

A Work Project, presented as part of the requirements for the Award of a Master Degree in Finance from the NOVA – School of Business and Economics.

TIDEWATER INC.
NAVIGATING A TIGHT MARKET

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58590

A Project carried out on the Master's in Finance Program, under the supervision of:

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Defense Date: 23.01.2025

16.12.2024

Abstract

The equity report provides a detailed evaluation of Tidewaters financial outlook, focusing on valuation and performance analysis. Conducted collaboratively, the project reflects joint efforts while emphasizing individual contributions. As a contributor, I focused on delivering an in-depth analysis of Tidewaters financial health, and growth potential using valuation methodologies like discounted cash flow (DCF) and comparable company analysis. By assessing the company's financial health and growth opportunities, the report offers a robust, data-driven foundation for the investment recommendation.

Keywords: Tidewater, Offshore, Platform Supply Vessel, Anchor Handler, Rigs, Oil and Gas, Shipping, Renewable Energy, Offshore Supply Vessel

This work used infrastructure and resources funded by Fundação para a Ciência e a Tecnologia (UID/ECO/00124/2013, UID/ECO/00124/2019 and Social Sciences DataLab, Project 22209), POR Lisboa (LISBOA-01-0145-FEDER-007722 and Social Sciences DataLab, Project 22209) and POR Norte (Social Sciences DataLab, Project 22209).

This report is part of the Tidewater: The Tide is Turning – Navigating a Tight Market report (annexed), developed by David Palmén and Julie Hageli and should be read as an integral part of it.

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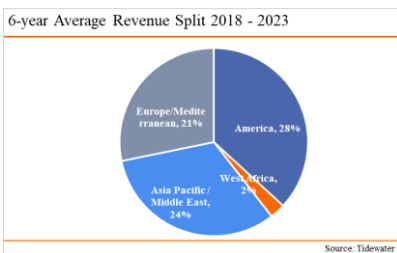
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expected to reduce restrictions on oil production, which will likely increase crude supply and apply further pressure on prices. There is speculation that sanctions on Russian oil exports may be removed while stricter measures may be imposed on Iran. OPEC's efforts to stabilize prices through production cuts have been partially offset by rising output elsewhere, particularly in the U.S., where Trump's policies will further amplify. Increased oil production in the U.S. may provide short-term support for E&P activities, stabilizing demand (M&G Investments, 2024).

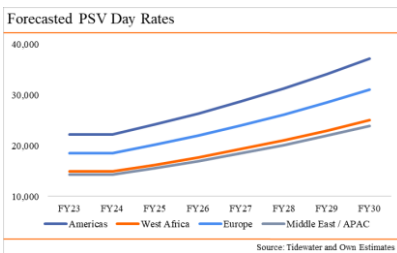
Valuation

Revenue Forecast

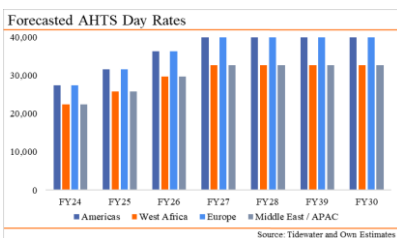
The revenue of an OSV company is the product of three components: the average day rate, the average number of vessels, and the average utilization rate. The average day rate and utilization rates are factors sensitive to overall supply and demand in the market. One of Tidewater's advantages is its flexible fleet, which allows it to respond effectively to high and low-demand scenarios by reallocating vessels as needed. This helps to maximize utilization even during downturns when day rates are low or to maintain higher rates in a tight supply market.



Graph 23.



Graph 24.



Graph 25.

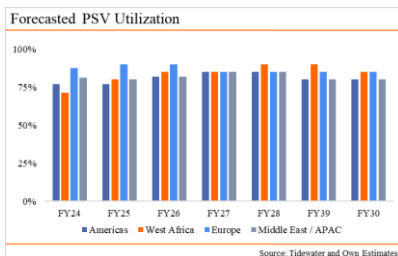
The day-rate estimates are informed by data from brokers, long-term contracts available on S&P Marine Base, particularly in high-demand regions such as Europe and North America, historical average day rates disclosed by Tidewater, and a wider market analysis on offshore activity. The forecast is split into regions and vessel types to account for the different demand and supply dynamics in the various regions and to allow the rates between the vessel types to fluctuate independently. This is crucial to distinguish as PSVs generally operate on long-term contracts while AHTS vessels are project-based, making prices more volatile and, hence, harder to forecast. The starting point for the PSV forecast is the average FY23 day rates disclosed by Tidewater. For AHTS, there is a lack of data, and the price fluctuations are much greater, resulting in a more

arbitrary starting point. After consulting ship brokers, our starting point is 22,500 and 27,500, depending on the region.

PSV Day Rates Forecast

As of July 2024, day rates for a large PSV lie between \$20,000 and \$27,000, with contracts upwards of 29,000 in 2027, indicating that the market is prepared to pay significantly more for large PSV going forward compared to historically. Assuming these contracts are a good proxy for the broader market and the indication of a tight market holds, we estimate a CAGR₂₄₋₃₀ of 9.5% across the regions for PSVs, which puts our forecasted day rates approximately in line with the observed rates from S&P Global for the respective years with disclosed prices. We further assume that the positive trends in rates will continue with the tightening of the market, which puts the rates between 25,000 in West Africa and 36,000 in the Americas.

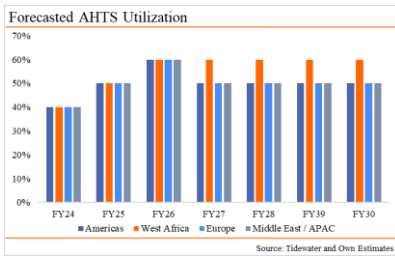
Utilization is largely based on historical data disclosed by Tidewater, with the starting point for FY24 set at the latest reported level by Tidewater. As the Middle East and Asia were previously reported as one segment, we have decided to maintain that structure and have calculated the day rates and utilization as a weighted average of the two regions. Utilization is assumed to increase across the regions, with levels approaching 90% utilization in FY28 in line with the expected peak of oil around 2028 and stabilizing around 80%. The usage of the PSV will not decline, along with the oil demand, as the vessels are becoming increasingly important for wind farms, which serve as a hedge for the OSV market.



Graph 26.

AHTS Day Rates Forecast

For Anchor Handlers, primarily contracted for short-term, one-time operations like rig placement or removal, changes in day rates are close to instantaneous. We expect them to rise by 15% per annum in 2024 and 2025 and then by an additional 10% in 2026 to meet the increased demand for rig setups driven by looser policies around offshore drilling with a US



Graph 27.

President hawkish on oil and gas. The new administration will likely soften requirements around environmental approvals and timelines to transition away from fossil fuels. Hence, demand for AHTS vessels is likely to rise quickly and sharply. We expect day rates to peak at \$40,000 in the Americas and Europe in FY27 and \$33,000 in West Africa, the Middle East, and Asia in the same period.



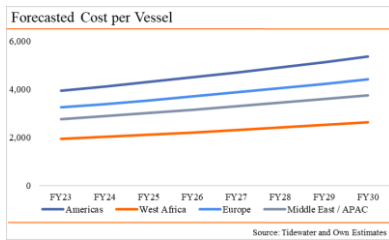
Graph 28.

As there is a shortage of data on AHTS, the starting point for the utilization rate is based on consultation with brokers and is set to 40% across the regions. After that, the utilization rate is expected to spike with the change in US administration as background. A high activity level in West Africa is expected to drag out the demand for AHTS vessels, and the rate is forecasted to remain at 60%. In comparison, the rest of the regions stabilize at 50%. Total revenue for AHTS is largely driven by utilization, as volatility here is usually greater than day rates. We assume that Tidewater can exploit the tight market by reallocating its vessels between regions and maintaining high utilization across the regions, resulting in a revenue CAGR₂₄₋₃₀ of 11.7% for the segment.

In total, we forecast an ~9% revenue CAGR₂₄₋₃₀.

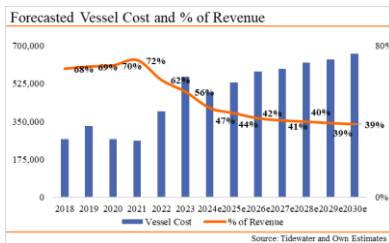
Operating Expenses (OpEx) Forecast

Tidewater has shown capability in managing operating costs within the OSV industry, which is characterized by high expenses and operational challenges. Vessel operating costs, comprising crew wages, repairs and maintenance, fuel, lubrication, supplies, and insurance, are closely tied to fleet size and activity, making these costs difficult to reduce. However, Tidewater has achieved significant efficiency gains, improving its gross margin from 32% in 2018 to 44% in 2023 - an increase of 37.5% - reflecting the advantage of operating a younger, more fuel-efficient fleet. A younger fleet has provided Tidewater with lower repair and maintenance requirements, but their costs per vessel are steadily rising due to inflation and higher utilization. Operating costs increased significantly



Graph 29.

in 2023 when Tidewater bought 37 vessels from Solstad Offshore ASA. The line items Vessel Operating Costs went from \$397mm in 2022 to \$556mm in FY23, an increase of ~40%. However, the cost per vessel has only increased from \$2.2mm to \$2.5mm in FY23, an increase of only ~15%, underscoring Tidewater's efficiency in managing expenses amidst fleet growth. Over the period from FY18 to FY23, the total vessel operating cost increased by 106.4%, translating into a CAGR₁₈₋₂₃ of 15.6%, reflecting the compounding effects of fleet growth, inflation, and rising labor costs



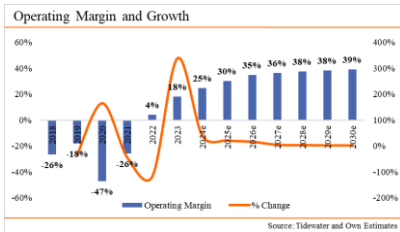
Graph 30.

Labor market pressures further increase costs, with skilled mariners commanding premium wages. Crew sizes vary by vessel, with large PSVs requiring up to 12 crew members, while smaller vessels can operate with as few as 4 - 6 crew members, making them cost-effective in competitive markets (Sanchez, 2023). In regions like Brazil, crew costs account for 60 - 70% of total vessel operating expenses, driven by large AHTS and PSVs that dominate the market. These higher-cost regions contrast with areas like the Middle East, where lower crew wages can reduce operating costs by as much as 50%. However, higher costs in other regions often offset these regional advantages, especially in Australia, where operational demands are greater and require specialized crew.

Looking ahead, we assume Tidewater's operating costs will increase at an annual rate of 4.5%, driven by inflation and increased personnel expenses. While average global inflation has remained around 2.8% over the past decade, we assume the offshore sector will experience higher cost increases due to industry-specific factors, including a shortage of skilled personnel and the challenges of securing high-quality crews. Our assumption of no acquisitions in the foreseeable future will also mitigate the costs associated with buying older vessels and allow for a more predictable cost in the forecast period.

Financial Health

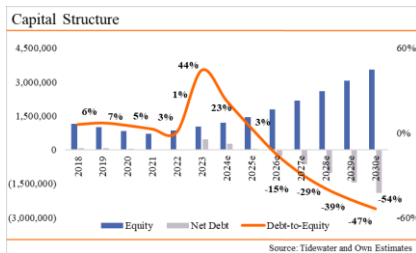
Operating Margin



Graph 31.

