

# d'Amico looks to leasebacks amid positive market read

Milan-listed owner rings up a loss in 2016 but chief executive believes better times are around the corner.

March 2nd, 2017 15:03 GMT by **Andy Pierce**

Marco Fiori remained bullish on the products tanker market after d'Amico International Shipping reported a full-year loss today.

Milan-listed DIS booked a loss of \$12.8m for 2016 – including a \$6.6m impairment on vessels held for sale – down from a profit of \$54.5m a year ago.

“There is a lot of optimism in the second half of 2017,” Fiori told TradeWinds in a post-results interview.

“The first months of 2017 have generally been good. Let's see what happens in March, probably we will have a breakeven month.

“The important thing is we saw it bounce back from the terrible rates we saw in September, October and November.”

DIS completed the sale and leaseback of two vessels with Sea World Management in January and has plans to enter similar deals for three older vessels and one modern ship.

Fiori says DIS will work with both owners and financial institutions on such deals but prefers to deal with peers. He sees sale and leasebacks are a good option at a time when there is almost no liquidity on the S&P market.

“We don't dislike it as in the bottom of our hearts we know the market will be improving for many reasons,” he said. “It's a good way to get some cash and at the same time control the ships for a certain number of years so they are still part of your fleet.”

DIS is in the midst of a 22-ship newbuilding programme and it always intended to raise some cash from the sale of older assets. However, Fiori admits the company potentially waited too long before looking to sell. “If 22 ships come in some have to go out,” he said.

Fiori praised his peers for not rushing to the shipyards to contract new tonnage, describing the low ordering activity in the market as a “great sign of responsibility”.

He was also positive on the improving conditions in the capital markets. “You can feel that,” Fiori said.

“One of the worst periods was last fall and now people are getting closer. It's like everything, markets come off and then they come off to an extent that it's a buying opportunity.”

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