ALL THE WAY

MAERSK

Q3

2021

A.P. Møller - Mærsk A/S | Interim Report | 2 November 2021

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The Annual Report 2021 is expected to be announced on 9 February 2022.

Webcast and dial-in information
A webcast relating to the Q3 2021 Interim Report will be held on 2 November 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 Q3 2021 of A.P. Møller - Mærsk A/S (further referred to as A.P. Moller - Maersk as the consolidated group of companies) has been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board (IASB) and adopted by the EU and additional Danish disclosure requirements for interim financial reporting of listed companies.

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

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

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

Message from the CEO

"In the third quarter, A.P. Moller - Maersk once again set new records in the financial performance across Ocean, Logistics & Services and Terminals. Revenue was up 68% to USD 16.6bn compared to the same quarter last year, EBITDA tripled to USD 6.9bn and EBIT was up almost five times to USD 5.9bn.

In the ongoing exceptional market situation with high demand in the USA and global disruptions to the supply chains, we continued to increase capacity and expand our offerings to keep cargo moving for our customers. Supporting our customers' end-to-end logistics needs and alleviating the constraints is key to our integrator strategy by designing a more stable Ocean business, strongly growing our integrated logistics offering and relying on automated and efficient terminals.

Ocean performance was driven by high rates in an exceptional market during which we kept growing our long-term contract business, thus guaranteeing reliable transportation to our customers. Currently 64% of our long-haul volumes are on long-term contracts compared to 50% a year ago, including multi-year contracts of more than 1.4 million FFE.

In Logistics & Services, we saw top line growth significantly above industry level with organic volume-driven revenue growth of 33% and robust margins on par with industry average. Synergies between Ocean and Logistics & Services keep supercharging the growth as more than half came from Ocean key clients buying into our integrated end-to-end solutions.

Gateway terminals managed to handle record volumes in the quarter, which together with underlying efficiency improvements allowed to further improve returns to a ROIC of 10.0%, despite experiencing higher costs due to congestions.

As a natural next step in expanding our multimodal offering, we today announce the acquisition of Senator International to expand our air freight carrier operations and the ordering of two triple seven aircraft to complement our existing fleet. By strengthening our footprint within air freight, we become a sizable player able to add even more flexibility to our customers' supply chains and further support their needs for truly integrated logistics across ocean, air and landside.

On the back of the strong Q3, we confirm our guidance for the full year as announced on 16 September 2021, and we look forward to further progress in our strategy in the coming quarters and years. To reflect our transformation and our continued commitment to shareholder returns, the Board of Directors has decided to extend the current share buy-back programme by an additional USD 5bn over the years 2024 and 2025."

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

Highlights Q3 2021

- A.P. Moller - Maersk's financial results continue to be exceptionally strong, with record-high revenue, EBITDA and EBIT for Q3 and for 9M across the Ocean, Logistics & Services, and Terminals & Towage segments.

- Revenue for Q3 increased by USD 6.7bn to USD 16.6bn (USD 9.9bn), mainly due to an increase in Ocean of USD 6.0bn, while revenue increased in Logistics & Services by 38% or USD 710m, and by 24% or USD 229m in Terminals & Towage.

- EBIT in Ocean increased to USD 5.3bn (USD 968m), mainly driven by increased freight rates, partially offset by higher costs related to handling, bunker and network.

- In Logistics & Services, EBIT increased to USD 194m (USD 100m), mainly reflecting the significant organic growth in revenue of 33%, driven by strong activity increase across all product families and strong commercial synergies to top 200 Ocean customers, including the impact from the acquisition of Visible Supply Chain Management.

- EBIT in Terminals & Towage increased to USD 352m (USD 236m), with an increase in gateway terminals of USD 119m, driven by higher EBITDA partly due to higher storage income and higher results from joint ventures and associated companies, partly offset by higher depreciation.

- Free cash flow increased to USD 5.3bn (USD 1.5bn), driven by strong cash flow from operating activities increasing to USD 6.6bn (USD 2.2bn), mainly offset by CAPEX of USD 610m (USD 280m) and higher capitalised lease instalments on vessels of USD 611m (USD 397m).

- Return on invested capital (ROIC), last twelve months, increased to 34.5% (5.9%), as earnings improved, and invested capital increased slightly.

- Net interest-bearing debt decreased to USD 3.1bn (USD 9.2bn at year-end 2020), as free cash flow of USD 10.9bn for the first nine months was partly used for share buy-backs of USD 1.5bn, dividends of USD 1.0bn, acquisition of companies of USD 787m and lease liabilities increased by USD 1.3bn. Excluding lease liabilities, the Group had a net cash position of USD 7.0bn (debt of USD 485m at year-end 2020).

- A.P. Moller - Maersk acquired HUUB in September, a Portuguese cloud-based logistics start-up specialising in technology solutions for B2C warehousing. Further, as announced, A.P. Moller - Maersk has agreed to acquire Senator International, pending regulatory approvals, in order to significantly increase the air freight activities, and two Boeing B777 aircraft were ordered to be delivered in 2024.

- A.P. Moller - Maersk reiterates the guidance for the underlying EBITDA expected to be in the range of USD 22.0bn-23.0bn, the underlying EBIT in the range of USD 18.0bn-19.0bn, and free cash flow (FCF) of minimum USD 14.5bn, as announced on 16 September 2021. The current conditions are expected to continue at least into Q1 2022 and the EBITDA for Q1 2022 is expected to be in line with Q4 2021.

- The Board of Directors has decided to extend the current share buy-back programme by an additional USD 5bn (around DKK 32bn) over the years 2024 and 2025, subject to the corresponding mandate of the annual general meeting.

Summary financial information

Amounts in USD million

Income statement	Q3 2021	Q3 2020	9M 2021	9M 2020	12M 2020
Revenue	16,612	9,917	43,281	28,485	39,740
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	6,943	2,297	16,046	5,515	8,226
Depreciation, amortisation and impairment losses, net	1,206	1,097	3,318	3,319	4,541
Gain on sale of non-current assets, etc., net	27	8	46	172	202
Share of profit/loss in joint ventures and associated companies	95	81	266	224	299
Profit/loss before financial items (EBIT)	5,859	1,289	13,040	2,592	4,186
Financial items, net	-185	-160	-601	-607	-879
Profit/loss before tax	5,674	1,129	12,439	1,985	3,307
Tax	213	182	515	386	407
Profit/loss for the period	5,461	947	11,924	1,599	2,900
A.P. Møller - Mærsk A/S' share	5,438	927	11,848	1,551	2,850
Underlying profit/loss[1]	5,448	1,043	11,892	1,599	2,960
Balance sheet					
Total assets	65,394	56,162	65,394	56,162	56,117
Total equity	39,771	29,547	39,771	29,547	30,854
Invested capital	42,876	40,404	42,876	40,404	40,121
Net interest-bearing debt	3,123	10,804	3,123	10,804	9,232
Cash flow statement					
Cash flow from operating activities	6,572	2,176	14,142	5,259	7,828
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	610	280	1,391	952	1,322
Cash flow from financing activities	-1,853	-1,539	-6,530	-3,218	-5,618
Free cash flow	5,298	1,486	10,900	2,982	4,648
Financial ratios					
Revenue growth	67.5%	-1.4%	51.9%	-2.5%	2.2%
EBITDA margin	41.8%	23.2%	37.1%	19.4%	20.7%
EBIT margin	35.3%	13.0%	30.1%	9.1%	10.5%
Cash conversion	95%	95%	88%	95%	95%
Return on invested capital after tax (ROIC) (last twelve months)	34.5%	5.9%	34.5%	5.9%	9.4%
Equity ratio	60.8%	52.6%	60.8%	52.6%	55.0%
Underlying ROIC[1] (last twelve months)	34.5%	6.2%	34.5%	6.2%	9.6%
Underlying EBITDA[1]	6,943	2,401	16,046	3,218	8,324
Underlying EBITDA margin[1]	41.8%	24.2%	37.1%	11.3%	20.9%
Underlying EBIT[1]	5,842	1,386	13,004	1,182	4,231
Underlying EBIT margin[1]	35.2%	14.0%	30.0%	4.1%	10.6%
Stock market ratios					
Earnings per share – continuing operations, USD	287	48	620	79	145
Diluted earnings per share – continuing operations, USD	287	48	619	79	145
Cash flow from operating activities per share, USD	348	111	741	267	399
Share price (B share), end of period, DKK	17,385	10,080	17,385	10,080	13,595
Share price (B share), end of period, USD	2,707	1,585	2,707	1,585	2,246
Total market capitalisation, end of period, USD	49,637	29,583	49,637	29,583	41,957

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

Financial review

Financial review Q3 2021

Revenue increased by USD 6.7bn to USD 16.6bn (USD 9.9bn), with increases across the segments, in Ocean by USD 6.0bn, in Logistics & Services by USD 710m, and in Terminals & Towage by USD 229m.

EBITDA increased to USD 6.9bn (USD 2.3bn), primarily driven by Ocean with an increase to USD 6.3bn (USD 1.8bn), driven by the increased freight revenue due to higher freight rates which are caused by the current increased demand combined with bottlenecks and congestions across global supply chains although this increased freight revenue is partially offset by higher costs related to handling, bunker and network. In Logistics & Services, EBITDA increased by USD 136m to USD 267m (USD 131m) due to the higher revenue, and in gateway terminals, EBITDA increased to USD 379m (USD 274m) as a result of the increase in volume and higher storage income.

EBIT of USD 5.9bn (USD 1.3bn) was mainly the result of the improved EBITDA. The EBIT margin increased to 35.3% (13.0%).

Financial items, net, amounted to USD 185m (USD 160m), as decreased debt interest payments were more than offset by higher interest on leases and foreign exchange rate adjustments.

Tax increased to USD 213m (USD 182m), primarily due to the improved financial performance.

The underlying profit was USD 5.4bn (USD 1.0bn).

Cash flow from operating activities was USD 6.6bn (USD 2.2bn), driven by EBITDA of USD 6.9bn, partly offset by an increase in net working capital of USD 366m, mainly driven by higher receivables due to higher revenue, leading to a cash conversion of 95% (95%).

