



Industrie De Nora S.p.A. (DNR.MI)

BUY

21.1% UPSIDE

ACTUAL PRICE: €7.18

1YF TARGET PRICE: €8.69





BUILDING A GREEN TOMORROW

1

LEADING COMPETITIVE
POSITIONING



2

HIGH GROWTH
OUTLOOK



3

OUTSTANDING FINANCIAL
HEALTH



OVERVIEW

THE BLUEPRINT

BLUEPRINT



FRAMEWORK



ASSESSMENTS



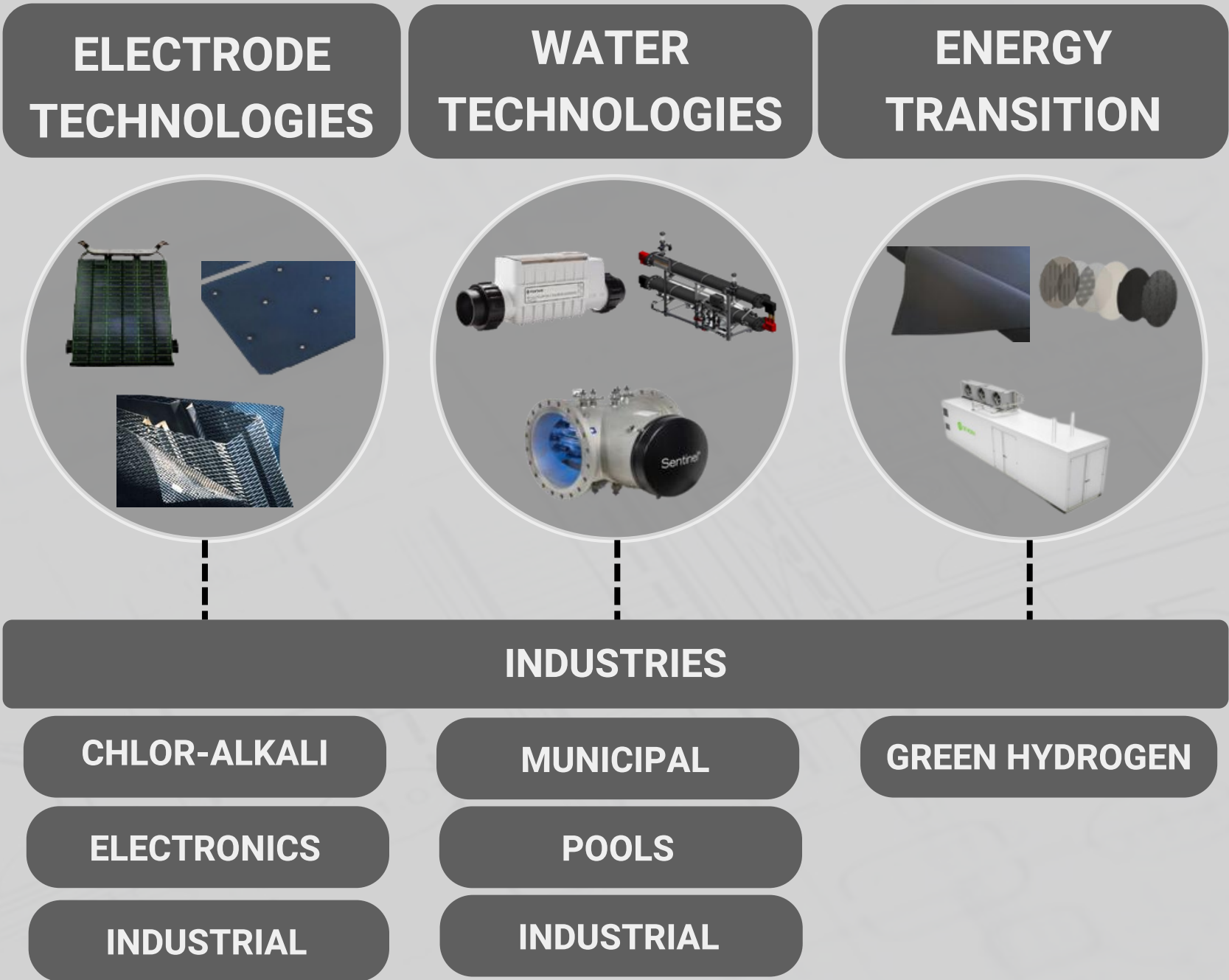
INSPECTIONS



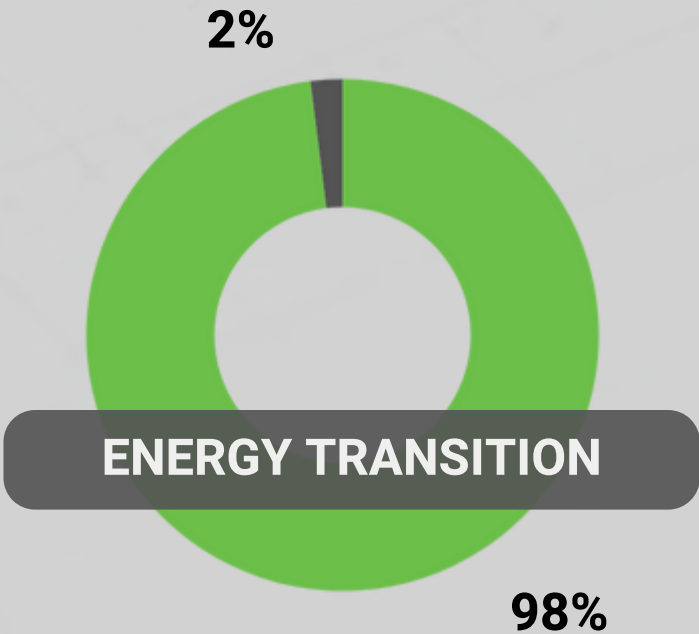
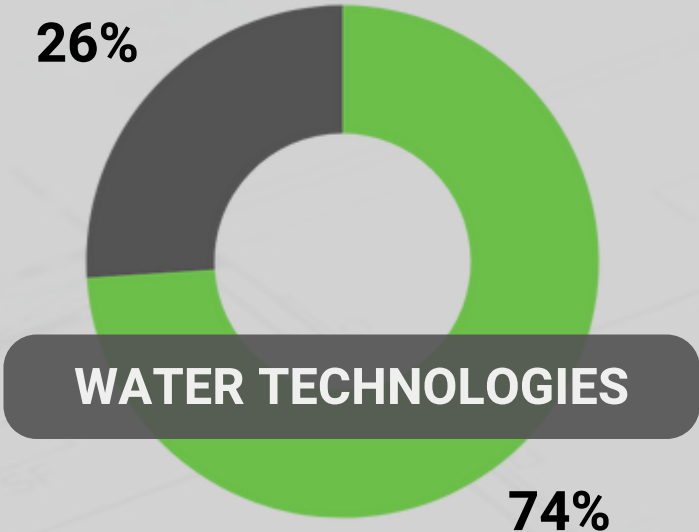
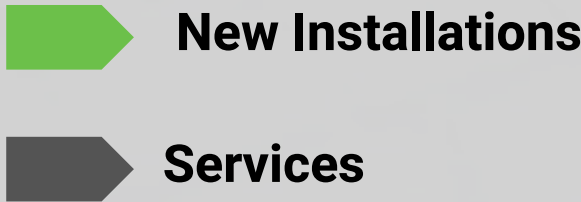
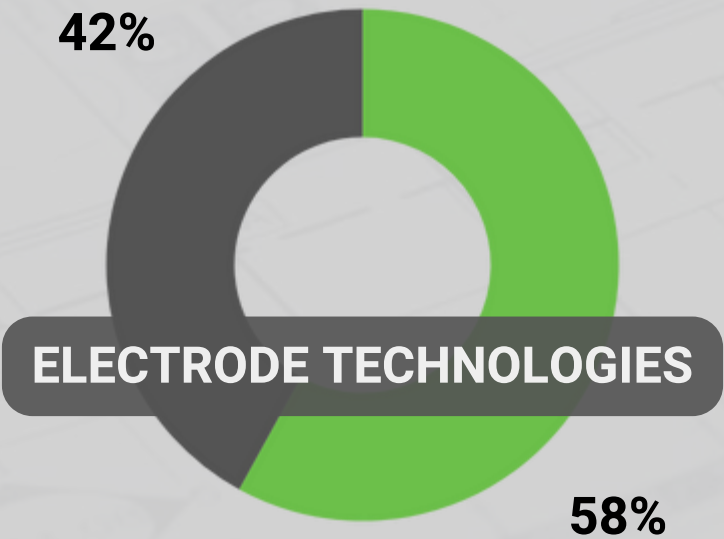
FUTUREPROOF



SERVING THE DEMAND



2023 SERVICES VS NEW INSTALLATIONS



GEOGRAPHICAL REACH



EXPECTED GDP GROWTH RATE FOR STRATEGIC COUNTRIES



China:
+3.9% AVG. YoY GROWTH



Europe:
+1.2% AVG. YoY GROWTH



Saudi Arabia:
+3.3% AVG. YoY GROWTH



USA:
+2.1% AVG. YoY GROWTH



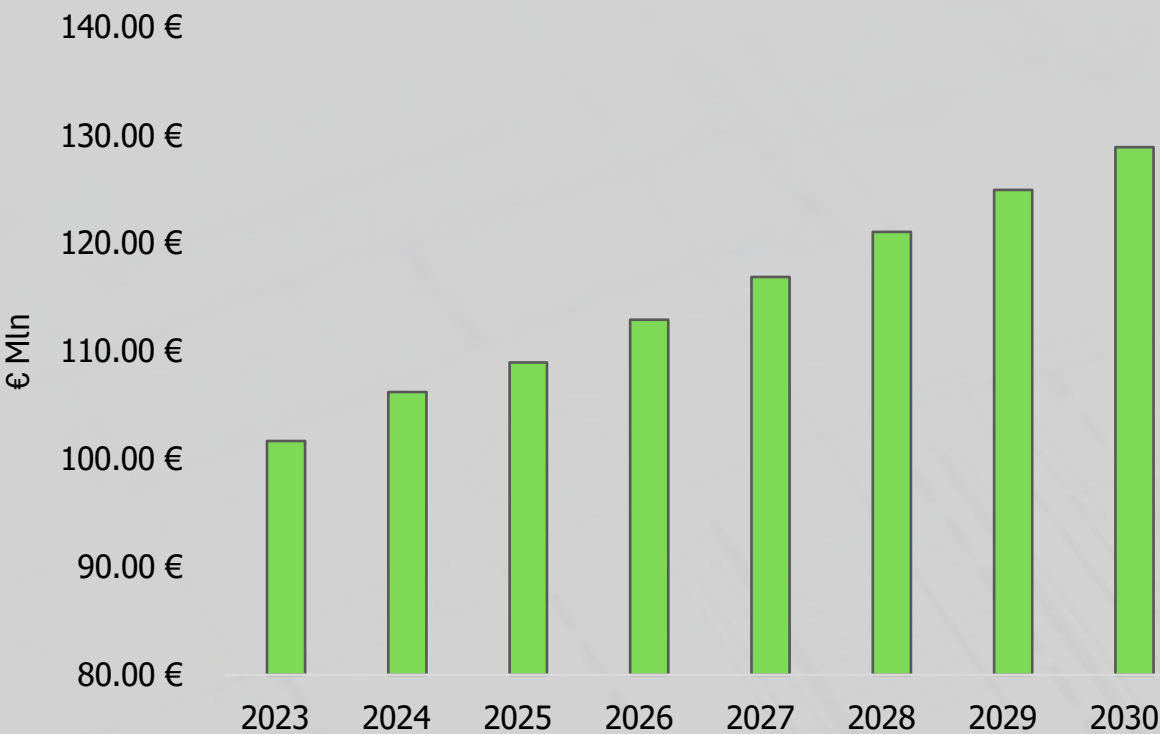
India:
+6.5% AVG. YoY GROWTH

24 OPERATING COMPANIES **5** R&D CENTERS **2010** EMPLOYEES **2387** PATENTS

INDUSTRY OUTLOOK

ELECTRODES TECHNOLOGY

CHLORINATION MARKET SIZE FORECAST

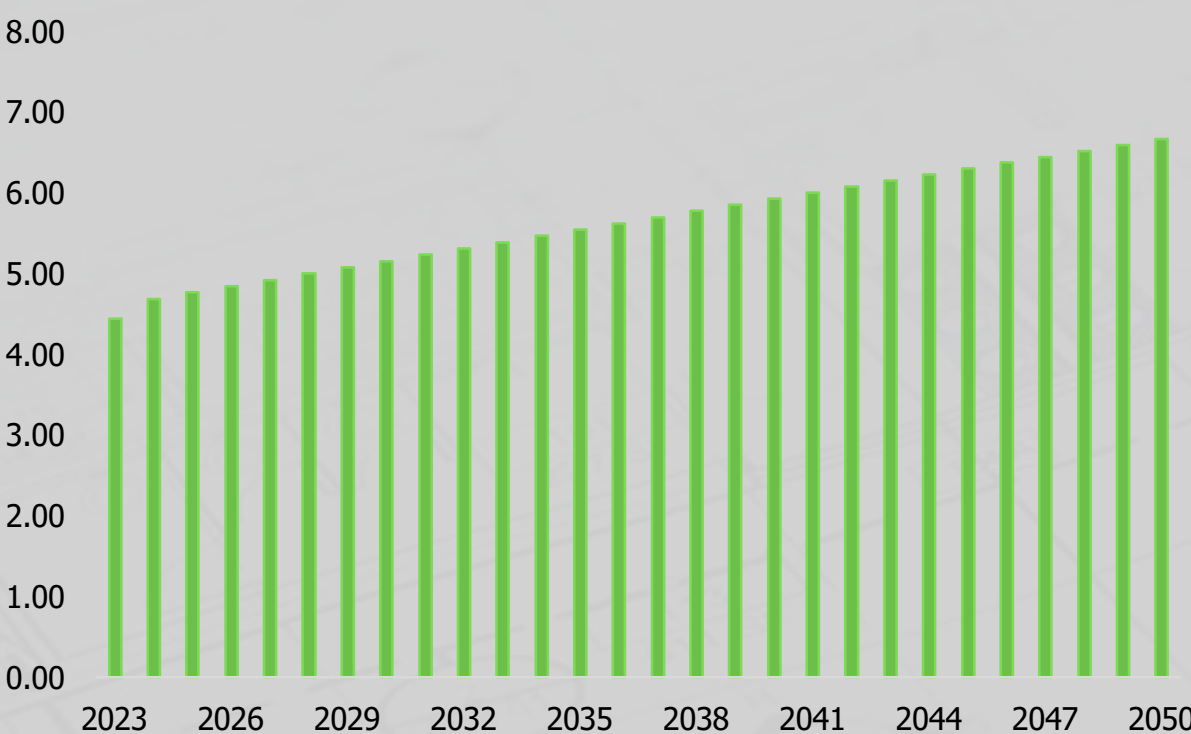


Global chlorine production is forecasted to increase from 97.33M metric tons in 2022 to 128.95M metric tons by 2030.

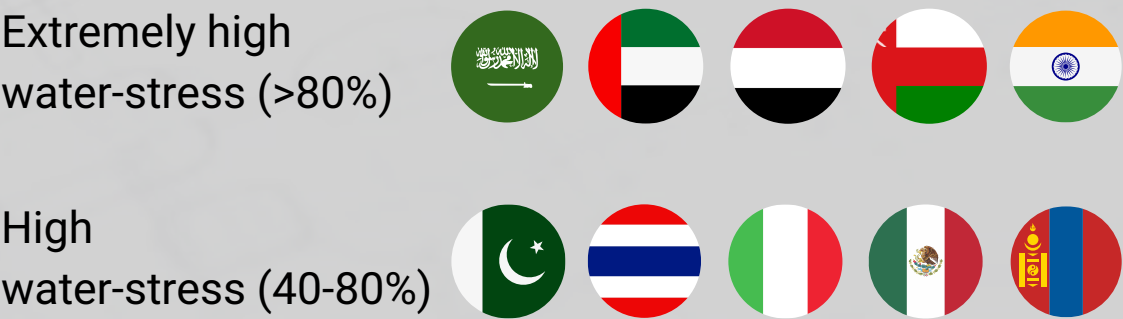
This is propelled by **water treatment, disinfection needs,** and **industrial manufacturing** demand.

WATER TECHNOLOGIES

PROJECTED URBANIZATION IN BILLIONS



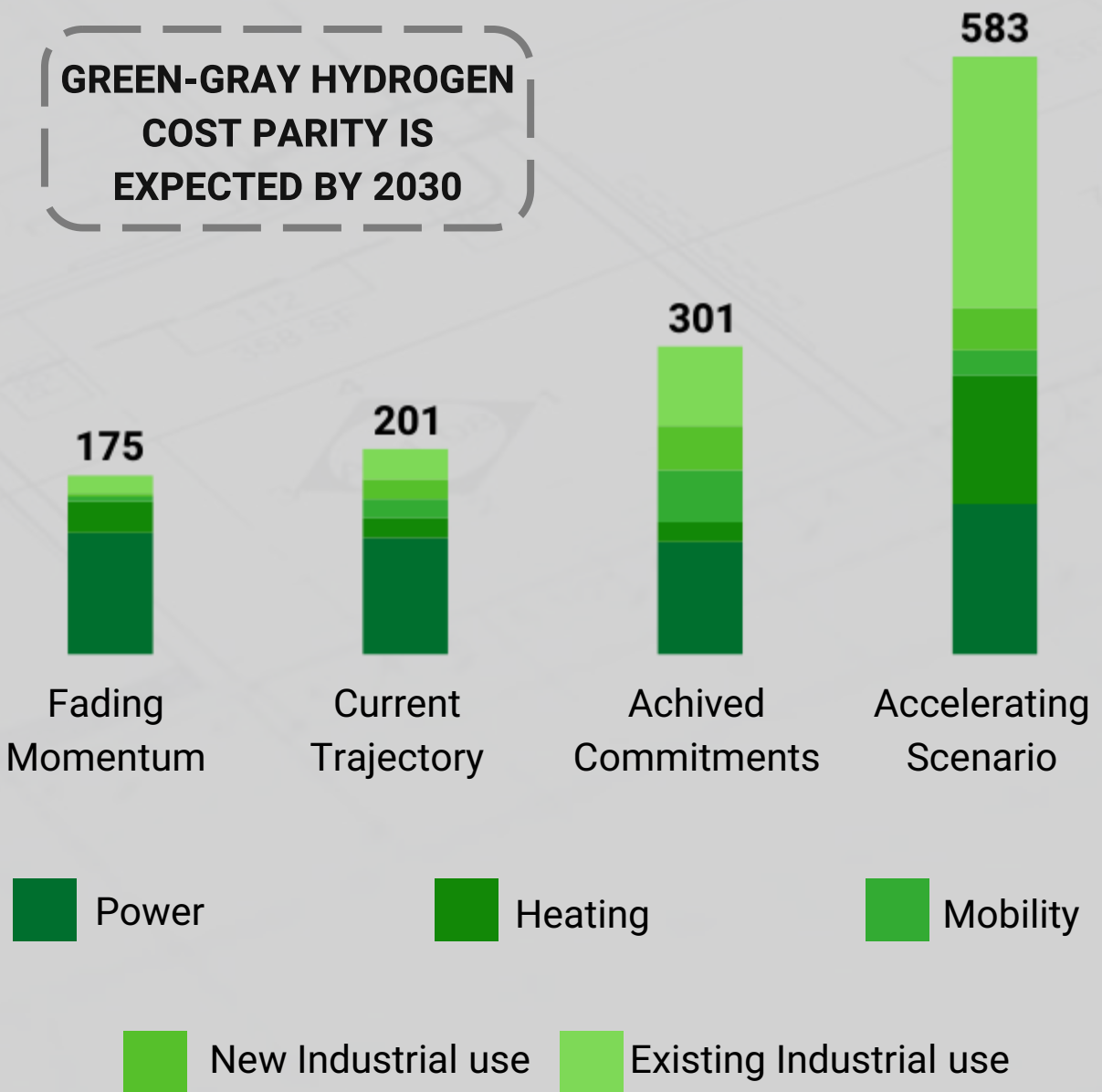
PROJECTED WATER-STRESS LEVEL IN 2050



ENERGY TRANSITION

2050 CLEAN HYDROGEN DEMAND DIVIDED BY INDUSTRY (MT)

GREEN-GRAY HYDROGEN
COST PARITY IS
EXPECTED BY 2030



COMPARING DE NORA



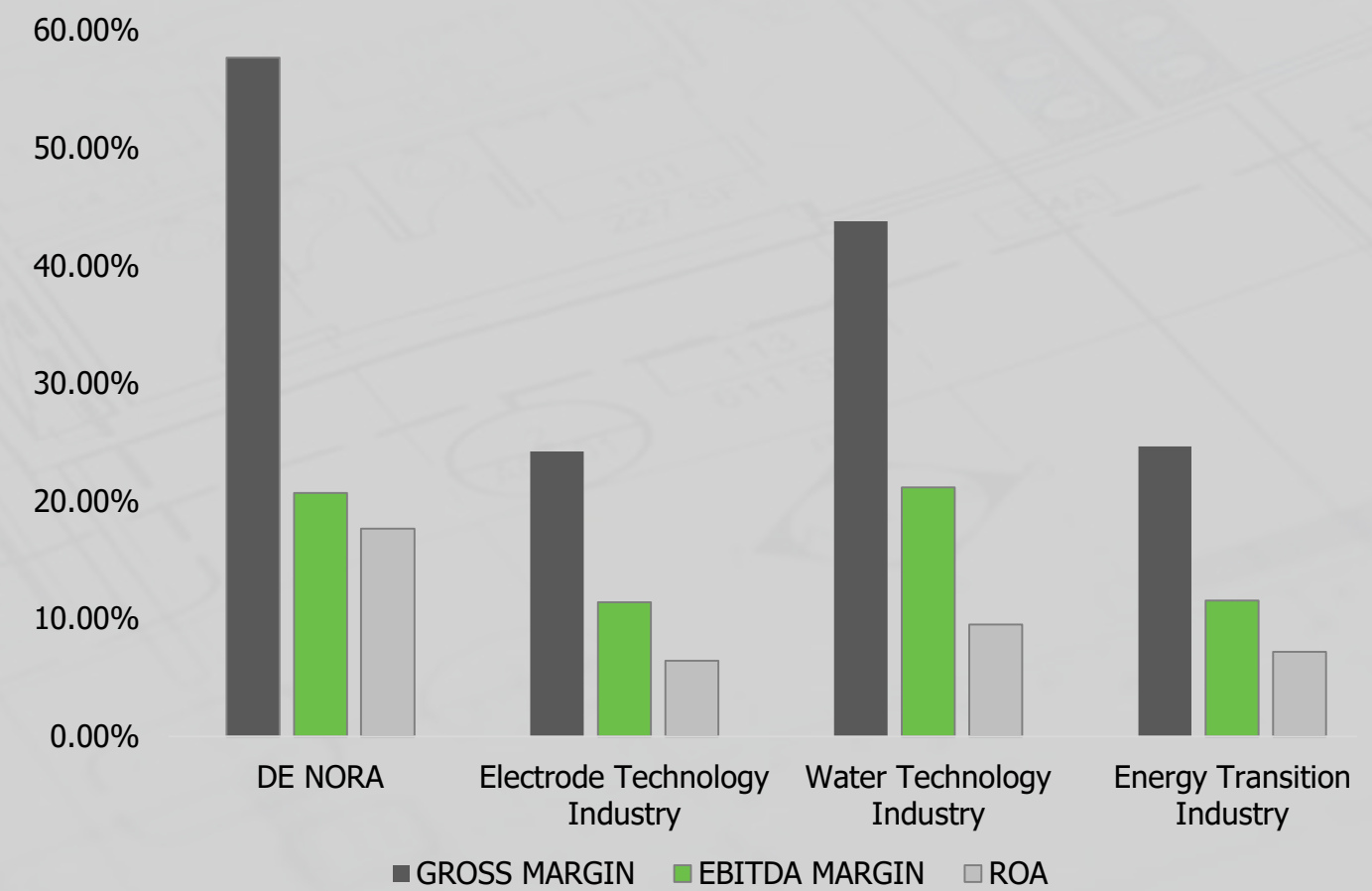
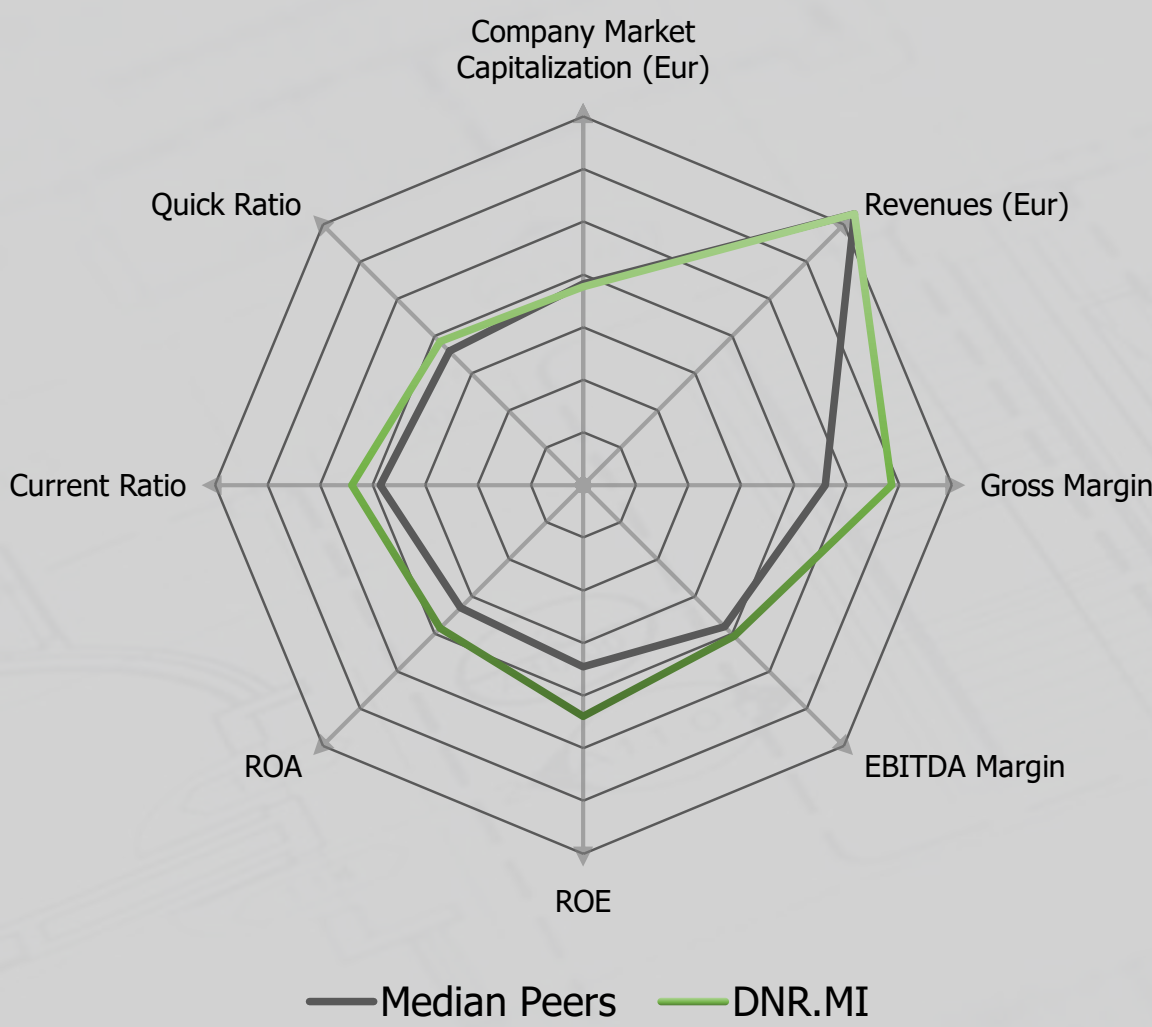
Green Hydrogen Production
(AWE technologies)



Pools (> 80% **Market Share**) & Industrial Electrochlorination;
Within the **top 5** in municial disinfection & filtration



Chlor-alkali, Electronics, Nickel & Cobalt
Electrowinning > **50% Market Share**



- ✓ STRATEGIC PARTNERSHIPS AND M&AS STRATEGY
- ✓ CUTTING-EDGE PROPRIETARY TECHNOLOGIES
- ✓ GROWING AFTERMARKET BUSINESS
- ✓ CONSISTENT BACKLOG

