ALL THE WAY

MAERSK

Q2

2021

A.P. Møller - Mærsk A/S | Interim Report | 6 August 2021

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The Q3 2021 Interim Report is expected to be announced on 2 November 2021.

Webcast and dial-in information
A webcast relating to the Q2 2021 Interim Report will be held on 6 August 2021 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 2021 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.

Message from the CEO

"In the second quarter, A.P. Moller - Maersk continued to deliver strong growth and profitability, with another record-breaking performance marking the 12th quarter of successive year-on-year earnings progress.

Revenue was up almost 60% to USD 14.2bn compared to the same quarter last year and EBIT amounted to USD 4.1bn, up more than five times. Net result came in at USD 3.7bn in the second quarter, bringing the net result for the first half of 2021 to USD 6.5bn.

The results benefitted both from the exceptional circumstances in Ocean, where congestions and bottlenecks continued to drive up rates, and from solid progress in executing on our strategic transformation. We continue to build a higher-quality Ocean business with more long-term contracts, a rapidly growing and profitable Logistics business with more than half of the 38% growth stemming from top Ocean customers, and a value creating Terminals business, which doubled profitability in the quarter.

Looking at both the second quarter and the first half, I am pleased with the progress made and the high value generation, with a return on invested capital now at 23.7% for the past 12 months. As indicated at our recent Capital Markets Day, our earnings and cash flow enable us to further accelerate our transformation, invest in growing the business, also through targeted acquisitions, and at the same time return cash to our shareholders.

To that effect we also announced today the acquisition of both Visible Supply Chain Management and B2C Europe. These two companies will further accelerate our Logistics growth particularly in e-commerce by adding technology and last mile delivery capabilities for our customers in the United States and Europe.

The outlook for the third quarter is strong and we expect that the current momentum in Ocean will continue into the fourth quarter, also benefitting our Terminals business. Logistics & Services will continue its strong growth pattern for the rest of the year. As communicated on 2 August, we have upgraded our guidance for 2021 to an underlying EBITDA of USD 18.0bn-19.5bn, an EBIT of 14.0bn-15.5bn and a free cash flow expected to be minimum USD 11.5bn."

Søren Skou
Chief Executive Officer
A.P. Moller - Maersk

Highlights Q2 2021

- A.P. Moller - Maersk's financial results continue to be strong, with record-high revenue, EBITDA and EBIT for Q2 and for H1 across the Ocean, Logistics & Services, and Terminals & Towage segments.
- Revenue for Q2 increased by USD 5.2bn to USD 14.2bn (USD 9.0bn), mainly due to an increase in Ocean of USD 4.5bn, while revenue increased in Logistics & Services by 38% or USD 599m, and in Terminals & Towage, revenue increased by 31% or USD 270m.
- In Ocean, revenue and earnings reflect the continuation of the exceptional conditions in the industry with continued high freight rates and higher volumes. Strong business momentum was also experienced in Logistics & Services and gateway terminals. The higher volumes compared to Q2 2020 are reflecting the sharp drop in volumes in Q2 2020 due to the COVID-19 lockdown challenges, whereas the higher freight rates are driven by long-term contracts renewed at higher rates, as well as higher short-term rates specifically driven by demand surge leading to equipment shortage and bottlenecks across global supply chains.
- EBITDA for Q2 increased by USD 3.4bn to USD 5.1bn (USD 1.7bn), with 90% of the increase coming from Ocean, reflecting an EBITDA margin increase to 35.6% (18.9%), while EBIT increased to USD 4.1bn (USD 751m) with a margin improvement to 28.7% (8.3%).
- EBIT in Ocean increased to USD 3.6bn (USD 552m), driven by increased freight rates and higher volumes, partially offset by higher costs related to handling, bunker and network.
- In Logistics & Services, EBIT increased to USD 153m (USD 42m), reflecting the significant organic growth in revenue driven by strong activity increase across all product offerings.
- In Terminals & Towage, EBIT increased to USD 334m (USD 200m), positively impacted by an increase in gateway terminals of USD 158m, driven by higher EBITDA and higher results from joint ventures and associated companies, partly offset by higher depreciation.
- Free cash flow increased to USD 3.2bn (USD 1.1bn), due to CAPEX of USD 452m (USD 362m) and strong cash flow from operating activities increasing to USD 4.1bn (USD 1.9bn), driven by the significant increase in EBITDA.
- Return on invested capital (ROIC), last twelve months, increased to 23.7% (4.7%), as earnings improved and invested capital declined slightly.
- Net interest-bearing debt decreased to USD 6.2bn (USD 9.2bn at year-end 2020), as free cash flow of USD 5.6bn for the first six months was partly offset by share buy-backs of USD 781m, dividends of USD 1.0bn and a net increase in lease liabilities of USD 717m. Excluding lease liabilities, the Group had a net cash position of USD 3.2bn (debt of USD 485m at year-end 2020).
- As announced, A.P. Moller - Maersk acquired Visible Supply Chain Management and B2C Europe, which complements the existing portfolio and meets A.P. Moller - Maersk's customers' need for e-commerce logistics.
- The guidance for the underlying EBITDA is expected to be in the range of USD 18.0bn-19.5bn and the underlying EBIT in the range of USD 14.0bn-15.5bn, as announced on 2 August 2021.

Summary financial information

Amounts in USD million

Income statement	Q2 2021	Q2 2020	H1 2021	H1 2020	12M 2020
Revenue	14,230	8,997	26,669	18,568	39,740
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	5,064	1,697	9,103	3,218	8,226
Depreciation, amortisation and impairment losses, net	1,087	1,149	2,112	2,222	4,541
Gain on sale of non-current assets, etc., net	12	145	19	164	202
Share of profit/loss in joint ventures and associated companies	95	58	171	143	299
Profit/loss before financial items (EBIT)	4,084	751	7,181	1,303	4,186
Financial items, net	-186	-232	-416	-447	-879
Profit/loss before tax	3,898	519	6,765	856	3,307
Tax	152	76	302	204	407
Profit/loss for the period	3,746	443	6,463	652	2,900
A.P. Møller - Mærsk A/S' share	3,713	427	6,410	624	2,850
Underlying profit/loss[1]	3,732	359	6,444	556	2,960
Balance sheet					
Total assets	60,040	55,319	60,040	55,319	56,117
Total equity	35,282	28,569	35,282	28,569	30,854
Invested capital	41,481	40,186	41,481	40,186	40,121
Net interest-bearing debt	6,216	11,564	6,216	11,564	9,232
Cash flow statement					
Cash flow from operating activities	4,137	1,867	7,570	3,083	7,828
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	452	362	781	672	1,322
Cash flow from financing activities	-2,143	-59	-4,677	-1,679	-5,618
Free cash flow	3,230	1,051	5,602	1,496	4,648
Financial ratios					
Revenue growth	58.2%	-6.5%	43.6%	-3.1%	2.2%
EBITDA margin	35.6%	18.9%	34.1%	17.3%	20.7%
EBIT margin	28.7%	8.3%	26.9%	7.0%	10.5%
Cash conversion	82%	110%	83%	96%	95%
Return on invested capital after tax (ROIC) (last twelve months)	23.7%	4.7%	23.7%	4.7%	9.4%
Equity ratio	58.8%	51.6%	58.8%	51.6%	55.0%
Underlying ROIC[1] (last twelve months)	24.0%	4.6%	24.0%	4.6%	9.6%
Underlying EBITDA[1]	5,064	1,697	9,103	3,218	8,324
Underlying EBITDA margin[1]	35.6%	18.9%	34.1%	17.3%	20.9%
Underlying EBIT[1]	4,070	642	7,162	1,182	4,231
Underlying EBIT margin[1]	28.6%	7.1%	26.9%	6.4%	10.6%
Stock market ratios					
Earnings per share – continuing operations, USD	194	21	333	31	145
Diluted earnings per share – continuing operations, USD	193	21	332	31	145
Cash flow from operating activities per share, USD	215	95	393	156	399
Share price (B share), end of period, DKK	18,025	7,728	18,025	7,728	13,595
Share price (B share), end of period, USD	2,883	1,161	2,883	1,161	2,246
Total market capitalisation, end of period, USD	54,076	21,827	54,076	21,827	41,957

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

Financial review

Financial review Q2 2021

Revenue increased by USD 5.2bn to USD 14.2bn (USD 9.0bn), with an increase in Ocean of USD 4.5bn and USD 599m in Logistics & Services. In Terminals & Towage, revenue increased by USD 270m and in Manufacturing & Others by USD 28m.

EBITDA increased to USD 5.1bn (USD 1.7bn), primarily related to Ocean with an EBITDA increase to USD 4.4bn (USD 1.4bn), driven by the increased freight revenue due to higher freight rates and increasing volumes, partly offset by higher bunker, network and handling costs. In Logistics & Services, EBITDA increased by USD 119m to USD 216m (USD 97m) due to the higher revenue, and in gateway terminals, EBITDA increased to USD 370m (USD 186m), reflecting the increase in volume and higher storage income.

EBIT of USD 4.1bn (USD 751m) was mainly impacted by the improved EBITDA. The EBIT margin increased to 28.7% (8.3%).

Financial items, net, amounted to USD 186m (USD 232m), positively impacted by lower gross debt and lower negative foreign exchange rate impacts.

Tax increased to USD 152m (USD 76m), primarily due to the improved financial performance.

The underlying profit was USD 3.7bn (USD 359m).

Cash flow from operating activities was USD 4.1bn (USD 1.9bn), positively impacted by the increase in EBITDA of USD 3.4bn, partly offset by a negative change in net working capital of USD 886m, mainly driven by higher receivables due to higher revenue, leading to a cash conversion of 82% (110%).

Gross capital expenditure (CAPEX) of USD 452m (USD 362m), was driven mostly by higher investments in Ocean, slightly offset by lower investments in Terminals & Towage.

