



# FY & Q4 2019 Presentation d'Amico International Shipping

---

*March 12, 2020*



*d'Amico*  
INTERNATIONAL SHIPPING S.A.



# DISCLAIMER.

---

There shall be no offering or sale of any securities of d'Amico International Shipping S.A. in the United States of America, Switzerland, Canada, Australia, Japan, the United Kingdom or any jurisdiction in which such offer, solicitation or sale would be unlawful prior to its registration or qualification under the laws of such jurisdiction or to or for the benefit of any person to whom it is unlawful to make such offer, solicitation or sale. No steps have been taken or will be taken regarding the offering of securities of d'Amico International Shipping S.A. outside Luxembourg and Italy in any jurisdiction where such steps would be required. The issuance, exercise, or sale of securities of d'Amico International Shipping S.A. and the subscription to or purchase of such securities are subject to specific legal or regulatory restrictions in certain jurisdictions. d'Amico International Shipping S.A. is not liable in case these restrictions are infringed by any person.

This communication is not for distribution, directly or indirectly, in or into the United States (including its territories and dependencies, any State of the United States and the District of Columbia). This communication does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The securities mentioned herein have not been, and will not be, registered under the United States Securities Act of 1933 (the "Securities Act"). Accordingly, unless an exemption under relevant securities laws is applicable, any such securities may not be offered, sold, resold, taken up, exercised, renounced, transferred, delivered or distributed, directly or indirectly, in or into the United States or any other jurisdiction if to do so would constitute a violation of the relevant laws of, or require registration of such securities in, the relevant jurisdiction. The securities may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the Securities Act. There will be no public offer of securities in the United States.

If you are not permitted to view the documents on this website or are in any doubt as to whether you are permitted to view these documents, please exit this webpage. The information contained herein does not constitute an offer of securities for sale in the United States, Switzerland, Canada, Japan, Australia, the United Kingdom or any jurisdiction in which such offers or sales are unlawful, and these documents must not be released or otherwise forwarded, distributed or sent in or into the United States, Switzerland, Canada, Japan, Australia, the United Kingdom or any jurisdiction in which such offers or sales are unlawful. Persons receiving these documents (including custodians, nominees and trustees) must not distribute or send it in, into or from the United States, Switzerland, Canada, Japan, Australia, the United Kingdom or any other jurisdiction in which accessing such documents is unlawful.

## **Confirmation of understanding and acceptance of disclaimer**

I warrant that I am not located in the United States and am not resident or located in Switzerland, Canada, Japan, Australia, the United Kingdom or any other jurisdiction where accessing these materials is unlawful, and I agree that I will not transmit or otherwise send any materials contained in this website to any person in the United States, Switzerland, Canada, Japan, Australia, the United Kingdom or any other territory where to do so would breach applicable local law or regulation.

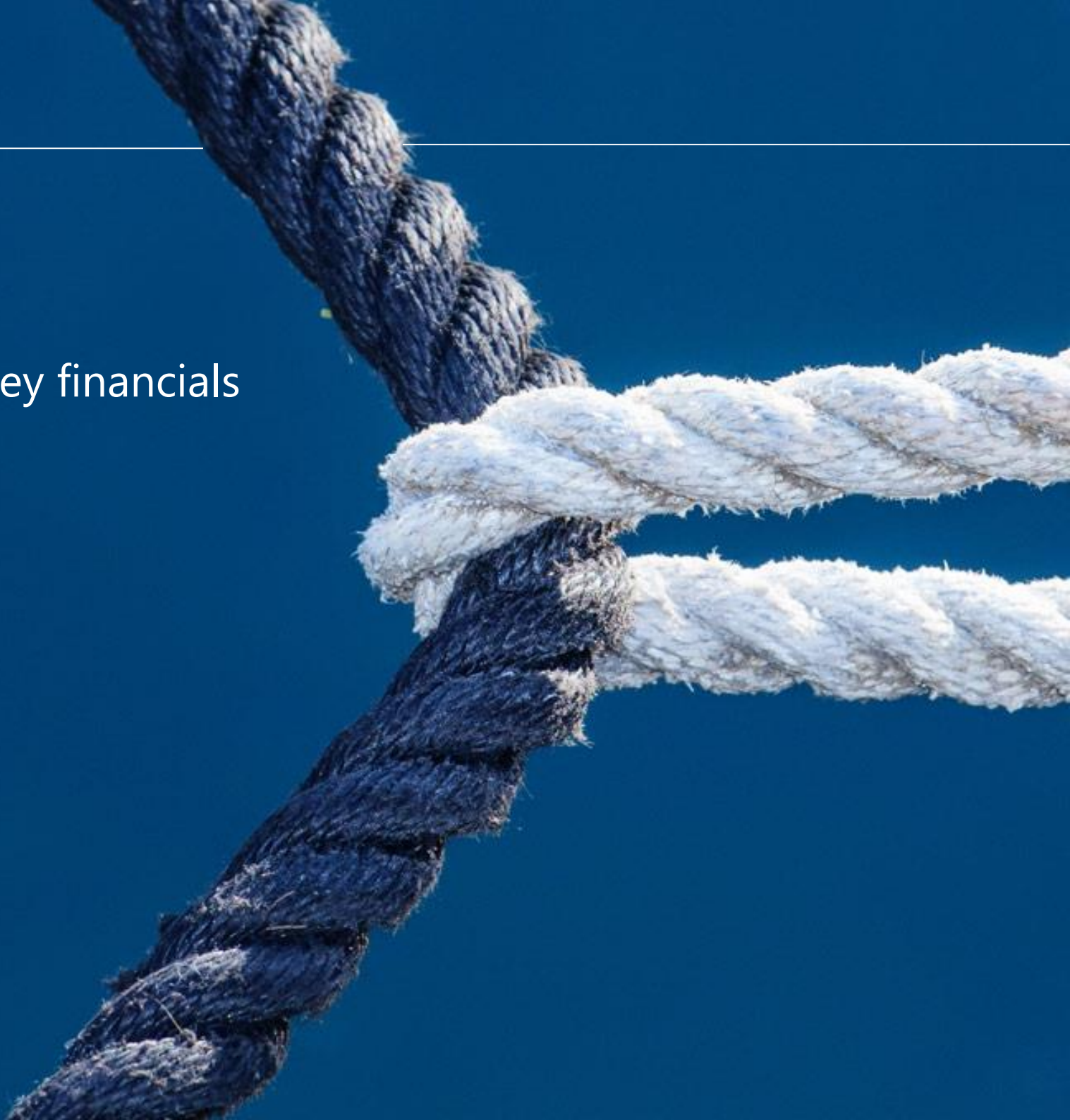
I have read and understood the disclaimer set out above. I understand that it may affect my rights and I agree to be bound by its terms. I confirm that I am permitted to proceed to electronic versions of the materials.



# AGENDA.

---

- Executive summary
- DIS' overview and key financials
- Market overview
- Why invest in DIS
- Appendix







# Executive summary.

- **Share Capital Increase:** In Mar'19, DIS Shareholders' extraordinary general meeting authorized the Board of the Company to increase its share capital through the issuance of new shares with preferential subscription rights offered to the existing shareholders. The new shares were issued at a TERP discount of 15% based on DIS' closing share price on March 19. **During the preferential subscription rights' exercise period, which started on March 25, 2019 and ended on April 16, 2019, ~97.3% of the total number of rights were exercised.** On April 24, 2019, the previously unsubscribed new shares were sold through a private placement, **resulting in 100% subscription of the offering and an equity capital increase amounting to the US\$ equivalent of € 44m.**
- **Net result** – DIS posted a loss of **US\$ (27.5)m in FY'19** vs. US\$ (55.1)m in FY'18 (**US\$ 4.9m in Q4'19** vs. US\$ (13.9)m in Q4'18). Excluding non-recurring items from both years, and the effects of IFRS 16 from '19, **DIS' Net result would have amounted to US\$ (7.7)m in FY'19** compared with US\$ (57.4)m in FY'18 (**US\$ 7.4m in Q4'19** vs. US\$ (13.0)m in Q4'18) (US\$ 49.7m higher than last year). **Q4'19 represents DIS' first profitable quarter since Q1'17.**
- **Vessel disposals and sale & leasebacks** – including its share of the cash generated by its joint-ventures, **DIS raised around US\$ 41.2m in liquidity through such transactions in FY'19.** In detail, in 2019 DIS closed two sale-leaseback transactions, including a JOLCO, and sold four vessels owned through joint-ventures, including the two vessels of DM Shipping<sup>1</sup>, one vessel of Glenda International Shipping<sup>3</sup> and the only vessel of Eco Tankers Limited<sup>2</sup>.
- **Amendment of financial covenants on all bank loans guaranteed by DIS** – Application of IFRS16 from Jan 1 '19 had a negative effect of 4.3% on DIS' Net Worth/Total Assets ratio, based on the Company's consolidated financials as at March 31 '19. To offset the impact of this new accounting standard, all of DIS' banks agreed to amend the financial covenants on loans guaranteed by DIS, with a reduction of the minimum threshold for this ratio to 25% from Jan 1 '19 (previously 35%).
- **TCE:** DIS' **daily spot rate was US\$ 13,683 in FY'19** vs. US\$ 10,798 achieved in FY'18 (**US\$ 17,242 in Q4'19** vs. US\$ 11,617 in Q4'18). 51.6% of DIS' FY'19 employment days were 'covered' through TC contracts at an average daily rate of US\$ 14,760. **DIS achieved a total daily average rate of US\$ 14,239 in FY'19** vs. US\$ 12,184 in FY'18.

1. DM Shipping d.a.c.: a JV with the Mitsubishi Group, 51% controlled by DIS Group. The Company's board approved its dissolution in March.  
2. Eco Tankers Limited: a JV with Venice Shipping & Logistics, 33% controlled by DIS Group.  
3. GIS or Glenda International Shipping is our JV with the Glencore Group, 50% controlled by the DIS Group.





# Executive summary (continued).

---

- **Market outlook and TC Coverage:** We have taken advantage of the rising period rates throughout 2019 to cover through fixed-rate contracts **54.9% of our available vessels days in 2020 at an average daily rate of around US\$ 16.2k, a profitable level for DIS.** Time-charter rates have continued rising after the end of Q3, reflecting the ongoing market recovery, with values for an eco MR2 peaking at around US\$ 18,500 per day, and currently standing at a still very profitable US\$16,750 per day. The recovery so far has been driven mostly by supply-side inefficiencies and limited fleet expansion, with lacklustre demand growth, as refined volumes fell last year. IMO 2020 also contributed to the strong markets towards the end of last year, although its effects were so far disappointing and possibly outweighed by the impact of the Covid-19 outbreak.

The recent reversal of the OPEC+ oil supply cuts, should be near-term positive for the tanker markets, having already led to **a sharp reduction in oil prices and therefore bunker costs, and entailing more crude oil movements and eventually a build-up in inventories, with the potential for floating storage.** While crude tankers should be the main beneficiaries, the improvements in that sector should rapidly spill-over to product tankers. **The product tanker markets should also eventually benefit from the fiscal and monetary stimulus that should follow the Covid-19 outbreak, as well as from the historically low orderbook.**



# DIS' Overview and Key Financials



*d'Amico*  
INTERNATIONAL SHIPPING S.A.



# A modern, high-quality and versatile fleet.

DIS Fleet <sup>1</sup>	December 31 <sup>st</sup> , 2019				
	LR1	MR	Handy	Total	%
Owned	5.0	11.5	7.0	23.5	50.5%
Bareboat chartered	1.0	8.0	0.0	9.0	19.4%
Time chartered-in long-term	0.0	10.0	0.0	10.0	21.5%
Time chartered-in short-term	0.0	4.0	0.0	4.0	8.6%
<b>TOTAL</b>	<b>6.0</b>	<b>33.5</b>	<b>8.0</b>	<b>46.5</b>	<b>100.0%</b>
Commercial agreement <sup>3</sup>	0.0	3.0	0.0	3.0	<i>n.a.</i>

- DIS controls a modern fleet of 46.5 product tankers and 3<sup>3</sup> additional vessel under commercial management.
- Flexible and double-hull fleet, 87.1% IMO classed (industry average<sup>2</sup>: 45%), with an average age of the owned and bareboat fleet of 6.6 years (industry average<sup>2</sup>: 11.5 years for MRs (25,000 – 54,999 dwt) and of 11.1 years for LR1s (55,000 - 84,999 dwt), 65% of DIS' owned and bareboat fleet is 'Eco' (industry average<sup>2</sup>: 13% for Handy, 40% for MRs and 23% for LR1s).
- Fully in compliance with very stringent international industry rules and long-term vetting approvals from the main Oil Majors.
- **22 newbuildings ordered since 2012** (10 MRs, 6 Handys, 6 LR1s) all delivered between Q1'14 and Q4'19.
- **DIS' aims to maintain a top-quality TC coverage book**, by employing part of its eco-newbuilding vessels with Oil Majors, which for long-term contracts currently have a strong preference for these efficient and technologically advanced ships. At the same time, DIS' older tonnage is employed mainly on the spot market.

**DIS has a modern fleet, a balanced mix of owned and TC-in vessels, and strong relationships with key market players.**

1. Actual number of vessels as at the end of December'19

2. Source: Clarkson Research Services as at January'20

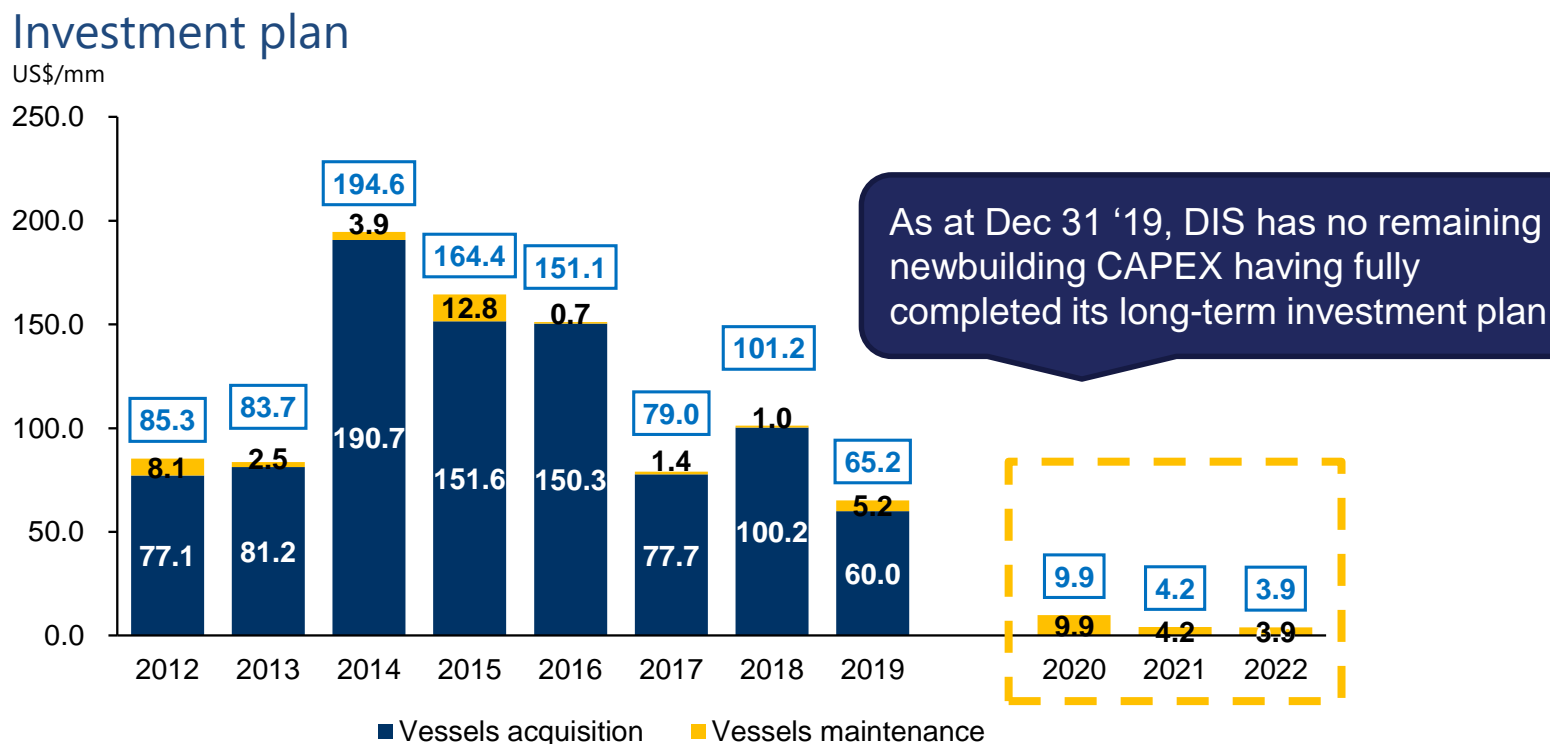
3. DIS passes the TCE earnings generated by the 'vessels under commercial management' on to their owners, after deducting a 2% commission on their gross revenues.







# Rapidly declining CAPEX<sup>1</sup> commitments.



- DIS invested US\$ 924.4m from FY'12 to FY'19, mostly related to the 22 newbuildings ordered since 2012.
- **As at December 31, DIS has no remaining investments for newbuildings**, since the last LR1 vessel was delivered in October.
- Maintenance CAPEX from 2020 to 2022 is likely to fall relative to figures included in graph above, as DIS sells some of its older vessels to capitalise on the expected stronger markets.

**DIS' large investment plan, which led to an important renewal of its owned fleet, consisting now mostly of eco-vessels, was completed in Oct'19. DIS' Capex falls substantially in 2020 and even more so in 2021/2022.**

1. In addition to yard Instalments, total CAPEX includes also cost of supervision, first supply and the installation of one scrubber costing US\$ 2.2 million on the last LR1 delivered in Oct'19.

