

Orion Group Holdings, Inc. and Subsidiaries
EBITDA and EBITDA Margin Reconciliations
(In Thousands, except margin data)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2016	2015 (3)	2016	2015 (3)
	Unaudited	Unaudited	Unaudited	Unaudited
Operating income (loss)	\$ 281	\$ (695)	\$ (174)	\$ 2,666
Other income	9	6	22	15
Depreciation and amortization	8,653	7,682	17,203	15,570
EBITDA ⁽¹⁾	\$ 8,943	\$ 6,993	\$ 17,051	\$ 18,251
Operating income (loss) margin ⁽²⁾	0.2%	(0.5)%	(0.1)%	1.0%
Impact of depreciation and amortization	6.2%	5.6%	6.4%	5.6%
EBITDA margin ⁽¹⁾	6.4%	5.1%	6.3%	6.6%

(1) EBITDA is a non-GAAP measure that represents earnings before interest, taxes, depreciation and amortization. EBITDA margin is a non-GAAP measure calculated by dividing EBITDA by contract revenues.

(2) Operating margin is calculated by dividing operating income (loss), plus other income, by contract revenues.

(3) The Company has included the pro forma impact of the acquisition of TAS in our operating results for the three and six months ended June 30, 2015.

Orion Group Holdings, Inc. and Subsidiaries
EBITDA and EBITDA Margin Reconciliations by Segment
(In Thousands, except margin data)

	Heavy Civil Marine Construction			
	Three months ended June 30,		Six months ended June 30,	
	2016	2015 ⁽³⁾	2016	2015 ⁽³⁾
	Unaudited	Unaudited	Unaudited	Unaudited
Operating loss	\$ (1,212)	\$ (2,712)	(4,354)	(2,905)
Other income	1,361	1,505	3,824	3,027
Depreciation and amortization	5,176	5,209	10,243	10,654
EBITDA ⁽¹⁾	\$ 5,325	\$ 4,002	\$ 9,713	\$ 10,776
Operating income (loss) margin ⁽²⁾	0.2%	(1.4)%	(0.4)%	—
Impact of depreciation and amortization	6.5%	6.1%	7.2%	6.4%
EBITDA margin ⁽¹⁾	6.7%	4.7%	6.8%	6.4%

	Commercial Concrete Construction			
	Three months ended June 30,		Six months ended June 30,	
	2016	2015 ⁽³⁾	2016	2015 ⁽³⁾
	Unaudited	Unaudited	Unaudited	Unaudited
Operating income	\$ 1,493	\$ 2,017	\$ 4,180	\$ 5,571
Other expense	(1,352)	(1,499)	(3,802)	(3,012)
Depreciation and amortization	3,477	2,473	6,960	4,916
EBITDA ⁽¹⁾	\$ 3,618	\$ 2,991	\$ 7,338	\$ 7,475
Operating income margin ⁽²⁾	0.2%	1.0%	0.3%	2.4%
Impact of depreciation and amortization	5.8%	4.9%	5.5%	4.5%
EBITDA margin ⁽¹⁾	6.0%	5.9%	5.8%	6.9%

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(2) Operating margin is calculated by dividing operating income (loss), plus other income, by contract revenues.

(3) The Company has included the pro forma impact of the acquisition of TAS in our operating results for the three and six months ended June 30, 2015.