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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended 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: 001-33225



**Great Lakes Dredge & Dock Corporation**

(Exact name of registrant as specified in its charter)

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Delaware

20-5336063

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer  
Identification No.)

9811 Katy Freeway

,

Suite 1200

,

Houston

,

TX

77024

(Address of principal executive offices)

(Zip Code)

(346) 359-1010  
(Registrant's telephone number, including area code)

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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 (Par Value \$0.0001)

GLDD

Nasdaq Stock Market, LLC

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 (§232.405 of this chapter) 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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller 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) of the Exchange Act.

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

As of May 3, 2024,

67,009,319 shares of the Registrant's Common Stock, par value \$.0001 per share, were outstanding.

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**Great Lakes Dredge & Dock Corporation and Subsidiaries**

**Quarterly Report Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934  
For the Quarterly Period ended March 31, 2024**

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**PART I — Financial Information**

**Item 1. Financial Statements.**

**GREAT LAKES DREDGE & DOCK CORPORATION AND SUBSIDIARIES**

**Condensed Consolidated Balance Sheets  
(Unaudited)  
(in thousands, except per share amounts)**

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 22,802	\$ 22,841
Accounts receivable—net	40,482	54,810
Contract revenues in excess of billings	68,761	68,735
Inventories	32,038	33,912
Prepaid expenses	2,025	1,486
Other current assets	45,070	44,544
Total current assets	211,178	226,328
PROPERTY AND EQUIPMENT—Net	613,116	614,608
OPERATING LEASE ASSETS	81,633	88,398
GOODWILL	76,576	76,576
INVENTORIES—Noncurrent	89,746	86,325
OTHER	22,839	18,605
<b>TOTAL</b>	<b>\$ 1,095,088</b>	<b>\$ 1,110,840</b>
<b>LIABILITIES AND EQUITY</b>		
CURRENT LIABILITIES:		
Accounts payable	\$ 89,601	\$ 83,835
Accrued expenses	32,484	37,361

Operating lease liabilities	28,348	28,687
Billings in excess of contract revenues	18,066	29,560
<b>Total current liabilities</b>	<b>168,499</b>	<b>179,443</b>
<b>LONG-TERM DEBT</b>	<b>382,207</b>	<b>412,070</b>
OPERATING LEASE LIABILITIES—Noncurrent	54,835	61,444
DEFERRED INCOME TAXES	69,657	62,232
OTHER	10,850	10,103
<b>Total liabilities</b>	<b>686,048</b>	<b>725,292</b>
<b>COMMITMENTS AND CONTINGENCIES (Note 8)</b>		
<b>EQUITY:</b>		
Common stock—\$.		
0001		
par value;		
90,000		
authorized,		
66,941		
and		
66,623	6	6
shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively.		
Additional paid-in capital	318,517	317,337
Retained earnings	91,244	70,220
Accumulated other comprehensive loss	( 727 )	( 2,015 )
<b>Total equity</b>	<b>409,040</b>	<b>385,548</b>
<b>TOTAL</b>	<b>\$ 1,095,088</b>	<b>\$ 1,110,840</b>

See notes to unaudited condensed consolidated financial statements.



**Great Lakes Dredge & Dock Corporation and Subsidiaries**

**Condensed Consolidated Statements of Operations**  
**(Unaudited)**  
**(in thousands, except per share amounts)**

	<b>Three Months Ended</b> <b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
Contract revenues	\$ 198,660	\$ 158,044
Costs of contract revenues	153,086	145,909
<b>Gross profit</b>	<b>45,574</b>	<b>12,135</b>
General and administrative expenses	16,111	13,017
Other gains	( 2,016)	( 18)
<b>Operating income (loss)</b>	<b>31,479</b>	<b>864</b>
Interest expense—net	( 3,891)	( 3,385)
Other income	425	227
<b>Income (loss) before income taxes</b>	<b>28,013</b>	<b>4,022</b>
Income tax (provision) benefit	( 6,989)	791
<b>Net income (loss)</b>	<b>\$ 21,024</b>	<b>\$ 3,231</b>
<b>Basic earnings (loss) per share</b>	<b>\$ 0.32</b>	<b>\$ 0.05</b>
Basic weighted average shares	66,729	66,264
Diluted earnings (loss) per share	\$ 0.31	\$ 0.05
Diluted weighted average shares	67,494	66,264

See notes to unaudited condensed consolidated financial statements.



**Great Lakes Dredge & Dock Corporation and Subsidiaries**

**Condensed Consolidated Statements of Comprehensive Income (Loss)**  
**(Unaudited)**  
**(in thousands)**

	<b>Three Months Ended</b> <b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
Net income (loss)	\$ 21,024	\$ 3,231
Net change in cash flow derivative hedges—net of tax (1)	1,288	1,409
Comprehensive income (loss)	<u>22,312</u>	<u>4,640</u>

(1) Net of income tax (provision) benefit of \$ (

435  
) and \$

476  
for the three months ended March 31, 2024 and 2023, respectively .

See notes to unaudited condensed consolidated financial statements.

**Great Lakes Dredge & Dock Corporation and Subsidiaries**

**Condensed Consolidated Statements of Equity**  
**(Unaudited)**  
**(in thousands)**

	Shares of Common Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
<b>BALANCE—January 1, 2024</b>	66,623	\$ 6	\$ 317,337	\$ 70,220	\$ 2,015 )	\$ 385,548
Share-based compensation	10	—	999	—	—	999
Vesting of restricted stock units and impact of shares withheld for taxes	187	—	681 )	—	—	681 )
Exercise of options and purchases from employee stock plans	121	—	862	—	—	862
Net income	—	—	—	21,024	—	21,024
Other comprehensive income—net of tax	—	—	—	—	1,288	1,288
<b>BALANCE—March 31, 2024</b>	<b>66,941</b>	<b>\$ 6</b>	<b>\$ 318,517</b>	<b>\$ 91,244</b>	<b>\$ 727 )</b>	<b>\$ 409,040</b>
<b>BALANCE—January 1, 2023</b>	<b>66,188</b>	<b>\$ 6</b>	<b>\$ 312,091</b>	<b>\$ 56,314</b>	<b>\$ 191 )</b>	<b>\$ 368,220</b>
Share-based compensation	20	—	215	—	—	215
Vesting of restricted stock units and impact of shares withheld for taxes	93	—	( 335 )	—	—	335 )
Exercise of options and purchases from employee stock plans	115	—	562	—	—	562
Net loss	—	—	—	( 3,231 )	—	3,231 )
Other comprehensive loss —net of tax	—	—	—	—	( 1,409 )	1,409 )
<b>BALANCE—March 31, 2023</b>	<b>66,416</b>	<b>\$ 6</b>	<b>\$ 312,533</b>	<b>\$ 53,083</b>	<b>\$ 1,600 )</b>	<b>\$ 364,022</b>

See notes to unaudited condensed consolidated financial statements.



**Great Lakes Dredge & Dock Corporation and Subsidiaries**

**Condensed Consolidated Statements of Cash Flows**  
**(Unaudited)**  
**(in thousands)**

	Three Months Ended March 31,	
	2024	2023
<b>OPERATING ACTIVITIES:</b>		
Net income (loss)	\$ 21,024	\$ 3,231
Adjustments to reconcile net income (loss) to net cash flows provided by operating activities:		
Depreciation and amortization	11,020	10,850
Deferred income taxes	6,989	791
Gain on sale of assets	(2,016)	(18)
Amortization of deferred financing fees	241	241
Share-based compensation expense	756	237
Changes in assets and liabilities:		
Accounts receivable	14,328	13,344
Contract revenues in excess of billings	(26)	(15,379)
Inventories	(1,546)	(3,766)
Prepaid expenses and other current assets	(1,424)	(2,981)
Accounts payable and accrued expenses	2,730	4,000
Billings in excess of contract revenues	(11,495)	(2,530)
Other noncurrent assets and liabilities	(2,140)	(1,678)
Cash provided by operating activities	38,441	9,320
<b>INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	(11,912)	(33,629)
Proceeds from dispositions of property and equipment	3,641	55

Cash used in investing activities	(	(
	8,271	33,574
	)	)
<b>FINANCING ACTIVITIES:</b>		
Taxes paid on settlement of vested share awards	(	(
	681	335
)	)	)
Exercise of options and purchases from employee stock plans		
	862	562
Borrowing under revolving loans		
	—	75,000
Repayments of revolving loans	(	(
	30,000	25,000
)	)	)
Payments on finance lease obligations	(	(
	390	—
)	)	)
Cash (used in) provided by financing activities	(	(
	30,209	50,227
)	)	)
Net (decrease) increase in cash, cash equivalents and restricted cash	(	(
	39	25,973
)	)	)
Cash, cash equivalents and restricted cash at beginning of period		
	23,761	6,546
Cash, cash equivalents and restricted cash at end of period		
	<u>23,722</u>	<u>32,519</u>
	<u>\$</u>	<u>\$</u>
<b>Reconciliation of cash, cash equivalents and restricted cash</b>		
Cash and cash equivalents		
	<u>22,802</u>	<u>32,519</u>
	<u>\$</u>	<u>\$</u>
Restricted cash included in other long-term assets		
	920	—
Cash, cash equivalents and restricted cash at end of period		
	<u>23,722</u>	<u>32,519</u>
	<u>\$</u>	<u>\$</u>
<b>Supplemental Cash Flow Information</b>		
Cash paid for interest		
	<u>2,065</u>	<u>536</u>
	<u>\$</u>	<u>\$</u>
Cash paid (received) for income taxes		
	<u>176</u>	<u>45</u>
	<u>\$</u>	<u>\$</u>
)	)	)
<b>Non-cash Investing and Financing Activities</b>		
Property and equipment purchased but not yet paid		
	<u>4,288</u>	<u>3,755</u>
	<u>\$</u>	<u>\$</u>

See notes to unaudited condensed consolidated financial statements.

