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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2026

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: 1-12911

GRANITE CONSTRUCTION INCORPORATED

State of Incorporation:	I.R.S. Employer Identification Number:
Delaware	77-0239383

Address of principal executive offices:
585 W. Beach Street
Watsonville, California 95076
(831) 724-1011

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, $0.01 par value	GVA	New York Stock Exchange

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 every Interactive Data File required to be submitted 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 such files). ☒ Yes ☐ No

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

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of April 24, 2026.

Class	Outstanding
Common stock, $0.01 par value	43,746,699

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PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

GRANITE CONSTRUCTION INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited - in thousands, except share and per share data)

	March 31, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents ($153,994 and $145,584 related to consolidated construction joint ventures ("CCJVs"))	$ 265,714	$ 529,220
Short-term marketable securities	49,191	71,021
Receivables, net ($37,658 and $37,398 related to CCJVs)	636,513	630,392
Contract assets ($36,808 and $34,057 related to CCJVs)	283,979	236,879
Inventories	168,789	143,129
Equity in unconsolidated construction joint ventures	126,857	134,670
Other current assets ($3,343 and $3,255 related to CCJVs)	73,663	66,920
Total current assets	1,604,706	1,812,231
Property and equipment, net ($5,176 and $4,961 related to CCJVs)	1,242,501	1,260,823
Long-term marketable securities	32,616	49,534
Investments in affiliates	97,985	96,764
Goodwill	400,536	400,814
Intangible assets, net	174,496	179,548
Right of use assets	149,438	152,678
Other noncurrent assets	77,361	78,001
Total assets	$ 3,779,639	$ 4,030,393
LIABILITIES AND EQUITY		
Current liabilities:		
Current maturities of long-term debt	$ 379,794	$ 375,896
Accounts payable ($40,887 and $46,708 related to CCJVs)	430,306	430,298
Contract liabilities ($59,735 and $63,500 related to CCJVs)	356,860	327,372
Accrued expenses and other current liabilities ($3,159 and $2,922 related to CCJVs)	311,882	348,179
Total current liabilities	1,478,842	1,481,745
Long-term debt	861,187	963,233
Long-term lease liabilities	122,753	125,733
Deferred income taxes, net	143,458	141,489
Other long-term liabilities	92,359	96,660
Commitments and contingencies (see Note 17)		
Equity:		
Preferred stock, $0.01 par value, authorized 3,000,000 shares, none outstanding	—	—
Common stock, $0.01 par value, authorized 150,000,000 shares; issued and outstanding: 43,746,424 shares as of March 31, 2026 and 43,496,781 shares as of December 31, 2025	437	435
Additional paid-in capital	301,499	402,391
Accumulated other comprehensive income	2,995	1,581
Retained earnings	727,190	774,641
Total Granite Construction Incorporated shareholders' equity	1,032,121	1,179,048
Non-controlling interests	48,919	42,485
Total equity	1,081,040	1,221,533
Total liabilities and equity	$ 3,779,639	$ 4,030,393

The accompanying notes are an integral part of these condensed consolidated financial statements.

GRANITE CONSTRUCTION INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited - in thousands, except per share data)

	Three Months Ended March 31,	
	2026	**2025**
Revenue	$ 912,465	$ 699,547
Cost of revenue	802,560	615,698
Gross profit	109,905	83,849
Selling, general and administrative expenses	140,950	115,911
Other costs, net	3,037	9,426
Gain on sales of property and equipment, net	(2,949)	(1,737)
Operating loss	(31,133)	(39,751)
Other (income) expense:		
Interest income	(5,849)	(6,268)
Interest expense	16,332	7,757
Equity in income of affiliates, net	(3,473)	(1,094)
Other (income) expense, net	10,365	(63)
Total other expense, net	17,375	332
Loss before income taxes	(48,508)	(40,083)
Benefit from income taxes	(12,119)	(11,756)
Net loss	(36,389)	(28,327)
Amount attributable to non-controlling interests	(5,310)	(5,329)
Net loss attributable to Granite Construction Incorporated	$ (41,699)	$ (33,656)
Net loss per share attributable to common shareholders (see Note 15):		
Basic	$ (0.96)	$ (0.77)
Diluted	$ (0.96)	$ (0.77)
Weighted average shares outstanding:		
Basic	43,529	43,463
Diluted	43,529	43,463

The accompanying notes are an integral part of these condensed consolidated financial statements.

GRANITE CONSTRUCTION INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited - in thousands)

	Three Months Ended March 31,	
	2026	**2025**
Net loss	$ (36,389)	$ (28,327)
Other comprehensive income, net of tax		
Net unrealized gain on cash flow hedges, net of tax	$ 2,015	$ —
Less: reclassification for net gains (losses) included in interest expense, net of tax	(197)	185
Net change	$ 1,818	$ 185
Foreign currency translation adjustments, net	(404)	462
Other comprehensive income, net of tax	$ 1,414	$ 647
Comprehensive loss, net of tax	$ (34,975)	$ (27,680)
Non-controlling interests in comprehensive loss, net of tax	(5,310)	(5,329)
Comprehensive loss attributable to Granite Construction Incorporated, net of tax	$ (40,285)	$ (33,009)

The accompanying notes are an integral part of these condensed consolidated financial statements.

GRANITE CONSTRUCTION INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited - in thousands, except share data)

	Outstanding Shares	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Granite Shareholders' Equity	Non-controlling Interests	Total Equity
Balances at December 31, 2025	43,496,781	$ 435	$ 402,391	$ 1,581	$ 774,641	$ 1,179,048	$ 42,485	$ 1,221,533
Net loss	—	—	—	—	(41,699)	(41,699)	5,310	(36,389)
Other comprehensive income	—	—	—	1,414	—	1,414	—	1,414
Repurchases of common stock (1)	(154,201)	(2)	(18,439)	—	—	(18,441)	—	(18,441)
RSUs vested	404,349	4	(4)	—	—	—	—	—
Repurchase of 3.75% Convertible Notes	—	—	(178,804)	—	—	(178,804)	—	(178,804)
Partial unwind of capped call	—	—	55,112	—	—	55,112	—	55,112
Dividends on common stock ($0.13 per share)	—	—	65	—	(5,752)	(5,687)	—	(5,687)
Transactions with non-controlling interests	—	—	—	—	—	—	1,124	1,124
Stock-based compensation expense and other	(505)	—	41,178	—	—	41,178	—	41,178
Balances at March 31, 2026	43,746,424	$ 437	$ 301,499	$ 2,995	$ 727,190	$ 1,032,121	$ 48,919	$ 1,081,040

Balances at December 31, 2024	43,424,646	$ 434	$ 410,739	$ (582)	$ 604,635	$ 1,015,226	$ 64,137	$ 1,079,363
Net loss	—	—	—	—	(33,656)	(33,656)	5,329	(28,327)
Other comprehensive income	—	—	—	647	—	647	—	647
Repurchases of common stock (1)	(198,220)	(2)	(15,207)	—	—	(15,209)	—	(15,209)
RSUs vested	511,611	5	(5)	—	—	—	—	—
Dividends on common stock ($0.13 per share)	—	—	69	—	(5,756)	(5,687)	—	(5,687)
Transactions with non-controlling interests	—	—	—	—	—	—	(24,703)	(24,703)
Stock-based compensation expense and other	(546)	—	32,208	—	—	32,208	—	32,208
Balances at March 31, 2025	43,737,491	$ 437	$ 427,804	$ 65	$ 565,223	$ 993,529	$ 44,763	$ 1,038,292

(1) Represents shares withheld related to employee taxes for RSUs vested under our equity incentive plans in 2026 and 2025, as well as 200 shares repurchased under our share repurchase program in 2025.

The accompanying notes are an integral part of these condensed consolidated financial statements.

GRANITE CONSTRUCTION INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(*Unaudited - in thousands*)

Three Months Ended March 31,	2026	2025
Operating activities:		
Net loss	$ (36,389)	$ (28,327)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation, depletion and amortization	42,012	30,171
Amortization related to long-term debt	2,305	1,081
Convertible debt inducement expense and related charges	9,704	—
Gain on sales of property and equipment, net	(2,949)	(1,737)
Stock-based compensation	41,186	32,217
Equity in net income from unconsolidated construction joint ventures	(1,387)	(1,246)
Net income from affiliates	(3,473)	(1,094)
Other non-cash adjustments	(447)	164
Changes in assets and liabilities:		
Receivables	(5,454)	40,684
Contract assets, net	(17,645)	34,578
Inventories	(25,663)	(20,261)
Contributions to unconsolidated construction joint ventures	—	(9,163)
Distributions from unconsolidated construction joint ventures and affiliates	7,858	1,677
Other assets, net	(4,109)	(9,504)
Accounts payable	788	(33,852)
Accrued expenses and other liabilities, net	(37,209)	(31,741)
Net cash provided by (used in) operating activities	$ (30,872)	$ 3,647
Investing activities:		
Purchases of marketable securities	—	(134,653)
Maturities of marketable securities	39,000	7,100
Purchases of property and equipment	(26,141)	(32,206)
Proceeds from sales of property and equipment	8,646	3,449
Other investing activities	992	—
Net cash provided by (used in) investing activities	$ 22,497	$ (156,310)
Financing activities:		
Debt repayments	(288,798)	(274)
Proceeds from partial unwind of capped call	56,675	—
Cash dividends paid	(5,655)	(5,652)
Repurchases of common stock	(18,441)	(15,209)
Contributions from non-controlling partners	2,400	—
Distributions to non-controlling partners	(1,275)	(25,450)
Other financing activities, net	(37)	(8)
Net cash used in financing activities	$ (255,131)	$ (46,593)
Net decrease in cash and cash equivalents	(263,506)	(199,256)
Cash and cash equivalents at beginning of period	529,220	578,330
Cash and cash equivalents at end of period	$ 265,714	$ 379,074
Supplementary Information:		
Right of use assets obtained in exchange for lease obligations	$ 5,788	$ 11,623
Cash paid during the period for:		
Operating lease liabilities	$ 11,471	$ 6,702
Interest	$ 14,985	$ 79
Income tax paid, net of refunds received	$ (26)	$ (523)
Other non-cash operating activities:		
Performance guarantees	$ (4,335)	$ —
Non-cash investing and financing activities:		
RSUs issued, net of forfeitures	$ 47,029	$ 37,824
Dividends declared but not paid	$ 5,687	$ 5,686
Contributions from non-controlling partners	$ —	$ 746

The accompanying notes are an integral part of these condensed consolidated financial statements.

GRANITE CONSTRUCTION INCORPORATED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. General

Basis of Presentation: The condensed consolidated financial statements included herein have been prepared by Granite Construction Incorporated ("we," "us," "our," the "Company" or "Granite") pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"), are unaudited and should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2025 ("Annual Report"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") have been condensed or omitted. Further, the condensed consolidated financial statements reflect, in the opinion of management, all normal recurring adjustments necessary to state fairly our financial position at March 31, 2026 and the results of our operations and cash flows for the periods presented. The December 31, 2025 condensed consolidated balance sheet data included herein was derived from audited consolidated financial statements but does not include all disclosures required by U.S. GAAP.

