

July 09, 2026 21:00 ET

Longtime Offshore-Energy Investor Robotti & Company Calls on McDermott Board to Let All Shareholders Participate Equally in Rights Offering

Urges McDermott to Amend Offering Terms to Include an Oversubscription Privilege

Expresses View That Offering Price Massively Undervalues the Recovered and Growing Business

Criticizes Structure of Offering for Concentrating Ownership Among Privileged Insiders While Diluting Others

NEW YORK, July 09, 2026 (GLOBE NEWSWIRE) -- Robotti & Company Advisors, LLC and its affiliates ("Robotti"), a shareholder of McDermott International, Ltd. ("McDermott" or the "Company"), today issued a letter it had previously shared with the board of directors of McDermott regarding the Company's pending refinancing and rights offering (the "Rights Offering"). In the letter, Robotti criticized the Rights Offering as massively undervaluing McDermott's business, expressing the view that McDermott had demonstrated sustained recovery and the \$1.50 per share price provided for by the Rights Offering was unsupported by the Company's performance. Robotti further argued that the Rights Offering structurally disadvantaged McDermott shareholders to the benefit of a small group of privileged insiders who are acting as backstop parties and who stand to disproportionately benefit from the transaction. Finally, Robotti called on McDermott to amend the terms of the Rights Offering to provide an oversubscription privilege for all participating shareholders to permit fair and equal participation in the Company's continued success.

The full text of the letter follows (certain numbers updated as of July 9, 2026, as noted below).

July 7, 2026

MCDERMOTT INTERNATIONAL, LTD
17320 Katy Freeway, 4th Floor
Houston, Texas 77094
Attention: Board of Directors

Members of the Board of Directors (the "Board") of McDermott International, Ltd. ("McDermott" or the "Company"):

Robotti & Company Advisors, LLC and its affiliates (collectively, “Robotti,” “we” or “us”) is an independent, value-oriented investment advisor managing approximately \$1.2 billion on behalf of partners and clients and is the beneficial owner of approximately **2% of the outstanding Class A Ordinary Shares** (“Shares”) of the Company. We have extensive knowledge of the offshore energy and marine-construction industry.¹ Our perspective is that of a long-term and involved shareholder, not a passive or opportunistic holder, and we believe in taking an active role in our investments where necessary, including where we and our fellow shareholders face serious dilution and financial harm.²

We write today to express our serious concerns with the Company's recently announced refinancing and recapitalization (specifically the “Rights Offering” component). As currently structured, the Rights Offering provides an enormous discount to the fundamental value of the Company, but directs that value disproportionately to its four backstop investors, two of whom have representatives on the Board, at the expense of the rest of the Company's shareholders. Functionally, the Rights Offering would redistribute existing equity value disproportionately to a small group of shareholders we understand to be a control group. However, we believe the fix is simple: all participating shareholders should be entitled to an oversubscription privilege, permitting all participants to **share equally** in the value of the Rights Offering and support the Company's future.

The Company's Own Account: the Business Has Turned a Corner

Our conviction rests on the same facts the Company itself has been emphasizing in its own audited financial statements and refinancing materials. By McDermott's own account, the business has continued its demonstrable recovery, including:

- **Approximately \$10 billion in revenue** for the trailing-twelve months ended March 31, 2026 (up from \$8.2 billion in 2024), and roughly **\$489 million** in EBITDA;
- **Cash in excess of outstanding debt** — a net-cash balance sheet;
- A **remaining performance obligation (backlog) of approximately \$17.6 billion** as of March 31, 2026, which the Company highlights as both substantial and improving in margin; and
- A more consolidated, more rational competitive field, and a strengthening Middle East reconstruction and construction outlook in which **McDermott stands among the small number of dominant participants** across onshore and offshore work.

This is a business on a marked and sustained upswing that we believe can and will succeed, and all of its shareholders participating in the rights offering – not just a privileged few – should be able to purchase a pro rata portion of the rights that go unexercised.

