A.P. Møller-Mærsk A/S
Q2 2018 report

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Webcast	www.investor.maersk.com

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Forward-looking Statements

This presentation contains forward-looking statements. Such statements are subject to risks and uncertainties as various factors, many of which are beyond A.P. Møller - Mærsk A/S' (APMM) control, may cause actual development and results to differ materially from the expectations contained in this presentation.

Comparative figures

Unless otherwise stated, all comparisons refer to y/y changes.

Hamburg Süd have been included in the figures as of 1st December 2017. The key figures used are therefore only comparable with the previous year to a limited extent.

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Interim report Q2 2018

Key statements

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Key statements Q2 2018

Highlights for Q2

Solid growth momentum - unsatisfying EBITDA

Revenue increase of 24%
Ocean grew revenue 0.6% (excluding Hamburg Süd), while Logistics & Services and Terminal & Towage grew 7% and 3%, respectively.

EBITDA negatively impacted by bunker cost not recovered in freight rates
Bunker price increased 28%, while freight rates declined 1.2% Y/Y.

Progressing on cost initiatives and schedule reliability
Unit cost at fixed bunker in Ocean reduced by 5.9% Q/Q, and 1.4% Y/Y adjusted for FX and Hamburg Süd portfolio mix.

Hamburg Süd integration on track
Reporting a pro forma EBITDA USD 155m and realised synergies to date of around USD 140m.

Cash conversion ratio of 40%
Working capital increased mainly related to timing effects resulting in higher receivables and bunker inventories in Ocean, impacted by the higher bunker price.

CAPEX discipline remains a key focus
No new vessels order until at least 2020 and no new investments in major terminal projects.

APMM now expects EBITDA in the range of USD 3.5-4.2bn for 2018
As announced 7 August, 2018.

Key statements Q2 2018

Update on Energy separation

Maersk Drilling to pursue listing - solution for Maersk Supply Service is challenged by market conditions

- **Subject to APMM maintaining its investment grade rating Maersk Drilling will be demerged via a separate listing in 2019.** In connection with a listing **shares in Maersk Drilling will be distributed to APMM's shareholders**, which will offer shareholders the opportunity to participate in the value creation of a globally leading drilling company with long-term development prospects.

- **Standalone debt financing of USD 1.5bn** from a consortium of international banks has **been secured for Maersk Drilling**, which will ensure the adequate deleveraging of APMM of around USD 1.2bn, and a strong capital structure for Maersk Drilling after a listing.

- **The process to identify structural solutions for Maersk Supply Service** before the end of 2018 is ongoing, but the market situation remains challenging.

- APMM decided to sell a part of the Total S.A. shares in July and has thus **reduced the holding with 19.25m shares to around 78.3m equal to a current value of around USD 5bn.** The cash proceeds of USD 1.2bn will be used to further strengthen the financial flexibility of APMM.

- Net cash proceeds to APMM is around **USD 5bn** from separation of Maersk Oil and Maersk Tankers, including **USD 1.2bn expected from Maersk Drilling,** but before sale of shares in Total S.A.

- Subject to **remaining investment grade rated**, a material portion of the remaining value of the Total S.A. shares are planned to be distributed to shareholders after the listing of Maersk Drilling, either through cash dividends, share buy-backs or dividend of shares in Total S.A. or a combination thereof.

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Q2 2018

Financial highlights

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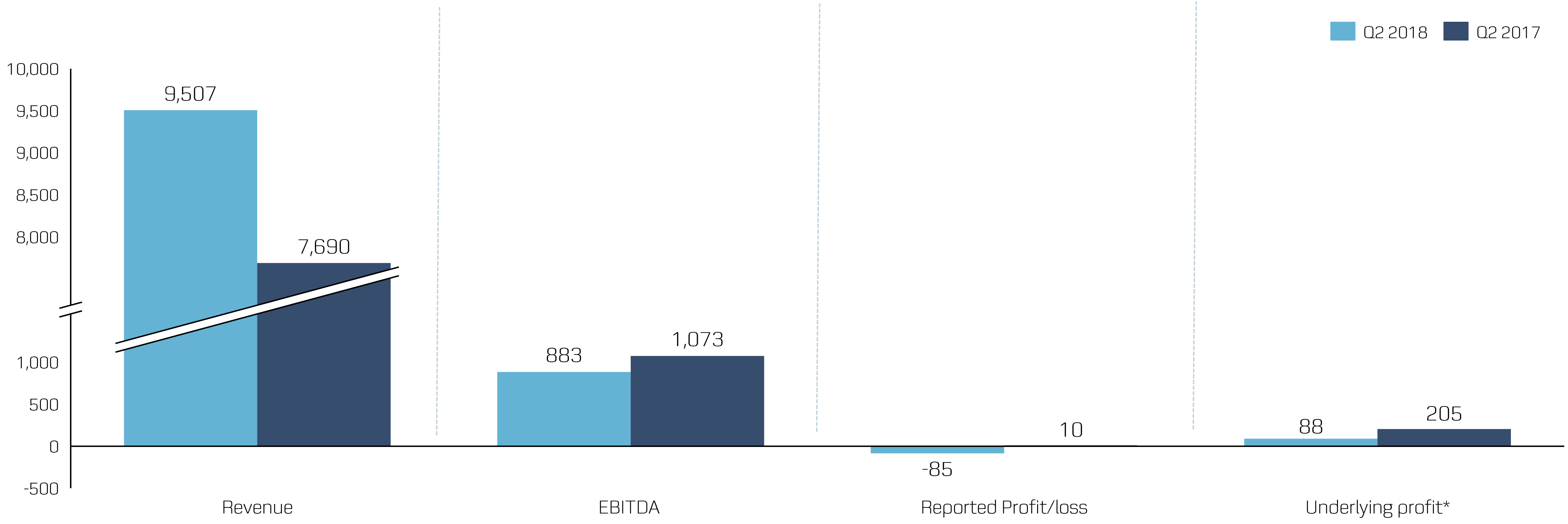
Financial highlights Q2 2018

