

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

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 21, 2024

ORION GROUP HOLDINGS, INC.
(Exact name of Registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	1-33891 (Commission File Number)	26-0097459 (IRS Employer Identification Number)
12000 Aerospace Suite 300 Houston, Texas 77034 (Address of principal executive offices)		
(713) 852-6500 (Registrant's telephone number, including area code)		

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common stock, \$0.01 par value per share	ORN	The New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

After almost 17 years of service on the Board of Directors (the “Board”) of Orion Group Holdings, Inc. (“Orion” or the “Company”), including 13 years of service as Non-Executive Chairman of the Board and one year as Lead Independent Director, Mr. Richard Daerr, Jr. informed the Chairman of the Board of Orion on March 21, 2024 pursuant to Orion’s Amended and Restated Bylaws that Mr. Daerr does not intend to stand for re-election at the Company’s next Annual General Meeting of Stockholders on May 16, 2024 (the “Annual Meeting”), but instead intends to retire from the Board effective at the conclusion of the Annual Meeting. The anticipated retirement of Mr. Daerr from the Board did not arise from any disagreement with the Company on any matters relating to the Company’s operations, policies or practices. Mr. Daerr intends to serve out the rest of his term as a Class II director on the Board and a member of the Compensation Committee of the Board.

Item 7.01 Regulation FD Disclosure.

On March 25, 2024, the Company issued a press release announcing the retirement of Richard Daerr, Jr. as a Class II director on the Board and a member of the Compensation Committee of the Board, effective as of May 16, 2024. The text of the press release is set forth in Exhibit 99.1 attached to this Current Report on Form 8-K and is incorporated herein by reference.

On March 26, 2024, the Company’s executive management team intends to meet with current and potential investors as part of a non-deal roadshow in New York City. The presentation that the Company’s executive management team will cover during those meetings is attached as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference. All information included in the presentation is presented as of the dates indicated, and the Company does not assume any obligation to correct or update such information in the future. In addition, the Company disclaims any inferences regarding the materiality of such information that may arise as a result of it furnishing such information under Item 7.01 of this Current Report on Form 8-K.

As provided in General Instruction B.2 to Form 8-K, the information furnished in Item 7.01, Exhibit 99.1 and Exhibit 99.2 of this Current Report on Form 8-K shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and such information shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

The Exhibits to this Current Report are furnished in the Exhibit Index, which appears at the end of, and is incorporated by reference into, this Current Report.

Exhibit No.	Description
<u>99.1</u>	Press Release of Orion Group Holdings, Inc. dated March 25, 2024.
<u>99.2</u>	Orion Group Holdings, Inc. Investor Presentation for March Roadshow
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

EXHIBIT INDEX

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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 hereunto duly authorized.

Dated: March 25, 2024

Orion Group Holdings, Inc.

By: /s/ Travis J. Boone

President and Chief Executive Officer

Orion Group Holdings, Inc. Announces Retirement of Board Member

HOUSTON – March 25, 2024 – Orion Group Holdings, Inc. (NYSE: ORN) (“Orion” or the “Company”), a leading specialty construction company, announced today that Richard L. Daerr, Jr., who has served as an independent member of the Company’s Board of Directors (the “Board”) since 2007 and was Chairman of the Board from 2007 to 2020 as well as Lead Independent Director from 2022 to 2023, informed the Company that he has chosen not to stand for re-election and instead retire from the Board effective at the Company’s upcoming Annual General Meeting of Stockholders on May 16, 2024. Effective upon Mr. Daerr’s retirement, the Board has determined to reduce its size from eight directors to seven directors, six of whom are independent.

Austin Shanfelter, Orion’s Chairman of the Board, commented, “We want to thank Richard for his years of service to the Company and his many valuable contributions, including his board leadership in the transition of Orion to a public company, establishing the standards for governance, the growth of the Company, and agreeing to serve as our Lead Independent Director through our recent executive transition. We wish him all the best in his future endeavors.”

Mr. Daerr stated, “It has been my distinct honor to serve on this Board for almost seventeen years and lead the Board for almost all of that time. I am proud of the tremendous transformation the Company has achieved over this time, and I leave with great confidence in Orion’s future and the strength of its Board.”

