit (as defined in the Credit Agreement) Revolver of \$65.0 million. There is a letter of credit sublimit that is equal to the lesser of \$5.0 million and the aggregate unused amount of the revolving commitments then in effect.

The Company is subject to a commitment fee for the unused portion of the maximum borrowing availability under the revolving line of credit. Revolver. The revolving line of credit Revolver termination date is the earlier of the Credit Agreement termination date, May 15, 2026 May 15, 2027, or the date the outstanding balance is permanently reduced to zero, in accordance with the terms of the Credit Facility Agreement.

As of September 30, 2023 March 31, 2024, the Company had \$13.5 million of less than \$0.1 million in borrowings under the revolving line of credit. Revolver. The Company's borrowing availability under its revolving credit facility the Revolver at September 30, 2023 March 31, 2024 was approximately \$31.7 million \$28.1 million.

During the nine three months ended September 30, 2023 March 31, 2024, the Company borrowed \$46.5 million \$1.6 million on the revolving line of credit. Revolver. During the nine three months ended September 30, 2023 March 31, 2024, the Company repaid \$33.0 million \$1.6 million outstanding on the revolving line of credit. Revolver.

#### Financial covenants

Restrictive financial covenants under the Credit Agreement include:

- A Consolidated Fixed Charge Coverage Ratio to not be less than the following during each noted period:
  - Fiscal Quarter Ending September 30, 2024 March 31, 2024 and each Fiscal Quarter thereafter, to not be less than 1.00 to 1.00 through the quarter ended December 31, 2024.
  - Fiscal Quarter Ending March 31, 2025 and each Fiscal Quarter thereafter, to not be less than 1.10 to 1.00.

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- A Revolver Loan Turnover Ratio to not be less than the following during each noted period:
  - Fiscal Quarter Ending September 30, 2023 March 31, 2024 and each Fiscal Quarter thereafter, to not be less than 2.50 to 1.00.

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- A Term Loan Loan-to-Value Ratio to not be greater than the following during each noted period:
  - Fiscal Quarter Ending **September 30, 2023** **March 31, 2024** and each Fiscal Quarter thereafter, to not be more than 60%.
- A Minimum EBITDA to not be less than the following during each noted period
  - Semi-Annual Test Period Ended September 30, 2023 - \$8,657,960
  - Tri-Quarterly Test Period Ended December 31, 2023 - \$14,975,675
  - Last-Twelve-Months Test Period Ended March 31, 2024 - \$29,703,993
  - Last-Twelve-Months Test Period Ended June 30, 2024 - \$45,857,579
- The Company shall maintain Liquidity **(as defined in the Credit Agreement)** of greater than \$15.0 million at all times.

In addition, the Credit Agreement contains events of default that are usual and customary for similar arrangements, including non-payment of principal, interest or fees; breaches of representations and warranties that are not timely cured; violation of covenants; bankruptcy and insolvency events; and, events constituting a change of control.

On April 24, 2024, the Company executed Amendment No. 3 to the Loan Agreement with White Oak Commercial Finance, LLC. This amendment, among other things, (i) replaces the Consolidated EBITDA covenant with a Consolidated Fixed Charge Coverage Ratio (FCCR) for the quarter ended March 31, 2024, (ii) lowers the FCCR covenant threshold from 1.10:1.00 to 1.00:1.00 through the quarter ended December 31, 2024, (iii) lowers the \$15 million prepayment due June 30, 2024 to \$10 million, (iv) extends the maturity of the Loan Agreement by one year to May 15, 2027, and (v) resets the make-whole provision to align with the extension. The Company was in compliance with all financial covenants under the amended agreement as of **September 30, 2023** **March 31, 2024**.

Other debt

The Company has entered into debt agreements with De Lage Landen Financial Services, Inc. and Mobilease for the purpose of financing equipment purchased. As of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, the carrying value of this debt was **\$2.1 million** **\$1.8 million** and **\$1.0 million** **\$1.9 million**, respectively. The agreements are secured by the financed equipment assets and the debt is included as a component of current debt and long-term debt on the Condensed Consolidated Balance Sheets.

On June 23, 2023, the Company closed on a land-sale leaseback contract for the Company's Port Lavaca South Yard property located in Port Lavaca, Texas for a purchase price of \$12.0 million. A portion of the operating lease above the fair value of the land was financed by the Company. As of **September 30, 2023** both **March 31, 2024** and **December 31, 2022** **December 31, 2023**, the carrying value of this debt was \$2.4 million.

**12.10. Other Long-Term Liabilities**

Other long-term liabilities at **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023** consisted of the following:

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Sale-leaseback arrangements	\$ 24,521	\$ 15,156		
Sale-leaseback arrangement			\$ 22,792	\$ 23,689
Deferred compensation	1,321	1,639	1,190	1,293
Accrued liabilities expected to be covered by insurance	307	277	373	338

Total other long-term liabilities	\$ 26,149	\$ 17,072	\$ 24,355	\$ 25,320
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[Sale-Leaseback Arrangements](#)

On May 15, 2023, the Company entered into a \$13.0 million sale-leaseback of certain equipment in which the Company will leaseback leased-back the equipment for terms ranging from one to three years. The transaction above was recorded as a failed sale-leaseback.

Concurrent with the sale of Company's Port Lavaca South Yard property, the Company entered into a twenty-year lease agreement whereby the Company will lease back the property at an annual rental rate of approximately \$1.1 million, subject to annual rent increases of 2.5%. Under the lease agreement, the Company has four consecutive options to extend the term of the lease by five years for each such option. The portion of the above transaction above related to the building was recorded as a failed sale-leaseback.

On September 27, 2019, the Company entered into a purchase and sale agreement (the "Purchase and Sale Agreement"). Pursuant to the terms of the Purchase and Sale Agreement, the Company sold its 17300 & 17140 Market Street location in Channelview, Texas for a purchase price of \$19.1 million. Concurrent with the sale of the property, the Company entered into a fifteen-year lease agreement whereby the Company will lease back the property at an annual rental rate of approximately \$1.5 million, subject to annual rent increases of 2.0%. Under the lease agreement, the Company has two consecutive options to extend the term of the lease by ten years for each such option. The transaction above was recorded as a failed sale-leaseback.

Related to the failed sale-leasebacks, the Company recorded liabilities for the amounts received, will continue to depreciate the non-land portion of the assets, and has imputed an interest rate so that the net carrying amount of the financial liability and remaining assets will be zero at the end of the initial lease terms.

**13.11. Income Taxes**

The Company's effective tax rate is based on expected income, statutory rates and tax planning opportunities available to it. For interim financial reporting, the Company estimates its annual tax rate based on projected taxable income for the full year and records a quarterly tax provision in accordance with the anticipated annual rate.

Income tax (benefit) expense included in the Company's accompanying Condensed Consolidated Statements of Operations was as follows (in thousands, except percentages):

	Three months ended		Nine months ended		Three months ended	
	September 30,		September 30,		March 31,	
	2023	2022	2023	2022	2024	2023
Income tax (benefit) expense	\$ (123)	\$ (247)	\$ 475	\$ 396	\$ (352)	\$ 640
Effective tax rate	15.7 %	N/M %	(3.6)%	(5.4)%	5.5 %	(5.4)%

The effective rate for the three and nine months ended September 30, 2023 March 31, 2024 differed from the Company's statutory federal rate of 21% primarily due to the tax impact from the valuation allowance for current year activity, state income taxes and the non-deductibility of other permanent items.

The Company assessed the realizability of its deferred tax assets and determined that it was more likely than not that some portion or all the deferred tax assets would not be realized and therefore recorded a valuation allowance on the net deferred tax

assets. The Company assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing deferred tax assets. The Company considers the scheduled reversal of deferred tax liabilities, available carryback periods, and tax-planning strategies in making this assessment. For the period ended **September 30, 2023** **March 31, 2024** the Company evaluated all

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all positive and negative evidence in determining the amount of deferred tax assets more likely than not to be realized. Based on the review of available evidence, management believes that a valuation allowance on the net deferred tax assets at **September 30, 2023** **March 31, 2024** remains appropriate.

The Company **does not expect that expects the unrecognized tax benefits as of September 30, 2023** **March 31, 2024** for certain federal income tax matters will significantly change due to any settlement and/or expiration of statutes of limitations over the next 12 months. **months due to a lapse of the statute of limitations.** The final outcome of these **uncertain tax positions** is not yet determinable. **The Company's uncertain tax benefits, if recognized, would affect the Company's effective tax rate.**

### **14.12. Earnings Per Share**

Basic earnings per share is based on the weighted average number of common shares outstanding during each period. Diluted earnings per share is based on the weighted average number of common shares outstanding as well as the effect of all dilutive common stock equivalents during each period net income is generated. For the three months ended **September 30, 2023** **March 31, 2024** and **2022, 2023**, the Company had **240,241** **222,075** and **322,637** securities, respectively, that were potentially dilutive in earnings per share calculations. For the nine months ended **September 30, 2023** and **2022**, the Company had **256,128** and **553,813** **280,644** securities, respectively, that were potentially dilutive in earnings per share calculations. Such dilution is dependent on the excess of the market price of our stock over the exercise price and other components of the treasury stock method. The exercise price for certain stock options awarded by the Company exceeded the average market price of the Company's common stock for the three and nine months ended **September 30, 2023** **March 31, 2024** and **2022, 2023**. Such stock options are antidilutive and are not included in the computation of earnings per share for those periods. The Company reported a net loss for all periods presented; therefore, all potentially dilutive securities are antidilutive and are excluded from the computation of diluted loss per share for such periods.

The following table reconciles the denominators used in the computations of both basic and diluted earnings per share:

	Three months ended September		Nine months ended September		Three months ended March	
	30, 2023	2022	30, 2023	2022	31, 2024	2023
<b>Basic:</b>						
Weighted average shares outstanding	32,384,446	31,613,519	32,285,921	31,180,417	32,553,750	32,180,274
<b>Diluted:</b>						
Total basic weighted average shares outstanding	32,384,446	31,613,519	32,285,921	31,180,417	32,553,750	32,180,274
<b>Effect of potentially dilutive securities:</b>						
Common stock options	—	—	—	—	—	—
Total weighted average shares outstanding assuming dilution	32,384,446	31,613,519	32,285,921	31,180,417	32,553,750	32,180,274

### **15.13. Stock-Based Share-Based Compensation**

The Compensation Committee of the Company's Board of Directors is responsible for the administration of the Company's stock incentive plans, which include the balance of shares remaining under the 2022 Long Term Incentive Plan (the "2022 LTIP"), which was approved by shareholders in May of 2022 and authorized 2,175,000 shares, the maximum aggregate number to be issued, plus any shares available for grant under prior long term incentive plans as of the date the 2022 LTIP was approved, and any shares subject to awards granted under the prior plans that expire or are cancelled, forfeited, exchanged, settled in cash or otherwise terminated. In general, the Company's 2022 LTIP provides for grants of restricted stock, performance based awards and stock options to be issued with a per-share price not less than the fair market value of a share of common stock

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on the date of grant. Option terms are specified at each grant date but generally are 10 years from the date of issuance. Options generally vest over a three to five-year period.

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The Company applies a 3.2% and a 5.5% forfeiture rate, which is compounded over the vesting terms of the individual award, to its restricted stock and option grants, respectively, based on historical analysis.

In the three months ended **September 30, 2023** **March 31, 2024** and **2022** **2023**, compensation expense related to **stock-based share-based** awards outstanding was \$0.4 million and \$1.0 million, respectively. In the nine months ended **September 30, 2023** and **2022**, compensation expense related to stock-based awards outstanding was \$1.8 million and \$2.1 million **\$0.5 million**, respectively. In the three months ended **September 30, 2023** **March 31, 2024** and **2022, 2023**, payments related to tax withholding for **stock-based share-based** compensation for certain officers of the Company was \$0.3 million **were none** and **\$0.3 million \$0.2 million**, respectively. In the nine months ended **September 30, 2023** and **2022**, payments related to tax withholding for stock-based compensation for certain officers

On March 4, 2024, an executive of the Company was \$0.5 million and \$0.4 million, respectively.

In January 2023, certain officers and executives of the Company were awarded a total of **180,833** **2,197** shares of restricted common stock with a vesting period of three years and a fair value of **\$3.00** **\$6.83** per share.

In March 2023, On March 20, 2024, the Company granted certain executives a total of **335,851** **109,503** shares of restricted common stock with a vesting period of three years and a fair value of \$8.36 per share.

On March 20, 2024, the Company granted certain executives a total of **205,322** performance-based units. The performance-based units will potentially vest 100% if the target is met, with **100%** **50%** of the units to be earned based on the achievement of

an objective, tiered return on invested capital, measured over a three-year performance period and 50% of the units to be earned based on the achievement of an objective, tiered return on relative total shareholder return, measured over a three-year performance period. The Company evaluates the probability of achieving this each reporting period. The fair value of all the grants awarded in March 2023 related to the return on invested capital was \$2.65 \$8.36 per unit.

In May 2023, the Company granted an executive of the Company 4,000 shares of restricted common stock with a vesting period of three years and a fair value of \$2.50 per share.

In May 2023, the Company's seven independent directors were granted an aggregate of 238,637 shares of restricted common stock. The shares vested immediately on the date of the grant. The fair value on the date of grant of all shares awarded was \$2.64 per share.

In July 2023, the Company granted an executive of the Company 12,862 shares of restricted common stock with relative total shareholder return will be valued using a vesting period of three years and a fair value of \$3.11 per share. Monte Carlo simulation.

In the three and nine months ended September 30, 2023 and 2022, March 31, 2024, there were 46,322 options exercised generating proceeds to the Company of \$0.3 million. In the three months ended March 31, 2023, there were no options exercised.

At September 30, 2023 March 31, 2024, total unrecognized compensation expense related to unvested stock was approximately \$2.4 million \$5.3 million, which is expected to be recognized over a period of approximately 2.0 2.4 years.

#### **16.14. Commitments and Contingencies**

The Company is involved in various legal and other proceedings which are incidental to the conduct of its business, none of which in the opinion of management will have a material effect on the Company's financial condition, results of operations or cash flows. Management believes that it has recorded adequate accrued liabilities and believes that it has adequate insurance coverage or has meritorious defenses for these claims and contingencies.

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#### **15. Segment Information**

The Company currently operates in two reportable segments: marine and concrete. The Company's financial reporting systems present various data for management to run the business, including profit and loss statements prepared according to the segments presented. Management uses operating income to evaluate performance between the two segments. Segment information for the periods presented is provided as follows:

Marine	Three months ended	
	March 31,	
	2024	2023
Contract revenues	\$ 106,325	\$ 79,298
Operating loss	\$ (4,866)	\$ (6,080)
Depreciation and amortization expense	\$ (4,931)	\$ (3,835)
Total assets	\$ 275,969	\$ 231,851
Property and equipment, net	\$ 80,261	\$ 88,957

<b>Concrete</b>			
Contract revenues	\$ 54,347	\$ 79,876	
Operating income (loss)	\$ 1,742	\$ (4,563)	
Depreciation and amortization expense	\$ (1,089)	\$ (1,611)	
 Total assets	\$ 87,615	\$ 112,336	
Property and equipment, net	\$ 5,212	\$ 8,350	

There were \$0.6 million and less than \$0.1 million in intersegment revenues between the Company's two reportable segments for the three months ended March 31, 2024 and 2023, respectively. The marine segment had foreign revenues of \$9.6 million and \$2.8 million for the three months ended March 31, 2024 and 2023, respectively. These revenues are derived from projects in the Caribbean Basin and are paid primarily in U.S. dollars. There was no foreign revenue for the concrete segment.

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## 16. Leases

The Company has operating and finance leases for office space, equipment and vehicles.

Leases recorded on the balance sheet consists of the following:

Leases	March 31, December 31,	
	2024	2023
<b>Assets</b>		
Operating lease right-of-use assets, net (1)	\$ 26,723	\$ 25,696
Financing lease right-of-use assets, net (2)	25,463	23,602
<b>Total assets</b>	<b>\$ 52,186</b>	<b>\$ 49,298</b>
<b>Liabilities</b>		
<b>Current</b>		
Operating	\$ 9,416	\$ 9,254
Financing	10,018	8,665
Total current	19,434	17,919
<b>Noncurrent</b>		
Operating	17,679	16,632
Financing	13,563	13,746
Total noncurrent	31,242	30,378
<b>Total liabilities</b>	<b>\$ 50,676</b>	<b>\$ 48,297</b>

(1) Operating lease right-of-use assets are recorded net of accumulated amortization of \$18.0 million and \$15.6 million as of March 31, 2024 and December 31, 2023, respectively.

(2) Financing lease right-of-use assets are recorded net of accumulated amortization of \$12.0 million and \$10.2 million as of March 31, 2024 and December 31, 2023, respectively.

