

9M16 Company Updates



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PART 1. COMPANY'S PROFILE

- PT Mitrabahera Segara Sejati Tbk (MBSS) is a leading Indonesian provider of integrated one-stop sea logistics and transportation solutions for bulk materials, particularly coal. With more than 20 years of experience in the business, MBSS has earned a reputation for high quality, reliable service. Our customers consist of first and second-tier coal producers, as well as end users.
- MBSS was founded in Jakarta, Indonesia in 1994 as a shipping company. Over time, we expanded our facilities, fleet and overall services to become a premier provider capable of consistently meeting client requirements. In 2011, MBSS successfully listed on the Jakarta Stock Exchange (now the Indonesia Stock Exchange). In the same year, MBSS also became a member of the Indika Energy group.
- Applying international operating standards and industry best practices to ensure efficient and reliable service for customers, MBSS is committed to sustainable growth and excellence through strategic decision making and operations.

Integrated Solutions

Material Handling

- Material handling and management and operation of on-shore facilities.
- The operations in this stage cover: crushing, screening, quality control, stockpile management and conveyor system operation.

Barging

- Transport from loading port to unloading port (direct barging).
- Transport from loading port to anchorage point for transshipment.

Transshipment

- Transfer of coal from barge to mother vessel, which can be executed by using geared vessel or intermediate facilities such as floating crane.





Captain Hari Ananthanarayanan - President Director

Serves as President Director since September 2016. He also serves as Commercial Director at MBSS.

Hari holds a number of marine related certifications; Master Marine Class 1 Certificate (South Tyneside College, South Shields, UK), Advanced Diploma in Transportation Management (Chartered Institute of Transport, UK). He also holds an MBA (Leicester University, UK), and also possess a Graduate Certificate in International Arbitration (University of Singapore), and a Graduate Diploma in Maritime Law and Arbitration (National University of Singapore).



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 served as Deputy Director – Financial Controller at PT Indika Energy Tbk from 2004-2016. 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. also attended various Executive Leadership Development Programs, recently at Wharton Business School, University of Pennsylvania in May 2012 (CFO: Becoming a Strategic Partner).



Surya Aribowo - Director

Serves as Director since September 2016. He has spent close to 30 years in the coal mining industry. Recently he was invited to join PT Mitrabahtera Segara Sejati Tbk as the GM of Operations.

Surya Aribowo graduated from Jayabaya University, Jakarta, majoring economics, specializing in management.



Trevor Larbey - Director

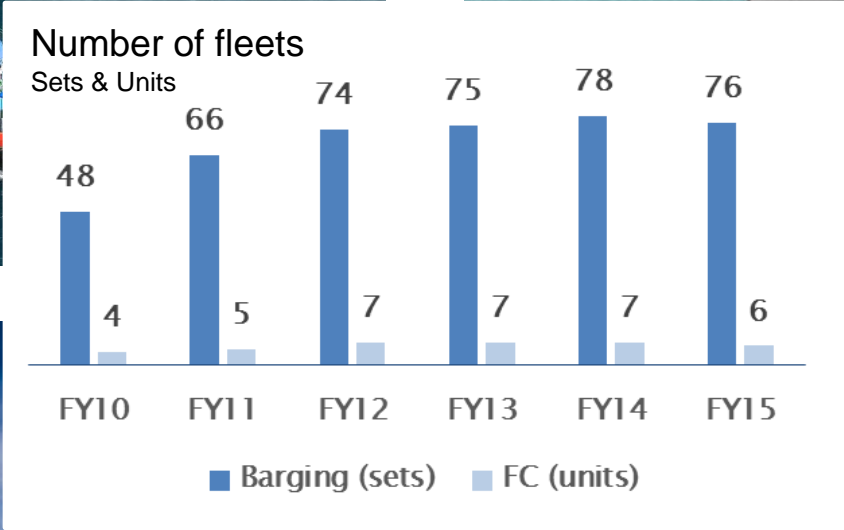
Serves as Director of MBSS since 2015. He has a global experience of over 30 years in sea transportation and logistics industry, mining development and expansion for many companies such as China Navigation, Rio Tinto, BHP and Jebsen's Management. He holds master degree in Maritime Policy and bachelor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

Tugboats

2015	87
Addition	-
Disposal	(1)
9M16	86

Barges

2015	76
Addition	-
Disposal	-
9M16	76



Barging loading capacity per trip

✓ 270ft (5 sets)	25,000 t
✓ 300ft (52 sets)	416,000 t
✓ 330ft (8 sets)	80,000 t
✓ 365ft (11 sets)	137,500 t
<hr/>	
Total barging capacity	658,500 t

Floating Cranes (FC)

2015	4
Addition	-
Disposal	-
9M16	4

Floating Loading Facilities (FLF)

