

Ø DE NORA



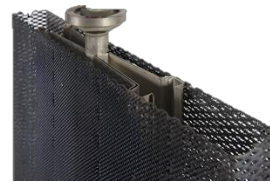
THE GLOBAL ELECTROCHEMICAL MARKET



Electrode Technologies



Water Technologies



Energy Transition



CLOSING PRICE

€6.95

06/02/2025

HOLD

TARGET PRICE

€7.00

Upside 0.72%



TICKER: DNR.MI

MARKET CAP: €1.40B

SALES 2024E: €867M

COMPANY OVERVIEW

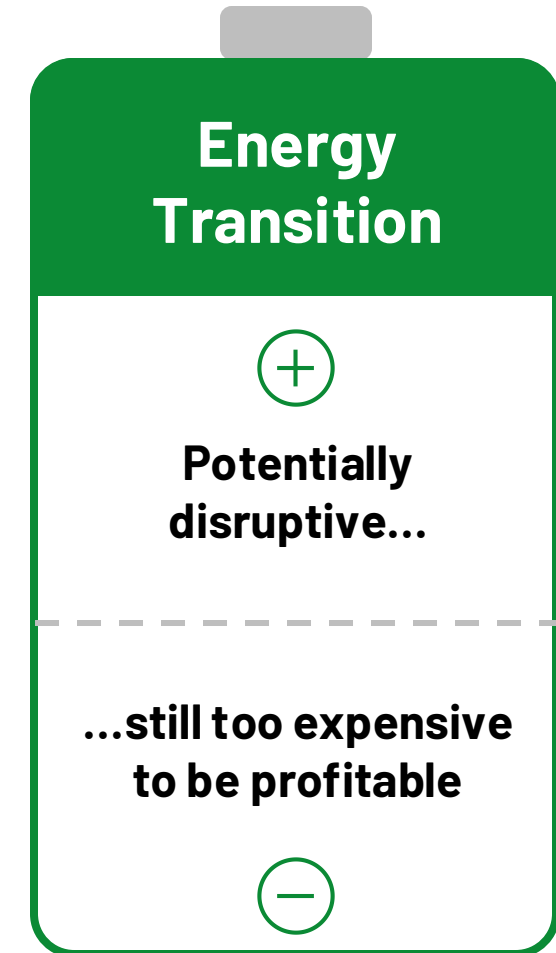
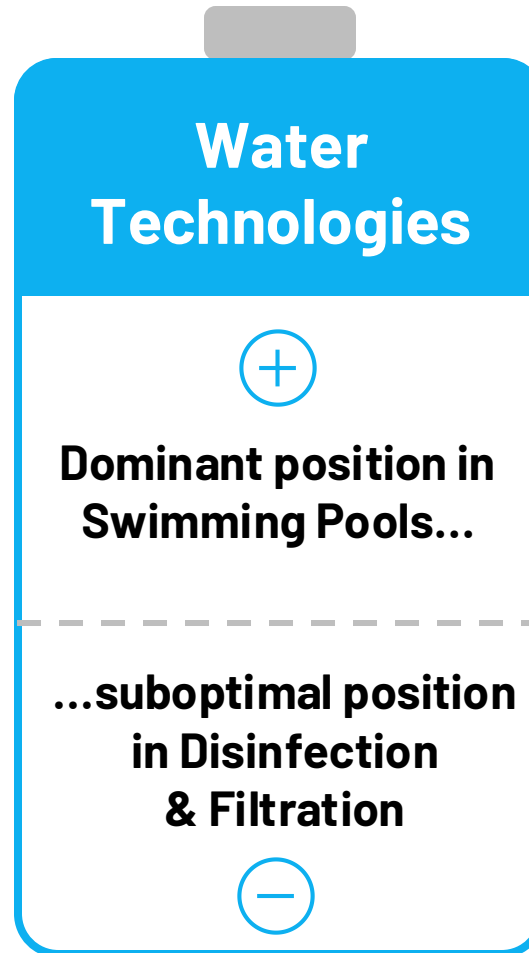
FINANCIAL

VALUATION

ESG

HOLD: THREE MAIN PILLARS

Coupling future industry growth and De Nora's competitive positioning



DE NORA'S JOURNEY: From Chlor-Alkali to Green H2

Starting from Chlor-Alkali technologies, **De Nora** evolved into a **diversified electrodes provider**

3 DIFFERENT INDUSTRIES



**Electrode
Technologies**



**Water
Technologies**



**Energy
Transition**

A RELIABLE PARTNER with a century long expertise

The **Global Electrochemical Market** is characterized by intensive and specialized processes

De Nora is a global leader in **catalytic coatings** and **insoluble electrodes** characterized by:


