

CMA CGM experiences 50% profit drop in Q2 2024

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French shipping company CMA CGM Group reported a massive loss of over 50% in its second-quarter profits. The box carrier achieved a net income of US\$661 million in 2024 Q2, down US\$670 million from the profit levels in the same period last year.

Conversely, Group revenue stood at US\$13.1 billion in the second quarter, translating to a year-on-year increase of 6.8%. However, CMA CGM's earnings before interest, taxes, depreciation and amortization (EBITDA) fell by 4.3% to US\$2.48 billion, and the margin came in at 18.9%, down 2.2 points.

	Q2 2023 Group	Q2 2024 Group	Change
Revenue, in USD million	12,289	13,130	+6.8%
EBITDA, in USD million	2,587	2,475	-4.3%
EBITDA margin	21.1%	18.9%	-2.2 pts
Net income, Group share, in USD million	1,331	661	-670

Commenting on the results, Rodolphe Saadé, Chairman and CEO of the CMA CGM Group, said, "Amid sustained demand, our Group delivered a solid performance in the second quarter, with a dynamic shipping business and a growing logistics pillar. We were able to adapt by redeploying capacity in response to the operational challenges caused by major disruptions on the main shipping routes. The Group has made key investments to accelerate the industry's decarbonization by renewing and upgrading its fleet, and to pursue its digital transformation by leveraging artificial intelligence."

The increase in spot freight rates that began in the first quarter continued into the second, according to the company, which noted that amid sustained demand, the situation in the Red Sea and the rerouting of vessels via the Cape of Good Hope continued to weigh on available shipping capacity.

Meanwhile, CMA CGM moved 6 million TEUs in the second quarter of the year, representing a container volume growth of 6.8% from the prior-year period. The increase is due to buoyant world merchandise trade and demand for cargo shipping, led by sustained household consumption and continued inventory rebuilding, impacting Transpacific and Asia-Europe shipping lines among others, according to the French carrier's statement.

The volatile macroeconomic and geopolitical environment could continue to affect the fluidity of maritime shipping and logistics, said CMA CGM, which added it is "continuing to invest in its industrial capabilities and digitization in order to offer customers the highest level of service and continue to decarbonize shipping and logistics".