2023

MAERSK

Q1

ALL THE WAY

A.P. Møller - Mærsk A/S | Interim Report | 4 May 2023

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Webcast and dial-in information

A webcast relating to the Q1 2023 Interim Report will be held on 4 May 2023 at 11.00 (CET). Dial-in information on investor.maersk.com.

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

The Interim Report for Q1 2023 of A.P. Møller - Mærsk A/S (further referred to as A.P. Moller - Maersk as the consolidated group of companies) has been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board (IASB) and adopted by the EU and additional Danish disclosure requirements for interim financial reporting of listed companies.

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

Comparative figures

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

Financial calendar

04 August
Interim Report Q2 2023

03 November
Interim Report Q3 2023

08 February 2024
Annual Report 2023

Produced in Denmark

Improving life for all by integrating the world

At A.P. Moller - Maersk, we aspire to provide truly integrated logistics. Across oceans, ports, on land and in the air, we are combining our supply chain infrastructure with the power of our people and technology to drive end-to-end innovation that accelerates our customers' success.

With a dedicated team of 110,000+ employees, operating in more than 130 countries, we explore new frontiers and embrace new technologies because we see change as an opportunity. No matter the challenge, we stay confident and resilient because our values are constant. By living our values, we inspire trust in our efforts to integrate the world and improve life for all.

Management review

As expected, the trends observed in Q4 2022 continued in Q1 2023, with normalisation in Ocean and Air being accentuated by a strong destocking affecting volumes across all segments. Results continued to come off their Q3 2022 peak with a decrease in revenue year-over-year of 26% to USD 14.2bn (USD 19.3bn), an EBITDA of USD 4.0bn (USD 9.1bn) and an EBIT of USD 2.3bn (USD 7.3bn).

A total distribution of cash to shareholders of USD 10.1bn took place during Q1 2023 through dividends paid of USD 9.4bn and share buy-backs of USD 718m.

Highlights Q1 2023

For A.P. Moller - Maersk, Q1 was solidly in line with expectations. The Ocean contract negotiation season is proceeding in line with expectations, and A.P. Moller - Maersk is pleased to see that its customers continue to see value in having a close contractual relationship with the Group. Given current headwinds, the Group has proactively managed costs and aims to continue this effort in coming quarters.

Guidance for 2023 continues to be based on the expectation of a muted 2023 global GDP growth and that volume declines will stabilise by the end of H1, leading to a more balanced demand environment. In this normalisation path, Q1 is expected to be the best quarter of the financial year.

Free cash flow of USD 4.2bn (USD 6.0bn) declined due to decreased cash flow from operating activities and higher capital leases, slightly offset by higher financial income and lower capital expenditures.

A.P. Moller - Maersk entered into an agreement to **divest Maersk Supply Service** to A.P. Moller Holding with the closing expected to take place in Q2 2023.

Highlights Q1

USD million

	Revenue		EBITDA		EBIT		CAPEX	
	2023	2022	2023	2022	2023	2022	2023	2022
Ocean	9,873	15,570	3,352	8,214	1,969	7,072	538	1,156
Logistics & Services	3,471	2,879	316	319	135	183	128	34
Terminals	876	1,131	291	456	207	-73	111	80
Towage & Maritime Services	602	555	83	79	85	69	64	81
Unallocated activities, eliminations, etc.	-615	-843	-73	16	-70	22	-3	3
A.P. Moller - Maersk consolidated	**14,207**	**19,292**	**3,969**	**9,084**	**2,326**	**7,273**	**838**	**1,354**

Summary financial information

Income statement	Q1 2023	Q1 2022	12M 2022
Revenue	14,207	19,292	81,529
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	3,969	9,084	36,813
Depreciation, amortisation and impairment losses, net	1,880	1,507	6,186
Gain on sale of non-current assets, etc., net	140	27	101
Share of profit/loss in joint ventures and associated companies	97	-331	132
Profit before financial items (EBIT)	2,326	7,273	30,860
Financial items, net	190	-294	-629
Profit before tax	2,516	6,979	30,231
Tax	193	171	910
Profit for the period	2,323	6,808	29,321
A.P. Møller - Mærsk A/S' share	2,284	6,776	29,198
Underlying profit[1]	2,561	7,469	29,703
Balance sheet			
Total assets	85,490	73,031	93,680
Total equity	55,833	44,940	65,032
Invested capital	50,322	45,167	52,410
Net interest-bearing debt	-7,002	-689	-12,632
Cash flow statement			
Cash flow from operating activities	5,334	8,221	34,476
Capital lease instalments – repayments of lease liabilities	825	646	3,080
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	838	1,354	4,163
Cash flow from financing activities	-10,726	-7,520	-14,135
Free cash flow	4,224	6,014	27,107
Financial ratios			
Revenue growth	-26.4%	55.1%	32.0%
EBITDA margin	27.9%	47.1%	45.2%
EBIT margin	16.4%	37.7%	37.9%
Cash conversion	134%	90%	94%
Return on invested capital after tax (ROIC) (last twelve months)	49.1%	53.6%	60.4%
Equity ratio	65.3%	61.5%	69.4%
Underlying ROIC[1] (last twelve months)	49.0%	55.4%	61.2%
Underlying EBITDA[1]	4,037	9,186	36,843
Underlying EBITDA margin[1]	28.4%	47.6%	45.2%
Underlying EBIT[1]	2,563	7,937	31,244
Underlying EBIT margin[1]	18.0%	41.1%	38.3%
Stock market ratios			
Earnings per share, USD	131	364	1,600
Diluted earnings per share, USD	131	363	1,595
Cash flow from operating activities per share, USD	306	442	1,889
Share price (B share), end of period, DKK	12,445	20,370	15,620
Share price (B share), end of period, USD	1,816	3,040	2,242
Total market capitalisation, end of period, USD	30,957	55,662	39,135

1 Definition of terms. → See page 25.

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Review Q1 2023

Financial results reflect market normalisation

A.P. Moller - Maersk's Q1 2023 financial results reflect the normalisation of global demand and supply, characterised by the inventory corrections seen in Western economies over the past two quarters. This resulted in significantly lower profitability of the three main businesses compared to Q1 2022, particularly in Ocean, where the profit was lower due to lower volumes and freight rates.

Revenue increased in Logistics & Services driven by the acquisitions made in 2022, however profit decreased due to lower volumes combined with an increased cost base as Logistics & Services continues to scale for growth. Revenue decreased in Terminals as volumes declined and the release of global port congestion led to lower storage income, particularly in the USA. In addition, Terminals' profit was lower when adjusting for the impairment of Global Port Investment (GPI) in Q1 2022.

Revenue decreased by USD 5.1bn to USD 14.2bn (USD 19.3bn), with a decrease in Ocean of USD 5.7bn, while Terminals saw a decrease of USD 255m, slightly offset by an increase of USD 592m in Logistics & Services.

EBITDA decreased to USD 4.0bn (USD 9.1bn), with a decrease in Ocean of USD 4.9bn due to lower revenue, a decrease in Terminals of USD 165m, while EBITDA was on par in Logistics & Services, driven by the consolidation of acquisitions.

Ocean (2022: 8.2bn)	Logistics & Services (2022: 319m)	Terminals (2022: 456m)
3.4bn	316m	291m

EBIT decreased to USD 2.3bn (USD 7.3bn), with an EBIT margin of 16.4% (37.7%), negatively impacted by the decreased EBITDA, specifically in Logistics & Services, due to higher depreciation and amortisation from acquisitions with an EBIT margin of 3.9% (6.4%). When adjusting for the impairment of the Russian GPI participation in Q1 2022, EBIT decreased in Terminals by USD 205m due to lower volumes and lower storage income.