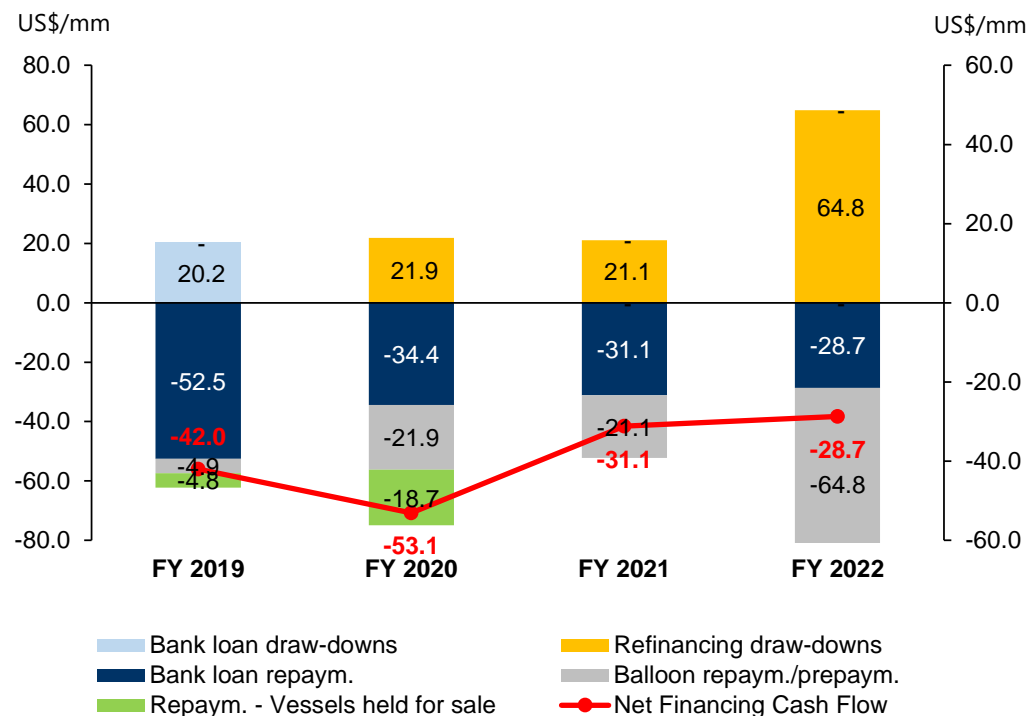




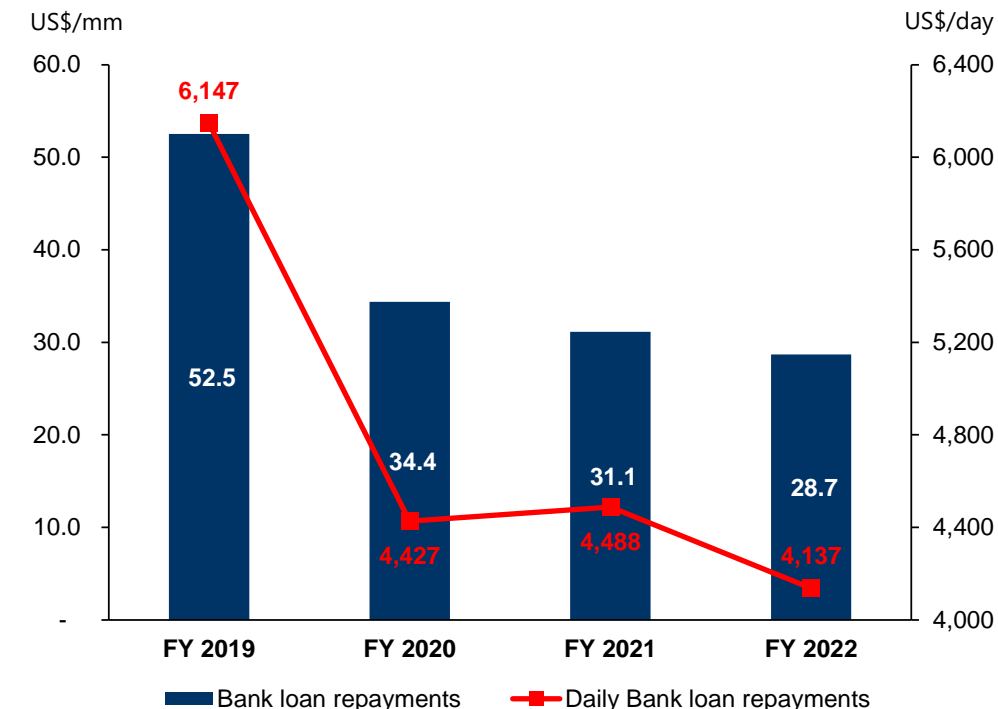


# Lighter bank debt repayments from 2020.

Forecasted bank debt financing cash-flow  
(Excluding Overdraft facilities)<sup>1,2,3</sup>



Daily bank loan repayment on owned vessels  
(Excluding Overdraft facilities)<sup>4,5</sup>



**DIS will benefit from lighter debt repayments from 2020, with daily bank loan reimbursements for owned vessels dropping by US\$ 1.7k relative to the previous year (-28%).**

1. Based on the evolution of the current outstanding bank debt – with the exception of overdraft facilities.  
 2. No refinancing assumptions, except for balloon repayments.  
 3. Repayment due on Vessels held for sale refer to the 1 Glenda's ship and 4 d'Amico Tankers' vessel planned to be sold in 2020.  
 4. Based on the evolution of the current outstanding bank debt –with the exception of overdraft facilities.  
 5. No refinancing assumptions, except for balloon repayments. Daily bank loan repayments is equal to bank loan repayments divided by owned vessel days.





# DIS' purchase options on leased vessels.

Vessel Name	Build Date	Purch. Option First Ex. Date	Purch. Obligation Date	First Ex. Option (In/Out of the money) <sup>1</sup>
High Trust	Jan-16	Jul-19	Jul-28	In the money
High Loyalty	Feb-15	Oct-19	Oct-28	In the money
High Priority	Mar-05	Oct-19	Oct-22	In the money
High Trader	Oct-15	Dec-19	Dec-28	In the money
High Freedom	Jan-14	Feb-20	Feb-28	In the money
High Fidelity	Aug-14	May-20	May-27	In the money
High Discovery	Feb-14	Sep-20	Sep-27	In the money
High Voyager	Nov-14	Apr-21	Apr-29	In the money
Cielo di Houston	Jan-19	Mar-24	Sep-25	In the money

**DIS has flexible purchase options on all its bareboat-in vessels, allowing it to acquire all the vessels with three months' notice from the first purchase option exercise date. Based on today's depreciated market values and their respective first exercise prices, all of these options are "theoretically" in the money. Four of these options are already exercisable since 2019 and an additional three will become so in 2020.**

1. Market values as at December 31, 2019 depreciated linearly up to first exercise date (based on 25 years vessels' useful life less scrap value), less first exercise price.





# Recent period fixtures<sup>2</sup> highlight positive sentiment.

## Eco MR1

Vessel number	Type	Contract period	Rate Firm (US\$/day)	Days Firm	Rate Option (US\$/day)	Days Option	TC Fixture Date	TC Start Date
Vessel 1	MR1-Eco	1 year	17,750	365			Q1'20	Feb/20
<b>Total</b>			<b>17,750</b>	<b>365</b>				

## Conventional MR2

Vessel number	Type	Contract period	Rate Firm (US\$/day)	Days Firm	Rate Option (US\$/day)	Days Option	TC Fixture Date	TC Start Date
Vessel 1	MR2	6 months + 6 option months	16,000	183	17,000	183	Q4'18	Jan/19
Vessel 2	MR2	1 year	15,000	365			Q2'19	Sep/19
Vessel 3	MR2	6 months	17,304	180			Q4'19	Jan/20
Vessel 4	MR2	3 years	16,000	1095			Q4'19	Jan/20
<b>Total</b>			<b>15,929</b>	<b>1823</b>	<b>17,000</b>	<b>183</b>		

## Eco MR2

Vessel number	Type	Contract period	Rate Firm (US\$/day)	Days Firm	Rate Option (US\$/day)	Days Option	TC Fixture Date	TC Start Date
Vessel 1	MR2-Eco	4 years	15,438	1460			Q4'18	Jan/19
Vessel 2	MR2-Eco	6 months	14,600	183			Q4'18	Dec/18
Vessel 3	MR2-Eco	2 years + option 1 year	15,900	730	16,950	365	Q4'18	Feb/19
Vessel 4	MR2-Eco	2 years + option 1 year	15,900	730	16,950	365	Q4'18	Dec/18
Vessel 5	MR2-Eco	29 months + 6 option months	16,000	882	16,800	183	Q2'19	Apr/19
Vessel 6	MR2-Eco	150 days	16,950	150			Q3'19	Sep/19
Vessel 7	MR2-Eco	3 years	16,750	1095			Q3'19	Sep/19
Vessel 8	MR2-Eco	2 years	17,750	730			Q4'19	Dec/19
Vessel 9	MR2-Eco	1 year	18,000	365			Q4'19	Jan/20
<b>Total</b>			<b>16,276</b>	<b>6325</b>	<b>16,920</b>	<b>913</b>		

## Eco LR1

Vessel number	Type	Contract period	Rate Firm (US\$/day)	Days Firm	Rate Option (US\$/day)	Days Option	TC Fixture Date	TC Start Date
Vessel 1	LR1-Eco	2 years + option 1 year	16,000	730	19,250	365	Q4'18	Jan/19
Vessel 2	LR1-Eco	1 year + option 6 months	19,000	365	19,000	183	Q3'19	Aug/19
Vessel 3	LR1-Eco	1 year + option 6 months	19,000	365	20,500	183	Q3'19	Nov/19
Vessel 4	LR1-Eco	1 year + option 1 year	18,975	365	21,000	365	Q3'19	Jan/20
<b>Total</b>			<b>17,795</b>	<b>1825</b>	<b>20,000</b>	<b>1095</b>		

Clear trend of increasing period rates

- 1 Eco-MR1 (365 days) was fixed at US\$ 17,750 for 1 year;
- 4 Conventional MR2s (1823 days) were fixed at an average daily rate of US\$ 15,929, with attached charterers' options on 1 of these vessels (183 days) at an average daily rate of US\$ 17,000;
- 9 Eco-MR2s (6325 days) were fixed at an average daily rate of US\$ 16,276, with attached charterers' options on 3 of these vessels (913 days) at an average daily rate of US\$ 16,920. The last fixture for an eco MR2 was at the highest rate since 2009;
- 4 Eco-LR1 without scrubber (1825 days) were fixed at an average daily rate of US\$ 17,795, with attached charterers' options on 4 of these vessel (1095 days) at an average daily rate of US\$ 20,000. An additional Eco-LR1 with scrubber was fixed at a very profitable rate<sup>1</sup> for 2 years plus 1 optional year (rate is at a significant premium to those achieved around the same time for eco LR1s without scrubbers, for 1 year).

**The attractive TC rates achieved by DIS for MRs and LR1s, demonstrate leading charterers' strong belief in the markets' positive outlook.**

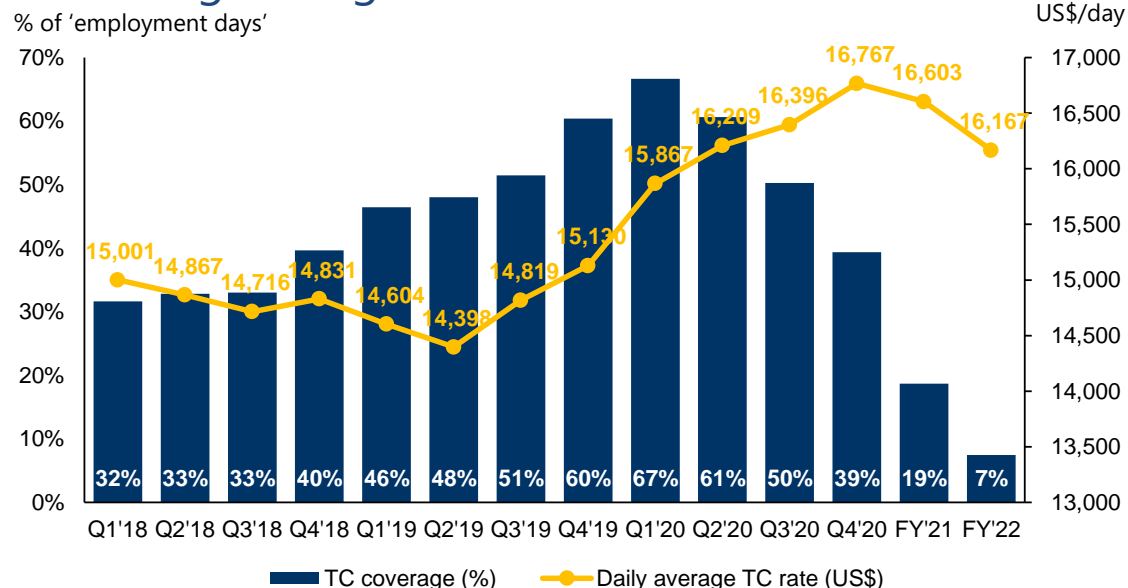
1. Upon request of charterer, terms have to be kept confidential.  
 2. Excludes charterer's extensions of optional time-charter periods.





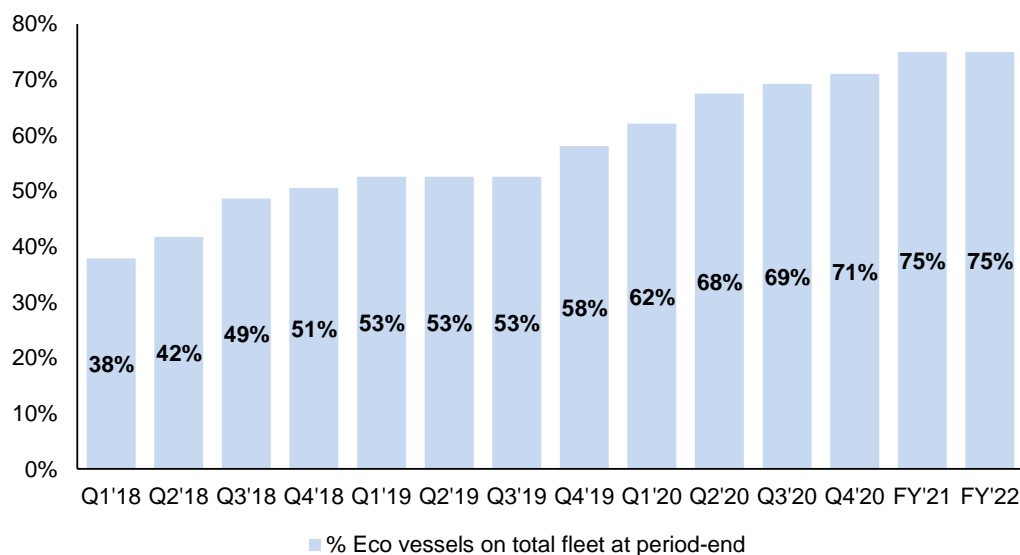
# Contracts and fleet mix to drive future results.

## Increasing average TC rates



- TC contract rates have reached a bottom in Q2'19 and **average rates of signed contracts rise throughout 2019 and 2020.**
- **TC contracts allows DIS to:**
  - ✓ **consolidate strategic relationships with Oil Majors** (Chevron, Exxon, Total, Saudi Aramco) and leading trading houses;
  - ✓ **hedge against spot market volatility** allowing DIS to secure TCE Earnings (FY'20 US\$ 127.7m; FY'21 US\$ 39.1m; FY'22 US\$ 15m, are already secured as of today);
  - ✓ **improve its Operating Cash Flow** (TC Hires are paid monthly in advance).
- **DIS aims usually for a TC coverage of between 40% and 60%.**
- For FY'20 DIS has covered 54.9% of its available vessel days at an average daily rate of US\$ 16,227.
- **DIS' percentage of 'Eco' vessels** was only 38% in Q1'18, it went up to 58% in Q4'19 and is **expected to reach 75% in FY'21.**
- **The eco percentage should rise even higher than indicated on the chart on the left**, as during the next two years DIS is likely to sell some of its older vessels in a stronger market.
- **An increasing percentage of 'Eco' vessels will increase DIS' earnings potential**, given the premium rates achieved by these vessels (currently around US\$ 2.5k per day for one-year TCs for MR2s).

## DIS' increasing % of 'Eco' fleet (based on all controlled vessels)



1. Situation based on TC 'employment days' (net of estimated off-hire days), and on current contracts in place, which are always subject to changes. Takes into consideration the assumed sale of the vessels classified as 'held for sale' at YE'19 (one owned by Glenda International Shipping and four by d'Amico Tankers) in the course of FY'20.



