

MERGENT® OTC INDUSTRIAL

NEW LISTING

November 22, 2024



This Supplemental News Report is published as required, is part of the annual MERGENT INDUSTRIAL, OTC & UNLISTED Manuals and will be included in the bound November 2024 Monthly News Reports and is published on our Website.

CONRAD INDUSTRIES INC

Company Website: www.conradindustries.com

History: Incorporated in Louisiana in 1948. Reincorporated in Delaware in Mar. 1998.

In 1996, Co. acquired a conversion and repair facility in Amelia, LA for approx. \$1,000,000.

On Dec. 12, 1997, Co. acquired all of the outstanding shares of Orange Shipbuilding Company, Inc., for \$25,817,000.

In Mar. 1998, Co. became the holding company of Conrad Shipyard, Inc. and Orange Shipbuilding. Co. exchanged shares of Conrad Shipyard, Inc. common stock for shares of common stock of Co. As a result, Co. is a holding company whose only assets consist of all outstanding shares of capital stock of Conrad Shipyard, Inc.

During 2011, Co. purchased real estate at its Orange location, made improvements to the yard, as well as replaced rental equipment with Co. owned equipment.

During 2012, Co. purchased 50 acres of land adjoining its Deepwater facility for \$5.6 million.

During 2013, Co. purchased real estate at its Morgan City location, as well as replaced equipment.

In Apr. 2014, Co. completed the acquisition of the property and buildings of Johnny's Propeller Shop located within Co.'s Morgan City shipyard for \$1.3 million.

On Nov. 11, 2022, Co. appointed Mr. Larry J. Callais to its Board of Directors.

Business: Conrad Industries, Inc. is engaged in the construction, conversion and repair of a variety of marine vessels for commercial and government customers. These vessels include large and small deck barges, tank barges, split-hull dump scows, dredges, multi-cat tugs, liquefied petroleum gas (LPG) barges, liquefied natural gas bunker vessels, lift boats, ferries, push boats, offshore tugboats and other offshore support vessels. It operates five shipyards: one in Morgan City, Louisiana, three in Amelia, Louisiana and one in Orange, Texas. Its portfolio includes Dredge Equipment, Government Projects, Ferries, Inland Push Boats, Offshore Support Vessels, Inland Tank Barge and others.

Property: Co. leases its principal executive offices in an approx. 10,533 sq. ft. of office space in Morgan City, LA.

In St Rose, LA, Co. leased an office of approx. 3,228 sq. ft.

In Morgan City, Co. leases approx. 10,000 sq. ft. of office and warehouse space to house its business development and operations support department.

Co. conducts its operations at five shipyards, one in Morgan City, LA, three in Amelia, LA, and one in Orange, TX.

Morgan City Shipyard

Co. owns and operates its Morgan City, LA shipyard. The yard is located on the Atchafalaya River approx. 30 miles from the Gulf of Mexico on approx. 12 acres. The shipyard has 14 buildings containing approx. 125,000 sq. ft. of enclosed building area and 13 overhead cranes. In addition, the shipyard has one submersible launch barge, 1,300 linear ft. of steel bulkhead, five rolling cranes and a slip. The buildings at the Morgan City shipyard include offices for management and support personnel as well as three fabrication warehouses designed to accommodate marine vessel construction.

Amelia Shipyards

Co. has three facilities in Amelia, LA, which is approx. five miles from Morgan City, LA: Conrad Shipyard Amelia, Conrad Deepwater and Conrad Deepwater South. Conrad Shipyard Amelia is located on the Bayou Boeuf/Intracoastal Waterway approx. 30 miles from the Gulf of Mexico on approx. 16 acres. The facility has a total of seven buildings containing approx. 67,500 sq. ft. of enclosed building area. The site has 2,100 linear feet of bulkhead and two slips.

Conrad Deepwater is located on the Bayou Boeuf/Intracoastal Waterway approx. 30 miles from the Gulf of Mexico and is within one mile of Conrad Shipyard Amelia. The facility is located on a 52-acre previously undeveloped site that Co. owns and developed into a shipyard. This facility has a building containing approx. 5,400 sq. ft. comprising a stock room and maintenance shop, and a 12,400 sq. ft. office building. The site also has 1,700 linear ft. of bulkhead and one slip.

As of Dec. 31, 2023, Co. had six drydocks at Conrad Deepwater, consist of two 120-ft. by 52-ft. drydocks with lifting capacity of 900 tons, two 200-ft. by 70-ft. drydocks with lifting capacities of 2,400 tons, one 200-ft. by 95-ft. drydock with a lifting capacity of 4,000 tons and one 280-ft. by 160-ft. drydock with a lifting capacity of 10,000 tons.

Co. owns 50 acres of property adjoining its Conrad Deepwater facility, which it operates as its Conrad Deepwater South shipyard. Co. owns a 5,800 sq. ft. modular office building to house its engineering department.

Conrad Orange Shipyard

Co.'s Orange, TX shipyard, which is located on the Sabine River approx. 37 miles from the Gulf of Mexico on approx. 25 acres. The shipyard has six construction bays under approx. 110,000 sq. ft. of enclosed building area with 13 overhead cranes. The site also has 150 ft. of steel bulkhead, and 1,900 linear ft. of waterfront including one slip. Co.'s Orange shipyard shipment includes a Wheelabrator, a gantry type Numerical Control plasma burner with a 21-ft. by 90-ft. table, over 60 automatic and semi-automatic welding machines, two rolling cranes, 600, 800 and 1,600-ton transfer/load-out systems and a marine railway with side transfer system. Co. owns its Orange shipyard.

Subsidiaries

Conrad Shipyard, L.L.C.
Conrad Orange Shipyard, Inc.
Conrad Shipyard Amelia, L.L.C.
Conrad LNG, L.L.C.