Seasonality: Our operations are typically affected more by weather conditions during the first and fourth quarters of our fiscal year which may alter our construction schedules and can create variability in our revenues and profitability. Therefore, the results of operations for the three months ended March 31, 2026 are not necessarily indicative of the results to be expected for the full year.

Subsequent Events: On April 23, 2026, we completed the acquisition of KSC Utah Investments, Inc. ("Kenny Seng Construction") and related assets for $164.1 million in cash, subject to customary closing adjustments. We purchased all of the issued and outstanding common stock of Kenny Seng Construction, which is a provider of construction services and materials in Utah. This acquisition aligns with our strategy of enhancing our vertical integration by strengthening our existing home markets. Kenny Seng Construction's customers are in both the public and private sectors. The initial accounting for this transaction is incomplete as we are still in the preliminary stages of assessing the fair value of the underlying net tangible and intangible assets. The results of Kenny Seng Construction will be included in our consolidated results beginning in the second quarter of 2026.

On April 22, 2026, we drew $170.0 million on our senior secured revolving credit facility (the "Revolver") (see Note 14), which was used, in part, to fund the Kenny Seng Construction acquisition.

2. Recently Issued and Adopted Accounting Pronouncements

We closely monitor all Accounting Standards Updates ("ASU") issued by the Financial Accounting Standards Board ("FASB") and other authoritative guidance.

Recently Issued Accounting Pronouncements:

There have been no material changes in our evaluation of the accounting standards not yet adopted from what was previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2025.

Recently Adopted Accounting Pronouncements:

In September 2025, the FASB issued ASU 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*, which aims to modernize the guidance to better align with current software development practices. We early adopted this ASU during the first quarter of 2026 and it did not have a material impact on our consolidated financial statements.

In November 2024, the FASB issued ASU 2024-04*, Induced Conversions of Convertible Debt Instruments ("ASU 2024-04")*. The new guidance clarifies the assessment of whether a transaction should be accounted for as an induced conversion or extinguishment of convertible debt when changes are made to conversion features as part of an offer to settle the instrument. The guidance is effective for fiscal years beginning after December 15, 2025, and interim periods within those annual reporting periods. We adopted this ASU during the first quarter of 2026. See Note 14 for more information.

No other new accounting pronouncements were recently issued or adopted that had or are expected to have a material impact on our financial statements.

3. Acquisitions

We accounted for our recent acquisitions in accordance with ASC Topic 805, Business Combinations. The preliminary purchase prices were allocated to assets acquired and liabilities assumed based on their estimated fair values as of the respective acquisition dates. The purchase price allocations for Cinderlite Trucking Corporation ("Cinderlite"), Slats Lucas, LLC and Warren Paving, Inc. (collectively, "Warren Paving"), and Papich Construction Company, Inc. ("Papich Construction") are preliminary and have not been finalized due to the recent timing of these acquisitions, as certain

information is pending as of the date of this filing to finalize estimates of fair value of certain assets acquired and liabilities assumed. As we continue to integrate the acquired businesses, we may obtain additional information on the acquired tangible and identifiable intangible net assets which, if significant, may require revisions to preliminary valuation assumptions, estimates and the resulting fair values presented herein. We expect to finalize purchase price accounting in the 12 months following each acquisition.

Cinderlite Trucking Corporation

On October 3, 2025, we completed the acquisition of Cinderlite and related assets, for $58.5 million in cash, subject to customary closing adjustments. We purchased all of the outstanding equity interest of Cinderlite, which is a construction materials, landscape supply, and transportation company in Carson City, Nevada. This acquisition aligns with our strategy of enhancing our vertical integration by strengthening an existing home market. Based on the preliminary purchase price allocation, the net tangible assets acquired were $58.3 million. The most significant asset was property and equipment of $58.1 million. We recorded $0.1 million in goodwill that was allocated to our Materials segment and is deductible for income tax purposes. Cinderlite's customers are in both the public and private sectors.

Cinderlite's results have been included in the Materials segments since the acquisition date. Revenue attributable to Cinderlite for the three months ended March 31, 2026 was $3.4 million. Gross profit attributable to Cinderlite for the three months ended March 31, 2026 was immaterial.

Warren Paving Acquisition

On August 5, 2025, we completed the acquisition of Warren Paving for $540.0 million in cash, subject to customary closing adjustments. We purchased all of the outstanding equity interests in Warren Paving, which is a vertically-integrated asphalt contractor and aggregate producer with operations along the Gulf Coast and Mississippi River. This acquisition aligns with our strategy to expand our presence into new geographies with future growth opportunities while supporting our existing operations, particularly the Materials segment. Warren Paving’s customers are in both the public and private sectors.

Warren Paving's results have been included in the Construction and Materials segments since the acquisition date. Revenue attributable to Warren Paving for the three months ended March 31, 2026 was $61.2 million. Gross profit attributable to Warren Paving for the three months ended March 31, 2026 was $9.7 million.

Preliminary Purchase Price Allocation

The following table presents the preliminary purchase price allocation:

(in thousands)		
Assets:		
Cash and cash equivalents	$	4,217
Receivables		38,564
Contract assets		609
Inventories		28,425
Other current assets		112
Property and equipment		419,737
Right of use assets		54,867
Other noncurrent assets		5,767
Total tangible assets		552,298
Identifiable intangible assets		46,800
Liabilities:		
Accounts payable		21,059
Contract liabilities		2,217
Accrued expenses and other current liabilities		13,360
Long-term lease liabilities		46,630
Deferred income taxes, net		103,017
Other long-term liabilities		7,000
Total liabilities assumed		193,283
Total tangible and identifiable net assets acquired		405,815
Goodwill		142,768
Preliminary purchase price (1)	$	548,583

(1) The preliminary purchase price includes customary closing adjustments.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of the underlying net tangible and intangible assets. The factors that contributed to the recognition of goodwill from this acquisition include strengthening and expanding our vertically-integrated Southeast home market and the assembled workforce. We recorded $142.8 million of goodwill, none of which is deductible for federal or state income tax purposes. Of the acquired goodwill, $29.2 million was allocated to the Construction segment and $113.6 million was allocated to the Materials segment.

Papich Construction Acquisition

On August 5, 2025, we completed the acquisition of Papich Construction for $170.0 million in cash, subject to customary closing adjustments. We purchased all of the issued and outstanding common stock of Papich Construction, which is a provider of construction services and materials in California's Central Coast and Central Valley regions. This acquisition aligns with our strategy of enhancing our vertical integration by strengthening our existing home markets. Papich Construction's customers are in both the public and private sectors.

Papich Construction's results have been included in the Construction and Materials segments since the acquisition date. Revenue attributable to Papich Construction for the three months ended March 31, 2026 was $28.8 million. Gross loss attributable to Papich Construction for the three months ended March 31, 2026 was $6.0 million.

Preliminary Purchase Price Allocation

For the purpose of this allocation, the contractual purchase price has been adjusted to include customary closing adjustments, resulting in a preliminary purchase price of $178.0 million. Based on our preliminary purchase price allocation, the net tangible and identifiable intangible assets acquired were $118.2 million and $17.4 million, respectively,

resulting in acquired goodwill of $42.4 million, all of which is expected to be deductible for federal and state income tax purposes. The identifiable intangible assets acquired consisted of backlog, permits and customer relationships. Of the acquired goodwill, $6.0 million is in the Materials segment and $36.4 million is in the Construction segment. The most significant assets acquired were $84.6 million of property and equipment and $33.6 million of accounts receivable.

The factors that contributed to the recognition of goodwill from this acquisition include the strengthening of our vertically-integrated California home market and the assembled workforce.

4. Revisions in Estimates

Our profit recognition related to construction contracts is based on estimates of transaction price and costs to complete each project. These estimates can vary significantly in the normal course of business as projects progress, circumstances develop and evolve, and uncertainties are resolved. Changes in estimates of transaction price and costs to complete may result in the reversal of previously recognized revenue if the current estimate adversely differs from the previous estimate. In addition, the estimated or actual recovery related to estimated costs associated with unresolved affirmative claims and back charges may be recorded in future periods or may be at values below the associated cost, which can cause fluctuations in the gross profit impact from revisions in estimates.

When we experience significant revisions in our estimates, we undergo a process that includes reviewing the nature of the changes to ensure that there are no material amounts that should have been recorded in a prior period rather than as revisions in estimates for the current period. For revisions in estimates, generally we use the cumulative catch-up method for changes to the transaction price that are part of a single performance obligation. Under this method, revisions in estimates are accounted for in their entirety in the period of change. There can be no assurance that we will not experience further changes in circumstances or otherwise be required to revise our estimates in the future.

In our review of these changes for the three months ended March 31, 2026 and 2025, we did not identify any material amounts that should have been recorded in a prior period.

During the three months ended March 31, 2026, there were no increases from revisions in estimates, which individually had an impact of $5 million or more on gross profit. During the three months ended March 31, 2025, there was one project with an increase from revisions in estimates which had an impact to gross profit of $8.3 million and a reduction to net loss of $6.2 million, none of which was attributable to non-controlling interests. The revision decreased the net loss per diluted share attributable to common shareholders by $0.14. The increase was due to a change in the estimated amount of probable recovery on an outstanding claim.

For the three months ended March 31, 2026, there were no decreases from revisions in estimates, which individually had an impact of $5 million or more on gross profit. During the three months ended March 31, 2025, there was one project with a decrease from revisions in estimates which had an impact to gross profit of $8.8 million and increased net loss by $6.6 million, none of which was attributable to non-controlling interests. The revision increased the net loss per diluted share attributable to common shareholders by $0.15. The decrease was due to additional costs related to changes in project duration, lower productivity than originally anticipated and increased labor and materials costs.

5. Disaggregation of Revenue

In addition to disaggregating revenue by reportable segment (see Note 18), we further disaggregate Construction segment revenue by customer type and Materials segment revenue by product line. We believe this best depicts how the nature, amount, timing and uncertainty of our revenue and cash flows are affected by economic factors.

Construction Segment Disaggregation by Customer Type

Customers in our Construction segment are predominantly in the public sector which includes certain federal agencies, state departments of transportation, local transit authorities, county and city public works departments and school districts. Our private sector customers include, but are not limited to, developers, utilities and private owners of industrial, commercial and residential sites.

Materials Segment Disaggregation by Product Line

The Materials segment focuses primarily on production of aggregates, recycled materials, asphalt concrete and liquid asphalt. Our Aggregates product line includes aggregates, barge delivery and recycled materials. Our Asphalt product line includes asphalt concrete and liquid asphalt. Revenue from these product lines includes freight and delivery costs that we pass along to our customers. Other includes immaterial amounts of revenue from products and services that are not considered to be core product lines.

