February 21st
2025

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CFA Research Challenge 2025

Industrie De Nora S.p.A (BIT: DNR)

Agility & green technologies for value creation

BUY

69.58% Upside

Current price: €7.12
Target price: €12.07

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Overview

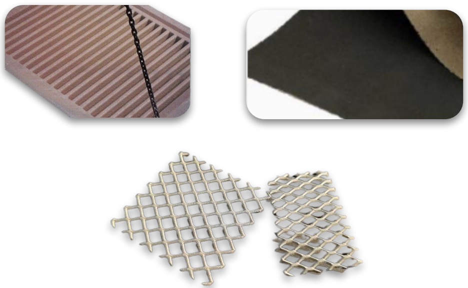
Business Unit

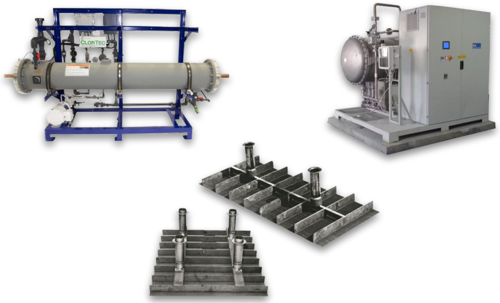
Electrode Technologies

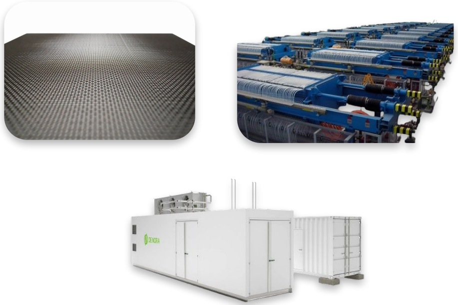
Water Technologies

Energy Transition

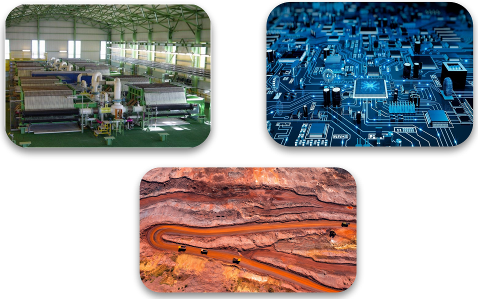
Products







Applications

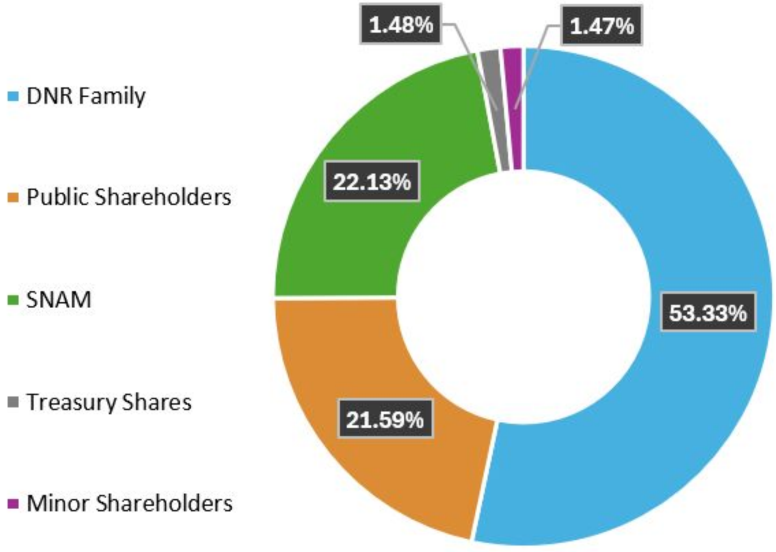


Business Overview

Strategic pillars GPR

1. **Growth & Leading Market Positioning**
2. **Product Leadership**
3. **Manufacturing Expansion**
4. **Sustainability Implementation**

Ownership breakdown

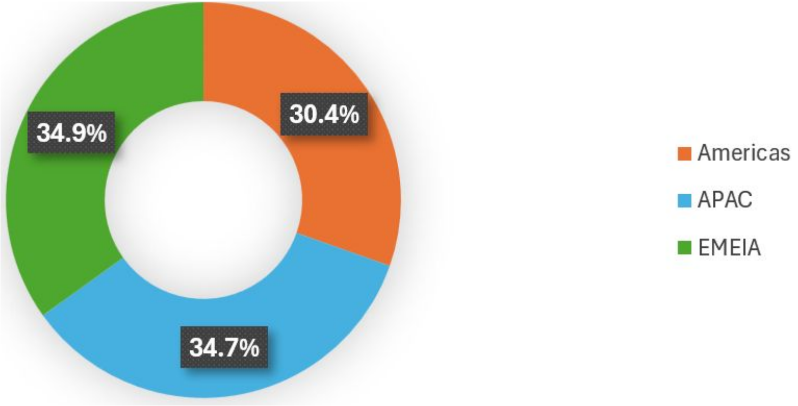


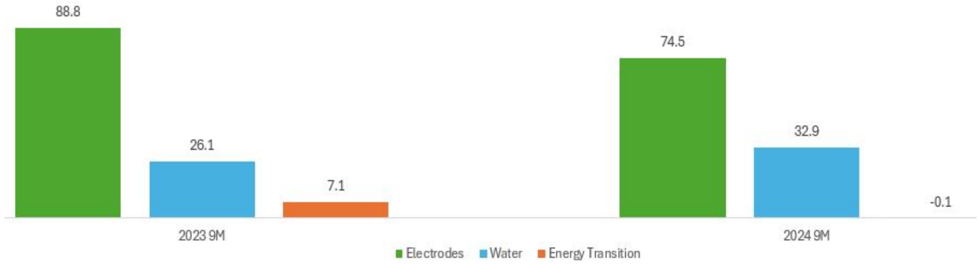
Source: 9M 2024 Results

Business Overview

Geographical presence

Cost and Revenue drivers





NEOM PROJECT

Location: Neom, Saudi Arabia.

Objective: A futuristic fully stable city.

DNR Role: Applying cell electrolyzers.

Production start: 2026 (expected).

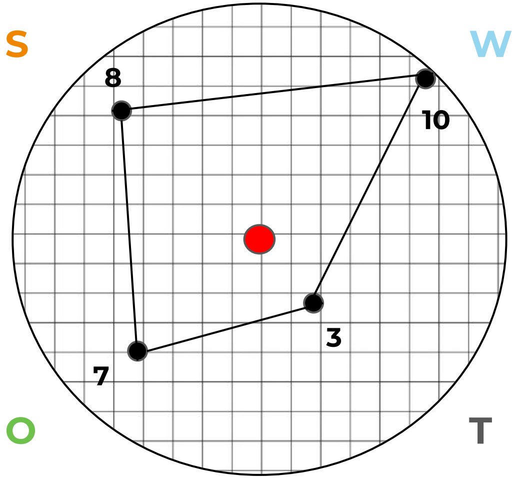
Participation in **transformative projects** like **NEOM** signals its commitment to shaping the future of renewable energy and sustainable infrastructure.

SWOT Analysis

SWOT Matrix

Strengths	Weaknesses
Strong R&D Leader in ET Tyss. Nucera Joint V.	Green hydrogen friction Uncertainty: i) Market saturation ii) Scalability
Opportunities	**Threats**
Leverage env. policies Incr. demand for electrolyzers	Delayed market growth High upfront/sunk costs Volatility in industry

