



龍蟠百利源
Lomon Billions

30 years of TiO_2 pigment manufacturing experience
- growing fast and investing in the future

www.lomonbillions.com



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Lomon Billions today and recent highlights



Lomon Billions

- 4 partially integrated pigment plants in China
- 13 sulfate and 2 chloride pigment products:
- 700kt pigment capacity
- Shenzhen Stock Exchange: US\$3.9bn market cap

H1 2018 Highlights

- Revenues of US\$1,651m
- EBITDA of US\$666m
- Net debt of US\$460m

Market position

#4 by global capacity

#1 in Asia

#1 in China

#1 pigment producer

#1 chloride pigment producer

#1 pigment exporter

#3 ilmenite producer

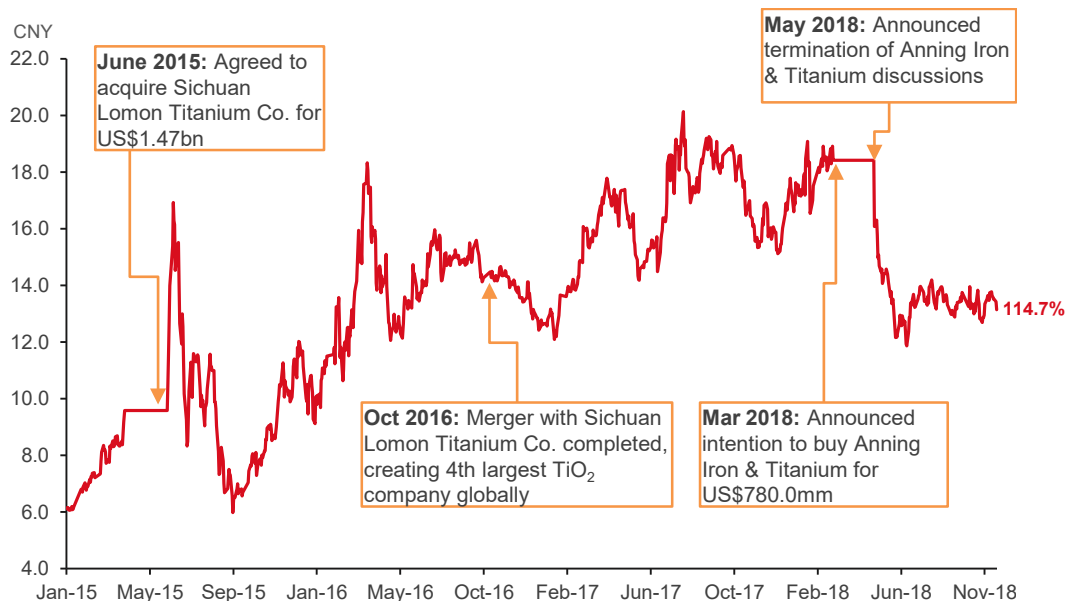


Corporate snapshot

Lomon Billions is closely held and largely owned by management



Share price chart

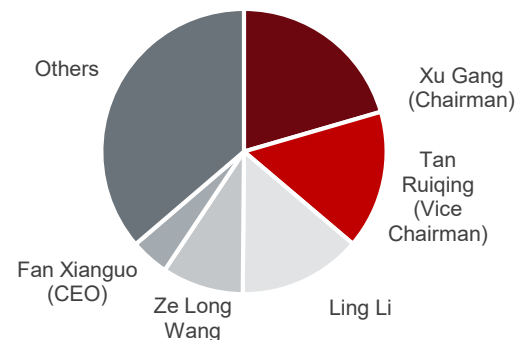


Capitalisation table (19 November 2018)

Listed on Shenzhen since 2011

Share price (CNY/US\$)	13.43/1.94
NOSH (m)	2,032.0
Market cap. (US\$m)	3,932.2
Net debt (US\$m)	460.3
Enterprise value (US\$m)	4,392.4
1 year high/low (CNY)	19.09/11.87

