

# 2018/19 Annual Magazine



Connecting  
and simplifying  
supply chains

---

## **MAKING SUPPLY CHAINS TICK**

How a global network brings everyday technology to people everywhere  
Page 12

---

## **LEVERAGING TECHNOLOGY TO GROW**

The digital transformation gains momentum  
Page 14

---

## **TOWARDS A ZERO-CARBON FUTURE**

Calling on the industry to shape the sustainable future of transport and logistics  
Page 16

---



**MAERSK**





Every year, thousands of Africans go to China to shop. Their purchases add up and it takes containers to bring those goods back home. After spending his formative years in East Africa, David Li (above left) found a way to make a business out of facilitating this trade.

## Welcome to the Annual Magazine 2018/19

This magazine outlines the strategic development in A.P. Moller - Maersk, working towards our vision of becoming the global integrator of container logistics – connecting and simplifying our customers' supply chains.

It covers how we are serving our customers and it features the people, skills and hardware that keep global trade moving. The financial pages take a look at our 2018 performance.

The Annual Magazine is published in connection with the A.P. Moller - Maersk Annual General Meeting.

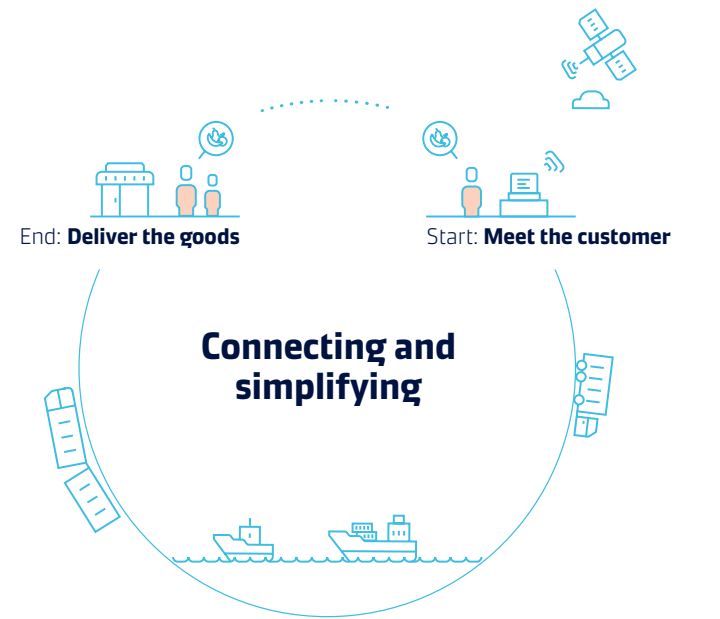
Learn more at [maersk.com/yearinreview](https://maersk.com/yearinreview).




Contents

OUR STRATEGY	
04-07	
Message from the Chairman	4
Message from the CEO	6

OUR BUSINESS	
8-11, 25	



Business model	8
Stay up to date	25

OUR STORIES	
12-21	
	
Making supply chains tick like clockwork	12

14	
	
Leveraging technology to grow	14
Towards a zero-carbon future	16

18	
	
The right calls at the right times	18
The foundation for a transformation	20
OUR PERFORMANCE	
11, 22-24	
	
Results at a glance	11
Performance 2018	22

**COVER**

Leda Maersk took a rare detour through the iconic Sydney Harbour as Maersk marked the 25-year anniversary of its Australian operations in September 2018.

**ONLINE**

 Read the stories online at [maersk.com/yearinreview](https://maersk.com/yearinreview)

**PHOTOGRAPHS**

Josh Brookes-Allen: cover, p16  
Malcolm Green: welcome spread  
Ture Andersen: p5, 6  
Tom Lindboe: p10, 23  
Chris Steele-Perkins: p12  
Colin Rinaker: p13  
Twill: p14  
Dzifa Manteau: p18, 19  
Maersk Drilling: p. 20  
Maersk Supply Service: p. 21  
Jesper Schwartz: p22  
Muhamad Imran Muhamad Marzuk: p23

<b>Chief Editor</b> Mette Refshauge	<b>Financial Editor</b> Finn Glismand	<b>Print</b> This publication has been printed by Rosendahls, an environmentally certified printing agency, on Arctic Matt.
<b>Editor</b> Juliane Lenzner	<b>Writers</b> Taylor Johnson Clarissa David	Printed in Denmark 2019
<b>Contributing Editor</b> Jesper Toft Madsen	<b>Graphic Designers</b> Brigitte Suba Mechel Marcelo	
<b>Creative Editor</b> Erickson Enriquez		





# Bringing opportunity and growth to every corner of the world

## MESSAGE FROM THE CHAIRMAN

Jim Hagemann Snabe

For A.P. Moller - Maersk, 2018 was a year of building the foundation for our future business, and we have made significant progress on the transformation of A.P. Moller - Maersk.

The transformation of A.P. Moller - Maersk was initiated in 2016, based on our strategy to focus A.P. Moller - Maersk on becoming the global integrator of container transportation and logistics to enable global trade in an efficient, simple and sustainable way.

Since the announcement of the new strategy, we have worked hard to change the company from being a diversified conglomerate with individual business units in different industries to become an integrated and focused company leading the transformation of the transportation industry.

### Laying the foundation for growth and development

In 2018, we completed the process of finding new structural solutions for the majority of the

energy-related businesses, which will enable them to continue to develop and grow under new ownership structures.

The sale of Maersk Oil to oil major Total S.A. was completed in March. The new owner is financially strong and has a long-term interest in the industry. Total S.A. has made Denmark a hub for Total S.A.'s North Sea activities, ensuring the best possible foundation for the continued development of the people, capabilities and assets of Maersk Oil and, not least, the Danish North Sea shelf.

In August 2018, we decided to pursue a demerger of A.P. Moller - Maersk via a separate listing of Maersk Drilling on Nasdaq Copenhagen in 2019, which will offer our shareholders the opportunity to participate in the continued development of Maersk Drilling.

Maersk Drilling owns and operates a fleet of 23 mobile offshore drilling rigs specialising in harsh environment and deepwater operations and is recognised for its safe, efficient, and reliable drilling services to some of the leading and most innovative oil and gas companies around the world. With superior financial uptime compared to peers, reflecting the company's focus on consistency, safety and reliability, Maersk Drilling is positioned as the contractor of choice among E&P operators. Maersk Drilling's management has done a remarkable job in preparing the company to operate as a standalone company and is organisationally and financially well-prepared for a listing.

Maersk Supply Service progressed on its divestment programme and strategy to diversify its business into new markets in 2018, and the pursuit of the long-term solution will continue. However, the timing for defining a solution remains difficult to predict due to the continued challenges in its core market.

The core of A.P. Moller - Maersk's transformation is enhanced customer service and added value for our investors. Furthermore, it is important that A.P. Moller - Maersk maintains a strong financial position with a solid capital structure to be able to pursue the necessary investments through this process.

During 2018 the net interest-bearing debt has been reduced by around USD 6bn to USD 8.7bn, through free cash flow generation from the operations, and cash proceeds related to both the separation of Maersk Oil and Maersk Drilling.

### Contributing to growth and prosperity worldwide

In parallel to our efforts to complete the separation of our energy-related businesses, we have progressed on strengthening the fundamentals of our transport and logistics

business towards profitable growth. In 2018, we successfully completed the integration of Hamburg Süd and delivered significant revenue growth and market share expansion further strengthening our number one position within ocean container transportation.

Digitalisation is a key enabler of transforming both A.P. Moller - Maersk and the industry. Innovative digital solutions delivered by A.P. Moller - Maersk in 2018 are removing the complexity and increasing the visibility and bringing much needed simplicity to supply chains and documents. As the world's largest transportation and logistics network, A.P. Moller - Maersk is well placed to lead the digital transformation of the industry.

