

# Transforming Maersk Delivering Integrated Logistics

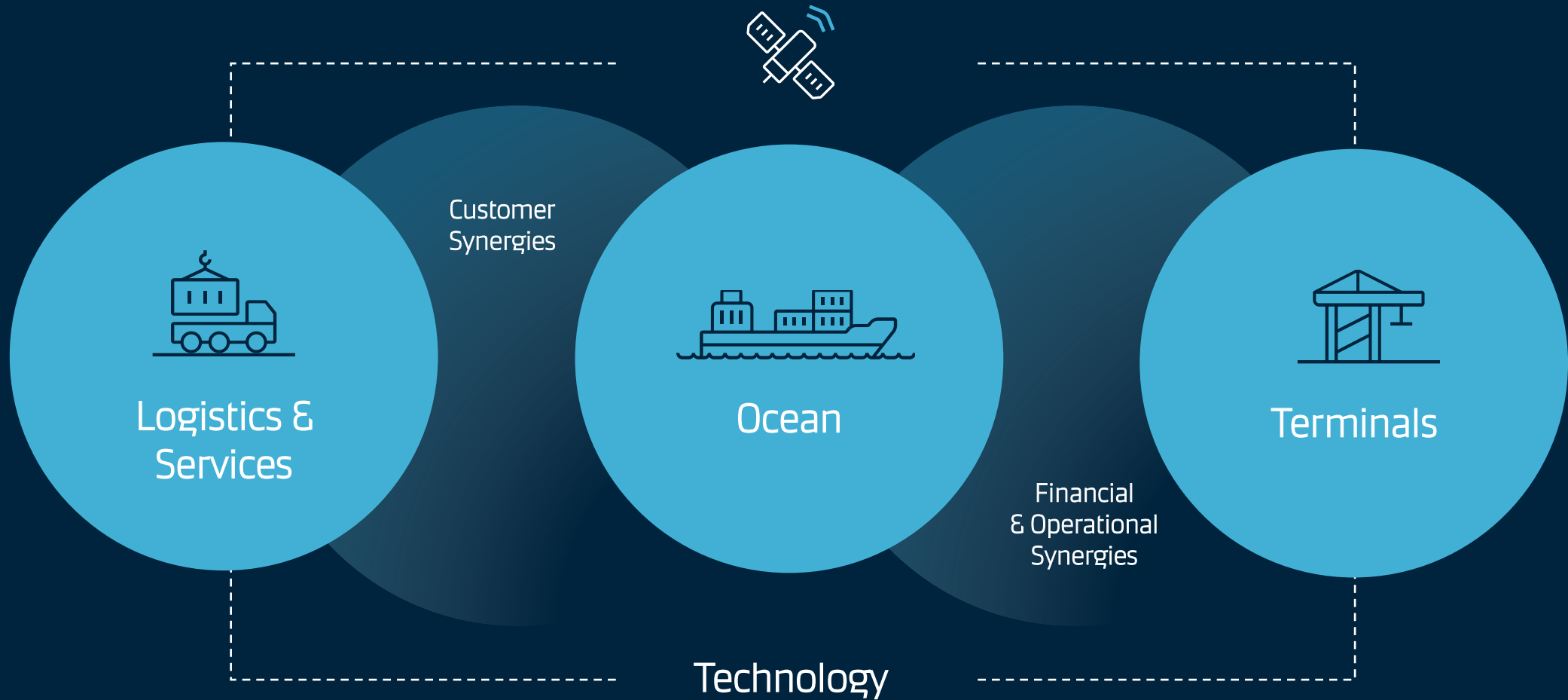
James Wroe – Head of Ocean Customer Logistics  
23<sup>rd</sup> September 2021