Free cash flow was USD 3.2bn (USD 1.1bn), positively impacted by higher cash flow from operating activities, slightly offset by increased lease payments and higher capital expenditures.

Cash flow from borrowings was negative by USD 982m (positive USD 897m), due to repayments and prepayments of bonds and loans given the strong cash flow generation and high cash balance.

Contractual capital commitments totalled USD 1.9bn (USD 1.7bn at year-end 2020), of which USD 1.2bn is related to commitments towards terminal concession grantors. Strong commitment to capital discipline and free cash flow generation continues to be a key strategic focus.

The liquidity reserve increased to USD 13.0bn (USD 11.0bn at year-end 2020), and was composed of liquid funds and term deposits of USD 7.0bn excluding restricted cash (USD 4.8bn at year-end 2020), and undrawn revolving credit facilities of USD 6.0bn (USD 6.2bn at year-end 2020).

Capital structure and credit rating

Net interest-bearing debt decreased to USD 6.2bn (USD 9.2bn at year-end 2020), as free cash flow of USD 5.6bn for the first six months was partly offset by share buy-backs of USD 781m, dividends of USD 1.0bn and a net increase of USD 717m related to higher charter liabilities. Excluding lease liabilities, the Group had a net cash position of USD 3.2bn (debt of USD 485m at year-end 2020).

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

Share buy-back

In November 2020, the Board of Directors of A.P. Møller - Mærsk A/S announced a share buy-back programme of up to DKK 10bn (around USD 1.6bn). The first phase of the programme of DKK 3.3bn (around USD 500m) was concluded on 29 April 2021. The Board of Directors decided to accelerate the current programme with the remaining part of the programme of DKK 6.7bn (around USD 1.1bn) being exercised in one phase running from mid-May to end of September 2021.

The Board of Directors further decided, under the authority given at the Annual General Meeting in March 2021, to commit to an additional share buy-back programme of up to

Highlights Q2

USD million	Revenue		EBITDA		EBIT		CAPEX	
	2021	2020	2021	2020	2021	2020	2021	2020
Ocean	11,072	6,570	4,400	1,357	3,580	552	313	202
Logistics & Services	2,168	1,569	216	97	153	42	36	41
Terminals & Towage	1,148	878	423	237	334	200	96	112
Manufacturing & Others	344	316	41	49	33	-	-	7
Unallocated activities, eliminations, etc.	-502	-336	-16	-43	-16	-43	7	-
A.P. Moller - Maersk consolidated	**14,230**	**8,997**	**5,064**	**1,697**	**4,084**	**751**	**452**	**362**

DKK 31.0bn (around USD 5.0bn) to be executed over a period of two years. The new programme will be initiated when the current programme is finalised.

During Q2, A.P. Moller - Maersk bought back 32,702 A shares and 132,141 B shares worth DKK 2.8bn (around USD 448m). At 30 June 2021, A.P. Moller - Maersk owns a total of 51,143 A shares and 218,876 B shares as treasury shares, corresponding to 1.39% of the share capital.

At the Annual General Meeting on 23 March 2021, the cancellation of 131,186 A shares and 524,745 B shares was approved and the cancellation was completed in Q2.

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

Capital Markets Day summary

At the Capital Markets Day on 11 May 2021, the roadmap to 2025 was communicated providing specific targets for the transformation towards becoming the integrator of container logistics, see table: The roadmap to 2025.

Over the last couple of years A.P. Moller - Maersk has built a record of strongly improved financial performance and based on the integrator strategy the expectation/target is to continue to deliver shareholder value creating returns on invested capital (ROIC) above 7.5%, and in the period 2021-2025 to deliver average returns on invested capital above 12% given the strong starting point in 2021.

A.P. Moller - Maersk will prioritise the capital structure to investments in the business incl. 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.

As mentioned in the Q1 2021 Interim Report, with the very strong financial position of the company, the existing share buy-back will be accelerated and concluded in September 2021 and further, a new USD 5bn share buy-back programme over two years will be initiated when the existing share buy-back programme has been finalised.

Over the last four years, fundamentals have improved for the Ocean business. A strong growth engine has been built in Logistics & Services and the gateway terminals business is again delivering value-creating returns. Based on performance and progress, new targets were set for the performance of the business through to 2025.

Ocean is expected to deliver EBIT margins above 6% under normalised conditions. Total fleet capacity will be in the range of 4.1-4.3m TEU.

For Logistics & Services, the expectation is to continue the strong growth and target organic growth above 10%, of which 50% of the organic growth will be related to the Top 200 Ocean customers and with an EBIT margin above 6%, making Logistics & Services the growth engine, measured by revenue, 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 roadmap to 2025

Consolidated	
Return on invested capital (ROIC):	
Every year	> 7.5%
Average 2021-2025	> 12.0%
– 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	5,000
Ocean	
EBIT margin - under normalised conditions	> 6%
Execute with the existing fleet size, TEUm	4.1-4.3
Logistics & Services	
Organic revenue growth per year	>10%
Of which from top 200 Ocean customers	50%
EBIT margin	> 6%
Terminals	
Return on invested capital (ROIC)	> 9%

Finally, for gateway terminals the expectation is to deliver returns on invested capital of above 9% towards 2025, well above industry average, driven by synergies with Ocean and the operating model in gateway terminals.

Transformation metrics

In 2020-2021, four metrics are tracked as a measurement on progress besides the overall ROIC target, see table: Transformation metrics.

Value creation is measured by the return on invested capital (ROIC), last twelve months, and increased to 23.7% (4.7%), as earnings improved significantly due to higher freight rates.

Growing the business is measured by the focus on organic *growth* in revenue in Logistics & Services and gateway terminals. Organic revenue increased by 40% to USD 3.1bn driven by a rebound in gateways and strong organic growth in all product offerings in Logistics & Services compared to 2020.

Profitability in Logistics & Services is measured by EBITA, which increased by USD 116m to USD 164m, driven by revenue growth and margin improvement.

Progress in the *commercial synergies* from the revenue growth between Logistics & Services and the top 200 Ocean customers was USD 857m, highlighting the impact of the integrator strategy.

Transformation metrics

	Q2 2021	Q2 2020	H1 2021	H1 2020	12M 2020
Value creation					
Return on invested capital (ROIC)[1]	23.7%	4.7%	23.7%	4.7%	9.4%
Growth					
Organic revenue in Logistics & Services and gateway terminals, USDm	3,083	2,203	5,840	4,385	9,624
Profitability					
EBITA in Logistics & Services, USDm	164	48	314	78	289
Commercial synergies					
Logistics & Services revenue with top 200 Ocean customers, USDm	857	524	1,751	1,056	2,647
Commercial digitalisation and product offering in Ocean					
Maersk SPOT volume share of total short-term volumes[2]	35.3%	26.1%	35.3%	26.1%	36.1%

1 Last twelve months
2 Maersk SPOT volume share of total short-term volumes of all brands is based on the last four weeks of the period shown.

Progress on the *commercial digitalisation and product offering* in *Ocean*, is in the first phase measured via Maersk SPOT volume share of total short-term volumes, which was 35.3% in Q2. The percentage is based on the last four weeks of the reported period for all brands.

Financial review H1 2021

Revenue was USD 26.7bn (USD 18.6bn) with increases across all four segments and in particular in Ocean and Logistics & Services by USD 6.8bn and USD 1.2bn respectively, mainly because of higher freight rates in Ocean and volume increases across businesses.

EBITDA increased by USD 5.9bn to USD 9.1bn (USD 3.2bn) with increases in all segments, primarily in Ocean by USD 5.3bn due to increasing freight rates and volumes, offset by higher bunker consumption at a higher average bunker price and increasing handling and network cost. The increase in Logistics & Services of USD 256m was impacted by volume increases across all product families, and similar for gateway terminals significant increases in volumes led to an increase in EBITDA of USD 294m.

EBIT was USD 7.2bn (USD 1.3bn), positively impacted by the improved EBITDA, and by lower depreciations as a result of reassessing the useful life of container assets. The EBIT margin increased to 26.9% (7.0%).

Financial items, net, amounted to USD 416m (USD 447m), positively impacted by lower gross debt.

Tax increased to USD 302m (USD 204m), primarily due to improved financial performance.

The underlying profit after financial items and tax was USD 6.4bn (USD 556m).

Cash flow from operating activities was USD 7.6bn (USD 3.1bn), positively impacted by the increase in EBITDA of USD 5.9bn, offset by a negative change in net working capital of USD 1.3bn, leading to a cash conversion of 83% (96%).

Gross capital expenditure (CAPEX) was USD 781m (USD 672m), mainly driven by higher investments in Ocean and offset by slightly lower investments in Logistics & Services and in Terminals & Towage.

Highlights H1

USD million	Revenue		EBITDA		EBIT		CAPEX	
	2021	2020	2021	2020	2021	2020	2021	2020
Ocean	20,550	13,800	7,844	2,532	6,280	900	506	342
Logistics & Services	4,213	3,011	421	165	292	71	57	99
Terminals & Towage	2,237	1,789	803	513	606	397	187	215
Manufacturing & Others	686	611	73	92	40	18	27	15
Unallocated activities, eliminations, etc.	-1,017	-643	-38	-84	-37	-83	4	1
A.P. Moller - Maersk consolidated	**26,669**	**18,568**	**9,103**	**3,218**	**7,181**	**1,303**	**781**	**672**

Free cash flow was USD 5.6bn (USD 1.5bn), positively impacted by higher cash flow from operating activities, partly offset by higher gross CAPEX and increased lease payments.

Cash flow from borrowings was negative by USD 1.5bn (positive by USD 512m), due to repayments and prepayments of bonds and loans, given the strong cash flow generation and high cash balance.

The ordinary dividend of DKK 330 per A.P. Møller - Mærsk A/S share of nominally DKK 1,000 (USD 1.0bn) declared at the Annual General Meeting on 23 March 2021, was paid on 26 March 2021.

