A.P. Møller-Mærsk A/S
Q2 2018 report

Date August 2018

Roadshow Europe

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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 A.P. Møller - Mærsk A/S' (APMM) control, may cause actual development and results to differ materially from the expectations contained in this presentation.

Comparative figures

Unless otherwise stated, all comparisons refer to y/y changes.

Hamburg Süd have been included in the figures as of 1st December 2017. The key figures used are therefore only comparable with the previous year to a limited extent.

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Interim report Q2 2018

Key statements

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Key statements Q2 2018

Highlights for Q2

Solid growth momentum - unsatisfying EBITDA

Revenue increase of 24%
Ocean grew revenue 0.6% (excluding Hamburg Süd), while Logistics & Services and Terminal & Towage grew 7% and 3%, respectively.

EBITDA negatively impacted by bunker cost not recovered in freight rates
Bunker price increased 28%, while freight rates declined 1.2% Y/Y.

Progressing on cost initiatives and schedule reliability
Unit cost at fixed bunker in Ocean reduced by 5.9% Q/Q, and 1.4% Y/Y adjusted for FX and Hamburg Süd portfolio mix.

Hamburg Süd integration on track
Reporting a pro forma EBITDA USD 155m and realised synergies to date of around USD 140m.

Cash conversion ratio of 40%
Working capital increased mainly related to timing effects resulting in higher receivables and bunker inventories in Ocean, impacted by the higher bunker price.

CAPEX discipline remains a key focus
No new vessels order until at least 2020 and no new investments in major terminal projects.

APMM now expects EBITDA in the range of USD 3.5-4.2bn for 2018
As announced 7 August, 2018.

Key statements Q2 2018

Update on Energy separation

Maersk Drilling to pursue listing - solution for Maersk Supply Service is challenged by market conditions

- **Subject to APMM maintaining its investment grade rating Maersk Drilling will be demerged via a separate listing in 2019**. In connection with a listing **shares in Maersk Drilling will be distributed to APMM's shareholders**, which will offer shareholders the opportunity to participate in the value creation of a globally leading drilling company with long-term development prospects.

- **Standalone debt financing of USD 1.5bn** from a consortium of international banks has **been secured for Maersk Drilling**, which will ensure the adequate deleveraging of APMM of around USD 1.2bn, and a strong capital structure for Maersk Drilling after a listing.

- **The process to identify structural solutions for Maersk Supply Service** before the end of 2018 is ongoing, but the market situation remains challenging.

- APMM decided to sell a part of the Total S.A. shares in July and has thus **reduced the holding with 19.25m shares to around 78.3m equal to a current value of around USD 5bn.** The cash proceeds of USD 1.2bn will be used to further strengthen the financial flexibility of APMM.

- Net cash proceeds to APMM is around **USD 5bn** from separation of Maersk Oil and Maersk Tankers, including **USD 1.2bn expected from Maersk Drilling,** but before sale of shares in Total S.A.

- Subject to **remaining investment grade rated**, a material portion of the remaining value of the Total S.A. shares are planned to be distributed to shareholders after the listing of Maersk Drilling, either through cash dividends, share buy-backs or dividend of shares in Total S.A. or a combination thereof.

Q2 2018

Financial highlights

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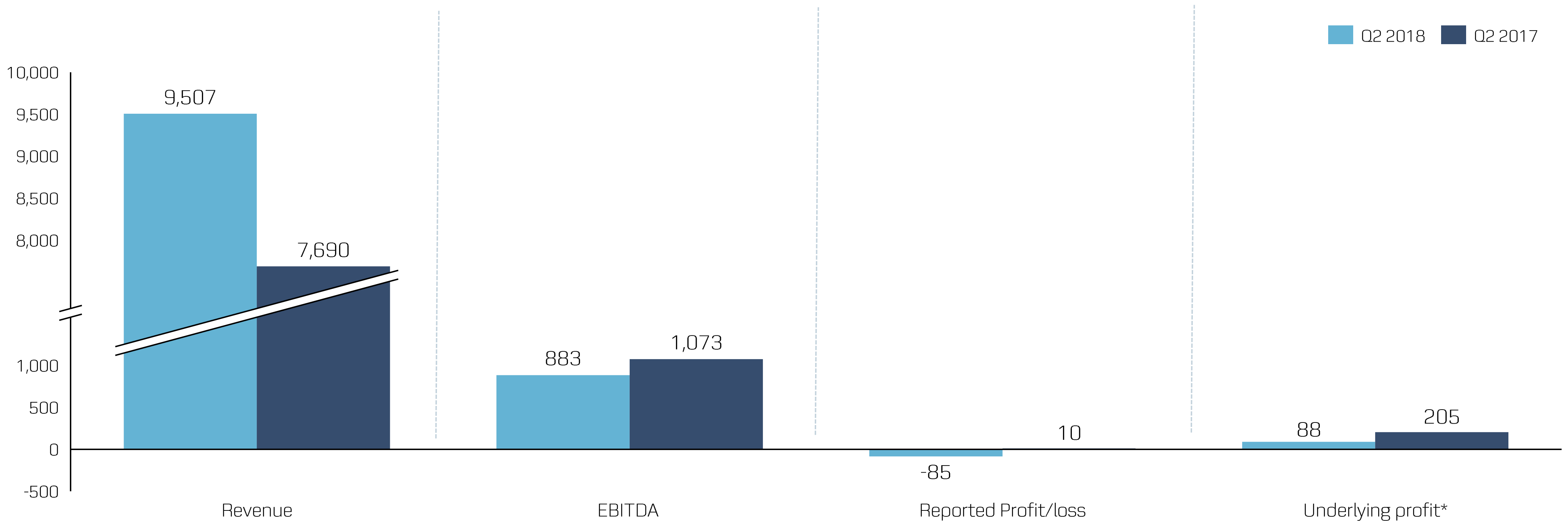
Financial highlights Q2 2018

Revenue growth – pressure on margins from bunker price increase

USDm (continuing businesses) | Financial highlights



The revenue increase was more than offset by the increased bunker costs.

Reported profit was negatively impacted by impairment in MCI of USD 141m.

*Underlying profit/loss is equal to the profit/loss for the period adjusted for net gains/losses from sale of non-current assets, etc. and net impairments losses as well as transaction, restructuring and integration costs.

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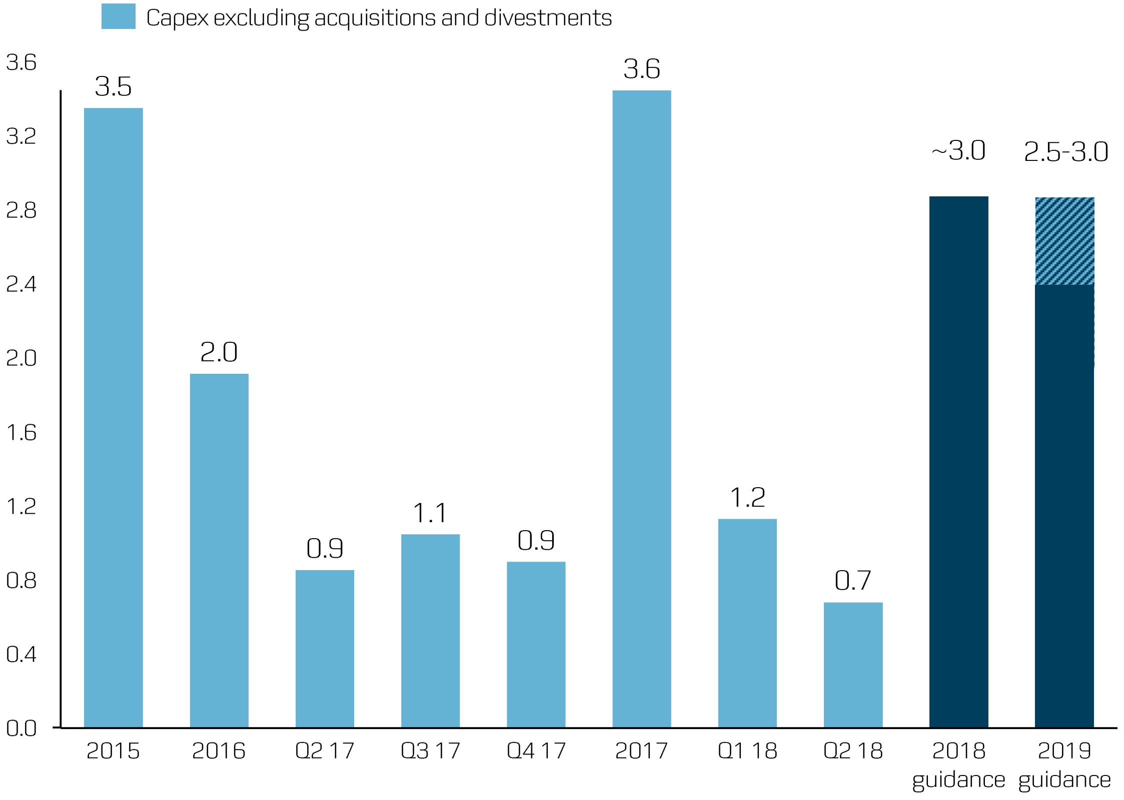
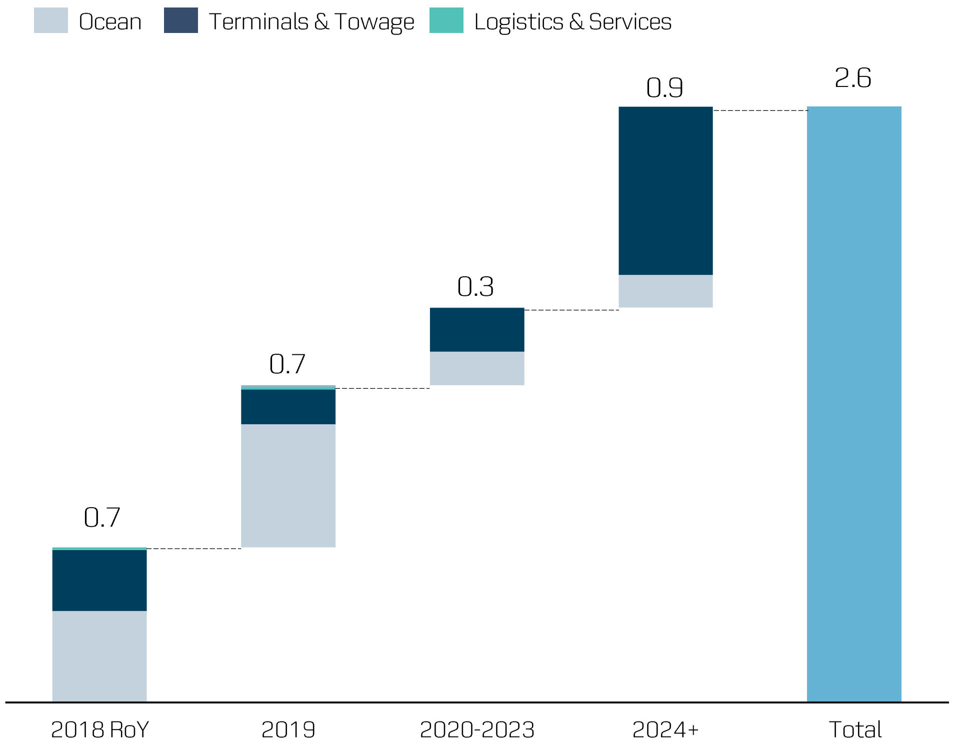
Financial highlights Q2 2018

Capex in H1 of USD 1.9bn – reduced long-term commitments

USDbn



Gross capex and Contractual Capex Commitments



Gross capex in Q2 2018 related to previously ordered vessels (four vessels) and terminal commitments.

Total contractual capex commitments were reduced by USD 2.8bn since year-end 2016.

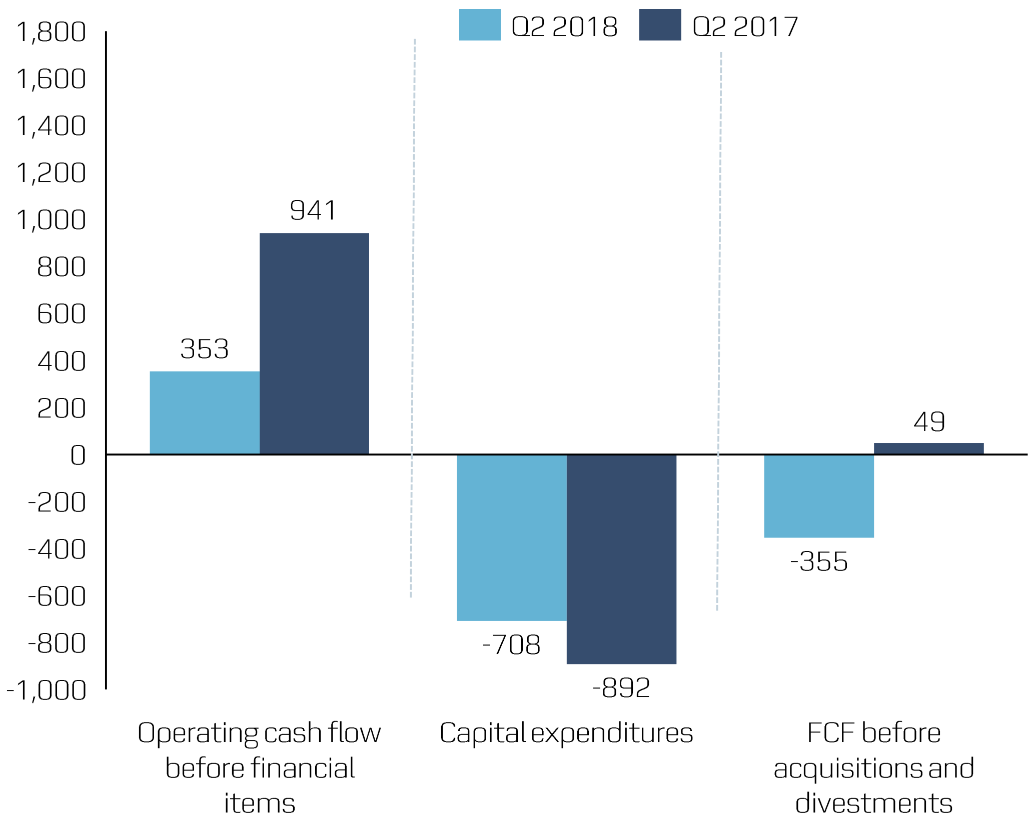
Commitments related to newbuildings accounts for USD 622m.

Guidance for gross capex for 2018 is maintained at around USD 3bn.

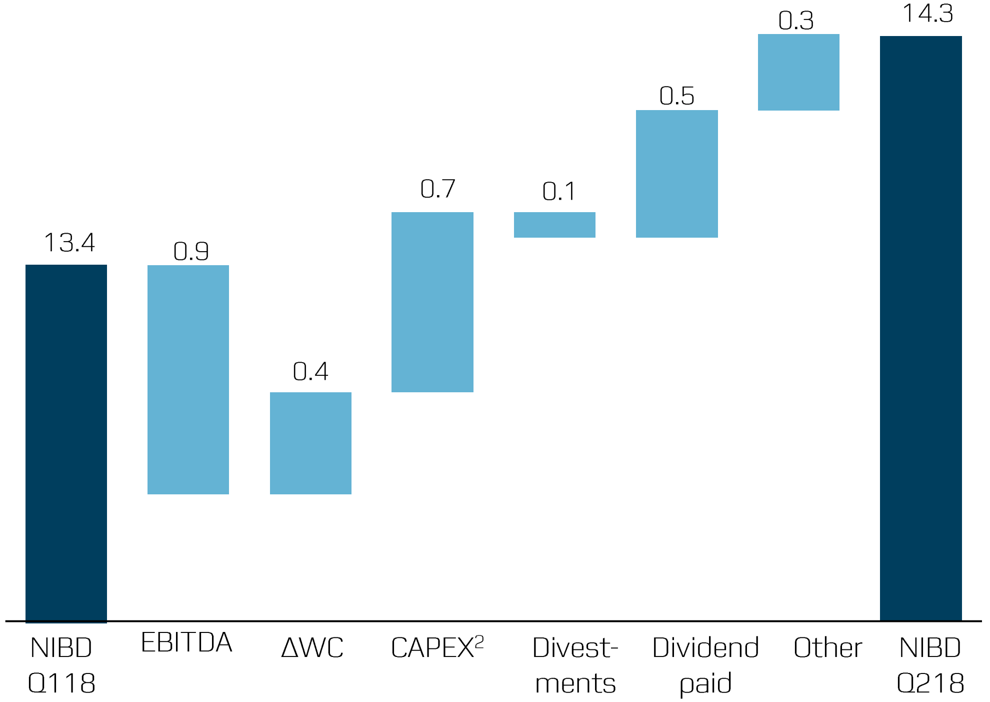
Financial highlights Q2 2018

Cash flow impacted by short-term NWC movements

USDm



Development in cash flows and net interest bearing debt (USDbn)



1) Defined as cash and securities and undrawn committed facilities longer than 12 months less restricted cash and securities.

2) Defined as cash payments for intangible assets and property, plant and equipment, excluding acquisitions. Other contributions to cash flow used for investing (excl. divestments) such as dividends received, etc, are included in 'Other'.

A positive cash flow impact from net working capital is expected in Q3 2018.

Funding in place with a liquidity reserve[1] of USD 10.2bn by end-Q2.

Committed to remain investment grade rated.

Total S.A shares at a value of USD 1.2bn has been monetised after Q2 2018.

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A.P. Moller - Maersk

Consolidated financial information

Income statement (USDm) (Continuing operations)	Q2 2018	Q2 2017	Change %	FY 2017
Revenue	9,507	7,690	24%	30,945
EBITDA	883	1,073	-18%	3,532
Depreciation, impairments etc.	903	889	1.6%	3,015
Gain on sale of non-current assets, etc. net	10	54	-81%	154
Share of profit in joint ventures	39	14	179%	-131
Share of profit in associated companies	17	25	-32%	101
EBIT	**46**	**277**	**-83%**	**641**
Financial costs, net	-71	-234	-70%	-616
Profit/loss before tax	**-25**	**43**	**N/A**	**25**
Tax	60	33	82%	219
Profit/loss – continuing operations	**-85**	**10**	**N/A**	**-194**
Profit/loss – discontinued operations	111	-274	N/A	-970
Profit/loss for the period	**26**	**-264**	**N/A**	**-1,164**
Underlying profit/loss – continuing operations	**88**	**205**	**-57%**	**356**

Key figures (USDm) (Continuing operations)	Q2 2018	Q2 2017	Change %	FY 2017
Cash flow from operating activities	353	941	-62%	3,113
Net interest bearing debt (APMM total)	14,290	11,852	21%	14,799
Earnings per share (USD)	-5	0	N/A	-11

Transformation metrics (Continuing operations)	Q2 2018	Q2 2017	Change %	FY 2017
Revenue growth - %	24%	15%	9%-points	13%
Non-Ocean revenue (USD m)	2,972	2,661	11.7%	10,942
Cash conversion (CFFO to EBITDA)	40%	88%	-48%-points	88%
Capex excl. M&A and divestments (USD m)	-708	-892	-21%	-3,599
ROIC (Return on Invested Capital) - % (continuing businesses)	-0.1%	3.1%	-3.2%-points	1.6%

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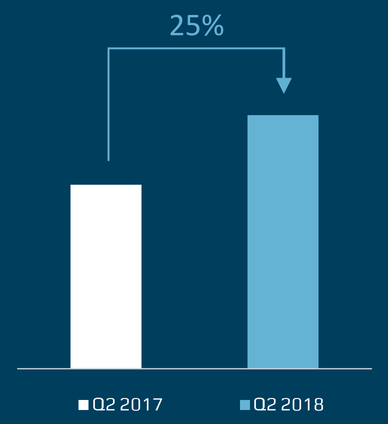
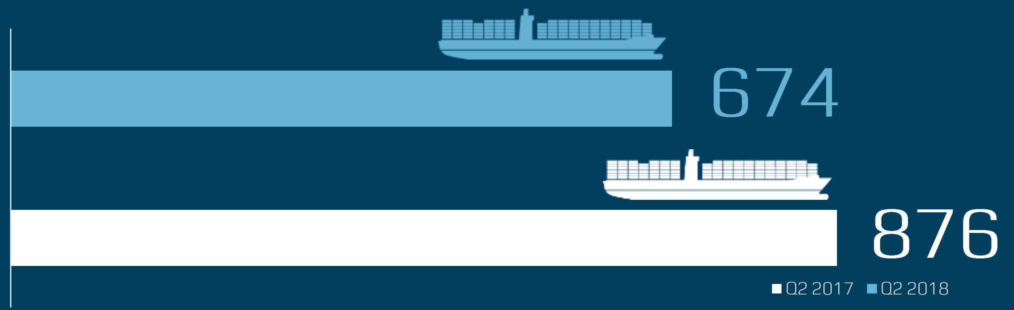
Highlights Q2 2018

Ocean

Revenue



EBITDA (USD m)



	Q2 2018 (USD m)	Q2 2017 (USD m)	FY 2017 (USD m)
Revenue	6,952	5,541	22,023
EBITDA	674	876	2,777
EBITDA margin	9.7%	15.8%	12.6%
Gross capital expenditures	549	752	2,831

- Excluding Hamburg Süd revenue increased by 0.6%.
- Other revenue was USD 783m (USD 614m) due to increases in demurrage & detention and slot sales.
- Average capacity decreased by 1.8% compared to Q1 2018 according to plan.
- Reliability improved; back in top quartile.