The following table presents our revenue disaggregated by reportable segment, by customer type for our Construction segment and product line for our Materials segment:

	Three Months Ended March 31,	
(in thousands)	**2026**	**2025**
Construction segment revenue:		
Public	$ 548,322	$ 395,885
Private	217,732	218,733
Total Construction segment revenue	$ 766,054	$ 614,618
Materials segment revenue:		
Aggregates	$ 90,973	$ 40,402
Asphalt	55,438	43,982
Other	—	545
Total Materials segment revenue	$ 146,411	$ 84,929
Total revenue	$ 912,465	$ 699,547

6. Unearned Revenue

The following table presents our unearned revenue disaggregated by customer type as of the respective periods:

(in thousands)	**March 31, 2026**	**December 31, 2025**
Public	$ 4,407,747	$ 3,628,561
Private	523,041	494,552
Total	$ 4,930,788	$ 4,123,113

All unearned revenue is in the Construction segment. Approximately $3.8 billion of the March 31, 2026 unearned revenue is expected to be recognized within the next twelve months and the remaining amount will be recognized thereafter.

7. Contract Assets and Liabilities

As a result of changes in contract transaction price related to performance obligations that were satisfied or partially satisfied prior to the end of the periods, we recognized revenue of $56.1 million and $49.5 million during the three months ended March 31, 2026 and 2025, respectively. The changes in contract transaction price for the three months ended March 31, 2026 and 2025 were from items such as executed or estimated change orders, contract modifications and claims.

As of March 31, 2026 and December 31, 2025, the aggregate claim recovery estimates included in contract asset and liability balances were $19.8 million and $19.4 million, respectively.

The components of the contract asset balances as of the respective dates were as follows:

(in thousands)	**March 31, 2026**	**December 31, 2025**
Costs in excess of billings and estimated earnings	$ 113,697	$ 73,079
Contract retention	170,282	163,800
Total contract assets	$ 283,979	$ 236,879

As of March 31, 2026 and December 31, 2025, no contract retention receivables individually exceeded 10% of total contract assets. The majority of the contract retention balance is expected to be collected within one year.

As work is performed, revenue is recognized and the corresponding contract liabilities are reduced. We recognized revenue of $222.9 million and $207.8 million during the three months ended March 31, 2026 and 2025, respectively, that was included in the contract liability balances at December 31, 2025 and 2024, respectively.

The components of the contract liability balances as of the respective dates were as follows:

(in thousands)	March 31, 2026	December 31, 2025
Billings in excess of costs and estimated earnings, net of retention	$ 351,459	$ 320,593
Provisions for losses	5,401	6,779
Total contract liabilities	$ 356,860	$ 327,372

The increase in contract liabilities is primarily due to increases in billings in excess of costs on new projects partially offset by reductions in provisions for losses as certain loss projects progress towards completion.

8. Receivables, net

Receivables include billed and unbilled amounts for services provided to clients for which we have an unconditional right to payment as of the end of the applicable period and generally do not bear interest. The following table presents major categories of receivables:

(in thousands)	March 31, 2026	December 31, 2025
Contracts completed and in progress:		
Billed	$ 296,246	$ 297,157
Unbilled	186,466	174,434
Total contracts completed and in progress	482,712	471,591
Materials sales	84,531	89,945
Other	70,846	70,484
Total gross receivables	638,089	632,020
Less: allowance for credit losses	1,576	1,628
Total net receivables	$ 636,513	$ 630,392

Included in other receivables at March 31, 2026 and December 31, 2025 were items such as estimated recovery from back charge claims, notes receivable and income and other tax refunds receivable. Other receivables at March 31, 2026 and December 31, 2025 also included $25.0 million of working capital contributions in the form of a loan to a partner in one of our unconsolidated construction joint ventures, plus accrued interest. None of our customers had a receivable balance in excess of 10% of our total net receivables as of March 31, 2026 or December 31, 2025.

9. Fair Value Measurement

The following tables summarize significant assets and liabilities measured at fair value in the condensed consolidated balance sheets on a recurring basis for each of the fair value measurement levels (in thousands):

	Fair Value Measurement at Reporting Date Using			
March 31, 2026	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash equivalents:				
Money market funds	$ 40,152	$ —	$ —	$ 40,152
Other current assets:				
Interest rate swaps	$ —	$ 3,278	$ —	$ 3,278
Heating oil derivatives	—	3,650	—	3,650
Total assets	$ 40,152	$ 6,928	$ —	$ 47,080

December 31, 2025				
Cash equivalents:				
Money market funds	$ 231,865	$ —	$ —	$ 231,865
Other current assets:				
Interest rate swaps	$ —	$ 830	$ —	$ 830
Total assets	$ 231,865	$ 830	$ —	$ 232,695
Accrued and other current liabilities:				
Heating oil derivatives	$ —	$ 122	$ —	$ 122
Total liabilities	$ —	$ 122	$ —	$ 122

Interest Rate Swaps

In September 2025, we entered into two interest rate swaps designated as cash flow hedges with an effective date of January 2026. The two cash flow hedges had a combined initial notional amount of $350 million and mature in January of 2029. The interest rate swaps are designed to convert the interest rate on our Term Loan (as defined below) under our Fifth Amended and Restated Credit Agreement (the "Credit Agreement") (See Note 14) from a variable interest rate of Secured Overnight Financing Rate ("SOFR") plus an applicable margin to a fixed rate of 3.218% plus the same applicable margin. The interest rate swap is measured at fair value on the consolidated balance sheet using the income approach, which discounts the future net cash settlements expected under the derivative contracts to a present value. These valuations primarily utilize indirectly observable inputs, including contractual terms, interest rates, and yield curves observable at commonly quoted intervals.

Commodity Derivatives

We enter into derivative contracts to reduce our price exposure to commodity price fluctuations. Our outstanding heating oil derivative contracts have maturity dates through September 2027. These contracts were not designated as hedges and are treated as mark-to-market derivative instruments through their maturity dates with gains and losses recognized in the condensed consolidated statements of operations in cost of revenue. During the three months ended March 31, 2026, we recognized a $3.8 million gain. We recognized an immaterial gain in the same period of 2025.

Other Assets and Liabilities

The carrying values and estimated fair values of financial instruments that are not required to be recorded at fair value in the condensed consolidated balance sheets were as follows:

		March 31, 2026		December 31, 2025	
(in thousands)	Fair Value Hierarchy	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets:					
Held-to-maturity marketable securities (1)					
Corporate notes and bonds	Level 1	$ 54,969	$ 55,055	$ 59,477	$ 59,757
U.S. Government and agency obligations	Level 1	$ 5,000	$ 4,999	$ 10,001	$ 10,006
Commercial paper	Level 1	$ 9,944	$ 9,942	$ 39,202	$ 39,198
Municipal notes and bonds	Level 1	$ 11,894	$ 11,896	$ 11,875	$ 11,890
Liabilities (including current maturities):					
3.75% Convertible Notes (2)	Level 2	$ 273,750	$ 720,032	$ 373,750	$ 950,013
3.25% Convertible Notes (2)	Level 2	$ 373,750	$ 614,047	$ 373,750	$ 597,206
Credit Agreement - Term Loan (2)	Level 3	$ 600,000	$ 601,581	$ 600,000	$ 602,265

(1) All marketable securities were classified as held-to-maturity as of the periods presented. Of the above balances, $49.2 million and $71.0 million were short-term marketable securities on our condensed consolidated balance sheets as of March 31, 2026 and December 31, 2025, respectively and $32.6 million were long-term marketable securities on our condensed consolidated balance sheets as of March 31, 2026. Our long-term marketable securities have varying maturities between one and three years.

(2) The fair values of our 3.25% convertible senior notes due 2030 (the "3.25% Convertible Notes") and our 3.75% convertible senior notes due 2028 (the "3.75% Convertible Notes") are based on the median price of the notes in an active market. The fair value of the

Credit Agreement is based on borrowing rates available to us for long-term loans with similar terms, average maturities and credit risk. See Note 14 for more information about our convertible notes and the Credit Agreement.

During the three months ended March 31, 2026 and 2025, we had no material nonfinancial asset and liability fair value adjustments.

10. Construction Joint Ventures

We participate in various construction joint ventures. We have determined that certain of these joint ventures are consolidated because they are variable interest entities and we are the primary beneficiary. We continually evaluate whether there are changes in the status of the VIEs or changes to the primary beneficiary designation of the VIE. Based on our assessments during the three months ended March 31, 2026, we determined no change was required for existing joint ventures.

Due to the joint and several nature of the performance obligations under the related owner contracts, if any of our partners fail to perform, we and the remaining partners, if any, would be responsible for performance of the outstanding work (i.e., we provide a performance guarantee). We are not able to estimate amounts that may be required beyond the current remaining forecasted cost of the work to be performed. These forecasted costs could be offset by billings to the customer or by proceeds from our partners' corporate and/or other guarantees. See Note 13 for disclosure of the performance guarantee amounts recorded in the condensed consolidated balance sheets.

Consolidated Construction Joint Ventures ("CCJVs")

As of March 31, 2026, we were engaged in nine active CCJV projects. Our proportionate share of the equity in these joint ventures was between 50.0% and 70.0%. During the three months ended March 31, 2026 and 2025, total revenue from CCJVs was $74.1 million and $74.6 million, respectively. During the three months ended March 31, 2026 and 2025, CCJVs provided $5.5 million and $59.6 million of operating cash flows, respectively. As of March 31, 2026, our share of revenue remaining to be recognized on these CCJVs was $401.6 million and ranged from $0.4 million to $229.4 million by project.

Unconsolidated Construction Joint Ventures

As of March 31, 2026, we were engaged in two active unconsolidated construction joint venture projects. Our proportionate share of the equity in these unconsolidated construction joint ventures ranged from 30.0% to 40.0%. As of March 31, 2026, our share of the revenue remaining to be recognized on these unconsolidated construction joint ventures was $1.8 million.

The following is summary financial information related to unconsolidated construction joint ventures:

(in thousands)	March 31, 2026	December 31, 2025
Assets		
Cash, cash equivalents and marketable securities	$ 110,827	$ 118,207
Other current assets (1)	530,809	547,968
Noncurrent assets	17,696	17,823
Less: partners' interest	474,323	485,296
Granite's interest (1),(2)	$ 185,009	$ 198,702
Liabilities		
Current liabilities	$ 94,681	$ 110,513
Less: partners' interest and adjustments (3)	32,407	43,396
Granite's interest	$ 62,274	$ 67,117
Equity in construction joint ventures (4)	$ 122,735	$ 131,585

(1) Included in this balance and in accrued expenses and other current liabilities on the condensed consolidated balance sheets as of March 31, 2026 and December 31, 2025 was $29.9 million related to performance guarantees (see Note 13).
(2) Included in this balance as of March 31, 2026 and December 31, 2025 was $66.9 million related to Granite's share of estimated cost recovery of customer affirmative claims.
(3) Partners' interest and adjustments includes amounts to reconcile total net assets as reported by our partners to Granite's interest adjusted to reflect our accounting policies and estimates primarily related to contract forecast differences.