Revenue growth – pressure on margins from bunker price increase

USDm (continuing businesses) | Financial highlights



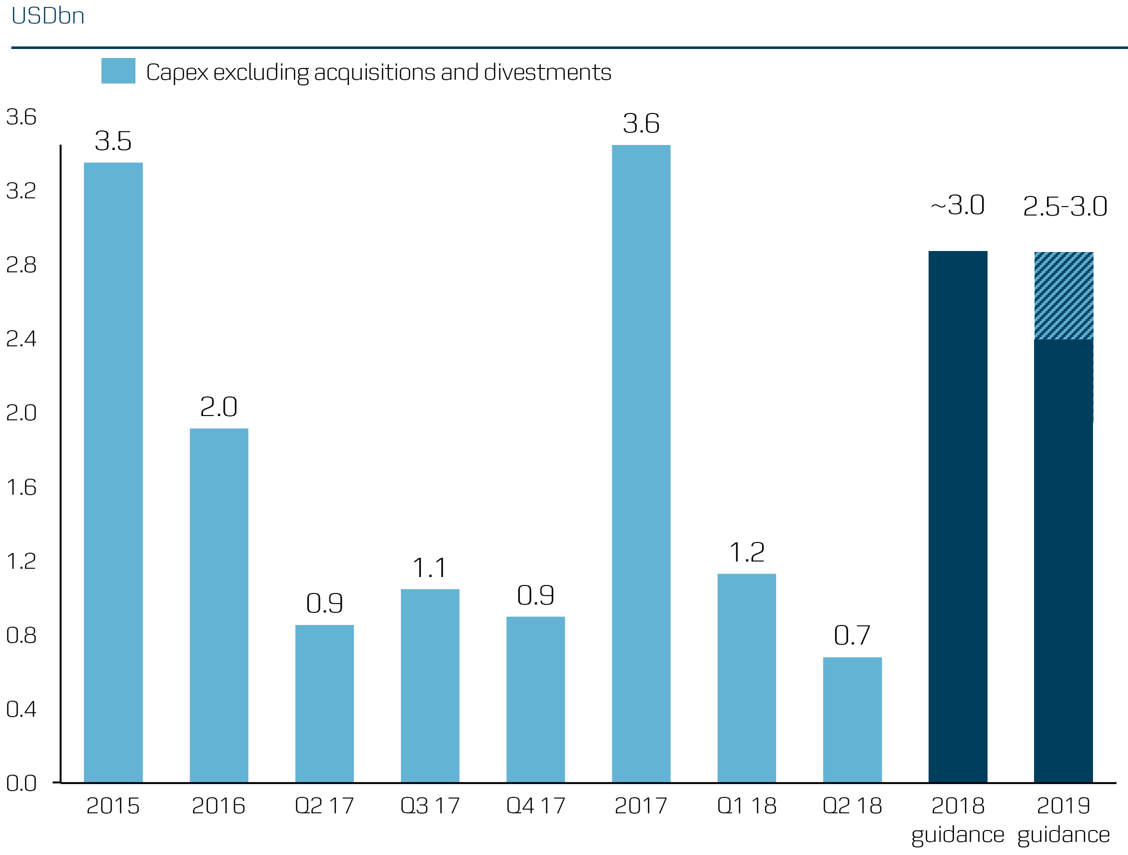
The revenue increase was more than offset by the increased bunker costs.

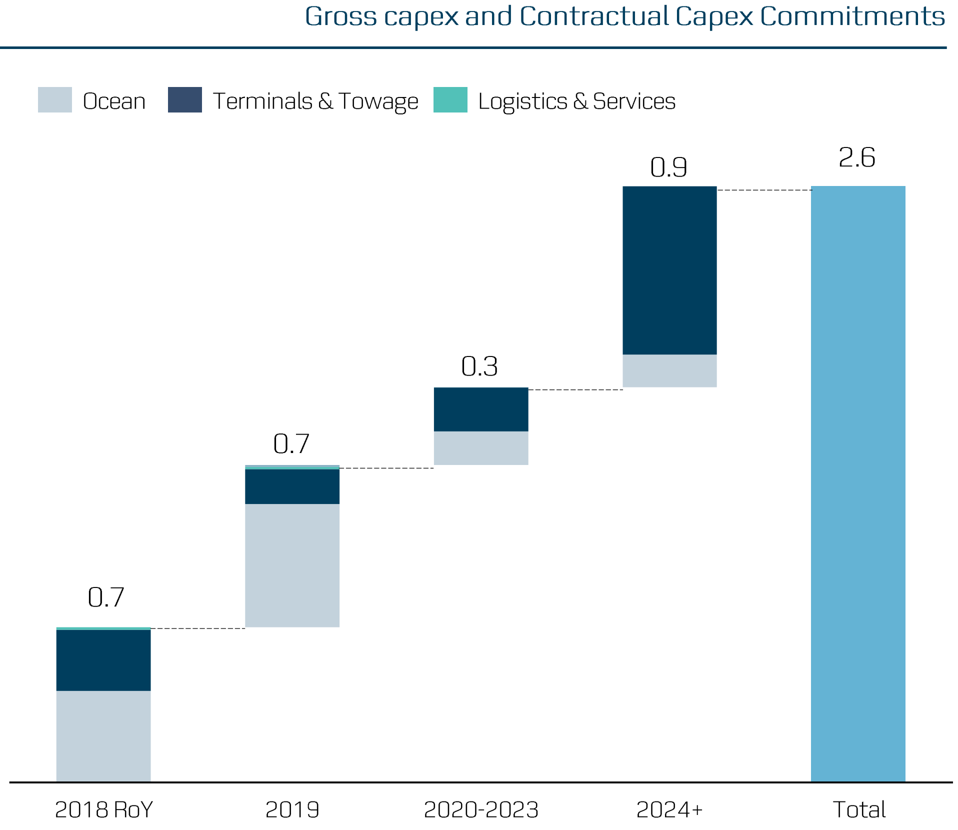
Reported profit was negatively impacted by impairment in MCI of USD 141m.

