

A.P. Møller – Mærsk A/S

Q2 2020 investor and analyst presentation



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Webcast: investor.maersk.com



Forward-looking statements

This presentation contains forward-looking statements. Such statements are subject to risks and uncertainties as various factors, many of which are beyond the control of A.P. Møller - Mærsk A/S (APMM), may cause actual developments and results to differ materially from the expectations contained in this presentation.

Comparative figures

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

Q2 2020

Key statements

Highlights for Q2 2020

Continued improvement in profitability and solid free cash flow

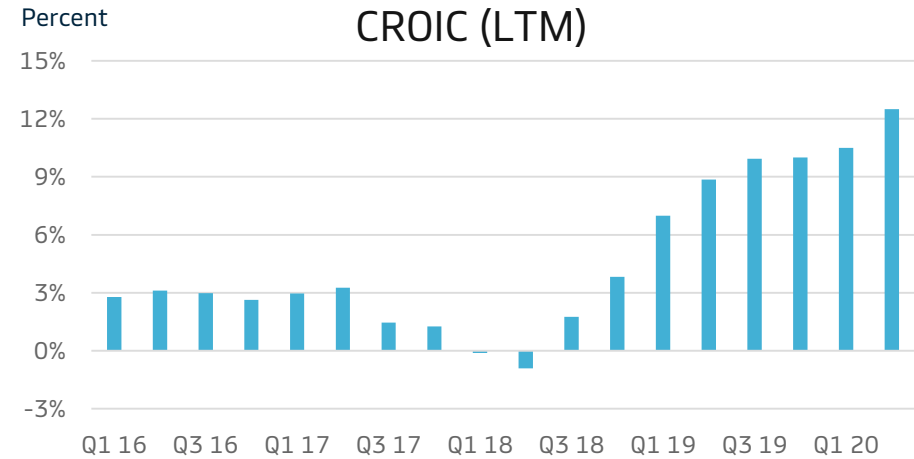
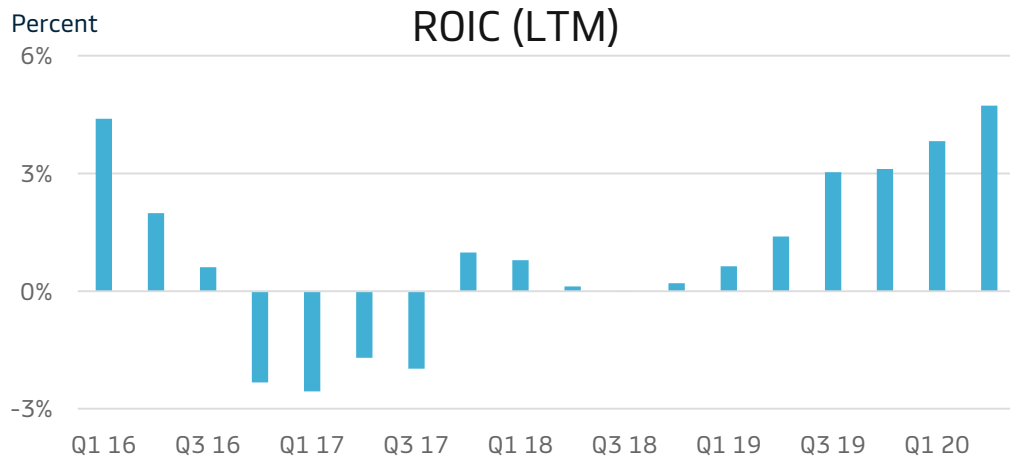
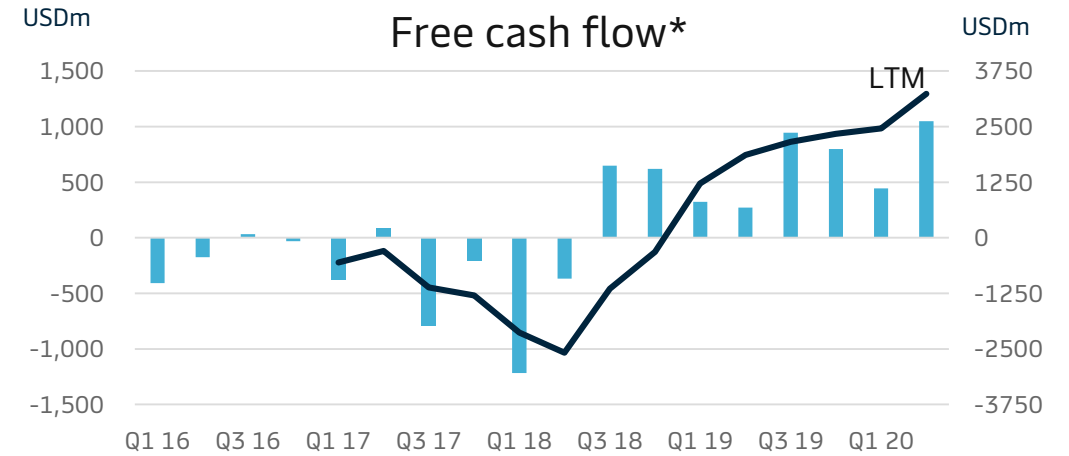
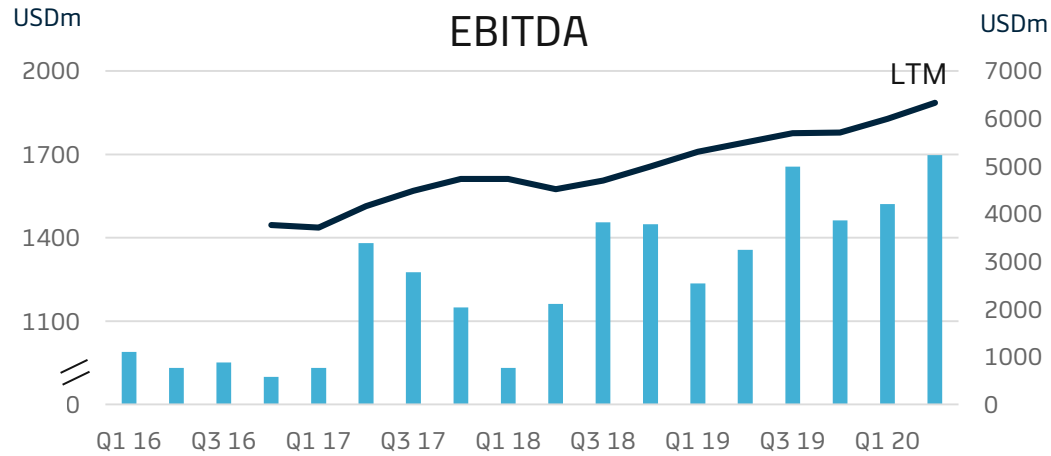
- In the adverse environment from the worldwide impact of COVID-19, our focus remained on the health and well-being of our employees and supporting our customers' supply-chain and businesses with end-to-end logistics solutions, as trade-flows of container improved throughout the quarter.
- Revenue decreased by 6.5% to USD 9.0bn with volumes decreasing approx. 15% due to negative demand impact from COVID-19, while EBITDA increased 25% and the margin improved 4.8 percentage points to 18.9% driven by cost measures across segments and agile capacity deployment in Ocean.
- Operating cash flow increased to USD 1.9bn and focus on capital discipline led to more than a doubling in free cash flow* to USD 1.1bn.
- Reinstating full-year guidance for 2020 with expected EBITDA between USD 6.0bn-7.0bn compared to the initial full-year guidance of an EBITDA around USD 5.5bn. However, significant uncertainties remain on demand growth due to COVID-19, global supply growth and bunker prices.

Q2 2020, USD		H1 2020, USD	
Revenue 9.0bn (-6.5%)	EBITDA 1.7bn (+25%)	Revenue 18.6bn (-3.1%)	EBITDA 3.2bn (+24%)
CFFO 1.9bn cash conversion 110%	Free cash flow* 1.1bn	CFFO 3.1bn cash conversion 96%	Free cash flow* 1.5n

* Free cash flow (FCF) comprise of cash flow from operating activities, purchase/ sale of intangible assets and property, plant and equipment, dividends received, repayments of lease liabilities, financial payments and financial expenses paid on lease liabilities.

Key statements

Financial metrics reflect focus on higher returns



Note: 2016-2017 IFRS16 adjustments have been simulated based on 2018 and is for reference purposes only. The 2016-2017 adjustment is not audited. LTM = last twelve months.

* Free cash flow (FCF) comprise of cash flow from operating activities, purchase/ sale of intangible assets and property, plant and equipment, dividends received, repayments of lease liabilities, financial payments and financial expenses paid on lease liabilities.

Strategic Transformation update

Earnings growth and disciplined capital allocation lead to further improvements in CROIC and ROIC

- Earnings improvements, high cash conversion and strong capital discipline led to the significant increase in CROIC and ROIC.
- Revenue in the Infrastructure and Logistics activities¹ declined, impacted by COVID-19.
- EBITDA in Logistics & Services² increased 63%, positively impacted by the integration of Performance Team with USD 11m.
- The intended acquisition of KGH Customs Services will significantly improve our overall offering within customs services through digital solutions and technology, adding significant strategic value to the end-to-end container logistic integrator strategy.

	Q2 2020	Q2 2019	H1 2020	H1 2019	FY 2019
Cash return on invested capital - LTM	12.5%	8.9%	12.5%	8.9%	10.0%
Infrastructure and Logistics revenue ¹ , USDm	2,053	2,285	4,178	4,457	9,201
Logistics & Services ² , EBITDA, USDm	75	46	144	92	221
Long-term metric					
Return on invested capital (ROIC) - LTM	4.7%	1.4%	4.7%	1.4%	3.1%
Underlying Return on invested capital (ROIC) - LTM	4.6%	2.7%	4.6%	2.7%	3.2%

¹ Infrastructure and Logistics revenue comprise of Terminals & Towage and Logistics & Services excluding Damco Freight Forwarding

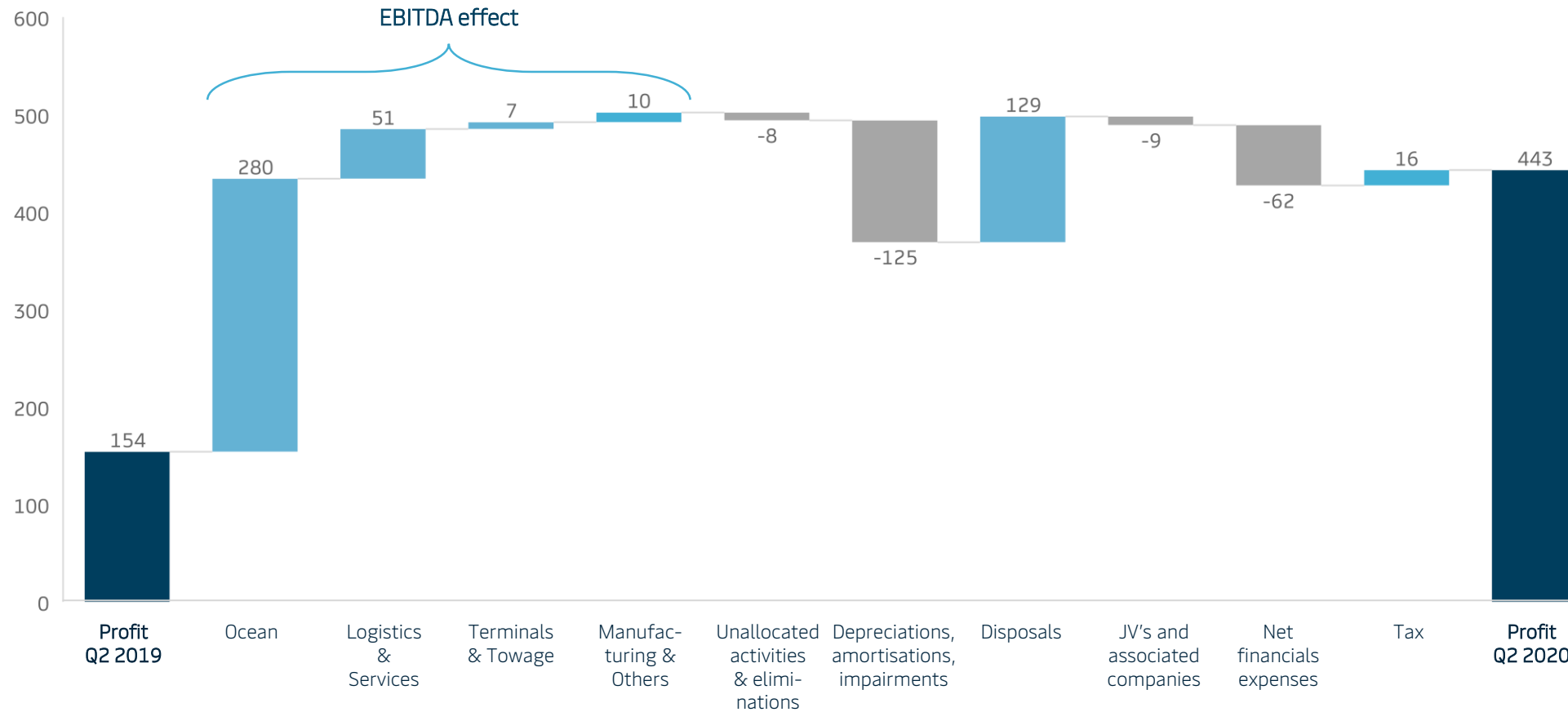
² Logistics & Services EBITDA excludes Damco Freight Forwarding

Q2 interim report

Financial highlights

Strong improvements in profitability

Profit/loss result bridge for Q2 2020, USDm



Profitability improved 25%, mainly due to EBITDA increase in Ocean and Logistics & Services leading to an EBITDA margin of 18.9% (14.1%) and an EBIT margin of 8.3% (4.3%).

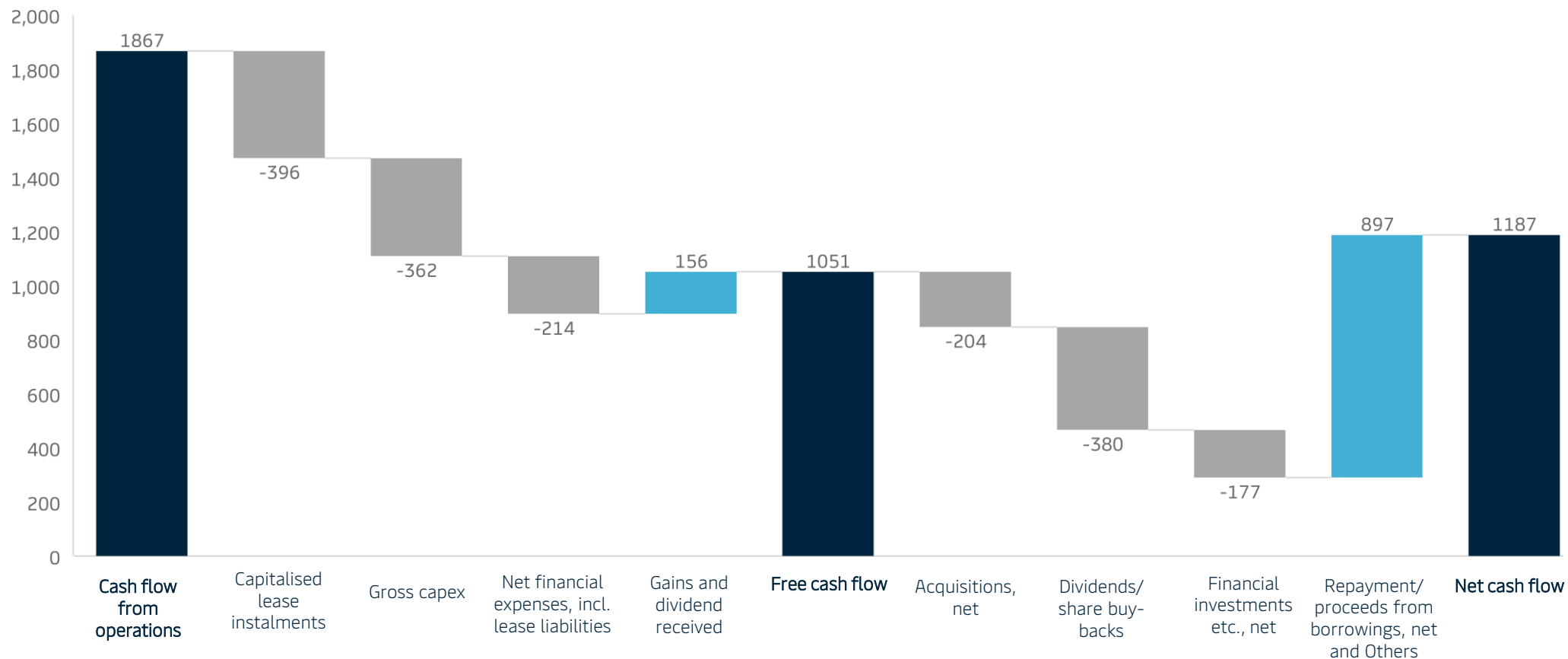
Net financial expenses increased as lower borrowing costs were offset by a negative FX impact (USD 88m vs Q2 2019).

Profit for Q2 2020 improved to USD 443m as a result of the improvements in profitability.

Underlying result increased to USD 359m (USD 134m), adjusted for disposals and impairments.

Increased free cash flow and a strong financial position

Cash flow bridge for Q2 2020, USDm



CCFO of USD 1.9bn reflecting a cash conversion of 110%.

Free cash flow was USD 1,051m after net interests, capitalised lease payments and gross capex.

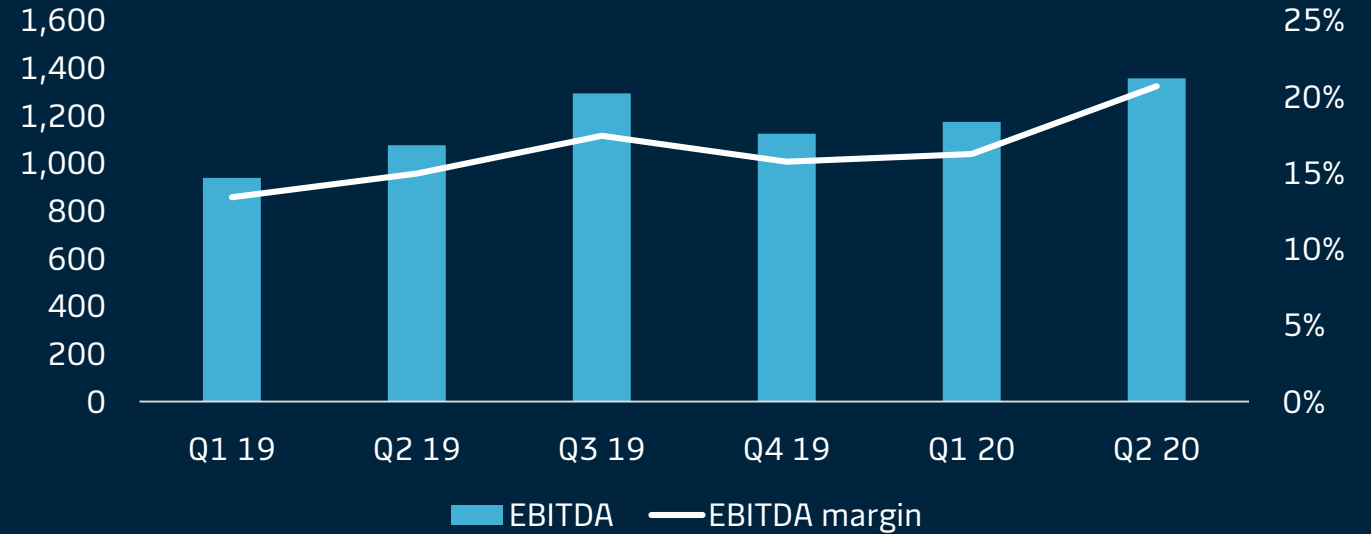
Net interest bearing debt decreased by USD 0.4bn from Q1 2020 to USD 11.6bn and by USD 0.1bn from Q4 2019 (USD 11.7bn).

Share buy back programme of USD 1.5bn completed in July 2020.