Gross capital expenditure (CAPEX) of USD 610m (USD 280m), was driven mostly by higher investments in Ocean and a minor increase in Logistics & Services, slightly offset by lower investments in Terminals & Towage.

Free cash flow of USD 5.3bn (USD 1.5bn) was positively impacted by higher cash flow from operating activities, slightly offset by increased lease payments and higher capital expenditures.

Cash flow from borrowings was negative USD 288m (USD 810m), due to repayments and prepayments of bonds and loans given the strong cash flow generation and high cash balance.

Contractual capital commitments totalled USD 3.5bn (USD 1.7bn at year-end 2020), of which USD 1.2bn is related to commitments towards terminal concession grantors. USD 1.6bn of the increase is due to Ocean ordering carbon-neutral vessels and equipment.

The liquidity reserve increased to USD 16.5bn (USD 11.0bn at year-end 2020), and was composed of liquid funds and term deposits of USD 10.5bn excluding restricted cash (USD 4.8bn at year-end 2020), and undrawn revolving credit facilities of USD 6.0bn (USD 6.2bn at year-end 2020).

Capital structure and credit rating

Net interest-bearing debt decreased to USD 3.1bn (USD 9.2bn at year-end 2020), as free cash flow of USD 10.9bn for the first nine months was used for share buy-backs of USD 1.5bn, dividends of USD 1.0bn, acquisition of companies of USD 787m and a net increase in lease liabilities of USD 1.3bn. Excluding lease liabilities, the Group had a net cash position of USD 7.0bn (debt of USD 485m at year-end 2020).

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

Share buy-back

In November 2020, the Board of Directors of A.P. Møller - Mærsk A/S announced a share buy-back programme of up to DKK 10bn (around USD 1.6bn). The first phase of the programme of DKK 3.3bn (around USD 500m) was concluded on 29 April 2021. The Board of Directors decided to accelerate the programme with the remaining part of the programme of DKK 6.7bn (around USD 1.1bn) being exercised in one phase running from mid-May. The programme was ended on 24 September 2021.

Highlights Q3

USD million	Revenue		EBITDA		EBIT		CAPEX	
	2021	2020	2021	2020	2021	2020	2021	2020
Ocean	13,093	7,118	6,251	1,805	5,337	968	454	143
Logistics & Services	2,601	1,891	267	131	194	100	57	27
Terminals & Towage	1,205	976	433	328	352	236	86	104
Manufacturing & Others	305	324	27	48	7	20	15	5
Unallocated activities, eliminations, etc.	-592	-392	-35	-15	-31	-35	-2	1
A.P. Moller - Maersk consolidated	**16,612**	**9,917**	**6,943**	**2,297**	**5,859**	**1,289**	**610**	**280**

Transformation metrics

	Q3 2021	Q3 2020	9M 2021	9M 2020	12M 2020
Value creation					
Return on invested capital (ROIC)[1]	34.5%	5.9%	34.5%	5.9%	9.4%
Growth					
Organic revenue in Logistics & Services and gateway terminals, USDm	3,529	2,530	9,368	6,915	9,624
Profitability					
EBITA in Logistics & Services, USDm	209	108	523	186	289
Commercial synergies					
Logistics & Services revenue with top 200 Ocean customers, USDm	1,072	747	2,822	1,803	2,652
Commercial digitalisation and product offering in Ocean					
Maersk SPOT volume share of total short-term volumes[2]	38.5%	32.5%	38.5%	32.5%	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.

The Board of Directors further decided in May 2021, under the authority given at the Annual General Meeting in March 2021, to commit to an additional share buy-back programme of up to USD 5bn (around DKK 32bn) to be executed over a period of two years. The programme is expected to be initiated in early November 2021.

In addition, the Board of Directors has decided to extend the current share buy-back programme by an additional USD 5bn (around DKK 32bn) over the years 2024 and 2025, subject to the corresponding mandate of the annual general meeting.

During Q3, A.P. Moller - Maersk bought back 50,804 A shares and 201,820 B shares, worth DKK 4.5bn (around USD 714m). On 30 September 2021, A.P. Moller - Maersk owns a total of 101,947 A shares and 436,171 B shares as treasury shares, corresponding to 2.78% of the share capital.

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

Transformation metrics

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

Value creation is measured by the return on invested capital (ROIC), last twelve months, and increased to 34.5% (5.9%), as earnings improved significantly due to higher freight rates and invested capital declined slightly.

Growing the business is measured by the focus on organic *growth* in revenue in Logistics & Services and gateway terminals. Organic revenue increased by 39% to USD 3.5bn with strong performance in gateways and strong organic growth in all product families in Logistics & Services compared to 2020.

Profitability in Logistics & Services is measured by EBITA, which increased from USD 108m to USD 209m, driven by positive revenue growth and margin improvement.

Progress in the *commercial synergies* from the revenue growth between Logistics & Services and the top 200 Ocean customers was an increase of USD 325m, highlighting the impact of the integrator strategy.

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 38.5% in Q3. The percentage is based on the last four weeks of the reported period for all brands.

Financial review 9M 2021

Revenue was USD 43.3bn (USD 28.5bn) with increases across all four segments and in particular in Ocean and Logistics & Services by USD 12.7bn and USD 1.9bn, respectively, mainly because of higher freight rates in Ocean and volume increases and margin improvements across businesses in Logistics & Services.

EBITDA increased by USD 10.5bn to USD 16.0bn (USD 5.5bn) with increases in all segments, primarily in Ocean by USD 9.8bn due to increasing freight rates and higher volumes. This is caused by the current increased demand combined with bottlenecks and congestions across global supply chains although these increasing freight rates are partially offset by higher bunker consumption at a higher average bunker price and increasing handling and network cost.

Highlights 9M

USD million	Revenue		EBITDA		EBIT		CAPEX	
	2021	2020	2021	2020	2021	2020	2021	2020
Ocean	33,643	20,918	14,095	4,337	11,617	1,868	960	485
Logistics & Services	6,814	4,902	688	296	486	171	114	126
Terminals & Towage	3,442	2,765	1,236	841	958	633	273	319
Manufacturing & Others	991	935	100	140	47	38	42	20
Unallocated activities, eliminations, etc.	-1,609	-1,035	-73	-99	-68	-118	2	2
A.P. Moller - Maersk consolidated	**43,281**	**28,485**	**16,046**	**5,515**	**13,040**	**2,592**	**1,391**	**952**

The increase in Logistics & Services of USD 392m was impacted by volume increases across all product families, and similar for gateway terminals significant increases in volumes led to an increase in EBITDA of USD 399m.

EBIT was USD 13.0bn (USD 2.6bn), positively impacted by the improved EBITDA and by lower depreciations as a result of reassessing the useful life of container assets, partly offset with higher amortisation on vessel charters. The EBIT margin increased to 30.1% (9.1%).

Financial items, net, amounted to USD 601m (USD 607m), positively impacted by lower gross debt, but mostly offset by negative foreign exchange rate impacts.

Tax increased to USD 515m (USD 386m), primarily due to improved financial performance.

The underlying profit after financial items and tax was USD 11.9bn (USD 1.6bn).

Cash flow from operating activities was USD 14.1bn (USD 5.3bn), positively impacted by EBITDA of USD 16.0bn, offset by a negative change in net working capital of USD 1.7bn and tax paid of USD 353m, leading to a cash conversion of 88% (95%).

Gross capital expenditure (CAPEX) was USD 1.4bn (USD 952m), mainly driven by higher investments in Ocean and slightly offset by lower investments in Logistics & Services and in Terminals & Towage.

Free cash flow was USD 10.9bn (USD 3.0bn), positively impacted by higher cash flow from operating activities of USD 14.1bn (USD 5.3bn), partly offset by higher gross CAPEX of USD 1.4bn (USD 952m) and increased lease payments of USD 1.7bn (USD 1.1bn).

Cash flow from borrowings was negative by USD 1.8bn (USD 298m), due to repayments and prepayments of bonds and loans offset by a bond issuance in the comparative period.

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

Total equity increased to USD 39.8bn (USD 30.9bn on 31 December 2020) due to a net profit of USD 11.9bn offset by dividends of USD 1.0bn and share repurchase of USD 1.5bn, resulting in an equity ratio of 60.8% (55.0% on 31 December 2020).

Roadmap to 2025

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

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

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

With the very strong financial position of the company, the existing share buy-back was accelerated and concluded in September 2021. A new USD 5bn share buy-back programme over two years will be initiated.

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

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

For Logistics & Services, the expectation is to continue the strong growth and target organic growth above 10%, of which 50% of the organic growth will be related to the top 200 Ocean customers and with an EBIT margin above 6%, making Logistics & Services the growth engine, measured by revenue, for the company. In addition to rapid organic growth, the expectation is to continue to make acquisitions, mainly of new capabilities and growth platforms, to expand the logistics business.

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

The roadmap to 2025

	Targets	Q3 2021
Consolidated		
Return on invested capital (ROIC):		
Every year	> 7.5%	
Average 2021-2025	> 12.0%	34.5%
– CAPEX and leases at depreciation level		
– Stable invested capital over the period		
Dividend policy of underlying net profit	30-50%	
Share buy-back over 2022-2023, USDm	5,000	
Ocean		
EBIT margin – under normalised conditions	> 6%	40.8%
Execute with the existing fleet size, TEUm	4.1-4.3	4.2
Logistics & Services		
Organic revenue growth per year	>10%	33%[1]
Of which from top 200 Ocean customers	50%	64%[1]
EBIT margin	> 6%	7.5%
Terminals		
Return on invested capital (ROIC)	> 9%	10.0%

Mid-term targets were introduced at the Capital Markets Day in May 2021.

1 Based on figures for the first nine months of 2021.

Guidance for 2021

Given the strong results in Q3 2021 and the exceptional market situation still expected to continue at least into Q1 2022, the full-year guidance that was revised upwards on 16 September 2021 is reiterated:

- Underlying EBITDA in the range of USD 22.0bn-23.0bn (previously USD 18.0bn-19.5bn) compared to USD 8.3bn in 2020
- Underlying EBIT in the range of USD 18.0bn-19.0bn (previously USD 14.0bn-15.5bn) compared to USD 4.2bn in 2020
- Free cash flow (FCF) of minimum USD 14.5bn (previously minimum USD 11.5bn) compared to USD 4.6bn in 2020.

