



Letter from the CEO

To Our Shareholders,

It was a great honor to be named Orion's CEO this past September. While I have only been in this role a short time and this is my first letter to you, I have many positive thoughts and observations to share. First, I couldn't have asked for a better CFO than Scott Thanisch, who joined Orion at the same time as I did. We immediately formed a great partnership and are totally aligned in our commitment to strategically grow our company through strong leadership and discipline that will improve profitability and increase stakeholder value.



Travis Boone
President &
Chief Executive Officer

We know there's a lot of work ahead, but we also have a lot to work with. Ticking off the list, Orion is a vital provider of services to mission critical infrastructure projects within the marine and building sectors in some of our nation's fastest growing areas. We have long-tenured relationships with blue-chip clients across the government and private sectors in both our marine and concrete segments. In Marine, that includes the US Navy and US Army Corps of Engineers, many of the largest ports in the US and the Caribbean, and major petrochemical companies. In our Concrete division, we have a stellar reputation in Texas that is resonating in our target markets of Dallas and Houston.

Beyond market potential, I was especially impressed with Orion's deep talent pool. Our people take great pride in craftsmanship and performing each task properly and safely. Their willingness to adapt and learn to achieve greater growth and success, both for Orion and their professional advancement, is essential to executing our strategy. I am excited to lead Orion's thousands of talented and dedicated employees and build on the Company's nearly 30 years of operating excellence. In addition, we have a highly engaged and supportive board of independent directors with diverse backgrounds and complementary expertise to help guide us.

We have many catalysts for growth.

I am excited about several catalysts for Orion's growth such as new funding sources like the Infrastructure Investment and Jobs Act and the US Navy's intensified focus on its Pacific installations. We will continue our emphasis on disciplined bidding and investments in project management to make the most of these opportunities.

I am encouraged by how quickly our team has embraced the changes we are making in our business. I know firsthand how important team engagement is to our success. I spent 23 years at one of the world's largest E&C companies, and I led the turnaround of several underperforming businesses in its portfolio. With this experience and perspective, I took a hard look at Orion and saw its enormous potential. I knew Orion's problems were fixable with the right team in place.

I am confident that Orion has all the elements for success. After making some additions and changes to management, we now have the right team to deliver improved financial performance. That said, we have a big ship to turn around—it won't happen overnight—but we know what needs to be done to unlock the potential of this business.

We have a plan to activate growth and profitability.

Since September 2022, we have acted swiftly to put the right structure and processes in place. On our fourth quarter conference call, we shared our three-point strategic plan, which we believe will drive long-term sustainable growth that will benefit all our stakeholders. The building blocks of our plan include:



Improve the profitability of our concrete business.

- Installed new leadership for the concrete team by tapping one of our senior leaders from the Marine business who has many years of experience successfully and profitably delivering complex projects.
- Exit from low-margin business in Central Texas and refocus on our core markets of Dallas and Houston, where we have strong relationships, a track record of success, and a runway to improve profitability.
- Pursue bigger, higher-margin projects for customers who value our expertise and shift away from smaller projects that distract and consume resources.
- Invest in additional experienced project managers and provide our project teams with the training and tools to drive efficiency and improved business outcomes.

Investments and resources to realize Orion's potential.

- Strengthen the balance sheet and improve liquidity, by extending our debt maturities and accessing capital to take advantage of our market opportunities.
- Optimize assets to improve our return on assets. With the completion of our Central Texas concrete jobs in 2023, we can dispose of some underutilized equipment. We will continue our efforts to monetize non-core real estate assets this year.
- Invest in our dredging fleet to better service our growth. Supporting our commitment to the environment, Orion's fleet upgrades will also include investing in more efficient engines to achieve lower carbon emissions.
- Foster collaboration between our Concrete and Marine operations. We have the opportunity to drive synergies, leverage best practices and cross-sell work.
- Continue to enhance and build our "Target Zero" safety culture, practices and systems.

We are executing that plan and seeing early results.

Many of our new initiatives are underway and we are beginning to see positive results. 2022 contract revenue increased 24% to \$748.3 million from \$601.4 million last year. We reduced our net loss to \$12.6 million, or a loss of \$0.40 per diluted share compared to a net loss of \$14.6 million, or a loss of \$0.47 per diluted share in the prior year.

We entered 2023 with a solid backlog, increased quoted work outstanding, a strong bid pipeline, and long-term tailwinds driving our markets. Since the beginning of 2023, we have built great momentum with contract wins totaling over \$582 million, including the largest in our history—a \$448 million contract with the US Navy to build a dry dock at Pearl Harbor as part of a \$2.8 billion joint venture. We have secured Concrete wins in our Dallas and Houston markets of around \$100 million and won a contract for diving services, which at \$20 million was also the largest diving contract in our history. During our November earnings call, I mentioned that we were bidding on our largest projects ever and we won both of those projects. We are very proud of our team bringing these projects home.

Looking ahead, we are confident the steps we are taking now will unlock the untapped potential of our assets and put us on a path to higher growth and improved profitability. I am incredibly excited to see what the future brings. I want to thank our employees for all their hard work, our Board of Directors for their commitment to our vision, our customers for their longstanding backing, and our shareholders for your continued support. From where I sit, the best is yet to come.

Sincerely,

A handwritten signature in blue ink that reads "Travis Boone".

Travis Boone
President and CEO