2015	2
Addition	-
Disposal	-
9M16	2

Others

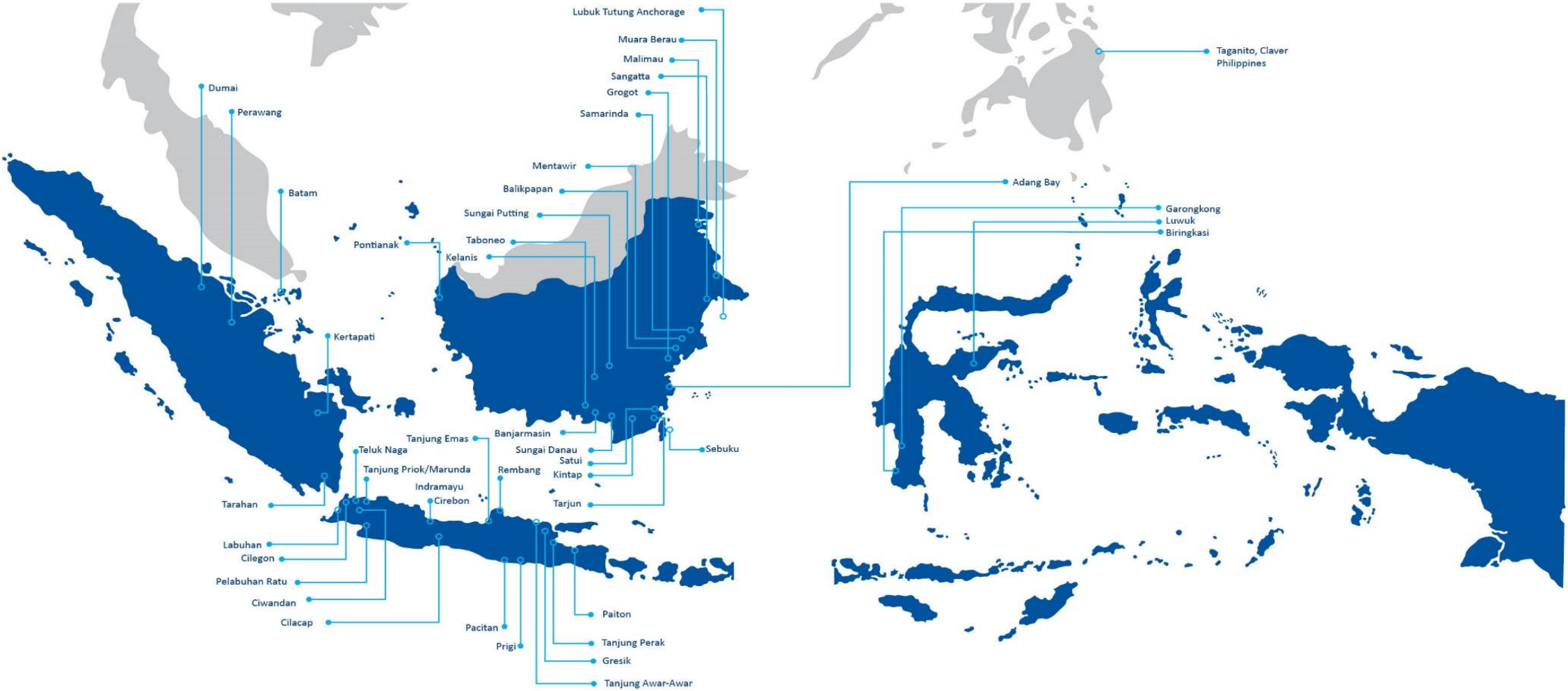
<u>Cement vessel</u>	
2015	1
Addition	-
Disposal	(1)
9M16	-
<u>Support vessel</u>	
2015	1
Addition	-
Disposal	-
9M16	1

Floating cranes loading rate per day

✓ 18,000 TPD (1 units)	18,000 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
<hr/>	
Total 6 FCs capacity *)	182,000 t

*) Consisting of 4 FCs & 2 FLFs

Operational Area





berau coal



better energy,
brighter future



Sakari

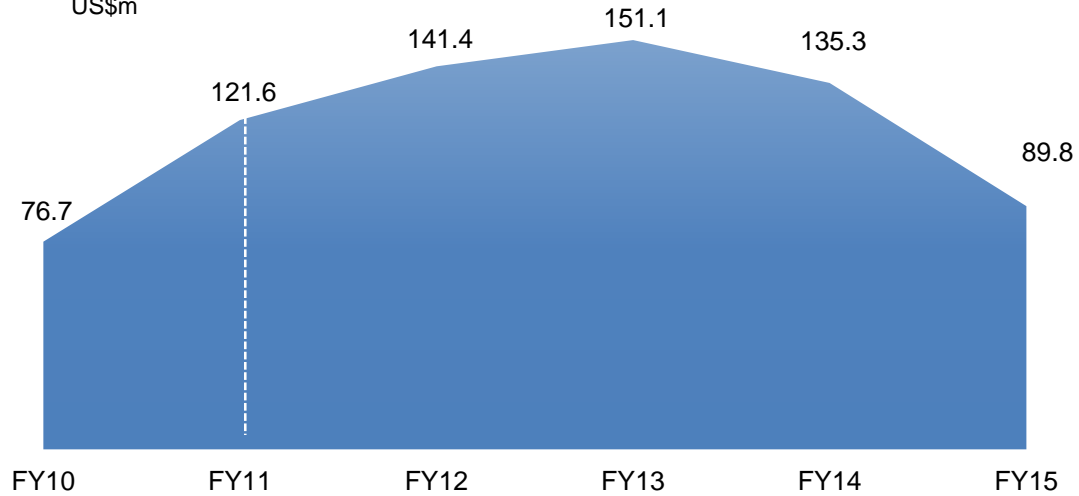


PT. MITRA MAJU SUKSES

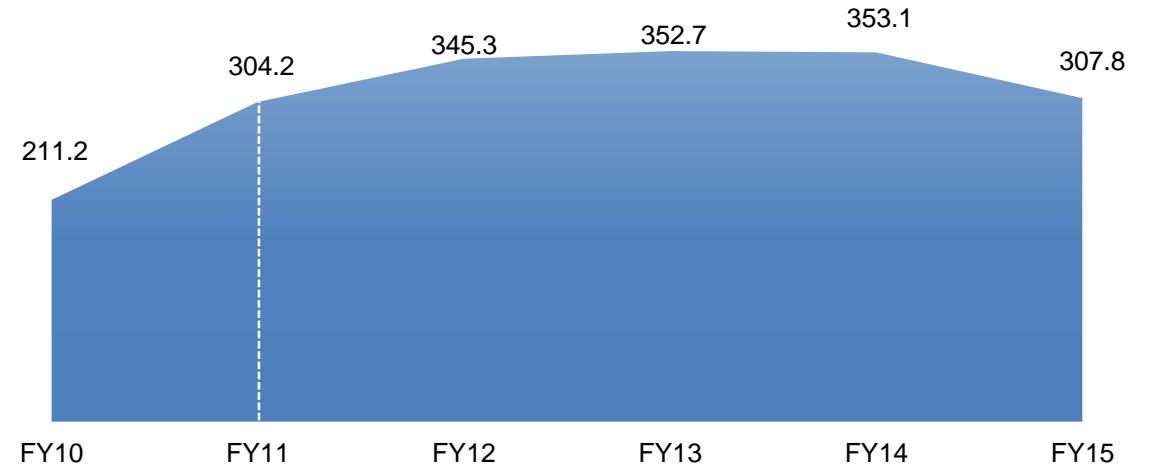
Adaro Indonesia	Barging	7-years contract (2010-2017)
Kideco Jaya Agung	Barging	3-years with 2-years extension contract (2014-2019)
	Floating Crane	5-years with 2-years extension contract (2013-2019)
Berau Coal	Floating Crane	5-years (2012-2017) with 5-years extension contract (2012-2022)
Bahari Cakrawala	Barging	3-years (2014-2017) with 2-years extension contract (2014-2019)
	Floating Crane	
MMS	Barging	1-year contract (2016-2017)

