After buoyant year, CMA CGM sees ‘unprecedented uncertainty’ in 2025

Red Sea, tariffs aid revenue, profit

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(Photo: Flickr/Bernard Spragg)

Red Sea diversions and tariff fears boosted container carrier CMA CGM results in 2024, but the company sees a less clear outlook this year.

The world’s third-largest liner operator reported full-year revenue of $55.5 billion in 2024, up 18% y/y. Earnings before interest, taxes, depreciation and amortization was $13.4 billion, with an EBITDA margin of 24.2%.

Net income for the privately held company was $5.71 billion, up 2.07% y/y.

Revenue from container shipping was $36.5 billion, ahead 16.2% from 2023. EBITDA soared to $11.24 billion, up 51.9%. EBITDA margin was 7.2 points better at 30.8%, which compares to 31.2% for competitors Ocean Network Express, 24.6% for Maersk (OTC: AMKBY) and 24.2% for Hapag-Lloyd.

CMA CGM with Cosco Shipping of China, Taiwan’s Evergreen, and OOCL of Hong Kong operates in the capacity-sharing Ocean Alliance, which has been extended until 2032. In an earnings call reported by Bloomberg, company executives said that the effect of U.S. tariffs on Chinese imports could be mitigated by the shift of supply chains to other regions.

CMA CGM’s global twenty-foot equivalent unit volume climbed 7.8% to 23.57 million TEUs, ahead of overall market growth of 6.2%.

Logistics revenue totaled $18.4 billion, a 20.9% increase from 2023.

The ocean shipping industry is also facing substantial proposed U.S. charges on Chinese-made vessels, which could have substantial effects on the Ocean Alliance’s operations.

“Our group has delivered strong results this year, driven by our shipping activities. Our logistics business has also performed well, supported by the strategic investments made in recent years” said Rodolphe Saadé, chairman and chief executive whose family controls the Marseilles, France-based company, in an earnings release. “In 2025, in a context of heightened geopolitical tensions and unprecedented uncertainty, our group will continue to strengthen its position with an expanding low-carbon fleet, state-of-the-art infrastructure, and a workforce trained to tackle the challenges ahead. With these solid foundations, I am confident in our ability to adapt and continue delivering exemplary service to our customers.”

The company said conflicts in the Middle East led to disruptions in the Red Sea and Gulf of Aden, which forced vessels to divert on longer voyages around Africa’s Cape of Good Hope. While the earnings release did not explicitly state it, CMA CGM and other major carriers saw 2024 results buoyed by lower capacity and corresponding higher rates.

At the same time, CMA CGM was the only major liner in 2024 that continued to operate some scheduled services in the Red Sea under military escort.

CMA CGM said expected increases in tariffs “impeded the fluidity of world trade in 2024.”

The company in 2024 acquired 48% of Santos Brasil, the leading port infrastructure operator in Brazil and operator of the largest container terminal in South America. It also signed a joint partnership agreement with Marsa Maroc to operate part of Morocco’s Nador West Med container terminal and inaugurated the Khalifa terminal in Abu Dhabi, a key hub for international trade.

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