

 NAVIGATOR GAS

Navigator Holdings Ltd.
(NYSE: NVGS)

Pareto Energy Conference
September 14-15, 2022





Forward Looking Statements

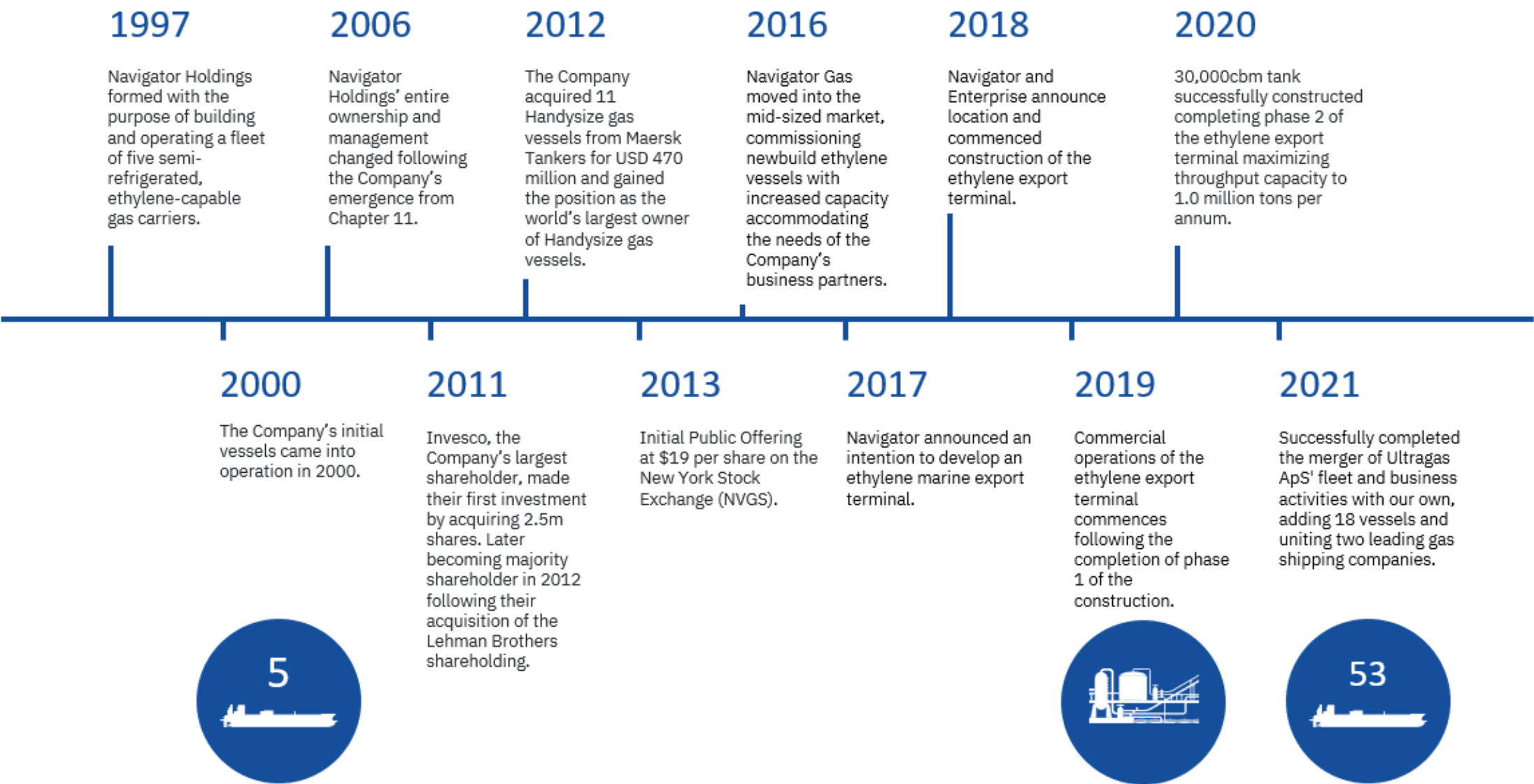
This presentation contains certain statements that may be deemed to be “forward-looking statements” within the meaning of applicable federal securities laws. Most forward-looking statements contain words that identify them as forward-looking, such as “may”, “plan”, “seek”, “will”, “expect”, “intend”, “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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Company History: Proven Track Record With The Best Still To Come



What We Transport: Diverse Commodity Mix



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 -103°C . Our ethylene capable vessels are suited to carry this cargo.

Ammonia



Liquid ammonia has a boiling point at -33°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

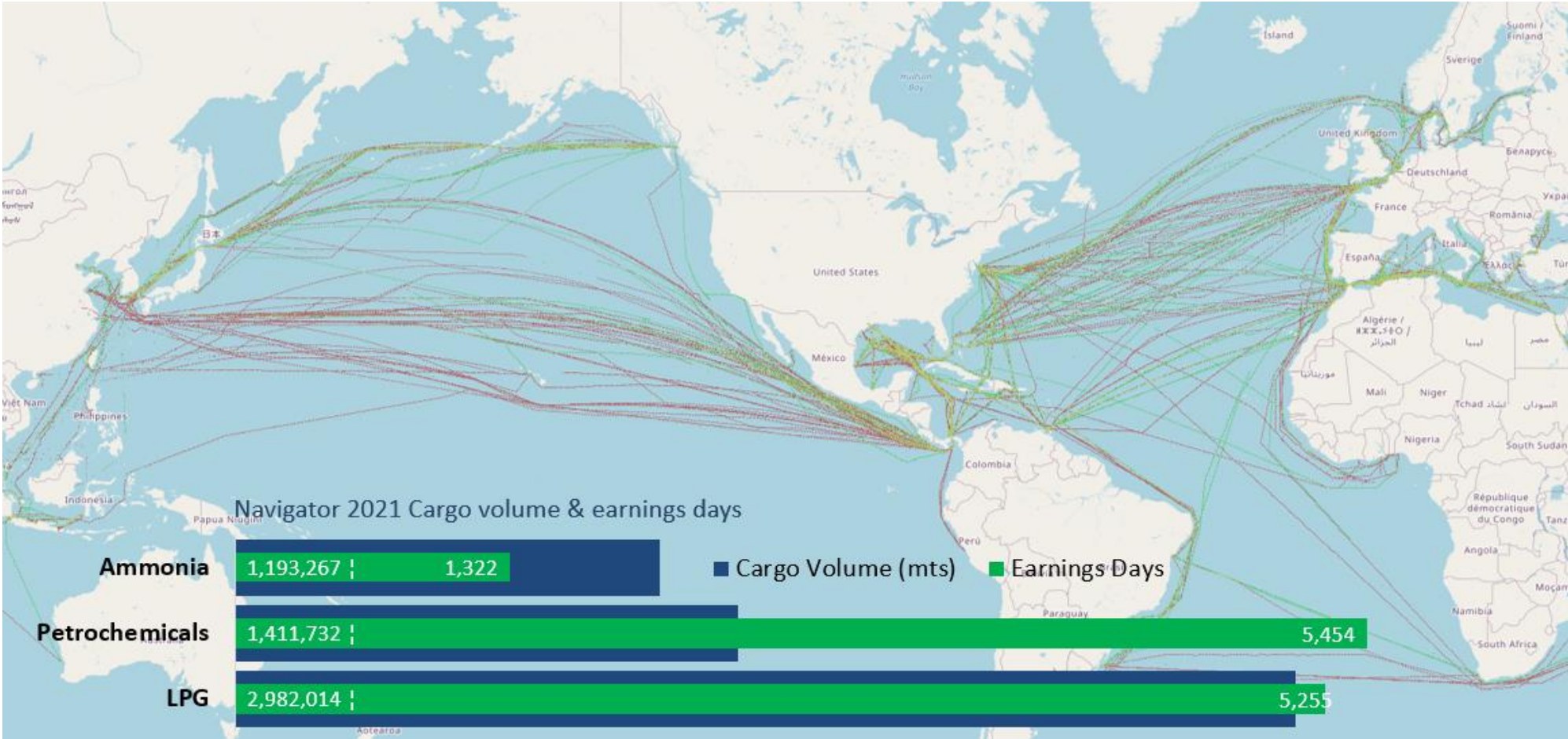


Ethane is produced from gas processing and fractionation of North American shale gas and from liquids rich gas fields. Ethane as feedstock to a petrochemical steam cracker increases its yield of ethylene as a derivative product compared to other inputs such as propane and naphtha. Competitively priced 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°C .






