2023

MAERSK

Q2

ALL THE WAY

A.P. Møller - Mærsk A/S | Interim Report | 4 August 2023
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Improving life for all by integrating the world
At A.P. Moller - 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 110,000+ employees, 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 confident 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.

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Webcast and dial-in information
A webcast relating to the Q2 2023 Interim Report will be held on 4 August 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 Q2 2023 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.

Financial calendar

03 November
Interim Report Q3 2023

08 February 2024
Annual Report 2023

Produced in Denmark

Management review

A.P. Moller - Maersk reports robust Q2 financial results, as volume and rate trends unfolded as expected. The pace of revenue decline moderated as rates continued to come off their 2022 peak and volumes remained weak due to continued destocking particularly in North America and Europe.

A.P. Moller - Maersk continue to expect muted global macro-economic growth given continued pressure from higher interest rates and potential recessionary risk in Europe and the US. Given the weak start of the year and the continued destocking, A.P. Moller - Maersk now sees the global container volume growth in the range of -4% to -1% compared to -2.5% to +0.5% previously.

While this implies lower second half volumes than originally expected A.P. Moller - Maersk raises its full year financial guidance reflecting the strong financial performance in the first half of the year.

Cost measures provided a strong support to profitability in the second quarter and will continue to be sharpened across all segments given the lower level of expected activity in the second half.

Highlights Q2 2023

Revenue for Q2 decreased by USD 8.7bn to USD 13.0bn (USD 14.2bn in Q1) led by USD 8.7bn lower revenue from Ocean, and lower revenue of USD 116m and USD 174m from Logistics & Services and Terminals, respectively. **EBITDA** decreased by USD 7.4bn to USD 2.9bn (USD 4.0bn in Q1), driven by a USD 7.3bn lower contribution from Ocean. **EBIT** decreased by USD 7.4bn to USD 1.6bn (USD 2.3bn in Q1) with USD 7.3bn stemming from Ocean.

Ocean continued to be impacted by the ongoing normalisation after the 2022 peak and by lower demand, driven by a prolonged and significant inventory correction. These difficult market conditions were further challenged by having new tonnage being phased in. The result was lower volumes and rates that continued to erode, albeit at a slower pace than in the previous periods. A strong cost drive managed to offset part of the top line impact and deliver a result ahead of the company's expectations.

Logistics & Services business performance continues to be impacted by lower volumes as a result of continued destocking and lower consumer demand as well as lower rates, particularly in the Air market. As in Ocean, market demand is expected to continue to be subdued as long as the destocking process lasts.

Terminals' top line was influenced by the normalisation of storage revenue and lower volume due to lower demand and less congestion in North America, but strong cost control contributed to a continued solid financial performance.

Free cash flow of USD 1.6bn (USD 6.8bn) declined due to decreased cash flow from operating activities and repayment of lease liabilities, slightly offset by higher financial income and lower capital expenditures.

The **divestment of Maersk Supply Service** to A.P. Møller Holding A/S was closed in May 2023.

A.P. Moller - Maersk continued to progress on its decarbonisation roadmap with an order of additional six green methanol enabled vessels and additional 25 e-trucks for low-carbon transport. In July, the international Maritime Organization (IMO) adopted a significant agreement aiming to secure that the industry reaches net zero by 2050, supporting A.P. Moller - Maersk's own targets.

Highlights Q2

USD million

	Revenue		EBITDA		EBIT		CAPEX	
	2023	2022	2023	2022	2023	2022	2023	2022
Ocean	8,703	17,412	2,259	9,598	1,205	8,526	314	517
Logistics & Services	3,386	3,502	311	337	115	234	223	286
Terminals	950	1,124	331	400	269	316	97	105
Towage & Maritime Services	504	579	59	81	71	16	99	93
Unallocated activities, eliminations, etc.	-555	-967	-55	-89	-53	-104	5	7
A.P. Moller - Maersk consolidated	**12,988**	**21,650**	**2,905**	**10,327**	**1,607**	**8,988**	**738**	**1,008**

Summary financial information

Income statement	Q2 2023	Q2 2022	6M 2023	6M 2022	12M 2022
Revenue	12,988	21,650	27,195	40,942	81,529
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	2,905	10,327	6,874	19,411	36,813
Depreciation, amortisation and impairment losses, net	1,571	1,418	3,451	2,925	6,186
Gain on sale of non-current assets, etc., net	163	37	303	64	101
Share of profit/loss in joint ventures and associated companies	110	42	207	-289	132
Profit before financial items (EBIT)	1,607	8,988	3,933	16,261	30,860
Financial items, net	-16	-203	174	-497	-629
Profit before tax	1,591	8,785	4,107	15,764	30,231
Tax	104	164	297	335	910
Profit for the period	1,487	8,621	3,810	15,429	29,321
A.P. Møller - Mærsk A/S' share	1,453	8,593	3,737	15,369	29,198
Underlying profit[1]	1,346	8,553	3,907	16,022	29,703
Balance sheet					
Total assets	83,500	80,426	83,500	80,426	93,680
Total equity	56,427	52,586	56,427	52,586	65,032
Invested capital	49,343	49,195	49,343	49,195	52,410
Net interest-bearing debt	-7,090	-3,356	-7,090	-3,356	-12,632
Cash flow statement					
Cash flow from operating activities	2,758	8,611	8,092	16,832	34,476
Capital lease instalments – repayments of lease liabilities	822	762	1,647	1,408	3,080
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	738	1,008	1,576	2,362	4,163
Cash flow from financing activities	-3,334	-3,046	-14,060	-10,566	-14,135
Free cash flow	1,581	6,844	5,805	12,858	27,107
Financial ratios					
Revenue growth	-40.0%	52.1%	-33.6%	53.5%	32.0%
EBITDA margin	22.4%	47.7%	25.3%	47.4%	45.2%
EBIT margin	12.4%	41.5%	14.5%	39.7%	37.9%
Cash conversion	95%	83%	118%	87%	94%
Return on invested capital after tax (ROIC) (last twelve months)	34.3%	62.5%	34.3%	62.5%	60.4%
Equity ratio	67.6%	65.4%	67.6%	65.4%	69.4%
Underlying ROIC[1] (last twelve months)	34.1%	64.2%	34.1%	64.2%	61.2%
Underlying EBITDA[1]	2,916	10,289	6,953	19,475	36,843
Underlying EBITDA margin[1]	22.5%	47.5%	25.6%	47.6%	45.2%
Underlying EBIT[1]	1,469	8,924	4,032	16,861	31,244
Underlying EBIT margin[1]	11.3%	41.2%	14.8%	41.2%	38.3%
Stock market ratios					
Earnings per share, USD	85	466	217	830	1,600
Diluted earnings per share, USD	85	464	216	827	1,595
Cash flow from operating activities per share, USD	163	467	469	909	1,889
Share price (B share), end of period, DKK	11,975	16,555	11,975	16,555	15,620
Share price (B share), end of period, USD	1,745	2,313	1,745	2,313	2,242
Total market capitalisation, end of period, USD	29,273	42,108	29,273	42,108	39,135

1 Definition of terms → See page 26.

AMOUNTS IN USD MILLION A.P. MOLLER - MAERSK INTERIM REPORT Q2 | 4 AUGUST 2023 4

Review Q2 2023

Financials reflect a weakened growth environment

Revenue decreased by USD 8.7bn to USD 13.0bn (USD 21.7bn) in Q2 2023, with a decrease in Ocean by USD 8.7bn, in Logistics & Services by USD 116m and in Terminals by USD 174m.

The results reflect the normalisation of the COVID-19 implied peak which resulted in lower volumes and lower rates compared to Q2 2022 and a further reduction compared to Q1 2023, also impacted by the prolonged inventory correction.

EBITDA decreased to USD 2.9bn (USD 10.3bn) due to lower revenue, with a decrease in Ocean of USD 7.3bn a decrease in Logistics & Services of USD 26m and in Terminals by USD 69m.

Ocean (Q2 2022: 9.6bn)	Logistics & Services (Q2 2022: 337m)	Terminals (Q2 2022: 400m)
2.3bn	311m	331m

EBIT decreased to USD 1.6bn (USD 9.0bn), with an EBIT margin of 12.4% (41.5%), negatively impacted by the decreased EBITDA, specifically in Ocean. In Logistics & Services, the EBIT margin was 3.4% (6.7%) due to volume and rate pressures and an increased cost pressure given the expanded footprint, including higher depreciation and amortisation from acquisitions.

Ocean (Q2 2022: 8.5bn)	Logistics & Services (Q2 2022: 234m)	Terminals (Q2 2022: 316m)
1.2bn	115m	269m

Financial items, net, was a loss of USD 16m (loss of USD 203m) positively impacted by an increased interest income partly offset by interest expenses and foreign exchange rate impact.

Tax decreased to USD 104m (USD 164m), primarily due to lower profit before tax.

Multi-year comparison of financials

From 2020 to 2022, the supply side of the logistics industry was disrupted by COVID-19, which accelerated already existing issues in the global supply chains with a significant impact on world trade.

The demand for logistics services significantly increased, and, in turn, freight rates saw all-time highs due to capacity shortages, where container availability and air capacity remained tight, and wait times for vessels outside of ports remained lengthy given the bottlenecks in landside transportation and warehousing.

As a result of this exceptional market, freight rates peaked in Q3 2022, which was the 16th quarter in a row with year-on-year earnings growth for A.P. Moller - Maersk. After that, the high demand eventually started to normalise as congestions eased, and consumer demand declined leading to an inventory overhang, the correction of which resulted in rapid and steep declines in shipped volumes starting in late Q3 2022.

In H1 2023, this normalisation continued, reinforced by a lower growth and inflationary environment.

