

Q1 2021

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The Q2 2021 Interim Report is expected to be announced on 6 August 2021.

Webcast and dial-in information

A webcast relating to the Q1 2021 Interim Report will be held on 5 May 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 Q1 2021 of A.P. Møller - Mærsk A/S (further referred to as A.P. Møller - Maersk as the consolidated group of companies) has been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board (IASB) and adopted by the EU and additional Danish disclosure requirements for interim financial reporting of listed companies.

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

Comparative figures

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

Forward-looking statements

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

Message from the CEO

"A.P. Moller - Maersk delivered an exceptionally strong performance in Q1 2021 with a record profit for the quarter.

The high growth and profitability were driven by solid demand across Ocean, Logistics and Terminals, coupled with strong freight rates. Strong demand combined with bottlenecks, lack of capacity and equipment shortage in the global supply chains drove freight rates up significantly.

While the pandemic continues to impact the industry with a temporary economic upside coupled with significant operational challenges, our focus remains on the long-term transformation of our business, prioritising our customer's wish for connected logistic services now and in the future. The need for a strong and accountable logistics partner was evident during the quarter and our integrator-strategy was validated by strong customer support and growth.

In Ocean, EBITDA almost tripled reflecting strong volumes, significant increases in freight rates and lower bunker fuel prices.

Logistics & Services continued its strong growth momentum, driven by organic growth and margin expansion, but also positive synergies from the acquisitions of Performance Team and KGH.

Also, Terminals & Towage had a strong performance, led by terminals with growth in volumes and higher storage income, given congestions in multiple locations.

Those exceptional results came in a persisting difficult environment where countries are still contending with the effects of the pandemic. We have continued to dedicate significant efforts to the safety of our employees and contribute to the societies where we operate, this quarter with a particular emphasis in India.

Overall, I am very pleased with Q1. The strong profitability, with an EBIT of USD 3.1bn compared to USD 552m a year ago led to a ROIC of 15.7% and very strong free cash flow.

Given the strong start of the year and that we now expect the current dynamics to last into the fourth quarter, we have upgraded our guidance significantly. Furthermore, we will accelerate the current share buy-back programme for it to be completed as early as September and will subsequently launch a new, additional share buy-back programme of approximately USD 5bn over two years."

Søren Skou

Chief Executive Officer
A.P. Moller - Maersk

Highlights Q1 2021

- A.P. Moller - Maersk delivered a record performance in Q1 2021 with a significant increase in revenue, EBITDA and EBIT. Profit for the period almost equalled the profit for the full year 2020. Business in Q1, particular in Ocean, was strongly impacted by the significant distortion of demand caused by the ongoing pandemic. Higher demand, mainly on headhaul volumes from exports out of Asia, triggered significant bottlenecks which in turn implied a sharp increase in short-term rates and contract renegotiations.
- Revenue increased by 30% or USD 2.9bn to USD 12.4bn (USD 9.6bn), driven by an increase in Ocean of 31% or USD 2.2bn, while revenue increased in Logistics & Services by 42% or USD 603m. In Terminals & Towage, revenue increased by 20% or USD 178m while Manufacturing & Others saw an increase of USD 47m.
- EBITDA increased to USD 4.0bn (USD 1.5bn), with 85% coming from Ocean and the EBITDA margin increased to 32.5% (15.9%).
- EBIT increased to USD 3.1bn (USD 552m) as a result of a significantly improved EBITDA. The EBIT margin increased to 24.9% (5.8%).
- EBIT in Ocean increased to USD 2.7bn (USD 348m), driven by higher volumes and increase in freight rates and bunker cost reductions from lower fuel prices in Q1 2021 versus Q1 2020.
- In Logistics & Services, EBIT increased to USD 139m (USD 29m) reflecting the significant growth in revenue driven by strong performance across all product offerings.
- In Terminals & Towage, gateway EBIT increased to USD 239m (USD 162m), driven by higher volumes, higher storage income due to congestions and the consolidation of Pipavav, India.
- Free cash flow increased to USD 2.4bn (USD 445m) due to disciplined CAPEX at USD 329m (USD 310m) and good cash flow from operating activities increasing to USD 3.4bn (USD 1.2bn), driven by the significant increase in EBITDA.
- Return on invested capital (ROIC), last twelve months, increased to 15.7% (3.8%), as earnings improved and invested capital declined slightly.
- Net interest-bearing debt decreased to USD 7.7bn (USD 9.2bn end of 2020), as free cash flow of USD 2.4bn was used for dividends of USD 889m and share buy-back of USD 333m, and a net decrease in lease liabilities of USD 324m. Excluding lease liabilities, the Group had a net cash position of USD 677m (debt of USD 485m end of 2020).
- Given the strong cash flow generation and balance sheet the Board of Directors has decided to accelerate the remaining share buy-back programme to be completed within the next five months.
- The guidance for the underlying EBITDA is expected to be in the range of USD 13.0bn-15.0bn and the underlying EBIT in the range of USD 9.0-11.0bn, as announced on 26 April 2021.

Summary financial information

Amounts in USD million

	2021	Q1 2020	12M 2020
Income statement			
Revenue	12,439	9,571	39,740
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	4,039	1,521	8,226
Depreciation, amortisation and impairment losses, net	1,025	1,073	4,541
Gain on sale of non-current assets, etc., net	7	19	202
Share of profit/loss in joint ventures and associated companies	76	85	299
Profit/loss before financial items (EBIT)	3,097	552	4,186
Financial items, net	-230	-215	-879
Profit/loss before tax	2,867	337	3,307
Tax	150	128	407
Profit/loss for the period	2,717	209	2,900
A.P. Møller - Mærsk A/S' share	2,697	197	2,850
Underlying profit/loss ¹	2,712	197	2,960
Balance sheet			
Total assets	56,734	53,990	56,117
Total equity	31,905	27,945	30,854
Invested capital	39,829	39,977	40,121
Net interest-bearing debt	7,746	11,978	9,232
Cash flow statement			
Cash flow from operating activities	3,433	1,216	7,828
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	329	310	1,322
Cash flow from financing activities	-2,534	-1,620	-5,618
Free cash flow	2,372	445	4,648
Financial ratios			
Revenue growth	30.0%	0.3%	2.2%
EBITDA margin	32.5%	15.9%	20.7%
EBIT margin	24.9%	5.8%	10.5%
Cash conversion	85%	80%	95%
Return on invested capital after tax (ROIC) (last twelve months)	15.7%	3.8%	9.4%
Equity ratio	56.2%	51.8%	55.0%
Underlying ROIC ¹ (last twelve months)	15.9%	3.8%	9.6%
Underlying EBITDA ¹	4,039	1,521	8,324
Underlying EBITDA margin ¹	32.5%	15.9%	20.9%
Underlying EBIT ¹	3,092	540	4,231
Underlying EBIT margin ¹	24.9%	5.6%	10.6%
Stock market ratios			
Earnings per share – USD	139	10	145
Diluted earnings per share – USD	139	10	145
Cash flow from operating activities per share, USD	178	61	399
Share price (B share), end of period, DKK	14,735	6,092	13,595
Share price (B share), end of period, USD	2,324	894	2,246
Total market capitalisation, end of period, USD	43,243	17,002	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. Møller - Maersk's share of mentioned items in joint ventures and associated companies.

