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Toms River, New Jersey Aug 13, 2025 ([IssueWire.com](https://www.issuewire.com)) - Judah Spinner, Chief Investment Officer of BlackBird Financial LP, announced today that the firm has taken a large stake in Tidewater Inc. (NYSE: TDW), the world's largest owner and operator of offshore support vessels (OSVs). The investment reflects BlackBird's conviction in the markedly improved economics of the OSV sector.

"The OSV industry is in a very different place than it was a decade ago," Spinner said. "We believe Tidewater is best positioned among its competitors—no one else comes close."

The investment, initiated during the first half of 2025, comes in a year when BlackBird Financial has reported a 34.4% return, outperforming the S&P 500 by more than 28 percentage points.

Why Tidewater?

Founded in 1956, Tidewater plays a critical role in offshore oil and gas production, operating vessels that transport equipment, personnel, and supplies to drilling platforms around the globe. Historically known for its cyclical nature and capital intensity, the OSV industry has undergone a fundamental shift over the past decade.

In 2015, the industry faced a glut of vessels and a fragmented competitive landscape. Since then, minimal new construction and ongoing retirements of roughly 4% of the global fleet each year have dramatically reduced supply. Industry consolidation has further improved market dynamics, as reflected in higher average day rates. Tidewater has emerged as the largest player in the sector, benefiting from significant operating leverage: with most costs fixed, incremental improvements in day rates or utilization flow directly to pretax earnings.

At day rate levels required to justify new vessel construction—around \$40,000—Tidewater could earn more than \$1.5 billion in net income, representing over 60% of its current \$2.5 billion market capitalization.

"Tidewater is a textbook example of what we look for," Spinner explained. "It's misunderstood, under-followed, and positioned to benefit from structural tailwinds over the next decade."

He cited years of underinvestment in offshore infrastructure and industry consolidation as key drivers. Spinner believes average day rates and utilization levels will be materially higher over the coming decade.

Favorable Supply-Demand Economics

"Tidewater is beginning to realize the benefits of classic supply-demand imbalances," Spinner noted. "Day rates are rising, utilization is improving, and replacement costs are well above current asset valuations. This gives the company pricing power not seen since the early 2000s."

BlackBird Financial's research shows that average day rates for modern OSVs have increased by more than 60% year-over-year, while the number of stacked vessels continues to decline. Meanwhile, new build activity remains minimal, creating a favorable backdrop for established operators.

Tidewater's global fleet of over 200 vessels spans the Gulf of Mexico, West Africa, the Middle East, and Southeast Asia. Spinner views this geographic diversification as an additional advantage in a geopolitically complex world.

"While Tidewater's dominance in multiple key markets isn't essential to its long-term success, it can be advantageous in certain situations," he added.

Operating Leverage

Spinner emphasized that even modest revenue increases could translate into significant free cash flow gains given Tidewater's high fixed-cost base.

"This is classic operating leverage," he remarked. "You don't need heroic assumptions for Tidewater's profits to be several times what they are today."

A Long-Term Hold

Although the position is new, Spinner made clear that BlackBird Financial intends to own Tidewater for the long term.

"This isn't about timing the cycle," he said. "It's about owning the best operator in an industry with immense tailwinds, run by a management team aligned with shareholders."

Spinner's Broader Strategy

The Tidewater investment reflects BlackBird's consistent approach: deep value investing rooted in company fundamentals. Spinner, who founded BlackBird at age 18 and passed all three levels of the CFA exam on his first attempt, has built a reputation for a bold contrarian style.

"We're not making bets on oil prices or geopolitics," he clarified. "We're investing in businesses that are hard to replicate, with durable advantages and significant upside as their true earnings power becomes recognized."

Spinner reaffirmed his commitment to long-term thinking as BlackBird continues to deploy capital selectively in 2025.

"Our job is to make investments in companies we'd be happy to own entirely. We believe Tidewater is one of the rare companies that checks every box for us.

To learn more visit: judahspinner.com

Media Contact

Market News

*****@mail.com

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