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

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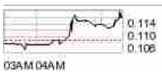

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d'Amico International Shipping S A : DIS_Q1 2020 ResultsMay 7th, 2020

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05/07/2020 | 06:44am EDT

PRESS RELEASE

The Board of Directors of d'Amico International Shipping S.A. approves Q1 2020 Results:

'DIS POSTED ITS SECOND CONSECUTIVE PROFITABLE QUARTER:

NET PROFIT OF US$ 1.5 M IN Q1'20 VS LOSS OF US$ (5.5) M IN Q1'19;

ADJUSTED NET PROFIT OF US$ 6.3 M IN Q1'20 VS LOSS OF US$ (4.4) M IN Q1'19;

EBITDA OF US$ 33.0 M IN Q1'20,47.1% HIGHER THAN IN Q1'19;

OPERATING CASH FLOW OF US$ 25.7 M IN Q1'20, 60% HIGHER THAN IN Q1'19.'

FIRST QUARTER 2020 RESULTS

- Time charter equivalent earnings (TCE) of US$ 71.4 million (US$ 63.9 million in Q1'19)
- Gross Operating Profit/EBITDA of US$ 33.0 million (46.2% on TCE) (US$ 22.4 million in Q1'19)
- Net Result of US$ 1.5 million (US$ (5.5) million in Q1'19)
- Adjusted Net Result (excluding IFRS 16 and non-recurring) of US$ 6.3 million (US$ (4.4) million in Q1'19)
- Cash Flow from Operating Activities of US$ 25.7 million (US$ 16.8 million in Q1'19)
- Net Debt of US$ 666.7 million (US$ 550.9 million excluding IFRS16) as at 31 March 2020 (US$ 682.8 million (US$ 560.0 million excluding IFRS 16) as at 31 Dec. 2019)

Luxembourg - May 7th, 2020 - The Board of Directors of d'Amico International Shipping S.A. (Borsa Italiana: "DIS") (hereinafter : "the Company", "d'Amico International Shipping" or the "Group"), a leading international marine transportation company operating in the product tanker market, today examined and approved the Company's first quarter 2020 statutory and consolidated financial results

MANAGEMENT COMMENTARY

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

Financials (USD)

Sales 2020	316 M	P/E ratio 2020	5,01x
EBIT 2020	67,8 M	P/E ratio 2021	7,34x
Net income 2020	27,4 M	EV / Sales2020	2,30x
Debt 2020	584 M	EV / Sales2021	2,70x
Yield 2020	-	Capitalization	145 M

» More Financials

Chart D'AMICO INTERNATIONAL SHIPPING S.A.

Duration : Auto. Period : Day

» Full-screen chart

Technical analysis trends D'AMICO INTERNATIONAL ...

	Short Term	Mid-Term	Long Term
Trends	Bullish	Neutral	Neutral

» Technical analysis

'I am pleased to report DIS' results for Q1 2020, in which our Company posted its second consecutive quarterly profit with a Net result of US$ 1.5 million vs. US$ (5.5) million Net loss generated in the same quarter of 2019.

Excluding some non-recurring effects from both Q1 2020 and Q1 2019, DIS' Adjusted net results amounted to US$ 6.3 million for the first quarter of 2020 compared with US$ (4.4) million in the same period of last year, an increase of US$ 10.7 million year-on-year. This significant improvement is attributable to a much stronger freight market.

In fact, DIS realized a daily spot rate of US$ 17,354 in Q1 2020 vs. US 13,583 in Q1 2019 (i.e. +27.8% and US$ +3,771/day). Our strong Q1 2020 spot results would have been even higher if they hadn't been negatively affected by an adjustment of approximately US$ 0.9 million on prior year voyages, lowering DIS' daily spot average by around US$ 600/day. In line with its long-term prudent commercial strategy, DIS had also a high level of coverage in the period, equal to 64.6% of its total days, at an average daily rate of US$ 15,864. Therefore, our total blended daily TCE (spot and time-charter) was of US$ 16,391 in Q1 2020 vs. US$ 14,047 in Q1 2019.

At the beginning of the year, the general outlook for the tanker sector was very positive, based on strong fundamentals linked to the implementation of IMO 2020 and its anticipated positive effects on the demand

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for the seaborne transportation of refined products. This coupled with a very limited supply growth, due also to sanctions, scrubber installations and port congestion, provided strong support to the markets. However, as February approached tanker markets softened, mainly due to the spread of COVID-19, initially mostly in China, and the negative consequences on oil demand and refining activity in the world's largest crude-importing nation. Nevertheless, the steep decline in China's oil consumption was compensated by more long-haul trade as surplus Asian cargoes were exported to Europe and the US.

In early March, OPEC+ members failed to strike an agreement on production cuts to offset falling oil prices caused by the outbreak of the virus. The lower oil prices not only reduced bunker costs, improving TC equivalent earnings, but also opened new arbitrages, with Naphtha becoming competitive relative to LPG as a feedstock for the petrochemical industry and being transported over very long distances, from the Middle East or Europe to Japan. The increase in oil production, combined with a steep decline in oil demand, moved the oil curve into a steep contango, providing a strong incentive to increase oil stocks worldwide. Land-based storage facilities quickly reached almost their full capacity and pushed large quantities of crude and petroleum products into tankers as floating storage. This was extremely beneficial to our industry, despite the very negative impact on oil demand and refining activity of the spread of COVID-19 related lockdowns to Western Europe and the US, thus starting from the end of March and especially going into the second quarter of the year, the product tanker market has been hitting unprecedented levels in almost all routes and geographical areas.