### Safety and sustainable development

In 2018, seven people regrettably lost their lives while engaged in operational activities, and my deepest condolences go to the families of the victims. Accidents are never intentional but occur as the result of many coinciding factors. The Board and the management team have decided to focus on safety and build organisational capacity and operational controls that will act as barriers to accidents that could otherwise have escalated to cause life-changing or fatal outcomes.

Carrying around 80% of global trade, the shipping industry is vital in finding solutions to one of the world's most pressing challenges; climate change. As an industry leader, we have a responsibility to contribute to the reduction of CO<sub>2</sub> emissions. Since 2008, we have achieved a 41% reduction of our emissions relative to cargo moved. In December 2018, we set a goal of reaching carbon neutrality in our Ocean segment by 2050.

The Board of Directors is proud to see the ambition level and the commitment from management to contribute to sustainable development – in particular to help decarbonise logistics, contribute to halving food loss, help multiply the benefits of trade and lead the change in the ship recycling industry.

### Rewarding for performance

We believe in rewarding all employees, including executives, for delivering exceptional performance, building shareholder value and working towards the company vision of becoming the global integrator of container logistics.

Our executive remuneration policy is designed to attract, retain and motivate a highly effective and engaged executive team to support the achievement of our vision.

In 2018, we have updated our cash-based, short-term incentive scheme and our share-based long-term incentive scheme to better



“

A.P. Moller - Maersk is the *enabler of global trade*, as the world's largest and most reliable transportation network, connecting suppliers and customers globally.

”

align the interests of executives with those of shareholders. The schemes are based on the following criteria: collaboration, agility, customer and people orientation, and rewarding individual performance, as well as to which extent the organisation meets the financial and strategic objectives that drive the growth and future of the business.

### Accelerating the transformation

Based on the foundation laid in 2018, we will accelerate the transformation in 2019. We are confident that the company has the right strategy and is building the capabilities to successfully transform the company and improve our profitability in the years to come.

In many ways, A.P. Moller - Maersk is the enabler of global trade, as the world's largest and most reliable transportation network, connecting suppliers and customers globally. Based on our strategy, we are leading the transformation of the industry, using digitalisation to make global supply chains more simple, transparent and efficient, thus making the access to global trade more accessible and less costly. A significant transformation which will not only impact our business, but also the world.

On behalf of the Board of Directors, I would like to extend our sincere gratitude to our leadership team and all our employees around the globe for their continued passion, efforts and dedication to transform our company. This loyalty and focus have built our unique position and is the foundation for our future. ■



# Accelerating our transformation

## MESSAGE FROM THE CEO

Søren Skou

The objective of the transformation of A.P. Møller - Maersk is to set the company on a new, profitable growth trajectory. In the past two and a half years, we have come far in regaining our growth ambition, but we still need to improve profitability from the level seen in 2018.

We have transformed from being a conglomerate, with a corporate layer overseeing independent, stand-alone business units that had their own bottom lines, to one company, with one bottom line and with customers at the centre of our attention. With the listing of Maersk Drilling, scheduled for 4 April 2019, we will have almost completed the separation of our energy-related businesses, totalling more than USD 12bn worth of separation transactions.

We have acquired and integrated Hamburg Süd, contributing towards industry consolidation and positively impacting our results. We have made progress on the digital transformation of our business, digitising customer transactions, improving how we operate the business and our assets, and enabling new business opportunities.

We are transforming Maersk at a time, where our Ocean business has been challenged by weakening market fundamentals resulting in unsatisfactory financial results. We did not reach the earnings expectations we had at the beginning of the year, primarily due to the increase in bunker fuel prices having a negative impact during the first half of the year. Despite this, we have improved earnings and turned Maersk into a growth company again. Since 2016, we have added USD 12bn in revenue to the continuing businesses, a 43% increase, and have seen growth across all segments. In 2018 revenue grew 26% compared to the year before, and our net interest-bearing debt was significantly reduced.



“

2019 will be the year of *accelerating* our transformation to set us up for long-term, profitable growth that will benefit all our customers and create shareholder value.

”

### United for growth

In 2018, the most profound step in our integration towards becoming one company was to simplify how our customers do business with us, by forming a new global frontline, which came into effect on 1 January 2019. We now have one sales team, one customer service team and one delivery organisation, covering our Ocean and Logistics & Services segments. By going to market in this way, we are taking steps to grow our non-Ocean activities and to better balance our business model.

We also took steps to integrate our support functions, such as IT/Technology, Finance, HR, Legal, Sustainability, Security and Corporate Communications, into global teams. By forming one team, as opposed to a separate team supporting each segment, these functions can provide more comprehensive services, while reducing costs.

In the first quarter of 2018, we changed our reporting structure to reflect that we are one company with one bottom line.

During 2017 and 2018, we realised more than USD 300m in savings by harvesting synergies across business segments mainly driven by closer collaboration between our Ocean segment and gateway terminals, further optimisation of our terminals and improved planning and utilisation of manufacturing capacity.

In December 2017, our acquisition of Hamburg Süd was approved, and during 2018 we consolidated both network and the operational organisations to deliver synergies, while maintaining two separate brands with two distinct value propositions for our customers. Aside from the benefits to the network, the acquisition has also enabled further utilisation of the terminals and benefits from joint procurement. Since the acquisition, we have realised USD 420m in synergies from Hamburg Süd and the expectation of synergies was therefore revised to a minimum of USD 500m by the end of 2019, from the previous USD 350-400m.

### Improving customer experience online and offline

Maersk's technological landscape is also transforming to help improve the customer experience and make our operations more efficient.

For ocean transport, the transactions have been digitised, enabling customers to do everything online; getting a price quote, booking and documentation. For many years, we have had the ambition to make it as simple to book a container as it is to book an airline ticket.

By enabling our customers to self-serve on multiple platforms, with 24/7 availability, we are well on our way to achieving this goal, and today,

maersk.com is one of the largest business-to-business transaction sites in the world with more than 35,000 daily users and close to 20,000 bookings a day. We continuously focus on developing an even deeper understanding of our customers' online journey, so that we can add new functionalities and products to the site.

In 2018, we improved the schedule reliability of our network putting Maersk and Hamburg Süd back in the top quartile of the industry, and the work to deliver better customer service leaves us with an all-time high customer satisfaction score in our Ocean segment. We have a continuous focus on improving the reliability of our network.

### Strengthening the foundations in our terminals and manufacturing locations

The actions we have taken to strengthen our fundamentals in our terminals and manufacturing locations are also showing results.

Our gateway terminals delivered solid volume growth of 11%, which is almost three times faster than the market growth. While the majority of that growth was from closer collaboration with the Ocean segment, including Hamburg Süd, we also grew above the market with external customers. Hub productivity was up by 9.7% compared to 2017, which means that hub productivity has now overall risen by 23% since the launch of the strategy in 2016.

In 2018, Maersk Container Industry reshaped its factory footprint by exiting the dry container business and closing two of three factories. By doing this, the business will build on its core strength of refrigerated equipment and focus on meeting the expectations of customers with increasingly complex needs around temperature controlled transportation.

### New safety approach

The well-being of our employees is a top priority for me personally and for our company. Seven people lost their lives while working for A.P. Møller - Maersk in 2018. These losses sadden me deeply. No one should go to work for A.P. Møller - Maersk and not come home. The loss of seven lives in 2018 only reinforces our resolve to strengthen our safety approach, so fatalities can be avoided.

