

Q4 2024 Earnings Call

Company Participants

- Kyle Larkin, President and Chief Executive Officer
- Mike Barker, Vice President, Investor Relations
- Staci Woolsey, Executive Vice President, Chief Financial Officer

Other Participants

- Jean Veliz, D.A. Davidson
- Jerry Revich, Goldman Sachs & Co.
- Michael Dudas, Vertical Research Partners
- Steven Ramsey, Thompson Research Group

Presentation

Operator

Good morning, everyone. My name is Jamie, and I will be your conference facilitator today. At this time, I would like to welcome everyone to the Granite Construction Incorporated 2024 Fourth Quarter Conference Call. Today's event is being recorded. All lines have been placed on mute to prevent any background noise. And after the speakers' remarks, there will be a question-and-answer period. (Operator Instructions)

It is now my pleasure to turn the floor over to Vice President of Investor Relations, Mike Barker. Sir, you may begin.

Mike Barker [{BIO 20892900 <GO>}](#)

Good morning and thank you for joining us. I'm pleased to be here today with President and Chief Executive Officer, Kyle Larkin; and Executive Vice President and Chief Financial Officer, Staci Woolsey. Please note that today's earnings presentation will be available on the Events & Presentations page of our Investor Relations website.

We begin today with a brief discussion regarding forward-looking statements and non-GAAP measures. Some of the discussion today may include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are estimates reflecting the current expectations and best judgment of senior management regarding future events, occurrences, opportunities, targets, growth, demand, strategic plans, circumstances, activities, performance, shareholder value, outcomes, outlook, guidance, objectives, Committed and Awarded Projects or CAP, and results.

Actual results could differ materially from statements made today. Please refer to Granite's most recent 10-K and 10-Q filings for a more complete description of risk factors that could affect these forward-looking statements. The company assumes no obligation to update forward-looking statements except as required by law.

Certain non-GAAP measures may be discussed during today's call and from time to time by the company's executives. These include but are not limited to, adjusted EBITDA, adjusted EBITDA margin, adjusted net income, and adjusted earnings per share.

The required disclosures regarding our non-GAAP measures are included as part of our earnings press releases and in company presentations, which are available on our website, graniteconstruction.com, under Investor Relations.

Now, I'd like to turn the call over to Kyle Larkin.

Kyle Larkin {BIO 20377378 <GO>}

Good morning. First, I want to thank our teams across the company for enabling us to achieve another record year for Granite. Their dedication and hard work drives our success. From safety to revenue, profitability and cash flow, it was truly an outstanding year for the company.

Before we dive into the results, I want to take a moment to acknowledge all the people impacted by the terrible fires in Southern California. Thankfully, our employees are safe and we are fortunate that there were no significant impacts to our projects.

As we look ahead to 2025, I believe it is fair to say that Granite is a transformed company. Our teams are focused on growing our businesses while also generating strong cash flow and delivering consistent profitability. We also continue to explore potential acquisitions as we evaluate opportunities to build upon and expand our vertically integrated strategy into new markets.

As we work towards our 2027 financial targets, we believe both the construction and material segments have many opportunities to grow revenue and increase margin in 2025 and over the coming years.

Now, let's turn to the results from the fourth quarter, starting with the construction segment. As discussed in previous quarters, we believe that we continue to experience the strongest market that I've seen throughout my career, excluding only the short-lived housing bubble.

State transportation budgets are near record levels across our footprint. These state budgets are supported by the Federal Infrastructure Bill or IIJA.

In California, our largest revenue state, the proposed 2025-2026 fiscal year transportation budget increased meaningfully in the key areas of local assistance and capital outlay projects from the 2024-2025 fiscal year forecast. California transportation funding is supported by the SB1 gas tax and the infrastructure bill, and these funding sources will generate further opportunities for growth in 2025 and beyond. As allocations move to active projects and as, ultimately, payments are made to contractors.

Regarding the IIJA, due to the difference between the timing of allocations of funds to states and when the money is spent on projects, we believe the infrastructure bill will continue to support our industry for many years to come, but the majority of funds remain to be spent when the bill terminates in 2026.

These strong markets support our outlook, as approximately 75% of our construction segment is publicly funded. The remainder comes from our private work, which primarily consists of water infrastructure services, drilling and infrastructure for mines, commercial site development, such as data centers, and rail infrastructure, including constructing intermodal facilities. These markets have been strong over the last several years, and we see a number of opportunities to continue to grow our presence in them in 2025 and beyond.