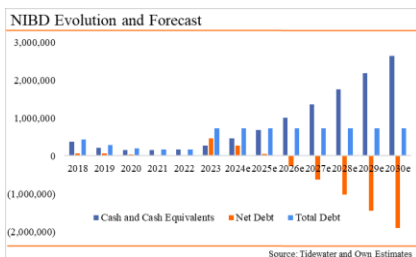
We forecast a significant improvement in operating margins over the coming years. However, we assume that Tidewater will trend toward a steady yet challenging situation, reaching a 39% operating margin by 2030. Technological advancements and industry scaling primarily drive this improvement to meet increasing demand in a tight market. In the offshore sector, revenue increases lead to proportional cost increases, such as higher fuel costs, vessel maintenance, and labor expenses. All these factors are incorporated into our forecast, allowing us to view the operating margin development positively. We see Tidewater stabilizing its operating margin much higher than previously.

Capital Structure and Dividend Policy



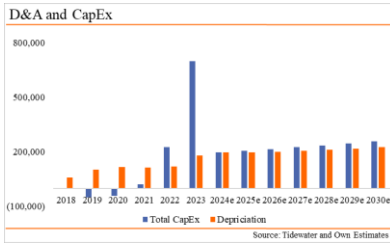
Graph 32.

Tidewater's capital structure has significantly improved, particularly following its restructuring efforts. The company's equity position has strengthened, growing from \$1.1bn in 2018 to a projected \$3.5 by 2030. Net debt peaked at \$460m in 2023 and is forecasted to turn negative, reaching -\$1.9bn by 2030. This indicates a strong liquidity position, supported by rising cash reserves, expected to exceed \$2.7bn by 2030. Notably, Tidewater stopped paying dividends in 2016 during its restructuring. However, given the significant improvement in cash levels, the dividend policy may return. We did not forecast dividends because we assume the company will prioritize strengthening its balance sheet in order to build trust with the markets after its recent Chapter 11. This leads to an improvement in debt-to-equity ratio, going from 44% in 2023 to a projected -56% in 2030.



Graph 33.

Capital Expenditures (CapEx)

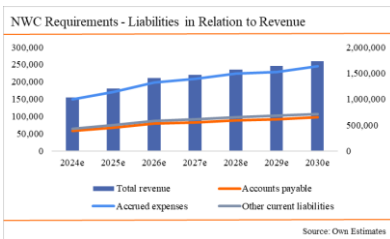


Graph 34.

Tidewater operates in a capital-intensive industry, requiring significant investments to maintain and optimize its fleet. Following substantial acquisitions in FY22 and FY23, we assume the company's CapEx will focus entirely on maintenance rather than growth through FY30. Maintenance/sustaining CapEx is projected to grow with the inflation target of 2.1% plus a premium of 2.4% to incorporate potential purchases of new vessels. We assume that Tidewater will maintain its current average fleet size of 215 vessels which requires significant CapEx, hence we have modelled in the premium of 2.4% to allow for a conservative but flexible acquisition strategy. As we assume the fleet average to remain constant going forward, acquisitions and scapping of vessels will occur at the same year resulting in a constant average fleet size.

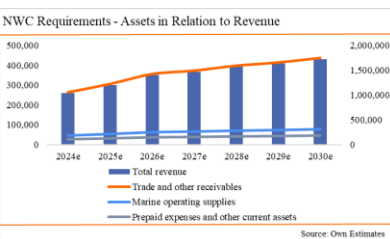
Net Working Capital (NWC) Requirements

Since important asset and liability elements vary in proportion to operational activity, Tidewater's NWC requirements directly correlate with revenue growth. As revenue increases, we assume that accounts payable, accrued expenses, and other current liabilities will also increase, reflecting increased operational growth costs. On the asset side, we anticipate that trade and other receivables, marine operating supplies, and prepaid expenses and other current assets will increase in line with revenue, providing sufficient capital to sustain continuous operations.



Graph 35.

Non-operational and non-recurring items, like assets held for sale and due to/from affiliates, are not included in the calculation for simplicity reasons because they have stayed at zero since 2021, and we assume they will have no significant impact on working capital throughout the forecast period. With an expected rise in average day rate and fleet utilization, a major driver of NWC, trade and other receivables, is predicted to stabilize at 25% of total income. We assume NWC (excluding excess cash) will stay negative until 2025 and then turn positive.



Graph 36.

Free Cash Flow (FCF)

The cash flow growth for Tidewater in the coming years is driven by three key factors: business growth, operating margin improvement and reduced investment intensity. Total revenue is projected to grow significantly from \$1bn in FY23 to \$1.7bn by FY30, reflecting high demand in a tight market. Operating margins are also set to improve, with EBITDA increasing from \$362m in FY23 to \$904m in FY30. Additionally, CapEx which peaked at \$699m in FY23, are expected to stabilize at \$257m in FY30. This is reflected in an improvement in FCF from \$186m in FY23 to a projected \$462m in FY30, showing the companys ability to convert its investments into sustainable long-term financial growth.

Cost of Equity

The cost of equity was derived using the capital asset pricing model (CAPM), which shows the relationship between a security's expected risk premium and its systematic risk (beta). The risk-free rate was selected as the yield on a 10-year zero-coupon bond issued by the US central bank, currently at 4.45% as of November 6th, 2024 (Finansavisen, 2024). To estimate beta, the historical relationship between Tidewater's weekly stock prices and the NYSE index was regressed based on five years, yielding a raw Beta of 1.7. Since Betas tend to move toward market averages over time, we adjusted to 1.48, which suggests that Tidewaters stock is more volatile than the market (Blume, 1979, pp. 785-786). The market risk premium, representing the additional return investors require for taking on risk, was estimated at 5.50% based on historical data for the US market (Statista, 2024). Ultimately, we estimated an expected cost of equity (r_E) of 12.58% each year.

Beta Calculations	
Variance NYSE (% Chg)	0.08%
Covariance (% Chg)	0.14%
Beta	1.7
Beta	1.7
Adjusted Beta	1.48

Adjusted to approach the market, i.e. beta of 1

Table 5.

Cost of Equity	
Risk-free rate	4.45%
Adj. Beta	1.48
Market Risk Premi	5.50%
Cost of Equity	12.58%

Table 6.

Cost of Debt

To compute Tidewater's cost of debt (r_D), the risk-free rate was summed with the default spread found from the interest coverage ratio (ICR) to get the pre-tax cost of debt, as suggested by Damodaran (2012, pp. 236-237). The ICR for Tidewater is calculated to be 376% in 2023, making a spread of 1.60%. This led us to an r_D of 6.05%.

Interest Coverage Ratio	Rating	Default Spread
More than 12.5x	AAA	0.50%
9.5 - 12.5	AA	0.65%
7.5 - 9.5	A+	0.85%
6.0 - 7.5	A	1.00%
4.5 - 6.0	A-	1.10%
3.5 - 4.5	BBB	1.60%
3.0 - 3.5	BB	3.35%
2.5 - 3.0	B+	3.75%
2.0 - 2.5	B	5.00%
1.5 - 2.0	B-	5.25%
1.25 - 1.5	CCC	8.00%
0.8 - 1.25	CC	10.00%
0.5 - 0.8	C	12.00%
Less than 0.5	D	15.00%

Source: Damodaran

Table 7.

Cost of Operating Leases

Operating leases, which are primarily office space, temporary residences, automobiles, and office equipment, are a small part of Tidewater's total debt. We consider them insignificant as they only represent 1% of total debt. Therefore, weighted average cost of capital (WACC) will not include the expected cost of operating leases (r_{OL}) separately from the expected cost of debt as it does not add any material benefits to the cost analysis.

WACC

Assuming the US Senate will not approve Trump's proposal to decrease the corporate tax rate to 15%, the marginal tax rate is 21% for the whole forecast period. Secondly, the weight of equity and debt is calculated as 77% and 23%, respectively, and we assume Tidewater will continue with the same proportion. The WACC is estimated to be 10.80% for the entire forecast period.

Discounted Cash Flow Model (DCF)

To determine Tidewater's equity value as of December 31st, 2025, we started with the enterprise value derived from the sum of discounted Free Cash Flows to the firm and the discounted terminal value, totaling \$5.45bn. From this, we deduct net interest-bearing debt (NIBD), which includes total debt adjusted for excess cash, and also account for pension liabilities and the fair value of right-of-use leases. This calculation results in an equity value of \$5.14bn. After adjusting for noncontrolling interests and the equity attributable to Tidewater shareholders and dividing by the shares outstanding, we estimate a price per share of \$98.2.

Cost of Debt	
Risk-free rate	4.45%
Default Spread	1.60%
Cost of Debt	6.05%

Table 8.

WACC	
Total Debt	734,438,000
Total Equity	2,479,720,000
E/V	77%
D/V	23%
Tax rate	21.00%
Cost of Debt	6.05%
Cost of Equity	12.58%
WACC after tax	10.80%

Table 9.

Sum of Discounted FCFF	1,613,809
Discounted Terminal Value	3,610,703
Enterprise value	5,224,512
Total interest bearing debt	734,438
Excess Cash	675,086
NIBD	59,352
Pension Liabilities	21,612
Fair value Right-of-use leases	2,404
Equity Value	5,141,144
Noncontrolling interests	(2,260)
Equity Attributable to TDW	5,138,884
Shares outstanding	52,322
Estimated Share price	98.2

Table 10.

Terminal Value

US Annual Inflation rate	
2014	0.80%
2015	0.70%
2016	2.10%
2017	2.10%
2018	1.90%
2019	2.30%
2020	1.40%
2021	7.00%
2022	6.50%
2023	3.40%
2024	2.60%
Average	2.80%
Median	2.10%

Source: Investopedia

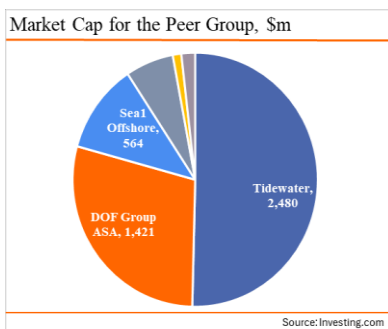
Table 11.

The forecasting period for Tidewater extends until 2030, after which a terminal value is calculated using a constant growth rate assumption. According to Damodaran (2012, p. 353), mature companies typically converge towards a sustainable growth rate aligned with the broader economy, justifying a perpetual growth rate for terminal value calculations. Based on the historical United States median inflation rate from 2014 to 2024, we determined a growth rate of 2.1%.

While Tidewater operates primarily in the oil and gas industry, traditionally viewed as finite and non-aligned with perpetuity formulas – its fleet is versatile. It can be adapted to support the growing renewable energy sector. This adaptability ensures Tidewater's business model aligns with a perpetual framework, as its assets remain relevant across evolving energy markets. Thus, applying a terminal value based on perpetual growth is justified, reflecting Tidewater's potential to sustain operations and revenue streams well into the future.

Comparable Company Analysis

As Tidewater operates in a niche market with high competition, a small but precise group of competitors emerges. Although size varies significantly - with Tidewater being the largest - the business models are nearly identical, where revenue is earned through contracting out their fleet in return for a floating or pre-determined day rate. The peers also operate internationally and compete in the same markets. The peer groups used for the valuation are DOF Group ASA, Sea1 Offshore, Solstad Offshore, Golden Energy Offshore, and Eidsvik Offshore, mentioned in descending market cap size. We based the valuation on four multiples: EV/Revenue, EV/EBITDA, EV/EBIT, and Price/Earnings. However, P/E had to be excluded due to low Net Income in the peer group, which resulted in a negative average and a skewed median, making TDW look overvalued compared to its peers only because it reports positive net



Graph 37.