FINANCIALS

THE FRAMEWORK



BLUEPRINT



FRAMEWORK



ASSESSMENTS



INSPECTIONS



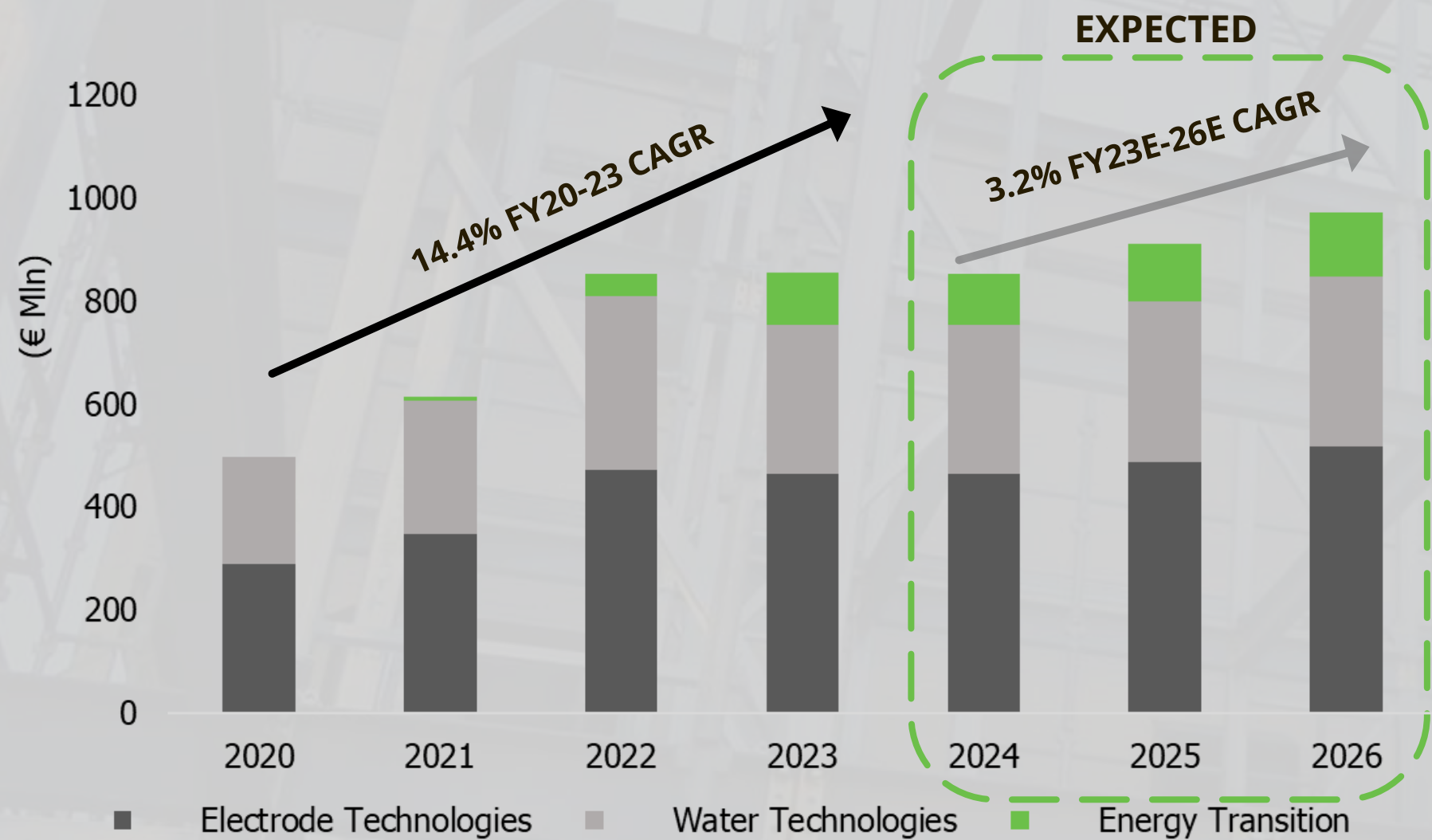
FUTUREPROOF



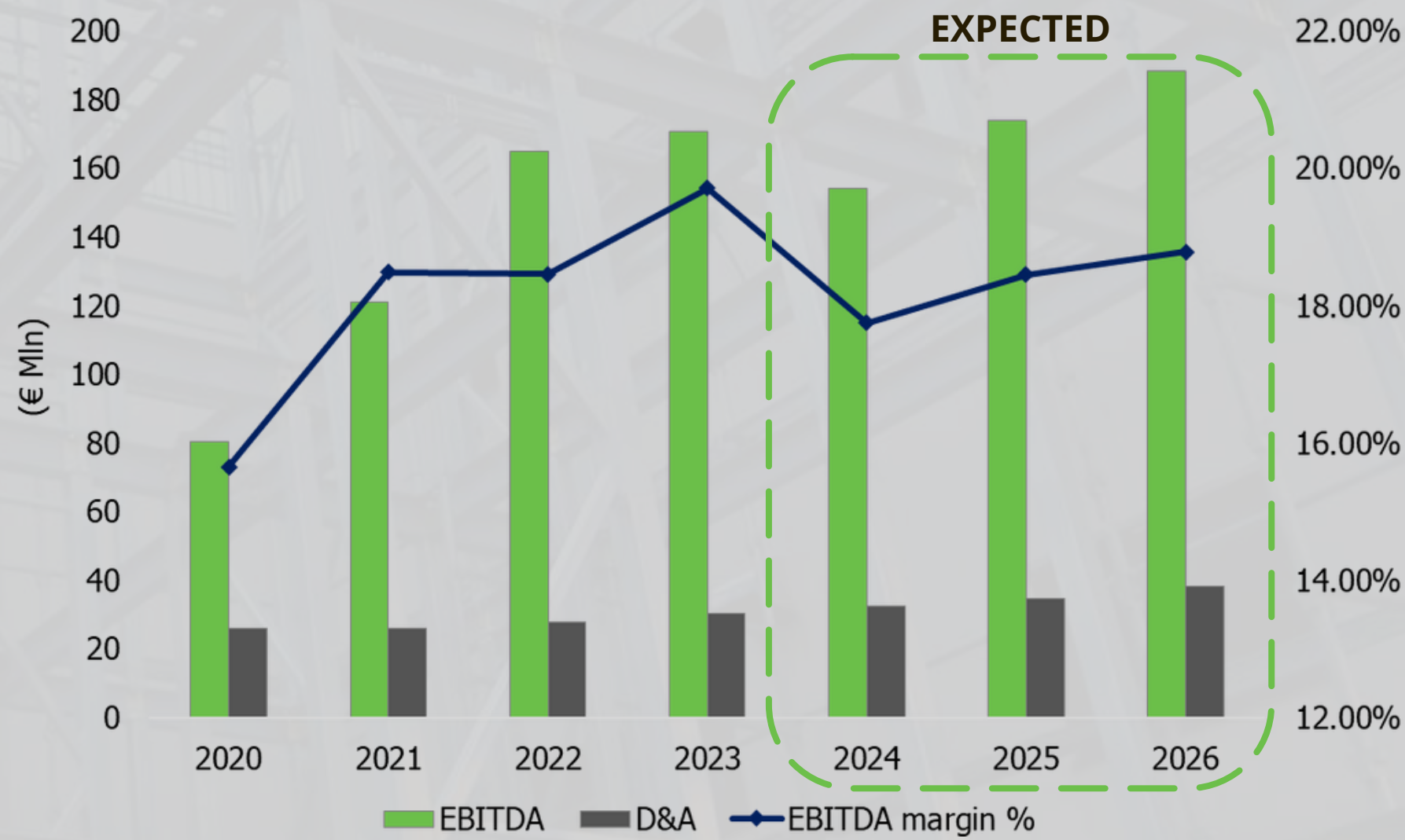
REVENUES & MARGINS



SALES REVENUES BREAKDOWN



MARGINS



BLUEPRINT



FRAMEWORK



ASSESSMENTS



INSPECTIONS



FUTUREPROOF



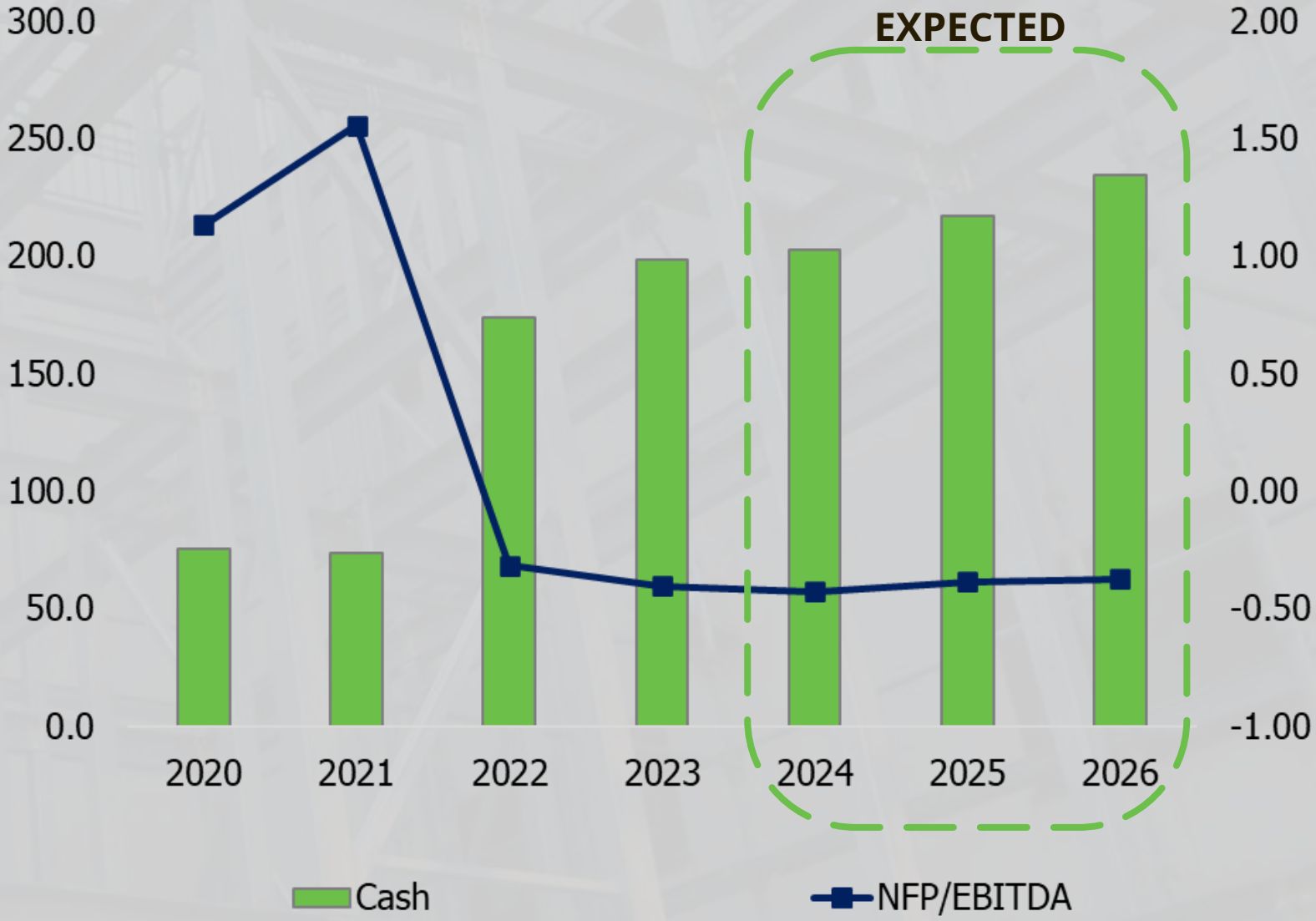
DEBT & LIQUIDITY



CREDITWORTHINESS



NET FINANCIAL POSITION



BLUEPRINT



FRAMEWORK



ASSESSMENTS



INSPECTIONS



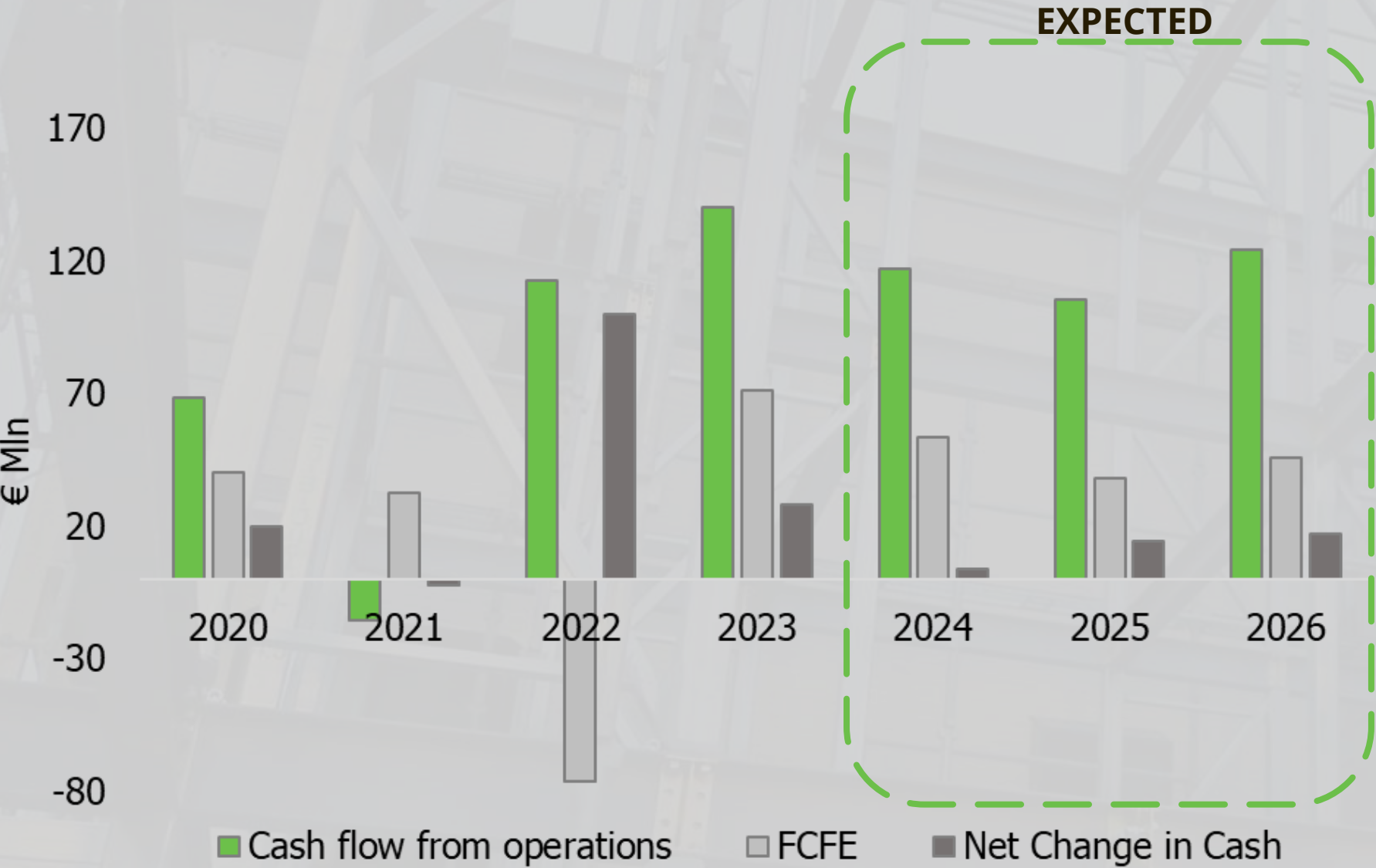
FUTUREPROOF



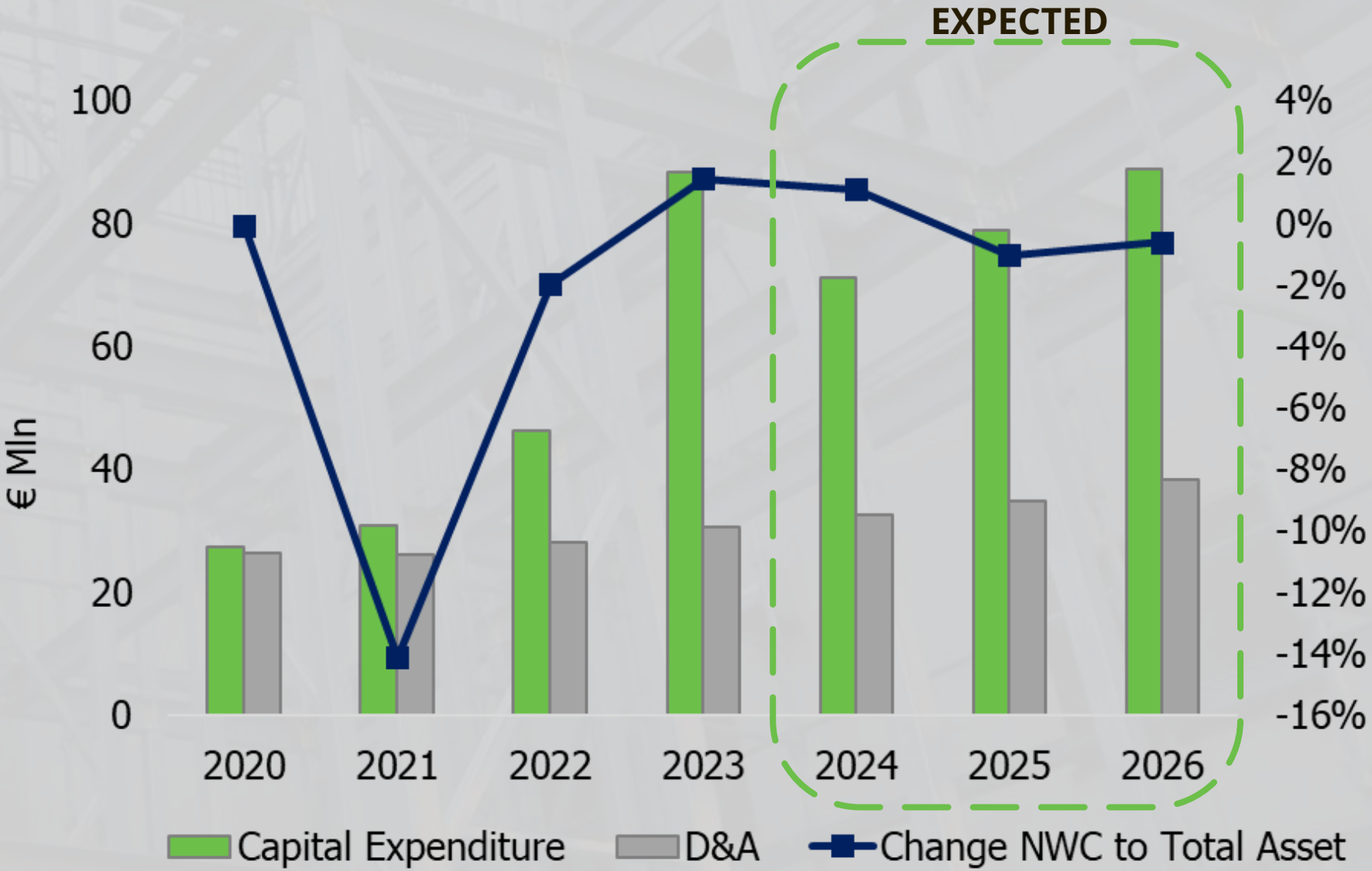
CASH FLOWS & INVESTMENTS



CASH FLOWS GENERATION



INVESTMENTS



BLUEPRINT



FRAMEWORK



ASSESSMENTS



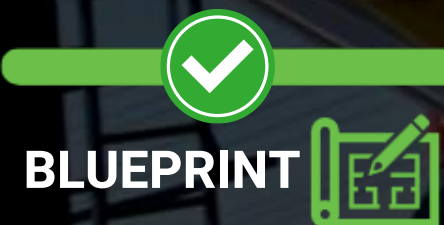
INSPECTIONS



FUTUREPROOF



VALUATION THE ASSESSMENT



DCF ANALYSIS

THREE STAGE DCF

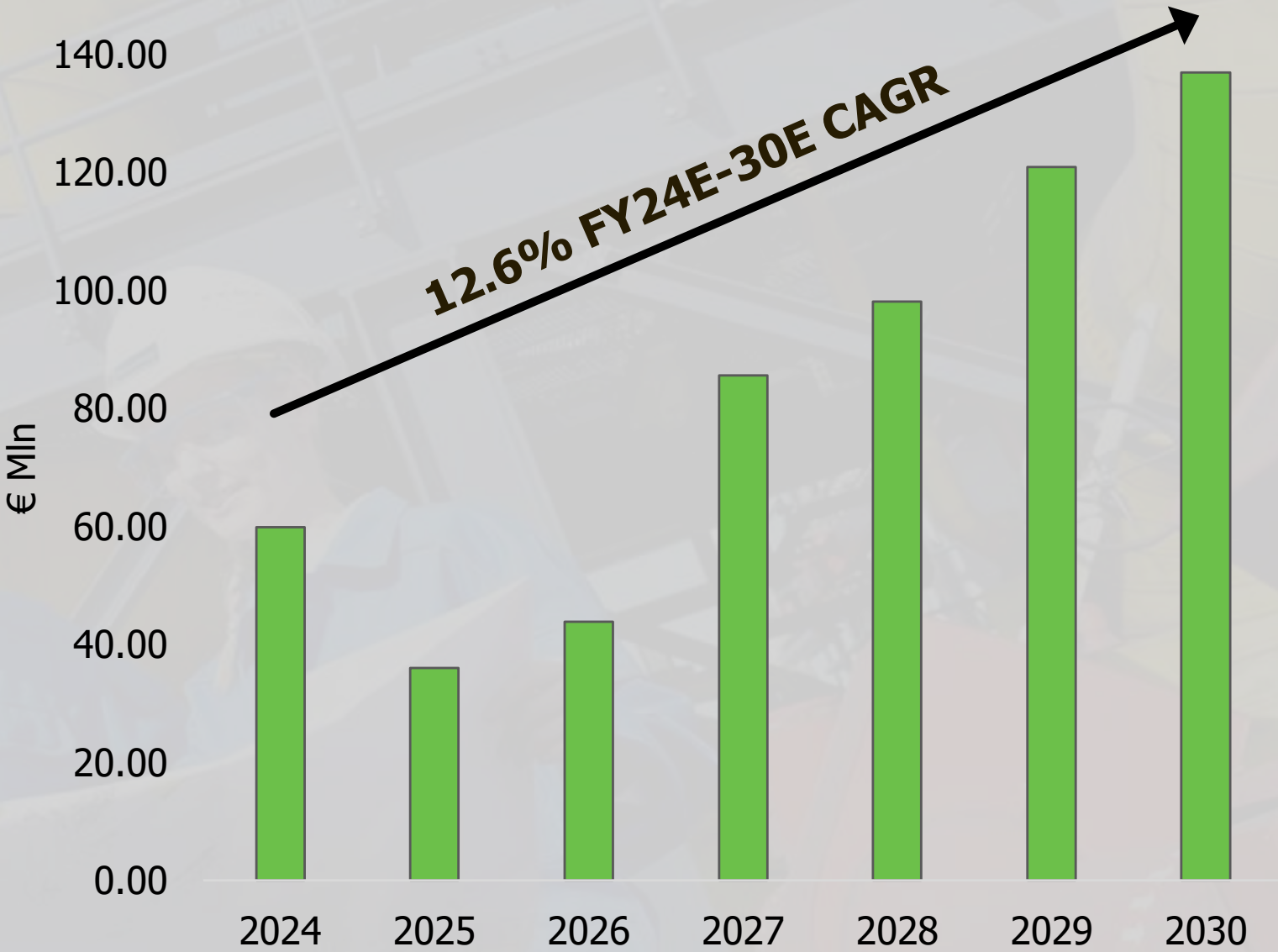


Stage	1°	2°	3°
Revenues	CAGR 3.7%	CAGR 5.8%	CAGR 9.5%

CapEx/Revenues	8.21% - 3.70%
Δ NWC / NOPAT	18.79% - (11.83%)
Tax Rate	28%
Terminal Growth Rate	2.50%
WACC	8.99% - 8.81%
Terminal Value Ratio	75.69%

1YF TARGET PRICE: €8.42

UNLEVERED FREE CASH FLOW



BLUEPRINT



FRAMEWORK



ASSESSMENTS



INSPECTIONS



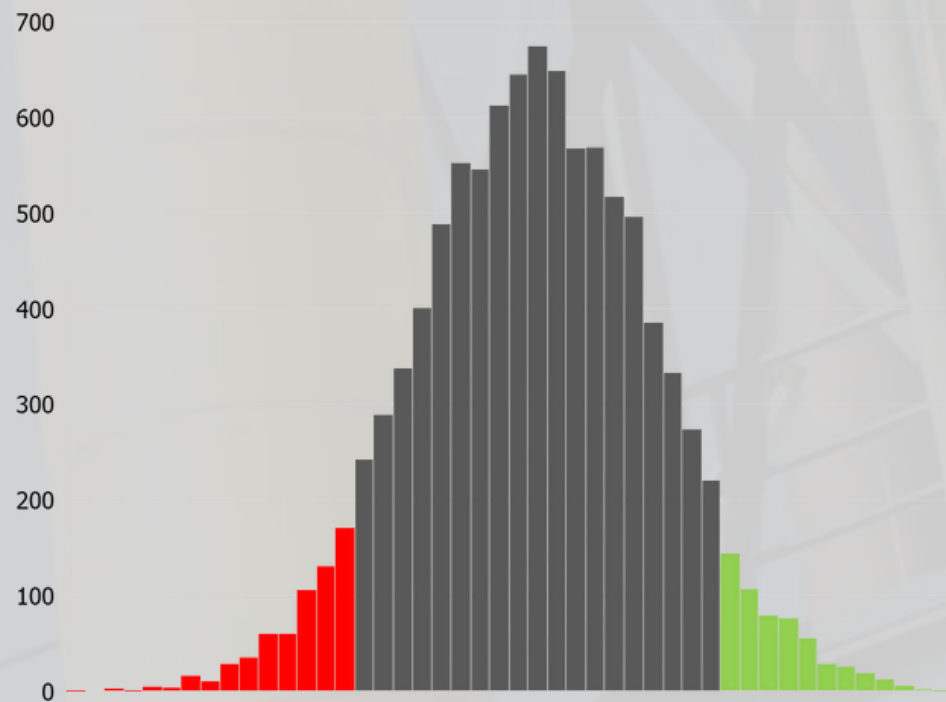
FUTUREPROOF



ROBUSTNESS



MONTECARLO ANALYSIS



	5%	Avg.	95%
WCS	€6.77	€7.05	€7.35
MCS	€7.56	€7.85	€8.15
BCS	€8.71	€9.03	€9.36



SENSITIVITY ANALYSIS

		TERMINAL GROWTH RATE						
		2.00%	2.20%	2.40%	2.50%	2.60%	2.80%	3.00%
W A C C	8.20%	8.51	8.73	8.97	9.09	9.22	9.49	9.78
	8.40%	8.32	8.52	8.74	8.86	8.98	9.23	9.50
	8.60%	8.14	8.33	8.54	8.64	8.76	8.99	9.24
	8.81%	7.96	8.14	8.33	8.42	8.54	8.76	8.99
	9.00%	7.80	7.98	8.16	8.25	8.35	8.56	8.78
	9.20%	7.65	7.81	7.99	8.08	8.17	8.37	8.57
		9.40%	7.51	7.66	7.82	7.91	8.00	8.18



REVERSE DCF

T.G.R.	2.50%
Discount Rate	8.99% - 8.81%
CapEx	Same as DCF
D&A	Same as DCF
NOPATm	9.6% - 11.4%
EBITm	13.3% - 15.8%
Tax Rate	28%
Targeted Price	€7.18/share
Implied Revenues Growth	2.81%

