

FINANCE

Contships seals \$100m Nordic bond run in private Greek premiere



Nikolas Pateras-led container ship firm becomes first non-public Greek player to tap booming Oslo marketplace

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By Harry Papachristou

International investors warmly received a bond sale by Contships Logistics Corp on Tuesday, making the affiliate of boxship player Contships Management the first private Greek company to successfully tap this Nordic market.

Books opened and closed within the day on the \$100m issue that was lapped up by international, institutional investors.

The coupon on the five-year, sustainability-linked bonds was set at 9%, sources familiar with the transaction told TradeWinds.

This was described as a “great result” for a private company entering the market, compared with similar bond sales completed recently by other, public shipping companies.

Scorpio Tankers on 16 January completed a \$200m sale of unsecured five-year bonds at a 7.5% interest margin.

One day before, local hero John Fredriksen's SFL Corp launched its 17th bond, selling \$150m worth of five-year notes at 7.75%.

The buyers of the Contships bond consist of the institutional, international investors usually active in such deals.

The world's largest independent owner of feeder container ships between 900 teu and 1,500 teu began talks with potential buyers on 21 January.

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

With a net loan-to-value ratio at 28% and available cash that will soon reach \$50m, the company paid out \$274m in dividends over the past four years.

Founder and controlling shareholder Nikolas Pateras raised the cash for general corporate purposes, including debt refinancing and ship acquisitions.

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

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

Bonds have been allocated to investors and the notes started trading over the counter.

Arctic Securities and Fearnley Securities acted as joint bookrunners.

The Nordic high-yield bond market set a record last year with a total issue volume of NOK 223bn (\$20bn).

The largest volumes came from shipping, transport, oil services and energy. Shipping and transport issued NOK 34bn, and oil and gas-related sectors NOK 51bn.