Selected financials for Q2 2019-2023

USD million

Income statement	Q2 2023	Q2 2022	Q2 2021	Q2 2020	Q2 2019
Revenue	12,988	21,650	14,230	8,997	9,627
Ocean	8,703	17,412	11,072	6,570	7,196
Logistics & Services	3,386	3,502	2,168	1,569	1,579
Terminals	950	1,124	969	723	806
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	2,905	10,327	5,064	1,697	1,357
Profit before financial items (EBIT)	1,607	8,988	4,084	751	416
Profit for the period	1,487	8,621	3,746	443	154
Cash flow statement					
Cash flow from operating activities	2,758	8,611	4,137	1,867	1,170
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	738	1,008	452	362	445
Free cash flow	1,581	6,844	3,230	1,051	270
Financial ratios					
Revenue growth	-40.0%	52.1%	58.2%	-6.5%	0.6%
EBITDA margin	22.4%	47.7%	35.6%	18.9%	14.1%
EBIT margin	12.4%	41.5%	28.7%	8.3%	4.3%

The underlying profit of USD 1.3bn (USD 8.6bn) was adjusted for net gains primarily from the sale of vessels and containers in Ocean of USD 134m and the net gain from the sale of Maersk Supply Service of USD 15m.

Cash flow from operating activities of USD 2.8bn (USD 8.6bn) was driven by EBITDA of USD 2.9bn and improved change in net working capital of USD 145m, translating into a solid cash conversion of 95% (83%).

Gross capital expenditure (CAPEX) of USD 738m (USD 1.0bn) was primarily driven by lower container investments in Ocean.

Free cash flow of USD 1.6bn (USD 6.8bn) was impacted by the decreased cash flow from operating activities and higher repayments of lease liabilities, slightly offset by higher financial income and lower capital expenditures.

Share buy-back

During Q2, A.P. Moller - Maersk bought back 85,837 A shares and 355,199 B shares, worth DKK 5.4bn (approximately USD 792m), and no shares were bought for the long-term incentive programme. At 30 June 2023, A.P. Moller - Maersk owns a total of 132,232 A shares and 585,411 B shares as treasury shares, corresponding to 4.08% of the share capital.

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

At the Annual General Meeting of A.P. Møller - Mærsk A/S on 28 March 2023, the shareholders decided on the cancellation of treasury shares whereby the share capital would be decreased by nominally DKK 1,137,446,000 in total divided into 227,390 A shares and 910,056 B shares of DKK 1,000. The cancellation was completed during Q2 2023.

Net interest-bearing debt changed to a net cash position of USD 7.1bn (a net cash position of USD 12.6bn at year-end 2022), as free cash flow for the first six months of USD 5.9bn and sale of companies of USD 720m partly offset share buy-backs of USD 1.6bn and dividends of USD 10.9bn. Further, lease liabilities decreased by USD 646m. Excluding lease liabilities, the Group had a net cash position of USD 18.1bn (USD 24.2bn at year-end 2022).

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

The **liquidity reserve** decreased to USD 26.9bn (USD 33.3bn at year-end 2022) and was composed of cash and bank balances (excluding restricted cash), term deposits and securities of USD 20.9bn (USD 27.3bn at year-end 2022) and undrawn revolving credit facilities of USD 6.0bn (USD 6.0bn at year-end 2022).

ESG update

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

Continued investments in decarbonising the industry

In June 2023, A.P. Moller - Maersk made an order of six additional mid-sized container vessels with dual-fuel engines able to operate on both green methanol and fuel oil to be delivered in 2026 and 2027, replacing existing network capacity in the A.P. Moller - Maersk fleet. The company's order book for dual fuel methanol vessels now totals 25 and when operated on green fuels, they are expected to reduce greenhouse gas emissions by approximately 2.7 million tonnes per year. A.P. Moller - Maersk has further signed an agreement with MAN Energy Solutions to retrofit an existing vessel to a dual-fuel methanol powered vessel capable of operating on green methanol, a first in the shipping industry.

Already in September 2023, A.P. Moller - Maersk will welcome its first green fuel-powered vessel, the world's first methanol-enabled container vessel. In June 2023, A.P. Moller - Maersk signed an agreement with OCI Global, successfully securing green methanol for the first voyage. A.P. Moller - Maersk continues to invest in new technologies for producing green fuels, as well as solutions for accessing green fuels.

Just two years after A.P. Moller - Maersk ordered the world's first methanol-enabled container vessel, committing to only ordering new-built vessels that can sail on green fuels, the global orderbook stands at more than 100 methanol-enabled vessels, demonstrating a positive uptake of methanol as a green fuel in the industry.

Progress also continues landside in the decarbonisation of trucking services. A.P. Moller - Maersk has purchased additional 25 Volvo electric trucks for low carbon container transports in Germany to be delivered over Q4 2023 and Q1 2024. The purchase of fully electric trucks is supported by the German Federal Ministry for Digital and Transport. A.P. Moller - Maersk plans to set up charging infrastructure with green electricity for the own e-truck fleet at its warehouses in Germany.

IMO MEPC80 – clear timeline for net zero by 2050

In July, a milestone agreement on the decarbonisation of shipping was adopted by the International Maritime Organization (IMO) which will serve as a catalyst for the transformation of the shipping industry. Within the next four years, it will secure that the needed measures are developed and rolled-out. This should reduce investment risks in green fuels and enhance their competitiveness compared to fossil fuels. The agreement highlights the imperative of achieving net zero emissions in the shipping industry by 2050, and establishes an ambitious timeline for implementing measures, including the adoption of a global GHG price and a global standard for green fuels. Enforcement of these measures will commence in 2027. The agreement explicitly acknowledges the importance of life cycle assessments (LCAs) and the consideration of all relevant greenhouse gases. Intermediate targets have been set to decrease annual greenhouse gas emissions from international shipping by at least 20% (striving for 30%) by 2030, and by at least 70% (striving for 80%) by 2040, compared to a 2008 baseline.

Financial guidance and targets

Financial guidance for 2023

The inventory correction observed since Q4 2022 appears to be prolonged and is now expected to last through year end. Based on the continued destocking, A.P. Moller - Maersk now sees global container volume growth in the range of -4% to -1% compared to -2.5% to +0.5% previously. Ocean expects to grow in-line with the market.

For the full-year 2023, A.P. Moller - Maersk raises its financial guidance as seen in the table below.

A.P. Moller - Maersk now expects CAPEX to be at the lower end of the previously communicated ranges of USD 9.0-10.0bn for 2022-2023 and USD 10.0-11.0bn for 2023-2024.

USDbn

EBITDA Underlying (Previously: 8.0-11.0)	EBIT Underlying (Previously: 2.0-5.0)	Free cash flow at least (Previously: 2.0)
9.5-11.0	3.5-5.0	3.0

CAPEX guidance 2022-2023	CAPEX guidance 2023-2024
9.0-10.0	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 (Rest of 2023)
Container freight rate	+/- 100 USD/FFE	+/- USD 0.6bn
Container freight volume	+/- 100,000 FFE	+/- USD 0.1bn
Bunker price (net of expected BAF coverage)	+/- 100 USD/tonne	+/- USD 0.2bn
Foreign exchange rate (net of hedges)	+/- 10% change in USD	+/- USD 0.1bn

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

Roadmap towards 2025

The mid-term financial targets were introduced at the Capital Markets Day in May 2021 and relate to the transformation towards becoming the integrator of container logistics.

Consolidated
The return on invested capital (ROIC) (last twelve months) was 34.3%, well above the target of above 7.5% every year under normalised conditions, and above 12% for the period 2021-2025, driven by the increase in profit in particular in 2021 and 2022.

A.P. Moller - Maersk will prioritise the capital allocation to investments in the business, including acquisitions in Logistics & Services, repaying debt, paying 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.

A.P. Moller - Maersk's share buy-back programme, originally planned for USD 5.0bn over 2022-2023, has been progressively extended to USD 12.0bn over 2022-2025 or USD 3.0bn annually. Of the planned share buy-back of DKK 39.3bn (around USD 6.0bn) for the years 2022-2023, A.P. Moller - Maersk has bought back DKK 33.1bn (USD 4.7bn) as of Q2 2023.

Ocean
Ocean delivered an EBIT margin of 33.5% over the last twelve months, well above the target of 6% under normalised conditions. Total average operated fleet capacity is within the range of 4.1-4.3m TEU.

Logistics & Services
For Logistics & Services, organic growth of -3% over the last twelve months was below the target of 10%. The EBIT margin for the last twelve months was 4.3% versus the target of above 6%. While performance is expected to improve sequentially, it is not expected that the 6% EBIT target will be achieved for 2023 with the current limited signs of a substantial rebound in volumes in H2 2023.

Terminals
The return on invested capital (ROIC) (LTM) was 11.4% for Terminals, exceeding the expectation of above 9% towards 2025.

Market insights

Global economic growth is projected to hover around 2% in 2023. Despite the improvement in Q1, cracks began to appear in the economic outlook in Q2. In China, the re-opening recovery that followed the end of the zero-COVID policy lost steam, and the local property sector shows no signs of a rebound. In the US and Europe, the rapid increase in interest rates created stress in the banking sector in H1 2023 and concerns have emerged about potential spill-overs to other financial institutions. Survey indicators point to flat growth, at best, in Europe and the US in H2 of 2023 and the start of 2024, with a material risk of recession in both regions. The manufacturing sector continues to struggle, and the Global Purchasing Managers Index has remained in contractionary territory since September 2022.

Final demand has started to weaken, with investment spending, both capital expenditure and housing, suffering from the rapid increase in interest rates. Consumers in Europe have continued to adjust their goods spending in Q2. The drop was modest in the Euro area, with retail trade down 1.7% in April-May (y/y). It was more severe in the UK, where goods consumption dropped 2.3% (y/y). In the US, goods consumption growth remained in positive territory in April-May (1.1% y/y), but sequential growth has clearly slowed. Meanwhile, the inventory correction is still running its course. While the inventory-to-sales ratio has improved for retailers, it remained high among wholesalers, indicating that efforts to align inventories with demand are underway, but there is still work to be done, which will continue to affect the logistics activities across all segments.