Ocean (2022: 7.1bn)	Logistics & Services (2022: 183m)	Terminals (2022: -73m)
2.0bn	135m	207m

Comparison of the financials

From 2020 to 2022, the supply side of the logistics industry was disrupted by COVID-19, which, in addition to the severe impact on human lives when discovered late 2019, had a significant impact on world trade.

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

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

A more normal business environment is expected for H2 2023. The below table with selected KPIs for Q1 in the years 2019-2023 brings perspective by comparing with 2019, a more normal year.

Selected KPIs for Q1 2019-2023

USD million

Income statement	Q1 2023	Q1 2022	Q1 2021	Q1 2020	Q1 2019
Revenue	14,207	19,292	12,439	9,571	9,540
Ocean	9,873	15,570	9,478	7,230	7,015
Logistics & Services	3,471	2,879	2,045	1,442	1,521
Terminals	876	1,131	915	740	837
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	3,969	9,084	4,039	1,521	1,236
Profit before financial items (EBIT)	2,326	7,273	3,097	552	230
Profit for the period	2,323	6,808	2,717	209	-656
Cash flow statement					
Cash flow from operating activities	5,340	8,221	3,433	1,216	1,482
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	838	1,354	329	310	778
Free cash flow	4,230	6,014	2,372	445	324
Financial ratios					
Revenue growth	-26.4%	55.1%	30.0%	0.3%	2.5%
EBITDA margin	27.9%	47.1%	32.5%	15.9%	13.0%
EBIT margin	16.4%	37.7%	24.9%	5.8%	2.4%

Financial items, net, amounted to an income of USD 190m (loss of USD 294m), as the increase in interest income and derivative gains on dividend and share buy-back hedges were only partly offset by interest expenses.

Tax increased to USD 193m (USD 171m), primarily due to increased taxable income on financial items.

The underlying profit of USD 2.6bn (USD 7.5bn) was adjusted for restructuring provisions of USD 76m and impairment of brands of USD 298m as previously communicated.

Cash flow from operating activities of USD 5.3bn (USD 8.2bn) was driven by the EBITDA of USD 4.0bn and the decrease in net working capital of USD 1.2bn due to a decrease in trade receivables, translating into a strong cash conversion of 134% (90%).

Gross capital expenditure (CAPEX) of USD 838m (USD 1.4bn) was primarily driven by lower investments in Ocean.

Free cash flow of USD 4.2bn (USD 6.0bn) was impacted by the decreased cash flow from operating activities and higher capital leases, slightly offset by higher financial income and lower capital expenditures.

Capital structure and credit rating
Net interest-bearing debt changed to a net cash position of USD 7.0bn (a net cash position of USD 12.6bn at year-end 2022), as free cash flow of USD 4.2bn has partly offset share buy-backs of USD 718m, dividends of USD 9.4bn and acquisition of companies of USD 126m. Further, lease liabilities decreased by USD 477m. Excluding lease liabilities, the Group had a net cash position of USD 18.1bn (USD 24.2bn at year-end 2022).

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

The **liquidity reserve** decreased to USD 27.1bn (USD 33.3bn at year-end 2022) and was composed of cash and bank balances (excluding restricted cash), term deposits and securities of USD 21.1bn (USD 27.3bn at year-end 2022) and undrawn revolving credit facilities of USD 6.0bn (USD 6.0bn at year-end 2022).

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

Share buy-back
During Q1, A.P. Moller - Maersk bought back 72,068 A shares and 268,698 B shares, worth DKK 5.1bn (approximately USD 745m), and no shares were bought for the long-term incentive programme. At 31 March 2023, A.P. Moller - Maersk owns a total of 273,785 A shares and 1,154,381 B shares as treasury shares, corresponding to 7.63% of the share capital.

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

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

ESG update

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

Progress on decarbonisation
In March 2023, A.P. Moller - Maersk unveiled the design of its first green fuel-powered vessel to be delivered later in the year, seven years ahead of originally planned, reflecting the company's commitment to lead the way towards a sustainable shipping industry. The current order book for green vessels totals 19, which, when fully operational on green fuels, are expected to reduce greenhouse gas emissions by 2.3 million tonnes per year. A.P. Moller - Maersk continues to enter partnerships to ensure sufficient supplies of green methanol and to push climate-neutral shipping forward, including the recent signing of a Memorandum of Understanding with Shanghai Port for a methanol marine fuel project. As part of these efforts, Maersk Growth, the company's venture arm, has also invested in technologies through C1 Green Chemicals to promote large-scale production of green methanol.

FuelEU Maritime deal welcomed
A.P. Moller - Maersk welcomes the agreement on FuelEU Maritime, a first-of-its-kind piece of legislation to accelerate green fuel adoption and decarbonisation of shipping already in this decade. Notably, FuelEU combines high ambitions with a holistic approach to the climate crisis, covering emission over the entire 'well to wake' process and including greenhouse gasses such as methane and nitrous oxide. Also, FuelEU takes a fleet wise approach, rewarding investments in completely green ships, instead of requiring an incremental, smaller reduction on each individual ship. This will secure that the necessary investments are made where it makes commercial and climate sense.

Local legislation such as FuelEU Maritime is supportive of cost-competitive renewable fuel development at scale and establishes an ambitious global rule framework and rigorous enforcement are essential to ensure a level playing field. A.P. Moller - Maersk hopes that FuelEU Maritime can be a launchpad for global action and the concept of a global fuel standard, which is on the IMO's table at MEPC80 in July, where a climate strategy to decarbonise shipping globally is expected.

Financial guidance and targets

Financial guidance for 2023

Guidance remains unchanged and is still based on the expectation that inventory correction will be complete by the end of H1, leading to a more balanced demand environment, that 2023 global GDP growth remains muted, and that the global ocean container market will grow in the range of -2.5% to +0.5%. Ocean expects to grow in line with market.

In Q1 2023, A.P. Moller - Maersk recognised USD 374m of the previously communicated USD 450m impairment and restructuring charge for the A.P. Moller - Maersk brands.

USDbn

EBITDA Underlying	**EBIT** Underlying	**Free cash flow** at least
8.0-11.0	2.0-5.0	2.0

CAPEX guidance, maintained 2022-2023	**CAPEX guidance** 2023-2024
9.0-10.0	10.0-11.0

Sensitivity guidance

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

Factors	Change	Effect on EBIT (Rest of 2023)
Container freight rate	+/- 100 USD/FFE	+/- USD 0.9bn
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 0.2bn

Roadmap towards 2025

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

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

Consolidated

The return on invested capital (ROIC) (last twelve months) was 49.1%, well above the target of above 7.5% every year under normalised conditions, and above 12% for the period 2021-2025, driven by the increase in profit.

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

A.P. Moller - Maersk's share buy-back programme, originally planned for USD 5.0bn over 2022-2023, has been progressively extended to USD 12.0bn over 2022-2025 or USD 3.0bn annually. Of the planned share buy-back of DKK 39.3bn (around USD 6bn) for the years 2022-2023, A.P. Moller - Maersk has bought back DKK 27.7bn (USD 3.9bn) as of Q1 2023.

Ocean

Ocean delivered an EBIT margin of 41.0% over the last twelve months, well above the target of 6% under normalised conditions. Total average operated fleet capacity is within the range of 4.1-4.3m TEU.

