



Symbol or Keyword(s)



Log in

Sign up

MARKETS NEWS OUR VIEW STOCK PICKS PORTFOLIOS SCREENERS WATCHLISTS TOP / FLOP TOOLS



**Comarch Digital Insurance**  
Una vera esperienza cliente multicanale, semplice ed efficiente

Per l'innovazione nella **Digital Insurance** che sta portando in Italia

**COMARCH**  
SCOPRI DI PIÙ

MarketScreener Homepage > Equities > Italian Stock Exchange > D'Amico International Shipping S.A. [DIS](#) [LU0290697514](#)

## D'AMICO INTERNATIONAL SHIPPING S.A. (DIS)

[Add to my list](#) [Report](#)

0.730 0.500 0.250 0.000	Real-time CHI-X - 03/21 07:18:49 am	03/20	D'AMICO INTERNATIONAL SHIPPING S A : DIS Approves the guidelines of a long term inc...	PU
<b>0.096 EUR</b>	<b>-2.64%</b>	03/20	D'AMICO INTERNATIONAL SHIPPING S A : DIS_2018 Financial Results March 20th, 2019	PU
07AM		03/18	D'AMICO INTERNATIONAL SHIPPING S.A. : annual earnings release	

[Summary](#) [Quotes](#) [Charts](#) [News](#) [Ratings](#) [Calendar](#) [Company](#) [Financials](#) [Consensus](#) [Revisions](#)

[News Summary](#) | [Most relevant](#) | [All news](#) | [Official Publications](#) | [Sector news](#) | [Analyst Recommendations](#)

### d'Amico International Shipping S A : DIS\_2018 Financial Results March 20th, 2019



03/20/2019 | 01:15pm EDT

#### PRESS RELEASE

The Board of Directors of d'Amico International Shipping S.A. approves FY 2018 Results:

'DIS REGISTERED A NET LOSS OF US\$ (55.1) MILLION IN 2018, DUE TO A VERY WEAK PRODUCT TANKER MARKET. HOWEVER, ALL THE INDUSTRY FUNDAMENTALS ARE VERY STRONG AND SIGNIFICANT SIGNS OF IMPROVEMENT ARE APPARENT SINCE END OF 2018

AND GOING INTO THE NEW YEAR. REGULATORY CHANGES TO BUNKER FUELS FROM JANUARY 2020 EXPECTED TO CREATE PENT-UP DEMAND FOR OUR VESSELS ALREADY FROM

THE SECOND HALF OF 2019.

DIS' FOCUS REMAINS ON STRENGTHENING ITS FINANCIAL STRUCTURE, ALSO THROUGH THE US\$ EQUIVALENT OF EURO 44 MILLION SHARE CAPITAL INCREASE APPROVED TODAY AND

100% GUARANTEED BY THE MAJOR SHAREHOLDER, SO AS TO BENEFIT FROM THE

UPCOMING MARKET RECOVERY.'

#### FULL YEAR 2018 RESULTS

- Time charter equivalent (TCE) earnings - US\$ 244.9 million (US\$ 257.4 million in FY 2017)
- EBITDA - US\$ 17.5 million (7.2% on TCE) (US\$ 36.8 million in FY 2017)
- Net result - US\$ (55.1) million ((US\$ 38.1) million in FY 2017)
- Cash flow from operating activities - US\$ 7.6 million (US\$ (11.3) million in FY 2017)
- Net debt - US\$ 588.7 million as at 31 December 2018 (US\$ 510.2 million at the end of 2017)

#### FOURTH QUARTER 2018 RESULTS

**A CHE PUNTO È IL TUO INGLESE?**

**FAI IL TEST**

#### Financials (\$)

Sales 2019	265 M	P/E ratio 2019	-
EBIT 2019	25,5 M	P/E ratio 2020	3,21
Net income 2019	-10,2 M	EV / Sales 2019	2,50x
Debt 2019	588 M	EV / Sales 2020	2,22x
Yield 2019	-	Capitalization	73,2 M

[» More Financials](#)

#### Chart D'AMICO INTERNATIONAL SHIPPING S.A.

Duration:  Period:

- Time charter equivalent (TCE) earnings - US\$ 64.2 million (US\$ 63.3 million in Q4 2017)
- EBITDA - US\$ 9.7 million (15.1% on TCE) (US\$ 3.2 million in Q4 2017)
- Net result - US\$ (13.9) million (US\$ (24.5) million in Q4 2017)

Luxembourg - March 20th, 2019 - The Board of Directors of d'Amico International Shipping S.A. (Borsa

Italiana: DIS), a leading international marine transportation company operating in the product tankers market (the "Company" or "d'Amico International Shipping"), resolved today to approve the draft of the 2018 full year statutory and consolidated financial results.

