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## **Continued operational improvements reduce net loss Passenger segment revenues highest since March 2020 lockdown**

15 November 2022 – The Chelsea Group sustained its recovery in the third quarter with continued year-on-year and quarter-on-quarter increases in its topline, which resulted in lower net losses compared to the same period last year and on a sequential basis.

Revenues were up by 50% this quarter to P1.717 Billion from P1.142 Billion in the same quarter last year, with positive growth across segments. Remarkable growth was seen in Passage revenues, which increased more than 7x. Moreover, 3Q2022 Net Loss notably fell by 57% from P1.130 Billion last year to P489 Million. The ongoing recovery is markedly evident on a year-to-date basis, with revenues for the first 9 months of 2022 growing 41% to P4.630 Billion.

All revenue segments reported year-on-year and quarter-on-quarter improvements, with the Passage segment, in particular, showing significant growth. Passage revenues in 3Q2022 grew more than 7x year-on-year and 4% quarter-on-quarter to P371 Million --- the highest quarterly revenue achieved since the government-imposed lockdown in March 2020. Furthermore, the Freight segment continued its upward trajectory, with revenues growing year-on-year by 7% to P850 Million. Freight remained the most significant revenue contributor for the quarter accounting for 53% of total revenues.

Cost of Sales and Services in the first 9 months of 2022 grew 19% to P4.276 Billion as petroleum prices surged year-on-year. However, with the growth in revenues outpacing the cost of sales and services, the Chelsea Group reported a P668 Million upswing at the gross level from a P314 Million gross loss or negative to P354 Million in gross profits or positive.

Last year the Group reported a non-recurring P154 Million gain on the Sale of an Asset Held for Sale and P319 Million in Other Income. Despite the absence of these non-recurring items this year, the Group reported a hefty 32% drop in its Net Loss for the first 9 months to P1.492 Billion.

Chelsea President & CEO Chryss Alfonsus V. Damuy said, “The implementation of our recovery plans continues to bear fruit as shown by the third quarter results with all segments reporting positive revenue growth both on year-on-year and sequential bases, leading to a reduction in net losses. As by nature, the shipping industry is a high CAPEX business, fixed costs account for a huge portion of operating costs. Thus, with the continued significant growth in revenue, the Company will soon outpace these costs. We will continue to build on this positive momentum to bring all our revenue segments back to pre-lockdown levels as soon as possible.”

Chelsea CFO Ignacia S. Braga IV added, “It has not been easy since the lockdown, but with the support of our creditors, suppliers, and other stakeholders who have stayed with us through these difficult times, we can execute our recovery plans, bringing in sustained improvements in the Group’s financial performance.”

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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 on 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.