EBIT margin		Execute with the existing fleet size	
Target: >6%	41.0%	Target: 4.1-4.3 TEUm	4.3 TEUm

Logistics & Services

For Logistics & Services, organic growth of 11% over the last twelve months was above the target of 10%, of which 74% was from the top 200 customers, above the target of 50%. The EBIT margin for the last twelve months was 5.1% versus the target of above 6%.

Organic growth LTM		Top 200 customers LTM		EBIT LTM	
Target: >10%	11%	Target: >50%	74%	Target: >6%	5.1%

Terminals

The return on invested capital (ROIC) (LTM) was 11.9% for Terminals, exceeding the expectation of above 9% towards 2025.

ROIC	
Target: >9%	11.9%

Market insights

Major economies performed better than anticipated at the start of 2023 thanks to falling energy prices, a warm winter, China reopening and the carryover effect from Q4 2022 growth. The Composite Purchasing Managers Index (PMI) pointed to a strengthening of economic activity in Q1 in Europe. The US economy held up in Q4 2022 on robust consumer demand, which strengthened in the first months of 2023, alongside improving PMI in February and March. Economic activity rebounded in China once the zero-COVID policy was abandoned. However, in all major economies, strengths are concentrated in the service sector. Short-term indicators point to a contraction in global manufacturing activity due to a combination of high inventories and low confidence in future consumer demand.

Inflation and monetary policy tightening remain important issues in Mature Economies. Headline inflation peaked in both the USA and the Euro Area with March data, 5% and 6.9% respectively, yet bringing down core inflation, i.e. inflation excluding food and energy, is proving to be a challenge as price increases are now broad-based. Strong labour markets supported real goods consumption in the USA, which saw an increase of 1% y/y in the first two months of the year. But high inflation continues to create a loss in purchasing power and a decline in consumption once savings are exhausted is a significant risk. In the Euro Area, consumers already started to adjust consumption in H2 of 2022. Retail sales growth was negative in January and February.

During the 2020-22 period, retailers had to manage major swings in demand for goods, while having a hard time restocking. By mid-2022, when both goods demand and port congestions started to normalise, recession fears emerged, leaving many businesses with the impression of having overstocked compared to expected sales. The combination of a weak consumer demand outlook with elevated inventories to sales ratios put trade volumes under pressure.

Very global and very cyclical, demand for Ocean and Air Freight is most exposed to swings in sentiment, weak manufacturing production and an inventory correction. Global container demand was negative in Q1, in a range between -7% and -10%, bringing volumes in the range of 19 million FFEs. Imports into Europe and North America were particularly weak, especially from Far-East Asia. These were mitigated by imports into Africa, West Central Asia and Latin America. The deterioration in global volumes is particularly visible for Retail, Lifestyle and Technology goods.

On the supply side of the Ocean market, the increasing stream of vessel deliveries and still limited scrapping activity is pushing up fleet growth. Moreover, easing supply chain bottlenecks and weaker demand on long-haul trades is releasing capacity to the market. Although some of the available capacity is being absorbed by increased idling, slower steaming and cancelled sailings, the gap between demand and supply widened in H2 2022 and Q1 2023. Spot rates (SCFI) approached pre-pandemic levels. The SCFI average, excluding Intra-Asia trade and bunker, was 753 USD/TEU in Q1.

The case is similar for Air freight with global tonnage down 16% in Q4 2022 and with January data pointing to another double-digit decline in Q1. Two verticals are leading this decline: chemical and lifestyle. By region, North America saw CTK volumes fall an average of 6% during January and February, while in Asia-Pacific and Europe volumes were down 13% and 18% respectively (IATA). At the same time, the return of passenger flights expanded the capacity further, widening the gap between demand and supply, with available ACTKs up 3.9% in January and 8.6% in February, according to IATA.

Road freight demand in the US has been mixed, with a flat Q1 according to the CASS transportation index, but overall has been on a downward trend since September highs. Warehousing started to cool in the USA during Q4 as inventory levels began to fall and importers reduced orders. The market is, however, adjusting downwards from record peaks, and vacancy rates are still close to historic lows by 3.6% in Q1 according to Cushman & Wakefield.

Despite a better-than-expected start to the year, the outlook for the economy remains weak, with global GDP growth expected to stay close to 2%. Moreover, risks are skewed to the downside amid sticky core inflation, turmoil in the banking sector, and confrontational geopolitics. One year after the Russian invasion of Ukraine, there is no sign of the war ending, while US-China relations are tense, causing reconsideration of supply chains structures. In this challenging environment, global container demand is expected to be between -2.5% and +0.5% in 2023. Similarly, demand for air freight is expected to be flat at best. Vacancy rates for warehousing are expected to deteriorate in the US and Europe in 2023, however they will remain close to 2022 lows.

Segments

Ocean

Profitability for Q1 was significantly lower compared to Q1 2022, primarily due to lower freight rates and volumes as a result of continued inventory corrections, ease of congestions and market concerns over global financial stability, causing a weakened economic environment. Both Asia-Europe and Transpacific markets experienced significant pressure during Q1, driving an overall decrease of 9.4% in loaded volumes compared to Q1 2022.

The average loaded freight rates decreased by 37% compared to Q1 2022 and 26% compared to Q4 2022, driven by contract and shipment rates on routes from Asia to Europe and to North America. The unit cost at fixed bunker increased by 1.0% compared to Q1 2022, driven by a decrease in volumes, partially offset by a decrease in operating costs. Utilisation at 88% of offered capacity was five percentage points lower compared to Q1 2022 due to lower volumes, but five percentage points higher compared to Q4 2022. As congestions have dissipated, schedule reliability continued to see improvement in Q1 2023.

In Q1 2022, it was announced that A.P. Moller - Maersk was winding down operations in Russia, resulting in a complete exit from the country. Consequently, impairment losses and provisions made to cover the costs of withdrawing from operations were recognised in Q1 2022. All services to and from Russia have since been discontinued.

- Ocean continues to focus on long-term partnerships with key customers to aid volatility in supply chains. The share of contract volumes at 67% was at par with Q1 2022.

- Maersk Spot remains an attractive digitalised product offering and has reached an 83% conversion rate in Q1 2023, on par with Q1 2022 and a decrease of three percentage points compared to Q4 2022 (86%). The basis of Spot conversion measurement has changed from a proportion of total shipment volumes to a proportion of convertible shipment volumes as to align with Ocean performance.

Ocean highlights

USD million

	Q1 2023	Q1 2022	12M 2022
Freight revenue	8,431	13,560	56,499
Other revenue, including hubs	1,442	2,010	7,800
Revenue	**9,873**	**15,570**	**64,299**
Container handling costs	2,262	2,544	10,214
Bunker costs	1,507	1,650	8,077
Network costs, excluding bunker costs	1,689	1,961	7,516
Selling, General & Administration (SG&A) costs	770	677	2,947
Cost of goods sold and other operational costs	337	432	1,835
Total operating costs	**6,565**	**7,264**	**30,589**
Other income/costs, net	44	-92	60
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**3,352**	**8,214**	**33,770**
EBITDA margin	34.0%	52.8%	52.5%
Profit before financial items (EBIT)	**1,969**	**7,072**	**29,149**
EBIT margin	19.9%	45.4%	45.3%
Invested capital	**29,812**	**31,805**	**32,368**
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	538	1,156	2,620
Operational and financial metrics			
Loaded volumes (FFE in '000)	2,724	3,006	11,924
Loaded freight rate (USD per FFE)	2,871	4,553	4,628
Unit cost, fixed bunker (USD per FFE incl. VSA income)[1]	2,552	2,527	2,553
Bunker price, average (USD per tonne)	625	611	763
Bunker consumption (tonne in '000)	2,412	2,699	10,579
Average operated fleet capacity (TEU in '000)	4,217	4,290	4,285
Fleet owned (end of period)	318	318	318
Fleet chartered (end of period)	373	423	389

1 The Q1 2022 fixed bunker price has been restated to 550 USD/tonne from 450 USD/tonne in Q1 2023.

Financial and operational performance

Revenue decreased by USD 5.7bn to USD 9.9bn (USD 15.6bn), driven by a decrease in freight revenue of 38% with loaded freight rates down by 37% and loaded volumes down by 9.4%.

