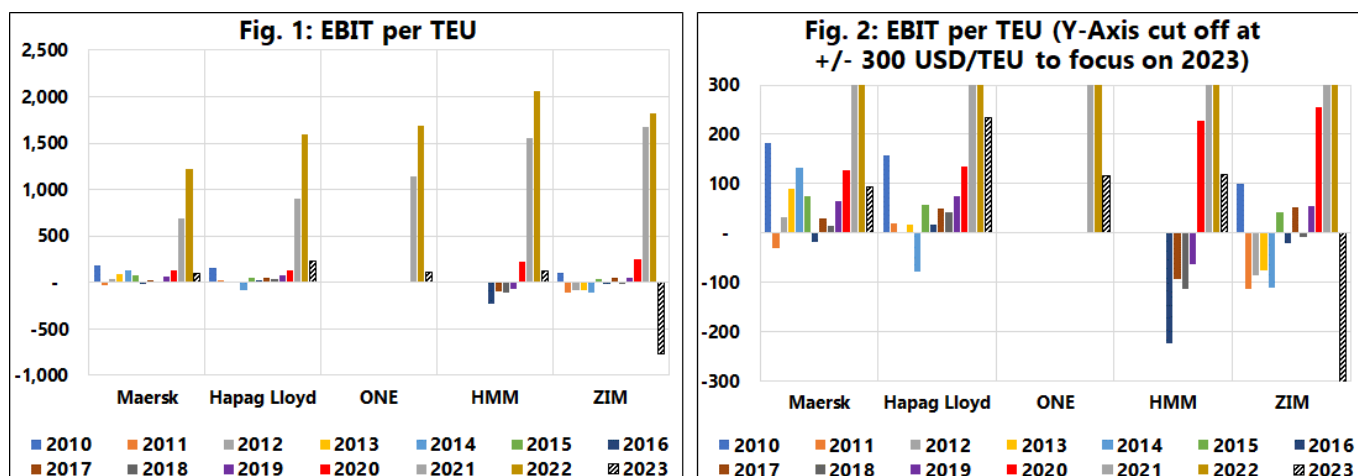


2023 profitability close to pre-pandemic levels

In 2023-FY, all shipping lines saw sharp Y/Y decline in revenues, ranging between -46.6% and -62.6%. However, the annualised revenue growth rate in 2023-FY is in line with 2018-2019, which suggests that the sharp Y/Y revenue decline in 2023-FY is an artefact of the abnormal revenue growth of 2021-2022, rather than a fundamental revenue loss in 2023.

ZIM, Yang Ming, and Wan Hai all recorded EBIT losses in 2023-FY. While four shipping lines had an EBIT of over USD 1bn, what is clear is that profitability levels are nowhere near those in 2021-2022. EBIT per TEU is one way to visualise profitability. Figure 1 shows EBIT for 2010-2023 and shows the unprecedented levels of the 2021-2022 pandemic period, whereas Figure 2 cuts off the y-axis at +/- 300 USD/TEU, to show the developments in 2023.



So far, we have EBIT/TEU data for 5 shipping lines (COSCO and OOCL haven't published yet, and CMA CGM does not publicly publish EBIT anymore). Although Maersk's EBIT/TEU of 94 USD/TEU is significantly lower than in 2021-2022, it is still higher than most of the pre-pandemic years, whereas for Hapag-Lloyd (235 USD/TEU), it is the highest outside of 2021-2022. For ONE (116 USD/TEU), we do not have a pre-pandemic reference point, while for HMM, their 2023-FY EBIT/TEU of 119 USD/TEU is lower than in 2020 but is still better than in 2011-2019 (where they were not profitable at all). ZIM's EBIT/TEU loss of -765 USD/TEU is driven by a "non-cash impairment loss of USD 2.06bn recorded in the third quarter."

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

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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.