

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.
THE TIDE IS TURNING

JULIE HAGELI, FINANCE
58696

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

Professor Rosário André

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Abstract

This equity report analyzes the offshore energy market's strategic position and financial outlook. It is conducted collaboratively but combines individual strengths while focusing on specific areas. Together, we ensured consistency and depth throughout the report. As a contributor, I focused on Tidewater company overview, mergers and acquisitions, and market drivers, providing insight into its structure and industry trends. The company overview highlights Tidewater's strengths, challenges, and competitive position. The industry analysis connects the company's performance to the market trends, offering a perspective that aligns the valuation with realistic strategic insight.

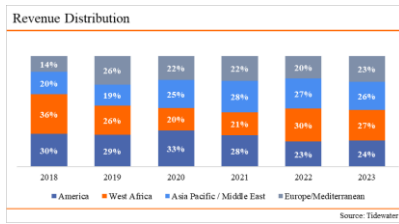
Keywords: Tidewater, Shipping, Offshore, Platform Supply Vessel, Anchor Handlers, Oil and Gas, Renewable Energy

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

Introduction to Tidewater Inc.

Tidewater Inc. is a global offshore supply company (NYSE: TDW) led by Quintin V. Kneen, its Chief Executive Officer (CEO) and President (Financial Times, 2024). The company was founded in 1956 and currently operates the world's largest offshore supply vessel (OSV) fleet. Tidewater played a significant role in founding the OSV industry by constructing the world's first offshore oil and gas service vessel. The company's headquarters are in Houston, Texas (Tidewater Inc., n.d.-a).



Graph 1.

Board of Directors

Quintin V. Kneen	President, CEO And Director
Darron M. Anderson	Member of Audit Committee
Dick H. Fagerstal	Chairman of the Board
Louis A. Raspino	Chair of Compensation & Human Capital Committee
Robert E. Robotti	Member of Compensation & Human Capital Committee
Kenneth H. Traub	Chair of Nominating & Corporate Governance Committee
Lois K. Zabrocky	Chair of Safety & Sustainability Committee

Source: Tidewater

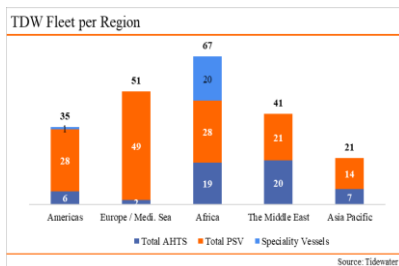
Table 1.

Ten Largest Shareholders

Shareholder	Held
BlackRock Fund Advisors	12%
The Vanguard Group, Inc.	10%
Fidelity Management & Research Co. LLC	6%
Neuberger Berman Investment Advisers LLC	5%
Robotti & Co. Advisors LLC	5%
T. Rowe Price Associates, Inc. (IM)	4%
SSgA Funds Management, Inc.	4%
Encompass Capital Advisors LLC	3%
Boston Partners Global Investors, Inc.	3%
Dimensional Fund Advisors LP	2%

Source: Financial Times

Table 2.



Graph 2.

Ownership Structure

Tidewater, listed on the New York Stock Exchange (NYSE) in 1970 under the ticker "TDW," has a market capitalization of \$2.46bn as of December 6, 2024, classifying it as a mid-cap stock. Of the 52,322,461 shares outstanding, the ten largest shareholders own 51.5% (Tidewater Inc, TDW: NYQ Directors and Dealings --- FT.com, 2024). This summer, the President sold 517,094 shares at a price upwards of \$109, an all-time high since the restructuring in 2017 (GuruFocus Research, 2024). Hence, we do not see this as a signal of challenges in the company's performance or future outlook, and we assume these transactions were planned.

Operations

As an OSV supplier, Tidewater supports offshore production and drilling activities. Its operations include towing and anchoring floating drilling units, transporting supplies and personnel, and supporting offshore construction projects (Whiteford, 2020). As of Q3 2024, Tidewater operates a fleet of 216 vessels, with 90% of them serving international markets across more than 30 countries. The main service areas are America, Europe/Mediterranean, West Africa, the Middle East, and Asia Pacific (Tidewater Inc., n.d.-b).

