NYSE:ORN Q3 2026 Earnings Call Transcript

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Operator | Conference Call Operator:

Good morning and welcome to the Orion Group Holdings third quarter 2026 financial results conference call. All participants will be in a listen-only mode. Should you need assistance, please signal a conference specialist by pressing the star key followed by zero. After today's presentation, there will be an opportunity to ask questions. To ask a question, you may press star, then 1 on a touchtone phone. To withdraw your question, please press star, and then 2. Please note, this event is being recorded. I would now like to turn the conference over to Margaret Boyce, Investor Relations for Orion. Please go ahead.

Margaret Boyce | Investor Relations:

Thank you, Operator, and thank you all for joining us today to discuss Orion Group Holdings' third quarter 2026 financial results. We issued our earnings release after market last night. It's available in the investor relations section of our website at oriangroupholdingsinc.com.

Alison Vasquez | Chief Financial Officer:

I'm here today with Travis Boone, Chief Executive Officer of Orion, and Alison Vasquez, Chief Financial Officer.

Margaret Boyce | Investor Relations:

On today's call, management will provide prepared remarks and then we'll open up the call for your questions. Before we begin, I'd like to remind you that today's comments will include forward-looking statements under the federal securities laws. Forward-looking statements are identified by words such as will, be, intend, believe, expect, anticipate, or other comparable words and phrases. Statements that are not historical facts are forward-looking statements. Our actual financial condition and results of operations may vary materially from those contemplated by such forward-looking statements. Discussion of the factors that could cause our results to differ materially from these forward-looking statements are contained in our SEC filings, including our reports on Form 10-Q and 10-K. With that, I'll turn the call over to Travis. Travis, please go ahead.

Travis Boone | Chief Executive Officer:

Thanks, Margaret. Before we review the quarter, I'd like to recognize two recent honors. Orion was named one of the Houston Business Journal's Best Places to Work, reflecting the strong culture our team has built and the progress we have made as an organization. Orion was also ranked the number three contractor in marine and port facilities and number 12 in specialty concrete by E&R Magazine. These recognitions reflect our commitment to safety, accountability, collaboration, and continuous improvement, and I commend every member of the Orion team for their contributions. Turning to the quarter, we delivered a strong third quarter. Our consolidated revenues grew 14%. adjusted EBITDA margin expanded to 120 basis points and adjusted EBITDA increased 37% compared with the third quarter of 2025. Alison will provide more detail shortly, but our results reflect highly active projects, strong equipment utilization, favorable operating conditions, and disciplined execution across the business. I'm pleased to report that our Pacific Rock and Dredge team, or