Financial review

Financial review Q1 2021

Revenue increased by USD 2.9bn to USD 12.4bn (USD 9.6bn), with an increase in Ocean of USD 2.2bn and USD 603m in Logistics & Services.

EBITDA increased to USD 4.0bn (USD 1.5bn), primarily related to Ocean with an EBITDA increase to USD 3.4bn, driven by the increased freight revenue due to significantly higher volumes and freight rates in light of resulting bottlenecks and equipment shortages, and bunker cost reductions mainly from lower fuel prices. In Logistics & Services, EBITDA increased by USD 137m to USD 205m (USD 68m), due to strong performance across all product offerings. In gateway terminals, EBITDA increased by USD 110m, driven by higher volumes, higher storage income due to congestions and the consolidation of Pipavav, India.

EBIT of USD 3.1bn (USD 552m) was positively impacted by the improved EBITDA and marginally by lower depreciations as a result of reassessing the useful life-time of container assets. The EBIT margin increased to 24.9% (5.8%).

Financial expenses, net, amounted to USD 230m (USD 215m), positively impacted by lower gross debt, more than offset by negative foreign exchange rate impacts.

Tax increased to USD 150m (USD 128m), primarily due to improved financial performance.

The underlying profit was USD 2.7bn (USD 197m).

Cash flow from operating activities was USD 3.4bn (USD 1.2bn), positively impacted by an increase in EBITDA of USD 2.5bn, partly offset by a negative change in net working capital of USD 459m, leading to a cash conversion of 85% (80%).

Gross capital expenditure (CAPEX) was USD 329m (USD 310m), mainly unchanged with higher investments in Ocean and Manufacturing & Others, mostly offset by lower investments in Terminals & Towage.

Free cash flow was USD 2.4bn (USD 445m), positively impacted by higher cash flow from operating activities, partly offset by increased lease payments mainly due to lease buyouts.

Cash flow from borrowings was negative by USD 483m (negative USD 385m), due to repayments and prepayments of bonds and loans given the strong cash flow generation and high cash balance.

Contractual capital commitments totalled USD 1.8bn (USD 1.7bn at year-end 2020), of which USD 1.3bn 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 11.4bn (USD 11.0bn at year-end 2020), and was composed of liquid funds and term deposits of USD 5.4bn excluding restricted cash (USD 4.9bn 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 7.7bn (USD 9.2bn at year-end 2020), as free cash flow of USD 2.4bn for the period was partly offset by dividend payments of USD 889m, share buy-back of USD 333m and a net decrease in lease liabilities of USD 324m. Excluding lease liabilities, the Group had a net cash position of USD 677m (debt of USD 485m at year-end 2020).

A.P. Møller - Maersk remains investment grade-rated and holds a Baa2 Stable outlook (an upgrade from Baa3 Positive outlook) rating from Moody's and a BBB (positive) rating from Standard & Poor's.

Dividend

The ordinary dividend of DKK 330 per A.P. Møller - Mærsk A/S share of nominally DKK 1,000 (USD 1.1bn, net of withholding tax) declared at the Annual General Meeting on 23 March 2021, was paid on 26 March 2021.

Highlights Q1

USD million	Revenue		EBITDA		EBIT		CAPEX	
	2021	2020	2021	2020	2021	2020	2021	2020
Ocean	9,478	7,230	3,444	1,175	2,700	348	193	175
Logistics & Services	2,045	1,442	205	68	139	29	21	23
Terminals & Towage	1,089	911	380	276	272	197	91	103
Manufacturing & Others	342	295	32	43	7	18	27	8
Unallocated activities, eliminations, etc.	-515	-307	-22	-41	-21	-40	-3	1
A.P. Møller - Maersk consolidated	12,439	9,571	4,039	1,521	3,097	552	329	310

Five-year transformation metrics

	2021	Q1 2020	12M 2020
Value creation			
Return on Invested Capital (ROIC) ¹	15.7%	3.8%	9.4%
Growth			
Organic revenue in Logistics & Services and gateway terminals, USDm	2,756	2,182	9,624
Profitability			
EBITA in Logistics & Services, USDm	150	30	289
Commercial synergies			
Logistics & Services revenue with top 200 Ocean customers, USDm	893	531	2,647
Commercial digitalisation and product offering in Ocean²			
Maersk SPOT volume share of total short-term volumes	36.2%	15.0%	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.

Share buy-back

The present share buy-back programme initiated in November 2020 of DKK 10bn (around USD 1.6bn), was initially planned to run from December 2020 over a period of up to 15 months. It will now be accelerated to be completed as early as September 2021.

During Q1, A.P. Moller - Maersk bought back 30,451 A shares and 121,805 B shares worth DKK 2,1bn (around USD 333m).

At 31 March 2021, A.P. Moller - Maersk owns a total of 149,627 A shares and 620,548 B shares as treasury shares, corresponding to 3.84% of the share capital.

On 23 March 2021, the Annual General Assembly approved that the Board of Directors can decide to acquire own shares up to a maximum of 15% of the share capital.

Transformation metrics

A.P. Moller - Maersk is accelerating the transformation towards becoming the global integrator of container logistics, and four metrics are tracked besides the overall ROIC target as leading indicators for the strategic progress over the next five years (see table). Specific targets will be introduced at the Capital Markets Day on 11 May 2021.

Value creation is measured by the return on invested capital (ROIC), last twelve months, and increased to 15.7% (3.8%), as earnings improved and invested capital decreased slightly. The underlying return on invested capital increased to 15.9% (3.8%).

Growing the business is measured by the focus on *growth* in organic revenue in Logistics & Services and gateway terminals. Revenue increased by USD 574m to USD 2.8bn.

Profitability in Logistics & Services is measured by EBITA, which increased by 400% to USD 150m.