Navigator “Virtual Pipeline” Connecting Markets

- 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
- LPG & Ammonia trading-patterns are of regional nature, and Petrochemicals are typically on longer transcontinental routes









Our Chosen Fleet Positioning: Flexibility & Versatility



		Fully Refrigerated	Semi Refrigerated	Pressurised
		Prismatic tanks Steel thickness = 10mm Max pressure = 0.2 bar Typical size = 15,000 - 80,000+ cbm (95,000-500,000 barrels)	Cylindrical Bi Lobe Steel thickness = 20mm Max pressure = 5.9 bar Typical size = 5,000 - 25,000 cbm (30,000-150,000 barrels)	Cylindrical Bottle Steel thickness = 32mm Max pressure = 18 bar Typical size = 500 - 11,500 cbm (3,000-7,000 barrels)
				
Load Cargo type	Cooled	✓	✓	—
	Pressurized	—	✓	✓
Cargo Capability (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)	—	✓	—

Fleet Supply Growth Limited With Low Handysize Orderbook



Vessel Type			Existing Number of Vessels	Order Book		Navigator Fleet
				Vessels on Order	% of Fleet (# vessels)	
Very Large Gas Carrier >60,000 cbm	Fully-Refrigerated		330	66	20%	5
Large Gas Carrier 40,000 - 59,999 cbm	Fully-Refrigerated		21	-	-	
Medium Gas Carrier 25,000 - 39,999 cbm	Fully-Refrigerated Ethylene & Ethane		106 15	25 -	24%	
Handysize Gas Carrier 15,000 - 24,999 cbm	Fully-Refrigerated Semi-Refrigerated Ethylene		24 59 35	3 1 3	6%	39
Small Gas Carrier 5,000 - 14,999 cbm	Ethylene Semi-Refrigerated Pressure		363	27	7%	9
Small Gas Carrier <4,999 cbm	Semi-Refrigerated Pressure		254	3	1%	

Source: Steem1960, 2022

Offering Flexibility Across All Natural Gas Liquids: Feedstock & Derivatives



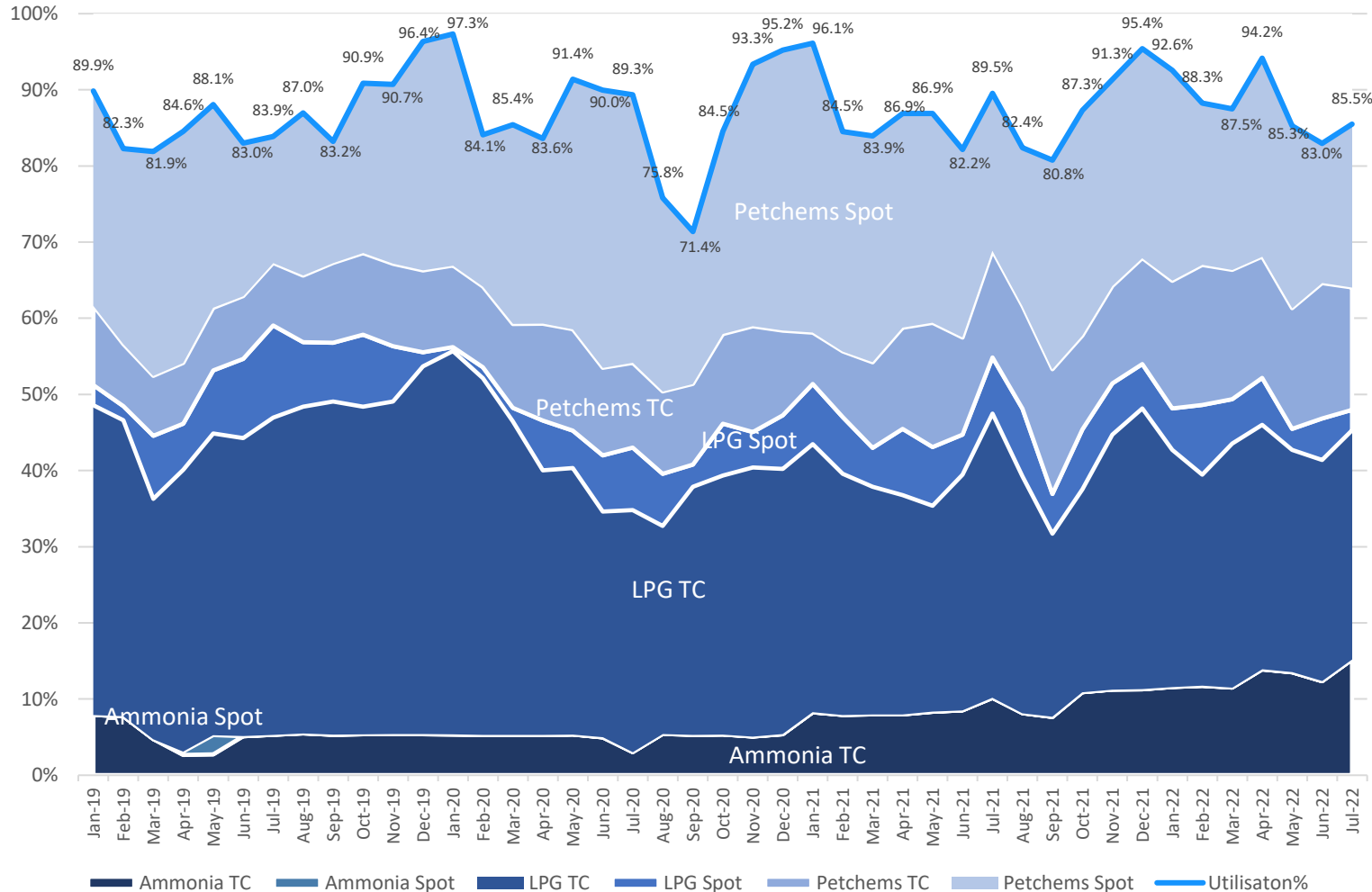
Commercial



Earnings Days Diversifying By Commodity & Utilization Stabilizing



Earning days vs Utilisation (Ex Pacific)



Household consumption:
Petrochemical earnings days linked to geographical imbalances and GDP growth. Ethane as part of European nat gas pool?

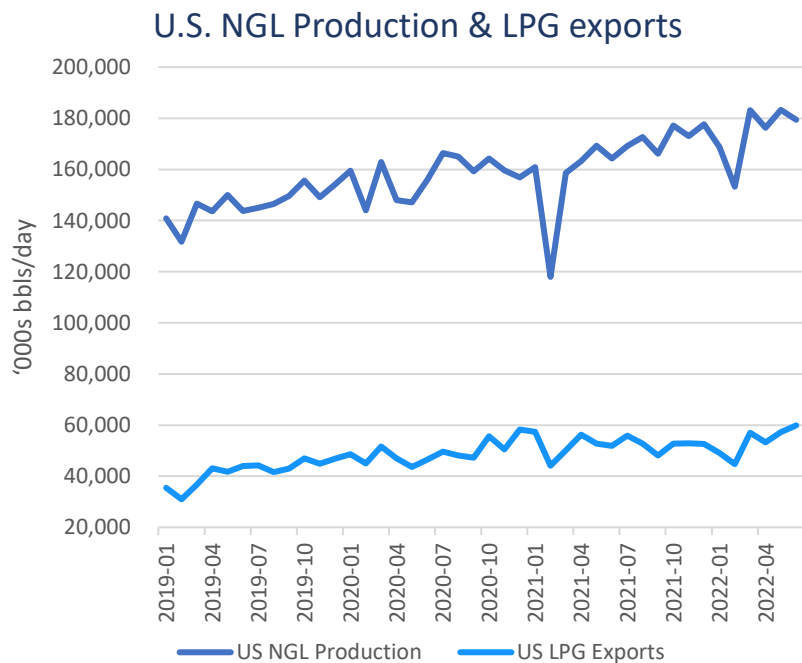
Energy:
Regional distribution of **LPG**; winter is coming.