EBITDA decreased by USD 4.9bn to USD 3.4bn (USD 8.2bn) due to lower revenue. The EBITDA margin decreased by 18.8 percentage points to 34.0% (52.8%). Similarly, **EBIT** decreased by USD 5.1bn to USD 2.0bn (USD 7.1bn).

Loaded volumes decreased by 9.4% to 2,724k FFE (3,006k FFE) due to weaker demand, for headhaul trades on Asia-Europe and Transpacific markets. Loaded volumes decreased by 83k FFE or 3.0% compared to Q4 2022.

The **average loaded freight rate** decreased by 37% to 2,871 USD/FFE compared to Q1 2022 (4,553 USD/FFE) and 26% compared to Q4 2022 (3,869 USD/FFE), driven by rate decline in Asia-Europe and Transpacific trades.

Total operating costs were 9.6% lower at USD 6.6bn (USD 7.3bn), driven by lower network costs excluding bunker costs and lower container handling costs, which decreased by 14% and 11%, respectively, compared to Q1 2022, offset by an increase in SG&A costs of 14%, related to restructuring due to the rebranding. Adjusting for the positive impact of foreign exchange rates, operating costs decreased by 8.0%.

Bunker costs decreased by 8.7% to USD 1.5bn (USD 1.7bn), driven by a decrease in bunker consumption of 11%, partially offset by a 2.3% increase in average bunker prices to 625 USD/tonne (611 USD/tonne). Bunker efficiency decreased by 6.9% to 43.5 g/TEU*NM (40.7 g/TEU*NM).

Unit cost at fixed bunker increased by 1.0% to 2,552 USD/FFE (2,527 USD/FFE restated), driven by lower volumes, partially offset by a decrease in operating costs and the impact of Russia/Ukraine in Q1 2022. Excluding the financial impact of Russia/Ukraine in Q1 2022, unit cost at fixed bunker has increased by 2.9%, driven by lower volumes, partially offset by a decrease in operating costs. Adjusting for the positive impact of foreign exchange rates, unit costs at fixed bunker increased by 2.7%.

Loaded volumes

FFE ('000)

	Q1 2023	Q1 2022	Change	Change %
East-West	1,254	1,433	-179	-12.5
North-South	881	904	-23	-2.5
Intra-regional	589	669	-80	-12.0
Total	**2,724**	**3,006**	**-282**	**-9.4**

Average freight rates

USD/FFE

	Q1 2023	Q1 2022	Change	Change %
East-West	2,825	4,898	-2,073	-42.3
North-South	3,624	5,361	-1,737	-32.4
Intra-regional	2,019	2,896	-877	-30.3
Total	**2,871**	**4,553**	**-1,682**	**-36.9**

Fleet overview, end Q1 2023

	Q1 2023	Q4 2022
TEU		
Own container vessels	2,413	2,393
Chartered container vessels	1,753	1,828
Total fleet	**4,166**	**4,221**
Number of vessels		
Own container vessels	318	318
Chartered container vessels	373	389
Total fleet	**691**	**707**

The average operated capacity of 4,217k TEU (4,290k TEU) decreased by 1.7%. The current order book for carbon-neutral vessels totals 19 at the end of Q1 2023, including one feeder vessel expected to be delivered in Q4 2023. The fleet consisted of 318 owned and 373 chartered vessels, of which 447k TEU or 11% of the fleet were idle (57 vessels).

Key initiatives in Q1

The 2M alliance between A.P. Moller - Maersk and MSC will terminate from January 2025. Ocean will continue to focus on network optimisation and efficiently delivering on the evolving needs of Ocean customers, in terms of reliability, flexibility and sustainability.

Ocean continues its focus on delivering the most reliable products to customers. Global congestions have reduced significantly in recent months, which has allowed for an extensive network review with the objective to reduce emissions and improve reliability across services. A.P. Moller - Maersk was best in industry for schedule reliability for Q1 and this remains a key focus.

Logistics & Services

Logistics & Services' revenue in Q1 continued to grow year-on-year through acquisitions that strengthened the ability to offer end-to-end logistics services to global clients. The underlying business has been impacted by lower volumes and rates as a result of a significant inventory correction due to weakening consumer demand.

- New Maersk air freight service connecting Europe and China.
- Logistic & Services continues to scale for growth by expanding new lanes and warehouses globally.

Financial and operational performance

Revenue increased by 21% to USD 3.5bn (USD 2.9bn), primarily driven by the consolidation of acquisitions closed in 2022.

The 2022 acquisitions of Pilot, LF Logistics and Senator International and the 2023 acquisitions of Martin Bencher Group and Grindrod Logistics are the main contributors to revenue growth

Organic/inorganic

USD million

	2022	Organic	Inorganic	2023
Revenue	2,879	-267	859	3,471
Growth		-9%	30%	
EBITA	204	-44	18	178

with revenue of USD 859m in Q1 2023. Organic revenue was 9% lower versus Q1 2022, affected by lower overall volume and decreased air freight rates.

In Q1 2023, one third of the 9% decline in the organic revenue growth was driven by the top 200 customers.

EBITA decreased by USD 26m, primarily driven by Transported by Maersk and Managed by Maersk. The above acquisitions contributed to EBITA by USD 18m. Organic EBITA decreased by USD 44m.

Changes to the service 'by Maersk' models

As the Integrator strategy continues to progress, product offerings are refined to align with customer demand. This has led to product reclassifications within the 'by Maersk' product families as per footnote 1 to the Logistics & Services highlights table.

Managed by Maersk revenue increased by USD 22m to USD 568m (USD 546m), driven by inorganic revenue contribution from the Martin Bencher integration. In Lead Logistics, higher demand for booking services was offset by 18% lower volumes from existing customers in supply chain management at 21,739kcbm (26,490kcbm).

Fulfilled by Maersk revenue increased by USD 569m to USD 1.4bn (USD 811m), primarily driven by inorganic growth in Contract Logistics and e-commerce from LF Logistics and Pilot.

Transported by Maersk revenue of USD 1.5bn was at par with last year, as the consolidation of the acquisition of Senator International was offset by lower volumes in Air and LCL.

Gross profit increased by USD 277m to USD 1.0bn (USD 765m), driven by Fulfilled by Maersk because of the integration of LF Logistics and Pilot, and in Transported by Maersk with Landside Transportation as the main contributor to the growth.

EBITDA was USD 316m (USD 319m) and the EBITDA margin 9.1% (11.1%).

EBIT was USD 135m (USD 183m) and the EBIT margin 3.9% (6.4%). In Q1 2022, EBIT was impacted by the winding down of operations and divestment of all assets in Russia of USD 53m.

