



Soren Roschmann (left) and Anders Liengaard want to standardise measures of performance across the dry bulk vessel categories. Photo: Torben Eskerod

Pangaea Logistics again leads pack as public bulker companies beat Baltic indices in 2019

Danish researchers make a case that maybe stock values should not be trailing steel values after all

27 May 2020 11:59 GMT [UPDATED 28 May 2020 4:51 GMT](#)
By [Joe Brady](#) in [Stamford](#)

If you're one of those investors who feels better about investing in "steel" rather than a public-company management team, you might want to consider a report by Danish analysts on the dry cargo market.

Public managers in 2019 produced a premium to Baltic Exchange dry indices of up to 54%, according to the second VesselIndex Report on performance by Anders Liengaard and Soren Roschmann.

And once again the champion in this rating of 25-listed owners and operators is Rhode Island-based Pangaea Logistics Solutions, one of two US-based bulker companies in the top six finishers.

That makes two top finishes in two years of the report for Ed Coll-led Pangaea, and it was not close.



Pangaea Logistics Solutions nearing half-decade of profits in dry bulk trade

[Read more](#)



Winners and losers exposed by new dry bulk benchmark study

[Read more](#)



Gary Vogel: "We are pleased to see that VesselIndex continues to shine a light on commercial performance, something that is part of our DNA." Photo: Eagle Bulk Shipping



Pangaea CFO Gianni Del Signore. Photo: Contributed



What's the public value of management, when the share price is all about steel?

[Read more](#)



Deutsche Bank prods Euronav to drop dividend, perhaps listing

[Read more](#)

The 53.7% premium more than doubled the spread for runner-up Pacific Basin Shipping of Hong Kong and also topped Pangaea's outperformance of 38% for 2018.

"We believe this is interesting as it can help nuance the overall picture in general, but also view some recent articles published by TradeWinds that questions the public listings and if companies are only judged on their asset values," said Liengaard and Roschmann.

Some of those comments focused on why owners across market sectors are trading below their net asset values, amid some suggestions that management teams do not help the owners beat market indices.

Indeed, 16 of the 26 dry companies surveyed in the VesselIndex beat the relevant Baltic indices in a measure that is tailored to account for a fleet's vessel composition.

Eagle Bulk Shipping of Connecticut was the second US-based finisher in the ranks at sixth with a market premium of 11.8%.

The top five was rounded out by Thoresen Thai Agencies at 23.5%, Belships ASA of Norway at 20.8% and DS Norden at 14%.

The bottom five owners in the index all underperformed the Baltic indices. Worst were two Greek owners in Globus Maritime, at negative 14.4%; Seanergy Maritime, which scored at negative 10.1%; Oslo-listed 2020 Bulkers at minus 7.2%; Navios Maritime Holdings at negative 5.7%; and Good Bulk at minus 5.5%.

Liengaard and Roschmann are two former J Lauritzen executives who have established VesselIndex to standardise measures of performance across the handysize, supramax, panamax and capesize sectors.

Roschmann said it does not seek to explain why companies outperform or underperform their indices. It leaves that up to the owners.

Rather, it takes the earnings they report and aligns them with the vessels in their fleets to arrive at an "apples to apples" comparison across companies.

For niche and project cargo specialist Pangaea, listed on New York's Nasdaq, it was simply more of the same.

"We're glad to see Søren and Anders again providing some standardization to this type of reporting. We're proud to be recognised again as a top performer," said Gianni Del Signore, chief financial officer.

"In a continually volatile market, we aim to apply a consistent strategy to drive results to the bottom line. For us it's simply focusing on what we know and what we do best."

He said the company is constantly hunting for avenues to add value in the supply chain and expand services. That includes "challenging cargoes, ice-class trades, stevedoring and multi-service projects that revolve around our vessels".

The ranking was another coup for Eagle Bulk under chief executive Gary Vogel, who has transformed the company to an active-management model since taking the helm.

"We are pleased to see that VesselIndex continues to shine a light on commercial performance, something that is part of our DNA," Vogel told TradeWinds.

"Our focus on active management...has allowed us to significantly outperform the benchmark Baltic Supramax Index over the past few years. We are proud of this track record, especially as we have been able to improve on our performance year after year."

Liengaard and Roschmann said overall average outperformance was about 6% across the 25 owners, despite possible negative rates consequences owing to installation of exhaust-gas scrubbers during part of 2019 when rates were relatively strong.

On a more humbling note, however, Eagle Bulk was trading at 38% of its NAV at the end of last week — among the lowest of dry bulk owners assessed by US investment bank Jefferies.

Meanwhile, Pangaea was trading at 56% of its book value of equity per share, according to a client note on 26 May by Noble Capital Market analyst Poe Fratt. [\(Copyright\)](#)

Article by Joe Brady "Pangaea Logistics again leads pack as public bulker companies beat Baltic indices in 2019" TRADEWINDS <https://www.tradewindsnews.com/finance/pangaea-logistics-again-leads-pack-as-public-bulker-companies-beat-baltic-indices-in-2019/2-1-815129>