MAERSK

Q2 2022

ALL THE WAY

A.P. Møller - Mærsk A/S | Interim Report | 3 August 2022

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Webcast and dial-in information
A webcast relating to the Q2 2022 Interim Report will be held on 3 August 2022 at 11.00 (CET). Dial-in information on investor.maersk.com.

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

The Interim Report for Q2 2022 of A.P. Møller - Mærsk A/S (further referred to as A.P. Moller - Maersk as the consolidated group of companies) has been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board (IASB) and adopted by the EU and additional Danish disclosure requirements for interim financial reporting of listed companies.

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

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

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

Financial calendar

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Interim Report Q3 2022

8 February 2023
Annual Report 2022

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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 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 record results in Q2 2022 as revenue increased by 52%, and both EBITDA and EBIT more than doubled compared to Q2 2021. Profit was USD 8.6bn (USD 3.7bn) for Q2 and USD 15.4bn (USD 6.5bn) for H1.

The company's focus remains on assisting customers who continue to face exceptional conditions with persisting landside congestion particularly in the United States and Europe. The acquisitions of Pilot Freight Services and Senator International were completed in Q2, and A.P. Moller - Maersk further strengthened its air freight offering by launching Maersk Air Cargo. In Russia, A.P. Moller - Maersk continues the process of winding down operations with the intent to ultimately leave the country.

Highlights Q2 2022

Revenue for Q2 increased by USD 7.4bn to USD 21.7bn (USD 14.2bn), mainly due to an increase in Ocean of USD 6.3bn, while revenue increased by USD 1.3bn in Logistics & Services and by USD 155m in Terminals. **EBITDA** increased by USD 5.3bn to USD 10.3bn (USD 5.1bn) and **EBIT** increased by USD 4.9bn to USD 9.0bn (USD 4.1bn) with an increase in:

- Ocean by USD 4.9bn to USD 8.5bn (USD 3.6bn), mainly driven by significantly higher freight rates as contract rates continued to be strong despite a progressive softening of short-term rates, slightly offset by a decrease in volumes and by higher costs related to bunker, handling and network.

- Logistics & Services to USD 234m (USD 153m), mainly due to higher volumes from new customer wins, increased spending from existing customers and acquisitions.

- Terminals to USD 316m (USD 302m), mainly due to higher storage income, partly offset by higher costs.

Free cash flow increased to USD 6.8bn (USD 3.2bn), due to strong cash flows from operating activities of USD 8.6bn (USD 4.1bn), partly offset by CAPEX of USD 1.0bn (USD 452m) and higher capitalised lease instalments of USD 762m (USD 453m), mainly related to vessels and aircraft.

Total distribution of cash to shareholders through share buy-backs was USD 553m in Q2 2022.

On the **ESG agenda**, A.P. Moller - Maersk's terminal business reached an important milestone towards achieving net zero greenhouse gas emissions in 2040 after having successfully transitioned eight of its European terminals to operating on renewable electricity. Maersk ECO Delivery, the low-carbon shipping product, was in demand with volumes four times higher than in Q2 2021.

As communicated on 2 August, **guidance** for 2022 has been revised upwards to an underlying EBITDA of around USD 37.0bn (previously around USD 30.0bn), an underlying EBIT of around USD 31.0bn (previously around USD 24.0bn) and a free cash flow above USD 24.0bn (previously above USD 19.0bn).

Based on the improved guidance the Board of Directors has decided to increase the current **share buy-back programme** by USD 500m annually from USD 2.5bn to USD 3.0bn for the years 2022-2025.

Highlights Q2

USD million

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

Summary financial information

Income statement	Q2 2022	Q2 2021	6M 2022	6M 2021	12M 2021
Revenue	21,650	14,230	40,942	26,669	61,787
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	10,327	5,064	19,411	9,103	24,036
Depreciation, amortisation and impairment losses, net	1,418	1,087	2,925	2,112	4,944
Gain on sale of non-current assets, etc., net	37	12	64	19	96
Share of profit/loss in joint ventures and associated companies	42	95	-289	171	486
Profit before financial items (EBIT)	8,988	4,084	16,261	7,181	19,674
Financial items, net	-203	-186	-497	-416	-944
Profit before tax	8,785	3,898	15,764	6,765	18,730
Tax	164	152	335	302	697
Profit for the period	8,621	3,746	15,429	6,463	18,033
A.P. Møller - Mærsk A/S' share	8,593	3,713	15,369	6,410	17,942
Underlying profit[1]	8,553	3,732	16,022	6,444	18,170
Balance sheet					
Total assets	80,426	60,040	80,426	60,040	72,271
Total equity	52,586	35,282	52,586	35,282	45,588
Invested capital	49,195	41,481	49,195	41,481	44,043
Net interest-bearing debt	-3,356	6,216	-3,356	6,216	-1,530
Cash flow statement					
Cash flow from operating activities	8,611	4,137	16,832	7,570	22,022
Capital lease instalments – repayments of lease liabilities	762	453	1,408	1,082	2,279
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	1,008	452	2,362	781	2,976
Cash flow from financing activities	-3,046	-2,143	-10,566	-4,677	-7,900
Free cash flow	6,844	3,230	12,858	5,602	16,537
Financial ratios					
Revenue growth	52.1%	58.2%	53.5%	43.6%	55.5%
EBITDA margin	47.7%	35.6%	47.4%	34.1%	38.9%
EBIT margin	41.5%	28.7%	39.7%	26.9%	31.8%
Cash conversion	83%	82%	87%	83%	92%
Return on invested capital after tax (ROIC) (last twelve months)	62.5%	23.7%	62.5%	23.7%	45.3%
Equity ratio	65.4%	58.8%	65.4%	58.8%	63.1%
Underlying ROIC[1] (last twelve months)	64.2%	24.0%	64.2%	24.0%	45.7%
Underlying EBITDA[1]	10,289	5,064	19,475	9,103	24,036
Underlying EBITDA margin[1]	47.5%	35.6%	47.6%	34.1%	38.9%
Underlying EBIT[1]	8,924	4,070	16,861	7,162	19,808
Underlying EBIT margin[1]	41.2%	28.6%	41.2%	26.9%	32.1%
Stock market ratios					
Earnings per share, USD	466	194	830	333	941
Diluted earnings per share, USD	464	193	827	332	938
Cash flow from operating activities per share, USD	467	215	909	393	1,155
Share price (B share), end of period, DKK	16,555	18,025	16,555	18,025	23,450
Share price (B share), end of period, USD	2,313	2,883	2,313	2,883	3,576
Total market capitalisation, end of period, USD	42,108	54,076	42,108	54,076	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. 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

Review Q2 2022

Delivering strong financial results with clear customer focus

A.P. Moller - Maersk's strong financial results continued in Q2 2022, with higher profits compared to Q2 2021 in all three major businesses and record operational results in Ocean and Logistics & Services.

In particular, the profit in Ocean increased significantly through higher freight rates driven by strong contract rates. Record profitability in Logistics & Services came from both acquisitions and organic revenue growth, with new customer wins, increased business with existing customers and realised customer synergies between Logistics & Services and Ocean. The increase in Terminals was driven by storage income in North America, Consumer Price Index (CPI) related tariff increases and higher volumes offset by cost increases.

Landside congestion continues to be an issue around the world, with additional pressure from the Chinese lockdown which affected most upstream operations. A.P. Moller - Maersk continues to assist contract customers facing these exceptional conditions, supporting their supply chains by alleviating the persisting landside congestion, through investing in additional equipment and increasing the capacity allocated to contracted volumes.

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, and the process of divesting assets, including a minority stake of 30.75% of Global Ports Investments (GPI), is ongoing.

The impact on EBIT from the Russia/Ukraine situation was less negative due to a reversal in Q2 of USD 93m of certain losses and impairments in Ocean previously recognised in Q1. USD 70m relates to more containers successfully being evacuated from the affected areas than previously anticipated.

The net EBIT impact for H1 2022 is negative USD 624m.

Russia/Ukraine EBIT impact

USD million

	Q1 2022	Q2 2022	H1 2022
Ocean	-162	93	-69
Logistics & Services	-53	1	-52
Terminals	-485	-	-485
Towage & Maritime Services	-18	-	-18
Total	**-718**	**94**	**-624**

Status on acquisitions

The acquisition of Pilot Freight Services (Pilot) was completed in early May and the acquisition of Senator International in early June.

Both Pilot and Senator International have been reported in the financials for Logistics & Services for the first time in May and June respectively.

Status on other intended acquisitions

The intended acquisition of LF Logistics was announced in December 2021 and is expected to close in Q3 2022. The creation of a joint venture with Grindrod Intermodal Group in which A.P. Moller - Maersk would own 51% of the stake was announced in November 2021 and is expected to close in Q4 2022. Both transactions are subject to regulatory approvals.

ESG update

A.P. Moller - Maersk has a comprehensive and ambitious ESG strategy encompassing the full scope of material sustainability risks, responsibilities and opportunities for the company. A.P. Moller - Maersk is guided by three core commitments:

- **Environment**: take leadership in the decarbonisation of logistics
- **Social**: ensure that people thrive at work by providing a safe and inspiring workplace
- **Governance**: operate based on responsible business practices.

Progress highlights for Q2 are outlined below. For a full overview of A.P. Moller - Maersk's ESG strategy and roadmap, please see WWW.MAERSK.COM/SUSTAINABILITY.

Eight terminals in Europe now operating on renewable electricity

A.P. Moller - Maersk has an ambitious target of achieving net zero emissions across all scopes by 2040 and an emission reduction target of 70% (scope 1 and 2) by 2030 for Terminals specifically. One of the major pillars of Terminals' decarbonisation strategy is to radically reduce the company's consumption of fossil fuels across terminals by transitioning to the use of electricity from renewable sources for controlled terminals.

After switching to renewable electricity in APM Terminals Aarhus, Denmark, earlier this year, the company has achieved an important milestone, with all electric equipment at eight European terminals now powered by renewable electricity.

