A.P. Møller - Mærsk A/S

Q2 2019 report

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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 the control of A.P. Møller - Mærsk A/S' (APMM), may cause actual developments and results to differ materially from the expectations contained in this presentation.

Comparative figures

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

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Interim report Q2 2019

Key statements

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Financial highlights for Q2

Strong improvement in earnings and free cash flow

- **Revenue increased 0.6%** to USD 9.6bn.
- **Profitability improved** with EBITDA increasing 17% to USD 1.4bn, reflecting a margin of 14.1%.
- **Strong operational performance in Ocean** led to increased volumes of 1.4% and unit cost reduction of 3.5%, while average freight rates improved 1.5%.
- **Volume growth of 8.5% (6.4% like-for like) in gateway terminals** led to higher utilisation and improved margins before one-off's.
- **Operating cash flow increased 86% to USD 1.2bn** with a cash conversion ratio of 86% and **FCF* was USD 0.7bn.**
- **Return on invested capital (ROIC) improved** to 3.1% from 0.1% in Q2 2018.
- **Distribution of USD 615m** in cash to **shareholders through an ordinary dividend** of USD 469m and USD 146m related to the first phase of the **share buy-back programme.**
- **Reiterate full-year guidance** of EBITDA around USD 5bn.

Revenue (USD)
9.6bn
(+0.6%)

EBITDA (USD)
1.4bn
(+17%)

CFFO* (USD)
1.2bn
(cash conversion 86%)

Free cash flow* (USD)
0.7bn

Return on invested capital
3.1%

NIBD (USD)
12.9bn

*Before capitalised lease payments

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Financial highlights for H1

Strong improvement in earnings and free cash flow

- **Revenue increased 1.6%** to USD 19.2bn.
- **Profitability improved** with EBITDA increasing 24% or USD 500m to USD 2.6bn, reflecting a margin of 13.5%.
- **Operating cash flow increased 95% to USD 2.7bn** with a cash conversion ratio of 102%.
- **Free cash flow* was USD 4.2bn** incl. sale of Total S.A. shares, up from negative USD 408m.
- **Net interest bearing debt decreased USD 7.6bn to USD 12.9bn** led by sale of Total S.A. Shares, free cash flow and cash proceeds ahead of the Maersk Drilling separation.
- **Reiterate full-year guidance** of EBITDA around USD 5bn.

Revenue (USD)
19.2bn
(+1.6%)

EBITDA (USD)
2.6bn
(+24%)

CFFO* (USD)
2.7bn
(cash conversion 102%)

Free cash flow* (USD)
4.2bn

Return on invested capital
2.2%

NIBD (USD)
12.9bn

*Before capitalised lease payments

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Key statements Q2 2019

Transformation update

Progressing well on the short-term metrics on synergies and free cash flow

- **Non-Ocean revenue grew 2.1%** adjusted for the closure of production facilities in MCI, led by strong growth in gateway terminals and in core parts of Logistics & Services, negatively offset by freight forwarding.
- **Gross profit for Logistics & Services grew by 4.9%,** positively impacted by intermodal, warehousing and increased customs house brokerage activities.
- **Hamburg Süd and Transport & Logistics contributing with synergies** of around USD 0.1bn in Q2 2019, and the target of USD 1.0bn by end of 2019 has thereby been achieved.
- **Significant improvement in the cash return on invested capital (CROIC)** from -1.4% in Q2 2018 to 6.9% in Q2 2019 due to strong free cash flow generation.

Non-Ocean[1] revenue growth

2.1%

Logistics & Services' gross profit growth

4.9%

Annual synergies by end of 2019 of USD 1bn

USD 1.0bn

by end of June 2019

Cash return on invested capital (CROIC)

6.9%

[1] Non-Ocean is defined as Logistics & Services, Terminal & Towage and Manufacturing & Others, but excludes Maersk Oil Trading and tramp activities.

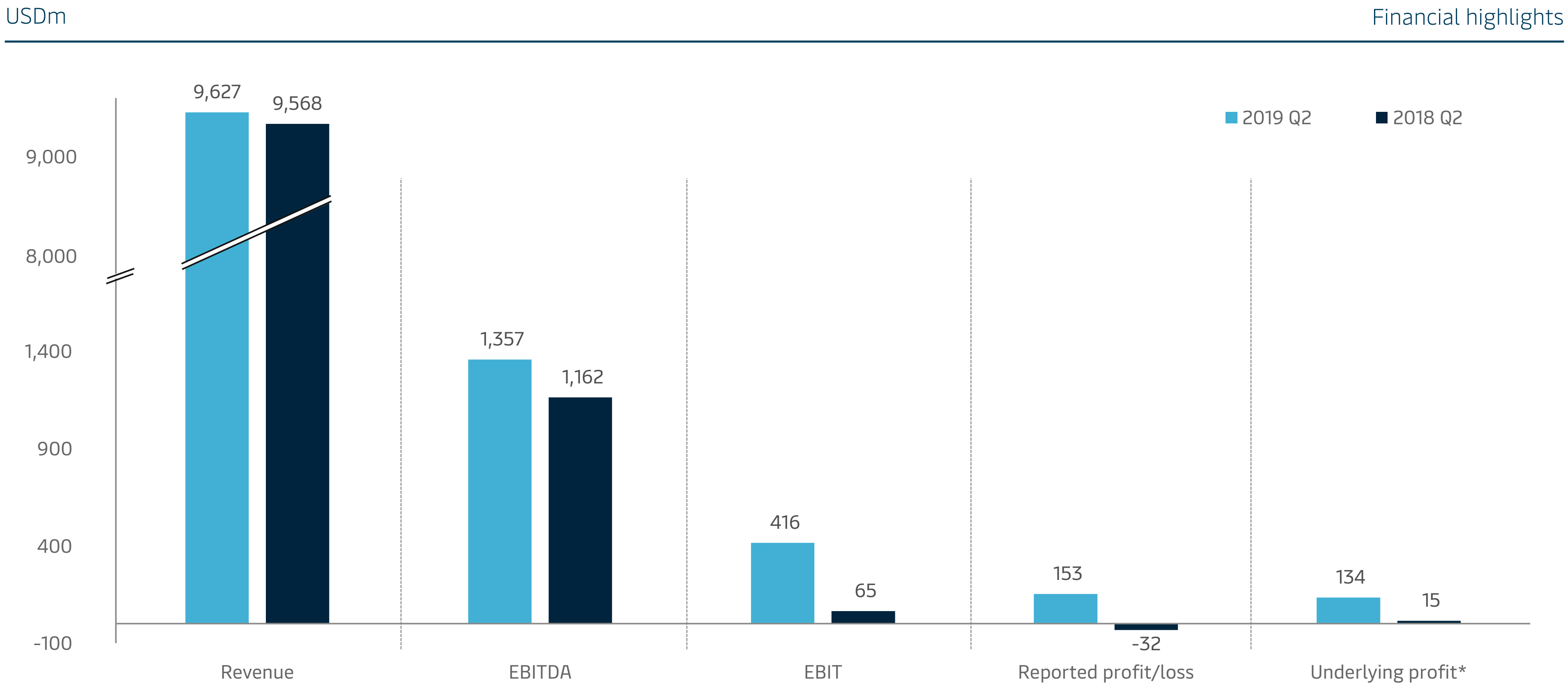
Note: the growth is adjusted for the closure of the two factories in Maersk Container Industry (MCI).

Q2 2019

Financial highlights

Financial highlights Q2 2019

Improving all financials



Continuous focus on improving profitability led to an improvement in EBITDA margin of 200bps to 14.1% and EBIT margin of 4.3% (0.7%).

Underlying profit improved to USD 134m (USD 15m) negatively impacted by higher net financial expenses and taxes.

For H1 2019 underlying profit was USD 65m compared to a loss of USD 314m in H1 2018.

*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.

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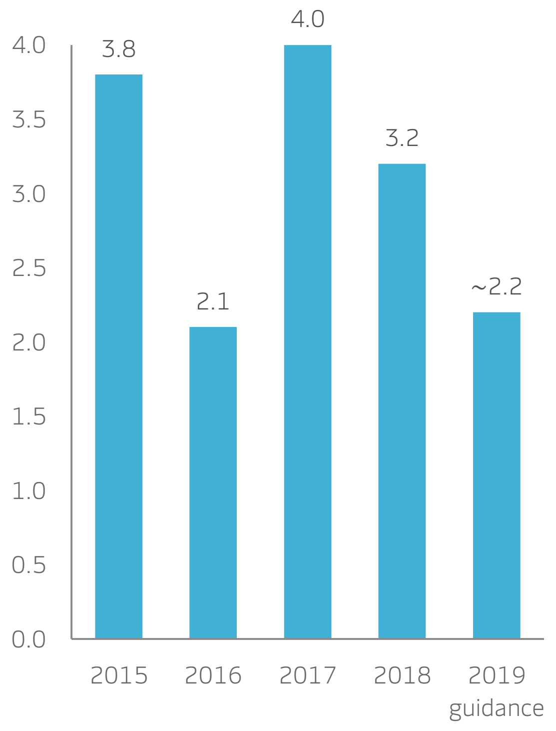
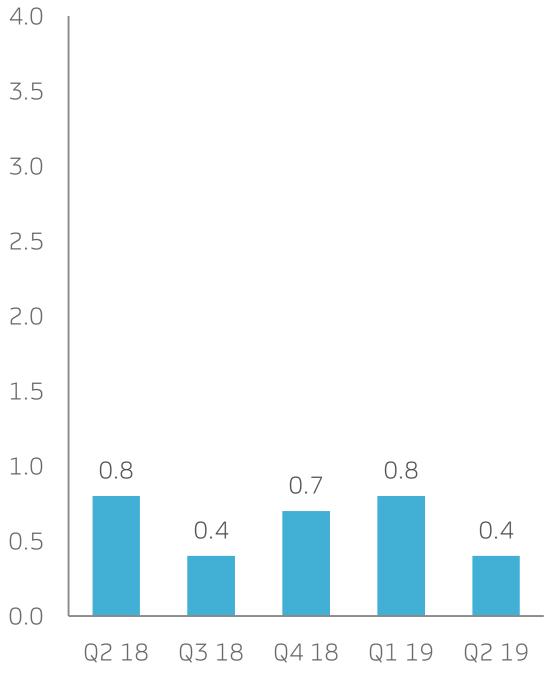
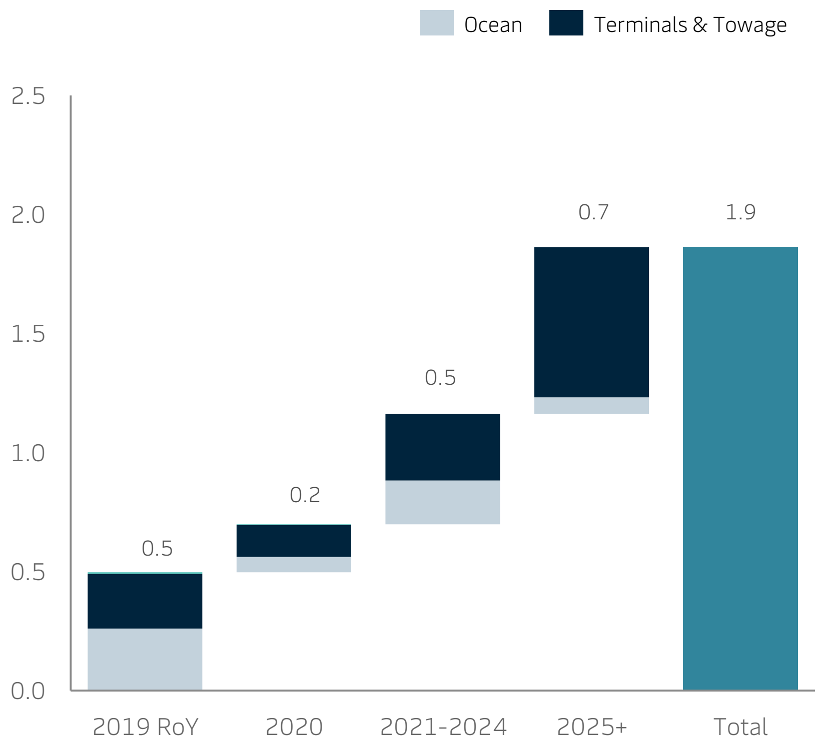
CAPEX commitments remain at a historically low level

Capex excluding acquisitions and divestments, USDbn





Contractual Capex Commitments, USDbn



Gross capex guidance for 2019 maintained at around USD 2.2bn.

Total contractual capex commitments of USD 1.9bn end Q2 2019 down from USD 2.8bn in Q2 2018.

No new large vessels are expected to be ordered and no new large greenfield terminal projects are expected to be pursued until earliest 2020.

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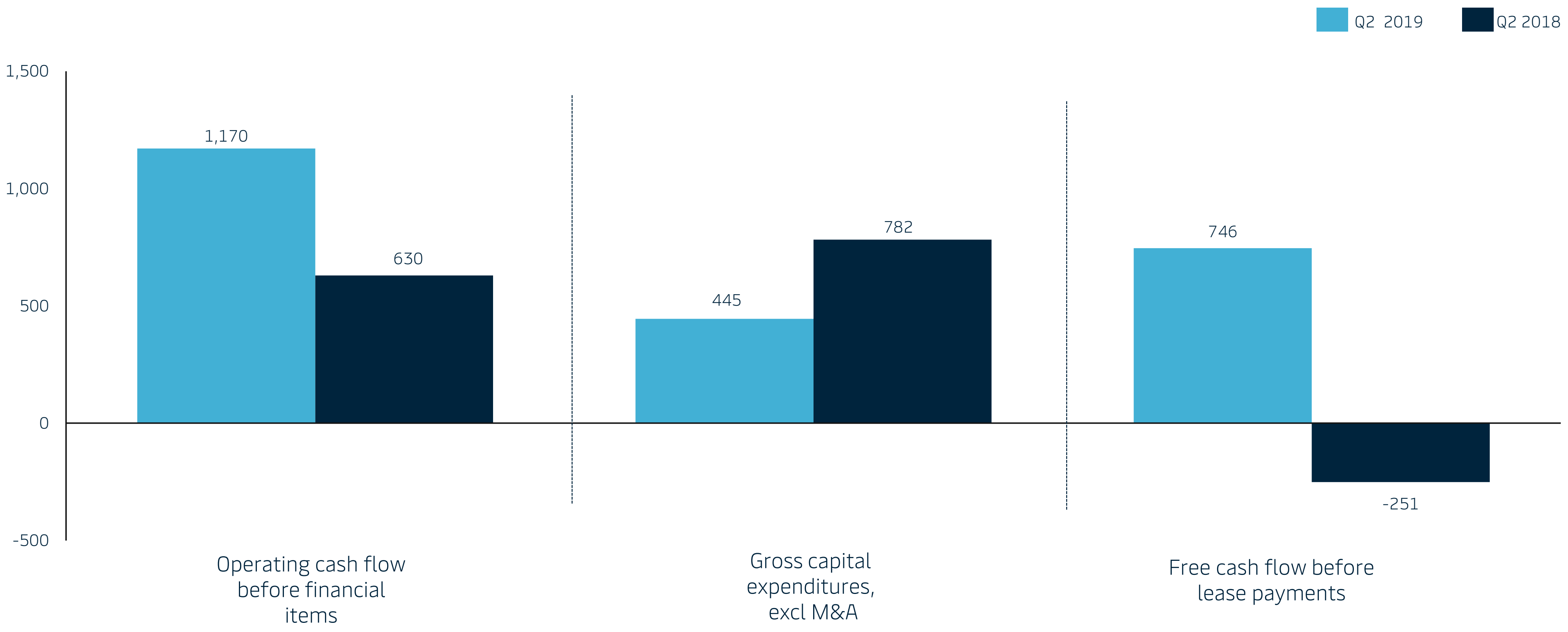
High cash conversion in Q2 2019

Development in cash flow, USDm



CFFO of USD 1.2bn was driven by an increase in EBITDA and improved net working capital leading to a cash conversion of 86%.

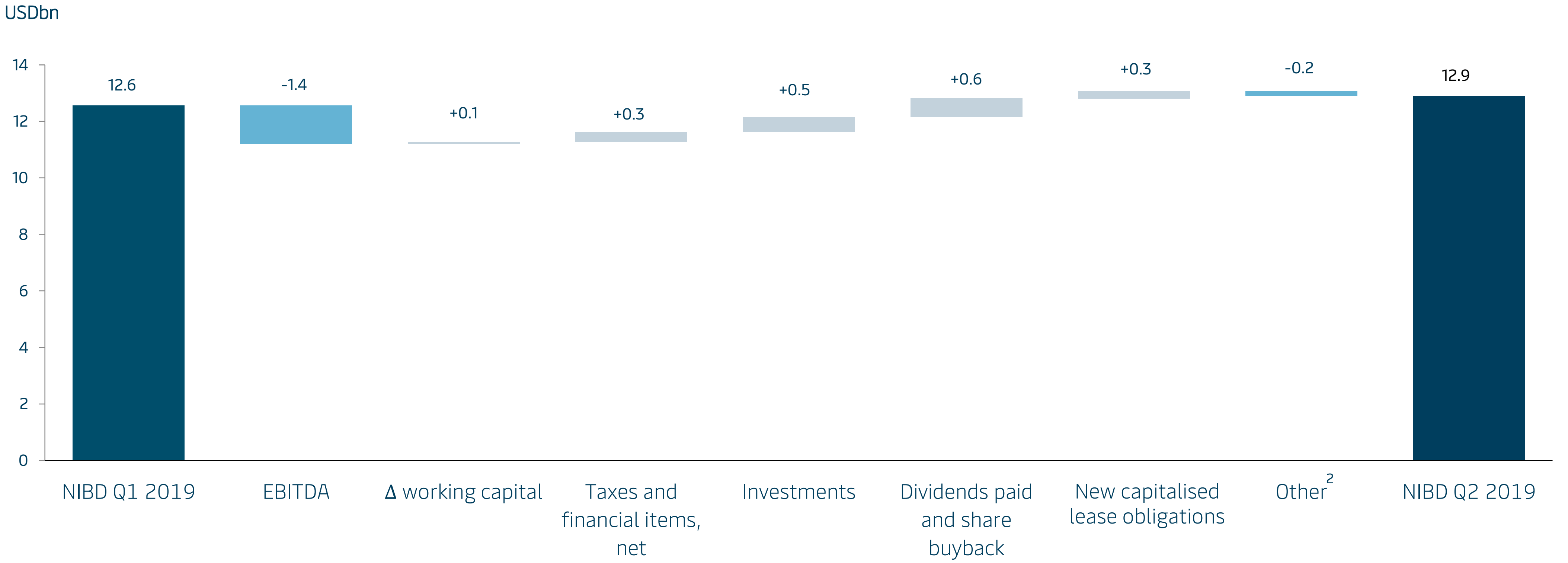
Free cash flow of USD 0.7bn reflects the strong cash conversion and lower capex.

