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PRESS RELEASE

Narrowing losses in 1Q2021 point to a recovery

Positive Year-on-Year EBITDA Growth Reported

17 May 2021 – In 1Q2021, the Chelsea Group continued to see signs of recovery with a narrower net loss and improved EBITDA on the back of a year-on-year decline in revenues. For the quarter, the Group reported a narrower P218 million net loss, 42% less year-on-year despite a 28% decline in revenues to P1.154 billion.

The Group's shipping segment reported a 32% decline in revenues from P1.507 billion to P1.028 billion driven by the continued weakness of the passage business but was mitigated by the positive performance of its freight business. Passage revenues were down 83% to P71 million on continued restrictions on the movement of non-essential travel in order to contain the COVID-19 pandemic within the country. On the other hand, with continued demand for inter-island movement of goods, freight revenues were up 20% year-on-year from P517 million to P618 million and are just 10% shy of the internal target. Tankering revenues were down 40% to P242 million from P401 million in the same period last year.

The logistics business reported a 19% increase in revenues from P106 million to P126 million on the back of the continued reliance of the economy on logistics providers for the efficient and unhampered movement of goods within the country.

Note that the year-on-year decline in quarterly revenues would have been less and is only pronounced due to high base effects caused by the impact of quarantine measures, i.e., in 1Q2020, the strict quarantine measures only started in the last two weeks of that quarter while for 1Q2021, quarantine measures were in place the entire time. Another recovery sign being seen is that the 1Q2021 revenue of P1.154 billion million is already slightly higher than the P1.170 billion average quarterly revenue in 2020.

Despite a decline in its topline, Chelsea Group's EBITDA rose 17% year-on-year from P470 million to P551 million as its various containment measures continued to bear fruit with operating expenses down by 47% from P317 million to P167 million. Moreover, the Group managed to bring down interest expenses by 22% to P273 million during the quarter and its share in net losses of an associate from P133 million to P99 million for a 26% reduction year-on-year.

Chelsea President & CEO Chryss Alfonsus V. Damuy reported, "It has been a long climb out from last year and while we are not yet out of the woods, the first quarter results show significant improvements that can extend this year as the economy further opens up realizing the recovery that we see will happen in the second half of this year."

Chelsea CFO Ignacia S. Braga IV, added, "The painful but necessary steps taken in ensuring the Group's future viability and growth are showing the results we have been waiting for. As the Chelsea Group, the sector and broad economy recover from the COVID-19 pandemic, we continue to thank our creditors, suppliers and shareholders for their steadfast support in these difficult times."

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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.