

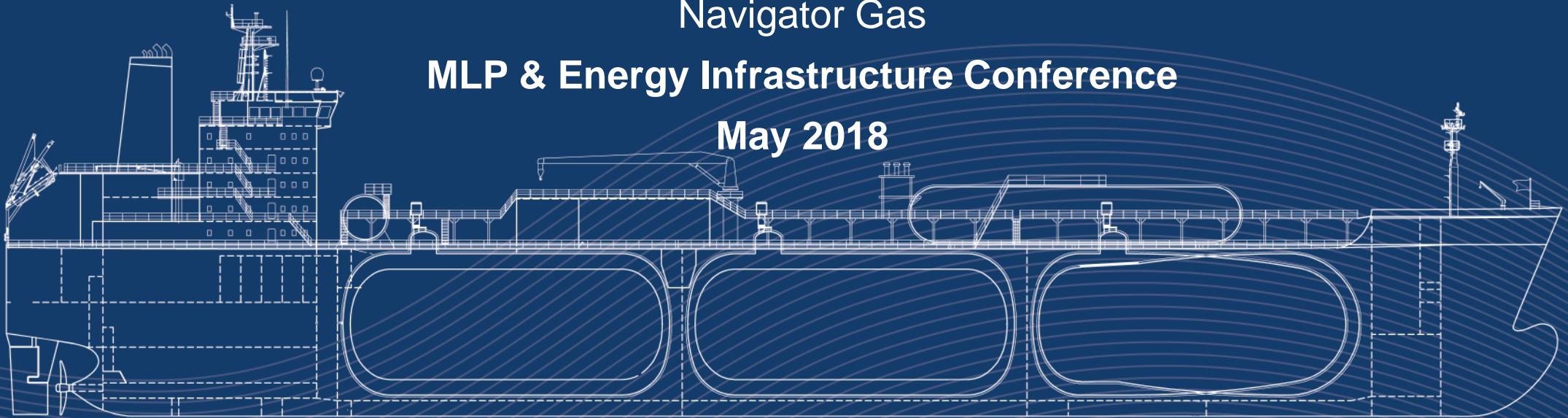
# NAVIGATOR GAS



Navigator Gas

**MLP & Energy Infrastructure Conference**

**May 2018**



“Navigator Holdings Ltd. (NYSE:NVGS)”



This presentation contains certain statements that may be deemed to be “forward-looking statements” within the meaning of applicable federal securities laws. Most forward-looking statements contain words that identify them as forward-looking, such as “may”, “plan”, “seek”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “project”, “opportunity”, “target”, “goal”, “growing” and “continue” or other words that relate to future events, as opposed to past or current events. All statements, other than statements of historical facts, that address activities, events or developments that Navigator Holdings Ltd. (“Navigator” or the “Company”) expects, projects, believes or anticipates will or may occur in the future, including, without limitation, acquisitions of vessels, the outlook for fleet utilization and shipping rates, general industry conditions, future operating results of the Company’s vessels, capital expenditures, expansion and growth opportunities, business strategy, ability to pay dividends and other such matters, are forward-looking statements. Although the Company believes that its expectations stated in this presentation are based on reasonable assumptions, actual results may differ any expectations or goals expressed in, or implied by, the forward-looking statements included in this presentation, possibly to a material degree.

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## NAVIGATOR GAS

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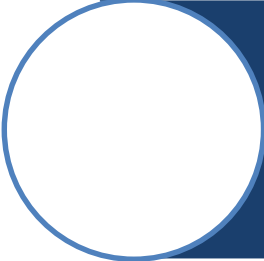
EXPORT TERMINAL JV

FINANCIAL INFORMATION

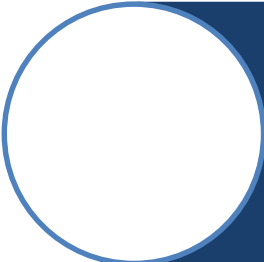
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Operates the largest fleet of specialised handy sized LPG vessels – with a total fleet of 38 vessels.



While global in scope, LPG seaborne trade has been propelled by U.S. shale gas. Further growth in seaborne LPG trade is expected with the opening of additional export terminals. This year, the 275,000 bbls/day Mariner East 2 pipeline, extending from eastern Ohio to the Delaware River at Marcus Hook, is expected to be operational. The opening of the pipeline will free large volumes of LPG for east coast exports that are now stranded in the Marcellus/Utica producing fields.



Driven by low U.S. natural gas prices, domestic petrochemical capacity expansion has been impressive. Over the next couple of years, America's capacity to produce ethylene is expected to increase by nearly 50%. Petrochemical export infrastructure will be critical to avoid product overcapacity.



Navigator and Enterprise Product Partners have formed a joint venture to build a world scale ethylene export terminal in Texas. The terminal is expected to be operational late 2019.

## Source

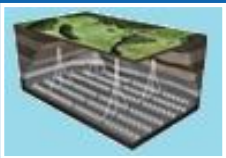
### Natural Gas (LNG) Production



### Crude Oil Production



### Shale Gas



## Cargo

### Liquefied Petroleum Gases (LPG)

A derivative from production of other fuels and LNG, used as an energy source

### Petrochemical Gases

Produced from saturated hydrocarbons and widely used in the chemical industry, e.g. in producing polymers

### Ammonia

Methane gas is used in producing ammonia, which is used e.g. in nitrogen-based fertilizers