**GREAT LAKES DREDGE & DOCK CORPORATION AND SUBSIDIARIES**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**(Unaudited)**

**(dollar amounts in thousands, except per share amounts or as otherwise noted)**

**1. Basis of presentation**

The unaudited condensed consolidated financial statements and notes herein should be read in conjunction with the audited consolidated financial statements of Great Lakes Dredge & Dock Corporation and Subsidiaries (the "Company" or "Great Lakes") and the notes thereto, included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023. The condensed consolidated financial statements included herein have been prepared by the Company without audit, pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") have been condensed or omitted pursuant to the SEC's rules and regulations, although management believes that the disclosures are adequate and make the information presented not misleading. In the opinion of management, all adjustments, which are of a normal and recurring nature (except as otherwise noted), that are necessary to present fairly the Company's financial position as of March 31, 2024 and December 31, 2023, and its results of operations for the three months ended March 31, 2024 and 2023 and cash flows for the three months ended March 31, 2024 and 2023 have been included.

The components of costs of contract revenues include labor, equipment (including depreciation, maintenance, insurance and long-term rentals), subcontracts, fuel, supplies, short-term rentals and project overhead. Hourly labor is generally hired on a project-by-project basis. Costs of contract revenues vary significantly depending on the type and location of work performed and assets utilized.

The Company has

one

operating segment which is also the Company's reportable segment and reporting unit of which the Company tests goodwill for impairment. The Company performed its most recent test of impairment as of July 1, 2023 with no indication of impairment as of the test date. When performing the quantitative test, the Company assessed the fair values of its reporting unit using both a market-based approach and an income-based approach. The assessment used estimates based on assumptions that the Company believes to be reasonable, but such assumptions are subject to unpredictability and uncertainty. Likewise, changes in terminal value and discount rate assumptions, unfavorable economic environment or market conditions and other factors in the future may cause a different assessment. Changes in these estimates and assumptions could materially affect the determination of fair value, and may result in the impairment of goodwill in the event that actual results differ from those estimates. As of the test date, the fair value of the reporting unit was in excess of its carrying value by at least

10

%. The Company will continue to monitor for changes in facts or circumstances that may impact its estimates. The Company will perform its next scheduled annual impairment test of goodwill in the third quarter of 2024 should no triggering events occur which would require a test prior to the next annual test.

The condensed consolidated statements of operations and comprehensive income (loss) for the interim periods presented herein are not necessarily indicative of the results to be expected for the full year.

**Recently Issued Accounting Pronouncements**—In December 2023, Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, "Income Taxes (Topic 740)" ("ASU 2023-09"). The amendments in ASU 2023-09 address investor requests for more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. One of the amendments in ASU 2023-09 includes disclosure of, on an annual basis, a tabular rate reconciliation of (i) the reported income tax expense (or benefit) from continuing operations, to (ii) the product of the income (or loss) from continuing operations before income taxes and the applicable statutory federal income tax rate of the jurisdiction of domicile using specific categories, including separate disclosure for any reconciling items within certain categories that are equal to or greater than a specified quantitative threshold of

5

%. ASU 2023-09 also requires disclosure of, on an annual basis, the year to date amount of income taxes paid (net of refunds received) disaggregated by federal, state, and foreign jurisdictions, including additional disaggregated information on income taxes paid (net of refunds received) to an individual jurisdiction equal to or greater than

5

% of total income taxes paid (net of refunds received). The amendments in ASU 2023-09 are effective for annual periods beginning after December 15, 2024, and should be applied prospectively. Management is currently evaluating the impact of this guidance.

On January 1, 2024, we adopted FASB ASU 2023-07, "Segment Reporting (Topic 280)" ("ASU 2023-07"). The amendments in ASU 2023-07 improve financial reporting by requiring disclosure of incremental segment information on an annual and interim basis for all public entities to enable investors to develop more decision-useful financial analyses. ASU 2023-07 requires a public entity to report a measure of segment profit or loss that the chief operating decision maker (CODM) uses to assess segment performance and make decisions about allocating resources. ASU 2023-07 also requires other specified segment items and amounts, such as depreciation, amortization, and depletion expense, to be disclosed under certain circumstances. The amendments in ASU 2023-07 do not change or

remove those disclosure requirements. The amendments in ASU 2023-07 also do not change how a public entity identifies its operating segments, aggregates those operating segments, or applies the quantitative thresholds to determine its reportable segments. The amendments in ASU 2023-07 are effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024, adopted retrospectively. The adoption of ASU 2023-07 did not have a material effect on the Company's consolidated financial statements or disclosures.

## 2. Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net income (loss) attributable to common stockholders by the weighted-average number of common shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that it reflects the potential dilution that could occur if dilutive securities or other obligations to issue common stock were exercised or converted into common stock.

The computations for basic and diluted earnings (loss) per share are as follows:

	Three Months Ended March 31,	
	2024	2023
Net income (loss)	\$ 21,024	\$ 3,231
Weighted-average common shares outstanding — basic	66,729	66,264
Effect of stock options and restricted stock units	765	—
Weighted-average common shares outstanding — diluted	67,494	66,264
Earnings (loss) per share — basic	\$ 0.32	\$ 0.05
Earnings (loss) per share — diluted	\$ 0.31	\$ 0.05

For the three months ended March 31, 2024, there were

765 stock options ("NQSOs") and restricted stock units ("RSUs") included in the diluted weighted average common shares outstanding. For the three months ended March 31, 2023, there were

246 NQSOs and RSUs excluded from the diluted weighted average common shares outstanding because the Company incurred a loss during these periods.

For the three months ended March 31, 2024, there were

240 NQSOs and RSUs excluded from the calculation of diluted earnings per share based on the application of the treasury stock method, as such NQSOs and RSUs were determined to be anti-dilutive.

## 3. Accrued expenses

Accrued expenses at March 31, 2024 and December 31, 2023 were as follows:

	March 31, 2024	December 31, 2023
Insurance	\$ 13,960	\$ 12,521

Payroll and employee benefits

4,979  
11,986

Contract reserves

2,148  
3,964

Fuel hedge contracts

390  
2,918

Interest

6,101  
2,388

Income and other taxes

2,056  
1,900

Finance lease liabilities

1,640  
1,047

Other

1,210  
637

Total accrued expenses

\$  
32,484  
\$  
37,361

**4. Long-term debt**

*Credit agreement*

On July 29, 2022, the Company, Great Lakes Dredge & Dock Company, LLC, NASDI Holdings, LLC, Great Lakes Environmental & Infrastructure Solutions, LLC, Great Lakes U.S. Fleet Management, LLC, and Drews Services LLC (collectively, the "Credit Parties") entered into a second amended and restated revolving credit and security agreement (as amended, supplemented or otherwise modified

from time to time, the "Amended Credit Agreement") with certain financial institutions from time to time party thereto as lenders, PNC Bank, National Association, as Agent (the "Agent"), PNC Capital Markets, CIBC Bank USA, Bank of America, N.A. and Truist Securities, Inc., as Joint Lead Arrangers and Joint Bookrunners, CIBC Bank USA and Truist Bank as Co-Syndication Agents, Bank of America, N.A., as Documentation Agent and PNC Bank National Association, as Green Loan Coordinator. The Amended Credit Agreement amends and restates the prior Amended Credit Agreement dated as of May 3, 2019 by and among the financial institutions from time to time party thereto as lenders, the Agent and the Credit Parties party thereto such that the terms and conditions of the prior credit agreement have been subsumed and replaced in their entirety by the terms and conditions of the Amended Credit Agreement, including the amount available under the revolving credit facility. The terms of the Amended Credit Agreement are summarized below.

The Amended Credit Agreement provides for a senior secured revolving credit facility in an aggregate principal amount of up to \$

300,000

of which the full amount is available for the issuance of standby letters of credit. The maximum borrowing capacity under the Amended Credit Agreement is determined by a formula and may fluctuate depending on the value of the collateral included in such formula at the time of determination. The Amended Credit Agreement also includes an increase option that will allow the Company to increase the senior secured revolving credit facility by an aggregate principal amount of up to \$

100,000

. This increase is subject to lenders providing incremental commitments for such increase, the Credit Parties having adequate borrowing capacity and provided that no default or event of default exists both before and after giving effect to such incremental commitment increase.

The Amended Credit Agreement contains a green loan option where the Company can borrow at the lower interest rates described below so long as such funds are used to fund capital investments related to renewable energy and clean transportation projects and are consistent with green loan principles. The green loan option is subject to a \$

35,000  
sublimit.