During the fourth quarter, we once again bid on, and won, more work than the prior year. There are a number of projects where we are awaiting formal award, and those projects have not been

included in our 2024 cap. I am very pleased by the performance of our estimating teams in the quarter. Although we saw a decrease in caps since the third quarter, we expect cap to increase in 2025, and the quality of our backlog should continue to improve and strengthen to what we believe to be the best project portfolio in our history.

With the work that we have in cap and the opportunities in front of us on the bid schedule, we are in a good position to achieve our organic growth expectations and realize improvement in segment gross margin in excess of 1% in 2025.

Moving to the materials segment, 2024 was a pivotal year. In the beginning of the year, we reorganized our operational structure to better align the materials leadership with the business. The materials organization made significant progress during 2024 as we implemented price increases in both aggregates and asphalt, improved efficiency by adding several new modernized plants, and completed multiple automation projects.

All these efforts helped drive a year-over-year increase of cash gross profit margin. It was a great year for the materials segment, and we expect even higher level of performance going forward. Starting with price increases in 2025 of high single digits for aggregates and low single digits for asphalt. Investment in our materials business has been a priority within our capital allocation strategy, as seen through materials-led M&A, reserve expansion, and plant and facilities upgrades and enhancements.

In 2024, we increased our aggregate reserves by 20% year-over-year to 1.6 billion tons. As in the construction segment, we believe that the market environment will drive organic revenue growth, and we are encouraged that we end 2025 with an increase in materials backlog compared to 2024.

In addition to strategic materials investments within CapEx, I expect we will grow the business through further M&A in 2025. We have a target of completing two or three deals a year as we focus on strengthening our western and southeastern footprints. There are numerous M&A opportunities in the market, and we have added experienced leadership to our corporate development team as we position ourselves to be more active in M&A.

With the efforts of our centralized materials leadership, strategic CapEx investment, and M&A, I believe our margins will continue to expand over the next three years as we work towards our consolidated 2027 adjusted EBITDA margin target of 12% to 14%.

Now, I'll turn it over to Staci to review our financial performance for the quarter.

Staci Woolsey {BIO 21937434 <GO>}

Thanks, Kyle. 2024 was a banner year for Granite with year-over-year increases in a number of areas. Revenue increased 14% to \$4 billion. Gross profit increased 44% to \$573 million. Adjusted net income increased 45% to \$214 million. Adjusted EBITDA increased 44% to \$402 million, and operating cash flow increased 148% to \$456 million.

I'm proud of the hard work our teams have put in to implement our strategy. These strong financial results validate the strategic decisions we introduced at the beginning of 2022 and our organizational realignment in 2024. With the steps we've taken, we are well positioned to achieve our 2025 guidance as we continue to March toward our 2027 financial targets.

Now, let's discuss the results for the quarter. In the construction segment, revenue increased \$28 million, or 3% year-over-year, to \$821 million. This increase in revenue was primarily driven by our acquired companies. This was a strong result despite some project delays that we discussed last

quarter. Construction segment gross profit improved \$56 million to \$128 million with segment gross profit margin of 16%.

The significant increase in gross profit margin was driven by our higher quality project portfolio. We have maintained our discipline on project pursuits, we are focused on our home markets, and we are prioritizing best value projects where we can leverage our established relationships to deliver larger projects while minimizing risk. This strategy has resulted in an improved project portfolio which has produced margin expansion that we believe will continue into 2025.

In the materials segment, revenue increased \$16 million year-over-year to \$156 million, with gross profit up slightly to \$23 million. The increase in materials revenue was primarily due to acquired businesses. Cash gross profit increased \$7 million year-over-year to \$37 million, or 21% for the quarter. The investments we are making in our materials business, including M&A, have resulted in additional depreciation, depletion, and amortization in the segment.

As a result, we report cash gross profit margin in order to show the impacts of our aggregate and asphalt pricing, as well as our plant production efficiencies, without the impact of depreciation, depletion, and amortization. For the full year, cash gross profit margin improved by 240 basis points year-over-year to 21.4%. This is a significant improvement in our first year following our reorganization, and we are looking forward to further advancement as we execute on our operating strategy.

