

Maersk to 'look into' potential DB Schenker acquisition: Clerc



DB Schenker's parent Deutsche Bahn placed the forwarder on the market late last year. Photo credit: DB Schenker.

Greg Knowler, Senior Editor Europe | Feb 8, 2024, 11:19 AM EST

It would be “irresponsible” for Maersk not to consider a potential acquisition of DB Schenker after the forwarder was officially placed on the market in December by parent Deutsche Bahn, the carrier’s CEO said Thursday.

“Our strategy is very clear — we need to diversify our revenue streams and our earnings streams towards the more stable and less volatile part of the supply chain, which is pretty much anything outside ocean,” Maersk chief Vincent Clerc told investors on the carrier’s 2023 annual results call Thursday.

“In that respect, having something like a DB Schenker coming on the market is definitely something that Maersk cannot simply say ‘we’re not even going to look at

it,” he added. “It would be irresponsible of us not to look into that and then we’ll have to see where this goes.”

The sale price would also be a factor, Clerc noted. Analysts have estimated DB Schenker could come with a price tag of up to \$20 billion.

Potential boost for logistics division

Maersk’s interest in “looking into” DB Schenker is not a surprise considering the carrier’s logistics and services division’s lukewarm performance as the group transforms itself into an end-to-end integrated service provider.

Revenue in the logistics and services segment declined 8.2% to \$3.5 billion in 2023, with organic revenue down 10% as the division faced headwinds in retail and lifestyle verticals. Full-year operating profit for the division fell 45% to \$446 million in what CFO Patrick Jany said was “below our expectations.”

Against that backdrop it is hardly surprising that the profitability of DB Schenker caught Clerc’s eye. While DB Schenker’s first-half 2023 revenue of \$10.7 billion was down 29% compared with the first half of 2022, its positive contribution to parent DB Group’s bottom line was still nearly three times higher than it was before the pandemic.

“One of the things that has changed is the resilience of the earnings on the other side of COVID-19, which you can see when you look at both DB Schenker and some of its competitors,” Clerc said.

He also pointed to CMA CGM, which successfully houses a container line and a forwarder “under the same roof,” and that “certain synergies that we may have feared in the past may not be what we thought they were.”

Another significant benefit of making a global acquisition is the ability to rapidly scale up logistics capabilities that would be difficult to develop organically, Clerc said.

“It is a better road when you need to add capabilities to do it this way than having to build it from the ground up,” he said. “That from a timing perspective is simply going to take too long.”

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