As we all know, the world economy is going through unchartered waters and the full impact of COVID-19 is still uncertain also for our industry. Therefore, whilst still benefitting from this strong spot market, we would like to maintain a balanced approach moving forward. In fact, if conditions are favourable we are likely to continue taking advantage of the interest from oil-majors and leading trading houses to fix some of our vessels on period contracts, which are currently at profitable levels, in order to protect our cash flow from any potential market correction that might occur in the future.

Whilst it is currently very hard to estimate near-term market developments due to the effects of the global pandemic, longer-term we maintain a very positive outlook for the product tanker industry, whose underlying fundamentals continue to be strong. The orderbook is at historical lows, mainly thanks to capital constraints and to uncertainties regarding technological development to meet the IMO 2030/2050 emission reductions targets. On the demand side, seaborne transportation of refined products is on a long-term upward path, as most planned refinery additions are in the Middle East and Asia, in countries which are already important net exporters of products. The product tanker markets should also eventually benefit from the fiscal and monetary stimulus that should follow the Covid-19 outbreak.

In this complicated and ever-evolving scenario, I am very confident of the prospects for

Income Statement Evolution

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Consensus	Sell — Buy
Mean consensus	BUY
Number of Analysts	3
Average target price	**0,18 $**
Last Close Price	**0,12 $**
Spread / Highest target	**66,0%**
Spread / Average Target	**50,9%**
Spread / Lowest Target	**37,9%**

EPS Revisions

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» More Estimates Revisions

Managers

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

» More about the company

Sector and Competitors

	1st jan.	Capitalization (M$)

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d'Amico International Shipping. We have a balanced commercial strategy and at the same time we are strengthening our financial structure quarter after quarter, through a precise and well-executed strategy. This will allow our Company to navigate safely through negative market cycles, while providing attractive returns in market upswings. At the end of 2019, we have fully completed a US$ 755 million long-term investment plan for 22 newbuildings, which allows us to operate today one of the world's youngest and most advanced product tanker fleets. Starting from 2020, we have a much lower cash break-even relative to the previous years, as well as a much stronger balance sheet and liquidity position.

I do think we have set all the foundations to adequately reward our Shareholders in the quarters and years to come.'

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

'I am proud of the results achieved by DIS in the first quarter of the year. Our Company posted a Net profit of US$ 1.5 million in Q1 2020 vs. a Net loss US$ (5.5) million in Q1 2019 and an Adjusted net profit (excluding IFRS 16 and some non-recurring effects) of US$ 6.3 million in Q1 2020 vs. US$ (4.4) million in Q1 2019.

DIS' EBITDA amounted to US$ 33.0 million in Q1 2020 compared with US$ 22.4 million achieved in the same period of last year, representing an increase of 47.1% year-on-year,mainly thanks to a much stronger product tanker market. This good EBITDA performance is clearly reflected also in the strong

Operating cash flow of US$ 25.7 million generated in the first quarter of the year, which is 60% higher than the level achieved in Q1 2019.

In 2020 we remained focused on deleveraging to achieve a solid financial structure, as we strongly believe this will increase our strategic and operational flexibility going forward. The ratio between DIS' Net financial position (excluding IFRS 16) and its Fleet market value was of 63.3% as at the end of March 2020 vs. 64.0% as at the end of 2019 and 72.9% as at the end of 2018. We achieved such an improvement in liquidity and gearing ratios through a combination of sale-leaseback transactions, straight sales of older vessels, and equity capital increases in both 2017 and 2019, while always benefitting from the strong support of our controlling shareholder.

Today, thanks to our US$ 755 million investment plan implemented over 7 years and concluded in October 2019, DIS can count on a very modern and flexible product tanker fleet. We have very limited Capex going forward and only related to vessel maintenance. In addition, starting from 2020 our bank-debt amortizations are significantly lower than in previous years, leading to a significant improvement in our cash breakeven relative to the recent past. In this respect, we also continue to benefit from the cost efficiencies achieved in the last couple of years.

DIS operates in a very cyclical industry and therefore a sound financial structure and a low break-even are crucial. A constant focus on these financial goals together with a well-balanced commercial strategy, should allow DIS to generate long-term value for its Shareholders.'

FINANCIAL REVIEW

SUMMARY OF THE RESULTS IN THE FIRST QUARTER 2020

Clean product tanker markets in Q4 2019 performed well on the back of sanctions on selected entities of COSCO (the world's largest tanker owner), Venezuelan-related issues, a tanker attack in the Middle East, a typhoon in Japan and scrubber retrofits, all of which contributed to the large earnings spike in the crude sector. This resulted in some of the larger product tankers switching into the crude and DPP markets - according to various brokers' reports around 16% of LR2s and 6% of LR1s made the transition into these markets in Q4 2019, reducing effective fleet supply in the clean petroleum markets. The resulting contraction in the number of vessels available for clean trades, provided strong support to product tanker freight rates going into Q1 2020. January saw acceptable returns before rates softened in the first-half of February as a result of the Covid-19 lockdown in China, which led to a sharp contraction in refinery runs, with

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planned maintenance brought forward for some facilities.

