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 September 30, 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)

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)

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 November 1, 2024, 67,272,067 shares of the Registrant's Common Stock, par value $.0001 per share, were outstanding.

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 September 30, 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)

	September 30, 2024	December 31, 2023
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 12,037	$ 22,841
Accounts receivable—net	42,506	54,810
Contract revenues in excess of billings	91,799	68,735
Inventories	34,961	33,912
Prepaid expenses	1,441	1,486
Other current assets	31,988	44,544
Total current assets	214,732	226,328
PROPERTY AND EQUIPMENT—Net	681,552	614,608
OPERATING LEASE ASSETS	66,522	88,398
GOODWILL	76,576	76,576
INVENTORIES—Noncurrent	84,016	86,325
OTHER	21,941	18,605
TOTAL	$ 1,145,339	$ 1,110,840
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 94,612	$ 83,835
Accrued expenses	44,062	37,361
Operating lease liabilities	23,435	28,687
Billings in excess of contract revenues	15,613	29,560
Total current liabilities	177,722	179,443
LONG-TERM DEBT	412,531	412,070
OPERATING LEASE LIABILITIES—Noncurrent	44,406	61,444
DEFERRED INCOME TAXES	73,501	62,232
OTHER	11,770	10,103
Total liabilities	719,930	725,292
COMMITMENTS AND CONTINGENCIES (Note 9)		
EQUITY:		
Common stock—$.0001 par value; 90,000 authorized, 67,272 and 66,623 shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively.	7	6
Additional paid-in capital	320,971	317,337
Retained earnings	107,769	70,220
Accumulated other comprehensive loss	(3,338)	(2,015)
Total equity	425,409	385,548
TOTAL	$ 1,145,339	$ 1,110,840

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)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Contract revenues	$ 191,173	$ 117,185	$ 559,919	$ 407,896
Costs of contract revenues	154,940	108,155	448,272	368,832
Gross profit	36,233	9,030	111,647	39,064
General and administrative expenses	19,815	14,188	52,087	41,667
Other gains	(276)	(35)	(3,198)	(296)
Operating income (loss)	16,694	(5,123)	62,758	(2,307)
Interest expense—net	(4,888)	(2,762)	(12,977)	(9,322)
Other income (expense)	200	(78)	753	2,173
Income (loss) before income taxes	12,006	(7,963)	50,534	(9,456)
Income tax (provision) benefit	(3,154)	1,809	(12,985)	1,804
Net income (loss)	$ 8,852	$ (6,154)	$ 37,549	$ (7,652)
Basic earnings (loss) per share	$ 0.13	$ (0.09)	$ 0.56	$ (0.12)
Basic weighted average shares	67,217	66,532	67,021	66,419
Diluted earnings (loss) per share	$ 0.13	$ (0.09)	$ 0.55	$ (0.12)
Diluted weighted average shares	67,830	66,532	67,687	66,419

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)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income (loss)	$ 8,852	$ (6,154)	$ 37,549	$ (7,652)
Net change in cash flow derivative hedges—net of tax (1)	(2,661)	2,155	(1,323)	1,724
Comprehensive income (loss)	$ 6,191	$ (3,999)	$ 36,226	$ (5,928)

(1) Net of income tax benefit (provision) of $900 and $(728) for the three months ended September 30, 2024 and 2023, respectively. Net of income tax benefit (provision) of $447 and $(583) for the nine months ended September 30, 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) Income	Total
BALANCE—January 1, 2024	66,623	$ 6	$ 317,337	$ 70,220	$ (2,015)	$ 385,548
Share-based compensation	29	1	3,338	—	—	3,339
Vesting of restricted stock units and impact of shares withheld for taxes	411	—	(1,332)	—	—	(1,332)
Exercise of options and purchases from employee stock plans	209	—	1,628	—	—	1,628
Net income	—	—	—	37,549	—	37,549
Other comprehensive loss—net of tax	—	—	—	—	(1,323)	(1,323)
BALANCE—September 30, 2024	67,272	$ 7	$ 320,971	$ 107,769	$ (3,338)	$ 425,409
BALANCE—January 1, 2023	66,188	$ 6	$ 312,091	$ 56,314	$ (191)	$ 368,220
Share-based compensation	45	1	3,728	—	—	3,729
Vesting of restricted stock units and impact of shares withheld for taxes	156	—	(603)	—	—	(603)
Exercise of options and purchases from employee stock plans	223	—	551	—	—	551
Net loss	—	—	—	(7,652)	—	(7,652)
Other comprehensive income—net of tax	—	—	—	—	1,724	1,724
BALANCE—September 30, 2023	66,612	$ 7	$ 315,767	$ 48,662	$ 1,533	$ 365,969

	Shares of Common Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total
BALANCE—June 30, 2024	67,189	$ 7	$ 319,776	$ 98,917	$ (677)	$ 418,023
Share-based compensation	8	—	942	—	—	942
Vesting of restricted stock units and impact of shares withheld for taxes	-	—	(362)	—	—	(362)
Exercise of options and purchases from employee stock plans	75	—	615	—	—	615
Net income	—	—	—	8,852	—	8,852
Other comprehensive loss—net of tax	—	—	—	—	(2,661)	(2,661)
BALANCE—September 30, 2024	67,272	$ 7	$ 320,971	$ 107,769	$ (3,338)	$ 425,409
BALANCE—June 30, 2023	66,492	$ 7	$ 314,321	$ 54,816	$ (622)	$ 368,522
Share-based compensation	12	—	1,518	—	—	1,518
Vesting of restricted stock units and impact of shares withheld for taxes	—	—	(61)	—	—	(61)
Exercise of options and purchases from employee stock plans	108	—	(11)	—	—	(11)
Net loss	—	—	—	(6,154)	—	(6,154)
Other comprehensive income—net of tax	—	—	—	—	2,155	2,155
BALANCE—September 30, 2023	66,612	$ 7	$ 315,767	$ 48,662	$ 1,533	$ 365,969

See notes to unaudited condensed consolidated financial statements.

