



# MBSS Company Updates 6M15

Jakarta, July 31<sup>st</sup> 2015



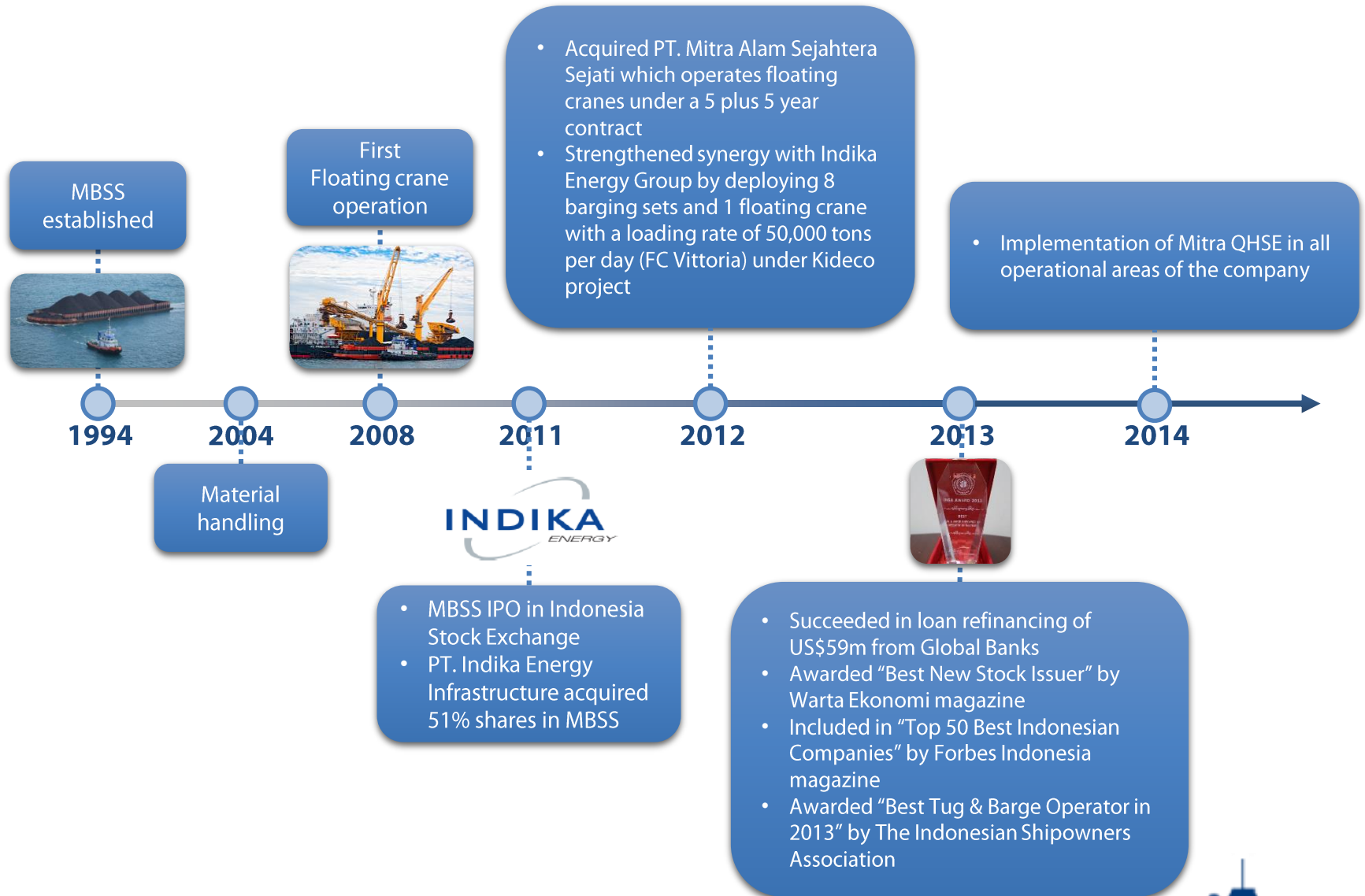
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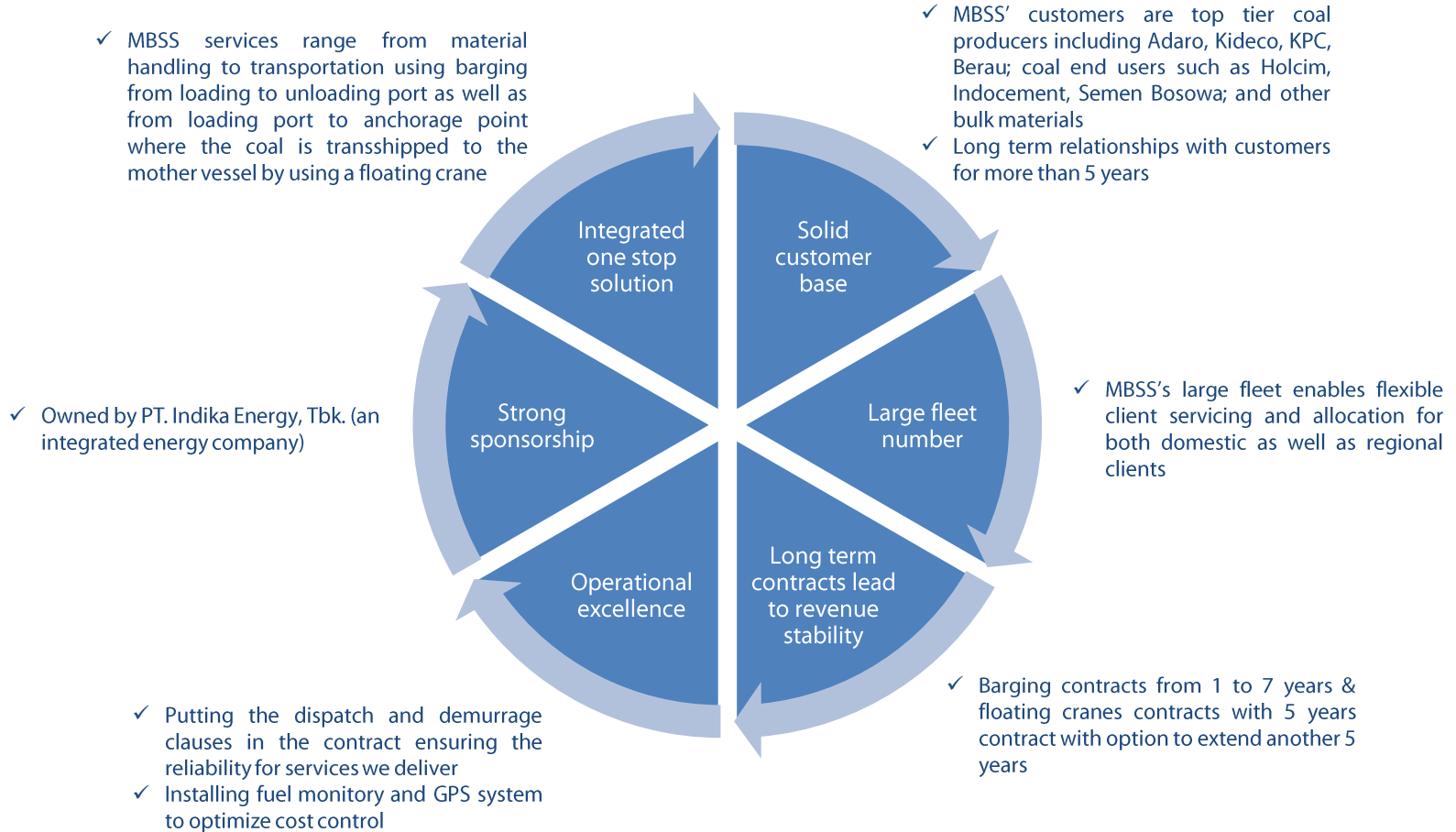
# Company Milestones