A.P. Moller - Maersk joins initiative to accelerate transition to net zero steel industry

Steel is the world's most widely used material and steel-making is currently a major source of carbon emissions globally, second only to the cement industry. As an important consumer of steel as well as supplier of scrap steel for recycling, A.P. Moller - Maersk has decided to join Climate Group SteelZero (SZ), in order to send a clear demand signal and catalyse the transition to sustainable steel.

Increased market demand for Maersk ECO Delivery shipping product

Growth in demand for Maersk ECO Delivery continued in Q2, with volumes four times higher than in Q2 2021. Maersk ECO Delivery customers pay a green premium for a low-carbon shipping product, which provides certified carbon emissions savings. With this product, A.P. Moller - Maersk enables customers to take action to reduce their greenhouse gas emissions in a flexible and convenient way.

Svitzer announces strategy for fully carbon neutral operations by 2040

Under its recently unveiled two-stage decarbonisation strategy, Svitzer aims to reduce the carbon intensity of its entire fleet of tugs by 50% by 2030 compared to a 2020 baseline. This will pave the way for fully carbon-neutral operations just ten years' later in 2040, in alignment with corporate goals.

Increase in employee satisfaction

A.P. Moller - Maersk is committed to improving employee engagement across the organisation and the results of the bi-annual engagement survey show continued progress. On 11 out of the 12 engagement items, A.P. Moller - Maersk scores are above the median in Gallup's global database, and the company is confident that the target of reaching a top-quartile score by 2025 is within reach.

Fatalities

In the first half of 2022, six fatalities have occurred across the A.P. Moller - Maersk business lines, impacting three A.P. Moller - Maersk employees and three persons employed by third parties while performing work on A.P. Moller - Maersk premises. The company is deeply saddened and committed to full transparency, applying all efforts to learn from these tragic events and work towards eliminating the factors and managing the critical risks that lead to fatal incidents.

Stepping up in the fight against sexual harassment

Following an internal investigation focused on inclusion, A.P. Moller - Maersk has launched several initiatives to ensure that the working environment across all parts of the company is safe, supportive and welcoming to all. Specially for the seafaring population, this includes active outreach to female seafaring colleagues to gather their first-hand accounts of the culture at sea notably around sexual harassment. The conversations, which are still taking place, unfortunately confirms that cultural change is needed. The company is fully committed to creating a safe workplace for all and has a dedicated team working on the cultural transformation and collaborates with subject matter experts in the field of anti-sexual assault/sexual harassment (SASH), as well as with other industry participants and advocates.

Change in management

As communicated, Morten Engelstoft, decided to retire as CEO of APM Terminals by the end of June 2022. Morten Engelstoft has been succeeded in the CEO role by Keith Svendsen, with Henriette Hallberg Thygesen as the Chairperson.

Delivering on the roadmap to 2025

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

The return on invested capital (ROIC) (LTM) was 62.5%, well above the target of above 7.5% every year, and above 12% for the period 2021-2025, driven by the increase in profit.

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

A.P. Moller - Maersk has a total commitment of USD 10bn (around DKK 64bn) in two share buy-back programmes of each USD 5bn (around DKK 32bn) with the first initiated in November 2021 and the second initiated in May 2022.

Ocean delivered an EBIT margin of 45.0% over the last twelve months, well above the target of 6% under normalised conditions. Total fleet capacity is within the range of 4.1-4.3m TEU.

For Logistics & Services, organic growth of 35% over the last twelve months was above the target of 10%, and 61% of the organic growth related to top 200 customers was also above the target of 50%. Finally, the EBIT margin of 6.2% was above the target of above 6%, making Logistics & Services the strategic growth driver for the company. In addition to rapid organic growth, the expectation is to continue to make acquisitions, mainly of new capabilities and growth platforms, to expand the logistics business.

The return on invested capital (ROIC) (LTM) was 7.4% for Terminals in Q2 and lower than the expectation of above 9% towards 2025. Excluding the impact from Russia, ROIC (LTM) was 13.1%.

Roadmap to 2025

	Targets	LTM
Consolidated		
Return on invested capital (ROIC):		
Every year	> 7.5%	
Average 2021-2025	> 12.0%	62.5%
– CAPEX and leases at depreciation level		
– Stable invested capital over the period		
Dividend policy of underlying net profit	30-50%	
Share buy-back over 2022-2023, USDm (of which completed)	5,000	1,600
Share buy-back over 2024-2025, USDm	5,000	-
Ocean		
EBIT margin – under normalised conditions	> 6%	45.0%
Execute with the existing fleet size, TEUm	4.1-4.3	4.3
Logistics & Services		
Organic revenue growth per year	>10%	35%
Of which from top 200 customers	50%	61%
EBIT margin	> 6%	6.2%
Terminals		
Return on invested capital (ROIC)	> 9%	7.4%

Financial review Q2 2022

Revenue increased by USD 7.4bn to USD 21.7bn (USD 14.2bn), with increases in Ocean of USD 6.3bn, in Logistics & Services of USD 1.3bn and in Terminals of USD 155m. The increase in Ocean was driven by higher freight rates, partly offset by lower volumes. Short-term rates have softened from their peak, but are still higher than a year ago, while the more important contract rates have continued to increase given the continuing congestion.

EBITDA increased to USD 10.3bn (USD 5.1bn), primarily coming from Ocean with an EBITDA of USD 9.6bn (USD 4.4bn), driven by an increase in revenue due to higher freight rates, partly offset by a decrease in volumes and by higher costs related to bunker, handling and network. In Logistics & Services, EBITDA increased by USD 121m to USD 337m (USD 216m) due to the higher revenue, and in Terminals, EBITDA increased by USD 30m to USD 400m (USD 370m) because of higher storage income, the increase in volume, and CPI-related tariff increases partly offset by increases in costs.

EBIT increased to USD 9.0bn (USD 4.1bn) as a result of the increase in EBITDA.

Financial items, net, amounted to USD 203m (USD 186m), as increased interest income was more than offset by foreign exchange rate adjustments and derivative losses on hedging from share buy-back.

Tax increased to USD 164m (USD 152m), primarily due to the improved financial performance.

The underlying profit was USD 8.6bn (USD 3.7bn).

Cash flow from operating activities was USD 8.6bn (USD 4.1bn), driven by EBITDA of USD 10.3bn, partly offset by an increase in net working capital of USD 1.2bn, mainly driven by higher receivables due to higher revenue, translating into a cash conversion of 83% (82%).

Gross capital expenditure (CAPEX) of USD 1.0bn (USD 452m) was driven by higher investments across all segments, with Ocean and Logistics & Services being the main drivers.

Free cash flow of USD 6.8bn (USD 3.2bn) was positively impacted by higher cash flow from operating activities, slightly offset by increased lease and financial payments and higher capital expenditures

Contractual capital commitments totalled USD 4.2bn (USD 3.3bn at year-end 2021), of which USD 2.0bn is for Ocean vessels and equipment, including green methanol-enabled vessels and USD 1.1bn is related to commitments towards terminal concession grantors.

Capital structure and credit rating

Net interest-bearing debt decreased to a net cash position of USD 3.4bn (a net cash position of USD 1.5bn at year-end 2021), as free cash flow of USD 12.9bn for the first six months was partly used for share buy-backs of USD 1.2bn, dividends paid of USD 6.9bn, acquisition of companies of USD 2.1bn of which USD 597m is related to settlement of debt and USD 1.5bn is related to acquisition of companies, and an increase in lease liabilities of USD 785m. Excluding lease liabilities, the Group had a net cash position of USD 14.7bn (USD 12.1bn at year-end 2021).

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

The liquidity reserve increased to USD 23.6bn (USD 21.5bn at year-end 2021) and was composed of liquid funds and term deposits of USD 17.6bn, excluding restricted cash (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

The Annual General Meeting has approved a total commitment of USD 10bn (around DKK 64bn).

During Q2, A.P. Moller - Maersk bought back 40,771 A shares and 163,466 B shares, worth DKK 3.86bn (approximately USD 553m), and no shares were bought for the long-term incentive programme. At 30 June 2022, A.P. Moller - Maersk owns a total of 55,811 A shares and 316,838 B shares as treasury shares, corresponding to 1.99% of the share capital.

At the Annual General Meeting on 15 March 2022, the cancellation of 133,779 A shares and 535,076 B shares was approved and the cancellation was completed in Q2.

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

Financial review H1 2022

Revenue increased by USD 14.3bn to USD 40.9bn (USD 26.7bn), with substantial increases particular in Ocean of USD 12.4bn, in Logistics & Services of USD 2.2bn, and in Terminals of USD 371m.

The increase in Ocean was driven by significantly higher freight rates, given the continuing congestion, partly offset by lower volumes. While contract rates continued to increase, short-term rates have slightly softened during Q2. The increase in Logistics & Services was primarily due to significant volume growth, but also margin improvements, enabled both through increased volume share with existing customers and acquisitions, new customer wins and customer synergies between Logistics & Services and Ocean. The increase in Terminals was mainly driven by storage income in North America and continued higher volume.

EBITDA increased significantly to USD 19.4bn (USD 9.1bn). Ocean contributed with an increased EBITDA of USD 17.8bn (USD 7.8bn), driven by higher revenue due to higher freight rates, partly offset by lower volumes and higher bunker costs from increased bunker prices, handling and network. In Logistics & Services, the increased EBITDA of USD 656m (USD 421m) was due to the higher revenue, and in Terminals, EBITDA of USD 856m (USD 693m) was positively impacted by higher storage income, the increase in volume and increasing tariffs.

EBIT increased by USD 9.1bn to USD 16.3bn (USD 7.2bn), positively impacted by the improved EBITDA with a negative impact from the Russia/Ukraine situation of USD 624m. The EBIT margin increased to 39.7% (26.9%). The impact from the Russia/Ukraine situation amounted to USD 69m in Ocean, USD 52m in Logistics & Services, USD 485m in Terminals related to an impairment to the holding in Global Ports Investments as a result of the withdrawal of business in Russia and USD 18m in Towage & Maritime Services.

