

Q4 2020

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The Q1 2021 Interim Report is expected to be announced on 5 May 2021.

Webcast and dial-in information

A webcast relating to the Q4 2020 Interim Report and the Annual Report 2020 will be held on 10 February 2021 at 11.00 (CET). Dial-in information on investor.maersk.com.

Presentation material for the webcast will be available on the same page.

The Interim Report for Q4 2020 of A.P. Møller - Mærsk A/S (further referred to as A.P. Møller - Maersk as the consolidated group of companies) has been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board (IASB) and adopted by the EU and additional Danish disclosure requirements for interim financial reporting of listed companies.

The interim consolidated financial statements have not been subject to audit or review.

Change in presentation and comparative figures

From Q1 2020, as part of the refinement of A.P. Møller - Maersk's segment structure to align with the internal management structure and demarcation between the reportable segment activities, a number of changes have been made, see the Annual Report 2020, note 23 on significant accounting policies. Comparison figures have been restated.

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

Forward-looking statements

The interim report contains forward-looking statements. Such statements are subject to risks and uncertainties as numerous factors, many of which are beyond the control of A.P. Møller - Maersk, may cause the actual development and results to differ materially from expectations contained in the interim report.

"The fourth quarter was marked on the one hand by a continuous impact of the COVID-19 pandemic but also by some rewarding progress on our strategy to become the integrator of container logistics.

As we continued to manage through the pandemic, we stayed the course on our objectives to protect our employees, with crew changes now almost back to normal, to serve our customers by keeping our global network and ports operating despite significant bottlenecks and equipment shortages and thirdly to help societies we are part of.

Despite significant difficulties to keep the flow of goods operating, we managed to post significant milestones in our operations:

- Logistics & Services achieved a revenue of more than USD 2bn for the first time, with significant improvement in profitability, now close to peers. This was the result of the systematic improvement of operations over the past few years, exemplified by the growth in intermodal and warehousing, new strengthened capabilities in air freight and customs brokerage, including our acquisitions of Performance Team and KGH.
- Ocean performed at record level in the quarter as a consequence of the strong rebound of demand which led to full capacity utilisation but also to bottlenecks, higher costs and difficulties in meeting our customer reliability promises.
- Terminals & Towage, which showed resilience to lower volumes earlier in the year, could leverage our lower cost position with higher volumes. Terminals in particular performed at record level in the quarter.

Overall, we can be proud of the way we mastered 2020 and the financial performance reflects this advancement with a strong profitability and free cash flow leading to a ROIC of 9.4% and almost no net financial debt.

This evolution is a clear sign of both the strategic progress made in the last years and the agility of managing our operations in difficult conditions. Our continued progress makes us confident that we will continue to grow the earnings of the company as the economic situation normalises in 2021 and beyond."

Søren Skou

Chief Executive Officer

A.P. Møller - Maersk

Highlights Q4 2020

- Q4 2020 proved to be an exceptional while challenging quarter. The demand for goods, which had suffered due to COVID-19 in Q2, picked up in Q3 and accelerated its rebound in Q4, which generated disruptions in many parts of the supply chain. As a consequence, volumes in Logistics, Gateways and Ocean strongly progressed in the quarter, leading to both higher costs and rates, with ensuring reliability being the main operational concern in Q4.
- Revenue increased by 16% to USD 11.3bn (USD 9.7bn), mainly driven by an increase in Ocean of USD 1.1bn or 16% and in Logistics & Services of USD 532m or more than 30% of the total revenue growth in Q4. In Terminals & Towage, revenue increased by USD 68m, while revenue decreased by USD 35m in Manufacturing & Others.
- EBITDA increased to record levels in all three segments, improving by 85% to USD 2.7bn (USD 1.5bn), and the EBITDA margin increased to 24.1% (15.1%).
- EBITDA in Ocean increased to USD 2.2bn (USD 1.1bn), driven by a temporary increase in freight rates and bunker cost reductions, mainly from lower fuel prices. The EBITDA margin increased by 11 percentage points to 26.7% (15.7%).
- In Logistics & Services, EBITDA was USD 158m (USD 31m), implying the best ever quarter for this activity with a record revenue of USD 2bn, with performance mainly driven by intermodal margin improvement, supply chain management and earnings from the acquisitions of Performance Team and KGH. EBIT conversion improved to 18.7%, positively impacted by an optimised cost base.
- In Terminals & Towage, gateway EBITDA increased to a record of USD 317m (USD 253m), driven by a 4.8% volume increase, the consolidation of Pipavav, India, and the improved cost position. EBITDA in Towage decreased only slightly to USD 47m (USD 51m), given some restructuring costs.
- Cash flow from operating activities increased to USD 2.6bn (USD 1.5bn), driven by the significant increase in EBITDA, while gross CAPEX decreased to USD 370m (USD 469m), and consequently free cash flow increased to USD 1.7bn (USD 800m).
- Cash return on invested capital (CROIC), last twelve months, increased to 16.6% (10.0%) due to stronger cash flow from operating activities and lower gross CAPEX. Return on invested capital (ROIC), last twelve months, increased to 9.4% (3.1%), as earnings improved and invested capital declined slightly.
- Net interest-bearing debt decreased to USD 9.2bn by year-end (USD 11.7bn end of 2019), as free cash flow of USD 4.6bn was partly offset by share buy-back of USD 806m, dividends of USD 520m, and a net increase in lease liabilities of USD 170m. Net interest-bearing debt excluding lease liabilities decreased to USD 485m (USD 3.1bn end of 2019).
- The guidance for 2021 is impacted by the continuation of the COVID-19 pandemic and the impact on demand patterns. Given the current exceptional situation where demand surge has led to bottlenecks in supply chains and equipment shortage, the first quarter of 2021 is expected to be stronger than the fourth quarter of 2020.

Summary financial information

Amounts in USD million

	Q4		12M	
	2020	2019	2020	2019
Income statement				
Revenue	11,255	9,668	39,740	38,890
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	2,711	1,463	8,226	5,712
Depreciation, amortisation and impairment losses, net	1,222	1,160	4,541	4,287
Gain on sale of non-current assets, etc., net	30	1	202	71
Share of profit/loss in joint ventures and associated companies	75	38	299	229
Profit/loss before financial items (EBIT)	1,594	342	4,186	1,725
Financial items, net	-272	-212	-879	-758
Profit/loss before tax	1,322	130	3,307	967
Tax	21	191	407	458
Profit/loss for the period – continuing operations	1,301	-61	2,900	509
Profit/loss for the period – discontinued operations ¹	-	-	-	-553
Profit/loss for the period	1,301	-61	2,900	-44
A.P. Møller - Mærsk A/S' share	1,299	-72	2,850	-84
Underlying profit/loss – continuing operations ²	1,361	29	2,960	546
Balance sheet				
Total assets	56,117	55,399	56,117	55,399
Total equity	30,854	28,837	30,854	28,837
Invested capital	40,121	40,555	40,121	40,555
Net interest-bearing debt	9,232	11,662	9,232	11,662
Cash flow statement				
Cash flow from operating activities	2,569	1,535	7,828	5,919
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	370	469	1,322	2,035
Cash flow from financing activities	-2,400	-1,209	-5,618	-4,800
Free cash flow	1,666	800	4,648	2,340
Net cash flow from discontinued operations	-	-	-	-372
Financial ratios				
Revenue growth	16.4%	-5.5%	2.2%	-0.9%
EBITDA margin	24.1%	15.1%	20.7%	14.7%
Cash conversion	95%	105%	95%	104%
Return on invested capital after tax – continuing operations (ROIC), (LTM)	9.4%	3.1%	9.4%	3.1%
Return on equity after tax, annualised	17.2%	-0.8%	9.7%	-0.1%
Equity ratio	55.0%	52.1%	55.0%	52.1%
Stock market ratios				
Earnings per share – continuing operations, USD	66	-3	145	23
Diluted earnings per share – continuing operations, USD	66	-3	145	23
Cash flow from operating activities per share, USD	132	76	399	288
Share price (B share), end of period, DKK	13,595	9,608	13,595	9,608
Share price (B share), end of period, USD	2,246	1,439	2,246	1,439
Total market capitalisation, end of period, USDm	41,957	28,000	41,957	28,000

1 Maersk Drilling was classified as discontinued operations in 2017, and the business is presented separately on an aggregated level in the income statement, balance sheet and cash flow statement. Maersk Drilling was demerged on 2 April 2019.

