

PT MITRABAHTERA SEGARA SEJATI TBK

The Company Recorded Revenue of US\$16.4 million in 3M20

Jakarta, 28 May 2020 – PT Mitrabahtera Segara Sejati Tbk (MBSS) closed 3M20 period with revenue of US\$16.4 million, a gross profit of US\$1.6 million, EBITDA of US\$4.4 million and loss attributable to owners of the Company of US\$2.1 million. The complete consolidated financial statements for the three months period can be accessed on the Company's website (www.mbss.co.id).

Beginning of 2020, the Company has entered into a new extension for 2 + 2 years with PT Asian Bulk Logistic (ABL) for FC Chloe starting from 1 March 2020 and a new agreement for 2 + 2 years with PT Dian Ciptamas Agung (DCA) for FC Blitz starting from 1 February 2020, which both in Time Charter (TC) basis. The Company also has obtained another volume-based agreement with PT Artha Daya Coalindo (ADC) for 5 years contract and PT Pelita Samudera Shipping Tbk (PSS) for 6 + 12 months contract. The Company faced challenging conditions during 3M20, 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 3M20 of US\$16.4 million showed a decline 21.6% compared with 3M19 of US\$20.9 million. The decline occurred both in barging and floating crane segment, where the barging segment was lower by US\$3.2 million and floating crane decreased by US\$1.3 million.

A decline in barging revenue was attributable to several external factors such as 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\$1.8 million as part of the Company strategy to switch spot shipment to enable certainty of cargo lifting in long-term and short-term contracts. Volume wise, barging segment transported 7.2 million MT in 3M20, an increase of 13.1% compared to 6.4 million MT in 3M19 with lower number of fleet 62 sets compared to 71 sets in 3M19. This increment mainly driven from higher deployed sets for TC basis contract in 3M19.

Meanwhile, the US\$1.3million declined in floating crane revenue was mostly due to the high demand in coal transshipment in 3M19 that allowed the Company to charter additional FC from third party to grab the opportunity and lower revenue from FC Blitz by US\$0.6 million compared to 3M19. The decrease in FC Blitz derived from the addition cargo in last year's performance against normal condition in 3M20. FC Abby and FC Nicholas could generate revenue of US\$0.4 million and US\$0.3 million, respectively, which coming from their new contracts.

With lower number of fleet, the Company managed to lower down its direct cost by 10.8% in 3M20 from US\$16.5 million in 3M19 to US\$14.8 million in 3M20. The biggest contribution to this lower direct cost was decreased in fuel by 32.2% from US\$3.4 million on 3M19 to US\$2.3 million on 3M20, align with The Company's strategy for cost efficiencies through operational excellence. Lower sets owned in 3M20 also contributed in the decrease of depreciation and crewing with total reduction of US\$0.8 million. In addition, the Company has managed to keep implementing cost saving initiatives to have a lean cost structure.

Below is the summary of Company's performance in 2020:

1. Operational Highlights

Description	Unit	3M20	3M19	Change(%)
Barging				
Fleets	Set	62.0	71.0	(12.7)
Volume	MMT	7.2	6.4	13.1
Floating Crane				
Fleets	Unit	6.0	6.0	-
Volume	MMT	2.1	2.7	(21.9)
Grand Total Volume	MMT	9.3	9.1	2,589.8

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

Description (In US\$m unless indicated)	3M20	3M19	Change (%)
Revenue			
- Barging	12.0	15.2	(21.2)
- Floating Crane	4.4	5.7	(22.4)
- Others	-	0.0	(100.0)
Total Revenue	16.4	20.9	(21.6)
Direct Costs	14.8	16.5	(10.8)
Gross Profit	1.6	4.3	62.8
%Gross Profit	9.9	20.8	1,726bps
Operating Expenses	2.7	2.4	12.0
Operating Profit (Losses)	(1.1)	1.9	(157.9)
%Operating Profit	(6.8)	9.2	1,518bps
Other Income (Expenses)	(0.9)	(0.4)	35.7
Profit (Loss) Before Tax	(2.0)	1.6	227.5
Profit (Loss) For the Period Attributable Owners	(2.1)	1.5	(239.0)
%Net Profit After Tax	(12.8)	7.2	2,470bps
Non Controlling Interest	(0.1)	(0.2)	62.8
EBITDA	4.4	7.9	(44.7)
%EBITDA	26.8	38.0	332bps
Capex	2.8	2.1	29.6

Revenues

Revenue lower by 21.6% to US\$16.4 million in 3M20, compared to US\$20.9 million in 3M19.

Direct Costs

The Company has done variety of cost efficiencies and rationalization measures, especially for variable components such as fuel, thus resulting in decreased direct cost of 10.8% from US\$16.5 million in 3M19 to US\$14.8 million in 3M20. Fuel costs decreased by 32.2% from US\$3.4 million on 3M19 to US\$2.3 million. There was also a decrease in depreciation and crewing costs that in line with lower number sets owned, from total of US\$8.3 million in 3M19 to US\$7.5 million.

Operating Expenses and Other Income (Expenses)

Operating Expenses (Opex) increased by 12.0% from US\$2.4 million in 3M19 to US\$2.7 million in 3M20. This increase in Opex mainly derived from the addition in headcount and the salary adjustment for employees.

While for the others was higher which contributed by forex losses. This pandemic situation impacted to the macroeconomic and the weakening of rupiah exchange rate against dollar from IDR14,250 as of March 2019 to IDR16,400 as of March 2020.

3. Summary Statements of Financial Position

Description (In US\$m unless indicated)	3M20	2019	Change (%)
Cash and cash equivalents	38.3	40.2	(4.9)
Total current assets	56.4	58.0	(2.7)
Total Assets	214.7	218.1	(1.6)
Current Liabilities	16.8	15.6	7.6
Total Debt	33.9	35.4	(4.2)
Total Liabilities	45.1	46.3	(2.6)
Total Equity	169.7	171.9	(1.3)
Current Ratio (x)	3.36	3.71	
Debt to Equity (x)	0.20	0.21	

Total Assets

Total assets as of March 31, 2020 is 1.6% lower than 2019, which was in line with the decrease in receivables caused by better AR days.

Total Liabilities

Total liabilities as of March 31, 2020 are 2.6% lower than 2019 due to lower trade payables caused by settlement of outstanding invoices from vendors.

Total Equity

Total equity as of March 31, 2020 is 1.3% lower than 2019 due to losses recorded in 3M20.

Capex

Higher capex in 3M20 by 29.6% from US\$2.1million in 3M19 to US\$2.8 million in 3M20, which in line with the docking cycle schedule.

At the end of March 2020, Indonesia announced the Covid-19 outbreak has reached into our Nation. As we may know, the Covid-19 is sweeping through the global economy. In this case, MBSS will keep trying to optimize the operation with and increased customer satisfaction through safety and operational excellence.

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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