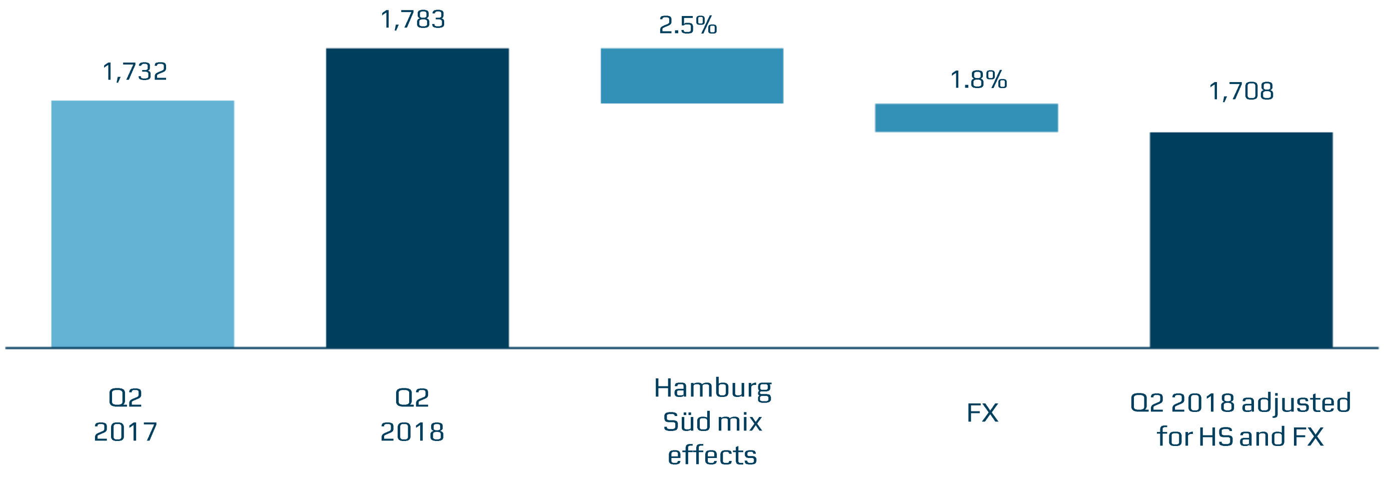
Ocean – highlights Q2 2018

Unit cost improvement on track

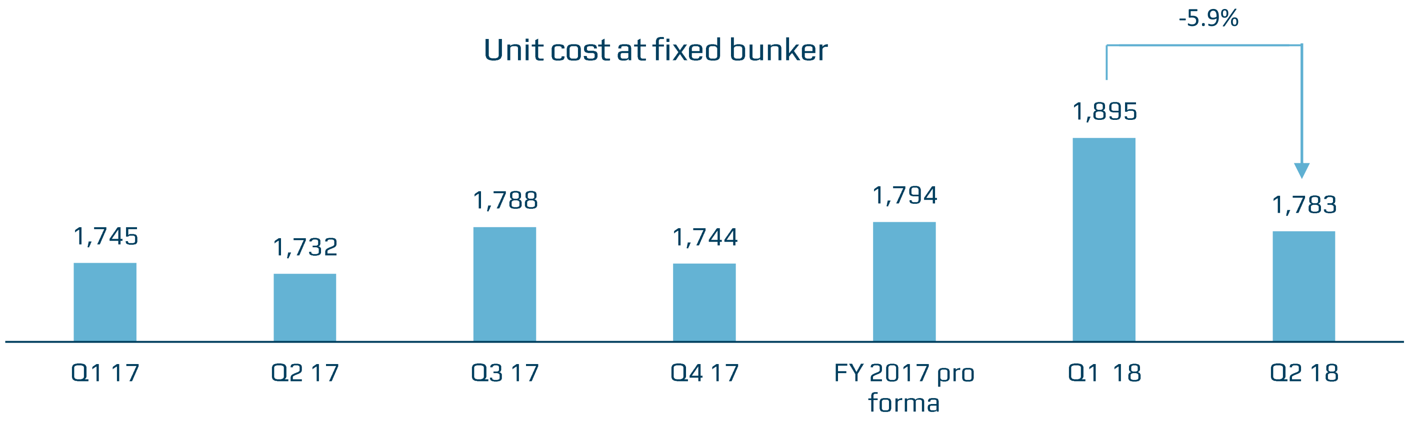
- Unit cost on a fixed bunker increased by 2.9%. Adjusted for Hamburg Süd mix and FX effects unit cost was down by 1.4%.
- Compared to Q1 2018 unit cost at fixed bunker improved 5.9%, mainly due to lower network costs, but also positively impacted by FX and one-offs.
- Bunker cost increased 55% to USD 1.2bn y/y due to bunker price increase of 28% and the larger network. while bunker efficiency per FFE improved by 4.2% y/y to 886 kg/FFE (922 kg/FFE).
- Bunker efficiency measured in gms per nau mile* improved by 0.15% from 45.48 to 45.41, which is significant given that the Hamburg Süd fleet has a lower bunker efficiency. The improvement was mainly driven by synergies from the integration.

Unit cost bridge (fixed bunker price)

USD/FFE



Unit cost at fixed bunker



* Gms = grammes, Total TEU = actual number of full + empties carried on the Ocean network, Nm =nautical miles.

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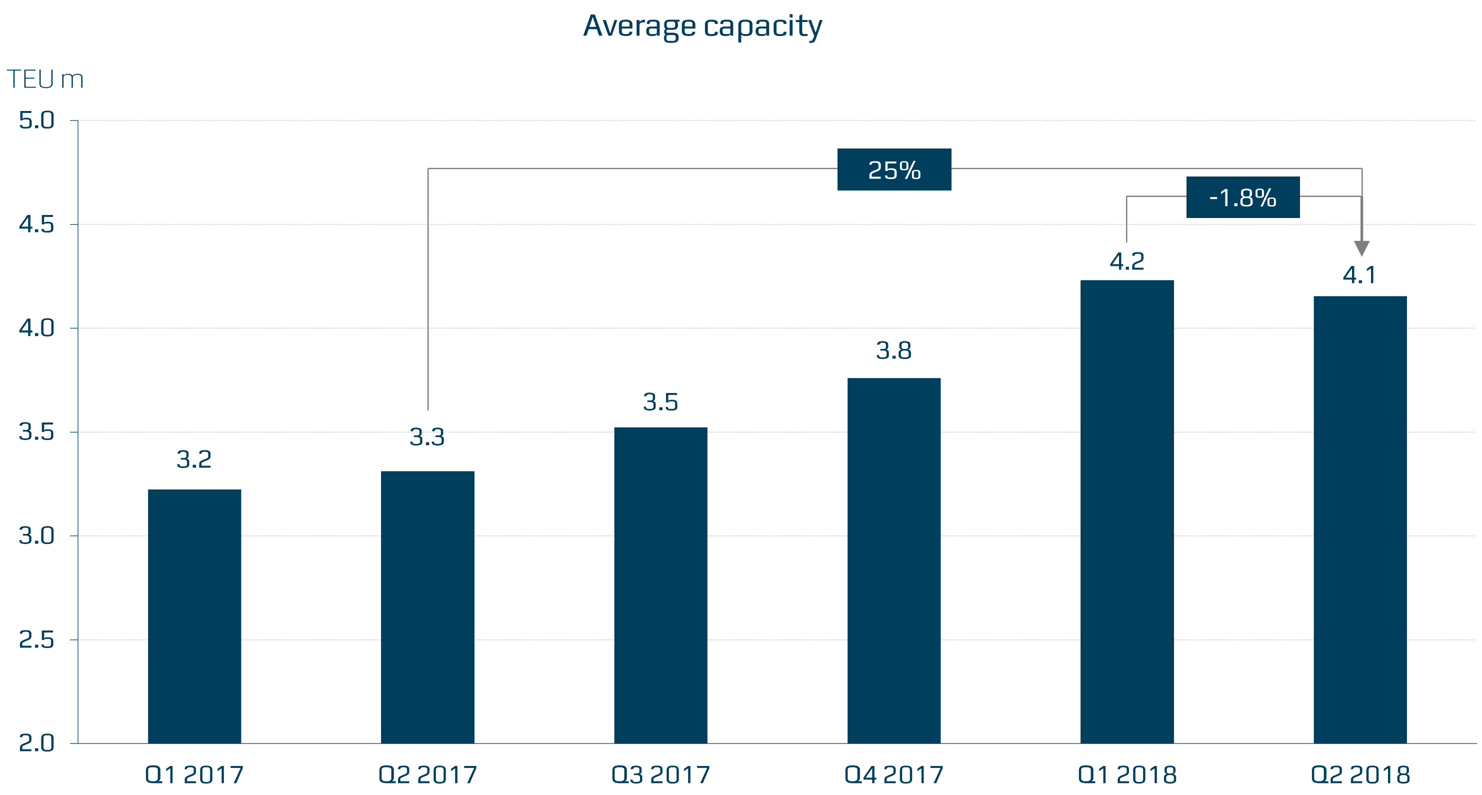
Ocean – highlights Q2 2018

Network optimisation

- Capacity has steadily increased over the years and peaked at Q1 2018 after inclusion of Hamburg Süd and new vessel deliveries.
- Average capacity increased 25% compared to Q2 2017 mainly due to Hamburg Süd.
- Average capacity decreased as planned 1.8% compared to Q1 2018 due to the network optimisation after integration of Hamburg Süd's fleet into the Ocean network in Q2.
- Capacity has been reduced mainly by handing back chartered capacity.



Ocean – highlights Q2 2018

Bunker cost not captured in freight rates

- The bunker price increased 28% y/y and 5.2% q/q, while average freight rates were slightly down y/y and on par with Q1 2018, reflecting lack of recovery from the continuing bunker price inflation.
- Excluding Hamburg Süd, freight rates declined 5% y/y, while volumes grew 4.3% on par with estimated global market growth at around 4%.
- The growth was mainly driven by backhaul growth of 7.3% while head haul grew 3.0%.

Average freight rate (USD/FFE)	Q2 2018	Q2 2017	Change, USD	Change, %
East-west	1,782	1,878	-96	-5.1
North-south	2,065	2,087	-22	-1.1
Intra-regional	1,485	1,245	240	19.3
Total	1,840	1,863	-23	-1.2

Loaded volumes ('000 FFE)	Q2 2018	Q2 2017	Change, FFE	Change, %
East-west	1,088	939	149	15.8
North-south	1,632	1,310	322	24.6
Intra-regional	679	451	228	50.6
Total	3,399	2,700	699	25.9

Hamburg Süd update

Integration on track with minimum customer losses

- The integration of Hamburg Süd is progressing and synergies are contributing positively to revenue and EBITDA.
- Synergies are materialising faster than expected as customer losses has been minimal, evidenced by both Hamburg Süd and Ocean growing with the market.
- In Q2 2018 Hamburg Süd contributed with 583k FFE and a pro forma EBITDA of USD 155m (Q1 2018 USD 111m).
- Total synergies of minimum USD 350-400m, excluding integration costs, are expected by 2019.

Network

OPEX savings

Terminal volumes

MCI & Svitzer synergies

Overhead reductions

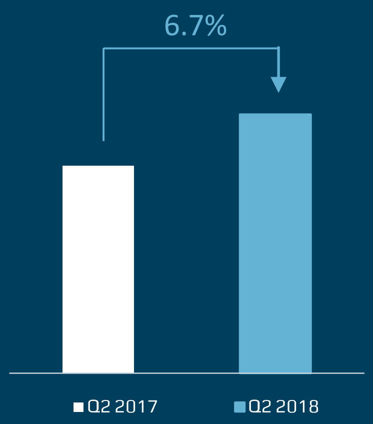
Customer retention

Highlight Q2 2018

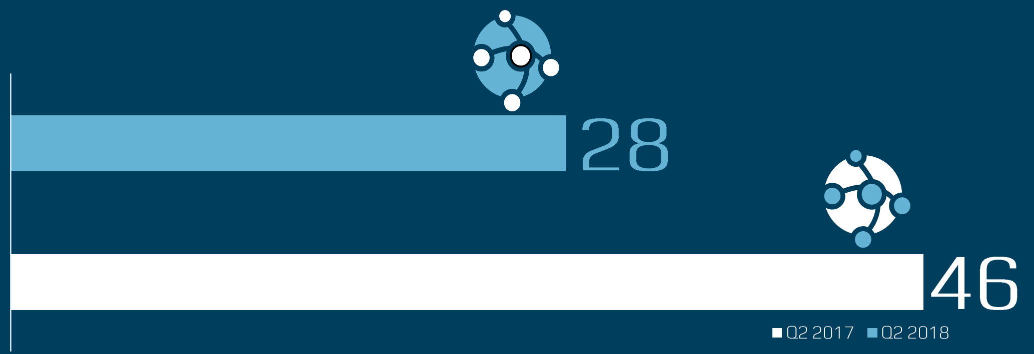
Logistics & Services

- Positive volume growth in supply chain management (SCM) and inland haulage in line with the strategy.
- EBITDA negatively impacted by higher IT spending, start-up of contracts, lower profitability in inland services as well as timing of higher maintenance cost in Star Air.
- Continued improvements in the cash conversion cycle resulted in significantly improved working capital and positive cash flow development.

Revenue



EBITDA (USD m)



	Q2 2018 (USD m)	Q2 2017 (USD m)	FY 2017 (USD m)
Revenue	1,489	1,396	5,772
EBITDA	28	46	139
EBITDA margin	1.9%	3.3%	2.4%
Gross capital expenditures	12	11	54

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Logistics & Services - highlights Q2 2018

Growth in supply chain management, but EBIT conversion ratio still at an unsatisfactory level

- Gross profit improved by 4.9% due to product mix and deselecting of low margin volumes in Ocean and Air.
- Margins in SCM increased by 8.9% and in Air and Ocean by 16% and 2.7%, respectively.
- EBIT conversion ratio was unsatisfactory at 8.4% (27.5%) .
- Damco announced a 10-year lease of a six-building logistics campus within the Los Angeles industrial market to accommodate new contract wins.

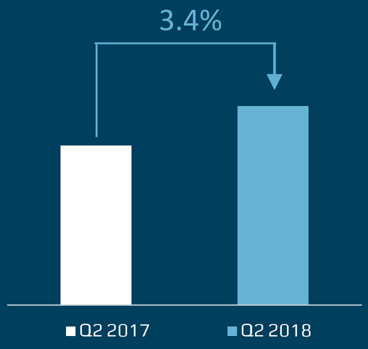
Operational and financial metrics	Q2 2018	Q2 2017	Change, %	2017
Gross profit (USD m)	278	265	4.9%	1,039
EBIT conversion (EBIT/Gross profit - %)	8.4%	27.5%	-19.1pp	14.5%
Supply chain management ('000 cbm)	17,672	16,227	8.9%	69,574
Airfreight volumes (tonnes)	44,218	50,138	-11.8%	206,208
Ocean volumes (TEU)	156,388	167,822	-6.8%	664,448

Highlights Q2 2018

Terminals & Towage

- Gateway terminals contributed to the revenue with USD 671m (USD 661m) and USD 179m (USD 162m) from towage activity.
- EBITDA reflected robust growth in volumes as well as lower cost per move in financially consolidated terminals.
- Higher activity and cost efficiency contributed to improved EBITDA in the towage activities.

Revenue



EBITDA (USD m)

	Q2 2018 (USD m)	Q2 2017 (USD m)	FY 2017 (USD m)
Revenue	847	819	3,481
EBITDA	178	149	639
EBITDA margin	21.0%	18.2%	18.4%
Gross capital expenditures	116	156	704

Terminals & Towage - highlights Q2 2018

Growing ahead of the market

- Like-for-like throughput on equity weighted moves in gateway terminals increased 8.8% in Q2 2018 - 4.4% related to external customers and 20% to Ocean.
- Revenue per move reflected higher volumes in North American and Latin American terminals, where market rates are higher on average as well as positive effect from one-offs.
- EqW cost per move increased due to increased costs in certain joint ventures, but decreased for financially consolidated terminals due to volume growth in Latin America and positive effects from cost saving initiatives.
- Harbour towage activities was driven by volume growth and entering new ports.
- In terminal towage new contracts have been added in various regions, and the idle fleet has been reduced.

Operational and financial metrics	Q2 2018	Q2 2017	Change, % (like-for-like, %)	2017
Terminal volumes – EqW (moves in m)	4.2	3.9	7.6 (8.8)	15.6
Ocean segment	1.3	1.2	17.7 (20)	4.7
External customers	2.9	2.7	3.5 (4.4)	10.9
Terminal volumes – Financially consolidated (moves in m)	2.8	2.5	10.6	10.2
Terminal revenue per move – (USD)				
EqW	199	194	2.8	203
Financially consolidated	239	233	2.7	245
Terminal cost per move – (USD)				
EqW	166	161	3.1	167
Financially Consolidated	206	222	-7.2	221
Result from joint ventures and associated companies (USDm)	51	32	59.4	-78
No. of operational tug jobs (HT) ('000)	32	30	7.8	123
Annualised EBITDA per tug (TT) (USD in '000)	956	1,026	-6.8	755

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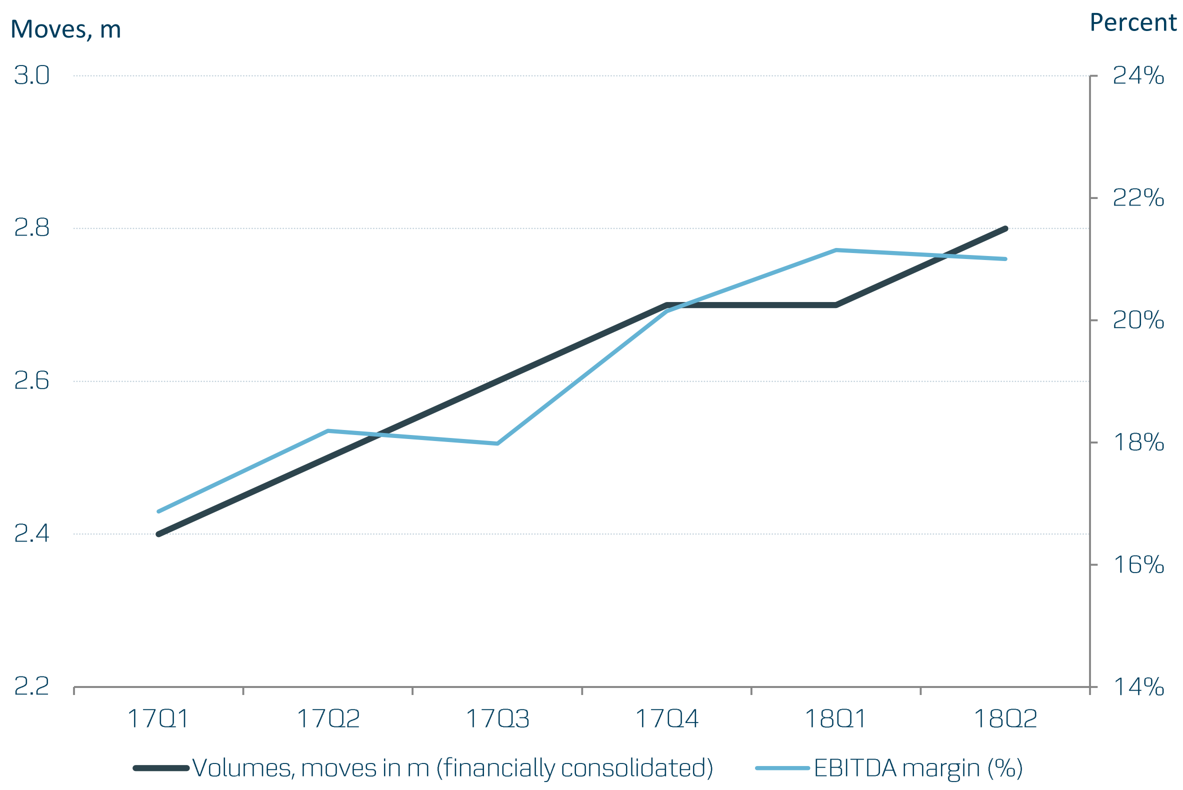
Terminals & Towage - highlights Q2 2018

Synergies materialising from T&L and Hamburg Süd

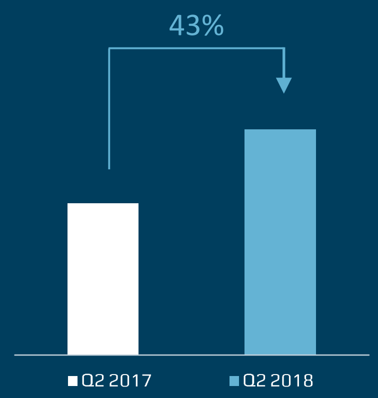
- Synergies from the integration are being realised as planned; gateway terminals realised 10.6% growth on financially consolidated moves.
- Volume growth in gateway terminals from the ocean segment amounted to 20% on a like-for-like base.
- Positive development in Latin America was supported by inflow of Hamburg Süd and Maersk Line volumes.
- Cost initiatives and higher utilization had a positive effect on EBITDA margin compared to Q2 2017.



Highlights Q2 2018

Manufacturing & Others

Revenue



EBITDA (USD m)

	Q2 2018 (USD m)	Q2 2017 (USD m)	FY 2017 (USD m)
Revenue	636	446	1,689
EBITDA	8	37	173
EBITDA margin	1.3%	8.3%	10.2%
Gross capital expenditures	3	-	23

- Maersk Container Industry concluded its largest ever third-party order of reefer containers.
- Revenue from Maersk Container Industry decreased of 13% to USD 249m (USD 285m).
- EBITDA in Maersk Container Industry decreased to USD -6m (USD 28m) primarily related to the cease of the reefer factory in Chile, which had a financial impact of USD -18m in restructuring cost.
- Revenue for other businesses ended at USD 387m.

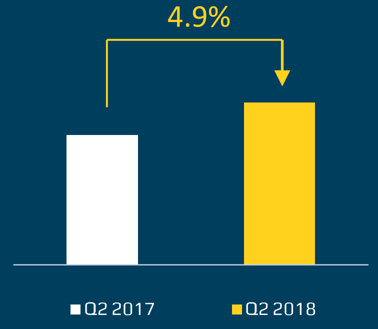
DISCONTINUED OPERATIONS

Discontinued operations - held for sale

Maersk Drilling

- Despite challenging market conditions revenue and EBITDA improved.
- Net profit of USD 130m (USD 22m) was positively impacted by no depreciations included after reclassification as discontinued operations in Q3 2017.
- Approx. 1,180 days and USD 105m where added to the backlog during the quarter.
- Forward contract coverage was 66% for 2018, 41% for 2019, and 29% for 2020.
- Total revenue backlog amounted to USD 2.7bn (USD 3.1bn) by the end of Q2.

Revenue (USD m)



Revenue increased by 4.9% compared to Q2 2017.

EBITDA (USD m)

	Q2 2018 (USD m)	Q2 2017 (USD m)
Revenue	366	349
EBITDA	159	155
Operating cash flow	103	151
Free cash flow	84	142

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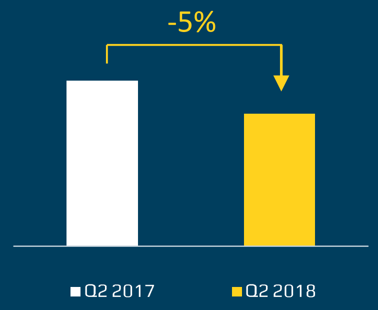
Discontinued operations - held for sale

Maersk Supply Service

- Despite revenue stabilising the continuing challenging market conditions reflected a loss of USD 20m (loss of USD 21m).
- Cash flow used for capital expenditure increased due to the delivery of two newbuilds, however it was USD 100m lower than planned, due due to payment of one newbuild being postponed into Q1 2019.