Ocean

- Revenue decreased 8.7% compared to Q2 2019, with volumes declining 16% due to COVID-19; progressively improving over the quarter.
- EBITDA improved 26% with a margin of 20.7% driven by focus on active and agile capacity deployment, lower bunker cost and higher freight rates.
- Maersk Spot gained further traction in the quarter increasing the share of loaded short term volumes from 25% in Q1 to 41% in Q2 2020.

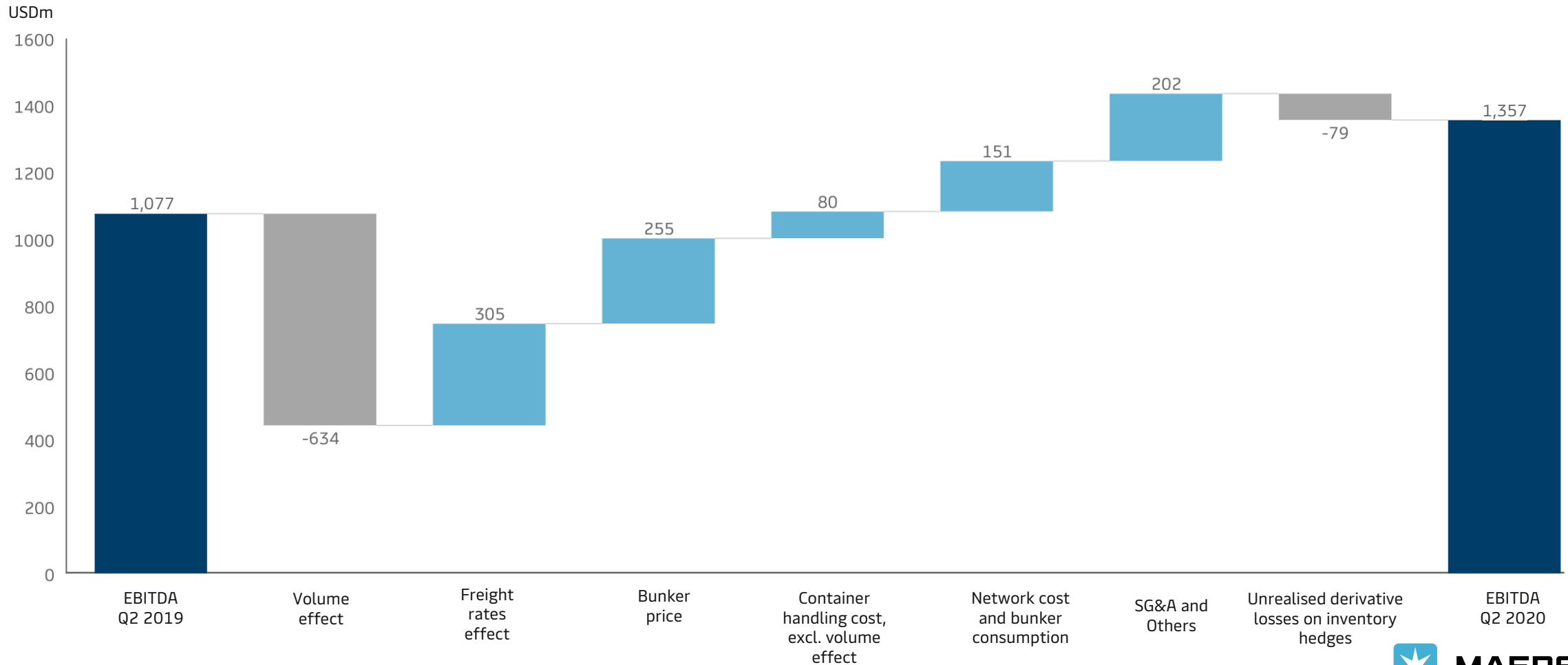
Development in EBITDA and EBITDA margin (%) 



	Q2 2020 (USDm)	Q2 2019 (USDm)	H1 2020 (USDm)	H1 2019 (USDm)
Revenue	6,570	7,196	13,800	14,211
EBITDA	1,357	1,077	2,532	2,017
EBITDA margin	20.7%	15.0%	18.3%	14.2%
Gross capital expenditures	208	314	383	783

EBITDA progress driven by cost measures

Volume decline offset by agile capacity adjustments and lower bunker price



Agile capacity deployment partly offset lower volumes

- Focus on agile capacity deployment and cost savings, including lower time-charter rates and lower bunker prices, lead to a decrease in total operating costs of 16% to USD 5.2bn (USD 6.1bn), 15% adjusted for FX.
- Tight capacity deployment with more than 160 sailings blanked in the quarter led to a decline in offered capacity in line with the decline in demand. Capacity was at the lowest in April as offered capacity has increased gradually over the quarter following improvements seen in demand.
- Total bunker cost decreased 37% as the average bunker price decreased 25%.
- The bunker consumption declined 16% from blanked sailings, idle capacity and efficiency improvements.

Unit cost at fixed bunker*
increased by 7.3% to 2,021
USD/FFE

Total unit cost was 1,923
USD/FFE (1,872 USD/FFE)

Bunker efficiency improved
by 2.4%

Utilisation on the deployed
capacity decreased slightly

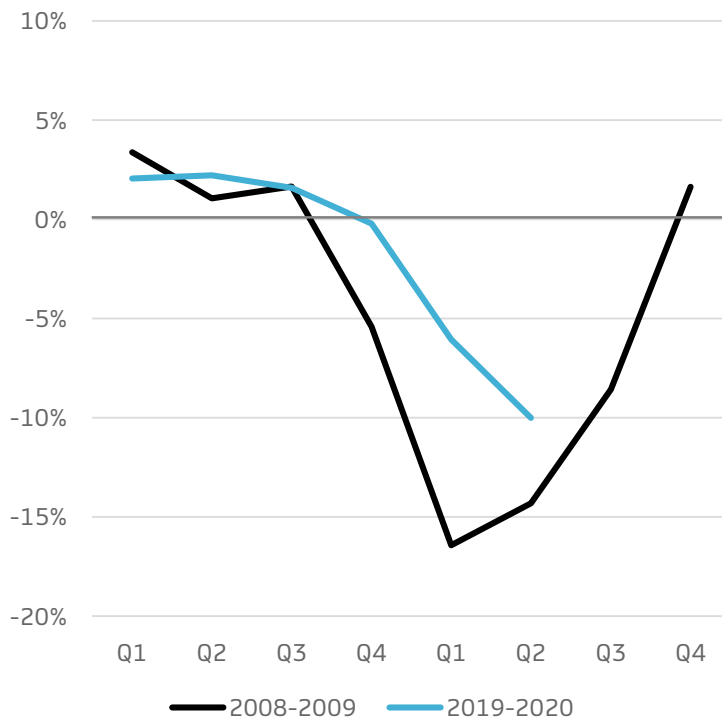
Bunker cost decreased to
USD 0.8bn (USD 1.2bn)

SG&A decreased by USD 67m
to USD 630m (USD 697m)

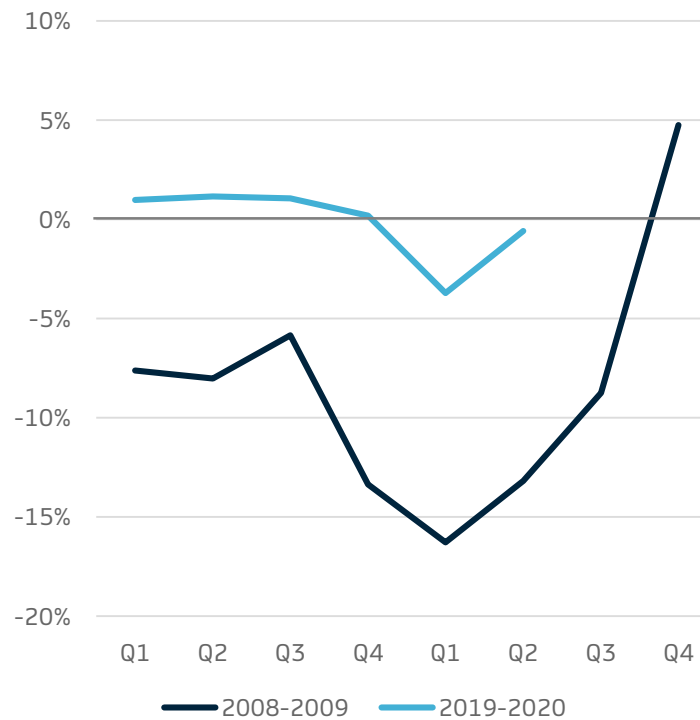
* Fixed bunker price of 450 USD/FFE

Balancing supply to demand with agility has improved profitability and reduced volatility

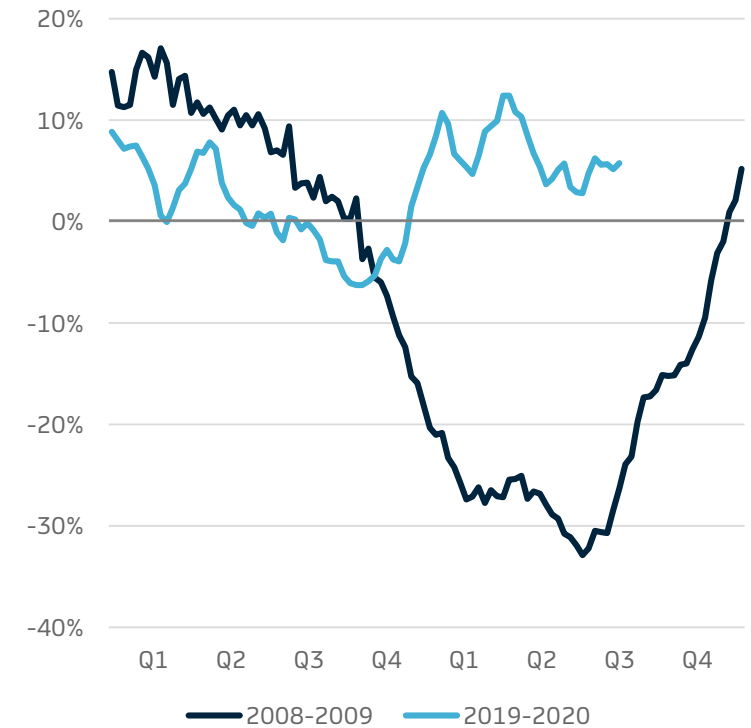
Global demand growth



Global supply/demand balance*



CCFI index, y/y growth



*Global head haul demand growth minus global effective supply growth

Freight rates less volatile as demand gradually improved

- Average freight rates increased by 4.5% (6.1% FX-adjusted and 9.8% adjusted for bunker prices) in Q2 2020 compared to previous year, due to higher short-term freight rates, but was sequentially lower due to lower bunker fuel price.
- Total volumes decreased by 16% with headhaul volumes down 17%, contracting across all trades. Backhaul volumes declined 13%.
- Latin America and Intra-Americas were most affected by COVID-19 with volumes down 25% and 21%, respectively.
- Volumes improved throughout the quarter with volumes in June down 9.5% compared to June 2019 and improving further in July allowing for an estimated mid-single digit decrease in Q3 2020.

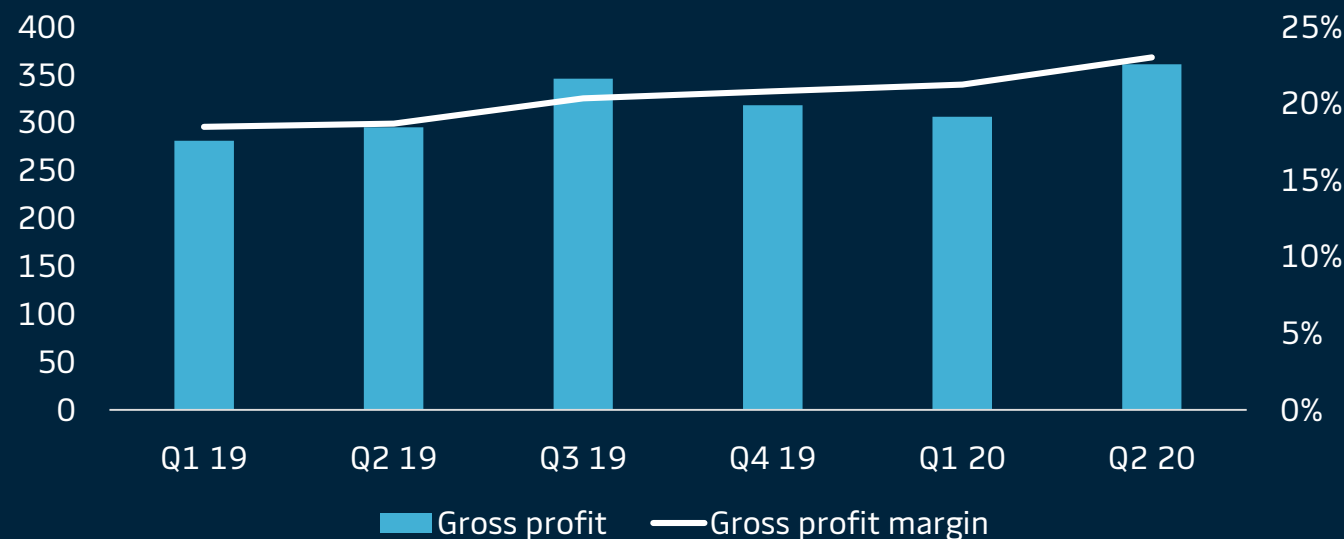
Average freight rates (USD/FFE)	Q2 2020	Q2 2019	Change	Change %	FY 2019
East-West	1,879	1,736	143	8.2	1,760
North-South	2,449	2,327	122	5.2	2,347
Intra-regional	1,292	1,382	-90	-6.5	1,366
Total	1,915	1,832	83	4.5	1,853

Loaded volumes ('000 FFE)	Q2 2020	Q2 2019	Change	Change %	FY 2019
East-West	1,390	1,633	-243	-14.9	6,194
North-South	894	1,098	-204	-18.6	4,268
Intra-regional	619	716	-97	-13.5	2,834
Total	2,903	3,447	-544	-15.8	13,296

Logistics & Services

- Revenue was on par with last year, with volumes declining due to the challenging market environment, while profitability continued the positive trend.
- Gross profit increased by 22% and EBITDA more than doubled to USD 97m supported by cost measures, margin improvements in intermodal, Performance Team acquisition and favourable market situation in air freight forwarding.
- KGH Customs Services acquisition announced, subject to regulatory approval, will significantly improve overall offering within customs services through digital solutions and technology.

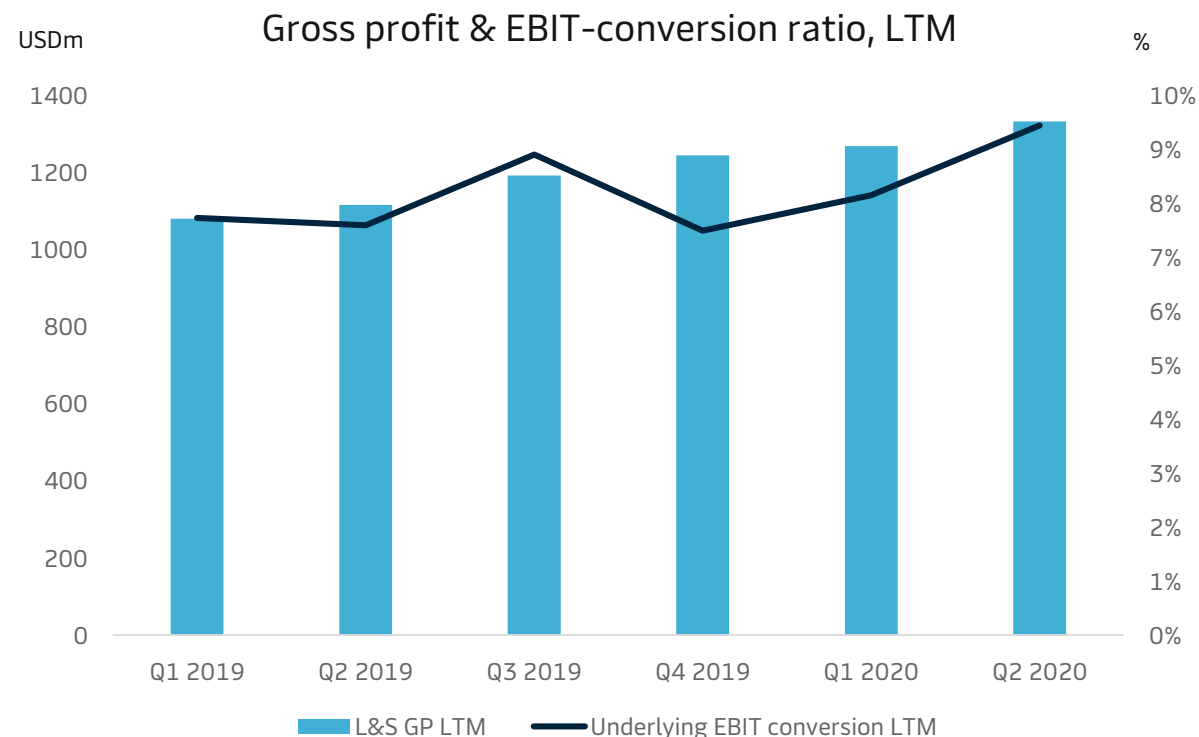
Development in gross profit and gross profit margin (%) 



	Q2 2020 (USDm)	Q2 2019 (USDm)	H1 2020 (USDm)	H1 2019 (USDm)
Revenue	1,569	1,579	3,011	3,100
Gross profit	361	295	667	576
EBITDA	97	46	165	94
EBITDA margin	6.2%	2.9%	5.5%	3.0%
Gross capital expenditures	35	28	58	37

Improved profitability and EBIT conversion

- COVID-19 impacted volumes and revenue across all products.
- The gross profit (GP) margin improved by 4.3%-points to 23.0%, supported by continued margin optimisation in intermodal, Performance Team acquisition and air freight forwarding.
- EBITDA on LTM basis was USD 287m improving USD 100m compared to Q2 2019 supported by margin improvements and cost measures.
- The EBIT conversion improved to 11.6% (4.5%) with positive impact of SG&A cost savings.
- Focus on cost measures to mitigate the negative effects from COVID-19 and to improve overall competitiveness and profitability will be continued.
- Performance Team, contributing USD 41m to GP and USD 11m to EBITDA, negatively impacted by COVID-19, with the integration progressing well.

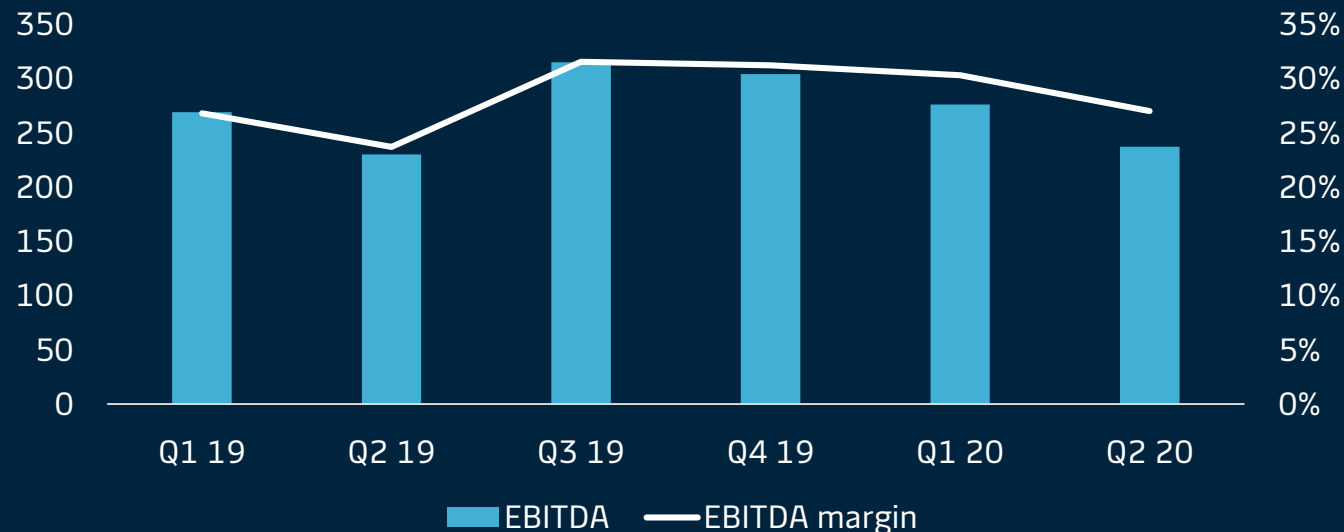


Note: EBIT conversion ratio = EBIT / Gross profit
 Underlying EBIT excludes impairments, restructurings costs, gains/losses on sales of assets and JV adjustments

Terminals & Towage

- Resilient performance with a 3.0% increase in EBITDA, despite of a 9.6% revenue decline.
- Gateway terminals reported a 10% lower revenue of USD 723m, while strong focus on cost measures resulted in an EBITDA-margin increase of 2.9%-points to 25.7% and an unchanged EBITDA of USD 186m (USD 184m).
- Reported revenue in Towage decreased by -6.4% to USD 160m, with an EBITDA increase to USD 51m (USD 46m) due to focus on cost measures and a negative one-off in Q2 2019.