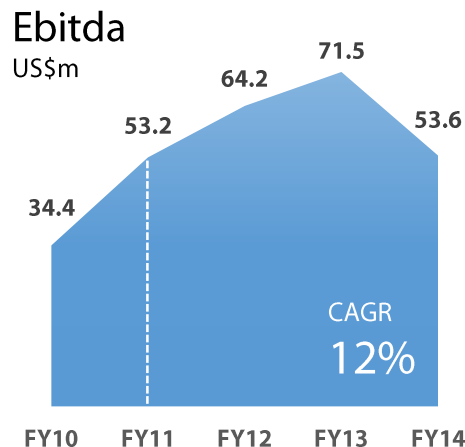
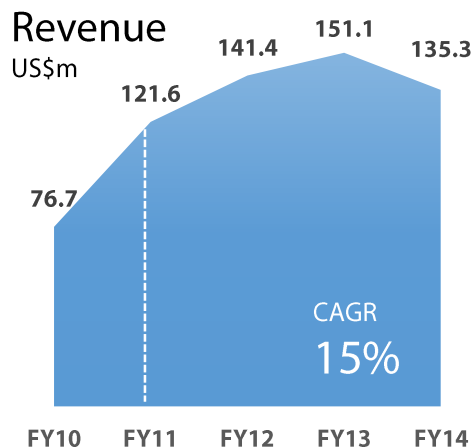




# Competitive Advantages As A Key Success Factor



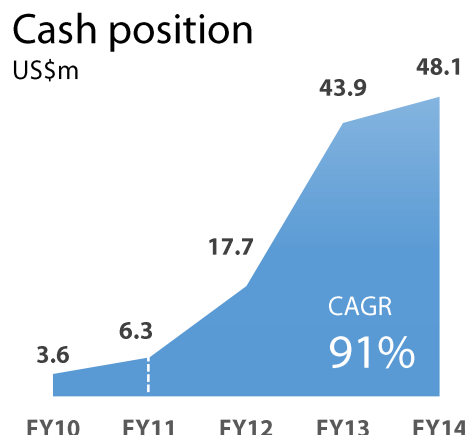
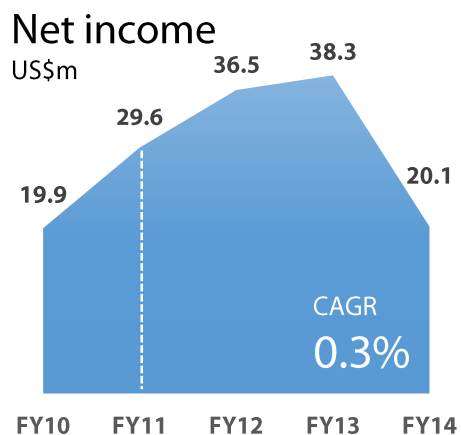
# Growth and Resilience




MBSS recorded positive CAGR throughout 2010 to 2014 for Revenue, Ebitda, Net income and Cash position. Faced by challenging market condition, MBSS managed to still record positive profitability.

The achievement was derived from the support of competent human resources as well as understanding of socio-cultural aspect, and up-to-date technology specifically designed to meet customer needs. Through it all, the optimum efficiency in providing integrated solutions was achieved.

The efforts also earned customer trust, which enabled MBSS to maintain its main contracts.



Note:  Acquisition of MBSS' majority shares by Indika

# Proven Strategy for Sustainability

## Financial Strategy

- ✓ Managing potential risks through: (1) strategic refinancing to lower the cost of funds; (2) more structured working capital and treasury management to ensure optimal return; (3) selecting clients who have a reputation for being trustworthy both from an operational standpoint as well as their payment record; (4) establishing pricing and margin policies that guarantee returns on capital expenditure

## Business Development

- ✓ Management of a varied client portfolio comprising coal producers and end users
- ✓ Focus on extension of due contracts
- ✓ Increasing the capability and capacity of marketing team to maintain market share
- ✓ Increasing revenues through more aggressive brokering of third party managed vessels
- ✓ Optimal fleet utilization management
- ✓ Preserving the composition of long term/medium term versus spot contracts

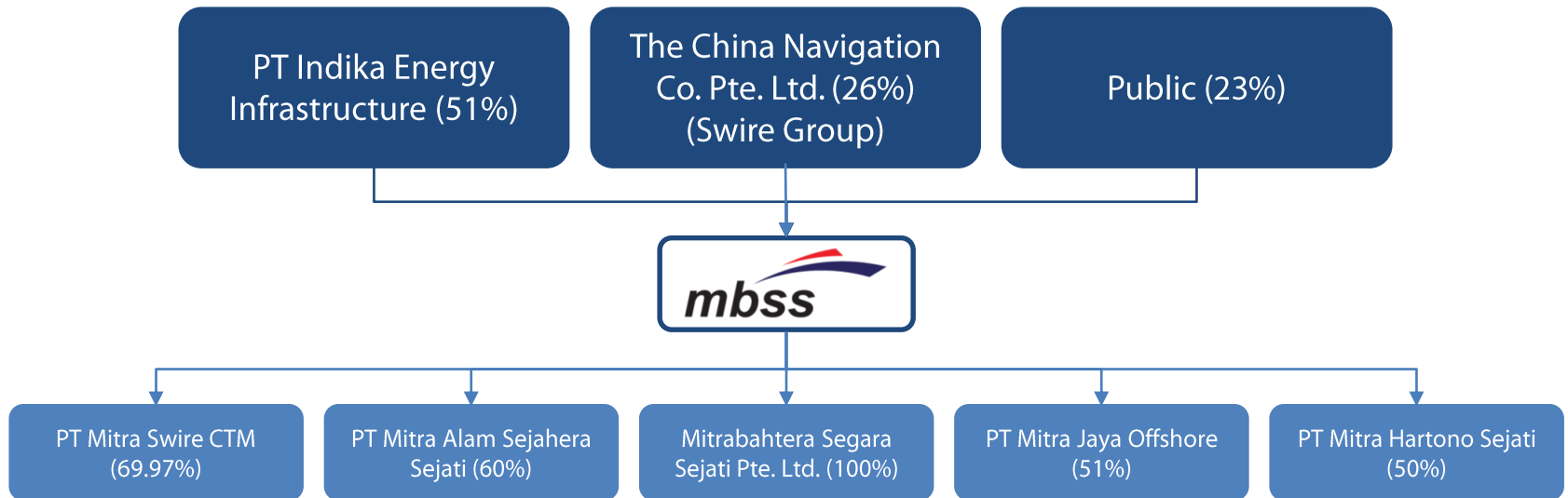
## Sea Logistics & Transshipment Services

- ✓ Fully integrated operation and one stop solution to clients in need of reliable and high quality transportation and transshipment of bulk materials
- ✓ Providing services that range from material handling to transportation of the bulk materials by using barging from loading port to unloading port as well as from loading port to anchorage point

## Corporate Social Responsibility

- ✓ Leveraging partnership consultation with local stakeholders to create good will and community support for beneficial social and security conditions in and around all of its operational sites through carefully targeted community development, education, health and welfare programs, including the development of infrastructure, all of which are facilitative to community empowerment not only in terms of job opportunities, but also in terms of improved social welfare and prosperity

# Ownership Structure



- PT Indika Energy Infrastructure : A subsidiary of PT Indika Energy Tbk. Established in June 2010 as a holding company for business enterprises active in infrastructure and logistics moving forward
- PT Mitra Swire CTM ("MSC") : Established in 2008. MSC is primarily active in the shipping sector by operating 2 floating cranes (FC Abby and FC Chloe)
- PT Mitra Alam Segara Sejati ("MASS") : Established in 2005 and acquired by MBSS in 2012. MASS is operating 1 floating crane (FC Blitz)
- Mitra Bahtera Segara Sejati Pte. Ltd. : Established in 2010 and domiciled in Singapore
- PT Mitra Jaya Offshore ("MJO") : Established in 2010. MJO's business is in the shipping sector
- PT Mitra Hartono Sejati ("MHS") : Established in 2005. MHS's business is in the shipping sector



# Experienced and Professional Management Runs The Business



## **Rico Rustombi - President Director**

Serves as President Director of MBSS since 2012, Vice President Director MBSS (2010-2012). Mr. Rustombi joined Indika Energy in 2006 and appointed as group Chief Corporate Affairs of PT Indika Energy Tbk (since 2011). He is active as an executive board in KADIN. He earned a Bachelor's degree in Economics from the Indonesian School of Economics and Business Management ("STEKPI") majoring in Finance and a master's degree in Finance from the University of Gadjah Mada.



## **Lucas Djunaidi – Vice President Director**

Serves as Vice President Director of MBSS since 2013. In addition to his role at MBSS, Mr. Djunaidi currently holds the position of Director at PT Kideco Jaya Agung and PT Indika Inti Corpindo since his appointment in 2008 and is also presently acting as Senior Vice President – Financial Controller at PT Indika Energy Tbk since being appointed in 2004. Mr. Djunaidi obtained his bachelor's degree in Economics, majoring in Accountancy, from the University of Trisakti. He has also been awarded a Certified Professional Management Accountant from IAMI in September 2012.