Top shareholders

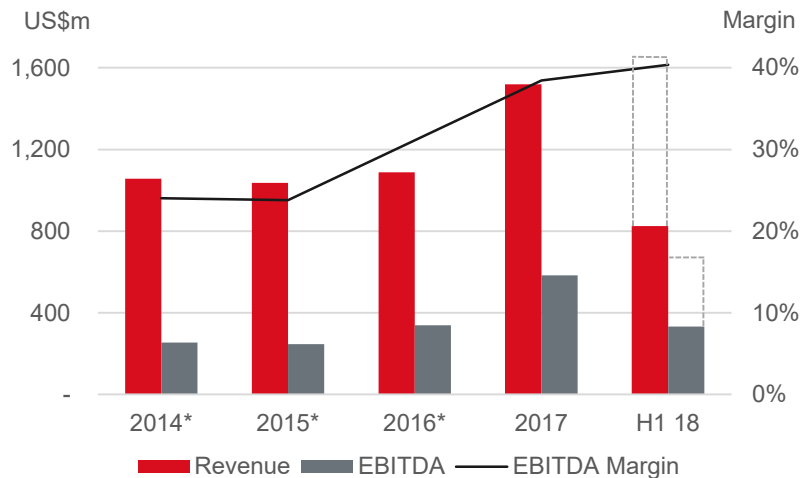


Key financial results

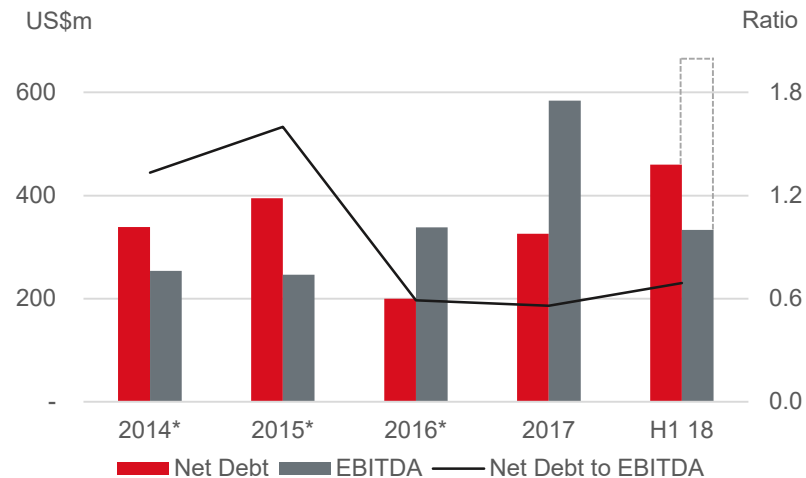
Strong earning growth and low leverage



Revenue and EBITDA



Net Debt / EBITDA (x)



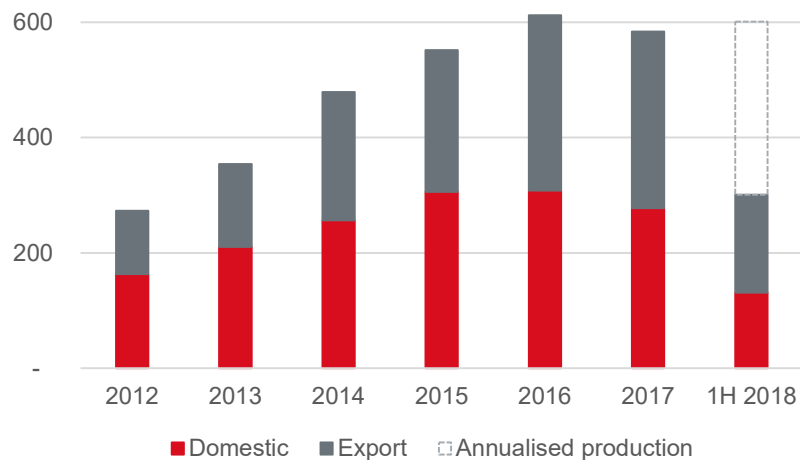
* Proforma Lomon Billions: Sichuan Lomon Titanium + Henan Billions

