

Interview Shortlisted Company – European Small and Mid-Cap Awards 2017

Name of the company
Songa Bulk ASA
Why did you decide to go public?
<p>The idea for the Company was to establish a pure-play investment vehicle with the aim to profit from a market recovery.</p> <p>The initial strategy was to purchase dry bulk vessels with cash only and consequently access to capital was crucial and the main reason to go public.</p>
What has been the reaction from investors, customers, employees, etc following going public?
<p>The reactions from investors have been positive so far. As a general comment investors are aware of the risks attached to the cyclical nature of the shipping industry. There is a growing number of equity analysts covering Songa Bulk. Our simple and visible business model they are in a position to plug in their own assumptions enabling them to give adequate recommendations</p> <p>Furthermore, the transparency required for a publicly listed company is welcomed by our customers. Counter party risk is high up on the agenda for serious players in the dry bulk industry and giving Songa Bulk ASA a competitive edge.</p>
What have been the benefits to your company?
<p>Being listed does something with internal discipline. We are reporting on a quarterly basis with set deadlines which have to be met by everybody in the organization.</p> <p>As stated above we are of the opinion that we are a preferred tonnage provider for the dry bulk industry. The listing has made an attractive bond financing possible</p>
What were the main challenges in taking your company public?
<p>We did not see any particular challenges in taking the company public. Oslo Stock Exchange is forthcoming in the process leading up to the day of listing. There is always a cost attached, but overall we consider the benefits to be greater.</p>
What experience would you want to share with companies that are thinking of going public?
<p>Within the shipping industry it is important to have a simple business model when going public. Strive to deliver in accordance with pronounced strategy. Think like an investor and not be "management driven"</p>
What do you believe are the top qualities of your company?
<ul style="list-style-type: none"> - Experienced Management Team supported by an active and skilful BOD - Low cost - Good quality fleet - Transparent business model
Where do you see yourselves in 5 years?
<p>The Company has an investment horizon from start-up of twelve months and then to de invest within the next three to five years either by selling the assets one by one or the fleet</p>
Have you had any assistance from the European Union, e.g. funding projects, etc.
No

If you had 3 wishes come true: What should the EU do to encourage more SMEs to go public and to provide ongoing support for listed companies?