



A.P. Møller - Mærsk A/S

Q2 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

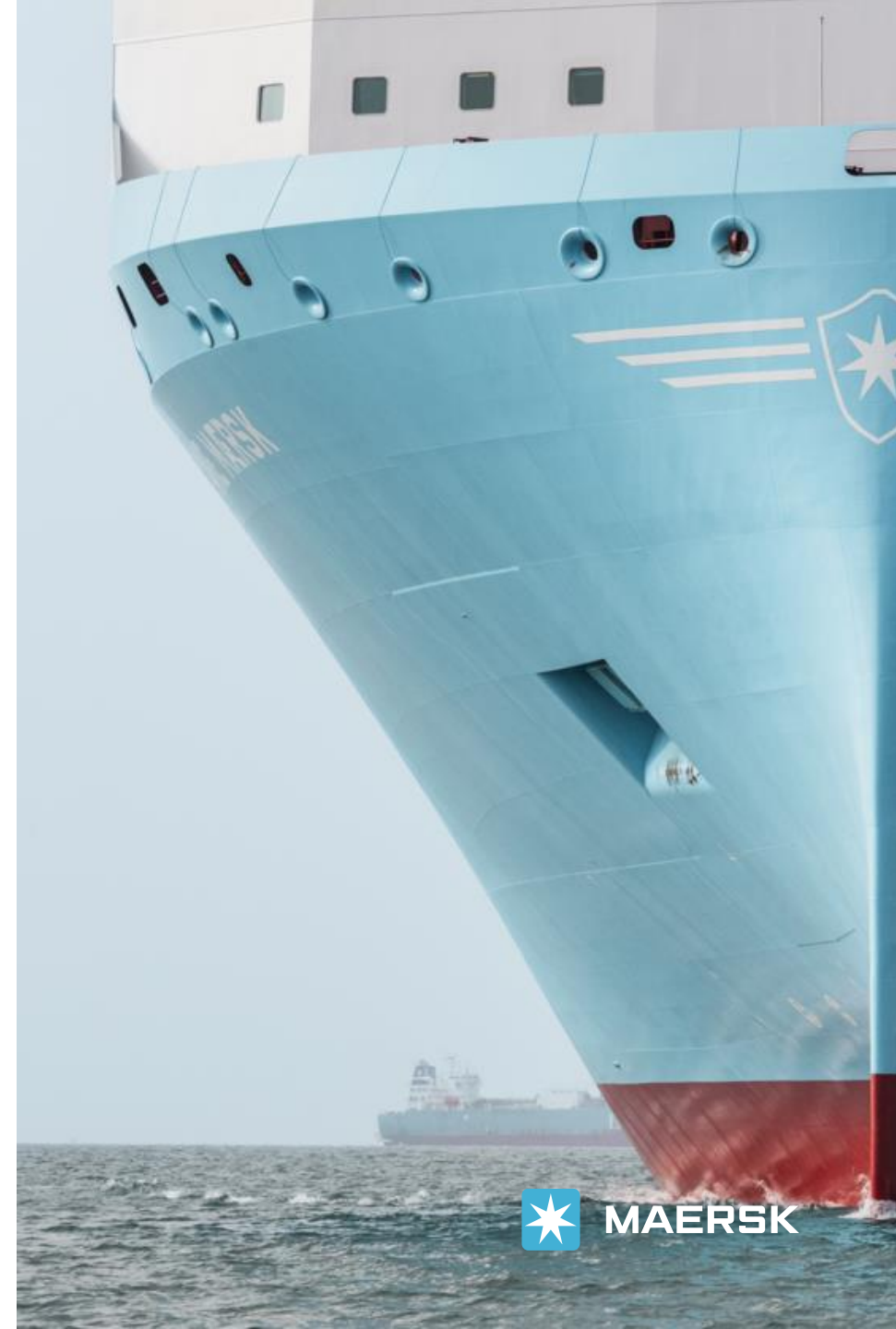
Unless otherwise stated, all comparisons refer to y/y changes. Unless otherwise stated, all figures in parentheses refer to the corresponding figures for the same period prior year

Q2 2024 Highlights

Highlights Q2 2024

Increased momentum and ramp-up in earnings

- Second quarter fuelled by strong market demand, Red Sea situation and volume growth across all segments with **EBITDA / EBIT** of **USD 2.1bn / 1.0bn**
- **Logistics & Services:** EBIT rebounding sequentially to 3.5% with expected continued progress towards 6% goal. Remain committed to growth through organic investments and value accretive acquisitions
- **Ocean:** Profitability build up in Q2 on back of higher freight rates with EBIT margin of 5.6%, with full rate impact in Q3, Red Sea disruption remains entrenched and expected to stay until end of 2024, Q4 volumes uncertain
- **Terminals:** Excellent performance leading to one of highest EBITDA levels ever (USD 408m / 37.5% EBITDA margin)
- **Guidance range raised** – Underlying EBITDA and EBIT of USD 9-11bn and USD 3-5bn, respectively, and FCF \geq 2.0bn