(4) Included in this balance and in accrued expenses and other current liabilities on our condensed consolidated balance sheets was $4.1 million and $3.1 million as of March 31, 2026 and December 31, 2025, respectively, related to deficits in unconsolidated construction joint ventures, which includes provisions for losses.

	Three Months Ended March 31,	
(in thousands)	**2026**	**2025**
Revenue		
Total	$ 6,684	$ 4,071
Less: partners' interest and adjustments (1)	5,200	(846)
Granite's interest	$ 1,484	$ 4,917
Cost of revenue		
Total	$ 3,289	$ 17,534
Less: partners' interest and adjustments (1)	2,619	13,584
Granite's interest	$ 670	$ 3,950
Granite's interest in gross profit	$ 814	$ 967
Net Income (Loss)		
Total	$ 4,424	$ (12,462)
Less: partners' interest and adjustments (1)	3,037	(13,678)
Granite's interest in net income (2)	$ 1,387	$ 1,216

(1) Partners' interest and adjustments includes amounts to reconcile total revenue and total cost of revenue as reported by our partners to Granite's interest adjusted to reflect our accounting policies and estimates primarily related to contract forecast and/or actual differences.
(2) These joint venture net income amounts exclude our corporate overhead required to manage the joint ventures and include taxes only to the extent the applicable states have joint venture level taxes.

11. Investments in Affiliates

Our investments in affiliates balance consists of equity method investments in the following types of entities:

(in thousands)	**March 31, 2026**	**December 31, 2025**
Foreign	$ 77,559	$ 75,838
Real estate	4,207	4,120
Asphalt terminal	16,219	16,806
Total investments in affiliates	$ 97,985	$ 96,764

The following table provides summarized balance sheet information for our affiliates accounted for under the equity method on a combined basis:

(in thousands)	**March 31, 2026**	**December 31, 2025**
Current assets	$ 211,506	$ 215,601
Noncurrent assets	118,458	122,280
Total assets	$ 329,964	$ 337,881
Current liabilities	70,717	73,005
Long-term liabilities (1)	43,571	51,087
Total liabilities	$ 114,288	$ 124,092
Net assets	$ 215,676	$ 213,789
Granite's share of net assets	$ 97,985	$ 96,764

(1) This balance is primarily related to local bank debt for equipment purchases, working capital in our foreign affiliates and debt associated with our real estate ventures.

12. Property and Equipment, net

Balances of major classes of assets and total accumulated depreciation and depletion are included in property and equipment, net in the condensed consolidated balance sheets as follows:

(in thousands)	March 31, 2026	December 31, 2025
Equipment and vehicles	$ 1,459,623	$ 1,466,624
Quarry property	587,079	588,571
Land and land improvements	176,189	174,659
Buildings and leasehold improvements	116,809	121,165
Office furniture and equipment	85,912	84,145
Property and equipment	$ 2,425,612	$ 2,435,164
Less: accumulated depreciation and depletion	1,183,111	1,174,341
Property and equipment, net	$ 1,242,501	$ 1,260,823

13. Accrued Expenses and Other Current Liabilities

(in thousands)	March 31, 2026	December 31, 2025
Payroll and related employee benefits	$ 90,372	$ 145,384
Accrued insurance	107,019	84,470
Performance guarantees	29,938	34,273
Short-term lease liabilities	32,260	32,726
Other	52,293	51,326
Total	$ 311,882	$ 348,179

Other includes deficits in unconsolidated construction joint ventures, dividends payable, taxes payable, interest payable, warranty reserves, asset retirement obligations, remediation reserves and other miscellaneous accruals, none of which were greater than 5% of total current liabilities at any of the presented dates.

14. Debt

(in thousands)	March 31, 2026	December 31, 2025
3.25% Convertible Notes due 2030	373,750	373,750
3.75% Convertible Notes due 2028	273,750	373,750
Credit Agreement - Term Loan	$ 600,000	$ 600,000
Debt issuance costs and other	(6,519)	(8,371)
Total debt	$ 1,240,981	$ 1,339,129
Less: current maturities	379,794	375,896
Total long-term debt	$ 861,187	$ 963,233

Credit Agreement

On August 5, 2025, we entered into the Credit Agreement. The Credit Agreement consists of (1) a $600.0 million Revolver, (2) a $600.0 million senior secured term loan (the "Initial Term Loan") and (3) an additional $75.0 million senior secured term loan (the "Delayed Draw Term Loan" and together with the Initial Term Loan, the "Term Loans"). We borrowed $75 million under the Delayed Draw Term Loan on October 2, 2025 and repaid the amount outstanding thereunder on October 31, 2025. The Credit Agreement also includes an accordion feature that allows us to increase borrowings under the Revolver, request a new tranche of term loans, or issue one or more series of notes (whether issued in a public offering, Rule 144A or other private placement or purchase or otherwise) or loans or any bridge financing pursuant to financing documentation other than the Credit Agreement, or a combination thereof, in an amount not to exceed (1) the greater of (a) $535.0 million and (b) the amount equal to 100% of Consolidated EBITDA (as defined in the Credit Agreement), calculated on a pro forma basis, plus (2) unlimited additional amounts so long as on a pro forma basis after giving effect to the incurrence of additional indebtedness and after giving effect to all other appropriate pro forma adjustments, the ratio of consolidated funded secured indebtedness to Consolidated EBITDA (as defined in the Credit

Agreement) does not exceed 1.25 to 1.0, in each case, subject to lender approval. The Credit Agreement includes a $150.0 million sublimit for letters of credit ($75.0 million for financial letters of credit) and a $20.0 million sublimit for swingline loans.

As of March 31, 2026, the total unused availability under the Revolver was $584.9 million, resulting from $15.1 million in issued and outstanding letters of credit and no amount drawn under the Revolver. The letters of credit had expiration dates between June 2026 and February 2027.

We may borrow under the Credit Agreement, at our option, at either (a) term SOFR plus an applicable margin initially and through the delivery of the March 31, 2026 compliance certificate of 1.75% and then ranging from 1.25% to 2.0%, or (b) a base rate plus an applicable margin initially and through the delivery of the March 31, 2026 compliance certificate of 0.75% and then ranging from 0.25% to 1.0%. After delivery of the March 31, 2026 compliance certificate, the applicable margin will be based on our consolidated leverage ratio set forth on the most recent compliance certificate delivered quarterly. In addition, we have agreed to pay an unused commitment fee initially and through the delivery of the March 31, 2026 compliance certificate of 0.300% and then ranging from 0.175% to 0.350%, depending on our consolidated leverage ratio set forth on the most recent compliance certificate delivered quarterly. The Term Loans and Revolver will mature on August 5, 2030. The Term Loans will amortize at 2.5% per year payable in quarterly installments beginning with the quarter ending December 31, 2026 through September 30, 2027 and increasing to 5.0% per year payable in quarterly installments until the maturity date.

3.25% Convertible Notes

On June 11, 2024, we issued $373.8 million aggregate principal amount of our 3.25% Convertible Notes. The 3.25% Convertible Notes bear interest at a rate of 3.25% per annum, payable semi-annually in arrears on June 15 and December 15 of each year, beginning on December 15, 2024. The 3.25% Convertible Notes mature on June 15, 2030, unless earlier converted, redeemed or repurchased. Prior to the close of business on the business day immediately preceding December 15, 2029, the 3.25% Convertible Notes will be convertible at the option of the holders only upon the occurrence of certain events and during certain periods. Thereafter, the 3.25% Convertible Notes will be convertible at the option of the holders at any time until the close of business on the second scheduled trading day immediately preceding their maturity date.

The 3.25% Convertible Notes have an initial conversion rate of 12.8398 shares of our common stock per $1,000 principal amount of the 3.25% Convertible Notes, which is equivalent to an initial conversion price of approximately $77.88 per share of our common stock, subject to adjustment if certain events occur. Upon conversion, we will settle the principal amount of the 3.25% Convertible Notes in cash, and any conversion premium in excess of the principal amount in cash, shares of our common stock, or a combination of cash and shares of common stock, at our election.

As of March 31, 2026, one of the conditions permitting the holders of the 3.25% Convertible Notes to convert was met. Our common stock traded above 130% of the $77.88 conversion price for at least 20 trading days during the period of 30 consecutive trading days ending on March 31, 2026 (the last trading day of the calendar quarter). The holders of the 3.25% Convertible Notes have the right to convert through June 30, 2026, at which point we will re-evaluate whether the 3.25% Convertible Notes will continue to be convertible in the subsequent calendar quarter. In the event the holders of the 3.25% Convertible Notes elect to convert a portion or all of their 3.25% Convertible Notes, the principal amount is required to be settled in cash. As a result, the $373.8 million principal amount has been classified as a current liability as of March 31, 2026 in the condensed consolidated balance sheet. Any conversion premium will be satisfied with cash, shares of our common stock or a combination of cash and shares of our common stock, at our election.

Upon the occurrence of a “fundamental change” as defined in the indenture governing the 3.25% Convertible Notes, holders may require us to repurchase for cash all or any portion of their 3.25% Convertible Notes at a fundamental change repurchase price equal to 100% of the principal amount of the 3.25% Convertible Notes to be repurchased plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date. If certain corporate events that constitute a “make-whole fundamental change” as set forth in the indenture governing the 3.25% Convertible Notes occur prior to the maturity date of the 3.25% Convertible Notes or if we deliver a notice of redemption, we will, in certain circumstances, increase the conversion rate for a holder who elects to convert its 3.25% Convertible Notes in connection with such event or notice of redemption.

We will not be able to redeem the 3.25% Convertible Notes prior to June 21, 2027. On or after June 21, 2027, we will be able to redeem for cash all or any portion of the 3.25% Convertible Notes, at our option, if the last reported sale price of Granite’s common stock is equal to or greater than 130% of the conversion price for a specified period of time at a redemption price equal to 100% of the principal amount of the 3.25% Convertible Notes to be redeemed, plus accrued but unpaid interest to, but excluding, the redemption date. The indenture governing the 3.25% Convertible Notes contains customary events of default. In the case of an event of default arising from certain events of bankruptcy, insolvency or

reorganization, with respect to us or our significant subsidiaries, all outstanding 3.25% Convertible Notes will become due and payable immediately without further action or notice. If any other event of default occurs and is continuing, then the trustee or the holders of at least 25% in aggregate principal amount of the 3.25% Convertible Notes then outstanding may declare the 3.25% Convertible Notes due and payable immediately.

2024 Capped Call Transactions

In June 2024, we entered into privately negotiated capped call transactions in connection with the offering of the 3.25% Convertible Notes (the "2024 capped call transactions"). The 2024 capped call transactions are expected generally to reduce the potential dilution to our common stock upon any conversion of the 3.25% Convertible Notes and/or offset any cash payments we are required to make in excess of the principal amount of converted 3.25% Convertible Notes, as the case may be. However, when the market price per share of our common stock, as measured under the terms of the 2024 capped call transactions, exceeds the cap price of $119.82 of the 2024 capped call transactions, there would nevertheless be dilution and/or there would not be an offset of such cash payments, in each case, to the extent that such market price exceeds the cap price of the 2024 capped call transactions.

