



MAERSK

Q4

2022

ALL THE WAY

A.P. Møller - Mærsk A/S | Interim Report | 8 February 2023
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Webcast and dial-in information

A webcast relating to the Q4 2022 Interim Report will be held on 8 February 2023 at 11.00 (CET). Dial-in information on investor.maersk.com.

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

The Interim Report for Q4 2022 of A.P. Møller - Mærsk A/S (further referred to as A.P. Møller - Maersk as the consolidated group of companies) has been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board (IASB) and adopted by the EU and additional Danish disclosure requirements for interim financial reporting of listed companies.

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

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. Møller - Maersk, may cause the actual development and results to differ materially from expectations contained in the interim report.

Financial calendar

4 May 2023
Interim Report Q1 2023

4 August 2023
Interim Report Q2 2023

3 November 2023
Interim Report Q3 2023

8 February 2024
Annual Report 2023

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Improving life for all by integrating the world

At A.P. Møller - Maersk, 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.

With a dedicated team of 100,000+ talents, operating in more than 130 countries, we explore new frontiers and embrace new technologies because we see change as an opportunity. No matter the challenge, we stay optimistic and resilient because our values are constant. By living our values, we inspire trust in our efforts to integrate the world and improve life for all.

Management review

A.P. Moller - Maersk continued to deliver strong results although profitability was at a lower level compared to Q4 2021. Profit was USD 5.0bn (USD 6.1bn) for Q4.

Compared to previous year, results were mainly affected by lower volumes caused by a weakening customer demand which triggered an easing of congestions and operational bottlenecks. Sequentially, freight rates were down from the peak levels reached by mid-2022.

Highlights Q4 2022

Revenue for Q4 decreased by USD 686m to USD 17.8bn (USD 18.5bn), mainly due to a decrease in Ocean of USD 1.3bn, while revenue increased by USD 844m in Logistics & Services and decreased by USD 90m in Terminals. **EBITDA** decreased by USD 1.5bn to USD 6.5bn (USD 8.0bn), and **EBIT** decreased by USD 1.5bn to USD 5.1bn (USD 6.6bn) comprising:

-  Ocean, with a decrease by USD 1.5bn to USD 4.8bn (USD 6.3bn), driven by lower volumes and lower freight rates on shipment rates on routes from Asia to Europe and to North America together with higher costs related to bunker, container handling and network.
-  Logistics & Services on par at USD 139m (USD 137m), due to the increase in revenue offset by lower margins especially in Managed by Maersk and in Fulfilled by Maersk impacted by the unfolding destocking.
-  Terminals, with a decrease to USD 232m (USD 307m), mainly due to significantly lower volumes on the US West Coast and in Spain, and lower congestion related storage revenue and volumes in North America.

Free cash flow increased to USD 6.5bn (USD 5.6bn), due to strong cash flows from operating activities of USD 8.2bn (USD 7.9bn), partly offset by CAPEX of USD 895m (USD 1.6bn) and higher capitalised lease instalments of USD 861m (USD 586m), driven by further investments across all segments. Total cash and bank balances, including term deposits and securities increased to USD 28.6bn (USD 16.9bn).

Total distribution of cash to shareholders through share buy-backs was USD 685m in Q4 2022.

Highlights Q4

USD million

	Revenue		EBITDA		EBIT		CAPEX	
	2022	2021	2022	2021	2022	2021	2022	2021
Ocean	13,299	14,589	6,034	7,337	4,817	6,346	427	1,043
Logistics & Services	3,860	3,016	328	219	139	137	174	346
Terminals	999	1,089	288	384	232	307	132	136
Towage & Maritime Services	568	544	82	91	122	-123	118	56
Unallocated activities, eliminations, etc.	-906	-732	-192	-41	-188	-33	44	4
A.P. Moller - Maersk consolidated	17,820	18,506	6,540	7,990	5,122	6,634	895	1,585

Summary financial information

	Q4 2022	Q4 2021	12M 2022	12M 2021
Income statement				
Revenue	17,820	18,506	81,529	61,787
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	6,540	7,990	36,813	24,036
Depreciation, amortisation and impairment losses, net	1,612	1,626	6,186	4,944
Gain on sale of non-current assets, etc., net	33	50	101	96
Share of profit/loss in joint ventures and associated companies	161	220	132	486
Profit before financial items (EBIT)	5,122	6,634	30,860	19,674
Financial items, net	171	-343	-629	-944
Profit before tax	5,293	6,291	30,231	18,730
Tax	312	182	910	697
Profit for the period	4,981	6,109	29,321	18,033
A.P. Møller - Mærsk A/S' share	4,950	6,094	29,198	17,942
Underlying profit ¹	4,863	6,278	29,703	18,170
Balance sheet				
Total assets	93,680	72,271	93,680	72,271
Total equity	65,032	45,588	65,032	45,588
Invested capital	52,410	44,043	52,410	44,043
Net interest-bearing debt	-12,632	-1,530	-12,632	-1,530
Cash flow statement				
Cash flow from operating activities	8,200	7,880	34,476	22,022
Capital lease instalments – repayments of lease liabilities	861	586	3,080	2,279
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	895	1,585	4,163	2,976
Cash flow from financing activities	-1,601	-1,370	-14,135	-7,900
Free cash flow	6,462	5,637	27,107	16,537
Financial ratios				
Revenue growth	-3.7%	64.4%	32.0%	55.5%
EBITDA margin	36.7%	43.2%	45.2%	38.9%
EBIT margin	28.7%	35.8%	37.9%	31.8%
Cash conversion	125%	99%	94%	92%
Return on invested capital after tax (ROIC) (last twelve months)	60.4%	45.3%	60.4%	45.3%
Equity ratio	69.4%	63.1%	69.4%	63.1%
Underlying ROIC ¹ (last twelve months)	61.2%	45.7%	61.2%	45.7%
Underlying EBITDA ¹	6,517	7,990	36,843	24,036
Underlying EBITDA margin ¹	36.6%	43.2%	45.2%	38.9%
Underlying EBIT ¹	5,002	6,804	31,244	19,808
Underlying EBIT margin ¹	28.1%	36.8%	38.3%	32.1%
Stock market ratios				
Earnings per share, USD	278	324	1,600	941
Diluted earnings per share, USD	277	323	1,595	938
Cash flow from operating activities per share, USD	461	414	1,889	1,155
Share price (B share), end of period, DKK	15,620	23,450	15,620	23,450
Share price (B share), end of period, USD	2,242	3,576	2,242	3,576
Total market capitalisation, end of period, USD	39,135	64,259	39,135	64,259

¹ Underlying is computed as the relevant performance measure 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 include A.P. Møller - Mærsk's share of mentioned items in joint ventures and associated companies and, when applicable, the adjustments are net of tax.

Review Q4 2022

Strong financial results impacted by normalisation

A.P. Moller - Maersk delivered strong financial results in Q4 2022 as the anticipated normalisation continued.

In Ocean, with lower volumes and market normalisation setting in, deployed capacity is actively being adjusted to meet available demand, and Ocean continues to partner with key customers, offering contract customers additional flexibility and space to help with volatility in their supply chains. A total of 1.9m FFE are currently signed on multi-year deals and the share of long-haul contract volumes stood at 65% (75%).

In Logistics & Services, the development in revenue is driven by inorganic revenue with expanded capabilities through facilitator type acquisitions, while revenue decreased organically as a result of lower volumes and market normalisation in Q4.

In Terminals, business is resilient despite the weakening of the global container market affecting volumes and revenue.

Overall, the businesses performed well in an environment of receding demand and rising inflation.

Winding down in Russia

As previously announced, A.P. Moller - Maersk is winding down its operations in Russia, which will ultimately result in a complete exit from the country. All services to and from Russia have been discontinued since Q1, and in Q3, sale of the minority stake of 30.75% of Global Ports Investments (GPI) was completed. The process of divesting the remaining assets, two warehouses and four tugboats is ongoing.

The original impact on EBIT in Q1 from the Russia/Ukraine situation was less negative due to the reversal in Q2 of USD 94m, in Q3 with the reversal of container impairments and the disposal of GPI, net of translation reserves totalling USD 92m and in Q4 with further reversal of impairments amounting to USD 21m leaving a net EBIT impact of negative USD 511m for 2022.

