

GRANITE CONSTRUCTION INC
Form 424B3
May 15, 2018
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Filed Pursuant to Rule 424(b)(3)
Registration No. 333-223611

PROXY STATEMENT OF

PROSPECTUS OF

LAYNE CHRISTENSEN COMPANY

GRANITE CONSTRUCTION INCORPORATED

May 15, 2018

PROPOSED MERGER YOUR VOTE IS VERY IMPORTANT

Dear Layne Stockholders:

You are cordially invited to attend a special meeting of the stockholders of Layne Christensen Company, a Delaware corporation (Layne), which will be held at 9:00 a.m. (Central Time), on June 13, 2018 located at 1800 Hughes Landing Boulevard, Ste. 700, The Woodlands, TX 77380 (the Special Meeting).

Layne, Granite Construction Incorporated, a Delaware corporation (Granite), and Lowercase Merger Sub Incorporated (Merger Sub), a Delaware corporation and a wholly owned subsidiary of Granite, have entered into an Agreement and Plan of Merger, dated as of February 13, 2018 (the Merger Agreement), pursuant to which, among other things, Merger Sub will be merged with and into Layne, with Layne surviving the merger as a wholly owned subsidiary of Granite (the Merger). The board of directors of each of Granite and Layne has unanimously approved the Merger.

If the Merger is completed, at the effective time of the Merger (the Effective Time), each share of common stock, par value \$0.01 per share, of Layne (Layne Common Stock) that is issued and outstanding will be cancelled and automatically converted into the right to receive 0.27 shares of common stock, par value \$0.01 per share, of Granite (Granite Common Stock).

Upon completion of the Merger, former Layne stockholders will own about 5,435,720 shares, or approximately 12% of the outstanding shares, of Granite Common Stock on a fully diluted basis (excluding any shares that may subsequently be issued in connection with any conversion of the 8.0% Convertible Notes into shares of Granite Common Stock following the Merger). No fractional shares will be issued in the Merger. Layne s stockholders will receive cash in lieu of any fractional shares.

At the Special Meeting, Layne stockholders will be asked to adopt the Merger Agreement, and approve other related proposals. Information about the Special Meeting, the Merger and other related business to be considered by Layne stockholders at the Special Meeting is included in this proxy statement/prospectus. **We urge all Layne stockholders to read this proxy statement/prospectus, including the annexes, and the Layne and Granite filings incorporated by reference into this proxy statement/prospectus carefully and in their entirety. In particular, we urge you to read carefully the Risk Factors beginning on page 22.**

Your vote is very important regardless of the number of shares of Layne Common Stock that you own. The Merger cannot be completed without the adoption of the Merger Agreement by the affirmative vote of a majority of the outstanding shares of Layne Common Stock entitled to vote at the Special Meeting. Whether or not you plan to attend the Special Meeting, please vote as soon as possible by following the instructions in this proxy

statement/prospectus to make sure that your shares are represented at the Special Meeting. Your failure to vote your shares of Layne Common Stock at the Special Meeting will have the same effect as a vote against the proposal to adopt the Merger Agreement. **The Board of Directors of Layne unanimously recommends that you vote FOR the adoption of the Merger Agreement and FOR the other proposals described in this proxy statement/prospectus.**

Shares of Layne Common Stock are listed on the Nasdaq Global Select Market under the symbol LAYN. Shares of Granite Common Stock are listed on the New York Stock Exchange under the symbol GVA. We urge you to obtain current market quotations for shares of Layne Common Stock and Granite Common Stock.

We appreciate your continued support and interest in Layne.

Sincerely yours,

Michael J. Caliel

President and Chief Executive Officer

Layne Christensen Company

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Merger or the other transactions described in this proxy statement/prospectus or the securities to be issued in connection with the Merger or determined if this proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

This proxy statement/prospectus is dated May 15, 2018 and is expected to be first mailed to Layne stockholders on or about May 15, 2018.

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Layne Christensen Company
1800 Hughes Landing Blvd., Ste. 800
The Woodlands, Texas 77380

Notice of Special Meeting of Stockholders

To be Held on June 13, 2018

To the Stockholders of Layne Christensen Company:

Notice is hereby given that a special meeting of stockholders of Layne Christensen Company (Layne) will be held on June 13, 2018 at 9:00 a.m. (Central Time), located at 1800 Hughes Landing Boulevard, Ste. 700, The Woodlands, TX 77380 (the Special Meeting), for the following purposes:

1. to adopt the Agreement and Plan of Merger (the Merger Agreement), dated as of February 13, 2018, by and among Layne, Granite Construction Incorporated (Granite) and Lowercase Merger Sub Incorporated (Merger Sub), pursuant to which Merger Sub will be merged with and into Layne, with Layne surviving as a wholly owned subsidiary of Granite;
2. to approve, on a non-binding, advisory basis, the compensation payments that will or may be paid by Layne to its named executive officers in connection with the Merger (the compensation proposal); and
3. to approve any proposal to adjourn the Special Meeting, if necessary or appropriate, to solicit additional proxies if, immediately prior to such adjournment, sufficient votes to adopt the Merger Agreement have not been obtained by Layne (the adjournment proposal).

Approval of the proposal to adopt the Merger Agreement is required for completion of the Merger. Neither the compensation proposal nor the adjournment proposal is a condition to the obligations of Layne or Granite to complete the Merger.

Layne will transact no other business at the Special Meeting except for the proposals set forth above or such other business as may properly be brought before the Special Meeting or any adjournment or postponement thereof. Please refer to this proxy statement/prospectus, which also includes a copy of the Merger Agreement as Annex A, for further information with respect to the business to be transacted at the Special Meeting.

The Board of Directors of Layne has set May 11, 2018 as the record date (the Record Date) for the Special Meeting. Only Layne stockholders of record at the close of business on the Record Date may vote at the Special Meeting and any adjournments thereof. A list of Layne stockholders entitled to vote at the Special Meeting will be available for inspection at Layne s offices in The Woodlands, Texas for any purpose relevant to the Special Meeting during normal business hours for a period of ten days before the Special Meeting and at the Special Meeting. **We urge you to read carefully this proxy statement/prospectus in its entirety, including the Annexes and the documents incorporated by reference herein.**

The approval of the proposal to adopt the Merger Agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Layne Common Stock entitled to vote at the Special Meeting. The compensation proposal and the adjournment proposal each require the affirmative vote of a majority of the votes cast **FOR** or **AGAINST** by the Layne stockholders present in person or represented by proxy at the Special Meeting and entitled to vote on such proposal, although the compensation proposal vote will not be binding on Layne. Abstentions will have the same effect as a vote against the proposal to adopt the Merger Agreement. Abstentions will have no effect on the adjournment proposal and compensation proposal. **The Board of**

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Directors of Layne has unanimously approved the Merger Agreement and the transactions contemplated thereby and recommends that you vote FOR each of these proposals.

By Order of the Board of Directors,

Steven F. Crooke

Senior Vice President Chief Administrative Officer,

General Counsel and Secretary

May 15, 2018

The Woodlands, Texas

PLEASE FOLLOW THE INSTRUCTIONS ON THE ENCLOSED PROXY CARD AND SUBMIT YOUR PROXY PROMPTLY. IF YOU HAVE QUESTIONS ABOUT THE PROPOSALS OR ABOUT SUBMITTING A PROXY FOR YOUR SHARES OF LAYNE COMMON STOCK, YOU SHOULD CONTACT ALLIANCE ADVISORS LLC, LAYNE S PROXY SOLICITOR. STOCKHOLDERS PLEASE CALL TOLL-FREE AT (833) 795-8493 (BANKS AND BROKERS PLEASE CALL COLLECT AT (973) 873-7700.

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ABOUT THIS PROXY STATEMENT/PROSPECTUS

Granite Construction Incorporated (Granite) has supplied all information contained in or incorporated by reference into this proxy statement/prospectus relating to Granite. Layne Christensen Company (Layne) has supplied all information contained in or incorporated by reference into this proxy statement/prospectus relating to Layne. Granite and Layne have both contributed to information relating to the Merger.

You should rely only on the information contained in or incorporated by reference into this proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in or incorporated by reference into this proxy statement/prospectus. This proxy statement/prospectus is dated May 15, 2018, and is based on information as of that date or such other date as may be noted. You should not assume that the information contained in this proxy statement/prospectus is accurate as of any other date. You should not assume that the information contained in any document incorporated or deemed to be incorporated by reference herein is accurate as of any date other than the date of such document. Any statement contained in a document incorporated or deemed to be incorporated by reference into this proxy statement/prospectus will be deemed to be modified or superseded to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference into this proxy statement/prospectus modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this proxy statement/prospectus. Neither the mailing of this proxy statement/prospectus to the stockholders of Layne nor the taking of any actions contemplated hereby by Granite or Layne at any time will create any implication to the contrary.

This proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction in which or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction.

Unless otherwise indicated or as the context otherwise requires, all references in this proxy statement/prospectus to:

4.25% Convertible Notes refer to the 4.25% Convertible Senior Notes due 2018 of Layne;

8.0% Convertible Notes refer to the 8.0% Senior Secured Second Lien Convertible Notes due 2019 of Layne;

adjournment proposal refer to the proposal to approve adjournments of the Special Meeting, if necessary or appropriate, to solicit additional proxies if, immediately prior to such adjournment, sufficient votes to adopt the Merger Agreement have not been obtained by Layne;

Cetus Funds refer, collectively, to Cetus Capital II, LLC, Cetus Capital III, L.P., Littlejohn Opportunities Master Fund LP, VSS Fund, L.P. and OFM II, L.P.;

Code refer to the Internal Revenue Code of 1986, as amended;

compensation proposal refer to the proposal to approve, on a non-binding advisory basis, the compensation payments that will or may be paid by Layne to its named executive officers in connection with the Merger;

Confidentiality Agreement refer to the Confidentiality Agreement, dated November 15, 2016, between Layne and Granite;

Convertible Notes refer to the (a) 4.25% Convertible Notes and (b) 8.0% Convertible Notes;

Credit Facility Amendment refer to Amendment No. 1 to Second Amended and Restated Credit Agreement, dated as of February 23, 2018, by and among Granite, Granite Construction Company, and GILC Incorporated, as borrowers, Bank of America, N.A., as Administrative Agent, and the lenders party thereto;

Deloitte refer to Deloitte & Touche LLP, the independent registered public accounting firm of Layne;

DGCL refer to the Delaware General Corporation Law;

DOJ refer to the United States Department of Justice;

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Effective Time refer to the filing of the certificate of merger with the Secretary of State of the State of Delaware or at such later date and time as Granite and Layne may agree upon and as is set forth in such certificate of merger;

Exchange Act refer to the Securities Exchange Act of 1934, as amended;

Exchange Ratio refer to 0.27 shares of Granite Common Stock for each share of Layne Common Stock issued and outstanding immediately prior to the Effective Time;

Executives refer to the following executive officers of Layne: Messrs. Caliel, Anderson, Crooke, Maher and Purlee;

FTC refer to the United States Federal Trade Commission;

Funds refer, collectively, to Highbridge Capital Management, LLC, as the trading manager of 1992 MSF International Ltd. and Highbridge Tactical Credit & Convertibles Master Fund, L.P.;

GAAP refer to Generally Accepted Accounting Principles in the United States of America;

Granite refer to Granite Construction Incorporated, a Delaware corporation;

Granite Board refer to the Board of Directors of Granite;

Granite Bylaws refer to the Amended Bylaws of Granite;

Granite Charter refer to the Certificate of Incorporation of Granite, as amended;

Granite Common Stock refer to the common stock, par value \$0.01 per share, of Granite;

Granite Common Stock Price refer to the volume-weighted average trading price of Granite Common Stock for the 10-trading day period ending on the third trading day immediately preceding the closing of the Merger.

Granite Forecasts refer to certain non-public financial forecasts for the years ended 2018 through 2020 provided to Layne by Granite management in connection with the Merger;

Granite Securities refer to Granite capital stock of any class or any other ownership interest in Granite or any of its subsidiaries;

Granite Tax Opinion refer to the tax opinion to be provided to Granite as provided in the Merger Agreement;

Greentech refer to Greentech Capital Advisors, LLC, financial advisor to Layne;

HSR Act refer to the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended;

Intended Tax Treatment refer to Layne's and Granite's intention that the Merger qualify as a reorganization within the meaning of Section 368(a) of the Code;

IRS refer to the United States Internal Revenue Service;

Layne refer to Layne Christensen Company, a Delaware corporation;

Layne Board refer to the Board of Directors of Layne;

Layne Bylaws refer to the Amended and Restated Bylaws of Layne;

Layne Charter refer to the Amended and Restated Certificate of Incorporation of Layne;

Layne Common Stock refer to the common stock, par value \$0.01 per share, of Layne;

Layne Equity Award Consideration refer to (a) the Exchange Ratio multiplied by (b) the Granite Common Stock Price;

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Layne Equity Plan refer to any stock option, stock incentive, stock purchase or other equity-based compensation plan, sub-plan or non-plan agreement sponsored or maintained by Layne or any of its subsidiaries or affiliates of Layne or to which any such entity is a party;

Layne PSU refer to an outstanding restricted stock unit award in respect of shares of Layne Common Stock granted by Layne and subject to performance-based vesting requirements;

Layne RSU refer to an outstanding restricted stock unit award in respect of shares of Layne Common Stock granted by Layne that is not a Layne PSU;

Layne Stock Option refer to an outstanding option to purchase shares of Layne Common Stock granted by Layne;

Layne Tax Opinion refer to the tax opinion to be provided to Layne as provided in the Merger Agreement;

Merger refer to the merger of Merger Sub with and into Layne, with Layne surviving the merger as a wholly owned subsidiary of Granite;

Merger Agreement refer to the Agreement and Plan of Merger, dated as of February 13, 2018, by and among Layne, Granite and Merger Sub, a copy of which is attached as Annex A to this proxy statement/prospectus and incorporated by reference herein;

Merger Consideration refer to the consideration payable in the Merger by Granite to Layne stockholders in respect of each share of Layne Common Stock outstanding immediately prior to the Effective Time, which consideration is based on the Exchange Ratio;

Merger Sub refer to Lowercase Merger Sub Incorporated, a Delaware corporation and a wholly owned subsidiary of Granite;

Nasdaq refer to the Nasdaq Global Select Market;

Note Purchase Agreement refer to the note purchase agreement, dated as of December 12, 2007, by and among Granite and each of the institutional investors party thereto, as noteholders;

NPA Amendment refer to the Third Amendment to the Note Purchase Agreement, dated as of April 18, 2018, by and among Granite and each of the institutional investors party thereto, as noteholders;

NYSE refer to the New York Stock Exchange;

Perella Weinberg refer to Perella Weinberg Partners L.P., financial advisor to Granite;

Pro Forma Balance Sheet refer to Granite's unaudited pro forma balance sheet;

Pro Forma Financial Statements refer to Granite's pro forma unaudited condensed combined financial statements;

Pro Forma Income Statements refer to Granite's unaudited pro forma condensed combined statements of income;

Record Date refer to May 11, 2018, the date on which holders of Layne Common Stock must be holders of record in order to receive notice of, and to vote at, the Special Meeting;

Reporting Persons refer, collectively, to Corre Opportunities Qualified Master Fund, LP, Corre Opportunities II Master Fund LP, Corre Opportunities Fund, LP, Corre Partners Advisors, LLC, Corre Partners Management, LLC, John Barrett and Eric Soderlund;

SEC refer to the United States Securities and Exchange Commission;

Securities Act refer to the Securities Act of 1933, as amended;

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Senior Credit Facility refer to the Second Amended and Restated Credit Agreement, dated as of October 30, 2015 by and among Granite, Granite Construction Company, and GILC Incorporated, as borrowers, Bank of America, N.A. as Administrative Agent, Collateral Agent, Swing Line Lender and L/C Issuer, and the lenders party thereto;

Special Meeting refer to the meeting of Layne stockholders to be held at 9:00 a.m. (Central Time), on June 13, 2018, located at 1800 Hughes Landing Boulevard, Ste. 700, The Woodlands, TX 77380;

Surviving Corporation refer to Layne as a wholly owned subsidiary of Granite following the Merger;

Voting Stockholders refer to Wynnefield Capital Management, LLC and certain of its affiliates and all of Layne's directors and Executives;

Voting Agreements refer to the voting agreements entered into by Granite with each of the Voting Stockholders; and

Wynnefield Partners Small Cap Value Funds refer, collectively, to Wynnefield Partners Small Cap Value, L.P., Wynnefield Partners Small Cap Value, L.P. I, the Wynnefield Partners Small Cap Value Offshore Fund, Ltd., Wynnefield Capital Management, LLC, Wynnefield Capital, Inc., the Wynnefield Capital, Inc. Profit Sharing Plan, Nelson Obus and Joshua Landes.

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REFERENCES TO ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates by reference important business and financial information about each of Granite and Layne from documents that each company has filed or will file with the SEC but that are not being included in or delivered with this proxy statement/prospectus. This information is available to you without charge upon your written or oral request. You may read and copy the documents incorporated by reference in this proxy statement/prospectus and other information about each of Granite and Layne that is filed with the SEC under the Exchange Act at the SEC's Public Reference Room at 100 F Street, N.E., Washington, DC 20549. You can also obtain such documents free of charge through the SEC's website, www.sec.gov, or by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

For information about Granite:

By Mail: Granite Construction Incorporated
585 West Beach Street
Watsonville, California 95076 Attention: Investor Relations

By Telephone: (831) 724-1011

If you would like to request any documents, please do so by June 5, 2018 in order to receive them before the Special Meeting.

For additional information on documents incorporated by reference in this proxy statement/prospectus, see *Where You Can Find More Information* beginning on page 145 of this proxy statement/prospectus. Please note that information contained on the websites of Granite or Layne is not incorporated by reference in, or considered to be part of, this proxy statement/prospectus.

For information about Layne:

By Mail: Layne Christensen Company
1800 Hughes Landing Blvd., Ste 800 The Woodlands,
Texas 77380 Attention: Investor Relations

By Telephone: (281) 475-2600

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QUESTIONS AND ANSWERS

The questions and answers below highlight only selected information from this proxy statement/prospectus and are intended to briefly address some commonly asked questions about, among other things, the Special Meeting, the Merger Agreement and the Merger. The Layne Board is soliciting proxies from its stockholders to vote at the Special Meeting, to be held at 9:00 a.m. (Central Time), on June 13, 2018 located at 1800 Hughes Landing Boulevard, Ste. 700, The Woodlands, TX 77380, and any adjournment or postponement of the Special Meeting.

These questions and answers do not contain all of the information that may be important to you. You should carefully read this entire proxy statement/prospectus and the additional documents incorporated by reference into this proxy statement/prospectus to fully understand the matters to be acted upon and the voting procedures for the Special Meeting. You may obtain the information incorporated by reference into this proxy statement/prospectus without charge by following the instructions under *Where You Can Find More Information* beginning on page 145 of this proxy statement/prospectus.

Q: Why have I received this proxy statement/prospectus?

A: You are receiving this proxy statement/prospectus because you were a stockholder of record of Layne on May 11, 2018, the Record Date for the Special Meeting. On February 13, 2018, each of the Granite Board and the Layne Board unanimously approved the Merger Agreement, pursuant to which Layne will become a wholly owned subsidiary of Granite. A copy of the Merger Agreement is attached to this proxy statement/prospectus as Annex A, which Granite and Layne encourage you to review.

Your vote is important. In order to complete the Merger, Layne stockholders must vote to adopt the Merger Agreement. Adoption of the Merger Agreement requires the affirmative vote of the holders of a majority of the issued and outstanding shares of Layne Common Stock entitled to vote on this proposal.

This proxy statement/prospectus is being delivered to you as both a proxy statement of Layne and a prospectus of Granite. It is a proxy statement because the Layne Board is soliciting proxies from Layne stockholders to vote on the adoption of the Merger Agreement at the Special Meeting as well as the other matters set forth in the notice of the Special Meeting and described in this proxy statement/prospectus, and your proxy will be used at the Special Meeting or at any adjournment or postponement of the Special Meeting. It is a prospectus because Granite will issue Granite Common Stock to Layne stockholders in the Merger. On or about May 15, 2018, Layne intends to begin to deliver to its stockholders of record as of the close of business on the Record Date printed copies of these materials.

Q: What are the specific proposals on which I am being asked to vote at the Special Meeting?

A: Layne stockholders are being asked to vote on:

a proposal to adopt the Merger Agreement, pursuant to which Merger Sub will merge with and into Layne, with Layne surviving the Merger as a wholly owned subsidiary of Granite;

a proposal to approve, on a non-binding, advisory basis, the compensation payments that will or may be paid by Layne to its named executive officers in connection with the Merger, which we refer to herein as the compensation proposal; and

a proposal to approve any proposal to adjourn the Special Meeting, if necessary or appropriate, to solicit additional proxies if, immediately prior to such adjournment, sufficient votes to adopt the Merger Agreement have not been obtained by Layne, which we refer to herein as the adjournment proposal.

The adoption by Layne stockholders of the Merger Agreement is a condition to the consummation of the Merger. Neither the approval of the compensation proposal nor the approval of the Layne adjournment proposal is a condition to the Merger.

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Q: What will I receive for my shares of Layne Common Stock in the Merger?

A: In the Merger, each share of Layne Common Stock issued and outstanding immediately prior to the Effective Time will be cancelled and automatically converted into the right to receive 0.27 shares of Granite Common Stock. You will receive cash in lieu of any fractional share.

You will own shares of Granite Common Stock and will no longer own shares in Layne following the Merger. See *The Merger Agreement* beginning on page 105 of this proxy statement/prospectus.

Q: Where will the shares of Granite Common Stock that I receive in the Merger be traded?

A: Shares of Granite Common Stock are traded on NYSE under the symbol GVA. Granite will apply to have the new shares of Granite Common Stock issued in the Merger listed on NYSE upon consummation of the Merger.

Q: How does the Layne Board recommend that Layne stockholders vote?

A: At a meeting duly called and held on February 13, 2018, the Layne Board unanimously determined that the Merger Agreement and the Merger were in the best interests of Layne and its stockholders. The Layne Board unanimously recommends that Layne stockholders vote **FOR** the proposal to adopt the Merger Agreement, **FOR** the compensation proposal and **FOR** the adjournment proposal. See *The Merger Layne Board Recommendation and its Reasons for the Merger* beginning on page 78 of this proxy statement/prospectus.

Q: When and where is the Special Meeting?

A: The Special Meeting will be held at 9:00 a.m. (Central Time), on June 13, 2018 located at 1800 Hughes Landing Boulevard, Ste. 700, The Woodlands, TX 77380. For additional information about the Special Meeting, see *The Special Meeting* beginning on page 51 of this proxy statement/prospectus.

Q: What is a quorum for purposes of the Special Meeting?

A: A quorum of outstanding shares of Layne Common Stock is necessary to take action at the Special Meeting. Holders of a majority of the outstanding shares of Layne Common Stock entitled to vote as of the Record Date must be present, in person or by proxy, at the Special Meeting to constitute a quorum and to conduct business at the Special Meeting. Your shares are counted as present if you attend the Special Meeting in person or properly vote by telephone, over the Internet, or by submitting a properly executed proxy card by mail. The inspector of election will treat abstentions as present for purposes of determining the presence of a quorum.

Q: Who can vote at the Special Meeting?

A: Holders of record at the close of business as of the Record Date of Layne Common Stock will be entitled to notice of and to vote at the Special Meeting. Each of the shares of Layne Common Stock issued and outstanding on the Record Date is entitled to one vote at the Special Meeting with regard to each of the proposals described above.

As of May 11, 2018, the Record Date for determining stockholders of Layne entitled to vote at the Special Meeting, there were 20,059,489 shares of Layne Common Stock outstanding and entitled to vote at the Special Meeting, held by approximately 160 holders of record.

Q: How many votes do I have if I am a Layne stockholder?

A: Each share of Layne Common Stock that you own at the close of business on the Record Date will entitle you to one vote on each proposal presented at the Special Meeting.

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Q: How many votes are required to approve each proposal, and what happens if I abstain?

A: *Proposal 1 Adoption of the Merger Agreement.* Adoption of the Merger Agreement requires the affirmative vote of the holders of a majority of the shares of Layne Common Stock outstanding on the Record Date. Abstentions and failures to vote will have the same effect as a vote against the adoption of the Merger Agreement.