Free cash flow was USD 0.2bn after capitalised lease payments.

Financial highlights Q2 2019

Net interest bearing debt largely unchanged

Development in net interest-bearing debt



S&P lifted their negative outlook on the credit rating and confirmed BBB with stable outlook in Q2.

Increase in finance leases of USD 300m was related to chartered vessels and containers.

Liquidity reserve[1] of USD 12.3bn by end Q2 2019.

1) Defined as cash and securities and undrawn committed facilities longer than 12 months less restricted cash and securities.
2) Other includes dividends received, currency impacts and other

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Financial highlights Q2 2019

Consolidated financial information

Income statement (USDm) (Continuing operations)	Q2 2019	Q2 2018 (incl. IFRS 16)	FY 2018 (incl. IFRS 16)
Revenue	9,627	9,568	39,257
EBITDA	**1,357**	**1,162**	**4,998**
EBITDA margin	**14.1%**	**12.1%**	**12.7%**
Depreciation, impairments etc.	1,024	1,166	4,756
Gain on sale of non-current assets, etc., net	16	13	166
Share of profit in joint ventures	34	39	116
Share of profit in associated companies	33	17	-115
EBIT	**416**	**65**	**409**
EBIT margin	**4.3%**	**0.7%**	**1.0%**
Financial costs, net	-170	-154	-766
Profit/loss before tax	246	-89	-357
Tax	92	64	398
Profit/loss – continuing operations	**154**	**-153**	**-755**
Profit/loss – discontinued operations	-1	121	3,787
Profit/loss for the period	**153**	**-32**	**3,032**

Key figures and financials (USDm) (Continuing operations)	Q2 2019	Q2 2018 (incl. IFRS 16)	FY 2018 (incl. IFRS 16)
Profit/loss continuing operations	154	-153	-755
Gain/loss on sale of non-current assets etc., net	-16	-13	-166
Impairment losses, net.	-29	124	757
Transaction and integration cost	24	36	78
Tax on adjustments	1	21	25
Underlying profit/loss – continuing operations	**134**	**15**	**-61**
Cash flow from operating activities	**1,170**	**630**	**4,442**
Gross capital expenditures	**445**	**782**	**3,219**
Net interest-bearing debt (APMM total)	**12,910**	**20,517**	**14,953**
Invested capital	41,910	53,854	49,255
Total Equity (APMM total)	28,997	33,435	33,205
Earnings per share (USD)	7	-7	-37

Consolidated financial information

Income statement (USDm) (Continuing operations)	6 months 2019	6 months 2018 (incl. IFRS 16)	FY 2018 (incl. IFRS 16)
Revenue	19,167	18,873	39,257
EBITDA	**2,593**	**2,093**	**4,998**
EBITDA margin	**13.5%**	**11.1%**	**12.7%**
Depreciation, impairments etc.	2,106	2,186	4,756
Gain on sale of non-current assets, etc., net	34	46	166
Share of profit in joint ventures	58	76	116
Share of profit in associated companies	67	43	-115
EBIT	**646**	**72**	**409**
EBIT margin	**3.4%**	**0.4%**	**1.0%**
Financial costs, net	-398	-374	-766
Profit/loss before tax	248	-302	-357
Tax	198	162	398
Profit/loss – continuing operations	**50**	**-464**	**-755**
Profit/loss – discontinued operations	-553	3,102	3,787
Profit/loss for the period	**-503**	**2,638**	**3,032**

Key figures and financials (USDm) (Continuing operations)	6 months 2019	6 months 2018 (incl. IFRS 16)	FY 2018 (incl. IFRS 16)
Profit/loss continuing operations	50	-464	-755
Gain/loss on sale of non-current assets etc., net	-34	-46	-166
Impairment losses, net.	-8	123	757
Transaction and integration cost	55	49	78
Tax on adjustments	2	24	25
Underlying profit/loss – continuing operations	**65**	**-314**	**-61**
Cash flow from operating activities	**2,652**	**1,358**	**4,442**
Gross capital expenditures	**1,223**	**2.141**	**3,219**
Net interest-bearing debt (APMM total)	**12,910**	**20,517**	**14,953**
Invested capital	41,910	53,854	49,255
Total Equity (APMM total)	28,997	33,435	33,205
Earnings per share (USD)	2	-23	-37

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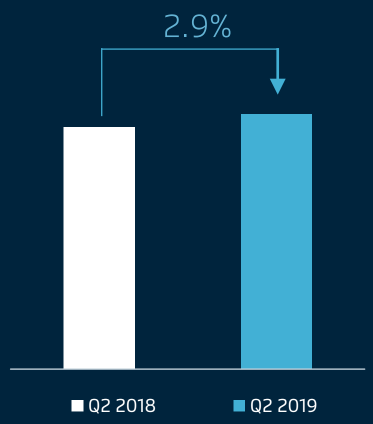
Highlights Q2 2019

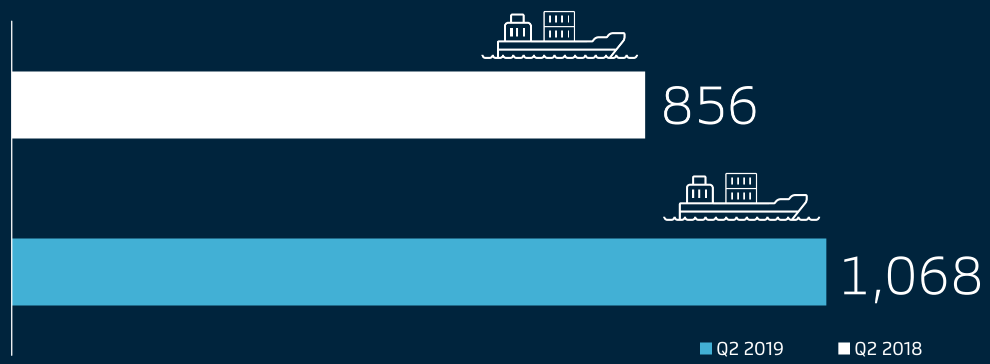
Ocean

- Supported by volume growth, higher freight rates and positive cost performance, EBITDA increased 25% to USD 1,068m reflecting a margin improvement of 260bps to 14.9%.
- Other revenue was USD 814m (USD 784m).
- Total operating costs were on par with Q2 2018, leading to a unit cost at fixed bunker reduction of 3.5%, driven by strong network operations, improved bunker consumption and high reliability.
- Maersk Spot launched in Q2.
- Preparation towards the new fuel regulations in 2020 continues.

Revenue



EBITDA (USDm)



	Q2 2019 (USDm)	Q2 2018 (USDm)	FY 2018 (USDm)
Revenue	7,150	6,952	28,366
EBITDA	1,068	856	3,782
EBITDA margin	14.9%	12.3%	13.3%
Gross capital expenditures	314	549	2,279

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Ocean - highlights Q2 2019

Freight rates increased 1.5% and volume increased 1.4%

- Average freight rates increased by 1.5% or 28 USD/FFE to USD 1,868, continuing the focus on margins through tight capacity management and high recovery for fuel price increases. Adjusted for negative FX impact the average freight rates improved by 2.8% or 51 USD/FFE.
- Total volumes increased by 1.4% to 3.45m FFE, mainly driven by backhaul volumes, which increased 3.0%, while headhaul volumes increased 0.6%. Global volume growth was around 2%.
- The East-West volume increase was driven by Europe, impacted by higher demand for refrigerated goods in China, while North America trades were impacted negatively by the trade restrictions with China and modest growth in US.
- The North-South volume growth was driven by growth in Africa and West Central Asia, which was offset by declines in Latin America and Oceania trades, mainly due to weak market demand.
- Positive effects from the reorganisation in Ocean in Q1 2019, with focus on regional pricing, combined with the strong network operations led to higher volumes.

Volumes grew 0.5% on East-West

Freight rates on East-West increased 3.5% USD 1,845/FFE (USD 1,782/FFE)

Volumes were on par on North-South

Freight rates on North-South increased 1.3% USD 2,092/FFE (USD 2,065/FFE)

Volumes increased by 5.4% on Intra-regional

Freight rates on Intra-regional declined 1.6% USD 1,461/FFE (USD 1,485/FFE)

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Total operating cost unchanged and unit cost improving 3.5%

- Total operating costs were unchanged at USD 6.1bn as higher network costs from slot charter expenses were partly offset by lower container handling costs and FX impact.
- Adjusting for FX, total operating cost increased by 2.2%, mainly due to increased number of slots bought from VSA partners and higher volumes.
- Container handling costs decreased by 1.4%, impacted by lower empty container positioning costs and positively impacted by FX.
- The unit cost at fixed bunker improved mainly due to higher volumes, the network improvements and FX impact. Excluding FX, unit cost at fixed bunker improved 1.6%.
- The bunker cost was unchanged despite an increase in the average bunker price of 8.5% to 436 USD/tonne (401 USD/tonne) as the bunker consumption declined 7.5% due to an improved network and higher reliability.

Unit cost at fixed bunker improved by 3.5% to USD 1,713/FFE (USD 1,776/FFE)

Total unit cost was USD 1,903/FFE (1,954 USD/FFE)

Bunker efficiency improved by 8.1% to 41.7 g/TEU*NM (45.4 g/TEU*NM)[1]

Utilisation improved compared to Q2 2018

Bunker cost was unchanged at USD 1.2bn (USD 1.2bn)

SG&A and other operational costs increased by 2.4%

[1]Measured in gms Fuel / Total TEU x Nm. Total TEU is actual number of full + empties carried on the Ocean network. Nm =nautical miles.

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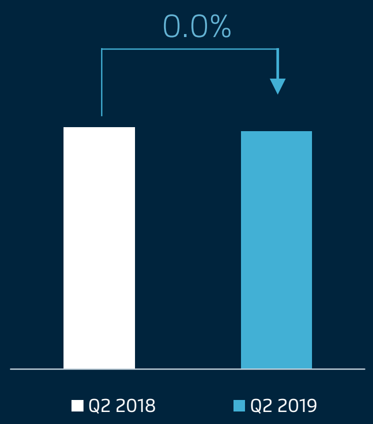
Highlights Q2 2019

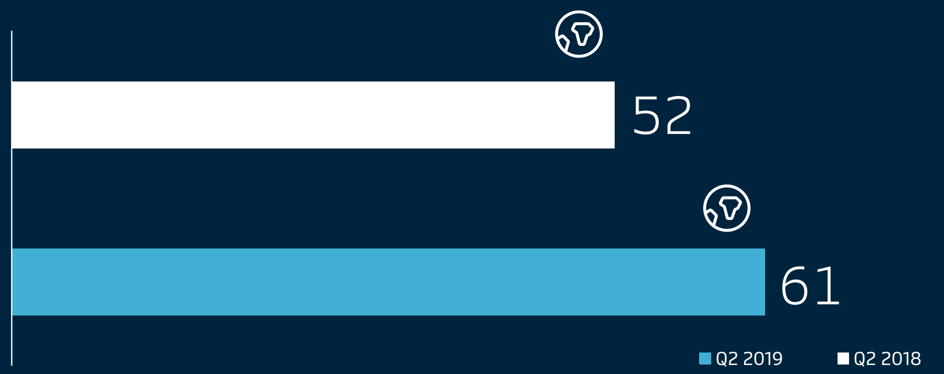
Logistics & Services

- Revenue was on par with Q2 2018, positively impacted by increasing revenue in supply chain management, but offset by declining revenue in sea and air freight forwarding.
- Gross profit increased by 4.9%, positively impacted by higher intermodal volume in profitable geographical areas, warehousing and custom house brokerage.
- EBITDA margin improved to 4.1% (3.5%).
- The merger of the commercial organisations of Logistics & Services and Ocean progressed according to plan during Q2.
- The acquisition of Vandergrift contributing positively to capabilities.

Revenue



EBITDA (USDm)



	Q2 2019 (USDm)	Q2 2018 (USDm)	FY 2018 (USDm)
Revenue	1,484	1,489	6,082
Gross profit	298	285	1,121
EBITDA	61	52	191
EBITDA margin	4.1%	3.5%	3.1%
Gross capital expenditures	29	12	47

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Logistics & Services - highlights Q2 2019

Improved gross profit

- Volumes in SCM increased slightly, while margins decreased to 4.6 USD/cbm (4.7 USD/cbm).
- Intermodal revenue was on par, with volumes increasing slightly, while margins were positively impacted as geographical mix continues to be optimised.
- Volumes in air and sea freight forwarding were impacted by weaker demand, including the pre-loading effect in the US ahead of the anticipated tariffs and strategic initiatives to exit some regions. Margins in air freight decreased by 12% per tonne, while sea freight margins decreased by 11% per TEU.
- The EBIT conversion ratio was stable at 9.3% (9.4%).

Gross profit improved by 4.9% to USD 298m (USD 285m)

EBIT conversion ratio was on par to 9.3% (9.4%)

Volumes in SCM increased by 0.3%, while margins declined by 2.1%

Volumes in air and sea freight decreased by 9.2% and 6.6%, respectively

SG&A and other cost increased to USD 237m (USD 233m)

Direct cost decreased by 1.5% to USD 1,186 (USD 1,204)

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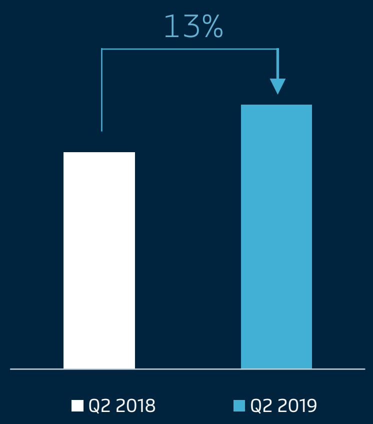
Highlights Q2 2019

Terminals & Towage

- Revenue grew by 13% to USD 957m (USD 847m), while EBITDA was on par.
- Gateway terminals reported revenue of USD 791m (USD 670m), while towage activity contributed to the revenue by USD 171m (USD 179m).
- EBITDA in gateway terminals increased 11% supported by increased volumes, storage income and utilisation, however partly offset by one-off items, leading to a 1.4%-points lower EBITDA-margin.
- For towage activities EBITDA declined 28%, mainly impacted by lower activities in high margin areas due to competitor entries, one-off items and FX.
- The construction of Vado, Italy, Abidjan, Ivory Coast, and Tema, Ghana is progressing as planned.

Revenue



EBITDA (USDm)

	Q2 2019 (USDm)	Q2 2018 (USDm)	FY 2018 (USDm)
Revenue	957	847	3,772
EBITDA	226	226	998
EBITDA margin	23.6%	26.7%	26.5%
Gross capital expenditures	85	116	556

Terminals & Towage - highlights Q2 2019

Continuing to grow ahead of the market

- Revenue per move was driven by higher volumes in North America, where rates on average are higher, higher revenue from storage in West Africa and ramp-up in Moin, Costa Rica. The positive development was partly offset by FX.
- The worsening of cost per move was driven by higher volumes in higher cost locations and operational challenges in Port Elizabeth, North America.
- Utilisation was positively impacted by volume growth, capacity reductions in Los Angeles, USA and ramp-up of Moin, Costa Rica.
- Harbour towage activities grew by 2.1%, driven by activities in the Americas and the Asia, Middle East & Africa regions, partly offset by lower volumes in Europe and Australia.
- For terminal towage, annualised EBITDA per tug declined, mainly due to FX, however positively impacted by contracts commenced during 2018.

Like-for-like throughput grew 6.4% (7.6% from external customers and 4.1% from Ocean)

Utilisation grew by 9%-points 79% (70%)

Revenue per move increased by 7.4% to USD 257 (USD 239)

Cost per move increased by 4.7% USD 213 (USD 203)

Harbour towage activities grew by 2.1%

Terminal towage annualised EBITDA per tug declined mainly due to FX

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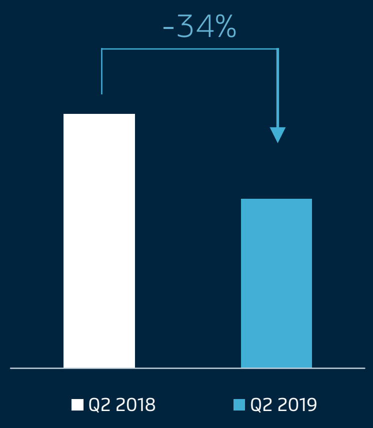
Highlights Q2 2019

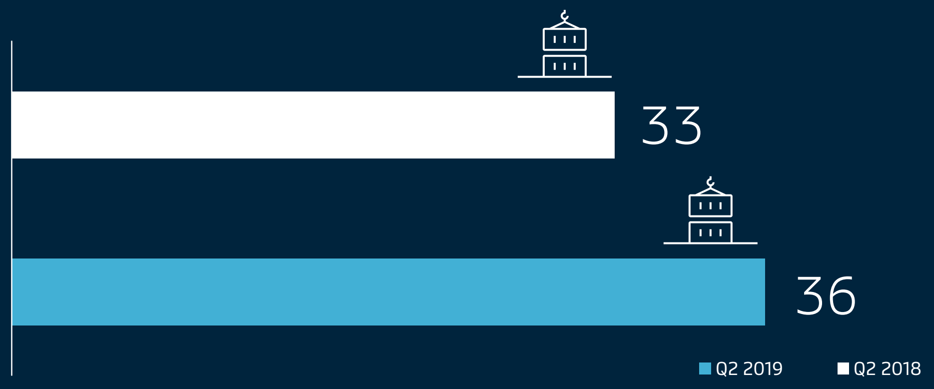
Manufacturing & Others

- Revenue in Maersk Container Industry decreased to USD 132m (USD 249m), impacted by the exit from the dry business and 30% lower revenue in reefer business. EBITDA of USD 16m (USD -6m) reflects the restructuring cost last year of USD 18m.
- Revenue in Maersk Supply Service was on par with Q2 2018 of USD 70m, while EBITDA improved to USD 5m (USD -3m), reflecting higher rates in the Subsea Supply Vessel segment.
- Revenue for other businesses ended at USD 256m (USD 378m). EBITDA was USD 15m (USD 42m).