To ensure that we get closer to our aim of zero fatalities, we are implementing a different approach to safety, and a new corporate safety organisation. Our new safety approach will address three critical priorities, including leadership accountability, creating capacity for safe operations, and one safety culture. We are building on the solid measures we already have in place and involving the teams that are most at risk, to identify and ensure the right preventive actions are in place, thereby mitigating even more accidents.

### 2019 focus: Accelerating our journey

With Maersk as one of the driving forces, the industry has done an excellent job over the past 30 years in reducing costs and barriers of global trade. We are truly enabling exporters to sell their products globally, and we are making it possible for importers to source parts or goods from the most competitive suppliers, no matter where they are in the world.

However, bringing cargo from one part of the world to another is still seen by our customers as a complex and unreliable process. We aim to deliver better reliability, more visibility and simplicity with our strategy: to become the global integrator of container logistics – connecting and simplifying our customers' supply chains. We will continue to leverage technology in the parts of the business that bring most value to the customer, and digital innovation remains key to offer customers a simple end-to-end solution.

I want to express my sincere gratitude for the incredible focus and hard work that all 80,000 colleagues at Maersk are putting into this challenging transformation.

For 2019, the listing of Maersk Drilling on Nasdaq Copenhagen will be high on the agenda, and I am confident that we will also find the right solution for Maersk Supply Service. At this stage, a warm thank you to all our colleagues in the energy businesses who have worked relentlessly under challenging circumstances and uncertainty on future perspective.

In 2019, we will continue to focus on improving results across the company while at the same time growing our Logistics & Services segment by expanding the product portfolio. We will continue our efforts to improve the customer experience across our products and pursue the technological transformation, while building on steps already taken to be one company with one culture. We will continue forging ahead, despite uncertainties in the current global, macroeconomic outlook.

2018 was a year of execution to build the foundation for the new A.P. Møller - Maersk. 2019 will be the year of accelerating our transformation to set us up for long-term, profitable growth that will benefit all our customers and create shareholder value. ■

Søren Skou



# Connecting and simplifying customers' supply chains

A.P. Moller - Maersk's vision is to become the global integrator of container logistics – connecting and simplifying our customers' supply chains.

A.P. Moller - Maersk enables customers to trade and grow by transporting goods anywhere.

We work to provide our customers with a simple end-to-end offering of products and services, seamless customer engagement and a superior delivery network, taking the complexity out of global supply chains.

## OUR SERVICES

The company operates in container shipping, ports and terminals, supply chain management and other businesses within four main segments.



### OCEAN

Includes the ocean activities of Maersk Liner Business together with Hamburg Süd, as well as strategic transshipment hubs under the APM Terminals brand.



### LOGISTICS & SERVICES

Comprises five main activities: logistics and supply chain management, container inland services, inland haulage activities (intermodal), trade finance services and freight forwarding.



### TERMINALS & TOWAGE

Includes gateway terminals involving landside activities and towage services under the Svitzer brand.



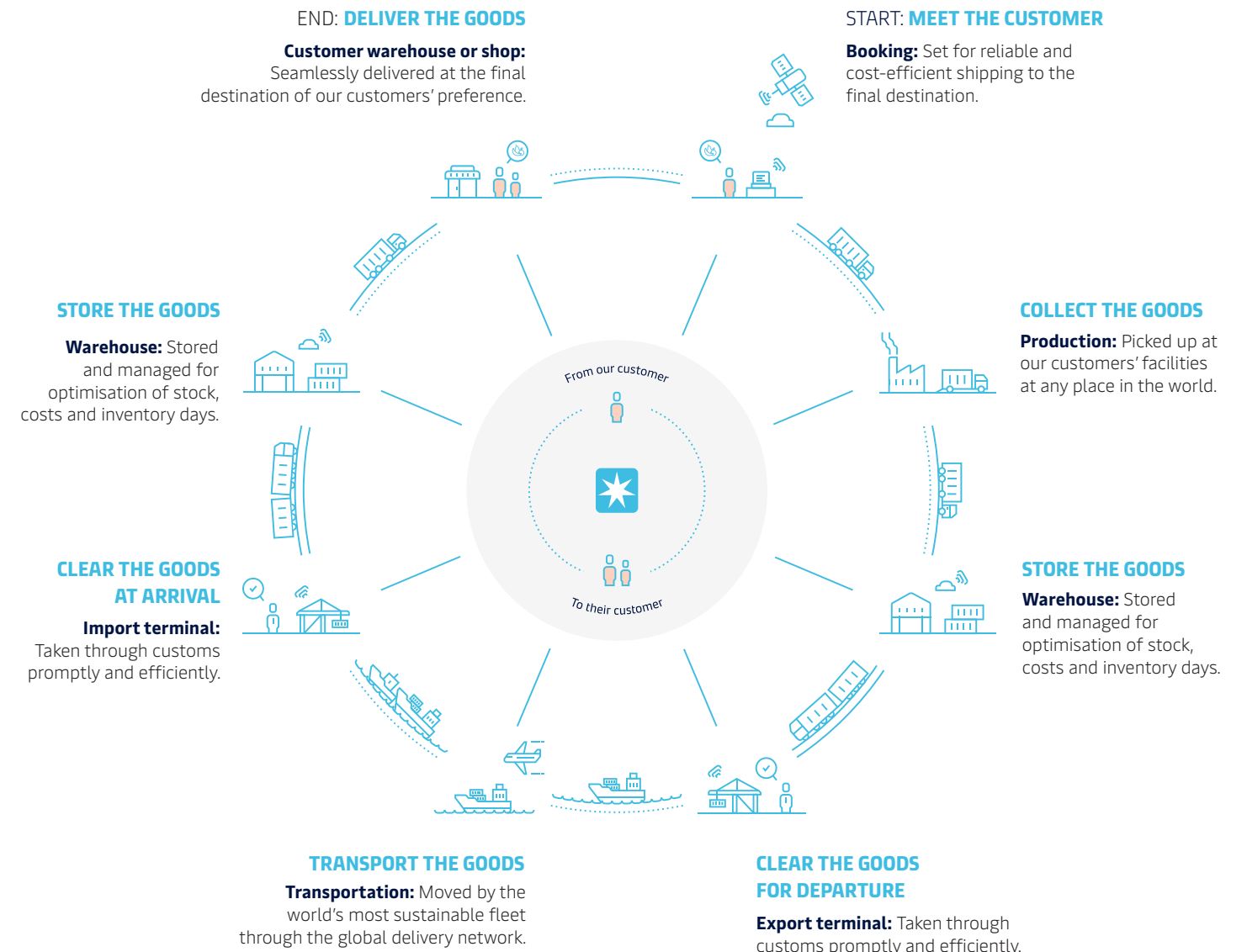
### MANUFACTURING & OTHERS

Maersk Container Industry's activities within reefer containers, following the decision in January 2019 to exit the dry container business, and other businesses.

## ENERGY

After Maersk Tankers was acquired by A.P. Moller Holding in 2017 and Maersk Oil was acquired by Total S.A. in 2018, A.P. Moller - Maersk has decided to pursue a separate listing of Maersk Drilling on 4 April 2019. A structural solution for Maersk Supply Service is pending.

## OUR BUSINESS







**SAFETY**  
The safety of our people has been a fundamental value for the more than 100 years we have been in business.  
In 2018, we have taken significant steps to strengthen our approach to safety. While the last decade brought improvements in safety performance, we have reached a plateau at which we have not been able to eliminate the high-potential accidents, including the number of fatalities occurring as part of our operations.

In 2018, we experienced seven fatalities, which is highly unsatisfactory.  
Going forward, we will increase our focus on building the organisational capacity and operational controls that will act as barriers to accidents being escalated to lifechanging or fatal outcomes. We will reboot our safety efforts to ensure safety is embedded in all aspects of the organisation by involving every part of the business, every employee and all business processes.