Environmental, Social and Governance (ESG)

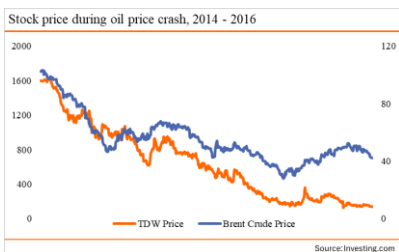
ESG Risk Rating	
Negligible	0 - 10
Low	10 - 20
Medium	20 - 30
High	30 - 40
Severe	40 +

Source: Sustainalytics Table 3.

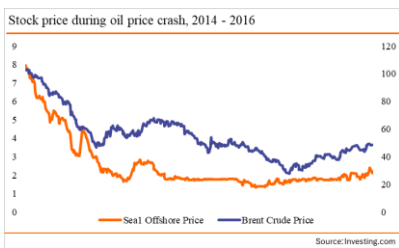
As of September 30, 2024, Tidewater holds an ESG risk rating of 33.0, indicating high risk (Company ESG Risk Rating - Sustainalytics, 2024). We suggest this score reflects the challenges of the OSV industry rather than the company's specific practices. However, in alignment with the Paris Agreement, the company has committed to reducing CO2 intensity by 50 – 60% by 2030. The company operates 17 hybrid vessels using advanced fuel monitoring to lower emissions. Socially, the company prioritizes workforce safety through zero-incident initiatives and adheres to global human rights standards like the UN Global Compact. Regarding governance, Tidewater enforces a zero-tolerance policy for corruption and bribery (Tidewater Inc., 2024).

Restructuring

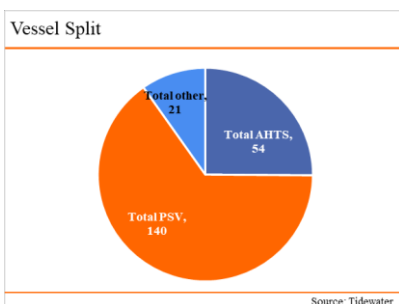
Following their Chapter 11. filing in 2017, Tidewater went through substantial restructuring. The main driver for the collapse was the oil price crash in 2014 - 2015, which caused Tidewater's stock price to drop 92% in two years; from \$1,681 in March 2014 to \$140 in March 2016. Looking at competitors, the only listed peer at that time was Seal Offshore (SEA1:OSL), formerly Siem Offshore, which dropped 87% during the oil price crash (Financial Times, 2024). The restructuring reduced around \$1.6bn in debt and rejected sale-leaseback agreements, reducing annual interest and operational lease expenses by ~\$73m (Tidewater Inc., 2017). The restructuring has proven successful, as Tidewater has strengthened its balance sheet and became profitable in 2022.



Graph 3.



Graph 4.

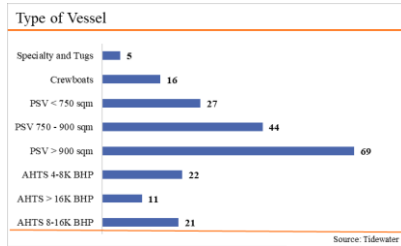


Graph 5.

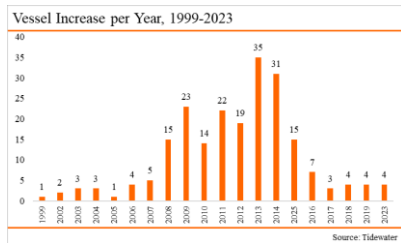


Fleet Overview

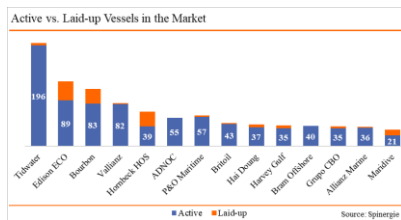
With the industry's largest fleet, Tidewater supports offshore drilling operations, transporting personnel, equipment, and supplies to and from offshore platforms. The fleet consists of 140 Platform Supply Vessels (PSVs) classified by deck size (measured in square meters), 54 Anchor



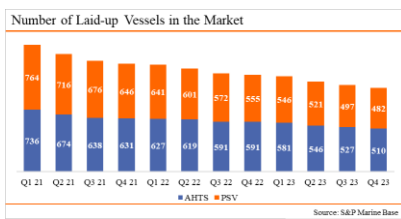
Graph 6.



Graph 7.



Graph 8.



Graph 9.

