

PRESS RELEASE

CHELSEA LOGISTICS HOLDINGS CORP. REVENUES UP BY 61% TO P3.7B IN FIRST NINE MONTHS OF 2018

Chelsea Logistics Holdings Corp. (CLC), the Philippines' industry market leader in shipping and logistics, reported P3.7 billion revenues for the first nine months of 2018.

CLC's revenues from its shipping businesses grew by 54% to P3.5 billion, while its revenues from logistics services grew by 9% on a pro-forma basis during the first three quarters of 2018 compared to the same period last year.

The Company's Passage segment recorded the highest revenue growth at 114%, generating P727 million during the first nine months of 2018. Revenues from the larger contributors – Tankers and Tugs, and Freighter segments - were 17% and 95% higher than the same period of previous year, respectively.

"We are expecting our logistics business to gain more momentum once we have accomplished our expansion programs, including additions to warehousing and distribution facilities and equipment," said CLC President & CEO Chryst Alfonsus V. Damuy.

During the first three quarters of 2018, CLC incurred a steep upsurge in cost of sales and services and other operating expenses due to significant upward movement in oil prices, increase in depreciation and amortization brought about by the acquisition of vessels, and additional manpower requirement, among others. Further, the Company recognized its share of P198 million in year-to-date (YTD) losses from 2GO Group. This resulted to a 72% decrease in net income to P43 million as of the third quarter of 2018 from P152 million over the same period last year.

"With the launching of our newly-acquired vessels on the last quarter of this year, namely, M/V Salve Regina, M/T Chelsea Providence, Trans-Asia 1, Trans-Asia 15, Trans-Asia 16 and Trans-Asia 17, we are anticipating a substantial improvement in recurring earnings starting this quarter and the succeeding reporting periods," added Damuy.

Trans-Asia Lines, a subsidiary of CLC, is also scheduled to take delivery on November 15, 2018 of another brand new ROPAX to be named "Trans-Asia 19". This vessel will be deployed to service a new route along with "Trans-Asia 18". The latter vessel is presently being refurbished and will be deployed soon thereafter.

The Company, through its wholly-owned subsidiaries, ended the first nine months of 2018 with 16 tankers, 14 tugboats, 22 roll-on/roll-off and passenger vessels (RoPax), 11 cargo ships, and 1 floating dock, while 2GO Group operates 8 RoPax, 5 cargo vessels and 11 fastcrafts.

CLC closed at P8.00 per share yesterday, November 14. As of the period ended September 30, 2018, CLC's book value and earnings per share were P7.27 and P0.02, 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 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, (iv) Tugboat services, and (v) Logistics services.