MAERSK

Q1 2022

ALL THE WAY

A.P. Møller - Mærsk A/S | Interim Report | 4 May 2022

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Webcast and dial-in information
A webcast relating to the Q1 2022 Interim Report will be held on 4 May 2022 at 11.00 (CET). Dial-in information on investor.maersk.com.

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

The Interim Report for Q1 2022 of A.P. Møller - Mærsk A/S (further referred to as A.P. Moller - Maersk as the consolidated group of companies) has been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board (IASB) and adopted by the EU and additional Danish disclosure requirements for interim financial reporting of listed companies.

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

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

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

Financial calendar

3 August 2022
Interim Report Q2 2022

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Connecting the world's supply chains – all the way
A.P. Moller - Maersk is connecting and simplifying the world's supply chains, and we aspire to provide truly integrated logistics. Across oceans, ports, on land and in the air, we are combining our supply chain infrastructure with the power of our people and technology to drive end-to-end innovation that accelerates our customers' success. By delivering innovative logistics solutions we believe we can give the companies we serve a significant edge and help them realise their full potential. With a dedicated team of 95,000 talents, operating in more than 130 countries, we are going all the way to digitise, democratise and decarbonise the world's supply chains and in doing so reinvent the logistics industry and improve life for all.

Management review

A.P. Moller - Maersk continued to deliver remarkable results in Q1 2022 where revenue increased by 55% and both EBITDA and EBIT more than doubled compared to Q1 2021.

Focus remains on assisting the company's customers who are facing exceptional conditions with persisting bottlenecks. In addition, due to the Russian invasion of Ukraine, A.P. Moller - Maersk has decided to withdraw from doing business in Russia and consequently has recognised the corresponding value adjustment in Q1.

Highlights Q1 2022

Revenue for Q1 increased by USD 6.9bn to USD 19.3bn (USD 12.4bn), mainly due to an increase in Ocean of USD 6.1bn, while revenue increased in Logistics & Services by 41% and by 24% in Terminals. **EBITDA** increased by USD 5.1bn to USD 9.1bn (USD 4.0bn) including an impact from the Russia/Ukraine situation of USD 91m. **EBIT** increased by USD 4.2bn to USD 7.3bn (USD 3.1bn) including an impact from the Russia/Ukraine situation of USD 718m.

EBIT in Ocean increased by USD 4.4bn to USD 7.1bn (USD 2.7bn), mainly driven by increased freight rates, partially offset by higher costs related to bunker, handling and network. The impact from the Russia/Ukraine situation amounted to USD 162m.

In Logistics & Services, **EBIT** increased to USD 183m (USD 139m), or USD 236m without the impact of USD 53m from the Russia/Ukraine situation.

In Terminals, **EBIT** adjusted for the Russia/Ukraine impact reached record levels with earnings of USD 412m. Reported EBIT was negative USD 73m (positive USD 239m), due to an impairment of USD 485m related to the holding in Global Ports Investments, which is a result of the withdrawal of business in Russia.

Free cash flow increased to USD 6.0bn (USD 2.4bn), due to strong cash flow from operating activities of USD 8.2bn (USD 3.4bn), partly offset by CAPEX of USD 1.4bn (USD 329m) and higher capitalised lease instalments of USD 646m (USD 629m), mainly related to vessels.

A total distribution of cash to shareholders of USD 6.5m took place during Q1 2022 through dividends of USD 6.0m combined with share buy-backs of USD 478m excluding shares bought for the long-term incentive programme.

In February, the intended acquisition of Pilot Freight Services, a leading US-based first, middle and last mile as well as border crossing solutions provider, specialising in the big and bulky freight segment in North America for B2C and B2B distribution models, was announced. The acquisition was completed in early May.

A.P. Moller - Maersk has set a new ambitious decarbonisation target for the entire business to achieve net zero greenhouse gas emissions in 2040 – a decade ahead of its initial 2050 ambition. As an important step in the green fuel transition, strategic partnerships have been announced with the intent to source and establish large-scale green fuel production. A large investment in 410 electric trucks in North America is a significant step in building the end-to-end, landside decarbonisation.

As communicated on 26 April, guidance for 2022 has been revised upwards to an underlying EBITDA of around USD 30bn, an underlying EBIT of around USD 24bn and a free cash flow above USD 19bn.

Highlights Q1

USD million

	Revenue		EBITDA		EBIT		CAPEX	
	2022	2021	2022	2021	2022	2021	2022	2021
Ocean	15,570	9,478	8,214	3,444	7,072	2,700	1,156	193
Logistics & Services	2,879	2,045	319	205	183	139	34	21
Terminals	1,131	915	456	323	-73	239	80	69
Towage & Maritime Services	555	523	79	89	69	41	81	49
Unallocated activities, eliminations, etc.	-843	-522	16	-22	22	-22	3	-3
A.P. Moller - Maersk consolidated	**19,292**	**12,439**	**9,084**	**4,039**	**7,273**	**3,097**	**1,354**	**329**

Summary financial information

Income statement	Q1 2022	Q1 2021	12M 2021
Revenue	19,292	12,439	61,787
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	9,084	4,039	24,036
Depreciation, amortisation and impairment losses, net	1,507	1,025	4,944
Gain on sale of non-current assets, etc., net	27	7	96
Share of profit/loss in joint ventures and associated companies	-331	76	486
Profit before financial items (EBIT)	7,273	3,097	19,674
Financial items, net	-294	-230	-944
Profit before tax	6,979	2,867	18,730
Tax	171	150	697
Profit for the period	6,808	2,717	18,033
A.P. Møller - Mærsk A/S' share	6,776	2,697	17,942
Underlying profit[1]	7,469	2,712	18,170
Balance sheet			
Total assets	73,031	56,734	72,271
Total equity	44,940	31,905	45,588
Invested capital	45,167	39,829	44,043
Net interest-bearing debt	-689	7,746	-1,530
Cash flow statement			
Cash flow from operating activities	8,221	3,433	22,022
Capital lease instalments – repayments of lease liabilities	646	629	2,279
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	1,354	329	2,976
Cash flow from financing activities	-7,520	-2,534	-7,900
Free cash flow	6,014	2,372	16,537
Financial ratios			
Revenue growth	55.1%	30.0%	55.5%
EBITDA margin	47.1%	32.5%	38.9%
EBIT margin	37.7%	24.9%	31.8%
Cash conversion	90%	85%	92%
Return on invested capital after tax (ROIC) (last twelve months)	53.6%	15.7%	45.3%
Equity ratio	61.5%	56.2%	63.1%
Underlying ROIC[1] (last twelve months)	55.4%	15.9%	45.7%
Underlying EBITDA[1]	9,186	4,039	24,036
Underlying EBITDA margin[1]	47.6%	32.5%	38.9%
Underlying EBIT[1]	7,937	3,092	19,808
Underlying EBIT margin[1]	41.1%	24.9%	32.1%
Stock market ratios			
Earnings per share, USD	364	139	941
Diluted earnings per share, USD	363	139	938
Cash flow from operating activities per share, USD	442	178	1,155
Share price (B share), end of period, DKK	20,370	14,735	23,450
Share price (B share), end of period, USD	3,040	2,324	3,576
Total market capitalisation, end of period, USD	55,662	43,243	64,259

1 The figure stated for the period covers underlying profit and underlying financial ratios, adjusted for the net gains/losses from the sale of non-current assets etc. and net impairment losses as well as transaction, restructuring and integration costs related to major transactions. The adjustments are net of tax and include A.P. Moller - Maersk's share of mentioned items in joint ventures and associated companies.

AMOUNTS IN USD MILLION A.P. MOLLER - MAERSK INTERIM REPORT Q1 | 4 MAY 2022 4

Review Q1 2022

Continued strong financial results while supporting customers

A.P. Moller - Maersk's strong financial results continued in Q1 2022, with higher profits compared to Q1 2021 and record operational results in all segments, Ocean, Logistics & Services and Terminals.

The profit was driven by increases across all segments and in particular in Ocean through higher freight rates driven by strong contract rates. Record profitability in Logistics & Services came primarily from significant volume growth, but also margin improvements, enabled both through acquisitions as well as increased volume share of existing customers, new customer wins, and customer synergies between Logistics & Services and Ocean. The increase in Terminals was mainly driven by continued higher volume and storage income in North America.

A.P. Moller - Maersk continued to focus on supporting customers' supply chains by alleviating the persisting bottlenecks, through investing in additional equipment and increasing the capacity allocated to contracted volumes. The turmoil and uncertainty caused by the Russian invasion of Ukraine further added to the bottlenecks.

The financial impact of the Russia/Ukraine situation on EBIT is USD 718m for Q1 2022.

Russia/Ukraine impact

USD million

	EBIT reported	Russia/ Ukraine impact	EBIT adjusted
Ocean	7,072	162	7,234
Logistics & Services	183	53	236
Terminals	-73	485	412
Towage & Maritime Services	69	18	87
Other	22	0	22
Total	**7,273**	**718**	**7,991**
Other adjustments			-54
Underlying EBIT			**7,937**

Invasion of Ukraine

On 24 February, Russia launched its invasion of Ukraine which has been met with sanctions from governments around the world. Because of the invasion, A.P. Moller - Maersk decided to withdraw completely from doing business in Russia. This includes services in and out of Russia as well as having assets in the country, which implies significant value adjustments and provisions in most segments as disclosed in the table above.

In Ocean, A.P. Moller - Maersk has since the invasion executed bookings already accepted, while A.P. Moller - Maersk has stopped all new bookings to and from Russia and Belarus. On 2 May, A.P. Moller - Maersk completed its last cargo operation in a Russian port.