Proposal 2 Approval, on an Advisory Basis, of Certain Compensatory Arrangements with Layne Named Executive Officers. Approval of the compensation proposal requires the approval of a majority of the votes cast **FOR** or **AGAINST** by the Layne stockholders present in person or represented by proxy at the Special Meeting and entitled to vote thereon. Abstentions and failures to vote will have no effect on the compensation proposal.

Proposal 3 Adjournments of the Special Meeting. Approval of the adjournment proposal requires the approval of a majority of the votes cast **FOR** or **AGAINST** by the Layne stockholders present in person or represented by proxy at the Special Meeting and entitled to vote thereon. Abstentions and failures to vote will have no effect on the adjournment proposal.

The Layne Board unanimously recommends that Layne stockholders vote FOR the proposal to adopt the Merger Agreement, FOR the compensation proposal and FOR the adjournment proposal.

In connection with the execution of the Merger Agreement, certain of Layne's stockholders (including all of Layne's directors and named executive officers) entered into voting agreements with Granite, pursuant to which they agreed to vote, and granted Granite an irrevocable proxy to vote, their shares of Layne Common Stock in favor of the proposals to be considered at the Special Meeting, including the proposal to adopt the Merger Agreement. As of the Record Date, these stockholders collectively beneficially owned approximately 10.0% of the outstanding shares of Layne Common Stock entitled to vote at the Special Meeting. If the Merger Agreement is terminated in accordance with its terms, these voting agreements will also terminate. A form of the voting agreements is attached hereto as Annex B. See *The Voting Agreements* beginning on page 129 of this proxy statement/prospectus.

Q: What will happen if all of the proposals to be considered at the Special Meeting are not approved?

A: As a condition to completion of the Merger, Layne stockholders must adopt the Merger Agreement at the Special Meeting. Completion of the Merger is not conditioned or dependent upon the approval of the compensation proposal or the adjournment proposal.

Q: Why am I being asked to consider and vote upon a proposal to approve, on a non-binding, advisory basis, the compensation that may be paid or become payable to Layne's named executive officers that is based on or otherwise relates to the Merger?

A: Under SEC rules, Layne is required to seek a non-binding, advisory vote with respect to the compensation that may be paid or become payable to Layne's named executive officers that is based on or otherwise relates to the Merger.

Q: What happens if the compensation proposal is not approved?

A: Approval of the compensation proposal is not a condition to the completion of the Merger. The vote is a non-binding, advisory vote. If the Merger is completed, Layne will be obligated to pay all or a portion of this compensation to its named executive officers in connection with the Merger or certain terminations or cessations of employment following the Merger, even if Layne stockholders fail to approve the compensation proposal.

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Q: If I own Layne RSUs or Layne PSUs as of the Record Date issued pursuant to the Layne Equity Plan, will I be able to vote on the matters to be voted upon at the Special Meeting?

A: No. Layne RSUs and Layne PSUs do not carry any rights to vote at a meeting of Layne stockholders.

Q: If I am a Layne stockholder and my shares of Layne Common Stock are held in street name by a broker, bank or other nominee, how do I vote my shares?

A: If your shares are held in an account at a brokerage firm, bank or other nominee, then you are the beneficial owner of shares held in street name and this proxy statement/prospectus is being sent to you by that organization. The organization holding your account is considered to be the stockholder of record for purposes of voting at the Special Meeting. As a beneficial owner, you have the right to direct your broker or other agent regarding how to vote the shares in your account by following the instructions that the broker, bank or other nominee provides you along with this proxy statement/prospectus. Your nominee or intermediary will vote your shares only if you provide instructions on how to vote by properly completing the voting instruction form sent to you by your nominee or intermediary with this proxy statement/prospectus.

Q: Who can attend the Special Meeting?

A: Stockholders of record, or their duly authorized proxies, may attend the Special Meeting. To gain admittance, you must present valid picture identification, such as a driver's license or passport. If you hold shares in street name (through a broker, bank or other nominee) and wish to attend the Special Meeting, you will also need to bring a copy of a brokerage statement (in a name matching your photo identification) reflecting your stock ownership as of the Record Date. If you are a representative of a corporate or institutional stockholder, you must present valid photo identification along with proof that you are a representative of such stockholder.

Please note that use of cameras, recording devices and other electronic devices will not be permitted at the Special Meeting.

Regardless of whether you intend to attend the Special Meeting, you are encouraged to vote your shares of Layne Common Stock as promptly as possible. Voting your shares will not impact your ability to attend the Special Meeting.

Q: How do I vote my shares?

A: If you are a Layne stockholder of record, you may vote by mail, by telephone, over the Internet or in person at the Special Meeting. Votes submitted by mail, by telephone or over the Internet must be received by 11:59 p.m., Eastern Time, on June 12, 2018.

Voting by Telephone or over the Internet. To vote by telephone or over the Internet, please follow the instructions included on your proxy card. If you vote by telephone or over the Internet, you do not need to complete and mail a proxy card.

Voting by Mail. By signing the proxy card and returning it in the enclosed prepaid and addressed envelope, you are authorizing the individuals named on the proxy card to vote your shares at the Special Meeting in the manner you indicate. If you receive more than one proxy card, it is an indication that your shares are held in multiple accounts. Please sign and return all proxy cards to ensure that all of your shares are voted.

We encourage you to vote by telephone, over the Internet or to sign and return the proxy card even if you plan to attend the Special Meeting so that your shares will be voted if you are unable to attend the Special Meeting.

Voting in Person at the Meeting. If your shares are registered directly in your name, you are considered the stockholder of record and you have the right to vote in person at the Special Meeting. If you attend the Special Meeting and plan to vote in person, we will provide you with a ballot at the Special Meeting.

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Q: Can I change my vote after I have delivered my proxy?

A: Yes. You can change your vote at any time before your proxy is voted at the Special Meeting. If you are a Layne stockholder of record, you may revoke your proxy at any time before it is voted at the Special Meeting. To revoke your proxy, you must:

enter a new vote by telephone or over the Internet by 11:59 p.m., Eastern Time, on June 12, 2018;

sign and return another proxy card, which must be received by 11:59 p.m., Eastern Time, on June 12, 2018;

provide written notice of the revocation to Layne's Secretary at: Layne Christensen Company, Attention: Senior Vice President, Chief Administrative Officer and General Counsel, 1800 Hughes Landing Blvd., Ste. 800, The Woodlands, Texas 77380, which must be received by 11:59 p.m., Eastern Time, on June 12, 2018; or

attend the Special Meeting and vote in person.

If you are the beneficial owner of shares held in street name by a brokerage firm, bank or other nominee, you should follow the instructions of your bank, broker or other nominee regarding the revocation of proxies.

Q: What if I receive more than one proxy card?

A: If you receive more than one proxy card, your shares of Layne Common Stock are registered in more than one name or are registered in different accounts. Please complete, date, sign and return each appropriate proxy card to ensure that all your shares are voted.

Q: How will Layne's outstanding convertible notes be treated in the Merger?

A: Layne currently has outstanding 4.25% Convertible Notes and 8.0% Convertible Notes. Both the 4.25% Convertible Notes and the 8.0% Convertible Notes will remain outstanding following completion of the Merger. However, following completion of the Merger, the 8.0% Convertible Notes will no longer be convertible into shares of Layne Common Stock but instead will become convertible into a number of shares of Granite Common Stock based on the Exchange Ratio. Under the indenture that governs the 4.25% Convertible Notes, Layne has the option to settle the conversion of any 4.25% Convertible Notes in cash, shares of Layne Common Stock or a combination of both. Pursuant to the Merger Agreement, Layne has agreed to settle the 4.25% Convertible Notes only in cash. The amount of cash to be paid upon conversion of each \$1,000 principal amount of 4.25% Convertible Notes will equal the value, as of the conversion date, of a number of shares of Granite Common Stock equal to (a) the current conversion rate of the 4.25% Convertible Notes, which is 43.6072, multiplied by

(b) the Exchange Ratio. Assuming the value of one share of Granite Common Stock on the date of conversion is equal to \$57.29, the closing price of shares of Granite Common Stock on NYSE on the last practicable trading day before the date of this proxy statement/prospectus, then each \$1,000 of 4.25% Convertible Notes would be convertible into \$674.50.

Q: Are Granite stockholders voting on the Merger?

A: No. No vote of Granite stockholders is required to complete the Merger.

Q: Should I send in my stock certificates (or evidence of shares in book-entry form) with my proxy card?

A: No. Please do **NOT** send your Layne stock certificates (or evidence of shares in book-entry form) with your proxy card. After the Merger is consummated, you will receive written instructions for exchanging your shares of Layne Common Stock for the Merger Consideration.

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Q: When is the Merger expected to be completed?

A: Granite and Layne are working toward completing the Merger as expeditiously as possible and currently expect the Merger to be completed promptly following the Special Meeting. However, Granite and Layne cannot be certain when, or if, the conditions to the Merger will be satisfied or waived, or that the Merger will be completed. As more fully described in this proxy statement/prospectus and in the Merger Agreement, the completion of the Merger depends on a number of conditions being satisfied or, where legally permissible, waived. These conditions include, among others, (a) the adoption of the Merger Agreement by the holders of a majority of Layne Common Stock entitled to vote on such matter, (b) the expiration or termination of the applicable waiting period under the HSR Act, (c) the effectiveness of the registration statement (of which this proxy statement/prospectus is a part) relating to the issuance of the shares of Granite Common Stock to be issued in the Merger, (d) the approval for listing by NYSE, subject to notice of issuance, of the shares of Granite Common Stock to be issued in the Merger and (e) the absence of any law or regulation that prohibits the completion of the Merger. Each party's obligation to complete the Merger is also subject to the material accuracy of the representations and warranties of the other party in the Merger Agreement and the compliance in all material respects with covenants of the other party in the Merger Agreement and (e) the absence of a material adverse effect (as described in *The Merger Agreement Conditions to the Merger* beginning on page 107 of this proxy statement/prospectus) on the other party. The Merger Agreement does not include a financing condition.

Q: Are there risks associated with the Merger that I should consider in deciding how to vote?

A: Yes. There are a number of risks related to the Merger and the other transactions contemplated by the Merger Agreement that are discussed in this proxy statement/prospectus and in the documents incorporated by reference or referred to in this proxy statement/prospectus. Please read with particular care the detailed description of the risks described in *Risk Factors* beginning on page 22 of this proxy statement/prospectus and in Layne's and Granite's respective filings with the SEC referred to in *Where You Can Find More Information* beginning on page 145 of this proxy statement/prospectus.

Q: What are the U.S. federal income tax consequences of the Merger to U.S. holders of Layne Common Stock?

A: Layne and Granite intend that, for U.S. federal income tax purposes, the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. The obligations of Layne and Granite to complete the Merger are subject to, among other conditions described in this proxy statement/prospectus, the receipt by Layne of the Layne Tax Opinion and by Granite of the Granite Tax Opinion, each to the effect that the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. However, neither Layne nor Granite intends to request a ruling from the IRS regarding the U.S. federal income tax consequences of the Merger. Accordingly, no assurance can be given that the IRS will not challenge the conclusion that the Merger qualifies for the Intended Tax Treatment or that a court would not sustain such a challenge.

Assuming the Merger qualifies for the Intended Tax Treatment, U.S. Holders (as defined in *Material U.S. Federal Income Tax Consequences* beginning on page 131 of this proxy statement/prospectus) will not recognize any gain or loss upon the receipt of shares of Granite Common Stock in the Merger, except with respect to cash received in lieu of

fractional shares of Granite Common Stock.

Each U.S. holder of Layne Common Stock should read the discussion under **Material U.S. Federal Income Tax Consequences** and should consult its own tax advisor for a full understanding of the tax consequences of the Merger to such stockholder.

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Q: What do I need to do now?

A: After carefully reading and considering the information contained in this proxy statement/prospectus, please respond by completing, signing and dating the appropriate proxy card or voting instruction card and returning it in the enclosed postage-paid envelope, or by submitting your voting instruction electronically via the Internet or by telephone, as soon as possible so that your shares of Layne Common Stock may be represented and voted at the Special Meeting. In addition, you may also vote your shares in person at the Special Meeting. If you hold shares registered in the name of a broker, bank or other nominee, that broker, bank or other nominee has enclosed, or will provide, instructions for directing your broker, bank or other nominee how to vote those shares.

Q: Who can help answer my questions?

A: If you are a Layne stockholder and have any questions about the Merger or how to submit your proxy or if you need additional copies of this proxy statement/prospectus or the enclosed proxy card, you should contact the firm assisting Layne with the solicitation:

Alliance Advisors LLC

200 Broadacres Drive, 3rd Floor

Bloomfield, New Jersey 07003

Stockholders May Call Toll-Free: (833) 795-8493

Banks and Brokers May Call Collect: (973) 873-7700

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SUMMARY

*This summary highlights selected information described in more detail elsewhere in this proxy statement/prospectus and the documents incorporated herein by reference and may not contain all of the information that is important to you. To understand the Merger and the other matters to be voted on by Layne stockholders at the Special Meeting more fully, and to obtain a more complete description of the terms of the Merger Agreement, you should carefully read this entire proxy statement/prospectus, including the Annexes, and the documents to which Granite and Layne refer you. You may obtain the information incorporated by reference into this proxy statement/prospectus without charge by following the instructions in *Where You Can Find More Information* beginning on page 145 of this proxy statement/prospectus. Granite and Layne have included page references parenthetically to direct you to a more complete description of the topics presented in this summary.*

The Companies (see pages 32, 33 and 34)

Layne Christensen Company

Layne is a leading global water management and services company, with more than 130 years of industry experience, providing responsible, sustainable, integrated solutions to address the world's water, minerals and infrastructure challenges. Layne's customers include government agencies, investor-owned utilities, industrial companies, global mining companies, engineering and consulting firms, oil and gas companies, power companies and agribusiness.

For its customers, Layne manages water throughout its lifecycle, including supply, treatment, delivery, maintenance and rehabilitation. Throughout each phase, Layne works to ensure compliance with complex state and federal regulations, and to meet increasingly high demand for quality, reliability and efficiency. Layne's mineral services teams extract representative samples that accurately reflect the underlying mineral deposits for Layne's global mining customers. Layne operates its business in three segments: Water Resources, Inliner and Mineral Services.

Layne operates on a geographically dispersed basis with approximately 52 sales and operations offices located throughout North America, Brazil and through affiliates in Latin America.

Shares of Layne Common Stock are traded on Nasdaq under the symbol LAYN.

Layne's current contact information is as follows:

Layne Christensen Company

1800 Hughes Landing Boulevard, Ste 800

The Woodlands, Texas

Telephone: (281) 475-2600

Granite Construction Incorporated

Granite delivers infrastructure solutions for public and private clients primarily in the United States. Granite is one of the largest diversified heavy civil contractors and construction materials producers in the United States. Granite operates nationwide, serving both public and private sector clients. Within the public sector, Granite primarily concentrates on heavy-civil infrastructure projects, including the construction of streets, roads, highways, mass transit

facilities, airport infrastructure, bridges, trenchless and underground utilities, power-related facilities, water-related facilities, utilities, tunnels, dams and other infrastructure-related projects. Within

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the private sector, Granite performs site preparation and infrastructure services for residential development, energy development, commercial and industrial sites, and other facilities, as well as provides construction management professional services. Granite's business is organized into three reportable business segments: Construction, Large Project Construction and Construction Materials.

The four primary economic drivers of Granite's business are: (a) the overall health of the U.S. economy; (b) federal, state and local public funding levels; (c) population growth resulting in public and private development; and (d) the need to replace or repair aging infrastructure.

Shares of Granite Common Stock are traded on NYSE under the symbol GVA.

Granite's current contact information is as follows:

Granite Construction Incorporated

585 West Beach Street

Watsonville, California 95076

Telephone: (831) 724-1011

Lowercase Merger Sub Incorporated

Merger Sub, a Delaware corporation and a wholly owned subsidiary of Granite was organized solely for the purpose of entering into the Merger Agreement and completing the Merger and other transactions contemplated by the Merger Agreement. Merger Sub has not conducted any business operations other than in connection with the transactions contemplated by the Merger Agreement. Upon consummation of the Merger, Merger Sub will cease to exist, with Layne surviving the Merger as a wholly owned subsidiary of Granite under the name Layne Christensen Company.

Merger Sub's current contact information is as follows:

Lowercase Merger Sub Incorporated

585 West Beach Street

Watsonville, California 95076

Telephone: (831) 724-1011

The Merger (see page 63)

The Granite Board and the Layne Board have each unanimously approved the Merger Agreement, pursuant to which Merger Sub, a wholly owned subsidiary of Granite, will merge with and into Layne, with Layne surviving the Merger. As a result of the Merger, Layne will become a wholly owned subsidiary of Granite. Upon completion of the Merger, Layne stockholders will own approximately 12% of the outstanding shares of Granite Common Stock on a fully diluted basis (excluding any shares that may subsequently be issued in connection with any conversion of the 8.0% Convertible Notes into shares of Granite Common Stock following the Merger).

At the Special Meeting to be held at 9:00 a.m. (Central Time), on June 13, 2018 located at 1800 Hughes Landing Boulevard, Ste. 700, The Woodlands, TX 77380, you will be asked to consider and vote upon a proposal to adopt the Merger Agreement.

Layne stockholders are receiving this proxy statement/prospectus in connection with Layne's solicitation of proxies for the Special Meeting.

The Merger Agreement (see page 105)

A copy of the Merger Agreement is attached as Annex A to this proxy statement/prospectus. Granite and Layne encourage you to read the entire Merger Agreement carefully because it is the principal document governing the Merger.

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The Voting Agreements (see page 129)

In connection with the execution of the Merger Agreement, the Voting Stockholders entered into the Voting Agreements with Granite. Pursuant to the Voting Agreements, the Voting Stockholders agreed to vote, and granted Granite an irrevocable proxy to vote, their shares of Layne Common Stock in favor of the adoption of the Merger Agreement and against, among other things, any alternative acquisition proposal. The Voting Agreements provide that the Voting Stockholders will not sell their shares of Layne Common Stock prior to the consummation of the Merger (or earlier termination of the Merger Agreement).

As of the Record Date, the Voting Stockholders, collectively, beneficially owned approximately 10.0% of the outstanding shares of Layne Common Stock entitled to vote at the Special Meeting. If the Merger Agreement is terminated in accordance with its terms, these Voting Agreements will also terminate.

Merger Consideration and Value (see page 106)

At the Effective Time, each share of Layne Common Stock then issued and outstanding (other than shares (a) held in treasury of Layne or (b) directly or indirectly owned by Granite, Merger Sub or a wholly owned subsidiary of Layne) will be cancelled and converted into 0.27 validly issued, fully paid and non-assessable shares of Granite Common Stock. No fractional shares of Granite Common Stock will be issued in the Merger and Layne's stockholders will receive cash in lieu of any fractional share. Granite expects that it will issue approximately 5.4 million shares of Granite Common Stock in the Merger, excluding any shares that may subsequently be issued in connection with conversion of Layne's outstanding 8.0% Convertible Notes.

Based on the closing price of shares of Granite Common Stock on NYSE on the last practicable trading day before the date of this proxy statement/prospectus, the Merger Consideration represented \$15.47 in value for each share of Layne Common Stock.

The Layne Board's Reasons for the Merger (see page 78)

At a meeting duly called and held on February 13, 2018, the Layne Board unanimously determined that the Merger Agreement and the Merger were in the best interests of Layne and its stockholders. The Layne Board unanimously recommends that Layne stockholders vote FOR the proposal to adopt the Merger Agreement, FOR the compensation proposal and FOR the adjournment proposal. In the course of reaching its decision to approve the Merger Agreement, the Layne Board considered a number of factors in its deliberations. Those factors are described in *The Merger Layne Board Recommendation and its Reasons for the Merger* beginning on page 78 of this proxy statement/prospectus.

Opinion of Financial Advisor to Layne (see page 81)

On February 13, 2018, at a meeting of the Layne Board held to evaluate the Merger, Greentech delivered to the Layne Board an oral opinion, which was confirmed by delivery of a written opinion dated February 13, 2018, to the effect that, as of the date of the opinion and subject to the various assumptions made, procedures followed, factors considered, and limitations of the review undertaken, qualifications contained and other matters set forth therein, the Exchange Ratio of 0.27 was fair, from a financial point of view, to the holders of Layne Common Stock (excluding shares owned by Layne as treasury stock, or shares that are owned directly or indirectly by Granite, Merger Sub or any wholly-owned subsidiary of Layne, Granite or Merger Sub).

The full text of Greentech's written opinion to the Layne Board, which describes, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken, qualifications contained and

other matters set forth therein, is attached to this proxy statement/prospectus as

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Annex C and is incorporated by reference herein in its entirety. The following summary of Greentech's opinion is qualified in its entirety by reference to the full text of the opinion. Greentech delivered its opinion to the Layne Board for the benefit and use of the Layne Board (in its capacity as such) in connection with and for purposes of its evaluation of the Merger. Greentech's opinion does not address any other aspect of the Merger other than the fairness of the Exchange Ratio, from a financial point of view, to the holders of Layne Common Stock (excluding shares owned by Layne as treasury stock, or shares that are owned directly or indirectly by Granite, Merger Sub or any wholly-owned subsidiary of Layne, Granite or Merger Sub), and no opinion or view was expressed as to the relative merits of the Merger in comparison to other strategies or transactions that might be available to Layne or in which Layne might engage or as to the underlying business decision of Layne to proceed with or effect the Merger. Greentech's opinion does not constitute a recommendation to the Layne Board as to how the Layne Board should vote on the Merger or to any stockholder of Layne as to how any such stockholder should vote at any stockholders' meeting at which the Merger is considered, or whether or not any stockholder of Layne should enter into a voting, shareholders', or affiliates' agreement with respect to the Merger or exercise any dissenter's or appraisal rights that may be applicable to such stockholder.

Treatment of Layne Stock Options, Layne RSUs and Layne PSUs (see page 77)

Layne Stock Options

Each Layne Stock Option that is outstanding immediately prior to the Effective Time (whether vested or unvested) shall, immediately prior to the Effective Time, automatically and without any action on the part of any holder of any Layne Stock Option be cancelled and, in exchange therefor, converted into the right to receive an amount of cash, if any, equal to the product of (a) the number of shares of Layne Common Stock issuable upon the exercise of the Layne Stock Option, multiplied by (b) the excess, if any, of (1) the Layne Equity Award Consideration, over (2) the exercise price of the Layne Stock Option. Such cash amount, net of applicable withholding tax, will be paid to the holder as soon as practicable following the Effective Time.

Layne RSUs

Each Layne RSU that is outstanding immediately prior to the Effective Time (whether vested or unvested) shall automatically and without any action on the part of any holder of any Layne RSU, be cancelled and, in exchange therefor, converted into the right to receive an amount of cash (without interest) equal to the product of (a) the number of shares of Layne Common Stock in respect of the Layne RSU, multiplied by (b) the Layne Equity Award Consideration. Such cash amount, net of applicable withholding tax, will be paid to the holder at the earliest time permitted under the terms of the award such that it does not result in tax penalties.

Layne PSUs

Each Layne PSU that is outstanding and unvested immediately prior to the Effective Time shall, immediately prior to the Effective Time, vest, and the underlying number of shares of Layne Common Stock earned be determined based on the maximum level of achievement of the applicable performance goals.

All Layne PSUs that are vested immediately prior to the Effective Time (including the Layne PSUs that vest pursuant to the terms of the Merger Agreement) shall automatically and without any action on the part of any holder of any Layne PSU, be cancelled and, in exchange therefor, converted into the right to receive an amount of cash (without interest) equal to the product of (a) the number of shares of Layne Common Stock earned in respect of the Layne PSU, multiplied by (b) the Layne Equity Award Consideration. Such cash amount, net of applicable withholding tax, will be paid to the holder as soon as practicable following the Effective Time, such that it does not result in tax

penalties.

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Interests of Layne Directors and Executive Officers in the Merger (see page 95)

You should be aware that the directors and executive officers of Layne will have interests in the Merger that may be different from or in addition to those of Layne's stockholders generally. These interests include, but are not limited to, the treatment in the Merger of Layne's equity compensation awards (including the acceleration of Layne Stock Options, Layne RSUs and Layne PSUs), severance agreements and other rights that may be held by Layne's directors and executive officers, and the indemnification of current and former Layne directors and officers by the Surviving Corporation. The Layne Board was aware of and considered these interests, among other matters, in reaching its decision to approve the Merger Agreement and recommend that Layne's stockholders adopt the Merger Agreement.