3.75% Convertible Notes

On May 11, 2023, we issued $373.8 million aggregate principal amount of our 3.75% Convertible Notes. The 3.75% Convertible Notes bear interest at a rate of 3.75% per annum payable semiannually in arrears on May 15 and November 15 of each year, beginning on November 15, 2023 and mature on May 15, 2028, unless earlier converted, redeemed or repurchased. Prior to the close of business on the business day immediately preceding November 15, 2027, the 3.75% Convertible Notes will be convertible at the option of the holders only upon the occurrence of certain events and during certain periods. Thereafter, the 3.75% Convertible Notes will be convertible at the option of the holders at any time until the close of business on the second scheduled trading day immediately preceding the maturity date.

The initial conversion rate applicable to the 3.75% Convertible Notes is 21.6807 shares of Granite common stock per $1,000 principal amount of the 3.75% Convertible Notes, which is equivalent to an initial conversion price of approximately $46.12 per share of Granite common stock, subject to adjustment if certain events occur. As of March 31, 2026, one of the conditions permitting the holders of the 3.75% Convertible Notes to convert was met. Our common stock traded above 130% of the $46.12 conversion price for at least 20 trading days during the period of 30 consecutive trading days ending on March 31, 2026 (the last trading day of the calendar quarter). The holders of the 3.75% Convertible Notes have the right to convert through June 30, 2026, at which point we will re-evaluate whether the 3.75% Convertible Notes will continue to be convertible in the subsequent calendar quarter. Upon conversion, we will pay or deliver, as the case may be, cash, shares of Granite common stock or a combination of cash and shares of Granite common stock, at our election.

In addition, upon the occurrence of a "fundamental change" as defined in the indenture governing the 3.75% Convertible Notes, holders may require us to repurchase for cash all or any portion of their 3.75% Convertible Notes at a fundamental change repurchase price equal to 100% of the principal amount of the 3.75% Convertible Notes to be repurchased plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date. If certain corporate events that constitute a "make-whole fundamental change" as set forth in the indenture governing the 3.75% Convertible Notes occur prior to the maturity date of the 3.75% Convertible Notes or if we deliver a notice of redemption, we will, in certain circumstances, increase the conversion rate for a holder who elects to convert its 3.75% Convertible Notes in connection with such event or notice of redemption.

We are not able to redeem the 3.75% Convertible Notes prior to May 20, 2026. On or after May 20, 2026, we have the option to redeem for cash all or any portion of the 3.75% Convertible Notes if the last reported sale price of our common stock is equal to or greater than 130% of the conversion price for a specified period of time at a redemption price equal to 100% of the principal amount of the 3.75% Convertible Notes to be redeemed, plus any accrued but unpaid interest to, but excluding, the redemption date. The indenture governing the 3.75% Convertible Notes contains customary events of default. In the case of an event of default arising from certain events of bankruptcy, insolvency or reorganization, with respect to us or our significant subsidiaries, all outstanding 3.75% Convertible Notes will become due and payable immediately without further action or notice. If any other event of default occurs and is continuing, then the trustee or the holders of at least 25% in aggregate principal amount of the 3.75% Convertible Notes then outstanding may declare the 3.75% Convertible Notes due and payable immediately.

2023 Capped Call Transactions

In May 2023, we entered into capped call transactions (the "2023 capped call transactions") in connection with the offering of the 3.75% Convertible Notes. The 2023 capped call transactions are expected generally to reduce the potential dilution

to our common stock upon conversion of the 3.75% Convertible Notes and/or offset any cash payments we are required to make in excess of the principal amount of converted 3.75% Convertible Notes, as the case may be. However, when the market price per share of our common stock, as measured under the terms of the 2023 capped call transactions, exceeds the cap price of $79.83 of the 2023 capped call transactions, there would nevertheless be dilution and/or there would not be an offset of such cash payments, in each case, to the extent that such market price exceeds the cap price of the 2023 capped call transactions.

Exchange Agreements

On February 18, 2026, we entered into separate and privately negotiated agreements (the "Exchange Agreements") with a limited number of holders of the 3.75% Convertible Notes pursuant to which we agreed to exchange $100.0 million aggregate principal amount of the 3.75% Convertible Notes for cash consideration (each such note, the "Exchanged Notes," and each such transaction, a "Note Exchange Transaction"). The consideration payable under the Exchange Agreements was based, in part, on the volume-weighted average price of the our common stock during a 15 trading-day measurement period beginning on February 18, 2026.

The terms of the Note Exchange Transactions met the criteria for induced conversion accounting under ASU 2024-04. Under induced conversion accounting, we recognized an inducement expense measured as the fair value of the Exchanged Notes and additional consideration paid to bond holders to induce conversion in excess of the fair value of the securities issuable under the original conversion terms.

On March 11, 2026, we settled the Note Exchange Transactions entirely in cash for total consideration of $289.7 million, consisting of $288.5 million paid to settle the Note Exchange Transactions and $1.2 million of accrued interest. We incurred $2.9 million of inducement expense and $6.8 million of related charges, all of which were included in Other (income) expense, net in the condensed consolidated statements of operations. No shares of our common stock were issued in connection with the settlement of the Note Exchange Transactions. Following the settlement of the Note Exchange Transactions, $273.8 million aggregate principal amount of the 3.75% Convertible Notes remained outstanding as of March 31, 2026.

Unwind of Associated Capped Call Agreements

In connection with the Note Exchange Transactions, on February 18, 2026, we entered into partial unwind agreements (the "Unwind Agreements") with certain financial institutions (the "Capped Call Counterparties") to unwind a portion of the capped call transactions that were entered into in connection with the offering of the 3.75% Convertible Notes. The Unwind Agreements relate to a number of call options corresponding to the number of Exchanged Notes. Pursuant to the Unwind Agreements, the Capped Call Counterparties paid to us an amount of cash in respect of the capped call transactions being unwound thereunder, which amount was determined based upon the volume-weighted average price per share of our common stock during an averaging period beginning on February 18, 2026.

The transactions settled on March 10, 2026 and we received $56.7 million of cash proceeds. The capped call transactions were determined to be equity-classified at inception under ASC 815-40; accordingly, the proceeds from the partial unwind were recorded as a capital transaction within additional paid-in capital.

Covenants and Events of Default

Our Credit Agreement requires us to comply with various affirmative, restrictive and financial covenants, including the financial covenants described below. Our failure to comply with these covenants would constitute an event of default under the Credit Agreement. Additionally, the 3.25% Convertible Notes and 3.75% Convertible Notes are governed by the terms and conditions of their respective indentures. Our failure to pay principal, interest or other amounts when due or within the relevant grace period on our 3.25% Convertible Notes, our 3.75% Convertible Notes or our Credit Agreement would constitute an event of default under the 3.25% Convertible Notes indenture, the 3.75% Convertible Notes indenture or the Credit Agreement. A default under our Credit Agreement could result in (i) us no longer being entitled to borrow under such facility; (ii) the termination of such facility; (iii) the requirement that any letters of credit under such facility be cash collateralized; (iv) the acceleration of amounts owed under the Credit Agreement; and/or (v) the foreclosure on any collateral securing the obligations under such facility. A default under the 3.25% Convertible Notes indenture or the 3.75% Convertible Notes indenture could result in acceleration of the maturity of the notes.

The financial covenants under the terms of our Credit Agreement require the maintenance of a minimum Consolidated Interest Coverage Ratio and a maximum Consolidated Leverage Ratio. As of March 31, 2026, we were in compliance with all covenants contained in the Credit Agreement. We are not aware of any non-compliance by any of our unconsolidated real estate ventures with the covenants contained in their debt agreements.

15. Weighted Average Shares Outstanding and Net Loss Per Share

The following table presents a reconciliation of the weighted average shares of common stock used in calculating basic and diluted net loss per share as well as the calculation of basic and diluted net loss per share:

	Three Months Ended March 31,	
(in thousands, except per share amounts)	**2026**	**2025**
Numerator		
Net loss attributable to common shareholders	$ (41,699)	$ (33,656)
Denominator		
Weighted average common shares outstanding, basic	43,529	43,463
Weighted average common shares outstanding, diluted	43,529	43,463
Net loss per share, basic	$ (0.96)	$ (0.77)
Net loss per share, diluted	$ (0.96)	$ (0.77)

Due to net losses for the three months ended March 31, 2026 and 2025, unvested RSUs representing 531,000 and 585,000 shares, respectively, and potential dilution from the convertible notes converting into 9,426,000 and 8,427,000 shares, respectively, of common stock have been excluded from the calculation of diluted earnings per share, as their inclusion would have been anti-dilutive. In connection with the issuance of the 3.25% Convertible Notes and 3.75% Convertible Notes, we entered into the 2024 capped call transactions and 2023 capped call transactions, respectively, which were not included for purposes of calculating the number of diluted shares outstanding, as their effect would have been anti-dilutive.

16. Income Taxes

The following table presents the benefit from income taxes for the respective periods:

	Three Months Ended March 31,	
(dollars in thousands)	**2026**	**2025**
Benefit from income taxes	$ (12,119)	$ (11,756)
Effective tax rate	25.0%	29.3%

Our effective tax rate for the three months ended March 31, 2026 is lower than the prior period primarily due to nondeductible expenses related the Note Exchange Transactions in the current year described in Note 14 of "Notes to the Condensed Consolidated Financial Statements."

17. Contingencies - Legal Proceedings

Liabilities relating to legal proceedings and government inquiries, to the extent that we have concluded such liabilities are probable and the amounts of such liabilities are reasonably estimable, are recorded in the consolidated balance sheets. Disclosure is required when a material loss is probable but not reasonably estimable, a material loss is reasonably possible but not probable, or when it is reasonably possible that the amount of a loss will exceed the amount recorded. The total liabilities recorded in our condensed consolidated balance sheets for legal proceedings and government inquiries were immaterial as of March 31, 2026 and December 31, 2025.

It is possible that future developments in our legal proceedings and inquiries could require us to (i) adjust or reverse existing accruals, or (ii) record new accruals that we did not originally believe to be probable or that could not be reasonably estimated. Such changes could be material to our financial condition, results of operations and/or cash flows in any particular reporting period.

Ordinary Course Legal Proceedings

In the ordinary course of business, we and our affiliates are involved in various legal proceedings alleging, among other things, liability issues or breach of contract or tortious conduct in connection with the performance of services and/or materials provided, the various outcomes of which often cannot be predicted with certainty. For information on our accounting policies regarding affirmative claims and back charges that we are party to in the ordinary course of business, see Note 1 of our Annual Report. We and our affiliates are also subject to government inquiries in the ordinary course of

business seeking information concerning our compliance with government construction contracting requirements and various laws and regulations, the outcomes which often cannot be predicted with certainty.

