

First-quarter 2024 financial results: A solid Group pursuing its transformation in a volatile market environment



- Shipping business continues its gradual normalization.
- The CMA CGM Group strengthens its diversification in logistics with the strategic integration of Bolloré Logistics.
- The CMA CGM Group commits to customer service quality by renewing OCEAN Alliance and launching SEA REWARD, the first loyalty program for shipping customers.
- EBITDA down 30% in a geopolitical environment that is impeding the fluidity of global trade.

The Board of Directors of the CMA CGM Group, a global player in sea, land, air and logistics solutions, met today under the chairmanship of Rodolphe Saadé, Chairman and Chief Executive Officer, to review the financial statements for the first quarter of 2024.

Commenting on the results for the period, Rodolphe Saadé, Chairman and Chief Executive Officer of the CMA CGM Group, said:

“Against a backdrop of industry normalization, our Group has demonstrated its agility and resilience in adapting to new market conditions. Our shipping division turned in a solid performance, buoyed by restocking in China and the United States. As for our logistics business, the acquisition of Bolloré Logistics gives us the critical mass we need to better withstand cyclical changes. In 2024, a year that remains uncertain due to the crisis in the Red Sea, CMA CGM will continue to meet its customers' needs as effectively as possible. We will stay on course with our strategic investments, whether in decarbonization or artificial intelligence.”

First-quarter 2024 highlights

During first-quarter 2024, the CMA CGM Group delivered a robust performance. As expected, the start of 2024 proved to be more dynamic for world merchandise trade and demand for

cargo shipping, although it was shaped by persistent geopolitical tensions, particularly in the Red Sea region.

These tensions severely impeded the fluidity of global economic trade during the first quarter, causing a fall in effective available capacity in the shipping sector and a rebound in freight rates compared with the final quarter of 2023.

The disruptions are also producing major operational challenges, to which the Group has responded with agility. However, the Group is keeping a close eye on shipping sector fundamentals, in particular the effects of continued new ship deliveries on the balance between supply and demand, which has an impact on freight rates. The Group also remains focused on cost control and operating discipline.

In this environment, the CMA CGM Group has demonstrated its resilience and, thanks to its financial strength, has continued to invest in the entire transport and logistics value chain, and in decarbonization.

The CMA CGM Group took a major step forward in its strategy to develop its logistics operations by closing the acquisition of the entire share capital of Bolloré Logistics in late February. This decisive transaction means that the new entity combining CEVA and Bolloré Logistics will become one of the world's top five logistics operators, and represents the largest acquisition in the Group's history.

The first quarter of 2024 also saw CMA CGM and its partners extend OCEAN Alliance, the world's largest network of maritime services, until 2032. OCEAN Alliance launched "DAY 8" in April, an enhanced offering designed to serve its customers even better. CMA CGM is also continuing to innovate to reward its customers' regularity and support them through SEA REWARD, the first loyalty program designed for shipping customers.

The Group is also expanding further in the media sector, and in March signed a promise with the Altice France group in order to acquire the entire share capital of Altice Media.

First-quarter 2024 operating and financial performance

CMA CGM Group: good performance as the market returns to normal

	Q1 2023 Group	Q1 2024 Group <i>Change</i>	
Revenue, in USD million	12,722	11,834	(7.0)%
EBITDA, in USD million	3,430	2,390	(30.3)%
EBITDA margin	27.0%	20.2%	-6.8 pts
Net income, Group share, in USD millions	2,011	785	(1,227)

Following deteriorated market conditions experienced in the fourth-quarter of 2023, the first quarter of 2024 was shaped by a rebound in spot freight rates, mainly due to disruptions in the Red Sea region. The resulting longer journey times via the Cape of Good Hope have weighed on available shipping capacity amid a rebound in demand.

Revenue stood at USD 11.8 billion in the first quarter of 2024, driven mostly by the Group's maritime shipping business. EBITDA totaled USD 2.4 billion, 30.3% lower than in first-quarter 2023. EBITDA margin came in at 20.2%, down 6.8 points.

Shipping

	Q1 2023 Shipping	Q1 2024 Shipping	
			<i>Change</i>
Volume carried, in TEU million	5.02	5.61	11.7%
Revenue, in USD million	8,871	7,858	(11.4)%
EBITDA, in USD million	3,038	1,950	(35.8)%
EBITDA margin	34.2%	24.8%	-9.4 pts

In all, 5.6 million TEUs were carried in the first quarter of 2024, up 11.7% from the prior-year period. The increase is due to stronger-than-expected world merchandise trade and demand for cargo shipping, driven by a rebound in consumption and inventory rebuilding following 2023 lows.

Consolidated revenue from maritime shipping operations amounted to USD 7.9 billion over the quarter, down 11.4% year on year. EBITDA totaled USD 1.9 billion, 35.8% lower than in first-quarter 2023. EBITDA margin came in at 24.8%, down 9.4 points. Average revenue per TEU amounted to USD 1,400, down 20.7% year-on-year.

Logistics

	Q1 2023 Logistics	Q1 2024 Logistics	
			<i>Change</i>
Revenue, in USD million	3,863	3,887	0.6%
EBITDA, in USD million	338	361	6.9%
EBITDA margin	8.7%	9.3%	+0.6 pts

In the first quarter, the Group's logistics activities continued to grow, boosted in particular by the consolidation of Bolloré Logistics from February 29 and good momentum in Contract Logistics, Finished Vehicle Logistics and Ground, especially in Europe.

Revenue from logistics activities totaled USD 3.9 billion in the first quarter of the year. EBITDA stood at USD 361 million, a 6.9% increase on first-quarter 2023.

Other activities

	Q1 2022 Other	Q1 2023	
		Other	<i>Change</i>
Revenue, in USD million	413	600	45.4%
EBITDA, in USD million	55	79	43.6%
EBITDA margin	13.3%	13.2%	-0.1 pts

Revenue from other activities (port terminals, CMA CGM Air Cargo, media etc.) increased by 45.4% to USD 600 million. EBITDA rose by 43.6% to USD 79 million, driven by the inclusion of Port Liberty in the scope of consolidation and the recovery in volumes for the terminals business.

Outlook

Uncertainties in the macro-economic and geopolitical environment could continue to cause fluctuations in the transport and logistics market, and weigh on its fluidity and seasonality.

In addition, the commissioning of newbuild deliveries are expected to continue in excess of forecast demand, ultimately affecting the supply-demand equilibrium and, by extension, freight rates.

In this environment, cost control, punctuality and the level of service provided to customers will be essential drivers of competitiveness and differentiation.