Conditions to the Merger (see page 107)

Granite and Layne currently expect to complete the Merger promptly following the Special Meeting, subject to receipt of required stockholder and regulatory approvals and the satisfaction or waiver of the other conditions to the Merger. As more fully described in this proxy statement/prospectus and in the Merger Agreement, each party's obligation to complete the Merger depends on a number of conditions being satisfied or waived, including the following:

the Merger Agreement must have been adopted by the affirmative vote of the holders of a majority of the issued and outstanding shares of Layne Common Stock;

the waiting period (and any extension thereof) applicable to the Merger under the HSR Act must have expired or termination thereof must have been granted;

no temporary restraining order, preliminary or permanent injunction or other order issued by any governmental authority or court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Merger may be in effect; nor may there be any statute, rule, regulation or order enacted, entered, or enforced that prevents or prohibits the consummation of the Merger;

the registration statement of which this proxy statement/prospectus forms a part must have been declared effective by the SEC and must not be the subject of any stop order, and no proceedings for such purposes may be pending before or threatened by the SEC; and

the shares of Granite Common Stock to be issued to the holders of shares of Layne Common Stock in the Merger must have been approved for listing on NYSE, subject to official notice of issuance.

The obligation of Granite and Merger Sub to complete the Merger is subject to the following additional conditions:

the accuracy of the representations and warranties of Layne, subject to certain materiality standards (as described under *The Merger Agreement Conditions to the Merger* beginning on page 107 of this proxy statement/prospectus);

performance by Layne in all material respects of its obligations under the Merger Agreement;

the absence of a Layne material adverse effect (as described under *The Merger Agreement Conditions to the Merger* beginning on page 107 of this proxy statement/prospectus);

the receipt of an officer's certificate certifying that the foregoing conditions have been satisfied; and

the receipt of an opinion from Jones Day, or if Jones Day is unable or unwilling to deliver this opinion, from Latham & Watkins LLP, dated as of the closing, to the effect that the Merger will qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code.

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The obligation of Layne to complete the Merger is subject to the following additional conditions:

the accuracy of the representations and warranties of Granite and Merger Sub, subject to certain materiality standards (as described under *The Merger Agreement Conditions to the Merger* beginning on page 107 of this proxy statement/prospectus);

performance by Granite and Merger Sub in all material respects of its obligations under the Merger Agreement;

the absence of a Granite material adverse effect (as described under *The Merger Agreement Conditions to the Merger* beginning on page 107 of this proxy statement/prospectus);

the receipt of an officer's certificate certifying that the foregoing conditions have been satisfied; and

the receipt of an opinion from Latham & Watkins, or if Latham & Watkins is unable or unwilling to deliver this opinion, from Jones Day, dated as of the closing, to the effect that the Merger will qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code.

Granite Board Following the Merger (see page 125)

Pursuant to the Merger Agreement, Granite will expand the size of the Granite Board and designate one non-employee director of Layne who is a director prior to the Effective Time to fill such vacancy. That designee will serve until Granite's 2019 annual meeting of stockholders or such person's earlier death, retirement, resignation or removal by Granite's stockholders.

Regulatory Approvals Required to Complete the Merger (see page 102)

Granite and Layne have agreed to cooperate and use reasonable best efforts to obtain all regulatory approvals required to complete the transactions contemplated by the Merger Agreement. For an acquisition transaction meeting certain size thresholds, such as the Merger, the HSR Act requires the parties to file notification and report forms with the Antitrust Division of the DOJ and the FTC and to observe specified waiting period requirements before completing the Merger. Granite and Layne filed the required notifications with the Antitrust Division of the DOJ and the FTC. On March 12, 2018, the FTC granted early termination of the waiting period under the HSR Act.

Termination of the Merger Agreement (see page 115)

Granite and Layne may terminate the Merger Agreement at any time before the Effective Time under the following circumstances:

by mutual written consent of Granite and Layne at any time prior to the Effective Time whether before or after Layne's stockholders have adopted the Merger Agreement;

if the Merger is not consummated on or before September 30, 2018; provided, however, that this right to terminate the Merger Agreement will not be available to any party whose failure to fulfill any obligation under the Merger Agreement caused the failure of the Effective Time to occur on or before September 30, 2018;

if any governmental authority shall have (a) enacted, issued, promulgated or enforced any law that makes consummation of the Merger illegal or otherwise prohibited or (b) enacted, issued, promulgated, enforced or entered any order which has the effect of making the consummation of the Merger illegal or otherwise preventing or prohibiting consummation of the Merger; or

if the Special Meeting (including any adjournment or postponement thereof) has concluded, Layne's stockholders have voted and approval was not obtained; provided, however, that the right to terminate

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the Merger Agreement shall not be available to Layne if it has not materially complied with certain of the covenants relating to the conduct of its business and the proxy statement and the holding of the Special Meeting.

In addition, Layne may terminate the Merger Agreement at any time prior to the Effective Time under the following circumstances:

if there should have occurred any effects, events, occurrences, developments, state of facts or changes that, individually or in the aggregate, have had or would reasonably be expected to have, individually or in the aggregate, a Granite material adverse effect (as described in *The Merger Agreement Conditions to the Merger* beginning on page 107 of this proxy statement/prospectus), or Granite has breached any representation, warranty, covenant or agreement contained in the Merger Agreement, or if any representation or warranty of Granite has become untrue, in each case, such that the conditions to closing relating to the accuracy of Granite's representations and warranties or the performance by Granite of its obligations under the Merger Agreement could not be satisfied as of the earlier of September 30, 2018 or the date that is 30 days following written notice thereof; provided, however, Layne may not terminate the Merger Agreement if Layne is then in material breach of any representation, warranty or covenant of Layne; or

prior to adoption of the Merger Agreement by Layne's stockholders, in order to enter into a definitive written agreement providing for a superior proposal in compliance with the non-solicitation provisions of the Merger Agreement.

In addition, Granite may terminate the Merger Agreement at any time prior to the Effective Time under the following circumstances:

if there should have occurred any effects, events, occurrences, developments, state of facts or changes that, individually or in the aggregate, have had or would reasonably be expected to have, individually or in the aggregate, a Layne material adverse effect (as described in *The Merger Agreement Conditions to the Merger* beginning on page 107 of this proxy statement/prospectus), or Layne has breached any representation, warranty, covenant or agreement contained in the Merger Agreement, or if any representation or warranty of Layne has become untrue, in each case, such that the conditions to closing relating to the accuracy of Layne's representations and warranties or the performance by Layne of its obligations under the Merger Agreement could not be satisfied as of the earlier of September 30, 2018 or the date that is 30 days following written notice thereof; provided, however, neither Granite nor Merger Sub may terminate the Merger Agreement if Granite or Merger Sub is then in material breach of any representation, warranty or covenant of Granite or Merger Sub, as applicable;

if Layne (a) withdraws, modifies or qualifies in a manner adverse to Granite or Merger Sub the Layne Board's recommendation of the Merger or the approval or declaration of advisability by the Layne Board of the Merger Agreement and the transactions contemplated thereby (including the Merger) or (b) approve or recommend, or resolve to or publicly propose to approve or recommend, any acquisition proposal;

the Layne Board or any committee thereof (a) has not rejected any acquisition proposal within seven days of the making thereof (including, for these purposes, by taking no position with respect to the acceptance by Layne's stockholders of a tender offer or exchange offer, which shall constitute a failure to reject such acquisition proposal) or (b) has failed, pursuant to Rule 14e-2 promulgated under the Exchange Act or otherwise, to publicly reconfirm the Layne Board's recommendation of the Merger within four days after receipt of a written request from Granite that it do so if such request is made following the making by any person of an acquisition proposal; or

Layne has violated or breached in any material respect any of its obligations in the no solicitation provisions of the Merger Agreement described under *No Solicitation of Acquisition Proposals*.

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In some cases, termination of the Merger Agreement may require Layne to pay a termination fee to Granite as described below.

No Solicitation of Acquisition Proposals (see page 110)

The Merger Agreement contains detailed provisions prohibiting Layne from seeking an alternative transaction to the Merger. Under these no solicitation provisions, Layne has agreed that, from the time of the execution and delivery of the Merger Agreement until the earlier of the Effective Time or the termination of the Merger Agreement in accordance with its terms, Layne will not, and will cause its subsidiaries and its directors, officers, employees, financial advisors, attorneys, accountants or other advisors, agents or representatives to not:

solicit, initiate, cause or knowingly facilitate or encourage (including by way of furnishing information) the submission of any inquiries, proposals or offers or any other efforts or attempts that constitute or may reasonably be expected to lead to any acquisition proposal (as described under *The Merger Agreement No Solicitation of Acquisition Proposals* beginning on page 110 of this proxy statement/prospectus);

engage in any discussions or negotiations or otherwise cooperate with or assist or participate in, or knowingly facilitate or encourage, any inquiries, proposals, discussions or negotiations of any acquisition proposal or resolve to or publicly propose to take any of the above actions;

approve or recommend, or resolve to or publicly propose to approve or recommend, any acquisition proposal;

enter into any Merger Agreement, agreement-in-principle, letter of intent, share purchase agreement, asset purchase agreement, share exchange agreement, option agreement or other similar agreement relating to an acquisition proposal or enter into any letter of intent, agreement or agreement-in-principle requiring Layne (whether or not subject to conditions) to abandon, terminate or fail to consummate the Merger;

withdraw, modify or qualify in a manner adverse to Granite or Merger Sub the Layne Board's recommendation regarding the Merger Agreement, or the approval or declaration of advisability by the Layne Board of the Merger Agreement, as well as the Merger and the other transactions contemplated in connection with the Merger; or

approve or recommend, or resolve to or publicly propose to approve or recommend, any acquisition proposal.

Notwithstanding these restrictions, the Merger Agreement also provides that if, at any time after execution of the Merger Agreement, Layne receives a bona fide acquisition proposal which did not result from a breach of the non-solicitation provisions of the Merger Agreement, Layne is permitted to contact the person or group of persons who made the acquisition proposal to clarify terms for the sole purpose of the Layne Board informing itself about such acquisition proposal. In the event that the Layne Board determines in good faith, after consultation with its financial advisor(s) and outside legal counsel, that such acquisition proposal constitutes or is reasonably likely to lead to a

superior proposal (as described under *The Merger Agreement No Solicitation of Acquisition Proposals* beginning on page 110 of this proxy statement/prospectus) and that failure to take such action would be inconsistent with the directors' fiduciary duties under applicable law, then Layne is also permitted to:

furnish confidential information with respect to Layne and its subsidiaries to the person making such acquisition proposal; and

participate in discussions or negotiations with the person making such acquisition proposal regarding such acquisition proposal.

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Layne has also agreed in the Merger Agreement that it will promptly (and in any event within 24 hours) notify Granite, orally and in writing, if Layne, its subsidiaries or any of their respective representatives receives any (a) acquisition proposal or indication by any person that it is considering making an acquisition proposal, (b) request for non-public information in contemplation of an acquisition proposal, or (c) inquiry or request for discussions or negotiations regarding any acquisition proposal. Such notice must include the identity of the person making the proposal, offer, request or inquiry and the other material terms and conditions of any such proposal or offer and copies of all relevant documents relating thereto. In addition, Layne has agreed to keep Granite reasonably informed on a current basis (and in any event no later than 24 hours after the occurrence of any material changes, developments, discussions or negotiations) as to the status of any acquisition proposal, indication, inquiry or request (including the material terms and conditions thereof and of any material modification thereto), and any developments, discussions and negotiations, including furnishing copies of any written inquiries, correspondence and draft documentation, and written summaries of any oral inquiries or discussions.

In addition, the Layne Board may, at any time after the date of the Merger Agreement and prior to the adoption of the Merger Agreement by Layne's stockholders, in response to a superior proposal that did not result from a breach of the non-solicitation provisions of the Merger Agreement, effect an adverse recommendation change (as described in *The Merger Agreement Conditions to the Merger* beginning on page 107 of this proxy statement/prospectus) and/or terminate the Merger Agreement to accept the superior proposal (after paying the termination fee as described below) if the Layne Board determines in good faith, after consultation with its financial advisor(s) and outside legal counsel, that failing to take any such action would be inconsistent with the directors' fiduciary duties under applicable law, and if certain other conditions which are described elsewhere in the Merger Agreement and in this proxy statement/prospectus are satisfied. In such an event, Layne may be required to pay Granite a termination fee of \$16.0 million.

Further, the Layne Board may, at any time after the date of the Merger Agreement and prior to the adoption of the Merger Agreement by Layne's stockholders, in response to an intervening event (as described in *The Merger Agreement No Solicitation of Alternative Proposals* beginning on page 110 of this proxy statement/prospectus) that did not result from a breach of the non-solicitation provisions of the Merger Agreement, effect an adverse recommendation if the Layne Board determines in good faith, after consultation with outside counsel, that in light of the existence of such intervening event, the failure to make an adverse recommendation change would be inconsistent with the directors' fiduciary duties under applicable law.

Expenses, Termination Fee Relating to the Merger (see page 117)

Generally, all fees and expenses incurred in connection with the Merger Agreement will be paid by the party incurring those fees and expenses. Following termination of the Merger Agreement under specified circumstances, Layne may be required to pay Granite a termination fee of \$16.0 million.

Accounting Treatment of the Merger (see page 104)

Granite prepares its financial statements in accordance with GAAP. The Merger will be accounted for by Granite as a business combination under the acquisition method of accounting, and Granite will be treated as the acquirer for accounting purposes.

Material U.S. Federal Income Tax Consequences (see page 131)

Layne and Granite intend that, for U.S. federal income tax purposes, the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. The obligations of Layne and Granite to complete the Merger are

subject to, among other conditions described in this proxy statement/prospectus, the

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receipt by Layne of the Layne Tax Opinion and by Granite of the Granite Tax Opinion, each to the effect that the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. However, neither Layne nor Granite intends to request a ruling from the IRS regarding the U.S. federal income tax consequences of the Merger. Accordingly, no assurance can be given that the IRS will not challenge that conclusion that the Merger qualifies for the Intended Tax Treatment or that a court would not sustain such a challenge.

Assuming the Merger qualifies for the Intended Tax Treatment, U.S. Holders (as defined in *Material U.S. Federal Income Tax Consequences* beginning on page 131 of this proxy statement/prospectus) will not recognize any gain or loss upon the receipt of shares of Granite Common Stock in the Merger, except with respect to cash received in lieu of a fractional share of Granite Common Stock.

Each U.S. holder of Layne Common Stock should read the discussion under *Material U.S. Federal Income Tax Consequences* and should consult its own tax advisor for a full understanding of the tax consequences of the Merger to such stockholder.

Comparison of the Rights of Holders of Granite Common Stock and Layne Common Stock (see page 134)

As a result of the completion of the Merger, holders of Layne Common Stock will become holders of Granite Common Stock. Each of Granite and Layne is a Delaware corporation governed by the DGCL, but the rights of Granite stockholders currently are, and from and after the Merger will be, governed by the Granite Charter and the Granite Bylaws, while the rights of Layne stockholders are currently governed by the Layne Charter and the Layne Bylaws. This proxy statement/prospectus includes summaries of the material differences between the rights of Granite stockholders and Layne stockholders arising because of difference in the charters and bylaws of the two companies.

No Appraisal Rights in Connection with the Merger (see page 103)

Section 262 of the DGCL provides that stockholders have the right, in some circumstances, to dissent from certain corporate actions and to instead demand payment of the fair value of their shares. Stockholders do not have appraisal rights with respect to shares of any class or series of stock if such shares of stock, or depositary receipts in respect thereof, are either (a) listed on a national securities exchange or (b) held of record by more than 2,000 holders, unless the stockholders receive in exchange for their shares anything other than shares of stock of the surviving or resulting corporation (or depositary receipts in respect thereof), or of any other corporation that is publicly listed or held by more than 2,000 holders of record, cash in lieu of fractional shares or fractional depositary receipts described above or any combination of the foregoing. Therefore, because shares of Layne Common Stock are listed on Nasdaq, and the Merger Consideration consists of only shares of Granite Common Stock, which will be publicly listed on NYSE, and cash in lieu of fractional shares, holders of Layne Common Stock are not entitled to appraisal rights in the Merger with respect to their shares of Layne Common Stock.

Special Meeting (see page 51)

The Special Meeting will be held at 9:00 a.m. (Central Time), on June 13, 2018 located at 1800 Hughes Landing Boulevard, Ste. 700, The Woodlands, TX 77380.

Holders of record of Layne Common Stock at the close of business on the Record Date will be entitled to notice of and to vote at the Special Meeting with regard to the proposals to be considered at that meeting. On the Record Date, there were 20,059,489 shares of Layne Common Stock outstanding and entitled to vote at the Special Meeting, held by approximately 160 holders of record. Each share of Layne Common Stock issued and outstanding on the Record Date is entitled to one vote on each proposal to be voted upon at the Special Meeting.

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As of the Record Date, Layne's directors and Executives, and their affiliates, as a group, owned and were entitled to vote 1,997,308 shares of Layne Common Stock, or approximately 10.0% of the outstanding shares of Layne Common Stock. As of the Record Date, Wynnefield Capital Management, LLC and certain of its affiliates, as a group, owned and were entitled to vote 1,798,245 shares of Layne Common Stock, or approximately 9.0% of the outstanding shares of Layne Common Stock. To be approved, the proposal to adopt the Merger Agreement requires the affirmative vote of the holders a majority of the shares of Layne Common Stock outstanding on the Record Date, and each of the compensation proposal and adjournment proposal requires the affirmative vote of a majority of the votes cast **FOR** or **AGAINST** by the Layne stockholders present in person or represented by proxy at the Special Meeting. In connection with the Merger, the Voting Stockholders have entered into Voting Agreements with Granite. The Voting Agreements provide, among other things, that the Voting Stockholders will not sell their shares of Layne Common Stock prior to the consummation of the Merger (or earlier termination of the Merger Agreement). See *The Voting Agreements* beginning on page 129 of this proxy statement/prospectus.

Litigation Relating to the Merger (see page 104)

On April 3, 2018, two putative class actions, captioned *Malka Raul v. Layne Christensen Company, et al.*, and *Colleen Witmer v. Layne Christensen Company, et al.*, were filed in the U.S. District Court for the Southern District of Texas against Layne, Layne's directors, Granite and Merger Sub. The complaints generally allege that Layne, the Layne directors and Granite disseminated a false or misleading registration statement regarding the proposed merger in violation of Section 14(a) of the Exchange Act and SEC Rule 14a-9. Specifically, the complaints allege that the registration statement misstated or omitted material information regarding the parties' financial projections, the valuation analysis performed by Greentech in support of its fairness opinion, and potential conflicts of interest of Greentech. The complaints further allege that the Layne directors and/or Granite are liable for these violations as controlling persons of Layne under Section 20(a) of the Exchange Act. The complaints seek injunctive relief, including to enjoin and/or rescind the merger, rescission or rescissory damages in the event the merger is consummated, and an award of attorneys' fees, in addition to other relief.

Table of Contents**SUMMARY OF HISTORICAL AND PRO FORMA FINANCIAL DATA****Summary Historical Consolidated Financial Data of Granite**

The following table presents summary historical consolidated financial and operating data for Granite as of and for the fiscal years ended December 31, 2017, 2016, 2015, 2014, and 2013. The summary historical financial information presented below for each of the five years ended December 31, 2017 has been derived from Granite's audited consolidated financial statements.

The information below should be read in conjunction with Granite's consolidated financial statements and the related notes thereto and the information under the heading "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Granite's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, filed with the SEC on February 16, 2018, which is incorporated by reference in this proxy statement/prospectus. For additional information on documents incorporated by reference in this proxy statement/prospectus, see *Where You Can Find More Information* beginning on page 145 of this proxy statement/prospectus.

Consolidated Statements of Operations

	Years Ended December 31,				
	2017	2016	2015	2014	2013
	(In thousands)				
Revenue(1)	\$ 2,989,713	\$ 2,514,617	\$ 2,371,029	\$ 2,275,270	\$ 2,266,901
Gross profit(1)	314,933	301,370	299,836	239,741	177,177
Net income (loss) attributable to Granite(1)	69,098	57,122	60,485	25,346	(36,423)

- (1) During the year ended December 31, 2017, Granite identified and corrected amounts related to revisions in estimates that should have been recorded during the year ended December 31, 2016. These corrections resulted in a \$4.9 million decrease to revenue and gross profit and a \$1.6 million decrease in net income attributable to Granite Construction Incorporated for the year ended December 31, 2017.

Consolidated Balance Sheets

	As of December 31,				
	2017	2016	2015	2014	2013
	(In thousands)				
Total Assets	\$ 1,871,978	\$ 1,733,453	\$ 1,626,878	\$ 1,600,048	\$ 1,609,362
Cash, cash equivalents and marketable securities	366,501	317,105	358,531	358,028	346,323
Long-term debt; excluding current maturities	178,453	229,498	244,323	275,621	276,868
Granite shareholders' equity	945,108	885,988	839,237	794,385	781,940

Other Data:

Contract backlog	\$ 3,718,157	\$ 3,484,405	\$ 2,908,438	\$ 2,718,873	\$ 2,526,751
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Summary Historical Consolidated Financial Data of Layne

The following table presents summary historical consolidated financial data for Layne and its subsidiaries as of and for the fiscal years ended January 31, 2018, 2017, 2016, 2015 and 2014. The summary historical financial information presented below for each of the five years ended January 31, 2018 has been derived from Layne's audited consolidated financial statements.

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The information set forth below should be read in conjunction with Layne's Management's Discussion and Analysis of Financial Condition and Results of Operations included in Layne's Annual Report on Form 10-K for the fiscal year ended January 31, 2018, which is incorporated by reference in this proxy statement/prospectus, and the consolidated financial statements and the notes thereto. For additional information on documents incorporated by reference in this proxy statement/prospectus, see *Where You Can Find More Information* beginning on page 145 of this proxy statement/prospectus.

Statements of Operations Data

	Years Ended January 31,				
	2018	2017	2016	2015	2014
	(in thousands)				
Revenue	\$ 475,517	\$ 464,783	\$ 518,105	\$ 522,057	\$ 513,551
Net income (loss) attributable to Layne	(27,311)	(52,236)	(44,777)	(110,151)	(128,639)

Balance Sheet Data (at period end)

	As of January 31,				
	2018	2017	2016	2015	2014
	(in thousands)				
Working capital, excluding current maturities of debt	\$ 62,584	\$ 105,554	\$ 131,368	\$ 104,974	\$ 121,458
Total assets	370,189	436,151	488,657	541,942	642,499
Current maturities of long-term debt	67,293	9	88	142	128
Long-term debt, excluding current maturities	98,769	162,346	158,986	128,566	102,999
Total Layne equity	57,505	82,220	128,658	181,215	289,464

Unaudited Summary Pro Forma Condensed Combined Financial Information

The following table presents unaudited summary pro forma financial and operating data for Granite, giving effect to the Merger as if it had been completed on January 1, 2017, the beginning of the earliest period presented. The unaudited summary pro forma income statement data for the fiscal year ended December 31, 2017 includes (a) Granite's fiscal year ended December 31, 2017 and (b) Layne's fiscal year ended January 31, 2018. The unaudited summary pro forma balance sheet data as of December 31, 2017 combines the historical consolidated balance sheets of Granite as of December 31, 2017 and Layne as of January 31, 2018, giving effect to the Merger as if it had been completed on December 31, 2017. See *Unaudited Pro Forma Condensed Combined Financial Information* beginning on page 39 of this proxy statement/prospectus.

Statements of Operations Data for the Year Ended December 31, 2017

	Historical Granite	Layne	Pro Forma Adjustments(1)	Pro Forma
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	(in thousands)			Combined
Total revenue	\$ 2,989,713	\$ 475,517		\$ 3,465,230
Gross profit	314,933	75,657	(18,428)	372,163
Net income (loss) attributable to Granite Construction Incorporated	\$ 69,098	\$ (4,864)	\$ (2,934)	\$ 61,300

(1) For information regarding the pro forma adjustments, see *Unaudited Pro Forma Condensed Combined Financial Information* beginning on page 39 of this proxy statement/prospectus.