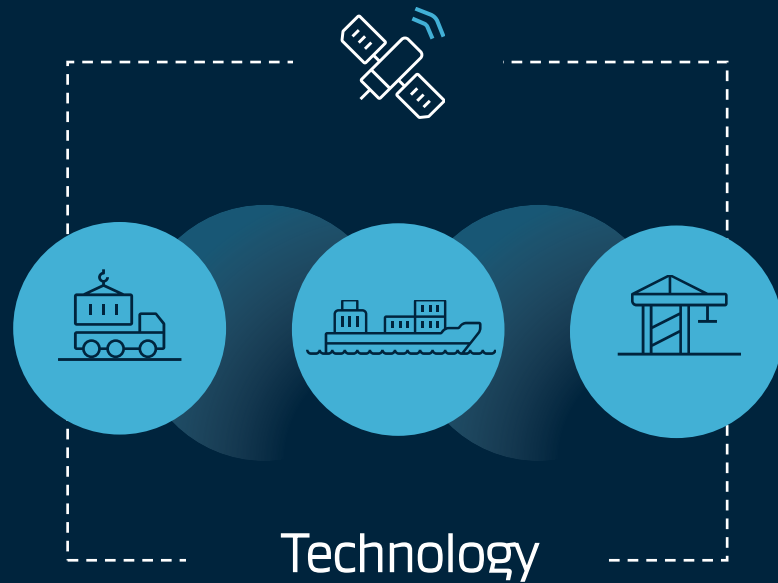
# We have gained solid execution momentum and are starting to deliver superior outcomes



# Bringing together three strong businesses with significant and tangible synergies



# Technology driving competitive advantage



Building in-house technology powerhouse

Working integrated with the business

Customer uptake of digital solutions accelerating

Across platforms, channels, and for our digital products

Using technology to drive internal efficiency

Automation of terminals, fuel efficiency, data products to support decision making



# Ocean has become a higher quality business, more resilient at higher earnings levels



## Reduced volatility

- Agile capacity management
- Improved view of demand
- Long term contracts

## CAPEX discipline

- Competitive scale achieved with Hamburg Süd acquisition
- Grow through efficiency and focus on replacement

## Differentiated products

- Differentiated offerings to meet our customers' diverse supply chain needs

# We have built a strong growth engine in Logistics & Services



## Improved product portfolio

Comprehensive product offering

New digital products

Truly integrated logistics for our customers

## Strengthened organisation

Attracted industry experts with Logistics and Service capabilities while fostering internal talent development

## Expanded partnerships

Growing collaboration with customers

Ocean customers buying more Logistics & Services products

## Growth momentum

Proof points of organic growth

Accelerated inorganic growth with three successful acquisitions

# We are on the way to deliver superior returns in Terminals



## Step-change in results

Improved ROIC, now ahead of peers  
Doubled EBITDA margin since 2017  
Realising synergies with Ocean

## Satisfied customers

NPS growing double-digit every year since 2017  
Expanding offering to create value for customers

## Best-in-class operator

New operating model: APMT Way of Working  
Automation roll-out in modular approach

## Selective growth

Focusing on organic growth and investments in existing locations  
Selected new investments with synergies with Ocean or best-operator