Other information related to lease term and discount rate is as follows:

	March 31, 2024	December 31, 2023
<b>Weighted Average Remaining Lease Term (in years)</b>		
Operating leases	6.49	5.90
Financing leases	2.61	2.83
<b>Weighted Average Discount Rate</b>		
Operating leases	9.42 %	9.32 %
Financing leases	7.70 %	7.53 %

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**17. Segment Information**

The Company currently operates in two reportable segments: marine and concrete. The Company's financial reporting systems present various data for management to run the business, including profit and loss statements prepared according to the segments presented. Management uses operating income to evaluate performance between the two segments. Segment information for the periods presented is provided as follows:

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
<b>Marine</b>				
Contract revenues	\$ 80,913	\$ 76,098	\$ 260,754	\$ 242,897
Operating income (loss)	\$ 2,001	\$ 5,197	\$ (587)	\$ 9,553
Depreciation and amortization expense	\$ (4,771)	\$ (4,192)	\$ (12,418)	\$ (12,751)
Total assets	\$ 269,409	\$ 219,955	\$ 269,409	\$ 219,955
Property and equipment, net	\$ 82,914	\$ 91,338	\$ 82,914	\$ 91,338
<b>Concrete</b>				
Contract revenues	\$ 87,563	\$ 106,523	\$ 249,430	\$ 309,230
Operating income (loss)	\$ 560	\$ (4,066)	\$ (5,456)	\$ (14,125)
Depreciation and amortization expense	\$ (1,322)	\$ (1,873)	\$ (4,464)	\$ (5,675)
Total assets	\$ 110,813	\$ 128,201	\$ 110,813	\$ 128,201
Property and equipment, net	\$ 6,671	\$ 10,436	\$ 6,671	\$ 10,436

There were \$0.1 million and less than \$0.1 million in intersegment revenues between the Company's two reportable segments for the three months ended September 30, 2023 and 2022, respectively. There were \$0.1 million and \$0.1 million in intersegment revenues between the Company's two reportable segments for the nine months ended September 30, 2023 and 2022, respectively. The marine segment had foreign revenues of \$4.5 million and \$2.5 million for the three months ended September 30, 2023 and 2022, respectively. The marine segment had foreign revenues of \$14.5 million and \$5.1 million for the nine months

ended September 30, 2023 and 2022, respectively. These revenues are derived from projects in the Caribbean Basin and are paid primarily in U.S. dollars. There was no foreign revenue for the concrete segment.

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**18. Leases**

The Company has operating and finance leases for office space, equipment and vehicles.

Leases recorded on the balance sheet consists of the following:

Leases	September 30, December 31,	
	2023	2022
<b>Assets</b>		
Operating lease right-of-use assets, net (1)	\$ 27,374	\$ 14,978
Financing lease right-of-use assets, net (2)	20,601	15,839
<b>Total assets</b>	<b>\$ 47,975</b>	<b>\$ 30,817</b>
<b>Liabilities</b>		
<b>Current</b>		
Operating	\$ 9,089	\$ 4,738
Financing	6,342	4,031
Total current	15,431	8,769
<b>Noncurrent</b>		
Operating	18,406	11,018
Financing	12,920	11,102
Total noncurrent	31,326	22,120
<b>Total liabilities</b>	<b>\$ 46,757</b>	<b>\$ 30,889</b>

(1) Operating lease right-of-use assets are recorded net of accumulated amortization of \$13.3 million and \$10.5 million as of September 30, 2023 and December 31, 2022, respectively.

(2) Financing lease right-of-use assets are recorded net of accumulated amortization of \$7.5 million and \$5.1 million as of September 30, 2023 and December 31, 2022, respectively.

Other information related to lease term and discount rate is as follows:

	September 30, December 31,	
	2023	2022
<b>Weighted Average Remaining Lease Term (in years)</b>		
Operating leases	5.88	3.90
Financing leases	3.15	4.36
<b>Weighted Average Discount Rate</b>		
Operating leases	9.20 %	4.86 %
Financing leases	5.38 %	5.62 %

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The components of lease expense are as follows:

	Three months ended September 30,		Nine months ended September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
<b>Operating lease costs:</b>						
Operating lease cost	\$ 2,497	\$ 1,279	\$ 5,440	\$ 3,683	\$ 2,991	\$ 1,390
Short-term lease cost (1)	424	416	1,565	1,034	905	641
<b>Financing lease costs:</b>						
Interest on lease liabilities	262	216	651	566	407	195
Amortization of right-of-use assets	1,533	845	3,008	2,391	1,811	725
<b>Total lease cost</b>	<b>\$ 4,716</b>	<b>\$ 2,756</b>	<b>\$ 10,664</b>	<b>\$ 7,674</b>	<b>\$ 6,114</b>	<b>\$ 2,951</b>

(1) Includes expenses related to leases with a lease term of more than one month but less than one year.

Supplemental cash flow information related to leases is as follows:

	Nine months ended September 30,		Three Months Ended March 31,	
	2023	2022	2024	2023
<b>Cash paid for amounts included in the measurement of lease liabilities:</b>				
Operating cash flows for operating leases	\$ 5,604	\$ 3,646	\$ 2,810	\$ 1,391
Operating cash flows for finance leases	\$ 651	\$ 566	\$ 407	\$ 195
Financing cash flows for finance leases	\$ 2,524	\$ 2,235	\$ 1,971	\$ 779
<b>Non-cash activity:</b>				
ROU assets obtained in exchange for new operating lease liabilities	\$ 17,525	\$ 5,878	\$ 3,465	\$ 1,028
ROU assets obtained in exchange for new financing lease liabilities	\$ 11,533	\$ 8,790	\$ 3,789	\$ 1,036

Maturities of lease liabilities are summarized as follows:

	Operating Leases	Finance Leases	Operating Leases	Finance Leases
<b>Year ending December 31,</b>				
2023 (excluding the nine months ended September 30, 2023)	\$ 2,751	\$ 1,921		
2024	10,717	7,490		
2024 (excluding the three months ended March 31, 2024)			\$ 8,524	\$ 8,487
2025	8,009	6,495	8,729	9,903
2026	2,768	1,966	3,488	4,439
2027	2,353	1,529	2,907	1,529
2028			1,880	752
Thereafter	13,059	1,583	14,702	831
Total future minimum lease payments	39,657	20,984	40,230	25,941
Less - amount representing interest	12,162	1,722	13,135	2,360
Present value of future minimum lease payments	27,495	19,262	27,095	23,581
Less - current lease obligations	9,089	6,342	9,416	10,018

Long-term lease obligations	\$ 18,406	\$ 12,920	\$ 17,679	\$ 13,563
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#### **19.17. Related Party Transaction**

On March 10, 2023, the United States Navy awarded the Dragados/Hawaiian Dredging/Orion Joint Venture a \$2.8 billion contract to complete the construction of a dry dock at Pearl Harbor Naval Shipyard. The Company's portion of work as a dedicated subcontractor totals \$435.4 million. For the three and nine months ended

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ended September 30, 2023 March 31, 2024 the Company's revenue related to the joint venture subcontract was approximately \$17.3 million and \$42.8 million, respectively. 38.0 million.

#### **19.18. Subsequent Event**

On October 25, 2023 April 24, 2024, the Company reached an agreement executed Amendment No. 3 to the Loan Agreement with White Oak Commercial Finance, LLC. This amendment, among other things, (i) replaces the Consolidated EBITDA covenant with a Consolidated Fixed Charge Coverage Ratio (FCCR) for the quarter ended March 31, 2024, (ii) lowers the FCCR covenant threshold from 1.10:1.00 to amend 1.00:1.00 through the Credit Agreement quarter ended December 31, 2024, (iii) lowers the \$15 million prepayment due June 30, 2024 to extend \$10 million, (iv) extends the date maturity of the mandatory \$15 million term loan pre-payment Loan Agreement by one year to May 15, 2027, and (v) resets the earlier make-whole provision to align with the extension. The Company was in compliance with all financial covenants under the amended agreement as of three days after the sale of the East West Jones Placement Area or June 30, 2024; to accelerate the change in financial covenant test from minimum EBITDA to minimum FCCR to Q2 2024; and to modify certain other non-financial covenants. March 31, 2024.

**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

**CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS**

*Unless the context otherwise indicates, all references in this Quarterly Report on Form 10-Q to "Orion," "the Company," "we," "our," or "us" are to Orion Group Holdings, Inc. and its subsidiaries as a whole.*

Certain information in this Quarterly Report on Form 10-Q, including but not limited to Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), may constitute forward-looking statements as such term is defined within the meaning of the "safe harbor" provisions of Section 27A of the Securities Exchange Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended.

All statements other than statements of historical facts, including those that express a belief, expectation, or intention are forward-looking statements. The forward-looking statements may include projections and estimates concerning the timing and success of specific projects and our future production, conversion of backlog, revenues, income and capital spending. Our forward-looking statements are generally accompanied by words such as "estimate," "project," "predict," "believe," "expect," "anticipate," "potential," "plan," "goal" or other words that convey the uncertainty of future events or outcomes.

We have based these forward-looking statements on our current expectations and assumptions about future events. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control, including unforeseen productivity delays and other difficulties encountered in project execution, levels of government funding or other governmental budgetary constraints, contract modifications and changes, including change orders and contract cancellation at the discretion of the customer. These and other important factors, including those described under "Risk Factors" in Part 1, Item 1A of the Company's Annual Report on Form 10-K for the year ended **December 31, 2022** December 31, 2023 ("2022 2023 Form 10K 10-K") may cause our actual results, performance- or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. The forward-looking statements in this Quarterly Report on Form **10Q 10-Q**

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speak only as of the date of this report; we disclaim- any obligation to update these statements unless required by securities law, and we caution you not to rely on them unduly.

MD&A provides a narrative analysis explaining the reasons for material changes in the Company's (i) financial condition since the most recent fiscal year-end, and (ii) results of operations during the current fiscal year-to-date period and current fiscal quarter as compared to the corresponding periods of the preceding fiscal year. In

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order to better understand such changes, this MD&A should be read in conjunction with the Company's audited consolidated financial statements and notes thereto included in our 2022 2023 Form 10K, 10-K, Part II, Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations included in our 2022 2023 Form 10K 10-K and with our unaudited condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q.

#### **Overview**

Orion Group Holdings, Inc., its and subsidiaries and affiliates (hereafter collectively referred to as the "Company"), provide is a broad range of leading specialty construction services in company serving the infrastructure, industrial, and building sectors, provides providing services both on and off the water in the continental United States, Alaska, Hawaii, Canada and the Caribbean Basin through its marine segment and its concrete segment. The Company's Our marine segment provides construction and dredging services relating to including marine transportation facility construction, marine pipeline construction, marine environmental structures construction, dredging of waterways, channels and ports, environmental dredging, design, and specialty services. Its services related to marine construction, fabrication, and dredging. Our concrete segment provides turnkey concrete construction services including concrete surface place and finish, site prep, preparation, layout, forming, and rebar placement for large commercial, structural and other associated business areas. The Company is We are headquartered in Houston, Texas with regional offices throughout its our operating areas.

Our contracts are obtained primarily through competitive bidding in response to "requests for proposals" by federal, state and local agencies and through negotiation and competitive bidding with private parties and general contractors. Our bidding activity and strategies are affected by factors such as our backlog, current utilization of equipment and other resources, job location, our ability to obtain necessary surety bonds and competitive considerations. The timing and location of awarded contracts may result in unpredictable fluctuations in the results of our operations.

Most of our revenue is derived from fixed-price contracts. We generally record revenue on construction contracts over time, measured by the percentage of actual contract costs incurred to date to total estimated costs for each contract. There are a number of factors that can create variability in contract performance and therefore impact the results of our operations. The most significant of these include the following:

- completeness and accuracy of the original bid;
- increases in commodity prices such as concrete, steel and fuel;
- customer delays, work stoppages, and other costs due to weather and environmental restrictions;
- subcontractor performance;
- unforeseen site conditions;
- availability and skill level of workers; and
- a change in availability and proximity of equipment and materials.

All of these factors can have a negative impact on our contract performance, which can adversely affect the timing of revenue recognition and ultimate contract profitability. We plan our operations and bidding activity with these factors in mind and they generally have not had a material adverse impact on the results of our operations in the past.

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## Consolidated Results of Operations

### *Backlog Information*

Our contract backlog represents our estimate of the revenues we expect to realize under the portion of contracts remaining to be performed. Given the typical duration of our contracts, which is generally less than a year, our backlog at any point in time usually represents only a portion of the revenue that we expect to realize during a twelve-month period. We have not been adversely affected by contract cancellations or modifications in the past, however we may be in the future, especially in periods of economic uncertainty.

Backlog as of the periods ended below are as follows (in millions):

	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
Marine segment	\$ 699.9	\$ 614.9	\$ 187.0	\$ 216.7	\$ 280.2	\$ 569.9	\$ 602.5	\$ 699.9	\$ 614.9	\$ 187.0	\$ 216.7
Concrete segment	177.6	203.8	280.4	232.1	268.4	186.7	159.7	177.6	203.8	280.4	232.1
Consolidated	\$ 877.5	\$ 818.7	\$ 467.4	\$ 448.8	\$ 548.6	\$ 756.6	\$ 762.2	\$ 877.5	\$ 818.7	\$ 467.4	\$ 448.8

We are optimistic in our end-markets and in the opportunities that are emerging across our various marketplaces as evidenced by the **\$2.8 billion** **\$3.5 billion** of quoted bids outstanding at quarter end, of which over **\$43 million** **\$101 million** resulted in the award of contracts subsequent to the end of the fiscal quarter ended **September 30, 2023** **March 31, 2024**.

These estimates are subject to fluctuations based upon the scope of services to be provided, as well as factors affecting the time required to complete the project. Backlog is not necessarily indicative of future results. In addition to our backlog under contract, we also have a substantial number of projects in negotiation or pending award at any given time. Delays in decisions on pending awards also have a negative impact on the timing and amount by which we are able to increase backlog.

***Three months ended September 30, 2023 compared with three months ended September 30, 2022.***

	Three months ended September 30,			
	2023		2022	
	Amount	Percent	Amount	Percent
	(dollar amounts in thousands)			
Contract revenues	\$ 168,476	100.0 %	\$ 182,621	100.0 %
Cost of contract revenues	149,406	88.7 %	169,189	92.6 %
Gross profit	19,070	11.3 %	13,432	7.4 %
Selling, general and administrative expenses	17,135	10.2 %	15,380	8.5 %
Amortization of intangible assets	59	— %	309	0.2 %
Gain on disposal of assets, net	(685)	(0.4)%	(3,388)	(1.9)%
Operating income (loss)	2,561	1.5 %	1,131	0.6 %
Other (expense) income:				
Other income	49	— %	48	— %

Interest income	21	— %	36	— %
Interest expense	(3,414)	(2.0)%	(1,215)	(0.6)%
Other expense, net	(3,344)	(2.0)%	(1,131)	(0.6)%
Loss before income taxes	(783)	(0.5)%	—	— %
Income tax expense (benefit)	(123)	(0.1)%	(247)	(0.1)%
Net (loss) income	\$ (660)	(0.4)%	\$ 247	0.1 %

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### **Income Statement Comparisons**

**Three months ended March 31, 2024 compared with three months ended March 31, 2023.**

	Three months ended March 31,			
	2024		2023	
	Amount	Percent	Amount	Percent
(dollar amounts in thousands)				
Contract revenues	\$ 160,672	100.0 %	\$ 159,174	100.0 %
Cost of contract revenues	145,134	90.3 %	153,334	96.3 %
Gross profit	15,538	9.7 %	5,840	3.7 %
Selling, general and administrative expenses	18,999	11.8 %	17,017	10.7 %
Amortization of intangible assets	—	— %	162	0.1 %
Gain on disposal of assets, net	(337)	(0.2)%	(696)	(0.4)%
Operating loss	(3,124)	(1.9)%	(10,643)	(6.7)%
Other (expense) income:				
Other income	72	— %	293	0.2 %
Interest income	17	— %	28	— %
Interest expense	(3,374)	(2.0)%	(1,633)	(1.0)%
Other expense, net	(3,285)	(2.0)%	(1,312)	(0.8)%
Loss before income taxes	(6,409)	(4.0)%	(11,955)	(7.5)%
Income tax (benefit) expense	(352)	(0.2)%	640	0.4 %
Net loss	\$ (6,057)	(3.8)%	\$ (12,595)	(7.9)%

**Contract Revenues.** Contract revenues for the three months ended **September 30, 2023** **March 31, 2024** of **\$168.5 million** decreased **\$14.1 million** **\$160.7 million** increased **\$1.5 million** or **7.7% 0.9%** as compared to **\$182.6 million** **\$159.2 million** in the prior year period. The **decrease/increase** was primarily due to our decision to exit the unprofitable concrete business in central Texas, partially offset by an increase in marine segment revenue related to the Pearl Harbor, Hawaii drydock project, (the "Pearl Harbor Project"). partially offset by lower concrete segment revenue due to disciplined bidding standards to win quality work at attractive margins.

**Gross Profit.** Gross profit was **\$19.1 million** **\$15.5 million** for the three months ended **September 30, 2023** **March 31, 2024** compared to **\$13.4 million** **\$5.8 million** in the prior year period, an increase of **\$5.7 million** or **42.0%** **\$9.7 million**. Gross profit in the **third** **first** quarter was **11.3% 9.7%** of total contract revenues as compared to **7.4% 3.7%** in the prior year period. The increase in gross profit dollars and margin was primarily driven by **margin improvements** **improved pricing of projects** in both segments

stemming from higher quality projects and improved execution, partially offset by lower equipment margin and labor utilization in our mix of dredging business revenue.

**Selling, General and Administrative Expense.** Selling, general and administrative ("SG&A") expenses were \$17.1 million for the three months ended September 30, 2023 March 31, 2024 compared to \$15.4 million \$17.0 million in the prior year period, an increase of \$1.7 million \$2.0 million or 11.4% 11.6%. As a percentage of total contract revenues, SG&A expenses increased from 8.5% 10.7% to 10.2%, primarily due to lower revenues and an increase in SG&A in the third quarter, 11.8%. The increase in SG&A dollars reflected and percentage reflecting an increase in IT and business development spending, and higher legal costs related to customer pursuing project-related claims.

**Gain on Disposal of Assets, net.** During the three months ended September 30, 2023 March 31, 2024 and 2022, 2023 we realized \$0.7 million \$0.3 million and \$3.4 million \$0.7 million, respectively, of net gains on disposal of assets.

**Other Income, net of Expense.** Other expense primarily reflects interest on our borrowings, partially offset by interest income and non-operating gains or losses.

**Income Tax Benefit (Benefit) Expense.** We recorded tax benefit of \$0.1 million \$0.4 million in the three months ended September 30, 2023 March 31, 2024, compared to tax benefit expense of \$0.2 million \$0.6 million in the prior year period. Our effective tax rate for the three months ended September 30, 2023 March 31, 2024 differs from the federal statutory rate of 21% primarily due to the tax impact

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from the valuation allowance for current year activity, state income taxes and the non-deductibility of other permanent items.