Revenue (USD m)



EBITDA (USD m)

	Q2 2018 (USD m)	Q2 2017 (USD m)
Revenue	70	74
EBITDA	-3	10
Operating cash flow	-6	-20
Free cash flow	-78	-53

2018
Guidance

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Guidance

Guidance for 2018

As announced 7 August, 2018, A.P. Moller – Maersk expects earnings before interests, tax, depreciations and amortisations (EBITDA) in the range of USD 3.5-4.2bn and a positive underlying profit.

The organic volume growth in Ocean is still expected slightly below the estimated average market growth of 2-4% for 2018. Further, guidance is maintained on gross capital expenditures (capex) around USD 3bn and a high cash conversion (cash flow from operations compared with EBITDA).

The guidance continues to be subject to uncertainties due to the current risk of further restrictions on global trade and other factors impacting container freight rates, bunker prices and rate of exchange.

Sensitivity Guidance

A.P. Moller - Maersk's guidance for 2018 depends on several factors. Based on the expected earnings level and all else being equal, the sensitivities for the rest of 2018 for four key assumptions are listed in the table below:

Factors	Change	Impact on EBITDA for the rest of the year
Container freight rate	+ / - 100 USD/FFE	+ / - USD 0.7bn
Container freight volume	+ / - 100,000 FFE	+ / - USD 0.1bn
Bunker price (net of expected BAF coverage)	+ / - 100 USD/tonne	- / + USD 0.2bn
Rate of exchange (net of hedges)	+ / - 10% change in USD	+ / - USD 0.1bn

Appendix

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Table of contents

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FINANCIAL HIGHLIGHTS Q2 2018

USD million	REVENUE Q2 2018	REVENUE Q2 2017	EBITDA Q2 2018	EBITDA Q2 2017	CAPEX Q2 2018	CAPEX Q2 2017
Ocean	6,952	5,541	674	876	-549	-752
Logistics & Services	1,489	1,396	28	46	-12	-11
Terminals & Towage	847	819	178	149	-116	-156
Manufacturing & Others	636	446	8	37	-3	0
Unallocated activities and eliminations, etc.	-417	-512	-5	-35	-28	27
A. P. Moller - Maersk Consolidated – continuing operations	9,507	7,690	883	1,073	-708	-892

Ocean– Highlights Q2 2018

USD million	Q2 2018	Q2 2017	Change %	FY 2017
Other revenue, including hubs (USD m)	783	614	27.2%	2,547
Unit cost, fixed bunker (USD/FFE incl. VSA income)	1,783	1,732	2.9%	1,752
Hub productivity (PMPH)	79	72	8.6%	73
Bunker price, average (USD per tonne)	401	313	28.1%	321
Bunker cost (USD m)	1,205	780	54.5%	3,341
Bunker consumption (tonnes in '000)	3,002	2,490	20.6%	10,395
Average nominal fleet capacity (TEU in '000)	4,154	3,311	25.4%	3,456
Fleet, owned (EOP)	346	282	22.7%	339
Fleet, chartered (EOP)	396	364	8.8%	442

Logistics & Services – Highlights Q2 2018

USD million or units	Q2 2018	Q2 2017	Change %	FY 2017
Gross profit (USD m)	278	265	4.9%	1,039
EBIT conversion (EBIT/Gross profit - %)	8.4%	27.5%	-17.4pp	14.5%
Ocean volumes (TEU)	156,388	167,822	-6.8%	664,448
Supply chain management ('000 cbm)	17,672	16,227	8.9%	69,574
Airfreight volumes (tonnes)	44	50	-10.8%	206
Ocean revenue (USD m)	148	170	-11.4%	666
Supply chain management revenue (USD m)	194	170	17.7%	778
Airfreight revenue (USD m)	147	151	10.2%	659
Inland haulage revenue (USD m)	648	586	8.7%	2,388
Container inland services revenue (USD m)	154	148	4.1%	589
Other services revenue (USD m)	198	171	1.0%	692

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Terminals & Towage - Highlights Q2 2018

USD million	Q2 2018	Q2 2017	Change %	FY 2017
Revenue	847	819	3.4%	3,481
EBITDA	178	149	19.5%	639
Capital expenditures	116	156	-25.6%	704
Terminal volumes, EqW	4.2	3.9	7.6%	15.6
Terminal revenue per move, EqW (USD)	199	194	2.6%	203
Terminal unit cost, EqW (USD)	166	161	-3.1%	167
Result from joint ventures and associated companies (USD m)	51	32	59.4%	-78
Operational tug jobs in harbour towage (number '000)	32	30	7.8%	123
EBITDA per tug equivalent in terminal towage (annualized – USD m)	956	1,026	-6.8%	755

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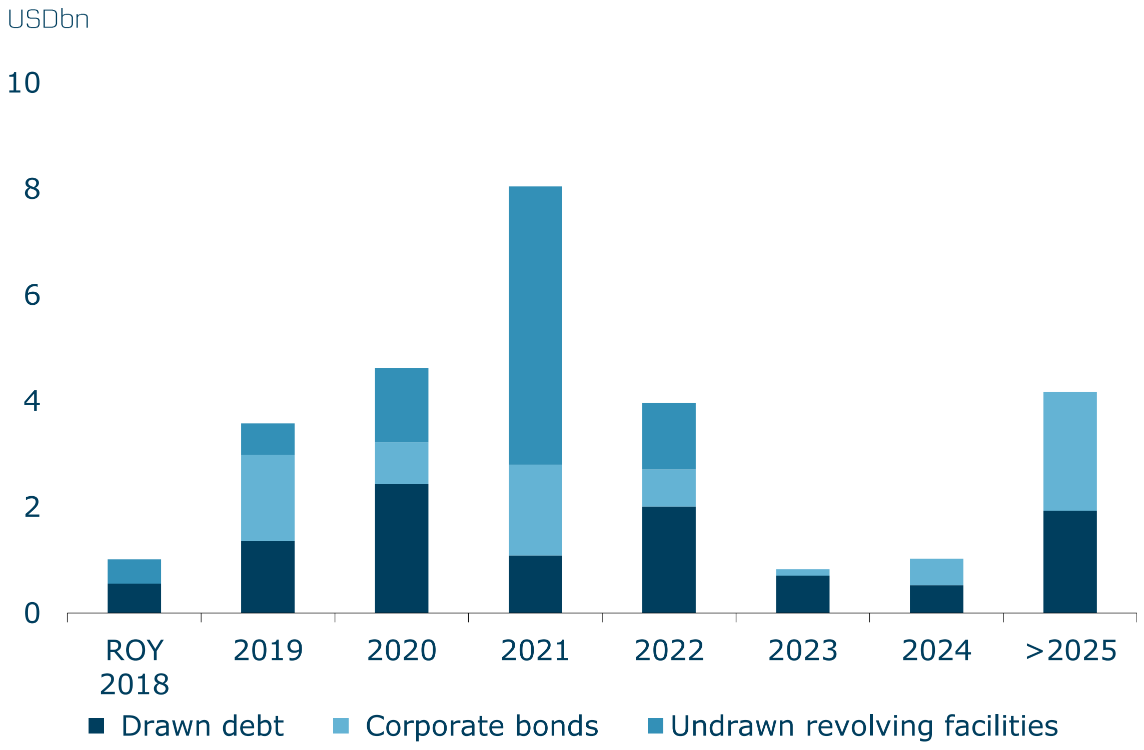
Funding in place with liquidity reserve of USD 10.5bn

Loan maturity profile at the end of Q2 2018

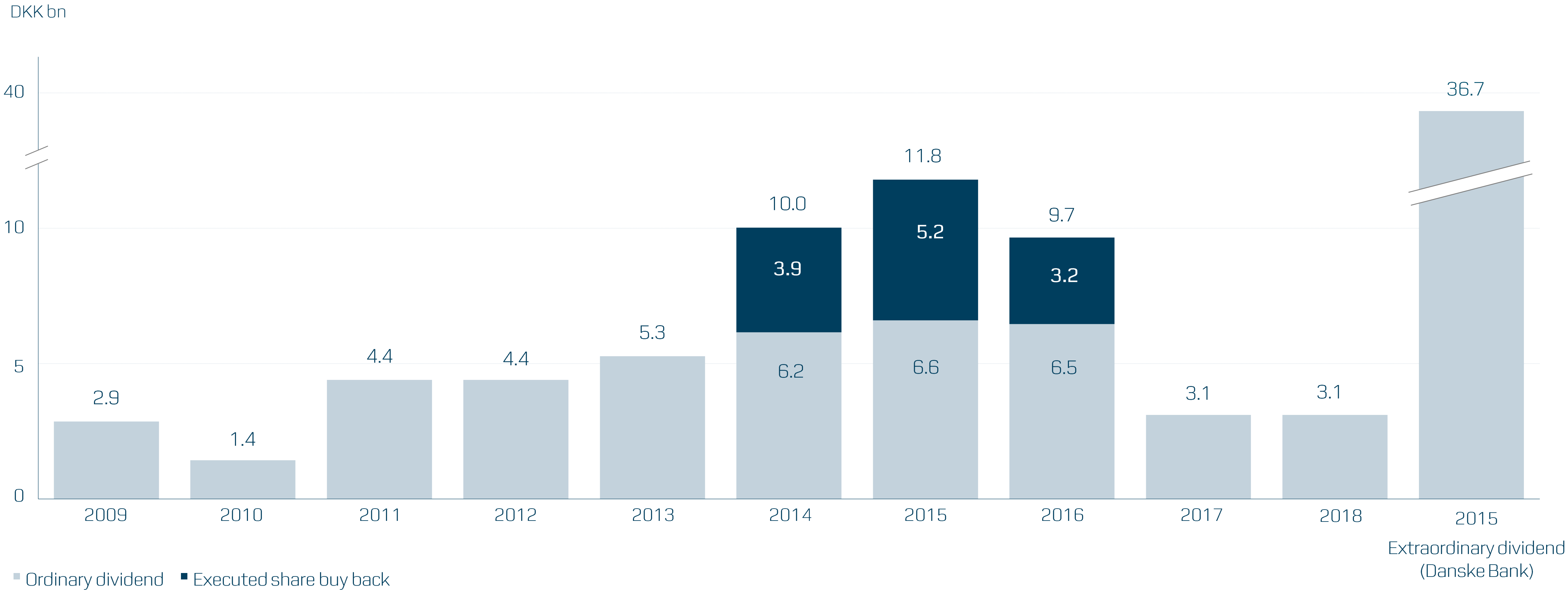


Funding

- BBB (credit watch negative) / Baa2 (review for downgrade) credit ratings from S&P and Moody's respectively
- Liquidity reserve of USD 10.2bn as of end Q2 2018[1]
- In addition to the liquidity reserve, there is in place USD 2.3bn (incl. undrawn Hamburg Süd financing) in committed undrawn investment-specific funding
- Average debt maturity about four years
- Corporate bond programme ~44% of our gross debt (USD 7.7bn)
- Amortisation of debt in coming 5 years is on average USD 2.5bn per year

1) Defined as cash and securities and undrawn committed facilities longer than 12 months less restricted cash and securities.

Earnings distribution to shareholders



Note: Dividend and share buy back in the paid year. The second share buy back of USD USD ~1bn was completed in Q1 2016.

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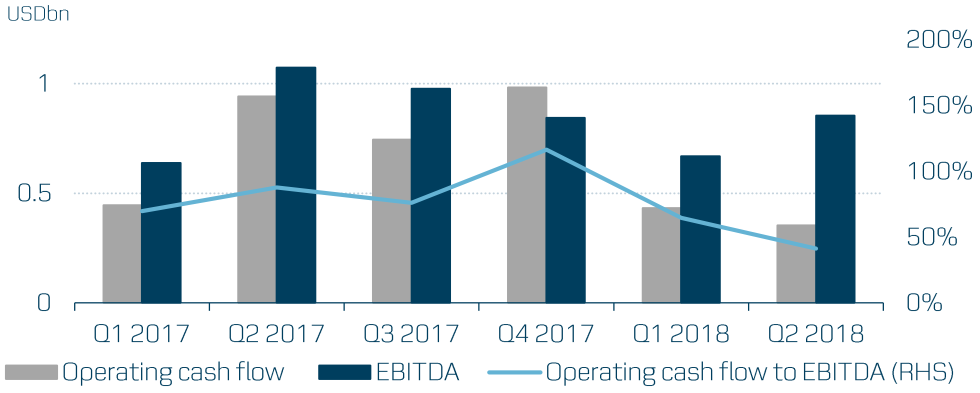
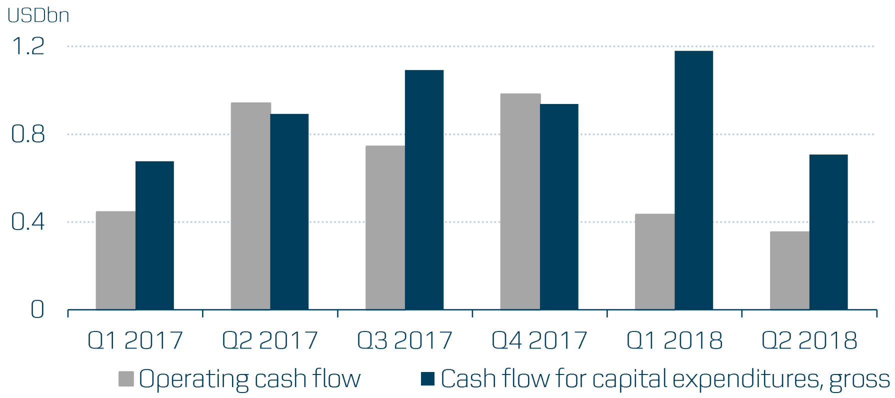
Stable operating cash flow generation and capital discipline

Historically solid cash conversion



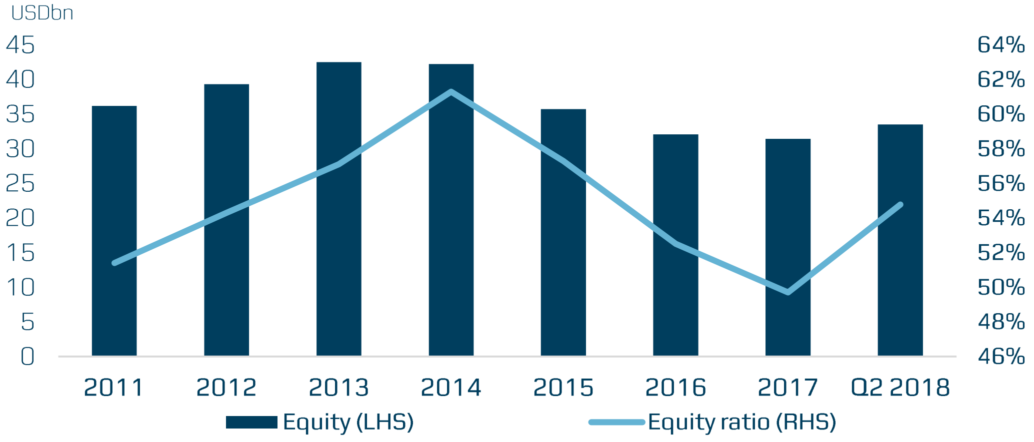
Note: Continuing businesses.

Self-funded capital expenditures

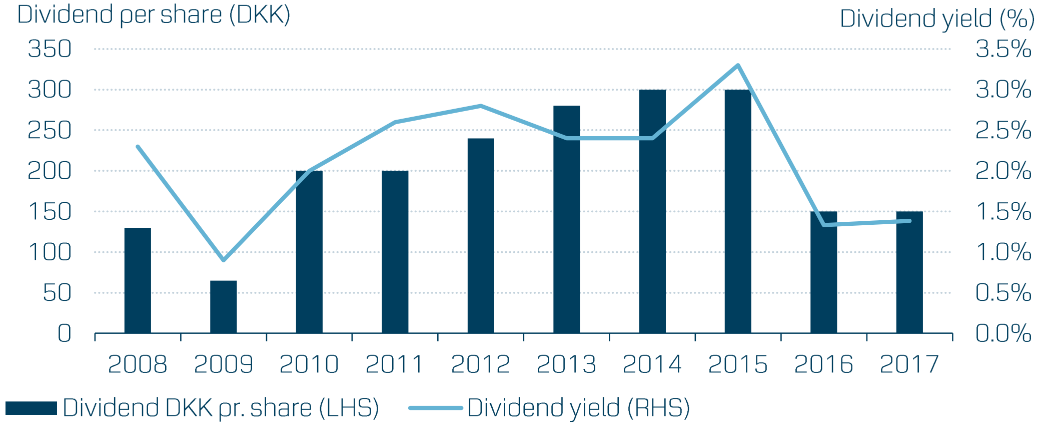


Note: Continuing businesses.

High equity ratio



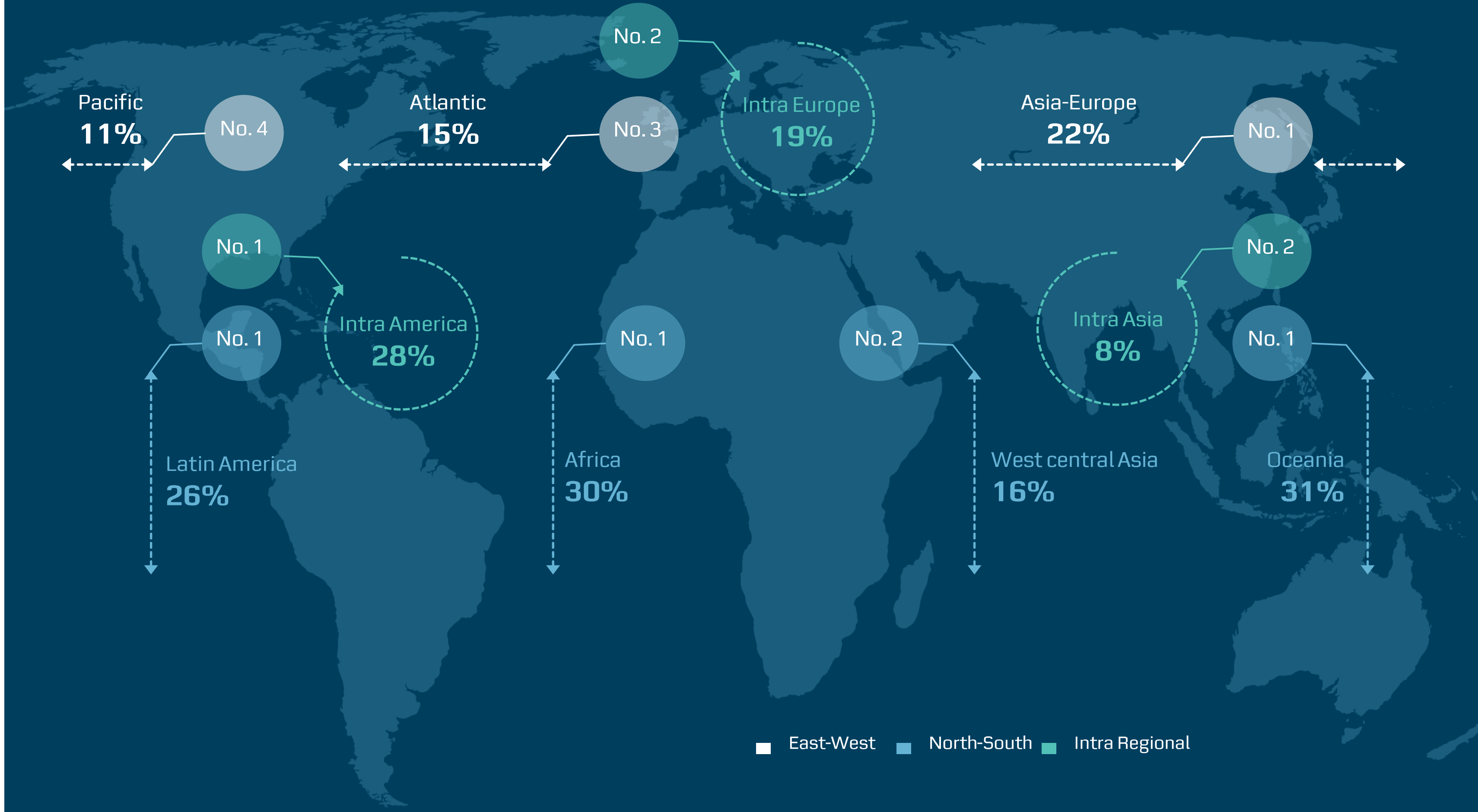
Ordinary dividends*



* Adjusted for bonus shares issue

Ocean

Capacity market share by trade

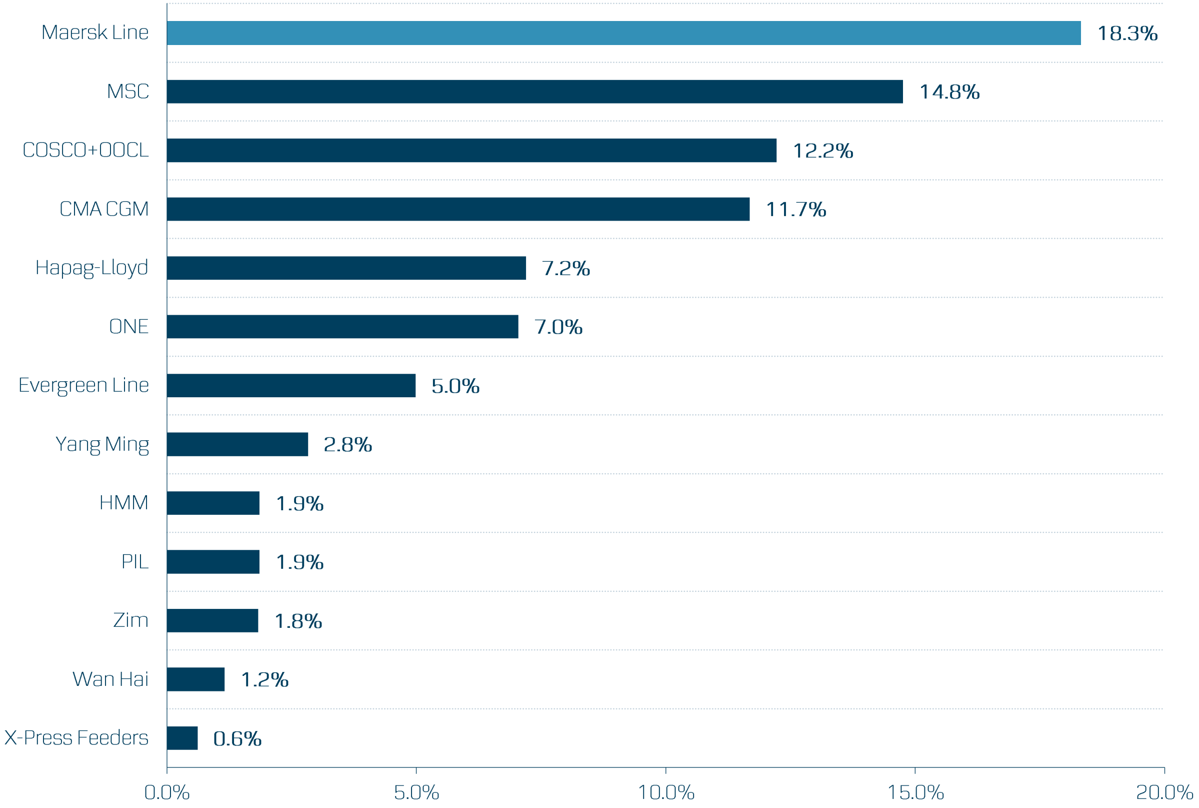


Ocean activities in Maersk Liner Business (Maersk Line, MCC, Seago Line and Sealand) together with Hamburg Süd brands (Hamburg Süd and Alianca) as well as strategic transshipment hubs under the APM Terminals brand.