Officers

John P. Conrad, Jr., Chairman; Chief Executive Officer
Cecil A. Hernandez, President; Secretary
Daniel T. Conrad, Senior Vice President; Subsidiary Officer
Brett T. Wolbrink, Executive Vice President; Chief Operating Officer
Scott A. Thomas, MBA, Vice President; Chief Financial Officer; Assistant Secretary

Directors

John P. Conrad, Jr., Chairman; Director
Larry J. Callais, Director
Cecil A. Hernandez, Director
Michael J. Harris, Director
Ogden U. Thomas, Jr., Director

Daniel T. Conrad, Director

Auditors: Darnall, Sikes & Frederick

Securities Counsel: Jones Walker, LLP

Transfer Agent: Equiniti Trust Company, LLC, Brooklyn, NY

Shareholder Relations: Scott A. Thomas, Vice President & Chief Financial Officer **Tel:** 985-702-0195

No. of Stockholders: Jan. 11, 2024, 104, record

No. of Employees: Dec. 31, 2023, 360

Address: 1100 Brashear Avenue Suite 200, Morgan City, LA 70380

Tel: 985 702-0195

Fax: 985 702-1126

Web: www.conradindustries.com

Email: investors@conradindustries.com

Consolidated Income Statement, Years Ended Dec. 31 (\$000):

	2023	2022	2021 (revised)
Revenue	239,774	193,856	191,216
Cost of revenue	269,099	209,645	196,767
Gross profit (loss)	(29,325)	(15,789)	(5,551)
Selling, general & administrative expenses	7,500	7,673	6,522
Income (loss) from operations	(36,825)	(23,462)	(12,073)
Interest expense	230	237	233
Other income (expense), net	730	412	18,099
Income (loss) before income taxes ..	(36,325)	(23,287)	5,793
Current provision (benefit) - federal & state income taxes	(14)	...
Deferred provision (benefit) - federal & state income taxes	(9,297)	(5,844)	(657)
Provision (benefit) for income taxes	(9,297)	(5,858)	(657)
Net income (loss)	(27,028)	(17,429)	6,450
Weighted average shares outstanding - basic	5,018	5,018	5,018
Weighted average shares outstanding - diluted	5,018	5,018	5,018
Year end shares outstanding	5,018	5,018	5,018
Net income (loss) per share - basic	\$(5.39)	\$(3.47)	\$1.29
Net income (loss) per share - diluted	\$(5.39)	\$(3.47)	\$1.29
Total number of employees	360	408	409

Number of common stockholders	104	104	105	Total assets	140,210	131,152	2024. The line of credit, as amended, has a sublimit of up to \$10,000,000 for letters of credit. The interest rate on the line of credit is WSJ Prime plus 1.0% or one-month SOFR (Secured Overnight Financing Rate) plus 3.0%, at Co.'s option, subject to a 4.0% floor. As of Dec. 31, 2023, no amounts were drawn on the revolving credit facility and a \$10,000,000 letter of credit were committed against the facility, leaving no amounts available to draw on the facility. The loans are secured by accounts receivable, deposit accounts and chattel paper, and by two dry-docks. The loan agreement contains restrictions on mergers and liens on the collateral and the capital stock of Co.'s subsidiaries. Subject to compliance with financial covenants, the loan agreement does not restrict Co.'s ability to pay dividends, repurchase shares of common stock or incur additional indebtedness. As of Dec. 31, 2023, Co. was not in compliance with the debt service coverage ratio covenant under its loan agreement and has received waivers from the lender.
				Liabilities:			
				Accounts payable	13,331	10,108	
				Accrued employee costs	2,186	1,808	
				Accrued expenses	2,741	2,392	
				Current maturities of long-term debt	1,625	1,500	
				Billings in excess of costs & estimated gross profit on contracts in progress	44,955	10,858	
				Total current liabilities	64,838	26,666	
				Term loan	5,875	
				Less: current maturities - long-term debt	1,500	
				Long-term debt - less current maturities	2,875	4,375	
				Deferred income taxes	1,627	2,031	
				Other non-current liabilities	701	883	
				Total liabilities	70,041	33,955	
				Common stock	73	73	
				Additional paid-in capital	29,104	29,104	
				Treasury stock, at cost	38,892	38,892	
				Retained earnings (accumulated deficit)	79,884	106,912	
				Total shareholders' equity	70,169	97,197	
				Long Term Debt: Dec. 31, 2023, \$4,500,000 (including current portion of \$1,625,000) secured term loan, bearing interest at a fixed rate of 3.5%, due Nov. 21, 2026.			
				Line of Credit: Co. and its subsidiaries entered into a loan agreement on Nov. 21, 2016, including a \$10,000,000 revolving credit facility and the maturity has been extended to July 31,			
Assets:							
Cash & cash equivalents	38,593	21,583					
Contract receivables, gross	20,104	4,917					
Less: allowance for doubtful accounts	216	295					
Contract receivables, net	19,888	4,622					
Cost & estimated gross profit in excess of billings on contracts in progress	14,589	14,396					
Inventories	2,104	30,084					
Income tax refund	3,100	3,100					
Other receivables	21	775					
Other current assets	18,414	9,588					
Total current assets	96,709	84,148					
Land	12,832	12,832					
Buildings & improvements	72,151	70,627					
Machinery & equipment	36,845	36,666					
Drydocks & bulkheads	15,923	15,412					
Barges & boat	1,022	1,022					
Office & automotive	2,082	2,046					
Construction in progress	812	1,504					
Property, plant & equipment, cost	141,667	140,109					
Less accumulated depreciation	99,111	94,243					
Property, plant & equipment, net	42,556	45,866					
Other assets	945	1,138					

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