The Amended Credit Agreement contains customary representations and affirmative and negative covenants, including a springing financial covenant that requires the Credit Parties to maintain a fixed charge coverage ratio (ratio of earnings before income taxes, depreciation and amortization, net interest expenses, non-cash charges and losses and certain other non-recurring charges, minus capital expenditures, income and franchise taxes, to net cash interest expense plus scheduled cash principal payments with respect to debt plus restricted payments paid in cash) of not less than

1.10

to 1.00. The springing financial covenant is triggered when the undrawn availability of the Amended Credit Agreement is less than

12.5

% of the maximum loan amount for five consecutive days. The Amended Credit Agreement also contains customary events of default (including non-payment of principal or interest on any material debt and breaches of covenants) as well as events of default relating to certain actions by the Company's surety bonding providers. The obligations of the Credit Parties under the Amended Credit Agreement will be unconditionally guaranteed, on a joint and several basis, by each existing and subsequently acquired or formed material direct and indirect domestic subsidiary of the Company. Borrowings under the Amended Credit Agreement will be used to pay fees and expenses related to the Amended Credit Agreement, finance acquisitions permitted under the Amended Credit Agreement, finance ongoing working capital, for other general corporate purposes, and with respect to any green loan, fund capital investments related to renewable energy and clean transportation projects. The Amended Credit Agreement matures on the earlier of July 29, 2027 or the date that is ninety-one (91) days prior to the scheduled maturity date of the Company's unsecured senior notes, which is currently June 1, 2029, if the Company fails to refinance its unsecured senior notes prior to their scheduled maturity date but only if such scheduled maturity date is prior to the maturity date of the Amended Credit Agreement.

The obligations under the Amended Credit Agreement are secured by substantially all of the assets of the Credit Parties. The outstanding obligations thereunder shall be secured by a valid first priority perfected lien on substantially all of the U.S. flagged and located vessels of the Credit Parties and a valid perfected lien on all domestic accounts receivable and substantially all other assets of the Credit Parties, subject to the permitted liens and interests of other parties (including the Company's surety bonding providers).

Interest on the senior secured revolving credit facility of the Amended Credit Agreement is equal to either a Domestic Rate option or Secured Overnight Financing Rate ("SOFR") option, at the Company's election. As of July 29, 2022, (a) the Domestic Rate option is the highest of (1) the base commercial lending rate of PNC Bank, National Association, as publicly announced, (2) the sum of the overnight bank funding rate plus

0.5

% and (3) the sum of the daily simple SOFR plus

1.0

%, so long as a daily Simple SOFR is offered, ascertainable and not unlawful and (b) the SOFR option is the rate that applies for the applicable interest period determined by the Agent and based on the rate published by the CME Group Benchmark Administration Limited (or a successor administrator). After the date on which a borrowing base certificate is required to be delivered under Section 9.2 of the Amended Credit Agreement (commencing with the fiscal quarter ending September 30, 2022), the Domestic Rate option will be the Domestic Rate plus an interest margin ranging between

0.25  
% and

0.75

% and the SOFR option will be the SOFR plus an interest margin ranging between

1.25  
% and

1.75

%, in each case, depending on the quarterly average undrawn availability on the Amended Credit Agreement. Additionally, the Company will have an option to borrow at Green Loan Advance Rates, each of which will be

0.05

% lower than the corresponding applicable rate if the Company certifies that it will use such proceeds to invest in renewable energy and clean transportation projects and it complies with green loan principles.

The Company had \$

60,000  
and \$

90,000  
borrowings on the revolver as of March 31, 2024 and December 31, 2023, respectively. There were \$

49,777

of letters of credit outstanding as of March 31, 2024 and December 31, 2023. The Company had \$

152,320  
and \$

122,320

of availability under the Amended Credit Agreement as of March 31, 2024 and December 31, 2023, respectively. Availability is suppressed by \$

37,903

as of March 31, 2024 and December 31, 2023, as a result of certain limitations of borrowing related to reserves and compliance with the Company's obligations set forth in the Amended Credit Agreement. Based on the aforementioned variable interest rate components, the weighted average interest rate on the revolver borrowings is

6.90  
% as of March 31, 2024.

See Note 9, "Subsequent events" for information regarding changes to the Company's long-term debt that occurred after March 31, 2024.

#### **Senior Notes and subsidiary guarantors**

In May 2021, the Company sold \$

325,000  
of unsecured

5.25  
% Senior Notes (the "2029 Notes") pursuant to a private offering. The 2029 Notes were priced to investors at par and will mature on June 1, 2029. The Company used the net proceeds from the offering, together with cash on hand, to redeem all \$

325,000  
aggregate principal amount of its outstanding

8.00  
% Senior Notes due 2022.

The Company's obligations under these 2029 Notes are guaranteed by each of the Company's existing and future

100  
% owned domestic subsidiaries that are co-borrowers or guarantors under the Amended Credit Agreement. Such guarantees are full, unconditional and joint and several. The parent company issuer has no independent assets or operations and all non-guarantor subsidiaries have been determined to be minor.

#### **5. Fair value measurements**

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. A fair value hierarchy has been established by GAAP that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The accounting guidance describes three levels of inputs that may be used to measure fair value:

Level 1—Quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company is exposed to counterparty credit risk associated with non-performance of its various derivative instruments. The Company's risk would be limited to any unrealized gains on current positions. To help mitigate this risk, the Company transacts only with counterparties that are rated as investment grade or higher. In addition, all counterparties are monitored on a continuous basis.

The Company utilizes the market approach to measure fair value for its financial assets and liabilities. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. At times, the Company holds certain derivative contracts that it uses to manage commodity price risk or foreign currency risk. The Company does not hold or issue derivatives for speculative or trading purposes. The fair values of these financial instruments are summarized as follows:

Fair Value Hierarchy Levels	Fair Value at			
	March 31, 2024		December 31, 2023	
	Assets	Liabilities	Assets	Liabilities
<b>Derivatives designated as cash flow hedging instruments:</b>				
Fuel hedge contracts				
	2	\$ —	390	\$ —
				2,918
Foreign currency exchange hedge contracts	2	\$ —	131	\$ 358
				—
Total derivatives		\$ —	\$ 521	\$ 358
				2,918
<b>Fuel hedge contracts</b>				
The Company is exposed to certain market risks, primarily commodity price risk as it relates to diesel fuel purchase requirements, which occur in the				

normal course of business. The Company enters into heating oil commodity swap contracts to hedge the risk that

fluctuations in diesel fuel prices could have an adverse impact on cash flows associated with its domestic dredging contracts. The Company's goal is to hedge approximately

80  
% of the eligible fuel requirements for work in dredging backlog.

As of March 31, 2024, the Company was party to various swap arrangements to hedge the price of a portion of its diesel fuel purchase requirements for work in its backlog to be performed through September 2025. As of March 31, 2024, there were

11.7  
million gallons remaining on these contracts representing forecasted domestic fuel purchases through September 2025. Under these swap agreements, the Company will pay fixed prices ranging from \$

2.35  
to \$

2.90  
per gallon.

At March 31, 2024 and December 31, 2023, the fair value liabilities of the fuel hedge contracts were estimated to be \$

390  
and \$

2,918  
, respectively, and are recorded in accrued expenses in the condensed consolidated balance sheets. For fuel hedge contracts considered to be highly effective, the gains reclassified to earnings from changes in fair value of derivatives, net of cash settlements and taxes, for the three months ended March 31, 2024 were \$

122  
. The remaining gains and losses included in accumulated other comprehensive loss at March 31, 2024 will be reclassified into earnings over the next eighteen months, corresponding to the period during which the hedged fuel is expected to be utilized. Changes in the fair value of fuel hedge contracts not considered highly effective are recorded as cost of contract revenues in the statement of operations. The fair values of fuel hedges are corroborated using inputs that are readily observable in public markets; therefore, the Company determines fair value of these fuel hedges using Level 2 inputs.

#### **Foreign currency exchange hedge contracts**

The Company is exposed to certain market risks, including foreign currency exchange rate risks related to the purchase of new vessel build materials in Europe. The Company enters into foreign currency exchange forward contracts to hedge the risk that fluctuations in the Euro in relation to the US Dollar could have an adverse impact on cash flows associated with its equipment builds.

As of March 31, 2024, the Company was party to various foreign exchange forward contract arrangements to hedge the purchase of materials through November 2024. As of March 31, 2024, there were

8.6  
million Euro of payments remaining on these hedge contracts. Under these hedge contracts, the Company will pay fixed prices ranging from \$

1.09  
to \$

1.13  
per Euro.

As of March 31, 2024 . the fair value liability of foreign currency exchange hedge contracts was \$

131  
and is recorded in accrued expenses in the condensed consolidated balance sheets. As of December 31, 2023, the fair value asset of foreign currency exchange hedge contracts was \$

358  
and is recorded in prepaid expenses and other current assets in the condensed consolidated balance sheets. For foreign currency exchange hedge contracts considered to be highly effective, the losses reclassified to earnings from changes in fair value of derivatives, net of cash settlements and taxes, for the three months ended March 31, 2024 were \$

36  
. The remaining gains and losses included in accumulated other comprehensive loss at March 31, 2024 will be reclassified into earnings over the next eight months, corresponding to the period during which the hedged currency is expected to be utilized. Changes in the fair value of foreign currency exchange hedge contracts not considered highly effective are recorded as other expenses in the statement of operations. The fair values of foreign currency exchange hedges are corroborated using inputs that are readily observable in public markets; therefore, the Company determines the fair value of these foreign currency exchange hedges using Level 2 inputs.