In Terminals, A.P. Moller - Maersk owns a minority stake of 30.75% of Global Ports Investments (GPI) which operates six terminals in Russia and two in Finland. A.P. Moller - Maersk informed its joint venture partners and GPI on 11 March, that A.P. Moller - Maersk wishes to divest its shares and has initiated this process.

In Logistics & Services, A.P. Moller - Maersk will exit its two warehouses in Russia, a cold storage facility in St. Petersburg and an inland terminal in Novorossiysk. Operations in those warehouses continue until a solution is found. Additionally, all services to and from Russia and Belarus have been suspended.

Svitzer has a single operation in Russia providing towage services in Sakhalin. Svitzer has taken steps to divest its operations including four tugs. Once the divestment is completed, Svitzer will exit the operation in Sakhalin.

These steps ultimately result in a complete exit from Russia. As a part of the exit process, A.P. Moller - Maersk is working hard to ensure the withdrawal of business activities is done responsibly, including limiting the period of uncertainty among the employees in Russia and finding solutions together with each individual.

Humanitarian crisis in Europe

The invasion of Ukraine has caused a major humanitarian crisis in Europe, with over 12 million people in need of humanitarian assistance according to the United Nations Office for the Coordination of Humanitarian Affairs (OCHA). As a member of the UN-led Logistics Emergency Team (LET), A.P. Moller - Maersk is working with and through UN partners and other global humanitarian organisations to establish a stable flow of relief supplies into Ukraine, with a team of 40 specialists devoted to the relief logistics efforts.

Among the impacted Ukrainians are close to 600 employees at A.P. Moller - Maersk, most of them seafarers. A.P. Moller - Maersk offers on-ground support to the Ukrainian based employees and their families who have asked for the company's assistance, including those who wish to be relocated. As a part of this operation, A.P. Moller - Maersk has also set up aid hubs outside Ukraine to ease the relocation under these difficult circumstances.

Acquisitions in Q1 2022

In February, A.P. Moller - Maersk announced the intended acquisition of Pilot Freight Services (Pilot), a leading U.S.-based first, middle and last mile as well as border crossing solutions provider, specialising in the big and bulky freight segment in North America for B2C and B2B distribution models. The acquisition was completed in early May. Pilot will be rebranded to Pilot – A Maersk Company.

Pilot will extend A.P. Moller - Maersk's integrated logistics offering deeper into customers' supply chains. This complements earlier acquisitions to provide integrated logistics solutions in North America, especially with Performance Team (B2B warehousing and distribution) and Visible SCM (e-commerce warehousing and parcel distribution). Pilot will be adding even more expertise and supply chain capacity to customers facing capacity constraints and multiple handoffs with providers in the B2C and B2B space, and build a stronger, more integrated supply chain with better visibility and better outcomes for consumers.

Pilot was established in 1970 and is headquartered in Glen Mills, Pennsylvania USA, with 87 locations in North America, and offices in Spain and the Netherlands with more than 2,600 full-time employees and a flexible pool of employees to support seasonal volume increases.

Status on other announced intended acquisitions and partnerships

For LF Logistics, the intended acquisition was announced in December 2021 and is expected to close in Q3 2022. For Grindrod Intermodal Group, a proposed joint venture was announced in November 2021 and is expected to close in Q3 2022. Senator International was announced in November 2021 and is expected to close in Q2 2022. The acquisitions and partnerships are all subject to regulatory approvals.

ESG update

Acting on the roadmap to net zero in 2040

To accelerate the transition to climate-neutral shipping, A.P. Moller - Maersk has set a new ambitious target for the entire business to achieve net zero greenhouse gas emissions in 2040 – a decade ahead of its initial 2050 ambition. The new targets are expected to align the company with the net zero criteria of the Science Based Targets initiative (SBTi) pathway to limit global warming to 1.5°C. The targets go beyond previous efforts to reduce emissions related to Ocean fleet as they cover all direct and indirect emissions across the entire A.P. Moller - Maersk business.

Building strategic partnerships in Ocean to provide green solutions for customers

As an important step in the transition towards decarbonisation, A.P. Moller - Maersk has announced strategic partnerships with six leading companies across the globe with the intent to source at least 730,000 tonnes/year of green methanol by 2025. Further, A.P. Moller - Maersk have signed a partnership agreement with the Egyptian authorities to explore the establishment of large-scale green fuel production in Egypt to further accelerate the supply of green fuels and the global transformation to net-zero shipping. Meanwhile, growth in volumes on the low-carbon shipping product Maersk ECO Delivery has continued in Q1 because of strong customer demand.

Expanding A.P. Moller - Maersk's decarbonisation ambition to cover all services across transport modes

A.P. Moller - Maersk has placed orders to add 410 electric trucks to support the North American short-haul warehousing, distribution, and transportation business. These orders are an important step in building the end-to-end, landside decarbonisation while also addressing customers' inland transportation pain points.

Change in management

On 4 April 2022, it was announced, that Morten Engelstoft, current APM Terminals Chief Executive Officer, has decided to retire and leave the company at the end of June 2022. Morten Engelstoft will be succeeded in the CEO role by current COO Keith Svendsen, with Henriette Hallberg Thygesen appointed as the company's new Chairperson. The change in leadership will take effect from 1 July 2022.

The Executive Leadership Team of A.P. Moller - Maersk will hereafter consist of: Søren Skou, CEO / Patrick Jany, CFO / Vincent Clerc, CEO of Ocean & Logistics / Henriette Hallberg Thygesen, CEO of Fleet & Strategic Brands / Navneet Kapoor, CTIO / Caroline Pontoppidan, General Counsel & Head of Corporate Affairs and Susana Elvira, Chief People Officer.

Delivering on the roadmap to 2025

The roadmap to 2025 initiated in 2021 is providing specific targets for the transformation towards becoming the integrator of container logistics.

The return on invested capital (ROIC) (LTM) was 53.6%, well above the target of above 7.5% every year, and above 12% for the period 2021-2025, driven by the increase in profit.

A.P. Moller - Maersk will prioritise the capital allocation to investments in the business, including acquisitions in Logistics & Services, repaying debt, paying ordinary dividends based on a pay-out ratio of 30-50% of underlying net profit and distributing excess cash to shareholders through share buy-backs and special dividends in that order. The dividend payment for 2021 represents an ordinary dividend yield of 10.7% and 40% of the net underlying profit.

A.P. Moller - Maersk has a total commitment of USD 10bn (around DKK 64bn) in two share buy-back programmes of each USD 5bn (around DKK 32bn) with the first initiated in November 2021.

Ocean delivered an EBIT margin of 41.1% over the last twelve months, well above the target of 6% under normalised conditions. Total fleet capacity is within the range of 4.1-4.3m TEU.

For Logistics & Services, organic growth of 35% over the last twelve months was above the target of 10%, and 58% of the organic growth related to top 200 customers was also above the target of 50%. Finally, the EBIT margin of 6.3% was above the target of above 6%, making Logistics & Services the strategic growth driver for the company. In addition to rapid organic growth, the expectation is to continue to make acquisitions, mainly of new capabilities and growth platforms, to expand the logistics business.

Finally, due to the impact from Russia, the return on invested capital (ROIC) (LTM) of 7.1% for gateway terminals in Q1 was lower than the expectation of above 9% towards 2025. Excluding the impact from Russia, ROIC (LTM) was 12.5%.

Roadmap to 2025

	Targets	LTM
Consolidated		
Return on invested capital (ROIC):		
Every year	> 7.5%	
Average 2021-2025	> 12.0%	53.6%
– CAPEX and leases at depreciation level		
– Stable invested capital over the period		
Dividend policy of underlying net profit	30-50%	
Share buy-back over 2022-2023, USDm (of which completed)	5,000	1,047
Share buy-back over 2024-2025, USDm	5,000	-
Ocean		
EBIT margin – under normalised conditions	> 6%	41.1%
Execute with the existing fleet size, TEUm	4.1-4.3	4.2
Logistics & Services		
Organic revenue growth per year	>10%	35%
Of which from top 200 customers	50%	58%
EBIT margin	> 6%	6.3%
Terminals		
Return on invested capital (ROIC)	> 9%	7.1%

Financial review

Revenue increased by USD 6.9bn to USD 19.3bn (USD 12.4bn), with increases in Ocean by USD 6.1bn, in Logistics & Services by USD 834m, and in Terminals by USD 216m.

EBITDA increased to USD 9.1bn (USD 4.0bn), primarily coming from Ocean with an EBITDA of USD 8.2bn (USD 3.4bn), driven by an increase in revenue due to higher freight rates, partly offset by higher costs related to bunker, handling and network. In Logistics & Services, EBITDA increased by USD 114m to USD 319m (USD 205m) due to the higher revenue, and in gateway terminals, EBITDA increased by USD 133m to USD 456m (USD 323m) because of the increase in volume, higher storage income and increasing tariffs. The impact from the Russia/Ukraine situation is negative USD 91m.

EBIT increased to USD 7.3bn (USD 3.1bn) with a further negative impact from the Russia/Ukraine situation of USD 627m. The total impact from Russia/Ukraine was therefore USD 718m.

Financial items, net, amounted to USD 294m (USD 230m), as decreased interest on debt was more than offset by higher interest on leases, foreign exchange rate adjustments and derivative losses on hedging of dividends.

Tax increased to USD 171m (USD 150m), primarily due to the improved financial performance.

The underlying profit was USD 7.5bn (USD 2.7bn).

Cash flow from operating activities was USD 8.2bn (USD 3.4bn), driven by EBITDA of USD 9.1bn, partly offset by an increase in net working capital of USD 610m, mainly driven by higher receivables due to higher revenue, translating into a cash conversion of 90% (85%).