Russia/Ukraine EBIT impact USD million

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	2022
Ocean	-162	93	14	14	-41
Logistics & Services	-53	1	-4	7	-49
Terminals	-485	-	82	-	-403
Towage & Maritime Services	-18	-	-	-	-18
Total	-718	94	92	21	-511

Status on acquisitions



The acquisition of Martin Bencher Group announced in August 2022 was completed on 2 January 2023 and Martin Bencher Group was included in the financials for Logistics & Services at the same time.

ESG update

For a full overview of A.P. Moller - Maersk's ESG strategy and roadmap, see → www.maersk.com/sustainability

For a summary ESG update for 2022, reference is made to the Annual Report 2022 for A.P. Moller - Maersk.

→ See the 2022 Annual Report

Delivering on the roadmap to 2025

For an update on the roadmap to 2025 with specific targets for the transformation towards becoming the integrator of container logistics, reference is made to A.P. Moller - Maersk's Annual Report 2022.

→ See the 2022 Annual Report

Financial review Q4 2022

Revenue decreased by USD 686m to USD 17.8bn (USD 18.5bn), with decreases in Ocean of USD 1.3bn and in Terminals by USD 90m, while revenue increased in Logistics & Services by USD 844m.

The decrease in Ocean was driven by lower volumes and lower loaded freight rates. The increase in revenue in Logistics & Services was achieved through inorganic growth whereas the lower revenue in Terminals was due to lower storage income and lower volume.

EBITDA decreased to USD 6.5bn (USD 8.0bn), coming from Ocean with an EBITDA of USD 6.0bn (USD 7.3bn), with the decrease of USD 1.3bn due to lower revenue. In Logistics & Services, EBITDA increased by USD 109m to USD 328m (USD 219m) due to the higher revenue, and in Terminals, EBITDA decreased by USD 96m to USD 288m (USD 384m) because of lower volume and lower storage income and increases in costs.

EBIT decreased by USD 1.5bn to USD 5.1bn (USD 6.6bn).

Financial items, net, amounted to a positive USD 171m (negative USD 343m), as increased interest income exceeded foreign exchange rate adjustments and derivative losses on hedging from share buy-back.

Tax increased to USD 312m (USD 182m), primarily due to increased taxable income on financial items.

The underlying profit was USD 4.9bn (USD 6.3bn).

Cash flow from operating activities was USD 8.2bn (USD 7.9bn), driven by EBITDA of USD 6.5bn, and a favourable decrease in net working capital of USD 1.7bn, mainly driven by lower receivables translating into a cash conversion of 125% (99%).

Gross capital expenditure (CAPEX) of USD 895m (USD 1.6bn) decreased, mainly driven by lower investments in Ocean fleet and equipment.

Free cash flow of USD 6.5bn (USD 5.6bn) was positively impacted by higher cash flow from operating activities, slightly offset by increased lease, financial payments and capital expenditures.

Contractual capital commitments totalled USD 5.0bn (USD 3.3bn at year-end 2021), of which USD 3.0bn in Ocean for equipment and green methanol-enabled vessels and USD 930m in Terminals mainly related to concessions grantors.

Capital structure and credit rating

Net interest-bearing debt decreased to a net cash position of USD 12.6bn (a net cash position of USD 1.5bn at year-end 2021), as free cash flow of USD 27.1bn was partly used for share buy-backs of USD 2.8bn, dividends of USD 6.9bn and acquisition of companies of USD 4.8bn. Excluding lease liabilities, the Group had a net cash position of USD 24.2bn (USD 12.1bn at year-end 2021).

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

The liquidity reserve increased to USD 33.3bn (USD 21.5bn at year-end 2021) and was composed of cash and bank balances (excluding restricted cash), term deposits and securities of USD 27.3bn (USD 15.5bn at year-end 2021) and undrawn revolving credit facilities of USD 6.0bn (USD 6.0bn at year-end 2021).

Share buy-back

During Q4, A.P. Moller - Maersk bought back 67,196 A shares and 268,238 B shares, worth DKK 5.0bn (approximately USD 695m), and no shares were bought for the long-term incentive programme. At 31 December 2022, A.P. Moller - Maersk owns a total of 201,717 A shares and 887,557 B shares as treasury shares, corresponding to 5.82% of the share capital.

The Annual General Meeting has authorised the Board of Directors to allow the Company to acquire treasury shares to the extent that the nominal value of the Company's total holding of treasury shares at no time exceeds 15% of the Company's share capital.

Guidance for 2023

Guidance is based on the expectation that inventory correction will be complete by the end of H1 leading to a more balanced demand environment, that 2023 global GDP growth remains muted, and that the global ocean container market

will grow in a range of -2.5% to +0.5%. Ocean expects to grow in line with market. Without impacting financial guidance, an impairment and restructuring charge of USD 450m regarding A.P.Moller - Maersk's brands is expected in Q1 2023.

				USDbn	
EBITDA Underlying	8.0-11.0	EBIT Underlying	2.0-5.0	Free cash flow (FCF) at least	2.0
CAPEX guidance, maintained 2022-2023		9.0-10.0	CAPEX guidance 2023-2024		10.0-11.0

Sensitivity guidance

Financial performance for A.P. Moller - Maersk for 2023 depends on several factors subject to uncertainties related to the given uncertain macroeconomic conditions, bunker fuel prices and freight rates. All else being equal, the sensitivities for 2023 for four key assumptions are listed below:

Factors	Change	Effect on EBIT (Full year 2023)
Container freight rate	+/- 100 USD/FFE	+/- USD 1.2bn
Container freight volume	+/- 100,000 FFE	+/- USD 0.1bn
Bunker price (net of expected BAF coverage)	+/- 100 USD/tonne	+/- USD 0.4bn
Foreign exchange rate (net of hedges)	+/- 10% change in USD	+/- USD 0.2bn


Segments


Ocean

Profitability for Q4 was lower compared to the same quarter last year, primarily due to lower volumes and freight rates as a result of a significant inventory correction due to weakening consumer demand, in addition to inflationary cost pressure. This weakening of demand, in particular for Asia-Europe and the Transpacific market, resulted in a 14% decrease of loaded volumes, compared to Q4 2021. In addition, Q4 was characterised by the easing of port congestions and reduced operational bottlenecks.

The average loaded freight rates decreased slightly by 3.5% compared to Q4 2021, largely driven by shipment rates on routes from Asia to Europe and to North America. Sequentially, loaded freight rates decreased by 23% compared to Q3 2022, mainly driven by shipment rates. The unit cost at fixed bunker increased by 14% compared to Q4 2021, driven by a reduction in volumes. Utilisation at 83% of offered capacity was 11 percentage points lower compared to Q4

2021 and 7 percentage points lower compared to Q3 due to weakening demand. Schedule reliability continued to see an improvement in Q4.

 Ocean focused on managing normalisation and strengthening strategic partnerships with contractual customers through adequate availability of equipment, adapting the networks to the customer needs and improving the quality of Ocean products.

 The uptake of the digitalised product offerings continues to increase for Maersk Spot and Maersk Twill. Maersk Spot is at 67% conversion across all brands in Q4, an increase of 20 percentage points from Q4 2021 and a performance on par compared to Q3. Maersk Twill has delivered over 81k FFE during Q4, implying a growth factor of 11% compared Q4 2021 and 5% compared to Q3.

