

## Red Sea crisis drives Maersk to 3rd most profitable ever year

Diversions via the Cape of Good Hope drove up freight rates in 2024, but a mid-year re-opening of Red Sea transits could see Maersk back at breakeven for 2025.

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Ane Mearsk arriving at Port of TangierCredit: Maersk

[AP Moller – Maersk](#) reported a 65% increase in EBIT for the full year 2024 of \$6.5 billion compared to \$3.94 billion in 2023. The company reported annual revenues of \$55.48 billion for 2024 up from \$51.07 billion in the previous year.

The improved financial results, according to Maersk its third best ever, were driven by increased container demand and higher freight rates due to the security situation in the Red Sea which saw all major container lines rerouting Asia – Europe/Med and Asia – US East Coast services via the Cape of Good Hope adding 10 – 14 days to transit in each direction.

EBIT reported by Maersk's ocean business, or container shipping, more than doubled to \$4.47 billion last year compared to \$2.23 billion in 2023. The terminals business under [APM Terminals](#) also saw significant improvement of EBIT from \$980 million in 2023 to \$1.33 billion last year. The logistics and services business reported an EBIT of \$538 million in 2024, up from \$446 million.

"Increased freight rates driven by the situation in the Red Sea, combined with our ability to capitalise on higher-than-expected demand, strong operational execution and cost discipline, led us to repeatedly raise expectations through - out the year, ultimately delivering results significantly above initial guidance," said Vincent Clerc, CEO of Maersk, and Robert Maersk Ugglå, Chair of Maersk, in their annual report statement.

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In its Ocean business recent days has seen the start of its new alliance the Gemini Cooperation with [Hapag-Lloyd](#). The new alliance has placed an emphasis on a hub and spoke network to improve efficiency and reliability.

“The network is enabled by our own hub terminals, supported by investments to ensure fast and efficient transshipment. Once fully phased in, we will reduce stops per loop by approximately 40% and shorten loops by around 15% in terms of sailed miles, ultimately leading to improved asset turnover,” the Maersk Chair and CEO stated.

Maersk has put a strong emphasis on logistics and services in recent years and 2024 saw the completion of the integration of LF Logistics with some 10,000 staff and 155 warehouses globally. Despite the investment in the services and logistics businesses it still contributed less than 10% of Maersk’s \$6.5 billion EBIT in 2024 and while revenues grew 7% to \$14.92 billion last year this stood at 26.8% of the group’s total revenues of \$55.48 billion.

Looking ahead Maersk said its financial guidance was based on global container volumes growth of 4% and the Danish company growing in line with the market. The re-opening of the Red Sea is set to have considerable impact on Maersk’s profitability in 2025.

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The company forecast an EBIT of \$0.0 billion, or breakeven, if the Red Sea route re-opens mid-year and \$3.0 billion if ships continue to reroute via the Cape of Good Hope until the end of 2025.

“Maersk’s outlook for 2025 is subject to considerable macroeconomic uncertainties impacting container volume growth and freight rates,” the company said.