Gross capital expenditure (CAPEX) of USD 1.4bn (USD 329m), was driven by higher investments across all segments, but mainly Ocean.

Free cash flow of USD 6.0bn (USD 2.4bn) was positively impacted by higher cash flow from operating activities, slightly offset by increased lease and financial payments, and higher capital expenditures.

Contractual capital commitments totalled USD 3.7bn (USD 3.3bn at year-end 2021), of which USD 1.1bn is related to commitments towards terminal concession grantors and USD 2.1bn are for green methanol-enabled vessels in Ocean.

Capital structure and credit rating

Net interest-bearing debt decreased to a net cash position of USD 689m (a net cash position of USD 1.5bn at year-end 2021), as free cash flow of USD 6.0bn was used for share buy-backs of USD 631m, dividends of USD 6.0bn and a net increase in lease liabilities of USD 325m. Excluding lease liabilities, the Group had a net cash position of USD 11.6bn (USD 12.1bn at year-end 2021).

A.P. Moller - Maersk remains investment grade-rated and holds a Baa2 (stable outlook) rating from Moody's and a BBB+ (stable) rating from Standard & Poor's.

Total equity decreased to USD 44.9bn (USD 45.6bn on 31 December 2021) due to declared dividend payments of USD 6.9bn and share repurchase of USD 631m offset by a net profit of USD 6.8bn, resulting in an equity ratio of 61.5% (63.1% at year-end 2021).

The liquidity reserve decreased to USD 20.5bn (USD 21.5bn at year-end 2021) and was composed of liquid funds and term deposits of USD 14.5bn excluding restricted cash (USD 15.5bn at year-end 2020), and undrawn revolving credit facilities of USD 6.0bn (USD 6.0bn at year-end 2021).

The ordinary dividend of DKK 2,500 per A.P. Møller - Mærsk A/S share of nominally DKK 1,000 (USD 6.9bn) declared at the Annual General Meeting on 15 March 2022, was paid on 18 March 2022.

Share buy-back

In addition to the share buy-back programme of USD 5bn (around DKK 32bn) that was initiated in November 2021, an additional share buy-back programme of USD 5bn (around DKK 32bn), resulting in a total commitment of USD 10bn (around DKK 64bn), was approved at the Annual General Meeting in March 2022.

During Q1, A.P. Moller - Maersk bought back 28,325 A shares and 114,288 B shares, worth DKK 3.2bn (around USD 478m) excluding shares bought for the long-term incentive programme. On 31 March 2022, A.P. Moller - Maersk owns a total of 148,819 A shares and 707,233 B shares as treasury shares, corresponding to 4.42% of the share capital.

At the Annual General Meeting 15 March 2022, the Board of Directors decided to cancel the outstanding treasury shares at 4 February 2022 of 133,779 A shares and 535,076 B shares, pending approval from the Danish business authority, expected in Q2 2022.

The Board of Directors can decide to acquire own shares up to a maximum of 15% of the share capital.

Guidance for 2022

Given the strong results in Q1 2022, and with the expectation of a continuation of the exceptional market situation in Q2, combined with higher rates, the full-year guidance has been revised to an underlying EBITDA of around USD 30bn (previously around USD 24bn), an underlying EBIT of around USD 24bn (previously around USD 19bn) and a free cash flow (FCF) above USD 19bn (previously above USD 15bn). Guidance is still based on an assumption of normalisation in Ocean taking place early in H2 2022.

Based on volume developments in Q1, A.P. Moller - Maersk has revised downwards the outlook for the growth of global container demand to between -1% and +1% (previously 2-4%) in 2022, however still subject to high uncertainties related to the current congestion, network disruptions and demand patterns.

CAPEX guidance for 2022-2023 remains unchanged at USD 9.0-10.0bn, driven by intensified growth in Logistics & Services and ESG investments. Further, CAPEX guidance for 2021-2022 of around USD 7.0bn is maintained.

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

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

Sensitivity guidance

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

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

Factors	Change	Effect on EBIT (midpoint of guidance) Rest of year
Container freight rate	+/- 100 USD/FFE	+/- USD 1.0bn
Container freight volume	+/- 100,000 FFE	+/- USD 0.2bn
Bunker price (net of expected BAF coverage)	+/- 100 USD/tonne	+/- USD 0.5bn
Foreign exchange rate (net of hedges)	+/- 10% change in USD	+/- USD 0.1bn

Market insights

Logistics services demand moderated across global supply chains in Q1 2022. The Russian invasion of Ukraine came at a time, where most economic data suggested that the global economy was set to accelerate on the back of a rebound in service sector activity as the Omicron wave of COVID-19 faded in large parts of the World (China a notable exception).

The invasion and the ensuing sanctions on Russia are clearly having a very significant negative impact on Ukraine and Russia. The invasion has also added to inflationary pressures elsewhere via higher energy and commodity prices. At this stage, not much data is available for the post-invasion period. Survey data suggests that outside Russia, Ukraine, and China activity held up reasonably well in March, but at the same time forward-looking components suggest that the shock will feed through to activity in the coming months. Europe as well as many emerging and developing economies are at this stage among the most exposed to the fallout from the invasion. Key to the outlook for trade is how consumers and businesses react to the elevated uncertainty, higher prices, and tighter financial conditions, and in the case of China to the fall out of zero-COVID-19 policy.

Global container demand declined by 1.2% in Q1, down from 7.7% growth in 2021, while global port throughput increased by 3.1% (Drewry) and global air cargo volumes (CTK) rose by 2.9%. Trade flow levels flattened at high levels in the USA, where consumption of technology and retail goods had been supported during the COVID-19 pandemic. North American container imports from the Far East rose only 0.5% in Q1. European consumer confidence remained high in the beginning of 2022 (before dropping sharply in March following the Russian invasion of Ukraine) and unmet demand from capacity shortages in 2021 further supported import volumes. Consequently, European container imports from the Far East increased by 1.4% in Q1.

The supply-side of the logistics industry continued to be disrupted by the COVID-19 pandemic and capacity shortages. Container availability and air capacity remained tight, while wait times for vessels outside of ports remained lengthy given the bottlenecks in landside transportation and warehousing. According to Clarkson's, port congestions eased slightly from their peaks in the USA in Q1, while they increased further in Europe and China. This continued to result in shortages and challenged supply chain management services and kept rates elevated. The invasion of Ukraine likely added further to strains in supply chain networks.

The air freight industry remained capacity constrained during Q1, although capacity in the commercial air industry was 8.9% higher than a year earlier (February 2022 vs February 2021), it was still 5.6% below the February 2019 level. At the end of Q1, the nominal global container fleet stood at 25.2m TEU, an increase of 4.2% compared to Q1 2021. The idle fleet remained low in Q1 2022 (0.8% at the end of the quarter) as the industry battled landside disruptions and bottlenecks in ports. Nevertheless, lost sailings and vessel delays led by the congestions and an ongoing compositional shift in deployment from shorter intra-regional trades to longer East-West trades continued to weigh on effective supply growth in Q1 2022. In sum, effective supply fell in Q1 compared to Q4 2021, but as headhaul demand declined even more, the demand-supply balance deteriorated relative to Q4 2021. However, compared to Q1 2021 the demand-supply balance was still tighter.

Freight and charter rates remained elevated in the container industry, reflecting congestions, although a gradual decline was recorded for spot/short-term contracts during Q1 relative to Q4 2021, in line with the deterioration of supply-demand. The order book reached 26% of the global fleet in Q1, compared to 23% of the fleet at the end of Q4 2021 on back of continued high activity in new ordering. Freight rates out of China, as measured by the China Composite Freight Index (CCFI), increased by 78% in Q1 compared to the Q1 2021.

The continued congestions and dislocation of supply and demand fundamentals in the logistics industries increases the uncertainty surrounding the rates outlook. On the demand side, a reduced impact from the COVID-19 pandemic should support the Global economy, but the composition of spending is likely to rebalance towards services, and sharply rising prices for some goods may lead consumers to adjust their spending plans. The Russian invasion of Ukraine has weakened the global demand outlook and significantly added to uncertainty. Global container demand is projected to stay flat at -1% to +1% in 2022, while air and land side logistics demand is expected to remain more robust through 2022. On the supply side, supplier delivery times remain lengthy, and there is little visibility into when capacity constraints (including landside bottlenecks in trucking and warehousing), which have been the key driver of the increase in short-term freight rates, will abate. Moreover, the Russian invasion of Ukraine also adds to supply uncertainty due to sanctions and supplier network restrictions.

Segments

Ocean

Profitability for Q1 increased substantially compared to same quarter last year, driven by increase in revenue through higher freight rates. Ocean continues to assist its contracting customers in facing exceptional conditions with persisting bottlenecks, which was further deteriorated by the turmoil and uncertainty caused by the Russian invasion of Ukraine. As a result, loaded volumes decreased by 6.7%, primarily driven by lower back-haul volumes in Europe and in North America.

The average loaded freight rates increased by 71%, driven by both contracts and shipment rates on routes from Asia to Europe and to North America. Unit cost at fixed bunker increased by 23%, driven by higher network and container handling costs as well as lower volumes. Utilisation on offered capacity remained strong at 92.1% and while schedule reliability in Q1 was best in industry, challenges remain due to ongoing congestions in the United States on both the West- and East Coast, while congestions in Europe eased during the quarter. Further challenges arise from the ongoing COVID-19 lockdowns in China, and while the impact in Q1 is limited, it may worsen the congestion environment in coming quarters as the situation develops.

A.P. Moller - Maersk continued to focus on supporting customers' supply chains by alleviating bottlenecks through investing in additional equipment and increasing the capacity allocated to contracted volumes.