Great Lakes Dredge & Dock Corporation and Subsidiaries

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

	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
OPERATING ACTIVITIES:		
Net income (loss)	$ 37,549	$ (7,652)
Adjustments to reconcile net income (loss) to net cash flows provided by operating activities:		
Depreciation and amortization	32,217	32,320
Deferred income taxes	11,716	(1,804)
Gain on sale of assets	(3,097)	(296)
Amortization of capitalized contract costs	12,841	6,582
Amortization of deferred financing fees	1,723	724
Share-based compensation expense	6,096	4,209
Changes in assets and liabilities:		-
Accounts receivable	12,304	15,654
Contract revenues in excess of billings	(23,064)	16,632
Inventories	1,260	(10,352)
Prepaid expenses and other current assets	(1,289)	(10,195)
Accounts payable and accrued expenses	12,255	(11,005)
Billings in excess of contract revenues	(13,947)	19,478
Other noncurrent assets and liabilities	(2,983)	(4,718)
Cash provided by operating activities	83,581	49,577
INVESTING ACTIVITIES:		
Purchases of property and equipment	(102,532)	(98,193)
Proceeds from dispositions of property and equipment	9,329	1,215
Cash used in investing activities	(93,203)	(96,978)
FINANCING ACTIVITIES:		
Deferred financing fees	(10,897)	—
Taxes paid on settlement of vested share awards	(1,332)	(603)
Exercise of options and purchases from employee stock plans	1,628	551
Borrowing under revolving loans	31,000	120,000
Borrowing under Second Lien Credit Agreement	100,000	—
Repayments of revolving loans	(121,000)	(65,000)
Payments on finance lease obligations	(1,501)	—
Cash (used in) provided by financing activities	(2,102)	54,948
Net (decrease) increase in cash, cash equivalents and restricted cash	(11,724)	7,547
Cash, cash equivalents and restricted cash at beginning of period	23,761	6,546
Cash, cash equivalents and restricted cash at end of period	$ 12,037	$ 14,093
Supplemental Cash Flow Information		
Cash paid for interest	$ 17,452	$ 10,742
Cash paid for income taxes	$ 1,491	$ 281
Non-cash Investing and Financing Activities		
Property and equipment purchased but not yet paid	$ 3,320	$ 5,191

See notes to unaudited condensed consolidated financial statements.

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 September 30, 2024 and December 31, 2023, and its results of operations for the three and nine months ended September 30, 2024 and 2023 and cash flows for the nine months ended September 30, 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. When conducting the annual impairment test for goodwill, the Company can choose to assess qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is below its carrying value. If a qualitative assessment determines an impairment is more likely than not, the Company is required to perform a quantitative impairment test. Otherwise, no further analysis is required. The Company also may elect to forego the qualitative and move directly to the quantitative impairment test. The Company performed its annual test of impairment as of July 1, 2024. The Company assessed qualitative factors for any indications of potential impairment of the reporting unit. Upon completing this assessment, it was determined that the fair value of the reporting unit is more likely than not greater than its carrying value as of the assessment date and, as a result, a quantitative test was not performed. 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 2025 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.

In November 2023, the FASB issued 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 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. ASU 2023-07 will not have an impact on our consolidated balance sheets, statements of operations or cash flows, but will affect our financial statement disclosures as discussed above.

Reclassifications—Certain reclassifications have been made to prior period condensed consolidated statements of cash flows to conform to current period presentation. These reclassifications have no effect on net cash flows.

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 September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income (loss)	$ 8,852	$ (6,154)	$ 37,549	$ (7,652)
Weighted-average common shares outstanding — basic	67,217	66,532	67,021	66,419
Effect of stock options and restricted stock units	613	—	666	—
Weighted-average common shares outstanding — diluted	67,830	66,532	67,687	66,419
Earnings (loss) per share — basic	$ 0.13	$ (0.09)	$ 0.56	$ (0.12)
Earnings (loss) per share — diluted	$ 0.13	$ (0.09)	$ 0.55	$ (0.12)

For the three and nine months ended September 30, 2023, respectively, 652 and 427 stock options (“NQSOs”) and restricted stock units (“RSUs”) were excluded from the diluted weighted average common shares outstanding because the Company incurred a loss during these periods.

For the three and nine months ended September 30, 2024, respectively, there were 56 and 59 stock options and restricted stock units 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. For the three and nine months ended September 30, 2023, respectively, there were no 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. Property and equipment

Property and equipment at September 30, 2024 and December 31, 2023 were as follows:

	September 30, 2024	December 31, 2023
Land	$ 9,348	$ 9,348
Buildings and improvements	1,314	1,314
Furniture and fixtures	20,644	20,090
Operating equipment	920,618	803,954
Construction in progress	235,942	264,674
Total property and equipment	1,187,866	1,099,380
Accumulated depreciation	(506,314)	(484,772)
Property and equipment—net	$ 681,552	$ 614,608

4. Accrued expenses

Accrued expenses at September 30, 2024 and December 31, 2023 were as follows:

	September 30, 2024	December 31, 2023
Payroll and employee benefits	$ 15,268	$ 11,986
Insurance	14,397	12,521
Interest	5,962	2,388
Fuel hedge contracts	3,467	2,918
Income and other taxes	2,082	1,900
Finance lease liabilities	1,793	1,047
Contract reserves	-	3,964
Other	1,093	637
Total accrued expenses	$ 44,062	$ 37,361

5. Long-term debt

Second lien credit agreement

On April 24, 2024, 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 $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 ("GCS"). The material terms of the Second Lien Credit Agreement are summarized below.

The Second Lien Credit Agreement provides for (i) a senior secured second-lien term loan facility in an aggregate principal amount of $100.0 million, which was funded in full on the initial closing date (the "Closing Date") and (ii) a senior secured second-lien delayed draw term loan facility in the aggregate principal amount up to $50.0 million, which is available to the Company for a period of 12 months following the Closing Date, subject to the terms and conditions as set forth therein. Net proceeds to the Company, after payment of original discount on the initial loans, a closing fee on the delayed draw facility and other debt issuance costs, including those associated with the ABL Amendment described below, were approximately $88.7 million.

The Second Lien Credit Agreement contains customary representations, mandatory prepayments and affirmative and negative covenants, including a minimum liquidity covenant 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. For the first 18 months following the Closing Date, the Company may prepay all or a part of the loans under the Second Lien Credit Agreement by paying the principal amount of the loans to be prepaid plus a customary "make-whole" premium, subject to a make-whole carveout of up to $25.0 million (less the amount of any undrawn delayed draw term loan commitments at such time) at 103% with proceeds from a qualifying Maritime Administration ("MARAD") financing. Thereafter, the Company may prepay all or a part of the loans under the Second Lien Credit Agreement by paying, (i) in months 19-30 following the Closing Date, 103% of the principal amount of the loans to be prepaid, plus accrued and unpaid interest and (ii) in months 31 to 42 after the Closing Date, 101% of the principal amount of loans to be prepaid, plus accrued and unpaid interest.