**SUSTAINABILITY**  
We are committed to ensuring that our business practices are safe, responsible and transparent, in accordance with our Core Values and the principles of the UN Global Compact on human rights, labour rights, environment and anticorruption. That means working systematically to reduce negative and enhance positive impacts on people, society and the environment. We aspire to be part of the solution to global challenges through creating value for society and for Maersk by leveraging our business to address global sustainable development goals through innovation, investment and collaboration.  
For more details on safety and sustainability, please refer to the Sustainability Report.

**DEDICATED EMPLOYEES**  
We are diverse in our business, the countries in which we operate, and in the many people we employ. It is a great strength and combined with our global scope, means we can offer many great career paths, both for generalists and for specialists in a wide array of fields.  
Our employees are talented and dedicated to helping our customers optimise supply chains and realise their business ambitions. It is our responsibility to make sure that people with the right combination of experience, energy and ambition are given the opportunity to advance and develop throughout their careers.

OUR VALUES

We have a distinctive set of Core Values which drive the way we do business. These five corporate values were ingrained into our operations by our founders and have remained guiding principles, governing the development of the company for over a century.



**CONSTANT CARE**  
Take care of today, actively prepare for tomorrow



**HUMBLENESS**  
Listen, learn, share and give space to others



**UPRIGHTNESS**  
Our word is our bond



**OUR EMPLOYEES**  
The right environment for the right people

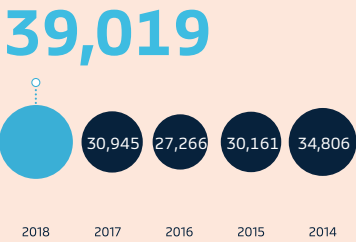


**OUR NAME**  
The sum of our Values: passionately striving higher

Results at a glance

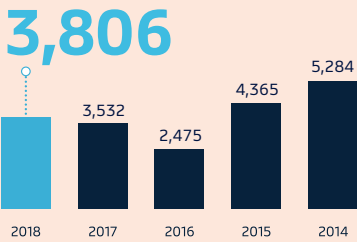
The key financial results for the four business segments implemented in 2018 and representing continuing operations are presented below.

Revenue (USD million)



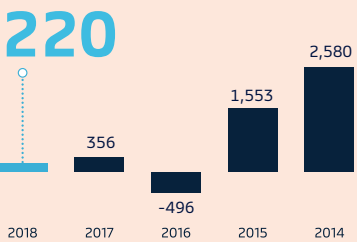
Revenue increased by USD 8.1bn with a 29% increase in Ocean, mainly due to the inclusion of Hamburg Süd. The other segments reported higher volumes and higher activity with revenue increasing by 8.4% in Terminals & Towage, 5.4% in Logistics & Services and 51% in Manufacturing & Others.

EBITDA (USD million)



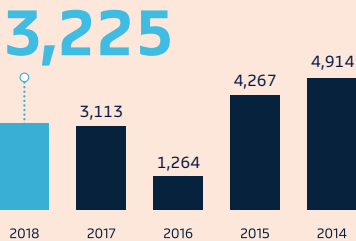
EBITDA did not grow in line with the increase in revenue of USD 8.1bn. In Ocean, the inclusion of Hamburg Süd positively impacted EBITDA, partly offset by a 32% increase in the average bunker price, not fully recovered in the freight rates, resulting in a modest increase of USD 230m. Terminals & Towage reported an EBITDA increase of USD 139m, while Logistics & Services and Manufacturing & Others reported a decrease of USD 41m and USD 114m, respectively.

Underlying profit/loss (USD million)



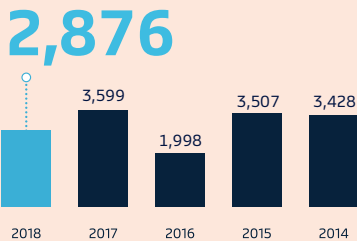
Underlying profit for continuing operations after financial items and tax was USD 220m (USD 356m), which is in line with the latest guidance for 2018 of a positive underlying result. The result for the continuing operations was a loss of USD 148m (loss of USD 194m).

Cash flow from operating activities (USD million)



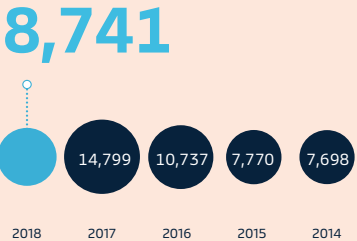
Cash flow from operating activities was USD 3.2bn, equal to a cash conversion of 85% (88%) driven by an increase in EBITDA of USD 274m and partly offset by higher tax paid. The abolition of the export VAT scheme in Denmark had a negative one-off effect of USD 200m. Adjusted for the one-off effect, the cash conversion would have been above 90%.

Gross capital expenditure, CAPEX (USD million)



Capital discipline is reflected in gross capital expenditure (CAPEX) of USD 2.9bn, in line with guidance of around USD 3bn, mainly relating to vessels ordered in previous years, containers in Ocean, and development projects in Terminals & Towage. Free cash flow during the year (cash flow from operating activities less CAPEX) was positive at USD 349m.

Net interest-bearing debt (USD million)



Net interest-bearing debt decreased by USD 6.1bn. Free cash flow was USD 4.2bn (negative USD 2.8bn), positively impacted by cash proceeds from the Maersk Oil transaction of USD 2.0bn, the sale of Total S.A. shares for USD 3.0bn, cash proceeds from the separation of Maersk Drilling of USD 1.2bn and positive operating cash flow during the year, partly offset by CAPEX and payment of dividend.





# Making *supply chains* tick like clockwork

For almost ten years, HP Inc. and A.P. Moller - Maersk have developed a partnership that enables the multinational company to connect its global supply chain and bring its portfolio of technology products and services to people worldwide in a timely, efficient and competitive way.

📌 By Jesper Toft Madsen

Whether you are reading these lines on a laptop, your mobile device or in a printed magazine, there is a good chance that HP has played its part.

The global technology company is well-known and recognised for its world-leading position on PCs and printers, but few people realise what it takes to make these everyday products available and affordable to people, organisations and communities all over the globe.

The world of transport and logistics makes global trade tick like clockwork, connecting producers and suppliers with consumers through global supply chains. It is a complex machinery with many gears and wheels that need to connect and work in tandem to move products seamlessly from A to B.

This is why HP has worked closely together with Maersk since 2010 to streamline its supply chain.

"HP and Maersk have had a long-standing and trusted relationship," says Rod DeGesero, Global Director for Procurement & Partner Management at HP Inc., and continues:

"We use Maersk to ship globally – from Asia to the U.S., from Asia into Europe and Latin America. The challenge that HP has is that we do not want products to sit in our warehouses, we want to move it efficiently to our customers. Maersk helps us do this with a network of cross docks in the U.S. and we think it's critical to our success."

#### Supply chain as competitive edge

HP wants to create technology that makes life better for everyone, everywhere by engineering experiences that amaze each and every one of its customers. To achieve this in a very competitive technology landscape, having a best-in-class global supply chain represents one of the key differentiators.

"We want the right inventory at the right location at the right time as we continue to do things faster, better and cheaper. We think Maersk has the ability to provide a global reach and support us end-to-end acting as one partner who helps us accelerate the delivery and create less hand-offs and complications," continues DeGesero.

Covering six continents and with dedicated

HP operations in at least 16 countries, Maersk's experts today support HP with shipping and supply chain services from ocean freight, trucking and warehousing to customs house brokerage, air freight and control towers that manage supply chain operations at origins and destinations. The latter allows HP to improve its own cost efficiency and offshore support, while gaining clear visibility on performance and opportunities for improvement.

