Q1 2019
Results Presentation
May 10th 2019
Increase in turnover (+9.6%) due to higher prices and higher volumes of pulp and tissue sold.

Recurrent EBITDA grows 3.3% YoY

Group restructures debt, diversifying sources of funds and extending maturity.

Total Capex of 32.5 M€

Dividend payment of 200 M€ approved in General Meeting

<table>
<thead>
<tr>
<th>In millions €</th>
<th>Q1 2019</th>
<th>Q1 2018</th>
<th>%CHANGE 19/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>421.8</td>
<td>384.9</td>
<td>9.6%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>104.9</td>
<td>110.9</td>
<td>-5.5%</td>
</tr>
<tr>
<td>EBITDA(without Pellets)</td>
<td>104.9</td>
<td>101.5</td>
<td>3.3%</td>
</tr>
<tr>
<td>EBITDA without Pellets /Sales</td>
<td>24.9%</td>
<td>26.4%</td>
<td>-1.5 pp</td>
</tr>
<tr>
<td>CAPEX</td>
<td>32.5</td>
<td>28.6</td>
<td>3.9</td>
</tr>
<tr>
<td>Remunerated Net Debt/EBITDA</td>
<td>1.51</td>
<td>1.32</td>
<td>-0.19</td>
</tr>
</tbody>
</table>
Q1 2019 Recurring EBITDA

Positive impact of pulp and paper prices in EBITDA more than offsets increase in costs (Energy, Wood and Fibres)

<table>
<thead>
<tr>
<th></th>
<th>Price</th>
<th>Volume</th>
<th>Costs &amp; Others</th>
<th>Rec. R19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rec. R18</td>
<td>102</td>
<td>23</td>
<td>4</td>
<td>-23</td>
</tr>
<tr>
<td>Rec. R19</td>
<td>105</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

€
PULP PRICES REMAIN AT A HIGH LEVEL

Pulp prices have been softening since the end of 2018, but remain at high levels.

**PIX Europe**

*Average Pulp price in Q1 2019 vs Q1 2018:*
- **-2.2%** in USD
- **+5.8%** in Euros
UPDATE ON THE PULP MARKET

• Global pulp shipments experienced a 0.5% fall in Q1 2019, with shipments to China decreasing 5.4% (BEKP – 10%)

• Slower economic growth and cool down in demand from China and Europe experienced since H2 2018, have contributed to a downturn in prices for both softwood and hardwood, which still occurred throughout Q1 2019

• Economic stimulus measures taken by the Chinese Government appear to positively impact Chinese consumption growth and should also lead to a growth in pulp consumption

• Pulp inventories show signs of decreasing, but still remain at high level and will take some time to come down
PAPER DEMAND IN 2019
UWF REMAINS ONE OF THE BEST PERFORMING GRADE IN P&W PAPERS

(\text{M tons})
\begin{tabular}{c|c|c|c|c|c}
 & \text{19.1} & \text{9.9} & \text{4.6} & \text{2.3} & \text{2.3} \\
\hline
\text{TOTAL} & \text{-6.2\%} & \text{-2.0\%} & \text{-9.8\%} & \text{-10.2\%} & \text{-11.4\%} \\
\text{UNCOATED WOODFREE} & & & & & \\
\text{COATED WOODFREE} & & & & & \\
\text{UNCOATED MECHANICAL} & & & & & \\
\text{COATED MECHANICAL} \text{(Inc. SuperCalendered)} & & & & & \\
\end{tabular}

Source: PPC; The Navigator Company
PAPER PRICES IN STABLE UPWARD TREND SINCE 2017

EUROPEAN MARKET PAPER PRICE – A4 B-COPY

Av. 2016: 823 €/ton (Var. W1-52: -3.5%)
Av. 2017: 815 €/ton (Var. W1-52: +4.1%)
Av. 2018: 873 €/ton (+9.0%)

Q1 2019 Average price increase in A4 B-COPY: +8.2%

Last PIX (W16 2019): 913 €/ton

Source: FOEX
UWF MARKET CONDITIONS

**Pulp Price**
Hardwood pulp prices remained at high levels even after year-end softening; since the start of the year, pulp prices are showing signs of picking-up, maintaining pressure on paper margins.

**Demand**
UWF continues to show the highest resilience among the major graphic papers; specifically, consumption in cut size registered a moderate growth in Europe of 0.2% YoY in Q1 2019.

**Balance S/D**
Several producers announced conversion / shutdowns of UWF in 2019 in Europe, US, Asia and Latin America; specifically, announcement from GP takes out of the market 572 Ktons starting in April and destocking should occur until May and real impact to be seen during Q3 2019.

**Price Level**
Paper prices remain stable, after the increase announced by all producers in January in Europe and in March in the US.

