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PRESS RELEASE

Chelsea Logistics sees pockets of recovery in its operations

31 March 2022 – The Chelsea Group reported a continuing recovery in its operations on the back of strong performances of its Freight and Logistics businesses. For the year, the Group was able to cut the operating losses by 17% to P2.001 billion with Freight and Logistics segments growing by 30% and 41%, respectively.

The Group however reported a net loss of P3.905 billion, an 18% increase year-on-year, due to non-recurring items which include the sales of assets below book value. Excluding these one-time items, Chelsea Group's net loss would have actually improved by 18% year-on-year from P5.157 billion in 2020 to P4.253 billion in 2021. On the other hand, adjusted EBITDA reversed to negative P31 million versus P205 million in the previous year.

Consolidated revenues were down by 4% to P4.469 billion on the back of declines in the Group's Passenger, Tanker and Tugboat businesses but whose declines were strongly mitigated by the strong growth in the Freight and Logistics segments.

Chelsea Group's Freight business continued to recover with a 30% year-on-year increase in revenues to P2.727 billion --- already surpassing the P2.688 billion in revenues in 2019 prior to the COVID-19 pandemic and the first lockdown in March 2020. Freight accounted for 61% of consolidated revenues, up from 45% in the previous year.

The Logistics business continued to report very encouraging results with revenues increasing by 41% to P519 million, 12% of consolidated revenues, up from 8% in 2020.

The Passenger business continued to be challenged due to restricted travel protocols implemented not just by the national government but also by local government units of the areas where the Group has port calls. The Tankering business also continued to experience difficulties in recovery due to restrictions in the movement of petroleum products as well as the lower demand from customers. However, there are some signs of recovery in these segments, especially for Passage with the year-on-year revenue decline slowing down from 65% in 2020 to just 42% in 2021 with P293 million.

Chelsea President & CEO Chryss Alfonsus V. Damuy reported, "We remain very encouraged in seeing pockets of recovery in the industry. This is despite outside factors like the peaks in the number of active COVID-19 cases last year and the Omicron variant surge at the beginning of this year. We are hopeful of a further recovery this year while we need to carefully monitor world oil prices as they will certainly have a negative impact on our margins."

Chelsea CFO Ignacia S. Braga IV, added, "On the financial front, we have reduced and continue to manage all operating expenses to improve margins without sacrificing safety and standards. We continue to work closely with our creditors, suppliers and other stakeholders to strengthen our balance sheet through win-win solutions."

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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.