A.P. Moller - Mærsk A/S

Q2 2022 Interim Results

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Webcast: investor.maersk.com

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

Comparative figures

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

Interim report Q2 2022
Key statements

Key statements

Excellent Q2 2022 results

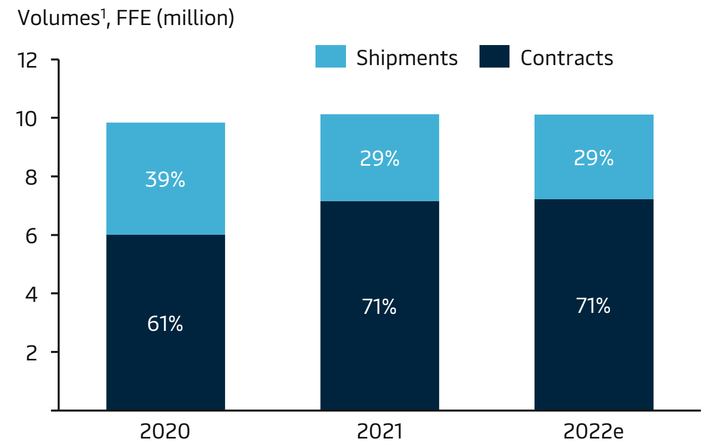
- Continued record results across all segments
- Upgrade of FY 2022 guidance and increased share buy back
- Higher contract rates drove significant improvement in Ocean
- Strong integrated value proposition delivers profitable growth in Logistics
- Successful closure of Senator & Pilot acquisitions
- Progress on ESG strategy

Key statements

Solid progress on strategic transformation

Ocean

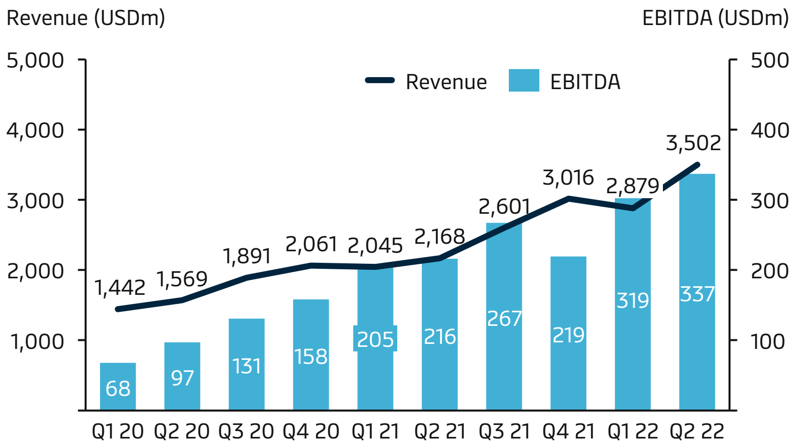
More stable & predictable



- Contract signing for 2022 essentially complete. Average contract rate for 2022 expected to be around 1,900 USD/FEE higher than 2021
- 1.9m FFE on multi-year contracts
- 85% of Shipment bookings are made via Maersk Spot and Twill

Logistics & Services

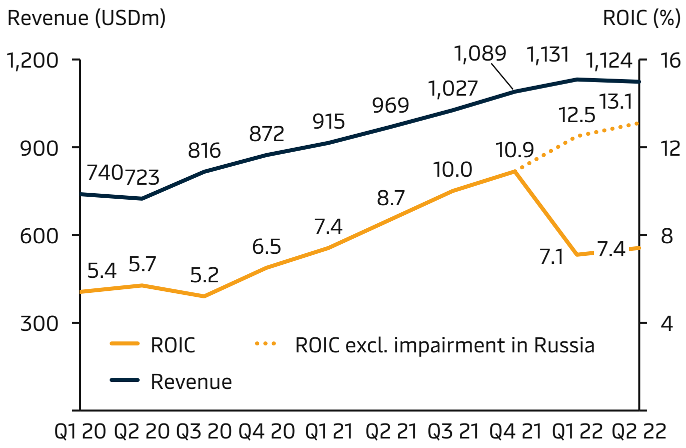
Profitable growth



- 6th consecutive quarter of >30% organic revenue growth at stable margins driven by strong volume growth
- 71% of L&S Q2 organic revenue growth came from top 200 Ocean customers
- APMM named a Leader by Gartner in the 2022 Gartner Magic Quadrant for Logistics

Terminals

Robust, attractive returns



- Continued volume growth despite global congestion
- Seven consecutive quarters of ROIC improvement reaching 13.1%[3] in Q2 22 (excluding the impairment of Russian activities)

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Notes: 1) Full year volume split, long-haul trades 2) New definition of Contract vs Shipment adjusted to commercial relationships with customer 3) Last Twelve Months (LTM) basis

Key statements

Delivering on the roadmap for 2021-2025

Continued solid progress on the strategic transformation

	Targets	LTM
APMM: Return on invested capital (ROIC) – (LTM)	Every year >7.5% Average 2021-25 >12.0%	62.5%
Ocean: EBIT margin – under normalised conditions	Above 6%	45%
Execute with the existing fleet size	4.1-4.3m TEU	4.3m
Logistics & Services: Organic revenue growth	Above 10%	35%
- hereof from top 200 Ocean customers	Min. 50%	61%
EBIT margin	Above 6%	6.2%
Terminals: Return on invested capital (ROIC) – (LTM)*	Above 9%	7.4%

Mid-term targets were introduced at the CMD in May 2021

*Including the Q1 impairment of Russian activities. Adjusting for the impairment,Q2 ROIC is 13.1%

Building the integrator through acquisitions

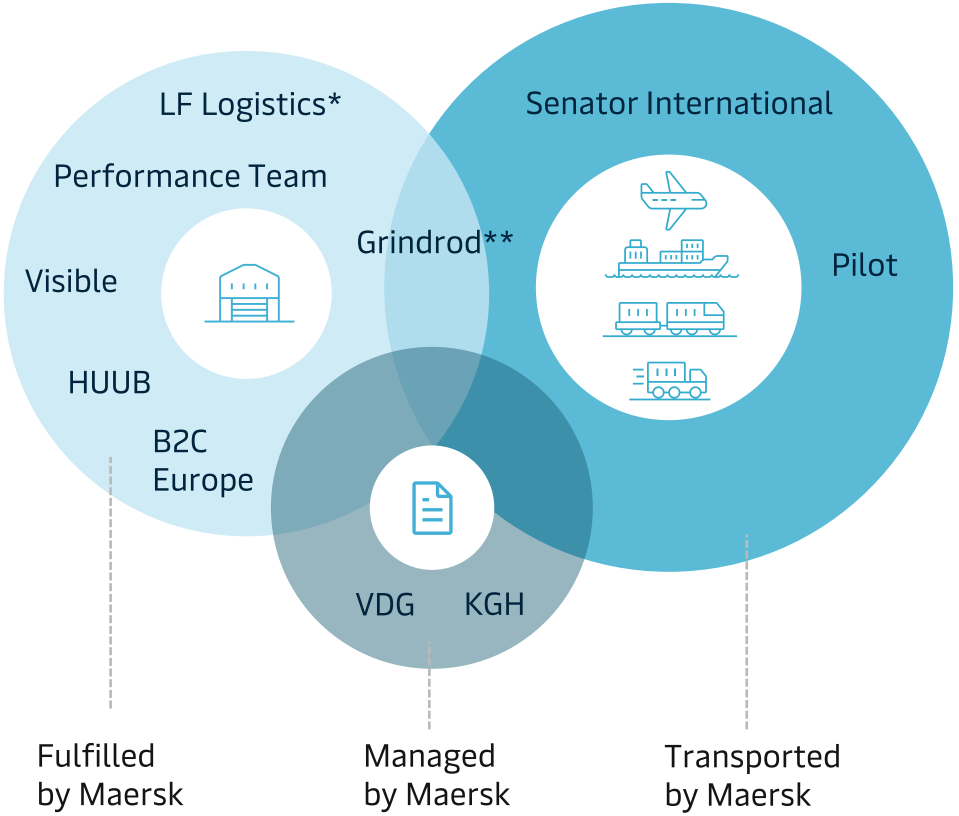
Our M&A roadmap focuses on expanding our capabilities to strengthen our Logistics & Services offering

The companies we have acquired allow us to deliver end-to-end solutions across the entire supply chain and transform our customer relationship from transactional to collaborative partnership

We accelerate the growth of our acquired companies and achieve commercial synergies by selling their products to our Ocean customers