Adjusted EBITDA for the full year increased \$123 million to \$402 million, which is an adjusted EBITDA margin of 10%. As a reminder, our adjusted EBITDA margin guidance had assumed gains on sales of assets, which were not fully realized in the quarter.

Turning to cash, we had another outstanding quarter of cash generation and ended the year with operating cash flow of \$456 million, or 11% of revenue. This is up from \$184 million, or 5% of revenue, in 2023.

Our strong cash flow in 2024 was driven by the implementation of our new business model and process improvements, resulting in a substantial reduction in day sales outstanding.

Our transformed business is generating the predictable profitability and cash flow that we expected and positions us to strategically invest in the company. For 2025, our target operating cash flow margin is 9% of revenue, already at the low end of our 2027 target range of 9% to 11%.

We ended the year with \$586 million in cash and marketable securities, and we have \$334 million in availability under our revolving credit facility. We are in a great position to execute on our capital allocation priorities, which include growth and maintenance capital investments, M&A, maintaining our dividends, and share repurchases to offset dilution from stock-based compensation.

As we said on our last quarterly earnings call, we expected to return value to shareholders through share repurchases, and we repurchased 300,000 shares under our Board-approved share repurchase plan during the fourth quarter. This brought our total repurchases during 2024 to 525,000 shares.

Now let's turn to our 2025 guidance. We expect revenue to grow to a range of \$4.2 billion to \$4.4 billion. This guidance captures organic growth in line with our target of 6% to 8%, and includes the results of Dickerson & Bowen for a full year. We have entered 2025 with a strong cap portfolio and robust bidding opportunities ahead of us.

As we continue to grow, the efficiency of our SG&A expense is a priority across the company. In 2025, we expect our SG&A to be approximately 9% of revenue, inclusive of an estimated \$45 million in stock-based compensation expense. We anticipate increased stock-based compensation in 2025 driven by improved performance and share price appreciation.

We expect our adjusted EBITDA margin range to be 11% to 12% of revenue, with improved execution across our transformed construction project portfolio, strong macro market environment, and high performing materials business. We expect to realize an increase in gross profit margin to achieve our adjusted EBITDA margin range.

Finally, we expect to invest in our business through CapEx in the range of \$140 million to \$160 million. This range contemplates strategic materials investments of approximately \$50 million to expand reserves and complete further automation projects as we work to grow the materials business.

Now I'll turn it back over to Kyle.

Kyle Larkin {BIO 20377378 <GO>}

Thanks Staci. I'll close with the following points. Our teams did a tremendous job in 2024 and that is reflected in our record year. We're excited about the strong construction market and the opportunities ahead of us to build CAP in 2025, while also organically growing revenue in alignment with our new guidance.

We're following the changes coming out of Washington and believe that there is tremendous support to maintain and improve our nation's highways, roads, bridges, ports, and airports. We expect the current level of funding for this critical infrastructure to continue well beyond the IIJA.

Our adjusted EBITDA margin guidance for 2025 of 11% to 12% represents a 10% to 20% increase from where we ended 2024. While we have made tremendous strides over the last three years, particularly in this past year, I believe that we are just starting to show the earnings power of our vertically integrated model.

Our cash generation in 2024 has been exceptional and we have the CAP market and strategic plan to continue to be an industry leader in 2025 and over the coming years. Finally, while I am confident in our ability to grow organically, I'm equally excited about the prospects of growing our business through M&A.

We're evaluating bolt-ons in our existing markets and also platform opportunities in new markets as we continue to strengthen our position as America's infrastructure company.

Operator, I will now turn it back to you for questions.

Questions And Answers

Operator

(Question And Answer)

Ladies and gentlemen, at this time, we will begin that question-and-answer session. (Operator Instructions). We'll pause momentarily to assemble the roster. And our first question today comes from Steven Ramsey from Thompson Research Group. Please go ahead with your question.

Q - Steven Ramsey {BIO 20092076 <GO>}

Hi, good morning. Maybe to start with, the low end of the sales guidance implies a modest decline. And even at that low end of sales, the low end of EBITDA margin still implies meaningful expansion. So maybe you can talk to what would occur to drive the low end of sales. And then in that scenario, what would drive the margin expansion?

A - Kyle Larkin {BIO 20377378 <GO>}

Yes, hey Steven. So I think if we look at our guidance that we put out for 2025, it's the midpoint of \$4.3 billion is in line with that 6% to 8% longer term organic growth rate that we put out through 2027.