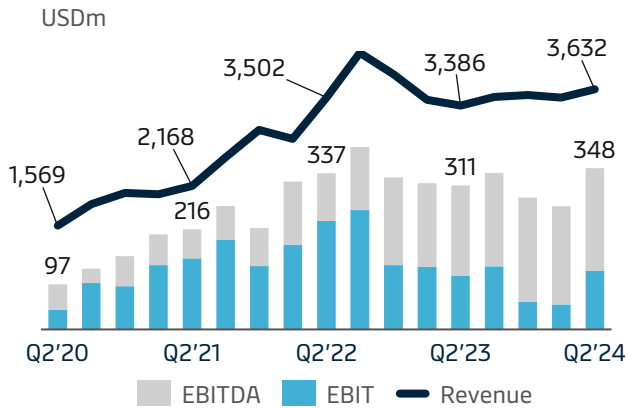


Highlights

Continued focus on profitable growth and strong cost discipline

Logistics & Services

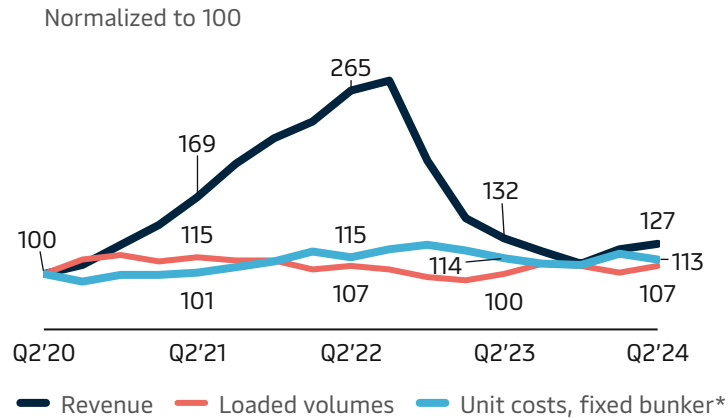
Margins tracking positively



- Recovery in revenue growth across broader product portfolio
- Initiatives to address customer implementation challenges in Ground Freight progressing
- Significant improvement in cost base

Ocean

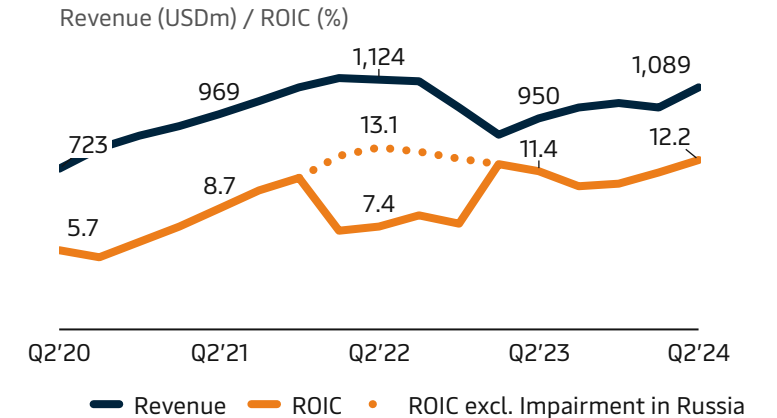
Solid delivery



- Elevated freight rates from Red Sea re-routing and port congestion coupled with strong market demand
- Significant contract business means full rate impact yet to come through in Q3
- Continued progress towards Gemini go-live in early 2025 and new network design

Terminals








Excellent performance



- Strong top-line growth including from high volumes and localised congestion in select ports
- Constant progression and strength in EBITDA
- Continued investment with a focus on automation and expansion

2021–2025

Our strategic transformation continues – Focus on profitable growth and strong cost discipline

Segment	KPI	Targets ⁽¹⁾	LTM	
APMM	Return on invested capital (ROIC) – (LTM)	Every year >7.5%	2.0%	
	Return on invested capital (ROIC) – (Average)	Average 2021-25 >12.0%	32.8% ⁽²⁾	
Ocean	EBIT margin – under normalised conditions	Above 6%	-2.0%	
	Execute with the existing fleet size	4.1-4.3m TEU	4.2m	
Logistics & Services	Organic revenue growth	Above 10%	-7%	
	EBIT margin	Above 6%	2.6%	
Terminals	Return on invested capital (ROIC) – (LTM)	Above 9%	12.2%	

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 Q2 2024



Progressing on our key priorities for 2024



Logistics & Services

Renew with growth and raise margins

- Capitalise on organic growth momentum while maintaining cost focus to further increase EBIT margin towards 6% goal
- Further improve Ground Freight performance and warehousing utilisation in coming quarters
- Gradual roll out of technology platform as growth enabler



Ocean

Deliver best-in-class performance and prepare for the network of the future

- Respond with agility to serve customers and seize opportunities by increasing vessel capacity (~172k TEUs added so far since Dec '23)
- Progress on fleet renewal programme with delivery at ~160k TEUs p.a.
 - ~800k TEUs ordered this year for delivery in 2026-2030
- Continue to manage yields and bring down Ocean unit cost despite Red Sea disruption