Some of the matters in which we or our joint ventures and affiliates are involved may involve compensatory, punitive, or other claims or sanctions that, if granted, could require us to pay damages or make other expenditures in amounts that are not probable to be incurred or cannot currently be reasonably estimated. In addition, in some circumstances our government contracts could be terminated, we could be suspended, debarred or incur other administrative penalties or sanctions, or payment of our costs could be disallowed. While any of our pending legal proceedings may be subject to early resolution as a result of our ongoing efforts to resolve the proceedings, whether or when any legal proceeding will be resolved is neither predictable nor guaranteed.

18. Reportable Segment Information

We manage our operations under two reportable segments, Construction and Materials, which are distinguished by differences in business activities. Our reportable segments are the same as our operating segments and correspond with how our chief operating decision maker, or decision-making group (our "CODM") regularly reviews financial information to allocate resources and assess performance. We identified our CODM as our Chief Executive Officer ("CEO").

Our CODM evaluates segment performance and makes business decisions based on operating income, which excludes non-operating income or expense. Segment assets include property and equipment, intangibles, goodwill, inventory and equity in construction joint ventures.

Summarized segment information is as follows (in thousands):

Three months ended March 31,	Construction	Materials	Total
2026			
Total revenue from reportable segments	$ 766,054	$ 197,491	$ 963,545
Elimination of intersegment revenue	—	(51,080)	(51,080)
Revenue	766,054	146,411	912,465
Cost of revenue	663,874	138,686	802,560
Gross profit	102,180	7,725	109,905
Selling, general and administrative expenses	72,176	11,914	84,090
(Gain) loss on sales of property and equipment, net	(4,241)	1,292	(2,949)
Operating income (loss) from reportable segments	$ 34,245	$ (5,481)	$ 28,764
Depreciation, depletion and amortization	$ 20,203	$ 20,383	$ 40,586
Segment assets as of period end	$ 688,110	$ 1,396,147	$ 2,084,257
2025			
Total revenue from reportable segments	$ 614,618	$ 105,580	$ 720,198
Elimination of intersegment revenue	—	(20,651)	(20,651)
Revenue	614,618	84,929	699,547
Cost of revenue	529,180	86,518	615,698
Gross profit (loss)	85,438	(1,589)	83,849
Selling, general and administrative expenses	62,327	8,545	70,872
Gain on sales of property and equipment, net	(1,849)	(69)	(1,918)
Operating income (loss) from reportable segments	$ 24,960	$ (10,065)	$ 14,895
Depreciation, depletion and amortization	$ 14,452	$ 13,555	$ 28,007
Segment assets as of period end	$ 613,882	$ 698,718	$ 1,312,600

GRANITE CONSTRUCTION INCORPORATED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)

A reconciliation of operating income from reportable segments to consolidated income before income taxes is as follows:

	Three Months Ended March 31,	
(in thousands)	**2026**	**2025**
Total operating income from reportable segments	$ 28,764	$ 14,895
Corporate selling, general and administrative expenses	56,860	45,039
Corporate (gain) loss on sales of property and equipment, net	—	181
Other costs, net	3,037	9,426
Total operating loss	(31,133)	(39,751)
Total other expense, net	17,375	332
Loss before income taxes	$ (48,508)	$ (40,083)

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2025 (our "Annual Report") and the unaudited condensed consolidated financial statements and the accompanying notes thereto included herein.

Forward-Looking Disclosure

From time to time, Granite makes certain comments and disclosures in reports and statements, including in this Quarterly Report on Form 10-Q, or statements made by its officers or directors, that are not based on historical facts, including statements regarding future events, occurrences, opportunities, circumstances, strategy, activities, performance, outlook, outcomes, guidance, capital expenditures, committed and awarded projects, results and strategic actions, that may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are identified by words such as "future," "outlook," "assumes," "believes," "expects," "estimates," "anticipates," "intends," "plans," "appears," "may," "will," "should," "could," "would," "continue," and the negatives thereof or other comparable terminology or by the context in which they are made. In addition, other written or oral statements that constitute forward-looking statements have been made and may in the future be made by or on behalf of Granite. These forward-looking statements are based on management's current beliefs, assumptions and estimates. These expectations may or may not be realized. Some of these expectations may be based on beliefs, assumptions or estimates that may prove to be incorrect. In addition, our business and operations involve numerous risks and uncertainties, many of which are beyond our control, which could result in our expectations not being realized or otherwise materially affect our business, financial condition, results of operations, cash flows and liquidity. Such risks and uncertainties include, but are not limited to, those more specifically described in our Annual Report under "Item 1A. Risk Factors." Due to the inherent risks and uncertainties associated with our forward-looking statements, the reader is cautioned not to place undue reliance on them. The reader is also cautioned that the forward-looking statements contained herein speak only as of the date of this Quarterly Report on Form 10-Q and, except as required by law, we undertake no obligation to revise or update any forward-looking statements for any reason.

Overview

We deliver infrastructure solutions for public and private clients primarily in the United States. We are one of the largest diversified, vertically integrated civil contractors and construction materials producers in the United States. Within the public sector, we primarily concentrate on infrastructure projects, including the construction of streets, roads, highways, mass transit facilities, airport infrastructure, bridges, dams, power-related facilities, utilities, tunnels, water well drilling and other infrastructure-related projects. Within the private sector, we perform various services such as site preparation, mining services and infrastructure services for commercial and industrial sites, railways, residential development, energy development, as well as provide construction management professional services. We own and lease aggregate reserves, and we own processing plants that are vertically integrated into our construction operations. We also produce construction materials for sale to third parties.

The five primary economic drivers of our business are (i) the overall health of the U.S. economy including access to resources (labor, supplies and subcontractors); (ii) federal, state and local public funding levels; (iii) population growth resulting in public and private development; (iv) the need to build, replace or repair aging infrastructure; and (v) the pricing of certain commodity related products. Changes in these drivers can either reduce our revenues and/or gross profit margins or provide opportunities for revenue growth and gross profit margin improvement.

Current Economic Environment and Outlook

Funding for our public work projects, which account for approximately 85% of our Committed and Awarded Projects ("CAP"), is dependent on federal, state, regional and local revenues. At the federal level, the $1.2 trillion Infrastructure Investment and Jobs Act ("IIJA") has increased federal highway, bridge and transit funding to its highest level in more than six decades with $550 billion in incremental funding over five years. The increased multi-year spending commitment improved the programming visibility for state and local governments and drove an increase in project lettings that started in 2023 and continued through the date of this filing. With the IIJA ending in September of 2026, discussions are ongoing in Congress concerning a replacement bill.

At state, regional and local levels, voter-approved state and local transportation measures continue to support infrastructure spending. While each market is unique, we see a strong funding environment at the state and local levels aided by the IIJA. In California, our top revenue-generating state, despite overall budgetary concerns, a significant part of the state infrastructure spend is funded through Senate Bill 1 (SB-1), the Road Repair and Accountability Act of 2017, a program without any sunset provisions that may only be used for transportation-related purposes.

Our CAP balance continues to be strong with $7.2 billion at the end of the first quarter of 2026. Our CAP is supported by a positive public funding environment and strength in the private markets we serve, which we believe will provide further opportunities for continued CAP growth.

Over the last several years, inflation, supply chain and labor constraints have had a significant impact on the global economy including Granite and others in the construction industry in the United States. Recently, concerns over tariffs and the conflict in Iran's impact on oil prices have been major sources of uncertainty in the economy. To date, we have not experienced a material financial impact due to tariffs or the conflict in Iran. It is impossible to fully mitigate the potential impacts of the foregoing macro-economic factors and they may negatively impact us in the future. However, where practicable, we have applied proactive measures to mitigate these macro-economic factors, such as fixed forward purchase contracts of oil related inputs, energy surcharges, and adjustment of project schedules for constraints related to construction materials.

Kenny Seng Construction Acquisition

On April 23, 2026, we completed the acquisition of KSC Utah Investments, Inc. ("Kenny Seng Construction") and related assets for $164.1 million in cash, subject to customary closing adjustments. We purchased all of the issued and outstanding common stock of Kenny Seng Construction, which is a provider of construction services and materials in Utah. This acquisition aligns with our strategy of enhancing our vertical integration by strengthening our existing home markets. The results of Kenny Seng Construction will be included in our consolidated results beginning in the second quarter of 2026.

On April 22, 2026, we drew $170.0 million on our senior secured revolving credit facility (the “Revolver”), which was used, in part, to fund the Kenny Seng Construction acquisition.

Results of Operations

Our operations are typically affected more by inclement weather conditions during the first and fourth quarters of our fiscal year which may alter our construction schedules and can create variability in our revenues and profitability. Therefore, the results of operations of a given quarter are not indicative of the results to be expected for the full year.

The following table presents a financial summary for the three months ended March 31, 2026 and 2025:

	Three Months Ended March 31,	
(in thousands)	**2026**	**2025**
Total revenue	$ 912,465	$ 699,547
Gross profit	$ 109,905	$ 83,849
Selling, general and administrative expenses	$ 140,950	$ 115,911
Other costs, net	$ 3,037	$ 9,426
Operating loss	$ (31,133)	$ (39,751)
Total other expense, net	$ 17,375	$ 332
Amount attributable to non-controlling interests	$ (5,310)	$ (5,329)
Net loss attributable to Granite Construction Incorporated	$ (41,699)	$ (33,656)

Revenue

Total Revenue by Segment

	Three Months Ended March 31,			
(dollars in thousands)	**2026**		**2025**	
Construction	$ 766,054	84.0 %	$ 614,618	87.9 %
Materials	146,411	16.0	84,929	12.1
Total	$ 912,465	100.0 %	$ 699,547	100.0 %

Construction Revenue

	Three Months Ended March 31,			
(dollars in thousands)	**2026**		**2025**	
Public	$ 548,322	71.6 %	$ 395,885	64.4 %
Private	217,732	28.4	218,733	35.6
Total	$ 766,054	100.0 %	$ 614,618	100.0 %

Construction revenue for the three months ended March 31, 2026 increased by $151.4 million, or 24.6%, when compared to 2025. This increase was primarily driven by higher CAP entering the quarter, along with $43.1 million of construction revenue from our recently acquired businesses, Warren Paving and Papich Construction, during the three months ended March 31, 2026.

Materials Revenue

	Three Months Ended March 31,			
(dollars in thousands)	**2026**		**2025**	
Aggregates	$ 90,973	62.1 %	$ 40,402	47.6 %
Asphalt	55,438	37.9	43,982	51.8
Other	—	—	545	0.6
Total	$ 146,411	100.0 %	$ 84,929	100.0 %

Materials revenue for the three months ended March 31, 2026 increased $61.5 million, or 72.4%, when compared to 2025. This increase was primarily driven by materials revenue from our recently acquired businesses, Warren Paving, Papich Construction and Cinderlite, which was $50.3 million for the three months ended March 31, 2026.

