

**PRESS RELEASE****A.P. Moller - Maersk continues to grow logistics business and deliver record results***Copenhagen, 3 August 2022*

A.P. Moller - Maersk (Maersk) delivered record results in Q2 2022. Revenue increased by 52pct. and earnings more than doubled compared to same quarter last year. Results were driven by continued exceptional market conditions and sustained momentum from the strategic transformation focused on integrated logistics. Based on the strong performance in first half of 2022, Maersk has upgraded its guidance for the full year 2022 and increased the current share buyback programme.

*"We delivered an exceptionally strong result for the second quarter and consequently recorded the 15<sup>th</sup> quarter in a row with year-on-year earnings improvements. We are pleased with our performance across the business in first half of 2022, which clearly demonstrates the progress and great work by the entire Maersk team, transforming the company towards becoming a global, integrated logistics company", says Søren Skou, CEO of A.P. Moller - Maersk.*

In Q2, revenue grew to USD 21.7bn, EBITDA and EBIT increased to USD 10.3bn and USD 9.0bn respectively, and free cash flow rose to USD 6.8bn. The Q2 net result came in at USD 8.6bn and USD 15.4bn for the first half of the year. Return on invested capital (ROIC) was at 62.5 pct. for the past 12 months.

*"The result was driven by strong contract rates in Ocean, rapid profitable growth in Logistics and continued solid performance in Terminals. Volumes in Ocean were softer as congestion continued and the war in Ukraine weighed on consumer confidence, particularly in Europe. However, in Logistics we grew volumes above the market as our Ocean customers continue to buy into our value proposition, resulting in organic revenue growth of 36pct., notching up the 6<sup>th</sup> quarter in a row of more than 30pct. organic growth", says Søren Skou, CEO of A.P. Moller - Maersk.*

In Ocean, revenue grew to USD 17.4bn and EBIT increased to USD 8.5bn over the second quarter. The higher freight rates were partly offset by 7.4pct. lower volumes and by higher fuel, handling, and network costs. Although spot rates have softened from their peak earlier in the year, the company continued to sign contracts at rates above previous year levels given strong demand and continuing global supply chain congestion.

During Q2, Maersk maintained its strong momentum in bringing integrated logistics solutions to customers. For the quarter, revenue in Logistics grew 61pct. to USD 3.5bn and EBIT increased to USD 234m mainly due to higher volumes from new customer wins and increased spending from existing customers. Maersk continued to invest in its logistics portfolio and capabilities; in Q2 the acquisitions of logistics specialist, Pilot Freight Services and the global air freight expert, Senator International were completed, and Maersk further strengthened its air freight offering by launching Maersk Air Cargo.

In Terminals, revenue grew to USD 1.1bn and EBIT increased to USD 316m, mainly driven by strong import demand in the United States and above market growth in Asia as well as higher storage income, which was however partly offset by higher costs.

## Market situation

Global demand for logistics services continued to moderate across global supply chains in Q2 2022. Freight rates softened marginally over the quarter but remained at a high level historically as supply chain congestion increased across the globe. Global container volume declined by 2.3pct compared to Q2 2021 while global air cargo volumes (CTK) were 9.4pct lower in April/May. Geopolitical uncertainty and higher inflation via higher energy prices continued to weigh on consumer sentiment and growth expectations. Given this background, in 2022 global container demand is now expected to be at the lower end of the -1% to +1% forecasted range.

## Guidance for 2022

As announced in a trading update August 2, for the full year 2022 Maersk anticipates an underlying EBITDA of around 37bn, an underlying EBIT of around 31bn and a free cash flow above USD 24bn. This is based on the strong performance in first half of 2022, and a gradual normalisation of Ocean freight rates taking place in the fourth quarter of 2022.

Based on the improved guidance, the Board of Directors has decided to increase the current share buyback programme by USD 500m annually from USD 2.5bn to USD 3.0bn for the years 2022-2025.

## Financial highlights

### Highlights Q2

USD million

	Revenue		EBITDA		EBIT		CAPEX	
	2022	2021	2022	2021	2022	2021	2022	2021
Ocean	17,412	11,072	9,598	4,400	8,526	3,580	517	313
Logistics & Services	3,502	2,168	337	216	234	153	286	36
Terminals	1,124	969	400	370	316	302	105	40
Towage & Maritime Services	579	529	81	95	16	64	93	56
Unallocated activities, eliminations, etc.	-967	-508	-89	-17	-104	-15	7	7
<b>A.P. Møller - Maersk consolidated</b>	<b>21,650</b>	<b>14,230</b>	<b>10,327</b>	<b>5,064</b>	<b>8,988</b>	<b>4,084</b>	<b>1,008</b>	<b>452</b>

### Guidance 2022 – development

USD million

	New guidance 2 August	Previous guidance 26 April	Initial guidance 9 February
Underlying EBITDA - around	37.0	30.0	24.0
Underlying EBIT - around	31.0	24.0	19.0
Free cash flow (FCF) - above	24.0	19.0	15.0

**Underlying EBITDA** is earnings before interest, taxes, depreciation and amortisation adjusted for restructuring and integration costs.

**Underlying EBIT** is operating profit before interest and taxes adjusted for restructuring and integration costs, net gains/losses from sale of non-current – assets and net impairment losses.

## Sensitivity guidance

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Financial performance for A.P. Møller - Maersk for 2022 depends on several factors and is subject to uncertainties related to the situation in Russia and Ukraine, COVID-19, bunker fuel prices and freight rates, given the uncertain macroeconomic conditions.

All else being equal, the sensitivities for 2022 for four key assumptions are listed in the table below:

Factors	Change	Effect on EBIT (midpoint of guidance) Rest of year
Container freight rate	+/- 100 USD/FFE	+/- USD 0.6bn
Container freight volume	+/- 100,000 FFE	+/- USD 0.2bn
Bunker price (net of expected BAF coverage)	+/- 100 USD/tonne	+/- USD 0.2bn
Foreign exchange rate (net of hedges)	+/- 10% change in USD	+/- USD 0.1bn

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### About A.P. Møller - Maersk.

A.P. Møller - Maersk is an integrated container logistics company working to connect and simplify its customers' supply chains. As the global leader in shipping services, the company operates in 130 countries and employs around 95,000 people.