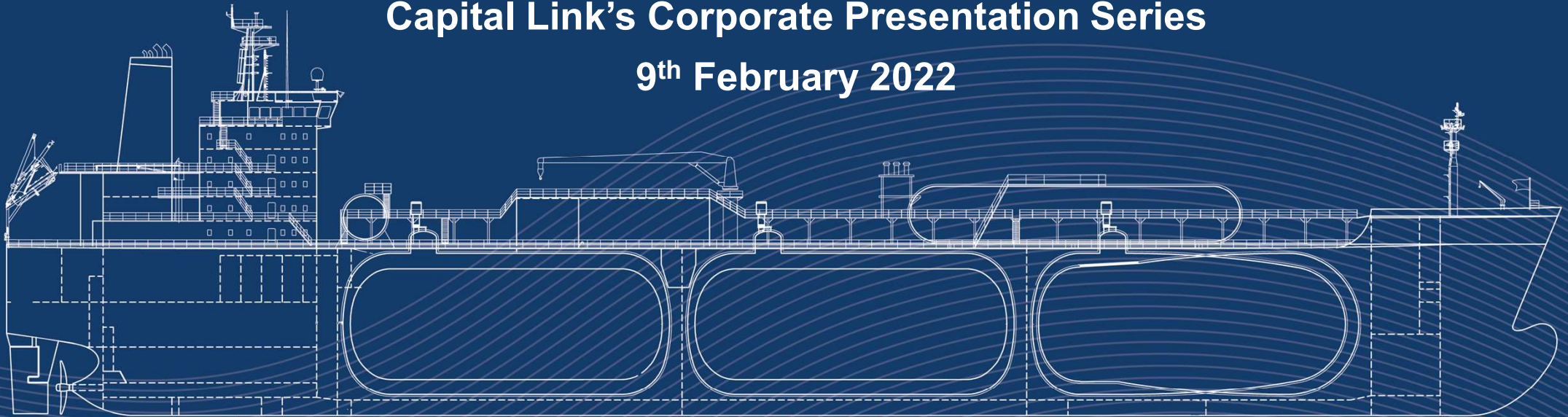


# NAVIGATOR GAS



**Capital Link's Corporate Presentation Series**  
**9<sup>th</sup> February 2022**



**“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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1997

Navigator Holdings formed with the purpose of building and operating a fleet of five semi-refrigerated, ethylene-capable gas carriers

2006

Navigator Holdings' entire ownership and management changed following the Company's emergence from Chapter 11.

2012

The Company acquired 11 handysize gas vessels from Maersk Tankers for USD 470 million and gained the position as the world's largest owner of handysize gas vessels

2016

Navigator Gas moved into the mid-sized market, commissioning newbuild ethylene vessels with increased capacity accommodating the needs of the Company's business partners

2018

Navigator and Enterprise announce location and construction under way of the ethylene export terminal.

2020

30,000cbm tank successfully constructed completing phase 2 of the ethylene export terminal maximizing throughput capacity to 1.0 million tons per annum.

2000

The Company's initial vessels came into operation in 2000.

5



2011

Invesco, the Company's largest shareholder, made their first investment by acquiring 2.5m shares. Later becoming majority shareholder in 2012 following their acquisition of the Lehman Brothers shareholding.

2013

Initial Public Offering at \$19 per share on the New York Stock Exchange (NVGS).

2017

Navigator announced an intention to develop an ethylene marine export terminal.

2019

Commercial operations of the ethylene export terminal commences following the completion of phase 1 of the construction.



2021

Successfully completed the merger of Ultragas ApS' fleet and business activities with our own, adding 18 vessels and uniting two leading gas shipping companies.

54



## LPG



Liquefied Petroleum Gas (LPG) is a portable, clean and efficient energy source which is readily available to consumers around the world. LPG is primarily obtained from natural gas and oil production but is also produced increasingly from renewable sources; its unique properties make it a versatile energy source which can be used in more than 1,000 different applications.

## Petrochemicals



Ethylene is the fundamental plastic building block in the chemical industry and is produced through steam cracking. It has a boiling point of  $-104^{\circ}\text{C}$ . Our ethylene capable vessels are suited to carry this cargo.

## Ammonia






Liquid ammonia has a boiling point at  $-33^{\circ}\text{C}$ . 90% of ammonia production globally is used as a key component in the manufacturing of fertilizers to help sustain food production for billions of people around the world.







## Ethane



Ethane is produced from gas processing and fractionation of North American shale gas and from liquids rich gas fields. Ethane as feedstock to a petrochemical steam cracker increases its yield of ethylene as a derivative product compared to other inputs such as propane and naphtha. Competitively priced U.S. ethane is available and can be carried on specialized gas carriers capable of loading and maintaining the cargo at its boiling point of  $-88^{\circ}\text{C}$ .

		Fully Refrigerated	Semi Refrigerated	Pressurised
		<b>Prismatic tanks</b> <b>Steel thickness = 10mm</b> <b>Max pressure = 0.2 bar</b> <b>Typical size = 15,000 - 80,000+ cbm</b> (95,000-500,000 barrels)	<b>Cylindrical Bi Lobe</b> <b>Steel thickness = 20mm</b> <b>Max pressure = 5.9 bar</b> <b>Typical size = 5,000 - 25,000 cbm</b> (30,000-150,000 barrels)	<b>Cylindrical Bottle</b> <b>Steel thickness = 32mm</b> <b>Max pressure = 18 bar</b> <b>Typical size = 500 - 11,500 cbm</b> (3,000-7,000 barrels)
				
<b>Load Cargo type</b>	Cooled	✓	✓	—
	Pressurized	—	✓	✓
<b>Cargo Capability</b> (Boiling Temp)	Butane (23°F/-5°C)	✓	✓	✓ Ambient
	Ammonia (-27°F/-32°C)	✓	✓	—
	Propane (-52°F/-46°C)	✓	✓	✓ Ambient
	Ethane (-128°F/-88°C)	—	✓	—
	Ethylene (-155°F/-103°C)	—	✓	—



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		325	69	21%
<b>Large Gas Carrier</b> 40,000 - 59,999 cbm	Fully-Refrigerated		21	-	-
<b>Medium Gas Carrier</b> 25,000 - 39,999 cbm	Fully-Refrigerated Ethylene & Ethane		102 15	28 -	27%
<b>Handysize Gas Carrier</b> 15,000 - 24,999 cbm	Fully-Refrigerated Semi-Refrigerated Ethylene		23 60 35	4 1 3	6%
<b>Small Gas Carrier</b> 5,000 - 14,999 cbm	Ethylene Semi-Refrigerated Pressure		356	16	9%
<b>Small Gas Carrier</b> <4,999 cbm	Semi-Refrigerated Pressure		256	5	2%

