

Reuben Munger speaks with E24 regarding the take private of Fjord1

[TRANSLATED FROM ORIGINAL ARTICLE](#)

American firm Vision Ridge has focused on solar power, electric vehicle chargers and Scottish salmon. Now they are completing the acquisition of the ferry company Fjord1 together with shipowner Per Sævik.



INVESTING GREEN: Vision Ridge and managing partner Reuben Munger are investing in Norwegian battery powered ferries.

Fjord1 bids farewell to the Oslo Stock Exchange after shipowner Per Sævik and his Havila Holding completed the privatization of the ferry company together with their American partner Vision Ridge. The remaining small shareholders in Fjord1 were forcibly triggered at the price of 52 NOK at the end of July, corresponding to the equity valuation at 5.2 billion NOK.

“We bought our first shares in Fjord1 in 2019, and then contacted the Sævik family to hear their views on the future,” says Reuben Munger, managing partner at Vision Ridge, to E24.

In the last 18 months, Vision Ridge has invested close to 2 billion NOK in Fjord1, primarily through loans to the Sævik family to finance the latter's share purchases.

“Part of this amount will be repaid to us, in connection to the fact that we now share the ownership equally between us,” Munger says.

The alliance between Sævik and Vision Ridge, which secured Sævik’s control of Fjord1 at the end of 2019, made Frederik W. Mohn – who at the time owned many shares – react. According to DN (*Norwegian financial newspaper*), Mohn reacted, among other things, to the fact that the other owners had not been notified in advance. A few months later, Mohn still chose to sell all his shares to Sævik for a total of NOK 877 million and stated to E24 that “the parties are separated as friends”.

Looking at more opportunities in Norway

Munger and partners manage close to NOK 22 billion in three funds and associated investments. The goal is to deliver both a solid return and a positive environmental effect by investing in so-called “sustainable real assets”.

Fjord1 was interesting as an investment object due to the company's forthcoming major investment in environmentally friendly, battery-powered ferries.



LOW EMISSIONS: Fjord1 has invested heavily in battery-powered ferries in recent years.

After completing an extensive newbuilding program in recent years, half of the Fjord1 fleet was electric by the end of the first half of 2021.

“We are proud of our partnership with Fjord1 and the Sævik family. Together, we saw an opportunity for the company to become a leader in the green part of the maritime industry, at a time when Norway is heading towards the goal of zero emissions in its fjord regions by 2026,” says Munger.



TAKING A HALF EACH: Shipowner Per Sævik remains with 50 percent of the shares in Fjord1.

He does not rule out that Vision Ridge will make more investments in Norway in the future.

“Norway's leadership in the green shift is incredibly interesting and we have spent a lot of time looking at opportunities in this region,” says Munger.

– *Why do you think the oil nation Norway has been given such a role?*

“It probably has a lot to do with having good access to clean hydropower, as well as the leading position you have in offshore services. Historically, this has been aimed at the oil industry, but will also be important in the transition to wind power,” says Munger.

Secured three billion in loans

Last year, Vision Ridge sold their shares in EVgo, the United States' largest network of charging stations for electric cars, besides Tesla who have their own network. The current investments are in sectors such as solar power, waste management and sustainable agriculture. Vision Ridge also owns Scottish salmon farmer Loch Duart.

"By collaborating with Vision Ridge, we have gained access to their extensive experience in new mobility and electrification and positioned Fjord1 as a leading player in the transition to sustainable transport," writes Vegard Sævik, chairman of Fjord1, in a press release.



CHAIRMAN OF THE BOARD: Vegard Sævik in Fjord1.

In connection to the acquisition, Fjord1 has secured a new debt financing from Allianz Global Investors of NOK 3 billion.

“We are talking about an interest rate reduction of close to one percentage point compared to the conditions the company previously had for its bond financing,” Munger says.

Fjord1 is Norway's largest ferry company and operates 38 routes along the coast. Out of the 32 new battery ferries 22 have been delivered and are in operation, and the environmental profile will be further improved when the remaining ten ferries are delivered during 2021.

– When do you expect the fleet to be fully electric?

“The company must deliver what the customers want, and we see that environmental requirements are increasing all the time. In the long run, the entire fleet will have an emission profile that is either zero or close to zero. For example, there will be a tender round for hydrogen ferries in Bodø, which we expect to participate in. The choice of technology is largely controlled by the customer,” says Munger.