Financial items, net, amounted to USD 497m (USD 416m), negatively impacted by losses on foreign exchange rate adjustments and derivative losses.

Tax increased to USD 335m (USD 302m), primarily due to improved financial performance.

The underlying profit after financial items and tax was USD 16.0bn (USD 6.4bn).

Cash flow from operating activities was USD 16.8bn (USD 7.6bn), positively impacted by the increase in EBITDA of USD 10.3bn, offset by a negative change in net working capital of USD 2.3bn, leading to a cash conversion of 87% (83%).

Gross capital expenditure (CAPEX) was USD 2.4bn (USD 781m), driven by higher investments across all segments.

Free cash flow increased to USD 12.9bn (USD 5.6bn), positively impacted by higher cash flow from operating activities, partly offset by higher gross CAPEX and increased lease payments and financial payments.

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

Total equity increased to USD 52.6bn (USD 45.6bn on 31 December 2021), mainly driven by higher net profit of USD 15.4bn, partially offset by dividends payments and share repurchase resulting in an equity ratio of 65.4% (63.1% at year-end 2021).

Highlights H1

USD million

	Revenue		EBITDA		EBIT		CAPEX	
	2022	2021	2022	2021	2022	2021	2022	2021
Ocean	32,982	20,550	17,812	7,844	15,598	6,280	1,673	506
Logistics & Services	6,381	4,213	656	421	417	292	320	57
Terminals	2,255	1,884	856	693	243	541	185	109
Towage & Maritime Services	1,134	1,052	160	184	85	105	174	105
Unallocated activities, eliminations, etc.	-1,810	-1,030	-73	-39	-82	-37	10	4
A.P. Moller - Maersk consolidated	**40,942**	**26,669**	**19,411**	**9,103**	**16,261**	**7,181**	**2,362**	**781**

Guidance for 2022

As announced on 2 August, given the strong results of Q2 2022, the longer than anticipated continuation of supply chain congestion, and subsequent higher freight rates, full-year 2022 guidance has been revised upwards to an underlying EBITDA of around USD 37.0bn (previously around USD 30.0bn), an underlying EBIT of around USD 31.0bn (previously around USD 24.0bn) and a free cash flow (FCF) above USD 24.0bn (previously above USD 19.0bn).

Guidance is now based on an expectation of a gradual normalisation in Ocean taking place early in Q4 2022.

Given the volume developments in Q2, A.P. Moller - Maersk has revised its 2022 outlook for the growth of global container demand to the lower end of the +/- 1% range.

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

Based on the improved guidance the Board of Directors has decided to increase the current share buy-back programme by USD 500m annually from USD 2.5bn to USD 3.0bn for the years 2022-2025.

Guidance 2022 – development

USD million

	New guidance 2 August	Previous guidance 26 April	Initial guidance 9 February
Underlying EBITDA - around	37.0	30.0	24.0
Underlying EBIT - around	31.0	24.0	19.0
Free cash flow (FCF) - above	24.0	19.0	15.0

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

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

Sensitivity guidance

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

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

Factors	Change	Effect on EBIT (midpoint of guidance) Rest of year
Container freight rate	+/- 100 USD/FFE	+/- USD 0.6bn
Container freight volume	+/- 100,000 FFE	+/- USD 0.2bn
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

Market insights

Demand for logistics services continued to moderate across global supply chains in Q2 2022. The war in Ukraine weighed on consumer and company sentiment and added to higher inflation via energy and other commodity prices. While the Omicron wave of COVID-19 faded in large parts of the world and congestion began to ease in some parts of the logistics supply chain, lockdowns in China once again challenged supply networks.

Short-term economic indicators turned negative in Q2. Euro Area PMI surveys declined in June, above all in the manufacturing sector. Consumer sentiment also slowed. With price indices remaining very high, the Euro Area appears to have entered a period of 'stagflation'. While the ongoing invasion in Ukraine has added to global inflationary pressures via higher energy and commodity prices, Europe and many emerging and developing economies are now among the most exposed to the fallout from the war. In the USA, underlying demand held up more firmly in Q2, but short-term indicators suggest weaker growth going forward, as exemplified by the sharp deterioration of business and consumer sentiment in July. In response to inflation, the US Federal Reserved recently hiked interest rates by 0.75%, adding further to downward pressure on the US housing market and overall activity.

Global container volumes declined by 2.3% in Q2, following -1.7% in Q1 2022 compared to Q1 2021, and container trade is now below the pre-pandemic trend. Meanwhile, global port throughput increased by 2.8% (Drewry), and global air cargo volumes (CTK) were 9.4% lower in April/May. Trade flow levels flattened at high levels in the USA, where consumption of technology and retail goods rose dramatically during the COVID-19 pandemic. North American container imports from the Far East fell by around 1.0% in Q2, but overall levels remain elevated. European consumption was held back by high inflation and the impact on consumer confidence from the war in Ukraine, and European container imports from the Far East fell by 5.2% in Q2. Furthermore, Chinese lockdowns constrained container exports. On the North-South trades, trade flows were also negatively impacted by high inflation as well as the Chinese port lockdowns in the spring, and container demand declined by 3.6% in Q2.

The supply side of the logistics industry continued to be disrupted by COVID-19-led capacity shortages. Container availability and air capacity remained tight, although wait times for vessels outside of ports eased, above all on the US West Coast. In Europe, supply chain congestion remained as retailers and manufacturers kept containers in ports and warehouses due to weak final demand. Port lockdowns in China due to the COVID-19 zero-tolerance policy as well as consequences from the war in Ukraine also caused strains in key areas of the logistics network.

The air freight industry remained capacity constrained during Q2, and although capacity in the commercial air industry was 3.5% higher than a year earlier (April/May 2022 vs April/May 2021), it remained well below the 2019 level. From an Ocean perspective, the nominal global container fleet stood at 25.4m TEU at the end of Q2, an increase of 3.9% compared to Q2 2021. The idle fleet increased slightly but remained low in Q2 2022 at 1.1% as the industry battled landside disruption and bottlenecks in ports. Nevertheless, lost sailings and vessel delays driven by the congestion and an ongoing compositional shift in deployment from shorter intra-regional trades to longer East-West trades continued to weigh on effective supply growth in Q2 2022. In sum, effective supply declined more than headhaul demand in Q2 compared to Q2 2021, and the demand-supply balance improved slightly.

Freight and charter rates remained elevated in the container industry, reflecting congestion, although spot/short/short-term contract rates declined in Q2 relative to Q1. Some of this decline reflected the normal seasonal pattern. The order book reached 28% of the global fleet in Q2, compared to 26% of the fleet at the end of Q1 on the back of continued high new order activity. Freight rates out of China, as measured by the China Composite Freight Index (CCFI), were 46% higher in Q2 2022 than Q2 2021.

The continued congestion and dislocation of supply and demand fundamentals in the logistics industry increases the uncertainty surrounding the outlook for freight rates. On the demand side, sharply rising prices reduce real household income and may well lead consumers to adjust their spending plans. The Russian invasion of Ukraine has weakened the global demand outlook and significantly added to uncertainty, and overall recession risks are mounting as indicated by weak consumer and business sentiment, slowing housing markets and tighter financial conditions. Global container demand is projected to stay flat at the lower end of +/- 1% in 2022, but downside risks dominating, while air and land-side logistics demand is expected to remain more robust through 2022. On the supply side, supplier delivery times remain lengthy, and it is still uncertain when capacity constraints including landside bottlenecks in trucking and warehousing will abate.

Segments

Ocean

Profitability for Q2 increased substantially compared to the same quarter last year, driven primarily by significantly higher freight rates, given the continuing congestion. While contract rates continued to increase, short-term rates have slightly softened during the quarter. To tackle the recent China lockdown, cargoes were diverted to neighbouring ports to avoid the congestion in Shanghai. Nonetheless, the continuous disruptions in Europe and North America have led to volume declines in these two markets. As a result, the loaded volumes decreased by 7.4%.

The average loaded freight rates increased by 64%, driven by both contracts and shipment rates on routes from Asia to Europe and to North America. Unit cost at fixed bunker increased by 14%, driven by higher network and container-handling costs and lower volumes. Utilisation on offered capacity remained strong at 92.5% and while schedule reliability in Q2 was industry-leading, challenges remain due to increased congestion in Europe and the ongoing congestions in the United States on both the West and East Coast, while congestions in Asia began to ease at the end of Q2.

A.P. Moller - Maersk continued to focus on supporting customers' supply chains by alleviating bottlenecks through adequate availability of equipment and adapting the networks to the customer needs.

Digitalisation of the product offering continues with increased traction for Maersk Spot and Maersk Twill. Maersk Spot has reached a 66% (35%) conversion across all brands, and Maersk Twill has delivered over 78k FFE (59k FFE) in Q2.

Financial and operational performance

Revenue increased to USD 17.4bn (USD 11.1bn), driven by an increase in freight revenue of 57% with loaded freight rates up by 64%, partly offset by a decrease in volumes of 7.4%.