2 Underlying profit/loss is profit/loss for the period from continuing operations adjusted for net gains/losses from sale of non-current assets etc. and net impairment losses as well as transaction, restructuring and integration costs related to major transactions. The adjustments are net of tax and include A.P. Møller - Maersk's share of mentioned items in joint ventures and associated companies.

Financial review

Financial review Q4 2020

Revenue was USD 11.3bn (USD 9.7bn) supported by increases in Ocean and Logistics & Services of USD 1.1bn and USD 532m, respectively, and an increase in Terminals & Towage of USD 68m.

EBITDA increased by 85% to USD 2.7bn (USD 1.5bn), primarily in Ocean where EBITDA increased by 96% equal to USD 1.1bn, driven by the increased freight revenue due to higher freight rates and volumes, as well as bunker cost reductions. In Logistics & Services, EBITDA increased significantly by USD 127m to USD 158m (USD 31m), mainly driven by intermodal margin improvement, supply chain management and earnings from Performance Team in North America. In Terminals & Towage, EBITDA increased by USD 60m, due to improvements in Terminals given higher revenue driven by higher volumes, consolidation of Pipapav and a lower cost basis. Manufacturing & Others declined by USD 24m in a difficult environment. A company-wide special bonus also impacted EBITDA by 80m.

EBIT of USD 1.6bn (USD 342m) was positively impacted by the improved EBITDA. The EBIT margin increased to 14.2% (3.5%).

Financial expenses, net, amounted to USD 272m (USD 212m), positively impacted by lower gross debt, however, more than offset by loss on prepayment of debt and losses on financial assets.

Tax decreased to USD 21m (USD 191m). The effective tax rate decreased as a larger proportion of profit before tax was earned in the Ocean segment, subject to tonnage taxation, and due to positive impact from the CARES Act in the US.

The underlying profit was USD 1.4bn (USD 29m).

Cash flow from operating activities was USD 2.6bn (USD 1.5bn), positively impacted by an increase in EBITDA of USD 1.2bn, partly offset by a negative change in net working capital of USD 27m, leading to a cash conversion of 95% (105%).

Gross capital expenditure (CAPEX) was USD 370m (USD 469m), driven by lower investments in Ocean and in Terminals & Towage.

Free cash flow was USD 1.7bn (USD 800m), positively impacted by higher cash flow from operating activities and lower CAPEX, partly offset by increased lease payments.

Cash flow from borrowings was negative by USD 1.6bn (negative USD 483m), due to repayments and prepayments of bonds and loans given the strong cash generation and high cash balance.

Contractual capital commitments totalled USD 1.7bn (USD 1.7bn at year-end 2019), of which USD 1.3bn is related to commitments towards terminal concession grantors. Strong commitment to capital discipline and free cash flow generation continues to be a key strategic focus.

The liquidity reserve increased to USD 11.0bn (USD 10.5bn at year-end 2019), composed of liquid funds of USD 4.8bn excluding restricted cash (USD 3.8bn at year-end 2019) and undrawn revolving credit facilities of USD 6.2bn (USD 6.6bn at year-end 2019).

Capital structure and credit rating

Net interest-bearing debt decreased to USD 9.2bn (USD 11.7bn at year-end 2019), as free cash flow of USD 4.6bn for the year was partly offset by share buy-back of USD 806m, dividends of USD 520m, acquisitions of USD 425m and a net increase in lease liabilities of USD 170m. Net interest-bearing debt excluding lease liabilities decreased to USD 485m (USD 3.1bn at year-end 2019).

A.P. Moller - Maersk remains investment grade-rated and holds a Baa3 (positive) rating from Moody's and a BBB (positive) rating from Standard & Poor's.

Highlights Q4

USD million	Revenue		EBITDA		CAPEX	
	2020	2019	2020	2019	2020	2019
Ocean	8,257	7,148	2,208	1,125	123	180
Logistics & Services	2,061	1,529	158	31	28	66
Terminals & Towage	1,042	974	364	304	138	219
Manufacturing & Others	319	354	25	49	13	10
Unallocated activities, eliminations, etc.	-424	-337	-44	-46	68	-6
A.P. Moller - Maersk consolidated – continuing operations	11,255	9,668	2,711	1,463	370	469

Transformation metrics

	2020	Q4 2019	2020	12M 2019
A.P. Moller - Maersk cash return on invested capital ¹	16.6%	10.0%	16.6%	10.0%
Infrastructure and Logistics revenue ² , USDm	2,708	2,225	9,428	9,201
Logistics & Services EBITDA ² , USDm	161	33	470	221
Long-term targets				
Return on invested capital ¹	9.4%	3.1%	9.4%	3.1%
Underlying return on invested capital ¹	9.6%	3.2%	9.6%	3.2%

1 Last twelve months

2 Excluding freight forwarding and restructuring costs

Share buy-back

The share buy-back programme initiated in Q2 2019 was concluded on 24 July 2020, and A.P. Moller - Maersk has repurchased USD 1.5bn worth of shares.

On 1 June 2020, the cancellation of 156,977 A shares and 627,938 B shares was completed corresponding to 3.77% of the total share capital in A.P. Moller - Maersk.

In November 2020, the Board of Directors has decided to initiate a new share buy-back programme of DKK 10bn (around USD 1.6bn), of which the tranches after April 2020 need approval at the Annual General Meeting 23 March 2021, and the programme will run from December 2020 over a period of up to 15 months.

This will conclude the distribution associated with the sale of Maersk Oil and any further distribution to shareholders will come from the continuing business activities.

During Q4, A.P. Moller - Maersk bought back 10,306 A shares and 41,232 B shares worth DKK 673m (around USD 110m).

At 31 December, A.P. Moller - Maersk owns a total of 119,176 A shares and 505,281 B shares as treasury shares, corresponding to 3.47% of the share capital.

Transformation metrics

To measure the strategic transformation towards becoming the global integrator of container logistics and the ability of A.P. Moller - Maersk to create shareholder value, three metrics are tracked besides the overall ROIC target (see table).

On the back of the improvement in profitability and positive cash flow generation during Q4, positive developments were seen across all transformation metrics.

Return on invested capital (ROIC), last twelve months, increased to 9.4% (3.1%), as earnings improved and invested capital decreased. The underlying return on invested capital increased to 9.6% (3.2%).

Cash return on invested capital (CROIC), last twelve months, increased to 16.6% (10.0%), due to stronger cash flow from operations, lower gross CAPEX and slightly lower invested capital.

Infrastructure and Logistics revenue (excl. freight forwarding and restructuring costs) increased to USD 2.7bn (USD 2.2bn), driven by increasing revenue in warehousing and distribution including Performance Team and consolidation of the Pipavav terminal, India.

Logistics & Services EBITDA (excl. freight forwarding and restructuring costs) improved to USD 161m (USD 33m) as a result of margin optimisation in intermodal, supported by the acquisition of Performance Team and KGH, with Q4 2019 negatively impacted by integration costs.

Market update

For a market update for Q4 2020, reference is made to the Annual Report 2020 for A.P. Moller - Maersk.

Full-year guidance for 2021

Given the current outlook and high degree of uncertainty related to the continued impact from COVID-19 on the economic growth and global demand patterns, A.P. Moller - Maersk expects for the full-year 2021:

- Underlying EBITDA in the range of USD 8.5-10.5bn compared to USD 8.3bn in 2020
- Underlying EBIT in the range of USD 4.3-6.3bn compared to USD 4.2bn in 2020
- Free cash flow (FCF) above USD 3.5bn compared to USD 4.6bn in 2020.

As part of the full-year guidance for 2021, A.P. Moller - Maersk expects the current exceptional situation with demand surge leading to bottlenecks in the supply chain and equipment shortage, which contributed by approximately USD 1.5bn to EBIT in 2020,

to continue in Q1 and normalise thereafter. Consequently, A.P. Moller - Maersk expects profitability in Q1 2021 to be above Q4 2020.

Ocean is expected to grow in line with the global container demand at an expected 3-5% in 2021, with the highest growth seen in the first half-year.

For the years 2021-2022, the accumulated CAPEX is still expected to be USD 4.5-5.5bn.