Revenue



EBITDA (USDm)



	Q2 2019 (USDm)	Q2 2018 (USDm)	FY 2018 (USDm)
Revenue	459	697	2,787
EBITDA	36	33	163
EBITDA margin	7.8%	4.7%	5.8%
Gross capital expenditures	10	78	358

2019

Full-year guidance

Guidance for 2019

(Based on IFRS 16)

A.P. Moller - Maersk reiterates its guidance, still expecting earnings before interest, tax, depreciation and amortisation (EBITDA) of around USD 5.0bn.

The organic volume growth in Ocean is still expected to be in line with the estimated average market growth of 1-3% for 2019.

Guidance on gross capital expenditures (CAPEX) is maintained of around USD 2.2bn (FY 2018 USD 3.2bn) and a high cash conversion (cash flow from operations compared to EBITDA).

The guidance continues to be subject to considerable uncertainties due to the weaker macroeconomic conditions and other external factors impacting container freight rates, bunker prices and foreign exchange rates.

Sensitivity guidance

A.P. Moller - Maersk's guidance for 2019 depends on several factors. Based on the expected earnings level and all else being equal, the sensitivities for the rest of 2019 for four key assumptions are listed in the table below:

Factors	Change	Effect on EBITDA (Rest of 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

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Appendix

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Financial highlights Q2 2019

	Revenue		EBITDA		CAPEX	
USD million	**Q2 2019**	**Q2 2018**	**Q2 2019**	**Q2 2018**	**Q2 2019**	**Q2 2018**
Ocean	7,150	6,952	1,068	856	314	549
Logistics & Services	1,484	1,489	61	52	29	12
Terminals & Towage	957	847	226	226	85	116
Manufacturing & Others	459	697	36	33	10	78
Unallocated activities and eliminations, etc.	-423	-417	-34	-5	7	27
A. P. Moller - Maersk Consolidated – continuing operations	**9,627**	**9,568**	**1,357**	**1,162**	**445**	**782**

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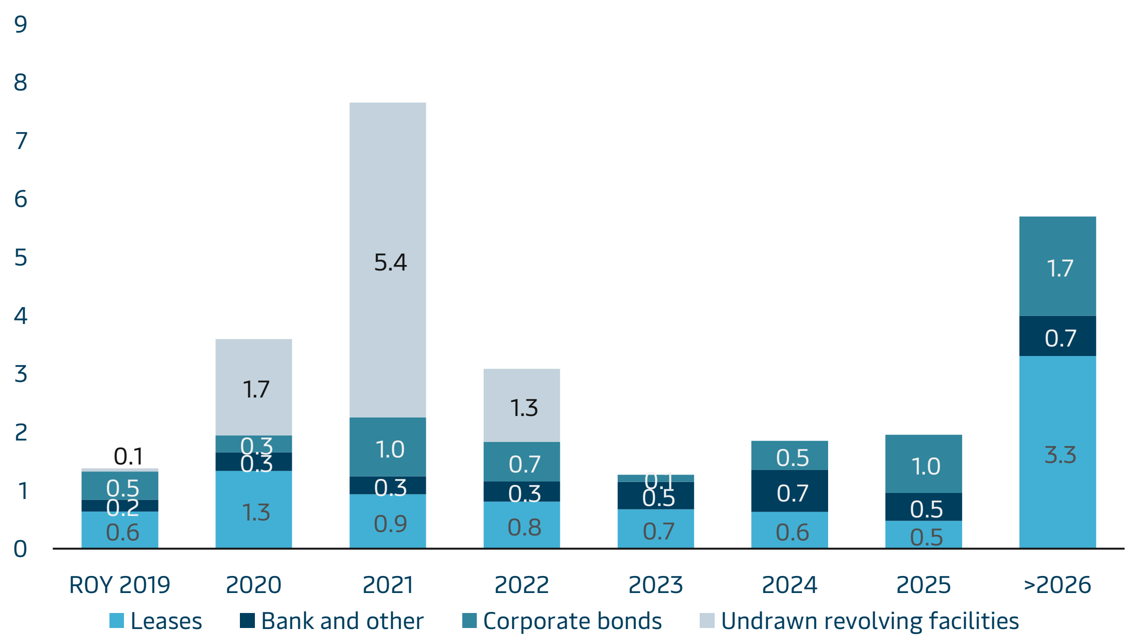
Funding in place with liquidity reserve of USD 12.3bn

Debt maturity profile at the end of Q2 2019

USDbn



Funding

- BBB / Baa3 credit ratings from S&P and Moody's respectively
- Liquidity reserve of USD 12.3bn as of end Q2 2019[1]
- In addition to the liquidity reserve, there is USD 0.3bn[2] in committed undrawn investment-specific funding in place
- Average debt maturity about five years
- Corporate bond programme 32% of our gross debt (USD 5.8bn)
- Amortisation of debt in coming 5 years is on average USD 1.9bn per year.

1) Defined as cash and securities and undrawn committed facilities longer than 12 months less restricted cash and securities.
2) As of June 30th 2019

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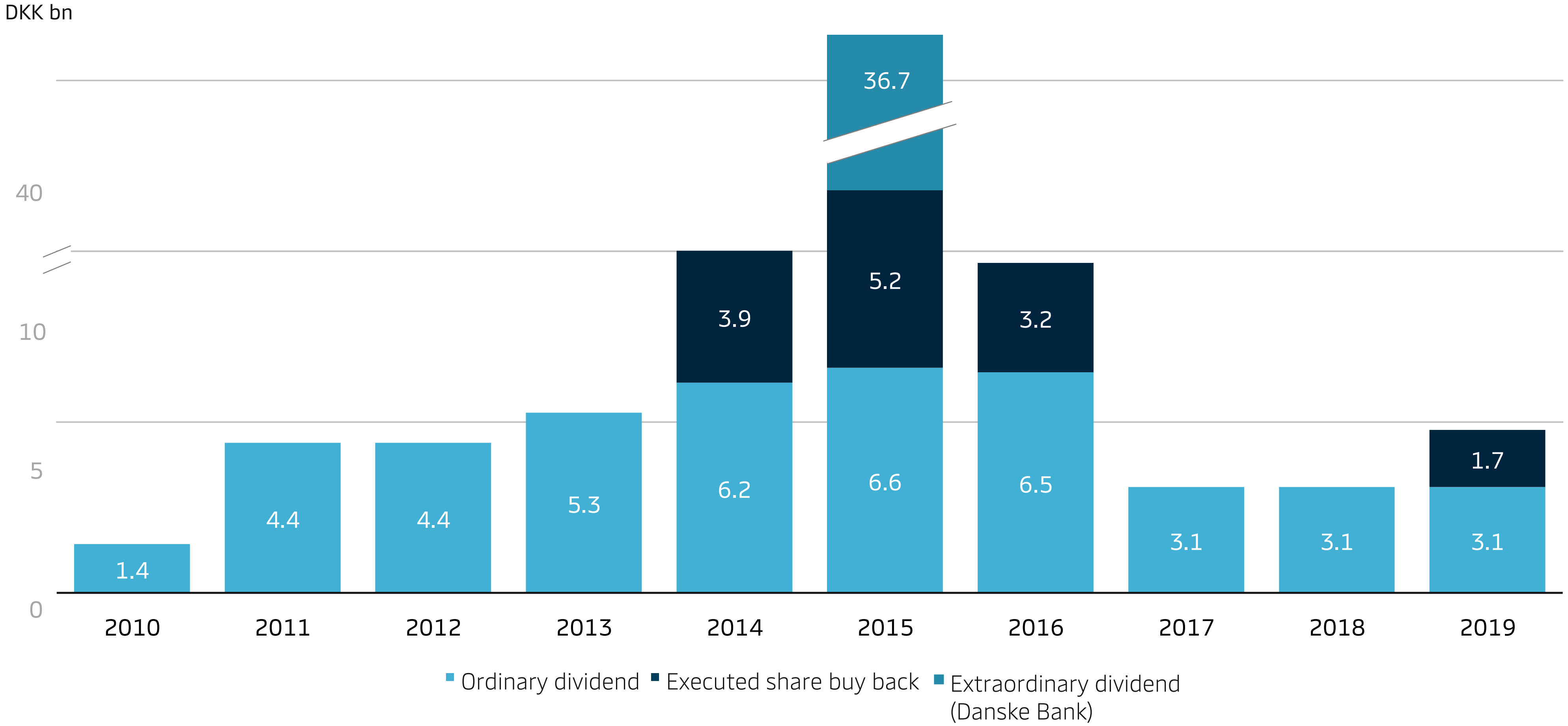
Earnings distribution to shareholders



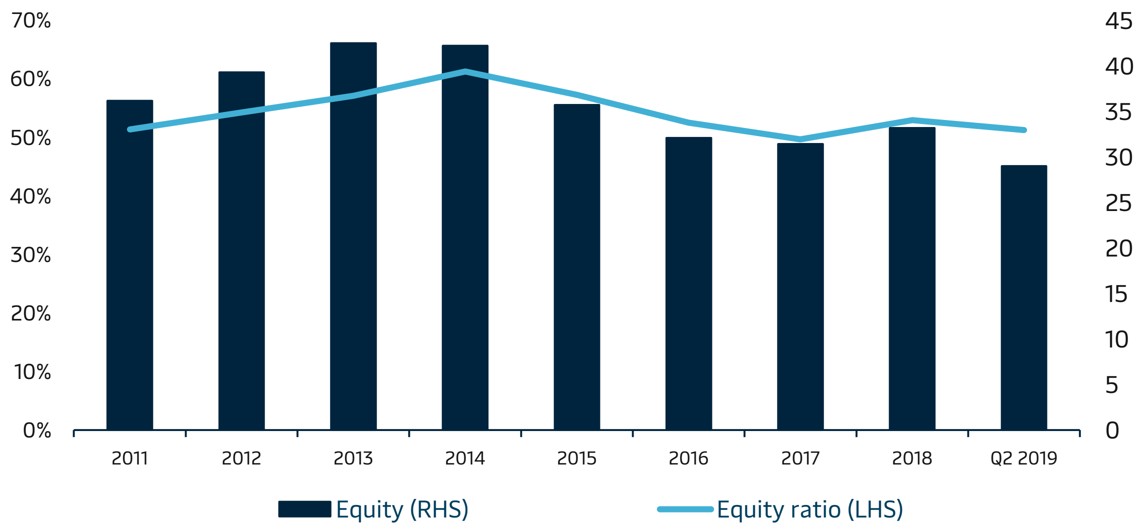
Note: Dividend and share buy back in the paid year. In the announced first phase of a share buy-back program running from 4 June 2019 up to 1 November 2019, the Company will buy-back A and B shares for an amount of up to DKK 3.3bn

A strong financial position

High equity ratio*

Equity ratio of 51% by Q2 2019

Equity Ratio in USDbn

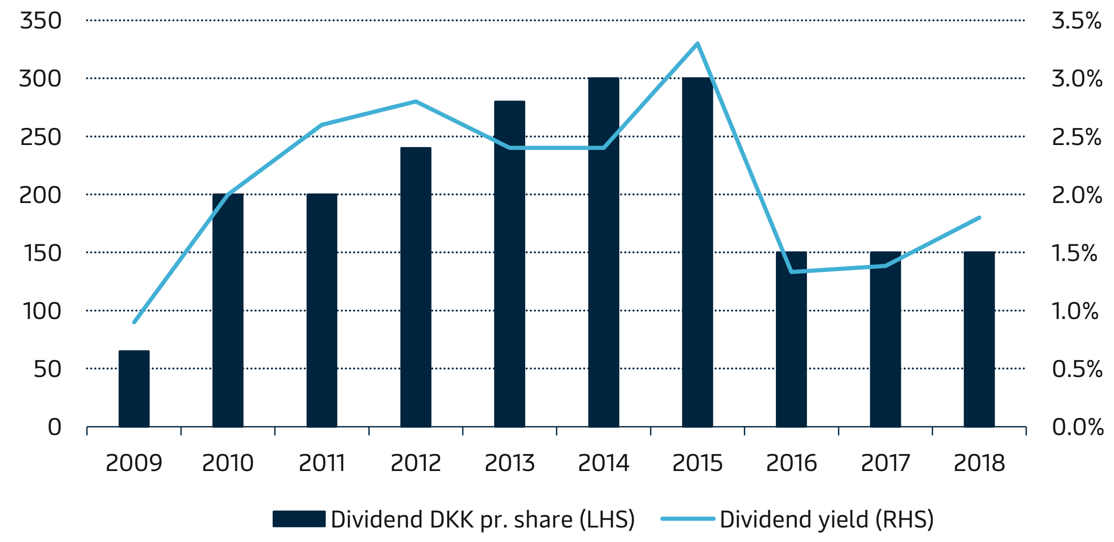


* Includes impact of IFRS16 in 2018 and Q2 2019

Ordinary dividends**

Ambition to increase dividend per share supported by underlying earnings growth

Dividend per share (DKK)



** Adjusted for bonus shares issue

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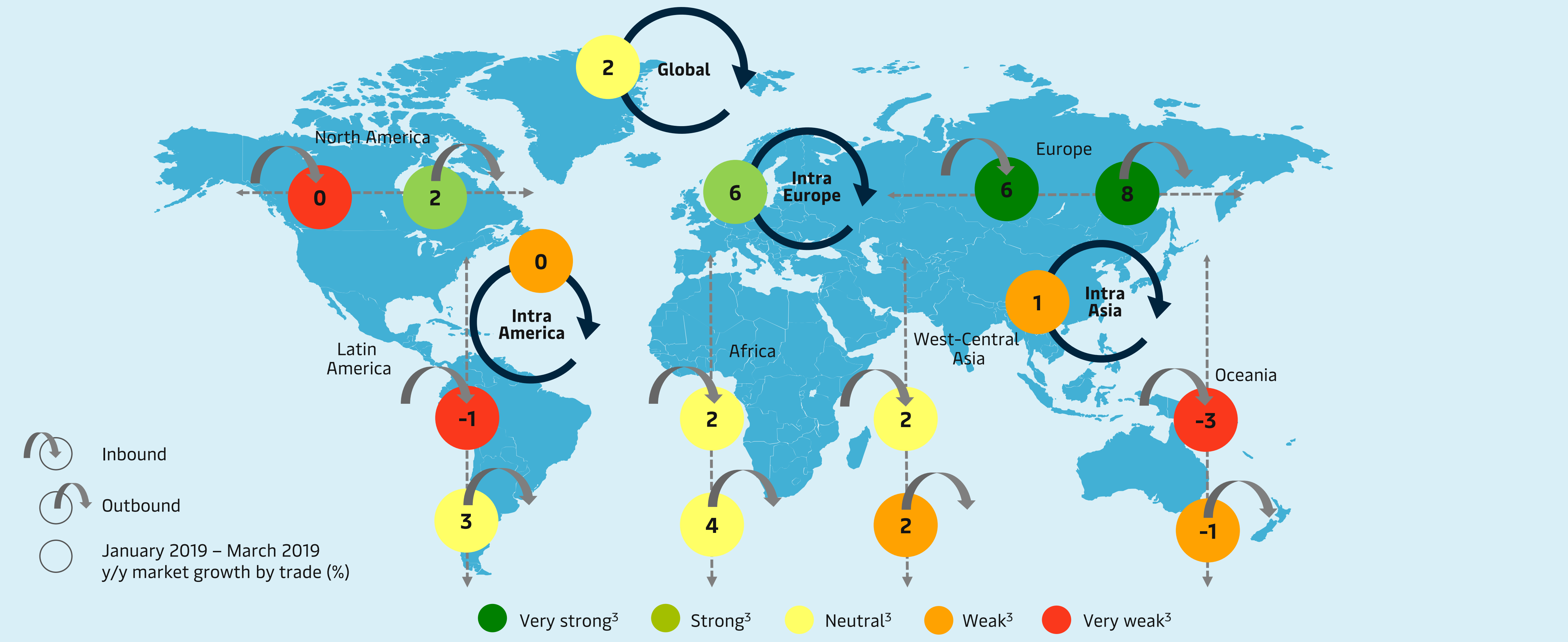
Global container trade grew around 2% in Q2 2019



Source: Internal market volume estimations as of June 2019.
Note: 1. Actuals available until June 2019; 2. Figures reported refer to the last available 3-month moving average of market growth; 3. Colours embed information on the current dynamics relative to the 2012-17 average; 4. West-Central Asia is defined as import and export to and from Middle East and India.

