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Wednesday, Aug. 20, 2025 at 8 a.m. ET

President & Chief Executive Officer ? Eli Glickman

Chief Financial Officer ? Xavier Destriau

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Total revenue for the second quarter decreased 15%, reflecting lower freight rates and volume.

The average freight rate per TEU fell to \$1,479 from \$1,674 in Q2 2025, indicating significant pricing pressure.

Net income (GAAP) declined to \$24 million from \$373 million year over year in Q2 2025, demonstrating material profit contraction.

Adjusted EBITDA and EBIT margins compressed to 29% and 9% in Q2 2025, down from 40% and 25% in the second quarter of last year, indicating reduced profitability.

Revenue-- \$1.6 billion in the second quarter, a 15% year-over-year decrease to \$1.6 billion, driven by lower freight rates and reduced volumes.

Net income-- \$24 million for the second quarter, reflecting a significant decrease from the prior year.

Adjusted EBITDA-- \$472 million with a 29% margin in Q2 2025. Adjusted EBIT was \$149 million at a 9% margin.

Liquidity-- Total liquidity stood at \$2.9 billion as of June 30, 2025, after \$470 million in dividend payments during Q2 2025.

Dividend declared-- \$0.06 per share, totaling \$7 million in Q2 2025, representing 30% of quarterly net income.

Full-year guidance update-- Adjusted EBITDA guidance raised to a range of \$1.8 billion to \$2.2 billion for full-year 2025. Adjusted EBIT guidance increased to \$550 million to \$950 million for full-year 2025.

Carried volume-- 895,000 TEUs in Q2 2025, a 6% year-over-year decline as gains from Southeast Asia did not fully offset reduced shipments from China.

Latin American volume-- Latin American volume grew 10% year over year in the second quarter of 2025.

Car carrier revenue-- \$111 million in Q2 2025, down from \$128 million in Q2 2024.

Fleet composition-- 123 container ships with a total capacity of 767,000 TEUs as of Q2 2025; two-thirds of capacity comes from 46 newbuild vessels delivered in 2023 and 2024.

Charter flexibility-- By the end of 2026, a total of 34 vessels to 12 vessels (64,000 TEUs) in 2025 and

22 vessels (70,000 TEUs) in 2026 are up for renewal, offering flexibility to adjust capacity to market conditions.

LNG vessel orders-- A new long-term charter agreement for ten 11,500 TEU LNG dual-fuel vessels to be delivered in 2027 and 2028.

Free cash flow-- \$426 million in free cash flow in Q2 2025, compared to \$712 million in Q2 2024.

Total debt trend-- Total debt decreased by \$115 million since the prior year-end, driven by repayments exceeding additions.

Forecasted freight rate trend-- Full-year 2025 average freight rates expected to be significantly below 2024, with weak outlook for the remainder of the year.

Management cited volatility from American tariff announcements as a primary factor impacting both volume and pricing throughout the quarter. The company reinforced its focus on fleet modernization, emphasizing the delivery of 46 newbuild vessels in 2023 and 2024, and new LNG-capable ships committed for delivery in 2027 and 2028, as key cost and environmental differentiators, while flagging continued uncertainty over trade flows and tariffs, particularly in the Trans-Pacific corridor. Strategic guidance for 2025 was updated to reflect improved downside confidence, yet continued anticipation of second-half weakness, consistent with management's cautious market posture. The company indicated ongoing operational flexibility in maintaining or resizing its chartered fleet in response to market conditions and adverse geopolitical events.

Glickman stated, "we do not anticipate a strong peak season this year." and signaled "continued pressure on freight rates during 2025."

Destriau emphasized that for 25 of the 28 LNG vessels, "we hold options to extend the charter period as well as purchase options, giving us full control over the destiny of these vessels,"

The company expects operational capacity in 2025 to be similar to 2024, with exposure to volume risk given flat full-year growth guidance.

Market commentary noted that "scrapping has been minimal for several years, and idle capacity has remained low?below 1%?for the past eighteen months,"

TEU: Twenty-foot equivalent unit, the standard measure of containerized freight volume.

LNG dual-fuel vessel: A ship capable of operating on either liquefied natural gas or conventional marine fuel, often considered more eco-friendly.

Bunker cost: The expense of marine fuel used by ships in operation.

Eli Glickman: Thank you, Elana. And welcome, everyone. Thank you for joining us today. Despite severe market disruption and volatility mainly due to American tariff announcements, we leveraged our transformed fleet and improved cost structure in Q2 to mitigate negative effects. Slide number four. We generated revenue of \$1.6 billion and net income of \$24 million. Q2 adjusted EBITDA was \$472 million, and adjusted EBIT was \$149 million. We suggested an EBITDA margin of 29% and an adjusted EBIT margin of 9%. We maintain total liquidity of \$2.9 billion as of June 30, having paid approximately \$470 million in dividends in the second quarter. Slide number five. Per our dividend policy, we distribute 30% of quarterly net income.