**ENERGY
EFFICIENCY**

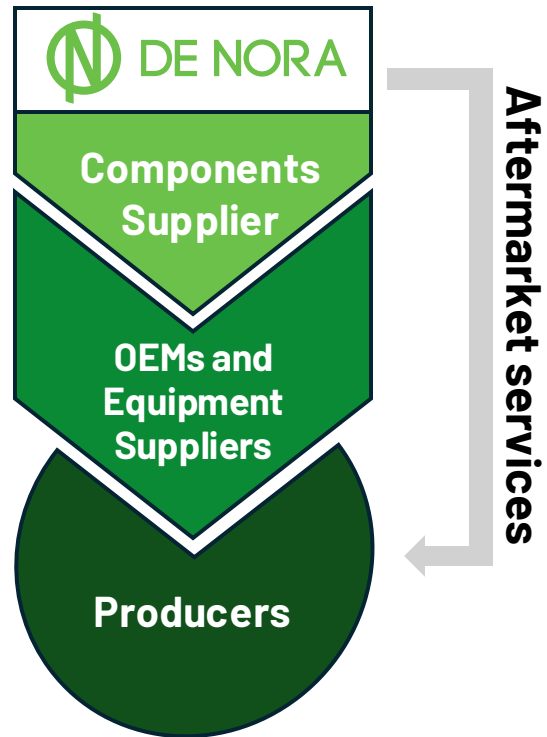

DURABILITY


**LOWER
TCO**

**PREFERRED CHOICE FOR
INDUSTRIAL OPERATORS**

CUSTOMER BASE

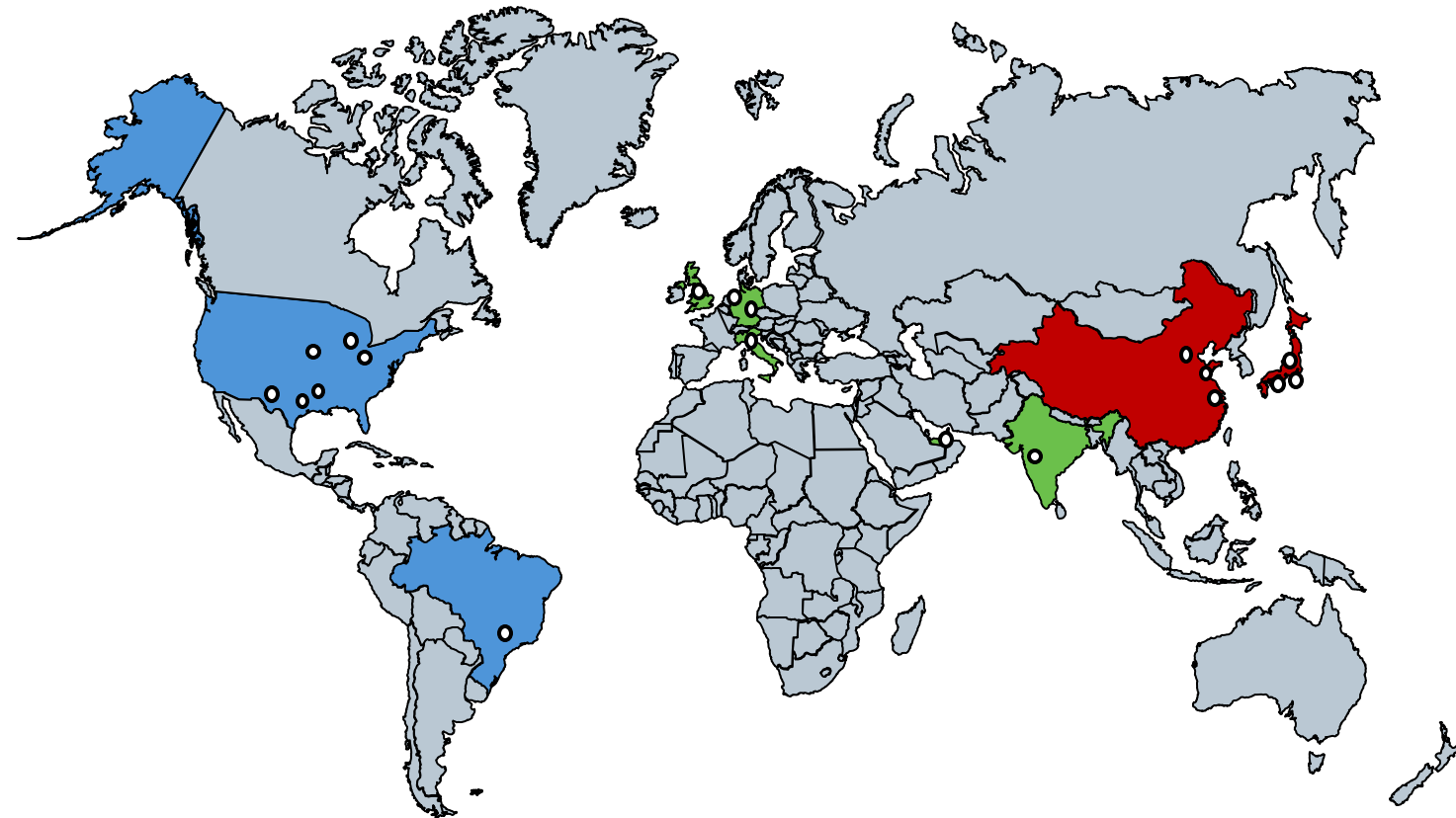
The B2B channel



De Nora operates exclusively in the **B2B Market**, at the very **beginning of the value chain**