## LPG Use

### Energy



### Pet. Chem Feedstock



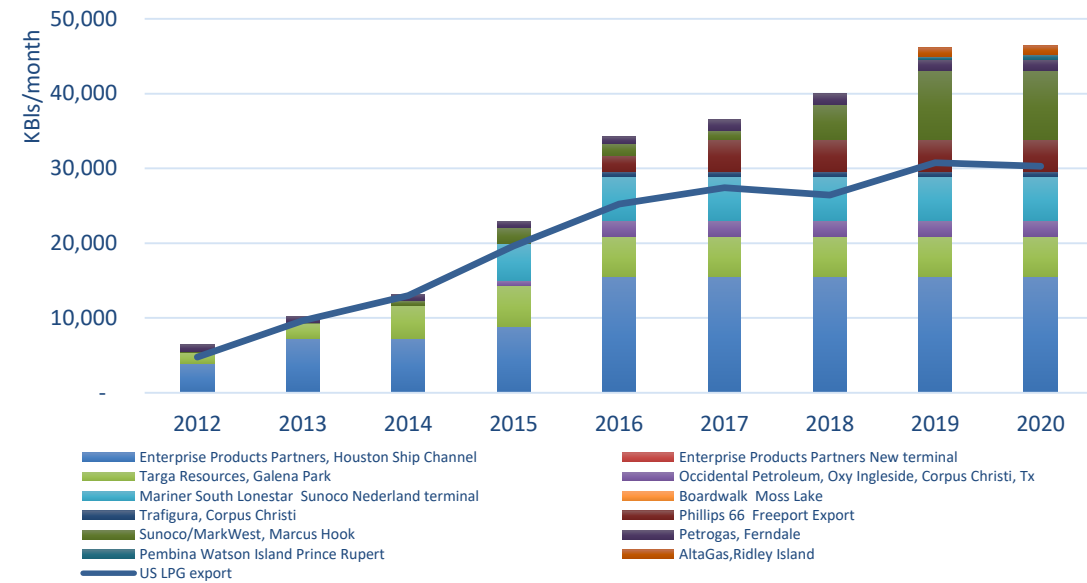
### Engine Fuel



### Agriculture



## Annual US LPG Export Capacity v US Export

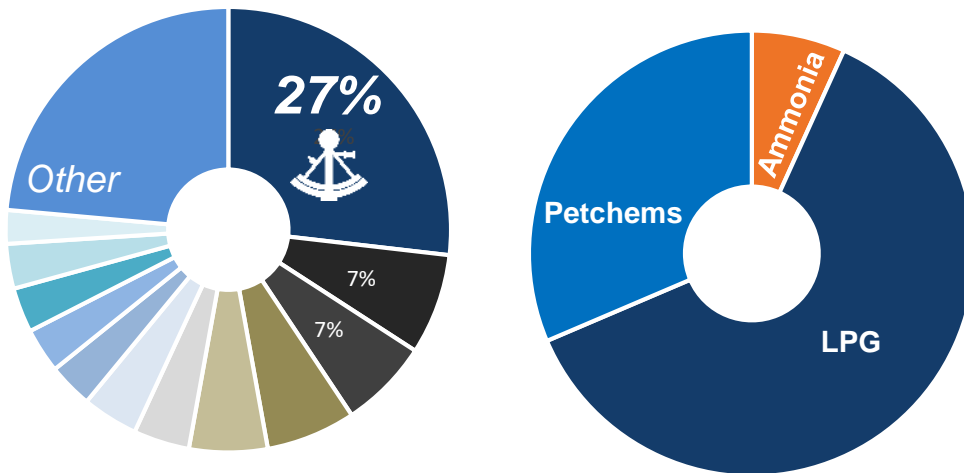


## Global Trade Diversification

\*Europe 33% Africa & MEG 23% Asia 22% SAM 11% NAM 11%

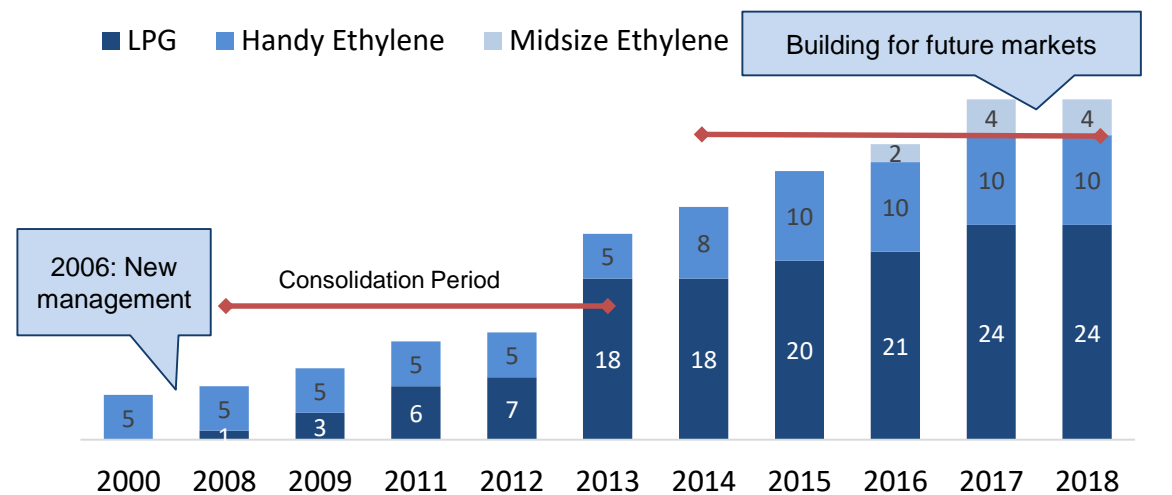


## Leading Handysize Market Share | Cargo Diversification



Source: ViaMar, 2018

## Growing Together with Our Customers









\* 2017 YTD Regional Cargo Volume



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Vessel Type			Existing Number of Vessels	Order Book	
				Vessels on Order	% of Fleet (# vessels)
<b>Very Large Gas Carrier</b> >60,000 cbm	Fully-Refrigerated		284	37	13%
<b>Large Gas Carrier</b> 40,000 - 59,999 cbm	Fully-Refrigerated		12	-	-
<b>Medium Gas Carrier</b> 25,000 - 39,999 cbm	Fully-Refrigerated		95	6	6%
	Ethylene / Ethane		14	-	-
<b>Handysize Gas Carrier</b> 15,000 - 24,999 cbm	Fully-Refrigerated		26	-	-
	Semi-Refrigerated		64	-	-
	Ethylene		25	8	32%
<b>Small Gas Carrier</b> 5,000 - 14,999 cbm	Semi-Refrigerated / Pressure		332	16	5%
<b>Small Gas Carrier</b> <4,999 cbm	Semi-Refrigerated / Pressure		633	6	1%

Source: Clarksons, 2018

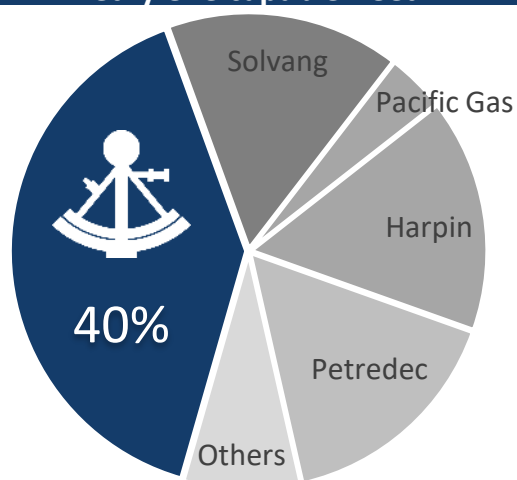


# HANDYSIZE GAS FLEET OVERVIEW

## LPG Handysize Global Fleet

Owner	Semi Ref	Fully Ref	Total
Navigator Gas	17	6	23
Ultragas	9	-	9
Naftomar	4	3	7
Petredec	2	2	4
Beneleux	4	-	4
Pacific Carriers	4	-	4
Schulte	4	-	4
Stealth Gas	4	-	4
Yara	-	3	3
Harpain	1	-	1
Other	15	12	27
<b>Total</b>	<b>64</b>	<b>26</b>	<b>90</b>

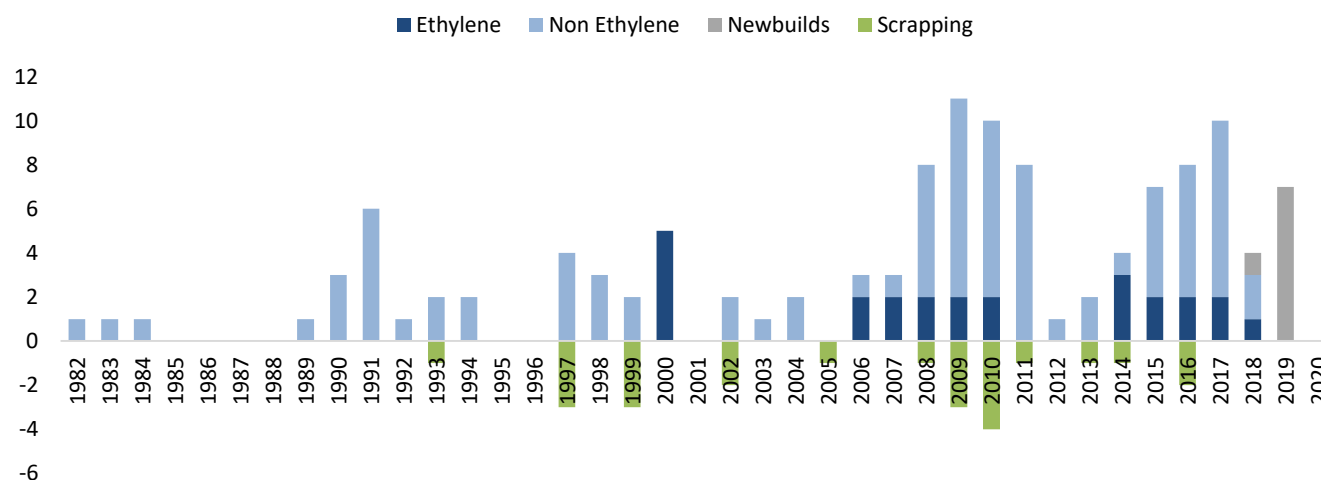
## Market Share of existing handysize ethylene capable fleet



## Ethane/Ethylene Global Fleet

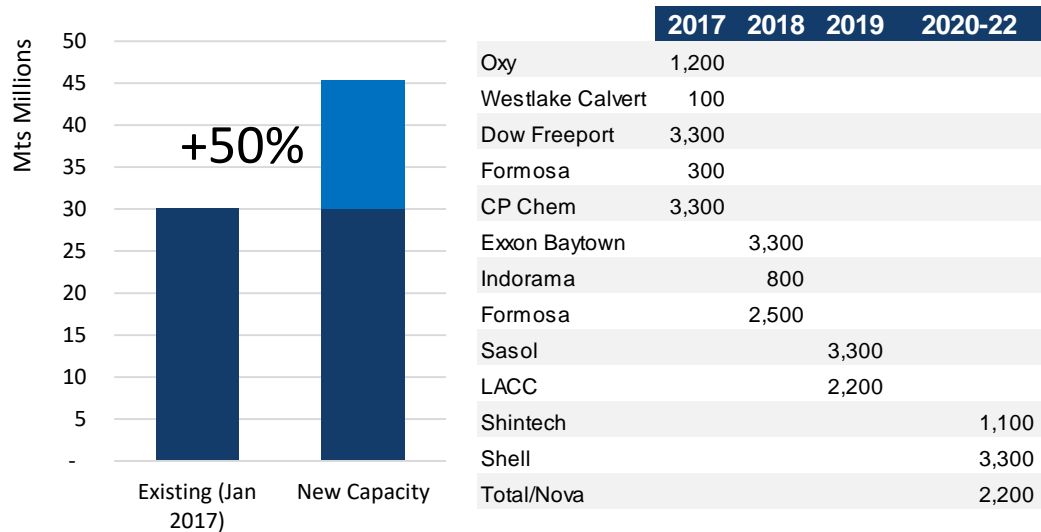
Owner	Existing Handysize	Newbuild Midsize	VLEC	Total
Navigator Gas	10	4	-	14
Evergas	-	8	2	10
Solvang	8	-	-	8
Reliance	-	-	6	6
Pacific Gas	5	-	-	5
Petredec	4	-	-	4
Harpain	4	-	-	4
Ocean Yield	-	2	-	2
Other	2	-	-	2
<b>Total</b>	<b>33</b>	<b>14</b>	<b>7</b>	<b>54</b>