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

Financial performance for A.P. Moller - Maersk for the full-year 2021 depends on several factors and is subject to uncertainties related to COVID-19, bunker fuel prices and freight rates given the uncertain macroeconomic conditions.

All else being equal, the sensitivities for the full-year 2021 for four key assumptions are listed in the table below:

Factors	Change	Effect on EBIT (midpoint of guidance) (Full-year 2021)
Container freight rate	+/- 100 USD/FFE	+/- USD 1.3bn
Container freight volume	+/- 100,000 FFE	+/- USD 0.1bn
Bunker price (net of expected BAF coverage)	+/- 100 USD/tonne	+/- USD 0.4bn
Rate of exchange (net of hedges)	+/- 10% change in USD	+/- USD 0.2bn

Ocean

Profitability for Q4 increased compared to Q4 2019, as a result of strong freight rates combined with higher volumes driven by increases in headhaul volumes mainly from recovery of exports out of Asia. Average loaded freight rates increased significantly, driven by higher short-term rates in particular on transpacific trades with demand surge and bottlenecks across the entire supply chain (including vessel and equipment shortages) developing through the quarter. Total unit cost per FFE declined by 2.1%, driven by lower bunker cost and higher volumes, partly offset by higher operational cost as a result of the demand surge and supply chain bottlenecks and challenged reliability during Q4.

Financial and operational performance

Revenue increased to USD 8.3bn (USD 7.1bn), impacted by a freight revenue increase of 19% from 3.2% higher volumes, partly combined with an increase in loaded freight rate of 18%. Other revenue decreased by 3.9% to USD 1.1bn (USD 1.1bn).

EBITDA improved by 96% to USD 2.2bn (USD 1.1bn), driven by the increased freight revenue and bunker cost reductions, mainly from lower fuel prices. The EBITDA margin increased by 11 percentage points to 26.7% (15.7%).

Loaded volumes increased by 3.2% to 3,400k FFE (3,294k FFE), driven by higher headhaul volumes. North-South volume declined, driven by lower volumes in Africa

and Oceania, still reflecting the impact of the COVID-19 outbreak, while East-West volumes were positively impacted by recovery of export out of Asia, in particular to North America.

The average loaded freight rate increased by 18% to 2,192 USD/FFE (1,862 USD/FFE) from short-term rate increases, with demand surges from recovery in some markets, particularly in China-US trades and supply change bottlenecks driving rates, resulting in an average loaded freight rate at fixed bunker price increase of 21%.

Total operating costs were 1.2% higher at USD 6.0bn (USD 6.0bn), driven by higher container handling costs as a result of higher volumes and the bottlenecks in the supply chains

Fleet overview, end Q4 2020

	Q4 2020	Q4 2019
<i>TEU</i>		
Own container vessels	2,199,030	2,208,762
Chartered container vessels	1,845,885	1,916,098
Total fleet	4,044,915	4,124,860
<i>Number of vessels</i>		
Own container vessels	301	307
Chartered container vessels	405	401
Total fleet	706	708

Ocean highlights

USD million	Q4		12M	
	2020	2019	2020	2019
Freight revenue	7,171	6,018	24,920	24,466
Other revenue, including hubs	1,086	1,130	4,255	4,316
Revenue	8,257	7,148	29,175	28,782
Container handling costs	2,387	2,173	8,474	8,988
Bunker costs	915	1,063	3,835	4,566
Network costs, excluding bunker costs	1,735	1,692	6,625	7,025
Selling, General & Administration (SG&A)	750	792	2,698	2,786
Cost of goods sold and other operational costs	257	251	1,252	919
Total operating costs	6,044	5,971	22,884	24,284
Other income/costs, net	-5	-52	254	-62
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	2,208	1,125	6,545	4,436
EBITDA margin	26.7%	15.7%	22.4%	15.4%
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	123	180	653	1,172
<i>Operational and financial metrics</i>				
Loaded volumes (FFE in '000)	3,400	3,294	12,634	13,296
Loaded freight rate (USD per FFE)	2,192	1,862	2,000	1,853
Unit cost, fixed bunker (USD per FFE incl. VSA income)	1,987	1,946	1,973	1,954
Bunker price, average (USD per tonne)	323	384	372	412
Bunker consumption (tonne in '000)	2,834	2,773	10,322	11,092
Average nominal fleet capacity (TEU in '000)	4,095	4,181	4,081	4,132
Fleet owned (end of period)	301	307	301	307
Fleet chartered (end of period)	405	401	405	401

Loaded volumes

FFE ('000)	Q4 2020	Q4 2019	Change	Change %
East-West	1,588	1,494	94	6.3%
North-South	1,034	1,065	-31	-2.9%
Intra-regional	778	735	43	5.9%
Total	3,400	3,294	106	3.2%

Average freight rates

USD/FFE	Q4 2020	Q4 2019	Change	Change %
East-West	2,243	1,769	474	26.8%
North-South	2,746	2,375	371	15.6%
Intra-regional	1,443	1,359	84	6.2%
Total	2,192	1,862	330	17.7%

due to COVID-19, offset to a large extent by lower bunker cost and other operating costs. Adjusting for the impact of foreign exchange rates, operating costs increased by 1.0%.

Bunker costs decreased by 14% to USD 0.9bn (USD 1.1bn), with a decrease in average bunker prices of 16% to 323 USD/tonne (384 USD/tonne) and a 2.2% increase in bunker consumption. Bunker efficiency decreased by 0.2% to 41.0 g/TEU*NM (40.9 g/TEU*NM).

Unit cost at fixed bunker increased by 2.1% to 1,987 USD/FFE (1,946 USD/FFE), driven by higher container handling costs and development in foreign exchange rate. Adjusting for the negative impact of developments in foreign exchange rate, unit cost at fixed bunker increased by 1.9%.

The average nominal capacity of 4,095k TEU decreased by 2.1%. There were no vessels in the newbuilding programme at the end of Q4, and the fleet consisted of 301 owned and

405 chartered vessels, of which 99k TEU or 2.4% of the fleet were idle (12 vessels), mainly due to repairs, scrubbers retrofitting and capacity adjustments.

Key initiatives in Q4

The focus in Q4 has been to continue delivering on the strategy with a rigorous focus on serving customers, honouring long-term contracts and limit the negative impact of disruptions to their supply chains during the COVID-19 outbreak. With strong demand, especially out of Asia, the short-term freight rate market has proven strong. A.P. Moller - Maersk continues to expand on digital engagement models like Maersk SPOT to serve the spot market, and Twill to serve smaller customers.

Maersk SPOT sustained positive and steady momentum in Q4. Measured on an average basis, Maersk SPOT volume was 51% (20%) of total loaded short-term volume under the Maersk brand (excl. Sealand and Hamburg Süd) at the end of Q4. The instant pricing with load guarantee provides ease, efficiency and peace of mind for customers. Most importantly it allows them to do business from the comfort of their homes.

Twill, the end-to-end digital product designed for small customers without in-house logistic capabilities, crossed an average of 4,000 FFE per week by end of Q4 compared to average 170 FFE per week by end of Q4 2019.

Logistics & Services

A.P. Moller - Maersk's capabilities as an integrated container logistics company, offering end-to-end supply chain solutions to customers were further strengthened in Q4. EBITDA increased to USD 158m (USD 31m), mainly driven by intermodal margin improvement, strong rates in air freight forwarding, earnings from Performance Team in North America

Logistics & Services highlights

USD million	Q4		12M	
	2020	2019	2020	2019
Revenue	2,061	1,529	6,963	6,331
Direct cost	1,561	1,211	5,328	5,091
Gross profit	500	318	1,635	1,240
Selling, General & Administration (SG&A)	342	287	1,181	1,024
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	158	31	454	216
EBITDA margin	7.7%	2.0%	6.5%	3.4%
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	28	66	109	126

Operational and financial metrics

EBIT conversion (EBIT/gross profit - %)	18.7%	-21.1%	16.1%	1.5%
Supply chain management volumes (kcbm)	22,287	16,795	77,023	71,664
Intermodal volumes (kFFE)	1,027	908	3,640	3,789
Sea freight volumes (TEU)	76,022	108,199	401,369	475,210
Air freight volumes (tonne)	39,653	39,691	138,086	158,405

Revenue and gross profit

USD million	Revenue, Q4		Gross profit, Q4	
	2020	2019	2020	2019
Intermodal	761	691	108	50
Supply chain management	285	205	97	82
Inland services	144	127	55	49
Sea freight forwarding	104	128	12	21
Air freight forwarding	252	128	17	12
Other services	515	250	211	104
Total revenue	2,061	1,529	500	318

and integration of KGH in Europe strengthening the offering of end-to-end solutions. Further, Q4 2019 EBITDA was negatively impacted by several one-offs and restructuring costs.