PEERS SELECTION

ELECTRODE TECHNOLOGY



86/100



79/100



85/100



87/100

WATER TECHNOLOGY



83/100



83/100



82/100



89/100

ENERGY TRANSITION



91/100



89/100



93/100



81/100

Similarities obtained according to our Proprietary Model

BLUEPRINT



FRAMEWORK



ASSESSMENTS



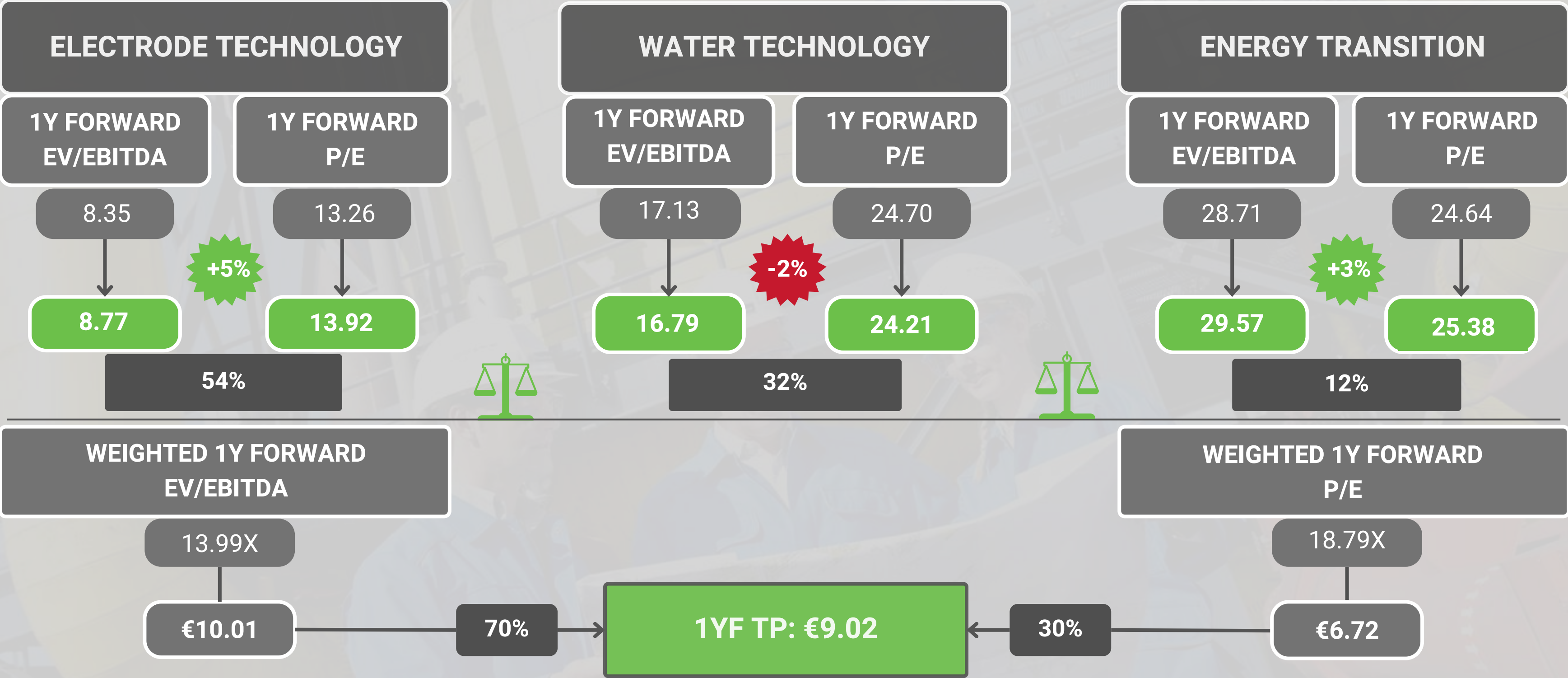
INSPECTIONS



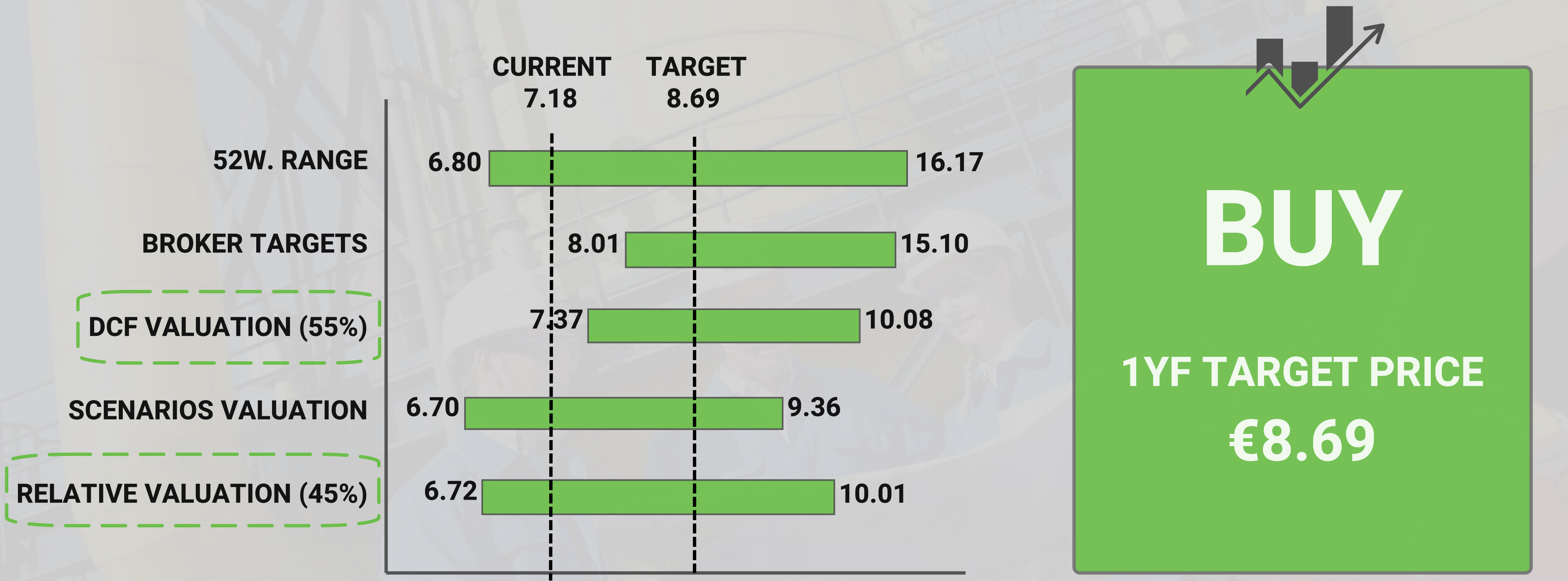
FUTUREPROOF



MULTIPLES ANALYSIS



CONSOLIDATED TARGET PRICE



RISKS

THE INSPECTIONS



BLUEPRINT



FRAMEWORK



ASSESSMENTS



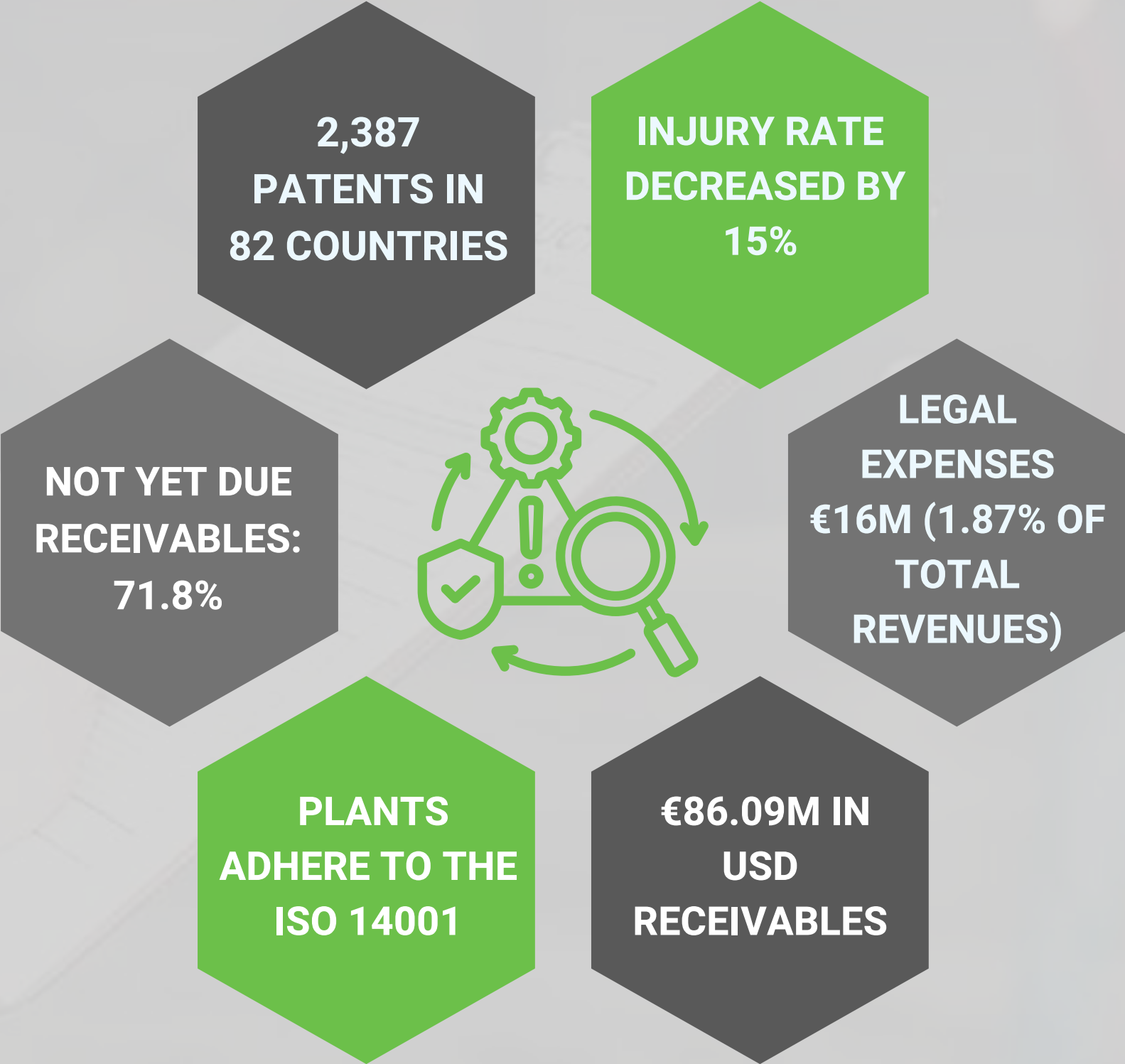
INSPECTIONS



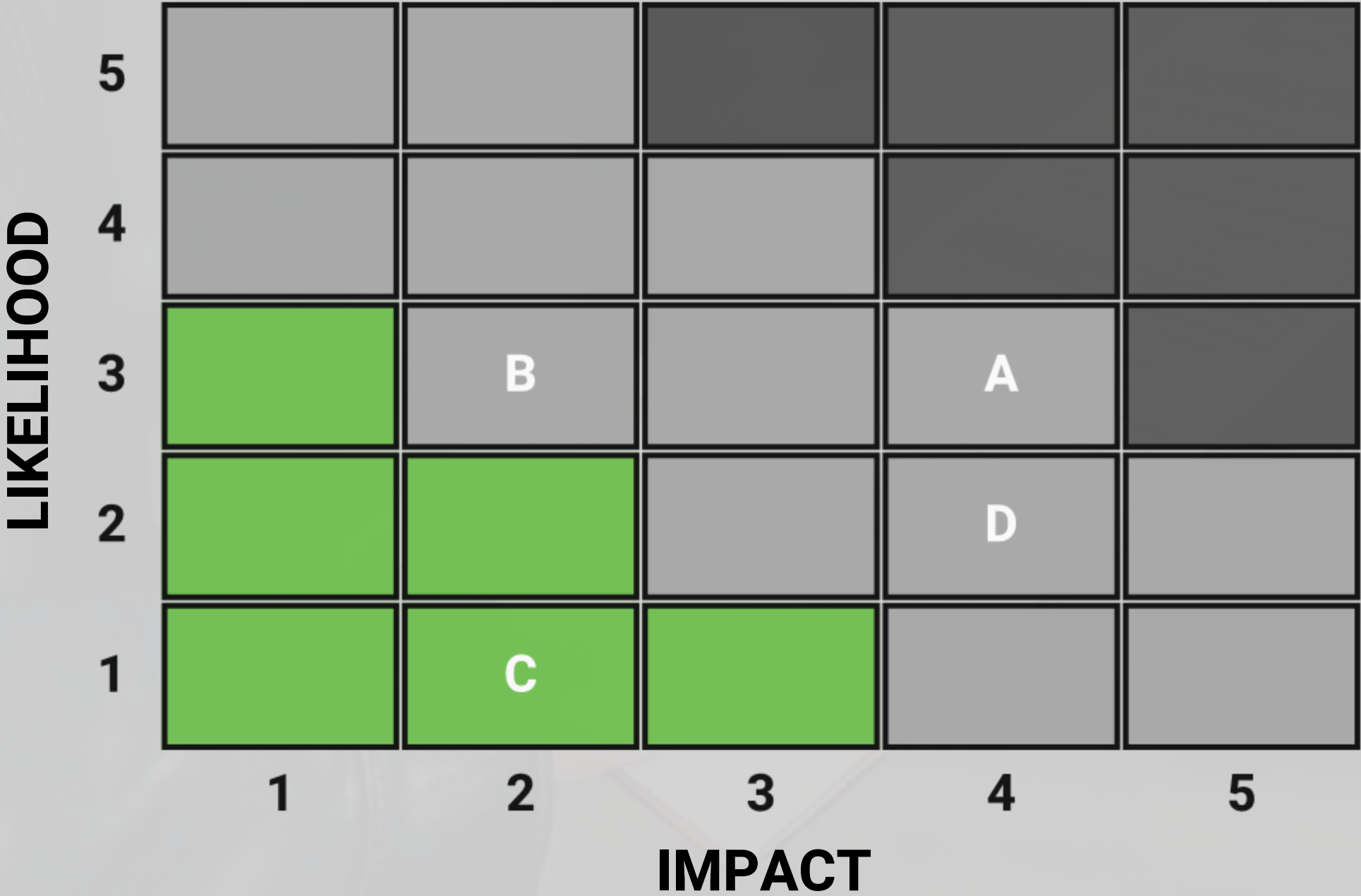
FUTUREPROOF



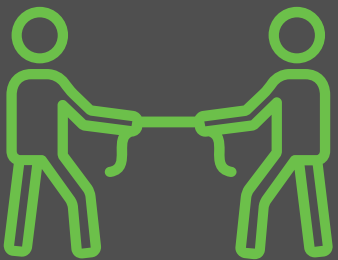
INSIGHTS ON RISKS



MARKET RISK



(A) DELAYED INVESTMENTS



(B) INCREASED GREEN-HYDROGEN COMPETITION

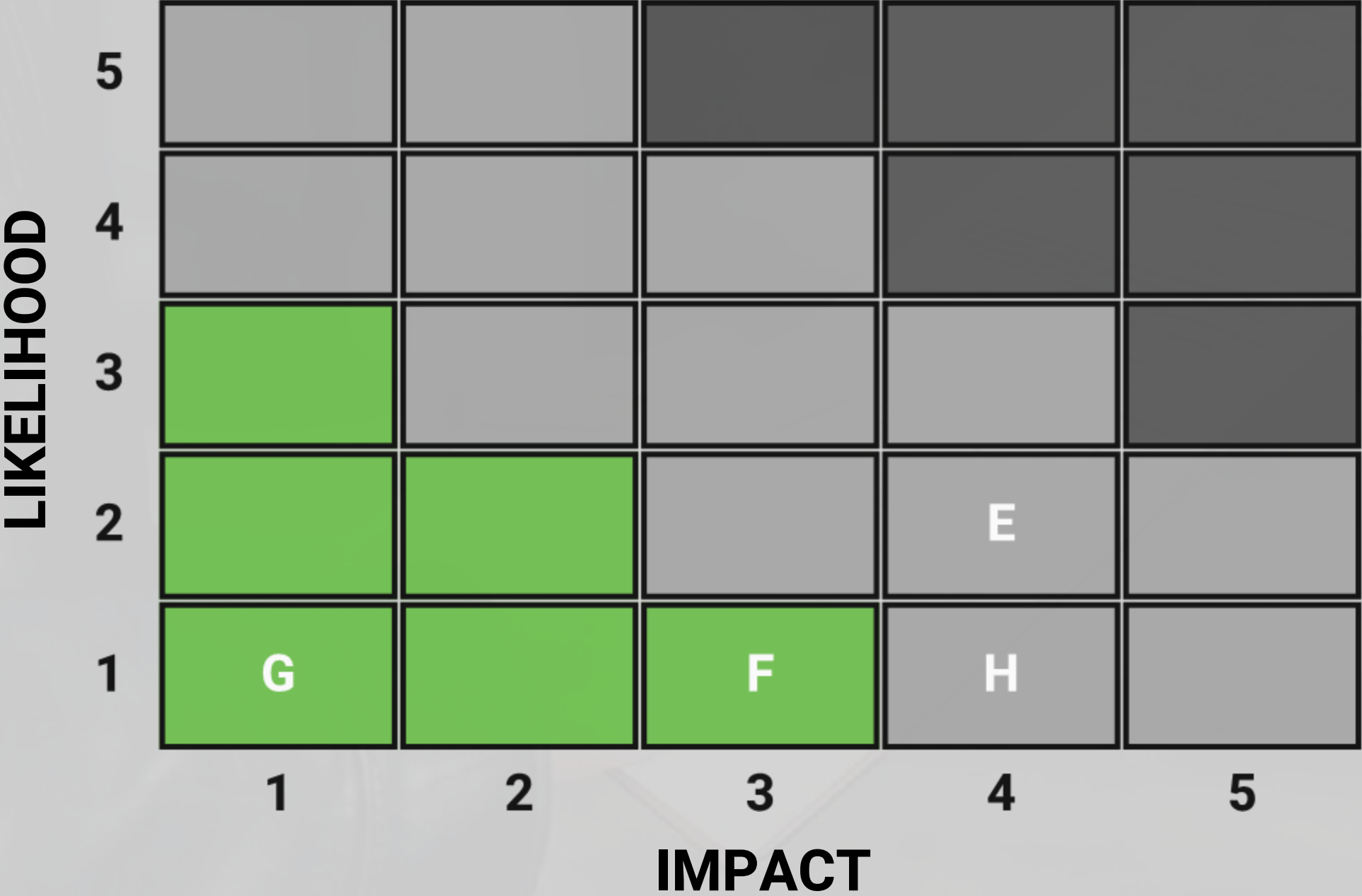


(C) INTEREST RATE



(D) UNCERTAINTY ABOUT TK NUCERA

OPERATIONAL RISK

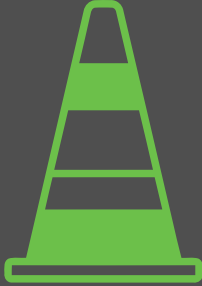




(E) PROTECTION OF KNOW-HOW AND TECHNOLOGICAL RISK



(F) PRODUCTION ACCIDENTS

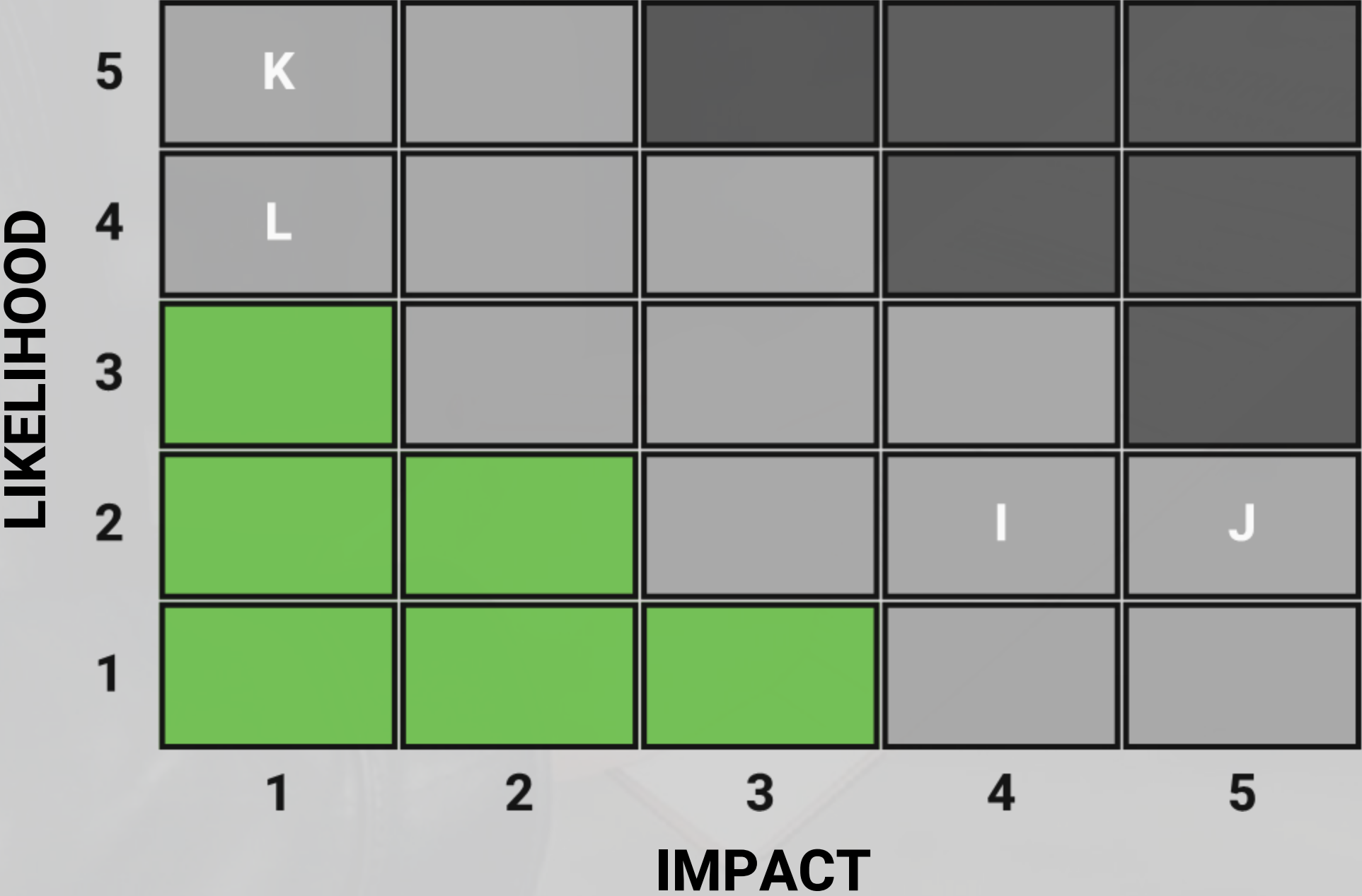


(G) WORKPLACE SAFETY



(H) MANAGEMENT RISK

LEGAL & ESG RISK



(I) MULTIPLE COMPLIANCE
OVER THE WORLD



(J) REPUTATIONAL RISK



(K) ENVIRONMENTAL REGULATIONS



(L) CLIMATE CHANGE RISK



BLUEPRINT



FRAMEWORK



ASSESSMENTS



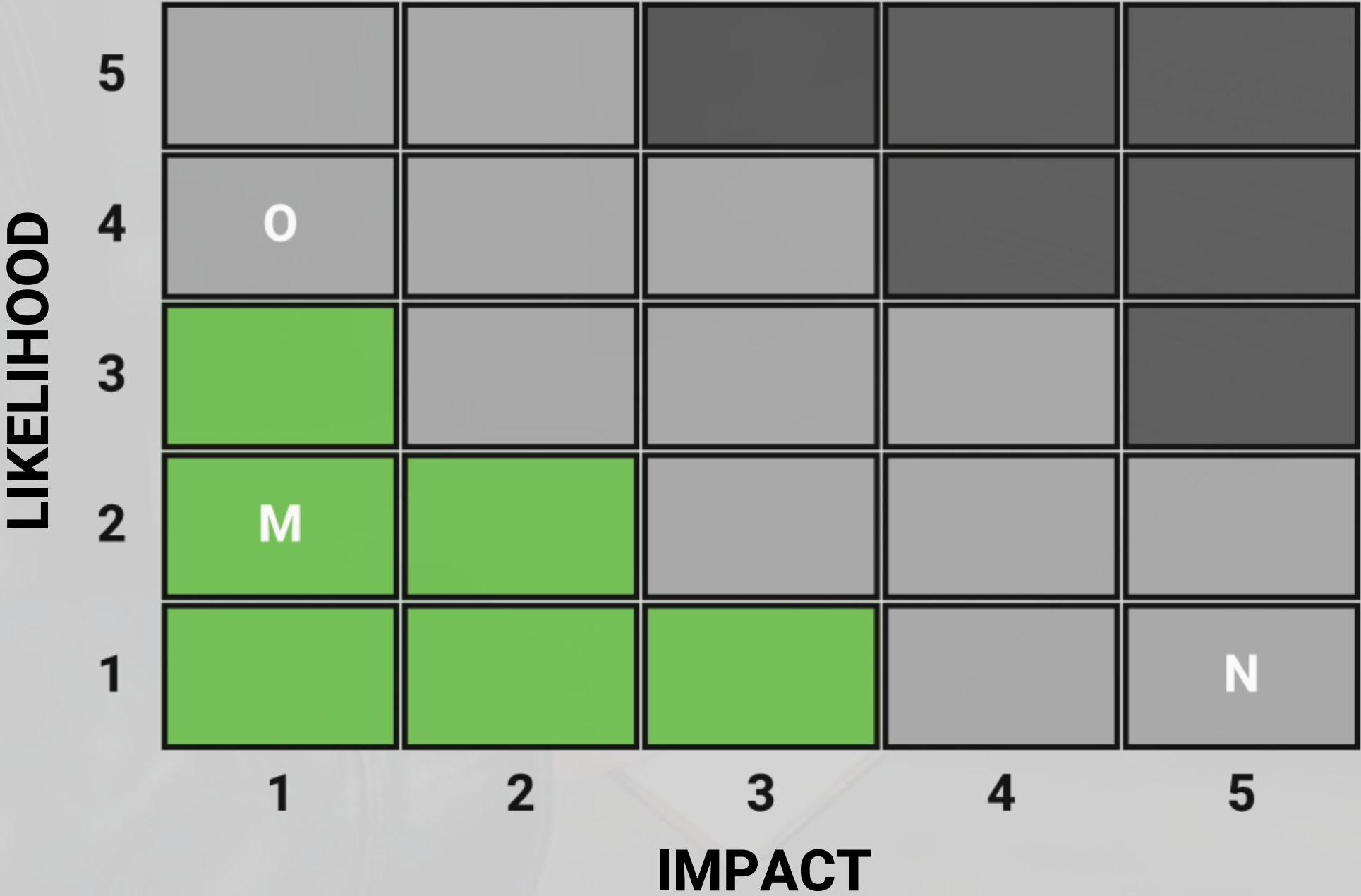
INSPECTIONS



FUTUREPROOF



FINANCIAL RISK





(M) CREDIT RISK



(N) LIQUIDITY RISK



(O) CURRENCY

ESG

THE FUTUREPROOF

✓
BLUEPRINT 

✓
FRAMEWORK 

✓
ASSESSMENTS 

✓
INSPECTIONS 

✓
FUTUREPROOF 

COMPARING METRICS

SUSTAINABILITY RISK BY SUSTAINALYTICS

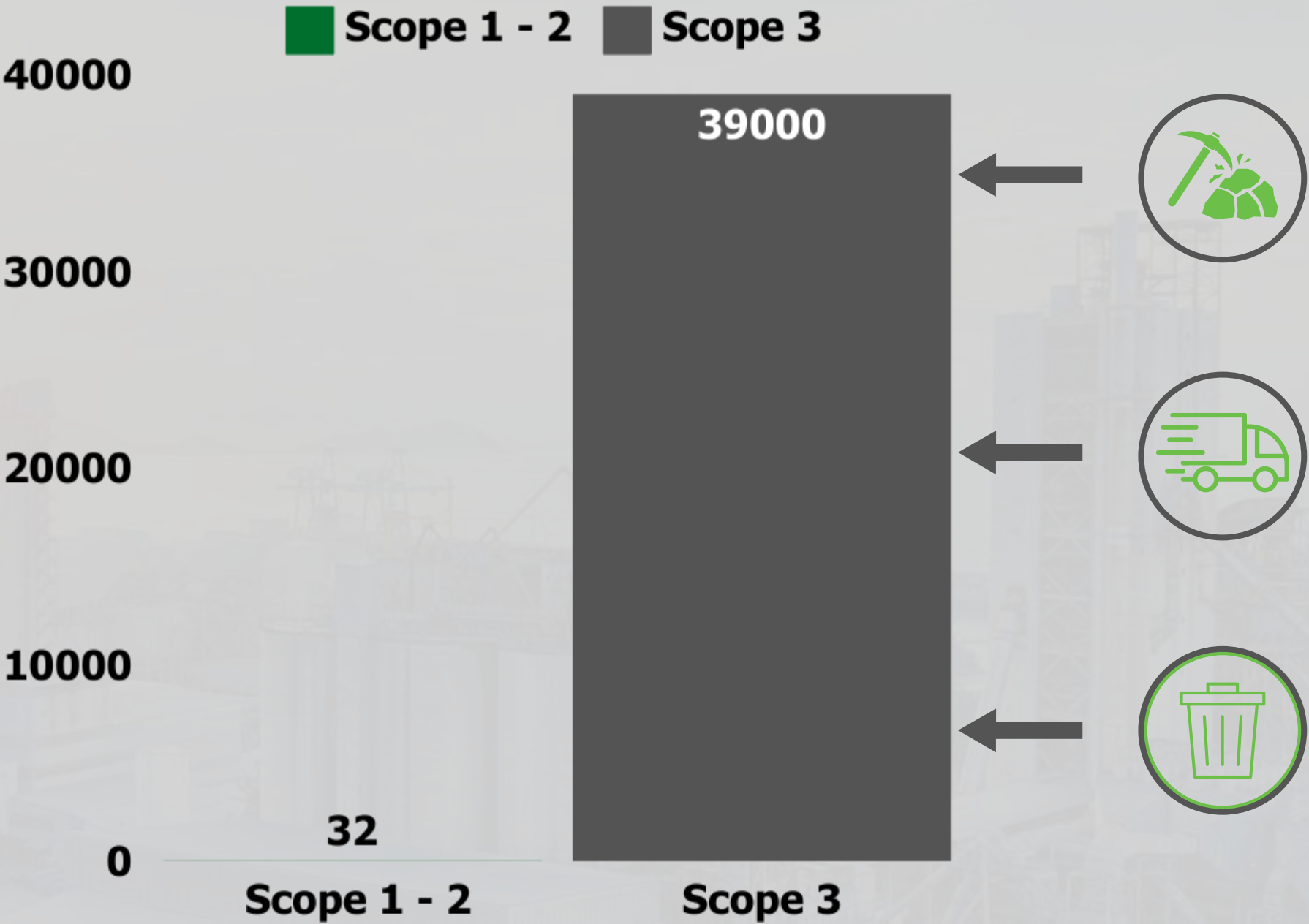
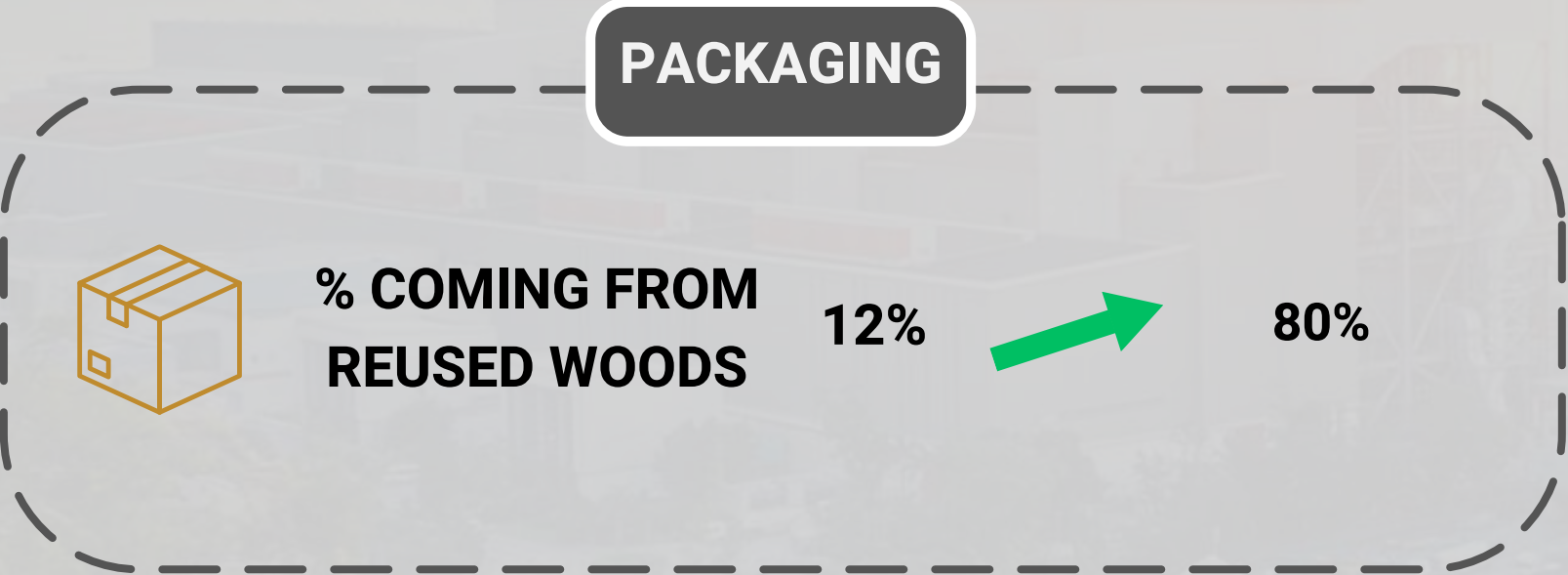
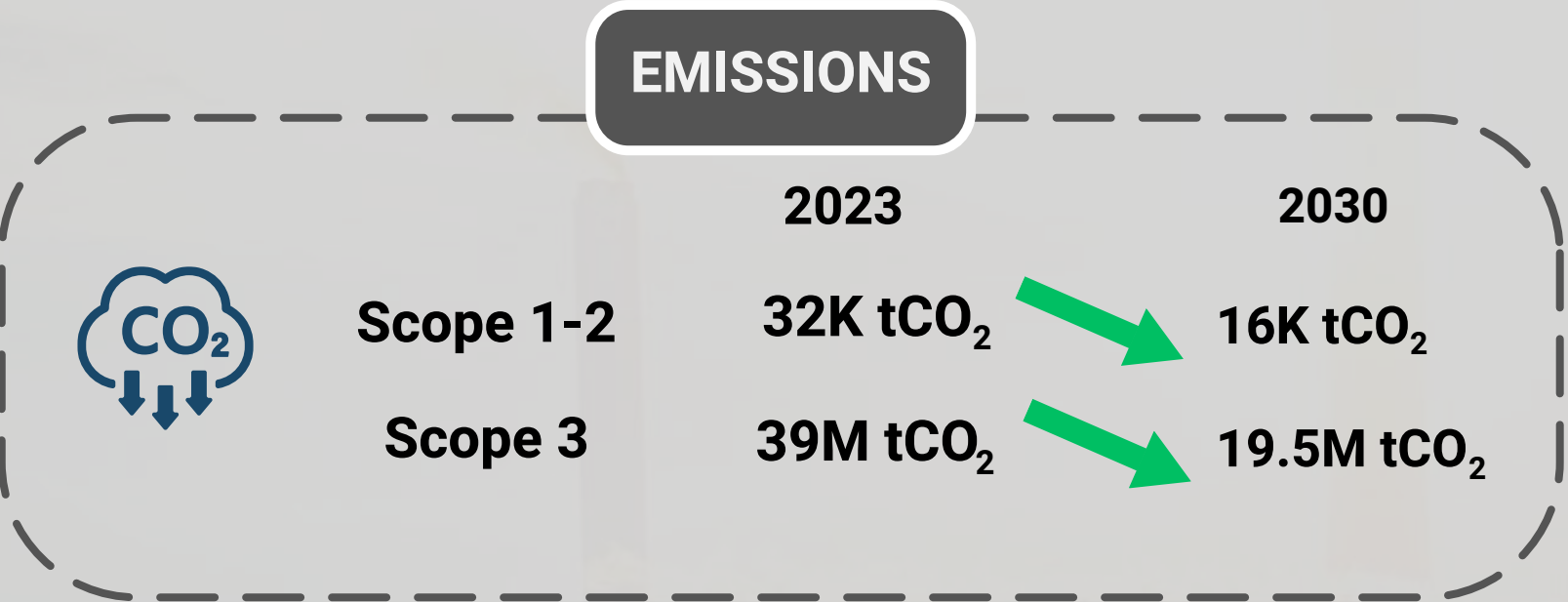


Negligible	0 - 10
Low	11 - 20
Medium	21 - 30
High	31 - 40
Severe	41 - 50

REFINITIV SCORE COMPARISON

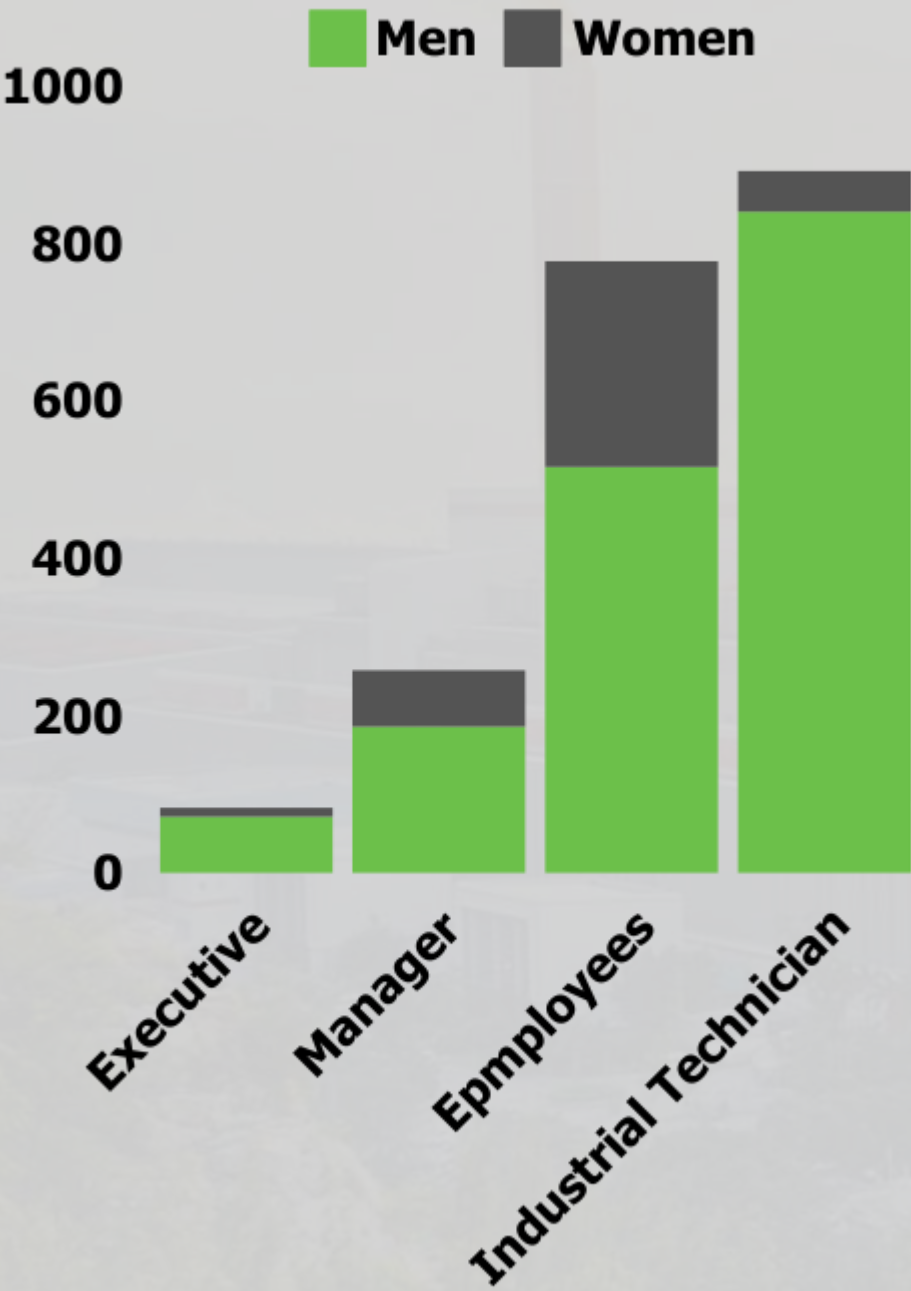
	DE NORA	Electrodes	Water Technologies	Energy Transition
Enviromental Score (34.2%)	52.92	33.52	74.97	24.56
Social Score (37.3%)	92.17	34.09	71.53	20.01
Governance Score (28.5%)	22.1	46.69	63.15	48.63
Total Score	58.28	38.09	69.88	31.06

ENVIROMENTAL: 6.5 BB RATING

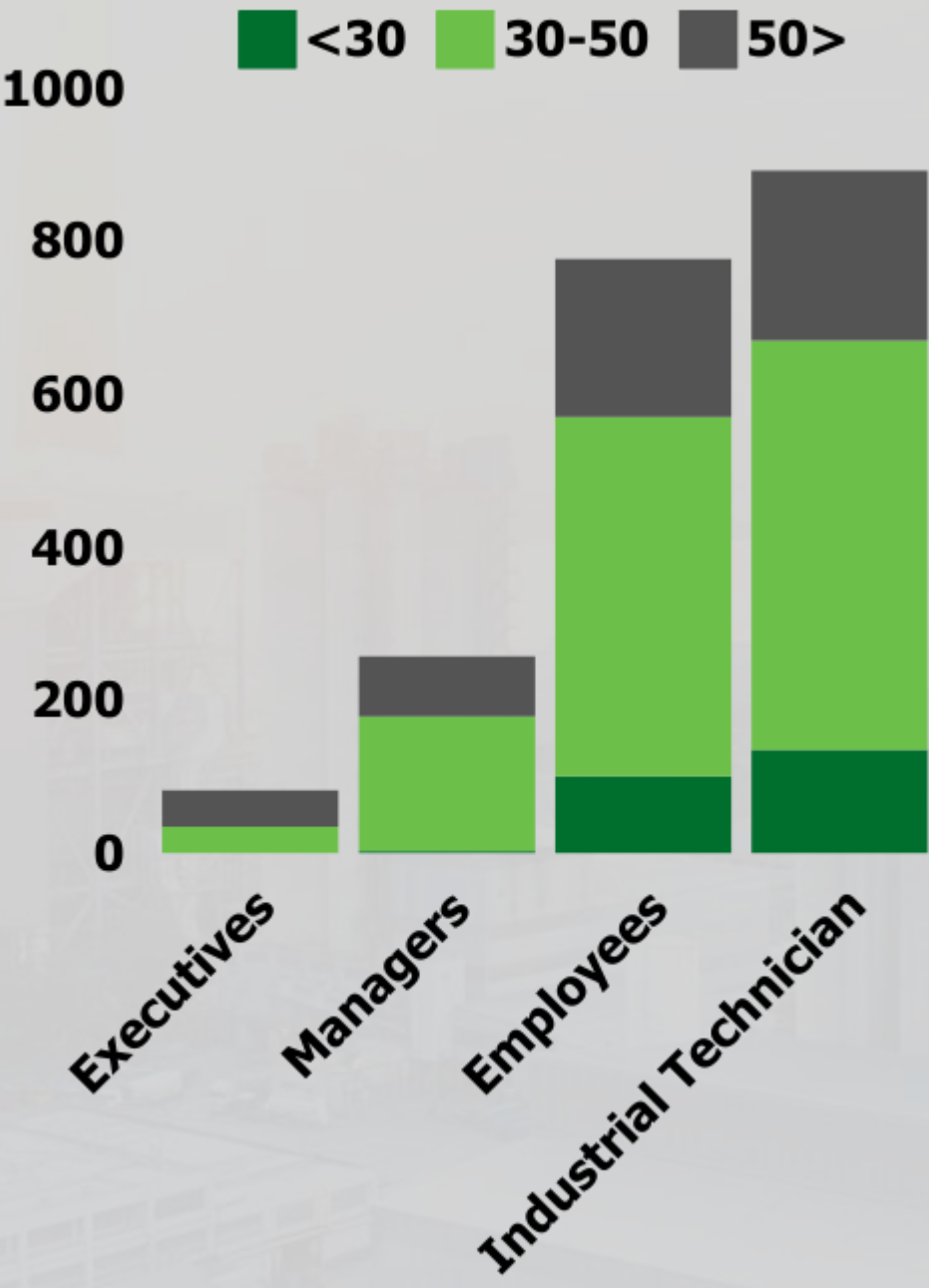


SOCIAL: 6.9 BBB RATING

EMPLOYEES BREAKDOWN



AGE DISTRIBUTION



NEW EMPLOYEES



GOVERNANCE: 5.00 CCC RATING

OTHERS
10%

ASSET COMPANY 10 S.r.L
26%

DE NORA FAMILY
64%

BOARD GENDER DIVERSITY

30.77%



NON-EXECUTIVE BOARD MEMBERS

86.67%



INDEPENDENT BOARD MEMBERS

46.67%



VETO POWER OR GOLDEN SHARE

True



BLUEPRINT



FRAMEWORK



ASSESSMENTS



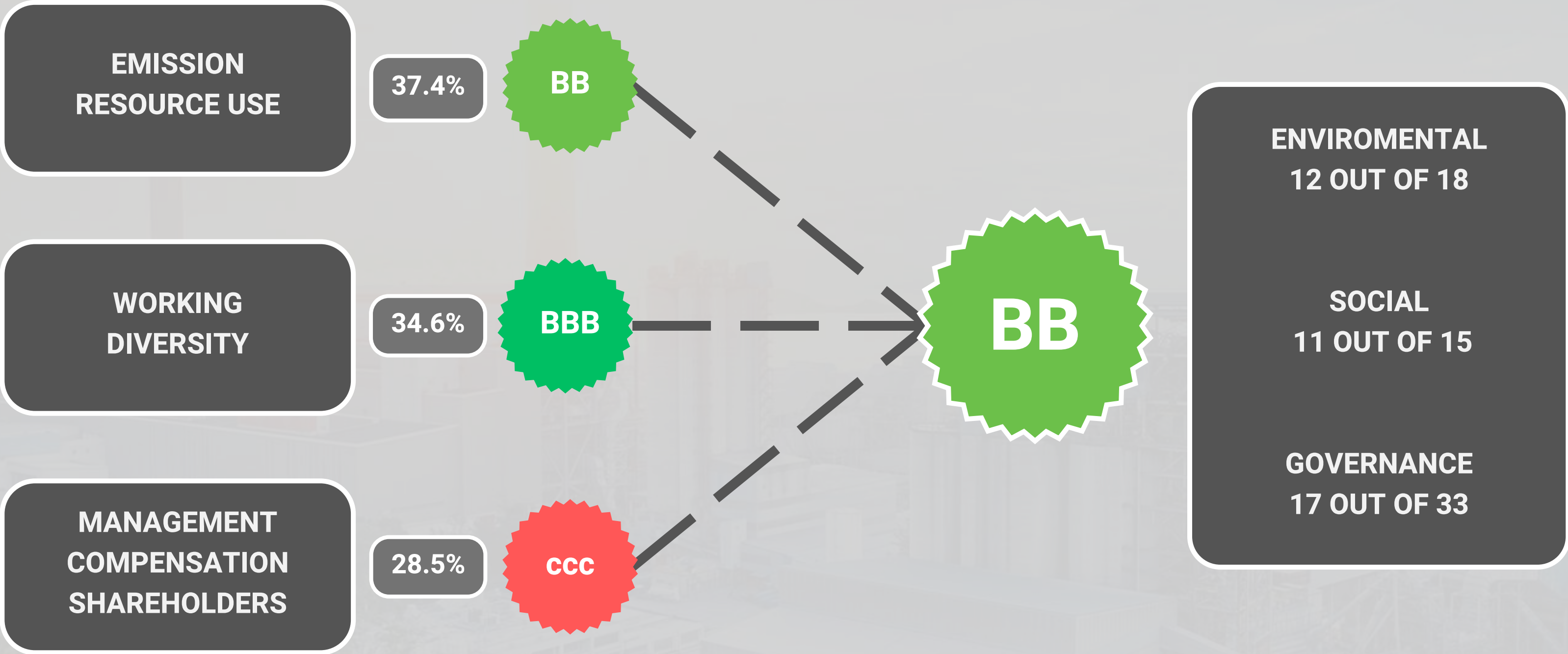
INSPECTIONS



FUTUREPROOF



OUR RATING



THREE REASONS WHY

1YF TARGET PRICE: €8.69

UPSIDE: +21.1%

BUY

1

LEADING COMPETITIVE
POSITIONING



2

HIGH GROWTH
OUTLOOK



3

OUTSTANDING FINANCIAL
HEALTH



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FRAMEWORK



ASSESSMENTS



INSPECTIONS



FUTUREPROOF



Q&A SESSION

APPENDIX

OVERVIEW

Price Movements
Team VS Analysts
Backlogs
M&A History
M&A Snapshot
Business Units By Regions
Business Units Revenues by Lines
Electrodes
Electrodes Future Trends
Water Technologies
Water Stress Map
Energy Transition
Past Trends in Energy Transition
Future Trends in Hydrogen
Proprietary Model Market Size
Proprietary Model CAGR
Porter's Five Forces