Company	M Cap \$m
Tidewater	2,480
DOF Group ASA	1,421
Sea1 Offshore	564
Solstad Offshore ASA	312
Golden Energy Offshore Services	56
Eidsvik Offshore	89

Table 12.

income. P/E is generally not used for the offshore market as cyclicality is heavily impacting results, meaning that it should be excluded regardless.

Multiple	EV/Revenue	EV/EBITDA	EV/EBIT
TDW	3x	8x	16x
75th	6x	9x	11x
Average	4x	8x	10x
Median	4x	7x	10x
25th	3x	6x	9x

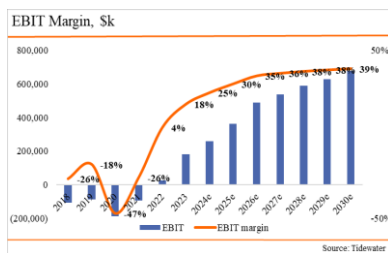
Table 13.

Based on a Comparable Company Analysis, we reached an EV/Revenue range of 6x to 3x, EV/EBITDA of 9x to 6x, and EV/EBIT of 11x to 9x using the 75th to 25th quartiles. As no outliers skew the multiples, and the peer group is small, we deemed the average multiple more accurate than the median.

Implied Price \$	EV/Revenue	EV/EBITDA	EV/EBIT
TDW	47	47	47
75th	99	51	29
Average	73	47	27
Median	61	41	25
25th	45	30	23

Table 14.

As the OSV market was heavily hit by the oil crash ten years ago and the firms have struggled with cashflow and profitability since then, we believe it is equally important to assess value based on revenue, EBITDA and EBIT multiples. However, the base of the comps valuation will be EV/EBIT as this multiple captures the significant capex needs in the OSV market. Additionally, we have modelled a maintenance capex schedule equal to D&A which strengthens the arguments for why this metric should be the base of the comps. TDW is trading at 3x Revenue, 8x EBITDA and 16x EBIT while the peers average is 4x, 8x and 10x respectively which yields an implied stock price range of \$27 to \$73 with the base being \$27 as that is the value received from EV/EBIT.



Graph 38.

Looking at TDW's historical EBIT and EBITDA margin and connecting this to Chapter 11, we draw comfort from the fact that margins have drastically improved from negative 26% in 2021 to positive 18% for EBIT in 2023. We forecast a further improvement to 25% in 2024, which is closely in line with the run rate. This means, ceteris paribus that TDW should be valued in the higher parts of the range.

Sensitivity Analysis

When sensitivity testing the model, we focused on WACC, its components, and the terminal growth rate. Both factors are subject to high volatility, as the outcome of the new Trump Administration could result in tariffs and potentially trade wars that would slow down GDP growth and an escalation in the Middle East that would push up the cost of capital significantly in that region.

Sensitivity Analysis - WACC and Terminal Growth								
		WACC						
		9.9%	10.2%	10.5%	10.8%	11.1%	11.4%	11.7%
Growth rate	1.8%	106.9	102.9	99.2	95.7	92.5	89.4	86.5
	1.9%	108.0	103.9	100.1	96.5	93.2	90.1	87.2
	2.0%	109.0	104.9	101.0	97.4	94.0	90.8	87.9
	2.1%	110.1	105.9	101.9	98.2	94.8	91.6	88.5
	2.2%	111.3	106.9	102.8	99.1	95.6	92.3	89.2
	2.3%	112.4	108.0	103.8	100.0	96.4	93.1	89.9
	2.4%	113.6	109.0	104.8	100.9	97.2	93.8	90.7

Table 15.

The stock price varies significantly by varying WACC between 9.9% and 11.7%, and the terminal growth rate from 1.8% to 2.4%. For instance, at a 2.1% growth rate - the 10-year median inflation rate - the value ranges from \$110.1 when WACC is at its lowest (9.9%) to \$88.5 when WACC is at its highest (11.7%). This particular sensitivity could play out if Trump's tariffs do not result in a trade war but if the Middle East conflict escalates, resulting in a higher cost of capital. This highlights the importance of precise assumptions, as even small changes in these variables will substantially impact valuation.

Sensitivity Analysis - Cost of Equity								
		Market Risk Premium						
		4.8%	5.0%	5.3%	5.5%	5.8%	6.0%	6.3%
Risk-free Rate	5.7%	12.7%	13.0%	13.4%	13.8%	14.1%	14.5%	14.9%
	5.3%	12.3%	12.6%	13.0%	13.4%	13.7%	14.1%	14.5%
	4.9%	11.9%	12.2%	12.6%	13.0%	13.3%	13.7%	14.1%
	4.5%	11.5%	11.8%	12.2%	12.6%	12.9%	13.3%	13.7%
	4.1%	11.1%	11.4%	11.8%	12.2%	12.5%	12.9%	13.3%
	3.7%	10.7%	11.0%	11.4%	11.8%	12.1%	12.5%	12.9%
	3.3%	10.3%	10.6%	11.0%	11.4%	11.7%	12.1%	12.5%

Table 16.

Sensitivity Analysis - WACC									
		Re							
		10.8%	11.7%	12.0%	12.3%	12.6%	12.9%	13.2%	13.5%
Rd	5.8%	10.3%	10.5%	10.5%	10.7%	11.0%	11.2%	11.4%	
	5.9%	10.1%	10.3%	10.5%	10.8%	11.0%	11.2%	11.5%	
	6.0%	10.1%	10.3%	10.5%	10.8%	11.0%	11.2%	11.5%	
	6.1%	10.1%	10.3%	10.6%	10.8%	11.0%	11.3%	11.5%	
	6.2%	10.1%	10.4%	10.6%	10.8%	11.0%	11.3%	11.5%	
	6.3%	10.1%	10.4%	10.6%	10.8%	11.1%	11.3%	11.5%	
	6.4%	10.2%	10.4%	10.6%	10.9%	11.1%	11.3%	11.5%	

Table 17.

Looking closer at the WACC, which is more volatile than the terminal growth rate and currently exacerbated by the wars in the Middle East, it is particularly important to assess its impact on the stock price. As Tidewater has USD-denominated debt, its r_D should not be impacted. Still, since it operates in the Middle East, this could fluctuate, causing a material impact on the stock price. For instance, if r_E increases by 30 bps, the stock price would fall to \$94.9, while a 110 bps increase would depress the price below \$90.

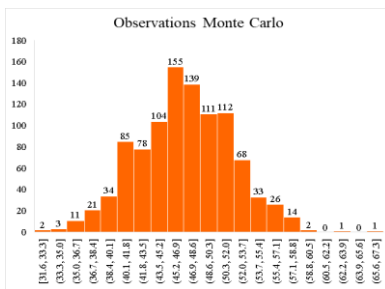
Key Figures Monte Carlo

Mean Price	47.1
Median Price	47.0
Max	67.3
75th	50.5
25th	43.8
Min	31.6
Standard Deviation	4.8
Skewness	0.0
Kurtosis	0.1

Table 18.

Monte Carlo Simulation

A Monte Carlo simulation was conducted to assess potential risks and predict Tidewater's share price movements over time, leveraging scenario analysis as outlined by Damodaran (2012, p. 934). By estimating a random starting value based on current volatility and the share price as of December 6, 2024, a 252-day drift was modeled, simulating one trading year. This simulation generated 1,000 unique drifts. The results reveal that the mean simulated price is \$47.1, with a median price of \$47.0, suggesting a balanced distribution around this central value.

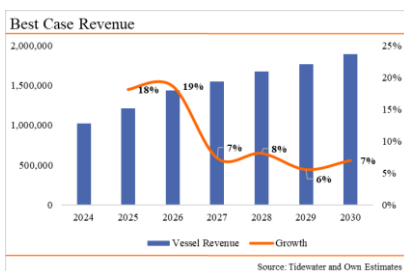


Graph 39.

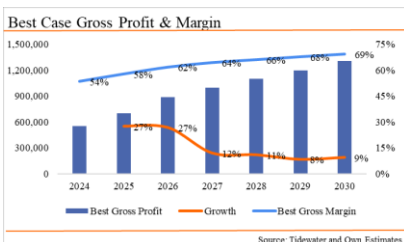
Scenario Analysis

Best-Case Scenario

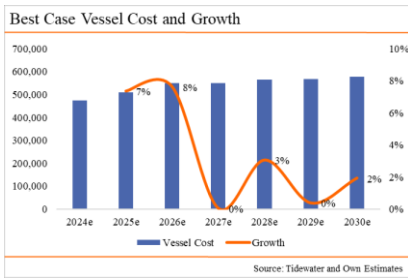
In our best-case scenario, we incorporate several key assumptions that differ from our base case, reflecting a more favorable outlook for Tidewater. The main changes include reducing the corporate tax rate to 15%, aligned with potential policy changes such as Trump's administration's support for lower taxes. As a US-based company, this reduced tax burden is assumed to continue for at least the next four years, boosting cash flows and slightly adjusting the WACC to 10.88% (from 10.80% in the base case). Additionally, we have increased the terminal growth rate to 2.3% (from 2.1% in the base case), suggesting that the global economy will grow faster than inflation.



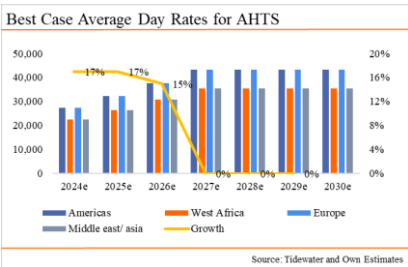
Graph 40.



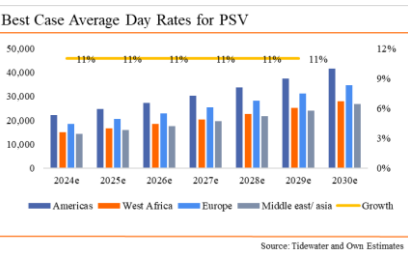
Graph 41.



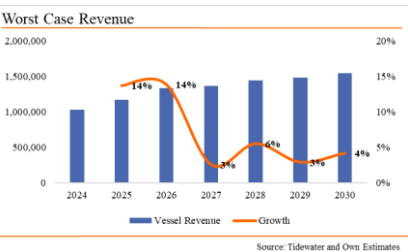
Graph 42.



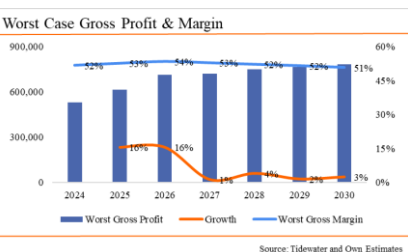
Graph 43.



Graph 44.



Graph 45.



Graph 46.

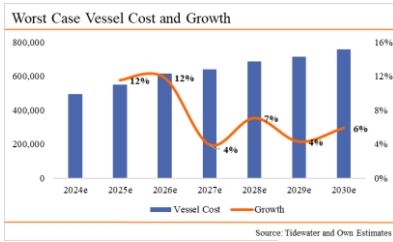
We assume that utilization rates are steady and keep them the same as in our base case. Since activity relies heavily on geopolitics changes, the outlook for future use is relatively stable. We assume the tight market will remain, and we project that there will be no significant changes soon. We anticipate that vessel operating expenses will rise by 2.5% (down from 4.5% in the base case). This reduction is driven by the potential of higher access to specialized crew, which will increase productivity and lower labor costs. The increase of 2.5% is therefore assumed to be inflation, including some other operating expenses.