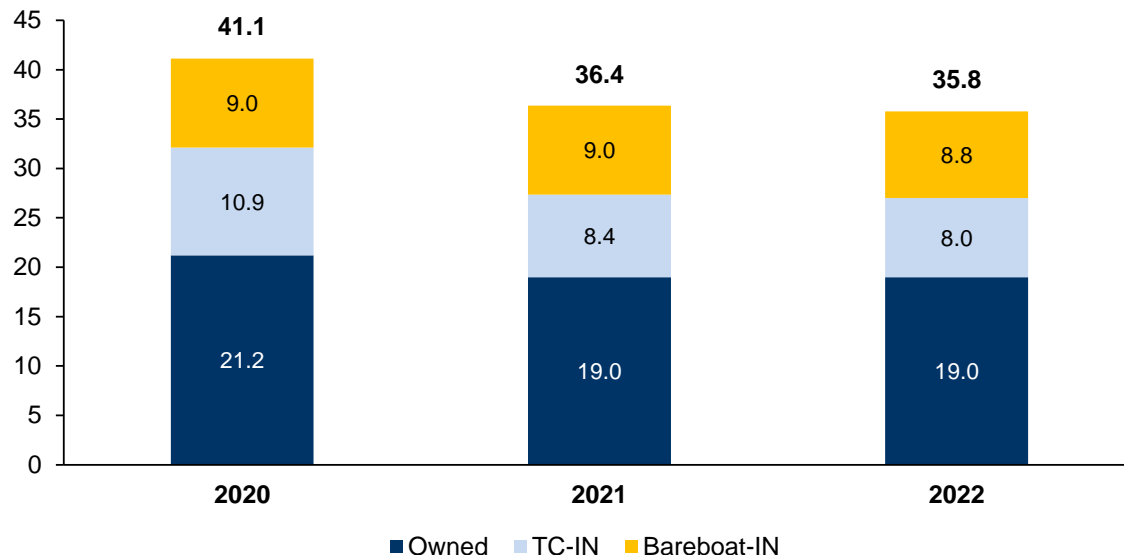




# Large potential upside to earnings.

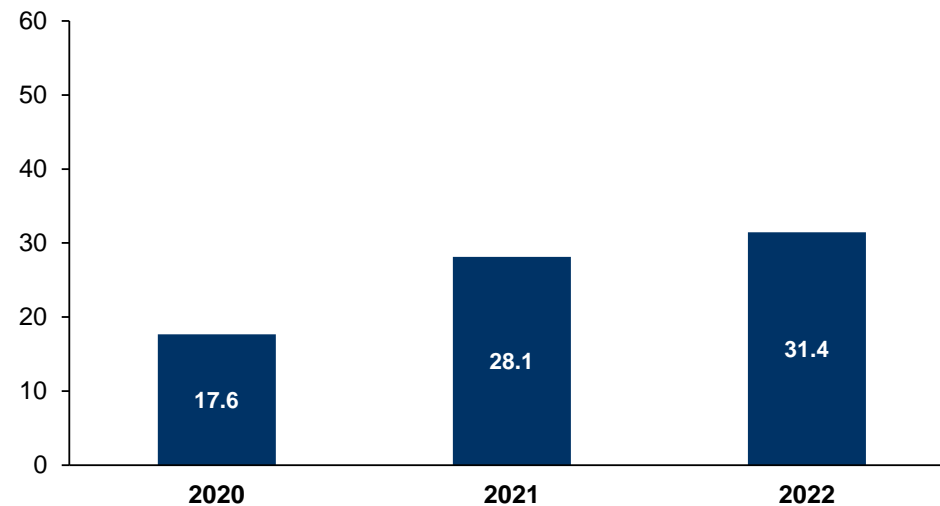
## Estimated fleet evolution (avg. n. of vessels)<sup>1,2</sup>

N. of ships (based on 'available days')



## Estimated spot exposure (avg. n. of vessels)<sup>3</sup>

N. of ships (based on 'employment days')

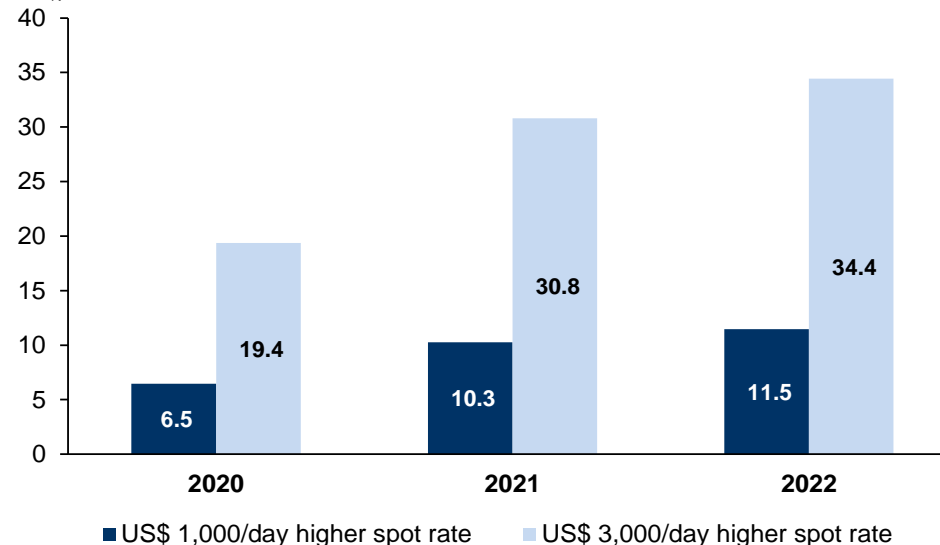


Based on DIS' estimated spot exposure, every US\$ 1,000/day increase/decrease in spot rates equals to:

- **US\$ 6.5m higher/lower net result and cash flow in FY'20;**
- **US\$ 10.3m higher/lower net result and cash flow in FY'21;**
- **US\$ 11.5m higher/lower net result and cash flow in FY'22.**

## Potential upside to earnings

US\$/mm



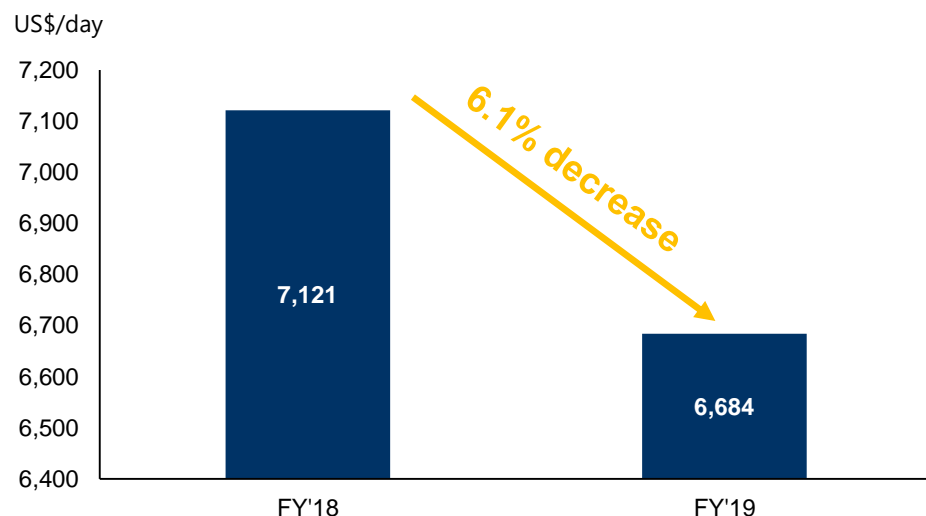
1. Average number of vessels in each period based on contracts in place as of today and subject to changes.  
 2. Based on total estimated 'available days'.  
 3. Based on estimated spot 'employment days' (i.e. net of estimated off-hire days).



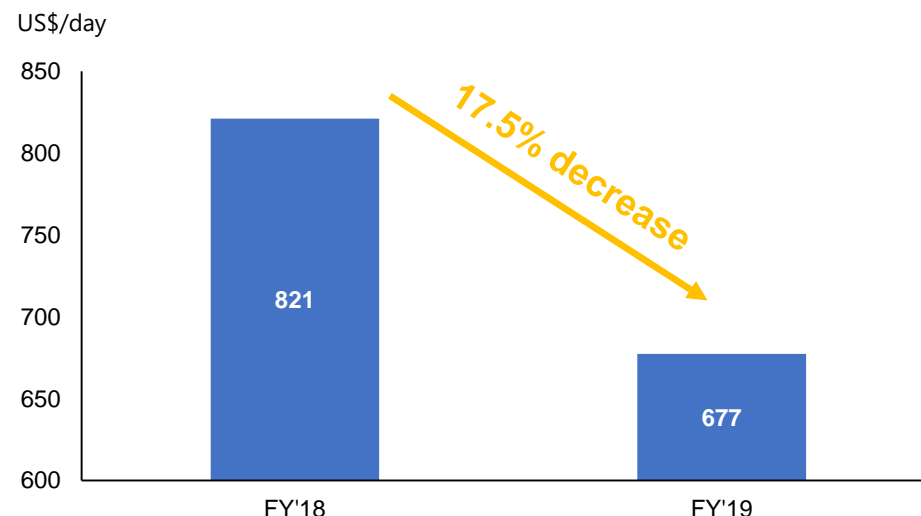


# DIS has focused also on cost savings.

Daily operating costs – owned and bareboat vessels<sup>1</sup>



Daily general & administrative costs – total fleet<sup>2</sup>



**DIS has focused not only on increasing the top line but also on managing its vessels more efficiently, obtaining significant cost savings since last year.**

1. Daily operating costs are equivalent to direct operating expenses (excluding costs related to TC-In vessels) divided by cost days of owned and bareboat ships.  
2. Daily general & administrative costs are equivalent to total administrative costs divided by the total number of cost days (owned, bareboat and TC-In ships).





# Financial results. Net financial position

(US\$ million)	Dec. 31 <sup>st</sup> , 2018	Dec. 31 <sup>th</sup> , 2019
Gross debt	(638.6)	(600.9)
IFRS 16 – additional liabilities	n.a.	(122.8)
Cash and cash equivalents	31.7	33.6
Other current financial assets <sup>1</sup>	18.2	7.3
<b>Net financial position (NFP)</b>	<b>(588.7)</b>	<b>(682.8)</b>
<b>Net financial position (NFP) excl. IFR16</b>	<b>(588.7)</b>	<b>(560.0)</b>
<b>Fleet market value (FMV)</b>	<b>807.2</b>	<b>874.5</b>
<b>NFP (excluding IFRS 16) / FMV</b>	<b>72.9%</b>	<b>64.0%</b>

- **Net Financial Position (NFP) of US\$ (682.8)m and Cash and cash equivalents of US\$ 33.6m** as at the end of Dec'19 vs NFP of US\$ (588.7)m as at the end of Dec'18. The large variance relative to the end of '18 is due to the application of IFRS16 which led to the recognition of an additional liability of US\$ 122.8m as at the end of 2019. **The NFP to FMV ratio was of 64% as at the end of Dec'19, a significant improvement relative to the end of '18.**
- **US\$ (65.2)m in investments** in FY'19 comprising mainly the instalments paid on the two LR1 newbuilding vessels delivered in Jan and Oct'19.
- **Vessel sales<sup>2</sup>:** In Jan'19, DIS finalized its first JOLCO deal for the sale and lease back of an LR1 vessel, generating around US\$ 10.2m in net cash proceeds. In Apr'19, DM Shipping<sup>3</sup> finalized the sale of one of its vessels, generating approx. US\$ 12.3m in net cash proceeds for the JV. In Apr'19, DIS finalized the sale and lease back of one MR vessel built in 2014, generating net cash proceeds of around US\$ 9.6m. In June'19, Eco Tankers<sup>3</sup> finalized the sale of its 2014-built MR vessel, generating approx. US\$ 12.8m in net cash proceeds for the JV. In Sep'19, DM Shipping<sup>3</sup> finalized the sale of its remaining vessel, generating approx. US\$ 13.2m in net cash proceeds for the JV. In Oct'19, Glenda International Shipping<sup>3</sup> finalized the sale of one of its vessels, generating approx. US\$ 8.3m in net cash proceeds for the JV.

## In FY'19, DIS continued to strengthen its liquidity position through an equity capital increase and straight sale and sale-and-lease back deals.

1. The YE'19 amount comprises short-term financial receivables of US\$ 4.4 million, which mainly consist of funds deposited by d'Amico Tankers d.a.c. with d'Amico Finance in respect of IRS contracts.

2. Net cash refers to proceeds net of commissions and reimbursement of the vessels' existing loans.

3. DM Shipping d.a.c. is a JV with the Mitsubishi Group, 51% controlled by the DIS Group. Eco Tankers Limited is a JV with Venice Shipping & Logistics, 33% controlled by the DIS Group. Glenda International Shipping d.a.c. is a JV with the Glencore Group, 50% controlled by the DIS Group.





# Financial results. FY 2019 results

(US\$ million)	Q4'18	Q4'19	FY'18	FY'19	Non-recurring items:				
<b>TCE Earnings</b>	<b>64.2</b>	<b>72.2</b>	<b>244.9</b>	<b>258.3</b>					
Result on disposal of vessels	(0.0)	(0.5)	0.2	(2.0)	(US\$ million)	Q4'18	Q4'19	FY'18	FY'19
<b>EBITDA</b>	<b>9.7</b>	<b>34.9</b>	<b>17.5</b>	<b>104.2</b>	Result on disposal of vessels	0.1	(0.5)	0.2	(2.0)
Asset impairment	4.9	(2.1)	4.9	(15.5)	Non-recurring financial items	1.5	0.8	4.7	(0.2)
<b>EBIT</b>	<b>4.2</b>	<b>14.3</b>	<b>(17.3)</b>	<b>15.0</b>	IFRS 16 <sup>1</sup>	-	(0.6)	-	(2.0)
Impairment of financial assets	(7.5)	-	(7.5)	0.9	Asset impairment	(2.6)	(2.1)	(2.6)	(15.5)
<b>Net Result</b>	<b>(13.9)</b>	<b>4.9</b>	<b>(55.1)</b>	<b>(27.5)</b>	<b>Total non-recurring items</b>	<b>(1.0)</b>	<b>(2.4)</b>	<b>2.3</b>	<b>(19.8)</b>
					<b>Net Result excl. non-recurring items</b>	<b>(13.0)</b>	<b>7.4</b>	<b>(57.4)</b>	<b>(7.7)</b>

- **TCE Earnings** – US\$ 258.3m in FY'19 vs. US\$ 244.9m in FY'18. DIS' total daily average TCE was US\$ 14,239 in FY'19 compared with US\$ 12,184 in FY'18 (US\$ 15,965 in Q4'19 vs. US\$ 12,892 in Q4'18), thanks to a much stronger freight market than in the previous year (see next slide for further details).
- **EBITDA** – US\$ 104.2m in FY'19 vs. US\$ 17.5m in FY'18. Even excluding the effects arising from the application of IFRS 16 (positive impact of US\$ 35.1 million), **DIS' FY'19 EBITDA was almost 4 times higher than the level achieved in the previous year**. Such strong improvement relative to last year is attributable to better market conditions coupled with a more efficient cost structure. This also led to a strong operating cash flow generation, of US\$ 59.3m in FY'19 vs. US\$ 7.6m in FY'18.
- **Net Result** – US\$ (27.5)m in FY'19 vs. US\$ (55.1)m in FY'18 (US\$ 4.9m in Q4'19 vs. US\$ (13.9)m in Q4'18). Excluding results on disposal and non-recurring financial items from FY'19 (US\$ (2.3)m<sup>2</sup>) and FY'18 (US\$ 4.9m<sup>3</sup>), as well as the asset impairment (US\$ (15.5)m in FY'19 vs. US\$ (2.6)m in FY'18) and the net effects of IFRS 16, DIS' Net result would have been US\$ (7.7)m in FY'19 compared with US\$ 57.4m in FY'18 (US\$ 7.4m in Q4'19 vs. US\$ (13.0)m in Q4'18). Therefore, **excluding the effects of the application of IFRS 16 and such non-recurring effects, DIS' Net result for FY'19 would have been US\$ 49.7m higher than in the previous year. Q4'19 represents also DIS' first profitable quarter since Q1'17.**

**DIS returns to profitability in Q4'19 for the first time since Q1'17, whilst its FY'19 net result is significantly higher than the previous year.**

1. Including reversal of provision on onerous contracts of US\$ 0.7m.  
 2. US\$ (2.0) million loss on disposal, US\$ (1.3)m realized and unrealized loss on IRS agreements, US\$ 0.2m foreign exchange movements arising from the valuation of the DM Shipping financing, US\$ 0.9m reversal of impairment of an equity-invested asset.  
 3. US\$ 0.2m profit on disposal, US\$ 4.2m realized and unrealized profit on IRS agreements, US\$ 0.5m foreign exchange movements arising from the valuation of the DM Shipping financing.







# Financial results. Key operating measures

Key Operating Measures	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019
Avg. n. of vessels	55.1	55.5	56.2	50.6	54.4	49.4	49.8	48.5	47.6	48.8
Fleet contact coverage	31.7%	32.8%	33.0%	39.7%	34.2%	46.4%	48.0%	51.5%	60.4%	51.6%
<b>Daily TCE Spot (US\$/d)</b>	<b>12,726</b>	<b>10,327</b>	<b>8,689</b>	<b>11,617</b>	<b>10,798</b>	<b>13,583</b>	<b>13,074</b>	<b>11,616</b>	<b>17,242</b>	<b>13,683</b>
Daily TCE Covered (US\$/d)	15,001	14,867	14,716	14,831	14,850	14,604	14,398	14,819	15,130	14,760
Daily TCE Earnings (US\$/d)	13,446	11,818	10,680	12,892	12,184	14,057	13,710	13,264	15,965	14,239

- DIS' **daily average spot TCE in FY'19 was of US\$ 13,683** vs. US\$ 10,798 achieved in FY'18, which represents a 26.7% (i.e. US\$ 2,885/day) improvement year-on-year. **In Q4'19, DIS realized a daily average spot rate of US\$ 17,242** vs. US\$ 11,617 achieved in the same quarter of the prior year (i.e. a 48.4% increase, or US\$ 5,625/day).
- At the same time and in line with its strategy, DIS maintained a good level of **coverage** (fixed-rate TC contracts) throughout the year, securing through period contracts an average of **51.6%** of its available vessel days **at a daily average TCE rate of US\$ 14,760** (FY'18: 34.2% coverage at US\$ 14,850/day).
- DIS' **Total Daily Average TCE (Spot and Time Charter) was US\$ 14,239 in FY'19** vs US\$ 12,184 in FY'18 (Q4'19: US\$ 15,965 vs. Q4'18: 12,892).

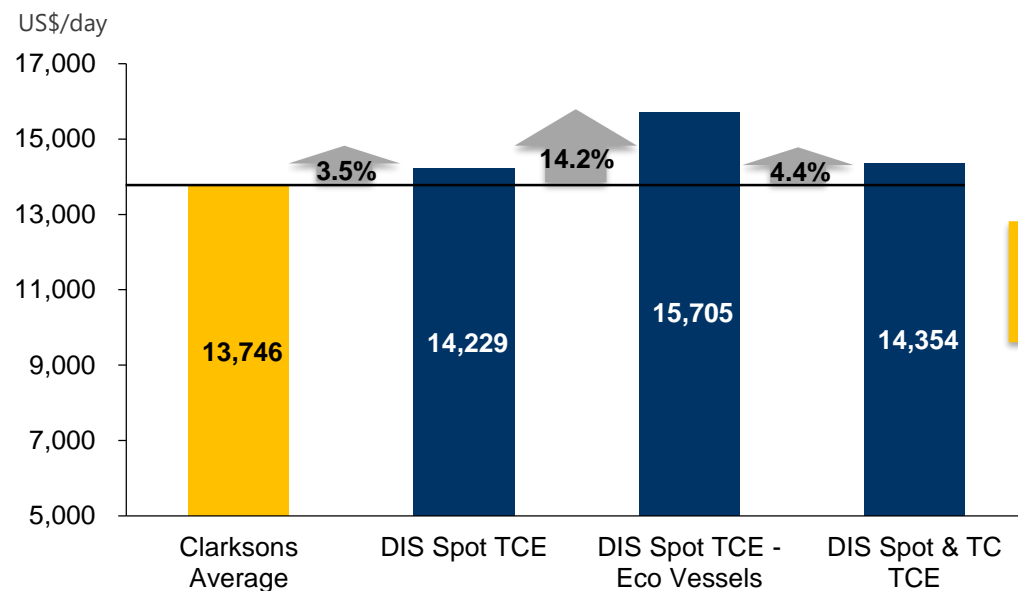
**DIS' spot average in FY'19 was considerably higher relative to the previous year, reflecting the stronger freight markets.**





# Outperformance relative to market benchmarks.

## DIS' MR2 TCE performance vs. market in FY'19



- DIS' TCE **Spot performance of its MR2 vessels** was **3.5%** (or ~ US\$ 482/day) **better than the market average published by Clarksons for FY'19.**
- DIS' TCE **Spot performance on its 'Eco' MR2 vessels** was **14.2%** (or ~ US\$ 1,959/day) **better than the market average published by Clarksons for FY'19.**
- DIS' **total blended TCE on its MR2 vessels** was **4.4% higher than the Clarksons' benchmark for FY'19** (or ~ US\$ 608/day).

