



Maersk unit worth more than \$1 billion set to trade in spinoff

By: Christian Wienberg | Apr 29 2024 at 09:46 AM | [Maritime](#) | [Liner Shipping](#) | [Ports & Terminals](#)

A.P. Moller-Maersk A/S is spinning off its towage company on Tuesday in a move analysts expect to slash the transportation giant's market value by more than 5%.

Svitzer Group A/S is probably worth about \$1.6 billion in enterprise value, according to the average estimate of six analysts covering Maersk surveyed by Bloomberg News. The figures they give range widely, to \$2.28 billion from \$1.29 billion. The equity value is estimated to be somewhat lower, at an average \$1.2 billion.

Maersk is demerging the unit, the world's largest operator of tugboats, as the Copenhagen-based company pursues a strategy to focus on container transport, both at sea and on land. Shareholders will get two Svitzer shares for each Maersk share they own with a 1,000-krone (\$144) nominal value.



Tugboats, operated by Svitzer A/S, assist a container ship as it arrives at the Port of Felixstowe.

“What might make the Svitzer stock attractive for some is that it’s a stable company with stable revenue and profit growth,” Mikkel Emil Jensen, an analyst at Sydbank A/S, said by phone. “But on the downside, Svitzer is in an industry where heavy investments are needed, and that will affect cash flows.”

Svitzer commands an about 12% share of the global market, owns some 450 ships and employs 4,000 people. Its chief executive officer, Kasper Nilaus, wants the company to become a dividend stock, he said in February.

“The Svitzer stock might be a bit pressured in the first days of trading because many investors chose to own Maersk for the global logistics exposure and not for towage,” Jensen at Sydbank said. “They may then see their new Svitzer shares as a form of dividend and might choose to sell.”