The combination of recession concerns and high inventories has resulted in poor demand growth for container trade and logistics services. In Q2, the demand for containers declined between 4.0% and 6.5% year-on-year, due to weak import growth into North America, Oceania and Far East Asia. Imports into Europe showed signs of improvement in Q2 following a very weak run, and together with positive import growth into West Central Asia, and sustained improvement in imports into Africa, offset some of the weakness elsewhere.

On the supply side of the Ocean market, the increasing stream of vessel deliveries and still limited scrapping activity is pushing up fleet growth. Globally, the nominal container fleet stood at 27.3m TEU at the end of Q2 2023, an increase of 6% compared to Q2 2022. Moreover, easing supply chain bottlenecks and weaker demand on long-haul trades is releasing capacity to the market. SeaIntel data shows that the share of the Global container fleet absorbed by delays decreased from a peak in January 2022 of almost 14% to a post-pandemic low of 3.6% in May 2023. Some of the available capacity is being absorbed by slower steaming and cancelled sailings. According to Clarksons containership average speed declined 3%, from 14.4 knots in Q2 2022 to 13.9 knots in Q2 2023. However, the gap between demand and supply growth continued to widen in Q2 in year-on-year terms. Scrapping activity was muted in the first half of the year, but it is expected to increase going forward. The deterioration in the supply-demand balance has put downward pressure on freight rates since Q3 2022. The SCFI Composite Index average was 985 in Q2 2023, compared to 4,208 for the same last year and 772 in 2019.

Air freight volumes fell again in Q2 (y/y), although the pace of declines has slowed compared to Q1. However, the improvement was more due to a base effect than to a meaningful pick in demand. By region, North America saw Cargo Tonne Kilometre (CTK) volumes fall an average of 11% during April and May, while in Asia-Pacific and Europe volumes were down 2% and 7% respectively (IATA). At the same time, the return of passenger flights expanded the capacity further. According to IATA, global cargo load factors were 42.1% in April and May compared to 45.5% in Q1, and rates deteriorated further. The Baltic Airfreight rate was USD 2.15/kg in Q2, 46% down compared to a year before.

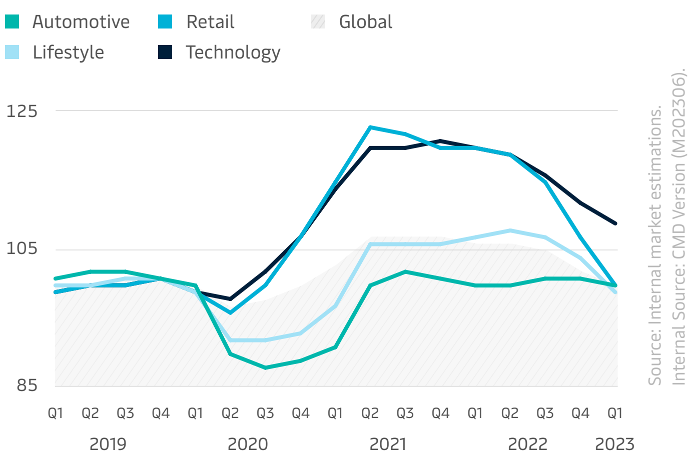
Road freight demand weakened in the US in Q2. The seasonally adjusted ATA Truck Tonnage Index decreased by 1.3% in May - the third consecutive year-on-year decrease. The deterioration is also visible in rates. However, unlike for container trade, these are still well above pre-pandemic levels, suggesting further deterioration may be in sight.

In the US, demand for warehousing has begun to pull back with Prologis forecasting an average 4.3% vacancy rate in 2023, up from 3.1% in 2022. Prologis' forecast for "true months of supply" (a measure of how much time would be required to absorb all available supply) currently stands at 34, more than double the 2021 reading. Vacancy rates for warehousing are expected to rise further in the US and Europe in the second half of 2023, however they will remain close to 2022 lows.

Overall, the environment for container trade and logistics services remains challenging. Currently there is no sign of a substantial rebound in volumes in the second half of the year. As a consequence, the expected full-year 2023 demand growth for global container trade is revised to -4% to -1%. Similarly, demand for air freight is expected to be in the -5% to -2% range.

Container trade volumes, by vertical

Index (FY2019=100) 4QMA



Segments

Ocean

In line with expectations, Q2 saw the continued impact of lower rates and volumes as a result of the ongoing normalisation and the continued destocking of inventory given reduced global demand in a weakened growth environment. Market conditions resulted in an overall decrease of 6.1% in loaded volumes compared to Q2 2022, primarily driven by a decrease in North America, Intra Asia, and in India and Middle East markets.

The average loaded freight rate decreased by 51% compared to Q2 2022 and 15% compared to Q1 2023, driven by contract and shipment rates, primarily on East-West trades. The unit cost at fixed bunker decreased by 1.0% compared to Q2 2022, driven by lower network and container handling costs. Utilisation on offered capacity at 91% on par with Q2 2022, was an improvement of three percentage points compared to Q1 2023. Global congestion has dissipated, and schedule reliability improved compared to Q2 2022 and Q1 2023.

Ocean performance Q2 2019-2023 USD million

	Q2 2023	Q2 2022	Q2 2021	Q2 2020	Q2 2019
Revenue	8,703	17,412	11,072	6,570	7,196
Total operating costs	6,459	7,805	6,610	5,156	6,131
EBIT	1,205	8,526	3,580	552	260
EBIT margin	13.8%	49.0%	32.3%	8.4%	3.6%
Operational and financial metrics					
Loaded volumes	2,906	3,095	3,341	2,903	3,447
Loaded freight rate	2,444	4,983	3,038	1,915	1,832
Unit cost, fixed bunker	2,389	2,413	2,121	2,101	1,964

Financial and operational performance

Revenue decreased by USD 8.7bn to USD 8.7bn (USD 17.4bn), driven by a decrease in freight revenue of 52% with loaded freight rates down by 51% and loaded volumes down by 6.1%. Revenue decreased by USD 1.2bn or 12% compared to Q1 2023.

EBITDA decreased by USD 7.3bn to USD 2.3bn (USD 9.6bn) due to lower revenue. The EBITDA margin decreased by 29 percentage

Ocean highlights

USD million

	Q2 2023	Q2 2022	6M 2023	6M 2022	12M 2022
Freight revenue	7,414	15,350	15,845	28,910	56,499
Other revenue, including hubs	1,289	2,062	2,731	4,072	7,800
Revenue	**8,703**	**17,412**	**18,576**	**32,982**	**64,299**
Container handling costs	2,258	2,623	4,520	5,167	10,214
Bunker costs	1,440	2,193	2,947	3,843	8,077
Network costs, excluding bunker costs	1,692	1,844	3,381	3,805	7,516
Selling, General & Administration (SG&A) costs	711	749	1,481	1,426	2,947
Cost of goods sold and other operational costs	358	396	695	828	1,835
Total operating costs	**6,459**	**7,805**	**13,024**	**15,069**	**30,589**
Other income/costs, net	15	-9	59	-101	60
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**2,259**	**9,598**	**5,611**	**17,812**	**33,770**
EBITDA margin	26.0%	55.1%	30.2%	54.0%	52.5%
Profit before financial items (EBIT)	**1,205**	**8,526**	**3,174**	**15,598**	**29,149**
EBIT margin	13.8%	49.0%	17.1%	47.3%	45.3%
Invested capital	**29,064**	**33,422**	**29,064**	**33,422**	**32,368**
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	314	517	852	1,673	2,620
Operational and financial metrics					
Loaded volumes (FFE in '000)	2,906	3,095	5,630	6,101	11,924
Loaded freight rate (USD per FFE)	2,444	4,983	2,651	4,771	4,628
Unit cost, fixed bunker (USD per FFE incl. VSA income)[1]	2,389	2,413	2,470	2,469	2,533
Bunker price, average (USD per tonne)	592	827	608	718	763
Bunker consumption (tonne in '000)	2,432	2,651	4,844	5,350	10,579
Average operated fleet capacity (TEU in '000)	4,136	4,282	4,176	4,286	4,285
Fleet owned (end of period)	310	318	310	318	318
Fleet chartered (end of period)	369	413	369	413	389

1 The 2022 Unit cost, fixed bunker figures have been restated as a result of the fixed bunker price being restated to 550 USD/tonne from 450 USD/tonne.

points to 26.0% (55.1%). Similarly, EBIT decreased by USD 7.3bn to USD 1.2bn (USD 8.5bn). EBITDA decreased by USD 1.1bn or 33% and EBIT decreased by USD 764m or 39% compared to Q1 2023.

Loaded volumes decreased by 6.1% to 2,906k FFE (3,095k FFE) due to weaker demand, for North America, Intra Asia, India and Middle East markets. Loaded volumes increased by 182k FFE or 6.7% compared to Q1 2023.

The **average loaded freight rate** decreased by 51% to 2,444 USD/FFE compared to Q2 2022 (4,983 USD/FFE), driven by a rate decline in most trades. The average loaded freight rate decreased by 427 USD/FFE or 15% compared to Q1 2023 (2,871 USD/FFE).

Total operating costs were 17% lower at USD 6.5bn (USD 7.8bn), driven by lower bunker costs, lower container handling costs and lower slot charter costs, which decreased by 34%, 14% and 28% respectively, compared to Q2 2022. The net impact of foreign exchange rates was negligible. Total operating costs decreased by USD 106m or 1.6% compared to Q1 2023.

Bunker costs decreased by 34% to USD 1.4bn (USD 2.2bn), driven by a decrease in bunker price of 28% to 592 USD/tonne (827 USD/tonne) and an 8.3% decrease in bunker consumption. Bunker efficiency improved by 2.9% to 40.7 g/TEU*NM (41.9 g/TEU*NM). Bunker costs decreased by USD 67m or 4.4% compared to Q1 2023.

