Paolo d'Amico is the chief executive of d'Amico International Shipping (DIS). Photo: Thomas Lovejoy

D'Amico to boost shareholder rewards amid benign tanker outlook

Italy's last remaining listed shipping company tries to lure investors

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By Harry Papachristou in Athens

D'Amico International Shipping (DIS) will emphasise rewarding shareholders going forward, the product tanker player and operator said on Thursday after another robust set of quarterly results.

"Before, deleveraging was the number-one priority," company chief executive Paolo d'Amico told TradeWinds.

"Now, we think that the dividend will be stronger," added d'Amico, who heads a fleet of 36 owned or operated product tankers — from handies to LR1s.

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Earlier in the day, DIS chief financial officer Carlos Balestra de Mottola told analysts in a conference call that "rewarding our investors through buybacks and cash distributions as dividends is increasingly going to become a new priority for us".

DIS has already embarked on that road with a $22m cash payout in April, up from $1.5m for the full year of 2021 and $0.1m in 2020.

To bolster its share price, which stood at just 46% of the company's net asset value as of March, DIS carried out a 10-to-1 reverse stock split earlier this year.

Furthermore, DIS began a share buyback programme that has already boosted its own stake in the company to about 1.9%.

In the interview with TradeWinds, d'Amico said he has no specific target for the buybacks but instead carries them out opportunistically whenever the shares' price falls below their book value.

Financial engineering and increased investor attention generated by a booming tanker sector are already showing results.

"We were quite surprised to see a much more international base of investors develop over the course of the last year," Mottola said.

Gaining more visibility by changing the DIS listing from Milan to Oslo or New York, however, is not among the company's immediate plans.

"Nothing really prevents investors from buying our shares," Mottola said, adding: "This [a listing elsewhere] is something we are still evaluating and we are still not convinced it is the right thing to do".

Market gully

All these moves come against the background of robust second-quarter results.

With net income at $45.7m, DIS profitability slowed somewhat from the previous quarter but was still nearly twice its $25.7m level from the second quarter of 2022.

For the first six months of 2023, net income soared to $99.8m from $19.2m in the same period last year, the company said on Thursday.

DIS said in its earnings release it experienced an "increase in volatility and some softer trends... [in] "a slightly less vigorous market" towards the end of the second quarter.

Company management attributed that softening to "temporary factors", however, such as refinery maintenance over much of the northern hemisphere, a slowdown in industrial activity in Europe and the US, as well as the stockpiling of Russian oil products before Western sanctions kicked in February.

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Some of those factors are already weakening, according to d'Amico.

"The market is taking strength," he said.

DIS expects demands for its tankers to remain high in the long term, betting that ton-miles for product tankers will rise over the coming years as refineries are increasingly being built far away from the world's main consumption areas.

The average age of DIS' 24 owned and five bareboat-chartered vessels is eight years. (Copyright)

Italy **D'Amico International Shipping** **Earnings** **Maersk Product Tankers** **Dividends** **Share buybacks**

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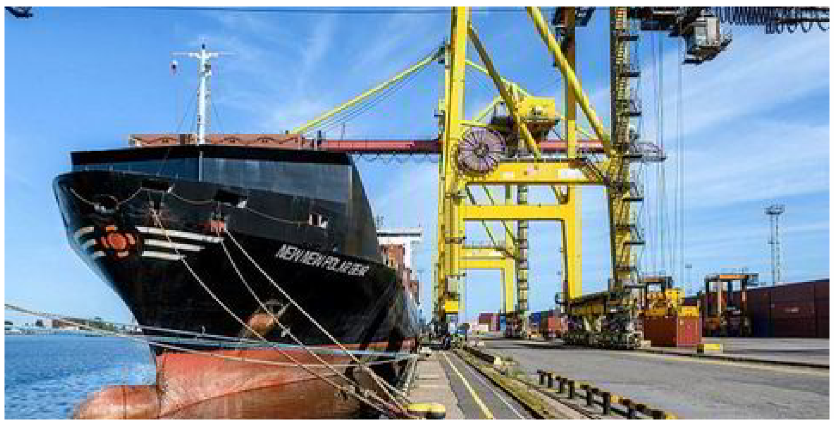

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