

CONTAINERS

Nikolas Pateras-run Contships posts higher profit amid firm feeder ship market



Major Greek owner has nearly 80% of its fleet covered with charters through to autumn 2026

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Contships Logistics, the world's largest independent owner of small container feeders with a capacity of up to 2,000 teu, posted higher profit in the third quarter, on the back of tight tonnage and Red Sea disruption.

The Nikolas Pateras-controlled company posted a net income of \$11.6m for the period, up from \$3m in the same period last year.

Profit for the first nine months of the year dropped to \$24.5m from \$37.2m, mostly as a result of one-off base effects from the revaluation of vessels.

In January, Contships became the first private Greek company to sell bonds in the Nordic market, with a \$100m issue followed up by an additional \$75m tap in September.

The bonds, which pay a coupon of 9%, allowed Pateras to almost eliminate his bank loans, unencumber Contships' 34 vessels and embark on a wide-ranging fleet renewal programme, which is still in full swing.

The company agreed to sell 13 vessels on the secondhand market so far this year, for total gross proceeds of \$120.2m.

On the other hand, it acquired five younger feeder ships over the same period for \$71.9m in cash on hand.

"Overall, CLC [Contships] has made several creditor-friendly choices during 3q 25... adding to the positive credit fundamental for the bond," Fearnley Securities commented on the company's results.

Contships' moves have been underpinned by an ongoing firm freight market. Ship traffic through the Red Sea remains constricted, boosting tonne-miles, despite a stop to Houthi attacks in the area following a ceasefire in Gaza.

"Container feeder vessels are being fixed for historically long periods, and operators maintain a strong appetite for renewing tonnage at elevated levels," the company said.

As a result, Contships concluded eight mid to long-term charter deals recently with Cosco, CMA CGM, Container Freight Services, Maersk and Zim, at rates between \$15,000 and \$21,000 per day.

Following these latest fixtures, Contships expects its average gross daily time-charter rate to rise to about \$15,700 in the fourth quarter.

Any new deterioration in the US-China trade relationship or normalisation of Suez transits, however, "would quickly test current rate strength", Contships added.

Hopes for an end to hostilities in the Red Sea increased on Tuesday, when Yemen's Houthi rebels signalled in a letter to Hamas that they would not resume attacks as long as a ceasefire holds in Gaza.

Shipping analysts, however, do not believe that liners will rush to send their ships back through the waterway any time soon.

Contships has most of its vessels covered with charters stretching about a year forward.

According to the company, its secured revenue backlog stood at \$245m as of 1 October, covering 78% of available fleet days through to 30 September 2026.

"Overall, the feeder containership segment, where the Group operates, remains well-positioned," Contships said.

The firm has not rushed so far to join the newbuilding ordering for such vessels, citing high newbuilding costs.

According to Contships' estimates, other players have inked 80 feeder ships since March, propelling the current orderbook to about 285 newbuildings, or 7% of the number of existing ships on the water.

That remains below the current 15% orderbook-to-fleet ratio for the entire container ship fleet in terms of numbers and 32% in terms of tonnage.

Contships founder Pateras owns 90% of the company.

The firm paid \$20m in dividends this quarter, bringing the total paid out to about \$300m. Contships' current cash liquidity stands at \$111m.