Ocean is now expected to grow below the global container demand, which is now expected to grow 7-9% in 2021 (previously 6-8% in 2021), subject to high uncertainties related to the current congestion and network disruptions.

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

The current trading conditions are still subject to a higher-than-normal uncertainty due to the temporary nature of current demand patterns and disruptions in the supply chains. However, the current conditions are expected to continue at least into Q1 2022 and the EBITDA for Q1 2022 is expected to be in line with Q4 2021.

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

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

Sensitivity guidance

Financial performance for A.P. Moller - Maersk for 2021 depends on several factors and is subject to uncertainties related to COVID-19, bunker fuel prices and freight rates, given the uncertain macroeconomic conditions.

All else being equal, the sensitivities for 2021 for four key assumptions are listed in the table below:

Factors	Change	Effect on EBIT (midpoint of guidance) Rest of year
Container freight rate	+/- 100 USD/FFE	+/- USD 0.3bn
Container freight volume	+/- 100,000 FFE	+/- USD 0.3bn
Bunker price (net of expected BAF coverage)	+/- 100 USD/tonne	+/- USD 0.1bn
Foreign exchange rate (net of hedges)	+/- 10% change in USD	+/- USD 0.0bn

Market update

Logistics services demand remained strong across global supply chains in Q3. Imports to the USA were solid, supported by high levels of consumer goods spending and corporate CAPEX. European retail sales showed a flattening path in Q3 while attempts to restock inventories, particularly in the USA and Europe, turned out difficult due to shortages of semiconductors and other production inputs, as exemplified by the automotive industry. The supply-side of the logistics industry continued to be disrupted by COVID-19 and capacity shortages: container availability and air capacity remained tight, wait times for vessels outside of ports remained lengthy given the bottlenecks in land-side transportation and warehousing. This has resulted in shortages and challenged supply chain management services and thus driving up prices.

Global container demand growth moderated to 2.5% in Q3, down from double-digit growth rates in H1 2021 which were supported by the very weak container volumes in H1 2020. Global air cargo volumes (CTK) increased by 26% in the three months to August compared to 2020, and by 9% compared to 2019. Trade flows continued to be driven by the USA, where demand for technology and retail goods has been supported by transitory pandemic-related drivers, and North American container imports from the Far East rose 2.0% in Q3. Goods consumption stalled in recent months in Europe, and production in the automotive sector was hard hit by input shortages. Consequently, European container imports from the Far East decreased by 0.5% in Q3. Global container demand is projected to increase by 7-9% in 2021 up from negative 1.8% in 2020, and by 2-4% in 2022, while air and land side logistics demand is expected to remain robust through the remainder of 2021.

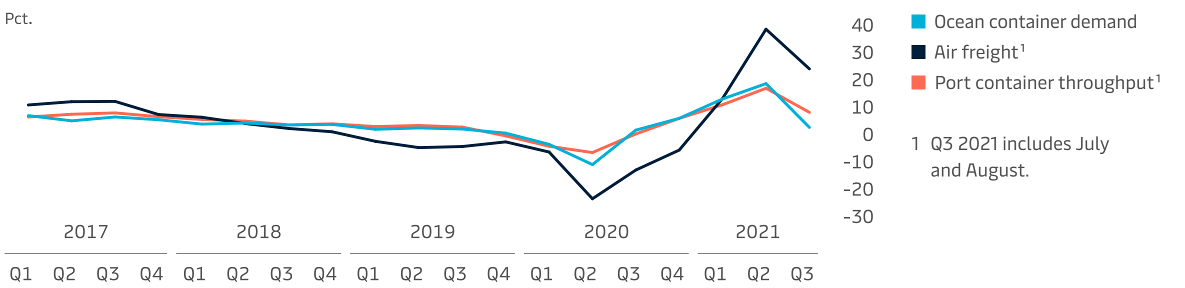
Both the container and air freight industry remained capacity constrained during the quarter, with capacity in the commercial air industries some 13% below pre-crisis levels. In particular, landside disruptions continued to substantially constrain supply chain capacity, and bottlenecks in ports reduced effective vessel capacity. At the end of Q3, the nominal global container fleet stood at 24.7m TEU, an increase of 4.2% compared to Q3 2020. Idled fleet remained low in Q3 2021 (0.6% at the end of the quarter) as the industry has adjusted to high demand, driving up effective supply. Consequently, the demand-supply balance deteriorated slightly in Q3, following four quarters of improvements. Freight and charter rates were nevertheless persistently high, largely reflecting bottlenecks in domestic logistics and scarce container equipment. The order book reached 23% of the global fleet in Q3, compared to 20% of the fleet at the end of Q2 on back of continued high activity in new ordering. Freight rates out of China, as measured by the China Composite Freight Index (CCFI), increased by 229% in Q3 compared to the same quarter last year, while air cargo fares also increased further but by less than container shipping rates since mid-2020.

The ongoing dislocation in demand and supply sides of logistics industries increases the uncertainty surrounding the outlook. On the demand side, high household savings in the USA and Europe should support consumer demand, but the composition of spending is likely to rebalance towards services, and sharply rising prices for some goods may lead consumers to adjust their spending plans. Moreover, inventory replenishment will support goods trade well into 2022, and the channel shift to e-commerce is likely to keep pressure on outbound logistics capacity. On the supply side, supplier delivery times remain lengthy, and there is little visibility into when capacity constraints, including landside bottlenecks in trucking and warehousing, will abate, which has been the key driver for the increase in short-term freight rates.

Container sea freight demand growth

Growth % CAGR (Compound Annual Growth Rate)	Q3 2021 vs Q3 2020
Globally	2.5%
Global headhaul	3.7%
East-West	1.1%
– Headhaul	2.3%
– Backhaul	-1.7%
North-South	5.2%
Intra-regional	3.3%

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



1 Q3 2021 includes July and August.

Ocean

Profitability for Q3 increased substantially, mainly due to an increase in revenue from significantly higher freight rates. Business was still considerably impacted by congestion and network disruptions, which continue to put pressure on global supply chains and resulting in higher operational costs. Additional capacity of 2.3% was added in Q3 versus previous quarter to support the contract customer demand. As a result, the contract customer volumes grew but despite the investment in additional capacity, the total loaded volume was 2.3% below previous quarter and 0.6% below last year due to severe congestions. Average loaded rates increased mainly due to the renewal of long-term contracts and from the significant increases in short-term freight rates. Unit cost at fixed bunker increased by 14% mainly driven by higher network costs and container handling costs. Utilisation remained strong at 95.1% and while schedule reliability is still the best in the industry, it remains challenged by various congestions such as in the ports of Ningbo, China, in Los Angeles and the inland bottlenecks particularly in the USA.

Financial and operational performance

Revenue increased to USD 13.1bn (USD 7.1bn) impacted by an increase in freight revenue of USD 5.4bn due to 87% higher freight rates, partly offset by a volume decrease of 0.6%. Other revenue increased by 55% to USD 1.5bn (USD 981m).

Loaded volumes decreased by 0.6% to 3,263k FFE (3,283k FFE), mainly from East-West trades and partially offset by the increase in Intra trades. Decreasing volumes were driven by exports out of Asia due to shortage of equipment and congestions while the increase of Intra trade is driven by the America and Europe regions. Despite the effort to deploy additional capacity, volumes were down 4% compared to Q3 2019.

The average loaded freight rate increased by 1,652 USD/FFE to 3,561 USD/FFE (1,909 USD/FFE), driven by long-term contracts renewing at significantly higher rates as well as short-term rates, driven by strong demand combined with bottlenecks and congestions driving rate increases.

EBITDA improved by USD 4.4bn to USD 6.3bn (USD 1.8bn), driven by the increase in freight revenue partly offset by

Ocean highlights

USD million	Q3 2021	Q3 2020	9M 2021	9M 2020	12M 2020
Freight revenue	11,576	6,137	29,566	17,749	24,920
Other revenue, including hubs	1,517	981	4,077	3,169	4,255
Revenue	**13,093**	**7,118**	**33,643**	**20,918**	**29,175**
Container handling costs	2,471	2,111	7,298	6,087	8,474
Bunker costs	1,418	759	3,806	2,920	3,835
Network costs, excluding bunker costs	1,858	1,628	5,321	4,890	6,625
Selling, General & Administration (SG&A)	684	689	1,998	1,948	2,698
Cost of goods sold and other operational costs	389	133	1,015	995	1,252
Total operating costs	**6,820**	**5,320**	**19,438**	**16,840**	**22,884**
Other income/costs, net	-22	7	-110	259	254
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	**6,251**	**1,805**	**14,095**	**4,337**	**6,545**
EBITDA margin	47.7%	25.4%	41.9%	20.7%	22.4%
Profit/loss before financial items (EBIT)	**5,337**	**968**	**11,617**	**1,868**	**3,196**
EBIT margin	40.8%	13.6%	34.5%	8.9%	11.0%
Invested capital	**29,637**	**27,530**	**29,637**	**27,530**	**26,969**
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	454	143	960	485	606
Operational and financial metrics					
Loaded volumes (FFE in '000)	3,263	3,283	9,826	9,234	12,634
Loaded freight rate (USD per FFE)	3,561	1,909	3,088	1,930	2,000
Unit cost, fixed bunker (USD per FFE incl. VSA income)	2,136	1,868	2,055	1,968	1,973
Bunker price, average (USD per tonne)	504	290	459	390	372
Bunker consumption (tonne in '000)	2,816	2,621	8,285	7,488	10,322
Average nominal fleet capacity (TEU in '000)	4,210	4,034	4,143	4,077	4,081
Fleet owned (end of period)	308	303	308	303	301
Fleet chartered (end of period)	428	385	428	385	405

higher bunker costs, network costs and container handling costs. The EBITDA margin increased by 22.3 percentage points to 47.7% (25.4%).

EBIT improved by USD 4.4bn to USD 5.3bn (USD 968m), mainly driven by higher freight revenue. The EBIT margin increased by 27.2 percentage points to 40.8% (13.6%).

Total operating costs were 28% higher at USD 6.8bn (USD 5.3bn), driven by higher network costs due to an increase in bunker costs, time charter equivalent, and higher container handling costs as a result of bottlenecks in the supply chains due to port congestions. Adjusting for the negative impact of foreign exchange rates, operating costs increased by 27%.