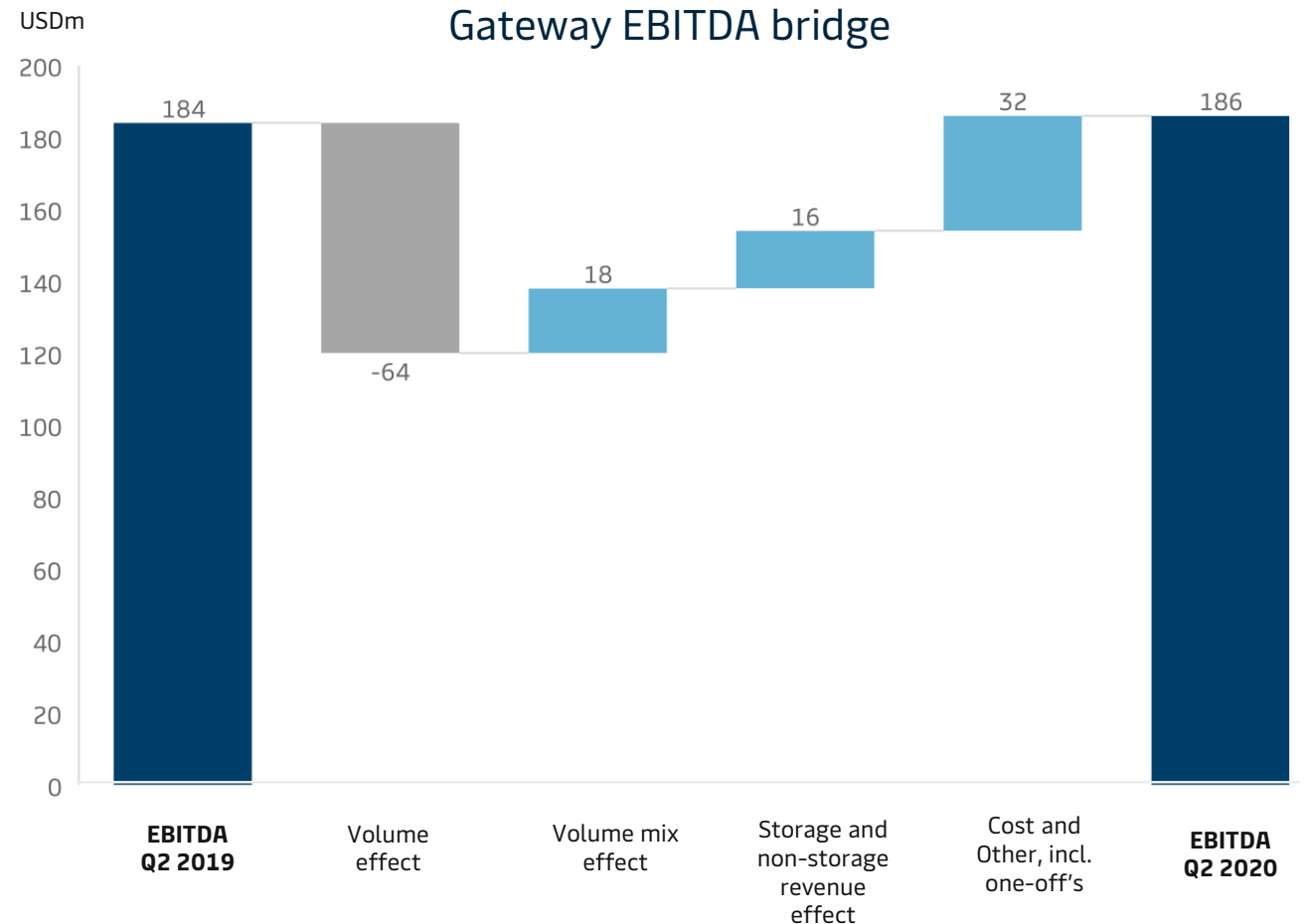
Development in EBITDA and EBITDA margin (%)



	Q2 2020 (USDm)	Q2 2019 (USDm)	H1 2020 (USDm)	H1 2019 (USDm)
Revenue	878	971	1,789	1,975
EBITDA	237	230	513	499
EBITDA margin	27.0%	23.7%	28.7%	25.3%
Gross capital expenditures	112	86	215	207

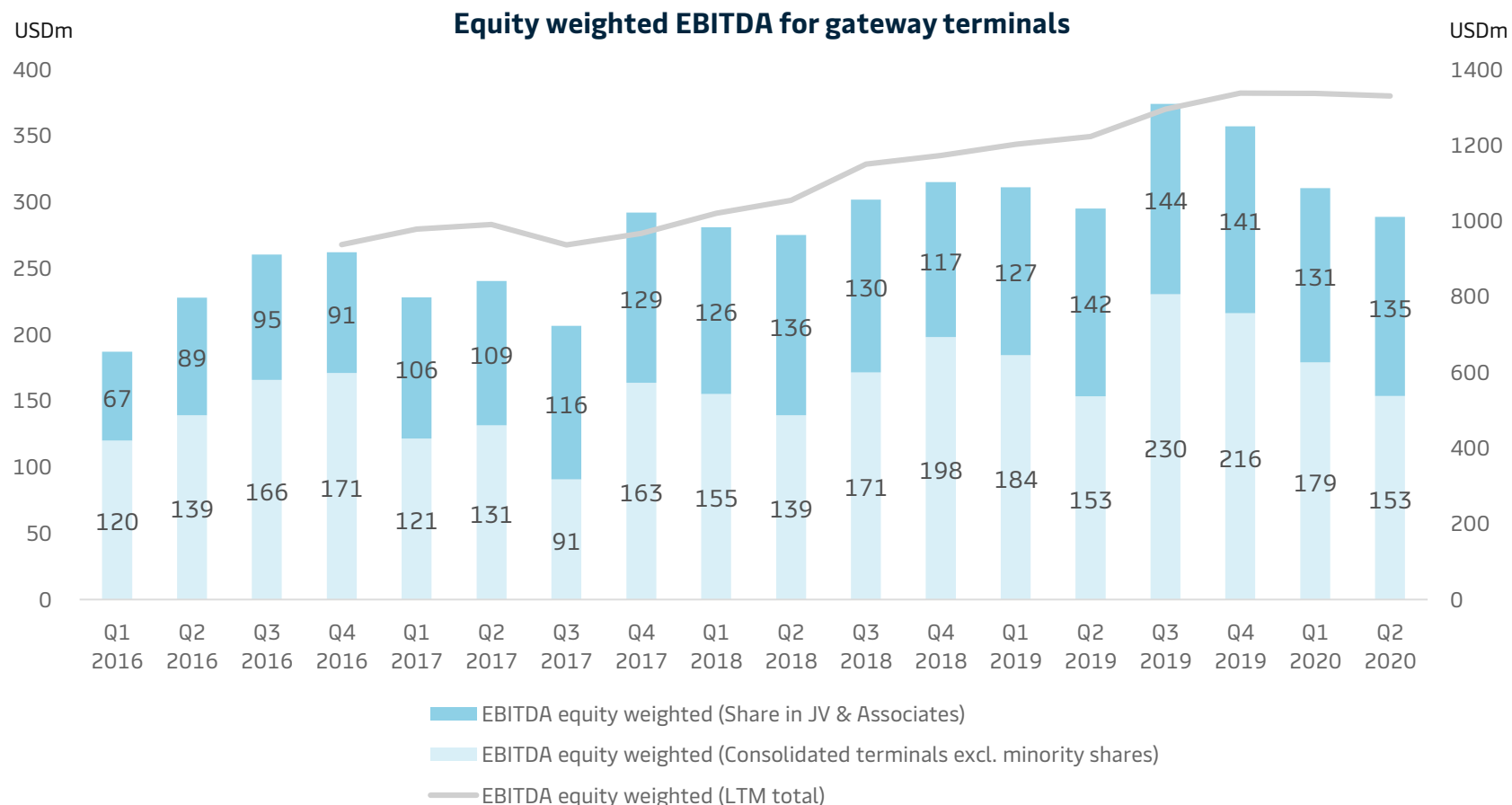
Margin improvements from strong focus on cost efficiencies

- Gateway terminals volumes declined 14% (like-for-like -16%), driven by COVID-19 impacts, with significant variations across regions.
- Volumes from external customers decreased by 17%, while volumes from Ocean decreased by 7.1%, leading to a 15%-points decrease in utilisation to 64%.
- Revenue per move increased 4.5% to USD 278 mainly driven by higher storage income, while cost per move increased 4.0% to USD 251 due to lower volumes, as total operating cost declined 14%.
- In Towage the Harbour towage activities decreased driven by lower activity in Australia and UK, while EBITDA was significantly improved.



Stable earnings and cash contribution from JV's and Associates

- The equity weighted EBITDA was largely unchanged.
- In the last twelve months the JVs and Associates have generated USD 551m to the Equity weighted EBITDA of USD 1,330m.
- The cash contribution through dividends the last twelve months has been USD 161m, or 29% of the EBITDA with a pay-out ratio of 87% of the net result.

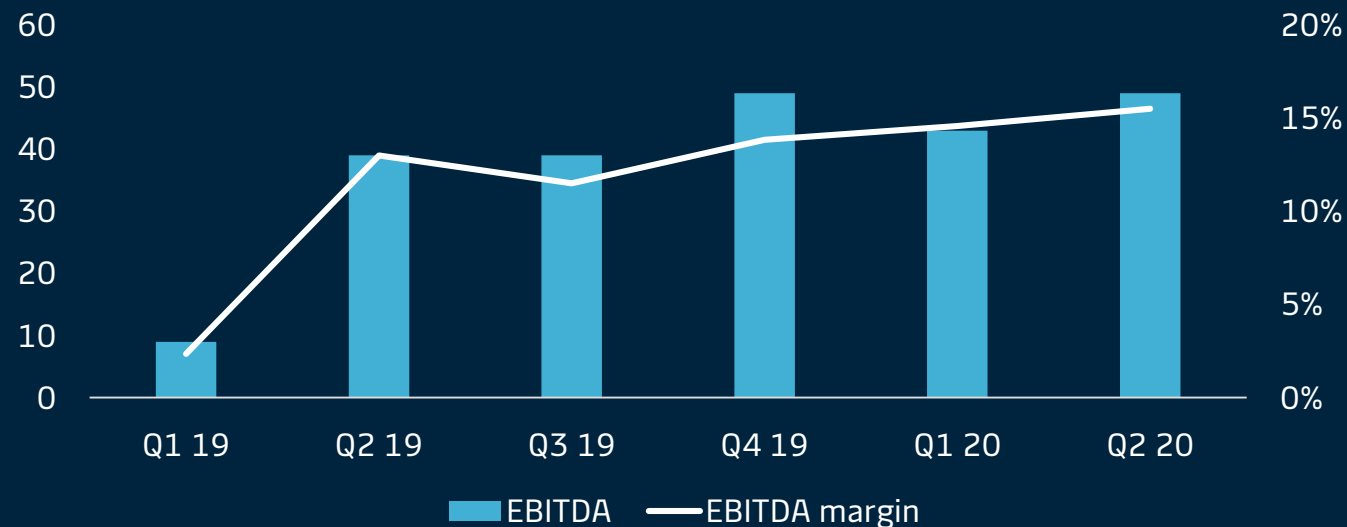


Note: 2016-2017 IFRS16 adjustment is a high level estimate for comparability use only. The estimate does not take into account differences in internal discount rate nor remaining length of concessions, but simply extrapolates numbers back from 2018. The 2016-2017 adjustment is not audited and no full restatement of figures to adjust for IFRS16 has been conducted prior to 2018. 2018 onwards all the numbers are restated with segment changes.

Manufacturing & Others

- Revenue in Maersk Container Industry increased to USD 154m (USD 132m), and EBITDA increased to USD 28m (USD 15m) from higher activity and lower cost.
- Maersk Supply Service reported lower revenue and a negative EBITDA of 4m (positive USD 5m), reflecting lower activity in the oil and gas industry and restructuring cost from redundancies.

Development in EBITDA and EBITDA margin (%)



	Q2 2020 (USDm)	Q2 2019 (USDm)	H1 2020 (USDm)	H1 2019 (USDm)
Revenue	316	300	611	683
EBITDA	49	39	92	48
EBITDA margin	15.5%	13.0%	15.1%	7.7%
Gross capital expenditures	7	10	15	187

2020

Full-year guidance

Guidance

Guidance for 2020

A.P. Moller - Maersk suspended the full-year guidance for 2020 (EBITDA before restructuring and integration costs of around USD 5.5bn) on 20 March 2020 due to the COVID-19 pandemic, given material uncertainties and lack of visibility related to the global demand for container transport and logistics.

Despite the uncertainties related to COVID-19, A.P. Moller - Maersk reinstates its full-year guidance for 2020 and expects earnings before interest, tax, depreciation and amortisation (EBITDA) to be between USD 6.0bn-7.0bn before restructuring and integration costs.

The global demand growth for containers is still expected to contract in 2020 due to COVID-19 and for Q3 2020 volumes are expected to progressively recover with a current expectation of a mid-single digit contraction. Organic volume growth in Ocean is expected to be in line with or slightly lower than the average market growth.

The outlook and guidance for 2020 is subject to significant uncertainties related to the COVID-19 pandemic and does not take into consideration a material second lockdown phase. The guidance is also subject to uncertainties related to freight rates, bunker prices and other external factors.

The accumulated guidance on gross capital expenditures excl. acquisitions (CAPEX) for 2020-2021 is still expected to be USD 3.0-4.0bn, with steps being taken to reduce CAPEX in 2020. High cash conversion (cash flow from operations compared to EBITDA) is still expected for both years.

Sensitivity guidance

A.P. Moller - Maersk's financial performance for the full-year 2020 depends on several factors and is subject to uncertainties related to COVID-19, bunker fuel prices and freight rates combined with the weaker macroeconomic conditions and other external factors.

Based on the expected earnings level and all else being equal, the sensitivities for the rest of 2020 for four key assumptions are listed in the table below:

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

Appendix

Financial highlights

Consolidated financial information

Income statement (USDm)	Q2 2020	Q2 2019	FY 2019
Revenue	8,997	9,627	38,890
EBITDA	1,697	1,357	5,712
EBITDA margin	18.9%	14.1%	14.7%
Depreciation, impairments etc.	1,149	1,024	4,287
Gain on sale of non-current assets, etc., net	145	16	71
Share of profit in joint ventures and associates	58	67	229
EBIT	751	416	1,725
EBIT margin	8.3%	4.3%	4.4%
Financial items, net	-232	-170	-758
Profit/loss before tax	519	246	967
Tax	76	92	458
Profit/loss – continuing operations	443	154	509
Profit/loss – discontinued operations	-	-1	-553
Profit/loss for the period	443	153	-44

Key figures and financials (USDm)	Q2 2020	Q2 2019	FY 2019
Profit/loss continuing operations	443	153	509
Gain/loss on sale of non-current assets etc., net	-160	-16	-71
Impairment losses, net.	50	-29	29
Transaction and integration cost	-	24	78
Tax on adjustments	26	1	1
Underlying profit/loss – continuing operations	359	134	546
Cash flow from operating activities	1,867	1,170	5,919
Gross capital expenditures	362	445	2,035
Net interest-bearing debt	11,564	12,910	11,662
Invested capital	40,186	41,910	40,555
Total Equity (APMM total)	28,569	28,997	28,837
Earnings per share (USD)	21	7	23

Financial highlights

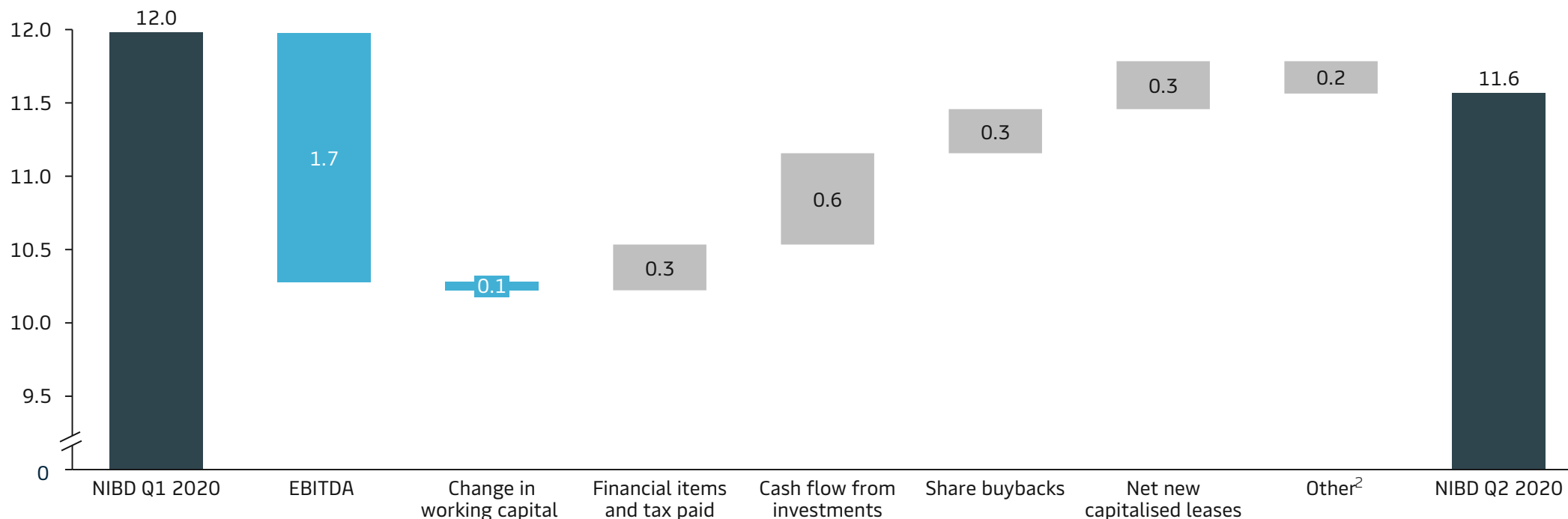
Consolidated financial information

Income statement (USDm)	H1 2020	H1 2019	FY 2019
Revenue	18,568	19,167	38,890
EBITDA	3,218	2,593	5,712
EBITDA margin	17.3%	13.5%	14.7%
Depreciation, impairments etc.	2,222	2,106	4,287
Gain on sale of non-current assets, etc., net	164	34	71
Share of profit in joint ventures and associates	143	125	229
EBIT	1,303	646	1,725
EBIT margin	7.0%	3.4%	4.4%
Financial items, net	-447	-398	-758
Profit/loss before tax	856	248	967
Tax	204	198	458
Profit/loss – continuing operations	652	50	509
Profit/loss – discontinued operations	-	-553	-553
Profit/loss for the period	652	-503	-44

Key figures and financials (USDm)	H1 2020	H1 2019	FY 2019
Profit/loss continuing operations	652	50	509
Gain/loss on sale of non-current assets etc., net	-179	-34	-71
Impairment losses, net.	57	-8	29
Transaction and integration cost	-	55	78
Tax on adjustments	26	2	1
Underlying profit/loss – continuing operations	556	65	546
Cash flow from operating activities	3,083	2,652	5,919
Gross capital expenditures	672	1,223	2,035
Net interest-bearing debt	11,564	12,910	11,662
Invested capital	40,186	41,910	40,555
Total Equity (APMM total)	28,569	28,997	28,837
Earnings per share (USD)	31	2	23

Net interest bearing debt decreased

Development in net interest-bearing debt, USDbn



Liquidity reserve¹ of USD 10.5bn by end Q2 2020.