MANAGEMENT COMMENTARY

Paolo d'Amico, Chairman and Chief Executive Officer of d'Amico International Shipping commented:

"2018 was unfortunately one of the worst years for product tankers in the last decade. However, DIS managed to mitigate the effects of such a negative market, thanks to a prudent commercial strategy coupled with a constant focus on strengthening its financial structure.

The market was relatively weak throughout the first nine months of 2018 and hit historically low rates in the third quarter and the first month of the fourth quarter. This led our Company to post a net loss of US\$ (55.1) million in the full-year 2018. However, we were very pleased to see our market rebounding to profitable levels towards the end of the year, with clear signs of improvement confirmed also at the start of 2019, relative to the prior year.

DIS' daily spot average was of US\$ 10,798 in 2018 vs. US\$ 12,026 achieved in the previous year. At the same time, we could count on 34.2% time-charter coverage during the year at an average daily rate of US\$ 14,850. Our total blended daily TCE (spot and time-charter) was of US\$ 12,184, which is a rather satisfactory level, given the weak freight markets confronted, proving once again that our prudent strategy of covering part of our fleet through long-term contracts allows us to mitigate considerably the effects of the negative cycles.

Most of the industry's analysts and players have a very positive outlook on the product tanker market and I totally share their view. On the demand side, the world product seaborne trade is expected to grow by 3% already in 2019 supported by an expected strong underlying oil consumption growth and by forecasted global refinery capacity additions of 4.9 million barrels a day between 2019 and 2021 (according to Clarksons). In particular, 2019 is expected to be characterized by one of the largest annual increases in refinery capacity in years, with an estimated additional 3.1 million barrels a day (according to Clarksons). At the same time, the net fleet growth of the segments we operate in (MRs and LR1s) is expected to be limited and below 2.0% over the next two years. In addition, the major regulatory change that will come into force in January 2020, limiting the sulphur content in bunker fuels, is widely expected to generate incremental demand for our vessels already from mid-2019.

I believe DIS' recent investments and our prudent commercial strategy, together with a very modern, versatile and high-quality fleet and organization, will allow us to benefit in full from the next expected positive shipping cycle. Our investment plan based on 22 newbuilding vessels we began to order in 2012 is now coming to an end, with the last LR1 ship expected to be delivered in Q3 2019.

At the same time, we remain intensely focused in strengthening DIS' financial structure. With this purpose, DIS' Board of Directors approved today a share capital increase amounting to the US\$ equivalent of Euro 44 million, to reduce our financial leverage and improve our liquidity position. Once again, our controlling shareholder, d'Amico International S.A., which has been supporting DIS during this difficult period, through share capital increases, early exercise of its warrants and direct loans, provided its irrevocable and unconditional commitment to fully subscribe the rights offering."

Carlos Balestra di Mottola, Chief Financial Officer of d'Amico International Shipping commented:

"During a very challenging year characterized by a very tough market, we maintained a constant focus on strengthening our balance sheet and improving our liquidity position. In addition to over US\$ 40 million net cash proceeds (after debt repayment) generated in 2017 through outright sales and sale and lease back transactions, we managed to raise an additional US\$ 56.5 million



» Full-screen chart

Technical analysis trends D'AMICO INTERNA...

	Short Term	Mid-Term	Long Term
Trends	Bearish	Neutral	Neutral

» Technical analysis

Income Statement Evolution



» More Financials

Consensus	Sell	Buy
Mean consensus		OUTPERFORM
Number of Analysts	4	
Average target price	0,18 \$	
Spread / Average Target	56%	

» Consensus details

EPS Revisions



» More Estimates Revisions

Managers

Name	Title
Paolo d'Amico	Chairman & Chief Risk Officer
Flemming Carlsen	Chief Operating Officer
Antonio Carlos Balestra di Mottola	Chief Financial Officer & Executive Director
Cesare d'Amico	Executive Director
	Independent Non-Executive Director

in 2018 through similar deals, of which US\$ 46.9 million arising from sale-leaseback transactions for four vessels and US\$ 9.6 million from the outright sale of two vessels.

In Q1 2019, we closed sale and sale-leaseback deals, which already generated US\$10.2 million in net cash for the Company and that will generate an additional US\$6.2 million in net cash upon the delivery of one vessel to their new owners.