The Second Lien 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 Second Lien Credit Agreement are unconditionally guaranteed, on a joint and several basis, by each borrower (other than the Company) and subsidiary guarantor under the ABL Credit Agreement (as defined below), each existing or future issuer or guarantor under the indenture governing the Company's 5.25% Senior Notes due 2029, and each other existing and subsequently acquired or formed material direct or indirect wholly-owned domestic subsidiary of the Company.

The loans under the Second Lien Credit Agreement funded on the Closing Date were used to repay amounts outstanding under the ABL Credit Agreement, to pay fees and expenses associated with the transactions and for general corporate purposes, including to fund upcoming new build payments. The delayed draw portion of the term loans, if funded, will be used to fund future new build payments, ongoing working capital and for other general corporate purposes. 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.

The obligations under the Second Lien Credit Agreement are secured on a second-priority basis by substantially all of the assets of the Credit Parties. The outstanding obligations thereunder shall be secured by a valid second 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). Pursuant to the terms of that certain Intercreditor Agreement dated as of April 24, 2024, (as amended, restated, supplemented, or otherwise modified from time to time, the "Intercreditor Agreement"), by and between PNC Bank, National Association, as first lien agent, and GCS, as second lien agent, the obligations under the Second Lien Credit Agreement are subordinated to the first-priority liens securing the obligations under the ABL Credit Agreement.

Interest on the term loan facility under the Second Lien Credit Agreement is equal to either a base rate option ("Base Rate Loan") or a Secured Overnight Financing Rate ("SOFR") option ("Term SOFR Loan") at the Company's election. In the case of a Base Rate Loan, interest on the unpaid principal amount shall equal (i) the greatest of (a) the "Prime Rate" in the United States as quoted from time to time by The Wall Street Journal or the highest per annum rate of interest published by the Federal Reserve Board, (b) the federal funds effective rate (but not less than zero) plus 0.50% and (c) Term SOFR for a one-month interest period on such day, plus 1.00%, plus (ii) 6.75%. In the case of a Term SOFR Loan, interest on the unpaid principal amount shall equal the Term SOFR Reference Rate on the day that is two business days prior to the first day of such applicable interest period, plus 7.75%. In addition, the Company is required to pay a quarterly fee of 1.00% per annum on the undrawn commitments in respect of the delayed draw term loan facility.

The Company had $100.0 million and zero borrowings on the Second Lien Credit Agreement as of September 30, 2024 and December 31, 2023, respectively. The weighted average interest rate on the Second Lien Credit Agreement borrowings during the quarter ended September 30, 2024 is 13.02%.

Credit agreement

On April 24, 2024, the Credit Parties, PNC Bank, National Association ("PNC"), as agent for the lenders, and certain financial institutions party thereto entered into an amendment to the ABL Credit Agreement described below (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 as summarized below, (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. The Company has availability of up to $200.0 million for the issuance of letters of credit under the ABL Amendment.

The ABL Amendment modifies the Applicable Margin for Advances as follows: (i) following the ABL Amendment closing date through and including the date immediately prior to the date on which the Borrowing Base Certificate is required to be delivered for most recently completed fiscal quarter (commencing with the fiscal quarter ending on September 30, 2024) (the "Adjustment Date"), (a) the Applicable Margin for Domestic Rate Loans Advances is 1.50% and (b) the Applicable Margins for Term SOFR Rate Loans Advances is 2.50%, (ii) beginning as of the Adjustment Date, to the extent the quarterly average undrawn availability for the prior fiscal quarter is (x) greater than 66.7% of the Maximum Revolving Advance Amount, (a) the Applicable Margin for Domestic Rate Loans Advances is 1.25% and (b) the Applicable Margins for Term SOFR Rate Loans Advances is 2.25%; (y) to the extent the quarterly average undrawn availability for the prior fiscal quarter is less than or equal to 66.7% of the Maximum Revolving Advance Amount but greater than 33.3%, (a) the Applicable Margin for Domestic Rate Loans Advances is 1.50% and (b) the Applicable Margins for Term SOFR Rate Loans Advances is 2.50%; and (z) to the extent the quarterly average undrawn availability for the prior fiscal quarter is less than or equal to 33.3% of the Maximum Revolving Advance Amount, (a) Applicable Margin for Domestic Rate Loans Advances is 1.75% and (b) the Applicable Margin for Term SOFR Rate Loans Advances is 2.75%. Additionally, the Company has 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.

On July 29, 2022, 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 "ABL 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 ABL Credit Agreement amends and restates the prior ABL 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 ABL Credit Agreement, including the amount available under the revolving credit facility. The terms of the ABL Credit Agreement are summarized below.

The ABL Credit Agreement provides for a senior secured revolving credit facility in an aggregate principal amount of up to $300.0 million. The maximum borrowing capacity under the ABL 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 ABL 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 $35.0 million sublimit.

The ABL 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 ABL Credit Agreement is less than 12.5% of the maximum loan amount for five consecutive days. The ABL 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 ABL Credit Agreement are 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 ABL Credit Agreement will be used to pay fees and expenses related to the ABL Credit Agreement, finance acquisitions permitted under the ABL 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 ABL 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 ABL Credit Agreement.

The obligations under the ABL 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).

The Company had zero and $90.0 million borrowings on the revolver as of September 30, 2024 and December 31, 2023, respectively. There were $43.4 million and $49.8 million letters of credit outstanding as of September 30, 2024 and December 31, 2023, respectively. The Company had $256.3 million and $122.3 million of availability under the ABL Amendment as of September 30, 2024 and December 31, 2023, respectively. Availability was suppressed by $0.3 and $37.9 million as of September 30, 2024 and December 31, 2023, respectively, as a result of certain limitations of borrowing related to reserves and compliance with the Company's obligations set forth in the ABL Credit Agreement.

Capitalized terms used but not defined herein in Note 5, Long-term debt, shall have the meanings ascribed to such terms in the Second Lien Credit Agreement and the ABL Amendment, as applicable.