Investment grade credit rating of BBB (negative) from S&P and Baa3 (negative) from Moody's.

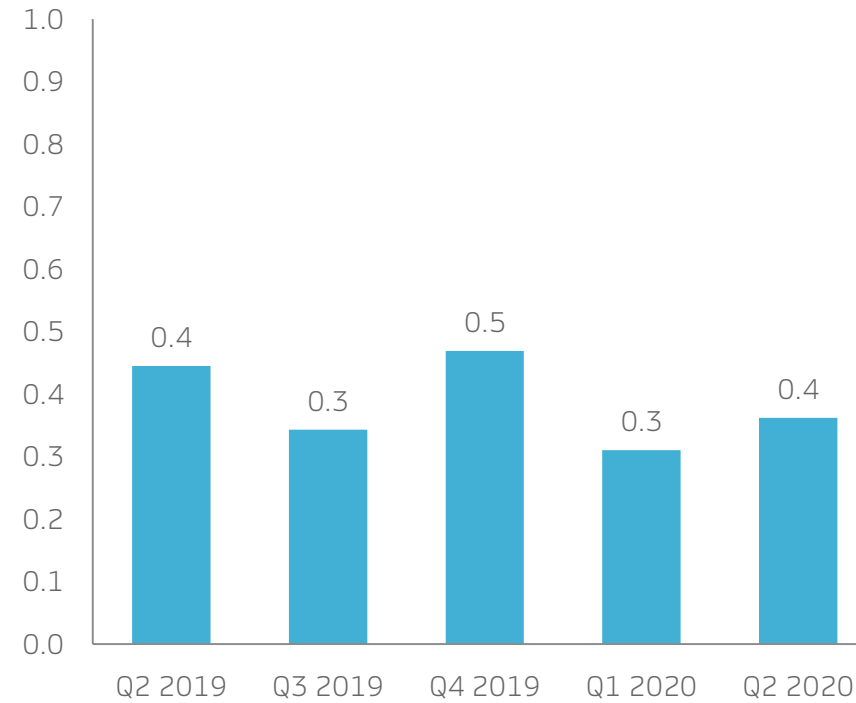
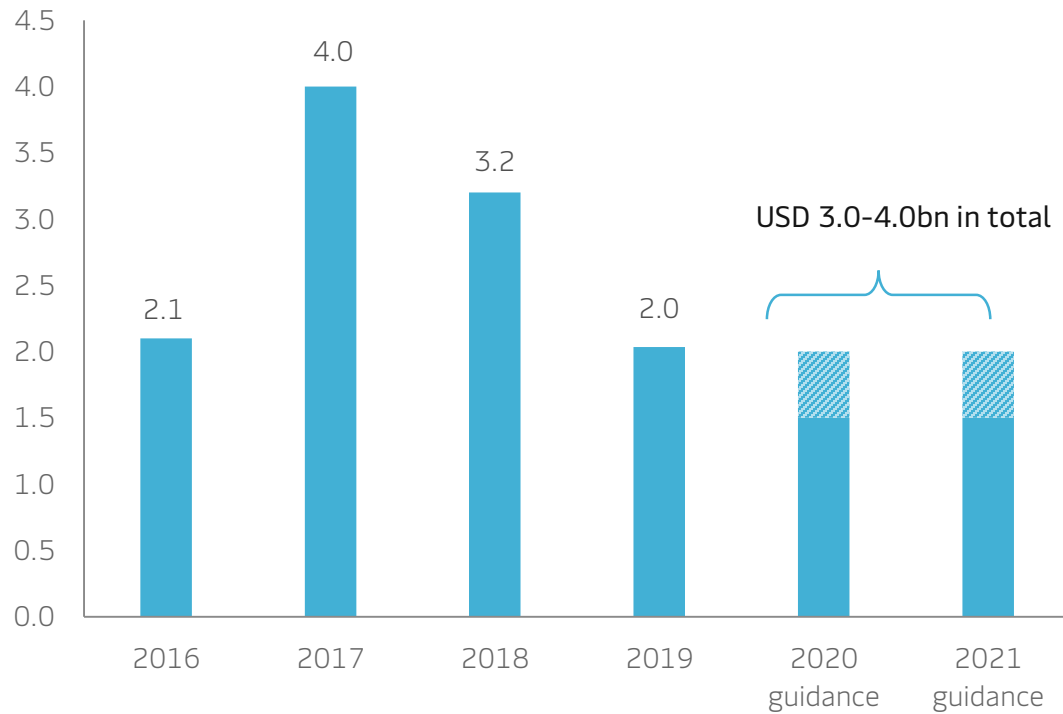
USD 8.5bn of NIBD are capitalised leases.

¹ Defined as cash and securities, term deposit greater than 3 months, and undrawn committed facilities longer than 12 months less restricted cash and securities.

² Other mostly driven by change in provisions, unrealized gains and losses on derivatives, dividends paid to non-controlling interest and withholding tax on APMM dividends paid in Q2

CAPEX reduced significantly

Capex excluding acquisitions and divestments, USDbn



CAPEX for Q2 2020 was USD 362m down from USD 445m in Q2 2019, driven by the strong capital discipline and focus on generating free cash flow

For 2020 and 2021 the accumulated CAPEX guidance remains at USD 3.0-4.0bn.

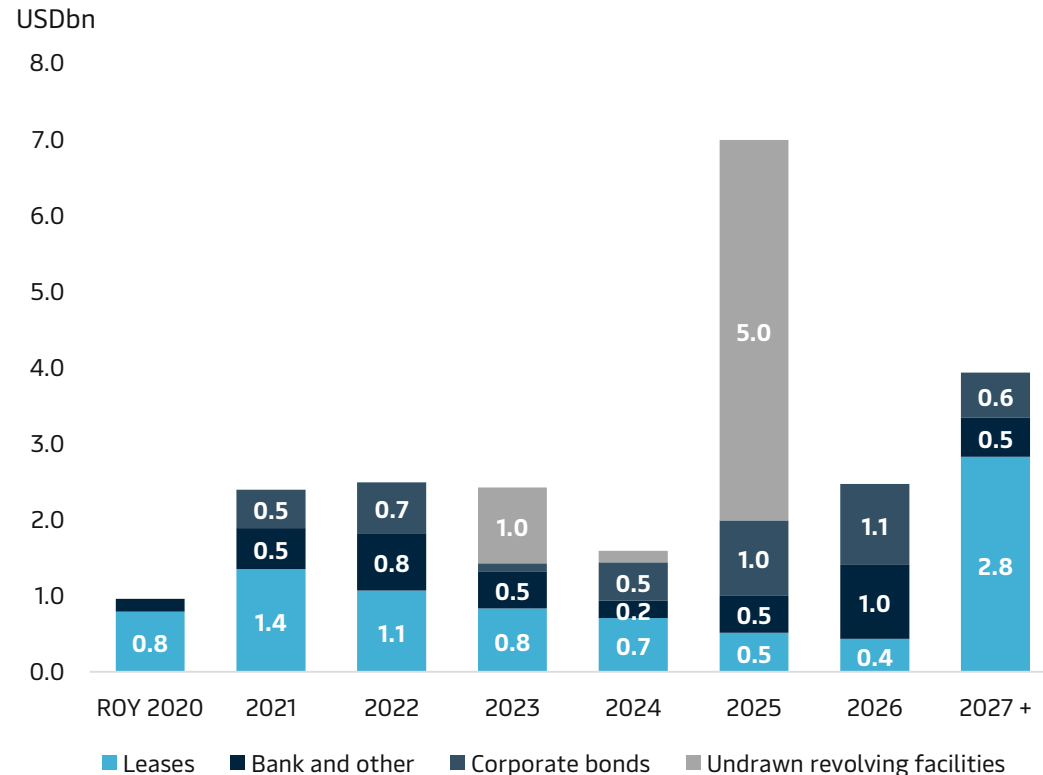
Total contractual capex commitments remain at USD 1.6bn end Q2 2020.

Financial highlights Q1 2020

USD million	Revenue		EBITDA		CAPEX	
	Q2 2020	Q2 2019	Q2 2020	Q2 2019	Q2 2020	Q2 2019
Ocean	6,570	7,196	1,357	1,077	208	314
Logistics & Services	1,569	1,579	97	46	35	28
Terminals & Towage	878	971	237	230	112	86
Manufacturing & Others	316	300	49	39	7	10
Unallocated activities and eliminations, etc.	-336	-419	-43	-35	-	7
A. P. Moller - Maersk Consolidated – continuing operations	8,997	9,627	1,697	1,357	362	445

Smooth repayment profile with liquidity reserve of USD 10.5bn

Debt maturity profile at the end of Q2 2020



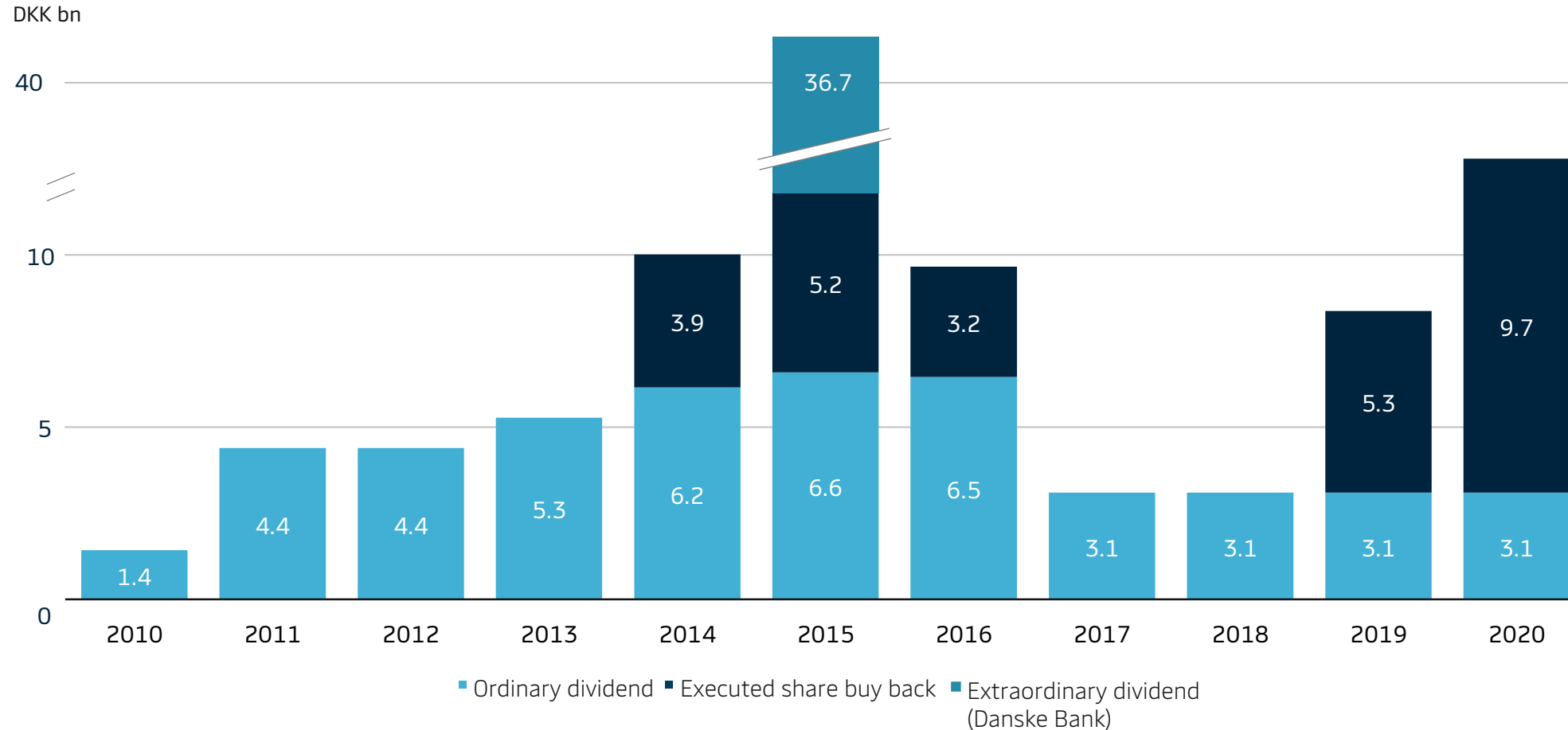
Funding

- BBB (negative) / Baa3 (negative credit ratings from S&P and Moody's respectively)
- Liquidity reserve of USD 10.5bn as of end Q2 2020¹⁾
- Average debt maturity about four years (excl. leases)
- Corporate bond programme 26% of our gross debt (USD 4.6bn)
- Amortisation of debt in coming 5 years is on average USD 1.9bn per year.

¹⁾ Defined as cash and securities, USD 250m of term deposit greater than 3 months, and undrawn committed facilities longer than 12 months less restricted cash and securities.

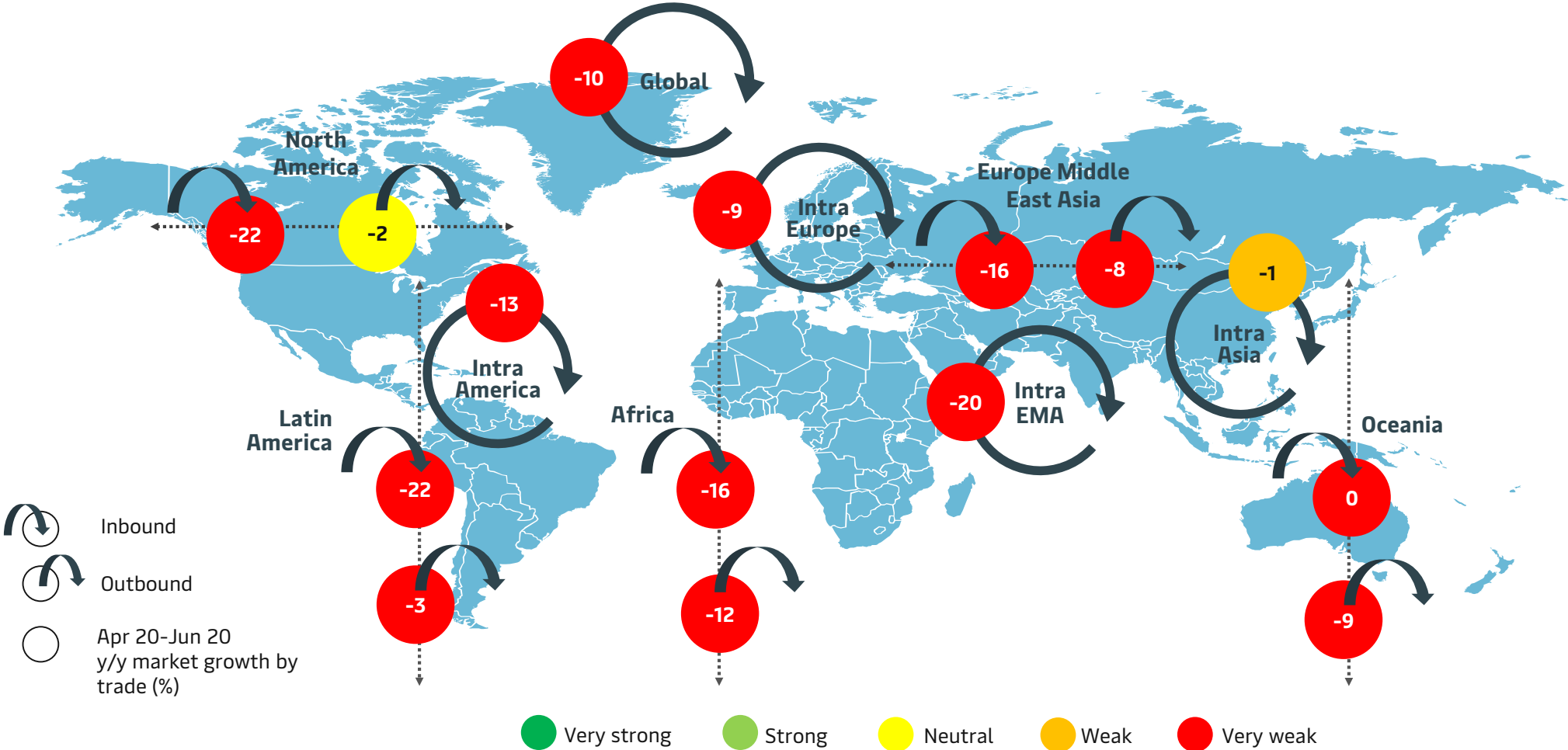
²⁾ As of June 30th 2020

Earnings distribution to shareholders



Note: Dividend and share buy back in the paid year.

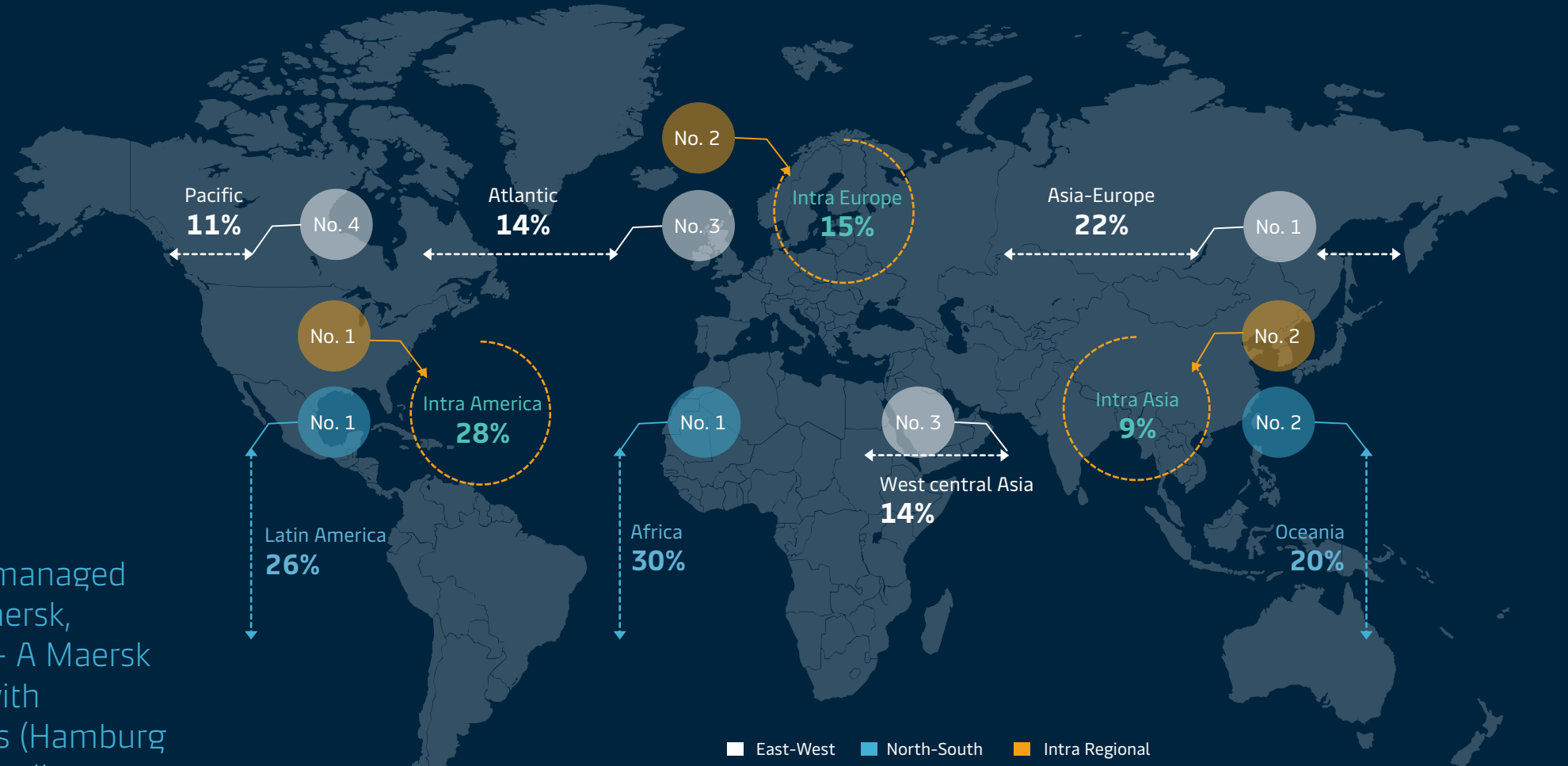
Demand growth dropped sharply accross regions in Q2 2020



Source: Internal market volume estimations as of August 2020.