# The next step in building the Integrator



Continue the strengthening of Ocean and Terminals



Rapid growth in Logistics & Services – organic and inorganic



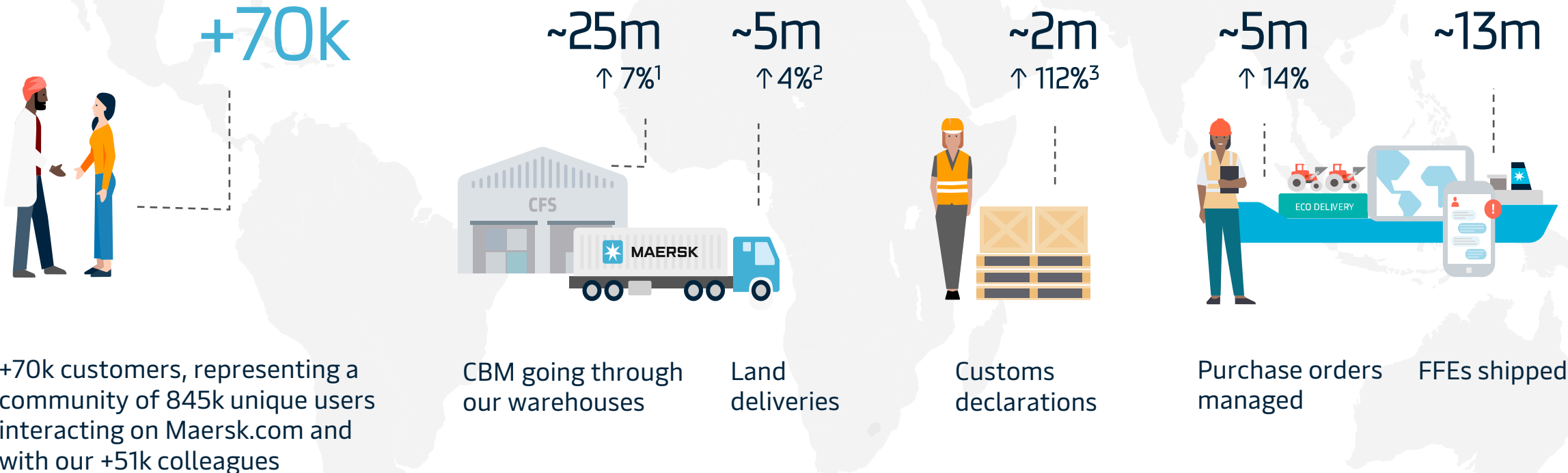
Focus the portfolio on the integrator



Decarbonise logistics



# Ocean and Logistics at a glance



+70k customers, representing a community of 845k unique users interacting on Maersk.com and with our +51k colleagues