About Orion Group Holdings

Orion Group Holdings, Inc., a leading specialty construction company serving the infrastructure, industrial and building sectors, provides services both on and off the water in the continental United States, Alaska, Hawaii, Canada and the Caribbean Basin through its marine segment and its concrete segment. The Company’s marine segment provides construction and dredging services relating to marine transportation facility construction, marine pipeline construction, marine environmental structures, dredging of waterways, channels and ports, environmental dredging, design and specialty services. Its concrete segment provides turnkey concrete construction services including place and finish, site prep, layout, forming, and rebar placement for large commercial, structural and other associated business areas. The Company is headquartered in Houston, Texas with regional offices throughout its operating areas. The Company’s website is located at: <https://www.oriongroupholdingsinc.com>.

Forward-Looking Statements

The matters discussed in this press release may constitute or include projections or other forward-looking statements within the meaning of the “safe harbor” provisions of Section 27A of the Securities Exchange Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, of which provisions the Company is availing itself. Certain forward-looking statements can be identified by the use of forward-looking terminology, such as ‘believes’, ‘expects’, ‘may’, ‘will’, ‘could’, ‘should’, ‘seeks’, ‘approximately’, ‘intends’, ‘plans’, ‘estimates’, or ‘anticipates’, or the negative thereof or other comparable terminology, or by discussions of strategy, plans, objectives, intentions, estimates, forecasts, outlook, assumptions, or goals. In particular, statements regarding future operations or results, including those set forth in this press release, and any other statement, express or implied, concerning future

operating results or the future generation of or ability to generate revenues, income, net income, gross profit, EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, or cash flow, including to service debt, and including any estimates, forecasts or assumptions regarding future revenues or revenue growth, are forward-looking statements. Forward-looking statements also include project award announcements, estimated project start dates, anticipated revenues, and contract options which may or may not be awarded in the future. Forward-looking statements involve risks, including those associated with the Company's fixed price contracts that impacts profits, unforeseen productivity delays that may alter the final profitability of the contract, cancellation of the contract by the customer for unforeseen reasons, delays or decreases in funding by the customer, levels and predictability of government funding or other governmental budgetary constraints, and any potential contract options which may or may not be awarded in the future, and are at the sole discretion of award by the customer. Past performance is not necessarily an indicator of future results. In light of these and other uncertainties, the inclusion of forward-looking statements in this press release should not be regarded as a representation by the Company that the Company's plans, estimates, forecasts, goals, intentions, or objectives will be achieved or realized. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company assumes no obligation to update information contained in this press release whether as a result of new developments or otherwise, except as required by law.

Please refer to the Company's 2023 Annual Report on Form 10-K, filed on March 1, 2024, which is available on its website at www.oriongroup Holdings Inc. com or at the SEC's website at www.sec.gov, for additional and more detailed discussion of risk factors that could cause actual results to differ materially from our current expectations, estimates or forecasts.

Contact:

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Margaret Boyce
310-622-8247
orn@finprofiles.com



Orion Group Holdings, Inc.

Delivering Predictable Excellence

March 2024



DISCLAIMER

This presentation contains, and the officers and directors of the Company may from time to time make, statements that of the Securities Act of 1933 and the Securities Exchange Act of 1934. These forward-looking statements are subject to our control, which may include statements about: our business strategy; our financial strategy; our industry outlook expectations, forecasts, outlook and intentions. All of these types of statements, other than statements of historical fact. In some cases, forward-looking statements can be identified by terminology such as “may,” “will,” “could,” “should,” “estimate,” “predict,” “potential,” “pursue,” “target,” “continue,” the negative of such terms or other comparable terms. These forward-looking statements are largely based on our expectations, which reflect estimates and assumptions made by our management based on currently known market conditions and other factors. Although we believe such estimates and assumptions are reasonable, there are a number of risks and uncertainties that are beyond our control. In addition, management’s assumptions about future events and circumstances may not be realized. We caution readers that the forward-looking statements contained in this presentation are not guarantees of future performance, realized or the forward-looking events and circumstances will occur. Actual results may differ materially from those anticipated. Factors listed in the “Risk Factors” section in our filings with the U.S. Securities and Exchange Commission and elsewhere in this presentation may cause our actual results to differ from our expectations. We do not intend to update or revise our forward-looking statements if we deem immaterial, that are not presently known to us or that arise in the future could also cause our actual results to differ from our expectations. Investors are cautioned that many of the assumptions upon which our forward-looking statements are made. The forward-looking statements speak only as of the date made, and we undertake no obligation to update or revise any reason, whether as a result of new information, future events or developments, changed circumstances, or otherwise. These cautionary statements qualify all forward-looking statements in this presentation.