## **Ika Bethari - Director**

Serves as Chief Financial Officer and Corporate Planning since 2012, Director of MBSS (since 2010), also serves as Member of Risk Management Committee of PT Petrosea Tbk (2008-2011) and Senior Vice President Corporate Planning of PT Indika Energy Tbk (2008-2010). Graduated from Faculty of Economy of University of Indonesia.



## **Dedy Happy Hardi - Director**

Serves as Director of Corporate Secretary, Legal and HCSS MBSS since 2010, also as Senior Vice President Corporate Secretary of PT Indika Energy Tbk (2008-2013), Director of PT Sea Bridge Shipping (since 2008), Commisisoner of PT Indika Indonesia Resources (since 2011). Graduated from Law Faculty of University of Indonesia.



## **Trevor Larbey - Director**

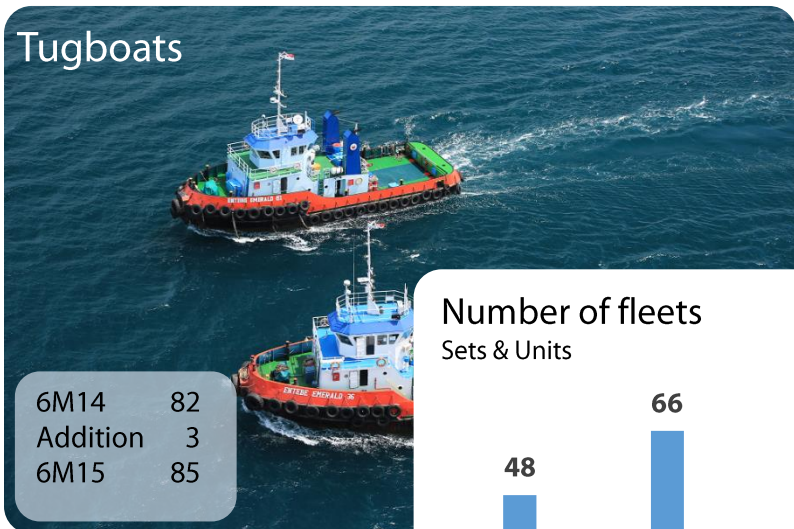
Serves as Director of MBSS since 2015. He has a global experience of over 30 years in sea transportation and logistics industry, mining development and expansion for many companies such as China Navigation, Rio Tinto, BHP and Jebsen's Management. He holds master degree in Maritime Policy and bachelor degree in Applied Science (Nautical). He is also a Merchant Naval Officer, and has certifications as RT HSEQ Auditor and ISM Auditor.

# Good Relationship with Key Customers Ensures Revenue Stability

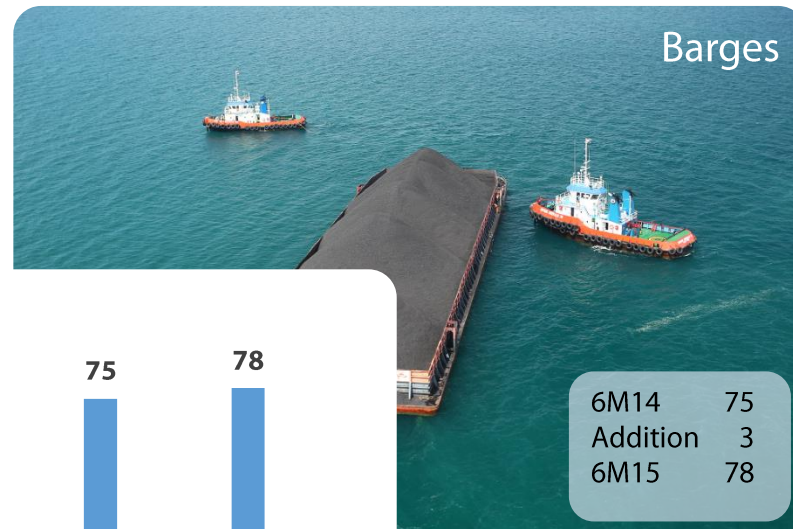
Client	Since	Contract
KPC	1994 (Arutmin)	8-year contract (2006-2014) 2-year contract (2015 -2017)
Adaro Indonesia	1995	7-year contract (2010-2017)
Kidco Jaya Agung	2010	3-year contract (2014-2017), and 5+2-year contract (2012-2019)
Berau Coal	2008	5-year contract (2010-2015) and 5+5-year contract (2012-2022)
Bahari Cakrawala Sebuku (Sakari Resources)	1998	3-year contract (2014-2017)
MMS	2014	2-year contract (2015-2017)

# Well Maintained Fleets...

## Tugboats



6M14	82
Addition	3
6M15	85

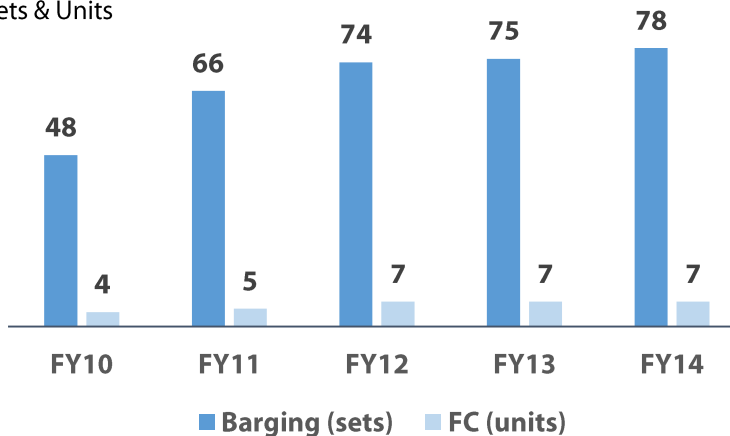


## Barges

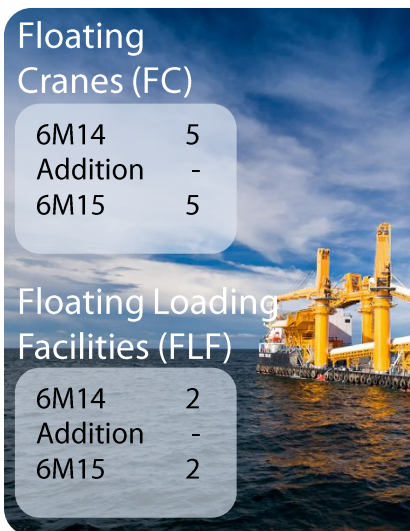
6M14	75
Addition	3
6M15	78

### Number of fleets

Sets & Units



## Floating Cranes (FC)

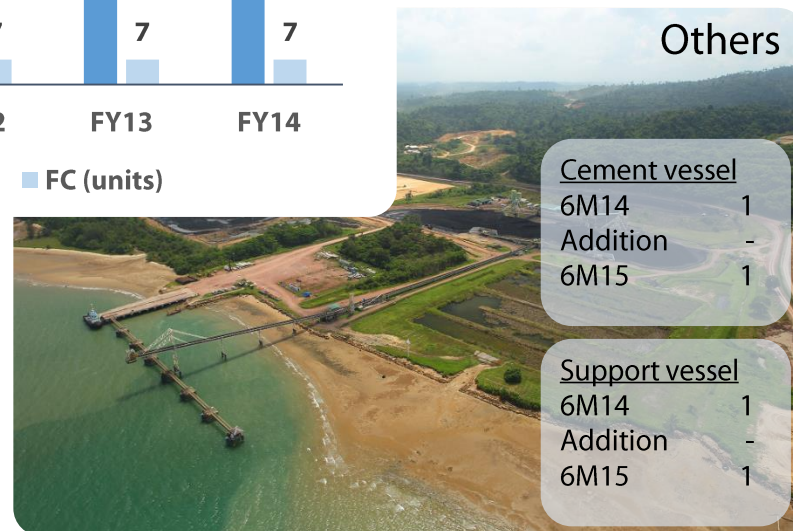


6M14	5
Addition	-
6M15	5

## Floating Loading Facilities (FLF)

6M14	2
Addition	-
6M15	2

## Others



<u>Cement vessel</u>	
6M14	1
Addition	-
6M15	1

<u>Support vessel</u>	
6M14	1
Addition	-
6M15	1



# ...Supported by Versatile Capacity



### Barging capacity per trip

✓ 270ft (5 sets)	25,000 t
✓ 300ft (54 sets)	432,000 t
✓ 330ft (8 sets)	80,000 t
✓ 365ft (11 sets)	137,500 t
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Total barging capacity	674,500 t