Unit cost at fixed bunker decreased by 1.0% to 2,389 USD/FFE (2,413 USD/FFE), driven by lower network and container handling costs offset by lower volumes. The net impact of foreign exchange rates was negligible. Unit cost at fixed bunker decreased by 163 USD/FFE or 6.4% compared to Q1 2023.

The average operated capacity of 4,136k TEU (4,282k TEU) decreased by 3.4% compared to Q2 2022. The current order book for carbon-neutral vessels totals 25 at the end of Q2 2023, including one feeder vessel to be delivered in Q3 2023. The fleet consisted of 310 owned and 369 chartered vessels, of which 254k TEU or 6.1% (35 vessels) of the fleet were idle, including dry docking and repairs.

Key developments in 2023

Ocean continues to focus on strengthening long-term partnerships with key clients while aiming to provide the most reliable products in the market. The contract volume share of total was 68% in Q2, which is one percentage point lower than in Q2 2022 and one percentage point higher than Q1 2023.

Global congestion has eased significantly in 2023, where network initiatives implemented this quarter are designed to further improve service delivery measures and lower CO_2 emissions. To maximise asset utilisation, capacity has diligently been allocated to markets with the strongest demand.

Several actions have been put in place to neutralise the impact of inflation on the costs of operations while maintaining focus on the quality and reliability of the Ocean products. A.P. Moller - Maersk was among the best in industry for schedule reliability in Q2, and this remains a key focus.

Fleet overview, end Q2 2023

	Q2 2023	Q4 2022
'000 TEU		
Own container vessels	2,364	2,393
Chartered container vessels	1,786	1,828
Total fleet capacity	**4,150**	**4,221**
Number of vessels		
Own container vessels	310	318
Chartered container vessels	369	389
Total fleet	**679**	**707**

Loaded volumes

FFE ('000)

	Q2 2023	Q2 2022	Change	Change %
East-West	1,298	1,434	-136	-9.5
North-South	979	961	18	1.9
Intra-regional	629	700	-71	-10.1
Total	**2,906**	**3,095**	**-189**	**-6.1**

Average freight rates

USD/FFE

	Q2 2023	Q2 2022	Change	Change %
East-West	2,382	5,598	-3,216	-57.4
North-South	3,207	5,713	-2,506	-43.9
Intra-regional	1,673	2,992	-1,319	-44.1
Total	**2,444**	**4,983**	**-2,539**	**-51.0**

Financial review H1 2023

Revenue decreased by 44% to USD 18.6bn (USD 33.0bn), driven by a decrease in loaded freight rate of 44% and 7.7% less volumes. The EBITDA margin decreased by 24 percentage points to 30.2% at USD 5.6bn (USD 17.8bn), and the EBIT margin decreased by 30 percentage points to 17.1% at USD 3.2bn (USD 15.6bn).

Total operating costs decreased by 14% to USD 13.0bn (USD 15.1bn), driven by decrease in bunker costs of 23% due to both lower price and lower consumption, lower container-handling costs of 13% and lower network costs excl. bunker of 11%. Adjusting for the positive impact of foreign exchange rates, operating costs decreased by 13%.

Ocean performance H1 2019-2023

USD million

	H1 2023	H1 2022	H1 2021	H1 2020	H1 2019
Revenue	18,576	32,982	20,550	13,800	14,211
Total operating costs	13,024	15,069	12,618	11,520	12,180
EBIT	3,174	15,598	6,280	900	396
EBIT margin	17.1%	47.3%	30.6%	6.5%	2.8%
Operational and financial metrics					
Loaded volumes	5,630	6,101	6,563	5,951	6,597
Loaded freight rate	2,651	4,771	2,853	1,942	1,861
Unit cost, fixed bunker	2,470	2,469	2,098	2,105	2,058

Logistics & Services

Logistics & Services business performance continues to be impacted by lower volumes as a result of continued destocking and lower consumer demand as well as from lower rates, particularly in the Air market. The logistics and services industry demand has deteriorated with limited signs of a substantial rebound in volumes in the second half of the year.

Accordingly, while the significant effort in technology with the rollout of new platforms is prone to continue, an increased focus on cost management will allow to adapt the increased footprint to the lower level of expected activity.

Financial and operational performance

Revenue decreased by 3.3% to USD 3.4bn (USD 3.5bn) driven primarily by lower volumes in the retail and lifestyle sectors, in particular in North America, as well as lower rates.

Organic revenue growth was negative 19%, affected by lower overall volumes and decreased air freight rates. The 2022 acquisitions of Pilot, LF Logistics and Senator International and the 2023 acquisitions of Martin Bencher Group and Grindrod Logistics contributed with revenue growth of USD 560m in Q2 2023.

In Q2 2023 half of the decline in organic revenue was driven by the top 200 customers.

Organic/inorganic

USD million

	Q2-22	Organic	Inorganic	Q2-23
Revenue	3,502	-676	560	3,386
Growth		-19%	16%	
EBITA	262	-125	21	158

EBITA was USD 158m (USD 262m) affected by volatile freight markets driving lower volumes and rates and a higher cost base given the increased footprint and breadth of activities. Organic EBITA decreased by USD 125m compared to Q2 2022.

Managed by Maersk revenue decreased by USD 73m to USD 535m (USD 608m), affected by 13% lower volumes from existing customers in supply chain management, partly offset by growth from the Martin Bencher Group integration.

Fulfilled by Maersk revenue increased by USD 152m to USD 1.3bn (USD 1.1bn), primarily driven by inorganic growth from LF Logistics and Pilot.

Transported by Maersk revenue decreased by USD 195m to USD 1.6bn (USD 1.8bn), driven by lower revenue from lower volumes in landside transportation, LCL and Air and also lower rates particularly in Air and LCL. This was partly offset by inorganic

Logistics & Services highlights

USD million

	Q2 2023	Q2 2022	6M 2023	6M 2022	12M 2022
Revenue	**3,386**	**3,502**	**6,857**	**6,381**	**14,423**
Direct costs (third-party costs)	2,341	2,610	4,770	4,724	10,717
Gross profit	**1,045**	**892**	**2,087**	**1,657**	**3,706**
Direct Operating Expenses	458	358	923	655	1,482
Selling, General & Administration (SG&A)	276	197	537	346	846
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**311**	**337**	**627**	**656**	**1,378**
EBITDA margin	9.2%	9.6%	9.1%	10.3%	9.6%
Profit after depreciation and impairment losses, before amortisations (EBITA)	**158**	**262**	**336**	**466**	**944**
EBITA margin	4.7%	7.5%	4.9%	7.3%	6.5%
Profit before financial items (EBIT)	**115**	**234**	**250**	**417**	**814**
EBIT margin	3.4%	6.7%	3.6%	6.5%	5.6%
Invested capital	**10,508**	**5,971**	**10,508**	**5,971**	**9,858**
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	223	286	351	320	657
Operational and financial metrics					
EBIT conversion (EBIT/gross profit - %)	11.0	26.2	12.0	25.2	22.0
Managed by Maersk revenue[1]	535	608	1,103	1,154	2,491
Fulfilled by Maersk revenue[1]	1,295	1,143	2,675	1,954	4,916
Transported by Maersk revenue[1]	1,556	1,751	3,079	3,237	7,016
Supply chain management volumes (cbm in '000)	25,654	29,602	47,393	56,092	110,264
Intermodal volumes (FFE in '000)	991	1,209	1,972	2,365	4,526
Air freight volumes (tonne in '000)	72	53	128	84	211

1 The 2022 by Maersk revenue figures have been restated in order to reflect changes within the Logistics & Services model definition.

revenue growth from the consolidation of the acquisitions of Senator International and Grindrod Logistics.

Gross profit increased by USD 153m to USD 1.0bn (USD 892m) with increases in all by Maersk service models, led by Fulfilled by Maersk as a result of the integration of LF Logistics and Pilot.

EBITDA was USD 311m (USD 337m) and the EBITDA margin 9.2% (9.6%).

EBIT was USD 115m (USD 234m) and the EBIT margin 3.4% (6.7%). In Q2 2023 profitability was impacted by lower demand from key freight markets, lower rates and an increased footprint, including higher amortisation from acquisitions and a continued investment in technology solutions for customers compared to Q2 2022.

Key developments in 2023

In Fulfilled by Maersk, 782k sqm or 23% more capacity was added organically versus Q2 2022. Total organic capacity was 4.2m sqm across 262 warehouses. The integration of LF Logistics contributed inorganically with 3.3m sqm (adding 147k sqm in Q2 2023) across 184 warehouses. Total capacity was 7.5m sqm across 446 warehouses.

In Transported by Maersk, the Less than Container Load (LCL) value proposition continues to be strengthened and more than 50 new lanes were added in Q2 2023, building a total LCL network of over 500 own direct consolidation lanes versus 300 in Q2 2022.

Financial review H1 2023

Revenue of USD 6.9bn (USD 6.4bn) was driven by Fulfilled by Maersk services where revenue increased to USD 2.7bn (USD 2.0bn) as result of the integration of LF Logistics and Pilot. Managed by Maersk revenue decreased by 4% to USD 1.1bn driven by the decrease of lead logistics supply chain management volumes of 16% to 47,393 kcbm (56,092 kcbm). Transported by Maersk decreased to USD 3.1bn (USD 3.3bn), driven by lower Air freight rates as well lower Intermodal volumes by 18% to 1,972k FFE (2,365k FFE).

EBITDA decreased to USD 627m (USD 656m), and EBIT decreased to USD 250m (USD 417m), impacted by the increased cost base from the integrations of the acquisitions of Senator International, LF Logistics, Pilot, Martin Bencher and Grindrod Logistics and continued technology investments.

Terminals

Volumes remained significantly below those of 2022, particularly in North America, where the ports of Los Angeles and Long Beach reported a combined 18% reduction year-on-year in Q2 2023, and New York/New Jersey reported similar reductions. As Terminals volume decreased by 6.5% (decrease of 3.4% like-for-like, adjusted for exits) compared to Q2 2022, utilisation declined by 7.2 percentage points to 72%. Sequentially, an improvement of 8.4% was noted in Q2 2023 compared to Q1 2023.

