

PT MITRABAHTERA SEGARA SEJATI TBK

The Company Records Revenues of US\$14.4 million in 3M18

Jakarta, 26 April 2018 – PT Mitrabahtera Segara Sejati Tbk (MBSS) recorded revenues of US\$14.4 million, gross loss of US\$1.8 million, EBITDA of US\$2.0 million and net loss of US\$5.5 million in the consolidated financial statements for the three months period ended on March 31, 2018. The complete financial statements for the period can be accessed on the company's website (www.mbss.co.id).

Beginning of 2018, the company has started with exciting news where a long term 5 years contract had been signed with Muji Line, contract value of US\$78.0 million. The company also has obtained another Time Charter basis contract with PT Galley Andhika Arnawama to provide logistics services for a nickel producer located in Sulawesi, with estimated backlog of US\$2.1 million for 1 year and a 1 year extension option. The company faced challenging conditions during 3M18, where several external factors such as bad weather and low cargo supply from coal producers affected our revenues generation and fleet utilization. Total revenues in 3M18 of US\$14.4 million showed a decline 8.8% compared with 3M17 of US\$15.8 million. The decline occurred both in barging and floating crane segment, where the barging segment was lower by US\$0.7 million and floating crane decreased by US\$0.8 million.

A decline in barging revenue by 6.3% was attributable to bad weather and lower cargo supply from coal producers. For safety reasons, the company was forced to shelter some of the fleet during the long-haul shipment and tread cautiously while in operations, as a result of which revenue generation could not be fully optimized. Lower spot contribution by US\$3.4 million aligned with the company strategy to switch spot shipment to enable certainty of cargo lifting in long-term and short-term contracts. Furthermore, the heavy rain in some area belonging to coal producers caused floods in their mines thereby affecting coal supply. These factors affected lower revenue contribution from Adaro and Mitra Maju Sukses by US\$0.5 million, US\$0.4 million respectively.

Additionally, there was a US\$0.8 million declined in floating crane revenue due to FC Vittoria's scheduled docking for the first quarter of 2018. The asset experienced an unfortunate and very unexpected fire incident just prior to the docking date. During the docking period, FC Vittoria could not generate revenue.

During 2018, the Company will continue its initiatives to become more effective and efficient by improving its productivity through safety and operational excellence, operating expenses savings, streamlining the organization and business processes to be able to compete in current market condition. Nevertheless the bad weather condition is still a challenging part of the shipping industry which is sometimes beyond our control.

Below is the summary of Company's performance in 3M18 :

1. Operational Highlights

Description	Unit	3M18	3M17	Change (%)
<u>Barging</u>				
Fleets	Set	69.0	71.0	-2.8%
Volume	Mt	4.7	4.9	-4.1%
<u>Floating Crane</u>				
Fleets	Unit	6.0	6.0	-
Volume	Mt	2.3	2.4	-4.2%
Grand Total Volume	Mt	7.0	7.3	-4.1%

2. Summary Statements of Profit and Loss and Other Comprehensive Income

Description (in US\$m unless indicated)	3M18	3M17	Change (%)
Revenue			
Barging	10.4	11.1	-6.3%
Floating Crane	3.9	4.7	-17.1%
Others	0.0	-	0.0%
Total Revenue	14.4	15.8	-8.8%

Direct Costs	16.1	15.2	5.9%
Gross Profit	(1.8)	0.6	-400.0%
% Gross profit	-12.5%	3.8%	(361.0)bps
Operating Expenses	2.4	2.2	-9.1%
Operating (Loss) Profit	(4.2)	(1.7)	-147.1%
% Operating profit	-29.2%	-10.7%	1,061.0bps
Other Income (Expenses)	(0.8)	(0.7)	-14.2%
Profit (Loss) Before Tax	(5.0)	(2.4)	-108.3%
Profit (Loss) for the Period attributable Owners	(5.5)	(2.6)	-311.5%
% Net Profit After Tax	-38.2%	-16.4%	1,625.0bps
Non-controlling Interest	0.3	(0.0)	-1,487.5%
EBITDA	2.0	4.0	-50.0%
% EBITDA	13.8%	25.3%	(2,561.0)bps
Capex	1.7	1.5	13.3%

Revenues

Revenues slightly decreased by 8.8% from US\$15.8 million in 3M17 to US\$14.4 million in 3M18, due to 6.3% lower barging segment revenue and 17.1% lower floating crane revenue.

Direct Costs

Direct costs increased by US\$0.9 million to US\$16.1 million mainly due to increase in fuel cost by US\$0.3million, depreciation by US\$0.3 million and port charges by US\$0.4million in 3M18 offset with some cost efficiency and rationalization done by MBSS. Fuel is the main factor behind this higher direct cost in line with higher frequency of long-haul spot shipment during 3M18. Further, the Company has conducted a variety of cost efficiency and rationalization measures particularly related with repair and maintenance activities.

Operating Expenses and Other Income (Expenses)

Operating expenses increased by US\$0.2million from US\$2.2 million in 3M17 to US\$2.4 million in 3M18, mainly due to increase in salary & allowances. On the other hand, other income (expenses) slightly increased by US\$0.1 million due to increase in interest expense.

3. Summary Statements of Financial Position

Description (in US\$m unless indicated)	3M18	FY17	Change (%)
Cash and cash equivalents	25.9	34.6	-25.1%
Total current assets	44.2	52.8	-16.3%
Total Assets	234.7	240.1	-2.2%
Current Liabilities	8.6	8.8	-2.3%
Total Debt	40.8	41.2	-1.0%
Total Liabilities	52.0	52.2	-0.4%
Total Equity	182.7	187.9	-2.8%
Current ratio (x)	5.2	6.1	
Debt to Equity (x)	0.2	0.2	

Total Assets

Total assets in 3M18 is 2.2% lower than 3M17 because of the decrease in non-current assets due to depreciation during the year.

Total Liabilities

Total liabilities in 3M18 is 0.4% lower than 3M17, mainly due to repayment of bank loans and liability management done by MBSS.

Total Equity

Equity decreased by 2.8% due to losses recorded in 3M18.

Capex

Higher capex in 3M18 by 13.3 % from US\$1.5 million in 3M17 to US\$1.7 million in 3M18 which in line with the docking cycle schedule.

About PT Mitrabahtera Segara Sejati Tbk

www.mbss.co.id

PT Mitrabahtera Segara Sejati Tbk is an integrated service provider of sea logistics and transshipment focusing on natural resources and bulk materials, particularly coal with its strategic investments in PT Mitra Swire CTM, PT Mitra Alam Segara Sejati.

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Disclaimer:

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