#### **Accumulated other comprehensive income (loss)**

Changes in the components of the accumulated balances of other comprehensive income (loss) are as follows:

	Three Months Ended March 31,	2024	2023
<b>Derivatives:</b>			
<b>Fuel Hedge Contracts</b>			
Reclassification of derivative (gains) losses to earnings—net of tax	(122	\$ 370	

Change in fair value of derivatives—net of tax		(	
	2,011		1,906
Net change in cash flow derivative fuel hedges—net of tax		)	(
	1,889		1,536
	<u>\$</u>	<u>\$</u>	<u>)</u>
<b>Foreign Currency Exchange Hedge Contracts</b>			
Reclassification of derivative gains to earnings—net of tax		(	
	\$ 36	\$ 42	)
Change in fair value of derivatives—net of tax		(	
	637		169
Net change in cash flow derivative foreign currency hedges—net of tax		(	
	601		127
Total net change in cash flow derivative hedges - net of tax		<u>\$</u>	<u>\$</u>
	<u>1,288</u>	<u></u>	<u>1,409</u>
	<u>)</u>	<u></u>	<u>)</u>

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Adjustments reclassified from accumulated balances of other comprehensive income (loss) to earnings are as follows:

	Statement of Operations Location	2024	2023	Three Months Ended March 31,
<b>Derivatives:</b>				
Fuel hedge contracts	Costs of contract revenues	( 163 \$ )	495 \$ )	( 495 \$ )
Foreign currency exchange hedge contracts	Other expense (income)	( 49 \$ )	52 \$ )	( 52 \$ )
	Income tax (provision) benefit	( 29 \$ )	112 \$ )	( 112 \$ )
		<u>85</u> \$ )	<u>331</u> \$ )	

#### **Other financial instruments**

The carrying value of financial instruments included in current assets and current liabilities approximates fair value due to the short-term maturities of these instruments. Based on timing of the cash flows and comparison to current market interest rates, the carrying value of the revolving credit agreement approximates fair value. In May 2021, the Company sold \$

325,000  
of the 2029 Notes, which were outstanding at March 31, 2024 (see Note 4, Long-term debt). The fair value of the 2029 Notes was \$

289,153  
at March 31, 2024, which is a Level 1 fair value measurement as the senior notes' value was obtained using quoted prices in active markets. It is impracticable to determine the fair value of outstanding letters of credit or performance, bid and payment bonds due to uncertainties as to the amount and timing of future obligations, if any.

#### **6. Share-based compensation**

On May 5, 2021, the Company's stockholders approved the Great Lakes Dredge & Dock Corporation 2021 Long-Term Incentive Plan (the "Incentive Plan"), which previously had been approved by the Company's board of directors subject to stockholder approval. The Incentive Plan replaces the 2017 Long-Term Incentive Plan (the "Prior Plan") and is largely based on the Prior Plan, but with updates to the available shares and other administrative changes. The Incentive Plan permits the granting of stock options, stock appreciation rights, restricted stock and restricted stock units to the Company's employees and directors for up to

1.5  
million shares of common stock, plus the number of shares that remained available for future grant under the Prior Plan as of the effectiveness of the Incentive Plan.

The Prior Plan permitted the granting of stock options, stock appreciation rights, restricted stock and restricted stock units to the Company's employees and directors for up to

3.3  
million shares of common stock, plus an additional

1.7  
million shares underlying equity awards issued under the 2007 Long-Term Incentive Plan. The Company may also issue share-based compensation as inducement awards to new employees upon approval of the Board of Directors and/or the applicable committee or committees thereof, as may be required.

During the three months ended March 31, 2024, the Company granted

676  
restricted stock units to certain employees. In addition, all non-employee directors on the Company's board of directors are paid a portion of their board-related compensation in stock grants or restricted stock units. Compensation cost charged to expense related to share-based compensation arrangements was \$

756  
and \$

237  
for the three months ended March 31, 2024 and 2023, respectively.

#### **7. Revenue**

At March 31, 2024, the Company had \$

879.4  
million of remaining performance obligations, which the Company refers to as total dredging backlog. Total dredging backlog does not include \$

203.0  
million of domestic low bids pending formal award and additional phases ("options") pending on projects currently in dredging backlog at March 31,

2024. Additionally, it does not include \$

44.6

million of performance obligations or \$

12.7

million of options pending award related to offshore wind contracts. Approximately

45

% of the Company's dredging backlog at March 31, 2024 is expected to be completed during the remainder of 2024, with the remaining balance expected to be completed between 2025 and 2026.

***Revenue by category***

The following series of tables presents the Company's revenue disaggregated by several categories.

Domestically, the Company's work generally is performed in coastal waterways and deep-water ports. The U.S. dredging market consists of four primary types of work: capital, coastal protection, maintenance and rivers & lakes. Foreign projects typically involve capital work.

The Company's contract revenues by type of work, for the periods indicated, are as follows:

	Three Months Ended March 31,	
Revenues	2024	2023
Dredging:		
Capital—U.S.	\$ 69,900	\$ 32,475
Coastal protection	\$ 63,926	\$ 51,305
Maintenance	64,411	71,928
Rivers & lakes	423	2,336
Total revenues	<u>198,660</u>	<u>158,044</u>

The Company's contract revenues by type of customer, for the periods indicated, are as follows:

	Three Months Ended March 31,	
Revenues	2024	2023
Dredging:		
Federal government	\$ 134,789	\$ 142,162
State and local government	47,700	15,882
Private	16,171	—
Total revenues	<u>198,660</u>	<u>158,044</u>

Accounts receivable at March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
Completed contracts		
	\$ 6,157	\$ 2,920
Contracts in progress	22,566	40,743
Retainage		
	12,123	11,511
Allowance for credit losses	( 364 )	( 364 )
	40,846	55,174

Total accounts receivable—net

	40,482	54,810
	<u>\$</u>	<u>\$</u>

The components of contracts in progress at March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
<b>Costs and earnings in excess of billings:</b>		
Costs and earnings for contracts in progress		
Amounts billed	\$ 477,609	\$ 206,330
	\$ (	(
	476,587	196,520
	)	)
Costs and earnings in excess of billings for contracts in progress	1,022	9,810
Costs and earnings in excess of billings for completed contracts	67,739	58,925
<b>Total contract revenues in excess of billings</b>		
	\$ 68,761	\$ 68,735
<b>Current portion of contract revenues in excess of billings</b>		
Long-term contract revenues in excess of billings	\$ 68,761	\$ 68,735
Total contract revenues in excess of billings	—	—
	\$ 68,761	\$ 68,735
<b>Billings in excess of costs and earnings:</b>		
Amounts billed	(	(
	54,924	258,948
	\$ )	\$ )
Costs and earnings for contracts in progress	36,858	229,388
<b>Total billings in excess of contract revenues</b>	(	(
	\$ 18,066	\$ 29,560
	\$ )	\$ )

At March 31, 2024 and December 31, 2023, costs to fulfill a contract with a customer recognized as an asset were \$

21,718  
and \$

22,166  
, respectively, and are recorded in other current assets and other noncurrent assets in the condensed consolidated balance

sheets. These costs relate to pre-contract and pre-construction activities. During the three months ended March 31, 2024 and 2023, the Company amortized \$

4,419  
and \$

3,666  
, respectively, of pre-construction costs.

## 8. Commitments and contingencies

### *Commercial commitments*

Performance and bid bonds are customarily required for dredging and marine construction projects. The Company has bonding agreements with Argonaut Insurance Company, ACE Holdings, Liberty Mutual Insurance Company and Philadelphia Indemnity Insurance Company, under which the Company can obtain performance, bid and payment bonds. The Company also has outstanding bonds with Travelers Casualty and Surety Company of America, Berkley Insurance Company and Zurich American Insurance Company. Bid bonds are generally obtained for a percentage of bid value and amounts outstanding typically range from \$

1,000  
to \$

10,000  
. At March 31, 2024, the Company had outstanding performance bonds with a notional amount of approximately \$

907,634  
. The revenue value remaining in dredging backlog related to the outstanding performance bonds totaled approximately \$

381,216  
.

Certain foreign projects performed by the Company have warranty periods, typically spanning no more than one to three years beyond project completion, whereby the Company retains responsibility to maintain the project site to certain specifications during the warranty period. Generally, any potential liability of the Company is mitigated by insurance, shared responsibilities with consortium partners, and/or recourse to owner-provided specifications.

### *Legal proceedings and other contingencies*

As is customary with negotiated contracts and modifications or claims to competitively bid contracts with the federal government, the government has the right to audit the books and records of the Company to ensure compliance with such contracts, modifications, or claims, and the applicable federal laws. The government has the ability to seek a price adjustment based on the results of such audit. Any such audits have not had, and are not expected to have, a material impact on the financial position, operations, or cash flows of the Company.