CBM going through our warehouses

Land deliveries

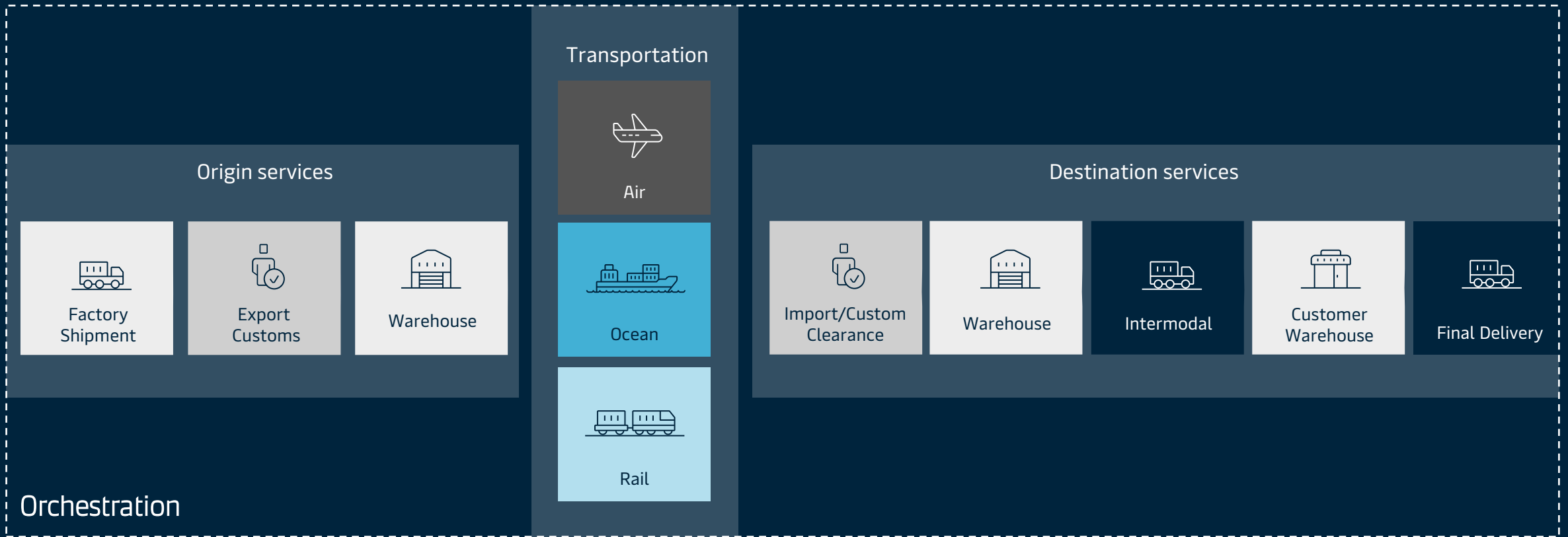
Customs declarations

Purchase orders managed

FFEs shipped

Note: Absolute figures based on FY 2020, growth figures based on H2-20 vs. H2-19; 1. Excl. acquisitions increased by 3%. 2. Carrier haulage % growth; 3. Excl. acquisitions increased by 24%





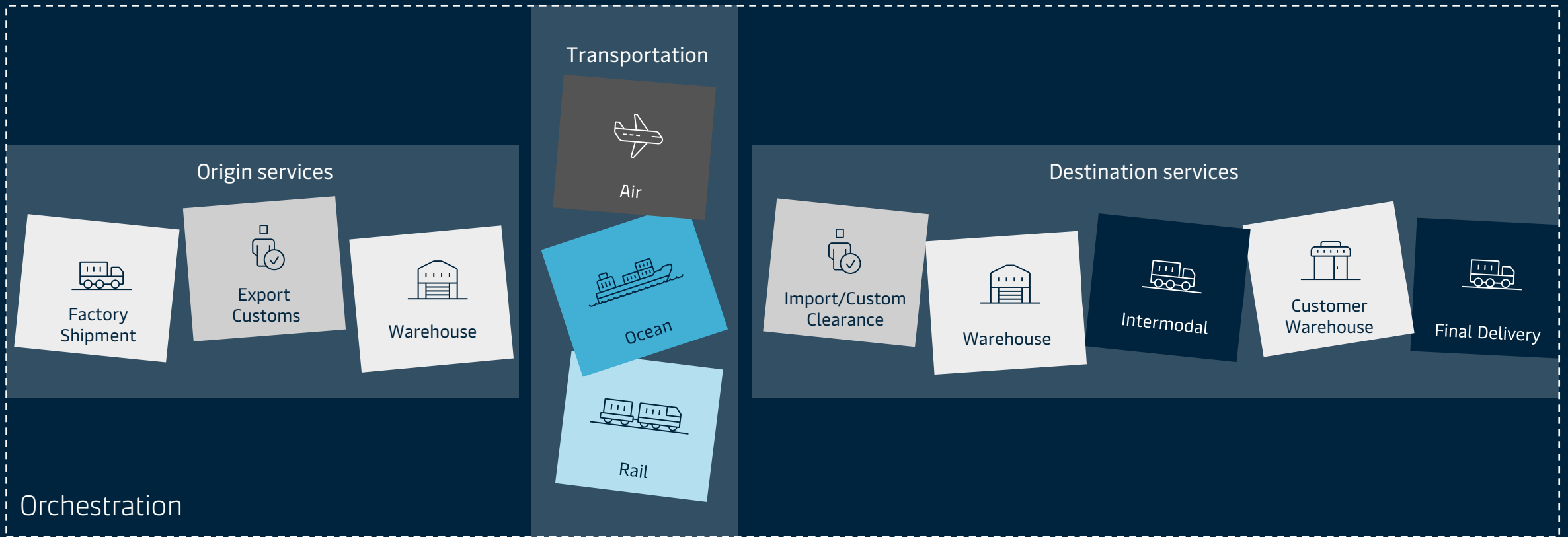
The traditional supply chain has been structured around cost optimisation of standard products or transactions

### Status

- Most efficient set up in a static environment
- Vulnerable to external shocks and disruptions