MCAMIS, made significant contributions in the quarter, supporting strategic pursuits and also delivering revenue with highly accretive margins and positive cash conversion. We've successfully integrated this business onto our platform, retaining the entire workforce, and we couldn't be more pleased with this acquisition and the work they do. On to the market outlook. Customer activity remains strong across both operating segments, with a broad range of opportunities active or coming into focus across our end markets and geographies. We are in the early stages of a multiyear infrastructure investment cycle spanning national defense, energy security, port modernization, coastal resilience, industrial and manufacturing reshoring, and mission-critical investments. While our backlog isn't yet reflecting it, bid activity has increased across our business and our opportunity pipeline remains strong, including a sizable $2 billion of submitted bids awaiting award, compared with just over $1 billion at the beginning of the year. The $2 billion is split roughly evenly between concrete and marine. Our win rate is strong and has remained steady, and the increasing volume of submitted bids is indicative of owners being slow to award projects. Award timing can vary by quarter, but the scale and breadth of the pipeline in both operating segments and across all geographies reinforce our confidence in the outlook for our business. The work is there, and we are positioned well to win it and deliver it. During the third quarter, we booked $179 million of new contract wins and were awarded competitive positions on two additional Navy MAX, which I'll discuss shortly. In marine, demand remains strong while the path from opportunity to award continues to evolve. We are pursuing larger, more complex projects through alternative delivery methods that involve contractors earlier in the project lifecycle. Early engagement allows us to support design, execution planning, and scope to budget decisions, improve risk management, and build stronger client partnerships from planning through delivery. In September, we were selected as the marine contractor on a fully funded federal design-to-budget contract in the Pacific Northwest with an expected value to Orion of about $200 million. We expect the project to convert to backlog in mid to late 2027. We were also selected to reconstruct a wharf on a naval-based project in Florida, a couple of smaller projects in Hawaii, and for the next phase of reconstruction of the North Jetty of the Columbia River. We were also recently selected as a prime contractor on two significant NAVFAC Northwest Multiple Award Construction Contract, or MAC vehicles. I'm proud of Orion for being selected as a prime contractor on these U.S. Navy MACs because it shows how far we have come as a company in the last few years. The first contract is the U.S. Navy Venti MAC, a $9 billion contract vehicle and the largest procurement action in NAVFAC Northwest's history. encompassing a broad range of major construction projects across the region. The second is the $700 million NAVFAC Northwest Waterfront MAC focused on the construction, repair, and modernization of piers, wharves, and other critical waterfront infrastructure. These MACs are strategically important because the Navy awards a few contractors to compete for task orders under large federal programs. Being a prime contractor on these MACs gives our team greater control over pursuit and delivery strategy and access to a meaningful pipeline of future opportunities. Together, alternative delivery methods, MAC vehicles, and traditional pursuits provide multiple paths to engage clients earlier in the procurement process and better position Orion to convert attractive opportunities into backlog. In concrete, demand remains strong across mission critical and other large-scale infrastructure projects. Our geographic expansion, broader site civil capabilities, and diverse project mix combine to create additional avenues for growth. Early engagement, consistent execution, and strong safety performance also position us to expand our scope and participate in additional phases of large multi-phase projects. Our geographic expansion is broadening our customer base, project mix, and in-market exposure. while reducing the impact of localized weather events on our overall results and strengthening the resilience of our concrete platform. As customer priorities and award timing evolved, we have increased flexibility to deploy our capabilities where demand is strongest. During the quarter, bookings came from all four of our concrete regions and included a large concrete paving package, new phases of multiple data center campuses, a college research building, and a water treatment plant. Overall activity remains strong, and our customers continue to be disciplined in the selection and timing of project awards. At quarter end, we had approximately $1 billion of outstanding concrete bids, and I'm happy to report that in October, after the close of the third quarter, our team secured about $100 million of new awards, including two large mission-critical projects, site civil work for a premier tech company, A cold storage facility, a hospital, and multiple commercial buildings that we will add to our backlog in the fourth quarter. As we close out the year, we remain focused on strong execution in 2026 and positioning Orion for continued success in 2027 and beyond. Across marine and concrete, we see substantial

opportunities supported by a diverse client base, a growing portfolio of Mack vehicles, and healthy end markets. Our disciplined approach to project selection, risk management, and predictable execution gives us confidence in our bullish outlook for the future. We are pleased to reiterate our full year 2026 financial guidance and our tracking toward the upper end of the range for each financial metric. I'll now turn it over to Alison to review the financials. Alison?

Alison Vasquez | Chief Financial Officer:

Thanks, Travis. were pleased to report third quarter revenue of $256 million, which represents 14% growth over last year, gross profit of $33 million, GAAP net income of $5.5 million, adjusted EPS of $0.12 per share, and adjusted EBITDA of $18 million, which represents 37% growth over last year. From an overall perspective, as compared to the prior year quarter, I'll highlight that Consolidated Gross Profit Margin was generally flat, SG&A was down modestly, and borrowing costs came in higher, primarily related to the McCamus acquisition and revolver borrowings in the quarter. Turning to our marine business. Revenue grew 13% to $161 million, attributable to strong contributions from projects like our Sargent Beach coastal restoration project, a port modernization project in Alabama, and a bridge construction project in Texas, as well as contributions from Pacific Rock and Dredge with the opening of their work window. I want to call out that our marine team delivered solid year-over-year revenue growth compared to last year when we had a couple of very large programs contributing at elevated levels. Kudos to this team. Marine reported adjusted EBITDA for the quarter of $19 million, or 11.6% of revenue, is in line with management's expectations. Our concrete business had an excellent quarter as well, with revenue growth of 16% to $95 million, primarily attributable to geographic expansion, growing service lines such as Site Civil, and excellent execution benefited by favorable operating conditions in the quarter. Approximately half of this quarter's concrete revenue relates to mission-critical projects. Concrete adjusted EBITDA grew to $10 million this quarter, with margins of 11%. This solid performance was the result of strong demand and outstanding productivity by our teams, as well as a handful of favorable project upsides that contributed about 2% of margin uplift in the quarter. We continue to maintain a healthy balance sheet with net leverage of about 2.2 times at the end of the quarter, leaving us with sufficient capacity to support the business. We are entering the last month of the year with good momentum and are pleased to reiterate our FY2026 annual guidance of revenue of $900 million to $950 million, adjusted EBITDA of $50 to $54 million, adjusted EPS of $0.23 to $0.30 per share, and CAPEX of $25 to $35 million. With that, I'll turn the call back to Travis to wrap it up.

Travis Boone | Chief Executive Officer:

Thanks, Alison. We are confident in Orion's future. We are executing well, delivering safe, high-quality solutions for our clients with predictable excellence. With strong demand across our markets and a disciplined approach to project selection and risk management, we are well-positioned to capture the opportunities ahead and create long-term value for our shareholders. Operator will now open the call for Q&A.

Operator | Conference Call Operator:

Thank you. We will now begin the question and answer session. To ask a question, you may press star, then 1 on your touch-tone phone. If you are using a speakerphone, please pick up your handset before pressing the keys. If at any time your question has been addressed and you would like to withdraw your question, please press star, then 2. In the interest of time, please limit yourself to one question and one follow-up. At this time, we'll pause momentarily to assemble the roster. The first question will come from Aaron Spahala with Craig Hallam. Please go ahead.

Aaron Spahala | Analyst, Craig-Hallum:

Yeah, good morning, Travis and Alison. Thanks for taking the questions. First for us on the bid pipeline and kind of margin expectations, you know, any changes you're seeing in kind of demand or margins just from, you know, interest rates and commodity prices? Sounds like, you know, seeing some progress given changes in kind of delivery methods and kind of reference some of the concrete awards post-quarter, but just curious more broadly on any kind of changes you might be seeing.

Travis Boone | Chief Executive Officer:

Yeah, good morning, Aaron. No, we haven't noticed anything yet related to interest rates impacting either margins or even bid volume.

Aaron Spahala | Analyst, Craig-Hallum:

All right. Thanks for that. And then, you know, on the Navy Mac, Good to see more progress there, especially on the prime contractor side of things. Any thoughts on just kind of timing of when we can maybe see some of those task orders come out and, you know, activities starting to ramp up there?

Travis Boone | Chief Executive Officer:

We don't have a ton of visibility into when there have been a couple of task orders on the Ventimac that we are looking at, but there's don't have a ton of visibility into exactly what or when those will be. We just know that the one, the waterfront MAC, is kind of smaller marine-oriented projects. And then the other one is more larger capital projects that could include everything from buildings to marine to a variety of other things. Don't have good visibility into percentage of marine projects in there or for that type of thing. But it's expected to generate a lot of work in the Pacific Northwest over time.

Alison Vasquez | Chief Financial Officer:

And I would add that just with the activity and the issuance of these MACs was a really great signal. We've been tracking these for quite some time, as you know, and so it was nice to see them finally land. With PDI MAC getting issued late last year and then with the Venti MAC and then this Northwest Waterfront MAC, All of these MACs have significant coastlines, which bode well for us. So they were really important contracts for us to win positions on. And now it's really the fun part in terms of going after and trying to capture some of the projects that come out. With healthy defense spending and, you know, resilient spending and national security, you know, once we get, you know, through elections and things, we are expecting that we'll see some good activity on these programs specifically.

Aaron Spahala | Analyst, Craig-Hallum:

Great. Thanks for the call there. And then maybe one last quick one if I could on free cash flow, you know, SOC contract assets kind of ticked up. You know, can you just kind of Talk about some of the drivers there and how you're thinking about free cash flow moving forward.