So I think we feel pretty good about that \$4.3 billion midpoint today, \$4.3 billion midpoint today. And I would just remind everybody that is somewhat of a low end because it doesn't include any inorganic M&A acquisitions for the company. So I think that is what we believe somewhat of a base case for the company.

I think when we look at EBITDA margin expansion, our cap is really strong. As we mentioned, it's the highest quality cap that we believe we've had in our company history. We talked in our last call about how our construction margins are really going to increase percent a little bit higher as we came into 2025. So I think our guidance really reflects that improvement. We've also been looking at our materials business and driving margin expansion through pricing, automation investments, standardizing how we do our materials business from an operational excellence perspective. We're seeing those investments and efforts pay off as well.

So we think, getting up into that midpoint of 11.5 is a nice step up. And again, it's still in line with where we're headed directionally through 2027.

Q - Steven Ramsey {BIO 20092076 <GO>}

Okay, that's great. And then on the scenario that you hit the high end of the targets closer to 12%, that's two years ahead of the 2027 targets where that low end is 12%. Maybe it depends on how you get there, but if you hit the high end of the guide, does that give you the confidence to potentially raise the 2027 targets?

A - Kyle Larkin {BIO 20377378 <GO>}

Maybe. I mean, I think really what we're looking at in our business is we still have opportunities in our marketplace to raise margins. We still have opportunities to perform at a higher level. That's going to help get us up towards that 12% into the range of 12%, 13%.

I think to be balanced, for us to really get up into that 14% or even higher, we're going to have to make the right capital investments in our business, and that's going to take that cash that we generated this year, which is really strong operating cash flows that we expect to continue. We can reinvest in the markets that we're in, strengthen really those home market positions, which should allow us to get some margin expansion if we do the right deals in our existing markets.

We're still looking to build out that southeast platform that has really strong EBITDA margins in that part of our business, and we're looking for other opportunities that would be EBITDA margin of accretive. As we make the right investments in our existing business and the future businesses, I think that's what's going to push us above that 14%.

Q - Steven Ramsey {BIO 20092076 <GO>}

Okay. That's great. The last one for me, I wanted to think more about vertically integrated revenue and the growth you're achieving from that category of the business, maybe just kind of order of magnitude, how vertically integrated revenue trended in 2024 on a year-over-year basis, and do you think vertically integrated revenue grows at a faster pace than the total sales guidance of the company in 2025?

A - Kyle Larkin {BIO 20377378 <GO>}

Yes, I would say that it's pretty consistent with the overall business. Our VI revenue is certainly growing at a fast pace. The market environment continues to be really strong. A good example is if you just look at the California market, and we provided some information today regarding what we anticipate for the '25-'26 budget for Caltrans is up 10%. We do think that we see really strong markets across really our entire network of businesses. I would expect that VI market to continue to grow for us, and our businesses should follow.

Q - Steven Ramsey {BIO 20092076 <GO>}

All right. Thank you.

A - Kyle Larkin {BIO 20377378 <GO>}

Yes. Thank you.

Operator

Our next question comes from Michael Dudas from Vertical Research Partners. Please go ahead with your question.

Q - Michael Dudas {BIO 1495732 <GO>}

Good morning, everybody.

A - Kyle Larkin {BIO 20377378 <GO>}

Morning, Mike.

Q - Michael Dudas {BIO 1495732 <GO>}

Kyle, maybe you could share with us, as you look at regionally in home markets and some of the growing markets you have, some of the puts and takes on how 2025 should roll out. Generally, obviously, from your overall guidance, it's quite supported seems like across the board, but maybe a little bit of a sense of where things could be better, where things could catch up, and what opportunities there might be for you to maybe grow some of your businesses at a faster rate than you would have thought because of the stronger demand in the market.

A - Kyle Larkin {BIO 20377378 <GO>}

Well. Again, I think it's really strong across all of our geographies, which I think really is just reflective of the strong market, the strong public market that we've seen now for a while, and the strong public market that we expect to see for quite some time.

As we mentioned, the private market for us continues to be robust as well. I think one of the things that I want to highlight is Q4 was a really strong bid quarter for us, and we actually picked up around \$450 million more dollars in low bids relative to where we were in Q4 2023. So we expect those projects to get awarded, and they would flow into our CAP in Q1 and even Q2.

