



Attica Group

# Attica Group Green Agenda

The Greek Attica Group with its brands Superfast Ferries, Blue Star Ferries, Hellenic Seaways and AML (Africa Morocco Link) generated in 2022 a positive result after two very hard years. Attica is still in the acquisition process of Anek Lines, but the target is not far away and this year the deal could be completed.

In 2022 three new, state-of-the-art High-speed passenger catamarans were introduced on the short lines from Piraeus to the Saronic islands. The mainly RoPax operator had built up since 2020 a Decarbonization Working Group to set up a Green Agenda with detailed actions and fuel saving projects. RoPax spoke with the CEO Spiros Paschalis about the next steps and the situation at the Greek ferry market.

**RoPax: How was the year 2022 for the Attica group? Did you get a good result and are the passengers back?**

Spiros Paschalis: It was a good year. We returned to profitability following the results of 2020 and 2021 which were



CEO, Spiros Paschalis

adversely affected by the COVID-19 pandemic. We have tried to cover the high fuel costs experienced in 2022 and I would

say we were successful to cover this higher cost. 2022 was a good year for most of the ferry operators in Europe.

**RoPax: How are the pre bookings for 2023? We talked in the last weeks with a lot of operators, and they told us the pre bookings are very good at the level of 2019 and better, how is it for Attica?**

Spiros Paschalis: That's true. It seems to be higher compared to 2019. But I would wait until the middle of May to draw a conclusion. Because last year, until mid-May, we still had the Covid wake period. Everybody was seeking to book in late April until June. Last year we had a lot of late bookings. This could be this year difference. My feeling is that at least on the Greece - Italy routes the number of passengers that will take the ferries will be higher than last year. For Greek domestic market it is difficult to predict yet. In 2022 it was 14% below 2019. It is too early for summer prebookings, we see some demand for the Easter period which seems to be back to 2019 normal. For the summer it is too early to say how the booking situation will evolve at the domestic market.

**RoPax: In my talks with other operators in the Mediterranean they told me they see also in these high booking numbers a little shift from air traffic passengers back to the ferry to travel with its own car due to higher flight fares and the very high rental car costs at many islands in the Med.**

Spiros Paschalis: Yes, that is true and according to the Greek statistics authority the average increase in fares for ferries in 2022 compared to 2021 was 25%. For the air traffic it was 78%! This summer we are expecting more Greeks to travel to the islands by ferry. Last year, we saw a lot of foreigners arriving in the Athens airport and take the ferry to the islands. Greeks were mostly hesitant to make more than one trip in the summer.

**RoPax: Could you describe the acquisition or better the planned takeover of Anek Lines, are all formalities fulfilled?**

Spiros Paschalis: We managed to agree with the major lenders and the majority of the shareholders of Anek Lines. We agreed in September 2022 and this agreement is subject to the Greek competition authority's green light. We submitted our request back in October, since then they have been posing us questions. I think we have done up to now seven rounds of questions. When this phase is completed, the competition authorities have one month to decide either to give the green light or to open the second phase, which they call the extended phase. If they open the extended phase, they have three additional months to make an in-depth step over the story... We expect to have a result until August.

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**RoPax: Will you change something in the branding if you got Anek into your group?**

Spiros Paschalis: We are planning to maintain the brand identity of Anek Lines if we proceed with the merger by absorption. We are further considering a quality boost for that brand. The strategy we are working on, is positioning the brands according to the geographical areas of operation. But let's wait until we get the green light.

**RoPax: How is the Greek ferry market today, you see more competition by Seajets and other operators?**

Spiros Paschalis: The competition is strong as Seajets is growing year by year. We have also some well managed smaller rivals being Golden Star Ferries, Fast Ferries and Levante Ferries. They are all good companies. We do have also the ex-“Rosella”, recently bought by Aegean Sea Lines. We see that three to four additional ferries will operate in the Greek Domestic market during 2023. This will intensify the competition. On the other hand, we do expect some market growth (compared to last year) and it will not be a huge problem if the cake is big enough for all.

**RoPax: You introduced last year successfully the new fast ferries of type Aero for the service at the Saronic routes. How is the feedback of your passengers and will you get more passengers transported in 2023?**

Spiros Paschalis: First of all, the best news is that the vessels are operating perfectly. We do not have any technical or operational issues or lost sailings. In terms of operations, we are very satisfied. Additionally, we hear from our passengers that they are very satisfied with these three Aero High-speed Catamarans. We have one competitor in the fast ferry market, Aegean Flying Dolphins who stopped operating in the winter. Now we are doing the fast operations alone in wintertime. We notice a continuous small but much welcomed growth of traffic. I would say that overall we are satisfied.