Handling Towing Supply Vessels (AHTS) classified by Breaking Horse Power (BHP) and Bollard Pull (BP), which are highly correlated, and 21 other vessels, including offshore tugs, crew boats, and utility vessels. Each vessel category is specialized for specific operational needs. PSVs are mainly selected based on deck size, as they transport equipment and supplies. AHTS vessels are chosen for tasks requiring towing, chain work, and anchoring, and the BP requirements is determined by the scope of work for the specific unit to be supported. These vessels also have dynamic positioning systems (DP), enabling precise station-keeping in harsh environments like the North Sea, Canada, and Australia. The other vessels are for support and transport (Overview – Tidewater, n.d.).

As of 2025, Tidewater's fleet will have an average age of 13 years, with most vessels constructed between 2009 and 2013. From a global perspective, 13 years is a relatively young fleet, and at the same time, there will be limited new builds ordered within the PSV and AHTS segments, where Tidewater has most of its vessels. New building prices have increased significantly in recent years. Obtaining financing for PSVs and AHTS vessels is still challenging as the market needs to offer higher day rates to justify such an order, which is not the case today.

Increased investments in oil and gas combined with a rise in offshore wind will increase fleet utilization in the coming years. Although technology is still in its early stages, floating offshore wind is anticipated to be a key component in expanding renewable energy generation, providing the opportunity to capture wind resources in deeper oceans. This technology is expected to substantially contribute to the global clean energy goals by expanding offshore wind deployment and enhancing the efficiency of electricity production. These installations are more advanced and require more vessels for more extended periods than an oil field, which will be a key driver to a tight market in the future. The number of laid-up vessels has decreased every quarter since 2021, meaning fewer vessels can return

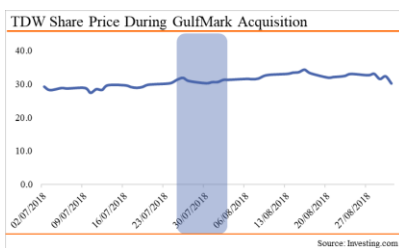
to work every year, so the market will continue being tight, which is positive for Tidewater (S&P Marine Base, 2024).

Tidewaters Mergers & Acquisitions (M&A) Strategy

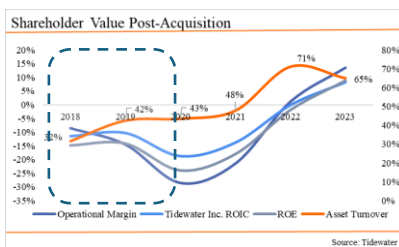
After the restructuring, Tidewater implemented an acquisition strategy to expand its fleet. However, we have not included future acquisitions in our forecast, as we value the company based on its current position.

GulfMark Merger (2018)

In 2018, Tidewater merged with GulfMark in a transaction valued at \$1.25bn, adding 41 high-quality vessels and strengthening its presence in the North Sea, which is considered a key market. As part of the merger, GulfMark shareholders received a 27% stake in the combined entity, with each GulfMark share exchanged for 1,100 Tidewater shares. The company also repaid \$100m of GulfMark’s debt (Tidewater Inc., 2018). There was no noteworthy reaction in the market after the announcement, and the merger did not immediately generate value for shareholders. However, revenue increased by 20% from 2018 – 2019. Asset turnover improved from 32% to 42%, reflecting better utilization. Return on invested capital (ROIC) and equity (ROE) improved slightly but remained negative in 2019, indicating that positive returns for shareholders are expected over the longer term.



Graph 10.



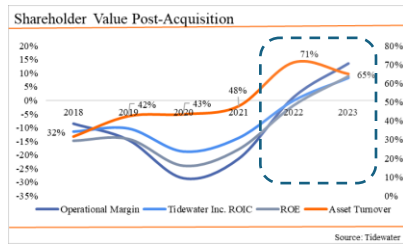
Graph 11.



Graph 12.

Swire Pacific Offshore (SPO) Acquisition (2022)

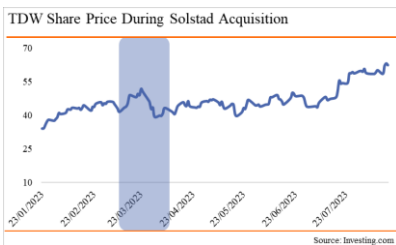
In 2022, Tidewater acquired SPO for \$190m, adding 50 vessels to its fleet and expanding its presence in West Africa and Southeast Asia. According to company estimates, the acquisition generated \$45m in annual cost synergies from operational efficiencies, shared maintenance costs, and optimized crew management across overlapping service regions (Tidewater Inc., 2022). Following the announcement, the market responded positively, with Tidewater’s stock price increasing ~6%. Post-merger, operating margin, and ROIC turned positive. We assume this improvement was driven by the new vessels, enabling them to capitalize



Graph 13.