So we expect to really start building our CAP back up. Again, we expect the market to continue to be strong over the long haul. We do expect our cap to continue to trend upwards. So I think just across the board, we feel really good about the markets.

Q - Michael Dudas {BIO 1495732 <GO>}

And then on the margin front, is the shifting, I know it's moving, the best value versus the bid-bill [ph] deal, is that something that's going to bid the margin improvement? I'm sure it's bided it to date and will continue to improve it. And is there been a trend of executing through the P&L at a better rate than what the as-sold margin would be into the projects? Is there a helpful trend that could certainly help you achieve the margin targets that you're putting out, at least quicker than you had anticipated just several months ago?

A - Kyle Larkin {BIO 20377378 <GO>}

Yeah. What was the second half of your question there, Mike? I'm not sure I got what you're asking.

Q - Michael Dudas {BIO 1495732 <GO>}

What executing from one of the margins of the book, relative to executing through the P&L, are you achieving at levels, above levels, below levels, is that a trend that could be helpful to expanding the margins that you choose from the backlog -- on the conversion of your backlog?

A - Kyle Larkin {BIO 20377378 <GO>}

Yeah. Okay. Thanks for clarifying that. So from a best value versus bid-bill, I think, is an overall CAP balance. It's pretty consistent with the last couple of years. And one of the things that we did in 2023, if you look back and kind of step up between '22 and '23, we added a lot of best value type projects into our CAP.

As we've spoken previously, it takes a couple of years, as an average, for those projects to go from the construction manager portion of the contract into the general contractor portion, where we actually do the construction work. So we're seeing a lot of those converting over today. So that's going to allow us to perform more of those best value contracts as we move forward.

A - Staci Woolsey {BIO 21937434 <GO>}

I think, from a margin perspective, yes, we can do larger, more complex projects without taking on the risk profile that certainly we saw with some of the larger design-build contracts in the past. So all in all, we do feel as though the execution on projects and the backlog has improved, and that's a combination of going back in time and really de-risking our business and really setting our teams up for success as an organization. So we still have execution risk as any given year, but the execution risk that we have in our business today is not even comparable to where we were two, three years ago.

Q - Michael Dudas {BIO 1495732 <GO>}

Excellent, Kyle. Thank you very much.

A - Kyle Larkin {BIO 20377378 <GO>}

Yes. Thank you.

Operator

And our final question today comes from Jerry Revich from Goldman Sachs. Please go ahead with your question.

Q - Jerry Revich {BIO 5626742 <GO>}

Yes. Hi. Good morning, everyone.

A - Kyle Larkin {BIO 20377378 <GO>}

Good morning, Jerry.

A - Staci Woolsey {BIO 21937434 <GO>}

Good morning.

Q - Jerry Revich {BIO 5626742 <GO>}

I'm wondering if you could just talk about the range of free cash flow expectations for '25. Really good free cash conversion, '24. How do you expect '25 to look and the range of outcomes, if you wouldn't mind bracketing it?

A - Staci Woolsey {BIO 21937434 <GO>}

Yes. We're really happy with our overall total cash flow and our free cash flow conversion. It was a pretty high performance for the year. If you look at our balance sheet at the end of last year, we had a good amount of receivables that we were able to collect and have really strong performance in the first half of 2024. And now we're at a more normalized level and we're operating cash flow targeting our 9% of revenue for 2025 and free cash flow targeting around the range of about 50% of EBITDA going forward.

Q - Jerry Revich {BIO 5626742 <GO>}

Super. And then in terms of in the fourth quarter, really strong free cash generation, you worked out receivables. Can you just talk about were there any project closeouts or anything along those lines? Because I think margins were at the low end of the expectation range. I'm wondering how much of that was project closeouts to drive cash flow or if there's any linkage to that.

A - Staci Woolsey {BIO 21937434 <GO>}

There was in the fourth quarter, there wasn't any big significant closeout or one-off items that were unusual. Sometimes there are some milestone payments and we did collect one large milestone payment on an ongoing project in December. And that was really related to being able to work a little bit further into the quarter related to weather. But as far as other larger claims or closeout things, there wasn't anything related to that.

Q - Jerry Revich {BIO 5626742 <GO>}

Okay, super. And lastly, Kyle and (inaudible) can you just talk about your expectations for inflation in '25 and what you folks are bidding into contracts, labor, materials? Can you just flesh out for us what you folks are seeing and bidding based on.

