INVESTOR RELATIONS CONTACT
E: ir@chelsealogistics.ph

PRESS RELEASE

CONTINUING CHALLENGES IMPACT ON 9M2020 PROFITABILITY

16 November 2020 – The Chelsea Group's 2020 first nine-month gross revenues declined by 35% to PhP 3.325 billion from PhP 5.154 billion as a result of continued community quarantine measures imposed all over the country which adversely impacted its operation. In effect, passenger travels are at their lowest and cargo movement has also materially declined which resulted to a PhP 2.601 billion net loss in 9M2020, a significant reversal from the PhP 20 million net profit registered in the same period last year.

The Group's shipping business recorded a 37% year-on-year decline from PhP 4.906 billion to PhP 3.077 billion mainly due to a 93% decline in passage revenues from PhP 362 million in 3Q2019 to just PhP 25 million in 3Q2020. On a cumulative nine-month basis, Chelsea's freight revenues were also down by 24% as the community quarantine measures brought on less demand resulting in lower voyage frequency.

The Group reported a PhP 1.285 billion operating loss versus a PhP 961 million operating profit in 9M2019. This was due to a sequentially bigger operating loss in 3Q2020 of PhP 1.007 billion versus PhP 318 million in the previous quarter. Chelsea continued to be hampered by the limited operations across all its segments in the third quarter despite selective loosening of quarantine restrictions in certain parts of the country.

With the current business environment, Chelsea continues to work on stemming the losses and improving its financial health. These measures include workforce rationalization, improved vessel utilization, enhanced revenue management, cost cutting strategies, and suspension of uncommitted capital expenditure programs.

Some of these measures have started to bear fruit with operating expenses and finance expenses continuing to decline for the second consecutive quarter. Operating expenses have gone down to PhP 237 million in 3Q2020 from the PhP 317 million and PhP 295 million reported in the first and second quarters of this year, respectively. Furthermore, finance charges have also gone down from PhP 350 million in 1Q2020 to PhP 321 million last quarter and further down to PhP 320 million in 3Q2020.

Chelsea Logistics President & CEO Chryss Alfonsus V. Damuy reported, "Despite the disappointing results in the third quarter, we continue to prepare the Group for a prospective recovery we see by the second half of 2021. These measures to improve Chelsea's financial health are already starting to make an impact and these will allow the Group to be best prepared to capture that recovery."

Chelsea CFO Ignacia Braga S. Braga IV said, "We continue to thank our creditors, suppliers and shareholders who remain very supportive of the Chelsea Group in these difficult times."

###

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.