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The breakdown of OPEC+ negotiation in early March and ensuing brief trade war, as well as the softening of lockdown measures in China, contributed to an increase in product tankers freight rates especially in Asia and the Middle East. The lower oil prices not only reduced bunker costs, improving TC equivalent earnings, but also opened new arbitrages, with Naphtha becoming competitive relative to LPG as a feedstock for the petrochemical industry and being transported over very long distances, from the Middle East or Europe to Japan. The market was also flooded with crude oil, contributing to a spike in earnings for crude tankers, as more oil was being transported and as onshore tanks quickly filled-up and floating storage increased. Due to the strength in the crude markets another 10% of LR2s and 6% of LR1s switched into to the crude and DPP markets in Q1 2020, further tightening vessel availability for clean trades.

In early March, just as Chinese economic activity was starting to recover, the western hemisphere started imposing severe restrictions on the freedom of movement of individuals, resulting in an additional large downturn in demand for products. Spot freight rates in the Atlantic initially suffered from the lower refining volumes, but as land storage filled up and the contango steepened, the increase in floating storage of refined products and the increase in port congestion, eventually reduced effective supply so much that freight rates started rising rapidly in almost all routes, reaching unprecedented levels by the end of April 2020.

The one-yeartime-charter rate, which is always the best indicator of spot market expectations, gradually strengthened throughout 2019, ending the fourth quarter of 2019 at around US$ 16,500 per day and US$ 18,500 per day for conventional and Eco MRs, respectively. During the first two months of 2020 period rates softened slightly. However, by the end of the quarter and going into Q2 rates had improved to levels we have not seen for a very long time. The assessed one-year rate for a conventional and Eco MR2 are of over US$ 20,000 and US$21,000, respectively.

In Q1 2020, DIS posted its second consecutive profitable quarter with a Net Result of US$ 1.5 million vs. a Net Los of US$ (5.5) million posted in the same quarter of 2019. Excluding results on disposal and non- recurring financial items from Q1 2020 and Q1 2019, as well as the asset impairment and the effects of IFRS 16, DIS' Net result would have amounted to US$ 6.3 million in Q1 2020 compared with US$ (4.4) million recorded in the same period of 2019. Therefore, excluding such non-recurringeffects, DIS' Q1 2020 Net result would have been US$ 10.7 million higher than in the same quarter of last year.

DIS generated an EBITDA of US$ 33.0 million in Q1 2020 vs. US$ 22.4 million in the same quarter of last year, representing an increase of 47.1% year-on-year.Such strong improvement relative to the previous year is mainly attributable to better market conditions. This is reflected also in the strong operating cash flow of US$ 25.7 million generated in Q1 2020 vs. US$ 16.8 million in the same quarter of 2019.

In fact, In terms of spot performance, DIS achieved a daily spot rate of US$ 17,354 in Q1 2020, 27.8% (i.e. US$ 3,771/day) higher than the US$ 13,583 achieved in the same quarter of 2019. In addition, the Q1 2020 spot result was affected by an approximately US$ 0.9 million negative adjustment on prior year voyages, which corresponds to about US$ 600/day on DIS' daily average for its spot vessels.

At the same time, 64.6% of DIS' total employment days in Q1 2020, were covered through 'time-charter' contracts at an average daily rate of US$ 15,864 (Q1 2019: 46.4% coverage at an average daily rate of US$ 14,604). A 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-chartercontracts) was US$ 16,391 in the first quarter of 2020 compared with US$ 14,057 achieved in the same quarter of the previous year.

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OPERATING PERFORMANCE

Time charter equivalent earnings were US$ 71.4 million in Q1 2020 vs. US$ 63.9 million in Q1 2019. The total amount for Q1 2020 includes US$ 3.9 million 'time charter equivalent earnings' (Q1 2019 US$ 3.8 million) generated by vessels under commercial management, which is offset by an almost equivalent amount reported under 'time-charter hire costs. The improvement relative to the previous year is a clear reflection of the much stronger freight markets in the first three months of 2020.

In detail, DIS realized a daily average spot rate of US$ 17,354 in Q1 20201 compared with US$ 13,583 achieved in the same quarter of 20192. DIS' spot result for Q1 2020 represents an improvement of 27.8% (i.e. US$ 3,771/day) relative to the same period of the previous year. In addition, the Q1 2020 spot result was affected by approximately US$ 0.9 million negative adjustment on prior year voyages, which corresponds to about US$ 600/day on DIS' daily average.

Following its strategy, in Q1 2020 DIS maintained a high level of 'coverage' (fixed-rate contracts), securing an average of 64.6% (Q1 2019: 46.4%) of its available vessel days at a Daily Average Fixed Rate of US$ 15,864 (Q1 2019: US$ 14,604). In addition to securing revenue and supporting its operating cash flow generation, these contracts enabled DIS to strengthen its historical relationships with the main oil majors.

DIS' total daily average TCE (Spot and Time charter)3 was US$ 16,391 in Q1 2020 vs. US$ 14,057 in Q1 2019.

DIS TCE daily rates	2018					2020
(US dollars)						
	Q1	Q2	Q3	Q4	FY	Q1
Spot	13,583	13,074	11,616	17,242	13,683	17,354
Fixed	14,604	14,398	14,819	15,130	14,760	15,864
Average	14,057	13,710	13,264	15,965	14,239	16,391

Result on disposal of vessel was negative for US$ (0.6) million in Q1 2020 vs. US$ (0.1) million in Q1 2019. The amount refers to the amortisation of the net deferred result on all vessels sold and leased back in the previous years.

EBITDA was US$ 33.0 million in Q1 2020 and was 47.1% higher than in the same quarter of last year (US$

22.4 million in Q1 2019). This large improvement relative to the first quarter of last year, is mainly attributable to the stronger freight markets of the first three months of 2020.

