

PT MITRABAHTERA SEGARA SEJATI TBK

The Company Recorded a Profit Attributable to Owners of the Company of US\$0.1 million in 6M21

Jakarta, 31 July 2021 – PT Mitrabahtera Segara Sejati Tbk (MBSS) closed the 6M21 period with revenue of US\$33.4 million, a gross profit of US\$5.4 million, EBITDA of US\$11.3 million and a profit attributable to the owners of the Company of US\$0.1 million. The complete consolidated financial statements for the six months period can be accessed through the Company's website (www.mbss.co.id).

MBSS recorded a total cargo volume of 17.3 million MT in 6M21, compared to 17.1 million MT in 6M20. In line with the increase of volume, the Company's revenue increased to US\$33.4 million in 6M21, a 15.0% increase from the 6M20 revenue of US\$29.0 million. The barging segment contributed 70.1% to the Company's revenue whilst the floating crane segment contributed the remainder.

MBSS successfully completed the second quarter with a positive result as well as a positive result in year-to-date 2021. The improvement in coal market conditions influenced the increase in the coal demand, resulting in a high level of utilisation. The commercial strategy of utilising a combination of shipments for some of our fleet has improved utilisation and reduced idle costs.

There was a reduction in the number of the assets owned from 61 sets in 6M20 to 55 sets in 6M21. Fewer numbers of sets working led to lower volume transported in the barging segment by 9.6%, down to 12.1 million MT from 13.4 million MT in the first half of 2020. Despite the reduction in vessel numbers MBSS managed to improve its utilisation and operational efficiency compared to the beginning of pandemic in 2020, with an increased demand in the market, resulting in US\$23.4 million of barging revenue.

In contrast to the lower volume in the barging segment, the volume of the cargo handled by the floating cranes increased to 5.2 million MT from 3.7 million MT in 6M20. Floating crane segment demonstrated a significant increase in 6M21, with increment in revenue of 26.2% compared to 6M20 with US\$10.0 million (or 29.9% of MBSS total revenue). With the uptrend in global coal prices, it is forecasted increases in export volume and transshipment volume for coal will continue, which will maximise the utilisation of the floating cranes. The strong demand for coal exports from China, Japan, and countries in Southeast Asia is reflected in important transshipment points such as Adang Bay, Taboneo and Muara Pantai, where most of our FCs are working.

The direct cost experienced a slight increase of 1.8% from US\$27.5 million in 6M20 to US\$28.0 million in 6M21. In line with the increased volume of transported cargo, commercial costs as a component of direct costs also increased, including vessel charter and fuel costs. Vessel charter occurred in 6M21 amounting to US\$2.2 million as a replacement of FC Vittoria's docking and our commitment to the client as an additional request to help them meet the targeted cargo volume. While for the fuel cost, there was an increase of 41.6% from US\$3.7 million to US\$5.3 million as the changes in some of our shipments model that used to be transshipment become long-haul shipment, mostly derived from Kideco Jawa 7 contract that started in late 2020 and the ABL contract that started from March 2021.

Below is the summary of Company's performance in 6M21:

1. Operational Highlights

Description	Unit	6M21	6M20	Change(%)
Barging				
Fleets	Set	55.0	61.0	(9.8)
Volume	MMT	12.1	13.4	(9.6)
Floating Crane				
Fleets	Unit	6.0	6.0	-
Volume	MMT	5.2	3.7	39.3
Grand Total Volume	MMT	17.3	17.1	

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

Description (In US\$m unless indicated)	6M21	6M20	Change (%)
Revenue			
- Barging	23.4	21.1	10.8
- Floating Crane	10.0	7.9	26.2
- Others	-	-	-
Total Revenue	33.4	29.0	15.0
Direct Costs	28.0	27.5	1.8
Gross Profit	5.4	1.5	256.6
%Gross Profit	16.0	5.2	
Operating Expenses	4.4	5.0	(11.1)
Operating Profit (Losses)	0.9	(3.5)	126.7
%Operating Profit	2.8	(12.0)	
Other Income (Expenses)	(0.1)	(0.6)	76.0
Profit (Loss) Before Tax	0.8	(4.1)	119.0
Profit (Loss) For the Period Attributable Owners	0.1	(4.3)	101.5
%Net Profit After Tax	0.2	(15.0)	
Non Controlling Interest	0.3	(0.1)	364.8
EBITDA	11.3	7.7	47.3
%EBITDA	33.8	26.4	
Capex	4.0	6.7	(40.0)

Revenues

Revenue increased by 15.0% to US\$33.4 million in 6M21, compared to US\$29.0 million in 6M20.

Direct Costs

In line with the increased volume of transported cargo, commercial costs as a component of direct costs also increased, including vessel charter and fuel costs. Vessel charter occurred in 6M21 amounting to US\$2.2 million as a replacement of FC Vittoria's docking and our commitment to the client as an additional request. While for the fuel cost, there was an increase of 41.6% from US\$3.7 million to US\$5.3 million as the changes in some of our shipments model that have been used for transshipment became long-haul shipments. On the other hand, the Company managed to have savings in technical costs, such as spare parts, repair and maintenance, surveys, shipping certificates/documents, which was in line with operating a smaller fleet in 6M21 compared to 6M20 as well as the initiatives that the Company has undergone.

Operating Expenses and Other Income (Expenses)

Operating Expenses (Opex) reduced by 11.1% from 6M20 to 6M21, mainly due to a reduction in the number of employees. The finance cost decreased by 72.8% from US\$0.9 million in 6M20 to US\$0.3 million, as the outstanding long-term loan with Indika Capital Pte. Ltd. (ICPL) was settled in the last quarter of 2020. Furthermore, MBSS' losses due to foreign exchange discrepancies were reduced compared to 6M20 when the rupiah exchange rate was very weak due to the impact of the beginning of pandemic.

3. Summary Statements of Financial Position

Description (In US\$m unless indicated)	6M21	2020	Change (%)
Cash and cash equivalents	34.3	35.2	(2.6)
Total current assets	52.3	53.8	(2.8)
Total Assets	185.8	194.9	(4.7)
Current Liabilities	16.4	25.5	(35.8)
Total Debt	18.2	25.0	(27.1)
Total Liabilities	28.6	38.1	(24.8)
Total Equity	157.2	156.8	0.2
Current Ratio (x)	3.19	2.11	
Debt to Equity (x)	0.12	0.16	

Total Assets

Total assets as of June 30, 2021 are 4.7% lower than in 2020, as a result of reducing the current assets and non-current assets. Total assets decreased due to the realisation of assets held-for-sale which shown by the lower number of sets from 57 sets in 2020 to 55 sets in 6M21 and depreciation occurred in current year.

Total Liabilities

Total liabilities as of June 30, 2021 are 24.8% lower than in 2020, due to the settlement of a revolving loan to Bank Permata with a principle of US\$7.5 million completed in January. As part of a cash preservation strategy, a new term loan was obtained from Permata bank in February.

Total Equity

Total equity as of June 30, 2021 is 0.2% higher in 2020 which represents the net profit recorded during the first half of 2021.

CAPEX

A lower CAPEX in 6M21 by 40.0% from US\$6.7 million in 6M20 to US\$4.0 million in 6M21 was due to fewer vessels requiring docking in 6M21 compared to the number of vessels requiring docking in 6M20.

The continued progress of the global and national economy recovery as well as further distribution of the vaccines have improved the general trend of business conditions in 2021. Although Indonesia is currently being faced with other challenges from the pandemic, MBSS will continue to improve its positive trend and deliver customer satisfaction through safety and operational excellence 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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