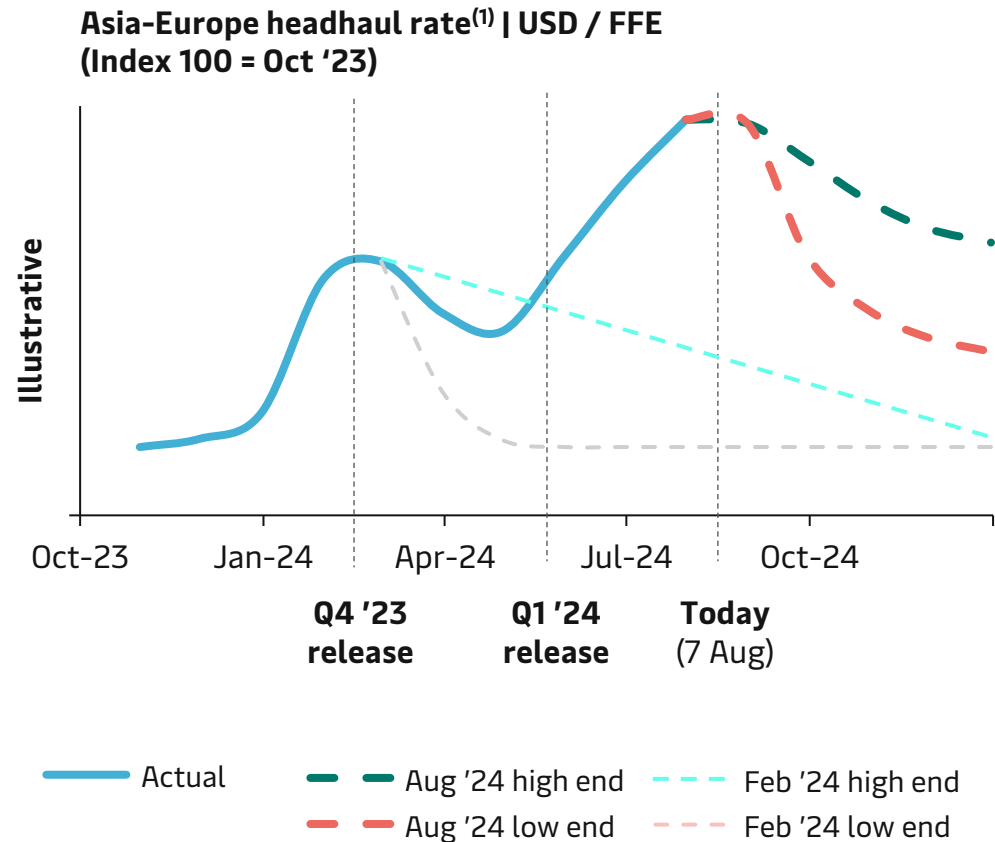
Terminals

Keep momentum on excellent operational performance and focus on growth

- Continue margin optimisation via further strengthening of LEAN implementation
- Progress on growth investments in Rijeka (Croatia) and Suape (Brazil) going live in 2025 and 2026, respectively
- Continue to invest in readying hubs for Gemini – final 3 hubs (out of 7) on track for upgrade

Highlights

Impact from Red Sea disruption continues alongside strong market demand and port congestion – Q4 volumes pivotal to Ocean performance



- Entrenched nature of Red Sea disruption has offset impact of increased supply
- Supply chain disruption, strong market demand and port congestion sustaining high rates
- Rates however seem to have peaked with easing of congestion and new capacity (growing 2-3% per quarter)
- Uncertainty in Q4 volumes and supply-demand balance driving earnings guidance range (high vs low)

2024 financial guidance range raised

Per announcement on August 1, 2024

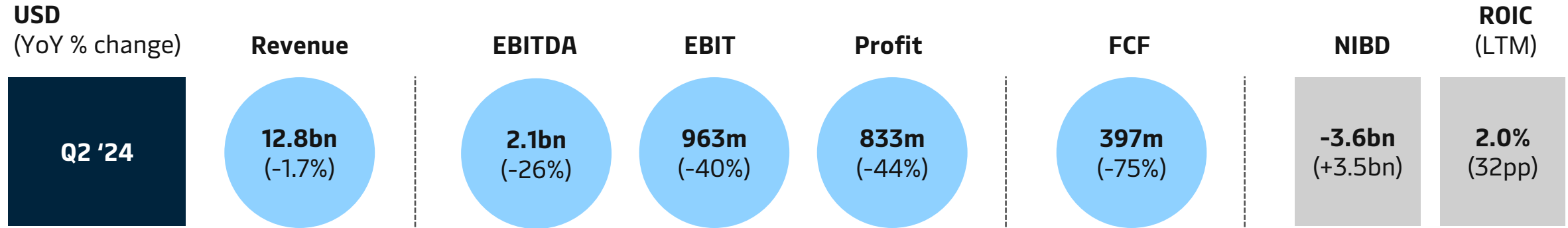
- APMM now expects global container market volume growth to be 4-6% (previously towards the upper end of 2.5-4.5%) and to grow in line with the market
- APMM raises the financial guidance range considering:
 - **Ongoing supply chain disruption** with Red Sea situation now expected to continue at least until the end of 2024
 - **Robust container market demand** causing rates and volumes to remain elevated
 - **Mid-term supply and demand remains unclear**
- Considering these factors APMM expects for the full-year 2024:

USDbn	Previous (as at 3 Jun '24)	Revised (as at 1 Aug '24)
Underlying EBITDA	7.0 to 9.0	9.0 to 11.0
Underlying EBIT	1.0 to 3.0	3.0 to 5.0
FCF	≥ 1.0	≥ 2.0
Capex (cumulative)		
2023-2024	8.0 to 9.0	8.0 to 9.0
2024-2025	9.0 to 10.0	10.0 to 11.0