Factor Priority



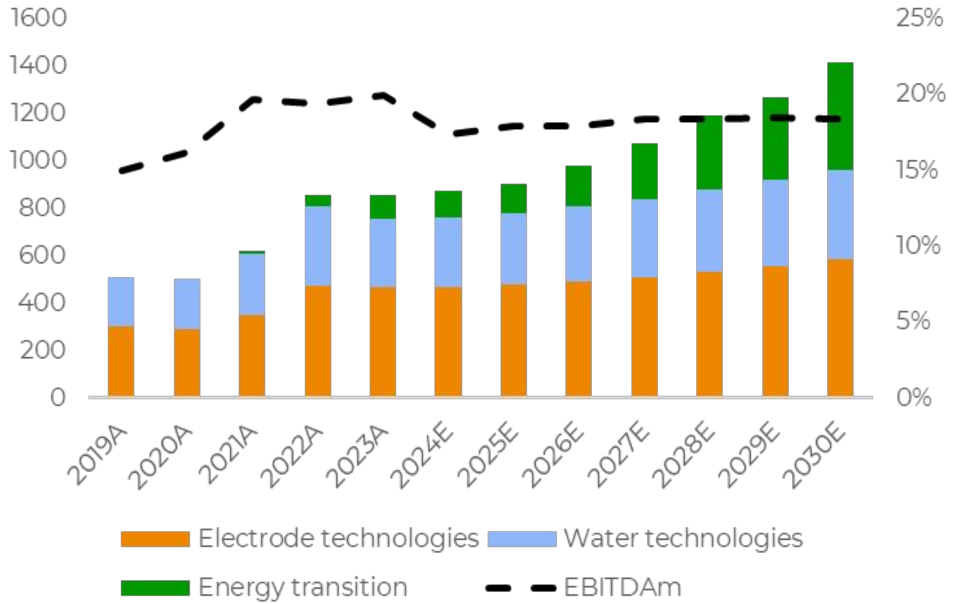
Financials

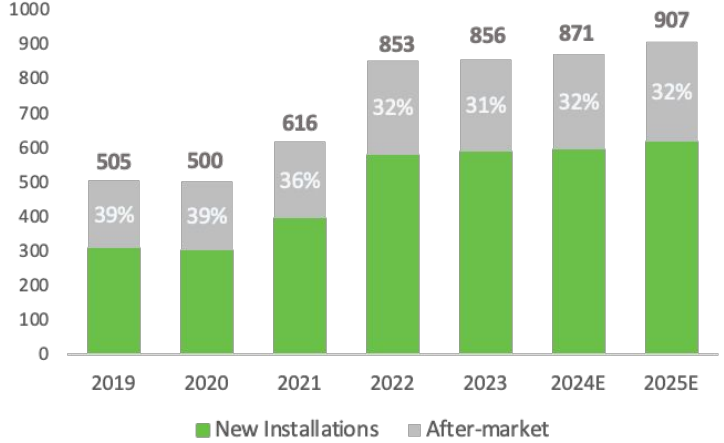
CAGR over the last 8 years:
10.14%

Expected revenue FY24E:
€869.6M

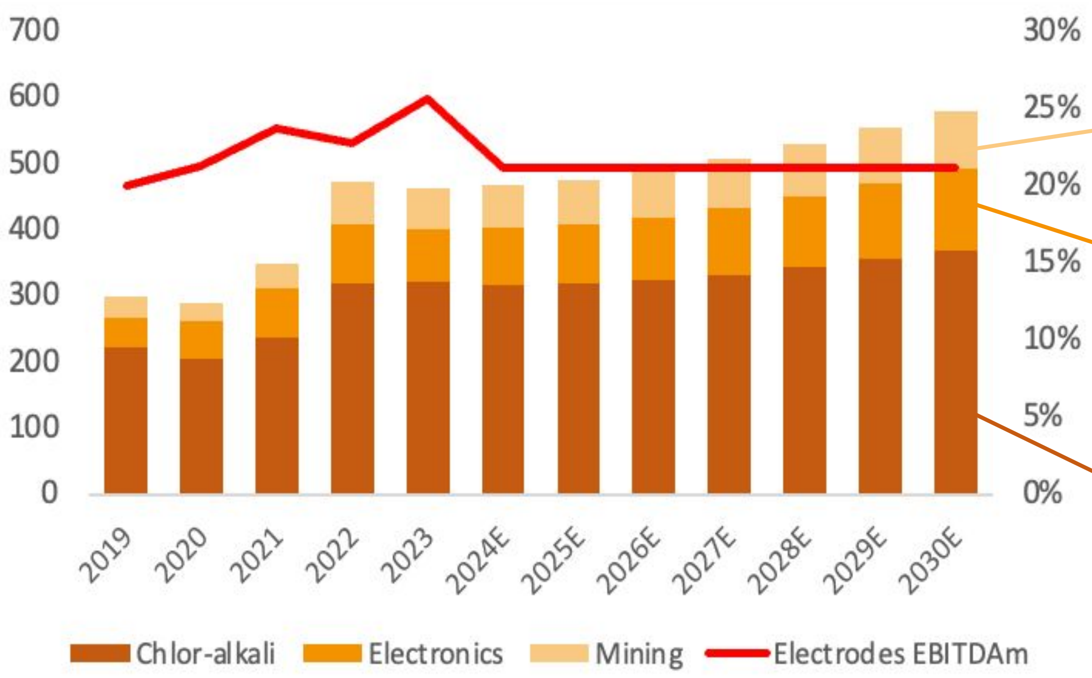
Expected EBITDA FY24E:
€151.0M

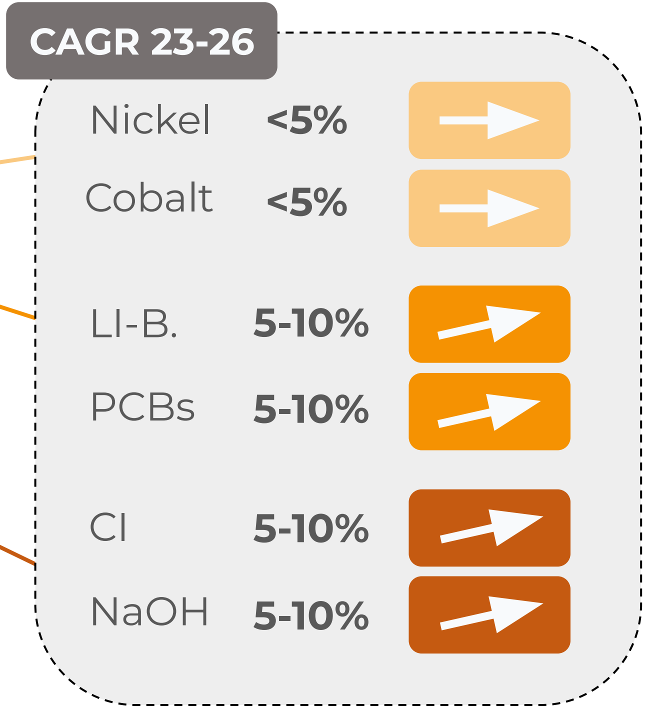
DNR' **revenues** are **growing** steadily thanks to divisions' **expansion** and stable **recurring profits**...



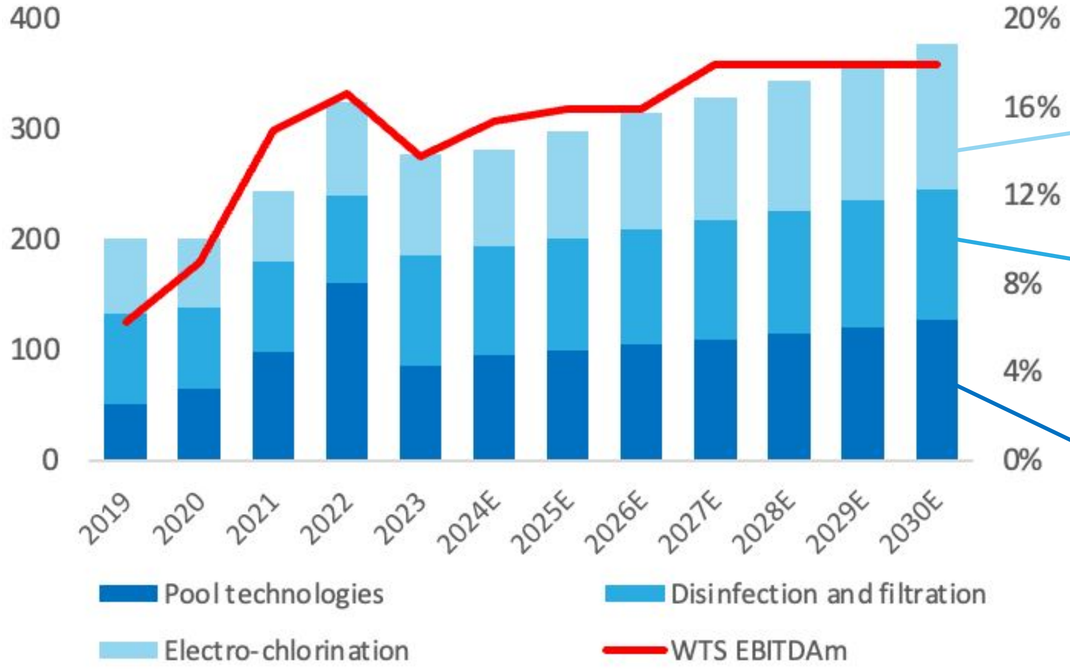


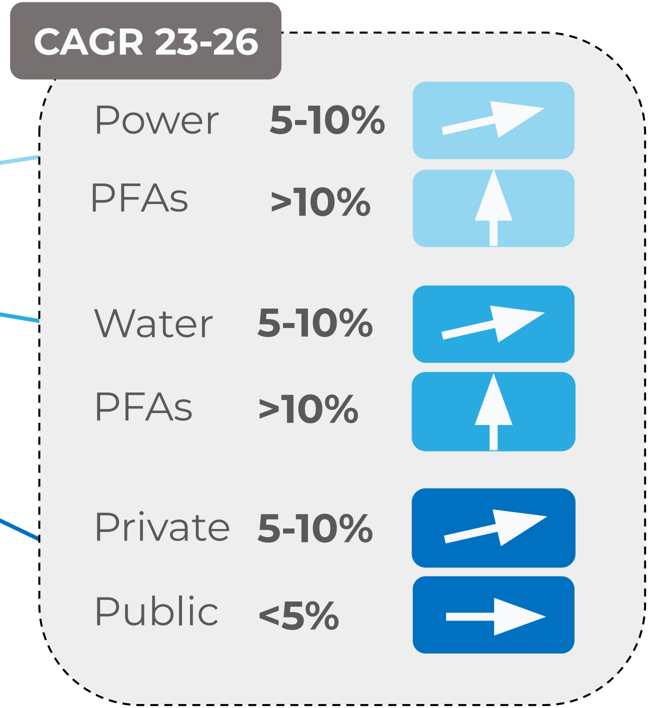
…Electrodes segment is growing its dominance through Chlor-Alkali **extension**, and post-COVID Electronics **recovery**, while **competition** may moderate long-term growth…



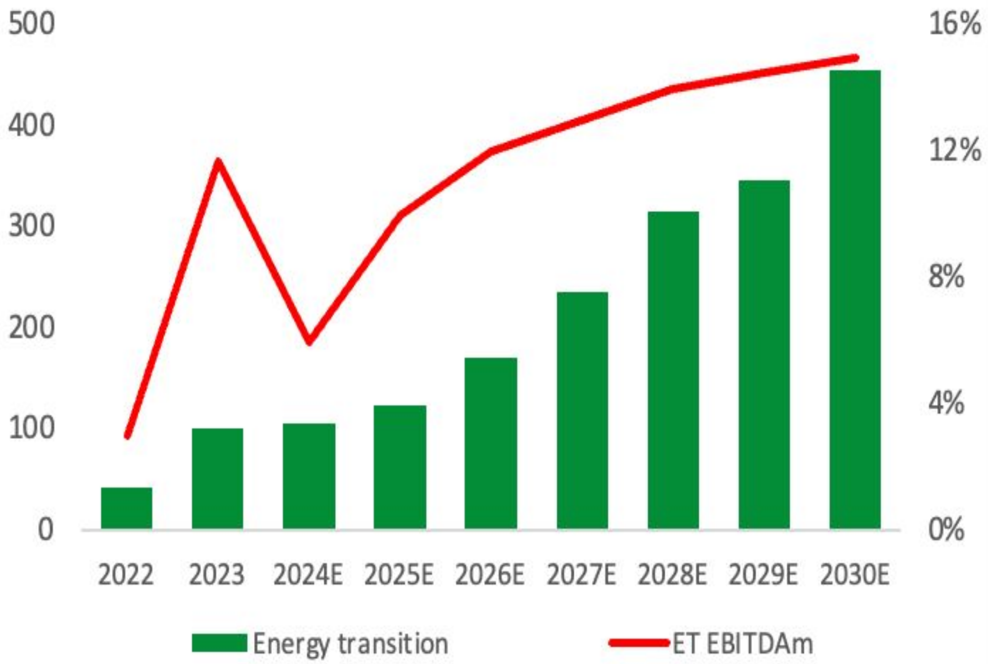


…Water segment is **expanding** with **PFAs**-driven demand and high-margin **aftermarket** services, new PFAS regulations are **boosting demand** for DNR's solutions…





...DNR is **broadening** its global footprint and investing heavily in **green hydrogen** technology, positioning itself as a **key player** in the accelerating Energy transition...



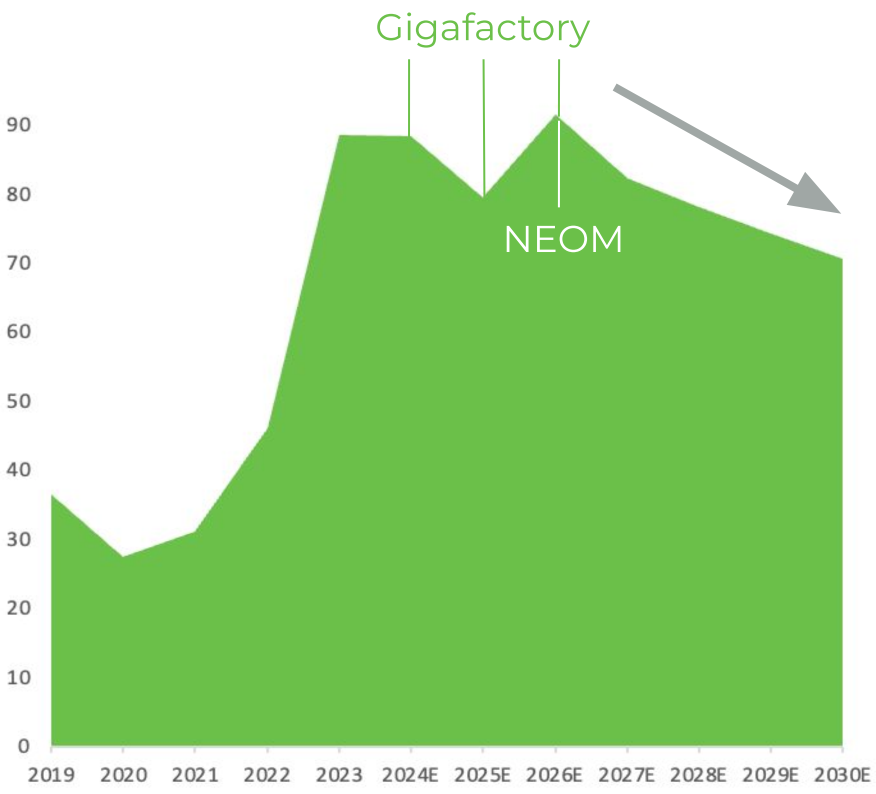
thyssenkrupp nucera

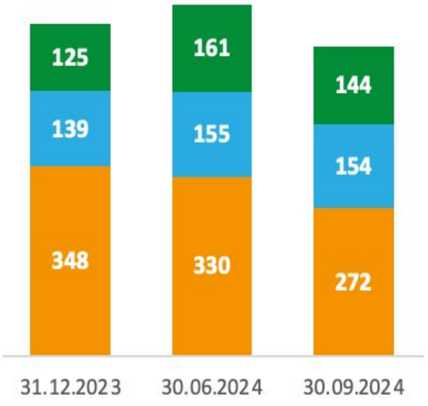
...with **strategic partnerships** to grow...

...offering **new solutions** to the market...