Key operational results

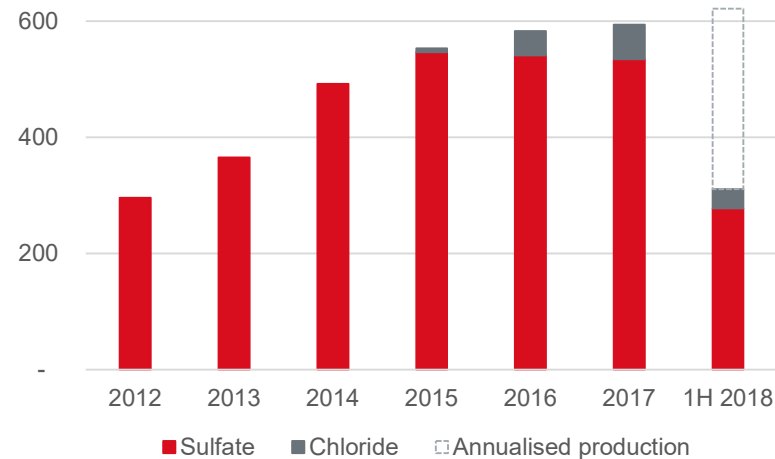
Rapid historical growth, chloride supplementing sulfate



Pigment sales by market ktpa



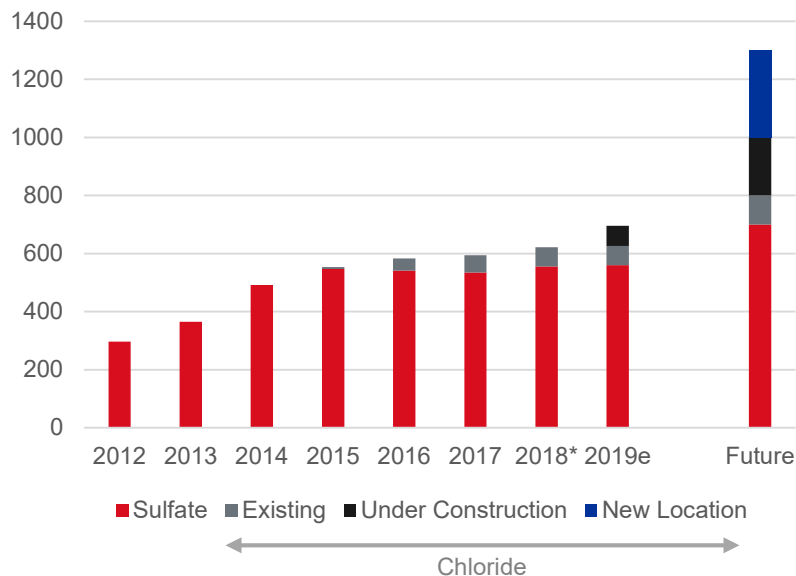
Pigment production by technology ktpa



Chloride pigment expansion



Pigment production by technology ktpa



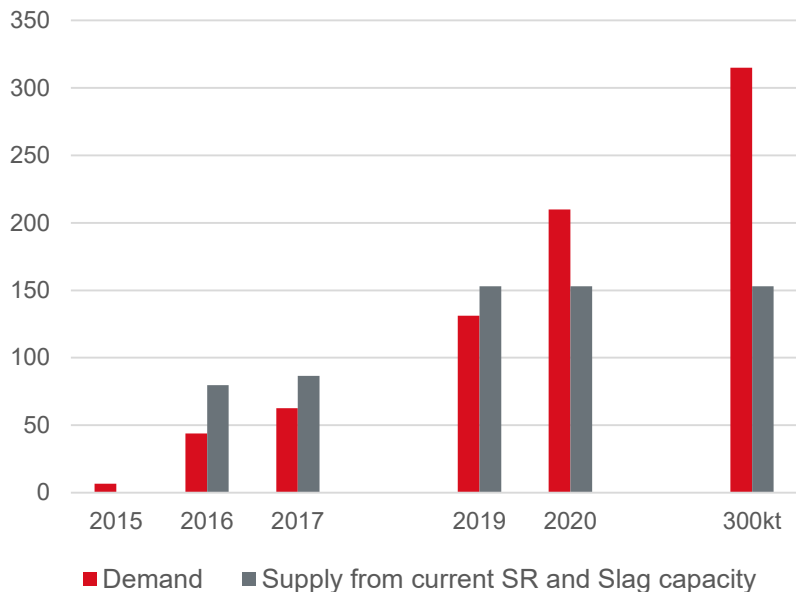
- Existing 100kt tonne capacity line will produce ~65kt in '18
- 200kt chloride pigment expansion
- Two new 100ktpa chloride pigment lines
- Total investment 1.812 billion RMB
 - (~US\$285 million at approval – Feb 2018)
- Expected start up timing
 - Commissioning in Q1 19
 - First line to start in Q2 19, commercial production in 2H 19
 - Second line to start in 2H 19
 - Incremental chloride pigment production in '19 of 60 – 80kt
 - Non-coating products
- Total chloride pigment production of 125 to 145kt in '19