Financial Summary

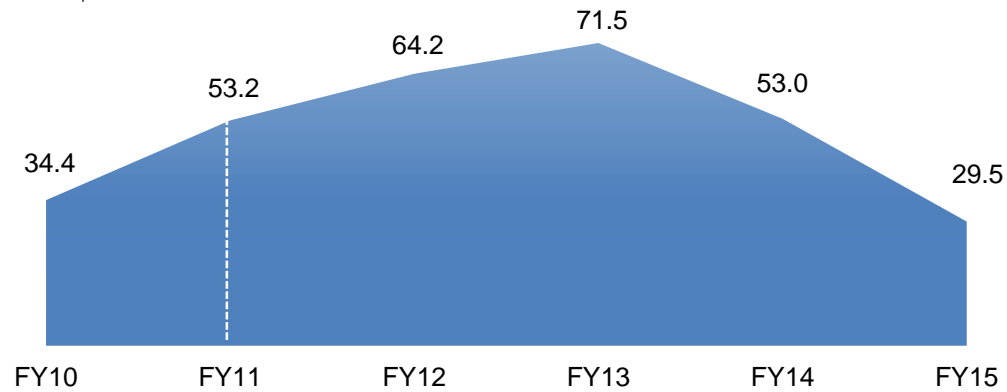
Revenue
US\$m



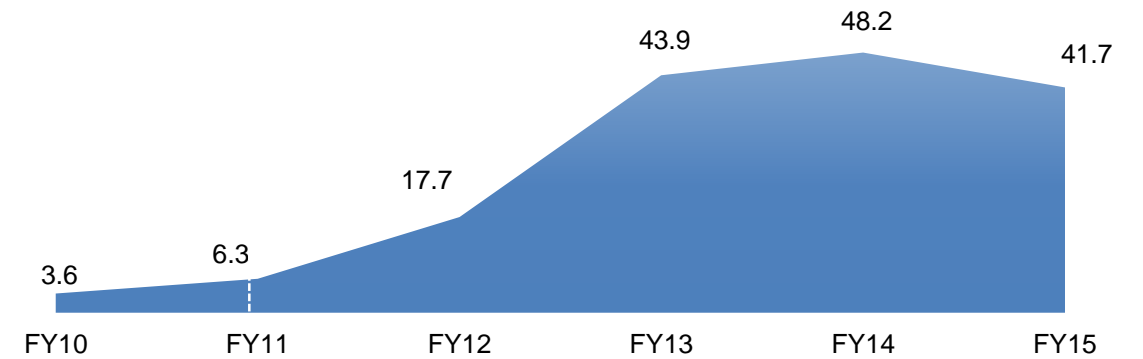
Assets
US\$m



EBITDA
US\$m

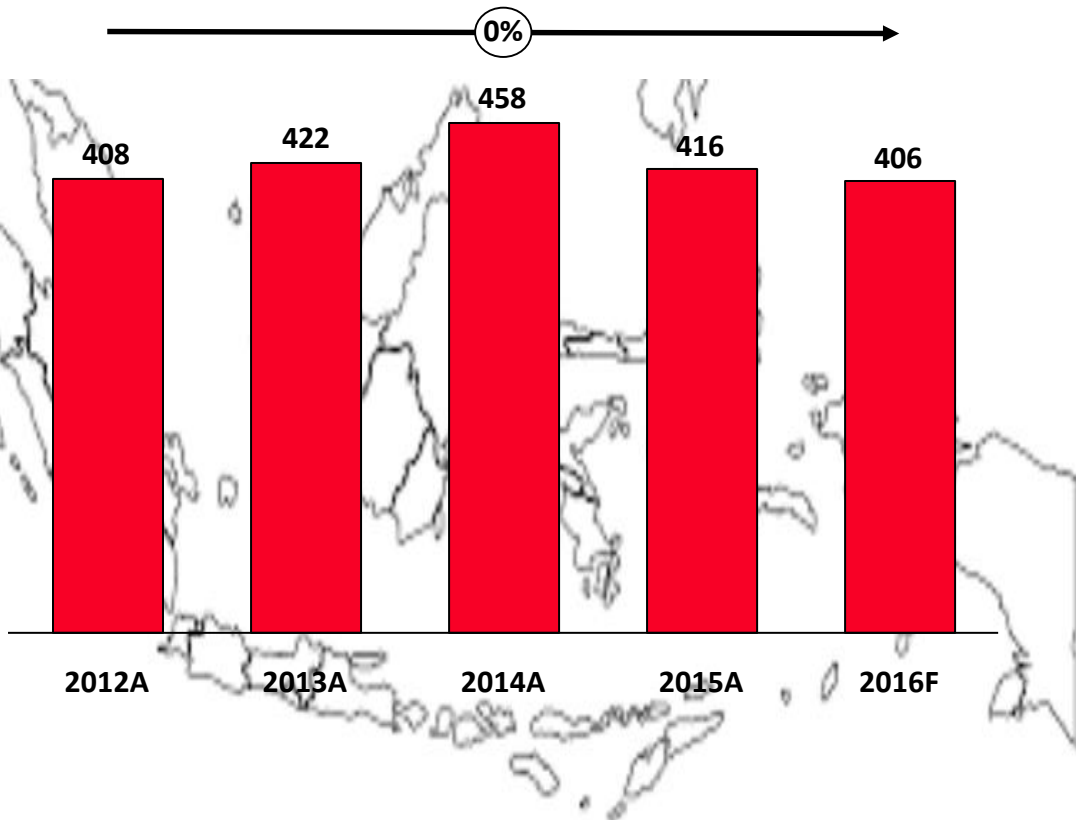


Cash
US\$m

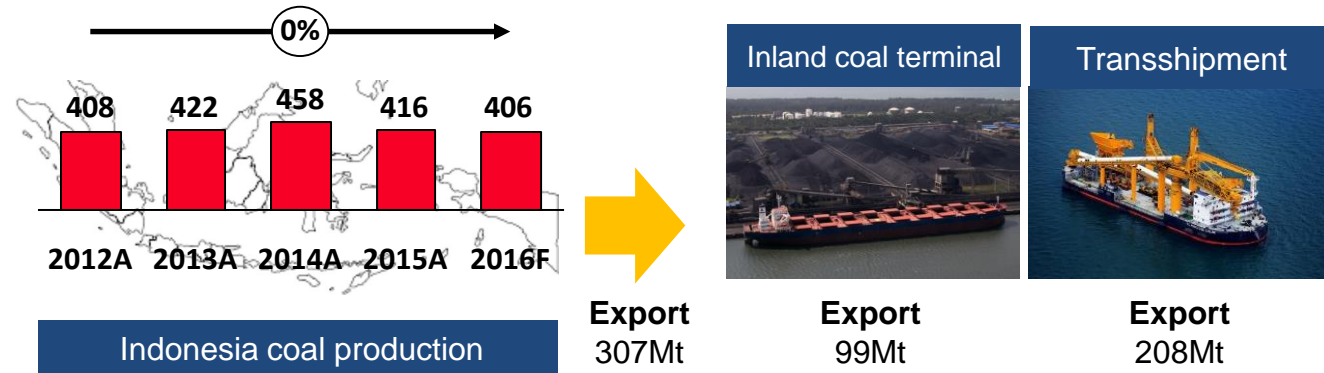


Note: Acquisition of MBSS' majority shares by Indika

PART 2. COMPANY'S PERFORMANCE