Ocean highlights

USD million

	Q4 2022	Q4 2021	12M 2022	12M 2021
Freight revenue	11,581	12,808	56,499	42,374
Other revenue, including hubs	1,718	1,781	7,800	5,858
Revenue	13,299	14,589	64,299	48,232
Container handling costs	2,477	2,477	10,214	9,775
Bunker costs	1,834	1,563	8,077	5,369
Network costs, excluding bunker costs	1,771	1,868	7,516	7,189
Selling, General & Administration (SG&A) costs	778	797	2,947	2,795
Cost of goods sold and other operational costs	433	614	1,835	1,629
Total operating costs	7,293	7,319	30,589	26,757
Other income/costs, net	28	67	60	-43
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	6,034	7,337	33,770	21,432
EBITDA margin	45.4%	50.3%	52.5%	44.4%
Profit before financial items (EBIT)	4,817	6,346	29,149	17,963
EBIT margin	36.2%	43.5%	45.3%	37.2%
Invested capital	32,368	30,529	32,368	30,529
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	427	1,043	2,620	2,003
<i>Operational and financial metrics</i>				
Loaded volumes (FFE in '000)	2,807	3,263	11,924	13,089
Loaded freight rate (USD per FFE)	3,869	4,009	4,628	3,318
Unit cost, fixed bunker (USD per FFE incl. VSA income)	2,547	2,241	2,444	2,102
Bunker price, average (USD per tonne)	720	557	763	484
Bunker consumption (tonne in '000)	2,547	2,805	10,579	11,090
Average operated fleet capacity (TEU in '000)	4,270	4,250	4,285	4,171
Fleet owned (end of period)	318	311	318	311
Fleet chartered (end of period)	389	427	389	427

Financial and operational performance

Revenue decreased by USD 1.3bn to USD 13.3bn (USD 14.6bn), driven by a decrease in freight revenue of 9.6% with loaded volumes down by 14% and loaded freight rates down by 3.5%.

EBITDA decreased by USD 1.3bn to USD 6.0bn (USD 7.3bn) largely due to lower revenue. The EBITDA margin decreased by 4.9 percentage points to 45.4% (50.3%). Consequently, EBIT decreased by USD 1.5bn to USD 4.8bn (USD 6.3bn).

Loaded volumes decreased by 14% to 2,807k FFE (3,263k FFE) due to weaker demand, largely for headhaul trades on Asia-Europe and Transpacific markets. Loaded volumes decreased by 209k FFE or 6.9% compared to Q3 2022.

The **average loaded freight rates** decreased by 3.5% to 3,869 USD/FFE (4,009 USD/FFE), driven by shipment rates, partly offset by improved contract rates. Loaded freight rates declined by 1,177 USD/FFE or 23% compared to Q3 2022, mainly due to shipment rates.

Total operating cost was 0.4% lower at USD 7.3bn (USD 7.3bn), mainly driven by lower network costs, excluding bunker costs, which decreased by 5.2% compared to Q4 2021. This was offset by higher bunker costs, which increased by 17% compared to Q4 2021. Adjusting for the positive impact of foreign exchange rates, operating costs increased by 2.2%.

Bunker cost increased by 17% to USD 1.8bn (USD 1.6bn), with an increase in average bunker prices of 29% to 720 USD/tonne (557 USD/tonne), partially offset by a 9.2% decrease in bunker consumption. Bunker efficiency decreased by 1.2% to 42.5 g/TEU*NM (42.0 g/TEU*NM).

Unit cost at fixed bunker increased by 14% to 2,547 USD/FFE (2,241 USD/FFE) mainly driven by a reduction in volumes and higher net time-charter equivalent costs, higher net slot charter costs and higher empty container costs. Adjusting for the positive impact of foreign exchange rates, unit costs at fixed bunker increased by 17%.

The **average operated capacity** of 4,270k TEU increased by 0.5%. A total of 19 carbon-neutral vessels, including one feeder vessel, are in the newbuilding programme at the end of Q4. The fleet consisted of 318 owned and 389 chartered vessels, of which 302k TEU or 7.2% of the fleet were idle (41 vessels), mainly due to repairs.

Key initiatives in Q4

Ocean continues to partner with key customers, offering contract customers additional flexibility and space to improve the agility and resilience in their supply chains. The share of long-haul contract volumes was at 65% (75%), driven by destocking of mostly retail and technology customers. Ocean continues to expand on the product portfolio, offering customers premium products and value-added-services designed to meet their demands and specific requirements, such as eco-deliveries, flex-hub, free time extension and premium quality containers.

Loaded volumes

	FFE ('000)			
	Q4 2022	Q4 2021	Change	Change %
East-West	1,247	1,543	-296	-19.2
North-South	919	969	-50	-5.2
Intra-regional	641	751	-110	-14.6
Total	2,807	3,263	-456	-14.0

Average freight rates

	USD/FFE			
	Q4 2022	Q4 2021	Change	Change %
East-West	4,066	4,184	-118	-2.8
North-South	4,705	4,911	-206	-4.2
Intra-regional	2,353	2,554	-201	-7.9
Total	3,869	4,009	-140	-3.5

Fleet overview, end Q4 2022

	Q4 2022	Q4 2021
<i>TEU</i>		
Own container vessels	2,393	2,368
Chartered container vessels	1,828	1,937
Total fleet	4,221	4,305
<i>Number of vessels</i>		
Own container vessels	318	311
Chartered container vessels	389	427
Total fleet	707	738

As the market continues on the path of normalisation, driven by lower port congestion and lower demand, deployed capacity is actively being adjusted to meet available demand, which will help improve the service quality in terms of frequency, reduce waiting times and improve predictability.

Logistics & Services

Logistics & Services shows strong revenue growth year-on-year as business continues to build on integrated solution offerings to meet customers end-to-end supply chain needs. The progression in revenue is driven by inorganic performance, as Logistics & Services expanded capabilities through acquisitions closed during 2022.



LF Logistics is one of the main contributors to revenue growth in Q4.



Integration of Martin Bencher, to bring high-quality, reliable end-to-end integrated solutions to customers.

Financial and operational performance

Revenue increased by 28% to USD 3.9bn (USD 3.0bn), primarily driven by Fulfilled by Maersk.

The acquired businesses Pilot, Senator International and LF Logistics contributed with revenue of USD 902m and an EBITA of USD 40m. Organic revenue growth was slightly negative driven by lower volumes and market normalisation in Q4. The top 200 customers contributed 46% of total revenue in Q4 2022 versus 43% in Q4 2021. EBITA decreased USD 12m organically.

Organic/inorganic		USD million		
	2021	Organic	Inorganic	2022
Revenue	3,016	-58	902	3,860
		-2%	30%	
EBITA	155	-12	40	183

Managed by Maersk revenue increased by USD 88m to USD 568m (USD 480m), driven by lead logistics from new business in booking services and better rates in supply chain management partly offset by volumes decrease of 13% to 24,568kcbm (28,285kcbm) in tandem with lower consumer demand and inventory adjustment. Further, customs services volumes were up by 4% to 1,342k declarations (1,293k).

Fulfilled by Maersk revenue increased by USD 431m to USD 1.2bn (USD 777m), primarily driven by contract

logistics as warehouse capacity grew organically by 857k sqm or 28% since Q4 2021 as well as inorganically by 3,149k sqm from the integration of LF Logistics. The contribution from e-commerce was limited and continues to be affected by lower consumer demand.

Transported by Maersk revenue increased by USD 325m to USD 2.1bn (USD 1.8bn), driven by the acquisitions made over the course of the year. Air freight was affected by lower rates, however, partly offset by higher volume from the integration of Senator International of 25k tonnes in Q4 2022.

Gross profit increased by USD 310m to USD 1.0bn (USD 719m), primarily in fulfilled by Maersk driven by growth in contract logistics from the LF Logistics integration, and within transported by Maersk due to higher rates in Intermodal.

EBITDA increased by USD 109m to USD 328m (USD 219m) due to the higher revenue, and the EBITDA margin was 8.5% (7.3%).

EBIT was USD 139m (USD 137m), driven by higher depreciation and amortisation from acquisitions. The EBIT margin was 3.6% (4.5%) driven by lower volume as a result of a declining market demand, in particular for inland, contract logistics and air.

