

DIS is putting more emphasis on term charters. Photo: DIS

D'Amico increases term coverage as earnings rise in strong tanker market

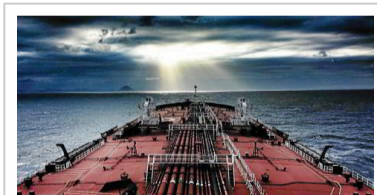
Italian shipowner wants to gradually raise percentage of fleet on longer-term deals

11 May 2023 12:20 GMT *UPDATED 11 May 2023 12:20 GMT*

By [Gary Dixon](#)  in **London**

Italy's D'Amico International Shipping (DIS) has posted "very strong" profit in healthy first quarter markets.

The Milan-listed product tanker specialist said net earnings to 31 March were \$54.1m, turning around a loss of \$6.5m a year ago.



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Revenue grew to \$140m from \$66m in 2022.

Chief executive Paolo d'Amico said: "The product tanker market has remained very strong in recent months, though with significant volatility."

UK shipbroker Clarksons estimates fleet utilisation at 91%.

The CEO said that "with such tightness, even minor temporary or regional changes in demand can have a significant impact on short-term spot market rates."

The owner achieved an average spot rate of \$36,652 per day in the first three months, against \$12,857 a year ago.

Last year, DIS intentionally refrained from increasing its contract coverage to build spot exposure in a rapidly rising market with strong fundamentals.

"This has proven to be the right strategy so far and we are now gradually increasing our coverage at very attractive levels," the boss said.

DIS revealed it has recently fixed out two MRs to oil majors over six months and 32 months respectively. No rates were given.

No refinancing risk

Period contract coverage was equal to 25.2% of vessel days at \$26,367 per day in the first quarter.

"In addition to having already substantially reduced our financial leverage, we have almost no refinancing risk in the next years, as only a small portion of our bank debt matures in 2025, whilst the loans which were due to mature in 2023 have already been refinanced at very competitive terms," said chief financial officer Carlos Balestra di Mottola.

The only balloon payment that was due to mature in 2024 was instead pre-paid last April, he added.

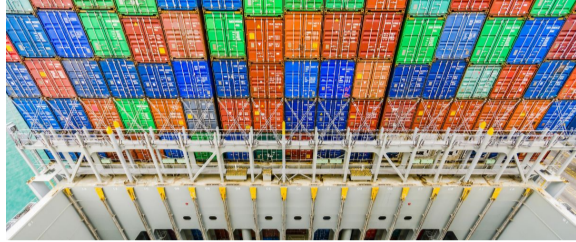
The company is plotting a reverse stock split to reduce the number of its shares to 124m.

Investors will receive one share for every 10 they hold now.

“The reverse stock split is deemed to be in the best interest of the shareholders and of the company, since it should widen the number of potential investors in the company’s shares,” DIS said.

[d'Amico Group](#) [Paolo d'Amico](#) [MR tankers](#) [Italy](#)

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