



Trading update for Q1 and suspension of 2020 full year guidance

March 20, 2020

ANNOUNCEMENT

A.P. Møller - Mærsk A/S – Trading update for Q1 and suspension of 2020 full year guidance

Based on preliminary figures, A.P. Møller - Mærsk A/S (APMM) expects EBITDA before restructuring and integration costs for Q1 to be around USD 1.4bn (USD 1.24bn) negatively impacted by weak volume development but mitigated by strong implementation of our IMO 2020 strategy, both in terms of cost reduction initiatives and fuel price recovery.

For 2020, APMM has previously guided an EBITDA of around USD 5.5 bn, before restructuring and integration costs. The global COVID-19 pandemic severely impacts the global transport market and supply chains. This is leading to material uncertainties and lack of visibility related to the global demand for container transport. While the global operations are running as normal, APMM has, as a consequence of the current uncertainties related to the outlook, decided to suspend the 2020 guidance on EBITDA pending more clarity on the market development and financial implications.

The remaining part of the guidance for 2020 of volume growth in Ocean expected to be in line or slightly lower than the market growth, a high cash conversion ratio and accumulated CAPEX for 2020-21 of between USD 3-4bn is reiterated, but measures will be taken to reduce CAPEX for 2020.

The ongoing share buy-back program as well as proposed dividends for 2019 will not be affected by the decision to suspend guidance.

"During the first two and a half month of 2020 we have executed well on our IMO2020 strategy for how to manage the extra cost involved with the IMO mandated switch to low-sulphur fuel oil from January 1st. We have effectively mitigated a part of the extra cost through good procurement, blending and manufacturing fuel ourselves and we have implemented rate increases to recover the actual fuel price increase from customers. We consequently expect to deliver a Q1 2020 which is better than Q1 2019, despite declining volumes across our businesses, driven by the COVID-19 pandemic.

Because of the current situation with high uncertainties related to global container demand due to the COVID-19 pandemic and the measures being taken by governments to contain the outbreak, we have chosen to suspend our 2020 full year guidance on earnings but will as soon as we have more clarity return with an outlook for 2020. Ensuring the health and well-being of our employees and supporting our customer's needs remain our number one priority" says Søren Skou, CEO A.P. Møller - Maersk.

APMM will publish its Q1 result on 13 May 2020.

Copenhagen, 20 March 2020

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Page 1 of 1

Attachment

- [Announcement - Trading update for Q1 and suspension of 2020 full year guidance](#)