

# Rate normalisation drags down CMA CGM's third quarter financial results

November 13, 2023



The board of directors of the CMA CGM Group met on 10 November to evaluate its financial and operating results for the third quarter of 2023.

The French ocean carrier's Q3 container volumes increased slightly by 0.9% compared to the same period last year, totalling 5.7 million TEUs.

"Volumes continued to grow on the North-South and short-sea lines, while further normalizing on the East-West lines, due to inventory drawdowns in the United States and more moderate household consumption in an inflationary environment," said CMA CGM in its announcement.

Consolidated revenue from the company's shipping operations was US\$7.6 billion, a 51.8% decrease year-on-year due to the ongoing normalisation of freight prices.

In addition, EBITDA from CMA CGM's shipping sector reached US\$1.6 billion in 2023 Q3, or 81.6% less than in the third quarter of 2022, while the EBITDA margin was 21%. Furthermore, the average income per TEU was US\$1,322, translating to a 52.3% decrease year-on-year.

	Q3 2022 Shipping	Q3 2023 Shipping	Change
Volume carried, in TEU million	5.67	5.72	0.9%
Revenue, in USD million	15,711	7,569	(51.8)%
EBITDA, in USD million	8,653	1,592	(81.6)%
EBITDA margin %	55.1%	21.0%	-34.1 pts

Commenting on the results for the period, Rodolphe Saadé, chairman and CEO of CMA CGM Group, said, "The industry continued to normalise in the third quarter, with a return to pre-pandemic market conditions. Our performance remained very solid however, confirming the relevance of our growth strategy in terminals and logistics. We are consequently more resilient as we enter this new cycle."

First-half 2023 trends remained at play in the third quarter of 2023, with deteriorated market conditions in the transport and logistics industry, according to CMA CGM.

The Marseille-based shipping group saw an overall revenue of US\$11.4 billion in the third quarter of 2023, with contributions from the Group's marine shipping and logistics operations gradually rebalancing. Moreover, CMA CGM's EBITDA shrank to US\$2 billion, 78.2% less than in the third quarter of 2022 and EBITDA margin was 17.5%, down 28.5 points.

The Group's net income reached US\$388 million, while on 30 September 2023, the debt net of financial resources amounted to US\$100 million.

	Q3 2022 Group	Q3 2023 Group	Change
Revenue, in USD million	19,906	11,431	(42.6)%
EBITDA, in USD million	9,148	1,997	(78.2)%
EBITDA margin %	46.0%	17.5%	-28.5 pts
Net Income, Group share, in USD million	7,039	388	(6 651)

Saadé stated, "The slowdown in the global economy is expected to continue weighing on our industry in the period ahead, but volumes carried are still robust. We remain committed to controlling our operating costs, and are continuing to focus on decarbonising and digitalizing the supply chain to best meet our customers' needs."