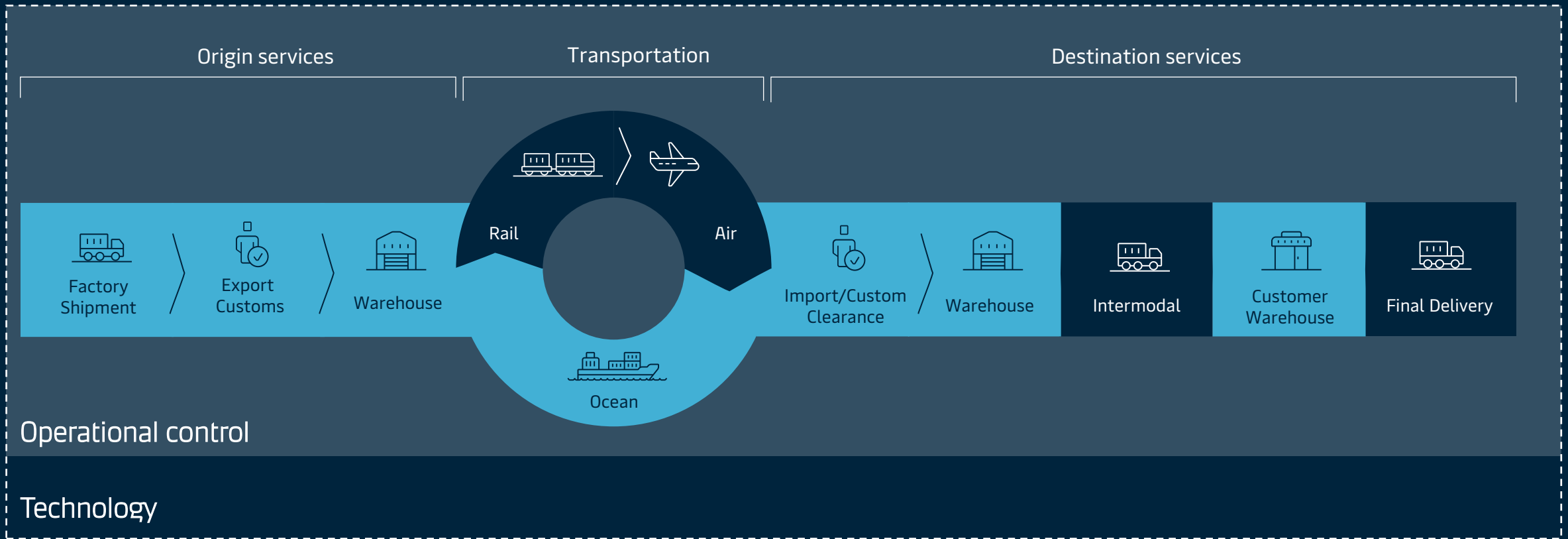
### Consequences

- Need large orchestration layer internally or through 3PL to manage the lack of flexibility and resilience
- Disruptions cause extra costs which is not possible to capture up front



“Most supply chains are **too static and traditional**, we need **more flexibility, less complexity** and fewer hand-overs between the **multitude of players**”

Mark R. Chadwick, Executive Sourcing Leader,  
General Electric and GSA President



Our winning aspiration is to create customer value by **integrating modules and leveraging network** to provide a resilient, flexible, and efficient supply chain end-to-end

### Status

- Today we are building operational capabilities to cover the whole chain
- Modular value propositions supported by technology which accommodates for customers' individual preferences
- Single point of accountability to deliver a final outcome through operational excellence

### Consequences

- Improved customer experience and reduced need for orchestration due to elimination of complexity
- Lower end-to-end actual costs over time

# We deliver integrated logistics through different levers

- 1 Changing our business model to create a more profitable and resilient Ocean, through differentiated value propositions
- 2 Strong modular products in Logistics & Services will enable us to build integrated solutions for customers
- 3 Investments in digital capabilities are new value levers for customers



## Technology is critical to deliver integrated logistics – momentum is building up

### Building in-house technology powerhouse

- 1 +2,500 technologists hired the last three years, 1,000 more over next year
- 2 Adopted best-in-class agile software development methodologies
- 3 Leveraging data as a differentiating asset to improve quality of our products

