



By Carl
Collen

Friday 20th November 2020, 12:35 GMT

Improved profitability for Maersk



Group reports on strong ocean performance and growth in logistics and services in the third quarter

AP Møller-Maersk has reported on improved profitability across the business during the third quarter (Q3), despite the negative impact on global economies of the Covid-19 pandemic.

The company grew earnings before interest, tax, depreciation and amortisation (EBITDA) 39 per cent to US\$2.3bn, with revenue decreasing 1.4 per cent to US\$9.9bn.

According to Maersk, the earnings increase was achieved through stringent cost control, agile capacity management, strong focus on customer offerings with further traction in uptake of digital services, and some benefit from a sequential demand recovery compared to the second quarter.

"Despite Covid-19 negatively affecting activities in most of our businesses, our disciplined execution of the strategy led to solid earnings and cash flow growth in Q3," said Søren Skou, chief executive of AP Møller-Maersk. "At the same time, we managed to further integrate and simplify the organisation in Ocean and Logistics, we closed the acquisition of KGH Customs Services and continued the integration of Performance Team, supporting our strong financial performance in Logistics & Services."

The main performance driver was Ocean, Maersk said, which, despite decreasing volumes of 3.6 per cent, improved profitability by US\$511m to US\$1.8bn, reaching an EBITDA margin of 25.4 per cent.

"Throughout the pandemic, our main priorities have been keeping our employees safe, keeping our global network and ports operating to serve our customers and supporting the societies we are part of," Skou noted. "This continues to be our focus as demand has begun to partially recover."

"Our progress in earnings and in our transformation allows us to look confidently past the extraordinary 2020, however we remain well aware of the high level of uncertainty the pandemic and associated lock downs continue to pose in the coming quarters," he added.