According to DeGesero, the relationship has developed "from a vendor to a partner". In the past, HP would just purchase a slot on a vessel and then pick up the container without any integration with Maersk. Now, the collaboration is fully integrated from when the container leaves the port in China until it is ready and available for pickup by a carrier in the U.S. or in Europe.

"This solution has been very positive to our supply chain," he says.

#### The value of the global integrator

Maersk's vision is to become the global integrator of container logistics – connecting and simplifying customers' supply chains. The collaboration with HP shows the potential of the vision coming to life, according to Randy Wheeler, Maersk's Global Key Client Director for HP.

"This collaboration demonstrates how we

can become a trusted partner who creates real business value for our clients. A customer like HP might not need to tap into the full end-to-end offering that we can offer every time, but it makes them comfortable to know that we have the capabilities and potential within our network to support and improve their operations on a global scale," says Wheeler.

Becoming the global integrator means taking full accountability for the end-to-end services that Maersk delivers to its customers, by controlling critical assets in the delivery network and by integrating data flows across the value chain.

Rod DeGesero believes that the two companies have the potential to form a seamless engagement that truly makes HP's supply chain tick like clockwork – to the benefit of HP's business, its customers and global trade.

"We believe there is an opportunity to continue to evolve and have our product in and out in less than 24 hours. I value Maersk because they have the capability and the future potential to integrate all these solutions in a seamless manner for HP," he says, and continues:

"Together we are finding better solutions to beat the obstacles in our business."

In 2018 and beyond, Maersk is looking to further integrate HP's supply chain and set it up for future digital transformation. ■

#### HP AND MAERSK

Since 2010, Maersk has worked with HP to create more efficient supply chains. From initial cross-dock and transload programmes in the U.S. to global expansion and growth in ocean, supply chain management, warehousing and drayage across six continents. Over the years, HP has managed to bring down costs of its operation and improved the customer experience, and the company is now exploring how to tap into the digital opportunities in global supply chains, together with Maersk.



“

We think Maersk has the ability to provide us a *global reach and support us end-to-end acting as one partner who helps us accelerate the delivery and create less hand-offs and complications.*

”

#### Rod DeGesero

Global Director for Procurement & Partner Management at HP Inc.

#### ONLINE



Watch the video at  
[maersk.com/yearinreview](https://maersk.com/yearinreview)



"

Twill is about enabling small and medium-sized enterprises to realise their *full growth potential* by removing the complexities of international trade.

"

**Troels Støvring**  
CEO of Twill – a Maersk innovation

## Leveraging technology to grow

Some of A.P. Moller – Maersk's most innovative products continue to grow following their introduction to the market. At the same time, the organisation is reshaping its technological landscape to improve efficiency and help drive the transformation.

By Clarissa David & Jesper Toft Madsen

Digital innovation remains key to offer customers a seamless, end-to-end experience. Two innovations – Trade Finance and Twill – are making headway with users and making a significant contribution to realising A.P. Moller – Maersk's growth potential.

Both solutions are a result of a co-creation approach that engages customers in developing effective products and services and ensures that the developed solutions will enhance their experience of doing business with Maersk.

### Providing easy access to capital

According to the World Trade Organization, access to capital is the second biggest obstacle to global trade behind infrastructure. Maersk is trying to break down this barrier with Trade Finance, a simple financial solution that brings together the flow of goods and flow of money on a digital interface to help importers and exporters with their working capital needs.

Since the first pilot in 2015, Trade Finance has seen rapid growth, expanding its geographical footprint to six countries across three continents.

"We have grown the business exponentially and have learned a lot more about our customers and their needs. Now we must use our learnings to transform and grow even more," says Vipul Sardana, Global Head of Trade Finance at Maersk.

The ambition is to become a significant revenue contributor and enable customers to grow, e.g. by creating financial solutions for small and medium-sized enterprises (SMEs) and by incorporating Trade Finance across Maersk's Ocean and non-Ocean product offerings.

### Reducing trade barriers

Just like Trade Finance, Maersk's digital shipping platform, Twill, is gaining traction in the market. The Twill platform enables customers to book, manage and monitor shipments at the click of a button, thereby reducing trade barriers, especially for SMEs.

Launched in April 2017 and initially managing shipments between China and the United Kingdom, Twill was live in 27 countries by the end of 2018. It has been experiencing month-to-month volume growth by constantly developing solutions in close collaboration with customers.

"Twill is about enabling SMEs to realise their full growth potential by removing the complexities of international trade. It is about being agile in creating online solutions with customers so they can get full access to the global market," says Troels Støvring, CEO of Twill.

About 90% of Twill transactions go beyond standard port-to-port ocean freight services and include other services too, such as customs house brokerage and trucking.

"Our ambition is to make the platform a digital one-stop shop where SME customers can take care of all their logistics and supply chain needs," adds Støvring.

### Turning technology into a growth enabler

Since November 2018, thousands of Maersk customers have been able to go to maersk.com, view real-time information on the availability of routes, equipment and resources, submit a request for shipment and then receive an instant confirmation that their cargo has been booked.

This instant visibility is an industry first. Previously, that kind of instant access and instant response system seemed nearly impossible in container logistics. Today, 800 bookings on average are already going through the new platform every day.

"Self-service instant booking is part of a suite of transformations to Maersk's technology landscape that are already benefiting not just

"

We have grown the business exponentially and have learned a lot more about our customers and their needs. Now we must use our learnings to transform and grow even more.

"

### Vipul Sardana

Global Head of Trade Finance, Maersk

customers and employees but also the business results," says Adam Banks, Chief Information & Technology Officer of Maersk.

To deliver on its above market growth ambitions, Maersk has recognised the need for a streamlined IT operation to support and drive transformation.

While customers are already benefiting from a simpler, more transparent booking process, Maersk's employees can expect the transformation to result in easier ways of working with fewer and more standardised applications, a more secure and informed use of data, and better collaboration.

Maersk is delivering on the vision in which digital transformation and technological rationalisation become the backbone of delivering a seamless, end-to-end experience for its customers. ■

### INDUSTRY COLLABORATION TO BOOST EFFICIENCY

Maersk has teamed up with CIOs of four other major carriers to form a non-profit industry association focused on digitalisation and standardisation of IT across the shipping industry. The result of agreed tech protocols will result in increased efficiency for terminals and port authorities, and less red tape for customers.

## Digital solutions that deliver value to customers and business

### Connected Vessel

The Connected Vessel project will improve performance across the fleet to create bunker savings, optimise processes and make the IT setup ready for the future. Across sea and shore, employees will get access to the same real-time data on bunker consumption and port stay events that enable them to take proactive improvement decisions as one team. The data will also help improve port operations, and reduce waiting time and last-minute changes.

### Remote Container Management (RCM)

After the successful launch of RCM, which enables customers to remotely manage their cargo, Maersk's digital team is currently testing RCM 2.0, a new platform set for release in 2019 with a revamped look and design. It features a virtual assistant, Captain Peter, who will update reefer customers with end-to-end cargo information.

### Value Protect

Value Protect is an extended liability solution for Ocean customers, covering all dry commodities and selected reefer cargo. Coverage includes incidents outside the conventional terms of carriage, such as cargo loss or damage in cases of fire, accidents, theft, natural disasters and cyber incidents.

### Sekstant®

Set to be implemented in 2019, Sekstant® global guidance system for reefer digitalisation is a low-cost, high-value system that provides container operators transparency and data accuracy at any point in the journey of a refrigerated container.



