



INVESTOR RELATIONS CONTACT

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PRESS RELEASE

CHELSEA LOGISTICS HOLDINGS CORP. REVENUES UP BY 140% TO P3.9B IN 2017

Chelsea Logistics Holdings Corp. (CLC), the continuously expanding shipping and logistics Company in the Philippines, generated P3.9B revenues for the full year 2017, a 140% growth from 2016. This was mainly attributable to the Company's acquisition of a significant stake in 2Go Group, Inc., and also the acquisition of 100% ownership of Starlite Ferries, Inc. and Worklink Services, Inc. These acquisitions resulted to additional freight revenues of P1.3B, passage revenues of P0.8B, and P0.2B from logistics services.

Further, the revenues from tugs assistance services provided by the Company doubled to P263M in 2017 from P118M in 2016. This was a result of the acquisition of Davao Gulf Marine Services, Inc., which contributed P121M in total revenues.

President & CEO Chryss Alfonsus V. Damuy said, "With the capital raised from our initial public offering on 8 August 2017, we were able to significantly expand our businesses and operations. As a result of the acquisitions during the last quarter of the year, we were able to increase our market share not only in the shipping industry but covering the end-to-end supply chain solution of the logistics industry."

In late 2017, CLC through its subsidiaries purchased four (4) more vessels and ordered more during the first quarter of 2018 with expected deliveries within the year. Further, during the first quarter of 2018, the Company signed a contract with Kegoya Shipyard for the construction of one (1) brand new RORO-Passenger Ship with an option to order for an additional three (3) units with delivery dates from 2019-2020.

"We expect the benefits of the acquisitions of these vessels to be reflected in the profitability of the Company beginning 2018," added Mr. Damuy.

As of end 31 December 2017, CLC with its 75 strong fleet captures 33% of the route market share and 36% of the RoPax market based on gross registered tonnage (GRT). CLC remains the market leader at 14% in terms of tanker capacity by GRT.

During the same year, CLC acquired a significant stake in 2Go Group, Inc., the Philippines' leading logistics provider, which offers comprehensive logistics and travel services under the brands – 2Go Travel, 2Go Freight, 2Go Express and 2Go Logistics. "We envision this move to pave way for us to be the prime mover of goods and passengers by continuously innovating to provide solutions that are relevant, sustainable and adaptive to a fast growing Philippine logistics and e-commerce industry," said Mr. Damuy. To date, through 2Go Group, Inc., CLC reaches 3,300 delivery points in the country, while with Worklink Services, Inc., CLC is able to serve 59 provinces.

As a result the Company's operations, the net profit grew by 22% to P161M in 2017 as compared to P137M in 2016, which included a one-time gain on bargain purchase amounting to P158M. Further, the tempered growth in the Company's net profit was due to almost 100% increase in financings costs attributable to loans availed in proportion to the purchase of some of the new vessels.

"We will pursue our expansion strategies and find best ways to complement the current business operations with the Build Build Build program of the Duterte administration. We intend to participate in the development of the infrastructure facilities and systems in the country, which includes but not limited to airport and port development and operations and other related facilities," said Mr. Damuy.

As of year ended 31 December 2017, the market capitalization of the Company, based on the closing price of PhP8.78 per share, was approximately P16.0 billion. During the same period, CLC's earnings per share, total assets and equity stood at P0.12 per share, P26.4B and P13.2B, respectively.

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ABOUT THE COMPANY

Chelsea Logistics Holdings Corp. (CLC) is the fastest growing shipping and logistics company in the Philippines. Established on 26 August 2016, CLC was created to act as the holding company for of the shipping and logistics arm business segments of the Udenna Group of Companies. On August 8, 2017, the Company went public and its shares of stock were initially listed at the Philippine Stock Exchange (PSE). The Company is engaged in shipping and logistics businesses with key segments divided into: (i) Charter, (ii) Passage, (iii) Freight, and (iv) Tugboat services.