



A.P. MØLLER – MÆRSK A/S

NEW FINANCIAL REPORTING STRUCTURE

Date

May 2, 2018

Conference Call

10:00 am CET

Webcast

www.investor.maersk.com

Why are we changing the financial reporting structure

- ✓ No longer a conglomerate hence one bottom line
- ✓ A natural step in the journey towards becoming the global integrator of container logistics
- ✓ New segmentation supports the strategic direction towards an integrated container logistics business less dependent on freight rates, by growing the non-ocean part of the business disproportionately to the ocean business.
- ✓ Implementation from Q1 2018



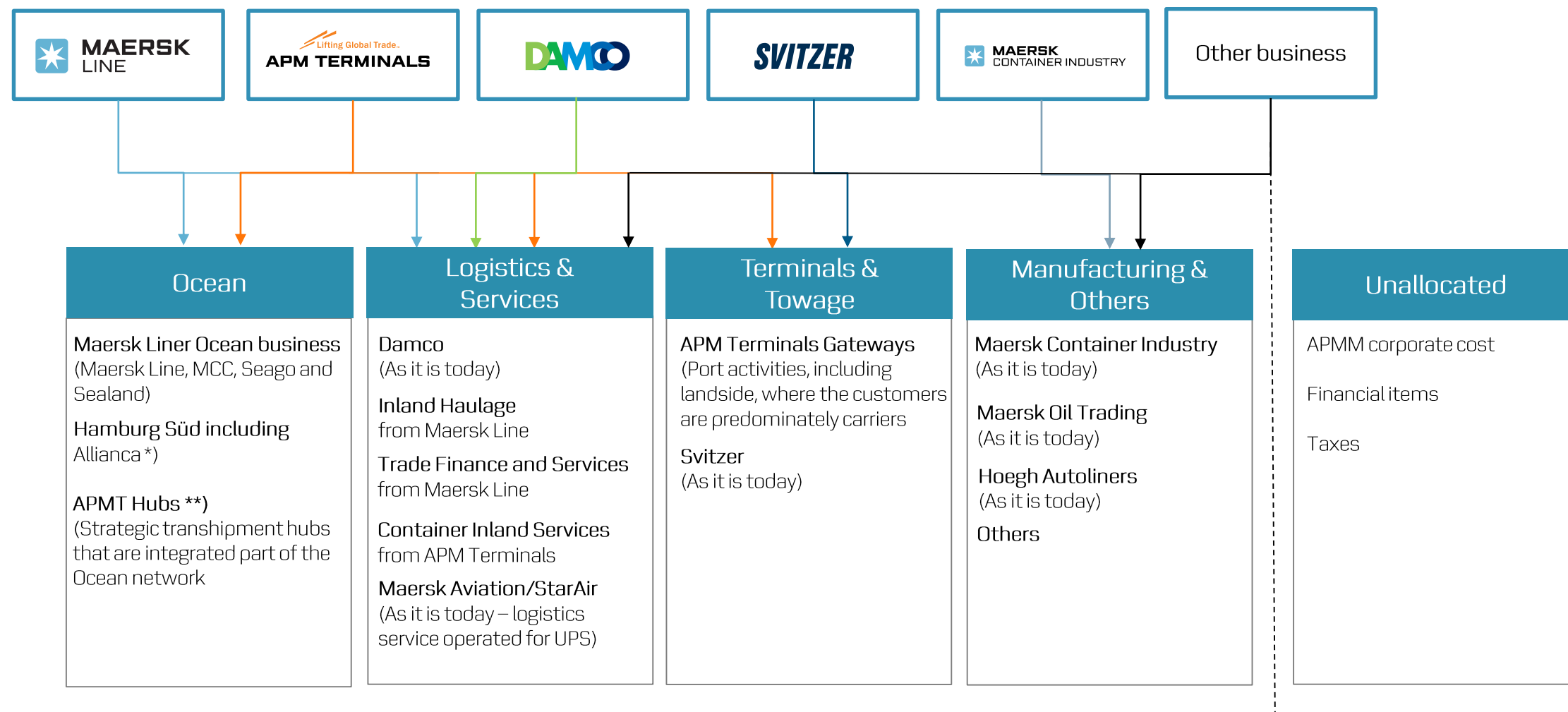
Global integrator of container logistics
– connecting and simplifying our
customers' supply chain