Note: 1. Actuals available until June 2020; 2. Colours embed information on the current dynamics relative to the 2012-18 average.

Ocean



Ocean activities are managed under the brands Maersk, Safmarine, Sealand – A Maersk Company together with Hamburg Süd brands (Hamburg Süd and Aliança) as well as strategic transshipment hubs under the APM Terminals brand.

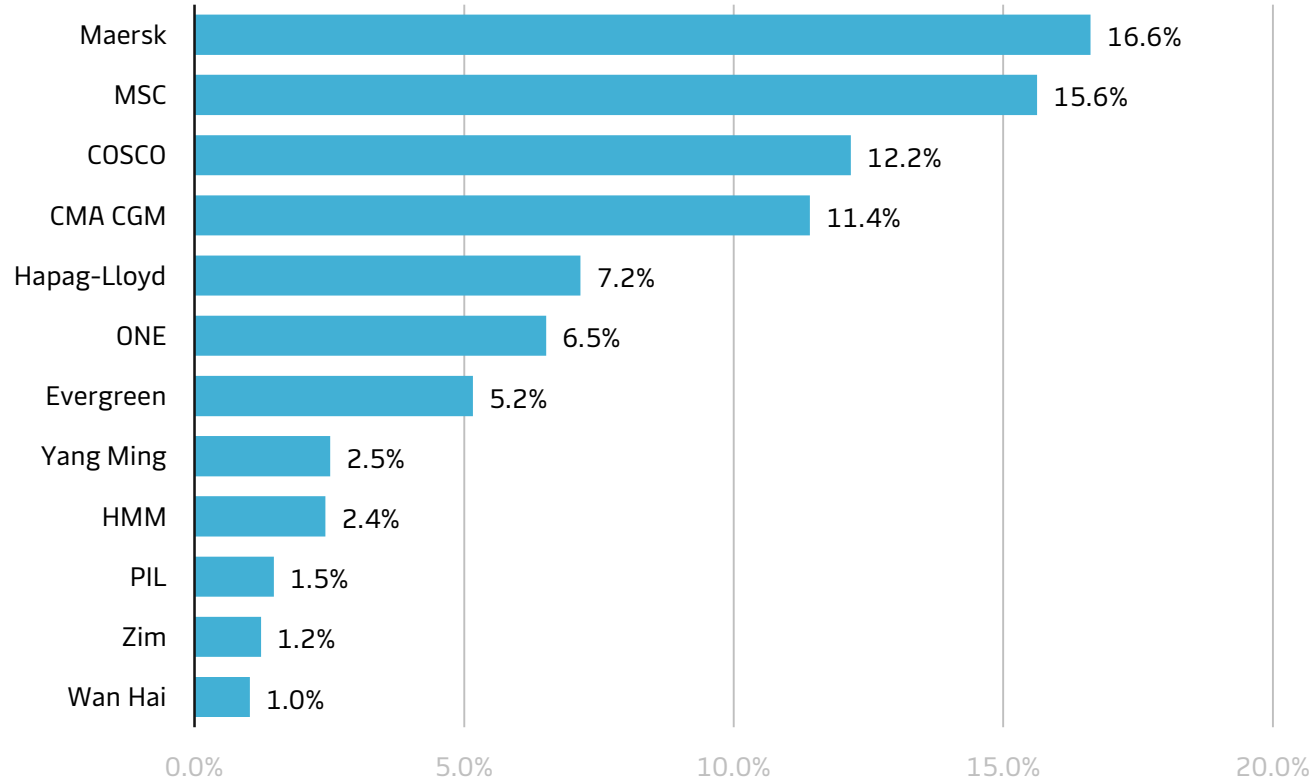
Source: Alphaliner (June-end 2020)

Capacity market share by trade

The industry is moving towards more consolidation

Capacity market share

In %

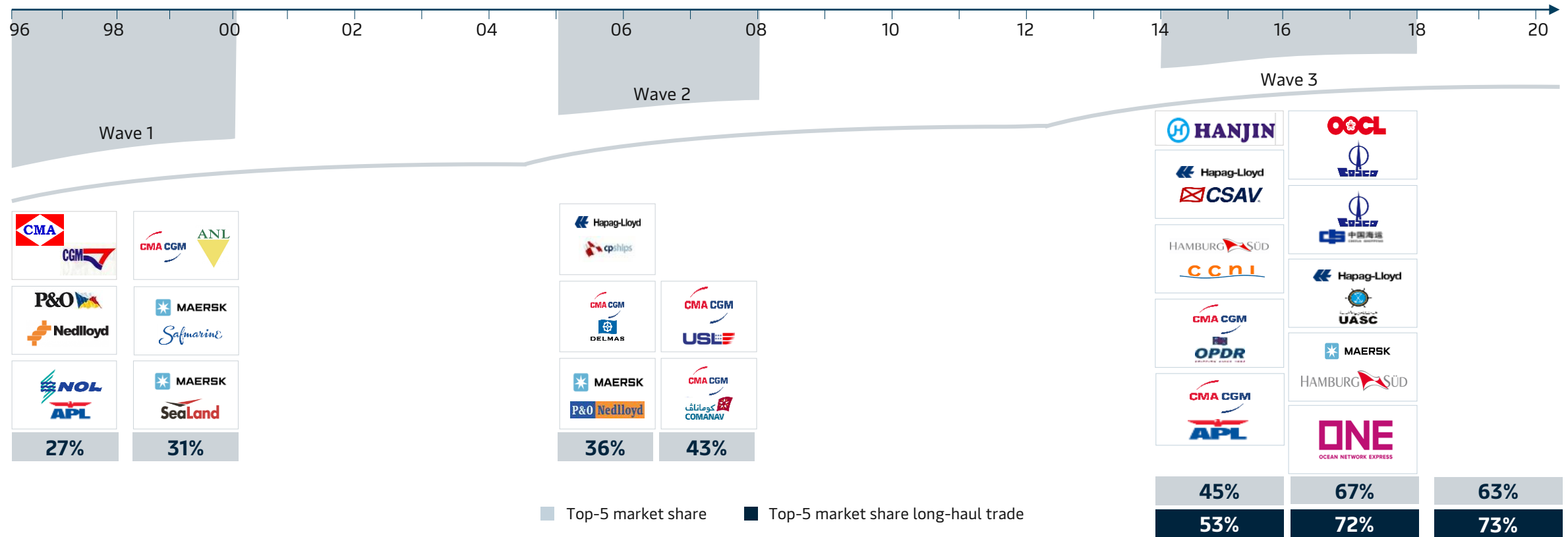


Note: As at end-June 2020.
Source: Alphaliner.



The liner industry has consolidated and top 5 share has grown

Consolidation wave is rolling again – 8 top 20 players disappeared in the last 4 years

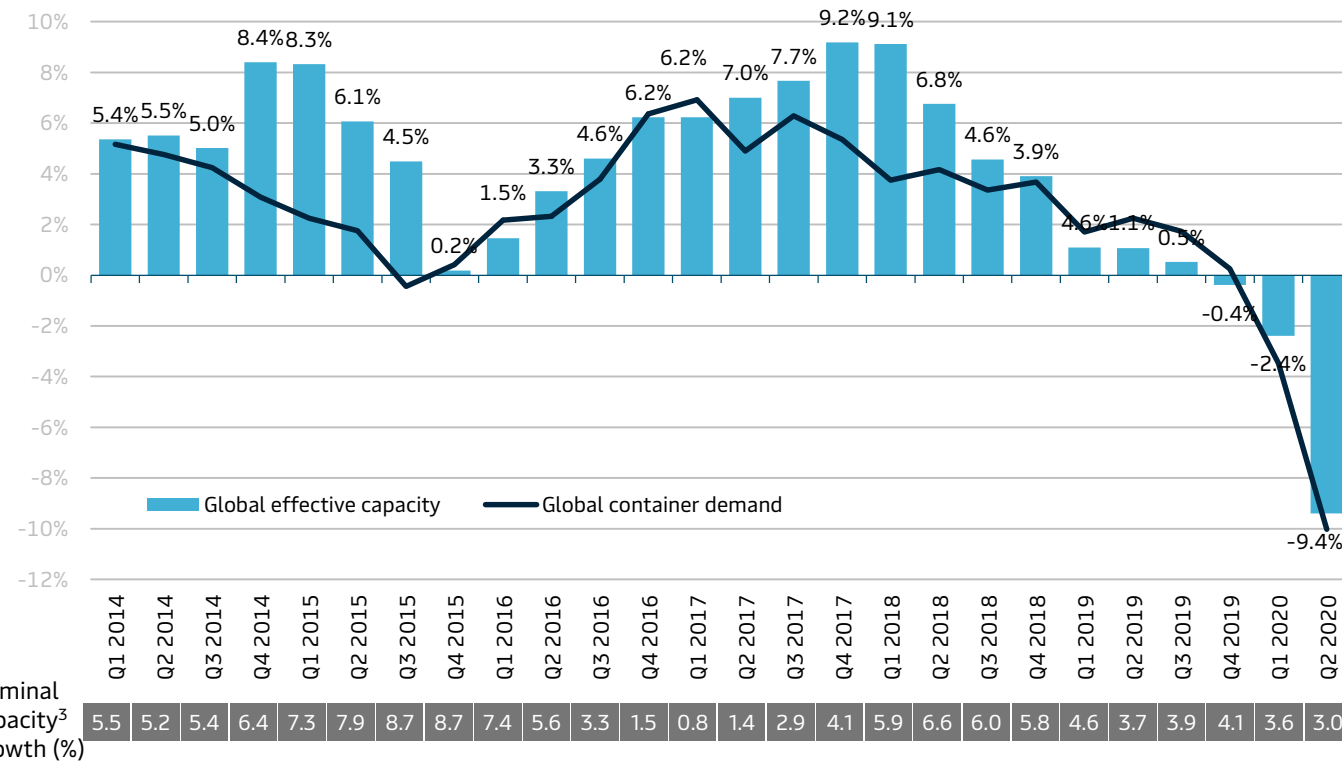


Note: Long haul trades defined as non-intra-regional trades.
Source: Alphaliner.

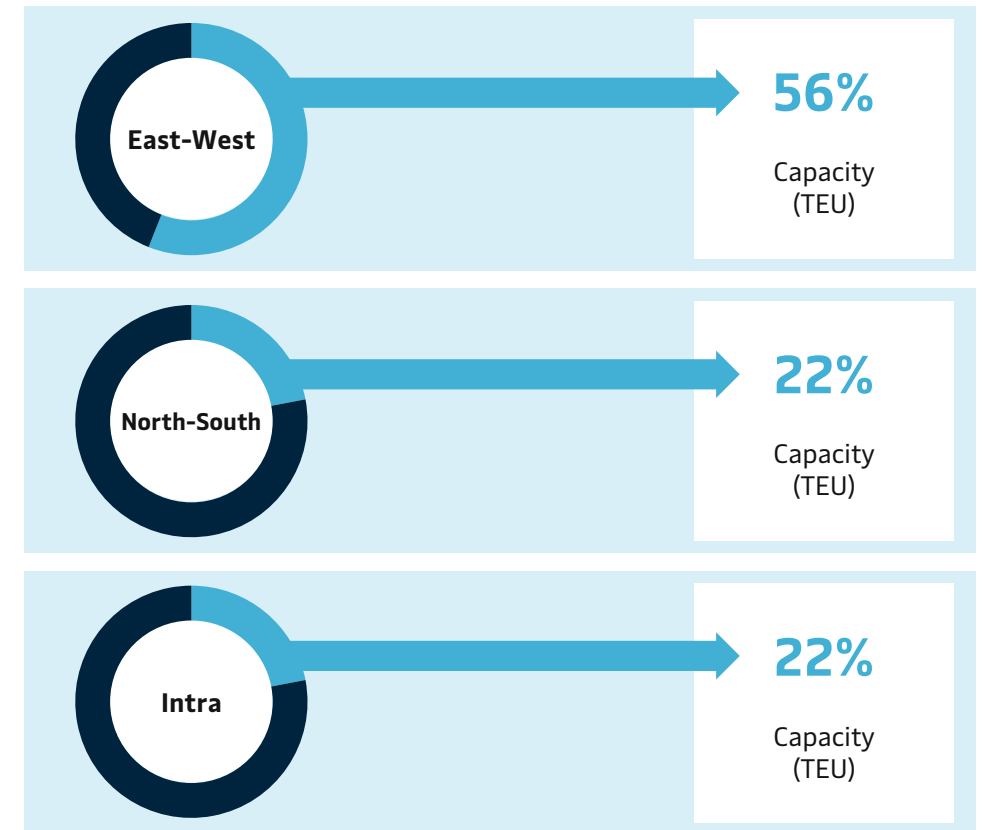
Nominal supply growth slowed further in Q2 2020, but not to the same extent as effective supply

Global effective supply¹ and demand growth²

Growth y/y, (%)



Industry capacity (TEU)

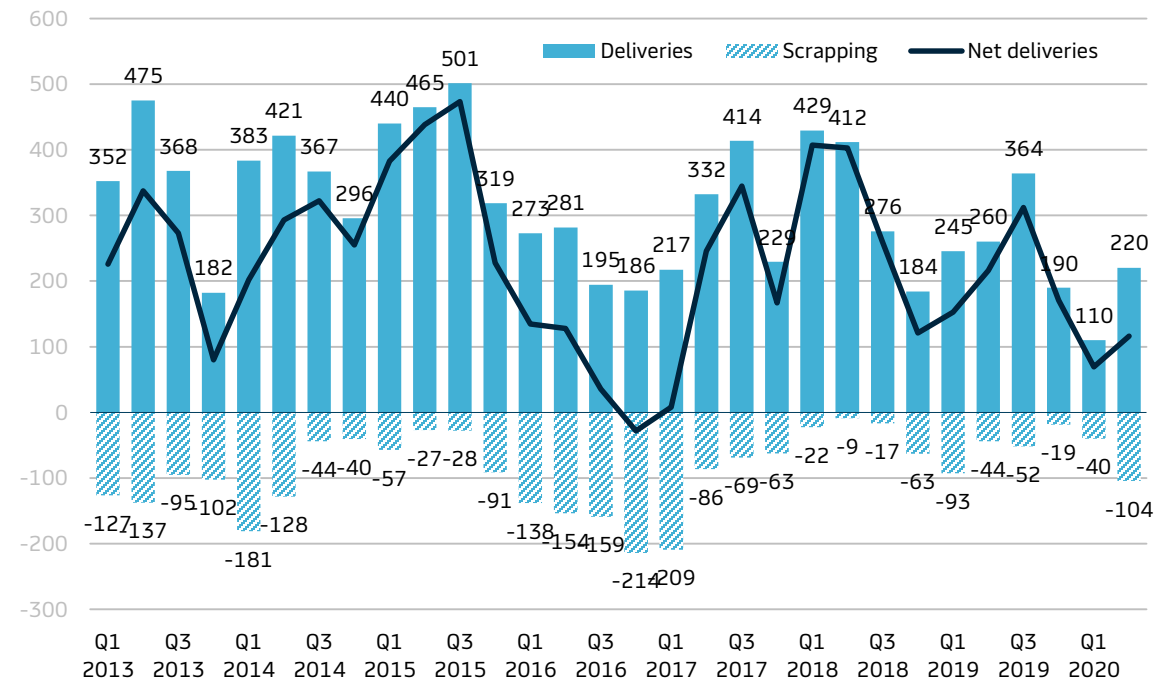


Note: **1.** Effective capacity incorporates changes to idling, vessel speed, average length of trade and container network; **2.** Q2 2020 is Maersk internal estimates where actual data is not available yet; **3.** Global nominal capacity is deliveries minus scrapping.
Source: Alphaliner, Maersk.

Low net delivery along with a sharp increase in idling and blanked sailings led to a sharp drop in effective capacity in Q2 2020

Net deliveries

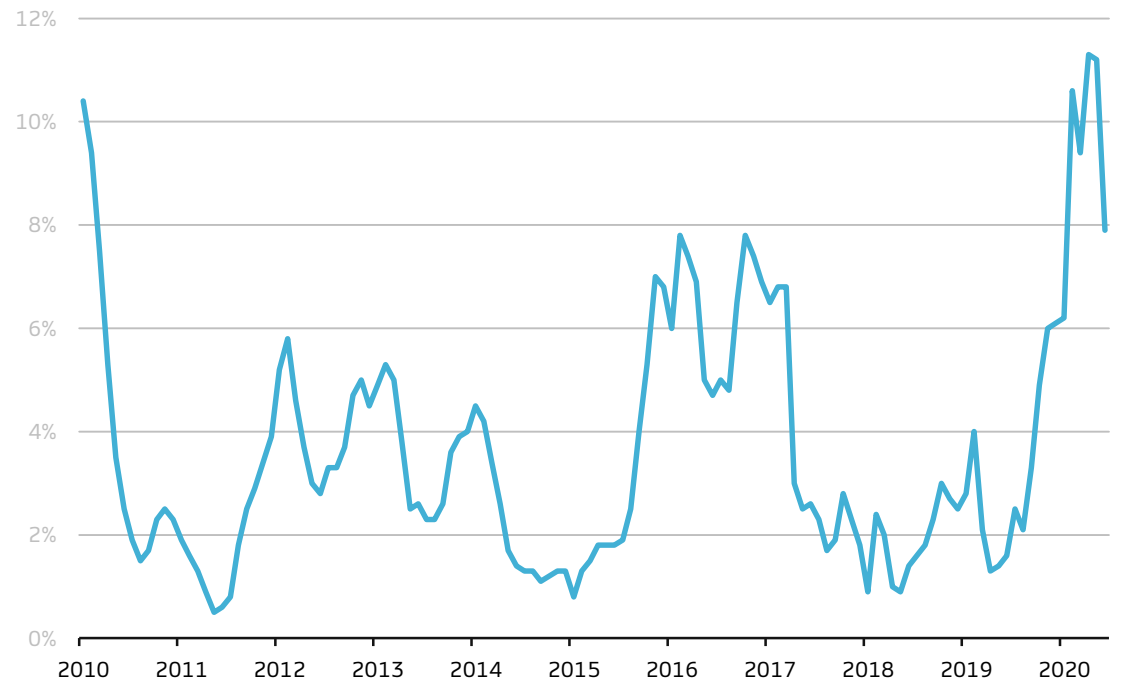
TEU '000



Note: As at end-June 2020.
Source: Alphaliner.

