



ZIM reports financial results for the third quarter of 2024; Raises full year 2024 guidance

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[ZIM Integrated Shipping Services Ltd.](#) (NYSE: ZIM), ("ZIM" or the "Company") a global container liner shipping company, announced today its consolidated results for the three and nine months ended September 30, 2024.

Third Quarter 2024 Highlights

- Net income for the third quarter was \$1.13 billion (compared to a net loss of \$2.27 billion in the third quarter of 2023), or diluted earnings per share of \$9.34 (compared to diluted loss per share of \$18.90 in the third quarter of 2023).
- Adjusted EBITDA¹ for the third quarter was \$1.53 billion, a year-over-year increase of 626%.
- Operating income (EBIT) for the third quarter was \$1.23 billion, compared to operating loss of \$2.28 billion in the third quarter of 2023.
- Adjusted EBIT¹ for the third quarter was \$1.24 billion, compared to Adjusted EBIT loss of \$213 million in the third quarter of 2023.
- Total revenues for the third quarter were \$2.77 billion, a year-over-year increase of 117%.
- Carried volume in the third quarter was 970 thousand TEUs, a year-over-year growth of 12%.
- Average freight rate per TEU in the third quarter was \$2,480, a year-over-year increase of 118%.
- Net debt¹ of \$2.70 billion as of September 30, 2024, compared to \$2.31 billion as of December 31, 2023; net leverage ratio¹ of 0.9x as of September 30, 2024, compared to 2.2x as of December 31, 2023.

Eli Glickman, ZIM President & CEO, stated, "ZIM delivered strong third quarter results, as we again achieved record carried volumes contributing to our outstanding financial performance. We are pleased to share our success with our shareholders and declare a special dividend of ~\$100 million on top of the regular 30% of quarterly net income dividend payout of ~\$340 million, for a total dividend of ~\$440 million, or \$3.65 per share. Our growing earnings power is reflective of a strong rate environment, but also a testament to our diligent execution, upscaling our capacity and enhancing our cost structure. We've continued to see incremental benefits from our strategic investment in our operated capacity as new larger, more modern, cost-effective vessels join our fleet."

Mr. Glickman added, "Also contributing to our strong Q3 was a decision we made earlier in the year to increase our exposure to spot volumes in the Transpacific trade. A key differentiator for ZIM is our commercial agility and we intend to continue to leverage this strength to capitalize on market opportunities moving forward. Based on results that have exceeded expectations to date and improved outlook for the fourth quarter of 2024, we have increased our full year 2024 guidance and today forecast full year Adjusted EBITDA between \$3.3 billion and \$3.6 billion and Adjusted EBIT between \$2.15 billion and \$2.45 billion."

Mr. Glickman concluded, "We will close out the year with the final delivery of the remaining four out of 46 newbuild containerships that we secured, which include 28 LNG-powered vessels. Entering

2025, we will be operating a fleet that is both well-equipped to meet emissions reduction targets and well suited to the trades in which we operate. Supported by our declining unit costs, we believe ZIM is well positioned to deliver profitable growth over the long term.”

Summary of Key Financial and Operational Results

	Q3-24	Q3-23	9M-24	9M-23
Carried volume (K-TEUs)	970	867	2,768	2,496
Average freight rate (\$/TEU)	2,480	1,139	1,889	1,235
Total revenues (\$ in millions)	2,765	1,273	6,260	3,957
Operating income (loss) (EBIT) (\$ in millions)	1,235	(2,276)	1,870	(2,457)
Profit (loss) before income tax (\$ in millions)	1,133	(2,342)	1,604	(2,678)
Net income (loss) (\$ in millions)	1,126	(2,270)	1,591	(2,541)
Adjusted EBITDA ¹ (\$ in millions)	1,531	211	2,725	859
Adjusted EBIT ¹ (\$ in millions)	1,236	(213)	1,891	(373)
Net income (loss) margin (%)	41	(178)	25	(64)
Adjusted EBITDA margin (%)	55	17	44	22
Adjusted EBIT margin (%)	45	(17)	30	(9)
Diluted earnings (loss) per share (\$)	9.34	(18.90)	13.17	(21.19)
Net cash generated from operating activities (\$ in millions)	1,498	338	2,600	858
Free cash flow ¹ (\$ in millions)	1,454	328	2,470	791
	SEP-30-24	DEC-31-23		
Net debt ¹ (\$ in millions)	2,698	2,309		

Financial and Operating Results for the Third Quarter Ended September 30, 2024

Total revenues were \$2.77 billion for the third quarter of 2024, compared to \$1.27 billion for the third quarter of 2023, mainly driven by the increase in freight rates as well as carried volume.

ZIM carried 970 thousand TEUs in the third quarter of 2024, compared to 867 thousand TEUs in the third quarter of 2023. The average freight rate per TEU was \$2,480 for the third quarter of 2024, compared to \$1,139 for the third quarter of 2023.

Operating income (EBIT) for the third quarter of 2024 was \$1.23 billion, compared to operating loss of \$2.28 billion for the third quarter of 2023. The increase was primarily driven by the impairment loss recorded in the third quarter of 2023 and the above-mentioned increase in revenues.