Depreciation, impairment and impairment reversal amounted to US$ (11.8) million in Q1 2020 vs. US$ (8.8) million in Q1 2019. The Q1 2020 amount includes US$ (1.6) million impairment booked on four vessels owned by d'Amico Tankers d.a.c. and one vessel owned by Glenda International Shipping (a jointly controlled entity with the Glencore Group, in which d'Amico Tankers d.a.c. has a 50% interest), which

- Daily Average TCE of 2020 excludes US$ 3.9 million generated by the vessels under commercial management, as it is almost offset by an equivalent amount of time charter hire costs after deducting a 2% commission on gross revenues.
- Daily Average TCE of 2019 excludes US$ 3.8 million generated by the vessels under commercial management, as it is almost offset by an equivalent amount of time charter hire costs.
- Daily Average TCE of 2020 and 2019 excludes the amounts generated by the vessels under commercial management, since hire revenue for these vessels for each year is almost offset by an equivalent amounts of time charter hire costs, after deducting a 2% commission on gross revenues.

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were classified as 'assets held for sale' (in accordance with IFRS 5) as at 31 March 2020, with the difference between their fair value less cost to sell and their book value charged to the Income Statement.

Depreciation of right-of-useleased assets amounted to US$ (7.3) million in Q1 2020 vs. US$ (8.5) million in Q1 2019.

EBIT was positive for US$ 13.9 million in Q1 2020 vs. US$ 5.2 million for the same period of last year.

Net financial charges amounted to US$ (12.3) million in Q1 2020 vs. US$ (12.0) million in Q1 2019. The Q1 2020 amount comprises US$ (10.0) million in interest expenses and amortized financial fees due on DIS' bank loan facilities, actual expenses on interest rate swaps and interest on financial leases, as well as US$ (2.3) million of unrealised losses in relation to the ineffective part of DIS' interest rate swap agreements.

Reversal of impairment of loan to an equity accounted investee was 'zero' in Q1 2020 vs. positive for US$ 0.9 million in Q1 2019 due to the partial reversal of the write-downof d'Amico Tankers d.a.c.'s shareholder loan to DM Shipping (a 51/49 jointly controlled entity with the Mitsubishi Group).

DIS' Net Result for Q1 2020 was US$ 1.5 million compared with a Net loss US$ (5.5) million in Q1 2019. Excluding results on disposals and non-recurring financial items from Q1 2020 (US$ (2.8) million4) and from Q1 2019 (US$ (1.0) million5), as well as the asset impairment (US$ (1.6) million in Q1 2020) and the net effects of IFRS 16 from both periods (Q1 2020: US$ (0.4) million and Q1 2019: US$ (0.1) million), DIS' Net result would have amounted to US$ 6.3 million in Q1 2020 compared with US$ (4.4) million recorded in the same quarter of the previous year. Therefore, excluding the effects of the application of IFRS 16 and such non-recurringeffects, DIS' Net result for Q1 2020 would have been US$ 10.7 million higher than in the same quarter of 2019. Q1 2020 represents also DIS' second consecutive profitable quarter.

CASH FLOW AND NET INDEBTEDNESS

In Q1 2020, DIS' Net Cash Flow was negative for US$ (5.5) million vs. US$ (2.7) million in Q1 2019.

Cash flow from operating activities was positive, amounting to US$ 25.7 million in Q1 2020 vs. US$ 16.8 million in Q1 2019. This improvement is attributable to the much stronger freight markets in Q1 2020 relative to the same period of last year.

DIS' Net debt as at 31 March 2020 amounted to US$ 666.7 million compared to US$ 682.8 million as at 31 December 2019. These balances include the additional liability due to the application of IFRS 16, amounting to US$ 115.9 million at the end of March 2020 vs. US$ 122.8 as at the end of 2019. The net debt (excluding IFRS16) / fleet market value ratio was of 63.3% as at 31 March 2020 vs. 64.0% as at the end of 2019 and compared with 72.9% as at the end of 2018.

SIGNIFICANT EVENTS OF THE FIRST QUARTER

In Q1 2020, the main events for the d'Amico International Shipping Group were the following:

- US$ (2.0) million loss on disposal, US$ (1.3) million realized and unrealized loss on Interest rates swap agreements, US$ 0.2 million foreign exchange movements arising from the valuation of the DM Shipping financing, US$ 0.9 million reversal of impairment of an equity-invested asset.
- US$ 0.2 million profit on disposal, US$ 4.2 million realized and unrealized profit on Interest rates swap agreements, US$ 0.5 million foreign exchange movements arising from the valuation of the DM Shipping financing.

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D'AMICO INTERNATIONAL SHIPPING:

Executed buyback program: On 27 January 2020, d'Amico International Shipping S.A. announced that during the period between 20 January and 24 January 2020, n. 882,000 own shares (representing 0.07107% of the outstanding share capital of the Company) were repurchased on the regulated market managed by Borsa Italiana S.p.A. at the average price per share of Euro 0.1495, for a total consideration of Euro 131,869.20. As at 24 January 2020, d'Amico International Shipping S.A. held nr. 8,642,027 own shares, representing 0.7% of its outstanding share capital.

On 20 March 2020, d'Amico International Shipping S.A. announced that during the period between 13 March and 19 March 2020, n. 1,500,000 own shares (representing 0.121% of the outstanding share capital of the Company) were repurchased on the regulated market managed by Borsa Italiana S.p.A. at the average price per share of Euro 0.0703, for a total consideration of Euro 105,434.40. As at 20 March 2020, d'Amico International Shipping S.A. held nr. 10,142,027 own shares, representing 0.82% of its outstanding share capital.

