

# 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.

## Backlog

The value of future contract coverage (revenue backlog).

## Bunker Adjustment Factor (BAF)

A surcharge applied to freight rates to compensate unexpected fuel oil price variations as an element in the contracts with the customers.

## CAPEX

Cash payments for intangible assets and property, plant and equipment, excluding acquisitions and divestments.

## Cash conversion

Cash flow from operations 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.

## Contract coverage

Percentage indicating the part of vessel/rig days that are contracted for a specific period.

## Cost base

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

## CROIC

Cash return on invested capital based on free cash flow excluding acquisitions/divestments divided by average invested capital for continuing operations.

## 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 Oil up to closing in March 2018, Maersk Tankers up to closing in October 2017 as well as Maersk Drilling and Maersk Supply Service.

## Dividend yield

Equal to the proposed dividend for the year divided by the share price.

## EBIT conversion ratio

Calculated as EBIT divided by the gross profit.

## EBITDA

Earnings Before Interest, Taxes, Depreciation and Amortisation.

## Equity ratio

Calculated as equity divided by total assets.

## FFE

Forty Foot container Equivalent unit.

## GDP multiplier

The relationship between GDP growth and trade growth, calculated as global container volume growth divided by global real GDP growth, at market prices.

## 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<sub>x</sub>) content in fuels for shipping will enter into force on 1 January 2020.

## Jack-up rig

A drilling rig resting on legs that can operate in waters of 25-150 metres.

## 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.

## 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.

## NOPAT

Net Operating Profit or loss After Tax.

## 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 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

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.

## 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.

## Terminals & Towage, terminal volumes – equity-weighted (moves in m)

Terminal volumes in moves weighted on terminal ownership percentages include all entities (subsidiaries and joint ventures and associates).

## 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.

## Total shareholder return

Equal to the price appreciation rate (price variance from the beginning to the end of the year) and the dividend yield.

## 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 associates and joint ventures.

## Uptime

A period when a unit is functioning and available for use.

## 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.