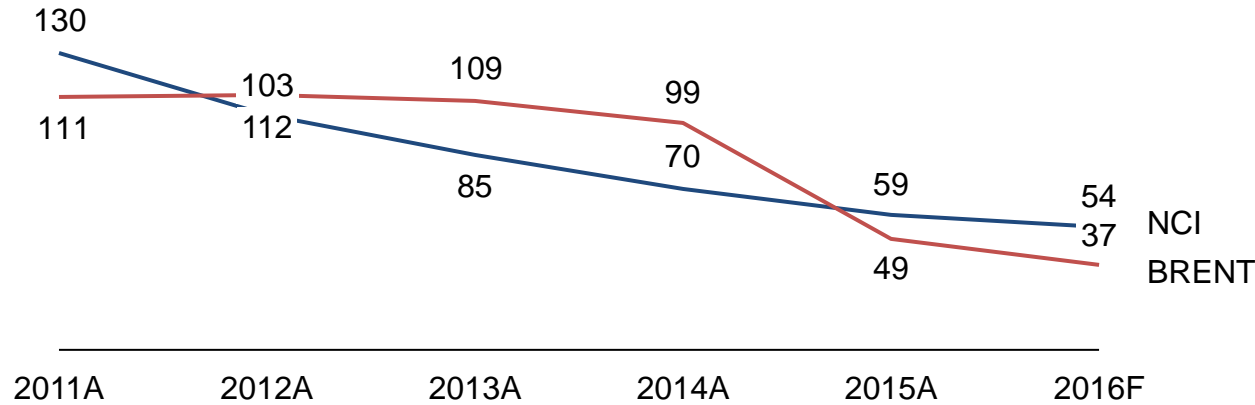
Indonesia Coal Flow



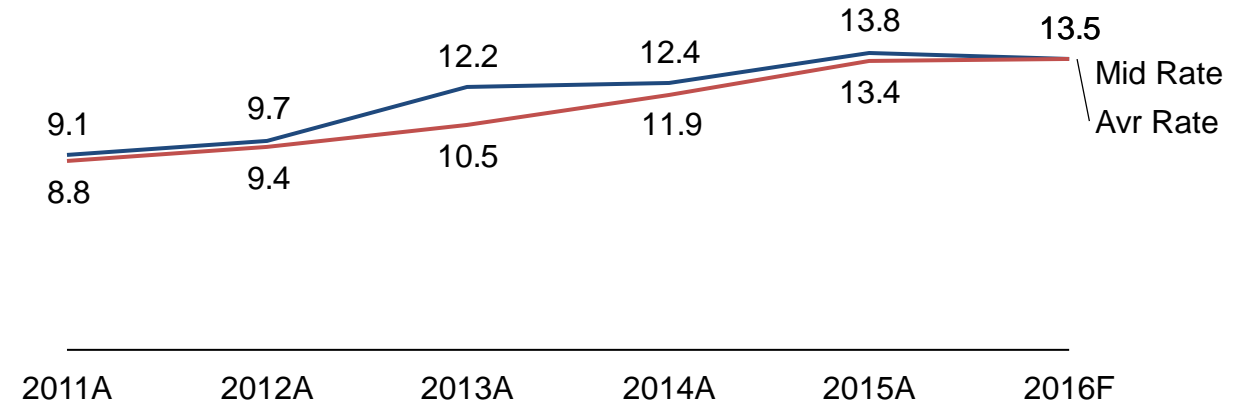
Coal production (Mt)	2016F	Domestic	Export	Barging	FC
Top Tier	253.9				
Non – top tier	152.2				
Total National	406.1	99.6	306.6	99.6	306.6
Add. Transshipment				306.6	
Less. Inland terminal				(99.0)	(99.0)
Potential market				307.2	207.6