GLOBAL PRESENCE

Retracing the EMEIA expansion



■ **APAC: 36%**
■ **AMS: 30%**

■ **EMEIA: 34%**

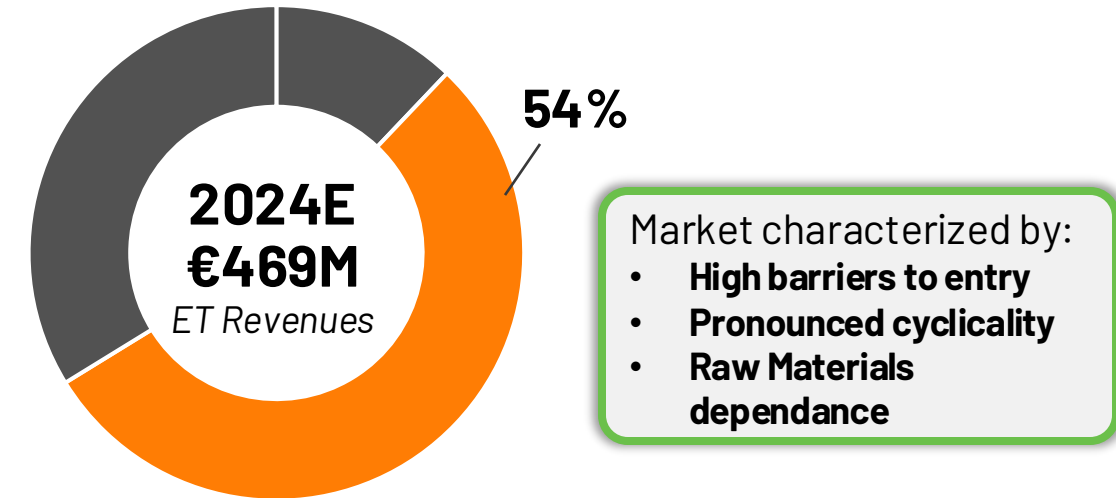
Source: Company data

FIRST PILLAR

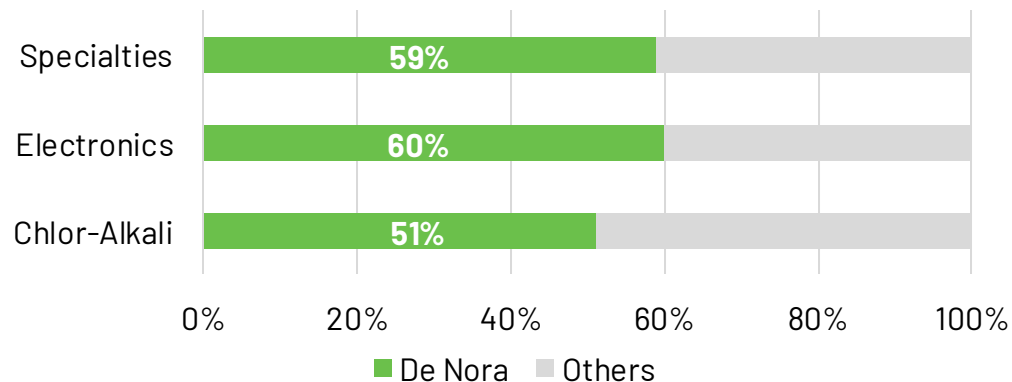


THE ELECTRODE TECHNOLOGIES (ET) SEGMENT

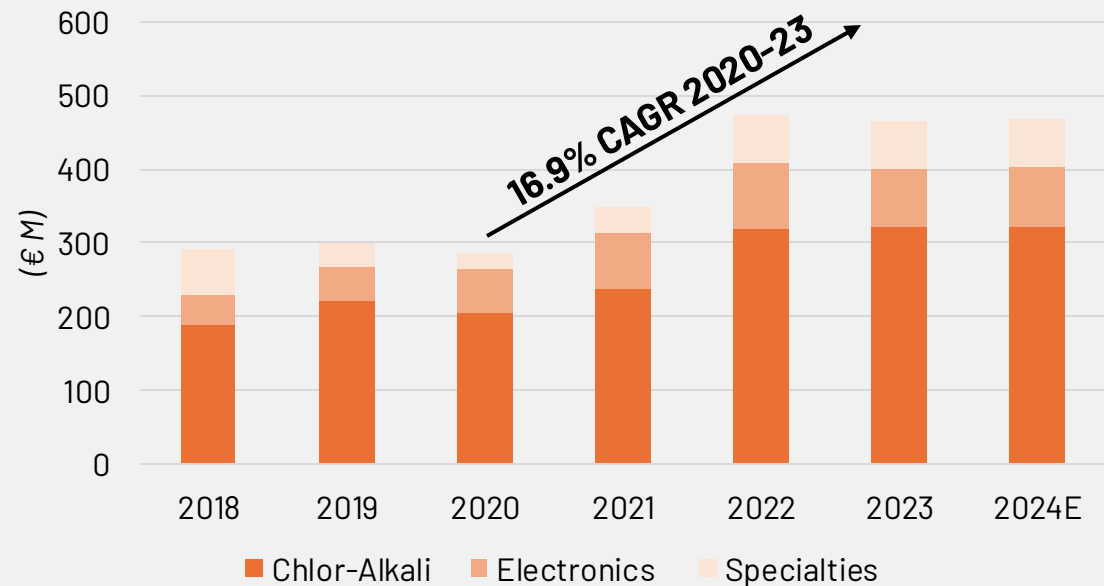
De Nora's beating heart



MARKET SHARES BY BUSINESS LINE



ELECTRODE TECHNOLOGIES SALES BREAKDOWN



**LOYAL
CUSTOMERS**



**HIGH MARKET
SHARE**



**PRICING
POWER**



**Century
long
leadership**

**Modest future
growth
opportunities**

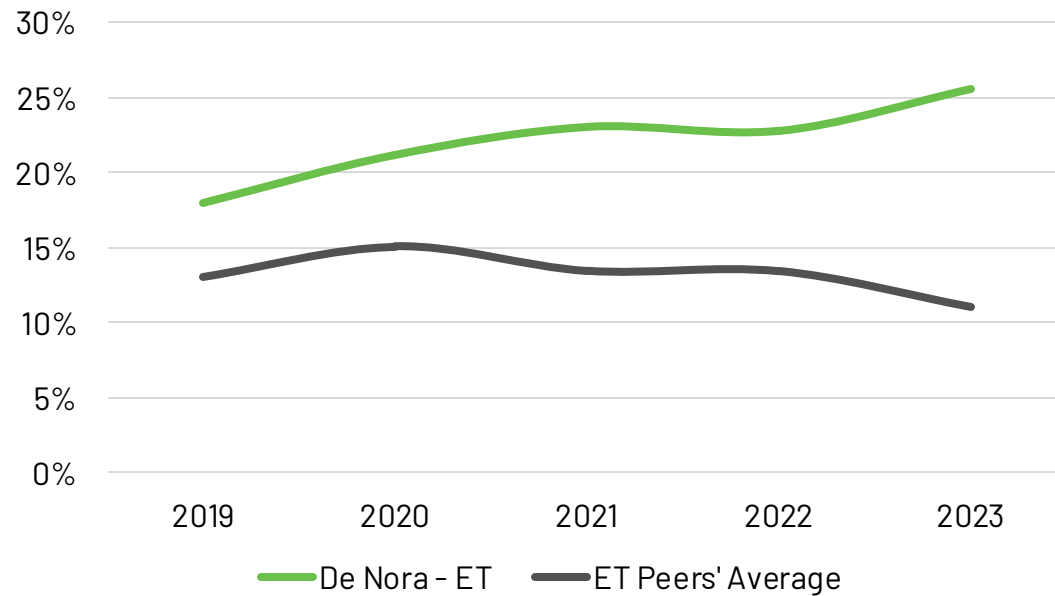


Source: Company data, team estimates

100 YEARS OF INNOVATION AND RESILIENCE

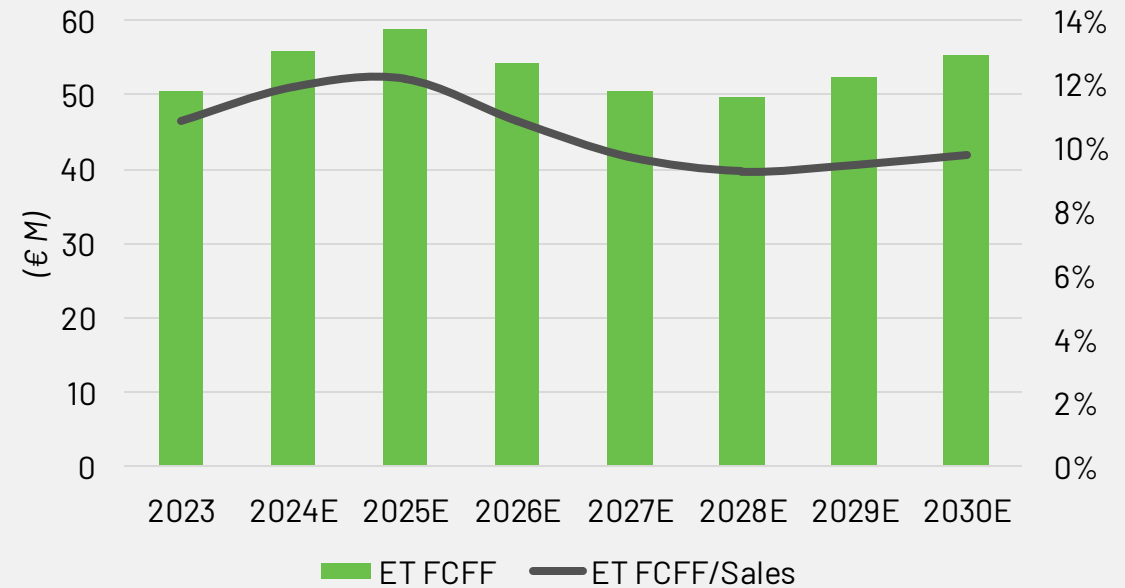
Pioneering Electrochemical solutions

ELECTRODE TECHNOLOGIES EBITDAm