Logistics & Services highlights

	USD million			
	Q4 2022	Q4 2021	12M 2022	12M 2021
Revenue	3,860	3,016	14,423	9,830
Direct costs (third-party costs)	2,831	2,297	10,717	7,396
Gross profit	1,029	719	3,706	2,434
Direct Operating Expenses	435	305	1,482	967
Selling, General & Administration (SG&A)	266	195	846	560
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	328	219	1,378	907
EBITDA margin	8.5%	7.3%	9.6%	9.2%
Earnings before interest, taxes, and amortisation (EBITA)	183	155	944	678
EBITA margin	4.7%	5.1%	6.5%	6.9%
Profit before financial items (EBIT)	139	137	814	623
EBIT margin	3.6%	4.5%	5.6%	6.3%
Invested capital	9,858	3,130	9,858	3,130
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	174	346	657	460
<i>Operational and financial metrics</i>				
EBIT conversion (EBIT/gross profit - %)	13.5%	19.1%	22.0%	25.6%
Managed by Maersk revenue	568	480	2,343	1,578
Fulfilled by Maersk revenue	1,208	777	3,898	2,320
Transported by Maersk revenue	2,084	1,759	8,182	5,932
Supply chain management volumes (kcbm)	24,568	28,285	110,264	98,394
Intermodal volumes (kFFE)	969	1,118	4,526	4,491
Air freight volumes (tonne)	53,501	47,620 ¹	211,484	163,838 ¹

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

Key initiatives in Q4

In Fulfilled by Maersk, the global warehousing footprint continued to expand organically, and seven new warehouses (net) were opened in Q4, adding 187k sqm, for a total capacity of 4.0m sqm across 254 warehouses, with a 28% higher capacity than in Q4 2021. Including LF Logistics, the total capacity was 7.1m sqm or 452 warehouses.

In Transported by Maersk, the Less than Container Load (LCL) value proposition continues to be strengthened enhancing digital solutions on Maersk.com. More than 60+ new own consolidation lanes were added in Q4, building a total LCL network of over 400 own direct consolidation lanes available for instant price and booking, versus less than 200 in Q4 2021.

Maersk Air Cargo, the cargo airline arm of A.P. Moller - Maersk, commenced on 31 October 2022 the transpacific operations with scheduled flights between USA and Korea. This will further strengthen integrated air cargo operations.

Terminals

The weakening of the global container market affected Terminal's volumes and revenue in Q4, with particularly the West Coast of North America and Spain seeing significantly lower throughput. Volume decreased by 5.0% (decrease by 3.8% like-for-like, adjusted for exits) versus Q4 2021, with largely unchanged volumes elsewhere. As port congestion eased, congestion-related storage income declined

and was below Q4 2021, but remains elevated compared to pre-COVID-19 levels, as some pockets of congestion remain. The rising cost basis is progressively compensated by price increases.



Terminals and Bolloré Ports have launched a new terminal in Abidjan, Côte d'Ivoire, in West Africa with capacity to handle 1.5m TEUs a year.

The terminal also features automated gates and an online truck appointment system for the pickup and delivery of containers. The facility opened up for business in November and is now ramping up.



The 51% share of Sociedade Gestora de Terminais, S.A. (Sogester) in Angola was divested by the end of Q4.

Financial and operational performance

Revenue decreased by 8.3% to USD 1.0bn (USD 1.1bn), driven by lower storage income and lower volume. Volume decreased by 5.0% (decreased by 3.8% like-for-like) and utilisation decreased to 74% (78%), mainly driven by lower volume in North America. Volume from the Ocean segment decreased by 7.1% and volume from external customers decreased by 3.9%. Revenue per move decreased by 2.7% to USD 327 (USD 336) as CPI-related tariff increases did not fully compensate for the lower storage income. Cost per move increased by 5.4% to USD 273 (USD 259), mainly driven by cost related to legal cases and future exits, inflationary labour costs, lower volumes and higher energy prices.

Terminals highlights

USD million

	Q4 2022	Q4 2021	12M 2022	12M 2021
Revenue	999	1,089	4,371	4,000
Concession fees (excl. capitalised lease expenses)	79	91	362	339
Labour costs (blue collar)	327	295	1,270	1,151
Other operational costs	155	174	638	559
Selling, General & Administration (SG&A) and other costs, etc.	150	145	566	496
Total operating costs	711	705	2,836	2,545
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	288	384	1,535	1,455
EBITDA margin	28.8%	35.3%	35.1%	36.4%
Profit/loss before financial items (EBIT)	232	307	832	1,173
EBIT margin	23.2%	28.2%	19.0%	29.3%
Invested capital	7,593	8,289	7,593	8,289
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	132	136	516	304
<i>Operational and financial metrics</i>				
Volumes – financially consolidated (moves, m)	3.1	3.3	12.8	12.8
Ocean segment	1.1	1.1	4.6	4.5
External customers	2.0	2.2	8.2	8.3
Revenue per move – financially consolidated (USD)	327	336	341	312
Cost per move – financially consolidated (USD)	273	259	263	242
Result from joint ventures and associated companies (USDm)	60	82	-46	297

At fixed foreign exchange rates, volume mix and portfolio mix, revenue per move increased by 0.6% and cost per move increased by 8.2%.

EBITDA decreased to USD 288m (USD 384m) driven by lower storage revenue and volume in North America and changes in provisions with an EBITDA margin of 28.8% (35.3%).

EBIT decreased to USD 232m (USD 307m), as the lower EBITDA is partially offset by lower depreciation, amortisation and impairments.

ROIC (LTM) declined to 7.6% (10.9%) driven by the GPI exit. ROIC adjusted for the GPI divestment was 12.3%.

CAPEX was on par at USD 132m (USD 136m).

In **North America**, revenue decreased due to a 16% drop in volume and revenue per move decreased by 6.4% due to lower congestion related storage income. Cost per move increased by 13%, driven by significantly lower volume, higher labour costs, higher maintenance cost and higher energy price.

In **Europe**, revenue decreased due to lower revenue per move of 3.7% and a volume decrease of 1.3% primarily observed in Spain. Cost per move decreased by 0.5% due to lower operational costs offset by higher labour costs.

In **Asia**, volume increased by 4.4%, mainly driven by higher volume in Pipavav, India, but total revenue was stable, and revenue per move decreased by 3.2%. Cost per move improved by 17%.

In **Latin America**, volume decreased by 4.6%, largely due to Itajai, Brazil, where services were gradually being phased out and due to the divestment of a terminal in Cartagena, Colombia. Overall revenue, however, increased, driven by a 17% increase in revenue per move across region due to tariff increases and cargo mix. Future exit provisions, lower volume and inflation related cost increases, led to a cost per move increase by 36%. Excluding provisions cost per move increased by 20%.

In **Africa and Middle East**, revenue decreased due to reduction in volume by 4.8%, while revenue per move increased by 1.1%. Results were supported by 11% lower costs per move due to lower Selling General & Administration cost and lower labour costs.

Results from joint ventures and associated companies

The share of profits in joint ventures and associated companies was USD 60m (USD 82m), driven by lower results from Tema, Ghana, Laem Chabang, Thailand, and as a result of the GPI divestment.

Key initiatives in Q4

The new terminal in Abidjan, Ivory Coast, is live now and progressing as planned.

Regional volume¹

Million moves

	Q4 2022	Q4 2021	Growth (%)
North America	0.7	0.8	-15.7
Latin America	0.6	0.6	-4.6
Europe, Russia and the Baltics	0.7	0.7	-1.3
Asia	0.7	0.6	4.4
Africa and Middle East	0.4	0.6	-4.8
Total	3.1	3.3	-5.0

¹ Financially consolidated.

In Rijeka, Croatia, the new terminal project is in the phase of applying for all applicable permits and in Onne, Nigeria, the last phase of the upgrade is being finalised while in GTI, Mumbai, India, work continues to upgrade the berth.

Terminals and Aqaba Development Cooperation have signed a Memorandum of Understanding for a 15-year extension of their partnership in the Aqaba Container Terminal (ACT).

APM Terminals signed a transition contract for the Port of Itajai, extending the concession to mid-2023.

Towage & Maritime Services

Revenue was USD 568m (USD 544m) with an EBITDA of USD 82m (USD 91m). EBIT increased by USD 245m to positive USD 122m (negative USD 123m) mainly due to a reversal of previously recognised impairment in Höegh Autoliner shareholdings and a net impairment loss recognised for Maersk Supply Services in Q4 2021.

Towage

Financial and operational performance

Revenue increased to USD 196m (USD 190m), and adjusted for foreign exchange rate effects, the increase was 12% or USD 23m. Harbour Towage revenue increased by USD 9m, and activity increased by 12%. The harbour towage revenue increase mainly came from increased tariffs in Australia, while the activity increase came from additional tug jobs in Australia and Europe. Terminal towage revenue decreased by USD 3m, driven by a negative exchange rate effect and from lower activity in Europe and Australia.