**DIS' chartering strategy allowed the Company to outperform markets benchmarks in 2019: MR2 spot average was US\$ 14,229 in FY'19 and US\$ 17,869 in Q4'19.**

1. Clarksons' average of MR Clean Earnings.



# Market Overview – Market fundamentals

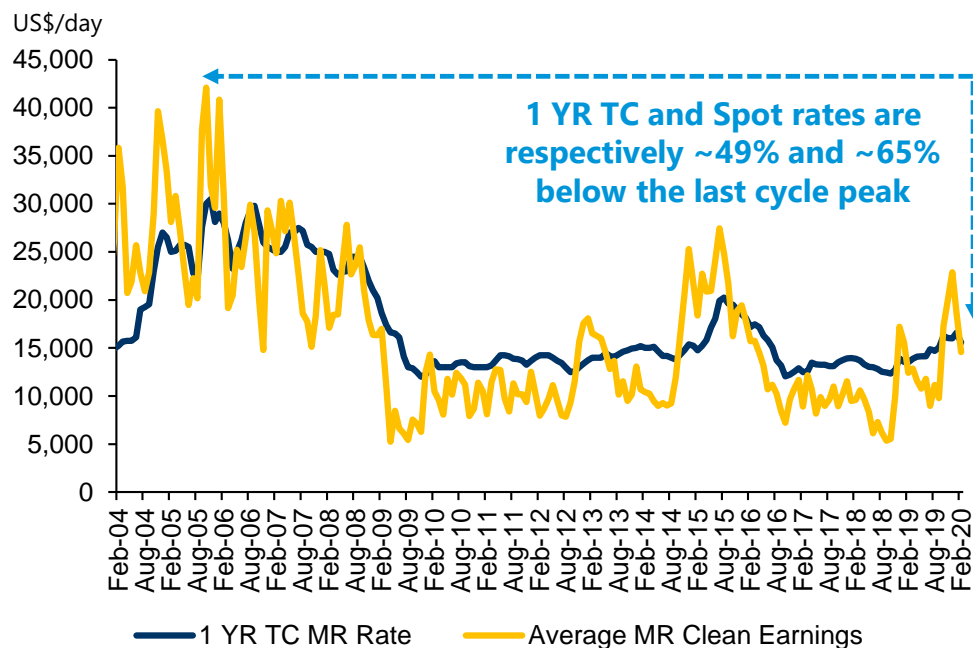


*d'Amico*  
INTERNATIONAL SHIPPING S.A.

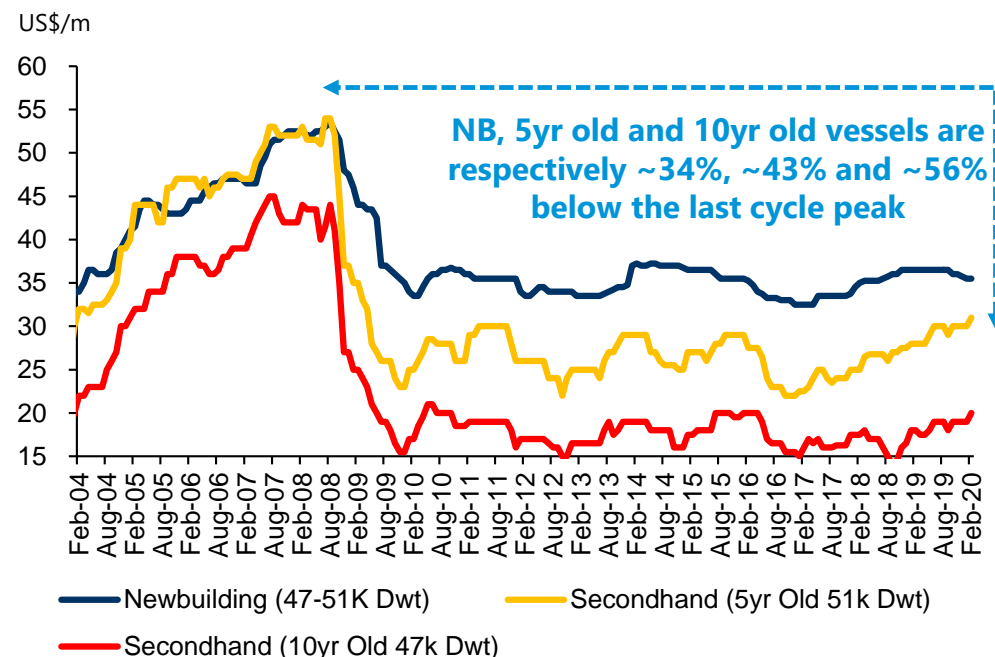


# Large potential upside to rates and asset values.

## Historical MR TC and spot rates<sup>1</sup>



## Historical MR asset values<sup>1</sup>



**Current charter rates and asset values are well below cycle peaks, providing a very attractive potential upside.**

1. Source: Clarkson Research Services as at Mar'20

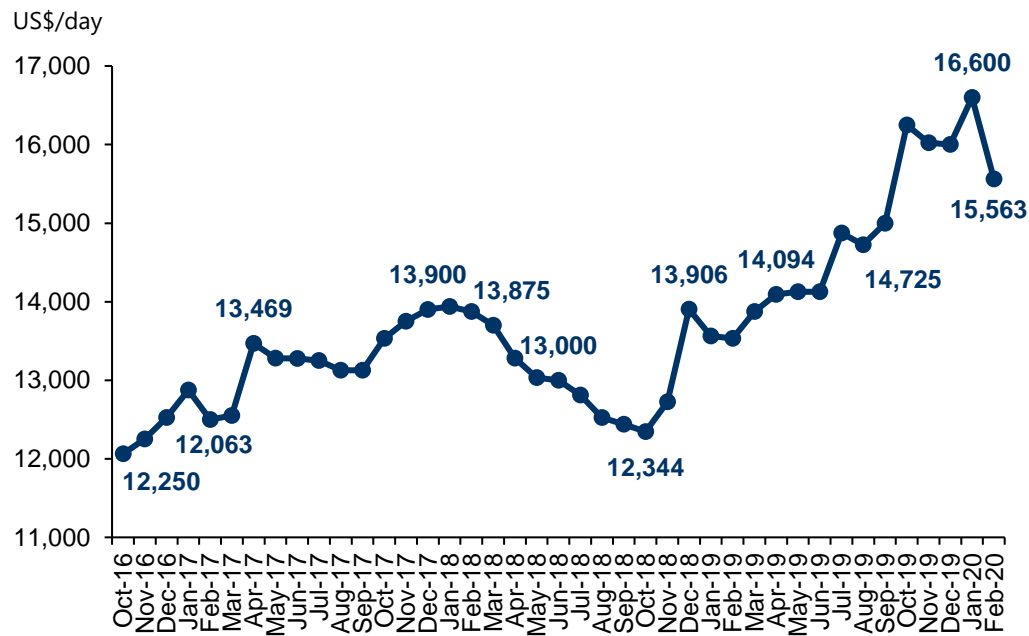




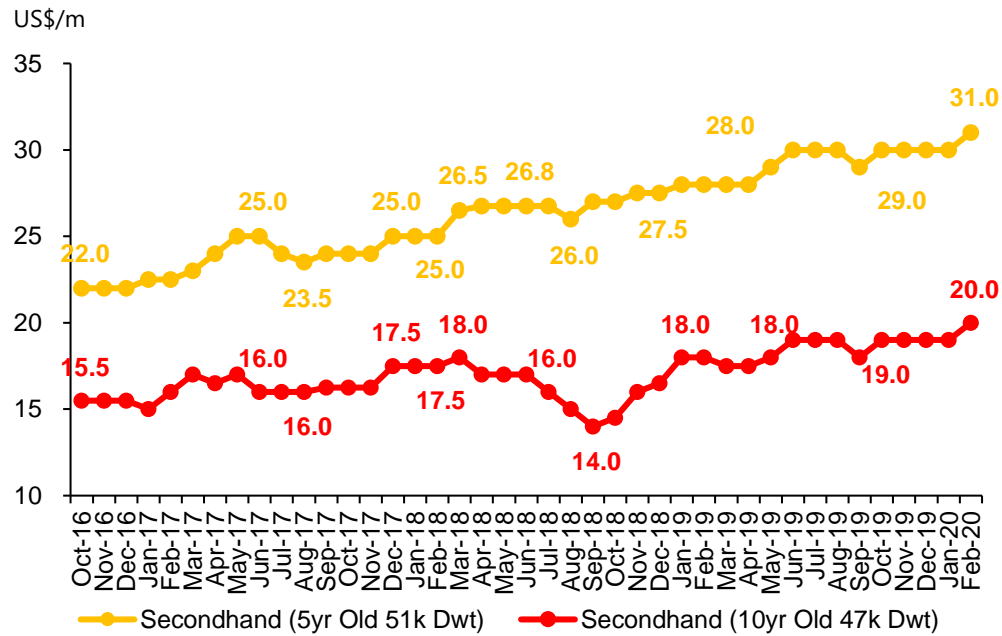


# Improving asset values and TC Rates.

## 1 Year TC MR (Conventional, non-Eco) rate<sup>1</sup>



## 5 & 10 year-old MR values<sup>1</sup>



- The one-year TC rate for eco MR vessels as at the end of February'20 stood at around US\$ 16,750 per day, well above DIS' P&L break-even.

**In the last cycle, the product tanker market hit bottom in October 2016 and since then asset values have been gradually recovering (5 year old MR +41% and 10 year old MR +29%); TC rates also improved and they are currently 29% higher relative to the levels of October 2016.**

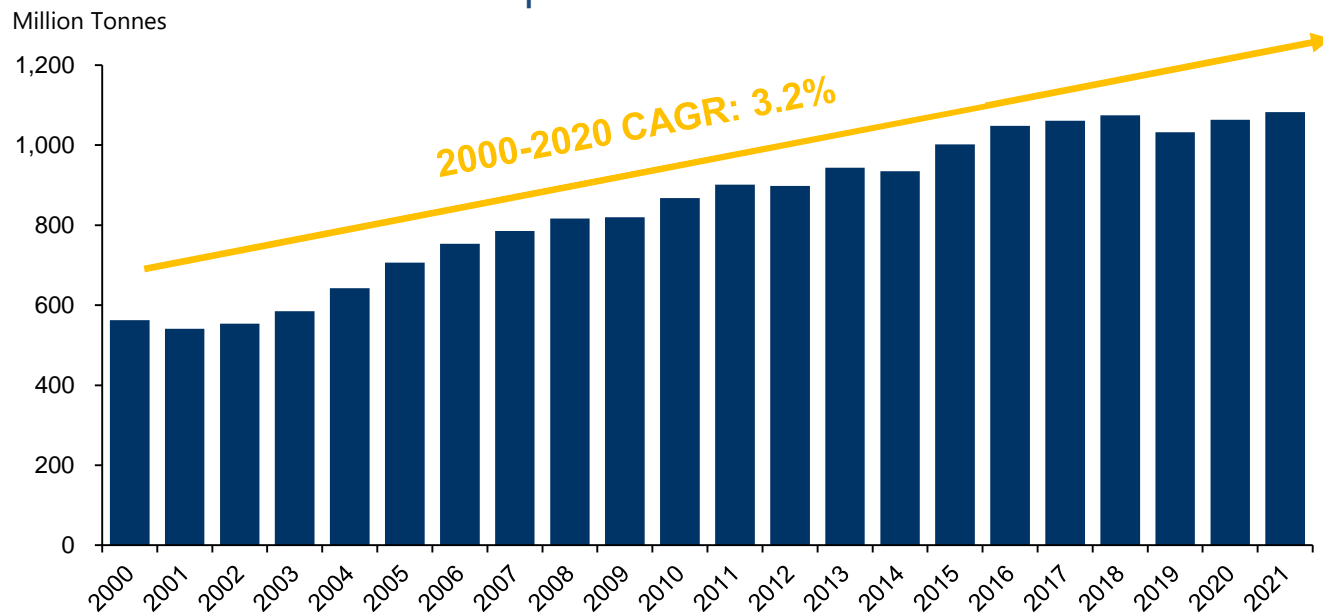
1. Source: Clarkson Research Services as at Mar'20





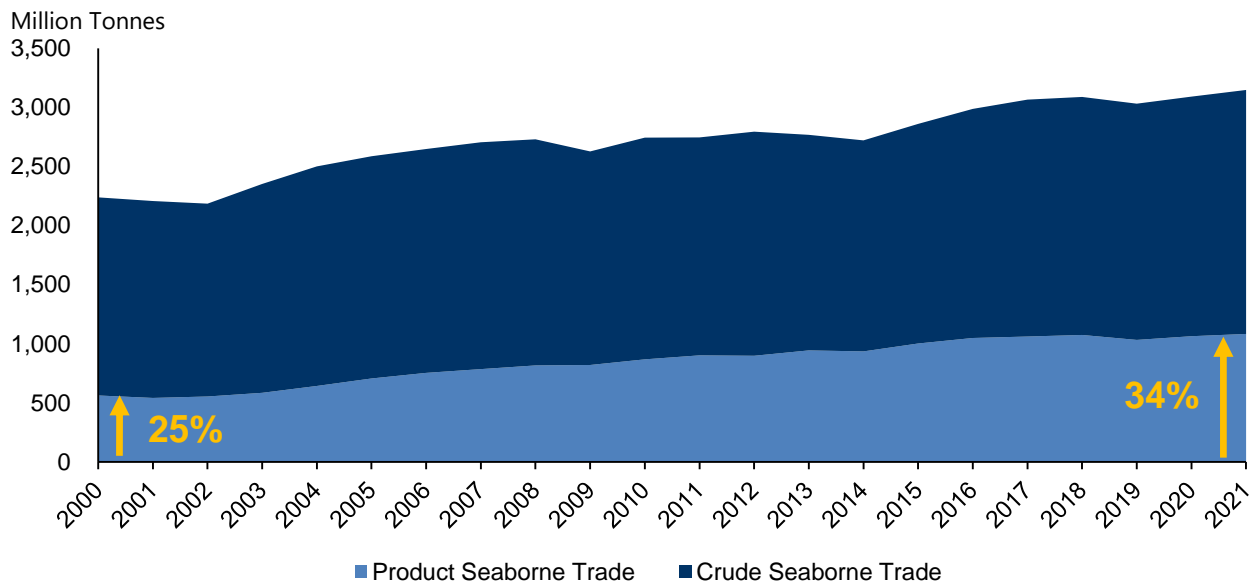
# Healthy and resilient demand growth.

## World seaborne refined products trade<sup>1</sup>



- Seaborne oil product trade has increased at a **strong CAGR of 3.2% since 2000**.
- Furthermore, refineries are increasingly being built far from the main consuming areas, contributing to a rise in volumes transported by sea, and average distances sailed.
- Unsurprisingly, refined products have increased their share of the total oil seaborne trade from 25% in 2000 to 34% in 2020.

## Product share of Oil Seaborne trade<sup>1</sup>



1. Source: Clarkson Research Services as at Mar'20





# A supply driven recovery so far.

## Bunkering

## Weather

## Scrubber installations

## Sanctions

## Floating storage

## Covid-19

- Slight contraction in effective supply, due to delays in bunkering, in the beginning of '20, which has mostly normalized.
- In the winter months part of the fleet is tied-up in the Dardanelles because of bad weather and in particular fog; this is temporary and eases in the spring. Congestion is occurring also in east coast Mexican ports, driven by bad weather and a surge in imports from the US Gulf; some easing is expected as weather improves but the effect could persist if imports stay high.
- Although we have had a mild winter so far, bad weather in the northern hemisphere can reduce sailing speeds on some routes by around 10%. This effect is temporary and should ease in the spring.
- According to planned installations<sup>1</sup>, around 3.4% of the entire tanker fleet and 1.2-1.4% of the product tanker fleet still has to retrofit scrubbers. Assuming all such installations occur in 2020 and off-hire is of around 50-60 days (including positioning to dock), it should equate to a reduction in effective supply of around 0.2% this year. Most installations will be front-loaded, but should lead to a supply contraction, although diminishing, throughout most of 2020.
- COSCO sanctions had a very positive impact in the crude market and indirectly in the product market in Q4 '19. In January the US authorities took COSCO Dalian off its sanctions list, releasing 26 VLCCs and 3 Suezmaxes, equivalent to around 10% of the VLCC tanker fleet.
- There are currently around 4.0 million tons of VSLFO<sup>2</sup> in floating storage in Singapore. This product will be regionally distributed, unwinding its contractionary effects, in the first few month of 2020. While floating storage is positive for our market since it reduces effective supply, it also depressed the trade in refined products, having a temporary negative impact that is expected to revert.
- Covid-19 is slowing down scrubbers installations and planned vessel deliveries.

**While we wait for refined volumes to rise, we have benefitted from several factors, some seasonal and temporary, while others should support the market throughout most of this year.**

1. Source: Clarksons..

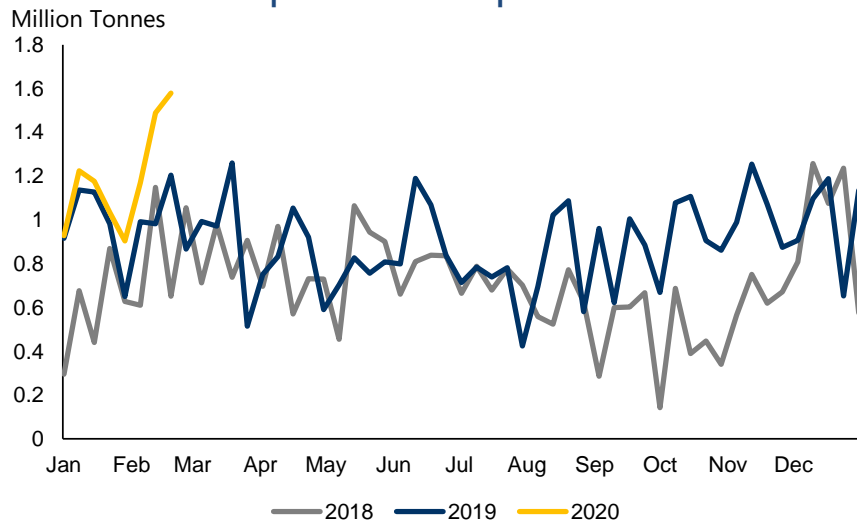
2. Source: Kpler.