*Underlying profit/loss is equal to the profit/loss for the period adjusted for net gains/losses from sale of non-current assets, etc. and net impairments losses as well as transaction, restructuring and integration costs.

Financial highlights Q2 2018

Capex in H1 of USD 1.9bn – reduced long-term commitments





Gross capex in Q2 2018 related to previously ordered vessels (four vessels) and terminal commitments.

Total contractual capex commitments were reduced by USD 2.8bn since year-end 2016.

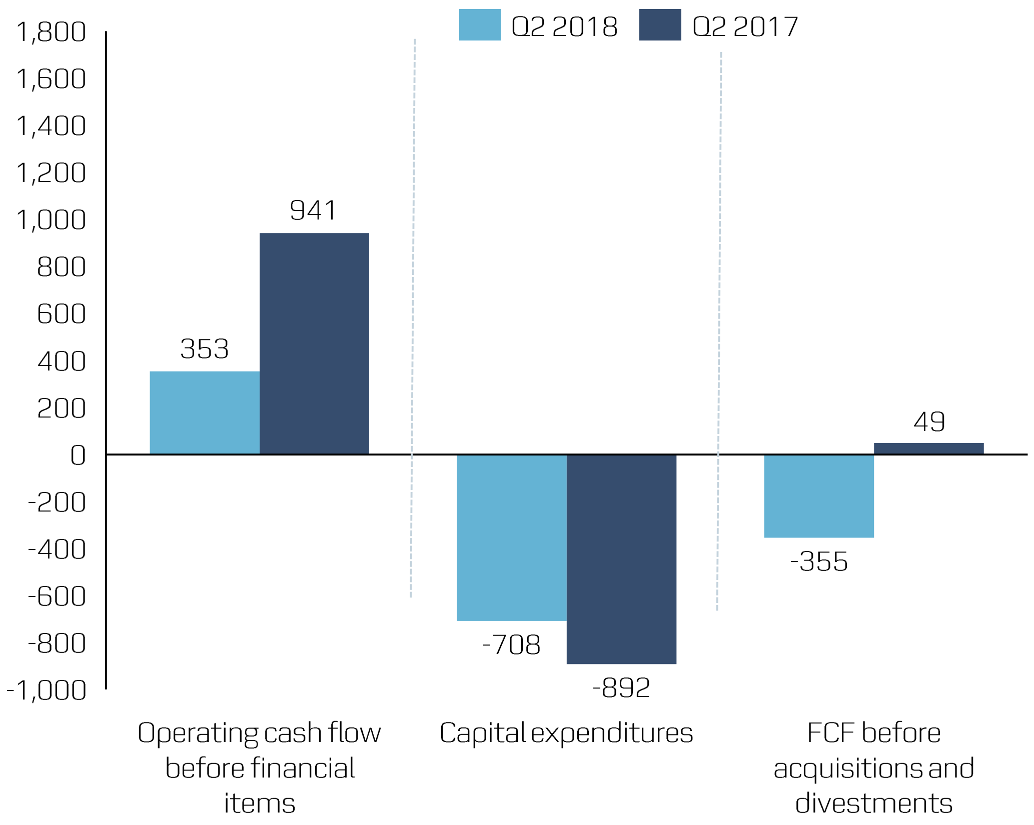
Commitments related to newbuildings accounts for USD 622m.

Guidance for gross capex for 2018 is maintained at around USD 3bn.

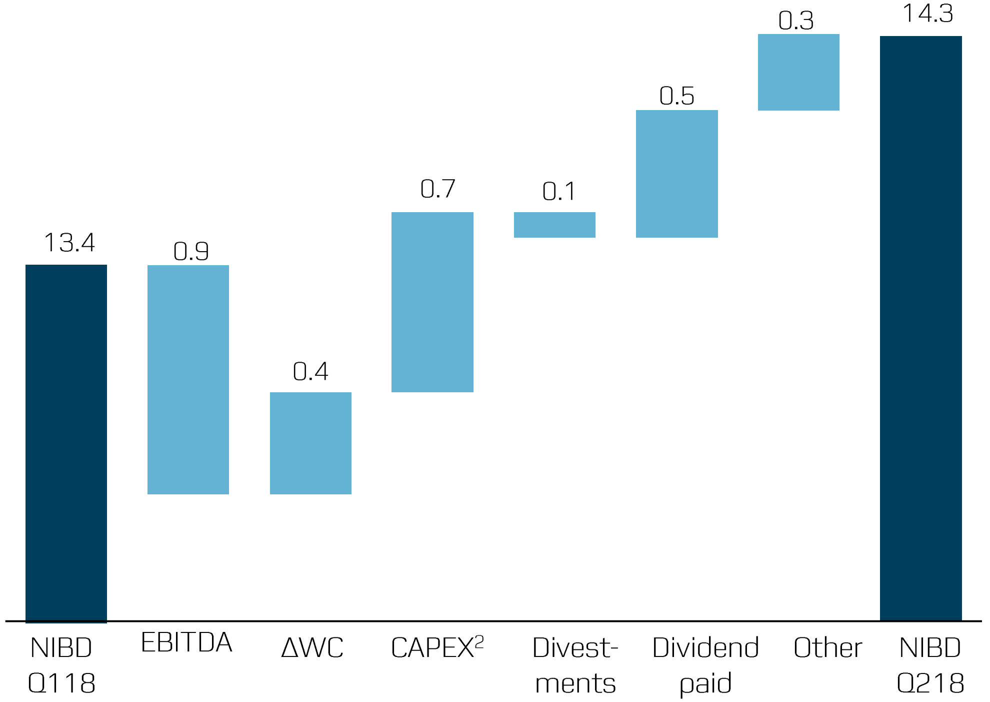
Financial highlights Q2 2018

Cash flow impacted by short-term NWC movements

USDm



Development in cash flows and net interest bearing debt (USDbn)



1) Defined as cash and securities and undrawn committed facilities longer than 12 months less restricted cash and securities.
2) Defined as cash payments for intangible assets and property, plant and equipment, excluding acquisitions. Other contributions to cash flow used for investing (excl. divestments) such as dividends received, etc, are included in 'Other'.