Total equity increased to USD 35.3bn (USD 30.9bn at 31 December 2020), due to a net profit of USD 6.5bn in H1 offset by dividends of USD 1.0bn and share repurchase of USD 781m, resulting in an equity ratio of 58.8% (55.0% at 31 December 2020).

Guidance for 2021

Given the strong result in Q2 2021 and the exceptional market situation still expected to continue at least until the end of the full year 2021, the full-year guidance has been revised upwards on 2 August 2021 to:

- Underlying EBITDA in the range of USD 18.0bn-19.5bn (previously USD 13.0bn-15.0bn) compared to USD 8.3bn in 2020
- Underlying EBIT in the range of USD 14.0bn-15.5bn (previously USD 9.0bn-11.0bn) compared to USD 4.2bn in 2020
- Free cash flow (FCF) of minimum USD 11.5bn (previously above USD 7.0bn) compared to USD 4.6bn in 2020.

Ocean is still expected to grow in line with global container demand, which is now expected to grow 6-8% in 2021 (previously 5-7% in 2021), primarily still driven by the export volumes out of China to the USA.

For 2021-2022, the expectation for the accumulated CAPEX remains to be around USD 7.0bn.

Earnings in Q3 are expected to exceed the level for Q2 2021. Trading conditions for the quarters ahead are, however, still subject to a higher-than-normal volatility due to the temporary nature of current demand patterns, disruptions in the supply chains and equipment shortages.

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 2021 depends on several factors and is subject to uncertainties related to COVID-19, bunker fuel prices and freight rates, given the uncertain macroeconomic conditions.

All else being equal, the sensitivities for 2021 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 0.7bn
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 update

Demand for logistics services remained strong across global supply chains in Q2, mainly led by import to the USA and supported by the rebound in consumer goods spending and corporate CAPEX. Attempts to restock inventory, particularly in the USA and Europe, and the ongoing channel switch to e-commerce and omnichannel delivery provided additional support. The supply-side of the logistics industry continued to be disrupted by COVID-19 and capacity shortages: container availability and air capacity remained tight, wait times for vessels outside of ports remained lengthy, and warehousing capacity continued to be a bottleneck, recently caused by the COVID-19-related lockdown of the terminals in Yantian, China. The result has been equipment shortages and challenged supply chain management services driving up prices.

Despite a rebound in container volumes in recent quarters, global container demand has averaged 3% annual growth since 2019, in line with the historic trend. Moreover, much of the increase to date has been driven by the US, where demand for technology and retail goods has been supported by transitory pandemic-related drivers. Measured against 2020, the recovery in global trade remained strong during Q2 with container demand increasing by around 19%, and global air cargo volumes (CTK) by some 26% in the three months to April (8.4% compared to same period in 2019). Goods consumption remained especially strong in the USA and began to recover in Europe. North American container imports from the Far East rose 35% in Q2, while European imports from the Far East increased by 20% in Q2. Global container demand is projected to increase by 6-8% in 2021 up from negative 1.8% in 2020, while air and land-side logistics demand is expected to remain robust through the remainder of 2021.

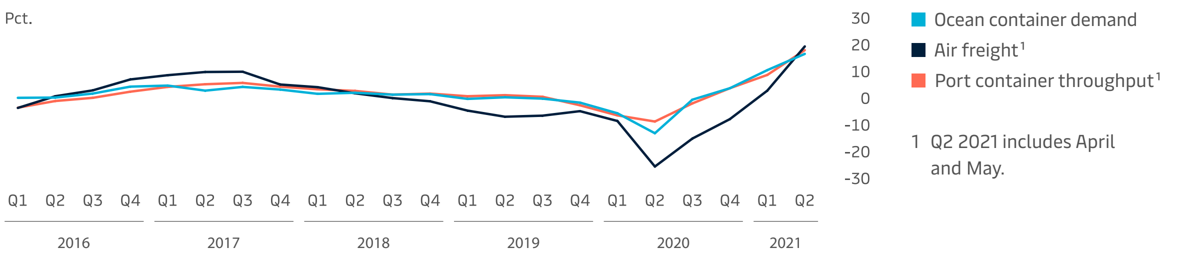
Both the container and air freight industry remained capacity constrained during the quarter, with capacity in the commercial air industries some 12% below pre-crisis levels, measured here as 'belly capacity', i.e. storage capacity under the main deck of the airplane. Further, vessel and container capacity was impacted substantially by port and landside disruptions. At the end of Q2, the nominal global container fleet stood at 24.4m TEU, an increase of 4.3% compared to Q2 2020 (average annual growth was 3.7% since Q2 2019). Idled fleet declined further in Q2 2021 (to 0.8% at the end of the quarter) compared to Q1 2021 and stands much lower than the 7.9% in Q2 2020, as the industry has adjusted to higher demand, driving up effective supply. Consequently, the demand-supply balance was broadly unchanged in Q2 2021 compared to Q1 2021. Freight and charter rates were nevertheless persistently high, largely reflecting bottlenecks in domestic logistics and scarce container equipment, negatively affecting the effective capacity. The order book reached 20% of the global fleet in Q2, compared to 17% of the fleet at the end of Q1 on back of continued high activity in new ordering. Freight rates out of China, as measured by the China Composite Freight Index (CCFI), increased by 154% in Q2 compared to the same quarter last year, while air cargo fares also increased but by less than container shipping rates since mid-2020, implying that air cargo has become relatively competitive according to the International Air Transport Association (IATA).

The outlook beyond the next couple of quarters is unusually uncertain given the dislocation in demand and supply sides of logistics industries. On the demand side, high household savings in the USA and Europe should support consumer demand, but the composition of spending is likely to rebalance towards services, and sharply rising prices for some goods may lead consumers to adjust their spending plans. At the same time, inventory replenishment will support goods trade through end-2021 at least, and the channel shift to e-commerce is likely to keep pressure on outbound logistics capacity. On the supply side, supplier delivery times remain lengthy, and there is little visibility into when equipment shortages and capacity constraints will abate, which has been the key driver for the increase in short-term freight rates.

Container sea freight demand growth

Growth % CAGR (Compound Annual Growth Rate)	Q2 2021 vs Q2 2020	Q2 2021 vs Q2 2019
Globally	19%	2.7%
Global headhaul	21%	3.8%
East-West	21%	2.6%
– Headhaul	29%	4.7%
– Backhaul	6.7%	-1.6%
North-South	20%	1.4%
Intraregional	14%	3.5%

Global trade developments by ocean, air, and ports (% year-on-year)



1 Q2 2021 includes April and May.

Ocean

Profitability for Q2 2021 was driven by revenue growth from higher freight rates combined with higher volumes compared to a low baseline in Q2 2020 which was impacted significantly by COVID-19 lockdowns. Focus in Q2 2021 has been to continue delivering on the strategy and on protecting core strategic partnerships and long-term customers to reduce and mitigate the impact from the congestion and network disruptions to their supply chains, resulting in a higher share of business from these customers. Average loaded rates were driven by long-term contracts renewing at higher freight rates, and short-term freight rates increasing rapidly due to demand surge, leading to equipment shortage and bottlenecks across global supply chains. Unit cost at fixed bunker increased by 0.9% due to higher container handling costs, driven mainly by the congestion and network disruptions. Utilisation remained strong at 95.9% and while schedule reliability remained best in industry, it continues to be unsatisfactory mainly caused by congestions, especially in North America and Asia, as well as missed sailings and delays caused by, among others, the Suez congestion and the ongoing Yantian congestion.

Financial and operational performance

Revenue increased to USD 11.1bn (USD 6.6bn), impacted by freight revenue growth of USD 4.2bn from 59% higher freight rates combined with a volume increase of 15%, also reflecting the low level in Q2 2020. Other revenue increased by 30% to USD 1.3bn (USD 986m), primarily driven by higher activities compared to Q2 2020.

EBITDA improved by USD 3.0bn to USD 4.4bn (USD 1.4bn), driven by the increased freight revenue, partly offset by higher bunker, network and container handling costs. The EBITDA margin increased by 19.0 percentage points to 39.7% (20.7%).

EBIT improved by USD 3.0bn to USD 3.6bn (USD 552m), mainly driven by higher freight revenue. The EBIT margin increased by 23.9 percentage points to 32.3% (8.4%).

Loaded volumes increased by 15% to 3,341k FFE (2,903k FFE), mainly from higher headhaul volumes compared to Q2 2020, impacted by initial COVID-19 lockdown challenges. In comparison, volumes were 3.1% lower compared to Q2 2019. Volumes were driven by exports out of Asia from East-West and Intra Asia trades as well as increased volume growth on North-South trades.

Ocean highlights

USD million	Q2 2021	Q2 2020	H1 2021	H1 2020	12M 2020
Freight revenue	9,788	5,584	17,990	11,612	24,920
Other revenue, including hubs	1,284	986	2,560	2,188	4,255
Revenue	**11,072**	**6,570**	**20,550**	**13,800**	**29,175**
Container handling costs	2,465	1,916	4,827	3,976	8,474
Bunker costs	1,295	766	2,388	2,161	3,835
Network costs, excluding bunker costs	1,817	1,534	3,463	3,262	6,625
Selling, General & Administration (SG&A)	660	630	1,314	1,259	2,698
Cost of goods sold and other operational costs	373	310	626	862	1,252
Total operating costs	**6,610**	**5,156**	**12,618**	**11,520**	**22,884**
Other income/costs, net	-62	-57	-88	252	254
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	**4,400**	**1,357**	**7,844**	**2,532**	**6,545**
EBITDA margin	39.7%	20.7%	38.2%	18.3%	22.4%
Profit/loss before financial items (EBIT)	**3,580**	**552**	**6,280**	**900**	**3,196**
EBIT margin	32.3%	8.4%	30.6%	6.5%	11.0%
Invested capital	**28,600**	**27,836**	**28,600**	**27,836**	**26,969**
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	313	202	506	342	606
Operational and financial metrics					
Loaded volumes (FFE in '000)	3,341	2,903	6,563	5,951	12,634
Loaded freight rate (USD per FFE)	3,038	1,915	2,853	1,942	2,000
Unit cost, fixed bunker (USD per FFE incl. VSA income)	2,039	2,021	2,014	2,024	1,973
Bunker price, average (USD per tonne)	475	328	437	444	372
Bunker consumption (tonne in '000)	2,725	2,333	5,469	4,867	10,322
Average nominal fleet capacity (TEU in '000)	4,113	4,034	4,109	4,098	4,081
Fleet owned (end of period)	306	305	306	305	301
Fleet chartered (end of period)	412	346	412	346	405

The average loaded freight rate increased by 1,123 USD/FFE to 3,038 USD/FFE (1,915 USD/FFE), driven by long-term contracts renewing at higher rates, as well as short-term rates driven by higher demand combined with bottlenecks and congestions driving rate increases.

