



# A.P. Møller - Mærsk A/S

## Q3 2024 Investor Presentation

# 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. Unless otherwise stated, all figures in parentheses refer to the corresponding figures for the same period prior year

# Q3 2024 Highlights

Highlights Q3 2024

## Strong third quarter in all segments

- Strong business performance with good progress across all segments
- **Logistics & Services:** Continued recovery in EBIT margin to 5.1% on back of cost management and renewed organic growth of +11%
- **Ocean:** Substantially higher profitability given higher freight rates and strong volumes, EBIT of USD 2.8bn
- **Terminals:** Operational strength supported by good volumes, one of highest EBIT levels ever at USD 338m
- **Guidance / outlook**
  - Container market demand to remain strong at around 6% for 2024
  - Red Sea disruption remains entrenched, expected to continue into 2025
  - Upgraded FY24 guidance as at 21 Oct '24

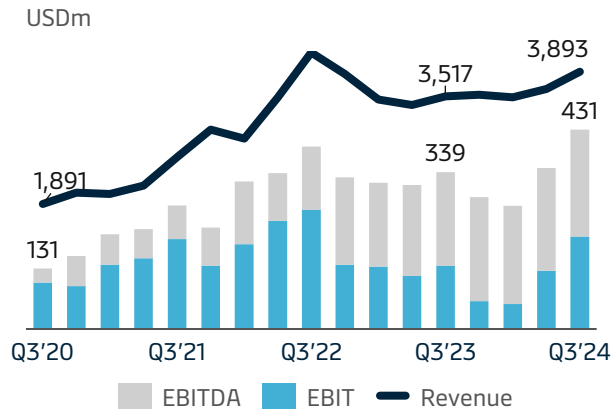


## Highlights

# Strong performance on the back of strong demand and operational progress

### Logistics & Services

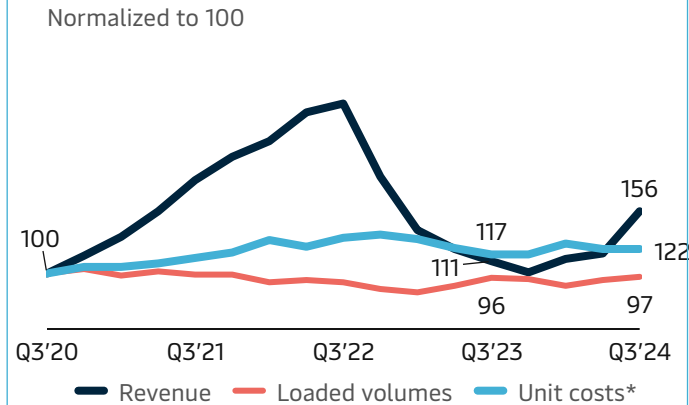
Margins tracking positively



- Productivity and cost measures driving EBIT margin expansion to 5.1%
- Continued progress in addressing operational challenges in Ground Freight and Warehousing
- Growth momentum from strong market and new customer wins

### Ocean

Strong profitability

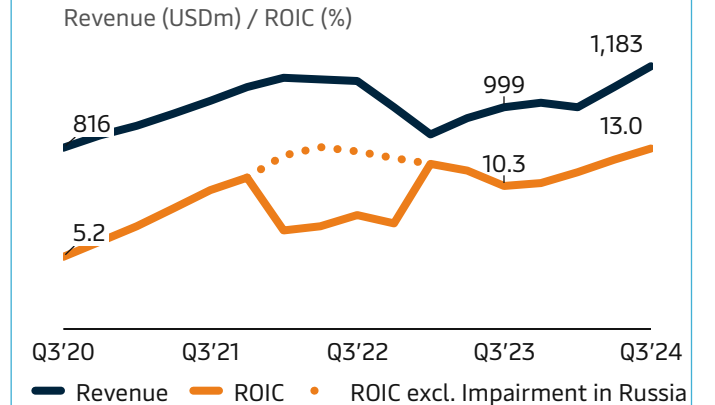


- As expected, full impact of rates materialised in Q3 resulting in strongest quarter of 2024
- Volume delivery remained strong in Q3 from peak season in Asia exports
- Continued focus on Gemini network preparations (go-live in Feb '25)

\*Fixed bunker price of USD 550 / FFE

### Terminals

Excellent performance



- Strong quarter in Terminals supported by good volumes and higher revenue per move, marking another sequential improvement
- Resilience of earnings owing to continued progress on operational excellence and automation
- Strong ROIC of 13% and undertaking growth investments