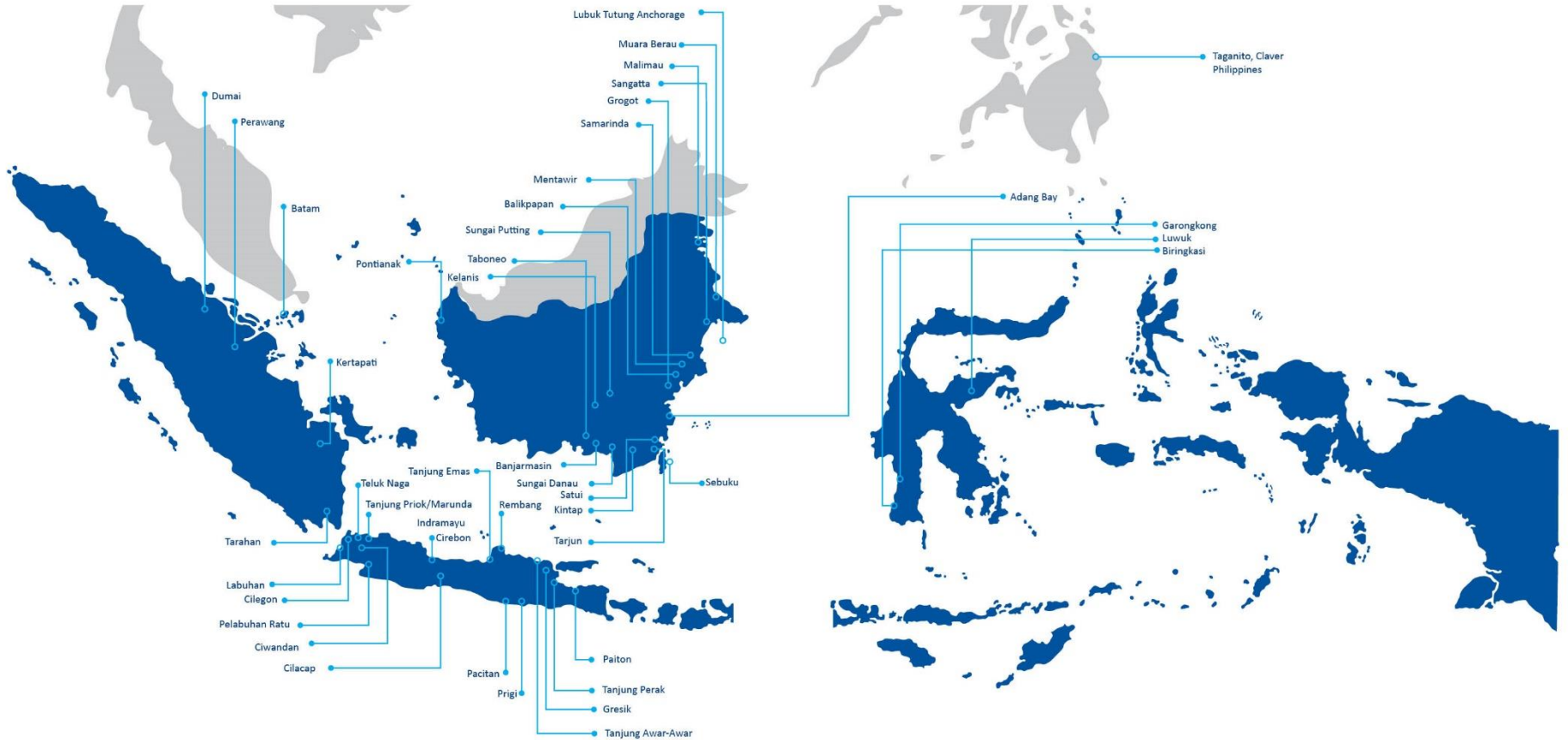


### Floating cranes loading rate per day

✓ 18,000 TPD (2 units)	36,000 t
✓ 20,000 TPD (2 units)	40,000 t
✓ 24,000 TPD (1 units)	24,000 t
✓ 50,000 TPD (2 units)	100,000 t
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Total 7 FCs capacity*)	200,000 t