Net income for the third quarter of 2024 was \$1.13 billion, compared to net loss of \$2.27 billion for the third quarter of 2023, also mainly driven by the above-mentioned impairment loss recorded in the third quarter of 2023 and the increase in revenues.

Adjusted EBITDA for the third quarter of 2024 was \$1.53 billion, compared to \$211 million for the third quarter of 2023. Adjusted EBIT was \$1.24 billion for the third quarter of 2024, compared to Adjusted EBIT loss of \$213 million for the third quarter of 2023. Adjusted EBITDA and Adjusted EBIT margins for the third quarter of 2024 were 55% and 45%, respectively. This compares to 17% and -17% for the third quarter of 2023, respectively.

Net cash generated from operating activities was \$1.50 billion for the third quarter of 2024, compared to \$338 million for the third quarter of 2023.

Financial and Operating Results for the Nine Months Ended September 30, 2024

Total revenues were \$6.26 billion for the first nine months of 2024, compared to \$3.96 billion for the first nine months of 2023, primarily driven by both an increase in freight rates as well as carried volume.

ZIM carried 2,768 thousand TEUs in the first nine months of 2024, compared to 2,496 thousand TEUs in the first nine months of 2023. The average freight rate per TEU was \$1,889 for the first nine months of 2024, compared to \$1,235 for the first nine months of 2023.

Operating income (EBIT) for the first nine months of 2024 was \$1.87 billion, compared to operating loss of \$2.46 billion for the first nine months of 2023. The increase was primarily driven by the above-mentioned increase in revenues and the impairment loss recorded in the third quarter of 2023.

Net income for the first nine months of 2024 was \$1.59 billion, compared to net loss of \$2.54 billion for the first nine months of 2023, also mainly driven by the above-mentioned increase in revenues and impairment loss recorded in the third quarter of 2023.

Adjusted EBITDA was \$2.72 billion for the first nine months of 2024, compared to \$859 million for the first nine months of 2023. Adjusted EBIT was \$1.90 billion for the first nine months of 2024, compared to Adjusted EBIT loss of \$373 million for the first nine months of 2023. Adjusted EBITDA and Adjusted EBIT margins for the first nine months of 2024 were 44% and 30%, respectively. This compares to 22% and -9% for the first nine months of 2023.

Net cash generated from operating activities was \$2.60 billion for the first nine months of 2024, compared to \$858 million for the first nine months of 2023.

Liquidity, Cash Flows and Capital Allocation

ZIM's total cash position (which includes cash and cash equivalents and investments in bank deposits and other investment instruments) increased by \$441 million from \$2.69 billion as of December 31, 2023 to \$3.13 billion as of September 30, 2024. Capital expenditures totaled \$50 million for the third quarter of 2024, compared to \$14 million for the third quarter of 2023. Net debt position as of September 30, 2024 was \$2.70 billion, compared to \$2.31 billion, as of December 31, 2023, an increase of \$389 million. ZIM's net leverage ratio as of September 30, 2024, was 0.9x, compared to 2.2x as of December 31, 2023.

Third Quarter 2024 and Special Dividend

In accordance with the Company's dividend policy, the Company's Board of Directors declared a regular cash dividend of approximately \$340 million, or \$2.81 per ordinary share, reflecting approximately 30% of third quarter 2024 net income. In addition, the Board of Directors declared a

special dividend of approximately \$100 million, or \$0.84 per share, for a total dividend of approximately \$440 million or \$3.65 per share. The dividend (both regular and special) will be paid on December 9, 2024, to holders of record of ZIM ordinary shares as of December 2, 2024.

All future dividends are subject to the discretion of Company's Board of Directors and to the restrictions provided by Israeli law.

Use of Non-IFRS Measures in the Company's 2024 Guidance

A reconciliation of the Company's non-IFRS financial measures included in its full-year 2024 guidance to corresponding IFRS measures is not available on a forward-looking basis. In particular, the Company has not reconciled its Adjusted EBITDA and Adjusted EBIT because the various reconciling items between such non-IFRS financial measures and the corresponding IFRS measures cannot be determined without unreasonable effort due to the uncertainty regarding, and the potential variability of, the future costs and expenses for which the Company adjusts, the effect of which may be significant, and all of which are difficult to predict and are subject to frequent change.

Updated Full-Year 2024 Guidance

The Company increased its guidance for the full year of 2024 and now expects to generate Adjusted EBITDA between \$3.3 billion and \$3.6 billion and Adjusted EBIT between \$2.15 billion and \$2.45 billion. Previously, the Company expected to generate Adjusted EBITDA between \$2.6 billion and \$3.0 billion and Adjusted EBIT between \$1.45 billion and \$1.85 billion.

Conference Call Details

Management will host a conference call and webcast (along with a slide presentation) to review the results and provide a corporate update today at 8:00 AM ET.

To access the live conference call by telephone, please dial the following numbers: United States (toll free) +1-800-715-9871 or +1-646-307-1963; Israel +972-3-376-1144 or UK/international +44-20-3481-4247, and reference conference ID: 1972775 or the conference name. The call (and slide presentation) will be available via live webcast through ZIM's website, located at the following [link](#). Following the conclusion of the call, a replay of the conference call will be available on the Company's website.