## Handysize Fleet Demographics

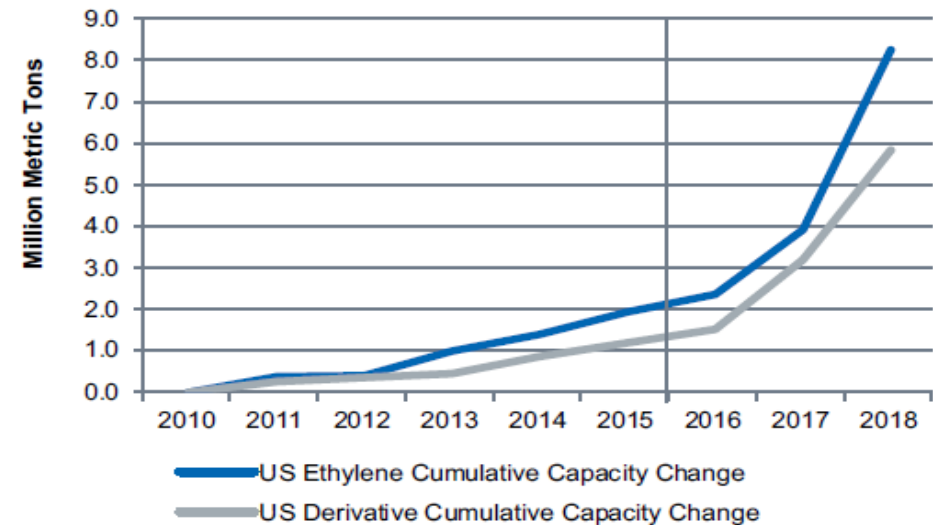


# U.S. ETHYLENE FOCUS: COMPETITIVE FUNDAMENTALS

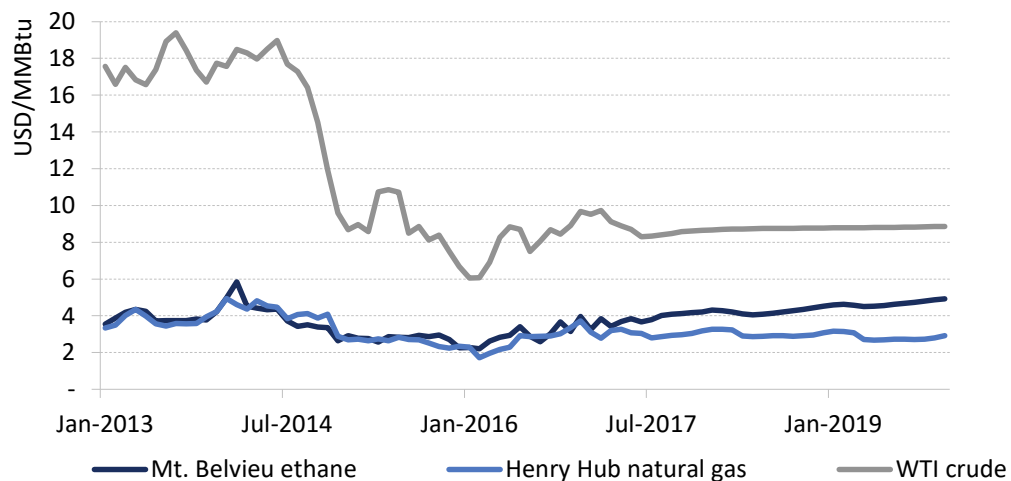
## US Ethylene expansions 2017 – 2022



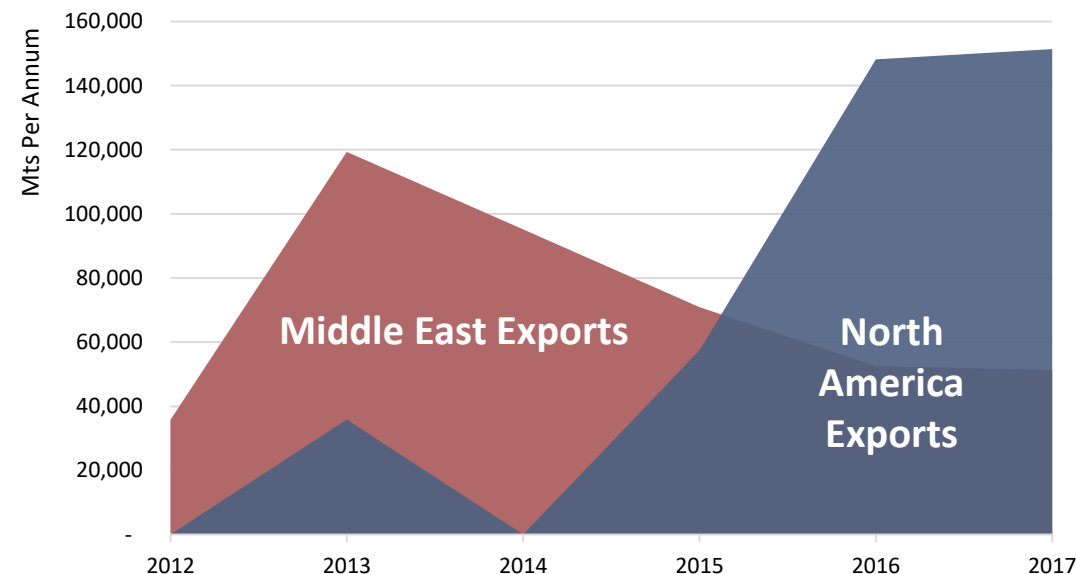
## U.S. Ethylene production vs domestic demand