# Towards a zero-carbon future

A.P. Moller - Maersk is driving progress towards a carbon-neutral future of transport and logistics and calling on all industry players to join the global effort.

By Taylor Johnson

Changing weather patterns, rising sea levels and decreasing biodiversity. We are already experiencing the physical impacts of climate change which has become one of the most important issues the world is facing today.

As shipping accounts for 2-3% of global CO<sub>2</sub> emissions and around 80% of world trade travels by sea, the industry holds significant potential to help create a carbon-neutral economy by 2050 – contributing to reach the Paris Agreement's goal of staying well below 2°C temperature rise.

To accelerate the transition to carbon-neutral shipping, Maersk has set a new and ambitious target in 2018 of having net-zero CO<sub>2</sub> emissions from its operations by 2050.

"The only possible way to achieve the so much needed decarbonisation in our industry is by fully transforming to new carbon-neutral fuels and supply chains," says Søren Toft, Chief Operating Officer of Maersk.

## Carbon-neutral vessels from 2030

Due to the 20-25-year lifetime of a vessel, Maersk must have carbon-neutral vessels commercially viable by 2030 to realise the 2050 target. Developing new fuels and vessel technologies as well as optimising networks will

be major contribution areas.

"We will invest significant resources in innovation and fleet technology to improve the technical and financial viability of decarbonised solutions," continues Toft.

Over the past four years, Maersk has invested around USD 1bn and engaged more than 50 engineers each year in developing and deploying energy-efficient solutions. The focus is on finding solutions specific to ocean transport as this industry calls for different solutions compared to transportation by vehicle, train or plane.

For instance, the electric truck is expected to carry a maximum load of two, twenty-foot containers (TEUs) and it runs 800km per charging. In comparison, a vessel carrying thousands of containers from Panama to Rotterdam travels around 8800km. With a short

battery life and no charging points along the route, new solutions are imperative.

## The call for collaboration

For several years, Maersk has taken a leading role on behalf of the industry to improve energy efficiency. As a result, the company has achieved a 41% relative reduction in CO<sub>2</sub> emissions from its activities, compared to 2008.

The company has managed to decouple emissions from trade growth and continues to focus on efficiency improvements. Maersk's new efficiency target, now aiming for a 60% reduction relative to cargo moved by 2030 from a 2008 baseline, has been aligned with the International Maritime Organization's strategy for greenhouse gas reductions in shipping.

However, the climate change problem can only be solved by becoming carbon-neutral as efficiency will not be enough. With current technology proving insufficient, Maersk recognises the need for innovation and collaboration across the industry.

"Going forward we cannot do this alone," says Toft.

By setting the ambitious target of net-zero emissions by 2050, Maersk hopes to

inspire researchers, technology developers, investors, cargo owners and legislators to come together in co-development and sponsorship of sustainable solutions that are yet to be seen in the maritime industry.

## Beyond fuels and vessel technology

Research and development will be key to take the industry away from today's fossil-based

technology. It is not purely about developing new ship designs or fuel types, according to John Kornerup Bang, Head of Sustainability Strategy and Chief Advisor on climate change at Maersk.

"Building a new supply chain and changing incentive structures in the market to support these new solutions is very important, and this is why we are calling on all actors related to the shipping industry to join this journey," he says.

How climate change develops will impact business strategy, performance and market conditions globally – for Maersk, its suppliers and its customers.

In 2019, Maersk is ready to initiate open and collaborative dialogue with all possible parties to tackle one of the most important issues in the world: climate change. ■

## CONTRIBUTING TO GLOBAL GOALS

The United Nations Sustainable Development Goals (SDGs) have defined a new and enhanced space for businesses to contribute to solving major global challenges, such as the growing urgency to tackle climate change.

Here's how Maersk's sustainability strategy contributes to the goals:



Read more in the  
A.P. Moller - Maersk  
Sustainability Report 2018  
[maersk.com/yearinreview](https://www.maersk.com/yearinreview)



//

I see Maersk's new commercial setup as a great opportunity to help the customer by influencing decision-making processes based on my in-depth insights into the product, the operations and the latest trade developments.

//

# The right calls at the right times

**NAME:** ANTONIO FOLI

**POSITION:** EQUIPMENT MANAGER

**LOCATION:** TEMA, GHANA

**FAMILY:** WIFE BENEDICTA, TWO SONS AND ONE DAUGHTER

**HOBBIES:** FOOTBALL, HIKING, DJ

Meeting customers' demanding supply chain needs takes empowered employees who can make the right decisions at the right times. Meet Antonio Foli, whose intimate understanding of the cocoa bean is inspiring trust in the world's largest single seller and exporter of premium cocoa from origin.

📍 By Taylor Johnson

The phone rings. A request for a fumigated container for cocoa beans comes through from the Cocoa Marketing Company, one of Safmarine's biggest customers in Ghana. In that moment, Antonio Foli knows exactly which container is needed and available for that type of cocoa bean. But the process of finding the right container doesn't stop there, determining the destination is also extremely important.

Foli soon realises that this process is dangerously time consuming and more communication with the customer is necessary.

"The cocoa bean is fragile, it requires care and a deep understanding of its properties. Putting in extra effort in the communication with my customer has been vital to our relationship," says Foli.

## Simpler interaction

Putting the customers' needs at the heart of operations is essential for A.P. Moller - Maersk to become a truly customer-centric company. In 2018, the company announced its intentions to combine Maersk Line's ocean products with the supply chain and value-added services of Damco and to go to market as one sales organisation. This makes it easier for customers to do business with Maersk, while also providing a wider range of products and services. The new commercial organisation opens a space for employees like Foli to be more empowered to make decisions that matter most to his customers.

"The people closest to the customer are in the best position to make many judgment calls and therefore, more decisions are now being made

at the regional and local level where employees know what our customers need best," says Vincent Clerc, Chief Commercial Officer of Maersk.

## Enabling customers to grow

Antonio Foli is an Equipment Manager at Safmarine - Maersk's carrier focused on trade to and from emerging markets in Africa and West Central Asia. He realised that problems with determining the destination of the containers was opening the risk of extra costs for both the customer and Maersk. Feeling the responsibility to connect the dots of the cocoa beans' unique supply chain characteristics, Foli acted on the opportunity to optimise the end-to-end process.

"My primary focus is on solving Cocoa Marketing Company's challenges and needs. I cannot do this without taking the time to deeply understand the product," says Foli.

Proactive planning and collaboration with the customer drove Foli to improve processes to enable his customer to grow. Today, Foli continues to go the extra mile to intimately understand the attributes of the cocoa bean and the depth of the customer's operations.

"To deliver on my customers' needs, I need to be agile so that I can make quick decisions. If cocoa beans are scheduled to board a vessel but are in the wrong container, this could lead to lost time in repacking the container," he says.

## Local insights improve customer experience

Understanding local needs is key to ensuring a smooth customer experience. To create a customer-centric organisation, Maersk is moving decision-making power to local levels and enabling employees like Foli to break down barriers and leverage collaboration.

"Engagement is at the heart of the trust I have built with Cocoa Marketing Company. If the logistics of available containers, cocoa beans and destinations are not closely aligned, I cannot be responsive to the customer's operations and would lose control over the product," continues Foli.

In 2018, Maersk improved the schedule reliability of its network, and continuous work to improve customer experience helped the company reach an all-time high customer satisfaction score from Ocean customers.

By taking responsibility for the end-to-end service and controlling a critical asset in the delivery network, Foli embodies how engagement and local understanding represent key drivers in further improving customer satisfaction.

## Contributing to business growth

As Safmarine Ghana hopes to report record-breaking loadings of the cocoa bean in 2019, Foli feels convinced that his deep customer



insights can make a big difference to the customer and the business as he holds a keen interest in how many cocoa beans and containers are being fumigated every week so he can quickly make the right container available.