Various legal actions, claims, assessments and other contingencies arising in the ordinary course of business are pending against the Company and certain of its subsidiaries. The Company will defend itself vigorously on all matters. These matters are subject to many uncertainties, and it is possible that some of these matters could ultimately be decided, resolved, or settled adversely to the Company. Although the Company is subject to various claims and legal actions that arise in the ordinary course of business, except as described below, the Company is not currently a party to any material legal proceedings or environmental claims. The Company records an accrual when it is probable a liability has been incurred and the amount of loss can be reasonably estimated. The Company does not believe any of its proceedings, individually or in the aggregate, would be expected to have a material effect on results of operations, cash flows or financial condition.

### *Lease obligations*

The Company leases certain operating equipment and office facilities under long-term operating and financing leases expiring at various dates through 2030. The equipment leases contain renewal or purchase options that specify prices at the then fair value upon the expiration of the lease terms. The leases also contain default provisions that are triggered by an acceleration of debt maturity under the terms of the Company's Amended Credit Agreement, or, in certain instances, cross default to other equipment leases and certain lease arrangements require that the Company maintain certain financial ratios comparable to those required by its Amended Credit Agreement. Additionally, the leases typically contain provisions whereby the Company indemnifies the lessors for the tax treatment attributable to such leases based on the tax rules in place at lease inception. The tax indemnifications do not have a contractual dollar limit. To date, no lessors have asserted any claims against the Company under these tax indemnification provisions.

## 9. Subsequent events

Management has evaluated subsequent events through the date of issuance of these financial statements and has determined that there are no subsequent events outside the ordinary scope of business that require adjustment to, or disclosure in, the consolidated financial statements other than those disclosed below.

### *Second Lien Credit Agreement*

On April 24, 2024, the Credit Parties entered into a \$

150.0

million second lien credit agreement (as amended, supplemented or otherwise modified from time to time, the "Second Lien Credit Agreement") with Guggenheim Corporate Funding, LLC, on behalf of one or more clients, as the lender, and Guggenheim Credit Services, LLC as Administrative Agent, Collateral Agent and Lead Arranger. The Company borrowed \$

100.0

under the Second Lien Credit Agreement on the closing date and has the option to borrow an additional \$

50.0

million for a period of 12 months following the closing date of the initial loan. The net proceeds from the Second Lien Credit Agreement were used to repay amounts outstanding under the Amended Credit Agreement, to pay fees and expenses associated with the Second Lien Credit Agreement and ABL Amendment described below and for general corporate purposes,



including to fund upcoming new build payments. The Second Lien Credit Agreement matures on the earlier of April 24, 2029 and the date that is ninety-one (91) days prior to the scheduled maturity date of the Company's

5.25  
% Senior Notes due 2029.

*ABL Amendment*

On April 24, 2024, the Credit Parties, PNC Bank, National Association, as agent for the lenders, and certain financial institutions party thereto entered into an amendment to the ABL Credit Agreement (the "ABL Amendment"). The ABL Amendment (w) eliminates the Company's ability to increase the commitments under the senior secured revolving credit facility (x) modifies the pricing of loans and undrawn commitments, (y) adds a minimum liquidity covenant, for so long as the Second Lien Credit Agreement has not been prepaid and terminated, that requires the Credit Parties to maintain consolidated liquidity of (a) \$

12.5  
million at any time the fixed charge coverage ratio for the most recently ended four fiscal quarter period is less than

1.10  
to 1.00 and (b) \$

50.0  
million at any time the fixed charge coverage ratio for the most recently ended four fiscal quarters is greater than or equal to

1.10  
to 1.00 and (z) makes certain other customary changes in connection with the Credit Parties' entry into the Second Lien Credit Agreement.

For further discussion of the Second Lien Credit Agreement and ABL Amendment see the Company's current report on Form 8-K filed with the SEC on April 25, 2024.

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

### ***Cautionary note regarding forward-looking statements***

Certain statements in this Quarterly Report on Form 10-Q may constitute "forward-looking" statements as defined in Section 27A of the Securities Act of 1933 (the "Securities Act"), Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"), the Private Securities Litigation Reform Act of 1995 (the "PSLRA") or in releases made by the Securities and Exchange Commission ("SEC"), all as may be amended from time to time. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Great Lakes Dredge & Dock Corporation and its subsidiaries ("Great Lakes" or the "Company"), or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Statements that are not historical fact are forward-looking statements. Forward-looking statements can be identified by, among other things, the use of forward-looking language, such as the words "plan," "believe," "expect," "anticipate," "intend," "estimate," "project," "may," "would," "could," "should," "seeks," or "scheduled to," or other similar words, or the negative of these terms or other variations of these terms or comparable language, or by discussion of strategy or intentions.

These cautionary statements are being made pursuant to the Securities Act, the Exchange Act and the PSLRA with the intention of obtaining the benefits of the "safe harbor" provisions of such laws. Great Lakes cautions investors that any forward-looking statements made by Great Lakes are not guarantees or indicative of future performance. Important assumptions and other important factors that could cause actual results to differ materially from those forward-looking statements with respect to Great Lakes, include, but are not limited to, risks and uncertainties that are described in Item 1A. "Risk Factors" of Great Lakes' Annual Report on Form 10-K for the year ended December 31, 2023 and in other securities filings by Great Lakes with the SEC.

Although Great Lakes believes that its plans, intentions, and expectations reflected in or suggested by such forward-looking statements are reasonable, actual results could differ materially from a projection or assumption in any forward-looking statements. Great Lakes' future financial condition and results of operations, as well as any forward-looking statements, are subject to change and inherent risks and uncertainties. The forward-looking statements contained in this Quarterly Report on Form 10-Q are made only as of the date hereof and Great Lakes does not have or undertake any obligation to update or revise any forward-looking statements whether as a result of new information, subsequent events or otherwise, unless otherwise required by law.

### ***General***

Great Lakes is the largest provider of dredging services in the United States which is complemented with a long history of performing significant international projects. The Company is also fully engaged in expanding its core business into the rapidly developing offshore wind energy industry. The Company operates in one operating segment, which is also the Company's one reportable segment and reporting unit.

Dredging generally involves the enhancement or preservation of the navigability of waterways or the protection of shorelines through the removal or replenishment of soil, sand or rock. Domestically, the Company's work generally is performed in coastal waterways and deep water ports. The U.S. dredging market consists of four primary types of work: capital, coastal protection, maintenance and rivers & lakes.

The Company's bid market is defined as the aggregate dollar value of domestic dredging projects on which the Company bid or could have bid if not for capacity constraints or other considerations ("bid market"). The Company experienced an average combined bid market share in the U.S. of 33% over the three-year period ended December 31, 2023, including 36%, 56%, 23% and 22% of the domestic capital, coastal protection, maintenance and rivers & lakes sectors, respectively, exclusive of liquefied natural gas ("LNG") projects.

The Company's largest domestic customer is the U.S. Army Corps of Engineers (the "Corps"), which has responsibility for federally funded projects related to navigation and flood control of U.S. waterways. In the first three months of 2024, the Company's dredging revenues earned from contracts with federal government agencies, including the Corps as well as other federal entities such as the U.S. Coast Guard and the U.S. Navy, were approximately 68% of dredging revenues, below the average of the three-year period ended December 31, 2023 of 74%. The decrease in the federal government revenue percentage is a result of additional revenues from state and local governments and private customers in the first quarter of 2024.

The Company's vessels are subject to periodic regulatory dry dock inspections to verify that the vessels have been maintained in accordance with the rules of the U.S. Coast Guard and the American Bureau of Shipping ("ABS") and that recommended repairs have been satisfactorily completed. Regulatory dry dock frequency is a statutory requirement mandated by the U.S. Coast Guard and the ABS. The Company's vessels undergo regulatory dry-docks every two to three years or every five years, depending on the vessel type and may also go into dry dock on an as-needed basis for upgrades, maintenance and repairs. During the first quarter of 2024, the Company commenced a regulatory dry dock inspection on one dredge, in preparation for one of the Company's LNG projects in

backlog. By comparison, the Company experienced a regulatory dry dock inspection on one dredge in the first quarter of 2023. The Company has planned for two dredges to commence regulatory dry dock inspections in the second quarter of 2024.

As of the end of the first quarter of 2024, the Company had two major dredges cold stacked. The cold stacked equipment can be easily reactivated when market conditions are favorable for the Company. During the second quarter of 2024, the Company has begun the reactivation of one of the previously cold stacked vessels in anticipation of commencing a contract later in 2024.

The Company plans to participate in the offshore wind market, and in November 2021, the Company entered into a \$197 million contract with Philly Shipyard to build the first U.S. flagged Jones Act compliant, inclined fall-pipe vessel for subsea rock installation for wind turbine foundations, the *Acadia*, which is expected to be delivered and operational in 2025. This vessel represents a significant critical advancement in building the U.S. logistics infrastructure to support the future of the new U.S. offshore wind industry. Additionally, in July 2023, the Company announced the signing of the first ever subcontract for procurement of rock with Carver Sand & Gravel LLC, a U.S. quarry in the state of New York. Both milestones solidify our entry into the offshore wind market and are expected to support Great Lakes' awarded rock installation contract for Empire Wind I which has an estimated installation window in 2025. In December 2023, Great Lakes was awarded another rock installation contract to perform subsea rock cable protection, a new utilization for this vessel, on an offshore wind project off the East Coast of the United States with contracted work expected to begin in 2026. Offshore wind has been recognized around the world as a reliable source of renewable energy. The Company continues to pursue and tender bids, both domestically and internationally, on multiple offshore wind projects for the *Acadia*.

