



## **CHELSEA GROUP HITS A RECORD REVENUE OF P7.0 BILLION**

2019 was a banner year for Chelsea registering a record P7 billion in revenues, 35% higher year-on-year, with its shipping and logistics providing significant growth. In shipping, the passage and freight segments reported strong year-on-year growth figures of 47% and 43%, respectively. We attribute the growth to additional ships deployed during the year as well as active measures in improving the efficiencies of the other vessels. In logistics, there was a 60% jump to P459 million compared to P287 million in 2018.

Chelsea's 2019 EBITDA grew 29% year-on-year from P1.6 billion last year to P2 billion. The strong EBITDA growth is all the more remarkable considering that the Company deployed brand-new ships to routes which take nearly a year before the operator generates significant market share.

On the other hand, Chelsea was not able to achieve profitability this year due to the full costing of ships (including, but not limited to, depreciation, financing costs, crew costs, insurance and other related costs, both fixed and variable) deployed during the year but whose full revenue potential has yet to be realized as these revenues ramp up. Furthermore, there were additional interest expenses incurred for the acquisition of new vessels and a 2.5-hectare parcel of land and the construction of a warehouse complex for its fast-growing logistics business. The warehouse complex will be completed and commence operations by 3Q2020.

Cash flows from operating activities were also very robust, generating P9.8 billion during the year. These cash flows were used to invest in new vessels, land and warehouse, delivery trucks and other equipment. These cash flows from operating activities were also used to pay P4.5 billion in maturing debts, both principal and interest, during the year.

The Company's investments yielded a debt-to-equity ratio of 2.29:1. For interest-bearing loans alone, the debt-to-equity ratio improves to 1.31:1. Total assets increased 27% from P32.3 billion to P41 billion with the bulk of the increase in assets coming from increases in fixed assets due to vessel acquisitions and warehouse construction costs.

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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 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.