"I see Maersk's new commercial setup as a great opportunity to help the customer by influencing decision-making processes based on my in-depth insights into the product, the operations and the latest trade developments," Foli says.

With his speed, agility and precision, Antonio Foli embodies what it means to offer a seamless customer experience for Maersk's customers. As Maersk races ahead to become the global integrator of container logistics, an empowered frontline will be part of the foundation on which Maersk will continue to grow with customers. ■

## HOW MAERSK'S NEW COMMERCIAL SETUP BENEFITS CUSTOMERS AND EMPOWERS EMPLOYEES

With a simplified commercial setup from 2019, customers now have an easier way to do business with Maersk, with a single point of entry across Ocean products, supply chain management and value-added services.

Employees are now part of one, integrated organisation - from management, sales and marketing to products and customer experience. The commercial team is more decentralised, empowering employees who are closest to the customer to take the right decisions, while also creating new career and development opportunities.



# The foundation for a transformation

In 2018, A.P. Moller - Maersk completed the process of finding new ownership structures for the majority of the oil and oil-related businesses, which will enable their continued development and growth, while at the same time laying the foundation for the transformation of A.P. Moller - Maersk.

By Jesper Toft Madsen

A.P. Moller - Maersk

## ENERGY

### Finding structural solutions

APMH Invest, a subsidiary of A.P. Moller Holding, acquired **Maersk Tankers** in October 2017, ensuring a financially solid owner with deep industry insights.

Oil major Total S.A. acquired **Maersk Oil** in August 2017, and the transaction was completed in March 2018. Total S.A. is a strong owner with an investment interest in the industry. Total S.A. has made Denmark a hub for its North Sea activities, ensuring the best possible foundation for the continued development of Maersk Oil, its employees and the Danish North Sea continental shelf.

**Maersk Supply Service** progressed on its strategy to diversify its business into new markets in 2018. The company has completed its fleet renewal programme initiated in 2016, with 23 vessels divested and ten new vessels delivered. A structural solution for Maersk Supply Service is pending.

"For me and my colleagues in the Energy division, this journey has been both exciting and challenging. We have concluded the vast part of the separation with very satisfactory results. I owe thanks to my colleagues in the oil and oil-related business units for their tireless support and efforts," says Claus V. Hemmingsen, Vice CEO of A.P. Moller - Maersk and Chairman of the Maersk Drilling Board of Directors.



Annual Magazine 2018/19

With new ownership structures in place for three out of four of the oil and oil-related businesses, A.P. Moller - Maersk has reached a milestone in its strategy to become a focused, integrated transport and logistics company.

With the Board of Directors' decision to demerge A.P. Moller - Maersk and list Maersk Drilling as an independent company on Nasdaq Copenhagen, the shareholders of A.P. Moller - Maersk get the opportunity to take part in the future value creation of Maersk Drilling.

First day of trading of the Maersk Drilling share is expected to be 4 April 2019, subject to shareholder approval of the demerger at the A.P. Moller - Maersk Annual General Meeting on 2 April 2019.

"Maersk Drilling is an industry leader in the global offshore drilling market, based on its well-reputed and safe operations and a fleet that is among the youngest and most advanced in the industry," says Claus V. Hemmingsen, Vice CEO of A.P. Moller - Maersk and Chairman of the Maersk Drilling Board of Directors, and continues:

"The demerger will create a listed Danish-based offshore drilling company with a clear investment profile and long-term development prospects. Maersk Drilling is well-positioned to capitalise on the value creation opportunity of a globally leading pure play offshore drilling company to the benefit of both its long-term blue-chip customer base, as well as its investors."

#### Transforming an industry

A.P. Moller - Maersk made the historic, strategic decision to move from being a conglomerate to focusing the company on transport and logistics in 2016. A decision that in many ways returns the company to the starting point, but at the same time with the ambition to transform major parts of the transport and logistics industry and become the world's leading global integrator of container logistics.

As a consequence, it was decided to find new ownership structures for the four oil and oil-related companies Maersk Oil, Maersk Drilling, Maersk Tankers and Maersk Supply Service. The companies were placed in the Energy division under Vice CEO Claus V. Hemmingsen, along with the responsibility for the separation process and for finding new ownership structures to ensure their continued growth and development outside A.P. Moller - Maersk.

"With the listing of Maersk Drilling, we will have almost completed the separation of our oil and oil-related businesses, totalling more than USD 12bn worth of separation transactions and can now focus our efforts fully on becoming the global integrator of container logistics," says Søren Skou, CEO of A.P. Moller - Maersk and continues:

"A warm thank you to all our colleagues in the oil and oil-related businesses who have worked relentlessly to serve our customers and add value to their business units, as well as A.P. Moller - Maersk. I commend them for doing this under challenging circumstances and uncertainties about future owner structures." ■

“

With the listing of Maersk Drilling, we will have almost completed the separation of our oil and oil-related businesses.

”

Søren Skou  
CEO of A.P. Moller - Maersk

#### THE DEMERGER AND SEPARATE LISTING OF MAERSK DRILLING

- In the demerger of A.P. Moller - Maersk, Maersk Drilling will be separated out and established as a new, independent company. The shares in the new company will then be admitted for trading and official listing on Nasdaq Copenhagen.
- Subject to approval of the demerger at the A.P. Moller - Maersk Annual General Meeting, the shares in Maersk Drilling will be distributed to A.P. Moller - Maersk shareholders, who in addition to their shareholding in A.P. Moller - Maersk will become shareholders in Maersk Drilling.
- Although Maersk Drilling will be separated from A.P. Moller - Maersk, the company will continue to operate under the name Maersk Drilling and use the seven-pointed star as part of its identity. However, the independently listed company will have the legal name 'The Drilling Company of 1972 A/S'.



# Performance 2018

A.P. Moller - Maersk reported strong revenue growth and a successful integration of Hamburg Süd, realising synergies faster and higher than expected. However, the financial performance at the beginning of the year was lower than expected, mainly due to the increase in bunker costs not fully recovered by increase in freight rates, resulting in a lower result than set in the initial guidance for 2018.

The year showed a strong cash conversion and a positive free cash flow from continuing operations. Net interest-bearing debt was significantly reduced due to proceeds from the completion of the Maersk Oil transaction and subsequent partial sale of shares in Total S.A. and a lower CAPEX reflecting capital discipline.

## HIGHLIGHTS

USD million	Revenue		EBITDA		CAPEX	
	2018	2017	2018	2017	2018	2017
Ocean	28,366	22,023	3,007	2,777	2,279	2,831
Logistics & Services	6,082	5,772	98	139	47	54
Terminals & Towage	3,772	3,481	778	639	556	704
Manufacturing & Others	2,547	1,689	59	173	16	23
Unallocated activities, eliminations, etc.	-1,748	-2,020	-136	-196	-22	-13
A.P. Moller - Maersk consolidated - continuing operations	39,019	30,945	3,806	3,532	2,876	3,599



A.P. Moller - Maersk

### NEW FINANCIAL REPORTING STRUCTURE

The financial reporting structure changed for 2018 with new segments to reflect the strategic initiatives taken towards becoming the global integrator of container logistics. In addition, new financial and operational metrics were introduced to facilitate transparent insight into the performance of the various business activities.