**Order Entry**
Order entry for office paper has registered some improvement since the beginning of the year.
Q1 2019 RESULTS PRESENTATION

01 Main Highlights
02 Market
03 Group Performance
04 Outlook
NAVIGATOR PAPER PERFORMANCE IN Q1 2019

• **UWF sales volume of 353 kton** (-8 kton YoY) due to production issues (slower ramp-up of heavyweights production and the strike at PM4 in Setúbal)

• **Price improvement allowed a 6% increase in paper turnover**

• In 2019, Navigator increased **paper price in Europe** (in January) and in the USA (in March)

• Navigator average sales price gained 8.5% YoY, with positive impact from price increases implemented in all geographies, positive evolution of FX and market mix

• Growth in the weight of mill brands to 69% (+1pp YoY)
PULP TURNOVER IMPACTED BY REDUCTION IN VOLUME

• Pulp production evolved positively YoY (+7%) with no maintenance stoppages affecting Q1 2019

• Pulp sales increased to 62 kton (+17% YoY)

• Even though market pulp price evolved negatively in USD (-2.2%), pulp index gained 5.8% in Euros due to FX evolution

• Navigator’s net price in 2019 evolved positively and Sales stood at € 40 million
GROWTH IN THE TISSUE BUSINESS

- Global volume of tissue sold increased to 23.7 kton (76% YoY), sustained by new capacity in Aveiro
- **Sales increased 75% to € 33million** (vs. € 18.9 million Q1 2018)
- YoY significant price increase in Converted products and Reels; higher percentage of reels in global sales impacted negatively average price
COST EFFICIENCY PROGRAM M2 CONTINUES

M2 program estimated impact on EBITDA of €2.9 million in Q1 2019

Global 5 year target for 2016-2020: €100 million,
of which €64 million already achieved in 2016, 2017 & 2018

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

Speed increase in paper machines (FFoz)

Optimization of paper and wood logistics
CAPEX OF € 32.5 MILLION (VS € 28.6 MILLION)

CAPEX

M €

32.5
19.2
8.6
4.7

CAPEX
Maintenance & recurring capex
Regulatory Capex
Expansion/Development Capex*

* Includes Po3 + Tissue Cacia + Heavy Weights
FREE CASH FLOW AT € 9.9 MILLION

Free Cash Flow negatively impacted by capex, inventories and state reimbursements (VAT & Income tax)

Free Cash Flow

<table>
<thead>
<tr>
<th>Category</th>
<th>€</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cash Flow</td>
<td>88</td>
</tr>
<tr>
<td>CAPEX</td>
<td>-32.5</td>
</tr>
<tr>
<td>Inventories</td>
<td>-27.4</td>
</tr>
<tr>
<td>Clients</td>
<td>5.3</td>
</tr>
<tr>
<td>Suppliers &amp; others</td>
<td>27.4</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>9.9</td>
</tr>
</tbody>
</table>
NET DEBT AT € 677 MILLION

Remunerated net debt decreased € 6 million vs Q4 2018
Remunerated Net Debt / Ebitda of 1.5 remains at comfortable level

<table>
<thead>
<tr>
<th></th>
<th>Net debt</th>
<th>Net debt/EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 2016</td>
<td>641 M €</td>
<td>1.6</td>
</tr>
<tr>
<td>Q1 2017</td>
<td>617 M €</td>
<td>1.6</td>
</tr>
<tr>
<td>Q2 2017</td>
<td>738 M €</td>
<td>1.8</td>
</tr>
<tr>
<td>Q3 2017</td>
<td>742 M €</td>
<td>1.9</td>
</tr>
<tr>
<td>Q4 2017</td>
<td>693 M €</td>
<td>1.7</td>
</tr>
<tr>
<td>Q1 2018</td>
<td>559 M €</td>
<td>1.3</td>
</tr>
<tr>
<td>Q2 2018</td>
<td>740 M €</td>
<td>1.7</td>
</tr>
<tr>
<td>Q3 2018</td>
<td>732 M €</td>
<td>1.6</td>
</tr>
<tr>
<td>Q4 2018</td>
<td>683 M €</td>
<td>1.5</td>
</tr>
<tr>
<td>Q1 2019</td>
<td>677 M €</td>
<td>1.5</td>
</tr>
</tbody>
</table>
DEBT RESTRUCTURING

**Debt maturity profile**
Average maturity December 2018: 2.6 years
Average maturity as of today: 4.2 years

- **New debt facilities** in the total amount of €455 million;
- **Extension of maturities**: New debt facilities average life between 5 to 7 years (vs an average maturity of 2.6 years in the end of 2018);
- **Significant increase** in the share of **fixed rate debt**: 83% Fixed vs 17% variable;
- **Cost reduction** (vs cancelled loans); **current average cost of debt** of 1.70%;
- **Diversification** of our financial counterparties.
Q1 2019 RESULTS PRESENTATION

01 Main Highlights
02 Market
03 Group Performance
04 Outlook
Outlook for 2019

**PULP**

Pulp demand expected to pick-up moderately in H2 2019, subject to improvement in economic growth (namely in China).

**PAPER**

Navigator implemented another price increase in European markets in January and announced another one in the US for March.

Market should remain balanced with positive impact of capacity closures & conversions announced for 2019: Europe (-200 kton), Asia (-750 kton), Latin America (-180 kton) & USA (-570 ktons).

**TISSUE**

Consolidation of new operations; increase in global sales as the industrial operations matures.

2019 CHALLENGES

Planned prolonged stoppages in Setúbal and Aveiro pulp mills and in Setúbal and Figueira da Foz paper mills during Q2.

Production costs remain a priority: besides M2, a Zero Based Budget Project was launched with the goal to implement cost reduction initiatives for fixed costs (reduction to be materialized in 2020).
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.