



By Carl
Collen

Monday 15th February 2021, 10:55 GMT

Strong 2020 showing from Maersk



Logistics giant shakes off low volumes to register growth in revenue and underlying earnings

AP Moller-Maersk has reported on its results for 2020, describing it as a year of "solid progress" despite the challenges thrown up by the Covid-19 pandemic.

The logistics group revealed that both revenue and earnings increased through the 12-month period.

Despite low volumes during most of 2020, profitability grew throughout the first nine months and Maersk the year with record fourth-quarter results in logistics and terminals, while the ocean segment delivered an "exceptional quarter driven by the increased volumes and current, temporary supply chain disruptions".

"2020 will forever be remembered for the Covid-19 pandemic that negatively impacted our lives, jobs, businesses and the global economy," noted Søren Skou, Maersk CEO. "I am proud that

we have accelerated our transformation and delivered earnings growth during every quarter of 2020, despite very different market conditions, beginning with negative Covid-19 impact in the first half to a rebound in Q4."

Revenue growth

The company grew underlying earnings before interest, tax, depreciation and amortisation (EBITDA) by 44 per cent to US\$8.2bn and revenue grew to US\$ 39.7bn in 2020 compared to US\$ 38.9bn in 2019.

Maersk said that, while the demand surge in the second half of year created supply chain bottlenecks including vessel and container shortages, and led to higher rates that contributed approximately US\$1.5bn to results, the ocean segment "further improved its intrinsic performance by focusing on costs, agile capacity management and launching new digital offerings".

"Financially, we left 2020 with a very strong balance sheet and little debt, which will allow us to continue to invest in our transformation and grow profitably," Skou continued. "We are well equipped to deal with the ongoing market volatility and also to benefit from a world that hopefully starts to re-open."

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