Q2 2024

Financial review

Q2 '24 showed continued sequential recovery supported by strong rates in Ocean

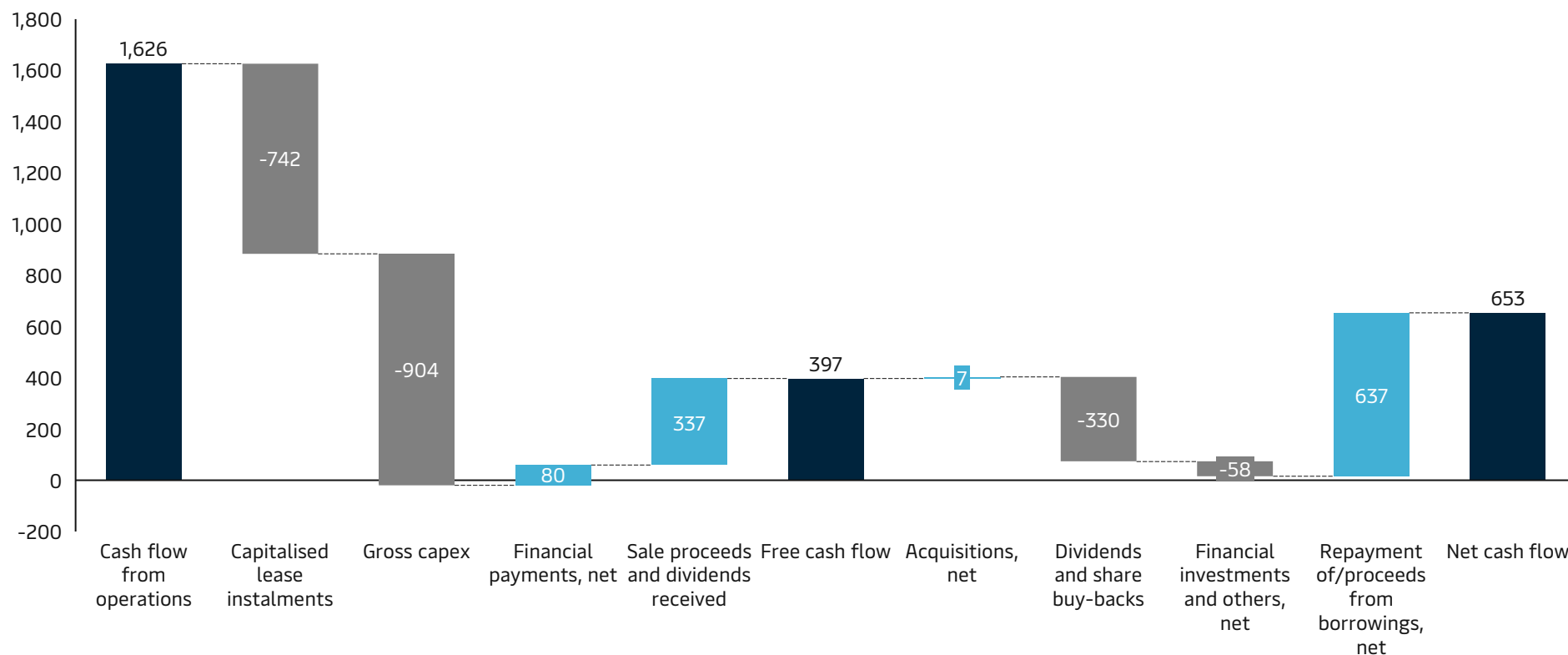


- Sequentially, Q2 EBITDA and EBIT increased to USD 2.1bn (EBITDA margin: 17%) and USD 963m (EBIT margin: 7.5%), respectively, demonstrating continued recovery. Net profit after tax of USD 833m
- EBITDA and EBIT both down compared to still pandemic-influenced Q2 '23
- Free cash flow returned to positive territory from prior quarter at USD 397m in Q2
- Total cash & deposits of USD 19.7bn with a net cash position of USD 3.6bn at the end of Q2
- Successful spin-off of Svitzer towage activities executed in late April, reflecting return of USD 1.2bn to APMM shareholders⁽¹⁾

1) Based on Svitzer share price as at 5 August 2024.

FCF returned to positive territory sequentially, mainly due to improved CFFO

Cash flow bridge for Q2 '24, USDm



Operational cash flow of USD 1.6bn (USD 2.8bn) impacted by lower EBITDA of USD 2.1bn (USD 2.9bn) and increase of net working capital of USD 260m (decrease of USD 145m). Cash conversion rate of 76% for the quarter

Free cash flow of USD 397m (USD 1.6bn) was mainly driven by Gross CAPEX of USD 904m (USD 738m), primarily from Ocean investments

Further cash movements driven by withholding taxes on dividends and settlement of inter-company balances by Svitzer on demerger