Committed and Awarded Projects

CAP consists of two components: (1) unearned revenue and (2) other awards. Unearned revenue includes the revenue we expect to record in the future on executed contracts, including 100% of our consolidated joint venture contracts and our proportionate share of unconsolidated joint venture contracts. We generally include a project in unearned revenue at the time a contract is awarded, the contract has been executed and to the extent we believe funding is probable. Contract options and task orders are included in unearned revenue when exercised or issued, respectively. Certain government contracts where funding is appropriated on a periodic basis are included in unearned revenue at the time of the award when it is probable the contract value will be funded and executed.

Other awards include the general construction portion of construction management/general contractor ("CM/GC") contracts and awarded contracts with unexercised contract options or unissued task orders. The general construction portion of CM/GC contracts are included in other awards to the extent contract execution and funding is probable. Contracts with unexercised contract options or unissued task orders are included in other awards to the extent option exercise or task order issuance is probable. All CAP is in the Construction segment.

(dollars in thousands)		**March 31, 2026**			**December 31, 2025**	
Unearned revenue	$	4,930,788	68.8 %	$	4,123,113	59.2 %
Other awards		2,238,394	31.2		2,846,259	40.8
Total	$	7,169,182	100.0 %	$	6,969,372	100.0 %

(dollars in thousands)		**March 31, 2026**			**December 31, 2025**	
Customer type:						
Public	$	6,235,198	87.0 %	$	6,058,998	86.9 %
Private		933,984	13.0		910,374	13.1
Total	$	7,169,182	100.0 %	$	6,969,372	100.0 %

CAP of $7.2 billion at March 31, 2026 was $199.8 million or 2.9% higher than at December 31, 2025. Significant additions to CAP during the three months ended March 31, 2026 included $495 million for a tactical infrastructure project in Texas, $115 million for a reservoir replacement project in California and $114 million for a highway project in California. All of these projects are in the public sector. These CAP additions were partially offset by the cancellation of a $296 million public sector highway project in California for which the project's expanded scope exceeded available funding.

Non-controlling partners' share of CAP as of March 31, 2026 and December 31, 2025 was $336.9 million and $361.4 million respectively.

At March 31, 2026, one contract with remaining CAP of $10 million or more per project had total forecasted losses with remaining revenue of $17.3 million, or 0.2%, of total CAP. Provisions are recognized in the consolidated statements of operations for the full amount of estimated losses on uncompleted contracts whenever evidence indicates that the estimated total cost of a contract exceeds its estimated total revenue.

Gross Profit

The following table presents gross profit by reportable segment for the respective periods:

	Three Months Ended March 31,	
(dollars in thousands)	**2026**	**2025**
Construction	$ 102,180	$ 85,438
Percent of segment revenue	*13.3 %*	*13.9 %*
Materials	7,725	(1,589)
Percent of segment revenue	*5.3 %*	*(1.9)%*
Total gross profit	$ 109,905	$ 83,849
Percent of total revenue	*12.0 %*	*12.0 %*

Construction gross profit for the three months ended March 31, 2026 increased by $16.7 million, or 19.6%, when compared to 2025 primarily due to higher revenue and improved project execution across our project portfolio. Construction gross profit as a percent of revenue decreased when compared to the first quarter of the prior year as we recognized a net increase from a revision in estimate due to a claim settlement in the prior year which did not recur.

Materials gross profit for the three months ended March 31, 2026 was $7.7 million, compared to a gross loss of $1.6 million for the same period in 2025, reflecting an improvement of $9.3 million. The increased gross profit was primarily driven by higher volumes and sales prices in both aggregates and asphalt. The increase was also driven by gross profit from our recently acquired businesses, Warren Paving, Papich Construction and Cinderlite, of $4.9 million for the three months ended March 31, 2026, which included $4.4 million of purchase accounting-related charges such as step-up depreciation and intangible asset amortization. See Note 3 of "Notes to the Condensed Consolidated Financial Statements" for further information about acquisitions.

Selling, General and Administrative Expenses

The following table presents the components of selling, general and administrative ("SG&A") expenses for the respective periods:

	Three Months Ended March 31,	
(dollars in thousands)	**2026**	**2025**
Salaries and related expenses	$ 62,550	$ 55,416
Stock-based compensation	42,559	30,053
Other SG&A expenses	35,841	30,442
Total SG&A expenses	$ 140,950	$ 115,911
Percent of revenue	*15.4 %*	*16.6 %*

SG&A expenses include the costs for estimating and bidding, including offsetting customer reimbursements for portions of our selling/bid submission expenses (i.e., stipends), business development, materials facility permits, and costs related to our operational offices that are not allocated to direct contract costs and expenses related to our corporate functions. Other SG&A expenses include travel and entertainment, outside services, information technology, depreciation, occupancy, training, office supplies, changes in the fair market value of our non-qualified deferred compensation plan liability and other miscellaneous expenses. SG&A expenses can vary depending on the volume of projects in process and the number of employees assigned to estimating and bidding activities. As projects are completed or the volume of work slows down, we temporarily redeploy project employees to bid on new projects, moving their salaries and related costs from cost of revenue to selling expenses. SG&A expenses for the three months ended March 31, 2026 increased $25.0 million compared to the same period in 2025, primarily due to a $12.5 million increase in stock-based compensation, as well as $7.1 million of higher salaries and related expenses due to increased labor costs. SG&A expenses related to our recently acquired businesses, Warren Paving, Papich Construction and Cinderlite, was $4.9 million.

Other Costs, net

The following table presents other costs, net for the respective periods:

	Three Months Ended March 31,	
(in thousands)	**2026**	**2025**
Other costs, net	$ 3,037	$ 9,426

Other costs, net mainly consists of acquisition and integration costs and, in the prior year, legal costs related to the defense of a former Company officer in his civil litigation with the SEC. The decrease of $6.4 million for the three months ended March 31, 2026 was primarily driven by a reduction in legal costs following the resolution of our former officer's civil litigation in January 2026. This was partially offset by increased acquisition and integration costs in the current year. See Note 1 and Note 3 of the "Notes to the Condensed Consolidated Financial Statements" for information on our recent acquisitions.

Other Expense, net

The following table presents other expense, net for the respective periods:

	Three Months Ended March 31,	
(in thousands)	**2026**	**2025**
Interest income	(5,849)	(6,268)
Interest expense	16,332	7,757
Equity in income of affiliates, net	(3,473)	(1,094)
Other (income) expense, net	10,365	(63)
Total other expense, net	$ 17,375	$ 332

During the three months ended March 31, 2026, total other expense, net increased $17.0 million, primarily due to expenses associated with the repurchase of a portion of our 3.75% Convertible Notes (see Note 14). We incurred $2.9 million of inducement expense and $6.8 million of related charges, which were included in Other (income) expense, net in the condensed consolidated statements of operations. There was also an increase of $8.6 million in interest expense primarily related to increased borrowings under our credit agreement (see Note 14).

Income Taxes

The following table presents the benefit from income taxes for the respective periods:

	Three Months Ended March 31,	
(dollars in thousands)	**2026**	**2025**
Benefit from income taxes	$ (12,119)	$ (11,756)
Effective tax rate	25.0%	29.3%

We calculate our income tax provision or benefit at the end of each interim period by estimating our annual effective tax rate, applying that rate to our income or loss before taxes and adjusting for discrete items not included in our estimate of the annual effective tax rate. The effect of changes in enacted tax laws, tax rates or tax status is recognized in the interim period in which the change occurs.

See Note 16 of "Notes to the Condensed Consolidated Financial Statements" for more information.

Liquidity and Capital Resources

Our primary sources of liquidity are cash and cash equivalents, investments, available borrowing capacity under our Credit Agreement and cash generated from operations. We may also from time to time issue and sell equity, debt or hybrid securities or engage in other capital markets transactions or sell one or more business units or assets. See Note 14 of the "Notes to the Condensed Consolidated Financial Statements" for information on our long-term debt.

Our material cash requirements include paying the costs and expenses associated with our operations, servicing outstanding indebtedness, making capital expenditures and paying dividends on our capital stock. We may also from time to time prepay or repurchase outstanding indebtedness, repurchase shares of our common stock or acquire assets or businesses that are complementary to our operations. See Note 3 of "Notes to the Condensed Consolidated Financial Statements" for information on our recent acquisitions. See Note 14 of "Notes to the Condensed Consolidated Financial Statements" for information on the exchange transactions related to our 3.75% Convertible Notes.

We believe our primary sources of liquidity will be sufficient to meet our expected working capital needs, capital expenditures, financial commitments, cash dividend payments and other liquidity requirements associated with our existing operations for the next twelve months. We also believe our primary sources of liquidity, access to debt and equity capital markets and cash expected to be generated from operations will be sufficient to meet our long-term requirements and plans. However, there can be no assurance that sufficient capital will continue to be available or that it will be available on terms acceptable to us.

As of March 31, 2026, our cash and cash equivalents consisted of deposits and money market funds held with established national financial institutions and marketable securities consisting of commercial paper, corporate notes and bonds, Municipal notes and bonds and U.S. Government and agency obligations.

As of March 31, 2026, the total unused availability under our Revolver was $584.9 million, resulting from $15.1 million in issued and outstanding letters of credit and no amount drawn under the Revolver. As of the date of this report, $170.0

million was drawn under the Revolver, resulting in total unused availability under our Revolver of $414.9 million. See Note 1 and Note 14 of "Notes to the Condensed Consolidated Financial Statements."

As of March 31, 2026, one of the conditions permitting the holders of the 3.25% Convertible Notes to convert was met. Our common stock traded above 130% of the $77.88 conversion price for at least 20 trading days during the period of 30 consecutive trading days ended on March 31, 2026 (the last trading day of the calendar quarter). The holders of the 3.25% Convertible Notes have the right to convert through June 30, 2026, at which point we will re-evaluate whether the 3.25% Convertible Notes will continue to be convertible in the subsequent calendar quarter. In the event the holders of the 3.25% Convertible Notes elect to convert a portion, or all of their 3.25% Convertible Notes, the principal amount is required to be settled in cash. As a result, the $373.8 million principal amount has been classified as a current liability as of March 31, 2026 in the condensed consolidated balance sheet. Any conversion premium will be satisfied with cash, shares of our common stock or a combination of cash and shares of our common stock, at our election. At current market prices of our common stock, we do not expect holders to elect to convert their notes as the trading price of the notes in the secondary market exceeds the value a holder would receive upon conversion of such notes. In the unlikely event a holder elects to convert, we would use cash on hand or draw on our Revolver as needed.

As of March 31, 2026, one of the conditions permitting the holders of the 3.75% Convertible Notes to convert was met. Our common stock traded above 130% of the $46.12 conversion price for at least 20 trading days during the period of 30 consecutive trading days ending on March 31, 2026 (the last trading day of the calendar quarter). The holders of the 3.75% Convertible Notes have the right to convert through June 30, 2026, at which point we will re-evaluate whether the 3.75% Convertible Notes will continue to be convertible in the subsequent calendar quarter. Upon conversion, we will pay or deliver, as the case may be, cash, shares of Granite common stock or a combination of cash and shares of Granite common stock, at our election.