Source: Alphaliner, end-June 2018.

Industry moving towards more consolidation

Capacity market share, %



2M

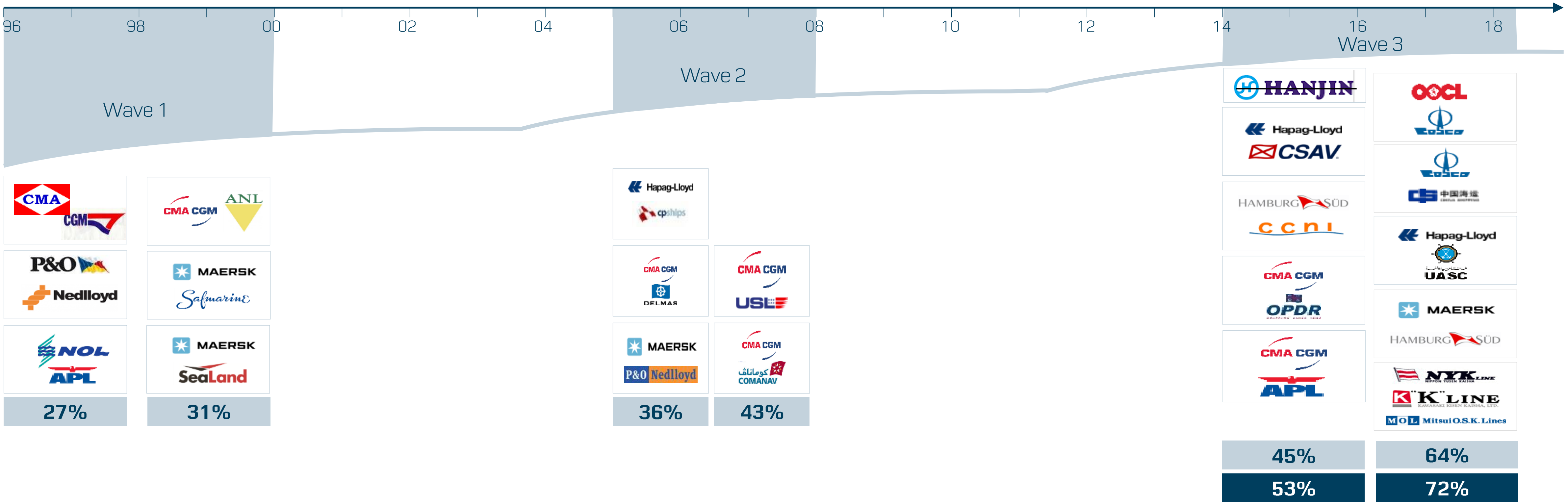
Ocean Alliance

The Alliance

Source: Alphaliner, end-June 2018.

The liner industry is consolidating and top 5 share is growing

Consolidation wave is rolling again – 8 top 20 players disappeared in the last 2 years



Top-5 market share ■ Top-5 market share longhaul trade

Note: Long haul trades defined as non-intra-regional trades.
Source: Alphaliner.

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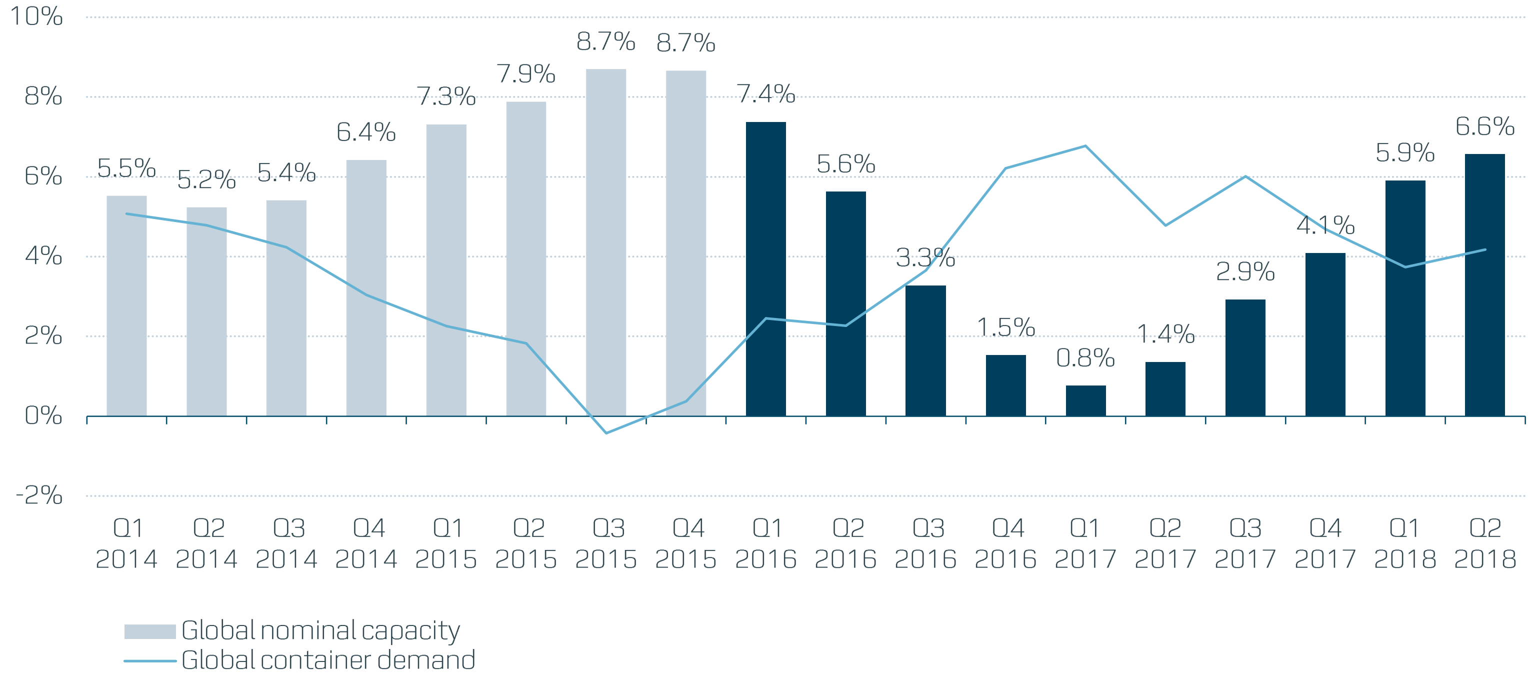
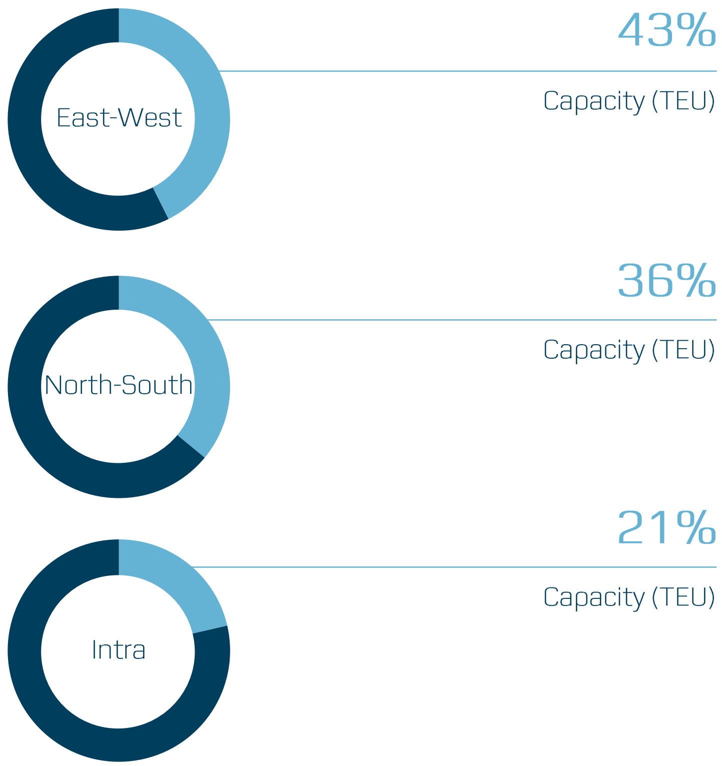
Nominal supply growth increasing in Q2 2018

Growth y/y, (%)

Global nominal supply and demand growth



Capacity (TEU)

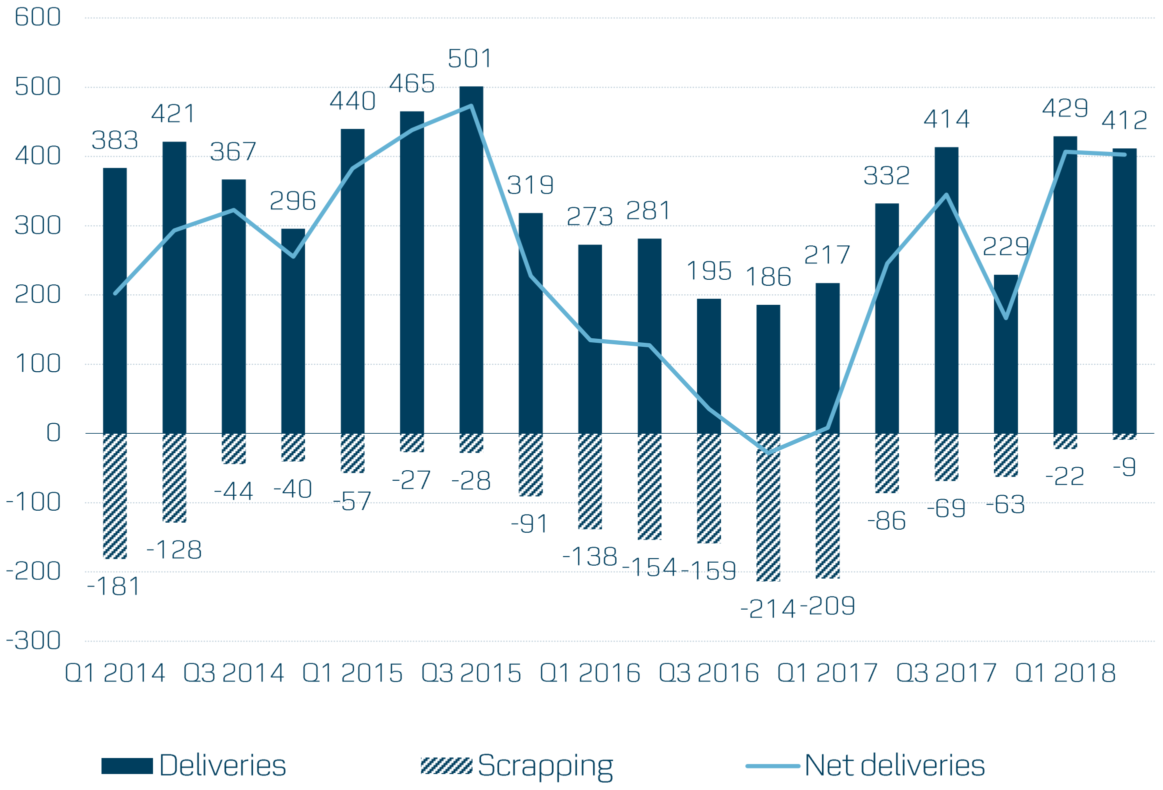


1) Global nominal capacity is deliveries minus scrapings 2) Q2 2018 is Maersk Line internal estimates where actual data is not available yet .
Source: Alphaliner, Maersk

High net delivery along with low idling added to effective capacity in Q2 2018

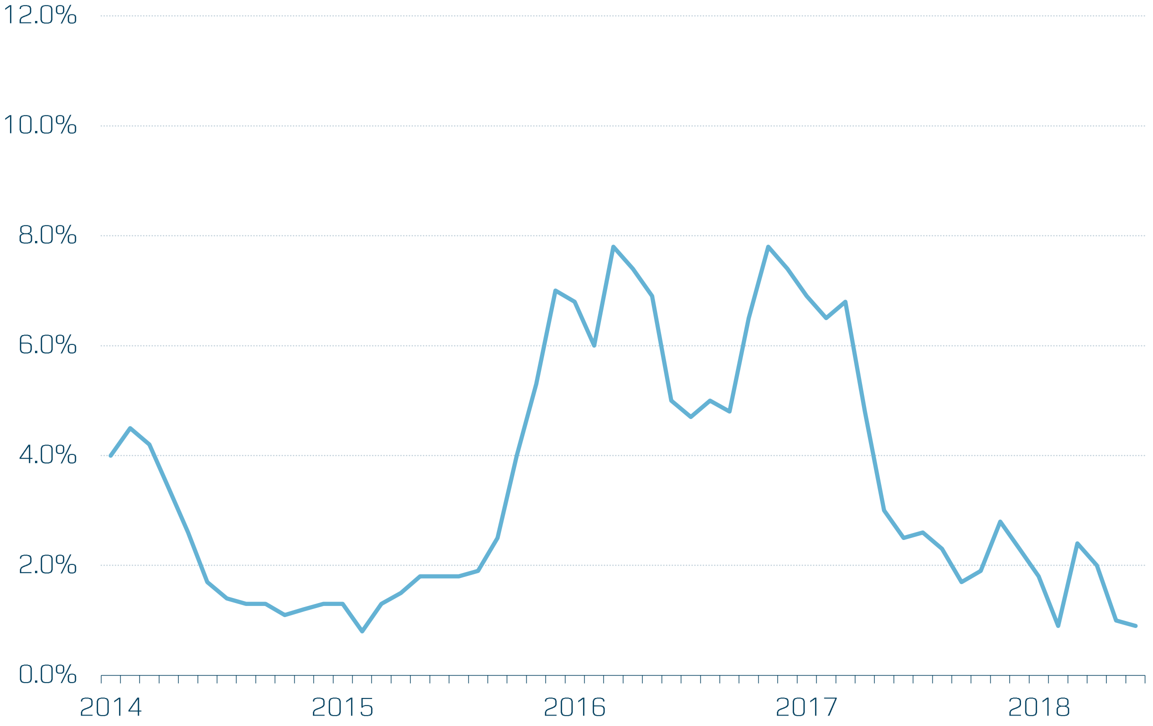
Net deliveries

TEU '000



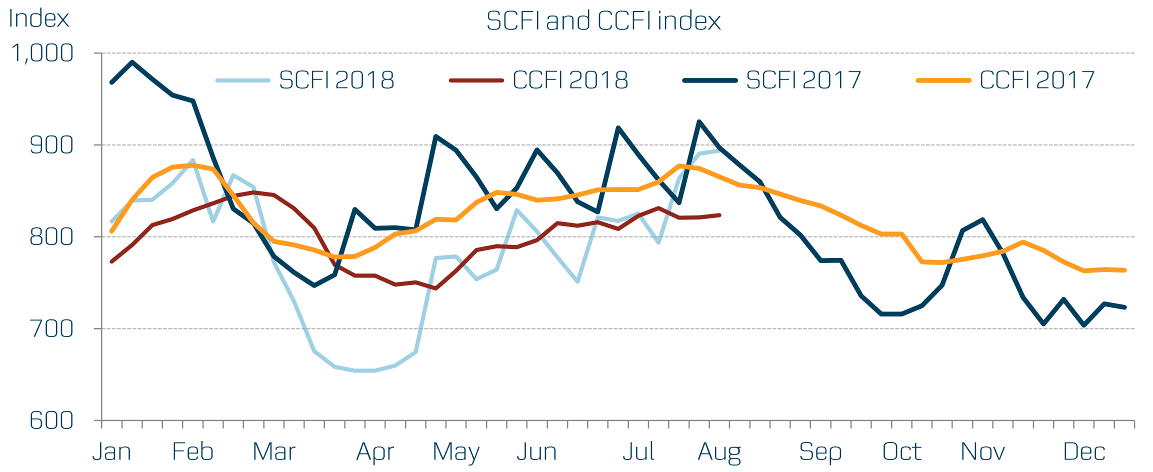
Idling

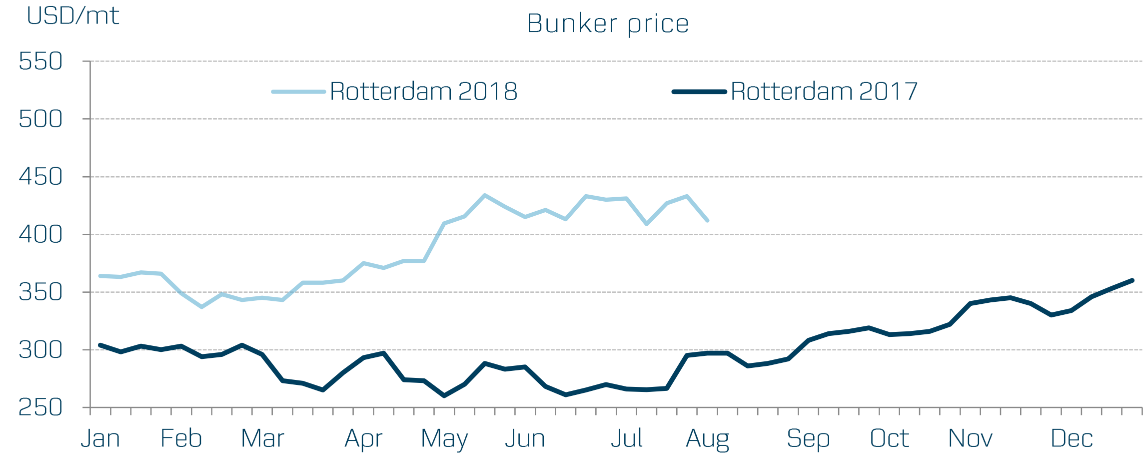
Idle TEU As % of cellular fleet

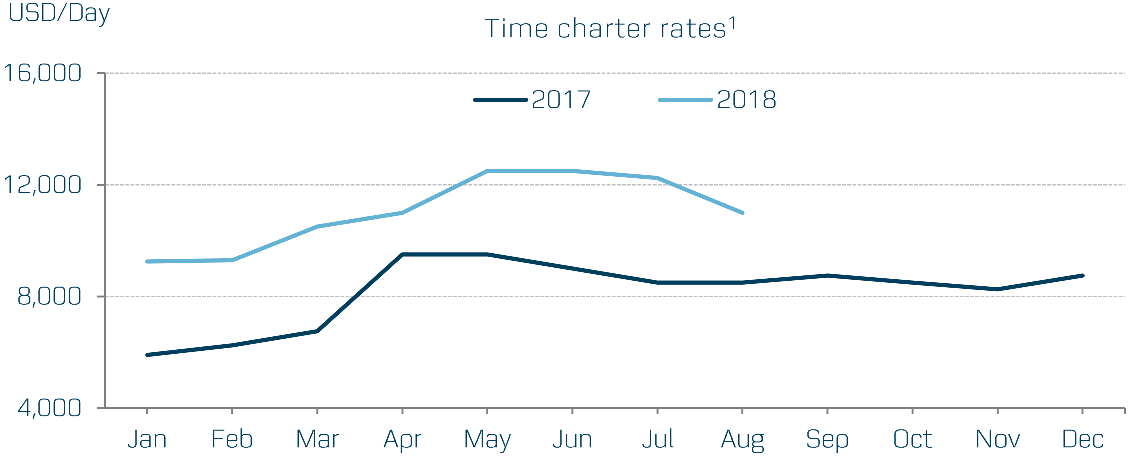


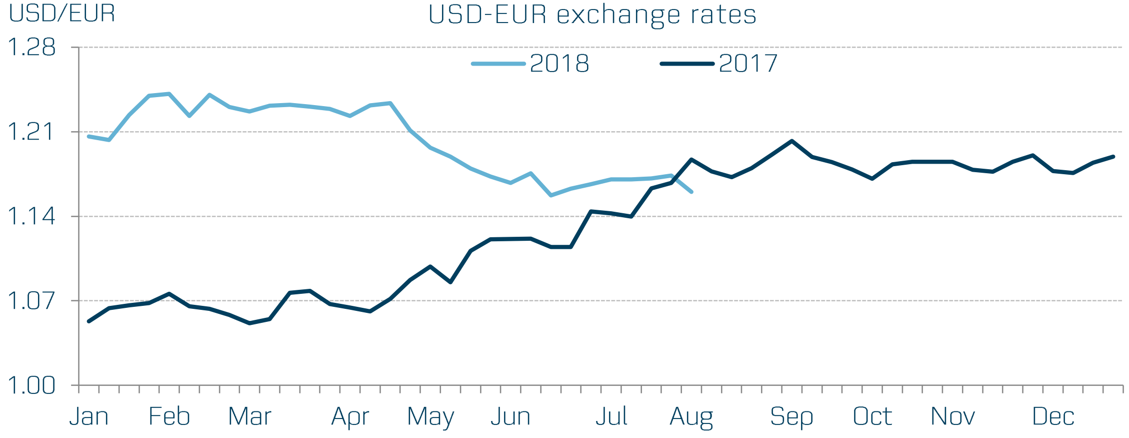
Source: Alphaliner, end-June 2018

Headwinds from several external factors in first half of 2018







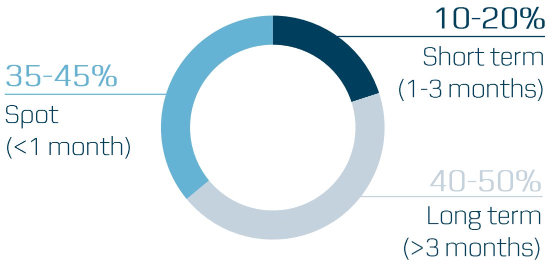


1. Source Alphaliner

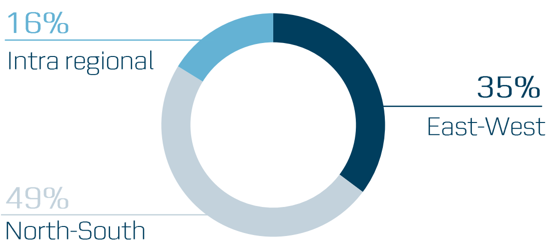
Lower volatility in rates due to contract coverage