Market positioning enables the Company to apply the **pass-through pricing mechanism**, ensuring **high and stable margins**

FREE CASH FLOWS GENERATION



We foresee **positive** and **stable** cash flow generation from a consolidated segment



Century long leadership

Modest future growth opportunities

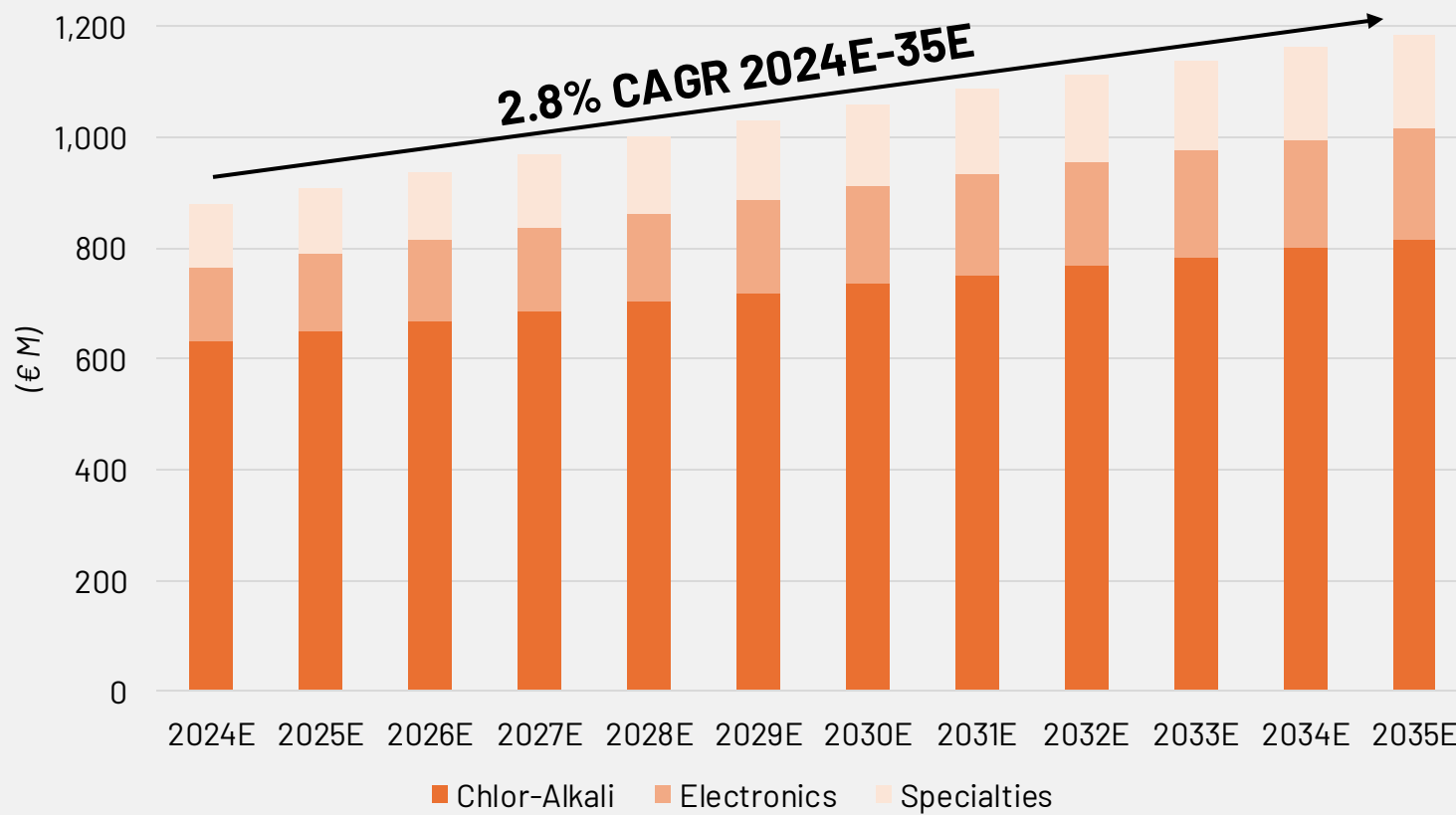


Source: Company data, team estimates

RULING A KINGDOM THAT STANDS STILL

While market dominance is secured, growth pathways are narrowing

ELECTRODE TECHNOLOGIES INDUSTRY GROWTH



Modest growth stemming from:

- Market **maturity** and **consolidation**
- **Alternative technologies competitive arena**

Main drivers:

- 1. Population growth**
 - i. Urbanization
 - ii. Constructions
- 2. Net-Zero Emissions**
 - i. Raw materials refining
 - ii. PCBs demand