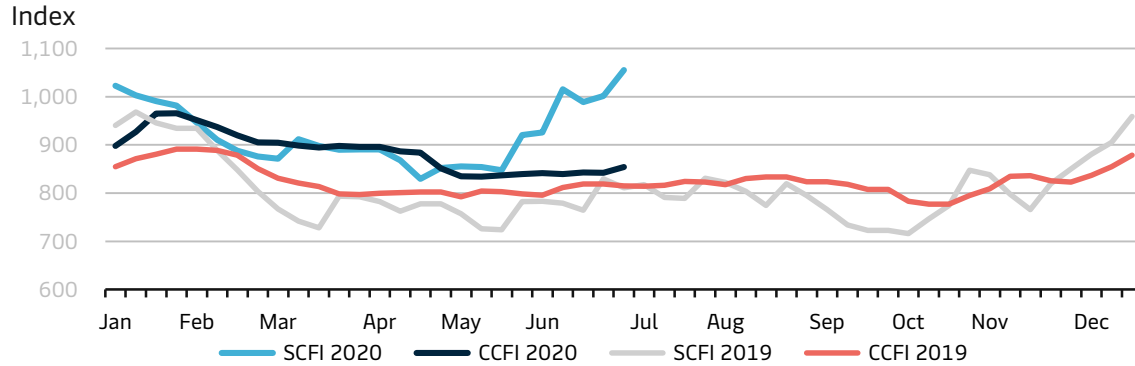
Idling

Idle TEU as % of cellular fleet

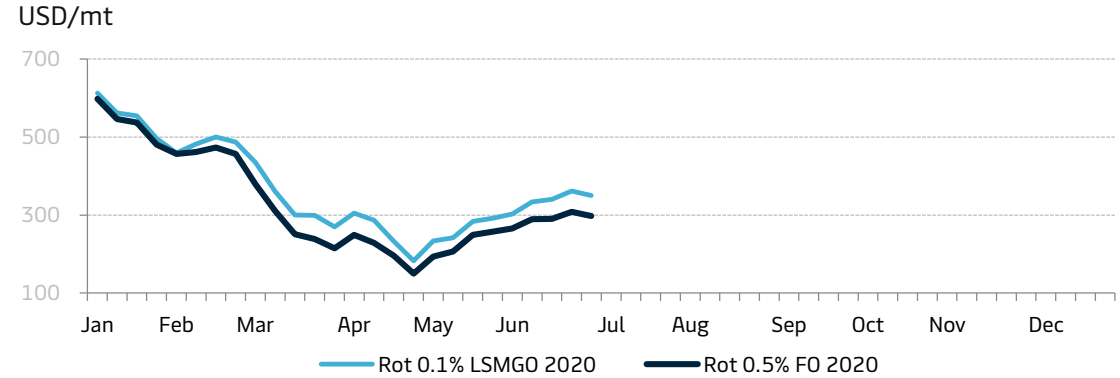


External factors continue to be volatile...

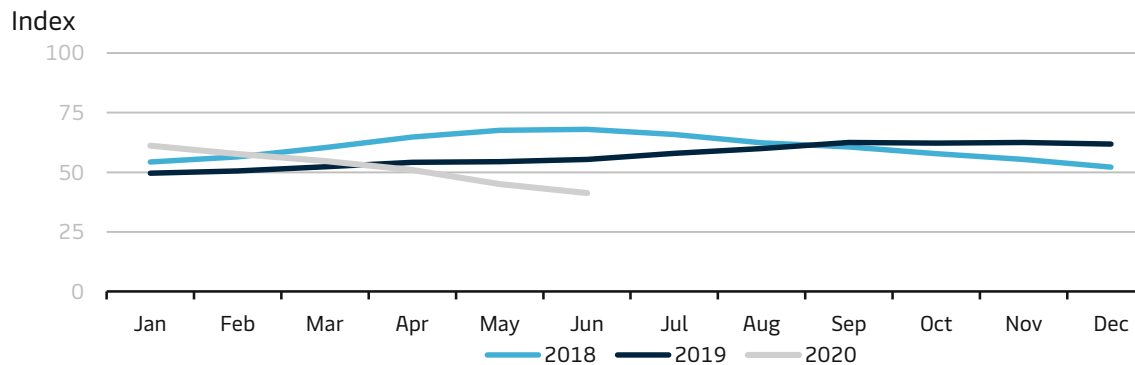
SCFI and CCFI index



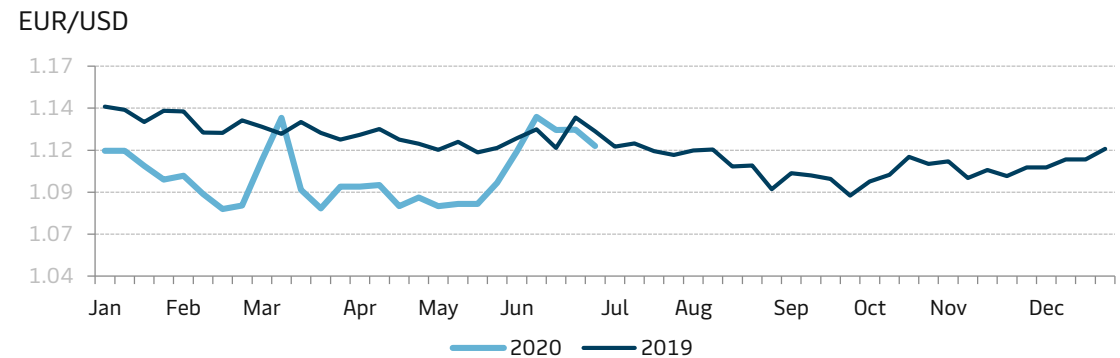
Bunker price



Time charter rates¹



USD-EUR exchange rates

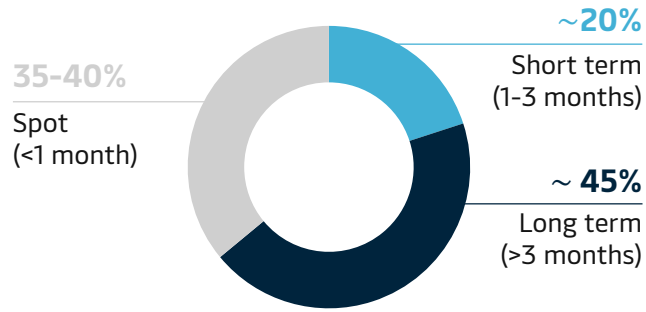


Note: 1. Containership Time charter Rate Index, 1993 = 100.
Source: Clarkson Research, Shanghai Shipping Exchange

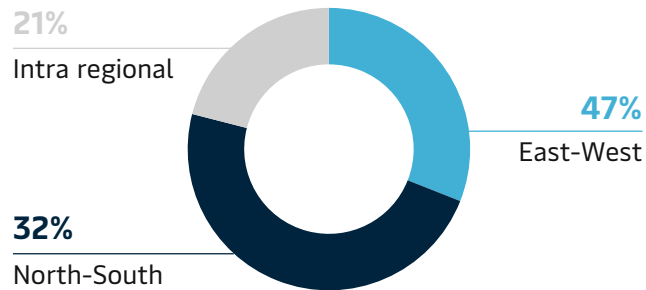
... however the volatility is lowered through contract coverage including bunker adjustment factors

Volume split, 2019

By contract type

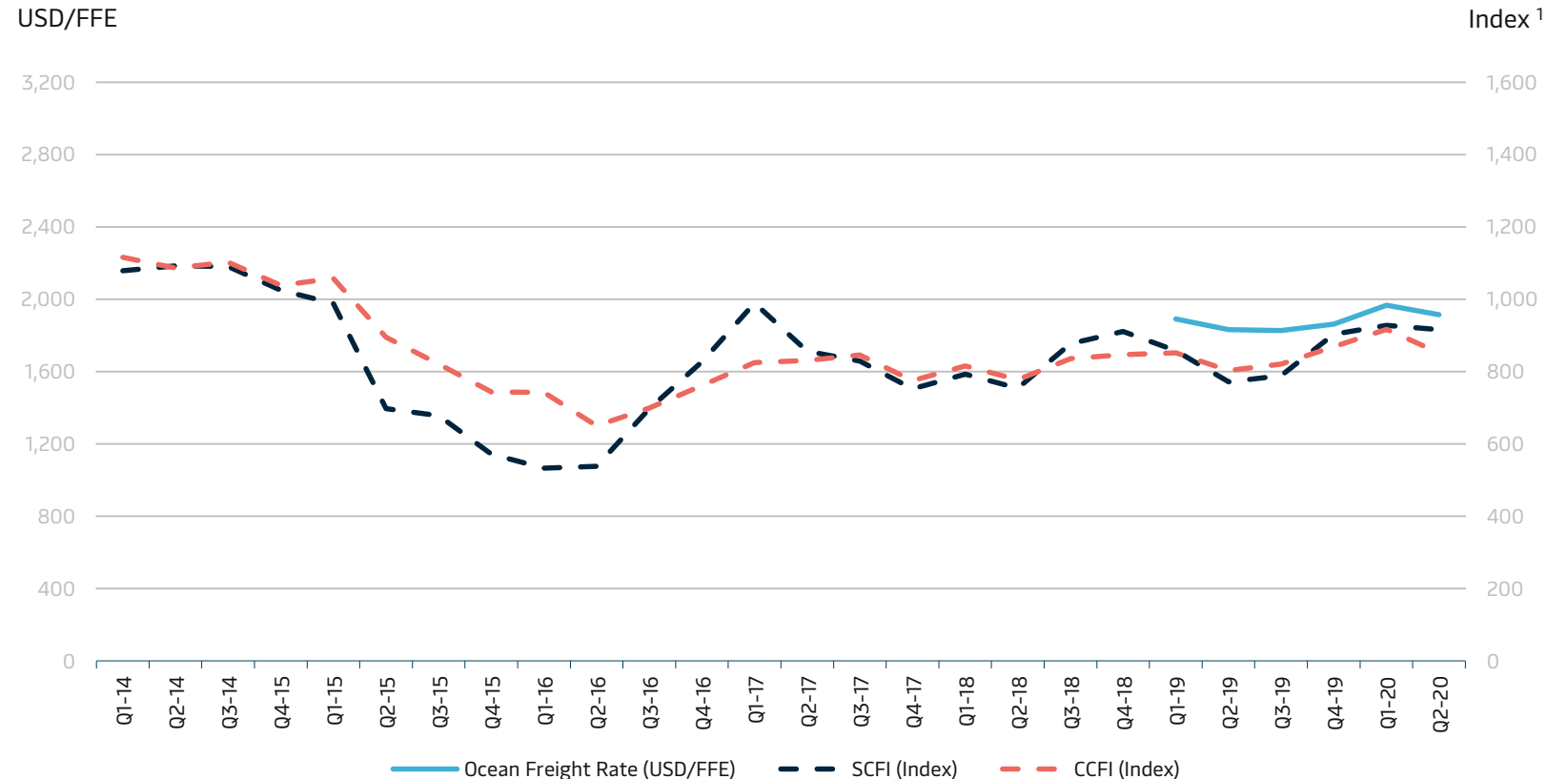


By trade



Average freight rate

USD/FFE



Note: 1. Oct 2009 = 1000 for SCFI, January 1998 = 1000 for CCFI.
Source: Maersk, Shanghai Shipping Exchange

Freight rates increased by 4.5%¹ with volumes down by 16%

- Volumes decreased by 16%, with volume decreases across all trades. Downturn in Latin America and intra-America drove decreases in North-South and inter-regional volumes with East-West impacted by decline in North America and Europe & Middle East.
- Total backhaul decreased by 13% while headhaul decreased by 17%.
- The average loaded freight rate increased by 4.5%¹ driven by short-term and contract rate increases across most trades. Adjusted for foreign exchange rate effects, the average loaded freight rate increased by 6.1%.

Loaded volumes ('000 FFE)	Q2 2020	Q2 2019	Change	Change %	FY 2019
East-West	1,390	1,633	-243	-14.9%	6,194
North-South	894	1,098	-204	-18.6%	4,268
Intra-regional	619	716	-97	-13.5%	2,834
Total	2,903	3,447	-544	-15.8%	13,296

Average freight rates (USD/FFE) ²	Q2 2020	Q2 2019	Change	Change %	FY 2019
East-West	1,879	1,736	143	8.2%	1,760
North-South	2,449	2,327	122	5.2%	2,347
Intra-regional	1,292	1,382	-90	-6.5%	1,366
Total	1,915	1,832	83	4.5%	1,853

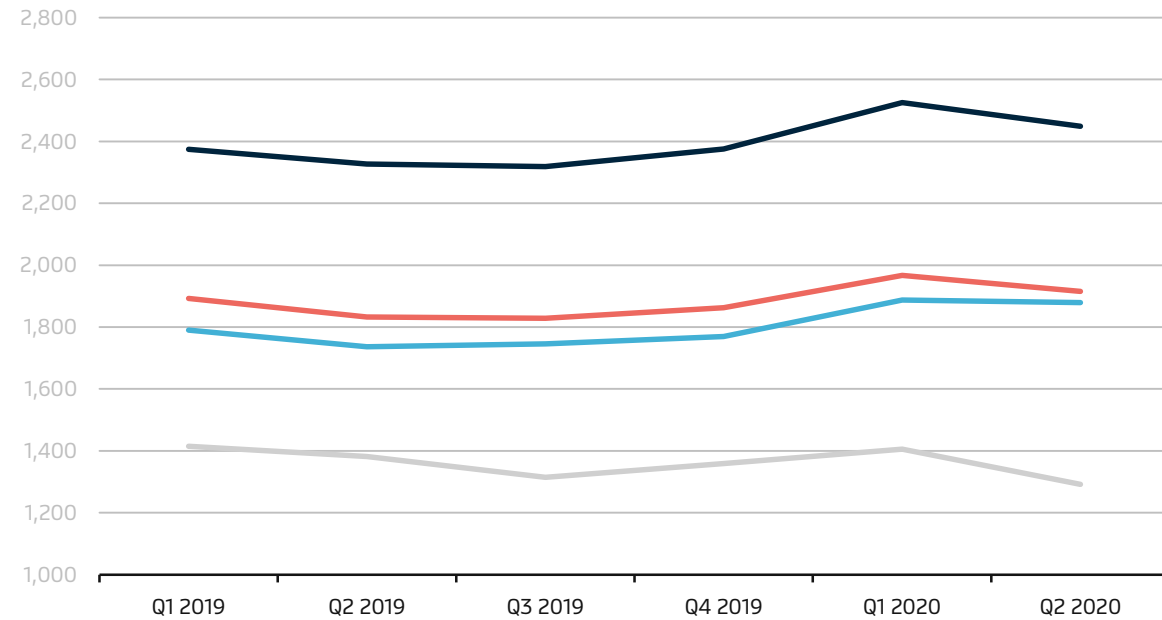
1. Loaded freight rate in Q1 2020 was 1,967 USD/FFE versus previously reported 1,999 USD/FFE.

2. Q1 2020 freight rates have been restated. In Q1 2020 freight rates were: East-West 1,887 USD/FFE (previously 1,924 USD/FFE), North-South 2,525 USD/FFE (previously 2,560 USD/FFE) and Intra-regional 1,405 USD/FFE (previously 1,398 USD/FFE).

Ocean average freight rate up 4.5% compared to Q2 2019

Freight rates

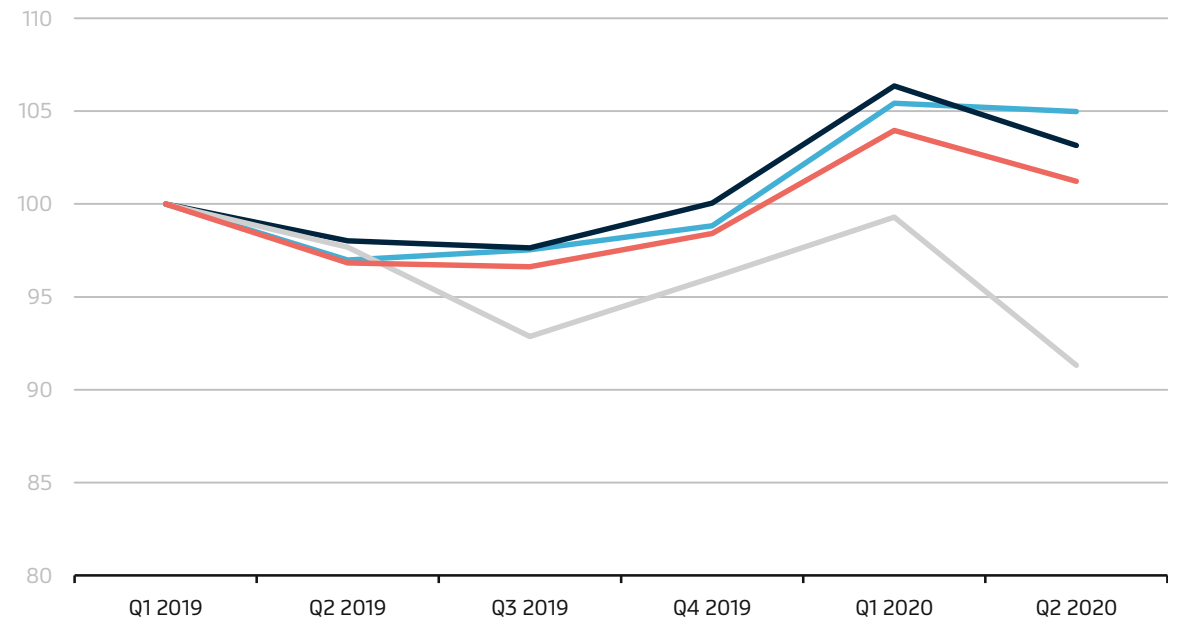
USD/FFE



East-West North-South Intra-regional Average freight rate

Freight rates

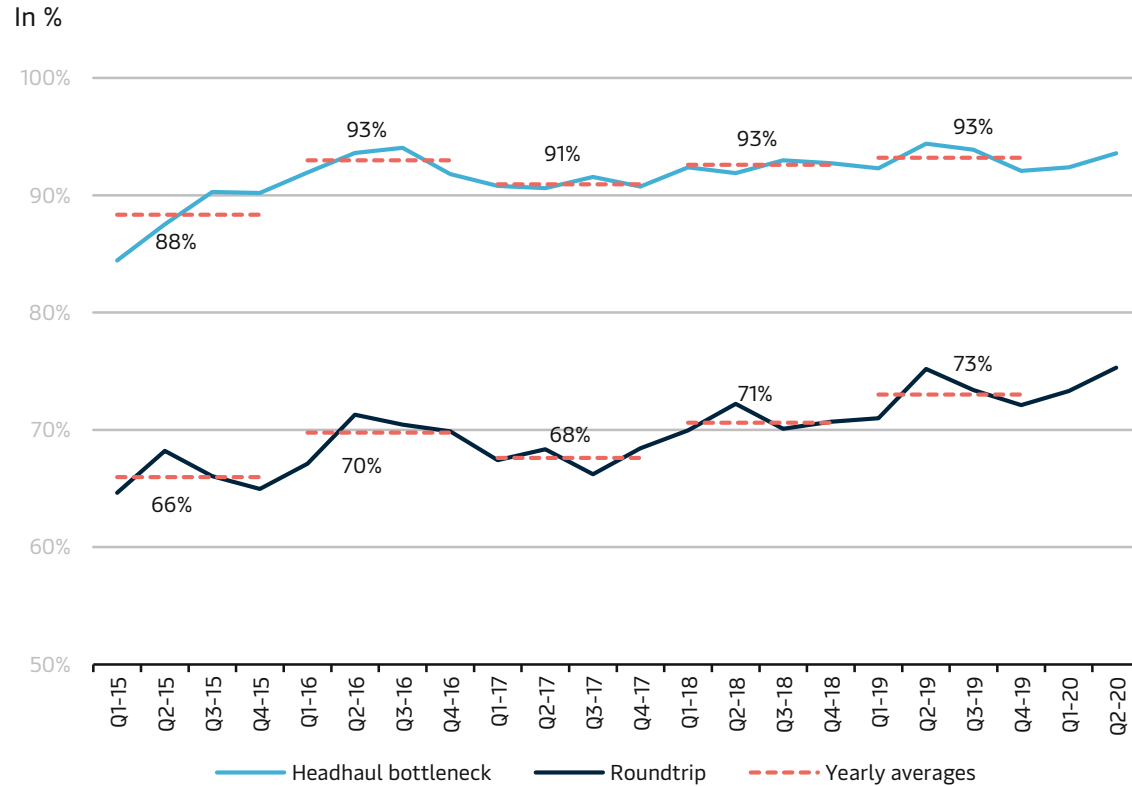
Q1 2019 = 100



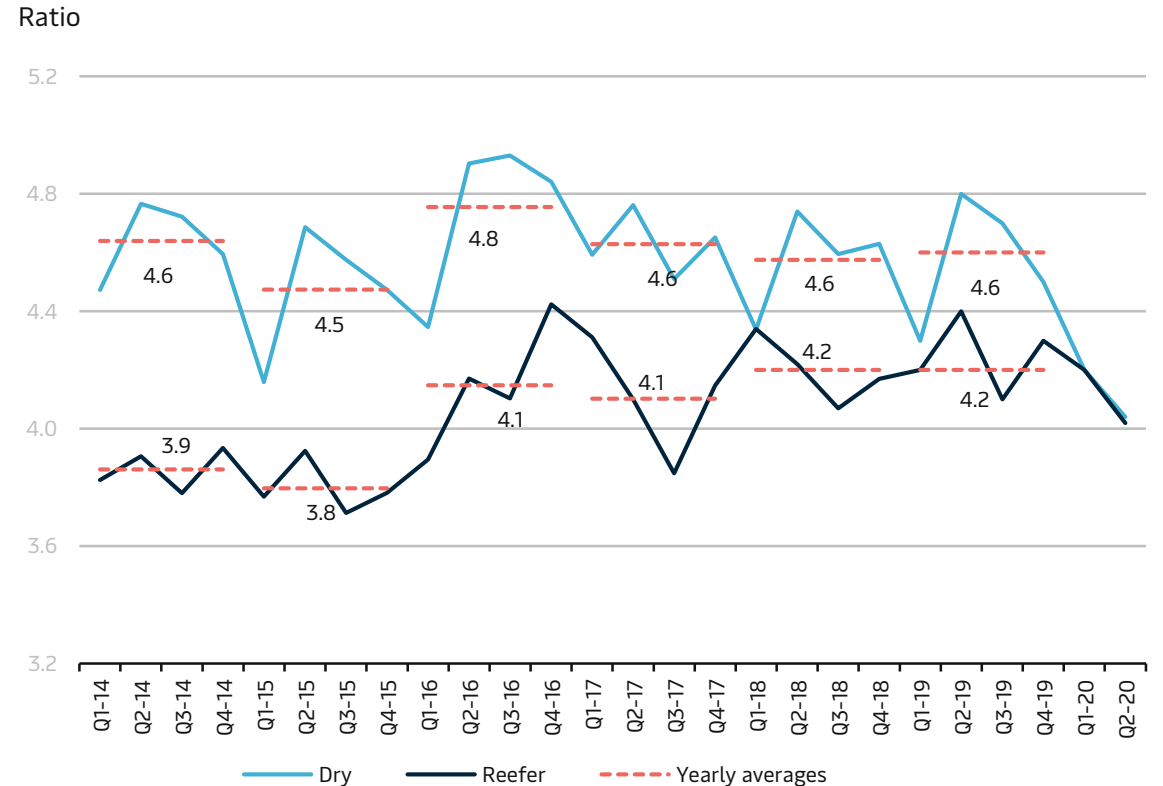
East-West North-South Intra-regional Average freight rate