Logistics & Services highlights

USD million

	Q1 2023	Q1 2022	12M 2022
Revenue	**3,471**	**2,879**	**14,423**
Direct costs (third-party costs)	2,429	2,114	10,717
Gross profit	**1,042**	**765**	**3,706**
Direct Operating Expenses	465	297	1,482
Selling, General & Administration (SG&A)	261	149	846
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**316**	**319**	**1,378**
EBITDA margin	9.1%	11.1%	9.6%
Profit after depreciation and impairment losses, before amortisations (EBITA)	**178**	**204**	**944**
EBITA margin	5.1%	7.1%	6.5%
Profit before financial items (EBIT)	**135**	**183**	**814**
EBIT margin	3.9%	6.4%	5.6%
Invested capital	**10,182**	**3,191**	**9,858**
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	128	34	657
Operational and financial metrics			
EBIT conversion (EBIT/gross profit - %)	13.0%	23.9%	22.0%
Managed by Maersk revenue[1]	568	546	2,491
Fulfilled by Maersk revenue[1]	1,380	811	4,916
Transported by Maersk revenue[1]	1,523	1,522	7,016
Supply chain management volumes (cbm in '000)	21,739	26,490	110,264
Intermodal volumes (FFE in '000)	981	1,156	4,526
Air freight volumes (tonne in '000)	56	31	211

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

The profitability in Q1 2023 was at a lower level compared to Q1 2022 as a result of lower volumes combined with an increased cost base as Logistics & Services continues to scale for growth.

Key initiatives in Q1

In Fulfilled by Maersk, the global warehousing footprint continued to expand organically, with 27 new warehouses opened in Q1, adding 406k sqm. Compared to Q1 2022, 1,143k sqm or 36% more capacity was added. Total organic capacity was 4.4m sqm across 281 warehouses. The integration of LF Logistics contributed inorganically with 3,156k sqm (adding 8k sqm in Q1 2023) across 192 warehouses. Total capacity was 7.5m sqm across 473 warehouses.

In Transported by Maersk, the Less than Container Load (LCL) value proposition continues to be strengthened and more than 50 new lanes were added globally in Q1 2023, building a total LCL network of over 450 own direct consolidation lanes versus less than 300 in Q1 2022.

Regional volume[1]

Moves ('000)

	Q1 2023	Q1 2022	Growth %
North America	613	843	-27.2
Latin America	546	581	-6.1
Europe, Russia and the Baltics	640	613	4.3
Africa	187	246	-23.8
Asia and Middle East	830	830	0.0
Total	**2,816**	**3,113**	**-9.5**

1 Financially consolidated.

Terminals

The container industry has been facing headwinds in Q1 2023 with a significant reduction in global demand, which has in turn helped ease global congestion. The impact on Terminals' top line is significant with volume decreasing by 9.5% (negative 5.9% like-for-like, adjusted for exits) versus Q1 2022, and utilisation decreasing by 10 percentage points to 66%, driven by a challenging market in North America. Accordingly, storage levels have decreased significantly, dropping close to pre-pandemic levels. Cost per move decreased year-on-year due to terminal mix and measures taken to take out costs to match the lower volumes and to protect the underlying margins.

- The book of business remains intact as the 5.9% like-for-like volume drop is driven by a contracting global market, with no net loss in commercial deals.
- With the addition of a new terminal project in Haiphong City, Vietnam, Terminals is now involved in three new terminal projects, including Rijeka, Croatia, and Suape, Brazil.

Terminals highlights

USD million

	Q1 2023	Q1 2022	12M 2022
Revenue	**876**	**1,131**	**4,371**
Concession fees (excl. capitalised lease expenses)	65	90	362
Labour costs (blue collar)	247	306	1,270
Other operational costs	147	148	638
Selling, General & Administration (SG&A) and other costs, etc.	126	131	566
Total operating costs	**585**	**675**	**2,836**
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**291**	**456**	**1,535**
EBITDA margin	33.2%	40.3%	35.1%
Profit/loss before financial items (EBIT)	**207**	**-73**	**832**
EBIT margin	23.6%	-6.5%	19.0%
Invested capital	**7,676**	**7,772**	**7,593**
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	111	80	516
Operational and financial metrics			
Volumes – financially consolidated (moves in '000)	2,816	3,113	12,752
Ocean segment	984	1,098	4,558
External customers	1,832	2,015	8,194
Revenue per move – financially consolidated (USD)	309	361	341
Cost per move – financially consolidated (USD)	251	260	263
Result from joint ventures and associated companies (USDm)	50	-392	-46

Financial and operational performance

Revenue decreased by 23% to USD 876m (USD 1.1bn), driven by a normalisation of storage revenue, particularly in North America, and lower volume due to difficult market conditions. Volume decreased by 9.5% (negative 5.9% like-for-like) and utilisation decreased to 66% (76%), driven by lower demand in North America with Europe, Latin America, Africa and Asia delivering flat or better like-for-like volumes. Volume from the Ocean segment decreased by 10% and volume from external customers by 9.1%. Revenue per move decreased by 15% to USD 309 (USD 361), fully driven by lower storage revenue as underlying tariffs were increased in accordance with local inflation. Cost per move decreased by 3.4% to USD 251 (USD 260) due to positive terminal mix, foreign exchange rate impacts and an ability to take out costs in accordance with lower activity levels, more than offsetting inflation.

At fixed foreign exchange rates, volume mix and portfolio mix, revenue per move decreased by 6.2% and cost per move increased by 7.8%.

EBITDA decreased to USD 291m (USD 456m), driven by normalising storage revenue and lower volumes, partly offset by efforts to reduce costs resulting in an EBITDA margin of 33% (40%).

EBIT increased to positive USD 207m (negative USD 73) due to the impairment of Global Port Investment (GPI) by USD 485m in Q1 2022. Adjusted for the impairment, EBIT is down USD 205m, driven by the lower storage revenue and lower results from joint ventures.

ROIC (LTM Average) increased to 11.9% (7.1%), driven by the impairment of GPI last year.

CAPEX increased to USD 111m (USD 80m), driven by a terminal modernisation drive in North America.

In **North America**, volume decreased by 27% and revenue decreased by 42%, driven by lower demand and congestion in the region, especially on the US West Coast.

In **Latin America**, volume decreased by 6.1%, due to Itajai, Brazil, where services have been phased out as the concession is ending, and the divestment of a terminal in Cartagena, Colombia. On a like-for-like basis, volumes increased 3.8%.

In **Europe**, volume increased by 4.3% driven by Poti, Georgia.

In **Africa**, volume decreased by 24% due to the divestment of Luanda, Angola. Adjusted for the exit, volume increased by 3.6%.

In **Asia and Middle East**, volume was at par with last year and overall revenue decreased by 2.9%.

Results from joint ventures and associated companies

The share of profits in joint ventures and associated companies improved to positive USD 50m (negative USD 392m), driven by the GPI impairment in 2022. Adjusted for the impairment results decreased by USD 43m, driven by lower volume in Santos, Brazil, go live of the new terminal in Abidjan, Côte d'Ivoire, and the deteriorating economic situation in Tema, Ghana.

Key initiatives in Q1

Terminals has entered a strategic partnership with the Vietnamese HATECO group for a project to develop two new deep-water berths at Lach Huyen port in Haiphong City located in the north of Vietnam. The new terminal is expected to become operational by Q1 2025 and will be able to accommodate vessels of up to 18,000 TEUs capacity.

In Suape, Brazil, the new terminal project has received the regulatory approvals and is preparing for construction while the remaining permits are being obtained.

Towage & Maritime Services

Revenue was USD 602m (USD 555m) with an EBITDA of USD 83m (USD 79m). EBIT increased by USD 16m to USD 85m (USD 69m).