Alison Vasquez | Chief Financial Officer:

Sure. We actually in the quarter made some progress with regard to converting some of the Working Capital, and especially post-quarter. Post-quarter, we actually saw some action in terms of turning some of those numbers and getting some liquidity just kind of back into the machine, which was nice to see. But that is an area of focus. We do continue to, and especially on the concrete side of our business, as we are bidding more work and work volumes go up there, we do tend to see some elevated amounts get caught up in retainage once we complete our scopes. And as we await receipt of those. So those tend to tick up as that business grows, but we're starting to see some of those turn in accordance with the schedule that we had planned for those. And then on the marine side, we do see as we have projects that are building up, there is some investment on the contract asset side, most primarily on the marine side of our business. and with several of the projects that were kicking off in the quarter, like late in the second quarter and then into the third quarter, we did see some buildup in some of those programs, but we do expect and we have seen good action on those through October and we'll expect to get those worked down through the fourth quarter. We did from a CapEx perspective on the other side of the equation from a free cash perspective. We did have spending associated with both the Derek Barge that we acquired in late 2025. There is a modernization project that we have that we are progressing on that that is using some of that money. Tash for CapEx and modernization on that. We expect that vessel to come out of the shipyard in the fourth quarter. We have a project for it to go to, so we're very excited about that. We're watching that. And then we had a couple of other assets that we were acquiring in the quarter. But from an overall free cash perspective, I would like to start by saying I would like free cash to be positive. That is a given. But we are working around really just freeing up working capital more quickly in the machine all the way from the buildup of unbilled to billings to ultimately receipts.

Aaron Spahala | Analyst, Craig-Hallum:

All right. I appreciate the caller. Thanks. I'll turn it over.

Operator | Conference Call Operator:

Thanks, Aaron. Thanks, Aaron. The next question will come from Tomo Osano with JP Morgan. Please go ahead.

Tomo Osano | Analyst, JPMorgan:

Good morning, everyone.

Alison Vasquez | Chief Financial Officer:

Morning, Tomo.

Tomo Osano | Analyst, JPMorgan:

Thank you for taking questions. Maybe first on bookings and backlog, you ended the quarter with about $645 million of a backlog. And if you look at new hours relative to revenue, book to bill was around 0.7 times in the quarter. Could you help us understand what drove that and was this mostly timing around the hours or are you seeing any actual moderation in the pace of the new opportunities, please?

Travis Boone | Chief Executive Officer:

I would say what we've seen is one continued strong win rates in both of our businesses. We've seen quite a lot of bid activity happening and a slower award cycle in generally and probably in both businesses where our kind of projects that we've bid not being awarded as quick, which is kind of see that number has gone up from around a billion to about 2 billion in quoted work that we're waiting to hear on. So seems like a little bit slower award cycles from clients both on both sides of the business that has kind of risen that volume of quoted work that we're waiting to hear on. You know, good Good momentum so far in Q4. So hopefully that will continue through the rest of the year.

Alison Vasquez | Chief Financial Officer:

Yeah, and one other thing I'd highlight there, Tomo, is in the quarter we won a position on a program that Travis talked about in the scripted remarks. And I would say it's not a more slow process. Award, it is a different award. Because it has this difference associated with it, we won the contract. We were on the team that won the contract. We are the marine construction contractor on the contract, and we have good visibility into the amount and the contracts that we ultimately will be awarded. But based on a change in how this specific contract, and we're not going to go into all the commercial details because it's somewhat sensitive, but because of a change in the commercial arrangement on this contract, we ultimately will be in a position to record it into booking sometime in mid-2027. So it's something that we have good line of sight on on a real project that is fully funded under the current defense budget, which is fantastic. It's just something that's not going to land in our backlog. And like Travis said, that was around $200 million is what we have that penciled in at. And so that's something that was nice to see in the quarter that we won, but it won't show up in our backlog until sometime in mid-2027.

Travis Boone | Chief Executive Officer:

And to be clear, we refer to kind of alternative delivery type projects in our script, that it's an alternative delivery kind of project that... that will be the scope and engineering will be finalized and then we can get under contract.