...with a backlog of **large-scale projects**

CapEx

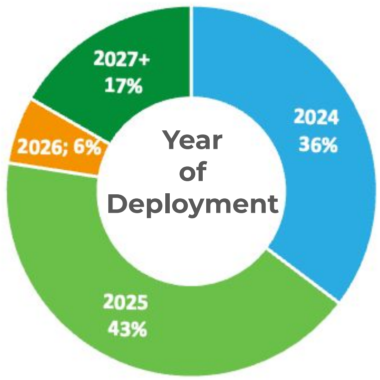




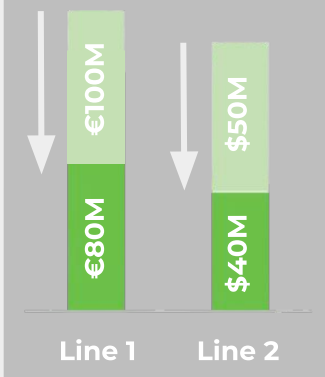
Backlog

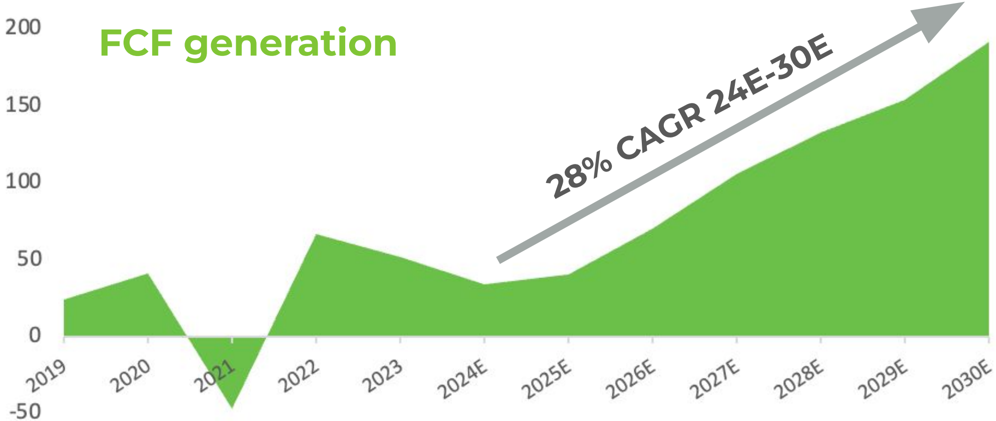
Decrease throughout the year due to significant share of **deployment**

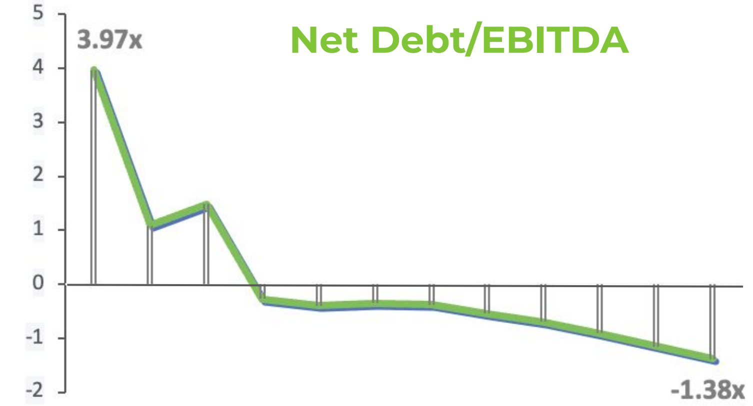
With more to come in next years with a following **smooth slowdown**

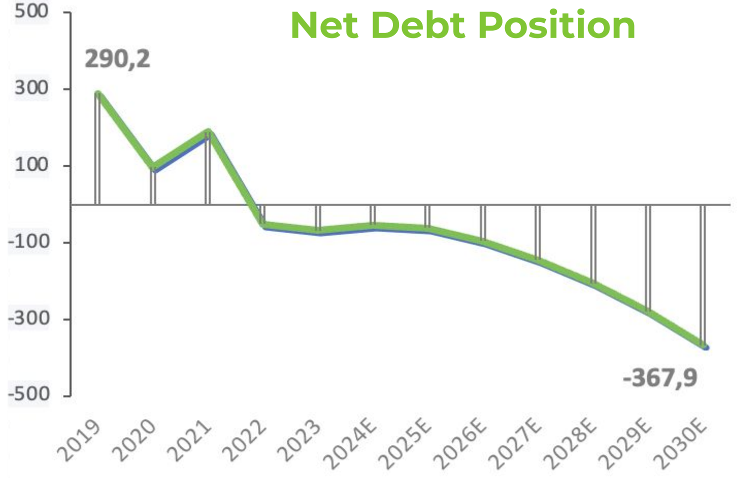


DNR is reducing debt and reinforcing liquidity through **positive FCF** and significant **repayments**, driving a **declining Net Debt/EBITDA ratio**. With ongoing buybacks, the company is well-positioned for shareholder returns and financial stability.





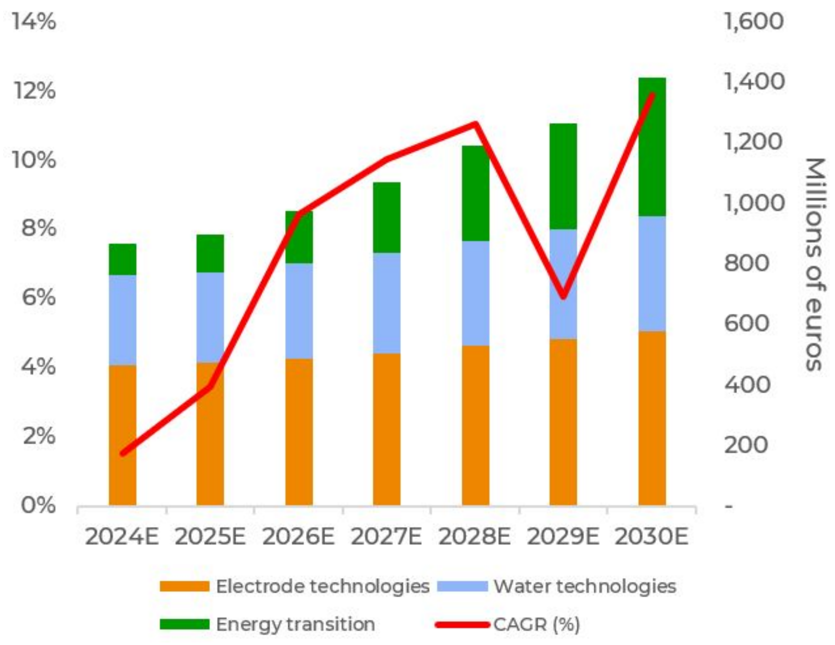




Valuation

Expected Financial Performance: FY24 - FY30

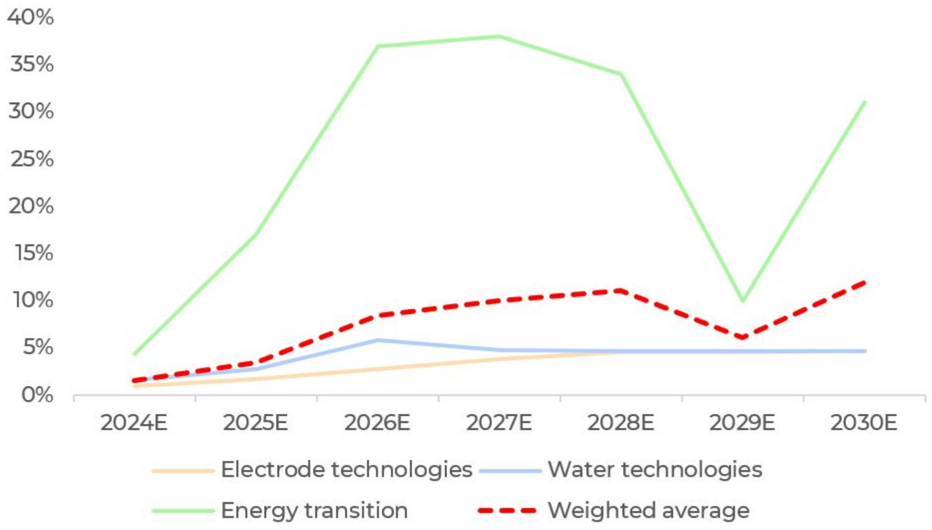
Revenues by division



Margins

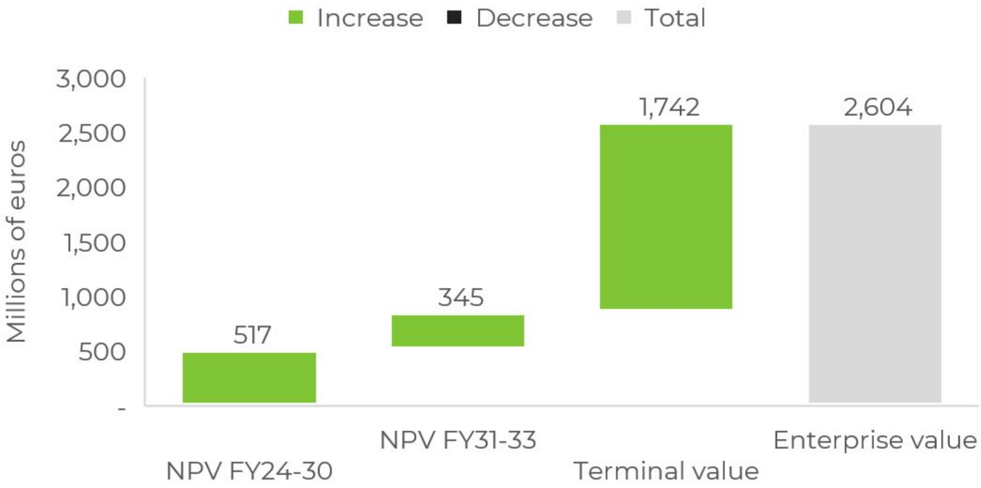
CAGR Dynamics breakdown by division

Electrode Technologies	Water Technologies	Energy Transition
3.26%	**4.13%**	**24.47%**



…ET and WT divisions are expected to grow smoothly while Energy Transition is expected to grow rapidly since it is a new division and key growth driver…

	FIRST STAGE	SECOND STAGE	TERMINAL VALUE
	FY24-30E	**FY31-33E**	**>FY35E**
Sales CAGR	8.49%	10.63%	2.50%
EBITDAm post tax	12.86%	12.80%	12.73%
% on EV	29.68%	19.81%	66.89%



...DCF modelling was performed in **three** distinct phases:

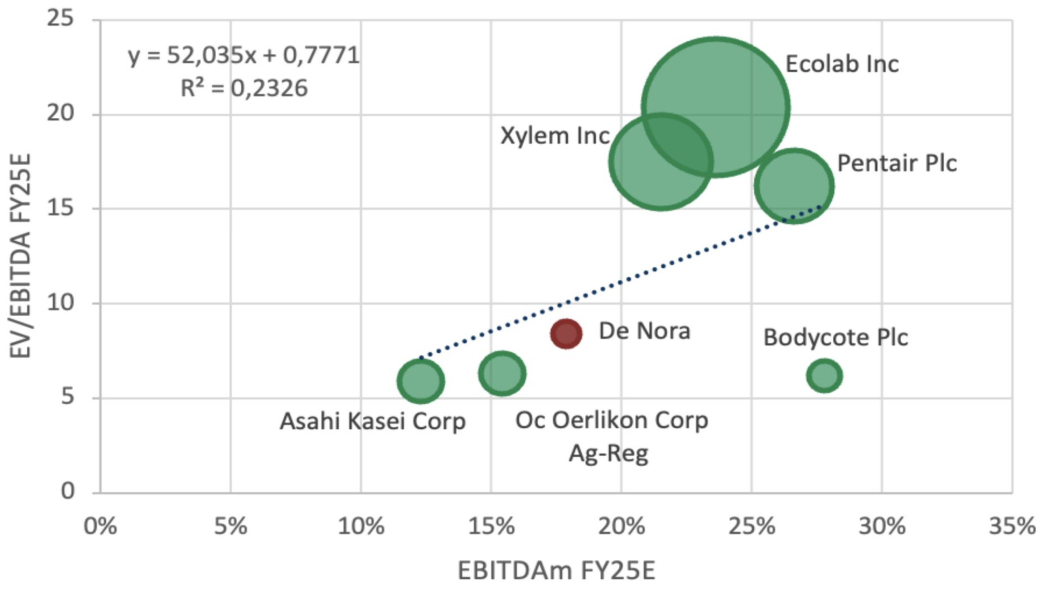
1. **FY24-30E:** based on the assumptions;
2. **FY31-33E:** for ET and WT relied on stable growth rates, for Energy Transition - float rate;
3. **Terminal Value** (TGR = 2.5%)

