## Carrier results drop to pre-pandemic levels

All major shipping lines that report on their financial figures have recorded sharp Y/Y revenue drops in 2023-Q3. In fact, the smallest contraction was of -51.8%. While this does sound alarming, we have to remember that the Y/Y comparison is against a period of high rates. To counter this volatility, we instead compare 2023-Q3 against 2019 on an annualised basis and see that the contraction in 2023-Q3 is an artefact of the abnormal growth in 2021-2022, and the revenues are now really only dropping down to the pre-pandemic levels.
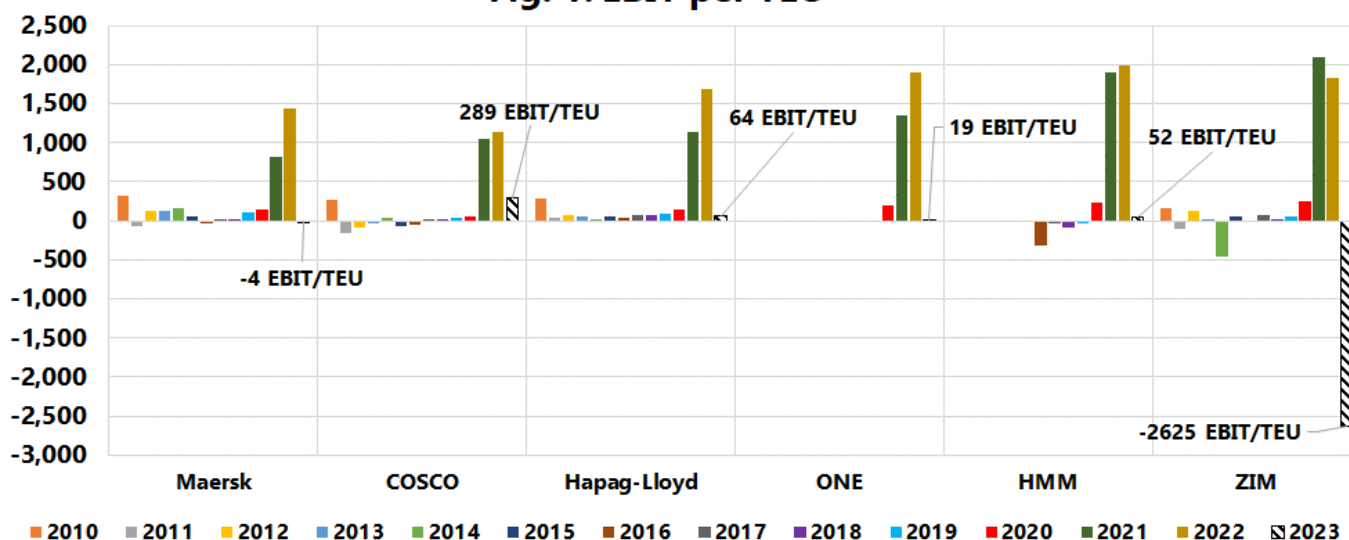


Fig. 1: EBIT per TEU

Figure 1 gives an overview of the EBIT/TEU. After the extraordinarily highs of 2021-2022, in 2023-Q3, we see EBIT/TEU drop in line with the pre-pandemic years. COSCO has been doing well, recording the largest EBIT/TEU of 289 USD/TEU, followed by Hapag-Lloyd with 64 USD/TEU, and HMM with 52 USD/TEU. Maersk recorded the smallest negative EBIT/TEU of -4 USD/TEU, whereas ZIM recorded a significant negative EBIT/TEU of -2,625 USD/TEU (with an EBIT loss of USD 2.28bn). However, for ZIM, they explain that a large part of this is driven by a "non-cash impairment loss of USD 2.06bn."

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

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