Table of Contents**Balance Sheet Data as of December 31, 2017**

	Historical			Pro Forma Combined
	Granite	Layne	Pro Forma Adjustments(1) (in thousands)	
Cash and cash equivalents (\$94,359 related to consolidated construction joint ventures (CCJVs))	\$ 233,711	\$ 32,041	\$ (32,561)	\$ 233,191
Total assets	1,871,978	370,189	281,335	2,523,502
Long-term debt (including current maturities)	224,501	166,062	32,983	423,546
Total shareholders equity	945,108	57,505	235,778	1,238,391

(1) For information regarding the pro forma adjustments, see *Unaudited Pro Forma Condensed Combined Financial Information* beginning on page 39 of this proxy statement/prospectus.

Comparative Market Value of Common Stock

Granite Common Stock are traded on NYSE under the symbol GVA and shares of Layne Common Stock are traded on Nasdaq under the symbol LAYN. The following table shows the closing prices per share of Granite Common Stock and Layne Common Stock as reported on February 13, 2018, the final trading day prior to the public announcement of the Merger, and on May 14, 2018, the latest practicable date prior to the date of this proxy statement/prospectus. This table also shows the implied value of the Merger Consideration for each share of Layne Common Stock, which was calculated by multiplying the closing price of Granite Common Stock on the relevant date by the Exchange Ratio for each share of Layne Common Stock.

	Closing Price of Granite Common Stock	Closing Price of Layne Common Stock	Implied Value of Merger Consideration
As of February 13, 2018	\$ 60.08	\$ 12.62	\$ 16.22
As of May 14, 2018	\$ 57.29	\$ 15.26	\$ 15.47

The market price of Granite Common Stock and Layne Common Stock will fluctuate prior to the Special Meeting and before the Merger is consummated, which will affect the implied value of the Merger Consideration paid to Layne stockholders.

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RISK FACTORS

*In addition to the other information included in and incorporated by reference into this proxy statement/prospectus, you should carefully read and consider the following risk factors in evaluating the proposals to be voted on at the Special Meeting and in determining whether to vote for adoption of the Merger Agreement. If the Merger Agreement is adopted by Layne stockholders and all of the other conditions to the Merger are satisfied or waived, and the Merger is consummated, holders of Layne Common Stock will become holders of Granite Common Stock and will be subject to the risks and uncertainties of holders thereof. Please also refer to the additional risk factors of each of Granite and Layne identified in the periodic reports and other documents incorporated by reference into this proxy statement/prospectus. See *Where You Can Find More Information* beginning on page 145 of this proxy statement/prospectus.*

Risks Related to the Merger

Because the market price of Granite Common Stock will fluctuate, Layne's stockholders cannot be certain of the value of the Merger Consideration that they will be entitled to receive in the Merger.

Upon consummation of the Merger, each share of Layne Common Stock then issued and outstanding will be cancelled and automatically converted into the right to receive 0.27 shares of Granite Common Stock. Granite will not issue any fractional shares of Granite Common Stock in the Merger. Holders of Layne Common Stock who would otherwise be entitled to a fractional share of Granite Common Stock will receive a cash payment in lieu of any fractional share. See *Unaudited Comparative Per Share Data* and *Comparative Market Value of Common Stock and Dividend Information* beginning on pages 48 and 49, respectively.

The Merger Agreement does not provide for any termination right by either Granite or Layne solely based on changes in the price or trading volume of Granite Common Stock or Layne Common Stock. Fluctuations in the market price of Granite Common Stock could result from changes in the business, operations or prospects of Layne or Granite prior to consummation of the Merger or the combined company following the completion of the Merger, regulatory considerations, general market and economic conditions and other factors both within and beyond the control of Layne or Granite.

The issuance of Granite Common Stock in connection with the Merger could decrease the market price of Granite Common Stock.

Upon consummation of the Merger, Granite expects to issue approximately 5.4 million shares of Granite Common Stock, or approximately 12% of the number of shares of Granite Common Stock outstanding as of February 13, 2018, the last trading day prior to the public announcement of the Merger Agreement, to Layne stockholders in the Merger. This does not include any shares of Granite Common Stock that may become issuable upon conversion of the 8.0% Convertible Notes. The issuance of Granite Common Stock in the Merger may result in fluctuations in the market price of Granite Common Stock, including a stock price decline.

The shares of Granite Common Stock to be received by Layne stockholders as a result of the Merger will have different rights from the shares of Layne Common Stock.

Upon consummation of the Merger, Layne stockholders will become Granite stockholders, and their rights as stockholders will be governed by the Granite Charter and the Granite Bylaws. Certain of the rights associated with Granite Common Stock are different from, and may be viewed as less favorable than, the rights associated with Layne Common Stock. See *Comparison of Rights of Holders of Granite Common Stock and Layne Common Stock* beginning

on page 134 of this proxy statement/prospectus for a discussion of the different rights associated with Granite Common Stock.

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Granite and Layne may be unable to satisfy the conditions to the Merger and the Merger may not be consummated.

Consummation of the Merger is subject to various closing conditions, including, among other things, (a) the adoption of the Merger Agreement by Layne's stockholders, (b) the expiration or termination of the applicable waiting period under the HSR Act, (c) the receipt of an opinion of counsel by both Granite and Layne, dated as of the closing, to the effect that the Merger will qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code and (d) the absence of any legal restraints or prohibitions on the consummation of the Merger. The obligation of each party to consummate the Merger is also conditioned upon the other party's representations and warranties being true and correct (subject to certain materiality exceptions), the other party having performed in all material respects its obligations under the Merger Agreement and the other party not having suffered a material adverse effect (as described in *The Merger Agreement Conditions to the Merger* beginning on page 107 of this proxy statement/prospectus).

These and other conditions to consummation of the Merger may fail to be satisfied. In addition, satisfying the conditions to the Merger may take longer, and could cost more, than Layne and Granite expect. For a more complete summary of the conditions that must be satisfied or waived prior to consummation of the Merger, see *The Merger Agreement Conditions to the Merger* beginning on page 107 of this proxy statement/prospectus. The satisfaction of all of the required conditions could delay the completion of the Merger for a significant period of time or prevent it from occurring. Any delay in completing the Merger could cause Granite not to realize some or all of the benefits that Granite expects to achieve if the Merger is successfully consummated within its expected timeframe. Further, there can be no assurance that the conditions to the Merger will be satisfied or waived or that the Merger will be consummated. See *Failure to complete the Merger could negatively impact the stock price and the future business and financial results of Granite and Layne*.

Layne must obtain approval of its stockholders to consummate the Merger, which, if delayed or not obtained, may jeopardize or delay the consummation of the Merger.

The Merger is conditioned on the adoption of the Merger Agreement by the affirmative vote of the holders of a majority of the issued and outstanding shares of Layne Common Stock entitled to vote thereon. If Layne stockholders do not adopt the Merger Agreement, then Layne and Granite cannot consummate the Merger.

Regulatory approvals that are required to consummate the Merger may not be received, may take longer than expected or may impose conditions that are not presently anticipated.

Under the provisions of the HSR Act, the Merger may not be consummated until notification and report forms have been filed with the Antitrust Division of the DOJ and the FTC and the expiration of a 30 calendar day waiting period (unless the waiting period is set to expire on a weekend or federal holiday, in which case the waiting period is automatically extended until 11:59 p.m. of the next business day), or the early termination of that waiting period, following the parties' filing of their respective notification and report forms. On February 28, 2018, Layne and Granite filed their respective notification and report forms under the HSR Act with the Antitrust Division of the DOJ and the FTC. Although the FTC granted early termination of the waiting period under the HSR Act on March 12, 2018, parties who may be adversely affected by the Merger may bring legal actions under the antitrust laws in certain circumstances.

In addition, private parties who may be adversely affected by the Merger and individual states may bring legal actions under the antitrust laws in certain circumstances. Although the parties believe the completion of the Merger will not likely be prevented by antitrust law, there can be no assurance that a challenge to the Merger on antitrust grounds will not be made or, if a challenge is made, what the result will be. Under the Merger Agreement, Layne and Granite have

agreed to use their reasonable best efforts to obtain all regulatory clearances necessary to complete the Merger as promptly as reasonably practicable. In addition, in order to complete the Merger, Granite and Layne may be required to comply with conditions, terms, obligations or restrictions imposed

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by regulatory entities and such conditions, terms, obligations or restrictions may have the effect of delaying completion of the Merger, imposing additional material costs on or materially limiting the revenues of Granite after the completion of the Merger, or otherwise reducing the anticipated benefits to Granite of the Merger. In addition, such conditions, terms, obligations or restrictions may result in the delay or abandonment of the Merger.

The announcement and pendency of the Merger could have an adverse effect on Layne's stock price, business, financial condition, results of operations or business prospects.

The announcement and pendency of the Merger could disrupt Layne's business in the following ways, among others:

Layne employees may experience uncertainty regarding their future roles with Granite, which might adversely affect Layne's ability to retain, recruit and motivate key personnel;

the attention of Layne's management may be directed towards consummating the Merger and transaction-related considerations and may be diverted from the day-to-day business operations of Layne, and matters related to the Merger may require commitments of time and resources that could otherwise have been devoted to other opportunities that might have been beneficial to Layne; and

customers, suppliers and other third parties with business relationships with Layne may decide not to renew or seek to terminate, change and/or renegotiate their relationships with Layne as a result of the Merger, whether pursuant to the terms of their existing agreements with Layne or otherwise.

Any of these matters could adversely affect the stock price, business, financial condition, results of operations or business prospects of Layne.

Failure to consummate the Merger could negatively impact the stock price and the future business and financial results of Granite and Layne.

If the Merger is not consummated for any reason, including as a result of Layne stockholders failing to adopt the Merger Agreement, the ongoing businesses of Granite and Layne may be adversely affected and, without realizing any of the benefits of having completed the Merger, Granite and Layne would be subject to a number of additional risks and consequences, including the following:

Granite and Layne may experience negative reactions from the financial markets, including negative impacts on their respective stock prices;

Granite and Layne may experience negative reactions from their respective customers, suppliers, and regulators;

uncertainty regarding the completion of the Merger may foster uncertainty among employees about their future roles, which could adversely affect the ability of Granite and Layne to attract and retain key

personnel;

Granite and Layne will be required to pay certain costs relating to the Merger, whether or not the Merger is consummated;

the Merger Agreement places certain restrictions on the conduct of Layne's and Granite's businesses prior to completion of the Merger, which may affect the ability of Layne to execute certain business strategies or pursue otherwise attractive business opportunities. Such restrictions, the waiver of which is subject to the consent of the other party (in certain cases, not to be unreasonably withheld, conditioned or delayed), may prevent Layne from making certain acquisitions or taking certain other specified actions during the pendency of the Merger (see *The Merger Agreement - Conduct of Business Pending the Merger* beginning on page 118, of this proxy statement/prospectus for a description of the restrictive covenants applicable to Layne); and

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matters relating to the Merger (including integration planning) will require substantial commitments of time and resources by Granite and Layne management, which would otherwise have been devoted to day-to-day operations and other opportunities that may have been beneficial to either Granite or Layne as an independent company.

In addition to the above risks, Layne may be required, under certain circumstances, to pay to Granite the termination fee, which may materially adversely affect Layne's financial results. Further, Granite and Layne could be subject to litigation related to any failure to complete the Merger or related to any enforcement proceeding commenced against Granite or Layne to perform their respective obligations under the Merger Agreement. If the Merger is not completed, these risks may materialize and may adversely affect Granite's and Layne's businesses, financial condition, financial results and stock prices.

Granite's and Layne's business relationships may be subject to disruption due to uncertainty associated with the Merger.

Parties with which Granite or Layne do business may experience uncertainty associated with the proposed Merger, including with respect to current or future business relationships with Granite, Layne or the combined company. Granite's and Layne's business relationships may be subject to disruption as customers, distributors, suppliers, vendors and others may attempt to negotiate changes in existing business relationships or consider entering into business relationships with parties other than Granite, Layne or the combined company. These disruptions could have an adverse effect on the businesses, financial condition, or results of operations of the combined company, including an adverse effect on Granite's ability to realize the anticipated benefits of the Merger. The risk, and adverse effect, of such disruptions could be exacerbated by a delay in consummating the Merger or termination of the Merger Agreement.

Any delay in consummating the Merger may substantially reduce the benefits that Granite expects to obtain from the Merger.

Satisfying the conditions to, and consummation of, the Merger may take longer than, and could cost more than, Granite and Layne expect. Granite and Layne cannot predict whether or when the conditions to the Merger will be satisfied, and satisfying the conditions to the Merger could delay the Effective Time for a significant period of time or prevent it from occurring. Any delay in consummating the Merger or any additional conditions imposed in order to consummate the Merger may materially adversely affect the synergies and other benefits that Granite expects to achieve if the Merger and the integration of the companies' respective businesses are completed within the expected timeframe. In addition, each of Granite and Layne may terminate the Merger Agreement if the Merger is not consummated by September 30, 2018.

Granite may be unable to realize anticipated cost synergies or may incur additional costs.

Granite has identified approximately \$20 million in pre-tax cost synergies which are expected to be realized by the third year following consummation of the Merger. Granite expects that these will result from, among other things, combining the organizational structures, locations and operations of the two companies. To realize these synergies, Granite expects to incur costs of approximately \$7 million in 2018, \$1 million in 2019, and \$3 million in 2020. While Granite's management believes that these cost synergies are achievable, Granite may be unable to realize all of these cost synergies within the time frame expected or at all. In addition, Granite may incur additional and/or unexpected costs in order to realize these cost synergies.

The integration of Layne may present significant challenges to Granite, and although Granite expects the Merger with Layne will result in cost savings, synergies and other benefits to Granite, Granite may not realize those benefits because of difficulties related to integration, the realization of synergies, and other challenges.

Granite and Layne have operated and, until consummation of the Merger, will continue to operate, independently, and there can be no assurances that their businesses can be integrated successfully. It is possible

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that the integration process could result in the loss of key Granite or Layne employees, the loss of customers, the disruption of either company's or both companies' ongoing businesses or other unexpected integration issues, higher than expected integration costs and an overall post-completion integration process that takes longer than originally anticipated. Specifically, the following issues and potential risks, among others, must be addressed in integrating the operations of Layne and Granite in order to realize the anticipated benefits of the Merger so the combined company performs as expected:

failure to implement Granite's business plan for the combined business, including as a result of Granite's lack of familiarity with certain of Layne's existing businesses and conducting business in certain countries in which Layne currently operates;

combining the businesses of Granite and Layne and meeting the capital requirements of the combined company in a manner that permits Granite to achieve the cost savings or revenue synergies anticipated to result from the Merger, the failure of which would result in the anticipated benefits of the Merger not being realized in the time frame currently anticipated or at all;

harmonizing the companies' operating practices, employee development and compensation programs, internal controls and other policies, procedures and processes;

potential deterioration in the financial performance of Layne, including any potential deviation in results of operations from historical levels;

difficulties in the assimilation and retention of employees;

demands on management related to the increase in the size of Granite after the acquisition;

the diversion of management's attention from the management of daily operations to the integration of operations;

unanticipated changes in applicable laws and regulations;

difficulties and risks in the integration of departments and systems (including accounting, health information and management information systems), technologies (including software), books and records and procedures, as well as in maintaining uniform standards and controls (including internal control over financial reporting and related procedures and policies);

costs, including legal and settlement costs, associated with Layne's legal proceedings and other loss contingencies (including with respect to current and legacy projects undertaken and liabilities assumed by Layne and businesses that Layne has sold or discontinued), in each case whether known or unknown and whether relating to past, present or future facts, events, circumstances or occurrences, any of which could be materially adverse to the business, results of operations, assets or financial condition of Layne and, following the Merger, the financial position, results of operations and liquidity of Granite and the ability of Granite to achieve expected benefits of the Merger; and

other unanticipated issues, expenses, or liabilities that could impact, among other things, Granite's ability to realize any expected synergies on a timely basis, or at all.

If Granite cannot successfully integrate Layne, Granite may experience material negative consequences to its business, financial condition or results of operations. Successful integration of Layne will depend on Granite's ability to manage these operations, to realize opportunities for revenue growth and, to some degree, to eliminate redundant and excess costs. Because of difficulties in combining the two companies, Granite may not be able to achieve the benefits that it hopes to achieve as a result of the Merger.

The Merger may be consummated on different terms from those contained in the Merger Agreement.

Prior to the consummation of the Merger, the parties may, by their mutual agreement, amend or alter the terms of the Merger Agreement, including with respect to, among other things, the Merger Consideration to be received by Layne stockholders, or any covenants or agreements with respect to the parties' respective operations

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during the pendency thereof, provided, however, that after approval by Layne stockholders, no amendment may be made without further stockholder approval which, by law or in accordance with the rules of Nasdaq, requires further approval by such stockholders. Any such amendments or alterations may have negative consequences to Layne stockholders including, among other things, reducing the cash available for Granite's or Layne's operations or to meet respective obligations or restricting or limiting assets or operations of either of Granite or Layne. Under certain circumstances, Layne stockholders may be permitted or required to adopt any such amendments, which could delay consummation of the Merger and subject Layne and Granite to additional expense.

Granite and Layne will incur significant transaction fees and Merger-related costs in connection with the Merger.

Granite and Layne expect to incur a number of non-recurring fees and Merger-related costs associated with combining the operations of the two companies. Most of these non-recurring costs will be comprised of transaction and regulatory costs related to the Merger, including fees paid to financial and legal advisors related to the Merger, bank fees and related financing costs and employment-related costs, including change-in-control related payments made to certain Layne executives, further described in *Interests of Certain Persons in the Merger* beginning on page 95 of this proxy statement/prospectus.

Granite will also incur transaction fees and costs related to formulating and implementing integration plans, including facilities and systems consolidation costs and employment-related costs. Granite continues to assess the magnitude of these costs, and additional unanticipated costs may be incurred in the Merger and the integration of the two companies businesses. Although Granite expects that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, should allow Granite to offset incremental Merger and integration-related costs over time, this net benefit may not be achieved in the near term, or at all. See *The integration of Layne may present significant challenges to Granite, and although Granite expects the Merger with Layne will result in cost savings, synergies and other benefits to Granite, Granite may not realize those benefits because of difficulties related to integration, the realization of synergies, and other challenges.*

As a result of the Merger, Granite's goodwill, indefinite-lived intangible assets, and other intangible assets in its consolidated balance sheet will increase. If its goodwill, indefinite-lived intangible assets, or other intangible assets become impaired in the future, Granite would be required to record a material, non-cash charge to earnings, which would also reduce its stockholders' equity.

Under GAAP, goodwill and indefinite-lived intangible assets are reviewed for impairment on an annual basis (or more frequently if events or circumstances indicate that their carrying value may not be recoverable) and other intangible assets if events or circumstances indicate that their carrying value may not be recoverable. If Granite's goodwill, indefinite-lived intangible assets, or other intangible assets are determined to be impaired in the future, Granite will be required to record a material, non-cash charge to earnings during the period in which the impairment is determined.

The Merger Agreement contains provisions that limit Layne's ability to pursue alternatives to the Merger, which could discourage a potential acquirer of Layne from making an alternative transaction proposal or could result in a competing proposal being at a lower price than it might otherwise be and, in certain circumstances, could require Layne to pay Granite a significant termination fee.

The Merger Agreement contains no shop provisions that, subject to limited exceptions, require that Layne may not (a) solicit, initiate, cause or knowingly facilitate or encourage the submission of any inquiries, proposals or offers or any other efforts or attempts that constitute or may reasonably be expected to lead to any acquisition proposal (as described in *The Merger Agreement - No Solicitation of Acquisition Proposals* beginning on page 110 of this proxy statement/prospectus), or engage in any discussions or negotiations with respect thereto or otherwise cooperate with or

assist or participate in, or knowingly facilitate or encourage, any such inquiries,

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proposals, discussions or negotiations, or resolve to or publicly propose to take any of the foregoing actions, (b) approve or recommend, or resolve to or publicly propose to approve or recommend, any acquisition proposal or enter into any Merger Agreement, agreement-in-principle, letter of intent, share purchase agreement, asset purchase agreement, share exchange agreement, option agreement or other similar agreement relating to an acquisition proposal or enter into any letter of intent, agreement or agreement-in-principle requiring Layne to abandon, terminate or fail to consummate the Merger or (c) (1) withdraw, modify or qualify in a manner adverse to Granite or Merger Sub the recommendation of the Layne Board or the approval or declaration of advisability by the Layne Board of the Merger Agreement and the transactions contemplated thereby (including the Merger) or (2) approve or recommend, or resolve to or publicly propose to approve or recommend, any acquisition proposal.

The Merger Agreement also provides that Layne will be required to pay a termination fee of \$16.0 million to Granite upon termination of the Merger Agreement under certain circumstances. These provisions might discourage a potential competing acquiror that might have an interest in acquiring all or a significant part of Layne from considering or proposing an acquisition even if it were prepared to pay consideration with a higher per share market price than that proposed in the Merger, or might result in a potential competing acquiror proposing to pay a lower per share price to acquire Layne than it might otherwise have proposed to pay.

The opinion delivered by Greentech will not reflect changes in circumstances between the date of such opinion and the completion of the Merger.

The Layne Board has not obtained an updated opinion as of the date of this proxy statement/prospectus from Greentech, its financial advisor. Changes in the operations and prospects of Layne or Granite, general market and economic conditions and other factors that may be beyond their control, and on which the opinions were based, may alter the value of Layne or Granite or the prices of Layne Common Stock or Granite Common Stock by the time the Merger is consummated. The opinion does not speak as of the time the Merger will be completed or as of any date other than the date of such opinion. Because Layne does not anticipate asking Greentech to update its opinion, the opinion only addresses the fairness of the Merger Consideration, from a financial point of view, as of the date of such opinion, subject to the various assumptions made, procedures followed, factors considered, and limitations of the review undertaken, qualifications contained and other matters set forth therein. Greentech's opinion is included as *Annex C* to this proxy statement/prospectus. For a description of the opinion, please refer to *The Merger Opinion of Financial Advisor to Layne* beginning on page 81 of this proxy statement/prospectus.

Layne executive officers and directors have financial interests in the Merger that may be different from, or in addition to, the interests of Layne stockholders.

Executive officers of Layne negotiated the terms of the Merger Agreement with their counterparts at Granite, and the Layne Board unanimously determined that the Merger Agreement and the Merger are in the best interests of Layne and its stockholders, approved and declared the Merger Agreement and unanimously recommended that Layne stockholders adopt the Merger Agreement. In considering these facts and the other information contained in this proxy statement/prospectus, you should be aware that Layne's executive officers and directors have financial interests in the Merger that may be different from, or in addition to, the interests of Layne stockholders. For a detailed discussion of the special interests that Layne's directors and executive officers may have in the Merger, see *The Merger Interests of Certain Persons in the Merger* beginning on page 95 of this proxy statement/prospectus.

Risks Related to the Combined Company Following the Merger

The market price of Granite Common Stock and Granite's results of operations may be affected by factors different from those affecting the market price of Layne Common Stock and Layne's results of operations.

Layne stockholders will be entitled to receive the Merger Consideration, which is comprised of Granite Common Stock and will thus become Granite stockholders upon the consummation of the Merger. Granite s

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business is different from that of Layne, and Granite's results of operations, as well as the market price of Granite Common Stock, may be affected by factors different from those affecting Layne's results of operations and the market price of Layne Common Stock. The market price of Granite Common Stock may fluctuate significantly following the Merger, including as a result of factors over which Granite has no control.

Failure to achieve expected benefits of the Merger and to integrate Layne's operations with Granite's could adversely affect Granite following the completion of the Merger and the market price of Granite Common Stock.

Although Granite expects to realize strategic, operational and financial benefits as a result of the Merger, Granite cannot be certain whether, and to what extent, such benefits will be achieved in the future. In particular, the success of the Merger will depend on achieving efficiencies and cost savings, and no assurances can be given that Granite will be able to do so. For example, costs associated with Layne's legal proceedings and other loss contingencies may be greater than expected (including with respect to current and legacy projects undertaken and liabilities assumed by Layne and businesses that Layne has sold or discontinued). In addition, in order to obtain the benefits of the Merger, Granite must integrate Layne's operations. Such integration may be complex and the failure to do so quickly and effectively may negatively affect earnings. Granite's failure to create, or any significant delay in creating, an optimal operational and financial structure for the combined company may result in Granite being unable to realize the expected synergies and other intended benefits from the Merger.