Our Board of Directors has declared a dividend of 6¢ per share, totaling \$7 million based on Q2 results. Despite the considerable uncertainty, given our performance today, we are revising our full-year guidance ranges. We are raising the lower end of our full-year guidance such that we expect to generate adjusted EBITDA between \$1.8 billion to \$2.2 billion and adjusted EBIT between \$550 million to \$950 million. Xavier, our CFO, will provide additional context in our underlying assumptions for our 2025 guidance later on the call. Slide number six.

While it has been an unpredictable 2025 so far with wide swings in freight rates, we are confident in our competitive position in the industry and believe ZIM Integrated Shipping Services Ltd. is well-positioned to navigate turbulent periods like the one we are in today. These trends lie in our modern competitive fleet and agile commercial strategy, and we will remain proactive in responding to changes in demand across our global trade lanes. We have adapted our Trans-Pacific network to account for the changes in the cargo flow following the various tariff enhancements since April. We first rearranged our Trans-Pacific network to address the sharp decline in cargo from China to the US.

In parallel, improvement in cargo flow from other Southeast Asian markets. And later, we reinstated capacity to China after the spike in demand following the tariff suspension announcement in May. As we have previously discussed, we aim to build a strong commercial presence in key markets in which we operate and diversify our geographic footprint to enhance our business resilience. Accordingly, ZIM Integrated Shipping Services Ltd. has worked to expand and diversify this network to bolster mirror changes in trade flows to the US as well as increase our exposure to trade from China to diverse end markets beyond the United States.

Our expanded presence in Southeast Asia, especially in Vietnam and Thailand, aligns with the region's size as a manufacturing hub for the US and globally. ZIM Integrated Shipping Services

Ltd.'s strong and growing position in this market will enable us to capitalize on the expected continued growth in these trades. During the second quarter, this presence in Southeast Asia served as an advantage, enabling us to partially mitigate the impact of reduced cargo flows from China. Nevertheless, the incremental volume from Southeast Asia was not sufficient to fully offset the shortfall, as reflected in our overall carried volume for the period.

The surge in transpacific demand we experienced in May was short-lived, and current demand on this trade continues to be relatively weak. Furthermore, due to ongoing uncertainty regarding tariffs between the US and China, and based on our current visibility, we do not anticipate a strong peak season this year. As the supply that was previously withdrawn from the Trans-Pacific has been reinstated, we also anticipate continued pressure on freight rates during 2025. In light of this development, we are pleased with our growing presence in Latin America, where we saw 10% volume growth year over year. ZIM Integrated Shipping Services Ltd. tends to benefit from growing trade between Latin American countries and both the US and China.

In addition to growing geographic diversification, our operational excellence remains a core strength. We operate today a modern and cost-competitive fleet that is highly suited to the trades where we currently operate, and we continue to focus on ensuring access to the right capacity. Following a transition period from 2023 to 2024, during which we had 46 new build vessels delivered to us, we entered 2025 with a transformed fleet significantly improving our cost structure and the efficiency of our operated capacity, thanks to larger, more modern vessels. Moving forward, our objective is to maintain and further enhance our competitive position while capitalizing on attractive opportunities that will ensure our fleet remains modern and cost-effective.

In April, we announced a new long-term chartering agreement for ten 11.5 thousand TEU LNG dual-fuel vessels to be delivered in 2027 and 2028. Not only is this versatile capacity ideally suited

for ZIM Integrated Shipping Services Ltd.'s various global trades, but it will also further strengthen our core LNG fleet, which is a critical commercial differentiator. In the future, we see significant value as operators of LNG tonnage, and customers increasingly seek eco-friendly shipping solutions. We also view it as imperative that ZIM Integrated Shipping Services Ltd. maintains some degree of flexibility at all times to act dynamically and reshuffle vessel capacity based on market demand.

Recognizing the market realities of today may be different than the realities of tomorrow, we implement the same agility operationally, aligning our credit capacity with the shifting dynamics of the trading environment. This year, we regained this important optionality with respect to our fleet size and have redelivered charter capacity. Xavier will discuss our current fleet profile in more detail. Overall, market fundamentals still point to supply growth outpacing demand moving forward. However, as we have seen, the rate environment can be volatile and unpredictable, driven by a range of factors impacting global trade and economic expectations.

In the face of such uncertainty, our focus is controlling what we can to position ZIM Integrated Shipping Services Ltd. for sustainable and profitable growth. We are confident that our commitment to excellence and our agility will serve us well, and we continue to take steps forward to further enhance ZIM Integrated Shipping Services Ltd.'s business resilience both commercially and operationally. On this note, I will turn the call over to Xavier Destriau, our CFO, for a more detailed discussion of financial results, 2025 guidance, as well as additional comments on the market environment. Xavier, please.