**Nine months ended September 30, 2023 compared with nine months ended September 30, 2022.**

	Nine months ended September 30,			
	2023		2022	
	Amount	Percent	Amount	Percent
(dollar amounts in thousands)				
Contract revenues	\$ 510,184	100.0 %	\$ 552,127	100.0 %
Cost of contract revenues	471,488	92.4 %	511,548	92.7 %
Gross profit	38,696	7.6 %	40,579	7.3 %
Selling, general and administrative expenses	52,271	10.3 %	48,783	8.7 %
Amortization of intangible assets	383	0.1 %	929	0.2 %
Gain on disposal of assets, net	(7,915)	(1.6)%	(4,561)	(0.8)%
Operating loss	(6,043)	(1.2)%	(4,572)	(0.8)%
Other (expense) income:				
Other income	592	0.1 %	147	— %
Interest income	90	— %	71	— %
Interest expense	(7,674)	(1.5)%	(2,913)	(0.5)%
Other expense, net	(6,992)	(1.4)%	(2,695)	(0.5)%

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Loss before income taxes	(13,035)	(2.6)%	(7,267)	(1.3)%
Income tax expense	475	— %	396	0.1 %
Net loss	<u><u>\$ (13,510)</u></u>	<u><u>(2.6)%</u></u>	<u><u>\$ (7,663)</u></u>	<u><u>(1.4)%</u></u>

**Contract Revenues.** Contract revenues for the nine months ended September 30, 2023 of \$510.2 million decreased \$41.9 million or 7.6% as compared to \$552.1 million in the prior year period. The decrease was primarily due to weather and customer delays in both businesses in the first quarter of 2023 and a reduction of concrete segment revenue in central Texas, partially offset by an increase in marine segment revenue primarily related to the Pearl Harbor Project.

**Gross Profit.** Gross profit was \$38.7 million for the nine months ended September 30, 2023 compared to \$40.6 million in the prior year period, a decrease of \$1.9 million or 4.6%. Gross profit in the nine months ended September 30, 2023 was 7.6% of total contract revenues as compared to 7.3% in the prior year period. The decrease in gross profit dollars was primarily due to the impact of weather in Texas in the first quarter of 2023, which lowered labor and equipment utilization and the completion of low-margin projects resulting in write-downs in both the marine and concrete businesses. The increase in gross profit margin was primarily due to actions to manage costs during project delays including reallocating equipment, reducing the size of the fleet and headcount reductions, as well as realizing margin improvements in the concrete business that reflected our margin improvement initiatives.

**Selling, General and Administrative Expense.** SG&A expenses were \$52.3 million for the nine months ended September 30, 2023 compared to \$48.8 million in the prior year period, an increase of \$3.5 million or 7.2%. As a percentage of total contract revenues, SG&A expenses increased from 8.7% to 10.3%, primarily due to lower revenues and increased SG&A in the current period. The increase in SG&A dollars was primarily due to an increase in compensation expense, partially offset by lower consulting expense related to the completion of the management transition.

**Gain on Disposal of Assets, net.** During the nine months ended September 30, 2023 and 2022, we realized \$7.9 million and \$4.6 million, respectively, of net gains on disposal of assets. The nine months ended September 30, 2023 included a gain of \$5.2 million related to the sale-leaseback of our Port Lavaca South Yard property in Texas.

**Other Income, net of Expense.** Other expense primarily reflects interest on our borrowings, partially offset by interest income and non-operating gains or losses.

**Income Tax Expense.** We recorded tax expense of \$0.5 million in the nine months ended September 30, 2023, compared to \$0.4 million of tax expense in the prior year period. Our effective tax rate for the nine months ended September 30, 2023 differs from the federal statutory rate of 21% primarily due to the tax impact from the valuation allowance for current year activity, state income taxes and the non-deductibility of other permanent items.

### Segment Results

The following table sets forth, for the periods indicated, statements of operations data by segment, segment revenues as a percentage of consolidated revenues and segment operating (loss) income (loss) as a percentage of segment revenues.

**Three months ended September 30, 2023** **March 31, 2024** compared with **three months ended September 30, 2022** **March 31, 2023**.

	Three months ended September 30,				Three months ended March 31,			
	2023		2022		2024		2023	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
(dollar amounts in thousands)								
<b>Contract revenues</b>								
Marine segment								
Public sector	\$ 61,144	75.6 %	\$ 54,769	72.0 %	\$ 92,935	87.4 %	\$ 57,926	73.0 %
Private sector	19,769	24.4 %	21,329	28.0 %	13,390	12.6 %	21,372	27.0 %
Marine segment total	\$ 80,913	100.0 %	\$ 76,098	100.0 %	\$ 106,325	100.0 %	\$ 79,298	100.0 %
Concrete segment								
Public sector	\$ 7,974	9.1 %	\$ 10,070	9.5 %	\$ 3,404	6.3 %	\$ 4,146	5.2 %
Private sector	79,589	90.9 %	96,453	90.5 %	50,943	93.7 %	75,730	94.8 %
Concrete segment total	\$ 87,563	100.0 %	\$ 106,523	100.0 %	\$ 54,347	100.0 %	\$ 79,876	100.0 %
Total	\$ 168,476		\$ 182,621		\$ 160,672		\$ 159,174	
<b>Operating income (loss)</b>								
<b>Operating (loss) income</b>								
Marine segment	\$ 2,001	2.5 %	\$ 5,197	6.8 %	\$ (4,867)	(4.6)%	\$ (6,080)	(7.7)%
Concrete segment	560	0.6 %	(4,066)	(3.8)%	1,742	3.2 %	(4,563)	(5.7)%
Total	\$ 2,561		\$ 1,131		\$ (3,125)		\$ (10,643)	

#### Marine Segment

Revenues for our marine segment for the three months ended **September 30, 2023** **March 31, 2024** were **\$80.9 million** **\$106.3 million** compared to **\$76.1 million** **\$79.3 million** for the three months ended **September 30, 2022** **March 31, 2023**, an increase of **\$4.8 million** **\$27.0 million**, or **6.3%**. The increase was primarily related to the Pearl Harbor Project.

Operating income for our marine segment for the three months ended September 30, 2023 was \$2.0 million, compared to \$5.2 million for the three months ended September 30, 2022, a decrease in operating income of \$3.2 million. This decrease in operating income was primarily due to a larger gain from asset sales in the prior year period.

#### Concrete Segment

Revenues for our concrete segment for the three months ended September 30, 2023 were \$87.6 million compared to \$106.5 million for the three months ended September 30, 2022, a decrease of \$18.9 million, or 17.8%. This decrease was primarily due to a reduction of revenue in central Texas in 2023.

Operating income for our concrete segment for the three months ended September 30, 2023 was \$0.6 million, compared to an operating loss of \$4.1 million for the three months ended September 30, 2022, an increase of \$4.7 million. This increase was primarily due to higher gross margin on delivered projects.

**Nine months ended September 30, 2023 compared with nine months ended September 30, 2022.**

	Nine months ended September 30,			
	2023		2022	
	Amount	Percent	Amount	Percent
(dollar amounts in thousands)				
<b>Contract revenues</b>				
Marine segment				
Public sector	\$ 193,813	74.3 %	\$ 164,357	67.7 %
Private sector	66,941	25.7 %	78,540	32.3 %
Marine segment total	\$ 260,754	100.0 %	\$ 242,897	100.0 %
Concrete segment				
Public sector	\$ 17,662	7.1 %	\$ 23,068	7.5 %
Private sector	231,768	92.9 %	286,162	92.5 %
Concrete segment total	\$ 249,430	100.0 %	\$ 309,230	100.0 %
Total	\$ 510,184		\$ 552,127	
<b>Operating (loss) income</b>				
Marine segment	\$ (587)	(0.2)%	\$ 9,553	3.9 %
Concrete segment	(5,456)	(2.2)%	(14,125)	(4.6)%
Total	\$ (6,043)		\$ (4,572)	

### Marine Segment

Revenues for our marine segment for the nine months ended September 30, 2023 were \$260.8 million compared to \$242.9 million for the nine months ended September 30, 2022, an increase of \$17.9 million, or 7.4% 34.1%. The increase was primarily related to the Pearl Harbor Project.

Operating loss for our marine segment for the nine three months ended September 30, 2023 March 31, 2024 was \$0.6 million \$4.9 million, compared to operating income of \$9.6 million \$6.1 million for the nine three months ended September 30, 2022 March 31, 2023, a decrease in operating income loss of \$10.2 million \$1.2 million, or 20.0%. Adjusted for the gain on the Port Lavaca South Yard property sale-leaseback in Texas operating loss for the nine months ended September 30, 2023 was \$5.8 million or a decrease of \$15.4 million. This decrease in operating income loss was primarily due to the mixturemargin improvements stemming from higher quality projects and improved execution, partially offset by lower margin and mix of contributing projects in backlog, lower equipment utilization, and higher SG&A in the current year. dredging revenue.

### Concrete Segment

Revenues for our concrete segment for the nine three months ended September 30, 2023 March 31, 2024 were \$249.4 million \$54.3 million compared to \$309.2 million \$79.9 million for the nine three months ended September 30, 2022 March 31, 2023, a decrease of \$59.8 million \$25.6 million, or 19.3% 32.0%. This decrease was primarily due to a reduction of decrease in concrete segment revenue in central Texas, due to disciplined bidding standards to win quality work at attractive margins.

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Operating loss income for our concrete segment for the nine three months ended September 30, 2023 March 31, 2024 was \$5.5 million \$1.7 million, compared to \$14.1 million for the nine months ended September 30, 2022, a decrease in an operating loss of \$8.6 million \$4.6 million for the three months ended March 31, 2023, an increase of \$6.3 million. This decrease in operating

loss increase was primarily due to reduction of lower indirect costs margin work, winning higher margin jobs due to the exit of the central Texas region. disciplined bidding standards and improved execution.

### Liquidity and Capital Resources

Changes in working capital are normal within our business given the varying mix in size, scope, seasonality and timing of delivery of our projects. At **September 30, 2023** **March 31, 2024**, our working capital was **\$67.9 million** **\$53.9 million**, as

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compared with **\$31.1 million** to **\$55.9 million** at **December 31, 2022** **December 31, 2023**. As of **September 30, 2023** **March 31, 2024**, we had unrestricted cash on hand of **\$3.9 million** **\$4.6 million**. Our borrowing availability under our revolving portion of our Credit Facility Agreement at **September 30, 2023** **March 31, 2024** was approximately **\$31.7 million** **\$28.1 million**.

Our primary liquidity needs are to finance our working capital and fund capital expenditures. Historically, our source of liquidity has been cash provided by our operating activities, sale of underutilized assets, and borrowings under our credit facilities. The assessment of our liquidity requires us to make estimates of future activity and judgments about whether we are compliant with financial covenant calculations under our debt and other agreements and have adequate liquidity to operate. Significant assumptions used in our forecasted model of liquidity include forecasted sales, costs, and capital expenditures, as well as expected timing and proceeds of planned real estate transactions.

### Cash Flow

The following table provides information regarding our cash flows and our capital expenditures for the three and nine months ended **September 30, 2023** **March 31, 2024** and **2022**:**2023**:

	Three months ended		Nine months ended		Three months ended	
	September 30,		September 30,		March 31,	
	2023	2022	2023	2022	2024	2023
Net (loss) income	\$ (660)	\$ 247	\$ (13,510)	\$ (7,663)	\$ (6,057)	\$ (12,595)
Net loss						
Adjustments to remove non-cash and non-operating items	8,214	5,095	16,393	20,164	9,006	6,668
Cash flow from net income after adjusting for non-cash and non-operating items	7,554	5,342	2,883	12,501		
Cash flow from net income (loss) after adjusting for non-cash and non-operating items					2,949	(5,927)
Change in operating assets and liabilities (working capital)	(24,079)	(7,917)	(31,384)	(3,400)	(25,774)	2,894
Cash flows (used in) provided by operating activities	\$ (16,525)	\$ (2,575)	\$ (28,501)	\$ 9,101		
Cash flows (used in) provided by investing activities	\$ (1,650)	\$ 803	\$ 5,391	\$ (6,155)		
Cash flows provided by (used in) financing activities	\$ 11,631	\$ (3,580)	\$ 23,207	\$ (12,502)		
Cash flows used in operating activities					\$ (22,825)	\$ (3,033)
Cash flows used in investing activities					\$ (1,573)	\$ (1,300)
Cash flows (used in) provided by financing activities					\$ (1,902)	\$ 3,394
Capital expenditures (included in investing activities above)	\$ (2,387)	\$ (2,626)	\$ (6,678)	\$ (10,627)	\$ (1,853)	\$ (1,876)

**Operating Activities.** During the three months ended **September 30, 2023** **March 31, 2024**, we used approximately **\$16.5 million** **\$22.8 million** in cash in our operating activities. The net cash outflow is comprised of **\$24.1 million** **\$25.8 million** of outflows related to changes in net working capital, partially offset by **\$7.6 million** **\$3.0 million** of cash inflows from net income, after adjusting for non-cash items. The changes in net working capital, which are reflected as changes in operating assets and liabilities in our Condensed Consolidated Statements of Cash Flows, were primarily driven by a **\$19.2 million** cash outflow related to a decrease in our net position of accounts receivable and accounts payable plus accrued liabilities during the period, **\$2.9 million** of cash outflows pursuant to the relative timing and significance of project progression and billings during the period and a **\$2.1 million** decrease in operating lease liabilities, partially offset by **\$0.1 million** of other cash inflows.

During the nine months ended September 30, 2023, we used approximately **\$28.5 million** in cash in our operating activities. The net cash outflow is comprised of **\$31.4 million** of outflows related to changes in net working capital, partially offset by **\$2.9 million** of cash inflows from net income, after adjusting for non-cash items. The changes in net working capital, which are reflected as changes in operating assets and liabilities in our Condensed Consolidated Statements of Cash Flows, were primarily driven by a **\$38.5 million** **\$30.2 million** cash outflow related to a decrease in our net position of accounts receivable and accounts payable plus accrued liabilities during the period, a **\$4.6 million** **\$2.2 million** decrease in operating lease liabilities and **\$0.6 million** **\$0.7 million** of other outflows,

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outflows, partially offset by **\$9.2 million** **\$5.1 million** of cash inflows pursuant to the relative timing and significance of project progression and billings during the period and **\$3.1 million** of cash inflows from the **\$2.2 million** decrease in prepaid expenses, expenses and other.

**Investing Activities.** Capital asset additions and betterments to our fleet were **\$2.4 million** **\$1.9 million** in both the three months ended September 30, 2023, as compared with **\$2.6 million** in the three months ended September 30, 2022. **March 31, 2024** and **2023**. Proceeds from the sale of property and equipment were **\$0.7 million** **\$0.3 million** in the three months ended **September 30, 2023** **March 31, 2024**, as compared with **\$3.4 million** **\$0.6 million** in the three months ended **September 30, 2022** **March 31, 2023**.

Capital asset additions and betterments to our fleet were **\$6.7 million** in the nine months ended September 30, 2023, as compared with **\$10.6 million** in the nine months ended September 30, 2022. Proceeds from the sale of property and equipment were **\$12.1 million** in the nine months ended September 30, 2023, as compared with **\$4.5 million** in the nine months ended September 30, 2022. Included in the nine months ended September 30, 2023 is **\$8.1 million** of proceeds related to the sale-leaseback of the Port Lavaca South Yard property in Texas.

**Financing Activities.** During the three months ended **September 30, 2023** **March 31, 2024**, we had borrowings of **\$31.7 million** from the White Oak revolving credit line and had repayments of **\$18.2 million** **\$1.6 million** on the White Oak revolving credit line, loan costs of **\$0.6 million**, payments on finance lease liabilities of **\$0.9 million** **\$2.0 million** and loan costs of **\$0.1 million** and a cash outflow inflow of **\$0.3 million** for payments related to tax withholdings for share-based compensation.

During the nine months ended September 30, 2023, we had borrowings of **\$5.0 million** from our prior credit agreement, **\$38.0 million** proceeds from the White Oak term loan and borrowings exercise of **\$46.5 million** on the White Oak revolving credit line and had repayments of **\$40.0 million** on our prior credit agreement and repayments of **\$33.0 million** on the White Oak revolving credit line, had proceeds from failed sales-leasebacks of **\$24.3 million**, had proceeds of **\$2.4 million** related to the Port Lavaca land sale-leaseback financing, loan costs of **\$6.5 million**, payments on finance lease liabilities of **\$2.5 million** and a cash outflow of **\$0.5 million** for payments related to tax withholdings for share-based compensation stock options.

#### Sources of Capital

On May 15, 2023, we entered into a new three-year **\$103.0 million** Credit Agreement with White Oak which includes a **\$65.0 million** asset based revolving credit line and a **\$38.0 million** fixed asset term loan. Please see "Note **11.9** – Debt" in our unaudited

condensed consolidated financial statements for a more detailed description of the Credit Facility.

#### **Amendment No. 3 to the Credit Agreement**

On April 24, 2024, we executed Amendment No. 3 to the Loan Agreement with White Oak Commercial Finance, LLC. This amendment, among other things, (i) replaces the Consolidated EBITDA covenant with a Consolidated Fixed Charge Coverage Ratio (FCCR) for the quarter ended March 31, 2024, (ii) lowers the FCCR covenant threshold from 1.10:1.00 to 1.00:1.00 through the quarter ended December 31, 2024, (iii) lowers the \$15 million prepayment due June 30, 2024 to \$10 million, (iv) extends the maturity of the Loan Agreement by one year to May 15, 2027, and (v) resets the make-whole provision to align with the extension. We were in compliance with all financial covenants under the amended agreement as of March 31, 2024.