Progress in the *commercial synergies* from the revenue growth between Logistics & Services and the top 200 Ocean customers was USD 893m.

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 36.2% in Q1. The percentage is based on the last four weeks of the reported period for all brands.

Change in management

It was announced that Navneet Kapoor, Chief Technology & Information Officer (CTIO), was appointed member of the Executive Board as per 1 April 2021.

The Executive Board consists of Søren Skou, Patrick Jany, Vincent Clerc, Morten H. Engelstoft, Henriette Hallberg Thygesen and Navneet Kapoor.

Guidance for 2021

Given the Q1 2021 result and the revised expectations that the exceptional market situation will continue well into the Q4 2021 - vs. the previous expectations that the situation would continue in Q1 and normalise thereafter – the full-year guidance has been revised upwards on 26 April 2021 to:

- Underlying EBITDA in the range of USD 13.0-15.0bn (previously USD 8.5-10.5bn) compared to USD 8.3bn in 2020
- Underlying EBIT in the range of USD 9.0-11.0bn (previously USD 4.3-6.3bn) compared to USD 4.2bn in 2020
- Free cash flow (FCF) of minimum USD 7.0bn (previously above USD 3.5bn) 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 5-7% in 2021 (previously 3-5% in 2021), primarily driven by the export volumes out of China to the USA.

For the years 2021-2022, the accumulated CAPEX is now expected to be around USD 7.0bn (previously USD 4.5-5.5bn).

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 1.0bn
Container freight volume	+/- 100,000 FFE	+/- USD 0.1bn
Bunker price (net of expected BAF coverage)	+/- 100 USD/tonne	+/- USD 0.3bn
Foreign exchange rate (net of hedges)	+/- 10% change in USD	+/- USD 0.1bn

Market update

The global economy travelled a bumpy road in the first part of 2021 as a direct consequence of the COVID-19 pandemic. North America, Europe and Latin America continued to be the regions worst affected, but vaccination programmes are now underway in a significant number of countries. However, the pace of roll-out differs significantly across countries, and vaccination programmes are only about to start in many emerging and developing countries.

The US economic recovery remains on track on the back of its vaccine roll-out and the USD 1.9 trillion fiscal package. Moreover, retail sales recovered in Q1, and the job market continues to improve.

The European economy remained weak in Q1 2021, after slowing in Q4 2020. For some emerging markets, the rise in USD interest rates has led to increased capital outflows which together with rising COVID-19 cases could hinder their recovery.

Dynamics in economic activity, trade and demand patterns will, for the remaining part of 2021, also be highly dependent on the further development of the COVID-19 pandemic.

Global container volumes increased by around 8.4% in Q1 2021, showing a stronger momentum than expected earlier in the year. Significant public stimulus packages, combined with the fact that country lockdowns weighed more heavily on services consumption than on goods consumption, supported container trade. Above all, North American imports from the Far East rose 40% in Q1, while European imports from the Far East increased 14% given the low comparison basis in Q1 2020, as countries were entering lockdowns. Looking ahead, global container demand is projected to increase by 5-7% in 2021 up from negative 1.8% in 2020.

At the end of Q1, the nominal global container fleet stood at 24.1m TEU, an increase of 3.6% in Q1 2020. Idled fleet declined significantly in Q1 2021 (to 1.0% at the end of the quarter) compared to Q1 2020, as the industry adjusted to higher demand, driving up effective supply growth. Consequently, the demand-supply loosened in Q1 2021 compared to Q4 2020, which partly mirrors normal seasonality. Freight and charter rates were nevertheless persistently high, largely reflecting bottlenecks in domestic logistics and scarce container equipment. Freight rates out of China, as measured by the China Composite Freight Index (CCFI), increased by 111% in Q1 compared to the same quarter last year.

Demand growth

Growth % (Y/Y)	Q1 2021
Globally	8%
East-West	12%
– Headhaul	18%
– Backhaul	0%
North-South	4%
Intraregional	6%

The other transport and logistics categories were in broad terms impacted by the same dynamics and market drivers that steered the ocean industry, above all the COVID-19 pandemic.

According to Drewry, port throughput volumes increased by 8.6% in Q1 2021, mainly driven by North America and Asia. Many ports were impacted by supply disruptions from the blockage for six days of the Suez Canal in March as well as bottlenecks due to domestic logistics and scarce availability of empty containers following extraordinary demand in the USA. In line with projections for ocean trade, global port throughput growth is expected to grow significantly in 2021.

Other Logistics & Services categories experienced continued strong growth, such as E-commerce, with sales increasing 35% in the USA and 38% in the Euro area in Q1 (year-on-year), following extraordinary demand for online sales of electronics and household products. USA E-commerce sales now represent 16% of total US retail sales. The airfreight industry was challenged by supply constraints as passenger freight remained very low, capping the available cargo freight supply. Air freight volumes increased around 8% (y/y) in Q1 (January and February average), according to IATA.

Ocean

Profitability for Q1 2021 increased compared to Q1 2020 as a result of revenue growth driven by freight rates combined with higher volumes, mainly from increases in headhaul volumes from exports out of Asia, and resulting bottlenecks and equipment shortages. Average loaded rates increased significantly, driven by higher short-term rates due to demand surge during the quarter, as well as contracts renewing at higher rate levels. The total unit cost per FFE decreased by 1.9%, driven by lower bunker costs, offset partially by higher operational cost as port congestions caused strains on terminals and resulted in extra capacity deployed. Utilisation on offered capacity remained strong at 93%, but schedule reliability remains challenged, reaching a historical low point caused by congestions and equipment shortages with further constraints expected from the Suez Canal congestion.

Financial and operational performance

Revenue increased to USD 9.5bn (USD 7.2bn) impacted by freight revenue increase of 36% from increased freight rates of 35% combined with higher volumes of 5.7%. Other revenue increased by 6.2% to USD 1.3bn (USD 1.2bn) primarily due to higher revenue from demurrage and detention.

EBITDA improved by 193% to USD 3.4bn (USD 1.2bn), driven by the increased freight revenue and lower bunker cost given the high previous year basis when IMO 2020 regulations were introduced. The EBITDA margin increased by 20 percentage points to 36.3% (16.3%).

EBIT improved to USD 2.7bn (USD 348m), driven by the higher rates and lower depreciations of USD 0.1bn as a result of reassessing the useful life-time of container assets from 12 to 15 years.