Terminals highlights

USD million

	Q2 2023	Q2 2022	6M 2023	6M 2022	12M 2022
Revenue	**950**	**1,124**	**1,826**	**2,255**	**4,371**
Concession fees (excl. capitalised lease expenses)	78	97	143	187	362
Labour costs (blue collar)	284	315	531	621	1,270
Other operational costs	127	176	274	324	638
Selling, General & Administration (SG&A) and other costs, etc.	130	136	256	267	566
Total operating costs	619	**724**	**1,204**	**1,399**	**2,836**
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**331**	**400**	**622**	**856**	**1,535**
EBITDA margin	34.8%	35.6%	34.1%	38.0%	35.1%
Profit/loss before financial items (EBIT)	**269**	**316**	**476**	**243**	**832**
EBIT margin	28.3%	28.1%	26.1%	10.8%	19.0%
Invested capital	**7,803**	**7,618**	**7,803**	**7,618**	**7,593**
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	97	105	208	185	516
Operational and financial metrics					
Volumes – financially consolidated (moves in '000)	3,052	3,264	5,868	6,377	12,752
Ocean segment	1,046	1,176	2,030	2,274	4,558
External customers	2,006	2,088	3,838	4,103	8,194
Revenue per move – financially consolidated (USD)	310	341	309	351	341
Cost per move – financially consolidated (USD)	245	265	248	262	263
Result from joint ventures and associated companies (USDm)	74	79	124	-313	-46

Revenue for Q2 was 15% lower than in Q2 2022, and as expected driven by a combination of lower demand and the normalisation of global port congestion. Nonetheless, strong focus on cost control enabled Terminals to reduce costs-per-move by 3.1% at fixed exchange rates and terminal mix, resulting in stable margins.

Financial and operational performance

Revenue decreased by 15% to USD 950m (USD 1.1bn), influenced by the normalisation of storage revenue and 6.5% lower volume, (decreasing by 3.4% like-for-like) due to lower demand and less congestion in North America. Utilisation decreased to 72% (79%). Revenue per move was down 9.3% to USD 310 (USD 341), driven by terminal mix and lower storage revenue, with underlying tariffs increasing in line with local inflation. Cost per move decreased by 7.6% to USD 245 (USD 265) due to an ability to take out costs to match the lower activity levels and cost saving initiatives.

At fixed foreign exchange rates and terminal mix, revenue per move decreased by 6.4% and cost per move decreased by 3.1%.

EBITDA of USD 331m (USD 400m) was driven by the normalisation of storage revenue and the lower volumes, partly offset by lower costs. Accordingly EBITDA margin was protected, dropping less than one percentage point to 35%.

EBIT of USD 269m (USD 316m) was driven by the lower storage revenue and lower volume.

ROIC (LTM average) increased to 11.4% from 7.4%, and adjusted for the impairment of Global Port Investments, ROIC was 13.1% for 2022.

CAPEX decreased slightly to USD 97m (USD 105m) due to reduced growth and replacement investments in Europe and Latin America, partly offset by higher investments in modernising the North American portfolio.

Regional volume

In **Europe**, volume increased by 4.7% due to strong demand in Poti, Georgia, partly offset by a weaker market in North Europe and Spain with overall utilisation being at par.

Terminals performance Q2 2019-2023 USD million

	Q2 2023	Q2 2022	Q2 2021	Q2 2020	Q2 2019
Revenue	950	1,124	969	723	806
Total operating costs	619	724	599	537	622
EBIT	269	316	302	144	122
EBITDA margin	34.8%	35.6%	38.2%	25.7%	22.8%
Operational and financial metrics					
ROIC	11.4%	7.4%	8.7%	5.7%	5.1%
Volumes	3,052	3,264	3,217	2,599	3,013
Revenue per move	310	341	301	278	266
Cost per move	245	265	234	251	242

Regional volume[1]

Moves ('000)

	Q2 2023	Q2 2022	Growth %
North America	783	887	-12
Latin America	598	588	1.6
Europe and the Baltics	696	664	4.7
Africa	194	250	-22
Asia and Middle East	781	875	-11
Total	**3,052**	**3,264**	**-6.5**

1 Financially consolidated.

In **Latin America**, volume increased by 1.6%, driven by higher volume in Buenaventura, Colombia, and Callao, Peru, offset by the impact of an exit in Itajai, Brazil. However, utilisation decreased slightly to 73% (74%).

In **Asia and Middle East**, volume decreased by 11%, driven by ongoing construction in Mumbai, India, where one berth is unavailable, also reducing utilisation to 73% (81%).

In **North America**, volume decreased by 12% due to significantly weaker demand on the East and West Coasts, reducing utilisation to 73% (91%).

In **Africa**, volume decreased by 22% due to the divestment of Luanda, Angola. Adjusted for the exit, volume increased by 1.4%. Utilisation reduced to 56% (64%) due to an increase in capacity in selected terminals.

Results from joint ventures and associated companies

The share of profits in joint ventures and associated companies decreased to USD 74m (USD 79m), due to the exits from Wilhelmshaven, Germany, and Global Ports Investments (GPI), with underlying results unchanged.

Key developments in 2023

Progress with modernising the portfolio continues with APM Terminals Poti completing the reconstruction of Poti Port's 150-year-old 1,850-meter-long main breakwater. The completion of the breakwater reconstruction is part of a multi-million US dollar investment by Terminals in infrastructure in Poti, Georgia.

The non-container capacity of the existing portfolio will be increased with APM Terminals Pipavav, India, investing around USD 90m in a new liquid berth. The port's current capacity to manage two million metric tonnes of liquid bulk will increase significantly to 5.2 million metric tonnes. The investment supports the port's objective of contributing to the growth of India's logistics infrastructure, bolstering connectivity to north-western hinterlands, and better serving customers with end-to-end solutions.

Looking forward, Terminals have confirmed its intention to invest around USD 1.0bn in Brazilian Terminals by 2026 during its participation in the Dutch trade mission to Brazil. The development of a new terminal in Suape, and the expansion of the existing terminal in Santos is included.

Financial review H1 2023
Revenue of USD 1.8bn (USD 2.3bn) was driven by an 8.0% decrease in volume (decrease of 4.6% like-for-like) and significantly lower storage revenue. Capacity utilisation decreased to 69% (78%).

Revenue per move decreased to USD 309 (USD 351), driven by lower storage revenue and negative rate of exchange impacts. Cost per move decreased to USD 248 (USD 262), due to an ability do take out cost to match the lower activity level, cost saving initiatives and a positive terminal mix impact.

EBITDA of USD 622m (USD 856m) reflected the lower revenue, while EBIT improved to USD 476m (USD 243m) due to the impairment of GPI in 2022.

Terminals performance H1 2019-2023 USD million

	H1 2023	H1 2022	H1 2021	H1 2020	H1 2019
Revenue	1,826	2,255	1,884	1,463	1,643
Total operating costs	1,204	1,399	1,191	1,065	1,246
EBIT	476	243	541	306	276
EBITDA margin	34.1%	38.0%	36.8%	27.2%	24.1%
Operational and financial metrics					
ROIC	11.4%	7.4%	8.7%	5.7%	5.1%
Volumes	5,868	6,377	6,287	5,384	5,845
Revenue per move	309	351	299	272	272
Cost per move	248	262	235	242	242

Towage & Maritime Services

Revenue was USD 504m (USD 579m) with an EBITDA of USD 59m (USD 81m). EBIT increased by USD 55m to USD 71m (USD 16m) stemming from improved performance in Höegh Autoliners AS.

Towage

Financial and operational performance
Revenue increased to USD 206m (USD 198m), and adjusted for foreign exchange rate effects, the increase was 7% or USD 13m. Harbour Towage revenue increased by USD 6m driven by tariff increase and favourable cargo mix with tug job activity on par. Terminal towage revenue was on par.

EBITDA increased to USD 61m (USD 58m), due to increased revenue partly offset by increased fuel and other operating costs. EBIT increased to USD 35m (USD 34m) driven by the higher EBITDA slightly offset by higher depreciations and lower result from joint ventures and associated companies.

The share of profit in joint ventures and associated companies was USD 5m (USD 6m).

Maritime Services

The divestment of **Maersk Supply Service** was completed in May 2023 with a net gain on sale of USD 15m.

For **Maersk Container Industry**, revenue decreased by USD 19m to USD 115m (USD 134m), driven by lower market demand. EBITDA increased to USD 8m (USD 7m) as lower revenue was offset by lower costs. EBIT marginally decreased to USD 5m (USD 6m) due to reversal of depreciations in 2022 when it was classified as assets held for sale.

EBIT in **Other Maritime Services** includes a positive USD 20m (negative USD 40m) from Höegh Autoliners AS, classified as an associate. During the quarter, A.P. Moller - Maersk completed the share divestment of The Metals Company.

Financial review H1 2023
Revenue was on par at USD 1.1bn (USD 1.1bn), EBITDA was USD 142m (USD 160m) and EBIT was USD 156m (USD 85m) as a result of improved performance in Höegh Autoliners AS.

Review H1 2023

Financial results reflect market normalisation

Revenue decreased by USD 13.7bn to USD 27.2bn (USD 40.9bn) in H1 2023, with a decrease of USD 14.4bn and USD 429m in Ocean and Terminals, respectively, while Logistics & Services reported an increase of USD 476m.

Revenue in Ocean reflects a weaker growth environment with inventory corrections seen in Western economies over the past two quarters with lower volumes and freight rates. Revenue decreased as well in Terminals due to lower volumes and significantly lower storage revenue, particularly in North America, where as revenue increased in Logistics & Services, driven by the integration of LF Logistics and Pilot.

EBITDA decreased to USD 6.9bn (USD 19.4bn), with a decrease in Ocean of USD 12.2bn due to lower revenue, a decrease in Logistics & Services of USD 29m and in Terminals of USD 234m.