Source: Steem1960, 2022





Loading C3 Propane

Discharging C4 Butadiene

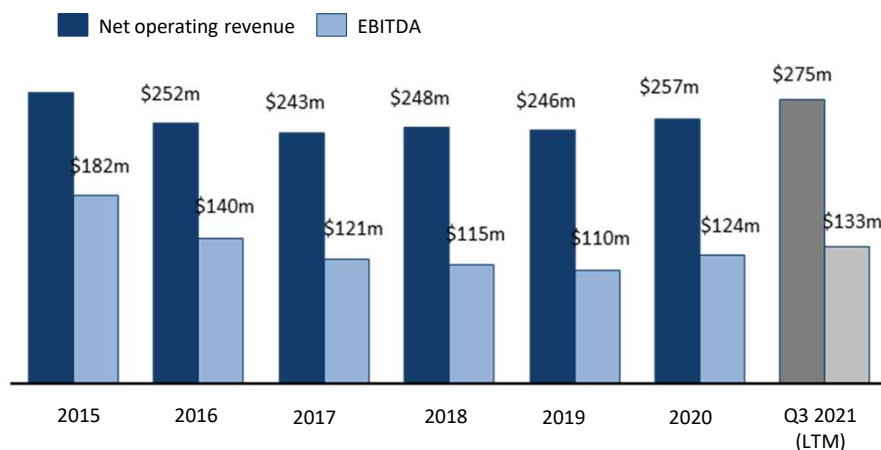
Loading C2 Ethylene

VLGC Fully-Ref LPG only

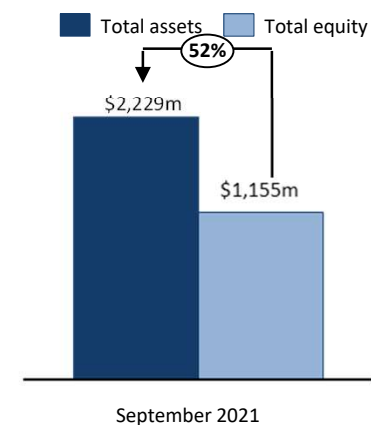
## Highlights

- The Ultragas merger cementing our leadership position in the handysize gas carrier segment
- Average utilization of 91.4% 4Q21 demonstrating strong chartering and operational performance
- JV ethylene export terminal record throughput volume of 234,000mts for 4Q21. Jan-22 throughput exceeding 100,000mts of ethylene, or 20% above nameplate capacity.
- Freight rate environment increased 15% during 4Q21 to \$680kpcm for handysize semi-refrigerated vessels
- Reduced debt by approx. \$24.2m during 4Q21 and year end cash & cash equivalents balance at approx. \$124.0m

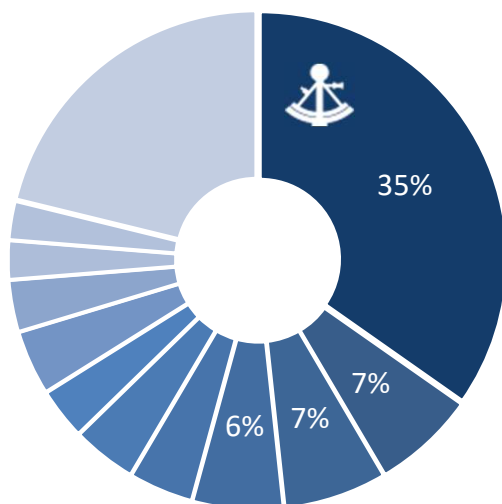
## Revenue & EBITDA 2015 – Q3 2021(LTM)