Bunker costs increased by USD 659m to 1.4bn (USD 759m), with an increase in average bunker price of 74% to 504 USD/tonne (290 USD/tonne), driven by strong recovery of global bunker prices following collapse during initial COVID-19 outbreak in 2020. Bunker consumption increased by 7.4%, driven by an increase in deployed capacity and an increase in average network speed in response to low schedule reliability. Bunker efficiency decreased by 2.4% to 40.75 g/TEU*NM (39.79 g/TEU*NM).

Unit cost at fixed bunker increased by 14% to 2,136 USD/FFE (1,868 USD/FFE), driven by higher network costs due to higher bunker consumption, higher container handling costs and an increased inflationary pressure on time charter equivalent cost and foreign feeders. This was partly offset by lower container costs. Adjusting for the negative impact of foreign exchange rates, unit cost at fixed bunker increased by 13%.

The average nominal capacity of 4,210k TEU increased by 4.4%. There are nine carbon-neutral vessels in the newbuilding programme end of Q3, and the fleet consisted of 308 owned and 428 chartered vessels, of which 74k TEU or 1.7% of the fleet were idle (16 vessels), mainly due to repairs.

Key initiatives in Q3

The focus in Q3 continued to be helping customers and to offer contract customers additional flexibility and space to help with volatility in their supply chains. As a result of the emphasis on customer stability and resilience, long-term volumes increased more than 350k FFE or 24% compared to Q3 2020, as well as more than 1.4m FFE signed at multi-year contracts during 2021.

Twill, the end-to-end digital product designed for small customers without in-house logistic capabilities, continues to gain momentum and has crossed an average of 4,961 FFE per week by end of Q3 2021, up from an average of 1,289 FFE per week same period last year.

In Q3 2021, Maersk Spot has reached a 39% conversion across all brands (vs. 35% in Q2 2021 and 33% in Q3 2020). It remains a critical product for freight forwarder customers, and Ocean will continue to expand scope across brands and keep adding features to attract more customers.

Decarbonisation is a core element of the strategy and a strong focus amongst customers. During Q3, two shipbuilding contracts were announced, one for the first container feeder vessel fuelled by carbon-neutral methanol and one for eight 16k TEU container vessels to offer customers truly carbon-neutral transportation at scale on ocean trades. To source green fuels for these vessels, A.P. Moller - Maersk is looking at partnerships to scale the production and distribution of sustainable fuels. As an example of these partnerships, during Q3, an agreement was signed with REIntegrate/European Energy to source e-methanol made from solar energy and biogenic CO_2. Another initiative has been to invest in companies with decarbonisation purpose via Maersk Growth, the corporate venture arm of A.P. Moller - Maersk. Maersk Growth has invested in WasteFuel, a start-up focused on turning waste into sustainable aviation fuel, green bio-methanol, and renewable natural gas, and in Prometeus Fuels, a company which is developing a technology to produce carbon-based electro fuels from direct air capture of CO_2.

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Revenue increased by 61% to USD 33.6bn (USD 20.9bn), driven by increase in loaded freight rates of 60% and 6.4% higher volumes. Other revenue increased by 29% to

Loaded volumes

FFE ('000)	Q3 2021	Q3 2020	Change	Change %
East-West	1,524	1,553	-29	-1.9
North-South	998	1,011	-13	-1.3
Intra-regional	741	719	22	3.1
Total	**3,263**	**3,283**	**-20**	**-0.6**

Average freight rates

USD/FFE	Q3 2021	Q3 2020	Change	Change %
East-West	3,670	1,995	1,675	84.0
North-South	4,419	2,382	2,037	85.5
Intra-regional	2,231	1,227	1,004	81.8
Total	**3,561**	**1,909**	**1,652**	**86.5**

Fleet overview, end Q3 2021

	Q3 2021	Q4 2020
TEU		
Own container vessels	2,337,913	2,199,030
Chartered container vessels	1,905,048	1,845,885
Total fleet	**4,242,961**	**4,044,915**
Number of vessels		
Own container vessels	308	301
Chartered container vessels	428	405
Total fleet	**736**	**706**

USD 4.1bn (USD 3.2). EBITDA margin increased by 21.2 percentage points to 41.9% at USD 14.1bn (USD 4.3bn) and the EBIT margin increased by 25.6 percentage points to 34.5% at USD 11.6bn (USD 1.9bn).

Total operating costs increased by 15% to USD 19.4bn (16.8bn), driven by increased container handling costs of 20%, increased bunker costs of 30% and higher network costs excl. bunker of 8.8%. Adjusting for the negative impact of foreign exchange rates, operating costs increased by 14%.

Logistics & Services

The financial results improved significantly, driven by both strong revenue growth and margin improvements in Q3. The revenue growth of 38% was driven by all product families, with an increase in Managed by Maersk of 48% to USD 433m (USD 292m), an increase in Fulfilled by Maersk of 40% to USD 606m (USD 434m), and an increase in Transported by Maersk of 34% to USD 1.6bn (USD 1.2m). Providing more services to top 200 Ocean customers has driven an increase in revenue of 44% from USD 747m to USD 1.1bn. Similar to revenue growth, EBITA margin improved across all product families.

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

Financial and operational performance

Logistics & Services has improved its ability to deliver end-to-end solutions across all services, resulting in a revenue increase of 38% to USD 2.6bn (USD 1.9bn). Continuous operational improvements, a focus on sales pipeline execution,

Organic/inorganic

	Q3-20A	Organic	Inorganic	Q3-21A
Revenue	1,891	612	98	2,601
		33%	5%	
EBITA	108	104	-3	209

Logistics & Services highlights

USD million	Q3 2021	Q3 2020	9M 2021	9M 2020	12M 2020
Revenue	**2,601**	**1,891**	**6,814**	**4,902**	**6,963**
Direct costs (third party cost)	1,960	1,423	5,099	3,767	5,328
Gross profit	**641**	**468**	**1,715**	**1,135**	**1,635**
Direct Operating Expenses	245	178	662	480	708
Selling, General & Administration (SG&A)	129	159	365	359	473
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	**267**	**131**	**688**	**296**	**454**
EBITDA margin	10.3%	6.9%	10.1%	6.0%	6.5%
Earnings before interest, taxes, and amortisation (EBITA)	**209**	**108**	**523**	**186**	**289**
EBITA margin	8.0%	5.7%	7.7%	3.8%	4.2%
Profit/loss before financial items (EBIT)	**194**	**100**	**486**	**171**	**264**
EBIT margin	7.5%	5.3%	7.1%	3.5%	3.8%
Invested capital	**2,715**	**1,675**	**2,715**	**1,675**	**1,773**
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	57	27	114	126	156
Operational and financial metrics					
EBIT conversion (EBIT/gross profit - %)	30.3%	21.3%	28.3%	15.0%	16.1%
Managed by Maersk revenue	433	292	1,098	713	1,014
Fulfilled by Maersk revenue	606	434	1,543	972	1,457
Transported by Maersk revenue	1,562	1,165	4,173	3,217	4,492
Supply chain management volumes (kcbm)	28,729	24,412	70,109	54,775	77,023
Intermodal volumes (kFFE)	1,254	914	3,373	2,545	3,640
Sea freight volumes (TEU)	21,680	120,846	99,305	322,915	401,369
Air freight volumes (tonne)	47,750	34,171	123,585	98,170	138,086

and providing more services to existing Ocean customers was critical in driving the results.

Organic revenue contributed by 33% of the 38% increase in revenue to USD 2.6bn (USD 1.9bn). The increase in organic EBITA was USD 104m. As of September 2021, KGH Customs Services was included in the organic growth figures after being consolidated on 1 September 2020. KGH Customs Services and Visible Supply Chain Management contributed with a revenue of USD 98m and an EBITA of USD 7m before transaction costs of USD 10m.

For the Managed by Maersk services, revenue increased by 48% to USD 433m (USD 292m), driven by an 18% increase in volumes in Lead Logistics to 28,729 kcbm (24,412 kcbm). The increase in volume reflects the effect of a low base in Q3 2020 due to COVID-19, as well as changing consumer patterns in Q3 2021 as customers in North America increasingly demanded retail goods, in addition to also winning new business. Further, Customs Services volumes were up by 645k declarations to 1,254k declarations (609k declarations). The organic growth was 66% with 403k declarations, and inorganically, KGH Customs Services growth was 40% with 242k declarations.

For the Fulfilled by Maersk services, revenue was up by 40% to USD 606m (USD 434m), driven by new activities in Contract Logistics and the turnaround of existing facilities in North America, combined with growing volumes from increasing supply chain needs from customers and a growing footprint from the integration of Performance Team. Maersk continues to increase the footprint through opening 22 new warehouses with a total of 255k SQM in Q3 2021. Revenue from Fulfilled by Maersk was also positively impacted by the new acquisition of Visible Supply Chain Management.

For the Transported by Maersk services, revenue was up by 34% to USD 1.6bn (USD 1.2bn), driven by an increase in Landside Transportation Intermodal volumes of 37% to 1,254k FFE (914k FFE), mainly due to a higher penetration ratio into existing Ocean customers. Further, revenue growth was driven by increased air freight carrier volumes of 40% to 47.7k tonne (34.2k tonne) primarily coming from Asia Pacific into North America. Sea freight volumes were reduced as a result of discontinuing the Damco brand.

Gross profit increased by USD 173m to USD 641m (USD 468m), driven by an increase in volumes in Lead Logistics and in the number of declarations handled in Customs Services under Managed by Maersk, increased profitability in Contract Logistics facilities in North America under Fulfilled by Maersk, as well as growth and higher margins in Landside Transportation under Transported by Maersk.

EBITDA increased by USD 136m to USD 267m (USD 131m) due to the higher revenue and the focus on operational excellence with an EBITDA margin of 10.3% (6.9%). EBITA increased to USD 209m (USD 108m), with an EBITA margin of 8.0% (5.7%). EBIT increased to USD 194m (USD 100m) and the EBIT margin increased to 7.5% (5.3%) while the EBIT conversion ratio was 30.3% (21.3%).

