



Navigator Holdings Ltd.

## Stifel 2021 Virtual Transportation & Logistics Conference

February 2021



“Navigator Holdings Ltd. (NYSE:NVGS)”



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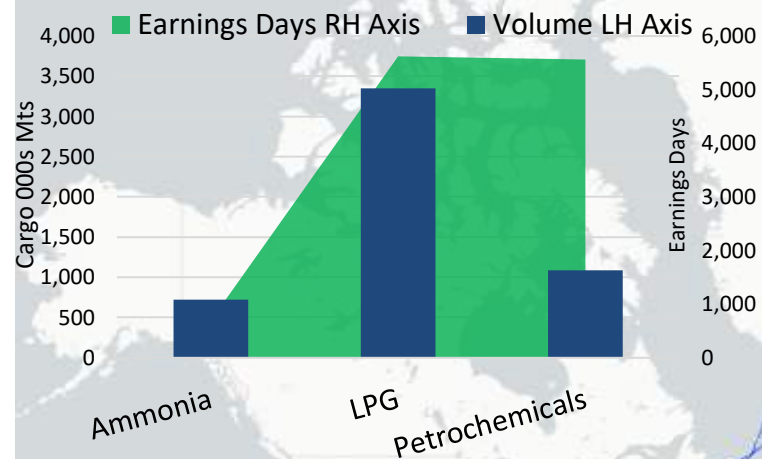


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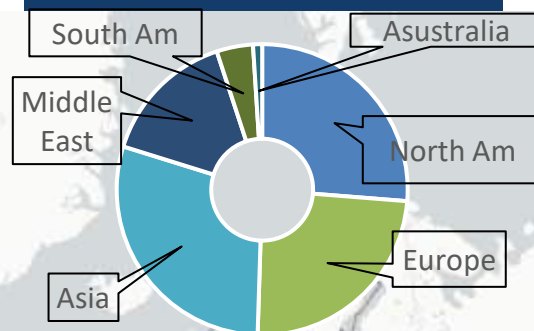
**BUSINESS AND MARKET UPDATE**  
FINANCIAL INFORMATION



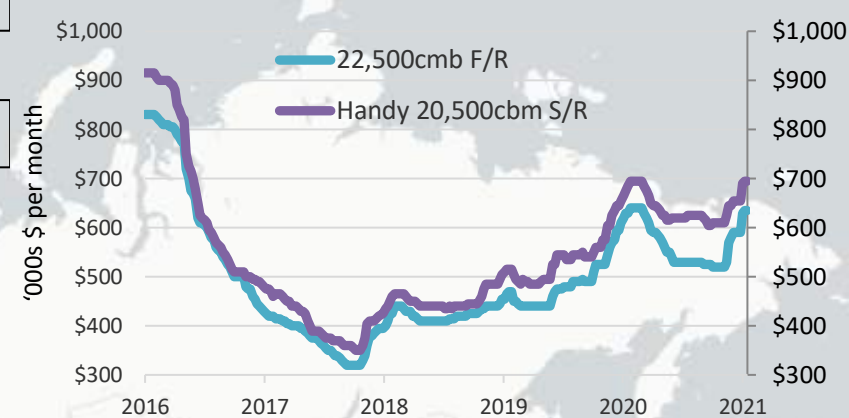
## Cargo Diversification



## Geographical Diversification



## 12 month Timecharter Assessment



■ 1M mts Throughput Capacity ■ 60,000cbm storage tank ■ 94% Committed on 5-7 year Term ■ Incremental Handy demand 12+ vessels