In addition, the market price of Granite Common Stock may decline as a result of the Merger if the integration of Granite and Layne is unsuccessful, takes longer than expected or fails to achieve financial benefits to the extent anticipated by financial analysts or investors, or the effect of the Merger on Granite's financial results is otherwise not consistent with the expectations of financial analysts or investors.

The pro forma financial statements included in this proxy statement/prospectus are presented for illustrative purposes only and may not be an indication of the combined company's financial condition or results of operations following the Merger.

The pro forma financial statements contained in this proxy statement/prospectus are presented for illustrative purposes only, are based on various adjustments, assumptions and preliminary estimates and may not be an indication of the combined company's financial condition or results of operations following the Merger for several reasons. See *Unaudited Pro Forma Condensed Combined Financial Information* beginning on page 39 of this proxy statement/prospectus. The actual financial condition and results of operations of the combined company following the Merger may not be consistent with, or evident from, these pro forma financial statements. In addition, the assumptions used in preparing the pro forma financial information may not prove to be accurate, and other factors may affect the combined company's financial condition or results of operations following the Merger. Any potential decline in the combined company's financial condition or results of operations may cause significant variations in the stock price of Granite following the Merger.

Layne stockholders will have a reduced ownership and voting interest in Granite after the Merger and, as a result, will be able to exert less influence over management.

Following the Merger, each Layne stockholder will become a stockholder of Granite with a percentage ownership of Granite after the Merger that is smaller than the stockholder's percentage ownership of Layne. It is expected that immediately after consummation of the Merger the former stockholders of Layne as a group will own approximately 12% of the outstanding shares of Granite Common Stock on a fully diluted basis, excluding any shares that may subsequently be issued in connection with conversion of the 8.0% Convertible Notes. Because of this, Layne stockholders will have substantially less influence on the management and policies of Granite after the Merger than

they now have with respect to the management and policies of Layne.

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Granite may be unable to hire and retain sufficient qualified personnel, and the loss of any of its key executive officers could adversely affect Granite.

Granite believes that its future success will depend in large part on its ability to attract and retain highly skilled, knowledgeable, sophisticated and qualified managerial and professional personnel, including, following the Merger, key employees of Layne. Key employees of Granite or Layne may depart for a variety of reasons, including because of issues relating to the difficulty of integration or accelerated retirement as a result of amounts received in connection with the Merger. Accordingly, no assurance can be given that Granite will be able to retain key employees of Granite or, following the Merger, Layne.

The combined company may require additional capital in the future, which may not be available to it on satisfactory terms, if at all.

The combined company will require liquidity to fund its operations and make interest and principal payments on its debt. To the extent that the funds generated by the combined company's ongoing operations are insufficient to cover its liquidity requirements, it may need to raise additional funds through financings. If the combined company cannot obtain adequate capital or sources of credit on favorable terms, or at all, its business, operating results and financial condition could be adversely affected. Any future equity or debt financing may not be available on terms that are favorable to the combined company, if at all.

Other Risk Factors of Granite and Layne

Granite's and Layne's businesses are and will be subject to the risks described above. In addition, Granite and Layne are, and will continue to be, subject to the risks described in Granite's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, and Layne's Annual Report on Form 10-K for the fiscal year ended January 31, 2018, which is incorporated by reference into this proxy statement/prospectus. See *Where You Can Find More Information* beginning on page 145 of this proxy statement/prospectus.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

A number of the statements made or incorporated by reference in this proxy statement/prospectus are forward-looking statements within the meaning of the Private Securities Litigation Reform Act, Section 27A of the Securities Act and Section 21E of the Exchange Act. Forward-looking statements are all statements made or incorporated by reference into this proxy statement/prospectus, other than statements of historical fact. In some cases, forward-looking statements can be identified by terminology such as anticipates, believes, estimates, expects, intends, may, projects, will, would, and similar expressions or expressions of the negative of these terms. These statements include statements regarding the intent, belief or current expectations of each of Granite and Layne and their respective subsidiaries, their directors and their officers with respect to, among other things, future events, including the Merger, the respective financial results and financial trends expected to impact each of Granite and Layne prior to the completion of the Merger, or if the Merger is not completed, and expected to impact Granite thereafter, assuming the Merger is consummated.

Forward-looking statements are based upon certain underlying assumptions, including any assumptions mentioned with the specific statements, as of the date such statements were made. Such assumptions are in turn based upon internal estimates and analyses of market conditions and trends, management plans and strategies, economic conditions and other factors. While Granite and Layne believe these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond the control of Granite and Layne. By their nature, forward-looking statements and the assumptions underlying them are necessarily subject to risks and uncertainties inherent in projecting future conditions and results. Actual results may differ materially from the current expectations of Granite and Layne depending on a number of factors affecting their businesses and risks associated with the successful execution of the Merger and the integration and performance of their businesses following the Merger. These factors include, but are not limited to, those set forth under *Risk Factors* beginning on page 22 of this proxy statement/prospectus, and those set forth under *Forward-Looking Statements*, *Risk Factors* or any similar heading in the documents incorporated by reference herein.

Granite and Layne caution you not to place undue reliance on the forward-looking statements, which speak only as of the date of this proxy statement/prospectus in the case of forward-looking statements contained in this proxy statement/prospectus, or the dates of the documents incorporated by reference in this proxy statement/prospectus in the case of forward-looking statements made in those incorporated documents. Except as may be required by law, neither Granite nor Layne has any obligation to update or alter these forward-looking statements, whether as a result of new information, future events or otherwise.

Granite and Layne expressly qualify in their entirety all forward-looking statements attributable to Granite or Layne or any person acting on either of their respective behalf by the cautionary statements contained or referred to in this section.

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INFORMATION ABOUT GRANITE CONSTRUCTION INCORPORATED

Granite delivers infrastructure solutions for public and private clients primarily in the United States. Granite is one of the largest diversified heavy civil contractors and construction materials producers in the United States. Granite operates nationwide, serving both public and private sector clients. Within the public sector, Granite primarily concentrates on heavy-civil infrastructure projects, including the construction of streets, roads, highways, mass transit facilities, airport infrastructure, bridges, trenchless and underground utilities, power-related facilities, water-related facilities, utilities, tunnels, dams and other infrastructure-related projects. Within the private sector, Granite performs site preparation and infrastructure services for residential development, energy development, commercial and industrial sites, and other facilities, as well as provide construction management professional services. Granite's business is organized into three reportable business segments. These business segments are: Construction, Large Project Construction and Construction Materials.

The four primary economic drivers of Granite business are (a) the overall health of the U.S. economy; (b) federal, state and local public funding levels; (c) population growth resulting in public and private development; and (d) the need to replace or repair aging infrastructure. A stagnant or declining economy will generally result in reduced demand for construction and construction materials in the private sector. This reduced demand increases competition for private sector projects and will ultimately also increase competition in the public sector as companies migrate from bidding on scarce private sector work to projects in the public sector. In addition, a stagnant or declining economy tends to produce less tax revenue for public agencies, thereby decreasing a source of funds available for spending on public infrastructure improvements. Some funding sources that have been specifically earmarked for infrastructure spending, such as diesel and gasoline taxes, are not as directly affected by a stagnant or declining economy, unless actual consumption is reduced or gasoline sales tax revenues decline consistent with fuel prices. However, even these can be temporarily at risk as federal, state and local governments take actions to balance their budgets. Additionally, fuel prices and more fuel efficient vehicles can have a dampening effect on consumption, resulting in overall lower tax revenue. Conversely, increased levels of public funding as well as an expanding or robust economy will generally increase demand for Granite's services and provide opportunities for revenue growth and margin improvement.

In connection with entering into the Merger Agreement, Granite received a commitment letter for a new \$370 million backstop facility. That backstop facility was obtained because the assumption of Layne's outstanding debt and letters of credit would exceed the amount of indebtedness permitted under Granite's then existing credit facility.

In connection with the Merger Agreement, Granite (a) has entered into the Credit Facility Amendment and (b) expects to enter into the NPA Amendment. The Credit Facility Amendment, among other things, (a) exempts Layne and its subsidiaries from the provisions of the Senior Credit Facility that would otherwise require them to guarantee Granite's obligations under the Senior Credit Facility until the date upon which the 8.0% Convertible Notes have been paid or otherwise satisfied in full, (b) permits liens on certain assets of Layne and its subsidiaries securing the 8.0% Convertible Notes, (c) permits certain indebtedness outstanding under the 4.25% Convertible Notes and the 8.0% Convertible Notes and (d) increases the aggregate amount of uncommitted incremental revolving loans and/or incremental term loans that Granite may request under the Senior Credit Facility up to a maximum of \$130,000,000, in each case as more fully disclosed in Granite's Current Report on Form 8-K filed with the SEC on March 1, 2018. See *Where You Can Find More Information* beginning on page 145 of this proxy statement/prospectus. The NPA Amendment is expected to, among other things, (a) permit the acquisition of Layne pursuant to the Merger Agreement, (b) exempt Layne and its subsidiaries from the provisions of the Note Purchase Agreement that would otherwise require them to guarantee Granite's obligations under the Note Purchase Agreement until the earliest of the date upon which the 8.0% Convertible Notes have been paid or otherwise satisfied in full or certain other dates, if earlier, (c) permit liens on certain assets of Layne and its subsidiaries securing the 8.0% Convertible Notes and (d) permit certain indebtedness outstanding under the 4.25% Convertible Notes and the 8.0% Convertible Notes.

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Granite Common Stock is listed on NYSE under the symbol GVA. Granite Construction Company was originally incorporated in 1922. In 1990, Granite Construction Incorporated was formed as the holding company for Granite Construction Company and its wholly owned subsidiaries and was incorporated in Delaware.

Additional information about Granite is included in the documents incorporated by reference into this proxy statement/prospectus. See *Where You Can Find More Information* beginning on page 145 of this proxy statement/prospectus.

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INFORMATION ABOUT LAYNE CHRISTENSEN COMPANY

Layne is a leading global water management and services company, with more than 130 years of industry experience, providing responsible, sustainable, integrated solutions to address the world's water, minerals and infrastructure challenges. Layne's customers include government agencies, investor-owned utilities, industrial companies, global mining companies, engineering and consulting firms, oil and gas companies, power companies and agribusiness.

For its customers, Layne manages water throughout its lifecycle, including supply, treatment, delivery, maintenance and rehabilitation. Throughout each phase, Layne works to ensure compliance with complex state and federal regulations, and to meet increasingly high demand for quality, reliability and efficiency. Layne's mineral services teams extract representative samples that accurately reflect the underlying mineral deposits for Layne's global mining customers. Layne operates its business in three segments: Water Resources, Inliner, and Mineral Services.

Layne operates on a geographically dispersed basis with approximately 52 sales and operations offices located throughout North America, Brazil and through its affiliates in Latin America.

Shares of Layne Common Stock are listed on Nasdaq under the symbol LAYN. Layne was originally incorporated as Layne, Inc. in 1882.

Additional information about Layne is included in the documents incorporated by reference into this proxy statement/prospectus. See *Where You Can Find More Information* beginning on page 145 of this proxy statement/prospectus.

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The following table presents selected historical consolidated financial and operating data for Granite as of and for the fiscal years ended December 31, 2017, 2016, 2015, 2014, and 2013. The selected historical financial information presented below for each of the five years ended December 31, 2017 has been derived from Granite's audited consolidated financial statements.

The information should be read in conjunction with Granite's consolidated financial statements and the related notes thereto and the information under the heading *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations* included in Granite's Annual Report on Form 10-K for the year ended December 31, 2017 filed with the SEC on February 16, 2018, which are incorporated by reference in this proxy statement/prospectus. For additional information on documents incorporated by reference in this proxy statement/prospectus, see *Where You Can Find More Information* beginning on page 145 of this proxy statement/prospectus.

Consolidated Statements of Operations

	Years Ended December 31,				
	2017	2016	2015	2014	2013
	(In thousands, except per share amounts)				
Revenue(1)	\$ 2,989,713	\$ 2,514,617	\$ 2,371,029	\$ 2,275,270	\$ 2,266,901
Gross profit(1)	314,933	301,370	299,836	239,741	177,177
As a percent of revenue	10.5%	12.0%	12.6%	10.5%	7.8%
Selling, general and administrative expenses	222,811	219,299	203,817	193,256	191,860
As a percent of revenue	7.5%	8.7%	8.6%	8.5%	8.5%
Restructuring (gains) charges, net(2)	(2,411)	(1,925)	(6,003)	(2,643)	52,139
Net income (loss)	75,801	66,200	68,248	35,876	(44,766)
Amount attributable to non-controlling interests	(6,703)	(9,078)	(7,763)	(10,530)	8,343
Net income (loss) attributable to Granite(1)	69,098	57,122	60,485	25,346	(36,423)
As a percent of revenue	2.3%	2.3%	2.6%	1.1%	(1.6)%
Net income (loss) per share attributable to common shareholders:					
Basic	\$ 1.74	\$ 1.44	\$ 1.54	\$ 0.65	\$ (0.94)
Diluted	\$ 1.71	\$ 1.42	\$ 1.52	\$ 0.64	\$ (0.94)
Weighted average shares of common stock:					
Basic	39,795	39,557	39,337	39,096	38,803
Diluted	40,372	40,225	39,868	39,795	38,803
Dividends per common share	\$ 0.52	\$ 0.52	\$ 0.52	\$ 0.52	\$ 0.52

(1)

During the year ended December 31, 2017, Granite identified and corrected amounts related to revisions in estimates that should have been recorded during the year ended December, 31, 2016. These corrections resulted in a \$4.9 million decrease to revenue and gross profit and a \$1.6 million decrease in net income attributable to Granite Construction Incorporated for the year ended December 31, 2017.

- (2) During the years ended December 31, 2017, 2016, 2015 and 2014 Granite recorded restructuring gains of \$2.4 million, \$1.9 million, \$6.0 million and \$1.3 million, respectively, related to Granite's 2010 Enterprise Improvement Plan (EIP). In addition, during 2014, Granite recorded \$1.3 million in gains related to nonperforming quarry sites and during 2013, Granite recorded net restructuring charges of \$49.0 million, including amounts attributable to non-controlling interests of \$3.9 million, related to EIP and \$3.1 million in other impairment charges related to nonperforming quarry sites.

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Table of Contents**Consolidated Balance Sheets**

	As of December 31,				
	2017	2016	2015	2014	2013
	(In thousands, except per share amounts)				
Total Assets	\$ 1,871,978	\$ 1,733,453	\$ 1,626,878	\$ 1,600,048	\$ 1,609,362
Cash, cash equivalents and marketable securities	366,501	317,105	358,531	358,028	346,323
Working capital	576,804	559,058	519,177	454,121	396,759
Current maturities of long-term debt	46,048	14,796	14,800	1,247	1,247
Long-term debt	178,453	229,498	244,323	275,621	276,868
Other long-term liabilities	45,446	51,430	46,613	44,495	48,580
Granite shareholders' equity	945,108	885,988	839,237	794,385	781,940
Book value per share	23.70	22.36	21.29	20.27	20.09
Common shares outstanding	39,871	39,621	39,413	39,186	38,918
Other Data:					
Contract backlog	\$ 3,718,157	\$ 3,484,405	\$ 2,908,438	\$ 2,718,873	\$ 2,526,751

Table of Contents**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF LAYNE**

The following table presents summary historical consolidated financial data for Layne and its subsidiaries as of and for the fiscal years ended January 31, 2018, 2017, 2016, 2015 and 2014. The summary historical financial information presented below for each of the five years ended January 31, 2018 has been derived from Layne's audited consolidated financial statements.

The information set forth below should be read in conjunction with Layne's Management's Discussion and Analysis of Financial Condition and Results of Operations included in Layne's Annual Report on Form 10-K for the fiscal year ended January 31, 2018, which is incorporated by reference in this proxy statement/prospectus, and its consolidated financial statements and the notes thereto. For additional information on documents incorporated by reference in this proxy statement/prospectus, see *Where You Can Find More Information* beginning on page 145 of this proxy statement/prospectus.

Statements of Operations Data

	Years Ended January 31,				
	2018(1)	2017	2016(5)	2015(6)	2014(7)
	(in thousands, except per share data)				
Revenues:	\$ 475,517	\$ 464,783	\$ 518,105	\$ 522,057	\$ 513,551
Cost of revenues (exclusive of depreciation, amortization and impairment charges shown below)	(374,761)	(382,101)	(419,867)	(411,077)	(403,343)
Selling, general and administrative expenses (exclusive of depreciation, amortization and impairment charges shown below)	(74,428)	(76,586)	(89,176)	(97,339)	(103,462)
Depreciation and amortization	(26,701)	(25,302)	(30,092)	(37,619)	(41,738)
Gain (loss) on sale of fixed assets	3,741	3,886	507	659	3,946
Impairment charges(2)			(4,598)		
Equity in earnings (losses) of affiliates	3,431	2,655	(612)	(2,002)	(2,974)
Restructuring costs	(4,903)	(16,924)	(9,189)	(2,644)	
Gain on extinguishment of debt(3)			4,236		
Interest expense	(17,120)	(16,883)	(18,011)	(13,707)	(7,132)
Other income (expense), net	(15)	843	1,082	(1,266)	631
Loss from continuing operations before income taxes	(15,239)	(45,629)	(47,615)	(42,938)	(40,521)
Income tax (expense) benefit(4)	10,375	(1,420)	(737)	3,945	(56,884)
Net (loss) income from continuing operations	(4,864)	(47,049)	(48,352)	(38,993)	(97,405)
Net (loss) income from discontinued operations	(22,447)	(5,187)	3,547	(70,334)	(30,646)
Net loss	(27,311)	(52,236)	(44,805)	(109,327)	(128,051)
Net (loss) income attributable to noncontrolling interest			28	(824)	(588)

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Net loss attributable to Layne	\$ (27,311)	\$ (52,236)	\$ (44,777)	\$ (110,151)	\$ (128,639)
(Loss) income per share information attributable to Layne shareholders:					
Basic loss per share-continuing operations	\$ (0.24)	\$ (2.38)	\$ (2.45)	\$ (2.03)	\$ (5.00)
Basic (loss) income per share-discontinued operations	(1.13)	(0.26)	0.18	(3.58)	(1.56)
Basic loss per share	(1.37)	(2.64)	(2.27)	(5.61)	(6.56)
Diluted loss per share-continuing operations	(0.24)	(2.38)	(2.45)	(2.03)	(5.00)
Diluted (loss) income per share-discontinued operations	(1.13)	(0.26)	0.18	(3.58)	(1.56)
Diluted loss per share	\$ (1.37)	\$ (2.64)	\$ (2.27)	\$ (5.61)	\$ (6.56)

- (1) During the fiscal year ended January 31, 2018, Layne sold its Heavy Civil business and accounted for it as a discontinued operation for all periods presented.
- (2) See Note 4 to the Consolidated Financial Statements for a discussion of impairment charges recorded during the fiscal year ended January 31, 2016.
- (3) During the fiscal year ended January 31, 2016, Layne recognized a gain on extinguishment of debt of \$4.2 million in connection with the partial redemption of the 4.25% Convertible Notes in exchange for 8.0% Convertible Notes.

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- (4) Layne's income tax benefit for the fiscal year ended January 31, 2018 included an \$8.8 million reversal of accrued foreign taxes recorded in prior years. A \$73.4 million valuation allowance on deferred tax assets was recorded during the fiscal year ended January 31, 2014. Of the \$73.4 million valuation allowance, \$54.4 million related to deferred tax assets established in a prior year, and \$19.0 million related to deferred tax assets established in the current year.
- (5) During the fiscal year ended January 31, 2016, Layne sold its Geoconstruction business, and accounted for it as a discontinued operation.
- (6) During the fiscal year ended January 31, 2015, Layne sold Costa Fortuna and Tecniwell, both previously reported in the Geoconstruction operating segment, and were accounted for as discontinued operations.
- (7) During the fiscal year ended January 31, 2014, Layne accounted for its SolmeteX operation, which was sold on July 31, 2013, as a discontinued operation.

Balance Sheet Data (at period end)

	2018	Years Ended January 31,			
	2017	2016	2015	2014	
	(in thousands)				
Working capital, excluding current maturities of debt	\$ 62,584	\$ 105,554	\$ 131,368	\$ 104,974	\$ 121,458
Total assets	370,189	436,151	488,657	541,942	642,499
Current maturities of long-term debt(1)	67,293	9	88	142	128
Total long-term debt, excluding current maturities	98,769	162,346	158,986	128,566	102,999
Total Layne equity	57,505	82,220	128,658	181,215	289,464

- (1) Primarily represents the 4.25% Convertible Notes with a maturity date of November 15, 2018.

Table of Contents**UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION**

The accompanying Pro Forma Income Statements for the periods presented combine the historical consolidated statements of income of Granite and Layne, giving effect to the Merger as if it had been completed on January 1, 2017, the beginning of the earliest period presented. The Pro Forma Income Statements assume that Granite, with a fiscal year that ends on December 31, acquired Layne, with a fiscal year that ends on January 31, and are to be read as if the Merger has been completed. The Pro Forma Income Statements for the fiscal year ended December 31, 2017 will include (a) Granite's fiscal year ended December 31, 2017 and (b) Layne's fiscal year ended January 31, 2018. The accompanying Pro Forma Balance Sheet as of December 31, 2017 combines the historical consolidated balance sheets of Granite as of December 31, 2017 and Layne as of January 31, 2018, giving effect to the Merger as if it had been completed on December 31, 2017.

The accompanying Pro Forma Financial Statements and related notes were prepared using the acquisition method of accounting with Granite considered the acquirer of Layne. Accordingly, the Merger Consideration to be paid in the Merger has been allocated to assets and liabilities of Layne based upon their estimated fair values as of the date of completion of the Merger. Any amount of the Merger Consideration that is in excess of the estimated fair values of assets acquired and liabilities assumed will be recorded as goodwill in Granite's balance sheet after the completion of the Merger. The amount of goodwill that will be recorded in connection with the Merger depends on the market price of Granite Common Stock on the date of completion of the Merger. As a result of recent market volatility, the amount of goodwill that is ultimately recorded may vary significantly from the estimated goodwill on the Pro Forma Balance Sheet. As of the date of this proxy statement/prospectus, Granite has not completed the detailed valuation work necessary to arrive at the required estimates of the fair value of the Layne assets to be acquired and the liabilities to be assumed and the related allocation of purchase price, nor has it identified all adjustments necessary to conform Layne's accounting policies to Granite's accounting policies. A final determination of the fair value of Layne's assets and liabilities will be based on the actual net tangible and intangible assets and liabilities of Layne that exist as of the date of completion of the Merger and, therefore, cannot be made prior to that date. Additionally, the value of the Merger Consideration to be paid by Granite to complete the Merger will be determined based on the trading price of Granite Common Stock in accordance with the Merger Agreement. Accordingly, the accompanying unaudited pro forma purchase price allocation is preliminary and is subject to further adjustments as additional information becomes available and as additional analyses are performed. Granite currently expects Construction, Cost of revenue, Selling, general and administrative expenses and amortization of discount and deferred financing costs to be the primary income statement line items that may be impacted by the determination of the final purchase price allocation from resulting amortization of tangible and intangible assets. Similarly, Granite currently expects investments in affiliates, goodwill, deferred income taxes, other noncurrent assets, long term debt, other long term liabilities and additional paid in capital to be the primary balance sheet line items that may be impacted by the final determination of the purchase price allocation. The preliminary unaudited pro forma purchase price allocation has been made solely for the purpose of preparing the accompanying Pro Forma Financial Statements. The preliminary purchase price allocation was based on Granite's historical experience, data that was available through the public domain and Granite's due diligence review of Layne's business. Until the Merger is consummated, both companies are limited in their ability to share information with the other. Upon completion of the Merger, further valuation work will be performed. Increases or decreases in the fair value of relevant balance sheet amounts will result in adjustments to the balance sheet and/or statements of income until the purchase price allocation is finalized. There can be no assurance that such finalization will not result in material changes from the preliminary purchase price allocation included in the accompanying Statements.

The accompanying Pro Forma Financial Statements and related notes are being provided for illustrative purposes only and do not purport to represent what the actual consolidated results of operations or the consolidated balance sheet of Granite would have been had the Merger occurred on the dates assumed, nor are they necessarily indicative of Granite's future consolidated results of operations or consolidated financial position. The Pro Forma Financial

Statements are based upon currently available information and estimates and assumptions that Granite management believes are reasonable as of the date hereof. Any of the factors underlying these estimates and assumptions may change or prove to be materially different, and the estimates and assumptions may not be representative of facts existing at the closing date of the Merger.