#### **Bonding Capacity**

We are often required to provide various types of surety bonds that provide additional security to our customers for our performance under certain government and private sector contracts. Our ability to obtain surety bonds depends on our capitalization, working capital, past performance and external factors, including the capacity of the overall surety market. At **September 30, 2023** **March 31, 2024**, the capacity under our current bonding arrangement was at least \$750 million, with approximately **\$450 million** **\$550 million** of projects being bonded. While we believe that our current bonding capacity is sufficient to satisfy current demand for our services, any new major project opportunities may require us to seek additional bonding capacity in the future. We believe our balance sheet and working capital position will allow us to continue to access our additional bonding capacity as needed in the future.

#### **Effect of Inflation**

We are subject to the effects of inflation through increases in the cost of raw materials, and other items such as fuel, concrete and steel. Due to the relative short-term duration of our projects, we are generally able to include anticipated price cost increases in the cost pricing of our bids.

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### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

In the normal course of business, our results of operations are subject to risks related to fluctuations in commodity prices and fluctuations in interest rates. Historically, our exposure to foreign currency fluctuations

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has not been material and has been limited to temporary field accounts located in foreign countries where we perform work. Foreign currency fluctuations were immaterial in this reporting period.

#### *Commodity price risk*

We are subject to fluctuations in commodity prices for concrete, steel products and fuel. Although we routinely attempt to secure firm quotes from our suppliers, we generally do not hedge against increases in prices for commodity products. Commodity price risks may have an impact on our results of operations due to the fixed-price nature of many of our contracts, although the short-term duration of our projects may allow us to include price cost increases into the costs pricing of our bids.

#### *Interest rate risk*

At September 30, 2023 March 31, 2024, we had \$51.5 million \$38.0 million in outstanding borrowings under our Credit Facility, Agreement, with a weighted average ending interest rate of 12.79% 12.44%. Based on the amounts outstanding under our credit facility Credit Agreement as of September 30, 2023 March 31, 2024, a 100 basis-point increase in SOFR (or an equivalent successor rate) would increase the Company's annual interest expense by approximately \$0.5 \$0.4 million.

### **ITEM 4. CONTROLS AND PROCEDURES**

#### **Evaluation of Disclosure Controls and Procedures**

As required, the Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, have conducted an evaluation of the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective as of September 30, 2023 March 31, 2024.

#### **Changes in Internal Control over Financial Reporting**

There were no changes to our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended September 30, 2023 March 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

### **PART II. OTHER INFORMATION**

#### **ITEM 1. LEGAL PROCEEDINGS**

For information about litigation involving us, see Note 16 14 to the condensed consolidated financial statements in Part I of this report, which we incorporate by reference into this Item 1 of Part II.

#### **ITEM 1A. RISK FACTORS**

There have been no material changes to the risk factors previously disclosed in Part I, Item 1A, "Risk Factors", of our 2022 2023 Form 10-K.

#### **ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

**UNREGISTERED SALES OF EQUITY  
SECURITIES, USE OF PROCEEDS  
AND ISSUER PURCHASES OF  
EQUITY SECURITIES**

There were no sales or issuer purchases of equity securities in the period ended September 30, 2023 March 31, 2024.

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**ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

**ITEM 5. 5. OTHER INFORMATION**
**None. Amendment No. 3 to the Credit Agreement**

On April 24, 2024, the Company executed Amendment No. 3 to the Loan Agreement with White Oak Commercial Finance, LLC. This amendment, among other things, (i) replaces the Consolidated EBITDA covenant with a Consolidated Fixed Charge Coverage Ratio (FCCR) for the quarter ended March 31, 2024, (ii) lowers the FCCR covenant threshold from 1.10:1.00 to 1.00:1.00 through the quarter ended December 31, 2024, (iii) lowers the \$15 million prepayment due June 30, 2024 to \$10 million, (iv) extends the maturity of the Loan Agreement by one year to May 15, 2027, and (v) resets the make-whole provision to align with the extension. The Company was in compliance with all financial covenants under the amended agreement as of March 31, 2024.

Amendment No. 3 also includes other administrative and definitional changes. The foregoing description of Amendment No. 3 does not purport to be complete and is subject to, and qualified in its entirety by reference to, the full text of Amendment No. 3, a copy of which is filed as Exhibit 10.6 to this Quarterly Report on Form 10-Q and incorporated herein by reference.

**ITEM 6. EXHIBITS**

Exhibit Number	Description
<u>3.1</u>	Amended and Restated Certificate of Incorporation of Orion Group Holdings, Inc. (incorporated herein by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, filed with the Securities and Exchange Commission on August 5, 2016 (File No. 001-33891)).
<u>3.2</u>	Amended and Restated Bylaws of Orion Group Holdings, Inc. (incorporated herein by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, filed with the Securities and Exchange Commission on August 5, 2016 (File No. 001-33891)).
<u>*10.1</u>	Letter Agreement, Land Sale Contract, dated <u>July 31, 2023</u> <u>February 20, 2024</u> , by and between <u>Peter R. Buchler</u> and <u>a subsidiary of Orion Group Holdings, Inc. and Brix Technologies LLC</u> (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on <u>August 4, 2023</u> <u>February 20, 2024</u> (File No. 001-33891)).
<u>*10.2</u>	<u>Employment Agreement by and between Orion Group Holdings, Inc. and Travis J. Boone, E. Chipman Earle, effective September 27, 2023</u> <u>March 20, 2024</u> .
<u>*10.3</u>	Form of Restricted Stock Agreement under the 2022 Long-Term Incentive Plan. (incorporated)
<u>*10.4</u>	Form of Performance Unit Agreement under the 2022 Long-Term Incentive Plan.

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Exhibit Number	Description
<a href="#">10.5</a>	Amendment No. 2, dated February 27, 2024 to the Loan Agreement dated as of May 15, 2023 among Orion Group Holdings, Inc. and certain of its subsidiaries from time to time party hereto as borrowers, the entities from time to time party hereto, as Lenders, White Oak Commercial Finance, LLC, as Administrative Agent and Collateral Agent. (incorporated herein by reference to Exhibit <a href="#">10.1</a> 10.23 to the Company's Current Annual Report on Form 8-K, 10-K for the year ended December 31, 2023 filed with the Securities and Exchange Commission on September 28 2023 (File No. 001-33891)).
<a href="#">110.3</a>	<a href="#">Employment Agreement by and between Orion Group Holdings, Inc. and Scott Thanisch, effective September 27, 2023.</a> (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on September 28 2023 March 1, 2024 (File No. 001-33891)).
<a href="#">*31.1</a> <a href="#">110.6</a>	Amendment No. 3, dated April 24, 2024 to the Loan Agreement dated as of May 15, 2023 among Orion Group Holdings, Inc. and certain of its subsidiaries from time to time party hereto as borrowers, the entities from time to time party hereto, as Lenders, White Oak Commercial Finance, LLC, as Administrative Agent and Collateral Agent.
<a href="#">*31.1</a>	Certification of the Chief Executive Officer Pursuant to Rules 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
<a href="#">*31.2</a> <a href="#">31.2</a>	Certification of the Chief Financial Officer Pursuant to Rules 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

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Exhibit Number	Description
<a href="#">**32.1</a> <a href="#">32.1</a>	Certification of the Chief Executive Officer and the Chief Financial Officer pursuant to Title 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*101.INS	XBRL Instance Document.
*101.SCH	Inline XBRL Taxonomy Extension Schema Document.
*101.CAL	Inline XBRL Extension Calculation Linkbase Document.
*101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
*101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
*101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.

\* Filed herewith

\*\* Furnished herewith

† Management contract or compensatory plan or arrangement

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**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

ORION GROUP HOLDINGS, INC.

October 27, 2023 April 26, 2024

By: /s/ Travis J. Boone

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Travis J. Boone  
President and Chief Executive Officer

October 27, 2023 April 26, 2024

By: /s/ Scott Thanisch

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Scott Thanisch  
Executive Vice President and Chief Financial Officer

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## **EMPLOYMENT AGREEMENT**

This **EMPLOYMENT AGREEMENT** (this “**Agreement**”) is entered into as of March 20, 2024 (the “**Effective Date**”), by and between Orion Group Holdings, Inc., a Delaware corporation (the “**Company**”), and E. Chipman Earle (“**Key Employee**”). The Company and Key Employee collectively herein referred to as the “**Parties**” and individually as a “**Party**.”

### **WITNESSETH:**

**WHEREAS**, the Company has identified you as a key employee who is an integral part of the Company's operation and management; and

**WHEREAS**, it is in the mutual best interest of the Company and Key Employee to enter into this Agreement.

**NOW, THEREFORE**, in consideration of the foregoing and of the respective covenants and agreements set forth below, the Parties hereto agree as follows:

### **ARTICLE I** **DEFINITIONS AND INTERPRETATIONS**

#### **1.1 Definitions.**

- (a) “**Base Salary**” means Key Employee's base salary described in Section 2.3(a).
- (b) “**Board**” means the Board of Directors of the Company.
- (c) “**Cause**” means:
  - (i) A material breach by Key Employee of this Agreement, the Company's code of conduct, or other Company policies, including but not limited to policies relating to confidentiality and reasonable workplace conduct;
  - (ii) The commission of a criminal act by Key Employee against the Company, including but not limited to fraud, embezzlement, or theft;
  - (iii) The conviction, plea of no contest or nolo contendere, deferred adjudication or unadjudicated probation of Key Employee for any felony or any crime involving moral turpitude; or
  - (iv) Key Employee's failure or refusal to carry out, or comply with, in any material respect, any lawful directive of the Board consistent with the terms of the Agreement, but only to the extent such failure or refusal is not remedied within thirty (30) days after Key Employee's receipt of written notice from the Company of the same.

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- (d) “**Change in Control**” means the occurrence of any of the following events:

- (i) A “**change in the ownership of the Company**” which will occur on the date that any one person, or more than one person acting as a group, acquires ownership of stock in the Company that, together with stock held by such person or group, constitutes more than fifty percent (50%) of the total fair market value or

total voting power of the stock of the Company; however, if any one person or more than one person acting as a group, is considered to own more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company, the acquisition of additional stock by the same person or persons will not be considered a "change in the ownership of the Company" (or to cause a "change in the effective control of the Company" within the meaning of Section 1.1(d)(ii) below) and an increase of the effective percentage of stock owned by any one person, or persons acting as a group, as a result of a transaction in which the Company acquires its stock in exchange for property will be treated as an acquisition of stock for purposes of this paragraph; provided, that for purposes of this Section 1.1(d)(i), the following acquisitions will not constitute a Change in Control: (A) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company or (B) any acquisition by investors (immediately prior to such acquisition) in the Company for financing purposes, as determined by the Committee in its sole discretion. This Section 1.1(d)(i) applies only when there is a transfer of the stock of the Company (or issuance of stock) and stock in the Company remains outstanding after the transaction.

(ii) A "change in the effective control of the Company" which will occur on the date that either (A) any one person, or more than one person acting as a group, acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing thirty-five percent (35%) or more of the total voting power of the stock of the Company, except for (y) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company or (z) any acquisition by investors (immediately prior to such acquisition) in the Company for financing purposes, as determined by the Committee in its sole discretion; or (B) a majority of the members of the Board are replaced during any twelve (12)-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of a "change in the effective control of the Company," if any one person, or more than one person acting as a group, is considered to effectively control the Company within the meaning of this Section 1.1(d)(ii), the acquisition of additional control of the Company by the same person or persons is not considered a "change in the effective control of the Company," or to cause a "change in the ownership of the Company" within the meaning of Section 1.1(d)(i) above.

(iii) A "change in the ownership of a substantial portion of the Company's assets" which will occur on the date that any one person, or more than one person acting as a group, acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) assets of the Company that have a total gross fair market value equal to or more than forty percent (40%) of the total gross fair market value of all the assets of the Company immediately prior to such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such

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assets. Any transfer of assets to an entity that is controlled by the shareholders of the Company immediately after the transfer, as provided in guidance issued pursuant to Section 409A, will not constitute a Change in Control.

For purposes of this Section 1.1(d), the provisions of section 318(a) of the Code regarding the constructive ownership of stock will apply to determine stock ownership; provided, that stock underlying unvested options (including options exercisable for stock that is not substantially vested) will not be treated as owned by the individual who holds the option. In addition, for purposes of this Section 1.1(d) and except as otherwise provided in an award agreement, the term "Company" includes (x) the Company; (y) the entity for whom Key Employee performs services; and (z) an entity that is a stockholder owning more than fifty percent (50%) of the total fair market value and total voting power (a "Majority Shareholder") of the Company or the entity identified in clause

(y) above, or any entity in a chain of entities in which each entity is a Majority Shareholder of another entity in the chain, ending in the Company or the entity identified in clause (y) above.

Notwithstanding the foregoing, to the extent necessary to avoid adverse tax consequences under Section 409A, a transaction will not be deemed a Change in Control unless the transaction qualifies as a change in control event within the meaning of Treasury Regulation § 1.409A-3(i)(5).

(e) **“Code”** means the Internal Revenue Code of 1986, as amended.

(f) **“Committee”** means the Compensation Committee of the Board.

(g) **“Disability”** means a Key Employee's disability within the meaning of the Company's long-term disability plan.

Notwithstanding the foregoing, to the extent necessary to avoid adverse tax consequences under Section 409A, Key Employee will not be considered to have incurred a Disability unless Key Employee is disabled within the meaning of Section 409A.

(h) **“Good Reason”** means, without Key Employee's consent:

(i) a material reduction of Key Employee's Base Salary (excluding any across-the-board, proportional reduction that applies to substantially all other executive officers of the Company); provided, that for purposes of this Section 1.1(h)(i), “material” means a reduction of five percent (5%) or more; or

(ii) a material reduction of Key Employee's duties from those in effect as of the Effective Date or as subsequently agreed to by Key Employee and the Company, in writing; or

(iii) the relocation of Key Employee's primary work site to a location greater than fifty (50) miles from Key Employee's work site as of the Effective Date;

provided, that Key Employee shall have Good Reason only if (x) Key Employee provides notice to the Company of the existence of the Good Reason event described above within thirty (30) days

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of the initial existence of such Good Reason event, (y) the Company fails to remedy the circumstances giving rise to the Good Reason event within sixty (60) days of receiving such notice, and (z) Key Employee's employment in fact terminates within thirty (30) days of the Company's failure to remedy in accordance with clause (y).

(i) **“Protection Period”** means the period ending twelve (12) months following the occurrence of a Change in Control.

(j) **“Restricted Period”** means (i) if Key Employee is terminated for Cause or voluntarily resigns without Good Reason, the twelve (12)-month period immediately following Key Employee's last day of employment under this Agreement; (ii) if Key Employee is terminated Without Cause or voluntarily resigns with Good Reason not during the Protection Period, the twelve (12)-month period immediately following Key Employee's last day of employment under this Agreement; or (iii) if Key Employee is terminated Without Cause or voluntarily resigns with Good Reason during the Protection Period, the twenty-four (24)-month period immediately following Key Employee's last day of employment under this Agreement.

(k) **“Section 409A”** means section 409A of the Code and the applicable Treasury Regulations and administrative guidance issued thereunder.

(I) **"Without Cause"** means termination by the Company of Key Employee's employment at the Company's sole discretion for any reason, other than by reason of Key Employee's death or Disability, and other than a termination based upon Cause.

**1.2 Interpretations.** In this Agreement, unless a clear contrary intention appears, (a) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision; (b) reference to any Article or Section, means such Article or Section hereof; and (c) the word "including" (and with correlative meaning "include") means including, without limiting the generality of any description preceding such term.

## **ARTICLE II** **EMPLOYMENT AND DUTIES**

**2.1 Term.** The term of this Agreement will commence on the Effective Date of this Agreement and end on September 19, 2026(the "Initial Term").If the Company provides written notice to Key Employee at least sixty (60) days prior to the expiration of the Initial Term, this Agreement shall renew and extend for a period of twelve (12) additional months (the "Renewal Term"). The Board is committed to reviewing Executive's performance at least six (6) months prior to the end of the Initial Term or the Renewal Term, as applicable. Notwithstanding any other provision of this Agreement, Key Employee's employment pursuant to this Agreement may be terminated at any time in accordance with ARTICLE III. The period from the Effective Date through the expiration of this Agreement, or, if sooner, the termination of Employee's employment pursuant to this Agreement, regardless of the time or reason for such termination, shall be referred to herein as the "**Employment Period.**"

**2.2 Position, Duties and Services.** Key Employee will have such duties and powers as will be determined from time to time by the Board consistent therewith. Key Employee will

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perform diligently and to the best of Key Employee's abilities such duties. Key Employee's employment will be subject to the supervision and direction of the Chief Executive Officer.

Key Employee hereby represents to the Company that: (a) the execution and delivery of this Agreement and the performance by Key Employee of Key Employee's duties hereunder do not and shall not constitute a breach of, conflict with, or otherwise contravene or cause a default under, the terms of any other agreement or policy to which Key Employee is a party or otherwise bound or any judgment, order or decree to which Key Employee is subject; (b) Key Employee has no information (including, without limitation, confidential information and trade secrets) relating to any other person or entity that would prevent Key Employee under the terms of any other agreement or arrangement from entering into this Agreement or carrying out Key Employee's duties hereunder, or would give rise to a violation of such other agreement or arrangement by virtue of Key Employee entering into this Agreement and carrying out Key Employee's duties hereunder; (c) Key Employee is not bound by any employment, consulting, non-competition, confidentiality, trade secret or similar agreement (other than this Agreement) with any other person or entity that would prevent Key Employee under the terms of any other agreement or arrangement from entering into this Agreement or carrying out Key Employee's duties hereunder, or would give rise to a violation of such other agreement or arrangement by virtue of Key Employee entering into this Agreement and carrying out Key Employee's duties hereunder; and (d) Key Employee understands that the Company will rely upon the accuracy and truth of the representations and warranties of Key Employee as set forth herein.