Sensitivity analysis

		WACC						
	PRICE	8.49%	8.74%	8.99%	9.24%	9.49%	9.74%	9.99%
TGR	3.25%	16.058	15.227	14.471	13.779	13.143	12.557	12.016
	3.00%	15.490	14.717	14.012	13.364	12.767	12.216	11.704
	2.75%	14.969	14.250	13.590	12.982	12.419	11.900	11.415
	2.50%	14.493	13.820	13.020	**12.627**	12.097	11.603	11.144
	2.25%	14.055	13.420	12.839	12.299	11.796	11.328	10.891
	2.00%	13.650	13.056	12.504	11.992	11.520	11.070	10.654
	1.75%	13.276	12.714	12.193	11.707	11.253	10.829	10.431

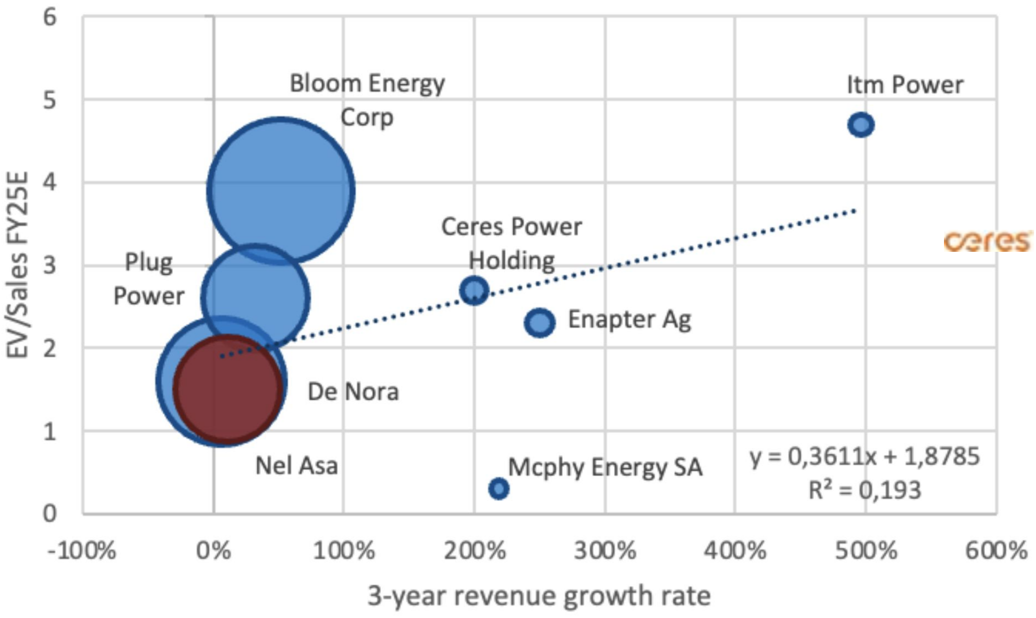
**excluding Nucera*

DNR faces **steady competition in Electrodes** and **rising rivalry in Water Technologies** driven by regulation and market demand...



Electrodes	WT
AsahiKASEI, Bodycote, oerlikon am	xylem, ECOLAB, PENTAIR
AVG EV/EBITDA 25E	
5.8x	18.1x
AVG EV/Sales 25E	
1.0x	4.3x

...DNR competes with **fast-growing players** in a **high-risk, high-reward ET market**, where scaling and cost efficiency are key to success



Energy Transition

AVG EV/Sales 25E

1.2x

DNR EV Electrodes*

DNR EV Water Tech*

DNR EV Energy Tr.**

Adj. to Total Equity

RELATIVE VALUATION RESULT:

BUY

CURRENT PRICE: €7.12*
February 3rd 2025

TARGET PRICE: €10.07

UPSIDE
41.47%

**AVG EV/EBITDA 25E X DNR EBITDA 25E* ***AVG EV/Sales 25E X DNR Sales 25E*

DE NORA

BUY

50% DCF

50% Relative Analysis

CURRENT PRICE: €7.12*
February 3rd 2025

TARGET PRICE: €12.07

UPSIDE
69.58%

TICKER: DNR-IT

MARKET CAP: €1.4B

REV 2024E: €870M

Environmental, Social and Governance

Environmental

Social

Governance

Energy Intensity

Emissions

Green Technologies

Key Figures

1. Energy intensity: -62%*
2. Scope 1 + 2 emission: 35 k
3. Scope 3 emission: 39.5 mln
4. Developer of new green tech
5. Overall position in the area: Leader

*all figures are expressed as a ratio vs DNR peer

Environmental

Social

Governance

Diversity

Human capital

Gender pay gap

Key Figures

1. Number of hours of training per employee: +189%*
2. Female on workforce: -15%*
3. Gender pay gap: -61%*
4. Workplace injury: -15%
5. Overall position in the area: Leader

*all figures are expressed as a ratio vs DNR peer

Environmental

Social

Governance

Structure & Control

Board Diversity & Committee

Key Figures

1. Board diversity: 33%
2. Number of iNed: 50%
3. Multiple voting share system
4. 20% of the CEO's total compensation is linked to ESG performance

Investment Risk

Supply Source

Intellectual Property

Regulatory Dependence

Cost Competitiveness

22	1	6
Ti	**H**	**C**
Titanium	Hydrogen	Carbon

Mitigants

1. Long-term contracts with non-chinese counterparties
2. Derivatives Market: Futures, Forwards or Options

Supply Source

Intellectual Property

Regulatory Dependence

Cost Competitiveness

Competitors developing more efficient or cost-effective electrode technologies

Mitigants

1. Increase R&D investments
2. Enhance monitoring in high-risk jurisdictions

Supply Source

Intellectual Property

Regulatory Dependence

Cost Competitiveness

Energy Transition

European Green Deal

Market growth | Competitiveness

PFAS

Pressures from Governments

Opportunity | Risk

Mitigants

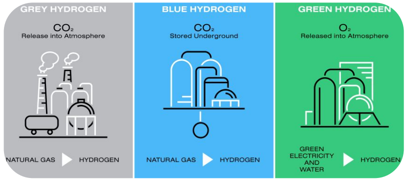
1. Diversification of Revenues Streams
2. Cost competitiveness mitigants

Supply Source

Intellectual Property

Regulatory Dependence

Cost Competitiveness



	Grey	Blue	Green
Method	SMR	SMR+CSS	Electrolysis + Renewables
€/Kg	1.0 - 2.5	2.0 - 3.5	4.0 - 7.0
KgCO2/KgH2	10.5	2.0	0.1

Mitigants

1. Partnerships with renewable energy developers
2. Explore new business models: Leasing, HAAS, co-financing

DE NORA

BUY

- R&D into promising projects
- Energy Transition Mispricing
- Corporate structure' positive signals

CURRENT PRICE: €7.12*
February 3rd 2025

TARGET PRICE: €12.07

UPSIDE
69.58%

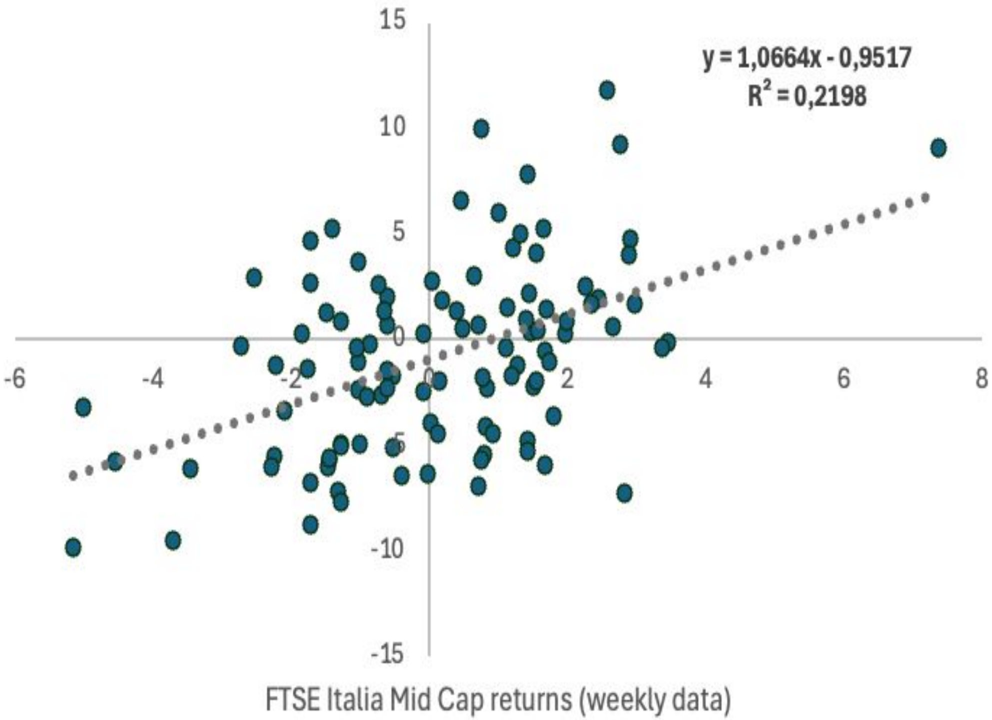
TICKER: DNR-IT

MARKET CAP: €1.4B

REV 2024E: €870M

Annex

DNR' Beta is computed using a linear regression of DNR' historical returns against the **FTSE Italia Mid Cap historical returns.** FTSE Italia Mid Cap is a suitable proxy for DNR's Beta as it reflects the company's size, sector exposure, liquidity, and local market conditions, ensuring alignment with Italian economic factors and investor sentiment. The returns are calculated on a **weekly basis** since the IPO to reduce noise from daily observations. The resulting Beta is **1.07**.



Cost of Equity

The Cost of Equity is derived from the **CAPM:** the Equity Risk Premium equal to **7,31%** is calculated as the weighted average of the **risk premiums of the regions** where DNR operates.

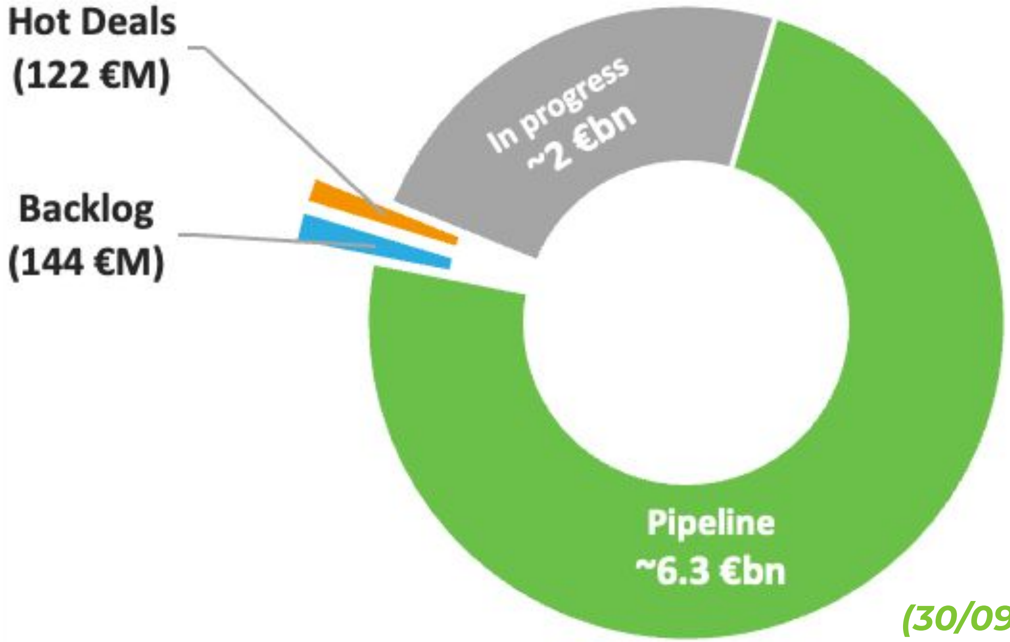
	Revenue	Share	Damodaran ERP 2024E
EMEIA	308,40	36,01%	6,84%
AMS	257,83	30,11%	7,47%
ASIA	290,18	33,88%	8,86%
Italy	-	-	6,90%
Market Risk Premium			***7,31%***
Risk-free rate			*3,69%*
Beta			*1,07*
Cost of Equity			***11,49%***