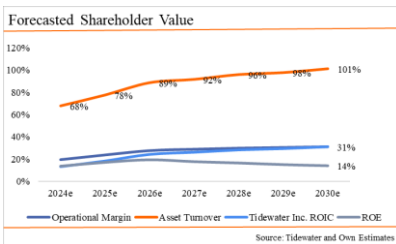
on the efficiency gains and increased market presence. By 2023, the acquisition benefits become more visible. Revenue increased to \$1bn, operating margins expanded to 13%, while ROIC climbed to 9%. Furthermore, the acquisition contributed to the improved gross profit, which increased 81% from 2022 to 2023. We assume the key drivers for shareholder value include improved operational efficiency, a stronger market position, and enhanced cash generation capacity.

Solstad Offshore PSV Fleet Purchase (2023)



Graph 14.

In 2023, Tidewater acquired 37 high-specification PSVs from Solstad for \$580m, strengthening its fleet in Norway and the European region (Tidewater Inc., 2023). The market initially reacted skeptically, as the share price dropped by 7% after the announcement. However, the price rebounded by 9% the following week, reflecting an overreaction to the transaction cost. Both acquisitions, in 2022 and 2023, came with substantial capital expenditures (CapEx), which reached \$699m in 2023, putting pressure on FCF, which fell to -\$394m. We assume the acquisition will continue delivering shareholder value through higher operational efficiency and that the long-term benefits outweigh the initial costs. ROIC and ROE are forecasted to be 31% and 14% in 2030.



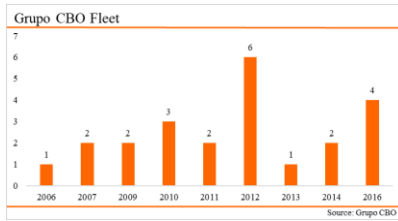
Graph 15.

Rationale of Future Acquisitions

During the earnings call on March 1, 2024, Tidewater's CEO announced his continued focus on acquisitions, particularly in North and South America, over new vessel construction. Tidewater's internal estimates say building a new OSV requires ~\$65m and three years to complete, with break-even day rates of \$44,000 and a 90% utilization over 20 years (Snyder, 2024). Acquisitions offer faster returns by adding operational assets immediately, and based on this, we assume there will be no new build for Tidewater in the foreseeable future, which is considered positive as it will hold the market tight.

Future Acquisitions

Market speculation suggests that Tidewater is considering acquiring Grupo Companhia Brasileira de Offshore (CBO), which operates 13 AHTS vessels and 23 PSVs, focusing mainly on acquiring the PSVs. This will strengthen their position in Brazil, which is considered the most promising region globally, alongside West Africa (Bosch, 2024). Their PSV fleet has an average age of 13.4 years as of 2024, which will fit into Tidewater's fleet due to the relatively young age that requires less maintenance (Grupo CBO, 2024). Additionally, CBO vessels are registered under Registro de Ebarcação Brasileiro (REB), granting them priority over foreign-flagged vessels.



Graph 16.

Company	PSV	AHTS
Tidewater	140	54
DOF Group ASA	10	28
Sea1 Offshore	10	6
Solstad Offshore ASA	0	14
Golden Energy Offshore Services	5	0
Eidsvik Offshore	6	0

Table 4.

Due to the speculative nature of this potential acquisition and lack of confirmation or precise timing for the transaction, it has been excluded from our forecasts. We have focused on current, confirmed data to maintain a more realistic and reliable outlook, avoiding reliance on unconfirmed opportunities. However, Tidewater has a strong balance sheet and could finance the acquisition solely with cash. Additionally, Damodaran (2012, p. 37) states that it is difficult to predict the financial effects of synergies related to those activities, making it nearly impossible to forecast the effects several years in the future.

Competitors' Strategies and Growth

Tidewater's M&A strategy aligns with a broader industry trend. DOF Offshore ASA recently acquired Maersk Supply Service. This deal involved a combination of cash payments and a share issuance, adding 12 AHTS vessels and nine additional vessels to DOF's fleet. As a result of the transaction, Maersk now holds a 25% ownership stake in the merged entity (Rystad Energy, 2024). In contrast to this M&A approach, competitors like Golden Energy Offshore, Eidsvik Offshore, and Sea1 Offshore have achieved organic growth through steady operational performance without significant acquisitions.