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IMO 2020

IMO 2020 regulation status

- Global sulphur cap to enter into force on 1 January 2020
  - The date is set in stone
  - No grace or testing period to delay the start date
- Carriage ban on fuel with S<0.5% will enter into force on March 2020
- There will be enough compliant fuel for the industry to comply with the new regulations - however, with uncertainties regarding price levels

Maersk positioning by January 2020

Low sulphur fuel

- The majority of our vessels will comply with the sulphur cap using low sulphur fuels
- A joint initiative with Vopak on a 0.5% Rotterdam bunker facility will cater for approx. 20% of our consumption

Scrubber capex committed around USD 260m

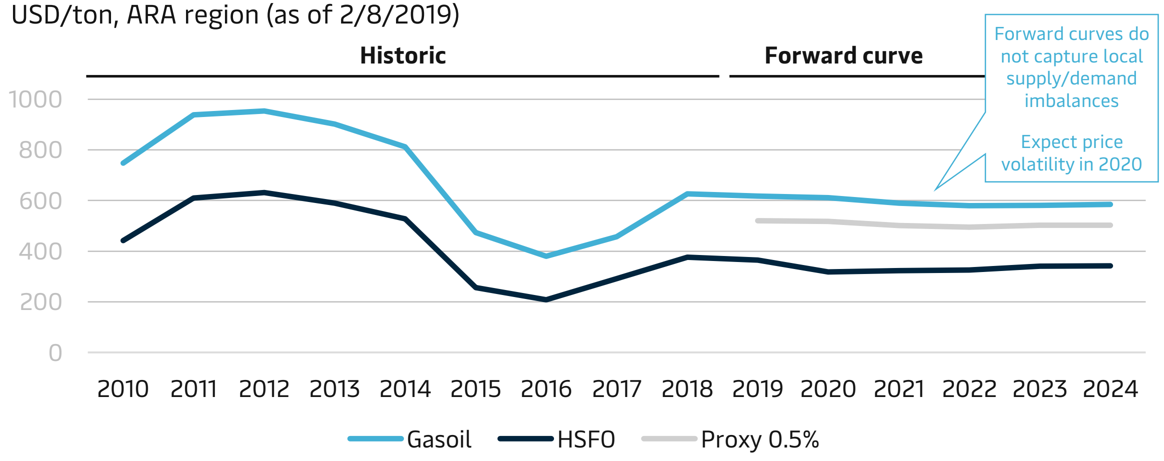
- Scrubber technology is only one element of our 2020 sulphur cap fuel sourcing strategy. The purpose of the strategy is to mitigate the risk of fuel price uncertainty in 2020

New BAF introduced to contracts with effect from January 2019

The bunker cost could increase by more than USD 2bn

Historic prices and forward curves

USD/ton, ARA region (as of 2/8/2019)



USD / MT	2020	2021	2022	2023	2024
0.1 Gasoil	575	565	564	569	573
HSFO	292	312	323	338	339
Proxy 0.5%	492	493	495	504	505
Spread Gasoil – Proxy 0.5%	83	72	69	65	68
Spread Proxy 0.5% - HSFO	200	181	171	166	166

Forward curves as of August 2, 2019; 2019 rest of year forward curve

Progressing on digitisation

Global Instant Quote

- Available since 9 March
- Industry Leading ability for customers to get instant quotes online and the ability to immediately book on them

Customs House Brokerage

Currently available in

- Spain
- Poland
- United Kingdom
- Netherlands
- Germany
- France
- Denmark
- Sealand, a Maersk Company (Europe)

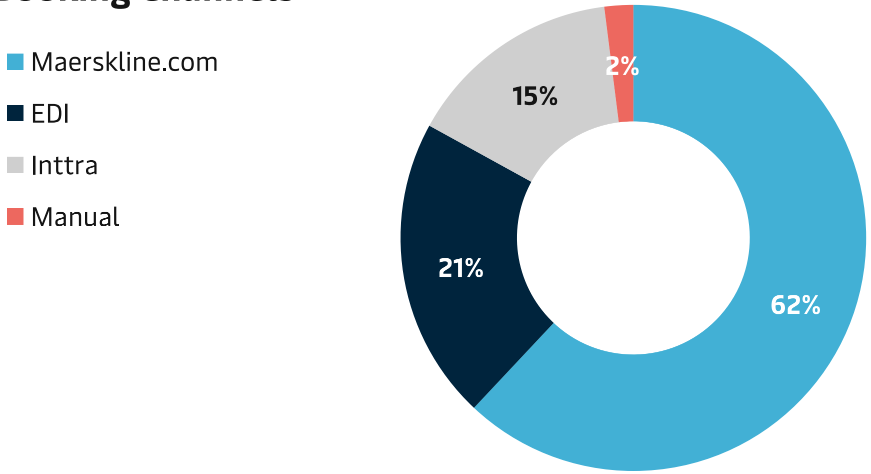
with 17 additional countries being added by end of Q4 2019

7,973*
Online quotes / Day

18,490*
Online bookings / Day

98% of all bookings are done electronic

Booking Channels

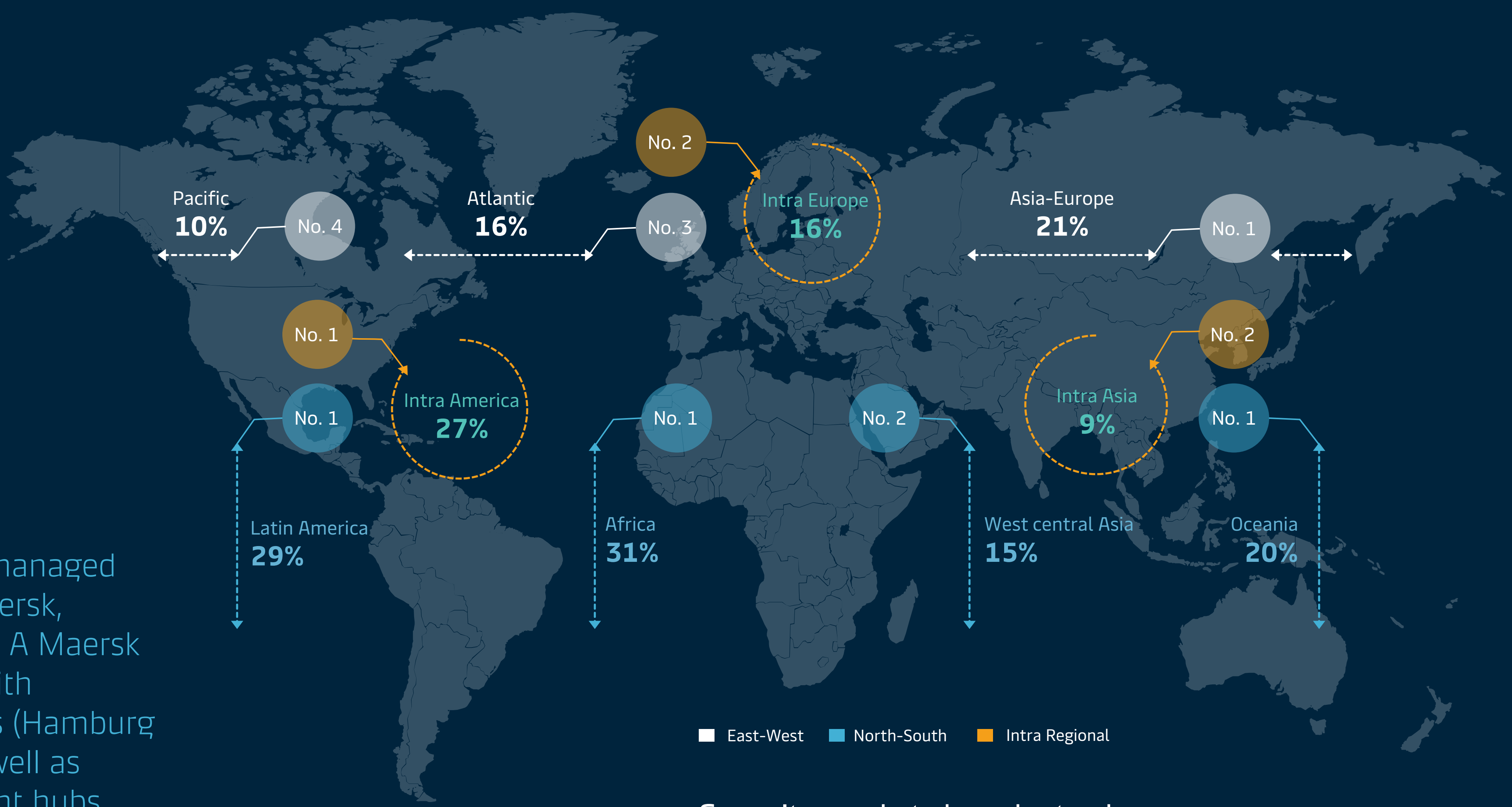


EDI in numbers

- EDI is responsible for 21% of the global bookings for Maersk, and over 50% of the global shipping instructions processed.
- **178 Million+** monthly EDI transactions equating **to 5,930,000+** transactions per day from **870+** global partners

Note: Online quotes represents more than 90% of all quotes. Online bookings include bookings via maerskline.com, EDI and Inttra representing 98% of total bookings as per 31 December 2018.

Ocean



Capacity market share by trade

Ocean activities are managed under the brands Maersk, Safmarine, Sealand – A Maersk Company together with Hamburg Süd brands (Hamburg Süd and Aliança) as well as strategic transhipment hubs under the APM Terminals brand.

Source: Alphaliner (June-end 2019) and Maersk.
Note: Adjusted for actual capacity share from Vessel Sharing Agreements on the East-West trades.

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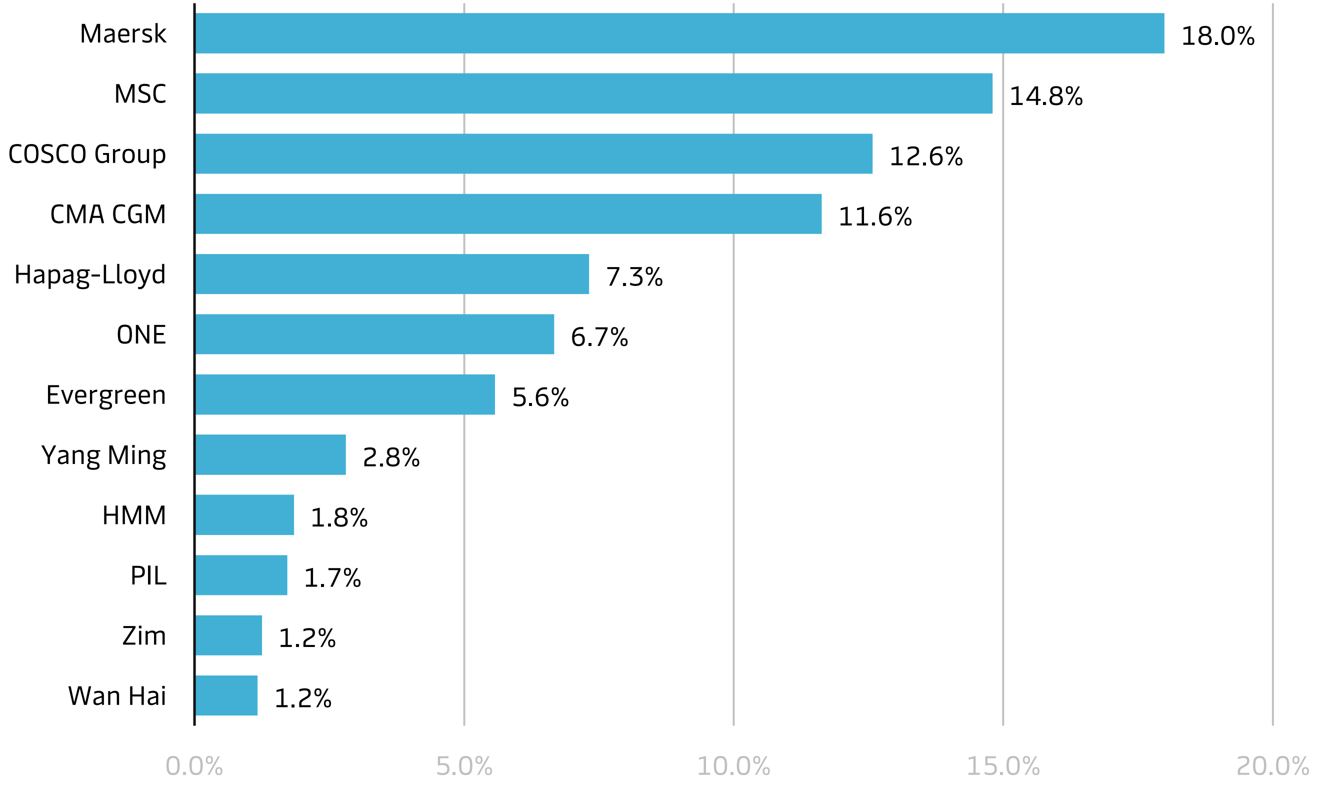
The industry is moving towards more consolidation

Capacity market share

In %



Note: As at June-end 2019.
Source: Alphaliner.

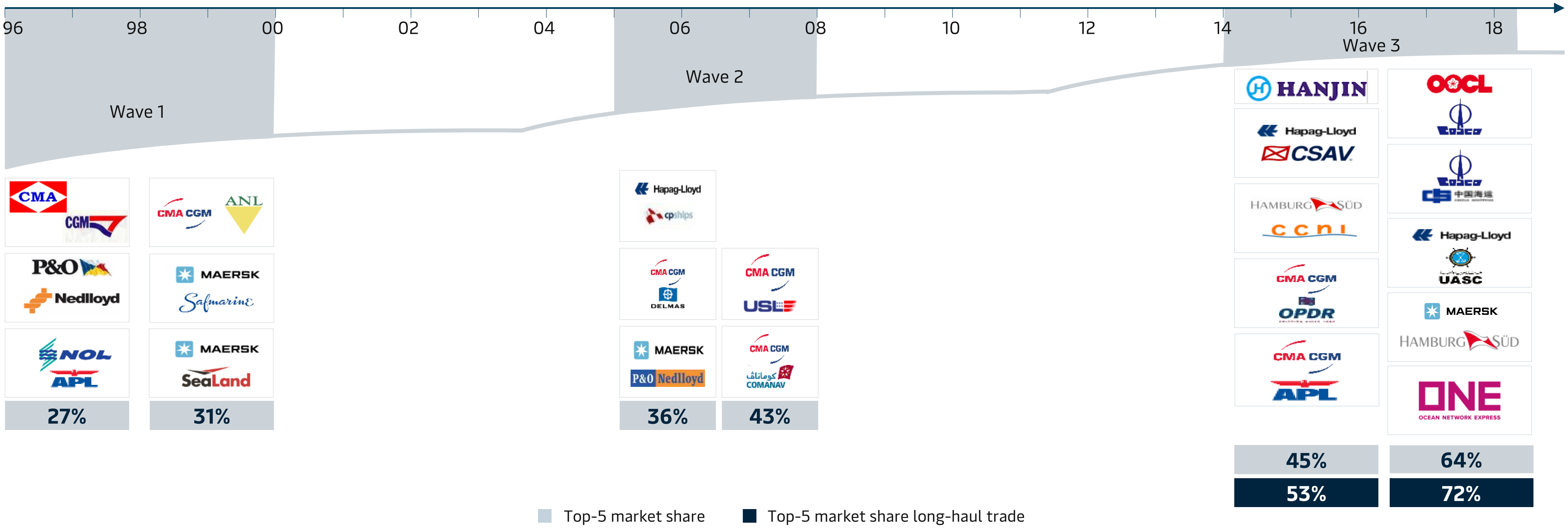
2M
MAERSK
msc

Ocean Alliance
OOCL
CMA CGM
EVERGREEN
COSCO

The Alliance
Hapag-Lloyd
YANG MING
ONE
OCEAN NETWORK EXPRESS

The liner industry is consolidating and top 5 share is growing

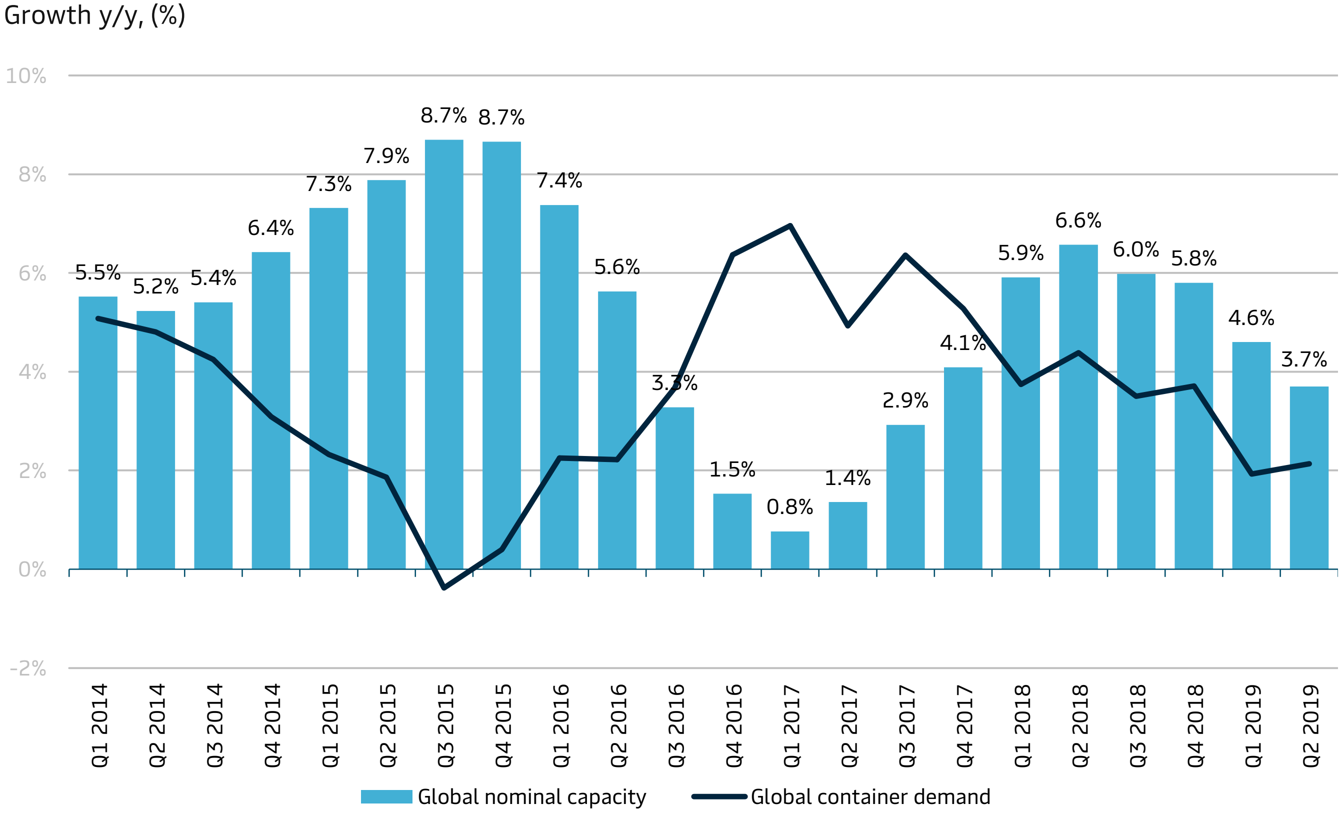
Consolidation wave is rolling again – 8 top 20 players disappeared in the last 4 years



