

Pateras poised to swoop on MPCC boxships



Greek owner covets up to twenty feederships in the Oslo-listed company that is under restructuring

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Greek boxship owner Nikolas Pateras has proposed to buy 20 units in the fleet of MPC Container Ships (MPCC), a German company under financial restructuring, TradeWinds is told.

The offer by Pateras company Contships Management applies to the part of the MPCC fleet that was financed with the help of \$200m worth of high-yield bonds maturing in September 2022.

MPCC has funded 39 of its 68 vessels through these bonds.

TradeWinds understands that Pateras is interested in the bond-financed MPCC vessels that match his own fleet of 40 feeder containerships with a size between 900 teu and 1,400 teu.

MPCC has exactly 20 ships in that size range. According to VesselsValue, they have a combined current market value of nearly \$64m.

Contacted by TradeWinds, a Contships manager declined to directly comment on whether an offer was made, but said that the MPCC vessels in question were indeed a good fit to his company's own. "We think there can be lots of synergies," the manager said.

A senior MPCC official, by contrast, downplayed any talk of a bid. "We get a lot of silly offers all the time. There's certainly nothing serious out there," he said.

Pateras's proposal goes beyond the limited ship sales MPCC currently envisages as part of the financial restructuring it is pursuing. The Oslo-listed company has said it plans to raise just \$7m through measures such as asset disposals.

Falling charter rates in the wake of the coronavirus crisis have pushed MPCC into a corner. The company has warned it "will experience [a] liquidity shortfall already in July 2020, resulting not only in covenant breaches but also operational liquidity issues".

MPCC plans to overcome its problems through a host of financial measures. It has called extraordinary shareholder and bondholder meetings in early July to obtain approval to proceed with a share-convertible loan, a capital increase, a ten-to-one reversible stock split, as well as an easing of debt covenants and maturities.

Of particular urgency is the raising of \$15m through a share sale to avoid a "fire sale" of ships, the company has said.

MPCC expects these combined measures will give it enough cash for 18 months of operations.

Pateras, who has expressed his interest in the MPCC ships at the end of last week, set up Contships from scratch in 2014. What began as a moderate bet on the feeder containership market has developed into a high-stakes game, in which the Greek owner is estimated to have invested about \$260m as of the end of last year — about half in debt and half in equity.

Pateras is familiar with the German containership market, having acquired several of his vessels by raiding the local KG market for bargains.