The offshore wind market reached historic milestones in the first quarter of 2024, with two commercial-scale offshore wind farms becoming operational and supplying power to the grid in New York and Massachusetts. In March 2024, the South Fork Wind project was completed, with all 12 offshore wind turbines constructed and the wind farm successfully delivering power to Long Island and the Rockaways. In February 2024, the Vineyard Wind project, located about 14 miles off Martha's Vineyard, completed installation of five turbines and is supplying power to the New England grid, while continuing to install additional turbines. In October 2023, New York awarded 4 gigawatts ("GW") of offshore wind power offtake agreements. In an accelerated fourth bidding round, in February 2024, additional 3 GW of power were awarded by New York. Empire Wind I and Sunrise Wind were both awarded new power offtake agreements as part of the latest New York solicitation round. Notably, the Company has been awarded rock installation contracts for both projects, and expects to be using the *Acadia* to protect and stabilize foundations and cables for these projects with combined capacity of 1.7 GW. New Jersey also awarded 3.7 GW of power purchase agreements in January 2024, and the results of the tri-state (Massachusetts, Rhode Island, and Connecticut) solicitation for 6 GW of offshore wind are expected in the third quarter of 2024.

#### **Results of operations**

The following tables set forth the components of net income (loss) and Adjusted EBITDA, as defined below, as a percentage of contract revenues for the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31,	
	2024	2023
Contract revenues	100.0 %	100.0 %
Costs of contract revenues	(77.1)	(92.3)
Gross profit	22.9	7.7
General and administrative expenses	8.1	8.2
Other gains	(1.0)	—
Operating income (loss)	15.8	(0.5)
Interest expense—net	(2.0)	(2.1)
Other income	0.2	0.1
Income (loss) before income taxes	14.0	(2.5)
Income tax (provision) benefit	(3.5)	0.5
Net income (loss)	<u>10.5</u>	<u>(2.0)</u>
Adjusted EBITDA	<u><u>21.6 %</u></u>	<u><u>6.5 %</u></u>

Adjusted EBITDA, as provided herein, represents net income (loss) from continuing operations, adjusted for net interest expense, income taxes, depreciation and amortization expense, debt extinguishment, accelerated maintenance expense for new international deployments, goodwill or asset impairments and gains on bargain purchase acquisitions. Adjusted EBITDA is not a measure derived in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Company presents

Adjusted EBITDA as an additional measure by which to evaluate the Company's operating trends. The Company believes that Adjusted EBITDA is a measure frequently used to evaluate performance of companies with substantial leverage and that the Company's primary stakeholders (i.e., its stockholders, bondholders and banks) use Adjusted EBITDA to evaluate the Company's period to period performance. Additionally, management believes that Adjusted EBITDA provides a transparent measure of the Company's recurring operating performance and allows management and investors to readily view operating trends, perform analytical comparisons and identify strategies to improve operating performance. For this reason, the Company uses a measure based upon Adjusted EBITDA to assess performance for purposes of determining compensation under the Company's incentive plan. Adjusted EBITDA should not be considered an alternative to, or more meaningful than, amounts determined in accordance with GAAP including: (a) operating income as an indicator of operating performance; or (b) cash flows from operations as a measure of liquidity. As such, the Company's use of Adjusted EBITDA, instead of a GAAP measure, has limitations as an analytical tool, including the inability to determine profitability or liquidity due to the exclusion of accelerated maintenance expense for new international deployments, goodwill or asset impairments, gains on bargain purchase acquisitions, interest and income tax expense and the associated significant cash requirements and the exclusion of depreciation and amortization, which represent significant and unavoidable operating costs given the level of indebtedness and capital expenditures needed to maintain the Company's business. For these reasons, the Company uses operating income (loss) to measure the Company's operating performance and uses Adjusted EBITDA only as a supplement.

The following is a reconciliation of Adjusted EBITDA to net income (loss):

	Three Months Ended March 31,	
	2024	2023
(in thousands)		
Net income (loss)	\$ 21,024	\$ (3,231)
Adjusted for:		
Interest expense—net	3,891	3,385
Income tax provision (benefit)	6,989	(791)
Depreciation and amortization	11,020	10,850
Adjusted EBITDA	<u>\$ 42,924</u>	<u>\$ 10,213</u>

The Company's contract revenues by type of work, for the periods indicated, were as follows:

Revenues (in thousands)	Three Months Ended March 31,		
	2024	2023	Change
<b>Dredging:</b>			
Capital—U.S.	\$ 69,900	\$ 32,475	115.2%
Coastal protection	63,926	51,305	24.6%
Maintenance	64,411	71,928	(10.5)%
Rivers & lakes	423	2,336	(81.9)%
Total revenues	<u>\$ 198,660</u>	<u>\$ 158,044</u>	<u>25.7%</u>

Total revenue was \$198.7 million for the three months ended March 31, 2024, up \$40.7 million, or 26%, from \$158.0 million for the same period in the prior year. For the three months ended March 31, 2024, the Company experienced a significant increase in domestic capital and coastal protection revenues as compared to the same period in the prior year. This increase was partially offset by a decrease in maintenance and rivers & lakes revenues during the first quarter of 2024 as compared to the same period in the prior year.

Capital dredging consists primarily of port expansion projects, which involve the deepening of channels and berthing basins to allow access by larger, deeper draft ships and the provision of land fill used to expand port facilities. In addition to port work, capital projects also include coastal restoration and land reclamations, trench digging for pipelines, tunnels and cables, and other dredging related to the construction of breakwaters, jetties, canals and other marine structures. For the three months ended March 31, 2024, domestic capital dredging revenue was \$69.9 million, up \$37.4 million, or 115%, compared to \$32.5 million for the same period in 2023. The increase in capital dredging revenues for the three months ended March 31, 2024 was mostly due to a higher amount of revenue earned on projects in Texas and Virginia in the first quarter of 2024 when compared to the same period in the prior year.

Coastal protection projects involve moving sand from the ocean floor to shoreline locations where erosion threatens shoreline assets. Coastal protection revenue for the quarter ended March 31, 2024 was \$63.9 million, an increase of \$12.6 million, or 25%, compared to \$51.3 million in the prior year period. The increase in coastal protection revenues for the three months ended March 31, 2024 was attributable to an increase in the amount of revenue earned on projects in Alabama and New York in the current year when compared

to the prior year period. This increase was partially offset by lower revenue earned on projects in Florida and New Jersey in the current quarter.

Maintenance dredging consists of the re-dredging of previously deepened waterways and harbors to remove silt, sand and other accumulated sediments. Due to natural sedimentation, most channels generally require maintenance dredging every one to three years, thus creating a recurring source of dredging work that is typically non-deferrable if optimal navigability is to be maintained. In addition, severe weather such as hurricanes, flooding and droughts can also cause the accumulation of sediments and drive the need for maintenance dredging. Maintenance revenue for the first quarter of 2024 was \$64.4 million, down \$7.5 million, or 10%, from \$71.9 million in the same period of 2023. The decrease in maintenance revenues for the three months ended March 31, 2024 was mostly attributable to a decrease in revenue earned on projects in North Carolina, South Carolina and New York when compared with prior year quarter. This decrease was slightly offset by an increase in revenue earned on projects in Louisiana and Puerto Rico in the current year quarter.

Rivers & lakes dredging and related operations typically consist of lake and river dredging, inland levee and construction dredging, environmental restoration and habitat improvement and other marine construction projects. During the three months ended March 31, 2024, rivers & lakes revenue was \$0.4 million, a decrease of \$1.9 million, or 83%, from \$2.3 million during the same period of 2023. The decrease in river & lakes revenue for the three months ended March 31, 2024 was mostly attributable to a decrease in revenue earned on a project in Arkansas as compared to same period of 2023.

Consolidated gross profit for the three months ended March 31, 2024 was \$45.6 million, up \$33.5 million, or 277%, compared to \$12.1 million in same period of 2023. Gross profit margin for the three months ended March 31, 2024 increased to 22.9% from 7.7% in the same period in the prior year. The higher gross profit experienced for the three months ended March 31, 2024 was driven by improved utilization and project performance as well as fewer drydockings in the current year quarter.

During the three months ended March 31, 2024, general and administrative expenses were \$16.1 million, an increase of \$3.1 million compared to the same period in the prior year, which totaled \$13.0 million. For the three months ended March 31, 2024, general and administrative expenses include higher stock compensation and employee benefit expenses, partially offset by lower severance and office expenses.

Operating income for the first quarter of 2024 was \$31.5 million, up \$32.4 million from operating loss of \$0.9 million in the same period of the prior year. The increase in operating income for the three months ended March 31, 2024 was a result of higher gross profit, as well as gain on sale of assets in the current quarter when compared to the same period in the prior year, partially offset by higher general and administrative expenses in the current quarter when compared to the same period in the prior year.

For the three months ended March 31, 2024, net interest expense was \$3.9 million, \$0.5 million higher compared to \$3.4 million for the same period in the prior year. The increase in net interest expense for the three months ended March 31, 2024 was primarily due to higher borrowings on our revolving credit facility.