A - Kyle Larkin {BIO 20377378 <GO>}

Yes, I think just in general, we see inflation dropping down a little bit. I mean, obviously, it's moving around. But I think inflation right now, we anticipate closer to that 3%. So a lot of that already is factored into our pricing, certainly on the asphalt side of things. And the price increases that we put out would already be considering inflation.

But all in all, our contracting today, again, it's very different. So all of our contracts that we get into on the construction side, for sure, 100% designed. We have coverage on the supplier sides, the contractor sides, which always protects us in some regards from price fluctuations, certainly when it relates to inflation. So we feel really good about our ability to mitigate that risk. But we do expect inflation to go up a little bit this year.

Q - Jerry Revich {BIO 5626742 <GO>}

I appreciate the discussion. Thank you.

A - Kyle Larkin {BIO 20377378 <GO>}

Thank you.

A - Staci Woolsey {BIO 21937434 <GO>}

Thanks.

Operator

And we do have an additional question from Jean Veliz from D.A. Davidson. Please go ahead with your question.

Q - Jean Veliz

Hi, thank you. You previously mentioned an expected gain on sales of assets of \$17 million in the fourth quarter. It doesn't look as though that was realized. So there's something large there get pushed out in 2025? And if so, can you clarify how much and when?

A - Kyle Larkin {BIO 20377378 <GO>}

Yes, yes, that's right. So we did expect a gain on sale of a certain asset in Q4 that isn't going to get completed. We expect that to be completed in 2025. And that's not considered in our guidance today. So if that sale completes in 2025, that would be one of the items that would move us up in terms of our guidance.

Q - Jean Veliz

Thank you. And going back to adjusting EBITDA margins, at the midpoint, the bridge is 150 basis points. Can you talk about what you expect to come from construction segment versus material segment in delivering that?

A - Kyle Larkin {BIO 20377378 <GO>}

Yes, as I mentioned last quarter, just over a percent or so would come out of construction. The balance would come out of materials. So again, our CAP is really high quality CAP. We feel good about it. We feel good about the market environment that we're in. We think we can still continue to raise prices on the construction side. So we feel pretty good about that 1.5% improvement year-over-year.

Q - Jean Veliz

Got it. And just last one for me, just a little more context on the outlook you're seeing in 2025. Can you provide a little more color on the improvements in CAP that you have seen so far in the first quarter? And given it's also taken into account, it's a slower revenue burn rate quarter. Thank you.

A - Kyle Larkin {BIO 20377378 <GO>}

Well, I think we expect the long-term outlook of CAP to be really positive. The market has been healthy. We continue to win work. So again, as I mentioned, additional \$450 million in low bids in Q4 versus the prior year in Q4 is pretty significant. So we expect that to get into CAP in Q1 and Q2.

Obviously, CAP can come up and down a little bit based on some of these best value projects. And when it can be lumpy, but over the long haul, we believe we're going to continue to build CAP. And our CAP has gotten stronger and stronger over the last two or three years. And we expect our CAP to continue to get stronger in this healthy market environment.

From a revenue burn perspective it's always one of the variabilities for us is Q1 and Q4 in terms of weather. Now we're getting some weather certainly out in the West today and this week, but I think it's been pretty average so far this year. We'll have to see how things shake out for the rest of the quarter. And of course, weather-wise in Q4, we still got a ways to go to see how that turns out for us. But yeah, so far we're on track for 2025.

Q - Jean Veliz

Thank you. I appreciate the time.

A - Kyle Larkin {BIO 20377378 <GO>}

Thank you.

A - Staci Woolsey {BIO 21937434 <GO>}

Thanks.

Operator

And ladies and gentlemen, with that we'll be concluding today's question-and-answer session. I'd like to turn the floor back over to Kyle for any closing remarks.

A - Kyle Larkin {BIO 20377378 <GO>}

Okay. Well, thank you for joining the call today. 2024 was another record year for safety and financial performance. As always, we want to thank our teams for everything they did to make 2024 such a success. I know we are all excited to continue to raise the bar in 2025. Thank you for joining the call and your interest in Granite. We look forward to speaking with you all soon.

Operator

Ladies and gentlemen, that does conclude today's presentation and conference call. We do thank you for joining. You may now disconnect your lines.

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