## U.S. Gas Prices Underpins C2 Production Cash Cost



## Structural Shift for Navigator Gas C2 exports: U.S. in focus



Source: ESI, Bloomberg, 2017, & IHS, 2016



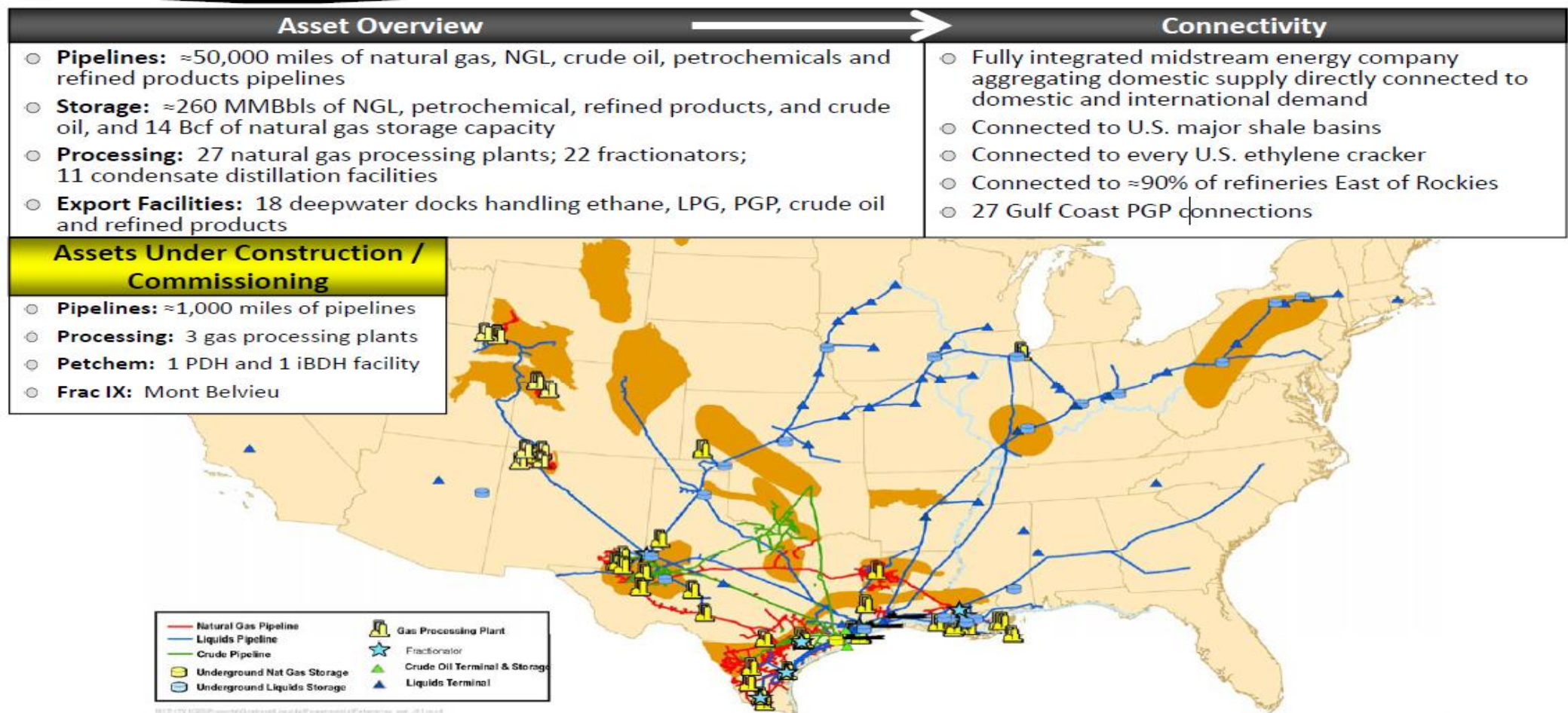


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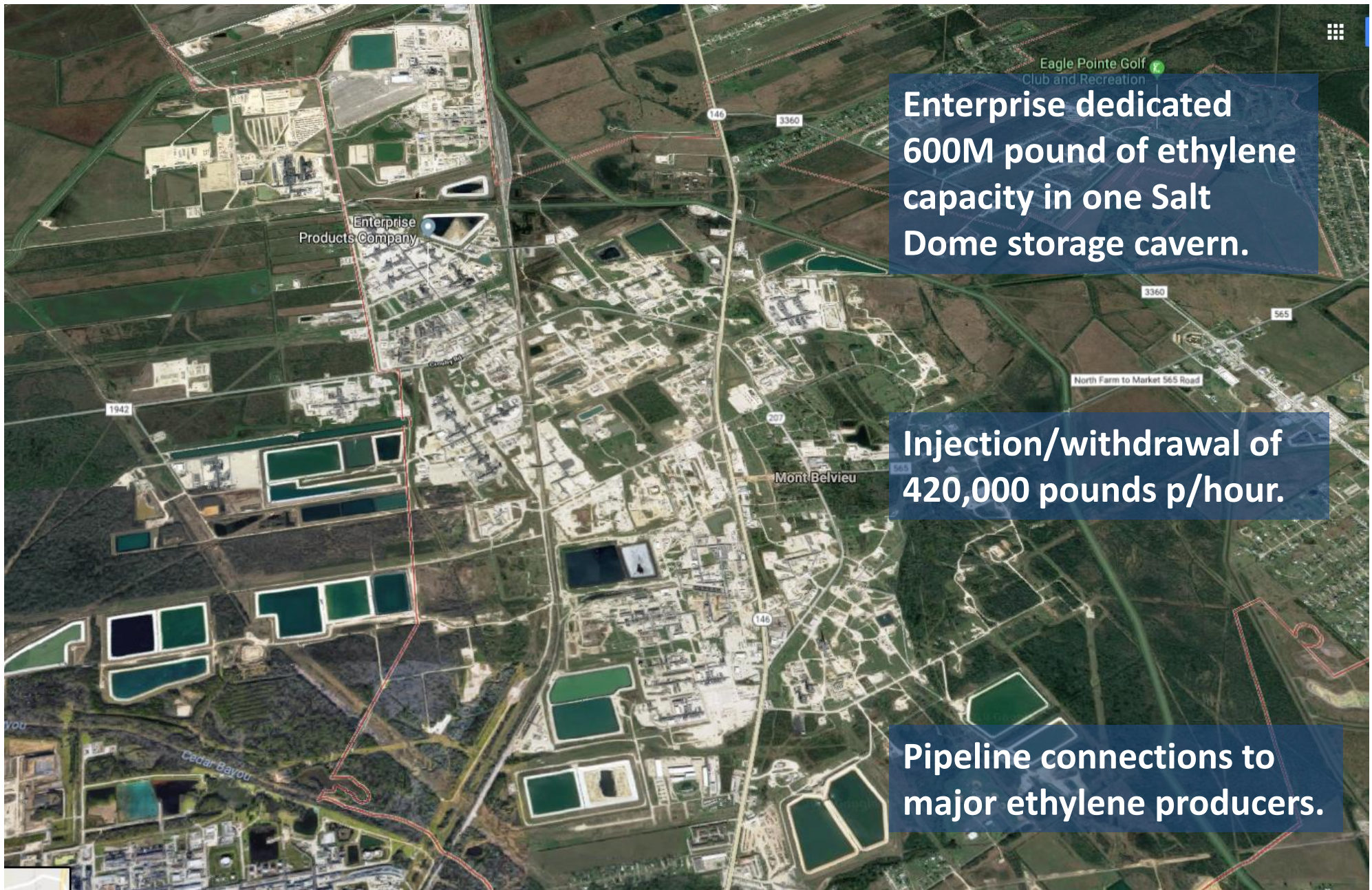
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## EPD: NATURAL GAS, NGLs, CRUDE OIL, PETROCHEMICALS AND REFINED PRODUCTS







**Enterprise dedicated  
600M pound of ethylene  
capacity in one Salt  
Dome storage cavern.**

**Injection/withdrawal of  
420,000 pounds p/hour.**

**Pipeline connections to  
major ethylene producers.**



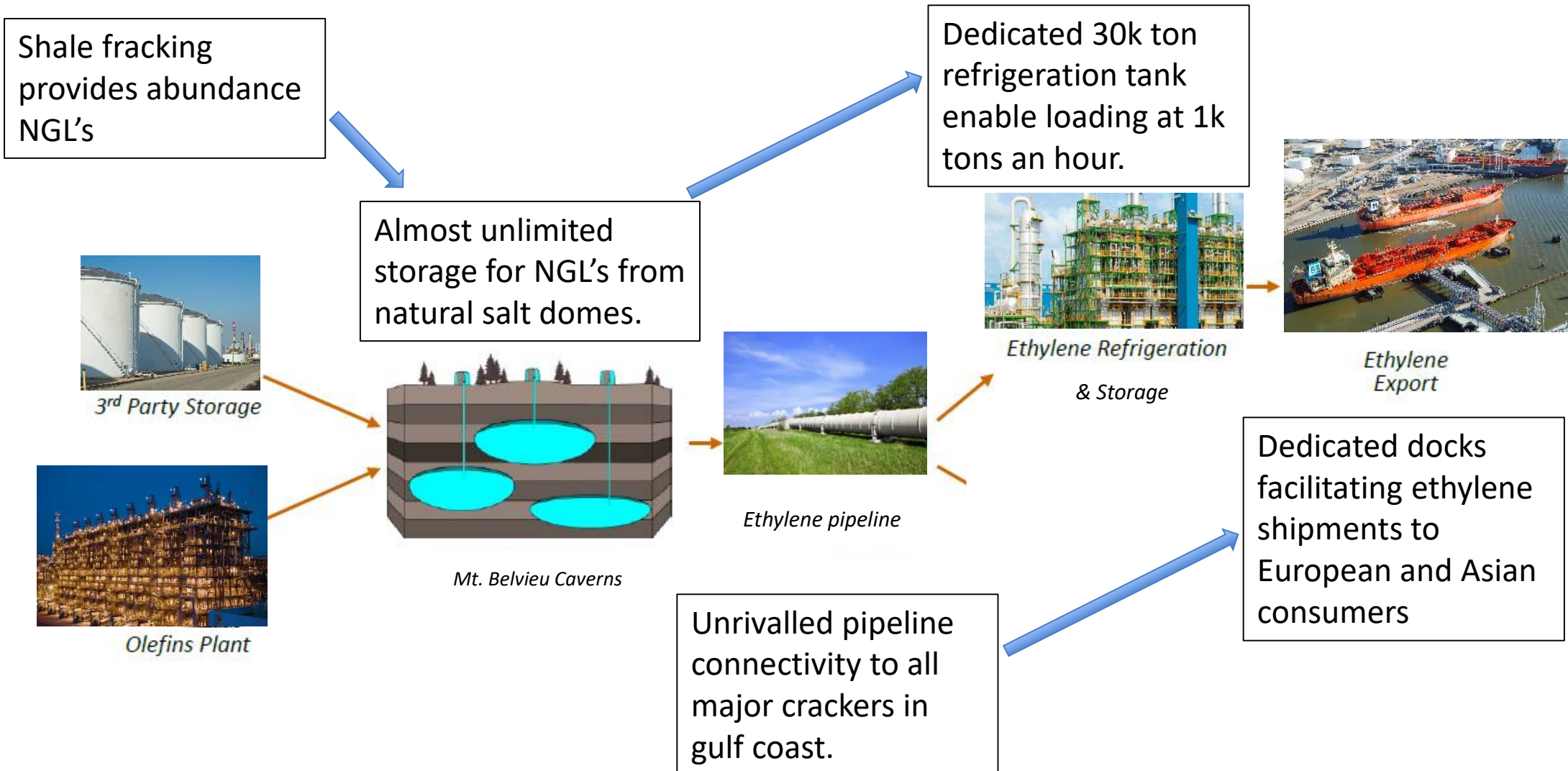


## U.S. ETHYLENE INFRASTRUCTURE OVERVIEW



- USGC has the most extensive ethylene pipeline infrastructure in the world
- Primarily private supply systems, limited aggregation capabilities pose risk with growth