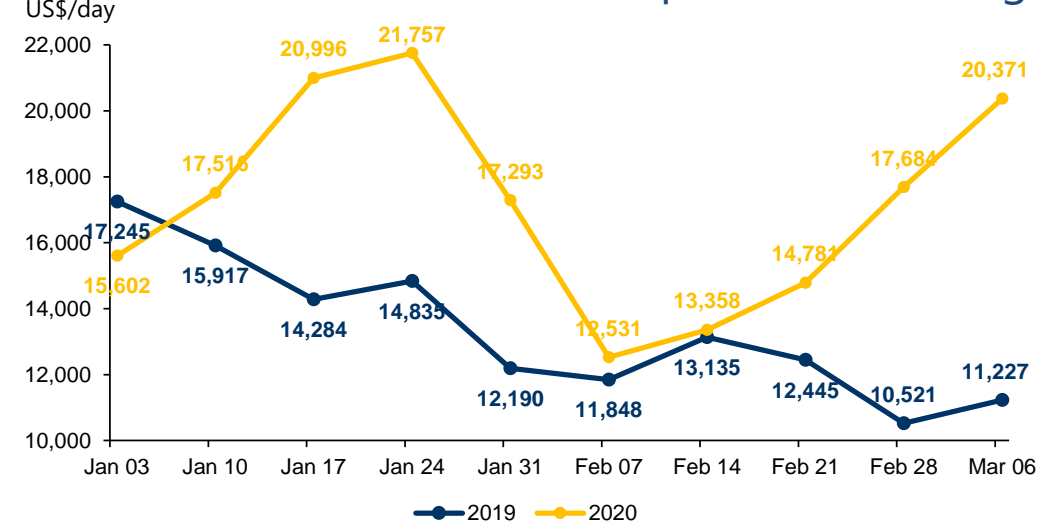


# The impact of Covid-19 on the product tankers market.

## China clean product exports<sup>1</sup>



## YTD'20 vs.'19 Clarksons' MR2 spot clean earnings<sup>2</sup>



- The Covid-19 outbreak led to a sharp drop in refining capacity worldwide, with Chinese independent refineries particularly affected.
- As a result of Covid-19 the IEA forecasted in its March '20 report that oil demand would fall by 2.4 million bpd y-o-y in Q1'20, the first quarterly contraction in more than 10 years. FY'20 demand growth forecast was cut from an increase of 1.2 million bpd (forecasted in January '20) to a contraction of 100k bpd. Unfortunately there is scope for further downward revisions to these estimates as the virus continues to spread quite rapidly to other countries.
- Despite this sharp contraction, freight rates have remained relatively firm in '20, rising since mid-February. There are a number of factors that can explain this strength:
  - Rising product exports from China to other Asian countries and in particular of jet fuel over long distances to the US west coast.
  - Gradual resumption of refining activity in the Middle East following seasonal maintenance.
  - Continued strong exports from the US Gulf to South America, which has only been marginally affected by Covid-19 so far.
  - Lower vessel deliveries and delayed scrubber installations as a result of Covid-19.

**Covid-19 is having a major negative impact in the world's economy and oil industry. Despite this, product tankers have been doing well in Q1'20.**

1. Source: Arrow Shipbrokers.  
 2. Spot earnings for conventional MR2s.

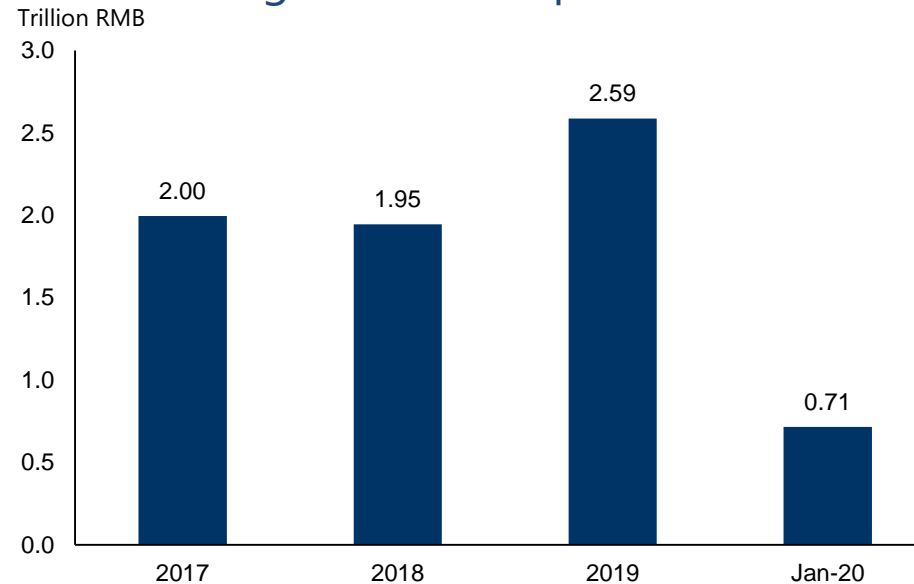






# Covid-19, the likely aftermath.

China local government special bond issuance



- Several countries have announced fiscal packages to help businesses affected by Covid-19, with the objective of stimulating a recovery once the virus has been controlled.
- The Chinese in particular have announced a very strong package of incentives. Local government special bond issuance has risen in 2019 and has been particularly high in January 2020. Seven provinces have recently announced investments worth US\$3.5 trillion of which US\$485 billion in 2020, equivalent to around 4% of GDP. The stimulus will focus on traditional infrastructure including railways, highways and power transmission, as well as 5G mobile networks, artificial intelligence, smart cities, education and medical care.
- Central banks of several countries and in particular the FED have eased monetary policy to soften the impact of the virus and stimulate an ensuing recovery.
- Other fiscal and monetary measures are likely to be announced over the coming months.

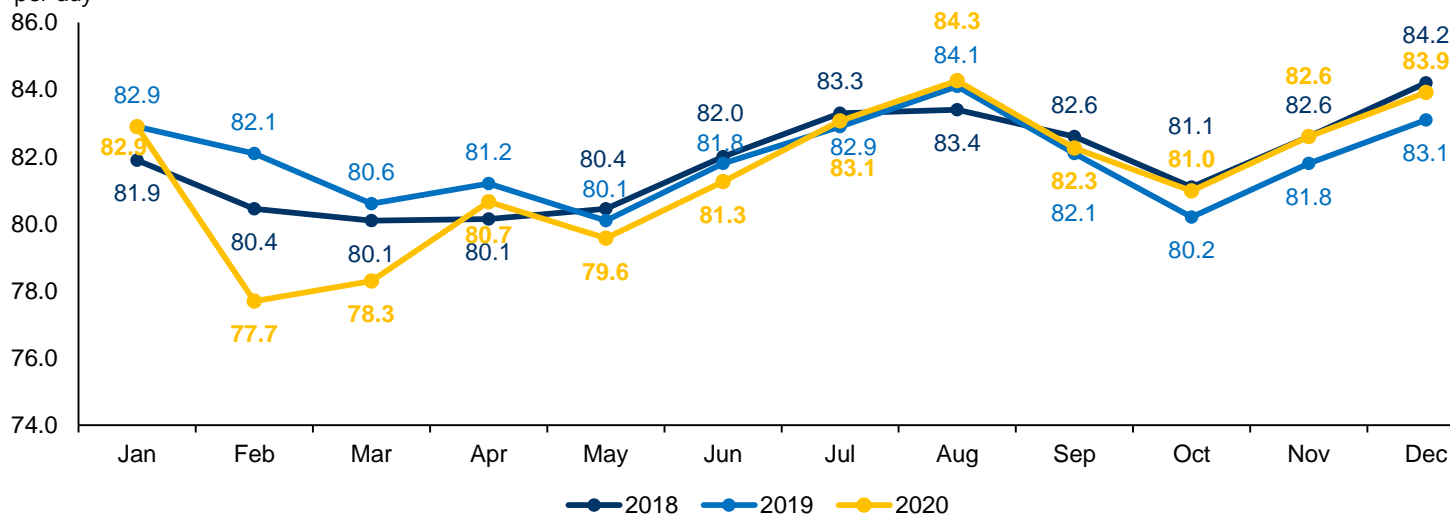
**The contractionary effects of the virus in the first-half of 2020 are likely to be followed by a strong recovery.**



# Refining volumes in 2020.

## Global refinery throughputs<sup>1</sup>

Million barrels per day



- Refining activity has been subdued in 2019 mainly due to the extended refinery maintenance programs in preparation for IMO 2020, to strike-related outages in Q4'19 (7 out of 8 French refineries were on strike in December), and to low refining margins. For 2019 as a whole global refinery runs are estimated to have declined by 0.35 million bpd y-o-y.
- Despite the fall in refining throughput in 2019, the global refined product markets was balanced, due to overproduction in 2018 when the increase in refinery runs was triple the growth in refined product demand. According to the IEA, this and continued gains in light tight oil production are among the reasons for the lack of turbulence in product markets in January 2020, when the International Maritime Organisation's (IMO) new bunker fuel regulations came into force.
- Due to the impact of Covid-19, the IEA now expects (9 March '20 report) refined volumes to decrease by 0.4 million bpd in 2020 (a 1.3 million bpd increase was expected in January '20). The Q1'20 forecast was the most affected, with runs now expected to fall by 2.2 m bpd y-o-y. The IEA currently anticipates a gradual recovery from Q2'20.

**Due to the negative impacts of Covid-19 in Q1 '20, the IEA now expects a slight decrease in throughput in 2020.**

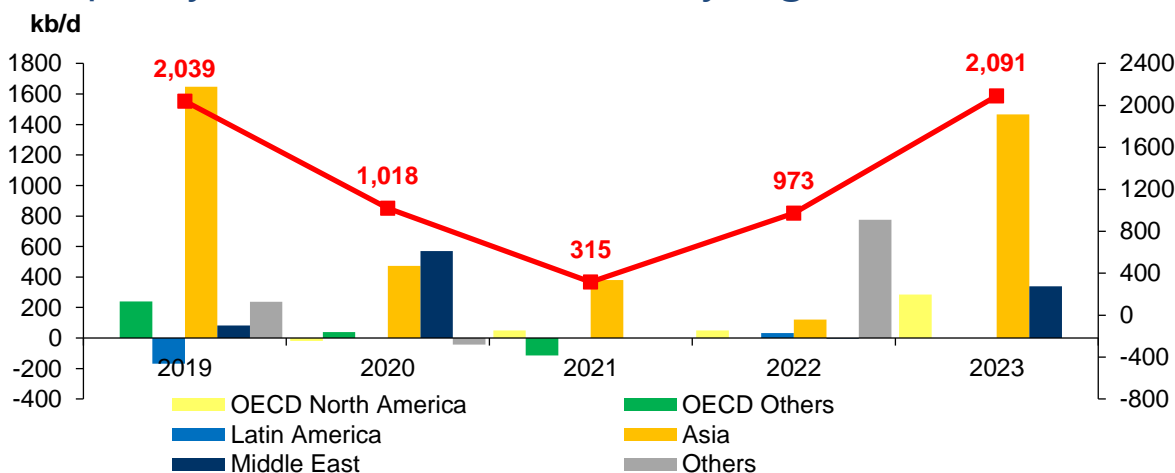
1. IEA estimates for 2018, 2019 and the first three months of 2020. For Q2 to Q4 2020, estimates from IEA for quarterly averages and from management for monthly figures.



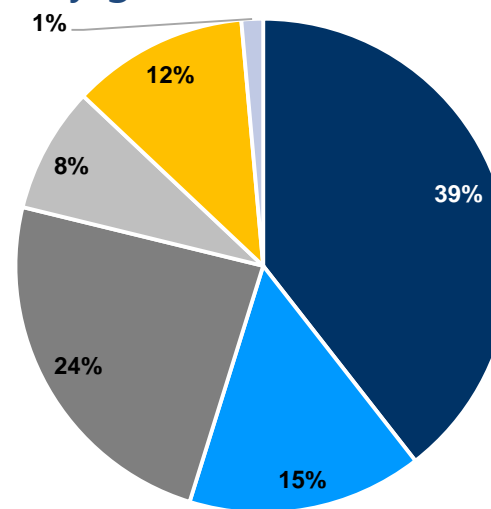


# Record growth in refinery capacity in 2019<sup>1</sup>.

## Capacity additions 2019-2023 by region



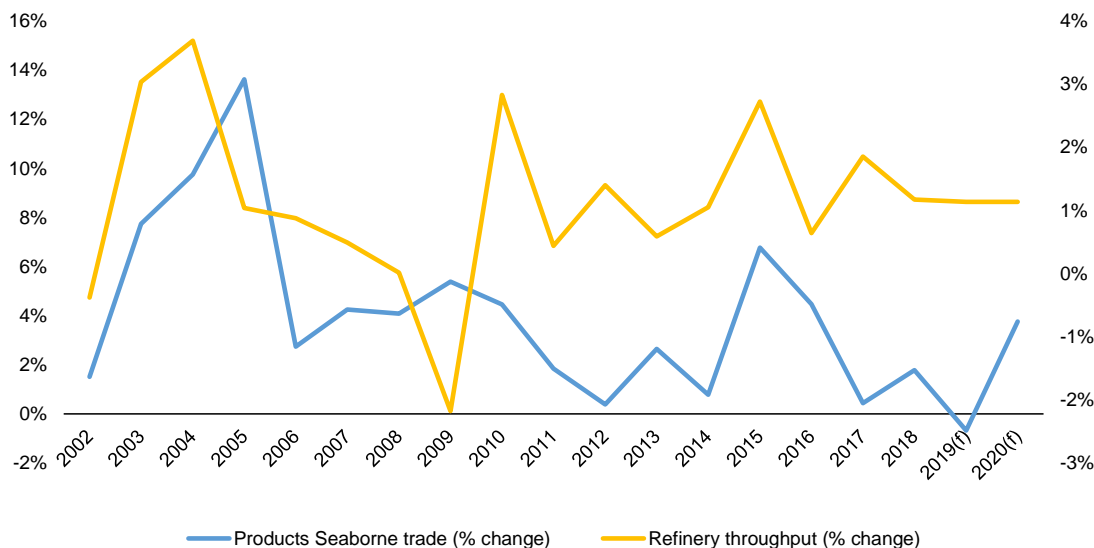
## Refinery growth 2019-2023



■ China ■ Middle East ■ Other Asia ■ OECD ■ Africa ■ Others

Products Seaborne trade (annual % change in tonne miles)

Refinery throughput (annual % change)



- Strong correlation between refinery throughput and demand for seaborne transportation of refined products.
- **Global refinery crude distillation capacity is estimated to have risen by 2.0 mb/d in '19 (a record) and by 6.4 mb/d in the '19-23 period.** Most of the expansion in the '19-23 period is expected in China (+2.5 mb/d) and in the Middle East (+1.0 m b/d).
- **~80% of the planned refinery additions are in Asia and the Middle East.**

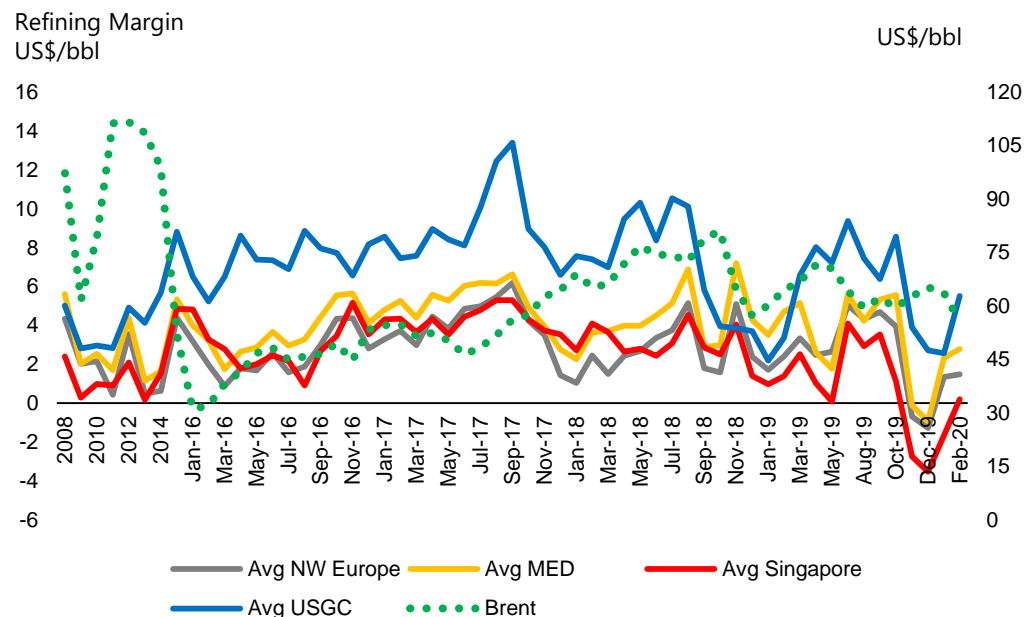
1. Source: Clarksons Seaborne Trade Monitor, Mar'20, IEA-Oil 2020 Market Report Series (Mar'20) and BP Statistical Review of World Energy 2019



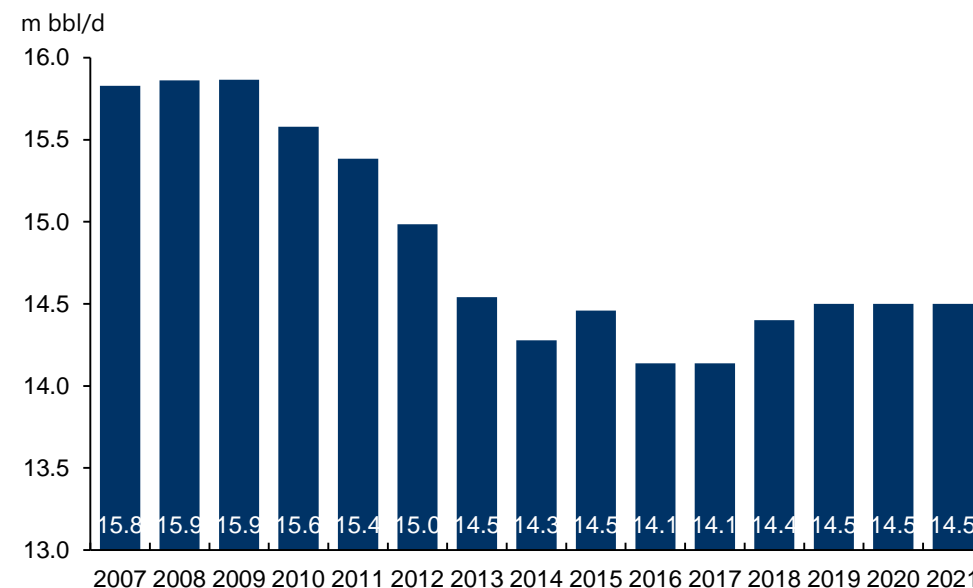


# Changes in refining landscape driving demand.

## Refining margins Europe, USG (cracking)<sup>1</sup>



## European refining capacity 2007-2020<sup>2</sup>



- New refineries in the US, Middle East and Asia can obtain much higher margins than those in Europe.
- Europe is still one of the world’s largest refining regions, but capacity and throughput are on a sharp downward trend.
- The large increase expected in refinery capacity worldwide, is going to create further difficulties for European refineries.
- In addition, **the 0.5% sulphur content limit in marine fuels** worldwide from January 2020, **is posing an additional challenge for European refineries**, which are large producers of marine fuel oil.
- **Further reductions in European refineries throughput is therefore expected**, with their volumes being displaced by the more competitive North American, Asian and Middle Eastern refineries. The effect of this process is **an increase in volumes transported and average ton-miles**.

