



Navios Maritime Holdings Inc.

# *Navios Maritime Holdings Inc.*

*Exiting Fleet Ownership:  
Sale of Dry Bulk Fleet*

*Investor Presentation  
July 28, 2022*



# Forward Looking Statements

This presentation contains and our call will contain forward-looking statements (as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended) concerning future events, including with respect to the expected completion of the sale of the fleet to Navios Partners and the expected redemption or repayment of the vessel loans and Senior Notes prior to or at maturity using the proceeds thereof, expected cash flow generation, Navios Holdings' expected use of proceeds from the transaction and Navios Holdings' growth strategy and measures to implement such strategy. Words such as "may," "expects," "intends," "plans," "believes," "anticipates," "hopes," "estimates," and variations of such words and similar expressions are intended to identify forward-looking statements. Such statements include comments regarding expected revenue and time charters. These forward-looking statements are based on the information available to, and the expectations and assumptions deemed reasonable by Navios Holdings at the time these statements were made. Although Navios Holdings believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. These statements involve known and unknown risks and are based upon a number of assumptions and estimates, which are inherently subject to significant uncertainties and contingencies, many of which are beyond the control of Navios Holdings. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to risks relating to: the potential inability to obtain any necessary third-party consents to the transfers of one or more of the vessels to be sold to Navios Partners; global and regional economic and political conditions including the impact of the COVID-19 pandemic and efforts throughout the world to contain its spread, including effects on global economic activity; demand for seaborne transportation of the products we ship; the ability and willingness of charterers to fulfill their obligations to us; prevailing charter rates; shipyards performing scrubber installations, drydocking and repairs; changing vessel crews and availability of financing; potential disruption of shipping routes due to accidents, wars, diseases, pandemics, political events, piracy or acts by terrorists, including the impact of the COVID-19 pandemic and the ongoing efforts throughout the world to contain it; uncertainty relating to global trade, including prices of seaborne commodities and continuing issues related to seaborne volume and ton miles; our continued ability to enter into long-term time charters; our ability to maximize the use of our vessels; expected demand in the dry cargo shipping sector in general and the demand for our Panamax, Capesize, Ultra Handymax and Handysize vessels in particular; the aging of our fleet and resultant increases in operations costs; the loss of any customer or charter or vessel; the financial condition of our customers; changes in the availability and costs of funding due to conditions in the bank market, capital markets and other factors; increases in costs and expenses, including but not limited to: crew wages, insurance, provisions, port expenses, lube oil, bunkers, repairs, maintenance, and general and administrative expenses; the expected cost of, and our ability to comply with, governmental regulations and maritime self-regulatory organization standards, as well as standard regulations imposed by our charterers applicable to our business, general domestic and international political conditions; competitive factors in the market in which Navios Holdings operates; the value of our publicly traded subsidiaries; risks associated with operations outside the United States; and other factors listed from time to time in Navios Holdings' filings with the Securities and Exchange Commission, including its Forms 20-F and Forms 6-K. Navios Holdings expressly disclaims any obligations or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Navios Holdings' expectations with respect thereto or any change in events, conditions or circumstances on which any statement is based. Navios Holdings makes no prediction or statement about the performance of its common stock or debt securities.



# Exiting Fleet Ownership: Sale of Dry Bulk Fleet

## ➤ Sold dry bulk fleet

- 36 vessels: 26 owned and 10 chartered-in with purchase options<sup>(1)</sup>
- \$835.0 million aggregate consideration
- Sale proceeds to be used for reduction of liabilities
- The transaction was negotiated and unanimously approved by a special committee of the board of directors consisting of independent directors and also approved by the full board of directors

## ➤ Navios Holdings - post transaction

- Exiting fleet ownership
- Focusing on growing Navios Logistics
  - ✓ 63.8% controlling equity stake since 2008
  - ✓ fully consolidated into Navios Holdings financial statements
- Holding 10.3% equity stake in Navios Partners

## ➤ Navios Logistics, one of the largest logistics providers in Hidrovia region of South America

- Unique infrastructure comprising of port terminal facilities, barge and cabotage fleet
- Favorably located assets: Nueva Palmira terminal a critical infrastructure asset
- Long-term 'Take-or-Pay' contract with Vale
- Favorable market backdrop to support growth
- Compelling growth opportunities