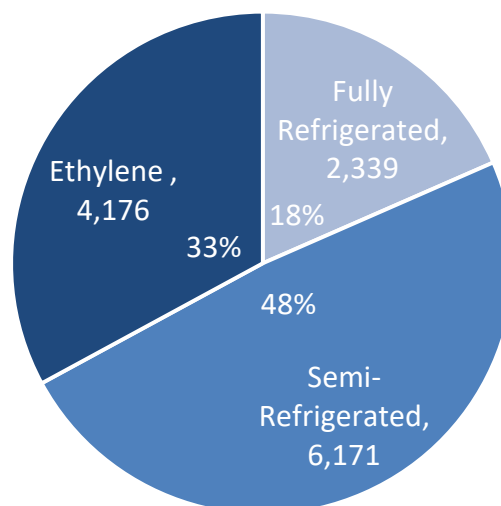
## Balance Sheet



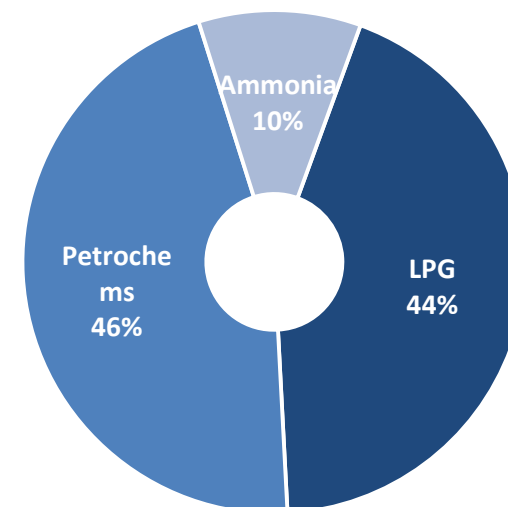
## Handysize Market Leader



## Asset Diversification (cbm and share of fleet)



## Cargo Diversification (Earnings Days)

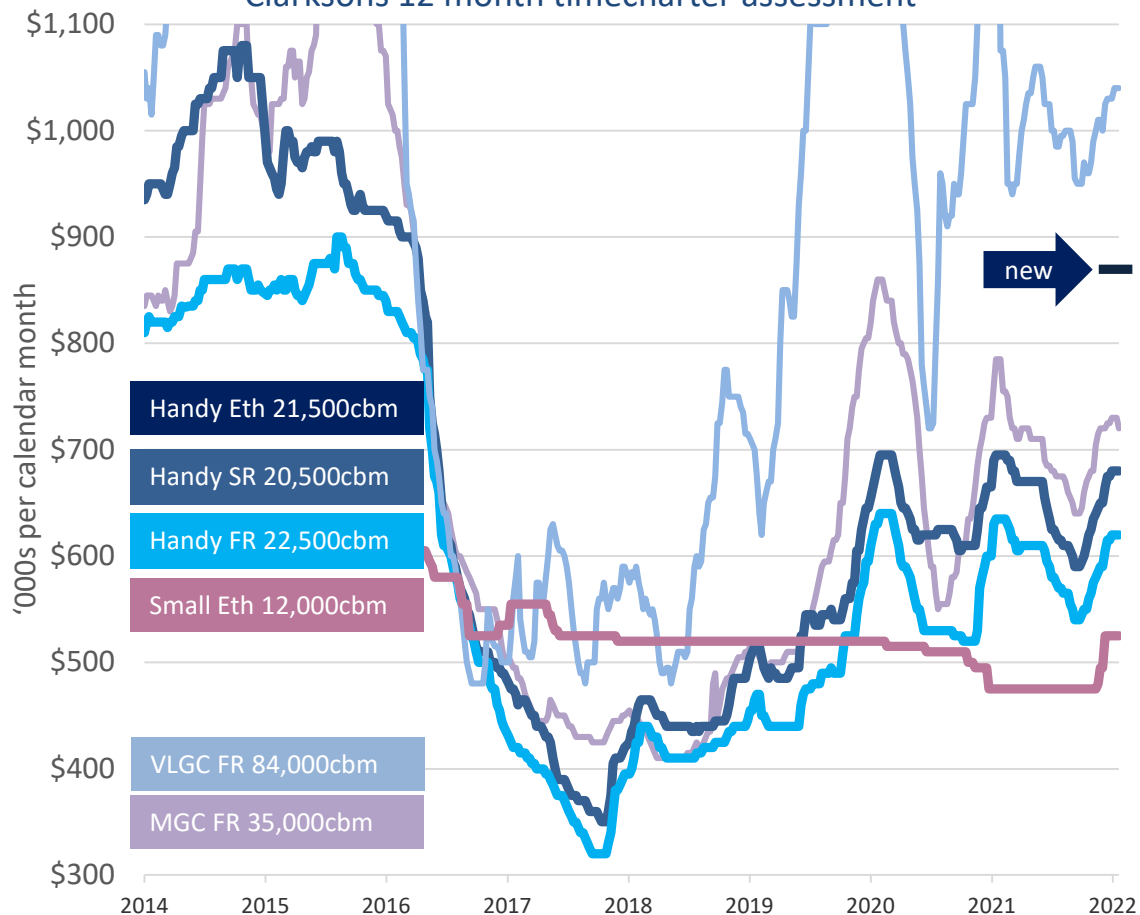




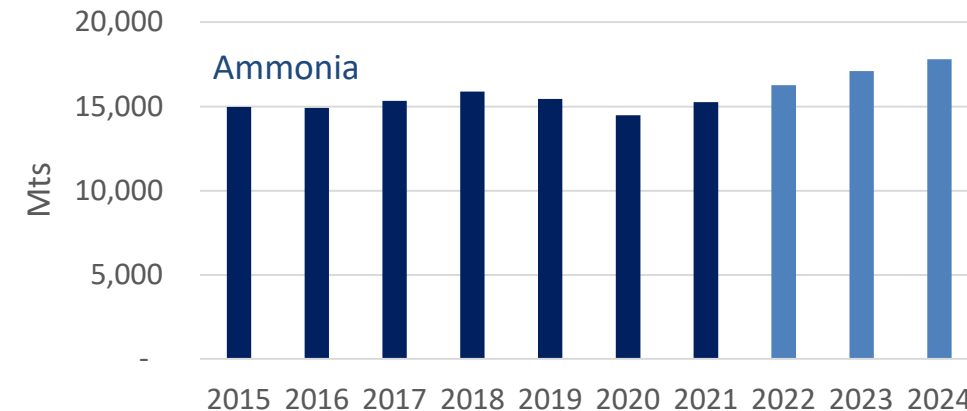
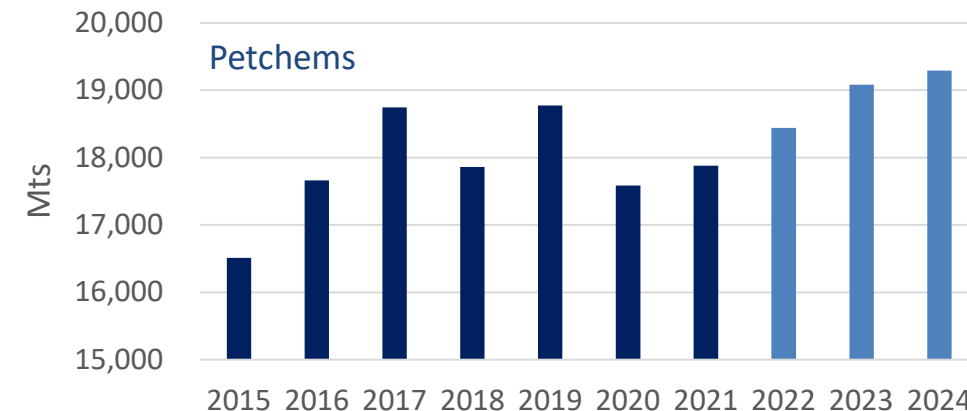
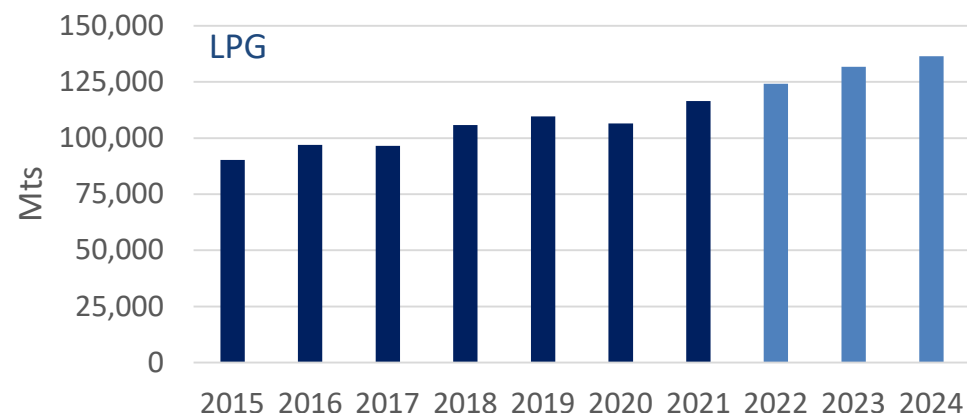
# OUR STRATEGY OF DIVERSIFICATION TO CAPTURE MARKET TRENDS

- Forecasted growth in **all** our markets
- Diversification through the asset classes & types
  - Handysize Ethylene **NEW** assessment \$875kpcm
  - Handysize Semi-Refrigerated \$690kpcm
  - Handysize Fully-Refrigerated \$620kpcm
  - Small Ethylene \$525kpcm

