

The Activist Spotlight

Tidewater (TDW)

Business: provides offshore service vessels and marine support services

Stock Market Value: \$327 million (\$16.38/share)

What's Happening: Robert Robotti is urging directors to find a strategic partner for the company and to reduce the size of its board.

Key Numbers:

6.2%: Percentage of Tidewater common stock owned by Robotti

40%: His estimate of the selling, general, and administrative savings the GulfMark combination produced.

Behind the Scenes: Robert Robotti is an active shareholder who occasionally engages his portfolio companies. Robotti believes that Tidewater can achieve positive cash flow through consolidation synergies that would let it take better advantage of its large global drilling-service fleet and strong balance sheet.

He says that prior combinations with GulfMark Offshore and Zapata Gulf Marine improved Tidewater's competitiveness by optimizing its asset base, fortifying its cash position, and improving cash flow.

Robotti favors doing another deal now, rather than waiting for an energy industry recovery before taking action. He contends that a smaller board could more efficiently do this.

The investor could be pushing an open door here because in September the company named a new CEO, whom Robotti is confident will focus on both

organic growth and industry consolidation. Thus, Robotti is guiding Tidewater down a path it might already be on, rather than trying to change its course.

In fact, after he made his 13D filing, Tidewater announced that it is decreasing the number of directors, from 10 to 7—precisely the total Robotti wanted.

--Kenneth Squire

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