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The accompanying Pro Forma Financial Statements have been developed from and should be read in conjunction with the audited consolidated financial statements of Granite contained in its Annual Report on Form 10-K for the fiscal year ended December 31, 2017, and of Layne contained in its Annual Report on Form 10-K for the fiscal year ended January 31, 2018, which is incorporated by reference in this proxy statement/prospectus.

The historical consolidated financial statements of Layne presented herein have been adjusted by condensing and disaggregating certain line items in order to conform to Granite's financial statement presentation.

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Granite Construction Incorporated

Unaudited Condensed Combined Balance Sheet as of December 31, 2017

	Historical		Pro Forma		Pro
	Granite	Layne (Note 5)	Adjustments (Note 4)		Forma Combined
	(in thousands, except per share amounts)				
ASSETS					
Current assets					
Cash and cash equivalents (\$94,359 related to CCJVs)	\$ 233,711	\$ 32,041	\$ (32,561)	(g)	\$ 233,191
Short-term marketable securities	67,775				67,775
Receivables, net (\$52,031 related to CCJVs)	479,791	59,558			539,349
Costs and estimated earnings in excess of billings (\$1,437 related to CCJVs)	103,965	44,987			148,952
Inventories	62,497	20,020			82,517
Equity in construction joint ventures	247,826				247,826
Other current assets (\$10,384 related to CCJVs)	36,513	11,915			48,428
Total current assets	\$ 1,232,078	\$ 168,521	\$ (32,561)		\$ 1,368,038
Property and equipment, net (\$38,361 related to CCJVs)	\$ 407,418	\$ 120,604			\$ 528,022
Long-term marketable securities	65,015				65,015
Investments in affiliates	38,469	53,325	14,613	(a)	106,407
Goodwill	53,799	8,915	185,760	(b)	248,474
Deferred income taxes, net			20,684	(c)	20,684
Other noncurrent assets	75,199	18,824	92,839	(d)	186,862
Total assets	\$ 1,871,978	\$ 370,189	\$ 281,335		\$ 2,523,502
LIABILITIES AND EQUITY					
Current liabilities					
Current maturities of long-term debt	\$ 46,048	\$ 67,293	\$ 131,752	(e)(l)	\$ 245,093
Accounts payable (\$34,795 related to CCJVs)	237,673	42,330			280,003
Billings in excess of costs and estimated earnings (\$37,701 related to CCJVs)	135,146	10,563			145,709
Accrued expenses and other current liabilities (\$2,126 related to CCJVs)	236,407	53,044	8,562	(f)	298,013
Total current liabilities	\$ 655,274	\$ 173,230	\$ 140,314		\$ 968,818
Long-term debt	178,453	98,769	(98,769)	(l)	178,453
Deferred income taxes, net	1,361	769	(2,130)	(c)	
Other long-term liabilities	44,085	39,868	6,143	(d)	90,096
Commitments and contingencies					

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 45,248,916 shares as of December 31, 2017	399	199	(145)	(g)	452
Additional paid-in capital	160,376	372,049	(70,258)	(g)	462,167
Accumulated other comprehensive income (loss)	634	(18,612)	18,612	(g)	634
Retained earnings	783,699	(296,131)	287,569	(f) (g)	775,137
Total shareholders equity	945,108	57,505	235,778		1,238,391
Non-controlling interests	47,697	48			47,745
Total equity	992,805	57,553	235,778		1,286,136
Total liabilities and equity	\$ 1,871,978	\$ 370,189	\$ 281,335		\$ 2,523,502

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Granite Construction Incorporated

Unaudited Pro Forma Condensed Combined Statement of Operations

For the year ended December 31, 2017

	Historical		Pro		Pro
	Granite	Layne (Note 5)	Forma Adjustments (Note 4)		Forma Combined
	(in thousands, except for per share amounts)				
Revenue					
Construction	\$ 1,664,708	\$ 475,517			\$ 2,140,225
Large project construction	1,032,229				1,032,229
Construction materials	292,776				292,776
Total revenue	\$ 2,989,713	\$ 475,517			\$ 3,465,230
Cost of revenue					
Construction	1,417,694	399,860(m)	18,428	(h)	1,835,981
Large project construction	1,002,436				1,002,436
Construction materials	254,650				254,650
Total cost of revenue	2,674,780	399,860	18,428		3,093,067
Gross profit	314,933	75,657	(18,428)		372,163
Depreciation and amortization				(m)	
Selling, general and administrative expenses	222,811	76,030(m)	12,439	(h)	311,280
Restructuring and impairment charges	(2,411)	4,903			2,492
Gain (loss) on sales of property and equipment	(4,182)	(3,741)			(7,923)
Operating income (loss)	98,715	(1,535)	(30,866)		66,314
Other (income) expense					
Interest income	(4,742)	(33)			(4,775)
Interest expense	10,165	10,946			21,111
Amortization of discount and deferred financing costs	635	6,174	(26,056)	(i)	(19,246)
Equity in income of affiliates	(7,107)	(3,431)			(10,538)
Other income, net	(4,699)	48			(4,651)
Total other (income) expense	(5,748)	13,704	(26,056)		(18,100)
Income before provision for income taxes	104,463	(15,239)	(4,810)		84,414
(Benefit from) provision for income taxes	28,662	(10,375)	(1,876)	(j)	16,411

Net (loss) income	75,801	(4,864)	(2,934)	68,003	
Amount attributable to noncontrolling interests	(6,703)			(6,703)	
Net income (loss) attributable to Granite Construction Incorporated	\$ 69,098	\$ (4,864)	\$ (2,934)	\$ 61,300	(k)
Net income (loss) per share attributable to common shareholders					
Basic	\$ 1.74	\$ (0.24)	\$ (0.55)	\$ 1.36	
Diluted	\$ 1.71	\$ (0.24)	\$ (0.55)	\$ 1.34	(k)
Weighted average shares of common stock					
Basic	39,795	19,858	5,378	45,173	
Diluted	40,372	19,858	5,378	45,750	
Dividends per common share	\$ 0.52			\$ 0.52	

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Note 1. Description of the Transaction

On February 13, 2018, Granite and Layne entered into the Merger Agreement pursuant to which, among other things, Merger Sub will be merged with and into Layne, with Layne surviving the Merger as a wholly owned subsidiary of Granite. The Merger was unanimously approved by the Granite Board and the Layne Board and is expected to close promptly following the Special Meeting, subject to the conditions described in the Merger Agreement.

At the Effective Time, each share of Layne Common Stock that is issued and outstanding will be cancelled and automatically converted into the right to receive 0.27 shares of Granite Common Stock. Upon completion of the Merger, former Layne stockholders will own approximately 12% of the outstanding shares of Granite Common Stock on a fully diluted basis (excluding any shares that may subsequently be issued in connection with any conversion of the 8.0% Convertible Notes into shares of Granite Common Stock following the Merger). Further, Granite will expand the size of the Granite Board and designate one director of Layne, who is a director prior to the Effective Time, to fill such vacancy.

Note 2. Basis of Pro Forma Presentation

The accompanying Pro Forma Financial Statements were prepared in accordance with Article 11 of Regulation S-X prescribed by the SEC. The Pro Forma Balance Sheet was prepared using the historical balance sheets of Granite as of December 31, 2017 and Layne as of January 31, 2018. Granite's fiscal year ends on December 31 and Layne's fiscal year ends on January 31. The Pro Forma Income Statements were prepared using:

Layne's historical audited consolidated statement of operations for the year ended January 31, 2018; and

Granite's historical audited consolidated statement of operations for the year ended December 31, 2017. Both Layne's and Granite's historical audited financial statements were prepared in accordance with GAAP.

The Pro Forma Financial Statements have been prepared using the acquisition method of accounting for business combinations under GAAP. The acquisition method of accounting is dependent upon certain valuations and other studies, which are currently in progress. The final determination of fair value of assets acquired and liabilities assumed may result in material changes to the Pro Forma Financial Statements.

Upon completion of the Merger, Granite expects to conduct an additional review of accounting policies used to prepare Layne's historical financial statements to determine if further adjustment or reclassification of Layne's results of operations, assets or liabilities are required to conform to the accounting policies and classifications used to prepare Granite's historical financial statements. This review may identify additional differences between the accounting policies of Granite and Layne, which may have a material impact on Granite's future consolidated financial statements. Other than as disclosed in Note 5 below, we are currently not aware of any significant differences between the accounting policies of Granite and Layne.

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The Pro Forma Financial Statements are preliminary, provided for illustrative purposes only and do not purport to represent what Granite's actual consolidated results of operations or consolidated financial position would have been had the Merger occurred on the date assumed, nor are they indicative of Granite's future consolidated results of operations or financial position. The actual results reported in periods following the Merger may differ significantly from those reflected in the Pro Forma Financial Statements for a number of reasons, including, but not limited to, differences between the assumptions used to prepare the Pro Forma Financial Statements and actual amounts, cost savings or associated costs to achieve such savings from operating efficiencies, synergies, debt refinancing, or other restructuring that may result from the Merger. Non-recurring items related to the Merger were not included in the Pro Forma Income Statements.

Note 3. Estimate of Consideration Expected to be Transferred

The calculation of the preliminary estimated purchase price for Layne presented below is based on the terms of the Merger. The Pro Forma Financial Statements include various assumptions, including those related to shares of Granite Common Stock to be issued in connection with the Merger and the fair value of Granite Common Stock. The Pro Forma Financial Statements also assume a purchase price of approximately \$334 million and that the Merger was completed on April 10, 2018 using a closing price of \$56.13 per share of Granite Common Stock.

The following table shows the preliminary estimated fair value of Layne's assets acquired and liabilities assumed, as of the Effective Time:

	Amount Estimated (in thousands)
Cash	\$ 32,041
Receivables	59,558
Other current assets	76,922
Property and equipment	120,604
Investment in affiliates	67,938
Identifiable intangible assets	96,683
Other noncurrent assets	37,025
Goodwill	194,675
Current maturities of long-term debt	(199,045)
Other current liabilities	(105,937)
Other long-term liabilities	(46,011)
Non-controlling interests	(48)
Net Assets Acquired	\$ 334,406

The following table shows sensitivities to changes in the preliminary estimated purchase price and goodwill resulting from a 10% increase or decrease in the assumed per share price of Granite Common Stock:

Price of Granite Common	Preliminary Estimated Purchase	Estimated Goodwill
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	Stock	Price	
	(in thousands, except per share price)		
As of April 10, 2018	\$ 56.13	\$ 334,406	\$ 194,675
Increase of 10%	\$ 61.74	\$ 368,216	\$ 228,486
Decrease of 10%	\$ 50.52	\$ 300,621	\$ 160,890

Note 4. Adjustments to Pro Forma Financial Statements

Adjustments present in the Pro Forma Financial Statements are based on preliminary information and are subject to subsequent changes. The historical consolidated statements of operations and consolidated balance

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sheets have been adjusted in the Pro Forma Financial Statements to give effect to pro forma events that are: (1) directly attributable to the Merger; (2) factually supportable; and (3) with respect to the statements of operations, expected to have a continuing impact on the results of operations of the combined company. Additional pro forma adjustments may also be identified through the completion of purchase accounting:

Adjustments to the Pro Forma Balance Sheet

Granite has made the following pro forma adjustments to Layne's historical balance sheet as of January 31, 2018:

- (a) a fair value increase of \$15 million related to investments in affiliates;
- (b) an elimination of Layne's historical goodwill and the preliminary estimate of goodwill recognized as a result of the Merger, which represents the amount by which the estimated consideration transferred exceeds the fair value of Layne's assets acquired and the liabilities assumed;
- (c) an adjustment to the net deferred tax assets and liabilities resulting from the adjustments to deferred tax assets and liabilities, based on an estimated statutory tax rate of 25.75%, which includes the federal statutory tax rate, adjusted for the estimated state statutory tax rate. This estimate of the net deferred tax assets and liabilities balance includes the release of the valuation allowance associated with federal net operating loss carryforwards and other federal deferred tax assets that were fully reserved within Layne's historical financial statements. Granite currently believes that it will have sufficient taxable income to utilize Layne's federal net operating loss carryforwards prior to expiration. Layne's federal gross net operating loss carryforwards as of January 31, 2018 were \$150.2 million. Those loss carryforwards expire between the fiscal years 2034 and 2038, providing up to 20 years to generate the taxable income that would be required to realize Layne's federal net operating loss carryforwards. As a result, Granite believes it is more likely than not that federal net operating loss carryforwards and other federal deferred tax assets will be realized. Further, income tax benefit related to the reduction of valuation allowance is not included in the Pro Forma Income Statement. This is preliminary and subject to change based on Granite's final determination of the fair value of assets acquired and liabilities assumed by jurisdiction; additionally, Granite has revised the statutory tax rate at which these were recorded to account for the statutory tax rate enacted as of December 31, 2017, the date of the Pro Forma Balance Sheet. The table below summarizes the various components of this adjustment:

	December 31, 2017 (in thousands)
Deferred Tax Asset Valuation Allowance Release	\$ 41,398
Net Deferred Tax Liability From Fair Value Adjustments	(18,584)
Deferred Tax Liability Reclassification	(2,130)
Net Deferred Tax Asset Adjustment	\$ 20,684

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- (d) the estimated fair value of Layne's identified intangible assets. The following table shows a preliminary estimate of the fair value of those intangible assets and their related average estimated useful lives:

	Estimated Useful Life (in Years)	Estimated Fair Value as of December 31, 2017	Net Book Value as of January 31, 2018	Pro Forma Adjustment
(in thousands)				
Intangible Assets				
Backlog	1	\$ 24,570	\$	\$ 24,570
Customer Relationships	5	42,998		42,998
Trademarks/Trade Names	10	23,034	910	22,124
Patent/Technology/License Agreements	5	3,686	2,934	752
Non-Competition Agreements	3	2,396	\$	\$ 2,396
Total Intangible Assets		\$ 96,683	\$ 3,844	\$ 92,839
Intangible Liabilities				
Unfavorable Contracts, net	1	\$ 6,143	\$	\$ 6,143

- (e) the 4.25% Convertible Notes reflect an adjustment of \$2.8 million to record the 4.25% Convertible Notes at estimated fair value based on publicly-observed market prices of the notes. The conversion rate of the 4.25% Convertible Notes would result in a value less than the \$1,000 principal amount of each 4.25% Convertible Note. The 8.0% Convertible Notes have an "as converted" value that exceeds the principal amount of the 8.0% Convertible Notes, which approximates fair value. The 8% Convertible Notes reflect an adjustment of \$30.2 million based upon the market price of Granite Common Stock (as of April 10, 2018) issuable upon conversion of the 8.0% Convertible Notes.
- (f) expenses of \$8.6 million incurred by Granite and Layne directly attributable to the Merger. Total expected costs, including those costs already incurred, that are directly attributable to the Merger are estimated to be approximately \$31 million. The expenses that Granite and Layne may ultimately incur may differ materially from this amount. These expenses include fees for investment banking, advisory, legal, valuation, and other professional fees. As these expenses will not have a continuing impact, Granite has not shown these estimated expenses in the Pro Forma Income Statements. No material Merger-related expenses were incurred by Granite and Layne during the periods covered by the historical financial statements; and
- (g) the elimination of Layne's historical equity and the estimated consideration of \$334 million, which includes the issuance of \$302 million in shares of Granite Common Stock to Layne stockholders, and \$32.5 million in cash for the Layne Stock Options, Layne RSUs and Layne PSUs. The number of Layne Stock Options used for calculating the amount of cash payable excludes 212,098 of Layne Stock Options, which have exercise prices that exceed the per share merger consideration based on the market price of Granite Common Stock as of April 10, 2018. Based on the Granite Common Stock Price, these values may differ when the Merger is completed. The actual number of shares of Granite Common Stock issued to Layne stockholders and cash

paid for Layne Stock Options, Layne RSUs and Layne PSUs upon closing of the Merger will be based on the actual number of shares of Layne Common Stock outstanding at the Effective Time, and the fair value of those shares will be based on the trading price of Granite Common Stock at that time.

Adjustments to Pro Forma Income Statements

Granite has made the following adjustments to Layne's historical income statement for the fiscal year ended January 31, 2018:

- (h) additional amortization of intangible assets which will be acquired based on the preliminary estimated fair value and useful lives expected to be recorded as a result of the Merger. For estimated intangible

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asset values and the associated useful lives, see note (d) under Adjustments to Pro Forma Balance Sheet above. The following table shows a preliminary estimate of the amortization of the fair value of those intangible assets based on their related estimated useful lives:

	Year Ended December 31, 2017 (in thousands)
Cost of revenues	\$ 18,428
Selling, general and administrative	\$ 12,439

- (i) amortization of the adjustment from carrying value to fair value of the Convertible Notes;
- (j) tax effects of the pro forma adjustments based on a statutory tax rate of 39%, which reflects the federal and state tax rate in effect during the period presented. Due to the 2017 Tax Cuts and Jobs Act, future tax provision may materially differ from the current provision; and
- (k) the following table shows the calculation of pro forma combined basic and diluted net income per share of Granite Common Stock, after giving effect to the preliminary estimated number of shares of Granite Common Stock to be issued to Layne stockholders in the Merger, for the year ended December 31, 2017 (the shares of Granite Common Stock issuable upon conversion of the Convertible Notes are not included in the table below because the issuance of the shares would be anti-dilutive using the if converted method):

	Year Ended December 31, 2017 Basic (in thousands, except per share amounts)	Year Ended December 31, 2017 Diluted
Pro forma net income attributable to stockholders	\$ 61,300	\$ 61,300
Weighted average shares of Granite Common Stock outstanding	39,795	40,372
Shares of Layne Common Stock converted to shares of Granite Common Stock	5,378	5,378
Pro forma weighted average shares of Granite Common Stock outstanding	45,173	45,750
Pro forma net income per share of Granite Common Stock	\$ 1.36	\$ 1.34

(l)

reclassification of \$99 million of the 8.0% Convertible Notes from long-term debt to current maturities of long-term debt because the Pro Forma Balance Sheet is as of December 31, 2017 and Granite intends to accelerate the maturity of the 8.0% Convertible Notes to August 15, 2018. Pursuant to the terms of the indenture governing the 8.0% Convertible Notes, the notes will mature on May 1, 2019, unless earlier paid or the maturity date is accelerated to August 15, 2018, which acceleration will occur if all of the outstanding 4.25% Convertible Notes have not been redeemed, repurchased, discharged, or otherwise retired prior to August 15, 2018 and the maturity date for the 4.25% Convertible Notes has not been extended to a date after October 15, 2019. Granite intends to redeem the 4.25% Convertible Notes on the original maturity date of November 15, 2018, which will result in the maturity date of the 8.0% Convertible Notes being accelerated to August 15, 2018.

Note 5. Reclassifications

The Layne historical unaudited condensed balance sheet and statement of operations have been conformed to Granite's presentation of the respective statements. Granite has made the following reclassification to Layne's historical balance sheet as of January 31, 2018 and statement of operations for the fiscal year ended January 31, 2018:

- (m) reclassification of \$27 million of depreciation and amortization from separate presentation in Layne's historical statement of operations to cost of revenue and selling, general and administrative expenses in the amounts of \$25 million and \$2 million, respectively.

Table of Contents**UNAUDITED COMPARATIVE PER SHARE DATA**

The following table shows, for the year ended December 31, 2017 for Granite and for the year ended January 31, 2018 for Layne, historical and pro forma equivalent per share data for Layne Common Stock and historical and pro forma combined per share data for Granite Common Stock. The information in the table is derived from each of Layne's and Granite's respective historical consolidated financial statements incorporated by reference herein, as well as the Pro Forma Financial Statements included elsewhere herein. The pro forma equivalent per share data and the pro forma combined per share data assume that Granite, with a fiscal year that ends on December 31, acquired Layne, with a fiscal year that ends on January 31, and are to be read as if the Merger has been completed on December 31, 2017.

The pro forma equivalent information shows the effect of the Merger from the perspective of a holder of Layne Common Stock. The information was computed by multiplying the pro forma combined income from continuing operations per share for the year ended December 31, 2017 for Granite and for the year ended January 31, 2018 for Layne, respectively, and pro forma combined book value per share as of December 31, 2017 by the Exchange Ratio.

The pro forma combined data below is presented for illustrative purposes only. The pro forma adjustments to the income statement data are based on the assumption that the Merger was completed on January 1, 2017, and the pro forma adjustments to the balance sheet data are based on the assumption that the Merger was completed on December 31, 2017.

Either company's actual historical financial condition or results of operations may have been different had the companies always been combined. You should not rely on this information as being indicative of the historical financial condition and results of operations that would have actually been achieved or of the future results of Granite after the completion of the Merger.

You should read the information below together with the historical consolidated financial statements and related notes of each of Granite and Layne, which are incorporated by reference in this proxy statement/prospectus, and with the information under the heading *Unaudited Pro Forma Condensed Combined Financial Information* beginning on page 39 of this proxy statement/prospectus.

	Layne Common Stock		Granite Common Stock	
		Pro Forma		Pro Forma
	Historical(1)	Equivalent	Historical	Combined
Net income (loss) per share attributable to common shareholders:				
Basic	\$ (0.24)	\$ 0.37	\$ 1.74	\$ 1.36
Diluted	\$ (0.24)	\$ 0.36	\$ 1.71	\$ 1.34
Weighted average shares of common stock				
Basic	19,858	12,197	39,795	45,173
Diluted	19,858	12,352	40,372	45,750
Dividends per common share		\$ 0.14	\$ 0.52	\$ 0.52
Book value per share	\$ 2.90	\$ 7.39	\$ 23.70	\$ 27.37

(1) Based on Layne's Net income (loss) from continuing operations.

Table of Contents**COMPARATIVE MARKET VALUE OF COMMON STOCK AND DIVIDEND INFORMATION****Market Prices and Dividend Data**

Granite Common Stock is listed for trading on NYSE under the symbol GVA. Layne Common Stock is listed for trading on Nasdaq under the symbol LAYN. The following table shows the closing prices per share of Granite Common Stock and Layne Common Stock as reported on February 13, 2018 the final trading day prior to the public announcement of the Merger, and on May 14, 2018, the latest practicable date prior to the date of this proxy statement/prospectus. This table also shows the implied value of the Merger Consideration for each share of Layne Common Stock, which was calculated by multiplying the closing price of Granite Common Stock on the relevant date by the Exchange Ratio.

	Closing Price of Granite Common Stock	Closing Price of Layne Common Stock	Implied Value of Merger Consideration Closing Price of Layne Common Stock
As of February 13, 2018	\$ 60.08	\$ 12.62	\$ 16.22
As of May 14, 2018	\$ 57.29	\$ 15.26	\$ 15.47

The market price of Granite Common Stock and Layne Common Stock will fluctuate prior to the Special Meeting and before the Merger is consummated, which will affect the implied value of the Merger Consideration paid to Layne stockholders.

The following table presents trading information for shares of Granite Common Stock and Layne Common Stock on February 13, 2018, the final trading day prior to the public announcement of the Merger, and on May 14, 2018, the latest practicable date prior to the date of this proxy statement/prospectus.

Common Stock Date	Layne Common Stock			Granite Common Stock		
	High	Low	Close	High	Low	Close
February 13, 2018	\$ 13.60	\$ 12.45	\$ 12.62	\$ 61.32	\$ 59.41	\$ 60.08
May 14, 2018	\$ 15.45	\$ 15.25	\$ 15.26	\$ 57.71	\$ 57.15	\$ 57.29

The following table sets forth the high and low sales prices of Layne Common Stock as reported by Nasdaq for the calendar quarters indicated based on Layne's two most recent fiscal years. Layne's fiscal year ends January 31.

	Layne Common Stock		
	High	Low	Cash Dividends Declared
Fiscal Year 2017:			
First Quarter	\$ 9.22	\$ 4.90	
Second Quarter	\$ 9.32	\$ 6.50	
Third Quarter	\$ 9.56	\$ 7.15	
Fourth Quarter	\$ 11.42	\$ 8.17	
Fiscal Year 2018:			

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First Quarter	\$ 10.79	\$ 7.53
Second Quarter	\$ 10.70	\$ 6.98
Third Quarter	\$ 13.64	\$ 9.52
Fourth Quarter	\$ 13.83	\$ 10.39
Fiscal Year 2019:		
First Quarter	\$ 16.96	\$ 12.22
Second Quarter ⁽¹⁾	\$ 15.45	\$ 13.94

- (1) Second quarter data for Layne Common Stock is presented through May 14, 2018, the last practicable trading day before the date of this proxy statement/prospectus.