Financial and operational performance

Revenue increased by 35% to USD 2.1bn (USD 1.5bn), positively impacted by the Performance Team acquisition, supply chain management and air freight forwarding, partly offset by lower revenue in sea freight forwarding. Gross profit increased by 57% to USD 500m (USD 318m), driven by continued focus on profitable business and margin optimisation in intermodal. Furthermore, profitability increased in warehousing and distribution facilities in North America, specifically driven by Performance Team, reported under Other services. EBITDA increased to USD 158m (USD 31m) with an EBITDA margin of 7.7% (2.0%), driven by the increase in gross profit.

Volumes in supply chain management increased by 33% to 22,287 kcbm (16,795 kcbm), and volumes in intermodal increased by 13% to 1,027k FFE (908k FFE). Volumes in air freight forwarding were on par with 39.7k tonne (39.7k tonne) and sea freight forwarding declined by 30% to 76.0k TEU (108.2k TEU), all impacted by COVID-19 and the discontinuing of the Damco brand.

Profitability improved in intermodal, driven by the ongoing margin optimisation and better corridor mix with an increase in gross profit of 115%. Supply chain management gross profit showed an increase of 18%, driven by increase in volumes and change in customer mix.

In air freight forwarding, gross profit increased by 42% driven by the continued high rates in Asia Pacific where urgent air freight solutions were developed during the COVID-19 pandemic.

Other services gross profit increased by 103%, driven by positive contribution from warehousing and distribution, including the activity from Performance Team in North America and KGH in Europe. In total, Performance Team and KGH contributed with a revenue of USD 197m and an EBITDA of USD 27m.

EBIT conversion improved to positive 19% (negative 21%), with positive impact from higher gross profit. Further, Q4 2019 EBIT was negatively impacted by one-offs, restructuring costs and by impairments in inland services and the air freight forwarding business in the APA region.

Key initiatives in Q4

Air freight forwarding and the less container load (LCL) products were integrated into the Maersk logistics and services products to complement the end-to-end offering as of October. The Damco brand was discontinued.

Terminals & Towage

Terminals & Towage reported an increase in revenue of USD 68m to USD 1.0bn (USD 974m), with an increase in EBITDA of USD 60m to USD 364m (USD 304m). In gateway terminals, revenue increased to USD 872m (USD 802m) with higher volume, and EBITDA increased to USD 317m (USD 253m). In Towage, revenue decreased to USD 175m (USD 178m), and EBITDA decreased to USD 47m (USD 51m).

Terminals

Financial and operational performance

Revenue increased to USD 872m (USD 802m), driven by higher volumes and consolidation of Pipavav, India. EBITDA increased to USD 317m (USD 253m) with an increase in EBITDA margin to 36.3% (31.5%), driven by higher revenue and positive one-offs. Gross CAPEX was USD 108m (USD 191m).

Volume increased by 4.8% (increased by 1.0% like-for-like, adjusted for Vado, Italy, and Pipavav). The volume growth was driven by Asia with 28% higher volume, mainly due to Pipavav. Volume increased by 2.1% in Europe and by 1.5% in North America. Volume in Latin America increased by 0.8%, while volume in Africa and Middle East decreased by 4.7%. Utilisation decreased to 76% (78%), driven by an increase in capacity due to consolidation of Pipavav, ramp-up in Vado and an additional berth in Yokohama, Japan, which more than offset the increase in volume. Volume from the Ocean segment increased by 6.8%, and volume from external customers increased by 3.8%.

Regional volume, Terminals¹

Million moves	Q4 2020	Q4 2019	Growth (%)
North America	0.8	0.7	1.5
Latin America	0.6	0.6	0.8
Europe, Russia and the Baltics	0.6	0.6	2.1
Asia	0.6	0.5	28.0
Africa and Middle East	0.5	0.5	-4.7
Total	3.1	3.0	4.8

¹ Financially consolidated.

On an equity-weighted basis, volume increased by 1.3% (increased by 1.4% like-for-like, adjusted for Vado and the exit from Douala, Cameroon). The equity-weighted utilisation was 84% (85%).

Revenue per move increased by 1.9% to USD 279 (USD 274), positively impacted by higher revenue in Los Angeles, USA, and Port Elizabeth, USA, from an increase in dwell time as a result of congested US supply chain and higher storage revenue. This was partially offset by rate of exchange impact in the African and Latin American regions. Adjusted for foreign exchange rate, volume mix effects and portfolio changes, revenue per move increased by 4.1%.

Cost per move decreased by 4.6% to USD 220 (USD 230), driven by risks not materialising in Latin America and rate of exchange impact in the African and Latin American regions, partially offset by congestion-related operational costs in Los Angeles, operational challenges in Apapa, Nigeria, and terminal mix. Adjusted for foreign exchange rate, volume mix effects and portfolio changes, cost per move increased by 3.1%.

The EBITDA margin for gateway terminals increased by 4.8 percentage points to 36.3% (31.5%), mainly driven by higher revenue per move and positive one-offs. In Asia, the EBITDA margin increased by 17 percentage points, mainly due to the consolidation of Pipavav. In Latin America, the EBITDA margin increased by 10 percentage points, due to positive one-offs. The EBITDA margin increased by 2.2 percentage points in Europe, mainly due to ramp-up of Vado. In North America, the EBITDA margin decreased by 1.2 percentage points, mainly due to higher volume in higher cost locations, and the EBITDA margin decreased in Africa and the Middle East by 14 percentage points, mainly due to

Regional EBITDA margin, Terminals

Percentage	Q4 2020	Q4 2019
North America	26	27
Latin America	50	40
Europe, Russia and the Baltics	26	23
Asia	37	20
Africa and Middle East	33	47
Total	36	32

operational challenges in Apapa, where investments have been made in additional cranes and hiring of additional staff.

Results from joint ventures and associated companies

The equity-weighted EBITDA increased by 12% to USD 399m (USD 357m), mainly driven by ramp-up of Tema, Ghana, and increased EBITDA from consolidated terminals, offset by exit from Douala.

The share of profit in joint ventures and associated companies of USD 54m (USD 37m) was positively impacted by ramp-up of Tema and increased net result in Santos, Brazil.

Key initiatives in Q4

The construction work in Abidjan, Ivory Coast, progressed and the first phase is expected to be finalised in 2022.

In APM Terminals Poti, Georgia, tenders for the expansion are ongoing and construction is expected to go live in 2021.

Terminals & Towage highlights

USD million	Q4		12M	
	2020	2019	2020	2019
Revenue	1,042	974	3,807	3,948
Concession fees (excl. capitalised lease expenses)	78	46	287	249
Labour cost (blue collar)	340	331	1,236	1,313
Other operational cost	98	117	520	628
Selling, General & Administration (SG&A) and other costs, etc.	162	176	559	640
Total operating costs	678	670	2,602	2,830
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	364	304	1,205	1,118
EBITDA margin	34.9%	31.2%	31.7%	28.3%
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	138	219	457	532
<i>Operational and financial metrics</i>				
Terminal volumes – financially consolidated (moves, m)	3.1	3.0	11.5	11.9
Ocean segment	1.1	1.0	4.1	4.1
External customers	2.0	2.0	7.4	7.8
Terminal revenue per move – financially consolidated (USD)	279	274	275	272
Terminal cost per move – financially consolidated (USD)	220	230	232	233
Result from joint ventures and associated companies (USDm)	61	43	236	206
Number of operational tug jobs (harbour towage) ('000)	35	35	138	134
Annualised EBITDA per tug (terminal towage) (USD in '000)	823	790	956	889

Towage

Financial and operational performance

Although COVID-19 impacted the activity level and created operational challenges, the towage activities are still resilient. Revenue decreased by USD 3m to USD 175m (USD 178m), mainly due to volume decreases in Australia, the UK and the Americas, partly offset by volume additions from the newly acquired Port Towage Amsterdam, the Netherlands, and positive currency developments. Adjusted for foreign exchange rate development, revenue decreased by USD 9m. EBITDA decreased slightly to USD 47m (USD 51m), mainly impacted by restructuring costs partly offset by lower costs.