## December 2020

Phase two completion & first lifting from tank

## June 2020

World's largest ethylene cargo exported

## December 2019

Phase one completion & first lifting from refrigeration unit

## May 2018

Announcement of terminal location

## January 2018

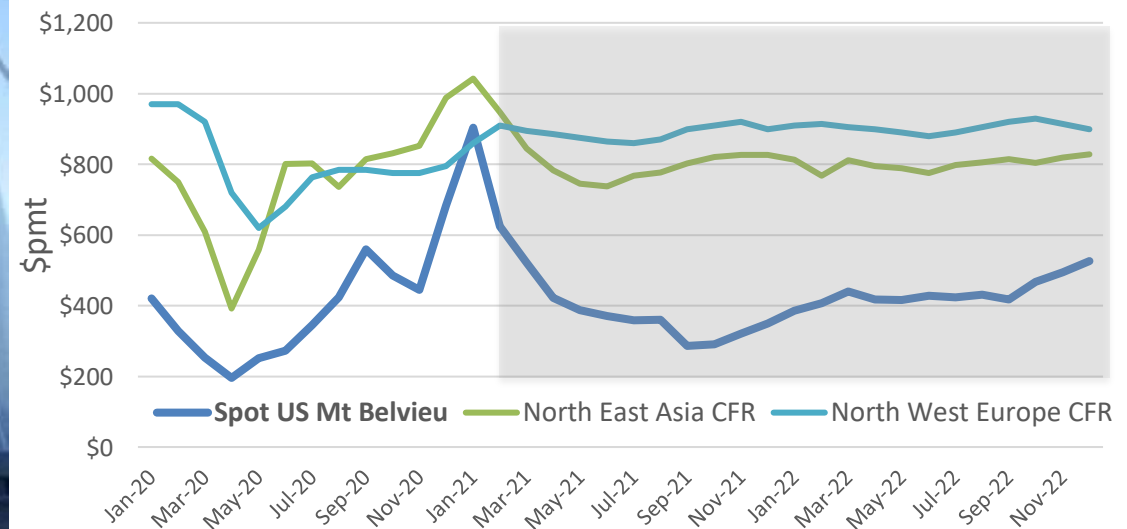
Announcement of FID

## July 2017

Announcement of 50/50 JV to build terminal



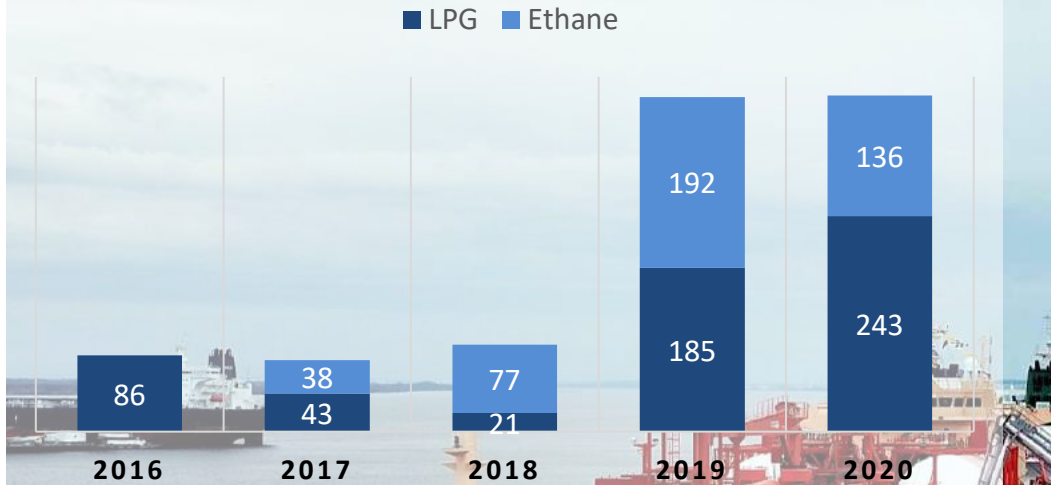
U.S. Forecasted Ethylene Arbitrage Supporting Exports



Source: Wood MacKenzie & Argus, 2021



## Navigator's annual NGL exports from Marcus Hook (Mts 000s)



## Handysize monthly LPG exports from Marcus Hook (Mts 000s)



## Energy Transfer Partners Marcus Hook NGL Export Complex

- NGLs
- ME1 70,000 bpd
- MEII 275,000 bpd [150,000bpd currently]
- ME2X 250,000 bpd [Under construction]
- = Scope for considerable *additional* volumes needing maritime transportation