The final ERP figure is calculated according to the formula: ERP(DNR) = 0.5*ERP(Italy) + 0.5*ERP(Regions). AVG1Y Risk-free rate derived from **10Y Italian government bond yields.**

Consolidated Statement of Income (Forecast FY24 - FY30)

Consolidated Statement of Income (€ mn)	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Total revenue	**869.60**	**899.78**	**975.68**	**1,073.70**	**1,192.53**	**1,264.73**	**1,415.14**
Electrode technologies	468.40	476.37	489.35	507.70	530.88	555.24	580.83
Water technologies	294.58	298.67	315.43	330.16	345.62	361.86	378.92
Energy transition	106.62	124.74	170.90	235.84	316.03	347.63	455.39
Total operating expenses	**(718.63)**	**(738.53)**	**(800.96)**	**(875.98)**	**(973.53)**	**(1,031.47)**	**(1,155.49)**
EBITDA	**150.97**	**161.25**	**174.72**	**197.72**	**219.00**	**233.25**	**259.65**
Electrode technologies	99.30	100.99	103.74	107.63	112.55	117.71	123.13
Water technologies	45.37	47.79	50.47	59.43	62.21	65.13	68.20
Energy transition	6.30	12.47	20.51	30.66	44.24	50.41	68.31
Depreciation & amortization	(34.70)	(35.99)	(37.08)	(38.65)	(40.55)	(40.47)	(42.45)
EBIT	**116.90**	**125.26**	**137.64**	**159.07**	**178.46**	**192.78**	**217.19**
EBIT margin (%)	*13%*	*14%*	*14%*	*15%*	*15%*	*15%*	*15%*
Share of profit (loss) from associates and joint ventures	(1.10)	2.70	11.30	13.80	17.30	25.30	36.70
Net Finance income	18.70	20.19	20.19	26.54	31.73	34.62	44.14
Tax income (expense)	(39.00)	(42.96)	(49.05)	(57.83)	(65.97)	(73.28)	(86.43)
Net income	**95.50**	**105.19**	**120.09**	**141.58**	**161.52**	**179.41**	**211.60**
Net profit margin (%)	*11%*	*12%*	*12%*	*13%*	*14%*	*14%*	*15%*
EPS basic	**0.47**	**0.52**	**0.60**	**0.70**	**0.80**	**0.89**	**1.05**
Diluted EPS	**0.47**	**0.52**	**0.60**	**0.70**	**0.80**	**0.89**	**1.05**
Weighted-average number of shares outstanding	201.70	201.70	201.70	201.70	201.70	201.70	201.70
Effect of share options on issue	201.70	201.70	201.70	201.70	201.70	201.70	201.70

Energy Transition pipeline



(30/09/24)

Peers' key figures

Electrode Technologies	EV/Sales			EV/EBITDA			EV/EBIT			P/E		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Asahi Kasei Corp	0.8	0.7	0.7	7	6.1	5.7	13.2	10.9	9.9	15.4	10.5	9.2
Bodycote Plc	1.7	1.7	1.7	6.4	6.3	5.8	12.2	10.6	9.4	13.4	12.4	11.1
Oc Oerlikon Corp Ag-Reg	1	1	0.9	6.4	6.4	5.8	14.1	14	11.3	12.8	12.4	9.3
Average	1.0	1.0	1.1	6.6	6.3	5.8	13.0	12.0	10.2	1.4	12.4	9.9
Median	1.0	1.0	0.9	6.4	6.3	5.8	13.2	10.9	9.9	13.4	12.4	9.3

Water Technologies	EV/Sales			EV/EBITDA			EV/EBIT			P/E		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Ecolab Inc	4.7	4.8	4.6	20.7	20.5	18.9	27.8	27.3	24.7	35.3	33.5	29.6
Xylem Inc	3.4	3.8	3.6	16.7	17.4	15.8	21.4	22	19.7	27.2	27.9	24.8
Pentair Plc	4.5	4.3	4.2	18	16.3	15.1	19.1	17.4	16.1	23.2	20.7	18.7
Average	4.2	4.3	4.1	18.0	18.1	16.6	22.8	22.2	20.2	28.6	27.4	24.4
Median	4.5	4.3	4.2	18.0	17.4	15.8	21.4	22.0	19.7	27.2	27.9	24.8

Energy Transition	EV/Sales			EV/EBITDA			EV/EBIT			P/E		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Bloom Energy Corp	4.4	4	3.3	51.1	31.4	20.4	n.a.	102.5	41.4	167.8	60.8	31.4
Enapter Ag	5.3	1.9	1	n.a.	n.a.	11.9	n.a.	n.a.	21.3	n.a.	n.a.	97
Nel Asa	1.8	1.6	1.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Ceres Power Holding	3.7	2.7	2.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Plug Power	3.5	2.5	1.9	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mcphy Energy SA	0.6	0.3	0.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Itm Power	1.5	0.8	0.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Average	1.9	1.2	0.8	51.1	31.4	16.15	-	102.5	31.35	167.8	60.8	64.2
Median	1.5	0.8	0.5	51.1	31.4	16.15	-	102.5	31.35	167.8	60.8	64.2

Sensitivity analysis, including associates

		WACC						
	PRICE	**8.49%**	**8.74%**	**8.99%**	**9.24%**	**9.49%**	**9.74%**	**9.99%**
TGR	**3.25%**	17.505	16.675	15.918	15.226	14.59	14.004	13.463
	3.00%	16.940	16.165	15.459	14.811	14.215	13.663	13.152
	2.75%	16.416	15.697	15.037	14.429	13.867	13.350	12.862
	2.50%	15.940	15.267	14.647	**14.074**	13.544	13.051	12.592
	2.25%	15.502	14.870	14.287	13.746	13.243	12.775	12.339
	2.00%	15.098	14.503	13.952	13.440	12.960	12.518	12.101
	1.75%	14.723	14.162	13.640	13.154	12.701	12.276	11.879

Electrode Technologies	EV/Sales			EV/EBITDA			EV/EBIT			P/E		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Asahi Kasei Corp	0.8	0.7	0.7	7	6.1	5.7	13.2	10.9	9.9	15.4	10.5	9.2
Bodycote Plc	1.7	1.7	1.7	6.4	6.3	5.8	12.2	10.6	9.4	13.4	12.4	11.1
Oc Oerlikon Corp Ag-Reg	1	1	0.9	6.4	6.4	5.8	14.1	14	11.3	12.8	12.4	9.3
Average	1.0	1.0	1.1	6.6	6.3	5.8	13.0	12.0	10.2	1.4	12.4	9.9
Median	1.0	1.0	0.9	6.4	6.3	5.8	13.2	10.9	9.9	13.4	12.4	9.3

Water Technologies	EV/Sales			EV/EBITDA			EV/EBIT			P/E		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Ecolab Inc	4.7	4.8	4.6	20.7	20.5	18.9	27.8	27.3	24.7	35.3	33.5	29.6
Xylem Inc	3.4	3.8	3.6	16.7	17.4	15.8	21.4	22	19.7	27.2	27.9	24.8
Pentair Plc	4.5	4.3	4.2	18	16.3	15.1	19.1	17.4	16.1	23.2	20.7	18.7
Average	4.2	4.3	4.1	18.0	18.1	16.6	22.8	22.2	20.2	28.6	27.4	24.4
Median	4.5	4.3	4.2	18.0	17.4	15.8	21.4	22.0	19.7	27.2	27.9	24.8

Energy Transition	EV/Sales			EV/EBITDA			EV/EBIT			P/E		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Bloom Energy Corp	4.4	4	3.3	51.1	31.4	20.4	n.a.	102.5	41.4	167.8	60.8	31.4
Enapter Ag	5.3	1.9	1	n.a.	n.a.	11.9	n.a.	n.a.	21.3	n.a.	n.a.	97
Nel Asa	1.8	1.6	1.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Ceres Power Holding	3.7	2.7	2.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Plug Power	3.5	2.5	1.9	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mcphy Energy SA	0.6	0.3	0.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Itm Power	1.5	0.8	0.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Average	1.9	1.2	0.8	51.1	31.4	16.15	-	102.5	31.35	167.8	60.8	64.2
Median	1.5	0.8	0.5	51.1	31.4	16.15	-	102.5	31.35	167.8	60.8	64.2

WACC

DNR WACC estimation	
Debt level	26%
Equity level	74%
Tax rate	29%
Cost of debt	4,0%
Post-tax cost of debt	**2,8%**
Risk free rate (Rf)	3,7%
Risk Premium	7,3%
Beta	1,07
Cost of equity	**11,5%**
WACC	**9,2%**

DNR's capital structure consists of **26% debt and 74% equity**, with a **post-tax cost of debt of 2.8%** and a **cost of equity of 11.5%**, calculated using a **risk-free rate of 3.7%**, an **equity risk premium of 7.3%**, and a **beta of 1.07**. The **WACC of 9.2%** ensures appropriate discounting of future cash flows, capturing both business risks and financing costs.

DCF components table

DCF model (€M)	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
OCF	142.90	142.71	190.80	219.60	245.20	267.30	304.50	-	-	-
incl. ΔNWC	*(7.90)*	*(21.54)*	*(3.34)*	*(4.31)*	*(5.23)*	*(3.18)*	*(6.62)*	-	-	-
Net interest	18.70	20.19	20.19	26.54	31.73	34.62	44.14	-	-	-
Cash tax paid	(39.00)	(42.96)	(49.05)	(57.83)	(65.97)	(73.28)	(86.43)	-	-	-
Net OCF	**122.50**	**119.94**	**161.94**	**188.31**	**210.96**	**228.63**	**262.21**	**292.36**	**320.27**	**346.94**
Capex	(88.30)	(79.47)	(91.39)	(82.25)	(78.14)	(74.23)	(70.52)	(78.63)	(86.14)	(93.31)
FCF	**34.20**	**40.47**	**70.55**	**106.06**	**132.82**	**154.40**	**191.69**	**213.73**	**234.14**	**253.63**
DFCF	34.20	37.05	59.13	81.36	93.28	99.26	112.81	115.15	115.48	114.51

The DCF valuation is based on projected free cash flows (FCF) from 2024E to 2033E, discounted at a **WACC of 9.2%**, reflecting the company's cost of capital and risk profile. Over this period, Net Operating Cash Flow (OCF) grows steadily from €142.9M in 2024E to €346.9M in 2033E, driven by solid operational efficiency and increasing revenue generation. Capital expenditures (Capex) remain stable, averaging **€80M–90M per year**, suggesting disciplined capital allocation that balances growth investments with profitability. As a result, FCF expands significantly from €34.2M in 2024E to €253.6M in 2033E, indicating strong cash generation capacity and financial resilience.