Fertiliser:
Today 8 vessels employed in **Ammonia** logistics, 18% of our >12kcbm fleet; set to grow.

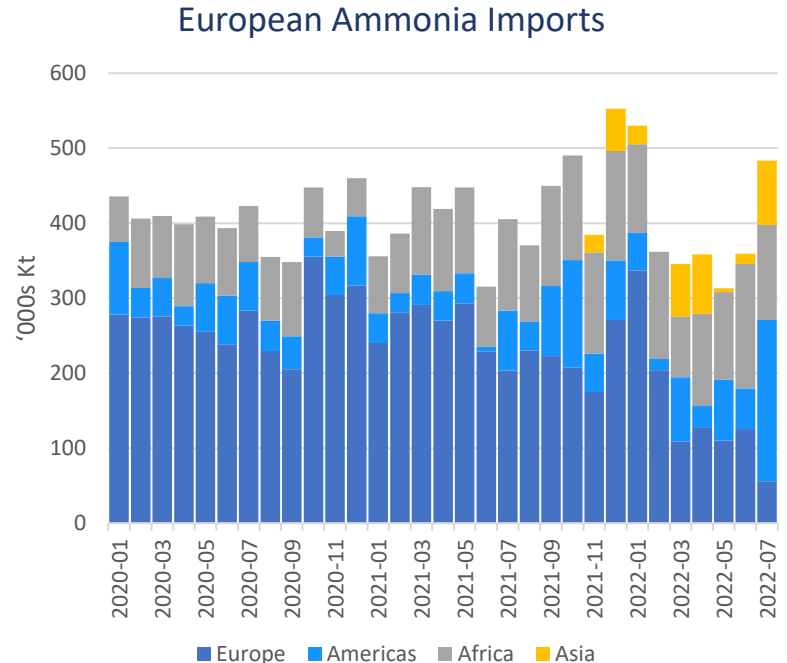
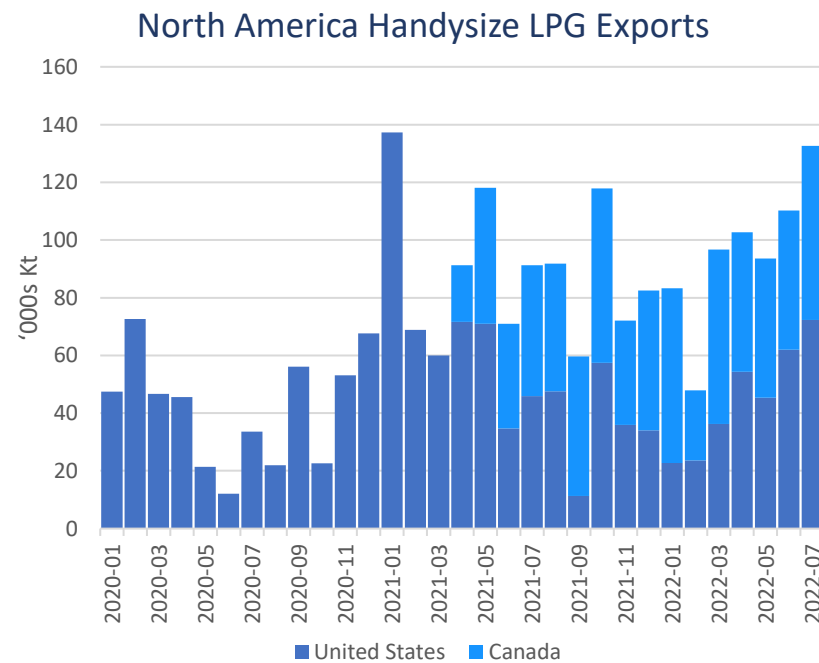


North American NGL Production & Exports Continue To Reach New Highs

- North American Natural Gas Liquids are reaching record levels which underpins increasing LPG exports
- Handysize LPG exports from North America grew during 2Q, 2022
- North American ammonia exports backfilling some of the European supply shortfall