Source: EA Gibsons, 2021



## Repauno Export Terminal, NJ

- **January** - Completed commissioning cargo
- **April** - Ambition to contract up to 20,000bpd monthly NGL supply for exports
- **Flexibility** - Flexibility to combine ship loading direct from on-site handysize cavern or from rail-to-ship
- **Ambient** - Ambient LPG temperature needing semi-refrigerated vessels for efficient logistics and economics



Source: [www.repauno.com](http://www.repauno.com)



## Pembina Prince Rupert, British Columbia, Export Terminal

- **March** - Technical completion
- **April** - Commissioning cargo(s)
- **May** - Starting to ramp up to full capability of 25,000bbls day exports of Canadian LPG
- **Ambient** - Ambient LPG temperature needing semi-refrigerated vessels for efficient logistics and economics

On-site storage enabling 25,000bpd throughput equating to 4-5 ambient handy LPG cargoes per month

Rail connecting Alberta NGL production with waterborne export markets in British Columbia

Source: [www.pembina.com](http://www.pembina.com)



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BUSINESS AND MARKET UPDATE  
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# STRONG BALANCE SHEET WITH DIVERSITY OF FUNDING SOURCES

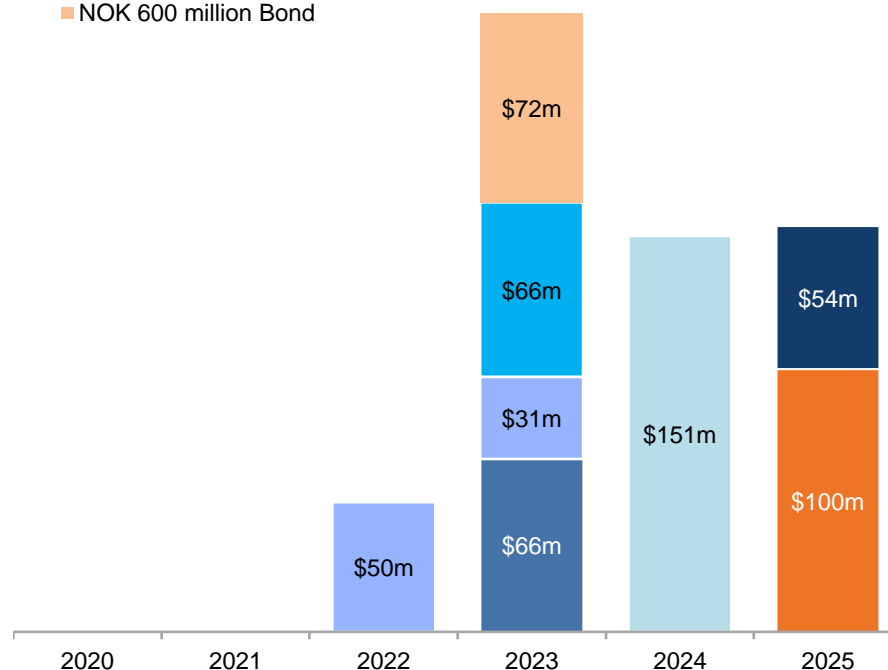


Navigator has continued to rely predominantly on a combination of senior debt and equity for vessel related capex and have built up very strong relationships with key ship finance institutions as demonstrated by:

- August 2020, the Company accessed the Norwegian Debt Capital Markets by raising \$100 million unsecured bond. (Closed September 10, 2020)
- September 17, 2020 refinanced \$290 million loan facility with a new \$210 million revolving credit facility, generating an additional \$30 million for general corporate purposes.
- Last year, a \$77.5 million sale and leaseback for one vessel was concluded (closed October 28, 2019).
- Navigator also arranged a \$69.0 million Terminal Credit Facility to part finance its investment in the U.S. Morgan's Point ethylene terminal, (fully drawn in January 2021).

