

Lloyd's List

D'Amico welcomes more private investment

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- by Hal Brown

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Spread of ownership improves liquidity, says Fiori

D'AMICO International Shipping welcomes further investment in the company by private investors, building on the 2% stake bought by Tufton Oceanic in June.

Fiori: "The more the ownership is distributed, the more liquidity there is in the company."

Speaking to Lloyd's List, d'Amico chief executive Marco Fiori said he was happy for "quality investors" such as Tufton to buy into the company, as long as d'Amico retained the majority share.

"The more the ownership is distributed, the more liquidity there is in the company," said Mr Fiori.

He prefers a range of investors with small stakes to one investor holding a large share, because it makes it easier for other investors to enter or exit the company as they see fit, he said.

Tufton Oceanic is a fund manager for investors in the maritime industry, part of a wave of investors in shipping that includes Oaktree, Blackstone and Wilbur Ross.

Mr Fiori's comments come as Milan-listed d'Amico posted a third-quarter loss of \$4.7m, an improvement on the \$9.7m loss in the same period last year.

That loss followed an impressive run of results for the company, its second quarter in July becoming its third consecutive quarter in the black.

The first half of the year was d'Amico's first profitable first half in four years.

Mr Fiori expected a slowdown in the third quarter, citing the quarter's traditional lower consumption of petroleum products and refinery maintenance that will reduce the flow of cargoes.

Despite the slowdown, however, positive figures underscore the company's standing in the product tanker industry, one of the brighter areas of shipping as new supplies of oil products enter the market.

D'Amico's time charter equivalent earnings for the quarter were stable at \$46.2m compared with \$46.8m in last year's third quarter.

Earnings before interest depreciation and amortisation were \$5.8m compared with \$4.6m last year.

The company is upbeat about the immediate future, expecting the outlook to be positive in the fourth quarter due to seasonal increases in product consumption.

Moreover, the medium term looks bright due to continued global oil demand and the improvement in worldwide GDP growth.

The company has embarked on a fleet renewal over the last couple of years to support the growth in trade in oil products.

It decided to build four more eco-product tankers in the first nine months of the year, to be delivered between 2014-2015, and decided to sell four vessels built in 1999 and 2001 as part of a fleet renewal programme.

The company operates 32 medium range tankers and five handysizes, about half the fleet owned and half chartered in.

Mr Fiori does not rule out further newbuilding orders or sales and purchases.

"We have ships to sell and we are still looking at opportunities [to buy] but the prices have gone up considerably," he said.

He has, though, no desire to diversify into the liquefied petroleum gas market, despite growing interest among peers seen recently in LPG carriers, companies such as Scorpio taking steps to consolidate the segment as more LPG flows out of the US Gulf.

The US Gulf will continue to be a focus for d'Amico as US refineries produce a surplus of oil products for shipment to Europe and South America.

With expected global product tanker fleet growth of just 10% in three years, the product tanker market is on firmer footing, particularly when set against crude carriers, say experts.

"We're positive about the future," Mr Fiori said.

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