Loaded volumes increased by 5.7% to 3,222k FFE (3,048k FFE) mainly from higher headhaul volumes. The higher volumes were primarily driven by East-West trade out of Asia, positively impacted by lower negative impact during Chinese New-Year compared to last year which was challenged by initial COVID-19 lockdown. Positive volume impact also present on North-South trades and Intra regions in Q1 2021.

The average loaded freight rate increased by 35% to 2,662 USD/FFE (1,967 USD/FFE), primarily driven by short-term rate increases from demand surges, in particular in China-USA trades, combined with congestions and equipment shortages. Average loaded freight rate at fixed bunker price increased by 44%.

Ocean highlights

USD million	2021	Q1 2020	12M 2020
Freight revenue	8,202	6,028	24,920
Other revenue, including hubs	1,276	1,202	4,255
Revenue	9,478	7,230	29,175
Container handling costs	2,362	2,060	8,474
Bunker costs	1,093	1,395	3,835
Network costs, excluding bunker costs	1,646	1,728	6,625
Selling, General & Administration (SG&A)	654	629	2,698
Cost of goods sold and other operational costs	253	552	1,252
Total operating costs	6,008	6,364	22,884
Other income/costs, net	-26	309	254
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	3,444	1,175	6,545
EBITDA margin	36.3%	16.3%	22.4%
Profit/loss before financial items (EBIT)	2,700	348	3,196
EBIT margin	28.5%	4.8%	11.0%
Invested capital	27,059	28,494	26,969
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	193	175	653
<i>Operational and financial metrics</i>			
Loaded volumes (FFE in '000)	3,222	3,048	12,634
Loaded freight rate (USD per FFE)	2,662	1,967	2,000
Unit cost, fixed bunker (USD per FFE incl. VSA income)	1,988	2,026	1,973
Bunker price, average (USD per tonne)	398	551	372
Bunker consumption (tonne in '000)	2,744	2,534	10,322
Average nominal fleet capacity (TEU in '000)	4,104	4,162	4,081
Fleet owned (end of period)	305	307	301
Fleet chartered (end of period)	400	390	405

Total operating costs was 5.6% lower at USD 6.0bn (USD 6.4bn), driven by lower bunker cost, partly offset by higher container handling costs as a result of higher volumes and the bottlenecks in the supply chains due to COVID-19. Adjusting for the impact of foreign exchange rates, operating costs decreased by 3.7%.

Bunker costs decreased by 22% to USD 1.1bn (USD 1.4bn), with a decrease in average bunker price of 28% to 398 USD/tonne (551 USD/tonne) compared to Q1 2020, where IMO regulations were imposed with requirements on low-sulphur fuel oil. Bunker consumption increased by 8.3% and bunker efficiency increased by 0.5% to 41.8 g/TEU*NM (42.0 g/TEU*NM).

Average quarterly prices for high-sulphur fuel oil in Singapore and Rotterdam soared by 25% q/q and 29% q/q from Q4 2020 to Q1 2021, respectively, averaging USD 377/tonne (t) and USD 357/t in Q1 2021. Similarly, average quarterly low-sulphur fuel oil prices increased significantly by 33% q/q to USD 484/t in Singapore and 33% q/q to USD 453/t in Rotterdam from Q4 2020 to Q1 2021. Low-sulphur 0.1% marine gasoil rose by 32% q/q to USD 504/t in Singapore and 32% q/q to USD 492/t in Rotterdam in Q1 2021 over Q4 2020.

Unit cost at fixed bunker decreased by 1.9% to 1,988 USD/FFE (2,026 USD/FFE), driven by lower container costs and other non-operational costs, partly offset by higher container handling costs and development in foreign exchange rate. Adjusting for the negative impact of developments in foreign exchange rate, unit cost at fixed bunker decreased by 3.0%.

The average nominal capacity of 4,104k TEU decreased by 1.4%. However, deployed capacity was higher in Q1 2021 due to fewer vessels in dry dock. There were no vessels in the newbuilding programme end of Q1, and the fleet consisted of 305 owned and 400 chartered vessels, of which 64k TEU or 1.6% of the fleet were idle (10 vessels), mainly due to repairs, scrubbers retrofitting and capacity adjustments.

Key initiatives in Q1

During Q1 2021, Ocean has taken further steps towards partnering with key customers, offering contract customers additional flexibility and space to help with the volatility in their supply chains. Through this the share of business from contract customers has increased, along with an increase in contract validity to build further stability and resilience in customer partnerships, in line with the Ocean strategy.

Twill, the end-to-end digital product designed for small customers without in-house logistic capabilities, crossed average 3,758 FFE per week by end of Q1 2021 compared to average 169 FFE per week same period last year.

As result of increased demand for allocation from contractual customers, Ocean had to reduce Maersk Spot availability. To protect the quality of the product, the amount of offers that could be made was reduced due to the operational environment and ability to deliver. Consequently, the adoption

Loaded volumes

FFE ('000)	Q1 2021	Q1 2020	Change	Change %
East-West	1,536	1,417	119	8.4
North-South	974	961	13	1.4
Intra-regional	712	670	42	6.3
Total	3,222	3,048	174	5.7

Average freight rates

USD/FFE	Q1 2021	Q1 2020	Change	Change %
East-West	2,668	1,887	781	41.4
North-South	3,356	2,525	831	32.9
Intra-regional	1,876	1,405	471	33.5
Total	2,662	1,967	695	35.3

Fleet overview, end Q1 2021

	Q1 2021	Q4 2020
<i>TEU</i>		
Own container vessels	2,257,212	2,199,030
Chartered container vessels	1,763,664	1,845,885
Total fleet	4,020,876	4,044,915

Number of vessels

	Q1 2021	Q4 2020
Own container vessels	305	301
Chartered container vessels	400	405
Total fleet	705	706

rate of Maersk Spot as a percentage of total short-term volumes was flat in Q1 2021 at 36% (15%) across all brands or 52% (25%) if measured on the Maersk brand. Maersk Spot remains a critical product for freight forwarder customers.

Decarbonisation is a core element of the Ocean integrator strategy and a strong focus amongst customers. In Q1 2021, the world's first carbon-neutral liner vessel was announced with expected arrival in 2023, seven years ahead of the initial 2030-ambition. All future new buildings will have dual fuel technology installed.

Logistics & Services

A.P. Moller - Maersk's capabilities to meet customer's needs for Logistics & Services solutions were further strengthened in Q1 2021 resulting in revenue growth. EBITDA increased to USD 205m (USD 68m) and EBIT increased to USD 139m (USD 29m), driven by strong performance across all product offerings including Landside Transportation margin improvement, earnings from Performance Team in North America and integration of KGH in Europe strengthening the offering of end-to-end solutions.