Clarksons 12 month timecharter assessment



Source: Clarksons, 2022

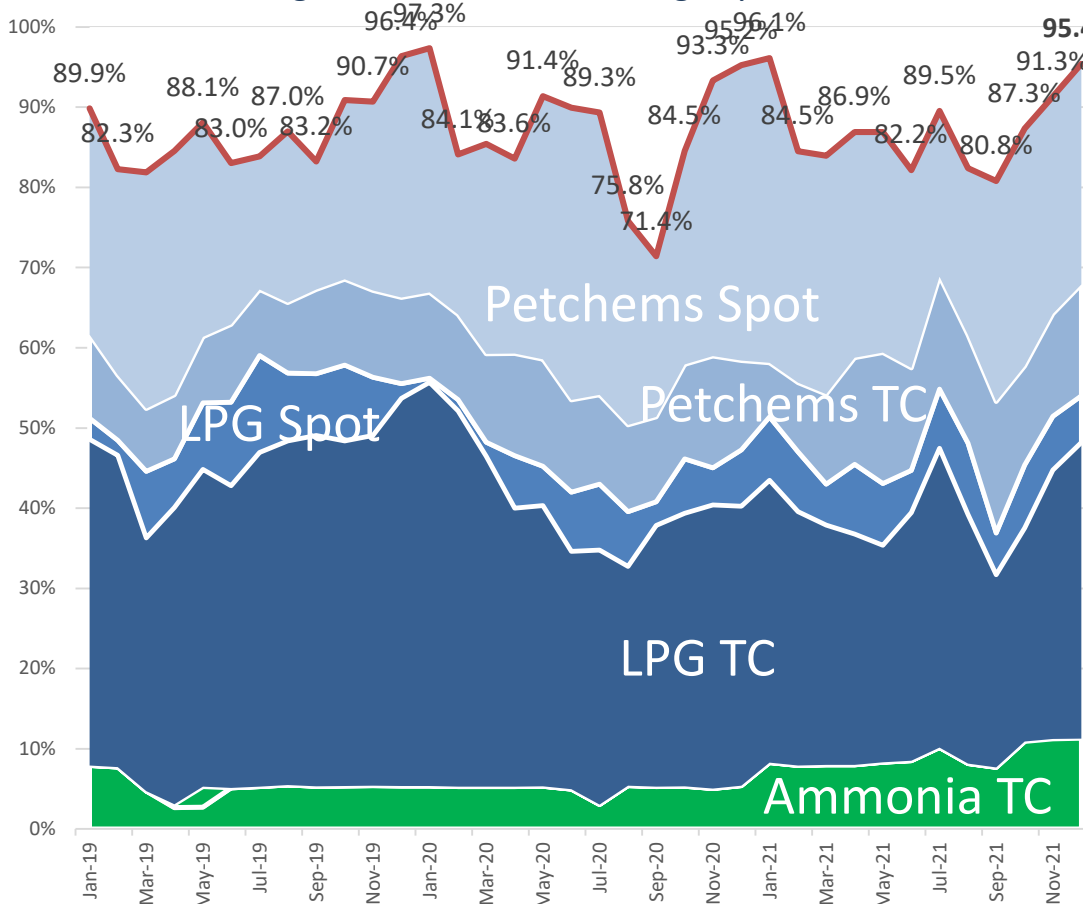


Source: ViaMar, 2022

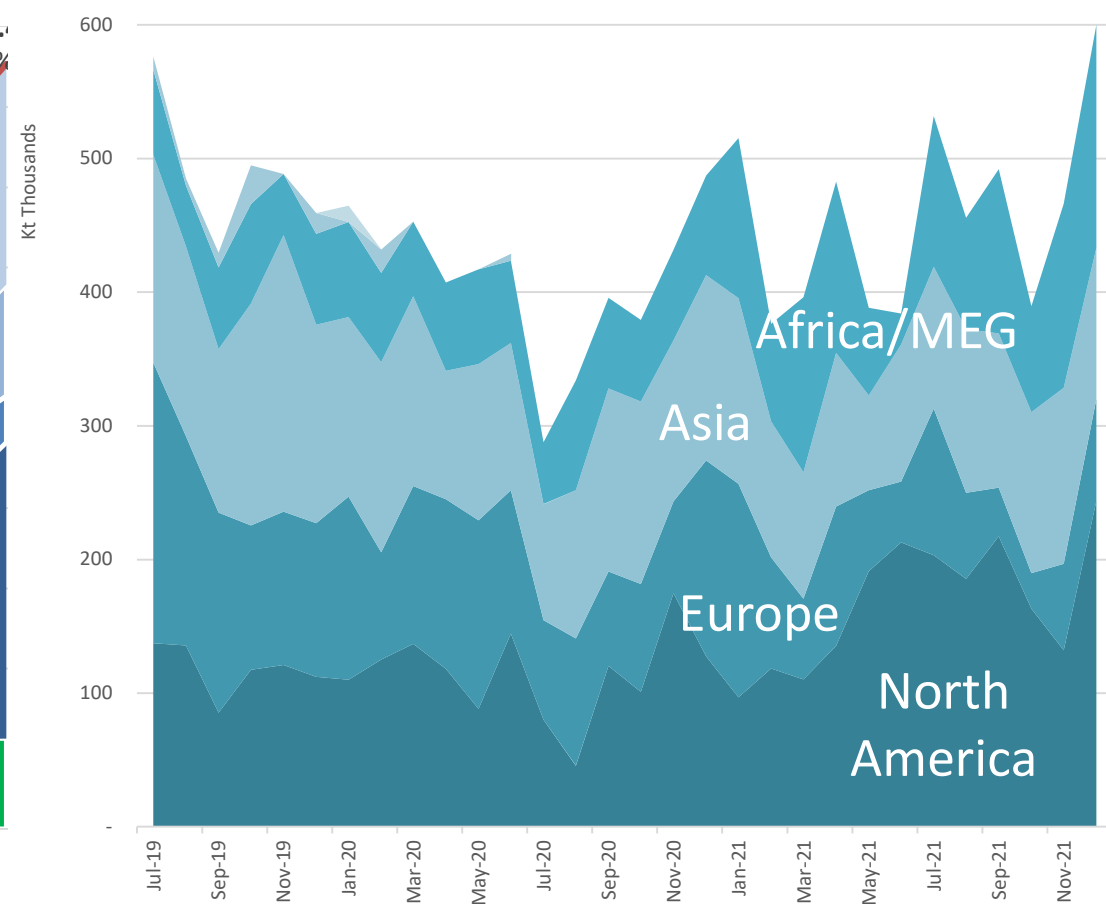
- 4Q2021 increasing earnings days across all segments translated to **95.4% utilisation** for Dec-21, or 91.4% for the quarter.
- Outlook for 1Q22 indicates utilisation of >90%

- North America represents in excess of 1/3 of cargoes loaded across the Navigator >20,000cbm fleet
- The majority of the volume is **ethane** (feedstock for international ethylene production) and U.S. produced **ethylene** for international polyethylene production

Navigator >20,000cbm earning days & utilisation



Navigator Cargo Lifted By Region (Mt, month)





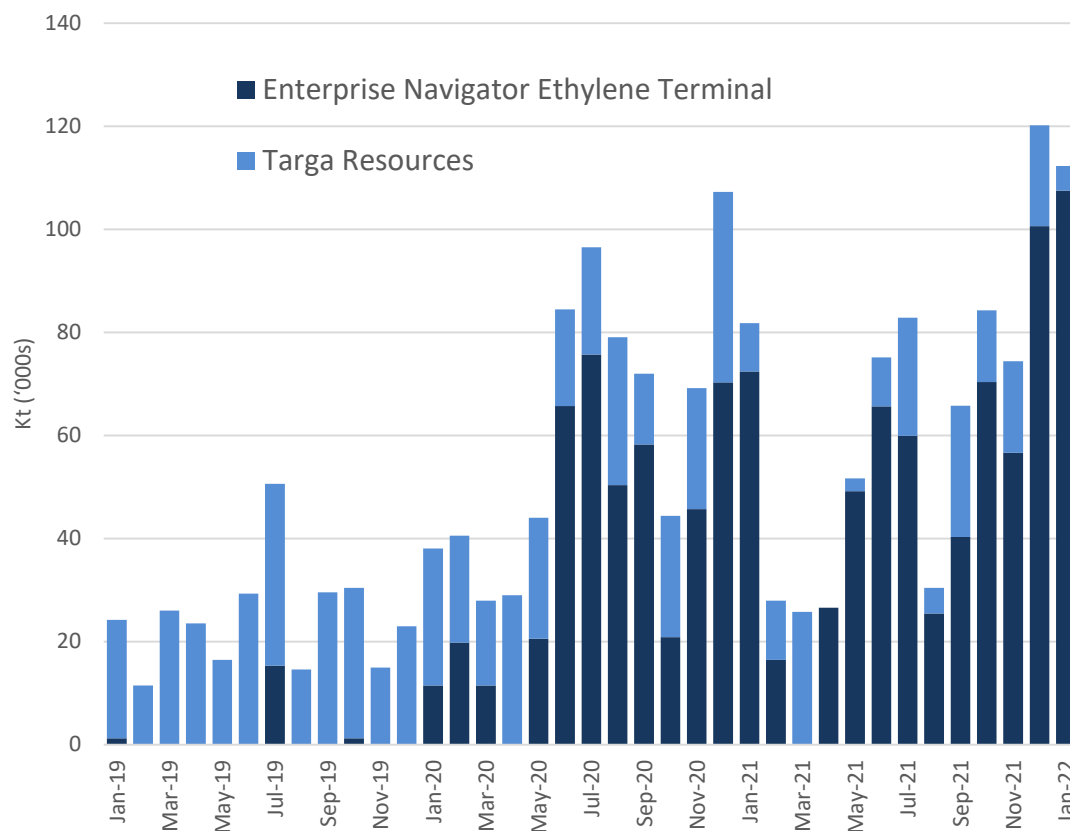
# U.S. ETHYLENE EXPORTS: OUR JV TERMINAL REACHING ITS PROMISE



