

# CELESTYAL

## charts new course beyond home waters

Photo: Celestyal



**Celestyal, the Greek-based cruise operator, is charting a new course with two second-hand ship acquisitions replacing two much older vessels. It will also operate year-round from 2025 and extends its offerings to the Arabian Gulf and the Adriatic, beyond its home waters in the Eastern Mediterranean.**

**BY KARI REINIKAINEN**

**T**hat a cruise line should operate year-round is the obvious way the industry works today. But traditionally, this has not been the case in Greece. Cruise companies such as Chandris, Epirotiki, and Kavounides, to mention a few, often operated at least part of their fleets in the Mediterranean from spring to autumn. Some ships spent the winter in lay-up, which gave the operators a chance to carry out maintenance and refit work.

This approach worked for Celestyal – which has dropped the word “Cruises” from its name as part of its relaunch – for as long as it had very old ships with little equity tied up in them. The 1982-built *Celestyal Olympia* and 1992-built *Celestyal Crystal* ticked this box.

The recently acquired *Celestyal Journey*, built in 1993 as *Ryndam* for Holland America Line, and *Celestyal Discovery*, which started life in 2003 as *Aida Aura* of AIDA Cruises, are

not just newer but also much bigger than the ships they replace. They need to generate revenue year-round.

Chris Theophilides, CEO of Celestyal, said in a conference call that the company had invested heavily not just in ships but also in systems and people, with the commercial team receiving particular attention. Anna Gregori, VP brand and customer journey, said on the same occasion that 2.5 million euros had been invested in the brand itself. Celestyal has described its vision as a provider of “unmissable moments onboard and ashore”.

Lee Haslett, who joined Celestyal as chief commercial officer in 2023, described the company as “a confident challenger brand”. It now has a three-year deployment plan for its two vessels, with *Celestyal Discovery* operating three- and four-night Greek Islands cruises from Lavrion and a series of seven-night cruises to the Adriatic in the summer, also from Lavrion.

Lavrion is not often used by the cruise industry, but Haslett said it offered better



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access from the Athens airport and allowed the ship to reach its first port of call on the same day as the cruise departure.

Meanwhile, *Celestyal Journey* will operate a full winter season in the Arabian Gulf in 2025, as the company sees demand growing for holidays in this part of the world.

**More to come**

Celestyal started business as Louis Cruise Line, based in Cyprus, in the late 1970s. It was then fully owned by the Louis Group. Its core product was the three-continent cruises that took in Europe, Asia, and Africa from its base in Cyprus. Geopolitics have upset this business several times over the years, and the events unfolding in the region from October 2023 have once again troubled the line.

Celestyal has always been focused on the destinations it serves and placed less weight on its ships. Hence, it views itself as a travel brand; Haslett called it “a travel experience company”. He also pointed out that Celestyal’s smaller ships better diversify its product.

About half of the company’s passengers come from North America at the moment. Celestyal wants to expand its footprint into other major source markets, such as Continental Europe, the UK, and Australia.

Looking ahead, Theophilides said that towards the end of the decade, Celestyal planned to operate in other parts of the world, where its ships had not been seen before. “In 2028, we will absolutely not be a two-ship brand. In the next 12 to 18 months we will talk about our next steps,” he said, adding that a small-ship feel was an elementary part of the Celestyal brand experience.

The company currently has scheduled cruises ranging from three to nine nights,



**Marina Philippide, principal interior designer, AMK.**

plus 14-night positioning voyages of *Celestyal Journey* from Greece to Doha and back after the end of the season. “We are known as a destination and hospitality-rich experience cruise line,” a Celestyal spokesperson said. “This will be a key thread that exists across all our itineraries, regardless of the length. Our core itineraries highlight the vibrant culture and awe-inspiring landscapes of Greece, the Greek islands, Aegean, Mediterranean, and Adriatic.”

Some years ago, the company also operated one ship on a series of winter cruises around Cuba. “While we do not have immediate plans to return to Cuba, we continuously evaluate opportunities and recommendations from our customers and valued travel agent community to expand our offerings,” the spokesperson said, adding that right now Celestyal would focus on developing its business in the Eastern Mediterranean and the Arabian Gulf.