Senior Notes and subsidiary guarantors

In May 2021, the Company sold $325.0 million 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 $325.0 million 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 ABL Amendment. 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.

The weighted average interest rates on the Company's outstanding borrowings, after adjusting for the effects of interest rate swaps, were 6.81%, and 5.57% as of September 30, 2024 and December 31, 2023, respectively.

6. 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, foreign currency risk or interest rate 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			
		September 30, 2024		December 31, 2023	
		Assets	Liabilities	Assets	Liabilities
Derivatives designated as cash flow hedging instruments:					
Fuel hedge contracts	**2**	$ —	$ 3,467	$ —	$ 2,918
Foreign currency exchange hedge contracts	**2**	2	21	358	—
Interest rate swaps	**2**	—	536	—	—
Total derivatives		$ 2	$ 4,024	$ 358	$ 2,918

Fuel hedge contracts

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 September 30, 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 February 2026. As of September 30, 2024, there were 9.1 million gallons remaining on these contracts representing forecasted domestic fuel purchases through February 2026. Under these swap agreements, the Company will pay fixed prices ranging from $2.35 to $2.90 per gallon.

At September 30, 2024 and December 31, 2023, the fair value liabilities of the fuel hedge contracts were estimated to be $3.5 million and $2.9 million, respectively, and are recorded in accrued expenses in the condensed consolidated balance sheets. For fuel 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 nine months ended September 30, 2024 were $882. The remaining gains and losses included in accumulated other comprehensive loss at September 30, 2024 will be reclassified into earnings over the next seventeen 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 condensed consolidated statements 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 sometimes 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 September 30, 2024, the Company was party to various foreign exchange forward contract arrangements to hedge the purchase of materials through November 2024. As of September 30, 2024, there were 2.9 million Euro of payments remaining on these hedge contracts. Under these hedge contracts, the Company will pay fixed prices ranging from $1.11 to $1.13 per Euro.

As of September 30, 2024, the fair value liability of foreign currency exchange hedge contracts was $21 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 nine months ended September 30, 2024 were $42. The remaining gains and losses included in accumulated other comprehensive loss at September 30, 2024 will be reclassified into earnings over the next two 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 condensed consolidated statements 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.

Interest rate swaps

The Company is exposed to certain market risks, including interest rate risks related to the floating interest rates on its variable rate debt. The Company has entered into interest rate swaps to convert a portion of its variable rate debt into fixed-rate debt and hedge the risk that fluctuations in interest rates could have an adverse impact on net interest expense.

As of September 30, 2024, the Company was party to two interest rate swaps with a total notional value of $75 million effective August 5, 2024 and a maturity date of August 24, 2026. Under these interest rate swaps, the Company will pay a weighted average fixed rate of 3.873% on the notional amount and receive payments from the counterparty based on the 30-day SOFR rate, effectively modifying the Company’s exposure to interest rate risk by converting a portion of its floating-rate debt to a weighted average fixed interest rate of 11.623%.

As of September 30, 2024 the fair value liability of the Company’s interest rate swaps was $536 and is recorded in accrued expenses in the condensed consolidated balance sheets. For interest rate swaps 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 nine months ended September 30, 2024 were $112. The remaining gains and losses included in accumulated other comprehensive loss at September 30, 2024 will be reclassified into earnings over the next twenty three months, corresponding to the period during which the interest rate swap is expected to be utilized. Changes in the fair value of interest rate swaps not considered highly effective are recorded as interest expense in the condensed consolidated statements of operations. The fair values of interest rate swaps are corroborated using inputs that are readily observable in public markets; therefore, the Company determines the fair value of these interest rate swaps 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 September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Derivatives:				
Fuel Hedge Contracts				
Reclassification of derivative losses (gains) to earnings—net of tax	$ 644	$ (297)	$ 882	$ 1,507
Change in fair value of derivatives—net of tax	(2,993)	3,271	(1,293)	1,113
Net change in cash flow derivative fuel hedges—net of tax	$ (2,349)	$ 2,974	$ (411)	$ 2,620
Foreign Currency Exchange Hedge Contracts				
Reclassification of derivative losses (gains) to earnings—net of tax	$ —	$ (198)	$ 42	$ (519)
Change in fair value of derivatives—net of tax	89	(621)	(553)	(377)
Net change in cash flow derivative foreign currency hedges—net of tax	$ 89	$ (819)	$ (511)	$ (896)
Interest Rate Swaps				
Reclassification of derivative gains to earnings—net of tax	$ (112)	$ —	$ (112)	$ —
Change in fair value of derivatives—net of tax	(289)	—	(289)	—
Net change in cash flow derivative foreign currency hedges—net of tax	$ (401)	$ —	$ (401)	$ —
Total net change in cash flow derivative hedges - net of tax	$ (2,661)	$ 2,155	$ (1,323)	$ 1,724

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

		Three Months Ended September 30,		Nine Months Ended September 30,	
	Statement of Operations Location	2024	2023	2024	2023
Derivatives:					
Fuel hedge contracts	Costs of contract revenues	$ 861	$ (649)	$ 1,180	$ 1,425
Foreign currency exchange hedge contracts	Other income (expense)	—	(13)	56	(437)
Interest rate swaps	Interest expense—net	(149)	—	(149)	—
	Income tax (provision) benefit	180	(167)	275	—
		$ 532	$ (495)	$ 812	$ 988

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 values of the ABL Amendment and Second Lien Credit Agreement approximate fair value at September 30, 2024. In May 2021, the Company sold $325.0 million of the 2029 Notes, which were outstanding at September 30, 2024 (see Note 5, Long-term debt). The fair value of the 2029 Notes was $302.1 million at September 30, 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.

7. 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 Company's board of directors and/or the applicable committee or committees thereof, as may be required.

During the nine months ended September 30, 2024, the Company granted 824 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 $3.5 million and $1.8 million for the three months ended September 30, 2024 and 2023, respectively. Compensation cost charged to expense related to share-based compensation arrangements was $6.1 million and $4.2 million for the nine months ended September 30, 2024 and 2023, respectively.