Q2 2020 vessel utilisation stable compared to Q2 2019 and Q4 2019

Vessel utilisation



Container turn



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

Container handling and network costs represent the majority of our unit cost base

Unit cost base, 2019

1,922 USD/FFE

2019 unit base



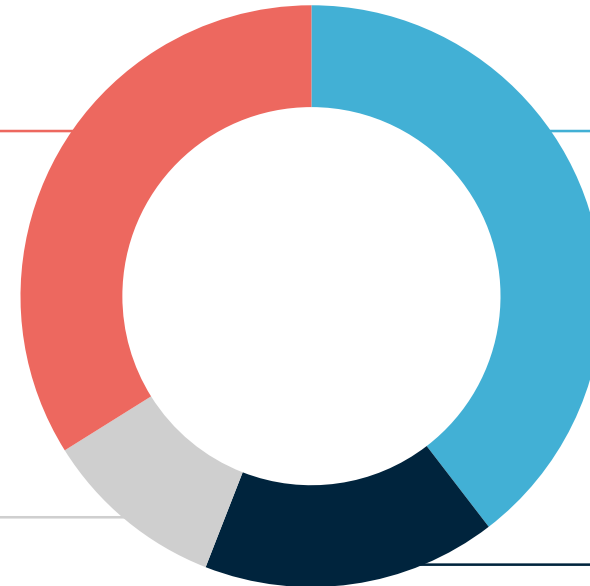
Unit cost base, 2019

31%

Network costs excluding bunker

12%

SG&A and other costs



39%

Container handling costs

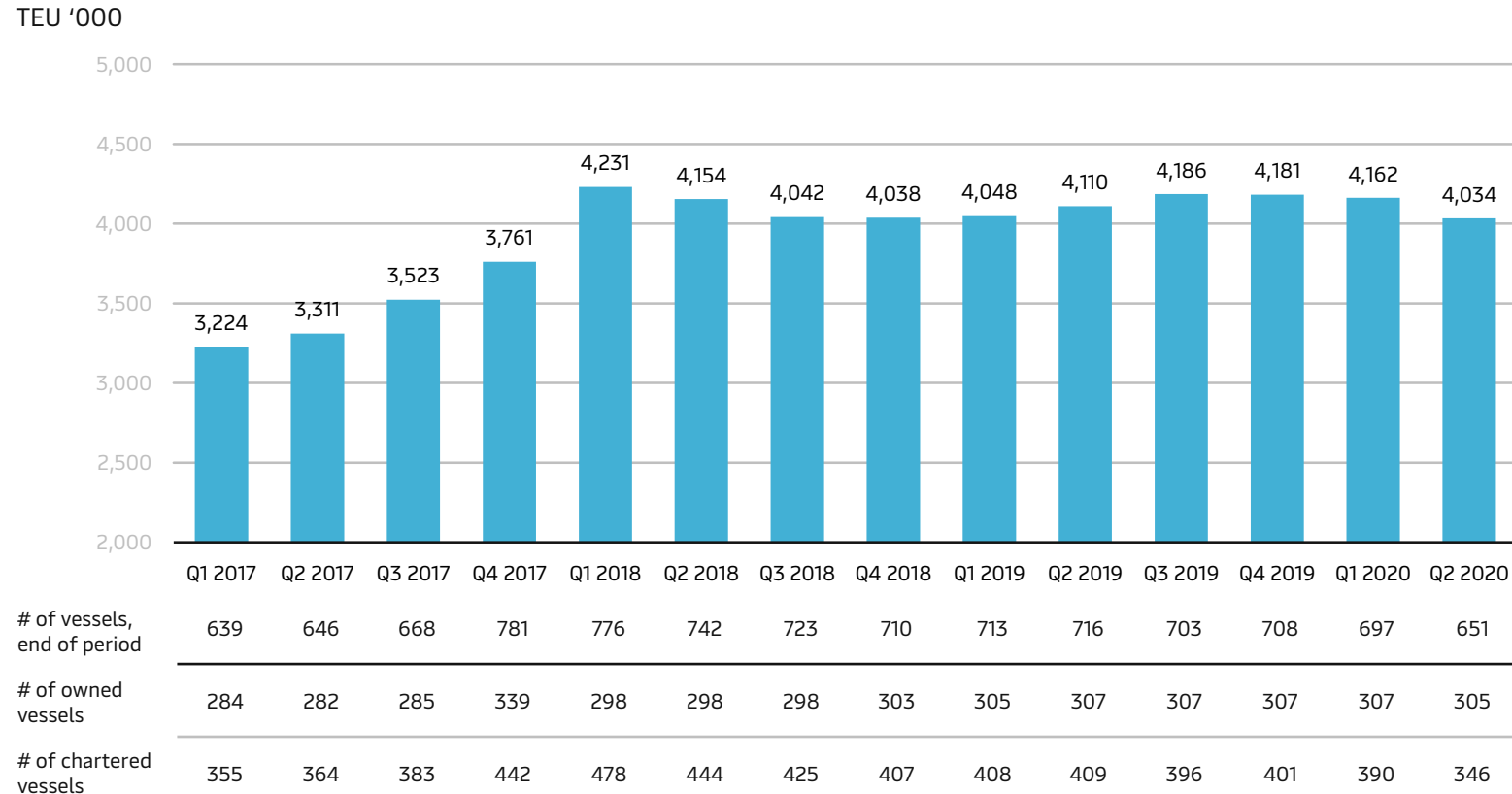
18%

Bunker costs

Note: **Unit cost base:** EBIT costs including VSA income, Hub income and income related to vessel relets. Adjusted for restructuring costs, result from associated companies, gains/losses and derivatives. **Container handling costs:** Includes costs related to terminal operation (excluding hubs and transshipment); empty costs; container leasing, depreciation of owned and capitalised leased containers, and repair costs; Hamburg Süd Inland and feederling. **Network costs excluding bunker:** Includes hub cost, transshipment costs and hub depreciation incl. depreciations for capitalised leases; vessel costs related to port and canal fees (Suez and Panama), running costs and crewing of owned vessels, depreciation of owned vessels, depreciation of capitalised leased vessels, time charter of operating leased vessels, cost of slot (capacity) purchases and vessel sharing agreements (VSA) with partners. **Bunker costs:** Includes costs related to fuel consumption and fuel prices. **SG&A and Other costs:** Includes costs related to own and third party agents in countries, liner operation centres, vessel owning companies, onshore crew and ship management, service centres and headquarters; administration cost types such as staff, office, travel, training, consultancy, IT, legal and audit, depreciations for other capitalised leases (e.g. leased offices) etc.; Other costs covering bad debt, cargo claims, currency cash flow hedge, indirect tax, non-operational provisions and amortization of intangible assets.

We continue to strengthen the capacity management

Development in average nominal capacity and number of vessels



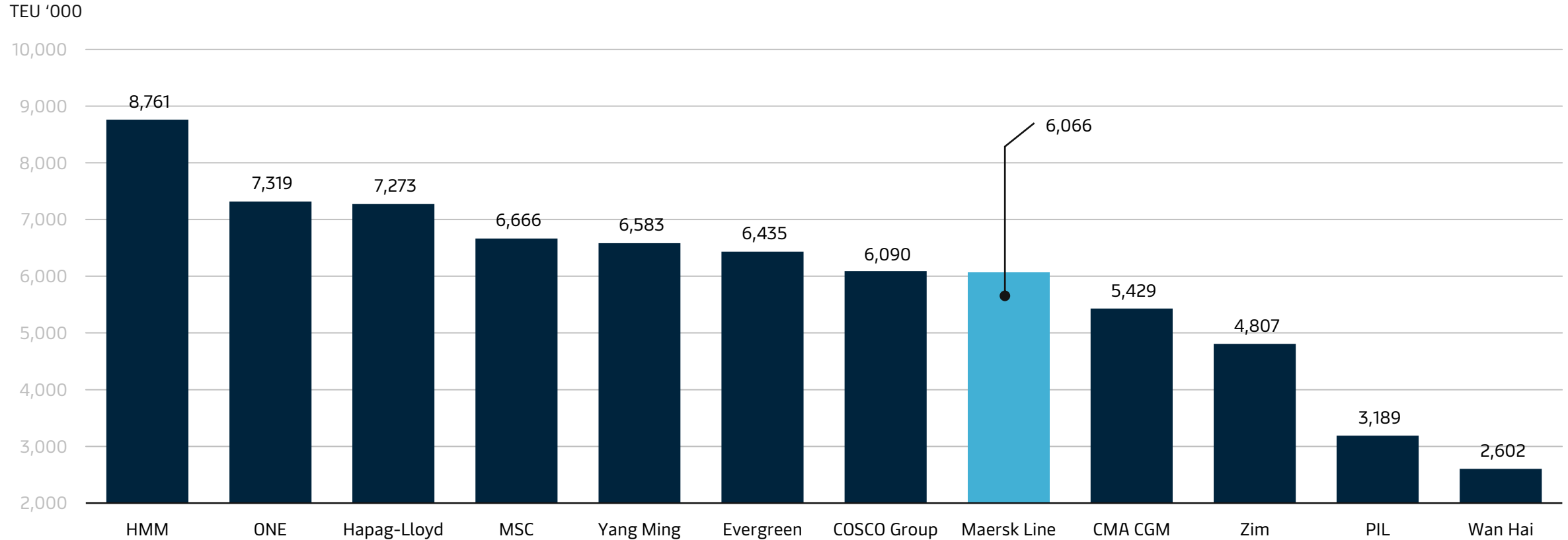
Ocean average nominal vessel capacity

- Ocean segment aims to continuously adjust capacity to match demand and optimise utilisation
- Average nominal vessel capacity in Q2 2020 decreased by 1.8% y/y and decreased by 3.1% q/q to 4,034k TEU

Prior to the implementation of IFRS 16, only operating leased vessels were included in the chartered container vessel section while finance leased vessels were presented together with owned to match the classification on the balance sheet. With IFRS 16, all leased vessels are generally recognised as a right-of-use asset on the balance sheet. All leased vessels are included in the table within the chartered container vessel section from Q1 2018 onwards.

Industry average vessel size

Average vessel size

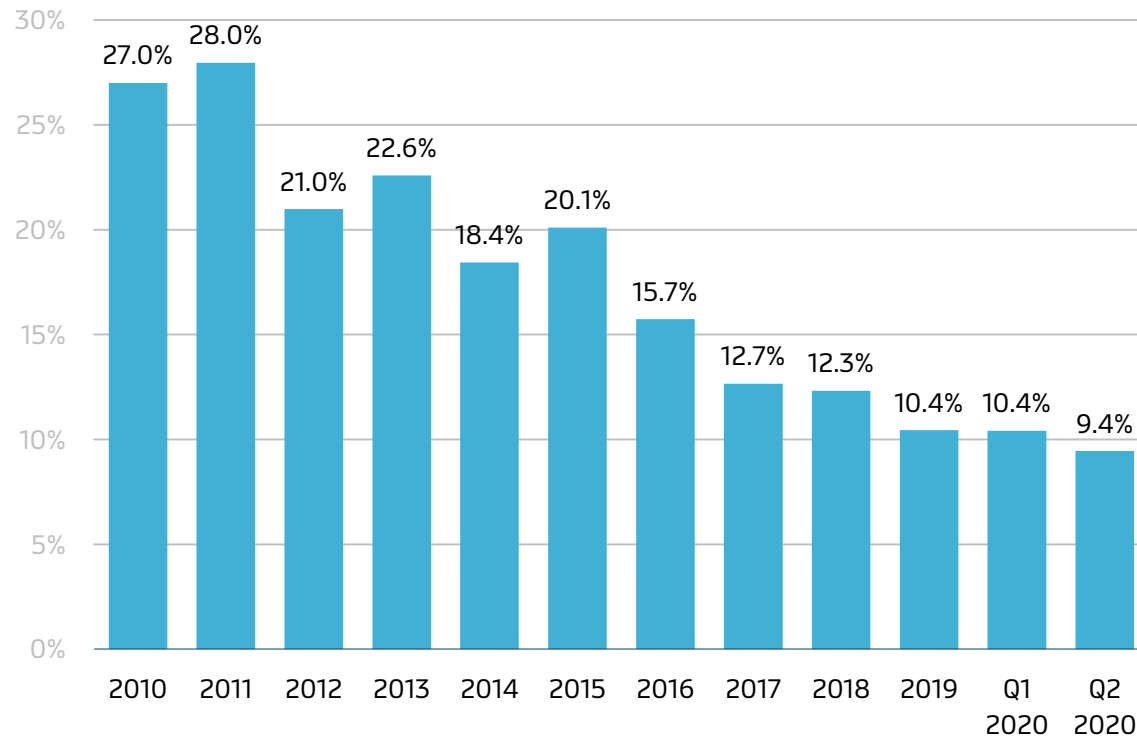


Note: As of end-June 2020
Source: Alphaliner

Industry orderbook at a low level and almost no orders in Q2 2020

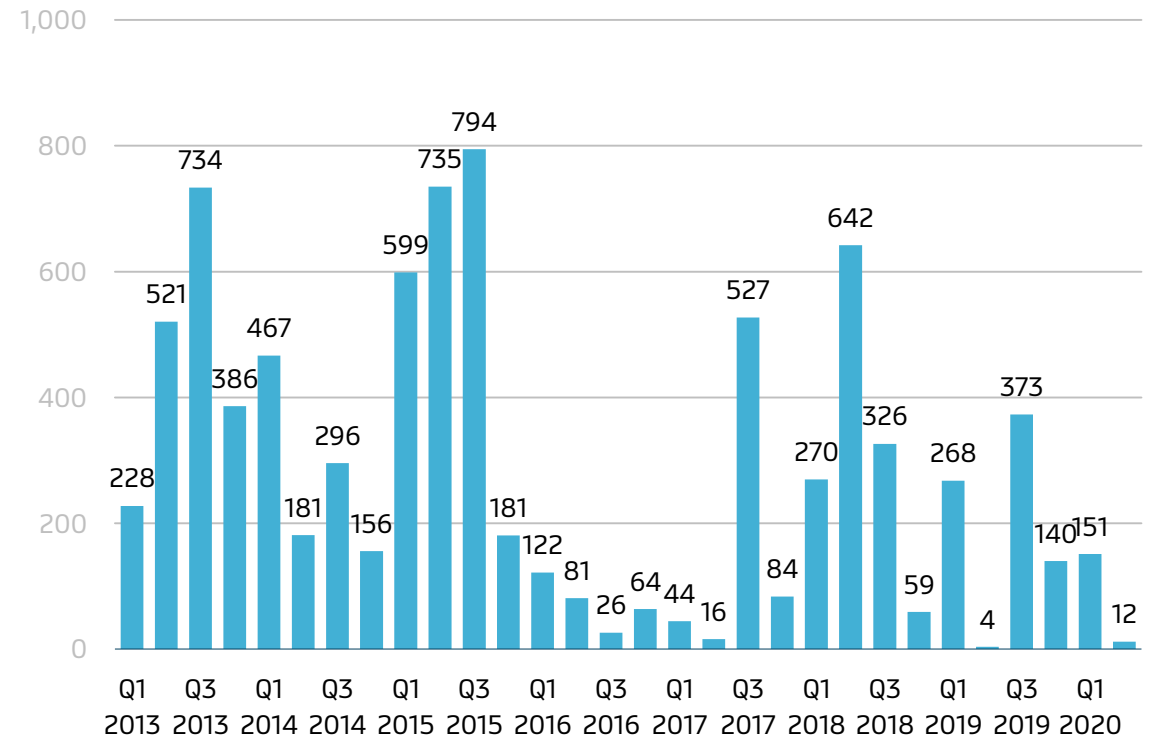
Industry orderbook

Orderbook as % of current fleet (end of period)



New orders

TEU '000



Note: As at end-June 2020.
Source: Alphaliner.