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The following table sets forth the high and low sales prices of Granite Common Stock as reported by NYSE for the calendar quarters indicated based on Granite's two most recent fiscal years. Granite's fiscal year ends December 31.

	Granite Common Stock		
	High	Low	Cash Dividends Declared
Fiscal Year 2016:			
First Quarter	\$ 47.99	\$ 35.69	\$ 0.13
Second Quarter	\$ 48.59	\$ 40.16	\$ 0.13
Third Quarter	\$ 51.35	\$ 44.35	\$ 0.13
Fourth Quarter	\$ 62.18	\$ 42.59	\$ 0.13
Fiscal Year 2017:			
First Quarter	\$ 59.99	\$ 45.19	\$ 0.13
Second Quarter	\$ 55.11	\$ 45.14	\$ 0.13
Third Quarter	\$ 59.36	\$ 47.05	\$ 0.13
Fourth Quarter	\$ 67.40	\$ 55.78	\$ 0.13
Fiscal Year 2018:			
First Quarter	\$ 68.00	\$ 52.37	\$ 0.13
Second Quarter ⁽¹⁾	\$ 58.43	\$ 52.18	

(1) Second quarter data for Granite Common Stock is presented through May 14, 2018, the last practicable trading day before the date of this proxy statement/prospectus.

Dividend Policies

Layne has not paid dividends since its initial public offering in 1992, and does not anticipate paying any cash dividends on its common stock in the foreseeable future. The Merger Agreement restricts the ability of Layne to declare or pay dividends prior to the consummation of the Merger.

Granite has paid quarterly cash dividends since the second quarter of 1990, and expects to continue to do so. However, declaration and payment of dividends is within the sole discretion of the Granite Board, subject to limitations imposed by Delaware law and compliance with Granite's credit agreements (which allows dividends so long as Granite has at least \$150 million in unencumbered cash and cash equivalents and marketable securities), and will depend on our earnings, capital requirements, financial condition and such other factors as the Granite Board deems relevant. As of December 31, 2017, Granite had unencumbered cash, cash equivalents and marketable securities that exceeded these limitations.

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THE SPECIAL MEETING

This proxy statement/prospectus is being provided to Layne stockholders as part of a solicitation of proxies by the Layne Board for use at the Special Meeting. This proxy statement/prospectus contains important information regarding the Special Meeting, the proposals on which you are being asked to vote, information you may find useful in determining how to vote and voting procedures.

This proxy statement/prospectus is being first mailed on or about May 15, 2018 to all stockholders of record of Layne as of the Record Date. Stockholders of record who owned Layne Common Stock at the close of business on the Record Date are entitled to receive notice of, attend and vote at the Special Meeting. On the Record Date, there were 20,059,489 shares of Layne Common Stock outstanding.

Date, Time and Place of the Special Meeting

The Special Meeting will be held at 9:00 a.m. (Central Time), on June 13, 2018 located at 1800 Hughes Landing Boulevard, Ste. 700, The Woodlands, TX 77380.

Proposals at the Special Meeting

At the Special Meeting, Layne stockholders will vote on the following proposals:

Proposal 1 Adoption of the Merger Agreement. To adopt the Merger Agreement.

Proposal 2 Compensation Proposal. To approve, on a non-binding, advisory basis, the compensation payments that will or may be paid by Layne to its named executive officers in connection with the Merger.

Proposal 3 Adjournment Proposal. To approve any proposal to adjourn the Special Meeting, if necessary or appropriate, to solicit additional proxies if, immediately prior to such adjournment, sufficient votes to adopt the Merger Agreement have not been obtained by Layne.

The Layne Board unanimously recommends that you vote FOR each of these proposals.

Shares Entitled to Vote

As a stockholder of Layne, you have a right to vote on certain matters affecting Layne. The proposals that will be presented at the Special Meeting and upon which you are being asked to vote are summarized above and fully set forth in this proxy statement/prospectus. Each share of Layne Common Stock that you owned at the close of business on the Record Date entitles you to one vote on each proposal presented at the

Special Meeting.

Quorum Requirement

A quorum of outstanding shares of Layne Common Stock is necessary to take action at the Special Meeting. Holders of a majority of the outstanding shares of Layne Common Stock entitled to vote as of the Record Date must be present, in person or by proxy, at the Special Meeting to constitute a quorum and to conduct business at the Special Meeting. Your shares are counted as present if you attend the Special Meeting in person or properly vote by telephone, over the Internet, or by submitting a properly executed proxy card by mail. The inspector of election will treat abstentions as present for purposes of determining the presence of a quorum.

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Votes Required for the Proposals

Proposal 1 Adoption of the Merger Agreement. Approval requires the affirmative vote of the holders of a majority of the shares of Layne Common Stock outstanding on the Record Date. Abstentions and failures to vote will have the same effect as a vote against the proposal to adopt the Merger Agreement.

Proposal 2 Compensation Proposal. Approval requires the affirmative vote of a majority of the votes cast affirmatively or negatively by the Layne stockholders present in person or represented by proxy at the Special Meeting and entitled to vote thereon. Abstentions and failures to vote will have no effect on the compensation proposal.

Proposal 3 Adjournment Proposal. Approval requires the affirmative vote of a majority of the votes cast affirmatively or negatively by the Layne stockholders present in person or represented by proxy at the Special Meeting and entitled to vote thereon. Abstentions and failures to vote will have no effect on the adjournment proposal.

If you hold your shares of Layne Common Stock in street name, your nominee or intermediary may not vote your shares without instructions from you.

Methods of Voting Stockholders of Record If you are a Layne stockholder of record, you may vote by mail, by telephone, over the Internet or in person at the Special Meeting. Votes submitted by mail, by telephone or over the Internet must be received by 11:59 p.m., Eastern Time, on June 12, 2018.

Voting by Telephone or over the Internet. To vote by telephone or over the Internet, please follow the instructions included on your proxy card. If you vote by telephone or over the Internet, you do not need to complete and mail a proxy card.

Voting by Mail. By signing the proxy card and returning it in the enclosed prepaid and addressed envelope, you are authorizing the individuals named on the proxy card to vote your shares at the Special Meeting in the manner you indicate. If you receive more than one proxy card, it is an indication that your shares are held in multiple accounts. Please sign and return all proxy cards to ensure that all of your shares are voted.

We encourage you to vote by telephone, over the Internet or by signing and returning the proxy card even if you plan to attend the Special Meeting so that your shares will be voted if you are unable to attend the Special Meeting.

Voting in Person at the Meeting. If your shares are registered directly in your name, you are considered the stockholder of record and you have the right to vote in person at the Special Meeting. If you attend the Special Meeting and plan to vote in person, we will provide you with a ballot at the Special Meeting.

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Methods of Voting Beneficial Owners

If your shares are held in an account at a brokerage firm, bank or other nominee, then you are the beneficial owner of shares held in street name and this proxy statement/prospectus is being sent to you by that organization. The organization holding your account is considered to be the stockholder of record for purposes of voting at the Special Meeting. As a beneficial owner, you have the right to direct your broker or other agent regarding how to vote the shares in your account by following the instructions that the broker, bank or other nominee provides you along with this proxy statement/prospectus. If you are not a stockholder of record, you must obtain a proxy executed in your favor from the record holder of your shares to be able to vote in person at the Special Meeting.

Attending the Special Meeting

Stockholders of record, or their duly authorized proxies, may attend the Special Meeting. To gain admittance, you must present valid picture identification, such as a driver's license or passport. If you hold shares in street name (through a broker, bank or other nominee) and wish to attend the Special Meeting, you will also need to bring a copy of a brokerage statement (in a name matching your photo identification) reflecting your stock ownership as of the Record Date. If you are a representative of a corporate or institutional stockholder, you must present valid photo identification along with proof that you are a representative of such stockholder.

Please note that use of cameras, recording devices and other electronic devices will not be permitted at the Special Meeting.

Voting Instructions

If you are a stockholder of record and return a proxy card but do not provide specific voting instructions, your shares will be voted on the proposals as follows:

FOR the adoption of the Merger Agreement;

FOR the compensation proposal; and

FOR the adjournment proposal.

Abstentions

A vote to abstain on the proposal to adopt the Merger Agreement will have the same effect as a vote against that proposal. A vote to abstain on the compensation proposal or the adjournment proposal will have no effect on whether those proposals are approved.

Failure to Vote Shares

A failure to vote your shares pursuant to one of the methods described above will have the same effect as a vote against the proposal to adopt the Merger Agreement and will have no effect on the compensation proposal or the adjournment proposal.

Shares Held in Street Name

In general, if your shares are held in street name and you do not instruct your broker on a timely basis on how to vote your shares, your brokerage firm, in its discretion, may either leave your shares unvoted or vote your shares on routine matters, but not on any non-routine matters. **None of the proposals at the Special Meeting are routine matters.**

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Revoking Your Proxy

If you are a Layne stockholder of record, you may revoke your proxy at any time before it is voted at the Special Meeting. To revoke your proxy, you must:

enter a new vote by telephone or over the Internet by 11:59 p.m., Eastern Time, on June 12, 2018;

sign and return another proxy card, which must be received by 11:59 p.m., Eastern Time, on June 12, 2018;

provide written notice of the revocation to Layne's Secretary at: Layne Christensen Company, 1800 Hughes Landing Blvd., Ste. 800, The Woodlands, Texas 77380 which must be received by 11:59 p.m., Eastern Time, on June 12, 2018; or

attend the Special Meeting and vote in person.

If you are the beneficial owner of shares held in street name by a brokerage firm, bank or other nominee, you should follow the instructions of your bank, broker or other nominee regarding the revocation of proxies.

Solicitation of Proxies

Layne will bear the entire cost of proxy solicitation, including the preparation, assembly, printing, mailing and distribution of the proxy materials. We have hired Alliance Advisors LLC to assist in the distribution and solicitation of proxies. Solicitations may be made personally or by mail, facsimile, telephone, messenger or via the Internet. In addition to Alliance Advisors LLC estimated proxy solicitation fee of \$15,000 plus reasonable out-of-pocket expenses for this service, we will reimburse brokerage firms and other custodians for their reasonable out-of-pocket expenses for forwarding the proxy materials to stockholders. Directors, officers and employees of Layne may also solicit proxies in person, by telephone or by other means of communication. Directors, officers and employees of Layne will not be paid any additional compensation for soliciting proxies.

DO NOT SEND IN ANY LAYNE STOCK CERTIFICATES WITH YOUR PROXY CARD.

As described in the Merger Agreement, Layne stockholders will be sent materials for exchanging Layne Common Stock shortly after consummation of the Merger.

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**BENEFICIAL STOCK OWNERSHIP OF LAYNE DIRECTORS, EXECUTIVE OFFICERS
AND CERTAIN HOLDERS OF LAYNE COMMON STOCK**

The following table sets forth certain information with respect to the beneficial ownership of shares of Layne Common Stock as of May 11, 2018 by:

each beneficial owner of more than five percent of the shares of Layne Common Stock;

each member of the Layne Board and each of the Executives of Layne; and

the members of the Layne Board and all executive officers of Layne as a group.

Beneficial ownership is determined under rules of the SEC and generally includes any shares of Layne Common Stock over which a person exercises sole or shared voting and/or investment power. The table also includes the number of shares of Layne Common Stock underlying options that are or will be exercisable, or the conversion of the Convertible Notes, within 60 days of the date of this proxy statement/prospectus. Unless otherwise indicated and subject to community property laws where applicable, Layne believes that each of the stockholders named in the following table has sole voting and investment power with respect to the shares of Layne Common Stock beneficially owned.

The information in the following table regarding beneficial ownership of shares of Layne Common Stock held by entities known by Layne to beneficially own more than 5% of the shares of Layne Common Stock is included in reliance on a report filed by each entity with the SEC, except that the percentage is based on Layne's calculations made in reliance on the number of shares of Layne Common Stock reported to be beneficially owned by the entity in such report and the number of shares of Layne Common Stock outstanding on May 11, 2018.

Name of Beneficial Owner	Shares of Layne Common Stock	
	Number	Percentage
5% Stockholders:		
Van Den Berg Management I, Inc.(1)	2,227,757	11.1%
Granite Construction Incorporated(2)	1,997,308	10.0%
Royce & Associates, LLC(3)	1,987,867	10.0%
Cetus Capital II, LLC(4)	2,044,285	9.9%
GAMCO Investors, Inc.(5)	1,931,850	9.6%
Linden Capital L.P.(6)	1,699,145	7.8%
Wynnefield Partners Small Cap Value LP(7)	1,781,642	8.9%
Highbridge Capital Management, LLC(8)	1,794,872	8.3%
Rutabaga Capital Management(9)	1,276,041	6.4%
BlackRock, Inc.(10)	1,203,505	6.0%
Corre Partners Management, LLC(11)	1,184,962	5.6%
Steelhead Partners, LLC(12)	1,109,658	5.2%

Directors and Executive Officers:

Michael J. Caliel(13)	625,150	3.0%
J. Michael Anderson(13)	38,761	*
Steven F. Crooke(13)	261,186	1.3%
Larry Purlee(13)	93,572	*
Kevin Maher(13)	72,301	*
Nelson Obus(14)	1,861,792	9.3%
David A.B. Brown(15)	227,033	1.1%
J. Samuel Butler(15)	81,285	*
Robert R. Gilmore(15)	51,285	*
John T. Nesser III(15)	34,929	*
Alan P. Krusi(15)	38,524	*
All directors and executive officers as a group(16)	3,385,818	15.9%

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* Less than 1%

- (1) The ownership reported is based on Amendment No. 3 to Schedule 13G filed with the SEC on February 14, 2018 by Van Den Berg Management I, Inc., with a principal business address of 805 Las Cimas Parkway, Suite 430, Austin, TX 78746. Van Den Berg Management I, Inc., an investment adviser, furnishes investment advice to various investment advisory clients. In all cases, persons other than Van Den Berg Management I, Inc. have the right to receive, or the power to direct the receipt of, dividends from, or proceeds from the sale of the shares. The securities reported in the Schedule 13G are owned by Van Den Berg Management I, Inc. and investment advisory clients. To the knowledge of Van Den Berg Management I, Inc., the interest of any one such investment advisory client does not exceed 5% of the class of securities.
- (2) Granite may be deemed to have beneficial ownership of an aggregate of 1,997,308 shares of Layne Common Stock based on representations made by the Voting Stockholders pursuant to the Voting Agreements. See *The Voting Agreements* beginning on page 129 of this proxy statement/prospectus. The ownership reported is based on Schedule 13D filed with the SEC on February 28, 2018 by Granite, with a principal business address of 585 West Beach Street, Watsonville, California 95076. The Schedule 13D reports that Granite has shared voting and dispositive power with respect to all shares of Layne Common Stock it beneficially owns.
- (3) The ownership reported is based on Amendment No. 5 to Schedule 13G filed with the SEC on January 3, 2018, by Royce & Associates, LLC, with a principal business address of 745 Fifth Avenue, New York, NY 10151. Amendment No. 5 to Schedule 13G reports that Royce & Associates, LLC has sole voting and dispositive power with respect to all of the shares it beneficially owns.
- (4) The ownership reported is based on Amendment No. 1 to the Schedule 13D filed with the SEC on March 20, 2018, jointly by the Cetus Funds, each with a principal business address of 8 Sound Shore Drive, Suite 303, Greenwich, CT 06830. Cetus Capital II, LLC may be deemed to beneficially own and has sole voting and dispositive power with respect to 242,749 shares of Layne Common Stock issuable upon conversion of the Convertible Notes that Cetus Capital II, LLC owns. Cetus Capital III, L.P. owns 715,716 shares of Layne Common Stock and may be deemed to beneficially own and has sole voting and dispositive power with respect to (i) 38,000 shares of Layne Common Stock exercisable within 60 days of May 11, 2018, and (ii) 871,864 shares of Layne Common Stock issuable upon conversion of the Convertible Notes that Cetus Capital III, L.P. owns. Littlejohn Opportunities Master Fund LP owns 264,418 shares of Layne Common Stock and may be deemed to beneficially own and has sole voting and dispositive power with respect to (i) 19,000 shares of Layne Common Stock exercisable within 60 days of May 11, 2018, and (ii) 242,120 shares of Layne Common Stock issuable upon conversion of the Convertible Notes that Littlejohn Opportunities Master Fund LP owns. VSS Fund L.P. owns 249,552 shares of Layne Common Stock and may be deemed to beneficially own and has sole voting and dispositive power with respect to (i) 17,000 shares of Layne Common Stock exercisable within 60 days of May 11, 2018, and (ii) 179,590 shares of Layne Common Stock issuable upon conversion of the Convertible Notes that VSS Fund L.P. owns. OFM II, L.P. owns 224,740 shares of Layne Common Stock and may be deemed to beneficially own and has sole voting and dispositive power with respect to 26,000 shares of Layne Common Stock exercisable within 60 days of May 11, 2018. However, based upon the terms of the Convertible Notes, the holders thereof may not convert such securities if on any date, such holder would be deemed the beneficial owner of more than 9.9% of the then outstanding shares of the Layne Common Stock. Based on the number of shares of Layne Common Stock outstanding as of May 11, 2018, the Cetus Funds would not be able to convert all of the Convertible Notes beneficially owned by the Cetus Funds. Consequently, the Percentage Shares of Layne Common Stock listed in the table gives effect to the 9.9% ownership cap.
- (5) The ownership reported is based on Schedule 13D filed with the SEC on September 28, 2017, 2018 by GAMCO Investors, Inc., with a principal business address of One Corporate Center, Rye, New York.
- (6) The ownership reported is based on the Schedule 13D filed with the SEC on May 10, 2018, jointly by Linden Capital L.P., with a principal business address of Victoria Place, 31 Victoria Street, Hamilton HM10, Bermuda,

and Linden Advisors LP, Linden GP LLC and Siu Min Wong, each with a principal business address of 585 West Beach Street, Watsonville, California 95076. The Schedule 13D reports that Linden Capital L.P, Linden Advisors LP, Linden GP LLC and Siu Min Wong have shared voting and shared

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- dispositive power with respect to all shares of Layne Common Stock they collectively beneficially own. Represents shares of Layne Common Stock issuable upon conversion of the Convertible Notes that Linden Capital L.P. owns. Based upon the terms of the Convertible Notes, the holders thereof may not convert such securities if on any date, such holder would be deemed the beneficial owner of more than 9.9% of the then outstanding shares of the Layne Common Stock. Based on the number of shares of Layne Common Stock outstanding as of May 11, 2018, Linden Capital L.P. would be able to convert all of the Convertible Notes beneficially owned by it. Consequently, the Percentage Shares of Layne Common Stock listed in the table gives the percentage that would be owned upon the conversion of all the Convertible Notes held by Linden Capital L.P.
- (7) The ownership reported is based on Amendment No. 2 to Schedule 13D of Wynnefield Partners Small Cap Value Funds filed with the SEC on January 19, 2016. The Schedule 13D reports that as of January 19, 2016, Wynnefield Partners Small Cap Value, L.P., beneficially owned 534,657 shares of the Layne Common Stock, Wynnefield Partners Small Cap Value, L.P. I beneficially owned 857,884 shares of Layne Common Stock, the Wynnefield Partners Small Cap Value Offshore Fund, Ltd. beneficially owned 308,401 shares of Layne Common Stock, Wynnefield Capital Management, LLC holds an indirect beneficial interest in the 1,392,541 shares held by Wynnefield Partners Small Cap Value, L.P., and Wynnefield Partners Small Cap Value, L.P. I, and the Wynnefield Capital, Inc. Profit Sharing Plan beneficially owned 80,700 shares of Layne Common Stock, for a total of 1,781,642 shares. Wynnefield Capital, Inc. holds an indirect beneficial interest in (a) the 308,401 shares held by the Wynnefield Partners Small Cap Values Offshore Fund, Ltd. Offshore Fund, Nelson Obus and Joshua Landes, as a result of their various positions with the Wynnefield Partners Small Cap Value Funds and (b) the 1,781,642 held by the various entities within the Wynnefield Partners Small Cap Value Funds. The business address for the Wynnefield Partners Small Cap Value Funds is 450 Seventh Avenue, Suite 509, New York, New York 10123.
- (8) The ownership reported is based on Amendment No. 3 to Schedule 13G filed with the SEC on February 14, 2018, jointly by Highbridge Capital Management, LLC and 1992 MSF International Ltd. (formerly known as Highbridge International LLC), each with a principal business address of 40 West 57th Street, 33rd Floor, New York, New York 10019. The Schedule 13G reports that 1992 MSF International Ltd. may be deemed to beneficially own and has shared voting and dispositive power with respect to 1,230,769 shares of Layne Common Stock issuable upon conversion of the Convertible Notes and that the Funds may be deemed to beneficially own and has shared voting and dispositive power with respect to 1,794,872 shares of Layne Common Stock upon conversion of the Convertible Notes held by the Funds. Based upon the terms of the Convertible Notes, the holders thereof may not convert such securities if on any date, such holder would be deemed the beneficial owner of more than 9.9% of the then outstanding shares of the Layne Common Stock. Based on the number of shares of Layne Common Stock outstanding as of May 11, 2018, the funds would be able to convert all of the Convertible Notes beneficially owned by the funds. Consequently, the Percentage Shares of Layne Common Stock listed in the table gives the percentage that would be owned upon the conversion of all the Convertible Notes held by the Funds.
- (9) The ownership reported is based on Amendment No. 6 to Schedule 13G filed with the SEC on February 9, 2018, by Rutabaga Capital Management, with a principal business address of 64 Broad Street, 3rd Floor, Boston, MA 02109. Amendment No. 6 to Schedule 13G reports that Rutabaga Capital Management has sole voting power with respect to 1,070,098 shares of Layne Common Stock, shared voting power with respect to 205,943 shares of Layne Common Stock and sole dispositive power with respect to all of the shares of Layne Common Stock that it beneficially owns.
- (10) The ownership reported is based on Amendment No. 1 to Schedule 13G filed with the SEC on January 25, 2018, by BlackRock, Inc., with a principal business address of 55 East 52nd Street, New York, New York 10022. Amendment No. 1 to Schedule 13G reports that BlackRock, Inc. has sole voting power with respect to 1,187,761 shares of Layne Common Stock and sole dispositive power with respect to all shares of Layne Common Stock that it beneficially owns.
- (11)

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The ownership reported is based on Amendment No. 2 to Schedule 13G filed with the SEC on February 8, 2018, jointly by the Reporting Persons, each with a principal business address of 12 East 49th Street, Suite 4003, New York, New York 10017. Amendment No. 2 to Schedule 13G reports that the Reporting Persons may be deemed to beneficially own and has shared voting and dispositive power with respect to 1,184,962

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shares of Layne Common Stock issuable upon conversion of the Convertible Notes held by the Reporting Persons. Based upon the terms of the Convertible Notes, the holders thereof may not convert such securities if on any date, such holder would be deemed the beneficial owner of more than 9.9% of the then outstanding shares of the Layne Common Stock. Based on the number of shares of Layne Common Stock outstanding as of November 28, 2017, the Funds would be able to convert all of the Convertible Notes beneficially owned by the Funds. Consequently, the Percentage Shares of Layne Common Stock listed in the table gives the percentage that would be owned upon the conversion of all the Convertible Notes held by the Reporting Persons.