Harbour towage activities measured by the number of tug jobs remained on par (+0.7%), driven by positive impact from the consolidation of Port Towage Amsterdam in early 2020, partly offset by lower activity in Australia, the UK, Scandinavia and in the Americas, mainly due to COVID-19. The Asia, Middle East and Africa regions increased activities compared to Q4 2019.

For terminal towage, annualised EBITDA per tug increased, primarily impacted by increase in the Americas, partly offset by declines in the Asia, Middle East and Africa regions and in Europe. Australia remained on par with Q4 2019.

Results from joint ventures and associated companies

The share of profit in joint ventures and associated companies increased slightly by 6% to USD 6m (USD 5m), even though impacted by the acquisition of the remaining 50% of Port Towage Amsterdam, which has been consolidated as a 100% owned subsidiary from early January 2020.

Equity-weighted EBITDA decreased by 4% to USD 53m (USD 55m), driven by a decrease in EBITDA in consolidated entities across all regions, partly offset by Port Towage Amsterdam now consolidating at 100%.

Key initiatives in Q4

In Europe, preparations were made to start operations in Emden, Germany, in January 2021. In Australia, a plan was implemented to exit the port in Geelong and significantly reduce the workforce in Port Jackson. Also, the strategic growth initiatives launched in 2019 have progressed in Q4 together with projects focusing on crew optimisation and general cost reductions.

Manufacturing & Others

Revenue was USD 319m (USD 354m) with an EBITDA of USD 25m (USD 49m).

For Maersk Container Industry, revenue decreased to USD 156m (USD 164m), driven by delayed collection of produced boxes. The majority of revenue was related to third-party customers. EBITDA increased to USD 18m (USD 14m), mainly due to higher service sales and foreign exchange rate.

Maersk Supply Service reported a 29% decrease in revenue to USD 61m (USD 86m) and an EBITDA of negative USD 3m (positive USD 14m), reflecting lower activity offset by cost reductions. Cash flow used for capital expenditure was USD 5m (USD 3m) due to planned maintenance.

Maersk Supply Service was awarded new contracts in key markets such as North America, Africa and Europe in Q4.

For Other businesses, revenue was USD 102m (USD 103m) and EBITDA was USD 10m (USD 21m).

Manufacturing & Others highlights

USD million	Q4		12M	
	2020	2019	2020	2019
Revenue	319	354	1,254	1,376
Profit/loss before depreciation, amortisation and impairment losses etc. (EBITDA)	25	49	165	136
EBITDA margin	7.8%	13.8%	13.2%	9.9%
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	13	10	33	204

Statement of the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have considered and approved the annual report of A.P. Møller - Mærsk A/S for 2020, including the audited consolidated financial statements. The Board of Directors and the Executive Board have also approved this interim report for 2020, containing condensed financial information. This interim report for 2020 has not been audited or reviewed by the company's independent auditor.

The consolidated financial statements in the Annual Report 2020 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU, and further requirements in the Danish Financial Statements Act.

This interim report for 2020 has been prepared in accordance with IAS 34, the accounting policies as applied in the audited consolidated financial statements for 2020 and further requirements in the Danish Financial Statements Act.

In our opinion, the interim consolidated financial statements (pages 15-23) give a true and fair view of A.P. Møller - Maersk's consolidated assets, liabilities and financial position at 31 December 2020 and of the results of A.P. Møller - Maersk's consolidated operations and cash flows for 2020.

The Directors' Report (pages 3-13), in our opinion, includes a fair review of the development in A.P. Møller - Maersk's operations and financial conditions, the results for the period, cash flows and financial position.

Furthermore, this interim report for 2020 gives, together with what is disclosed in the Annual Report 2020, a description of the most significant risks and uncertainty factors that A.P. Møller - Maersk faces.

Copenhagen, 10 February 2021

Executive Board

Søren Skou – CEO

Patrick Jany – CFO

Vincent Clerc

Morten Engelstoft

Henriette Hallberg Thygesen

Board of Directors

Jim Hagemann Snabe – Chairman

Ane Mærsk Mc-Kinney Uggla – Vice Chairman

Dorothee Blessing

Bernard L. Bot

Marc Engel

Arne Karlsson

Thomas Lindegaard Madsen

Blythe S. J. Masters

Jacob Andersen Sterling

Robert Mærsk Uggla

Financials

Condensed income statement

Amounts in USD million

Note	Q4		12M	
	2020	2019	2020	2019
1 Revenue	11,255	9,668	39,740	38,890
1 Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	2,711	1,463	8,226	5,712
Depreciation, amortisation and impairment losses, net	1,222	1,160	4,541	4,287
Gain on sale of non-current assets, etc., net	30	1	202	71
Share of profit/loss in joint ventures and associated companies	75	38	299	229
Profit/loss before financial items (EBIT)	1,594	342	4,186	1,725
Financial items, net	-272	-212	-879	-758
Profit/loss before tax	1,322	130	3,307	967
Tax	21	191	407	458
Profit/loss for the period – continuing operations	1,301	-61	2,900	509
Profit/loss for the period – discontinued operations	-	-	-	-553
Profit/loss for the period	1,301	-61	2,900	-44
<i>Of which:</i>				
Non-controlling interests	2	11	50	40
A.P. Møller - Mærsk A/S' share	1,299	-72	2,850	-84
Earnings per share – continuing operations, USD	66	-3	145	23
Diluted earnings per share – continuing operations, USD	66	-3	145	23
Earnings per share, USD	66	-3	145	-4
Diluted earnings per share, USD	66	-3	145	-4

Maersk Drilling was classified as discontinued operations in 2017, and the business is presented separately on an aggregated level in the income statement, balance sheet and cash flow statement. Maersk Drilling was demerged on 2 April 2019.

Condensed statement of comprehensive income

Note	Q4		12M	
	2020	2019	2020	2019
Profit/loss for the period	1,301	-61	2,900	-44
Translation from functional currency to presentation currency	317	119	195	-81
Reclassified to income statement, gain on sale of non-current assets, etc., net	2	-	64	6
Cash flow hedges	103	81	43	-23
Tax on other comprehensive income	-8	-5	10	16
Share of other comprehensive income of joint ventures and associated companies, net of tax	-1	-1	5	-1
Total items that have been or may be reclassified subsequently to the income statement	413	194	317	-83
Other equity investments	-1	-1	2	165
Actuarial gains/losses on defined benefit plans, etc.	-277	88	-207	91
Tax on other comprehensive income	-4	33	-4	10
Total items that will not be reclassified to the income statement	-282	120	-209	266
Other comprehensive income, net of tax	131	314	108	183
Total comprehensive income for the period	1,432	253	3,008	139
<i>Of which:</i>				
Non-controlling interests	13	9	47	29
A.P. Møller - Mærsk A/S' share	1,419	244	2,961	110

Condensed balance sheet at 31 December

Amounts in USD million

Note	2020	2019
Intangible assets	5,145	4,219
Property, plant and equipment	26,481	27,516
Right-of-use assets	8,323	8,460
Financial non-current assets, etc.	3,183	3,267
Deferred tax	249	237
Total non-current assets	43,381	43,699
Inventories	1,049	1,430
Receivables, etc.	5,603	5,351
Securities	1	2
Cash and bank balances	5,865	4,768
Assets held for sale	218	149
Total current assets	12,736	11,700
Total assets	56,117	55,399

Note	2020	2019
Equity attributable to A.P. Møller - Mærsk A/S	29,850	28,098
Non-controlling interests	1,004	739
2 Total equity	30,854	28,837
Lease liabilities, non-current	7,356	7,295
Borrowings, non-current	5,868	7,455
Other non-current liabilities	1,985	1,977
Total non-current liabilities	15,209	16,727
Lease liabilities, current	1,391	1,282
Borrowings, current	758	721
Other current liabilities	7,814	7,757
Liabilities associated with assets held for sale	91	75
Total current liabilities	10,054	9,835
Total liabilities	25,263	26,562
Total equity and liabilities	56,117	55,399

