



INVESTOR RELATIONS CONTACT
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Chelsea Logistics' 1Q2023 results show continued operational improvements

Gross profits tripled year-on-year to ₱267 Million

15 May 2023 – The Chelsea Group is off to a good start in 2023, with year-on-year improvement in Revenues leading to a substantial increase in Gross Profits as well as lower Operating and Net Losses. The adjusted EBITDA for 1Q2023 increased by 54% to ₱354 Million on the back of a lower Net Loss despite marginally higher depreciation and amortization expenses.

Seasonally seen as the weakest period in the year, revenues for the first quarter rose 31% year-on-year to ₱1.708 Billion, the largest first quarter revenue figure since the lockdown in March 2020, and 7% higher than the ₱1.599 Billion revenues reported in 1Q2019. Both Cargo and Passage revenues reported positive year-on-year growth with significant increases in Passage revenues.

The higher-margin Passage segment reported a 155% increase in Revenues to ₱407 Million due to the surge in passenger volume, following the economy's reopening. An increase in average ticket prices also helped raise revenues as well as cushion the impact of fuel prices that remained up year-on-year. Passage revenues in 1Q2023 were already higher than the ₱413 Million reported in 1Q2020 prior to the drastic nationwide transportation lockdowns. Cargo revenues rose 9% year-on-year to ₱883 Million and remained the biggest revenue contributor of the Group accounting for 52% of the total, down from 60% in the same period last year due to the strong and consistent recovery of the Passage segment.

The Group's improved financial performance came from a combination of a substantial increase in Revenues as well as the continued strict enforcement of cost-containment measures. While Revenues rose 31% year-on-year, Cost of Sales and Services only rose by 18%, allowing a 3.3x increase in Gross Profits to ₱267 Million with Gross Profit margins more than doubling to 15.6% from 6.2% in the same period last year.

Despite a 73% increase in Other Operating Expenses, Chelsea Logistics was still able to bring down its 1Q2023 Operating Loss by 71% to ₱25 Million and Net Loss by 22% to ₱324 Million.

Chelsea Logistics President & CEO Chryss Alfonsus V. Damuy said, "The year has started well for us. We are witnessing significant positive developments, notably from the Passage which has historically been one of our weaker segments. We will continuously optimize our financial resources to improve these four areas of the business critical to our recovery: Fleet Availability, Customer Experience, Operational Excellence, and Technology Advancements.

Chelsea Logistics CFO Ignacia S. Braga IV added, "We sincerely thank our creditors, suppliers, and stakeholders during these challenging and changing times. Our improved financial results would not have been possible without their steadfast support and trust in our vision: 'to be the finest shipping and logistics Company known for its unrivalled customer service'. As we continue to keep a close eye on our costs and grow our revenues in line with a recovering economy, we will shortly return to profitability, probably sooner than later".

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ABOUT THE COMPANY

Chelsea Logistics and Infrastructure Holdings Corp. is the publicly-listed shipping and logistics arm of the Udena Corporation. It is a corporation organized and registered with the Philippine Securities and Exchange Commission (SEC) on 26 August 2016 primarily to act as a holding company. Through its wholly-owned subsidiaries, Chelsea Logistics is engaged in the shipping transport and logistics business with key segments divided into: (i) Charter, (ii) Passage, (iii) Freight, (iv) Tugboat services, and (v) Logistics services. To learn more about the Chelsea Group, visit <https://www.chelsealogistics.ph/>