### Accelerating modernisation of legacy infrastructure

- 1 Adopted cloud-first, scalable and modular architecture
- 2 Driving greater agility and speed to market, while reducing the cost-to-serve

### Customers are validating our new digital strategy



Bookings via Twill increased from 8,919 FFE in 2019 to 116,822 FFE in 2020 – a growth of 13x



Number of unique customers with recurring usage of our mobile shipment application have increased from 2,389 end 2019 to 5,273 end 2020

Maersk Flow

More than 100,000 containers contracted year-to-date 2021

TRADELENS

Targeting over 10,000 Blockchain-Enabled electronic bills of lading in 2021; on track for 100,000 by 2024



# New digital products create additional customer value



**9,000,000**  
Truck visits per year



**100,000**  
Online visits a day



**15 Terminals**  
With monetised data services

## Advanced truck appointment system

- Allows our customers to optimize their daily planning by booking appointments online
- Digital foundation for gate automation to minimise truck turn times
- Basic Truck Appointment System already available in 26 terminals, advanced Truck Appointment System currently being developed in two pilot terminals

## Online self-service tools

- Enable our customers to use, book and buy services when and how they want
- Currently over 20,000 registered users on apmterminals.com and other platforms
- Track & Trace functionality has been used 4 million times in 2020

## Data products & services

- Customers can leverage real-time information to optimize their supply chain planning
- Aim to launch our industry-first data services via our API Store in 22 terminals in 2021
- By 2022, all financially controlled gateways will be onboarded

# Port Elizabeth

## New Jersey, USA

### Leading rail service

24 hours after discharge, the container is on the train headed towards the hinterland. This compares to 48-96 hours in most other facilities in the port

### Customer satisfaction has gone up

Net Promoter Score has moved from -12 (2020) to +5 (2021 YTD)

This is partly driven by a new truck appointment system and automated gates

### Reduced disruptions

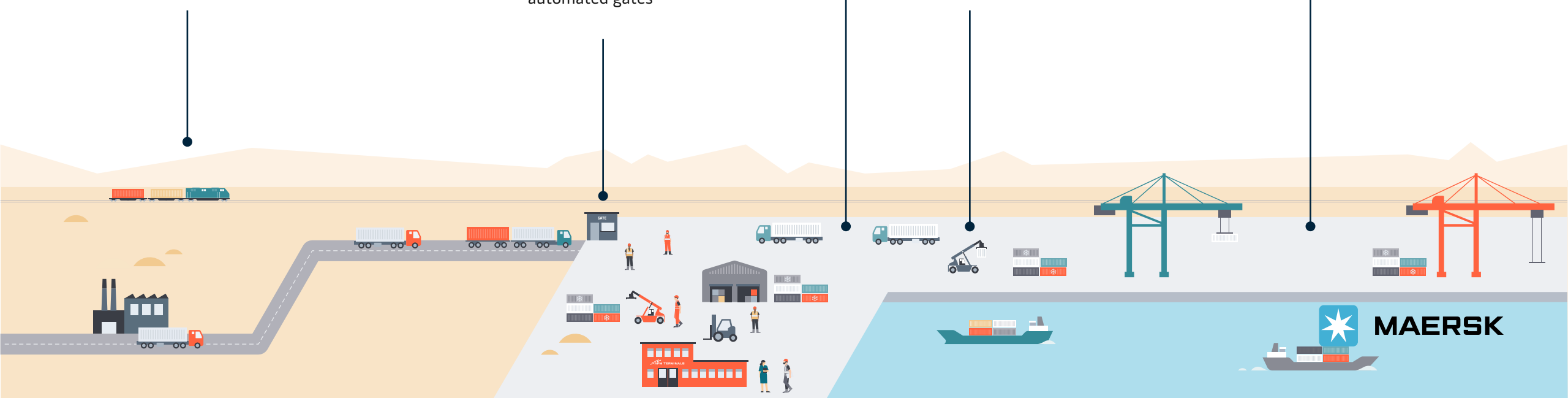
Despite one of the worst winters in recent years, the terminal experienced little disruption and was the first terminal in the complex to open for normal business

