

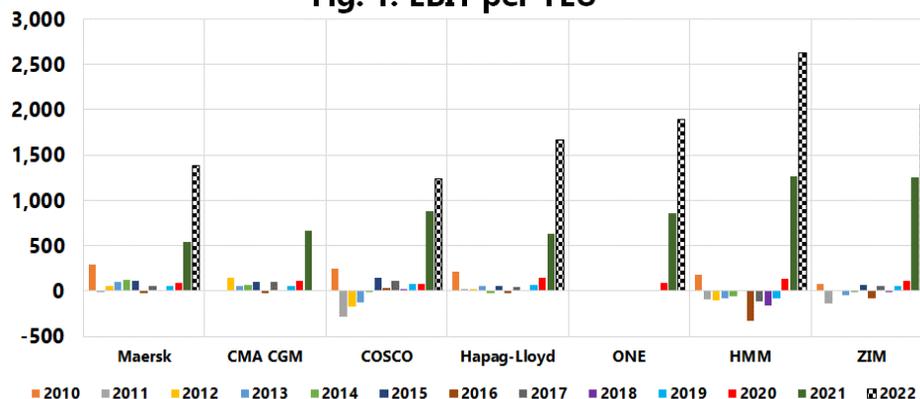
USD 41.6bn Carrier EBIT in 2022-Q2 (so far...)

In the first article of issue 581 of the *Sunday Spotlight*, we looked at the financial and volume results posted by the carriers for 2022-Q2.

In terms of EBIT (Earnings Before Interest and Tax), the major shipping lines recorded a combined EBIT of USD 41.6bn, and this is discounting CMA CGM who have only issued a press release so far, which does not list their EBIT. This not only higher than the combined Q2 EBIT of the past 11 years but is also right at the top with the 2021-Q4 and 2022-Q1 EBIT; once CMA CGM's EBIT is included in the list, 2022-Q2 would likely become the most profitable quarter in the last decade.

We should stress that we do not mean this as a value judgement on whether shipping lines making money is a good or a bad thing, and we note it has generally been an unprofitable business for the past decade or so; we are merely pointing out the unprecedented nature of the current market dynamics.

Fig. 1: EBIT per TEU



To see just how unprecedented these profits are, figure 1 shows the EBIT/TEU for the carriers that publish both their EBIT and their global volumes. Please note that we are still missing CMA CGM for 2022-

Q2. The 2022-Q2 EBIT/TEU figure of each of these shipping lines dwarfs each of the previous years, with the latter hardly relevant in context of the outsized EBIT/TEU numbers that we are seeing right now. These figures are backed by a Y/Y increase in freight rates in 2022-Q2.

This level of profitability, however, might not continue into Q3, due to the fast-falling freight rates, and the slowdown in global demand.

--- 000 --- END OF PRESS RELEASE --- 000 ---

All quotes can be attributed to: Alan Murphy, CEO, Sea-Intelligence.

For more information, please contact: ia@sea-intelligence.com, am@sea-intelligence.com

Sea-Intelligence is a leading provider of Research & Analysis, Data Services, and Advisory Services within the global supply chain industry, with a strong focus on container shipping. Combining strong quantitative analytical skills with a deep understanding of the supply chain industry, based on many decades of experience at all central parts of the Ocean supply chain, Sea-Intelligence supports customers across all stakeholder groups.