This presentation may contain the financial measures: adjusted net income, EBITDA, adjusted EBITDA, and adjusted EBITDA. We have presented, a reconciliation of the non-GAAP financial measures to the most directly comparable GAAP financial measure.

/// AT A GLANCE

Orion is a leading marine construction company in the U.S., Canada and Mexico

COMPANY OVERVIEW

SERVICES

Marine

Transportation facility & infrastructure construction; dredging

Concrete

Commercial, structural, and industrial

Q4 2023 vs Q4 2022

Revenue

+3%

GAAP EPS

+13%

Adjusted EBITDA

+366%

Adjusted EBITDA Margin

+570 bps

How

PHASE 1 OF STRATEGIC PLAN



01.

Improved profitability
in the concrete business

Implemented minimum bid margins – Pursuing work with strong value proposition –Bolstering management oversight with experienced leaders



02.

Strengthened business
development to drive growth

Recruited high-caliber talent – Investing in resources to deepen client relationships – Doubled backlog – Building on significant contract wins

2023 ACCOMPLISHMENTS

Phase 1 of strategic plan completed

- Returned the Concrete segment to profitability
- Significant wins:
 - \$435M contract to build dry dock in Pearl Harbor, HI (largest win in company history)
 - \$120M contract to build dry dock in Grand Bahamas shipyard
- Attracted high-caliber business development executives
- Invested in systems, training and tools
- Rebranded TAS Construction to Orion – all segments operating under the Orion banner
- Fortified balance sheet
- Quadrupled shareholder value trailing twelve months

**WE DID WHAT WE SAID
WE WOULD DO**

PHASE 2 OF STRATEGIC PLAN

Driving our growth potential



Foundation in place, turning full attention to growth



Demand for specialized Marine construction exceeds supply



Strategic M&A/Geographic expansion



Build out IT capabilities for greater efficiency

Integrating all business units on a single platform



STRONG INDUSTRY TAILWIND

01.

\$1.2 trillion Infrastructure Act

Multi-year catalyst for public sector projects such as transportation funding, ports, waterways, water infrastructure and bridges.

02.

Port expansion and maintenance

Larger ships passing through the expanded Panama canal demand larger ports and shipping channels.

03.

U.S. Navy expands the Pacific

U.S. Navy investments in Asia to support the U.S. Navy fleet.

05.

Downstream energy

Private investment in LNG and methanol terminals.

06.

Economic Growth and expansion

Leading job and population growth rates in Texas.

07.

Data centers demand

AI driving need for more data centers in North Texas and other western regions.

\$30B TAM.

Diverse end markets.

Multiple sources funding.

/// MARINE SEGMENT OVERVIEW

Orion Marine benefits from high-margin projects with high barriers of entry and consistent maintenance demand

- Services the infrastructure sector to carry out construction, design and specialty services for marine structures
- **Construction** services include construction, restoration, maintenance & repair of ports and docks, marine pipelines, marine transportation facilities, bridges and environmental structures
- **Dredging** services generally enhance or preserve the navigability of waterways through the removal of soil, sand or rock. Added benefits of protecting shorelines with replenishment of material.
- **Specialty** services include design, salvage, demolition, surveying, towing, diving and underwater inspection, excavation and repair
- The Jones Act prevents foreign competition from dredging in the U.S. market

CONSTRUCTION



DREDGING



SPECIALTY



/// CONCRETE SEGMENT OVERVIEW

Improved project margin focus
has laid the groundwork for
future success

- Provides turnkey concrete construction services for building construction including place and finish, site work, layout, forming, rebar
- Light Commercial: Services include horizontally poured concrete for large tilt walls, slabs, foundations, and paving
- Structural: Services include elevated concrete pouring for columns, decking, elevated beams and structural walls up to 45 stories
- Implementing minimum bid margins and upgrading project management systems to drive improved profitability