## US Gulf infrastructure set for NGL exports across the globe



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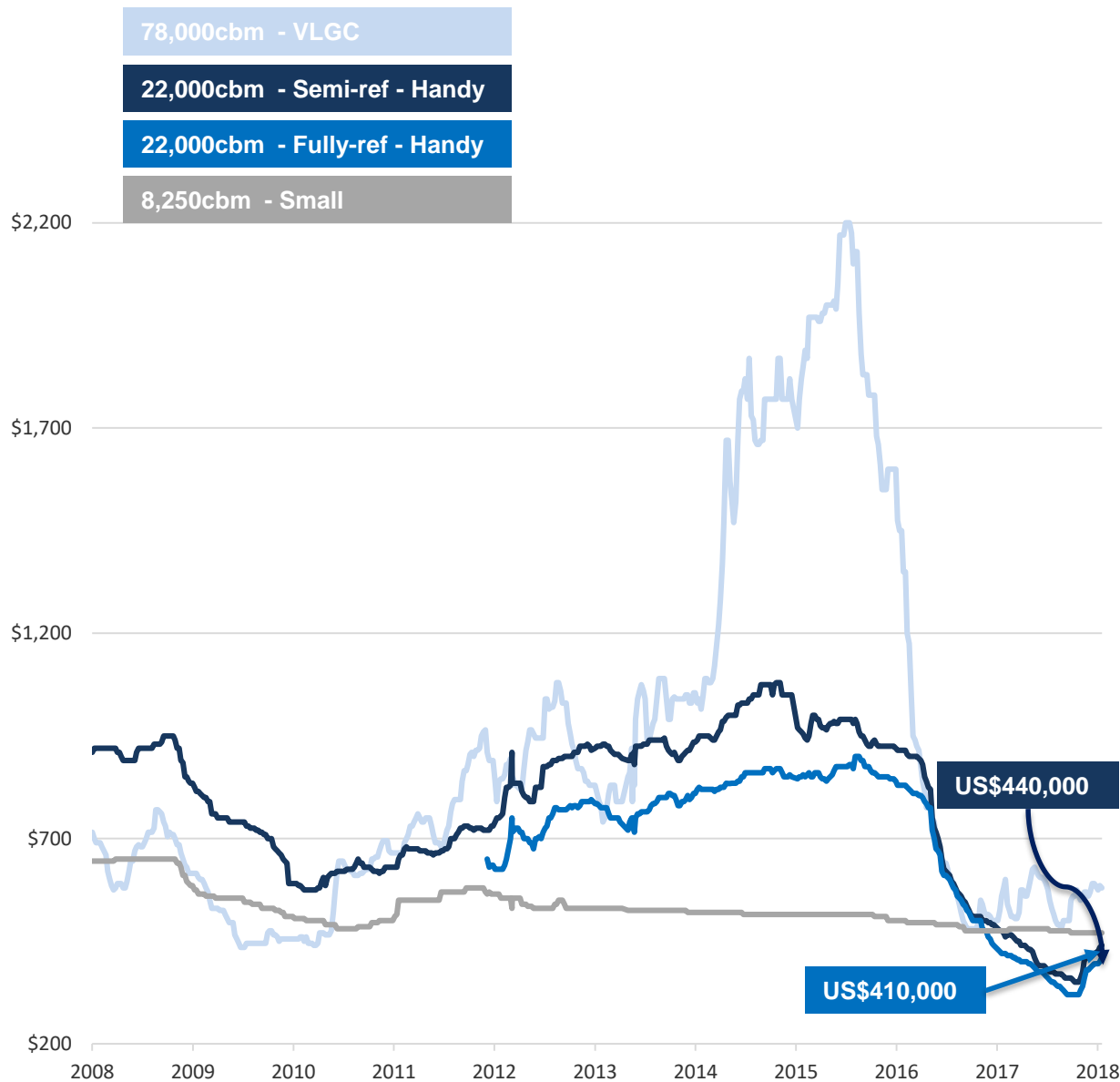
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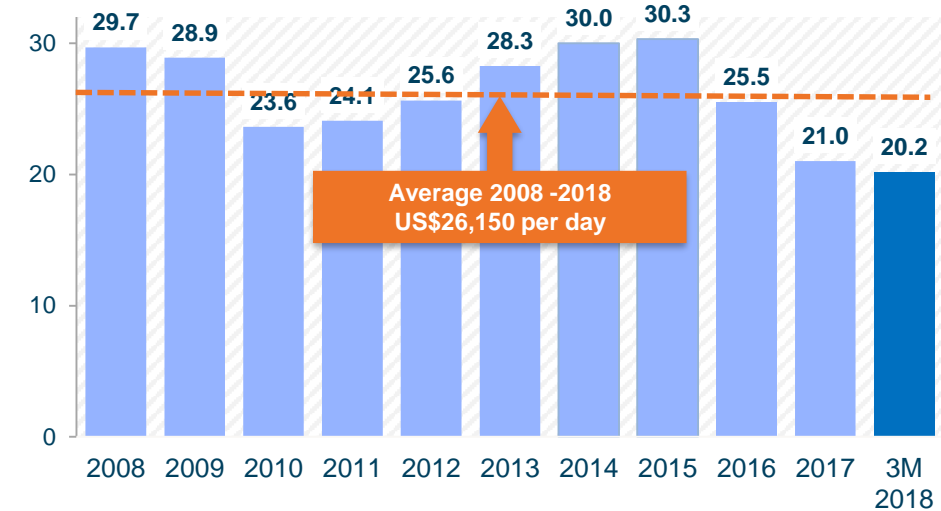


## 2018 3M HIGHLIGHTS

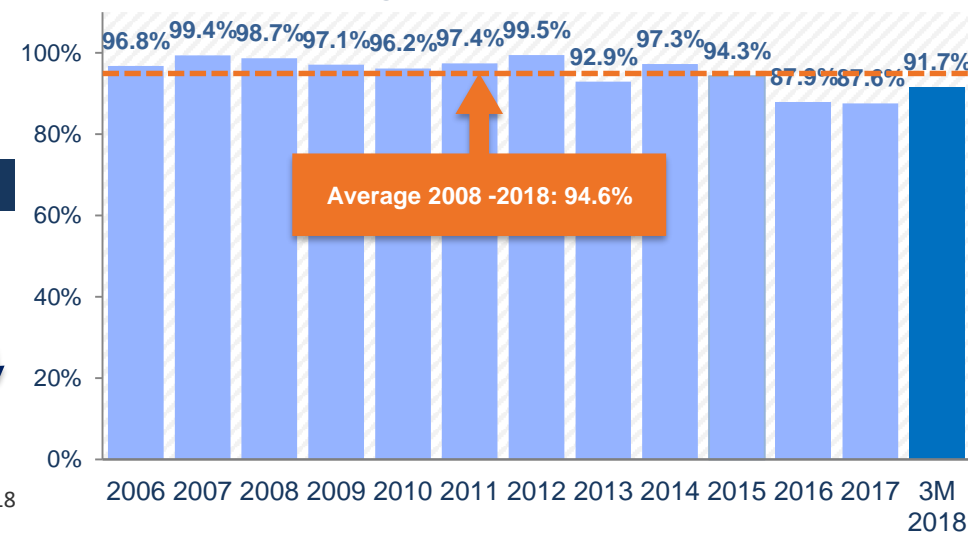
Gross Revenue	EBITDA	NET INCOME
US\$77.8m	US\$30.5m	US\$0.7m
Vessels owned	Avg daily charter rate	Fleet Utilization
38	US\$20,190	91.7%



## Navigator's Daily TC Rates (US\$)



## Navigator's Utilization Rate



Source: Clarksons Platou Gas 2017

## Total US\$ 475.6M in committed revenue

2018-2020			2021+
Committed Revenue	EBITDA	Average TCE	Committed Revenue
US\$273.2M	US\$180.8M	US\$24,715	US\$202.4M

## Committed revenue for the Navigator fleet

	Remaining 9M of 2018	2019	2020	Total
Available days	10,363	13,656	13,661	37,680
<b>Committed charter days<sup>1</sup></b>	<b>4,497</b>	<b>4,692</b>	<b>2,866</b>	<b>11,055</b>
Uncommitted days	5,866	9,964	10,795	26,625
Charter coverage	43.39%	27.04%	20.98%	29.34%
<b>Committed revenue (US\$'M)</b>	<b>212.74</b>	<b>89.54</b>	<b>77.31</b>	<b>273.22<sup>3</sup></b>
Average committed TC equivalent rate (US\$ / d)	23,654	24,252	26,975	24,715
<b>Committed EBITDA<sup>2</sup> (US\$'M)</b>	<b>68.8</b>	<b>58.7</b>	<b>53.4</b>	<b>180.8</b>