Tomo Osano | Analyst, JPMorgan:

Thank you. That's helpful. And then on concrete margins, obviously a very strong quarter at nearly 11% adjusted EBITDA margins. Can you help us unpack how much of that improvement was structural, whether that's pricing mix or more?

Alison Vasquez | Chief Financial Officer:

I would say, so 11% was phenomenal. And so I will take my hat off to the team that delivered that. And I would say that it's a mix of probably all of the above, but there was about 2% of that uplift was associated with write-ups on projects that went really well, so where we have excellent execution on our programs and we have contingency that are built in, we have opportunities to release that into the margins. That is something that we don't count on. We do try to actually book and record our projects in line with the margins that we expect, but generally we have more favorable upsides than the other touchwood, so that is nice to see. But then that leaves us still at the upper end, kind of upper single-digit margins for concrete. And I would say that it was an outstanding quarter this quarter for that team. They delivered really well. They had good what we call operating conditions, but they had good weather. So we had good weather, so that was nice to see also, and really just good coordination between that site civil team and the concrete team. that takes over and coordination between those two is really outstanding to really see that taking off and not just building

additional throughput through the machine, but actually driving improved margins as we look ahead. I do expect that the normative margins in this business are going to be kind of in that upper or in that kind of like mid-single digit. So, I mean, if you look at it from a trailing 12 months perspective, for concrete, they have posted margins, EBITDA margins, right around 7%. I think that is a good target for them when conditions are good. We'll have some ups and some downs, but that's generally good. what we are gearing that team around today with the ultimate goal to continue to inch those margins up into the upper single digits over time. So, but that's more of a, you know, one, two, three year timeframe where we would consistently be in that kind of upper single digit range, but an outstanding quarter this quarter for concrete. So kudos to them.

Tomo Osano | Analyst, JPMorgan:

Thank you, Alison. Congrats on the quarter.

Alison Vasquez | Chief Financial Officer:

Thanks, Tomo. Thanks, Tomo.

Operator | Conference Call Operator:

The next question will come from Brent Tillman with Oppenheimer. Please go ahead.

Brent Thill | Analyst, Oppenheimer:

Hey, thanks. Good morning. Travis or Alison, just on the $2 billion in submitted bids that you mentioned you're awaiting award, I'm just curious, does that include task orders under some of these really large MAC programs that you've listed out?

Travis Boone | Chief Executive Officer:

Yes, it does. There's actually a couple of them that are in there, or maybe just one actually. But yes, it does include generally task orders or other bids where we've put in a price for the project. That's what it includes. So it's a variety of different things.

Alison Vasquez | Chief Financial Officer:

But just to be clear, that is a task order that we fit on earlier this year, not associated with one of these new two MACs, one of the MACs that we have been at. The PDI MAC.

Travis Boone | Chief Executive Officer:

It was under the PDI MAC.

Brent Thill | Analyst, Oppenheimer:

Yeah, I guess that's where I'm getting at is, you know, still sounds like it's early days given how these things are moving in terms of what you're actually kind of engaging right now on. So sort of future opportunity. Definitely. Yeah, okay.

Travis Boone | Chief Executive Officer:

Definitely.

Alison Vasquez | Chief Financial Officer:

Yeah, up in your neighborhood, Brent, so we'll be looking to you to kind of keep us posted on what you see going up there.

Brent Thill | Analyst, Oppenheimer:

Okay, I'll keep the binoculars out. I guess maybe just a follow-up. So, you know, you look at this huge pipeline of work that you've listed out, the various MAC contract vehicles, I mean, all the momentum that you have in concrete. You know, this might be a bit tough question to answer, but if you kind of look fast forward towards the end of next year, get $2 billion in submitted bids awaiting award right now, do you think that number grows as we get into later next year, just with all of this stuff, including the fact that the MACs aren't really showing up in the bids today?

Travis Boone | Chief Executive Officer:

Yeah, as far as the pipeline number? Yes, I definitely would expect that.