Outlook and strategy shapes clear order of priority for our capital allocation

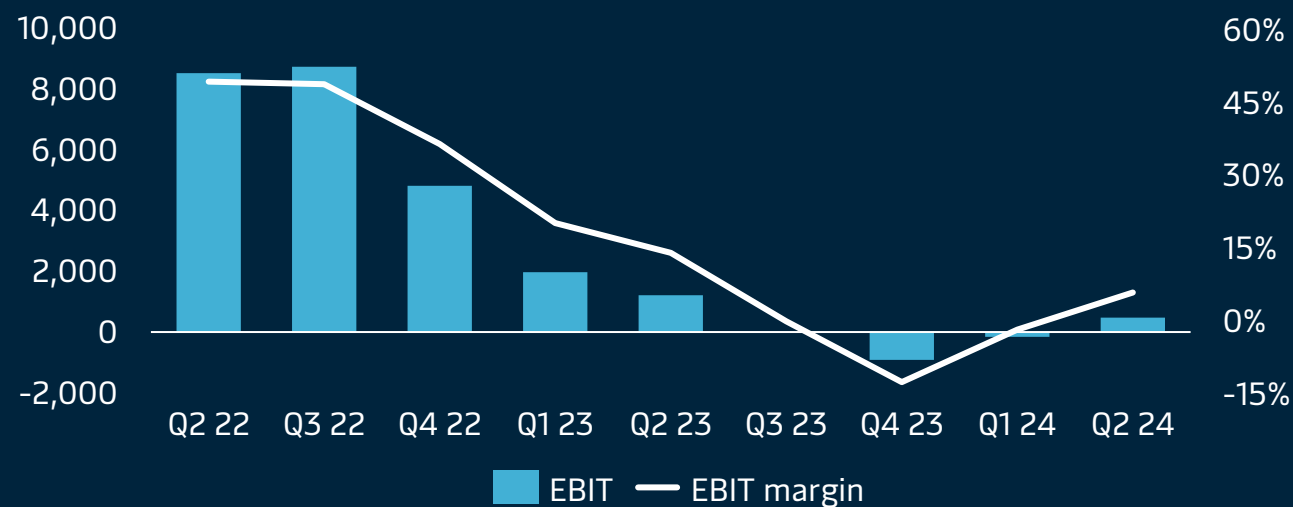
-  1 Maintain balance sheet strength to weather volatility of Ocean business in the coming years
-  2 Continue to renew our Ocean fleet
Pursue organic growth in Logistics & Services and Terminals while also considering selective value accretive inorganic opportunities
-  3 Remain committed to our dividend policy and return excess cash to shareholders through share buy-back programmes

Second quarter 2024

Ocean

- Continued solid delivery on the back of tackling the Red Sea disruption and robust container volume growth
- Volumes were up YoY (+6.7%) and QoQ (+5.9%), given continued strong demand
- Rates were up QoQ as additional supply was absorbed by additional capacity requirements from the Red Sea disruption and congestion in key Asian and Middle Eastern ports
- Reliability improved but remains challenged
- EBIT showed sequential recovery and reached USD 470m (EBIT margin: 5.6%)

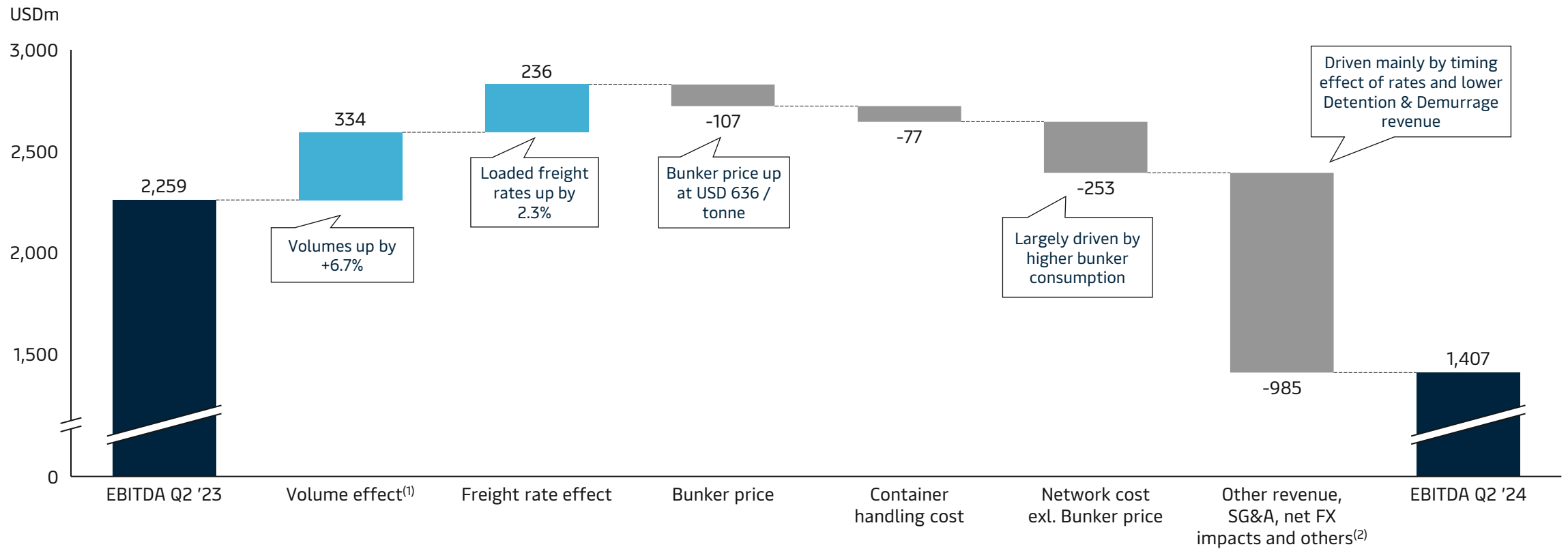
Development in EBIT (USDm) and EBIT margin (%)



USDm	Q2 '24	Q1 '24	QoQ %	Q2 '23	YoY %
Revenue	8,370	8,009	4.5%	8,703	-3.8%
EBITDA	1,407	956	47%	2,259	-38%
EBITDA margin	16.8%	11.9%	4.9pp	26.0%	-9.2pp
EBIT	470	-161	NM	1,205	-61%
EBIT margin	5.6%	-2.0%	7.6pp	13.8%	-8.2pp
Gross capex	578	325	78%	314	84%

Second quarter 2024

Ocean | Q2 '24 EBITDA decreased mainly due to the timing effect of rates and higher costs attributed to Red Sea situation



