



## **Judah Spinner and BlackBird Financial Announce Strategic Investment in Tidewater Inc.**

Judah Spinner, Founder of BlackBird Financial LP, has unveiled a substantial new investment in Tidewater Inc., the world's largest operator and owner of offshore support vessels (OSVs). The move underscores BlackBird Financial's conviction in the rapidly improving economics of the offshore support sector.

"The OSV landscape is in a completely different place than it was ten years ago," said Judah Spinner. "Among all players in the field, Tidewater stands out as the strongest, and no other competitor comes close."

The position, established early in 2025, contributed to an outstanding first three quarters for BlackBird Financial, which has delivered a 71.4% return in the period, exceeding the S&P 500 by more than 57 percentage points.

### **Why BlackBird Financial Chose Tidewater**

Founded in 1956, Tidewater has long been integral to global offshore energy operations, providing vessels that transport equipment, supplies, and personnel to oil and gas platforms across the world. While the OSV sector has historically been cyclical and capital intensive, Judah Spinner believes the landscape has fundamentally changed. "In 2015 the industry was oversupplied and fragmented, there were far too many boats and the competition was vicious" Spinner explained. "Since then, new vessel construction has nearly halted, while roughly 4% of the global fleet retires each year. As a result, total fleet size has contracted dramatically."

Meanwhile, the industry has consolidated. After completing several key acquisitions, Tidewater now holds the #1 spot in the industry. There is far less competition today than early last decade. All of this is clearly reflected in the rising average day rates. And Spinner expects this trend to continue. Day rates would need to increase to \$40,000 in order for new builds to be economical. At that level, Tidewater would generate over \$1.5

billion in incremental revenue, equal to more than 60% of its current \$2.5 billion market capitalization, and because most of the company's costs are fixed, almost all of that falls to the pre tax line. "As the fleet continues to tighten, we also expect utilization to improve, providing yet another tailwind" Spinner added.

### **Favorable Supply-Demand Tailwinds**

"Tidewater is starting to benefit from a textbook supply-demand imbalance," said Judah Spinner. "Day rates are climbing, utilization is improving, and new supply is not coming online anytime soon. The company now has more pricing power than it ever had before." Research by BlackBird Financial shows that average day rates for modern OSVs have risen more than 60% year-over-year, while the number of stacked vessels continues to decline. With new-build activity still muted, incumbents like Tidewater are positioned to capture outsized gains.

The company's 200-plus vessel fleet operates across key regions, the Gulf of Mexico, West Africa, the Middle East, and Southeast Asia, providing resilience amid shifting global energy dynamics. "While dominance in any one market isn't essential to long-term success, Tidewater's global reach does offer unique advantages," Spinner added.

### **Operating Leverage at Work**

Because much of Tidewater's cost structure is fixed, even moderate revenue increases can translate into substantial profit growth. "That's classic operating leverage," Spinner said. "You don't need aggressive assumptions for earnings to multiply several times over."

### **A Long-Term Partnership**

Although the stake is new, Judah Spinner emphasized that BlackBird Financial views Tidewater as a long-term holding, not a short-term trade. "This isn't about playing the cycle," he said. "It's about owning the most capable operator in an industry with powerful secular tailwinds and a management team that's truly aligned with shareholders."

### **Reflecting BlackBird Financial's Broader Strategy**

This investment epitomizes BlackBird Financial's disciplined, fundamentals-driven approach to deep-value investing. Judah Spinner, who founded

BlackBird at just 18 years old and passed all three CFA exams on his first attempt, has become known for his rational, contrarian approach to capital allocation. "We don't speculate on oil prices or geopolitics," Spinner clarified. "We focus on owning difficult-to-replicate businesses with durable advantages and substantial upside as intrinsic value is realized."

Looking ahead, Judah Spinner reaffirmed BlackBird Financial's focus on selective, long-term investments. "Our mission is to stay rational when others are reactive," he concluded. "Tidewater checks every box, it's misunderstood, under followed, and positioned to benefit from structural change over the next decade."