## Debt Maturity Profile

- \$100 million Bond
- \$160.8 million facility
- \$210 million facility
- NOK 600 million Bond
- \$107 million facility
- \$278 million facility
- \$220 million facility



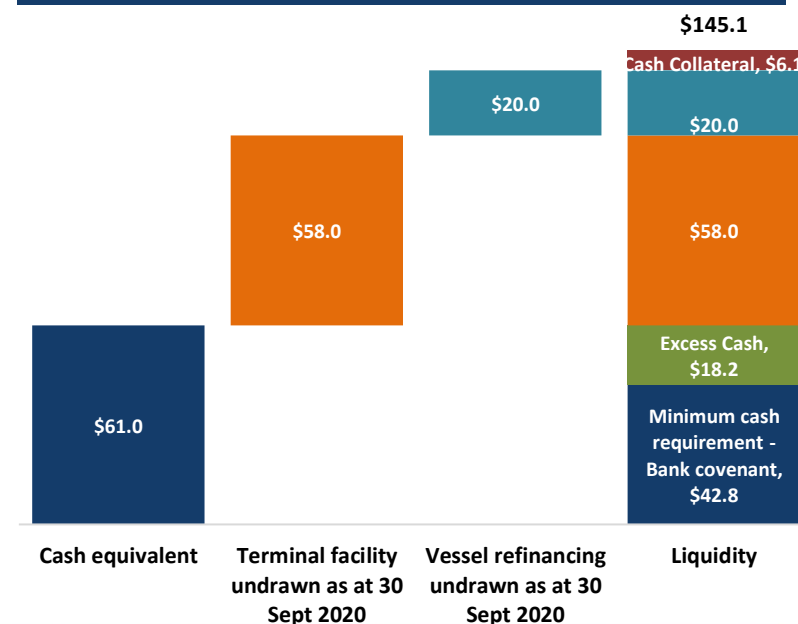
## Current lenders and leasing institutions



## Debt Capitalization/LTV Levels (\$ millions)

As of September 30, 2020	Actual	Debt	Loan to Value %
Vessel Net Book Value	1,561.4	839.4	53.8%
Broker assessment value adj	(118.3)	-	-
<b>Broker assessed values</b>	<b>1,443.1</b>	<b>839.4</b>	<b>58.2%</b>
<b>Total debt (35 vessels)</b>	<b>839.4</b>		
Total Shareholders' equity	938.2		
Total capitalization	1,777.6		
<b>Debt / Capitalization</b>	<b>47.2%</b>		

## Liquidity overview (millions) as at 30<sup>th</sup> Sept 20





# BREAK EVEN ANALYSIS

## Comments

For the quarter ended September 30, 2020, the Company had a cash break even rate of \$10,545 per day per vessel, before interest expenses and debt amortization. (Vessel operating expenses only\* were \$7,786 per day per vessel).