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

Second quarter 2024

Ocean | Strong volume growth and higher rates

- Average freight rates increased by 2.3%; sequentially, rates increased by 5.5% QoQ reflecting the supply chain pressure
- Operating costs excluding bunker increased by 1.9% from higher container handling costs largely offset by lower network and SG&A costs
- Combined with 6.7% higher volumes, this led to a unit cost at fixed bunker of USD 2,367 down 0.9% YoY. Compared to Q1 2024, cost per unit was down 4.5% mainly due to strong volume growth
- Average operated fleet capacity was 3.5% higher than in Q2 2023, reaching 4.3m TEUs. Capacity utilisation at 97%, 6pp higher YoY
- Loaded volumes were up 6.7% to 3,101k FFE
- Our expected share of Ocean contract volumes for the full year is approximately 70% (largely in line with 2023)

Ocean KPIs	Q2 '24	Q1 '24	QoQ %	Q2 '23	YoY %
Average freight rate (USD/FFE)	2,499	2,368	5.5%	2,444	2.3%
Unit cost, fixed bunker (USD/FFE)	2,367	2,478	-4.5%	2,389	-0.9%
Average operated capacity ('000 TEU)	4,282	4,187	2.3%	4,136	3.5%
Loaded volumes ('000 FFE)	3,101	2,928	5.9%	2,906	6.7%

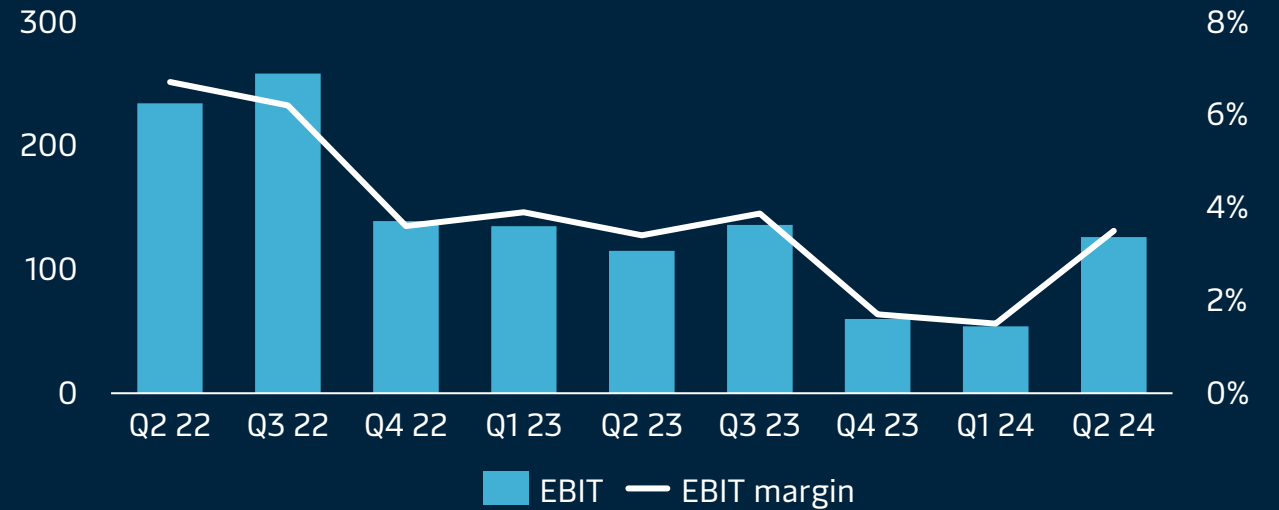
Contract share	Q2 '24	Q1 '24	Q2 '23	2024E	2023
Contracts	76%	75%	68%	70%	68%
Shipments	24%	25%	32%	30%	32%

Second quarter 2024

Logistics & Services

- Quarter delivered YoY revenue growth due to increased volumes across all product families, offsetting generally lower rates
- Ground Freight and Last Mile in North America, Air in Asia and Europe, and First Mile across all regions driving revenue growth
- Profitability started to recover on the back of cost measures and focus on profitable growth
- Initiatives in place to further improve operational efficiency in Ground Freight, utilisation in Warehousing as well as maintaining momentum in Air

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






USDm	Q2 '24	Q1 '24	QoQ %	Q2 '23	YoY %
Revenue	3,632	3,504	3.7%	3,386	7.3%
Gross Profit	1,089	1,007	8.1%	1,045	4.2%
EBITDA	348	266	31%	311	12%
EBITDA margin	9.6%	7.6%	2.0pp	9.2%	0.4pp
EBIT	126	54	133%	115	9.6%
EBIT margin	3.5%	1.5%	2.0pp	3.4%	0.1pp
Gross capex	159	201	-21%	223	-29%

Second quarter 2024

Logistics & Services | Profitable growth in Managed by Maersk and Transported by Maersk due to increased operational efficiency and asset utilisation

- **Managed by** revenue decreased by USD 46m to USD 491m, mainly driven by price and margin mix, EBITA margin expanded to 18.1% (11.8%)
- **Fulfilled by** revenue increased by USD 158m to USD 1.4bn due to growth across all products, with Ground Freight and Last Mile being main drivers. While improving sequentially, profitability was lower given continued warehousing whitespace and inefficiencies in Ground Freight. EBITA margin was -3.2% (-1.9%)
- **Transported by** revenue increased by USD 134m to USD 1.7bn, mainly due to higher volumes in Air, LCL and First Mile. EBITA margin was 7.4% (7.4%)