Source: EIA, 2022

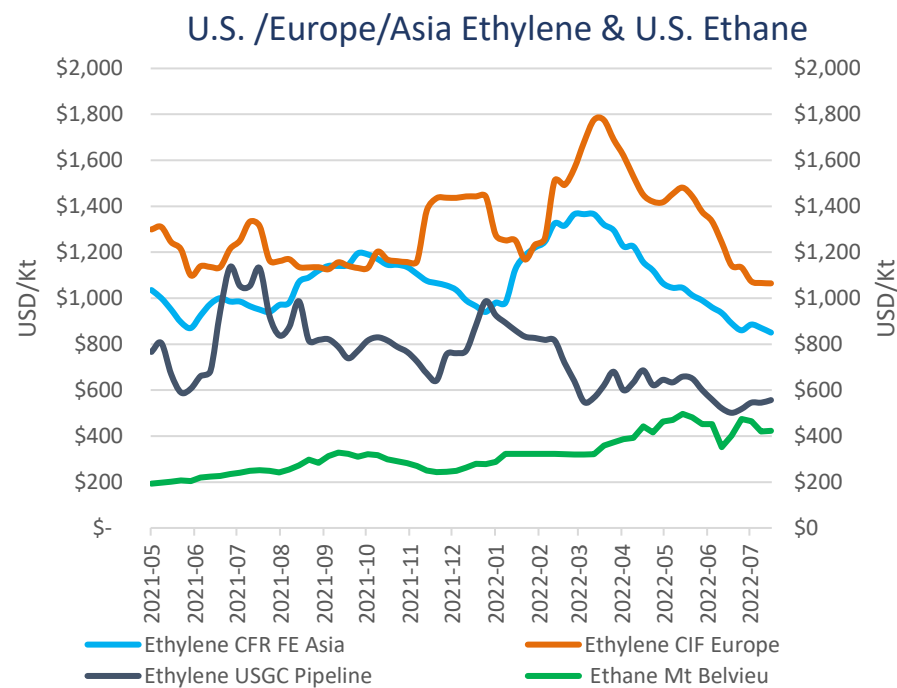


Source: Kpler, 2022

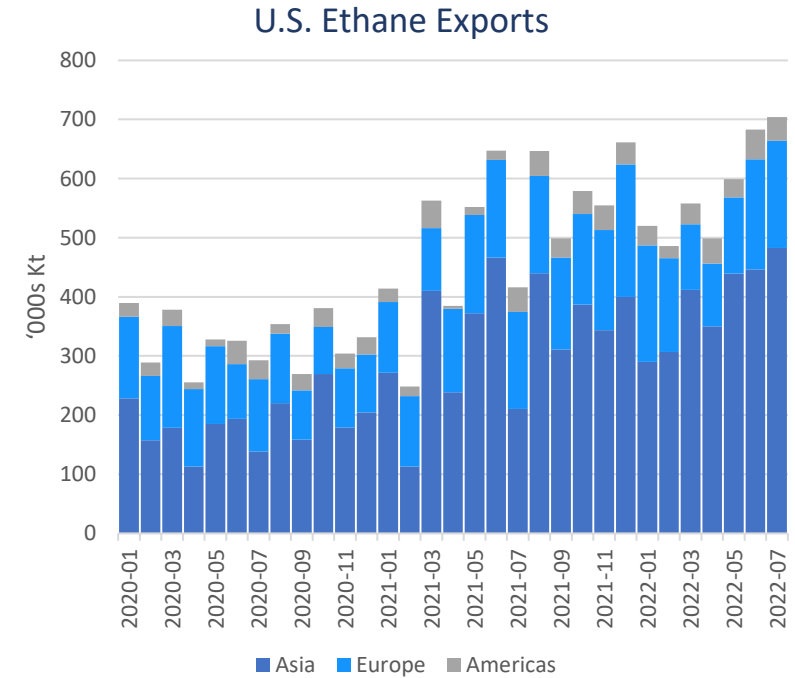
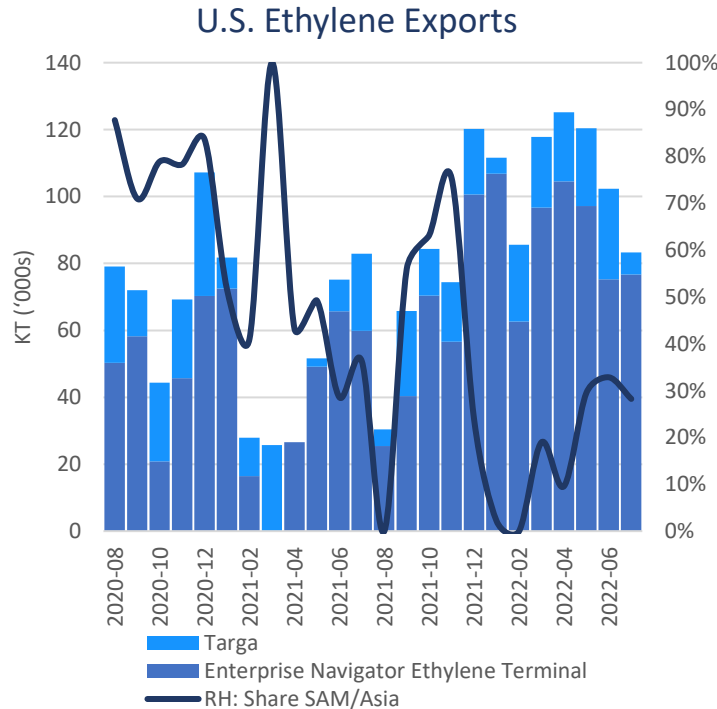


U.S. Ethylene Exports: Our JV Terminal Delivering Its Potential

- Enterprise-Navigator ethylene export terminal in Morgan’s Point reached up to 120% of nameplate capacity during 2022
- Steady revenue through long-term terminal offtake contracts (938,000 tons compared to nameplate capacity of 1 MM tons)
- Navigator is reviewing options to double ethylene export terminal together with our JV partner Enterprise; EPD currently guiding to 50% expansion in 4Q23 and remaining 50% in 1Q25



Source: Kpler, 2022

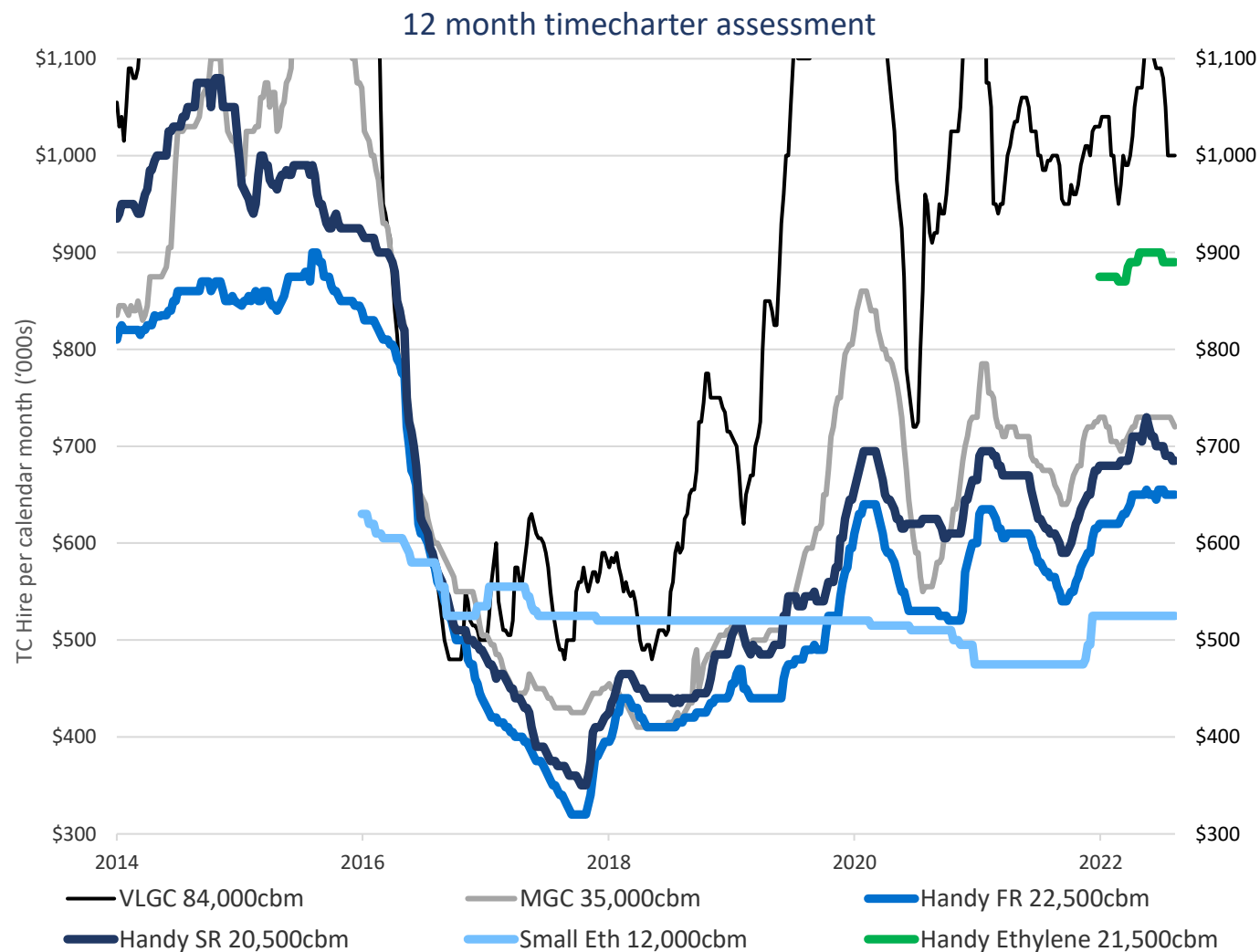


Source: Argus, 2022

Rate Environment Stable Throughout Summer Slow Season



- Handysize segments remain stable despite the seasonally slower summer months
- Handy Ethylene \$890kpcm (\$29,200/day)
- Handy Semi-Ref \$685kpcm (\$22,500/day)
- Handy Fully-Ref \$650kpcm (\$21,400/day)



Source: Clarksons, 2022

Financial





Income Statement: Vastly Improved Profitability

(US\$'M)	Q2, 2021	Q2, 2022
Operating revenues	80,153	105,875
Operating revenues – Unigas Pool	-	11,389
Operating revenues – Luna Pool	5,546	6,653
Total Operating Revenues	85,699	123,917
Operating expenses:		
Brokerage commissions	974	1,569
Voyage expenses	17,689	20,804
Voyage expenses – Luna Pool	5,663	6,950
Vessel operating expenses	28,826	38,628
Depreciation and amortization	19,473	31,477
General and administrative costs	5,796	7,827
Profit from sale of vessel	-	-
Other Income	(88)	(109)
Total operating expenses	78,333	107,146
Operating income	7,366	16,771
Foreign currency gain on senior secured bonds	330	8,218
Unrealized loss on derivative instruments	(269)	(5,346)
Net interest expense	(8,584)	(11,359)
Income taxes	(190)	(671)
Share of result of joint venture	2,001	6,757
Net income attrib to non-controlling interest	(394)	(348)
Net income	260	14,022

