



PRESS RELEASE

Chelsea posts Q3 revenue growth of 40% YoY

14 November 2019, Taguig City, Philippines - Chelsea Logistics and Infrastructure Holdings Corp. (Chelsea), the shipping and logistics arm of the Udenna Group, delivered a year-on-year revenue growth of 40% for the first nine months of 2019, posting PhP5.2 Billion revenues as compared to PhP3.7 Billion in 2018.

The Group's logistics business contributed the highest revenue growth at 72% from 2018's PhP191 Million to PhP328 Million, accounting for 6% of the total consolidated revenues. This was the result of the Group's continued expansion program anchored on the increase of its warehouse capacity and delivery fleet. Construction of the strategically located 2.5-hectare warehouse complex located in Taguig City, is proceeding as planned and will be ready for commercial operations in 2020.

On the shipping services front, a 35% increase was recorded, with revenues reaching PhP4.62 Billion for the 9 months ended September 30, 2019. The shipping revenues represent 90% of the total revenues of the Group.

Tankering revenues (consisting of charter fees and standby charges) increased from PhP1.211 Billion to PhP1.583 Billion primarily from the operations of MT Chelsea Providence, the Group's medium-range tanker. In addition, the utilization of the Group's other tankers also increased with the higher volume of petroleum products shipped for the period.

Similarly, revenues from the freight segment grew by 34% from PhP1.260 Billion for the nine months of 2018 to PhP1.692 Billion during the same period in 2019, while passage revenues rose by 51% from PhP727 Million in 2018 to PhP1.095 Billion during the same period in 2019. The growth in the freight and passage revenues is attributable to the operations of the four brand new vessels acquired from Japan plying routes in Batangas, Cebu and Cagayan De Oro. In addition, the rerouting of MV Starlite Archer and MV Starlite Saturn from short-haul trips to the longer Batangas-Caticlan and Batangas-Culasi via Sibuyan routes, respectively, also contributed to the growth of the freight and passage revenue.

Tugboat revenues also increased by 14% for the nine months ended September 30, 2019, from PhP222 Million in 2018 to PhP253 Million in 2019 as a result of the recent expansion of the Group's tugboat operations in Cagayan de Oro.

Moreover, EBITDA grew by 52% from PhP1,359 million in 2018 to PhP2,069 million in 2019 as a result of higher depreciation and interest incurred from the acquisition of various brand new vessels, MV Salve Regina, MV Stella Del Mar, MT Chelsea Providence, MV Trans-Asia 19, MV Stella Maris and MV Starlite Sprint 1, which vessels commenced commercial operations in September, October, November 2018, February, July and September 2019, respectively.

In spite of the significant increase in EBITDA in 2019, the net income is down by 54% from PhP43 Million YTD 2018 to PhP20 Million same period this year due to share in losses on equity investments. The Company also deployed bigger new ships, the revenues from which are expected a year after full operation, on average.

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“With the acquisition of brand new vessels, expansion of logistics assets and the recent takeover of Supercat, our commitment to strengthen Chelsea’s passage and freight portfolio and deliver value for our stakeholders in the years to come, is coming to fruition. We firmly believe that all of this foundational work will redound to the benefit of Chelsea, cementing its continuous progress towards a more reliable and sustainable Company,” said Chelsea President & CEO Chryss Alfonsus V. Damuy.

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ABOUT THE COMPANY

Chelsea Logistics and Infrastructure Holdings Corp. (C) 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 Udena 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.