A.P. Møller - Mærsk A/S – Adjustment of expectations for the 2018 result

August 7, 2018

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As highlighted in the A.P. Møller - Mærsk A/S' (APMM) financial report for Q1 2018 the expectation for the 2018 result was subject to increased uncertainties impacting container freight rates, bunker prices and rate of exchange due to geopolitical risks, trade tensions and other factors.

Based on the outlook for freight rates for the rest of the year and continued high bunker fuel prices, APMM adjusts its expectation for the 2018 result.

APMM's new expectation for earnings before interests, tax, depreciations and amortisations (EBITDA) is in the range of USD 3.5-4.2bn and a positive underlying profit. The previous expectation for EBITDA was in the range of USD 4.0-5.0bn and an underlying profit above 2017 (USD 356m). The remaining part of the guidance is unchanged.

Revenue was USD 9.5bn for APMM in Q2 2018 and EBITDA was USD 0.9bn and for the first half-year revenue was USD 18.8bn and EBITDA USD 1.6bn. EBITDA in Ocean was USD 0.7bn for Q2 2018 reflecting improved unit cost, which both in total and at fixed bunker was down by more than 5% compared to Q1 2018. However, profitability was negatively impacted by an average bunker price increase of 28% compared to the same period last year while average freight rates were 1.2% lower.

"We delivered good progress in Q2 on revenue, volumes and unit cost across our business, and results improved from a weak Q1. Spot freight rates have restored after a significant drop in Q2, and volumes are growing in line with market. However, we continue to encounter very high bunker prices, which we have not been able to get fully compensated for in freight rates, leading to an adjustment in our expectations for the full-year 2018." CEO Søren Skou.

Further details will be published in the Interim Report for Q2 2018 on 17 August 2018.

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Attachment

- Announcement - Adjustment of expectations 2018