- Strong operational performance for Q2 2022, with net income of \$14.0 million and EBITDA of \$55.0 MM
- EPS of \$0.18 for Q2, 2022, (Adjusted EPS of \$0.14, after excluding the effects of unrealized gains on derivative instruments and the exchange gain on the Norwegian denominated bond)
- Highest terminal throughput volumes and net income on record in Q2, 2022
- Increased depreciation by \$6.1 MM as a result of reducing useful economic lives for all vessels from 30 years to 25 years, effective January 1, 2022

	Q2 2021	Q2 2022
Weighted average number of vessels	38	44
Ownership days	3,458	4,004
Available days	3,300	3,951
Operating days	2,818	3,454
Fleet utilization	85.4%	87.4%
Average Daily Results:		
Time charter equivalent rate	\$ 22,169	\$ 24,633
Daily vessel operating expenses	\$ 8,336	\$ 8,009

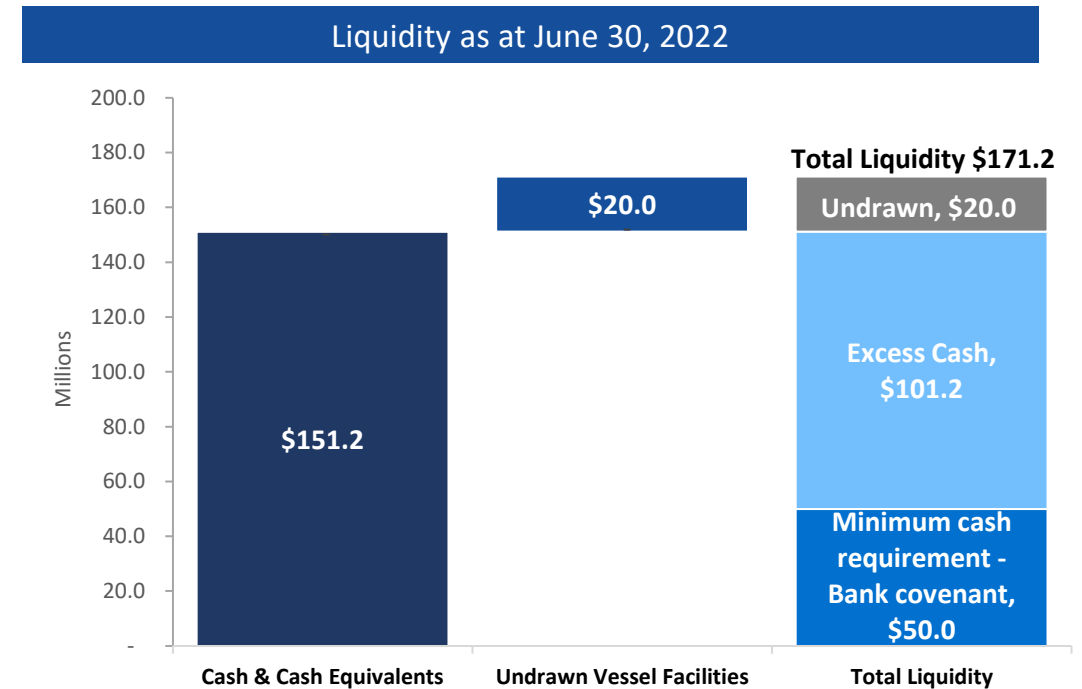
**Excludes the 9 owned smaller vessels commercially managed by the independent Unigas Pool.*



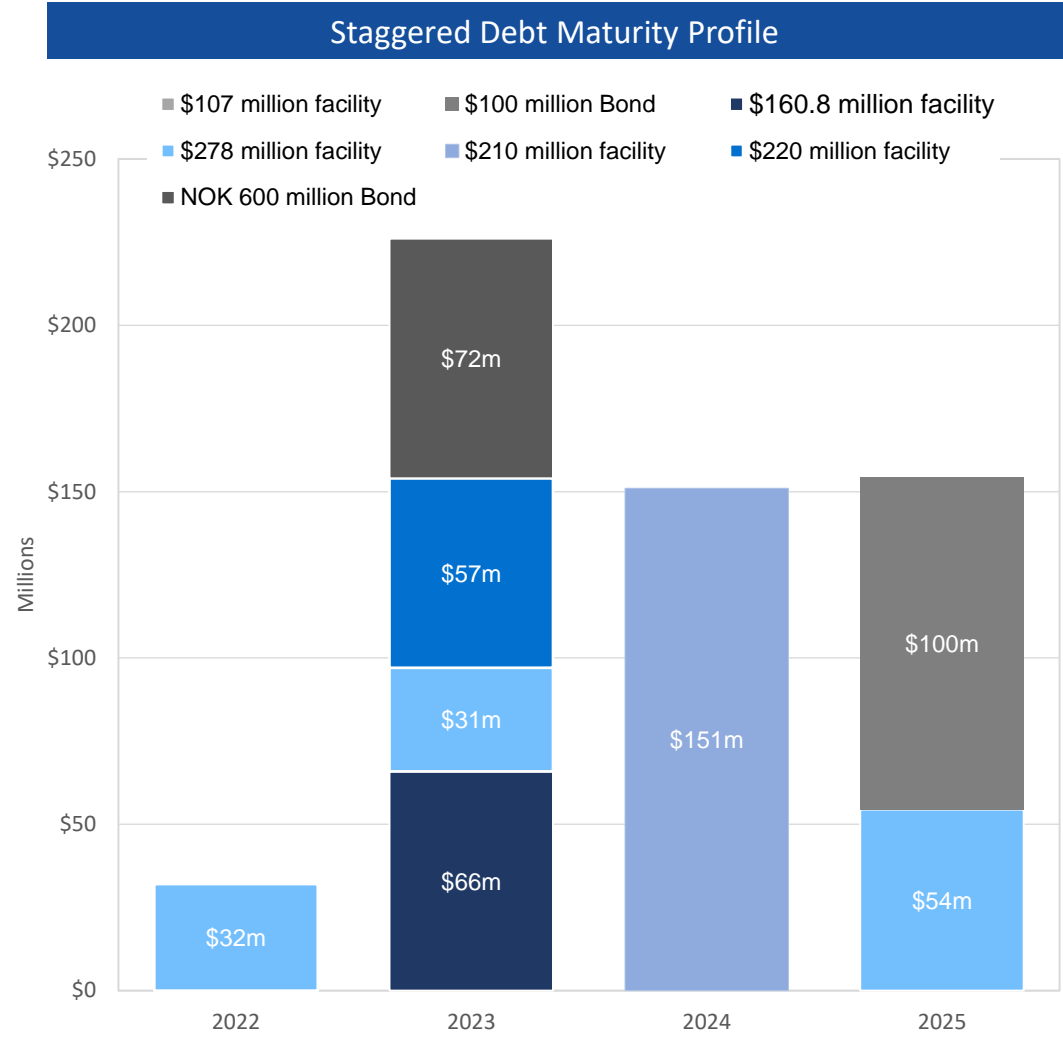
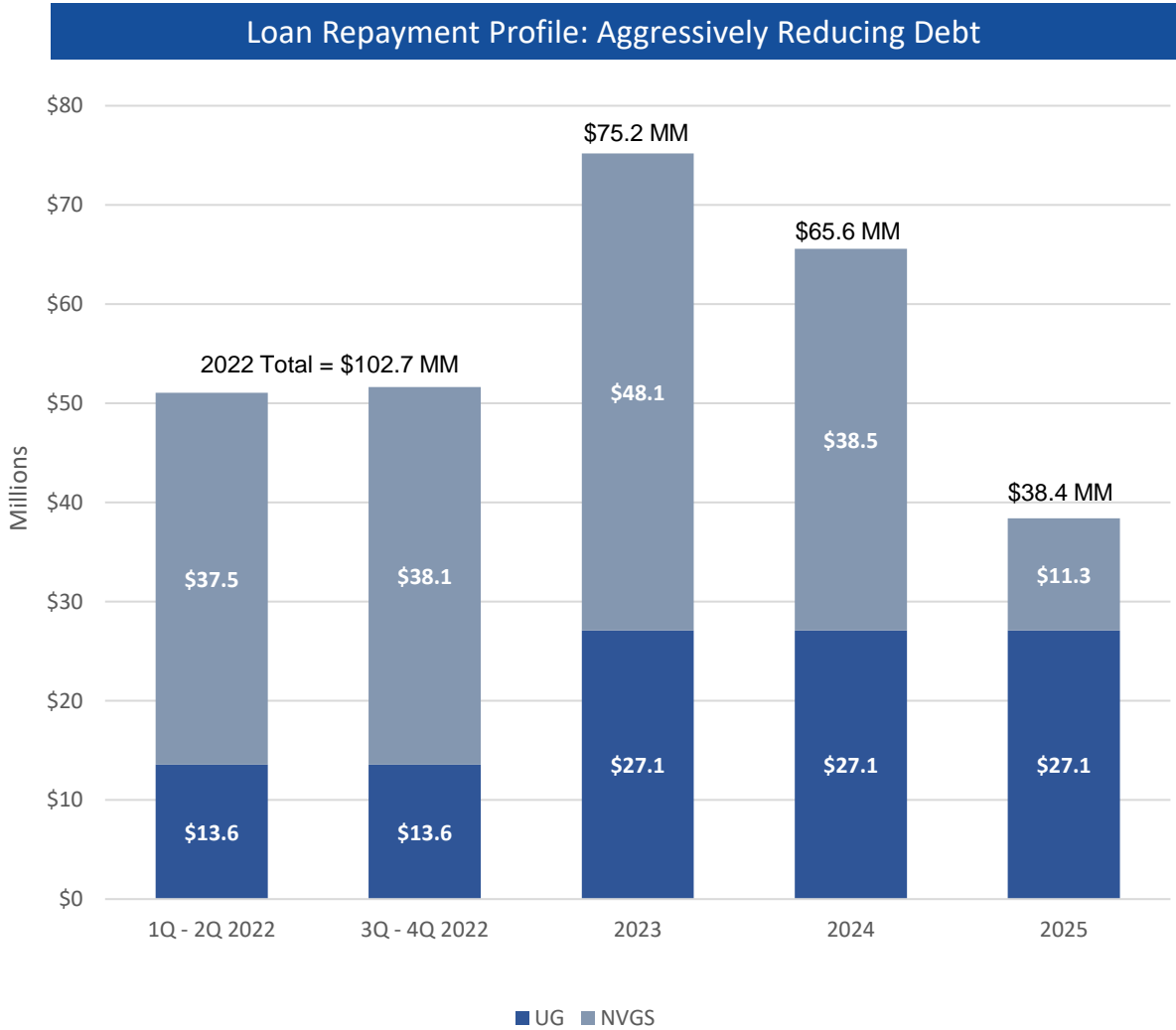
Balance Sheet & Liquidity: Cash Position Provides Financial Flexibility