**2.3 Compensation.**

(a) **Base Salary.** During the Employment Period, Key Employee will receive an initial Base Salary at the rate of Four Hundred and Ten Thousand Dollars (\$410,000) per annum, payable in periodic installments in

accordance with the Company's normal payroll practices and procedures, which Base Salary may be adjusted by the Company from time to time.

(b) **Bonuses and Perquisites.** During the Employment Period, Key Employee will be entitled to bonuses and perquisites as determined by the Board in its good faith discretion.

(c) **Car Allowance.** During the Employment Period, Key Employee will be entitled to a monthly car allowance of \$1,250.00, which car allowance may be adjusted by the Company from time to time.

(d) **Employee Benefit Plans.** During the Employment Period, Key Employee shall be provided the opportunity to participate on the same basis as other employees in the standard employee benefit plan(s) made available by the Company in its discretion, in accordance with the eligibility and participation provisions of such plan(s) as may be in effect from time to time. The Company reserves the right to amend any employee benefit plan, policy, program or arrangement from time to time, or to terminate such plan, policy, program or arrangement, consistent with the terms thereof at any time and for any reason without providing Key Employee with prior notice.

(e) **Expenses.** During the Employment Period, Key Employee shall be entitled to receive reimbursement for all reasonable business expenses, including, but not limited to, those

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expenses expressly provided for in this Agreement, incurred by Key Employee in accordance with the policies, practices and procedures of the Company. All such expenses are to be reimbursed to Key Employee in accordance with the Company's policies and procedures for reimbursing expenses, but in no event shall any reimbursement payment be paid to Key Employee following the last day of the calendar year following the calendar year in which the expense was incurred. The amount of expenses for which Key Employee is eligible to receive reimbursement during any calendar year shall not affect the amount of expenses for which Key Employee is eligible to receive reimbursement during any other calendar year during the term of this Agreement. Any reimbursement payable in accordance with this Section 2.3(e) will not be subject to liquidation or exchange for another benefit.

**2.4 Severance Benefit.** Key Employee will be entitled to receive the severance benefits, if any, described in ARTICLE III upon Key Employee's termination of employment during the term of this Agreement as described in Section 2.1; provided, that Key Employee satisfies the applicable requirements outlined in ARTICLE III. For the avoidance of doubt, the expiration of the Initial Term or, if applicable, the Renewal Term, in each instance, without subsequent renewal, shall not constitute an involuntary termination Without Cause or any other termination that would give rise to severance benefits.

## **ARTICLE III** **EARLY TERMINATION**

**3.1 Death.** Upon the death of Key Employee during the Employment Period, this Agreement will terminate and Key Employee's estate will be entitled to payment of Key Employee's Base Salary through the date of such termination plus any benefits accrued up to the date of Key Employee's death payable pursuant to the terms of the employee benefit plans specified in Section 2.3(d) in which Key Employee is a participant.

**3.2 Disability.** In the event of Key Employee's Disability during the Employee Period, the Company may terminate Key Employee's employment in which case this Agreement will terminate and Key Employee will be entitled to payment of the following benefits: (a) Key Employee's Base Salary through the date of such termination; (b) long-term disability benefits pursuant to the terms of any long-term disability policy provided to similarly situated employees of the Company for which Key Employee is eligible and in which Key Employee has elected to

participate in accordance with the terms of such policy; and (c) payment of any benefits payable pursuant to the terms of the employee benefit plans specified in Section 2.3(d), in which Key Employee is a participant.

**3.3 Termination for Cause or Voluntary Resignation by Key Employee Without Good Reason.** If Key Employee's employment is terminated during the term of this Agreement for Cause or if Key Employee voluntarily resigns from the employment of the Company without Good Reason, then Key Employee will be entitled to receive (a) Key Employee's Base Salary in effect at the time notice of termination is given through the date of termination, (b) payment of any benefits payable pursuant to the terms of the employee benefit plans specified in Section 2.3(d) in which Key Employee is a participant, and (c) reimbursement of any outstanding expense eligible for reimbursement (such amounts and benefits in clauses (a), (b) and (c), the "Accrued Obligations").

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**3.4 Termination Without Cause or for Good Reason Not During the Protection Period.** Subject to Section 3.7, if Key Employee's employment is terminated during the term of this Agreement by the Company Without Cause or if Key Employee terminates employment with the Company during the term of this Agreement for Good Reason, and in either case, Section 3.5 is not applicable, Key Employee will be entitled to receive (a) the Accrued Obligations; (b) continued payment of Key Employee's Base Salary for a period of **twelve (12) months**, in accordance with the Company's standard payroll practices; (c) monthly payment for a period of **twelve (12) months** of \$2,500 to cover transitional expenses; (d) monthly payment for a period of **twelve (12) months** of an amount equal to Key Employee's monthly car allowance as described in Section 2.3(c); and (e) a lump sum payment equal to any earned but unpaid bonus with respect to the Company's most recently completed fiscal year, the amount of which will be determined pursuant to the terms of the NEO Bonus Plan. Subject to Section 3.7 and Section 3.10, the payments and benefits described in this Section 3.4 shall begin or shall be paid, as applicable to the form of payment described above for each payment or benefit, to Key Employee on the sixtieth (60<sup>th</sup>) day immediately following Key Employee's termination of employment.

**3.5 Termination Without Cause or for Good Reason During the Protection Period.** Subject to Section 3.7, if Key Employee's employment is terminated during the term of this Agreement by the Company Without Cause or if Key Employee terminates employment with the Company during the term of this Agreement for Good Reason, and in either case during the Protection Period, Key Employee will be entitled to receive (a) the Accrued Obligations; (b) a lump sum payment equal to **thirty-six (36) months** of Key Employee's Base Salary; (c) a lump sum payment equal to **thirty-six (36) times** \$2,500 to cover transitional expenses; (d) a lump sum payment equal to **thirty-six (36) times** Key Employee's monthly car allowance; (e) a lump sum payment equal to **three (3) times** the bonus paid to Key Employee pursuant to the NEO Bonus Plan or any predecessor or replacement plan for the most recently completed fiscal year prior to Key Employee's termination date; and (f) notwithstanding terms to the contrary in any award agreement (including awards granted and award agreements entered into after the Effective Date), the accelerated vesting of all outstanding equity awards held by Key Employee immediately prior to such termination (with any performance goals associated with such equity awards being deemed to be achieved at the maximum performance level); provided, that any such equity award shall settle in accordance with its terms. Subject to Section 3.7 and Section 3.10, the payments and benefits described in this Section 3.5 shall begin or shall be paid, as applicable to the form of payment described above for each payment or benefit, to Key Employee on the sixtieth (60<sup>th</sup>) day immediately following Key Employee's termination of employment. There will be no duplication of any amounts paid pursuant to this Section 3.5 with any amounts paid or payable pursuant to Section 3.4. For the avoidance of doubt, the total amount of severance benefits payable under this Agreement in connection with a termination occurring during the Protection Period will not exceed the amount described in this Section 3.5.

**3.6 Termination of Company's Obligations.** Upon termination of Key Employee's employment for any reason, the Company's obligations under this Agreement will terminate and Key Employee will be entitled to no

compensation and benefits under this Agreement other than as provided in this ARTICLE III. Notwithstanding such termination, the Parties' obligations under this ARTICLE III, including Section 3.8, will remain in full force and effect.

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**3.7 Release.** Notwithstanding the foregoing provisions of this ARTICLE III, Key Employee will be entitled to the additional severance benefits specified in Section 3.4 (regarding termination Without Cause or for Good Reason not during a Protection Period) or Section 3.5 (regarding termination Without Cause or for Good Reason during a Protection Period) (i.e., all payments and rights provided in addition to the Accrued Obligations), only upon Key Employee's execution (and non-revocation) of a waiver and release of all claims in a form acceptable to the Company. The waiver and release document must be executed and delivered to the appropriate Company representative on or before the fiftieth (50th) day immediately following Key Employee's termination of employment, but no earlier than the date of Key Employee's termination of employment. If this fifty (50)-day period (plus any applicable revocation period) crosses two calendar years, regardless of when Key Employee executes and delivers the release and any applicable revocation period expires, the severance benefits specified in Section 3.4 or Section 3.5, as applicable, shall not commence or be paid until the second calendar year.

**3.8 Non-Competition, Confidentiality, Non-Solicitation.**

(a) **Agreement not to Compete.** In consideration of the Company's promise to provide Key Employee with Confidential Information, as defined in Section 3.8(b), the other mutual promises contained in this Agreement (including the severance benefits contained in ARTICLE III, to which Key Employee acknowledges Key Employee would not otherwise have a right), and Key Employee's employment with the Company, and so as to enforce Key Employee's promises regarding Confidential Information contained in Section 3.8(b) of this Agreement, Key Employee agrees that, if (i) Key Employee's employment with the Company is terminated and (ii) subject to compliance with this Section 3.8, Key Employee is eligible for and receiving the severance benefits described in Section 3.4 or Section 3.5, as applicable, Key Employee will not, during the applicable Restricted Period (extended by any period of time during which Key Employee is in violation of this Section 3.8), carry on or conduct any activity that is in competition with the Company or its subsidiaries or affiliates in any geographical area in which the Company or its subsidiaries or affiliates engage in business at the time of such termination. Key Employee agrees that Key Employee will not conduct or engage in any such business as an individual on Key Employee's own account; as a partner or joint venturer; as a key employee, agent, consultant or salesman for any other person or entity; as an officer or director of a corporation; or as a shareholder in a corporation of which Key Employee will then own 10% or more of any class of stock.

(b) **Confidential Information.** The Company makes a binding promise not conditioned upon continued employment to provide Key Employee with certain Confidential Information above and beyond any Confidential Information Key Employee may have previously received. Key Employee will not, directly or indirectly, at any time following termination of Key Employee's employment with the Company, reveal, divulge or make known to any person or entity, or use for Key Employee's personal benefit (including, without limitation, for the purpose of soliciting business, whether or not competitive with any business of the Company or any of its subsidiaries or affiliates), any information acquired during the Employment Period with regard to the financial, business or other affairs of the Company or any of its subsidiaries or affiliates (including, without limitation, any list or record of persons or entities with which the Company or any of its subsidiaries or affiliates has any dealings), other than (i) information already in the public domain; (ii) information of a type not considered confidential by persons engaged in the same

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business or a business similar to that conducted by the Company or its subsidiaries and affiliates; or (iii) information that Key Employee is required to disclose under the following circumstances: (A) at the express direction of any authorized governmental entity; (B) pursuant to a subpoena or other court process; (C) as otherwise required by law or the rules, regulations, or orders of any applicable regulatory body; or (D) as otherwise necessary, in the opinion of counsel for Key Employee, to be disclosed by Key Employee in connection with any legal action or proceeding involving Key Employee and the Company or any subsidiary or affiliate of the Company in Key Employee's capacity as an employee, officer, director, or stockholder of the Company or any subsidiary or affiliate of the Company. Key Employee will, at any time requested by the Company (either during or within two years after Key Employee's employment with the Company), promptly deliver to the Company all memoranda, notes, reports, lists and other documents (and all copies thereof) relating to the business of the Company or any of its subsidiaries and affiliates which Key Employee may then possess or have under Key Employee's control.

Notwithstanding anything in this Section 3.8(b) or elsewhere in this Agreement to the contrary, Key Employee understands that Key Employee may, pursuant to the U.S. Defend Trade Secrets Act of 2016 ("DTSA"), without informing the Company prior to any such disclosure, disclose Confidential Information (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law or (B) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Additionally, without informing the Company prior to any such disclosure, if Key Employee files a lawsuit against the Company for retaliation for reporting a suspected violation of law, Key Employee may, pursuant to the DTSA, disclose Confidential Information to Key Employee's attorney and use the Confidential Information in the court proceeding or arbitration; provided, that Key Employee files any document containing the Confidential Information under seal and does not otherwise disclose the Confidential Information, in each case except pursuant to court order. Without prior authorization of the Company, however, the Company does not authorize Key Employee to disclose to any third party (including any government official or any attorney Key Employee may retain) any communications that are covered by the Company's attorney-client privilege.

(c) **Non-Solicitation.** During the Employment Period and continuing during the applicable Restricted Period (extended by any period of time during which Key Employee is in violation of this Section 3.8), Key Employee will not, directly or indirectly, (i) induce or attempt to induce any employee of the Company to leave the employ of the Company; (ii) in any way interfere with the relationships between the Company and any such employee of the Company; (iii) employ or otherwise engage as an employee, independent contractor or otherwise any such employee of the Company, except to the extent such employee is solely responding to a general public solicitation, without the inducement or encouragement of Key Employee; or (iv) induce or attempt to induce any customer, supplier, licensee or other person or entity that has done business with the Company within twenty-four (24) months of Key Employee's last day of employment to cease doing business with the Company or in any way interfere with the relationship between any such customer, supplier, licensee or other business entity and the Company.

(d) **Reasonableness of Restrictions.** Key Employee acknowledges that the geographic boundaries, scope of prohibited activities, and time duration set forth in this Section 3.8 are reasonable in nature and are no broader than are necessary to maintain the confidentiality and

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the goodwill of the Company and the confidentiality of its Confidential Information and to protect the legitimate business interests of the Company, and that the enforcement of such provisions would not cause Key Employee any undue hardship nor unreasonably interfere with Key Employee's ability to earn a livelihood. If any court determines that any portion of this Section 3.8 is invalid or unenforceable, the remainder of this Section 3.8 will not thereby be affected and will be given full effect without regard to the invalid provisions. If any court construes any of the provisions of this Section 3.8, or any part thereof, to be unreasonable because of the duration or scope of such provision, such court will have the power to reduce the duration or scope of such provision and to enforce such provision as so reduced.

(e) **Enforcement.** Upon Key Employee's employment with an entity that is not a subsidiary or affiliate of the Company (a "Successor Employer") during the period that the provisions of this Section 3.8 remain in effect, Key Employee will provide such Successor Employer with a copy of this Agreement and will notify the Company of such employment within 30 days thereof. Key Employee agrees that in the event of a breach of the terms and conditions of this Section 3.8 by Key Employee, the Company will be entitled, if it so elects, to institute and prosecute proceedings, either in law or in equity, against Key Employee, to obtain damages for any such breach, or to enjoin Key Employee from any conduct in violation of this Section 3.8.

**3.9 Parachute Payments.** Notwithstanding anything to the contrary in this Agreement, if Key Employee is a "disqualified individual" (as defined in Section 280G(c) of the Code), and the benefits provided for in this ARTICLE III, together with any other payments and benefits which Key Employee has the right to receive from the Company would constitute a "parachute payment" (as defined in Section 280G(b)(2) of the Code), then the benefits provided hereunder (beginning with any benefit to be paid in cash hereunder) will be reduced (but not below zero) so that the present value of such total amounts and benefits received by Key Employee will be \$1.00 less than three times Key Employee's "base amount" (as defined in Section 280G(b)(3) of the Code) and so that no portion of such amounts and benefits received by Key Employee will be subject to the excise tax imposed by Section 4999 of the Code. The determination as to whether such a reduction in the amount of the benefits provided hereunder is necessary will be made by the Board in good faith. If a reduced cash payment is made and, through error or otherwise, that payment, when aggregated with other payments and benefits from the Company used in determining if a "parachute payment" exists, exceeds \$1.00 less than three times Key Employee's base amount, then Key Employee will immediately repay such excess to the Company upon notification that an overpayment has been made. Nothing in this Section 3.9 will require the Company to be responsible for, or have any liability or obligation with respect to, Key Employee's excise tax liabilities under Section 4999 of the Code.

**3.10 Section 409A.** Notwithstanding any provision of this Agreement to the contrary, all provisions of this Agreement are intended to either comply with Section 409A or be exempt from Section 409A and shall be construed and administered in accordance with such intent. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, each installment payment provided under this Agreement shall be treated as a separate payment.

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To the extent necessary to avoid adverse tax consequences under Section 409A, a termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination also constitutes a "Separation from Service" within the meaning of Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment," "separation from service," or like terms shall mean a Separation from Service. If, upon separation from service, Key Employee is a "specified employee" within the meaning of Section 409A, any payment under this Agreement that is subject to Section 409A and would otherwise be paid within six months after Key Employee's Separation from Service will instead be paid

in the seventh month following Key Employee's Separation from Service (to the extent required by Section 409A(a)(2)(B)(i)).

To the extent that any right to reimbursement of expenses or payment of any benefit in-kind under this Agreement constitutes nonqualified deferred compensation (within the meaning of Section 409A), (a) any such expense reimbursement shall be made by the Company no later than the last day of the taxable year following the taxable year in which such expense was incurred by Key Employee, (b) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (c) the amount of expenses eligible for reimbursement or in-kind benefits provided during any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year.

Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement are exempt from, or compliant with, Section 409A and nothing in this Agreement shall be interpreted or construed to transfer any liability for any tax (including a tax or penalty due as a result of a failure to comply with Section 409A) from Key Employee to the Company or to any other individual or entity.

## ARTICLE IV MISCELLANEOUS

**4.1 Governing Law.** This Agreement is governed by and will be construed in accordance with the laws of the State of Texas, without regard to the conflicts of law principles of such State.

**4.2 Amendment and Waiver.** The provisions of this Agreement may be amended, modified or waived only with the prior written consent of the Company and Key Employee, and no course of conduct or failure or delay in enforcing the provisions of this Agreement will be construed as a waiver of such provisions or affect the validity, binding effect or enforceability of this Agreement or any provision hereof. Notwithstanding the forgoing sentence, the Company may amend Section 3.8 without the prior written consent of Key Employee to the extent necessary or advisable to comply with applicable law.

**4.3 Severability.** Any provision in this Agreement which is prohibited or unenforceable in any jurisdiction by reason of applicable law will, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction.

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**4.4 Entire Agreement.** This Agreement embodies the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way. Except as expressly provided in Section 3.5 and for the avoidance of doubt, this Agreement does not supersede or preempt any plan or agreement regarding stock, stock options, or other equity interests.

