

PT MITRABAHTERA SEGARA SEJATI TBK

The Company Records Revenues of US\$51.8 million in 9M18

Jakarta, 31 October 2018 – PT Mitrabahtera Segara Sejati Tbk (MBSS) recorded revenues of US\$51.8 million, gross profit of US\$2.1 million, EBITDA of US\$14.6 million and net loss of US\$10.4 million in the consolidated financial statements for the nine months period ended on September 30, 2018. The complete financial statements for the period can be accessed on the company's website (www.mbss.co.id).

Total revenues in 9M18 of US\$51.8 million showed an increase by 1.8% compared with 9M17 of US\$50.9 million. The increase in the barging revenue segment is primarily due to higher volume from Cotrans (Kideco), new contracts such as Muji Lines and Gunung Bara Utama (GBU) where the volume grew by 12.2% from 9M17, while the floating crane segment revenue was lower by US\$0.5 million compared to 9M17 which mostly caused by prolonged docking one of our FC.

The increase in barging revenue was attributable to higher cargo supply from clients such as Cotrans, BAG, with their volume increase able to offset the volume decrease of clients such as Mitra Maju Sukses and MUTU with a decrease in revenue of US\$2.2 million and US\$0.6 million respectively. The increase volume of Cotrans impacted to the higher revenue compared to last year by US\$2.4 million. New contracts of Muji Line and GBU contributed to the revenue by US\$5.6 million. Improvement in TC performance, also contributed to the increase of barging revenue during 9M18. TC revenues increase by 46.1% from 9M17 to 9M18, rose from US\$2.8 million to US\$4.0 million.

On the other hand, a decline in floating crane revenue from 9M17 to 9M18 by US\$0.5 million mainly caused by shrinking revenue from FC Ben Glory and FC Vittoria by US\$1.1 million and US\$1.8 million respectively. The decrease in revenue from FC Vittoria was primarily due to scheduled docking in 1H2018 and subsequent prolonged renewal of the damage crane from the unexpected fire incident. Higher contribution recorded from FC Chloe and FC Blitz could not compensate the opportunity loss from FC Vittoria.

During 3Q18, the Company continuously strived to conduct cost saving, especially in fuel usage of some projects compared to 1H18. The Company will continue 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.

Below is the summary of Company's performance in 9M18 :

1. Operational Highlights

Description	Unit	9M18	9M17	Change (%)
Barging				
Fleets	Set	78.0	71.0	4.2%
Volume	Mt	16.0	14.2	12.2%
Floating Crane				
Fleets	Unit	6.0	6.0	-
Volume	Mt	8.3	7.0	18.6%
Grand Total Volume	Mt	24.3	21.2	14.6%

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

Description (in US\$m unless indicated)	9M18	9M17	Change (%)
Revenue			
Barging	38.0	36.9	2.9%
Floating Crane	13.6	14.1	-3.5%
Others	0.3	-	100.0%
Total Revenue	51.8	50.9	1.8%
Direct Costs	49.7	48.9	1.6%
Gross Profit	2.1	2.1	2.5%
% Gross profit	4.1%	4.1%	(410.0)bps

Operating Expenses	7.1	6.2	14.5%
Operating (Loss) Profit	(4.9)	(4.1)	19.5%
<i>%Operating profit</i>	-9.5%	-8.1%	810.0bps
Other Income (Expenses)	(4.5)	(2.3)	95.6%
Profit (Loss) Before Tax	(9.5)	(6.5)	46.1%
Profit (Loss) for the Period attributable Owners	(10.4)	(7.0)	48.6%
<i>%Net Profit After Tax</i>	-20.1%	-13.7%	1,371.0bps
Non-controlling Interest	0.3	(0.1)	400%
EBITDA	14.6	13.9	5.0%
<i>% EBITDA</i>	28.2%	27.3%	(2,726)bps
Capex	15.8	7.4	113.5%

Revenues

Revenues slightly increased by 1.8% from US\$50.9 million on 9M17 to US\$51.8 million on 9M18 which shown by the improvement in barging segment.

Direct Costs

Direct cost increased by 1.6% from US\$48.9 million to US\$49.7 million mainly due to increase in fuel and depreciation costs. Fuel costs increases by 9.1% from US\$10.4 million to US\$11.4 million in 9M17 and 9M18 respectively. Depreciation also increase by 6.8% from US\$17.8 million in 9M17 to US\$19.0 million in 9M18 that came from capitalization of docking.

Operating Expenses and Other Income (Expenses)

Operating expenses increased by US\$0.9 million from US\$6.2 million in 9M17 to US\$7.1 million in 9M18. Other income (expenses) also increased by US\$2.2 million mainly due to foreign exchange losses and renewal of one damaged crane of the FC Vittoria caused by the unexpected fire incident during 1H2018

3. Summary Statements of Financial Position

Description (in US\$m unless indicated)	9M18	FY17	Change (%)
Cash and cash equivalents	34.5	34.6	-0.3%
Total current assets	58.0	52.8	0.1%
Total Assets	249.2	240.1	3.8%
Current Liabilities	16.8	8.8	91.1%
Total Debt	54.8	42.0	30.7%
Total Liabilities	71.5	52.2	36.9%
Total Equity	177.8	187.9	-5.4%
Current ratio (x)	3.5	6.1	
Debt to Equity (x)	0.3	0.2	

Total Assets

Total assets in 9M18 is 3.8% higher than FY17, mainly due to the increase of receivables, other current assets, and newly acquired tugs and barges that increase the total of fixed assets

Total Liabilities

Total liabilities in 9M18 is 36.9% higher than FY17, mostly due to new loan from Woori Bank US\$15.0 million in April 2018 to facilitate the financing of new vessels.

Total Equity

Equity decreased by 5.4% due to losses recorded in 9M18.

Capex

Higher capex in 9M18 by 113.5% from US\$7.4million in 9M17 to US\$15.8 million in 9M18, mostly due to capex spending for new vessels.

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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