Revenue USDm	Key products	Q2 '24	Q2 '23	YoY change %
 Managed by Maersk	<ul style="list-style-type: none"> • Lead Logistics • Project Logistics • Custom Services 	491	537	-8.6%
 Fulfilled by Maersk	<ul style="list-style-type: none"> • Warehousing • Ground Freight • Last Mile • E-Fulfilment 	1,409	1,251	13%
 Transported by Maersk	<ul style="list-style-type: none"> • Landside Transportation • Air • LCL 	1,732	1,598	8.4%
Total Logistics & Services		3,632	3,386	7.3%

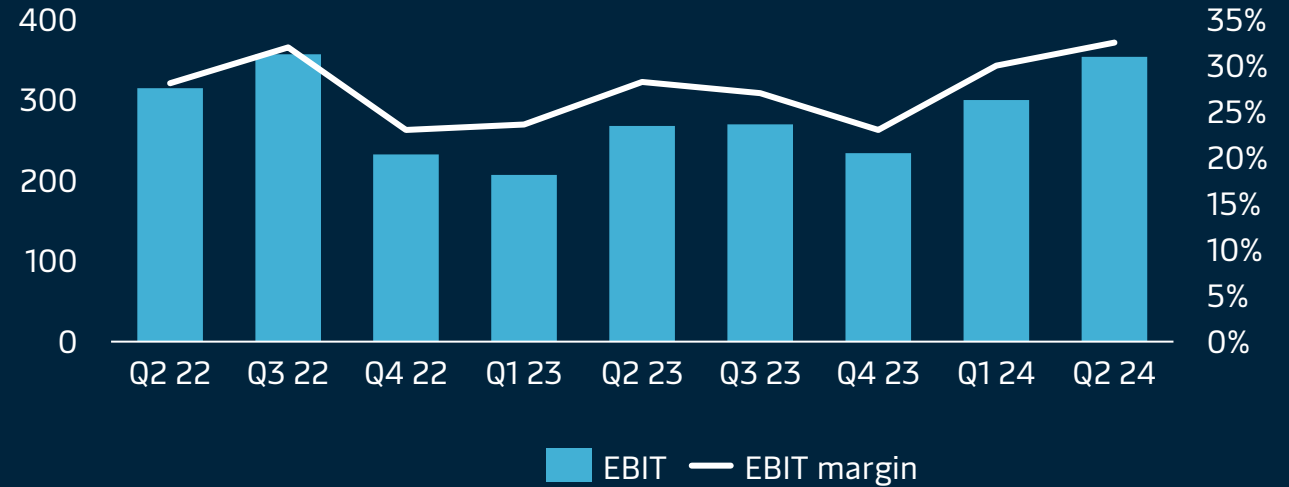
Note: 2023 'by Maersk' revenue figures have been restated in order to reflect changes within the Logistics & Services model definition.

Second quarter 2024

Terminals

- Revenue increased by 15% YoY to USD 1.1bn (USD 950m), driven by improved tariffs, higher volumes and localised congestion
- Volumes increased by 6.8%, driven by strong growth in North America, particularly US East Coast, and Asia
- EBIT increased by 31% due to the strong top-line growth and strong results from joint ventures and associated companies
- ROIC (LTM average) increased to 12.2% (11.4%)
- CAPEX increased to USD 135m (USD 97m) driven by automation of the terminals in Spain and USA as well as growth projects in Lazaro Cardenas (Mexico), Rijeka (Croatia) and Suape (Brazil)

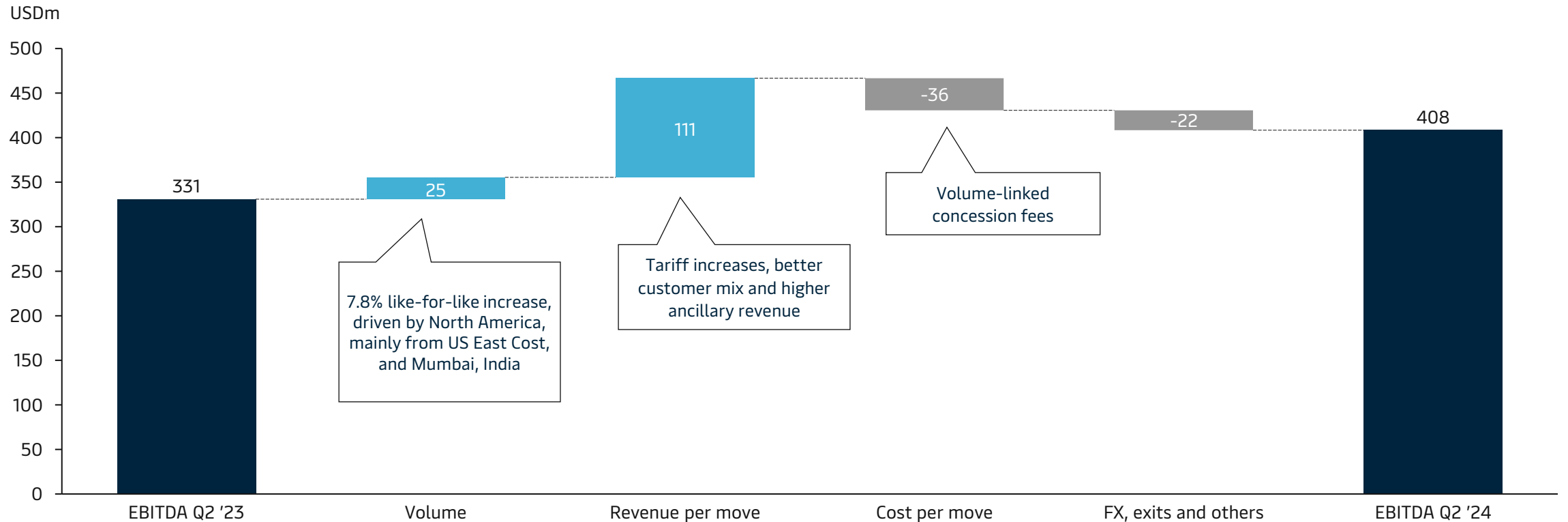
Development in EBIT (USDm) and EBIT margin (%)



