PARTICIPATION

Executive Directors
- Diogo da Silveira
- António Redondo
- Fernando Araújo
- Nuno Santos
- João Paulo Oliveira

Investor Relations
- Joana Appleton
9M 2018 turnover grows 3.5% to 1.252 M€

Growth in prices offset decrease in volumes due to production stoppages

EBITDA increases 14% to 341 M€ with 27% EBITDA/Sales margin

+ 18% in net income

Group’s average price for pulp, paper & tissue continued to improve during Q3

Antidumping rate reviewed down to 1.75%

Q3 2018 EBITDA of 115 M€; without antidumping impact, EBITDA would be 123 M€ with EBITDA/Sales of 28%

Start-up of tissue reels production on Cacia

Cost reduction program M2 continues with total estimated impact at 17 M€ YoY

Capex accelerating to 148 M€ (71M€ in Q3)

Net Debt / EBITDA at 1.65

Increase in ROE and ROCE to 19.6% and 17.3%
PULP PRICES STABILIZING

Pulp prices have been stable for the last 18 weeks and should remain high.

**PIX Europe**

**USD/ton BHKP**

- **Av. 2016:** 717 USD/ton (Var. W1-52: -16%)
- **Av. 2017:** 817 USD/ton (Var. W1-52: +51%)
- **Last PIX (W39):** 1050 USD/ton

**EUR/ton BHKP**

- **Av. 2016:** 673 €/ton (Var. W1-52: -13%)
- **Av. 2017:** 723 €/ton (Var. W1-52: +33%)
- **Last PIX (W39):** 896 €/ton

**YTD 9M 2018**

- Price increase in BHKP:
  - +5.7% in USD
  - +8.7% in Euros

**YoY 9M average price increase in BHKP:**

- +32% in USD
- +24% in Euros

Pulp prices have been stable for the last 18 weeks and should remain high.
PULP MARKET DURING Q3 2018

Global Context

• Increase in available pulp with ramp-up of new capacity
• Planned and unplanned production stoppages offset this new capacity
• Pulp price stable during the quarter

Chinese market

• Commercial war between China / USA impacting consumption of paper and board
• Devaluation of the Chinese Yuan makes pulp more expensive
• Industrial activity slows down

Structural Situation

Supply:
• 2019 and 2020 without any significant new pulp capacity planned
• Wood availability is an issue

Demand:
• YTD Aug. Demand for BEKP increased 4.7% (around 0.9 Mt); if annualized would translate into 1.4 Mt, higher than forecast
UWF CONTINUES ONE OF THE BEST PERFORMING GRADE IN P&W PAPERS

YoY ∆ %

TOTAL

-2.4%

UNCOATED WOODFREE

-0.2%

COATED WOODFREE

-5.1%

UNCOATED MECHANICAL

-3.8%

COATED MECHANICAL (Inc. SuperCalendered)

-3.5%

YTD August 2018

M ton

54.9

27.4

13.6

7.0

6.9

50%

Share UWF
On P&W global demand (exc. NP)

Source: PPPC; The Navigator Company
UWF Market Conditions

**Pulp Price**: Hardwood pulp prices remain at high levels supporting paper prices

**Demand**: Cool down in demand in Europe but pick up in the US

**Balance S/D**: North American producers continue to close capacity; average operating rates of 91% YTD; 92% in September

**Price Level**: Paper prices have been increasing all over the world;

**Order Book**: Order books remain comfortable for the industry and Navigator
UPWARD TREND IN PAPER PRICES IN 2017 AND 2018

EUROPEAN MARKET PAPER PRICE – A4 B-COPY

Last PIX (W39): 890 €/ton
Av. YTD 9M 2018: 863 €/ton (+7.2%)
Av. 2016: 822 €/ton (Var. W1-52: -3.5%)
Av. 2017: 819 €/ton (Var. W1-52: +4.1%)

Source: FOEX
NAVIGATOR PAPER PERFORMANCE IN 9M 2018

- **UWF sales volume of 1.137 kton** (-21.3 kton YoY) and **product mix improvement**:
  - **Premium products** share up to 55% (+6 pp YoY; +61 kton)
  - **Mill brands** up to 69% (+7.4 pp YoY; +46 kton)

- Navigator led **3 paper price increases in Europe** (January, March and July) and implemented several increases in **International markets and in the US**

- Average sales price increased **7.8% YoY** in spite of FX negative impact (USD impacted ~30% of paper sales); with constant exchange rate price increase would have been around 10%
PULP TURNOVER IMPACTED BY REDUCTION IN VOLUME