(US\$'M)	December 31, 2021	June 30, 2022
Assets		
Cash and cash equivalents	124,223	151,216
Other current assets	91,113	95,490
Total current assets	215,336	246,706
Vessels, net	1,789,926	1,709,356
Investment in Terminal JV	150,209	149,319
Other assets	1,954	19,484
Total assets	2,157,425	2,124,865
Liabilities & Equity		
Net current portion of debt	148,570	222,684
Other current liabilities	56,173	51,716
Total Current Liabilities	204,743	274,400
Net long term debt	825,906	674,183
Other non-current Liabilities	9,322	16,822
Total liabilities	1,039,971	965,405
Equity	1,113,851	1,155,153
Non-controlling interest	3,603	4,307
Total liabilities and Equity	2,157,425	2,124,865

- Robust Balance Sheet with significant liquidity
- Reduction of debt by \$45.9 million during Q2, 2022
- Total liquidity increased by \$24.3 million during the six months of 2022 to \$171.2 million as of June 30, 2022
- Net Debt to Capitalization of 43.7% as of June 30, 2022



Aggressive Debt Amortization And Staggered Debt Maturities

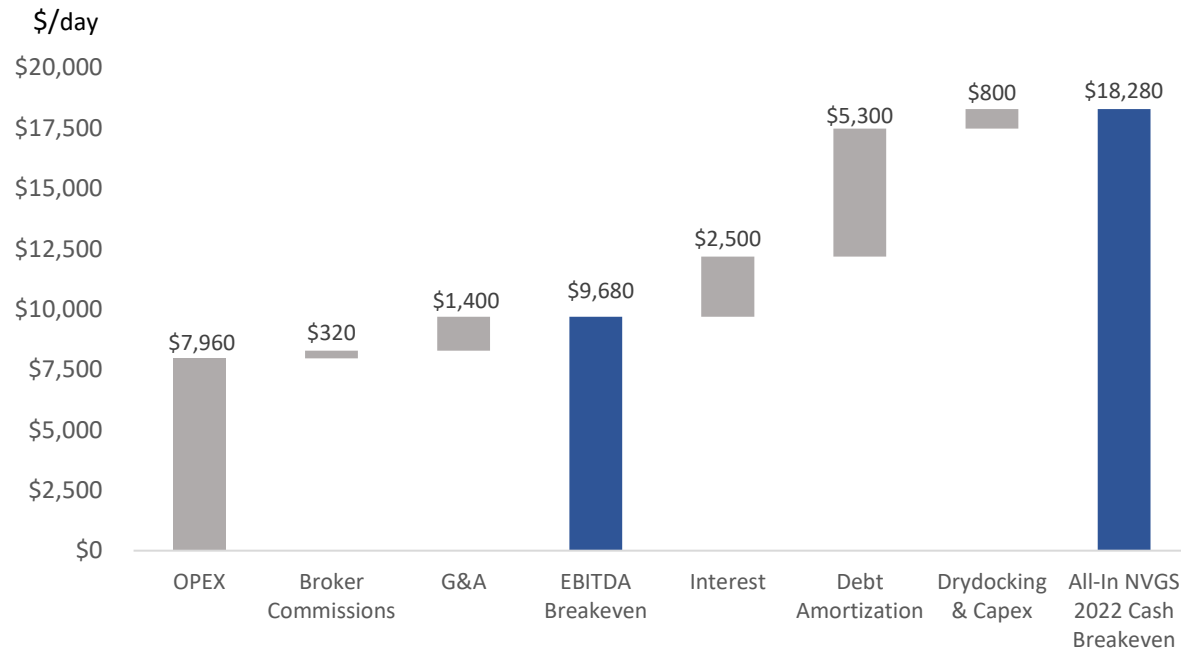




Lean Operations Provide Low Cash Breakevens

- Low TCE breakeven levels allow NVGS to report positive EBITDA in even the toughest market conditions and remain cash flow positive throughout most of the shipping cycle
- All-in cash breakeven for 2022 includes \$103 MM in debt amortization

Estimated Cash Breakeven for 2022 = \$18,280/day



Expense Guidance for 2022

Daily OPEX

Mid-sized	\$8,900/day
Semi-ref ethylene	\$9,000/day
Semi-ref LPG	\$7,900/day
Fully ref LPG	\$7,700/day
Small LPG	\$6,800/day

