
Euroseas reveals merger talks with Poseidon

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Euroseas, the Nasdaq-listed dry bulk and containership owner, is exploring a merger of its growing boxship fleet with that of fellow Greece-based owner Poseidon Container Holdings.

Poseidon, backed by George Youroukos-led Technomar Shipping, was launched in 2010 and sought its own US listing in 2015.

However, the initial public offering was pulled during the Chinese capital market meltdown, despite being fully subscribed.

Investment firms Kelso & Company and Maas Capital Investments have participated in Poseidon's ownership since inception.

Aristides Pittas-led Euroseas has been forthright about its interest in using its public company status **to provide a consolidation platform in either the bulker or container sector** and says it could split its fleet into two public companies to facilitate a deal if it would benefit shareholders.

Euroseas and Poseidon have entered a non-binding letter of intent to potentially combine their respective containership fleets "under certain circumstances". But Euroseas said that discussions are "at an early stage".

Poseidon owns and operates **16 container vessels, with an aggregate capacity of 86,332 teu**. These include four feeder vessels, two panamaxs, four post-panamaxs and another six post-panamaxs described as being of new wide beam / high reefer capacity design.

If the merger goes ahead, the agreement is likely to be based on the net asset value of the respective fleets.

"The possible combination may include a spinoff of Euroseas' container assets into a standalone company or take the form of a different structure," the Nasdaq-listed company said.

Euroseas has significantly expanded its boxship fleet in recent weeks by taking over the fleet of former joint venture affiliate Euromar.

Having last month announced the purchase of two 2,506 teu vessels formerly under Euromar, the owner has now declared options to acquire two further vessels from the same fleet – the 2,556 teu EM Corfu and the post-panamax Akinada Bridge, both built in 2001. Delivery of the two ships is expected this year.

Euroseas has taken control of several other vessels by acquiring “at nominal cost” the majority 85.7% interest in Euromar that was previously held by a hedge fund and a private equity firm, so that Euromar is now a 100%-owned subsidiary.

Euroseas says its **containership fleet currently numbers 15 vessels of 34,044 teu.**

Alongside the boxship fleet, it owns a fleet of seven bulkers including one kamsarmax newbuilding under construction.

Poseidon sponsor Technomar has also been investing heavily in the dry bulk sector and a spate of recent purchases is understood to have increased its bulker fleet to about 40 vessels.

(lloydslist.com)