- **Pulp sales in volume of 177 kton**, 74 kton less YoY due to decreased availability of pulp:
  - Start of the year with no pulp stocks available
  - Maintenance downtime at Setúbal pulp mill in Q1
  - Extensive downtime for planned maintenance and capacity increase in Figueira da Foz in Q2, with the need to build up inventory
- Navigator’s **net price in 9M 2018 increased** +24% YoY
- Improvement in the weight of Decor and Special paper sales in Europe, **high contribution segments**, from 57% to 76% YOY
TISSUE BUSINESS IMPACTED BY PULP PRICE

- Global volume of tissue sold increased 9.2% YoY, while converted products grew by 23.6% already including converting sales from Cacia.
- **Average sales price 7% higher YoY** due to improvement in product mix (decreased weight of reels) and price increase.
- **Sales increased 17% to € 65 million (vs. € 55 million 9M 2017)**
- Operating margin impacted by rise in pulp price.

**Tissue Sales by market**
- Portugal 54% (-10% YoY)
- Spain 35% (+17% YoY)
- Other 11% (+531% YoY)

**Tissue Sales by segment**
- Reels 2% (9M 2017: 12%)
- AH 37% (9M 2017: 29%)
- AFH 61% (9M 2017: 59%)
EBITDA PERFORMANCE IN 9M - RECORD LEVEL

Positive impact of pulp and paper prices in EBITDA

Price effect includes 30 M€ negative impact of FX
PERMANENTLY FOCUSED ON OPERATIONAL EXCELLENCE

through cost reduction and efficiency - M2 program

Global 5 year target for 2016-2020: €100 million,
of which €43 million already achieved in 2016 & 2017

M2 program estimated impact
on EBITDA of €17.2 million YOY

143 new initiatives of cost reduction since the beginning of the year, with the following examples impacting EBITDA:

PM4 increase in efficiency (Setúbal): € 1 million

Chemical consumption optimization (Cacia): € 995 thousand

Optical Brightening Agents consumption reduction (F. Foz): € 716 thousand
FREE CASH FLOW AT € 161 MILLION

Free Cash Flow negatively impacted by high Capex and sizeable corporate tax payments, but positively impacted by cash from pellets sale.
**NET DEBT AT € 732 MILLION**

Net debt evolving positively in Q3, but increasing vs. end of 2017, due to € 200 M of dividend payment and € 148 M in Capex.

<table>
<thead>
<tr>
<th></th>
<th>Q4 2016</th>
<th>Q1 2017</th>
<th>Q2 2017</th>
<th>Q3 2017</th>
<th>Q4 2017</th>
<th>Q1 2018</th>
<th>Q2 2018</th>
<th>Q3 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>M €</td>
<td>641</td>
<td>617</td>
<td>738</td>
<td>742</td>
<td>693</td>
<td>559</td>
<td>740</td>
<td>732</td>
</tr>
<tr>
<td>Net debt</td>
<td>1,6</td>
<td>1,6</td>
<td>1,8</td>
<td>1,9</td>
<td>1,7</td>
<td>1,3</td>
<td>1,7</td>
<td>1,6</td>
</tr>
<tr>
<td>Net debt/EBITDA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---
DEBT PROFILE

Debt maturity profile
Total debt: €821 million
Average maturity: 2.9 years

Current Average Cost of Debt
(September 2018):
1.50%

Debt Rate Profile
(September 2018):
<table>
<thead>
<tr>
<th></th>
<th>Fixed</th>
<th>Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>333</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>227</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td>210</td>
<td></td>
</tr>
<tr>
<td>2024-2028</td>
<td>20</td>
<td></td>
</tr>
</tbody>
</table>

63% | 37%
9M 2018 – FINANCIAL RESULTS

Negative impact of € 10 million, resulting from:

- € 5 million currency hedging
- € 3.3 million related to the difference between the nominal and present value of the outstanding amount regarding the sale of the pellet business
- € 1.5 million loss from interest from Cash investments
CAPEX OF € 148 MILLION (VS. € 76 MILLION)
Q3/9M 2018 RESULTS PRESENTATION

01 Main Highlights

02 Market Outlook

03 Group Performance

04 Outlook
Outlook for Q4 2018

**PULP**

- Prices should remain stable at a high level

**TISSUE**

- Navigator implemented a price increase for November
- Start-up of integrated tissue mill will bring additional volumes

**PAPER**

- Positive outlook for UWF prices continue in 2018:
  - Navigator implemented another price increase in European markets in October
  - Order book remains solid

**OUTLOOK**

- No foreseeable change in market conditions for pulp and paper in the near future and **main concerns remain consequences of increasing trade tensions and impact on exchange rates**
- **Q4 main challenges:** reduction in volumes available for sale due to production stoppages and impact of Hurricane Leslie
SUBSEQUENT EVENTS

HURRICANE LESLIE’S LANDFALL

On October 13 and 14, Hurricane Leslie’s landfall in Portugal particularly affected Figueira da Foz, causing property damages at the Company’s industrial mill site located in that area. The mill had no supply of water, electricity or telecom services and consequently production was halted.