**European refining capacity is on a downward trend, creating pent-up demand for seaborne transportation of refined petroleum products.**

1. IEA – OMR report Mar’20  
 2. Source: Clarkson Research Services as at Jan’20



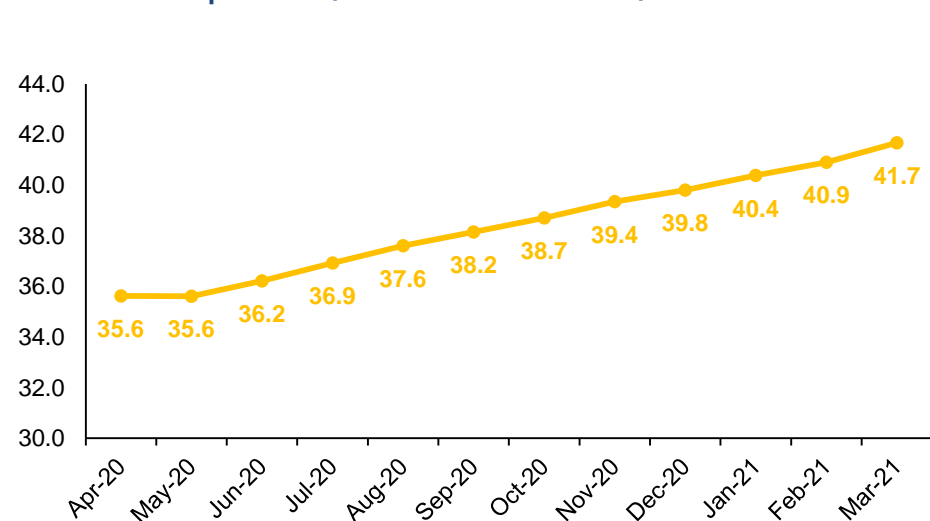


# Reversal of OPEC cuts to benefit tankers initially

Crude oil price (Brent, US\$ bbl), last 10 years<sup>1</sup>



Crude oil price (Brent, US\$ bbl), forward curve<sup>2</sup>



- The most direct effect of the recent reversal of OPEC+ production cuts and resulting recent sharp fall in oil prices, is a reduction in bunker costs, which should significantly boost earnings for our vessels.
- According to Clarksons, for every 1 mb/d increase in oil exports from Saudi Arabia to China, capacity utilization for VLCCs should increase by 3% (currently at 86%). Floating storage could further boost utilization.
- Clarksons forecasts that if oil demand growth slows to 0.3% in 2020 and OPEC reverses extraordinary cuts, reverting to around 30 mb/d production from 28.9 million bpd in January 2020, then OECD inventories could reach the last peak of 3.1bn barrels by year-end 2020, a level which is likely to correspond to full utilization of onshore storage.
- This expansion in OPEC oil supply should therefore provide a near-term boost to the market. The downside is that the lower oil prices are going to hit E&P budgets of oil companies, reducing growth in non-OPEC oil supply in countries such as the US and Brazil.
- If the market is oversupplied for too long the resulting drop in non-OPEC supply and likely inventory build-up that will ensue and that will have to be eventually consumed, could negatively affect freight rates later.
- Covid-19 and the reversal of the OPEC cuts seem therefore to be working in the opposite direction, creating initially an oversupply of oil as demand falls and supply rises, and later a potential deficit, as economies are stimulated and non-OPEC growth declines.

1. Source: Bloomberg as at March 9, '20.

2. Source: Bloomberg as at March 9, '20

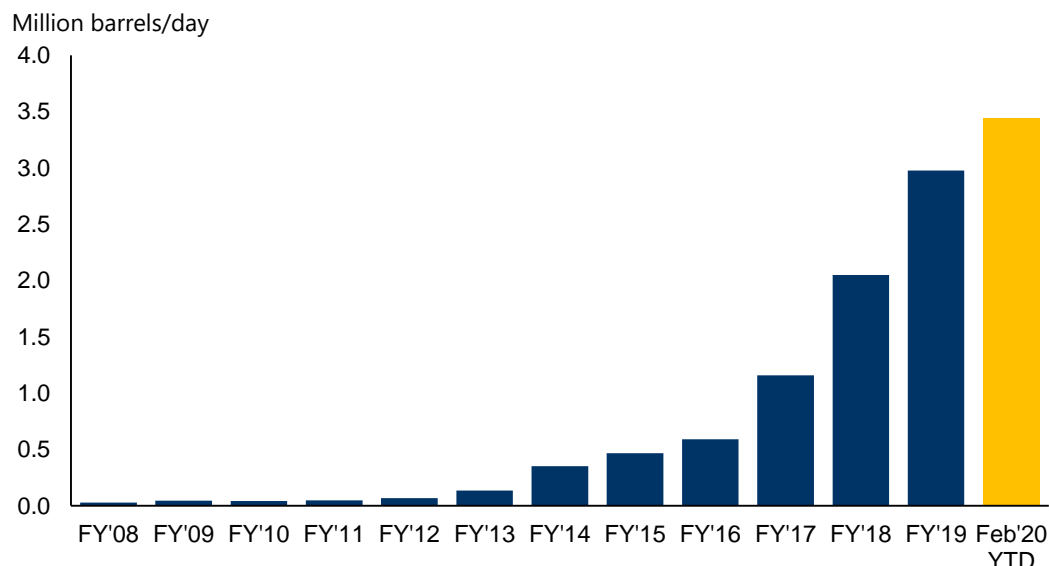




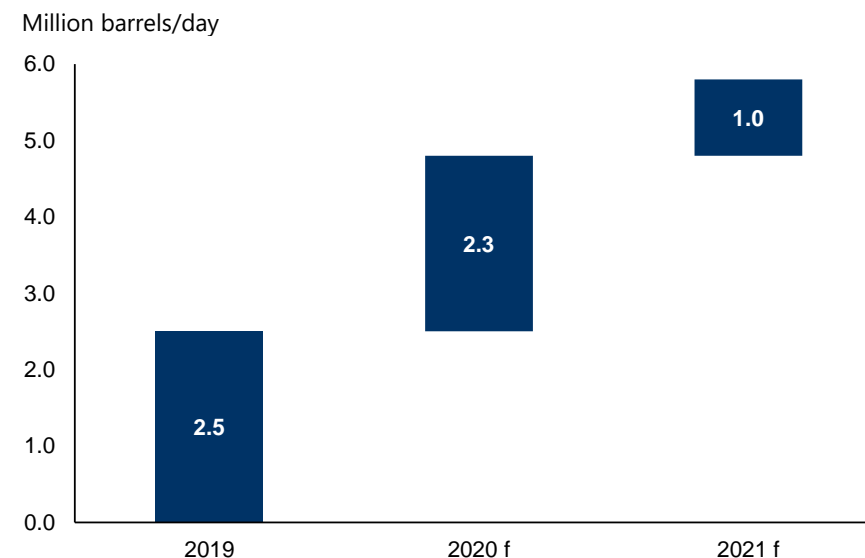


# US crude exports

## US Exports of Crude Oil<sup>1</sup>



## US pipeline additions<sup>2</sup>



- In 2019 US crude export continued rising rapidly**, averaging an estimated 3.0 m b/d (45% more than in 2018 and 157% more than in 2017). **The path of future US crude oil supply is currently uncertain following the recent sharp drop in the oil price.**
- Onshore logistics created a bottleneck, slowing down export growth over the last few years, but additional pipeline capacity came online in 2019 amounting to 2.5 millions barrels per day, with an additional 2.3 millions barrels per day expected in 2020.
- Completions of several terminals in the USG, which aim to accommodate fully laden VLCCs will enable additional exports. At the moment there is only one such terminal in operation, LOOP.

## VLCC export infrastructure projects<sup>2</sup>

A/A	Company	Port	Starting Date
1	Port of Corpus Christi	Corpus Christi	2020
2	Occidental	Corpus Christi	2022
3	Carlyle Group	Corpus Christi	2020
4	Trafigura	Corpus Christi	2021
5	Enterprise	Galveston	2022
6	Enbridge	Freeport	2022
7	Tallgrass	New Orleans	2021
8	Jupiter	Brownsville	N/A
9	Sentinel Midstream	Freeport	N/A

**Rising US exports of crude oil, which are transported over very long-distances to Asia, is threatened by the recent collapse in the oil price.**

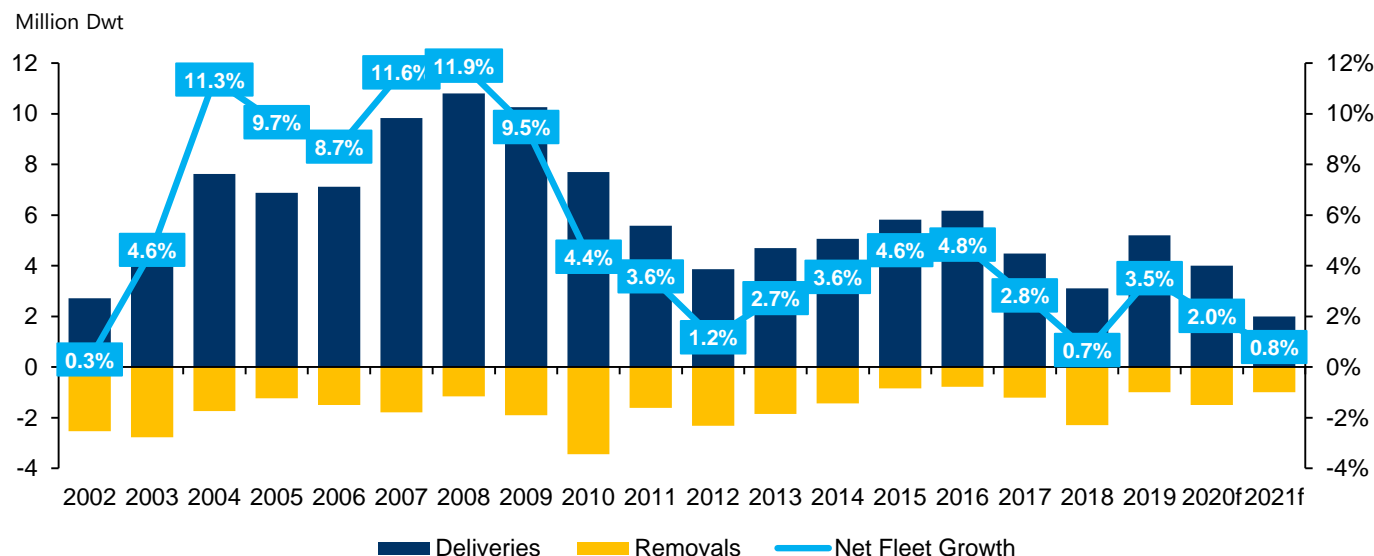
1. Source: EIA Feb'20 (monthly figures until Dec'19 and weekly average figures from Jan to Feb'20)  
 2. Source: Arrow Shipbrokers



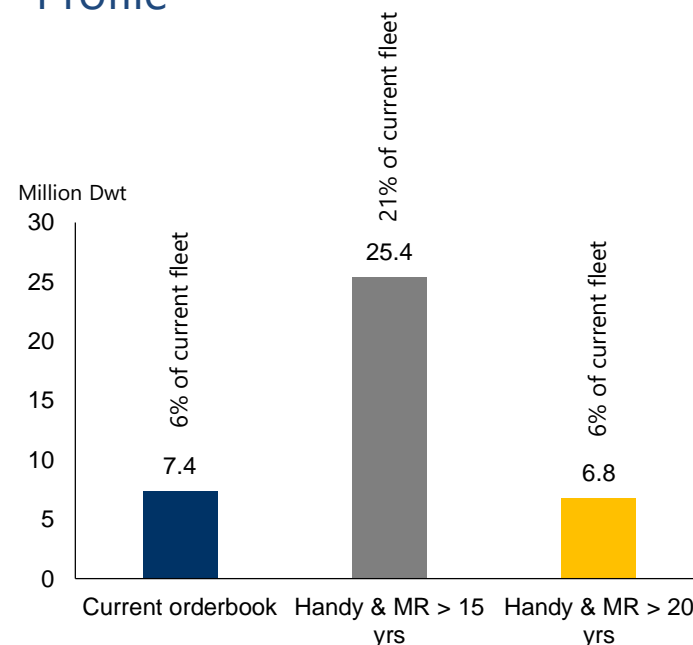


# Slowing fleet growth.

MR & LR1 deliveries and scrapping (m dwt) (lhs), and net fleet growth (%)<sup>1</sup> (rhs)



Current MR & LR1 Fleet Age Profile<sup>1</sup>



**Scheduled deliveries are slowing. Even with limited scrapping, fleet growth is expected to be of only 2.0% in 2020. Fleet growth in 2021 is expected to be of 0.8%, assuming no additional vessels are ordered for delivery that year.**

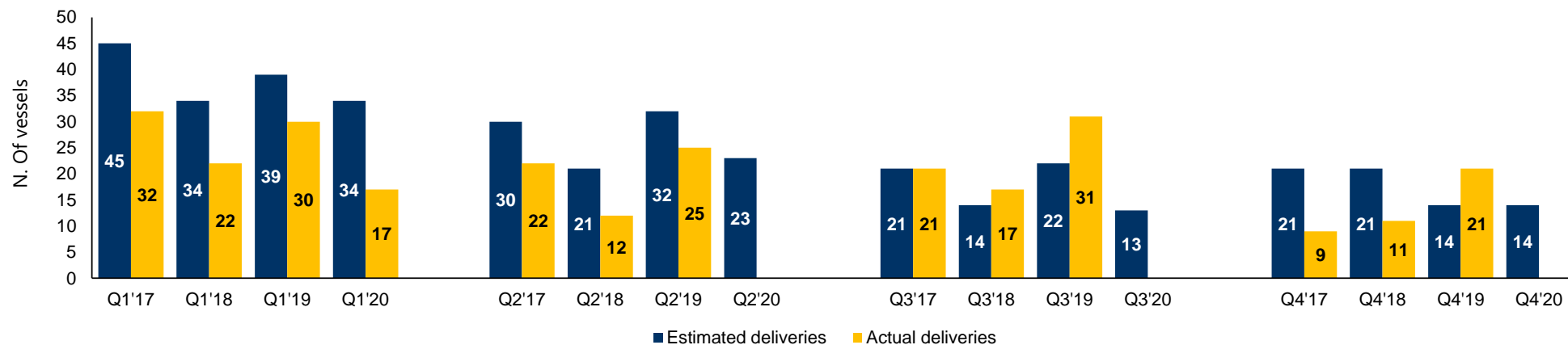
1. Source: Clarkson Research Services as at Feb'20 and Clarksons Oil & Tanker Trades Outlook – Feb'20



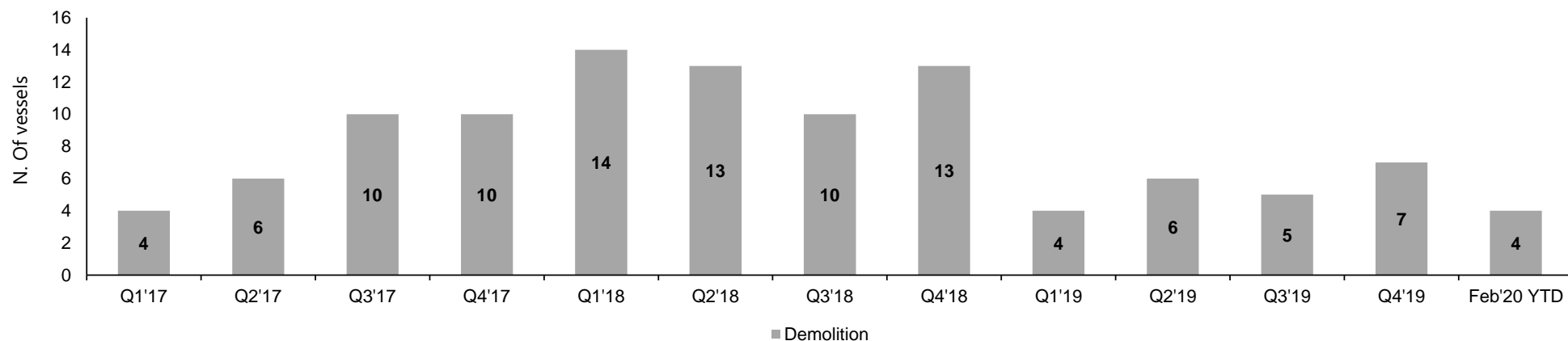


# Historically low orderbook to support markets.

## MR & LR1 Deliveries, 2017-2020<sup>1</sup>



## MR & LR1 Demolitions, 2017-2020<sup>1</sup>



- According to Clarksons, 93 MRs were scheduled to be delivered in 2019 and 95 were delivered. 77 MRs are scheduled to be delivered in 2020.
- According to Clarksons, 14 LR1s were scheduled to be delivered in 2019 and 12 were actually delivered. 7 LR1s are scheduled to be delivered in 2020.