A positive cash flow impact from net working capital is expected in Q3 2018.

Funding in place with a liquidity reserve[1] of USD 10.2bn by end-Q2.

Committed to remain investment grade rated.

Total S.A shares at a value of USD 1.2bn has been monetised after Q2 2018.

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A.P. Moller - Maersk

Consolidated financial information

Income statement (USDm) (Continuing operations)	Q2 2018	Q2 2017	Change %	FY 2017
Revenue	9,507	7,690	24%	30,945
EBITDA	883	1,073	-18%	3,532
Depreciation, impairments etc.	903	889	1.6%	3,015
Gain on sale of non-current assets, etc. net	10	54	-81%	154
Share of profit in joint ventures	39	14	179%	-131
Share of profit in associated companies	17	25	-32%	101
EBIT	**46**	**277**	**-83%**	**641**
Financial costs, net	-71	-234	-70%	-616
Profit/loss before tax	**-25**	**43**	**N/A**	**25**
Tax	60	33	82%	219
Profit/loss – continuing operations	**-85**	**10**	**N/A**	**-194**
Profit/loss – discontinued operations	111	-274	N/A	-970
Profit/loss for the period	**26**	**-264**	**N/A**	**-1,164**
Underlying profit/loss – continuing operations	**88**	**205**	**-57%**	**356**

Key figures (USDm) (Continuing operations)	Q2 2018	Q2 2017	Change %	FY 2017
Cash flow from operating activities	353	941	-62%	3,113
Net interest bearing debt (APMM total)	14,290	11,852	21%	14,799
Earnings per share (USD)	-5	0	N/A	-11

Transformation metrics (Continuing operations)	Q2 2018	Q2 2017	Change %	FY 2017
Revenue growth - %	24%	15%	9%-points	13%
Non-Ocean revenue (USD m)	2,972	2,661	11.7%	10,942
Cash conversion (CFFO to EBITDA)	40%	88%	-48%-points	88%
Capex excl. M&A and divestments (USD m)	-708	-892	-21%	-3,599
ROIC (Return on Invested Capital) - % (continuing businesses)	-0.1%	3.1%	-3.2%-points	1.6%

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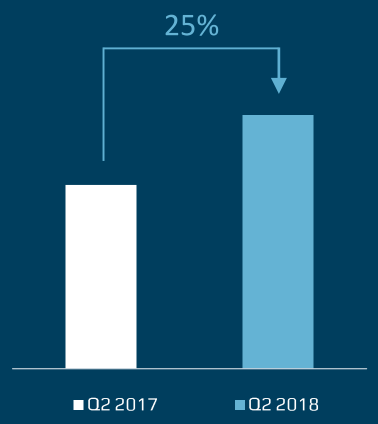
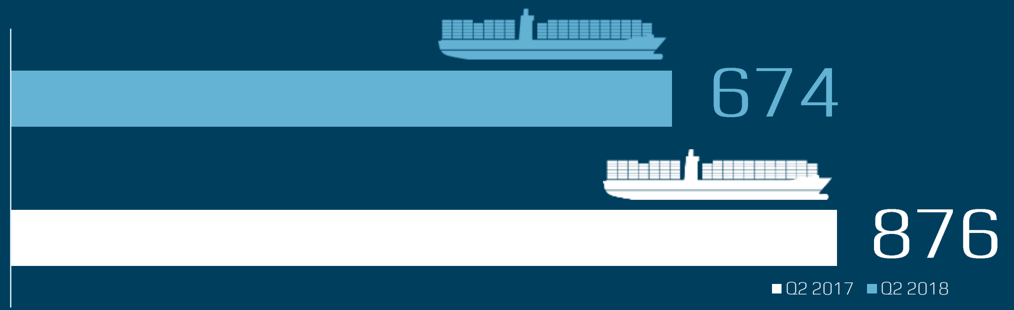
Highlights Q2 2018

Ocean

Revenue



EBITDA (USD m)



