Interunity Group

Interunity, which has shed a large number of vessels, including the LR1 tanker Madison, is now focused on product and chemical tankers.

Performance is the key

Interunity Group has put some distance between itself and the broad swathe of tonnage providers in Greek shipping, drawing comparisons with some major northern European tanker concerns, **Nigel Lowry** reports

If Silicon Valley's business culture — as famously posited for Netflix — was that a well-run company should resemble a pro sports team, not a family, then few industries have come down more solidly on the other side of that divide than Greek shipping.

However, George Mangos — who, alongside his brother Christos, is co-principal of the Interunity Group — is clear that his group is one of the exceptions, leaning more towards the more performance-driven Netflix vision of company culture.

Seemingly in keeping with this is Interunity's initiative to organise Thermo2024, a charity endurance cycling race in the Pindos mountains to coincide with this year's Posidonia event.

Starting and finishing in the village of Thermo, three hours from Athens, with more than 4,000 metres of climbing on the longer 160km route, the event is about "pushing boundaries", according to one of the promotional catchphrases.

The race is in aid of two of the group's favourite charities but the connection with cycling hardly seems an accident.

"We are very performance-orientated," Mangos says. "So we get cycling. It is such a powerful sport in many forums, in northern Europe in particular. We wanted to bring that into the shipping community in Greece."

Until now, Interunity has arguably been better known among institutional investors in New York than in its native Greece, although the sponsoring of the cycling event may chip away at some of that anonymity.

Managing to stay below the radar so successfully is no mean feat for a group that was managing 87 vessels at the fleet's zenith a couple of years ago and has been in the market for four decades.

Starting out in 1982, the company initially focused on owning dry bulk vessels and on third-party management of liquefied petroleum gas carriers and tankers.

Under the brothers — third-generation Oinoussian shipowners — it has steadily evolved into an operator and a co-investor with a number of institutional investors that "move with the wider shipping cycle", says Mangos.

It has been increasing the ownership component in the fleet under its operation.

"We are no longer in the phase of the market when distress investing makes any sense, which is a change,"he says.

"There is little distress around and the key lies in performance, delivering as much value as possible to investors.

"The shipping cycle can be feast or famine, so the differential is that we are trying to capture value at all points of the cycle."

According to Mangos, the mentality was honed after the 2008-2009 global markets crash, when "we were walking on scorched earth and we had to use all the resources available to us".

That difficult decade contributed to the group's approach whereby it tries "to happen to the market, rather than allowing the market to happen to us".

The group includes shipmanager Interunity Management Corporation (IMC), which is described as the group's "founding pillar".

However, a clear leap forward came in 2020 with the rebirth of Sokana — a longstanding name in commercial tanker management — as a joint venture between Interunity and Sokana founder Lars Ebbesen.

It has been a third outing for Ebbesen under the Sokana brand, after successful previous partnerships with Arne Blystad and Navig8.

Sokana, which currently manages a fleet of about 30 sophisticated product and chemical tankers, has quietly done a string of over-the-counter offerings in Norway.

"It is a well-recognised brand in the Nordics," notes Mangos, adding that one reason for the group's enhanced profile in northern Europe is that the region is "more cargo-focused than in the south, which is more tonnage-focused.

The shipping cycle can be feast or famine, so the differential is that we are trying to capture value at all points of the cycle

"We are highly sensitive to the market conditions and constantly aiming to optimise... We have a very tight and skilled trading team... Our objective is to try to maximise returns to our vessels, rather than maximise size

George Mangos
Co-principal
Interunity Group

"There is a key difference in approaching the market as an operator. If you are only an asset player, you have a limited number of tools available to you: to buy or sell, and to charter short-term or charter long-term.

"But the market is a lot broader than that and we now have a wider range of levers that we can calibrate to react more precisely to the market than we could before," he says.

"We are highly sensitive to the market conditions and constantly aiming to optimise."

By being operators as well as owners and managers, the opportunity arises to capture every potential source of efficiency and value within the chain, he explains.

"We aim to maximise everything and build something greater than the sum of the parts. Everybody says that, of course, but not everyone does it."

'Cargo-first' programme

Having a "cargo-first" programme means shipping of cargo is optimised at the level of individual tanks, rather than just ship by ship.

An example — though not an everyday one — is that it may sometimes be beneficial from the freight standpoint to take the cargo parcels off a ship and reload on to another.

"There is a lot of work done post-fixture and we have a very tight and skilled trading team," Mangos says.

"It is not an approach that can be infinitely scaled up with the same results. But our objective is to try to maximise returns to our vessels, rather than maximise size."

That is a point easily proven by the events of the past three years, which have seen the group and its investment partners sell 35 vessels — including all its dry bulk carriers and multipurpose vessels, as well as most of its containerships.

It focused more heavily on the product and chemical tanker sector, where the market has more sustained prospects, in its view.

"We can size down a lot further if market conditions necessitate it," Mangos says. "You have to be quite ruthless in that sense in order to perform."

As to reinvesting in dry bulk or containers, the investment case for those sectors is currently "less obvious" and Interunity is less willing than many of its peers to buy at currently high price levels.

As for newbuildings, Mangos says that deliveries in 2026 or 2027 are effectively counting on the state of the market in 2032 and beyond, adding: "We don't know enough to make that bet."

Nor does the group flinch from looking beyond shipping.

"You should be careful not to get too fixated within your industry," he says.

Interunity's main diversifications have been in real estate and tech investments. It also has a company involved in infrastructure, including construction of data centres.

"Agility is important to us. Going forward, it is going to be even more important, as we are in a very volatile world — and it is only going to get more volatile," Mangos says.

"We are genetically adapted to that. We are comfortable with volatility — it gives us an edge."