



PRESS RELEASE

Chelsea Group swings to a net loss on flat revenues

22 June 2020 - The Chelsea Group's 2020 first quarter gross revenues were essentially flat year-on-year, increasing by just 1% to PhP 1.613 billion from 1.599 billion. The first quarter heralds the start of the traditional peak season but the Group's financial performance was severely impacted, first by the Taal Volcano eruption and then by the Enhanced Community Quarantine (ECQ) driven by the global COVID-19 pandemic. These external factors swung the Group to a PhP 345 million net loss from a PhP 139 million net profit in the same time last year.

The Group's shipping business recorded a 2% revenue increase year-on-year from PhP 1.481 billion to PhP 1.507 billion. Passage business' revenues rose by 39%, from PhP 296 Million in 2019 to PhP 413 Million mainly due to the recent consolidation of The Supercat Fast Ferry Corporation, serving new routes and more passengers. Revenues from tugboat operations grew by 6% during the period from PhP 82 Million to PhP 86 Million due to higher number of operations.

The Group's logistics business, posted a 10% decline from last year's PhP 118 Million to PhP 106 Million for the first quarter of 2020. The revenue decline was due to the restricted movement of goods caused by the Taal Volcano eruption and then by the government-imposed ECQ.

The operating profit for the quarter declined to PhP 40 Million from to PhP 381 Million for the same period last year with the 90% decline attributable to the Group's limited operations due to the ECQ implemented in mid-March which is historically the start of the shipping industry's peak season.

Despite the grave challenges experienced by the entire shipping and logistics industry in the first quarter of 2020, the Group was still able to maintain flat revenue growth at the very least.

Chelsea President & CEO Chryss Alfonsus V. Damuy remarked, "We are certain that our capital investments will bear fruit going forward. In the pipeline we have investments which are expected to generate significant cashflows: there are two vessels to be delivered this year, our 2.5-hectare logistics warehouse will be completed by the first quarter of next year and will boost capacity. We will also be soon seeing infrastructure seaport and airport modernization projects in Davao that will make meaningful contributions in the future and generate additional revenue streams. All these are vital to the Philippine economy and will remain necessary for a long time."

"The COVID-19 pandemic has severely affected companies and people, and Chelsea is no exception. The challenges will not disappear overnight and may likely persist into the next quarter. We do remain confident that with our strategic plans to combat the crisis, and with our existing resources, capacity, fixed assets and strong market share, the Chelsea Group will spring back to recovery and move faster towards the "new normal," concluded Mr. 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.