PARTICIPATION

Executive Directors

- Diogo da Silveira
- António Redondo
- Nuno Santos
- João Paulo Oliveira

Investor Relations

- Joana Appleton
Q4/FY 2018 RESULTS PRESENTATION

01 Main Highlights
02 Market
03 Group Performance
04 Outlook
2018: a record year for turnover, EBITDA and net profit

Lower volumes of pulp and UWF paper due to production stoppages

Average price for pulp, paper & tissue improved and offset production loss

Total Capex of 216 M€ with conclusion of expansion projects

Strong generation of FCF of € 211 million

<table>
<thead>
<tr>
<th>In millions €</th>
<th>YEAR 2018</th>
<th>YEAR 2017</th>
<th>%CHANGE 18/17</th>
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<tbody>
<tr>
<td>Turnover</td>
<td>1.692</td>
<td>1.637</td>
<td>3.3%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>455</td>
<td>403</td>
<td>12.7%</td>
</tr>
<tr>
<td>EBITDA/SALES</td>
<td>26.9%</td>
<td>24.7%</td>
<td>2.2 pp</td>
</tr>
<tr>
<td>ROCE</td>
<td>16.2%</td>
<td>13.6%</td>
<td>2.6 pp</td>
</tr>
<tr>
<td>CAPEX</td>
<td>216.5</td>
<td>114.7</td>
<td>101.8</td>
</tr>
<tr>
<td>Net Debt/EBITDA</td>
<td>1.50</td>
<td>1.72</td>
<td>-0.22</td>
</tr>
</tbody>
</table>
Showing consistent and strong financial growth in the last 10 years, Navigator recorded in 2018 record values for turnover and EBITDA.

FINANCIAL PERFORMANCE IN 2018: A RECORD YEAR

Turnover in Million €.

EBITDA in Million €.

+49%

+68%
Q4/FY 2018 RESULTS PRESENTATION

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PULP PRICES REMAIN AT A HIGH LEVEL

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

YoY 2018 average price increase in BHKP:
+26% in USD
+21% in Euros
UPDATE ON THE PULP MARKET

Global Market Situation

Supply:

• During 2018, the increase in pulp supply came from the ramp-up of new capacity (built in previous years); there are currently no significant new pulp capacity planned for 2019 and 2020

• Supply was restricted by planned and unplanned production stoppages throughout the year

Demand:

• Demand was strong during most of 2018, namely for BHKP (+2.5% Est.), cooling down in Q4, mainly driven by slow down in China (downtimes from paper and board producers and destocking effect from end-users)

• This led to lower pulp prices at the end of 2018

• Recently, actions from pulp producers such as production curtailments and domestic stock increases contributed to a re-balance of pulp prices; specifically, actions taken by the current world pulp production leader, Suzano, have contributed to improve market stability
PAPER DEMAND IN 2018
UWF REMAINS ONE OF THE BEST PERFORMING GRADE IN P&W PAPERS

<table>
<thead>
<tr>
<th>(M tons)</th>
<th>81.4</th>
<th>40.5</th>
<th>20.1</th>
<th>10.2</th>
<th>10.6</th>
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<tbody>
<tr>
<td>TOTAL</td>
<td>81.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UNCOATED WOODFREE</td>
<td>-3.6%</td>
<td>-0.8%</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>COATED WOODFREE</td>
<td></td>
<td>-7.4%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UNCOATED MECHANICAL</td>
<td></td>
<td></td>
<td>-4.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>COATED MECHANICAL (Inc. SuperCalendered)</td>
<td></td>
<td></td>
<td></td>
<td>-5.2%</td>
<td></td>
</tr>
</tbody>
</table>

50% Share UWF
On P&W global demand (exc. NP)

YoY %

Source: PPC; The Navigator Company
**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.

**DEMAND**

UWF demand in 2018 was stronger in the US than in Europe; in the second half, demand rebounded in Europe namely in Cut-Size.

**BALANCE S/D**

North American producers continue to close capacity; recent announcement from GP will take out of the market 8% capacity in NA.

**PRICE LEVEL**

Paper prices increase announced by all producers for beginning January in Europe and for March in the US.