Total operating costs were 28% higher at USD 6.6bn (USD 5.2bn), driven by higher network costs primarily due to higher bunker price and higher container handling costs as a result of higher volumes and bottlenecks in the supply chains due to port congestions. Adjusting for the negative impact of foreign exchange rates, operating costs increased by 25%.

Bunker cost increased by USD 529m to USD 1.3bn (USD 766m), with an increase in average bunker price of 45% to 475 USD/tonne (328 USD/tonne) driven by recovery of global bunker prices following collapse during initial COVID-19 outbreak end Q1 2020. Bunker consumption increased by 17% driven by an increase in deployed capacity and increased speeding on all trades in response to low schedule reliability. Bunker efficiency decreased by 0.7% to 40.99 g/TEU*NM (40.69 g/TEU*NM).

Unit cost at fixed bunker increased by 0.9% to 2,039 USD/FFE (2,021 USD/FFE), driven by higher container handling costs from terminal expenses, higher network costs driven by higher bunker consumption and time charter equivalent cost. This was partly offset by lower container costs. Adjusting for the negative impact of foreign exchange rates, unit cost at fixed bunker decreased by 1.3%.

Loaded volumes

FFE ('000)	Q2 2021	Q2 2020	Change	Change %
East-West	1,548	1,390	158	11.4
North-South	1,034	894	140	15.7
Intra-regional	759	619	140	22.6
Total	**3,341**	**2,903**	**438**	**15.1**

Average freight rates

USD/FFE	Q2 2021	Q2 2020	Change	Change %
East-West	3,148	1,879	1,269	67.5
North-South	3,764	2,449	1,315	53.7
Intra-regional	1,841	1,292	549	42.5
Total	**3,038**	**1,915**	**1,123**	**58.6**

Fleet overview, end Q2 2021

	Q2 2021	Q4 2020
TEU		
Own container vessels	2,266,858	2,199,030
Chartered container vessels	1,839,377	1,845,885
Total fleet	**4,106,235**	**4,044,915**
Number of vessels		
Own container vessels	306	301
Chartered container vessels	412	405
Total fleet	**718**	**706**

The average nominal capacity of 4,113k TEU increased by 2.0%. There is one carbon-neutral vessel in the newbuilding programme end of Q2, and the fleet consisted of 306 owned and 412 chartered vessels, of which 79k TEU or 1.9% of the fleet were idle (14 vessels), mainly due to repairs.

Key initiatives in Q2

Ocean continues to take further steps towards partnering with key customers, offering contract customers additional flexibility and space to help with volatility in their supply chains. The strategic focus on customer stability and resilience resulted in long-term volumes increasing more than 600k FFE or 54% compared to Q2 2020, as well as 1m FFE signed multi-year contracts during H1 2021.

Twill, the end-to-end digital product designed for small customers without in-house logistics capabilities, continues to gain momentum and has crossed an average of 4,600 FFE per week by end of Q2 2021, up from an average of 438 FFE per week same period last year.

Due to strong demand and to protect the quality of the Maersk SPOT product, the amount offered was reduced given the operational environment and ability to deliver. Consequently, the adoption rate of Maersk Spot as a percentage of total short-term volume remained stable compared with the previous quarter at 35% (36%) in Q2 2021 across all brands. Maersk Spot remains a critical product for freight forwarder customers, and Ocean will continue to expand scope across brands and keep adding features to attract more customers to the product.

Decarbonisation is a core element of the strategy and a strong focus amongst customers. A.P. Moller - Maersk announced the launch of a digital emissions dashboard which allows end-to-end visibility across all transport modes and carriers, enabling customers to track their carbon footprint. In addition, A.P. Moller - Maersk has proposed an industry bunker carbon tax of at least 450 USD/tonne (150 USD/tonne CO_2), a levy to bridge the gap between fossil fuels consumed by vessels and the currently expensive green alternatives. During Q2, A.P. Moller - Maersk has signed the UN Global Compact Commitment letter to a 'Business ambition of 1.5C', entailing a commitment to set a Science Based Target to reach net zero submissions by 2050 across all scopes, and to set Science Based Targets initiative (SBTi) approved interim target within the next 5-15 years.

Financial review H1 2021

For H1 there was a revenue growth of 49% to USD 20.6bn (USD 13.8bn), driven by increase in loaded freight rate of 47% and 10% higher volumes. Other revenue increased by 17% to USD 2.6bn (USD 2.2bn). EBITDA margin increased by 19.9 percentage points to 38.2% at USD 7.8bn (USD 2.5bn) and the EBIT margin increased by 24.1 percentage points to 30.6% at USD 6.3bn (USD 900m).

Total operating costs increased by 9.5% to USD 12.6bn (USD 11.5bn) driven by increased container handling costs of 21.4% and higher network costs driven by bunker cost increase of 10% due to higher consumption and higher network cost excl. bunker of 6.2%. Adjusting for the negative impact of foreign exchange rates, operating costs increased by 7.7%.

New Logistics & Services categories
Global supply chains are complex and hard to manage for customers and lack of connectivity between service providers makes global logistics unpredictable and increasingly complex. True integration means the ability to bring it all together. To organise and optimise, to assume responsibility and deliver accountability. 'By Maersk' matches how the customer thinks about logistics.

See the following page for a description of the product families and the strategic rationale behind the changes made as of 2021.

Logistics & Services

The financial results improved significantly, driven by both strong revenue growth and margin improvements in Q2. The revenue growth of 38% was coming from all product families, with an increase in Managed by Maersk of 58% to USD 317m (USD 201m), an increase in Fulfilled by Maersk of 51% to USD 480m (USD 317m), and an increase in Transported by Maersk of 30% to USD 1.4bn (USD 1.1bn). The revenue coming from providing more services to top 200 Ocean customers increased by 64% from USD 524m to USD 857m. Similar to revenue growth, EBITDA margin improved across all product families.

Organic/inorganic

	Q2-20A	Organic	Inorganic	Q2-21A
Revenue	1,569	566	33	2,168
		36%	2%	
EBITA	48	108	8	164

The integration of the acquisitions in 2020 are progressing according to plan. While the offerings continued being strengthened across products and services, the acquisitions of Visible Supply Chain Management and B2C Europe in the e-commerce logistics area will allow us to respond to growing customer needs within business-to-consumer fulfilment and delivery.

Logistics & Services highlights

USD million	Q2 2021	Q2 2020	H1 2021	H1 2020	12M 2020
Revenue	**2,168**	**1,569**	**4,213**	**3,011**	**6,963**
Direct costs (third party cost)	1,605	1,208	3,139	2,344	5,328
Gross profit	**563**	**361**	**1,074**	**667**	**1,635**
Direct Operating Expenses	222	159	417	302	708
Selling, General & Administration (SG&A)	125	105	236	200	473
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	**216**	**97**	**421**	**165**	**454**
EBITDA margin	10.0%	6.2%	10.0%	5.5%	6.5%
Earnings before interest, taxes, and amortisation (EBITA)	**164**	**48**	**314**	**78**	**289**
EBITA margin	7.6%	3.1%	7.5%	2.6%	4.2%
Profit/loss before financial items (EBIT)	**153**	**42**	**292**	**71**	**264**
EBIT margin	7.1%	2.7%	6.9%	2.4%	3.8%
Invested capital	**1,828**	**1,379**	**1,828**	**1,379**	**1,773**
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	36	41	57	99	156
Operational and financial metrics					
EBIT conversion (EBIT/gross profit - %)	27.2%	11.6%	27.2%	10.6%	16.1%
Managed by Maersk revenue	317	201	665	421	1,014
Fulfilled by Maersk revenue	480	317	937	538	1,457
Transported by Maersk revenue	1,371	1,051	2,611	2,052	4,492
Supply chain management volumes (kcbm)	20,696	15,791	41,380	30,363	77,023
Intermodal volumes (kFFE)	1,082	768	2,119	1,631	3,640
Sea freight volumes (TEU)	30,798	101,788	77,625	202,069	401,369
Air freight volumes (tonne)	39,506	37,860	75,835	63,999	138,086

Financial and operational performance
Revenue increased by 38% to USD 2.2bn (USD 1.6bn), due to the strong logistics industry and Logistics & Services' ability to deliver end-to-end solutions across all services through continuous operational improvements, focus on sales pipeline execution, and to provide more services to existing Ocean customers.

Organic revenue contributed 36% of the 38% increase in revenue to USD 2.2bn (USD 1.6bn). The increase in organic EBITA was USD 108m. As of Q1 2021, Performance Team was included in the organic growth figures after being consolidated on 1 April 2020. KGH Customs Services contributed with an inorganic revenue of USD 33m and an EBITA of USD 8m.

Gross profit increased by USD 202m to USD 563m (USD 361m), driven by an increase in volumes in Lead Logistics, and in the number of declarations handled in Customs Services under Managed by Maersk, increased profitability in Contract Logistics facilities in North America under Fulfilled by Maersk, and growth and higher margins in Landside Transportation under Transported by Maersk.

