

A continuing recovery in 3Q2021

Lower losses and improved EBITDA year-to-date

11 November 2021 – The Chelsea Group’s recovery continued during the third quarter with a narrower net loss driven by continued rational cost-containment measures as well as a slight year-on-year improvement in revenues led by its freight and logistics businesses. For the quarter, the Group reported ₱403 M operating losses, lower by 60% year-on-year while its revenues jumped 52% to ₱1,142M.

On a cumulative basis for the year, the Group reported a narrower net loss, 15% less to ₱2.203 B despite a 2% decline in revenues to ₱3.272 B. EBITDA was substantially up from P218 M to ₱804 M during the same period.

3Q2021 is the second quarter that the Group’s shipping segment reported positive year-on-year revenue growth since the first Enhanced Community Quarantine (ECQ) restriction was imposed in March 2020. This positive growth was driven by the freight segment but unfortunately pulled down by continued weakness from its passage and tankering businesses.

Chelsea Group’s freight business rose 58% year-on-year from ₱1,286 M to ₱2,035 M with revenues flat in the first two quarters while Q3 revenues increased by 27% to P794M from Q2 and 1.5 times on a quarter-on-quarter surge in the same quarter the previous year. This is a positive proof of the recovery slowly happening in the shipping industry for certain segments. On a year-to-date basis, freight revenues were at 62% of the total Group revenues, higher compared to 39% share for the same period last year.

Unfortunately, the passage and tankering segments remain challenged with continued restrictions on inter-island travel and on the movement of petroleum products. Passage revenues for the quarter doubled year-on-year which can be attributed to low-base effects with the P50 M in revenues only accounting for 4% of the quarter’s total. However, there are already pockets of recovery in the passage business with its revenues just down by 15% quarter-on-quarter, despite a subsequent ECQ restrictions imposed by the national government in March and August 2021. This is a marked contrast from the 99% quarter-on-quarter drop in the same quarter last year.

Due to the restriction on the movement of petroleum products, 3Q21 tankering revenues were down 27% year-on-year and 63% quarter-on-quarter to ₱120 M. Year-to-date, these revenues are down 50% to ₱446 M.

On the other hand, the logistics business reported positive revenue growth of 32% year-year to ₱327M. Revenues from the logistics segment contributed 10% of the Group’s topline.

Chelsea President & CEO Chryss Alfonsus V. Damuy reported, “Chelsea Group’s third quarter performance highlights the continuing recovery story for the industry as well as the Group with our freight business leading the way. Notwithstanding continuing fears from the spread of the COVID-19 Delta variant with a second peak in the number of active cases in September, we are confident that the economy is poised to gradually recover in the last quarter of the year as the government accelerates its vaccination program which will bring about herd immunity for the population. We have already seen a continued drop in the number of active cases with substantially lower positivity rates”

Chelsea CFO Ignacia S. Braga IV, added, “The difficult steps previously undertaken by the Company continue to bear fruit but we are not stopping there. We have prepared our whole organization to be ready to hit the ground running as the recovery of the economy takes shape. This is our pledge to our creditors, suppliers and shareholders who we all continue to thank 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.