FINANCIALS

Balance Sheet
Income Statement
Cash-Flow Statement
Forecast of the Geographical Weights
Forecast of the Business Units Weights
COGS and SG&A Importance
Value Added Per Employee
CapEx Breakdown by Business Unit
Cash Conversion Cycle

INVESTMENT RISKS

Currency Regression
Receivables Breakdown
Patents Breakdown

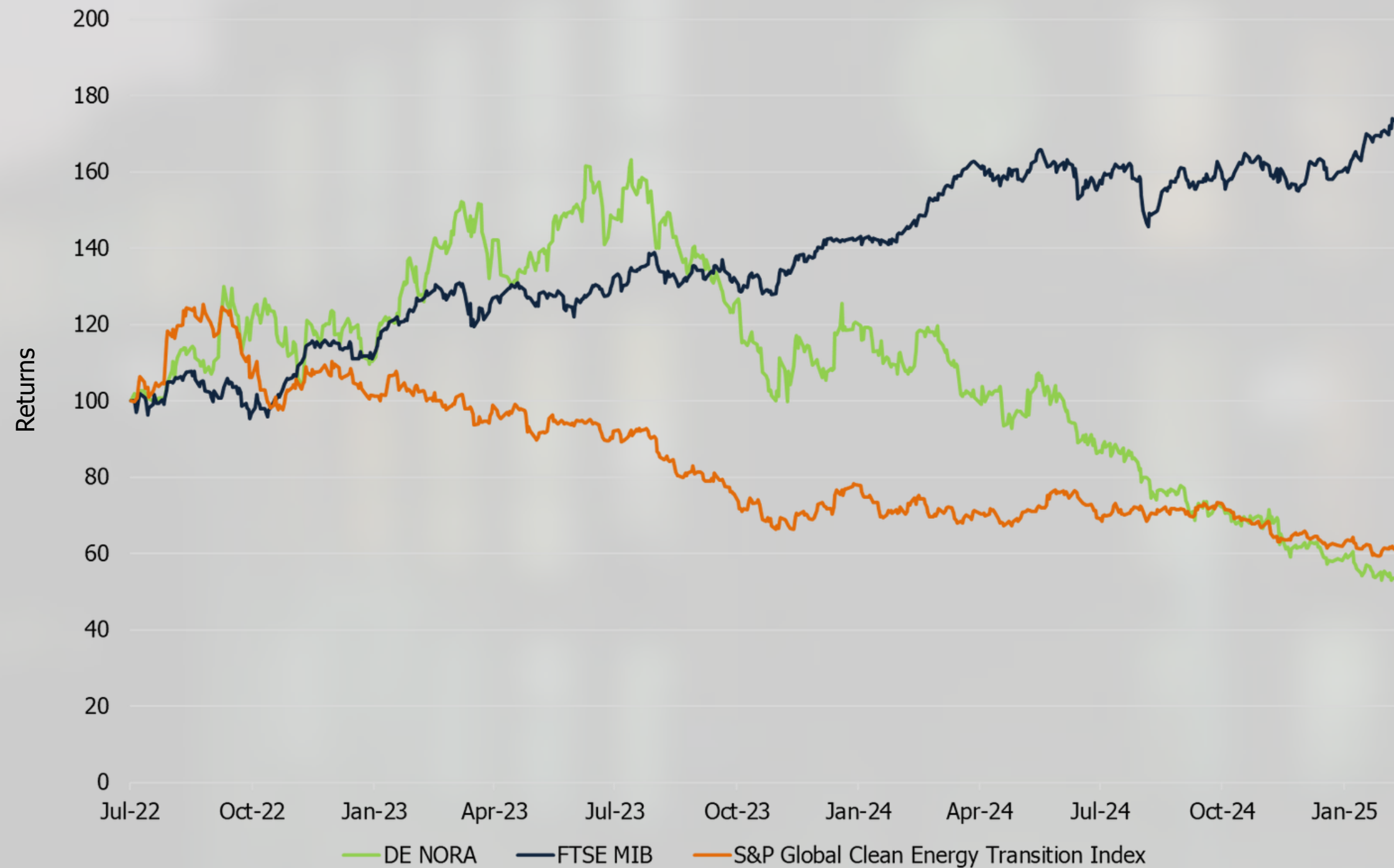
VALUATION

Discounted Cash Flow
Cost of Financing Breakdown
Scenarios Simulation: Worst Case Scenario
Scenarios Simulation: Mid Case Scenario
Scenarios Simulation: Best Case Scenario
Reverse DCF
Updating the Model
Peers Selection
Similarity Scores & Multiples
Optimal Capital Structure
Dynamic WACC Estimation

ESG

SDG Commitments
Compliance: On the Right path
Board of Directors
REFINITIV Scoring
Proprietary Model: Environmental
Proprietary Model: Social
Proprietary Model: Governance

PRICE MOVEMENT



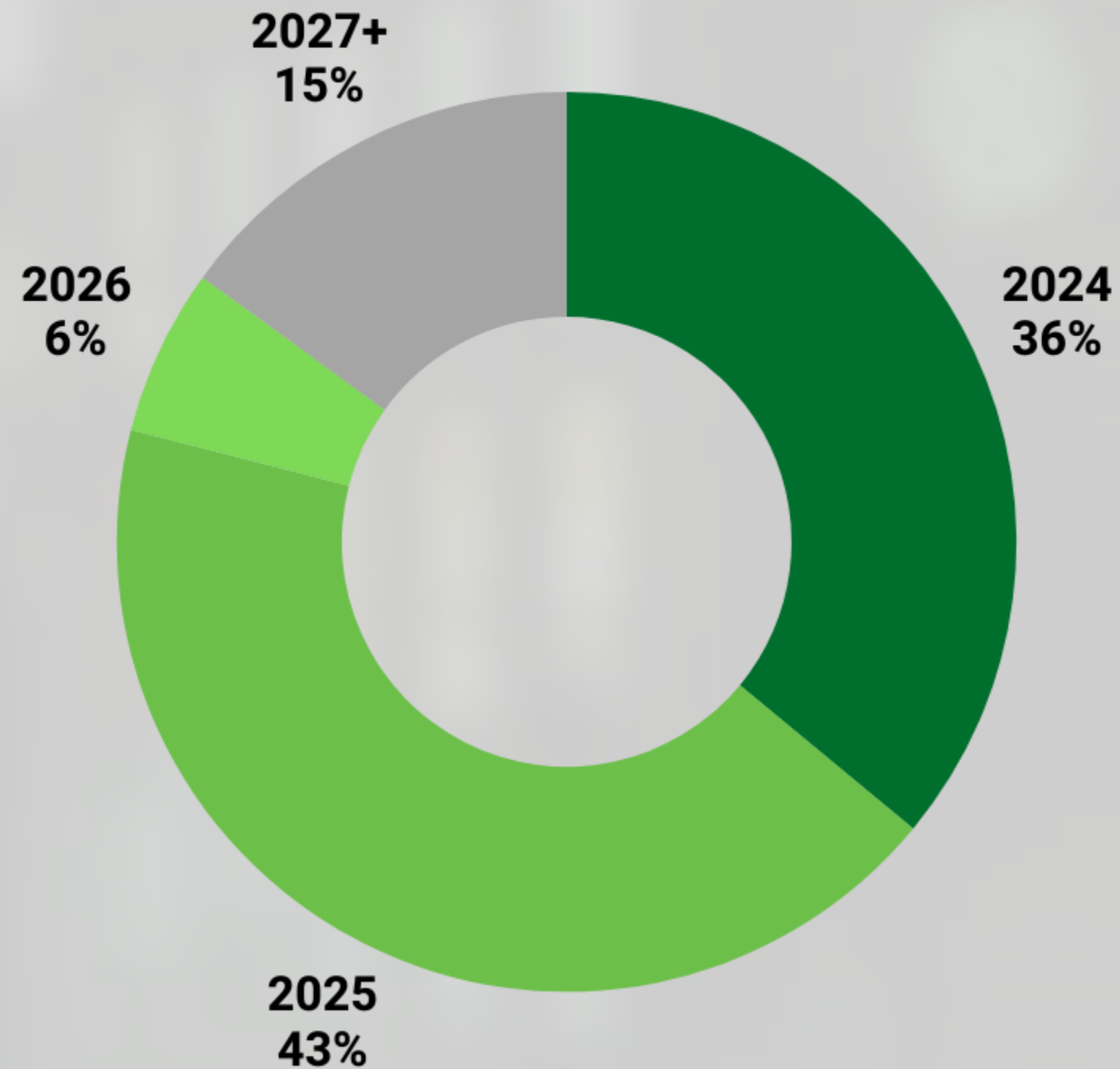
- De Nora underperforms with respect to the Italian benchmark after July 2023
- The stock follows a similar path to the S&P Global Clean Energy Transition, outperforming it for most of the timeframe
- The price is near to its historical minimum, enhancing our view of an undervalued company

TEAM VS ANALYSTS

		2023	2024E	2025E	2026E
Revenues	Team	867B	868B	943B	1002B
	Analysts	-	857B	896B	943B
EBITDAm	Team	19.72%	17.75%	18.46%	18.79%
	Analysts	-	17.15%	17.84%	18.31%
EBITm	Team	15.79%	13.28%	13.95%	14.35%
	Analysts	-	13.36%	13.26%	13.09%

- The analysts expencts a decrease in revenues while we expect a steady level in 2024
- We forecast a lower EBIT in 2024 due to our estimates of the D&A as shown in the balance sheet
- The lower level in 2023 is more than compensated in the upcoming two years mainly due to the CapEx structure and the increase in EBITDA
- The growth in the revenues in 2025 is sustained by the backlogs & projects

BACKLOGS



MAIN PROJECTS:

- **NEOM, Saudi Arabia**
 - Ammonia industry
 - >2GW
- **Green Steel project, Sweden**
 - Hard to abate industry
 - 700MW+
- **TA'ZIZ, UAE**
 - Largest chlor-alkali (UAE)

M&A HISTORY



Strengthen the current portfolio



Extend reach in growing markets



Enhance the value chain

2018

Water Stars

April, 2019

Neptune Enterprises LLC

2021

UV Technologies Division
(CCUV)

2023

Shotec GmbH



February, 2019

MIOX Corp.

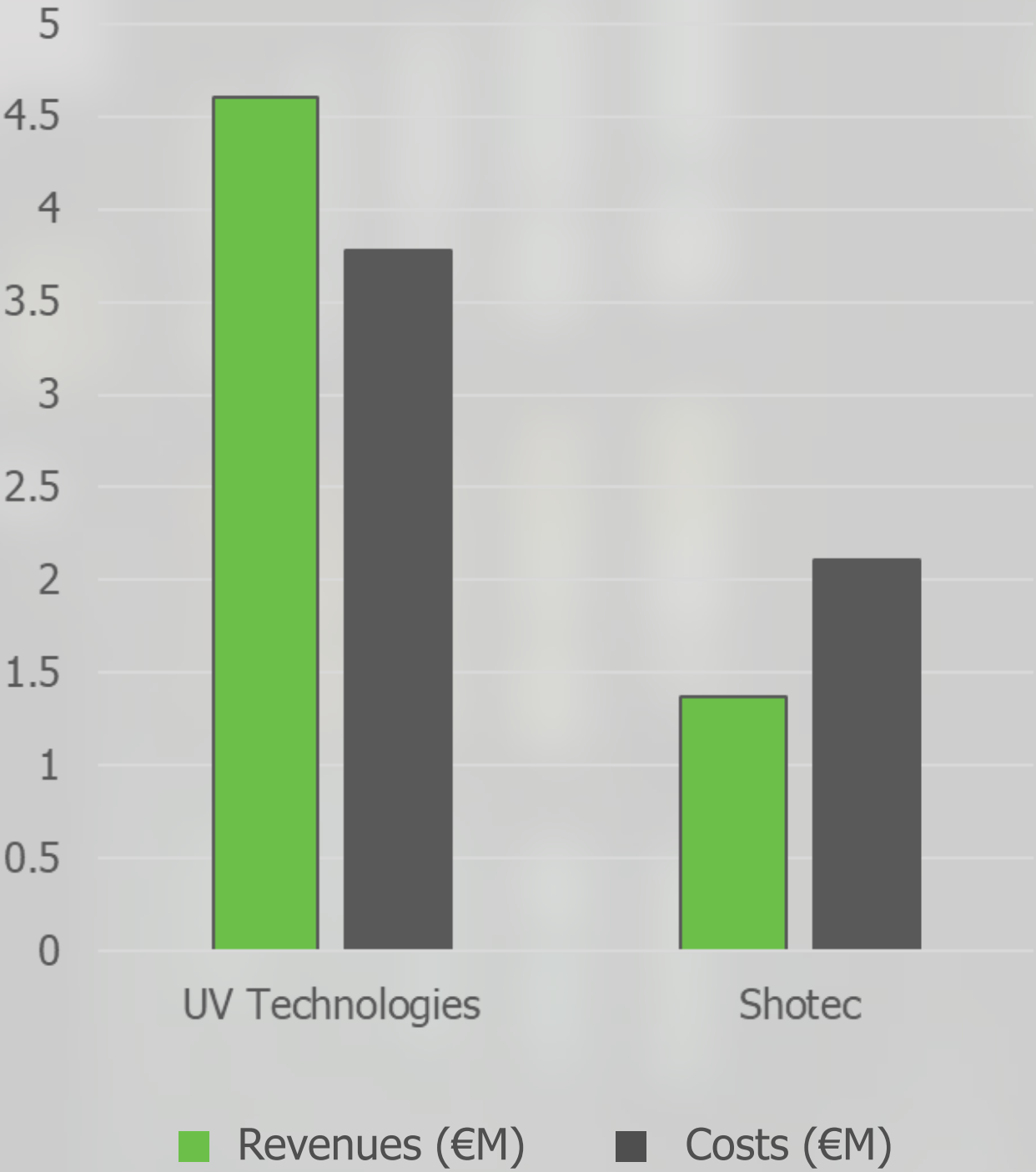
2021

ISIA S.p.A

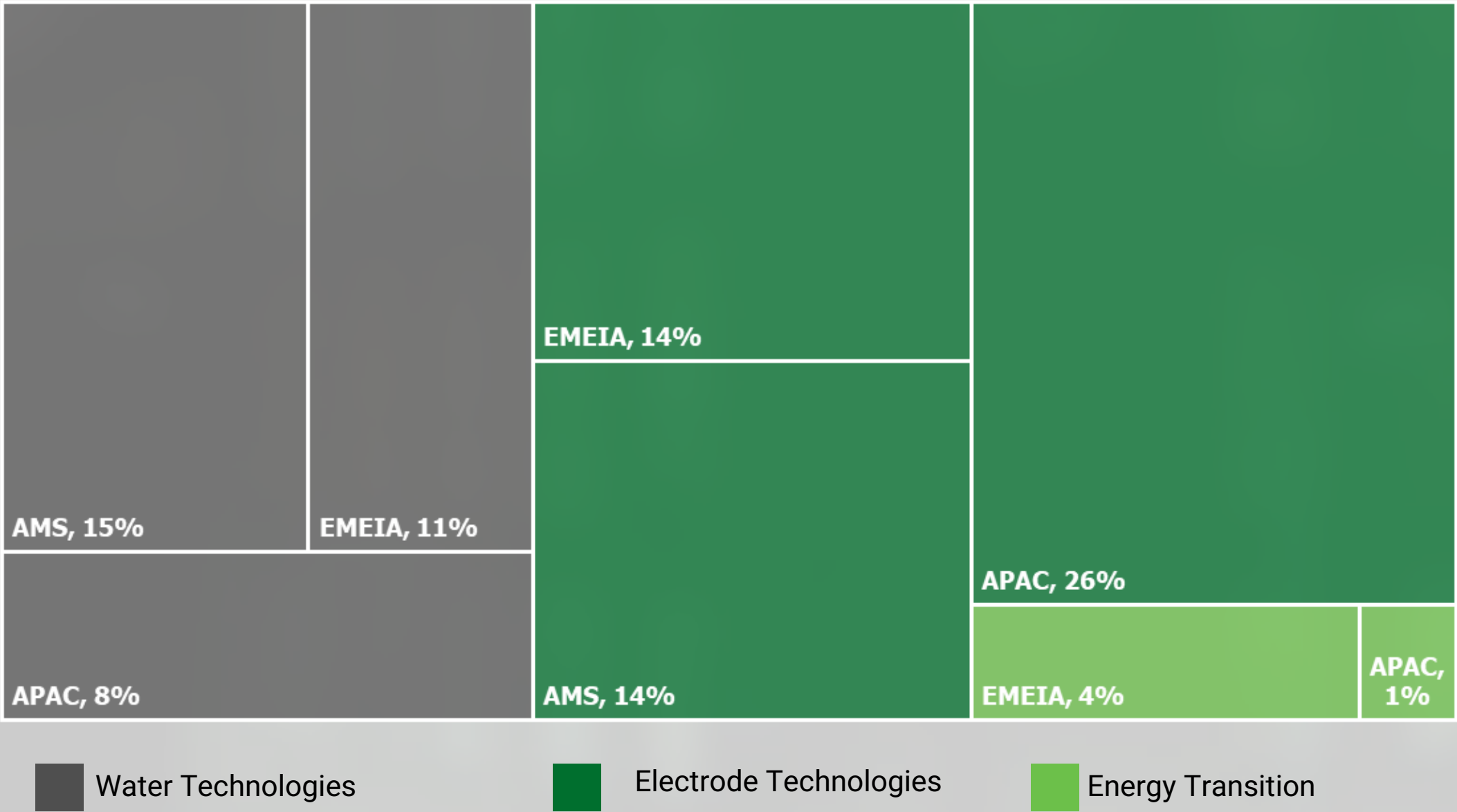
2021

AZUL Energy Co. Ltd.

M&A SNAPSHOT

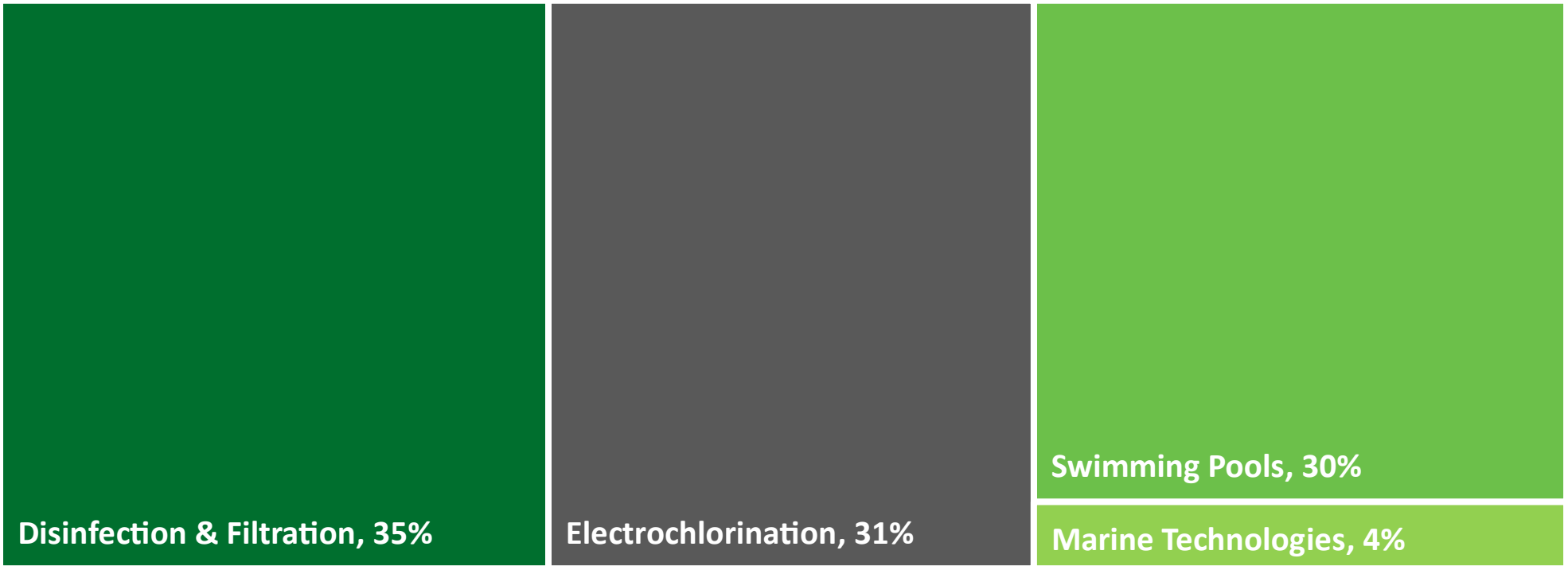


BUSINESS UNITS BY REGIONS



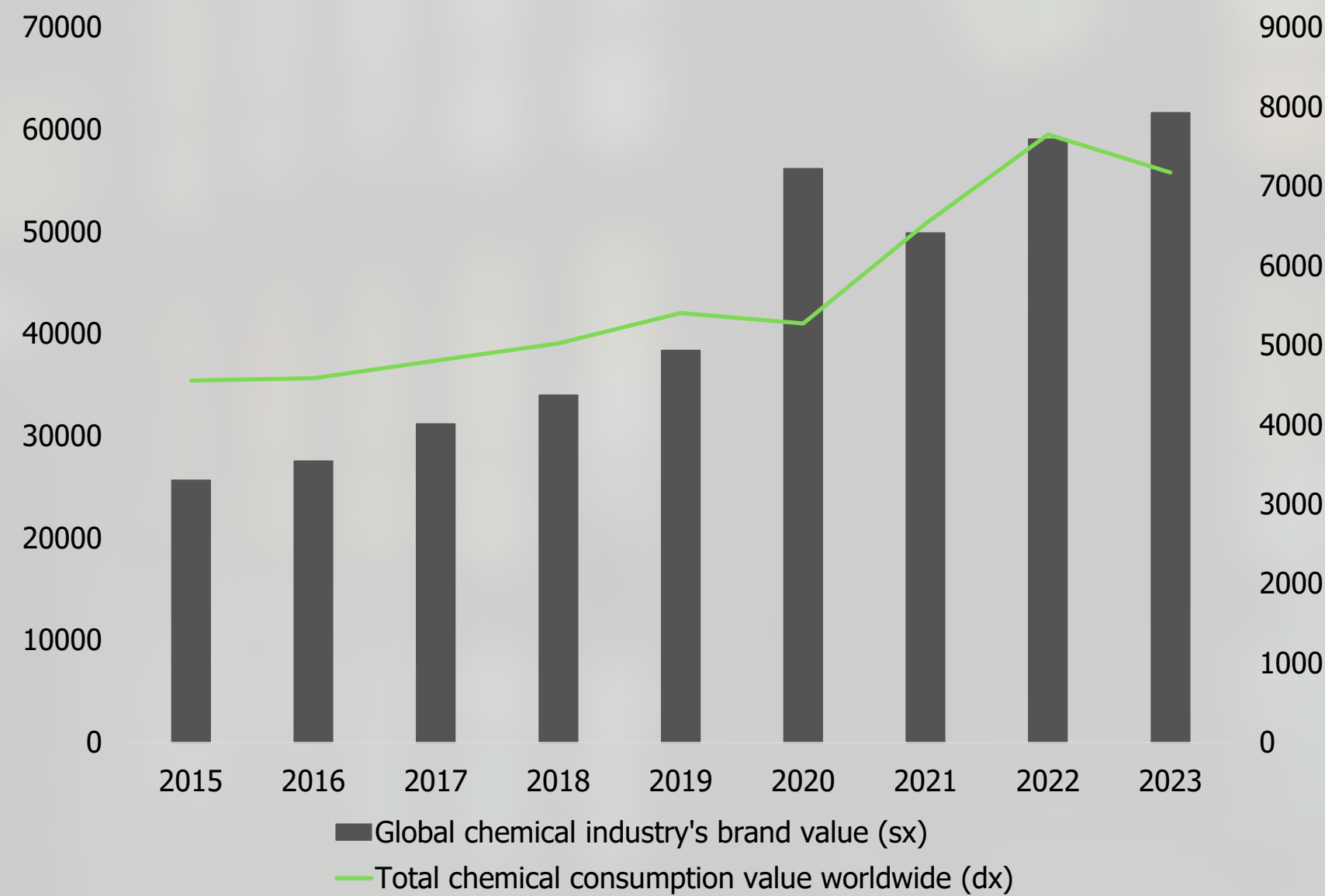
- Energy Transition in EMEIA registered +174% in revenues with respect to 2022
- Electrode revenues in AMS +17% with respect to 2022
- Stable % of revenues in APAC even in contraction periods
- India and APAC has higher growth potential in terms of GDP

BUSINESS UNITS REVENUES BY LINES



- Electrodes revenues stable during crisis. No significant difference between 2022 and 2023
 - Chlor-Alkali line is widely dominant in terms of revenues,strengthening the competitive positioning
- Swimming pools decrease the volume due to the post-pandemic normalization of the demand
- Disinfection & Filtration sees a +27.6% increase in revenues with respect to 2022
 - Marine Technologies sees stable revenues

2015-2023 CHEMICAL INDUSTRY BRAND VALUE (MILLION USD) AND
CHEMICAL CONSUMPTION (BILLION EUR)



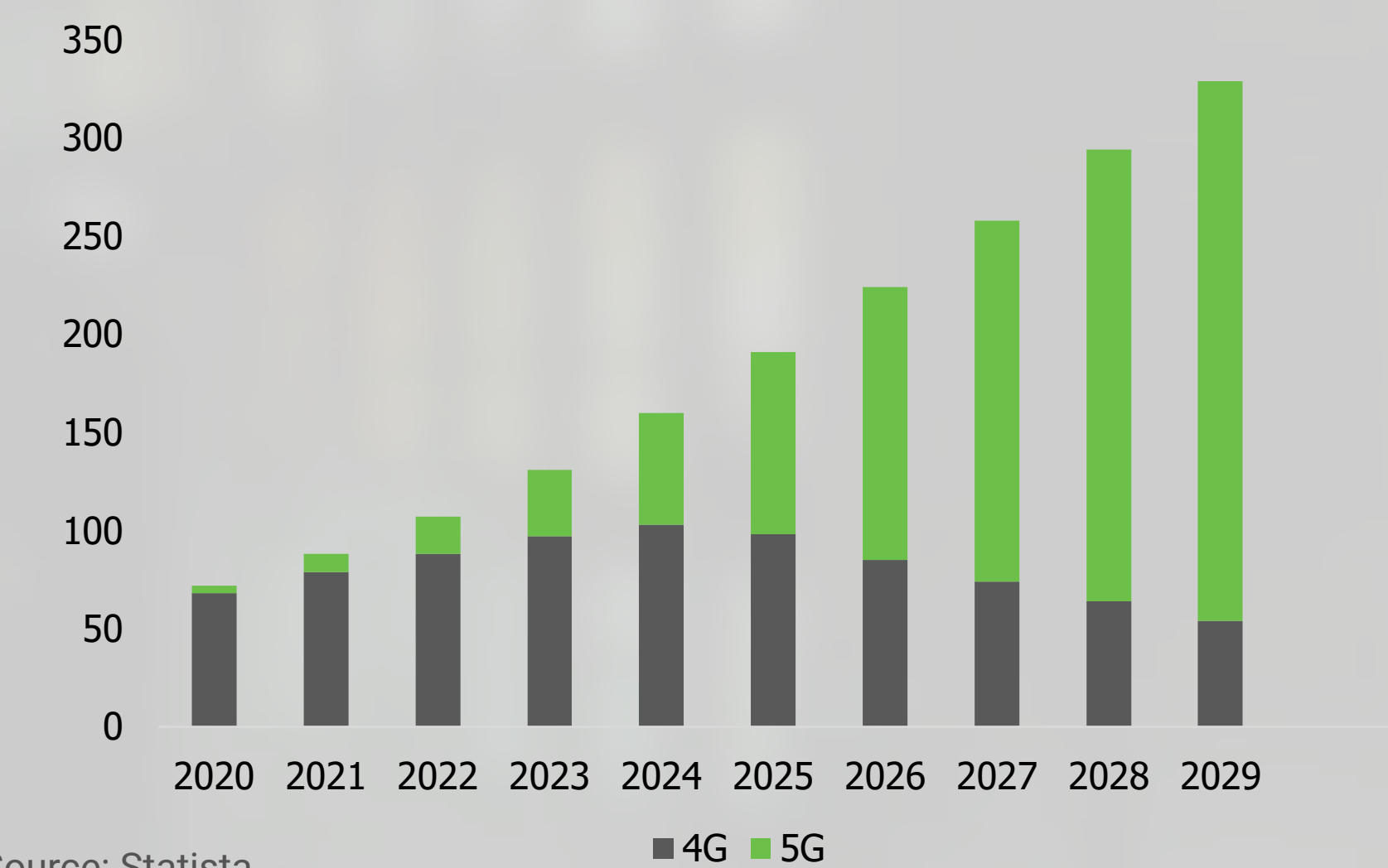
Source: Statista

DEMAND DRIVERS:

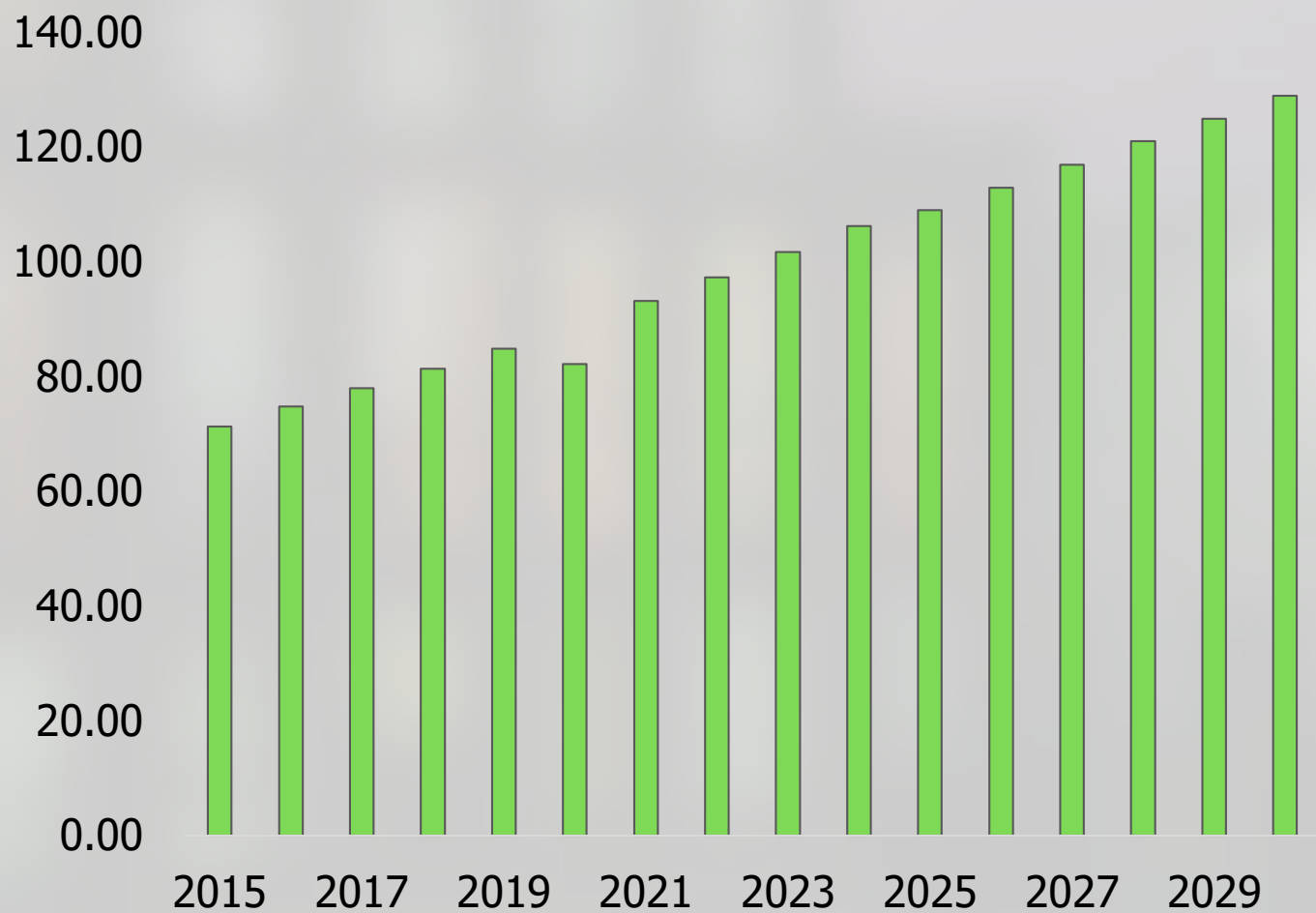
- ✓ Industrial Production increases, boosting the demand for Chlor-Alkali solutions
- ✓ Urbanisation growth increasing the demand for infrastructures
- ✓ Climate change increases the demand for green alternatives such as green-hydrogen
- ✓ Adoption of new technological solutions