Industry Overview

The oil and gas industry supports exploration and production (E&P) and is essential to the global energy economy. In addition to being strongly impacted by volatility and uncertainty, the market is also highly connected to macroeconomic developments (Maciej Kolaczowski & White, 2022). Two significant events have driven the industry's performance over the past decade. Firstly, in 2014 - 2015, a 70% drop in the oil price decreased industry revenues and investments. There was an oversupply of vessels, and global fleet utilization fell to around 55%, forcing numerous operators out of the market. Between 2017 and 2019, offshore activities started to recover, especially in regions like the Asia Pacific, the Middle East, and Northwest Europe (Goorhoo, 2022).

Secondly, the COVID-19 pandemic in late 2019 caused another downturn, especially in Asia, Brazil, West Africa, and the US Gulf of Mexico, where activity fell by nearly 40% annually. Around 85 OSVs have been converted to non-energy vessels since 2020, which reduced the supply (S&P Global, 2022). Many older ships were scrapped, so today, there are virtually no vessels in layup, which will affect competition for existing shipowners. The market has recovered well post-pandemic, with rising vessel demand and higher day rates (Rodriguez, 2023b). Due to the growing number of greenfield projects and high sanctioning activities, Rystad Energy predicts that the demand for OSVs, including those used for offshore wind projects, will continue strong into 2035 (Rystad Energy, 2024).

Market Drivers

Oil Price Expectations



Graph 17.

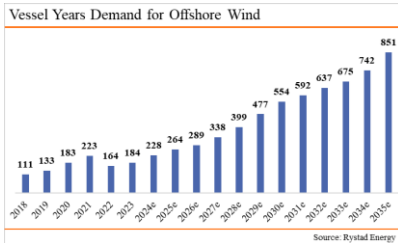
Tidewater is significantly influenced by oil price trends, with higher oil prices driving increased offshore E&P activities, boosting demand for its services. The Brent crude oil price has been volatile in the past years, with periods of sharp increases and declines. However, it has recently stabilized around \$75 per barrel (bbl) despite wars in the Middle East and the US Election, indicating a more predictable environment (Yahoo Finance, 2024). Historical patterns suggest that even short-term price stability or minor increases can encourage offshore E&P, so we assume operators confidently plan long-term projects. Looking ahead, we assume a more favorable scenario for Tidewater. For instance, geopolitical tensions, production cuts from OPEC+, and stronger-than-expected global demand might sustain prices above \$80/bbl in 2025. For Tidewater, this would mean a resurgence in offshore investments, driving higher utilization rates, improved day rates, and profitability.

The US Energy Information Administration (EIA) projects Brent crude to average \$78/bbl in early 2025 and decline to \$75/bbl later that year (EIA, 2024). J.P. Morgan anticipates a similar decline, forecasting \$80/bbl in late 2024, \$75/bbl in 2025, and potentially falling below \$60/bbl by 2026 (JP Morgan, 2024). Even though they predict a lower oil price, we suggest that price stability will foster E&P. We assume Tidewater will capitalize on any upward revisions in oil price trends or unforeseen market dynamics that create new opportunities.

Offshore Wind

Offshore wind is becoming an essential market driver in the offshore industry, mainly due to global commitments to renewable energy and decarbonization. As this technology advances and installations shift to deeper water, demand for AHTS vessels is expected to grow. We assume that floating offshore wind (FOW) projects will drive much of the growth,

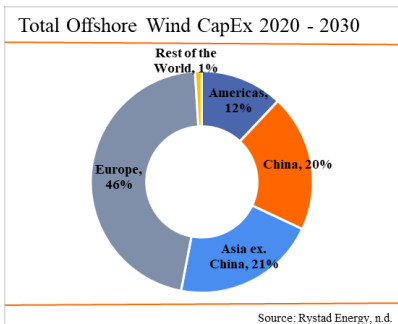
as these projects require vessels capable of operating in harsher environments and handling more extensive, complex equipment. For instance, moving a windmill in the North Sea, where waves are high and the wind is strong, naturally requires large and advanced OSVs, as the average wind turbine blades average 64 meters (Hartman, 2024).



Graph 18.