EBITDA increased to USD 60m (USD 55m), due to increased revenue and decreased staff costs offset by higher bunker and vessel maintenance costs. EBIT increased to USD 36m (USD 28m), driven by the increase in EBITDA and an impairment of intangible assets recognised in Q4 2021.

As a consequence of industrial actions being organised by the employee unions in Australia, Svitzer Australia Pty Ltd in November gave notice of lockout to maritime unions and crew covered by the National Towage Enterprise Agreement

from 2016. The Fair work commission tribunal in Australia decided to suspend all industrial actions for six months.

Results from joint ventures and associated companies

The share of profit in joint ventures and associated companies remained on par at USD 5m (USD 5m).

Key initiatives in Q4

Svitzer Americas welcomed three newbuilds to service operations in Bahamas, Dominican Republic and Costa Rica, and a new contract was secured in Oman with start date in Q1 2023.

Maritime Services

Maersk Supply Service reported an increase in revenue of USD 11m to USD 99m (USD 88m), reflecting increased project activity, increased utilisation of the time charter fleet, partly offset by slightly lower day rates. EBITDA decreased by USD 1m to USD 8m (USD 9m), driven by increased cost. EBIT increased by USD 301m to positive USD 2m (negative USD 299m), mainly due to impairment losses recognised in Q4 2021.

For **Maersk Container Industry**, revenue decreased by USD 97m to USD 81m (USD 178m) mainly driven by lower market demand. EBITDA remained on par at USD 14m (USD 14m) as lower revenue was offset by reversal of transaction related costs related to the stopped sale of the company. EBIT decreased by USD 5m to USD 7m (USD 12m) due to a non-recurring cost related to discontinued business.

Key initiatives in Q4

Maersk Supply Service showed strong commercial progress in Latin America with notable contracts being signed. These included a one-year contract in Guyana and a comprehensive towing and mooring contract in Brazil – the largest solutions contract for Maersk Supply Service to-date.

Continuing its strategic journey into offshore renewables, Maersk Supply Service was contracted for transport and installation of three floating Wind Turbines at the EFGL wind farm in France, with offshore work expected at the end of 2023.

Towage & Maritime Services highlights

USD million

	Q4 2022	Q4 2021	12M 2022	12M 2021
Revenue	568	544	2,293	2,082
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	82	91	369	356
EBITDA margin	14.4%	16.7%	16.1%	17.1%
Profit before financial items (EBIT)	122	-123	307	17
EBIT margin	21.5%	-22.6%	13.4%	0.8%
Invested capital	2,794	2,216	2,794	2,216
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	118	56	350	203
<i>Operational and financial metrics</i>				
Number of operational tug jobs (harbour towage) ('000)	38	34	146	138

Management's statement

The Board of Directors and the Executive Board have considered and approved the Annual Report of A.P. Møller - Mærsk A/S for 2022, including the audited consolidated financial statements. The Board of Directors and the Executive Board have also approved this interim report for 2022, containing condensed financial information. This interim report for 2022 has not been audited or reviewed by the company's independent auditor.

The consolidated financial statements in the Annual Report 2022 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU, and further requirements in the Danish Financial Statements Act.

This interim report for 2022 has been prepared in accordance with IAS 34, the accounting policies as applied in the audited consolidated financial statements for 2022 and further requirements in the Danish Financial Statements Act.

In our opinion, the interim consolidated financial statements (pages 15-24) give a true and fair view of A.P. Møller - Maersk's consolidated assets, liabilities and financial position at 31 December 2022 and of the results of A.P. Møller - Maersk's consolidated operations and cash flows for 2022.

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

Together with what is disclosed in the Annual Report 2022, this interim report for 2022 furthermore provides a description of the most significant risks and uncertainty factors that A.P. Møller - Maersk faces.

Copenhagen, 8 February 2023

Executive Board

Vincent Clerc – CEO

Patrick Jany – CFO

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 Voitiekute

Financials

Condensed income statement

Note	Q4 2022	Q4 2021	12M 2022	12M 2021
1 Revenue	17,820	18,506	81,529	61,787
1 Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	6,540	7,990	36,813	24,036
Depreciation, amortisation and impairment losses, net	1,612	1,626	6,186	4,944
Gain on sale of non-current assets, etc., net	33	50	101	96
Share of profit/loss in joint ventures and associated companies	161	220	132	486
1 Profit before financial items (EBIT)	5,122	6,634	30,860	19,674
Financial items, net	171	-343	-629	-944
Profit before tax	5,293	6,291	30,231	18,730
Tax	312	182	910	697
Profit for the period	4,981	6,109	29,321	18,033
<i>Of which:</i>				
Non-controlling interests	31	15	123	91
A.P. Møller - Mærsk A/S' share	4,950	6,094	29,198	17,942
Earnings per share, USD	278	324	1,600	941
Diluted earnings per share, USD	277	323	1,595	938

Condensed statement of comprehensive income

	Q4 2022	Q4 2021	12M 2022	12M 2021
Profit for the period	4,981	6,109	29,321	18,033
Translation from functional currency to presentation currency	353	-69	-551	-364
Reclassified to income statement, gain on sale of non-current assets, etc., net	-9	-	53	23
Cash flow hedges	81	9	115	-109
Tax on other comprehensive income	9	-2	-10	-7
Share of other comprehensive income of joint ventures and associated companies, net of tax	-2	4	6	-5
Total items that have been or may be reclassified subsequently to the income statement	432	-58	-387	-462
Other equity investments	-34	116	54	143
Actuarial gains/losses on defined benefit plans, etc.	36	46	36	-23
Tax on other comprehensive income	30	-6	30	7
Total items that will not be reclassified to the income statement	32	156	120	127
Other comprehensive income, net of tax	464	98	-267	-335
Total comprehensive income for the period	5,445	6,207	29,054	17,698
<i>Of which:</i>				
Non-controlling interests	29	14	92	87
A.P. Møller - Mærsk A/S' share	5,416	6,193	28,962	17,611

Condensed balance sheet at 31 December

	2022	2021
Intangible assets	10,785	5,769
Property, plant and equipment	28,194	27,303
Right-of-use assets	10,967	9,906
Financial non-current assets, etc.	3,272	3,135
Deferred tax	399	356
Total non-current assets	53,617	46,469
Inventories	1,604	1,457
2 Receivables, etc.	27,391	12,111
Securities	942	3
Cash and bank balances	10,057	11,832
Assets held for sale	69	399
Total current assets	40,063	25,802
Total assets	93,680	72,271

	2022	2021
3 Equity attributable to A.P. Møller - Mærsk A/S	63,991	44,508
Non-controlling interests	1,041	1,080
Total equity	65,032	45,588
Lease liabilities, non-current	8,582	8,153
Borrowings, non-current	3,774	4,315
Other non-current liabilities	2,971	2,122
Total non-current liabilities	15,327	14,590
Lease liabilities, current	3,032	2,398
Borrowings, current	255	469
Other current liabilities	10,025	8,982
Liabilities associated with assets held for sale	9	244
Total current liabilities	13,321	12,093
Total liabilities	28,648	26,683
Total equity and liabilities	93,680	72,271