Domestic sale
 Domestic 100Mt
 Direct barge shipment inter island

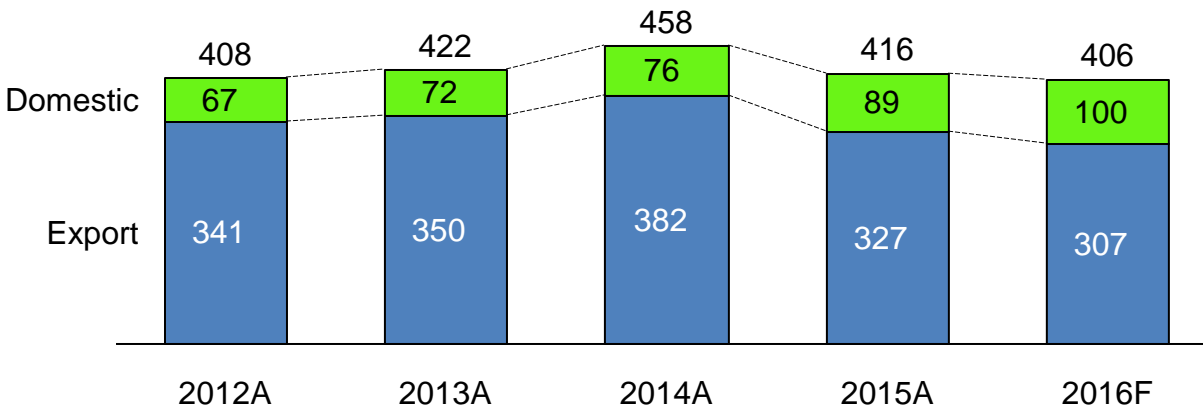
Coal vs Fuel



US\$ to IDRK



Indonesia Coal Production



Highlights

- The declined of coal price and fuel price expected to continue in 2016R2, Newcastle Coal Index expected at US\$54/t in 2016 and Brent at US\$37/brl
- National coal production declined by 9% in 2015 compared with 2014 and expected improve slightly to 406Mtpa in 2016F
- Domestic consumption increased by 17% in 2015, where PLN consumption was higher by 5%, consequently domestic consumption expected to increase by 12% in 2016F predominantly driven by PLN consumption
- As a result from these macroeconomic and industry conditions, coal producers in general prefer to give their logistic volume internally (consolidation strategy) and negotiate the terms in shorter period, no guarantee volume and lower price.
- MBSS acknowledge new type of contracts in spot market which required semi dedicated fleets and repeated (Hybrid contracts)

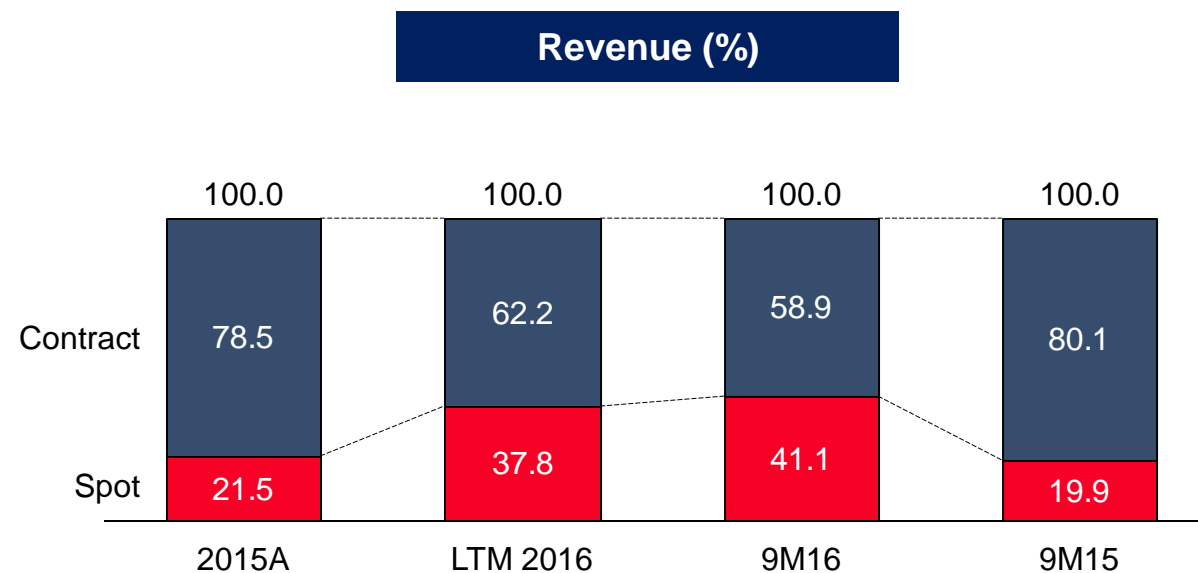
9M16 Performance Highlights

Description	2015A	LTM 2016	9M16	9M15	% Change
Barging Volume (Mt)	22.2	21.9	16.9	17.3	-2.1%
FC Volume (Mt)	16.0	10.4	9.6	15.1	-36.9%
Description <i>(in US\$m unless indicated)</i>	2015A	LTM 2016	9M16	9M15	% Change
Revenue	89.8	68.3	50.0	71.5	-30.1%
Gross Profit	15.1	0.7	2.9	17.3	-83.4%
Operating Profit	2.9	(10.7)	(5.3)	8.4	-162.5%
Net Interest	(2.9)	(2.7)	(2.1)	(2.2)	-8.4%
NPAT	(12.0)	(18.9)	(6.7)	0.2	-3598.5%
EBITDA	29.5	16.2	12.7	26.2	-51.6%
Capex	8.9	7.6	4.9	6.1	-20.3%
Cash*	42.0	36.3	36.3	34.9	-5.3%
Total Assets	307.8	290.2	290.2	328.8	-11.8%
Total Debt	70.9	57.1	57.1	75.5	-24.4%
Total Equity	227.1	220.9	220.9	239.1	-7.6%
Debt to Equity (x)	0.31	0.26	0.26	0.32	-18.2%
Debt to EBITDA (x)	2.41	3.53			
EBITDA to Interest (x)	10.09	5.93			