### Safety improved

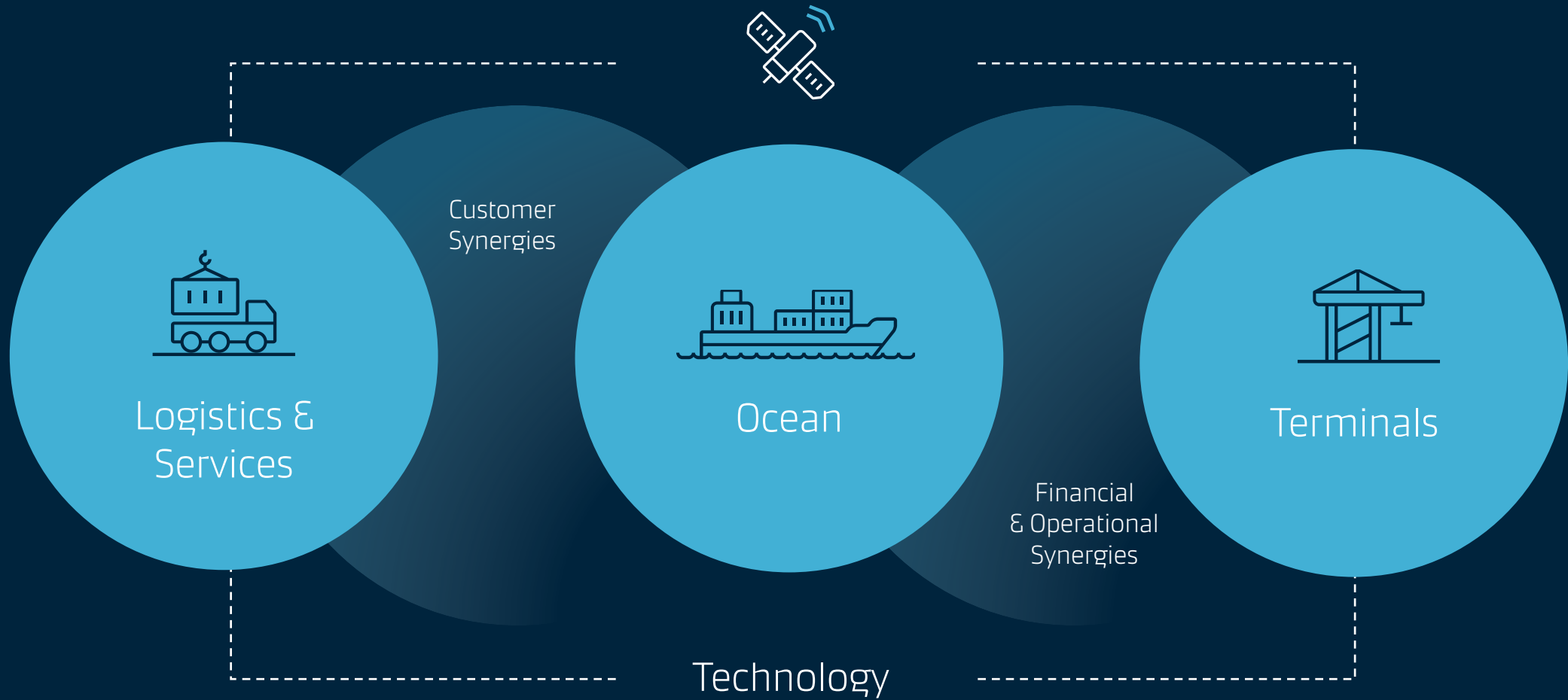
Following fatalities in recent years, the safety performance has improved and we have won two safety awards

### +20% capacity

Terminal can handle +20% more volume than two years ago



# A unique value proposition





**MAERSK**

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