At the same time, we are now almost at the end of our newbuilding plan, with only one LR1 expected to be delivered in Q3 2019 for a total remaining capital expenditure of US\$ 31.6 million (of which approximately US\$ 18.8 million should be financed with committed bank debt and the rest with own funds).

From 2020, the lower investments and debt repayments, when coupled with the expected increase in freight rates, should contribute to a significant generation of free cash-flow for our shareholders, as well as a rapid deleveraging of our balance sheet.

As at December 31, 2018 DIS had 'cash and cash equivalent' of US\$ 31.7 million and a net financial position of US\$ (588.7) million, which represents 72.9% of DIS' fleet market value.

We went through a very challenging period for our industry and we successfully overcame all the financial difficulties that the weak freight markets generated, always respecting our bank covenants and all our stakeholders' interests. I strongly believe we are now at a real turning point for our market and I do think we have a very positive future in front of us. From this perspective, we believe it is now crucial to reduce our financial leverage and achieve a more robust capital structure, to fully benefit from the next positive cycle and create value for our shareholders. With this objective, DIS' Board of Directors approved today a share capital increase amounting to the US\$ equivalent of Euro 44 million, with preferential subscription rights offered to its existing shareholders and the new shares issued at a discount to the theoretical ex-rights price (TERP) of 15%, based on DIS' reference share price on 19 March. DIS' controlling shareholder, d'Amico International SA, fully guarantees the offering, once again demonstrating its commitment to DIS and strong belief in its prospects."

FINANCIAL REVIEW

SUMMARY OF THE RESULTS IN THE FOURTH QUARTER AND TWELVE MONTHS OF 2018

Market conditions across all product tanker sectors were soft in the first nine months of 2018, largely due to existing oversupply of tonnage coupled with weaker demand trends. Rising bunker prices during the first nine months of 2018 have capped earnings during that period, contributing to more limited product arbitrage opportunities, mainly between the Atlantic and Asia, weighing on products trade growth. In Q4 2018, however, the market firmed considerably with Clarksons' raising its estimate of growth in product tanker dwt demand for the year from 2.1% to 2.3%. Among the factors contributing to weak markets in 2018 is the reduction in products imports into Southeast Asia, which fell by 8% in the full year, partially as a result of reduced arbitrage flows from the West. Declining shipments into Brazil (which fell 18% year-on-year in the January-November 2018 period) and Mexico in the first half of the year also dampened overall volume growth. Mexican imports recovered in the second half of the year and Brazilian imports from the US surged in the last quarter, rising by 54% between September and October 2018.

The one-year time-charter rate is always the best indicator of spot market expectations. As markets failed to show any signs of improvement in Q3 2018, this rate for conventional (non-eco) MRs was between US\$ 12,500 and US\$ 12,750 per day. The improved sentiment in Q4 raised the rate at the end of the year to around US\$ 13,500 per day for conventional (non-Eco) MRs and to around US\$15,000 per day for Eco MRs.

DIS' Net Result was negative for US\$ (55.1) million in full-year 2018 vs. a Net Loss of US\$ (38.1) million posted in 2017. This variance is mainly due to the weaker product tanker market experienced in 2018. In fact, DIS' daily spot rate<sup>1</sup> was US\$ 10,798 in the full-year 2018 vs. US\$ 12,026 in the full-year 2017. In detail, the freight market hit historically low rates in the third quarter of the year but rebounded to profitable levels towards the end of 2018. Freight rates at the start of 2019 are showing clear signs of improvement relative to the previous year.

At the same time, 34.2% of DIS' total employment days in 2018, were covered through 'time-charter'

Massimo Castrogiovanni

» More about the company

MARKETS NEWS OUR VIEW STOCK PICKS PORTFOLIOS SCREENERS WATCHLISTS TOP / FLOP TOOLS

Sector and Competitors

	1st jan.	Capitalization (M\$)
D'AMICO INTERNATIONAL S...	-19.84%	73
ENBRIDGE INC	16.01%	74 624
ENTERPRISE PRODUCTS P...	18.18%	63 208
KINDER MORGAN INC	30.62%	45 386
TRANSCANADA CORPORAT...	24.70%	41 831
WILLIAMS COMPANIES	28.57%	34 065

» More Results

contracts at an average daily rate of US\$ 14,850 (2017: 33.0% coverage at an average daily rate of US\$ 15,433)  
 Symbol or Keyword(s)



Log in

Sign up

1 Daily Average TCE excludes US\$ 3.4 million generated by the vessels under commercial management, as it is off-set by an equivalent amount of time charter hire costs.