Towage & Maritime Services highlights

USD million

	Q1 2023	Q1 2022	12M 2022
Revenue	**602**	**555**	**2,293**
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**83**	**79**	**369**
EBITDA margin	13.8%	14.2%	16.1%
Profit before financial items (EBIT)	**85**	**69**	**307**
EBIT margin	14.1%	12.4%	13.4%
Invested capital	**2,807**	**2,691**	**2,794**
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	64	81	350
Operational and financial metrics			
Number of operational tug jobs (harbour towage) ('000)	38	35	146

Towage

Financial and operational performance
Revenue increased to USD 205m (USD 192m), and adjusted for foreign exchange rate effects, the increase was 12% or USD 22m. Harbour Towage revenue increased by USD 13m from an activity increase of 8% and tariff increase in Europe and the Americas region. The activity increase came from additional tug jobs in Australia, Europe and a new port entry in Brazil. Terminal towage revenue decreased by USD 2m as a result of reduced activity in AMEA due to the completion of a contract in Angola during 2022.

EBITDA increased to USD 60m (USD 59m) due to increased revenue, partially offset by increased fuel and other operating costs. EBIT increased to USD 37m (USD 16m) as 2022 was negatively impacted by the withdrawal of operations in Russia.

Results from joint ventures and associated companies
The share of profit in joint ventures and associated companies remained at par with last year at USD 5m (USD 5m).

Maritime Services

For **Maersk Container Industry**, revenue decreased by USD 32m to USD 109m (USD 141m), driven by lower market demand and an extended production close due to the Chinese New Year and COVID-19 disruption in the country. EBITDA improved by USD 1m to USD 8m (USD 7m) as lower revenue was offset by higher costs in 2022. EBIT decreased by USD 1m to USD 6m (USD 7m) due to the reversal of depreciations in 2022 when it was classified as held for sale.

Maersk Supply Service was classified as held for sale in Q1 2023, and it was announced that it will be divested with expected closing in Q2 2023.

EBIT in Other Maritime Services includes USD 42m (USD 46m) from Höegh Autoliners AS, classified as an associate. EBIT was also positively impacted by the gain on the partial sale of Höegh Autoliners shares.

Financials

Condensed income statement

Note		Q1 2023	Q1 2022	12M 2022
1	Revenue	14,207	19,292	81,529
1	**Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)**	**3,969**	**9,084**	**36,813**
	Depreciation, amortisation and impairment losses, net	1,880	1,507	6,186
	Gain on sale of non-current assets, etc., net	140	27	101
	Share of profit/loss in joint ventures and associated companies	97	-331	132
1	**Profit before financial items (EBIT)**	**2,326**	**7,273**	**30,860**
	Financial items, net	190	-294	-629
	Profit before tax	**2,516**	**6,979**	**30,231**
	Tax	193	171	910
	Profit for the period	**2,323**	**6,808**	**29,321**
	Of which:			
	Non-controlling interests	39	32	123
	A.P. Møller - Mærsk A/S' share	**2,284**	**6,776**	**29,198**
	Earnings per share, USD	**131**	**364**	**1,600**
	Diluted earnings per share, USD	**131**	**363**	**1,595**

Condensed statement of comprehensive income

	Q1 2023	Q1 2022	12M 2022
Profit for the period	**2,323**	**6,808**	**29,321**
Translation from functional currency to presentation currency	56	-37	-551
Reclassified to income statement, gain on sale of non-current assets, etc., net	-	-	53
Cash flow hedges	-2	53	115
Tax on other comprehensive income	4	-10	-10
Share of other comprehensive income of joint ventures and associated companies, net of tax	-1	-1	6
Total items that have been or may be reclassified subsequently to the income statement	**57**	**5**	**-387**
Other equity investments	3	50	54
Actuarial gains/losses on defined benefit plans, etc.	-	-	36
Tax on other comprehensive income	-	-	30
Total items that will not be reclassified to the income statement	**3**	**50**	**120**
Other comprehensive income, net of tax	**60**	**55**	**-267**
Total comprehensive income for the period	**2,383**	**6,863**	**29,054**
Of which:			
Non-controlling interests	41	34	92
A.P. Møller - Mærsk A/S' share	**2,342**	**6,829**	**28,962**

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Condensed balance sheet at 31 March

		31 March 2023	31 March 2022	31 December 2022
	Intangible assets	**10,319**	**5,676**	**10,785**
	Property, plant and equipment	**27,838**	**27,588**	**28,194**
	Right-of-use assets	**10,523**	**10,177**	**10,967**
	Financial non-current assets, etc.	3,186	2,800	3,272
	Deferred tax	400	366	399
	Total non-current assets	**52,266**	**46,607**	**53,617**
	Inventories	1,481	1,933	1,604
2	Receivables, etc.	19,011	12,036	27,391
	Securities	245	2	942
	Cash and bank balances	11,652	12,107	10,057
6	Assets held for sale	835	346	69
	Total current assets	**33,224**	**26,424**	**40,063**
	Total assets	**85,490**	**73,031**	**93,680**

		31 March 2023	31 March 2022	31 December 2022
3	Equity attributable to A.P. Møller - Mærsk A/S	54,752	43,867	63,991
	Non-controlling interests	1,081	1,073	1,041
	Total equity	**55,833**	**44,940**	**65,032**
	Lease liabilities, non-current	8,221	8,192	8,582
	Borrowings, non-current	3,674	4,175	3,774
	Other non-current liabilities	2,819	2,149	2,971
	Total non-current liabilities	**14,714**	**14,516**	**15,327**
	Lease liabilities, current	2,916	2,684	3,032
	Borrowings, current	321	199	255
	Other current liabilities	11,543	10,513	10,025
6	Liabilities associated with assets held for sale	163	179	9
	Total current liabilities	**14,943**	**13,575**	**13,321**
	Total liabilities	**29,657**	**28,091**	**28,648**
	Total equity and liabilities	**85,490**	**73,031**	**93,680**

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Condensed cash flow statement

Note		Q1 2023	Q1 2022	12M 2022
	Profit before financial items	2,326	7,273	30,860
	Non-cash items, etc.	1,926	2,115	6,225
	Change in working capital	1,220	-1,069	-1,808
	Cash flow from operating activities before tax	5,472	8,319	35,277
	Taxes paid	-138	-98	-801
	Cash flow from operating activities	**5,334**	**8,221**	**34,476**
	Purchase of intangible assets and property, plant and equipment (CAPEX)	-838	-1,354	-4,163
	Sale of intangible assets and property, plant and equipment	209	43	303
4	Acquisition of subsidiaries and activities	-126	-1	-4,774
	Sale of subsidiaries and activities	23	17	2
	Acquisition of joint ventures and associated companies	-1	-	-46
	Sale of joint ventures and associated companies	-2	-	219
	Dividends received	32	20	327
	Sale of other equity investments	10	20	31
	Financial investments, etc., net	7,774	1,106	-13,518
	Cash flow from investing activities	**7,081**	**-149**	**-21,619**
	Repayments of/proceeds from borrowings, net	-100	-16	-717
	Repayments of lease liabilities	-825	-646	-3,080
	Financial payments, net	451	-152	-238
	Financial expenses paid on lease liabilities	-139	-118	-518
	Purchase of treasury shares	-718	-631	-2,738
	Dividends distributed	-9,373	-5,945	-6,847
	Dividends distributed to non-controlling interests	-24	-3	-78
	Other equity transactions	2	-9	81
	Cash flow from financing activities	**-10,726**	**-7,520**	**-14,135**
	Net cash flow for the period	**1,689**	**552**	**-1,278**
	Cash and cash equivalents, beginning of period	10,038	11,565	11,565
	Currency translation effect on cash and bank balances	-84	-33	-249
	Cash and cash equivalents, end of period	11,643	12,084	10,038
	Of which classified as assets held for sale	-15	-6	-1
	Cash and cash equivalents, end of period	**11,628**	**12,078**	**10,037**
	Cash and cash equivalents			
	Cash and bank balances	11,652	12,107	10,057
	Overdrafts	24	29	20
	Cash and cash equivalents, end of period	**11,628**	**12,078**	**10,037**

Cash and bank balances include USD 1.2bn (USD 1.4bn at 31 December 2022) relating to cash and bank balances in countries with exchange control or other restrictions. These funds are not readily available for general use by the parent company or other subsidiaries.

