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ZIM reports staggering quarter; Upgrades Full Year Guidance

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Israeli container liner company ZIM Integrated Shipping Services (ZIM) reported total revenues of \$1.93bn for the second quarter of 2024 up from \$1.31bn for the second quarter of 2023, mainly driven by the increase in freight rates and carried volume.

The company's net income stood at \$373m, compared to net loss of \$213m for the second quarter of 2023, also mainly driven by the increase in revenues.

ZIM carried 952,000 TEUs in the second quarter of 2024, compared to 860,000 TEUs in the second quarter of 2023. The average freight rate per TEU was \$1,674 for the second quarter of 2024, compared to \$1,193 for the second quarter of 2023.

ZIM's Adjusted Ebitda for the second quarter of 2024 was \$766m, compared to \$275m for the second quarter of 2023. Adjusted Ebit improved to \$488m for the second quarter of 2024, compared to Adjusted Ebit loss of \$147m the previous year.

Meanwhile, the total revenues stood at \$3.49bn for the first half of 2024, compared to \$2.68bn for the same period the year before, primarily driven by both an increase in freight rates and carried volume.

ZIM's net income for the first half of 2024 increased to \$465m, a significant improvement from a net loss of \$271m for the first half of 2023, also mainly driven by the increase in revenues.

Adjusted Ebitda was \$1,193m for the first half of 2024, compared to \$648m the year before, whilst adjusted Ebit was \$655m compared to loss of \$160m in 2023.

Furthermore, the company has significantly increased its full year 2024 guidance and today forecasts full year Adjusted Ebitda between \$2.6bn and \$3bn, and Adjusted Ebit between \$1.45bn and \$1.85bn.

"We are pleased with our strong second quarter performance, highlighted by outstanding strategic execution that led to record high carried volume, representing 11% growth year-over-year. The steps we have taken to upscale our capacity and enhance our cost structure continued to drive strong financial results," said Eli Glickman, ZIM President and CEO.

On the newbuilding sector Glickman also remarked, "While market fundamentals still signal supply growth significantly outpacing demand, we are confident that we have built a resilient business with a transformed fleet. By year's end, our ongoing newbuild program will be complete, as we receive delivery of the remaining eight out of 46 modern, fuel-efficient containerships that we secured, including 28 LNG-powered vessels."