

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

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015 ⁽³⁾	2016	2015 ⁽³⁾
Operating income (loss)	\$ 9,531	\$ (7,305)	\$ 9,357	\$ (5,177)
Other income	10	279	32	727
Depreciation and amortization	8,563	8,176	25,765	18,830
EBITDA ⁽¹⁾	<u>\$ 18,104</u>	<u>\$ 1,150</u>	<u>\$ 35,154</u>	<u>\$ 14,380</u>
Operating income (loss) margin ⁽²⁾	5.8%	(4.3)%	2.2%	(1.0)%
Impact of depreciation and amortization	5.2%	5.0 %	5.9%	4.3 %
EBITDA margin ⁽¹⁾	<u>11.0%</u>	<u>0.7 %</u>	<u>8.1%</u>	<u>3.3 %</u>

(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 nine months ended September 30, 2015. The data has been adjusted from previously reported pro forma results to include certain other allocations of expenses for comparison purposes.

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

	Heavy Civil Marine Construction			
	Three months ended September 30,		Nine months ended September 30,	
	2016	2015 (3)	2016	2015 (3)
Operating income (loss)	\$ 3,272	\$ (10,746)	(1,082)	(13,651)
Other income	1,372	1,253	5,196	1,253
Depreciation and amortization	5,547	5,584	15,790	16,238
EBITDA ⁽¹⁾	\$ 10,191	\$ (3,909)	\$ 19,904	\$ 3,840
Operating income (loss) margin ⁽²⁾	5.7%	(10.5)%	1.8%	(4.8)%
Impact of depreciation and amortization	6.8%	6.2 %	7.0%	6.3 %
EBITDA margin ⁽¹⁾	12.5%	(4.3)%	8.8%	1.5 %

	Commercial Concrete Construction			
	Three months ended September 30,		Nine months ended September 30,	
	2016	2015 (3)	2016	2015 (3)
Operating income	\$ 6,259	\$ 3,441	\$ 10,439	\$ 8,474
Other expense	(1,362)	(974)	(5,164)	(526)
Depreciation and amortization	3,016	2,592	9,975	2,592
EBITDA ⁽¹⁾	\$ 7,913	\$ 5,059	\$ 15,250	\$ 10,540
Operating income margin ⁽²⁾	6.0%	3.3%	2.5%	4.3%
Impact of depreciation and amortization	3.7%	3.5%	4.8%	1.4%
EBITDA margin ⁽¹⁾	9.7%	6.8%	7.3%	5.7%

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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 nine months ended September 30, 2015. The data has been adjusted from previously reported pro forma results to include certain other allocations of expenses for comparison purposes.