Full Year Estimates

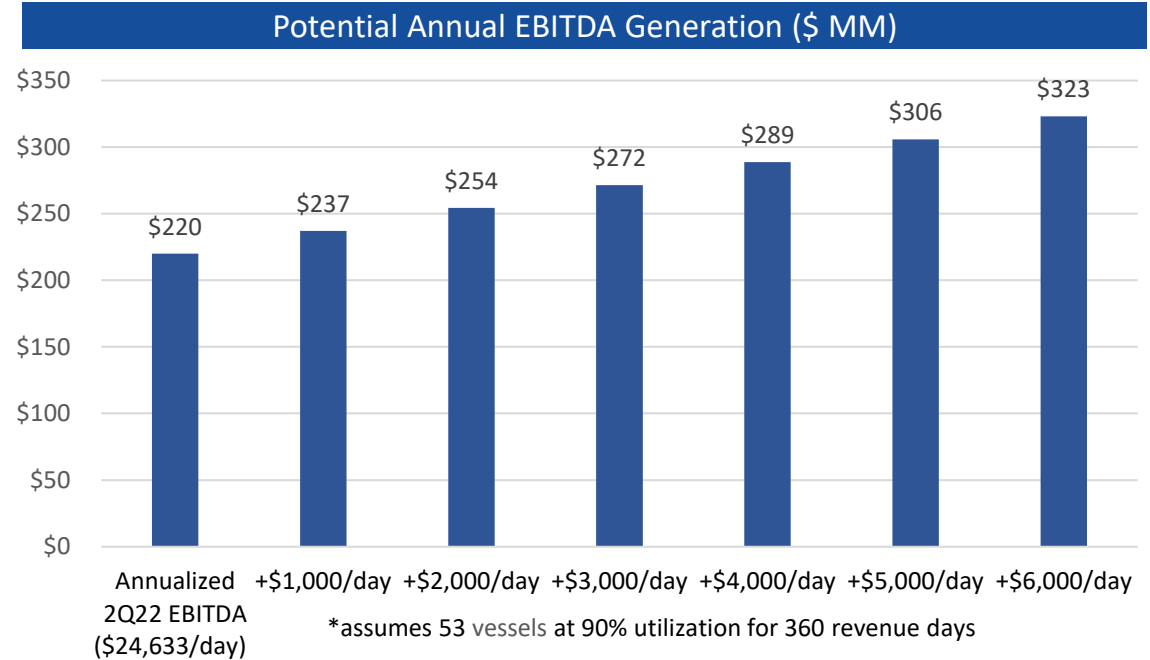
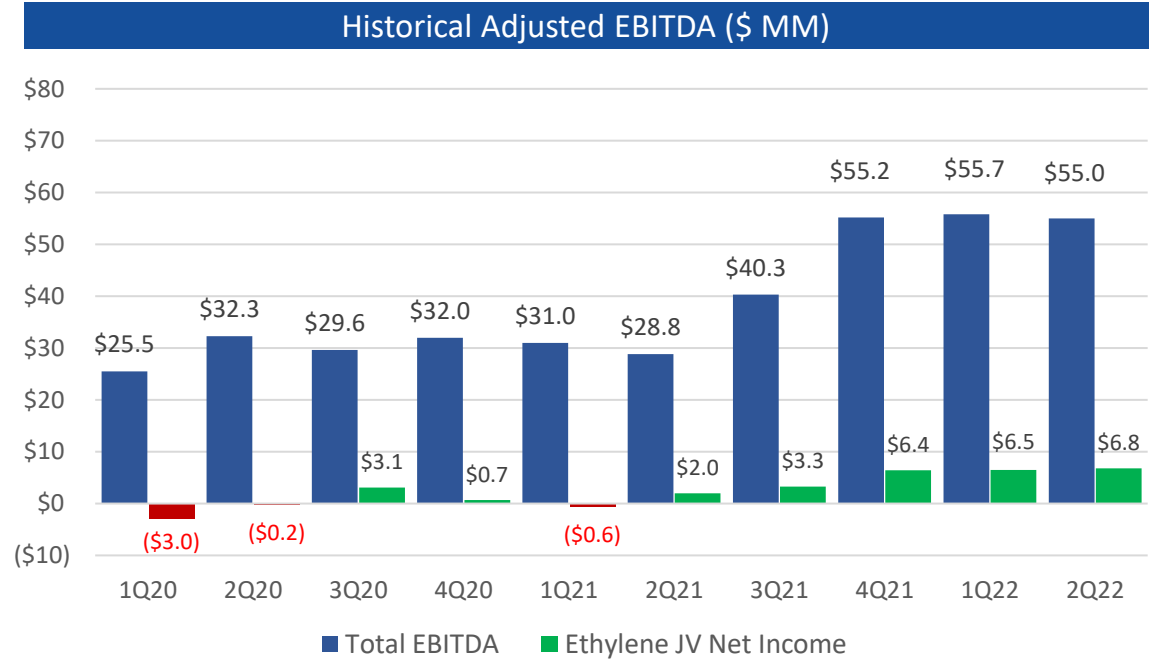
Vessel opex	\$154-157 MM
Cash G&A	\$27-29 MM
Depreciation	\$126-128 MM
Cash Interest Expense	\$47-49 MM

*assumes no change in # of owned vessels



Operational Leverage Provides Substantial EBITDA Upside

- Third consecutive quarterly EBITDA of >\$55.0 MM
- Includes record high contribution from the ethylene export terminal joint venture of \$6.8 MM (our 50% share)
- Annual EBITDA generation primarily driven by shipping operations, with every +\$1,000/day in TCE adding >\$17 MM in annual EBITDA



Conclusion: Navigator Well-Positioned in the Ongoing Upcycle

Financial

- Three consecutive quarters of EBITDA above >\$55.0 MM.
- Cash increased to \$151.2 million as of June 30, 2022, with no capex commitments, providing substantial financial flexibility.
- Debt reduced by \$45.9 million during Q2, 2022 to \$905.8 million, with net debt of \$754.6 million.
- Continuing to reduce leverage through aggressive debt amortization.

Commercial

- Fleet utilization 87.4% for Q2, 2022 compared to 85.4% for Q2, 2021.
- Ethylene export volumes through the Marine Export Terminal was approx. 268,444 tons for Q2, 2022 compared to 155,428 tons for Q2, 2021.
- Ethane continues to be the preferred feedstock for the production of ethylene. Propane continues to be attractive substitute to oil for production of propylene. Ammonia continues to grow in importance for the Company.
- 8 vessels on ammonia charters which doubles that of Q2, 2021.

Outlook

- Utilization in Q3, 2022 expected to remain above 85%.
- Q3, 2022 estimated ethylene export volumes through the Marine Export Terminal near 200,000 tons; reviewing options to double ethylene export terminal together with our JV partner EPD.
- Continued NGL production growth in U.S. indicates sustained demand for marine transportation of all liquid gases.
- Ton-mile demand for ammonia is set to increase and we expect incremental Handysize opportunities in this market.
- Navigator is actively working towards further improving its ESG ratings and sustainability reporting.