The transactions were made and coordinated by an independent equity broker duly engaged for this purpose, Equita SIM S.p.A., in compliance with the Board of Directors resolution of 13 November 2019 and under the authorization to purchase own shares approved by DIS Shareholders' Meeting on 20 April 2016 (as reminded by means of a press release issued on 13 November 2019).

Impact of COVID-10: For the product tankers sector COVID-19 could also have a material direct impact on market freight rates. The extent of this impact will depend on how long it will take to contain the virus and for economic activity worldwide to return to normal. In their April 2020 report, due to the impact of Covid-19, the IEA has significantly reduced their estimate for global refining throughput this year, which is now expected to fall by 7.6 million b/d (in January 2020 they expected growth of 1.3 million b/d). For the time being the impact on the product tankers industry has been limited, with freight rates having risen throughout March and April, after reaching a 2020 trough in around mid-February. In fact, our tanker vessels are benefitting from both significantly lower bunker prices, as well as new arbitrage trades, often entailing long sailing distances, such as exports of naphtha from Europe and the Middle East to Asia, and jet fuel exports from China to the US Gulf. They are also benefiting from an increase in demand for floating storage of both crude and refined products and from an increase in port congestion. Nevertheless, the large drop in demand for refined products arising from the Covid-19 outbreak, and the resulting build-up in inventories, is creating imbalances which could depress demand for our vessels in the future. Furthermore, the recent decision by OPEC+ to cut oil production by around 10 million b/d could negatively affect demand for our vessels possibly from as early as Q3 this year. Although these production cuts might negatively affect near-term freight rates, they should reduce imbalances and contribute to a healthier market in 2021.

d'Amico International Shipping S.A. subsidiaries are also coping with operational complications, such as loading/unloading restrictions, and a 14-day quarantine for vessels and crews in certain ports, introducing some inefficiencies on daily operations, but we are working with our partners, customers and local authorities to find solutions that minimise the impact on our business. More countries may enforce vessel and crew quarantines; If enough countries do so, especially for short-haul trades, it could effectively remove tonnage and provide short-term support to freight markets.

D'AMICO TANKERS D.A.C.:

- 'Time Charter-Out'Fleet: In January 2020, d'Amico Tankers d.a.c. fixed one of its Handy-size vessels with a leading trading house for 12 months, starting from February 2020.

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In March 2020: i) d'Amico Tankers d.a.c. extended a time charter contract with an oil-major on one of its LR1 vessels for 6-9 months starting from April 2020; ii) d'Amico Tankers d.a.c. extended a time charter contract with an oil-major on one of its Handy-size vessels for 12 months starting from March 2020

- 'Time Charter-In' Fleet and 'Commercial management' Fleet:
  In January 2020, the management contract for the M/T Falcon Bay ended and the vessel was redelivered to its owners;

In February 2020, the time-charter-in contract for the M/T Freja Baltic, an MR vessel built in 2008, ended and the vessel was redelivered to her owners.

SUBSEQUENT EVENTS AND BUSINESS OUTLOOK

D'AMICO TANKERS D.A.C.:

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VESSEL SALE: in April 2020, Glenda International Shipping d.a.c., the joint venture company with the Glencore Group, in which d'Amico Tankers holds a 50% participation, signed a memorandum of agreement for the sale of the M/T Glenda Meredith, a 46,147 dwt MR product tanker vessel, built in 2010 by Hunday Mipo, South Korea, for a consideration of US$ 19.0 million.

The profile of d'Amico International Shipping's vessels on the water is summarized as follows.

	As at 31 March 2020				As at 7 May 2020			
	LR1	MR	Handysize	Total	LR1	MR	Handysize	Total
Owned	5.0	11.5	7.0	23.5	5.0	11.5	7.0	23.5
Bareboat chartered*	1.0	8.0	0.0	9.0	1.0	8.0	0.0	9.0
Long-term time chartered	0.0	8.0	0.0	8.0	0.0	8.0	0.0	8.0
Short-term time chartered	0.0	5.0	0.0	5.0	0.0	5.0	0.0	5.0
Total	6.0	32.5	7.0	45.5	6.0	32.5	7.0	45.5

* with purchase obligation

BUSINESS OUTLOOK

The IMF estimates in their April 2020 report that due to the negative effects of the measures to control the spread of the COVID-19 pandemic, the global economy will contract sharply, by 3 percent in 2020, much worse than during the 2008-09 financial crisis. Assuming the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound, the global economy is projected to grow by 5.8 percent in 2021 as economic activity normalises.

According to the IEA, global oil demand is expected to fall by a record 9.3 million b/d year-on-year in 2020. The impact of containment measures in 187 countries and territories has been to bring mobility almost to a halt. Demand in April is estimated to be 29 million b/d lower than a year ago, down to a level last seen in 1995. For 2Q20, demand is expected to be 23.1 million b/d below a year-ago levels. The recovery in 2H20 will be gradual; in December demand will still be down 2.7 million b/d year on year.

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Also according to the IEA, global oil supply is set to plunge by a record 12 million b/d in May, after OPEC+ forged a historic output deal to cut production by 9.7 million b/d from an agreed baseline level. Additional reductions are set to come from other countries with the US and Canada seeing the largest declines. Reduction in non-OPEC output could reach 5.2 million b/d in 4Q20.