Income statement

	September 30, 2024	December 31, 2023
Revenues	**601,223**	629,757
Change in inventory of finished goods and work in progress	**3,364**	22,872
Other income	**11,246**	5,274
Costs for raw materials, consumables, supplies and goods	**(253,199)**	(287,567)
Personnel expenses	**(114,033)**	(107,922)
Costs for services	**(132,654)**	(130,185)
Other operating expenses	**(7,615)**	(7,524)
Amortization and depreciation	**(24,412)**	(21,780)
(Impairment)/write-backs of non-current assets and net accrual of provisions for risks and charges	**(1,555)**	(6,409)
Operating profit	**82,365**	**96,516**
Share of profit of equity-accounted investees	**(378)**	3,598
Finance income	**11,907**	142,674
(of which income from tk nucera listing)	-	*133,223*
Finance expenses	**(18,443)**	(15,789)
Profit before tax	**75,451**	**226,999**
Income tax expense	**(22,988)**	(28,375)
Profit for the period	**52,463**	**198,624**

Balance sheet (Annex)

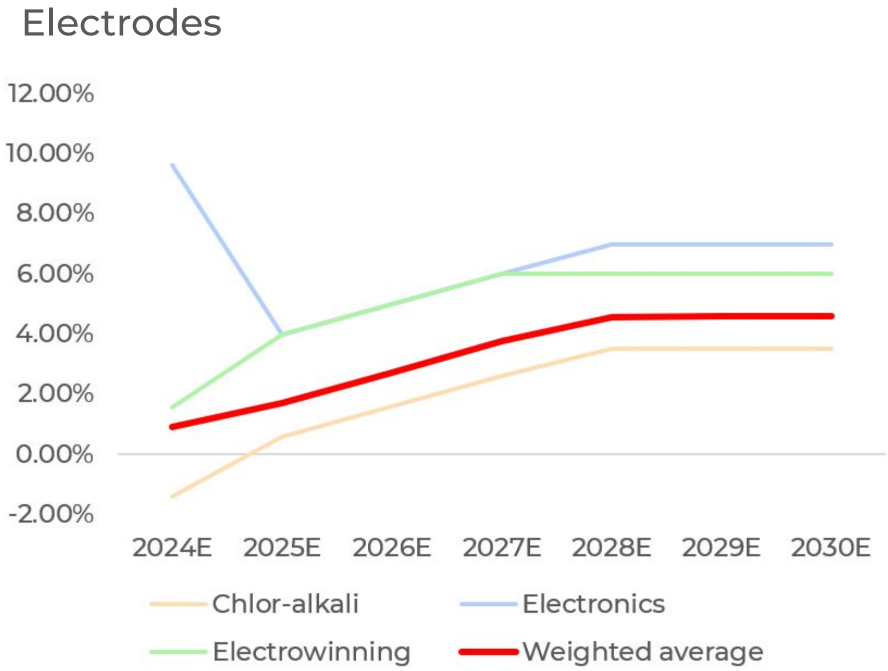
	As of September 30, 2024	As of December 31, 2023
Assets		
Goodwill and other intangible assets	**110,802**	115,787
Property, plant and equipment	**275,582**	254,273
Equity-accounted investees	**230,551**	231,511
Financial assets, including derivatives	**3,450**	3,180
Deferred tax assets	**14,064**	16,216
Other receivables	**9,148**	7,360
Employee benefits	**3,640**	3,465
Total non-current assets	**647,237**	**631,792**
Inventory	**268,805**	257,146
Financial assets, including derivatives	**9,881**	14,185
Current tax assets	**9,759**	10,310
Construction contracts assets	**34,806**	39,767
Trade receivables	**150,401**	141,927
Other receivables	**38,259**	38,391
Cash and cash equivalents	**172,622**	198,491
Total current assets	**684,533**	**700,217**
Total assets	**1,331,770**	1,332,009

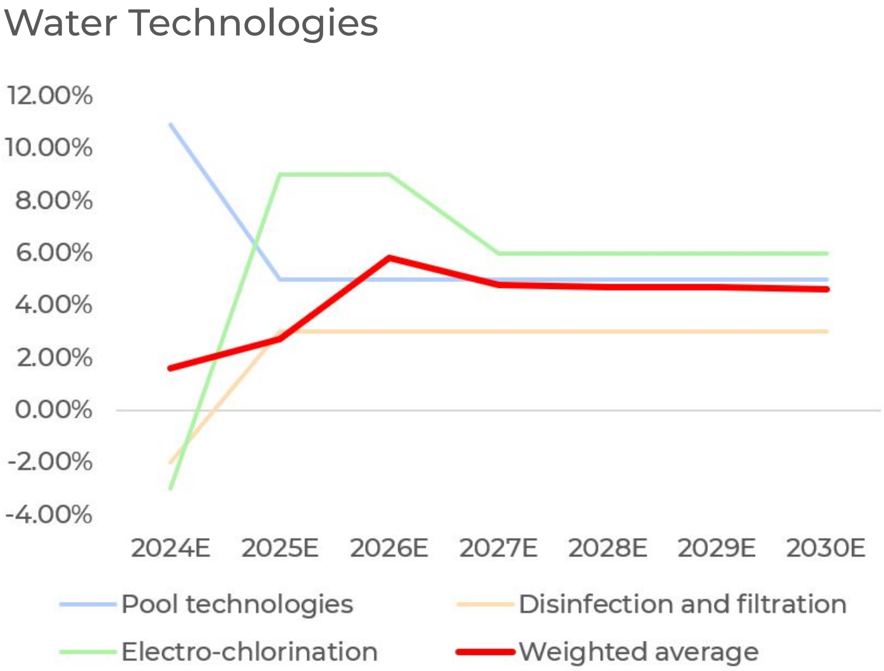
	As of September 30, 2024	As of December 31, 2023
Liabilities		
Equity attributable to the parent	**900,967**	**904,488**
Equity attributable to non-controlling interests	**7,030**	**5,700**
Total Equity	**907,997**	**910,188**
Employee benefits	**24,449**	25,222
Provisions for risks and charges	**1,886**	1,896
Deferred tax liabilities	**8,087**	8,873
Financial liabilities, net of current portion	**137,619**	133,716
Trade payables	**2**	86
Income tax payable	**571**	549
Other payables	**2,578**	2,231
Total non-current liabilities	**175,192**	**172,573**
Provisions for risks and charges	**12,007**	16,150
Financial liabilities, current portion	**15,166**	10,199
Construction contracts liabilities	**8,428**	8,030
Trade payables	**86,406**	106,752
Income tax payable	**21,170**	19,196
Other payables	**105,404**	88,921
Total current liabilities	**248,581**	**249,248**
Total equity and liabilities	**1,331,770**	1,332,009

DNR's history

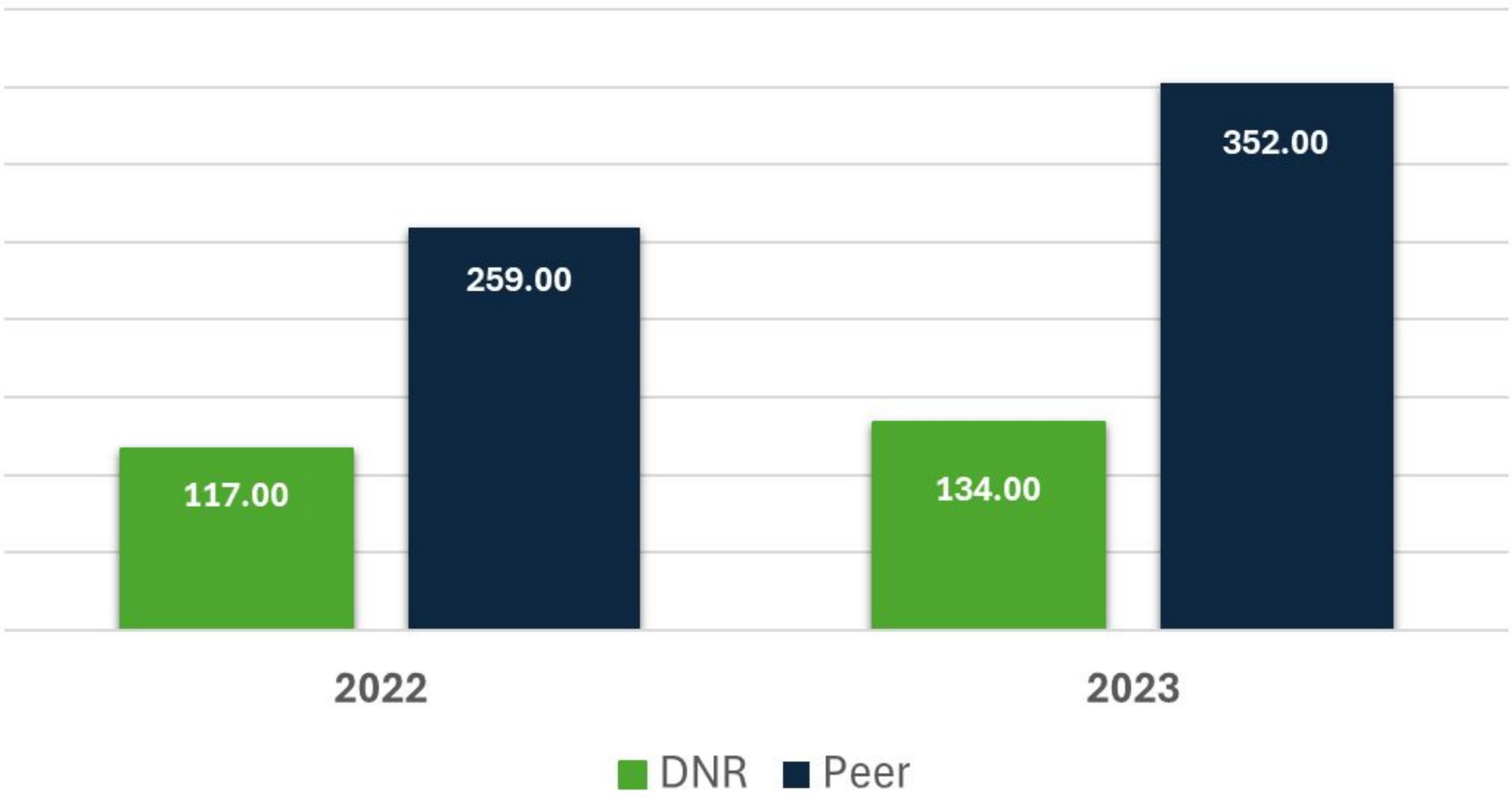
- **1923** – Founded by Oronzio De Nora, pioneering electrolytic cell technology
- **1969** – Established De Nora Japan, expanding electrode technology in Asia
- **1983** – Established De Nora do Brasil, expanding into South America
- **2010** – Paolo Dellachà appointed CEO
- **2015** – Expanded into water treatment and filtration
- **2021** – Joined the Neom project for large-scale green hydrogen
- **2022** – Listed on Euronext Milan, becoming a public company