The Company proceeded immediately with the works required to repair the damages caused to the mill and on October 19th, managed to restart production at the pulp line and the paper machines.

This unexpected stoppage represented a loss of 9 thousand tons of pulp and 10 thousand tons of paper which will impact volumes available for sale during Q4.
Q3/9M 2018 RESULTS PRESENTATION

Back-up slides
# QUARTERLY FIGURES – YOY EVOLUTION

## Turnover (M €)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2017</th>
<th>2017</th>
<th>2018</th>
<th>2018</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3</td>
<td>397</td>
<td>427</td>
<td>385</td>
<td>432</td>
<td>435</td>
</tr>
<tr>
<td>Q4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## EBITDA (M €)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2017</th>
<th>2017</th>
<th>2018</th>
<th>2018</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3</td>
<td>102</td>
<td>104</td>
<td>111</td>
<td>115</td>
<td>115</td>
</tr>
<tr>
<td>Q4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Net Earnings (M €)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2017</th>
<th>2017</th>
<th>2018</th>
<th>2018</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3</td>
<td>50</td>
<td>62</td>
<td>53</td>
<td>66</td>
<td>52</td>
</tr>
<tr>
<td>Q4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## EBITDA/Sales (%)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2017</th>
<th>2017</th>
<th>2018</th>
<th>2018</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3</td>
<td>26%</td>
<td>25%</td>
<td>29%</td>
<td>27%</td>
<td>26%</td>
</tr>
<tr>
<td>Q4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## ROCE (%)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2017</th>
<th>2017</th>
<th>2018</th>
<th>2018</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3</td>
<td>13%</td>
<td>15%</td>
<td>17%</td>
<td>18%</td>
<td>19%</td>
</tr>
<tr>
<td>Q4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## ROE (%)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2017</th>
<th>2017</th>
<th>2018</th>
<th>2018</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3</td>
<td>17%</td>
<td>21%</td>
<td>18%</td>
<td>23%</td>
<td>18%</td>
</tr>
<tr>
<td>Q4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
CACIA TISSUE PROJECT UPDATE

Unfolding as expected

Successful book-building of new clients in Portugal, Spain, France and UK

MAIN UPDATES

Converting line started in May

Start-up of reels production in September 2018 – currently in ramp-up phase

4 converting lines already ongoing: two Domestics, Industrial and Napkins

Navigator becomes the 3rd largest producer in Iberia with production capacity of 130 kton reels and 120 kton converting
START-UP OF PULP EXPANSION AT F. FOZ

Project completed and ramping-up

Optimization Project 3
Ecoefficiency:
Total CAPEX of € 81.5 million

MAIN GOALS

Increase the annual pulp production from 580,000 to 650,000 tAD
Increase the efficiency of pulp process
Reduce wood and chemicals specific consumption
Implementation of BAT (ex: O₂ delign)
Environmental advantage for flue gas and liquid effluent emissions
Collection and burning of diluted odorous gases
DISCLAIMER

This presentation is intended to provide a general overview of The Navigator Company S.A.’s business and does not purport to deal with all aspects and details regarding The Navigator Company S.A.. Accordingly, no representation, undertaking or warranty, expressed or implied, is given by The Navigator Company S.A. or any of its subsidiaries’ undertakings, affiliates, directors, officers, employees or advisors or any other person as to the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation or of the views given or implied or any other material discussion in connection with this presentation.

This presentation has been prepared by The Navigator Company S.A. for information purposes only. The Navigator Company S.A. or any of its affiliates, directors, officers, employees or advisers or any other person shall not have any liability whatsoever (including in case of omission, negligence or otherwise) for any losses, errors or omissions howsoever arising, directly or indirectly, from any use of this presentation or its contents or otherwise arising in connection therewith or with respect to their reliance upon the completeness and accuracy of any such information, as well as any damages resulting hereof.