Brent Thill | Analyst, Oppenheimer:

Yeah, the pipeline submitted bids, Travis. Yeah, yeah, I mean, combination.

Travis Boone | Chief Executive Officer:

Yeah, okay. Well, I don't know. On the pipeline, I would expect that to grow as some of the task orders under these new MACs start coming into focus. I would say that pipeline would definitely grow. Whether the, you know, quoted word goes up, ideally, I'd like to see that number going down. We'd like to start seeing the awards come through faster. and see our backlog going up and the quoted work number going down would be the ideal scenario. But where we are right now, we can't force owners to move faster on awards. So we're trying to be patient as we continue to pursue these projects, submit good bids and then hopefully get awarded the projects and Builder Backlog.

Brent Thill | Analyst, Oppenheimer:

Yep. Understood. Okay. I'll pass it on. Thank you. Thanks, Brett.

Operator | Conference Call Operator:

The next question will come from Min Cho with Texas Capital Securities. Please go ahead.

Min Cho | Analyst, Texas Capital Securities:

Great. Thank you, Travis and Alison. Congratulations on the quarter. Just going back on the concrete margins, obviously very strong, including the favorable project lift. And you mentioned site civil services. kind of helping there, but can you quantify the success that you're having there? Maybe kind of attachment or what percentage of concrete revenue you're seeing from that part of your business?

Travis Boone | Chief Executive Officer:

I can't quantify it at the moment, but what I can say is we started performing site civil services A little less than a year ago, and it's going very well, primarily associated with mission-critical work, but it's going very well. We're seeing lots of opportunities. We've got a great team delivering work, making clients very happy, and it's been quite profitable. So it's been a good kind of addition to the The type of work that we do in our concrete business and we expect it to continue to grow and be a bright spot for our business.

Min Cho | Analyst, Texas Capital Securities:

Okay, got it. Just kind of staying on concrete, you mentioned that you had new awards across all of your geographies. Can you talk a little bit about Florida and Arizona and if you're looking to expand more geographically?

Travis Boone | Chief Executive Officer:

Sure. You know, we expanded into Florida, I guess, a couple years ago. That's gone well. We did it organically and chose to kind of plant a seed and water it and help it grow. And it has started to take off and we've been winning work and and delivering great work down there. And then more recently, we moved into Arizona following some key clients on some projects we were doing for them. And that seed has started to sprout as well. It's a little further behind Florida just because of timing. It takes a little time to grow a business organically in a new market. And so we're working our way but feeling good about the progress we're making. It's given us more geographies to kind of diversify weather impact from weather impacts and things like that. You know, before we were just in Texas and that, if there was a weather event in Texas, it was a pretty hard hit. And now we've, you know, being in Arizona and Florida, fairly strong economic areas that we can leverage kind of expanded geographies and combine with our great relationship with some of our Key general contractor partners can help kind of grow and diversify our business a bit.

Min Cho | Analyst, Texas Capital Securities:

Excellent. And then just a final question just on Marine EBITDA margins. I know, Alison, you mentioned that they were in line with expectations or company expectations, still down pretty meaningfully on a year-over-year basis. And I'm assuming it had to do with some project starts in the quarter and with McCamus and everything. But any reason why adjusted EBITDA margin and 4Q should not show, you know, pretty sizable sequential improvements?

Alison Vasquez | Chief Financial Officer:

It's a great question, and it's something that we look at. It absolutely is tied to a lot of those project starts that have started in the first half of 2026 and into the third quarter. On a trailing 12 months perspective, we're right around 12% for marine, and I would expect that we'll be around that. Maybe there's some opportunity in the fourth quarter around that. But I do think that the margins that we, you know, the coming out of the gate

margins that we would expect from a marine perspective without some of those favorable upsides that we saw a pretty significant benefit from in 2025 is right around that kind of low to mid double-digit range. But, you know, 12%, 13% is kind of what we have them penciled in for.

Min Cho | Analyst, Texas Capital Securities:

Great. Thank you. Thanks.

Operator | Conference Call Operator:

The next question will come from Liam Burke with B Reilly Securities. Please go ahead.