USDm	Q2 '24	Q1 '24	QoQ %	Q2 '23	YoY %
Revenue	1,089	999	9.0%	950	15%
EBITDA	408	348	17%	331	23%
EBITDA margin	37.5%	34.8%	2.7pp	34.8%	2.7pp
EBIT	353	300	18%	269	31%
EBIT margin	32.4%	30.0%	2.4pp	28.3%	4.1pp
Gross capex	135	127	6.3%	97	39.2%

Second quarter 2024

Terminals | Strong performance driven mainly by volume growth and higher revenue per move



Questions and answers

To ask a question, please press 1

 Reminder: **ONE** question per turn

Final remarks

- Quarter with increased momentum and ramp-up in earnings
- Progress in growth and profitability in Logistics & Services
- Solid delivery in Ocean on back of higher freight rates – full rate impact yet to come in Q3
- Excellent performance in Terminals with strong volume growth and cost control
- Increased guidance for 2024

Appendix

Financial highlights Q2 2024

USD million	Revenue			EBITDA			EBIT			CAPEX		
	Q2 '24	Q2 '23	YoY %	Q2 '24	Q2 '23	YoY %	Q2 '24	Q2 '23	YoY %	Q2 '24	Q2 '23	YoY %
Ocean	8,370	8,703	-3.8%	1,407	2,259	-38%	470	1,205	-61%	578	314	84%
Logistics & Services	3,632	3,386	7.3%	348	311	12%	126	115	9.6%	159	223	-29%
Terminals	1,089	950	15%	408	331	23%	353	269	31%	135	97	39%
Unallocated activities and eliminations, etc.	-320	-51	NM	-19	4	NM	14	18	-22%	32	104	-69%
A. P. Moller - Maersk consolidated	12,771	12,988	-1.7%	2,144	2,905	-26%	963	1,607	-40%	904	738	22%

Consolidated financial information

Income statement (USDm)	Q2 '24	Q2 '23	FY23
Revenue	12,771	12,988	51,065
EBITDA	2,144	2,905	9,591
EBITDA margin	16.8%	22.4%	18.8%
Depreciation, impairments etc.	1,481	1,571	6,615
Gain on sale of non-current assets, etc., net	208	163	523
Share of profit in joint ventures and associates	92	110	435
EBIT	963	1,607	3,934
EBIT margin	7.5%	12.4%	7.7%
Financial items, net	13	-16	428
Profit/loss before tax	976	1,591	4,362
Tax	143	104	454
Profit/loss for the period	833	1,487	3,908

Key figures and financials (USDm)	Q2 '24	Q2 '23	FY23
Profit/loss for the period	833	1,487	3,908
Gain/loss on sale of non-current assets etc., net	-208	-163	-523
Impairment losses, net.	1	20	371
Transaction and integration cost	-1	3	180
Tax on adjustments	-2	-1	18
Underlying profit/loss	623	1,346	3,954
Earnings per share (USD)	51	85	227
Lease liabilities (IFRS 16)	10,599	10,968	10,448
Net interest-bearing debt	-3,563	-7,090	-4,658
Invested capital	49,563	49,343	50,430
Total Equity (APMM total)	53,126	56,427	55,090
Total market capitalisation	26,992	29,273	28,541

Consolidated financial information

Cash flow statement (USDm)	Q2 '24	Q2 '23	FY23
Profit/loss before financial items	963	1,607	3,934
Non-cash items, etc.	1,112	1,240	5,973
Change in working capital	-260	145	417
Taxes paid	-189	-234	-681
Cash flow from operating activities (CFFO)	1,626	2,758	9,643
CAPEX	-904	-738	-3,646
Repayments of lease liabilities	-742	-822	-3,226
Financial expenses paid on lease liabilities	-144	-144	-563
Financial payments, net	224	180	853
Sale proceeds and dividends received	337	347	906
Free cash flow (FCF)	397	1,581	3,967
Acquisitions, net (incl. sales)	7	761	1,151
Dividends and share buy-backs	-330	-2,392	-14,088
Repayments of/proceeds from borrowings, net	637	-162	185

Balance sheet and capital allocation

Debt & cash position (USDm)	Q2 '24	Q1 '24	Q2 '23
Borrowings	5,400	5,418	3,847
Lease liabilities	10,599	10,345	10,968
Other	177	114	244
Total gross debt	16,176	15,877	15,059
Cash and bank balances	8,055	7,365	10,423
Short term deposits ⁽¹⁾	11,684	11,604	11,478
Securities	-	-	248
Total cash and deposits	19,739	18,969	22,149
Net interest-bearing debt	-3,563	-3,092	-7,090

- Strong balance sheet maintained
- Commitment to shareholder returns and maintaining investment grade

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

IR Contact Information & Financial Calendar

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Financial Calendar

31 October 2024

Q3 2024 Interim Report

Share Information

Market

Nasdaq Copenhagen

Share classes

A: Two votes per share
B: No voting rights

Sector

Industrials

Segment

Large