8. Revenue

At September 30, 2024, the Company had $1.21 billion of remaining performance obligations, which the Company refers to as total dredging backlog. Total dredging backlog does not include $465.0 million of domestic low bids pending formal award and additional phases ("options") pending on projects currently in dredging backlog at September 30, 2024. Additionally, it does not include $44.9 million of performance obligations or $12.7 million of options pending award related to offshore wind contracts. Approximately 18% of the Company's dredging backlog at September 30, 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 September 30,		Nine Months Ended September 30,	
Revenues	**2024**	**2023**	**2024**	**2023**
Dredging:				
Capital—U.S.	$ 108,682	$ 54,602	$ 249,329	$ 125,234
Coastal protection	43,913	23,567	178,034	131,362
Maintenance	37,867	33,816	130,742	141,553
Rivers & lakes	711	5,200	1,814	9,747
Total revenues	$ 191,173	$ 117,185	$ 559,919	$ 407,896

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
Revenues	**2024**	**2023**	**2024**	**2023**
Dredging:				
Federal government	$ 85,876	$ 78,681	$ 339,352	$ 328,211
State and local government	39,330	33,316	108,493	74,497
Private	65,967	5,188	112,074	5,188
Total revenues	$ 191,173	$ 117,185	$ 559,919	$ 407,896

Accounts receivable at September 30, 2024 and December 31, 2023 are as follows:

	September 30, 2024	December 31, 2023
Completed contracts	$ 741	$ 2,920
Contracts in progress	34,244	40,743
Retainage	7,885	11,511
	42,870	55,174
Allowance for credit losses	(364)	(364)
Total accounts receivable—net	$ 42,506	$ 54,810

The components of contracts in progress at September 30, 2024 and December 31, 2023 are as follows:

	September 30, 2024	December 31, 2023
Costs and earnings in excess of billings:		
Costs and earnings for contracts in progress	$ 306,386	$ 206,330
Amounts billed	(231,134)	(196,520)
Costs and earnings in excess of billings for contracts in progress	75,252	9,810
Costs and earnings in excess of billings for completed contracts	16,547	58,925
Total contract revenues in excess of billings	$ 91,799	$ 68,735
Current portion of contract revenues in excess of billings	$ 91,799	$ 68,735
Long-term contract revenues in excess of billings	—	—
Total contract revenues in excess of billings	$ 91,799	$ 68,735
Billings in excess of costs and earnings:		
Amounts billed	$ (94,545)	$ (258,948)
Costs and earnings for contracts in progress	78,932	229,388
Total billings in excess of contract revenues	$ (15,613)	$ (29,560)

At September 30, 2024 and December 31, 2023, costs to fulfill a contract with a customer recognized as an asset were $22.1 million and $22.2 million, 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 and nine months ended September 30, 2024, the Company amortized $4.4 million and $12.8 million, respectively, of pre-construction costs. During the three and nine months ended September 30, 2023, the Company amortized $1.6 million and $6.6 million, respectively, of pre-construction costs.

9. 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, Philadelphia Indemnity Insurance Company, Ascot Insurance Companies and AXIS 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 $1.0 million to $10.0 million. At September 30, 2024, the Company had outstanding performance bonds with a notional amount of approximately $1.32 billion. The revenue value remaining in dredging backlog related to the outstanding performance bonds totaled approximately $875.8 million.

Certain foreign projects performed by the Company have warranty periods, typically spanning between 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, 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 ABL Amendment, 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 ABL Amendment. 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.

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 nine 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 61% of dredging revenues, which is 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 nine months 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 third quarter of 2024, the Company commenced a regulatory dry dock inspection on one dredge, which was completed in the fourth quarter. By comparison, the

Company did not dry dock any vessels for regulatory inspections and dry docked one vessel for maintenance and repairs in the third quarter of 2023. The Company does not have any regulatory dry dock inspections planned for the remainder of 2024.

As of the end of the third quarter of 2024, the Company had one dredge 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 began the reactivation of one of the previously cold stacked vessels in anticipation of commencing a contract in 2025.

The Company continues to tender bids on several pending LNG projects in an effort to diversify and expand its client base. Included in the Company's backlog are two LNG projects that were awarded in 2023, the Port Arthur LNG Phase 1 project and the Brownsville Ship Channel project for Next Decade Corporation's Rio Grande LNG project, which is the largest project undertaken in Great Lakes' history. Dredging began on both capital projects during the third quarter of 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 the second half of 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. 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, for multiple offshore wind projects for the *Acadia*, to protect and stabilize offshore wind structures, cables and pipelines.

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. New Jersey also awarded 3.7 gigawatts ("GW") of Power Purchase Agreements in January 2024. On September 6, 2024, Massachusetts awarded 2.7 GW in total, which included 1.1 GW on the SouthCoast Wind project, 0.8 GW on New England Wind 1 and up to 0.8 GW on the Vineyard Wind 2 project, with Rhode Island awarding the remaining 0.2 GW on the SouthCoast Wind project. These projects are expected to power over 125,000 Rhode Island homes and 1.4 million Massachusetts homes.

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 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 June 2024, Equinor and Ørsted finalized power deals with New York State Energy Research & Development Authority for the Empire Wind I and Sunrise Wind projects. 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. On July 17, 2024, construction began on the Sunrise Wind project which is expected to provide power to approximately 600,000 New York homes. Additionally, in July 2024, the Bureau of Ocean Energy Management approved the construction and operation of two offshore wind energy facilities, New England Wind 1 and 2, which are estimated to power close to a million homes. Atlantic Shores 1 and 2 Construction and Operations Plans were approved in October for 2.8 GW, which are estimated to power more than 1 million New Jersey homes.

The U.S. offshore wind development and operational pipeline expanded by 53% over the past year, now boasting a potential generating capacity of approximately 80.5 GW. This growth is attributed to new leasing areas and heightened sector investment. In addition to the U.S. offshore wind market, there are several other market opportunities that the *Acadia* is well suited for, such as rock placement in the international offshore wind market, rock protection over pipelines in the oil and gas and carbon capture markets and telecommunications and power cable protection. As such, we continue to pursue and bid on a number of other offshore wind farm and cable and pipeline protection projects for the *Acadia*, both domestically and internationally, with work planned for 2026 and beyond.

Post quarter end, we signed a vessel reservation agreement for the *Acadia* with an offshore wind developer for a project in the United States. This reservation agreement further demonstrates the unique proposition we bring to the U.S. offshore wind market and provides visibility for additional potential utilization.