Liam Burke | Analyst, B. Riley Securities:

Thank you. Good morning, Travis. Good morning, Alison. Travis, you highlighted multiple projects online on the concrete segment. Are you seeing any diversification away from data center where you still have a fairly heavy concentration?

Travis Boone | Chief Executive Officer:

We're still roughly in the kind of half of our revenue being in the mission critical data center type world. It's continuing, you know, the momentum is continuing despite what you might read on in newspapers or wherever. That demand has continued, so we've continued to work on those projects and deliver those projects. As far as diversification goes, I mean, you know, we're still quite a bit of activity outside of mission critical and data centers as well. You know, winning projects like cold storage projects, hospitals, higher education, kind of a variety of different types of work that are continuing to be awarded. You know, which has been nice to see even with the interest rate We'll see what happens today with other interest rate impacts, but so far so good with continued momentum in concrete.

Liam Burke | Analyst, B. Riley Securities:

Great. Thanks, Travis. Alison, for the first three quarters of the year, operating cash flow was negative. You highlighted the work that was done in the fourth quarter to reverse that trend. Would you anticipate positive free cash flow? Is there any priority you have there, or is it just going to accrue when you look at your options in 27?

Alison Vasquez | Chief Financial Officer:

I think that from a 2020 perspective, Sixth perspective, it's going to be pretty challenging to be positive free cash from a full year perspective, just based on the investments that we're making on the Derrick Barge and some of the other parts of the fleet. I do think that we'll be close from a CapEx perspective. We'll be in the range of the 25 to 35, but based on where we're tracking, we'll probably be closer to the 30s. And so from an overall free cash perspective, we would really be looking ahead to convert that ultimately to positive free cash flow for the corporation. But I do expect that from an operating cash flow perspective that we should have a good third quarter. I expect that we'll also have a good fourth quarter as we start to see some maturity in some of these projects. and getting into the flow of how these projects are executing and ultimately billing and then receiving from a collections perspective.

Liam Burke | Analyst, B. Riley Securities:

Great. Thank you, Travis. Thank you, Alison.

Operator | Conference Call Operator:

Thanks. Thanks. The next question will come from Jerry Sweeney with Roth Capital. Please go ahead.

Jerry Sweeney | Analyst, Roth Capital:

Good morning, Travis and Alison. Thanks for taking my call.

Operator | Conference Call Operator:

Good morning, Jerry.

Jerry Sweeney | Analyst, Roth Capital:

Good morning. Most of my questions have been answered, but I'm just curious. Obviously, we are sort of outsiders looking in, especially on some of these MIAC contracts, and there's maybe some geopolitical challenges, the Middle East getting a lot of focus. Does that create a little bit more friction with some of these awards being doled out and timing of those releases, or any thoughts on that front?

Travis Boone | Chief Executive Officer:

So the U.S. government's strategy with the Pacific has been pretty bullish for quite a number of years through multiple presidents. And we haven't seen any bullishness changes from the perspective of what's happening in the Pacific that the Navy, you know, the infrastructure the Navy is planning to build. out there. So while I do, you know, there will be some push for the Middle East, I don't expect that to impact what we see in the Pacific in the coming few years. Obviously, Congress funds all DOD funding, and Congress has a say in things. So we'll see how that plays out. But I don't expect the strategy, the pretty bullish push in the Pacific to change.

Jerry Sweeney | Analyst, Roth Capital:

Got it. And I didn't expect it to change longer term, but I just meant maybe even in the short term push things out a couple quarters here or there. But anyhow, that was my main question. So I appreciate it. Thank you.

Travis Boone | Chief Executive Officer:

All right. Thanks, Jerry.

Operator | Conference Call Operator:

Again, if you have a question, please press star and then one. Please stand by as we poll for questions. Showing no further questions, we'll conclude our question and answer session. I would like to turn the conference back over to Travis Boone for any closing remarks.

Travis Boone | Chief Executive Officer:

Thank you. Thanks to everyone for joining our call today. We appreciate your time and look forward to talking to you again at the close of the next quarter. Thank you.

Operator | Conference Call Operator:

The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.