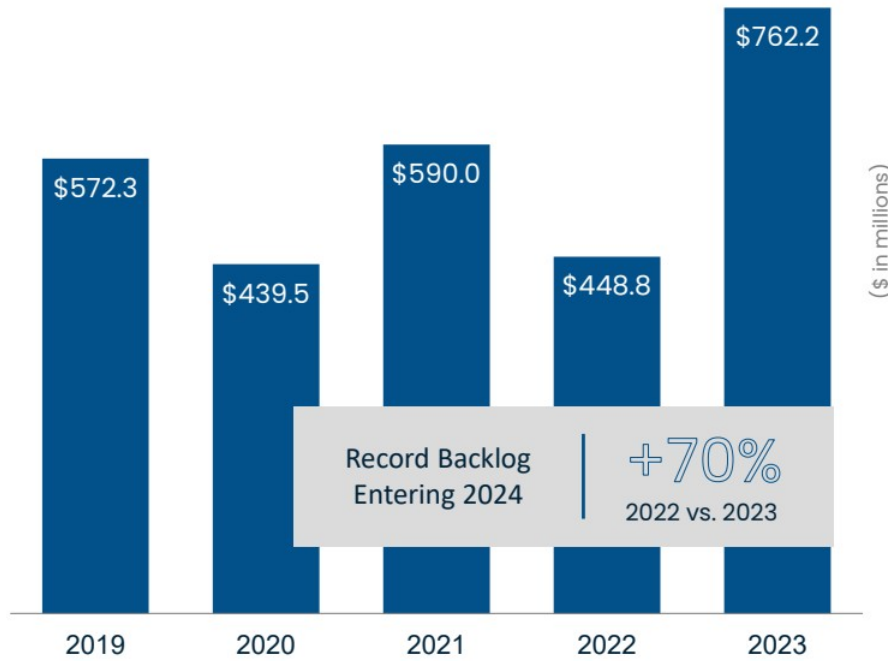
LIGHT COMMERCIAL



STRUCTURAL



/// BACKLOG



/// W

\$435

contract (largest
company history)
dry dock in Pe

Quadrupled p
opportunity fr

\$3B to

in just over a y



/// DEEP AND TALENTED MANAGEMENT



Travis Boone, PE
Chief Executive Officer

Leadership and management experience in civil, utility/pipeline, commercial building and construction industries. Former regional Chief Executive of AECOM



Scott Thanisch
Chief Financial Officer

Multi-disciplinary finance experience, including corporate development, FP&A, treasury strategy and accounting across numerous industries



Ardell Allred
*Executive Vice President
Orion Concrete Group*

Held construction and management roles at companies including Kiewit and Zachry Construction



Scott Cromack
*Executive Vice President
Orion Marine Group*

Recently served as a Senior President at Texas Sterling Construction. Also held roles at Kiewit and Zachry Construction