EBITDA increased by USD 119m to USD 216m (USD 97m) due to the higher revenue and the focus on operational excellence with an EBITDA margin of 10.0% (6.2%). EBITA increased to USD 164m (USD 48m), with an EBITA margin of 7.6% (3.1%). The EBIT conversion ratio was 27.2% (11.6%).

For the Managed by Maersk services, revenue increased by 58% to USD 317m (USD 201m), driven by a 31% increase in volumes in Lead Logistics to 20,696 kcbm (15,791 kcbm). The increase in volume reflects the sharp drop in volumes in Q2 2020 due to the COVID-19 challenges, and in Q2 2021 changing consumer patterns where customers in the USA more increasingly demanded retail goods, and also winning new business. Further, Customs Services volumes were up by 887k declarations to 1,207k declarations (320k declarations). The organic growth was 72% with 552k declarations (320k declarations) and inorganically KGH Customs Services contributed with 654k declarations (0k declarations), partly driven by Brexit.

For the Fulfilled by Maersk services, revenue was up by 51% to USD 480m (USD 317m), driven by Contract Logistics' new activities and the turnaround of existing facilities in North America, combined with growing volumes from increasing supply chain needs from customers and a growing footprint from the integration of Performance Team.

For the Transported by Maersk services, revenue was up by 30% to USD 1.4bn (USD 1.1bn), driven by an increase in Landside Transportation Intermodal volumes of 41% to 1,082k FFE (768k FFE), mainly due to a higher penetration ratio into existing Ocean customers. Further, air freight forwarding volumes increased by 4.3% to 39.5k tonnes (37.9k tonnes) primarily coming from Asia Pacific into North America, however, lower rates led to an 7.8% lower revenue at USD 297m (USD 322m). Sea freight volumes were reduced as a result of the discontinuation of the Damco brand.

Key initiatives in Q2
In terms of integration, in North America, the Performance Team integration is well on track and delivering strong commercial synergies, further strengthening the Contract Logistics offering, while in Europe, the integration of KGH Customs Services is progressing well, delivering strong results including Brexit. As announced, Logistics & Services acquired Visible Supply Chain Management and B2C Europe which complements the existing portfolio and meets Logistics & Services customers' need for e-commerce logistics.

Logistics & Services product specifications

Product families	Details	Strategic rationale
Managed by Maersk	• Lead Logistics (Supply Chain Management and 4PL) • Cold Chain logistics • Custom Services • TradeLens	Integrated management solutions enable customers to control or outsource part or all their supply chain. Combining transport and fulfilment solutions with digital platforms, give end to end visibility, actionability and control.
Fulfilled by Maersk	• Contract logistics (Warehousing & Distribution and Depot) • e-commerce	Integrated fulfilment solutions improve customer consolidation and storage down to order level. Whether e-commerce or cold storage, Logistics & Services solutions connect seamlessly to its transportation network, optimising inventory flow and precision to deliver individual orders precisely and on time.
Transported by Maersk	• Landside Transportation (Intermodal and Intercontinental Rail) • Insurance • Air & Less Than Container Load (LCL) • Star Air • Full Container Load (FCL) • Sea Freight Forwarding Others	Integrated transportation solutions facilitate supply chain control across A.P. Moller - Maersk's assets. The solutions are modular, providing customers end to end services with higher reliability, speed and accountability.

Organic/inorganic

	H1-20A	Organic	Inorganic	H1-21A
Revenue	3,011	992	210	4,213
		33%	7%	
EBITA	78	212	24	314

In Managed by Maersk, TradeLens continued to expand its network, with an enhanced footprint, including a roll-out in China. Decarbonisation is core to the Maersk integrator strategy, and in Q2, the Maersk carbon emission dashboard was launched to help accelerate Logistics & Services customers' sustainability efforts.

In Fulfilled by Maersk, the network expanded by 400k sqm to 2.65m sqm (2.25m sqm). Notably, a major opening included a new 76k sqm fulfilment and deconsolidation facility in Romania. Further significant investments are in progress for Europe and North America to support Logistics & Services' customers especially with deconsolidation solutions in 2021 and 2022.

Transported by Maersk is enhancing the LCL network, with 150 own direct consolidation lanes now open versus less than 50 in 2020, focusing on long-haul trade, proposing additional services to answer the client's needs in this area.

Financial review H1 2021

Revenue of USD 4.2bn (USD 3.0bn) was driven by increasing revenue in Managed by Maersk services to USD 665m (USD 421m), Fulfilled by Maersk services to USD 937m (USD 538m) and Transported by Maersk services to USD 2.6bn (USD 2.1bn). This was driven by an increase in volumes in Landside Transportation Intermodal of 30% to 2,119k FFE (1,631k FFE), mainly due to a higher penetration ratio into existing Ocean customers. Further, volumes in Lead Logistics increased by 36% to 41,380 kcbm (30,363 kcbm), driven by COVID-19 bounce back, changing customer patterns and new business wins. In addition to strong organic development, KGH Customs Services contributed to the revenue growth. Inorganic revenue accounted for USD 210m (USD 82m). EBITDA increased to USD 421m (USD 165m) and EBITA increased to USD 314m (USD 78m).

Terminals & Towage

Terminals & Towage reported an increase in revenue of USD 270m to USD 1.1bn (USD 878m), with an increase in EBITDA of USD 186m to USD 423m (USD 237m) and an increase in EBIT of USD 134m to USD 334m (USD 200m).

Terminals & Towage highlights

USD million	Q2 2021	Q2 2020	H1 2021	H1 2020	12M 2020
Revenue	**1,148**	**878**	**2,237**	**1,789**	**3,807**
Concession fees (excl. capitalised lease expenses)	81	79	159	135	287
Labour cost (blue collar)	352	286	697	584	1,236
Other operational cost	145	144	289	295	520
Selling, General & Administration (SG&A) and other costs, etc.	147	132	289	262	559
Total operating costs	**725**	**641**	**1,434**	**1,276**	**2,602**
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	**423**	**237**	**803**	**513**	**1,205**
EBITDA margin	36.8%	27.0%	35.9%	28.7%	31.7%
Profit/loss before financial items (EBIT)	**334**	**200**	**606**	**397**	**828**
EBIT margin	29.1%	22.8%	27.1%	22.2%	21.7%
Invested capital	**10,268**	**9,861**	**10,268**	**9,861**	**10,389**
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	96	112	187	215	457
Operational and financial metrics					
Terminal volumes – financially consolidated (moves, m)	3.2	2.6	6.3	5.4	11.5
Ocean segment	1.1	0.9	2.2	1.9	4.1
External customers	2.1	1.7	4.1	3.5	7.4
Terminal revenue per move – financially consolidated (USD)	301	278	299	272	275
Terminal cost per move – financially consolidated (USD)	234	251	235	242	232
Result from joint ventures and associated companies (USDm)	86	35	150	106	236
Number of operational tug jobs (harbour towage) ('000)	36	33	71	70	138
Annualised EBITDA per tug (terminal towage) (USD in '000)	744	934	843	1,018	956

In gateway terminals, revenue increased to USD 969m (USD 723m), with a continued increase in demand for goods resulting in higher volumes for terminals, but also increase in revenue from congestion. Especially, the continued supply chain congestion in the USA and spot calls in Latin America contributed significantly to the increase in EBITDA to USD 370m (USD 186m) and the increase in EBIT to USD 302m (USD 144m).

In Towage, revenue increased to USD 184m (USD 160m), while EBITDA increased to USD 53m (USD 51m). EBIT decreased to USD 32m (USD 56m), driven by the significant gain in Q2 2020 resulting from the acquisition of Port Towage Amsterdam.

Terminals

Financial and operational performance

Revenue increased to USD 969m (USD 723m), driven by higher volumes and increased storage income due to the persisting congestions and transportation bottlenecks.

Further, the consolidation of Pipavav, India, contributed by USD 15m. The increase in volume and higher storage income in combination with higher cost related to provisions in Q2 2020 significantly impacted EBITDA with an increase to USD 370m (USD 186m) and with an EBITDA margin of 38.1% (25.7%).

EBIT increased to USD 302m (USD 144m), driven by the higher EBITDA and higher results from joint ventures and associated companies, partially offset by higher depreciation mainly due to modernisation of yard equipment in Los Angeles, USA, and terminal expansion in Yokohama, Japan. CAPEX decreased to USD 40m (USD 75m).

In North America, revenue increased due to volumes being up 29% and higher storage income driven by supply chain congestion. This was partially offset by higher labour cost, given the high volumes and yard congestions, leading to an increase in the EBITDA margin to 30% (23%).

In Latin America, higher revenue per move across the region, supported by higher storage income in Buenaventura, Colombia and overall volume growth of 20%, resulted in an increase in the EBITDA-margin to 51% (40%).

In Asia, volumes grew 60% and the EBITDA margin increased by 19 percentage points to 34% (15%), mainly driven by ramp-up of two new berths in Yokohama, higher volume in Mumbai, India, and consolidation of Pipavav. Volume grew 49% like-for-like (excluding Pipavav) in Asia. In Europe, revenue increased as a result of an increase in volume of 19% and higher storage income, partially offset by higher cost per move, leading to an increase in EBITDA margin to 30% (28%).

In Africa and Middle East volume decreased by 2.7% driven by loss of services in Cotonou, Benin, and lower volume in Bahrain as cross border cargo moved back to trucks, following easing of COVID-19 restrictions. The EBITDA margin increased to 47% (20%), driven by a compensation in Q2

Regional EBITDA margin, Terminals[1]

Percentage	Q2 2021	Q2 2020
North America	30	23
Latin America	51	40
Europe, Russia and the Baltics	30	28
Asia	34	15
Africa and Middle East	47	20
Total	**38**	**26**

Regional volume, Terminals[1]

Million moves	Q2 2021	Q2 2020	Growth (%)
North America	0.8	0.6	29.3
Latin America	0.6	0.5	19.8
Europe, Russia and the Baltics	0.7	0.6	19.1
Asia	0.6	0.4	59.5
Africa and Middle East	0.5	0.5	-2.7
Total	**3.2**	**2.6**	**23.8**

1 Financially consolidated.

2021 and Q2 2020 being negatively impacted by provisions, partly offset by lower volumes and negative impacts from foreign exchange rates.