15,433). Such good level of time charter coverage is one of the pillars of DIS' commercial strategy and allows it to mitigate the effects of the spot market volatility, securing a certain level of earnings and cash generation even throughout the negative cycles. DIS' total daily average rate (which includes both spot and time-charter contracts) was US\$ 12,184 in the full-year 2018 compared with US\$ 13,150 achieved in the previous year.

In 2018, DIS 'gross capital expenditures' amounted to US\$ 101.5 million (US\$ 1.3 million in Q4 2018), mainly in relation to DIS' newbuilding plan. Since 2012, DIS has ordered a total of 22 'Eco-design' product tankers<sup>2</sup> (10 MR, 6 Handy-size and 6 LR1 vessels), of which 20 vessels have been already delivered as at the end of 2018. This corresponds to an overall investment plan of approximately US\$ 755.0 million and is in line with the Group's strategy to modernize its fleet through new-buildings with an eco-design. In addition, DIS has fixed the majority of its new-building vessels on long-term time-charter contracts with three oil-majors and a leading trading house, securing a good level of earnings and cash generation.

OPERATING PERFORMANCE

Time charter equivalent earnings were US\$ 244.9 million in 2018 vs. US\$ 257.4 million in 2017. The total amount for 2018 includes US\$ 5.4 million 'time charter equivalent earnings' generated by the vessels under commercial management, which is offset by an equal amount reported under 'Time charter hire costs'.

The variance compared with last year is due to the much weaker product tanker market experienced in 2018. In fact, DIS realized a Daily Average Spot Rate of US\$ 10,798 in 2018 compared with US\$ 12,026 achieved in the previous year. After a very weak product tanker market in October 2018, freight rates rallied in the last part of Q4 2018, allowing DIS to achieve a Daily Average Spot Rate of US\$ 11,617, slightly better than the US\$ 11,299 realized in the same quarter of the prior year.

Following its strategy, in 2018 DIS maintained a good level of 'coverage' (fixed contracts), securing an average of 34.2% (2017: 33.0%) of its available vessel days at a Daily Average Fixed Rate of US\$ 14,850 (2017: US\$ 15,433). In addition to securing revenue and supporting the operating cash flow generation, these contracts enabled DIS to strengthen its historical relationships with the main oil majors, which is one the pillars of its commercial strategy.

DIS' Total Daily Average TCE (Spot and Time Charter) 4 was US\$ 12,184 in 2018 vs US\$ 13,150 in 2017.

DIS	2017					2018				
TCE	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
daily rates (US dollars)										
Spot	13,363	11,763	11,960	11,299	12,026	12,726	10,327	8,689	11,617	10,798
Fixed	15,908	15,078	15,681	15,003	15,433	15,001	14,867	14,716	14,831	14,850
Average	14,412	12,851	12,977	12,459	13,150	13,446	11,818	10,680	12,892	12,184

<sup>2</sup> Including M/T High Sun, an MR vessel ordered at Hyundai Mipo Dockyard Co. Ltd. and owned by Eco Tankers Limited (in which DIS has a 33% interest, in JV with Venice Shipping and Logistics S.p.A.)

3 Daily Average TCE excludes US\$ 5.4 million generated by the vessels under commercial management, as it is off-set by an equivalent amount of time charter hire costs.


[Log in](#)
[Sit](#)

4 Daily Average TCE excludes US\$ 3.4 million generated by the vessels under commercial management, as it is off-set by an equivalent amount of time charter hire costs.

[MARKETS](#)
[NEWS](#)
[OUR VIEW](#)
[STOCK PICKS](#)
[PORTEFOLIOS](#)
[SCREENERS](#)
[WATCHLISTS](#)
[TOP / FLOP](#)
[TOOLS](#)

EBITDA was US\$ 17.5 million in 2018 compared with US\$ 36.8 million achieved in 2017. The reduction relative to last year is mainly due to lower 'TCE Earnings' achieved in 2018. DIS' EBITDA Margin was 7.2%

in 2018 compared with 14.3% in 2017.

Depreciation, impairment and impairment reversal amounted to US\$ (34.8) million in 2018 vs. US\$ (48.3) million in 2017. The total amount for 2017 included an impairment of US\$ (10.9) million booked on three vessels, which were under sale negotiations at the time. In fact, based on IFRS 5 these three ships were classified as 'assets held for sale' and the difference between their appraised market value and their book

value was charged to the 2017 profit and loss. However, the sale transaction on two of these vessels has not materialized as at the end of 2018. Therefore, DIS booked an impairment reversal of US\$ 4.9 million on the two ships and their book value was reclassified from 'assets held for sale' to 'fixed assets'.