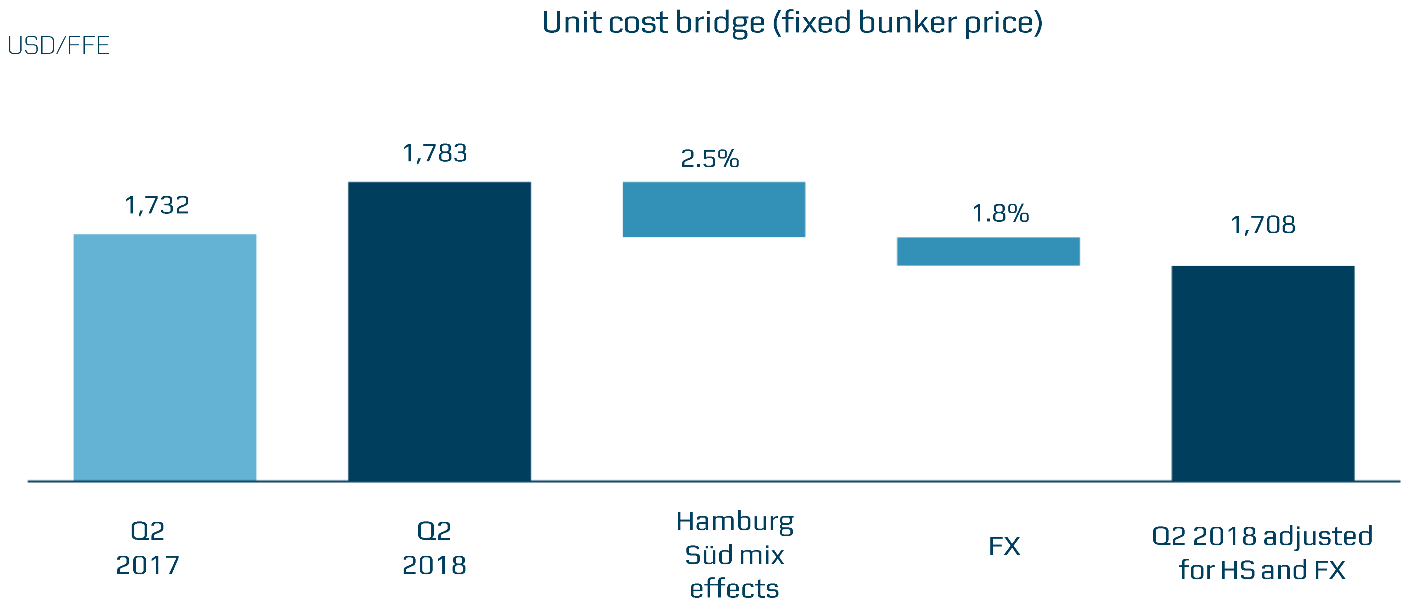
	Q2 2018 (USD m)	Q2 2017 (USD m)	FY 2017 (USD m)
Revenue	6,952	5,541	22,023
EBITDA	674	876	2,777
EBITDA margin	9.7%	15.8%	12.6%
Gross capital expenditures	549	752	2,831

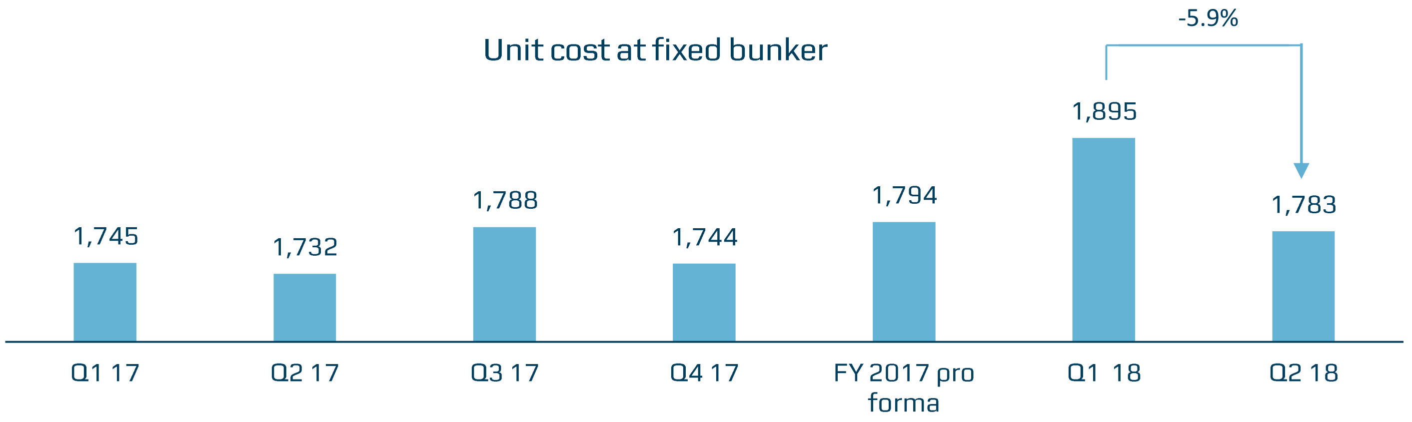
- Excluding Hamburg Süd revenue increased by 0.6%.
- Other revenue was USD 783m (USD 614m) due to increases in demurrage & detention and slot sales.
- Average capacity decreased by 1.8% compared to Q1 2018 according to plan.
- Reliability improved; back in top quartile.

Ocean – highlights Q2 2018

Unit cost improvement on track

- Unit cost on a fixed bunker increased by 2.9%. Adjusted for Hamburg Süd mix and FX effects unit cost was down by 1.4%.
- Compared to Q1 2018 unit cost at fixed bunker improved 5.9%, mainly due to lower network costs, but also positively impacted by FX and one-offs.
- Bunker cost increased 55% to USD 1.2bn y/y due to bunker price increase of 28% and the larger network. while bunker efficiency per FFE improved by 4.2% y/y to 886 kg/FFE (922 kg/FFE).
- Bunker efficiency measured in gms per nau mile* improved by 0.15% from 45.48 to 45.41, which is significant given that the Hamburg Süd fleet has a lower bunker efficiency. The improvement was mainly driven by synergies from the integration.