He reiterated earlier statements made

by company officials that Celestyal regarded itself as a challenger brand and, in the future, it would expand beyond the regions it served now and that it would do this with a larger fleet. “While we have ambitious goals for the future, having only just replenished our entire fleet and invested significantly into our brand and customer experience, we are keeping a laser focus on the job in hand. For the time being our primary focus is delivering unmissable experiences to our guests with our current fleet and itineraries.”

**Bringing ambience onboard**

Celestyal’s fleet renewal could have taken a different direction had it pursued a plan to place orders for two newbuildings it had in mind. In 2015 and 2016, the Danish consultant naval architect firm Knud E. Hansen produced concept designs for 800- and 2,000-passenger-capacity newbuildings for the company.

The Covid-19 pandemic changed the landscape on the second-hand vessel market and, with the arrival of Starlight as a shareholder, Celestyal acquired the two ships that, at the time of writing, it is preparing to bring into service. While the interiors of a newbuilding could be tailored to the needs of Celestyal from the outset, second-hand vessels need a refit to acquire the ambience of their new operator. Celestyal chose AMK Architecture & Design in Athens to facilitate this work.

“With Celestyal, for many years, there has been a long-term and successful collaboration, and we are honoured that they’ve entrusted us with the design and aesthetic upgrades of their two new ships,” said Marina Philippide, principal interior designer at AMK.

The refits of the ships would have two



**Anna Gregori, VP brand and customer journey.**



**Chris Theophilides, CEO, Celestyal.**



**Lee Haslett, CCO, Celestyal.**

main objectives. “Firstly, we aim to align the ship’s spaces and functions with the distinctive Celestyal brand. Simultaneously, we strive to infuse a Mediterranean essence and charm into two vessels that possess an entirely different identity,” she told *CruiseTimes*.

This involves incorporating colours, textures, and elements that authentically recreate the inviting ambience of the Mediterranean. “Concurrently, we carefully design the spaces to resonate with Celestyal’s philosophy of fostering enjoyment, relaxation, memorable experiences, and exploration of unique destinations,” she said.

*Celestyal Journey*, which last operated as *Pacific Aria* of P&O Cruises Australia, was moored during all refit work at Talos Shipyards & Marine Services in Greece. Because the vessel was in good condition, only slight touch-ups were made in the public areas, whereas the suites and cabins, which had not been refurbished since the vessel was delivered to Holland America Line, were totally refurbished.

*Celestyal Discovery* had most of the work carried out when the ship was moored at the Port of Lavrion. It will enter dry-dock at the Onex Neorion Shipyard for further upgrades. More work was needed on this ship to adapt it to the service of Celestyal. “The vessel had colours, design, and functionality of another era, nothing to do with the Mediterranean style,” she said, adding that very few surfaces, such as stair tower walls and a few ceilings, were retained. All the rest is completely refurbished. All this has to be accomplished in less than four months, from December 2023 to mid-March 2024.”

### Private equity dynamism

For quite a long time, Celestyal seemed to have missed out on the dynamism that was – and still is – embracing the rapidly growing cruise industry. The new ownership structure, the two ships that the company has acquired, and the expansion of the range of destinations that it offers have obviously changed all that. It is hardly surprising that company officials talk about further expansion of its business.

Private equity investors want to divest their holdings in companies they’ve acquired, in part or in full, after some years, and the aim is of course to do so at a profit. To achieve this, the value of the company should grow. Celestyal has taken the first steps on this path; more will need to be done, perhaps a lot more.

Norwegian Cruise Line Holdings grew

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significantly in the decade to 2018, when Apollo Management was onboard as owner. Ponant reportedly doubled sales and tripled profits while owned by the UK-based private equity investor Bridgepoint in the previous decade. Azamara, owned by Sycamore

Partners since 2021, has added a fourth ship in its fleet. Hurtigruten, owned by private equity for the last decade, has grown and upgraded its fleet and refined its business. Celestyal is a well-known brand that certainly has equity in it. The two ships it is bringing into service are far superior to anything it has had before.

Destination focus is an obvious business strategy for a company operating smaller ships. This is also exactly what every other small-ship operator says they are doing. To succeed, Celestyal, like every other cruise line, has to have its own identity, its own appeal, and its own path forward.



Photos: Celestyal

**Celestyal Discovery.**



**Celestyal Journey sailing out of Piraeus, Athens.**