Financial and operational performance

Revenue increased by 42% to USD 2.0bn (USD 1.4bn), positively impacted by strong performance across all services. Gross profit increased by 67% to USD 511m (USD 306m), driven by growth and higher margins in Landside Transportation and increased profitability in Contract Logistics facilities in North America, specifically driven by the integration of Performance Team. EBITDA increased to USD 205m (USD 68m) with an EBITDA margin of 10.0% (4.7%) and EBIT increased to USD 139m (USD 29m) with an EBIT margin of 6.8% (2.0%) and an EBIT conversion ratio of 27.2% (9.5%).

The Managed by Maersk services revenue was up by 58% to USD 348m (USD 220m), driven by an increase in Lead Logistics Supply Chain Management volumes of 42% to 20.684 kcbm (14,572 kcbm) due to strong performance in Asia Pacific and Customs Services volumes up 199% to 1,095k declarations (366k declarations).

The Fulfilled by Maersk services revenue was up by 107% to USD 457m (USD 221m), driven by Contract Logistics activities and turnaround of facilities in North America, combined with increasing volumes and a growing footprint from the acquisition of Performance Team. The growth in Contract Logistics is 38% organic and 62% inorganic.

The Transported by Maersk services revenue was up by 24% to USD 1,240m (USD 1,001m), driven by a 39% increase in Air freight forwarding volumes to 36.3k tonne (26.1k tonne)

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 new product families and the strategic rationale behind the changes made.

Organic/inorganic

	Q1-20A	Organic	Inorganic	Q1-21A
Revenue	1,442	425	177	2,045
		30%	12%	
EBITA	30	105	15	150

primarily coming from Asia Pacific and Landside Transportation Intermodal volumes increase of 20% to 1,037k FFE (863k FFE) mainly due to a higher penetration ratio into existing Ocean customers.

The wind down of former Damco freight forwarding ocean activities is progressing as per plan and the volumes are down 53% to 47 kTEU (100 kTEU).

Logistics & Services highlights

USD million	2021	Q1 2020	12M 2020
Revenue	2,045	1,442	6,963
Direct costs (third party cost)	1,534	1,136	5,328
Gross profit	511	306	1,635
Direct Operating Expenses	195	143	708
Selling, General & Administration (SG&A)	111	95	473
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	205	68	454
EBITDA margin	10.0%	4.7%	6.5%
Profit/loss before financial items (EBIT)	139	29	264
EBIT margin	6.8%	2.0%	3.8%
Invested capital	1,692	783	1,773
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	21	23	109
<i>Operational and financial metrics</i>			
EBIT conversion (EBIT/gross profit - %)	27.2%	9.4%	16.1%
Managed by Maersk revenue	348	220	1,014
Fulfilled by Maersk revenue	457	221	1,457
Transported by Maersk revenue	1,240	1,001	4,492
Supply chain management volumes (kcbm)	20,684	14,572	77,023
Intermodal volumes (kFFE)	1,037	863	3,640
Sea freight volumes (TEU)	46,827	100,281	401,369
Air freight volumes (tonne)	36,329	26,139	138,086

Logistics & Services product specifications

Product families	Details	Strategic rationale
Managed by Maersk	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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.

Key initiatives in Q1

In 'Managed by Maersk', Maersk NeoNav (4PL control tower product) and Maersk Flow (Digital supply chain management for medium-sized customers) products gained customer tractions and industry recognition. Maersk NeoNav has been named by Gartner as one of the top innovations in logistics in 2021. TradeLens was listed in Forbes' annual blockchain Top 50 company and continues to scale and now consists of 160 ports and terminals globally.

In 'Fulfilled by Maersk', network expansion continues with now 2.4m sqm warehousing around the world serving strategically the Maersk customers. In North America, Performance Team integration is well on track and delivering strong commercial synergies, further strengthening the Contract Logistics offering.

In 'Transported by Maersk', the Less Than Container Load (LCL) value proposition improved by expanding the number of long-haul lane services as well as stronger customer traction with the inter-continental rail offering, as exemplified by increased train frequencies. The air charter service has also grown significantly, with a growth of almost 3 times air charter services between Q1 2020 and Q1 2021.

Terminals & Towage

Terminals & Towage reported an increase in revenue of USD 178m to USD 1.1bn (USD 911m), with an increase in EBITDA of USD 104m to USD 380m (USD 276m) and an increase in EBIT of USD 75m to USD 272m (USD 197m). In gateway terminals, revenue increased to USD 915m

(USD 740m) as a result of higher volume and supply chain congestion in the USA. EBITDA increased to USD 323m (USD 213m) and EBIT increased to USD 239m (USD 162m). In Towage, revenue increased to USD 181m (USD 178m), while EBITDA decreased to USD 57m (USD 64m). EBIT was on par at USD 34m (USD 36m).

Terminals

Financial and operational performance

Revenue increased to USD 915m (USD 740m), driven by higher volumes, higher storage income and consolidation of Pipavav, India. This significantly impacted EBITDA increasing to USD 323m (USD 213m) with an increase in EBITDA margin to 35.3% (28.7%). EBIT increased to USD 239m (USD 162m), driven by higher EBITDA, partially offset by higher depreciation and lower results from joint ventures and associated companies. CAPEX was USD 69m (USD 56m).

In North America, revenue increased as a result of 16% volume growth and increased storage income driven by supply chain congestion. This was partially offset by higher labour costs as a result of high volume and yard congestion, leading to an increase in the EBITDA margin to 33% (18%).

In Asia, the volume grew 33% and the EBITDA margin increased by 23 percentage points to 41% (18%) which was mainly driven by consolidation of Pipavav (effective from June 2020). Business ramp-up on the first of two new berths in Yokohama, Japan, was partially offset by lower volume in Mumbai, India. This resulted in 5.3% like-for-like (excluding Pipavav) volume growth in Asia. The second new berth in Yokohama became operational in April 2021.

In Latin America, increased revenue per move in Callao, Peru, and volume growth of 5% supported an increase in the EBITDA-margin to 49% (39%). In Africa and Middle East volume decreased by 2.3% driven by loss of services in Cotonou, Benin. The volume reduction in combination with negative impact from foreign exchange rates led to a reduction in the EBITDA margin of the Africa and Middle East region to 36% (39%). In Europe, the EBITDA margin decreased to 20% (27%) mainly due to a non-recurring adjustment in lease costs and changes to terminal volume mix.