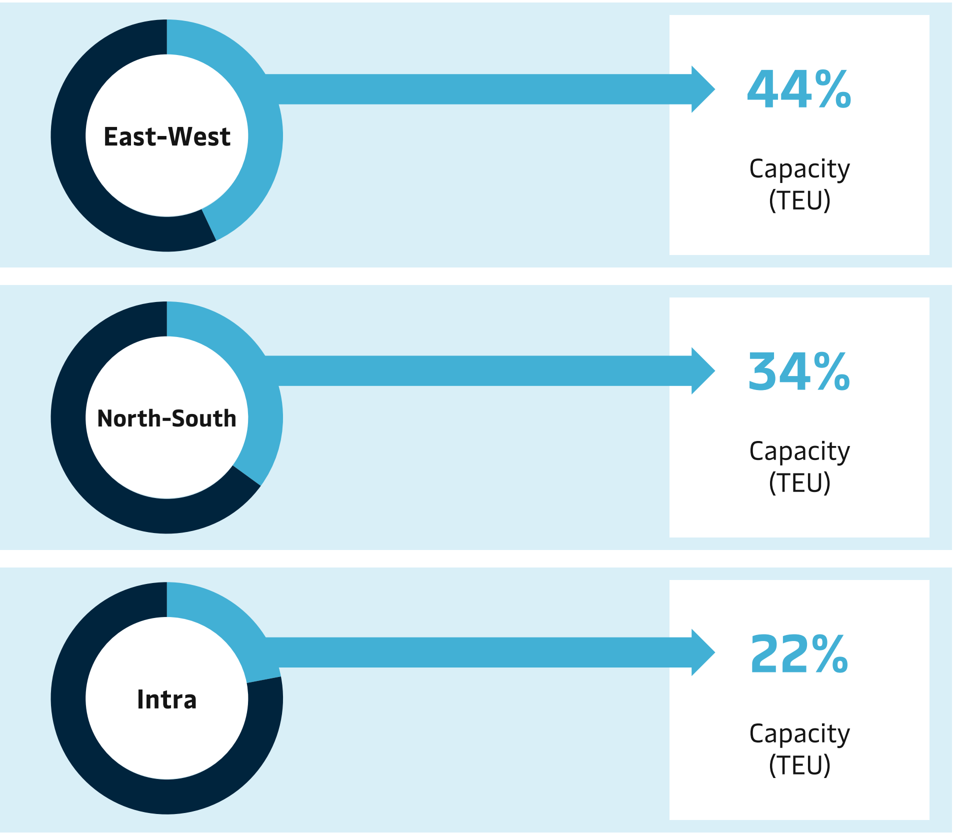
Note: Long haul trades defined as non-intra-regional trades.
Source: Alphaliner.

Industry nominal supply growth decreasing in Q2 2019

Global nominal supply and demand growth[1,2]



Industry capacity (TEU)



Note: 1. Global nominal capacity is deliveries minus scrapping's; 2. Q2 2019 is Maersk internal estimates where actual data is not available yet.
Source: Alphaliner, Maersk.

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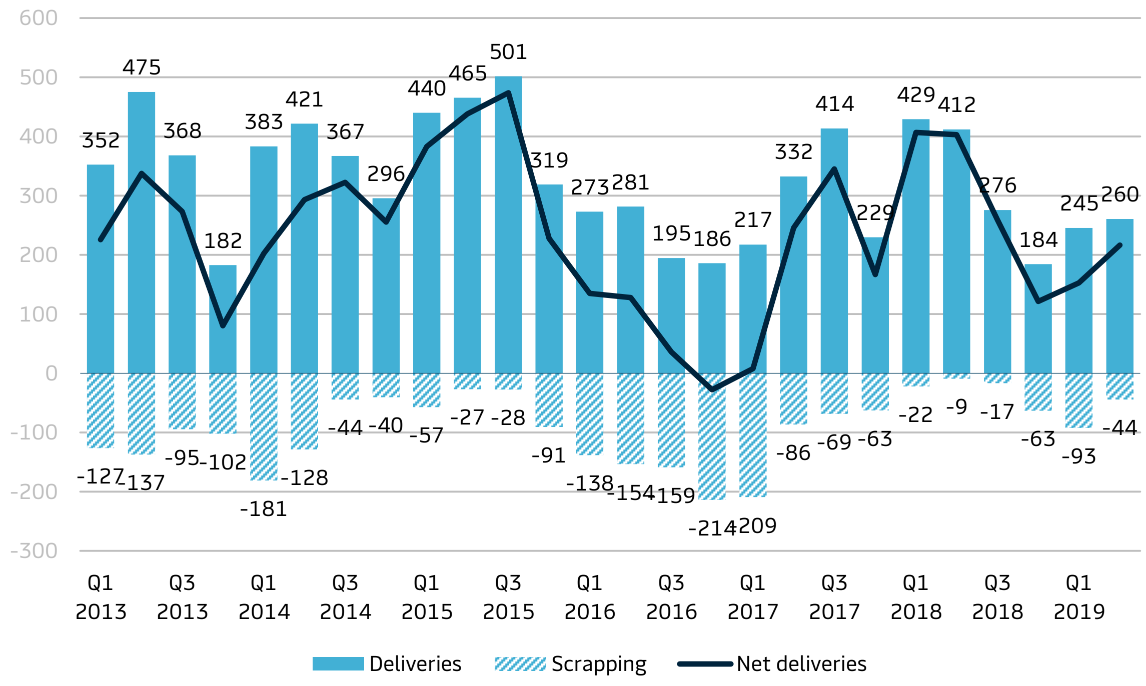
Few net deliveries and stable idling kept growth in effective capacity low in Q2 2019

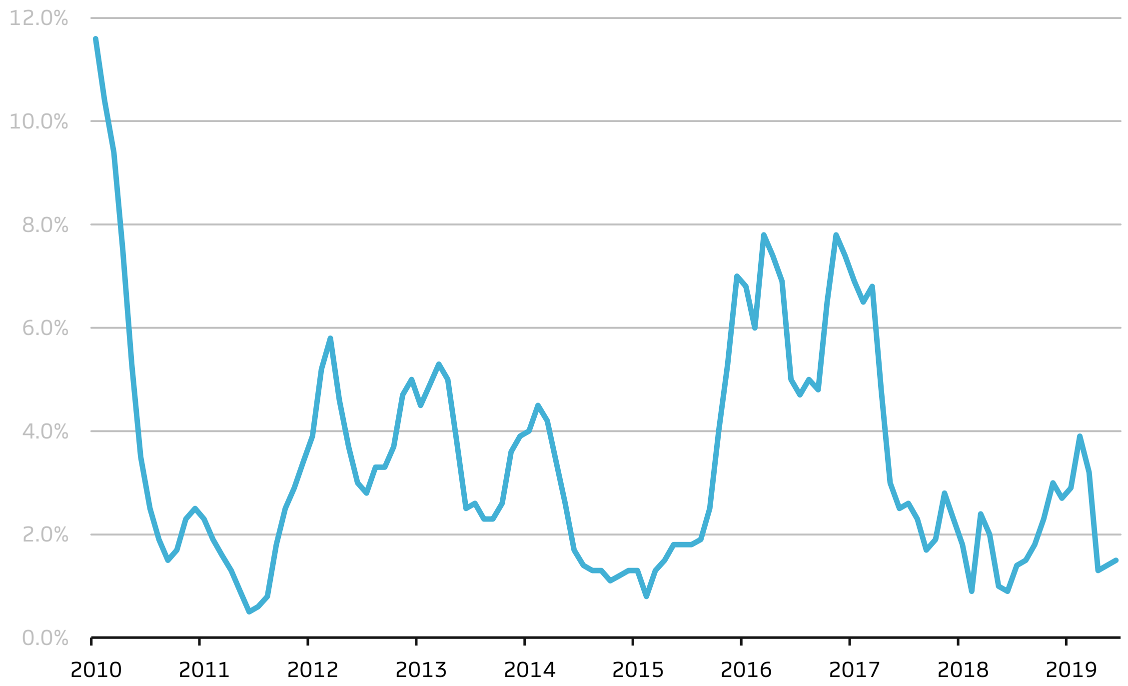
Net deliveries

TEU '000



Idling

Idle TEU as % of cellular fleet



Note: As at June-end 2019.
Source: Alphaliner.

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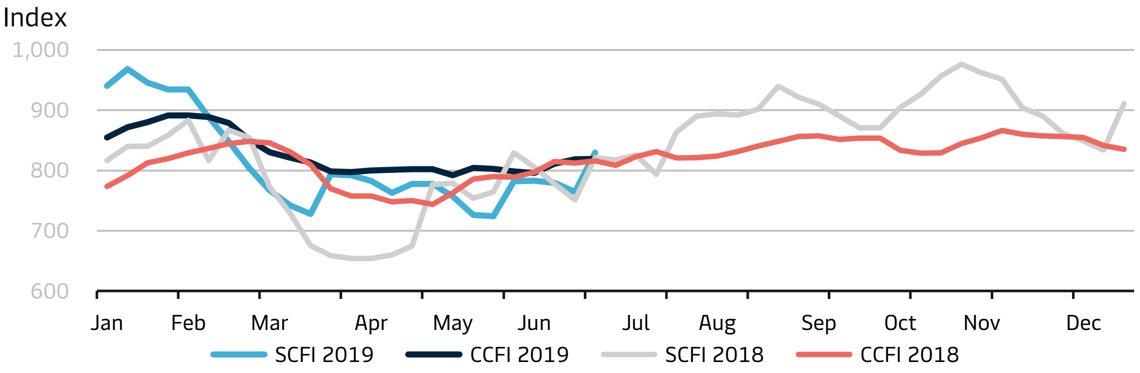
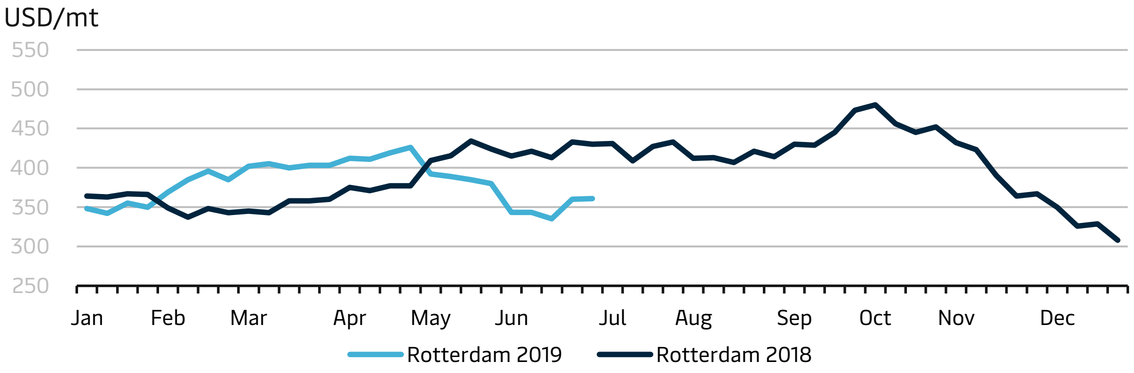
External factors continue to be volatile…

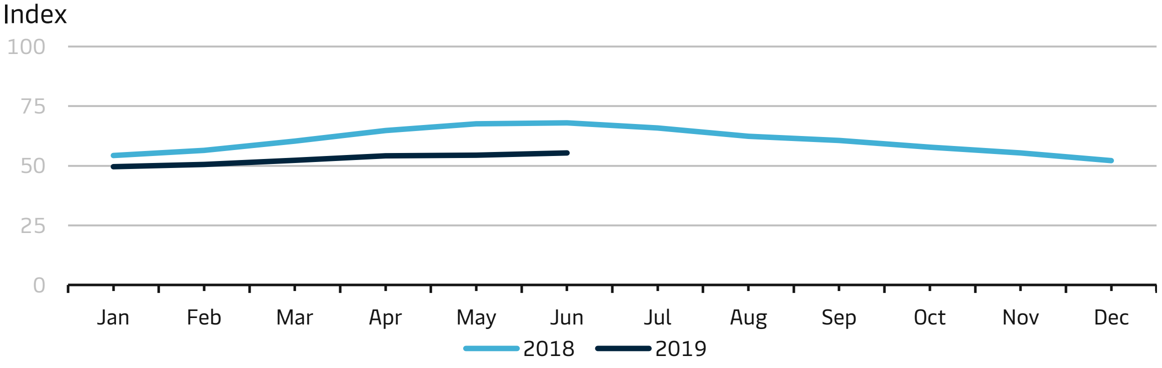
SCFI and CCFI index



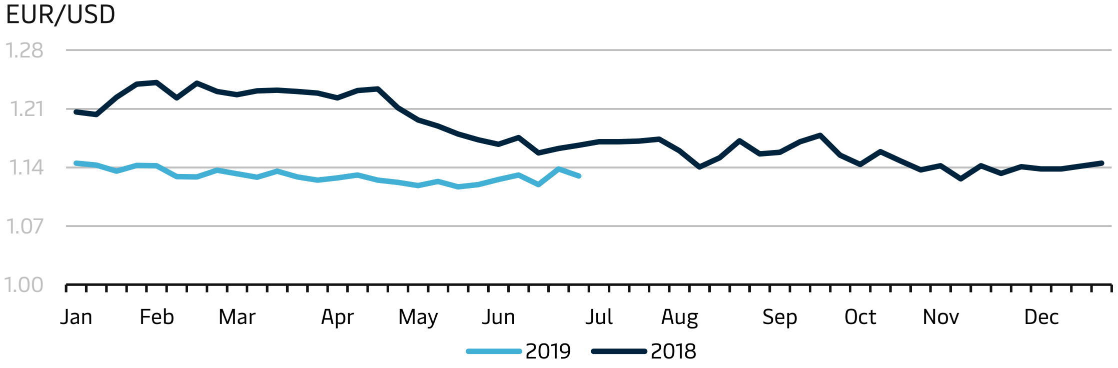
Bunker price



Time charter rates[1]



USD-EUR exchange rates



Note: 1. Containership Time charter Rate Index, 1993 = 100.
Source: Clarkson Research, Shanghai Shipping Exchange

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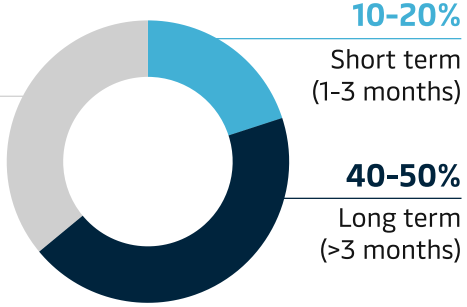
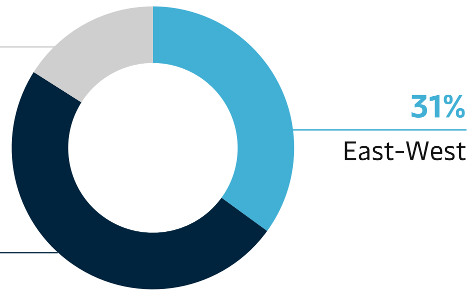
… however the volatility is lowered through contract coverage including bunker adjustment factors

Volume split, 2018

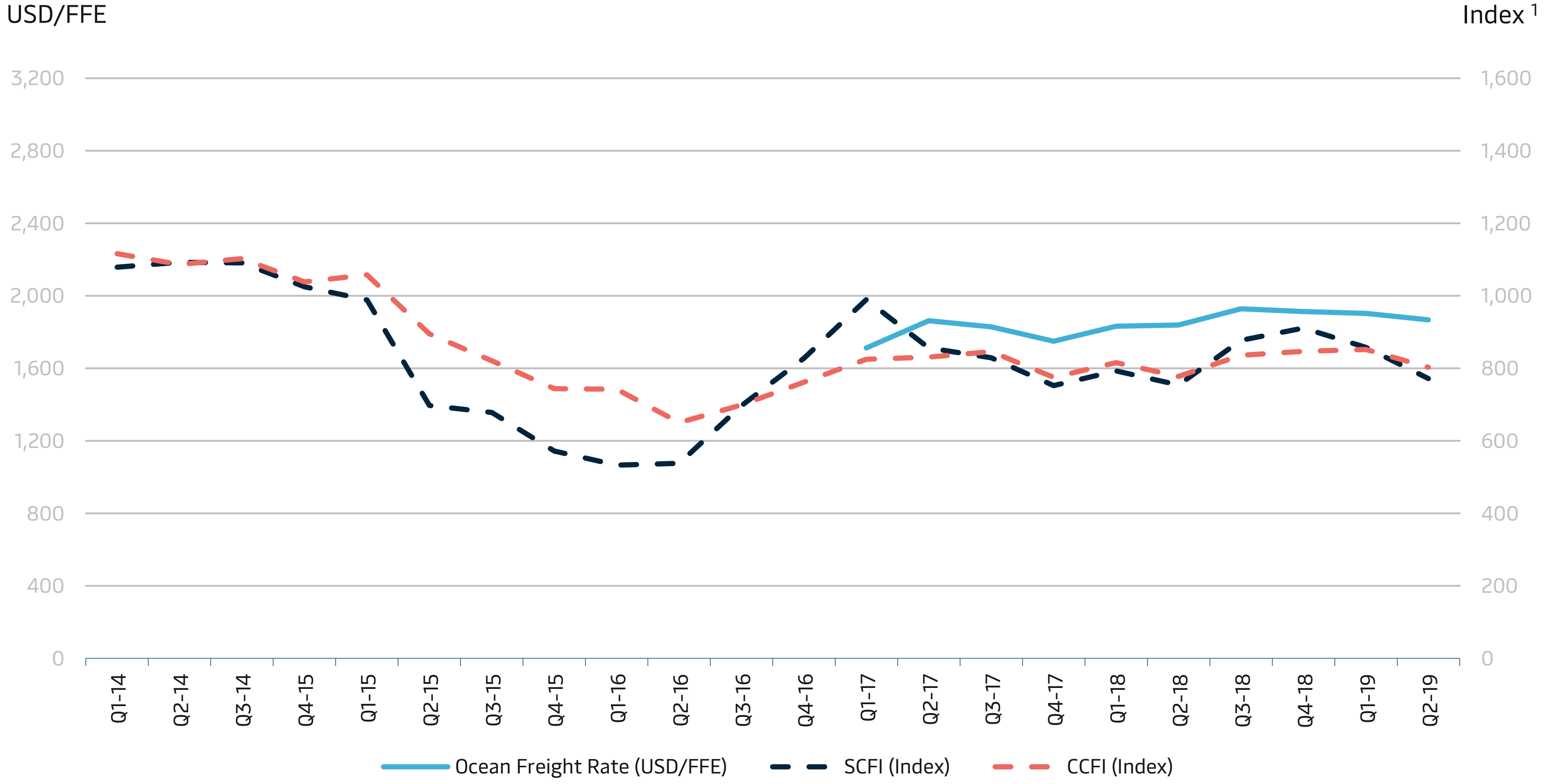
By contract type



By trade



Average freight rate



Note: 1. Oct 2009 = 1000 for SCFI, January 1998 = 1000 for CCFI.
Source: Maersk, Shanghai Shipping Exchange

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Freight rates up by 1.5% and volumes up by 1.4%

- Total volumes increased by 1.4% mainly driven by Intra-regional trades specifically by Intra-Asia trades, which grew by 14%.
- Total backhaul volumes increased by 3.0% mainly driven by Europe and West and Central Asia, while headhaul was up by 0.6%.
- The average freight rate increased by 1.5% or 28 USD/FFE, which was impacted negatively by the developments in foreign exchange rates. Adjusted for this, the increase was 2.8% or 51 USD/FFE.