Organic/inorganic

	9M-20A	Organic	Inorganic	9M-21A
Revenue	4,902	1,603	309	6,814
		33%	6%	
EBITA	185	317	21	523

Key initiatives in Q3

The focus in Q3 was still to help customers and to offer contract customers additional flexibility and space to help with volatility in their supply chains.

In Fulfilled by Maersk, acquisitions of Visible, B2C and HUUB within the e-Commerce space provide Maersk last mile capabilities, making it easier for customers to focus on their core business of producing and selling goods and swiftly bringing them to the end-consumers, through a digital solution. HUUB is a Portuguese cloud-based logistics start-up specialising in technology solutions for B2C warehousing. Further, a new dedicated pharmaceutical facility in Poland (Mszczonow) was started up.

In Transported by Maersk, A.P. Moller - Maersk continues to increase the Air footprint and capability through acquiring Senator International. Further to that, existing capacity in the air fleet was expanded by the leasing of three additional B767 in 2022 and the purchase of two new B777 airplanes by 2024. Star Air was established in 1987 and currently has a fleet of 15 aircraft mainly operating in Europe.

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Revenue of USD 6.8bn (USD 4.9bn) was driven by increasing revenue in Managed by Maersk services to USD 1.1bn (USD 713m), Fulfilled by Maersk services to USD 1.5m (USD 972m) and Transported by Maersk services to USD 4.2bn (USD 3.2bn). This in turn was driven by an increase in volumes in Landside Transportation Intermodal of 33% to 3,373k FFE (2,545k FFE), mainly due to a higher penetration ratio into existing Ocean customers. Further, volumes in Lead Logistics increased by 28% to 70,109 kcbm (54,775 kcbm), driven by COVID-19 bounce back, changing customer patterns and new business wins.

EBITDA increased to USD 688m (USD 296m) and EBITA to USD 523m (USD 186m).

In addition to strong organic development, Performance Team, KGH Customs Services and newly acquired Visible Supply Chain Management contributed to the revenue growth. Inorganic revenue accounted for USD 309m.

Terminals & Towage

Terminals & Towage reported an increase in revenue of USD 229m to USD 1.2bn (USD 976m), with an increase in EBITDA of USD 105m to USD 433m (USD 328m) and an increase in EBIT of USD 116m to USD 352m (USD 236m).

In gateway terminals, revenue increased to USD 1.0bn (USD 816m), due to continued global economic recovery, significantly above market growth in North America, Latin America, Europe and Asia and an underlying performance improvement across most terminals in the Americas. In addition, the continued bottlenecks in the supply chain in the USA and growth in general cargo and yard services in Latin America, significantly contributed to the increase in EBITDA to USD 379m (USD 274m) and in EBIT to USD 324m (USD 206m).

In Towage, revenue increased to USD 185m (USD 167m), while EBITDA was on par at USD 54m. EBIT decreased to USD 28m (USD 30m).

Terminals

Financial and operational performance

Revenue increased to USD 1.0bn (USD 816m), mainly driven by high global demand, above market growth, and increased storage income due to the continued congestion and bottlenecks along all modes of freight transportation in North America. Numerous measures have been taken to address the North American congestion, including increasing gate opening hours to 19 hours a day during the week in Los Angeles and adding a Saturday shift as well. As a result, the number of gate appointments available have increased to 2,000/day on weekdays, with approximately 1,300 currently used, giving customers more flexibility to pick up containers at their convenience.

Overall favourable economic conditions and well above market growth in gateway terminals led volumes to increase by 9.6% and utilisation to 78% (71%), mainly driven by North America, Latin America and Asia. Volume from the Ocean segment increased by 12% and volume from external customers increased by 8.4%.

Congestion-driven storage revenue continues in North America and higher general cargo movement in Latin America resulted in an increase of 13% in gateway revenue per move to USD 314 (USD 277). Despite operations continuing to be

Terminals & Towage highlights

USD million	Q3 2021	Q3 2020	9M 2021	9M 2020	12M 2020
Revenue	**1,205**	**976**	**3,442**	**2,765**	**3,807**
Concession fees (excl. capitalised lease expenses)	89	74	248	209	287
Labour cost (blue collar)	361	312	1,058	896	1,236
Other operational cost	174	127	463	422	520
Selling, General & Administration (SG&A) and other costs, etc.	148	135	437	397	559
Total operating costs	**772**	**648**	**2,206**	**1,924**	**2,602**
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	**433**	**328**	**1,236**	**841**	**1,205**
EBITDA margin	35.9%	33.6%	35.9%	30.4%	31.7%
Profit/loss before financial items (EBIT)	**352**	**236**	**958**	**633**	**828**
EBIT margin	29.2%	24.2%	27.8%	22.9%	21.7%
Invested capital	**9,793**	**10,199**	**9,793**	**10,199**	**10,389**
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	86	104	273	319	457
Operational and financial metrics					
Terminal volumes – financially consolidated (moves, m)	3.2	3.0	9.5	8.4	11.5
Ocean segment	1.2	1.1	3.4	3.0	4.1
External customers	2.0	1.9	6.1	5.4	7.4
Terminal revenue per move – financially consolidated (USD)	314	277	304	274	275
Terminal cost per move – financially consolidated (USD)	238	229	236	237	232
Result from joint ventures and associated companies (USDm)	82	69	232	175	236
Number of operational tug jobs (harbour towage) ('000)	33	33	104	103	138
Annualised EBITDA per tug (terminal towage) (USD in '000)	1,004	911	903	994	956

affected by COVID-19-related delays, the upward shift in gateway cost is mainly related to higher volume in high cost locations and inflationary labour increases with cost per move up 4.1% to USD 238 (USD 229).

Adjusted for foreign exchange rates, and volume mix effects, revenue per move increased by 19%, and cost per move increased by 9.0%.

The increase in volume and higher storage income, partly offset by higher variable cost, resulted in an EBITDA of USD 379m (USD 274m) and an EBITDA margin of 36.9% (33.6%).

Further, this also drove an increase in EBIT to USD 324m (USD 206m) with higher results from joint ventures and associated companies, partially offset by higher depreciation mainly due to modernisation of yard equipment in Los Angeles, USA. CAPEX decreased to USD 59m (USD 88m) due to COVID-19 delays with some CAPEX projects moving from the planning to execution stage later than otherwise planned.

In North America, high consumer spend drove volume up 13% while increased storage income from supply chain congestion continued. As a result of measures taken to ease the congestion, US terminals experienced higher variable costs, partially offsetting the higher revenue, leading to an increase in the EBITDA margin to 37% (27%).

In Latin America, there was an underlying improvement in most terminals with revenue per move increasing across the region, supported by higher general cargo volume, and higher transhipment storage income in Callao, Peru. Overall volume grew 14%, and the EBITDA-margin improved to 48% (38%).

In Asia, volumes grew by 19%, mainly driven by additional volumes in two new berths in Yokohama, Japan, and higher volume in Mumbai, India. The EBITDA margin decreased by 11 percentage points to 30% (41%) due to growth in lower margin business and higher cost related to cyclones.

In Europe, revenue increased as a result of a 9.9% higher volume and congestion related storage income, offset by higher cost per move, leading to a decrease in EBITDA margin to 29% (33%).

Adverse pandemic-related market conditions in Africa and Middle East resulted in a decrease in volume of 9.2% driven by Aqaba, Jordan, and Bahrain. In addition, negative exchange rate movements contributed significantly to a reduction in the overall revenue per move, more than offsetting improvements in the rest of the region. As a result, Africa and Middle East saw a drop in EBITDA margin to 32% (40%).

Results from joint ventures and associated companies

The share of profit in joint ventures and associated companies increased to USD 77m (USD 64m), mainly driven by higher results in South Florida, USA, Tema, Ghana, and Abidjan, Côte d'Ivoire.

Regional EBITDA margin, Terminals[1]

Percentage	Q3 2021	Q3 2020
North America	37	27
Latin America	48	38
Europe, Russia and the Baltics	29	33
Asia	30	41
Africa and Middle East	32	40
Total	**37**	**34**

Regional volume, Terminals[1]

Million moves	Q3 2021	Q3 2020	Growth (%)
North America	0.9	0.8	13.2
Latin America	0.6	0.6	13.6
Europe, Russia and the Baltics	0.6	0.6	9.9
Asia	0.6	0.5	18.9
Africa and Middle East	0.5	0.5	-9.2
Total	**3.2**	**3.0**	**9.6**

1 Financially consolidated.

Key initiatives in Q3

Regulatory approvals have now been obtained for the 50-year concession to build, maintain and operate a container terminal in Rijeka, Croatia, in partnership with ENNA Logic and the concession agreement is expected to be signed during Q4 2021.

In APM Terminals Poti, Georgia, the preparation works on site have started and in Onne, Nigeria, in parallel with the civil upgrades, additional container handling equipment has been received and is being put to operation.

Terminals has finalised an agreement with Hapag-Lloyd, who will purchase Terminals' 30% shareholding of Container Terminal Wilhelmshaven (CTW), Germany. The transaction is subject to approval by the antitrust authorities.

Towage

Financial and operational performance

Revenue increased by USD 18m to USD 185m (USD 167m), and adjusted for foreign exchange rate development, the increase was 4.8% or USD 8m. Harbour towage revenue was positively impacted by strong grain exports and increased RoRo activities in Australia and ramp-up activities in Morocco, partly offset by slower markets in Europe. Terminal towage revenue increased due to new charters in Angola, the UK and Belgium. EBITDA was on par at USD 54m, mainly due to positive exchange rate development partly offset by the wind down of business in Whyalla, Australia. EBIT decreased by USD 2m to USD 28m (USD 30m), mainly driven by depreciation and lower result in joint ventures and associated companies.

For terminal towage, the annualised EBITDA per Tug increased by 10% due to lower costs in Americas as well as favourable rate of exchange impact. This was partly offset by higher costs in Australia related to increased docking activity triggering additional crew costs.

Results from joint ventures and associated companies

The share of profit in joint ventures and associated companies decreased to USD 5m (USD 6m) with decreases driven by wind down of business in Bowen, an Australian joint venture.

Key initiatives in Q3

During Q3, Svitzer secured a 5-year extension contract in Angola, a 5-year contract in Port of Bunbury in Western Australia as well as a long-term contract to provide towage services for Australia's naval fleet across the country. Two additional tugs were also added to the current agreement with SCA (Suez Canal, Egypt).