Additionally, we anticipate that day rates will rise, boosting the company's earnings. The improvement reflects the ongoing shortage of vessels, the growing demand pushed by traditional energy markets, and the growth of renewable energy sources. We assume Tidewater will achieve greater long-term profitability with improved tax and cost dynamics and higher day rates.

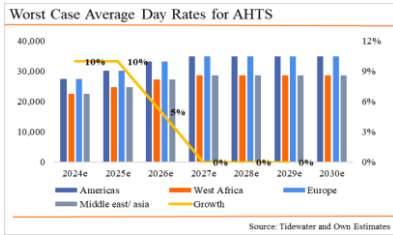
Worst-Case Scenario

In our "worst-case" scenario, we incorporate several unfavorable assumptions to reflect potential global economic challenges that would significantly impact Tidewater operations and financial performance. This scenario assumes an increase in WACC to 11.11%, up from 10.80% in the base case, driven by heightened economic risks, including an increase in Tidewater's cost of debt. This increase is due to a rise in the default spread from 1.60% in the base case to 3.35%, reflecting a weaker interest coverage ratio (ICR) caused by declining EBIT as revenue falls and costs rise. Additionally, the terminal growth rate is revised downward to 1.1% (from 2.1% in the base case), reflecting a stagnating economy under restrictive trade policies and reduced global trade.

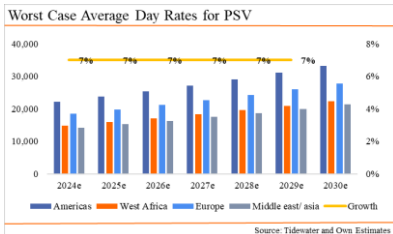
This scenario assumes that Trump imposes extensive tariffs, leading to a global economic slowdown and a significant reduction in trade volumes. Based on the assumption that average day rates will decline, Tidewater's



Graph 47.



Graph 48.



Graph 49.

revenue will decrease. Simultaneously, vessel operating costs are expected to grow by 6.5% annually, driven by a labor shortage that increases personnel costs. Inflationary pressures on maintenance and other operational expenses compound this.

Although the tax rate remains unchanged at 21%, the combined effect of lower revenue growth, higher operating costs, and increased financial risk leads to a sharp decrease in profitability. The rising cost of debt further constrains Tidewater's financial flexibility, making it more challenging to fund investments. Consequently, this scenario's implied price per share is reduced to \$59.

Altman Z-Score

Tidewater's financial stability was evaluated using the Altman Z-Score model. Altman developed the model in 1968 and analyses key ratios like working capital, net sales, and the market value of equity, all divided by total assets or liabilities. It has proven to be a reliable model for determining a company's risk of insolvency over time (Altman et al., 1977, pp. 12-13). Tidewater's score is 2.3, which means they are in the grey zone, considered stable. However, the model does not forecast future performance because it depends on historical data. Even though it is valuable in the valuation, it is not the only factor in determining the ending stock price.

Z-Score	Zone
$Z < 1.81$	Distress Zone
$1.82 \leq Z \leq 2.99$	Grey Zone
$Z > 2.99$	Safe Zone

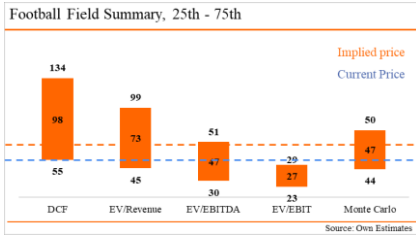
Table 19.

Final Recommendation

Our final recommendation is based on the DCF, Relative Valuation, and a Monto Carlo Simulation, where a weight is assigned to each method based on what we believe is the best predictor of the fair value for Tidewater. The DCF followed by the EV/EBIT multiple is considered the strongest predictor of fair value because both methods capture the significant CapEx needs in the OSV market. We do not expect Tidewater to pay any dividends soon. Hence, the shareholder value is derived from capital gains alone, where an upside of ~42% is likely to materialize within the next twelve months. Therefore, we recommend to **BUY** Tidewater with a target price of **\$67.5** as of EoY 2025.

Method	Weight	Price
DCF	45%	44
EV/EBIT	25%	7
EV/Revenue	10%	7
EV/EBITDA	10%	5
Monte Carlo	10%	5
Implied Price	100%	67.5

Table 20.



Graph 50.

Appendix

Forecasted Income Statement

TIDEWATER INC.

CONSOLIDATED STATEMENT OF OPERATIONS

(in Thousands, except share and per value data)

December	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e
Revenues:													
Vessel revenues	397,206	477,015	386,174	361,569	641,404	990,993	1,026,203	1,193,084	1,392,662	1,461,111	1,560,303	1,626,194	1,716,699
Growth		20%	-19%	-6%	77%	56%	2%	16%	17%	5%	7%	4%	6%
Other operating revenues	9,314	9,534	10,864	9,464	6,280	10,992	10,992	10,992	10,992	10,992	10,992	10,992	10,992
Constant, no correlation with vessel revenue		2%	14%	-13%	-34%	75%	0%	0%	0%	0%	0%	0%	0%
Total revenue	406,520	486,549	397,038	371,033	647,684	1,009,985	1,037,195	1,204,076	1,403,654	1,472,103	1,571,295	1,637,186	1,727,691
Check	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
Costs and expenses:													
Vessel operating costs	(269,580)	(329,196)	(268,780)	(261,814)	(397,301)	(556,515)	(484,493)	(530,300)	(581,895)	(593,524)	(623,610)	(638,200)	(663,230)
% of vessel revenues	68%	69%	70%	72%	62%	56%	47%	44%	42%	41%	40%	39%	39%
Costs of other operating revenues	(5,530)	(2,800)	(3,405)	(2,231)	(2,130)	(4,342)	(4,342)	(4,342)	(4,342)	(4,342)	(4,342)	(4,342)	(4,342)
Constant, no correlation with vessel revenue		1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%
General and administrative	(110,023)	(103,716)	(73,447)	(68,516)	(101,921)	(95,283)	(93,348)	(108,367)	(126,329)	(132,489)	(141,417)	(147,347)	(155,492)
% of Revenues	27%	21%	18%	18%	16%	9%	9%	9%	9%	9%	9%	9%	9%
Depreciation and amortization	(58,293)	(101,931)	(116,709)	(114,544)	(119,160)	(180,331)	(197,268)	(198,600)	(201,323)	(205,500)	(211,197)	(218,481)	(227,425)
% of Net Properties	5%	11%	15%	17%	15%	14%	15%	15%	15%	15%	15%	15%	15%
(Gain) loss on asset dispositions, net	10,624	2,263	7,591	(2,901)	250	8,701	0	0	0	0	0	0	0
Affiliate credit loss impairment expense	(20,083)		(52,981)	(400)			0	0	0	0	0	0	0
Affiliate guarantee obligation			(2,000)				0	0	0	0	0	0	0
Long-lived asset impairments and other	(61,132)	(37,373)	(74,109)	(15,643)	(714)		0	0	0	0	0	0	0
Total costs and expenses	(514,017)	(573,153)	(583,840)	(466,049)	(620,976)	(827,770)	(779,451)	(841,609)	(913,889)	(935,855)	(980,565)	(1,008,370)	(1,050,490)
Check	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
Operating income (loss)	(107,497)	(86,604)	(186,802)	(95,016)	26,708	182,215	257,744	362,468	489,765	536,248	590,730	628,816	677,202
Check	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
Other income (expense):													
Foreign exchange loss	106	(1,269)	(5,245)	(369)	(2,827)	(1,370)	0	0	0	0	0	0	0
Equity in net earnings (losses) of unconsolidated companies	(18,864)	(3,152)	164	(3,322)	(221)	39	0	0	0	0	0	0	0
Dividend income from unconsolidated company			17,150				0	0	0	0	0	0	0
Interest income and other, net	11,294	6,598	1,228	1,605	5,397	6,517	0	0	0	0	0	0	0
Loss on warrants					(14,175)		0	0	0	0	0	0	0
Loss on early extinguishment of debt	(8,119)			(11,000)			0	0	0	0	0	0	0
Interest and other debt costs, net	(30,439)	(29,068)	(24,156)	(15,583)	(17,189)	(48,472)	(51,411)	(51,411)	(51,411)	(51,411)	(51,411)	(51,411)	(51,411)
% of net debt \pm l		10%	12%	8%	8%	7%	7%	7%	7%	7%	7%	7%	7%
Total other expense	(46,022)	(26,891)	(10,859)	(28,769)	(29,015)	(43,286)	(51,411)	(51,411)	(51,411)	(51,411)	(51,411)	(51,411)	(51,411)
Check	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
Loss (Gain) before income taxes	(153,519)	(113,495)	(197,661)	(123,785)	(2,307)	138,929	206,334	311,057	438,354	484,837	539,319	577,405	635,791
Tax rate							21%	21%	21%	21%	21%	21%	21%
Income tax (benefit) expense	(18,252)	(27,724)	965	(5,875)	(19,886)	(43,308)	(43,330)	(65,322)	(92,054)	(101,816)	(113,257)	(121,255)	(131,416)
Net income (loss)	(171,771)	(141,219)	(196,696)	(129,660)	(22,193)	95,621	163,004	245,735	346,300	383,022	426,062	456,150	494,375
Less: Net losses attributable to noncontrolling interests	(254)	524	(454)	(691)	(444)	(1,564)	0	0	0	0	0	0	0
Net income (loss) attributable to Tidewater Inc.	(171,517)	(141,743)	(196,242)	(128,969)	(21,749)	97,185	163,004	245,735	346,300	383,022	426,062	456,150	494,375
Check	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
Basic income (loss) per common share	(6)	(4)	(5)	(3)	(0)	2	3	5	7	7	8	9	10
Diluted income (loss) per common share	(6)	(4)	(5)	(3)	(0)	2	3	5	7	7	8	9	9
Weighted average common shares outstanding	26,590	38,205	40,355	41,009	44,132	51,591	51,591	51,591	51,591	51,591	51,591	51,591	51,591
Dilutive effect of warrants, restricted stock units and stock options	0	0	0	0	0	(1,346)	(1,346)	(1,346)	(1,346)	(1,346)	(1,346)	(1,346)	(1,346)
Adjusted weighted average common shares	26,590	38,205	40,355	41,009	44,132	52,937	52,937	52,937	52,937	52,937	52,937	52,937	52,937

Forecast Cash Flow Statement

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in Thousands)