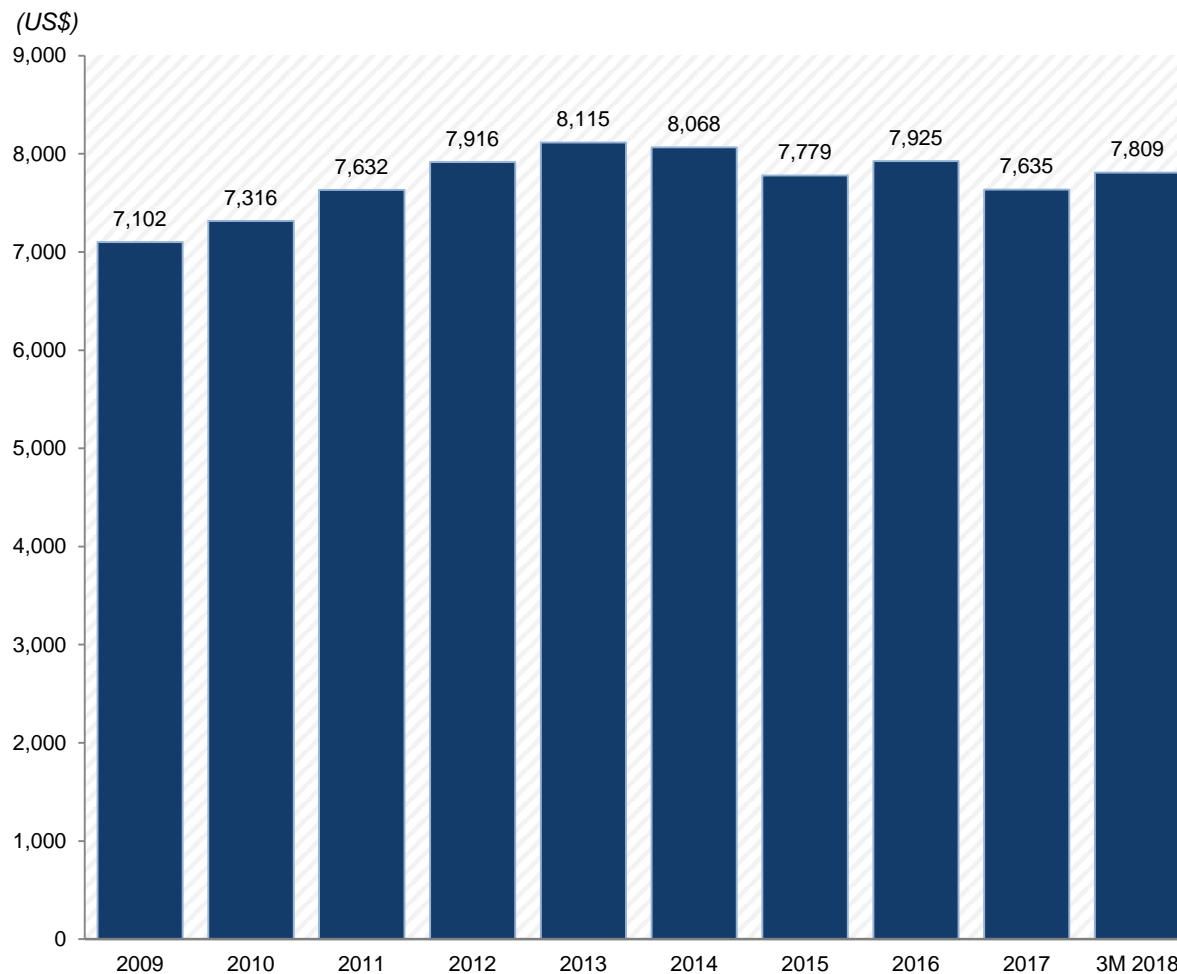
1) The committed revenue as at 31/03/2018, excluding the continuation of the charters in Indonesia and Venezuela.

2) Committed EBITDA calculated as contracted revenue less estimated vessel operating expenses based on average for FY 2017, excluding estimated broker commissions and other charter-related fees and expenses, any non-charter related costs such as general and administrative costs, drydocking expenses and other costs.

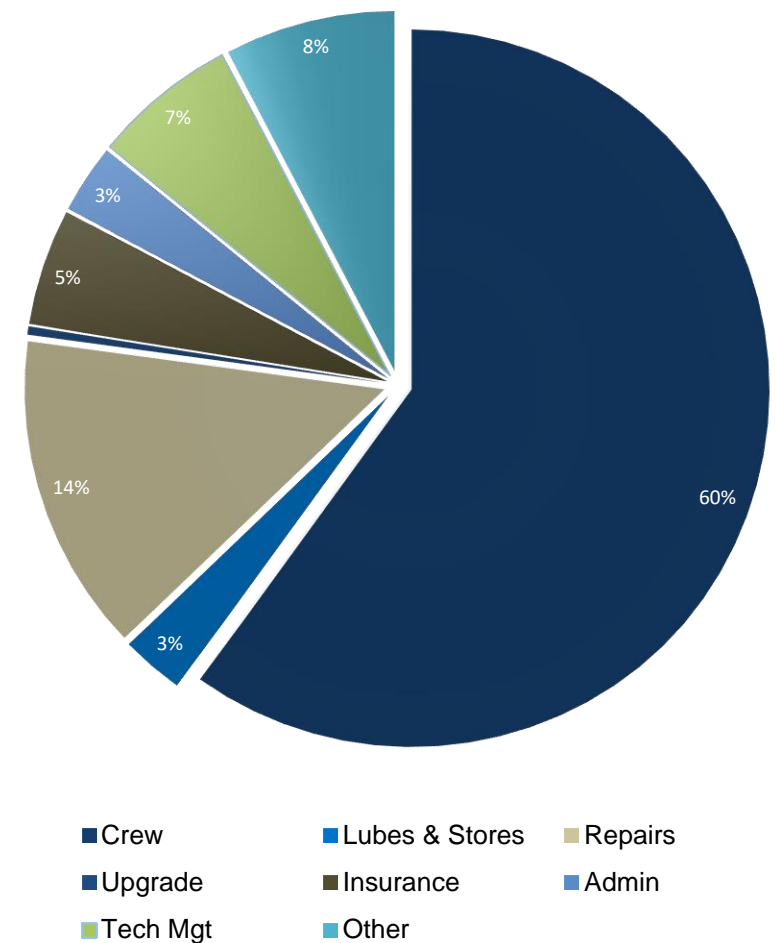
3) The total committed revenue beyond 2021 of \$202.4 is excluded, represented by 6 vessels on committed time charters which expire up to December 2026.



Navigator's Daily Operating Expenses



Analysis of Operating Expenses



# BREAK EVEN ANALYSIS

## Comments

For the three months ended 31<sup>st</sup> of March 2018, the Company had a cash break even rate of US\$ 10,054 per day per vessel, before interest expenses and debt repayment