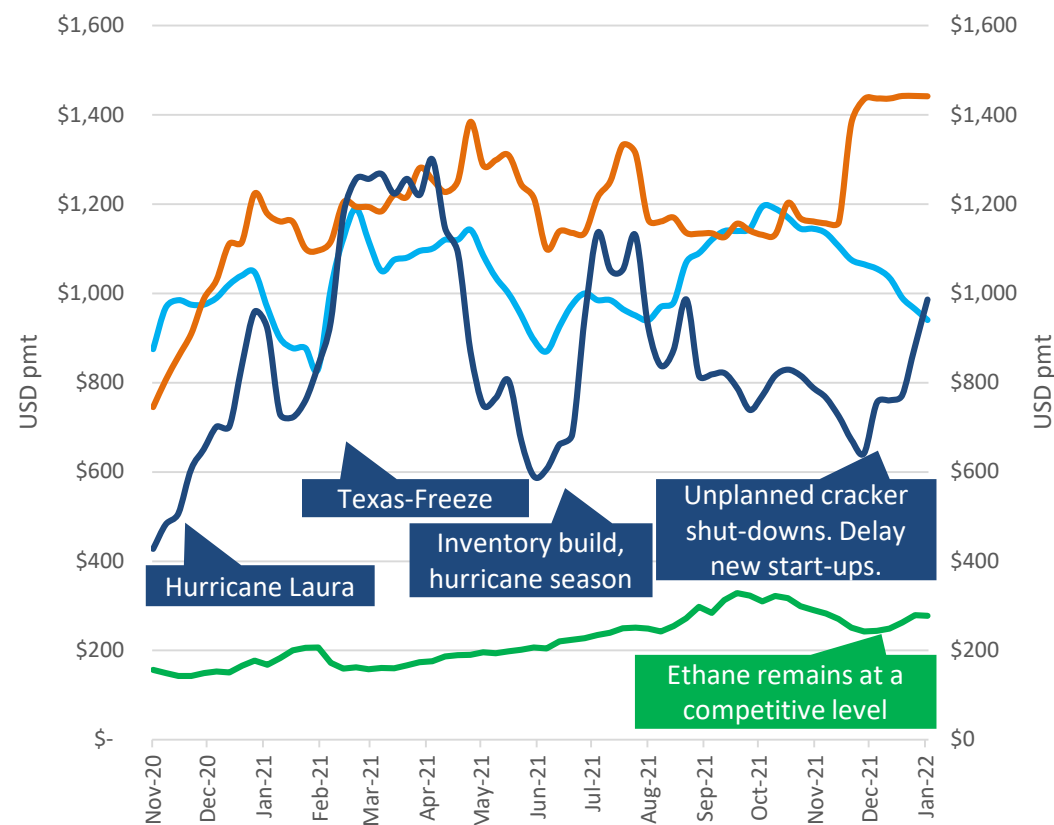
- Enterprise Navigator ethylene export terminal in Morgans Point reaching up to **20% of nameplate capacity** during January-22
- Steady revenue through long-term **terminal offtakers**
- Incremental **1M mts** ethylene to the export market

- International ethylene prices are volatile with shifting arbitrage opportunities between Europe and Asia. Current arbitrage open to Europe and should remain due to high \$oil and high \$ gas prices
- Competitive priced ethane enables U.S. ethylene production to be attractive in international markets

U.S. ethylene exports



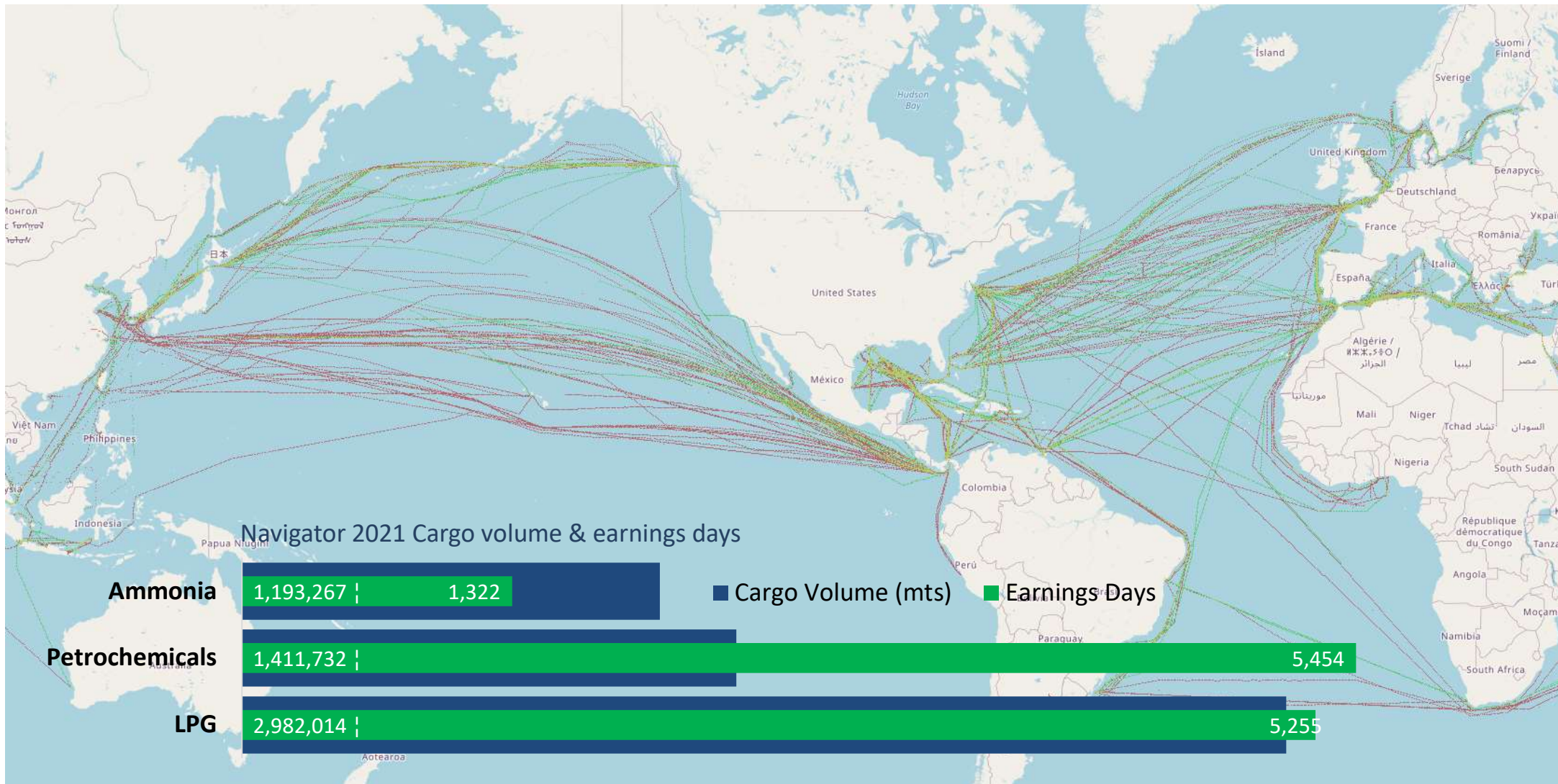
US /Europe/Asia ethylene pricing & U.S. ethane



Source: Kpler, 2022

Source: Argus, 2022

- We provide safe, reliable and efficient logistics service to the midstream industry, to producers and to consumers by extending a 'virtual pipeline' to international markets.
- Our 2021 trade-pattern represent longer ton-mile logistics both in the Pacific and the Atlantic ocean