What are we changing in the financial reporting structure

- ✓ **Ocean segment**, consisting of the liner activities in Maersk Line and Hamburg Süd as well as 8 strategic transshipment hubs from APM Terminals
- ✓ **Logistics & Services segment**, consisting of our inland and logistics services across Damco, Maersk Line, APM Terminals and Others
- ✓ **Terminals & Towage segment**, consisting of APM Terminals gateway terminals, including landside services, and Svitzer's towage activities
- ✓ **Manufacturing & Others segment**, consisting of Maersk Container Industry and Other businesses
- ✓ **Net financial payments are moved from APMM's operating cash flow (CFFO) to cash flow from investments (dividends) and cash flow from financing (net interest payments) to better reflect the actual cash generation of the operating businesses including the ability to convert earnings into cash (cash conversion). Further, it is to accomplish upcoming introduction of IFRS 16 and current capital structure of APMM.**

The changes will not affect APMM guidance for 2018.

Illustration of the new segmentation in APMM



Note: *) Inland services are not yet separated out from Ocean

**) APMT Hubs: Rotterdam (Maasvlakte II), Tangiers 1+2 (under construction), Algeciras, Port Said and joint-ventures Salalah, Tanjung Pelepas and Bremerhaven

Financial and operational metrics to drive performance



Transformation indicators:

- Growth – higher revenue growth in non-ocean
- Synergies from T&L and Hamburg Süd
- Cash Conversion (CFFO to EBITDA)
- Gross capex



Key Financial metrics:

- Revenue
- EBITDA and underlying profit
- Cash flow from operating activities (CFFO)
- Net Interest bearing debt



Key operational metrics per segment:

Ocean:

- Loaded volumes
- Loaded freight rate
- Unit cost, Fixed bunker
- Hub productivity

Logistics & Services:

- Gross profit
- EBIT conversion (EBIT/Gross profit)

Terminals & Towage:

- Terminal volumes (Equity weighted)
- Terminal revenue per move (Equity weighted)
- Terminal unit cost (Equity weighted)

No effect on the consolidated financials for APMM

Old structure	USD m	APMM	Maersk Line	Damco	APM Terminals	Svitzer	Maersk Container Industry	Other, Unallocated and Eliminations
	Revenue	30,945	24,299	2,668	4,138	659	1,016	-1,835
	EBITDA	3,532	2,624	-4	705	197	87	-77

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Net changes, incl. eliminations	USD m		Inland, Trade Finance and Hub Terminals	Inland, Trade Finance and Container Inland Services	Hub Terminals, Container Inland Services and Svitzer	Svitzer elim.	Other Business	Other Business, Eliminations
	Revenue		-2,276	3,103	-658	-659	674	-186
	EBITDA		153	143	-65	-197	86	-120

New Segment structure	USD m	APMM	Ocean	Logistics & Services	Terminals & Towage	Manufacturing & Others	Unallocated and Eliminations
	Revenue	30,945	22,023	5,772	3,481	1,689	-2,020
	EBITDA	3,532	2,777	139	639	173	-196

Removal

Addition

Segment overview full-year 2017

USD m	Ocean	Logistics & Services	Terminals & Towage	Manufacturing, Others	Unallocated and eliminations	APMM
Revenue, External	21,663	5,570	2,841	843	13	30,930
Revenue, Internal	360	202	639	846	-2,033	15
Total Revenue	22,023	5,772	3,481	1,689	-2,021	30,945
Percentage of APMM revenue	71%	19%	11%	5%		
EBITDA	2,777	139	639	173		3,533
EBITDA-margin	13%	2%	18%	10%		11%

Ocean

Ocean consist of Maersk Line and Hamburg Süd as well as strategic transshipment hubs that are an integrated part of the Ocean network.