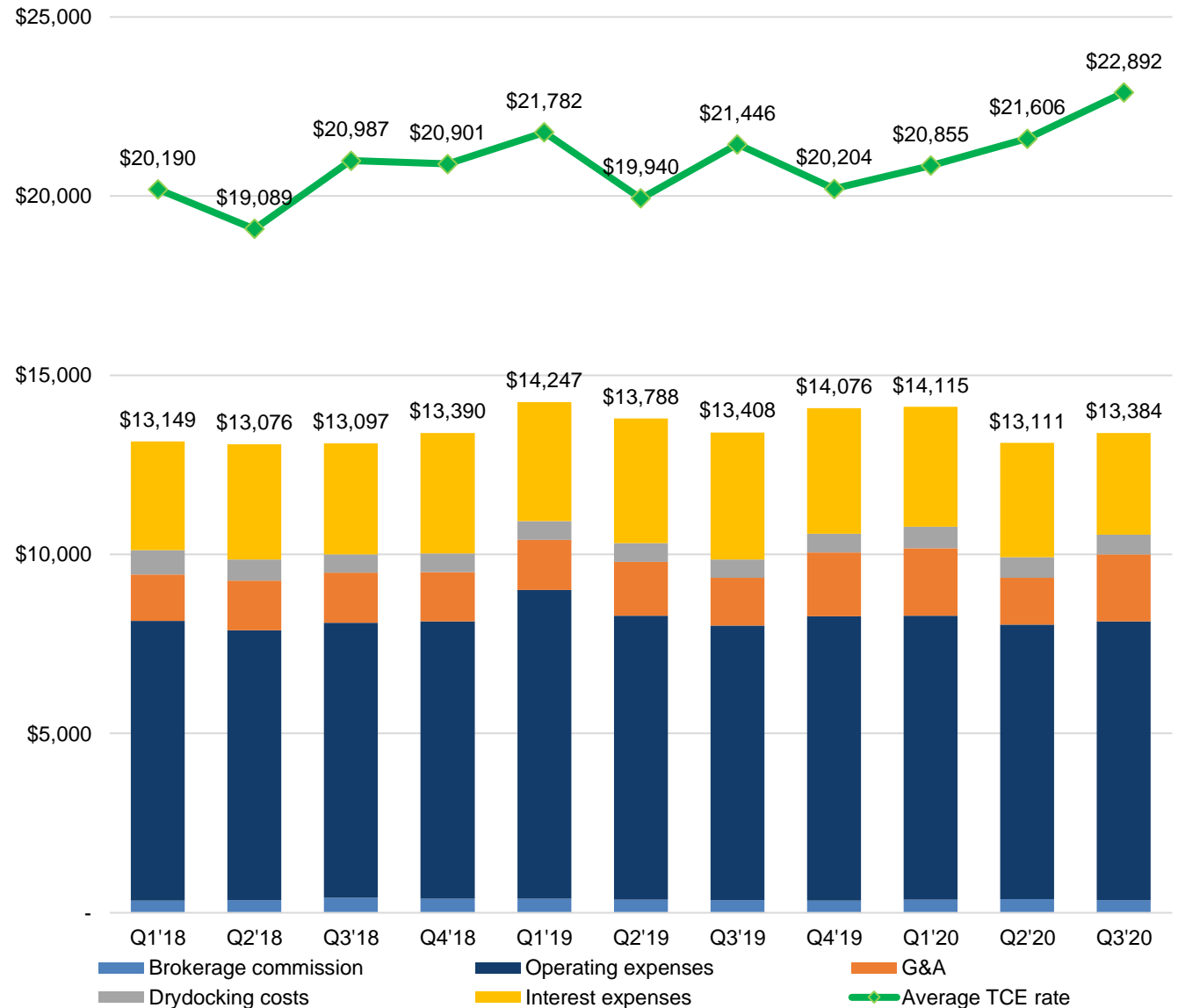
Including interest expenses, the cash break even rate increases to \$13,384 per day per vessel (on a vessel operating basis only\*, this equates to approx. \$10,265 per day per vessel).

Including debt amortisation, the cash break even rate increases to \$17,198 per day per vessel (on a vessel operating basis only\*, this equates to approx. \$14,439 per day per vessel).

Navigator has consistently obtained an average TCE equivalent above the Company's cash break even rate (including G&A, DD Provisions and Commissions).

Navigator committed revenue over the next three years at an average of \$28,225 per day for 27.3% of the fleet.

## Break even and TCE rates



\*without G&A, DD Provisions and Brokerage Commissions.