For gateway terminals, volumes increased by 24% (increased by 22% like-for-like, adjusted for Pipavav) and utilisation was high at 76% (64%) with volume growth mainly in Asia and North America. Volume from the Ocean segment increased by 17% and volume from external customers increased by 28%. The like-for-like volume increase was 6.8% versus Q2 2019.

A congestion-driven revenue increase in North America and higher storage income in Buenaventura were the main drivers behind an increase in global revenue per move of 8.3% to USD 301 (USD 278). Upward shift in volume and lower net provision resulted in lower cost per move of 7.0% to USD 234 (USD 251).

Adjusted for foreign exchange rates, volume mix effects and portfolio changes, revenue per move increased by 11%, and cost per move decreased by 2.0%.

Results from joint ventures and associated companies

The share of profit in joint ventures and associated companies increased to USD 79m (USD 31m) driven by foreign exchange rate losses in Q2 2020, supported by positive impact of higher results in Santos, Brazil, and Tema, Ghana.

Key initiatives in Q2

Terminals was awarded a 50-year concession to build, maintain and operate a container terminal in Rijeka, Croatia, in a 51%/49% partnership with ENNA Logic, pending regulatory approval.

The construction work in Abidjan, Ivory Coast, is progressing and the business setup is being put in place to open towards the end of 2022. In APM Terminals Poti, Georgia, the contract for enlargement is in place and progress is being made on the preparations to start the physical works. In Onne, Nigeria, civil works to upgrade the yard are progressing.

Towage

Financial and operational performance

Revenue increased by USD 24m to USD 184m (USD 160m), and the increase was 5.2% or USD 8m, when adjusted for foreign exchange rate development. Revenue was positively impacted by higher harbour towage activity, resulting in an increase of 7.2% in tug jobs, primarily driven by an increase in LNG activities in Europe, strong grain exports from Australia and ramp-up activities in Morocco. The increase was partly offset by slower position in Americas especially in Brazil. EBITDA increased to USD 53m (USD 51m), mainly due to increase in activity and positive foreign exchange rate development partly offset by increased operating costs. EBIT decreased to USD 32m (USD 56m) driven by a gain in Q2 2020 resulting from the acquisition of Port Towage Amsterdam.

For terminal towage, the annualised EBITDA per tug decreased by 21% driven by decrease in activity in Americas, increasing operating cost in Asia, Middle East and Africa and lower tanker activities in Australia.

Results from joint ventures and associated companies

The share of profit in joint ventures and associated companies increased to USD 6m (USD 4m), with increases driven by improved operational performances in the Americas, Australia and China.

Key initiatives in Q2

During Q2, Towage secured a 10-year contract in the Philippines, with expected start in 2022, increasing Towage's footprint in Asia. In addition, a two-year contract was signed in the UK. Towage also set up operations in two new ports in Brazil.

Terminals & Towage

Financial review H1 2021

Terminals & Towage reported an increase in revenue of USD 448m to USD 2.2bn (USD 1.8bn), with an increase in EBITDA of USD 290m to USD 803m (USD 513m) and an increase in EBIT of USD 209m to USD 606m (USD 397m).

In gateway terminals, revenue was USD 1.9bn (USD 1.5bn), with an increase of 17% in volume mainly driven by a volume surge and higher storage income in North America in H1 2021, in combination with a COVID-19 related impact in 2020. Excluding the newly consolidated terminal in 2021, like-for-like volumes increased by 13%. Capacity utilisation increased to 75% (67%). Revenue per move increased to USD 299 (USD 272) and cost per move decreased to USD 235 (USD 242). EBITDA increased to USD 693m (USD 399m) and EBIT increased to USD 541m (USD 306m).

In Towage, revenue was USD 365m (USD 338m), positively impacted by foreign exchange rate development as well as volume increases in Asia, Middle East & Africa, and Australia, partly offset by lower volumes in Europe, particularly in Scandinavia, the UK, and in the Americas, particularly in Brazil. EBITDA of USD 111m was on par with the prior period (USD 115m). EBIT decreased by 29% to USD 65m (USD 91m).

Manufacturing & Others

Revenue was USD 344m (USD 316m) with an EBITDA of USD 41m (USD 49m) and an EBIT of USD 33m (USD 0m).

For Maersk Container Industry, revenue increased to USD 179m (USD 154m), driven by strong market demand, increase in sale prices and stronger service sales. EBITDA decreased by USD 7m to USD 21m (USD 28m) due to an increase in direct material cost. EBIT decreased by USD 32m to USD 33m (USD 65m) mainly due to the sale of the MCI Dongguan factory in China in Q2 2020. As communicated

Manufacturing & Others highlights

USD million	Q2 2021	Q2 2020	H1 2021	H1 2020	12M 2020
Revenue	**344**	**316**	**686**	**611**	**1,254**
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	**41**	**49**	**73**	**92**	**165**
EBITDA margin	11.9%	15.5%	10.6%	15.1%	13.2%
Profit/loss before financial items (EBIT)	**33**	**-**	**40**	**18**	**69**
EBIT margin	9.6%	0.0%	5.8%	2.9%	5.5%
Invested capital	**1,034**	**1,045**	**1,034**	**1,045**	**986**
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	-	7	27	15	33

at the A.P. Moller - Maersk Capital Markets Day in March, a strategic review of Maersk Container Industry has been initiated.

For Maersk Supply Service, revenue increased to USD 75m (USD 56m) mainly driven by an increase in activity and higher rates. EBITDA increased to positive USD 9m (negative USD 4m) driven by the improved market conditions, only partly offset by an increase in operating cost. EBIT in Q2 increased by USD 74m to negative USD 2m (negative USD 76m). EBIT was positively impacted by an increase in activity and higher rates. The period on period result was to a larger extent positively impacted by an impairment loss recognised in Q2 2020.

Maersk Supply Service won a large project contract in Brazil, and the project work will be carried out over 2021 and 2022. Further, Maersk Supply Service was awarded new contracts in key geographies such as Africa and Europe in Q2.

For other businesses, revenue was USD 90m (USD 106m) with an EBITDA of USD 12m (USD 25m) and an EBIT of USD 3m (USD 10m).

Financial review H1 2021

Revenue was USD 686m (USD 611m) with an EBITDA of USD 73m (USD 92m).

Revenue in Maersk Container Industry was USD 378m (USD 278m) of which 76% was related to third-party customers. EBITDA was USD 46m (USD 42m) driven by improved contribution from higher sales in Q1 2021, partly offset by an increase in material cost in Q2 2021.

Maersk Supply Service reported a revenue of USD 129m (USD 126m) and an EBITDA of USD 0m (USD 11m) mainly driven by an increase in crew cost.

For other businesses, revenue was USD 179m (USD 207m) with an EBITDA of USD 27m (USD 39m) and an EBIT of USD 5m (USD 10m).

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 2021 to 30 June 2021.

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 21-31) give a true and fair view of A.P. Moller - Maersk's consolidated assets, liabilities and financial position at 30 June 2021 and of the results of A.P. Moller - Maersk's consolidated operations and cash flows for the period 1 January to 30 June 2021.

Furthermore, in our opinion, the Directors' report (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 2020.

Copenhagen, 6 August 2021

Executive Board

Søren Skou — CEO

Patrick Jany — CFO

Vincent Clerc

Morten Engelstoft

Henriette Hallberg Thygesen

Board of Directors

Jim Hagemann Snabe — Chairman

Ane Mærsk Mc-Kinney Uggla — Vice Chairman

Bernard L. Bot

Marc Engel

Arne Karlsson

Thomas Lindegaard Madsen

Blythe S. J. Masters

Amparo Moraleda

Jacob Andersen Sterling

Robert Mærsk Uggla

Financials

Condensed income statement

Amounts in USD million

Note		Q2 2021	Q2 2020	6 months 2021	6 months 2020	12M 2020
1	Revenue	14,230	8,997	26,669	18,568	39,740
1	**Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)**	**5,064**	**1,697**	**9,103**	**3,218**	**8,226**
	Depreciation, amortisation and impairment losses, net	1,087	1,149	2,112	2,222	4,541
	Gain on sale of non-current assets, etc., net	12	145	19	164	202
	Share of profit/loss in joint ventures and associated companies	95	58	171	143	299
1	**Profit/loss before financial items (EBIT)**	**4,084**	**751**	**7,181**	**1,303**	**4,186**
	Financial items, net	-186	-232	-416	-447	-879
	Profit/loss before tax	**3,898**	**519**	**6,765**	**856**	**3,307**
	Tax	152	76	302	204	407
	Profit/loss for the period	**3,746**	**443**	**6,463**	**652**	**2,900**
	Of which:					
	Non-controlling interests	33	16	53	28	50
	A.P. Møller - Mærsk A/S' share	**3,713**	**427**	**6,410**	**624**	**2,850**
	Earnings per share, USD	**194**	**21**	**333**	**31**	**145**
	Diluted earnings per share, USD	**193**	**21**	**332**	**31**	**145**