Century long leadership

Modest future growth opportunities



Source: team estimates

SECOND PILLAR



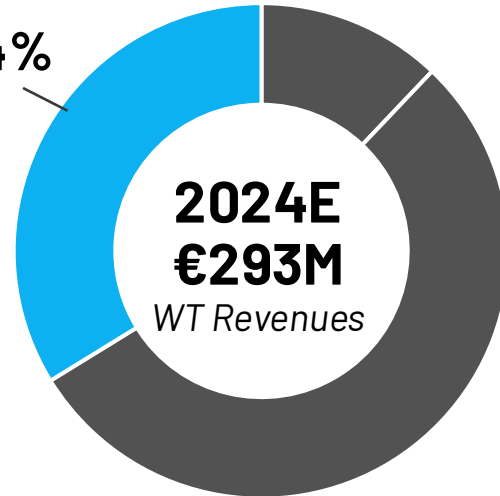
THE WATER TECHNOLOGIES (WT) SEGMENT

A vital market, yet a battle for every drop

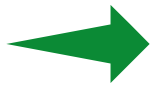
WATER SYSTEMS



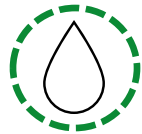
34%



KNOW-HOW
LEVERAGE



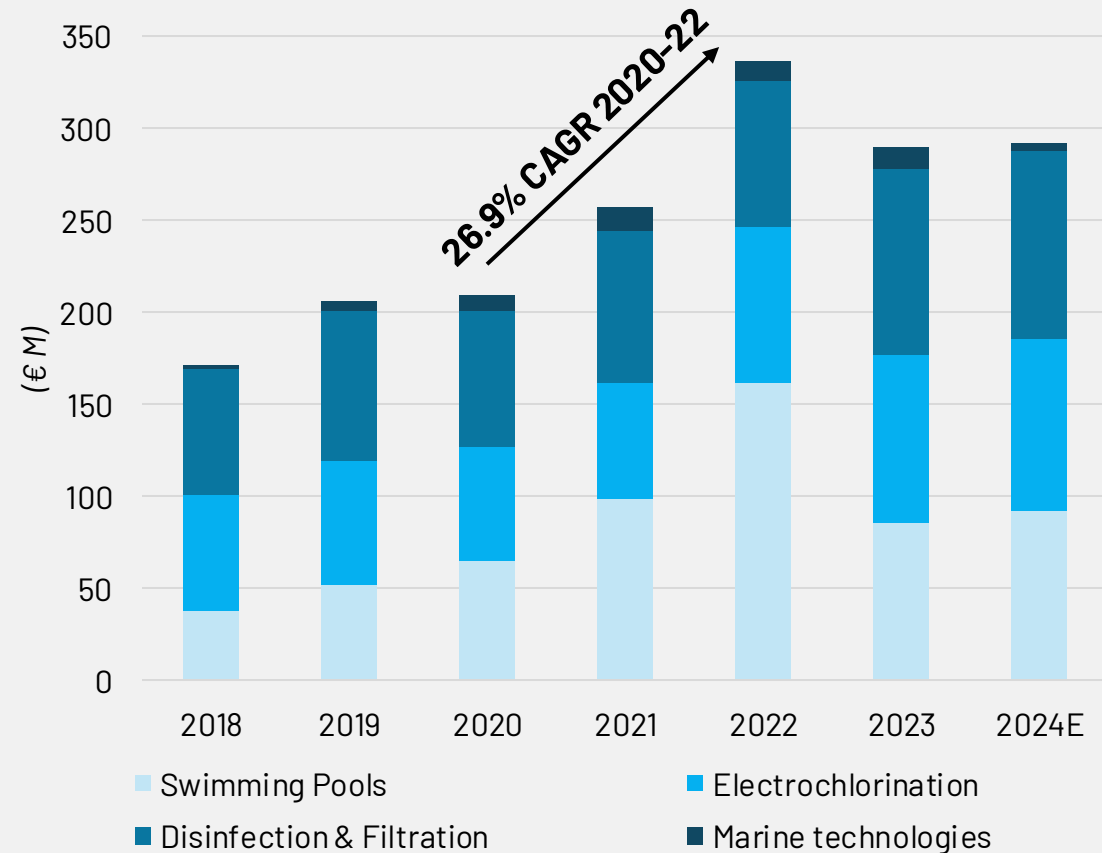
HORIZONTAL
EXPANSION



WATER
TECHNOLOGIES

De Nora presents **different competitive positioning and growth profiles** in each business line