Gateway volumes increased by 10% (increased by 5.6% like-for-like, adjusted for Pipavav) and utilisation was high at 73% (70%) with volume growth mainly in North America, offset by capacity increases. Volume from the Ocean segment increased by 11%, and volume from external customers increased by 9.7%.

Upwards shifts in both revenue and cost in North America were the main drivers behind an increase in global revenue per move of 11% to USD 298 (USD 267) and an increase in cost per move of 1.5% to USD 236 (USD 233). Adjusted for foreign exchange rates, volume mix effects and portfolio changes, revenue per move increased by 11% and cost per move increased by 1.9%.

The Suez Canal blocking had a neglectable impact on Q1 2021 financials.

Regional EBITDA margin, Terminals¹

Percentage	Q1 2021	Q1 2020
North America	33	18
Latin America	49	39
Europe, Russia and the Baltics	20	27
Asia	41	18
Africa and Middle East	36	39
Total	35	29

Regional volume, Terminals¹

Million moves	Q1 2021	Q1 2020	Growth (%)
North America	0.7	0.6	16.0
Latin America	0.6	0.6	5.0
Europe, Russia and the Baltics	0.7	0.6	2.0
Asia	0.6	0.5	33.4
Africa and Middle East	0.5	0.5	-2.3
Total	3.1	2.8	10.2

¹ Financially consolidated.

Results from joint ventures and associated companies

The share of profit in joint ventures and associated companies decreased to USD 58m (USD 67m). The result for Q1 2021 was positively impacted by higher results in Santos, Brazil and Tema, Ghana, whereas the result in Q1 2020 benefitted from foreign exchange rate gains.

Terminals & Towage highlights

USD million	2021	Q1 2020	12M 2020
Revenue	1,089	911	3,807
Concession fees (excl. capitalised lease expenses)	78	56	287
Labour cost (blue collar)	345	298	1,236
Other operational cost	144	151	520
Selling, General & Administration (SG&A) and other costs, etc.	142	130	559
Total operating costs	709	635	2,602
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	380	276	1,205
EBITDA margin	34.9%	30.3%	31.7%
Profit/loss before financial items (EBIT)	272	197	828
EBIT margin	25.0%	21.6%	21.7%
Invested capital	10,216	9,417	10,389
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	91	103	457
<i>Operational and financial metrics</i>			
Terminal volumes – financially consolidated (moves, m)	3.1	2.8	11.5
Ocean segment	1.1	1.0	4.1
External customers	2.0	1.8	7.4
Terminal revenue per move – financially consolidated (USD)	298	267	275
Terminal cost per move – financially consolidated (USD)	236	233	232
Result from joint ventures and associated companies (USDm)	64	71	236
Number of operational tug jobs (harbour towage) ('000)	35	37	138
Annualised EBITDA per tug (terminal towage) (USD in '000)	933	1,086	956

Key initiatives in Q1

The construction work in Abidjan, Ivory Coast, has commenced and the first phase is expected to go live in 2022. Tenders for the expansion work has been concluded in APM Terminals Poti, Georgia and the enlargement of the terminal is expected to complete in 2023. Yokohama terminal expansion work was completed by the end of Q1.

Towage

Financial and operational performance

Although COVID-19 impacted the activity level and created operational challenges, towage profitability remains resilient. Revenue increased by USD 3m to USD 181m (USD 178m), however, adjusted for foreign exchange rate development, it decreased by USD 12m or 6.5%. Revenue was negatively impacted by lower harbour towage activity, measured by the number of tug jobs, by 5.1% particularly due to Brexit and continued impacts of COVID-19, partly offset by a ramp-up of activities in Tangier Med 2, Morocco. EBITDA decreased to USD 57m (USD 64m), mainly impacted by non-recurring items, such as higher IT cost related to new applications, as well as a USD 3m compensation for early termination of contracts for pilot boats received in 2020, partly offset by lower bunkering costs.

For terminal towage, annualised EBITDA per tug decreased, primarily impacted by the compensation received for pilot boats in 2020.

Results from joint ventures and associated companies

The share of profit in joint ventures and associated companies increased by 32% to USD 6m (USD 4m), with increases driven by the Americas, Australia and China.

Key initiatives in Q1

During Q1, Svitzer renewed two important Harbour Towage contracts in Brazil and Argentina. Two contract extensions were signed in Oman. In Europe, Harbour Towage operations commenced in Emden, Germany in January 2021.

Manufacturing & Others

Revenue was USD 342m (USD 295m) with an EBITDA of USD 32m (USD 43m) and EBIT of USD 7m (USD 18m).

For Maersk Container Industry, revenue increased to USD 199m (USD 124m), driven by strong market demand. Approximately 50% of revenue was related to third-party customers. EBITDA increased to USD 25m (USD 14m), and EBIT increased to USD 23m (USD 13m), due to the improved contribution coming from higher sales. Maersk Container Industry had a strong quarter for bookings adding to a very solid order backlog.

Maersk Supply Service reported a 22% decrease in revenue to USD 54m (USD 70m) with an EBITDA of negative USD 9m (positive USD 14m) and EBIT of negative USD 19m (positive USD 5m), reflecting lower activity and profitability in the market. Despite the positive financial impact of the onshore staff reductions in 2020 and the cost focus across its fleet, Maersk Supply Service could not offset the impact of lower activity at the beginning of the quarter. Maersk Supply Service was awarded new contracts in key geographies such as Africa and Europe in Q1 2021. Further, Maersk Supply Service continued to grow its integrated services solutions securing new contracts in Africa and Brazil.

A.P. Moller - Maersk has extended the partnership with The Ocean Cleanup for three years, and will continue to provide marine support to rid the ocean for plastic.

For other businesses, revenue was USD 90m (USD 101m) with an EBITDA of USD 15m (USD 15m) and EBIT of USD 2m (USD 0m).

Manufacturing & Others highlights

USD million	2021	Q1 2020	12M 2020
Revenue	342	295	1,254
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	32	43	165
EBITDA margin	9.4%	14.6%	13.2%
Profit/loss before financial items (EBIT)	7	18	69
EBIT margin	2.0%	6.1%	5.5%
Invested capital	1,001	1,169	986
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	27	8	33

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 31 March 2021.

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

The interim consolidated financial statements of A.P. Møller - Mærsk A/S have 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 17-25) give a true and fair view of A.P. Møller - Maersk's consolidated assets, liabilities and financial position at 31 March 2021 and of the results of A.P. Møller - Maersk's consolidated operations and cash flows for the period 1 January to 31 March 2021.