Loaded volumes ('000 FFE)	Q2 2019	Q2 2018	Change	Change %	FY 2018
East-West	1,093	1,088	5	0.5	4,186
North-South	1,638	1,632	6	0.1	6,450
Intra-regional	716	679	37	5.4	2,670
Total	**3,447**	**3,399**	**48**	**1.4**	**13,306**

Average freight rates (USD/FFE)	Q2 2019	Q2 2018	Change	Change %	FY 2018
East-West	1,845	1,782	63	3.5	1,860
North-South	2,092	2,065	27	1.3	2,078
Intra-regional	1,461	1,485	-24	-1.6	1,478
Total	**1,868**	**1,840**	**28**	**1.5**	**1,879**

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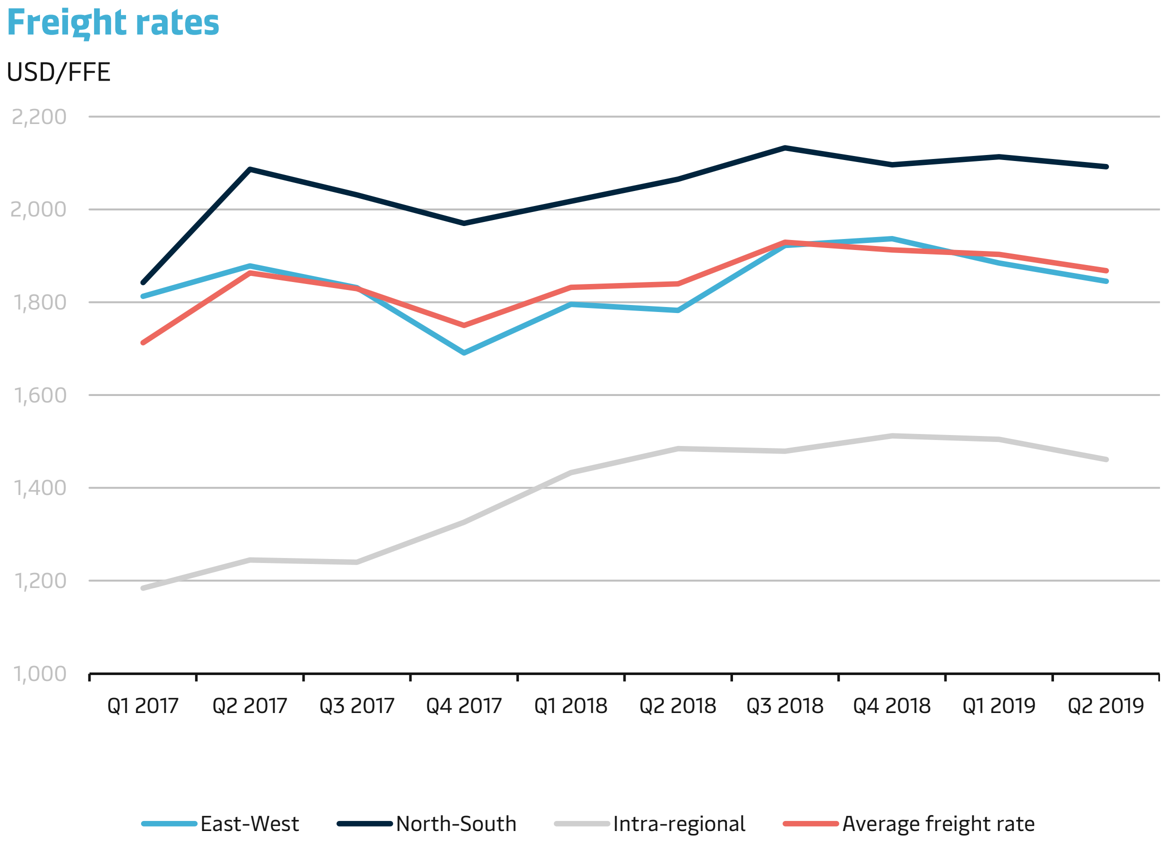
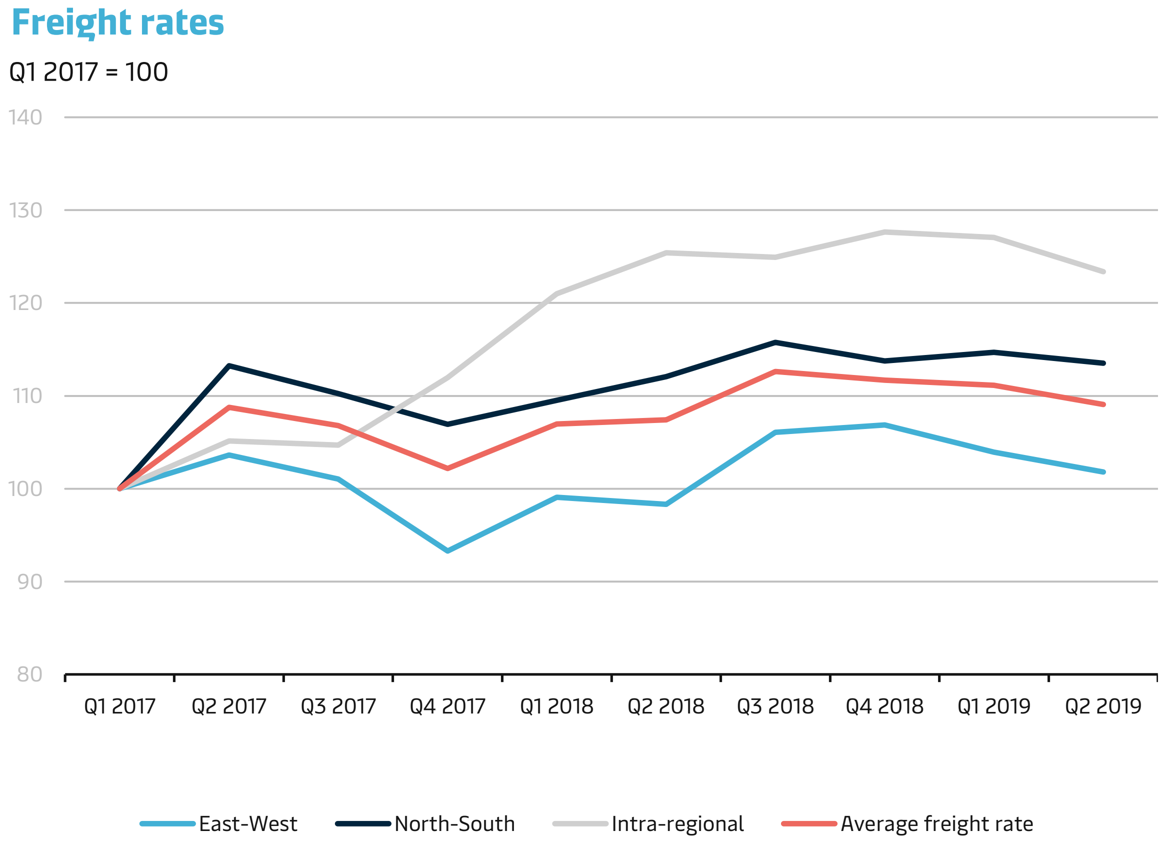
Ocean average freight rate up 1.5% compared to Q2 2018





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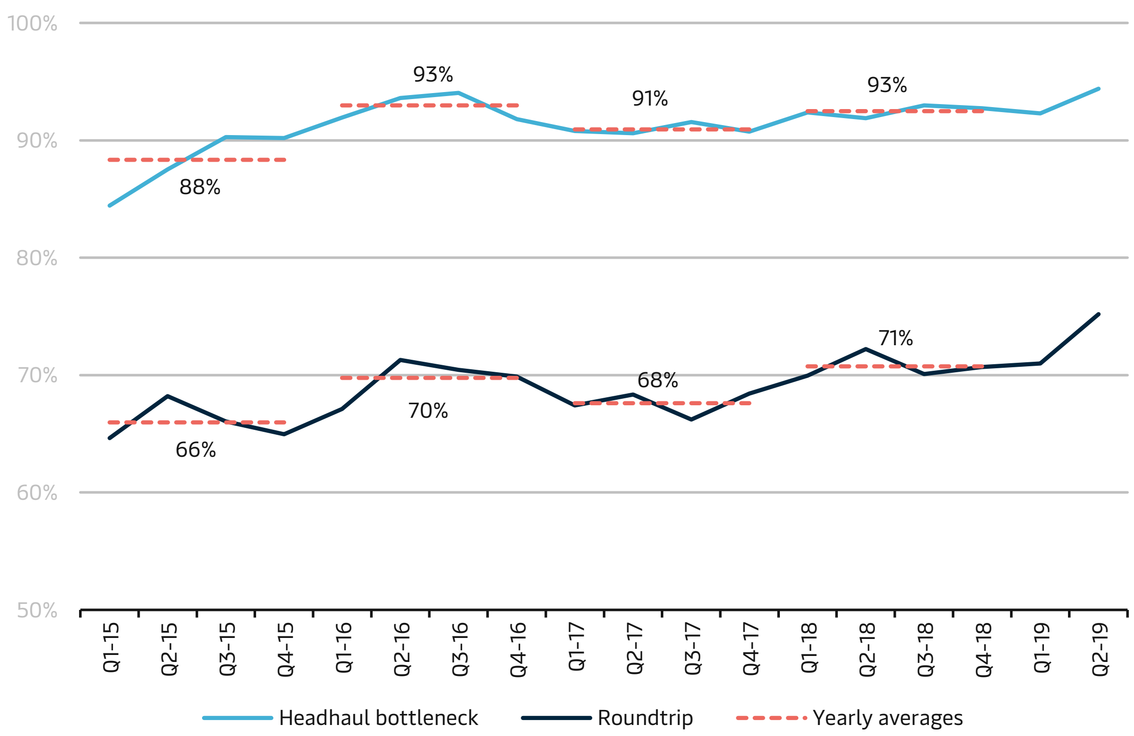
Q2 2019 vessel utilisation and container turn improved compared to Q2 2018 and Q1 2019

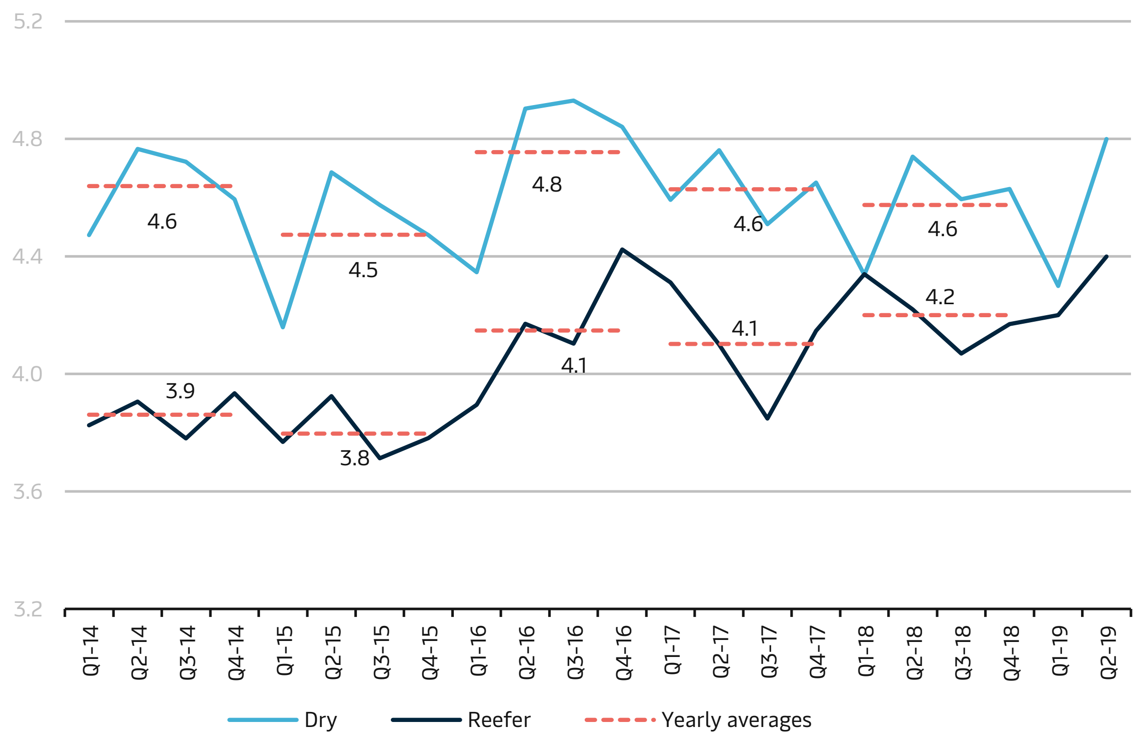
Vessel utilisation

In %



Container turn

Ratio



Note: Container turn is average number of times a container is shipped full per year (quarterly data annualised).

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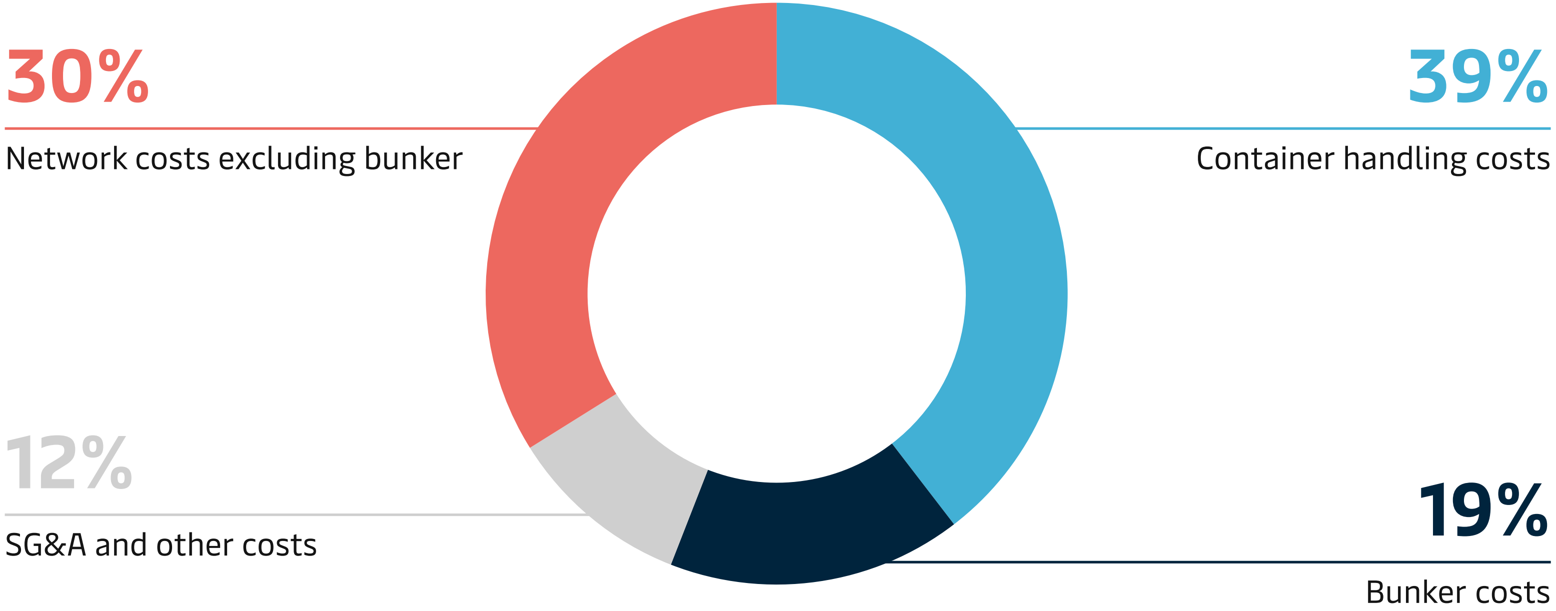
Container handling and network costs represent the majority of our unit cost base