Condensed cash flow statement

Amounts in USD million

Note	Q4		12M	
	2020	2019	2020	2019
Profit/loss before financial items	1,594	342	4,186	1,725
Non-cash items, etc.	1,118	1,199	4,305	4,219
Change in working capital	-27	58	-239	476
Cash flow from operating activities before tax	2,685	1,599	8,252	6,420
Taxes paid	-116	-64	-424	-501
Cash flow from operating activities	2,569	1,535	7,828	5,919
Purchase of intangible assets and property, plant and equipment (CAPEX)	-370	-469	-1,322	-2,035
Sale of intangible assets and property, plant and equipment	167	33	435	186
Sale of other equity investments	1	2	5	2,617
Acquisition of subsidiaries and activities	23	1	-425	-44
Sale of subsidiaries and activities	1	-	36	-40
Dividends received	50	123	177	297
Financial investments etc., net	-20	-125	70	-107
Cash flow used for investing activities	-148	-435	-1,024	874
Repayments of/proceeds from borrowings, net	-1,562	-483	-1,860	-1,456
Repayments of lease liabilities	-575	-326	-1,710	-1,291
Financial payments, net	-58	10	-292	-259
Financial expenses paid on lease liabilities	-117	-106	-468	-477
Purchase of own shares	-110	-282	-806	-791
Dividends distributed	-	-	-430	-469
Dividends distributed to non-controlling interests	-20	-16	-92	-70
Other equity transactions	42	-6	40	13
Cash flow from financing activities	-2,400	-1,209	-5,618	-4,800
Net cash flow from continuing operations	21	-109	1,186	1,993
Net cash flow from discontinued operations	-	-	-	-372
Net cash flow for the period	21	-109	1,186	1,621
Cash and cash equivalents, beginning of period	5,838	4,808	4,758	3,149
Currency translation effect on cash and bank balances	5	59	-80	-12
Cash and cash equivalents, end of period	5,864	4,758	5,864	4,758
Of which classified as assets held for sale	-19	-	-19	-
Cash and cash equivalents, end of period	5,845	4,758	5,845	4,758
<i>Cash and cash equivalents</i>				
Cash and bank balances	5,865	4,768	5,865	4,768
Overdrafts	20	10	20	10
Cash and cash equivalents, end of period	5,845	4,758	5,845	4,758

Cash and bank balances include USD 1.0bn (USD 0.9bn) relating to cash and bank balances in countries with exchange control or other restrictions. These funds are not readily available for general use by the parent company or other subsidiaries.

Condensed statement of changes in equity

Amounts in USD million

	A.P. Møller - Mærsk A/S						Non-controlling interests	Total equity
	Share capital	Translation reserve	Reserve for other equity investments	Reserve for hedges	Retained earnings	Total		
Equity 1 January 2020	3,774	-692	-4	-97	25,117	28,098	739	28,837
<i>2020</i>								
Other comprehensive income, net of tax	-	260	1	55	-205	111	-3	108
Profit/loss for the period	-	-	-	-	2,850	2,850	50	2,900
Total comprehensive income for the period	-	260	1	55	2,645	2,961	47	3,008
Dividends to shareholders	-	-	-	-	-430	-430	-90	-520
Value of share-based payment	-	-	-	-	11	11	-	11
Addition of non-controlling interests	-	-	-	-	-14	-14	302	288
2 Purchase of own shares	-	-	-	-	-806	-806	-	-806
Sale of own shares	-	-	-	-	30	30	-	30
2 Capital increases and decreases	-142	-	-	-	142	-	6	6
Transfer of gain/loss on disposal of equity investments to retained earnings	-	-	-3	-	3	-	-	-
Total transactions with shareholders	-142	-	-3	-	-1,064	-1,209	218	-991
Equity 31 December 2020	3,632	-432	-6	-42	26,698	29,850	1,004	30,854
Equity 1 January 2019	3,774	-616	-202	-103	29,756	32,609	771	33,380
Other comprehensive income, net of tax	-	-76	180	6	84	194	-11	183
Profit/loss for the period	-	-	-	-	-84	-84	40	-44
Total comprehensive income for the period	-	-76	180	6	-	110	29	139
Dividends to shareholders	-	-	-	-	-469	-469	-73	-542
Value of share-based payment	-	-	-	-	10	10	-	10
Purchase of own shares	-	-	-	-	-791	-791	-	-791
Capital increases and decreases	-	-	-	-	-	-	12	12
Transfer of gain/loss on disposal of equity investments to retained earnings	-	-	18	-	-18	-	-	-
Distribution of shares in The Drilling Company of 1972 A/S to shareholders in A.P. Møller - Mærsk A/S	-	-	-	-	-3,371	-3,371	-	-3,371
Total transactions with shareholders	-	-	18	-	-4,639	-4,621	-61	-4,682
Equity 31 December 2019	3,774	-692	-4	-97	25,117	28,098	739	28,837

Note 1 Segment information

Amounts in USD million

	Ocean	Logistics & Services	Terminals & Towage	Manufacturing & Others	Total
<i>Q4 2020</i>					
External revenue	8,115	2,010	819	296	11,240
Inter-segment revenue	142	51	223	23	439
Total segment revenue	8,257	2,061	1,042	319	11,679
Unallocated					17
Eliminations					-441
Total revenue	-	-	-	-	11,255
Segment profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	2,208	158	364	25	2,755
Unallocated					-42
Eliminations					-2
Consolidated profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)					2,711¹
Profit/loss from joint ventures	3	1	28	-1	31
Segment gross capital expenditures, excl. acquisitions and divestments (CAPEX)	123	28	138	13	302
Unallocated					68
Eliminations					-
Consolidated gross capital expenditures, excl. acquisitions and divestments (CAPEX)					370
<hr/>					
	Ocean	Logistics & Services	Terminals & Towage	Manufacturing & Others	Total
<i>Q4 2019</i>					
External revenue	7,057	1,483	772	346	9,658
Inter-segment revenue	91	46	202	8	347
Total segment revenue	7,148	1,529	974	354	10,005
Unallocated					17
Eliminations					-337
Total revenue	-	-	-	-	9,668
Segment profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	1,125	31	304	49	1,509
Unallocated					-40
Eliminations					-6
Consolidated profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)					1,463¹
Profit/loss from joint ventures	2	-9	13	0	6
Segment gross capital expenditures, excl. acquisitions and divestments (CAPEX)	180	66	219	10	475
Unallocated					-
Eliminations					-6
Consolidated gross capital expenditures, excl. acquisitions and divestments (CAPEX)					469

1 Reference is made to the condensed income statement for a reconciliation from EBITDA to profit/loss.

The reporting segments have changed compared to 2019 cf. note 23 in Annual Report 2020. Comparison figures have been restated. The segment disclosures provided in the note reflect the information which the Executive Board receives monthly in its capacity as Chief operating decision maker as defined in IFRS 8. The allocation of resources and the segment performance are evaluated based on revenue and profitability measured on earnings before interest, taxes, depreciation and amortisation (EBITDA).

Note 1 Segment information – continued

Amounts in USD million

	Ocean	Logistics & Services	Terminals & Towage	Manufacturing & Others	Total
<i>12M 2020</i>					
External revenue	28,705	6,752	3,007	1,212	39,676
Inter-segment revenue	470	211	800	42	1,523
Total segment revenue	29,175	6,963	3,807	1,254	41,199
Unallocated					83
Eliminations					-1,542
Total revenue	-	-	-	-	39,740
Segment profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	6,545	454	1,205	165	8,369
Unallocated items					-140
Eliminations					-3
Consolidated profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)					8,226¹
Profit/loss from joint ventures	15	9	99	-2	121
Segment gross capital expenditures, excl. acquisitions and divestments (CAPEX)	653	109	457	33	1,252
Unallocated					71
Eliminations					-1
Consolidated gross capital expenditures, excl. acquisitions and divestments (CAPEX)					1,322
<hr/>					
	Ocean	Logistics & Services	Terminals & Towage	Manufacturing & Others	Total
<i>12M 2019</i>					
External revenue	28,400	6,162	3,135	1,159	38,856
Inter-segment revenue	382	169	813	217	1,581
Total segment revenue	28,782	6,331	3,948	1,376	40,437
Unallocated					54
Eliminations					-1,601
Total revenue	-	-	-	-	38,890
Segment profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	4,436	216	1,118	136	5,906
Unallocated items					-195
Eliminations					1
Consolidated profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)					5,712¹
Profit/loss from joint ventures	10	-2	87	-2	93
Segment gross capital expenditures, excl. acquisitions and divestments (CAPEX)	1,172	126	532	204	2,034
Unallocated					-
Eliminations					1
Consolidated gross capital expenditures, excl. acquisitions and divestments (CAPEX)					2,035