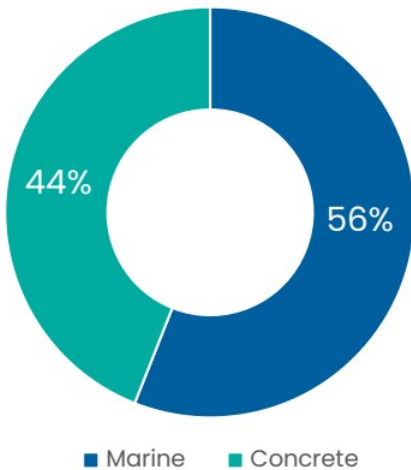


Financial Rev

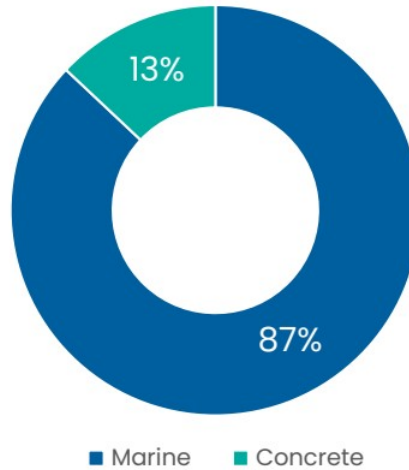


FINANCIAL OVERVIEW

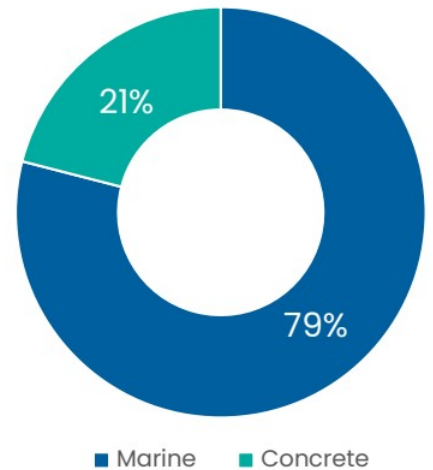
Revenue by Segment



Adj EBITDA by Segment



Backlog by Segment





FOURTH QUARTER 2023

	Q4 2023	Q4
Revenue	\$201.6M	\$19
GAAP EPS	(\$0.13)	(\$
Adjusted EBITDA	\$14.8M	\$:
Adjusted EBITDA Margin	7.3%	1



/// BALANCE SHEET AND LIQUIDITY

December 31, 2023

Cash & Cash Equivalents

\$30.9M

Net Debt Outstanding

\$37.2M

On December 1, 2023, Orion and White Oak amended Orion's credit facility to include a \$15.0 million pre-payment, and then on February 27, 2024, Orion and White Oak amended the credit facility to lower the interest rate for the Company's \$65 million revolver by 100 basis points and the \$38 million term loan by 100 basis points.

As of 12/31/23, Orion monetized \$26 million in sale leaseback transactions



2024 OUTLOOK

Q1 2024

Revenue

\$170M – \$190M

GAAP EPS

(\$0.33) – (\$0.20)

Adjusted EPS

(\$0.29) – (\$0.16)

Adjusted EBITDA

\$0M – \$4M

- Revenue and EBITDA lower in Q1 due to normal seasonality and to delays on two major projects,
-

/// INVESTMENT HIGHLIGHTS

01.

Mission Critical Specialty
Construction Provider with
Sustainable Competitive
Advantages

02.

Experienced Management
Team Focused on Improved
Financial Performance

04.

Diversified Revenue with Blue-
Chip and Government Clients

05.

Strong Execution of Strategic
Plan To Deliver Enhanced
Growth and Returns

APPENDIX



NON-GAAP SUPPLEMENTAL INFO

Net Income to Adjusted Operating EBITDA Reconciliation

	Three months ended December 31,		Year ended December 31,	
	2023	2022	2023	2022
Net loss	\$ (4,365)	\$ (4,949)	\$ (17,875)	\$ (12,000)
Income tax (benefit) expense	(145)	33	330	—
Interest expense, net	3,972	1,510	11,556	4,000
Depreciation and amortization	6,996	5,631	23,878	24,000
EBITDA (1)	6,458	2,225	17,889	16,000
Stock-based compensation	209	639	2,042	2,000
Net gain on Port Lavaca South Yard property sale	—	—	(5,202)	—
ERP implementation	568	308	1,378	1,000
Professional fees related to management transition	—	—	—	1,000
Severance	683	4	809	—
Intangible asset impairment loss	6,890	—	6,890	—
Adjusted EBITDA(2)	\$ 14,808	\$ 3,176	\$ 23,806	\$ 22,000
Operating income margin	(0.3)%	(1.8)%	(0.9)%	—
Impact of depreciation and amortization	3.5 %	2.9 %	3.3 %	—
Impact of stock-based compensation	0.1 %	0.3 %	0.3 %	—
Impact of net gain on Port Lavaca South Yard property sale	— %	— %	(0.7)%	—
Impact of ERP implementation	0.3 %	0.2 %	0.2 %	—
Impact of professional fees related to management transition	— %	— %	— %	—
Impact of severance	0.3 %	— %	0.1 %	—
Impact of intangible asset impairment loss	3.4 %	— %	1.0 %	—
Adjusted EBITDA margin(2)	7.3 %	1.6 %	3.3 %	—

- EBITDA is a non-GAAP measure that represents earnings before interest, taxes, depreciation and amortization.
- Adjusted EBITDA is a non-GAAP measure that represents EBITDA adjusted for stock-based compensation, net gain on Port Lavaca South Yard property sale, ERP implementation, professional fees related to management transition, severance and intangible asset impairment loss. Adjusted EBITDA margin(2) is a non-GAAP measure calculated by dividing Adjusted EBITDA by contract revenues.



THANK YOU!