As we gain scale and new capabilities, we are able to better serve our customers and increase our share of their total logistics spend, creating a long runway for future organic growth

Acquisitions in L&S since 2019



* Closing anticipated Q3 2022
** Closing anticipated Q4 2022

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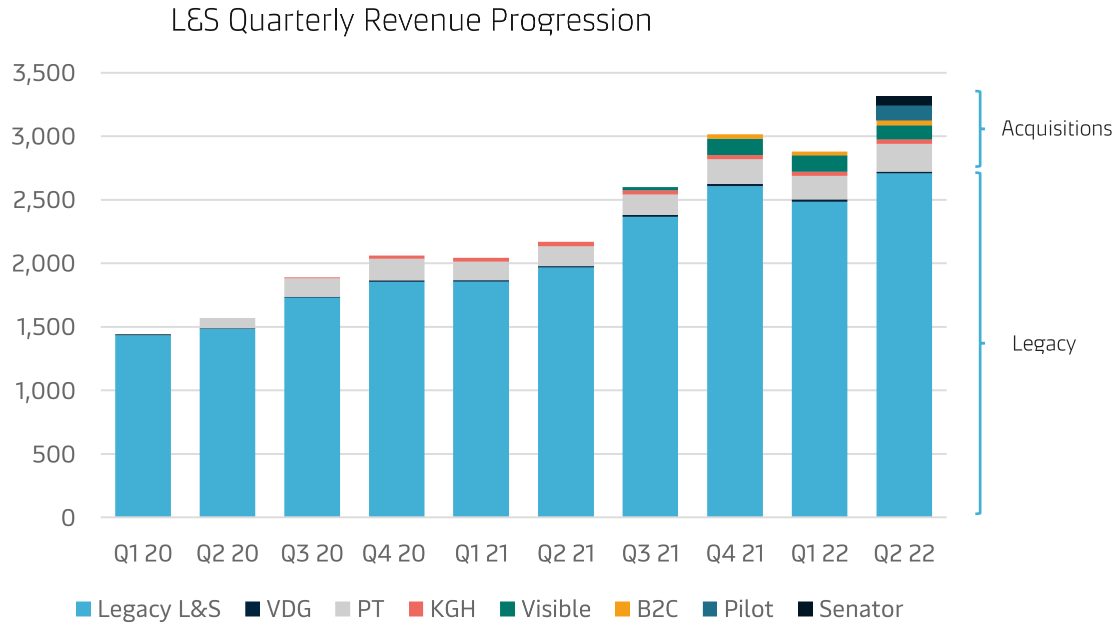
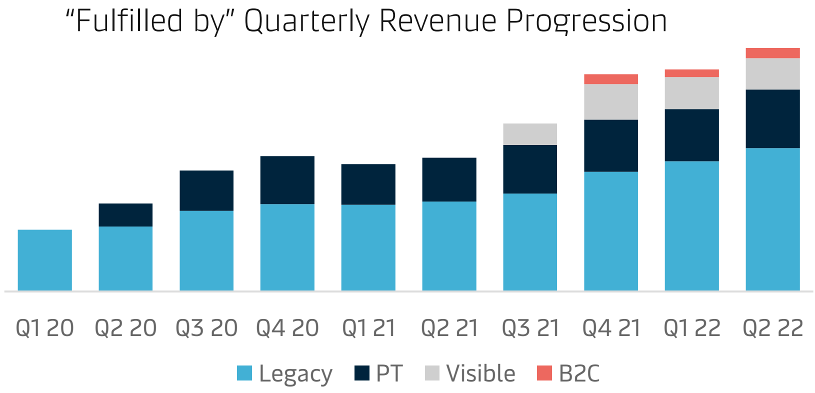
Key statements

M&A powers revenue growth

- Over the last 10 quarters, our L&S business has grown from USD 1,434bn to USD 3,502bn, or 143%. Out of which the acquisitions contribute 55% and legacy activities 87%.

- Drilling down further, in the second year post consolidation for the product family "Fulfilled by" annualized quarterly revenue increased by
  → 120% for Legacy business
  → 160% for Performance Team

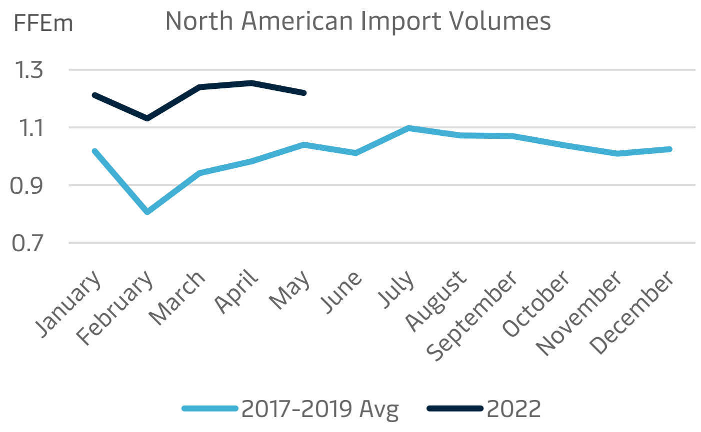




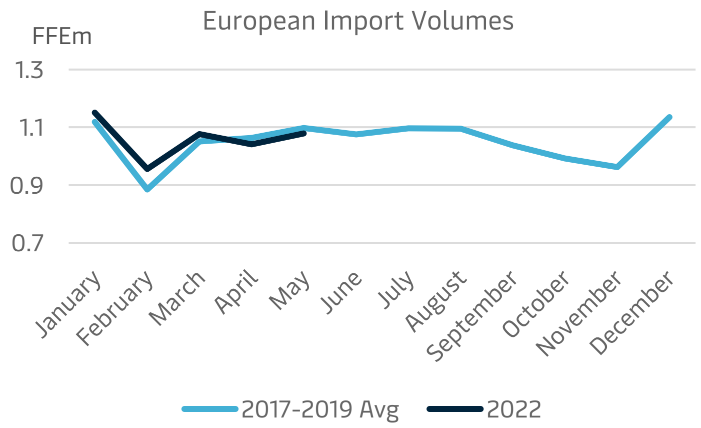
Key statements

Global congestion continues

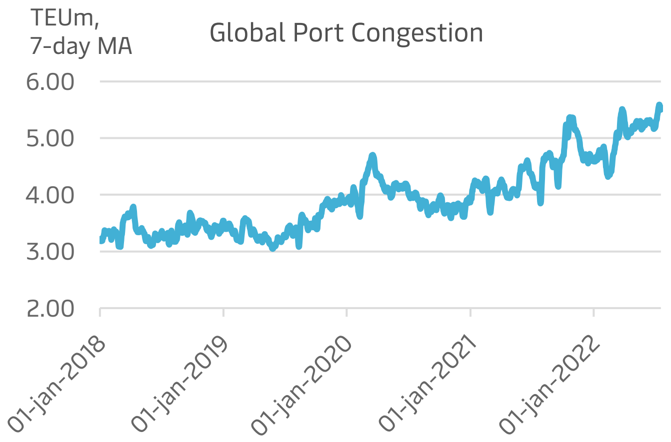
- Supply chain congestion continued and intensified across the globe during H1 2022
- In North America, congestion is driven by the sustained high level of imports. In Europe, disruptions occurred as a result of the Russian invasion of Ukraine and labor issues .
- Landside bottlenecks remain the greatest obstacle to solving supply chain congestion
- Consequently, we revise our expectation for the growth of global container volume in 2022 to the lower end of the +1/-1% range
- Economic uncertainty may lower demand and trigger an improvement in congestion
- We continue to work with our clients to provide flexible strategies and ensure timely delivery



Source: Maersk estimates including CTS Data



Source: Maersk estimates including CTS Data



Source: Clarkson's NA EC/WC, N Eur & China port congestion data

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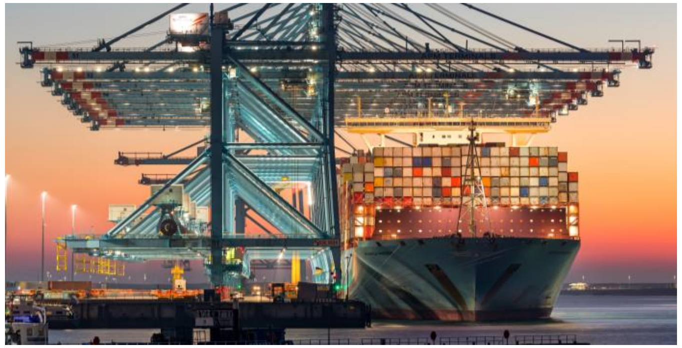
Key statements

Leading Decarbonisation

- Maersk ECO Delivery product continues to win new contracts and customers.
- Q2 2022 ECO Delivery volumes are over 4x higher than in Q2 2021 and representing close to 2% of all Ocean volumes.