Refinery runs have also fallen sharply, with some refineries such as NNPC in Nigeria having closed their refinery capacity completely from April. Refinery utilisation in the US as at end of April 2020 is down to around 65% vs 93% earlier this year.

Onshore tanks are at almost full capacity and crude and product forward prices are in steep contango, prompting charterers' interest in floating storage. According to Kpler, as at mid-April 2020, close to six million tonnes of clean petroleum products was being stored on product tankers. The definition of storage is ships identified by tracking systems that are laden and are waiting in excess of seven days to discharge. Floating storage and port congestion due to ullage problems are keeping tonnage supply incredibly tight and are expected to keep freight rates at very high levels near-term.

As demand for oil eventually recovers and the forward oil price curve flattens and eventually moves into backwardation, floating storage is expected to start unwinding, increasing effective fleet supply and putting downward pressure on freight rates.

In its latest outlook, Clarksons' has lowered product tanker demand growth down to 2.2% and nominal fleet growth down to 1.1%, from 5.0% and 2.4% respectively. They believe the short-term product tanker market outlook is subject to significant uncertainty, but that eventually there is the clear potential for extensive refinery run cuts and a sharp fall in global oil demand to negatively impact the seaborne products trade.

OTHER RESOLUTIONS

The independent directors Massimo Castrogiovanni, John J. Danilovich and Stas A. Jozwiak were confirmed as members both of the Control and Risk Committee and of the Nomination and Remuneration Committee. Massimo Castrogiovanni was re-appointed in the charge of president of the Control and Risk Committee, while Stas A. Jozwiak as president of the Nomination and Remuneration Committee.

Finally, the Board of Directors of the Company confirmed for a three years term of office the composition of the Supervisory Committee set up in compliance with the terms of the Italian Legislative Decree 231/2001.

Further information are available on the Corporate Governance section of the Company's website (www.damicointernationalshipping.com).

The Interim Management Statement as of 31st March 2020 is available to the public, in its integral version, at the Company registered office and on the Investor Relations section of DIS website (www.damicointernationalshipping.com).

The above mentioned document has been also filed with Commissione Nazionale per le Società e la Borsa (CONSOB), with Commission de Surveillance du Secteur Financier (CSSF) and stored at Borsa Italiana

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S.p.A. (www.borsaitaliana.it) through the e-market STORAGE system and Société de la Bourse de Luxembourg S.A. (www.bourse.lu) in its quality of DIS Officially Appointed Mechanism (OAM).

From today this press release is available on the investor relations section of DIS website, filed with CSSF, disclosed through the e-market SDIR circuit and stored at Borsa Italiana S.p.A. through the e-market STORAGE system and at Société de la Bourse de Luxembourg S.A. in its quality of OAM.

CONFERENCE CALL

At 2.00pm CET, 8.00am EST today a conference call will be held with the financial community during which the Group's economic and financial results will be discussed. It is possible to connect to the call by dialing the following numbers: from Italy + 39 02 8058811 , from UK +44 808 23 89 561, from US +1 866 63 203 28. The presentation slides can be downloaded before the conference call from the Investor Relations page on DIS web site: www.damicointernationalshipping.com

d'Amico International Shipping S.A. is a subsidiary of d'Amico Società di Navigazione S.p.A., one of the world's leading privately- own ed marine transportation companies, and operates in the product tankers sector, comprising vessels that typically carry refined petroleum products, chemical and vegetable oils. d'Amico International Shipping S.A. controls, through its fully-owned subsidiary namely d'Amico Tankers D.A.C., Dublin, either through ownership or charter arrangements, a modern and double-hulled fleet, ranging from 35,000 to 75,000 deadweight tons. The Company has a long history of family enterprise and a worldwide presence with offices in key maritime centers (London, Dublin, Monaco, Stamford and Singapore). The Company's shares are listed on the Milan Stock Exchange under the ticker symbol "DIS.MI".

d'Amico International Shipping S.A

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS

US$ Thousand	Q1 2020	Q1 2019
Revenue	94,355	91,031
Voyage costs	(22,941)	(27,173)
Time charter equivalent earnings*	71,414	63,858
Time charter hire costs	(6,955)	(10,220)
Other direct operating costs	(27,650)	(27,691)
General and administrative costs	(3,272)	(3,422)
Result on disposal of vessels	(553)	(107)
EBITDA*	32,984	22,418
Depreciation, impairment and impairment reversal	(11,841)	(8,758)
Depreciation of right-of-use leased	(7,25	(8,48

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asset	0)	0)
EBIT*	13,893	5,180
Net financial income	41	458
Net financial (charges)	(12,321)	(11,979)
Share of profit of associate	-	(18)
Reversal of impairment of an equity-invested asset	-	945
Profit / (loss) before tax	1,613	(5,414)
Income taxes	(96)	(100)
Net profit / (loss)	1,517	(5,514)
Basic earnings / (loss) per share (1)	US$ 0.001	US$ (0.009)

*see Alternative Performance Measures on page 9

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

US$ Thousand	Q1 2020	Q1 2019
Profit / (loss) for the period	1,517	(5,514)
Items that may be reclassified subsequently into profit or loss		
Movement of valuation of cash-flow hedges	(4,151)	(1,315)
Exchange differences in translating foreign operations	(84)	(10)
Total comprehensive income for the period	(2,718)	(6,839)

The net result is entirely attributable to the equity holders of the Company

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	US$	US$
Basic earnings / (loss) per share	(0.002)	(0.011)

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- Basic earnings/ loss per share (e.p.s.), have been calculated on an average number of shares outstanding equal to 1,230,890,447 in the first quarter of 2020 and 645,997,998 in the first quarter of 2019. In Q1 2020 and in Q1 2019 diluted e.p.s. was equal to basic e.p.s..

