

News

Blue Harbour's Robbins Says Fund Owns More Than 5% of Babcock

Blue Harbour Group LP founder and Chief Executive Officer Cliff Robbins said his activist fund owns more than 5 percent of Babcock & Wilcox Co., a clean energy technology and services company.

The Charlotte, North Carolina-based company has great management whose stock is "misunderstood," Robbins said today at the Active-Passive Investor Summit in New York.

Blue Harbour sees at least 40 percent upside in Babcock & Wilcox, which has no debt and can

buy back \$750 million in stock, Robbins said. Babcock rose 2.1 percent as of 3:07 p.m. in New York to \$34.56, giving the company a market value of \$3.8 billion. The shares have climbed 32 percent in the past year.

Robbins, whose Greenwich, Connecticut-based firm oversees about \$2.3 billion, targets companies whose management teams may be open to new ideas, and works collaboratively with them to unlock value, avoiding hostile tactics such as proxy fights. He applies a longer-term private equity approach from his earlier career at KKR & Co.

Blue Harbour holds stakes in companies including women's clothing retailer Chico's FAS Inc. (CHS), clinical software developer Allscripts Healthcare Solutions Inc., and Akamai Technologies Inc., which helps speed Internet-data delivery.

Activist investors tend to buy at least 5 percent of a company's stock and flag their intention to actively engage corporate executives and directors by disclosing their holding in a 13D filing with the U.S. Securities and Exchange Commission.

By Beth Jinks