CAGR dynamics breakdown by markets

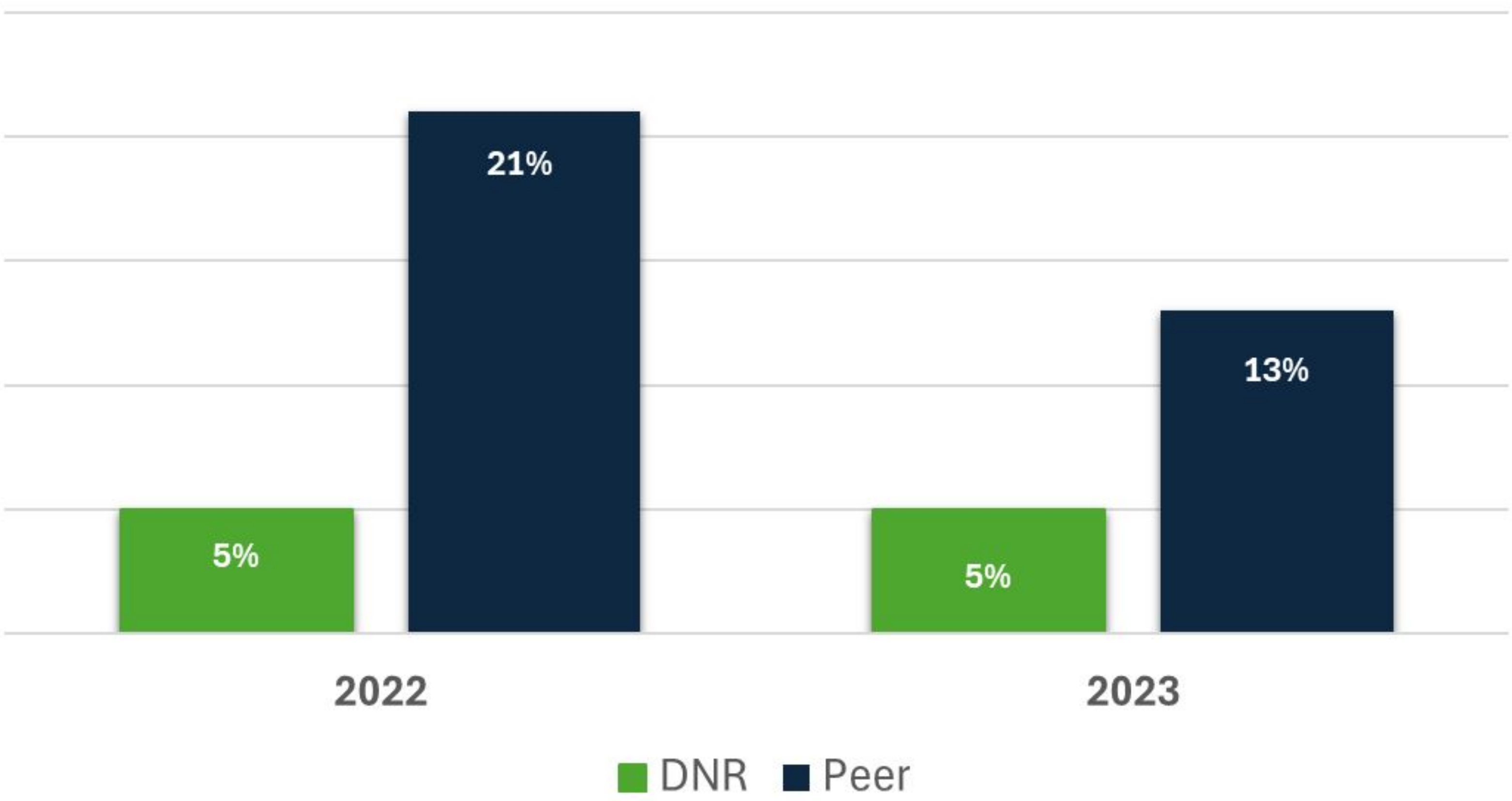




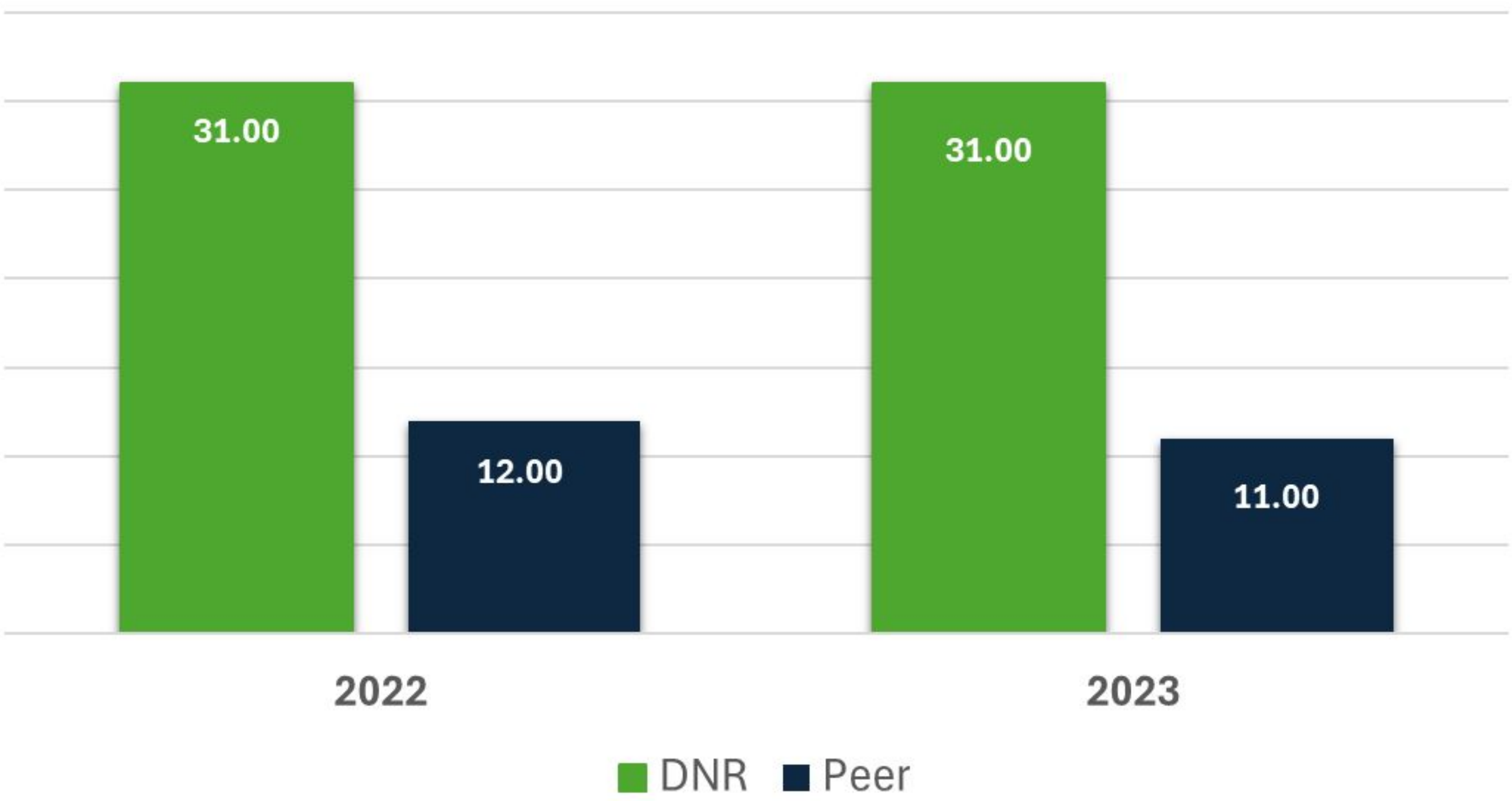
Energy Intensity



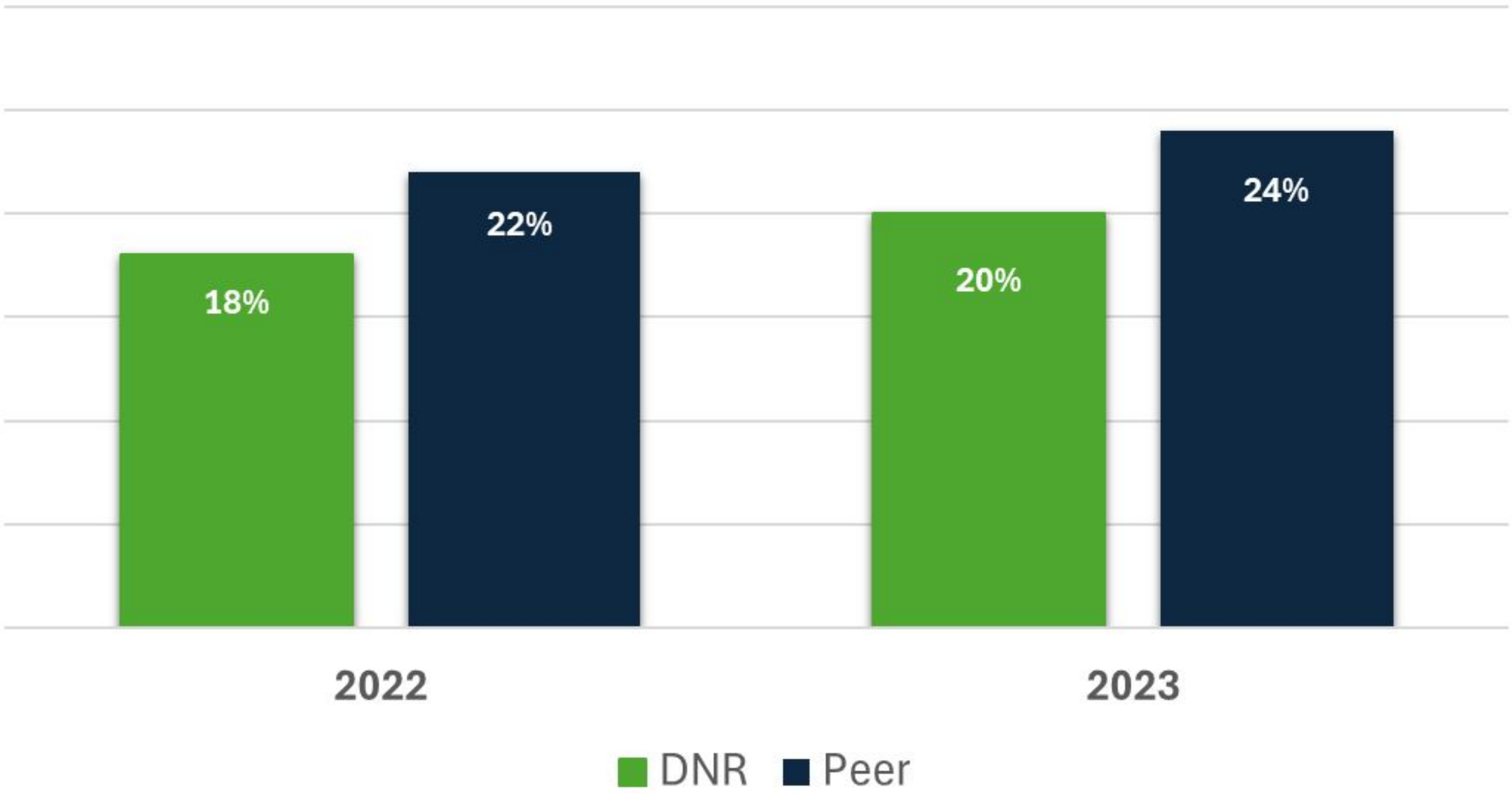
Gender pay gap



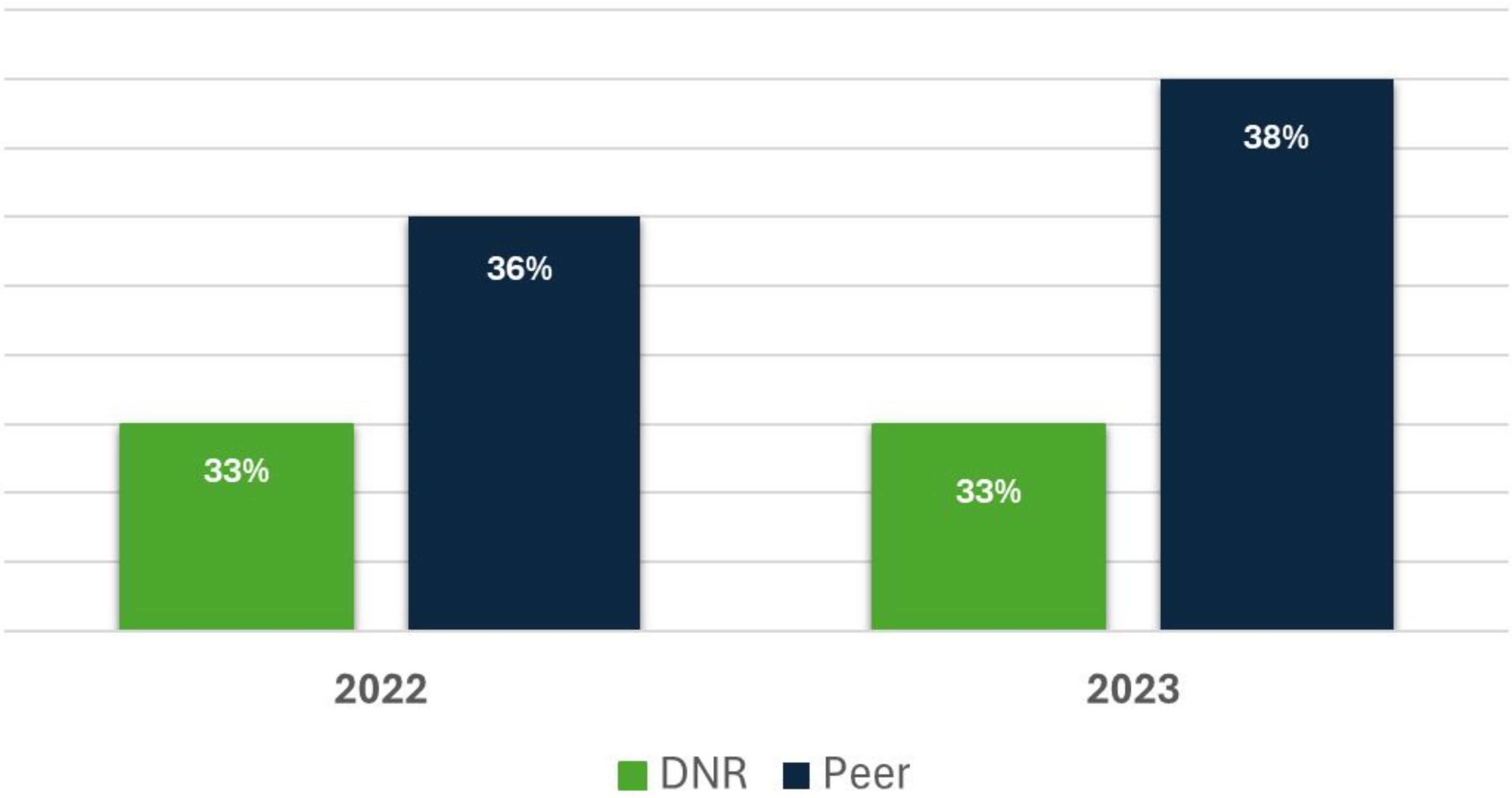
Number of hours of training per employee