EBITDA increased by USD 5.2bn to USD 9.6bn (USD 4.4bn) due to higher revenue, partly offset by higher bunker costs from increased bunker prices, higher container-handling

Ocean highlights

USD million

	Q2 2022	Q2 2021	6M 2022	6M 2021	12M 2021
Freight revenue	15,350	9,788	28,910	17,990	42,374
Other revenue, including hubs	2,062	1,284	4,072	2,560	5,858
Revenue	**17,412**	**11,072**	**32,982**	**20,550**	**48,232**
Container-handling costs	2,623	2,465	5,167	4,827	9,775
Bunker costs	2,193	1,295	3,843	2,388	5,369
Network costs, excluding bunker costs	1,844	1,817	3,805	3,463	7,189
Selling, General & Administration (SG&A)	749	660	1,426	1,314	2,795
Cost of goods sold and other operational costs	396	373	828	626	1,629
Total operating costs	**7,805**	**6,610**	**15,069**	**12,618**	**26,757**
Other income/costs, net	-9	-62	-101	-88	-43
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**9,598**	**4,400**	**17,812**	**7,844**	**21,432**
EBITDA margin	55.1%	39.7%	54.0%	38.2%	44.4%
Profit before financial items (EBIT)	**8,526**	**3,580**	**15,598**	**6,280**	**17,963**
EBIT margin	49.0%	32.3%	47.3%	30.6%	37.2%
Invested capital	**33,422**	**28,600**	**33,422**	**28,600**	**30,529**
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	517	313	1,673	506	2,003
Operational and financial metrics					
Loaded volumes (FFE in '000)	3,095	3,341	6,101	6,563	13,089
Loaded freight rate (USD per FFE)	4,983	3,038	4,771	2,853	3,318
Unit cost, fixed bunker (USD per FFE incl. VSA income)	2,327	2,039	2,382	2,014	2,102
Bunker price, average (USD per tonne)	827	475	718	437	484
Bunker consumption (tonne in '000)	2,651	2,725	5,350	5,469	11,090
Average fleet capacity (TEU in '000)	4,282	4,113	4,286	4,109	4,171
Fleet owned (end of period)	318	306	318	306	311
Fleet chartered (end of period)	413	412	413	412	427

costs from ongoing congestions and higher network costs, mainly due to time-charter equivalent costs. The EBITDA margin increased by 15.4 percentage points to 55.1% (39.7%). Consequently, **EBIT** increased by USD 4.9bn to USD 8.5bn (USD 3.6bn).

Loaded **volumes** decreased by 7.4% to 3,095k FFE (3,341k FFE) due to weaker markets and operational bottlenecks. Volumes on East-West decreased mainly from the Asia-Europe route and the backhaul trades. North-South decreased on both headhaul and backhaul volumes. Intra-regional volumes decreased, driven by a decrease in Intra-Europe volumes.

The **average loaded freight** rate increased by 64% to 4,983 USD/FFE (3,038 USD/FFE), driven by significant increase on both contracts and shipment rates, with the sharpest increase on Transpacific and Asia-Europe trades.

Total operating costs were 18% higher at USD 7.8bn (USD 6.6bn), mainly driven by higher bunker costs with an increase of 74% on bunker prices, slightly offset by lower consumption. Network costs excluding bunker costs increased by 1.5%, mainly due to higher slot charter costs. Container-handling costs increased by 6.4%, primarily due to higher transportation costs of empty containers. Adjusting for the positive impact of foreign exchange rates, operating costs increased by 20%.

Bunker costs increased by 69% to USD 2.2bn (USD 1.3bn), with an increase in average bunker prices of 74% to 827 USD/tonne (475 USD/tonne), partially offset by a 2.7% decrease in bunker consumption. Bunker efficiency decreased by 2.2% to 41.9 g/TEU*NM (41.00 g/TEU*NM).

Unit cost at fixed bunker increased by 14% to 2,327 USD/FFE (2,039 USD/FFE) driven by higher time-charter equivalent costs, container-handling costs and foreign feeders. Due to successful evacuation of equipment from Russia, USD 81m of cost provisions were released during the quarter. Adjusting for this, unit cost at fixed bunker would be 15% higher at 2,353 USD/FFE.

The average operated capacity of 4,282k TEU increased by 4.1%. A total of 13 carbon-neutral vessels are in the new-building programme by the end of Q2. The fleet consisted of 318 owned and 413 chartered vessels, of which 162k TEU or 3.8% of the fleet were idle (27 vessels), mainly due to repairs.

Loaded volumes

FFE ('000)

	Q2 2022	Q2 2021	Change	Change %
East-West	1,434	1,548	-114	-7.4%
North-South	961	1,034	-73	-7.1%
Intra-regional	700	759	-59	-7.8%
Total	**3,095**	**3,341**	**-246**	**-7.4%**

Average freight rates

USD/FFE

	Q2 2022	Q2 2021	Change	Change %
East-West	5,598	3,148	2,450	77.8%
North-South	5,713	3,764	1,949	51.8%
Intra-regional	2,992	1,841	1,151	62.5%
Total	**4,983**	**3,038**	**1,945**	**64.0%**

Fleet overview, end Q2 2022

	Q2 2022	Q4 2021
TEU		
Own container vessels	2,388	2,368
Chartered container vessels	1,862	1,937
Total fleet	**4,250**	**4,305**
Number of vessels		
Own container vessels	318	311
Chartered container vessels	413	427
Total fleet	**731**	**738**

Key initiatives in Q2

Ocean continues to partner with key customers, offering contract customers additional flexibility and space to help with volatility in their supply chains. As a result of continuous strategic focus on customer stability and resilience, the share of contract volumes on long-hauls increased to 72% (70%). More than 1.9m FFE are currently signed on multi-year deals.

Chinese authorities have allowed A.P. Moller - Maersk to conduct international cargo relay in China, making it the first foreign carrier to perform transhipment between two Chinese ports. This initiative will improve services through optimised networks and could potentially address some of the factors behind the bottlenecks in Chinese supply chains, shortening transit times, reducing emissions and freeing up additional capacity.

A.P. Moller - Maersk continues to expand on digital engagement models like Maersk Spot to serve the short-term customers. Maersk Spot increased the share of short-term volumes on the Spot product to 66% (35%).

Twill, the end-to-end digital product designed for small customers without in-house logistic capabilities, delivered more than 78k FFE (59k FFE) in Q2.

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Revenue increased by 61% to USD 33.0bn (USD 20.6bn), driven by an increase in loaded freight rate of 67%, partly offset by 7.0% less volumes. The EBITDA margin increased by 15.8 percentage points to 54.0% at USD 17.8bn (USD 7.8bn), and the EBIT margin increased by 16.7 percentage points to 47.3% at USD 15.6bn (USD 6.3bn).

Total operating costs increased by 19% to USD 15.1bn (USD 12.6bn), driven by increase in bunker cost of 61% due to higher price, increased container-handling costs of 7.0% and higher network costs excl. bunker of 9.9%. Adjusting for the positive impact of foreign exchange rates, operating costs increased by 21%.

Logistics & Services

Logistics & Services delivered strong Q2 2022 results as the segment continues to improve its ability to deliver end-to-end solutions throughout the entire supply chain.

All Logistics & Services product families showed positive revenue progression, especially in Fulfilled by Maersk and in Managed by Maersk. This performance is primarily the result of organic growth from new customer wins, increased share of logistics spend with existing customers and the closure of announced acquisitions.

Logistics & Services continues to build more resilient and integrated supply chain journeys through the launch of A.P. Moller - Maersk's own controlled capacity offering, Maersk Air Cargo.

A.P. Moller - Maersk was named a Leader by Gartner in the 2022 Gartner Magic Quadrant for Third-Party Logistics.

Financial and operational performance

Revenue increased by 61% to USD 3.5bn (USD 2.2bn), driven primarily by higher volumes, especially within Fulfilled and Managed by Maersk.

Organic/inorganic

USD million

	Q2-21A	Organic	Inorganic	Q2-22A
Revenue	2,168	790	544	3,502
		36%	25%	
EBITA	164	77	21	262

Organic revenue increased by USD 790m implying 36% revenue growth. 71% of the organic revenue growth came from top 200 customers underlining the integrator strategy. The increase in organic EBITA was USD 77m. Inorganically, B2C Europe, Visible Supply Chain Management, Pilot and Senator International contributed with a revenue of USD 544m and an EBITA of USD 21m. Pilot and Senator International were reported for the first time as part of the Logistics & Services financials in May and June, respectively.

Logistics & Services highlights

USD million

	Q2 2022	Q2 2021	6M 2022	6M 2021	12M 2021
Revenue	**3,502**	**2,168**	**6,381**	**4,213**	**9,830**
Direct costs (third-party costs)	2,610	1,605	4,724	3,139	7,396
Gross profit	**892**	**563**	**1,657**	**1,074**	**2,434**
Direct Operating Expenses	358	222	655	417	967
Selling, General & Administration (SG&A)	197	125	346	236	560
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**337**	**216**	**656**	**421**	**907**
EBITDA margin	9.6%	10.0%	10.3%	10.0%	9.2%
Earnings before interest, taxes, and amortisation (EBITA)	**262**	**164**	**466**	**314**	**678**
EBITA margin	7.5%	7.6%	7.3%	7.5%	6.9%
Profit before financial items (EBIT)	**234**	**153**	**417**	**292**	**623**
EBIT margin	6.7%	7.1%	6.5%	6.9%	6.3%
Invested capital	**5,971**	**1,828**	**5,971**	**1,828**	**3,130**
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	286	36	320	57	460
Operational and financial metrics					
EBIT conversion (EBIT/gross profit - %)	26.2%	27.2%	25.2%	27.2%	25.6%
Managed by Maersk revenue	570	317	1,084	665	1,578
Fulfilled by Maersk revenue	882	480	1,679	937	2,320
Transported by Maersk revenue	2,050	1,371	3,618	2,611	5,932
Supply chain management volumes (kcbm)	29,602	20,696	56,092	41,380	98,394
Intermodal volumes (kFFE)	1,209	1,082	2,365	2,119	4,491
Air freight volumes (tonne)	53,474	36,930[1]	84,632	70,859[1]	163,838[1]

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

Managed by Maersk revenue increased by USD 253m to USD 570m (USD 317m), driven by a 43% increase in volumes in lead logistics to 29,602 kcbm (20,696 kcbm). The increase in volume is both a result of strong organic growth from retail and lifestyle customers as well as the effect of new business wins. Further, Customs Services volumes were up by 193k declarations to 1,400k declarations (1,207k declarations).

Fulfilled by Maersk revenue increased by USD 402m to USD 882m (USD 480m), primarily driven by contract logistics with additional volume and expanded capacity by 679 sqm since Q2 2021. Revenue from Fulfilled by Maersk was also positively impacted by e-commerce, driven by the acquisition of Visible Supply Chain Management and B2C Europe in H2 2021.