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at	As at
US$ Thousand	31 March 2020	31 December 2019
ASSETS		
Property, plant and equipment	830,464	838,863
Right-of-use assets	111,956	119,449
Investments in jointly controlled entities	4,382	4,382
Other non-current financial assets	13,558	17,348
Total non-current assets	960,360	980,042
Inventories	10,446	10,080
Receivables and other current assets	41,443	41,433
Other current financial assets	9,375	7,265
Cash and cash equivalents	32,406	33,598
Current Assets	93,670	92,376
Assets held for sale	57,954	59,631
Total current assets	151,624	152,007
TOTAL ASSETS	1,111,984	1,132,049
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	62,052	62,052
Accumulated losses	(58,284)	(59,801)
Share Premium	368,846	368,846
Other reserves	(23,205)	(18,632)

Total shareholders' equity	349,409	352,465
Banks and other lenders	258,959	270,169
Non-current lease liabilities	302,320	313,418
Other non-current financial liabilities	11,980	7,282
Total non-current liabilities	573,259	590,869
Banks and other lenders	80,635	72,692
Current lease liabilities	38,931	37,736
Shareholders' short-term loan	-	5,000
Payables and other current liabilities	40,261	38,222
Other current financial liabilities	12,733	12,473
Current tax payable	256	342
Current liabilities	172,816	166,465
Banks associated to assets held-for-sale	16,500	22,250
Total current liabilities	189,316	188,715
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,111,984	1,132,049

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CONSOLIDATED STATEMENT OF CASH FLOWS

US$ Thousand	Q1 2020	Q1 2019
Profit / (loss) for the period	1,517	(5,514)
Depreciation and amortisation	10,259	8,758
Depreciation of right-of-use leased assets	7,250	8,480
Impairment	1,582	-
Current and deferred income tax	96	100
Net finance lease cost	5,137	4,168
Other net financial charges (income)	7,143	7,010

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Unrealised foreign exchange result	-	343
Profit share of equity-accounted investment	-	18
Loss (profit) on disposal of fixed assets	553	(107)
Impairment reversal of a financial asset / v related pty.	-	(945)
Reclassifications of vessels hire	(180)	1,008
Cash flow from operating activities before changes in working capital	33,357	23,319
Movement in inventories	(366)	1,453
Movement in amounts receivable	(10)	4,268
Movement in amounts payable	1,642	(3,316)
Taxes paid	(182)	(53)
Payment of interest portion of lease liability	(5,135)	(4,884)
Net interest (paid)	(3,628)	(4,168)
Movement in other financial liabilities	-	214
Movement in share option reserve	-	(18)
Net cash flow from operating activities	25,678	16,815
Acquisition of fixed assets*	(1,765)	(30,520)
Interest income from equity accounted investee	-	(150)
Movement in financing to equity accounted investee	473	-
Net cash flow from investing activities	(1,292)	(30,670)
Other changes in shareholders' equity	(422)	(261)
Shareholders' financing	(5,000)	1,620
Movement in other financial receivables / related party	610	(1,300)
Net movement in other financial payables / related party	(1,746)	97
Bank loan repayments	(13,677)	(17,421)
Proceeds from disposal of assets subsequently leased back*	-	37,371
Repayments of principal portion of financial lease	(9,654)	(8,967)

Net cash flow from financing activities	(29,889)	11,139
Net increase/ (decrease) in cash and cash equivalents	(5,503)	(2,716)
Cash and cash equivalents net of bank overdrafts at the beginning of the period	17,517	15,120
Cash and cash equivalents net of bank overdrafts at the end of the period	12,014	12,404
Cash and cash equivalents at the end of the period	32,406	29,062
Bank overdrafts at the end of the period	(20,392)	(16,659)

The manager responsible for preparing the company's financial reports, Mr Carlos Balestra di Mottola, in his capacity of Chief Financial Officer of d'Amico International Shipping SA (the "Company"), declares that the accounting information contained in this document corresponds to the results documented in the books, accounting and other records of the Company.

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Carlos Balestra di Mottola- Chief Financial Officer

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ALTERNATIVE PERFORMANCE MEASURES (APM)

Along with the most directly comparable IFRS measures, DIS management is regularly using Alternative Performance Measures, as they provide helpful additional information for users of its financial statements, indicating how the business has performed over the period, filling the gaps left by the reporting standards. APMs are financial and non-financial measures of historical or future financial performance, financial position or cash-flows, other than a financial measure defined or specified in the Group's applicable financial reporting framework and standards (IFRS); for this reason they might not be comparable to similarly titled measures used by other companies and are not measurements under IFRS or GAAP and thus should not be considered substitutes for the information contained in the Group's financial statements. The following section sets out the Group's definitions of used APMs:

FINANCIAL APMs (They are based on or derived from figures of the financial statements)

Time charter equivalent earnings

A shipping industry standard allowing the comparison of period-to-period net freight revenues, which are not influenced by whether the vessels were employed on Time charters (TC), Voyage charters or Contracts of affreightment (please see Non-Financial APM definitions below). As indicated in the Profit and Loss financial statement, it is equal to revenues less voyage costs.

