

ZIM reports US\$2.7 billion annual net loss amidst financial downturn

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ZIM Sammy Ofer in Panama Canal

Israeli ocean carrier ZIM announced its results for the previous year, following the trend observed across major container lines, according to which the companies' financial figures in 2023 are significantly lower than in 2022.

In particular, ZIM's total revenues were US\$5.16 billion for the full year of 2023, compared to US\$12.56 billion in the previous year, driven primarily by the decrease in freight rates. Notably, the average freight rate per TEU was US\$1,203 in 2023, compared to US\$3,240 in 2022.

Additionally, the company reported an operating loss of US\$2.5 billion in 2023, compared to operating income of US\$6.1 billion in 2022. "The decrease was primarily driven by the above-mentioned decrease in revenues and an impairment loss of US\$2 billion recorded in the third quarter of 2023," said ZIM in a statement.

Furthermore, ZIM's net loss for 2023 was US\$2.7 billion, compared to net income of US\$4.6 billion for 2022. The company's adjusted EBITDA also fell from US\$7.5 billion to US\$1 billion, while ZIM announced an adjusted EBIT loss of US\$422 million, compared to an adjusted EBIT of US\$6.1 billion in 2022.

Adjusted EBITDA and Adjusted EBIT margins for the full year of 2023 were 20% and -8%, respectively. This compares to 60% and 49% for the full year of 2022, respectively.

In the previous year, the Haifa-based container carrier moved 3.3 million TEUs, maintaining its box volume levels steady.

Eli Glickman, ZIM President & CEO, stated, "We made significant progress advancing our strategic transformation and are pleased to have already started to realize the favorable outcomes we projected. Specifically, we are well on our way to markedly improving our cost structure, enhancing our commercial resilience, and enabling reduced carbon emissions for both ZIM and our customers moving forward."

He added, "Our fleet renewal programme, which includes 46 newbuild container ships, focuses on shifting ZIM's reliance on older, less fuel-efficient vessels to a cost and fuel-efficient, more sustainable and largely LNG-powered newbuild fleet, and is progressing as planned following the delivery of 24 new vessels to date. Our cost per TEU is declining and we anticipate additional improvements as our 22 outstanding newbuilds are delivered during the remainder of the year. We continue to review our services to best address customers' evolving needs and position ZIM to capitalize on attractive growth opportunities."

Glickman concluded, "During a time when the market remains volatile, our strong cash position will enable us to continue to maintain a long-term view as we focus on generating sustainable value for both customers and shareholders. Looking ahead, we intend to continue to take decisive steps to further benefit from our strategic transformation and expect ZIM to emerge in a stronger position than ever in 2025 and beyond."