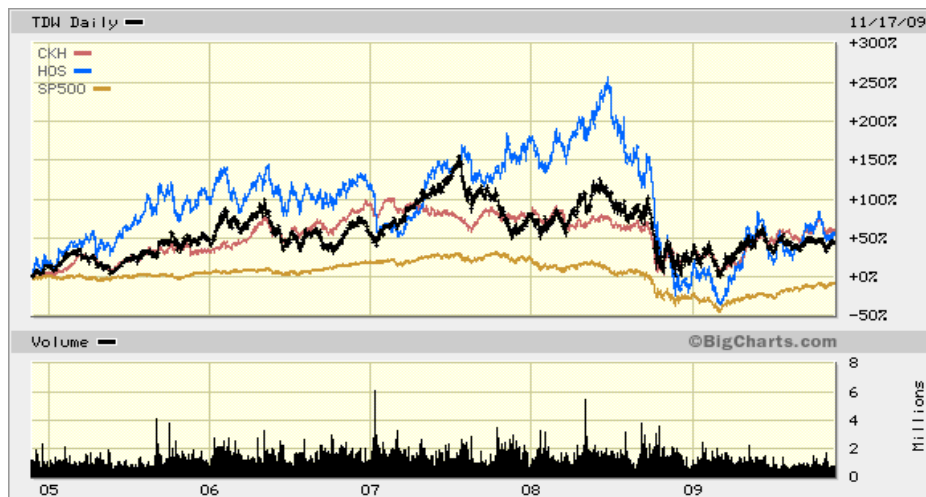


## Tidewater Inc. (TDW) 11/17/09

TDW operates as the world's largest fleet of supply and transportation vessels to the offshore drilling industry. This includes the towing of drills and rigs, the movement of supplies and transportation of crew. As of 2009 the company operated around 430 different vessels in all the major oil producing waters of the globe. TDW was founded in 1956 and is headquartered in New Orleans, Louisiana.

Current Price	\$45.70
52 Week High	\$52.04
52 Week Low	\$31.09
One Yr Target	\$50.00
Market Cap (in billions)	\$2.36
P/E (Trailing)	6.37
P/E(1 Yr Forward)	9.87
P/E/G	0.15
ROA	12.11%
ROE	16.75%
EPS	\$7.17
Beta	1.13
Annualized Dividend	\$1.00
Dividend Yield	2.19%
Analyst Consensus	2.30
Debt to Equity	0.37



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**Annual EPS**

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2005	\$4.05	
2006	\$6.34	56.39%
2007	\$6.67	5.23%
2008	\$7.87	18.02%
2009E	\$7.17	-8.85%

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**Annual Revenue (in millions)**

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2005	\$877.60	
2006	\$1,125.30	28.22%
2007	\$1,270.20	12.88%
2008	\$1,390.80	9.49%

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**Annual Net Income (in millions)**

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2005	\$235.60	
2006	\$356.60	51.36%
2007	\$348.90	-2.16%
2008	\$406.90	16.62%

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**Free Cash Flows (in millions)**

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2005	\$120.70	
2006	\$199.80	65.53%
2007	\$135.60	-32.13%
2008	\$52.70	-61.14%

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**Required Rate of Return**

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11.11%

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**Dividend Growth Model**

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Present Value of 2014 Price	\$9.91
Holding Period Return (5 years)	-11.96%

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**Expected Annualized Return Model**

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Present Value of 2014 Price	\$472.40
Holding Period Return (5 years)	57.80%

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**Residual Income Model**

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Intrinsic Stock Price	\$34.98
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# Analysis

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## Positives

Super low PEG ratio for a company with nice profit margins, which suggests a good value

Company carries very little Debt as evidence by the Debt to Equity ratio

## Negatives

## Financial Statements

Income Statement is great as evidence by the increasing and high EPS numbers

Balance Sheet is good with very little Debt, but company has yet to repurchase Treasury Stock

Cash Flows are good but company does make some Capital Expenditures

## Industry Analysis

Company is a leader in the crowded and cyclical offshore oil transport industry

TDW has some of the better financial ratios in the industry

## Summary

TDW has some monster financial ratios and analysts expect a huge growth rate in the next 5 years. The stock is currently trading though at only 6 times earnings probably due to the industry being out of favor with commerce and oil only starting to rebound. TDW has good financial statements with little debt that leaves them in a good position to expand operations and renew their fleet. Since the company operates worldwide it is less dependant on the US business cycle, so it should start seeing increased revenues soon. The company does have some concerns from the expected worldwide increase in fleet sizes which will reduce day-rates and also weather concerns on the oceans. Still though, once the price of oil increases enough for companies to increase their offshore and deepwater drilling TDW should be in a good position to increase revenues and their stock price. TDW earns a **buy** rating as its stock is currently a good value with a very high projected growth rate that should see price increases along with the oil industry.