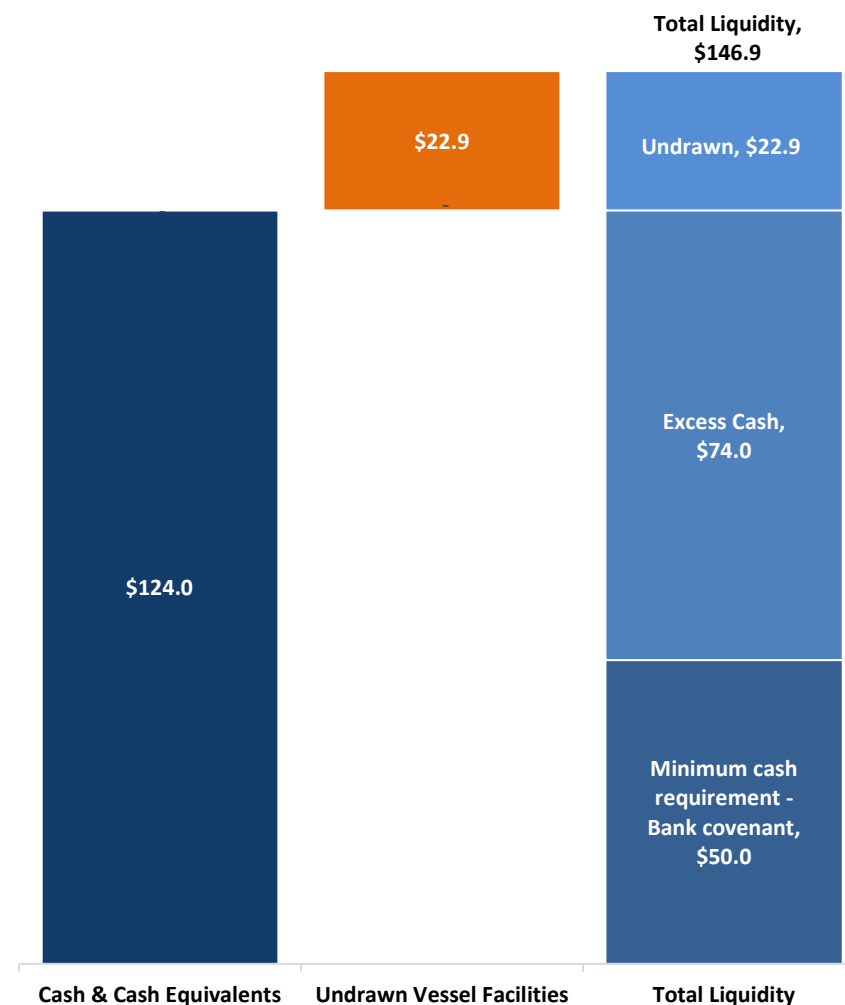




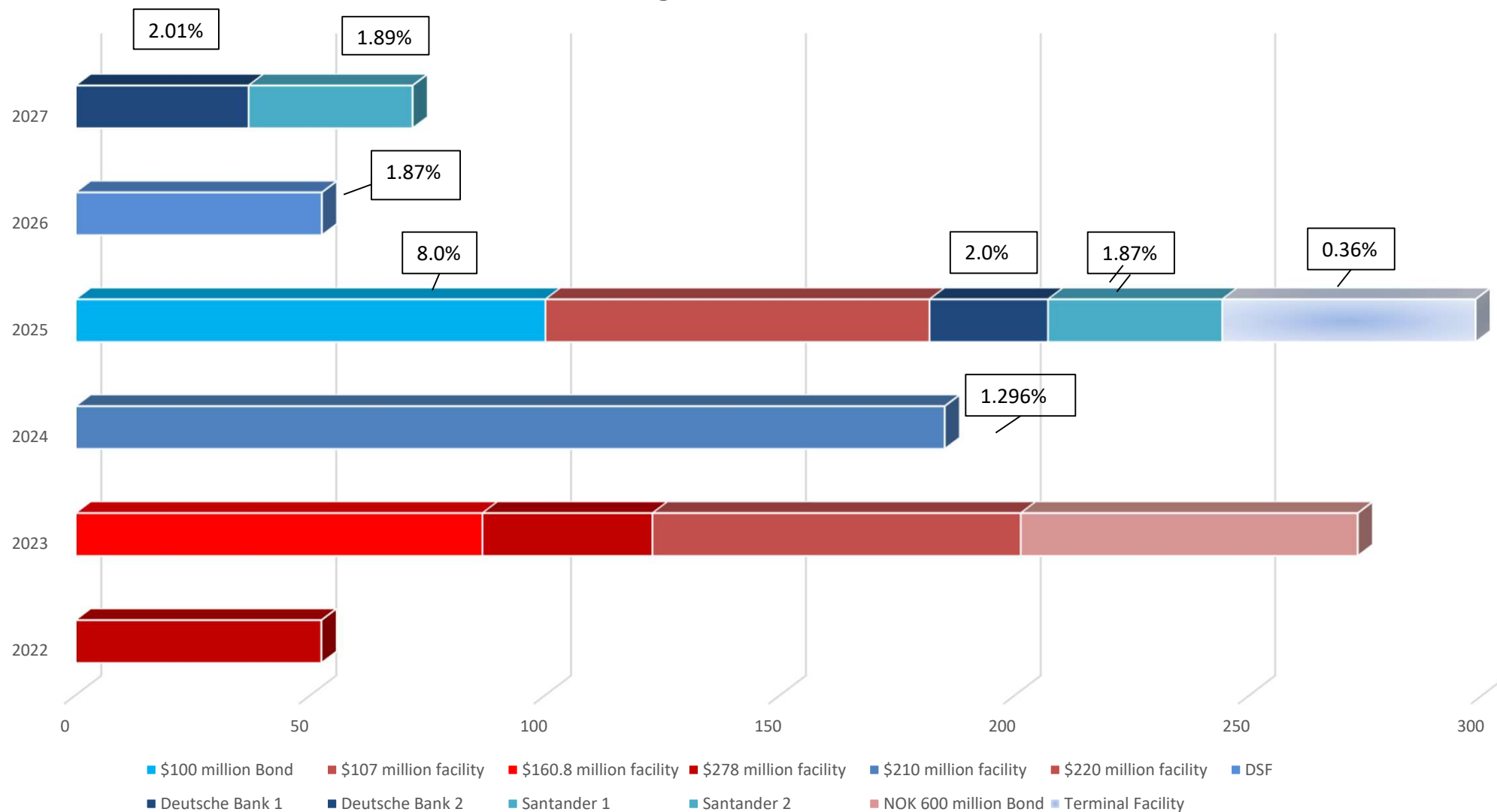
## Navigator Holdings Balance Sheet \$000's

	December 31, 2020	September 30, 2021
<b>Assets</b>	<b>\$ USD</b>	<b>\$ USD</b>
Cash and cash equivalents	59,271	105,827
Other current assets	77,267	101,233
<b>Total current assets</b>	<b>136,538</b>	<b>207,060</b>
Vessels, net	1,545,688	1,868,493
Investment in Terminal JV	148,665	143,665
Other assets	8,517	9,365
<b>Total assets</b>	<b>1,839,408</b>	<b>2,228,583</b>
<b>Liabilities &amp; Equity</b>		
Net current portion of debt	65,662	127,091
Other current liabilities	41,560	61,772
<b>Total Current Liabilities</b>	<b>107,222</b>	<b>188,863</b>
Net long term debt	781,551	872,644
Other non-current Liabilities	8,239	8,715
Equity	942,395	1,158,361
<b>Total liabilities and Equity</b>	<b>1,839,408</b>	<b>2,228,583</b>