December	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e
Operating activities:													
Net loss	(171,771)	(141,219)	(196,696)	(129,660)	(22,193)	95,621	163,004	245,735	346,300	383,022	426,062	456,150	494,375
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:													
Depreciation and amortization	51,332	77,045	73,030	73,223	83,522	128,777	197,268	198,600	201,323	205,500	211,197	218,481	227,425
Amortization of deferred drydocking and survey costs	6,961	24,886	43,679	41,321	35,638	51,554	0	0	0	0	0	0	0
Amortization of debt premiums and discounts	(1,856)	(4,877)	3,961	3,171	1,679	4,619	0	0	0	0	0	0	0
Amortization of below market contracts	-	-	-	-	-	(3,800)	0	0	0	0	0	0	0
Provision (benefit) for deferred income taxes	572	672	1,224	(1,287)	36	92	0	0	0	0	0	0	0
(Gain) loss on asset dispositions, net	(10,624)	(2,263)	(7,591)	2,901	(250)	(8,701)	0	0	0	0	0	0	0
Gain on pension settlements	-	-	-	-	-	(2,313)	0	0	0	0	0	0	0
Impairment of due from affiliate	20,083	-	-	-	-	-	0	0	0	0	0	0	0
Gain on bargain purchase	-	-	-	-	(1,300)	-	0	0	0	0	0	0	0
Affiliate credit loss impairment expense	-	-	52,981	400	-	-	0	0	0	0	0	0	0
Affiliate guarantee obligation	-	-	2,000	-	-	-	0	0	0	0	0	0	0
Long-lived asset impairments and other	61,132	37,773	74,109	15,643	714	-	0	0	0	0	0	0	0
Loss on warrants	-	-	-	-	14,175	-	0	0	0	0	0	0	0
Loss on debt extinguishment	8,119	-	-	11,100	-	-	0	0	0	0	0	0	0
Changes in investments in unconsolidated companies	28,177	1,039	-	-	-	-	0	0	0	0	0	0	0
Stock-based compensation expense	13,406	19,603	5,117	5,638	7,372	10,755	0	0	0	0	0	0	0
Changes in operating assets and liabilities, net:													
Trade and other receivables	9,088	1,086	(2,606)	26,120	(4,129)	(109,756)	4,865	(42,394)	(50,700)	(17,389)	(25,199)	(16,739)	(22,992)
Due to/from affiliate, net	28,644	22,193	11,949	(123)	(20)	-	0	0	0	0	0	0	0
Marine operating supplies	(1,955)	2,425	2,588	1,365	(14,611)	1,984	(14,858)	(7,529)	(9,004)	(3,088)	(4,475)	(2,973)	(4,083)
Prepaid expenses and other current assets	10,893	(4,120)	4,264	2,961	(4,899)	5,813	(12,886)	(4,514)	(5,399)	(1,852)	(2,683)	(1,782)	(2,448)
Accounts payable	(15,174)	(4,438)	(10,520)	3,807	16,481	5,985	13,585	9,415	11,260	3,862	5,596	3,717	5,106
Accrued expenses	(13,248)	8,189	(17,551)	(68)	(1,340)	20,072	33,559	22,356	26,169	11,797	14,864	3,910	16,955
Other current liabilities	1,332	3,008	8,685	(8,920)	(55)	809	9,500	10,399	12,437	4,365	6,181	4,106	5,640
Other liabilities	(2,023)	1,270	(20,002)	(6,849)	(10,930)	(740)	0	0	0	0	0	0	0
Deferred drydocking and survey costs	(25,968)	(70,437)	(33,271)	(27,282)	(56,000)	(97,378)	0	0	0	0	0	0	0
Other, net	6,921	(3,258)	8,636	2,165	(3,164)	1,312	0	0	0	0	0	0	0
Net cash provided by operating activities	3,941	(31,423)	3,986	15,006	40,226	104,705	384,036	432,067	532,385	586,118	631,543	664,871	719,978
Check	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE							
Cash flows from investing activities:													
Proceeds from sales of assets	46,115	28,847	38,296	34,010	13,568	15,506	0	0	0	0	0	0	0
Acquisitions, net of cash acquired	-	-	-	-	(20,740)	(594,191)	0	0	0	0	0	0	0
Cash and cash equivalents from stock-based merger	43,806	-	-	-	-	-	0	0	0	0	0	0	0
Additions to properties and equipment	(21,391)	(17,998)	(14,900)	(8,951)	(16,637)	(31,588)	(197,268)	(206,145)	(215,422)	(225,116)	(235,246)	(245,832)	(256,895)
Net cash provided by (used in) investing activities	68,530	10,849	23,396	25,059	(23,809)	(610,273)	(197,268)	(206,145)	(215,422)	(225,116)	(235,246)	(245,832)	(256,895)
Check	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE							
Cash flows from financing activities:													
Exercise of warrants	-	-	-	-	187,832	111,483	0	0	0	0	0	0	0
Proceeds from stock offering	-	-	-	-	(187,832)	-	0	0	0	0	0	0	0
Repurchase of SPO acquisition warrants	-	-	-	-	-	(187,832)	0	0	0	0	0	0	0
Issuance of long-term debt	-	-	-	172,375	-	575,000	0	0	0	0	0	0	0
Principal payments on long-term debt	(105,169)	(133,693)	(98,080)	(198,918)	-	(13,677)	0	0	0	0	0	0	0
Purchase of common stock	-	-	-	-	-	(35,025)	0	0	0	0	0	0	0
Acquisition of non-controlling interest in a majority owned subsidiary	-	-	-	-	-	(1,427)	0	0	0	0	0	0	0
Premium paid for redemption of secured notes	-	(11,402)	-	-	-	-	0	0	0	0	0	0	0
Cash payments to General Unsecured Creditors	(8,377)	-	-	-	-	-	0	0	0	0	0	0	0
Loss on debt extinguishment (premium)	(8,119)	-	-	(7,781)	-	-	0	0	0	0	0	0	0
Debt issuance and modification costs	-	-	-	(5,737)	(393)	(14,758)	0	0	0	0	0	0	0
Cash received from issuance of stock	3	-	-	-	-	(6,040)	0	0	0	0	0	0	0
Tax on share-based award	(4,400)	(4,467)	(828)	(953)	(2,323)	-	0	0	0	0	0	0	0
Dividend	-	-	-	-	-	-	0	0	0	0	0	0	0
Other	(2,000)	-	(857)	-	-	-	0	0	0	0	0	0	0
Net cash used in financing activities	(128,062)	(149,562)	(99,765)	(41,014)	(2,716)	615,556	0	0	0	0	0	0	0
Check	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE							
Net change in cash, cash equivalents and restricted cash	(55,591)	(170,136)	(72,383)	(949)	13,701	109,988	186,768	225,922	316,963	361,002	396,297	419,039	463,084
Cash, cash equivalents and restricted cash at beginning of period	453,335	397,744	227,608	155,225	154,276	167,977	277,965	464,733	690,655	1,007,618	1,368,620	1,764,917	2,183,955
Cash, cash equivalents and restricted cash at end of period	397,744	227,608	155,225	154,276	167,977	277,965	464,733	690,655	1,007,618	1,368,620	1,764,917	2,183,955	2,647,039
Check	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE							

Forecasted Balance Sheet

CONSOLIDATED BALANCE SHEETS
(in Thousands, except shares and par value data)

	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e
ASSETS													
Current assets:													
Cash and cash equivalents	371,791	218,290	149,933	149,037	164,192	274,437	461,205	687,127	1,004,090	1,365,092	1,761,389	2,180,427	2,643,511
Restricted cash	25,953	5,755	2,079	1,240	1,241	1,241	1,241	1,241	1,241	1,241	1,241	1,241	1,241
Trade and other receivables	111,266	110,180	112,623	86,503	156,465	268,352	263,487	305,881	356,582	373,970	399,169	415,908	438,900
% of revenues	27%	23%	28%	23%	24%	27%	25%	25%	25%	25%	25%	25%	25%
Due from affiliates	132,951	125,972	62,050	70,134		0	0	0	0	0	0	0	0
Marine operating supplies	29,505	21,856	15,876	12,606	30,830	31,933	46,791	54,320	63,323	66,411	70,886	73,859	77,942
% of revenues	7%	4%	4%	3%	5%	3%	5%	5%	5%	5%	5%	5%	5%
Assets held for sale	39,287	34,396	14,421	4,195	0	0	0	0	0	0	0	0	0
Prepaid expenses and other current assets	11,836	15,956	11,692	8,731	20,985	15,172	28,058	32,573	37,971	39,823	42,507	44,289	46,737
% of revenues	3%	3%	3%	2%	3%	2%	3%	3%	3%	3%	3%	3%	3%
Total current assets	683,302	537,296	388,649	342,672	377,908	591,135	800,782	1,081,142	1,463,208	1,846,538	2,275,191	2,715,724	3,208,331
Check	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE							
Investments in, at equity, and advances to unconsolidated companies	1,039												
Net properties and equipment	1,089,857	938,961	780,318	688,040	796,655	1,315,122	1,315,122	1,322,668	1,336,767	1,356,382	1,380,432	1,407,783	1,437,252
Deferred drydocking and survey costs	22,215	66,936	56,468	40,734	61,080	106,698	106,698	106,698	106,698	106,698	106,698	106,698	106,698
Indemnification assets					28,369	17,370	17,370	17,370	17,370	17,370	17,370	17,370	17,370
Other assets	31,326	36,335	25,742	24,334	33,644	32,449	32,449	32,449	32,449	32,449	32,449	32,449	32,449
Total assets	1,827,739	1,579,528	1,251,177	1,095,780	1,297,656	2,062,774	2,272,421	2,560,326	2,956,491	3,359,437	3,812,140	4,280,024	4,802,100
Check	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE							
LIABILITIES AND STOCKHOLDERS EQUITY													
Current liabilities:													
Accounts payable	31,939	27,501	16,981	20,788	38,946	44,931	58,516	67,931	79,190	83,052	88,648	92,366	97,472
% of revenues	8%	6%	4%	6%	6%	4%	6%	6%	6%	6%	6%	6%	6%
Accrued expenses	61,784	74,000	52,422	51,734	105,518	125,590	149,149	171,505	197,673	209,471	224,335	228,245	245,200
% of revenues	15%	15%	13%	14%	16%	12%	14%	14%	14%	14%	14%	14%	14%
Due to affiliates	34,972	50,186	53,194	61,555		0	0	0	0	0	0	0	0
Short-term accrued property and liability losses	2,726					0	0	0	0	0	0	0	0
Current portion of long-term debt	8,568	9,890	27,797			103,077	103,077	103,077	103,077	103,077	103,077	103,077	103,077
Other current liabilities	18,366	24,100	32,785	23,865	50,323	55,133	64,633	75,032	87,469	91,734	97,915	102,021	107,661
% of revenues	5%	5%	8%	6%	8%	3%	6%	6%	6%	6%	6%	6%	6%
Total current liabilities	158,355	185,677	183,179	157,942	194,787	328,731	375,375	417,545	467,410	487,334	513,975	525,709	553,410
Check	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE							
Long-term debt	430,436	279,044	164,934	167,885	169,036	631,361	631,361	631,361	631,361	631,361	631,361	631,361	631,361
Long-term accrued property and liability losses	4,123					0	0	0	0	0	0	0	0
Other liabilities and deferred credits	89,902	98,397	79,792	68,184	67,843	64,985	64,985	64,985	64,985	64,985	64,985	64,985	64,985
Commitments and contingencies													
Total liabilities	682,816	563,118	427,905	394,011	431,666	1,025,077	1,071,721	1,113,891	1,163,756	1,183,680	1,210,321	1,222,055	1,249,756
Equity:													
Common stock of \$0.001 par value, 125,000,000 shares authorized.	37	40	41	41	51	52	52	52	52	52	52	52	52
Additional paid-in capital	1,352,388	1,367,521	1,371,809	1,376,494	1,556,990	1,671,759	1,671,759	1,671,759	1,671,759	1,671,759	1,671,759	1,671,759	1,671,759
Accumulated deficit	(210,783)	(352,526)	(548,931)	(677,900)	(699,649)	(637,838)	(474,834)	(229,100)	117,201	500,222	926,284	1,382,434	1,876,809
Accumulated other comprehensive income	2,194	(236)	(804)	2,668	8,576	5,266	5,266	5,266	5,266	5,266	5,266	5,266	5,266
Total stockholders equity	1,143,836	1,014,799	822,115	701,203	865,968	1,039,239	1,202,243	1,447,977	1,794,278	2,177,299	2,603,361	3,059,511	3,553,886
Check	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE							
Noncontrolling interests	1,087	1,611	1,157	466	22	(1,542)	(1,542)	(1,542)	(1,542)	(1,542)	(1,542)	(1,542)	(1,542)
Total equity	1,144,923	1,016,410	823,272	701,769	865,990	1,037,697	1,200,701	1,446,435	1,792,736	2,175,757	2,601,819	3,057,969	3,552,344
Total liabilities and equity	1,827,739	1,579,528	1,251,177	1,095,780	1,297,656	2,062,774	2,272,421	2,560,326	2,956,491	3,359,437	3,812,140	4,280,024	4,802,100
Check	0	0	0	0	0	0	0	0	0	0	0	0	0