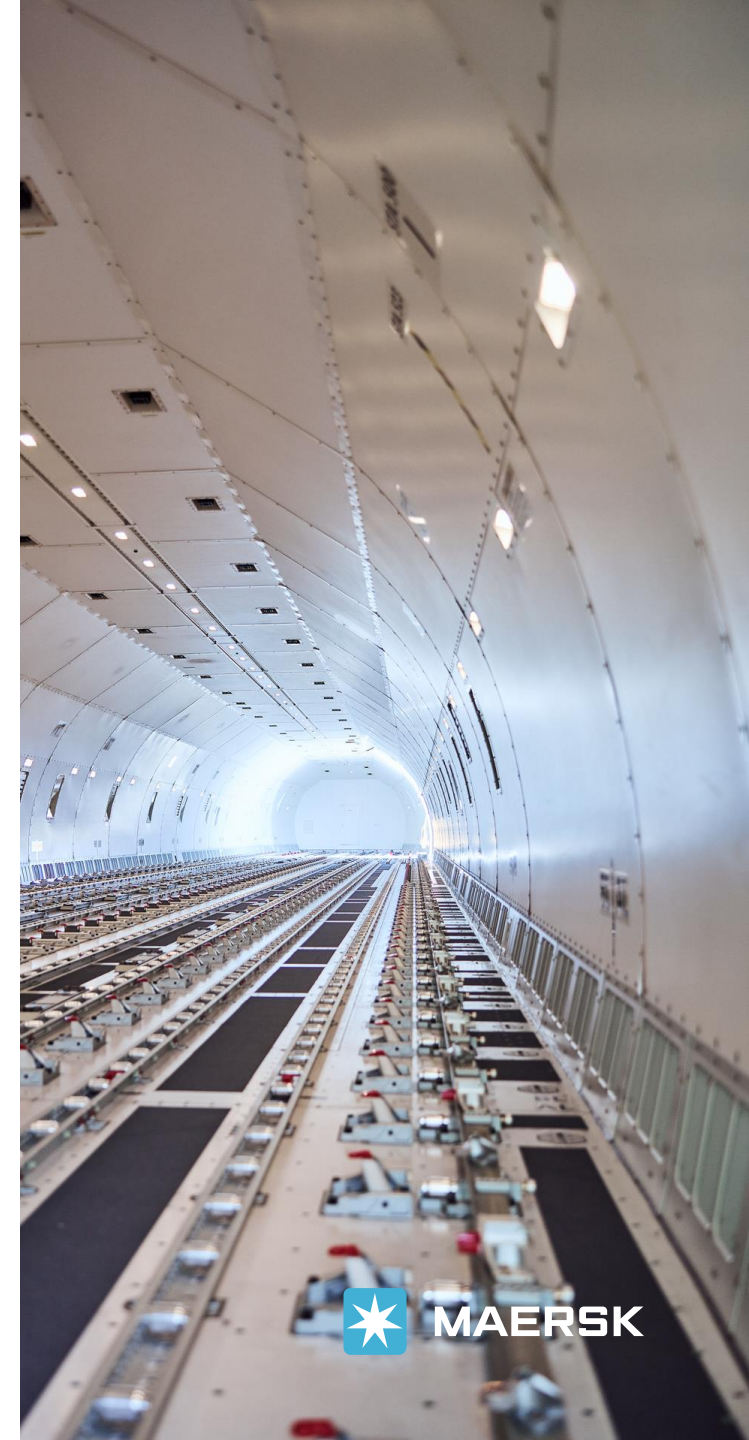
2021–2025

# Continued strategic progress – Focus on profitable growth and strong cost discipline

Segment	KPI	Targets <sup>(1)</sup>	LTM
APMM	Return on invested capital (ROIC) – (LTM)	Every year >7.5%	7.4%
	Return on invested capital (ROIC) – (Average)	Average 2021-25 >12.0%	32.3% <sup>(2)</sup>
Ocean	EBIT margin – under normalised conditions	Above 6%	6.4%
	Execute with the existing fleet size	4.1-4.3m TEU	4.2m
Logistics & Services	Organic revenue growth	Above 10%	2.0%
	EBIT margin	Above 6%	3.0%
Terminals	Return on invested capital (ROIC) – (LTM)	Above 9%	13.0%

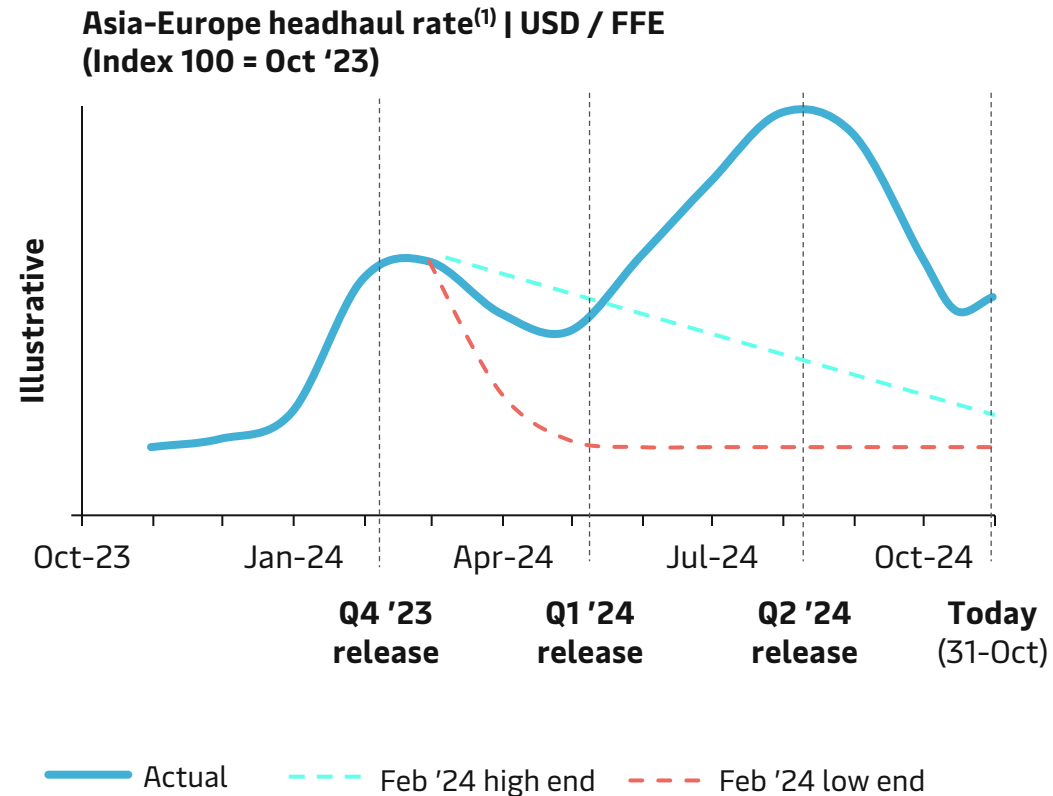


1) 2021-2025 mid-term targets were introduced at the CMD in May 2021.  
2) Average return on invested capital for the period Q1 2021 to Q3 2024.