Volume split, 2017

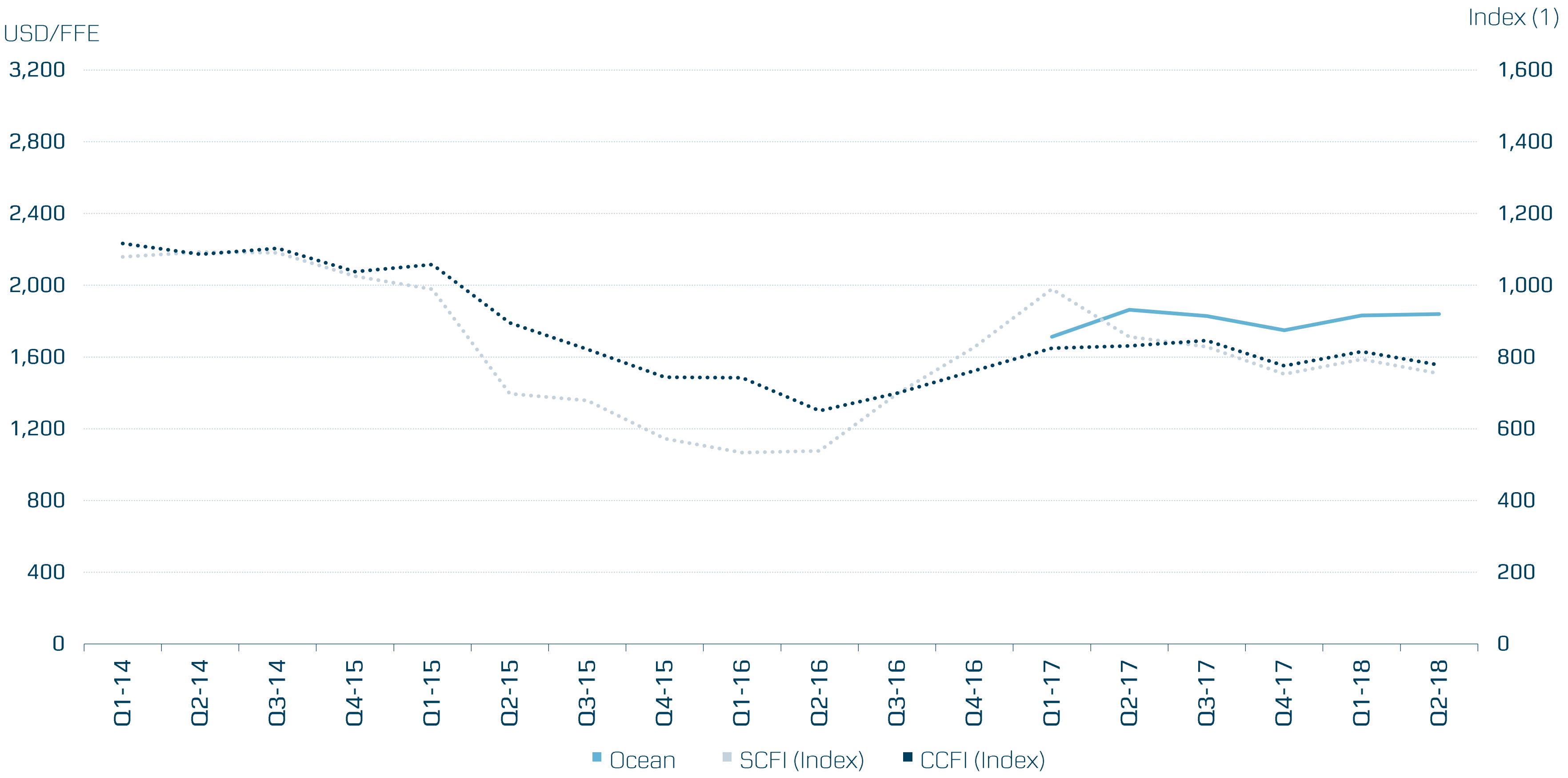
By contract type



By trade



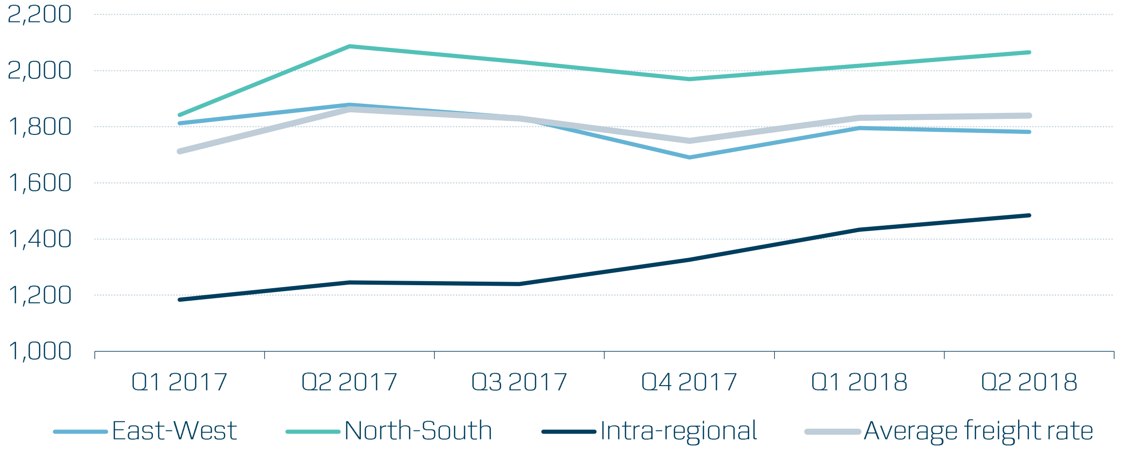
Average freight rate



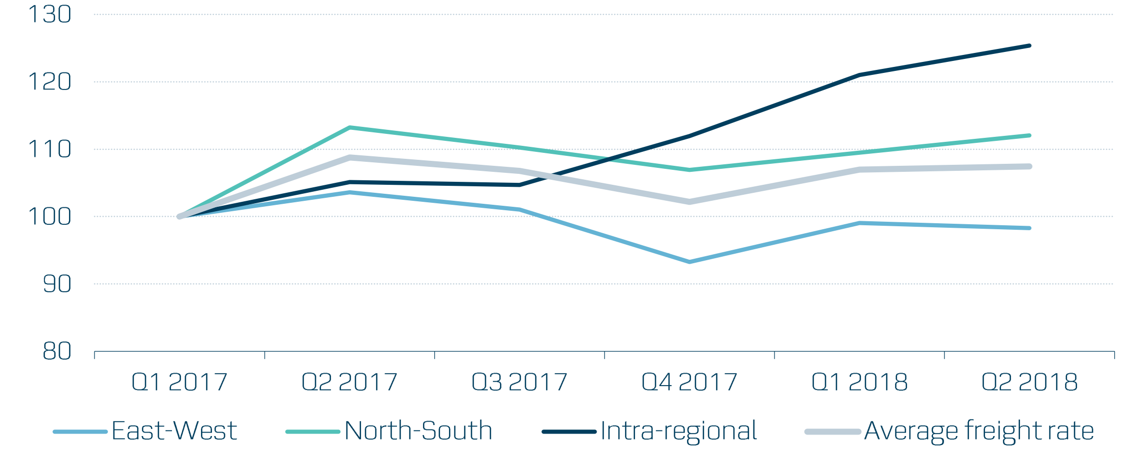
1) Oct 2009 = 1000 for SCFI, January 1998 = 1000 for CCFI.
Source: Maersk

Freight rates in Ocean down 1.2% compared to Q2 2017

Freight rates
USD/FFE



Freight rates
Q1 2017 = 100

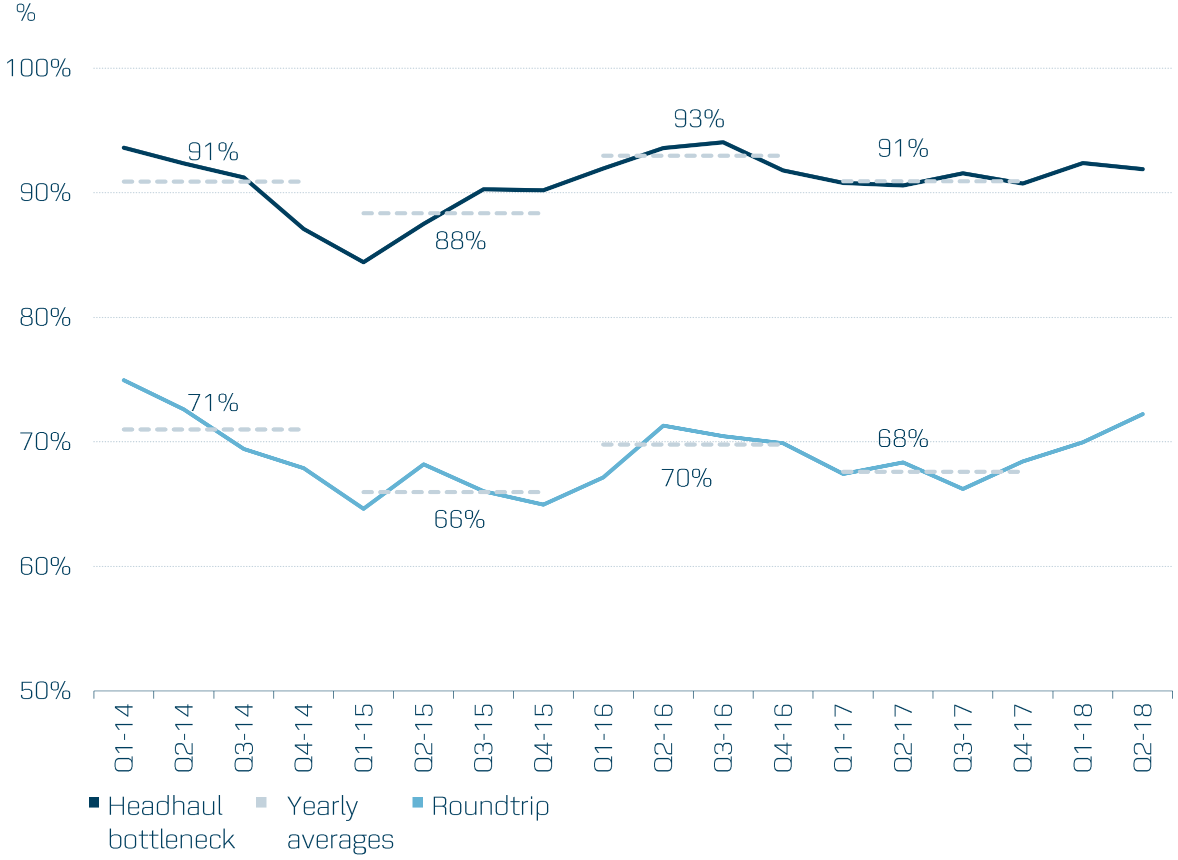


Average freight rate (USD/FFE)	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018
East-West	1,813	1,878	1,831	1,691	1,796	1,782
North-South	1,843	2,087	2,031	1,970	2,018	2,065
Intra-regional	1,184	1,245	1,240	1,326	1,433	1,485
Average freight rate	1,713	1,863	1,829	1,750	1,832	1,840

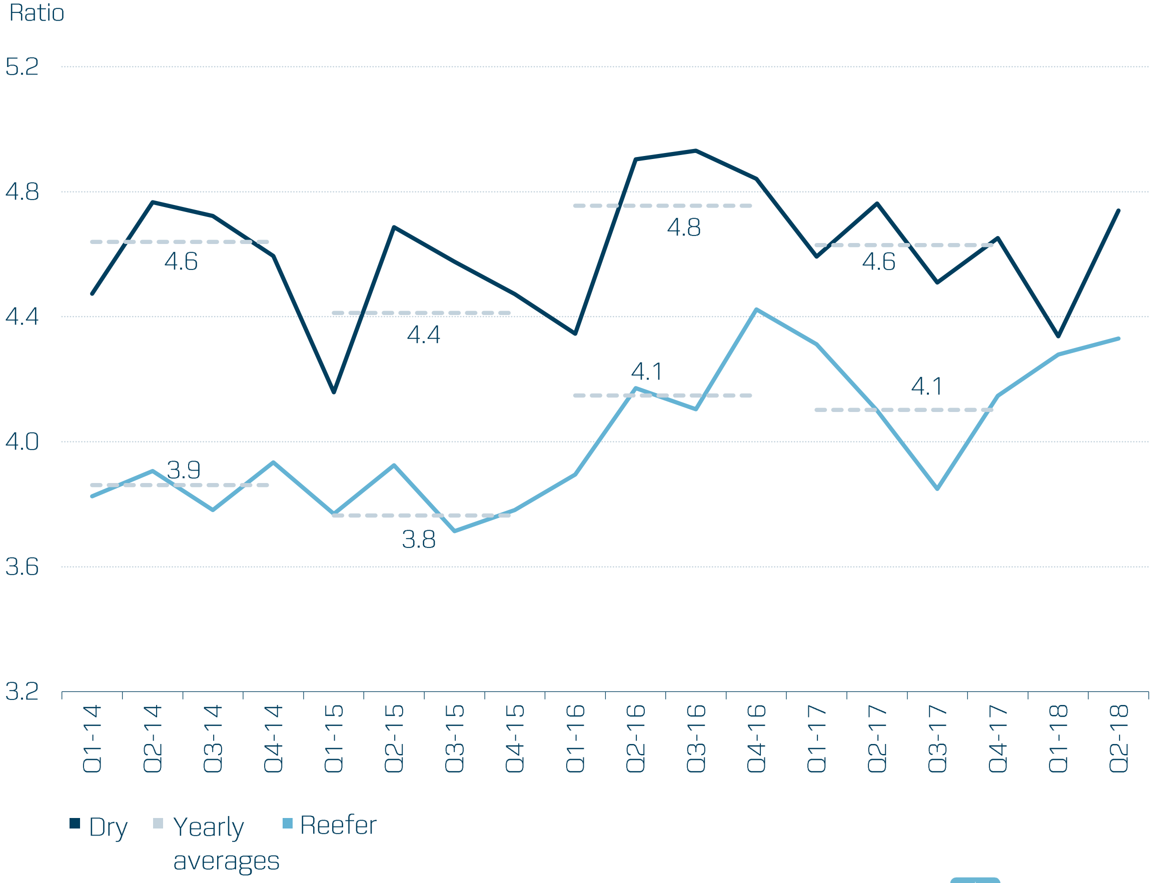
Source: Maersk

Vessel utilisation and container turn in Q2 2018 improved compared to last year

Vessel utilisation



Container turn



Note: Container turn is average number of times a container is shipped full per year (quarterly data annualised).
Source: Maersk

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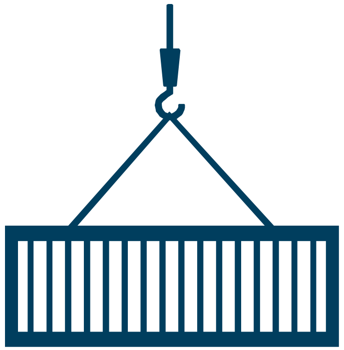
Container handling & equipment cost and network cost represent the majority of our cost base

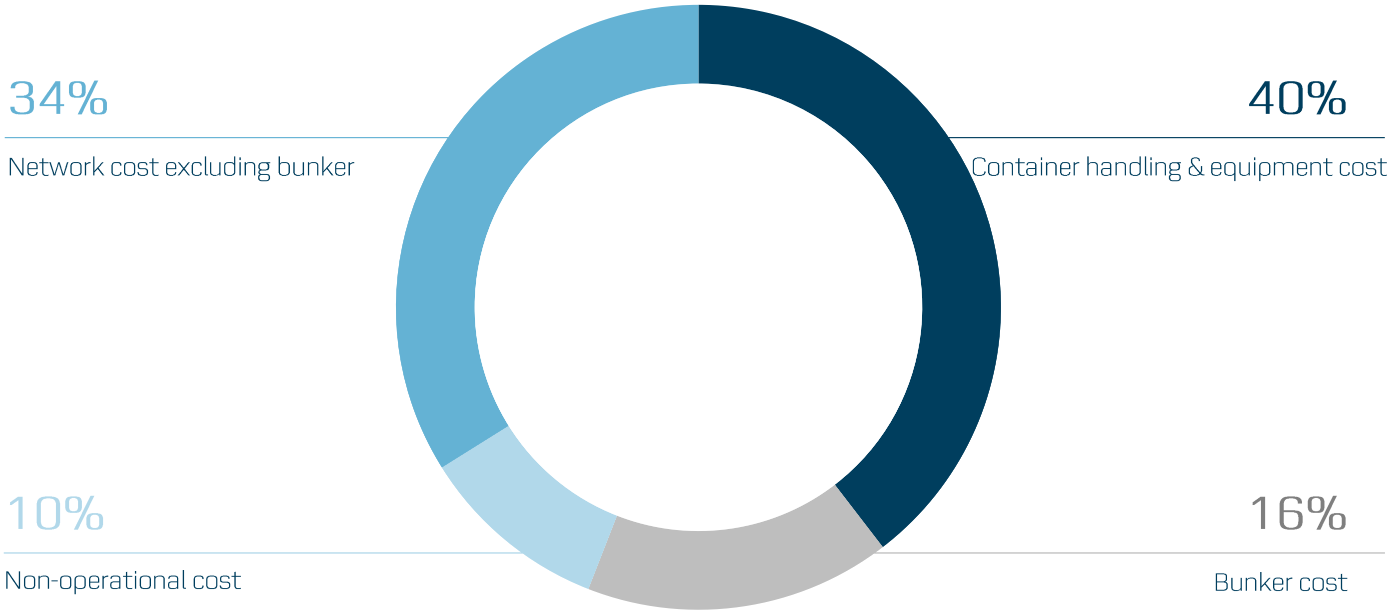
Cost base, 2017

1,867 USD/FFE

2017 unit base



Cost base, 2017

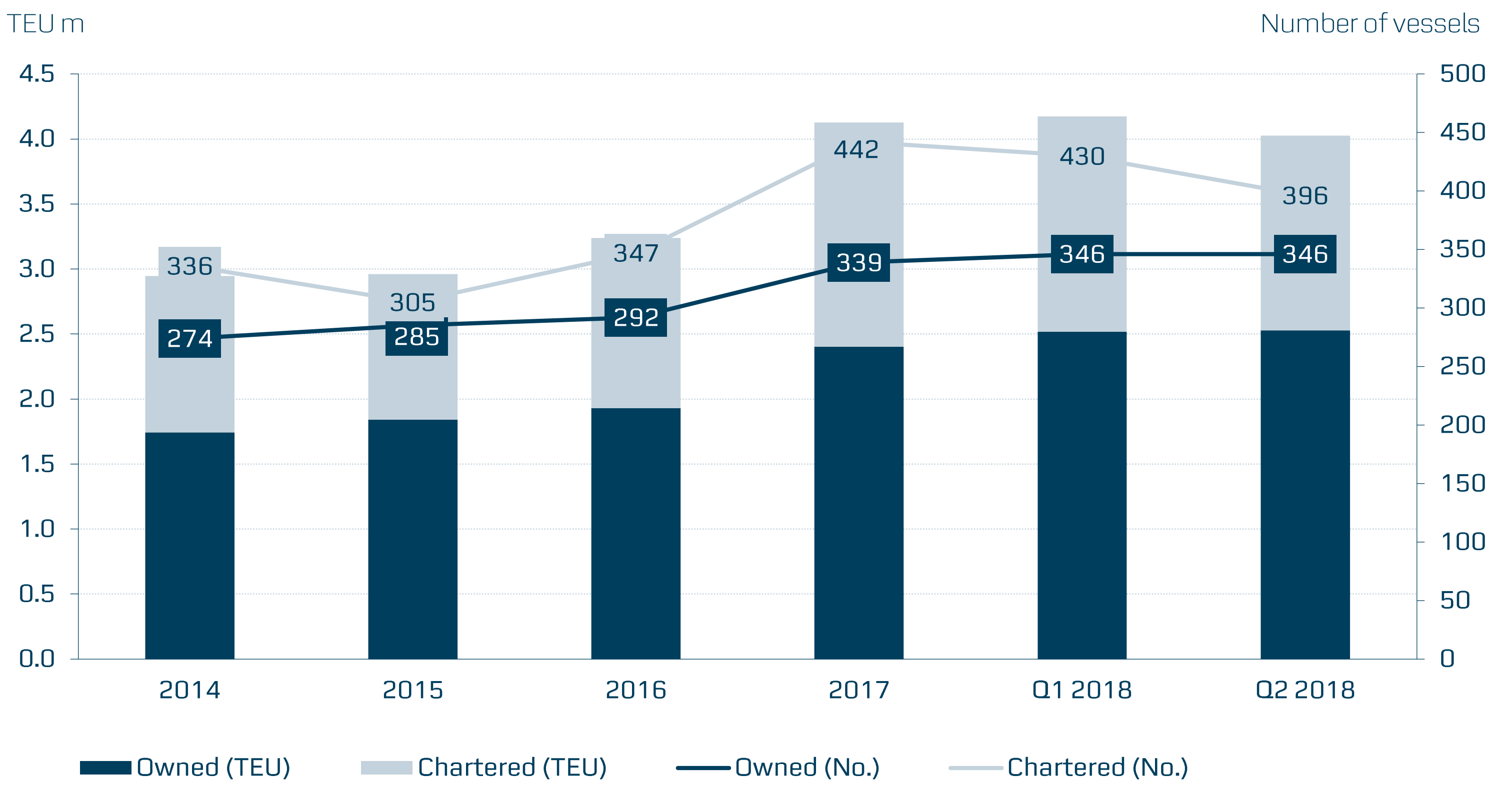


Note: Cost base: EBIT costs including VSA income and Hub income and adjustments for restructuring costs, result from associated companies and gains/losses. **Container handling & equipment cost**: Includes costs related to terminal operation (excluding hubs); inland empty positioning costs related to Ocean; container leasing, deprecation and repair costs; Hamburg Süd Intermodal costs. **Network cost excluding bunker**: Includes hub and transhipment costs; vessel costs related to port and canal fees (Suez and Panama), running costs and crewing of owned vessels, depreciation of owned vessels, time charter of leased vessels, cost of slot (capacity) purchases and vessel sharing agreements (VSA) with partners. **Bunker cost**: Includes costs related to fuel consumption. **Non-operational cost**: Includes costs related to own and third party agents in countries, liner operation centers, vessel owning companies, onshore crew and ship management, service centers and headquarters; administration cost types such as staff, office, travel, training, consultancy, IT, legal and audit, etc.; other costs covering currency cash flow hedge and non-operational provisions and amortization of intangible assets.