Digitalisation of the product offering continues with increased traction for Maersk Spot and Maersk Twill. Maersk Spot has reached a 63% (36%) conversion across all brands, and Maersk Twill has delivered over 82k FFE (48k FFE) in Q1.

Ocean highlights

USD million

	Q1 2022	Q1 2021	12M 2021
Freight revenue	13,560	8,202	42,374
Other revenue, including hubs	2,010	1,276	5,858
Revenue	**15,570**	**9,478**	**48,232**
Container handling costs	2,544	2,362	9,775
Bunker costs	1,650	1,093	5,369
Network costs, excluding bunker costs	1,961	1,646	7,189
Selling, General & Administration (SG&A)	677	654	2,795
Cost of goods sold and other operational costs	432	253	1,629
Total operating costs	**7,264**	**6,008**	**26,757**
Other income/costs, net	-92	-26	-43
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**8,214**	**3,444**	**21,432**
EBITDA margin	52.8%	36.3%	44.4%
Profit before financial items (EBIT)	**7,072**	**2,700**	**17,963**
EBIT margin	45.4%	28.5%	37.2%
Invested capital	**31,805**	**27,026**	**30,529**
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	1,156	193	2,003
Operational and financial metrics			
Loaded volumes (FFE in '000)	3,006	3,222	13,089
Loaded freight rate (USD per FFE)	4,553	2,662	3,318
Unit cost, fixed bunker (USD per FFE incl. VSA income)	2,438	1,988	2,102
Bunker price, average (USD per tonne)	611	398	484
Bunker consumption (tonne in '000)	2,699	2,744	11,090
Average fleet capacity (TEU in '000)	4,290	4,104	4,171
Fleet owned (end of period)	318	305	311
Fleet chartered (end of period)	423	400	427

Ocean reporting changes

The Ocean segment has changed classification of volumes from long-term (shipment validity above 91 days) and short-term (shipment validity up to 91 days) to contracts and shipments. The change in reporting aligns with Ocean performance management.

Shipment products have terms and conditions agreed with the customers for each transaction at the time of booking, mainly through the digital platforms of Spot and Twill.

Contract products have terms and conditions that extend across multiple shipments and time periods, reflecting contractual agreements reached with the customers at the time of negotiation.

Split by product definition (new)

Long hauls	2021	2022e
Contracts	71%	71%
Shipments	29%	29%

Split by contract validity (old)

Long hauls	2021	2022e
Long-term	65%	68%
Short-term	35%	32%

Financial and operational performance

Revenue increased to USD 15.6bn (USD 9.5bn), driven by an increase in freight revenue of 65% with loaded freight rates up by 71%, partly offset by a decrease in volumes of 6.7%.

EBIT increased by USD 4.4bn to USD 7.1bn (USD 2.7bn) because of this higher revenue, partly offset by higher bunker cost from increased bunker prices, higher container handling costs from ongoing congestions and higher network costs, mainly due to time charter equivalent costs. The EBIT margin increased by 16.9 percentage points to 45.4% (28.5%).

Loaded **volumes** decreased by 6.7% to 3,006k FFE (3,222k FFE) due to operational bottlenecks. Volumes mainly driven by lower backhaul volumes on East-West from Europe and North America exports. North-South decreased on both headhaul and backhaul volumes. Intra volumes decreased on Intra Americas and Intra Europe, partly offset by higher headhaul volumes on Intra Asia.

The **average loaded freight** rate increased by 71% to 4,553 USD/FFE (2,662 USD/FFE) driven by significant increase on both contracts and shipment rates, with the sharpest increase on Transpacific trades.

Total operating costs were 21% higher at USD 7.3bn (USD 6.0bn), mainly driven by higher bunker cost with an increase of 54% on bunker prices, slightly offset by lower consumption. Network cost excluding bunker cost increased by 19%, mainly due to higher slot charter cost, partly offset by higher VSA income as well as inflationary pressure on time charter equivalent cost and higher capacity. Container handling costs increased by 7.7% due to higher transportation cost of empty containers. Adjusting for the positive impact of foreign exchange rates, operating cost increased by 22%.

Bunker costs increased by 51% to USD 1.7bn (USD 1.1bn), with an increase in average bunker prices of 54% to 611 USD/tonne (398 USD/tonne), partially offset by a 1.6% decrease in bunker consumption. Bunker efficiency improved by 2.6% to 40.68 g/TEU*NM (41.81 g/TEU*NM).

Unit cost at fixed bunker increased by 23% to 2,438 USD/FFE (1,988 USD/FFE). Unit cost in Q1 is inflated by impairment of containers and bad debt related to the Russian invasion of Ukraine. Adjusting for this, unit cost at fixed bunker increased by 20% to 2,393 USD/FFE, driven by inflationary pressure on time charter equivalent cost, higher container handling costs and foreign feeders.

Loaded volumes

FFE ('000)

	Q1 2022	Q1 2021	Change	Change %
East-West	1,433	1,536	-103	-6.6
North-South	904	974	-70	-7.2
Intra-regional	669	712	-43	-6.2
Total	**3,006**	**3,222**	**-216**	**-6.7**

Average freight rates

USD/FFE

	Q1 2022	Q1 2021	Change	Change %
East-West	4,898	2,668	2,230	83.6
North-South	5,361	3,356	2,006	59.8
Intra-regional	2,896	1,876	1,019	54.3
Total	**4,553**	**2,662**	**1,891**	**71.0**

Fleet overview, end Q1 2022

	Q1 2022	Q4 2021
TEU		
Own container vessels	2,391	2,368
Chartered container vessels	1,898	1,937
Total fleet	**4,289**	**4,305**
Number of vessels		
Own container vessels	318	311
Chartered container vessels	423	427
Total fleet	**741**	**738**

The average capacity of 4,290k TEU increased by 4.5%. Four carbon-neutral vessels were added to the order-book for a total of 13 carbon-neutral vessels in the new-building programme at the end of Q1. The fleet consisted of 318 owned and 423 chartered vessels, of which 104k TEU or 2.4% of the fleet were idle (23 vessels), mainly due to repairs.

Key initiatives in Q1

The focus in Q1 continued to be to support customers and to offer contract customers additional flexibility and space to assist with volatility in their supply chains. Contracted volumes remained flat compared to Q1 2021 due to congestions on backhaul volumes. More than 1.6m FFE are currently signed on multi-year deals.

A.P. Moller - Maersk continues to expand on digital engagement models like Maersk Spot to serve the short-term customers. Maersk Spot increased the share of short-term volumes on the Spot product to 63% (36%).

Twill, the end-to-end digital product designed for small customers without in-house logistic capabilities, delivered more than 82k FFE (48k FFE) in Q1.

Logistics & Services

Logistics & Services continues to show positive revenue and margin progression year on year as demand for integrated solutions continues to grow as the result of increased and improved logistics offerings that meet customers' needs throughout the entire supply chain.

The progression in revenue is both organic, through volume growth with existing customers, new customer wins and customer synergies between Logistics & Services and Ocean, and inorganic, through acquisitions that aim to close portfolio gaps. In Q1, 60% of the organic revenue growth was driven by top 200 customers. This customer-focused proposition is key to the growth of Logistics & Services and continues to drive operational excellence, lifting operational efficiencies and providing a resilient and integrated supply chain.

Insurance Services offerings enhanced by the launch of Container Protect, a better solution for customers to handle repair and cleaning costs settlement at destination.

The intended acquisition of Pilot Freight Services will add further capabilities to the existing portfolio of end-to-end solutions.

Logistics & Services highlights

USD million

	Q1 2022	Q1 2021	12M 2021
Revenue	**2,879**	**2,045**	**9,830**
Direct costs (third party cost)	2,114	1,534	7,396
Gross profit	**765**	**511**	**2,434**
Direct Operating Expenses	297	195	967
Selling, General & Administration (SG&A)	149	111	560
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**319**	**205**	**907**
EBITDA margin	11.1%	10.0%	9.2%
Earnings before interest, taxes, and amortisation (EBITA)	**204**	**150**	**678**
EBITA margin	7.1%	7.3%	6.9%
Profit before financial items (EBIT)	**183**	**139**	**623**
EBIT margin	6.4%	6.8%	6.3%
Invested capital	**3,191**	**1,692**	**3,130**
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	34	21	460
Operational and financial metrics			
EBIT conversion (EBIT/gross profit - %)	23.9%	27.2%	25.6%
Managed by Maersk revenue	514	348	1,578
Fulfilled by Maersk revenue	797	457	2,320
Transported by Maersk revenue	1,568	1,240	5,932
Supply chain management volumes (kcbm)	26,490	20,684	98,394
Intermodal volumes (kFFE)	1,156	1,037	4,491
Air freight volumes (tonne)	31,158	33,928[1]	163,838[1]

1 2021 Air freight volumes have been restated to exclude pure terminal handling.

Financial and operational performance

Logistics & Services continues to show positive performance and reported a revenue growth of 41% to USD 2.9bn (USD 2.0bn), driven primarily by higher volumes, especially within Managed by and Fulfilled by Maersk.

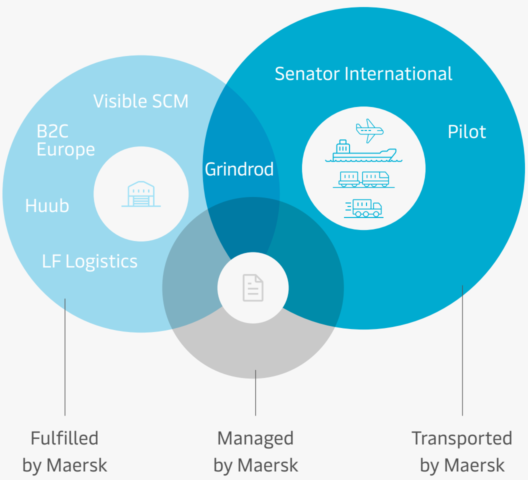
Organic revenue contributed with 34 percentage points of the 41% increase in revenue to USD 2.9bn (USD 2.0bn), and 60% of the organic revenue growth came from top 200 customers underlining the integrator strategy. The increase in organic EBITA was USD 54m. Inorganically, B2C Europe and Visible Supply Chain Management contributed with a revenue of USD 142m and an EBITA of USD nil.