- Eight of AMPT's European terminals are now running on 100% renewable electricity.
- This reduces AMPT's CO2 emissions by 52 kt, or 9% of overall emissions vs baseline 2020 and is in line with segment ambitions to reduce total emissions by 70% by 2030

- Maersk joins SteelZero to send a clear demand signal and catalyse the transition to sustainable steel.
- Maersk is an important consumer as well as supplier of scrap steel for recycling and is committed to accelerating the transition to a net zero steel industry.

Save the Date!

Maersk ESG Day - November 22, 2022

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Full-year guidance for 2022

- As announced on August 2nd, given the strong results of Q2 2022, the longer than anticipated continuation of supply chain congestion, and subsequent higher freight rates, full-year 2022 guidance has been revised to an **underlying EBITDA of around USD 37.0bn** (previously around USD 30.0bn), an **underlying EBIT of around USD 31.0bn** (previously around USD 24.0bn) and a **free cash flow (FCF) above USD 24.0bn** (previously above USD 19.0bn)
- Guidance is now based on a gradual normalisation in Ocean taking place early in the fourth quarter 2022
- Given the volume developments in Q2, APMM has revised its 2022 outlook for **the growth of global container demand to the lower end of the +/- 1% range**
- **CAPEX guidance for 2022-2023 remains unchanged at USD 9.0-10.0bn**
- Based on the improved guidance the Board of Directors has decided to increase the current **share buy back** programme by USD 500m annually from **USD 2.5bn to USD 3.0bn** for the years 2022-2025

On the agenda for 2022

Ocean
- Continued high earnings, largely driven by contracts
- Stable, predictable, resilient
- Restore service quality and network reliability

Logistics & Services
- Continued very high organic growth
- Continued focus on profitability with EBIT >6%
- Integration of acquisitions

Terminals
- Improved results driven by high utilisation
- Focus on automation and best practices
- Stable, attractive returns

APMM
- Investments in Logistics & Services growth and ESG
- Procurement of green fuels
- Accelerating the digital transformation
- Strong returns of cash to shareholders

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Interim report Q2 2022
Financial highlights

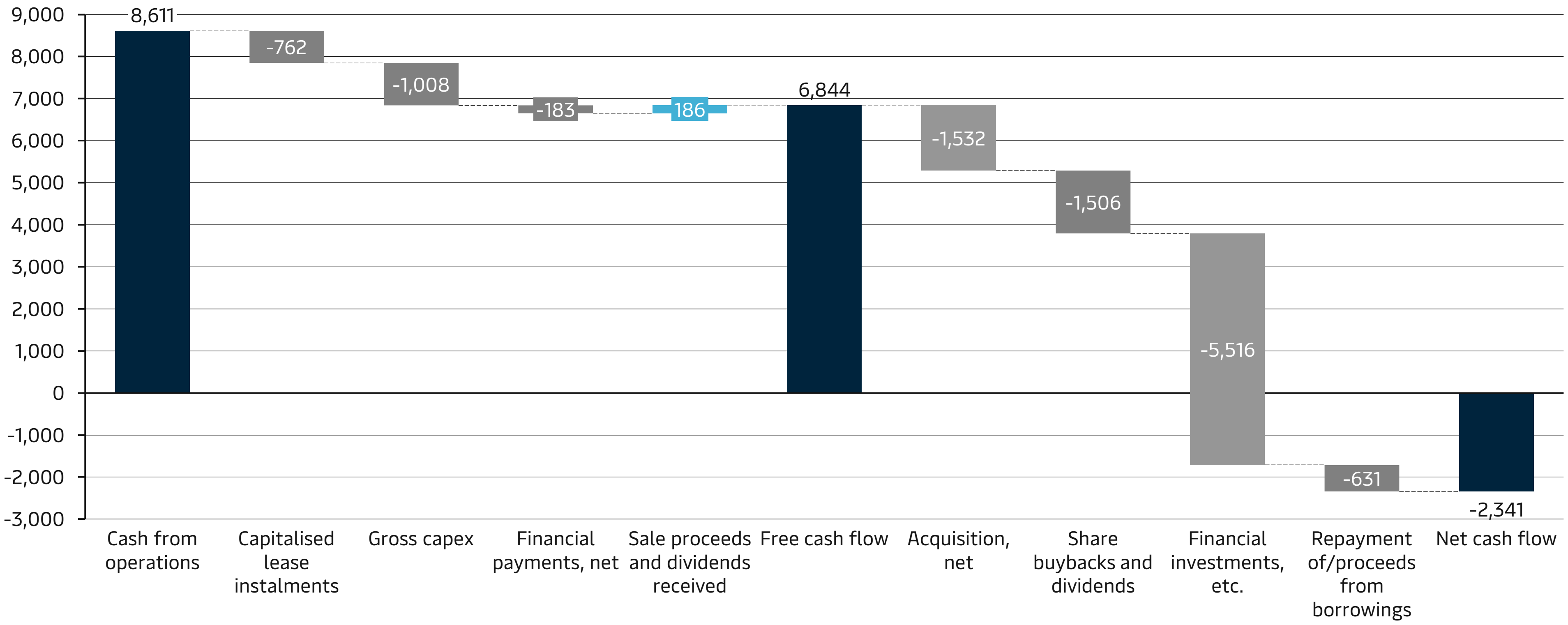
Financial highlights of Q2 2022

- Revenue for APMM increased by 52% for the quarter to a record USD 21.7bn, driven primarily by increased rates in Ocean as well as higher volumes in both Logistics & Services and Terminals.
- EBITDA increased to USD 10.3bn, reflecting a margin improvement to 47.7%, while EBIT increased to USD 9.0bn reflecting a margin of 41.5%.
- Net profit after tax for the second quarter of 2022 was USD 8.6bn, the strongest quarter on record, leading to a net profit after tax of USD 15.4bn for H1 22.
- Free cash flow increased to USD 6.8bn, driven by higher operating profit.
- Net cash position increased to USD 3.4bn (USD 1.5bn at year end 2021) despite returning USD 8.1bn to shareholders since the start of the year.

Q2 2022, USD	
Revenue 21.7bn (+52%)	EBITDA 10.3bn (+104%)
EBIT 9.0bn (+120%)	Free cash flow* 6.8bn (+112%)
ROIC, LTM 62.5% (38.8ppts)	NIBD (USD) -3.4bn (improvement of 9.6bn)

Exceptional operating free cash flow with cash conversion of 83%

Cash flow bridge for Q2 2022, USDm



Higher CAPEX in Q2 was mainly related to equipment, vessels and aircraft.

Free cash flow was USD 6.8bn (USD 3.2bn) with cash conversion at 83%, negatively impacted by higher receivables.

Q2 cash return was in the form of payment of withholding tax on dividends of USD 0.9bn and share buybacks of USD 0.6bn.

Financial investments of USD 5.5bn is mainly cash placed in short term deposits of +3 months leading to a net cash flow of USD −2.3bn