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 and nine months ended September 30, 2024 and 2023:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Contract revenues	100.0 %	100.0 %	100.0 %	100.0 %
Costs of contract revenues	(81.0)	(92.3)	(80.1)	(90.4)
Gross profit	19.0	7.7	19.9	9.6
General and administrative expenses	10.4	12.1	9.3	10.2
Other gains	(0.1)	—	(0.6)	(0.1)
Operating income (loss)	8.7	(4.4)	11.2	(0.5)
Interest expense—net	(2.6)	(2.4)	(2.3)	(2.3)
Other income (expense)	0.1	(0.1)	0.1	0.5
Income (loss) before income taxes	6.2	(6.9)	9.0	(2.3)
Income tax (provision) benefit	(1.6)	1.5	(2.3)	0.4
Net income (loss)	4.6	(5.4)	6.7	(1.9)
Adjusted EBITDA	14.1 %	4.6 %	17.1 %	7.9 %

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 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):

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income (loss)	$ 8,852	$ (6,154)	$ 37,549	$ (7,652)
Adjusted for:				
Interest expense—net	4,888	2,762	12,977	9,322
Income tax (provision) benefit	3,154	(1,809)	12,985	(1,804)
Depreciation and amortization	10,089	10,533	32,217	32,320
Adjusted EBITDA	$ 26,983	$ 5,332	$ 95,728	$ 32,186

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

Revenues (in thousands)	Three Months Ended September 30, 2024	2023	Change	Nine Months Ended September 30, 2024	2023	Change
Dredging:						
Capital—U.S.	$ 108,682	$ 54,602	99.0 %	$ 249,329	$ 125,234	99.1 %
Coastal protection	43,913	23,567	86.3 %	178,034	131,362	35.5 %
Maintenance	37,867	33,816	12.0 %	130,742	141,553	(7.6)%
Rivers & lakes	711	5,200	(86.3)%	1,814	9,747	(81.4)%
Total revenues	$ 191,173	$ 117,185	63.1 %	$ 559,919	$ 407,896	37.3 %

Total revenue was $191.2 million for the three months ended September 30, 2024, up $74.0 million, or 63%, from $117.2 million for the same period in the prior year. For the nine months ended September 30, 2024, total revenue was $559.9 million, up $152.0 million, or 37%, from $407.9 million for the same period in the prior year. For the three and nine months ended September 30, 2024, the Company experienced a significant increase in domestic capital and coastal protection revenues, due to a significant increase in capital and coastal protection project awards and the delivery of the *Galveston Island*, the Company’s newest hopper dredge which began operations in February 2024, as compared to the same periods in the prior year. These increases were partially offset by a decrease in rivers & lakes revenues during the three months ended September 30, 2024 and decreases in maintenance and rivers & lakes revenues during the nine months ended September 30, 2024.

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 September 30, 2024, domestic capital dredging revenue was $108.7 million, up $54.1 million, or 99%, compared to $54.6 million for the same period in 2023. For the nine months ended September 30, 2024, domestic capital dredging revenue was $249.3 million, up $124.1 million, or 99%, compared to $125.2 million for the same period in the prior year. The increase in capital dredging revenues for the three and nine months ended September 30, 2024 was mostly due to a higher amount of revenue earned on projects in Texas in the current year periods when compared to the same periods in the prior year. These increases were partially offset by lower revenue earned on projects in Virginia and Florida in the current year periods.

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 September 30, 2024 was $43.9 million, an increase of $20.3 million, or 86%, compared to $23.6 million in the prior year period. The increase in coastal protection revenue for the three months ended September 30, 2024 was attributable to an increase in the amount of revenue earned on projects in Florida in the current year when compared to the prior year period. This increase was partially offset by lower revenue earned on projects in New York and New Jersey in the current quarter. Coastal protection revenue for the nine months ended September 30, 2024 was $178.0 million, an increase of $46.6 million, or 36%, compared to $131.4 million in the prior year period. The increase in coastal protection revenue for the nine months ended September 30, 2024 was attributable to an increase in revenue earned on projects in Florida and Alabama in the current year when compared to the prior year period. This increase was partially offset by lower revenue earned on projects in New York and New Jersey in the current year to date period.

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 third quarter of 2024 was $37.9 million, up $4.1 million, or 12%, from $33.8 million in the same period of 2023. The increase in maintenance revenues for the three months ended September 30, 2024 was mostly attributable to an increase in revenue earned on a project in Puerto Rico when compared with prior year quarter. Maintenance revenue for the nine months ended September 30, 2024 was $130.7 million, down $10.9 million, or 8%, from $141.6 million in the prior year period. The decrease in maintenance revenues for the nine months ended September 30, 2024 was primarily attributable to a decrease in revenue earned on projects in North Carolina, South Carolina and Alabama when compared with prior year quarter. This decrease was offset by an increase in revenue earned on projects in Louisiana, Mississippi and Puerto Rico in the same period in the prior year.

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 September 30, 2024, rivers & lakes revenue was $0.7 million, a decrease of $4.5 million, or 86%, from $5.2 million during the same period of 2023. During the nine months ended September 30, 2024, rivers & lakes revenue was $1.8 million, a decrease of $7.9 million, or

81%, from $9.7 million in the prior year period. The decrease in river & lakes revenue for the three and nine months ended September 30, 2024 was mostly attributable to a decrease in revenue earned on projects in Tennessee and Arkansas as compared to same periods of 2023.

Consolidated gross profit for the three months ended September 30, 2024 was $36.2 million, up $27.2 million, or 302%, compared to $9.0 million in same period of 2023. Gross profit margin for the three months ended September 30, 2024 increased to 19.0% from 7.7% in the same period in the prior year. Consolidated gross profit for the nine months ended September 30, 2024 was $111.6 million, up $72.5 million, or 185%, compared to $39.1 million in the same period in the prior year. Gross profit margin for the nine months ended September 30, 2024 increased to 19.9% from 9.6% in the same period in the prior year. The higher gross profit and profit margins experienced for the three and nine months ended September 30, 2024 were driven by increased revenues as well as improved utilization and project performance in the current year quarter. Additionally, the project mix during the current year periods include a larger proportion of higher margin capital and coastal protection projects than the same periods in the prior year.

During the three and nine months ended September 30, 2024, general and administrative expenses were $19.8 million and $52.1 million, respectively, compared to the same periods in the prior year in which the three and nine month periods totaled $14.2 million and $41.7 million, respectively. For the three and nine months ended September 30, 2024, general and administrative expenses include higher incentive compensation and employee benefit expenses, partially offset by lower severance and office expenses.