Terminals & Towage

Financial review 9M 2021

Terminals & Towage reported an increase in revenue of USD 677m to USD 3.4bn (USD 2.8bn), with an increase in EBITDA of USD 395m to USD 1.2bn (USD 841m) and an increase in EBIT of USD 325m to USD 958m (USD 633m).

In gateway terminals, revenue was USD 2.9bn (USD 2.3bn), with an increase of 14% in volume mainly driven by global economic development and higher storage income mainly from congestion in North America. Capacity utilisation increased to 76% (69%). Revenue per move increased to USD 304 (USD 274) and cost per move decreased to USD 236 (USD 237). EBITDA increased to USD 1.1bn (USD 672m) and EBIT increased to USD 866m (USD 512m).

In Towage, revenue was USD 550m (USD 505m), positively impacted by foreign exchange rate development as well as volume increases in Australia and Asia, Middle East & Africa, partly offset by lower volumes in Americas, particularly in Brazil, and Europe, in Scandinavia and the UK.

EBITDA was slightly lower at USD 165m (USD 168m), driven by higher costs and impact from the wind down of business in Whyalla, Australia, partly offset by foreign exchange rate development. EBIT decreased by 23% to USD 93m (USD 121m) driven by the significant gain in Q2 2020 resulting from the acquisition of Port Towage Amsterdam.

Manufacturing & Others

Revenue was USD 305m (USD 324m) with an EBITDA of USD 27m (USD 48m) and an EBIT of USD 7m (USD 20m).

For Maersk Container Industry, revenue decreased by USD 19m to USD 134m (USD 153m), mainly driven by change in periodisation of volumes. EBITDA decreased by USD 8m to USD 9m (USD 17m) as a consequence of this and from the impact of higher raw material prices. EBIT decreased by USD 7m to USD 9m (USD 16m) in line with the decrease in EBITDA.

As communicated at the A.P. Moller - Maersk Capital Markets Day in March, a strategic review of Maersk Container Industry was initiated during Q2 2021, resulting in the sale agreement signed with China International Marine Containers Ltd. (CIMC) with closing subject to regulatory approvals.

For Maersk Supply Service, revenue increased by USD 18m to USD 83m (USD 65m) reflecting increased activity due to the improved market conditions as Q3 2020 was impacted by COVID-19. EBITDA decreased by USD 6m to USD 7m (USD 13m), mainly driven by postponement of repair and maintenance and lower cost in Q3 2020. EBIT decreased by USD 6m to negative USD 4m (positive USD 2m).

In Q3, Maersk Supply Service made significant commercial progress, by securing the first contract within wave power, a study contract in floating wind and three important contracts in Africa.

Manufacturing & Others highlights

USD million	Q3 2021	Q3 2020	9M 2021	9M 2020	12M 2020
Revenue	**305**	**324**	**991**	**935**	**1,254**
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	**27**	**48**	**100**	**140**	**165**
EBITDA margin	8.9%	14.8%	10.1%	15.0%	13.2%
Profit/loss before financial items (EBIT)	**7**	**20**	**47**	**38**	**69**
EBIT margin	2.3%	6.2%	4.7%	4.1%	5.5%
Invested capital	**1,049**	**993**	**1,049**	**993**	**986**
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	15	5	42	20	33

For other businesses, revenue was USD 88m (USD 106m) with an EBITDA of USD 11m (USD 18m) and EBIT of USD 2m (USD 3m).

Financial review 9M 2021

Revenue was USD 991m (USD 935m) with an EBITDA of USD 100m (USD 140m).

Revenue in Maersk Container Industry was USD 512m (USD 431m) of which 77% was related to third-party customers. EBITDA was on par at USD 55m (USD 59m).

Maersk Supply Service reported a revenue of USD 212m (USD 191m) and an EBITDA of USD 7m (USD 24m). The impact of the reduction in Maersk Supply Service onshore organisation in 2020 was offset by higher crew cost and project cost and the return to a normalised repair and maintenance cost level.

For other businesses, revenue was USD 267m (USD 313m) and EBITDA was USD 38m (USD 57m).

Statement of the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the Interim Report of A.P. Møller - Mærsk A/S for the period 1 January 2021 to 30 September 2021.

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

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

In our opinion, the interim consolidated financial statements (pages 21-31) give a true and fair view of A.P. Moller - Maersk's consolidated assets, liabilities and financial position on 30 September 2021 and of the results of A.P. Moller - Maersk's consolidated operations and cash flows for the period 1 January to 30 September 2021.

Furthermore, in our opinion, the Directors' report (pages 3-19) includes a fair review of the development in A.P. Moller - Maersk's operations and financial conditions, the results for the period, cash flows and financial position as well as a description of the most significant risks and uncertainty factors that A.P. Moller - Maersk faces, relative to the disclosures in the annual report for 2020.

Copenhagen, 2 November 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		Q3 2021	Q3 2020	9 months 2021	9 months 2020	12M 2020
1	Revenue	16,612	9,917	43,281	28,485	39,740
1	**Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)**	**6,943**	**2,297**	**16,046**	**5,515**	**8,226**
	Depreciation, amortisation and impairment losses, net	1,206	1,097	3,318	3,319	4,541
	Gain on sale of non-current assets, etc., net	27	8	46	172	202
	Share of profit/loss in joint ventures and associated companies	95	81	266	224	299
1	**Profit/loss before financial items (EBIT)**	**5,859**	**1,289**	**13,040**	**2,592**	**4,186**
	Financial items, net	-185	-160	-601	-607	-879
	Profit/loss before tax	**5,674**	**1,129**	**12,439**	**1,985**	**3,307**
	Tax	213	182	515	386	407
	Profit/loss for the period	**5,461**	**947**	**11,924**	**1,599**	**2,900**
	Of which:					
	Non-controlling interests	23	20	76	48	50
	A.P. Møller - Mærsk A/S' share	**5,438**	**927**	**11,848**	**1,551**	**2,850**
	Earnings per share, USD	**287**	**48**	**620**	**79**	**145**
	Diluted earnings per share, USD	**287**	**48**	**619**	**79**	**145**

Condensed statement of comprehensive income

Note		Q3 2021	Q3 2020	9 months 2021	9 months 2020	12M 2020
	Profit/loss for the period	**5,461**	**947**	**11,924**	**1,599**	**2,900**
	Translation from functional currency to presentation currency	-189	100	-295	-122	195
	Reclassified to income statement, gain on sale of non-current assets, etc., net	-	-2	23	62	64
	Cash flow hedges	-49	72	-118	-60	43
	Tax on other comprehensive income	2	-7	-5	18	10
	Share of other comprehensive income of joint ventures and associated companies, net of tax	-	2	-9	6	5
	Total items that have been or may be reclassified subsequently to the income statement	**-236**	**165**	**-404**	**-96**	**317**
	Other equity investments	25	-	27	3	2
	Actuarial gains/losses on defined benefit plans, etc.	-	-	-69	70	-207
	Tax on other comprehensive income	-	-	13	-	-4
	Total items that will not be reclassified to the income statement	**25**	**-**	**-29**	**73**	**-209**
	Other comprehensive income, net of tax	**-211**	**165**	**-433**	**-23**	**108**
	Total comprehensive income for the period	**5,250**	**1,112**	**11,491**	**1,576**	**3,008**
	Of which:					
	Non-controlling interests	23	25	73	34	47
	A.P. Møller - Mærsk A/S' share	**5,227**	**1,087**	**11,418**	**1,542**	**2,961**

Condensed balance sheet at 30 September

Amounts in USD million

Note	30 September 2021	30 September 2020	12M 2020
Intangible assets	5,709	5,317	5,145
Property, plant and equipment	26,377	26,285	26,481
Right-of-use assets	9,681	8,541	8,323
Financial non-current assets, etc.	2,857	3,502	3,183
Deferred tax	265	228	249
Total non-current assets	**44,889**	**43,873**	**43,381**
Inventories	1,470	1,037	1,049
Receivables, etc.	7,275	5,252	5,603
Securities	1	1	1
Cash and bank balances	11,306	5,854	5,865
Assets held for sale	453	145	218
Total current assets	**20,505**	**12,289**	**12,736**
Total assets	**65,394**	**56,162**	**56,117**

Note	30 September 2021	30 September 2020	12M 2020
Equity attributable to A.P. Møller - Mærsk A/S	38,727	28,515	29,850
Non-controlling interests	1,044	1,032	1,004
Total equity	**39,771**	**29,547**	**30,854**
Lease liabilities, non-current	7,945	7,427	7,356
Borrowings, non-current	4,537	7,384	5,868
Other non-current liabilities	1,993	2,162	1,985
Total non-current liabilities	**14,475**	**16,973**	**15,209**
Lease liabilities, current	2,147	1,340	1,391
Borrowings, current	397	758	758
Other current liabilities	8,370	7,463	7,814
Liabilities associated with assets held for sale	234	81	91
Total current liabilities	**11,148**	**9,642**	**10,054**
Total liabilities	**25,623**	**26,615**	**25,263**
Total equity and liabilities	**65,394**	**56,162**	**56,117**

