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XO Shipping delivers \$4 mil. surplus in first annual report

ENGLISH VERSION: The company XO Shipping in Hellerup, Denmark, is less than two years old and includes among its employees several former Atlas people. XO Shipping expects the first annual report to show a \$4 million surplus, the company informs ShippingWatch.



BY TOMAS KRISTIANSEN
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XO Shipping has gotten off to a great start as an operator in the volatile bulk market. The company's seven employees, of whom several have previously worked for the now defunct Atlas, will be able to deliver

an annual report for 2012 showing a surplus of 4 million USD. Thus, the partner group is very pleased with the result at a time when the dry bulk industry is fighting hard to secure success stories.

"The result will be very good, and several good things will shine through. We have entered into several agreements with customers, and as we become more established, it will naturally become easier for us to do our work. As a new company, it is always difficult to break into the market. You start from the bottom each time, so your experience is crucial", says one of the company's founders and partners, Christian Levin, to ShippingWatch. Levin adds:

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“Our estimate for 2012 is a 4 million USD surplus before taxes, which is pretty satisfactory and better than our first year”.

Profitability over volume

According to managing director at XO Shipping, Kim Pihl, the activity level has been slightly lower than expected. As a result, XO has gotten a better contribution margin than the budget stipulated. Yet as Pihl states it is “easier to take in ships and create volume, but we wished to secure a better profitability and therefore, the company has acted in a careful fashion.”

Add to this a dash of luck with the ice-shipments from the Baltic and Scandinavia in the winter months.

The turnover for the entire year of 2012 will reach 75 million USD. The development during the year was affected by the low rates of early 2012 and some good trends in the last two quarters.

“Another reason why it is going well is that we stick to what we do best. We are a small and flexible company. Personal relations and networking is crucial”, says Kim Pihl.

One of the good relationships, on which XO bases its business, is with the Chinese company Cosco. XO employs the company’s Supramax ships of between 45,000 and 55,000 dwt.

On the cargo side, XO Shipping has no Danish customers, but from time to time the company charters ships from Norden or Clipper. XO, which, rightfully, is an operator within the industry, primarily works in fertilizer, coke, scrap, and iron ore. Recently, the company expanded its partner group to include Morten Hansen.

(in the picture: Morten Hansen, left, Kim Pihl, operations manager Kevin Bergenser on right)

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