Ocean (H1 2022: 17.8bn)	Logistics & Services (H1 2022: 656m)	Terminals (H1 2022: 856m)
5.6bn	627m	622m

EBIT decreased by USD 12.3bn to USD 3.9bn (USD 16.3bn), impacted by the declining EBITDA. The EBIT margin decreased to 14.5% (39.7%).

Ocean (H1 2022: 15.6bn)	Logistics & Services (H1 2022: 417m)	Terminals (H1 2022: 243m)
3.2bn	250m	476m

Financial items, net, was USD 174m (loss of USD 497m), as the increase in interest income and derivative gains on dividends and share buy-back hedges were only partly offset by interest expenses.

Tax decreased to USD 297m (USD 335m), primarily due to lower profit before tax.

The underlying profit of USD 3.9bn (USD 16.0bn) was adjusted for net gains of USD 303m, driven primarily by vessel and container sales in Ocean and the impairment and restructuring charges for the A.P. Moller - Maersk brands of USD 378m of the previously communicated USD 450m with the process ongoing into H2 2023.

Cash flow from operating activities of USD 8.1bn (USD 16.8bn), was driven by EBITDA of USD 6.9bn and improved net working capital to USD 1.4bn due to lower trade receivables, translating into a strong cash conversion of 118% (87%).

Gross capital expenditure (CAPEX) was USD 1.6bn (USD 2.4bn), driven by lower container investments in Ocean.

Free cash flow decreased to USD 5.8bn (USD 12.9bn) negatively impacted by lower cash flow from operating activities and increased lease payments, partly offset by decreased CAPEX and higher financial income.

The **dividend** of DKK 4,300 per A.P. Møller - Mærsk A/S share of nominally DKK 1,000 (USD 10.9bn), declared at the Annual General Meeting on 28 March 2023, was paid on 31 March 2023. Withholding tax of USD 1.5bn was paid in Q2 2023.

Total **equity** decreased to USD 56.4bn (USD 65.0bn on 31 December 2022), due to higher dividend payments and share buy-backs partly offset by lower net profit of USD 3.8bn, resulting in an equity ratio of 67.6% (69.4% at year-end 2022).

Multi-year comparison of financials

USD million

Income statement	H1 2023	H1 2022	H1 2021	H1 2020	H1 2019
Revenue	27,195	40,942	26,669	18,568	19,167
Ocean	18,576	32,982	20,550	13,800	14,211
Logistics & Services	6,857	6,381	4,213	3,011	3,100
Terminals	1,826	2,255	1,884	1,463	1,643
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	6,874	19,411	9,103	3,218	2,593
Profit before financial items (EBIT)	3,933	16,261	7,181	1,303	646
Profit for the period	3,810	15,429	6,463	652	-503
Cash flow statement					
Cash flow from operating activities	8,092	16,832	7,570	3,083	2,652
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	1,576	2,362	781	672	1,223
Free cash flow	5,805	12,858	5,602	1,496	594
Financial ratios					
Revenue growth	-33.6%	53.5%	43.6%	-3.1%	1.6%
EBITDA margin	25.3%	47.4%	34.1%	17.3%	13.5%
EBIT margin	14.5%	39.7%	26.9%	7.0%	3.4%

Financials

Condensed income statement

Note		Q2 2023	Q2 2022	6M 2023	6M 2022	12M 2022
1	Revenue	12,988	21,650	27,195	40,942	81,529
1	**Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)**	**2,905**	**10,327**	**6,874**	**19,411**	**36,813**
	Depreciation, amortisation and impairment losses, net	1,571	1,418	3,451	2,925	6,186
4	Gain on sale of non-current assets, etc., net	163	37	303	64	101
	Share of profit/loss in joint ventures and associated companies	110	42	207	-289	132
1	**Profit before financial items (EBIT)**	**1,607**	**8,988**	**3,933**	**16,261**	**30,860**
	Financial items, net	-16	-203	174	-497	-629
	Profit before tax	**1,591**	**8,785**	**4,107**	**15,764**	**30,231**
	Tax	104	164	297	335	910
	Profit for the period	**1,487**	**8,621**	**3,810**	**15,429**	**29,321**
	Of which:					
	Non-controlling interests	34	28	73	60	123
	A.P. Møller - Mærsk A/S' share	**1,453**	**8,593**	**3,737**	**15,369**	**29,198**
	Earnings per share, USD	**85**	**466**	**217**	**830**	**1,600**
	Diluted earnings per share, USD	**85**	**464**	**216**	**827**	**1,595**

Condensed statement of comprehensive income

	Q2 2023	Q2 2022	6M 2023	6M 2022	12M 2022
Profit for the period	**1,487**	**8,621**	**3,810**	**15,429**	**29,321**
Translation from functional currency to presentation currency	-115	-427	-59	-464	-551
Reclassified to income statement, gain on sale of non-current assets, etc., net	40	9	40	9	53
Cash flow hedges	-20	-41	-22	12	115
Tax on other comprehensive income	-5	1	-1	-9	-10
Share of other comprehensive income of joint ventures and associated companies, net of tax	3	-	2	-1	6
Total items that have been or may be reclassified subsequently to the income statement	**-97**	**-458**	**-40**	**-453**	**-387**
Other equity investments	-1	31	2	81	54
Actuarial gains/losses on defined benefit plans, etc.	1	-	1	-	36
Tax on other comprehensive income	-	-	-	-	30
Total items that will not be reclassified to the income statement	**-**	**31**	**3**	**81**	**120**
Other comprehensive income, net of tax	**-97**	**-427**	**-37**	**-372**	**-267**
Total comprehensive income for the period	**1,390**	**8,194**	**3,773**	**15,057**	**29,054**
Of which:					
Non-controlling interests	30	13	71	47	92
A.P. Møller - Mærsk A/S' share	**1,360**	**8,181**	**3,702**	**15,010**	**28,962**

AMOUNTS IN USD MILLION

Condensed balance sheet at 30 June

Note		30 June 2023	30 June 2022	31 December 2022
	Intangible assets	**10,268**	**7,844**	**10,785**
	Property, plant and equipment	**27,729**	**27,667**	**28,194**
	Right-of-use assets	**10,258**	**10,723**	**10,967**
	Financial non-current assets, etc.	3,038	2,663	3,272
	Deferred tax	410	384	399
	Total non-current assets	**51,703**	**49,281**	**53,617**
	Inventories	1,483	2,202	1,604
2	Receivables, etc.	19,577	18,930	27,391
	Securities	248	-	942
	Cash and bank balances	10,423	9,730	10,057
	Assets held for sale	66	283	69
	Total current assets	**31,797**	**31,145**	**40,063**
	Total assets	**83,500**	**80,426**	**93,680**

Note		30 June 2023	30 June 2022	31 December 2022
3	Equity attributable to A.P. Møller - Mærsk A/S	55,332	51,517	63,991
	Non-controlling interests	1,095	1,069	1,041
	Total equity	**56,427**	**52,586**	**65,032**
	Lease liabilities, non-current	8,103	8,354	8,582
	Borrowings, non-current	3,681	3,932	3,774
	Other non-current liabilities	2,838	2,552	2,971
	Total non-current liabilities	**14,622**	**14,838**	**15,327**
	Lease liabilities, current	2,865	2,982	3,032
	Borrowings, current	166	244	255
	Other current liabilities	9,412	9,644	10,025
	Liabilities associated with assets held for sale	8	132	9
	Total current liabilities	**12,451**	**13,002**	**13,321**
	Total liabilities	**27,073**	**27,840**	**28,648**
	Total equity and liabilities	**83,500**	**80,426**	**93,680**

AMOUNTS IN USD MILLION

Condensed cash flow statement

Note		Q2 2023	Q2 2022	6M 2023	6M 2022	12M 2022
	Profit before financial items	1,607	8,988	3,933	16,261	30,860
	Non-cash items, etc.	1,240	1,113	3,166	3,228	6,225
	Change in working capital	145	-1,210	1,365	-2,279	-1,808
	Cash flow from operating activities before tax	2,992	8,891	8,464	17,210	35,277
	Taxes paid	-234	-280	-372	-378	-801
	Cash flow from operating activities	**2,758**	**8,611**	**8,092**	**16,832**	**34,476**
	Purchase of intangible assets and property, plant and equipment (CAPEX)	-738	-1,008	-1,576	-2,362	-4,163
	Sale of intangible assets and property, plant and equipment	306	104	515	147	303
4	Acquisition of subsidiaries and activities	-12	-1,535	-138	-1,536	-4,774
4	Sale of subsidiaries and activities	697	3	720	20	2
	Acquisition of joint ventures and associated companies	-	-	-1	-	-46
	Sale of joint ventures and associated companies	76	-19	74	-19	219
	Dividends received	41	82	73	102	327
	Sale of other equity investments	12	-	22	20	31
	Financial investments, etc., net	-1,013	-5,533	6,761	-4,427	-13,518
	Cash flow from investing activities	**-631**	**-7,906**	**6,450**	**-8,055**	**-21,619**
	Repayments of/proceeds from borrowings, net	-162	-631	-262	-647	-717
	Repayments of lease liabilities	-822	-762	-1,647	-1,408	-3,080
	Financial payments, net	180	-59	631	-211	-238
	Financial expenses paid on lease liabilities	-144	-124	-283	-242	-518
	Purchase of treasury shares	-868	-564	-1,586	-1,195	-2,738
	Dividends distributed	-1,503	-902	-10,876	-6,847	-6,847
	Dividends distributed to non-controlling interests	-21	-40	-45	-43	-78
	Other equity transactions	6	36	8	27	81
	Cash flow from financing activities	**-3,334**	**-3,046**	**-14,060**	**-10,566**	**-14,135**
	Net cash flow for the period	**-1,207**	**-2,341**	**482**	**-1,789**	**-1,278**
	Cash and cash equivalents, beginning of period	11,643	12,084	10,038	11,565	11,565
	Currency translation effect on cash and bank balances	-31	-55	-115	-88	-249
	Cash and cash equivalents, end of period	10,405	9,688	10,405	9,688	10,038
	Of which classified as assets held for sale	-	-6	-	-6	-1
	Cash and cash equivalents, end of period	**10,405**	**9,682**	**10,405**	**9,682**	**10,037**
	Cash and cash equivalents					
	Cash and bank balances	10,423	9,730	10,423	9,730	10,057
	Overdrafts	18	48	18	48	20
	Cash and cash equivalents, end of period	**10,405**	**9,682**	**10,405**	**9,682**	**10,037**