Net interest-bearing debt decreased to a net cash position of USD 3.4bn

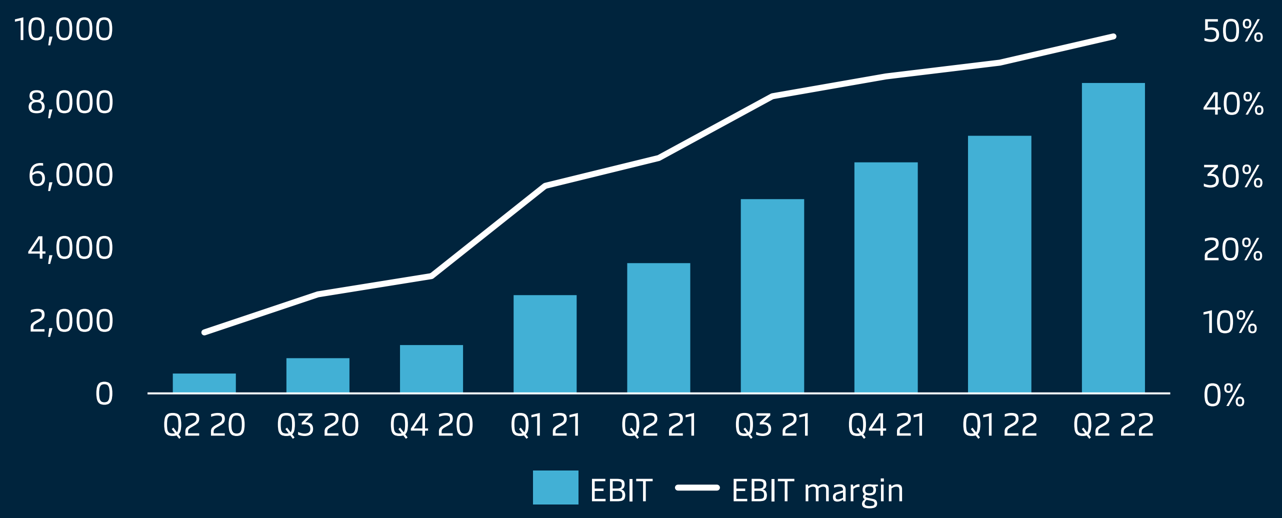
Note: Sum may differ due to rounding

Highlights Q2 2022

Ocean

- Revenue increased by 57% to USD 17.4bn supported by an average freight rate increase of 64% and partially offset by volume decrease of 7.4%.
- EBITDA improved by USD 5.2bn to USD 9.6bn, with a record margin of 55.1%.
- EBIT increased by USD 4.9bn to USD 8.5bn driven by the higher revenue, partly offset by higher operating costs due to significant bunker and container handling cost increases.

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



	Q2 2022 (USDm)	Q2 2021 (USDm)
Revenue	17,412	11,072
EBITDA	9,598	4,400
EBITDA margin	55.1%	39.7%
EBIT	8,526	3,580
EBIT margin	49.0%	32.3%
Gross capital expenditures	517	313

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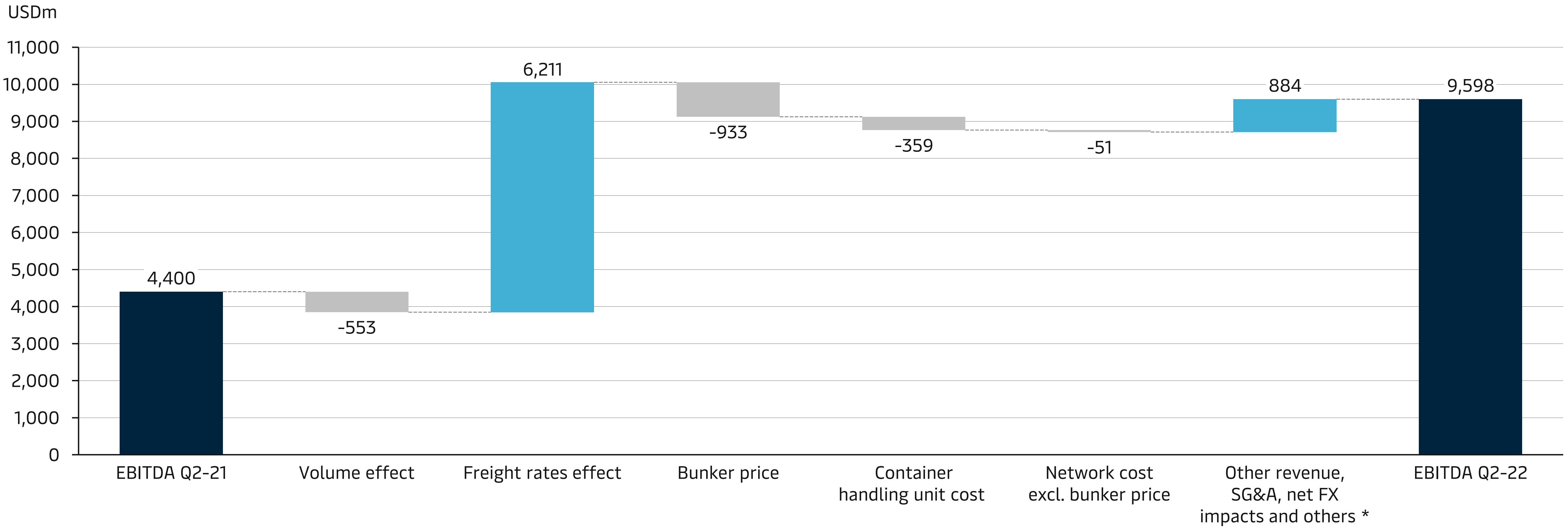
EBITDA increase mainly driven by freight rates

EBITDA bridge for Ocean for Q2 2022, USDm



*Includes revenue recognition and hedges of bunker

Average rates continue to rise

- Average freight rates increased y/y by 64% (54% adjusted for bunker prices), from both contracts and shipment rates, with the sharpest increase on Transpacific and Asia-Europe trades. Sequentially, the average freight rate increased by 9.4%, driven by contract rates.
- Although capacity was 4.1% higher than in Q2 21, increasing congestion meant that loaded volumes declined by 7.4% to 3,095k FFE. Sequentially, capacity stabilised, while volumes were up 3%.
- Our Long Haul volume contract splits continue to be in-line with our 2022 expectations.
- Multi-year contract signings increase; currently around 1.9m FFE are on multi-year contracts (close to 1m in Q2 2021).

	Q2 2022	Q1 2022	Q/Q change	Q2 2021	Y/Y change
Average freight rate (USD/FFE)	4,983	4,553	9.4%	3,038	64.0%
Operated capacity ('000 TEU)	4,282	4,290	-0.2%	4,113	4.1%
Loaded volumes ('000 FFE)	3,095	3,006	3.0%	3,341	-7.4%

Long Haul Volume Contract Split	2020	2021	2022e
Contracts	61%	71%	71%
Shipments	39%	29%	29%

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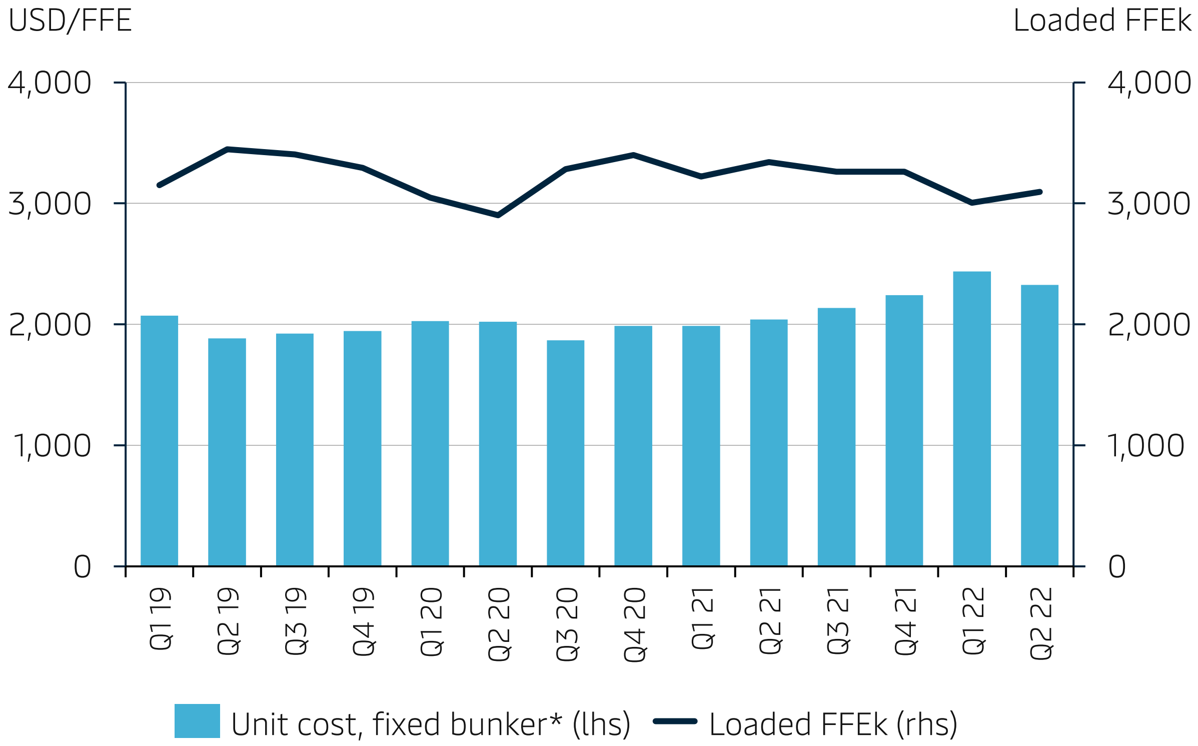
Operating cost primarily driven by bunker

- Operating costs increased by 18% due to higher bunker price, time charter equivalents, and increased cost from operational congestion and bottlenecks.
- Total bunker cost increased 69% to USD 2.2bn, driven by a 74% increase in average bunker price to USD 827 per ton, and offset by a decrease in bunker consumption of 2.7%.
- Operating costs without bunker increased by 5.6% to 5.6bn, which combined with 7.4% lower volumes led to a unit cost at fixed bunker of USD 2,327 equivalent to an increase of 14%.
- While one third of the cost increase is expected to recede as normalisation sets in, inflationary pressures will continue on the remaining cost elements.



