

ASX Announcement

31 October 2024

Navigator Global 2024 Annual General Meeting

Chairman's Address

Good morning ladies and gentlemen, and thank you for joining us. My name is Michael Shepherd, Chairman of Navigator Global Investments or NGI. On behalf of the Board of Directors, I am pleased to welcome you to the Company's 2024 Annual General Meeting.

Today, I'm joined, either in person or virtually, by my fellow Directors:

- Stephen Darke, Chief Executive Officer and Managing Director;
- Sean McGould, Chief Executive Officer and Chief Investment Officer, Lighthouse Partners;
- Nicola Meaden Grenham, Independent Non-Executive Director;
- Suvan de Soysa, Independent Non-Executive Director;
- Lindsay Wright, Independent Non-Executive Director; and
- Marc Pillemer, Non-Executive Director.

Also present today are:

- Ross Zachary, Chief Investment Officer & Head of NGI Strategic Investments;
- Amber Stoney, Chief Financial Officer & Company Secretary; and
- Nathan Young, our Audit & Assurance Partner from Ernst & Young, is also present and available to answer any questions about the audit, the auditor's report, the accounting policies adopted in the financial statements and the Auditor's independence.

Today we will begin with a few words from me, followed by our CEO Stephen Darke who will review the Company's performance in FY24 in more detail.

We will then proceed to the formal business of the meeting, after which shareholders will have the opportunity to ask general questions that may be unrelated to the specific resolutions.

Slide 6 - FY2024 Highlights

FY24 was again a year of change for NGI, the company completed the acquisition of all remaining interests in the six managers stakes acquired in 2021 from Blue Owl, two and a half years ahead of the original scheduled settlement date.

This was an important transaction that contributed to strong financial results in FY24, and which has enabled NGI to strengthen its balance sheet and improve its ability to support the execution of our growth strategy.

The transaction delivers the full earnings of the NGI Strategic Portfolio, equating to an additional \$34.3 million of distribution income earned by NGI in FY24. Even when taking into account the new shares issued as consideration for the transaction, it was EPS accretive.

In FY24, NGI delivered a record Adjusted EBITDA of US\$90.5 million, up 85% year-on-year and ahead of the

upgraded earnings guidance provided in June 2024. Earnings per share grew by 15%, and the Board was pleased to declare a final dividend of 3.0 cents per share in line with our stated dividend policy.

Following the announcement of the transaction, NGI made several key changes to the senior executive team to add further leadership capability and enable a greater focus on the Lighthouse and NGI Strategic businesses. In October 2023, we welcomed Stephen Darke as CEO of NGI. Based in Australia, Stephen brings deep expertise in alternative asset management and leads efforts to expand NGI's global growth initiatives, with a focus on the Australian market.

Sean McGould, who was previously the CEO of both NGI and its wholly-owned subsidiary, Lighthouse Investment Partners, has transitioned to focus fully on the ongoing evolution and expansion of Lighthouse, which continues to perform well in a challenging environment. We thank Sean for his leadership over the past 15 years, as his vision has been key in evolving Navigator into the diversified platform of alternative managers that it is today. Sean continues in his role as an executive director of NGI and remains a significant shareholder.

Our Board also saw some changes this year. In addition to Stephen Darke joining as Managing Director, Lindsay Wright joined as an independent non-executive director. In March 2024, Marc Pillemer joined the Board as a nominee director of Blue Owl. Cathy Hales resigned from the Board in October 2023 to pursue a full-time executive role, and we extend our gratitude for her contributions and wish her well in her future endeavours.

The Board now consists of seven members, including four independent directors, bringing a diverse range of skills and experience critical to Navigator's continued growth and global diversification within the alternative asset management sector. The Board remains committed to strong governance and Board renewal and will continue to evaluate the skills and experience necessary to steward the Company's ongoing growth.

On behalf of my fellow Board members, I would like to thank the management team for their diligence and commitment in a transformative year for NGI.

I also would like to acknowledge our dedicated employees, whose hard work and focus have been instrumental in driving Navigator's success.

Thanks also to you, our shareholders, for your continued support of the Company. We are excited about the future and confident in the continued evolution and growth of our business.

I will now hand over to our CEO, Stephen Darke.

CEO's Address

Thank you Chairman, and good morning everybody.

Since joining the business in October last year, I have enjoyed being part of a dynamic team operating a business in a relatively new but fast growing sector of investment management – the acquisition and management of a portfolio of ownership stakes in leading established asset managers globally.

There are meaningful tailwinds supporting both the broader Alternative asset management industry, and firms like Navigator that support the growth of their partner firms.

In this exciting environment, and with the support of our strategic partners, I look forward to helping develop and accelerate Navigator's growth and success.

Slide 8 - The Year in Summary

As the Chair mentioned, FY24 was a watershed year for NGI, with the completion of the transformative transaction and strong underlying momentum from our Partner Firms positioning the Company for continued growth.

This momentum was reflected in:

1. Financial outperformance, reflecting the earnings power of the business;
2. Strong investment performance generated consistently across our Partner Firms;
3. Successful action taken to strengthen NGI's balance sheet and materially increase our free cash flow to support continued growth and increase EPS for shareholders; and
4. Alternatives are the fastest-growing segment in asset management and are projected to generate over 55% of global industry revenues by 2027. As the only pure-play alternatives firm listed on the ASX, NGI remains focused on partnering with leading alternative asset managers globally, expanding our portfolio of Partner Firms, and benefitting from the secular shifts towards Alternatives.