Transported by Maersk revenue was up by 50% to USD 2.0bn (USD 1.4bn), driven by an increase in intermodal volumes, improved air freight rates and volume, and higher revenue from extended liability products. Intermodal volumes were up 12% to 1,209k FFE (1,082k FFE) as the result of increased share of customer transportation spend. In Air Freight, higher rates, volumes and the consolidation of Senator International drove the improved performance with volumes up by 45% to 53.5k tonne (36.9k tonne). Revenue also increased driven by the continued strong performance of extended liability products, such as Container Protect and Value Protect.

Gross profit increased by USD 329m to USD 892m (USD 563m), driven by an increase in volumes in lead logistics and in the number of declarations handled in Customs Services under Managed by Maersk, volume growth in contract logistics under Fulfilled by Maersk, as well as increased volumes in intermodal and higher rates in air under Transported by Maersk.

EBITDA increased by USD 121m to USD 337m (USD 216m) due to the higher revenue, and the EBITDA margin was 9.6% (10.0%).

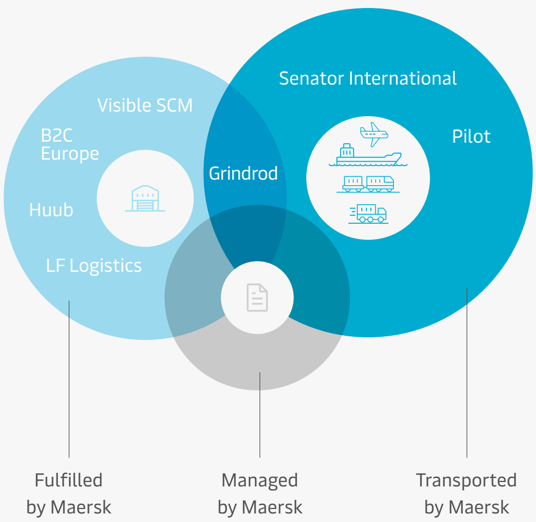
EBIT increased to USD 234m (USD 153m), and the EBIT margin was 6.7% (7.1%).

Merger & Acquisitions

The Merger & Acquisition roadmap for Logistics & Services focuses on facilitator type of acquisitions to expand capabilities. Logistics & Services announced a number of acquisitions in 2021 and most recently Pilot in Q1 2022.

Pilot, consolidated since 1 May, is complementing earlier acquisitions to provide integrated logistics solutions in North America, especially with Performance Team (B2B warehousing and distribution from 2020) and Visible SCM (e-commerce warehousing and parcel distribution from 2021).

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



Key initiatives in Q2

Logistics & Services focused on the integration of key capabilities and further strengthening the integrated logistics offerings to fulfil more of the customers' needs along their supply chain.

In Fulfilled by Maersk, B2C Europe's logistics products and services have been further integrated into the e-commerce portfolio and are now rebranded as Maersk. Combining the expertise of B2C Europe and A.P. Moller - Maersk will contribute to the strength of the Maersk brand in Europe. The global warehousing footprint continued to expand, and five new warehouses (net) were opened in Q2, equal to 178k sqm, adding to a total active capacity of 226 warehouses and 3.4m sqm.

In Transported by Maersk, the announced acquisitions of Pilot and Senator International are now finalised and the integration is processing. Logistics & Services reported the financials for Pilot in May and for Senator International as of June. Further, Maersk Air Cargo was launched as the combination of the existing in-house operator, Star Air, and a controlled capacity of eight aircraft that will be progressively deployed and operated from second half 2022 and onwards up to 2024. This new air freight capacity offering will leverage the volumes and customer relationship from Senator International to ultimately service more of A.P. Moller - Maersk's own customers.

In Managed by Maersk, TradeLens continues to expand its network and now consists of more than 400 network members. Similarly, Customs Services continue to grow and has expanded the number of customs and trade consulting products available to customers aimed to address customer's lack of visibility in their international supply chain.

A.P. Moller - Maersk also reached an important milestone and was named a Leader by Gartner in the 2022 Gartner Magic Quadrant for Third-Party Logistics, worldwide. This recognition is evidence to the journey of Logistics & Services towards creating end-to-end integrated logistics through solutions that are built to add resilience, agility and flexibility to customers' logistical networks.

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Revenue of USD 6.4bn (USD 4.2bn) was driven by increasing revenue in Managed by Maersk services to USD 1.1bn (USD 665m), Fulfilled by Maersk services to USD 1.7bn (USD 937m) and Transported by Maersk services to USD 3.6bn (USD 2.6bn). This increase was the result of intermodal volumes being up 12% to 2,365k FFE (2,119k FFE), mainly due to a higher penetration ratio into existing Ocean customers and by an increase of lead logistics volumes of 36% to 56,092 kcbm (41,380 kcbm), driven by strong growth from the existing customer base and strong commercial traction in landing new business.

EBITDA increased to USD 656m (USD 421m), and EBIT increased to USD 417m (USD 292m). When adjusting for the impact of winding down operations and divesting all assets in Russia of USD 52m in H1 2022, EBIT amounts to USD 469m.

Organic/inorganic

USD million

	H1-21A	Organic	Inorganic	H1-22A
Revenue	4,213	1,482	686	6,381
		35%	16%	
EBITA	314	131	21	466

Inorganic revenue accounted for USD 686m (USD 210m) and EBITA was USD 21m (USD 24m).

Terminals

Terminals is committed to improving performance via investment in efficiency initiatives and automation. In Q2, the initiatives gained traction and, despite global congestion and lockdowns in China, Terminals' volume exceeded last year by 1.5% (3.0% like-for-like, adjusted for exits and expiring concessions), driven by strong growth in USA and Asia.

Terminals highlights

USD million

	Q2 2022	Q2 2021	6M 2022	6M 2021	12M 2021
Revenue	**1,124**	**969**	**2,255**	**1,884**	**4,000**
Concession fees (excl. capitalised lease expenses)	97	81	187	159	339
Labour costs (blue collar)	315	284	621	564	1,151
Other operational costs	176	117	324	239	559
Selling, General & Administration (SG&A) and other costs, etc.	136	117	267	229	496
Total operating costs	**724**	**599**	**1,399**	**1,191**	**2,545**
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**400**	**370**	**856**	**693**	**1,455**
EBITDA margin	35.6%	38.2%	38.0%	36.8%	36.4%
Profit/loss before financial items (EBIT)	**316**	**302**	**243**	**541**	**1,173**
EBIT margin	28.1%	31.2%	10.8%	28.7%	29.3%
Invested capital	**7,618**	**8,822**	**7,618**	**8,822**	**8,289**
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	105	40	185	109	304
Operational and financial metrics					
Volumes – financially consolidated (moves, m)	3.3	3.2	6.4	6.3	12.8
Ocean segment	1.2	1.1	2.3	2.2	4.5
External customers	2.1	2.1	4.1	4.1	8.3
Revenue per move – financially consolidated (USD)	341	301	351	299	312
Cost per move – financially consolidated (USD)	265	234	262	235	242
Result from joint ventures and associated companies (USDm)	79	79	-313	137	297

Further to Terminals commitment to improve performance and ease congestion for its customers, Terminals recently announced the expansion of the terminal in Mobile, Alabama. Additionally in the USA, there are major projects to modernise the terminals Pier 400, Los Angeles and Port Elizabeth, New Jersey.

The drive to optimise the portfolio continues as the second exit of the year was executed with the sale of Container Terminal Wilhelmshaven, Germany, and preparations have started to hand back the terminal in Itajai, Brazil, where the concession is expiring.

Financial and operational performance

Revenue increased to USD 1.1bn (USD 969m), driven by storage income, CPI-related tariff increases and higher volume. Volume increased by 1.5% (3.0% like-for-like) and utilisation increased to 79% (76%), mainly driven by a continued strong import volume into the USA and above market growth in Asia. Volume from the Ocean segment increased by 4.4% and volume from external customers was on par. Higher storage revenue in North America and mostly CPI-related tariff increases resulted in a revenue per move increase of 13% to USD 341 (USD 301). Cost per move also increased by 13% to USD 265 (USD 234), due to a non-operational one-off and higher operating costs, mainly driven by inflationary labour costs, higher energy costs and higher variable concession fees.

At fixed foreign exchange rates and volume mix and portfolio mix, revenue per move increased by 17%. On the same basis, and excluding the non-operational one-off, cost per move increased by 9%.

EBITDA increased to USD 400m (USD 370m) driven by the strong revenue whereas the EBITDA margin decreased to 35.6% (38.2%) due to the higher costs.

EBIT improved to USD 316m (USD 302m) mainly due to higher storage income, partly offset by higher costs.

ROIC (LTM) was 7.4% (8.7%) with the significantly better operating performance being offset by the Global Port Investment impairment (Russia exit). ROIC adjusted for the GPI impairment was 13.1%.

CAPEX increased to USD 105m (USD 40m), driven by the terminal modernisation in Los Angeles, USA, and Callao, Peru.

Regional volume[1]

Million moves

	Q2 2022	Q2 2021	Growth (%)
North America	0.9	0.8	7.7
Latin America	0.6	0.6	-8.2
Europe, Russia and the Baltics	0.7	0.7	-1.2
Asia	0.7	0.6	7.3
Africa and Middle East	0.5	0.5	-0.2
Total	**3.3**	**3.2**	**1.5**

1 Financially consolidated.

In **North America**, revenue increased due to volume growth of 7.7% and higher storage income driven by supply chain congestion, partially offset by higher labour costs, higher variable concession fees and higher energy costs due to increased fuel prices.

In **Europe**, despite a 1.2% decrease in volume, revenue improved due to congestion-related storage income and mostly CPI-related tariff increase. The higher revenue was partially offset by higher energy and other operational costs.

In **Latin America**, volume decreased by 8.2%, largely due to lower market volume in Callao, Peru, and reducing volume in Itajai, Brazil, where services are gradually being phased out as the concession is ending in 2022. Higher tariffs, however, offset the full volume drop resulting in higher total revenue.