The Rights Offering Massively Undervalues the Business

It is against exactly that backdrop that the proposed Rights Offering, which presents such an enormous discount to the Company's current value, raises concerns that tremendous real value is being redistributed to insiders:

- The Company proposes to issue up to **333,333,350 new Shares** against only **28,574,495 Shares** outstanding today yielding an issuance of approximately **92% of the post-offering equity**;
- The rights are priced at **\$1.50 per share**, implying a total equity value for the entire Company of approximately **\$51 million**, far below even the \$970 million fully diluted market capitalization implied by the thinly-traded “Expert Market” for the Shares;³
- Meanwhile, the business is generating roughly **\$10 billion** in revenue and about **\$489 million** in EBITDA, with a **\$17.6 billion backlog** and **more cash than debt**; and
- By contrast, we — and others who know this sector— believe the Company's equity is worth **several billion dollars**, a valuation view we hold based on the same fundamentals the Company itself has laid out. Each of the backstop parties values its McDermott shares in its reporting to partners. What value do they report to their investors?

The information disclosed by the Company in connection with the Rights Offering simply cannot bridge the gap between its performance and the price of the rights, a fact the Company readily admits, stating in its own disclosure that the “[p]urchase Price determined for this Rights Offering is not necessarily an indication of the fair value of Class A Ordinary Shares,” and admitting that “the Purchase Price was determined in connection with the negotiation of the Backstop Agreement.”⁴ Shareholders are being asked to approve and participate in a transaction at a price that was determined only by negotiation with the backstop parties who stand to disproportionately benefit from it. In the Company’s own words: “The Rights Offering may result in a significant concentration of ownership of the Company’s Class A Ordinary Shares by the Backstop Purchasers and certain Backstop Purchasers may have interests that differ from the interests of other shareholders.”⁵ Conspicuously absent from the Company’s disclosure is any indication that the Board obtained or relied upon any independent valuation analysis, fairness opinion, or market check in setting the purchase price.

According to the Company’s own disclosure, a shareholder who does not exercise its rights would suffer **dilution of approximately 92.1%** in its Share ownership.⁶ McDermott’s message to its shareholders states this directly: “If you choose not to exercise your rights to participate in the Rights Offering at your full pro rata percentage ownership of the Company, the relative percentage of the Class A Ordinary Shares that you own **will decrease significantly and your voting and other rights will be correspondingly diluted.**”⁷ It is this significant dilution together with the redistribution of the value represented by the steep discount of the rights to the very insiders who determined that discount that amounts to insiders hoarding the opportunity to purchase shares underlying unexercised rights.

The Core Problem: Unsubscribed Shares Reserved For Insider Backstop Parties

The structure of the Rights Offering compounds the problem of the price and undermines any value that might be equitably offered to shareholders as a result.

According to the current terms of the Rights Offering, each shareholder may subscribe **only up to its proportionate percentage** — there is no ability to subscribe for more. Critically, every share that any shareholder declines to take up does **not** become available to the other shareholders who do step up. Instead, those “Unsubscribed Shares” are **carved out to four backstop parties**: MFN Partners, LP; Baupost Group Securities, L.L.C.; Mason Capital Management LLC; and First Pacific Advisors, LP. Those four acquire the unsubscribed shares at the same excessively dilutive **\$1.50 price**, a value untethered to any semblance of true intrinsic value when the rights price was struck, in fixed proportions among themselves.

The effect is straightforward. Any shareholder who cannot or does not participate does not merely decline an opportunity. Its forgone shares are funneled directly to a small, favored group at a price we believe is a fraction of the Company’s true value. The combination of a deeply discounted price and a backstop that hoards unsubscribed shares does not raise capital on fair terms so much as **transfer ownership and control** from the many to the few, at the expense of the shareholders the Company is asking to support it at the shareholder meeting.