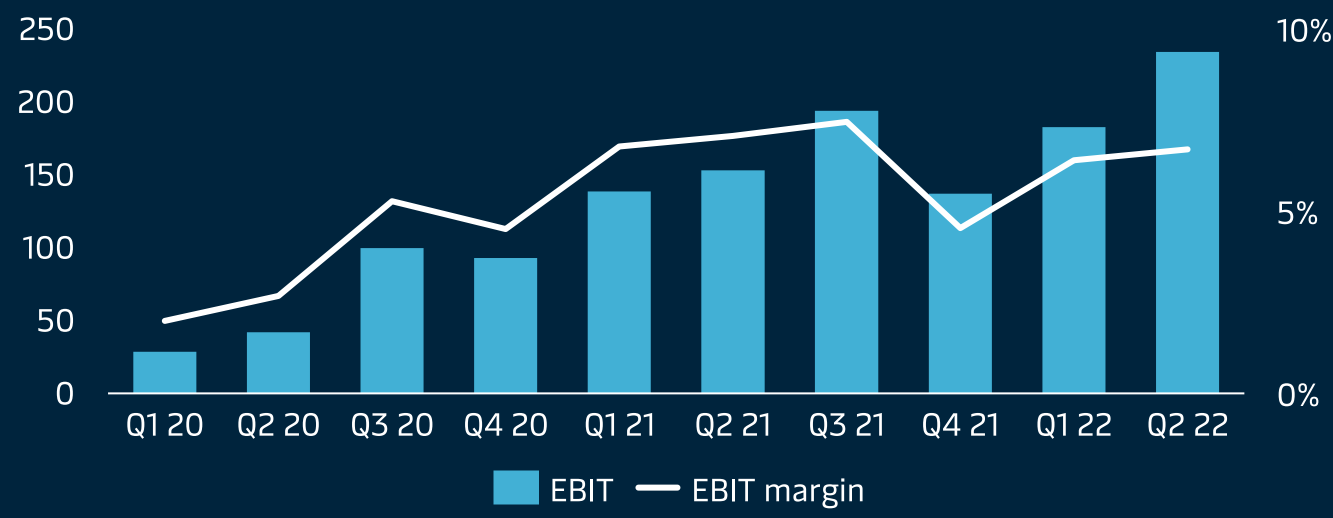
* Fixed bunker price of 450 USD/FFE

Highlights Q2 2022

Logistics & Services

- Logistics & Services delivered strong Q2 2022 results as customer demand for our end-to-end solutions increases steadily.
- Revenue growth of 61% to USD 3.5bn (USD 2.2bn) was driven primarily by higher volumes, especially within Managed by and Fulfilled by Maersk.
- Pilot and Senator were reported for the first time as part of the Logistics & Services financials in H1 2022.
- EBIT increased by 53% to USD 234m, due to a strong contribution from our higher value-added services such as Lead Logistics.
- Capex increased to USD 286m (USD 36m) due to investment in aircraft

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



	Q2 2022 (USDm)	Q2 2021 (USDm)
Revenue	3,502	2,168
Gross Profit	892	563
EBITDA	337	216
EBITDA margin	9.6%	10.0%
EBIT	234	153
EBIT margin	6.7%	7.1%
Gross capital expenditures	286	36

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Strong growth continuing in all segments

- **Managed by Maersk** revenue increased by USD 253m, driven an increase in volumes in Lead Logistics on the back of strong demand from retail and lifestyle customers as well as new business wins. EBITA margin was 13% (14%).
- **Fulfilled by Maersk** revenue was up by USD 402m, driven by strong warehousing volumes in North America, as well as additional volume generated from 5 additional warehouses which added 178k sqm in Q2 22. EBITA margin was 3% (5%).
- **Transported by Maersk** revenue increased by USD 679m, driven by an increase in intermodal volumes as a result of increased share of customer transportation spend as well as the addition of Pilot financials. Revenue also increased driven by Air as a result of higher rates and higher volumes driven by the addition of Senator. EBITA margin was 8% (7%).

Revenue, USDm	Q2 2022	Q2 2021
Managed by Maersk	570	317
- growth %	*80%*	
Fulfilled by Maersk	882	480
- growth %	*84%*	
Transported by Maersk	2,050	1,371
- growth %	*50%*	
Total	**3,502**	**2,168**
- growth %	***61%***	

Q2 Acquisition Highlights

USDm	Q2 2021	M&A impact	Organic impact	Q2 2022
Revenue	2,168	544	790	3,502
Growth %		25%	36%	
EBITA	164	21	77	262

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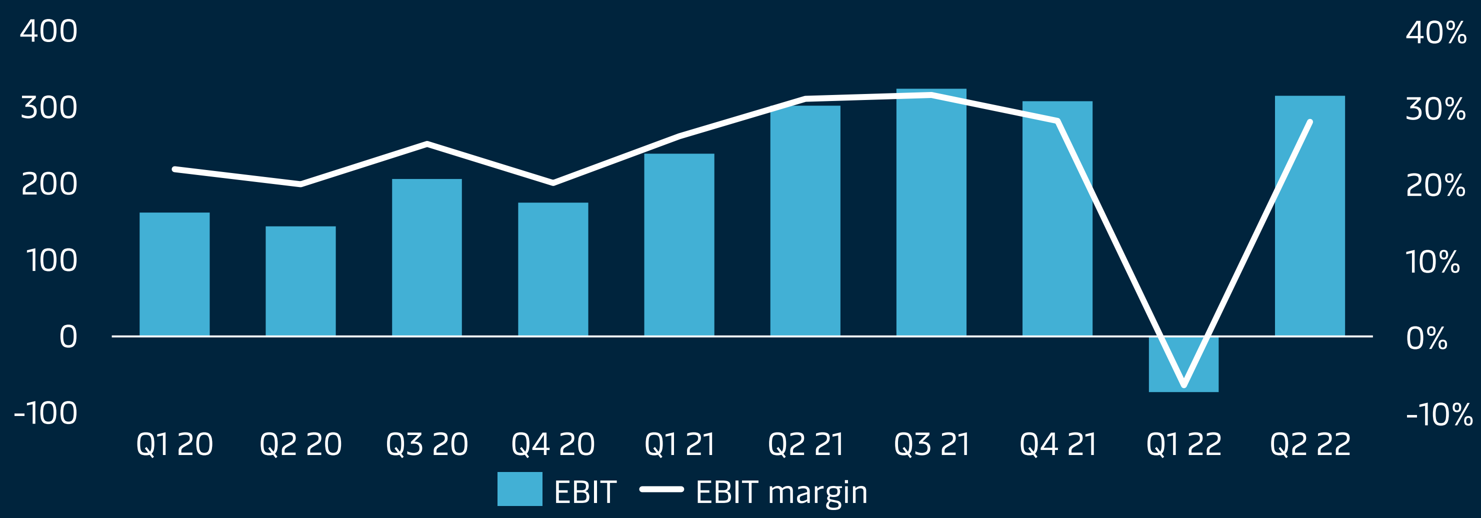
Highlights Q2 2022

Terminals

- Revenue increased 16% to USD 1.1bn driven by higher rates and storage income.
- EBIT increased to USD 316m (USD 302m) mainly driven by high storage revenue partially offset by higher costs.
- Gross CAPEX increased to USD 105m (USD 40m) mainly due to automation and expansion projects in USA and Peru.
- ROIC (LTM) in Terminals was 7.4% (8.7%) in Q2 2022. Q2 ROIC adjusted for the impairment of the participation in GPI was 13%.