Source: Maersk

We continue to optimise the network

Development in owned vs chartered fleet, end of period



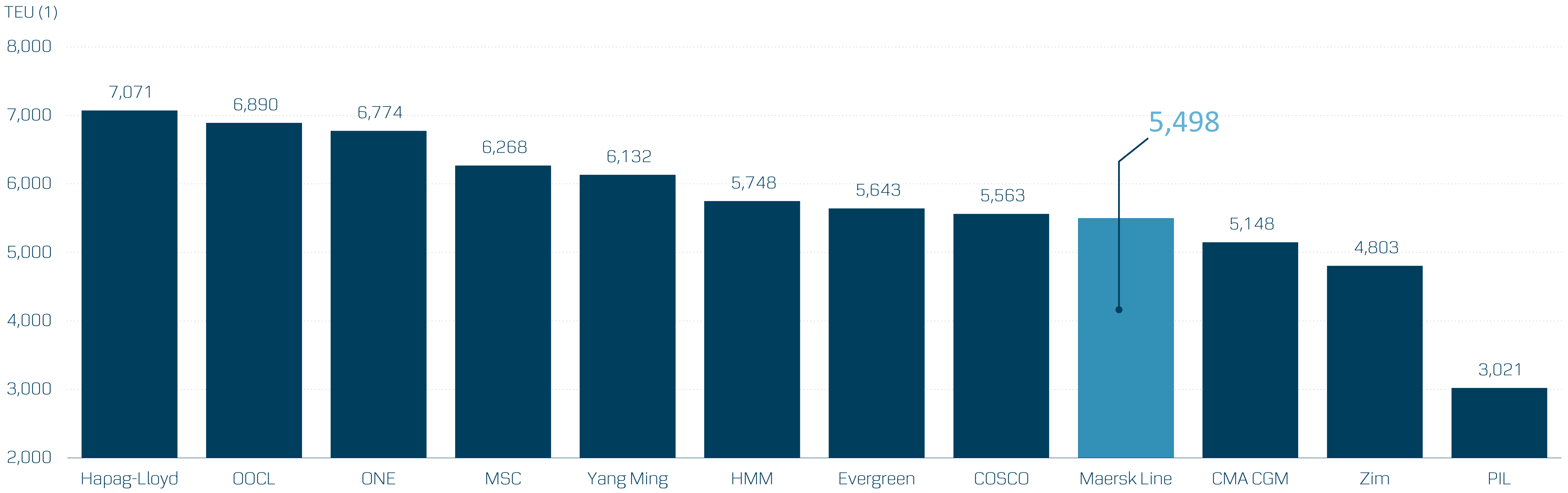
Ocean vessel capacity development, end of period

- Ocean segment aims to continuously adjust capacity to match demand and optimise utilisation
- Network capacity by end of Q2 2018 increased by 18.4% y/y and decreased by 3.5% q/q to 4.0m TEU
- Chartered capacity increased 2.3% y/y while owned capacity increased 30.6% y/y

Source: APMM Ocean

Industry average vessel size

Average vessel size



Source: Alphaliner, end-June 2018.

Ocean segment order book

The Ocean segment order book end-June 2018 corresponded to 2.4% of current fleet, compared to industry order book of 12.9%

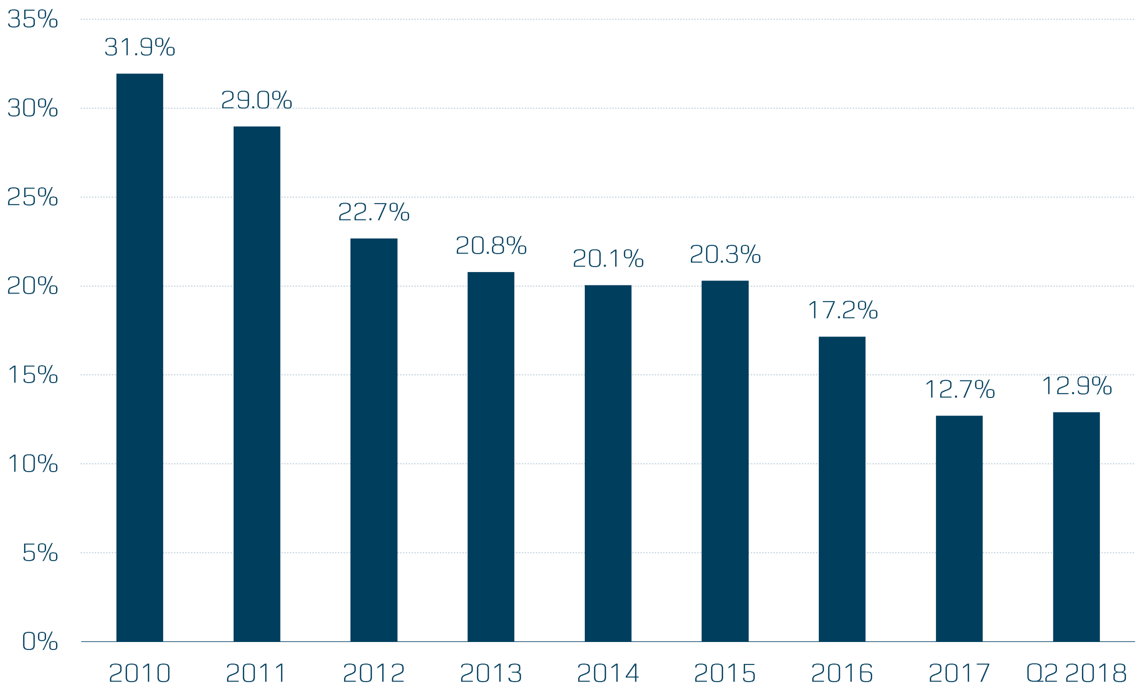
Vessel size	Number of vessels	Total TEU	Delivery year
3,596 TEU	4	14,384 TEU	2018 – 2019
15,226 TEU	4	60,904 TEU	2018 – 2019
20,568 TEU	1	20,568 TEU	2019

Source: Own order book end-June 2018 & Alphaliner, end-June 2018

Industry orderbook still at a low level, even with the latest new orders

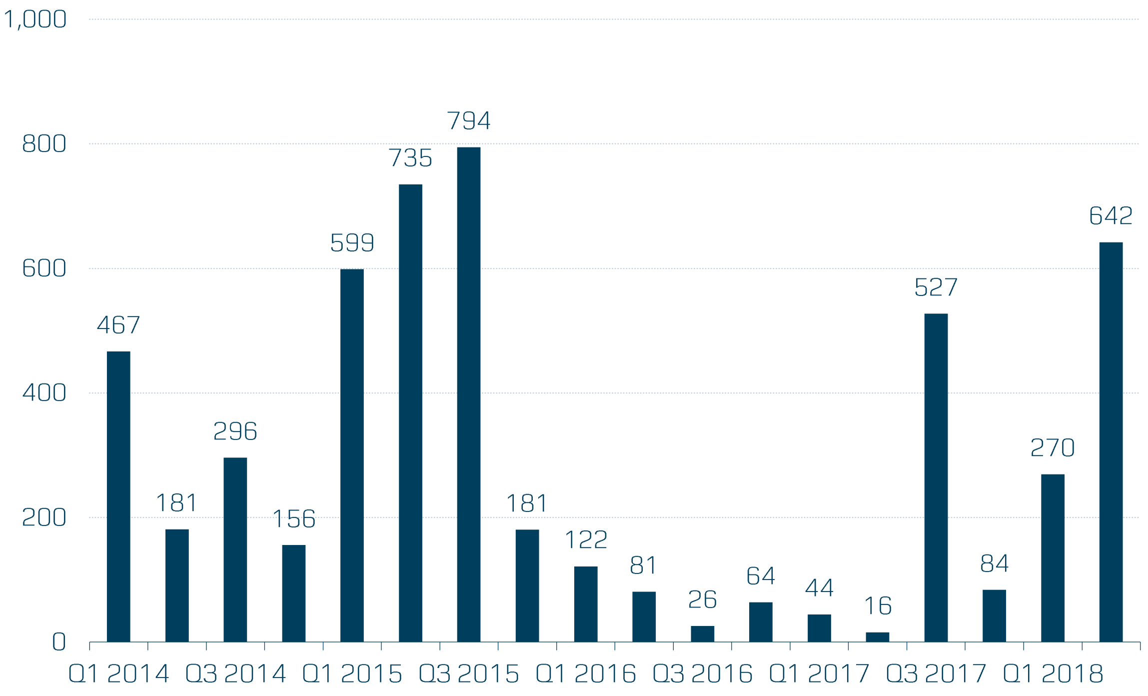
Orderbook

Orderbook as % of current fleet



New orders

TEU '000



Source: Alphaliner, end-June 2018

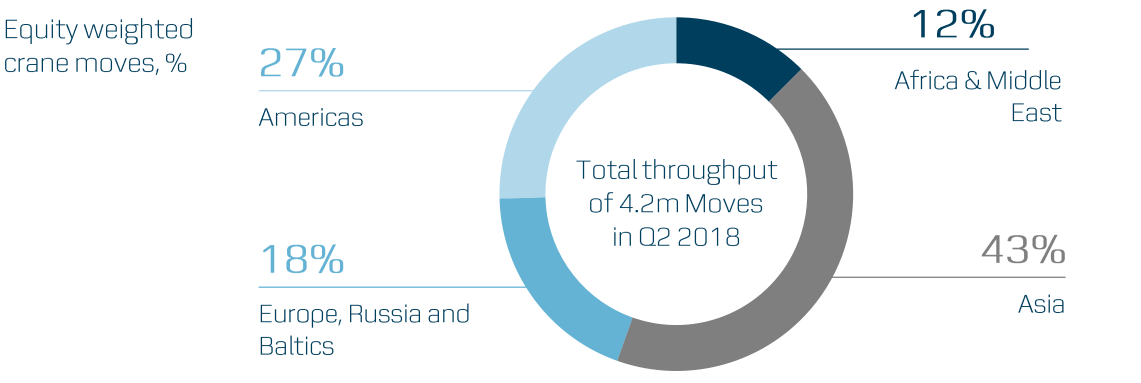
Terminals & Towage

Portfolio Overview

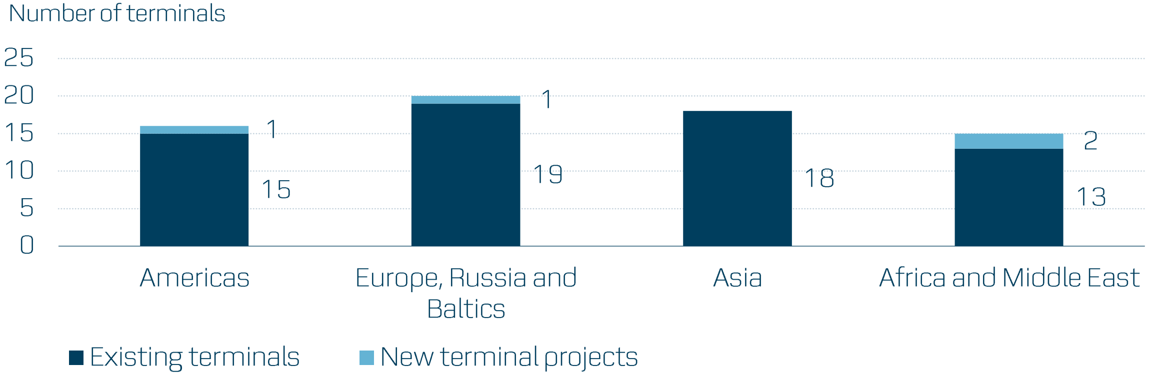
Gateway terminals, including landside activities being port activities where the customers are mainly the carriers, and towage services under the Svitzer brand.

Diversified gateway terminal Portfolio

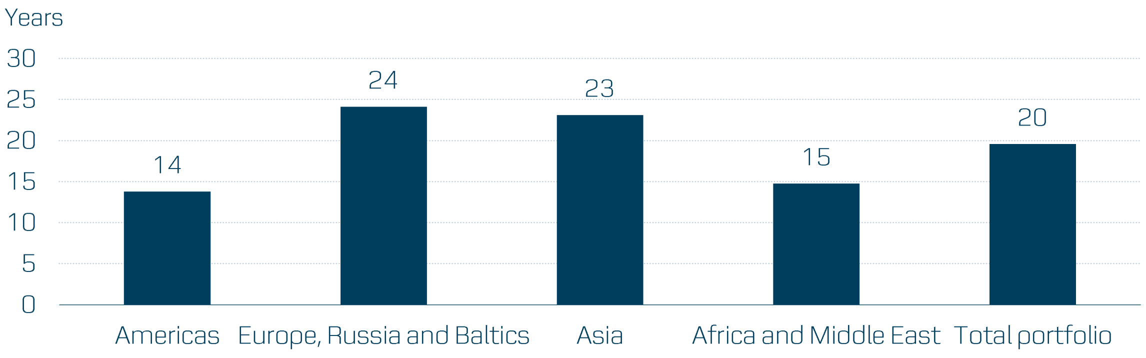
Container throughput by geographical region



Geographical split of terminals

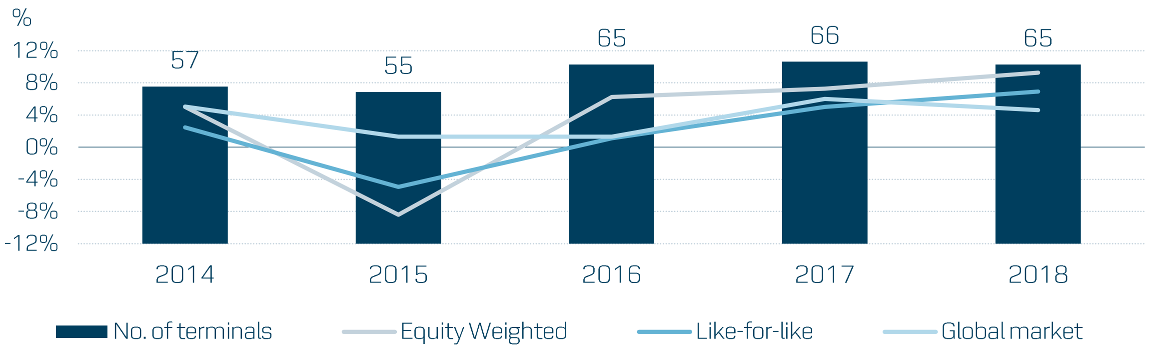


Average remaining concession length in years



Note: Average concession lengths as of Q2 2018, arithmetic mean.

Port Volume growth development



Note: Like for like volumes exclude divestments and acquisitions.

Gateway terminals – Project progress

Project	Opening	Details	Investment
Moin, Costa Rica	2019	• 33-year concession for the design, construction and operation of new deep-water terminal • The terminal will have an area of 80 hectares, serving as a shipping hub for the Caribbean and Central America	USD 1.0bn
Vado, Italy	2019	• 50-year concession for the design, construction, operation and maintenance of a new deep-sea gateway terminal • Joint venture agreement with China COSCO Shipping Ports (40%) and Qingdao Port International Development (9.9%); APMT (50.1%)	USD 0.4bn
Abidjan, Ivory Coast	2020	• Terminal will be the second in one of the busiest container ports in West Africa • New facility will be able to accommodate vessels of up to 8,000 TEU in size (existing facility 0.75 million TEU)	USD 0.6bn
Tema, Ghana	2019	• Joint venture with existing partner Bolloré (42.3%) and the Ghana Ports & Harbours Authority (15.4%) • Will add 3.5 million TEUs of annual throughput capacity • Greenfield project located outside the present facility that includes an upgrade to the adjacent road network	USD 0.8bn

Note: TEU and investment numbers are 100% of the projects.

Active portfolio management – gateway terminals

Acquisitions and secured Projects

2010	2011	2012	2013	2014	2015	2016	2017	2018
						Tangier Med 2		
						Quetzal		
						Yucatan		
		Lazaro Cardenas				Buenaventura		
		Gothenburg				Paranagua		
	Monrovia	Talin	Abidjan		Qingdao	Valencia		
	Moin	Kotka / Helsinki	Ust Luga		Vado reefer	Gijon		
Cotonou	Callao	Vostochny	St. Petersburg 2		Cartagena	Castellon		
Santos	Poti	St. Petersburg	Izmir	Namibe	Tema	Barcelona	Itapoa	

Grup Marítim TCB: Quetzal, Yucatan, Buenaventura, Paranagua, Valencia, Gijon, Castellon, Barcelona

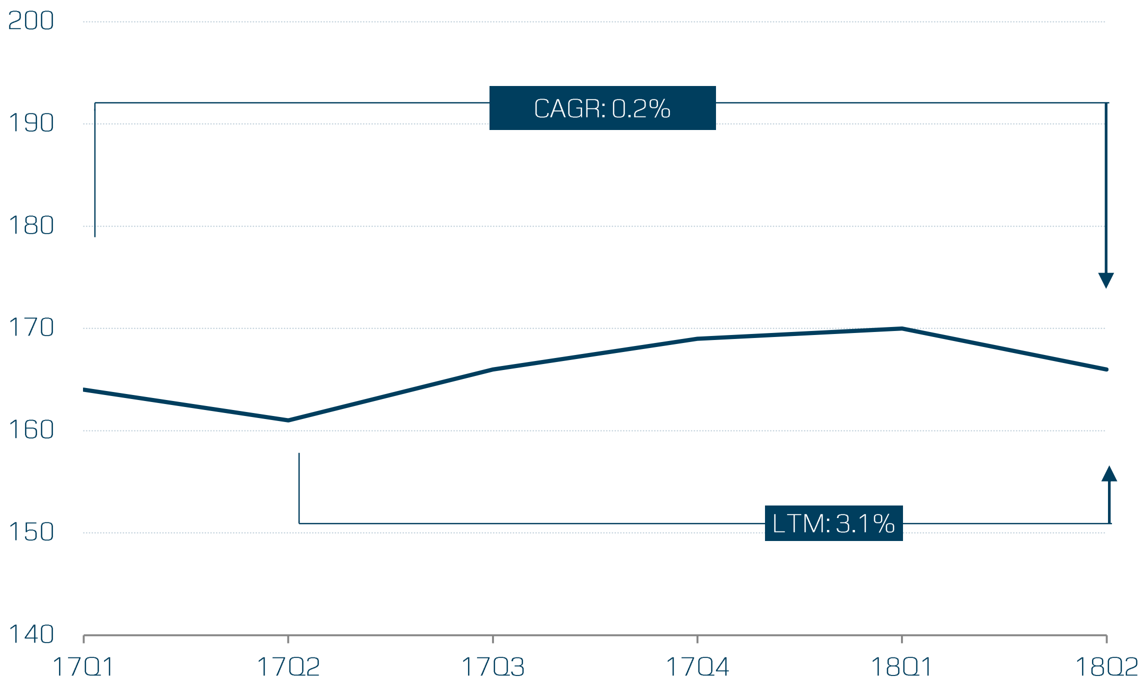
Divestments/ stop operation

2010	2011	2012	2013	2014	2015	2016	2017	2018
Kaoshiung		Dailan	Oslo	Le Havre	Charleston		Pentalver	Paranagua
Dunkirk				Virginia	Houston		Tacoma	
Oakland					Jacksonville		Zeebrugge	
Yantian					Gioia Tauro		Dalian	

Focusing on lower cost and higher efficiency

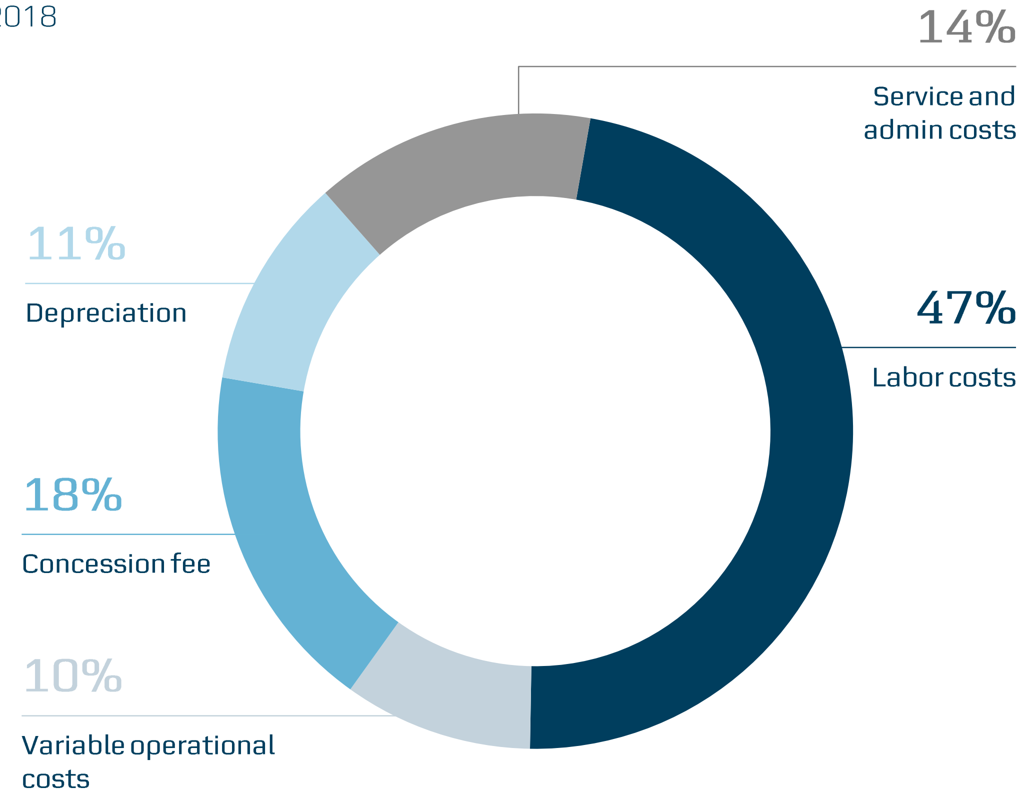
Gateway terminal cost per move, EqW (1)

USD/move



Gateway terminal Cost break down (2)

Q2, 2018



1) Gateway terminal Cost per move for all operating terminals, weighted by ownership %, including HQ fees; terminals under implementation excluded.
2) Cost breakdown for all gateway terminals on financial consolidated basis.

