

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.

Backlog

The value of future contract coverage (revenue backlog).

boepd

Barrels of oil equivalent per day.

Bunker

Type of oil used in ship engines.

CAGR

Compound annual growth rate.

Cash flow from operating activities per share

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

Contract coverage

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

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 in the balance sheet as assets held for sale and liabilities associated with assets held for sale. In the balance sheet comparison figures are not restated. Maersk Oil, Maersk Tankers, Maersk Drilling and Maersk Supply Service have been classified as discontinued operations and assets held for sale in 2017.

Dividend yield

The dividend yield is equal to the proposed dividends of the year divided by the shares' price.

Drewry

Drewry is a leading international provider of research and consulting services to the maritime and shipping industry.

Drillship

A vessel that has been fitted with drilling equipment, mainly used for deepwater drilling.

EBIT margin gap to peers

Peer group includes CMA CGM, APL, Hapag Lloyd, Hanjin, ZIM, Hyundai MM, K Line, OOCL, NYK, MOL, COSCO and CSCL. Peer average is TEU-weighted. EBIT margins are adjusted for gains/losses on sale of assets, restructuring charges, income/loss from associates and impairments. Maersk Line's EBIT margin is also adjusted for depreciation to match industry standards (25 years).

Economic utilisation

The number of contracted days in percentage of total days in the calendar year.

Energy division

From 2017, the Energy division consists of Maersk Oil, Maersk Drilling, Maersk Supply Service and Maersk Tankers, as well as other businesses (Maersk Training and FPSOs) and unallocated Energy headquarter costs.

Equity ratio

Is calculated as the equity divided by total assets.

FFE

Forty Foot Equivalent unit container.

Jack-up rig

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

Locked box transaction

The sale of a business where the equity price is locked based on a designated balance sheet date (locked box date) prior to signing. Earnings and cash flow from the locked box date until closing of the transaction is at the discretion of the buyer. As compensation, the seller receives a locked box interest from the locked box date until closing equivalent of the expected cash profits for the period. Consequently, the buyer assumes the economic outcome as from locked box date.

Net interest-bearing debt (NIBD)

Equals interest-bearing debt less cash and bank balances less other interest-bearing assets.

NOPAT

Net operating profit or loss after tax.

Product tanker

Vessel transporting refined oil products.

Return on equity

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

ROIC

Return on invested capital after tax.

TEU

Twenty Foot Equivalent Unit container.

Segments' return on invested capital after tax (ROIC)

Is net operating profit/loss after tax (NOPAT) divided by the quarterly average invested capital, net (segment assets less liabilities).

Time charter

Hire of a vessel for a specified period.

Total market capitalisation

Is the total number of shares – excluding A.P. Moller - Maersk's holding of own shares – multiplied by the end-of-year price quoted by NASDAQ OMX Copenhagen.

Total shareholder return

Total shareholder return is equal to the price appreciation rate (price variance from the beginning to the end of the year) and the dividend yield.

Transport & Logistics division

From 2017, the Transport & Logistics division consists of all A.P. Moller - Maersk activities except unallocated financial items and those activities allocated to the Energy division.

Triple-E

Triple-E stands for Economy of scale, Energy efficiency and Environmentally improved.

Underlying result 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 and integration costs related to acquisitions. The adjustments are net of tax and include A.P. Moller - Maersk's share of mentioned items in associates and joint ventures. Underlying segment result also excludes unallocated financial items.

Uptime

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