

# Contships first private Greek to tap Nordic bond market

Nikolas Pateras-led firm set to break new ground with \$100m bond run

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Contships Management, the world's largest independent owner of feeder container ships between 900 teu and 1,500 teu, began talks with investors on Tuesday to sell bonds worth at least \$100m in the Nordic market.

Placement of the five-year, sustainability-linked securities would make Contships the first privately held Greek firm to tap this particular marketplace for funds.

Shipowner Nikolas Pateras set up the company around a decade ago. Contships has since acquired almost 60 vessels on the second-hand market and now has a homogenous fleet of 41 ships with a total value of about \$500m.

TradeWinds understands that the company is seeking to sell the unsecured bonds to raise cash for general corporate purposes, including debt refinancing and ship acquisitions.

Contships, which counts AP Moller-Maersk, CMA CGM and Cosco Shipping Lines among its clients, is already busy renewing its fleet.

The firm is seeking to attract investors with solid financials that have been boosted by a robust container ship market in the wake of the Covid and Red Sea disruptions.

It also champions a conservative financial strategy, successful sale-and-purchase moves and a good record with charterers.

According to financial data submitted to investors, the company paid out \$274m in dividends over the past four years.

At the same time, its net loan-to-value stands at 28%, with available cash at \$30m, which will soon rise to about \$50m following the completion of recently agreed ship sales.

The firm expects to achieve an Ebitda of \$98m this year on net revenue of \$186m.

Pateras, who is the company's founder and largest shareholder with a 90.1% stake, is a traditional shipowner who successfully sold all his vessels before the market crashed in 2008.

He started selectively purchasing ships again in 2010, setting up Contships five years later as a moderate bet on the feeder container ship market that later developed into a high-stakes game.

Contships' remaining 9.9% is owned by its management team.

Arctic Securities and Fearnley Securities act as joint bookrunners.

Shipping companies have enjoyed low credit spreads in the Nordic bond market.

Several other public companies have tapped the market recently, including Scorpio Tankers, SFL Corp and Diana Shipping.



**SHIPOWNER:** Nikolas Pateras is the founder and owner of Contships Management Photo: Contships Management