## December 31, 2021 - Cash & Liquidity \$million

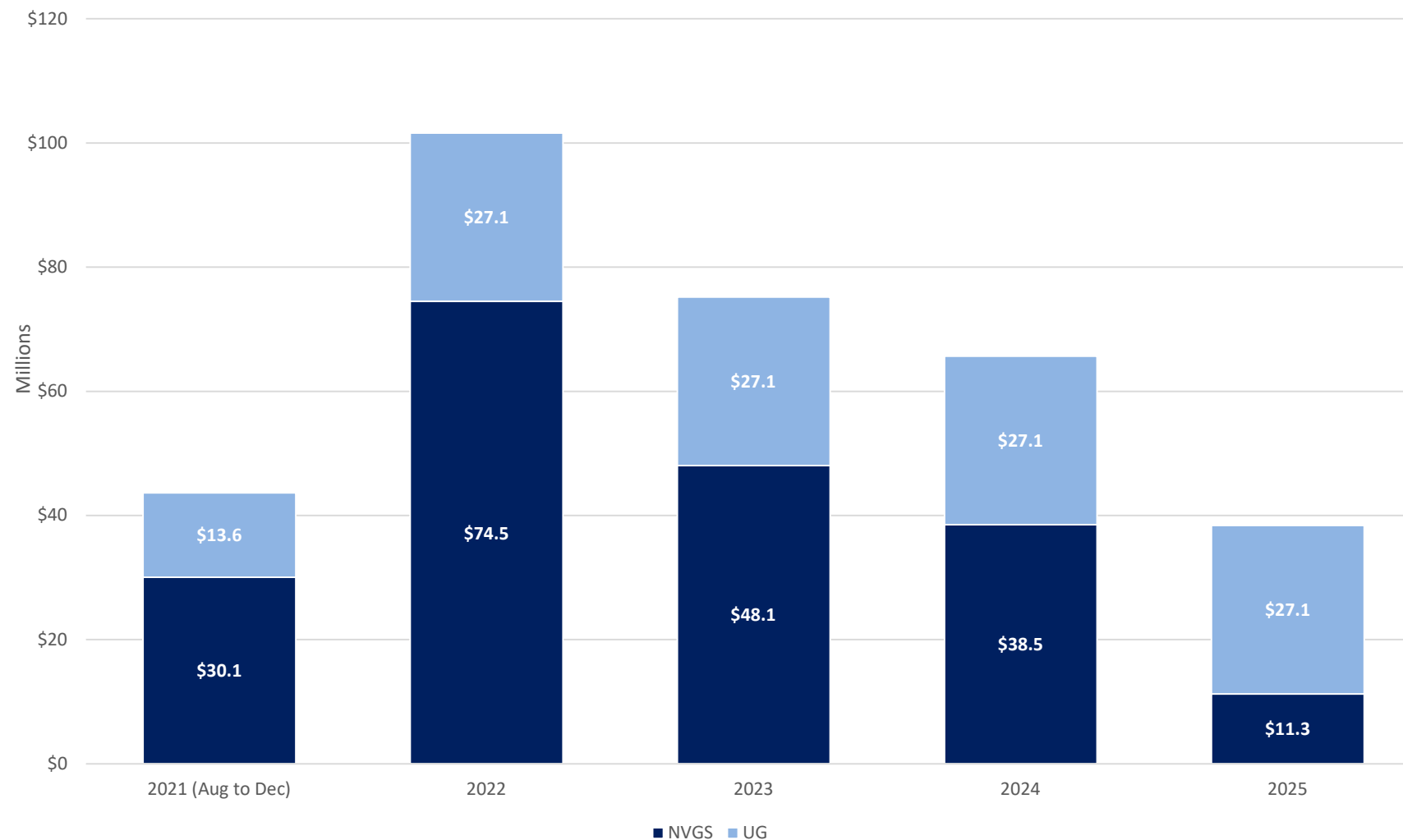


Fixed Rate - **Blues** - 59% of debt  
 Floating Rate - **Reds** - 41% of debt



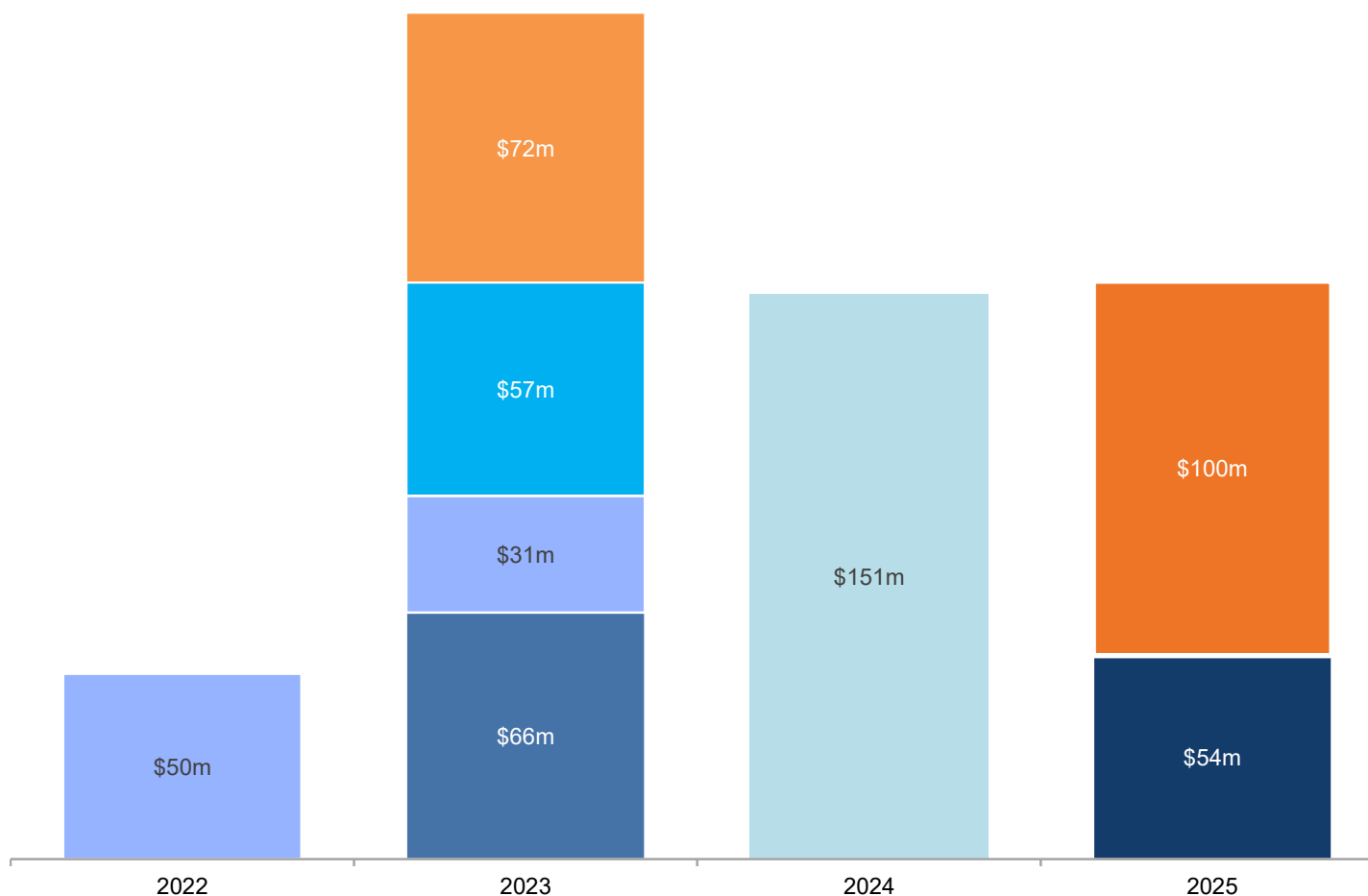


## Scheduled Quarterly or Half-Yearly Loan Repayment Profile per year \$mm



## Balloon Payments on Debt Maturities per year \$mm

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



We have assumed five bank loan facilities with the acquisition of Ultragas and Othello Shipping Company S.A.

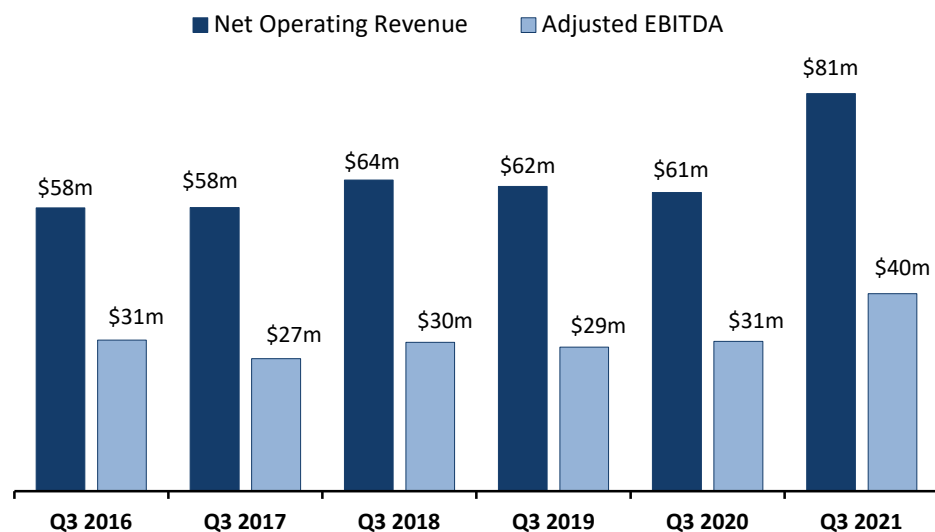
The bank loans, which in aggregate have half yearly repayments of approximately \$13.6 million, mature from June 2026.