Merger & Acquisitions

The Merger & Acquisition roadmap for Logistics & Services focuses on facilitator type of acquisitions to expand capabilities. Logistics & Services acquired and announced some needed capabilities through a number of acquisitions in 2021 and latest Pilot in Q1 2022.

Pilot will complement earlier acquisitions to provide integrated logistics solutions in North America, especially with Performance Team (B2B warehousing and distribution from 2020) and Visible SCM (e-commerce warehousing and parcel distribution from 2021).

The acquisitions of Visible Supply Chain Management, B2C Europe and HUUB provide end-to-end e-commerce capabilities that will strengthen the logistics offering within Fulfilled by Maersk. The intended acquisitions of Senator International and LF Logistics bring capabilities, reach and platform within Transported by and Fulfilled by Maersk, respectively, while the Grindrod Intermodal Group will complement both offerings.



Organic/inorganic

	Q1-21A	Organic	Inorganic	Q1-22A
Revenue	2,045	692	142	2,879
		34%	7%	
EBITA	150	54	-	204

For the Managed by Maersk services, revenue increased by 48% to USD 514m (USD 348m), driven by a 28% increase in volumes in lead logistics to 26,490 kcbm (20,684 kcbm). The increase in volume is both a result of strong organic growth from retail and lifestyle customers as well as the effect of new business won. Further, customs services volumes were up by 259k declarations to 1,354k declarations (1,095k declarations).

For the Fulfilled by Maersk services, revenue was up by 74% to USD 797m (USD 457m), primarily driven by contract logistics with additional volume generated from 12 newly opened warehouses in Q1 2022, equal to more than 120k sqm. Revenue from Fulfilled by Maersk was also positively impacted by e-commerce, driven by the acquisition of Visible Supply Chain Management and B2C Europe in H2 2021.

For the Transported by Maersk services, revenue was up by 26% to USD 1.6bn (USD 1.2bn), driven by an increase in intermodal volumes within landside transportation of 11% to 1,156k FFE (1,037k FFE) as the result of a higher penetration ratio. Revenue also increased driven by higher rates in air and despite an 8% decrease in volumes to 31.2k tonne (33.9k tonne), excluding ground handling, driven by capacity constraints in the market.

Gross profit increased by USD 254m to USD 765m (USD 511m), driven by an increase in volumes in lead logistics and in the number of declarations handled in customs services under Managed by Maersk, volume growth in contract logistics under Fulfilled by Maersk, as well as increased volumes in intermodal and higher rates in air under Transported by Maersk.

EBITDA increased by USD 114m to USD 319m (USD 205m) due to the higher revenue and the focus on operational excellence with an EBITDA margin of 11.1% (10.0%).

Adjusted for the impact of winding down operations and divesting all assets in Russia of USD 53m, **EBIT** amounts to USD 236m (USD 139m).

Key initiatives in Q1

In Q1, Logistics & Services continued to focus on developing truly integrated logistics offerings to customers, offering more control, setting up capacity and building the foundation to landside decarbonisation.

In Fulfilled by Maersk, the global warehousing footprint increased by 12 newly opened warehouses in Q1 2022 equal to more than 120k sqm, adding to a total active capacity of 221 warehouses and 3,218m sqm, more than 840k sqm higher than in Q1 2021. Similarly, TradeLens continues to expand its network and now consists of more than 380 network members under Managed by Maersk.

In Transported by Maersk, the Less than Container Load (LCL) value proposition continues to be strengthened and more than 55 new lanes were added in Q1 2022 building a total LCL network of over 280 own direct consolidation lanes versus less than 80 in Q1 2021. In addition, insurance services have completed the rollout of container protect to 12 countries in Q1 2022, including India, Thailand and Poland. This product is aimed to save time and cost to customers in the process of repair and cleaning costs settlement at destination.

On 2 May, A.P. Moller - Maersk announced the completion of the acquisition of Pilot Freight Services. A.P. Moller - Maersk has also announced an important next step towards landside decarbonisation, with the deployment of 410 electric trucks. These trucks will support Maersk's North American warehousing, distribution and transportation business, Performance Team.

Terminals

Profitability improved significantly compared to Q1 2021 driven by tariff increases and continuously increasing congestion related storage. Volume growth slowed to 1.4% (like-for-like 1.7%) in an overall contracting market, increasing terminal utilisation further. Revenue per move increased by 21% due to higher tariffs and high congestion-related storage, while cost per move increased by 10% (like-for-like 8%) driven by higher congestion related cost, higher inflation, and higher concession fees. As a result, the EBITDA margin improved by 5 percentage points to 40%.

With A.P. Moller - Maersk's decision to withdraw completely from doing business in Russia the process was initiated to divest all assets in Russia, and an impairment of USD 485m was made to the holding in Global Ports Investments (GPI), which operates six terminals in Russia, reducing EBIT to a negative USD 73m (positive USD 239m).

As global supply chain congestion continues, the focus continues to be making the gate transaction as fast, efficient and convenient as possible. Truck turn time in Los Angeles, USA, has been reduced from the peak of 99 minutes in November 2021 to 86 minutes in March 2022.

The drive to optimise the portfolio continues with the sale of a terminal in Colombia and the upgrade of a terminal in India.

Financial and operational performance

Revenue increased to USD 1.1bn (USD 915m), driven by higher storage income in North America and increasing tariffs.

Terminals highlights

USD million

	Q1 2022	Q1 2021	12M 2021
Revenue	**1,131**	**915**	**4,000**
Concession fees (excl. capitalised lease expenses)	90	78	339
Labour cost (blue collar)	306	280	1,151
Other operational cost	148	122	559
Selling, General & Administration (SG&A) and other costs, etc.	131	112	496
Total operating costs	**675**	**592**	**2,545**
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**456**	**323**	**1,455**
EBITDA margin	40.3%	35.3%	36.4%
Profit/loss before financial items (EBIT)	**-73**	**239**	**1,173**
EBIT margin	-6.5%	26.1%	29.3%
Invested capital	**7,772**	**8,785**	**8,289**
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	80	69	304
Operational and financial metrics			
Volumes – financially consolidated (moves, m)	3.1	3.1	12.8
Ocean segment	1.1	1.1	4.5
External customers	2.0	2.0	8.3
Revenue per move – financially consolidated (USD)	361	298	312
Cost per move – financially consolidated (USD)	260	236	242
Result from joint ventures and associated companies (USDm)	-392	58	297

The countermeasures to ease congestion are still active giving customers more flexibility to pick up containers at their convenience.

The strong volume growth in North America and Asia, more than offset lower volumes in other regions, leading to a volume increase of 1.4% and utilisation of 82% (80%). Volume from the Ocean segment increased by 3.1% and volume from external customers increased by 0.5%.

Increasing congestion-driven storage revenue in North America and tariff improvements across all regions resulted in an increase of 21% in gateway revenue per move to USD 361 (USD 298). Cost per move increased by 10% to USD 260 (USD 236) driven by congestion-related cost, inflation and higher revenue-driven concession fees.

At fixed foreign exchange rates, volume mix and portfolio, revenue per move increased by 22%, and cost per move increased by 8.3%.

The significant increase in revenue per move drove up **EBITDA** to USD 456m (USD 323m) with an EBITDA margin of 40.3% (35.3%).

For Terminals' minority stake of 30.75% in Global Port Investments PLC, an impairment of USD 485m has been recognised and the asset moved to held for sale. The result from joint ventures and associates excluding the impact from Russia improved to USD 93m (USD 58m).

EBIT decreased to a negative USD 73m (positive USD 239m), while EBIT adjusted for the impact from Russia improved to USD 412m.

ROIC (LTM) was 7.1% (7.4%) and 12.5% excluding the impact from Russia, driven by the significantly better operating performance over the past twelve months.

CAPEX increased to USD 80m (USD 69m), driven by the investment in terminal equipment in the African and Middle East region.

In **North America**, demand continues to be strong with volume increasing 15% despite labour shortages and high yard congestion limiting quay productivity. Storage income from supply chain congestion continues to be high. The higher revenue was partially offset by the increased variable cost due to measures taken to ease the congestion.

In **Europe**, volume dropped by 6.2% driven by Valencia, Spain, in part because of a temporary decrease in capacity due to an upgrade to the Terminal Operating system.

Regional volume[1]

Million moves

	Q1 2022	Q1 2021	Growth (%)
North America	0.8	0.7	15.4
Latin America	0.6	0.6	-6.2
Europe, Russia and the Baltics	0.6	0.7	-6.2
Asia	0.6	0.6	4.9
Africa and Middle East	0.4	0.5	-4.6
Total	**3.1**	**3.1**	**1.4**

1 Financially consolidated.

In **Latin America**, volume dropped by 6.2% largely due to a planned reduction as the concession in Itajai, Brazil, is expiring by the end of the year and divestment impact of Cartagena, Colombia. Revenue per move improved due to higher sale of yard services and more general cargo offsetting the volume drop and inflationary cost.

In **Asia**, volumes grew by 4.9%, mainly driven by additional volumes in two new berths in Yokohama, Japan.