1 Reference is made to the condensed income statement for a reconciliation from EBITDA to profit/loss.

Note 1 Segment information – continued

Amounts in USD million

USD million	Types of revenue	Q4		12M	
		2020	2019	2020	2019
Ocean	Freight revenue	7,171	6,018	24,920	24,466
	Other revenue, including hubs	1,086	1,130	4,255	4,316
Logistics & Services	Supply chain management revenue	285	205	961	861
	Inland services revenue	144	127	527	519
	Intermodal revenue	761	691	2,736	2,932
	Sea freight revenue	104	128	460	546
	Air freight revenue	252	128	780	485
	Other services revenue	515	250	1,499	988
Terminals & Towage	Terminal services	872	802	3,151	3,278
	Towage services	175	178	681	695
Manufacturing & Others	Sale of containers and spare parts	156	164	587	586
	Offshore supply services	61	86	252	306
	Other shipping activities	83	79	347	404
	Other services	19	25	68	80
Unallocated activities and eliminations ¹		-429	-343	-1,484	-1,572
Total revenue		11,255	9,668	39,740	38,890

1 Including revenue eliminations between terminal services and towage services.

Note 2 Share capital and earnings per share

Amounts in USD million

Development in the number of shares:

	A shares of		B shares of		Nominal value	
	DKK 1,000	DKK 500	DKK 1,000	DKK 500	DKK million	USD million
1 January 2020	10,756,265	226	10,060,401	166	20,817	3,774
Cancellation	156,977		627,938		785	142
Conversion	5	-10	-	-	-	-
31 December 2020	10,599,293	216	9,432,463	166	20,032	3,632

At the Annual General Meeting of A.P. Møller - Mærsk A/S on 23 March 2020 the shareholders decided on the cancellation of treasury shares, whereby the share capital was decreased. On June 2, 2020, the company's share capital was reduced from nominally DKK 20,816,862,000 with nominally DKK 784,915,000 in total, divided into 156,977 A shares and 627,938 B shares of DKK 1,000 to nominally DKK 20,031,947,000 by cancellation of own shares.

Development in the holding of own shares:

Own shares	No. of shares of DKK 1,000		Nominal value DKK million		% of share capital	
	2020	2019	2020	2019	2020	2019
<i>A shares</i>						
1 January	134,279	-	134	-	0.65%	0.00%
Addition	141,874	134,279	142	134	0.69%	0.65%
Cancellation	156,977	-	157	-	0.75%	0.00%
31 December	119,176	134,279	119	134	0.59%	0.65%
<i>B shares</i>						
1 January	587,949	55,515	588	56	2.82%	0.27%
Addition	567,493	537,143	567	537	2.83%	2.57%
Cancellation	627,938		628		3.02%	
Disposal	22,223	4,709	22	5	0.11%	0.02%
31 December	505,281	587,949	505	588	2.52%	2.82%

Disposals of own shares are related to the share option plans and the restricted shares plan.

The dividend of DKK 150 per share of DKK 1,000, totalling DKK 3,123m, is equivalent to USD 430m, excluding own shares. Payment of dividends to shareholders does not generate taxes to A.P. Møller - Maersk.

Note 3 Acquisition/sale of companies and activities

Amounts in USD million

Acquisitions during 2020

Performance Team LLC

On 1 April 2020, the group acquired 100% of the shares in Performance Team LLC, a US-based warehousing and distribution company, to further strengthen its capabilities as an integrated container logistics company, offering end-to-end supply chain solutions to its customers.

Taking control of Performance Team LLC has positioned A.P. Moller - Maersk among North America's leading warehouse and distribution providers with 56 warehouses for customers and accelerates the company's regional logistics and services model.

The total enterprise value of USD 622m consisted of a total purchase price of USD 317m on a cash and debt-free basis and acquired lease liabilities of around USD 305m. The purchase price mainly relates to fixed assets and customer list. The lease liabilities have been adjusted in accordance with IFRS 16 from the last communication.

The goodwill of USD 95m is attributable to workforce and commercial/operational synergies between Performance Team and A.P. Moller - Maersk and is deductible for tax purposes.

From the acquisition date to 31 December 2020, Performance Team LLC contributed with a revenue of USD 398m and a minor contribution to net profit.

If the acquisition had occurred on 1 January 2020, the impact on the group's revenue would have been USD 512m. The net profit contributed to the Group would have been minor.

The accounting for the business combination is considered provisional at 31 December 2020 due to certain contingencies, indemnities etc.

Gujarat Pipavav Port Ltd

The Group had a stake of 43.01% in Gujarat Pipavav Port Ltd (GPPL) and treated the entity as an associated company. On 9 June 2020, the group obtained the majority of seats on the Board of Directors of GPPL, thereby obtaining control in the entity.

The acquisition consists of net assets of USD 540m at fair value (of which USD 240m is terminal rights) and non-controlling interest of USD 308m, offset by the derecognition of associate company of USD 182m.

A gain of USD 45m was recognised for disposing GPPL as an associate, and the cumulative translation reserve loss of USD 61m related to the associate was also recycled to profit/loss. Liquid funds acquired amounted to USD 92m. On the date of acquisition, the fair value of the net assets acquired exceeded the listed share price therefore the transaction has been reported as the bargain purchase. The gain from bargain purchase has been reported at USD 46m.

From the acquisition date to 31 December 2020, Pipavav terminal contributed positively to the results with revenue of USD 59m. If the acquisition had occurred on 1 January 2020, the impact on the group's revenue would have been USD 95m.

The accounting for the business combination is considered provisional at 31 December 2020.

Dovana Holdings AB (KGH Customs Service Group)

On 1 September 2020, the group acquired 100% of the shares in Dovana Holding AB, KGH Customs Services, a leading Sweden-based specialist in trade and customs services management in Europe, further enhancing its capabilities as an integrated container logistics company, offering end-to-end supply chain solutions to its global customers.

The total enterprise value of USD 294m consisted of a total purchase price of USD 288m on a cash and debt-free basis and acquired lease liabilities of around USD 6m.

Out of the purchase price of USD 288m, debt of USD 100m has been deducted, and discounted maximum earn-out of USD 45m has been added to arrive at the USD 233m aggregate purchase consideration reported.

The goodwill of USD 172m is mainly attributable to the synergies between KGH and A.P. Moller - Maersk.

From the acquisition date to 31 December 2020, KGH Customs Services contributed positively to the results. If the acquisition had occurred on 1 January 2020, the impact on the group's revenue would have been USD 91m.

The accounting for the business combination is considered provisional at 31 December 2020 due to certain contingencies, indemnities etc.

In addition to the above acquisitions, there has been a small acquisition in Terminals & Towage and therefore the total of all acquisitions sums up to USD 425m.

For 2020, the total acquisition cost for the acquisitions recognised in the income statement amounted to USD 8m.

Acquisitions during 2019

No acquisitions of subsidiaries or activities, to an extent of significance to the group, were completed in 2019.

Sales during 2020

No material external sales were performed during 2020.

Sales during 2019

No material external sales were performed during 2019.

Note 4 Accounting policies, judgements and significant estimates

The interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and adopted by the EU and additional Danish disclosure requirements for interim financial reporting of listed companies. The accounting policies, judgements and significant estimates are consistent with those applied in the Annual Report 2020, to which reference is made.

