



d'Amico International Shipping has reduced its first-quarter loss. Photo: DIS

Falling charter cover to allow d'Amico to capitalise on tanker spot strength

Italian owner reduces loss in first quarter and is optimistic for the rest of 2022

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

Italy's d'Amico International Shipping (DIS) expects results to improve further as reducing term cover means more gains from spot market rises.

The product tanker owner's net loss was \$6.5m in the three months to 31 March, up from \$9.8m in the same period of 2021.



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Revenue was higher at \$66.5m, against \$59.1m, while Ebitda reached \$17.8m, up from \$14.2m the year before.

The Milan-listed owner's chairman and chief executive Paolo d'Amico said the improvement was due to the spot rate averaging \$12,857 per day in the quarter, up from \$9,923 a year ago.

DIS also had 44.5% of vessel days covered at an average daily rate of \$14,968, giving a blended total time charter equivalent figure for spot and term deals of \$13,796 per day.

The CEO said: "In addition to a modern and top-quality fleet, we have a very flexible commercial strategy with an efficient mix of spot exposure and time-charter coverage, which we adapt opportunistically depending on the market outlook."

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He explained that DIS' contract coverage is set to fall rapidly throughout the rest of the year and even further in 2023.

Fixed-rate contracts as a proportion of available vessel days will be only 25% for the second half of 2022 and about 6% in 2023.

This will allow the company "to fully benefit from the current strong freight markets", d'Amico added.

War boosts tonne-miles

The war in Ukraine has been having a significant impact on tanker markets, he said, generating a substantial increase in tonne-mile demand, as European imports of Russian cargoes are replaced by stems from the US and the Middle East.



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This "strengthens the very positive long-term fundamentals of our industry both from the demand and the supply point of view," the CEO said.

Chief financial officer Carlos Balestra di Mottola reported cash and cash equivalents of \$45.4m at the end of March.

"We expect to maintain a very comfortable liquidity position going forward. In fact, currently, DIS' only capital commitments relate to maintenance, mostly deriving from planned drydocks," he added.

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