



The flag of d'Amico International Shipping is seen flying on one of the Italian company's ships. Photo: DIS

## D'Amico wave of purchase options spawns fifth MR tanker buy

Italian shipowner continues hoovering up bargain tonnage through clauses in bareboat charters

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By [Harry Papachristou](#) in Athens

D'Amico International Shipping (DIS), an owner and operator of 36 product tankers, scooped up its fifth ship this year by exercising a purchase option on a vessel it already had on bareboat charter.

The Milan-listed company said in a statement on Tuesday it is spending \$21.4m on the 50,000-dwt High Loyalty (built 2015).



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This is far below the \$36.8m that the Signal Ocean online platform estimates the ship is currently worth.

DIS sold and leased back the same ship five years ago in a decade-long, \$28.5m deal with Japanese financial buyers.

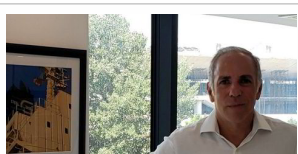
A string of transactions similar to the one announced on Tuesday allowed DIS to lay its hands on coveted MR tankers in recent months, at deeply discounted values.

DIS exercised purchase options on another four of its bareboat chartered-in vessels this year: the 46,000-dwt High Voyager (built 2014), the 50,000-dwt High Freedom (built 2014), the 50,000-dwt High Trader (built 2015) and the 50,000-dwt High Trust (built 2016).

The company's chief executive Paolo d'Amico told TradeWinds in March that such purchase options enable DIS to boost its fleet while steering clear of the mad scramble for MR tankers underway in the secondhand market.

"There is no need for us to run around to buy ships," he said.

DIS has accelerated this strategy recently. Its three most recent options, including the one for the High Loyalty, were exercised within May.



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In his statement on Tuesday D'Amico reiterated that DIS will continue to "gradually" exercise the remaining purchase options it has in a bid to deleverage its balance sheet.

According to a recent DIS presentation, DIS's leverage, defined as the ratio of its net financial position to fleet market value, stands at 27.2% from 72.9% at the end of 2018.

According to the same presentation, DIS has purchase options on another tanker pair on bareboat charter — the 50,000-dwt High Discovery and High Fidelity (both built 2014).

The company already bought back both these ships in July last year.



It immediately resold them to Japanese financial owners, however, for a combined \$39.5m, replacing their previous leasing arrangements with new ones that were more advantageous to the company.

DIS doesn't buy back just bareboat-chartered ships. The company has been exercising purchase options on chartered-in vessels as well and has guided the market that it will continue doing so in order to lower its break-even costs.

The company has purchase options on a quartet of chartered-in ships — the 50,000-dwt High Leader and High Navigator (both built 2018), as well as the 50,000-dwt Crimson Pearl and Crimson Jade (both built 2017).

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