Our 11 Partner Firms collectively manage AUD 110 billion across 42 strategies and 199 investment products. During the year, our managers established, and raised capital for, new strategies in commodities, royalties, and real estate in a difficult fundraising environment globally. With established platforms, our firms are identifying scalable adjacent opportunities to drive organic growth, and we are excited to see how those new initiatives translate into organic growth of our Partner Firms in the coming years.

NGI Partner Firms' strategies typically have low correlation to global equity and fixed income markets and to one another, ensuring resilience throughout market cycles. Private credit remains a standout, consistently attracting strong capital flows, while hedge funds, particularly those led by top-tier managers offering uncorrelated returns, are gaining traction given the increased market volatility over the last 12 months.

Slide 9 - FY2024 Financial Results

NGI's ownership-adjusted AUM increased 3% during FY24 to USD 26.2 billion as at 30 June 2024, driven by strong investment performance.

Revenue grew by 46% to USD 172.3 million. After upgrading earnings guidance in June, we were pleased to report Adjusted EBITDA of USD 90.5 million, an 85% increase from the prior year and 4% ahead of upgraded guidance.

Pro forma Adjusted NPAT per share reflects EPS accretion year-on-year of 9%, despite equity issuance during the year.

Key drivers of this result include increasing AUM and management fees across NGI Strategic and Lighthouse, consistent performance fees across market cycles, and strong distributions from the NGI Strategic portfolio, including an additional \$34.8 million from early settlement of the NGI Strategic Portfolio acquisition in January this year. Private market investments contributed USD 11.5 million, more than doubling their prior year results.

It was especially pleasing to see not just a lack of pressure on fee rates across NGI's portfolio, but indeed increasing average fee rates for both Lighthouse and NGI Strategic, reflecting the sustained demand by investors for quality performing alternative managers and strategies. Given the challenges facing the traditional asset management sector, and the sectors and leading positions within those sectors that NGI's partner firms occupy, I believe we are well placed to continue to grow and maintain their strong fee yields.

Slide 10 – AUM Growth

In a challenging fundraising environment globally, NGI's ownership-adjusted AUM increased 3% in the 12 months to 30 September 2024 – with growth across all segments but particularly reflected in our NGI Strategic Private Markets managers.

Looking ahead, NGI expects institutional investors globally to increase their exposure to high-quality firms that diversify equity risk and generate alpha in uncertain market conditions. NGI has four key earnings drivers:

1. Increased net inflows across Partner Firms
2. Positive sustainable investment performance generating fund returns and resilient performance fees at high rates
3. High operating margins and improving profitability at Partner Firms as they scale
4. Investments in additional Partner Firms bringing additional fee-paying AUM, further diversifying and strengthening our revenue base

NGI's unique position as the owner of a portfolio of scaled, alpha-generating asset managers enables us to drive earnings and AUM growth, even in a climate of lower net inflows.

Slide 11 – Indicative Revenue Composition

Our Partner Firms have strong alignment with the economic performance of their strategies and the returns they generate for investors. NGI shares in the profitability and growth of those firms alongside the founders and principals.

All of our Partner Firms have strategies that generate annual performance fees – accordingly, NGI receives revenues derived from both management fees and performance fees.

Over the past three years, base management fees have grown at a compound annual growth rate (CAGR) of 8%, in line with AUM growth, with improved fee yields across both Lighthouse and NGI Strategic. Two-thirds of NGI's revenues now come from management fees, which are recurring in nature, and are generated from a diversified portfolio.

NGI has consistently generated core performance fees, thanks to our Partner Firms' investment performance achieved across market cycles. The uncorrelated nature of their strategies and the diversified portfolio provide a resilient source of income for Navigator, and we expect this to continue.

Slide 12 – Sustainable Growth Driving Value Creation

Disciplined and measured capital allocation is central to our strategy. By investing in areas of highest growth and return, we have, and can continue to, create material incremental value. Valuation and an aligned acquisition structure are fundamental in the consideration of potential new Partner Firm investments. We remain focused on those managers that provide further diversity and scale to the portfolio, with a preference for those who generate a higher proportion of base fee related earnings, and longer locked up capital from their investors. We are prudent and measured in our identification, assessment and execution of new investments as these are important, long-term investments with material upside if underwritten diligently.

NGI's competitive advantages including our strategic relationship with Blue Owl, proprietary origination network globally, and strong permanent capital and cashflow position enable us to deliver differentiated profitability to our shareholders in any market.

NGI's earnings stability is driven by portfolio diversification, alignment of interest with our Partner Firms and their founders/principals, and the high cash generation from alternative asset management firms with scalable, capital-light business models.

Our FY24 results underscore the earnings power of NGI's business model, with growing AUM, increased profitability, and robust performance by our Partner Firms. We expect continued AUM growth and resilient management and performance fee revenues.

I am proud of our performance in 2024, and I believe NGI has established a strong platform for future success. We are working on some exciting growth initiatives and look forward to sharing those developments with you.

I would like to thank Mike, Sean, and the rest of the Board for their commitment and guidance this year. I have enjoyed the strategic partnership with Blue Owl and am looking forward to working with them to grow NGI.

Thanks to the NGI management team, the NGI and Lighthouse Partners team globally, and we congratulate our underlying Partner Firms for their continued success in 2024.

Thanks to you, our shareholders, for your continued support and interest.

With that, I'll hand back to the Chairman for the formal business of the meeting.

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