Condensed cash flow statement

Note	Q4 2022	Q4 2021	12M 2022	12M 2021
Profit before financial items	5,122	6,634	30,860	19,674
Non-cash items, etc.	1,643	1,374	6,225	4,540
Change in working capital	1,678	101	-1,808	-1,610
Cash flow from operating activities before tax	8,443	8,109	35,277	22,604
Taxes paid	-243	-229	-801	-582
Cash flow from operating activities	8,200	7,880	34,476	22,022
Purchase of intangible assets and property, plant and equipment (CAPEX)	-895	-1,585	-4,163	-2,976
Sale of intangible assets and property, plant and equipment	47	60	303	205
4 Acquisition of subsidiaries and activities	-20	-82	-4,774	-815
Sale of subsidiaries and activities	-19	24	2	3
Acquisition of joint ventures and associated companies	-146	-50	-46	-79
Sale of joint ventures and associated companies	103	-	219	-4
Dividends received	83	64	327	282
Sale of other equity investments	5	3	31	8
Financial investments, etc., net	-3,991	-4,501	-13,518	-4,966
Cash flow from investing activities	-4,833	-6,067	-21,619	-8,342
Repayments of/proceeds from borrowings, net	35	-181	-717	-1,934
Repayments of lease liabilities	-861	-586	-3,080	-2,279
Financial payments, net	29	-79	-238	-258
Financial expenses paid on lease liabilities	-141	-117	-518	-459
Purchase of treasury shares	-685	-416	-2,738	-1,956
Dividends distributed	-	-	-6,847	-1,017
Dividends distributed to non-controlling interests	-23	-27	-78	-91
Other equity transactions	45	36	81	94
Cash flow from financing activities	-1,601	-1,370	-14,135	-7,900
Net cash flow for the period	1,766	443	-1,278	5,780
Cash and cash equivalents, beginning of period	8,330	11,146	11,565	5,864
Currency translation effect on cash and bank balances	-58	-24	-249	-79
Cash and cash equivalents, end of period	10,038	11,565	10,038	11,565
Of which classified as assets held for sale	-1	-28	-1	-28
Cash and cash equivalents, end of period	10,037	11,537	10,037	11,537
<i>Cash and cash equivalents</i>				
Cash and bank balances	10,057	11,832	10,057	11,832
Overdrafts	20	295	20	295
Cash and cash equivalents, end of period	10,037	11,537	10,037	11,537

Cash and bank balances include USD 1.4bn (USD 1.3bn) relating to cash and bank balances in countries with exchange control or other restrictions. These funds are not readily available for general use by the parent company or other subsidiaries.

Condensed statement of changes in equity

Note	A.P. Møller - Mærsk A/S							Non-controlling interests	Total equity
	Share capital	Translation reserve	Reserve for other equity investments	Reserve for hedges	Retained earnings	Total			
Equity 1 January 2022	3,513	-767	135	-160	41,787	44,508	1,080	45,588	
Other comprehensive income, net of tax	-	-465	90	103	36	-236	-31	-267	
Profit for the period	-	-	-	-	29,198	29,198	123	29,321	
Total comprehensive income for the period	-	-465	90	103	29,234	28,962	92	29,054	
Dividends to shareholders	-	-	-	-	-6,845	-6,845	-80	-6,925	
Value of share-based payment	-	-	-	-	26	26	-	26	
Sale of non-controlling interests	-	-	-	-	1	1	-1	-	
Sale of subsidiaries	-	-	-	-	-	-	-67	-67	
3 Purchase of treasury shares	-	-	-	-	-2,785	-2,785	-	-2,785	
3 Sale of treasury shares	-	-	-	-	31	31	-	31	
3 Capital increases and decreases	-121	-	-	-	121	-	17	17	
Transfer of gain/loss on disposal of equity investments to retained earnings	-	-	-13	-	13	-	-	-	
Transfer of cash flow hedge reserve to non-current assets	-	-	-	30	-	30	-	30	
Other equity movements	-	-	-	-	63	63	-	63	
Total transactions with shareholders	-121	-	-13	30	-9,375	-9,479	-131	-9,610	
Equity 31 December 2022	3,392	-1,232	212	-27	61,646	63,991	1,041	65,032	
Equity 1 January 2021	3,632	-432	-6	-42	26,698	29,850	1,004	30,854	
Other comprehensive income, net of tax	-	-335	144	-118	-22	-331	-4	-335	
Profit for the period	-	-	-	-	17,942	17,942	91	18,033	
Total comprehensive income for the period	-	-335	144	-118	17,920	17,611	87	17,698	
Dividends to shareholders	-	-	-	-	-1,017	-1,017	-96	-1,113	
Value of share-based payment	-	-	-	-	17	17	-	17	
Acquisition of non-controlling interests	-	-	-	-	-19	-19	16	-3	
Sale of non-controlling interests	-	-	-	-	1	1	-	1	
3 Purchase of treasury shares	-	-	-	-	-1,956	-1,956	-	-1,956	
3 Sale of treasury shares	-	-	-	-	22	22	-	22	
3 Capital increases and decreases	-119	-	-	-	119	-	69	69	
Transfer of gain/loss on disposal of equity investments to retained earnings	-	-	-3	-	3	-	-	-	
Other equity movements	-	-	-	-	-1	-1	-	-1	
Total transactions with shareholders	-119	-	-3	-	-2,831	-2,953	-11	-2,964	
Equity 31 December 2021	3,513	-767	135	-160	41,787	44,508	1,080	45,588	

Note 1 Segment information

	Ocean	Logistics & Services	Terminals	Towage & Maritime Services	Unallocated items	Eliminations	Consolidated total
<i>Q4 2022</i>							
External revenue	12,628	3,945	736	482	29	-	17,820
Inter-segment revenue	671	-85	263	86	7	-942	-
Total revenue	13,299	3,860	999	568	36	-942	17,820
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	6,034	328	288	82	-188	-4	6,540
Profit before financial items (EBIT)	4,817	139	232	122	-189	1	5,122
<i>Key metrics</i>							
Invested capital	32,368	9,858	7,593	2,794	-145	-58	52,410
Gross capital expenditures, excl. acquisitions and divestments (CAPEX)	427	174	132	118	14	30	895

	Ocean	Logistics & Services	Terminals	Towage & Maritime Services	Unallocated items	Eliminations	Consolidated total
<i>Q4 2021</i>							
External revenue	14,234	3,036	787	432	17	-	18,506
Inter-segment revenue	355	-20	302	112	6	-755	-
Total revenue	14,589	3,016	1,089	544	23	-755	18,506
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	7,337	219	384	91	-35	-6	7,990
Profit before financial items (EBIT)	6,346	137	307	-123	-31	-2	6,634
<i>Key metrics</i>							
Invested capital	30,529	3,130	8,289	2,216	-76	-45	44,043
Gross capital expenditures, excl. acquisitions and divestments (CAPEX)	1,043	346	136	56	12	-8	1,585

Note 1 Segment information

	Ocean	Logistics & Services	Terminals	Towage & Maritime Services	Unallocated items	Eliminations	Consolidated total
<i>12 months 2022</i>							
External revenue	61,497	14,710	3,323	1,894	105	-	81,529
Inter-segment revenue	2,802	-287	1,048	399	26	-3,988	-
Total revenue	64,299	14,423	4,371	2,293	131	-3,988	81,529
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	33,770	1,378	1,535	369	-207	-32	36,813
Profit before financial items (EBIT)	29,149	814	832	307	-229	-13	30,860
<i>Key metrics</i>							
Invested capital	32,368	9,858	7,593	2,794	-145	-58	52,410
Gross capital expenditures, excl. acquisitions and divestments (CAPEX)	2,620	657	516	350	35	-15	4,163

	Ocean	Logistics & Services	Terminals	Towage & Maritime Services	Unallocated items	Eliminations	Consolidated total
<i>12 months 2021</i>							
External revenue	47,212	9,782	2,927	1,790	76	-	61,787
Inter-segment revenue	1,020	48	1,073	292	18	-2,451	-
Total revenue	48,232	9,830	4,000	2,082	94	-2,451	61,787
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	21,432	907	1,455	356	-101	-13	24,036
Profit before financial items (EBIT)	17,963	623	1,173	17	-106	4	19,674
<i>Key metrics</i>							
Invested capital	30,529	3,130	8,289	2,216	-76	-45	44,043
Gross capital expenditures, excl. acquisitions and divestments (CAPEX)	2,003	460	304	203	20	-14	2,976

USD million	Types of revenue	Q4 2022	Q4 2021	12M 2022	12M 2021
Ocean	Freight revenue	11,581	12,808	56,499	42,374
	Other revenue, including hubs	1,718	1,781	7,800	5,858
Logistics & Services	Managed by Maersk	568	480	2,343	1,578
	Fulfilled by Maersk	1,208	777	3,898	2,320
	Transported by Maersk	2,084	1,759	8,182	5,932
Terminals	Terminal services	999	1,089	4,371	4,000
Towage & Maritime Services	Towage services	196	190	774	740
	Sale of containers and spare parts	81	178	499	690
	Offshore supply services	98	88	390	301
	Other shipping activities	68	68	282	269
	Other services	125	20	348	82
Unallocated activities and eliminations		-906	-732	-3,857	-2,357
Total revenue		17,820	18,506	81,529	61,787

Note 2 Term deposits

Receivables, etc. amount to USD 27.4bn (USD 12.1bn) and consist primarily of term deposits with a maturity of more than three months amounting to USD 17.6bn (USD 5.0bn).