* 1H 2018 annualised

Feedstock Integration



Feedstock 000's TiO₂ Units



Current

- Around 2/3 integrated for sulfate feedstock
- Existing 100kt tonne capacity line will produce ~65kt in '18
- Currently long chloride feedstock
- Buying ilmenite feed for smelter and synthetic rutile
- 200kt chloride expansion will reduce self sufficiency

Long Term

- Target capacity to feed 600,000 tpa of chloride pigment
- Expand upgrading capacity in China and overseas
- Buy or build ilmenite resources suitable for upgrading

Environmental inspections










- Enforcement of existing regulations
- Central teams applying rules consistently
- Long term positive for sophisticated producers
- Focus shifting to target specific polluters not 'areas' or 'industries'
 - For example 26+2 cities air quality restrictions last winter (2017/2018)
 - Some area and industry restrictions still expected this winter (2018/2019)

Lomon Billions Response

- Continuous investment to ensure compliance, 17/18 examples include
 - Waste gas desulphurisation and denitrification
 - Waste gas dust collection
 - Ultra-low emissions refit for reduction kiln
 - Replacement of conveyors and bag filters to reduce dust
 - Wastewater treatment upgrades at all pigment plants
- Minimises risk to Lomon Billions of specific inspection impacts
 - Ongoing risk of area or industry restrictions

Peer comparison



US\$m	 Chemours	 龍蟠石利德 Lomon Billions	 KRONOS	 TRONOX	 VENATOR
Exchange	 NYSE	 SHE	 NYSE	 NYSE	 NYSE
Domicile	Delaware, USA	Henan, China	Texas, USA	Connecticut, USA	UK
Market cap	5,006	3,932	1,481	1,306	591
Net debt	2,724	460	34	2,088	545
EV	7,736	4,392	1,515	3,566	1,145
Gearing (Debt / Equity)	3.5x	0.4x	0.5x	3.6x	0.8x
Revenue FY17	6,183.0	1,576.5	1,729.0	1,698.0	2,209.0
EBITDA FY17	1,345.0	612.1	379.5	367.0	215.0
<i>EBITDA margin (%)</i>	21.8%	38.8%	21.9%	21.6%	9.7%
ROI FY17	20.8%	16.7%	25.3%	4.6%	5.0%
ROI FY 18 ¹	27.1%	16.8%	26.9%	7.4%	11.0%
2017 Production (Kt)	987	594	545	433	716
Production split (Chloride / Sulfate)	100% / 0%	10% / 90%	75% / 25%	100% / 0%	29% / 71%

Peer comparison



	Chemours	Lomon Billions	KRONOS	TRONOX	VENATOR
6 months	(44.3%)	(17.6%)	(48.8%)	(41.4%)	(69.5%)
1 year	(43.7%)	(14.5%)	(55.4%)	(60.9%)	(76.5%)
2 years	25.9%	(2.3%)	6.1%	(3.5%)	NA
3 years	388.5%	49.0%	105.8%	129.9%	NA
Mkt cap (US\$m)	5,005.9	3,932.2	1,481.3	1,305.5	590.6
Net debt (US\$m)	2,724.0	300.6	33.6	2,088.0	545.0
EV (US\$m)	7,735.9	4,260.7	1,514.9	3,565.5	1,144.6



Note: All prices rebased to 100 ; Source: Capital IQ as of 19 November 2018



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Thank You