Xavier Destriau: Thank you, Eli. And, again, on my behalf, welcome to everyone. Slide seven will present our key financial and operational highlights. Second quarter revenues were \$1.6 billion, down 15% compared to last year, reflecting lower freight rates and lower volume. Total revenues in

2025 of \$3.6 billion were up \$147 million, or 4% year over year. Our average freight rate per TEU in the second quarter was \$1,479, compared to \$1,674 per TEU in the second quarter of last year. Q2 carried volumes of 895,000 TEUs were 6% lower year over year due to the disruption in the market that Eli already referred to.

Revenue from non-containerized cargo, which reflects mostly our car carrier services, totaled \$111 million for the quarter, compared to \$128 million in 2024. Our free cash flow in the second quarter totaled \$426 million, compared to \$712 million in 2024. Turning to our balance sheet, total debt decreased by \$115 million since the prior year-end. As previously noted, total debt is expected to trend down as repayment of lease liabilities exceeds lease additions and extensions until we start receiving new build charter capacity in 2026. Next, the following slide provides an overview of our fleet.

While Eli has already addressed a few key elements of our fleet strategy, I would like to expand on his comments and share additional data points that we believe are important to consider. ZIM Integrated Shipping Services Ltd. currently operates 123 container ships with a total capacity of 767,000 TEUs. Two-thirds of this capacity comes from the 46 new build vessels received during 2023 and 2024, which carry durations in terms of charter from five to twelve years. Also, another 16 vessels are owned by ZIM Integrated Shipping Services Ltd. To remind you, we opted to secure our new build capacity on long-term contracts rather than continue to rely on the short-term charter market.

By doing so, we ensured access to vessel sizes better suited to the trades in which we operate, which are not available on the charter market, thereby improving our competitive position. The longer-term charter periods also contribute to better predictability in our cost structure. Moreover, for 25 of the 28 LNG vessels, our core strategic capacity, we hold options to extend the charter period

as well as purchase options, giving us full control over the destiny of these vessels, very much as if we were the vessel owners. We have a similar option to purchase the ten 11,500 TEU LNG vessels we recently committed to at the end of the charter period.

The remaining one-third, or 250,000 TEUs, allows us to maintain important flexibility. At the end of 2026, there will be a total of 34 vessels up for charter renewal, with 12 vessels or 64,000 TEUs still up for renewal in 2025, and 22 vessels or 70,000 TEUs in 2026. This optionality to keep the capacity or redeliver to owners allows ZIM Integrated Shipping Services Ltd. to adjust its capacity according to changing market conditions or shifts in our commercial strategy. With respect to our car carrier capacity, we currently operate 14 vessels, having recently redelivered another car carrier.

The car carrier industry has also been under some pressure given supply growth and the introduction of new tariffs on Chinese electric vehicles by both the US and the European Union. ZIM Integrated Shipping Services Ltd. expanded its car carrier capacity in the past few years, up to 16 car carriers last year, to benefit from favorable market trends. We do not have long-term commitments on our chartered capacity, and we are prepared to adjust our participation if market dynamics change. Next, now moving on to slide number nine, we present ZIM Integrated Shipping Services Ltd.'s second quarter and first half 2025 financial results compared to last year's Q2 and last year's first half.

Adjusted EBITDA in this year's second quarter was \$472 million, and adjusted EBIT was \$149 million. Adjusted EBITDA and EBIT margins for the second quarter were 29% and 9%, respectively, compared to 40% and 25% in the second quarter of last year. For the first six months of 2025, adjusted EBITDA margin was 34%, and adjusted EBIT margin was 17%. This is compared to 34% and 19% in 2024. Net income in the second quarter was \$24 million compared to \$373 million in the same quarter of last year. Next, on slide 10, you see we carried 895,000 TEUs in the second quarter

compared to 952,000 TEUs during the same period of last year. That is a 6% decline.

This decline was mainly attributable to weak transpacific demand driven by tariff-related disruptions as volumes from other Southeast Asian markets were insufficient to offset the reduction in cargo from China. In Latin America, on the other hand, we continue to see growth, 10% year over year in the second quarter. Next, we present our cash flow bridge for the quarter. Our adjusted EBITDA of \$472 million converted into \$441 million net cash generated from operating activities. Other cash flow items for the quarter included dividend payments of \$471 million and \$470 million of debt service, mostly related to our lease liability repayments. Moving now to our 2025 guidance, we have raised the lower end of our guidance range.