In evaluating our liquidity position and needs, we also consider cash and cash equivalents held by our consolidated construction joint ventures ("CCJVs"). The following table presents our cash, cash equivalents and marketable securities, including amounts from our CCJVs, as of the respective dates:

(in thousands)	**March 31, 2026**	**December 31, 2025**
Cash and cash equivalents excluding CCJVs	$ 111,720	$ 383,636
CCJV cash and cash equivalents (1)	153,994	145,584
Total consolidated cash and cash equivalents	265,714	529,220
Short-term marketable securities (2)	49,191	71,021
Long-term marketable securities (2)	32,616	49,534
Total cash, cash equivalents and marketable securities	$ 347,521	$ 649,775

(1) The volume and stage of completion of contracts from our CCJVs may cause fluctuations in joint venture cash and cash equivalents between periods. The assets of each consolidated and unconsolidated construction joint venture relate solely to that joint venture. The decision to distribute joint venture assets must generally be made jointly by a majority of the members and, accordingly, these assets, including those associated with estimated cost recovery of customer affirmative claims and back charge claims, are generally not available for the working capital needs of Granite until distributed.

(2) All marketable securities were classified as held-to-maturity and consisted of commercial paper, corporate notes and bonds, Municipal notes and bonds and U.S. Government and agency obligations as of March 31, 2026 and December 31, 2025.

Granite's portion of CCJV cash and cash equivalents was $96.1 million and $90.6 million as of March 31, 2026 and December 31, 2025, respectively. Excluded from the table above is $30.9 million and $35.0 million as of March 31, 2026 and December 31, 2025, respectively, of Granite's portion of unconsolidated construction joint venture cash and cash equivalents.

Capital Expenditures

Major capital expenditures are typically for aggregate and asphalt production facilities, aggregate reserves, construction equipment, buildings and leasehold improvements and investments in our information technology systems. The timing and amount of such expenditures can vary based on the progress of planned capital projects, the type and size of construction projects, changes in business outlook and other factors. During the three months ended March 31, 2026, we had capital expenditures of $26.1 million, compared to $32.2 million during the three months ended March 31, 2025. We currently anticipate 2026 capital expenditures to be between approximately $140.0 million and $160.0 million, including approximately $50.0 million in planned strategic materials investments.

Cash Flows

(in thousands)	Three Months Ended March 31, 2026	2025
Net cash provided by (used in):		
Operating activities	$ (30,872)	$ 3,647
Investing activities	$ 22,497	$ (156,310)
Financing activities	$ (255,131)	$ (46,593)

Operating activities

As a large infrastructure contractor and construction materials producer, our revenue, gross profit and the resulting operating cash flows can differ significantly from period to period due to a variety of factors, including project progression toward completion, outstanding contract change orders and affirmative claims, and the payment terms of our contracts. Additionally, operating cash flows are impacted by the resolution of uncertainties inherent in the complex nature of the construction work we perform, including claim and back charge settlements. Our working capital assets result from both public and private sector projects. Customers in the private sector can be slower paying than those in the public sector; however, private sector projects generally have higher gross profit as a percentage of revenue. While we typically invoice our customers on a monthly basis, our construction contracts frequently provide for retention that is a specified percentage withheld from each payment by our customers until the contract is completed and the work accepted by the customer.

Cash used in operating activities of $30.9 million for the three months ended March 31, 2026 represents a $34.5 million increase in cash used in operating activities when compared to the same period of 2025. The change was primarily attributable to a $69.2 million decrease in cash provided by working capital, which includes receivables, net contract assets, inventories, other assets, accounts payable and accrued expenses and other liabilities. Partially offsetting this was an increase in distributions from, net of contributions to, unconsolidated construction joint ventures and affiliates of $15.3 million when compared to the same period of 2025. Additionally, net income after adjusting for non-cash items increased $19.3 million.

Investing activities

Cash provided by investing activities of $22.5 million for the three months ended March 31, 2026, compared to cash used in investing activities of $156.3 million for the same period in 2025, represents a $178.8 million increase in cash provided by investing activities. The change was primarily due to $166.6 million less purchases of marketable securities net of maturities and $11.3 million less purchases of property and equipment, net of sales.

Financing activities

Cash used in financing activities of $255.1 million for the three months ended March 31, 2026 represents a $208.5 million increase in cash used in financing activities when compared to the same period of 2025. The increase was primarily driven by $288.5 million of repurchases of a portion of our 3.75% Convertible Notes in the current year. The increase was partially offset by $56.7 million in proceeds from the partial unwind of the capped call transactions and decreased net distributions to non-controlling partners of $26.6 million.

Derivatives

We recognize derivative instruments as either assets or liabilities in the condensed consolidated balance sheets at fair value using Level 2 inputs. See Note 9 to "Notes to the Condensed Consolidated Financial Statements" for further information. The capped call transactions related to the 3.75% Convertible Notes and 3.25% Convertible Notes were recorded to equity on our condensed consolidated balance sheets based on the cash proceeds. See Note 14 to "Notes to the Condensed Consolidated Financial Statements" for further information.

Surety Bonds and Real Estate Mortgages

We are generally required to provide various types of surety bonds that provide an additional measure of security under certain public and private sector contracts. At March 31, 2026, approximately $4.6 billion of our $7.2 billion CAP was bonded. Performance bonds do not have stated expiration dates; rather, we are generally released from the bonds when the obligations of the underlying contract have been fulfilled. The ability to maintain bonding capacity requires that we maintain cash and working capital balances satisfactory to our sureties.

Our investments in real estate ventures are subject to mortgage indebtedness. This indebtedness is non-recourse to Granite but is recourse to the real estate venture. The terms of this indebtedness are typically renegotiated to reflect the evolving nature of the real estate projects as they progress through acquisition, entitlement, development and leasing. Modification

of these terms may include changes in loan-to-value ratios requiring the real estate venture to repay portions of the debt. Our equity-method investments in our foreign affiliates are subject to local bank debt primarily for equipment purchases. This debt is non-recourse to Granite, but it is recourse to the affiliates. The debt associated with our equity-method investments is included in Note 11 of "Notes to the Condensed Consolidated Financial Statements."

Covenants and Events of Default

Our Credit Agreement requires us to comply with various affirmative, restrictive and financial covenants, including the financial covenants described below. Our failure to comply with these covenants would constitute an event of default under the Credit Agreement. Additionally, the 3.25% Convertible Notes and 3.75% Convertible Notes are governed by the terms and conditions of their respective indentures. Our failure to pay principal, interest or other amounts when due or within the relevant grace period on our 3.25% Convertible Notes, our 3.75% Convertible Notes or our Credit Agreement would constitute an event of default under the 3.25% Convertible Notes indenture, the 3.75% Convertible Notes indenture or the Credit Agreement. A default under our Credit Agreement could result in (i) us no longer being entitled to borrow under such facility; (ii) the termination of such facility; (iii) the requirement that any letters of credit under such facility be cash collateralized; (iv) the acceleration of amounts owed under the Credit Agreement; and/or (v) the foreclosure on any collateral securing the obligations under such facility. A default under the 3.25% Convertible Notes indenture or the 3.75% Convertible Notes indenture could result in acceleration of the maturity of the notes.

The financial covenants under the terms of the Credit Agreement require the maintenance of a minimum Consolidated Interest Coverage Ratio and a maximum Consolidated Leverage Ratio. As of March 31, 2026, we were in compliance with the covenants in the Credit Agreement.

Share Repurchase Program

As announced on February 3, 2022, on February 1, 2022, the Board of Directors authorized us to purchase up to $300.0 million of our common stock at management's discretion (the "2022 authorization"). There were no shares and 200 shares repurchased under the 2022 authorization in the three months ended March 31, 2026 and 2025, respectively, and $157.6 million remained available under the 2022 authorization as of March 31, 2026.

The specific timing and amount of any future repurchases will vary based on market conditions, securities law limitations and other factors.

Website Access

Our website address is www.graniteconstruction.com. On our website we make available, free of charge, our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and any amendments to those reports as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC. From time to time, we may use our website as a distribution channel for material company information. The information on our website is not incorporated into, and is not part of, this report. These reports, and any amendments to them, are also available at the website of the SEC, www.sec.gov.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As of March 31, 2026, there has been no material change in our exposure to market risk from what was previously disclosed in our Annual Report.

Item 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) as of March 31, 2026. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2026, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and that information required to be disclosed by us in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended March 31, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

The description of the matters set forth in Part I, Item I of this Report under Note 17 of "Notes to the Condensed Consolidated Financial Statements" is incorporated herein by reference.

Item 1A. RISK FACTORS

There have been no material changes in the risk factors previously disclosed in "Item 1A. Risk Factors" in our Annual Report.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES, USE OF PROCEEDS, AND ISSUER PURCHASES OF EQUITY SECURITIES

The following table sets forth information regarding the repurchase of shares of our common stock during the three months ended March 31, 2026:

Period	Total number of shares purchased (1)	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs (2)
January 1, 2025 through January 31, 2026	221	$ 115.66	—	$ 157,621,254
February 1, 2025 through February 28, 2026	367	$ 122.63	—	$ 157,621,254
March 1, 2025 through March 31, 2026	153,613	$ 119.96	—	$ 157,621,254
	154,201	$ 119.96	—	

(1) All shares purchased during the period were in connection with employee tax withholding for restricted stock units vested under our equity incentive plans.
(2) As announced on February 3, 2022, on February 1, 2022, the Board of Directors authorized us to purchase up to $300.0 million of our common stock at management's discretion. The specific timing and amount of any future purchases will vary based on market conditions, securities law limitations and other factors.

Item 4. MINE SAFETY DISCLOSURES

The information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K (17CFR 229.104) is included in Exhibit 95 to this Quarterly Report on Form 10-Q.

Item 5. OTHER INFORMATION

Trading Arrangements

During the three months ended March 31, 2026, none of the Company's directors or "officers," as defined in Rule 16a-1(f) of the Exchange Act, adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

Item 6. EXHIBITS

10.1	*	Form of Exchange Agreement, dated as of February 18, 2026, by and between Granite Construction Incorporated and the applicable noteholder (incorporated by reference to Exhibit 10.1 to Amendment No. 1 to the Company's Current Report on Form 8-K filed with the SEC on February 18, 2026)
31.1	†	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	†	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	††	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
95	†	Mine Safety Disclosure
101.INS	†	Inline XBRL Instance Document (The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document)
101.SCH	†	Inline XBRL Taxonomy Extension Schema
101.CAL	†	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	†	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	†	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	†	Inline XBRL Taxonomy Extension Presentation Linkbase
104	†	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)
	*	Incorporated by reference
	†	Filed herewith
	††	Furnished herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GRANITE CONSTRUCTION INCORPORATED

Date: April 30, 2026

By: /s/ Staci M. Woolsey
Staci M. Woolsey
Executive Vice President and Chief Financial Officer
(Duly Authorized Officer and Principal Financial Officer)