Operating income for the third quarter of 2024 was $16.7 million, up $21.8 million from an operating loss of $5.1 million in the same period of the prior year. Operating income for the nine months ended September 30, 2024 was $62.8 million, up $65.1 million from an operating loss of $2.3 million in the same period of the prior year. The increase in operating income for the three and nine months ended September 30, 2024 was a result of higher gross profit in the current year periods when compared to the same periods in the prior year, partially offset by higher general and administrative expenses in the current year periods when compared to the same periods in the prior year. Gains on the sale of assets in the current period also contributed to the increase in operating income during the nine months ended September 30, 2024 as compared to the prior year period.

For the three months ended September 30, 2024, net interest expense was $4.9 million, $2.1 million higher compared to $2.8 million for the same period in the prior year. Net interest expense for the nine months ended September 30, 2024 was $13.0 million, $3.7 million higher compared to $9.3 million for the same period in the prior year. The increase in net interest expense for the three and nine months ended September 30, 2024 was primarily due to higher borrowings and the execution of the Second Lien Credit Agreement during the second quarter of 2024.

Income tax provision for the three months ended September 30, 2024 was $3.2 million compared to an income tax benefit of $1.8 million for the same period in the prior year. For the nine months ended September 30, 2024, the income tax provision was $13.0 million compared to an income tax benefit of $1.8 million in the prior year period. The effective tax rate for the nine months ended September 30, 2024 was 25.7%, while the effective tax rate for the same period of 2023 was 19.1%. The lower effective tax rate incurred in 2023 was primarily due to near break-even net loss offset by lower deductions for stock compensation in that period.

Net income for the three months ended September 30, 2024 was $8.9 million, up $15.1 million from a net loss of $6.2 million in the same period in the prior year. Diluted earnings per share was $0.13 per share for the three months ended September 30, 2024, compared to a diluted loss per share of $0.09 per share for the three months ended September 30, 2023. Net income for the nine months ended September 30, 2024 was $37.5 million, an increase of $45.2 million, or 587%, from a net loss of $7.7 million for the same period in the prior year. Diluted earnings per share was $0.55 for the nine months ended September 30, 2024, compared to a diluted loss per share of $0.12 for the nine months ended September 30, 2023. The increase in net income for the three and nine months ended September 30, 2024 was primarily driven by the substantial improvement to operating income in the current year periods when compared to the same periods in the prior year, partially offset by increases in net interest expense and the income tax provision in the current year periods when compared to the same periods in the prior year.

Adjusted EBITDA (as defined on page 21) for the three months ended September 30, 2024 was $27.0 million, up $21.7 million, from $5.3 million in the same quarter in the prior year. The increase in Adjusted EBITDA during the third quarter of 2024 was driven by the increase in gross profit, excluding depreciation partially offset by an increase in general and administrative expense. For the nine months ended September 30, 2024 Adjusted EBITDA was $95.7 million, up $63.5 million, from $32.2 million during the same period in the prior year. The increase in Adjusted EBITDA during the first nine months of 2024 was driven by the increase in gross profit, excluding depreciation, as well as an increased income tax provision in the current period, 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)	September 30, 2024	December 31, 2023	September 30, 2023
Dredging:			
Capital—U.S.	$ 898,898	$ 741,839	$ 736,322
Coastal protection	218,321	138,394	103,617
Maintenance	89,050	152,104	182,470
Rivers & lakes	6,870	6,765	11,320
Total backlog	$ 1,213,139	$ 1,039,102	$ 1,033,729

Total dredging backlog does not include $465.0 million of domestic low bids pending formal award and additional phases ("options") pending on projects currently in dredging backlog at September 30, 2024. Additionally, it does not include $44.9 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 the second half of 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, 50% of our September 30, 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.

The 2024 Energy and Water Appropriations Bill, which passed in the first quarter, provided a record $8.7 billion in total funding to the Corps for fiscal year 2024. This funding included $5.6 billion for the Corps' Operations and Maintenance work and $2.8 billion for the Harbor Maintenance Trust Fund to maintain and modernize our nation's waterways. In 2023, the Disaster Relief Supplemental Appropriations Act was also approved which included $1.5 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. This increased budget and additional funding have supported a strong bid market 2024, with a robust beach renourishment market and several capital projects.

The 2025 Corps' budget is expected to be another record appropriation. On June 28, 2024, disthe U.S. House of Representatives (the "House") Energy and Water Appropriations Subcommittee passed their 2025 Appropriations Bill providing the Corps with a budget of $9.96 billion, which is $2.7 billion above the President's Budget request. The bill includes $5.7 billion for Operations and Maintenance projects, of which $3.1 billion is from the Harbor Maintenance Trust Fund. On August 1, 2024, the Senate Appropriation Committee approved its draft of the 2025 Energy and Water spending bill which provides $10.3 billion in total funding for the Corps. On September 25, 2024, President Biden approved a continuing resolution through December 20, 2024 for the Corps' fiscal year 2025 budget.

The Water Resources Development Act ("WRDA") is on a two-year renewal cycle and includes legislation that authorizes the financing of Corps' projects for studies, flood and hurricane protection, dredging, ecosystem restoration and other construction projects aimed at improving rivers and harbors in the United States. WRDA 2022 featured authorization for the New York and New Jersey shipping channels to be deepened to 55 feet, as well as the Coastal Texas Protection and Restoration Program, which aims to protect the Texas Gulf Coast from hurricanes. WRDA 2024 appears to have strong bipartisan support and has already been approved by the U.S. Senate Environment and Public Works Committee and the House Transportation and Infrastructure Committee. The House and Senate approved their versions of WRDA 2024 on July 22, 2024 and August 1, 2024, respectively. Currently, the two chambers are working to reconcile the differences in their respective versions of the bill and, once completed, the final version will be sent to the President to be signed into law.