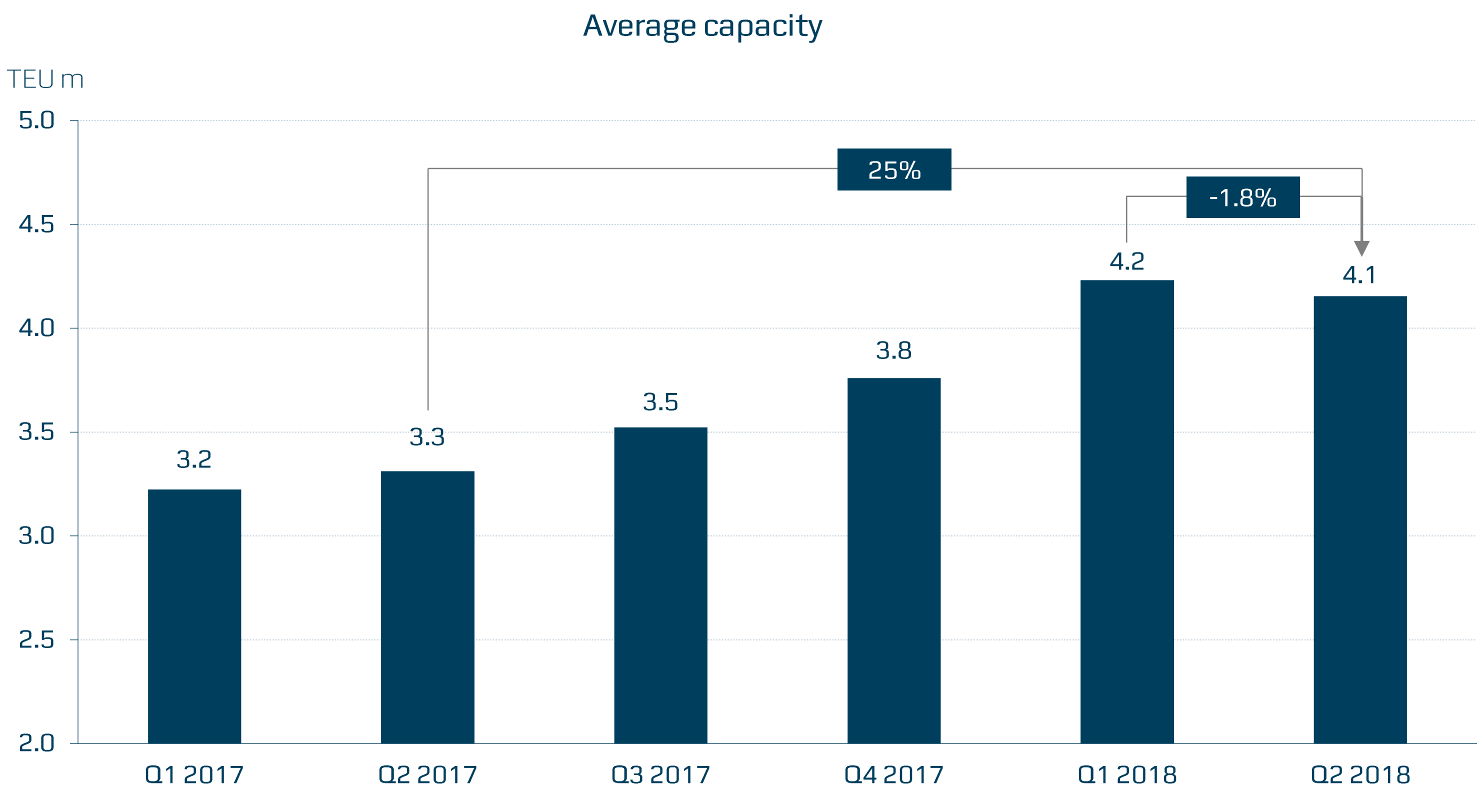


* Gms = grammes, Total TEU = actual number of full + empties carried on the Ocean network, Nm =nautical miles.

Ocean – highlights Q2 2018

Network optimisation

- Capacity has steadily increased over the years and peaked at Q1 2018 after inclusion of Hamburg Süd and new vessel deliveries.
- Average capacity increased 25% compared to Q2 2017 mainly due to Hamburg Süd.
- Average capacity decreased as planned 1.8% compared to Q1 2018 due to the network optimisation after integration of Hamburg Süd's fleet into the Ocean network in Q2.
- Capacity has been reduced mainly by handing back chartered capacity.



Ocean – highlights Q2 2018

Bunker cost not captured in freight rates

- The bunker price increased 28% y/y and 5.2% q/q, while average freight rates were slightly down y/y and on par with Q1 2018, reflecting lack of recovery from the continuing bunker price inflation.
- Excluding Hamburg Süd, freight rates declined 5% y/y, while volumes grew 4.3% on par with estimated global market growth at around 4%.
- The growth was mainly driven by backhaul growth of 7.3% while head haul grew 3.0%.

Average freight rate (USD/FFE)	Q2 2018	Q2 2017	Change, USD	Change, %
East-west	1,782	1,878	-96	-5.1
North-south	2,065	2,087	-22	-1.1
Intra-regional	1,485	1,245	240	19.3
Total	1,840	1,863	-23	-1.2

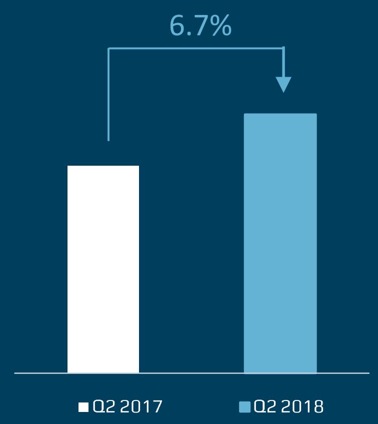
Loaded volumes ('000 FFE)	Q2 2018	Q2 2017	Change, FFE	Change, %
East-west	1,088	939	149	15.8
North-south	1,632	1,310	322	24.6
Intra-regional	679	451	228	50.6
Total	3,399	2,700	699	25.9

Highlight Q2 2018

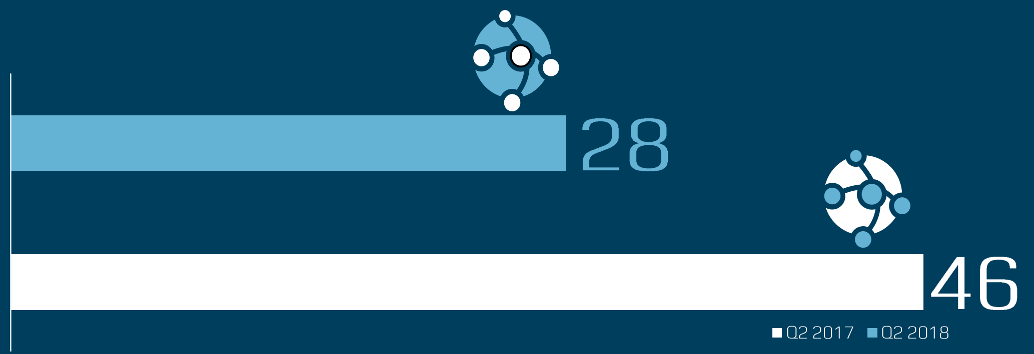
Logistics & Services

- Positive volume growth in supply chain management (SCM) and inland haulage in line with the strategy.
- EBITDA negatively impacted by higher IT spending, start-up of contracts, lower profitability in inland services as well as timing of higher maintenance cost in Star Air.
- Continued improvements in the cash conversion cycle resulted in significantly improved working capital and positive cash flow development.