Gateway terminals operating businessess

Q2 2018, USDm	Consolidated businesses	JV & Associates	Operating businesses	Implementations	Total
Throughput (Moves m, equity weighted)	2.4	1.8	4.2	0.0	4.2
Throughput (Moves m, financially consolidated)	2.8	-	2.8	0.0	2.8
Revenue	641	-	641	30[1]	671
EBITDA	128	-	128	-9	119
EBITDA margin (%)	20.0	-	20.0	N/A	17.7

Note: Gateway terminals Implementations include terminals currently under construction (Vado & Vado reefer, Italy; Moin, Costa Rica; Abidjan (TC2), ivory coast).

Note 1: USD 23m related to IFRIC 12 construction revenue.

Consolidated gateway terminals

USDm	Q2 2018	Q2 2017	Q2 2018 / Q2 2017
Throughput (Moves m, equity weighted)	2.4	2.1	13.8%
Throughput (Moves m, financially consolidated)	2.8	2.5	10.6%
Revenue	641	620	3.3%
EBITDA	128	105	21.4%
EBITDA margin (%)	20.0	17.0	3.0pp

Note: Consolidated businesses includes gateway terminals that are financially consolidated.

Gateway terminals - JV and Associates

USDm	Q2 2018	Q2 2017	Q2 2018 / Q2 2017
Throughput (Moves m, equity weighted)	1.8	1.8	0.4%

Gateway terminals under implementation

USDm	Q2 2018	Q2 2017	Q2 2018 / Q2 2017
Throughput (Moves m, equity weighted)	0.0	0.0	n.a.
Throughput (Moves m, financially consolidated)	0.0	0.0	n.a.
Revenue	30[1]	41[2]	-27.7%
EBITDA	-9	-4	N/A
EBITDA margin (%)	N/A	N/A	N/A

Note: Implementations include terminals currently under construction (Vado & Vado reefer, Italy; Moin, Costa Rica; Abidjan (TC2), ivory coast). Q2 2017 Implementations include Vado & Vado reefer, Italy; Moin, Costa Rica; Tangier Med Port II, Morocco; Quetzal, Guatemala; Abidjan (TC2), ivory coast

Note 1: USD 23m related to IFRIC 12 construction revenue.

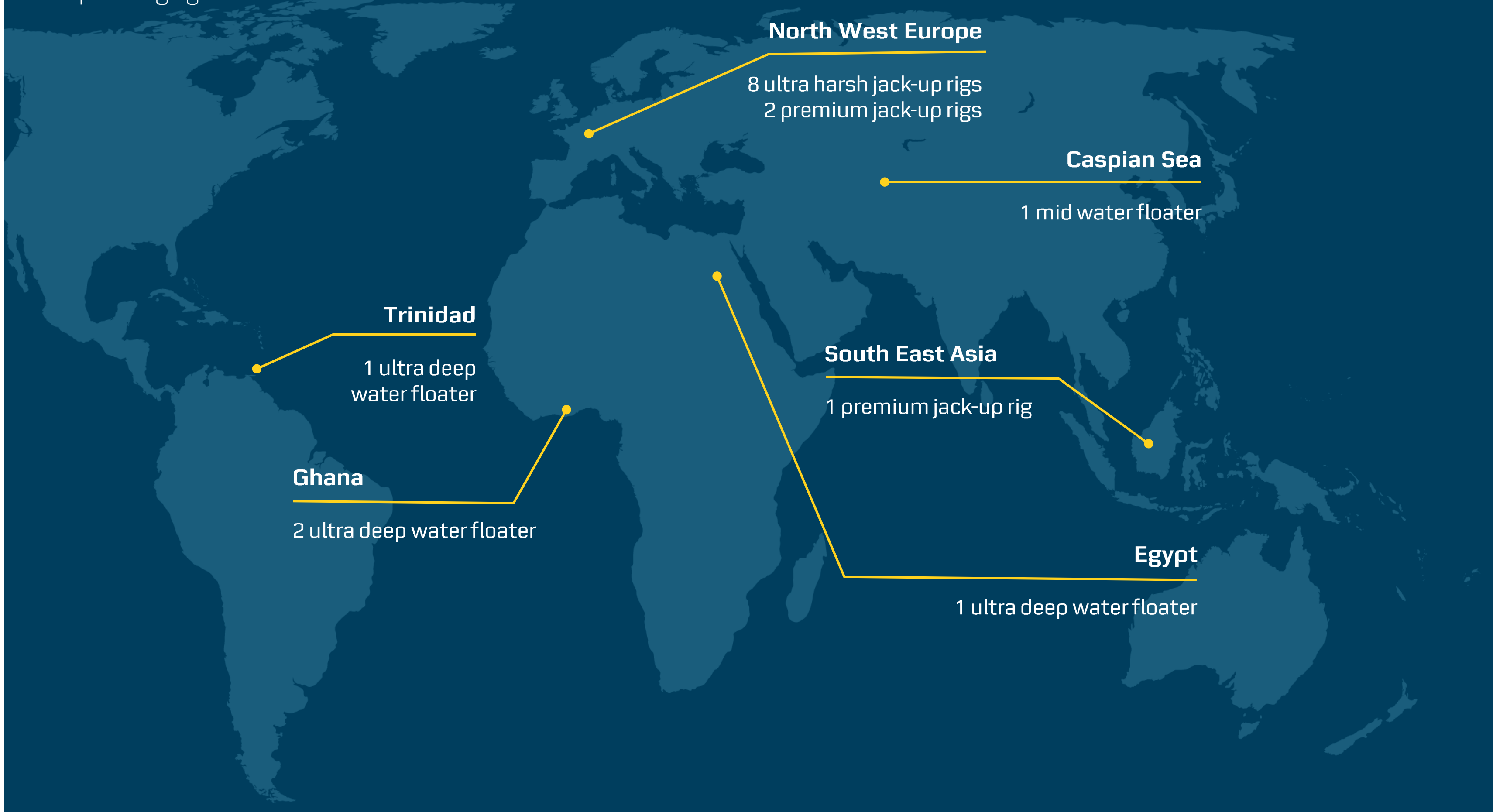
Note 2: USD 38m related to IFRIC 12 construction revenue

MAERSK

Maersk Drilling

(Discontinued operation – held for sale)

Operating rig fleet overview



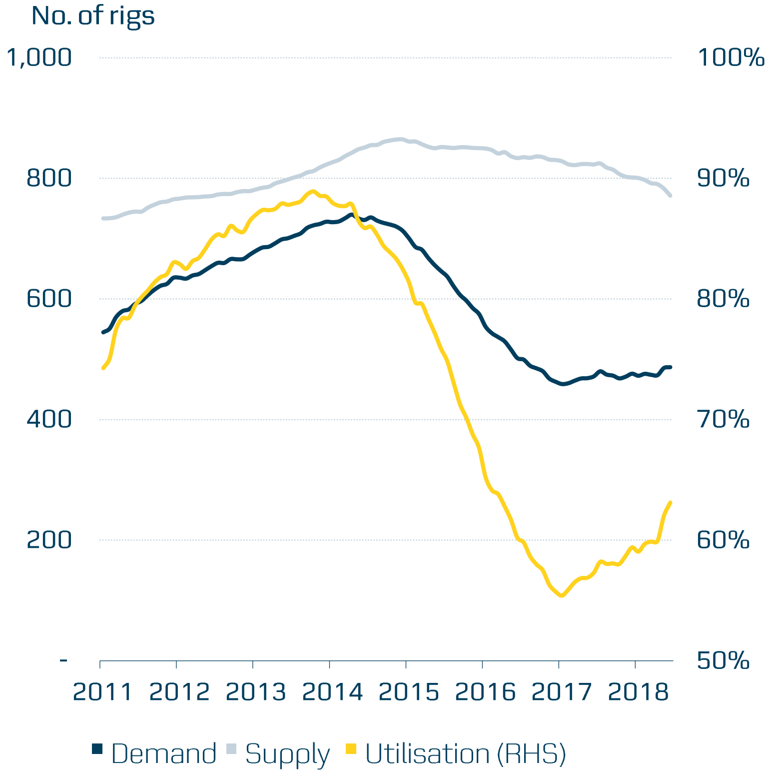
Maersk Drilling supports global oil and gas production around the world within the ultra deep water and ultra harsh environment segments.

Note: As of 29 June 2018.

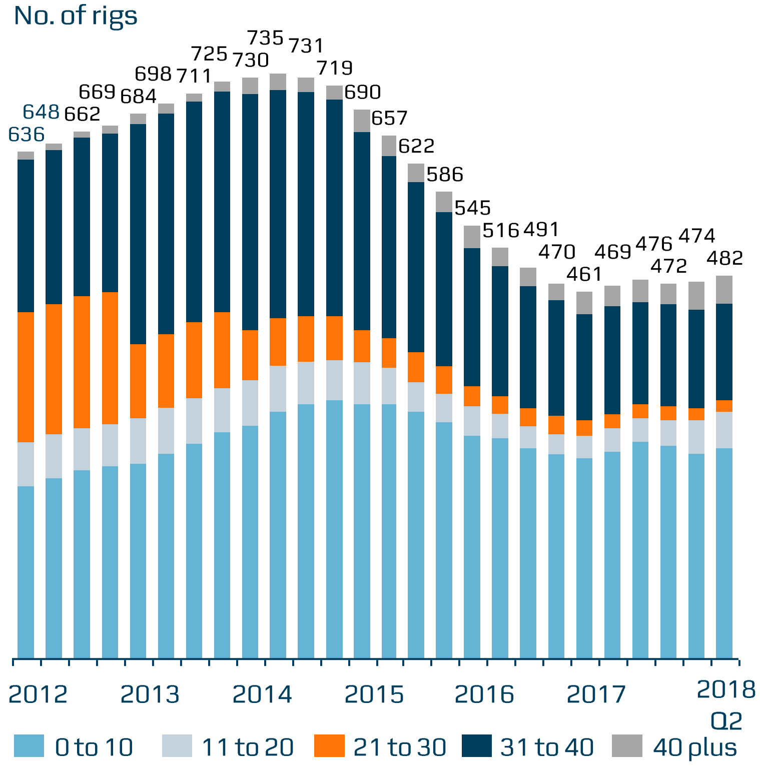
MAERSK

Improving sentiment is driving increased rig demand, however day rates remain low

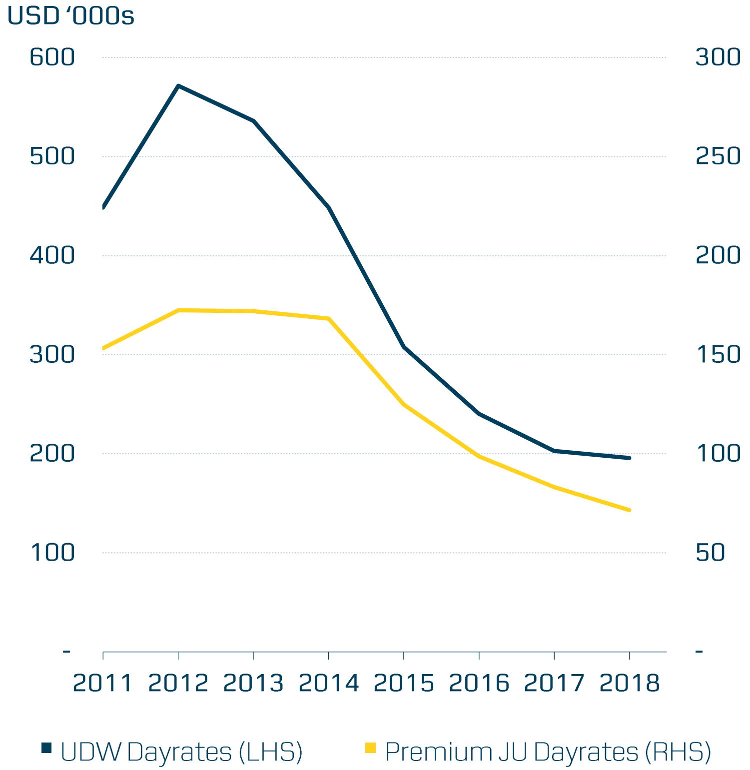
Global rig utilisation increasing as supply-demand imbalance contracts



Operator preference for younger and more capable rigs remains robust



Reported dayrates continue to decline as a reaction to the rig supply-demand imbalance



Note: Premium JU defined as rigs delivered after 2000 with 350+ water depth; UDW floater defined as 7,500ft+ water depth.
Note: Fixtures comprise New mutual, Mutual renegotiation and Mutual sublet.
Source: IHS Markit Rigpoint, Maersk Drilling.

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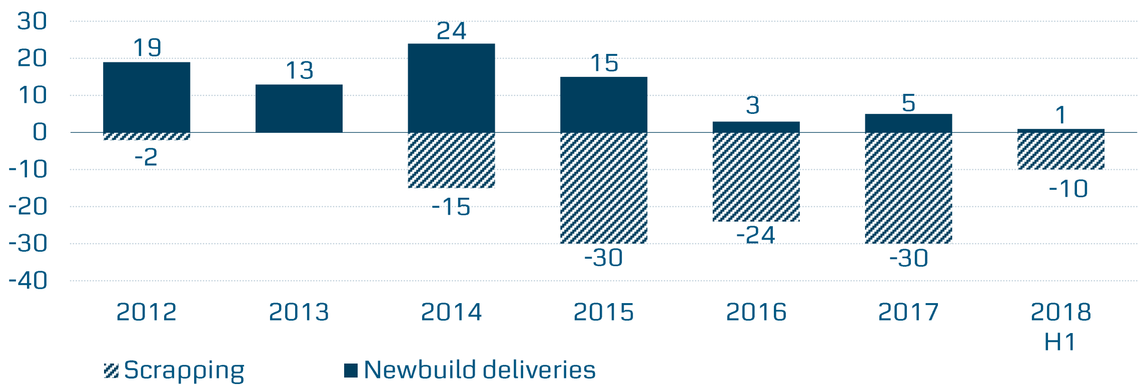
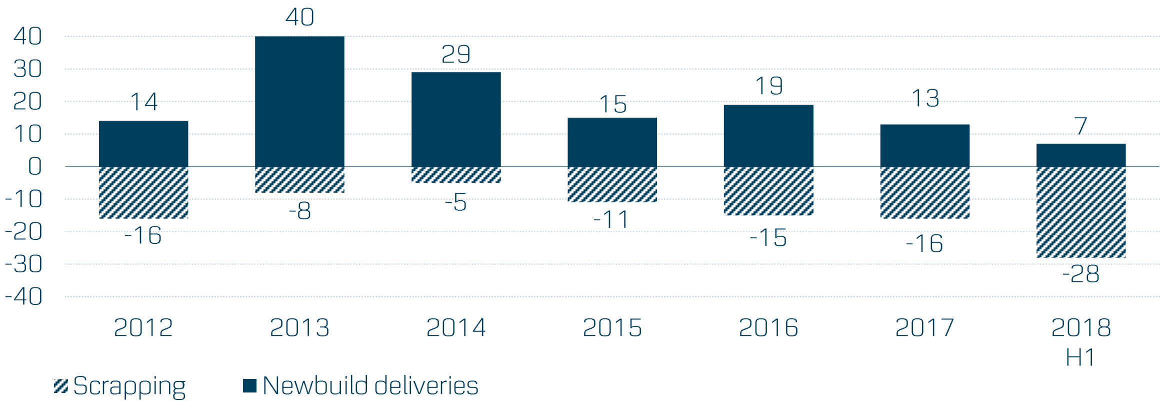
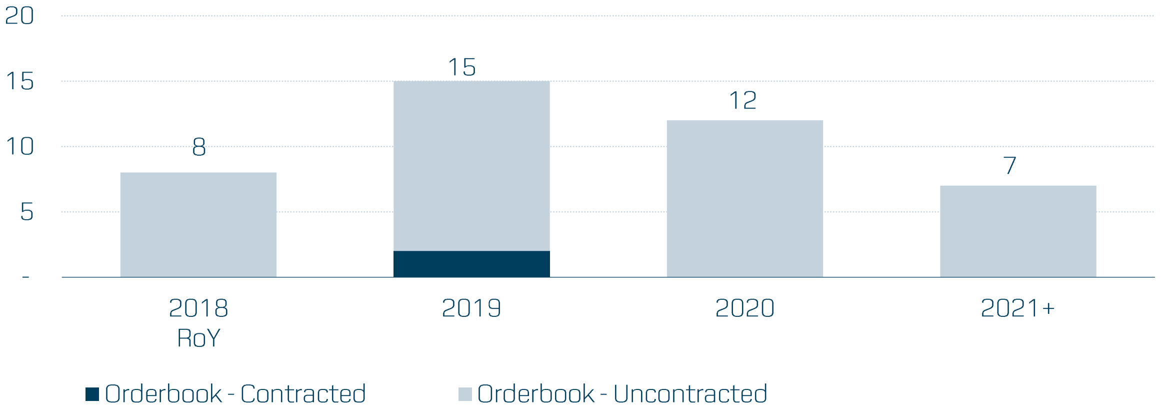
Despite contractors' efforts to scrap rigs, the large orderbook of uncontracted rigs poses a significant risk to utilisation

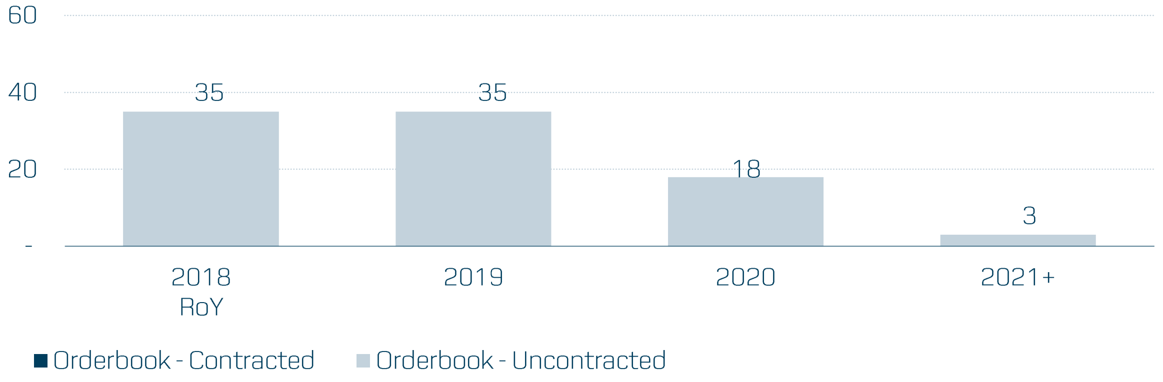
Floater rigs, global market



Jack-up rigs, global market





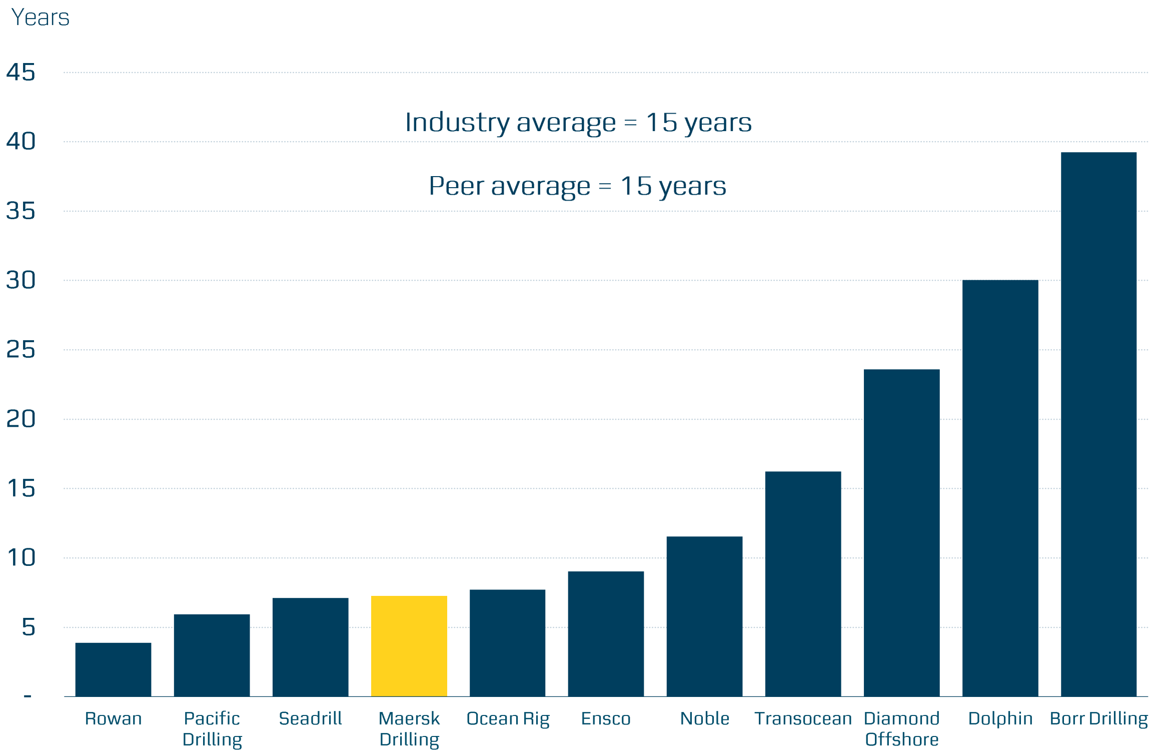


Source: IHS Markit Rigpoint.