- (12) The ownership reported is based on Schedule 13G filed with the SEC on February 15, 2018 by Steelhead Partners, LLC, James Michael Johnston and Brian Katz Klein, each with a principal business address of 333 108th Avenue NE, Suite 2010, Bellevue, WA 98005, and Steelhead Pathfinder Master, L.P., with a principal business address of P.O. Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands. The Schedule 13G reports that Steelhead Partners, LLC has sole voting and dispositive power with respect to all shares of Layne Common Stock it beneficially owns. Steelhead Partners, LLC held the securities by and for the benefit of the Steelhead Pathfinder Master, L.P., and may be deemed to beneficially own the securities held by Steelhead Pathfinder Master, L.P. The shares of Layne Common Stock beneficially owned by Steelhead Partners, LLC are held by and for the benefit of the Steelhead Pathfinder Master, L.P. Steelhead Partners, LLC, as the investment manager of Steelhead Pathfinder Master, L.P., and the sole member of Steelhead Pathfinder Master, L.P.'s general partner, and each of J. Michael Johnston and Brian K. Klein, as the member-managers of Steelhead Partners, LLC, may be deemed to beneficially own the shares of Layne Common Stock held by Steelhead Pathfinder Master, L.P. for the purposes of Rule 13d-3 under the Exchange Act, insofar as they may be deemed to have the power to direct the voting or disposition of those shares of Layne Common Stock. Each of Steelhead Partners, LLC, Mr. Johnston and Mr. Klein disclaims beneficial ownership as to the Securities, except to the extent of his or its pecuniary interests therein. Represents shares of Layne Common Stock issuable upon conversion of the Convertible Notes that Steelhead Pathfinder Master, L.P. owns. Based upon the terms of the Convertible Notes, the holders thereof may not convert such securities if on any date, such holder would be deemed the beneficial owner of more than 9.9% of the then outstanding shares of the Layne Common Stock. Based on the number of shares of Layne Common Stock outstanding as of May 11, 2018, Steelhead Pathfinder Master, L.P. would be able to convert all of the Convertible Notes beneficially owned by Steelhead Pathfinder Master, L.P. Consequently, the Percentage Shares of Layne Common Stock listed in the table gives the percentage that would be owned upon the conversion of all the Convertible Notes held by Steelhead Pathfinder Master, L.P.
- (13) Includes the following:

Name	Layne Stock Options Exercisable		
	within 60 days of May 11, 2018	Layne RSUs that vested in April 2018	Layne PSUs that vested in April 2018
Michael J. Caliel	109,409	50,286	416,717
J. Michael Anderson	10,000		19,761
Steven F. Crooke	111,031	16,956	126,278
Larry Purlee	22,971	6,619	55,610
Kevin P. Maher	12,896	6,683	51,387

In connection with the Merger, the above individuals have agreed to not exercise their options until the earlier of (a) the termination of the Merger Agreement and (b) December 15, 2018. In addition, in connection with the Merger, the settlement of these Layne RSUs and Layne PSUs has been deferred until the earliest of (a) the Effective Time, (b) the termination of the Merger Agreement and (c) December 15, 2018. Pursuant to the Merger Agreement, at the Effective Time, the Layne Stock Options, Layne RSUs and Layne PSUs will automatically, and without any action on the part of the holder, be cancelled and, in exchange therefor, converted into the right to receive an amount of cash determined in accordance with the Merger Agreement.

(14) Mr. Obus is president of Wynnefield Capital, Inc. and a managing member of Wynnefield Capital Management, LLC. Both companies have indirect beneficial ownership in securities held in the name of

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Wynnefield Partners Small Cap Value, L.P., Wynnefield Partners Small Cap Value, L.P. I, Wynnefield Partners Small Cap Value Offshore Fund, Ltd., Channel Partnership II, L.P. and the Wynnefield Capital, Inc. Profit Sharing & Money Purchase Plan, which, combined, own 1,798,245 of the indicated shares of Layne Common Stock. Also includes options for the purchase of 39,885 shares of the Layne Common Stock exercisable within 60 days of May 11, 2018. Also includes 18,012 shares of Layne Common Stock held directly by Mr. Obus. Also includes 18,012 shares of Layne Common Stock held directly by Mr. Obus and Layne Stock Options for the purchase of 39,885 shares of the Layne Common Stock exercisable within 60 days of May 11, 2018 and 5,650 Layne RSUs that vested in April 2018. In connection with the Merger, Mr. Obus has agreed to not exercise his options until the earlier of (a) the termination of the Merger Agreement and (b) December 15, 2018. In addition, in connection with the Merger, the settlement of these Layne RSUs has been deferred until the earliest of (a) the Effective Time, (b) the termination of the Merger Agreement and (c) December 15, 2018. Pursuant to the Merger Agreement, at the Effective Time, the Layne RSUs and Layne Stock Options will automatically, and without any action on the part of Mr. Obus, be cancelled and, in exchange therefor, converted into the right to receive an amount of cash determined in accordance with the Merger Agreement.

(15) Includes the following:

Name	Layne Stock Options Exercisable within 60 days of May 11, 2018	Layne RSUs that vested in April 2018
David A.B. Brown	168,345	8,475
J. Samuel Butler	64,960	5,650
Robert R. Gilmore	22,673	5,650
John T. Nesser III	6,444	5,650
Alan P. Krusi	32,874	5,650

In connection with the Merger, the above individuals have agreed to not exercise their respective Layne Stock Options until the earlier of (a) the termination of the Merger Agreement and (b) December 15, 2018. In addition, in connection with the Merger, the settlement of these Layne RSUs and Layne PSUs has been deferred until the earliest of (a) the Effective Time, (b) the termination of the Merger Agreement and (c) December 15, 2018. Pursuant to the Merger Agreement, at the Effective Time, the Layne RSUs and Layne Stock options will automatically, and without any action on the part of the holder, be cancelled and, in exchange therefor, converted into the right to receive an amount of cash determined in accordance with the Merger Agreement.

(16) See footnotes 13, 14, and 15 above.

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PROPOSAL 1 ADOPTION OF THE MERGER AGREEMENT

Pursuant to Section 251 of the DGCL, Layne is submitting the Merger Agreement to its stockholders at the Special Meeting, at which the Merger Agreement will be considered and a vote taken on a proposal for its adoption.

For a summary of the Merger Agreement and the Merger, including the background of the Merger, Layne's reasons for the Merger, the opinion of Layne's financial advisor and related matters, Layne stockholders should read *The Merger* beginning on page 63 and *The Merger Agreement* beginning on page 105.

Adoption of the Merger Agreement requires the affirmative vote of the holders of a majority of the shares of Layne Common Stock outstanding on the Record Date. An abstention will have the same effect as a vote against the proposal to adopt the Merger Agreement.

BOARD RECOMMENDATION

The Layne Board unanimously recommends that Layne stockholders vote FOR the proposal to adopt the Merger Agreement.

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**PROPOSAL 2 APPROVAL, ON AN ADVISORY BASIS, OF CERTAIN COMPENSATORY
ARRANGEMENTS WITH LAYNE NAMED EXECUTIVE OFFICERS**

Pursuant to Section 14A of the Exchange Act, Layne is providing its stockholders the opportunity to cast a non-binding, advisory vote at the Special Meeting to approve the compensation that may be paid or become payable to its named executive officers based on or otherwise relates to the Merger, as described under *The Merger Interests of Certain Persons in the Merger* beginning on page 95. In accordance with these requirements, Layne is asking its stockholders to approve the following resolution:

RESOLVED, that the stockholders of Layne approve, on a non-binding, advisory basis, the compensation which may be paid or become payable to its named executive officers in connection with the Merger, as disclosed pursuant to Item 402(t) of Regulation S-K as described under *The Merger Interests of Certain Persons in the Merger Possible Change-in-Control Compensation* beginning on page 100.

Approval, on an advisory basis, of certain compensatory arrangements between Layne and its named executive officers based on or otherwise relating to the Merger requires the affirmative vote of the holders of a majority of the votes cast **FOR** or **AGAINST** by the Layne stockholders present, in person or by proxy, and entitled to vote at the Special Meeting. An abstention will have no effect on the approval of the compensation proposal. This proposal is advisory and therefore not binding on the Layne Board. Further, the underlying plans and arrangements are contractual in nature and not, by their terms, subject to stockholder approval.

This advisory vote is separate and apart from the vote to adopt the Merger Agreement. The approval of this proposal is not a condition to consummation of the Merger. Whether or not this proposal is approved will have no impact on consummation of the Merger.

BOARD RECOMMENDATION

The Layne Board unanimously recommends that Layne stockholders vote **FOR the compensation proposal to approve, on an advisory basis, certain compensatory arrangements between Layne and its named executive officers relating to the Merger.**

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PROPOSAL 3 ADJOURNMENTS OF THE SPECIAL MEETING

Layne stockholders are being asked to approve a proposal that will provide the Layne Board authority to adjourn the Special Meeting one or more times, if necessary or appropriate, to solicit additional proxies if, immediately prior to such adjournment, sufficient votes to adopt the Merger Agreement have not been obtained by Layne.

If this proposal is approved, the Special Meeting could be adjourned to any date. If the Special Meeting is adjourned, Layne stockholders who have already submitted their proxies will be able to revoke them at any time prior to their use. If you sign and return a proxy and do not indicate how you wish to vote on any proposal, or if you indicate that you wish to vote **FOR** the proposal to adopt the Merger Agreement but do not indicate a choice on the adjournment proposal, your shares of Layne Common Stock will be voted **FOR** the adjournment proposal. If you indicate, however, that you wish to vote against the proposal to adopt the Merger Agreement, your shares of Layne Common Stock will only be voted **FOR** the adjournment proposal if you indicate that you wish to vote **FOR** that proposal.

Approval of the adjournment proposal requires the affirmative vote of the holders of a majority of the votes cast **FOR** or **AGAINST** by the Layne stockholders present, in person or by proxy, and entitled to vote at the Special Meeting. An abstention will have no effect on the approval of the adjournment proposal.

This vote is separate and apart from the vote to adopt the Merger Agreement. The approval of the adjournment proposal is not a condition to consummation of the Merger. Whether or not the adjournment proposal is approved will have no impact on consummation of the Merger.

BOARD RECOMMENDATION

The Layne Board unanimously recommends that Layne stockholders vote **FOR the proposal to approve adjournment of the Special Meeting, if necessary or appropriate, to solicit additional proxies if, immediately prior to such adjournment, sufficient votes to adopt the Merger Agreement have not been obtained by Layne.**

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THE MERGER

This section of the proxy statement/prospectus describes certain material aspects of the proposed Merger. This section may not contain all of the information that is important to you. You should carefully read this entire proxy statement/prospectus and the documents incorporated herein by reference, including the full text of the Merger Agreement, which is attached as Annex A, for a more complete understanding of the Merger. In addition, important business and financial information about each of Granite and Layne is incorporated into this proxy statement/prospectus by reference and is included in the Annexes hereto. See *Where You Can Find More Information* beginning on page 145 of this proxy statement/prospectus.

Background of the Merger

The Layne Board and the Granite Board each regularly reviews its results of operations, competitive positions and strategic alternatives. From time to time, both Layne and Granite also evaluate potential transactions that would further their respective strategic objectives.

As part of its regular evaluation of strategic opportunities, Layne, directly or through its advisors, held discussions with various potential strategic and financial counterparties during the two years prior to the signing of the Merger Agreement. These discussions related primarily to an evaluation of a potential sale of either all or a portion of Layne's business to strategic counterparties or financial sponsors, the acquisition of businesses from other companies, potential equity investments in Layne by financial sponsors and a refinancing process for the Convertible Notes.

In February 2016, Michael J. Caliel, Layne's President and Chief Executive Officer, and J. Michael Anderson, Layne's Senior Vice President and Chief Financial Officer, met with representatives of an international infrastructure services provider serving the water and other industries (Company A) regarding Company A's potential acquisition of Layne. Throughout the spring of 2016, Layne management participated in various discussions with representatives of Company A regarding the potential acquisition, including conducting in-person discussions with Company A's management team and evaluating potential synergies that potentially could be achieved through combining businesses of Layne and Company A.

In the spring of 2016, Layne participated as a potential bidder in a sale process conducted by a water infrastructure services company (Company B). At that time, representatives of Layne management engaged in discussions with representatives of a private equity firm focused on making controlling equity investments in the power and infrastructure sectors (Company C) regarding a potential strategic investment by Company C in Layne to finance the acquisition of Company B. Layne management continued to evaluate a potential transaction with Company B through mid-2016. However, in June 2016, Layne terminated discussions with Company B because Layne management determined the cost of capital associated with pursuing an acquisition of Company B, including the financing terms proposed by Company C, were too high and dilutive to existing Layne stockholders. In connection with terminating its pursuit of Company B, Layne terminated discussions of the financing transaction under consideration with Company C.

In the fall of 2016, Company A determined that a potential acquisition of Layne's full business was not advisable given the limited amount of potential synergies between the businesses. Layne and Company A continued to evaluate a potential acquisition by Company A of Layne's Inliner division throughout the fall of 2016. However, Layne management concluded that Company A's valuation of the Inliner division was insufficient and the parties mutually terminated discussions relating to a potential transaction.

Commencing in September 2016, Layne management engaged in various discussions with representatives of a company engaged in providing water management solutions to oilfield operators across North America (Company D) regarding a potential business combination. In connection with evaluating a potential transaction, Layne management and representatives of Company D met periodically between September 2016 and early 2017 to discuss the structure and terms of a potential transaction.

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In October 2016, a financial advisory firm that previously had acted as Layne's financial advisor in connection with a prior transaction proposed to the Layne Board and Layne management that Layne engage in a refinancing process related to the Convertible Notes. The financial advisor observed that Layne might wish to consider pursuing a sale of its Inliner division or, as an alternative, a sale of Layne's entire business in the event Layne was unable to achieve a refinancing on acceptable terms.

Granite identified Layne as a potential acquisition candidate in connection with Granite's regular evaluation of strategic opportunities based upon Layne's size and the nature of its existing businesses. Granite considered Layne as an attractive acquisition candidate because it further diversified Granite's operations and significantly expanded Granite's water services business.

In the fall of 2016, James Roberts, Granite's President and Chief Executive Officer, emailed Mr. Caliel to arrange a time to meet in person. On November 7, 2016, Mr. Roberts met with Messrs. Caliel and Anderson. During that meeting, Mr. Roberts raised the possibility of a strategic transaction involving Granite and Layne. To facilitate further discussion, on November 15, 2016, Layne and Granite entered into a customary confidentiality agreement that also included customary standstill provisions.

On November 29, 2016, senior management from Granite and Layne, together with representatives from Granite's then financial advisors, met in Phoenix, Arizona for in-person due diligence meetings. At that meeting, senior management from each of Granite and Layne presented an overview of their respective businesses.

On December 22, 2016, Mr. Roberts sent Mr. Caliel a letter proposing that Granite acquire all outstanding shares of Layne Common Stock based on an implied value of \$11.75 per Layne share (representing a 7.2% premium to the closing price of Layne Common Stock on December 22, 2016), payable either in all cash or in a combination of cash and shares of Granite Common Stock (the December 2016 Proposal). The letter noted that the December 2016 Proposal was subject to due diligence, Granite Board approval and negotiation of an acceptable merger agreement. The letter also noted that the per share price took into account the make-whole premiums that would need to be paid under the 8.0% Convertible Notes.

Throughout December 2016 and early January 2017, Layne management, in consultation with the Layne Board, evaluated the December 2016 Proposal but elected not to pursue the December 2016 Proposal based on Layne management's focus on addressing certain operational matters at the time as well as its determination that the consideration offered did not appropriately reflect the value of Layne's business. Accordingly, on January 9, 2017, Mr. Caliel telephoned Mr. Roberts and informed him that Layne was not interested in pursuing a transaction at the proposed valuation. On January 31, 2017, Mr. Roberts telephoned Mr. Caliel to inform him that Granite may be willing to consider an all-stock transaction at a higher valuation in the mid-\$12 per share range. After discussions with members of Layne management, Mr. Caliel telephoned Mr. Roberts on February 9, 2017 and informed him that Granite's proposed valuation was still inadequate and, given prevailing market conditions and its need to focus on addressing certain operational matters, Layne had decided to not engage in further discussions with Granite at that time.

Throughout early 2017, Layne management continued their ongoing evaluation of Layne's business and regularly reviewed and assessed Layne's strategic and financial alternatives in light of developments in Layne's business, in the sectors in which Layne competes, in the economy generally and in the financial markets. Throughout the course of this evaluation, Layne management and members of the Layne Board regularly interfaced with one another to review, analyze and provide input on Layne's strategic and operational initiatives.

In February 2017, a financial advisory firm, on behalf of Company B, contacted Mr. Caliel to gauge Layne's interest in resuming discussions regarding a potential strategic transaction involving Company B.

During this period, Layne continued to evaluate potential business combinations with Company B and Company D. In April 2017, discussions with Company D were terminated because Company D was pursuing

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another transaction at the time that aligned more closely with Company D's operational focus and asset base. Company D completed this transaction in 2017.

On April 6, 2017, the Layne Board held a regular meeting at which members of Layne management were also present. During this meeting, Messrs. Caliel and Anderson discussed with the Layne Board the possibility of engaging an investment banking firm to assist with Layne's strategic and refinancing analysis. The Layne Board designated two directors, Alan P. Krusi and Nelson Obus, to oversee the strategic review and refinancing processes and the selection of an investment banking firm. The Layne Board selected Mr. Krusi because of his experience leading strategic transactions, including his tenure as the President, Strategic Development of AECOM Technology Corporation (AECOM), a global provider of integrated professional and construction management services, where he oversaw AECOM's merger and acquisition activities. The Layne Board selected Mr. Obus because of his financial expertise and managerial experience gained in leadership roles in investment management companies.

From April 2017 through early May 2017, Layne interviewed and received proposals from three investment banking firms regarding strategic and financial advisory services. On May 5, 2017, Messrs. Krusi and Obus, along with members of Layne's management team, including Mr. Caliel, Mr. Anderson and Steven F. Crooke, Senior Vice President, Chief Administrative Officer & General Counsel of Layne, met with representatives of Greentech Capital Advisors, LLC (Greentech) to discuss the possibility of Greentech providing certain financial advisory services to Layne, including evaluating potential business combination opportunities and exploring a refinancing of the Convertible Notes. As part of its evaluation of Greentech's advisory services, Layne management asked Greentech to provide an evaluation of a potential strategic transaction with Company B, as well as an analysis of Layne's standalone business and refinancing options. Layne formally engaged Greentech on June 23, 2017, after consultation with Messrs. Krusi and Obus.

On May 1, 2017, Layne announced the completion of the sale of its Heavy Civil business, which further allowed Layne management to streamline its operations and focus on its core businesses.

On May 31, 2017, at a regularly scheduled in-person meeting of the Layne Board, representatives of Greentech presented to the Layne Board an initial assessment of a strategic transaction with Company B. The Layne Board authorized Layne's management team to further analyze a potential transaction with Company B, including the submission of a non-binding offer to acquire Company B. In June 2017, Layne management sent Company B a non-binding indication of interest. However, Company B determined not to pursue a transaction with Layne and ultimately suspended its sale process.

During the summer of 2017, Layne management worked with representatives of Greentech to develop and analyze various potential strategic transactions. Layne management and Greentech representatives commenced the strategic review process by (a) analyzing historical business unit level financial statements of all of Layne's operations; (b) reviewing Layne's internal business unit budgets and forecasts; and (c) after studying such materials, interviewing operating management of Layne's three business units. The representatives of Greentech also reviewed certain financial information regarding Layne's business, including Layne's historical and forecasted unallocated operating expenses at the corporate level, liquidity position, projected cash flow from operations and debt terms and near-term maturities. Layne management and the representatives of Greentech then prepared a framework to assess the operating cash flow of each business unit, the near-term required capital investment to support the business, available refinancing alternatives based on market conditions at the time and potential acquisition targets.

During this period, members of the Layne Board also communicated with Layne management and served as a resource for Layne management to discuss strategic and operational matters. These matters included evaluating potential transaction opportunities with a number of financial and strategic counterparties. On July 11, 2017, the

Layne Board held a special meeting at which members of Layne management and representatives of Greentech were also present. During that meeting, representatives of Greentech presented to the Layne Board a financial

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analysis of Layne's business, including an outline of a process to refinance Layne's Convertible Notes and a review of strategic transactions potentially available to Layne. These transactions primarily included raising growth capital from new and existing sources of capital and evaluating potential acquisition, sale and expansion opportunities relating to one or more divisions of Layne's business, as well as acquisitions of private company targets. Representatives of Greentech also reviewed with the Layne Board earnings projections and preliminary valuation estimates for each of Layne's divisions and a preliminary valuation overview for the entire Layne business, based on financial projections provided by Layne management to Greentech.

On August 31, 2017, at a regular meeting of the Layne Board at which members of Layne management and representatives of Greentech were also present, representatives of Greentech provided the Layne Board with an analysis of strategic options related to Layne's Water Resources division. These options included potentially repositioning the business segment to focus more directly on recurring revenue streams, pursuing acquisitions of bolt-on products or services, pursuing a transformational acquisition, selling the business unit or continuing with the standalone plan.

In evaluating these strategic alternatives for Layne, Greentech determined that any change in strategic direction for Water Resources would take significant time and divert management attention from Layne's existing operations, as the implementation of certain growth strategies would require significant additional capital and might result in only limited valuation uplift potential compared to Layne's existing business. In addition, the representatives of Greentech discussed with the Layne Board the fact that Layne operates in three distinct business lines—Water Resources, Mineral Services and Inliner—that have limited operating synergies with one another. Layne management and representatives of Greentech also discussed with the Layne Board the relatively new water midstream business and the significant capital investment required to meaningfully grow that business. In reviewing Layne's capital structure and near-term debt maturities, lack of recent and projected free cash flow and the challenges of operating three distinct businesses, Greentech observed that the need to deleverage and generate cash for investments in the businesses, coupled with the benefits of a more focused business portfolio, warranted exploring a sale of one or more of Layne's businesses during the ongoing strategic review process.

Layne management and the representatives of Greentech determined that targeted acquisitions for Layne's Inliner division could be a logical way to accelerate the revenue growth of Layne's business. Greentech representatives also provided an overview of its outreach to potential acquisition targets for Layne's Inliner division, who had been identified collectively by Layne management and the representatives of Greentech. This outreach led to discussions with a provider of underground contracting services to water and wastewater customers in North America (Company E) and with a provider of water infrastructure services to customers in the United States (Company F) regarding a potential combination with Layne's Inliner division. However, after initial discussions, Layne terminated discussions with each of Company E and Company F in light of other capital demands on Layne's business, including the refinancing process for the Convertible Notes.

Layne management continued to analyze various strategic alternatives with representatives of Greentech throughout the summer of 2017, including the refinancing process for the Convertible Notes. This evaluation included discussions between representatives of Greentech and various financial sponsors, including representatives of a private equity firm focused on investing in energy infrastructure in North America (Company G), a private equity firm focused on investments and acquisitions in smaller middle-market companies across a range of industries (Company H), and a mid-market focused private equity firm with a focus on the industrial sector (Company I), regarding potential capital investments by such counterparties in Layne's business. After Layne management engaged in initial discussions with Company G, the parties determined not to further evaluate a potential transaction. In addition, after initial discussions with representatives of Greentech, Company H and Company I elected not to participate in any further strategic evaluation of Layne's business.

Throughout the summer and fall of 2017, Layne management continued to advance the refinancing process related to the Convertible Notes. Throughout this process, Layne engaged with various institutional bondholders

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who owned a portion of the Convertible Notes regarding the terms of a potential refinancing and exchanged preliminary term sheets with such bondholders. During this process, Layne management determined that the cost of capital associated with the proposals it had received to refinance the Convertible Notes, including the interest and conversion rates requested by institutional bondholders, was high. However, given the need to address the near-term maturity of the Convertible Notes, Layne continued to engage its existing bondholders in refinancing discussions and utilized a financial advisory firm to assist in reviewing other refinancing options and potential capital providers.

Despite the cessation of discussions in February 2017 between Granite and Layne regarding a potential strategic transaction, Granite senior management continued to monitor Layne's publicly available financial and operational information.

On September 11, 2017, Mr. Roberts telephoned Mr. Caliel to gauge Layne's interest in participating in further discussions regarding a potential transaction with Granite. Mr. Caliel relayed the Layne Board's concern that a transaction process may distract Layne management from addressing more pressing operational matters related to its business, including a refinancing the Convertible Notes. However, Mr. Caliel expressed that he would be willing to discuss further to determine if a viable transaction opportunity existed. Accordingly, on September 27, 2017, Mr. Roberts, Jigisha Desai, Granite's Vice President, Corporate Finance and Treasurer, and Messrs. Caliel and Anderson met in person in The Woodlands, Texas. During that meeting, Granite management reiterated Granite's interest in pursuing a potential transaction with Layne and Layne management provided an updated overview of Layne's business.

On October 9, 2017, the Layne Board held a special meeting at which members of Layne management were also present. During that meeting, Messrs. Caliel and Anderson provided the Layne Board