Furthermore, in our opinion, the Directors' report (pages 3-15) includes a fair review of the development in A.P. Møller - Maersk's operations and financial conditions, the results for the period, cash flows and financial position as well as a description of the most significant risks and uncertainty factors that A.P. Møller - Maersk faces, relative to the disclosures in the annual report for 2020.

Copenhagen, 5 May 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	Amounts in USD million		
	2021	Q1 2020	12M 2020
1 Revenue	12,439	9,571	39,740
1 Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	4,039	1,521	8,226
Depreciation, amortisation and impairment losses, net	1,025	1,073	4,541
Gain on sale of non-current assets, etc., net	7	19	202
Share of profit/loss in joint ventures and associated companies	76	85	299
Profit/loss before financial items (EBIT)	3,097	552	4,186
Financial items, net	-230	-215	-879
Profit/loss before tax	2,867	337	3,307
Tax	150	128	407
Profit/loss for the period	2,717	209	2,900
<i>Of which:</i>			
Non-controlling interests	20	12	50
A.P. Møller - Mærsk A/S' share	2,697	197	2,850
Earnings per share, USD	139	10	145
Diluted earnings per share, USD	139	10	145

Condensed statement of comprehensive income

Note	Amounts in USD million		
	2021	Q1 2020	12M 2020
Profit/loss for the period	2,717	209	2,900
Translation from functional currency to presentation currency	-217	-356	195
Reclassified to income statement, gain on sale of non-current assets, etc., net	7	-	64
Cash flow hedges	-61	-201	43
Tax on other comprehensive income	-9	27	10
Share of other comprehensive income of joint ventures and associated companies, net of tax	-8	8	5
Total items that have been or may be reclassified subsequently to the income statement	-288	-522	317
Other equity investments	1	-	2
Actuarial gains/losses on defined benefit plans, etc.	-	170	-207
Tax on other comprehensive income	-	-	-4
Total items that will not be reclassified to the income statement	1	170	-209
Other comprehensive income, net of tax	-287	-352	108
Total comprehensive income for the period	2,430	-143	3,008
<i>Of which:</i>			
Non-controlling interests	19	3	47
A.P. Møller - Mærsk A/S' share	2,411	-146	2,961

Condensed balance sheet at 31 March

Amounts in USD million

Note	31 March		
	2021	2020	12M 2020
Intangible assets	5,019	4,189	5,145
Property, plant and equipment	26,395	26,861	26,481
Right-of-use assets	7,963	8,315	8,323
Financial non-current assets, etc.	2,995	3,521	3,183
Deferred tax	256	259	249
Total non-current assets	42,628	43,145	43,381
Inventories	1,475	1,126	1,049
Receivables, etc.	5,996	5,523	5,603
Securities	1	2	1
Cash and bank balances	6,418	4,041	5,865
Assets held for sale	216	153	218
Total current assets	14,106	10,845	12,736
Total assets	56,734	53,990	56,117

Note	31 March		
	2021	2020	12M 2020
Equity attributable to A.P. Møller - Mærsk A/S	30,918	27,230	29,850
Non-controlling interests	987	715	1,004
Total equity	31,905	27,945	30,854
Lease liabilities, non-current	7,039	7,178	7,356
Borrowings, non-current	5,092	6,953	5,868
Other non-current liabilities	1,875	2,144	1,985
Total non-current liabilities	14,006	16,275	15,209
Lease liabilities, current	1,384	1,252	1,391
Borrowings, current	946	802	758
Other current liabilities	8,407	7,642	7,814
Liabilities associated with assets held for sale	86	74	91
Total current liabilities	10,823	9,770	10,054
Total liabilities	24,829	26,045	25,263
Total equity and liabilities	56,734	53,990	56,117

Condensed cash flow statement

Amounts in USD million

Note	2021	Q1 2020	12M 2020
Profit/loss before financial items	3,097	552	4,186
Non-cash items, etc.	883	902	4,305
Change in working capital	-459	-162	-239
Cash flow from operating activities before tax	3,521	1,292	8,252
Taxes paid	-88	-76	-424
Cash flow from operating activities	3,433	1,216	7,828
Purchase of intangible assets and property, plant and equipment (CAPEX)	-329	-310	-1,322
Sale of intangible assets and property, plant and equipment	35	46	435
Sale of other equity investments	4	-	5
Acquisition of subsidiaries and activities	-	-32	-425
Sale of subsidiaries and activities	1	5	36
Dividends received	59	22	177
Financial investments etc., net	-100	13	70
Cash flow used for investing activities	-330	-256	-1,024
Repayments of/proceeds from borrowings, net	-483	-385	-1,860
Repayments of lease liabilities	-629	-342	-1,710
Financial payments, net	-83	-74	-292
Financial expenses paid on lease liabilities	-114	-113	-468
Purchase of own shares	-333	-296	-806
Dividends distributed	-889	-375	-430
Dividends distributed to non-controlling interests	-12	-12	-92
Other equity transactions	9	-23	40
Cash flow from financing activities	-2,534	-1,620	-5,618
Net cash flow for the period	569	-660	1,186
Cash and cash equivalents, beginning of period	5,845	4,758	4,758
Currency translation effect on cash and bank balances	7	-66	-80
Cash and cash equivalents, end of period	6,421	4,032	5,864
Of which classified as assets held for sale	-20	-	-19
Cash and cash equivalents, end of period	6,401	4,032	5,845
<i>Cash and cash equivalents</i>			
Cash and bank balances	6,418	4,041	5,865
Overdrafts	17	9	20
Cash and cash equivalents, end of period	6,401	4,032	5,845