Income tax provision for the three months ended March 31, 2024 was \$7.0 million compared to an income tax benefit of \$0.8 million for the same period in the prior year. The effective tax rate for the three months ended March 31, 2024 was 24.9%, as compared to the effective tax rate of 19.7% for the same period of 2023.

Net income for the three months ended March 31, 2024 was \$21.0 million, an increase of \$24.2 million, or 756%, from a net loss of \$3.2 million for the same period in the prior year. Diluted earnings per share were \$0.31 for the three months ended March 31, 2024, compared to a diluted loss per share of \$0.05 for the three months ended March 31, 2023. The increase in net income for the three months ended March 31, 2024 was primarily driven by the substantial improvement to gross profit and the gain on sale of assets. This increase was slightly offset by an increases in general and administrative expenses and the income tax provision.

Adjusted EBITDA (as defined on page 18) for the three months ended March 31, 2024 was \$42.9 million, up \$32.7 million, from \$10.2 million in the same quarter in the prior year. The increase in Adjusted EBITDA during the first quarter of 2024 was driven by the increase in gross profit, excluding depreciation partially offset by an increase in general and administrative expense.

### Bidding activity and backlog

The following table sets forth, by type of work, the Company's backlog as of the dates indicated:

Backlog (in thousands)	March 31, 2024	December 31, 2023	March 31, 2023
Dredging:			
Capital - U.S.	\$ 680,110	\$ 741,839	\$ 118,895
Coastal protection	84,742	138,394	62,051
Maintenance	108,231	152,104	143,131
Rivers & lakes	6,342	6,765	3,070
Total backlog	\$ 879,425	\$ 1,039,102	\$ 327,147

Total dredging backlog does not include \$203.0 million of domestic low bids pending formal award and additional phases ("options") pending on projects currently in dredging backlog at March 31, 2024. Additionally, it does not include \$44.6 million of performance obligations or \$12.7 million of options pending award related to offshore wind contracts. The Company expects to perform on its offshore wind contracts using the *Acadia*, which is expected to be delivered and operational in 2025.

The Company's contract backlog represents our estimate of the revenues that will be realized under the portion of the contracts remaining to be performed. These estimates are based primarily upon the time and costs required to mobilize the necessary assets to and from the project site, the amount and type of material to be dredged and the expected production capabilities of the equipment performing the work. However, these estimates are necessarily subject to variances based upon actual circumstances. Because of these factors, as well as factors affecting the time required to complete each job, backlog is not always indicative of future revenues or profitability. Additionally, 29% of our March 31, 2024 dredging backlog relates to federal government contracts, which can be canceled at any time without penalty to the government, subject to our contractual right to recover our actual committed costs and profit on work performed up to the date of cancellation. Our backlog may fluctuate significantly from quarter to quarter based upon the type and size of the projects we are awarded from the bid market. A quarterly increase or decrease of our backlog does not necessarily result in an improvement or a deterioration of our business. Our backlog includes only those projects for which we have obtained a signed contract with the customer.

In March 2024, President Biden signed the Energy and Water Appropriations Bill into law which provides a record \$8.7 billion in total funding to the U.S. Army Corps of Engineers (the "Corps") for fiscal year 2024. This funding includes \$5.6 billion for the Corps' Operations and Maintenance work, \$2.8 billion for the Harbor Maintenance Trust Fund to maintain and modernize our nation's waterways, \$2.2 billion for flood and storm damage reduction, and \$18 million for Beneficial Use of Dredged Material. In addition, the Disaster Relief Supplemental Appropriations Act for fiscal year 2023 was previously approved which included \$1.48 billion for the Corps to make necessary repairs to infrastructure impacted by hurricanes and other natural disasters, and to initiate beach renourishment projects that will increase coastal resiliency. We expect this increased budget and additional funding will continue to support a strong bid market for 2024. Although first quarter bids were lower than anticipated, we expect bidding to increase and budgeted appropriations to support the funding of several capital port improvement projects that are still expected to bid in the first half of 2024, including Sabine and Mobile.

At the end of 2022, the Water Resources Development Act of 2022, or WRDA 2022, was approved by Congress and signed into law by the President. WRDA 2022 is on a two-year renewal cycle and includes legislation that authorizes the financing of Corps' projects for flood and hurricane protection, dredging, ecosystem restoration and other construction projects. Among many other things, WRDA 2022 featured authorization for New York and New Jersey shipping channels to be deepened to 55 feet, estimated at \$6 billion, as well as the Coastal Texas Protection and Restoration Program, estimated at \$34.4 billion. The Coastal Texas Protection and Restoration Program includes dune and marsh restoration to safeguard the Texas Gulf Coast from hurricane surges. In addition, this legislation includes policy changes that will allow future port, waterways and coastal projects to be more readily approved and funded.

The domestic dredging bid market for the quarter ended March 31, 2024 was \$311.8 million, a \$11.2 million decrease compared to the same period in the prior year. Total domestic dredging bid market for the current year period included awards for two domestic capital projects, two coastal protection projects, four maintenance projects, and one river maintenance projects. The total domestic dredging bid market through March 31, 2024 was \$311.8 million, of which the Company won 3.0%, which is below the Company's average of 33% for the three-year period ended December 31, 2023. Variability in contract wins from quarter to quarter is not unusual and one quarter's win rate is generally not indicative of the win rate the Company is likely to achieve for a full year.

The Company's contracted dredging backlog was \$879.4 million at March 31, 2024 compared to \$1,039.1 million of dredging backlog at December 31, 2023. Total dredging backlog does not include \$203.0 million of domestic low bids pending formal award and options pending on projects currently in dredging backlog at March 31, 2024. Additionally, it does not include \$44.6 million of performance obligations or \$12.7 million of options pending award related to offshore wind contracts. At December 31, 2023, the amount of domestic low bids and options pending award was \$224.0 million. Included in the March 31, 2024 backlog are two LNG

projects, including the Rio Grande LNG project, which is the largest project undertaken in the Company's history, and the Port Arthur LNG Phase 1 project for Marine Dredging and Disposal. Subcontractor work has begun on both of these LNG projects and dredging work is anticipated to start in the middle of 2024.

Domestic capital dredging backlog at March 31, 2024 was \$680.1 million, a decrease of \$61.7 million from December 31, 2023. During the three months ended March 31, 2024 no additions were made to our capital dredging backlog. During the three months ended March 31, 2024, the Company continued to earn revenue on deepening projects in Virginia and Texas. Government funded projects coming into the pipeline include Sabine, Mobile and Houston. These deepenings continue the trend of ensuring all East Coast and Gulf of Mexico ports will be able to accommodate the deeper draft vessels currently used on several trade routes. In addition, multiple project phases for port deepenings in Norfolk and the Houston ship channel are expected to continue for the next several years. The nation's governors continue to show commitment to their respective ports through engagement and funding. Finally, Congress has also shown a commitment to ports and waterways, providing record annual budgets for the Corps for port deepening and channel maintenance. In addition to this port work, a greater amount of coastal restoration and rehabilitation projects are being funded in the Gulf Coast region as the states utilize monies for ecosystem priorities, a portion of which is allocated to dredging.

Coastal protection dredging backlog at March 31, 2024 was \$84.7 million, a decrease of \$53.7 million from December 31, 2023. During the three months ended March 31, 2024 no additions were made to our coastal protection backlog. During the three months ended March 31, 2024, the Company continued to earn revenue on coastal protection projects in New York, New Jersey, Alabama and Florida, which were in dredging backlog at December 31, 2023. Coastal protection and storm impacts continue to provide the major impetus for coastal project investment at federal and state levels. Strong hurricane and storm seasons have resulted in an increase in beach erosion and other damage which adds to the recurring nature of our business and the need for more frequent coastal protection and port maintenance projects.

Maintenance dredging backlog at March 31, 2024 was \$108.2 million, a decrease of \$43.9 million from December 31, 2023. In the three months ended March 31, 2024, the Company was awarded one maintenance project for a total of \$9.3 million in Florida. During the three months ended March 31, 2024, the Company continued to earn revenue on projects in Louisiana, Texas, Mississippi, Puerto Rico, Florida and New York that were in dredging backlog at December 31, 2023.

Rivers & lakes backlog at March 31, 2024 was \$6.3 million, a decrease of \$0.4 million compared to rivers & lakes backlog at December 31, 2023. For the three months ended March 31, 2024, the Company continued to earn revenue on a project Arkansas which were in dredging backlog at December 31, 2023.

#### **Liquidity and capital resources**

The Company continues to actively manage its liquidity. The Company's principal sources of liquidity are net cash flows provided by operating activities, proceeds from previous issuances of long-term debt, and draws on our revolver. The Company's principal uses of cash are to meet debt service requirements, finance capital expenditures, provide working capital and other general corporate purposes.

The Company's cash provided by operating activities for the three months ended March 31, 2024 and 2023 was \$38.4 million and \$9.3 million, respectively. Normal increases or decreases in the level of working capital relative to the level of operational activity impact cash flow from operating activities. The increase in cash provided by operating activities during the three months ended March 31, 2024, relates primarily to significantly higher current period earnings, deferred income taxes and contract revenue in excess of billing in the current year offset by the increases in billing in excess of contract revenue and changes in working capital compared to the same period in the prior year.

