CONTAINER NEWS

Maersk increases full-year guidance

June 4, 2024

A.P. Moller - Maersk (Maersk) anticipates greater port congestion, particularly in Asia and the Middle East, as well as an increase in container freight prices, as a result of sustained high container market demand and the disruption caused by the ongoing Red Sea issue.

This progress is increasingly accelerating and is projected to lead to improved financial performance in the second half of 2024.

Based on this result, Maersk raises its 2024 full-year guidance to US$7 to 9 billion in underlying EBITDA and US$1 to 3 billion in EBIT (previously US$4 to 6 billion and US$-2 to 0 billion, respectively), as well as free cash flow of at least US$1 billion (previously US$-2 billion).

"In the past month, the container transport market has entered a new phase driven by the disruptions from the ongoing crisis in the Red Sea and the ripple effects on global supply chains. While demand for container transport remains strong, supply has been negatively impacted by missed sailings, longer routes, equipment shortages, and delays leading to increased congestion across several key ports in Asia and the Middle East. This demand and supply imbalance has had an immediate and profound impact on freight rates," stated Vincent Clerc, CEO of Maersk.

Trading conditions remain volatile, owing to the unpredictability of the Red Sea situation and the uncertainty surrounding future supply and demand, according to the Danish ocean carrier.

Vincent Clerc added, "After a stable first quarter, price increases gained momentum during April and May across many regions. The ongoing threats to commercial vessels in the Red Sea and growing supply chain bottlenecks indicate that this situation won't improve soon. More capacity than expected will be needed to resolve these issues and stabilize the global supply chain. This has led us to reassess the outlook for the remainder of the year and upgrade our financial guidance"

Furthermore, Maersk announced it will unveil its second-quarter results on 7 August 2024.