## Highlights

# Impact from Red Sea disruption continues, mostly offsetting increased supply



- Lasting Red Sea disruption and strong market have mostly offset impact of increasing supply during course of 2024
- Disruption remains entrenched – Gemini network to be phased in via Cape of Good Hope
- Rates peaked in July, then have partially normalised as expected and stabilised for now with supply catching up

1) Shipment (spot) rates.  
Note: Chart illustrative only.

## Guidance

# 2024 financial guidance range raised

### Per announcement on October 21, 2024

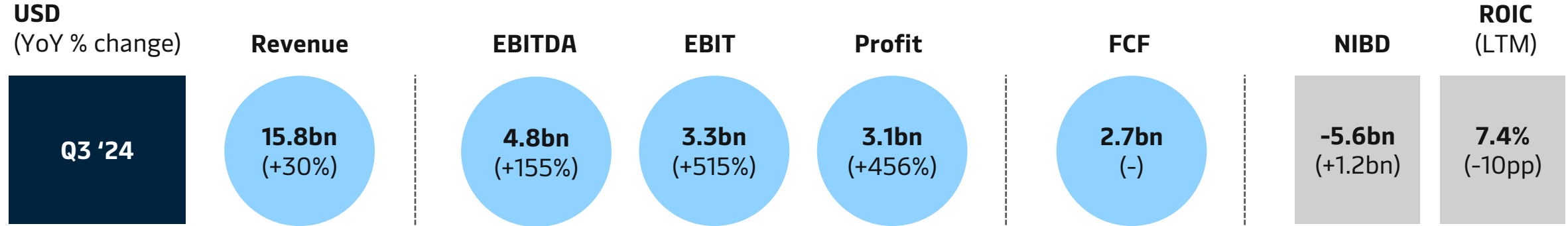
- APMM expects global container market volume growth to be around 6% (previously 4-6%)
- APMM raises the financial guidance range on the back of strong third quarter results combined with strong container market demand and the continuation of the Red Sea situation
- Considering these factors APMM expects for the full-year 2024:

USDbn	Previous (as at 1 Aug '24)	Current (as at 21 Oct '24)
<b>Underlying EBITDA</b>	9.0 to 11.0	<b>11.0 to 11.5</b>
<b>Underlying EBIT</b>	3.0 to 5.0	<b>5.2 to 5.7</b>
<b>FCF</b>	≥ 2.0	<b>≥ 3.0</b>
<b>Capex (cumulative)</b>		
2023-2024	8.0 to 9.0	8.0 to 9.0
2024-2025	10.0 to 11.0	10.0 to 11.0

# Q3 2024

## Financial review

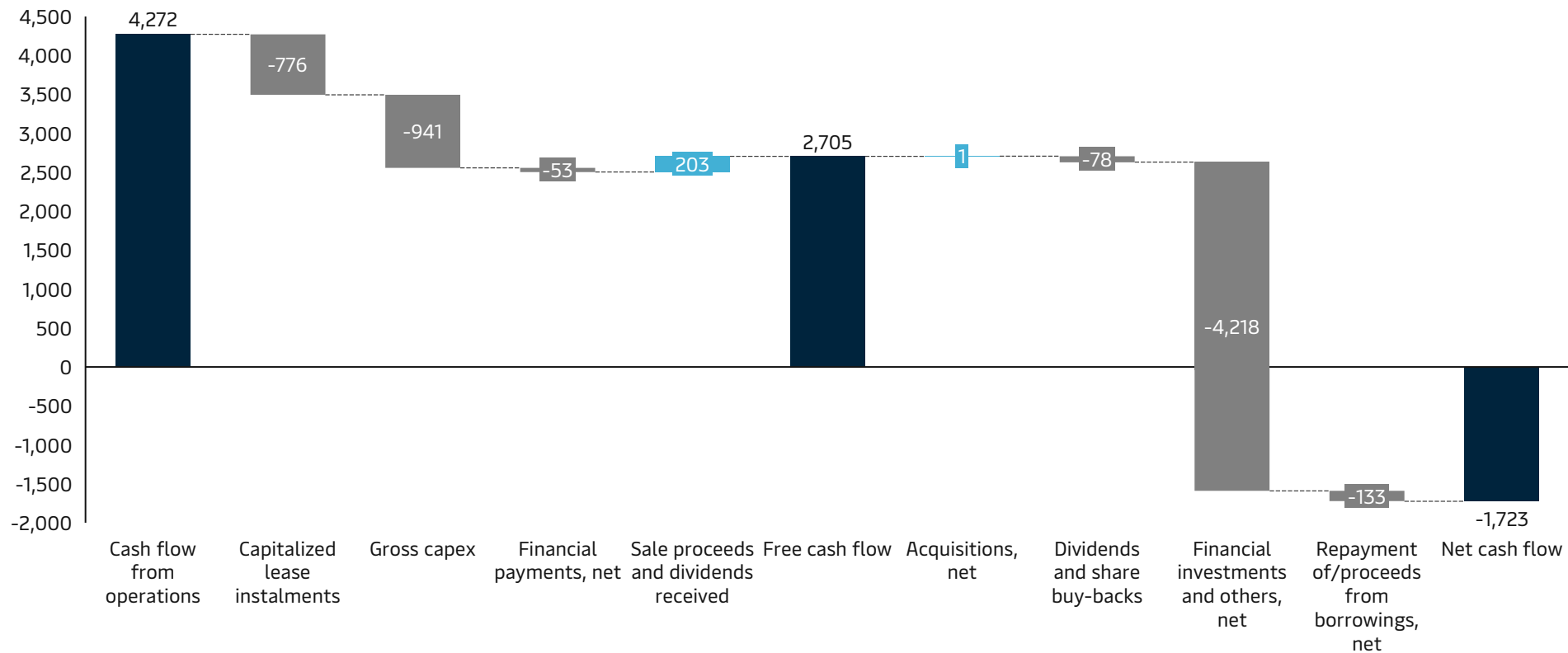
# Increased profitability from strong business performance across all segments