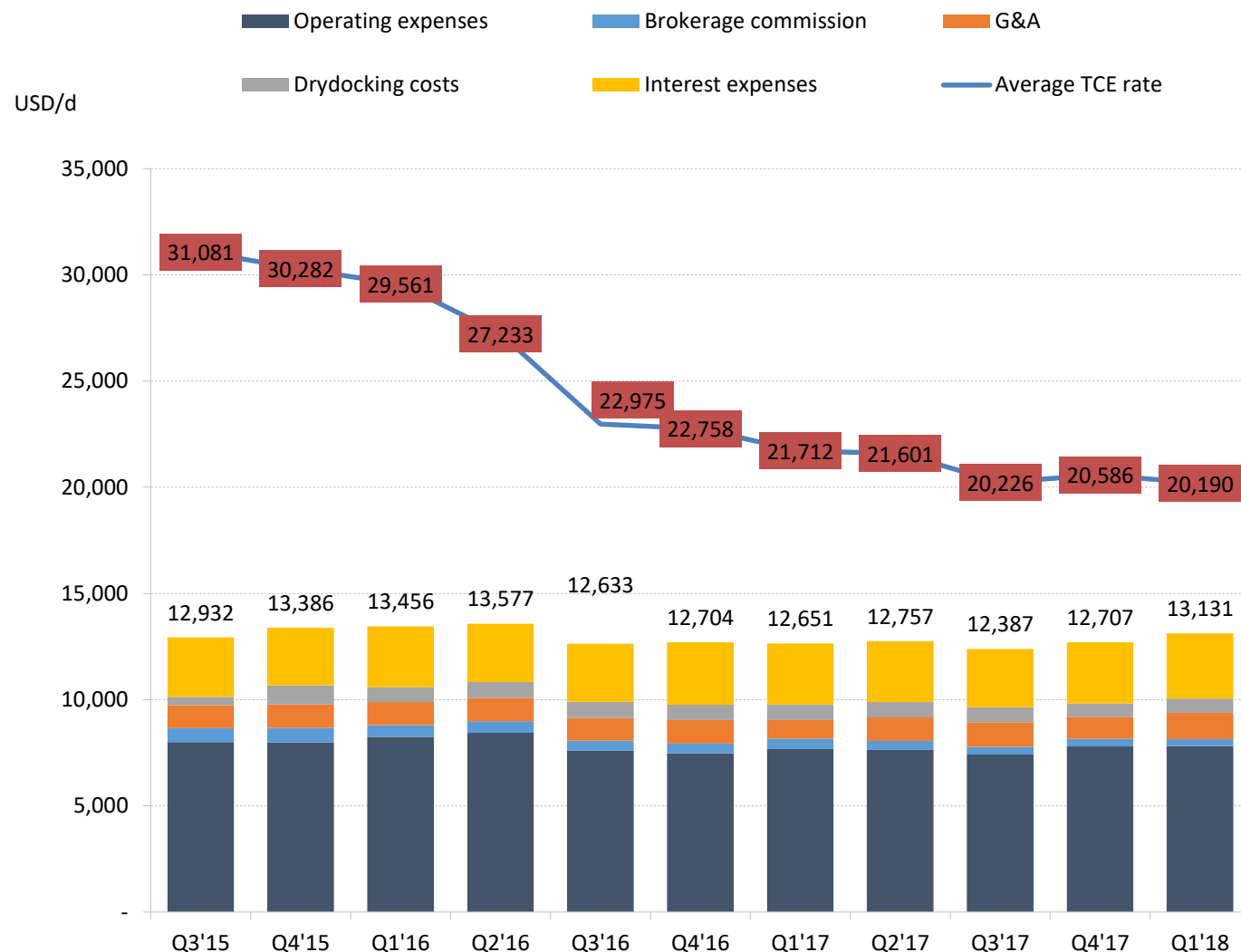
Including interest expenses, the cash break even rate increases to US\$ 13,131 per day per vessel

Including debt repayment, the cash break even rate increases to US\$ 19,140 per day per vessel

Navigator has consistently obtained an average TCE equivalent significantly above the Company's cash break even rate

Navigator gas committed revenue over the next three years at an average of US\$ 24,715 per day for 29.3% of the fleet

## Break even and TCE rates



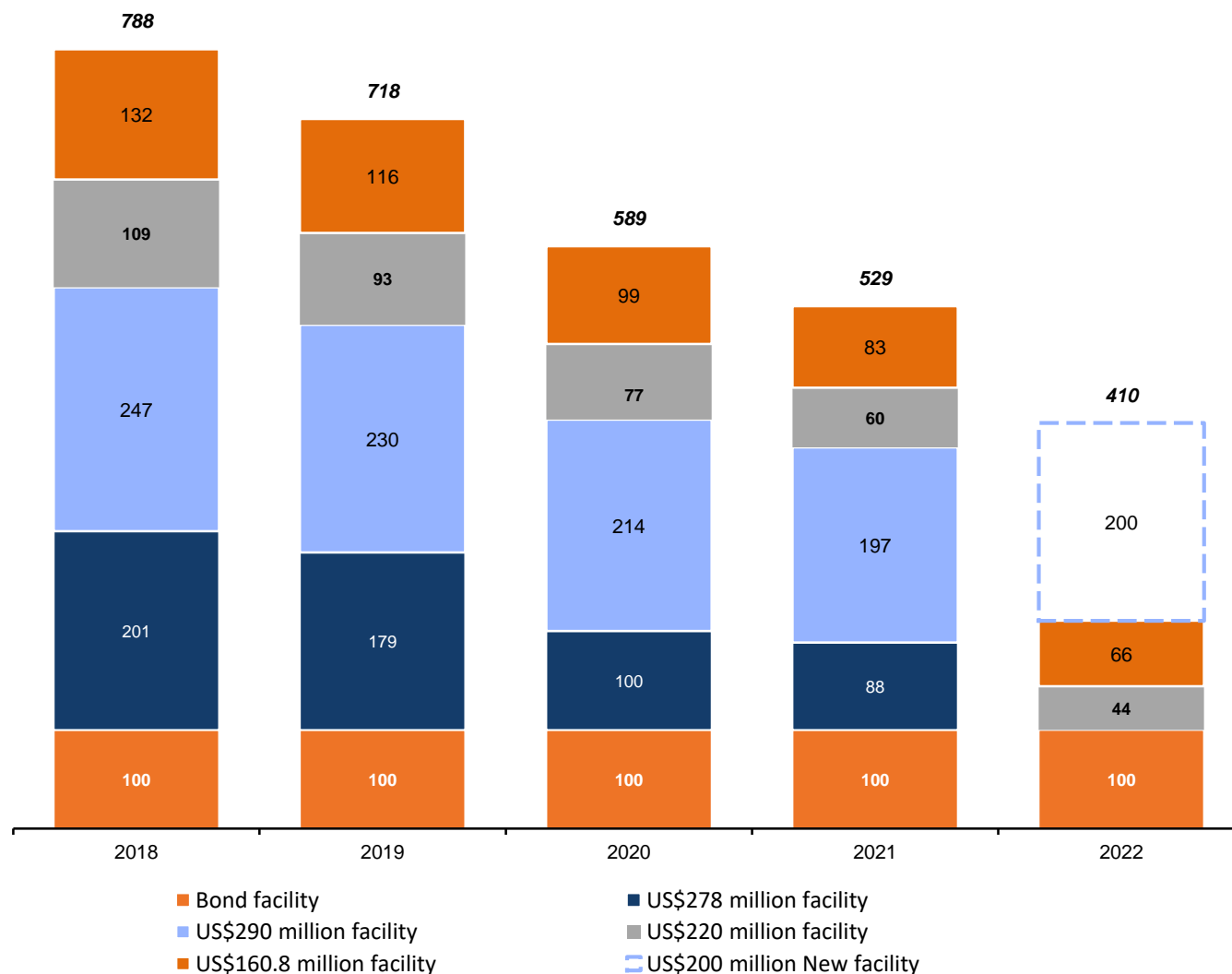
	(US\$'M)
As of March 31, 2018	Actual
Cash	50.8
<u>Debt</u>	
Secured term loan facilities	749.1
Unsecured Notes	100.0
<b>Total Debt</b>	<b>849.1</b>
Total Shareholders' equity	960.9
Total capitalization	1,810.0
<b>Debt / Capitalization</b>	<b>46.9%</b>

## Current Lenders





## Lending Facilities Outstanding - end of year (US\$'M)



### Current Facilities

- Senior Unsecured Notes maturing in February 2021.
- US\$278 million Secured Term Loan expiring between June 2020 and February 2023
- US\$290 million Secured Term Loan expiring from December 2022
- US\$220 million Secured Term Loan expiring in January 2024
- US\$160.8 million Secured Term Loan expiring in June 2023
- Assumed US\$200 million secured Term Loan to refinance \$278 million and \$290 million facilities in 2022.

### Revolving Credit Facility

- US\$220 million Revolving Credit Facility has \$48.1 million available to drawdown
- US\$160.8 million Revolving Credit Facility has \$3.8 million available to drawdown

(US\$'M)	2012	2013	2014	2015	2016	2017	3 Months 2018
<b>Assets</b>							
Cash and cash equivalents	150.9	194.7	62.5	87.8	57.3	62.1	50.8
Other current assets	20.3	31.9	22.0	37.2	36.5	50.0	40.2
Vessels in operation (net)	586.7	1,026.3	1,145.1	1,264.4	1,480.4	1,740.1	1,722.6
Vessels under construction	20.1	60.2	131.4	170.8	150.5	-	-
Investment in equity accounted joint venture	-	-	-	-	-	-	10.5
Other fixed assets	54.1	12.1	9.5	10.4	9.9	1.6	1.6
	<b>832.1</b>	<b>1,325.2</b>	<b>1,370.5</b>	<b>1,570.6</b>	<b>1,734.6</b>	<b>1,853.9</b>	<b>1,825.7</b>
<b>Liabilities and Stockholders' equity</b>							
Current liabilities	16.2	29.0	21.9	30.3	24.2	18.5	15.6
Secured term loan facilities	243.2	450.5	417.9	505.3	653.9	772.2	749.3
Senior unsecured bond	125.0	125.0	125.0	125.0	100.0	100.0	100.0
Common Stock - \$0.01 par value; 400 million shares authorized	0.1	0.6	0.6	0.6	0.6	0.6	0.6
Additional paid-in capital	352.6	584.0	584.8	586.4	588.0	589.4	589.7
Accumulated other comprehensive income	-0.1	-0.1	-0.3	-0.5	-0.3	-0.3	-0.3
Retained earnings	95.1	136.2	220.6	323.5	368.2	373.5	370.8
<b>Total stockholders' equity</b>	<b>447.7</b>	<b>720.7</b>	<b>805.7</b>	<b>910.0</b>	<b>956.5</b>	<b>963.2</b>	<b>960.9</b>