The domestic dredging bid market for the quarter ended September 30, 2024 was $1.31 billion, a $454.9 million increase compared to the same period in the prior year. Total domestic dredging bid market for the current year period included awards for seven domestic capital projects, seven coastal protection projects, nine maintenance projects, and two river maintenance projects. The total domestic dredging bid market through September 30, 2024 was $2.49 billion, of which the Company won 30%, which is close to the Company's average of 33% for the three-year period ended December 31, 2023. The third quarter and year-to-date domestic dredging bid market totals do not include LNG or offshore wind projects. 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 $1.21 billion at September 30, 2024 compared to $1.04 billion of dredging backlog at December 31, 2023. Total dredging backlog does not include $465.0 million of domestic low bids pending formal award and options pending on projects currently in dredging backlog at September 30, 2024. Additionally, it does not include $44.9 million of performance obligations or $12.7 million of options pending award related to offshore wind contracts. Subsequent to September 30, 2024, the Company was awarded additional projects totaling approximately $90 million. At December 31, 2023, the total dredging backlog does not include $44.6 million of performance obligations related to offshore wind contracts or $179.4 million of domestic low bids pending formal award and options pending on projects in dredging backlog as of that date. Included in the Company's backlog at September 30, 2024 and December 31, 2023 are two LNG projects, including the Brownsville Ship Channel project for Next Decade Corporation's 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. Dredging on both capital projects began during the third quarter of 2024.

Domestic capital dredging backlog at September 30, 2024 was $898.9 million, an increase of $157.1 million from December 31, 2023. During the nine months ended September 30, 2024, the Company was awarded four domestic capital dredging projects in Florida, Alabama, Virginia and Texas totaling $389.1 million. During the nine months ended September 30, 2024, the Company continued to earn revenue on deepening projects in Virginia and Texas. 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. 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 available monies for ecosystem priorities, a portion of which is allocated to dredging.

Coastal protection dredging backlog at September 30, 2024 was $218.3 million, an increase of $79.9 million from December 31, 2023. During the nine months ended September 30, 2024, the Company was awarded seven coastal protection projects in New Jersey, New York, Massachusetts and Florida totaling $327.2 million. During the nine months ended September 30, 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 September 30, 2024 was $89.1 million, a decrease of $63.1 million from December 31, 2023. In the nine months ended September 30, 2024, the Company was awarded two maintenance projects for a total of $18.1 million in Florida and Texas. During the nine months ended September 30, 2024, the Company continued to earn revenue on projects in Louisiana, Texas, Mississippi, Puerto Rico and Florida that were in dredging backlog at December 31, 2023.

Rivers & lakes backlog at September 30, 2024 was $6.9 million, an increase of $0.1 million compared to rivers & lakes backlog at December 31, 2023. For the nine months ended September 30, 2024, the Company continued to earn revenue on a project Arkansas which was 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 nine months ended September 30, 2024 and 2023 was $83.6 million and $49.6 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 nine months ended September 30, 2024, relates primarily to significantly higher current period earnings in the current year, partially offset by the increases in contract revenues in excess of billings, decreases in billings in excess of contract revenues 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 nine months ended September 30, 2024 and 2023 were $93.2 million and $97.0 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 nine months ended September 30, 2024, the Company invested $5.1 million in the *Galveston Island*, $29.1 million in the *Amelia Island* and $56.0 million in the *Acadia*, as well as maintenance capital expenditures. These investments were partially offset by the disposition of certain equipment for approximately $9.3 million during the current year.

The Company's cash flows (used in) provided by financing activities for the nine months ended September 30, 2024 and 2023 totaled a use of $2.1 million and proceeds of $54.9 million, respectively. The decrease in net cash flows used in financing activities is primarily due to net borrowings under the Company's revolving debt facility and Second Lien Credit Agreement during the nine months ended September 30, 2024 of $10.0 million, compared to net borrowings of $55.0 million on the Company's revolving debt facility during the nine months ended September 30, 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 ABL 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. Additionally, the deferred financing fees associated with the Second Lien Credit Agreement of approximately $10.9 million increased the net cash flows used in financing activities during the nine months ended September 30, 2024.

The Company expects to spend between approximately $130 million and $150 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 5, Long-term debt, in the Notes to Condensed Consolidated Financial Statements for discussion of the Company's ABL Amendment, Second Lien Credit Agreement and 2029 Notes. Additionally, refer to Note 9, 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. In the third quarter of 2024, S&P Global Ratings upgraded our corporate credit rating from CCC+ to B- and reaffirmed our outlook as stable. 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 ABL Amendment, 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 September 30, 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 September 30, 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 September 30, 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 September 30, 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 9, Commitments and contingencies, in the Notes to Condensed Consolidated Financial Statements.

Item 1A. Risk Factors.

Except as provided below, there have been no material changes during the nine months ended September 30, 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.

Our business and operating results *could be adversely affected by the political environment and governmental fiscal and monetary policies*.

An unpredictable or volatile political environment in the United States, including any social unrest and uncertainty as a result of the 2024 U.S. presidential election, could negatively impact business and market conditions, economic growth, financial stability, and business, consumer, investor, and regulatory sentiments, any one or more of which in turn could cause our business and financial results to be adversely impacted. It is difficult to predict the legislative and regulatory changes that may result due to the upcoming presidential election. A new administration, or a change in the make-up of either the Senate and/or House of Representatives, may cause broader economic changes due to changes in governing ideology and governing style. There is also no certainty that a new administration, or a change in the make-up of either the Senate and/or the House of Representatives, will maintain the level of federal spending and support for the dredging industry and offshore wind development. A significant reduction in such funding or support could materially adversely affect our business and operating results.

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.

On August 26, 2024, Lasse Petterson, Director and President and Chief Executive Officer, terminated a Rule 10b5-1 trading arrangement previously adopted on May 16, 2024. Such 10b5-1 trading arrangement was intended to satisfy the affirmative defense of Rule 10b5-1 (c) and provided for the sale of up to 500,000 shares of our common stock. 250,000 shares were sold under this 10b5-1 trading arrangement prior to its termination.

During the quarterly period ended September 30, 2024, none of our other 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
31.1	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. *
31.2	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. *
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. **
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. **
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

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: November 5, 2024

Exhibit 31.1

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: November 5, 2024

/s/ LASSE J. PETTERSON

Lasse J. Petterson
President and Chief Executive Officer

Exhibit 31.2

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: November 5, 2024

/s/ SCOTT KORNBLAU

Scott Kornblau
Senior Vice President and Chief Financial Officer

Exhibit 32.1

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 September 30, 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: November 5, 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.

Exhibit 32.2

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 September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Scott Kornblau, Senior Vice President and Chief Financial 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/ SCOTT KORNBLAU

Scott Kornblau
Senior Vice President and Chief Financial Officer

Date: November 5, 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.