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



	Q2 2022 (USDm)	**Q2 2021 (USDm)**
Revenue	1,124	969
EBITDA	400	370
EBITDA margin	35.6%	38.2%
EBIT	316	302
EBIT margin	28.1%	31.2%
Gross capital expenditures	105	40

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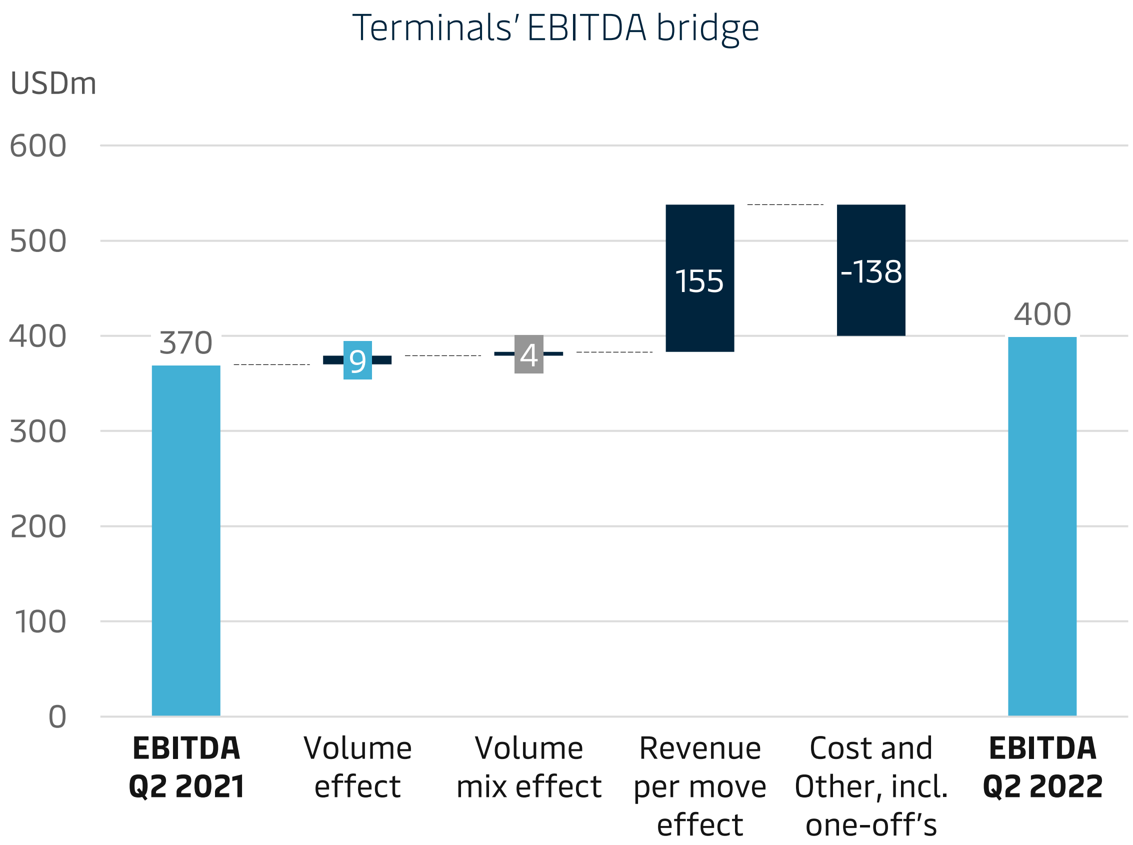
Volumes and revenue per move compensate for higher cost

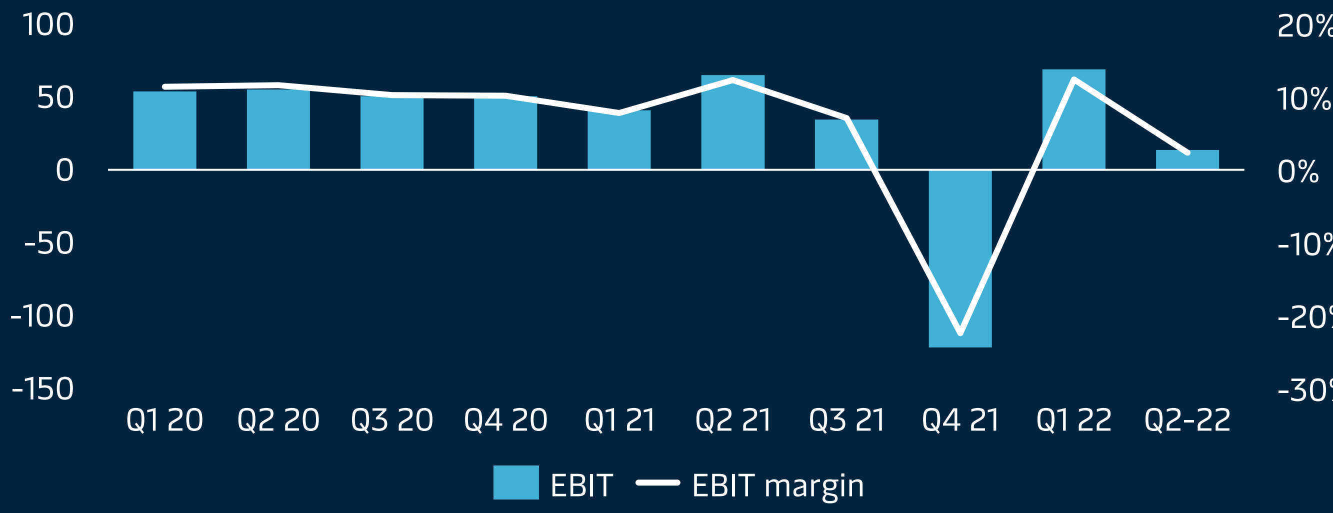
- Terminals' volume increased by 1.5% (3.0% like for like), mainly driven strong demand in the US and above market growth in Asia. This increased volume resulted an upward shift in utilization to 79% (76%).
- Revenue per move increased by 13% (17% like for like) to USD 341, mainly driven by higher congestion related storage revenue in North America and mostly CPI related tariff increases.
- Cost per move increased by 13% (9% like for like) to USD 265 mainly due to non-operational one-offs, higher labor and energy costs, and higher variable concession fees.



Towage & Maritime Services

- Revenue increased to USD 579m (USD 529m) driven by higher towage volumes at Svitzer and increased project activity at MSS.
- EBIT declined to USD 16m (64m) driven primarily by impairments in financial participations, and higher bunker cost. Svitzer operationally stable.
- Capex rose to USD 93m (USD 56m) driven by down payment for the vertical installer in MSS.

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



	Q2 2022 (USDm)	Q2 2021 (USDm)
Revenue	579	529
EBITDA	81	95
EBITDA margin	14.0%	18.0%
EBIT	16	64
EBIT margin	2.8%	12.1%
Gross capital expenditures	93	56

