



## MARKET REPORT

UPDATED

06/10/2022

# Flexport at \$3.3B revenue

## TEAM

Jan-Erik Asplund

Co-Founder

[jan@sacra.com](mailto:jan@sacra.com)

## DISCLAIMERS

This report is for information purposes only and is not to be used or considered as an offer or the solicitation of an offer to sell or to buy or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise constitutes a personal trade recommendation to you.

This research report has been prepared solely by Sacra and should not be considered a product of any person or entity that makes such report available, if any.

Information and opinions presented in the sections of the report were obtained or derived from sources Sacra believes are reliable, but Sacra makes no representation as to their accuracy or completeness. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a determination at its original date of publication by Sacra and are subject to change without notice.

Sacra accepts no liability for loss arising from the use of the material presented in this report, except that this exclusion of liability does not apply to the extent that liability arises under specific statutes or regulations applicable to Sacra. Sacra may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Those reports reflect different assumptions, views and analytical methods of the analysts who prepared them and Sacra is under no obligation to ensure that such other reports are brought to the attention of any recipient of this report.

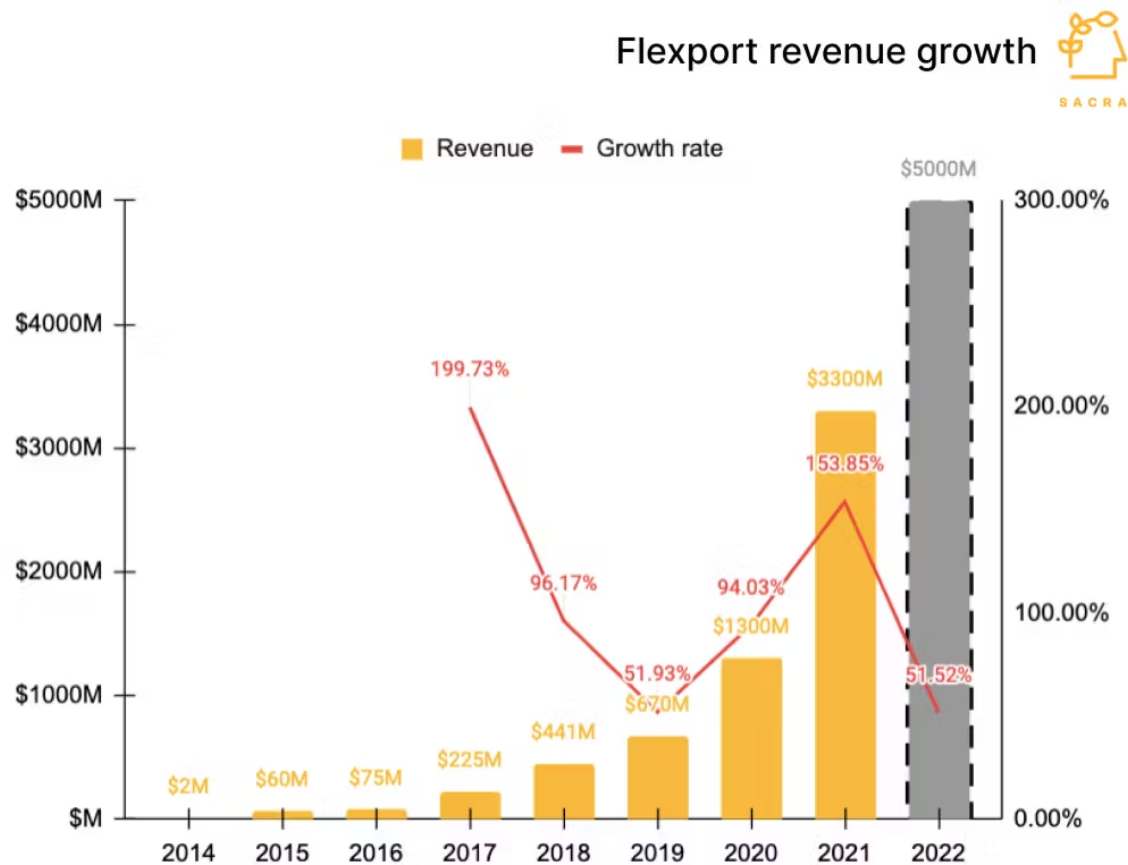
All rights reserved. All material presented in this report, unless specifically indicated otherwise is under copyright to Sacra. Sacra reserves any and all intellectual property rights in the report. All trademarks, service marks and logos used in this report are trademarks or service marks or registered trademarks or service marks of Sacra. Any modification, copying, displaying, distributing, transmitting, publishing, licensing, creating derivative works from, or selling any report is strictly prohibited. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of Sacra. Any unauthorized duplication, redistribution or disclosure of this report will result in prosecution.

Published on Jun 10th, 2022

# Flexport at \$3.3B revenue

By Jan-Erik Asplund

TL;DR: We did a report on Flexport—[check it out here](#).