In **Africa and Middle East**, volume dropped by 4.6%, mainly due to lower volumes in Onne, Nigeria. Cost per move increased due to inflation, higher cost of energy and maintenance and repair works.

Results from joint ventures and associated companies

The share of profits in joint ventures and associated companies decreased to a negative USD 392m (USD 58m), mainly driven by the impairment of the holding in Global Ports in Russia, partially offset by higher results from Santos, Brazil. Profit from joint ventures and associated companies excluding the impact from Russia improved to USD 93m.

Key initiatives in Q1

The process of optimising the portfolio continued when the sale of a 51% stake in the Cartagena Container Terminal, Colombia, was executed in Q1. Further, a USD 115m expansion of Gateway Terminals India (GTI) in Mumbai, India, was announced, increasing the capacity from 2.0m TEU to 2.2m TEU enabling Terminals to better serve the growing Indian demand.

The ongoing expansion project in Onne, Nigeria, is on track and expected to get completed in 2022 and the construction of a new terminal in Abidjan, Ivory Coast, is also progressing.

The new greenfield development Rijeka, Croatia, is now preparing for execution phase while the conditions of the concession are being fulfilled.

Towage & Maritime Services

Revenue was USD 555m (USD 523m) with an EBITDA of USD 79m (USD 89m). EBIT of USD 69m (USD 41m) improved by USD 28m which was supported by a reversal of previously recognised impairment in Höegh Autoliners of USD 48m.

Towage

Financial and operational performance

Revenue increased by USD 11m to USD 192m (USD 181m), and adjusted for foreign exchange rate development, the increase was 11% or USD 19m. Revenue was positively impacted by an increase in harbour towage activities driven by new port entries in Brazil, increase in weather related activities in Scandinavia and Continental Europe, ramp-up of activities in Morocco, and relative increase in Argentina.

Terminal towage revenue increased by USD 9m, adjusted for foreign exchange rate development, mainly driven by new time charters and bareboat charters in Angola and increased volumes in Australia, partly offset by lower revenue in Caribbean due to reduced operations.

EBITDA amounted to USD 59m (USD 57m). EBIT decreased to USD 16m (USD 34m) due to the withdrawal from operations in Russia as well as the exit of activities in Bowen, Australia.

Results from joint ventures and associated companies

The share of profit in joint ventures and associated companies decreased to USD 5m (USD 6m), mainly driven by the exit of activities in Bowen, Australia.

Key initiatives in Q1

During Q1, Svitzer was awarded a 10-year contract in Australia. Svitzer also secured a 5-year contract in India and extended a contract for the Suez Canal in Egypt for two additional tugs. The EcoTow project is gaining momentum as more customers are showing interest in the product offering decarbonised towage.

Maritime Services

Maersk Supply Service reported a 54% increase in revenue to USD 83m (USD 54m), reflecting increased activity from improved market conditions as well as an increase in project revenue. EBITDA improved by USD 5m to a negative USD 4m (negative USD 9m), mainly driven by increasing utilisation of the fleet. EBIT improved by USD 11m to a negative USD 8m (negative USD 19m) due to lower depreciations because of impairment losses recognised in Q4 2021.

Maersk Supply Service continues to mature its strategy to expand its solutions business and grow its renewable segment. Maersk Supply Service has signed a newbuilding contract for a pioneering wind installation vessel, with delivery expected in 2025, expected to deliver a 30% more efficient installation compared to using conventional jack-up vessels. Supporting the newbuild contract, Maersk Supply Service has been awarded a firm contract for the installation of two US offshore wind farms.

Towage & Maritime Services highlights

USD million

	Q1 2022	Q1 2021	12M 2021
Revenue	**555**	**523**	**2,082**
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**79**	**89**	**356**
EBITDA margin	14.2%	17.0%	17.1%
Profit before financial items (EBIT)	**69**	**41**	**17**
EBIT margin	12.4%	7.8%	0.8%
Invested capital	**2,691**	**2,465**	**2,216**
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	81	49	203
Operational and financial metrics			
Number of operational tug jobs (harbour towage) ('000)	35	35	138

Statement of the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the Interim Report of A.P. Møller - Mærsk A/S for the period 1 January 2022 to 31 March 2022.

The Interim Report has not been audited or reviewed by the company's independent auditors.

The Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and additional Danish disclosure requirements for interim financial reporting of listed companies.

In our opinion, the interim consolidated financial statements (pages 19-26) give a true and fair view of A.P. Moller - Maersk's consolidated assets, liabilities and financial position on 31 March 2022 and of the results of A.P. Moller - Maersk's consolidated operations and cash flows for the period 1 January to 31 March 2022.

Furthermore, in our opinion, the Management review (pages 3-17) includes a fair review of the development in A.P. Moller - Maersk's operations and financial conditions, the results for the period, cash flows and financial position as well as a description of the most significant risks and uncertainty factors that A.P. Moller - Maersk faces, relative to the disclosures in the annual report for 2021.

Copenhagen, 4 May 2022

Executive Board

Søren Skou — CEO

Patrick Jany — CFO

Vincent Clerc

Morten Engelstoft

Henriette Hallberg Thygesen

Board of Directors

Robert Mærsk Uggla — Chair

Marc Engel — Vice Chair

Bernard L. Bot

Marika Fredriksson

Arne Karlsson

Thomas Lindegaard Madsen

Amparo Moraleda

Julija Voitekute

Financials

Condensed income statement

Note		Q1 2022	Q1 2021	12M 2021
1	Revenue	19,292	12,439	61,787
1	**Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)**	**9,084**	**4,039**	**24,036**
	Depreciation, amortisation and impairment losses, net	1,507	1,025	4,944
	Gain on sale of non-current assets, etc., net	27	7	96
	Share of profit/loss in joint ventures and associated companies	-331	76	486
1	**Profit before financial items (EBIT)**	**7,273**	**3,097**	**19,674**
	Financial items, net	-294	-230	-944
	Profit before tax	**6,979**	**2,867**	**18,730**
	Tax	171	150	697
	Profit for the period	**6,808**	**2,717**	**18,033**
	Of which:			
	Non-controlling interests	32	20	91
	A.P. Møller - Mærsk A/S' share	**6,776**	**2,697**	**17,942**
	Earnings per share, USD	**364**	**139**	**941**
	Diluted earnings per share, USD	**363**	**139**	**938**

Condensed statement of comprehensive income

	Q1 2022	Q1 2021	12M 2021
Profit for the period	**6,808**	**2,717**	**18,033**
Translation from functional currency to presentation currency	-37	-217	-364
Reclassified to income statement, gain on sale of non-current assets, etc., net	-	7	23
Cash flow hedges	53	-61	-109
Tax on other comprehensive income	-10	-9	-7
Share of other comprehensive income of joint ventures and associated companies, net of tax	-1	-8	-5
Total items that have been or may be reclassified subsequently to the income statement	**5**	**-288**	**-462**
Other equity investments	50	1	143
Actuarial gains/losses on defined benefit plans, etc.	-	-	-23
Tax on other comprehensive income	-	-	7
Total items that will not be reclassified to the income statement	**50**	**1**	**127**
Other comprehensive income, net of tax	**55**	**-287**	**-335**
Total comprehensive income for the period	**6,863**	**2,430**	**17,698**
Of which:			
Non-controlling interests	34	19	87
A.P. Møller - Mærsk A/S' share	**6,829**	**2,411**	**17,611**

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Condensed balance sheet at 31 March

	31 March 2022	31 March 2021	12M 2021
Intangible assets	**5,676**	**5,019**	**5,769**
Property, plant and equipment	**27,588**	**26,395**	**27,303**
Right-of-use assets	**10,177**	**7,963**	**9,906**
Financial non-current assets, etc.	2,800	2,995	3,135
Deferred tax	366	256	356
Total non-current assets	**46,607**	**42,628**	**46,469**
Inventories	1,933	1,475	1,457
Receivables, etc.	12,036	5,996	12,111
Securities	2	1	3
Cash and bank balances	12,107	6,418	11,832
Assets held for sale	346	216	399
Total current assets	**26,424**	**14,106**	**25,802**
Total assets	**73,031**	**56,734**	**72,271**

	31 March 2022	31 March 2021	12M 2021
Equity attributable to A.P. Møller - Mærsk A/S	43,867	30,918	44,508
Non-controlling interests	1,073	987	1,080
Total equity	**44,940**	**31,905**	**45,588**
Lease liabilities, non-current	8,192	7,039	8,153
Borrowings, non-current	4,175	5,092	4,315
Other non-current liabilities	2,149	1,875	2,122
Total non-current liabilities	**14,516**	**14,006**	**14,590**
Lease liabilities, current	2,684	1,384	2,398
Borrowings, current	199	946	469
Other current liabilities	10,513	8,407	8,982
Liabilities associated with assets held for sale	179	86	244
Total current liabilities	**13,575**	**10,823**	**12,093**
Total liabilities	**28,091**	**24,829**	**26,683**
Total equity and liabilities	**73,031**	**56,734**	**72,271**

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Condensed cash flow statement