*inclusive of Debt Service Reserve Account

Barging Highlights

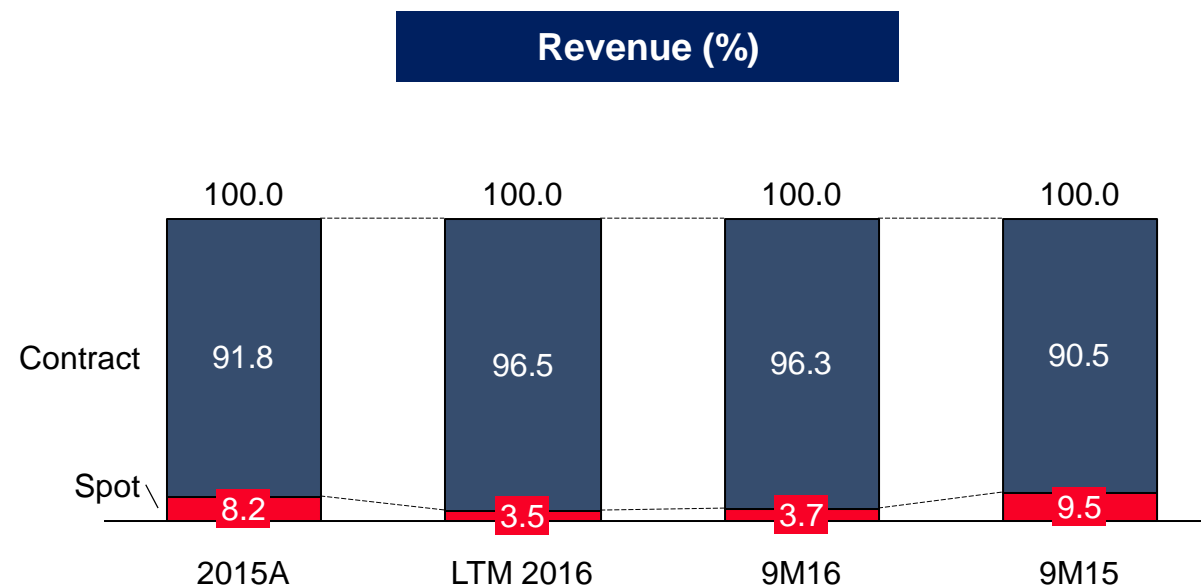
Description (in US\$m unless indicated)	2015A	LTM 2016	9M16	9M15	Change (%)
Revenue	57.4	47.4	35.6	45.7	(22.0)
Cost	55.9	52.1	35.8	39.7	(9.7)
Gross profit	1.5	(4.7)	(0.2)	6.0	(103.6)
Gross profit (%)	2.6	(9.9)	(0.6)	13.1	-1,313bps
Volume (Mt)	22.2	21.9	16.9	17.3	(2.1)
# of sets	76	76	76	78	(2.6)



Revenue (in US\$m)	2015A	LTM 2016	9M16	9M15	Change (%)
Adaro	14.5	12.8	10.2	11.9	(14.6)
Kideco	14.3	8.0	5.8	12.1	(52.4)
KPC	2.9	1.4	0.9	2.4	(64.1)
BCS	2.8	2.7	1.8	1.9	(4.4)
MMS	1.9	2.4	1.7	1.2	43.4
Others	8.7	2.2	0.6	7.0	(91.4)
Spot	12.3	17.9	14.6	9.1	60.4
Total	57.4	47.4	35.6	45.7	(22.1)

Contracts	Duration	Backlog (US\$m)	Remarks
KPC	2015 – 2017	-	No volume commitment
Adaro	2010 – 2017	18.5	
Kideco	2012 – 2019	12.8	
BCS (Sakari)	2014 – 2017	1.3	
MMS	2015 – 2017	-	No volume commitment
Total		32.6	

Description <i>(in US\$m unless indicated)</i>	2015A	LTM 2016	9M16	9M15	Change (%)
Revenue	32.3	20.9	14.4	25.8	(44.2)
Cost	18.7	15.5	11.3	14.5	(22.6)
Gross profit	13.6	5.5	3.2	11.3	(72.0)
Gross profit (%)	42.1	26.1	21.9	43.7	-4,375bps
Volume (Mt)	16.0	10.4	9.6	15.1	(36.9)
# of FC	6	6	6	7	(14.3)

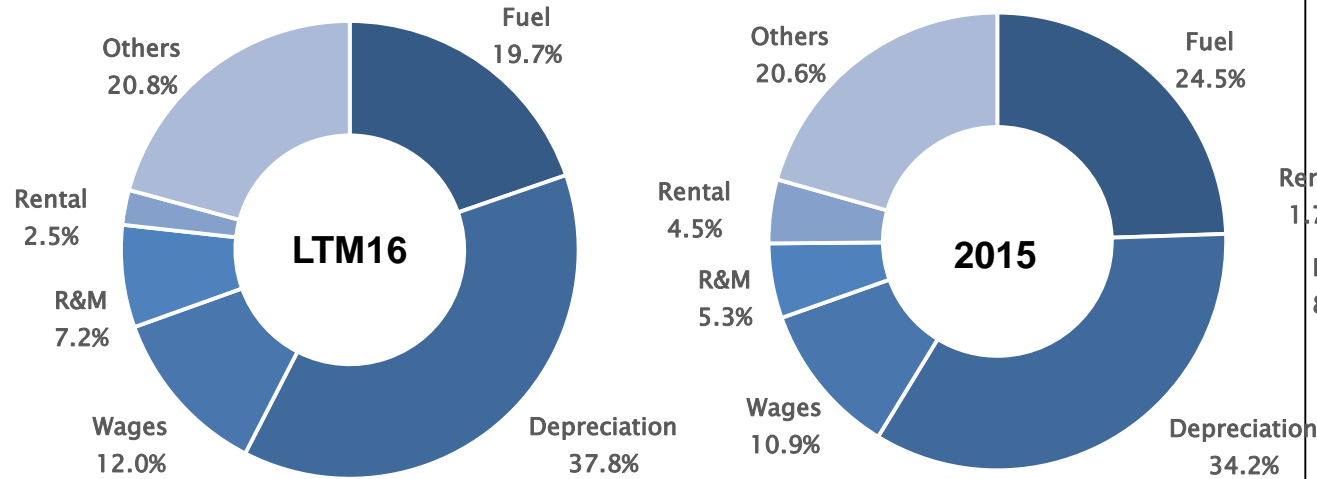


Revenue <i>(in US\$m)</i>	2015A	LTM 2016	9M16	9M15	Change (%)
Berau	14.7	10.8	7.0	10.9	(35.8)
Kideco	12.1	6.9	5.0	10.2	(51.0)
BCS	2.8	2.5	1.9	2.2	(13.6)
Others – Spot	2.6	0.7	0.5	2.4	(79.2)
Total	32.3	20.9	14.4	25.8	(44.2)

