Leadership

Dealmakers of the Year
A TRUE SPOKESPERSON FOR THE INDUSTRY

PADDY RODGERS,
CONTRIBUTION TO SHIPPING FINANCE

The International shipping industry has no shortage of passionate entrepreneurs, sophisticated financial engineers, talented commercial chartering gurus, generously engaged industry association contributors, committed engineers, quality technical operators, and those with a heart for the human element. It even has a few articulate and energetic spokespeople, but rarely are all these skills found in the hands of one individual.

Before we come to the more traditional elements usually reserved for the Marine Money Contributor of the Year, it’s important to spend a few minutes reflecting on the combination of skills that the deserved winner, Paddy Rodgers, brings to the business.

To listen to him make the case for owners not to get nervous and take rates lower at the first sign of a bumpy freight market, or argue for his pools, promote his shares, rail against scrubbers, or advocate for quality and safety, has been an industry-wide privilege.

Whether in the end he is right or wrong, history will tell us, but there can be no doubt of the clarity of his opinions and his willingness to take a risk. Ultimately, the industry has benefitted from a healthy, open and transparent debate!

As this is a Marine Money Award, it is important to also acknowledge where Euronav has come from and gotten to during his time there. He would be the first to point out that there is no ‘I’ in team and, while he is the dominant face of the company, he has surrounded himself with a formidable management team and a quality independent Board.

A lawyer by training, he joined the CMB group in 1989 and, from 1990 to 1995, he served as the company’s in-house attorney before becoming a shipping executive. He was appointed chief financial officer of Euronav in 1998, became CEO in 2000, and has served as a director since 2003.

Paddy has always had an eye for initiatives that are good for the environment and for the seafarer. He is Chairman of ITOPF, contributes to INTER-TANKO, digs into IMO issues, and tirelessly hits the road to speak with shareholders, clients, and partners.

Google Paddy today and one finds strong opinions on the scrubber — pages of them. It would have been SO EASY for Euronav to just do the same as the competition (install scrubbers on 40-60% of their fleet). They had the money and the technical skills but, any recording of Paddy on the subject shows he had also done his homework on the issues involved, and that he voiced a passionate “No Way.” He examined the issue fiercely with his team and, just as fiercely, made his opinions known!
Euronav since 2000. His 18-year career as CEO has been marked by triumphs, innovation and financial acumen — always with an eye on developing shareholder value. The Tankers International Pool, the VLCC Fixtures app, listings on Euronext Brussels and the NYSE, his calls for scrapping, exhortations to other owners to avoid the trap of being price takers — in short, he always looked beyond his next fixture.

Over the course of his career at Euronav, Paddy and his team grew the Belgium-based Euronav into the biggest independent player in the crude tanker market. The company had just 17 ships when it started in 1995; and last year, it concluded a well publicised merger with Gener8, making Euronav a true giant.

The Euronav Gener8 merger is itself worthy of mention, as it has created a tanker company of significant scale, bringing both financial and operational benefits to shareholders and positioning it favourably to navigate the tanker cycle and upcoming regulatory challenges. The transaction process highlights how accretive consolidation can be achieved, despite complications, with a disciplined approach by a focused management team. The stock-for-stock merger will result in Gener8 becoming a wholly-owned subsidiary of Euronav, and create the leading independent large tanker crude tanker operator, which will operate 75 crude tankers, including 44 VLCCs and 28 Suezmax tankers, with combined assets in excess of $4 billion, a marked-to-market combined leverage of less than 50%, and liquidity of more than $750 million, including cash on hand and undrawn amounts under existing credit facilities.

While Paddy is unmistakably the outward face of Euronav, he has successfully surrounded himself with enormous talent and trusted their skills. The Gener8 transaction was accomplished without any Bulge Bracket bank support, demonstrating huge confidence in the team. In the end, most facets of the transaction were engineered, processed and controlled by an in-house team of financial analysts, specialist legal professionals, operational/technical management, and the executive management committee.

"Euronav is in a strong position with sector low leverage, substantial liquidity and operational flexibility, to take on the challenges from the tanker market going forward. Euronav’s strategy remains unchanged, and the board and management team look forward to building on the legacy created by Paddy."

And, as others who appreciate Paddy’s boundless energy and intellect have said: “We would not be surprised if Paddy continues to influence the industry going forward...he really cares about it!”

Thank you, Paddy, for the past — and we look forward to the future.