

PT MITRABAHTERA SEGARA SEJATI TBK

The Company Records Revenues of US\$75.4 million in 2018

Jakarta, 29 March 2019 – PT Mitrabahtera Segara Sejati Tbk (MBSS) closed 12M18 period with revenues of US\$75.4 million, gross profit of US\$4.9 million, EBITDA of US\$24.0 million and net loss of US\$17.1 million. The complete consolidated financial statements for the twelve months period can be accessed on the company's website (www.mbss.co.id).

Total revenues in 2018 of US\$75.4 million showed an increase by 10.1% compared with 2017 of US\$68.5 million. The increase in revenue mostly contributed by volume based barging segment which reflected from rate adjustment starts in Q3 of 2018, and increase in Time Charter basis (TC) due to higher set allocation with total contribution of US\$3.7 million and US\$1.8 million respectively. The increase in barging revenue is in-line with the increase in barging volume by 3.6Mt. Further, floating crane segment recorded higher revenue compared to 2017 by US\$1.6 million and higher volume by 3.1Mt.

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 with a decrease in revenue of US\$3.2 million. The increase volume of Cotrans and rate adjustment in Q3 2018 impacted to the higher revenue compared to last year by US\$3.7 million. New contracts of Muji Line and Alfa Energi Investama contributed to the revenue by US\$7.1 million. Improvement in TC performance, also contributed to the increase of barging revenue during 2018. TC revenue increase by 38.4% from 2017 to 2018, rose from US\$4.6 million to US\$6.3 million.

The floating crane was able to slightly exceed its revenue compare to last year, despite starting of 2018 at a major disadvantage as a fire incident at the end of 2017 took FC Vittoria out of commission, thereby significantly affected revenue. The company continued to deploy its other floating cranes to generate as much revenue as possible, with good results. Leveraging operational improvements across the Company had enabled the floating crane segment to successfully recover performance in the second half of the year. Higher contribution was recorded from FC Chloe, FC Blitz, and FC Abby.

During 2018, the Company continuously doing some cost saving initiatives to maintain better cost structure. The Company will continue to focus on improving its productivity through safety and operational excellence, continues cost saving initiatives, and streamlining the organization and business processes to be able to compete in the current market condition.

Below is the summary of Company's performance in 2018:

1. Operational Highlights

| Description | Unit | 2018 | 2017 | Change (%) |
|---------------------------|-----------|-------------|-------------|--------------|
| Barging | | | | |
| Fleets | Set | 78.0 | 69.0 | 13.0% |
| Volume | Mt | 22.1 | 18.5 | 19.4% |
| Floating Crane | | | | |
| Fleets | Unit | 6.0 | 6.0 | - |
| Volume | Mt | 11.8 | 8.7 | 34.1% |
| Grand Total Volume | Mt | 33.9 | 27.2 | 24.7% |

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

| Description (in US\$m unless indicated) | 2018 | 2017 | Change (%) |
|---|-------------|-------------|--------------|
| Revenue | | | |
| Barging | 55.5 | 50.4 | 10.1% |
| Floating Crane | 19.6 | 18.0 | 8.9% |
| Others | 0.3 | - | 100.0% |
| Total Revenue | 75.4 | 68.5 | 10.1% |
| Direct Costs | 70.5 | 65.9 | 6.9% |

| | | | |
|---|---------------|--------------|----------------|
| Gross Profit | 4.9 | 2.5 | 96.0% |
| <i>% Gross profit</i> | 6.4% | 3.6% | (372.0)bps |
| Operating Expenses | 9.7 | 8.8 | 10.2% |
| Operating (Loss) Profit | (4.8) | (6.2) | -22.6% |
| <i>%Operating profit</i> | -6.4% | -9.1% | 910.0bps |
| Other Income (Expenses) | (11.0) | (1.8) | 511.1% |
| Profit (Loss) Before Tax | (15.8) | (8.1) | 95.1% |
| Profit (Loss) for the Period attributable Owners | (17.1) | (8.9) | (92.1)% |
| <i>%Net Profit After Tax</i> | -22.7% | -12.9% | 1,293.0bps |
| Non-controlling Interest | 0.4 | (0.1) | -500.0% |
| EBITDA | 24.0 | 18.6 | 28.8% |
| <i>% EBITDA</i> | 31.8% | 27.2% | (2,684.0)bps |
| Capex | 26.1 | 10.7 | 143.9% |

Revenues

Revenues slightly increased by 10.1% from US\$68.5 million in 2017 to US\$75.4 million in 2018 which shown by the improvement in barging segment by 10.1% and floating crane segment by 8.8%.

Direct Costs

Direct cost increased by 7.0% from US\$68.5 million to US\$70.5 million mainly due to higher fuel and depreciation cost. Fuel cost increased by 9.2% from US\$14.2 million to US\$15.5 million in 2017 and 2018 respectively. Depreciation also increased by 16.4% from US\$24.2 million in 2017 to US\$28.1 million in 2018 mainly caused by additional new vessels and changes in estimation of economic benefits of the assets.

Operating Expenses and Other Income (Expenses)

Operating expenses increased by US\$0.9 million from US\$8.8 million in 2017 to US\$9.7 million in 2018. Other income (expenses) also increased by US\$9.2 million predominantly due to non-recurring item related with impairment provision of US\$5.9 million as we have continuously carried out fleet review in order to anticipate the dynamic coal logistic market demand. In term of normalized net loss which excluded asset impairment and other non-recurring items, the 2018 net loss would have been US\$9.7 million.

3. Summary Statements of Financial Position

| Description (in US\$m unless indicated) | 2018 | 2017 | Change (%) |
|---|-------|-------|------------|
| Cash and cash equivalents | 40.0 | 34.6 | 15.6% |
| Total current assets | 62.0 | 52.8 | 17.4% |
| Total Assets | 239.7 | 240.1 | -0.2% |
| Current Liabilities | 14.4 | 8.8 | 63.7% |
| Total Debt | 54.2 | 42.0 | 29.1% |
| Total Liabilities | 68.3 | 52.2 | 30.8% |
| Total Equity | 171.4 | 187.9 | -8.8% |
| Current ratio (x) | 4.3 | 6.1 | |
| Debt to Equity (x) | 0.3 | 0.2 | |

Total Assets

Total assets in 2018 is 0.2% lower than 2017, mainly due to the decrease in noncurrent assets which was offset by the Company's ability to manage operational cash flow.

Total Liabilities

Total liabilities in 2018 is 30.8% higher than 2017, 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 8.8% due to losses recorded in 2018.

Capex

Higher capex in 2018 by 143.9% from US\$10.7million in 2017 to US\$26.1 million in 2018, due to capex spending for new vessels US\$10.6 million and purchase of new assets US\$15.5 million.

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.

For further information, please contact:

Lucas Djunaidi – Vice President Director
Togi Bernard – GM of Corporate Planning - Investor Relations
Telephone : +62 21 5794 4755
Email : investor.relations@mbss.co.id

Disclaimer:

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