

# 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 analyses.

## 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.

## 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 less 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 A.P. Møller - Maersk's containers beyond the agreed amount of free time, including any storage costs that A.P. Møller - 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.

## 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).

## Fatalities

The headcount number of accidents leading to the death of the employee.

## 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.

## 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 has entered into force on 1 January 2020.

## Infrastructure and Logistics revenue

A sum of revenue for Terminals & Towage and Logistics & Services reporting segments less freight forwarding revenue and excluding eliminations between the segments.

## Invested capital

Segment assets less liabilities.

## kcbm

1,000 cubic meter is the freight volume of the shipment for domestic and international freight. Cubic meter (CBM) measurement is calculated by multiplying the width, height and length together of the shipment.

## Loaded volumes

Loaded volumes refer to the number of FFEs loaded on a shipment which is loaded on first load at vessel departure time excluding displaced FFEs.

## Lost-Time Injury frequency (LTIf)

Measures the number of lost-time injuries per million exposure hours. Lost-time injuries are the sum of fatalities, permanent total disability,

permanent partial disability and lost workday cases.

## Net interest-bearing debt (NIBD)

Equals interest-bearing debt, including lease liabilities, 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 vessels or third parties (excluding intermodal). Hamburg Süd is not including 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 including 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, including jobs where Svitzer has the commercial contract with the customer as well as jobs that 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

A 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.

## Women in leadership

The percentage of women referenced as Senior Managers, Leaders, Senior Leaders, and Executives, compared to total headcount of the same levels.

## 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.