\*) Consisting of 5 FCs & 2 FLFs

# Area of Operations

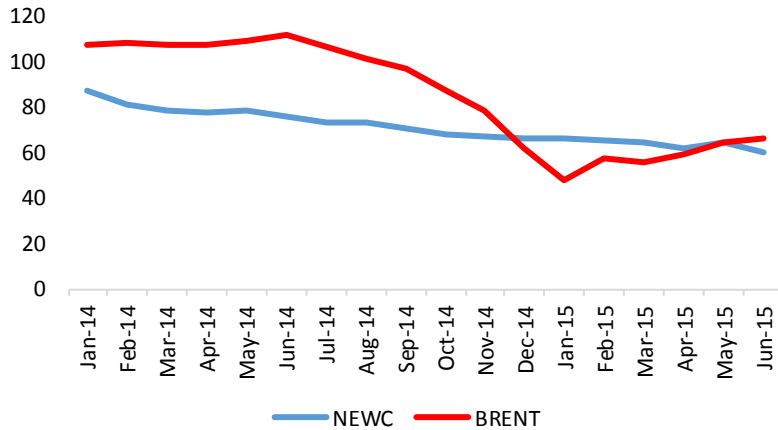




# Macro & Industry Outlook

## NEWC vs BRENT

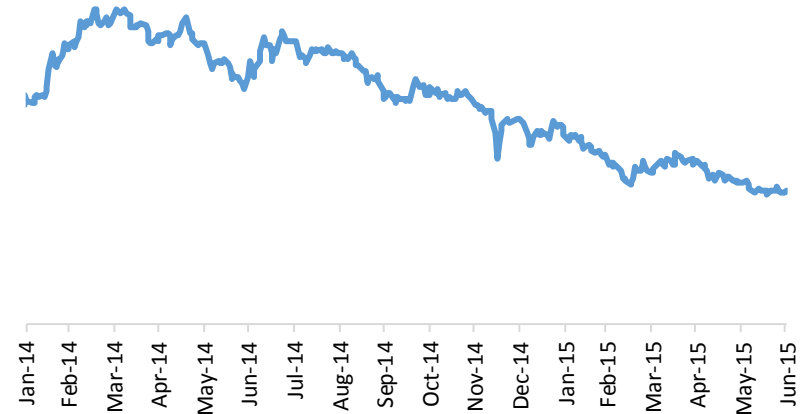
Jan-14 to Jun-15



Source: World Bank

## USD/IDR Exchange Rate

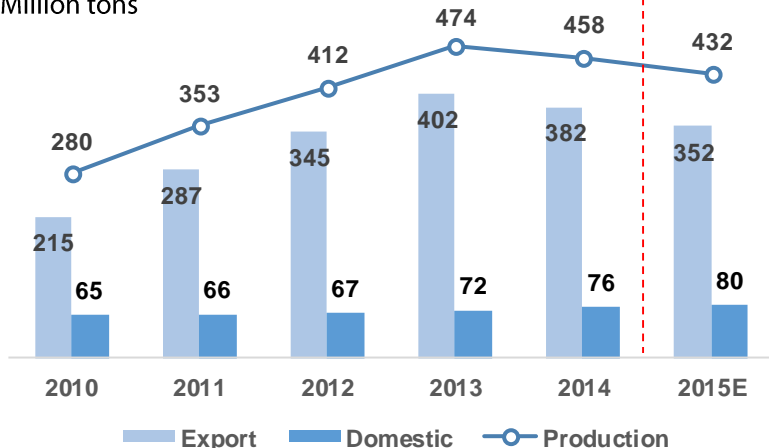
Jan-14 to Jun-15



Source: Bank Indonesia, Middle Rate

## Indonesia Coal Production

Million tons

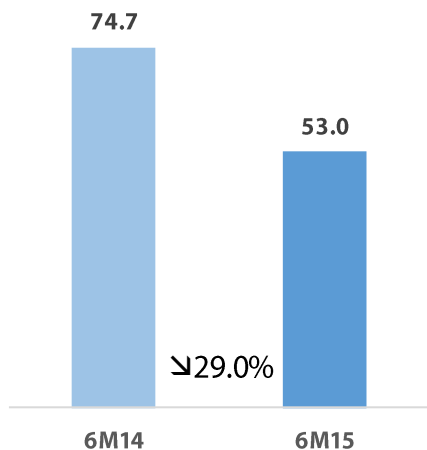


Source: Ministry of Energy & Mineral Resources

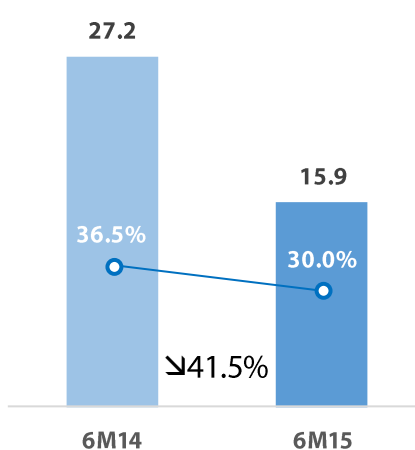
- Newcastle index continued its decline from USD90/t in Dec-13 to USD60/t in June-2015
- Oil price quite stable from 2011 to mid 2014 above US\$90/bbl and drop significantly starting end of 2014 to US\$67/bbl by end of Jun'15
- Indonesia coal production increased significantly from 280Mt in 2010 to the peak in 2013 with 474Mt production, since the price dropped in 2014 annual production declined 3% compared to 2013
- IDR weakened against USD in 1H15, where USD/IDR declined from 12,438 in Dec'14 to 13,313 in Jun'15
- Lower coal price gives pressure to coal producers to save cost and cut production which in turn led to price pressure on coal transportation services' selling price, approximately 24% in TC market

# 6M15 Performance

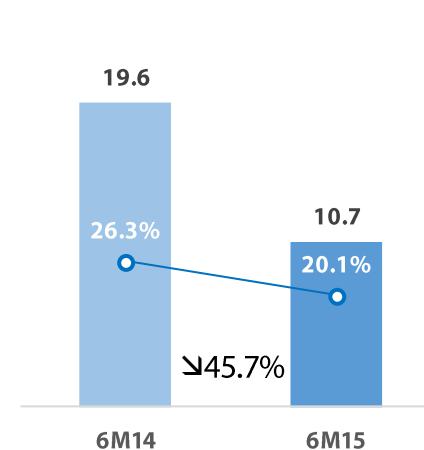
Revenue  
US\$m



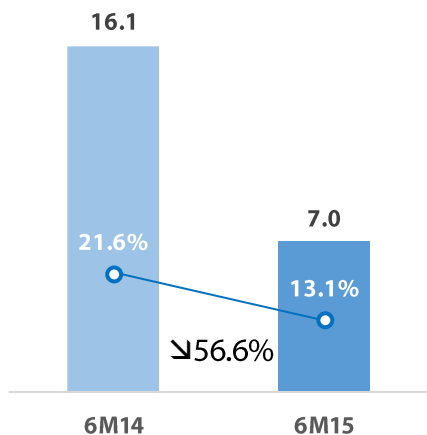
Gross profit  
US\$m



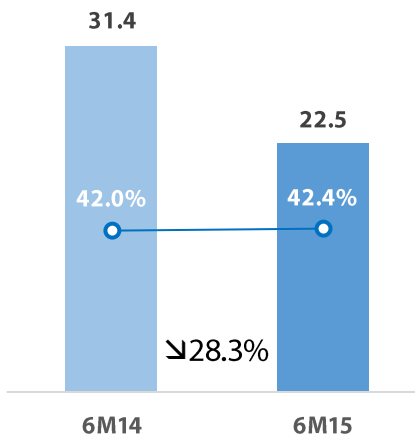
Ops. profit  
US\$m



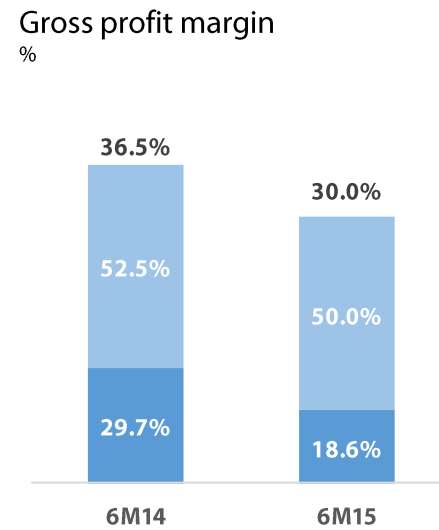
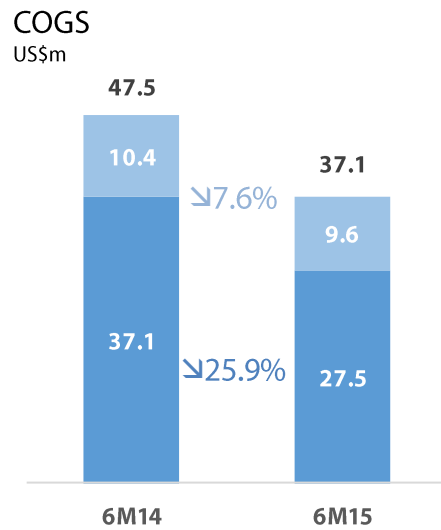
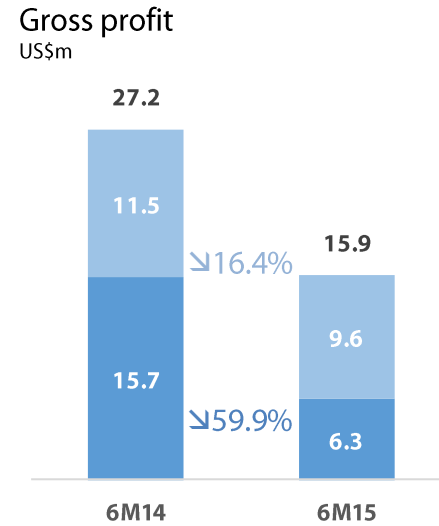
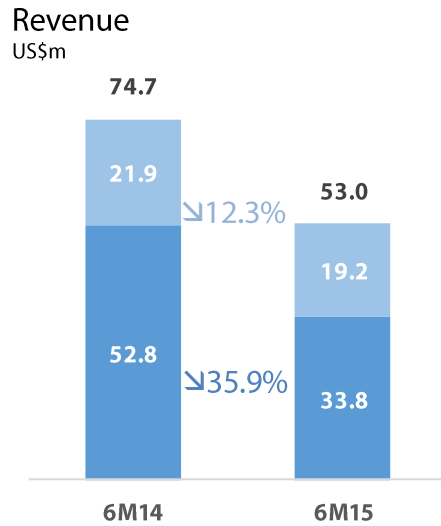
Net income  
US\$m