Condensed cash flow statement

Amounts in USD million

Note		Q3 2021	Q3 2020	9 months 2021	9 months 2020	12M 2020
	Profit/loss before financial items	5,859	1,289	13,040	2,592	4,186
	Non-cash items, etc.	1,208	1,128	3,166	3,187	4,305
	Change in working capital	-366	-108	-1,711	-212	-239
	Cash flow from operating activities before tax	6,701	2,309	14,495	5,567	8,252
	Taxes paid	-129	-133	-353	-308	-424
	Cash flow from operating activities	**6,572**	**2,176**	**14,142**	**5,259**	**7,828**
	Purchase of intangible assets and property, plant and equipment (CAPEX)	-610	-280	-1,391	-952	-1,322
	Sale of intangible assets and property, plant and equipment	21	86	145	268	435
	Sale of other equity investments	1	3	5	4	5
3	Acquisition of subsidiaries and activities	-723	-182	-733	-448	-425
	Sale of subsidiaries and activities	7	-	-21	35	36
	Dividends received	123	85	218	127	177
	Financial investments etc., net	-445	289	-498	90	70
	Cash flow used for investing activities	**-1,626**	**1**	**-2,275**	**-876**	**-1,024**
	Repayments of/proceeds from borrowings, net	-288	-810	-1,753	-298	-1,860
	Repayments of lease liabilities	-611	-397	-1,693	-1,135	-1,710
	Financial payments, net	-83	-64	-179	-234	-292
	Financial expenses paid on lease liabilities	-114	-120	-342	-351	-468
	Purchase of own shares	-759	-98	-1,540	-696	-806
	Dividends distributed	-	-	-1,017	-430	-430
	Dividends distributed to non-controlling interests	-23	-37	-64	-72	-92
	Other equity transactions	25	-13	58	-2	40
	Cash flow from financing activities	**-1,853**	**-1,539**	**-6,530**	**-3,218**	**-5,618**
	Net cash flow for the period	**3,093**	**638**	**5,337**	**1,165**	**1,186**
	Cash and cash equivalents, beginning of period	8,071	5,206	5,845	4,758	4,758
	Currency translation effect on cash and bank balances	-18	-6	-36	-85	-80
	Cash and cash equivalents, end of period	11,146	5,838	11,146	5,838	5,864
	Of which classified as assets held for sale	-29	-	-29	-	-19
	Cash and cash equivalents, end of period	**11,117**	**5,838**	**11,117**	**5,838**	**5,845**
	Cash and cash equivalents					
	Cash and bank balances	11,306	5,854	11,306	5,854	5,865
	Overdrafts	189	16	189	16	20
	Cash and cash equivalents, end of period	**11,117**	**5,838**	**11,117**	**5,838**	**5,845**

Cash and bank balances include USD 1.4bn (USD 1.1bn) relating to cash and bank balances in countries with exchange control or other restrictions. These funds are not readily available for general use by the parent company or other subsidiaries.

Condensed statement of changes in equity

Amounts in USD million

Note		A.P. Møller - Mærsk A/S							
		Share capital	Translation reserve	Reserve for other equity investments	Reserve for hedges	Retained earnings	Total	Non-controlling interests	Total equity
	Equity 1 January 2021	3,632	-432	-6	-42	26,698	29,850	1,004	30,854
	Other comprehensive income, net of tax	-	-268	28	-125	-65	-430	-3	-433
	Profit/loss for the period	-	-	-	-	11,848	11,848	76	11,924
	Total comprehensive income for the period	**-**	**-268**	**28**	**-125**	**11,783**	**11,418**	**73**	**11,491**
	Dividends to shareholders	-	-	-	-	-1,017	-1,017	-75	-1,092
	Value of share-based payment	-	-	-	-	12	12	-	12
	Addition of non-controlling interests	-	-	-	-	-17	-17	16	-1
	Sale of non-controlling interests	-	-	-	-	1	1	-	1
2	Purchase of own shares	-	-	-	-	-1,540	-1,540	-	-1,540
	Sale of own shares	-	-	-	-	20	20	-	20
2	Capital increases and decreases	-119	-	-	-	119	-	26	26
	Transfer of gain/loss on disposal of equity investments to retained earnings	-	-	-2	-	2	-	-	-
	Total transactions with shareholders	**-119**	**-**	**-2**	**-**	**-2,420**	**-2,541**	**-33**	**-2,574**
	Equity 30 September 2021	**3,513**	**-700**	**20**	**-167**	**36,061**	**38,727**	**1,044**	**39,771**
	Equity 1 January 2020	3,774	-692	-4	-97	25,117	28,098	739	28,837
									-
	Other comprehensive income, net of tax	-	-48	4	-39	74	-9	-14	-23
	Profit/loss for the period	-	-	-	-	1,551	1,551	48	1,599
	Total comprehensive income for the period	**-**	**-48**	**4**	**-39**	**1,625**	**1,542**	**34**	**1,576**
	Dividends to shareholders	-	-	-	-	-430	-430	-74	-504
	Value of share-based payment	-	-	-	-	8	8	-	8
	Acquisition of non-controlling interests	-	-	-	-	-8	-8	329	321
	Sale of non-controlling interests	-	-	-	-	-	-	-	-
	Purchase of own shares	-	-	-	-	-696	-696	-	-696
	Sale of own shares	-	-	-	-	1	1	-	1
	Capital increases and decreases	-142	-	-	-	142	-	4	4
	Transfer of gain/loss on disposal of equity investments to retained earnings	-	-	-4	-	4	-	-	-
	Total transactions with shareholders	**-142**	**-**	**-4**	**-**	**-979**	**-1,125**	**259**	**-866**
	Equity 30 September 2020	**3,632**	**-740**	**-4**	**-136**	**25,763**	**28,515**	**1,032**	**29,547**

Note 1 Segment information

Amounts in USD million

	Ocean	Logistics & Services	Terminals & Towage	Manu-facturing & Others	Total
Q3 2021					
External revenue	12,820	2,608	892	273	16,593
Inter-segment revenue	273	-7	313	32	611
Total segment revenue	**13,093**	**2,601**	**1,205**	**305**	**17,204**
Unallocated items					23
Eliminations					-615
Total revenue					**16,612**
Segment profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	**6,251**	**267**	**433**	**27**	**6,978**
Unallocated items					-27
Eliminations					-8
Consolidated profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)					**6,943**
Segment profit/loss before financial items (EBIT)	**5,337**	**194**	**352**	**7**	**5,890**
Unallocated items					-30
Eliminations					-1
Consolidated profit/loss before financial items (EBIT)					**5,859**
Segment invested capital	**29,637**	**2,715**	**9,793**	**1,049**	**43,194**
Unallocated items					-271
Eliminations					-47
Consolidated invested capital					**42,876**
Segment gross capital expenditures, excl. acquisitions and divestments (CAPEX)	**454**	**57**	**86**	**15**	**612**
Unallocated items					3
Eliminations					-5
Consolidated gross capital expenditures, excl. acquisitions and divestments (CAPEX)					**610**

Note 1 Segment information – continued

Amounts in USD million

	Ocean	Logistics & Services	Terminals & Towage	Manu-facturing & Others	Total
Q3 2020					
External revenue	6,993	1,830	759	317	9,899
Inter-segment revenue	125	61	217	7	410
Total segment revenue	**7,118**	**1,891**	**976**	**324**	**10,309**
Unallocated items					28
Eliminations					-420
Total revenue					**9,917**
Segment profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	**1,805**	**131**	**328**	**48**	**2,312**
Unallocated items					-14
Eliminations					-1
Consolidated profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)					**2,297**
Segment profit/loss before financial items (EBIT)	**968**	**100**	**236**	**20**	**1,324**
Unallocated items					-17
Eliminations					-18
Consolidated profit/loss before financial items (EBIT)					**1,289**
Segment invested capital	**27,530**	**1,675**	**10,199**	**993**	**40,397**
Unallocated items					53
Eliminations					-46
Consolidated invested capital					**40,404**
Segment gross capital expenditures, excl. acquisitions and divestments (CAPEX)	**143**	**27**	**104**	**5**	**279**
Unallocated items					3
Eliminations					-2
Consolidated gross capital expenditures, excl. acquisitions and divestments (CAPEX)					**280**

Note 1 Segment information – continued

Amounts in USD million

	Ocean	Logistics & Services	Terminals & Towage	Manu-facturing & Others	Total
9 months 2021					
External revenue	32,978	6,746	2,633	865	43,222
Inter-segment revenue	665	68	809	126	1,668
Total segment revenue	**33,643**	**6,814**	**3,442**	**991**	**44,890**
Unallocated items					71
Eliminations					-1,680
Total revenue					**43,281**
Segment profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	**14,095**	**688**	**1,236**	**100**	**16,119**
Unallocated items					-66
Eliminations					-7
Consolidated profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)					**16,046**
Segment profit/loss before financial items (EBIT)	**11,617**	**486**	**958**	**47**	**13,108**
Unallocated items					-75
Eliminations					7
Consolidated profit/loss before financial items (EBIT)					**13,040**
Segment invested capital	**29,637**	**2,715**	**9,793**	**1,049**	**43,194**
Unallocated items					-271
Eliminations					-47
Consolidated invested capital					**42,876**
Segment gross capital expenditures, excl. acquisitions and divestments (CAPEX)	**960**	**114**	**273**	**42**	**1,389**
Unallocated items					8
Eliminations					-6
Consolidated gross capital expenditures, excl. acquisitions and divestments (CAPEX)					**1,391**

Note 1 Segment information – continued

Amounts in USD million

	Ocean	Logistics & Services	Terminals & Towage	Manu-facturing & Others	Total
9 months 2020					
External revenue	20,590	4,742	2,188	916	28,436
Inter-segment revenue	328	160	577	19	1,084
Total segment revenue	**20,918**	**4,902**	**2,765**	**935**	**29,520**
Unallocated items					66
Eliminations					-1,101
Total revenue					**28,485**
Segment profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	**4,337**	**296**	**841**	**140**	**5,614**
Unallocated items					-98
Eliminations					-1
Consolidated profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)					**5,515**
Segment profit/loss before financial items (EBIT)	**1,868**	**171**	**633**	**38**	**2,710**
Unallocated items					-104
Eliminations					-14
Consolidated profit/loss before financial items (EBIT)					**2,592**
Segment invested capital	**27,530**	**1,675**	**10,199**	**993**	**40,397**
Unallocated items					53
Eliminations					-46
Consolidated invested capital					**40,404**
Segment gross capital expenditures, excl. acquisitions and divestments (CAPEX)	**485**	**126**	**319**	**20**	**950**
Unallocated items					3
Eliminations					-1
Consolidated gross capital expenditures, excl. acquisitions and divestments (CAPEX)					**952**