**ORDER BOOK**

Order entry in the first month of January 2019 was 1.6% above 2018.
UPWARD TREND IN PAPER PRICES IN 2017 AND 2018

EUROPEAN MARKET PAPER PRICE – A4 B-COPY

Last PIX (W5 2019): 917 €/ton

Av. 2018: 873 €/ton (+9.0%)

Av. 2017: 815 €/ton (Var. W1-52: +4.1%)

Av. 2016: 823 €/ton (Var. W1-52: -3.5%)

YoY 2018 average price increase in A4 B-COPY: +7%

Source: FOEX
Q4/FY 2018 RESULTS PRESENTATION

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NAVIGATOR PAPER PERFORMANCE IN FY 2018

• UWF sales volume of 1.513 kton (-65 kton YoY) with product mix improvement:
  + **Premium products** share up to 54% (+5 pp YoY; +47 kton)
  + **Mill brands** up to 69% (+7 pp YoY; +47 kton)

• Navigator led 4 paper price increases in Europe (January, March, July & October) and implemented several increases in International markets and in the US

• Average sales price increased 8.5% 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 253 kton**, 58 kton less YoY due to decreased availability of pulp:
  - **Start of the year with no pulp stocks available**
  - **Extensive downtime for planned maintenance at Setúbal pulp mill** in Q1 and **maintenance downtime and capacity increase in Figueira da Foz in Q2**, with the need to build up inventory
  - **Downtime due to Leslie hurricane in Figueira da Foz in Q4**

- Navigator’s **net price in 2018 increased** +24% YoY

- Sales mix improvement: increase in the weight of Decor and Special paper sales in Europe, **high contribution segments**, from 62% to 73% YOY
Overall tissue performance in 2018 impacted by the rise pulp prices (non-integrated capacity) and start-up of new tissue mill (which doubled the Group’s nominal tissue capacity)

Global volume of tissue sold increased 14% YoY, while converted products grew by 27% already including converting sales from new mill

Average sales price 7,5% higher YoY due to improvement in product mix (decreased weight of reels) and price increase; Sales increased 23% to € 91million (vs. € 74 million 2017)
2018 - RECORD LEVEL OF EBITDA

Positive impact of pulp and paper prices in EBITDA
Price effect includes 25 M€ negative impact of FX

* Others include change in biological assets (namely Mozambique)
PERMANENTLY FOCUSED ON OPERATIONAL EXCELLENCE

through cost reduction and efficiency - M2 program

**M2 program** estimated impact
on EBITDA of **€20.8 million** YOY

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

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

- **Reduction of softwood consumption (F.Foz):** €2.5 million
- **New pile chips management system (F.Foz):** €2 million
- **Overall logistics optimization (shipping/inland transportation):** €2.2 million
FREE CASH FLOW AT € 211 MILLION

Free Cash Flow negatively impacted by high Capex, but positively impacted by cash from pellets sale

Free Cash Flow

Operating Cash Flow: €377.2
CAPEX: -€216.5
Inventories: -€33.8
Clients: -€50.4
Suppliers & others: €134.5
Free Cash Flow: €211.1
NET DEBT AT € 683 MILLION

Net debt evolving positively in Q4, decreasing € 49 million Q4/Q3 and € 10 million YoY after € 216 million Capex
Current Average Cost of Debt
(December 2018): 1.60%

Debt Rate Profile
(December 2018):

<table>
<thead>
<tr>
<th></th>
<th>Fixed</th>
<th>Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>68%</td>
<td>32%</td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td></td>
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</tr>
<tr>
<td>2022</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td>210</td>
<td></td>
</tr>
<tr>
<td>2024</td>
<td>10</td>
<td></td>
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<tr>
<td>2025-2028</td>
<td>10</td>
<td></td>
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</tbody>
</table>
2018 – FINANCIAL RESULTS

Negative impact of € 14,8 million, resulting from:

- € 10 million change in currency hedging costs compared with 2017
- € 3.3 million change in market value of Cash investments
- € 1.5 million related to the difference between the nominal and present value of the outstanding amount regarding the sale of the pellet business
CAPEX OF € 216 MILLION (VS. € 115 MILLION)

* Includes Po3 + Tissue Cacia + Heavy Weights
START-UP OF PULP EXPANSION AT F. FOZ

Optimization Project 3

**Ecoefficiency:**

Total CAPEX of € 82 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
# HEAVYWEIGHTS

**exploring new business opportunities**

<table>
<thead>
<tr>
<th>Conversion of PM3</th>
<th>HeavyWeights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conversion of PM3 in Setúbal Paper Mill</td>
<td>Production of Heavy Weights paper (135g to 300g/m²)</td>
</tr>
</tbody>
</table>