Note 3 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
Cancellations	131,186	-	524,745	-	656	119
31 December 2021	10,468,107	216	8,907,718	166	19,376	3,513
1 January 2022	10,468,107	216	8,907,718	166	19,376	3,513
Conversions	1	-2	3	-6	-	-
Cancellations	133,779	-	535,076	-	669	121
31 December 2022	10,334,329	214	8,372,645	160	18,707	3,392

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 would be decreased. On 25 May 2022, the company's share capital was reduced from nominally DKK 19,376,016,000 by nominally DKK 668,855,000 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 reduction in the share capital has been recorded by applying the historical rate of exchange of USD/DKK 5.5153.

Development in the holding of treasury shares:

	No. of shares of DKK 1,000		Nominal value DKK million		% of share capital	
	2022	2021	2022	2021	2022	2021
Treasury shares						
<i>A shares</i>						
1 January	120,494	119,176	121	119	0.62%	0.59%
Additions	215,002	132,504	215	133	1.15%	0.68%
Cancellations	133,779	131,186	134	131	0.69%	0.65%
31 December	201,717	120,494	202	121	1.08%	0.62%
<i>B shares</i>						
1 January	549,587	505,281	550	505	2.84%	2.52%
Additions	904,856	586,476	905	587	4.83%	3.03%
Cancellations	535,076	524,745	535	525	2.76%	2.62%
Disposals	31,810	17,425	32	17	0.17%	0.09%
31 December	887,557	549,587	888	550	4.74%	2.84%

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 plan and the restricted share unit plan.

From 1 January 2022 to 31 December 2022, A.P. Møller - Maersk bought back as treasury shares 110,689 A shares, with a nominal value of DKK 111m, and 336,597 B shares, with a nominal value of DKK 337m from A.P. Møller Holding A/S and 99,927 B shares, with a nominal value of DKK 100m from A.P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond, which are considered related parties.

The dividend of DKK 2,500 per share of DKK 1,000 – a total of DKK 46.3bn 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 882m was paid in Q2 2022. Payment of dividends to shareholders does not trigger taxes for A.P. Møller - Maersk.

Note 4 Acquisitions of subsidiaries

Acquisitions during 2022

LF Logistics Holdings Limited (Logistics & Services)

On 22 December 2021, the Group signed an agreement to acquire 100% of the shares in LF Logistics Holdings Limited, a leading omni-channel fulfilment contract logistics company in Asia Pacific. The acquisition was completed end of August 2022. 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 total purchase price is USD 3.4bn, including a contingent consideration of USD 60m. Of the consideration paid, USD 2.3bn is related to goodwill while USD 807m is related to intangible assets, mainly customer relationships. USD 179m is related to trade receivables and USD 362m is related to RoU assets. Liabilities are mainly related to trade payables and lease liabilities. Goodwill is mainly attributable to commercial and operational future expected synergies, driven by cross-selling and improved productivity. Acquired goodwill is not allowable for tax purposes.

From the acquisition date to 31 December 2022, LF Logistics contributed with a revenue of USD 360m and an insignificant net profit. Had the acquisition occurred on 1 January 2022, the impact on the Group's revenue would have been USD 1,013m. The net profit impact to the Group would have been USD 42m, including amortisation of intangibles recognised in the acquisition. Acquisition-related costs of USD 12m was recognised as operating costs in the income statement of the Logistics & Services segment in 2021, and in operating cash flow in the statement of cash flow in 2022.

The accounting for the business combination is considered provisional as at 31 December 2022, as valuation of intangible assets is not yet finalised.

Pilot Freight Services (Logistics & Services)

On 5 February 2022, the Group signed an agreement 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 2022. Pilot has 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 to the Group, thus increasing cross-selling opportunities. The total purchase price is USD 1.6bn of which USD 597m is related to the settlement of debt. Of the consideration paid, USD 1.1bn is related to goodwill while USD 650m is related to intangible assets, mainly customer relationships. USD 235m is related to trade receivables and USD 174m is related to RoU assets. Liabilities are mainly related to trade payables, lease liabilities and debt settled as part of the transaction. Goodwill is mainly attributable to commercial and operational future expected synergies, driven from cross-selling, network optimisations and improved productivity. Goodwill of USD 96m related to the acquisition is expected to be deductible for tax purposes.

From the acquisition date to 31 December 2022, Pilot Freight Services contributed with a revenue of USD 987m and an insignificant net profit. Had the acquisition occurred on 1 January 2022, the impact on the Group's revenue would have been USD 1.5bn. The net profit impact to the Group would have been insignificant. Acquisition-related costs of USD 15m are recognised as operating costs in the income statement of the Logistics & Services segment in 2021 and 2022, and in operating cash flow in the statement of cash flow in 2022.

The accounting for the business combination is considered provisional as at 31 December 2022, as valuation of intangible assets is not yet finalised.

Senator International (Logistics & Services)

On 2 November 2021, the Group signed an agreement to acquire 100% of the shares in Senator International, a well renowned German air-based freight carrier company. The acquisition was completed in early June 2022. 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 total purchase price is USD 584m. Of the consideration paid, USD 225m is related to goodwill while USD 223m is related to intangible assets, mainly customer relationships. USD 220m is related to trade receivables and the rest is mainly related to other receivables. Liabilities are mainly related to accrued expenses and deferred tax. Goodwill is mainly attributable to commercial and operational future expected synergies, driven from cross-selling, network optimisations and improved productivity. Acquired goodwill is not allowable for tax purposes.

From the acquisition date to 31 December 2022, Senator International contributed with a revenue of USD 787m and a net profit of USD 40m. Had the acquisition occurred on 1 January 2022, the impact on the Group's revenue would have been USD 1.6bn and a net profit of USD 105m, including amortisation of intangibles recognised in the acquisition. Acquisition-related costs of USD 9m were recognised as operating costs in the income statement of the Logistics & Services segment in 2021, and as operating cash flow in the statement of cash flow in 2022.

The accounting for the business combination is considered provisional as at 31 December 2022, as valuation of intangible assets is not yet finalised.

Other

ResQ (Towage & Maritime Services)

On 17 June 2022, it was announced that the Group signed an agreement to acquire 100% of the shares in ResQ, a Norwegian supplier of services and expertise in safety training and emergency preparedness. The acquisition was completed in July 2022. The total purchase price is USD 6m. The accounting for the business combination is considered provisional as at 31 December 2022, as valuation of intangible assets is not yet finalised.

Acquisitions after the balance sheet date

Grindrod Intermodal Group (Logistics & Services)

On 15 November 2021, it was announced that the Group will partner with Grindrod Intermodal Group to merge the logistics activities of Grindrod Intermodal business with the ocean Activities of the Ocean Africa Container Lines (OACL with the current Maersk Logistics & Services products in South Africa. The Grindrod Intermodal Group is a well-known and trusted partner in South Africa that offers a range of logistics and services offerings. The Group will have a controlling interest of 51%. The purchase price is USD 34m. The acquisition was closed on 2 January 2023 and will operate as Grindrod Logistics.

Martin Bencher Group (Logistics & Services)

On 5 August 2022, it was announced that the Group intends to acquire 100% of the shares in Martin Bencher Group, a Denmark-based project logistics company, with premium competencies within non-containerised project logistics. The acquisition of Martin Bencher Group will add to the existing project logistics services already available at Maersk, with a specialised service offering the combination of solution design, special cargo transportation, and project management services. It will build on existing infrastructures and know-how across the existing Project Logistics vertical in Sales & Marketing, Ocean, and L&S Special Project Logistics (SPL). The purchase price is USD 57m. The acquisition was closed on 2 January 2023.