Terminals & Towage

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



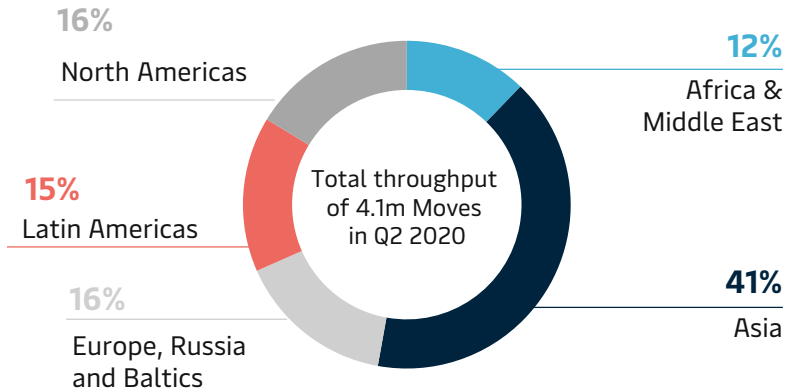
■ Towage ■ Terminals

Portfolio Overview

Diversified gateway terminal portfolio

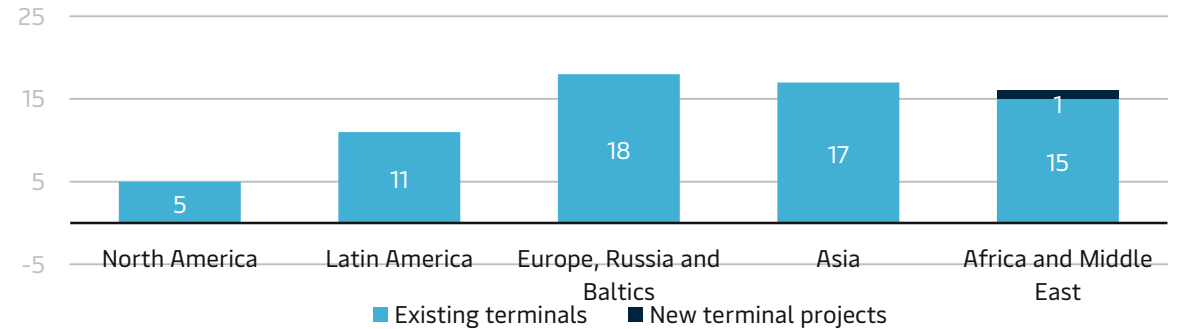
Container throughput by geographical region

Equity weighted crane moves, %



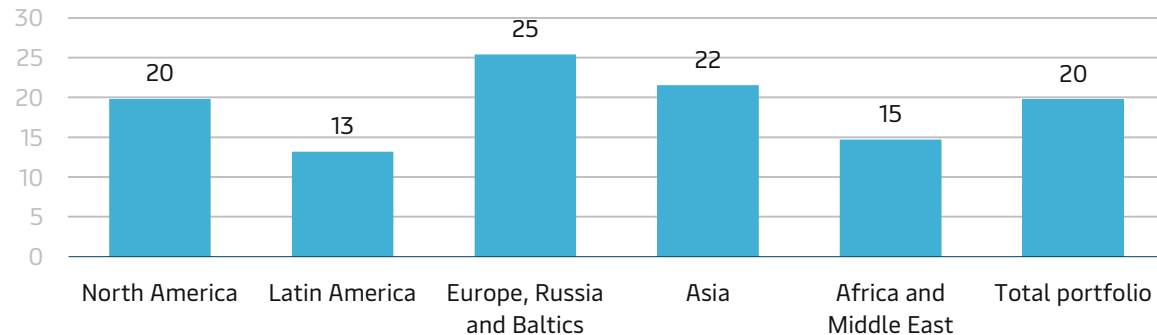
Geographical split of terminals

Number of terminals



Average remaining concession length in years

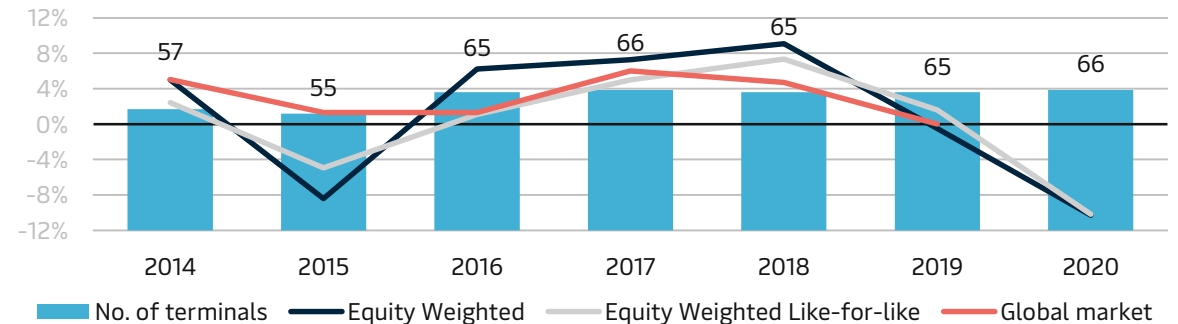
Years



Note: Average concession lengths as of Q2 2020, arithmetic mean.

Port Volume growth development

In %



Note: Like for like volumes exclude divestments and acquisitions.

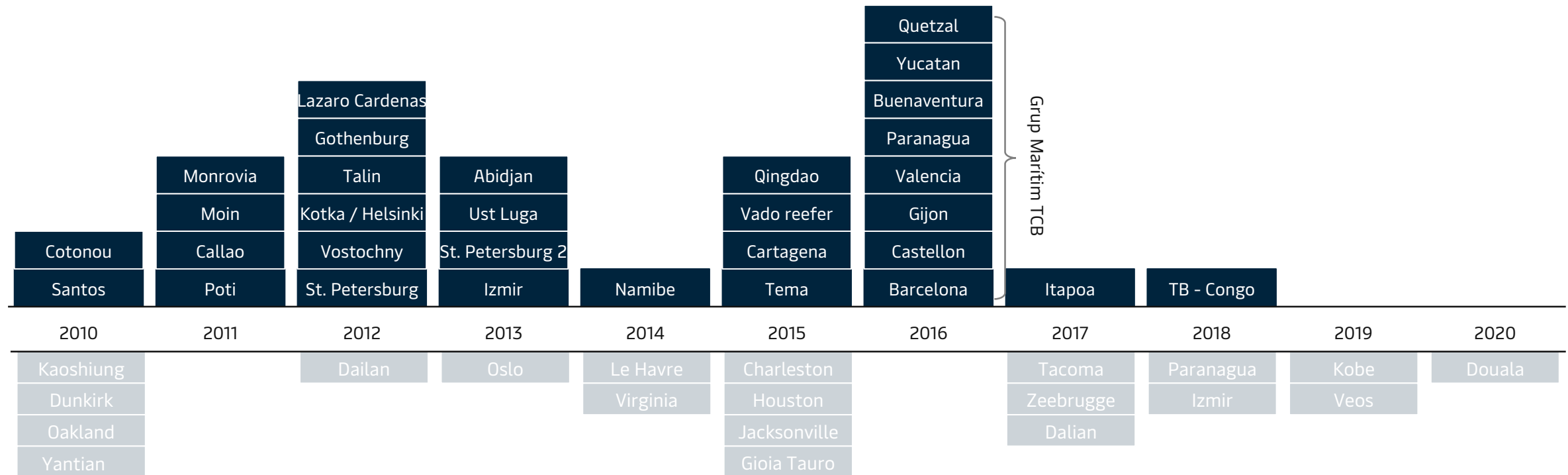
Gateway terminals – Project progress

Project	Opening	Details	Investment
Abidjan, Ivory Coast	2021	<ul style="list-style-type: none">• The new terminal will be our second terminal in Abidjan, Ivory Coast, which is one of the busiest container ports in West Africa• New facility will be able to accommodate vessels of up to 14,000 TEU in size	USD 0.5bn

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

Active portfolio management – gateway terminals

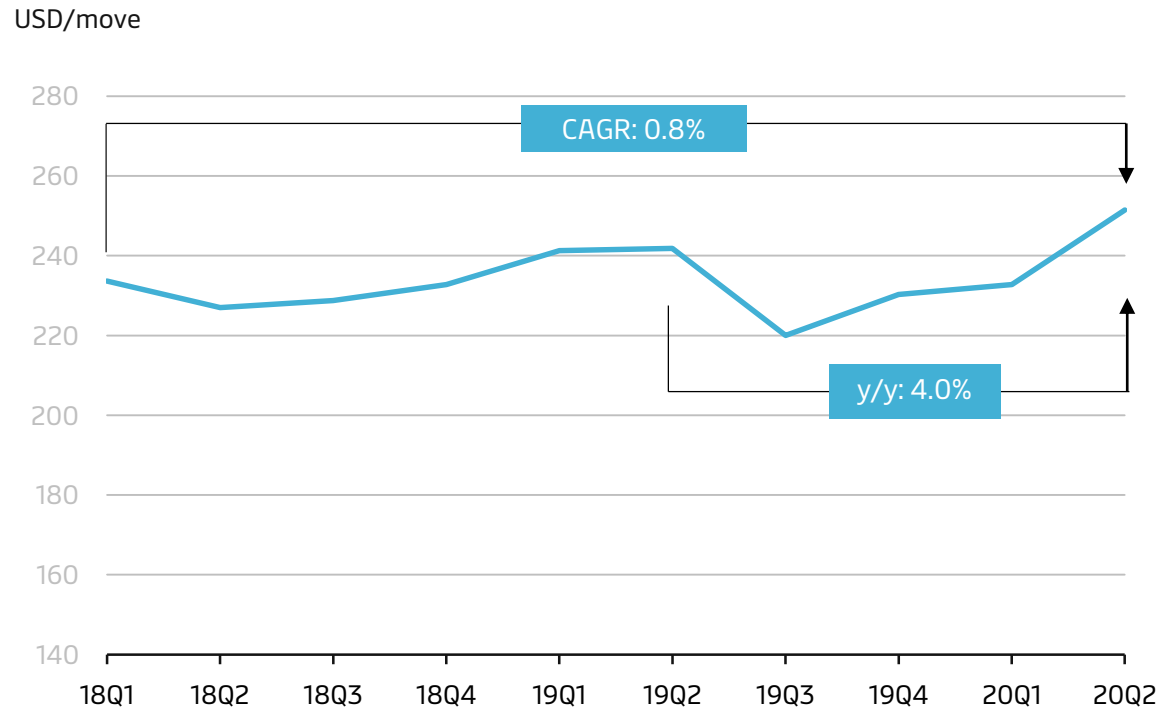
Acquisitions and secured Projects



Divestments / stop operation

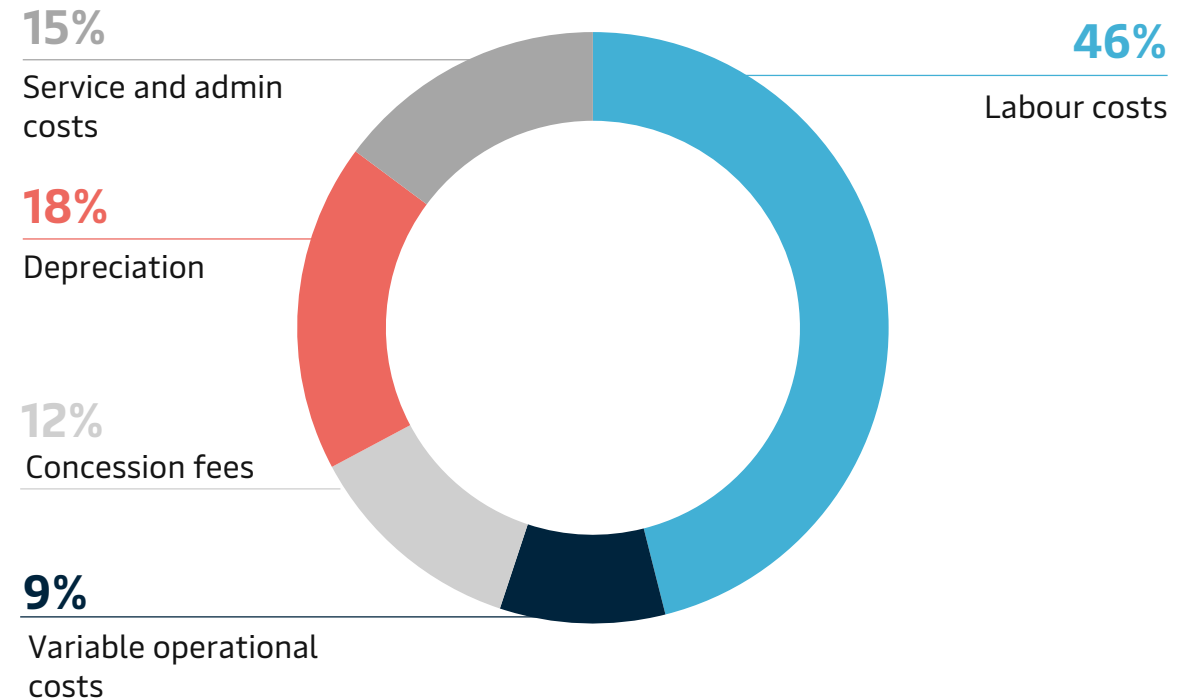
Focusing on lower cost and higher efficiency

Gateway terminal cost per move, Fin.Con ¹



Gateway terminal cost break down ²

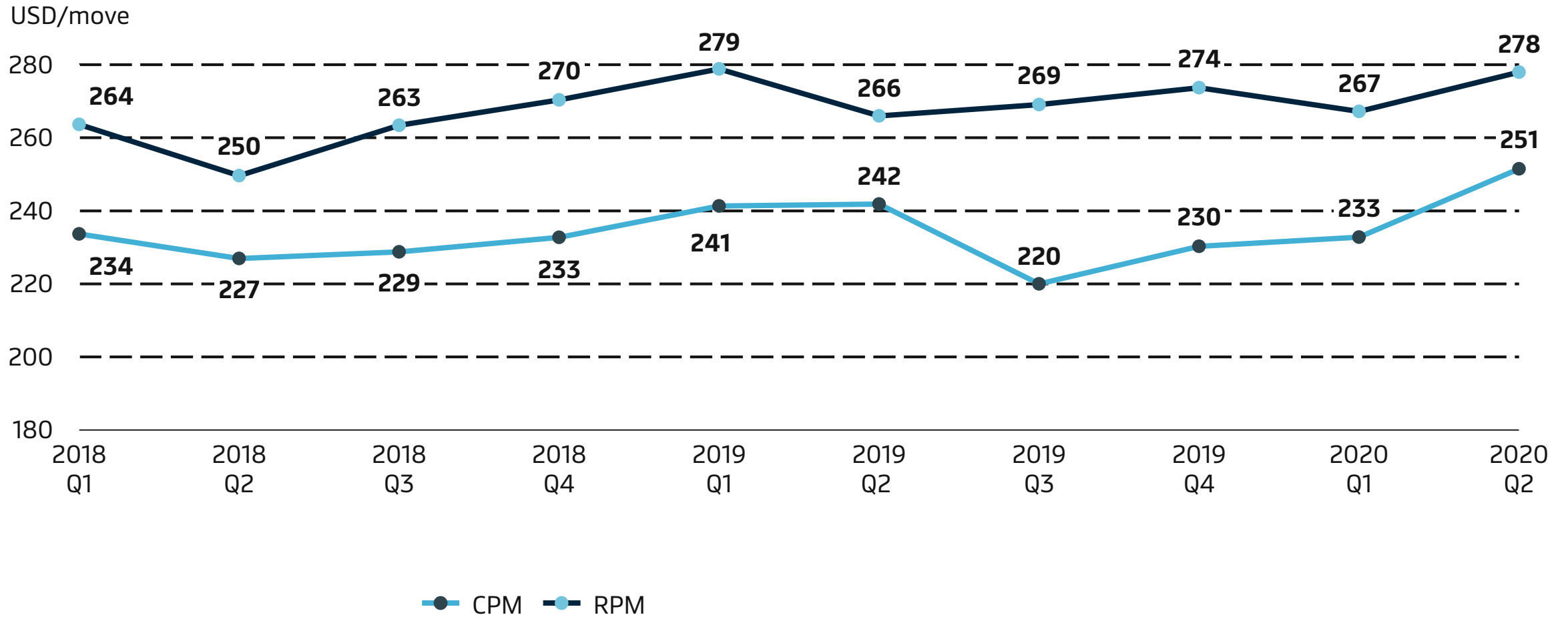
Q2 2020



1. Gateway terminal Cost per move for all operating terminals on financial consolidated basis; terminals under implementation are excluded.

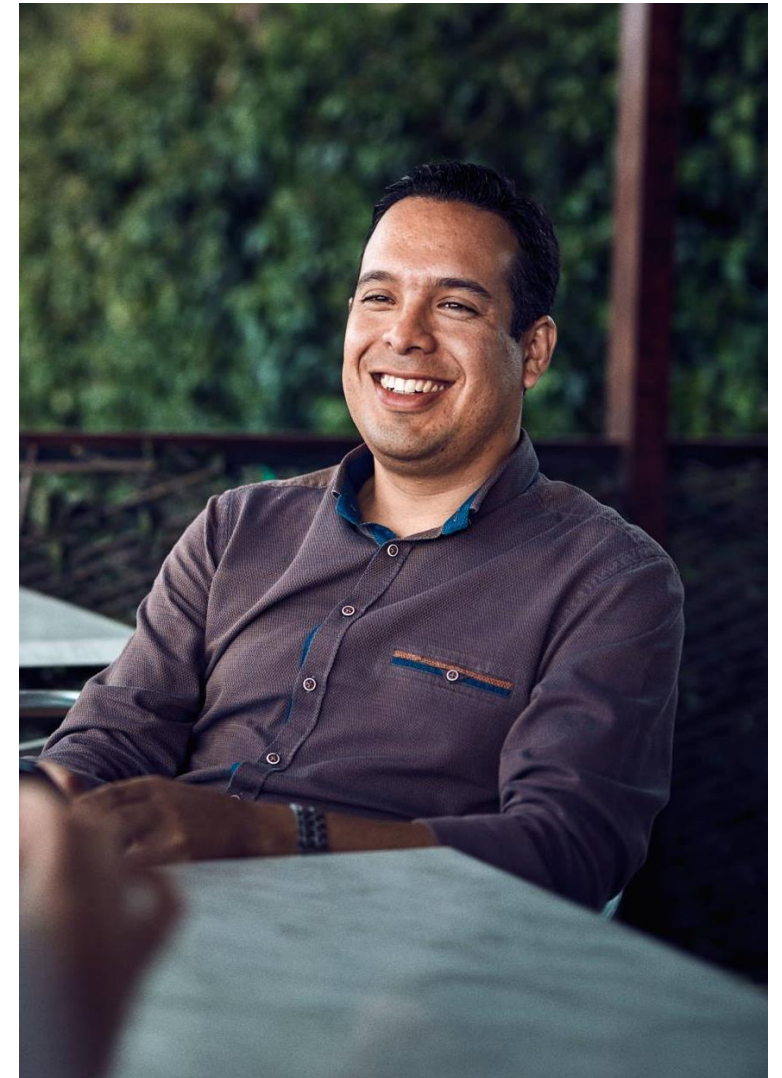
2. Cost breakdown for all gateway terminals on financial consolidated basis.

Revenue and cost per move (financially consolidated)



Continuing to grow ahead

Operational and financial metrics	Q2 2020	Q2 2019	Change, % (like-for-like, %)	2019
Terminal volumes – Financially consolidated (moves in m)	2.6	3.0	-13.7 (-15.5)	11.9
• Ocean segment	1.0	1.0	-7.1 (-10.1)	4.1
• External customers	1.6	2.0	-17.2 (-18.3)	7.8
Terminal volumes – EqW (moves in m)	4.1	4.5	-10.3 (-10.2)	17.9
Terminal revenue per move – (USD)				
• Financially consolidated	278	266	4.5	272
Terminal cost per move – (USD)				
• Financially consolidated	251	242	4.0	233



Gateway terminals operating businesses of 25.7% EBITDA margin

Q2 2020	Consolidated businesses	JV & Associates	Operating businesses	Implementations	Total
Throughput (Moves m, equity weighted)	2.2	1.8	4.1	0.0	4.1
Throughput (Moves m, financially consolidated)	2.6	-	2.6	0.0	2.6
Revenue (USD m)	723	-	723	0.0	723
EBITDA (USD m)	186	-	186	0	186
EBITDA margin (%)	25.7	-	25.7	NA	25.7

Note: Gateway terminals Implementations include terminals currently under construction (Abidjan (TC2), Ivory coast)

Consolidated gateway terminals

	Q2 2020	Q2 2019	Change
Throughput (Moves m, equity weighted)	2.2	2.6	-14.3%
Throughput (Moves m, financially consolidated)	2.6	3.0	-13.7%
Revenue (USD m)	723	806	-10.2%
EBITDA (USD m)	186	188	-0.8%
EBITDA margin (%)	25.7	23.3	2.4pp

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

Gateway terminals - JV and Associates

	Q2 2020	Q2 2019	Change
Throughput (Moves m, equity weighted)	1.8	1.9	-4.9%

Gateway terminals under implementation

	Q2 2020	Q2 2019	Change
Throughput (Moves m, equity weighted)	0.0	0.0	NA
Throughput (Moves m, financially consolidated)	0.0	0.0	NA
Revenue (USD m)	0.0	0.1	-100%
EBITDA (USD m)	0.0	-4	-100%
EBITDA margin (%)	NA	NA	NA

Note: Implementations include terminals currently under construction (Abidjan (TC2), Ivory coast). Q2 2019 Implementations include Vado, Italy; Abidjan (TC2), Ivory coast.

Thank You

Stig Frederiksen
Head of Investor Relations

Stig.frederiksen@maersk.com
+45 3363 3106

Maja Schou-Jensen
Senior Investor Relations Officer

Maja.schou-jensen@maersk.com
+45 3363 3639

Jytte Resom
Investor Relations Officer

Jytte.resom@maersk.com
+45 3363 3622