The Company's cash flows used in investing activities for the three months ended March 31, 2024 and 2023 were \$8.3 million and \$33.6 million, respectively. Investing activities primarily relate to investments in our new build program, normal course upgrades and capital maintenance of the Company's dredging fleet. During the three months ended March 31, 2024, the Company invested \$3.4 million in the *Galveston Island*, \$0.7 million in the *Amelia Island* and \$7.0 million in the *Acadia*, as well as maintenance capital expenditures. These investments were partially offset by the disposition of certain equipment for approximately \$3.6 million during the quarter.

The Company's cash flows (used in) provided by financing activities for the three months ended March 31, 2024 and 2023 totaled a use of \$30.2 million and proceeds of \$50.2 million, respectively. The increase in net cash flows (used in) financing activities is primarily due to net repayments on the Company's revolving debt facility during the three months ended March 31, 2024 of \$30.0 million, compared to net borrowings of \$50.0 million on the Company's revolving debt facility during the three months ended March 31, 2023. On April 24, 2024, the Credit Parties entered into a \$150.0 million second lien credit agreement (as amended, supplemented or otherwise modified from time to time, the "Second Lien Credit Agreement") with Guggenheim Corporate Funding, LLC, on behalf of one or more clients, as the lender, and Guggenheim Credit Services, LLC as Administrative Agent, Collateral Agent and Lead Arranger. The Company borrowed \$100.0 under the Second Lien Credit Agreement on the closing date and has the option to borrow an additional \$50.0 million for a period of 12 months following the closing date of the initial loan. The net proceeds from the Second

Lien Credit Agreement were used to repay amounts outstanding under the Amended Credit Agreement, to pay fees and expenses associated with the Second Lien Credit Agreement and ABL Amendment and for general corporate purposes, including to fund upcoming new build payments.

The Company expects to spend between approximately \$170 million and \$195 million on capital expenditures in 2024 which is comprised of vessels in our new build program and maintenance capital expenditures. The Company anticipates that remaining new build program payments will be made with cash on hand, future cash flows generated from operations, revolver availability, proceeds from the Second Lien Credit Agreement and potential new sources of financing.

#### ***Commitments, contingencies and liquidity matters***

Refer to Note 4, Long-term debt, in the Notes to Condensed Consolidated Financial Statements for discussion of the Company's Amended Credit Agreement and 2029 Notes. Additionally, refer to Note 8, Commitments and contingencies, in the Notes to Condensed Consolidated Financial Statements for discussion of the Company's surety agreements.

The availability of additional financing will depend on a variety of factors such as market conditions, the general availability of credit, the volume of trading activities, our credit ratings and credit capacity, as well as the possibility that customers or lenders could develop a negative perception of our long- or short-term financial prospects if the level of our business activity decreased due to a market downturn. If internal sources of liquidity prove to be insufficient, we may not be able to successfully obtain additional financing on favorable terms, or at all. During the second quarter of 2024, Moody's Investor Services changed our outlook from negative to stable and reaffirmed our corporate credit rating at B2, and S&P Global Ratings changed our outlook from negative to stable and reaffirmed our corporate credit rating at CCC+. These credit ratings are below investment grade and could raise our cost of financing. As a consequence, we may not be able to issue additional debt in amounts and/or with terms that we consider to be reasonable. One or more of these occurrences could limit our ability to pursue other business opportunities.

The Company believes its cash and cash equivalents, its anticipated cash flows from operations and availability under its revolving credit facility and the option to borrow additional funds under the Second Lien Credit Agreement will be sufficient to fund the Company's operations, capital expenditures and the scheduled debt service requirements for the next twelve months. Beyond the next twelve months, the Company's ability to fund its working capital needs, planned capital expenditures, scheduled debt payments and dividends, if any, and to comply with all the financial covenants under the Amended Credit Agreement, Second Lien Credit Agreement and bonding agreements, depends on its future operating performance and cash flows, which in turn, are subject to prevailing economic conditions and to financial, business and other factors, some of which are beyond the Company's control.

#### ***Critical accounting policies and estimates***

In preparing its consolidated financial statements, the Company follows GAAP, which is described in Note 1, Basis of presentation, to the Company's Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023. The application of these principles requires significant judgments or an estimation process that can affect the results of operations, financial position and cash flows of the Company, as well as the related footnote disclosures. The Company continually reviews its accounting policies and financial information disclosures. Except as noted in Note 1, Basis of presentation, of the Company's financial statements, there have been no material changes in the Company's critical accounting policies or estimates since December 31, 2023.

**Item 3. Quantitative and Qualitative Disclosures about Market Risk.**

The market risk of the Company's financial instruments as of March 31, 2024 has not materially changed since December 31, 2023. The market risk profile of the Company on December 31, 2023 is disclosed in Item 7A. "Quantitative and Qualitative Disclosures about Market Risk" of the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

**Item 4. Controls and Procedures.****a) Evaluation of disclosure controls and procedures.**

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures, as required by Rule 13a-15(b) and 15d-15(b) under the Securities Exchange Act of 1934 (the "Exchange Act") as of March 31, 2024. Our disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act (a) is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding disclosure and (b) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

Our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2024 in providing such a reasonable assurance.

**b) Changes in internal control over financial reporting.**

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the fiscal quarter ended 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.**

See Note 8, Commitments and contingencies, in the Notes to Condensed Consolidated Financial Statements.

### **Item 1A. Risk Factors.**

There have been no material changes during the three months ended March 31, 2024 to the risk factors previously disclosed in Item 1A. "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

### **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

None.

### **Item 3. Defaults Upon Senior Securities.**

None.

### **Item 4. Mine Safety Disclosures.**

Not applicable.

### **Item 5. Other Information.**

#### *Securities Trading Plans of Executive Officers and Directors*

Rule 10b5-1 under the Exchange Act provides an affirmative defense that enables pre-arranged transactions in securities in a manner that avoids concerns about initiating transactions at a future date while possibly in possession of material nonpublic information. Our Securities Trading and Disclosure of Confidential Information policy permits our officers and directors to enter into trading plans designed to comply with Rule 10b5-1.

During the quarterly period ended March 31, 2024, none of our officers (as defined in Rule 16a-1(f) under the Exchange Act) or directors adopted or terminated a Rule 10b5-1 trading plan or adopted or terminated a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K).

## Item 6. Exhibits

Number	Document Description
<a href="#">10.1</a>	<a href="#">Second Lien Credit Agreement, dated April 24, 2024 (Incorporated by reference to Great Lakes Dredge &amp; Dock Corporation's Current Report on Form 8-K filed with the Commission on April 25, 2024). ***</a>
<a href="#">10.2</a>	<a href="#">Amendment No. 1 to Second Amended and Restated Revolving Credit and Security Agreement, dated April 24, 2024 (Incorporated by reference to Great Lakes Dredge &amp; Dock Corporation's Current Report on Form 8-K filed with the Commission on April 25, 2024). ***</a>
<a href="#">31.1</a>	<a href="#">Certification Pursuant to Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. *</a>
<a href="#">31.2</a>	<a href="#">Certification Pursuant to Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. *</a>
<a href="#">32.1</a>	<a href="#">Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. **</a>
<a href="#">32.2</a>	<a href="#">Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. **</a>
101	Interactive Data Files pursuant to Rule 405 of Regulation S-T formatted in Inline Extensible Business Reporting Language ("Inline XBRL") *
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101) *

\* Filed herewith

\*\* Furnished herewith

\*\*\* Previously filed

**SIGNATURE**

Pursuant to the requirements 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.

Great Lakes Dredge & Dock Corporation  
(registrant)

By: /s/ SCOTT KORNBLAU

Scott Kornblau  
Senior Vice President and Chief Financial Officer  
(Principal Financial Officer and Duly Authorized Officer)

Date: May 7, 2024

CERTIFICATIONS PURSUANT TO  
SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002

CERTIFICATION

I, Lasse J. Petterson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Great Lakes Dredge & Dock Corporation;
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 annual 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.

Date: May 7, 2024

/s/ LASSE J. PETTERSON  
Lasse J. Petterson  
President and Chief Executive Officer

CERTIFICATIONS PURSUANT TO  
SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002

CERTIFICATION

I, Scott Kornblau, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Great Lakes Dredge & Dock Corporation;
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 annual 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.

Date: May 7, 2024

/s/ SCOTT KORNBLAU  
\_\_\_\_\_  
Scott Kornblau  
Senior Vice President and Chief Financial Officer

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Great Lakes Dredge & Dock Corporation (the "Company") on Form 10-Q for the period ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lasse J. Petterson, President and Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by Great Lakes Dredge & Dock Corporation for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

/s/ LASSE J. PETTERSON

Lasse J. Petterson  
President and Chief Executive Officer

Date: May 7, 2024

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Great Lakes Dredge & Dock Corporation and will be retained by Great Lakes Dredge & Dock Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

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CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Great Lakes Dredge & Dock Corporation (the "Company") on Form 10-Q for the period ended March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Scott Kornblau, Senior Vice President, Chief Financial Officer and Treasurer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by Great Lakes Dredge & Dock Corporation for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

/s/ SCOTT KORNBLAU

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Scott Kornblau

Senior Vice President and Chief Financial Officer

Date: May 7, 2024

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Great Lakes Dredge & Dock Corporation and will be retained by Great Lakes Dredge & Dock Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

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