Forecasted Day-rates, Utilization and Costs

PSV Average Day-rate	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Americas	22,174	22,174	24,170	26,345	28,716	31,300	34,117	37,188
West Africa	14,917	14,917	16,260	17,723	19,318	21,057	22,952	25,017
Europe	18,514	18,514	20,180	21,996	23,976	26,134	28,486	31,050
Middle East / APAC	14,280	14,280	15,566	16,967	18,494	20,158	21,972	23,950

AHTS Avg. Day-rate	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Americas	27,500	31,625	36,369	40,006	40,006	40,006	40,006
West Africa	22,500	25,875	29,756	32,732	32,732	32,732	32,732
Europe	27,500	31,625	36,369	40,006	40,006	40,006	40,006
Middle East / APAC	22,500	25,875	29,756	32,732	32,732	32,732	32,732

Revenue Split	FY24	FY25	FY26	FY27	FY28	FY29	FY30
AHTS	183,230	263,393	363,483	355,892	355,892	355,892	355,892
<i>Change</i>		43.75%	38.00%	-2.09%	0.00%	0.00%	0.00%
PSV	720,333	807,051	906,539	982,579	1,081,771	1,147,662	1,238,167
<i>Change</i>		12.04%	12.33%	8.39%	10.10%	6.09%	7.89%
Other	122,640	122,640	122,640	122,640	122,640	122,640	122,640

AHTS Utilization	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Americas	40.00%	50.00%	60.00%	50.00%	50.00%	50.00%	50.00%
West Africa	40.00%	50.00%	60.00%	60.00%	60.00%	60.00%	60.00%
Europe	40.00%	50.00%	60.00%	50.00%	50.00%	50.00%	50.00%
Middle East / APAC	40.00%	50.00%	60.00%	50.00%	50.00%	50.00%	50.00%

PSV Utilization	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Americas	76.90%	77.00%	82.00%	85.00%	85.00%	80.00%	80.00%
West Africa	71.10%	80.00%	85.00%	85.00%	90.00%	90.00%	85.00%
Europe	87.40%	90.00%	90.00%	85.00%	85.00%	85.00%	85.00%
Middle East / APAC	81.27%	80.00%	82.00%	85.00%	85.00%	80.00%	80.00%

Cost Per Vessel	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Americas	3,941	4,118	4,303	4,497	4,699	4,911	5,132	5,363
West Africa	1,936	2,023	2,114	2,210	2,309	2,413	2,521	2,635
Europe	3,245	3,391	3,544	3,703	3,870	4,044	4,226	4,416
Middle East / APAC	2,759	2,883	3,013	3,149	3,290	3,439	3,593	3,755

Financial Health

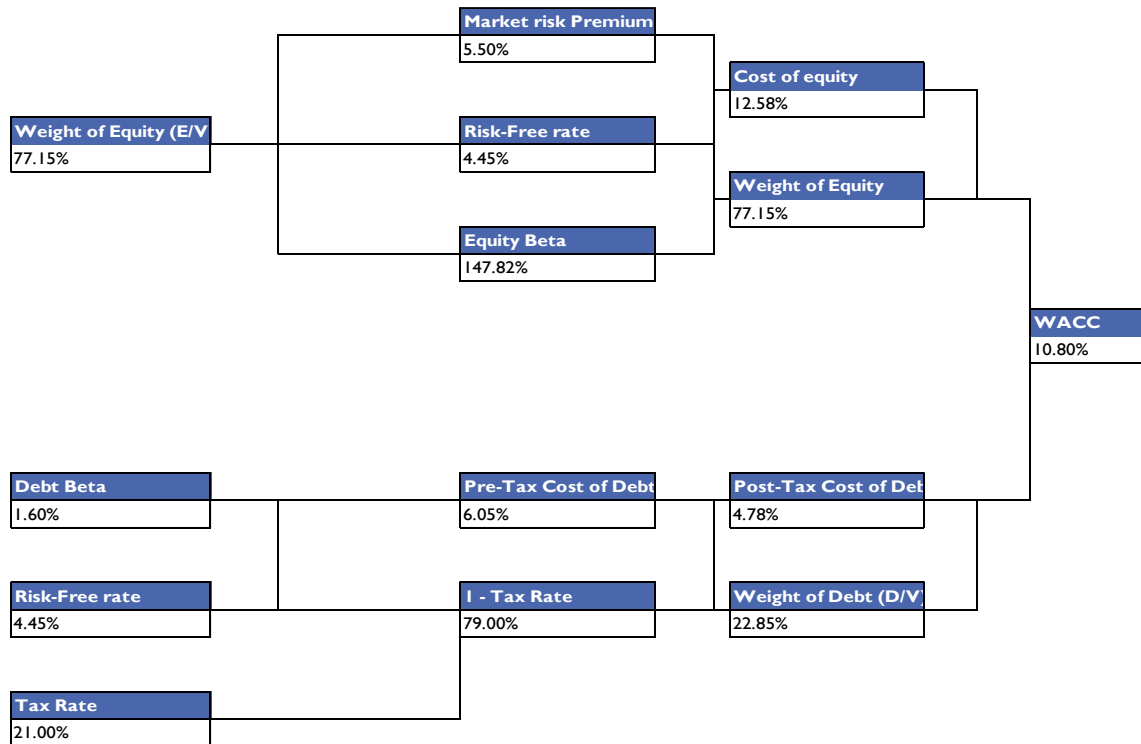
Liquidity Analysis															
Year	2018	2019	2020	2021	2022	2023	Mean	2024e	2025e	2026e	2027e	2028e	2029e	2030e	Mean
Asset															
Current Assets	683,302	537,296	388,649	342,672	377,908	591,135	486,827	800,782	1,081,142	1,463,208	1,846,538	2,275,191	2,715,724	3,208,331	1,912,988
Current Assets, Less Prepaid Expenses	11,836	15,956	11,692	8,731	20,985	15,172	14,062	28,058	32,573	37,971	39,823	42,507	44,289	46,737	38,851
Cash and Cash Equivalents	371,791	218,290	149,933	149,037	164,192	274,437	221,280	461,205	687,127	1,004,090	1,365,092	1,761,389	2,180,427	2,643,511	1,443,263
Liabilities															
Current Liabilities	158,355	185,677	183,179	157,942	194,787	328,731	201,445	375,375	417,545	467,410	487,334	513,975	525,709	553,410	477,251
Ratios															
Current Ratio	432%	289%	212%	217%	194%	180%	242%	213%	259%	313%	379%	443%	517%	580%	401%
% Change	-33%	-27%	-27%	2%	-11%	-7%	19%	21%	21%	21%	17%	17%	17%	12%	
Quick Ratio	424%	281%	206%	211%	183%	175%	235%	206%	251%	305%	371%	434%	508%	571%	393%
% Change	-34%	-27%	3%	-13%	-4%	17%	22%	21%	22%	17%	17%	12%			
Cash Ratio	235%	118%	82%	94%	84%	83%	110%	123%	165%	215%	280%	343%	415%	478%	302%
% Change	-50%	-30%	15%	-11%	-1%	47%	34%	31%	30%	22%	21%	15%			
Net Working Capital	157,221	138,194	59,507	39,403	25,406	(1,933)	69,633	(25,425)	(11,489)	5,745	8,833	15,540	25,959	28,686	3,194
% Change	-12%	-57%	-34%	-36%	-108%	1215%	-55%	-150%	54%	76%	67%	11%			

Capital Structure															
Year	2018	2019	2020	2021	2022	2023	Mean	2024e	2025e	2026e	2027e	2028e	2029e	2030e	Mean
Equity	1,143,836	1,014,799	822,115	701,303	865,968	1,039,239	931,210	1,202,243	1,447,977	1,794,278	2,177,299	2,603,361	3,059,511	3,553,886	2,262,651
Net Debt	67,213	70,644	42,798	18,848	4,844	460,001	110,725	273,233	47,311	(269,652)	(630,654)	(1,026,951)	(1,445,989)	(1,909,073)	(708,825)
Total Liabilities	682,816	563,118	427,905	394,011	431,666	1,025,077	587,432	1,071,721	1,113,891	1,163,756	1,183,680	1,210,321	1,222,055	1,249,756	1,173,597
Total Assets	1,827,739	1,579,528	1,251,177	1,095,780	1,297,656	2,062,774	1,519,109	2,272,421	2,560,326	2,956,491	3,359,437	3,812,140	4,280,024	4,802,100	3,434,706
Total Debt	439,004	288,934	192,731	167,885	169,036	734,438	332,005	734,438	734,438	734,438	734,438	734,438	734,438	734,438	734,438
Invested Capital	1,306,103	1,190,316	949,832	792,511	945,154	1,572,783	1,126,117	1,549,291	1,570,772	1,602,105	1,624,809	1,655,566	1,693,336	1,725,532	1,631,630
EBIT	(107,497)	(86,604)	(186,802)	(95,016)	26,708	182,215	(44,499)	257,744	362,468	489,765	536,248	590,730	628,816	677,202	506,139
Ratios															
Debt-to-Equity	6%	7%	5%	3%	1%	44%	12%	23%	3%	-15%	-29%	-39%	-47%	-54%	-31%
% Change	18%	-25%	-48%	-79%	7813%	159%	112%	130%	154%	184%	215%	250%	284%	193%	
Solvency	168%	180%	192%	178%	201%	101%	159%	112%	130%	154%	184%	215%	250%	284%	193%
% Change	8%	7%	-7%	13%	-49%	11%	16%	19%	19%	17%	16%	14%			
Financial Autonomy	63%	64%	66%	64%	67%	50%	61%	53%	57%	61%	65%	68%	71%	74%	66%
% Change	3%	2%	-3%	4%	-25%	5%	7%	7%	7%	5%	5%	4%			
Gearing Ratio	5%	6%	5%	2%	1%	29%	10%	18%	3%	-17%	-39%	-62%	-85%	-111%	-43%
% Change	15%	-24%	-47%	-78%	5607%	-40%	-83%	-659%	131%	60%	38%	30%			
Debt to EBIT	-63%	-82%	-23%	-20%	18%	252%	-249%	106%	13%	-55%	-118%	-174%	-230%	-282%	-140%
% Change	30%	-72%	-13%	-191%	1292%	-58%	-88%	-522%	114%	48%	32%	23%			