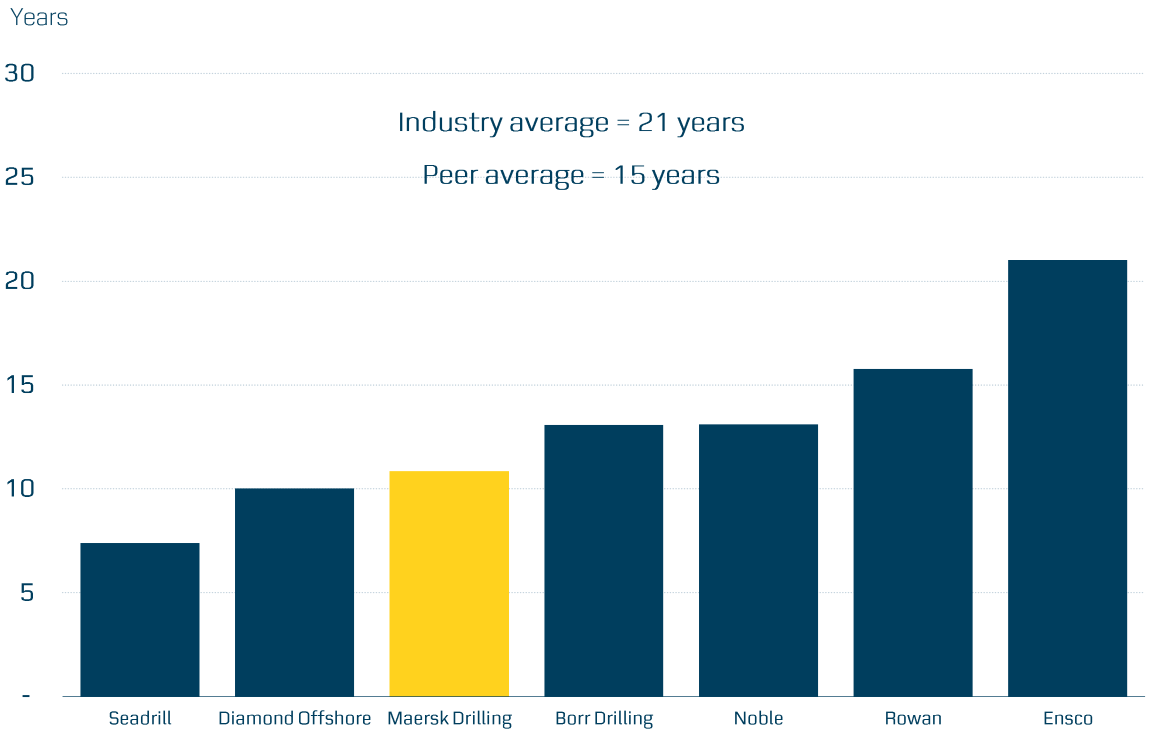
MAERSK

Maersk Drilling has one of the most modern fleets in the competitive landscape

Floater fleet average age



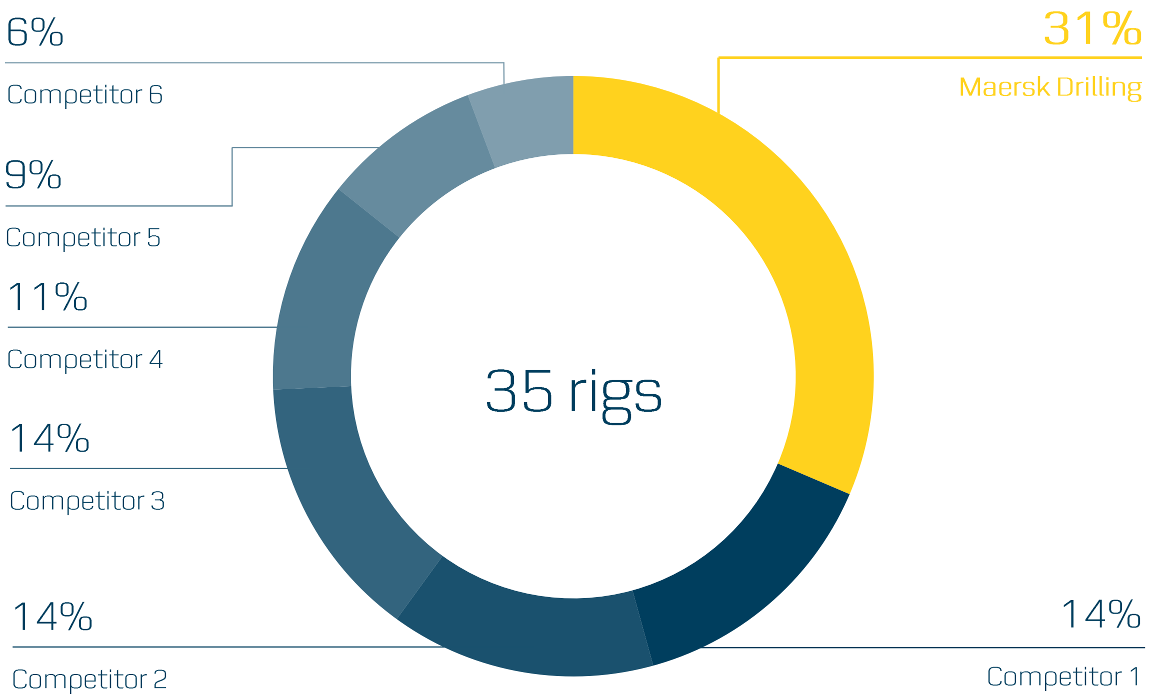
Jack-up fleet average



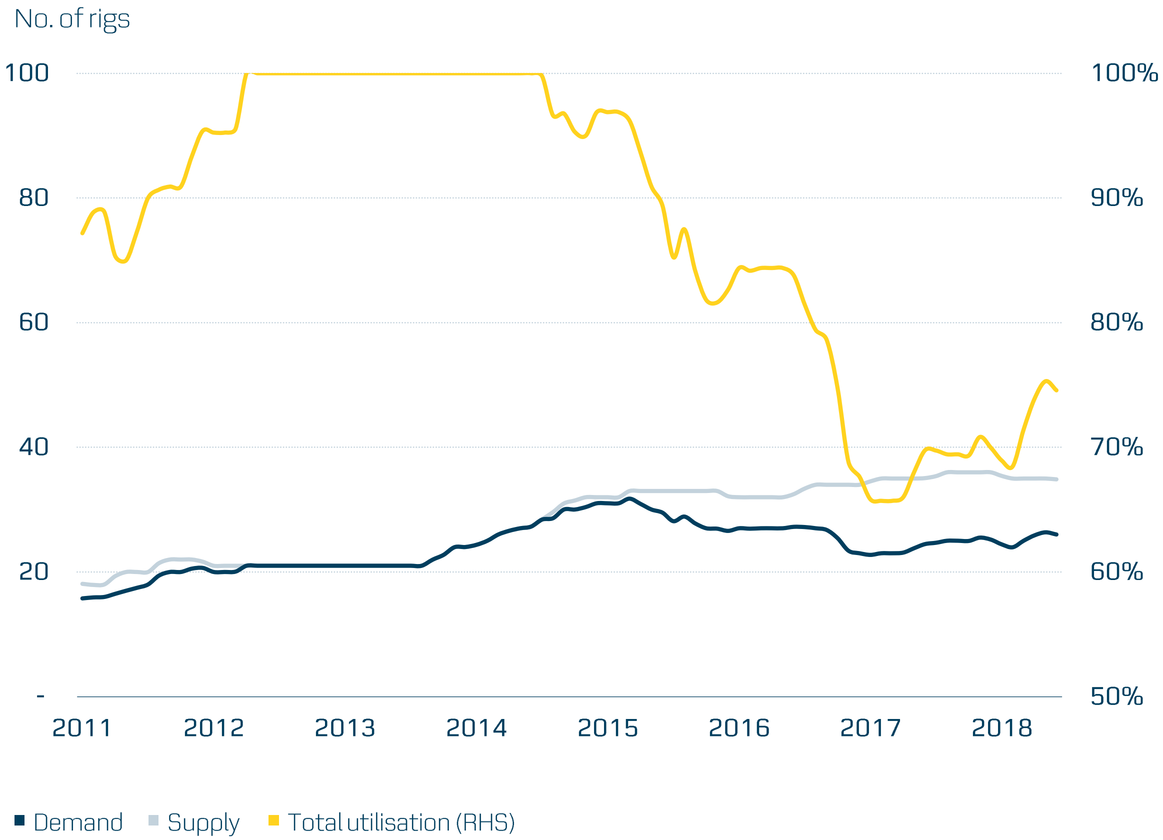
Note: Excludes orderbook.
Note: Maersk Guardian (accommodation rig) not included jack-up average age calculation.
Source: IHS Markit Rigpoint, Maersk Drilling.

Maersk Drilling is the market leader in the ultra harsh environment jack-up sector, which has recently reached an inflection

Ultra harsh environment jack-up market share



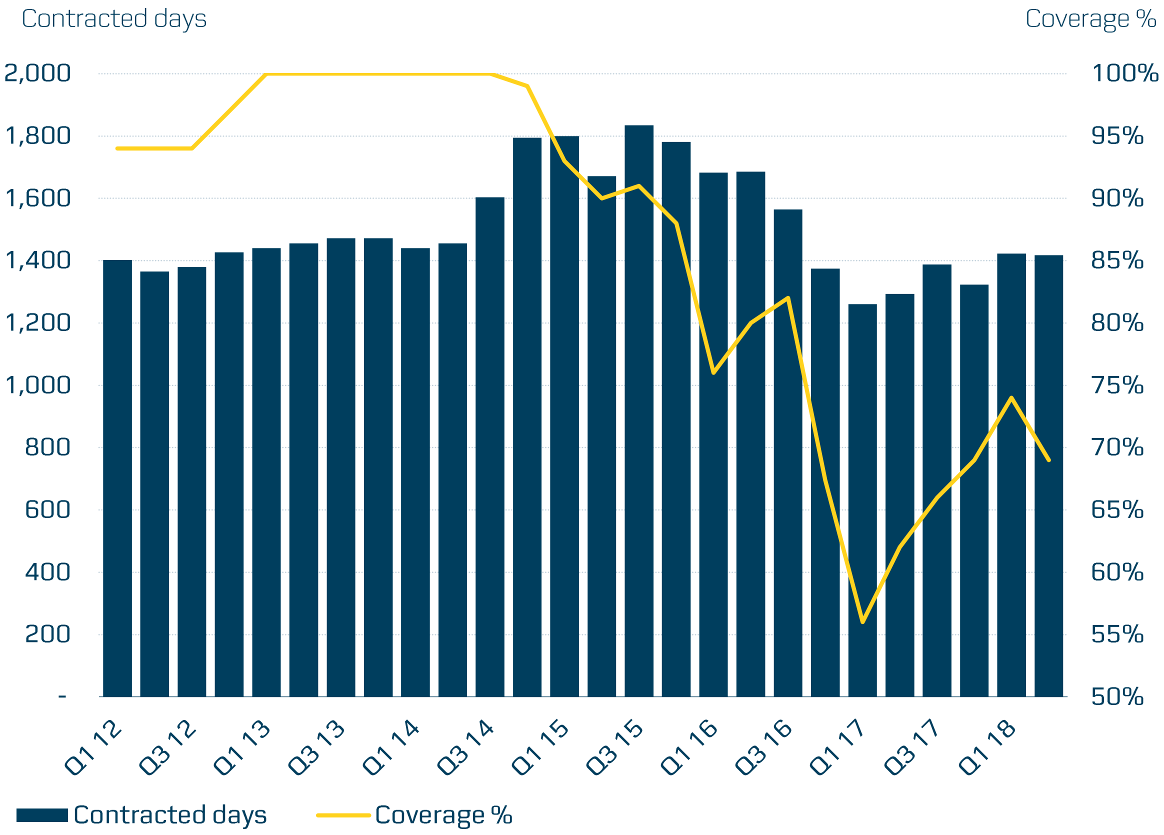
Ultra harsh environment jack-up utilisation buoyed by increased rig demand



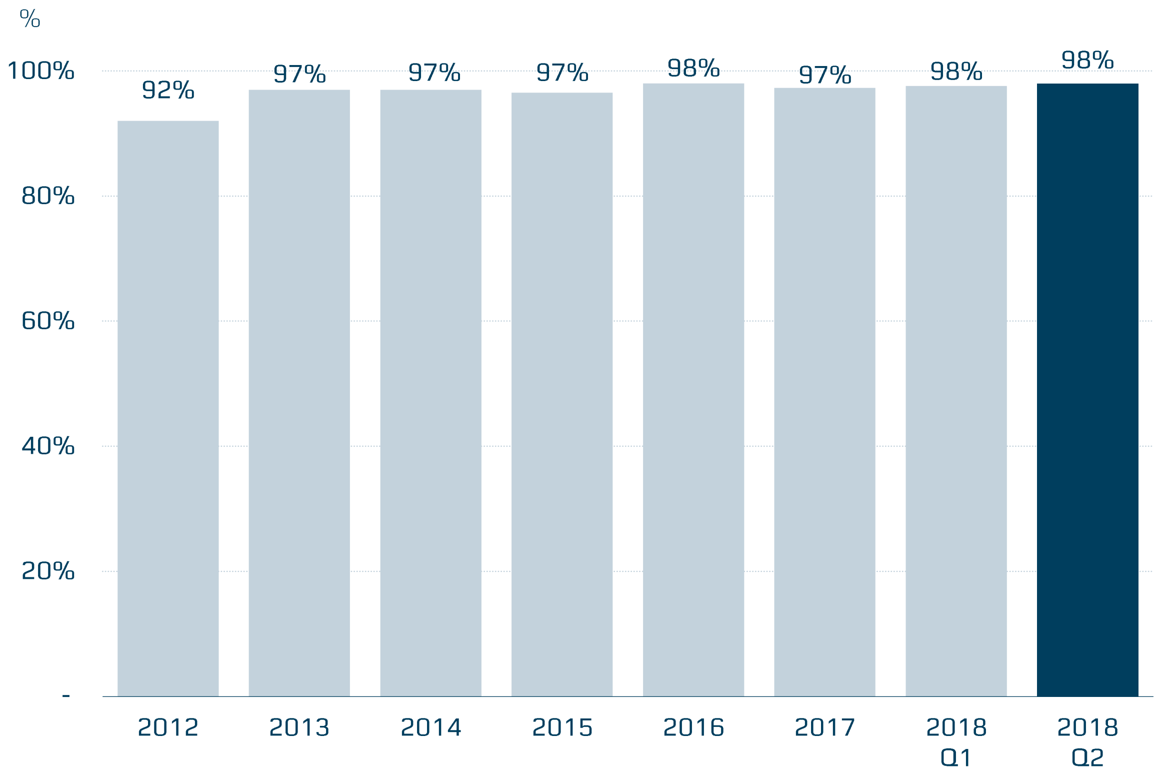
Note: Excludes orderbook.
Source: IHS Markit Rigpoint, Maersk Drilling.

While contract coverage declined in Q2 2018, contracted days remained largely the same.

Contracted days and coverage



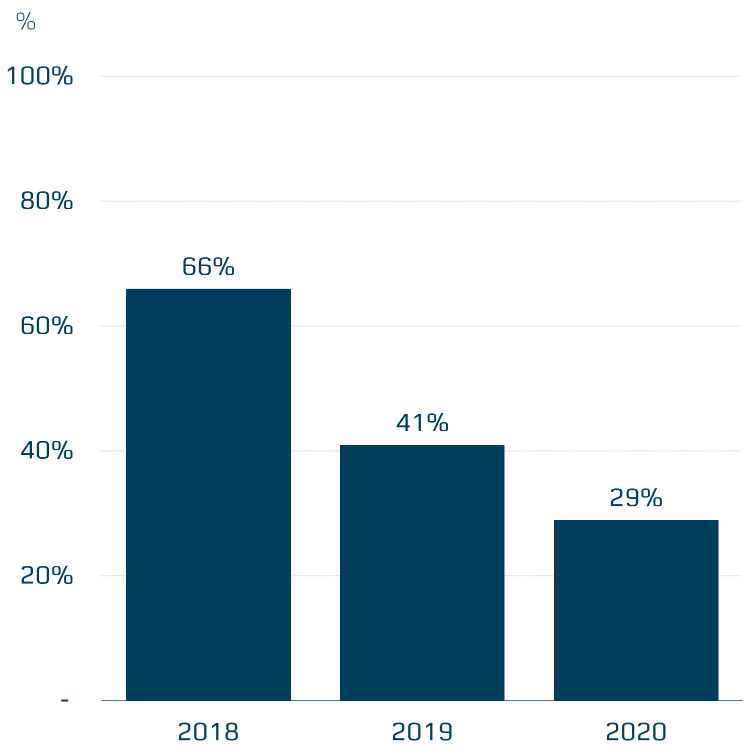
Operational uptime (1)



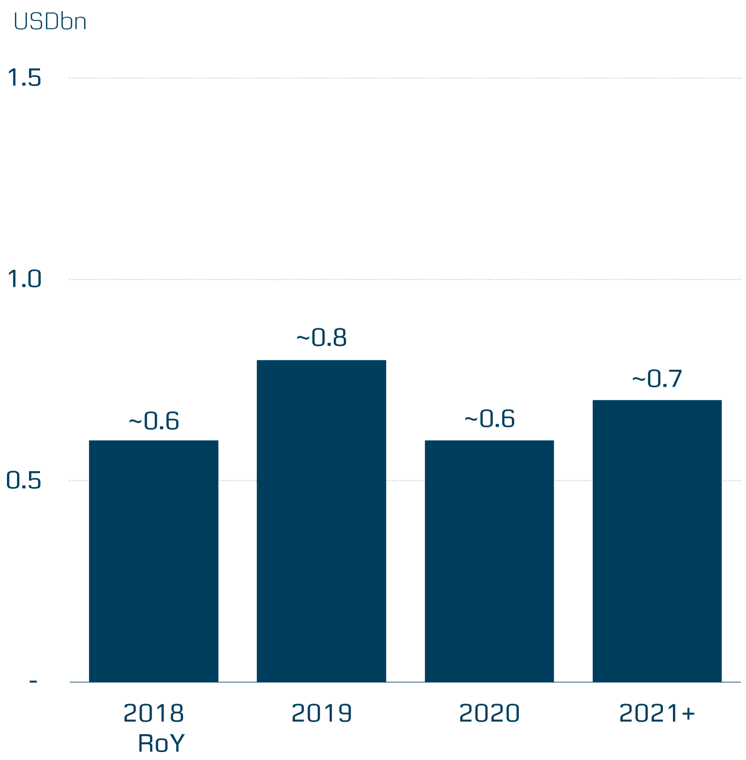
1) Operational availability of the rig.
Source: Maersk Drilling.

Strong forward coverage with backlog providing revenue visibility

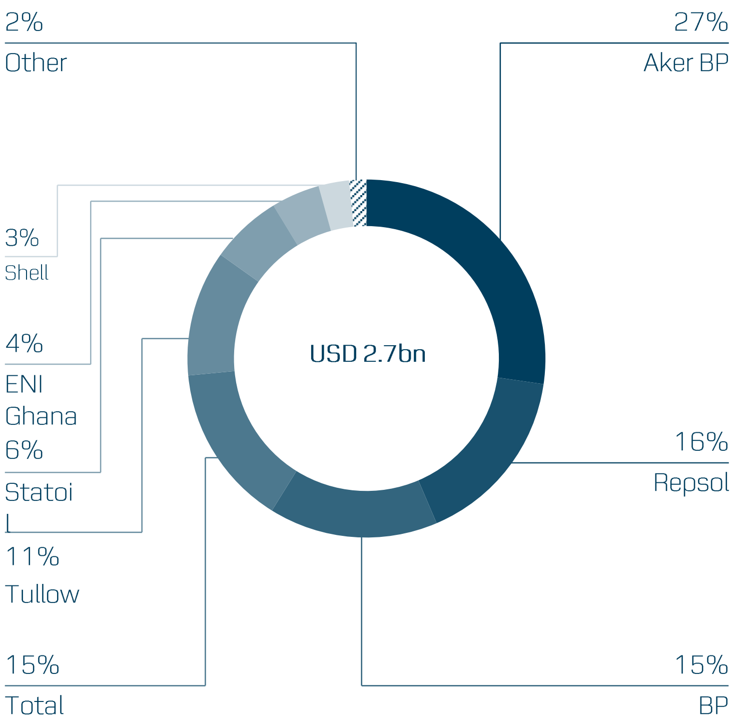
Contract coverage



Revenue backlog



Revenue backlog by customer



Note: Total includes Maersk Oil.
Note: As of June 2018; numbers may not sum due to rounding.
Source: Maersk Drilling.

Fleet status – Jack-ups

Jack-ups	Delivery year	Customer	Contract start	Contract end	Country	Comments
Mærsk Innovator	2003	Nexen	Aug 2018	Apr 2019	UK	3 wells firm with 9 well options
Mærsk Inspirer	2004	Repsol	Q4 2019	Q4 2024	Norway	5 years firm + options up to 5 years, under going production modifications until contract start
Maersk Intrepid	2014	Total	Aug 2014	Mar 2019	Norway	
Maersk Interceptor	2014	Aker BP	Dec 2014	Dec 2019	Norway	Up to 2 years options
Maersk Integrator	2015	Equinor	Jun 2015	Jun 2019	Norway	
Maersk Invincible	2016	Aker BP	Apr 2017	Apr 2022	Norway	
Maersk Highlander	2016	Total	Sep 2016	Sep 2021	UK	2 x 1 year options
Mærsk Gallant	1993					Available
Mærsk Giant	1986					Available
Maersk Guardian	1986	Total	Nov 2016	Nov 2021	Denmark	Accommodation contract with 2 x 1 year options
Maersk Reacher	2009					Available
Maersk Resolute	2008	TAQA+	Jun 2018	Dec 2018	NL	TAQA, Petrogas and Dana. Up to 8 months options
Maersk Resolve	2009	Wintershall	Jul 2017	Jul 2018	UK	
Maersk Resilient	2008	Total	Oct 2015	Oct 2018	Denmark	
Maersk Completer	2007					Available
Maersk Convincer	2008	BSP	Sep 2017	Apr 2021	Brunei	3x1 year options

Note: As of 29 June 2018.

Fleet status – floaters

Semisubmersibles	Delivery year	Customer	Contract start	Contract end	Country	Comments
Mærsk Developer	2009	Shell	Jan 2018	July 2018	Trinidad	
Mærsk Deliverer	2010					Available
Maersk Discoverer	2009	BP	Jul 2012	Aug 2019	Egypt	
Maersk Explorer	2003	BP	Sep 2012	May 2021	Azerbaijan	

Drillships	Delivery year	Customer	Contract start	Contract end	Country	Comments
Maersk Viking	2014					Available
Maersk Valiant	2014					Available
Maersk Venturer	2014	Tullow	Mar 2018	Feb 2022	Ghana	
Maersk Voyager	2015	Eni	Jul 2015	Mar 2019	Ghana	1 x 1 year option

Note: As of 29 June 2018.

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