Condensed statement of comprehensive income

Note		Q2 2021	Q2 2020	6 months 2021	6 months 2020	12M 2020
	Profit/loss for the period	**3,746**	**443**	**6,463**	**652**	**2,900**
	Translation from functional currency to presentation currency	111	134	-106	-222	195
	Reclassified to income statement, gain on sale of non-current assets, etc., net	16	64	23	64	64
	Cash flow hedges	-8	69	-69	-132	43
	Tax on other comprehensive income	2	-2	-7	25	10
	Share of other comprehensive income of joint ventures and associated companies, net of tax	-1	-4	-9	4	5
	Total items that have been or may be reclassified subsequently to the income statement	**120**	**261**	**-168**	**-261**	**317**
	Other equity investments	1	3	2	3	2
	Actuarial gains/losses on defined benefit plans, etc.	-69	-100	-69	70	-207
	Tax on other comprehensive income	13	-	13	-	-4
	Total items that will not be reclassified to the income statement	**-55**	**-97**	**-54**	**73**	**-209**
	Other comprehensive income, net of tax	**65**	**164**	**-222**	**-188**	**108**
	Total comprehensive income for the period	**3,811**	**607**	**6,241**	**464**	**3,008**
	Of which:					
	Non-controlling interests	31	6	50	9	47
	A.P. Møller - Mærsk A/S' share	**3,780**	**601**	**6,191**	**455**	**2,961**

Condensed balance sheet at 30 June

Amounts in USD million

Note	30 June 2021	30 June 2020	12M 2020
Intangible assets	4,981	4,961	5,145
Property, plant and equipment	26,397	26,667	26,481
Right-of-use assets	9,002	8,313	8,323
Financial non-current assets, etc.	2,933	3,413	3,183
Deferred tax	272	230	249
Total non-current assets	**43,585**	**43,584**	**43,381**
Inventories	1,486	946	1,049
Receivables, etc.	6,425	5,411	5,603
Securities	1	1	1
Cash and bank balances	8,106	5,243	5,865
Assets held for sale	437	134	218
Total current assets	**16,455**	**11,735**	**12,736**
Total assets	**60,040**	**55,319**	**56,117**

Note	30 June 2021	30 June 2020	12M 2020
Equity attributable to A.P. Møller - Mærsk A/S	34,269	27,527	29,850
Non-controlling interests	1,013	1,042	1,004
Total equity	**35,282**	**28,569**	**30,854**
Lease liabilities, non-current	7,593	7,174	7,356
Borrowings, non-current	4,850	7,621	5,868
Other non-current liabilities	1,937	2,250	1,985
Total non-current liabilities	**14,380**	**17,045**	**15,209**
Lease liabilities, current	1,871	1,315	1,391
Borrowings, current	239	1,157	758
Other current liabilities	8,024	7,165	7,814
Liabilities associated with assets held for sale	244	68	91
Total current liabilities	**10,378**	**9,705**	**10,054**
Total liabilities	**24,758**	**26,750**	**25,263**
Total equity and liabilities	**60,040**	**55,319**	**56,117**

Condensed cash flow statement

Amounts in USD million

Note		Q2 2021	Q2 2020	6 months 2021	6 months 2020	12M 2020
	Profit/loss before financial items	4,084	751	7,181	1,303	4,186
	Non-cash items, etc.	1,075	1,157	1,958	2,059	4,305
	Change in working capital	-886	58	-1,345	-104	-239
	Cash flow from operating activities before tax	4,273	1,966	7,794	3,258	8,252
	Taxes paid	-136	-99	-224	-175	-424
	Cash flow from operating activities	**4,137**	**1,867**	**7,570**	**3,083**	**7,828**
	Purchase of intangible assets and property, plant and equipment (CAPEX)	-452	-362	-781	-672	-1,322
	Sale of intangible assets and property, plant and equipment	89	136	124	182	435
	Sale of other equity investments	-	1	4	1	5
3	Acquisition of subsidiaries and activities	-10	-234	-10	-266	-425
	Sale of subsidiaries and activities	-29	30	-28	35	36
	Dividends received	36	20	95	42	177
	Financial investments etc., net	47	-212	-53	-199	70
	Cash flow used for investing activities	**-319**	**-621**	**-649**	**-877**	**-1,024**
	Repayments of/proceeds from borrowings, net	-982	897	-1,465	512	-1,860
	Repayments of lease liabilities	-453	-396	-1,082	-738	-1,710
	Financial payments, net	-13	-96	-96	-170	-292
	Financial expenses paid on lease liabilities	-114	-118	-228	-231	-468
	Purchase of own shares	-448	-302	-781	-598	-806
	Dividends distributed	-128	-55	-1,017	-430	-430
	Dividends distributed to non-controlling interests	-29	-23	-41	-35	-92
	Other equity transactions	24	34	33	11	40
	Cash flow from financing activities	**-2,143**	**-59**	**-4,677**	**-1,679**	**-5,618**
	Net cash flow for the period	**1,675**	**1,187**	**2,244**	**527**	**1,186**
	Cash and cash equivalents, beginning of period	6,401	4,032	5,845	4,758	4,758
	Currency translation effect on cash and bank balances	18	-13	5	-79	-80
	Cash and cash equivalents, end of period	8,094	5,206	8,094	5,206	5,864
	Of which classified as assets held for sale	-23	-	-23	-	-19
	Cash and cash equivalents, end of period	**8,071**	**5,206**	**8,071**	**5,206**	**5,845**
	Cash and cash equivalents					
	Cash and bank balances	8,106	5,243	8,106	5,243	5,865
	Overdrafts	35	37	35	37	20
	Cash and cash equivalents, end of period	**8,071**	**5,206**	**8,071**	**5,206**	**5,845**

Cash and bank balances include USD 1.1bn (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.

Condensed statement of changes in equity

Amounts in USD million

Note		A.P. Møller - Mærsk A/S							
		Share capital	Translation reserve	Reserve for other equity investments	Reserve for hedges	Retained earnings	Total	Non-controlling interests	Total equity
	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/loss 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**
	Equity 1 January 2020	3,774	-692	-4	-97	25,117	28,098	739	28,837
	Other comprehensive income, net of tax	-	-142	3	-104	74	-169	-19	-188
	Profit/loss for the period	-	-	-	-	624	624	28	652
	Total comprehensive income for the period	**-**	**-142**	**3**	**-104**	**698**	**455**	**9**	**464**
	Dividends to shareholders	-	-	-	-	-430	-430	-39	-469
	Value of share-based payment	-	-	-	-	5	5	-	5
	Acquisition of non-controlling interests	-	-	-	-	-3	-3	329	326
	Purchase of own shares	-	-	-	-	-598	-598	-	-598
	Capital increases and decreases	-142	-	-	-	142	-	4	4
	Total transactions with shareholders	**-142**	**-**	**-**	**-**	**-884**	**-1,026**	**294**	**-732**
	Equity 30 June 2020	**3,632**	**-834**	**-1**	**-201**	**24,931**	**27,527**	**1,042**	**28,569**

Note 1 Segment information

Amounts in USD million

	Ocean	Logistics & Services	Terminals & Towage	Manu-facturing & Others	Total
Q2 2021					
External revenue	10,851	2,142	889	329	14,211
Inter-segment revenue	221	26	259	15	521
Total segment revenue	**11,072**	**2,168**	**1,148**	**344**	**14,732**
Unallocated items					24
Eliminations					-526
Total revenue					**14,230**
Segment profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	**4,400**	**216**	**423**	**41**	**5,080**
Unallocated items					-19
Eliminations					3
Consolidated profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)					**5,064**
Segment profit/loss before financial items (EBIT)	**3,580**	**153**	**334**	**33**	**4,100**
Unallocated items					-22
Eliminations					6
Consolidated profit/loss before financial items (EBIT)					**4,084**
Segment invested capital	**28,600**	**1,828**	**10,268**	**1,034**	**41,730**
Unallocated items					-198
Eliminations					-51
Consolidated invested capital					**41,481**
Segment gross capital expenditures, excl. acquisitions and divestments (CAPEX)	**313**	**36**	**96**	**-**	**445**
Unallocated items					6
Eliminations					1
Consolidated gross capital expenditures, excl. acquisitions and divestments (CAPEX)					**452**

Note 1 Segment information – continued

Amounts in USD million

	Ocean	Logistics & Services	Terminals & Towage	Manu-facturing & Others	Total
Q2 2020					
External revenue	6,455	1,521	697	310	8,983
Inter-segment revenue	115	48	181	6	350
Total segment revenue	**6,570**	**1,569**	**878**	**316**	**9,333**
Unallocated items					17
Eliminations					-353
Total revenue					**8,997**
Segment profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	**1,357**	**97**	**237**	**49**	**1,740**
Unallocated items					-43
Eliminations					-
Consolidated profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)					**1,697**
Segment profit/loss before financial items (EBIT)	**552**	**42**	**200**	**-**	**794**
Unallocated items					-44
Eliminations					1
Consolidated profit/loss before financial items (EBIT)					**751**
Segment invested capital	**27,836**	**1,379**	**9,861**	**1,045**	**40,121**
Unallocated items					92
Eliminations					-27
Consolidated invested capital					**40,186**
Segment gross capital expenditures, excl. acquisitions and divestments (CAPEX)	**202**	**41**	**112**	**7**	**362**
Unallocated items					-
Eliminations					-
Consolidated gross capital expenditures, excl. acquisitions and divestments (CAPEX)					**362**

Note 1 Segment information – continued

Amounts in USD million

	Ocean	Logistics & Services	Terminals & Towage	Manu-facturing & Others	Total
6 months 2021					
External revenue	20,158	4,138	1,741	592	26,629
Inter-segment revenue	392	75	496	94	1,057
Total segment revenue	**20,550**	**4,213**	**2,237**	**686**	**27,686**
Unallocated items					48
Eliminations					-1,065
Total revenue					**26,669**
Segment profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	**7,844**	**421**	**803**	**73**	**9,141**
Unallocated items					-39
Eliminations					1
Consolidated profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)					**9,103**
Segment profit/loss before financial items (EBIT)	**6,280**	**292**	**606**	**40**	**7,218**
Unallocated items					-45
Eliminations					8
Consolidated profit/loss before financial items (EBIT)					**7,181**
Segment invested capital	**28,600**	**1,828**	**10,268**	**1,034**	**41,730**
Unallocated items					-198
Eliminations					-51
Consolidated invested capital					**41,481**
Segment gross capital expenditures, excl. acquisitions and divestments (CAPEX)	**506**	**57**	**187**	**27**	**777**
Unallocated items					5
Eliminations					-1
Consolidated gross capital expenditures, excl. acquisitions and divestments (CAPEX)					**781**