Profitability															
Year	2018	2019	2020	2021	2022	2023	Mean	2024e	2025e	2026e	2027e	2028e	2029e	2030e	Mean
Revenue	406,520	486,549	397,038	371,033	647,684	1,009,985	553,135	1,037,195	1,204,076	1,403,654	1,472,103	1,571,295	1,637,186	1,727,691	1,436,171
Gross Profit	131,410	154,553	124,853	106,988	248,253	449,128	202,531	548,360	669,434	817,417	874,237	943,343	994,644	1,060,119	843,936
EBITDA	(49,204)	15,327	(70,093)	19,528	145,868	362,546	70,662	455,012	561,067	691,088	741,748	801,926	847,297	904,627	714,681
Operating Profit (EBIT)	(107,497)	(86,604)	(186,802)	(95,016)	26,708	182,215	(44,499)	257,744	362,468	489,765	536,248	590,730	628,816	677,202	506,139
Net Profit attributable to TDW	(171,517)	(141,743)	(196,242)	(128,969)	(21,749)	97,185	(93,839)	163,004	245,735	346,300	383,022	426,062	456,150	494,375	359,235
Ratios															
Gross Margin	32%	32%	31%	29%	38%	44%	35%	53%	56%	58%	59%	60%	61%	61%	58%
% Change	-2%	-1%	-8%	33%	16%	19%	5%	5%	2%	1%	1%	1%			
EBITDA Margin	-12%	3%	-18%	5%	23%	36%	6%	44%	47%	49%	50%	51%	52%	52%	49%
% Change	-126%	-660%	-130%	328%	59%	22%	6%	6%	2%	1%	1%	1%			
Operating Margin	-26%	-18%	-47%	-26%	4%	18%	-16%	25%	30%	35%	36%	38%	38%	39%	34%
% Change	-33%	164%	-46%	-116%	338%	38%	21%	16%	4%	3%	2%	2%			
Net Margin	-42%	-29%	-49%	-35%	-3%	10%	-25%	16%	20%	25%	26%	27%	28%	29%	24%
% Change	-31%	70%	-30%	-90%	-387%	63%	30%	21%	5%	4%	3%	3%			

Coverage Ratios															
Year	2018	2019	2020	2021	2022	2023	Mean	2024e	2025e	2026e	2027e	2028e	2029e	2030e	Mean
Cash	371,791	218,290	149,933	149,037	164,192	274,437	221,280	461,205	687,127	1,004,090	1,365,092	1,761,389	2,180,427	2,643,511	1,443,263
EBIT	(107,497)	(86,604)	(186,802)	(95,016)	26,708	182,215	(44,499)	257,744	362,468	489,765	536,248	590,730	628,816	677,202	506,139
Interest Expense	30,439	29,068	24,156	15,583	17,189	48,472	27,485	51,411	51,411	51,411	51,411	51,411	51,411	51,411	51,411
Ratios															
Interest Coverage Ratio	-353%	-298%	-773%	-610%	155%	376%	-162%	501%	705%	953%	1043%	1149%	1223%	1317%	985%
% Change	16%	-160%	21%	125%	142%	33%	41%	35%	10%	6%	8%				
Cash Coverage Ratio	1221%	751%	621%	956%	955%	566%	805%	897%	1337%	1953%	2655%	3426%	4241%	5142%	2807%
% Change	-39%	-17%	54%	0%	-41%	58%	49%	46%	36%	29%	24%	21%			

WACC Components



Discounted Cash Flow Model

Discount Periods	-	-	1.00	2.00	3.00	4.00	5.00
FY	Q4 2024e	2025e	2026e	2027e	2028e	2029e	2030e Terminal Value
FCFF	275,664	366,378	411,728	446,715	469,791	513,589	6,028,970
Terminal growth rate	2.1%	US 10-year inflation average					
WACC	10.80%						
Discounted FCFF	0	275,664	330,673	335,390	328,428	311,733	3,610,703

Cash Flow Map 1.

FY	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e
Core result	(34,612)	(70,408)	(112,924)	(79,385)	7,195	136,158	203,618	286,349	386,914	423,636	466,676	496,764	534,989
Taxes	(20,440)	(9,679)	43,341	(2,931)	(2,735)	(7,322)	10,796	10,796	10,796	10,796	10,796	10,796	10,796
Depreciation and amortization	58,293	101,931	116,709	114,544	119,160	180,331	197,268	198,600	201,323	205,500	211,197	218,481	227,425
Change in NWC	19,027	78,687	20,104	13,997	27,339	23,492	(13,936)	(17,234)	(3,088)	(6,708)	(10,419)	(2,727)	
CAPEX	48,965	41,934	(22,266)	(227,775)	(698,798)	(197,268)	(206,145)	(215,422)	(225,116)	(235,246)	(245,832)	(256,895)	
FCFF	89,836	167,747	30,066	(90,158)	(362,292)	237,906	275,664	366,378	411,728	446,715	469,791	513,589	
							TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
Net interest	(19,145)	(22,470)	(22,928)	(13,978)	(11,792)	(41,955)	(51,411)	(51,411)	(51,411)	(51,411)	(51,411)	(51,411)	(51,411)
FCF	67,366	144,819	16,088	(101,950)	(404,247)	186,496	224,253	314,967	360,317	395,305	418,380	462,179	
							TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE

Cash Flow Map 2.

FY	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e
Total revenue	406,520	486,549	397,038	371,033	647,684	1,009,985	1,037,195	1,204,076	1,403,654	1,472,103	1,571,295	1,637,186	1,727,691
Vessel operating costs	(269,580)	(329,196)	(268,780)	(261,814)	(397,301)	(556,515)	(484,493)	(530,300)	(581,895)	(593,524)	(623,610)	(638,200)	(663,230)
Costs of other operating revenues	(5,530)	(2,800)	(3,405)	(2,231)	(2,130)	(4,342)	(4,342)	(4,342)	(4,342)	(4,342)	(4,342)	(4,342)	(4,342)
Gross profit	131,410	154,553	124,853	106,988	248,253	449,128	548,360	669,434	817,417	874,237	943,343	994,644	1,060,119
General and administrative	(110,023)	(103,716)	(73,447)	(68,516)	(101,921)	(95,283)	(93,348)	(108,367)	(126,329)	(132,489)	(141,417)	(147,347)	(155,492)
(Gain) loss on asset dispositions, net	10,624	2,263	7,591	(2,901)	250	8,701	0	0	0	0	0	0	0
Affiliate credit loss impairment expense	(20,083)	0	(52,981)	(400)	0	0	0	0	0	0	0	0	0
Affiliate guarantee obligation	0	0	(2,000)	0	0	0	0	0	0	0	0	0	0
Long-lived asset impairments and other	(61,132)	(37,773)	(74,109)	(15,643)	(714)	0	0	0	0	0	0	0	0
EBITDA	(49,204)	15,327	(70,093)	19,528	145,868	362,546	455,012	561,067	691,088	741,748	801,926	847,297	904,627
Adj. EBITDA	21,387	50,837	51,406	38,472	146,332	353,845	455,012	561,067	691,088	741,748	801,926	847,297	904,627
Depreciation and amortization	(58,293)	(101,931)	(116,709)	(114,544)	(119,160)	(180,331)	(197,268)	(198,600)	(201,323)	(205,500)	(211,197)	(218,481)	(227,425)
EBIT	(107,497)	(86,604)	(186,802)	(95,016)	26,708	182,215	257,744	362,468	489,765	536,248	590,730	628,816	677,202
adj. EBIT	(36,906)	(51,094)	(65,303)	(76,072)	27,172	173,514	257,744	362,468	489,765	536,248	590,730	628,816	677,202
	-26%	-18%	-47%	-26%	4%	18%	25%	30%	35%	36%	38%	38%	39%
Income tax (benefit) expense	(18,252)	(27,724)	965	(5,875)	(19,886)	(43,308)	(43,330)	(65,322)	(92,054)	(101,816)	(113,257)	(121,255)	(131,416)
NOPLAT	(125,749)	(114,328)	(185,837)	(100,891)	6,822	138,907	214,414	297,146	397,711	434,432	477,473	507,560	545,786
adj. NOPLAT	(55,158)	(78,818)	(64,338)	(81,947)	7,286	130,206	214,414	297,146	397,711	434,432	477,473	507,560	545,786
Depreciation and amortization	58,293	101,931	116,709	114,544	119,160	180,331	197,268	198,600	201,323	205,500	211,197	218,481	227,425
Gross CF	(67,456)	(12,397)	(69,128)	13,653	125,982	319,238	411,682	495,745	599,034	639,932	688,669	726,042	773,211
Change in NWC		19,027	78,687	20,104	13,997	27,339	23,492	(13,936)	(17,234)	(3,088)	(6,708)	(10,419)	(2,727)
CAPEX		48,965	41,934	(22,266)	(227,775)	(698,798)	(197,268)	(206,145)	(215,422)	(225,116)	(235,246)	(245,832)	(256,895)
Other op. cashflow													
FCFF before lease		55,595	51,493	11,491	(87,796)	(352,221)	237,906	275,664	366,378	411,728	446,715	469,791	513,589
Lease cost (interest + repayment)													
FCFF		55,595	51,493	11,491	(87,796)	(352,221)	237,906	275,664	366,378	411,728	446,715	469,791	513,589
Net interest	(19,145)	(22,470)	(22,928)	(13,978)	(11,792)	(41,955)	(51,411)	(51,411)	(51,411)	(51,411)	(51,411)	(51,411)	(51,411)
FCF		33,125	28,565	(2,487)	(99,588)	(394,176)	186,496	224,253	314,967	360,317	395,305	418,380	462,179

Comparable Company Analysis / Relative Valuation

Company	Ticker	Currency	Price	Shares outstanding	Market cap	Revenue	EBITDA	EBIT	Net Income	IBD	Cash	NIBD	EV
Tidewater	TDW	USD	47	52,760,000	2,479,720,000	1,009,985,000	362,546,000	182,215,000	95,621,000	734,438,000	274,437,000	460,001,000	2,939,721,000
Golden Energy Offshore Services	GEOS.OL	NOK	25	25,080,000	616,968,000	210,086,000	173,200,000	139,961,000	(8,532,000)	964,154,000	41,230,000	932,924,000	1,539,892,000
Edisvix Offshore	EDOF	NOK	14	72,983,333	994,032,995	193,726,000	74,568,000	114,957,000	103,538,000	678,571,457	498,825,000	179,746,457	1,173,779,452
DOF Group ASA	DOFG	NOK	89	176,649,218	15,783,607,628	11,929,000,000	4,110,000,000	2,840,000,000	4,185,000,000	14,394,000,000	2,849,000,000	10,409,000,000	26,192,607,628
Sea1 Offshore	SEA1	USD	2	238,850,000	563,686,000	336,026,000	231,274,000	163,251,000	173,133,000	463,386,000	97,325,000	365,061,000	928,747,000
Solsad Offshore ASA	SOFF	NOK	42	82,347,000	3,468,455,640	3,979,000,000	3,294,000,000	1,944,000,000	407,000,000	14,098,883,000	1,883,000	14,097,000,000	17,565,455,640