## Debt capitalization & LTV levels \$mm

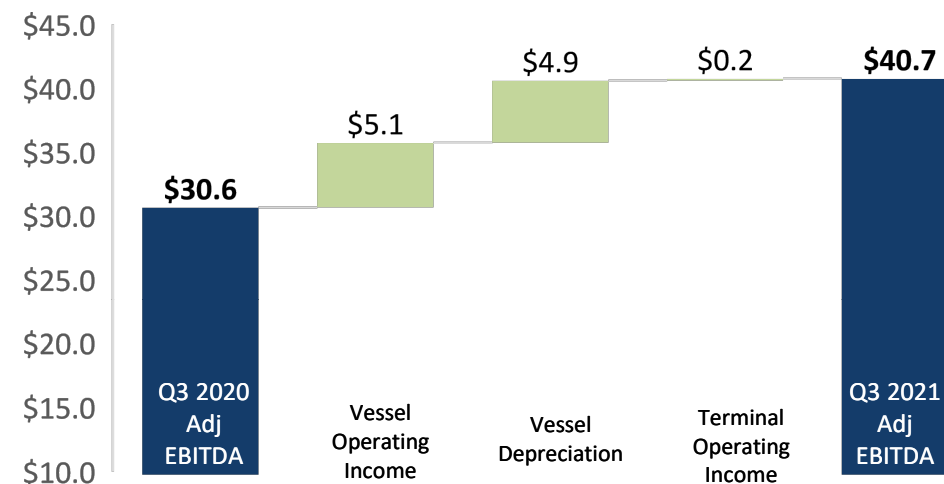
As of September 30, 2021	Actual	Debt	Loan to Value %
Vessel Net Book Value	1,873.0	873.9	46.7%
Terminal net book value	143.7	125.8	87.6%
<b>Total Assets</b>	<b>2,016.7</b>	<b>999.7</b>	<b>49.6%</b>
Total Shareholders' equity	1,158.4		
Total capitalization	2,158.1		
<b>Debt / Capitalization</b>	<b>46.3%</b>		



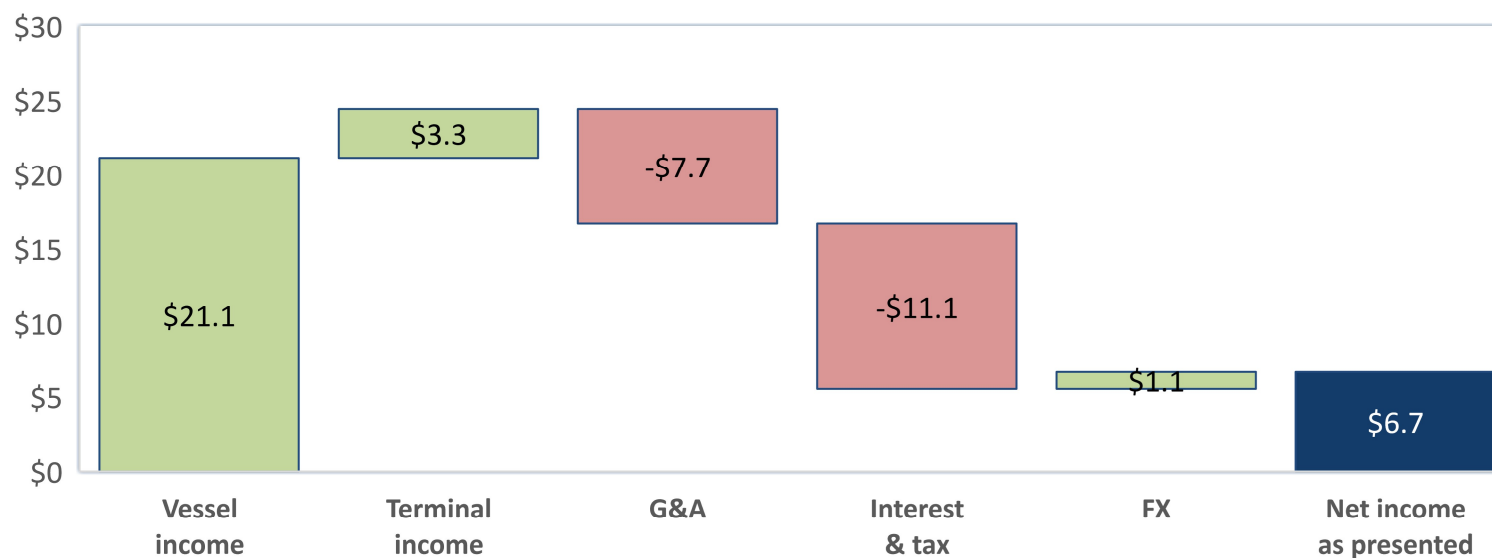
## Q3 Net Revenue & EBITDA \$mm



## Q3, 2021 Movement in Adjusted EBITDA \$mm



## Q3, 2021 Net Income Analysis \$mm



## Navigator Holdings Income Statement \$000's

	Three months ended September 30,	
	2020	2021
<b>Operating Revenue</b>	81,351	102,744
<b>Operating expenses:</b>		
Brokerage commissions	1,220	1,163
Voyage expenses	18,974	21,547
Vessel operating expenses	27,221	34,948
Depreciation and amortization	19,180	24,054
General and administrative costs	6,525	7,749
Other Income	(77)	(98)
Total operating expenses	73,043	89,363
<b>Operating income</b>	8,308	13,381
Foreign currency gain on senior secured bonds	(1,612)	1,372
Unrealized loss on derivative instruments	1,991	(227)
Net interest expense	(9,289)	(10,303)
Loss on repayment of 7.75% senior unsecured bonds	(479)	-
Write off of deferred financing costs	(155)	-
Income/(loss) before income taxes	(1,236)	4,223
Income taxes	(120)	(446)
Share of result of joint venture	3,147	3,302
<b>Net income/(loss)</b>	1,791	7,079
Net income attributable NCI	(446)	(389)
<b>Net income/(loss) attributable to NVGS</b>	1,345	6,690
<b>EPS attributable to NVGS</b>		
Basic & Diluted	<b>\$0.02</b>	<b>\$0.10</b>
<b>EBITDA</b>	<b>29,934</b>	<b>41,493</b>
<b>Adjusted EBITDA</b>	<b>29,555</b>	<b>40,348</b>

Given the increase in the number of vessels operating in our fleet during Q3, 2021, our historical financial statements reflect, and in the future will reflect, significantly different levels of ownership and operating days as well as different levels of voyage expenses, vessel operating expenses, interest expense and other related costs.

	Q3 2020	Q3 2021
Weighted average number of vessels	38	42.6*
Ownership days	3,496	3,923
Available days	3,384	3,822
Operating days	2,666	3,212
<b>Fleet utilization</b>	<b>78.8%</b>	<b>84.0%</b>
<b>Average Daily Results:</b>		
<b>Time charter equivalent rate</b>	<b>\$ 22,892</b>	<b>\$ 21,891</b>
Daily vessel operating expenses	\$ 7,786	\$ 7,607

\*Does not include the 11 owned vessels in the Unigas Pool.



