

Great Lakes Dredge & Dock CORP
Form 10-Q
May 07, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2010

OR

.. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 001-33225

Great Lakes Dredge & Dock Corporation

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of
incorporation or organization)

20-5336063
(I.R.S. Employer
Identification No.)

2122 York Road, Oak Brook, IL
(Address of principal executive offices)

60523
(Zip Code)

(630) 574-3000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer Accelerated Filer
Non-Accelerated Filer (Do not check if a smaller reporting company) Smaller reporting company
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of May 5, 2010, 58,559,894 shares of the Registrant's Common Stock, par value \$.0001 per share, were outstanding.

Great Lakes Dredge & Dock Corporation and Subsidiaries

Quarterly Report Pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934

For the Quarterly Period ended March 31, 2010

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GREAT LAKES DREDGE & DOCK CORPORATION AND SUBSIDIARIES**Condensed Consolidated Balance Sheets****(Unaudited)****(in thousands, except share and per share amounts)**

	March 31, 2010	December 31, 2009
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 20,925	\$ 3,250
Accounts receivable net	126,352	153,901
Contract revenues in excess of billings	18,431	28,004
Inventories	28,791	29,192
Prepaid expenses	3,080	2,644
Other current assets	12,607	15,445
Total current assets	210,186	232,436
PROPERTY AND EQUIPMENT Net	286,307	291,157
GOODWILL	98,049	98,049
OTHER INTANGIBLE ASSETS Net	927	1,037
INVENTORIES Noncurrent	27,605	27,662
INVESTMENTS IN JOINT VENTURES	7,221	7,943
OTHER	6,723	7,142
TOTAL	\$ 637,018	\$ 665,426
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 60,609	\$ 83,783
Accrued expenses	31,661	31,265
Billings in excess of contract revenues	24,746	24,901
Current portion of equipment debt	910	1,200
Total current liabilities	117,926	141,149
REVOLVING CREDIT FACILITY		11,000
7 3/4% SENIOR SUBORDINATED NOTES	175,000	175,000
DEFERRED INCOME TAXES	80,607	81,642
OTHER	10,521	12,086
Total liabilities	384,054	420,877
COMMITMENTS AND CONTINGENCIES		
EQUITY:		
Common stock \$.0001 par value; 90,000,000 authorized, 58,559,894 and 58,542,038 shares issued and outstanding at March 31, 2010 and December 31, 2009, respectively.	6	6
Additional paid-in capital	263,879	263,579
Accumulated deficit	(10,010)	(18,336)
Accumulated other comprehensive income	421	539

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Total Great Lakes Dredge & Dock Corporation Equity	254,296	245,788
NONCONTROLLING INTERESTS	(1,332)	(1,239)
Total equity	252,964	244,549
TOTAL	\$ 637,018	\$ 665,426

See notes to unaudited condensed consolidated financial statements.

Great Lakes Dredge & Dock Corporation and Subsidiaries

Condensed Consolidated Statements of Operations

(Unaudited)

(in thousands, except per share data)

	Three Months Ended March 31,	
	2010	2009
Contract revenues	\$ 161,400	\$ 179,203
Costs of contract revenues	130,916	152,166
Gross profit	30,484	27,037
General and administrative expenses	10,960	10,399
Amortization of intangible assets	110	193
Operating income	19,414	16,445
Interest expense, net	(3,220)	(4,268)
Equity in loss of joint ventures	(722)	(556)
Income before income taxes	15,472	11,621
Income tax provision	(6,239)	(5,171)
Net income	9,233	6,450
Net loss attributable to noncontrolling interests	93	864
Net income attributable to Great Lakes Dredge & Dock Corporation	\$ 9,326	\$ 7,314
Basic earnings per share attributable to Great Lakes Dredge & Dock Corporation	\$ 0.16	\$ 0.13
Basic weighted average shares	58,548	58,488
Diluted earnings per share attributable to Great Lakes Dredge & Dock Corporation	\$ 0.16	\$ 0.13
Diluted weighted average shares	58,703	58,488
Dividends declared per share	\$ 0.02	\$ 0.02

See notes to unaudited condensed consolidated financial statements.

Great Lakes Dredge & Dock Corporation and Subsidiaries

Condensed Consolidated Statements of Equity

(Unaudited)

(in thousands, except per share amounts)

		Shares of Common Stock	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total
BALANCE	January 1, 2010	58,542,038	\$ 6	\$ 263,579	\$ (18,336)	\$ 539	\$ (1,239)	\$ 244,549
Share-based compensation		17,856		300				300
Dividends declared and paid					(1,000)			(1,000)
Comprehensive income (loss):								
Net income (loss)					9,326		(93)	9,233
Reclassification of derivative loss to earnings (net of tax of \$98)						(148)		(148)
Change in fair value of derivatives (net of tax of \$20)						30		30
Total comprehensive income (loss)							(93)	9,115
BALANCE	March 31, 2010	58,559,894	\$ 6	\$ 263,879	\$ (10,010)	\$ 421	\$ (1,332)	\$ 252,964

		Shares of Common Stock	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total
BALANCE	January 1, 2009	58,484,242	\$ 6	\$ 262,501	\$ (31,812)	\$ (3,415)	\$ 833	\$ 228,113
Acquisition of Yankee Environmental Services							662	662
Share-based compensation		12,455		124				124
Dividends declared and paid					(994)			(994)
Comprehensive income (loss):								
Net income (loss)					7,314		(864)	6,450
Reclassification of derivative gain to earnings (net of tax of \$1,509)						2,273		