EBITDA and EBITDA Margin

EBITDA is defined as the result for the period before the impact of taxes, interest, the Group's share of the result of joint ventures and associates, depreciation and amortization. It is equivalent to the gross operating profit, which indicates the Group's revenues from sales less its cost of the services (transport) sold. EBITDA Margin is defined as EBITDA divided by Time charter equivalent earnings (as described above). DIS believes that EBITDA and EBITDA Margin are useful additional indicators investors can use to evaluate the Group's operating performance.

EBIT and EBIT Margin

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EBIT is defined as the result for the period before the impact of tax, interest and the Group's share of the result of joint ventures and associates. It is equivalent to the net operating profit and the Group uses it to monitor its return after operating expenses and the cost of the use of its tangible assets. EBIT Margin is defined as operating profit as a percentage of Time charter equivalent earnings and represents for DIS a suitable measure to show the contribution of the Time-Charter Earnings in covering both fixed and variable costs.

ROCE

Return on Capital Employed is a profitability ratio which measures how efficiently a company is using its capital. It is calculated dividing the EBIT by the capital employed, that is, by total assets less current liabilities.

Gross CAPEX

Gross capital expenditure, that is the expenditure for the acquisition of fixed assets as well as expenditures capitalised as a result of the intermediate or special surveys of our vessels, or of investments for the improvement of DIS vessels, as indicated under Net acquisition of fixed assets within the cash-flow from investing activities; it gives an indication about the strategic planning (expansion) of the Group (capital intensive industry).

Net Indebtedness

Comprises bank loans and other financial liabilities, less cash and cash equivalents and liquid financial assets or short-term investments available to service those debt items. The Group believes net indebtedness is relevant to investors as it is a metric on the overall debt situation of a company, indicating the absolute level

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of non-equity funding of the business. The relevant table in the net indebtedness section within the report on operations, reconciles net debt to the pertinent balance sheet line items.

IFRS 16 impact

The standard eliminates the classification of leases as either operating leases or finance leases for a lessee; instead all leases are treated in a similar way to finance leases applying IAS 17. Leases are "capitalised" by recognising the present value of lease payments and showing them either as leased assets (right-of-use assets, RoU) or together with property, plant and equipment (PPE). Lease items of low value (under US$ 5 thousand) or for which the lease duration is shorter than one year are excluded from this treatment and are expensed as incurred. If lease payments are made over time, the company also recognises a financial liability representing its obligation to make future lease payments. The most significant effect is an increase in lease assets (or PPE) and financial liabilities, leading to changes in key financial metrics derived from balance sheet data.

For companies with material off-balance sheet leases, IFRS 16 changes the nature of the expenses related to those leases: the straight-line operating lease expense (time-charter-in) are replaced with a depreciation charge for the lease asset (included within operating costs) and an interest expense on the lease liability (included within finance costs).

NON-FINANCIAL APMs (not derived from figures of the financial statements)

Available vessel days

Total theoretical number of days a vessel is available for sailing during a period. It provides an indication of the Group's fleet earnings potential during a period, which takes into account the date of delivery to and redelivery from the Group of the vessels in its fleet (please refer also to the Key figures, other operating measures).

Coverage

Ratio indicating how many available vessel days are already covered by fixed rate contracts (time charter contracts or contracts of affreightment). It provides an indication of how exposed the Group is to changes in the freight market during a certain period (please refer to Time charter equivalent earnings in the Management financial review).

Daily spot rate or daily TC rate

Daily spot rate refers to daily time-charter equivalent earnings (please refer to definition below) generated by employing DIS' vessels on the spot market (or on a voyage basis) and daily TC rate refers to daily time- charter earnings generated by employing DIS' vessels on 'time-charter' contracts (please refer to the Management financial review).

Off-hire

Means the period in which a vessel is unable to perform the services for which it is immediately required under a time charter. Off-hire periods can include days spent on repairs, dry-docking and surveys, whether or not scheduled. It can help to explain changes in time-charter equivalent earnings between different periods (please refer to Revenues, in the Management financial review).

Time charter equivalent earnings per day

A measure of the average daily revenue performance of a vessel or of DIS' fleet. DIS' method of calculating time charter equivalent earnings per day is consistent with industry standards and is determined by dividing voyage revenues (net of voyage expenses) by on-hire days for the relevant time period. Time charter equivalent earnings per day is a standard shipping industry performance measure used primarily to compare period-to-period changes in a shipping company's performance, since it is unaffected by the changes in the mix of charter contracts (i.e. spot charters, time charters and contracts of affreightment) through which the vessels are employed. It allows a comparison of the Group's performance with industry peers and market benchmarks (please refer to Key figures).

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Vessels equivalent

The number of vessels equivalent in a period is equal to the sum of the products of the total available vessel days over that period for each vessel and the participation of the Group (direct or indirect) in that vessel, divided by the number of calendar days in that period. It provides an indication of the Group's fleet size and earnings potential over a period (please refer to Key figures).

OTHER DEFINITIONS

Bareboat charter

A contract type under which the ship owner is usually paid monthly in advance charter hire at an agreed daily rate for a specified period of time, during which the charterer is responsible for the technical management of the vessel, including crewing, and therefore also for its operating expenses (please refer to note 6). A bareboat charter is also known as a "demise charter" or a "time charter by demise".

Charter

A contract for the hire of a vessel for a specified period of time or to carry cargo from a loading port to a discharging port. The contract for a charter is commonly called a charter party and there are three main types of such contracts, a bareboat charter party, a voyage charter party and time charter party (refer to definitions in this section).

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Attachments

- Original document
- Permalink

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