WATER TECHNOLOGIES SALES BREAKDOWN



Swimming
pools
dominant
position

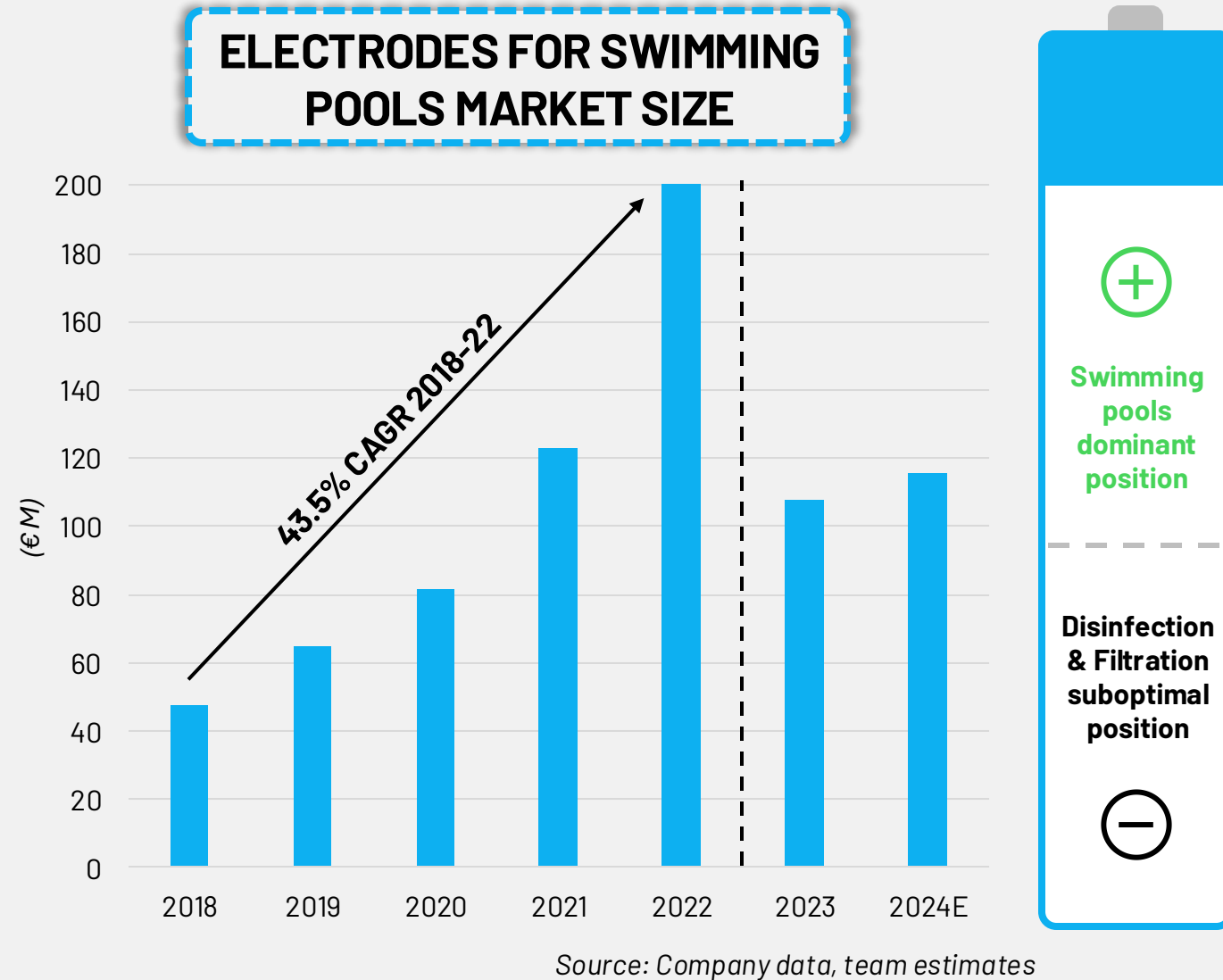
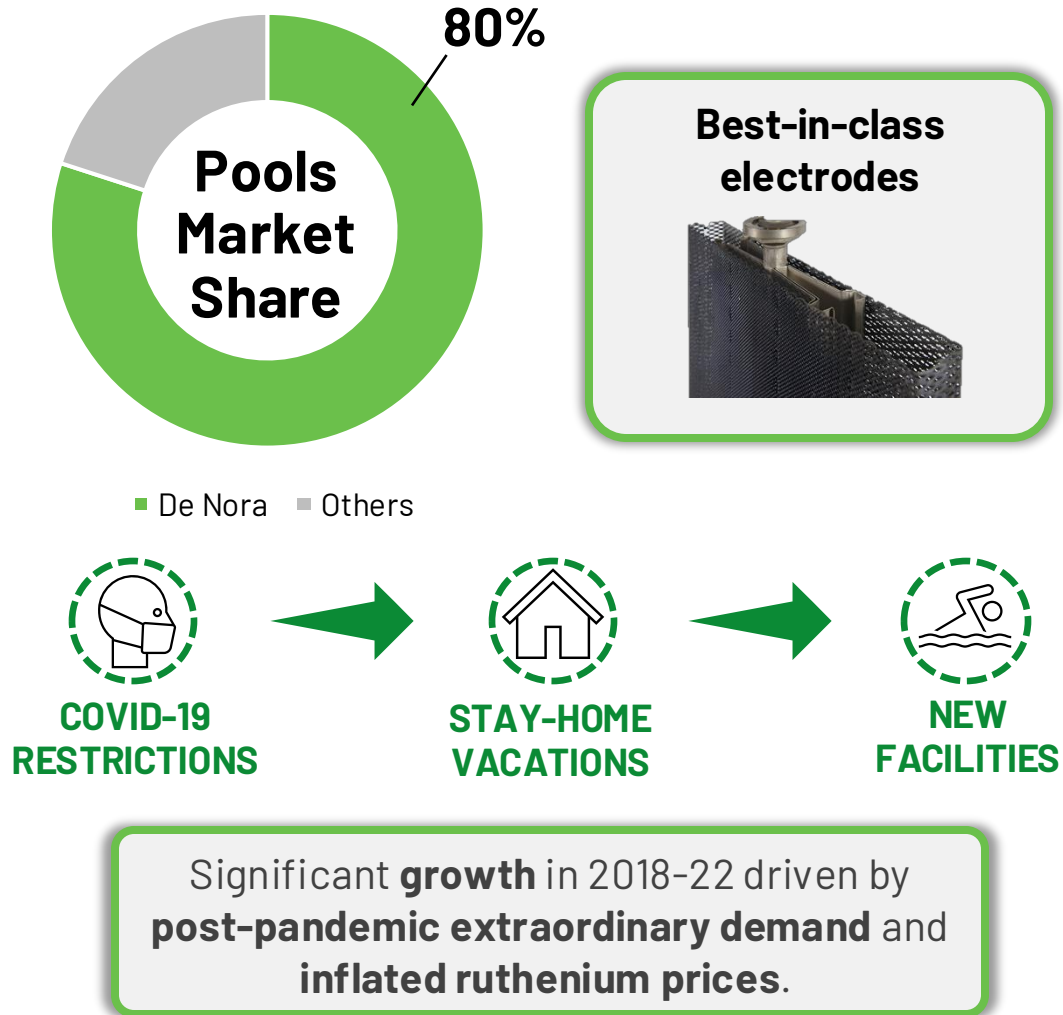
Disinfection
& Filtration
suboptimal
position



Source: Company data, team estimates

A COMPETITIVE POSITIONING DUALITY:

The big fish in a small pond...

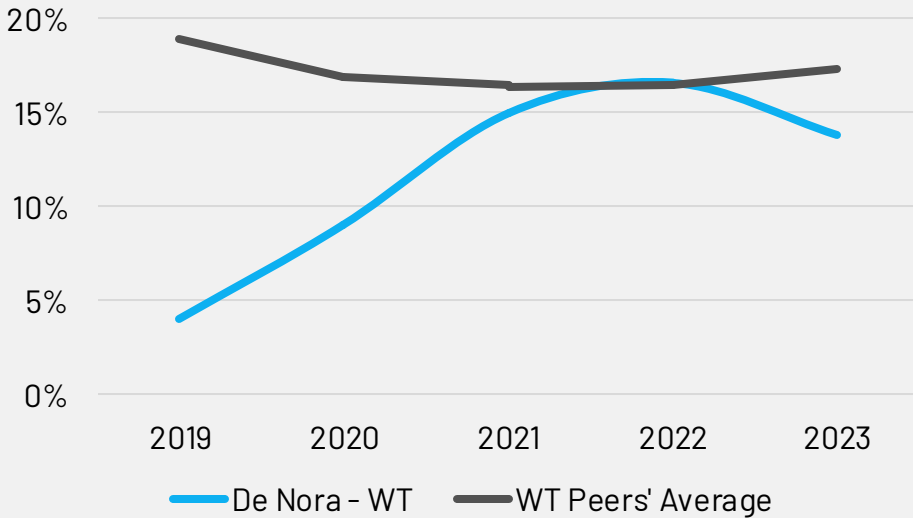


A COMPETITIVE POSITIONING DUALITY: ...battles Blue Whales in the Water Treatment ocean

In Water Disinfection & Filtration, De Nora faces **fierce competition** from industry giants that threatens **future growth** and **profitability**