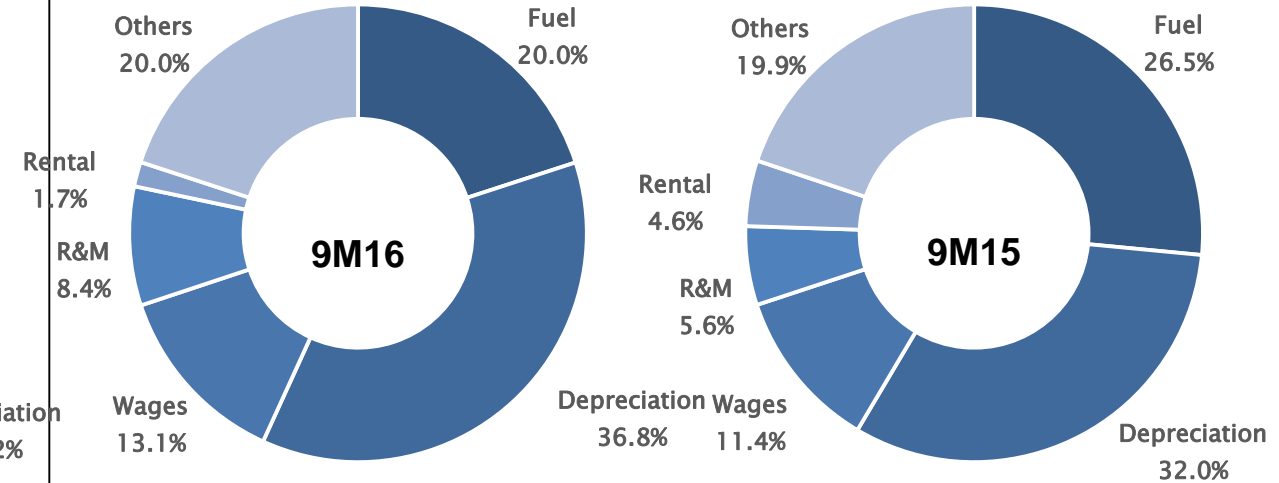
Contracts	Duration	Backlog (US\$m)	Remarks
Berau	2012 – 2022	31.1	
Kideco	2013 – 2019	18.4	
BCS (Sakari)	2014 – 2017	1.8	
Total		51.3	

Direct Costs

LTM16 vs 2015

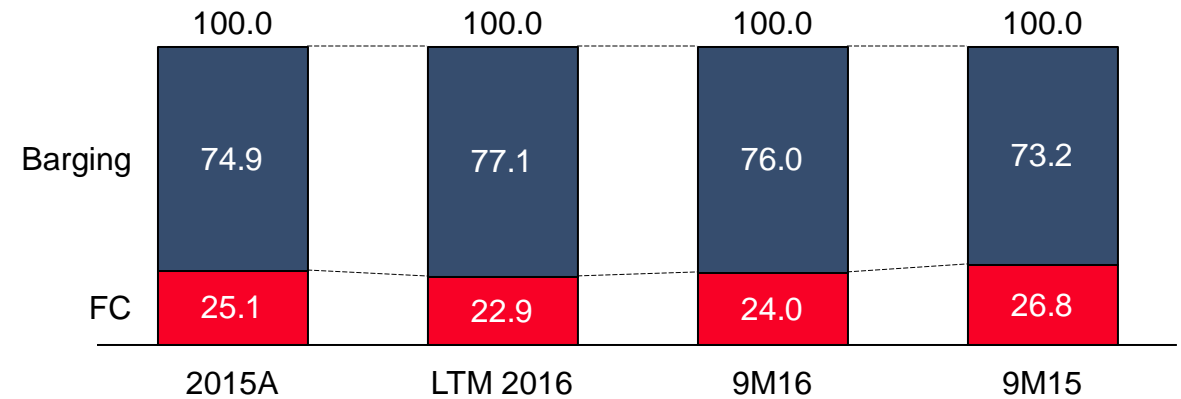


9M16 vs 9M15



Direct Cost (in US\$m)	2015A	LTM 2016	9M16	9M15	Change (%)
Fuel	18.3	13.3	9.4	14.4	(34.5)
Labor	8.1	8.1	6.2	6.2	-
R&M	3.9	4.9	4.0	3.0	31.2
Depreciation	25.6	25.6	17.4	17.4	-
Vessel rental	3.4	1.7	0.8	2.5	(67.4)
Others	15.4	14.0	9.4	10.8	(12.6)
Total	74.6	67.6	47.1	54.2	(13.1)

Cost Barging – FC (%)