**Total estimated CAPEX**

| 12 M€ |

**GOAL**

| 35kton in cruise year |
CONCLUSION OF NEW AVEIRO TISSUE MILL

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

RECAP

Total Capex: €126

Converting line started in May

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

4 converting lines: two Domestics, Industrial and Napkins

Navigator becomes the 3rd largest producer in Iberia with production capacity of 130 kton reels and 120 kton converting
MoU signed with the Government of Mozambique to study precedent conditions for phase 1

“Best endeavours” commitment to achieve project readiness by December 31st unreachd

Recording in 2018 accounts of impairment related to biological assets of €6.7 million recorded + €12 million provision

**Phase 1: Woodchip Mill**

Investment: USD 260 M

Start-up in 2023

40,000 ha planted area
Outlook for 2019

**PULP**

- Prices should remain stable at a high level

**TISSUE**

- Navigator successfully implemented a price increase announced for end 2018
- Ramp-up of integrated tissue mill will bring additional volumes

**PAPER**

- Stable outlook for UWF prices in 2019:
  - Navigator implemented another price increase in European markets in January and announced another one in the US for March
  - 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**
  
  **2019 challenges:** increase volumes available for sale; higher costs for energy and wood
AIMING TO BECOME A CARBON NEUTRAL COMPANY

After ATF (largest photovoltaic solar plant in an industrial setting in Portugal) NVG installed a new solar plant in Espirra

- **Installed capacity**: (ATF + Espirra)
  - 2.2 MW + 113kW
- **Solar Photovoltaic Panels**:
  - 8800 + 352
- **Electricity cost avoidance (Year)**:
  - 264,000 € + 20,000€
- **CO2 avoidance (Year)**: (ATF)
  - 1140 tons of CO2 avoided year
FOCUSED ON BUILDING THE FUTURE BIO-ECONOMY

- Plantation trees
- Forestry residues
- 1 tonne wood
- Biorefinery
- Chemicals & energy recovery (combustion)
- Biomass deconstruction & separation processes
- Pulp Fibers
- Paper
- Tissue
- Market pulp
- Heat and electricity
- Pulping By-products
- Biomass components
- Biochemicals
- Bioproducts
- Biomaterials

Examples of bioproducts from biorefinery

- Essential oils
- Sugars for bioethanol and bioplastics
- Thermoplastic bio composites
- Lignin-based foams for thermo insulation
- Bacterial cellulose for biomedical applications
- Nanocellulose for paper coating and food additives
EUCALYPTUS ESSENTIAL OILS PROJECT

Expected conclusion: 2019
CAPEX: €5 million

- Forest
- Eucalyptus' leaves
- Biorefinery
  Oils extraction
- Distribution and Sales

547 M€ Market
8.7% CAGR
QUARTERLY FIGURES – YOY EVOLUTION

Turnover (M €)

<table>
<thead>
<tr>
<th></th>
<th>Q4 2017</th>
<th>Q1 2018</th>
<th>Q2 2018</th>
<th>Q3 2018</th>
<th>Q4 2018</th>
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<tbody>
<tr>
<td>Q4</td>
<td>427</td>
<td>385</td>
<td>432</td>
<td>435</td>
<td>439</td>
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EBITDA (M €)

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<tr>
<th></th>
<th>Q4 2017</th>
<th>Q1 2018</th>
<th>Q2 2018</th>
<th>Q3 2018</th>
<th>Q4 2018</th>
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<tr>
<td>Q4</td>
<td>104</td>
<td>111</td>
<td>115</td>
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Net Earnings (M €)

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

EBITDA/Sales (%)

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

<table>
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<tr>
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<th>Q4 2017</th>
<th>Q1 2018</th>
<th>Q2 2018</th>
<th>Q3 2018</th>
<th>Q4 2018</th>
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<tr>
<td>Q4</td>
<td>15%</td>
<td>17%</td>
<td>18%</td>
<td>19%</td>
<td>13%</td>
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ROE (%)

<table>
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<th>Q1 2018</th>
<th>Q2 2018</th>
<th>Q3 2018</th>
<th>Q4 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4</td>
<td>21%</td>
<td>18%</td>
<td>23%</td>
<td>18%</td>
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