

Contships seals \$100m Nordic bond with 9% coupon

Proceeds expand company's firepower as it seeks to renew fleet, says owner Nikolas Pateras

- 29 Jan 2025
- NEWS



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Successful issue makes owner first private Greek shipping company to raise money in Oslo bond market



Source: Contships Management PATERAS: PROCEEDS FROM THE BOND ISSUE WILL BE USED AS 'FIREPOWER TO RENEW THE FLEET'.

CONTSHIPS Logistics has priced its inaugural \$100m Nordic bond issue at an annual interest rate of 9%, becoming the first private Greek shipowner to tap this market.

The five-year, sustainability-linked bonds will be issued on February 11, at 98% of the nominal amount.

Feeder containership owner [Contships](#) is the third-leading shipping company to raise money from bonds in the Oslo market this month, following [Scorpio Tankers](#) and John Fredriksen's [SFL Corp](#), which are both publicly listed tanker owners.

The Nordic high-yield market appears to be continuing its momentum from last year, which was a record one that saw 230 bond issues worth almost \$20bn.

The shipping and transport sector was a significant component in this activity, raising NOK34bn (\$3bn).

Arctic Securities and Fearnley Securities are acting as joint bookrunners for the issue, with [Clarksons](#) Securities earning a co-manager credit.

The terms include a sustainability target of a 2% reduction in the fleet's efficiency ratio over the five-year period of the bond, or an additional repayment of 0.5% of the nominal issue amount will be triggered.

One source close to the deal said that the company's story had "resounded well with the capital markets."

Its fleet, run by [Contships Management](#), stands at 41 containerships, out of a total 59 the owner has acquired over the past decade in establishing itself as the largest independent tonnage provider in the 900 teu-1,500 teu segment.

According to the prospectus for the issue, it currently has 61% charter coverage for 2025.

Clients include [Mediterranean Shipping Company](#), [CMA CGM](#), [Cosco](#), [Maersk](#), [Zim](#) and others.

Founder and chief executive Nikolas Pateras said that the proceeds from the issue would be used as "firepower to renew the fleet".

The owner is understood to be sitting on liquidity of about \$300m, once the bond proceeds are added to past dividends.

However, he acknowledged that there is currently hot competition in the secondhand market due to demand to secure feeder vessels.

Liner companies have been among the most determined buyers in the market for secondhand feeders.