The transition to renewables will sustain higher utilization rates, positively impacting Tidewater. The demand for AHTS vessels in the floating wind is expected to reach 88 vessel years by 2035, while total AHTS demand will surpass 1,000 vessel years during the same period, where one vessel year equals one vessel working 365 days a year. Offshore wind installation segment spending is projected to grow by 43% in 2025, with a CAGR of 21% towards 2030. Europe and Asia continue to dominate the offshore wind installation market. North America is expected to see an uptick in installed wind turbines, reaching 1,195 by 2030 (Rystad Energy, 2024).

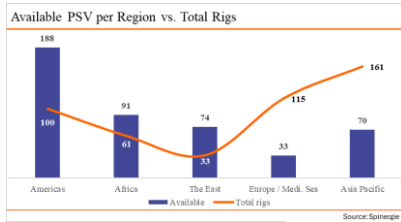
Annual global offshore wind capital expenditures (CapEx) are projected to more than double by 2030, surpassing \$100bn, primarily attributed to Europe's ambitious renewable energy targets, with offshore wind CapEx anticipated to rise from \$15bn in 2021 to approximately \$53bn in 2030 (Rystad Energy, n.d.). This will drive demand for AHTS vessels and PSVs, positively impacting Tidewater's revenue. The expansion is further supported by the United Kingdom's commitment to achieving 50 gigawatts (GW) of offshore wind capacity by 2030, including up to 5 GW from floating wind projects. Stable policy frameworks and government-backed initiatives underpin this ambitious goal to attract private investment (Global Wind Energy Council, 2024). We assume Tidewater can reduce reliance on the cyclical oil and gas sector, enhancing its long-term financial stability. With the tight supply of OSVs, Tidewater can command higher day rates as demand rises in the offshore wind sector, translating into improved profitability.



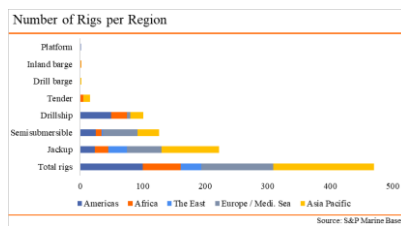
Graph 19.

The Offshore Drilling Industry

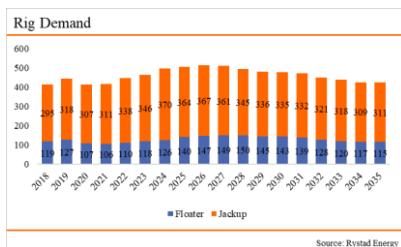
The drilling industry is projected to experience steady growth, particularly in floater and jack-up rig activity, offering opportunities for Tidewater. While rig activity is not expected to return to peak levels seen in 2014 - 2015 due to the reduced semi-submersible rigs that have been scrapped, projections indicate robust demand through 2035. Rystad Energy predicts rig activity in 2035 will match 2023 levels (Rystad Energy, 2024). This outlook is reinforced by increased investments in E&P alongside growing wind energy projects. Therefore, we forecast increased activity until 2030 with confidence.



Graph 20.



Graph 21.



Graph 22.

The demand for AHTS vessels and PSVs has been strong in recent years, driven by the increased need for rig moves and mooring operations, especially in the jack-up segment. McKinsey projects offshore rig demand to grow at an annual rate of 6% until 2027, tapering to 2% annually through 2035. This forecast is mainly for rig utilization and vessel services, assuming constant prices (McKinsey, 2019). According to Tidewaters CEO, recent large-scale customer drilling activities have entered an evaluation phase, slowing new investments. However, Mr. Kneen remains optimistic about long-term demand, citing a historically low order book for new vessels and increasing global offshore investment (Tidewater Inc., 2024). By 2025, the rig market is expected to grow to 514 rigs per year from 417 in 2021. The short-cycle jack-up market is forecasted to peak at 370 rigs per year in 2024 before stabilizing at 311 rigs annually by 2035 (Rystad Energy, 2024).

Floating Production Storage and Offloading

The Floating Production Storage and Offloading (FPSO) market is set to experience growth, particularly in West Africa and South America, which are projected to lead the global FPSO activity due to their vast oil reserves and strategic movement to meet future oil demand. Investments in FPSOs surged by 50% in 2023, increasing from \$6bn to \$9bn, and this upward momentum is expected to continue into 2024 (Rystad Energy, 2024). Over

the next decade, global CapEx for FPSOs is expected to surpass \$70bn, with 85% of spending concentrated in Brazil, Guyana, and West Africa. We see this as positive for Tidewater, as they have 67 vessels in Africa and 35 in America, and we assume the utilization rates for both PSVs and AHTS will peak at 85% and 60%, respectively, in 2026 and stabilize through 2030. Additionally, more than 90 FPSO projects are forecasted to be approved between 2021 and 2030, underscoring our assumptions of improved utilization and day rates (Rystad Energy, 2024).