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Condensed statement of changes in equity

Note		A.P. Møller - Mærsk A/S							
Note		Share capital	Trans-lation reserve	Reserve for other equity invest-ments	Reserve for hedges	Retained earnings	Total	Non-controlling interests	Total equity
	Equity 1 January 2023	3,392	-1,232	212	-27	61,646	63,991	1,041	65,032
	Other comprehensive income, net of tax	-	118	3	1	-64	58	2	60
	Profit for the period	-	-	-	-	2,284	2,284	39	2,323
	Total comprehensive income for the period	**-**	**118**	**3**	**1**	**2,220**	**2,342**	**41**	**2,383**
	Dividends to shareholders	-	-	-	-	-10,824	-10,824	-32	-10,856
	Value of share-based payment	-	-	-	-	6	6	-	6
	Acquisition of non-controlling interests	-	-	-	-	-16	-16	15	-1
	Sale of non-controlling interests	-	-	-	-	-	-	1	1
3	Purchase of treasury shares	-	-	-	-	-745	-745	-	-745
3	Sale of treasury shares	-	-	-	-	2	2	-	2
	Capital increases and decreases	-	-	-	-	-	-	15	15
	Transfer of gain/loss on disposal of equity investments to retained earnings	-	-	1	-	-1	-	-	-
	Transfer of cash flow hedge reserve to non-current assets	-	-	-	-4	-	-4	-	-4
	Total transactions with shareholders	**-**	**-**	**1**	**-4**	**-11,578**	**-11,581**	**-1**	**-11,582**
	Equity 31 March 2023	**3,392**	**-1,114**	**216**	**-30**	**52,288**	**54,752**	**1,081**	**55,833**
	Equity 1 January 2022	3,513	-767	135	-160	41,787	44,508	1,080	45,588
	Other comprehensive income, net of tax	-	-38	50	42	-1	53	2	55
	Profit for the period	-	-	-	-	6,776	6,776	32	6,808
	Total comprehensive income for the period	**-**	**-38**	**50**	**42**	**6,775**	**6,829**	**34**	**6,863**
	Dividends to shareholders	-	-	-	-	-6,845	-6,845	-11	-6,856
	Value of share-based payment	-	-	-	-	5	5	-	5
	Sale of non-controlling interests	-	-	-	-	-	-	-30	-30
3	Purchase of treasury shares	-	-	-	-	-631	-631	-	-631
3	Sale of treasury shares	-	-	-	-	1	1	-	1
	Transfer of gain/loss on disposal of equity investments to retained earnings	-	-	-14	-	14	-	-	-
	Total transactions with shareholders	**-**	**-**	**-14**	**-**	**-7,456**	**-7,470**	**-41**	**-7,511**
	Equity 31 March 2022	**3,513**	**-805**	**171**	**-118**	**41,106**	**43,867**	**1,073**	**44,940**

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Note 1 Segment information

	Ocean	Logistics & Services	Terminals	Towage & Maritime Services	Unallo-cated items	Elimi-nations	Consoli-dated total
Q1 2023							
External revenue	9,441	3,539	653	543	31	-	14,207
Inter-segment revenue	432	-68	223	59	13	-659	-
Total revenue	**9,873**	**3,471**	**876**	**602**	**44**	**-659**	**14,207**
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**3,352**	**316**	**291**	**83**	**-73**	**-**	**3,969**
Profit before financial items (EBIT)	**1,969**	**135**	**207**	**85**	**-74**	**4**	**2,326**
Key metrics							
Invested capital	29,812	10,182	7,676	2,807	-101	-54	50,322
Gross capital expenditures, excl. acquisitions and divestments (CAPEX)	538	128	111	64	5	-8	838

	Ocean	Logistics & Services	Terminals	Towage & Maritime Services	Unallo-cated items	Elimi-nations	Consoli-dated total
Q1 2022							
External revenue	15,000	2,918	902	446	26	-	19,292
Inter-segment revenue	570	-39	229	109	7	-876	-
Total revenue	**15,570**	**2,879**	**1,131**	**555**	**33**	**-876**	**19,292**
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**8,214**	**319**	**456**	**79**	**17**	**-1**	**9,084**
Profit before financial items (EBIT)	**7,072**	**183**	**-73**	**69**	**16**	**6**	**7,273**
Key metrics							
Invested capital	31,805	3,191	7,772	2,691	-252	-40	45,167
Gross capital expenditures, excl. acquisitions and divestments (CAPEX)	1,156	34	80	81	7	-4	1,354

USD million	Types of revenue	Q1 2023	Q1 2022	12M 2022
Ocean	Freight revenue	8,431	13,560	56,499
	Other revenue, including hubs	1,442	2,010	7,800
Logistics & Services	Managed by Maersk[1]	568	546	2,491
	Fulfilled by Maersk[1]	1,380	811	4,916
	Transported by Maersk[1]	1,523	1,522	7,016
Terminals	Terminal services	876	1,131	4,371
Towage & Maritime Services	Towage services	205	192	774
	Sale of containers and spare parts	109	141	499
	Offshore supply services	95	83	390
	Other shipping activities	73	66	282
	Other services	120	73	348
Unallocated activities and eliminations		-615	-843	-3,857
Total revenue		**14,207**	**19,292**	**81,529**

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

Note 2 Term deposits

Receivables, etc. amount to USD 19.0bn (USD 27.4bn at 31 December 2022) and consist primarily of term deposits with a maturity of more than three months amounting to USD 10.4bn (USD 17.6bn at 31 December 2022).

Note 3 Share capital

Development in the number of shares:

	A shares of		B shares of		Nominal value	
	DKK 1,000	DKK 500	DKK 1,000	DKK 500	DKK million	USD million
1 January 2022	10,468,107	216	8,907,718	166	19,376	3,513
Cancellations	1	-2	3	-6	-	-
31 March 2022	**10,468,108**	**214**	**8,907,721**	**160**	**19,376**	**3,513**
1 January 2023	10,334,329	214	8,372,645	160	18,707	3,392
31 March 2023	**10,334,329**	**214**	**8,372,645**	**160**	**18,707**	**3,392**

All shares are fully issued and paid up.

One A share of DKK 1,000 holds two votes. B shares have no voting rights.

At the Annual General Meeting of A.P. Møller - Mærsk A/S on 28 March 2023, the shareholders decided on the cancellation of treasury shares whereby the share capital would be decreased from nominally DKK 18,707,161,000 by nominally DKK 1,137,446,000 in total, divided into 227,390 A shares and 910,056 B shares of DKK 1,000 to nominally DKK 17,569,715,000. The cancellation is expected to be completed during Q2 2023.