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

Condensed statement of changes in equity

Amounts in USD million

	A.P. Møller - Mærsk A/S						Non-controlling interests	Total equity
	Share capital	Translation reserve	Reserve for other equity investments	Reserve for hedges	Retained earnings	Total		
Equity 1 January 2021	3,632	-432	-6	-42	26,698	29,850	1,004	30,854
<i>2021</i>								
Other comprehensive income, net of tax	-	-208	2	-70	-10	-286	-1	-287
Profit/loss for the period	-	-	-	-	2,697	2,697	20	2,717
Total comprehensive income for the period	-	-208	2	-70	2,687	2,411	19	2,430
Dividends to shareholders	-	-	-	-	-1,017	-1,017	-45	-1,062
Value of share-based payment	-	-	-	-	2	2	-	2
2 Purchase of own shares	-	-	-	-	-333	-333	-	-333
Sale of own shares	-	-	-	-	5	5	-	5
2 Capital increases and decreases	-	-	-	-	-	-	9	9
Transfer of gain/loss on disposal of equity investments to retained earnings	-	-	-2	-	2	-	-	-
Total transactions with shareholders	-	-	-2	-	-1,341	-1,343	-36	-1,379
Equity 31 March 2021	3,632	-640	-6	-112	28,044	30,918	987	31,905
Equity 1 January 2020	3,774	-692	-4	-97	25,117	28,098	739	28,837
<i>2020</i>								
Other comprehensive income, net of tax	-	-348	-	-173	178	-343	-9	-352
Profit/loss for the period	-	-	-	-	197	197	12	209
Total comprehensive income for the period	-	-348	-	-173	375	-146	3	-143
Dividends to shareholders	-	-	-	-	-430	-430	-28	-458
Value of share-based payment	-	-	-	-	4	4	-	4
Purchase of own shares	-	-	-	-	-296	-296	-	-296
Capital increases and decreases	-	-	-	-	-	-	1	1
Total transactions with shareholders	-	-	-	-	-722	-722	-27	-749
Equity 31 March 2020	3,774	-1,040	-4	-270	24,770	27,230	715	27,945

Note 1 Segment information

Amounts in USD million

	Ocean	Logistics & Services	Terminals & Towage	Manufacturing & Others	Total
<i>Q1 2021</i>					
External revenue	9,307	1,996	852	263	12,418
Inter-segment revenue	171	49	237	79	536
Total segment revenue	9,478	2,045	1,089	342	12,954
Unallocated items					24
Eliminations					-539
Total revenue					12,439
Segment profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	3,444	205	380	32	4,061
Unallocated items					-20
Eliminations					-2
Consolidated profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)					4,039
Segment Profit/loss before financial items (EBIT)	2,700	139	272	7	3,118
Unallocated items					-23
Eliminations					2
Consolidated Profit/loss before financial items (EBIT)					3,097
Segment Invested capital, Segments	27,059	1,692	10,216	1,001	39,968
Unallocated items					-8
Eliminations					-52
Consolidated Invested capital, Segments					39,908
Consolidated Invested capital, Non-segments					-79
Consolidated Invested capital					39,829
Segment gross capital expenditures, excl. acquisitions and divestments (CAPEX)	193	21	91	27	332
Unallocated items					-1
Eliminations					-2
Consolidated gross capital expenditures, excl. acquisitions and divestments (CAPEX)					329

Note 1 Segment information – continued

Amounts in USD million

	Ocean	Logistics & Services	Terminals & Towage	Manufacturing & Others	Total
<i>Q1 2020</i>					
External revenue	7,142	1,391	732	289	9,554
Inter-segment revenue	88	51	179	6	324
Total segment revenue	7,230	1,442	911	295	9,878
Unallocated items					21
Eliminations					-328
Total revenue					9,571
Segment profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	1,175	68	276	43	1,562
Unallocated items					-41
Eliminations					-
Consolidated profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)					1,521
Segment Profit/loss before financial items (EBIT)	348	29	197	18	592
Unallocated items					-43
Eliminations					3
Consolidated Profit/loss before financial items (EBIT)					552
Segment Invested capital, Segments	28,494	783	9,417	1,169	39,863
Unallocated items					241
Eliminations					-31
Consolidated Invested capital, Segments					40,073
Consolidated Invested capital, Non-segments					-96
Consolidated Invested capital					39,977
Segment gross capital expenditures, excl. acquisitions and divestments (CAPEX)	175	23	103	8	309
Unallocated items					-
Eliminations					1
Consolidated gross capital expenditures, excl. acquisitions and divestments (CAPEX)					310

Note 1 Segment information – continued

Amounts in USD million

USD million	Types of revenue	Amounts in USD million		
		2021	Q1 2020	12M 2020
Ocean	Freight revenue	8,202	6,028	24,920
	Other revenue, including hubs	1,276	1,202	4,255
Logistics & Services	Managed by Maersk	348	220	1,014
	Fulfilled by Maersk	457	221	1,457
	Transported by Maersk	1,240	1,001	4,492
Terminals & Towage	Terminal services	915	740	3,151
	Towage services	181	178	681
Manufacturing & Others	Sale of containers and spare parts	199	124	587
	Offshore supply services	54	70	252
	Other shipping activities	68	81	347
	Other services	21	20	68
Unallocated activities and eliminations ¹		-522	-314	-1,484
Total revenue		12,439	9,571	39,740

1 Including revenue eliminations between terminal services and towage services.

Note 2 Share capital and earnings per share

Amounts in USD million

Development in the number of shares:

	DKK 1,000	A shares of DKK 500	DKK 1,000	B shares of DKK 500	DKK million	Nominal value USD million
1 January 2020	10,756,265	226	10,060,401	166	20,817	3,774
31 March 2020	10,756,265	226	10,060,401	166	20,817	3,774
1 January 2021	10,599,293	216	9,432,463	166	20,032	3,632
31 March 2021	10,599,293	216	9,432,463	166	20,032	3,632

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 will decrease 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	
	2021	2020	2021	2020	2021	2020
Own shares						
<i>A shares</i>						
1 January	119,176	134,279	119	134	0.59%	0.65%
Addition	30,451	55,605	30	56	0.16%	0.26%
31 March	149,627	189,884	149	190	0.75%	0.91%
<i>B shares</i>						
1 January	505,281	587,949	505	588	2.52%	2.82%
Addition	121,805	221,999	122	222	0.61%	1.07%
Disposal	6,538	3,777	7	4	0.03%	0.02%
31 March	620,548	806,171	620	806	3.10%	3.87%

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 March 26, 2021 and the withholding tax of USD 130m is payable in Q2 2021. Payment of dividends to shareholders does not trigger taxes to A.P. Møller - Maersk.

Note 3 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. Møller - Maersk, the product groups of the Logistics & Services segment have been updated. Refer to the Logistics & Services product specifications on page 13.

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 106m in Q1 2021.

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

Bunker Adjustment Factor (BAF)

A surcharge applied to freight rates to compensate unexpected fuel oil price variations as an element in the contracts with customers.

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.

IMO 2020

The International Maritime Organization's (IMO) 0.5% global cap on sulphur dioxide (SO_x) content in fuels for shipping has entered into force on 1 January 2020.

IMO

The International Maritime Organization.

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 FFE's loaded on a shipment, which are loaded on first load at vessel departure time excluding displaced FFE's.

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. Moller - Maersk 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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