(US\$'M)	2013	2014	2015	2016	2017	3 Months 2018
<b>Net operating revenue</b>	189.0	259.9	281.5	251.9	243.1	62.8
<b>Operating expenses:</b>						
Address and brokerage commissions	5.5	6.7	7.0	5.8	5.4	1.1
Charter in costs	6.8	9.1	-	0.0	0.0	-
Vessel operating expenses	60.3	70.2	78.8	90.9	101.0	26.7
Depreciation and amortisation	36.6	45.8	54.0	62.3	73.6	19.4
General & administrative expenses	9.6	12.6	13.6	15.0	15.9	4.4
Sale of vessel	0.0	0.0	-0.6	0.0	0.0	-
<b>Total operating expenses</b>	<b>118.8</b>	<b>144.4</b>	<b>152.8</b>	<b>174.0</b>	<b>195.9</b>	<b>51.7</b>
<b>Operating Income</b>	<b>70.2</b>	<b>115.5</b>	<b>128.7</b>	<b>78.0</b>	<b>47.2</b>	<b>11.2</b>
Net interest expense	-27.5	-26.9	-29.8	-32.1	-41.5	-10.4
<b>Income before income and taxes</b>	<b>42.7</b>	<b>88.6</b>	<b>98.9</b>	<b>45.8</b>	<b>5.7</b>	<b>0.8</b>
Income taxes	-0.5	-0.9	-0.8	-1.2	-0.4	-0.1
<b>Net Income</b>	<b>42.2</b>	<b>87.7</b>	<b>98.1</b>	<b>44.6</b>	<b>5.3</b>	<b>0.7</b>
Earnings per share	0.9	1.5	1.8	0.8	0.8	0.1
Avg. number of shares in issue (millions)	46.0	55.3	55.4	55.4	55.4	55.5
<b>EBITDA</b>	<b>106.8</b>	<b>161.3</b>	<b>182.1</b>	<b>140.2</b>	<b>120.8</b>	<b>30.5</b>



# FINANCE: CASH FLOW STATEMENT

(US\$'M)	2014	2015	2016	2016	2017	3 Months 2018
<b>Net Income</b>	<b>87.7</b>	<b>98.1</b>	<b>44.6</b>	<b>44.6</b>	<b>5.3</b>	<b>0.7</b>
Depreciation and amortisation	45.8	53.5	62.3	62.3	73.6	19.4
Drydocking payments	-5.3	-11.6	-9.9	-9.9	-0.3	-1.5
Non cash movements	3.8	5.9	4.9	4.9	6.6	0.8
Change in working capital	1.1	3.6	-15.2	-15.2	-9.3	2.7
<b>Net Cash from Operating Activities</b>	<b>133.1</b>	<b>149.5</b>	<b>86.7</b>	<b>86.7</b>	<b>75.9</b>	<b>22.1</b>
Investment in fixed assets	-231.9	-237.8	-238.2	-238.2	-183.0	-10.5
Proceeds from sale of fixed assets	-	32.0	0.0	0.0	0.0	-
<b>Net Cash for Investments</b>	<b>-231.9</b>	<b>-205.8</b>	<b>-238.2</b>	<b>-238.2</b>	<b>-183.0</b>	<b>-10.5</b>
Change in net debt	-33.1	81.6	120.9	120.9	111.9	-22.9
Change in equity	-	-	-	-	-	-
Other	-0.3	-	-	-	-	-
<b>Net Cash from financing</b>	<b>-33.4</b>	<b>81.6</b>	<b>120.9</b>	<b>120.9</b>	<b>111.9</b>	<b>-22.9</b>
<b>Change in cash balance</b>	<b>-132.2</b>	<b>25.3</b>	<b>-30.5</b>	<b>-30.5</b>	<b>4.8</b>	<b>-11.3</b>

Maintain dominant position in the company's core handy LPG segment. Upgrade/renew fleet as necessary.

Secure long-term commitments on our mid-sized ethylene carriers. Build additional vessels, if required to cover by new long-term contracts.

Complete construction of an ethylene export terminal on the US Gulf with our co-owner, Enterprise Product Partners.

Be open to additional infrastructure investment opportunities that may be required to handle the anticipated growth in petrochemical and LPG exports.

Maintain strong and flexible Balance Sheet.

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**David Butters**

*Chairman, President and Chief Executive Officer*

- Chairman of the Board since August 2006
- Former managing director at Lehman Brothers Inc, where he was employed for more than 37 years
- Chairman of the board of directors of GulfMark Offshore, Inc. and a member of the board of directors of Weatherford International Ltd.
- Mr. Butters holds a BA from Boston College and an MBA from Columbia University

**Niall Nolan**

*Chief Financial Officer*

- Appointed Chief Financial Officer of Navigator Gas in August 2006
- Worked for Navigator Holdings as a representative of the creditors' committee during Navigator Holdings' bankruptcy proceedings
- Prior to that, Mr. Nolan was group Finance Director of Simon Group PLC, a U.K. public company
- Mr. Nolan is a Fellow of the Association of Chartered Certified Accountants.

**Øyvind Lindeman**

*Chief Commercial Officer*

- Appointed Chartering Manager of Navigator Gas in November 2007, before being appointed Chief Commercial Officer in January 2014
- Employed for five years at A.P. Moeller-Maersk prior to joining Navigator Gas
- Mr. Lindeman holds a BA with honours from University of Strathclyde and an Executive MBA with distinction from Cass Business School

**Demetris Makaritis**

*Director of Commercial Operations*

- Appointed Director of Commercial Operations in April 2016 having been an Operations & Vetting Manager as well as a Technical Superintendent for the Company since joining in 2010
- Prior to joining Navigator, Mr Makaritis worked as an operations supervisor for Zodiac Maritime Agencies Ltd. and as a naval architect for SeaTec (V.Ships Group) in Glasgow
- During his early career he sailed on board passenger ships as a junior engineer
- Mr Makaritis holds a BEng (Hons) in Naval Architecture from Newcastle upon Tyne University, an MSc in Shipping, Trade & Finance from Cass Business School, London and is a Chartered Engineer.

**Paul Flaherty**

*Director of Fleet & Technical Operations*

- Joined the Company as Director of Fleet and Technical Operations in December 2014
- Prior to this Mr Flaherty was employed by JP Morgan Global Maritime as VP, Asset Management
- Spent 17 years with BP Shipping Ltd as a Fleet and Technical Manager for both oil and gas vessels
- Mr Flaherty is a Chartered Engineer and a Fellow of the Institute of Marine Engineers & Science Technicians (IMarEST).

## Company Milestones

1997	Navigator Holdings was formed with the purpose of building and operating a fleet of five semi-refrigerated, ethylene-capable gas carriers
2000	The Company's initial vessels came into operation in 2000.
2006	Navigator Holdings' entire ownership and management changed following the Company's emergence from Chapter 11. Lehman Brothers became the largest shareholder.
2011	W.L. Ross & Co, the Company's largest shareholder, made their first investment by acquiring 2.5m shares. W.L. Ross became the majority shareholder in 2012 following their acquisition of the Lehman Brothers shareholding.
2012	The Company acquired 11 handysize gas vessels from Maersk Tankers and gained the position as the world's largest operator of handysize gas vessels
2013	Initial Public Offering on the New York Stock Exchange (NVGS).
2016	Navigator Gas moved into the mid-sized market, commissioning newbuild ethylene vessels with increased capacity filling the needs of the Company's business partners
2017	Enterprise and Navigator execute a letter of intent to jointly develop and ethylene marine export terminal.

## Top 15 shareholders

	Name	# shares ('000)	Ownership
1	WL Ross & Co Ltd	21,864	39.4 %
2	David Butters	1,965	3.5 %
3	Spiros Milonas	1,555	2.8 %
4	Horizon Asset Management	1,388	2.5 %
5	Oppenheimer & Co.	1,196	2.2 %
6	Steinberg Asset Management	1,179	2.1 %
7	First Manhattan Co.	1,126	2.0 %
8	Paragon JV Partners	1,050	1.9 %
9	Hollow Brook Wealth Management	855	1.5 %
10	Emancipation Management	683	1.2 %
11	Gagnon Securities	630	1.1 %
12	Alpine Associates Management	606	1.1 %
13	Fort Washington Investment Advisors	590	1.1 %
14	Westfield Capital Management Co.	583	1.1 %
15	Jupiter Asset Management	579	1.0 %

- Funds managed by WL Ross & Co Ltd represent a major shareholder in the Company with 39.4% ownership share. WL Ross & Co Ltd made their first investment in Navigator Holdings in November 2011, and became the majority shareholder in May 2012
- The CEO of the Company, David Butters, is the second largest shareholder, owning 3.5% of the equity

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