Ebitda  
US\$m



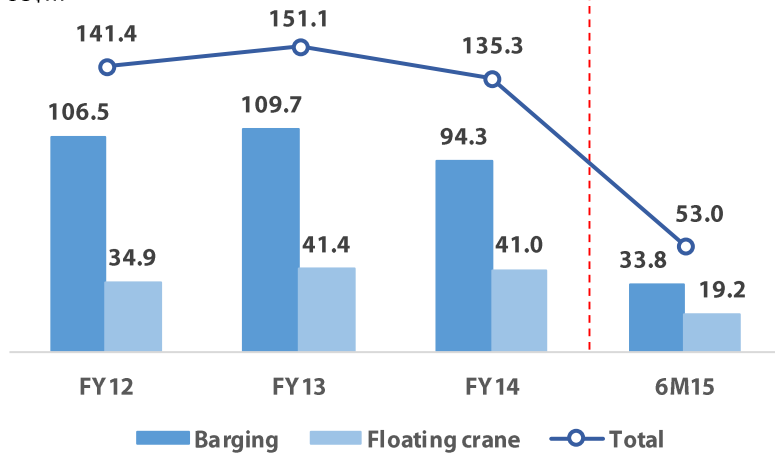
# 6M15 Performance by Segment



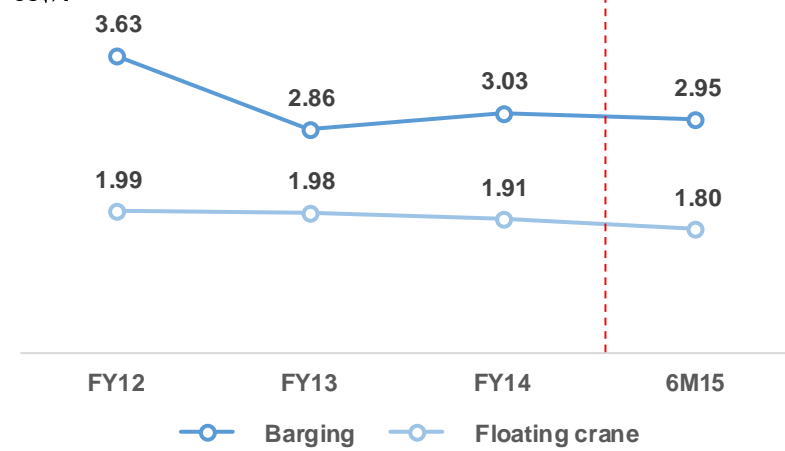
■ Barging    ■ Floating crane

# 6M15 Revenues & Volumes

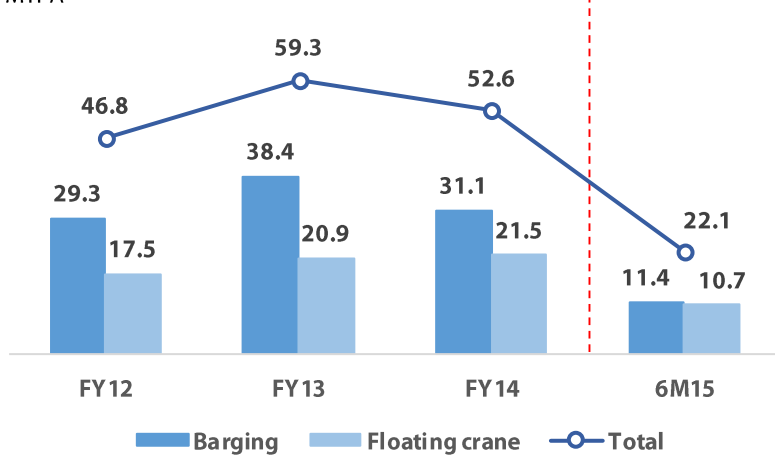
Revenue  
US\$m



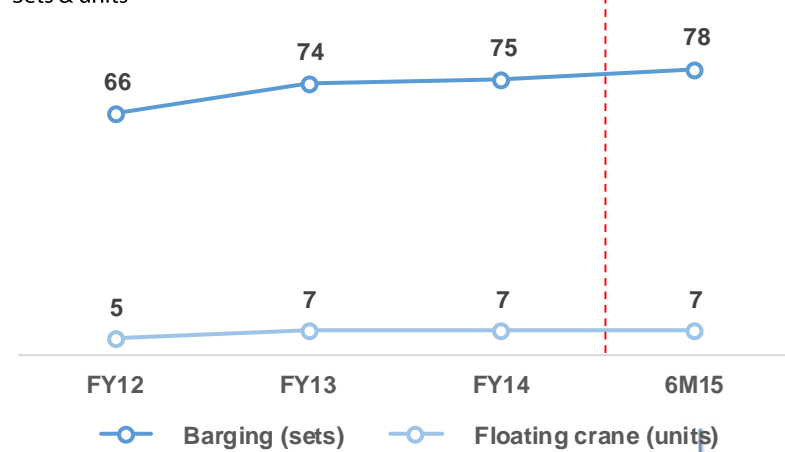
Average rate  
US\$/t



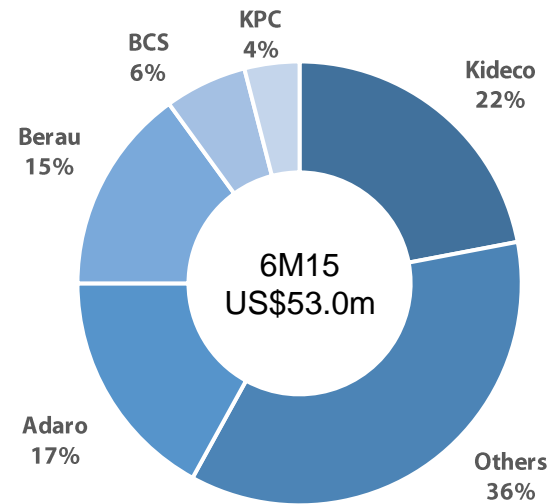
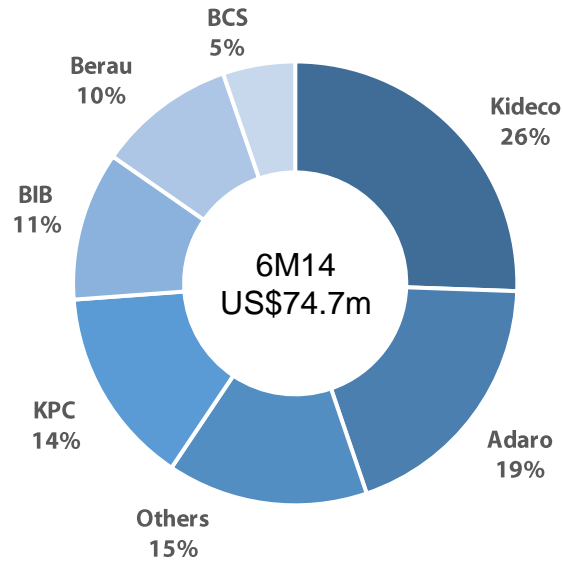
Volume  
MTPA



Number of fleet  
Sets & units



# 6M15 Revenue by Customers



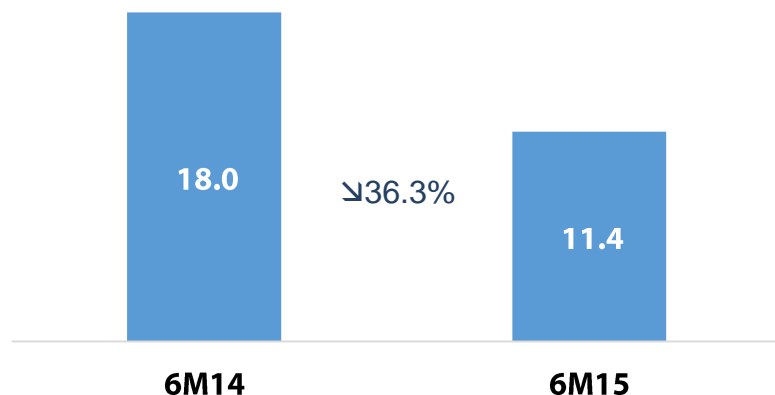
*“MBSS serves top tier coal producers that seek to increase production in the current bearish situation. This strategy creates an opportunity for MBSS as these clients will need more transportation services”*



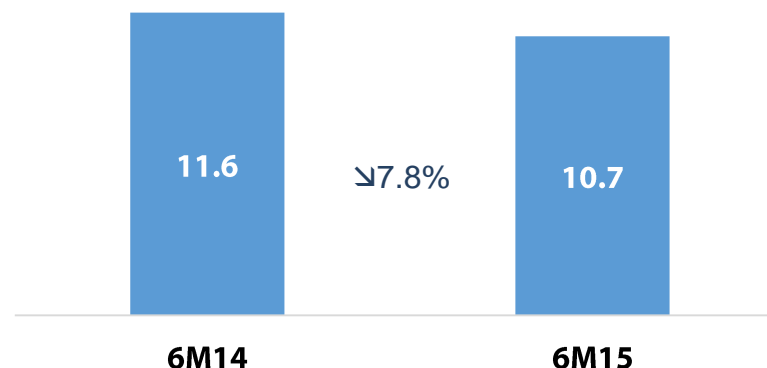


# 6M15 Volume by Customers

Barging volume  
Mio t



Floating crane volume  
Mio t



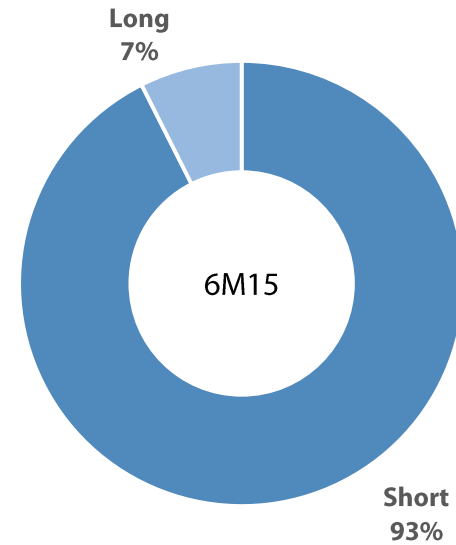
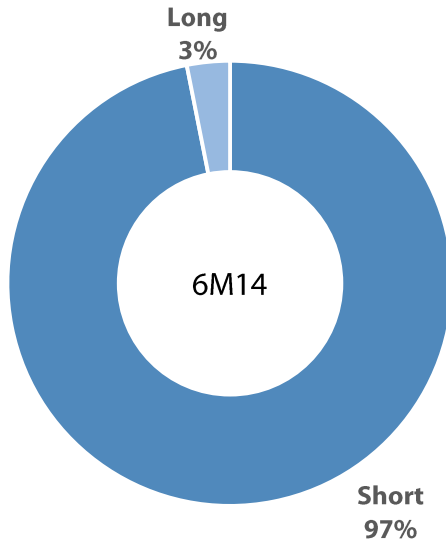
Barging top 5 customers

