

PT MITRABAHTERA SEGARA SEJATI TBK

The Company Recorded Revenue of US\$54.9 million in 2020

Jakarta, 31 March 2021 – PT Mitrabahtera Segara Sejati Tbk (MBSS) closed 2020 period with revenue of US\$54.9 million, a gross profit of US\$3.9 million, EBITDA of US\$14.8 million and loss attributable to owners of the Company of US\$15.0 million in the audited consolidated financial statements for the year ended on December 31, 2020. The complete consolidated financial statements for the year can be accessed on the Company's website (www.mbss.co.id).

MBSS recorded a total cargo volume of 32.7 million MT in 2020, compared to 35.2 million MT in 2019. In line with this decrease in volume, the Company's revenue decreased to US\$54.9 million in 2020, a 29.5% decline from 2019 revenue of US\$77.8 million. The barging segment contributed 69.5% to the Company's revenue while the floating crane segment contributed with the rest.

Despite the coal price increase in the last quarter of 2020, it was not enough to mitigate the reduction of the demand during the year related to the decrease of the demand in electricity both domestically and internationally and restrictions some countries imposed on importing coal that led to a significant drop in MBSS' performance. Furthermore, during the lockdown, some countries imposed restrictions in the import of coal resulting in a decrease of MBSS' services as most of the shipments are for the export market in both barging and floating crane segment.

There was also a reduction in the number of assets owned from 62 sets in 2019 to 57 sets in 2020. Despite the challenge of managing repairs and complete mandatory dockings during travel restrictions, the barging fleet increased its physical availability and operational efficiency. The decrease in coal demand also impacted the cycle time of shipments, with longer waiting time in loading and discharge ports which resulted in a revenue of US\$38.1 million in barging. MBSS continued to maintain a mix of time-charter and volume-based contracts throughout the year, with the aim of achieving a balance between a safe level of income and potential for better returns.

In 2020, the contribution of the floating crane segment was 30.5% of MBSS total revenue, The volume of cargo handled by the floating cranes decreased to 8.1 million MT in comparison to 10.1 million MT in 2019 The revenue in 2020 was US\$16.8 million, in line with the reduction of export cargoes as MBSS's floating cranes are mainly used in the loading of export vessels

With the lower number of sets in barging compared to last year, the Company managed to decrease its direct cost by 14.2% from US\$59.4 million in 2019 to US\$51.0 million in 2020. Fuel, as the main component of direct costs decreased by 36.7% from US\$11.1 million in 2019 to US\$7.0 million in 2020. There was also a reduction of 13.2% in technical costs compared to 2019, although the costs of spares increased in comparison to the previous year, as lead times for supplies increased due to the pandemic and MBSS strategy was to purchase the most common parts required to ensure the technical availability of assets.

In December 2020, MBSS and PT Kideco Jaya Agung entered into a contract to transport Kideco coal cargo with barges to PLTU Jawa 7 for 11 months. The contract is expected to generate approximately Rp147 billion of revenue, subject to fuel consumption.

During the year, the Company carried out a review of the recoverable amount of the vessels, taking in consideration the apparent annual decline of the coal prices and demand. Accordingly, the Company recognised US\$6.0 million of impairment losses of vessels in 2020.

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

1. Operational Highlights

Description	Unit	2020	2019	Change(%)
Barging				
Fleets	Set	57.0	62.0	(8.1)
Volume	MMT	24.6	25.1	(1.8)
Floating Crane				
Fleets	Unit	6.0	6.0	-
Volume	MMT	8.1	10.1	(20.2)
Grand Total Volume	MMT	32.7	35.2	(251)bps