**4.5 Withholding of Taxes and Other Employee Deductions.** The Company may withhold from any benefits and payments made pursuant to this Agreement all federal, state, city, and other taxes as may be required pursuant to any law or governmental regulation or ruling, and all other normal employee deductions made with respect to the Company's employees generally.

**4.6 Notices.** Any notice provided for in this Agreement must be in writing and must be either personally delivered, transmitted via email, mailed by first class mail (postage prepaid and return receipt requested) or sent by

reputable overnight courier service (charges prepaid) to the recipient at the address below indicated or at such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party. Notices will be deemed to have been given hereunder and received when delivered personally, when received if transmitted via email, five days after deposit in the U.S. mail and one day after deposit with a reputable overnight courier service.

If to the Company:

Orion Group Holdings Inc.  
12000 Aerospace Blvd.  
Houston, TX 77034  
Attention:  
E-mail:

If to Key Employee:

To the address most recently on file in the payroll records of the Company and the email address indicated below Key Employee's signature line.

**4.7 Headings.** The paragraph headings have been inserted for purposes of convenience and will not be used for interpretive purposes.

**4.8 Actions by the Board.** Any and all determinations or other actions required of the Board hereunder that relate specifically to Key Employee's employment by the Company or the terms and conditions of such employment will be made by the members of the Board other than Key Employee (if Key Employee is a member of the Board), and Key Employee will not have any right to vote or decide upon any such matter.

**4.9 Construction.** The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied against any party.

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E. Chipman Earle  
Employment Agreement  
March 20, 2024

**4.10 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which together shall constitute one and the same instrument. This Agreement may be executed by any electronic signature complying with the U.S. ESIGN Act of 2000, as it may be amended. Signatures delivered by facsimile or electronically shall be deemed effective for all purposes.

*[Signature Page to Follow]*

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E. Chipman Earle  
Employment Agreement  
March 20, 2024

**IN WITNESS WHEREOF,** the parties hereto have executed this Agreement as of the date first set forth above.

**COMPANY:**

**ORION GROUP HOLDINGS, INC.**

By:/s/ Travis J. Boone

Name: Travis J. Boone

Title: Chief Executive Officer

**KEY EMPLOYEE:**

By: /s/ E. Chipman Earle

Name: E. Chipman Earle

Email: eearle@orn.net

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Exhibit 10.3

**ORION GROUP HOLDINGS, INC.**  
**2022 LONG-TERM INCENTIVE PLAN**

**RESTRICTED SHARE AGREEMENT**

This Restricted Share Agreement (this "Agreement") is made and entered into as of the date of grant (the "Date of Grant") set forth in the applicable Notice of Grant of Restricted Shares by and between Orion Group Holdings, Inc., a Delaware corporation (the "Company") and you ("Notice of Grant").

WHEREAS, the Company adopted the Orion Group Holdings, Inc. 2022 Long-Term Incentive Plan, as it may be amended from time to time (the "Plan") under which the Company is authorized to grant shares of restricted stock (the "Restricted Shares") to certain employees and service providers of the Company; and

WHEREAS, a copy of the Plan has been furnished to you and shall be deemed a part of this Agreement as if fully set forth herein and the terms capitalized but not defined herein shall have the meanings set forth in the Plan.

NOW, THEREFORE, in consideration of and mutual covenants set forth herein and in the Notice of Grant and for other valuable consideration hereinafter set forth, the parties agree that the following additional terms and conditions shall apply to the Restricted Shares awarded pursuant to the Notice of Grant:

1. **The Grant.** Subject to the conditions set forth below, the Committee, on behalf of the Company, has granted you effective as of the Date of Grant and as a matter of separate inducement but not in lieu of any salary or other compensation for your services for the Company, an award (the "Award") consisting of the aggregate number of Restricted Shares set forth in the Notice of Grant in accordance with the terms and conditions set forth herein and in the Plan.
2. **Evidence of Restricted Shares.** No stock certificates evidencing the Restricted Shares shall be issued by the Company until the lapse of restrictions under the terms hereof. Instead, ownership of the Restricted Shares shall be evidenced by book entry with the applicable restrictions reflected.

3. **Ownership of Restricted Shares.** From and after the time the Restricted Shares are issued in your name, you will be entitled to all the rights of absolute ownership of the Restricted Shares, including the right to vote those shares and to receive accrued dividends thereon if, as, and when declared by the Board, subject, however, to the terms, conditions and restrictions set forth in this Agreement. All dividends and other distributions relating to the Restricted Shares will accrue when declared and be paid to you only upon the vesting of the related Restricted Shares.
4. **Restrictions; Forfeiture.** The Restricted Shares are restricted in that they may not be sold, transferred or otherwise alienated or hypothecated until these restrictions are removed or lapse as contemplated in Section 5 of this Agreement and as described in the Notice of Grant. The Restricted Shares are also restricted in the sense that they may be forfeited to the Company (the "Forfeiture Restrictions"). You hereby agree that if the Restricted Shares are forfeited, as provided in Section 6, the Company shall

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Exhibit 10.3

have the right to deliver the Restricted Shares to the Company's transfer agent for, at the Company's election, cancellation or transfer to the Company.

5. **Lapse of Restrictions and Risk of Forfeiture.** The restrictions on the Restricted Shares will lapse and the Restricted Shares will vest and become transferable, except to the extent provided in Section 11 of this Agreement and Section 10(a) of the Plan, and nonforfeitable as set forth in the Notice of Grant, provided that you remain in the employ of or a service provider to the Company or its Subsidiaries until the applicable dates set forth therein.
6. **Termination of Services.**
  - (a) **Termination Generally.** Subject to subsection (b), if your service relationship with the Company or any of its Subsidiaries is terminated for any reason, then those Restricted Shares for which the restrictions have not lapsed as of the date of termination shall become null and void and those Restricted Shares shall be forfeited to the Company. The Restricted Shares for which the restrictions have lapsed as of the date of such termination shall not be forfeited to the Company.
  - (b) **Effect of Employment Agreement.** Notwithstanding any provision herein to the contrary, in the event of any inconsistency between this Section 6 and any employment agreement entered into by and between you and the Company, the terms of the employment agreement shall control.
7. **Election Under Section 83(b) of the Code.** You understand that you should consult with your tax advisor regarding the advisability of filing with the Internal Revenue Service an election under section 83(b) of the Code with respect to the Restricted Shares for which the restrictions have not lapsed. This election must be filed no later than 30 days after Date of Grant. This time period cannot be extended. You acknowledge (a) that you have been advised to consult with a tax advisor regarding the tax consequences of the award of the Restricted Shares and (b) that timely filing of a section 83(b) election is your sole responsibility, even if you request the Company or its representative to file such election on your behalf.
8. **Delivery of Stock.** Upon the lapse of restrictions on any Restricted Shares, the Company shall issue the vested shares (either through book entry issuances or delivery of a stock certificate) in your name, subject to the other terms and conditions hereof, including those governing any withholdings of shares of Stock to cover tax withholding obligations under Section 9 below.

9. **Payment of Taxes.** The Company may require you to pay to the Company (or the Company's Subsidiary if you are an employee of a Subsidiary of the Company), an amount the Company deems necessary to satisfy its or its Subsidiary's current or future obligation to withhold federal, state or local income or other taxes that you incur as a result of the Award. With respect to any required tax withholding, you may (a) direct the Company to withhold from the shares of Stock to be issued to you under this Agreement the number of shares necessary to satisfy the Company's obligation to withhold taxes; which determination will be based on the shares' Fair Market Value at the time such determination is made; (b) deliver to the Company shares of Stock sufficient to satisfy the Company's tax withholding obligations, based on the shares'

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Exhibit 10.3

Fair Market Value at the time such determination is made; or (c) deliver cash to the Company sufficient to satisfy its tax withholding obligations. If you desire to elect to use the stock withholding option described in subparagraph (a), you must make the election at the time and in the manner the Company prescribes. The Company, in its discretion, may deny your request to satisfy its tax withholding obligations using a method described under subparagraph (a) or (b). In the event the Company determines that the aggregate Fair Market Value of the shares of Stock withheld as payment of any tax withholding obligation is insufficient to discharge that tax withholding obligation, then you must pay to the Company, in cash, the amount of that deficiency immediately upon the Company's request.

10. **Compliance with Securities Law.** Notwithstanding any provision of this Agreement to the contrary, the issuance of Stock (including Restricted Shares) will be subject to compliance with all applicable requirements of federal, state, or foreign law with respect to such securities and with the requirements of any stock exchange or market system upon which the Stock may then be listed. No Stock will be issued hereunder if such issuance would constitute a violation of any applicable federal, state, or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. In addition, Stock will not be issued hereunder unless (a) a registration statement under the Securities Act of 1933, as amended (the "Act"), is at the time of issuance in effect with respect to the shares issued or (b) in the opinion of legal counsel to the Company, the shares issued may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Act. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any shares subject to the Award will relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority has not been obtained. As a condition to any issuance hereunder, the Company may require you to satisfy any qualifications that may be necessary or appropriate to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect to such compliance as may be requested by the Company. From time to time, the Board and appropriate officers of the Company are authorized to take the actions necessary and appropriate to file required documents with governmental authorities, stock exchanges, and other appropriate Persons to make shares of Stock available for issuance.

11. **Legends.** The Company may at any time place legends referencing any restrictions imposed on the shares pursuant to Section 4 of this Agreement on all certificates representing shares issued with respect to this Award.

12. **Right of the Company and Subsidiaries to Terminate Services.** Nothing in this Agreement confers upon you the right to continue in the employ of or performing services for the Company or any Subsidiary, or interfere in any way with the rights of the Company or any Subsidiary to terminate your employment or service relationship at any time.

**13. Furnish Information.** You agree to furnish to the Company all information requested by the Company to enable it to comply with any reporting or other requirements imposed upon the Company by or under any applicable statute or regulation.

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Exhibit 10.3

**14. No Liability for Good Faith Determinations.** The Company and the members of the Board shall not be liable for any act, omission or determination taken or made in good faith with respect to this Agreement or the Restricted Shares granted hereunder.

**15. Execution of Receipts and Releases.** Any payment of cash or any issuance or transfer of shares of Stock or other property to you, or to your legal representative, heir, legatee or distributee, in accordance with the provisions hereof, shall, to the extent thereof, be in full satisfaction of all claims of such Persons hereunder. The Company may require you or your legal representative, heir, legatee or distributee, as a condition precedent to such payment or issuance, to execute a release and receipt therefor in such form as it shall determine.

**16. No Guarantee of Interests.** The Board and the Company do not guarantee the Stock of the Company from loss or depreciation.

**17. Company Records.** Records of the Company or its Subsidiaries regarding your period of service, termination of service and the reason(s) therefor, leaves of absence, re-employment, and other matters shall be conclusive for all purposes hereunder, unless determined by the Company to be incorrect.

**18. Notice.** All notices required or permitted under this Agreement must be in writing and personally delivered or sent by mail and shall be deemed to be delivered on the date on which it is actually received by the person to whom it is properly addressed or if earlier the date it is sent via certified United States mail.

**19. Waiver of Notice.** Any person entitled to notice hereunder may waive such notice in writing.

**20. Information Confidential.** As partial consideration for the granting of the Award hereunder, you hereby agree to keep confidential all information and knowledge, except that which has been disclosed in any public filings required by law, that you have relating to the terms and conditions of this Agreement; provided, however, that such information may be disclosed as required by law and may be given in confidence to your spouse and tax and financial advisors. In the event any breach of this promise comes to the attention of the Company, it shall take into consideration that breach in determining whether to recommend the grant of any future similar award to you, as a factor weighing against the advisability of granting any such future award to you.

**21. Successors.** This Agreement shall be binding upon you, your legal representatives, heirs, legatees and distributees, and upon the Company, its successors and assigns.

**22. Severability.** If any provision of this Agreement is held to be illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions hereof, but such provision shall be fully severable and this Agreement shall be construed and enforced as if the illegal or invalid provision had never been included herein.

**23. Company Action.** Any action required of the Company shall be by resolution of the Board or by a person or entity authorized to act by resolution of the Board.

**24. Headings.** The titles and headings of Sections are included for convenience of reference only and are not to be considered in construction of the provisions hereof.

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25. **Governing Law.** All questions arising with respect to the provisions of this Agreement shall be determined by application of the laws of Delaware, without giving any effect to any conflict of law provisions thereof, except to the extent Delaware law is preempted by federal law. The obligation of the Company to sell and deliver Stock hereunder is subject to applicable laws and to the approval of any governmental authority required in connection with the authorization, issuance, sale, or delivery of such Stock.

26. **Amendment.** This Agreement may be amended the Board or by the Committee at any time (a) if the Board or the Committee determines, in its sole discretion, that amendment is necessary or advisable in light of any addition to or change in any federal or state, tax or securities law or other law or regulation, which change occurs after the Date of Grant and by its terms applies to the Award; or (b) other than in the circumstances described in clause (a) or provided in the Plan, with your consent.

27. **The Plan.** This Agreement is subject to all the terms, conditions, limitations and restrictions contained in the Plan.

Please indicate your acceptance of all the terms and conditions of the Award, this Agreement and the Plan by signing and returning a copy of the Notice of Grant.

**ORION GROUP HOLDINGS, INC.,**  
a Delaware Corporation

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**ORION GROUP HOLDINGS, INC.**  
2022 LONG-TERM INCENTIVE PLAN

**PERFORMANCE STOCK UNIT AGREEMENT**

This Performance Stock Unit Agreement (this "Agreement") is made and entered into as of the date of grant (the "Date of Grant") set forth in the applicable Notice of Grant of Performance Stock Units by and between Orion Group Holdings, Inc., a Delaware corporation (the "Company") and you ("Notice of Grant").

**WHEREAS**, the Company adopted the Orion Group Holdings, Inc. 2022 Long-Term Incentive Plan, as it may be amended from time to time (the "Plan") under which the Company is authorized to grant performance-based restricted stock unit awards (the "Performance Stock Units" or "PSUs") to certain employees and service providers of the Company; and

**WHEREAS**, a copy of the Plan has been furnished to you and shall be deemed a part of this Agreement as if fully set forth herein and the terms capitalized but not defined herein shall have the meanings set forth in the Plan.

**NOW, THEREFORE**, in consideration of and mutual covenants set forth herein and in the Notice of Grant and for other valuable consideration hereinafter set forth, the parties agree that the following additional terms and conditions shall apply to the PSUs awarded pursuant to the Notice of Grant:

- The Grant.** Subject to the conditions set forth below, the Committee, on behalf of the Company, has granted you effective as of the Date of Grant and as a matter of separate inducement but not in lieu of any salary or other equity awards, bonus or compensation for your services for the Company, an award (the "Award") consisting of the aggregate number of PSUs set forth in the Notice of Grant, which number reflects the Target Award in accordance with the terms and conditions set forth herein and in the Plan.

2. **Performance Stock Units.** The PSUs do not entitle you to any incidents of ownership (including, without limitation, dividend and voting rights) in the Stock unless and until the PSUs are earned and vest and you are issued the Stock to which such PSUs relate, as determined by the Committee. Any rights that you may have in any of the PSUs are set forth only as provided for in the Notice of Grant, this Agreement and the Plan. However, to the extent the PSUs are earned, and the Committee determines to settle the PSUs in Stock, the Company shall issue the vested shares (either through book entry issuances or delivery of a stock certificate) in your name, subject to the other terms and conditions hereof, including those governing any withholdings of shares to cover tax withholding obligations under Section 8 below.
3. **Restrictions; Forfeiture.** The PSUs may not be sold, transferred or otherwise alienated or hypothecated at any time. To the extent PSUs are not earned or your employment with or service to the Company is terminated prior to the Determination Date (as defined in the Notice of Grant), unless otherwise provided herein or in the Notice of Grant, all such remaining PSUs are forfeited to the Company.

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Exhibit 10.4

4. **Dividend Equivalents.** From and after the Grant Date of the PSUs until payout of any earned PSUs after the Determination Date, you will be credited, as of the payment date therefor, with any dividends paid on the shares of Stock underlying the PSUs (the “**Dividend Equivalents**”). All such Dividend Equivalent credits shall be earned or be forfeited at the same time and on the same terms as the PSUs to which they relate.
5. **Termination of Services.**
  - (a) **Termination Generally.** Subject to subsection (b) below, if your service relationship with the Company or any of its Subsidiaries is terminated for any reason, then those PSUs for which the restrictions have not lapsed as of the date of termination shall become null and void and those PSUs shall be forfeited to the Company. Any earned PSUs as of the date of such termination shall not be forfeited to the Company.
  - (b) **Effect of Employment Agreement.** Notwithstanding any provision herein to the contrary, in the event of any inconsistency between this Section 5 and any employment agreement entered into by and between you and the Company, the terms of the employment agreement shall control.
6. **Forms of Payout.** Payout of PSUs earned shall either be in cash (based upon the closing price of the Stock on a certain date, as determined in the sole discretion of the Committee and stated in the Notice of Grant) or in shares of Stock as determined in the sole discretion of the Committee.
7. **Payout of Earned PSUs.** At the Committee's first meeting following the close of the Company's books for the fiscal period ending on the Determination Date, the Committee shall determine in its discretion the actual performance achieved with respect to the performance criteria applicable to the PSUs and the applicable payout, if any. Such determination shall be final, conclusive and binding on you, and on all other persons, to the maximum extent permitted by law. Payout of any earned PSUs, whether in cash or Stock as determined by the Committee in accordance with Section 6 above, and any related Dividend Equivalents, shall be made within 30 days of the Committee's determination, but no later than March 15<sup>th</sup> following the Determination Date.