Cash and bank balances include USD 1.2bn (USD 1.4bn at 31 December 2022) 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

		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-controlling interests	Total equity
	Equity 1 January 2023	3,392	-1,232	212	-27	61,646	63,991	1,041	65,032
	Other comprehensive income, net of tax	-	82	-33	-23	-61	-35	-2	-37
	Profit for the period	-	-	-	-	3,737	3,737	73	3,810
	Total comprehensive income for the period	**-**	**82**	**-33**	**-23**	**3,676**	**3,702**	**71**	**3,773**
	Dividends to shareholders	-	-	-	-	-10,824	-10,824	-47	-10,871
	Value of share-based payment	-	-	-	-	10	10	-	10
	Acquisition of non-controlling interests	-	-	-	-	-16	-16	14	-2
	Sale of non-controlling interests	-	-	-	-	-	-	1	1
3	Purchase of treasury shares	-	-	-	-	-1,538	-1,538	-	-1,538
3	Sale of treasury shares	-	-	-	-	11	11	-	11
	Capital increases and decreases	-206	-	-	-	206	-	15	15
	Transfer of gain/loss on disposal of equity investments to retained earnings	-	-	2	-	-2	-	-	-
	Transfer of cash flow hedge reserve to non-current assets	-	-	-	-4	-	-4	-	-4
	Total transactions with shareholders	**-206**	**-**	**2**	**-4**	**-12,153**	**-12,361**	**-17**	**-12,378**
	Equity 30 June 2023	**3,186**	**-1,150**	**181**	**-54**	**53,169**	**55,332**	**1,095**	**56,427**
	Equity 1 January 2022	3,513	-767	135	-160	41,787	44,508	1,080	45,588
	Other comprehensive income, net of tax	-	-440	81	1	-1	-359	-13	-372
	Profit for the period	-	-	-	-	15,369	15,369	60	15,429
	Total comprehensive income for the period	**-**	**-440**	**81**	**1**	**15,368**	**15,010**	**47**	**15,057**
		-							
	Dividends to shareholders	-	-	-	-	-6,845	-6,845	-43	-6,888
	Value of share-based payment	-	-	-	-	10	10	-	10
	Sale of non-controlling interests	-	-	-	-	-	-	-30	-30
3	Purchase of treasury shares	-	-	-	-	-1,183	-1,183	-	-1,183
3	Sale of treasury shares	-	-	-	-	17	17	-	17
3	Capital increases and decreases	-121	-	-	-	121	-	15	15
	Transfer of gain/loss on disposal of equity investments to retained earnings	-	-	-14	-	14	-	-	-
	Total transactions with shareholders	**-121**	**-**	**-14**	**-**	**-7,866**	**-8,001**	**-58**	**-8,059**
	Equity 30 June 2022	**3,392**	**-1,207**	**202**	**-159**	**49,289**	**51,517**	**1,069**	**52,586**

AMOUNTS IN USD MILLION A.P. MOLLER - MAERSK INTERIM REPORT Q2 | 4 AUGUST 2023 19

Note 1 Segment information

	Ocean	Logistics & Services	Terminals	Towage & Maritime Services	Unallo-cated items	Elimi-nations	Consoli-dated total
Q2 2023							
External revenue	8,396	3,422	710	434	26	-	12,988
Inter-segment revenue	307	-36	240	70	6	-587	-
Total revenue	**8,703**	**3,386**	**950**	**504**	**32**	**-587**	**12,988**
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**2,259**	**311**	**331**	**59**	**-54**	**-1**	**2,905**
Profit before financial items (EBIT)	**1,205**	**115**	**269**	**71**	**-57**	**4**	**1,607**
Key metrics							
Invested capital	29,064	10,508	7,803	2,201	-191	-42	49,343
Gross capital expenditures, excl. acquisitions and divestments (CAPEX)	314	223	97	99	4	1	738

	Ocean	Logistics & Services	Terminals	Towage & Maritime Services	Unallo-cated items	Elimi-nations	Consoli-dated total
Q2 2022							
External revenue	16,757	3,554	847	467	25	-	21,650
Inter-segment revenue	655	-52	277	112	6	-998	-
Total revenue	**17,412**	**3,502**	**1,124**	**579**	**31**	**-998**	**21,650**
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**9,598**	**337**	**400**	**81**	**-87**	**-2**	**10,327**
Profit before financial items (EBIT)	**8,526**	**234**	**316**	**16**	**-106**	**2**	**8,988**
Key metrics							
Invested capital	33,422	5,971	7,618	2,629	-416	-29	49,195
Gross capital expenditures, excl. acquisitions and divestments (CAPEX)	517	286	105	93	7	-	1,008

AMOUNTS IN USD MILLION A.P. MOLLER - MAERSK INTERIM REPORT Q2 | 4 AUGUST 2023 20

Note 1 Segment information – continued

	Ocean	Logistics & Services	Terminals	Towage & Maritime Services	Unallo-cated items	Elimi-nations	Consoli-dated total
6M 2023							
External revenue	17,837	6,961	1,363	977	57	-	27,195
Inter-segment revenue	739	-104	463	129	19	-1,246	-
Total revenue	**18,576**	**6,857**	**1,826**	**1,106**	**76**	**-1,246**	**27,195**
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**5,611**	**627**	**622**	**142**	**-127**	**-1**	**6,874**
Profit before financial items (EBIT)	**3,174**	**250**	**476**	**156**	**-131**	**8**	**3,933**
Key metrics							
Invested capital	29,064	10,508	7,803	2,201	-191	-42	49,343
Gross capital expenditures, excl. acquisitions and divestments (CAPEX)	852	351	208	163	9	-7	1,576

	Ocean	Logistics & Services	Terminals	Towage & Maritime Services	Unallo-cated items	Elimi-nations	Consoli-dated total
6M 2022							
External revenue	31,757	6,472	1,749	913	51	-	40,942
Inter-segment revenue	1,225	-91	506	221	13	-1,874	-
Total revenue	**32,982**	**6,381**	**2,255**	**1,134**	**64**	**-1,874**	**40,942**
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**17,812**	**656**	**856**	**160**	**-70**	**-3**	**19,411**
Profit before financial items (EBIT)	**15,598**	**417**	**243**	**85**	**-90**	**8**	**16,261**
Key metrics							
Invested capital	33,422	5,971	7,618	2,629	-416	-29	49,195
Gross capital expenditures, excl. acquisitions and divestments (CAPEX)	1,673	320	185	174	14	-4	2,362

USD million	Types of revenue	Q2 2023	Q2 2022	6M 2023	6M 2022	12M 2022
Ocean	Freight revenue	7,414	15,350	15,845	28,910	56,499
	Other revenue, including hubs	1,289	2,062	2,731	4,072	7,800
Logistics & Services	Managed by Maersk[1]	535	608	1,103	1,154	2,491
	Fulfilled by Maersk[1]	1,295	1,143	2,675	1,954	4,916
	Transported by Maersk[1]	1,556	1,751	3,079	3,273	7,016
Terminals	Terminal services	950	1,124	1,826	2,255	4,371
Towage & Maritime Services	Towage services	206	198	411	390	774
	Sale of containers and spare parts	115	134	224	275	499
	Offshore supply services	16	96	111	178	390
	Other shipping activities	72	71	145	137	282
	Other services	95	80	215	154	348
Unallocated activities and eliminations		-555	-967	-1,170	-1,810	-3,857
Total revenue		**12,988**	**21,650**	**27,195**	**40,942**	**81,529**

1 The 2022 by Maersk revenue figures have been restated in order to reflect changes within the Logistics & Services model definition.

Note 2 Term deposits

Receivables, etc. amount to USD 19.6bn (USD 27.4bn at 31 December 2022) and consist primarily of term deposits with a maturity of more than three months amounting to USD 11.5bn (USD 17.6bn at 31 December 2022).

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 2022	10,468,107	216	8,907,718	166	19,376	3,513
Conversion	1	-2	3	-6	-	-
Cancellations	133,779	-	535,076	-	669	121
30 June 2022	**10,334,329**	**214**	**8,372,645**	**160**	**18,707**	**3,392**
1 January 2023	10,334,329	214	8,372,645	160	18,707	3,392
Cancellations	227,390	-	910,056	-	1,137	206
30 June 2023	**10,106,939**	**214**	**7,462,589**	**160**	**17,570**	**3,186**

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 28 March 2023, the shareholders decided on the cancellation of treasury shares whereby the share capital would be decreased from nominally DKK 18,707,161,000 to nominally DKK 17,569,715,000. The cancellation was completed during Q2 2023.

Development in the holding of treasury shares:

	No. of shares of DKK 1,000		Nominal value DKK million		% of share capital	
Treasury shares	2023	2022	2023	2022	2023	2022
A shares						
1 January	201,717	120,494	202	121	1.08%	0.62%
Additions	157,905	69,096	158	69	0.89%	0.37%
Cancellations	227,390	133,779	227	134	1.22%	0.69%
30 June	**132,232**	**55,811**	**133**	**56**	**0.75%**	**0.30%**
B shares						
1 January	887,557	549,587	888	549	4.74%	2.84%
Additions	623,897	321,754	624	322	3.54%	1.71%
Cancellations	910,056	535,076	910	535	4.86%	2.76%
Disposals	15,987	19,427	16	19	0.09%	0.10%
30 June	**585,411**	**316,838**	**586**	**317**	**3.33%**	**1.69%**

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 2023 to 30 June 2023, A.P. Møller - Mærsk A/S bought back as treasury shares 81,266 A shares, with a nominal value of DKK 81m, and 242,189 B shares, with a nominal value of DKK 242m from A.P. Møller Holding A/S and 77,931 B shares, with a nominal value of DKK 78m, from A.P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond, which are considered related parties.