Macroeconomic Concerns

China's slowing oil consumption is raising concerns about global energy demand. The International Energy Agency (IEA) reports that Chinese oil demand dropped by 1.7% (equivalent to 280,000 bbl/day) in July 2024 compared to the previous year, a significant shift from the strong 9.6% growth in 2023. This transition reflects a trend toward cleaner energy solutions and innovation, including increased electric vehicle adoption, reduced gasoline usage, and a cooling property market (Healy & Bressers, 2024). We assume China's shift towards renewables will increase global energy diversification. We see this transition as an opportunity for Tidewater, as its fleet is suited to support offshore projects tied to both traditional energy production and the renewable energy sector.

Organization of the Petroleum Exporting Countries (OPEC+)

OPEC+ lowered its global oil demand forecast for the fourth consecutive month. According to its November report, OPEC's October projection of 104.14m bbl/day in 2024 has been reduced to 104.03m bbl/day. The initial estimate of 105.78m bbl/day for 2025 has been lowered to 105.57m bbl/day. Despite these changes, OPEC+ is still far more optimistic than other analysts. For instance, OPEC's forecasts are nearly double those of IEA (Bugge, 2024).

Members of OPEC+ members have shown more significant commitment to the output reductions that were initially proposed. For instance, in

October, Kazakhstan's output fell below its quota by 292,000 bbl/day to 1.29m bbl/day, which suggests the country has begun implementing promised compensatory cuts for previous overproduction. We assume that some reduction reflects maintenance work at its Kashagan oil field. Iran is also gradually adhering to its agreed production levels, though it continues to exceed its quota without compensating for past excesses. Russia remains slightly above its agreed limit (Bugge, 2024).

Global energy needs continue evolving, and we assume OPEC's commitment to production stability will foster a favorable environment for long-term offshore investments. Furthermore, we assume Donald Trump's return to the U.S. presidency will boost offshore activity. During his previous tenure, Trump imposed import tariffs and paused Iranian oil exports – an OPEC+ member – due to disputes over its nuclear program (Bugge, 2024). Therefore, we assume a second Trump presidency will drive increased production from other OPEC+ and non-OPEC countries, leading to enhanced offshore support. We see this as a growth opportunity rather than market uncertainty.

U.S Election

The November U.S. presidential election is expected to significantly impact the oil price and OSV market, affecting Tidewater's outlook. Donald Trump emerged as the winner, marking a significant shift in U.S. energy and economic policy. Trump's return to the presidency reinforces his well-known stance on deregulation, protectionism, and aggressive promotion of domestic oil production.

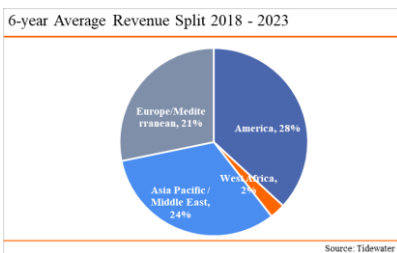
One of the immediate impacts of Trump's victory has been the strengthening of the U.S. dollar. While this positively impacts the U.S. economy, it places downward pressure on global commodity prices, including crude oil. The oil markets now face a complex environment in which production cuts by OPEC+ are counteracted by increased U.S. output, which Trump has declared to sustain. His administration is

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).

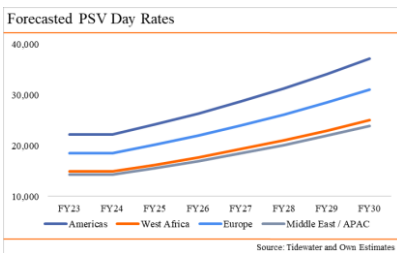
Valuation

Revenue Forecast

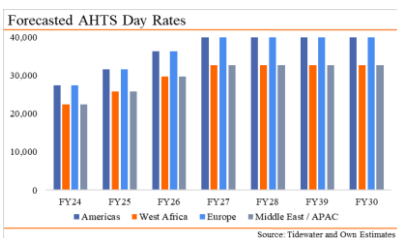
The revenue of an OSV company is the product of three components: the average day rate, the average number of vessels, and the average utilization rate. The average day rate and utilization rates are factors sensitive to overall supply and demand in the market. One of Tidewater's advantages is its flexible 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