8. **Payment of Taxes.** The Company may require you to pay to the Company (or the Company's Subsidiary if you are an employee of a Subsidiary of the Company), an amount the Company deems necessary to satisfy its or its Subsidiary's current or future obligation to withhold federal, state or local income or other taxes that you incur as a result of the Award. With respect to any required tax withholding, (a) if the Committee determines that the earned PSUs are to be paid out in cash, then the Company shall withhold the total amount of federal, state or local income or other taxes that you incur as a result of the Award from such cash disbursement to you; (b) however, if the Committee determines that the earned PSUs are to be settled in shares of Stock, you may (i) direct the Company to withhold from the shares of Stock to be issued to you under this Agreement the number of shares necessary to satisfy the Company's obligation to withhold taxes; which determination will be based on the shares' Fair Market Value at the time such determination is made; (ii) deliver to the Company shares of Stock sufficient to satisfy the Company's tax withholding obligations, based on the shares' Fair Market Value at the time such determination is made; or (iii) deliver cash to the Company sufficient to satisfy its tax

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Exhibit 10.4

withholding obligations. If you desire to elect to use the stock withholding option described in subparagraph (i), you must make the election at the time and in the manner the Company prescribes. The Company, in its discretion, may deny your request to satisfy its tax withholding obligations using a method described under subparagraph (i) or (ii). In the event the Company determines that the aggregate Fair Market Value of the shares of Stock withheld as payment of any tax withholding obligation is insufficient to discharge that tax withholding obligation, then you must pay to the Company, in cash, the amount of that deficiency immediately upon the Company's request.

9. **Compliance with Securities Law.** Notwithstanding any provision of this Agreement to the contrary, the issuance of Stock will be subject to compliance with all applicable requirements of federal, state, or foreign law with respect to such securities and with the requirements of any stock exchange or market system upon which the Stock may then be listed. No Stock will be issued hereunder if such issuance would constitute a violation of any applicable federal, state, or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. In addition, Stock will not be issued hereunder unless (a) a registration statement under the Securities Act of 1933, as amended (the "Act"), is at the time of issuance in effect with respect to the shares issued or (b) in the opinion of legal counsel to the Company, the shares issued may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Act. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any shares subject to the Award will relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority has not been obtained. As a condition to any issuance hereunder, the Company may require you to satisfy any qualifications that may be necessary or appropriate to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect to such compliance as may be requested by the Company. From time to time, the Board and appropriate officers of the Company are authorized to take the actions necessary and appropriate to file required documents with governmental authorities, stock exchanges, and other appropriate Persons to make shares of Stock available for issuance.

10. **Right of the Company and Subsidiaries to Terminate Services.** Nothing in this Agreement confers upon you the right to continue in the employ of or performing services for the Company or any Subsidiary or interfere in any way with the rights of the Company or any Subsidiary to terminate your employment or service relationship at any time.

11. **Furnish Information.** You agree to furnish to the Company all information requested by the Company to enable it to comply with any reporting or other requirements imposed upon the Company by or under any applicable statute or regulation.

**12. No Liability for Good Faith Determinations.** The Company and the members of the Board shall not be liable for any act, omission or determination taken or made in good faith with respect to this Agreement or the PSUs granted hereunder.

**13. Execution of Receipts and Releases.** Any payment of cash or any issuance or transfer of shares of Stock or other property to you, or to your legal representative, heir, legatee or distributee, in accordance with the provisions hereof, shall, to the extent thereof, be in full

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Exhibit 10.4

satisfaction of all claims of such Persons hereunder. The Company may require you or your legal representative, heir, legatee or distributee, as a condition precedent to such payment or issuance, to execute a release and receipt therefor in such form as it shall determine.

**14. No Guarantee of Interests.** The Board and the Company do not guarantee the Stock of the Company from loss or depreciation.

**15. Company Records.** Records of the Company or its Subsidiaries regarding your period of service, termination of service and the reason(s) therefor, leaves of absence, re-employment, and other matters shall be conclusive for all purposes hereunder, unless determined by the Company to be incorrect.

**16. Notice.** All notices required or permitted under this Agreement must be in writing and personally delivered or sent by mail and shall be deemed to be delivered on the date on which it is actually received by the person to whom it is properly addressed or if earlier the date it is sent via certified United States mail.

**17. Waiver of Notice.** Any person entitled to notice hereunder may waive such notice in writing.

**18. Information Confidential.** As partial consideration for the granting of the Award hereunder, you hereby agree to keep confidential all information and knowledge, except that which has been disclosed in any public filings required by law, that you have relating to the terms and conditions of this Agreement; provided, however, that such information may be disclosed as required by law and may be given in confidence to your spouse and tax and financial advisors. In the event any breach of this promise comes to the attention of the Company, it shall take into consideration that breach in determining whether to recommend the grant of any future similar award to you, as a factor weighing against the advisability of granting any such future award to you.

**19. Successors.** This Agreement shall be binding upon you, your legal representatives, heirs, legatees and distributees, and upon the Company, its successors and assigns.

**20. Severability.** If any provision of this Agreement is held to be illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions hereof, but such provision shall be fully severable, and this Agreement shall be construed and enforced as if the illegal or invalid provision had never been included herein.

**21. Company Action.** Any action required of the Company shall be by resolution of the Board or by a person or entity authorized to act by resolution of the Board.

**22. Headings.** The titles and headings of Sections are included for convenience of reference only and are not to be considered in construction of the provisions hereof.

**23. Governing Law.** All questions arising with respect to the provisions of this Agreement shall be determined by application of the laws of Delaware, without giving any effect to any conflict of law provisions thereof, except to the extent Delaware law is preempted by federal law. The obligation of the Company to sell and deliver Stock hereunder is subject to applicable laws and to the approval of any governmental authority required in connection with the authorization, issuance, sale, or delivery of such Stock.

**24. Amendment.** This Agreement may be amended by the Board or by the Committee at any time (a) if the Board or the Committee determines, in its sole discretion, that amendment

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**Exhibit 10.4**

is necessary or advisable in light of any addition to or change in any federal or state, tax or securities law or other law or regulation, which change occurs after the Date of Grant and by its terms applies to the Award; or (b) other than in the circumstances described in clause (a) or provided in the Plan, with your consent.

**25. The Plan.** This Agreement is subject to all the terms, conditions, limitations and restrictions contained in the Plan.

Please indicate your acceptance of all the terms and conditions of the Award, this Agreement and the Plan by signing and returning a copy of the Notice of Grant.

**ORION GROUP HOLDINGS, INC.,**  
a Delaware Corporation

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**Exhibit 10.6****AMENDMENT NO. 3 TO LOAN AGREEMENT**

This **AMENDMENT NO. 3 TO LOAN AGREEMENT** (this "Amendment"), dated as of April 24, 2024, is entered into by and among **ORION GROUP HOLDINGS, INC.**, a Delaware corporation ("Orion"), the Subsidiaries of Orion identified on the signature pages hereto as "Borrowers" (together with Orion, each, a "Borrower", and collectively "Borrowers"), the Lenders party hereto and **WHITE OAK COMMERCIAL FINANCE, LLC**, a Delaware limited liability company, as administrative agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, "Administrative Agent") and as collateral agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, "Collateral Agent", and the Administrative Agent together with the Collateral Agent, the "Agents", and each, an "Agent").

WHEREAS, the Borrowers, the several financial institutions from time to time party thereto as Lenders, and the Agents are parties to that certain Loan Agreement dated as of May 15, 2023 (as amended, restated, modified or supplemented from time to time, the "Loan Agreement");

WHEREAS, the Borrowers have requested that the Agents and the Lenders amend the Loan Agreement in certain respects, and Agents and the Lenders are willing to do so on the terms and subject to the conditions set forth herein.

NOW THEREFORE, in consideration of the premises and mutual agreements herein contained, the parties hereto agree as follows:

1. **Defined Terms.** Capitalized terms used but not defined herein shall have the meanings assigned to them in the Loan Agreement.

2. **Amendments to Loan Agreement.** In reliance upon the representations and warranties of each Loan Party set forth in Section 4 below and subject to the satisfaction of the conditions to effectiveness set forth in Section 3 below, the Loan Agreement is hereby amended as follows:

(a) Section 1.01 of the Loan Agreement is hereby amended by adding the following defined terms in appropriate alphabetical order:

**"Eligible Surety Bond Accounts"** means Accounts that would constitute Eligible Accounts but for the fact that they are subject to priority subrogation rights in favor of surety bond providers (and such rights have not been exercised by a surety bond provider and no surety bond provider has undertaken performance, and there is no project default, with respect to any project associated with any such Account); provided, that if the amount of collections with respect to all Accounts created by the Borrowers for the previous twenty-eight day period divided by four (4) does not exceed \$10,000,000, then no Accounts shall constitute Eligible Surety Bond Accounts.

**"Q2 2024 Accommodation Period"** means the period of time from the Third Amendment Effective Date through, and including, June 30, 2024.

**"Surety Bond Accounts Formula Amount"** means 90% of the Value of Eligible Surety Bond Accounts.

**"Third Amendment Effective Date"** means April 24, 2024.

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(b) Section 1.01 of the Loan Agreement is hereby amended by amending and restating the following defined terms in their entirety as follows:

**"Applicable Margin"** means, as of any date of determination, with respect to any (a) Term Loan, seven percent (7.00%) per annum, and (b) Revolver Loan, the applicable margin set forth in the following table that corresponds to the Average Excess Revolver Availability of Borrowers for the most recently completed month (to be re-determined as of the first day of each month) and either Consolidated EBITDA (prior to the Covenant Toggle Date) or, Consolidated Fixed Charge Coverage Ratio (from and after the Covenant Toggle Date), of Borrowers for the most recently completed Fiscal Quarter for which financial statements and a certified calculation of Consolidated EBITDA and Consolidated Fixed Charge Coverage Ratio have been delivered pursuant to **Section 6.01(a) or (b)**, as applicable, and **Section 6.02(a)** (to be re-determined as of the first day of each month, commencing with September 1, 2023, following the month in which such financial statements and Compliance Certificate are delivered):

Level	Average Excess Revolver Availability, Consolidated EBITDA and Consolidated Fixed Charge Coverage Ratio	Applicable Margin for Revolver Loans not predicated on the Surety Bond Accounts Formula Amount	Applicable Margin for Revolver Loans predicated on the Surety Bond Accounts Formula Amount
I	Average Excess Revolver Availability of $\geq$ \$35,000,000 and Consolidated EBITDA (prior to the Covenant Toggle Date) of $\geq$ the Applicable Level I EBITDA Threshold, and Consolidated Fixed Charge Coverage Ratio (from and after the Covenant Toggle Date) of $\geq$ 1.20:1.00 (collectively, the <b>"Level I Requirements"</b> )	4.75 percentage points	5.25 percentage points

II	Average Excess Revolver Availability of $\geq$ \$20,000,000, and Consolidated EBITDA (prior to the Covenant Toggle Date) of $\geq$ the	5.00 percentage points	5.50 percentage points
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	Applicable Level II/III EBITDA Threshold and Consolidated Fixed Charge Coverage Ratio (from and after the Covenant Toggle Date) of $\geq$ 1.00:1.00, and the Level I Requirements are not met		
III	Average Excess Revolver Availability of $<$ \$20,000,000, Consolidated EBITDA (prior to the Covenant Toggle Date) of $<$ the Applicable Level II/III EBITDA Threshold, or Consolidated Fixed Charge Coverage Ratio (from and after the Covenant Toggle Date) of $<$ 1.00:1.00	5.25 percentage points	5.75 percentage points

Average Excess Revolver Availability shall be calculated by Administrative Agent based on the Borrowing Base Reports delivered by Administrative Borrower during the preceding Fiscal Month, and the Consolidated EBITDA and Consolidated Fixed Charge Coverage Ratio shall be reported by the Borrowers in each Compliance Certificate delivered for a Fiscal Quarter end in accordance with **Section 6.02(a)**; provided, however, that solely for purposes of determining the Applicable Margin, the Consolidated Fixed Charge Coverage Ratio shall be based on a Semi-Annual Test Period. Any increase or decrease in the Applicable Margin resulting from a change in Average Excess Revolver Availability and/or the Consolidated EBITDA or Consolidated Fixed Charge Coverage Ratio, as applicable, shall become effective as of the first calendar day of each Fiscal Month; provided, that if the Borrowing Base Reports (including any required financial information in support thereof), annual or quarterly financial statements or Compliance Certificates are not delivered when due, then Level III shall apply until such time as such Borrowing Base Reports and supporting information, financial statements and Compliance Certificates, as applicable, are delivered. In the event that the information regarding the Consolidated EBITDA or the Consolidated Fixed Charge Coverage Ratio contained in any Compliance Certificate delivered pursuant to **Section 6.02(a)** is shown to be inaccurate, and such inaccuracy, if corrected, would have led to the application of a higher Applicable Margin for any period (an "Applicable Period") than the Applicable Margin actually applied for such Applicable Period, then (i) Borrowers shall immediately deliver to Administrative Agent a correct Compliance Certificate for such Applicable Period, (ii) the Applicable Margin shall be determined as if the correct Applicable Margin (as set forth in the table above) were applicable for such Applicable Period, and (iii) Borrowers shall immediately deliver to Administrative Agent full payment in respect of the accrued additional interest as a result of such increased Applicable Margin for such Applicable Period, which payment shall be promptly applied by Administrative Agent to the affected Obligations. Any adjustment in the Applicable Margin shall be applicable to all Revolver

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Loans then existing or subsequently made during the applicable period for which the relevant Applicable Margin applies.

**"Capital Expenditures"** means, with respect to any Person, all expenditures (whether paid in cash or other consideration or accrued as a liability and including that portion of Capital Leases that is capitalized on the balance sheet of such Person including in connection with a sale leaseback transaction) by such Person for the acquisition or leasing of fixed or capital assets or additions to equipment (including replacements, capitalized repairs and improvements during such period) that are required to be capitalized under GAAP on a balance sheet of such Person. For purposes of this definition, but without duplication: (a) the amount of any Capital Expenditure in connection with the purchase of any of equipment that is purchased simultaneously with the trade-in of existing equipment owned by such Person thereof or with insurance proceeds shall be the result of (i) the gross amount of the purchase price, minus (ii) the credit granted by the seller of such equipment for such equipment being traded in at such time, or the amount of such proceeds, as the case may be; (b) Capital Expenditures shall be offset (but not to an amount less than zero) by (1) the amount of sale proceeds (excluding gains) from the East West Jones Sale (to the extent consummated during the applicable TFQ Test Period and prior to June 30, 2024 and up to an amount not to exceed \$10,000,000 of the Net Cash Proceeds of such sale); provided, that proceeds from the East West Jones Sale shall only offset Capital Expenditures for the purpose of determining compliance with the financial covenant set forth in Section 6.13(a), and (2) any other Disposition of fixed or capital assets or additions to equipment (other than any such proceeds of the Specified Sale Leaseback Transactions or any other Specified Asset Disposition) that are not otherwise treated as a credit pursuant to the foregoing clause (a) or attributable to an exclusion from Capital Expenditures pursuant to the following clause (c), and (c) the following shall not constitute "**Capital Expenditures**": (i) an acquisition to the extent made with the proceeds of a Disposition in accordance with Section 7.05(c), (ii) expenditures to the extent that they are made to effect leasehold improvements to any property leased by such Person as lessee, to the extent that such expenses have been reimbursed in cash by the landlord that is not a Loan Party or a Subsidiary thereof, (iii) expenditures to the extent that they are actually paid for by a third party (excluding any Loan Party or any Subsidiary thereof) and for which no Loan Party or any Subsidiary thereof has provided or is required to provide or incur, directly or indirectly, any consideration or monetary obligation to such third party or any other person (whether before, during or after such period), (iv) [reserved], and (v) expenditures financed with the proceeds of capital contributions to, or issuances of qualified Equity Interests by, Orion that are received by Orion substantially contemporaneously with the making of such expenditure.

**"Cash Dominion Event"** means the occurrence of either of the following: (a) the occurrence and continuance of an Event of Default or (b) (i) during the Q2 Accommodation Period, Liquidity falls below \$10,000,000 at any time, or (ii) at all other times, Liquidity falls below (x) \$10,000,000, at any time, (y) \$20,000,000, as of the second consecutive date of delivery of a Borrowing Base Certificate reflecting Liquidity of less than \$20,000,000, or (z) \$20,000,000, at any time, and Borrowers, in their sole and absolute discretion in the case of this clause (z), direct Administrative Agent that a Cash Dominion Event has occurred and a Cash Dominion Period has commenced.

**"Cash Dominion Period"** means the period commencing after the occurrence of a Cash Dominion Event and continuing until the date when (i) no Event of Default shall

exist and be continuing, and (ii) Liquidity is greater than \$20,000,000 for 30 consecutive days (or \$10,000,000 for 30 consecutive days during the Q2 Accommodation Period).

**"Consolidated Fixed Charge Coverage Ratio"** means, as of the last day of any TFQ Test Period, in each case determined on a consolidated basis in accordance with GAAP, subject to Section 1.02(f), the ratio of: (a) the result for such period of (without duplication): (i) Consolidated EBITDA; minus (ii) all payments in cash for taxes on or measured by income made by Orion and its Subsidiaries (including any amounts paid as Tax Distributions); minus (iii) Capital Expenditures actually made in cash by Orion and its Subsidiaries (net of any

insurance proceeds, condemnation award or proceeds relating to any financing with respect to such expenditures); **minus** (iv) Restricted Payments (without duplication of Restricted Payments on account of Tax Distributions to the extent already accounted for in clause (ii) above) paid in cash by any Loan Party to any Person that is not a Loan Party to (b) the sum for such period of (without duplication): (i) Consolidated Interest Expense (excluding non-cash amortization of the cost of Debt); **plus** (ii) the aggregate amount of scheduled principal payments actually made or required to be made on the Loans; **plus** (iii) without duplication, all scheduled principal payments and all principal payments made for future periods made with respect to Capital Leases and other Debt (other than the Obligations). The Consolidated Fixed Charge Coverage Ratio will be calculated on a pro forma basis in a manner to be mutually and reasonably agreed upon by Agents and Orion to give effect to any redemptions or repayments of Debt as though such redemption or repayment occurred as of the first day of the applicable period.