**Despite a slowdown in demolitions and slippage, a historically low orderbook should contribute to limited fleet growth over the next two years.**

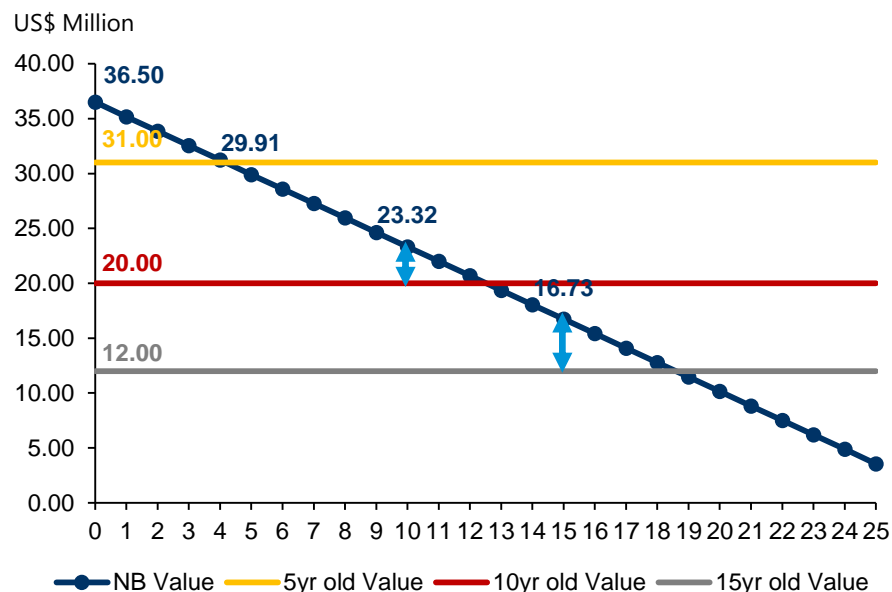
1. Source: Clarksons, Affinity and Company estimates. Mar'20.



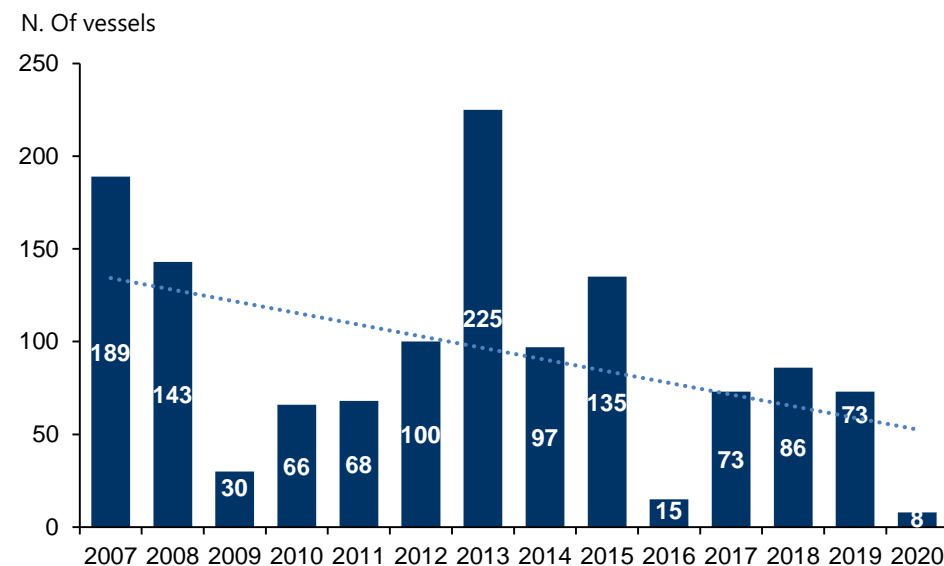


# Limited newbuild orders.

## MR Newbuilding parity curve vs Second-hand values<sup>1</sup>



## MR & LR1 orders



- Shipyards worldwide are facing severe financial difficulties, which has led to a **sharp reduction in shipbuilding capacity**.
- As expected, the increase in freight rates experienced throughout 2019 has led to a sharp increase in **secondhand vessel values**, albeit from very low levels, **with younger tonnage now trading at a slight premium to newbuilding parity**.
- **Uncertainty regarding technological innovation to achieve the ambitious IMO targets for reduction in CO<sup>2</sup> emissions, is however limiting newbuilding orders.**
- **Lower interest in the sector from financial investors** (Private Equity), and limited capacity for further investments by industrial players, which have already renewed their fleets and currently have stretched balance sheets, is contributing to a drop in new construction contracts, which reached a ten-year low of 15 MRs and LR1s in 2016. Average annual orders of MRs and LR1 since 2016, is the lowest of any 4-year period since 2007. 73 MRs and LR1s have been ordered in 2019.

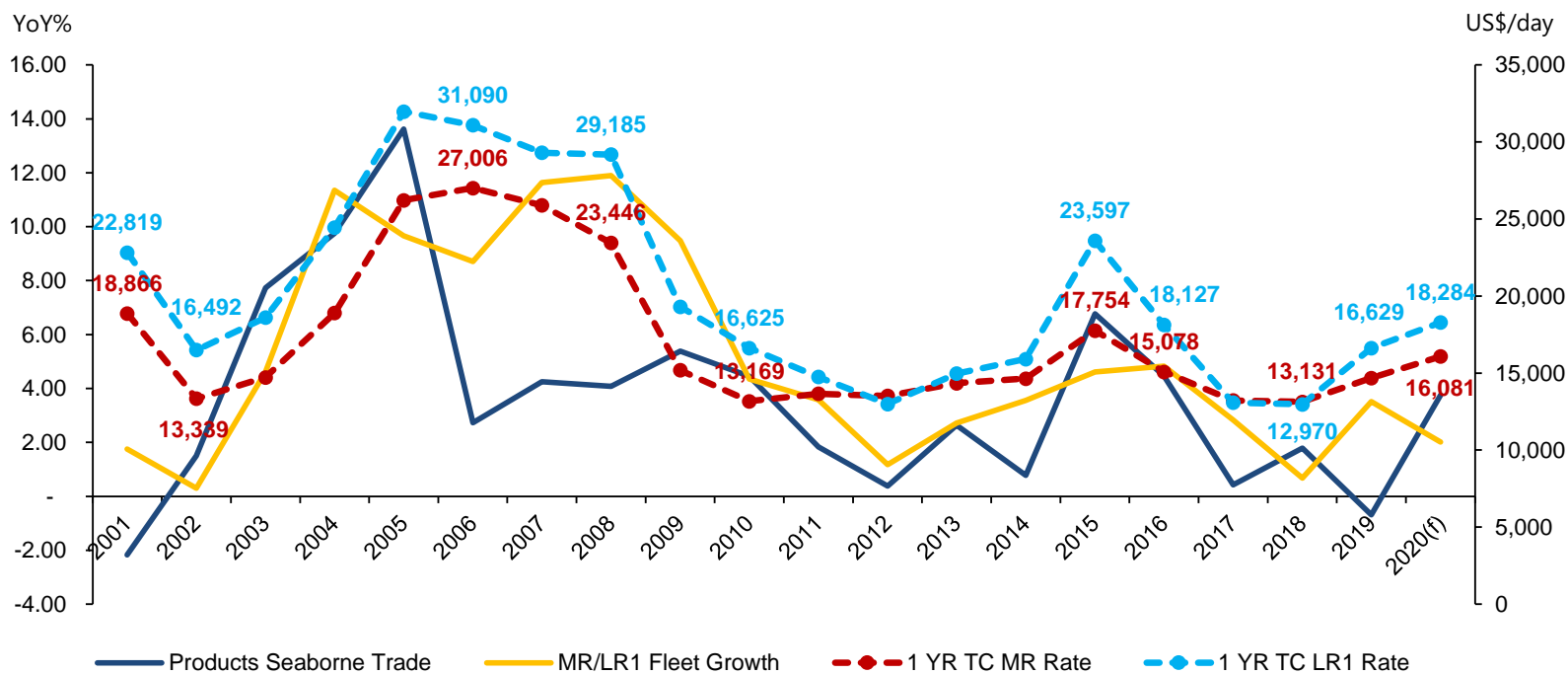
1. Source: Vessel prices from Clarkson Research Services as at Mar'20. Newbuilding prices evolution based on 25 years depreciation, including US\$ 1m first supply and US\$ 3.55m scrap value.





# A tighter market expected.

## Seaborne Volume and MR/LR1 Fleet Growth (lhs)%<sup>1</sup> vs 1 year MR and LR1 TC rate (rhs)



**Clarksons' expects demand for product tankers to expand by ~3.75% in 2020, which should comfortably exceed supply growth, leading to a tighter market and increasing freight rates**

1. Source: Clarkson Research Services and Seaborne Trade Monitor, as at Mar'20. Based on the current orderbook







# Brokers see improving product tanker market.

**Clarksons Platou**

Feb 2020

...Covid-19 and the demand destruction is temporary, and we should see a recovery during 2Q20. According to EIA, OPEC cuts (from Saudi Arabia) are already happening, hence part of why the market is currently weak. EIA forecasts a strong rebound in oil production during 2Q20 as extraordinary OPEC cuts are reined in by May, and Brazil in particular, and the US, raise oil production and exports. Scrubber retrofits initially scheduled for 1Q are postponed due to Chinese yards being shut, and close to 2% of the fleet could therefore exit in 2Q20 instead; at the same time trade flows are expected to start recovering. Contango in the oil curve is a change of dynamics which is positive; with prices expected to increase through the journey, charterers have the incentive to run ships slower and build inventories. Floating storage could add support during 2Q20, tightening the market further. ...Stock valuations are highly attractive... Risk/reward is compelling...

**Jefferies**

Jul.-Sep. 2019 & Jan. 2020

We believe **a multi-year cyclical recovery is on the horizon in 2H19 and beyond...** Looking ahead, we believe refined products tanker rates will likely recover into 2020 as **refinery capacity throughput comes back online or is added in the Middle East and China, new low-sulfur fuels begin to enter the market** and are transported to bunker providers, and **IMO 2020 preparations disrupt at least some supply as vessel owners either install scrubbers or clean fuel tanks** ahead of January. With the orderbook-to-fleet ratio at just 7%, and 21% of the fleet already over 15 years of age, **we believe that supply-side products tanker fundamentals are the best they have been this decade.** Following the common lag behind crude tankers, products tanker rates also rallied during 4Q19 as refinery throughput capacity recovered post the extended maintenance period which lasted through 3Q19... many LR products tankers switched to trading crude in order to capitalize on the higher rates. As a result, average LR2, LR1, and MR spot rates in 4Q19 all more than doubled Q/Q and almost doubled Y/Y. Looking ahead, the IEA expects refinery throughput to continue to grow in 2020 by 1.0 MMBd compared to the average of 2019, and this demand growth will be multiplied on a ton-mile demand basis due to increased fuel trading as a result of IMO 2020.

**B RILEY FBR**

Jan 2020

Equities in the tanker sector saw strong appreciation; and **we believe they are poised for healthy gains in 2020**, with the Baltic Clean Tanker Index (BCTI) and Baltic Dirty Tanker Index (BDTI) seeing Y/Y growth in 2019 of 44% and 58%, respectively. We also think that strong operating leverage, driven by a rising rate environment and relatively low capital expenditures, should help drive strong free cash flow and improving balance sheets, which would significantly reduce the financial risks of these highly levered enterprises. **With the strength in the underlying market driving the increase in share prices of our tanker operators, we are looking for continued solid stock performance in 2020...**

**Fearnley Securities**

April. 2019 & Jan 2020

**We believe the upcoming tanker cycle will resemble that of 2014-2015 in terms of equity upside (on 2015/ 2016 tanker earnings.** Similar to the crude segment we expect the market to remain on a high note throughout the first half of 2020, with LR2 rates averaging USD 33.5k/d and MRs USD 23k/d. Note that we have not yet incorporated scrubber benefits for the product vessels, which on a USD 350/mt spread would be as much as USD 6k/d on a LR2 and USD 4k/d on a MR.

**DNB**

MARKETS  
Aug. & Nov. 2019

**The tanker markets are experiencing seasonal lows, but we believe the turnaround will come sooner rather than later due to IMO disruption and frontloaded refinery maintenance in H1, leaving upside potential to H2 tanker demand.**

...All-time-low product tanker orderbook. We calculate that the product tanker orderbook stands at 6.5% (historical low and ranking second lowest of all shipping segments after car carriers). We forecast average supply growth to 2.7% for 2019–2022e, well below tonne-mile demand of 3.2%. We forecast eco-adjusted rates for the MRs of USD15.2k/ day for 2019, USD19.3k/day for 2020, and USD19.5k/day for 2021"

**STIFEL**

Oct. 2019

We expect demand to exceed ship supply in 2H19 and throughout 2020 leading to materially higher returns by shipping companies. **Product tanker demand growth strengthening;** Rates and asset values should firm up through 2019... **We would expect supply growth to remain muted at 3-4% in 2019 and 2-3% for 2020.**





# Why invest in DIS

---

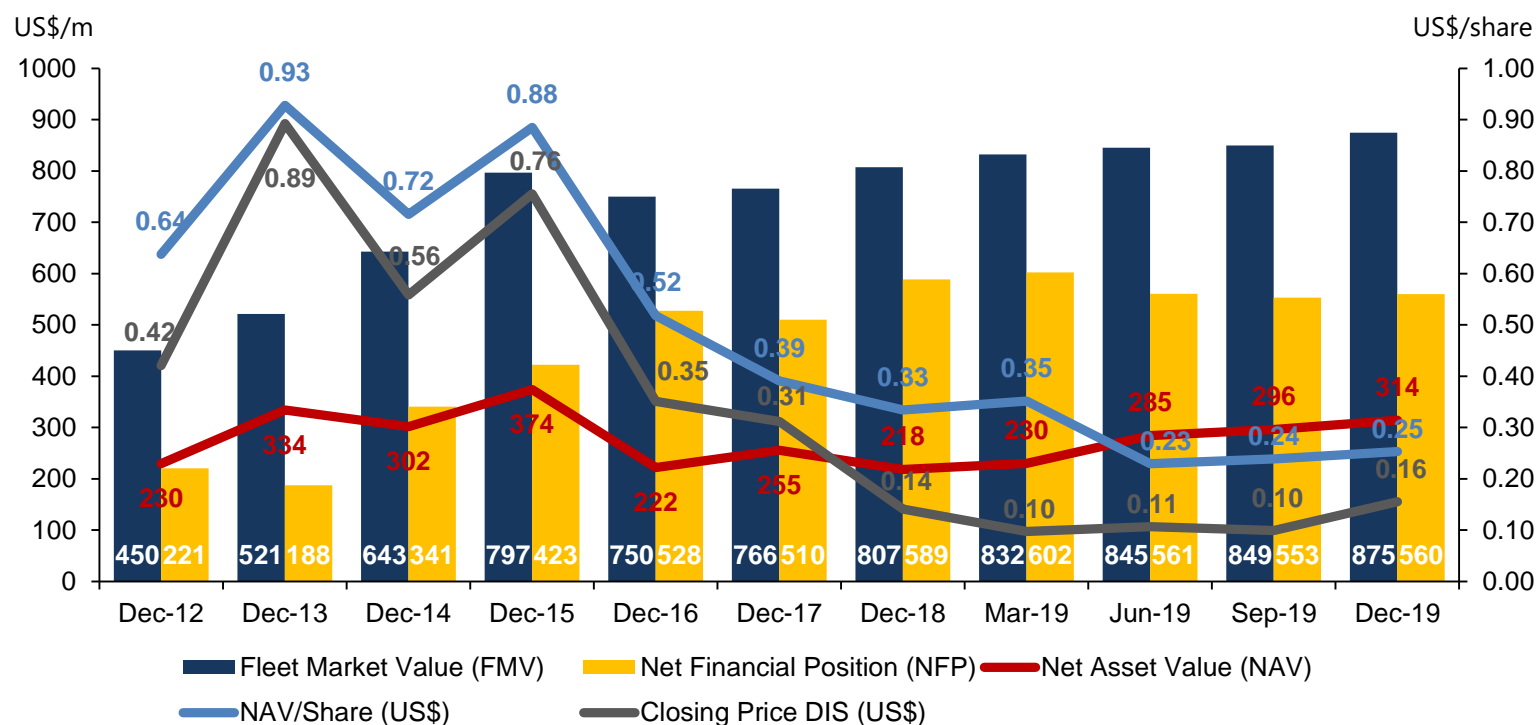


*d'Amico*  
INTERNATIONAL SHIPPING S.A.



# Historical NAV evolution.

DIS' Historical NAV evolution<sup>1</sup>



	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17	Dec-18	Mar-19	June-19	Sep-19	Dec-19
Discount to NAV (End of Period)	34%	4%	22%	15%	32%	20%	58%	72%	53%	59%	39%

**As at Dec. 31 2019, DIS' NAV<sup>1</sup> was estimated at US\$ 314.5m, its fleet market value at US\$ 874.5m<sup>2</sup>, and its closing stock price was 39% below its NAV/share.**

1. DIS' owned and bareboat fleet market value according to a primary broker valuation less Net Debt, excluding the impact of IFRS 16. It includes the value of the leased assets for which DIS has a purchase obligation, less the discounted value of the financial payments on such leases.  
 2. Fleet valued as at Dec. 31, 2019.







# Why invest in DIS today.

---

- **Young-fleet, most of which acquired at historically attractive prices and at top-tier yards.** Furthermore, vessels are mostly eco-design (64% of owned and bareboat ships following delivery of all DIS' newbuildings) and IMO classed (92% of owned and bareboat ships following delivery of all DIS' newbuildings).
- **First-class in-house technical management** provides DIS **access to long-term charters** with demanding oil majors, and allows it to **anticipate and benefit from regulatory changes.**
- Invested mostly in the MR1 and MR2, and more recently in the LR1, segments – **these vessels** are the workhorses of the industry, since they **are the most flexible commercially and also the most liquid on the S&P market.**
- **Prudent commercial strategy, always aiming to maintain between 40% and 60% of the fleet covered through long-term fixed-rate contracts** over the following 12 months.
- **International reach with chartering offices in 4 countries and 3 continents** (Stamford, London, Singapore, and Dublin), allowing DIS to maintain close relationships with clients and brokers, increasing employment opportunities for vessels.
- **Strong relationships with debt capital providers**, including with the top European shipping banks and Japanese leasing investors.
- **Attractive valuation of DIS in absolute terms – NAV discount of 39% as at the end of December 2019 – and relative to peers.**
- **Very attractive market fundamentals** with an ongoing recovery in freight rates and asset values, expected to strengthen further in 2020.



