

Hapag-Lloyd ups profit forecast on strong demand, improved freight rates

Hapag-Lloyd has followed its future alliance partner Maersk in upgrading its full year forecast as it releases strong preliminary financial figures for Q3.

[Marcus Hand](#), Editor

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Credit: Hapag-Lloyd

Publishing its preliminary third quarter financials [Hapag-Lloyd](#) the container line reported an EBITDA of \$3.6 billion and EBIT of approximately \$1.9 billion for the first nine months of 2024. This compared to an EBITDA of \$4.5 billion and EBIT of \$3 billion for the same period a year earlier.

Hapag-Lloyd plans to publish its final figures for the first nine months of 2024 on 14 November.

Container lines have benefitted from diversions via the Cape of Good Hope which have soaked up expected excess capacity from newbuildings entering the fleet and an early peak season as shippers sought to avoid expected disruption later in the year driving up freight rates.

“Given the current course of business, characterised by stronger than expected demand and improved freight rates, and despite increased expenses related to the necessary diversion of vessels around the Cape of Good Hope, the Executive Board of Hapag-Lloyd AG is raising its earnings outlook for the financial year 2024,” the company said.

The shipping line has raised its full year EBITDA forecast to \$4.6 to \$5.0 billion, from \$3.5 to \$4.6 billion previously, and its EBIT forecast to \$2.4 to \$2.8 billion, from \$1.3 to \$2.4 billion.

However, much as container shipping has performed much better than expected this year due to external factors Hapag-Lloyd raised the possibility that markets could turn again suddenly. “Against the backdrop of very volatile freight rates and major geopolitical challenges, the forecast is subject to a high degree of uncertainty,” it warned.

Related: [Maersk reports strong Q3 results, ups full year forecast](#)

Should Houthi attacks against shipping the Red Sea come to an end and major container lines start sailing the Suez Canal again rather than the Cape of Good Hope it is expected to have a major negative impact on market conditions due to an increase in available capacity. However, given continued rising tensions in the Middle East between Israel, Gaza and Lebanon, such a scenario looks unlikely in the near term.

The upgrade in earnings outlook by Hapag-Lloyd follows a similar move by its future alliance partner [Maersk](#) earlier this week. The two lines will begin operation of the Gemini Cooperation in February 2025 and have chosen to run their network between Asia and Europe/Med/US East Coast via the Cape of Good Hope.