- Profitability increased with EBITDA reaching USD 4.8bn (EBITDA margin: 30.4%) compared to USD 1.9bn in Q3 2023, and EBIT reaching USD 3.3bn (EBIT margin: 21.0%) compared to USD 538m in the previous year. Net profit after tax of USD 3.1bn supported by improved performance in all segments
- Free cash flow increased significantly to USD 2.7bn
- Total cash & deposits position stood at USD 22.3bn, with net cash position increasing sequentially to 5.6bn but lower than previous year (USD 6.8bn)

# FCF increase due to improved CFFO on back of strong results

Cash flow bridge for Q3 '24, USDm



Operational cash flow of USD 4.3bn (USD 1.4bn) driven by higher EBITDA of USD 4.8bn (USD 1.9bn) partly offset by increase in net working capital of USD 414m (USD 435m). Cash conversion rate of 89% (74%) for the quarter

Free cash flow of USD 2.7bn (USD -0.1bn) was mainly impacted by gross capex of USD 941m (USD 819m), primarily from Ocean investments, and capitalized lease instalments

Net repayments on debt driven by prepayment on loan

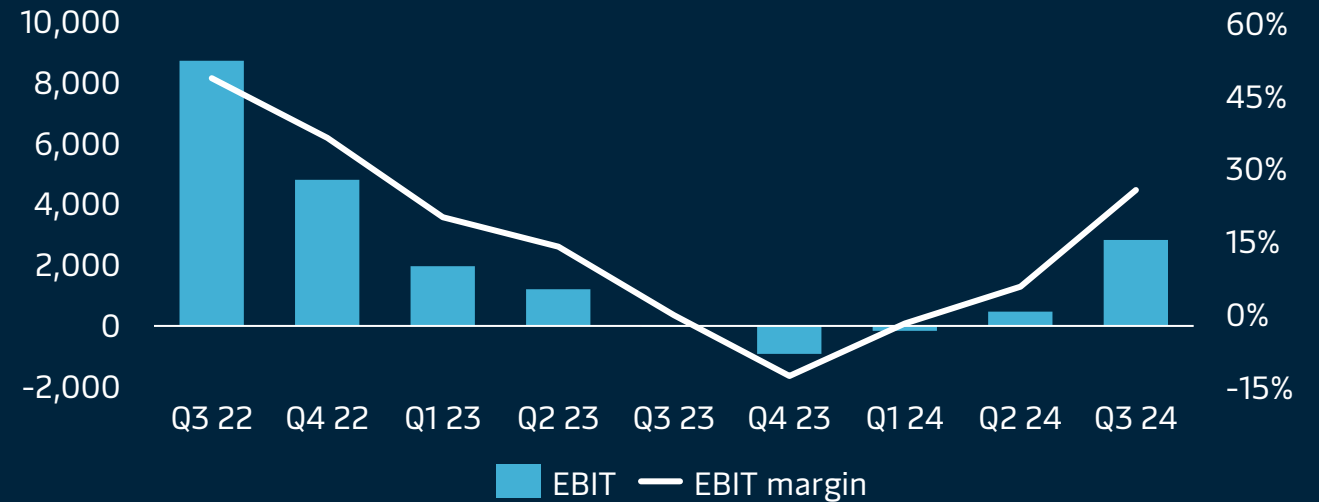
Further cash movements driven by investments into short term deposits

Third quarter 2024

## Ocean

- Volumes remained stable up YoY (+0.3%) and QoQ (+2.4%)
- Strong profitability from higher rates driven by strong demand in Asia-Europe, Intra-Asia and Intra-Europe trade as well as continued Red Sea situation
- As expected, full impact of Q2 rate increase materialised in Q3 due to revenue recognition
- Reliability improved sequentially, but remains below pre-Red Sea disruption
- Substantial sequential growth in profitability with EBIT at USD 2,834m (EBIT margin: 25.5%)