# Appendix

---



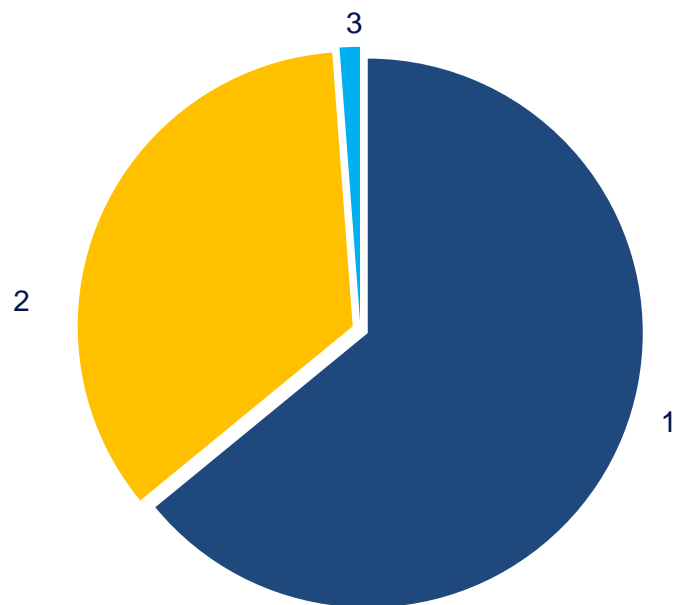
*d'Amico*  
INTERNATIONAL SHIPPING S.A.





# DIS' Shareholdings Structure.

## Key Information on DIS' shares



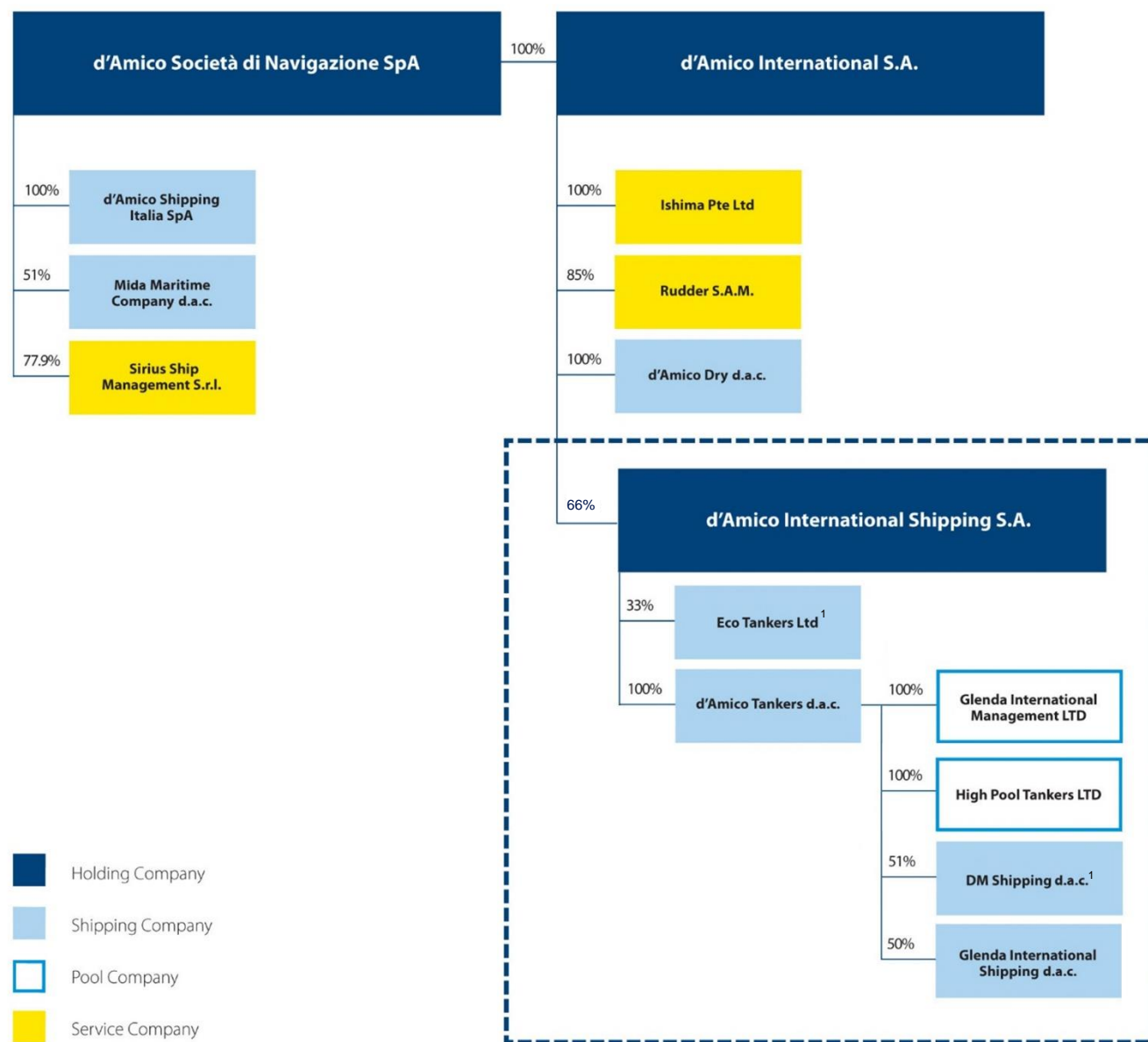
d'Amico International SA	<b>65.66%</b>
Others	<b>33.64%</b>
d'Amico International Shipping SA	<b>0.70%</b>
	<b>100%</b>

Listing market	Borsa Italiana, STAR
No. of shares	1,241,032,124
Market capitalisation <sup>1</sup>	€86.3 million
Shares repurchased / % of share capital	8,642,027/0.7%

1. Based on DIS' Share closing price on March 09<sup>th</sup>, 2020 of Eur 0.07



# d'Amico Group Structure.



**DIS benefits from the support of d'Amico Società di Navigazione S.p.A.**

1. Eco Tankers Ltd and DM Shipping d.a.c. are currently under liquidation





# Financial results. Consolidated Income Statement

<i>US\$ Thousand</i>	<b>2019</b>	<b>2018</b>
Revenue	353,534	399,046
Voyage costs	(95,202)	(154,176)
<b>Time charter equivalent earnings</b>	<b>258,332</b>	<b>244,870</b>
Time charter hire costs	(31,750)	(129,750)
Other direct operating costs	(108,325)	(81,572)
General and administrative costs	(11,989)	(16,196)
Result from disposal of vessels	(2,042)	167
<b>EBITDA</b>	<b>104,226</b>	<b>17,519</b>
Depreciation, impairment and impairment reversal	(58,597)	(34,844)
Depreciation of right-of-use leased asset	(30,604)	-
<b>EBIT</b>	<b>15,025</b>	<b>(17,325)</b>
Financial income	823	5,035
Financial (charges)	(44,968)	(34,296)
Profit share of equity accounted investee	1,243	(8)
(Impairment) Reversal of impairment of loan to an equity accounted investee	934	(7,526)
<b>Profit/ (loss) before tax</b>	<b>(26,943)</b>	<b>(54,120)</b>
Tax	(584)	(980)
<b>Net profit / (loss)</b>	<b>(27,527)</b>	<b>(55,100)</b>
<b>Basic earnings per share in US\$<sup>(1)</sup></b>	<b>(0.026)</b>	<b>(0.085)</b>

1. Basic earnings per share (e.p.s.) in 2019 was calculated on an average number of 1,062,413,650 outstanding shares, while in 2018 it was calculated on an average number of 645,714,080 outstanding shares. There was no dilution effect either in 2019 or in 2018 earnings per share.





# Financial results. Consolidated Balance Sheet

<i>US\$ Thousand</i>	As at 31 December 2019	As at 31 December 2018
<b>ASSETS</b>		
Property, plant and equipment	838,863	911,281
Right-of-use assets	119,449	-
Investments in jointly controlled entities	4,382	3,228
Other non-current financial assets	17,348	9,655
<b>Total non-current assets</b>	<b>980,042</b>	<b>924,164</b>
Inventories	10,080	13,492
Receivables and other current assets	41,433	52,163
Other current financial assets	7,265	18,205
Cash and cash equivalents	33,598	31,713
<b>Current Assets</b>	<b>92,376</b>	<b>115,573</b>
Assets held for sale	59,631	-
<b>Total current assets</b>	<b>152,007</b>	<b>115,573</b>
<b>TOTAL ASSETS</b>	<b>1,132,049</b>	<b>1,039,737</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
Share capital	62,052	65,376
Accumulated losses	(59,801)	(30,270)
Share Premium	368,846	316,697
Other reserves	(18,632)	(14,460)
<b>Total shareholders' equity</b>	<b>352,465</b>	<b>337,343</b>
Banks and other lenders	270,169	338,622
Non-current lease liabilities	313,418	165,298
Shareholders' long-term loan	-	30,600
Other non-current financial liabilities	7,282	4,998
<b>Total non-current liabilities</b>	<b>590,869</b>	<b>539,518</b>
Banks and other lenders	72,692	91,238
Current lease liabilities	37,736	8,369
Shareholders' short-term loan	5,000	1,280
Payables and other current liabilities	38,222	54,013
Other current financial liabilities	12,473	7,876
Current tax payable	342	100
<b>Current liabilities</b>	<b>166,465</b>	<b>162,876</b>
Banks associated to assets held-for-sale	22,250	-
<b>Total current liabilities</b>	<b>188,715</b>	<b>162,876</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>1,132,049</b>	<b>1,039,737</b>





# Financial results. Consolidated Statement of Cash Flow

<i>US\$ Thousand</i>	2019	2018
<b>Loss for the period</b>	<b>(27,527)</b>	<b>(55,100)</b>
Depreciation and amortisation and impairment	43,062	39,789
Depreciation of right-of-use leased assets	30,604	-
Impairment	15,535	-
Current and deferred income tax	584	979
Net finance lease cost	21,408	-
Other financial charges (income)	22,737	29,523
Unrealised foreign exchange result	-	(261)
Profit share of equity-accounted investment	2,042	8
Profit on disposal of fixed assets	(1,243)	(168)
Impairment (reversal) of a financial asset v/ related party	(934)	7,526
Reversal of vessel impairment	-	(4,945)
Movement in share option reserve	(607)	182
Movement in deferred result on disposal of S&L assets	131	-
<b>Cash flow from operating activities before changes in working capital</b>	<b>105,792</b>	<b>17,533</b>
Movement in inventories	3,413	2,003
Movement in amounts receivable	9,161	13,181
Movement in amounts payable	(18,653)	(4,466)
Net payment of interest portion of lease liability/receivable	(21,408)	-
Taxes paid	(342)	(619)
Net interest paid	(18,689)	(20,045)
<b>Net cash flow from operating activities</b>	<b>59,274</b>	<b>7,587</b>
Acquisition of fixed assets	(65,231)	(101,485)
Proceeds from disposal of fixed assets	9,405	21,856
Dividend from equity-accounted investee ETL	-	83
Movement in financing to equity accounted investee	15,401	126
<b>Net cash flow from investing activities</b>	<b>(40,425)</b>	<b>(79,420)</b>
Share capital increase	49,788	199
Other changes in shareholders' equity	(822)	(178)
Shareholders' financing	(26,880)	31,880
Movement in other financial receivables	(2,000)	3,900
Movement in other financial payables	4,908	(1,533)
Bank loan repayments	(91,926)	(175,690)
Bank loan draw-downs	25,250	111,770
Proceeds from disposal of assets subsequently leased back	62,952	117,211
Repayments of financial lease	(37,720)	(12,970)
<b>Net cash flow from financing activities</b>	<b>(16,450)</b>	<b>74,589</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,398</b>	<b>2,756</b>
Cash and cash equivalents net of bank overdrafts at the beginning of the year	15,120	12,363
<b>Cash and cash equivalents net of bank overdrafts at the end of the year</b>	<b>17,517</b>	<b>15,120</b>
Cash and cash equivalents	33,598	31,713
Bank overdrafts	(16,081)	(16,593)







# DIS' CURRENT FLEET OVERVIEW. LR1 & MR Fleet

Owned - LR1	Tonnage (dwt)	Year Built	Builder, Country	Interest <sup>1</sup>	IMO Classified
Cielo di Londra	75,000	2019	Hyundai MIPO, South Korea	100%	IMO II/IMO III
Cielo di Cagliari	75,000	2018	Hyundai MIPO, South Korea	100%	IMO II/IMO III
Cielo Rosso	75,000	2018	Hyundai MIPO, South Korea	100%	IMO II/IMO III
Cielo di Rotterdam	75,000	2018	Hyundai MIPO, South Korea	100%	IMO II/IMO III
Cielo Bianco	75,000	2017	Hyundai MIPO, South Korea	100%	IMO II/IMO III
<b>Bare-Boat – LR1</b>	<b>Tonnage (dwt)</b>	<b>Year Built</b>	<b>Builder, Country</b>	<b>Interest<sup>1</sup></b>	<b>IMO Classified</b>
Cielo di Houston	75,000	2019	Hyundai MIPO, South Korea	100%	IMO II/IMO III
<b>Owned - MR</b>	<b>Tonnage (dwt)</b>	<b>Year Built</b>	<b>Builder, Country</b>	<b>Interest<sup>1</sup></b>	<b>IMO Classified</b>
High Challenge	50,000	2017	Hyundai MIPO, South Korea (Vinashin)	100%	IMO II/IMO III
High Wind	50,000	2016	Hyundai MIPO, South Korea (Vinashin)	100%	IMO II/IMO III
High Tide	51,768	2012	Hyundai MIPO, South Korea	100%	IMO II/IMO III
High Seas	51,678	2012	Hyundai MIPO, South Korea	100%	IMO II/IMO III
GLEND A Melissa <sup>2</sup>	47,203	2011	Hyundai MIPO, South Korea	100%	IMO II/IMO III
GLEND A Meryl <sup>3</sup>	47,251	2011	Hyundai MIPO, South Korea	50%	IMO II/IMO III
GLEND A Melody <sup>2</sup>	47,238	2011	Hyundai MIPO, South Korea	100%	IMO II/IMO III
GLEND A Melanie <sup>3</sup>	47,162	2010	Hyundai MIPO, South Korea	50%	IMO II/IMO III
GLEND A Meredith <sup>3</sup>	46,147	2010	Hyundai MIPO, South Korea	50%	IMO II/IMO III
High Venture	51,087	2006	STX, South Korea	100%	IMO II/IMO III
High Performance	51,303	2005	STX, South Korea	100%	IMO II/IMO III
High Progress	51,303	2005	STX, South Korea	100%	IMO II/IMO III
High Valor	46,975	2005	STX, South Korea	100%	IMO II/IMO III
High Courage	46,975	2005	STX, South Korea	100%	IMO II/IMO III
<b>Bare-Boat with purchase option/obligation</b>	<b>Tonnage (dwt)</b>	<b>Year Built</b>	<b>Builder, Country</b>	<b>Interest<sup>1</sup></b>	<b>IMO Classified</b>
High Trust	49,990	2016	Hyundai MIPO, South Korea (Vinashin)	100%	IMO II/IMO III
High Trader	49,990	2015	Hyundai MIPO, South Korea (Vinashin)	100%	IMO II/IMO III
High Loyalty	49,990	2015	Hyundai MIPO, South Korea	100%	IMO II/IMO III
High Freedom	49,990	2014	Hyundai MIPO, South Korea	100%	IMO II/IMO III
High Discovery	50,036	2014	Hyundai MIPO, South Korea	100%	IMO II/IMO III
High Voyager	45,999	2014	Hyundai MIPO, South Korea	100%	IMO II/IMO III
High Fidelity	49,990	2014	Hyundai MIPO, South Korea (Vinashin)	100%	IMO II/IMO III
High Priority	46,847	2005	Nakai Zosen, Japan	100%	-

1. DIS' economic interest  
 2. Vessel owned by GLEND A International Shipping d.a.c. In which DIS has 50% interest and Time Chartered to d'Amico Tankers d.a.c.  
 3. Vessel owned by GLEND A International Shipping d.a.c. In which DIS has 50% interest





# DIS' CURRENT FLEET OVERVIEW. MR Fleet

<b>TC - IN Long Term with purchase option</b>	<b>Tonnage (dwt)</b>	<b>Year Built</b>	<b>Builder, Country</b>	<b>Interest<sup>1</sup></b>	<b>IMO Classified</b>
High Leader	50,000	2018	Japan Marine United Co., Japan	100%	IMO II/IMO III
High Navigator	50,000	2018	Japan Marine United Co., Japan	100%	IMO II/IMO III
High Explorer	50,000	2018	Onomichi, Japan	100%	IMO II/IMO III
High Adventurer	50,000	2017	Onomichi, Japan	100%	IMO II/IMO III
Crimson Pearl	50,000	2017	Minaminippon Shipbuilding, Japan	100%	IMO II/IMO III
Crimson Jade	50,000	2017	Minaminippon Shipbuilding, Japan	100%	IMO II/IMO III
<b>TC - IN Long Term without purchase option</b>					
High Prosperity	48,711	2006	Imabari, Japan	100%	-
High SD Yihe <sup>2</sup>	48,700	2005	Imabari, Japan	100%	-
SW Tropez	46,992	2004	STX, South Korea	100%	IMO II/III
<b>TC - IN Short Term</b>					
Carina	47,962	2010	Iwagi Zosen Co. Ltd., Japan	100%	-
Celsius Rimini	53,603	2009	Shin Kurushima Dockyard, Japan	100%	-
SW Southport I	46,992	2004	STX, South Korea	100%	IMO II/III
<b>Vessel under Commercial Agreement</b>					
Philoxenia	49,999	2019	Hyundai MIPO, South Korea	n.a.	IMO II/III
Falcon Bay	47,147	2009	Hyundai MIPO, South Korea	n.a.	IMO II/III
Eagle Bay	47,134	2008	Hyundai MIPO, South Korea	n.a.	IMO II/III

1. DIS' economic interest

2. Former High Presence sold by d'Amico Tankers in Feb'18 and taken back in time-charter for 6 years





# DIS' CURRENT FLEET OVERVIEW. Handy Fleet

<b>Owned</b>	<b>Tonnage (dwt)</b>	<b>Year Built</b>	<b>Builder, Country</b>	<b>Interest<sup>1</sup></b>	<b>IMO Classified</b>
Cielo di Salerno	39,043	2016	Hyundai MIPO, South Korea (Vinashin)	100%	IMO II/IMO III
Cielo di Hanoi	39,043	2016	Hyundai MIPO, South Korea (Vinashin)	100%	IMO II/IMO III
Cielo di Capri	39,043	2016	Hyundai MIPO, South Korea (Vinashin)	100%	IMO II/IMO III
Cielo di Ulsan	39,060	2015	Hyundai MIPO, South Korea (Vinashin)	100%	IMO II/IMO III
Cielo di New York	39,990	2014	Hyundai MIPO, South Korea	100%	IMO II/IMO III
Cielo di Gaeta	39,990	2014	Hyundai MIPO, South Korea	100%	IMO II/IMO III
Cielo di Guangzhou	38,877	2006	Guangzhou, China	100%	IMO II

1. DIS' economic interest



Thank you!

---



*d'Amico*  
INTERNATIONAL SHIPPING S.A.