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
<i>Growth</i>		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
<i>Constant, no correlation with vessel revenue</i>		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)
<i>% of vessel revenues</i>		68%	69%	70%	72%	62%	56%	47%	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)
<i>Constant, no correlation with vessel revenue</i>		1%	1%	1%	1%	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)
<i>% of Revenues</i>		27%	21%	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)
<i>% of Net Properties</i>		5%	11%	15%	17%	15%	14%	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)
<i>% of net debt - i</i>		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	(13,348)	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)

December

ASSETS	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e
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

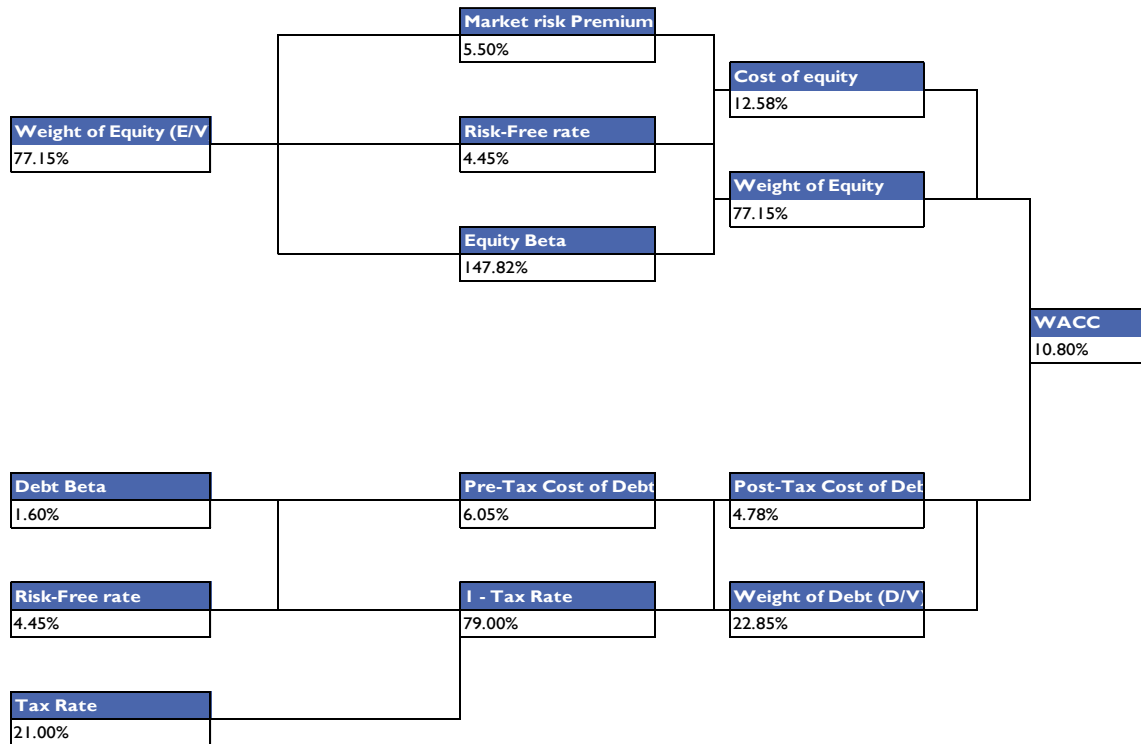
Liquidity Analysis															
Year	2018	2019	2020	2021	2022	2023	Mean	2024e	2025e	2026e	2027e	2028e	2029e	2030e	Mean
Asset															
Current Assets	683,302	537,296	388,649	342,672	377,908	591,135	486,827	800,782	1,081,142	1,463,208	1,846,538	2,275,191	2,715,724	3,208,331	1,912,988
Current Assets, 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%	2%	-11%	-7%		19%	21%	21%	21%	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%		-49%	-86%	-560%	93%	36%	20%	14%		
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%	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%	9%	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	1,352,240,073
Net Debt	460,001,000	460,001,000	460,001,000	460,001,000
Implied Market Value	3,861,658,388	2,468,263,915	1,401,437,443	892,239,073
Shares Outstanding	52,760,000	52,760,000	52,760,000	52,760,000

Implied Value per Share	73	47	27	17
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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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