The dividend of DKK 4,300 per share of DKK 1,000 – a total of DKK 74.4bn is equivalent to USD 10.9bn, excluding treasury shares. Of this, USD 9.4bn was paid to shareholders on 31 March 2023 and the withholding tax of USD 1.5bn was paid during Q2 2023. Payment of dividends to share-holders does not trigger taxes for A.P. Moller - Maersk.

Note 4 Acquisition/sale of subsidiaries

Acquisitions during 2023

Grindrod Intermodal Group (Logistics & Services)

On 2 January 2023, the Group completed the acquisition of Grindrod Logistics. The Group partnered with Grindrod Intermodal Group to merge the logistics activities of Grindrod Intermodal business and 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 has a controlling interest of 51%. The purchase price is USD 37m and resulted in a provisional goodwill recognised of USD 20m.

Martin Bencher Group (Logistics & Services)

On 2 January 2023, the Group acquired 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 Logistics & Services Special Project Logistics (SPL). The purchase price is USD 54m and resulted in a provisional goodwill recognised of USD 11m.

Sales during 2023

Maersk Supply Service

On 15 May 2023, the sale of Maersk Supply Service to A.P. Møller Holding was completed for cash proceeds net of cash sold of USD 685m and resulted in a net gain of USD 15m, which includes the reclassification of the translation reserve loss of USD 40m from equity to the income statement. The gain is classified as gain on sale of non-current assets within the condensed income statement.

The net profit until the divestment is included within the Towage & Maritime Services segment as per Note 1 Segment information.

Acquisitions during 2022

LF Logistics Holdings Limited (Logistics & Services)

On 31 August 2022, the Group acquired 100% of the shares in LF Logistics Holdings Limited, a leading omnichannel fulfilment contract logistics company in Asia Pacific. During Q2 2023, there were no changes to the provisional purchase price allocation prepared at closing date.

Pilot Freight Services (Logistics & Services)

On 2 May 2022, the Group acquired 100% of the shares in Pilot Freight Services, a US-based first, middle and last mile cross-border solutions provider. In Q2 2023, the provisional purchase price allocation was finalised, resulting in a reduction of the calculated goodwill by USD 30m. The changes were primarily related to the valuation of customer relationships and deferred tax liabilities.

Senator International (Logistics & Services)

On 2 June 2022, the Group acquired 100% of the shares in Senator International, a well renowned German air-based freight carrier company. In Q2 2023, the provisional purchase price allocation was finalised, resulting in an increase of the calculated goodwill by USD 5m. The changes were primarily related to the valuation of tax payables.

The accounting for all of the current period business combinations and the LF Logistics Holdings Limited acquisition are considered provisional as at 30 June 2023 as the valuation of intangible assets is not yet finalised.

Note 5 Commitments

The total commitment across segments of USD 5.5bn (USD 5.0bn at 31 December 2022) is related to investments for new methanol container 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, except for below.

Amendments to IAS 12 Income taxes

In May 2023, the IASB issued amendments to IAS 12 Income taxes, which provides temporary relief from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes. The amendments have yet to be adopted by the EU. The company expects to apply this relief when approved by the EU.

Impairment of brands

On 27 January 2023, it was announced that the Group would move towards a singular and unified brand by integrating the Maersk brands. Existing brands were retired during Q1 2023, resulting in the recognition of impairment losses of the full carrying amount of each respective retired brand on the balance sheet. Total impairment losses related to the retirement of brands in Q1 2023 recognised in the condensed income statement is USD 299m of which USD 297m is within Ocean and USD 2m is within Logistics & Services.

Management's statement

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 2023 to 30 June 2023.

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 16-23) give a true and fair view of A.P. Moller - Maersk's consolidated assets, liabilities and financial position at 30 June 2023 and of the results of A.P. Moller - Maersk's consolidated operations and cash flows for the period 1 January 2023 to 30 June 2023.

Furthermore, in our opinion, the Management review (pages 3-15) 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 2022.

Copenhagen, 4 August 2023

Executive Board

Vincent Clerc
CEO

Patrick Jany
CFO

Board of Directors

Robert Mærsk Uggla
Chair

Marc Engel
Vice Chair

Bernard L. Bot

Marika Fredriksson

Arne Karlsson

Thomas Lindegaard Madsen

Amparo Moraleda

Kasper Rørsted

Julija Voitiekute

Quarterly summary

	2023		2022			
Income statement	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	12,988	14,207	17,820	22,767	21,650	19,292
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	2,905	3,969	6,540	10,862	10,327	9,084
Depreciation, amortisation and impairment losses, net	1,571	1,880	1,612	1,649	1,418	1,507
Gain on sale of non-current assets, etc., net	163	140	33	4	37	27
Share of profit/loss in joint ventures and associated companies	110	97	161	260	42	-331
Profit before financial items (EBIT)	1,607	2,326	5,122	9,477	8,988	7,273
Financial items, net	-16	190	171	-303	-203	-294
Profit before tax	1,591	2,516	5,293	9,174	8,785	6,979
Tax	104	193	312	263	164	171
Profit for the period	1,487	2,323	4,981	8,911	8,621	6,808
A.P. Møller - Mærsk A/S' share	1,453	2,284	4,950	8,879	8,593	6,776
Underlying profit[1]	1,346	2,561	4,863	8,818	8,553	7,469
Balance sheet						
Total assets	83,500	85,490	93,680	89,058	80,426	73,031
Total equity	56,427	55,833	65,032	60,231	52,586	44,940
Invested capital	49,343	50,322	52,410	53,386	49,195	45,167
Net interest-bearing debt	-7,090	-7,002	-12,632	-6,855	-3,356	-689
Cash flow statement						
Cash flow from operating activities	2,758	5,334	8,200	9,444	8,611	8,221
Capital lease instalments – repayments of lease liabilities	822	825	861	811	762	646
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	738	838	895	906	1,008	1,354
Cash flow from financing activities	-3,334	-10,726	-1,601	-1,968	-3,046	-7,520
Free cash flow	1,581	4,224	6,462	7,787	6,844	6,014
Financial ratios						
Revenue growth	-40.0%	-26.4%	-3.7%	37.1%	52.1%	55.1%
EBITDA margin	22.4%	27.9%	36.7%	47.7%	47.7%	47.1%
EBIT margin	12.4%	16.4%	28.7%	41.6%	41.5%	37.7%
Cash conversion	95%	134%	125%	87%	83%	90%
Return on invested capital after tax (ROIC) (last twelve months)	34.3%	49.1%	60.4%	66.6%	62.5%	53.6%
Equity ratio	67.6%	65.3%	69.4%	67.6%	65.4%	61.5%
Underlying ROIC[1] (last twelve months)	34.1%	49.0%	61.2%	68.1%	64.2%	55.4%
Underlying EBITDA[1]	2,916	4,037	6,517	10,851	10,289	9,186
Underlying EBITDA margin[1]	22.5%	28.4%	36.6%	47.7%	47.5%	47.6%
Underlying EBIT[1]	1,469	2,563	5,002	9,381	8,924	7,937
Underlying EBIT margin[1]	11.3%	18.0%	28.1%	41.2%	41.2%	41.1%
Stock market ratios						
Earnings per share, USD	85	131	278	488	466	364
Diluted earnings per share, USD	85	131	277	487	464	363
Cash flow from operating activities per share, USD	163	306	461	519	467	442
Share price (B share), end of period, DKK	11,975	12,445	15,620	13,865	16,555	20,370
Share price (B share), end of period, USD	1,745	1,816	2,242	1,817	2,313	3,040
Total market capitalisation, end of period, USD	29,273	30,957	39,135	32,099	42,108	55,662

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. Moller - Maersk's share of mentioned items in joint ventures and associated companies and, when applicable, the adjustments are net of tax.

AMOUNTS IN USD MILLION A.P. MOLLER - MAERSK INTERIM REPORT Q2 | 4 AUGUST 2023 25

Definition of terms

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

A

A.P. Moller - Maersk
A.P. Moller - Maersk is referred to as the consolidated group of companies and A.P. Møller - Mærsk A/S as the parent company.

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. 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 treasury shares.

Cost base
EBIT costs including VSA income and hub income and adjustments for restructuring costs, the result from associated companies and gains/losses.

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.

Logistics & Services, Top 200 organic growth
Logistics & Services' organic revenue increase from the top 200 Ocean customers excluding freight forwarders. The top 200 Ocean customers are selected annually based on Ocean volumes.

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.

O

Ocean, average operated fleet capacity (TEU in '000)
Average Ocean fleet capacity for the period excluding idle vessels.

Ocean, loaded freight rate (USD per FFE)
Average freight rate per FFE for all the A.P. Moller - Maersk containers loaded in the period in either Maersk Line or Hamburg Süd vessels or third parties (excluding intermodal). Hamburg Süd is not excluding intermodal.

Ocean, unit cost, fixed bunker (USD per FFE incl. VSA income)
Cost per FFE assuming a bunker price at USD 550/tonne excluding intermodal but including hubs and time charter income. Hamburg Süd is not excluding intermodal.

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.

S

Spot conversion rate
Spot conversion is spot volumes divided by convertible shipment volumes.

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

Underlying EBIT
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.

Underlying profit/loss
Underlying profit/loss is profit/loss for the year from continuing operations adjusted for net gains/losses from 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.

Unit cost, fixed bunker
Unit cost, fixed bunker is calculated using a fixed bunker price of USD 550 USD/tonne for all periods presented.

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.