ELECTRODES FUTURE TRENDS

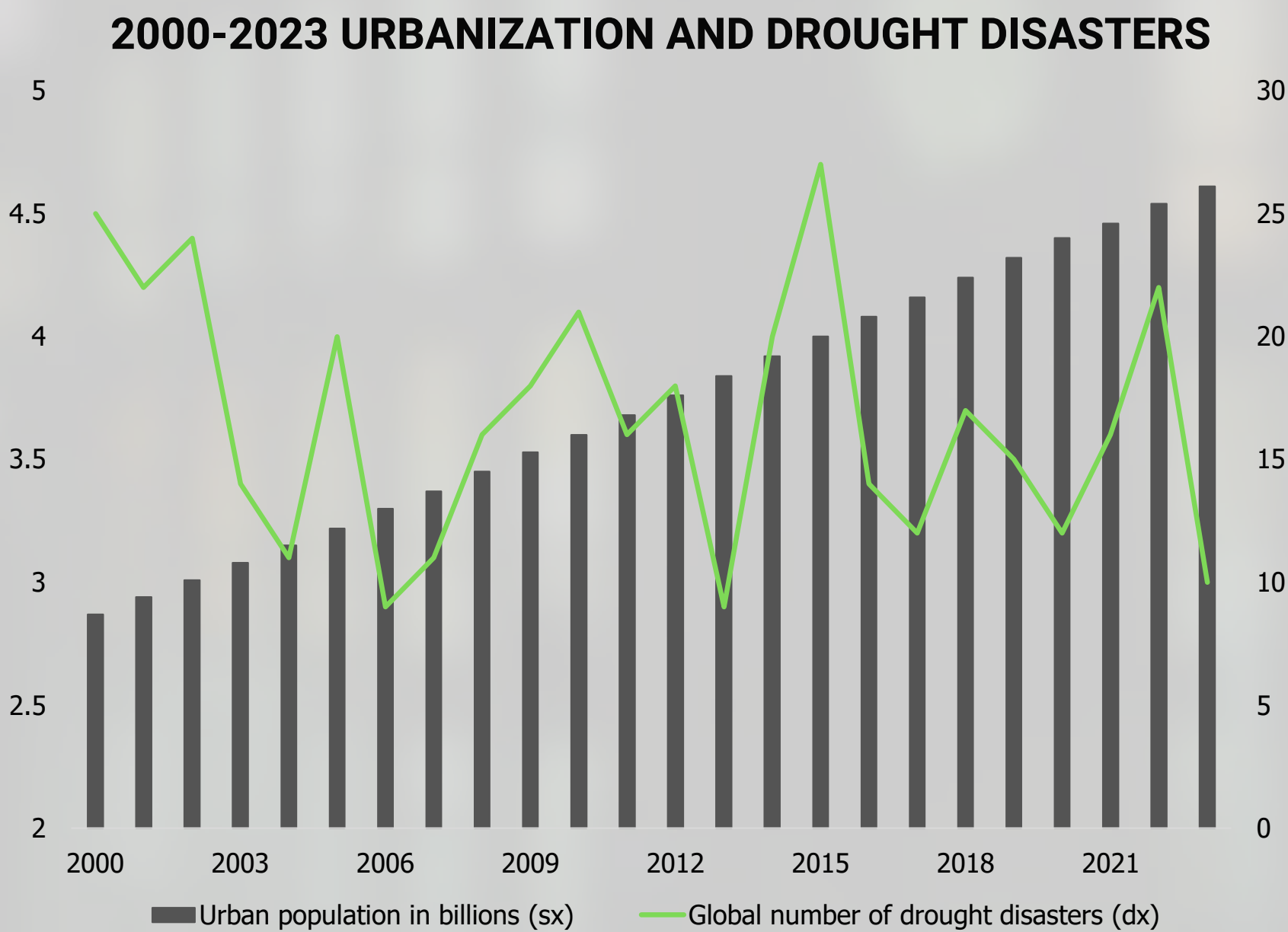
2024-2029 PROJECTED TECHNOLOGICAL ADOPTION IN TERMS OF 5G ADOPTIONS IN FWAS



GLOBAL CHLORINE MARKET VOLUME 2015-2030 IN MILLION METRIC TONS



WATER TECHNOLOGIES



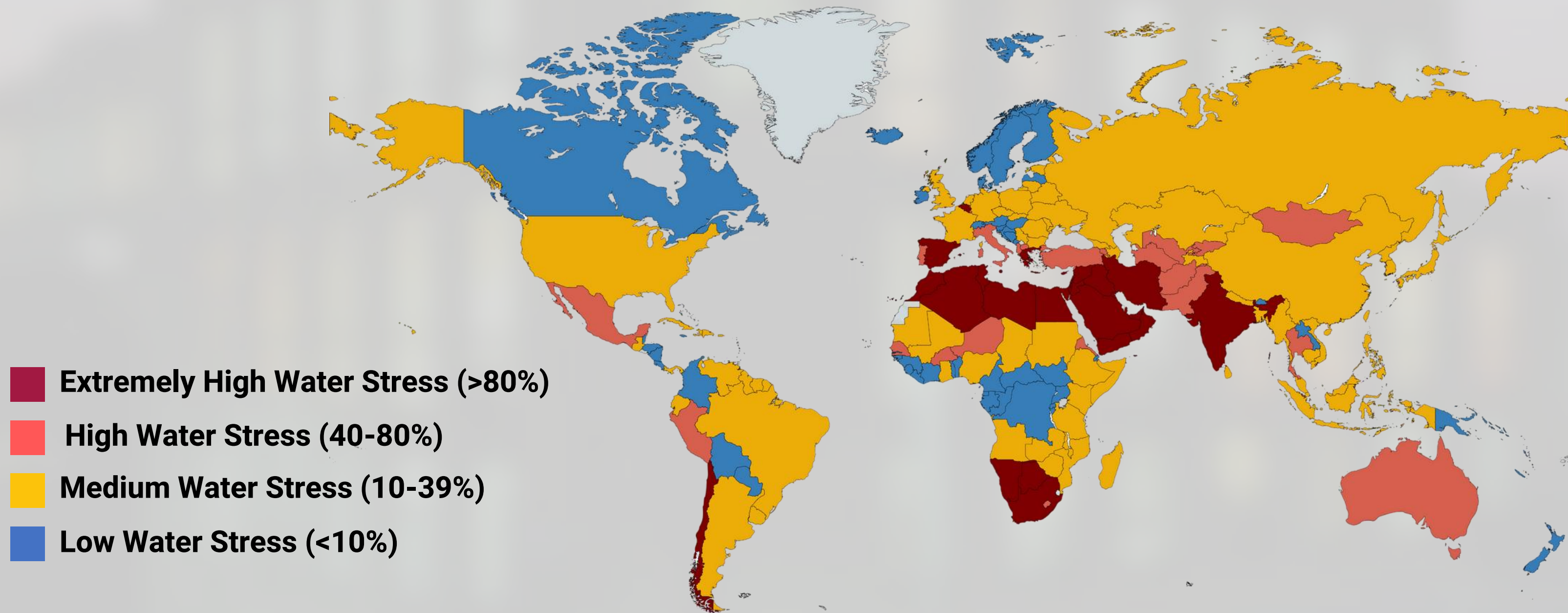
Source: Statista, World Bank

DEMAND DRIVERS

- ✓ Severe water stress and water insecurity
- ✓ Urbanization and population growth
- ✓ Stringent regulatory frameworks

WATER STRESS MAP

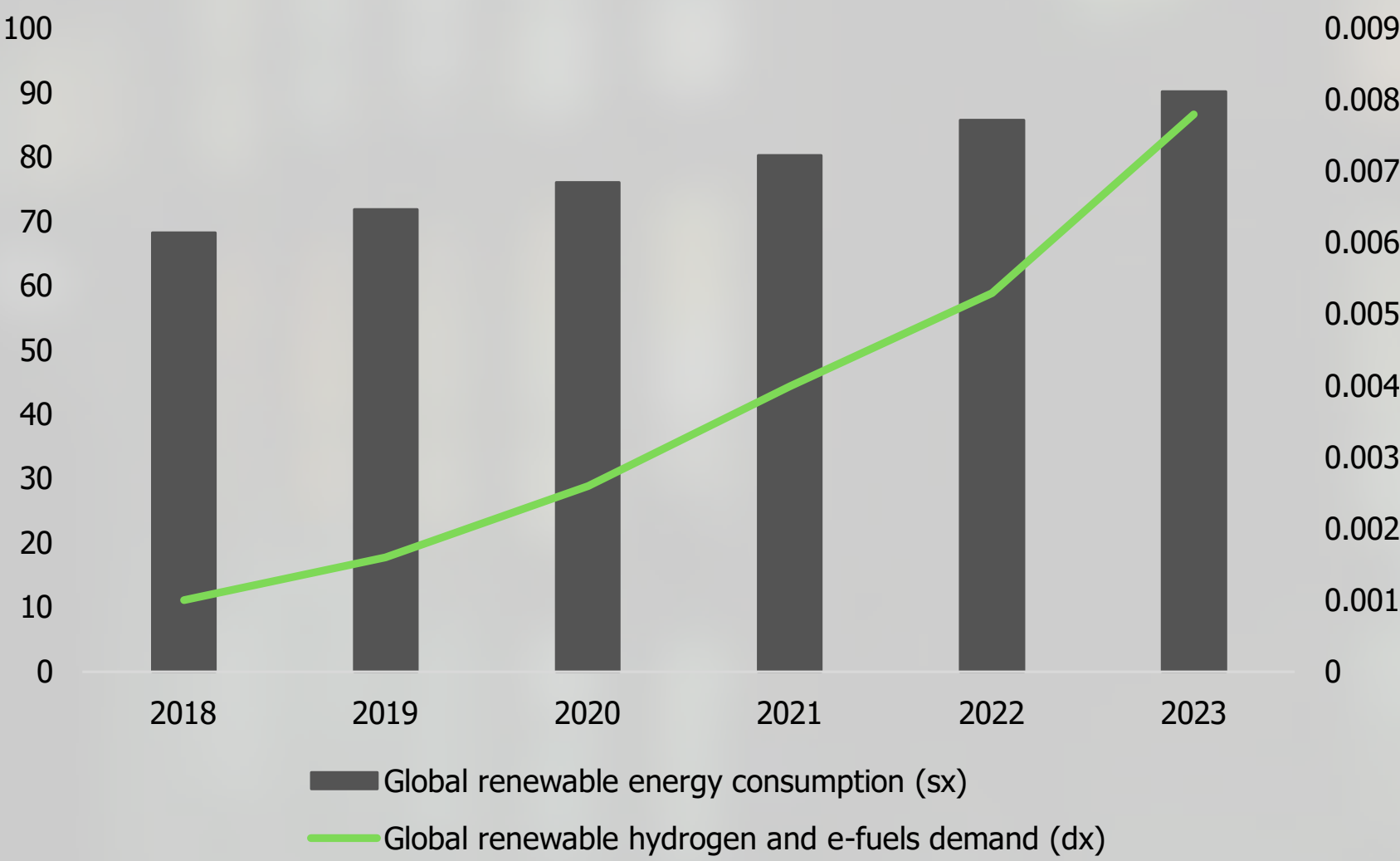
2050 PROJECTED LEVEL OF WATER STRESS



Source: Statista, UN and HYDE

ENERGY TRANSITION

2018-2023 GLOBAL RENEWABLE ENERGY DEMAND AND CONSUMPTION IN EXAJOULES



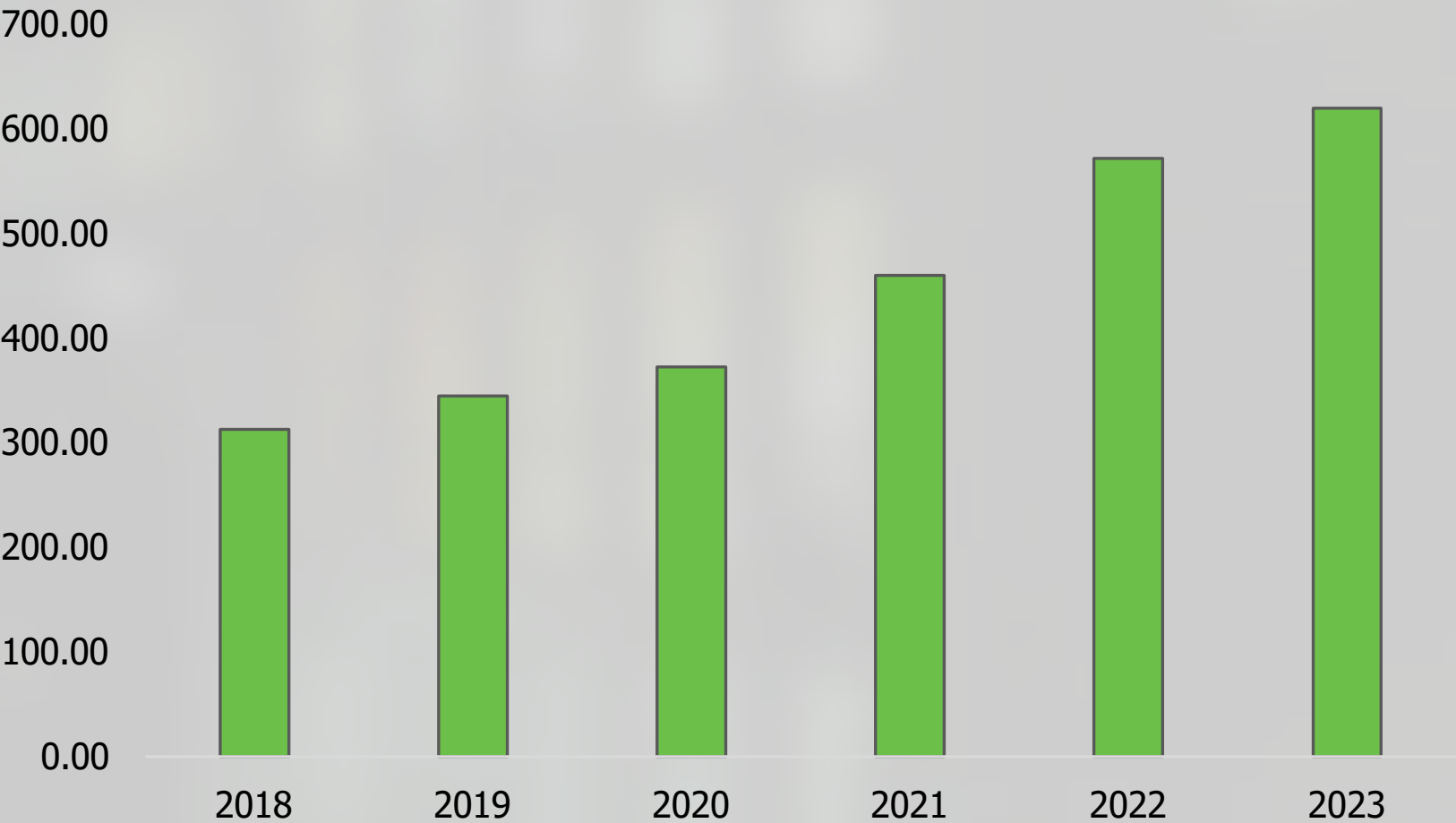
Source: Statista

DEMAND DRIVERS

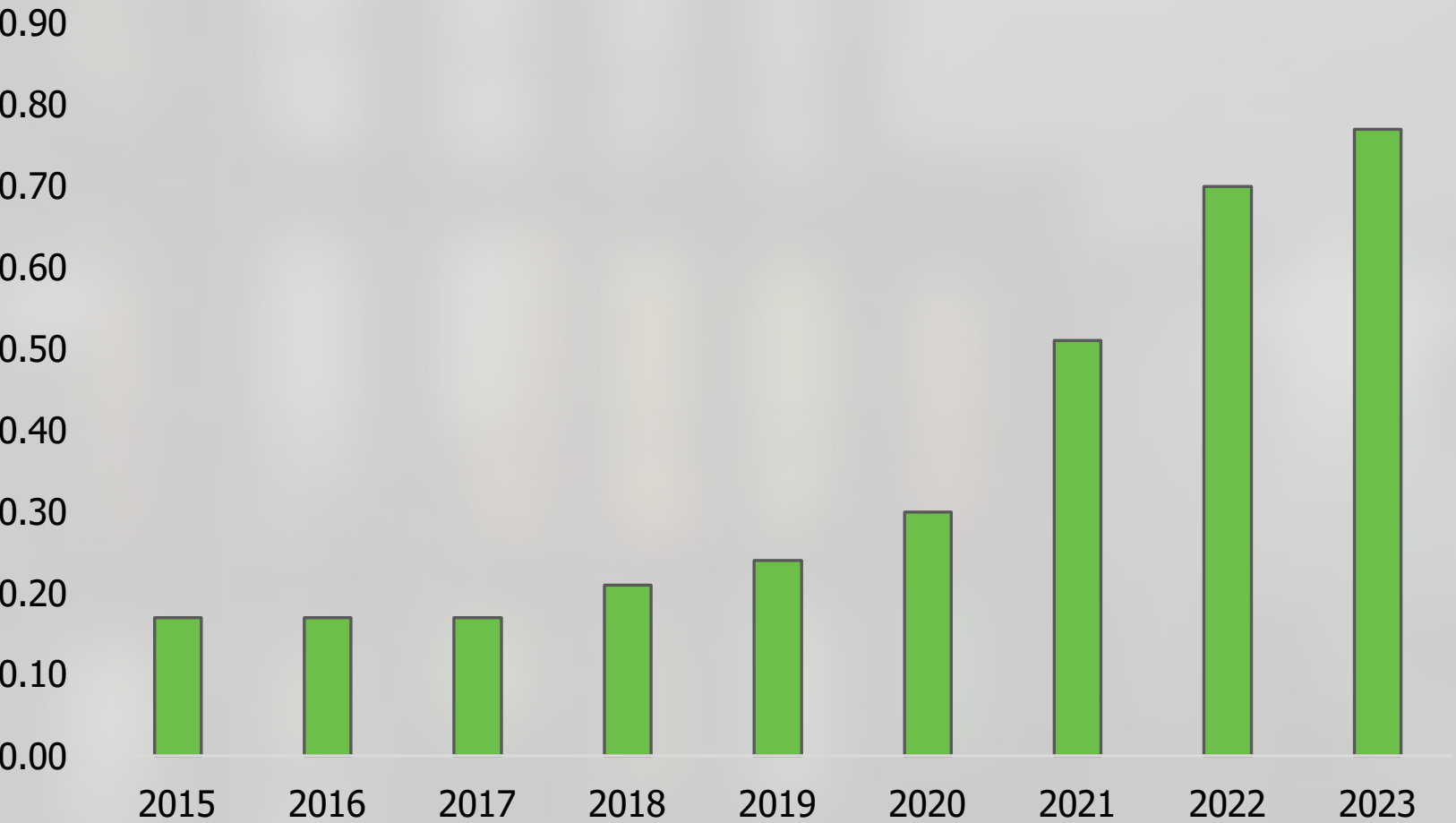
- ✓ Governmental incentives and regulatory frameworks
- ✓ Global push towards decarbonization
- ✓ Increasing industrial needs

PAST TRENDS IN ENERGY TRANSITION

2018-2023 WORLDWIDE INVESTMENT IN RENEWABLE ENERGY IN BILLION USD



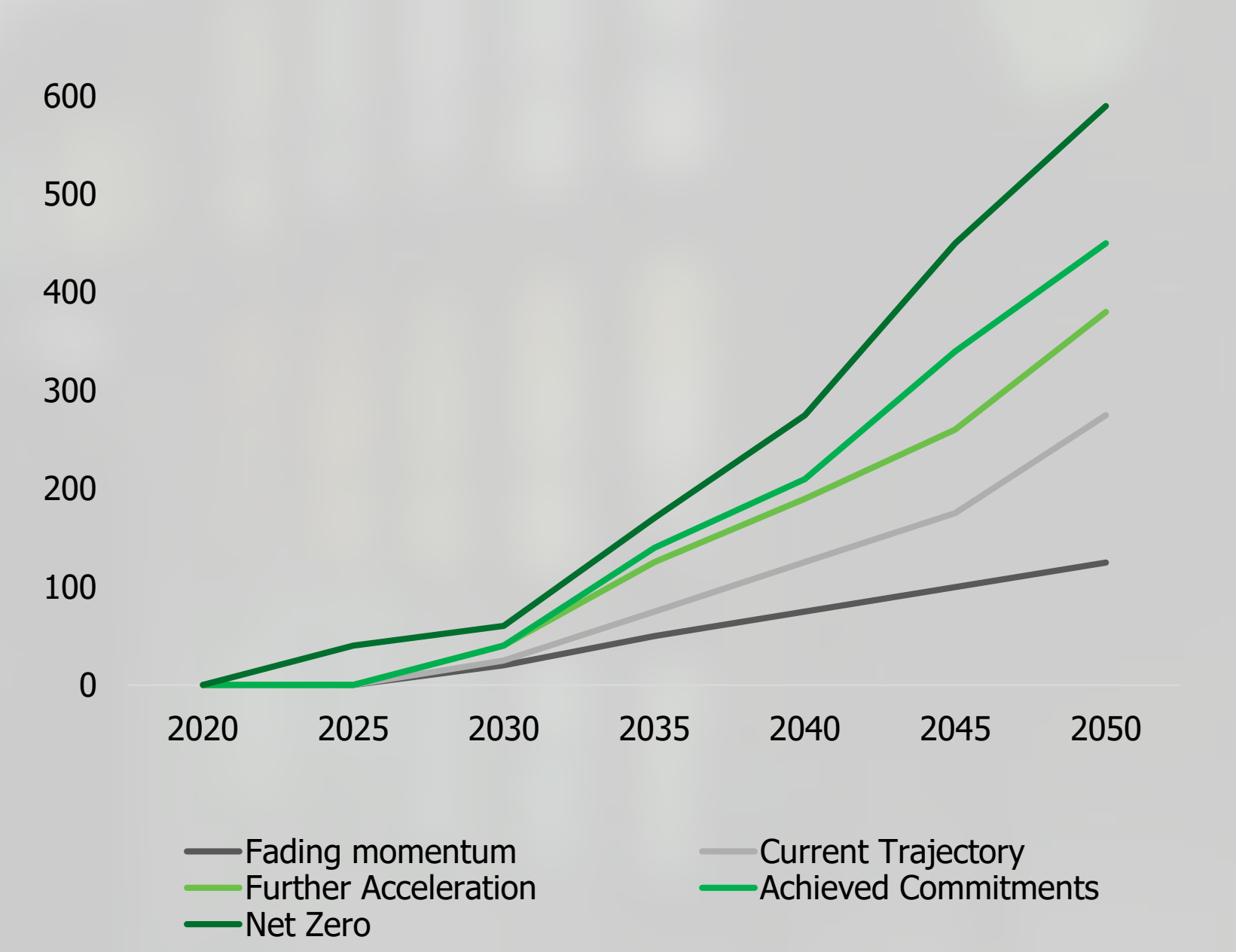
GLOBAL OPERATIONAL ELECTROLYZER CAPACITY 2015-2023 IN GIGAWATTS INSTALLED



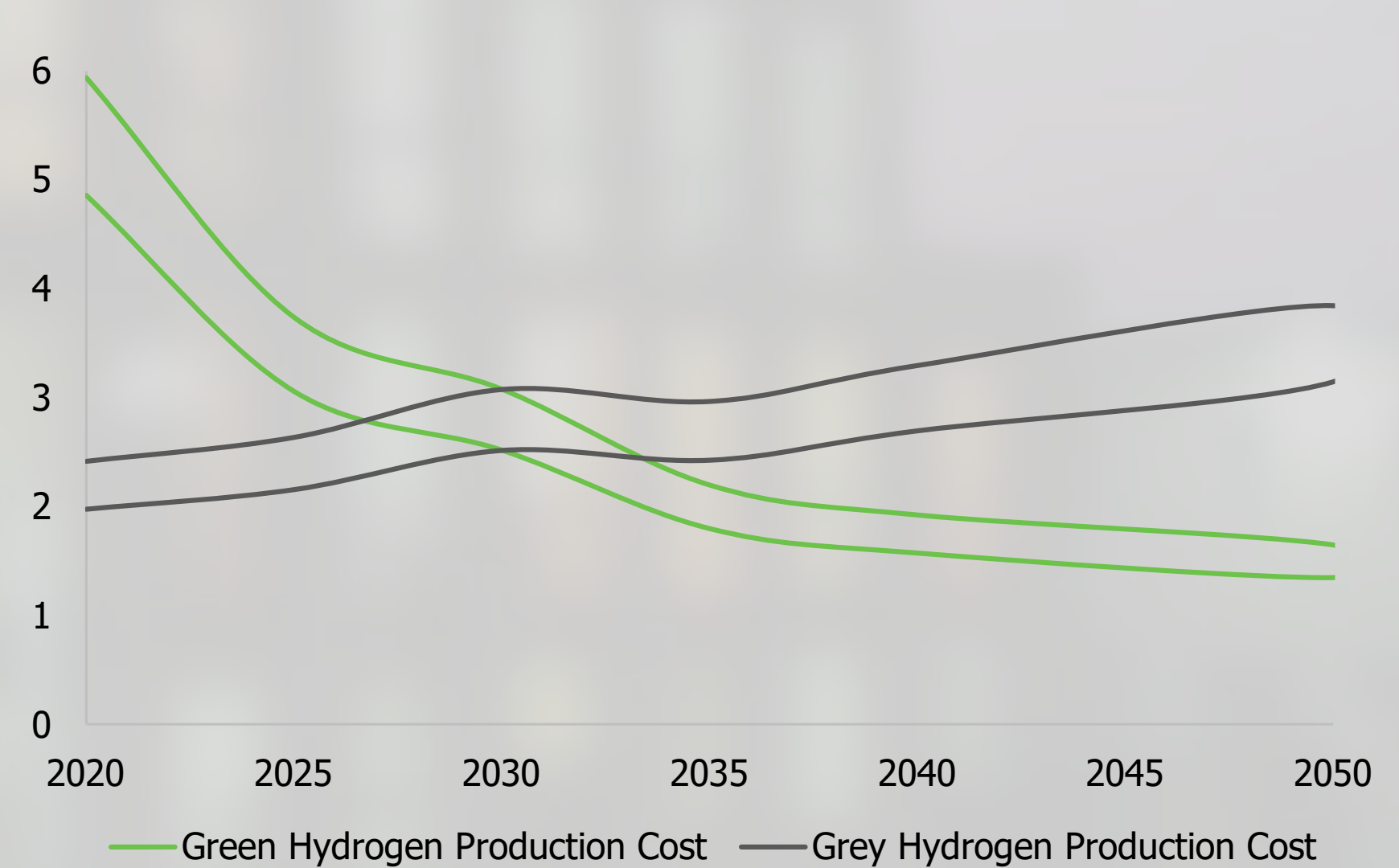
Source: Statista

FUTURE TRENDS IN HYDROGEN

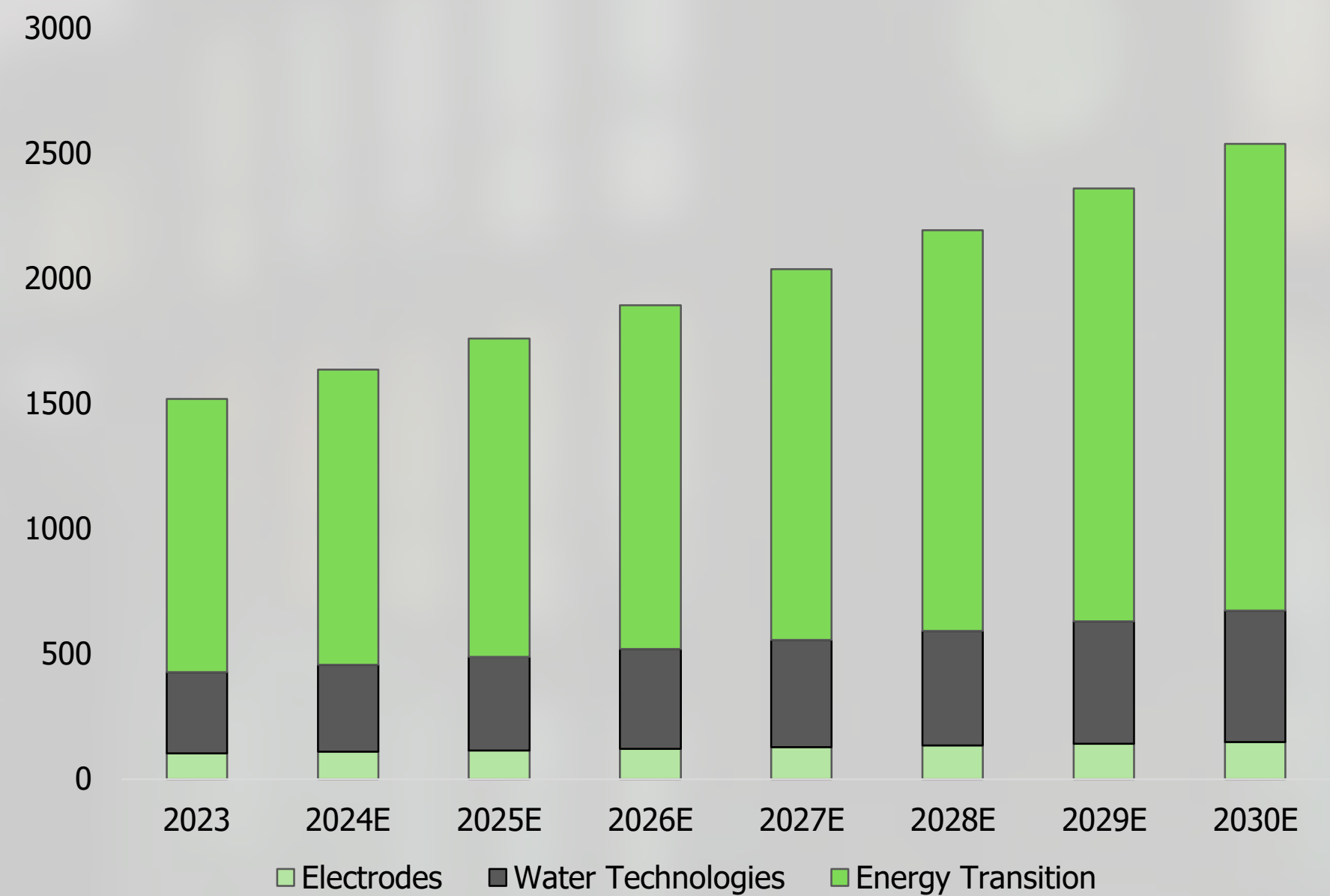
2020-2050 GLOBAL CLEAN HYDROGEN DEMAND OUTLOOK BY SCENARIO (Mt per year of hydrogen equivalent)



PROJECTED GLOBAL PRODUCTION COST OF HYDROGEN in \$/kg

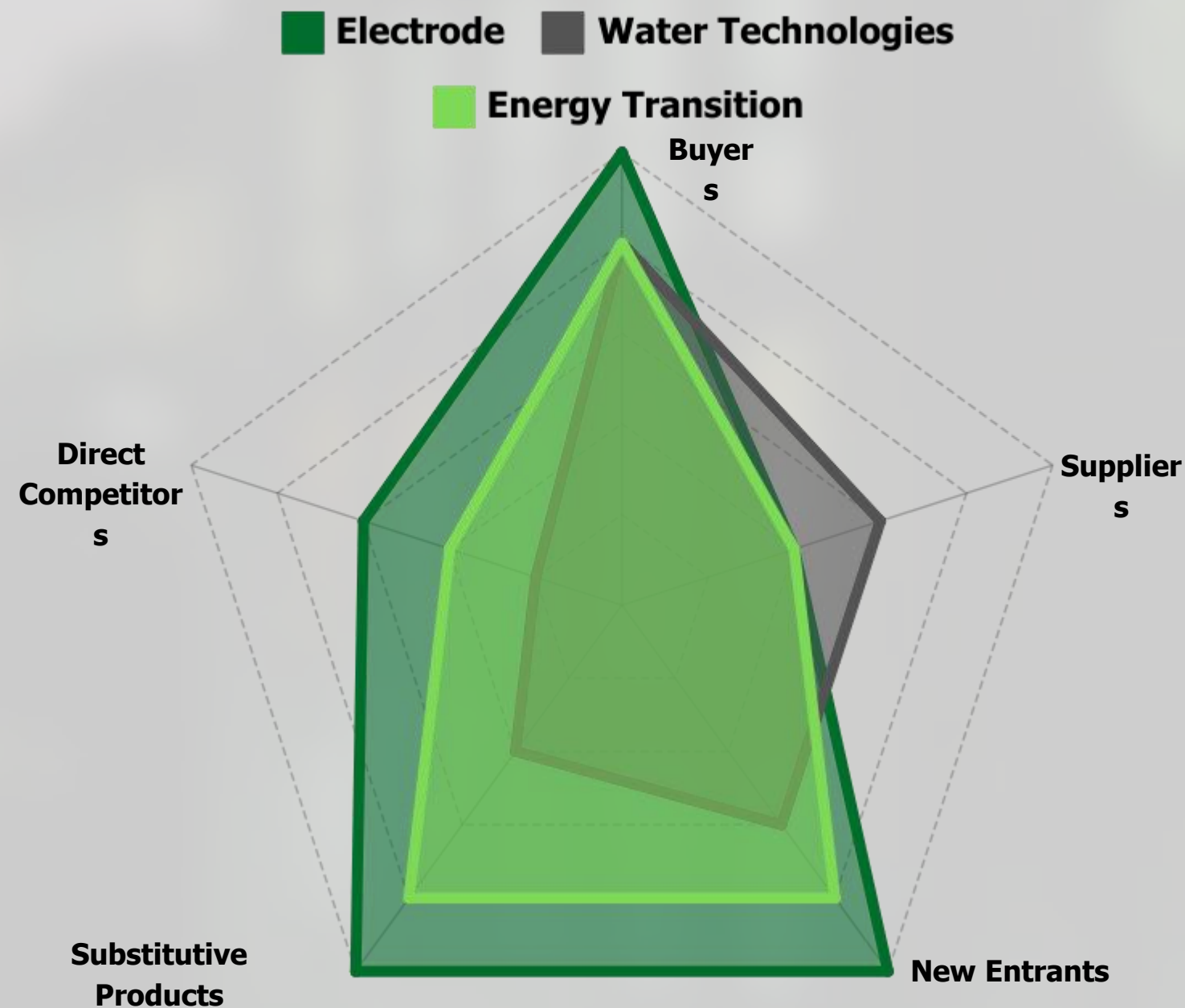


PROPRIETARY MODEL MARKET SIZE



	First Stage	Second stage	Third Stage
De Nora Electrode	6.40%	6.70%	7.00%
Electrode Industry	5.45%	5.34%	5.25%
	First Stage	Second stage	Third Stage
De Nora Water Technologies	5.60%	5.30%	5.20%
Water Technologies	7.28%	7.08%	7.07%
	First Stage	Second stage	Third Stage
De Nora Energy Transition	12.00%	16.00%	25.00%
Energy Transition	7.92%	7.93%	7.93%