In **Asia**, volume grew by 7.3%, mainly driven by additional volume due to new services in Pipavav, India, and two new berths in Yokohama, Japan, resulted in a higher revenue, which was partially offset by higher maintenance and repair costs related to cyclone restoration.

In **Africa and Middle East**, volume was at par, with an increase in overall revenue due to CPI-related tariff increases and higher storage income. The higher revenue was partially offset by higher cost per move due to higher variable concession, higher energy and higher maintenance and repair works.

Results from joint ventures and associated companies

The share of profits in joint ventures and associated companies was USD 79m (USD 79m).

Key initiatives in Q2

Terminals Mobile signed an agreement with the Alabama State Port Authority, USA, to add 32 acres to the current 134-acre container terminal yard. The first stage of this significant investment is expected to be completed in 2023 and the final stage in 2025. As part of the expansion, the terminal will purchase two additional post-Panamax ship-to-shore cranes. This represents the third expansion in the last six years as USA importers expand to meet regional consumer demand and tap into rail services to the Midwest US market.

Abidjan, Ivory Coast, is entering the last phase with all equipment delivery planned and the organisation is preparing for the first move. Expansions in Gateway Terminals India (GTI), Mumbai, India, and Onne, Nigeria, is steadily progressing as per plan.

Terminals closed the transaction with Hapag-Lloyd, which purchased Terminals' 30% shareholding of Container Terminal Wilhelmshaven (CTW), Germany, in May.

Financial review H1 2022

Revenue improved to USD 2.3bn (USD 1.9bn), with a 1.4% volume increase and higher storage income in the USA. Like-for-like volume increased by 2.7%, driven by strong import demand in the USA and above-market growth in Asia with capacity utilisation increasing to 78% (75%).

Revenue per move increased to USD 351 (USD 299), driven by high storage income and mostly CPI-related tariff increases. Cost per move increased to USD 262 (USD 235), driven by a non-operational one-off, higher labour costs, concession fees and energy costs.

EBITDA improved to USD 856m (USD 693m) while EBIT decreased to USD 243m (USD 541m), mainly driven by an impairment of the holding in Global Port Investment in Russia. EBIT adjusted for the GPI impairment was USD 728m (USD 541m), driven by higher storage income, which was partly offset by higher costs.

Towage & Maritime Services

Revenue was USD 579m (USD 529m) with an EBITDA of USD 81m (USD 95m). EBIT of USD 16m (USD 64m) decreased by USD 48m, mainly driven by an impairment in Hoegh Autoliners due to deterioration of the share price during Q2 and reversal of impairments in Maersk Container Industry in Q2 2021.

Towage

Financial and operational performance

Revenue increased by USD 14m to USD 198m (USD 184m), and adjusted for foreign exchange rate effects, the increase was 15% or USD 27m. Harbour towage revenue was positively impacted by higher volumes and cargo mix in Australia and Europe. Terminal towage revenue increased by USD 5m, adjusted for foreign exchange rate effects, mainly driven by bareboat charters in Angola, two new tugs in Egypt and increased volumes in Australia.

EBITDA increased to USD 58m (USD 53m), due to increased revenue, partly offset by higher bunker costs. EBIT increased to USD 34m (USD 31m), mainly driven by increased EBITDA.

Results from joint ventures and associated companies

The share of profit in joint ventures and associated companies was unchanged from Q2 2021 at USD 6m (USD 6m) and was positively impacted by increased results in Africa Middle East and Asia (AMEA) and Americas considering the exit of activities in Bowen, Australia, in H2 2021.

Key initiatives in Q2

Svitzer was awarded a 10-year contract renewal for part of the engagement in Qatar and has ordered new tugs to replace the five existing tugs for this contract.

Maritime Services

Maersk Supply Service reported a 28% increase in revenue to USD 96m (USD 75m), reflecting increased project activity. However, EBITDA declined by USD 11m to negative USD 2m (positive USD 9m) given increased dry docking costs, lower charter activity and increased bunker costs. EBIT increased by USD 4m to USD 2m (negative USD 2m), mainly driven by reduced depreciation due to impairment losses recognised in Q4 2021 and gain on sale of assets during Q2 2022.

Key initiatives in Q2

The contracts for the two vessels working with the Ocean Cleanup in the Pacific Ocean were extended until mid-2023.

Towage & Maritime Services highlights

USD million

	Q2 2022	Q2 2021	6M 2022	6M 2021	12M 2021
Revenue	**579**	**529**	**1,134**	**1,052**	**2,082**
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**81**	**95**	**160**	**184**	**356**
EBITDA margin	14.0%	18.0%	14.1%	17.5%	17.1%
Profit before financial items (EBIT)	**16**	**64**	**85**	**105**	**17**
EBIT margin	2.8%	12.1%	7.5%	10.0%	0.8%
Invested capital	**2,629**	**2,480**	**2,629**	**2,480**	**2,216**
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	93	56	174	105	203
Operational and financial metrics					
Number of operational tug jobs (harbour towage) ('000)	37	36	72	71	138

Financial review H1 2022

Revenue, with an increase of USD 82m, was USD 1.1bn (USD 1.1bn), EBITDA was USD 160m (USD 184m) and EBIT was USD 85m (USD 105m).

Revenue in Towage was USD 390m (USD 365m). EBITDA was USD 116m (USD 111m), mainly driven by increased revenue, partly offset by higher bunker costs and negative currency exchange rate impact. EBIT was USD 51m (USD 65m), mainly due to the withdrawal from operations in Russia in Q1 2022.

Maersk Supply Service reported a revenue of USD 178m (USD 129m) and an EBITDA of negative USD 6m (USD 0m), mainly driven by decreased utilisation of the fleet from lower time-charter activity. EBIT was negative USD 6m (negative USD 21m), driven primarily by lower depreciations because of impairment losses recognised in Q4 2021 and gain of sold assets in Q2 2022.

The intended sale of Maersk Container Industry is progressing according to plan, with closing subject to regulatory approvals.

Statement of the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the Interim Report of A.P. Møller - Mærsk A/S for the period 1 January 2022 to 30 June 2022.

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

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

In our opinion, the interim consolidated financial statements (pages 21-29) give a true and fair view of A.P. Moller - Maersk's consolidated assets, liabilities and financial position at 30 June 2022 and of the results of A.P. Moller - Maersk's consolidated operations and cash flows for the period 1 January 2022 to 30 June 2022.

Furthermore, in our opinion, the Management review (pages 3-19) includes a fair review of the development in A.P. Moller - Maersk's operations and financial conditions, the results for the period, cash flows and financial position as well as a description of the most significant risks and uncertainty factors that A.P. Moller - Maersk faces, relative to the disclosures in the annual report for 2021.

Copenhagen, 3 August 2022

Executive Board

Søren Skou — CEO

Patrick Jany — CFO

Vincent Clerc

Henriette Hallberg Thygesen

Board of Directors

Robert Mærsk Uggla — Chair

Marc Engel — Vice Chair

Bernard L. Bot

Marika Fredriksson

Arne Karlsson

Thomas Lindegaard Madsen

Amparo Moraleda

Julija Voitekute

Financials

Condensed income statement

Note		Q2 2022	Q2 2021	6M 2022	6M 2021	12M 2021
1	Revenue	21,650	14,230	40,942	26,669	61,787
1	**Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)**	**10,327**	**5,064**	**19,411**	**9,103**	**24,036**
	Depreciation, amortisation and impairment losses, net	1,418	1,087	2,925	2,112	4,944
	Gain on sale of non-current assets, etc., net	37	12	64	19	96
	Share of profit/loss in joint ventures and associated companies	42	95	-289	171	486
1	**Profit before financial items (EBIT)**	**8,988**	**4,084**	**16,261**	**7,181**	**19,674**
	Financial items, net	-203	-186	-497	-416	-944
	Profit before tax	**8,785**	**3,898**	**15,764**	**6,765**	**18,730**
	Tax	164	152	335	302	697
	Profit for the period	**8,621**	**3,746**	**15,429**	**6,463**	**18,033**
	Of which:					
	Non-controlling interests	28	33	60	53	91
	A.P. Møller - Mærsk A/S' share	**8,593**	**3,713**	**15,369**	**6,410**	**17,942**
	Earnings per share, USD	**466**	**194**	**830**	**333**	**941**
	Diluted earnings per share, USD	**464**	**193**	**827**	**332**	**938**

Condensed statement of comprehensive income

	Q2 2022	Q2 2021	6M 2022	6M 2021	12M 2021
Profit for the period	**8,621**	**3,746**	**15,429**	**6,463**	**18,033**
Translation from functional currency to presentation currency	-427	111	-464	-106	-364
Reclassified to income statement, gain on sale of non-current assets, etc., net	9	16	9	23	23
Cash flow hedges	-41	-8	12	-69	-109
Tax on other comprehensive income	1	2	-9	-7	-7
Share of other comprehensive income of joint ventures and associated companies, net of tax	-	-1	-1	-9	-5
Total items that have been or may be reclassified subsequently to the income statement	**-458**	**120**	**-453**	**-168**	**-462**
Other equity investments	31	1	81	2	143
Actuarial gains/losses on defined benefit plans, etc.	-	-69	-	-69	-23
Tax on other comprehensive income	-	13	-	13	7
Total items that will not be reclassified to the income statement	**31**	**-55**	**81**	**-54**	**127**
Other comprehensive income, net of tax	**-427**	**65**	**-372**	**-222**	**-335**
Total comprehensive income for the period	**8,194**	**3,811**	**15,057**	**6,241**	**17,698**
Of which:					
Non-controlling interests	13	31	47	50	87
A.P. Møller - Mærsk A/S' share	**8,181**	**3,780**	**15,010**	**6,191**	**17,611**