Other revenue is positively impacted from the transfer of the hub activities from APMT.

Freight revenue for 2017 is reduced due to the transfer of inland haulage and other services, reflected in a restated loaded freight rate of USD 1,788 per FFE (USD 2,005 FFE).

Likewise unit costs at fixed bunker price for 2017 are reduced by USD 223 per FFE to USD 1,752 per FFE (USD 1,975 per FFE), related to the inland services.

Restated financials for 2017	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017
Revenue (USD m)	4,950	5,541	5,543	5,989	22,023
EBITDA (USD m)	484	876	800	617	2,777
EBITDA margin (%)	10%	16%	14%	10%	13%
Gross capital expenditures (USD m)	-468	-752	-919	-692	-2,831
Loaded freight rates (USD/FFE)	1,713	1,863	1,829	1,750	1,788
Loaded volumes ('000 FFE)	2,600	2,700	2,631	3,008	10,939
Unit cost, fixed bunker (USD/FFE)	1,745	1,732	1,788	1,744	1,752
Port productivity (PMPH)	73	72	73	75	73
Other revenue, including hubs (USD m)	556	614	643	734	2,547

Logistics & Services

Logistics & Services includes all inland and logistics services across APMM, excluding inland services in Hamburg Süd, which have not yet been separated from Ocean

Revenue of USD 2,388m have been reclassified from Maersk Line related to Inland Haulage and other services, while USD 589m are related to Container inland services from APMT and USD 142m the logistic services in Maersk Aviation.

Volume and revenue data for Air-, Sea- and SCM are identical with the previously disclosed figures for Damco.

Restated financials for 2017	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017
Revenue (USD m)	1,378	1,396	1,471	1,527	5,772
Gross profit (USD m) *)	253	282	242	262	1,039
EBITDA (USD m)	32	46	28	33	139
EBITDA margin (%)	2%	3%	2%	2%	2%
EBIT conversion (EBIT/Gross Profit) - % *)	13.1	25.8	8.4	9.2	14.5
Gross capital expenditures (USD m)	-8	-11	-10	-25	-54

Note: Based on available data including split of cost items.

Terminals & Towage

Terminals & Towage consist of the gateway terminals, including landside services, and the towage activities in Svitzer.

Terminal volumes, revenue per move and cost per move are based on equity weighted numbers, including share in associated companies and joint ventures.

Restated financials for 2017	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017
Revenue (USD m)	824	819	890	948	3,481
EBITDA (USD m)	139	149	160	191	639
EBITDA margin (%)	17%	18%	18%	20%	18%
Gross capital expenditures (USD m)	-196	-156	-140	-212	-704
Terminal volumes, EqW (TEU m)	3.7	3.9	4.0	4.0	15.6
Terminal revenue per move, EqW (USD)	203	194	204	210	203
Terminal cost per move, EqW (USD)	164	161	166	169	167
Result from JV and Associated (USD m)	34	32	-185	41	-78

Manufacturing & Others

Manufacturing & Others consist of Maersk Container Industry and other businesses, including Hoegh Autoliner, Maersk Oil Trading and Others

Revenue of USD 674m and EBITDA of 86m for 2017 have been included from the previous segment "Other, Unallocated and Eliminations".

Restated financials for 2017	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017
Revenue (USD m)	401	446	382	460	1,689
EBITDA (USD m)	41	37	30	65	173
EBITDA margin (%)	10%	8%	8%	14%	10%
Gross capital expenditures (USD m)	-5	-	-11	-7	-23

Q&A

To ask a question please press 01

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