Note 1 Segment information – continued

Amounts in USD million

	Ocean	Logistics & Services	Terminals & Towage	Manu-facturing & Others	Total
6 months 2020					
External revenue	13,597	2,912	1,429	599	18,537
Inter-segment revenue	203	99	360	12	674
Total segment revenue	**13,800**	**3,011**	**1,789**	**611**	**19,211**
Unallocated items					38
Eliminations					-681
Total revenue					**18,568**
Segment profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	**2,532**	**165**	**513**	**92**	**3,302**
Unallocated items					-84
Eliminations					-
Consolidated profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)					**3,218**
Segment profit/loss before financial items (EBIT)	**900**	**71**	**397**	**18**	**1,386**
Unallocated items					-87
Eliminations					4
Consolidated profit/loss before financial items (EBIT)					**1,303**
Segment invested capital	**27,836**	**1,379**	**9,861**	**1,045**	**40,121**
Unallocated items					92
Eliminations					-27
Consolidated invested capital					**40,186**
Segment gross capital expenditures, excl. acquisitions and divestments (CAPEX)	**342**	**99**	**215**	**15**	**671**
Unallocated items					-
Eliminations					1
Consolidated gross capital expenditures, excl. acquisitions and divestments (CAPEX)					**672**

USD million	Types of revenue	Q2 2021	Q2 2020	6 months 2021	6 months 2020	12M 2020
Ocean	Freight revenue	9,788	5,584	17,990	11,612	24,920
	Other revenue, including hubs	1,284	986	2,560	2,188	4,255
Logistics & Services	Managed by Maersk	317	201	665	421	1,014
	Fulfilled by Maersk	480	317	937	538	1,457
	Transported by Maersk	1,371	1,051	2,611	2,052	4,492
Terminals & Towage	Terminal services	969	723	1,884	1,463	3,151
	Towage services	184	160	365	338	681
Manufacturing & Others	Sale of containers and spare parts	179	154	378	278	587
	Offshore supply services	75	56	129	126	252
	Other shipping activities	66	93	135	174	347
	Other services	24	13	44	33	68
Unallocated activities and eliminations[1]		-507	-341	-1,029	-655	-1,484
Total revenue		**14,230**	**8,997**	**26,669**	**18,568**	**39,740**

1 Including revenue eliminations between terminal services and towage services.

Note 2 Share capital

Amounts in USD million

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 2020	10,756,265	226	10,060,401	166	20,817	3,774
Cancellation	156,977	-	627,938	-	785	142
30 June 2020	**10,599,288**	**226**	**9,432,463**	**166**	**20,032**	**3,632**
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**

At the Annual General Meeting of A.P. Møller - Mærsk A/S on 23 March 2021, the shareholders decided on the cancellation of treasury shares, whereby the share capital would be decreased. On 20 May 2021, the Company's share capital was reduced from nominally DKK 20,031,947,000 by nominally DKK 655,931,000 in total, divided into 131,186 A shares and 524,745 B shares of DKK 1,000 to nominally DKK 19,376,016,000 by cancellation of own shares.

Development in the holding of own shares:

	No. of shares of DKK 1,000		Nominal value DKK million		% of share capital	
Own shares	2021	2020	2021	2020	2021	2020
A shares						
1 January	119,176	134,279	119	134	0.59%	0.65%
Addition	63,153	115,881	63	116	0.32%	0.57%
Cancellation	131,186	156,977	131	157	0.65%	0.75%
30 June	**51,143**	**93,183**	**51**	**93**	**0.26%**	**0.47%**
B shares						
1 January	505,281	587,949	505	588	2.52%	2.82%
Addition	253,946	463,019	254	463	1.31%	2.31%
Cancellation	524,745	627,938	525	628	0.08%	3.02%
Disposal	15,606	3,777	15	4	2.62%	0.02%
30 June	**218,876**	**419,253**	**219**	**419**	**1.13%**	**2.09%**

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

The dividend of DKK 330 per share of DKK 1,000 – total of DKK 6,610m is equivalent to USD 1,017m excluding own shares. Hereof, USD 889m was paid to shareholders on 26 March 2021 and the withholding tax of USD 128m was paid in Q2 2021. Payment of dividends to shareholders does not trigger taxes to A.P. Moller - Maersk.

Note 3 Acquisition of subsidiaries

Amounts in USD million

Acquisitions after 30 June 2021

Visible Supply Chain Management, North America
As announced, the Group acquired 100% of the shares in Visible Supply Chain Management, an e-commerce logistics provider focusing on e-fulfilment, parcel delivery services and freight management, based in North America. Visible Supply Chain Management will contribute with strong e-commerce capabilities and further strengthen the business-to-consumer part of our business.

The total enterprise value is USD 838m.

B2C Europe, Europe
As announced, the Group acquired 100% of the shares in B2C Europe, an e-commerce logistics provider specialising in cross-border parcel delivery services, based in Europe. B2C Europe will contribute with strong e-commerce capabilities and further strengthen the business-to-consumer part of our business.

The total enterprise value is USD 86m.

The transaction is subject to closing conditions including regulatory approvals and is expected to close in Q4 2021.

Note 4 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 2020, notes 23 and 24, to which reference is made, apart from the changes described below:

Change to product groups in reportable segment
As part of the refinement of the segment structure of A.P. Moller - Maersk, the product groups of the Logistics & Services segment have been updated. Refer to the Logistics & Services product specifications on page 15.

Change in segment measure of profit or loss
The segment measure of profit has been changed from EBITDA to EBIT, as EBIT is regularly reviewed by management when making decisions about resource allocations.

Change to accounting estimates
The estimated useful life and residual values of containers have been revised. The net effect of the changes was an increase in EBIT of USD 108m in Q2 2021. The effect for H1 was USD 212m.

The useful life of new containers is typically estimated to 15 years. The residual values are initially estimated between 10% and 30%, depending on the container type.

Additional information

Quarterly summary

Amounts in USD million

	2021					2020
Income statement	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	14,230	12,439	11,255	9,917	8,997	9,571
Profit before depreciation, amortisation and impairment losses etc. (EBITDA)	5,064	4,039	2,711	2,297	1,697	1,521
Depreciation, amortisation and impairment losses, net	1,087	1,025	1,222	1,097	1,149	1,073
Gain on sale of non-current assets etc., net	12	7	30	8	145	19
Share of profit/loss in joint ventures and associated companies	95	76	75	81	58	85
Profit/loss before financial items (EBIT)	4,084	3,097	1,594	1,289	751	552
Financial items, net	-186	-230	-272	-160	-232	-215
Profit/loss before tax	3,898	2,867	1,322	1,129	519	337
Tax	152	150	21	182	76	128
Profit/loss for the period	3,746	2,717	1,301	947	443	209
A.P. Møller - Mærsk A/S' share	3,713	2,697	1,299	927	427	197
Underlying profit/loss[1]	3,732	2,712	1,361	1,043	359	197
Balance sheet						
Total assets	60,040	56,734	56,117	56,162	55,319	53,990
Total equity	35,282	31,905	30,854	29,547	28,569	27,945
Invested capital	41,481	39,829	40,121	40,404	40,186	39,977
Net interest-bearing debt	6,216	7,746	9,232	10,804	11,564	11,978
Cash flow statement						
Cash flow from operating activities	4,137	3,433	2,569	2,176	1,867	1,216
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	452	329	370	280	362	310
Cash flow from financing activities	-2,143	-2,534	-2,400	-1,539	-59	-1,620
Free cash flow	3,230	2,372	1,666	1,486	1,051	445
Financial ratios						
Revenue growth	58.2%	30.0%	16.4%	-1.4%	-6.5%	0.3%
EBITDA margin	35.6%	32.5%	24.1%	23.2%	18.9%	15.9%
EBIT margin	28.7%	24.9%	14.2%	13.0%	8.3%	5.8%
Cash conversion	82%	85%	95%	95%	110%	80%
Return on invested capital after tax (ROIC) (last twelve months)	23.7%	15.7%	9.4%	5.9%	4.7%	3.8%
Equity ratio	58.8%	56.2%	55.0%	52.6%	51.6%	51.8%
Underlying ROIC[1]	24.0%	15.9%	9.6%	6.2%	4.6%	3.8%
Underlying EBITDA[1]	5,064	4,039	2,705	2,401	1,697	1,521
Underlying EBITDA margin[1]	35.6%	32.5%	24.0%	24.2%	18.9%	15.9%
Underlying EBIT[1]	4,070	3,092	1,663	1,385	642	540
Underlying EBIT margin[1]	28.6%	24.9%	14.8%	14.0%	7.1%	5.6%
Stock market ratios						
Earnings per share – continuing operations, USD	194	139	66	48	21	10
Diluted earnings per share – continuing operations, USD	193	139	66	48	21	10
Cash flow from operating activities per share, USD	215	178	132	111	95	61
Share price (B share), end of period, DKK	18,025	14,735	13,595	10,080	7,728	6,092
Share price (B share), end of period, USD	2,883	2,324	2,246	1,585	1,161	894
Total market capitalisation, end of period, USD	54,076	43,243	41,957	29,583	21,827	17,002

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

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 assets less liabilities.

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 own shares – multiplied by the end-of-quarter price quoted by Nasdaq Copenhagen.

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

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.

4PL
A 4PL is a fourth-party logistics provider managing resources, technology, infrastructure, and managing external 3PLs to design, build and provide supply chain solutions for businesses.

Colophon

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