Note		Q1 2022	Q1 2021	12M 2021
	Profit before financial items	7,273	3,097	19,674
4	Non-cash items, etc.	2,115	883	4,540
	Change in working capital	-1,069	-459	-1,610
	Cash flow from operating activities before tax	8,319	3,521	22,604
	Taxes paid	-98	-88	-582
	Cash flow from operating activities	**8,221**	**3,433**	**22,022**
	Purchase of intangible assets and property, plant and equipment (CAPEX)	-1,354	-329	-2,976
	Sale of intangible assets and property, plant and equipment	43	35	205
	Sale of other equity investments	20	4	8
3	Acquisition of subsidiaries and activities	-1	-	-815
	Sale of subsidiaries and activities	17	1	3
	Dividends received	20	59	282
	Financial investments etc., net	1,106	-100	-5,049
	Cash flow used for investing activities	**-149**	**-330**	**-8,342**
	Repayments of/proceeds from borrowings, net	-16	-483	-1,934
	Repayments of lease liabilities	-646	-629	-2,279
	Financial payments, net	-152	-83	-258
	Financial expenses paid on lease liabilities	-118	-114	-459
	Purchase of own shares	-631	-333	-1,956
	Dividends distributed	-5,945	-889	-1,017
	Dividends distributed to non-controlling interests	-3	-12	-91
	Other equity transactions	-9	9	94
	Cash flow from financing activities	**-7,520**	**-2,534**	**-7,900**
	Net cash flow for the period	**552**	**569**	**5,780**
	Cash and cash equivalents, beginning of period	11,565	5,864	5,864
	Currency translation effect on cash and bank balances	-33	-12	-79
	Cash and cash equivalents, end of period	12,084	6,421	11,565
	Of which classified as assets held for sale	-6	-20	-28
	Cash and cash equivalents, end of period	**12,078**	**6,401**	**11,537**
	Cash and cash equivalents			
	Cash and bank balances	12,107	6,418	11,832
	Overdrafts	29	17	295
	Cash and cash equivalents, end of period	**12,078**	**6,401**	**11,537**

Cash and bank balances include USD 1.5bn (USD 1.0bn) relating to cash and bank balances in countries with exchange control or other restrictions. These funds are not readily available for general use by the parent company or other subsidiaries.

AMOUNTS IN USD MILLION

Condensed statement of changes in equity

Note		A.P. Møller - Mærsk A/S							
Note		Share capital	Trans-lation reserve	Reserve for other equity invest-ments	Reserve for hedges	Retained earnings	Total	Non-con-trolling interests	Total equity
	Equity 1 January 2022	3,513	-767	135	-160	41,787	44,508	1,080	45,588
	Other comprehensive income, net of tax	-	-38	50	42	-1	53	2	55
	Profit for the period	-	-	-	-	6,776	6,776	32	6,808
	Total comprehensive income for the period	**-**	**-38**	**50**	**42**	**6,775**	**6,829**	**34**	**6,863**
	Dividends to shareholders	-	-	-	-	-6,845	-6,845	-11	-6,856
	Value of share-based payment	-	-	-	-	5	5	-	5
	Sale of non-controlling interests	-	-	-	-	-	-	-30	-30
2	Purchase of own shares	-	-	-	-	-631	-631	-	-631
	Sale of own shares	-	-	-	-	1	1	-	1
	Transfer of gain/loss on disposal of equity investments to retained earnings		-	-14	-	14	-	-	-
	Total transactions with shareholders	**-**	**-**	**-14**	**-**	**-7,456**	**-7,470**	**-41**	**-7,511**
	Equity 31 March 2022	**3,513**	**-805**	**171**	**-118**	**41,106**	**43,867**	**1,073**	**44,940**
	Equity 1 January 2021	3,632	-432	-6	-42	26,698	29,850	1,004	30,854
	Other comprehensive income, net of tax	-	-208	2	-70	-10	-286	-1	-287
	Profit for the period	-	-	-	-	2,697	2,697	20	2,717
	Total comprehensive income for the period	**-**	**-208**	**2**	**-70**	**2,687**	**2,411**	**19**	**2,430**
	Dividends to shareholders	-	-	-	-	-1,017	-1,017	-45	-1,062
	Value of share-based payment	-	-	-	-	2	2	-	2
	Purchase of own shares	-	-	-	-	-333	-333	-	-333
	Sale of own shares	-	-	-	-	5	5	-	5
	Capital increases and decreases	-	-	-	-	-	-	9	9
	Transfer of gain/loss on disposal of equity investments to retained earnings	-	-	-2	-	2	-	-	-
	Total transactions with shareholders	**-**	**-**	**-2**	**-**	**-1,341**	**-1,343**	**-36**	**-1,379**
	Equity 31 March 2021	**3,632**	**-640**	**-6**	**-112**	**28,044**	**30,918**	**987**	**31,905**

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Note 1 Segment information

	Ocean	Logistics & Services	Terminals	Towage & Maritime Services	Unallo-cated items	Elimi-nations	Consoli-dated total
Q1 2022							
External revenue	15,000	2,918	902	446	26	-	19,292
Inter-segment revenue	570	-39	229	109	7	-876	-
Total revenue	**15,570**	**2,879**	**1,131**	**555**	**33**	**-876**	**19,292**
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**8,214**	**319**	**456**	**79**	**17**	**-1**	**9,084**
Profit before financial items (EBIT)	**7,072**	**183**	**-73**	**69**	**16**	**6**	**7,273**
Key metrics							
Invested capital	31,805	3,191	7,772	2,691	-252	-40	45,167
Gross capital expenditures, excl. acquisitions and divestments (CAPEX)	1,156	34	80	81	7	-4	1,354

	Ocean	Logistics & Services	Terminals	Towage & Maritime Services	Unallo-cated items	Elimi-nations	Consoli-dated total
Q1 2021							
External revenue	9,307	1,996	691	425	20	-	12,439
Inter-segment revenue	171	49	224	98	4	-546	-
Total revenue	**9,478**	**2,045**	**915**	**523**	**24**	**-546**	**12,439**
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**3,444**	**205**	**323**	**89**	**-20**	**-2**	**4,039**
Profit before financial items (EBIT)	**2,700**	**139**	**239**	**41**	**-23**	**1**	**3,097**
Key metrics							
Invested capital	27,026	1,692	8,785	2,465	-87	-52	39,829
Gross capital expenditures, excl. acquisitions and divestments (CAPEX)	193	21	69	49	1	-4	329

USD million	Types of revenue	Q1 2022	Q1 2021	12M 2021
Ocean	Freight revenue	13,560	8,202	42,374
	Other revenue, including hubs	2,010	1,276	5,858
Logistics & Services	Managed by Maersk	514	348	1,578
	Fulfilled by Maersk	797	457	2,320
	Transported by Maersk	1,568	1,240	5,932
Terminals	Terminal services	1,131	915	4,000
Towage & Maritime Services	Towage services	192	181	740
	Sale of containers and spare parts	141	199	690
	Offshore supply services	83	54	301
	Other shipping activities	66	68	269
	Other services	73	21	82
Unallocated activities and eliminations		-843	-522	-2,357
Total revenue		**19,292**	**12,439**	**61,787**

Note 2 Share capital

Development in the number of shares:

	A shares of		B shares of		Nominal value	
	DKK 1,000	DKK 500	DKK 1,000	DKK 500	DKK million	USD million
1 January 2021	10,599,293	216	9,432,463	166	20,032	3,632
31 March 2021	**10,599,293**	**216**	**9,432,463**	**166**	**20,032**	**3,632**
1 January 2022	10,468,107	216	8,907,718	166	19,376	3,513
Conversion	1	-2	3	-6	-	-
31 March 2022	**10,468,108**	**214**	**8,907,721**	**160**	**19,376**	**3,513**

All shares are fully issued and paid up.

One A share of DKK 1,000 holds two votes. B shares have no voting rights.

At the Annual General Meeting of A.P. Møller - Mærsk A/S on 15 March 2022, the shareholders decided on the cancellation of treasury shares, whereby the share capital will be decreased from nominally DKK 19,376,016,000 with nominally DKK 688,855,000 in total, divided into 133,779 A shares and 535,076 B shares of DKK 1,000 to nominally DKK 18,707,161,000. The cancellation is expected to be completed during Q2 2022.

Development in the holding of treasury shares:

	No. of shares of DKK 1,000		Nominal value DKK million		% of share capital	
Treasury shares	2022	2021	2022	2021	2022	2021
A shares						
1 January	120,494	119,176	121	119	0.62%	0.59%
Additions	28,325	30,451	28	30	0.15%	0.16%
31 March	**148,819**	**149,627**	**149**	**149**	**0.77%**	**0.75%**
B shares						
1 January	549,587	505,281	550	505	2.84%	2.52%
Additions	158,288	121,805	158	122	0.81%	0.61%
Disposals	642	6,538	1	7	0.00%	0.03%
31 March	**707,233**	**620,548**	**707**	**620**	**3.65%**	**3.10%**

The share buy-back programme is carried out with the purpose to adjust the capital structure of the company. Shares which are not used for hedging purposes for the long-term incentive programmes will be proposed cancelled at the Annual General Meetings.

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

From 1 January 2022 to 31 March 2022, A.P. Moller - Maersk has bought back 14,083 A shares, with a nominal value of DKK 14m, and 42,740 B shares, with a nominal value of DKK 43m, as treasury shares from A.P. Møller Holding A/S, which is considered a related party.

The dividend of DKK 2,500 per share of DKK 1,000 – a total of DKK 46.8bn is equivalent to USD 6.9bn excluding treasury shares. Of this, USD 6.0bn was paid to shareholders on 18 March 2022, and the withholding tax of USD 900m is payable in Q2 2022. Payment of dividends to shareholders does not trigger taxes for A.P. Moller - Maersk.

Note 3 Acquisitions of subsidiaries

Acquisitions during Q1 2022

Pilot Freight Services (Logistics & Services)

On 9 February 2022, the Group announced the intention to acquire 100% of the shares in Pilot Freight Services, a US-based first, middle and last mile cross-border solutions provider. The acquisition was completed in early May. Pilot have specialised in the big and bulky freight segment in North America. Pilot Freight Services will add specific new services within the fast-growing big and bulky e-commerce segment, thus increasing cross-selling opportunities. It will also create significant cost synergies by leveraging capabilities across the different parts of service solutions. The total enterprise value is USD 1.7bn.