PORTER'S FIVE FORCES



- **THREAT OF NEW ENTRANTS: LOW**

High capital and technological barriers

- **BARGAINING POWER OF SUPPLIERS: MEDIUM-HIGH**

Overall dependency on specialized suppliers for critical materials

- **BARGAINING POWER OF CLIENTS: MEDIUM-LOW**

Diverse and varied buyer groups across sectors

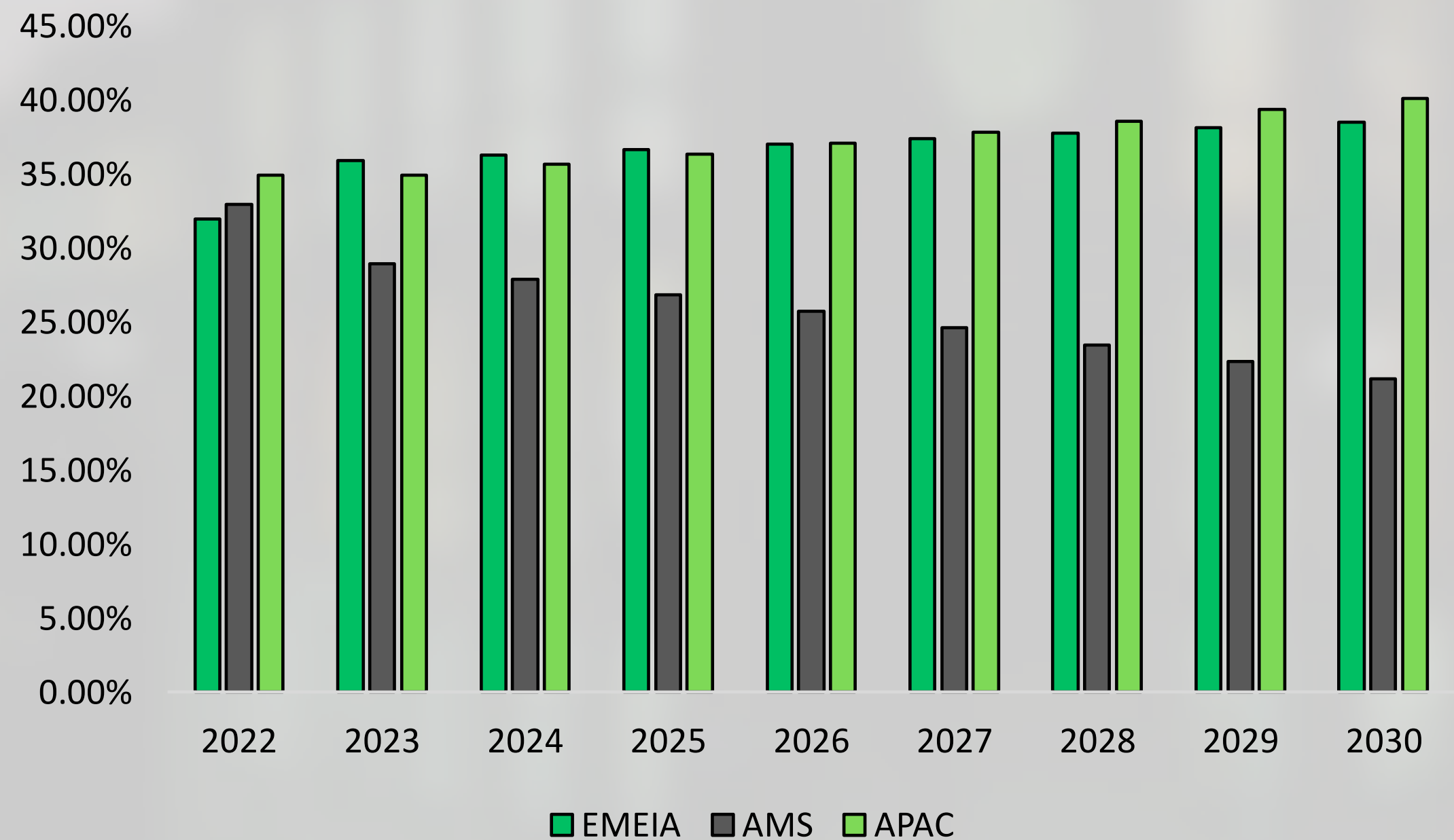
- **THREAT OF SUBSTITUTE PRODUCT OR SERVICES: MEDIUM-LOW**

Significant threat in some sectors like Water Technologies, but specialized applications in Electrode and strategic shifts in Energy Transition moderate the overall threat level

- **COMPETITION: MEDIUM-HIGH**

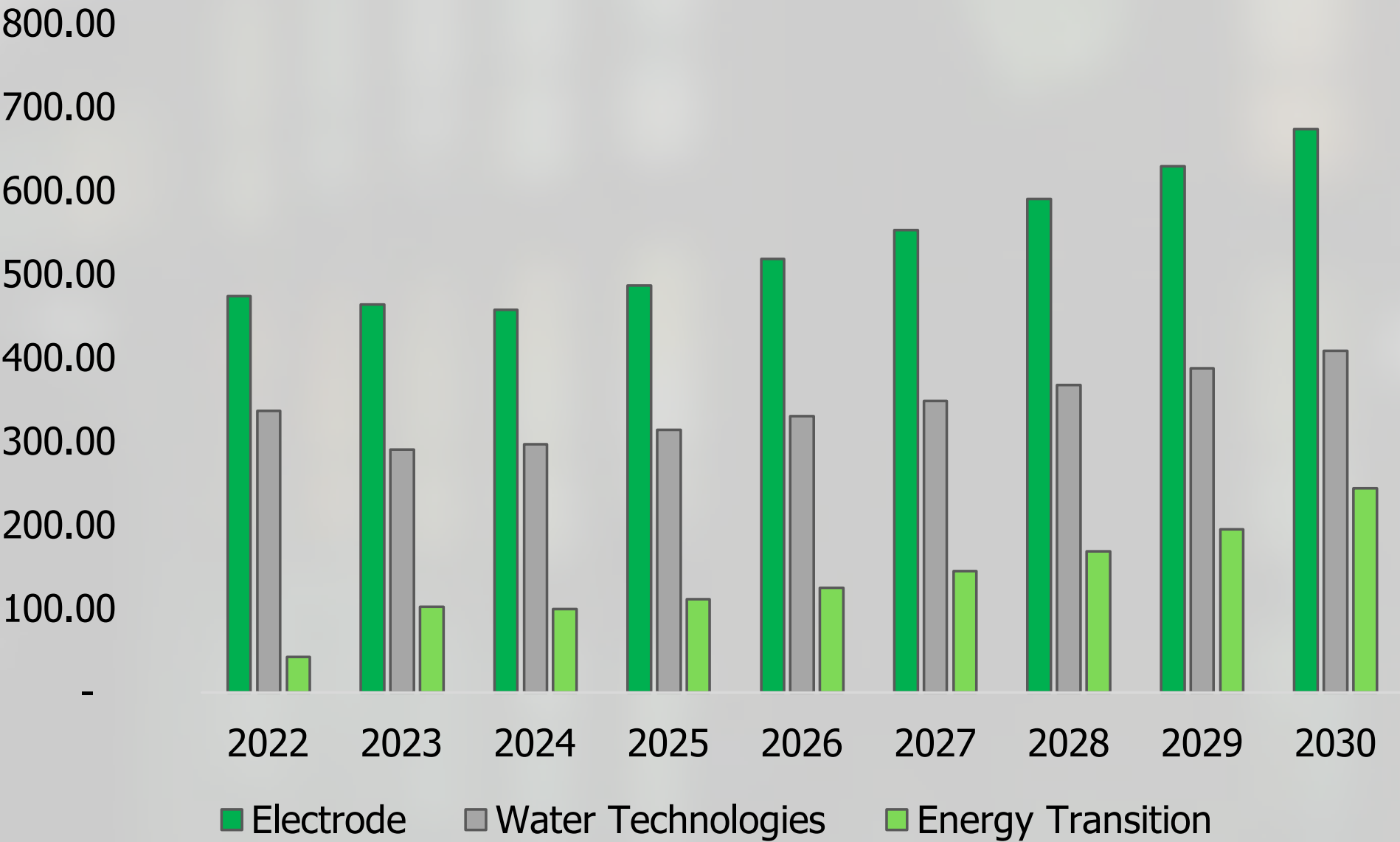
Mix of a few dominant players and numerous regional competitors, especially in fragmented markets like Water Technologies.

FORECAST OF THE GEOGRAPHICAL WEIGHTS



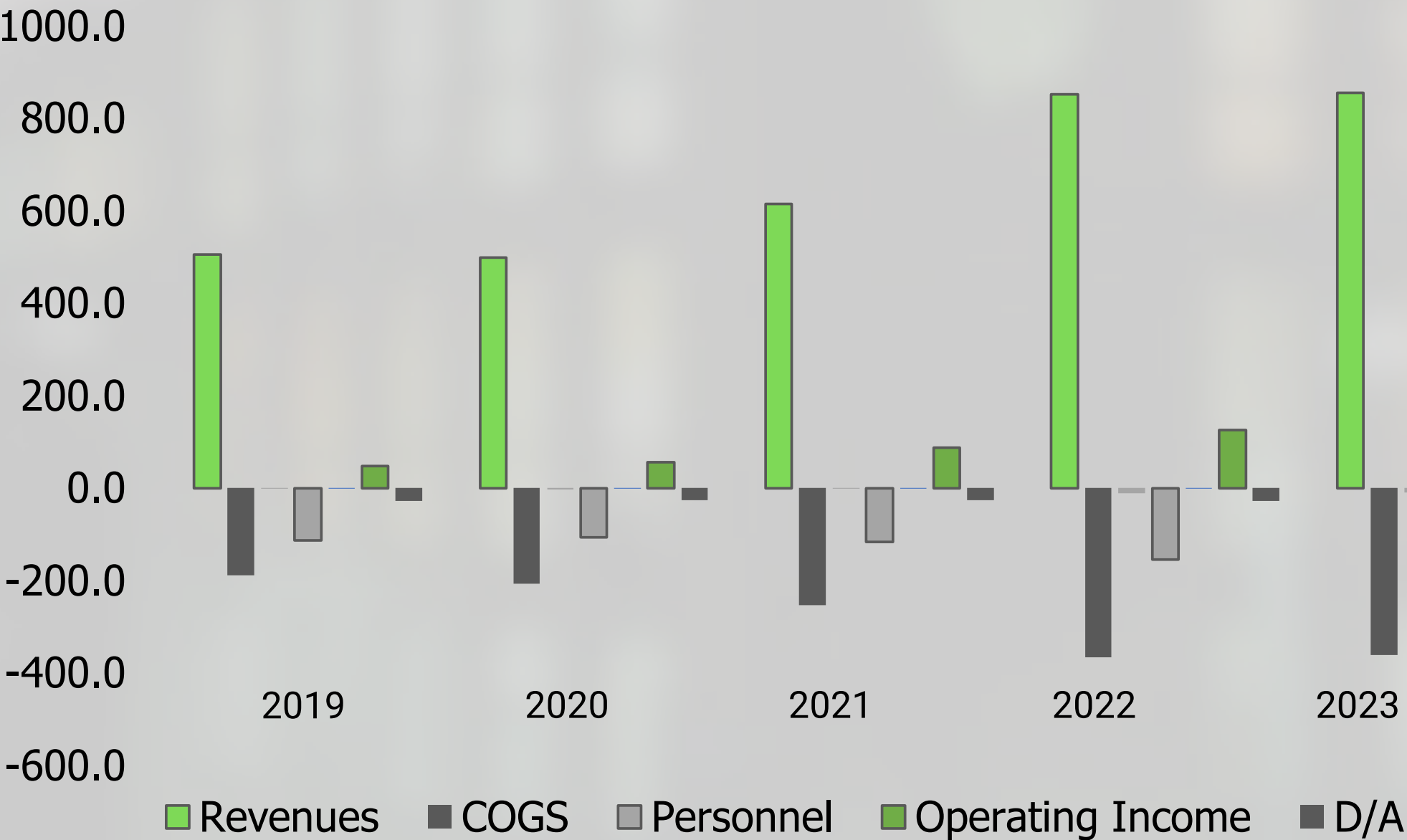
- The weight of AMS area is expected to reduce over time
- Meanwhile APAC will reach 40% thanks to the GDP growth of China and De Nora's strategic positioning in Energy Transition
- EMEIA is expected to increase thanks to the +6.5% GDP growth of the India

FORECAST OF THE BUSINESS UNIT WEIGHTS



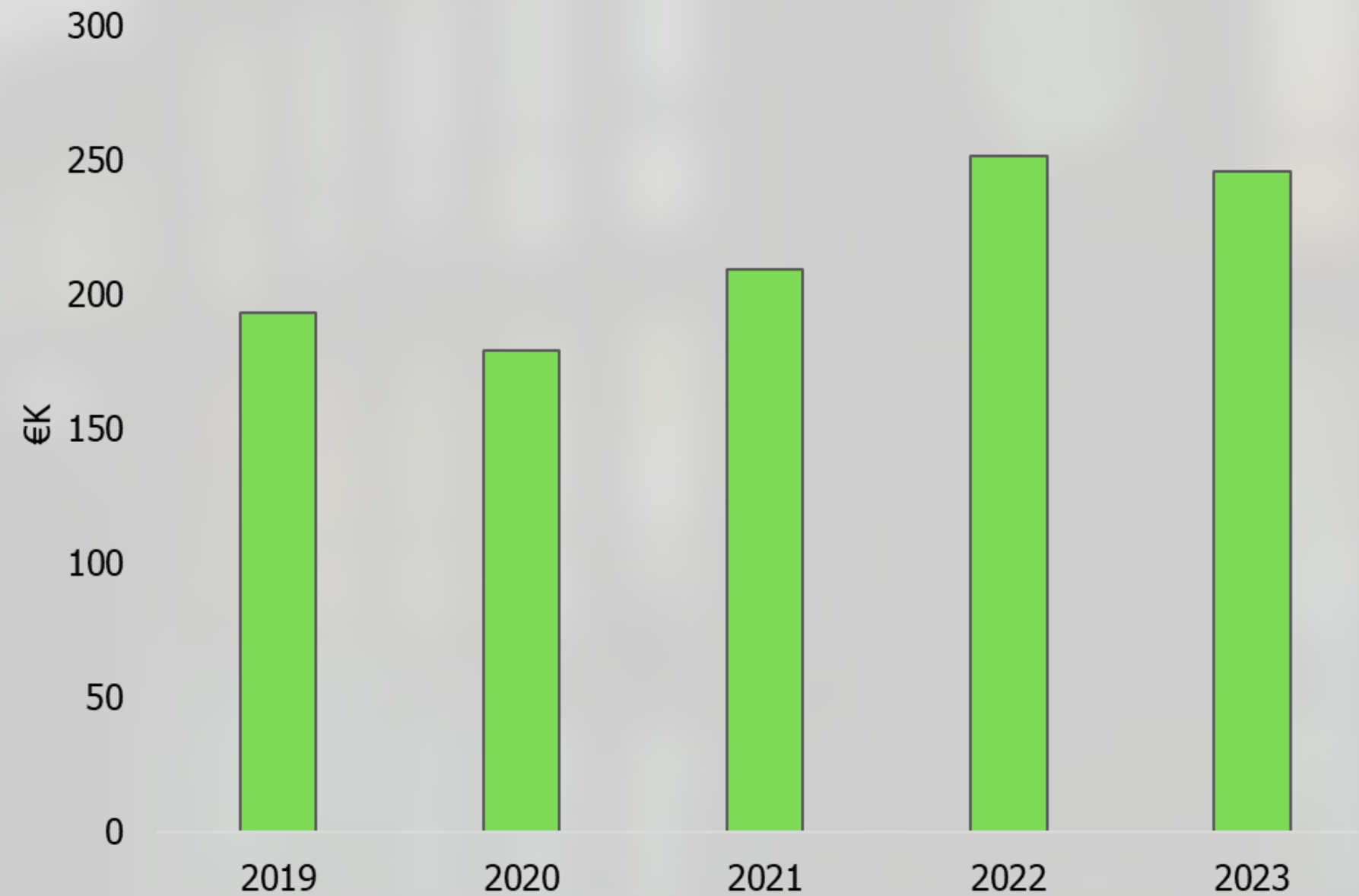
- The revenues from energy transition faces the steepest growth, driven by the increase in clean energy demand
- The growth from Water Technologies is consant and steady, with a consolidation of De Nora in the market
- Electrode sees an higher growth driven by the industrial production and the developement of the Energy Transition market

COGS AND SG&A IMPORTANCE



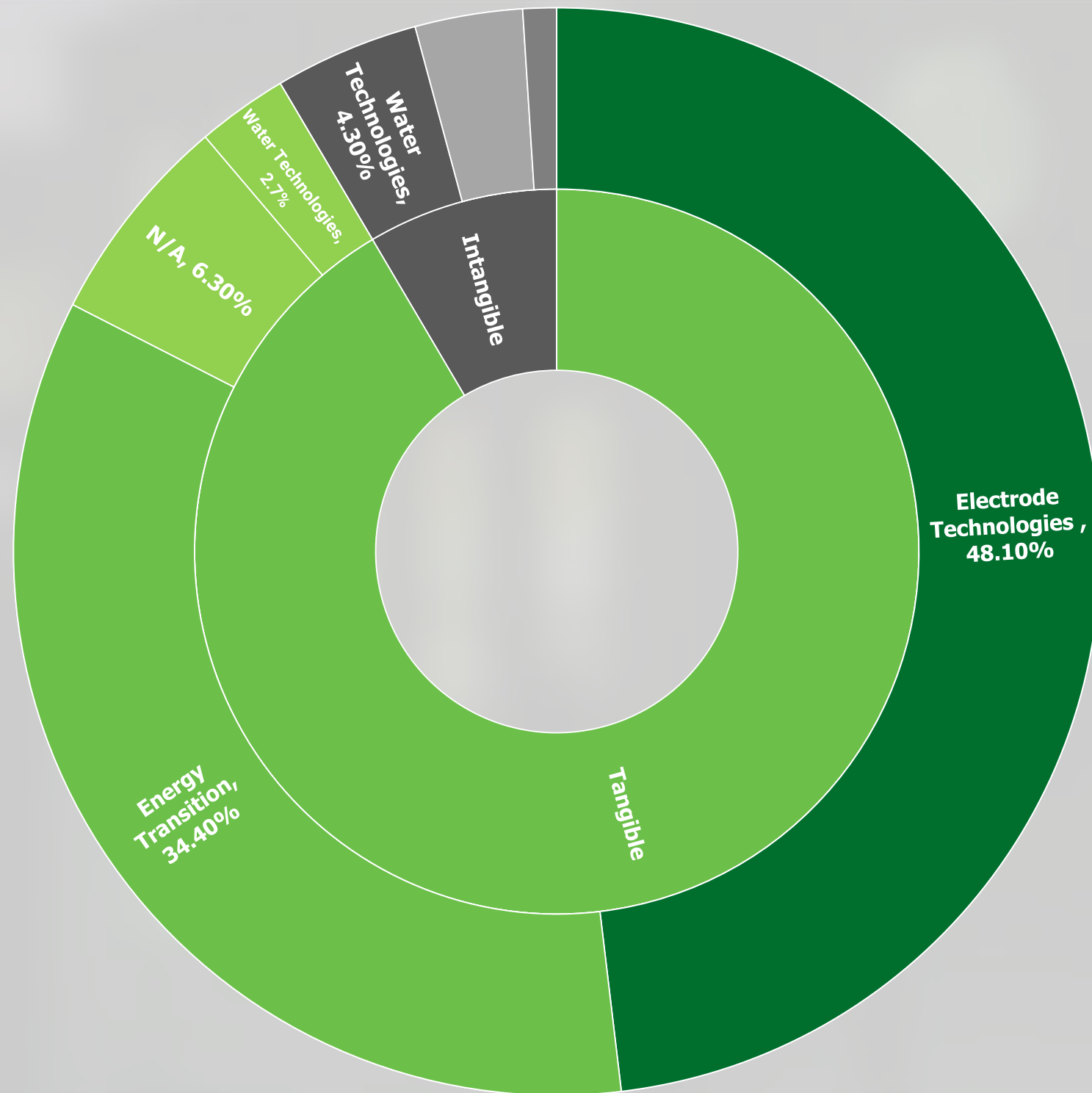
	2019	2020	2021	2022	2023
COGSm	37.5%	41.3%	41.3%	43.0%	42.3%
SG&Am	22.9%	22.0%	19.4%	19.7%	18.0%

VALUE ADDED PER EMPLOYEE



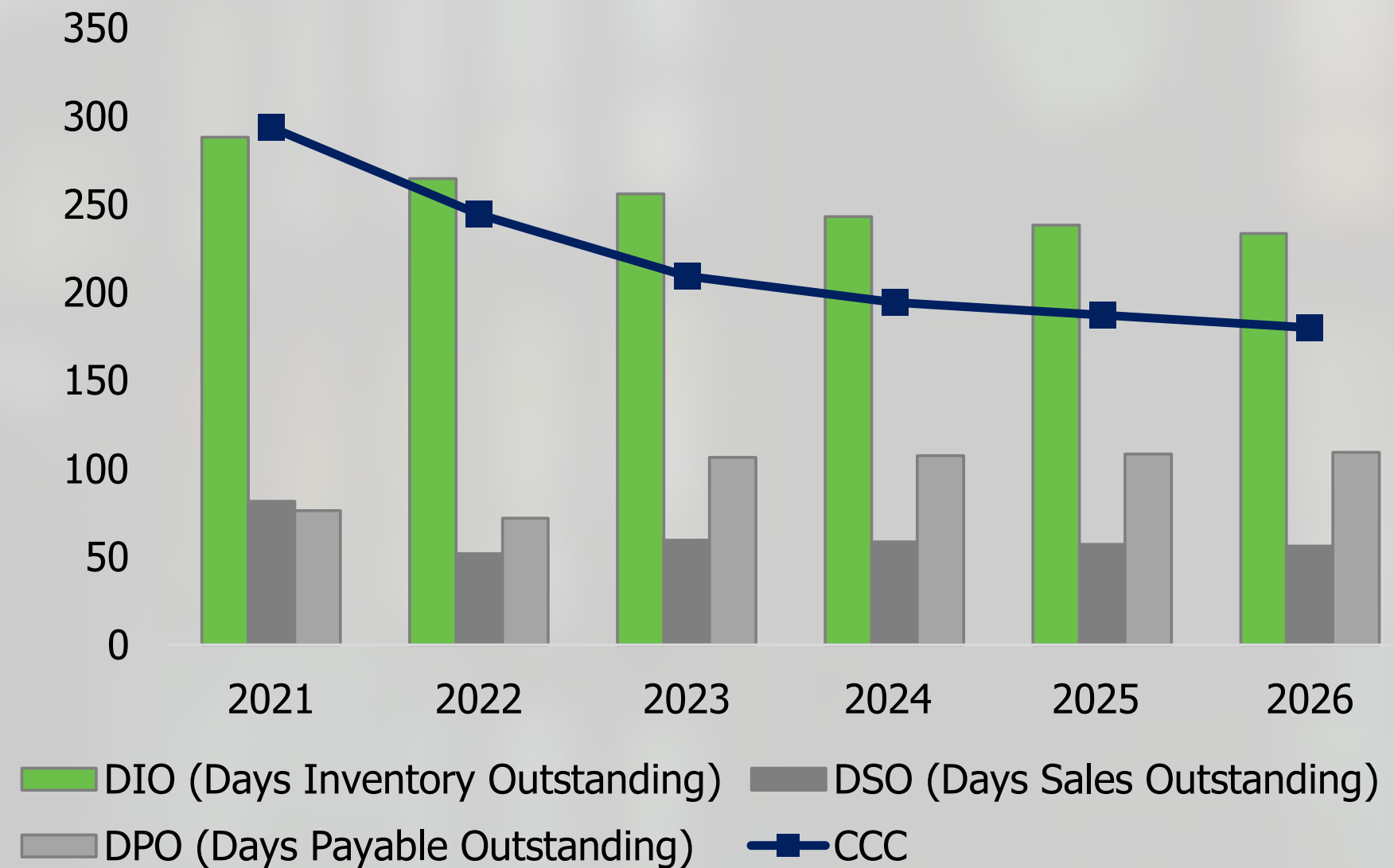
- High Efficiency is reflected in their historical high Value added per employee.
- The average for Industry sector (construction included) is €24K per employee/year
- The average of chemical Industry is €88K

CAPEX BREAKDOWN BY BUSINESS UNIT



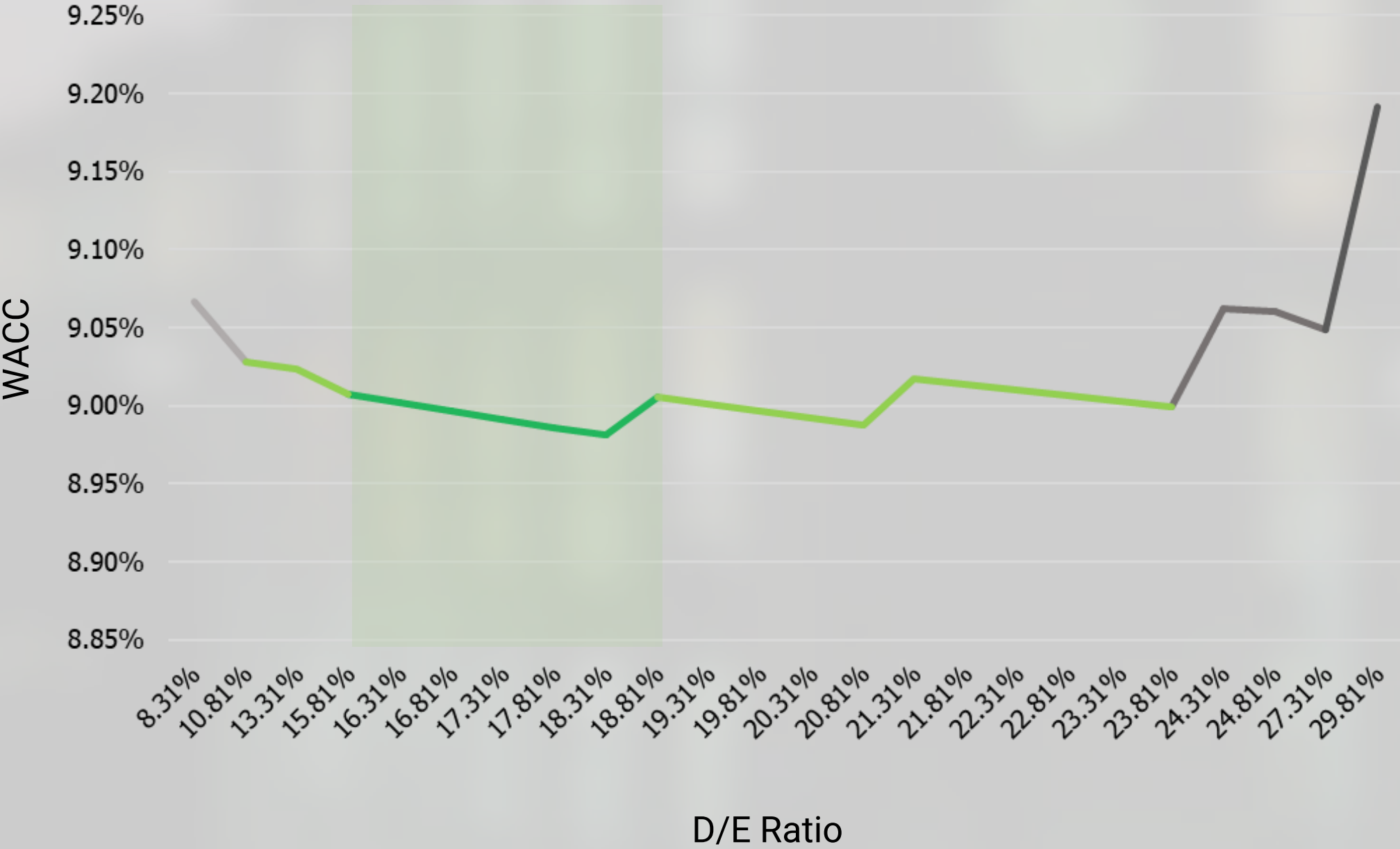
- Electrodes are the largest CAPEX segment, maintaining investing +52% with respect to 2022 (€42.6M)
- Significant growth in CAPEX allocation for Energy Transition, +304% with respect to 2022 (reaching €30.4M)
- Intangible CAPEX halved their weights, emphasizing tangible asset investments
- Water Technologies has nearly the double intangible expenses with respect to tangible
- Total CAPEX rose to €88.5M (+91.8%), driven by strategic tangible investments.

CASH CONVERSION CYCLE



- Strengthen of the competitive positioning
- Decreasing of CCC supports the liquidity generation of the company

OPTIMAL CAPITAL STRUCTURE

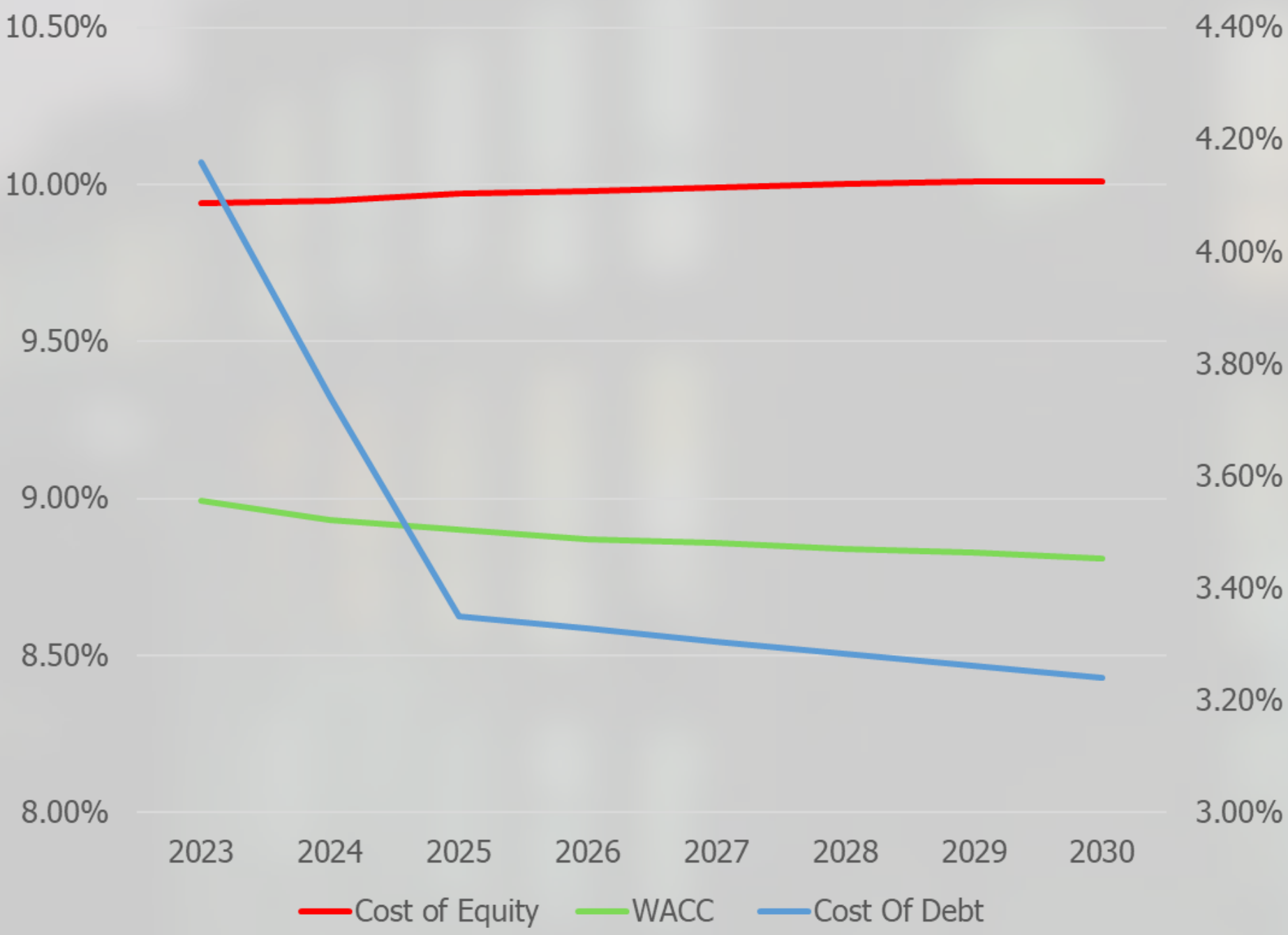


Main Assumption: The optimal capital structure will be gradually achieved, slowly converging until 2030.