EBIT was negative for US\$ (17.3) million in 2018 compared to a negative result of US\$ (11.4) million in 2017.

Net financial income was US\$ 5.0 million in 2018 vs. US\$ 2.4 million in 2017. The 2018 amount comprises amounts from derivative instruments totalling US\$ 2.2 million due to the equity release on the IRS on the

M/T High Freedom, M/T High Trust, M/T High Loyalty and M/T High Trader (following the sale and leaseback of the vessels in the period) and US\$ 0.5 million representing realized profit on foreign exchange hedges. Realized amounts include also US\$ 0.34 million foreign exchange gain on commercial transactions, bank interest income (funds held with financial institutions on deposit and current accounts)

and interest on the financing provided to the DM Shipping joint venture. Unrealized gains of US\$ 1.9

million relate to the ineffective portion (fair value) of the interest rate swaps cash-flow hedges.

Net financial charges were US\$ (34.3) million in 2018 vs. US\$ (28.4) million in 2017. The amount comprises the interest expenses due on DIS' bank loan facilities and financial leases, actual expenses on interest rate

swaps and amortization of financial fees.

Income taxes were US\$ (1.0) million in 2018 vs. US\$ (0.8) million in the previous year.

The Net Result for 2018 was US\$ (55.1) million compared with a Net loss of US\$ (38.1) million in 2017.

The variance compared to the previous year is mainly due to the much weaker spot market experienced in 2018.

#### CASH FLOW AND NET INDEBTEDNESS

DIS' Net Cash Flow for 2018 was positive, amounting to US\$ 2.8 million vs. US\$ (2.5) million in 2017. During the year, gross capital expenditures of US\$ 101.5 million, were partially offset by US\$ 21.9 million in proceeds from disposal of vessels and US\$ 74.6 million positive financing cash flow.

Cash flow from operating activities was positive, amounting to US\$ 7.6 million in 2018 vs. US\$ (11.3) million in 2017. The better result achieved in the first nine months of 2018 was mainly due to a reduction in working capital.

DIS' Net debt as at December 31, 2018 amounted to US\$ 588.7 million compared to US\$ 510.3 million at the end of 2017. The net debt/fleet market value ratio was of 72.9% as at December 31, 2018 vs. 66.6% as at December 31, 2017.

Attachments



- Original document
- Permalink

Symbol or Keyword(s)



Log in

Site

- MARKETS
- NEWS
- OUR VIEW
- STOCK PICKS
- PORTFOLIOS
- SCREENERS
- WATCHLISTS
- TOP / FLOP
- TOOLS

Disclaimer

d'Amico International Shipping SA published this content on **20 March 2019** and is solely responsible for the information contained herein. Distributed by Public, unedited and unaltered, on **20 March 2019 17:14:03 UTC**



0

Latest news on D'AMICO INTERNATIONAL SHIP

03/20	D'AMICO INTERNATIONAL SHIPPING S A : DIS_Approves the guidelines of a long term ..	PU
03/20	D'AMICO INTERNATIONAL SHIPPING S A : DIS_2018 Financial Results March 20th, 2019	PU
03/18	D'AMICO INTERNATIONAL SHIPPING S.A. : annual earnings release	
03/13	D'AMICO INTERNATIONAL SHIPPING S A : DIS_Announcement of changes in the share ca..	PU
2018	D'AMICO INTERNATIONAL SHIPPING S A : DIS_Announces the sale and lease back of th..	PU
2018	D'AMICO INTERNATIONAL SHIPPING S A : DIS_Publications of the Interim Management ..	PU
2018	D'AMICO INTERNATIONAL SHIPPING S A : DIS_Financial Calendar 2019 November 8th, ..	PU
2018	D'AMICO INTERNATIONAL SHIPPING S A : DIS_2018 Nine months Results November 8th, ..	PU
2018	D'AMICO INTERNATIONAL SHIPPING S A : DIS_Appointment of the new CEO November 8th..	PU
2018	D'AMICO INTERNATIONAL SHIPPING S A : DIS_Announces the resignation of Marco Fior..	PU

[» More news](#)



MarketScreener.com : Markets News Our View Stock Picks Portfolios Screeners Watchlists Top / Flop Tools Our Services  
About : Surperformance SAS About us Contact us Advertisement Legal information  
Stay Connected : Facebook Twitter  
Partners : Börse: Aktien, Kurse und Nachrichten Best tweets

Copyright © 2019 Surperformance. All rights reserved.