## Key figures

2021 - 2023					2023+
Committed Freight Revenue	Freight EBITDA	Terminal EBITDA	Total committed EBITDA	Average TCE	Committed Freight Revenue
\$318.01 million	\$223.9 million	\$60.9 million	\$322.8 million	\$28,225	\$77.9 million

## Committed Freight revenue and Terminal EBITDA contribution

Committed Freight revenue	2021	2022	2023	Total
Available days	13,645	13,740	13,830	41,215
<b>Committed charter days<sup>1</sup></b>	<b>5,505</b>	<b>3,329</b>	<b>2,433</b>	<b>11,267</b>
Uncommitted days	8,140	10,411	11,397	29,948
Charter coverage	40.34%	24.23%	17.59%	27.34%
<b>Committed revenue (\$ million)</b>	<b>149.77</b>	<b>97.52</b>	<b>70.72</b>	<b>318.01<sup>3</sup></b>
Average committed TC equivalent rate (\$ per vessel per day)	27,206	29,295	29,067	28,225
<b>Committed EBITDA<sup>2</sup> (\$ million)</b>	<b>103.8</b>	<b>69.7</b>	<b>50.4</b>	<b>223.9</b>
Terminal Contribution	2021	2022	2023	Thereafter
EBITDA <sup>4</sup>	19.8	20.3	20.8	38.0
<b>Total Committed EBITDA<sup>2,4</sup> (\$ million)</b>	<b>123.6</b>	<b>90.0</b>	<b>71.2</b>	

1) The committed revenue as at 31/12/2020, including TCs, the continuation of the time charters in Indonesia

2) Committed EBITDA calculated as contracted revenue less estimated vessel operating expenses based on average for FY 2019, 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 2023 of \$77.9 million is excluded, represented by 2 vessels on committed time charters which expire up to August 2027.

4) Terminal EBITDA & Revenue is calculated assuming full throughput on the 94% capacity.



# FINANCE: INCOME STATEMENT



(\$ million)	2015	2016	2017	2018	2019		H1 2020	Q3 2020
<b>Net operating revenue</b>	281.5	251.9	243.1	248.4	246.1		128.5	62.4
<b>Operating expenses:</b>								
Address and brokerage commissions	7.0	5.8	5.4	5.1	4.9		2.6	1.2
Vessel operating expenses	78.8	90.9	101.0	106.7	111.5		53.9	27.2
Depreciation and amortization	54.0	62.3	73.6	76.1	76.2		38.3	19.2
General & administrative expenses	13.0	15.0	15.9	19.0	20.9		11.0	6.5
<b>Total operating expenses</b>	<b>152.8</b>	<b>174.0</b>	<b>195.9</b>	<b>206.9</b>	<b>213.5</b>		<b>105.8</b>	<b>54.1</b>
<b>Operating Income</b>	<b>128.7</b>	<b>78.0</b>	<b>47.2</b>	<b>41.5</b>	<b>32.6</b>		<b>22.7</b>	<b>8.3</b>
Foreign currency exchange gain on senior bonds	-	-	-	2.4	1.0		6.5	-1.6
Unrealized loss on non-designated derivative instruments	-	-	-	-5.2	-0.6		-7.6	2.0
Interest expense	29.7	-32.3	-37.7	-44.1	-48.1		-22.4	-9.9
<b>Income before income and taxes</b>	<b>98.9</b>	<b>45.8</b>	<b>5.7</b>	<b>-5.4</b>	<b>-15.1</b>		<b>-0.8</b>	<b>-1.2</b>
Share of terminal profits/(losses)	-	-	-	-	-1.1		-3.2	3.2
Income taxes	-0.8	-1.2	-0.4	-0.3	-0.4		-0.4	-0.1
Net income attributable to non-controlling interest	-	-	-	-	-0.1		-0.8	-0.6
<b>Net Income</b>	<b>98.1</b>	<b>44.6</b>	<b>5.3</b>	<b>-5.7</b>	<b>-16.7</b>		<b>-5.2</b>	<b>1.3</b>
Earnings per share	1.8	0.8	0.1	-0.1	-0.3		-0.9	0.3
Avg. number of shares in issue (millions)	55.4	55.4	55.5	55.6	55.8		55.8	55.9
<b>EBITDA</b>	<b>182.1</b>	<b>140.2</b>	<b>120.8</b>	<b>117.6</b>	<b>107.7</b>		<b>57.9</b>	<b>31.9</b>