The beta of the cost of equity are re-levered accounting the updated capital structure in any period.

	2023	2024	2025	2026	2027	2028	2029	2030
D/E Ratio	15.81%	16.41%	17.00%	17.60%	17.84%	18.07%	18.31%	18.31%
Cost Of Debt	4.16%	3.74%	3.35%	3.33%	3.31%	3.28%	3.26%	3.24%
Cost of Equity	9.94%	9.95%	9.97%	9.98%	9.99%	10.00%	10.01%	10.01%
WACC	8.99%	8.93%	8.90%	8.87%	8.86%	8.84%	8.83%	8.81%

DYNAMIC WACC ESTIMATION



Main Assumption: The optimal capital structure will be gradually achieved, slowly converging until 2030.

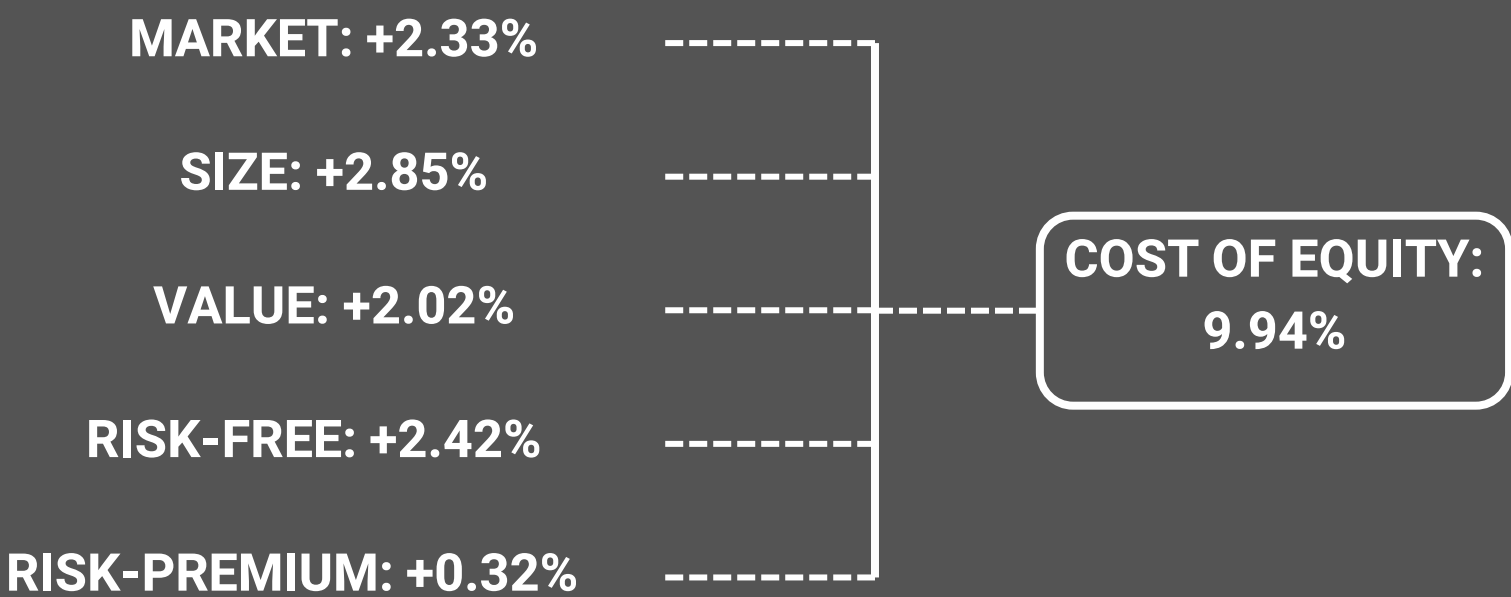
The beta of the cost of equity are re-levered accounting the updated capital structure in any period.

	2023	2024	2025	2026	2027	2028	2029	2030
D/E Ratio	15.81%	16.41%	17.00%	17.60%	17.84%	18.07%	18.31%	18.31%
Cost Of Debt	4.16%	3.74%	3.35%	3.33%	3.31%	3.28%	3.26%	3.24%
Cost of Equity	9.94%	9.95%	9.97%	9.98%	9.99%	10.00%	10.01%	10.01%
WACC	8.99%	8.93%	8.90%	8.87%	8.86%	8.84%	8.83%	8.81%

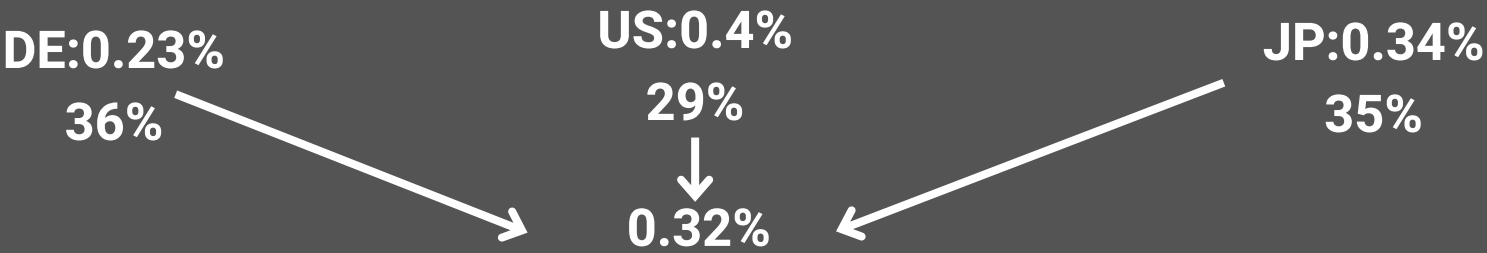
COST OF FINANCING BREAKDOWN

COST OF EQUITY

FAMA FRENCH THREE FACTOR MODEL



ADDITIONAL RISK PREMIUM



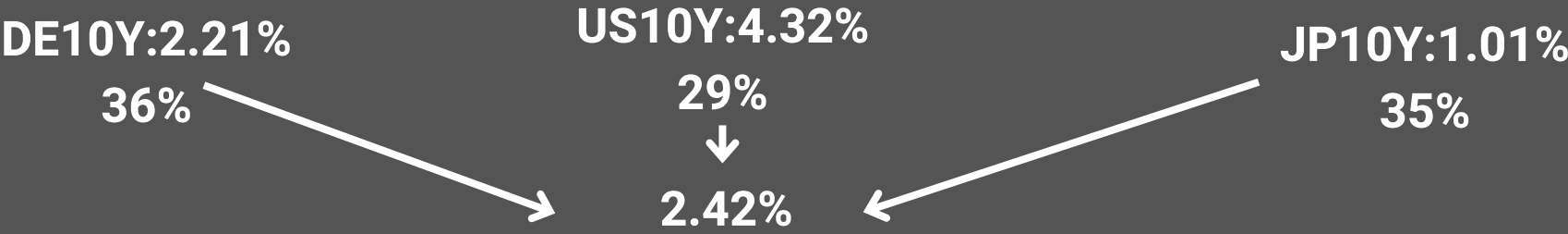
COST OF DEBT

CONSERVATIVE IRS PROXY

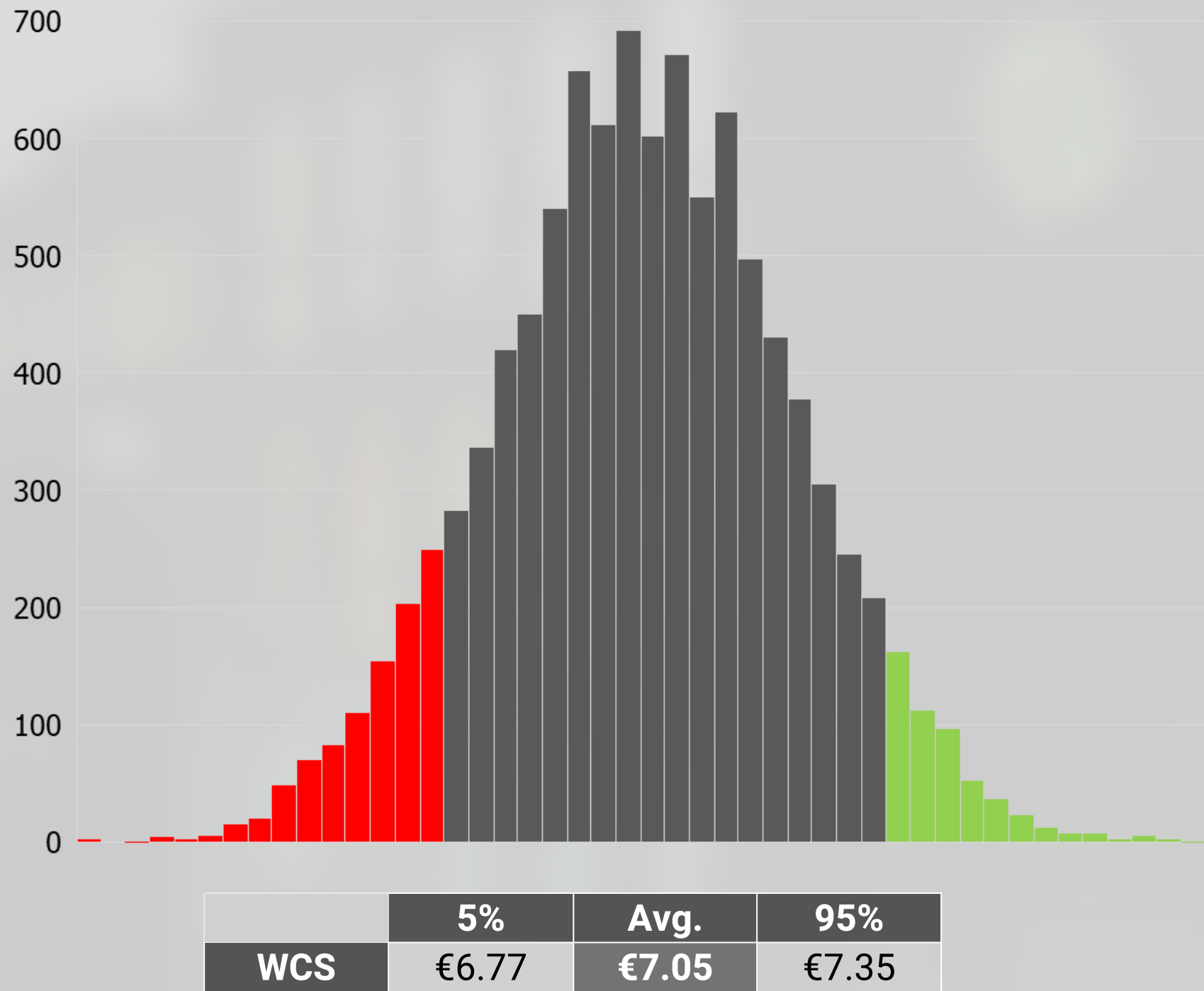
The cost of debt converge to the value of the 10Y IRS on both the rates used for the indexing of the debt. The reason is a conservative approach that gives back a higher cost of Debt with respect to the Syntetic Rating Method in the table below.

	2023	2024	2025	2026	2027	2028	2029	2030
Risk-Free Rate*	2.42%	2.36%	2.30%	2.24%	2.18%	2.12%	2.06%	2.00%
ICR Spread	0.92%	1.21%	0.92%	0.70%	0.70%	0.70%	0.70%	0.70%
Covenant Spread	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%
Cost of Debt	3.69%	3.92%	3.57%	3.29%	3.23%	3.17%	3.11%	3.05%

RISK FREE RATE

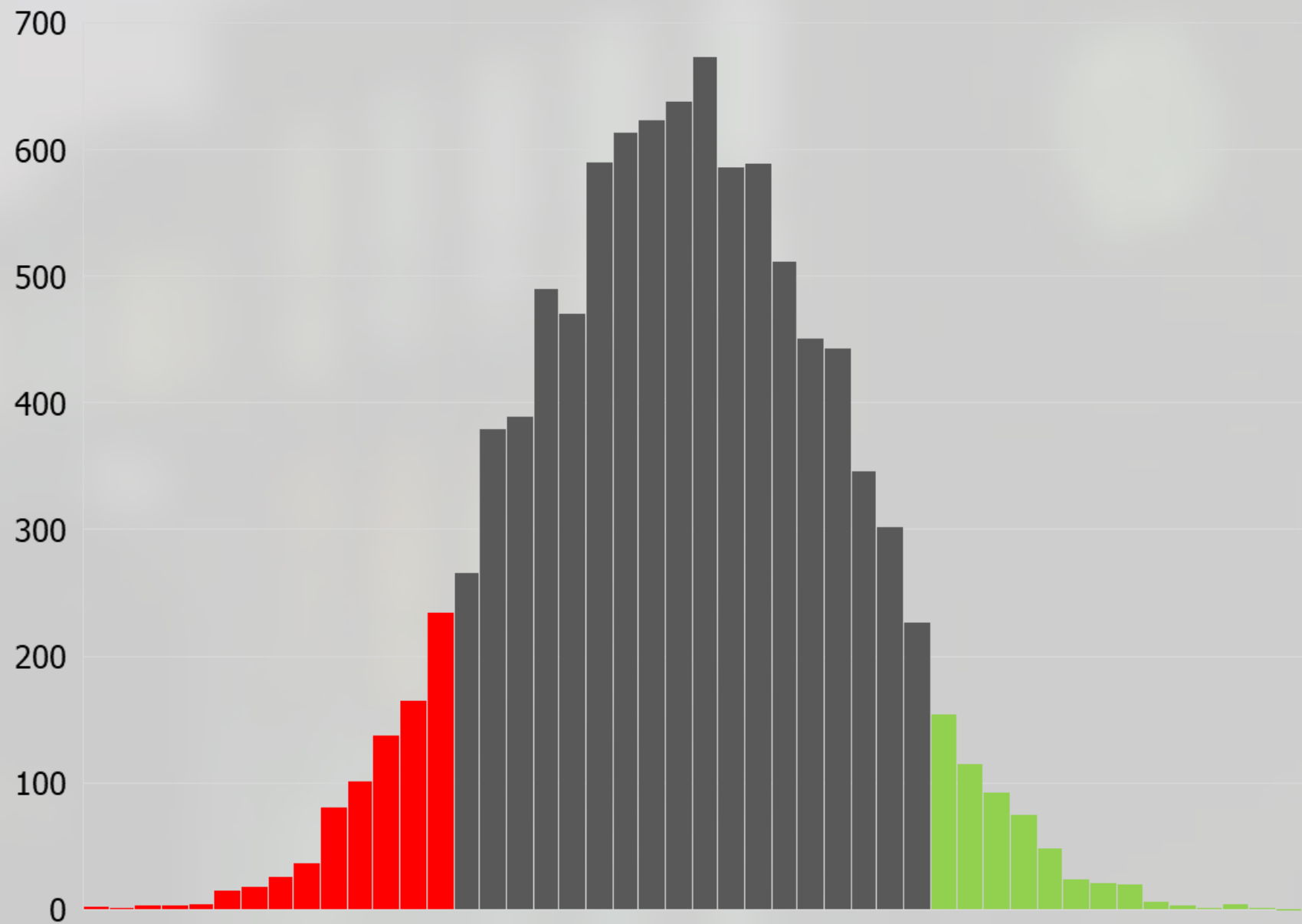


SCENARIOS SIMULATION: Worst Case Scenario



- **MARKET DYNAMICS:** Low demand for green hydrogen driven by insufficient public funding and delayed Final Investment Decisions due to lack of cost parity with grey hydrogen.
- **FINANCIAL IMPACT:** Missed cash flow expectations compounded by €234M in CapEx obligations for the Gigafactory. Underperformance in the Electrodes product line, with global demand growth below 4%. The anticipated growth in the Chinese hydrogen market also failed to materialize, leading to significant income shortfalls.
- **OPERATIONAL CONSTRAINS:** Persistent low margins (<15%) driven by high structural costs, including Cost of Goods Sold and Selling, General, and Administrative expenses.
- **VALUATION OUTLOOK:** The target price averages at €7.05/share
Lowest 5% of outcomes below €6.77/share.
95% of outcomes below €7.34/share.

SCENARIOS SIMULATION: Mid Case Scenario

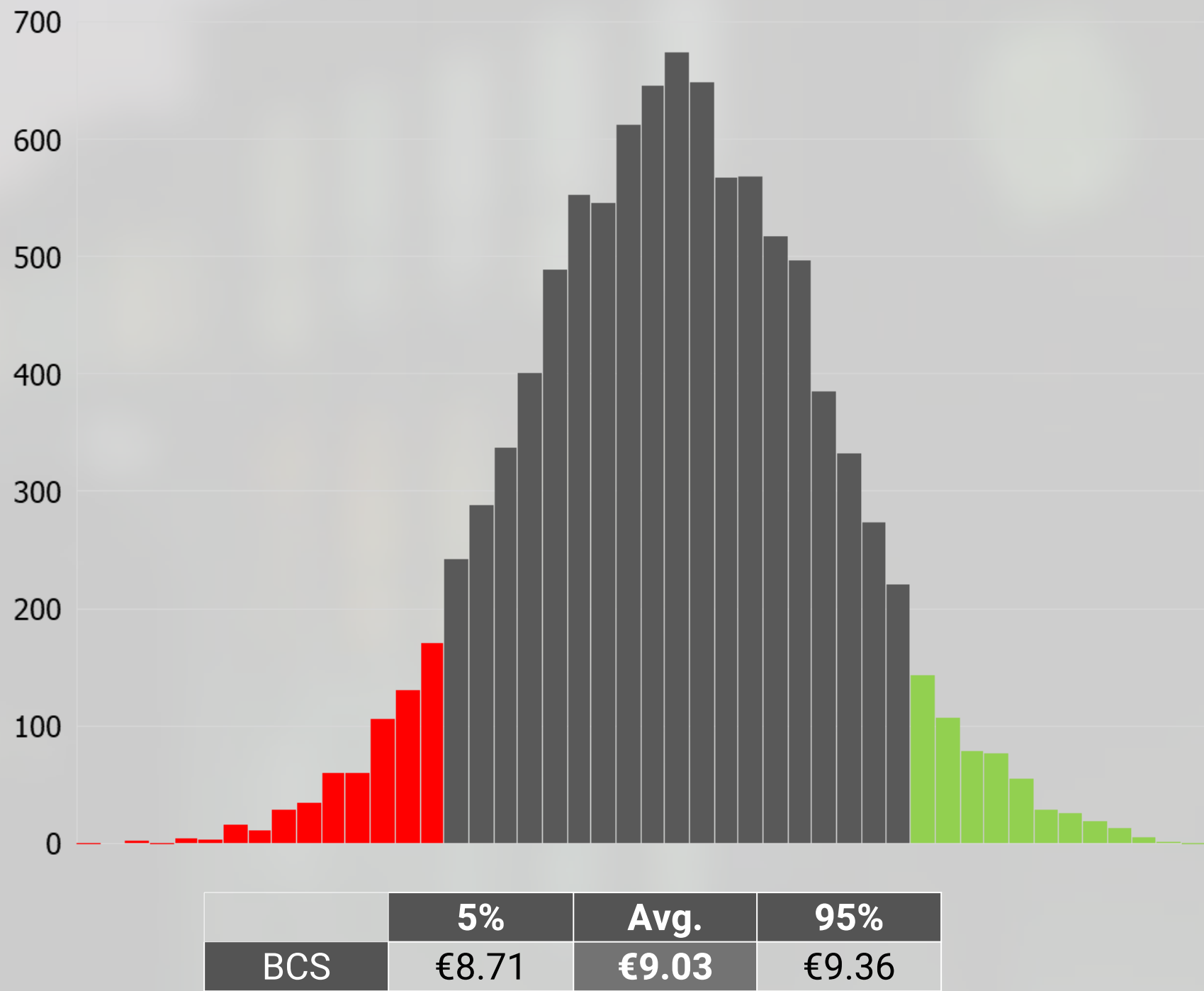


	5%	Avg.	95%
MCS	€7.56	€7.85	€8.15

- Segment Performance: Steady growth driven by Electrodes and Energy Transition segments, with CAGRs above market averages. EBIT margin remains consistent at 14.41%, supported by stable revenues reflecting operational efficiency.

D&A, NWC, and CapEx align with original DCF assumptions, while revenue remains the primary stress variable.
- Valuation Outlook: Target price averages €7.85/share, with: Lowest 5% of outcomes below €7.56/share. 95% of outcomes below €8.15/share.

SCENARIOS SIMULATION: Best Case Scenario



- Segment Growth: Energy Transition CAGR surges to 36% in the second stage of the estimation, while Electrodes rise to 8.5%, reflecting strong market demand and robust sector dynamics.
- Operational Expansion: The Gigafactory operates at full capacity to meet rising APAC demand, supported by GDP growth in the region (+4%). The Suzhou plant proves critical in addressing industrial needs in terms of efficient products.
- Long-Term Benefits (Post-FY2026E): Reduced CapEx after Gigafactory completion. Increased revenues and efficiency driven by high Value Added per Worker.
- Valuation Outlook: Target price averages €9.03/share, with: Lowest 5% of outcomes below €8.71/share. 95% of outcomes below €9.36/share.

REVERSE DCF

PRICE:
7.18

WACC:
8.99-8.11

TGR:
2.50%

	Pseudo-Sensitivity					
Sales CAGR	4.21%	3.73%	3.28%	2.80%	2.41%	1.98%
Change in NWC	-2.25%	-2.00%	-1.75%	-1.50%	-1.25%	-1.00%

- WHY THE PRICE IS AT THAT LEVEL?
- WHAT CAGR DOES THE MARKET EXPECT?
- WHAT REDUCES THE CASH FLOWS?

The Reverse DCF gives answer to these questions. Keeping constant the items subtracted to the NOPAT, the Market has an implied growth rate of 2.8%. However we decided to change also the variation in NWC, assuming the CAPEX and D&A as not flexible.

UPDATING THE MODEL

DCF VALUATION:

€8.82/SHARES

1YF P/E VALUATION:

€8.41/SHARES

1YF EV/EBITDA VALUATION:

€12.39/SHARES

BUY

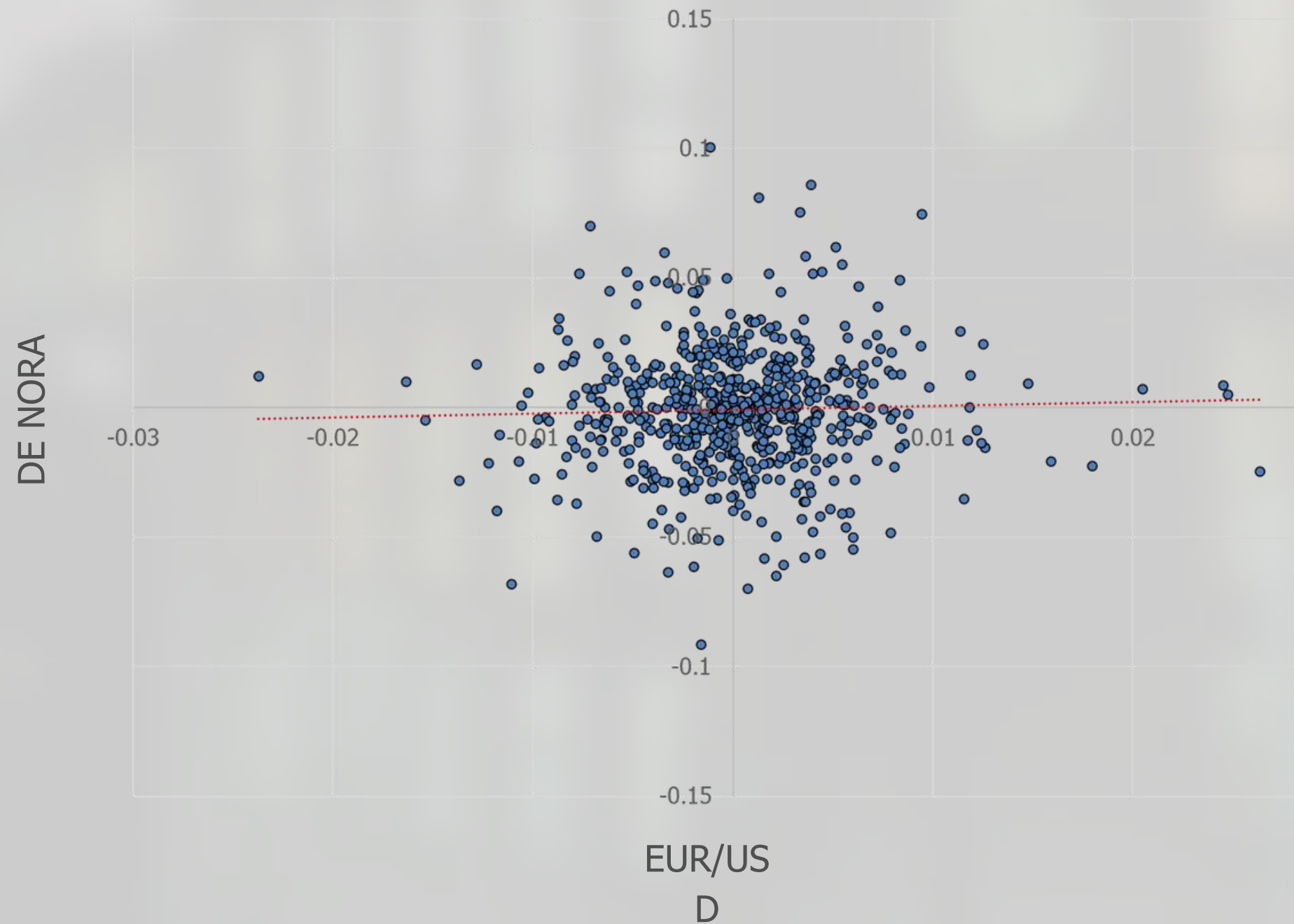
€9.89/SHARES

WHAT IF 2024 IS TREATED AS AN ACTUAL?

- THE DCF PROCEDURE, CETERIS PARIBUS AND EXCLUDING 2024 GIVES BACK A VALUE OF €8.82/SHARES
- The P/E, using the most recent market data, gives back a target of €8.41/shares
- The EV/EBITDA, using the most recent market data and the forecasted EBITDA for 2025, gives back a target of €12.39/shares

Methodological Note: The premiums, discounts, group of peers and the general weights of the valuation methods are kept constant

CURRENCY REGRESSION



- De Nora's daily returns show no statistically significant sensitivity to currency pairs EUR/USD, EUR/JPY, and EUR/CNY.
- A ± 5 -cent exchange rate shock could result in a $\pm \text{€}3\text{M}$ variation in annual revenues ($< 0.4\%$ of total revenues).
- The company's low hedging level ($\text{€}0.5\text{M}$) for currency risk is justified given the minimal impact on revenues.

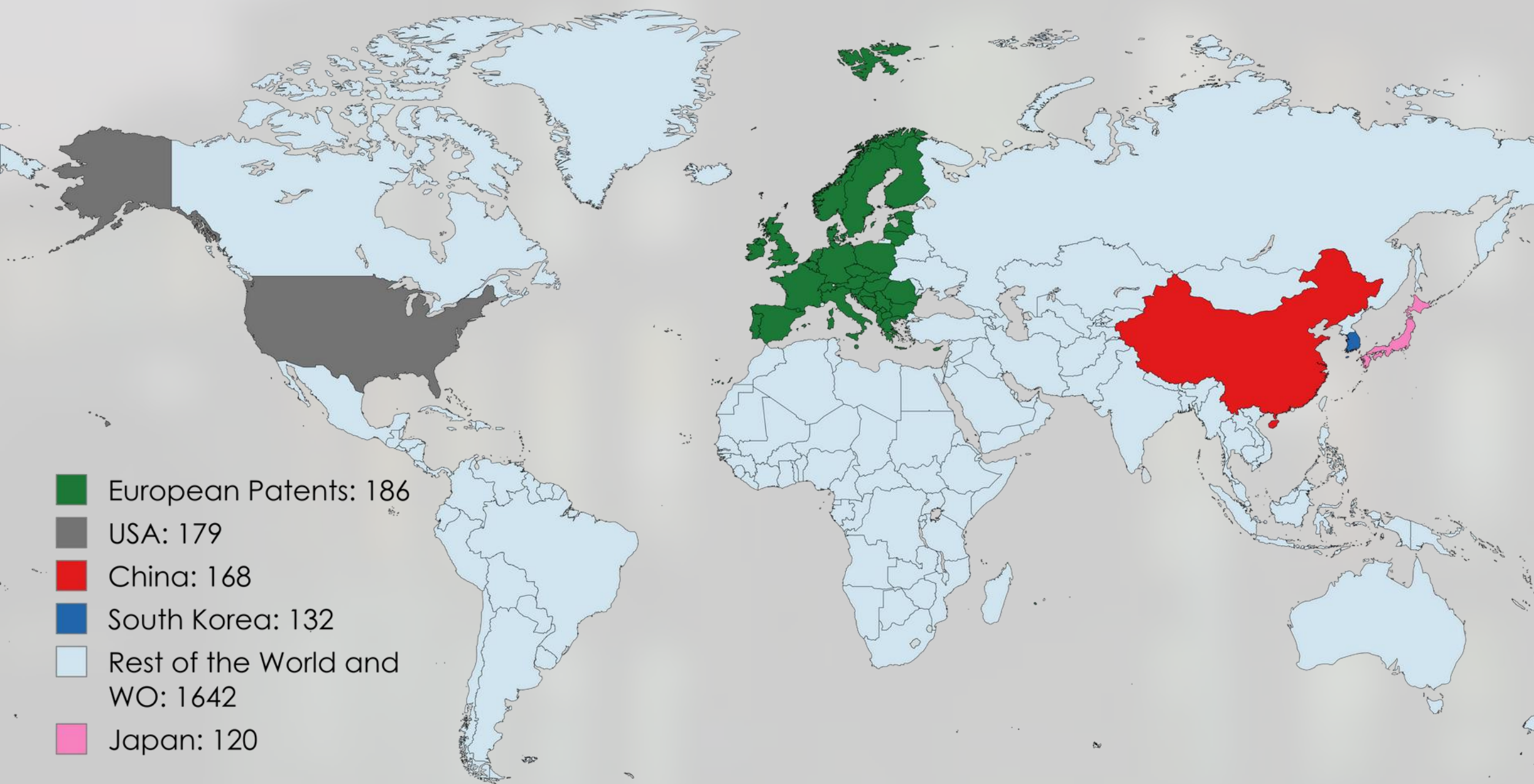
RECEIVABLES BREAKDOWN

	2023	2022
Not Yet Due	71.8%	69.4%
Overdue 1-30 days	16.7%	15.4%
Overdue 31-120 days	6.9%	10.5%
Overdue more than 120 days	4.6%	4.7%

- Slight increase of the not yet due
- 88.5% of receivables are not overdue more than a months
- Overdue in 31-120 days decreased by 34% with respect to the 2022

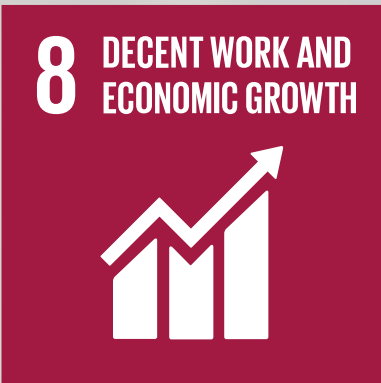
The bargaining power of the company is improving with a positive trend