Questions and answers

To ask a question, please press 01

Reminder: **ONE** question per turn

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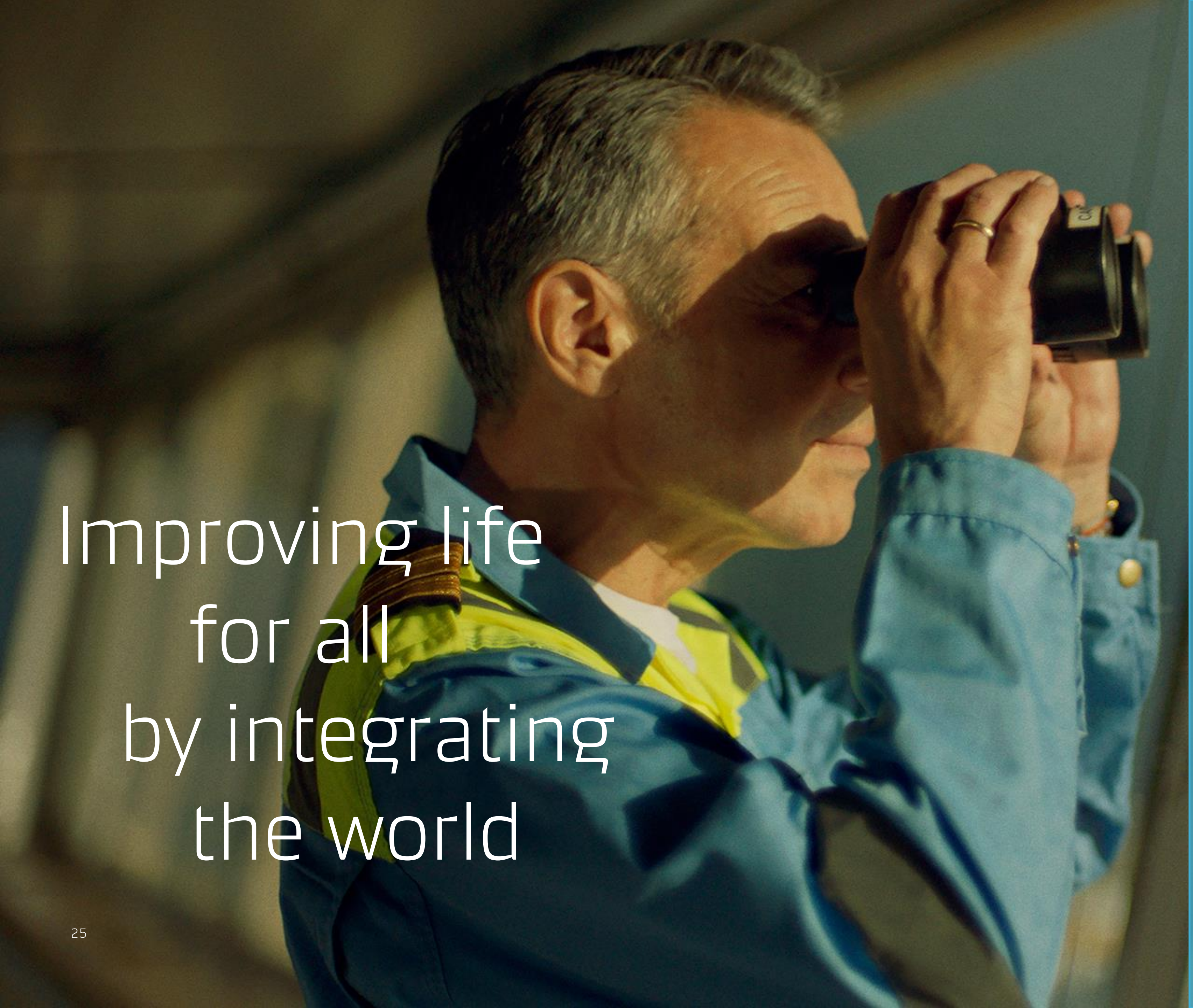

Final remarks

- Record quarterly financial results driven by continued exceptional market conditions and success in strategic transformation
- Strong performance in Ocean and later than expected normalisation allow us to raise our full year guidance for 2022
- We now expect to achieve underlying EBITDA of around USD 37bn, underlying EBIT of around USD 31bn, and FCF above USD 24bn
- Strong cash flow generation enables us to increase our share buy back to USD 3.0bn for the years 2022-2025

Appendix

Financial highlights Q2 2022

	Revenue		EBITDA		EBIT		CAPEX	
USD million	Q2 2022	Q2 2021	Q2 2022	Q2 2021	Q2 2022	Q2 2021	Q2 2022	Q2 2021
Ocean	17,412	11,072	9,598	4,400	8,526	3,580	517	313
Logistics & Services	3,502	2,168	337	216	234	153	286	36
Terminals	1,124	969	400	370	316	302	105	40
Towage & Maritime Services	579	529	81	95	16	64	93	56
Unallocated activities and eliminations, etc.	(967)	(508)	(89)	(17)	(104)	(15)	7	7
A. P. Moller - Maersk consolidated	**21,650**	**14,230**	**10,327**	**5,064**	**8,988**	**4,084**	**1,008**	**452**

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Financial highlights

Consolidated financial information

Income statement (USDm)	Q2 2022	Q2 2021	H1 2022	H1 2021
Revenue	21,650	14,230	40,942	26,669
EBITDA	**10,327**	**5,064**	**19,411**	**9,103**
EBITDA margin	**47.7%**	**35.6%**	**47.4%**	**34.1%**
Depreciation, impairments etc.	1,418	1,087	2,925	2,112
Gain on sale of non-current assets, etc., net	37	12	64	19
Share of profit in joint ventures and associates	42	95	-289	171
EBIT	**8,988**	**4,084**	**16,261**	**7,181**
EBIT margin	**41.5%**	**28.7%**	**39.7%**	**26.9%**
Financial items, net	-203	-186	-497	-416
Profit/loss before tax	**8,785**	**3,898**	**15,764**	**6,765**
Tax	164	152	335	302
Profit/loss for the period	**8,621**	**3,746**	**15,429**	**6,463**

Key figures and financials (USDm)	Q2 2022	Q2 2021	H1 2022	H1 2021
Profit/loss for the period	8,621	3,746	15,429	6,463
Gain/loss on sale of non-current assets etc., net	-37	-12	-64	-19
Impairment losses, net.	10	-2	598	-
Transaction and integration cost	-41	0	59	-
Tax on adjustments	-	-	-	-
Underlying profit/loss	**8,553**	**3,732**	**16,022**	**6,444**
Earnings per share (USD)	466	194	830	333
Lease liabilities (IFRS 16)	11,336	9,464	11,336	9,464
Net interest-bearing debt	-3,356	6,216	-3,356	6,216
Invested capital	49,195	41,481	49,195	41,481
Total Equity (APMM total)	52,586	35,282	52,586	35,282
Total market capitalisation	42,108	54,076	42,108	54,076

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Consolidated financial information

Cash flow statement (USDm)	Q2 2022	Q2 2021	H1 2022	H1 2021
Profit/loss before financial items	8,988	4,084	16,261	7,181
Non-cash items, etc.	1,113	1,075	3,228	1,958
Change in working capital	-1,210	-886	-2,279	-1,345
Taxes paid	-280	-136	-378	-224
Cash flow from operating activities (CFFO)	**8,611**	**4,137**	**16,832**	**7,570**
CAPEX	-1,008	-452	-2,362	-781
Capital lease instalments – repayments of lease liabilities	-762	-453	-1,408	-1,082
Financial expenses paid on lease liabilities	-124	-114	-242	-228
Financial payments, net	-59	-13	-211	-96
Sale proceeds and dividends received	186	125	249	219
Free cash flow (FCF)	**6,844**	**3,230**	**12,858**	**5,602**
Acquisitions, net (incl. sales)	-1,532	-39	-1,496	-34
Dividends and share buy-backs	-1,506	-605	-8,085	-1,839
Repayments of/proceeds from borrowings, net	-631	-982	-647	-1,465

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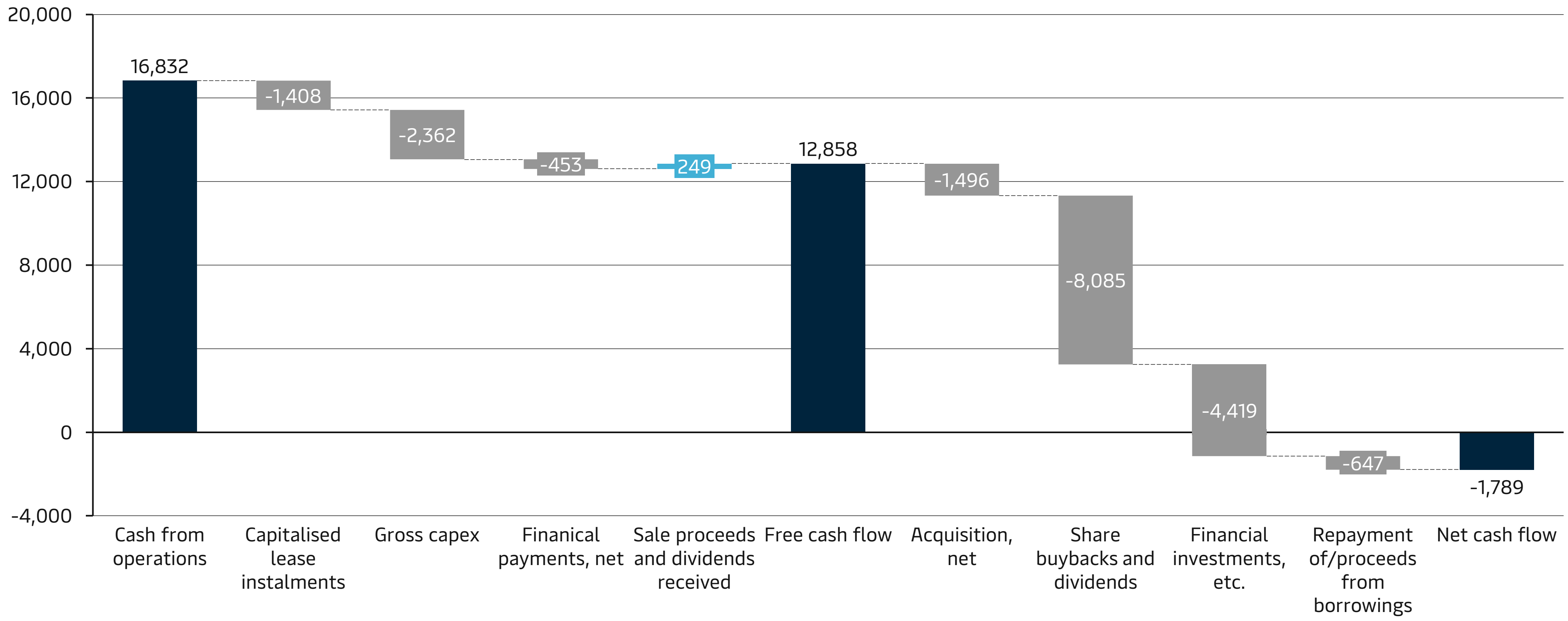
Exceptional strong operating free cash flow with cash conversion of 87%

