



## ALTERNATIVE SOURCES OF SHIPPING FINANCE

Maritime Professionals Course

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### Course Guide

Orion Training Center for Maritime Professionals  
is a Certified Training Institute in accordance with  
**ABS G-CMET and STCW Regulation I/8**



Orion Training Center for Maritime Professionals  
is Certified as compliant with the **Quality  
Management System ISO 9001 by Bureau Veritas**



Orion Training Center for Maritime Professionals

## ALTERNATIVE SOURCES OF SHIPPING FINANCE

### PREAMBLE

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Orion Training Center for Maritime Professionals is a unique Vocational Training Provider, on a wide spectrum of fields in the Maritime Industry, for people who seek Certified Training. Orion Training aims at strengthening the human capital in the Maritime Industry, by increasing its employability and developing its competitiveness in one of the most challenging and capital intensive industries globally.

Drawing from the vast experience of Greek and International Professionals in the shipping sector, Orion Training aims at covering the need for Certified Professional Training in a unique and technologically advanced way.

By delivering on-line, state of the art Courses from Experienced Professionals, in a user-friendly format, we bring knowledge where really needed, when needed.

Visit our website [www.oriontraining.eu](http://www.oriontraining.eu) to see all courses and training options for individuals and Organisations.

### SCOPE OF THE COURSE - LEARNING OUTCOMES

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The course aims to introduce attendees to the main alternative sources of shipping finance (other than traditional bank finance), that may be available - and possibly necessary - to shipping firms. It discusses the increasing need for such sources of financing for the shipping industry and covers financing options such as raising equity and debt from the capital markets, as well as doing so from alternative investment funds, such as private equity and hedge funds.

The course also provides insights regarding the financial analysis and valuation of shipping firms, which is a critical input to the equity and debt financing process. In addition, it also presents various possibilities of collaboration between shipping firms and private equity funds and under this prism introduces the concept and value of flexibility in such deals.

## ALTERNATIVE SOURCES OF SHIPPING FINANCE

### ATTENDEES OF THIS COURSE WILL BE ABLE TO:

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- Understand the increasing need of the shipping industry for alternative financing sources, especially after the global financial crisis which occurred a decade ago, as well as its repercussions for the banking industry.
- Comprehend the main characteristics and the mechanics of capital markets and the potential they may offer to shipping firms, from a financing perspective.
- Know the advantages and disadvantages of raising equity and/or debt from the public markets and understand the main pricing mechanisms.
- Be in a position to analyse the financial statements and estimate the value of a shipping firm using different methods.
- Appreciate the role and the potential of private equity and hedge funds in the broader shipping finance landscape.

### BENEFICIARIES

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- Maritime industry professionals working in the finance department of shipping enterprises, seeking to understand and practically utilise alternative methods of shipping finance so as to finance new investments and/or reformulate the company's capital structure.
- Professionals seeking to increase their employability within the maritime industry.
- New entrants in the maritime industry, specializing in shipping finance (i.e., BSc & MSc graduates).
- Banking professionals specializing in the maritime sector, seeking to acquire a professional and solid understanding of sources of shipping finance that go beyond traditional bank finance.

### INSTRUCTOR

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**Stelios Markoulis, PhD.** is an Associate Professor of Finance and Shipping Finance at the Cyprus International Institute of Management, a member of the visiting faculty at University of Cyprus and an Honorary Visiting Research Fellow at the Business School of City University, London. He has taught extensively and carried out research in the area of finance and shipping finance; with regards to the latter, his research has focused on the determinants of stock returns of shipping firms, as well as on shipping initial public offerings.

He also has 17 years of experience in the banking industry, and in particular in the area of investment banking, where he worked as part, or managed teams, that were in charge of transactions such as stock and bond private and public offerings, mergers and acquisitions, company valuations and restructurings, among others.