We now expect to generate adjusted EBITDA between \$1.8 billion and \$2.2 billion and adjusted EBIT between \$550 million and \$950 million, with the second half still expected to lag the first half. We have narrowed ranges reflective of our performance year to date, noting the continued high degree of uncertainty related to global trade and the geopolitical environment. Our view on freight rates and operating capacity is unchanged as compared to our guidance assumption for March and May. We expect freight rates on a full-year basis to be significantly lower in 2025 when compared to those of 2024, with average freight rates in the remainder of 2025 lower than the first half average.

Also, our view remains that sailings with the Red Sea will not resume this year, continuing to absorb significant capacity. We assume that we will maintain similar operating capacity on average to that of 2024 over the course of the year, as we renew some of the existing capacity or similar tonnage. Given our exposure to the Trans-Pacific and the weaker outlook for the remainder of 2025, we revisited our volume growth assumptions again and now assume flat volume year over year compared to 2024. Finally, as for our bunker cost, we expect slightly lower cost per ton in 2025 when compared to 2024. Now before opening the call to questions, a few more comments on the

market dynamics.

The supply-demand balance previously used as an indicator for market expectations appears to be a less effective predictor. On the supply side, rerouting around the Cape of Good Hope continues to absorb substantial capacity, while congestion also remains a factor influencing effective supply. Despite notable increases in supply, 10% in 2024, then an additional 6% for the full year of 2025, scrapping has been minimal for several years. Idle capacity has stayed low, below 1%, for the past eighteen months, and the charter market has remained relatively strong. Demand, particularly on the transpacific, on the other hand, has been greatly impacted both positively and negatively by uncertainty with respect to American tariffs.

Beginning in late 2024, in response to anticipated higher US tariffs, demand was strong entering into 2025. We have already discussed the effect of shifting tariff decisions throughout April and May on our Trans-Pacific cargo flow. On a positive note, inventory levels, which are available up to June, remained relatively stable throughout 2025, suggesting that the strong demand we experienced from late 2024 into early 2025 did not result in significant inventory buildup. Recently, new trade agreements have been announced between the US and several significant trading partners, including the European Union, Japan, Korea, and Vietnam, resulting in higher overall tariffs on products entering the US. The long-term impact of these changes is not yet clear.

Additionally, a trade agreement between the US and China has not been reached, contributing to ongoing uncertainty that complicates planning for US importers and for carriers to forecast demand, particularly beyond the third quarter. Pre-con tariff announcements and the introduction of unusually high tariffs, as seen in recent announcements regarding India and Brazil for various reasons, have also introduced further unpredictability. It is important to note that ZIM Integrated Shipping Services Ltd., or any other carrier for that matter, need not be active in a particular trade to be impacted by

these tariff decisions, as container shipping works as a global network.

If tariffs undermine a particular trade in the long term, the resulting network adjustment can create overcapacity on other trades. And on that note, we will open the call to questions. Thank you.

Operator: Thank you. We will now begin the question and answer session. Your first question comes from the line of Omar Nokta from Jefferies. Your line is open.

Omar Nokta: Thank you. Hi, Eli and Xavier. Thanks for the update. A couple of questions from my side, and maybe just first on the volume discussion you were just highlighting. Obviously, you are expecting flat volumes for the year, which implies the second half is going to be down year on year. And I wanted to just check with you. Is this expectation driven by your views on the market itself being down in the second half? Or is it driven by maybe a pullback on the part of ZIM Integrated Shipping Services Ltd. given some of your vessels are rolling off charter and you do not plan to renew them?

Xavier Destriau: Yeah. Hi, Omar. It is a little bit of both. I think first, when we compare year over year 2024 versus 2025 for the second half, we benefited last year from very strong volume growth, if you remember. Quarter after quarter, we beat records in Q3 and also in Q4 from a carried quantity perspective. This year, we will operate a similar type of overall effective capacity in terms of TEU that we deploy on the various trades where we operate. But it is to be said that the peak season in Q3 is somewhat expected to be not as strong as what we experienced last year.

And so that is, I think, why we do not believe that we are going to renew beating our record in terms of carried quantity into the second half. We still believe we are going to hopefully come back to higher volume sequentially. So Q2 has been a little bit of a weaker quarter from that perspective. For

the reasons we talked about and the reshuffling of our capacity as a result of the change in the US tariff discussions between the US and China, that impacted us, give or take, 50,000 TEUs. So in Q3, we expect that if we are to operate in a stable environment, we recover that volume.

Whether we are going to beat last year is less likely.

Omar Nokta: Okay. Thank you. And I guess from, you know, clearly, the market can be very volatile, and you mentioned, you know, how the current market dynamics are in your commentary. I guess, what is your best guess if you were to think about the business over the next eighteen months? You have the 34 ships that are up for renewal between now and 2026.

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