Note 4 Acquisitions of subsidiaries – continued

Acquisitions during 2022:

	LF Logistics	Pilot	Senator International	Other	Total
<i>Fair value at time of acquisition</i>					
Intangible assets	807	650	223	7	1,687
Property, plant and equipment	533	185	48	14	780
Financial assets	110	4	6	-	120
Deferred tax asset	5	-	-	-	5
Current assets	436	271	398	6	1,111
Provisions	18	4	-	-	22
Liabilities	793	1,207	316	24	2,340
Net assets acquired	1,080	-101	359	3	1,341
A.P. Møller - Mærsk A/S' share	1,080	-101	359	3	1,341
Goodwill	2,291	1,145	225	6	3,667
Purchase price	3,371	1,044	584	9	5,008
Contingent consideration assumed	-60	-	-	-	-60
Contingent consideration paid	-	19	-	-	19
Change in payables on purchase price, etc.	-24	8	-	-	-16
Cash and bank balances assumed	-126	-9	-40	-2	-177
Cash flow used for acquisition of subsidiaries and activities	3,161	1,062	544	7	4,774

Note 5 Commitments

The total commitments across segments is USD 5.0bn (USD 3.3bn), mainly related to investments for new methanol container vessels, wind installation vessels, tugs, aircraft and commitments towards terminal concession grantors.

Note 6 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 2022.

Change to reportable segments

As part of the refinement of A.P. Møller - Maersk's segment structure, changes to the segment structure were made with effect from 1 January 2022. The changes involve moving the Svitzer activity from Terminals & Towage to Manufacturing & Others. In addition, the Manufacturing & Others 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. Møller - 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 transshipment hubs and sale of bunker oil
Logistics & Services	Integrated transportation, fulfilment and management solutions, including landside and air transportation as well as warehousing and supply chain management offerings
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

Note 6 Accounting policies, judgements and significant estimates – continued

Russia/Ukraine impact

As previously announced, A.P. Moller - Maersk is winding down its operations in Russia, which will ultimately result in a complete exit from the country. All services to and from Russia have been

discontinued since Q1 2022. In Q4 2022, no significant events have occurred and the process of divesting the remaining assets is ongoing.

The details of the income statement impact are as follows:

Operating segment	Impacted area	Q1 2022	Q2 2022	Q3 2022	Q4 2022	12M 2022
Ocean	Net impairments of containers, net write-down of receivables, provisions	-162	93	14	14	-41
Logistics & Services	Net impairments of warehouses, net write-down of receivables, provisions	-53	1	-4	7	-49
Terminals	Net impairments of investment in joint venture, including recycling of translation reserve loss	-485	-	82	-	-403
Towage & Maritime Services	Impairments of tugboats	-18	-	-	-	-18
Total income statement impact		-718	94	92	21	-511

Note 7 Subsequent events

On 2 January 2023, the acquisitions of Martin Bencher Group and Grindrod Intermodal Group were closed. Reference is made to note 4 Acquisition of subsidiaries.

On 27 January 2023 it was announced to move towards a singular and unified Maersk brand.

A.P. Moller - Maersk announced a new organisational structure and a new Executive Leadership Team effective from 1 February 2023 following the appointment of Vincent Clerc as CEO of A.P. Moller - Maersk effective from 1 January 2023.

Additional information

Quarterly summary

	2022				2021			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Income statement								
Revenue	17,820	22,767	21,650	19,292	18,506	16,612	14,230	12,439
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	6,540	10,862	10,327	9,084	7,990	6,943	5,064	4,039
Depreciation, amortisation and impairment losses, net	1,612	1,649	1,418	1,507	1,626	1,206	1,087	1,025
Gain on sale of non-current assets, etc., net	33	4	37	27	50	27	12	7
Share of profit/loss in joint ventures and associated companies	161	260	42	-331	220	95	95	76
Profit before financial items (EBIT)	5,122	9,477	8,988	7,273	6,634	5,859	4,084	3,097
Financial items, net	171	-303	-203	-294	-343	-185	-186	-230
Profit before tax	5,293	9,174	8,785	6,979	6,291	5,674	3,898	2,867
Tax	312	263	164	171	182	213	152	150
Profit for the period	4,981	8,911	8,621	6,808	6,109	5,461	3,746	2,717
A.P. Møller - Mærsk A/S' share	4,950	8,879	8,593	6,776	6,094	5,438	3,713	2,697
Underlying profit ¹	4,863	8,818	8,553	7,469	6,278	5,448	3,732	2,712
Balance sheet								
Total assets	93,680	89,058	80,426	73,031	72,271	65,394	60,040	56,734
Total equity	65,032	60,231	52,586	44,940	45,588	39,771	35,282	31,905
Invested capital	52,410	53,386	49,195	45,167	44,043	42,876	41,481	39,829
Net interest-bearing debt	-12,632	-6,855	-3,356	-689	-1,530	3,123	6,216	7,746
Cash flow statement								
Cash flow from operating activities	8,200	9,444	8,611	8,221	7,880	6,572	4,137	3,433
Capital lease instalments – repayments of lease liabilities	861	811	762	646	586	611	453	629
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	895	906	1,008	1,354	1,585	610	452	329
Cash flow from financing activities	-1,601	-1,968	-3,046	-7,520	-1,370	-1,853	-2,143	-2,534
Free cash flow	6,462	7,787	6,844	6,014	5,637	5,298	3,230	2,372
Financial ratios								
Revenue growth	-3.7%	37.1%	52.1%	55.1%	64.4%	67.5%	58.2%	30.0%
EBITDA margin	36.7%	47.7%	47.7%	47.1%	43.2%	41.8%	35.6%	32.5%
EBIT margin	28.7%	41.6%	41.5%	37.7%	35.8%	35.3%	28.7%	24.9%
Cash conversion	125%	87%	83%	90%	99%	95%	82%	85%
Return on invested capital after tax (ROIC) (last twelve months)	60.4%	66.6%	62.5%	53.6%	45.3%	34.5%	23.7%	15.7%
Equity ratio	69.4%	67.6%	65.4%	61.5%	63.1%	60.8%	58.8%	56.2%
Underlying ROIC ¹ (last twelve months)	61.2%	68.1%	64.2%	55.4%	45.7%	34.5%	24.0%	15.9%
Underlying EBITDA ¹	6,517	10,851	10,289	9,186	7,990	6,943	5,064	4,039
Underlying EBITDA margin ¹	36.6%	47.7%	47.5%	47.6%	43.2%	41.8%	35.6%	32.5%
Underlying EBIT ¹	5,002	9,381	8,924	7,937	6,804	5,842	4,070	3,092
Underlying EBIT margin ¹	28.1%	41.2%	41.2%	41.1%	36.8%	35.2%	28.6%	24.9%
Stock market ratios								
Earnings per share, USD	278	488	466	364	324	287	194	139
Diluted earnings per share, USD	277	487	464	363	323	287	193	139
Cash flow from operating activities per share, USD	461	519	467	442	414	348	215	178
Share price (B share), end of period, DKK	15,620	13,865	16,555	20,370	23,450	17,385	18,025	14,735
Share price (B share), end of period, USD	2,242	1,817	2,313	3,040	3,576	2,707	2,883	2,324
Total market capitalisation, end of period, USD	39,135	32,099	42,108	55,662	64,259	49,637	54,076	43,243

¹ Underlying is computed as the relevant performance measure 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 include A.P. Møller - Maersk's share of mentioned items in joint ventures and associated companies and, when applicable, the adjustments are net of tax.

Definition of terms

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

B

Backhaul

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

C

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

Cost per move

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

E

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.

F

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.

G

Gross profit

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

H

Headhaul

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

I

Invested capital

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

K

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 of the shipment.

L

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.

N

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.

R

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.

T

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.

U

Underlying

Underlying is computed as the relevant performance measure 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 include A.P. Møller - Maersk's share of mentioned items in joint ventures and associated companies and, when applicable, the adjustments are net of tax.

V

VSA

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

Colophon

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Marc Engel, Vice Chair

Bernard L. Bot

Marika Fredriksson

Arne Karlsson

Thomas Lindegaard Madsen

Amparo Moraleda

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Design and layout

e-Types

Produced in Denmark 2023