Unit cost base, 2018

2,008 USD/FFE

2018 unit base

Unit cost base, 2018

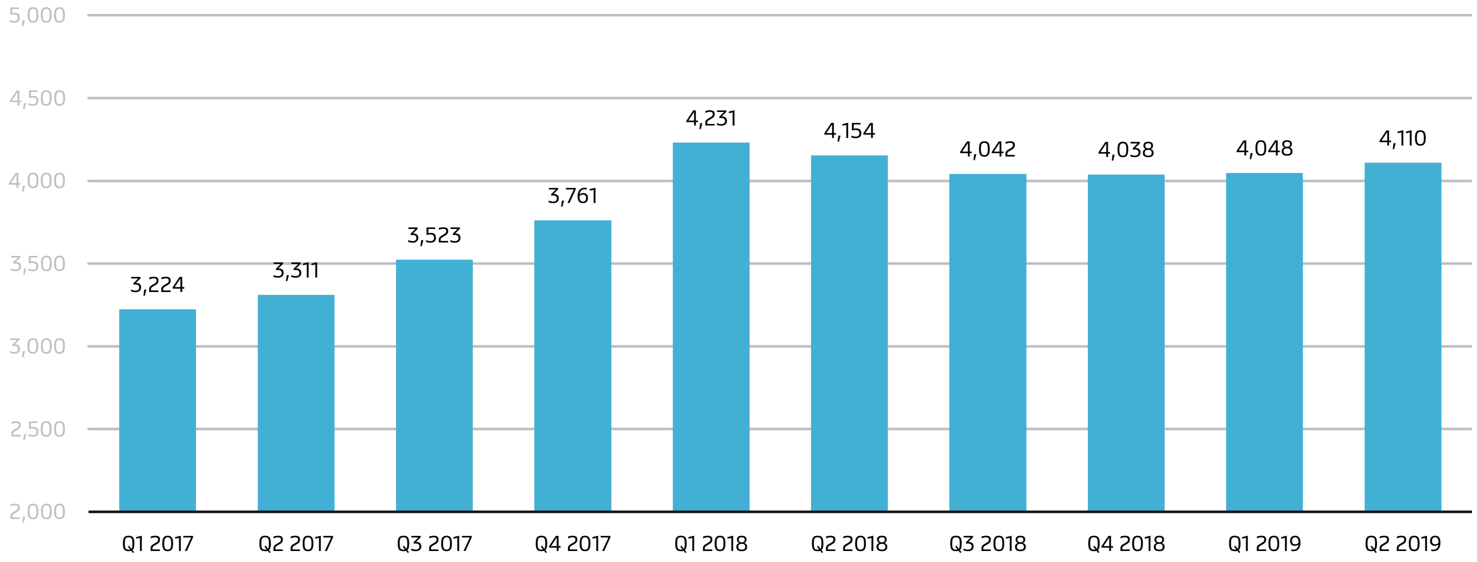


Note: **Unit cost base:** EBIT costs including VSA income, Hub income and income related to vessel relets. Adjusted for restructuring costs, result from associated companies and gains/losses. **Container handling costs:** Includes costs related to terminal operation (excluding hubs and transhipment); empty costs; container leasing, deprecation of owned and capitalised leased containers, and repair costs; Hamburg Süd Inland and feedering. **Network costs excluding bunker:** Includes hub cost, transhipment costs and hub depreciation incl. depreciations for capitalised leases; vessel costs related to port and canal fees (Suez and Panama), running costs and crewing of owned vessels, depreciation of owned vessels, depreciation of capitalised leased vessels, time charter of operating leased vessels, cost of slot (capacity) purchases and vessel sharing agreements (VSA) with partners. **Bunker costs:** Includes costs related to fuel consumption and fuel prices. **SG&A and Other costs:** Includes costs related to own and third party agents in countries, liner operation centres, vessel owning companies, onshore crew and ship management, service centres and headquarters; administration cost types such as staff, office, travel, training, consultancy, IT, legal and audit, depreciations for other capitalised leases (e.g. leased offices) etc.; Other costs covering bad debt, cargo claims, currency cash flow hedge, indirect tax, non-operational provisions and amortization of intangible assets.

We continue to optimise the network

Development in average nominal capacity and number of vessels

TEU ‘000



	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
# of vessels, end of period	639	646	668	781	776	742	723	710	713	716
# of owned vessels	284	282	285	339	298	298	298	303	305	307
# of chartered vessels	355	364	383	442	478	444	425	407	408	409

Ocean average nominal vessel capacity

- Ocean segment aims to continuously adjust capacity to match demand and optimise utilisation
- Average nominal vessel capacity in Q2 2019 decreased by 1.0% y/y and increased by 1.5% q/q to 4,110k TEU

Prior to the implementation of IFRS 16, only operating leased vessels were included in the chartered container vessel section while finance leased vessels were presented together with owned to match the classification on the balance sheet. With IFRS 16, all leased vessels are generally recognised as a right-of-use asset on the balance sheet. All leased vessels are included in the table within the chartered container vessel section from Q1 2018 onwards.

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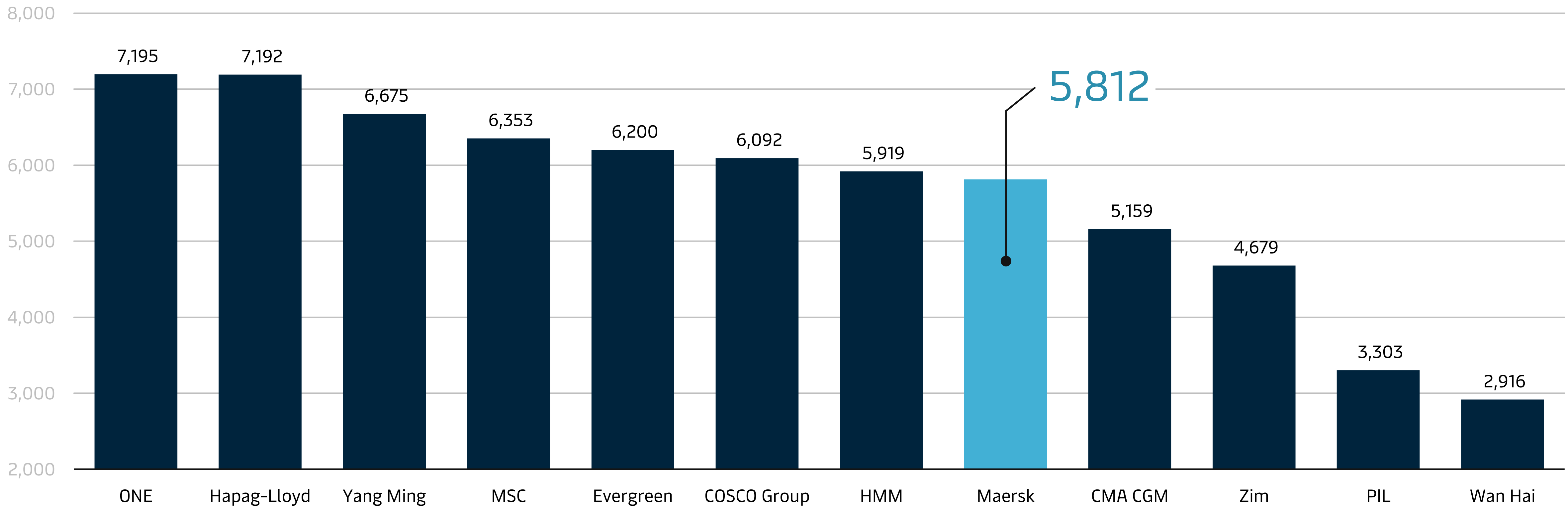
Industry average vessel size

Average vessel size

TEU ‘000



Note: As June-end 2019
Source: Alphaliner

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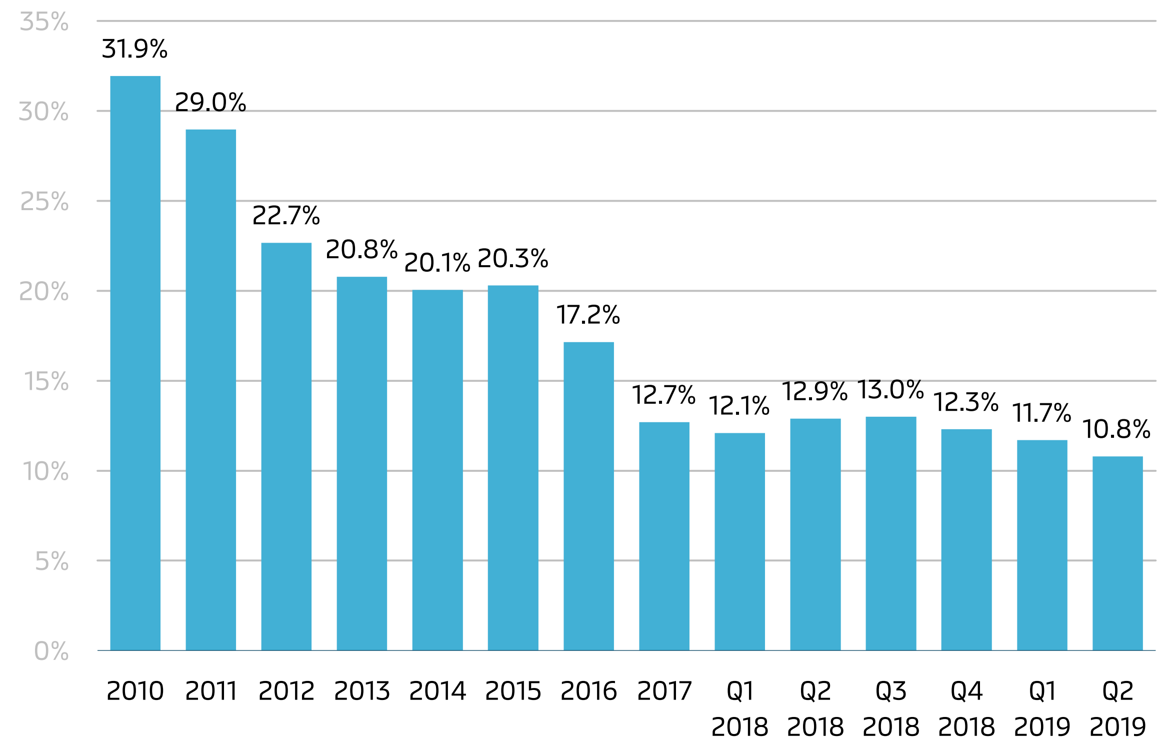
Industry orderbook at a low level, with minimal new orders in Q2 2019

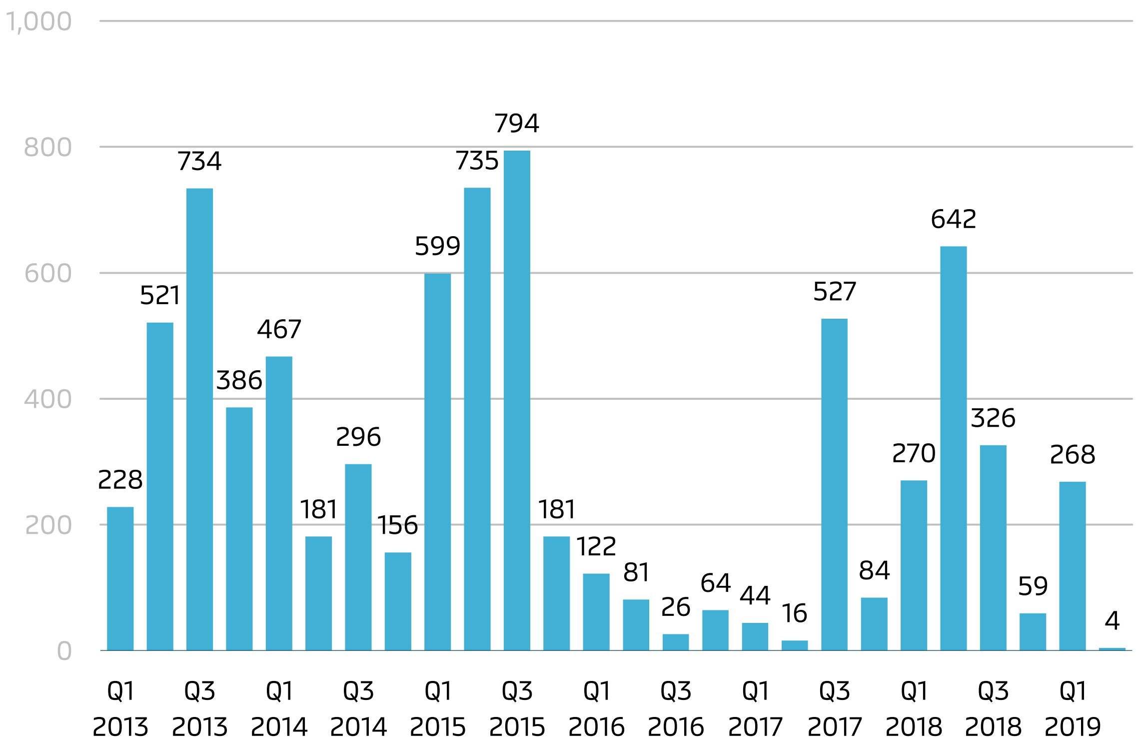
Industry orderbook

Orderbook as % of current fleet



New orders

TEU '000



Note: As at June-end 2019.
Source: Alphaliner.

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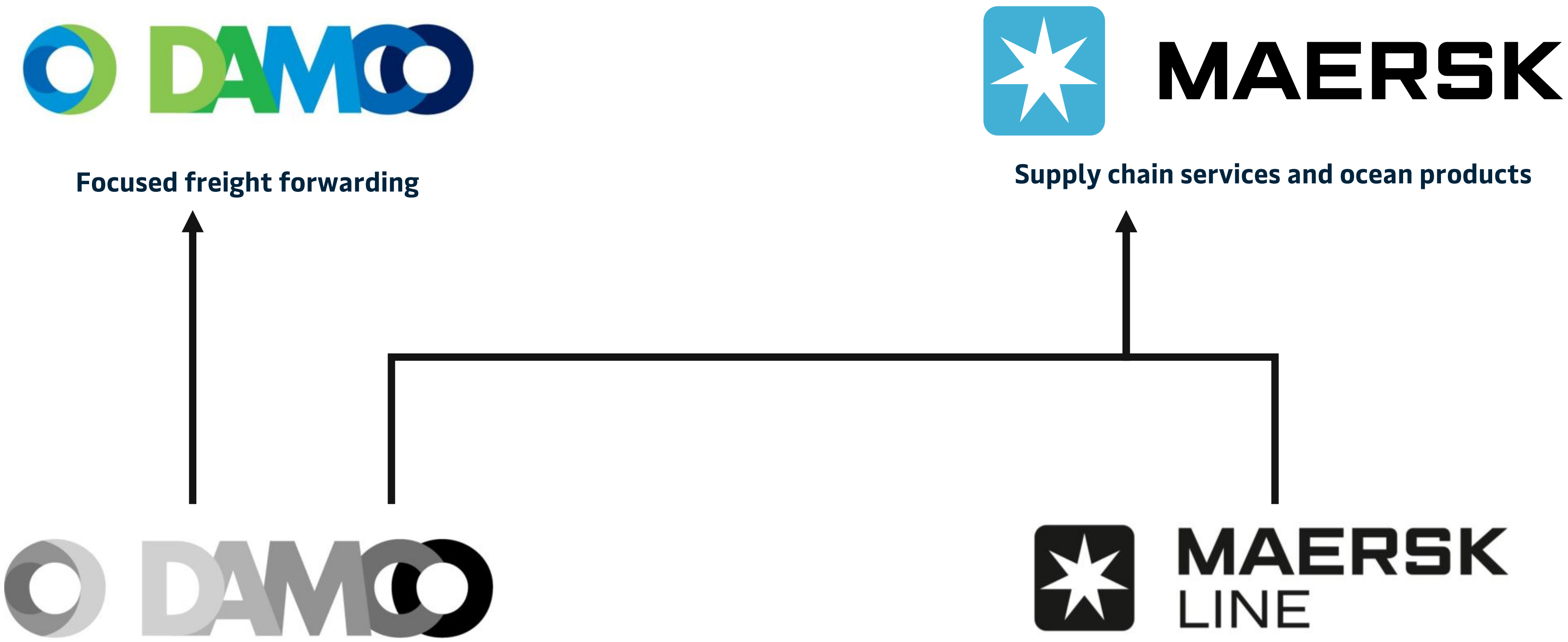
Combining ocean products and supply chain services

The next step in integrating the business to improve customer experience and unlock growth potential



Logistics and services – key metrics

Financial metrics	Q2 2019	Q2 2018	Change (%)	2018
Gross profit (USD m)	298	285	4.6%	1,121
EBIT conversion (EBIT/Gross profit - %)	9.3%	9.4%	-0.1pp	6.8%
Supply chain management ('000 cbm)	17,723	17,672	0.3%	75,309
Supply chain management revenue (USDm)	210	194	8.2%	867

Freight forwarding metrics	Q2 2019	Q2 2018	Change (%)	2018
Airfreight volumes ('tonnes)	40,136	44,218	-9.2%	175,502
Sea freight volumes (TEU)	146,039	156,388	-6.6%	639,132
Airfreight revenue (USDm)	119	147	-19%	608
Sea freight revenue (USDm)	131	148	-11%	646

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Terminals & Towage

Gateway terminals, including landside activities being port activities where the customers are mainly the carriers, and towage services under the Svitzer brand.