PART 3. APPENDIX

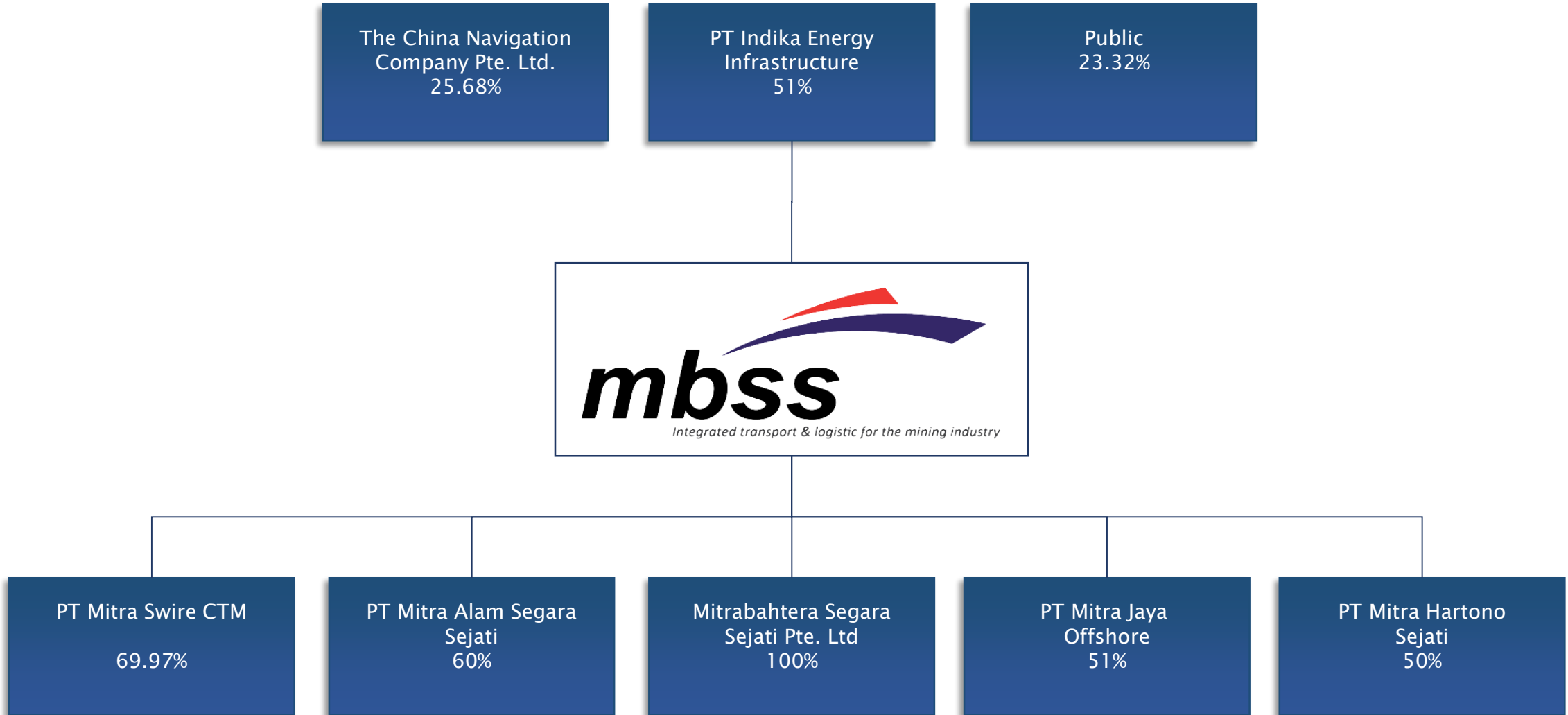
Summary Financial Statement



Profit and Loss (US\$m)	2015A	LTM16	9M16	9M15	Change (%)
Revenue	89.8	68.3	50.0	71.5	(30.1)
Cost	74.6	67.6	47.1	54.2	(13.1)
<hr/>					
Gross profit	15.1	0.7	2.9	17.3	(83.4)
<hr/>					
Operating expense	12.2	11.4	8.1	8.9	(8.3)
<hr/>					
Operating income	2.9	(10.7)	(5.3)	8.4	(162.5)
<hr/>					
Interest net	(2.9)	(2.7)	(2.1)	(2.2)	(8.4)
Forex	(0.9)	0.0	0.1	(0.8)	(109.4)
Others	(8.2)	(3.4)	1.7	(3.2)	(152.9)
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Profit before tax	(9.1)	(16.9)	(5.6)	2.2	(353.6)
<hr/>					
Income tax	1.1	0.8	0.6	0.9	(30.1)
Minority interest	1.9	1.3	0.6	1.1	(51.9)
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NPAT	(12.0)	(18.9)	(6.7)	0.2	(3,598.5)
<hr/>					
Depreciation	26.5	26.5	17.7	17.8	(0.3)
EBITDA	29.5	15.7	12.5	26.2	(52.4)
<hr/>					
Gross profit (%)	16.8	1.0	5.8	24.2	-2,413.0 bps
EBIT (%)	3.3	(15.7)	(10.5)	11.8	-1,188.0 bps
NPAT (%)	(13.4)	(27.8)	(13.4)	0.3	-40.0 bps
EBITDA (%)	32.8	23.0	25.0	36.7	-3,641.0 bps

Balance Sheet (US\$m)	2015A	LTM16	9M16	9M15	Change (%)
Cash	41.7	32.5	32.5	34.3	(5.3)
Receivables	30.1	23.2	23.2	36.8	(37.0)
Inventory	4.6	3.9	3.9	6.0	(34.0)
Others	5.2	12.2	12.2	6.4	90.2
<hr/>					
Total current assets	81.5	71.9	71.9	83.6	(13.9)
Fixed assets – net	226.3	218.3	218.3	245.3	(11.0)
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Total assets	307.8	290.2	290.2	328.8	(11.8)
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Trade payables	3.7	8.4	8.4	4.4	91.7
Bank loan	30.9	33.0	33.0	30.6	7.9
Other current	4.3	2.5	2.5	8.4	(70.1)
<hr/>					
Total current liabilities	39.0	43.8	43.8	43.3	1.2
Long term debt	39.9	24.1	24.1	44.9	(46.4)
Others	1.8	1.3	1.3	1.5	(16.3)
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Total liabilities	80.7	69.2	69.2	89.8	(22.9)
<hr/>					
Equity	69.5	70.1	70.1	69.2	1.2
Retained earnings	157.6	150.9	150.9	169.8	(11.2)
<hr/>					
Total equity	227.1	220.9	220.9	239.1	(7.6)

Ownership Structure



Shares Performance and Dividend Payment History



52-week share performance (Sep'15 - Sep'16)

Highest	440
Lowest	215
Average	308
Avg. Vol.	1,329 K

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%

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