# FINANCE: BALANCE SHEET



(\$ million)	2015	2016	2017	2018	2019	Sept 30, 2020
<b>Assets</b>						
Cash and cash equivalents	87.8	57.3	62.1	71.5	66.1	67.1
<i>Other current assets</i>	37.2	36.5	50.0	46.6	60.3	63.0
Vessels in operation (net)	1,264.4	1,480.4	1,740.1	1,670.9	1,609.5	1,561.4
Vessels under construction	170.8	150.5	-	-	-	-
Investment in equity accounted joint venture	-	-	-	42.5	130.7	146.0
Other fixed assets and other non-current assets	10.4	9.9	1.6	1.3	8.0	9.3
	<b>1,570.6</b>	<b>1,734.6</b>	<b>1,853.9</b>	<b>1,832.8</b>	<b>1,874.6</b>	<b>1,846.8</b>
<b>Liabilities and Stockholders' equity</b>						
Current portion of secured term loan facilities, net of deferred financing costs	59.0	78.5	81.6	68.9	64.7	62.5
Current liabilities	30.3	24.2	28.9	36.5	45.1	52.6
Secured term loan facilities	446.3	575.4	681.7	599.7	578.7	553.3
Senior unsecured/secured bond	125.0	100.0	98.6	172.6	171.8	172.1
Operating lease and related parties (S&LB)	-	-	-	-	74.3	68.1
Common Stock - \$0.01 par value; 400 million shares authorized	0.6	0.6	0.6	0.6	0.6	0.6
Additional paid-in capital	586.4	588.0	589.4	590.5	592.0	592.9
Accumulated other comprehensive income	-0.5	-0.3	-0.3	-0.4	-0.3	-0.4
Retained earnings	323.5	368.2	373.5	364.4	347.7	345.1
<b>Total stockholders' equity</b>	<b>910.0</b>	<b>956.5</b>	<b>963.2</b>	<b>955.1</b>	<b>939.9</b>	<b>936.0</b>
	<b>1,570.6</b>	<b>1,734.6</b>	<b>1,853.9</b>	<b>1,832.8</b>	<b>1,874.6</b>	<b>1,846.4</b>



# FINANCE: CASH FLOW STATEMENT



(\$ million)	2015	2016	2017	2018	2019	Q3 2020
<b>Net Income</b>	<b>98.1</b>	<b>44.6</b>	<b>5.3</b>	<b>-5.7</b>	<b>-16.7</b>	<b>-2.5</b>
Depreciation and amortisation	53.5	62.3	73.6	76.1	76.2	57.5
Drydocking payments	-11.6	-9.9	-0.3	-5.8	-11.5	-7.3
Non cash movements	5.9	4.9	6.6	5.6	2.0	-5.0
Change in working capital	3.6	-15.2	-9.3	7.5	-0.3	-10.7
<b>Net Cash from Operating Activities</b>	<b>149.5</b>	<b>86.7</b>	<b>75.9</b>	<b>77.5</b>	<b>49.7</b>	<b>53.4</b>
Investment in Terminal	-	-	-	-42.5	-89.3	-15.0
Investment in fixed assets	-237.8	-239.1	-180.6	-0.8	-3.3	-1.8
Insurance recoveries	-	9.4	1.0	1.0	2.2	0.7
Proceeds from sale of fixed assets	32.0	-	-	-	-	-
<b>Net Cash for Investments</b>	<b>-205.8</b>	<b>-238.2</b>	<b>-183.0</b>	<b>-42.3</b>	<b>-90.4</b>	<b>-16.1</b>
Change in net debt	81.6	120.9	111.9	-25.8	-33.4	-31.1
Other – S&LB	-	-	-	-	68.7	-5.2
<b>Net Cash from financing</b>	<b>81.6</b>	<b>120.9</b>	<b>111.9</b>	<b>-25.8</b>	<b>35.3</b>	<b>-39.4</b>
<b>Change in cash balance</b>	<b>25.3</b>	<b>-30.5</b>	<b>4.8</b>	<b>9.4</b>	<b>-5.4</b>	<b>-2.1</b>



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