Tidewater Inc. Valuation (75th)	EV/Revenue	EV/EBITDA	EV/EBIT	P/NI
Implied Enterprise Value	5,704,254,241	3,152,431,773	1,968,718,107	1,352,240,073
Net Debt	460,001,000	460,001,000	460,001,000	460,001,000
Implied Market Value	5,244,253,241	2,692,430,773	1,508,717,107	892,239,073
Shares Outstanding	52,760,000	52,760,000	52,760,000	52,760,000

Implied Value per Share	99	51	29	17
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Tidewater Inc. Valuation (Average)	EV/Revenue	EV/EBITDA	EV/EBIT	P/NI
Implied Enterprise Value	4,321,659,388	2,928,264,915	1,861,438,443	
Net Debt	460,001,000	460,001,000	460,001,000	
Implied Market Value	3,861,658,388	2,468,263,915	1,401,437,443	
Shares Outstanding	52,760,000	52,760,000	52,760,000	

Implied Value per Share	73	47	27	
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Tidewater Inc. Valuation (Median)	EV/Revenue	EV/EBITDA	EV/EBIT	P/NI
Implied Enterprise Value	3,699,170,215	2,625,094,700	1,770,523,469	1,047,758,205
Net Debt	460,001,000	460,001,000	460,001,000	460,001,000
Implied Market Value	3,239,169,215	2,165,093,700	1,310,522,469	587,757,205
Shares Outstanding	52,760,000	52,760,000	52,760,000	52,760,000

Implied Value per Share	61	41	25	11
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Tidewater Inc. Valuation (25th)	EV/Revenue	EV/EBITDA	EV/EBIT	P/NI
Implied Enterprise Value	2,828,564,088	2,027,591,071	1,654,964,722	783,650,930
Net Debt	460,001,000	460,001,000	460,001,000	460,001,000
Implied Market Value	2,368,563,088	1,567,590,071	1,194,963,722	323,649,930
Shares Outstanding	52,760,000	52,760,000	52,760,000	52,760,000

Implied Value per Share	45	30	23	6
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Scenario Analysis

Best Case	2024e	2025e	2026e	2027e	2028e	2029e	2030e
Vessel Revenue	1,026,203	1,212,473	1,438,987	1,545,427	1,671,142	1,764,650	1,888,650
Growth	18%	19%	7%	8%	6%	7%	
Vessel Cost	475,220	510,196	549,120	549,374	566,175	568,332	579,318
Growth	7%	8%	0%	3%	0%	2%	
Gross Profit	550,983	702,278	889,867	996,053	1,104,967	1,196,318	1,309,332
Growth	27%	27%	12%	11%	8%	9%	
Gross Margin	54%	58%	62%	64%	66%	68%	69%

AHTS Average Day-rate							
Americas	27,500	32,175	37,645	43,291	43,291	43,291	43,291
Growth	17%	17%	15%	0%	0%	0%	
West Africa	22,500	26,325	30,800	35,420	35,420	35,420	35,420
Growth	17%	17%	15%	0%	0%	0%	
Europe	27,500	32,175	37,645	43,291	43,291	43,291	43,291
Growth	17%	17%	15%	0%	0%	0%	
Middle east/ asia	22,500	26,325	30,800	35,420	35,420	35,420	35,420
Growth	17%	17%	15%	0%	0%	0%	

PSV Average Day-rate							
Americas	22,174	24,613	27,321	30,326	33,662	37,364	41,475
Growth	11%	11%	11%	11%	11%	11%	
West Africa	14,917	16,558	18,379	20,401	22,645	25,136	27,901
Growth	11%	11%	11%	11%	11%	11%	
Europe	18,514	20,551	22,811	25,320	28,106	31,197	34,629
Growth	11%	11%	11%	11%	11%	11%	
Middle east/ asia	14,280	15,851	17,595	19,530	21,679	24,063	26,710
Growth	11%	11%	11%	11%	11%	11%	

Vessel Cost							
Americas	4,039	4,140	4,244	4,350	4,458	4,570	4,684
Growth	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
West Africa	1,985	2,034	2,085	2,137	2,191	2,245	2,302
Growth	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
Europe	3,326	3,409	3,495	3,582	3,672	3,763	3,857
Growth	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
Middle east/ asia	2,828	2,899	2,971	3,046	3,122	3,200	3,280
Growth	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	

CORE ROIC							
Core Result	210,943	316,171	446,110	519,129	591,732	651,496	724,895
Core Revenue	1,037,195	1,223,465	1,449,979	1,556,419	1,682,134	1,775,642	1,899,642
Operational Margin	20%	26%	31%	33%	35%	37%	38%

Core Revenue	1,037,195	1,223,465	1,449,979	1,556,419	1,682,134	1,775,642	1,899,642
Invested Capital Core Business	1,530,680	1,553,616	1,587,045	1,612,537	1,645,235	1,685,533	1,719,912
Asset Turnover	68%	79%	91%	97%	102%	105%	110%

Core ROIC	14%	20%	28%	32%	36%	39%	42%
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Level 1 Decomposition							
ROIC	14%	20%	28%	32%	36%	38%	42%
Invested Capital / Equity	127%	104%	82%	66%	54%	46%	39%
Cost of External Financing	12%	76%	-12%	-5%	-3%	-2%	-1%
D/E	-27%	-4%	18%	34%	46%	54%	61%
ROIC * (Invested Capital / Equity)	17%	21%	23%	21%	19%	18%	16%
D/E * Cost of External Financing	-3%	-3%	-2%	-2%	-1%	-1%	-1%
ROE	14%	18%	21%	19%	18%	16%	15%

Level 2 Decomposition							
ROIC	14%	20%	28%	32%	36%	38%	42%
D/E * (ROIC - Cost of External Financing)	0%	2%	7%	12%	18%	22%	26%
ROE	14%	18%	21%	19%	18%	16%	15%

Level 3 Decomposition							
Weight Core	99%	99%	99%	99%	99%	99%	99%
ROIC Core	14%	20%	28%	32%	36%	39%	42%
Core Operating Margin	20%	26%	31%	33%	35%	37%	38%
Core Asset Turnover	68%	79%	91%	97%	102%	105%	110%
Total Core Activity	14%	20%	28%	32%	36%	38%	42%
Weight Non Core	1%	1%	1%	1%	1%	1%	1%
ROIC Non Core	0%	0%	0%	0%	0%	0%	0%
Total Non Core Activity	0%	0%	0%	0%	0%	0%	0%
Total Core + Non Core	14%	20%	28%	32%	36%	38%	42%
D/E	-27%	-4%	18%	34%	46%	54%	61%
ROIC - Cost of External Financing	1%	-56%	39%	37%	38%	40%	43%
Total Financing Activity	0%	2%	7%	12%	18%	22%	26%
ROE	14%	18%	21%	19%	18%	16%	15%

Worst Case	2024e	2025e	2026e	2027e	2028e	2029e	2030e
Vessel Revenue	1,026,203	1,166,824	1,328,779	1,362,935	1,437,990	1,479,622	1,541,414
Growth	14%	14%	3%	6%	3%	4%	
Vessel Cost	493,765	550,793	615,949	640,282	685,614	715,083	757,351
Growth	12%	12%	4%	7%	4%	6%	
Gross Profit	532,437	616,031	712,831	722,653	752,376	764,538	784,063
Growth	16%	16%	1%	4%	2%	3%	
Gross Margin	52%	53%	54%	53%	52%	52%	51%

AHTS Average Day-rate							
Americas	27,500	30,250	33,275	34,939	34,939	34,939	34,939
Growth	10%	10%	5%	0%	0%	0%	
West Africa	22,500	24,750	27,225	28,586	28,586	28,586	28,586
Growth	10%	10%	5%	0%	0%	0%	
Europe	27,500	30,250	33,275	34,939	34,939	34,939	34,939
Growth	10%	10%	5%	0%	0%	0%	
Middle east/ asia	22,500	24,750	27,225	28,586	28,586	28,586	28,586
Growth	10%	10%	5%	0%	0%	0%	

PSV Average Day-rate							
Americas	22,174	23,726	25,387	27,164	29,066	31,100	33,277
Growth	7%	7%	7%	7%	7%	7%	
West Africa	14,917	15,961	17,078	18,274	19,553	20,922	22,386
Growth	7%	7%	7%	7%	7%	7%	
Europe	18,514	19,810	21,197	22,680	24,268	25,967	27,785
Growth	7%	7%	7%	7%	7%	7%	
Middle east/ asia	14,280	15,280	16,350	17,494	18,719	20,029	21,431
Growth	7%	7%	7%	7%	7%	7%	

Vessel Cost							
Americas	4,197	4,470	4,760	5,069	5,399	5,750	6,124
Growth	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	
West Africa	2,062	2,196	2,339	2,491	2,653	2,825	3,009
Growth	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	
Europe	3,456	3,681	3,920	4,175	4,446	4,735	5,043
Growth	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	
Middle east/ asia	2,939	3,130	3,333	3,550	3,780	4,026	4,288
Growth	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	

Core							
Core Result	196,293	251,282	314,087	316,118	329,763	330,656	334,621
Core Revenue	1,037,195	1,177,816	1,339,771	1,373,927	1,448,982	1,490,614	1,552,406
Operational Margin	19%	21%	23%	23%	23%	22%	22%

Core Revenue	1,037,195	1,177,816	1,339,771	1,373,927	1,448,982	1,490,614	1,552,406
Invested Capital Core Business	1,530,680	1,550,191	1,578,598	1,598,818	1,627,818	1,663,284	1,693,679
Asset Turnover	68%	76%	85%	86%	89%	90%	92%

Core ROIC	13%	16%	20%	20%	20%	20%	20%
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Level 1 Decomposition							
ROIC	13%	16%	20%	20%	20%	20%	20%
Invested Capital / Equity	130%	112%	95%	83%	73%	66%	61%
Cost of External Financing	11%	25%	-50%	-12%	-7%	-5%	-4%
D/E	-30%	-12%	5%	17%	27%	34%	39%
ROIC * (Invested Capital / Equity)	16%	18%	19%	16%	15%	13%	12%
D/E * Cost of External Financing	-3%	-3%	-2%	-2%	-2%	-2%	-1%
ROE	13%	15%	16%	14%	13%	11%	10%

Level 2 Decomposition							
ROIC	13%	16%	20%	20%	20%	20%	20%
D/E * (ROIC - Cost of External Financing)	0%	1%	3%	5%	7%	8%	9%
ROE	13%	15%	16%	14%	13%	11%	10%

Level 3 Decomposition							
Weight Core	99%	99%	99%	99%	99%	99%	99%
ROIC Core	13%	16%	20%	20%	20%	20%	20%
Core Operating Margin	19%	21%	23%	23%	23%	22%	22%
Core Asset Turnover	68%	76%	85%	86%	89%	90%	92%
Total Core Activity	13%	16%	20%	20%	20%	20%	20%
Weight Non Core	1%	1%	1%	1%	1%	1%	1%
ROIC Non Core	0%	0%	0%	0%	0%	0%	0%
Total Non Core Activity	0%	0%	0%	0%	0%	0%	0%
Total Core + Non Core	13%	16%	20%	20%	20%	20%	20%
D/E	-30%	-12%	5%	17%	27%	34%	39%
ROIC - Cost of External Financing	1%	-9%	6%	32%	27%	24%	23%
Total Financing Activity	0%	1%	3%	5%	7%	8%	9%
ROE	13%	15%	16%	14%	13%	11%	10%

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