Customer	6M14	6M15	Growth
KPC	5.5	0.3	-95.3%
Kideco	5.0	5.2	4.7%
Adaro	3.1	3.0	-3.8%
BIB	1.7	-	-100.0%
BCS	1.5	1.1	-24.9%
Others	1.2	1.8	55.6%
<b>Total</b>	<b>18.0</b>	<b>11.4</b>	<b>-36.3%</b>

Floating crane top 5 customers

Customer	6M14	6M15	Growth
Kideco	6.2	4.7	-23.6%
Berau	2.7	3.6	35.9%
BCS	1.3	1.1	-11.0%
Jhonlin	1.2	0.3	-76.3%
Adaro	0.3	-	-100.0%
Others	-	0.9	0.0%
<b>Total</b>	<b>11.6</b>	<b>10.7</b>	<b>-7.8%</b>

# 6M15 Volume by Distance

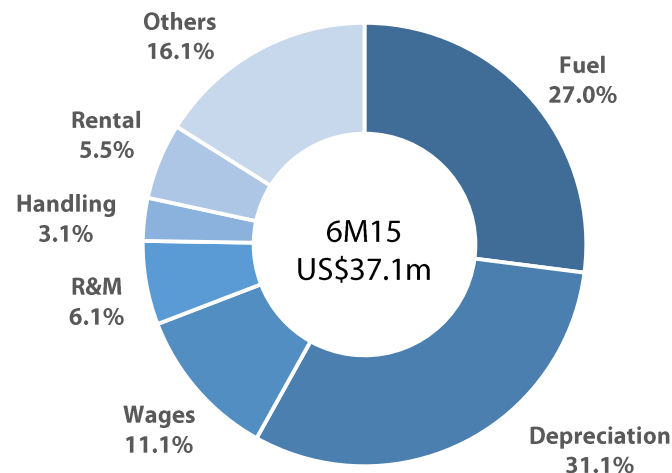
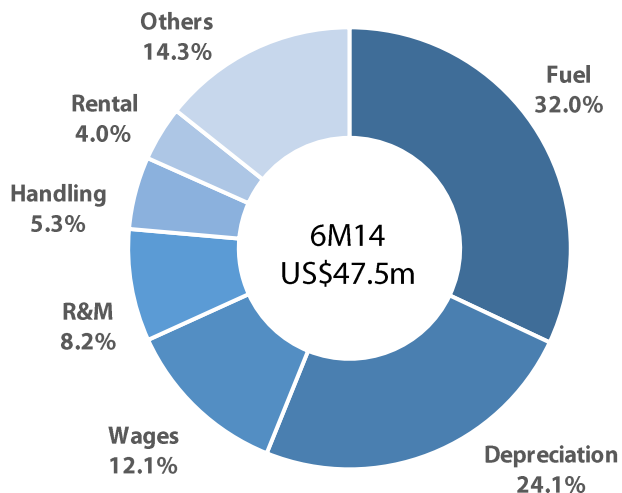


*“There has been an increasing trend in long distance/inter-island cargo shipments to meet the domestic demand for coal”*



# 6M15 Direct Costs

As percentage to total direct cost



As percentage to revenue

Cost component	US\$m	% of rev.
Fuel	15.2	20.4%
Depreciation	11.4	15.3%
Wages	5.7	7.7%
R&M	3.9	5.2%
Handling	2.5	3.4%
Rental	1.9	2.5%
Others	6.9	9.0%
<b>Total</b>	<b>47.5</b>	<b>63.5%</b>

Cost component	US\$m	% of rev.
Fuel	10.0	18.9%
Depreciation	11.5	21.7%
Wages	4.1	7.7%
R&M	2.3	4.3%
Handling	1.2	2.2%
Rental	2.1	3.9%
Others	5.9	11.3%
<b>Total</b>	<b>37.1</b>	<b>70.0%</b>

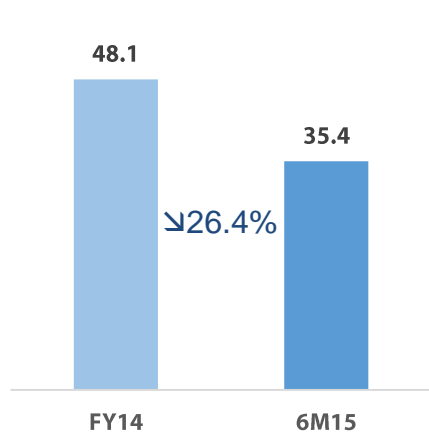
# 6M15 Backlog

US\$m

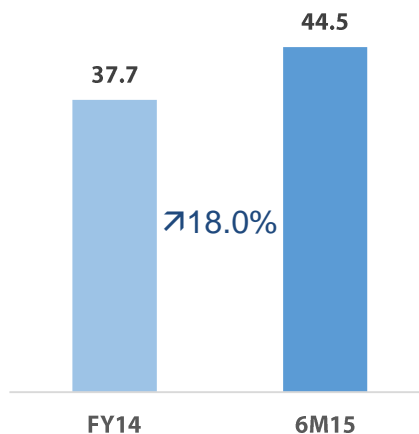
Backlog	Barging	Floating crane	Total
Remaining contract value as of January 1st, 2014	145.9	117.7	263.6
New contracts/additional value/adjustment	(8.9)	-	(8.9)
Revenue recognition for perior ended June 30th, 2015	19.6	18.2	21.7
<b>Remaining contract value as of June 30th, 2015</b>	<b>117.5</b>	<b>99.5</b>	<b>217.0</b>

# Strong Cash Position with Low Leverage

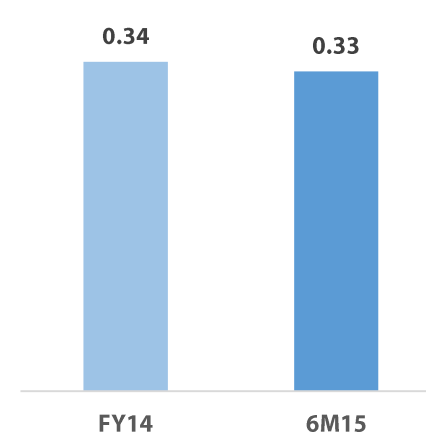
Cash  
US\$m



Net debt  
US\$m



Debt to equity  
x



*“MBSS has implemented a more structured system of managing working capital, through better funding mechanisms to generate a healthier and more optimal cash position. Higher liquidity levels also provided with greater flexibility to accelerate its business development when market conditions and the macro-economy recover”*



# Summary of 6M15 Income Statement

US\$m	6M14	6M15	% change
Revenues			
Barging	52.8	33.8	(35.9%)
Floating crane	21.9	19.2	(12.5%)
<b>Total</b>	<b>74.7</b>	<b>53.0</b>	(29.0%)
Cost of revenues	47.5	37.1	(21.9%)
Gross profit	<b>27.2</b>	<b>15.9</b>	(41.5%)
Gross margin	36.5%	30.0%	
SG&A	7.6	5.3	(30.8%)
Operating income	<b>19.6</b>	<b>10.7</b>	(45.7%)
Operating margin	26.3%	20.1%	
Others	(1.6)	(2.1)	31.8%
Tax	0.9	0.6	(29.0%)
NPAT	<b>17.2</b>	<b>8.0</b>	(53.6%)
Net margin	23.0%	15.0%	
Net income attributable to :			
Equity holders of parent	16.1	7.0	(56.6%)
Non-controlling interest	1.1	1.0	(9.4%)