Key points from our [report on Flexport](#):

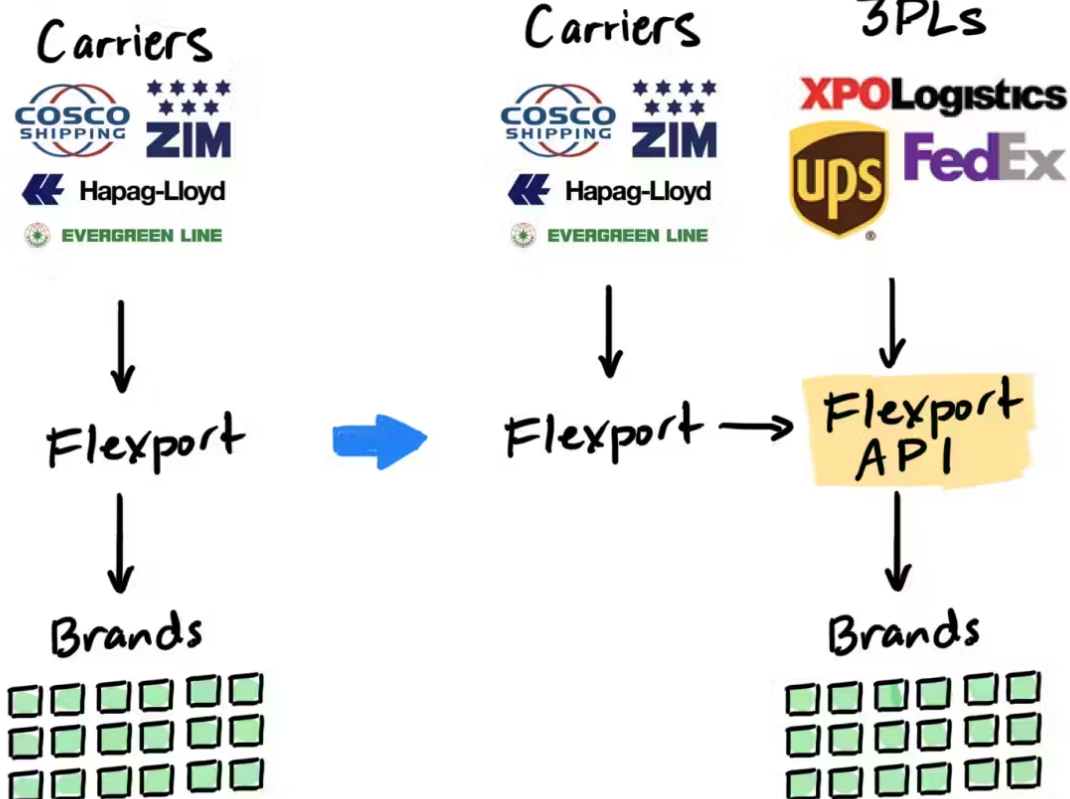
- **Flexport found initial product-market fit with its Uber/Postmates-style order tracking dashboard for global shippers.** Behind their digital dashboard, Flexport—like other freight forwarders—still does a lot of manual work to move cargo around the world.
- **Flexport did \$3.3B gross revenue in 2021, up 146% from 2020 (\$1.3B).** Compare to the biggest freight forwarders like DSV (\$29B, up 59%) and Kuehne + Nagel (\$35B, up 65%).
- **In 2021, Flexport recorded 20% gross margin (\$660M) after paying out the asset owners (Maersk, etc) and 1% net margin.** Flexport's gross margin compares to 21.5% for DSV, 27.8% for Expeditors, and 31.4% for Kuehne + Nagel. Typical net margins hover around 3-8% in freight forwarding.
- **Flexport is now the 21st biggest freight forwarder in revenue terms with about 0.3% in total market share.** The 6

largest freight forwarders comprise a third of the \$140B market for freight forwarding.

- **We project 51% year-over-year growth for about \$5B in gross revenue in 2022.** Shipping volumes have slowed down due to decelerating growth and lower consumer spend as well as retail inventories that have been rebuilt following supply chain disruptions of 2020-21. Volume growth is a function of GDP and global trade, which is expected to grow at ~5% and face some protectionist headwinds.
- **Since Flexport launched, the logistics space has undergone a wider digital transformation.** Freight forwarding incumbents like K+N have built out their own digital front-ends, while other SaaS platforms like Project44 (raised \$817.5M) and Forto (\$593.4M) have launched to bring supply chain visibility and tracking to retailers.
- **Flexport's ultimate vision is to build a standardized data protocol for asset owners and shippers.** If merchants and asset owners could communicate via API instead of via freight forwarders, it would enable more efficient matching of demand and supply, allowing merchants big and small to sell cheaper products and provide better selection with faster shipping.



### Flexport vision



It's fitting that Flexport's new CEO will be Dave Clark, previously the head of global consumer at Amazon.



Just as Amazon evolved from an online retailer into a utility for demand generation and fulfillment for all merchants, Flexport wants to evolve from a freight forwarder into the end-to-end digital infrastructure connecting asset owners (like ocean carriers, e.g. Maersk) with warehouses, factories, and ecommerce brands.

**For more on Flexport, [check out the full report here.](#)**