Revenue



EBITDA (USD m)



	Q2 2018 (USD m)	Q2 2017 (USD m)	FY 2017 (USD m)
Revenue	1,489	1,396	5,772
EBITDA	28	46	139
EBITDA margin	1.9%	3.3%	2.4%
Gross capital expenditures	12	11	54

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Logistics & Services - highlights Q2 2018

Growth in supply chain management, but EBIT conversion ratio still at an unsatisfactory level

- Gross profit improved by 4.9% due to product mix and deselecting of low margin volumes in Ocean and Air.
- Margins in SCM increased by 8.9% and in Air and Ocean by 16% and 2.7%, respectively.
- EBIT conversion ratio was unsatisfactory at 8.4% (27.5%) .
- Damco announced a 10-year lease of a six-building logistics campus within the Los Angeles industrial market to accommodate new contract wins.

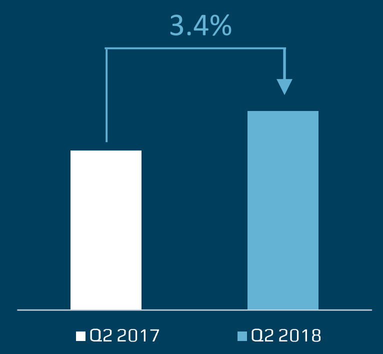
Operational and financial metrics	Q2 2018	Q2 2017	Change, %	2017
Gross profit (USD m)	278	265	4.9%	1,039
EBIT conversion (EBIT/Gross profit - %)	8.4%	27.5%	-19.1pp	14.5%
Supply chain management ('000 cbm)	17,672	16,227	8.9%	69,574
Airfreight volumes (tonnes)	44,218	50,138	-11.8%	206,208
Ocean volumes (TEU)	156,388	167,822	-6.8%	664,448

Highlights Q2 2018

Terminals & Towage

- Gateway terminals contributed to the revenue with USD 671m (USD 661m) and USD 179m (USD 162m) from towage activity.
- EBITDA reflected robust growth in volumes as well as lower cost per move in financially consolidated terminals.
- Higher activity and cost efficiency contributed to improved EBITDA in the towage activities.

Revenue



EBITDA (USD m)

	Q2 2018 (USD m)	Q2 2017 (USD m)	FY 2017 (USD m)
Revenue	847	819	3,481
EBITDA	178	149	639
EBITDA margin	21.0%	18.2%	18.4%
Gross capital expenditures	116	156	704

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Terminals & Towage - highlights Q2 2018

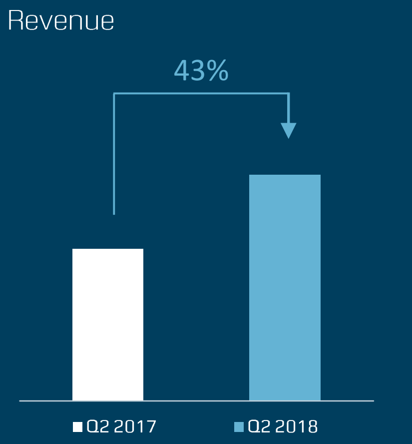
Growing ahead of the market

- Like-for-like throughput on equity weighted moves in gateway terminals increased 8.8% in Q2 2018 - 4.4% related to external customers and 20% to Ocean.
- Revenue per move reflected higher volumes in North American and Latin American terminals, where market rates are higher on average as well as positive effect from one-offs.
- EqW cost per move increased due to increased costs in certain joint ventures, but decreased for financially consolidated terminals due to volume growth in Latin America and positive effects from cost saving initiatives.
- Harbour towage activities was driven by volume growth and entering new ports.
- In terminal towage new contracts have been added in various regions, and the idle fleet has been reduced.

Operational and financial metrics	Q2 2018	Q2 2017	Change, % (like-for-like, %)	2017
Terminal volumes – EqW (moves in m)	4.2	3.9	7.6 (8.8)	15.6
Ocean segment	1.3	1.2	17.7 (20)	4.7
External customers	2.9	2.7	3.5 (4.4)	10.9
Terminal volumes – Financially consolidated (moves in m)	2.8	2.5	10.6	10.2
Terminal revenue per move – (USD)				
EqW	199	194	2.8	203
Financially consolidated	239	233	2.7	245
Terminal cost per move – (USD)				
EqW	166	161	3.1	167
Financially Consolidated	206	222	-7.2	221
Result from joint ventures and associated companies (USDm)	51	32	59.4	-78
No. of operational tug jobs (HT) ('000)	32	30	7.8	123
Annualised EBITDA per tug (TT) (USD in '000)	956	1,026	-6.8	755

Highlights Q2 2018

Manufacturing & Others



- Maersk Container Industry concluded its largest ever third-party order of reefer containers.
- Revenue from Maersk Container Industry decreased of 13% to USD 249m (USD 285m).
- EBITDA in Maersk Container Industry decreased to USD -6m (USD 28m) primarily related to the cease of the reefer factory in Chile, which had a financial impact of USD -18m in restructuring cost.
- Revenue for other businesses ended at USD 387m.