Appendix



NVGS Fleet List as of June 30, 2022

Operating Vessel	Year Built	Vessel Size (cbm)	Employment Status	Current Cargo	Time Charter Expiration Date
Ethylene/ethane capable semi-refrigerated midsize					
Navigator Aurora	2016	37,300	Time Charter	Ethane	December 2026
Navigator Eclipse	2016	37,300	Time Charter	Ethane	March 2026
Navigator Nova	2017	37,300	Time Charter	Ethane	September 2026
Navigator Prominence	2017	37,300	Time Charter	Ethane	January 2026
Ethylene/ethane capable semi-refrigerated handysize					
Navigator Orion*	2000	22,085	Spot Market	—	—
Navigator Pluto*	2000	22,085	Time Charter	Ethane	September 2022
Navigator Saturn*	2000	22,085	Spot Market	—	—
Navigator Venus*	2000	22,085	Spot Market	—	—
Navigator Atlas*	2014	21,000	Spot Market	Ethane	—
Navigator Europa*	2014	21,000	Time Charter	Ethane	December 2022
Navigator Oberon*	2014	21,000	Spot Market	—	—
Navigator Triton*	2015	21,000	Spot Market	—	—
Navigator Umbrio*	2015	21,000	Spot Market	Ethylene	—
Ethylene/ethane capable semi-refrigerated smaller size					
Happy Kestrel**	2013	12,000	Unigas Pool	—	—
Happy Osprey**	2013	12,000	Unigas Pool	—	—
Happy Peregrine**	2014	12,000	Unigas Pool	—	—
Happy Albatross**	2015	12,000	Unigas Pool	—	—
Happy Avocet**	2017	12,000	Unigas Pool	—	—
Semi-refrigerated handysize					
Navigator Magellan	1998	20,700	Time Charter	n-Butane	August 2022
Navigator Aries	2008	20,750	Time Charter	LPG	January 2023
Navigator Capricorn	2008	20,750	Spot Market	—	—
Navigator Gemini	2009	20,750	Time Charter	LPG	February 2023
Navigator Pegasus	2009	22,200	Time Charter	Propylene	November 2022
Navigator Phoenix	2009	22,200	Spot Market	—	—
Navigator Scorpio	2009	20,750	Spot Market	LPG	—

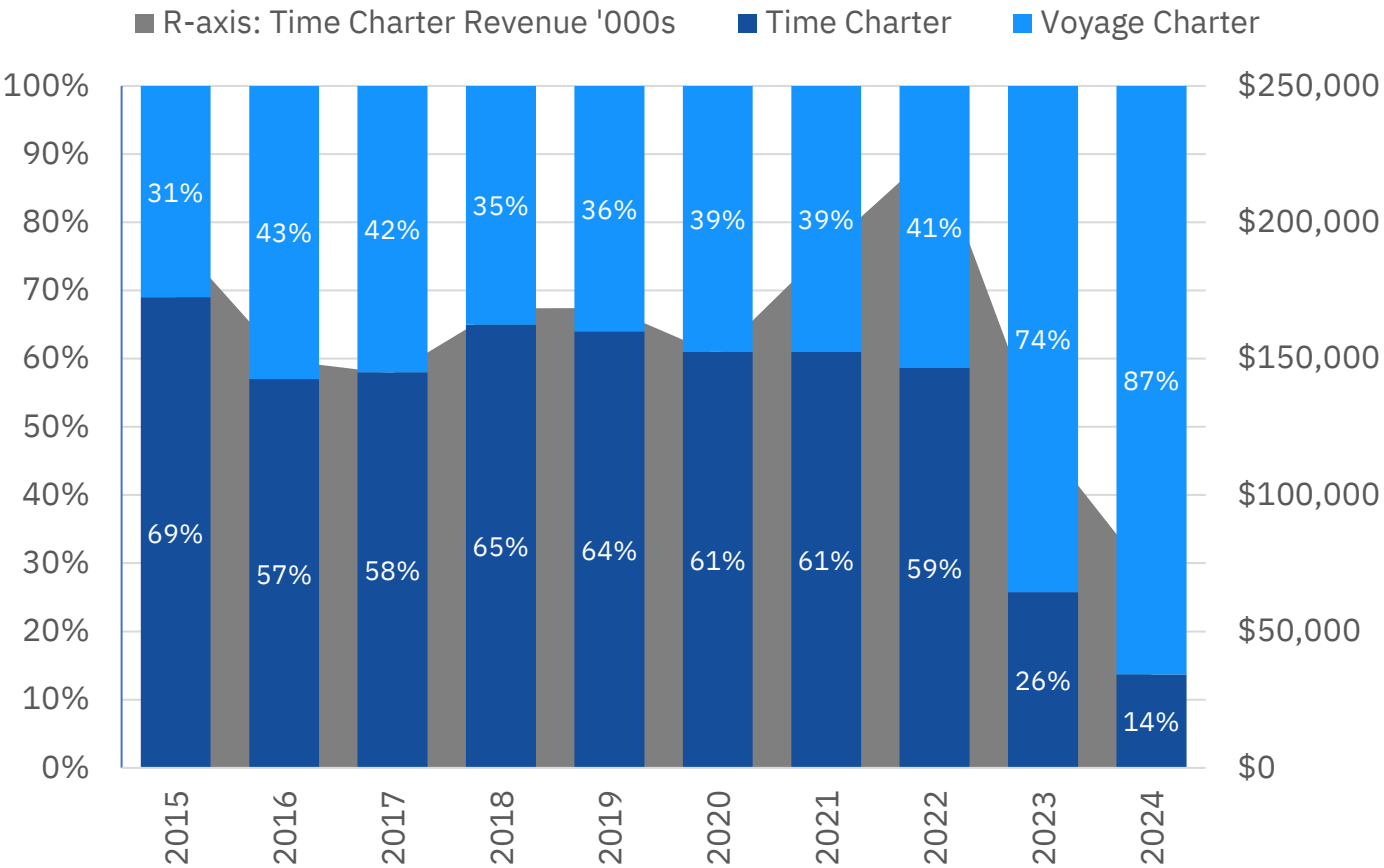
*denotes our owned vessels that operate within the Luna Pool

**denotes our owned vessels that operate within the independently managed Unigas Pool

Operating Vessel	Year Built	Vessel Size (cbm)	Employment Status	Current Cargo	Time Charter Expiration Date
Navigator Taurus	2009	20,750	Time Charter	Ammonia	December 2022
Navigator Virgo	2009	20,750	Spot Market	—	—
Navigator Leo	2011	20,600	Time Charter	LPG	December 2023
Navigator Libra	2012	20,600	Time Charter	LPG	December 2023
Atlantic Gas	2014	22,000	Spot Market	—	—
Adriatic Gas	2015	22,000	Time Charter	n-Butane	September 2022
Balearic Gas	2015	22,000	Spot Market	Butadiene	—
Celtic Gas	2015	22,000	Spot Market	Butane	—
Navigator Centauri	2015	21,000	Time Charter	LPG	May 2023
Navigator Ceres	2015	21,000	Time Charter	LPG	June 2023
Navigator Ceto	2016	21,000	Time Charter	LPG	May 2023
Navigator Copernico	2016	21,000	Time Charter	LPG	June 2023
Bering Gas	2016	22,000	Spot Market	Butadiene	—
Navigator Luga	2017	22,000	Time Charter	LPG	June 2023
Navigator Yauza	2017	22,000	Time Charter	LPG	June 2023
Arctic Gas	2017	22,000	Spot Market	—	—
Pacific Gas	2017	22,000	Spot Market	Propylene	—
Semi-refrigerated smaller size					
Happy Falcon**	2002	3,770	Unigas Pool	—	—
Happy Condor**	2008	9,000	Unigas Pool	—	—
Happy Pelican**	2012	6,800	Unigas Pool	—	—
Happy Penguin**	2013	6,800	Unigas Pool	—	—
Fully-refrigerated					
Navigator Glory	2010	22,500	Time Charter	Ammonia	June 2025
Navigator Grace	2010	22,500	Time Charter	Ammonia	October 2022
Navigator Galaxy	2011	22,500	Time Charter	Ammonia	December 2022
Navigator Genesis	2011	22,500	Time Charter	Ammonia	January 2023
Navigator Global	2011	22,500	Time Charter	LPG	October 2022
Navigator Gusto	2011	22,500	Time Charter	Ammonia	March 2023
Navigator Jorf	2017	38,000	Time Charter	Ammonia	August 2027

Coverage Snapshot

- Historical time-charter coverage >50%
- Contracted coverage 2022-2024 totaling \$416 million with an average time charter rate of \$801,200 per month (\$26,600/day)
- There is a further 7% coverage beyond 2024





NAVIGATOR GAS

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