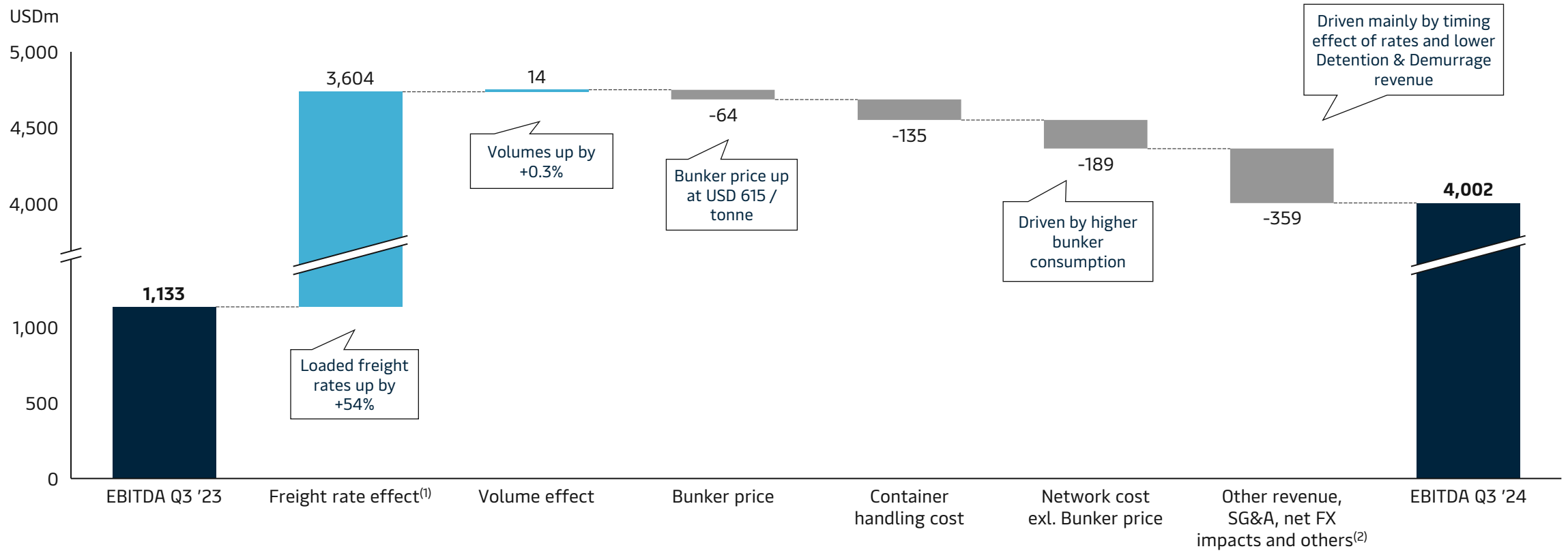
Development in EBIT (USDm) and EBIT margin (%)



USDm	Q3 '24	Q2 '24	QoQ %	Q3 '23	YoY %
Revenue	11,107	8,370	33%	7,897	41%
EBITDA	<b>4,002</b>	<b>1,407</b>	<b>184%</b>	<b>1,133</b>	<b>253%</b>
EBITDA margin	36.0%	16.8%	19.2pp	14.3%	21.7pp
EBIT	<b>2,834</b>	<b>470</b>	<b>503%</b>	<b>-27</b>	<b>NM</b>
EBIT margin	25.5%	5.6%	19.9pp	-0.3%	25.8pp
Gross capex	<b>561</b>	<b>578</b>	<b>-2.9%</b>	<b>443</b>	<b>26.6%</b>

Third quarter 2024

# Ocean | Q3 '24 EBITDA increased due to higher freight rates more than offsetting higher costs attributed to Red Sea situation



1) Shows volume revenue impact net of volume-driven costs.  
 2) Includes revenue recognition and bunker hedges.

Third quarter 2024

## Ocean | Higher rates, cost control and stable volume delivery

- Average freight rates increased by 54% reflecting continued supply chain pressure and high demand
- Operating costs excluding bunker increased by 2.4% driven by higher container handling costs offset by lower SG&A costs
- Unit cost at fixed bunker increased by 3.9% to 2,376 USD/FFE mainly due to the higher cost related to the re-routing south of Cape of Good Hope. The volume increase of 0.3% was not enough to offset the impact
- Average operated fleet capacity was 4.7% higher than in Q3 2023, reaching 4.4m TEUs. Capacity utilisation remains high at 96%, 1pp higher YoY
- Loaded volumes were up 0.3% to 3,175k FFE
- Our expected share of Ocean contract volumes for the full year is approximately 75%

Ocean KPIs	Q3 '24	Q2 '24	QoQ %	Q3 '23	YoY %
Average freight rate (USD/FFE)	3,236	2,499	29%	2,095	54%
Unit cost, fixed bunker (USD/FFE)	2,376	2,367	0.4%	2,287	3.9%
Average operated capacity ('000 TEU)	4,362	4,282	1.9%	4,166	4.7%
Loaded volumes ('000 FFE)	3,175	3,101	2.4%	3,166	0.3%