Read more in the A.P. Moller - Maersk Annual Report 2018  
[maersk.com/yearinreview](http://maersk.com/yearinreview)



## OCEAN

### REVENUE (USD)

28.4bn  
2018

### EBITDA (USD)

3.0bn  
2018

Ocean reported an increase in revenue of 29% to USD 28.4bn (USD 22.0bn) with volume growth of 22% (2.5% excluding Hamburg Süd). The average bunker price increased by 32%, equal to 92 USD/FFE, while the average freight rate increased by 5.1% (1.9% or 34

USD/FFE excluding the Hamburg Süd rate impact). Unit cost at fixed bunker was 3.6% higher than in 2017, partly because of the effects of Hamburg Süd's portfolio mix and negative foreign exchange rate developments. EBITDA was USD 3.0bn (USD 2.8bn).

In the first half of 2018, bunker prices increased, the US dollar was weak and there was a high imbalance between supply and demand, mainly due to a high number of new deliveries and a limited number of scrappings. The freight rate development did not follow the increasing bunker price, and Maersk implemented an emergency bunker surcharge during the second half of 2018. The freight rates recovered slightly along with a better balance between supply and demand in the second half of the year.

The integration of Hamburg Süd delivered synergies of USD 420m in 2018, which were mostly realised within procurement, network optimisation and increased volumes in gateway terminals operated by Maersk.



## LOGISTICS & SERVICES

### REVENUE (USD)

6.1bn  
2018

### EBITDA (USD)

98m  
2018

Logistics & Services reported a 5.4% increase in revenue to USD 6.1bn (USD 5.8bn), driven by supply chain management, warehousing and distribution activities as well as intermodal, whilst gross profit increased by 5.6% to USD 1.1bn (USD 1.0bn). EBITDA was USD 98m (USD 139m), negatively impacted by restructuring costs and the timing of maintenance costs in Star Air, only partly offset by improved results from supply chain management and inland activities.

Volumes grew by 8.2% in supply chain management and by 4.0% in intermodal as partnerships with several top clients deepened and new customer wins with broader service scope were secured. Furthermore, the solution sales pipeline in supply chain management grew significantly.



Annual Magazine 2018/19



TERMINALS & TOWAGE

REVENUE  
(USD)  
**3.8bn**  
2018

EBITDA  
(USD)  
**778m**  
2018



Terminals & Towage reported an increase in revenue of 8.4% to USD 3.8bn (USD 3.5bn), and an increase in EBITDA of 22% to USD 778m (USD 639m). The results in gateway terminals were driven by higher volumes from Ocean and external

customers as well as cost per move reductions. Higher volumes in towage were due to increased activities in the Americas and Australia. In Terminals, the closer collaboration with Ocean and the 19% growth

in volumes from Maersk Line and Hamburg Süd were further supported by 7.3% volume growth from external customers, positively impacted by a net of 15 new contracts won. For Towage, activity increased in the Americas, in both Argentina and Brazil, driven by new customers in ports entered during 2018, and additional volumes and market share in the ports entered in 2017. In Australia, volumes improved due to higher commodity exports and improved market share for harbour towage. Terminals & Towage reduced CAPEX in 2018. Gateway reduced CAPEX by USD 200m of which USD 146m was from increased capital discipline and USD 54m from lower CAPEX in terminals under construction. CAPEX in Towage amounted to USD 120m (USD 147m).

MANUFACTURING & OTHERS

REVENUE  
(USD)  
**2.5bn**  
2018

EBITDA  
(USD)  
**59m**  
2018



Manufacturing & Others revenue increased by 51% to USD 2.5bn (USD 1.7bn), impacted by the inclusion of acquired bulk activities from Hamburg Süd and a higher level of oil/bunker

trading with third parties. EBITDA of USD 59m (USD 173m) was negatively impacted by dry container margins under pressure as well as by restructuring costs in Maersk Container Industry and lower EBITDA across other businesses, in particular in Maersk Oil Trading. Maersk Container Industry decided to consolidate its reefer container manufacturing in Qingdao, China, and the facility in San Antonio, Chile, was closed in June. Profitability was significantly impacted by dry container margins being under severe pressure, and was significantly below the level in 2017. In December 2018, it was decided to idle down operations at the dry factory in Dongguan, China, and in January 2019, Maersk Container Industry announced the decision to exit the dry container business altogether, including the manufacturing facility in Dongguan.

DISCONTINUED OPERATIONS

The objective of finding structural solutions for the oil and oil-related businesses was successfully accomplished for Maersk Tankers in 2017, and for Maersk Oil in 2018 when the agreement with Total S.A. closed. As announced on 17 August 2018, A.P. Moller - Maersk has decided to pursue a demerger via a separate listing of Maersk Drilling on Nasdaq Copenhagen on 4 April 2019, while continuing to pursue a solution for Maersk Supply Service. Maersk Drilling and Maersk Supply Service posted a profit of USD 561m (loss of USD 1.7bn), positively impacted by the cessation of depreciation from classification as discontinued operations, while 2017 was negatively impacted by impairments of USD 1.9bn.

Stay up to date

FINANCIAL CALENDAR

2019	Annual General Meeting 2 April	Interim Report Q2 2019 15 August	2020
	Interim Report Q1 2019 24 May	Interim Report Q3 2019 15 November	

REPORTING



A.P. Moller - Maersk has tailored the external financial reporting towards the needs of our different stakeholders with two annual publications.

The **Annual Report** focuses on detailed legally required information, whereas the Annual Magazine focuses on providing an overview of key developments during the year. The publications can be read individually or combined depending on our stakeholders' interests. The Annual Report is available electronically in English at investor.maersk.com.

The **Annual Magazine** provides an overview of the operations and performance of A.P. Moller - Maersk in a concise and easy-to-read format. The publication is not a substitute for the Annual Report and does not contain all the information needed to give as full an understanding of A.P. Moller - Maersk's performance, financial position and future prospects as provided in the Annual Report. The Annual Magazine is published in English and Danish, both

available for download prior to the Annual General Meeting at maersk.com/yearinreview.

A.P. Moller - Maersk also produces **Interim Reports** for each of the first three quarters of the financial year, and a summary report for Q4 is included in the Annual Report. **Presentations** tailor-made for investors and the financial markets are also available each quarter. A.P. Moller - Maersk also hosts a **Capital Markets Day** on a regular basis. The Interim Reports, presentations and webcasts can be found on our Investor Relations website investor.maersk.com.

The Board of Directors of A.P. Moller - Mærsk A/S continues to consider the "Recommendations for Good Corporate Governance" put forward by Nasdaq Copenhagen. Further annual good corporate governance information is available in the statutory annual corporate governance statement; cf. section 107, item b, of the Danish Financial

Statements Act covering the financial period 1 January to 31 December. An independently assured **Sustainability Report** is published by A.P. Moller - Maersk and covers all its material sustainability issues. The Sustainability website <https://www.maersk.com/about/sustainability> provides additional information on the UN Global Compact requirements and describes how A.P. Moller - Maersk fulfils these (Maersk COP), as well as A.P. Moller - Maersk's accounting principles regarding sustainability. The Annual Report and the Annual Magazine contain forward-looking statements on expectations regarding the achievements and performance of A.P. Moller - Maersk.

Such statements are subject to risks and uncertainties, as various factors, many of which are beyond the control of A.P. Moller - Maersk, may cause actual results and development to differ materially from the expectations contained therein.

NEWS

Online



- Maersk.com
- Maersk.com/yearinreview
- Maersk.com/press
- Investor.maersk.com

Engage with us



linkedin.com/company/maersk-group



Twitter.com/Maersk



Facebook.com/Maersk



instagram.com/Maersk\_official



Youtube.com/Maersk



**A.P. Møller - Mærsk A/S**  
Esplanaden 50  
DK - 1098 Copenhagen K  
Tel. +45 33 63 33 63  
Company reg. no. 22756214

[www.maersk.com](http://www.maersk.com)

ISBN: 978-87-998082-5-0