Other

Senator International (Logistics & Services)

On 2 November 2021, it was announced that the Group intends to acquire 100% of the shares in Senator International, a well-renowned German air-based freight carrier company. Senator International will contribute with offerings within air freight out of Europe into the USA and Asia, and thereby add strong capabilities and geographical reach to the integrator vision. The estimated enterprise value is USD 644m. The acquisition is expected to close during Q2 2022.

Grindrod Intermodal Group (Logistics & Services)

On 15 November 2021, it was announced that the Group will partner with Grindrod Intermodal Group. The Group will have a controlling interest of 51%. The Grindrod International Group is a well-known and trusted partner in South Africa that offers a range of logistics and services offerings. The estimated enterprise value is USD 13m. The acquisition is expected to close during Q3 2022.

LF Logistics Holdings Limited (Logistics & Services)

On 22 December 2021, it was announced that the Group intends to acquire 100% of the shares in LF Logistics Holdings Limited, a leading omnichannel fulfilment contract logistics company in Asia Pacific. The acquisition will further strengthen A.P. Moller - Maersk's capabilities as an integrated container logistics company, offering global end-to-end supply chain solutions to its customers.

The estimated enterprise value is USD 3.6bn. In addition to the enterprise value, an earn-out with a total value of up to USD 160m related to future financial performance has been agreed as part of the transaction.

The acquisition is subject to regulatory approvals and the transaction is expected to close during Q3 2022.

Note 4 Commitments

The total commitment across segments is USD 4bn (USD 2bn), mainly related to investments for new methanol container vessels, wind installation vessels, tugs and aircraft.

Note 5 Accounting policies, judgements and significant estimates

The interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and adopted by the EU and additional Danish disclosure requirements for interim financial reporting of listed companies.

The accounting policies, judgements and significant estimates are consistent with those applied in the Annual Report 2021.

Change to reportable segments
As part of the refinement of A.P. Moller - Maersk's segment structure, changes to the segment structure have been made. The changes involve moving the Svitzer activity from Terminals & Towage to Manufacturing & Others. In addition, the Manufacturing & Other segment has been renamed Towage & Maritime Services, while the Terminals & Towage segment has been renamed Terminals. Comparison figures for note 1 have been restated as if the change had been implemented in 2021. The reportable segments are disclosed below.

The allocation of business activities into segments reflects A.P. Moller - Maersk's character as an integrated container logistics business and is in line with the internal management reporting.

The reportable segments are as follows:

Ocean	Global container shipping activities including strategic transhipment hubs and sale of bunker oil
Logistics & Services	Freight forwarding supply chain management, inland haulage and other logistics services
Terminals	Gateway terminal activities
Towage & Maritime Services	Towage and related marine activities, production of reefer containers, providing offshore supply service and trading and other businesses

Russia/Ukraine impact
Because of the Russian invasion of Ukraine on 24 February 2022, A.P. Moller - Maersk has decided to withdraw from doing business in Russia.

As a result, the recoverable amounts of assets in Russia and Ukraine have been reassessed, impairment losses have been recognised, and provisions have been made to cover costs relating to the withdrawal from operations. This has negatively impacted EBIT by USD 718m, of which USD 627m was impairment losses and USD 91m was operating costs.

Warehouses in the Logistics & Services segment, the GPI investment in the Terminals segment, and tugboats in the Towage & Maritime Services segment have been fully written down.

The impact has been classified as non-cash items in the cash flow statement.

The details of the income statement impact are as follows:

Operating segment	Impacted area	Q1 2022
Ocean	Impairments of containers, write-down of receivables, provisions	162
Logistics & Services	Impairments of warehouses, write-down of receivables, provisions	53
Terminals	Impairments of investment in joint venture	485
Towage & Maritime Services	Impairments of tugboats	18
Total income statement impact		**718**

For further information refer to Review Q1 2022 in the Management review.

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Additional information

Quarterly summary

Income statement	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Revenue	19,292	18,506	16,612	14,230	12,439
Profit before depreciation, amortisation and impairment losses etc. (EBITDA)	9,084	7,990	6,943	5,064	4,039
Depreciation, amortisation and impairment losses, net	1,507	1,626	1,206	1,087	1,025
Gain on sale of non-current assets etc., net	27	50	27	12	7
Share of profit/loss in joint ventures and associated companies	-331	220	95	95	76
Profit before financial items (EBIT)	7,273	6,634	5,859	4,084	3,097
Financial items, net	-294	-343	-185	-186	-230
Profit before tax	6,979	6,291	5,674	3,898	2,867
Tax	171	182	213	152	150
Profit for the period	6,808	6,109	5,461	3,746	2,717
A.P. Møller - Mærsk A/S' share	6,776	6,094	5,438	3,713	2,697
Underlying profit[1]	7,469	6,278	5,448	3,732	2,712
Balance sheet					
Total assets	73,031	72,271	65,394	60,040	56,734
Total equity	44,940	45,588	39,771	35,282	31,905
Invested capital	45,167	44,043	42,876	41,481	39,829
Net interest-bearing debt	-689	-1,530	3,123	6,216	7,746
Cash flow statement					
Cash flow from operating activities	8,221	7,880	6,572	4,137	3,433
Capital lease instalments – repayments of lease liabilities	646	586	611	453	629
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	1,354	1,585	610	452	329
Cash flow from financing activities	-7,520	-1,370	-1,853	-2,143	-2,534
Free cash flow	6,014	5,637	5,298	3,230	2,372
Financial ratios					
Revenue growth	55.1%	64.4%	67.5%	58.2%	30.0%
EBITDA margin	47.1%	43.2%	41.8%	35.6%	32.5%
EBIT margin	37.7%	35.8%	35.3%	28.7%	24.9%
Cash conversion	90%	99%	95%	82%	85%
Return on invested capital after tax (ROIC) (last twelve months)	53.6%	45.3%	34.5%	23.7%	15.7%
Equity ratio	61.5%	63.1%	60.8%	58.8%	56.2%
Underlying ROIC[1] (last twelve months)	55.4%	45.7%	34.5%	24.0%	15.9%
Underlying EBITDA[1]	9,186	7,990	6,943	5,064	4,039
Underlying EBITDA margin[1]	47.6%	43.2%	41.8%	35.6%	32.5%
Underlying EBIT[1]	7,937	6,804	5,842	4,070	3,092
Underlying EBIT margin[1]	41.1%	36.8%	35.2%	28.6%	24.9%
Stock market ratios					
Earnings per share, USD	364	324	287	194	139
Diluted earnings per share, USD	363	323	287	193	139
Cash flow from operating activities per share, USD	442	414	348	215	178
Share price (B share), end of period, DKK	20,370	23,450	17,385	18,025	14,735
Share price (B share), end of period, USD	3,040	3,576	2,707	2,883	2,324
Total market capitalisation, end of period, USD	55,662	64,259	49,637	54,076	43,243

1 The figure stated for the period covers underlying profit and underlying financial ratios, adjusted for the net gains/losses from the sale of non-current assets etc. and net impairment losses as well as transaction, restructuring and integration costs related to major transactions. The adjustments are net of tax and include A.P. Moller - Maersk's share of mentioned items in joint ventures and associated companies.

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Definition of terms

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

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

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

Cash conversion
Cash flow from operating activities to EBITDA ratio.

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

Cost per move
Includes cost (EBITDA less revenue less other income), depreciation and excludes IFRIC12 construction cost.

EBIT
Earnings Before Interest and Taxes.

EBITA
Earnings Before Interest, Tax and Amortisation.

EBITDA
Earnings Before Interest, Taxes, Depreciation and Amortisation.

Equity ratio
Calculated as equity divided by total assets.

FFE
Forty Foot container Equivalent unit.

Free cash flow (FCF)
Comprised 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.

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

Headhaul
The direction of the trade route with the highest volumes, whereas the return direction is referred to as backhaul.

Invested capital
Segment operating assets less segment operating liabilities, including investments and deferred taxes related to the operation.

kcbm
The freight volume of the shipment for domestic and international freight. Cubic metre (CBM) measurement is calculated by multiplying the width, height and length together of the shipment.

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

Net interest-bearing debt (NIBD)
Equals interest-bearing debt, including leasing liabilities, fair value of derivatives hedging the underlying debt, less cash and bank balances as well as other interest-bearing assets.

Return on invested capital after tax (ROIC)
Profit/loss before financial items for the year (EBIT) less tax on EBIT divided by the average invested capital, last twelve months.

Revenue per move
Includes terminal revenue, other income, government grants and excludes IFRIC12 construction revenue.

TEU
Twenty-foot container Equivalent Unit.

Time charter
Hire of a vessel for a specified period.

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

Underlying
The figure stated for the period covers underlying profit and underlying financial ratios, adjusted for the net gains/losses from the sale of non-current assets etc. and net impairment losses as well as transaction, restructuring and integration costs related to major transactions. The adjustments are net of tax and include A.P. Moller - Maersk's share of mentioned items in joint ventures and associated companies.

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

Colophon

Board of Directors

Robert Mærsk Uggla, Chair

Marc Engel, Vice Chair

Bernard L. Bot

Marika Fredriksson

Arne Karlsson

Thomas Lindegaard Madsen

Amparo Moraleda

Julija Voitekute

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Søren Skou, Chief Executive Officer (CEO)

Patrick Jany (CFO)

Vincent Clerc

Morten Engelstoft

Navneet Kapoor

Henriette Hallberg Thygesen

Audit Committee

Arne Karlsson, Chair

Bernard L. Bot

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Amparo Moraleda

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