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

Description (In US\$m unless indicated)	2020	2019	Change (%)
Revenue			
- Barging	38.1	55.5	(31.4)
- Floating Crane	16.8	22.3	(24.8)
- Others	-	0.0	(100.0)
Total Revenue	54.9	77.8	(29.5)
Direct Costs	51.0	59.4	(14.2)
Gross Profit	3.9	18.4	(79.0)
<i>%Gross Profit</i>	0.1	0.2	(1,663)bps
Operating Expenses	10.6	11.6	(9.1)
Operating Profit (Losses)	(6.7)	6.8	(197.6)
<i>%Operating Profit</i>	(0.1)	0.1	(2,095)bps
Other Income (Expenses)	(7.6)	(4.1)	(87.1)
Profit (Loss) Before Tax	(14.3)	2.8	(616.8)
Profit (Loss) For the Period Attributable Owners	(15.0)	1.6	(1,053.2)
<i>%Net Profit After Tax</i>	(0.3)	0.0	(2,934)bps
Non Controlling Interest	0.0	0.2	(94.4)
EBITDA	14.8	27.4	(46.0)
<i>%EBITDA</i>	0.3	0.4	(823)bps
Capex	13.9	8.4	66.9

Revenues

Revenue lower by 29.5% to US\$54.9 million in 2020, compared to US\$77.8 million in 2019

Direct Costs

The Company has done variety of cost efficiencies, especially for variable components such as fuel, thus resulting in decreased direct costs of 14.2% from US\$59.4 million in 2019 to US\$51.0 million in 2020. Fuel costs decreased by 36.5% from US\$11.1 million on 2019 to US\$7.0 million, which also in line with the lower revenue. The crewing costs were also reduced from US\$8.3 million in 2019 to US\$7.1 million in line with reduction in number of sets owned.

Operating Expenses and Other Income (Expenses)

There was a decrease in Operating Expenses (Opex) of 9.1% compared to 2019. The Finance Cost decreased by 52.1% from US\$4.8 million in 2019 to US\$2.3 million, in line with the settlement of outstanding long-term loan with Indika Capital Pte. Ltd. (ICPL) in November. The Other Expenses Cost was higher due to loss on impairment of assets of US\$6.0 million recorded in 2020 result of the review of the recoverable amount of the vessels.

3. Summary Statements of Financial Position

Description (In US\$m unless indicated)	2020	2019	Change (%)
Cash and cash equivalents	35.2	40.2	(12.6)
Total current assets	53.8	58.0	(7.3)
Total Assets	194.9	218.1	(10.7)
Current Liabilities	25.5	15.6	63.3
Total Debt	7.6	4.8	57.1
Total Liabilities	38.1	46.3	(17.7)
Total Equity	156.8	171.9	(8.8)
Current Ratio (x)	2.11	3.71	
Debt to Equity (x)	0.05	0.03	

Total Assets

Total assets as of December 31, 2020 is 10.7% lower than 2019, due to lower current assets and non-current assets. Current assets decreased due to cash and cash equivalent. Whereas, non-current assets decreased in line with the lower number of sets from 62 sets to 57 sets.

Total Liabilities

Total liabilities as of December 31, 2020 are 17.7% lower than 2019 due to repayment of related party and bank loans. As part of cash preservation strategy, in April 2020 MBSS drew down Revolving Loan with Bank Permata for US\$7.5 million with maturity less than 12 months.

Total Equity

Total equity as of December 31, 2020 is 8.8% lower than 2019 due to losses recorded in 2020.

Capex

The Capex was higher in 2020 by 62.2% from US\$8.4 million in 2019 to US\$13.6 million in 2020, in line with the docking cycle schedule of the fleet and purchase of two newly built barges that were delivered in the fourth quarter of 2020. MBSS's strategy of innovation and optimisation resulted in the development of two projects: "Insight", a platform that collates and analyse data from the tracking system and allows commercial operations to manage proactively the fleet, and "Loudspeaker", an e-learning platform that can be accessed by all crews with interactive training materials, tutorials and access to Standard Operating Procedure (SOP).

The last quarter of 2020 hinted a more positive trend with coal demand and coal prices that will have an effect in MBSS' business. It is the Management's belief that MBSS will be able to improve performance and continue to deliver customer satisfaction in the future.

About PT Mitrabahtera Segara Sejati Tbk

www.mbss.co.id

PT Mitrabahtera Segara Sejati Tbk is a leading Indonesian provider of integrated maritime transportation and transshipment services which provides integrated solutions and marine transport for 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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