Additional information

Quarterly summary

Amounts in USD million

	2020				2019			
Income statement	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	11,255	9,917	8,997	9,571	9,668	10,055	9,627	9,540
Profit before depreciation, amortisation and impairment losses etc. (EBITDA)	2,711	2,297	1,697	1,521	1,463	1,656	1,357	1,236
Depreciation, amortisation and impairment losses, net	1,222	1,097	1,149	1,073	1,160	1,021	1,024	1,082
Gain on sale of non-current assets etc., net	30	8	145	19	1	36	16	18
Share of profit/loss in joint ventures and associated companies	75	81	58	85	38	66	67	58
Profit/loss before financial items (EBIT)	1,594	1,289	751	552	342	737	416	230
Financial items, net	-272	-160	-232	-215	-212	-148	-170	-228
Profit/loss before tax	1,322	1,129	519	337	130	589	246	2
Tax	21	182	76	128	191	69	92	106
Profit/loss for the period – continuing operations	1,301	947	443	209	-61	520	154	-104
Profit/loss for the period – discontinued operations	-	-	-	-	-	-	-1	-552
Profit/loss for the period	1,301	947	443	209	-61	520	153	-656
A.P. Møller - Mærsk A/S' share	1,299	927	427	197	-72	506	141	-659
Underlying profit/loss – continuing operations	1,361	1,043	359	197	29	452	134	-69
Balance sheet								
Total assets	56,117	56,162	55,319	53,990	55,399	55,662	56,555	61,701
Total equity	30,854	29,547	28,569	27,945	28,837	28,879	28,997	32,843
Invested capital	40,121	40,404	40,186	39,977	40,555	40,938	41,910	46,491
Net interest-bearing debt	9,232	10,804	11,564	11,978	11,662	12,056	12,910	12,565
Cash flow statement								
Cash flow from operating activities	2,569	2,176	1,867	1,216	1,535	1,732	1,170	1,482
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	370	280	362	310	469	343	445	778
Cash flow from financing activities	-2,400	-1,539	-59	-1,620	-1,209	-1,520	-769	-1,302
Free cash flow	1,666	1,486	1,051	445	800	946	270	324
Net cash flow from discontinued operations	-	-	-	-	-	-	-419	47
Financial ratios								
Revenue growth	16.4%	-1.4%	-6.5%	0.3%	-5.5%	-0.9%	0.6%	2.5%
EBITDA margin	24.1%	23.2%	18.9%	15.9%	15.1%	16.5%	14.1%	13.0%
Cash conversion	95%	95%	110%	80%	105%	105%	86%	120%
Return on invested capital after tax – continuing operations (ROIC)	9.4%	5.9%	4.7%	3.8%	3.1%	3.0%	1.4%	0.6%
Return on equity after tax, annualised	17.2%	13.0%	6.3%	2.9%	-0.8%	7.2%	2.0%	-7.9%
Equity ratio	55.0%	52.6%	51.6%	51.8%	52.1%	51.9%	51.3%	53.2%
Stock market ratios								
Earnings per share – continuing operations, USD	66	48	21	10	-3	24	7	-5
Diluted earnings per share – continuing operations, USD	66	48	21	10	-3	24	7	-5
Cash flow from operating activities per share, USD	132	111	95	61	76	84	57	71
Share price (B share), end of period, DKK	13,595	10,080	7,728	6,092	9,608	7,746	8,142	8,442
Share price (B share), end of period, USD	2,246	1,585	1,161	894	1,439	1,132	1,241	1,270
Total market capitalisation, end of period, USDm	41,957	29,583	21,827	17,002	28,000	22,309	24,749	25,743

Definition of terms

Technical terms, abbreviations and definitions of key figures and financial ratios.

Backhaul

The direction of the trade route that has the lowest volumes, whereas the opposite direction is referred to as headhaul.

CAPEX

Cash payments for intangible assets and property, plant and equipment, excluding acquisitions and divestments.

Capitalised lease payments

Interest payments and repayments on all lease contracts capitalised under IFRS 16 (including financial lease contracts capitalised under IAS 17).

Cash conversion

Cash flow from operating activities to EBITDA ratio.

Cash flow from operating activities per share

A.P. Møller - Maersk's operating cash flow from continuing operations divided by the number of shares (of DKK 1,000 each), excluding A.P. Møller - Maersk's holding of own shares.

Cash return on invested capital (CROIC), %

Cash return on invested capital is calculated as free cash flow excluding acquisitions/divestments (cash flow from operating activities less gross CAPEX) divided by average invested capital for continuing operations.

Cost base

EBIT costs including VSA income and hub income and adjustments for restructuring costs, the result from associated companies and gains/losses.

Discontinued operations

Discontinued operations are a major line of business (disposal group) that is either held for sale or has been sold in previous periods. The disposal group is reported separately in a single line in the income statement and cash flow statement. Comparison figures are restated. In the balance sheet assets and liabilities are classified and disclosed separately on an aggregate level as assets held for sale and liabilities associated with assets held for sale. In the balance sheet comparison figures are not restated. Discontinued operations include Maersk Drilling up to demerger in April 2019.

EBITDA

Earnings Before Interest, Taxes, Depreciation and Amortisation.

Equity ratio

Calculated as equity divided by total assets.

Equity-weighted EBITDA

EBITDA weighted on terminal ownership percentages of all entities (subsidiaries, joint ventures and associated companies).

FFE

Forty Foot container Equivalent unit.

Free cash flow

Cash flow from operating activities less cash flow from investing activities. Lease payments (repayments of lease liabilities and financial expenses paid on lease liabilities) are not included in the free cash flow.

Gross profit

The sum of revenue, less variable costs and loss on debtors.

Headhaul

The direction of the trade route that has the highest volume, whereas the return direction is referred to as backhaul.

Infrastructure and Logistics revenue

A sum of revenue for Terminals & Towage and Logistics & Services reporting segments less freight forwarding revenue and excluding eliminations between the segments.

Invested capital

Segment assets less liabilities.

Loaded volumes

Loaded volumes refer to the number of FFEs loaded on a shipment which is loaded on first load at vessel departure time excluding displaced FFEs.

Logistics & Services gross profit growth, %

Logistics & Services gross profit is a sum of revenue, variable costs and loss on debtors for Damco and inland services. For Star Air, intermodal and trade finance, EBITDA figure is used.

Net interest-bearing debt (NIBD)

Equals interest-bearing debt, including lease liabilities, fair value of derivatives hedging the underlying debt, less cash

and bank balances as well as other interest-bearing assets.

Non-Ocean revenue growth, %

Non-Ocean includes the current Logistics & Services, Terminals & Towage and Manufacturing & Others segments, but excludes Maersk Oil Trading and tramp activities acquired as part of the Hamburg Süd transaction.

Ocean, hub productivity (PMPH)

Productivity is calculated as the average of the gross moves per hour for each call. Gross moves per hour for a single vessel call is defined as the total container moves (on load, off load and repositioning) divided by the number of hours for which the vessel is at berth.

Ocean, loaded freight rate (USD per FFE)

Average freight rate per FFE for all the Maersk containers loaded in the period in either Maersk Line or Hamburg Süd vessels or third parties (excluding intermodal). Hamburg Süd is not excluding intermodal.

Ocean, unit cost, fixed bunker (USD per FFE incl. VSA income)

Cost per FFE assuming a bunker price at USD 200/tonne excluding intermodal but including hubs and time charter income. Hamburg Süd is not excluding intermodal.

Return on equity after tax

Calculated as the profit/loss for the year divided by the average equity.

Return on invested capital after tax (ROIC)

Profit/loss before financial items for the year (EBIT) less tax on EBIT divided by the average invested capital.

Terminals & Towage, annualised EBITDA per tug (terminal towage) (USD in '000)

Annualised EBITDA per tug equivalent (pilot boats and others count for 0.5).

Terminals & Towage, number of operational tug jobs (harbour towage) ('000)

Tug jobs on which Svitzer performs the physical job, including jobs where Svitzer has the commercial contract with the customer as well as jobs that Svitzer receives from the competitor through over-flow or other agreements.

TEU

Twenty-foot container Equivalent Unit.

Time charter

Hire of a vessel for a specified period.

Total market capitalisation

Total number of shares – excluding A.P. Møller - Mærsk A/S' holding of own shares – multiplied by the end-of-year price quoted by Nasdaq Copenhagen.

Underlying profit/loss

Underlying profit/loss is profit/loss for the year from continuing operations adjusted for net gains/losses from sale of non-current assets, etc., and net impairment losses as well as transaction, restructuring and integration costs related to major transactions. The adjustments are net of tax and include A.P. Møller - Maersk's share of mentioned items in joint ventures and associated companies.

VSA

Vessel sharing agreement is usually reached between various partners within a shipping consortium who agree to operate a liner service along a specified route using a specified number of vessels.



Colophon

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Patrick Jany (CFO)
Vincent Clerc
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Robert Mærsk Uggla

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Design and layout e-Types

Produced in Denmark 2021