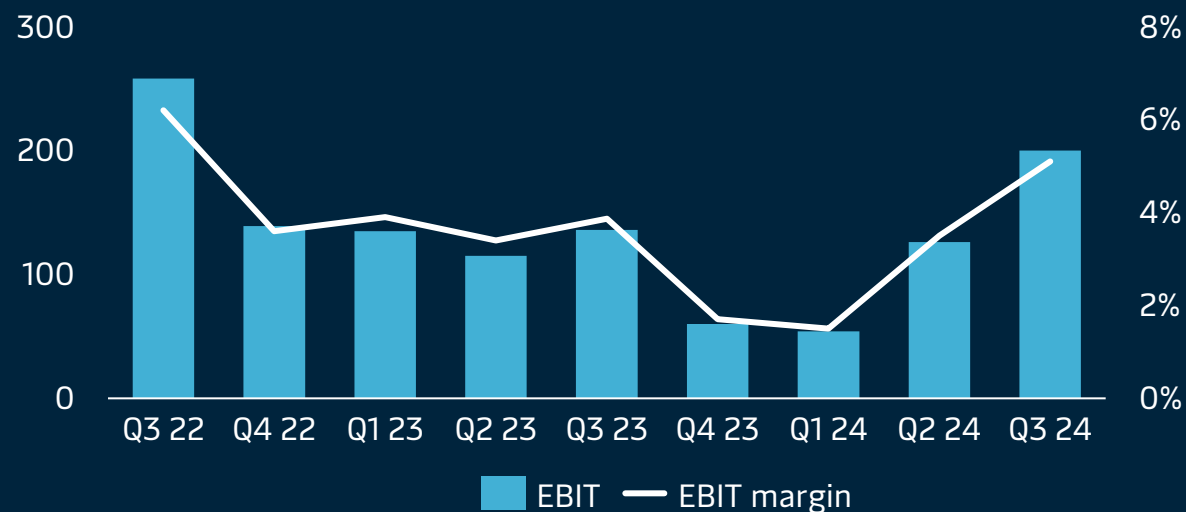
Contract share	Q3 '24	Q2'24	Q3 '23	2024E	2023
Contracts	75%	76%	69%	75%	68%
Shipments	25%	24%	31%	25%	32%

Third quarter 2024

## Logistics & Services

- Revenue growth of 11% due to solid development across all regions and most products, with largest contributions from Air, Landside Transportation and Warehousing
- EBIT margin expansion to 5.1% (up both YoY and QoQ) primarily due to Lead Logistics and Air, as well as improved operational efficiency across all products
- Continued progress on operational challenges in Ground Freight and Warehousing supporting momentum towards EBIT margin target of above 6%

Development in EBIT (USDm) and EBIT margin (%)






USDm	Q3 '24	Q2 '24	QoQ %	Q3 '23	YoY %
Revenue	3,893	3,632	7.2%	3,517	11%
Gross Profit	1,213	1,089	11%	1,085	12%
EBITDA	<b>431</b>	<b>348</b>	<b>24%</b>	<b>339</b>	<b>27%</b>
EBITDA margin	11.1%	9.6%	1.5pp	9.6%	1.5pp
EBIT	<b>200</b>	<b>126</b>	<b>59%</b>	<b>136</b>	<b>47%</b>
EBIT margin	5.1%	3.5%	1.6pp	3.9%	1.2pp
Gross capex	211	159	33%	196	7.7%

Third quarter 2024

## Logistics & Services | Profitable growth in Managed by Maersk and Transported by Maersk due to higher volumes and increased operational efficiency

- **Managed by** revenue increased by USD 35m to USD 624m, driven by Project Logistics and Cold Chain Logistics. EBITA margin expanded to 24.2% (18.4%)
- **Fulfilled by** revenue increased by USD 130m to USD 1.4bn from growth across all products, especially Warehousing and Last Mile. Ground Freight saw increased costs due to refocusing on the core business. EBITA margin was -4.5% (-2.4%)
- **Transported by** revenue increased by USD 211m to USD 1.9bn, mainly due to higher volumes in First Mile combined with higher rates in Air and LCL. EBITA margin was 8.4% (6.2%)

Revenue   USDm	Key products	Q3' 24	Q3 '23	YoY change %
 <b>Managed by Maersk</b>	<ul style="list-style-type: none"> <li>• Lead Logistics</li> <li>• Project Logistics</li> <li>• Custom Services</li> </ul>	624	589	5.9%
 <b>Fulfilled by Maersk</b>	<ul style="list-style-type: none"> <li>• Warehousing</li> <li>• Ground Freight</li> <li>• Last Mile</li> <li>• E-Fulfilment</li> </ul>	1,415	1,285	10%
 <b>Transported by Maersk</b>	<ul style="list-style-type: none"> <li>• Landside Transportation</li> <li>• Air</li> <li>• LCL</li> </ul>	1,854	1,643	13%
<b>Total Logistics &amp; Services</b>		<b>3,893</b>	<b>3,517</b>	<b>11%</b>

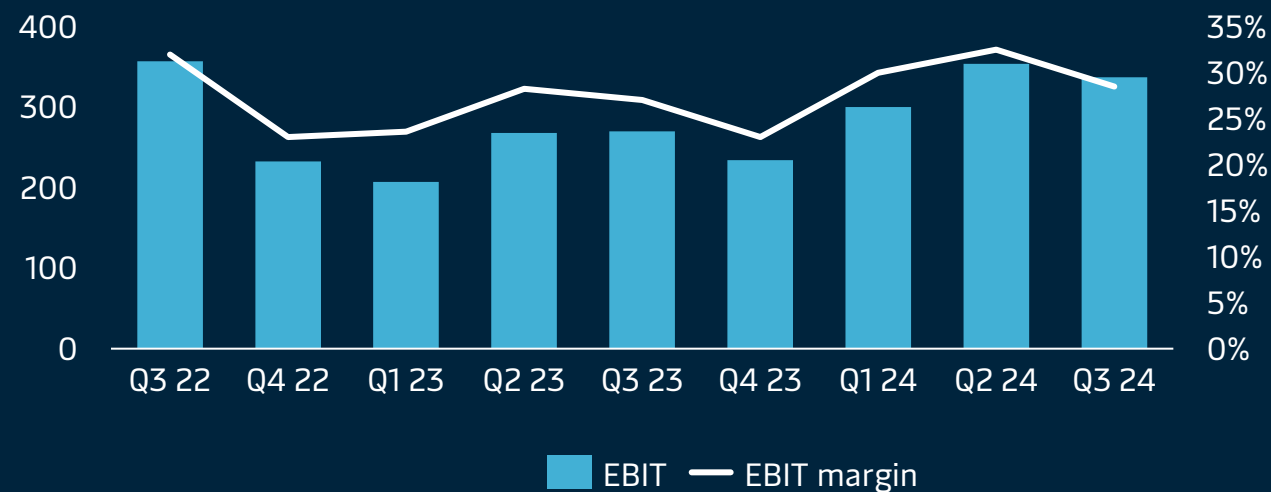
Note: 2023 'by Maersk' revenue figures have been restated in order to reflect changes within the Logistics & Services model definition.