## ➤ Position in Navios Partners

- Excellent potential economic returns
- Compelling investment in a well-positioned diversified maritime company

(1) Owned include five vessels on bareboat-in contracts, purchase options include two charter-in vessels with right of first refusal and profit share on sale of the vessel



# Improving Prospects for Navios Logistics

- **Global focus on food security expected to drive agricultural volumes**
- **Grain port experienced increased demand in 2022 YTD**
  - 49% y-o-y growth in grain port terminal volumes in H1 2022
    - ✓ Driven by increased Uruguayan exports and top-off volumes thanks to the draft advantage of Nueva Palmira port compared to other river ports
  - Expectations for solid grain export growth in the 2022/2023 crop year, including a full recovery of the Paraguayan crop that failed this year
- **Positive outlook for iron ore port terminal and barge transportation**
  - Revived interest in Hidrovia region's mineral assets
    - ✓ Ex-Vale Corumba mines should increase production under J&F ownership
    - ✓ Vetria continues to export through Navios terminal
    - ✓ 4B Mining, a new player, commenced exports through Navios terminal
- **Gradually improving river conditions**
  - Water levels higher than 2020 and 2021, yet below their historical average

***Navios Logistics can leverage its unique infrastructure assets to service increased demand from existing clients and to develop new businesses***



# 10.3% Equity Ownership in Navios Partners

- **Compelling investment in a well positioned diversified maritime company**
- **Excellent potential upside based on analysts' NAV estimate**
  - Market value = \$75 million<sup>(1)</sup>
  - NM stake based on Analysts' NAV<sup>(2)</sup> = ~\$360 million
    - ✓ ~ 5x potential valuation upside over current market price
- **Resilience through diversification**
  - Optimizing chartering strategy
  - Capturing cyclical opportunities
  - Countering segment specific volatility
  - Strong balance sheet, low leverage
- **Favorable industry dynamics**
  - Low order book and buoyant demand in dry bulk market
  - Strong containership market, with large order book creating challenges ahead
    - ✓ Navios Partners is hedging market risk through long term charters
  - Recovering tanker market
    - ✓ Asset values anticipate recovery
    - ✓ Global oil demand expected to revive to pre-pandemic levels in 2023

(1) As of July 26, 2022

(2) Analysts' latest available estimates of Navios Partners' NAV per unit: Fearnley Securities \$135; Arctic Securities \$86; Jefferies \$122.3



# Transaction Details

## ➤ \$835.0 million sale of dry bulk fleet

- \$784.2 million expected reduction of the following liabilities:
  - ✓ \$441.6 million bank debt and finance leases<sup>(1)</sup>
  - ✓ \$262.6 million mandatory repayment of loans<sup>(2)</sup>
  - ✓ \$80.0 million repayment at maturity of 11.25% Senior Secured Notes
- Remaining balance subject to working capital adjustments at closing
- Closing to be completed in two tranches
  - ✓ 1<sup>st</sup> tranche on July 29, 2022
  - ✓ 2<sup>nd</sup> tranche within Q3 2022
- The transaction was negotiated and unanimously approved by a special committee of the board of directors consisting of independent directors and also approved by the board of directors; The special committee selected Latham & Watkins LLP as legal advisors and Arctic Securities AS as sole financial advisors

## ➤ Financial benefits

- Taking advantage of a strong sale and purchase market in dry bulk
- Strengthening the balance sheet by repaying debt – no short-term maturities
- Solidifying liquidity position
- ~\$100.0 million estimated net book gain to be recorded in Q3 2022<sup>(3)</sup>

(1) Assumed by Navios Partners, includes bank debt and finance lease liabilities as well as obligations deriving from bareboat arrangements on a finance lease basis as of June 30, 2022, to be adjusted with repayments until the closing of the transaction

(2) Due to N Shipmanagement Acquisition Corp. and its subsidiaries, an entity affiliated with Navios Holdings' Chairwoman and Chief Executive Officer

(3) The estimated impact is subject to change based on the finalization of the transactions and the evaluation of the accounting treatment.



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