**RoPax: Will you invest in new green ferries in the future? How is your strategy to reduce emissions to solve a high invoice every year for carbon tax?**

Spiros Paschalis: We are currently working on a lot of options. The problem we must solve, before we order new ferries, is for these new ferries to make some commercial logic for us. We are facing two big challenges. The first challenge is which fuel is the transitional or future one for our operations and the second is why new ferries are so expensive. The prices for newbuildings are going sky high. All green elements increase the cost. Unfortunately, for the time being we do not see any



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substantial support in the form of financial assistance or grants either from the Greek state or from the European Union. Therefore, the answer is yes, we do have four different newbuilding projects, for three conventional ropax vessels of various sizes, for domestic and international lines. We are working together with various designers like Deltamarin, Naos and a couple of Greek companies and some Australians for

the high-speed craft. We are trying to make ourselves comfortable to take the decision what could be the second fuel of a dual fuel engine. Meanwhile, since March 2020 we have set up inhouse an Environmental Team and a Decarbonization Working Group. There are two different groups and together with Lloyds Register UK we worked for almost 8 months to prepare our new environmental strategy and decarbonation roadmap. It took us 31 weeks to complete the project but now we have a solid environmental strategy and an extensive decarbonization road map. This road map has four axes. First to optimize the speed of the existing fleet. The second is to install energy saving devices on the existing fleet, the third one is to retrofit some of our vessel to dual fuel engines and the fourth of course is to partly renew our fleet with newbuildings. This is a one billion Euro investment plan. For the time being we have started implementing energy saving devices (the installation plan will be completed in 2025). We have agreed to get a loan from the regional resilience & recovery fund to finance these projects. At the same time, we gradually implement an optimized speed plan. And of course, we do have a lot of discussions with local fuel providers to try discovering what could be the future fuels for ferries in Greece.



**RoPax:** What do you think is the best solution in the future to sail with less fossil or fossil free? Methanol, Ammonia, or Hydrogen? Do you work on such solution?

Spiros Paschalis: Ammonia is out of the discussion for passenger ferries. We are now working on various types of bio diesel and we do have some discussions about various types of methanol.

**RoPax:** Do you look also in the decarbonization system which is under development to collect the CO<sub>2</sub> in tank container and to give it in the port to a specialized recycling company?

Spiros Paschalis: We investigated this system but due to the space which you need on board it is not possible to install it on most of our vessels.



Anek Lines

## GREECE - ITALY

**RoPax:** Between Italy and Greece, you are faced with a strong competition. How is your position and what do you think about this massive capacity of your market neighbor?

Spiros Paschalis: it is worth mentioning that during the last 2-3 years we have observed a passenger swift towards our product which is recognized as more premium one compared to the product offered by our competitors. Grimaldi is clearly concentrated on the freight traffic increasing the lane meters and the garage space in the market. They are changing the concept from accompanied trucks to unaccompanied trailers and they do it very successfully. We mainly focus on the trucks and not on the trailers.

**RoPax:** How do you see the cargo flow in the future between Italy and Greece do you think it will concentrate more to Igoumenitsa or will there be still volumes from Patras?

Spiros Paschalis: Patras is still a bigger cargo hub compared to Igoumenitsa and I believe it will remain like that in the next few years. We will see some gains for Igoumenitsa in terms of total freight traffic, but Patras will also grow in the next years.

## MOROCCO

**RoPax:** You operate over 7 years the AML ferries between Algeciras and Tangier Med. How is the traffic and the business case for Attica?

Spiros Paschalis: The performance of our Morocco-Spain operation for 2022 was really good. We experienced a difficult

period because of the 2-year lockdown of passenger transport due to Covid and some political issues. The Authorities allowed the commencement of the traffic in mid-April 2022 and as a consequence the passenger traffic in 2022 was well below 2019. We believe that most of the passengers will return in 2023 or in 2024

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the latest. We continued carrying trucks during the pandemic restrictions with some losses, but 2022 was a good year. The competition in the Strait is intense and after 7 years of operation we would say that the commercial strategy of our competitors still puzzles us, as they have their own rules. We have two vessels in operation, and we added one fast ferry in summer season chartered from Hellenic Seaways. We are also looking into the traffic from Tarifa to Tangier Ville.

**RoPax:** Will you invest in the future in modern tonnage at the Strait?

Spiros Paschalis: Yes, we have expansion plans which first must be adopted by Moroccan authorities.

**RoPax:** Thank you very much for the conversation.



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