Third quarter 2024

## Terminals

- Revenue increased by 18% to USD 1.2bn (USD 1.0bn), driven by improved tariffs and product mix, higher volumes and localised congestion
- Volumes increased by 7.6%, driven by strong growth in North America and Asia
- EBIT increased by 25% due to the strong top-line growth helped by improved tariffs and cost discipline
- ROIC (LTM average) increased to 13.0% (10.3%)
- CAPEX increased to USD 160m (USD 113m) driven by the construction of new terminals in Suape (Brazil) and Rijeka (Croatia)

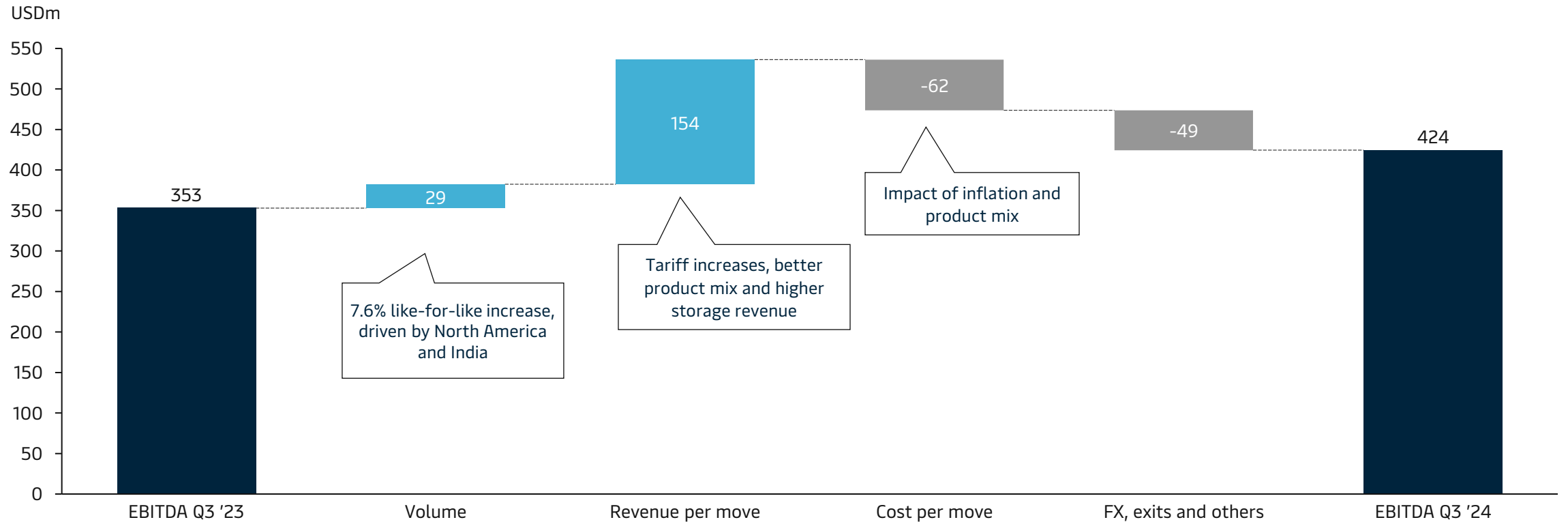
Development in EBIT (USDm) and EBIT margin (%)



USDm	Q3 '24	Q2 '24	QoQ %	Q3 '23	YoY %
Revenue	1,183	1,089	8.6%	999	18%
EBITDA	424	408	3.9%	353	20%
EBITDA margin	35.8%	37.5%	-1.6pp	35.3%	0.5pp
EBIT	338	353	-4.2%	270	25%
EBIT margin	28.6%	32.4%	-3.8pp	27.0%	1.6pp
Gross capex	160	135	19%	113	42%

Third quarter 2024

# Terminals | Strong performance driven mainly by higher revenue per move



## Questions and answers

To ask a question, please press “\*1”

 Reminder: **ONE** question per turn



# Final remarks

- Strong business performance in third quarter
- Results strongly impacted by freight rates and good underlying momentum in operational groundwork:
  - Logistics & Services EBIT margin further improved to 5.1% through cost and productivity measures and progress on Ground Freight and Warehousing
  - Preparing for Gemini go-live in Ocean
  - Resilient earnings and continued focus on operational excellence in Terminals
- FY24 guidance upgraded