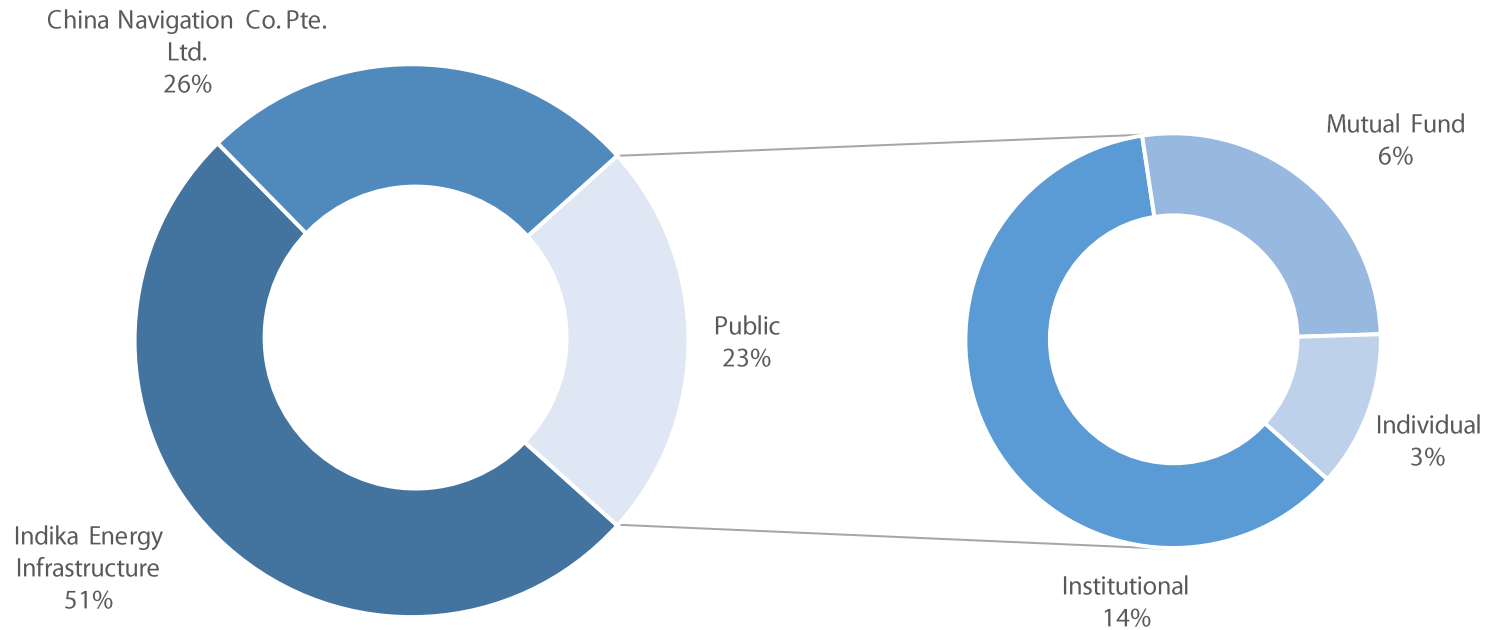
# Summary of 6M15 Financial Position

US\$m	FY14	6M15	% change
<b>Current assets</b>			
Cash & equivalent	48.1	35.4	(26.4%)
Trade receivables	35.7	36.9	3.4%
Other receivables	1.9	2.0	5.0%
Inventory	5.6	6.3	12.5%
Prepaid expenses	4.0	4.9	22.5%
Other current assets	0.1	0.1	-
<b>Total current assets</b>	<b>95.4</b>	<b>85.6</b>	<b>(10.3%)</b>
<b>Non-current assets</b>			
Plant, vessel & equip.	254.0	247.4	(2.6%)
Other assets	2.2	3.3	50.0%
<b>Total non-current assets</b>	<b>256.2</b>	<b>250.8</b>	<b>(2.1%)</b>
<b>Total assets</b>	<b>351.6</b>	<b>336.4</b>	<b>(4.3%)</b>

US\$m	FY14	6M15	% change
<b>Current liabilities</b>			
ST bank loan	13.4	13.4	0.0%
Trade payables	4.8	3.7	(22.9%)
Other payables	0.4	0.4	0.0%
Tax payables	1.0	0.4	(60.0%)
Accrued expense	4.3	4.6	7.0%
Current portion of LTD	14.9	16.9	13.4%
<b>Total current liabilities</b>	<b>38.9</b>	<b>39.5</b>	<b>1.5%</b>
<b>Non-current liabilities</b>			
LT bank loan	57.5	49.6	(13.7%)
Due to related parties	-	-	0.0%
Other liabilities	1.3	1.5	15.4%
<b>Total non-current liab.</b>	<b>58.8</b>	<b>51.2</b>	<b>(12.9%)</b>
<b>Total liabilities</b>	<b>97.7</b>	<b>90.7</b>	<b>(7.2%)</b>
<b>Shareholders' equity</b>			
Capital shares	26.7	26.7	0.0%
Paid in capital	33.6	33.6	0.0%
Retained earnings	185.8	176.6	(5.0%)
Minority interest	7.4	8.4	13.5%
Other equity	0.4	0.4	0.0%
<b>Total shareholders' equity</b>	<b>253.9</b>	<b>245.8</b>	<b>(3.2%)</b>
<b>Total liabilities and shareholders equity</b>	<b>351.6</b>	<b>336.4</b>	<b>(4.3%)</b>

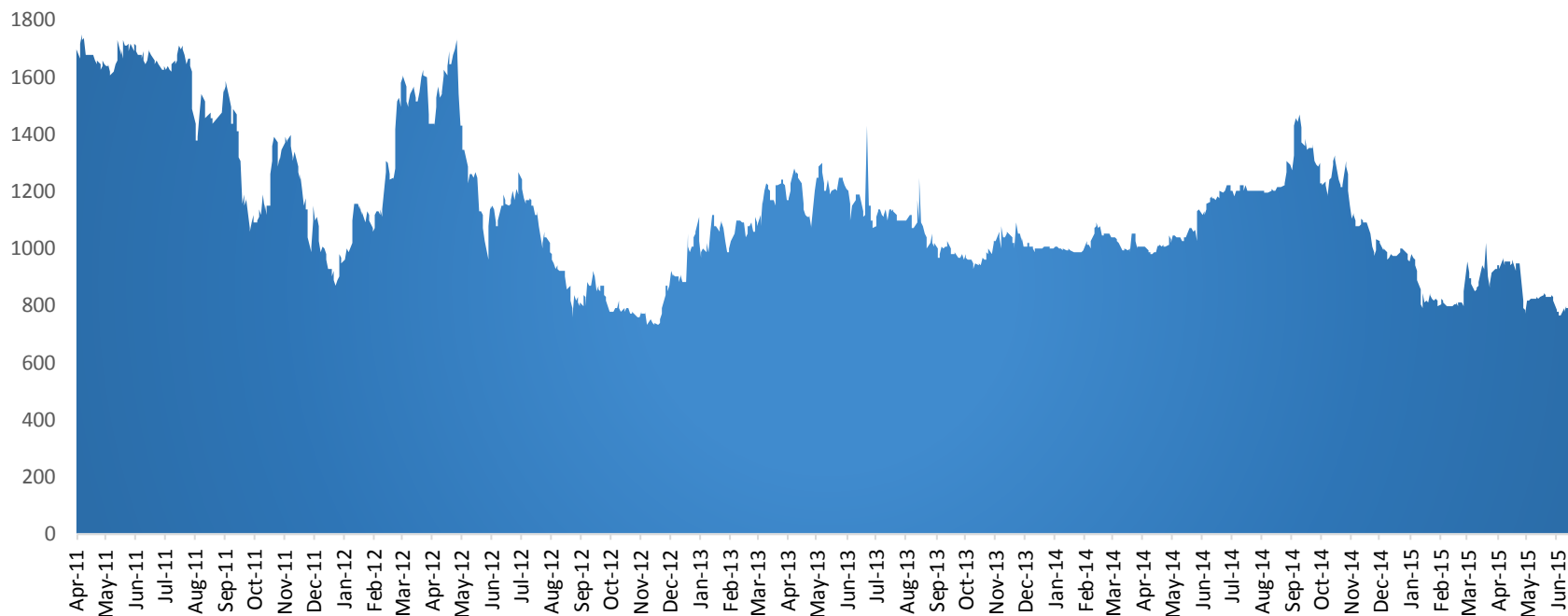
# Shareholding Structure

**49% of shares held by public, comprising of institutional, mutual fund and individual investors**



*“Most of of public shareholders are institutional investors”*

# Shares Performance and Dividend Payment History



## 52-week share performance (May'14 - Jun'15)

Highest	1,505
Lowest	715
Average	1,036

## Dividend payment

<u>Payment date</u>	<u>Dividend distributed</u>	<u>Payout ratio</u>
18 Jul. 2012	Rp43 per share	30.5%
31 Jul. 2013	Rp50 per share	24.6%
19 Jun. 2014	US\$0.0055 per share	25.0%
27 May 2015	US\$0.00920275/share	80.0%

# Thank You

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