AMOUNTS IN USD MILLION

Condensed balance sheet at 30 June

		30 June 2022	30 June 2021	12M 2021
3	**Intangible assets**	**7,844**	**4,981**	**5,769**
	Property, plant and equipment	**27,667**	**26,397**	**27,303**
	Right-of-use assets	**10,723**	**9,002**	**9,906**
	Financial non-current assets, etc.	2,663	2,933	3,135
	Deferred tax	384	272	356
	Total non-current assets	**49,281**	**43,585**	**46,469**
	Inventories	2,202	1,486	1,457
	Receivables, etc.	18,930	6,425	12,111
	Securities	-	1	3
	Cash and bank balances	9,730	8,106	11,832
	Assets held for sale	283	437	399
	Total current assets	**31,145**	**16,455**	**25,802**
	Total assets	**80,426**	**60,040**	**72,271**

		30 June 2022	30 June 2021	12M 2021
2	Equity attributable to A.P. Møller - Mærsk A/S	51,517	34,269	44,508
	Non-controlling interests	1,069	1,013	1,080
	Total equity	**52,586**	**35,282**	**45,588**
	Lease liabilities, non-current	8,354	7,593	8,153
	Borrowings, non-current	3,932	4,850	4,315
	Other non-current liabilities	2,552	1,937	2,122
	Total non-current liabilities	**14,838**	**14,380**	**14,590**
	Lease liabilities, current	2,982	1,871	2,398
	Borrowings, current	244	239	469
	Other current liabilities	9,644	8,024	8,982
	Liabilities associated with assets held for sale	132	244	244
	Total current liabilities	**13,002**	**10,378**	**12,093**
	Total liabilities	**27,840**	**24,758**	**26,683**
	Total equity and liabilities	**80,426**	**60,040**	**72,271**

AMOUNTS IN USD MILLION

Condensed cash flow statement

Note		Q2 2022	Q2 2021	6M 2022	6M 2021	12M 2021
	Profit before financial items	8,988	4,084	16,261	7,181	19,674
	Non-cash items, etc.	1,113	1,075	3,228	1,958	4,540
	Change in working capital	-1,210	-886	-2,279	-1,345	-1,610
	Cash flow from operating activities before tax	8,891	4,273	17,210	7,794	22,604
	Taxes paid	-280	-136	-378	-224	-582
	Cash flow from operating activities	**8,611**	**4,137**	**16,832**	**7,570**	**22,022**
	Purchase of intangible assets and property, plant and equipment (CAPEX)	-1,008	-452	-2,362	-781	-2,976
	Sale of intangible assets and property, plant and equipment	104	89	147	124	205
	Sale of other equity investments	-	-	20	4	8
3	Acquisition of subsidiaries and activities	-1,535	-10	-1,536	-10	-815
	Sale of subsidiaries and activities	3	-29	20	-28	3
	Dividends received	82	36	102	95	282
	Financial investments, etc., net	-5,552	47	-4,446	-53	-5,049
	Cash flow used for investing activities	**-7,906**	**-319**	**-8,055**	**-649**	**-8,342**
	Repayments of/proceeds from borrowings, net	-631	-982	-647	-1,465	-1,934
	Repayments of lease liabilities	-762	-453	-1,408	-1,082	-2,279
	Financial payments, net	-59	-13	-211	-96	-258
	Financial expenses paid on lease liabilities	-124	-114	-242	-228	-459
	Purchase of own shares	-564	-448	-1,195	-781	-1,956
	Dividends distributed	-902	-128	-6,847	-1,017	-1,017
	Dividends distributed to non-controlling interests	-40	-29	-43	-41	-91
	Other equity transactions	36	24	27	33	94
	Cash flow from financing activities	**-3,046**	**-2,143**	**-10,566**	**-4,677**	**-7,900**
	Net cash flow for the period	**-2,341**	**1,675**	**-1,789**	**2,244**	**5,780**
	Cash and cash equivalents, beginning of period	12,084	6,421	11,565	5,864	5,864
	Currency translation effect on cash and bank balances	-55	-2	-88	-14	-79
	Cash and cash equivalents, end of period	9,688	8,094	9,688	8,094	11,565
	Of which classified as assets held for sale	-6	-23	-6	-23	-28
	Cash and cash equivalents, end of period	**9,682**	**8,071**	**9,682**	**8,071**	**11,537**
	Cash and cash equivalents					
	Cash and bank balances	9,730	8,106	9,730	8,106	11,832
	Overdrafts	48	35	48	35	295
	Cash and cash equivalents, end of period	**9,682**	**8,071**	**9,682**	**8,071**	**11,537**

Cash and bank balances include USD 1.5bn (USD 1.1bn) 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 A.P. MOLLER - MAERSK INTERIM REPORT Q2 | 3 AUGUST 2022 23

Condensed statement of changes in equity

		A.P. Møller - Mærsk A/S							
Note		Share capital	Translation reserve	Reserve for other equity investments	Reserve for hedges	Retained earnings	Total	Non-controlling interests	Total equity
	Equity 1 January 2022	3,513	-767	135	-160	41,787	44,508	1,080	45,588
	Other comprehensive income, net of tax	-	-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 subsidiaries	-	-	-	-	-	-	-30	-30
2	Purchase of own shares	-	-	-	-	-1,183	-1,183	-	-1,183
	Sale of own shares	-	-	-	-	17	17	-	17
2	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**
	Equity 1 January 2021	3,632	-432	-6	-42	26,698	29,850	1,004	30,854
	Other comprehensive income, net of tax	-	-78	2	-77	-66	-219	-3	-222
	Profit for the period	-	-	-	-	6,410	6,410	53	6,463
	Total comprehensive income for the period	**-**	**-78**	**2**	**-77**	**6,344**	**6,191**	**50**	**6,241**
	Dividends to shareholders	-	-	-	-	-1,017	-1,017	-49	-1,066
	Value of share-based payment	-	-	-	-	7	7	-	7
2	Purchase of own shares	-	-	-	-	-781	-781	-	-781
	Sale of own shares	-	-	-	-	20	20	-	20
2	Capital increases and decreases	-119	-	-	-	119	-	8	8
	Transfer of gain/loss on disposal of equity investments to retained earnings	-	-	-2	-	2	-	-	-
	Other equity movements	-	-	-	-	-1	-1	-	-1
	Total transactions with shareholders	**-119**	**-**	**-2**	**-**	**-1,651**	**-1,772**	**-41**	**-1,813**
	Equity 30 June 2021	**3,513**	**-510**	**-6**	**-119**	**31,391**	**34,269**	**1,013**	**35,282**

AMOUNTS IN USD MILLION A.P. MOLLER - MAERSK INTERIM REPORT Q2 | 3 AUGUST 2022 24

Note 1 Segment information

	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

	Ocean	Logistics & Services	Terminals	Towage & Maritime Services	Unallo-cated items	Elimi-nations	Consoli-dated total
Q2 2021							
External revenue	10,851	2,142	723	495	19	-	14,230
Inter-segment revenue	221	26	246	34	5	-532	-
Total revenue	**11,072**	**2,168**	**969**	**529**	**24**	**-532**	**14,230**
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**4,400**	**216**	**370**	**95**	**-19**	**2**	**5,064**
Profit before financial items (EBIT)	**3,580**	**153**	**302**	**64**	**-22**	**7**	**4,084**
Key metrics							
Invested capital	28,600	1,828	8,822	2,480	-198	-51	41,481
Gross capital expenditures, excl. acquisitions and divestments (CAPEX)	313	36	40	56	4	3	452

AMOUNTS IN USD MILLION A.P. MOLLER - MAERSK INTERIM REPORT Q2 | 3 AUGUST 2022 25

Note 1 Segment information

	Ocean	Logistics & Services	Terminals	Towage & Maritime Services	Unallo-cated items	Elimi-nations	Consoli-dated total
6 months 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

	Ocean	Logistics & Services	Terminals	Towage & Maritime Services	Unallo-cated items	Elimi-nations	Consoli-dated total
6 months 2021							
External revenue	20,158	4,138	1,414	920	39	-	26,669
Inter-segment revenue	392	75	470	132	9	-1,078	-
Total revenue	**20,550**	**4,213**	**1,884**	**1,052**	**48**	**-1,078**	**26,669**
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**7,844**	**421**	**693**	**184**	**-39**	**-**	**9,103**
Profit before financial items (EBIT)	**6,280**	**292**	**541**	**105**	**-45**	**8**	**7,181**
Key metrics							
Invested capital	28,600	1,828	8,822	2,480	-198	-51	41,481
Gross capital expenditures, excl. acquisitions and divestments (CAPEX)	506	57	109	105	5	-1	781

USD million	Types of revenue	Q2 2022	Q2 2021	6M 2022	6M 2021	12M 2021
Ocean	Freight revenue	15,350	9,788	28,910	17,990	42,374
	Other revenue, including hubs	2,062	1,284	4,072	2,560	5,858
Logistics & Services	Managed by Maersk	570	317	1,084	665	1,578
	Fulfilled by Maersk	882	480	1,679	937	2,320
	Transported by Maersk	2,050	1,371	3,618	2,611	5,932
Terminals	Terminal services	1,124	969	2,255	1,884	4,000
Towage & Maritime Services	Towage services	198	184	390	365	740
	Sale of containers and spare parts	134	179	275	378	690
	Offshore supply services	96	75	178	129	301
	Other shipping activities	71	66	137	135	269
	Other services	80	25	154	45	82
Unallocated activities and eliminations		-967	-508	-1,810	-1,030	-2,357
Total revenue		**21,650**	**14,230**	**40,942**	**26,669**	**61,787**

Note 2 Share capital

Development in the number of shares:

	A shares of		B shares of		Nominal value	
	DKK 1,000	DKK 500	DKK 1,000	DKK 500	DKK million	USD million
1 January 2021	10,599,293	216	9,432,463	166	20,032	3,632
Cancellation	131,186	-	524,745	-	656	119
30 June 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
Conversion	1	-2	3	-6	-	-
Cancellation	133,779	-	535,076	-	669	121
30 June 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 688,855,000 in total, divided into 133,779 A shares and 535,076 B shares of DKK 1,000 to nominally DKK 18,707,161,000.

