

Definition of terms

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

Alphaliner

Alphaliner is a worldwide provider of container shipping data and analysis.

Backhaul

The direction of the trade route that has 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.

Capitalised lease payments

Interest payments and repayments on all lease contracts capitalised under IFRS 16 (including financial lease contracts capitalised under IAS 17).

Cash conversion

Cash flow from operating activities to EBITDA ratio.

Cash flow from operating activities per share

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

Cash return on invested capital (CROIC), %

Cash return on invested capital is calculated as free cash flow excluding acquisitions/divestments (Cash flow from operating activities – gross CAPEX) divided by average invested capital for continuing operations.

Cost base

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

Demurrage and detention

Compensation payable when a customer holds Maersk's containers beyond the agreed amount of free time, including any storage costs that Maersk may have incurred in connection therewith as well as compensation by way of liquidated damages for not having the containers available for circulation.

Discontinued operations

Discontinued operations are a major line of business (disposal group) that is either held for sale or has been sold in previous periods. The disposal group is reported separately in a single line in the income statement and cash flow statement. Comparison figures are restated. In the balance sheet assets and liabilities are classified and disclosed separately on an aggregate level as assets held for sale and liabilities associated with assets held for sale. In the balance sheet comparison figures are not restated. Discontinued operations include Maersk Drilling up to demerger in April 2019, Maersk Oil up to closing in March 2018, and Maersk Tankers up to closing in October 2017.

EBITDA

Earnings Before Interest, Taxes, Depreciation and Amortisation.

Equity ratio

Calculated as equity divided by total assets.

Equity weighted EBITDA

EBITDA weighted on terminal ownership percentages of all entities (subsidiaries, joint ventures and associated companies).

FFE

Forty Foot container Equivalent unit.

Free cash flow

Cash flow from operating activities less cash flow from investing activities. Lease payments (Repayments of lease liabilities and financial expenses paid on lease liabilities) are not included in the free cash flow.

GDP multiplier

Is defined as global container growth divided by global GDP growth.

Gross profit

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

Headhaul

The direction of the trade route that has the highest volume, whereas the return direction is referred to as backhaul.

IMO 2020

The International Maritime Organization's (IMO) 0.5% global cap on sulphur dioxide (SO_x) content in fuels for shipping has entered into force on 1 January 2020.

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.

Logistics & Services gross profit growth, %

Logistics & Services gross profit is a sum of revenue, variable costs and loss on debtors for Damco and inland services. For Star Air, intermodal and trade finance, EBITDA figure is used.

Net interest-bearing debt (NIBD)

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

Non-Ocean revenue growth, %

Non-Ocean includes the current Logistics & Services, Terminals & Towage and Manufacturing & Others segments, but excludes Maersk Oil Trading and tramp activities acquired as part of the Hamburg Süd transaction.

Ocean, hub productivity (PMPH)

Productivity is calculated as the average of the gross moves per hour for each call. Gross moves per hour for a single vessel call is defined as the total container moves (on load, off load and repositioning) divided by the number of hours for which the vessel is at berth.

Ocean, loaded freight rate (USD per FFE)

Average freight rate per FFE for all the Maersk containers loaded in the period in either Maersk Line or Hamburg Süd excluding intermodal but including hubs and time charter vessels or third parties (excluding intermodal). Hamburg Süd is not excluding intermodal.

Ocean, unit cost, fixed bunker (USD per FFE incl. VSA income)

Cost per FFE assuming a bunker price at USD 200/tonne excluding intermodal but including hubs and time charter income. Hamburg Süd is not excluding intermodal.

Return on equity after tax

Calculated as the profit/loss for the year divided by the average equity.

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.

Revenue backlog

The value of future revenue covered by contracts.

Terminals & Towage, annualised EBITDA per tug (terminal towage) (USD in '000)

Annualised EBITDA per tug equivalent (pilot boats and others count for 0.5).

Terminals & Towage, number of operational tug jobs (harbour towage) ('000)

Tug jobs on which Svitzer performs the physical job, which include jobs where Svitzer has the commercial contract with the customer as well as jobs which Svitzer receives from the competitor through over-flow or other agreements.

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-year price quoted by Nasdaq Copenhagen.

Underlying profit/loss

Underlying profit/loss is profit/loss for the year from continuing operations adjusted for net gains/losses from sale of non-current assets, etc. and net impairment losses as well as transaction, restructuring and integration costs related to major transactions. The adjustments are net of tax and include A.P. Møller - 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.