	Q2 2018 (USD m)	Q2 2017 (USD m)	FY 2017 (USD m)
Revenue	636	446	1,689
EBITDA	8	37	173
EBITDA margin	1.3%	8.3%	10.2%
Gross capital expenditures	3	-	23

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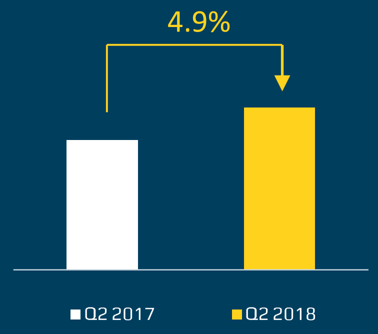
DISCONTINUED OPERATIONS

Discontinued operations - held for sale

Maersk Drilling

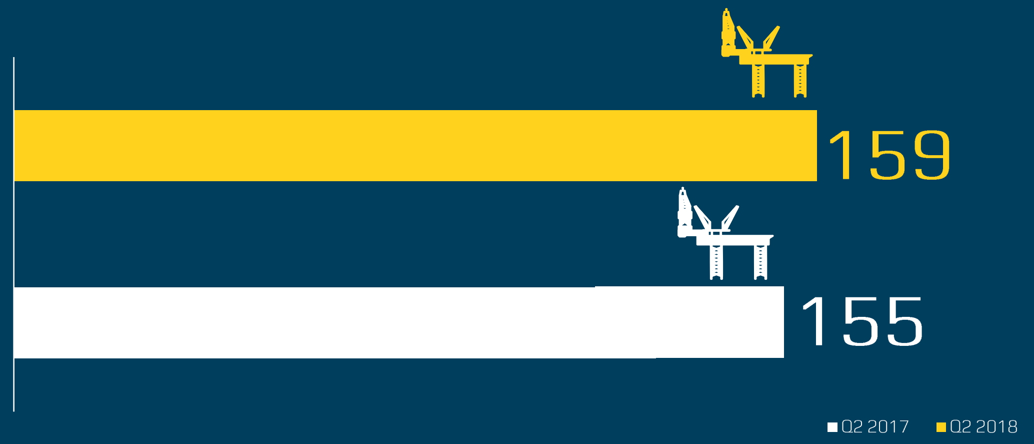
- Despite challenging market conditions revenue and EBITDA improved.
- Net profit of USD 130m (USD 22m) was positively impacted by no depreciations included after reclassification as discontinued operations in Q3 2017.
- Approx. 1,180 days and USD 105m where added to the backlog during the quarter.
- Forward contract coverage was 66% for 2018, 41% for 2019, and 29% for 2020.
- Total revenue backlog amounted to USD 2.7bn (USD 3.1bn) by the end of Q2.

Revenue (USD m)



Revenue increased by 4.9% compared to Q2 2017.

EBITDA (USD m)



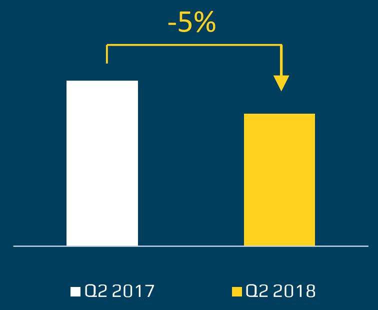
	Q2 2018 (USD m)	Q2 2017 (USD m)
Revenue	366	349
EBITDA	159	155
Operating cash flow	103	151
Free cash flow	84	142

Discontinued operations - held for sale

Maersk Supply Service

- Despite revenue stabilising the continuing challenging market conditions reflected a loss of USD 20m (loss of USD 21m).
- Cash flow used for capital expenditure increased due to the delivery of two newbuilds, however it was USD 100m lower than planned, due due to payment of one newbuild being postponed into Q1 2019.

Revenue (USD m)



EBITDA (USD m)

	Q2 2018 (USD m)	Q2 2017 (USD m)
Revenue	70	74
EBITDA	-3	10
Operating cash flow	-6	-20
Free cash flow	-78	-53

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2018
Guidance

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Guidance

Guidance for 2018

As announced 7 August, 2018, A.P. Moller – Maersk expects earnings before interests, tax, depreciations and amortisations (EBITDA) in the range of USD 3.5-4.2bn and a positive underlying profit.

The organic volume growth in Ocean is still expected slightly below the estimated average market growth of 2-4% for 2018. Further, guidance is maintained on gross capital expenditures (capex) around USD 3bn and a high cash conversion (cash flow from operations compared with EBITDA).

The guidance continues to be subject to uncertainties due to the current risk of further restrictions on global trade and other factors impacting container freight rates, bunker prices and rate of exchange.

Sensitivity Guidance

A.P. Moller - Maersk's guidance for 2018 depends on several factors. Based on the expected earnings level and all else being equal, the sensitivities for the rest of 2018 for four key assumptions are listed in the table below:

Factors	Change	Impact on EBITDA for the rest of the year
Container freight rate	+ / - 100 USD/FFE	+ / - USD 0.7bn
Container freight volume	+ / - 100,000 FFE	+ / - USD 0.1bn
Bunker price (net of expected BAF coverage)	+ / - 100 USD/tonne	- / + USD 0.2bn
Rate of exchange (net of hedges)	+ / - 10% change in USD	+ / - USD 0.1bn

Q&A

To ask a question please press 01

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Final remarks Q2 2018

- With revenue up 24% in Q2, we continued to deliver strong growth. The acquisition of Hamburg Süd of course was a positive contributor to growth in our Ocean segment, and we are pleased with the organic growth in non-Ocean.
- We reported continued revenue growth in all segments and synergies are being realised according to plans among others demonstrated by 20% volume growth in gateway terminals from Maersk Line and Hamburg Süd.
- Good progress on cost initiatives announced after Q1 2018, with a unit cost reduction of more than 5% q/q on both fixed and total unit cost, and schedule reliability back in top quartile.
- Despite significant increase in bunker price, freight rates declined compared to same period last year, which has resulted in unsatisfying profitability this quarter.
- For the rest of the year we expect improvements in our profitability with controlled cost and capacity development and continued top line growth.

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