Portfolio Overview

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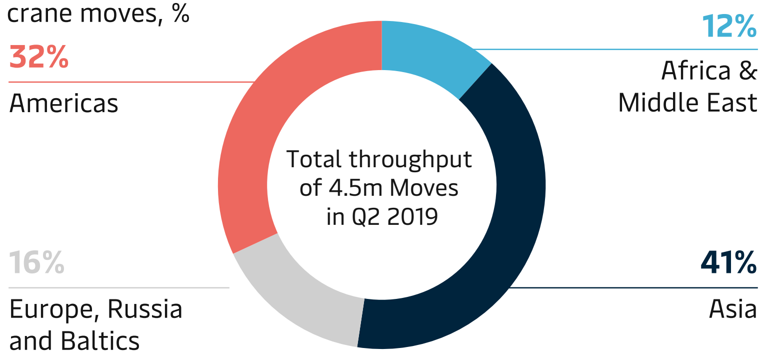
Diversified gateway terminal portfolio

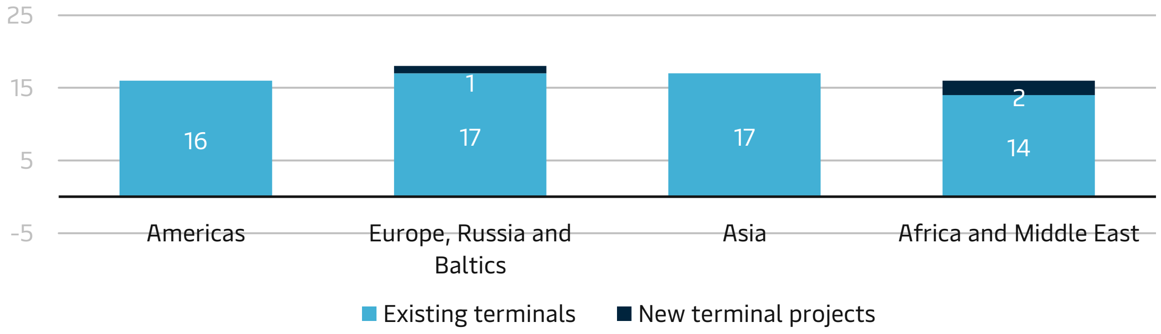
Container throughput by geographical region

Equity weighted crane moves, %



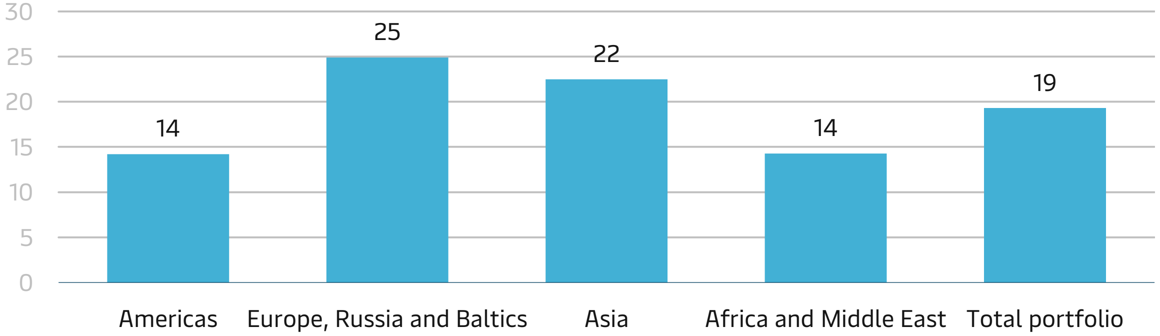
Geographical split of terminals

Number of terminals



Average remaining concession length in years

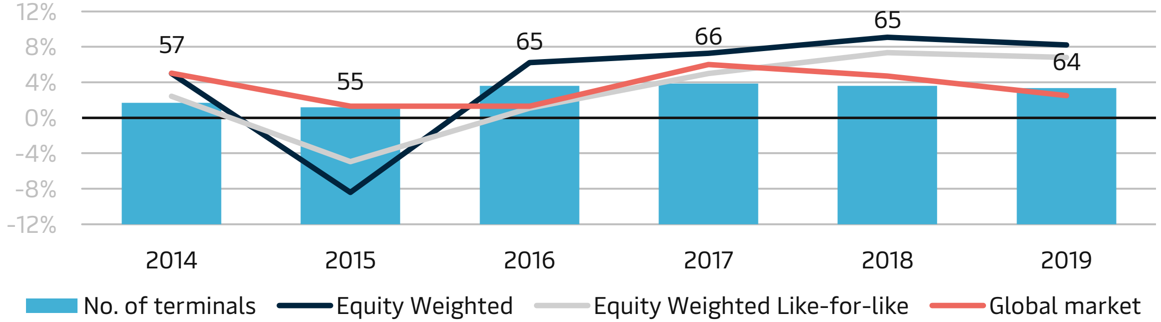
Years



Note: Average concession lengths as of Q2 2019, arithmetic mean.

Port Volume growth development

In %



Note: Like for like volumes exclude divestments and acquisitions.

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Gateway terminals – Project progress

Project	Opening	Details	Investment
Vado, Italy	2019	• 50-year concession for the design, construction, operation and maintenance of a new deep-sea gateway terminal • Joint venture agreement with China COSCO Shipping Ports (40%) and Qingdao Port International Development (9.9%); APM Terminals (50.1%)	USD 0.4bn
Abidjan, Ivory Coast	2021	• Terminal expected to be the second in one of the busiest container ports in West Africa • New facility will be able to accommodate vessels of up to 14,000 TEU in size	USD 0.5bn
Tema, Ghana	2019	• Joint venture with existing partner Bolloré (70%) and the Ghana Ports & Harbours Authority (30%) • Will add 3.5 million TEU of annual throughput capacity • Greenfield project located outside the present facility that includes an upgrade to the adjacent road network	USD 0.8bn

Note: TEU and investment numbers are 100% of the projects.

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Active portfolio management – gateway terminals

Acquisitions and secured Projects

Year	Acquisitions and secured Projects	Divestments / stop operation
2010	Cotonou, Santos	Kaoshiung, Dunkirk, Oakland, Yantian
2011	Monrovia, Moin, Callao, Poti	
2012	Lazaro Cardenas, Gothenburg, Talin, Kotka / Helsinki, Vostochny, St. Petersburg	Dailan
2013	Abidjan, Ust Luga, St. Petersburg 2, Izmir	Oslo
2014	Namibe	Le Havre, Virginia
2015	Qingdao, Vado reefer, Cartagena, Tema	Charleston, Houston, Jacksonville, Gioia Tauro
2016	Grup Marítim TCB: Tangier Med 2, Quetzal, Yucatan, Buenaventura, Paranagua, Valencia, Gijon, Castellon; Barcelona	
2017	Itapoa	Pentalver, Tacoma, Zeebrugge, Dalian
2018	TB - Congo	Paranagua, Izmir
2019	Moin	Kobe, Veos

Divestments / stop operation

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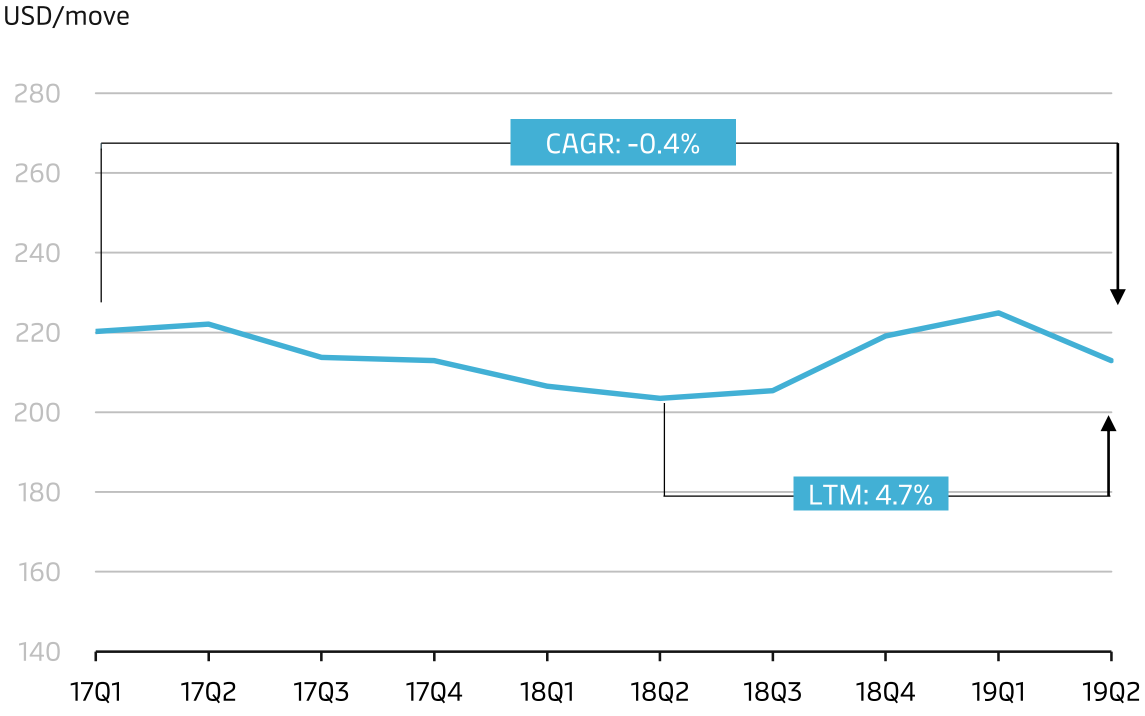
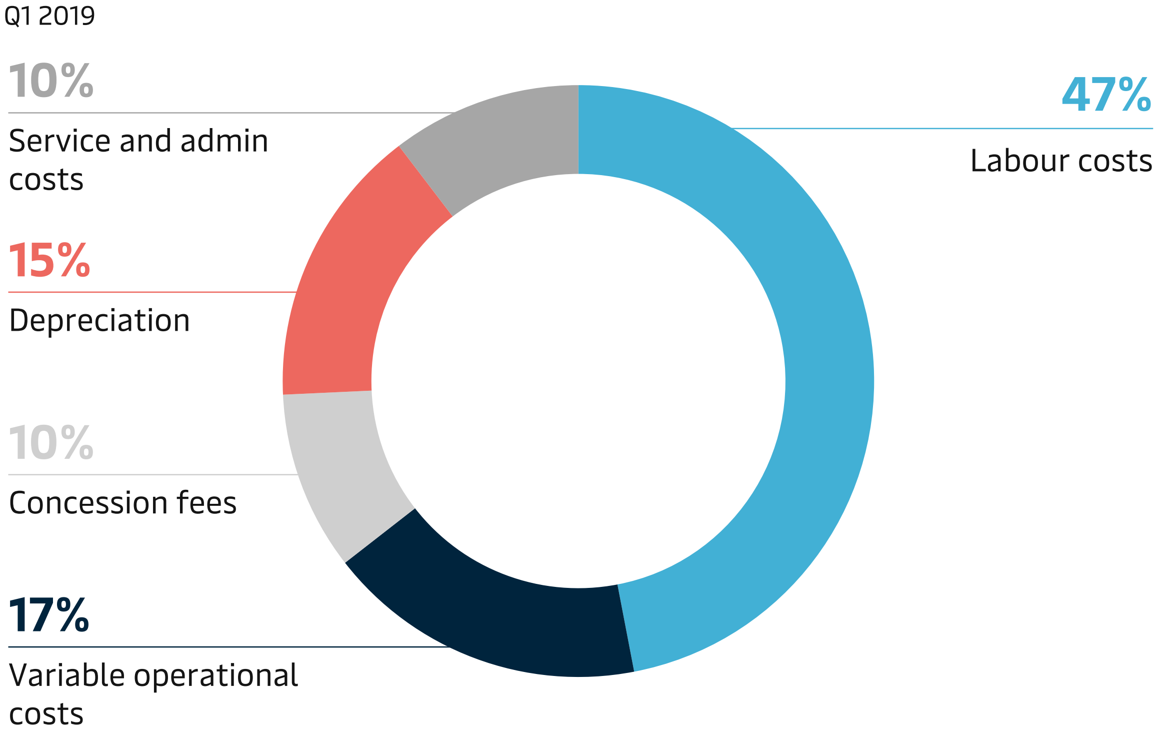
Focusing on lower cost and higher efficiency

Gateway terminal cost per move, Fin.Con [1]



Gateway terminal cost break down [2]



1. Gateway terminal Cost per move for all operating terminals on financial consolidated basis; terminals under implementation are excluded.
2. Cost breakdown for all gateway terminals on financial consolidated basis.

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Continuing to grow ahead of the market

Operational and financial metrics	Q2 2019	Q2 2018	Change, % (like-for-like, %)	2018
Terminal volumes – Financially consolidated (moves in m)	3.0	2.8	8.5 (6.4)	11.4
• Ocean segment	1.0	1.0	0.7 (4.1)	4.1
• External customers	2.0	1.8	13.0 (7.6)	7.3
Terminal volumes – EqW (moves in m)	4.5	4.2	8.2 (6.8)	17.0
Terminal revenue per move – (USD)				
• Financially consolidated	257	239	7.4	252
Terminal cost per move – (USD)				
• Financially consolidated	213	203	4.7	211
Result from joint ventures and associated companies (USDm)	57	51	12	164
No. of operational tug jobs (HT) (‘000)	33	32	3.1	131
Annualised EBITDA per tug (TT) (USD in ‘000)	952	986	-3.4	892

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Gateway terminals operating businesses of 23.2% EBITDA margin

Q2 2019	Consolidated businesses	JV & Associates	Operating businesses	Implementations	Total
Throughput (Moves m, equity weighted)	2.6	1.9	4.5	0.0	4.5
Throughput (Moves m, financially consolidated)	3.0	-	3.0	0.0	3.0
Revenue (USD m)	791	-	791	0.1	791
EBITDA (USD m)	184	-	184	-4	180
EBITDA margin (%)	23.2	-	23.2	NA	22.8

Note: Gateway terminals Implementations include terminals currently under construction (Vado, Italy; Abidjan (TC2), Ivory coast)

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Consolidated gateway terminals

	Q2 2019	Q2 2018	Change
Throughput (Moves m, equity weighted)	2.6	2.4	9.7%
Throughput (Moves m, financially consolidated)	3.0	2.8	8.5%
Revenue (USD m)	791	641	23.5%
EBITDA (USD m)	184	171	7.3%
EBITDA margin (%)	23.2	26.8	-3.51pp

Note: Consolidated businesses includes gateway terminals that are financially consolidated.

Gateway terminals - JV and Associates

	Q2 2019	Q2 2018	Change
Throughput (Moves m, equity weighted)	1.9	1.8	6.2%

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Gateway terminals under implementation

	Q1 2019	Q1 2018	Change
Throughput (Moves m, equity weighted)	0.0	0.0	NA
Throughput (Moves m, financially consolidated)	0.0	0.0	NA
Revenue (USD m)	0.1	30[1]	-99.7%
EBITDA (USD m)	-4	-9	-59%
EBITDA margin (%)	NA	-30.5	NA

Note: Implementations include terminals currently under construction (Vado, Italy; Abidjan (TC2), Ivory coast). Q2 2018 Implementations include Vado & Vado reefer, Italy; Moin, Costa Rica; Abidjan (TC2), Ivory coast.
Note 1: USD 23m related to IFRIC 12 construction revenue.

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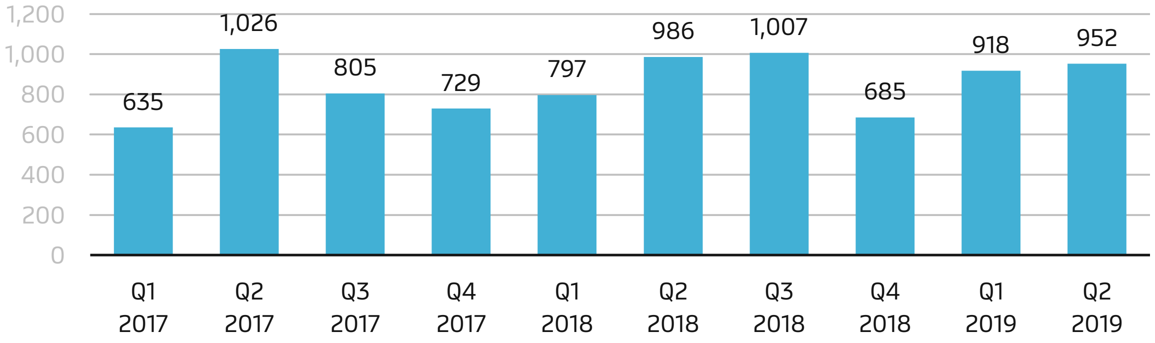
Terminal towage vs. harbour towage

Annualised EBITDA per tug – Terminal towage (USD)

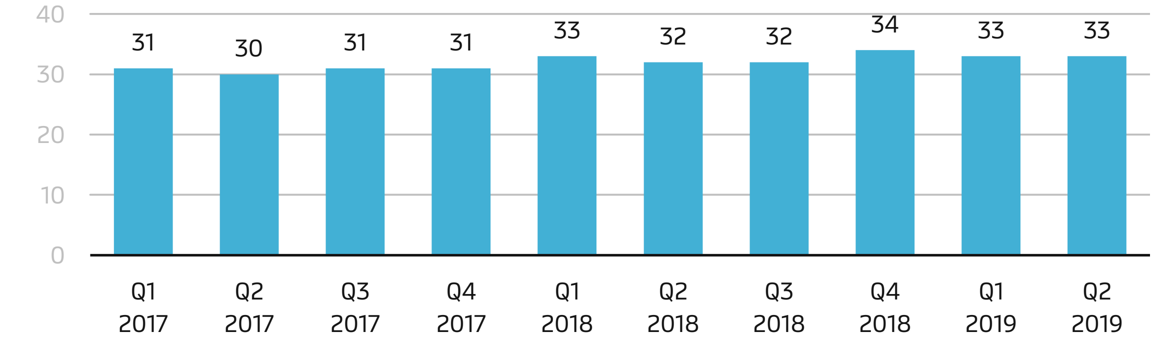


Note: 2017 numbers are without IFRS 16 effects

Terminal towage

- Terminal towage is a one-customer contract, typically with a fixed day rate for the duration of the contract
- The customer is a port, a terminal or owner of an offshore facility
- The contract is for specific vessels and the customer determines the work of the vessel as long as it is within the work scope of the contract
- The customer pays for the fuel
- Annualised EBITDA per tug measure is relevant

No. of operational tug jobs – Harbour towage ('000)



Harbour towage

- Harbour towage is a multi-customer operation in a common user facility
- The customers are vessel owners and operators either contracted for 1-3 years or booked call by call
- Revenue is generated for each vessel berthing and unberthing
- Typically harbour towage does not have an end date
- Number of operational tug jobs (utilisation) is relevant

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Thank You

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