The reduction in the share capital has been recorded by applying the historical rate of exchange of 551,53 DKK/USD (551,53 DKK/USD).

Development in the holding of treasury shares:

	No. of shares of DKK 1,000		Nominal value DKK million		% of share capital	
Treasury shares	2022	2021	2022	2021	2022	2021
A shares						
1 January	120,494	119,176	121	119	0.62%	0.59%
Additions	69,096	63,153	69	63	0.37%	0.32%
Cancellation	133,779	131,186	134	131	0.69%	0.65%
30 June	**55,811**	**51,143**	**56**	**51**	**0.30%**	**0.26%**
B shares						
1 January	549,587	505,281	549	505	2.84%	2.52%
Additions	321,754	253,946	322	254	1.71%	1.31%
Cancellation	535,076	524,745	535	525	2.76%	2.62%
Disposals	19,427	15,606	19	15	0.10%	0.08%
30 June	**316,838**	**218,876**	**317**	**219**	**1.69%**	**1.13%**

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

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

From 1 January 2022 to 30 June 2022, A.P. Moller - Maersk has bought back 34,729 A shares, with a nominal value of DKK 35m, and 106,335 B shares, with a nominal value of DKK 106m, as treasury shares from A.P. Møller Holding A/S, which is considered a related party.

The dividend of DKK 2,500 per share of DKK 1,000 – a total of DKK 46.8bn is equivalent to USD 6.9bn, excluding treasury shares. Of this, USD 6.0bn was paid to shareholders on 18 March 2022, and the withholding tax of USD 882m was paid in Q2 2022. Payment of dividends to shareholders does not trigger taxes for A.P. Moller - Maersk.

Note 3 Acquisitions of subsidiaries

Acquisitions during Q2 2022

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.

From the acquisition date to 30 June 2022, Pilot Freight Services contributed with a revenue of USD 251m and an insignificant net profit. Had the acquisition occurred on 1 January 2022, the impact on the Group's revenue would have been USD 747m. 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, and in operating cash flow in the statement of cash flow.

The accounting for the business combination is considered provisional as per 30 June 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 545m. Of the consideration paid, USD 187m is related to goodwill while USD 261m 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.

From the acquisition date to 30 June 2022, Senator International contributed with a revenue of USD 143m and an insignificant net profit. Had the acquisition occurred on 1 January 2022, the impact on the Group's revenue would have been USD 997m and a net profit of USD 74m. Acquisition-related costs of USD 9m are recognised as operating costs in the income statement of the Logistics & Services segment, and in operating cash flow in the statement of cash flow.

The accounting for the business combination is considered provisional as per 30 June 2022, as valuation of intangible assets is not yet finalised.

Other

Grindrod Intermodal Group (Logistics & Services)

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

The acquisition is expected to close during Q4 2022.

LF Logistics Holdings Limited (Logistics & Services)

On 22 December 2021, it was announced that the Group intends to acquire 100% of the shares in LF Logistics Holdings Limited, a leading omnichannel fulfilment contract logistics company in Asia Pacific. The acquisition will further strengthen A.P. Moller - Maersk's capabilities as an integrated container logistics company, offering global end-to-end supply chain solutions to its customers. The estimated enterprise value is USD 3.6bn. In addition to the enterprise value, an earn-out with a total value of up to USD 160m related to future financial performance has been agreed as part of the transaction.

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

Acquisitions during Q2 2022:

	Pilot	Senator International	Other	Total
Fair value at time of acquisition				
Intangible assets	650	261	1	912
Property, plant and equipment	185	39	-	224
Financial assets	8	4	-	12
Current assets	297	385	-1	681
Liabilities	1,213	331	-	1,544
Net assets acquired	**-73**	**358**	**-**	**285**
A.P. Møller - Mærsk A/S' share				
Goodwill	1,119	187	1	1,307
Purchase price	**1,046**	**545**	**1**	**1,592**
Contingent consideration assumed	-	-	-	-
Contingent consideration paid	-	-	-	-
Other adjustments	7	-	-	-
Cash and bank balances assumed	-20	-43	-	-63
Cash flow used for acquisition of subsidiaries and activities	**1,033**	**502**	**1**	**1,536**

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Note 4 Commitments

The total commitment across segments is USD 4.2bn (USD 1.9bn), mainly related to investments for new methanol container vessels, wind installation vessels, tugs, aircraft and commitments towards terminal concession grantors.

Note 5 Accounting policies, judgements and significant estimates

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

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

Change to reportable segments
As part of the refinement of A.P. Moller - Maersk's segment structure, changes to the segment structure 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. Moller - Maersk's character as an integrated container logistics business and is in line with the internal management reporting.

The reportable segments are as follows:

Ocean	Global container shipping activities, including strategic transhipment hubs and sale of bunker oil
Logistics & Services	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

Russia/Ukraine impact
Due to the Russian invasion of Ukraine on 24 February 2022, A.P. Moller - Maersk decided to withdraw from doing business in Russia during Q1 2022.

As a result, the recoverable amounts of assets in Russia and Ukraine have been reassessed, impairment losses have been recognised, and provisions have been made to cover costs relating to the withdrawal from operations. This negatively impacted the Q1 2022 EBIT by USD 718m.

As a consequence of the ongoing process to minimise the financial impact, the Q2 2022 EBIT was positively impacted by USD 94m, mainly related to reversal of impairment losses of USD 45m and reversal of provisions of USD 39m. This mainly as a result of successfully evacuating more containers than previously anticipated.

The H1 2022 EBIT was negatively impacted by USD 624m, of which USD 585m was impairment losses and USD 39m was operating costs.

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

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

The details of the income statement impact are as follows:

Operating segment	Impacted area	Q1 2022	Q2 2022	H1 2022
Ocean	Impairments of containers, write-down of receivables, provisions	-162	93	-69
Logistics & Services	Impairments of warehouses, write-down of receivables, provisions	-53	1	-52
Terminals	Impairments of investment in joint venture	-485	-	-485
Towage & Maritime Services	Impairments of tugboats	-18	-	-18
Total income statement impact		**-718**	**94**	**-624**

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Additional information

Quarterly summary

	2022		2021			
Income statement	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	21,650	19,292	18,506	16,612	14,230	12,439
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	10,327	9,084	7,990	6,943	5,064	4,039
Depreciation, amortisation and impairment losses, net	1,418	1,507	1,626	1,206	1,087	1,025
Gain on sale of non-current assets, etc., net	37	27	50	27	12	7
Share of profit/loss in joint ventures and associated companies	42	-331	220	95	95	76
Profit before financial items (EBIT)	8,988	7,273	6,634	5,859	4,084	3,097
Financial items, net	-203	-294	-343	-185	-186	-230
Profit before tax	8,785	6,979	6,291	5,674	3,898	2,867
Tax	164	171	182	213	152	150
Profit for the period	8,621	6,808	6,109	5,461	3,746	2,717
A.P. Møller - Mærsk A/S' share	8,593	6,776	6,094	5,438	3,713	2,697
Underlying profit[1]	8,553	7,469	6,278	5,448	3,732	2,712
Balance sheet						
Total assets	80,426	73,031	72,271	65,394	60,040	56,734
Total equity	52,586	44,940	45,588	39,771	35,282	31,905
Invested capital	49,195	45,167	44,043	42,876	41,481	39,829
Net interest-bearing debt	-3,356	-689	-1,530	3,123	6,216	7,746
Cash flow statement						
Cash flow from operating activities	8,611	8,221	7,880	6,572	4,137	3,433
Capital lease instalments – repayments of lease liabilities	762	646	586	611	453	629
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	1,008	1,354	1,585	610	452	329
Cash flow from financing activities	-3,046	-7,520	-1,370	-1,853	-2,143	-2,534
Free cash flow	6,844	6,014	5,637	5,298	3,230	2,372
Financial ratios						
Revenue growth	52.1%	55.1%	64.4%	67.5%	58.2%	30.0%
EBITDA margin	47.7%	47.1%	43.2%	41.8%	35.6%	32.5%
EBIT margin	41.5%	37.7%	35.8%	35.3%	28.7%	24.9%
Cash conversion	83%	90%	99%	95%	82%	85%
Return on invested capital after tax (ROIC) (last twelve months)	62.5%	53.6%	45.3%	34.5%	23.7%	15.7%
Equity ratio	65.4%	61.5%	63.1%	60.8%	58.8%	56.2%
Underlying ROIC[1] (last twelve months)	64.2%	55.4%	45.7%	34.5%	24.0%	15.9%
Underlying EBITDA[1]	10,289	9,186	7,990	6,943	5,064	4,039
Underlying EBITDA margin[1]	47.5%	47.6%	43.2%	41.8%	35.6%	32.5%
Underlying EBIT[1]	8,924	7,937	6,804	5,842	4,070	3,092
Underlying EBIT margin[1]	41.2%	41.1%	36.8%	35.2%	28.6%	24.9%
Stock market ratios						
Earnings per share, USD	466	364	324	287	194	139
Diluted earnings per share, USD	464	363	323	287	193	139
Cash flow from operating activities per share, USD	467	442	414	348	215	178
Share price (B share), end of period, DKK	16,555	20,370	23,450	17,385	18,025	14,735
Share price (B share), end of period, USD	2,313	3,040	3,576	2,707	2,883	2,324
Total market capitalisation, end of period, USD	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. Moller - Maersk's share of mentioned items in joint ventures and associated companies and, when applicable, the adjustments are net of tax.

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Definition of terms

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

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

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

Cash conversion
Cash flow from operating activities to EBITDA ratio.

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

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

EBIT
Earnings Before Interest and Taxes.

EBITA
Earnings Before Interest, Tax and Amortisation.

EBITDA
Earnings Before Interest, Taxes, Depreciation and Amortisation.

Equity ratio
Calculated as equity divided by total assets.

FFE
Forty Foot container Equivalent unit.

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

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

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

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

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

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

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

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

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

TEU
Twenty-foot container Equivalent Unit.

Time charter
Hire of a vessel for a specified period.

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

Underlying
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.

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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