**"Make-Whole Amount"** means in connection with any Prepayment Event, in each case, with respect to (x) all or any portion of the outstanding principal balance of the Term Loan: (a) if such event occurs (i) prior to the first anniversary of the Third Amendment Effective Date, the Term Loan Minimum Interest Amount; (ii) on or after the first anniversary of the Third Amendment Effective Date but prior to the second anniversary of the Third Amendment Effective Date, two percent (2.0%) of the amount of the Term Loans subject to such Prepayment Event; (iii) on or after the second anniversary of the Third Amendment Effective Date but prior to the third anniversary of the Third Amendment Effective Date, one half of one percent (0.5%) of the amount of the applicable Term Loans subject to such Prepayment Event; and (iv) on or after the third anniversary of the Third Amendment Effective Date, no Make-Whole Amount is applicable and (y) any reduction or termination of the Revolver Commitments: (a) if such event occurs (i) prior to the first anniversary of the Third Amendment Effective Date, the Revolver Minimum Interest Amount; (ii) on or after the first anniversary of the Third Amendment Effective Date but prior to the second anniversary of the Third Amendment Effective Date, two percent (2.0%) of the amount of the Revolver Commitments subject to such Prepayment Event; (iii) on or after the second anniversary of the Third Amendment Effective Date but prior to the third anniversary of the Third Amendment Effective Date, one half of one percent (0.5%) of the amount of the Revolver Commitments subject to such Prepayment Event; and (iii) on or after the third anniversary of the Third Amendment Effective Date, no Make-Whole Amount is applicable.

**"Revolver Borrowing Base"** means on any date of determination, the result of (i) an amount equal to the lesser of (A) the aggregate Revolver Commitments and (B) the sum of (1) the Accounts Formula Amount, plus (2) the lesser of (x) \$25,000,000 and (y) the sum of the Retainage Accounts Formula Amount plus the Unbilled Retainage Accounts Formula Amount, plus (3) the Specified Overadvance, plus (4) the lesser of (x)

\$10,000,000 and (y) the Surety Bond Accounts Formula Amount, minus (ii) the Revolver Availability Reserve.

**"Revolver Commitment Termination Date"** means the earliest to occur of (a) May 15, 2027; (b) the date on which the Revolver Commitments are permanently reduced to zero pursuant to **Section 2.01(b)**; and (c) the date on which the Revolver Commitments are terminated pursuant to **Section 2.01(b)(iii)**.

**"Term Loan Maturity Date"** means the earlier of (i) May 15, 2027 and (ii) the date that all Term Loans shall become due and payable in full hereunder, whether by acceleration or otherwise.

(c) Section 2.02 is hereby amended by adding a new clause (f) immediately following clause (e) therein as follows:

(f) **Obligations Predicated on the Surety Bond Accounts Formula Amount.** For purposes of calculating interest, Revolving Loans shall be deemed predicated on clause (i)(B)(4) of the definition of "Revolver Borrowing Base" only after giving effect to the other components of the Revolver Borrowing Base.

(d) Section 2.03(c)(vii) of the Loan Agreement is hereby amended and restated in its entirety as follows:

(vii) **Specified Prepayment.** On or prior to the earlier of (i) June 30, 2024 and (ii) the date that is three (3) Business Days after (and in any event, promptly) after receipt of Net Proceeds in respect of the East and West Jones Sale, the Borrowers shall make one or more mandatory prepayments of the Term Loans (collectively, the "Specified Prepayment") designated by Borrowers to be in respect of the prepayment required by this **Section 2.03(c)(vii)** (and not in respect of any other mandatory prepayment required by this **Section 2.03(c)**) in increments of not less than \$1,000,000 for any Specified Prepayment, and in an aggregate amount for all Specified Prepayments equal to \$10,000,000 (which shall not be subject to the payment of the Make-Whole Amount).

(e) Section 4.02(e) of the Loan Agreement is hereby amended and restated in its entirety as follows:

(e) **Liquidity Triggers.** Liquidity falls below \$20,000,000 (or, during the Q2 2024 Accommodation Period, \$10,000,000) at any time, and Borrowers shall not have directed Administrative Agent to commence a Cash Dominion Period.

(f) Section 6.02(e) of the Loan Agreement is hereby amended and restated in its entirety as follows:

(e) **Project Defaults.** On the fifth (5th) day of each month (or if such day is not a Business Day, the next Business Day), a written report stating that there are no, and during the previous month have not been any, project defaults in respect of projects backed by surety bonds or a detailed description of each project default

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in respect of projects backed by surety bonds at the time such report is delivered and during the previous month.

(g) Section 6.03(h) of the Loan Agreement is hereby amended and restated in its entirety as follows:

(h) **Significant Surety Bond Events.** Immediately upon any Responsible Officer becoming aware of any actual or threatened performance undertaken by a surety bond provider or any project default on a project backed by surety bonds, written notice of such event together with any additional information the Administrative Agent may require.

(h) Section 6.13(a) of the Loan Agreement is hereby amended and restated in its entirety as follows:

(a) **Consolidated Fixed Charge Coverage Ratio.** The Loan Parties and their Subsidiaries, on a consolidated basis, shall maintain, as of the end of each Fiscal Quarter for the applicable TFQ Test Period then ended, a Consolidated Fixed Charge Coverage Ratio of not less than the required amount set forth opposite thereto in the following table:

Period	Fixed Charge Coverage Ratio
TFQ Test Period ended March 31, 2024	1.00:1.00
TFQ Test Period ended June 30, 2024	1.00:1.00
TFQ Test Period ended September 30, 2024	1.00:1.00
TFQ Test Period ended December 31, 2024	1.00:1.00

TFQ Test Period ending March 31, 2025 and each TFQ Test Period thereafter	1.10:1.00
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(i) Section 6.13(d) of the Loan Agreement is hereby amended and restated in its entirety as follows:

(d) [Reserved]

(i) Section 6.13(e) of the Loan Agreement is hereby amended and restated in its entirety as follows:

(e) Minimum Liquidity. The Loan Parties and their Subsidiaries shall maintain Liquidity of greater than \$15,000,000 at all times; provided, that during

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the Q2 2024 Accommodation Period, the Loan Parties and their Subsidiaries shall only be required to maintain Liquidity of greater than \$10,000,000 at all times.

(k) Section 8.02(d)(iii) of the Loan Agreement is hereby amended and restated in its entirety as follows:

(iii) No Loan Party shall have the right to specify the order or the accounts to which Administrative Agent shall allocate or apply any payments required to be made by any Loan Party to Administrative Agent on behalf of Revolver Lenders or otherwise received by Administrative Agent on behalf of Revolver Lenders under this Agreement when any such allocation or application is not specified elsewhere in this Agreement. Whenever a payment is to be applied to a Revolver Loan pursuant to this Agreement, such payment shall first be applied to the Outstanding Amount of the Revolver Loans predicated on the Surety Bond Accounts Formula Amount until such portion of the Revolver Loans is Paid in Full and second shall be applied to Outstanding Amount of the Revolver Loans not predicated on the Surety Bond Accounts Formula Amount until such time as the Outstanding Amount of such Revolver Loans has been Paid in Full. For purposes of determining the application of any payment to the Revolver Loans, Revolving Loans shall be deemed predicated on clause (i)(B)(4) of the definition of "Revolver Borrowing Base" only after giving effect to the other components of the Revolver Borrowing Base.

3. Conditions to Effectiveness. This Amendment shall become effective on the Third Amendment Effective Date upon the satisfaction of the following conditions precedent, each in form and substance acceptable to Administrative Agent:

(a) Administrative Agent's receipt of a copy of this Amendment executed by each Borrowers, the Lenders and each Agent;

(b) the representations and warranties contained herein shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the date of this Amendment, as though made on and as of such date (except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of such earlier date).

4. Representations and Warranties. In order to induce each Agent and the Lenders to enter into this Amendment, each Borrower hereby represents and warrants to each Agent and the Lenders that:

(a) all representations and warranties of the Loan Parties contained in the Loan Documents are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the date of this Amendment, as though made on and as of such date (except to the extent that such representations and warranties relate solely to an earlier

date, in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of such earlier date);

(b) both before and after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing; and

(c) this Amendment constitutes legal, valid and binding obligation of such Borrower, and is enforceable against such Borrower, in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or other Laws of general application affecting enforcements of creditors' rights or general principles of equity.

5. Effect of Amendment. Except as expressly set forth herein, this Amendment shall not, by implication or otherwise, limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the Lenders or any Agent under the Loan Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Loan Agreement or any other Loan Document, all of which shall remain unchanged and shall continue in full force and effect. Nothing herein shall be deemed to entitle any Loan Party to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Loan Agreement or any other Loan Document in similar or different circumstances.

6. Reaffirmation and Confirmation. Each Loan Party hereby ratifies, affirms, acknowledges and agrees that the Loan Agreement and the other Loan Documents to which it is a party represent the valid, enforceable and collectible obligations of such Loan Party, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally, and further acknowledges that there are no existing claims, defenses, personal or otherwise, or rights of setoff whatsoever with respect to the Loan Agreement or any other Loan Document. Each Loan Party hereby agrees that this Amendment in no way acts as a release or relinquishment of the Liens and rights securing payments of the Obligations. The Liens and rights securing payment of the Obligations are hereby ratified and confirmed by each Loan Party in all respects.

7. Release.

(a) In consideration of the agreements of Agents and the Lenders contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Loan Party, on behalf of itself and its successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably releases, remises and forever discharges Agents and the Lenders, and their successors and assigns, and their present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, attorneys, employees, agents and other representatives (each Agent, each Lender and all such other Persons being hereinafter referred to collectively as the "Releasees" and individually as a "Releasee"), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defenses, rights of set-off, demands and liabilities whatsoever (individually, a "Claim" and collectively, "Claims") of every name and nature, known or unknown, suspected or unsuspected, both at law and in equity, which any such Loan Party or any of their respective successors, assigns, or other legal representatives may now or hereafter own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of any circumstance, action, cause or thing whatsoever in relation to, or in any way in connection with any of the Loan Agreement, or any of the other Loan Documents or transactions thereunder or related thereto which arises at any time on or prior to the day and date of this Amendment.

(b) Each Loan Party understands, acknowledges and agrees that the release set forth above may be pleaded as a full and complete defense and may be used as a basis for an injunction against

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any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release.

(c) Each Loan Party agrees that no fact, event, circumstance, evidence or transaction which could now be asserted or which may hereafter be discovered shall affect in any manner the final, absolute and unconditional nature of the release set forth above.

8. Miscellaneous.

(a) Expenses. Each Borrower agrees to pay on demand all reasonable out-of-pocket expenses incurred by Agents in connection with the preparation, negotiation, execution and delivery of this Amendment and all other instruments or documents provided for herein or delivered or to be delivered hereunder or in connection herewith. All obligations provided in this Section 8(a) shall survive any termination of the Loan Agreement.

(b) Choice of Law and Venue; Jury Trial Waiver; Judicial Reference Section. Without limiting the applicability of any other provision of the Loan Agreement or any other Loan Document, the terms and provisions set forth in Section 10.16 (Governing Law; Jurisdiction; Etc.) and Section 10.17 (Waiver of Right to Jury Trial) of the Loan Agreement are expressly incorporated herein by reference.

(c) Counterparts. This Amendment may be executed in any number of counterparts, and by the parties hereto on the same or separate counterparts, and each such counterpart, when executed and delivered, shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Amendment. Delivery of an executed counterpart hereto by facsimile or other electronic transmission shall be as effective as delivery of a manually executed counterpart hereof.

(d) Loan Document. Each Borrower hereby acknowledges and agrees that this Amendment is a Loan Document.

[signature pages follow]

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized and delivered as of the date first above written.

**"BORROWERS":**

**ORION GROUP HOLDINGS INC.**, a Delaware corporation

By: /s/ Travis Boone  
Name: Travis Boone  
Title: CEO

**ORION MARINE CONSTRUCTION INC.**, a Florida corporation

By: /s/ Travis Boone  
Name: Travis Boone  
Title: CEO

**ORION INDUSTRIAL CONSTRUCTION, LLC**, a Louisiana limited liability company

By: /s/ Travis Boone  
Name: Travis Boone  
Title: CEO

**SSL SOUTH, LLC**, a Florida limited liability company

By: /s/ Travis Boone  
Name: Travis Boone  
Title: CEO

**ORION GOVERNMENT SERVICES, LLC**, a Washington limited liability company

By: /s/ Travis Boone  
Name: Travis Boone  
Title: CEO

**INDUSTRIAL CHANNEL AND DOCK COMPANY**, a Texas corporation

By: /s/ Travis Boone  
Name: Travis Boone  
Title: CEO

Signature Page to Amendment No. 3 to Loan Agreement

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**COMMERCIAL CHANNEL AND DOCK COMPANY**, a Texas corporation

By: /s/ Travis Boone  
Name: Travis Boone  
Title: CEO

**T.LAQUAY DREDGING, LLC**, a Texas limited liability company

By: /s/ Travis Boone  
Name: Travis Boone  
Title: CEO

**KING FISHER MARINE SERVICE, LLC**, a Texas limited liability company

By: /s/ Travis Boone  
Name: Travis Boone  
Title: CEO

**ORION CORPORATE SERVICES, LLC**, a Texas limited liability company

By: /s/ Travis Boone  
Name: Travis Boone  
Title: CEO

**ARTEMIS BUSINESS SOLUTIONS, LLC**, a Louisiana limited liability company

By: /s/ Travis Boone  
Name: Travis Boone  
Title: CEO

**ORION ADMINISTRATIVE SERVICES, INC.**, a Texas corporation

By: /s/ Travis Boone  
Name: Travis Boone  
Title: CEO

**EAST & WEST JONES PLACEMENT AREAS, LLC**, a Texas limited liability company

By: /s/ Travis Boone  
Name: Travis Boone  
Title: CEO

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**PREFERRED TOOL SERVICES, INC., a Texas corporation**

By: */s/* Travis Boone  
Name: Travis Boone  
Title: CEO

**ORION MARINE GROUP, LLC, a Texas limited liability company**

By: */s/* Travis Boone  
Name: Travis Boone  
Title: CEO

**ORION MARINE CONTRACTORS, INC., a Delaware corporation**

By: */s/* Travis Boone  
Name: Travis Boone  
Title: CEO

**SCHNEIDER E&C COMPANY, INC., a Florida corporation**

By: */s/* Travis Boone  
Name: Travis Boone  
Title: CEO

**ORION CONCRETE CONSTRUCTION, LLC, a Delaware limited liability company**

By: */s/* Travis Boone  
Name: Travis Boone  
Title: CEO

**TAS CONCRETE CONSTRUCTION LLC, a Delaware limited liability company**

By: */s/* Travis Boone  
Name: Travis Boone  
Title: CEO

**TONY BAGLIORE CONCRETE, INC., a Texas corporation**

By: */s/* Travis Boone  
Name: Travis Boone  
Title: CEO

Signature Page to Amendment No. 3 to Loan Agreement

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**T.A.S. COMMERCIAL CONCRETE  
SOLUTIONS, LLC**, a Texas limited liability  
company

By: /s/ Travis Boone  
Name: Travis Boone  
Title: CEO

**T.A.S. PROCO, LLC**, a Texas limited liability  
company

By: /s/ Travis Boone  
Name: Travis Boone  
Title: CEO

**MISENER MARINE CONSTRUCTION, INC.**, a  
Georgia corporation

By: /s/ Travis Boone  
Name: Travis Boone  
Title: CEO

**ORION CONSTRUCTION, LLC**, a Texas limited  
liability company

By: /s/ Travis Boone  
Name: Travis Boone  
Title: CEO

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**AGENTS:**

**WHITE OAK COMMERCIAL FINANCE, LLC**, a Delaware limited liability  
company, as Administrative Agent and Collateral Agent

By: /s/ Thomas K. Otte  
Name: Thomas K. Otte  
Title: CEO

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**LENDERS:**

**WHITE OAK ABL, LLC**, a Delaware limited liability company, as attorney-in-fact for each of the Lenders so identified on Schedule 2.01(a) to the Agreement

By: /s/ Thomas K. Otte  
Name: Thomas K. Otte  
Title: Manager

**WHITE OAK COMMERCIAL FINANCE, LLC**, not in its individual capacity but as attorney-in-fact for all Revolving Lenders

By: /s/ Thomas K. Otte  
Name: Thomas K. Otte  
Title: CEO

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**Exhibit 31.1**

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO RULE 13a - 14(a)/15d - 14(a)  
OF THE SECURITIES EXCHANGE ACT, AS AMENDED**

I, Travis J. Boone, certify that:

1. I have reviewed this Form 10-Q of Orion Group Holdings, Inc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)), and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Quarterly report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Travis J. Boone

October 27, 2023 April 26, 2024

Travis J. Boone

President and Chief Executive Officer

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**Exhibit 31.2**

**CERTIFICATION OF CHIEF FINANCIAL OFFICER  
PURSUANT TO RULE 13a - 14(a)/15d - 14(a)  
OF THE SECURITIES EXCHANGE ACT, AS AMENDED**

I, Scott Thanisch, certify that:

1. I have reviewed this Form 10-Q of Orion Group Holdings, Inc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)), and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Quarterly report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Scott Thanisch

October 27, 2023 April 26, 2024

Scott Thanisch

Executive Vice President and Chief Financial Officer

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**Exhibit 32.1**

**SECTION 1350 CERTIFICATIONS  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Orion Group Holdings, Inc (the "Company") on Form 10-Q for the quarter ended **September 30, 2023** **March 31, 2024** as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Travis J. Boone, President and Chief Executive Officer and Scott Thanisch, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to our knowledge:

- 1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

By: /s/ Travis J. Boone

October 27, 2023 April 26, 2024

Travis J. Boone

President and Chief Executive Officer

By: /s/ Scott Thanisch

October 27, 2023 April 26, 2024

Scott Thanisch

Executive Vice President and Chief Financial Officer

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