Female on workforce



Board Diversity



Shareholder and voting rights

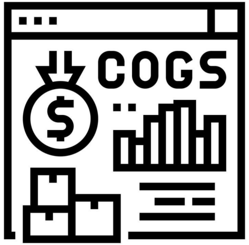
	N° of shares	% shares	% voting rights
Federico De Nora S.p.A. (multiple vote shares)	88,847,684	44.05%	53.03%
Federico De Nora S.p.A. (ordinary shares)	499,843	0.25%	0.10%
Norfin S.p.A. (multiple vote shares)	11,474,617	5.69%	6.85%
Norfin S.p.A. (ordinary shares)	121,646	0.06%	0.02%
Federico De Nora (multiple vote shares)	6,619,560	3.28%	3.95%
De Nora Family	107,563,350	53.33%	63.95%
Asset Company 10 S.r.l. (multiple vote shares)	43,539,334	21.59%	25.99%
Asset Company 10 S.r.l. (ordinary shares)	0	0.00%	0.00%
Asset Company 10 S.r.l.	43,539,334	21.59%	25.99%
Management (ordinary shares) 2	2,963,808	1.47%	0.59%
Treasury shares 2	2,986,240	1.48%	0.59% - suspended
Other institutional and retail investors	44,632,442	22.13%	8.88%
TOTAL	201,685,174	100,00%	100,00%

	N° of shares
Total of which:	201,685,174
Ordinary shares	51,203,979
Multiple vote shares	150,481,195

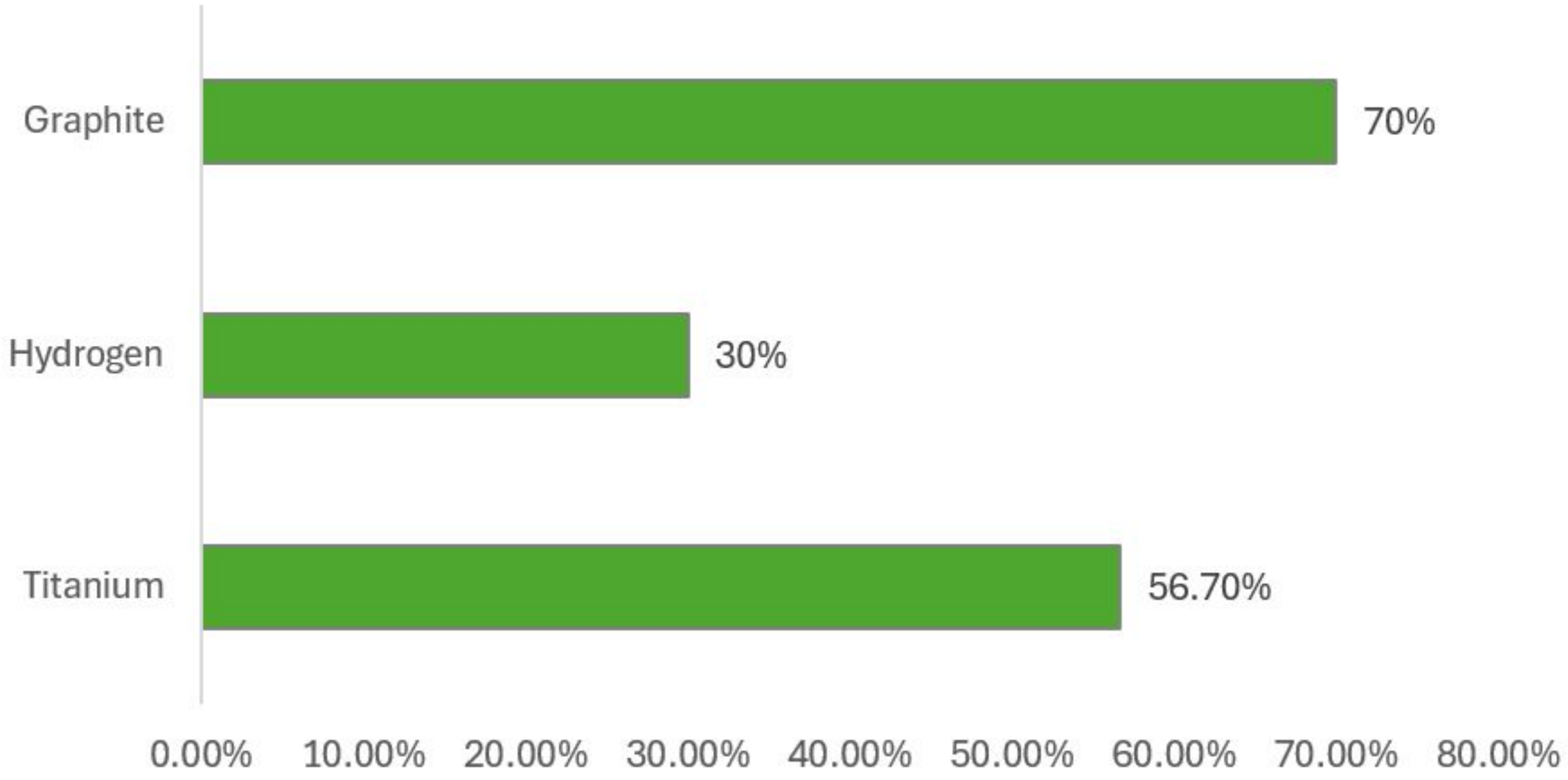
Supply source estimation risks

MATERIAL	Probability	Key Factors
Titanium	30-50%	No bans yet, but strategic material.
Hydrogen	20-40%	No restrictions, it is more a matter of price risk
Graphite	70-90%	Restrictions already in place, likely further escalation

Main Consequence:



Market Share of China on Materials



Intellectual property estimation risks

RISK FACTOR	Probability	Key Factors
Patent Infringement by competitors	20-40%	Direct replication is difficult, but competitors may attempt to design around patents
IP Theft	10-30%	DNR's IP deals with industrial processes rather than easily transferable digital files
Patent Litigation	30-60%	Emerging fields like green hydrogen where IP boundaries are still evolving.

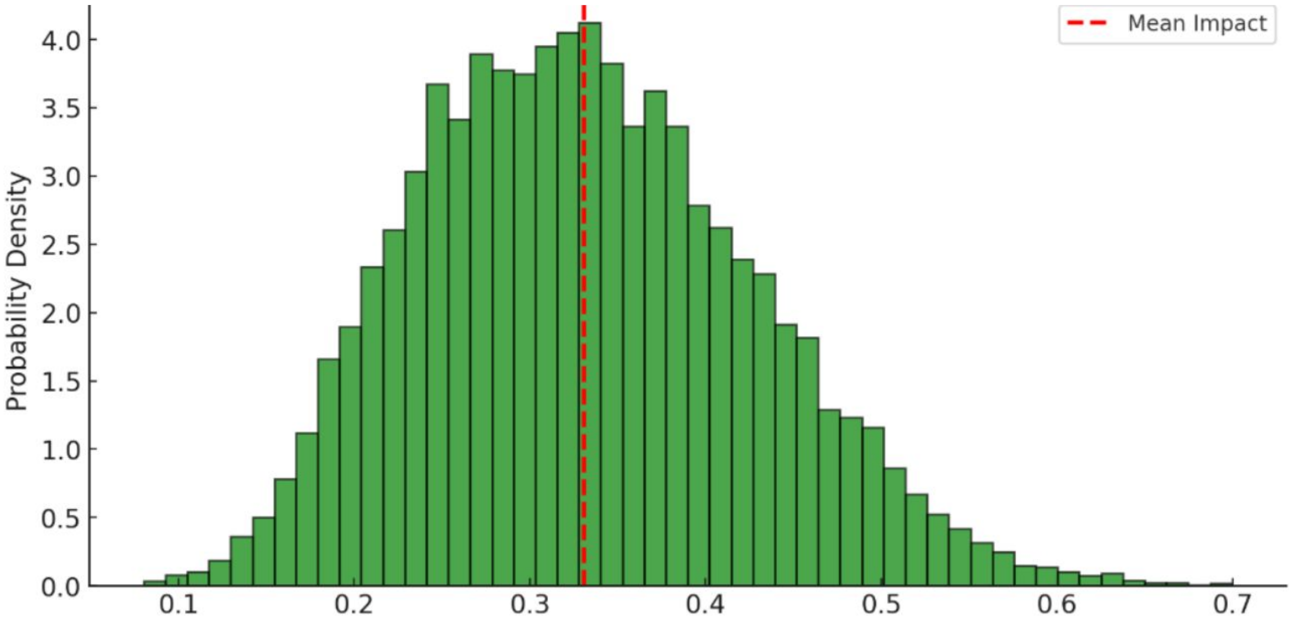
Main Consequence:

RISK FACTOR	Probability	Key Factors
Energy Transition	25-60%	Subsidy cuts or policy changes could slow green hydrogen adoption
PFAS	20-50%	Regulatory pressure is growing, but cost concerns could slow investment.
Investment delays	30-70%	Overall uncertainty on the development of Green Hydrogen

Main Consequence:

Monte Carlo Simulation on the estimation of Policies and Subsidies

Dependence Risk Probability



Parameters:

# of trials = m = 10,000

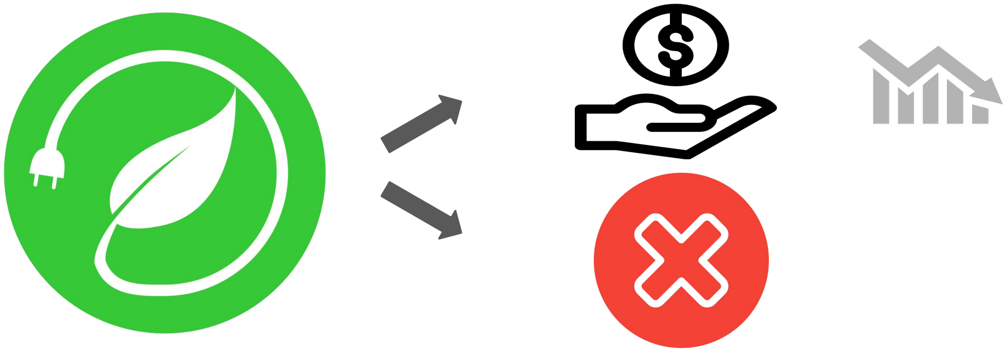
ET: 25-60%

PFAS: 20-50%

ID: 30-70%

RISK FACTOR	Probability	Key Factors
Cost Disparity	60-80%	Green hydrogen production cost remains substantially higher than grey and blue hydrogen
Market Conditions	50-70%	competition from cheaper hydrogen sources (grey and blue) will likely slow market adoption
Technological and Market Transition	40-60%	They may not happen quickly enough to meet aggressive global adoption targets in the short term.

Main Consequence:



TYPES OF HYDROGEN	**GREY** Steam Methane Reforming	**BLUE** SMR with CO2 capture	**GREEN** Electrolysis + Renewables
Input	Natural Gas (CH_4) + Steam (H_2O)	Natural Gas (CH_4) + Steam (H_2O)	Water (H_2O) + Electricity
Process	High-temperature reforming reaction using a catalyst	High-temperature reforming reaction using a catalyst	Electrolyzer splits water into hydrogen and oxygen using electricity
Reaction	$CH_4 + H_2O = CO + 3H_2$	$CH_4 + H_2O = CO + 3H_2$	$2H_2O = H_2 + O_2$
Output	Hydrogen (H_2) + Carbon Dioxide (CO_2)	Hydrogen (H_2) + Captured CO_2	Hydrogen (H_2) + Oxygen (O_2)