# Appendix

# Financial highlights Q3 2024

USD million	Revenue			EBITDA			EBIT			CAPEX		
	Q3 '24	Q3 '23	YoY %	Q3 '24	Q3 '23	YoY %	Q3 '24	Q3 '23	YoY %	Q3 '24	Q3 '23	YoY %
Ocean	11,107	7,897	41%	4,002	1,133	253%	2,834	-27	NM	561	443	27%
Logistics & Services	3,893	3,517	11%	431	339	27%	200	136	47%	211	196	7.7%
Terminals	1,183	999	18%	424	353	20%	338	270	25%	160	113	42%
Unallocated activities and eliminations, etc.	-421	-284	NM	-60	53	-213%	-63	159	-140%	9	67	-87%
<b>A. P. Moller - Maersk consolidated</b>	<b>15,762</b>	<b>12,129</b>	<b>30%</b>	<b>4,797</b>	<b>1,878</b>	<b>155%</b>	<b>3,309</b>	<b>538</b>	<b>515%</b>	<b>941</b>	<b>819</b>	<b>15%</b>

# Consolidated financial information

Income statement (USDm)	Q3 '24	Q3 '23	9M '24	9M '23
Revenue	15,762	12,129	40,888	39,324
<b>EBITDA</b>	<b>4,797</b>	<b>1,878</b>	<b>8,531</b>	<b>8,752</b>
<b>EBITDA margin</b>	<b>30.4%</b>	<b>15.5%</b>	<b>20.9%</b>	<b>22.3%</b>
Depreciation, impairments etc.	1,570	1,584	4,569	5,035
Gain on sale of non-current assets, etc., net	16	136	231	439
Share of profit in joint ventures and associates	66	108	256	315
<b>EBIT</b>	<b>3,309</b>	<b>538</b>	<b>4,449</b>	<b>4,471</b>
<b>EBIT margin</b>	<b>21.0%</b>	<b>4.4%</b>	<b>10.9%</b>	<b>11.4%</b>
Financial items, net	-51	153	113	327
<b>Profit/loss before tax</b>	<b>3,258</b>	<b>691</b>	<b>4,562</b>	<b>4,798</b>
Tax	177	137	440	434
<b>Profit/loss for the period</b>	<b>3,081</b>	<b>554</b>	<b>4,122</b>	<b>4,364</b>

Key figures and financials (USDm)	Q3 '24	Q3 '23	9M '24	9M '23
Profit/loss for the period	3,081	554	4,122	4,364
Gain/loss on sale of non-current assets etc., net	-16	-136	-231	-439
Impairment losses, net.	29	21	27	342
Transaction and integration cost	1	30	7	109
Tax on adjustments	2	20	5	20
<b>Underlying profit/loss</b>	<b>3,097</b>	<b>489</b>	<b>3,930</b>	<b>4,396</b>
Earnings per share (USD)	193	31	255	250
Lease liabilities (IFRS 16)	11,173	10,632	11,173	10,632
Net interest-bearing debt	-5,634	-6,844	-5,634	-6,844
Invested capital	50,846	49,080	50,846	49,080
Total Equity (APMM total)	56,497	55,973	56,497	55,973
Total market capitalisation	26,027	29,490	26,027	29,490

## Consolidated financial information

<b>Cash flow statement (USDm)</b>	<b>Q3 '24</b>	<b>Q3 '23</b>	<b>9M '24</b>	<b>9M '23</b>
Profit/loss before financial items	3,309	538	4,449	4,471
Non-cash items, etc.	1,535	1,437	4,153	4,603
Change in working capital	-414	-435	-1,148	930
Taxes paid	-158	-155	-461	-527
<b>Cash flow from operating activities (CFFO)</b>	<b>4,272</b>	<b>1,385</b>	<b>6,993</b>	<b>9,477</b>
CAPEX	-941	-819	-2,551	-2,395
Repayments of lease liabilities	-776	-816	-2,267	-2,463
Financial expenses paid on lease liabilities	-160	-139	-443	-422
Financial payments, net	107	114	580	745
Sale proceeds and dividends received	203	151	639	739
<b>Free cash flow (FCF)</b>	<b>2,705</b>	<b>-124</b>	<b>2,951</b>	<b>5,681</b>
Acquisitions, net (incl. sales)	1	337	65	992
Dividends and share buy-backs	-78	-785	-1,899	-13,292
Repayments of/proceeds from borrowings, net	-133	414	1,597	152

# Balance sheet and capital allocation

<b>Debt &amp; cash position (USDm)</b>	<b>Q3 '24</b>	<b>Q2 '24</b>	<b>Q3 '23</b>
Borrowings	5,469	5,400	4,221
Lease liabilities	11,173	10,599	10,632
Other	-21	177	243
<b>Total gross debt</b>	<b>16,621</b>	<b>16,176</b>	<b>15,096</b>
Cash and bank balances	6,337	8,055	7,630
Short term deposits <sup>(1)</sup>	15,918	11,684	14,310
Securities	-	-	-
<b>Total cash and deposits</b>	<b>22,255</b>	<b>19,739</b>	<b>21,940</b>
<b>Net interest-bearing debt</b>	<b>-5,634</b>	<b>-3,563</b>	<b>-6,844</b>

1) Under "Receivables, etc." on balance sheet (see note 2 "Term deposits and Prepayments, non-current" in quarterly report).

# IR Contact Information & Financial Calendar

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## Financial Calendar

**31 October 2024**

Q3 2024 Interim Report

**6 February 2025**

Q4 2024 Interim /  
FY24 Report

## Share Information

**Market**

Nasdaq Copenhagen

**Share classes**

A: Two votes per share  
B: No voting rights

**Sector**

Industrials

**Segment**

Large