PATENTS BREAKDOWN

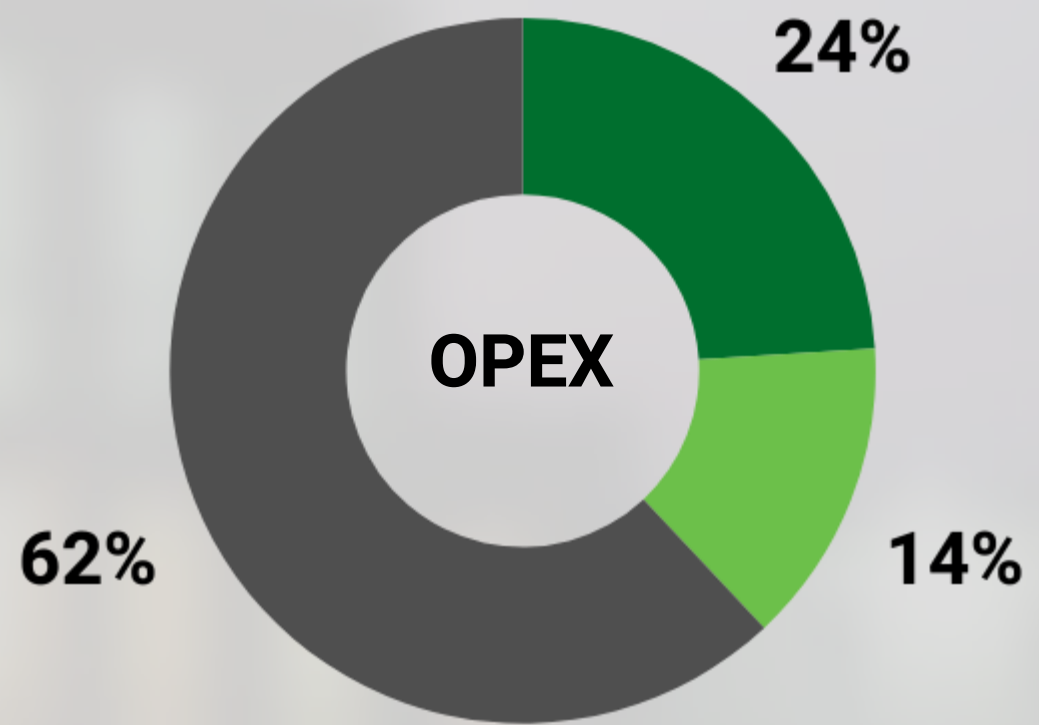
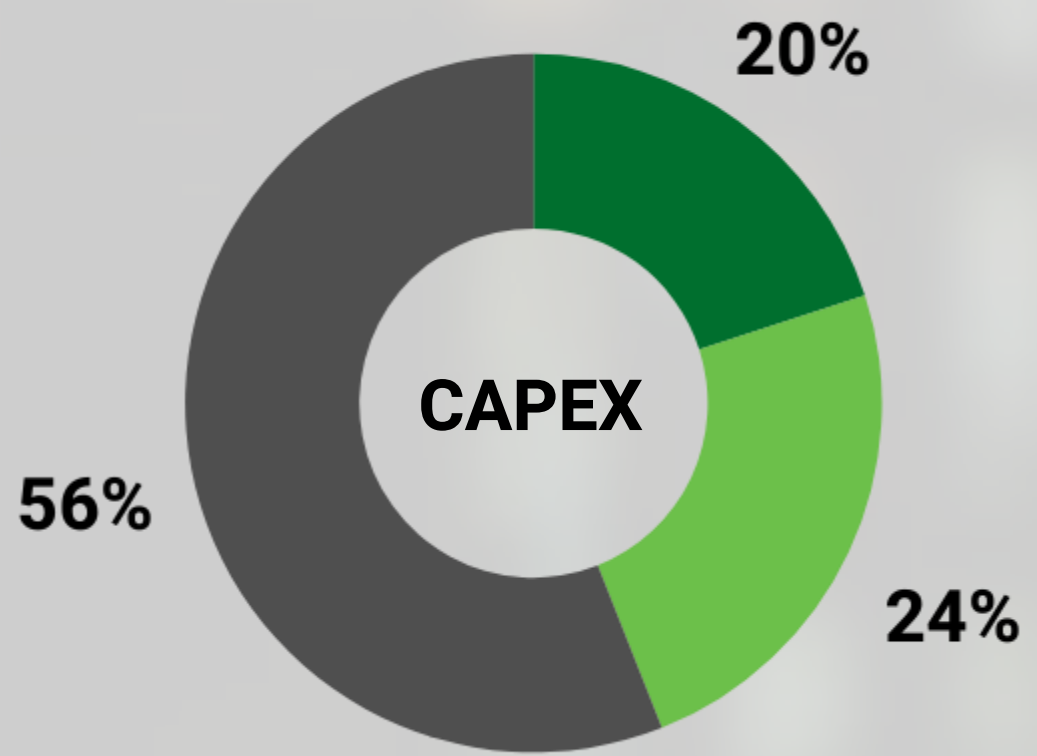
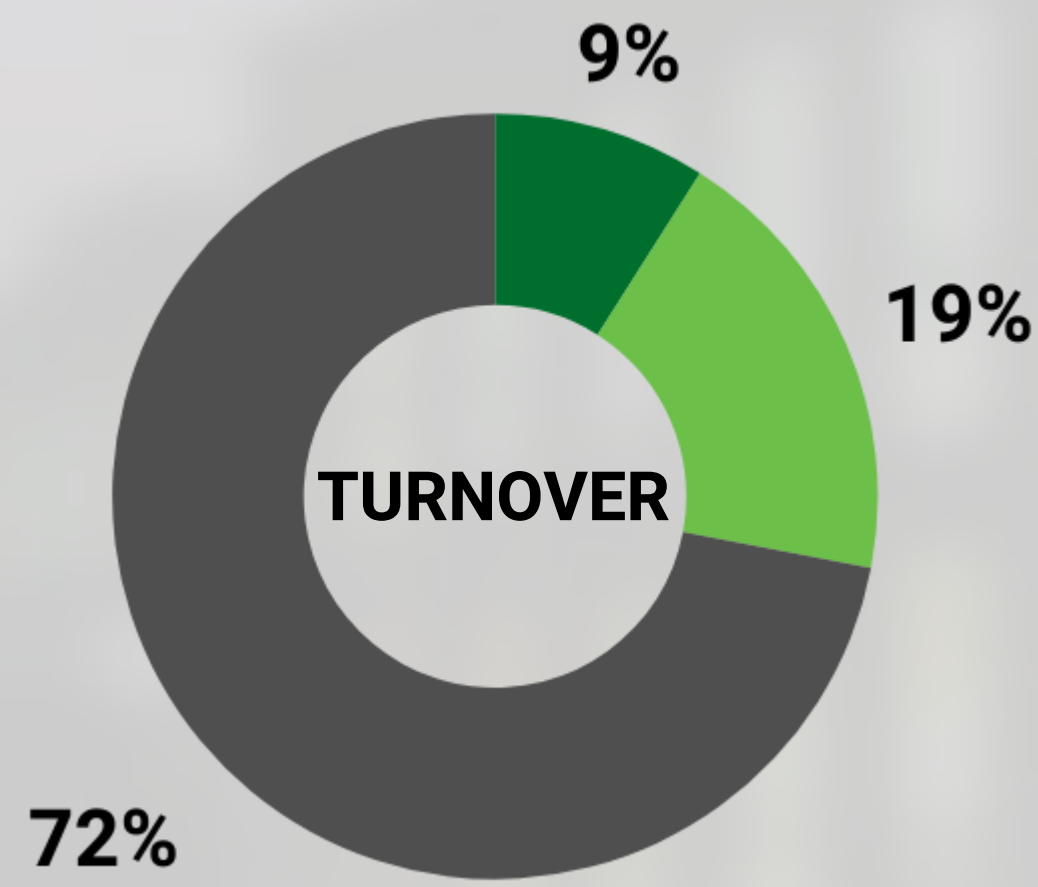


- De Nora's patents: 2387
- Electrode means Peers: 2357
- Water Technologies Peers: 2278
- Energy Transition Peers: 1086

SDG COMMITMENT: 10 OUT OF 17



COMPLIANCE: ON THE RIGHT PATH



- ELIGIBLE AND ALIGNED*
- ELIGIBLE, NOT ALIGNED*
- NOT ELIGIBLE*

*with respect to European Regulation 852/2020

DCF VALUATION

DCF Valuation (€M)	FY24 Forecast	FY25 Forecast	FY26 Forecast	FY27 Forecast	FY28 Forecast	FY29 Forecast	FY30 Forecast
EBIT	115.3	131.6	143.9	158.9	173.1	190.9	216.9
- Operating Taxes	32.3	36.9	40.3	44.5	48.5	53.5	60.7
<i>Operating tax rate %</i>	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%
NOPAT	83.0	94.8	103.6	114.4	124.6	137.5	156.2
+ D&A add-back	32.5	35.0	38.4	42.5	45.3	48.1	50.4
Gross Operating Cash Flow	115.6	129.8	142.0	156.8	169.9	185.6	206.5
-/+ Net Change WC	15.6	-14.6	-9.1	-11.4	-11.9	-12.5	-18.5
Capital Expenditure	71.3	79.1	88.9	59.8	59.7	51.8	50.7
Unlevered FCF	59.9	36.1	43.9	85.7	98.3	121.2	137.3
Present Values	54.9	33.2	34.1	61.1	64.4	72.9	75.9
PV of Cash flows	396.5	24% of Enterprise value					
Terminal value	2'227.6						
PV of Continuing value	1'233.9	76% of Enterprise value					
Enterprise value	1'630.4						
-NFP	68.7						
Equity value	1'699.1						
Ordinary Shares (M)	51.2						
MVR Shares (M)	150.5						
Total Shares	201.7						
Target Price	8.42						

PEERS SELECTION

GENERAL		SIZE			MARGINS			RETURNS			LIQUIDITY & LEVERAGE METRICS			OPERATIONAL EFFICIENCY	SCORE
Company Name	Country of Headquarters	Market Cap (€)	Revenues (€)	Employees	GROSSm	EBITDAm	EBITm	ROE	ROA	ROIC	Current Ratio	Quick Ratio	Total Debt / EV	Asset Turnover	
Industrie De Nora	Italy	1.54B	856M	2010	57,7%	20,7%	17,1%	28,0%	17,6%	2,10	2,81	1,78	40,4%	0,65	
ELECTRODE TECHNOLOGIES															
Osaka Soda Co Ltd	Japan	1.62B	579M	1021	26,22%	15,05%	11,10%	7,30%	5,29%	7,86%	2,81	2,27	3,7%	0,66	86/100
Tokai Carbon Co Ltd	Japan	1.23B	2.33B	4402	27,13%	20,87%	10,64%	8,60%	4,73%	2,22%	1,92	1,12	53,5%	0,60	87/100
Umicore SA	Belgium	2.45B	18.26B	11756	7,8%	5,20%	3,60%	12,5%	3,8%	7.89%	1,62	0,82	70,8%	1,84	63/100
Graphite India Ltd	India	1.23B	327M	1694	12,02%	-4,88%	-7,60%	-4,93%	12,10%	13,91%	4,56	3,23	2,9%	0,44	79/100
HEG Ltd	India	1.22B	266M	989	32,14%	16,03%	8,75%	7,16%	5,47%	0,91%	2,25	1,23	5,2%	0,42	85/100
Maxell Ltd	Japan	501M	790M	4033	23,61%	9,98%	6,26%	8,50%	4,51%	5,63%	1,56	1,22	26,1%	0,76	83/100
WATER TECHNOLOGIES															
Waters Corp	United States of America	21.15B	2.67B	8050	59,57%	34,59%	28,98%	84,18%	16,24%	20,05%	2,22	1,57	8,0%	0,75	83/100
Pentair PLC	United Kingdom	16.64B	3.71B	10875	37,01%	22,21%	19,42%	21,07%	9,58%	13,46%	1,65	0,94	9,0%	0,63	83/100
Fortune Brands Innovations Inc	United States of America	8.74B	4.19B	11482	41,79%	19,31%	15,66%	19,42%	6,39%	10,55%	1,70	0,89	25,0%	0,73	81/100
Watts Water Technologies Inc	United States of America	6.82B	1.86B	4850	46,73%	19,87%	17,76%	19,70%	12,36%	17,14%	2,61	1,63	3,1%	0,97	89/100
Keppel Infrastructure Trust	Singapore	1.91B	1.39B	12245	35,68%	20,32%	10,25%	10,53%	1,85%	2,29%	2,04	1,61	59,6%	0,35	82/100
Veolia Environnement SA	France	20.01B	45.35B	213450	17,2%	14,0%	7,3%	10,8%	1,9%	5,7%	0,93	0,88	70,2%	0,62	51/100
Praj Industries Ltd	India	1.65B	385M	1501	42,01%	10,74%	9,47%	24,09%	10,28%	21,25%	1,52	1,35	1,2%	1,26	82/100
ENERGY TRANSITION															
Guangzhou GPE&T Ltd	China	1.96B	855M	9484	13,58%	9,94%	1,82%	0,97%	0,48%	-0,75%	1,17	0,74	26,1%	0,50	81/100
Ceres Power Holdings PLC	United Kingdom	411M	25M	580	60,7%	-133,8%	-266,1%	-25,9%	-23,2%	-14,49%	7,74	7,60	1,2%	0,10	64/100
Engineers India Ltd	India	1.21B	364M	2657	48,29%	9,66%	8,64%	21,12%	7,89%	6,07%	1,10	0,99	0,3%	0,72	93/100
HuaDian Heavy Industries Co	China	964M	915M	1996	11,06%	5,50%	1,62%	9,30%	0,87%	1,86%	1,13	1,03	23,0%	0,63	91/100
Oriana Power Ltd	India	571M	42M	104	25,75%	21,10%	20,55%	50,88%	19,59%	22,61%	1,67	1,51	3,5%	1,38	89/100

SIMILARITY SCORE & MULTIPLES

SIMILARITY SCORE						
COMPANY NAME	SIZE	MARGINS	RETURNS	LIQUIDITY & LEVERAGE	OPERATIONAL EFFICIENCY	FINAL SIMILARITY SCORE
	35%	25%	20%	15%	5%	
ELECTRODE TECHNOLOGIES						
Osaka Soda Co Ltd	97,8%	80,7%	71,4%	91,9%	81,7%	86/100
Tokai Carbon Co Ltd	92,6%	84,1%	79,2%	90,9%	89,0%	87/100
Graphite India Ltd	97,3%	56,9%	77,5%	90,2%	72,6%	79/100
HEG Ltd	96,2%	81,2%	76,5%	89,0%	80,4%	85/100
Maxell Ltd	92,4%	73,4%	74,2%	95,2%	87,7%	83/100
BUSINESS UNIT WEIGHT	54%					
WATER TECHNOLOGIES						
Waters Corp	93,6%	86,7%	65,7%	74,2%	90,5%	83/100
Pentair PLC	93,3%	86,7%	75,0%	59,7%	97,7%	83/100
Fortune Brands Innovations Inc	94,6%	90,6%	55,1%	67,4%	92,4%	81/100
Watts Water Technologies Inc	97,7%	93,6%	81,6%	77,8%	68,0%	89/100
Keppel Infrastructure Trust	99,2%	87,5%	48,8%	78,6%	69,4%	82/100
Praj Industries Ltd	99,6%	83,9%	78,5%	59,2%	39,0%	82/100
BUSINESS UNIT WEIGHT	34%					
ENERGY TRANSITION						
Guangzhou GPE&T Ltd	71,7%	88,4%	81,0%	91,9%	88,6%	82/100
Engineers India Ltd	94,9%	95,5%	90,4%	92,0%	95,2%	94/100
HuaDian Heavy Industries Co Ltd	97,5%	88,0%	82,9%	92,6%	98,2%	91/100
Oriana Power Ltd	86,9%	94,6%	92,8%	95,3%	46,6%	89/100
BUSINESS UNIT WEIGHT	12%					

MULTIPLES		
COMPANY NAME	FORWARD EV/EBITDA	FORWARD P/E
Industrie De Nora	2,36	16,94
ELECTRODE TECHNOLOGIES		
Osaka Soda Co Ltd	10,30	18,90
Tokai Carbon Co Ltd	4,60	9,95
Graphite India Ltd	11,88	11,59
HEG Ltd	10,38	15,57
Maxell Ltd	4,59	10,29
Mean	8,35	13,26
Plus Premium +5%	8,77	13,92
WATER TECHNOLOGIES		
Waters Corp	21,04	28,99
Pentair PLC	16,93	21,89
Fortune Brands Innovations Inc	11,41	16,39
Watts Water Technologies Inc	15,35	24,00
Keppel Infrastructure Trust	11,95	18,67
Praj Industries Ltd	26,12	38,27
Mean	17,13	24,70
Minus Discount -2%	16,79	24,21
ENERGY TRANSITION		
Guangzhou GPE&T Ltd	15,87	38,75
Engineers India Ltd	20,85	23,97
HuaDian Heavy Industries Co Ltd	58,57	23,46
Oriana Power Ltd	19,53	12,38
Mean	28,71	24,64
Plus Premium +3%	29,57	25,38

BALANCE SHEET

BALANCE SHEET (€M)	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Forecast	FY25 Forecast	FY26 Forecast	FY27 Forecast	FY28 Forecast	FY29 Forecast	FY30 Forecast
Intangible assets	132.8	131.6	115.8	113.1	111.1	110.2	109.3	108.2	107.1	107.3
Tangible assets	167.6	184.2	254.3	293.2	335.9	383.3	398.7	411.3	413.9	413.1
Financial Asset	5.4	4.6	3.2	4.4	5.0	5.5	6.2	7.1	8.0	9.0
Investments accounted for under equity method	121.8	122.7	231.5	236.1	242.0	249.3	256.8	264.5	272.4	280.6
Other non-current assets	18.5	25.5	27.0	28.1	29.7	31.0	33.6	34.3	36.2	37.6
Non-Current Assets	446.2	468.5	631.8	675.0	723.8	779.3	804.6	825.4	837.6	847.6
Inventory	233.0	295.5	257.1	247.2	268.1	279.8	294.0	309.2	325.5	348.2
Trade receivables	140.0	123.4	141.9	138.6	145.2	151.9	159.9	168.6	177.9	190.8
Cash	73.8	174.1	198.5	202.7	217.0	234.6	284.1	341.9	417.9	500.9
Financial assets, inc. derivatives	0.5	159.0	14.2	12.3	12.9	16.1	17.3	18.6	20.1	22.0
Other assets	72.0	67.1	88.5	89.0	91.5	96.0	110.4	121.5	133.6	147.0
Current Assets	519.4	819.2	700.2	689.8	734.7	778.4	865.8	959.8	1074.9	1208.9
Total Assets	965.5	1287.6	1332.0	1364.8	1458.5	1557.7	1670.4	1785.2	1912.5	2056.5
Common Equity	43.2	264.4	222.1	209.1	206.9	206.7	214.9	221.7	229.1	237.3
Reserves & Retained Earnings	407.2	476.8	682.4	700.8	761.8	828.5	896.3	968.9	1'048.1	1'138.2
Equity attributable to non-controlling interests	3.5	3.6	5.7	6.8	6.8	6.8	6.8	6.8	6.8	6.8
Equity	454.0	744.9	910.3	916.7	975.5	1042.0	1118.1	1197.4	1284.0	1382.3
Non-current financial liabilities	3.8	267.5	133.7	140.8	154.2	168.6	181.4	195.4	211.0	226.0
Other non-current liabilities	38.7	37.1	38.8	43.6	44.6	46.2	49.6	52.2	55.3	59.1
Non-Current Liabilities	42.5	304.7	172.5	184.3	198.8	214.9	231.0	247.6	266.3	285.1
Current financial liabilities	259.4	13.7	10.2	10.4	10.2	9.9	9.6	9.2	8.9	8.6
Trade payables	61.4	80.6	106.8	109.2	122.0	131.3	142.1	154.1	167.2	184.3
Other current liabilities	148.1	143.8	132.3	144.2	152.0	159.6	169.6	177.0	186.2	196.2
Current Liabilities	468.9	238.0	249.2	263.8	284.2	300.8	321.3	340.3	362.2	389.1
Total Liabilities + Equity	965.4	1287.6	1332.0	1364.8	1458.5	1557.7	1670.4	1785.2	1912.5	2056.5

INCOME STATEMENT

INCOME STATEMENT (€M)	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Forecast	FY25 Forecast	FY26 Forecast	FY27 Forecast	FY28 Forecast	FY29 Forecast	FY30 Forecast
Total Revenues	655.2	894.1	867.0	868.2	943.5	1'002.3	1'083.0	1'162.4	1'251.0	1'370.3
YoY growth		36.46%	-3.03%	0.14%	8.66%	6.24%	8.05%	7.33%	7.62%	9.54%
- COGS	291.0	401.8	361.3	365.6	404.6	430.9	462.0	495.8	532.6	581.4
COGS Margin %	44.41%	44.93%	41.68%	42.11%	42.89%	42.99%	42.66%	42.65%	42.57%	42.43%
Gross Profit	364.2	492.3	505.7	502.7	538.8	571.4	621.0	666.6	718.4	788.8
Gross Profit Margin %	55.59%	55.07%	58.32%	57.89%	57.11%	57.01%	57.34%	57.35%	57.43%	57.57%
- Total SG&A and Others	243.0	327.2	334.6	348.5	364.6	383.0	412.5	441.5	472.9	514.9
% of sales	37.09%	36.59%	38.60%	40.13%	38.65%	38.21%	38.09%	37.98%	37.81%	37.58%
YoY growth		34.62%	2.29%	4.13%	4.64%	5.05%	7.69%	7.02%	7.13%	8.88%
EBITDA	121.2	165.2	171.0	154.2	174.2	188.4	208.5	225.2	245.5	273.9
YoY growth		36.28%	3.54%	-9.85%	12.98%	8.15%	10.67%	7.98%	9.03%	11.57%
EBITDA Margin %	18.50%	18.47%	19.73%	17.76%	18.46%	18.80%	19.25%	19.37%	19.62%	19.99%
- Accrual (Release) of provision	7.4	11.2	3.5	6.3	7.5	6.1	7.2	6.8	6.5	6.6
- D&A	26.2	28.1	30.6	32.5	35.0	38.4	42.5	45.3	48.1	50.4
EBIT	87.6	125.8	136.9	115.3	131.6	143.9	158.9	173.1	190.9	216.9
YoY growth		43.63%	8.83%	-15.78%	14.16%	9.32%	10.38%	8.95%	10.30%	13.61%
EBIT Margin %	13.37%	14.07%	15.79%	13.28%	13.95%	14.36%	14.67%	14.89%	15.26%	15.83%
- Financial expenses	16.3	27.7	22.1	26.2	20.3	18.9	20.0	21.4	23.0	24.8
% of sales	2.49%	3.10%	2.55%	3.02%	2.16%	1.88%	1.85%	1.84%	1.84%	1.81%
+/- Other unusual (cost)/income	13.5	23.5	145.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
% of sales	2.05%	2.63%	16.73%	0.81%	0.74%	0.70%	0.65%	0.60%	0.56%	0.51%
+/- Share of profit of equity-accounted investees	8.8	-1.2	5.4	-0.5	0.0	0.0	0.0	0.0	0.0	0.0
Pre-tax profit	93.6	120.4	265.3	95.6	118.3	132.0	145.8	158.7	174.9	199.0
YoY growth		28.73%	120.28%	-63.97%	23.76%	11.61%	10.44%	8.81%	10.22%	13.81%
- Income taxes	27.1	30.8	34.2	26.8	33.1	37.0	40.8	44.4	49.0	55.7
Tax rate %	28.98%	25.55%	12.90%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%
Net income	66.4	89.7	231.1	68.8	85.2	95.1	105.0	114.2	125.9	143.3
YoY growth		34.95%	157.68%	-70.21%	23.76%	11.61%	10.44%	8.81%	10.22%	13.81%
Net profit Margin %	10.14%	10.03%	26.65%	7.93%	9.03%	9.48%	9.69%	9.83%	10.07%	10.46%

CASH FLOW STATEMENT

CASH-FLOW STATEMENT (€M)	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Forecast	FY25 Forecast	FY26 Forecast	FY27 Forecast	FY28 Forecast	FY29 Forecast	FY30 Forecast
Net Income	66.4	89.7	231.1	68.8	85.2	95.1	105.0	114.2	125.9	143.3
+ D&A add-back	26.2	28.1	30.6	32.5	35.0	38.4	42.5	45.3	48.1	50.4
-/+ Net Change WC	-136.3	-25.2	19.8	15.6	-14.6	-9.1	-11.4	-11.9	-12.5	-18.5
- Other Adjustments	-28.1	-20.3	141.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from operations	-15.5	112.9	140.2	117.0	105.6	124.3	136.1	147.6	161.5	175.2
Capital Expenditure	30.9	46.4	88.5	71.3	79.1	88.9	59.8	59.7	51.8	50.7
Change in fin. Activ.	-0.8	-159.2	144.5	0.6	-1.2	-3.7	-1.9	-2.1	-2.3	-2.9
Acquisitions	6.3	0	2.0	0	0	0	0	0	0	0
Divestitures	0.7	0.3	27.5	0	0	0	0	0	0	0
Cash flow from Investing Activities	-37.3	-205.3	81.5	-70.7	-80.3	-92.6	-61.7	-61.8	-54.2	-53.6
- Dividends	60.0	20.0	24.2	24.4	24.2	28.3	37.2	41.7	46.7	53.2
- Buyback	0	0	17.0	26.0	0	0	0	0	0	0
+ Debt financing	85.4	16.6	-150.5	7.2	13.2	14.2	12.4	13.7	15.3	14.7
+ Equity financing	18.1	196.7	1.3	1.1	0	0	0	0	0	0
- Other (including FX effect)	7.5	-0.7	-3.0	0	0	0	0	0	0	0
Cash flow from Financing Activities	51.0	192.6	-193.4	-42.1	-11.0	-14.1	-24.8	-28.0	-31.4	-38.5
Net Change in Cash	-1.8	100.2	28.3	4.2	14.3	17.5	49.5	57.8	76.0	83.0
NFP end of the period	188.8	-51.9	-68.7	-65.7	-66.8	-70.2	-107.3	-151.5	-212.1	-280.5

BOARD OF DIRECTORS

OFFICE	FULL NAME (YEAR OF BIRTH)	EDUCATIONAL & LABOR BACKGROUND
Executive Chairperson, Strategies Committee	Federico De Nora (1968)	Grandson of the Company’s founder Oronzio, Federico De Nora began his career in 1988 in the planning and corporate control department of Norfin S.r.l. Until 2014, he was a Shareholder and Director of De Nora do Brasil Ltda. He is currently Chairman of Federico De Nora S.p.A. and of the Fondazione Oronzio e Niccolò De Nora. He also currently serves as Chairman of the Company’s Board of Directors, of which he holds the majority.
Chief Executive Officer, Strategies Committee	Paolo Enrico Dellachà (1968)	Paolo Dellachà holds a master’s degree in electronic & management engineering from the Milan Polytechnic before joining the Group in June 2009 as General Manager. He was appointed Chief Executive Officer in December 2010 and since then has led the Group in its organic expansion and evolution
Directors, Strategies Committee	Stefano Venier (1963)	Stefano Venier has over 30 years of managerial experience in the energy and utility sectors, both in Italy and internationally. He graduated in IT from the University of Udine and completed a master’s degree in Energy and Environmental Management and Economics from the Scuola Superiore Mattei.
Directors, Appointments and Remuneration Committee, Related Parties Committee	Maria Giovanna Calloni (1964)	Maria Giovanna Calloni graduates in Economia Aziendale summa cum laude from Università Commerciale Luigi Bocconi, Milan in 1987. Currently, Ms. Calloni serves on the board of director of Industrie De Nora (DNR.MI – Electrochemical and Hydrogen), Euro Group Laminations (EGLA.MI – EV Mobility), Philogen (PHIL.MI - Biotech), CY4Gate (CY4 – Cyber Security) e Tec Cyber.
Directors, Appointments and Remuneration, Strategies Committee	Mario Cesari (1967)	Mr. Cesari is a Swiss and Italian bi-national. He obtained an MSc. in Industrial Engineering in 1992 from the Milan Polytechnic with a thesis written at the Fraunhofer Institute in Stuttgart. Mr. Cesari also obtained an MBA with honors from Insead in 1997. He has an international career spanning more than three decades, combining operations, strategic planning, M&A, and board directorship expertise.
Directors	Michelangelo Mantero (1968)	Michelangelo Mantero graduated in 1993 with a degree in monetary economics from Bocconi University in Milan. In addition to being a non-executive member of the Board of Directors of De Nora since 2012, he holds the position of non-executive director of the companies involved in the private equity investments he followed, including Sacop S.r.l. operating in passive fire protection systems, [HWG S.r.l. cyber security services company], ECS S.r.l. active in healthcare packaging, [GN Techonomy S.r.l. system integration company].
Directors, Appointments and Remuneration Committee, Related Parties Committee	Elisabetta Oliveri (1963)	Elisabetta Oliveri graduated with honors in Electronic Engineering from the State University of Genoa.
Directors, Audit, Risk and ESG Committee, Strategies Committee	Paola Bonandrini (1974)	Paola Bonandrini took her degree in structural engineering in 1998 at the Università degli Studi di Pavia and one year later, she earned a master’s degree in management and economics of Energy and Environment (Master MEDEA) at the Scuola Superiore Enrico Mattei.
Directors, Audit, Risk and ESG Committee	Giovanni Toffoli (1968)	Giovanni Toffoli graduated in Business Administration at Ca' Foscari University in Venice in 1991. After moving to the United States, after different experiences, he returned to Italy in 1996. In 2000 the activities were transferred to a new plant; with new advanced technologies, Adriatica Spa was born. In 2004 he joined the board of directors of Adriatica Spa, and from 2012 he became its CEO, holding various positions within the group in the various subsidiaries.
Directors	Alessandro Garrone (1963)	Alessandro Garrone graduated in Economics in 1991. Since April 2012 he has been Executive Deputy Chairman of ERG SpA and Chairman of the Strategic Committee of ERG SpA. Since April 2015 it has been responsible for overseeing the internal control and risk management system.
Directors	Giorgio Metta (1970)	Giorgio Metta is the Scientific Director of the Istituto Italiano di Tecnologia (IIT). He holds a MSc cum laude (1994) and PhD (2000) in electronic engineering both from the University of Genoa.
Board of Statutory Auditors	Marcello Del Prete (1965)	Marcello Del Prete graduated from the University of Bari, Faculty of Economics and Business. He has held and still holds auditing positions in numerous joint-stock companies. He deals with tax law, extraordinary transactions, group organisation, technical consultancy, arbitration, and judicial liquidation.
Chief Financial Officer	Luca Ogliandolo	Luca Ogliandolo has extensive experience as a Director in all Finance functions (Planning and Control, Finance and Treasury, Administration and Accounting). Responsible for the economic and financial management of the Company, as well as developing and coordinating the processes of budgeting, management control, and information systems.

REFINITIV SCORING

	DE NORA	Electrodes	Water	Energy Transition
Resource Use	19.26	40.39	83.24	27.44
Emissions	57.25	35.55	75.56	37.48
Environmental Innovation	82.25	24.61	66.12	8.78
ENVIROMENTAL SCORE	52.92	33.52	74.97	24.56
Workforce	93.74	37.15	73.07	42.55
Human Rights	90.63	31.07	68.16	1.7
Community	96.52	42.79	78.43	15.01
Product Responsibility	87.78	25.35	66.48	20.77
SOCIAL SCORE	92.17	34.09	71.53	20.01
Management	9.92	39.1	67.35	52.58
Shareholders	21.43	72.03	48.12	68.72
CSR Strategy	34.96	28.93	73.98	24.6
GOVERNANCE SCORE	22.1	46.69	63.15	48.63
TOTAL SCORE	55.73	38.1	69.89	31.07

PROPRIETARY MODEL: ENVIROMENTAL

CATEGORIES	METRICS	Industrie De Nora SpA	SCORE	Average of the Competitors	Total Score
RESOURCE (16,7%)	Policy Water Efficiency	TRUE	●	TRUE	5 <i>48.7% of E</i>
	Policy Energy Efficiency	FALSE	✖	TRUE	
	Targets Water Efficiency	FALSE	✖	TRUE	
	Targets Energy Efficiency	FALSE	●	FALSE	
	Total Energy Use to Revenues USD in million	0	✖	1,927.10	
	Renewable Energy Use Ratio	0.00%	✖	8%	
	Water Use to Revenues USD in million	225.36	●	614.28	
	Water Recycled	0	●	20.5	
EMISSION (17,6%)	Policy Emissions	FALSE	✖	TRUE	8 <i>51.3% of E</i>
	Targets Emissions	TRUE	●	TRUE	
	Total CO2 Equivalent Emissions to Revenues USD in million	0	●	313,806	
	Emissions Trading	FALSE	✖	FALSE	
	NOx Emissions	0	●	26.48	
	SOx Emissions	0	●	34,693	
	Total Waste to Revenues USD in million	7.61	●	16.87	
	Waste Recycled to Total Waste	41.82%	●	39.79%	
	Environmental Expenditures Investments	TRUE	●	FALSE	
	Internal Carbon Price per Ton	\$-	●	\$-	
ENVIROMENTAL: 6.54/10 Correspondent Rating: BB					

PROPRIETARY MODEL: SOCIAL

CATEGORIES	METRICS	Industrie De Nora SpA	SCORE	Average of the Competitors	Total Score
WORKING (16,8%)	Health & Safety Policy	TRUE	●	TRUE	8 <i>44.9% of S</i>
	Supply Chain Health & Safety Improvements	FALSE	✗	FALSE	
	Salary Gap	18	●	39.8	
	Net Employment Creation	4.20%	●	-3.80%	
	Trade Union Representation	50.00%	●	32.59%	
	Turnover of Employees	0.00%	●	5.02%	
	Day Care Services	FALSE	●	FALSE	
	Employees With Disabilities	0.00%	✗	0.04%	
	Average Training Hours	9.00	●	5.39	
	Training Costs Per Employee	\$-	●	\$1.12	
DIVERSITY (20,6%)	Policy Diversity and Opportunity	TRUE	●	TRUE	6 <i>55.1% of S</i>
	Targets Diversity and Opportunity	FALSE	✗	FALSE	
	Women Employees	20.00%	●	18.40%	
	Women Managers	27.91%	●	14.49%	
	Employee Resource Groups	FALSE	✗	FALSE	
SOCIAL: 6.90/10 Correspondent Rating: BBB					

PROPRIETARY MODEL: GOVERNANCE

CATEGORIES	METRICS	Industrie De Nora SpA	SCORE	Average of the Competitors	Total Score
MANAGEMENT (13,3%)	Board Gender Diversity, Percent	30.77%	●	20.51%	5 46.7% of G
	Board Cultural Diversity, Percent	0.00%	✗	3.02%	
	Executive Members Gender Diversity, Percent	0.00%	✗	19.80%	
	Executives Cultural Diversity	0.00%	✗	0.00%	
	Audit Committee Independence	66.67%	✗	78.83%	
	Audit Committee Mgt Independence	TRUE	●	TRUE	
	Compensation Committee Independence	0.00%	✗	90.17%	
	Compensation Committee Mgt Independence	TRUE	●	TRUE	
	Nomination Committee Independence	100.00%	●	84.17%	
	Nomination Committee Involvement	0.00%	●	3.33%	
	Board Attendance	TRUE	●	TRUE	
	Board Meeting Attendance Average	93.65%	●	92.82%	
	Average Board Tenure (in Years)	3.02 Yrs	✗	6.90 Yrs	
	Non-Executive Board Members	86.67%	●	77.42%	
	Independent Board Members	46.67%	✗	65.73%	
COMPENSATION (7,6%)	Compensation Improvement Tools	TRUE	●	TRUE	5 26.6% of G
	Executive Compensation Policy	TRUE	●	TRUE	
	Executive Individual Compensation	FALSE	✗	FALSE	
	Total Senior Executives Compensation	\$1,756,020.00	●	\$48,354,480.00	
	Highest Remuneration Package	\$1,417,574.00	●	\$4,670,403.42	
	CEO Compensation Link to TSR	FALSE	✗	FALSE	
	Executive Compensation LT Objectives	FALSE	✗	FALSE	
	Sustainability Compensation Incentives	FALSE	✗	FALSE	
SHAREHOLDERS (7,6%)	Shareholder Rights Policy	TRUE	●	TRUE	5 26.6% of G
	Equal Shareholder Rights	FALSE	✗	TRUE	
	Voting Cap Percentage	100%	✗	100%	
	Director Election Majority Requirement	TRUE	●	TRUE	
	Shareholders Vote on Executive Pay	TRUE	●	TRUE	
	Public Availability Corporate Statutes	TRUE	●	TRUE	
	Veto Power or Golden share	TRUE	✗	FALSE	
	State Owned Enterprise SOE	FALSE	●	FALSE	
	Non-audit to Audit Fees Ratio	0.00%	●	34.00%	
	Auditor Tenure	6	✗	12.2	
	GOVERNANCE: 5/10 Correspondent Rating: CCC				