Development in the holding of treasury shares:

	No. of shares of DKK 1,000		Nominal value DKK million		% of share capital	
Treasury shares	2023	2022	2023	2022	2023	2022
A shares						
1 January	201,717	120,494	202	121	1.08%	0.62%
Additions	72,068	28,325	72	28	0.38%	0.15%
31 March	**273,785**	**148,819**	**264**	**149**	**1.46%**	**0.77%**
B shares						
1 January	887,557	549,587	888	550	4.74%	2.84%
Additions	268,698	158,288	269	158	1.44%	0.81%
Disposals	1,874	642	2	1	0.01%	0.00%
31 March	**1,154,381**	**707,233**	**1,155**	**707**	**6.17%**	**3.65%**

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

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

From 1 January 2023 to 31 March 2023, A.P. Møller - Mærsk A/S bought back as treasury shares 37,092 A shares, with a nominal value of DKK 37m, and 103,596 B shares, with a nominal value of DKK 104m from A.P. Møller Holding A/S and 34,301 B shares, with a nominal value of DKK 34m, from A.P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond, which are considered related parties.

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

Note 4 Acquisitions of subsidiaries

Acquisitions during 2023

Grindrod Intermodal Group (Logistics & Services)

On 2 January 2023, the Group completed the acquisition of Grindrod Logistics. The Group partnered with Grindrod Intermodal Group to merge the logistics activities of Grindrod Intermodal business and the ocean activities of the Ocean Africa Container Lines (OACL) with the current Maersk Logistics & Services products in South Africa. The Grindrod Intermodal Group is a well-known and trusted partner in South Africa that offers a range of logistics and services offerings. The Group has a controlling interest of 51%. The purchase price is USD 37m and resulted in a provisional goodwill recognised of USD 20m.

Martin Bencher Group (Logistics & Services)

On 2 January 2023, the Group acquired 100% of the shares in Martin Bencher Group, a Denmark-based project logistics company with premium competencies within non-containerised project logistics. The acquisition of Martin Bencher Group will add to the existing project logistics services already available at Maersk, with a specialised service offering the combination of solution design, special cargo transportation, and project management services. It will build on existing infrastructures and know-how across the existing Project Logistics vertical in Sales & Marketing, Ocean, and Logistics & Services Special Project Logistics (SPL). The purchase price is USD 54m and resulted in a provisional goodwill recognised of USD 11m.

Acquisitions during 2022

LF Logistics Holdings Limited (Logistics & Services)

On 31 August 2022, the Group acquired 100% of the shares in LF Logistics Holdings Limited, a leading omnichannel fulfilment contract logistics company in Asia Pacific. In Q1 2023, there were no changes to the provisional purchase price allocation prepared at closing date.

Pilot Freight Services (Logistics & Services)

On 2 May 2022, the Group acquired 100% of the shares in Pilot Freight Services, a US-based first, middle and last mile cross-border solutions provider. In Q1 2023, certain changes were made to the provisional purchase allocation prepared at closing date resulting in a reduction of the calculated goodwill by USD 32m. The changes were primarily related to valuation of customer relationships and deferred tax liability and had no impact on the profitability for Q1 2023.

Senator International (Logistics & Services)

On 2 June 2022, the Group acquired 100% of the shares in Senator International, a well renowned German air-based freight carrier company. In Q1 2023, certain changes were made to the provisional purchase allocation prepared at closing date resulting in an increase of the calculated goodwill by USD 5m. The changes were primarily related to valuation of tax payables and had no impact on the profitability for Q1 2023.

The accounting for all of the current period and prior year business combinations are considered provisional as at 31 March 2023 as the valuation of intangible assets is not yet finalised.

Note 5 Commitments

The total commitment across segments of USD 4.8bn (USD 5.0bn at 31 December 2022), is related to investments for new methanol container vessels, wind installation vessels, tugs, aircraft and commitments towards terminal concession grantors.

Note 6 Assets held for sale

A structured due diligence process in relation to Maersk Supply Service was conducted during Q1 2023 and an agreement was reached on 20 March 2023 with A.P. Moller Holding to divest Maersk Supply Service. The disposal group is defined as Maersk Supply Service A/S and its subsidiaries, excluding Stillstrom A/S. The divestment is expected to be completed in Q2 2023.

The disposal group is classified as held for sale and presented separately in the Condensed balance sheet. The comparative figures have not been restated.

The net assets of the disposal group have been measured at fair value less costs to sell at the time of the reclassification to held for sale which was estimated to be equivalent to the carrying value. As such, no additional impairment losses or reversal of impairment losses were recognised.

The translation reserve within equity contains a USD 41m loss related to the disposal group which will be reclassified from equity to the Income statement upon completion of the divestment in Q2 2023.

The disposal group continues to be included in the Towage & Maritime Services segment and is included in Note 1 Segment information as such.

	Q1 2023
Intangible assets	15
Property, plant and equipment	590
Other assets	7
Non-current assets	**612**
Current assets	153
MSS disposal group assets held for sale	**765**
Provisions	20
Other liabilities	132
MSS disposal group liabilities associated with assets held for sale	**152**

Note 7 Accounting policies, judgements and significant estimates

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

The accounting policies, judgements and significant estimates are consistent with those applied in the Annual Report 2022.

Impairment of brands

On 27 January 2023, it was announced that the Group would move towards a singular and unified brand by integrating the Maersk brands. Existing brands were retired during Q1 2023, resulting in the recognition of impairment losses of the full carrying amount of each respective retired brand on the balance sheet. Total impairment losses related to the retirement of brands in Q1 2023 recognised in the condensed income statement amount to USD 298m, of which USD 296m is within Ocean and USD 2m is within Logistics & Services.

AMOUNTS IN USD MILLION

Management's statement

The Board of Directors and the Executive Board have today discussed and approved the Interim Report of A.P. Møller - Mærsk A/S for the period 1 January 2023 to 31 March 2023.

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

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

In our opinion, the interim consolidated financial statements (pages 15-22) give a true and fair view of A.P. Moller - Maersk's consolidated assets, liabilities and financial position at 31 March 2023 and of the results of A.P. Moller - Maersk's consolidated operations and cash flows for the period 1 January 2023 to 31 March 2023.

Furthermore, in our opinion, the Management review (pages 3-14) includes a fair review of the development in A.P. Moller - Maersk's operations and financial conditions, the results for the period, cash flows and financial position as well as a description of the most significant risks and uncertainty factors that A.P. Moller - Maersk faces, relative to the disclosures in the annual report for 2022.

Copenhagen, 4 May 2023

Executive Board

Vincent Clerc
CEO

Patrick Jany
CFO

Board of Directors

Robert Mærsk Uggla
Chair

Marc Engel
Vice Chair

Bernard L. Bot

Marika Fredriksson

Arne Karlsson

Thomas Lindegaard Madsen

Amparo Moraleda

Kasper Rørsted

Julija Voitiekute

Quarterly summary

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

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

AMOUNTS IN USD MILLION

Definition of terms

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

A

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

B

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

C

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

Cash conversion
Cash flow from operating activities to EBITDA ratio.

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

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

E

EBIT
Earnings Before Interest and Taxes.

EBITA
Earnings Before Interest, Tax and Amortisation.

EBITDA
Earnings Before Interest, Taxes, Depreciation and Amortisation.

Equity ratio
Calculated as equity divided by total assets.

F

FFE
Forty Foot container Equivalent unit.

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

G

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

H

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

I

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

K

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

L

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

N

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

O

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

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

R

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

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

S

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

T

TEU
Twenty-foot container Equivalent Unit.

Time charter
Hire of a vessel for a specified period.

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

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

U

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

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

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

V

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