Cash flow bridge for H1 2022, USDm



H1 CAPEX was USD 2.4bn (USD 781m) driven by higher investments across all segments.

Free cash flow was USD 12.9bn (USD 5.6bn) for the first half of the year with a cash conversion of 87% (83%).

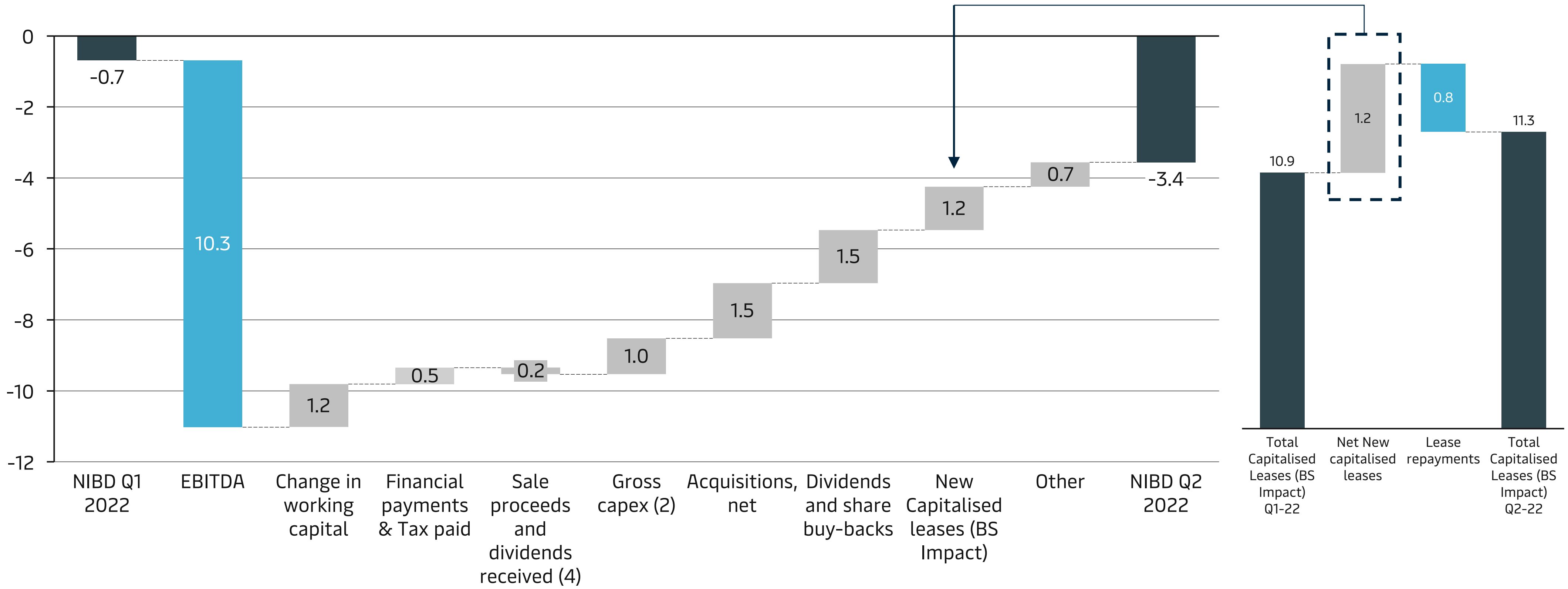
H1 cash return was USD 8.1bn from dividends and share buybacks as well as USD 0.9bn in the form of payment of withholding tax.

Financial investments of USD 4.3bn is mainly cash placed in short term deposits of +3 months leading to a net cash flow of USD –1.8bn.

Note: Sum may differ due to rounding
Share buybacks are including shares bought for the long-term incentive programme.

Decrease in NIBD was impacted by strong free cash flow of USD 6.8bn

Development in net interest-bearing debt Q2 2022



Liquidity reserve[1] of USD 23.6bn by end Q2 2022.

Investment grade credit rating of BBB+ (stable) from S&P and Baa2 (stable) from Moody's.

USD -3.4bn of net interest bearing debt (NIBD) of which USD 11.3bn is capitalised leases, net cash position of USD 14.7bn (excl. capitalised leases)

Note: Sum may differ due to rounding

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

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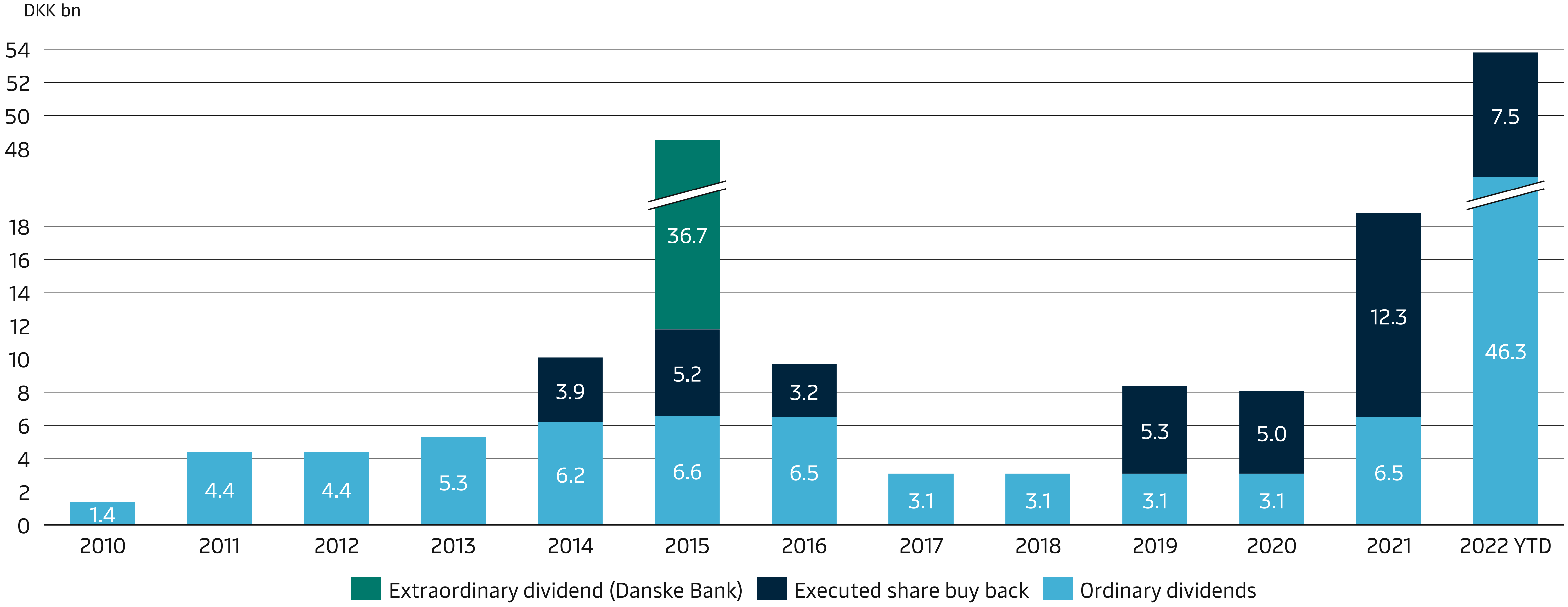
Earnings distribution to shareholders



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

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Thank You

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