

## DIS reports best results since 2008

Jul 31 2015

**D'Amico International Shipping (DIS) recorded its best first half results since 2008, thanks to a very strong market momentum.**

DIS generated a net profit of \$30.1 mill in 1H15, compared to a \$5.5 mill net loss posted in the same period of 2014.

After a strong 1Q15, the refined products tanker market continued to strengthen throughout 2Q15. In 1Q15, the one year MR timecharter rate remained flat at \$15,250 per day but firmed throughout 2Q15 to reach \$18,500 per day going into the third quarter.

For 2Q15, DIS recorded a net profit of \$18.7 mill, compared to a \$11.4 mill profit posted in 1Q15 and \$1.4 mill net result registered in the same quarter last year.

DIS generated a daily average spot rate of \$19,026 in 1H15, some \$6,349 per day higher than the \$12,677 per day recorded at the same period last year.

In particular, the 2Q15 was even stronger than 1Q15, allowing DIS to realise a daily average spot rate of \$19,533, compared to \$18,503 achieved in 1Q15 and \$13,144 per day generated in 2Q14, DIS said. At the same time, 44.2% of DIS' total employment days, were covered through timecharter contracts at an average daily rate of \$15,081. This resulted in DIS total daily average rate (which includes both the spot and the timecharter activity) being \$17,281 in the first six months of this year, compared to \$13,808 per day in 1H14.

On the back of the very positive TCE result, DIS achieved an EBITDA of \$45.1 mill in 1H15, compared to \$7.8 mill in the same period of 2014. This level was 72% higher than the total recurring EBITDA generated in the whole of 2014.

Such solid improvement in EBITDA performance also led to positive operating cash flow of \$30.2 mill in 1H15, compared to \$8.6 mill generated in 1H14. In the first half of this year, DIS reported \$70.9 mill 'capital expenditures', mainly in relation to its newbuilding plan.

In 2Q15, DIS further expanded its investment plan by ordering four 'Eco design' LR1s, expected to be delivered by Hyundai Mipo Dockyard between mid-2017 and early-2018, at a cost of about \$44 mill each.

DIS has ordered a total of 20 'Eco design' product tankers (10 MRs, six Handysize and four LR1s) - an overall investment plan of around \$667 mill, which is the company's strategy to modernise its fleet through newbuildings with eco-innovative design. Furthermore, DIS has already fixed 13 of the newbuildings on long-term timecharters with three oil majors and a leading refining company, all at profitable levels.

TCE earnings were \$158.1 mill in 1H15 (\$95.1 mill in 1H14) and \$81.2 mill in 2Q15 (\$48.6 mill in 2Q14), benefiting from the very strong product tanker market.

EBIT for the first six months of the year was a positive \$29.8 mill, compared to an operating loss of \$2.5 mill booked in the same period last year. 2Q15 EBIT was a positive \$17.7 mill versus \$1.7 mill in the same period last year.

DIS' net debt as at 30<sup>th</sup> June, 2015 amounted to \$374 mill versus \$340.9 mill at the end of 2014.

Marco Fiori, DIS CEO, commented: "I am extremely pleased to announce DIS 1H15 results, which saw our company achieving its best first half performance since 2008, with a net profit of \$30.1 mill.

"Our growth strategy both in terms of owned and timechartered-in vessels (we went from 39 average vessels in 1H14 to 52 in 1H15) has proven very successful so far. The trend we have been talking in the last years of refineries moving away from main consuming regions, is now a reality and our market has been reacting very positively.

"We intend to consolidate DIS leading position in the product tanker industry and in that view, during the second quarter of the year we added four LR1 newbuildings to our current orderbook. This new order brings DIS total investment plan to 20 newbuildings, for a total consideration of about \$667 mill. The four LR1s will be built by Hyundai Mipo, at their Vinashin Shipyard in Vietnam and are expected to be delivered between 2017 and early 2018.

"At the same time, we have been seeking growth also on our time charter-in fleet. In this respect, DIS agreed to take four MR product tankers in time charter-in for seven and eight years (with option to extend the contract or to purchase the vessels). These ships will be built at Onomichi Dockyard and Minaminihon Shipbuilding in Japan, and are expected to be delivered between 2017 and 2018.

"I believe 2015 is now set to be a very profitable year for our industry, for DIS, and, last but not least, for our Shareholders," he concluded.

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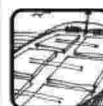
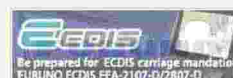
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