

## **Maersk Supply Service reclassified from discontinued operations to continued operations**

March 29, 2019

### **ANNOUNCEMENT**

#### **A.P. Møller - Mærsk A/S – Maersk Supply Service reclassified from discontinued operations to continued operations**

Today, the Board of Directors has decided no longer to pursue a separation solution for Maersk Supply Service. Consequently, Maersk Supply Service will be reclassified from discontinued operations to continuing operations in A.P. Møller - Mærsk A/S (APMM).

As a result of the decision in 2016 to separate the oil and oil related businesses from APMM, Maersk Supply Service was classified as discontinued operation and held as asset for sale from Q4 2017.

Despite continuous efforts, no attractive separation solution has been identified for Maersk Supply Service, primarily due to the challenging market conditions with overcapacity within the offshore support vessel industry.

The strategic development of Maersk Supply Service to diversify the company's business into new markets will continue and the company will operate as a stand-alone entity and not as an integrated business in APMM.

Following the reclassification, Maersk Supply Service will be included in APMM's income statement, balance sheet and cash flow statement similarly to the other continuing businesses and historical numbers will be restated. Maersk Supply Service will be reported as part of the segment "Manufacturing & Others".

For the financial year 2018, Maersk Supply Service reported a revenue of USD 263m and an EBITDA of USD 3m with a negative free cash flow (FCF) of USD 316m due to the payment of four newbuildings. At the end of 2018, the Invested capital was USD 714m following a negative fair value adjustment of USD 400m recognized in Q3 2018. For 2019, the expectations are an EBITDA close to break-even level and a negative FCF of around USD 200m due to delivery of the remaining newbuildings ordered in 2014.

The reclassification of Maersk Supply Service will not affect the guidance for APMM for 2019 as announced on 21 February 2019.

Copenhagen, 29 March 2019

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#### **Attachment**

- [Announcement - MSS reclassification](#)