Three further features sharpen the concern:

- **Not every owner can participate.** The Rights Offering is being extended only to holders who qualify as “accredited investors,” and the Company reserves the right to reject subscriptions from those who do not. Combined with the shares’ limited liquidity as an expert-market security, this means a portion of the ownership base is **structurally excluded** from participating at \$1.50 — while their unsubscribed shares still flow to the backstop parties.
- **Shareholders are warned that exercising holders will buy into continued illiquidity.** The Company has made no commitment to register the new Shares or restore an active public market for them — a feature that predictably discourages participation, and every discouraged holder’s forgone Shares flow, at \$1.50, to the backstop parties.
- **Representatives of two of the four backstop parties sit on both sides.** Representatives of MFN Partners and Mason Capital serve on McDermott’s Board. The Company discloses that these directors were “recused from discussions” regarding the Backstop Agreement and Rights Offering. But recusal from discussion is not the same as approval by a disinterested committee or a vote of the unaffiliated shareholders — and it does not change the fact that

two Board-affiliated holders are among the four parties set to receive the unsubscribed Shares.

The Fix: Oversubscription Privilege for All Participants

The solution is narrow, standard, and easily implemented: an **oversubscription privilege**.

Every shareholder who fully exercises its basic subscription rights should be entitled to subscribe for additional, unsubscribed shares on a **pro rata** basis — allocated according to existing shareholdings, and **ahead of any allocation to the backstop parties**. This is a common, well-understood feature of rights offerings. It costs the Company nothing, raises the same \$500 million, does not delay the closing, does not disturb the price, and preserves the certainty the backstop provides — the backstop parties would simply purchase whatever remains after all participating shareholders have been given the same opportunity they enjoy.

We are not asking the Board to abandon the refinancing, to re-price the offering, or to relitigate the recapitalization. We are simply calling upon the representatives of the Company's shareholders to act as true fiduciaries by permitting **all** of the Company's owners who participate in the rights offering to participate in it fairly and equally.

Our Message to the Board

A \$1.50 rights price for a business with more cash than debt represents a massive discount to the value of the Company. Let every owner who steps up share in the value left on the table, instead of reserving it for four insiders. We are asking the Board to hold the same standard for its shareholders that it asks of them: alignment, fairness, and a stake in the recovery demonstrably underway which has already gained momentum. Adopting a pro rata oversubscription privilege is the simplest way to demonstrate it — and to close this refinancing on terms every participating shareholder can stand behind.

We would welcome a constructive dialogue with the Board and the Company in advance of the shareholder meeting.

Sincerely,

Bob Robotti
President
Robotti & Company Advisors, LLC

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¹ Our founder, Bob Robotti, has been active in the energy sector as an investor and director of industry-defining companies over a nearly fifty-year career, including as director of Tidewater Inc., of which we are among the largest shareholders; Pulse Seismic Inc., which he chairs; PHX Minerals (formerly Panhandle Oil & Gas), where we were the largest outside owner; AMREP Corporation; PrairieSky Royalty Ltd.; and Builders FirstSource (formerly BMC). Bob personally first invested in offshore oil services in 1976. Most relevant, Robotti has been an investor in major industry participant Subsea 7 (and its predecessor companies) since 1995.

² See, e.g., *Robotti & Co. Advisors, LLC v. Bldg. Prods., LLC*, Verified Compl., C.A. No. 4900 (Del. Ch. Sept. 16, 2009) and Stipulation of Settlement, C.A. No. 4900 (Del. Ch. Nov. 5, 2009).

³ \$28.40 trading price as of the close of business on July 9, 2026. Figures have been updated from original letter (dated July 7, 2026).

⁴ Rights Offering Memorandum and Preemptive Rights Notice dated June 24, 2026, Exhibit C, Risk Factors, pp. 18-19.

⁵ *Id.* at p. 17.

⁶ *Id.* at p. 16.

⁷ *Id.* (emphasis added)