USD million	Types of revenue	Q3 2021	Q3 2020	9 months 2021	9 months 2020	12M 2020
Ocean	Freight revenue	11,576	6,137	29,566	17,749	24,920
	Other revenue, including hubs	1,517	981	4,077	3,169	4,255
Logistics & Services	Managed by Maersk	433	292	1,098	713	1,014
	Fulfilled by Maersk	606	434	1,543	972	1,457
	Transported by Maersk	1,562	1,165	4,173	3,217	4,492
Terminals & Towage	Terminal services	1,027	816	2,911	2,279	3,151
	Towage services	185	167	550	505	681
Manufacturing & Others	Sale of containers and spare parts	134	153	512	431	587
	Offshore supply services	83	65	212	191	252
	Other shipping activities	67	90	202	264	347
	Other services	21	16	65	49	68
Unallocated activities and eliminations[1]		-599	-399	-1,628	-1,054	-1,484
Total revenue		**16,612**	**9,917**	**43,281**	**28,485**	**39,740**

1 Including revenue eliminations between terminal services and towage services.

Note 2 Share capital

Amounts in USD million

Development in the number of shares:

		A shares of		B shares of		Nominal value
	DKK 1,000	DKK 500	DKK 1,000	DKK 500	DKK million	USD million
1 January 2020	10,756,265	226	10,060,401	166	20,817	3,774
Cancellation	156,977	-	627,938	-	785	142
Conversion	5	-10	-	-	-	-
30 September 2020	**10,599,293**	**216**	**9,432,463**	**166**	**20,032**	**3,632**
1 January 2021	10,599,293	216	9,432,463	166	20,032	3,632
Cancellation	131,186		524,745		656	119
Conversion	-	-	-	-	-	-
30 September 2021	**10,468,107**	**216**	**8,907,718**	**166**	**19,376**	**3,513**

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

Development in the holding of own shares:

	No. of shares of DKK 1,000		Nominal value DKK million		% of share capital	
Own shares	2021	2020	2021	2020	2021	2020
A shares						
1 January	119,176	134,279	119	134	0.59%	0.65%
Addition	113,957	131,568	114	132	0.59%	0.64%
Cancellation	131,186	156,977	131	157	0.65%	0.75%
30 September	**101,947**	**108,870**	**102**	**109**	**0.53%**	**0.54%**
B shares						
1 January	505,281	587,949	505	588	2.52%	2.82%
Addition	471,266	526,261	471	526	2.43%	2.63%
Cancellation	524,745	627,938	525	628	2.62%	3.02%
Disposal	15,631	4,270	15	4	0.08%	0.02%
30 September	**436,171**	**482,002**	**436**	**482**	**2.25%**	**2.41%**

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

Basis for calculating earnings per share is the following:

The dividend of DKK 330 per share of DKK 1000 – a total of DKK 6,610m is equivalent to USD 1,017m excluding own shares. Of this, USD 889m was paid to shareholders on 26 March 2021, and the withholding tax of USD 128m was been paid in Q2 2021. Payment of dividends to shareholders does not trigger taxes to A.P. Moller - Maersk.

From 1 January 2021 to 30 September 2021, A.P. Moller - Maersk has bought back 58,631 A shares, with a nominal value of DKK 59m and 177,886 B shares, with a nominal value of DKK 178m as treasure shares, from A.P. Møller Holding A/S, which is considered a related party.

Note 3 Acquisition of subsidiaries

Amounts in USD million

Acquisitions during the first nine months 2021
Visible Supply Chain Management, North America
On 2 August 2021, the Group acquired 100% of the shares in Visible Supply Chain Management, an e-commerce logistics provider based in North America focusing on e-fulfilment, parcel delivery services and freight management. Visible Supply Chain Management will contribute with strong e-commerce capabilities and further strengthen the business-to-consumer part of the business.

The total purchase price is USD 803m, including a contingent consideration valued at USD 63m. Of the provisional purchase price allocation approximately USD 550m is related to goodwill and approximately USD 190m to intangible assets, including software and technology.

Goodwill is mainly attributable to expected future synergies from leveraging the acquired technology software, network optimisations and improved productivity.

From the acquisition date to 30 September 2021, Visible Supply Chain Management contributed with a revenue of USD 76m and an insignificant net profit. Had the acquisition occurred on 1 January 2021, the impact on the Group's revenue would have been USD 376m. The net profit impact to the Group would have been insignificant.

Acquisition-related costs of USD 10m are recognised as operating costs in the income statement and in operating cash flow in the statement of cash flow.

The accounting for the business combination is considered provisional at 30 September 2021.

HUUB, Portugal
On 1 September 2021, the Group acquired 100% of the shares in HUUB, a Portuguese cloud-based logistics start-up specialised in technology solutions for B2C warehousing for the fashion industry. HUUB will contribute to strengthening Maersk's technology capabilities, bringing the best attributes of a modern entrepreneurial agile workplace. The acquisition is accounted for as an asset deal.

The total acquisition price is USD 9m, and is subject to adjustment based on future performance.

Acquisitions after 30 September 2021
B2C Europe, Europe
On 1 October 2021, the Group acquired 100% of the shares in B2C Europe, an e-commerce logistics provider based in Europe, specialising in cross-border parcel delivery services. B2C Europe will contribute with strong e-commerce capabilities and further strengthen the business-to-consumer part of our business.

The total acquisitions price is USD 86m.

Senator International, Germany
After the balance sheet date, the Group acquired 100% of the shares in Senator International, a well-renowned German air-based freight carrier company. Senator International will contribute with offerings within air freight out of Europe into the USA and Asia, and thereby add strong capabilities and geographical reach to our integrator vision.

The acquisition is expected to be finalised during Q1 2022.

Note 4 Accounting policies, judgements and significant estimates

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

The accounting policies, judgements and significant estimates are consistent with those applied in the Annual Report 2020, notes 23 and 24, to which reference is made, apart from the changes described below:

Change to product groups in reportable segment
As part of the refinement of the segment structure of A.P. Moller - Maersk, the product groups of the Logistics & Services segment have been updated. See table below for the product specifications.

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

Change to accounting estimates
The estimated useful life and residual values of containers have been revised. The net effect of the changes was an increase in EBIT of USD 108m in Q3 2021. The effect for 9M was USD 320m.

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.

Logistics & Services product specifications
The product families and the strategic rationale behind the changes made to the categories as of 2021 are described below.

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

Additional information

Quarterly summary

Amounts in USD million

	2021			2020			
Income statement	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	16,612	14,230	12,439	11,255	9,917	8,997	9,571
Profit before depreciation, amortisation and impairment losses etc. (EBITDA)	6,943	5,064	4,039	2,711	2,297	1,697	1,521
Depreciation, amortisation and impairment losses, net	1,206	1,087	1,025	1,222	1,097	1,149	1,073
Gain on sale of non-current assets etc., net	27	12	7	30	8	145	19
Share of profit/loss in joint ventures and associated companies	95	95	76	75	81	58	85
Profit/loss before financial items (EBIT)	5,859	4,084	3,097	1,594	1,289	751	552
Financial items, net	-185	-186	-230	-272	-160	-232	-215
Profit/loss before tax	5,674	3,898	2,867	1,322	1,129	519	337
Tax	213	152	150	21	182	76	128
Profit/loss for the period	5,461	3,746	2,717	1,301	947	443	209
A.P. Møller - Mærsk A/S' share	5,438	3,713	2,697	1,299	927	427	197
Underlying profit/loss[1]	5,448	3,732	2,712	1,361	1,043	359	197
Balance sheet							
Total assets	65,394	60,040	56,734	56,117	56,162	55,319	53,990
Total equity	39,771	35,282	31,905	30,854	29,547	28,569	27,945
Invested capital	42,876	41,481	39,829	40,121	40,404	40,186	39,977
Net interest-bearing debt	3,123	6,216	7,746	9,232	10,804	11,564	11,978
Cash flow statement							
Cash flow from operating activities	6,572	4,137	3,433	2,569	2,176	1,867	1,216
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	610	452	329	370	280	362	310
Cash flow from financing activities	-1,853	-2,143	-2,534	-2,400	-1,539	-59	-1,620
Free cash flow	5,298	3,230	2,372	1,666	1,486	1,051	445
Financial ratios							
Revenue growth	67.5%	58.2%	30.0%	16.4%	-1.4%	-6.5%	0.3%
EBITDA margin	41.8%	35.6%	32.5%	24.1%	23.2%	18.9%	15.9%
EBIT margin	35.3%	28.7%	24.9%	14.2%	13.0%	8.3%	5.8%
Cash conversion	95%	82%	85%	95%	95%	110%	80%
Return on invested capital after tax (ROIC) (last twelve months)	34.5%	23.7%	15.7%	9.4%	5.9%	4.7%	3.8%
Equity ratio	60.8%	58.8%	56.2%	55.0%	52.6%	51.6%	51.8%
Underlying ROIC[1]	34.5%	24.0%	15.9%	9.6%	6.2%	4.6%	3.8%
Underlying EBITDA[1]	6,943	5,064	4,039	2,705	2,401	1,697	1,521
Underlying EBITDA margin[1]	41.8%	35.6%	32.5%	24.0%	24.2%	18.9%	15.9%
Underlying EBIT[1]	5,842	4,070	3,092	1,663	1,386	642	540
Underlying EBIT margin[1]	35.2%	28.6%	24.9%	14.8%	14.0%	7.1%	5.6%
Stock market ratios							
Earnings per share – continuing operations, USD	287	194	139	66	48	21	10
Diluted earnings per share – continuing operations, USD	287	193	139	66	48	21	10
Cash flow from operating activities per share, USD	348	215	178	132	111	95	61
Share price (B share), end of period, DKK	17,385	18,025	14,735	13,595	10,080	7,728	6,092
Share price (B share), end of period, USD	2,707	2,883	2,324	2,246	1,585	1,161	894
Total market capitalisation, end of period, USD	49,637	54,076	43,243	41,957	29,583	21,827	17,002

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

Definition of terms

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

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

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

Cash conversion
Cash flow from operating activities to EBITDA ratio.

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

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

EBIT
Earnings Before Interest and Taxes.

EBITA
Earnings Before Interest, Tax and Amortisation.

EBITDA
Earnings Before Interest, Taxes, Depreciation and Amortisation.

Equity ratio
Calculated as equity divided by total assets.

FFE
Forty Foot container Equivalent unit.

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

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

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

Invested capital
Segment assets less liabilities.

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

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

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

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

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

RoRo
Roll-on, Roll-off, which describes how products are loaded and discharged from a vessel.

TEU
Twenty-foot container Equivalent Unit.

Time charter
Hire of a vessel for a specified period.

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

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

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

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

Colophon

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