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CHELSEA GROUP SEES RECOVERY IN SECOND HALF 2021

In its Special Stockholders' Meeting held on 6 October 2020, the Company stated that it is looking at recovery to commence by the middle of next year. To mitigate the impact of the ongoing COVID-19 pandemic, the Company deferred most of its capital expenditures except for those already committed and started, continued with the disposal of idle and inefficient assets, and implemented a workforce rationalization program. The Company also availed of the extension periods for loan payments provided under Bayanihan Acts 1 and 2 to ease its cash flow.

With the aforementioned measures, Chelsea Logistics President & CEO Chryss Alfonsus V. Damuy said, "We are in the best position to bounce back faster once economy improves and businesses will be operating on the new normal."

During the Special Stockholders Meeting, Chelsea Logistics increased its authorized capital stock from Php 2B to Php 3.5B, which will be divided into 3.49 billion Common Shares and 10 million Preferred Shares, both with par value of PhP 1.00 per share. This increase will give the Company greater flexibility and optionality for any equity raising to finance current and future projects as well as for additional working capital needs.

Mr. Damuy emphasized that despite the challenging situation in the shipping industry, the Company also has a growing logistics business that has been benefiting from the surge in e-commerce and demand from advanced mobile applications and banking solutions. One of the Company's investments which will be a significant cash flow generator is its 2.5-hectare logistics warehouse which will be completed by the first quarter of 2021.

As the Company sees signs of recovery in its shipping business in 2021, positive cash flow is seen in early to mid-2022. As reported in the June 2020 financial results, the Company's EBITDA remains to be positive despite the net loss incurred.

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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.