## ALTERNATIVE SOURCES OF SHIPPING FINANCE

### COURSE STRUCTURE (5 Modules)

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#### **Module 1: INTRODUCTION TO ALTERNATIVE SOURCES OF SHIPPING FINANCE**

Introduction  
Key Features of Shipping Finance  
Brief History of Shipping Finance  
Shipping Finance & the Financial System  
Need for Alternative Sources of Finance  
Alternative Source of Shipping Financing  
Capital Structure Considerations  
Capital Structure Theories  
Capital Structure - Practical Issues  
Capital Structure of Listed Firms  
Module 1 Questions

#### **Module 2 : RAISING EQUITY FROM THE CAPITAL MARKETS**

Raising Equity from Capital Markets  
Initial Remarks on IPOs  
Ways of Going Public as a Firm  
Advantages of going Public  
Disadvantages of going Public  
Process of Initial Public Offering  
The Role of the Investment Bank  
The Roadshow  
Pricing the IPO, Underpricing of IPOs  
Long-run Performance of Shipping IPOs  
Timing of a Shipping IPO  
Underwriting, Key Attributes of Successful IPOs  
Module 2 Questions

#### **Module 3 : VALUATION OF SHIPPING STOCKS**

Valuation & Analysis of Shipping Stocks  
What Equity Analysts do?  
Basics of Financial Analysis  
DuPont Analysis  
DuPont Analysis Example  
Equity Valuation  
Equity Valuation Methods  
Price to Earnings Ratio  
Price to Book Value Ratio  
Enterprise Value to EBITDA Ratio  
Other Valuation Ratios  
Cashflows Based Valuation Methods  
Steps in Discounted Cashflows Valuation  
Important Issues to Consider  
Sensitivity Analysis  
Asset-Based Valuations  
Net Asset Valuation Example  
Module 3 Questions

## ALTERNATIVE SOURCES OF SHIPPING FINANCE

### COURSE STRUCTURE (5 Modules)

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#### **Module 4 : RAISING DEBT FROM THE CAPITAL MARKETS**

Raising Debt from the Capital Markets  
Bonds Issue Example  
Basic Characteristics of Bonds  
Special Features of Bonds  
Structure of a Shipping Bond Issue  
Shipowner's Perspective on Bond Issuance  
Investor's Perspective on Bonds  
Pricing a Shipping Bond Issue  
The 90s Shipping Bonds Case  
Spreads of Shipping Bonds  
Assessment of Default  
The Z-score Model  
Z-score Model Example  
The Logistic Regression Model  
Logistic Regression Model Example  
Module 4 Questions

#### **Module 5 : PRIVATE EQUITY AND HEDGE FUNDS**

Private Equity and Hedge Funds  
Private Equity Investments  
How Private Equity Works  
Private Equity Key Investment Features  
Private Equity Example  
Private Equity & the Shipping Industry  
Typical Structure of Private Equity Deal  
Issues in a Shipping Private Equity Deal  
Private Equity & Shipping: Other Options  
Examples of Private Equity Deals  
Private Equity & Shipping Relationship  
Hedge Funds in the Shipping Industry  
Hedge Funds & Private Equity: Recap  
Private Equity Deal with Optionality  
Module 5 Questions



## ALTERNATIVE SOURCES OF SHIPPING FINANCE

### CERTIFICATION

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Upon successful Course completion, the Certificate is issued and sent automatically to attendees.

### COURSE MATERIAL

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**On-line videos** for every module of the course, with **accompanying PDF slides** and notes available for download by attendees. Videos can be seen as many times as needed on-line.

The course must be successfully completed (by passing the relevant final on-line Exam) within 6 months from registration/purchase.

During this time, the **Instructor is always available within 48 hours** through email, for questions and queries relevant to the Course.

**Free 3-month Consultation period** (after course successful completion) with the Course Instructor for any relevant questions and queries.

### PREREQUISITES

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- Basic knowledge of algebra and statistics is recommended, but not an absolute requirement.
- Familiarization with the way the maritime industry functions would be helpful.
- Knowledge of the fundamentals of the global financial system would also be helpful.

### DELIVERY METHOD

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Fully on-line and self-paced videos with on-line exams and automated Certificate generation. Option for registration in webinar or classroom delivery for groups or corporate clients if requested.

### CONTACT

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**For more information on the Courses offered, you may contact:** [contact@oriontraining.eu](mailto:contact@oriontraining.eu)

**For custom Courses and Professional Training you may contact:** [sales@oriontraining.eu](mailto:sales@oriontraining.eu)

Watch our introductory course videos at our Orion Training Center for Maritime Professionals YouTube Channel and Vimeo Channel.