Company	Market Cap	
 DE NORA	€1B	
 VEOLIA	€20B	
 xylem	€32B	
 ECOLAB®	€74B	
	Sales CAGR 2024E-30E	Sales CAGR 2030E-35E
De Nora (Water Dis. & Filt.)	3.6%	2.5%
Industry	6.1%	3.6%

WATER TECHNOLOGIES EBITDAm



The 2021-22 performance is inflated by the **spike in electrodes for swimming pools sales**

+
Swimming pools dominant position

-
Disinfection & Filtration suboptimal position

Source: Company data, FactSet, team estimates

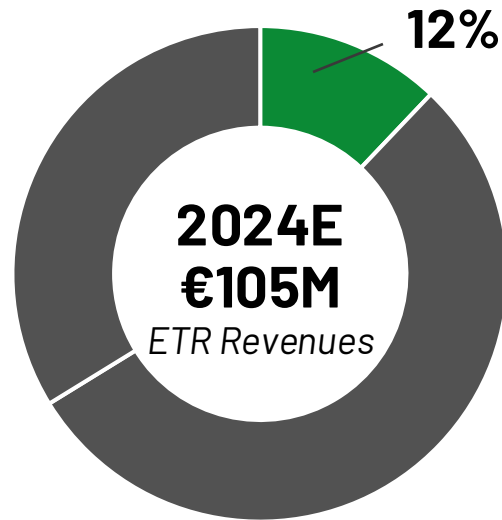
THIRD PILLAR



THE ENERGY TRANSITION (ETR) SEGMENT

A bold bet to chart new horizons

PRODUCT PORTFOLIO



Shaped by two ambitious **Joint Ventures**:



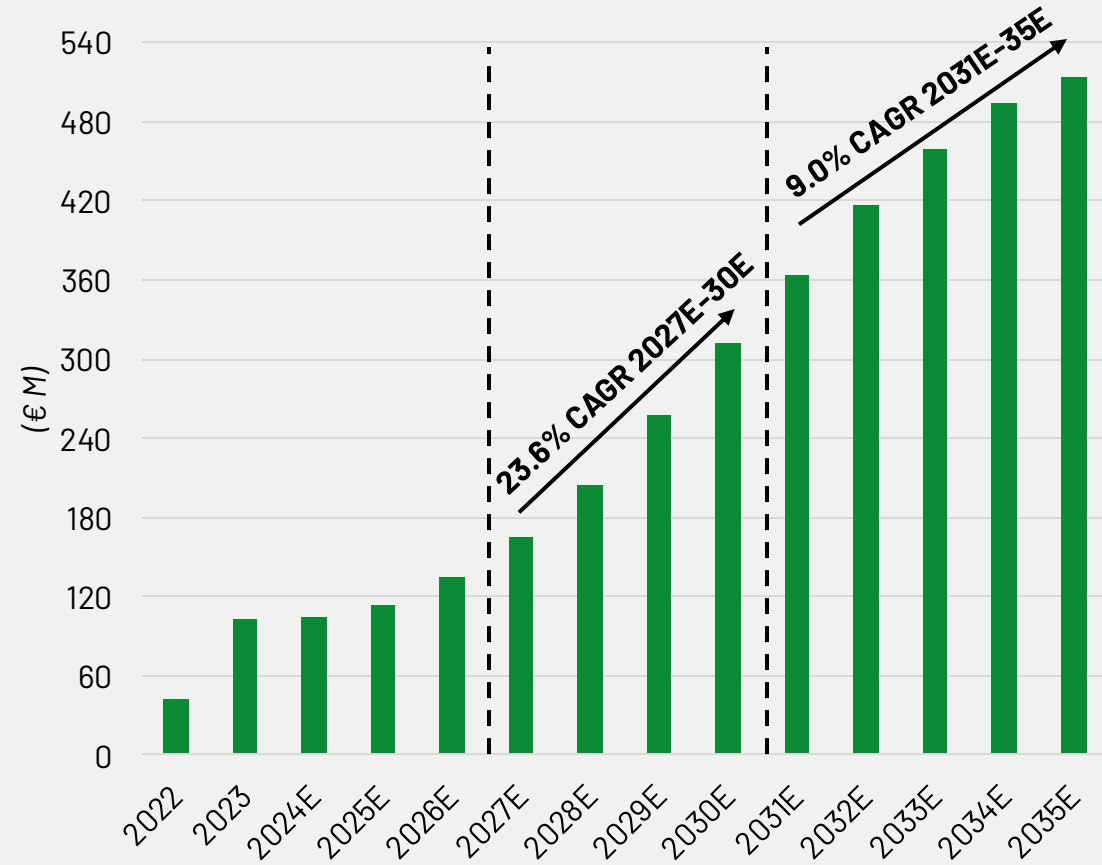
GIGAFACTORY



thyssenkrupp
NUCERA

**TOLL MANUFACTURING
AGREEMENT**

ENERGY TRANSITION FUTURE SALES



Source: Company data, team estimates



Potentially
disruptive

Still too
expensive
to be
profitable



THE ENERGY TRANSITION (ETR) SEGMENT

A bold bet to chart new horizons

Shaped by two ambitious **Joint Ventures:**



GIGAFACTORY



Set to be Italy's
largest electrolyzer
production hub



thyssenkrupp
nucera

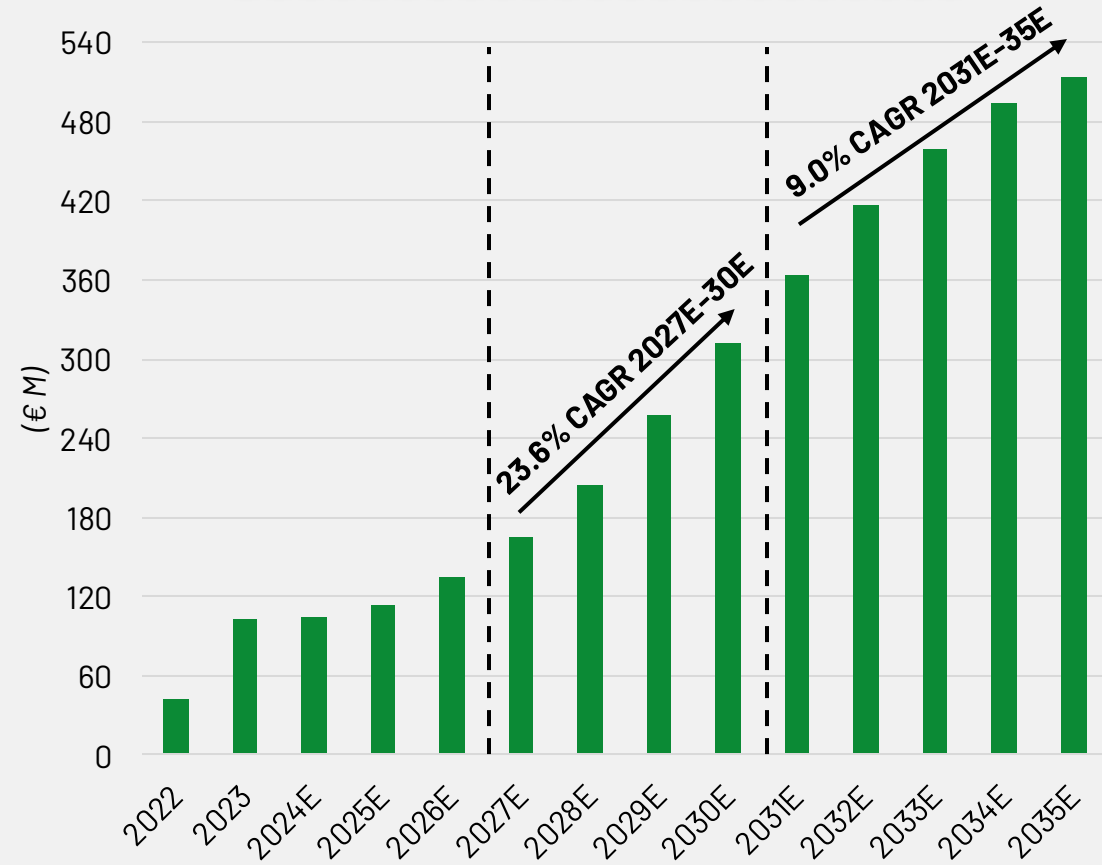
**TOLL MANUFACTURING
AGREEMENT**



Generating over
90% of the
segment's
Revenues



ENERGY TRANSITION FUTURE SALES



Source: Company data, team estimates



Potentially
disruptive

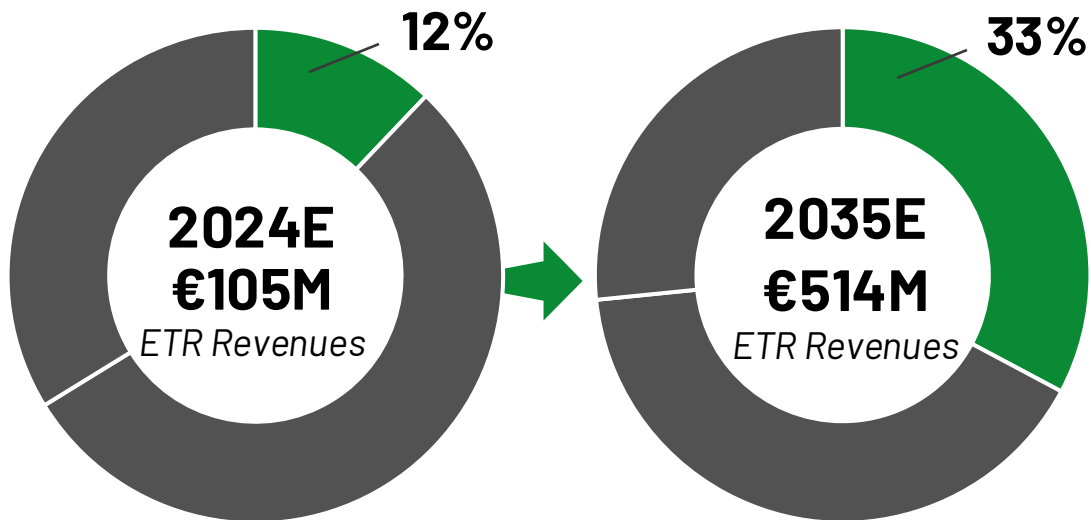
Still too
expensive
to be
profitable



SNAP BACK TO REALITY

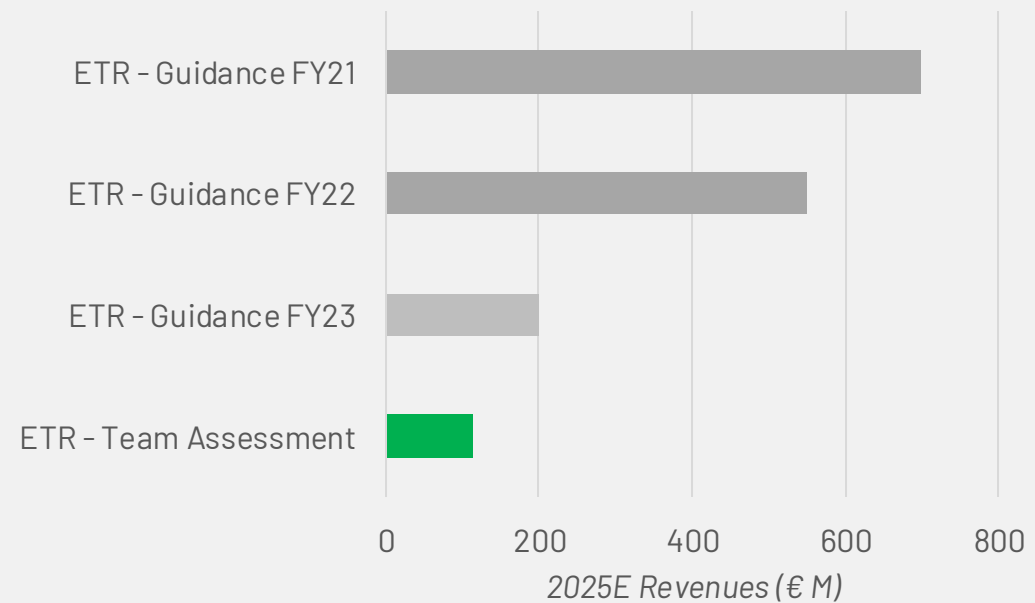
Aiming high...

FUTURE TOP LINE CONTRIBUTION



Despite the expected increasing contribution to the top line, **De Nora is far behind past estimates...**

2025E ETR SALES THROUGH THE YEARS GUIDANCE VS TEAM ESTIMATES



...De Nora has **consistently failed to align** its ambitious **guidance with actual performance**



Potentially disruptive

Still too expensive to be profitable

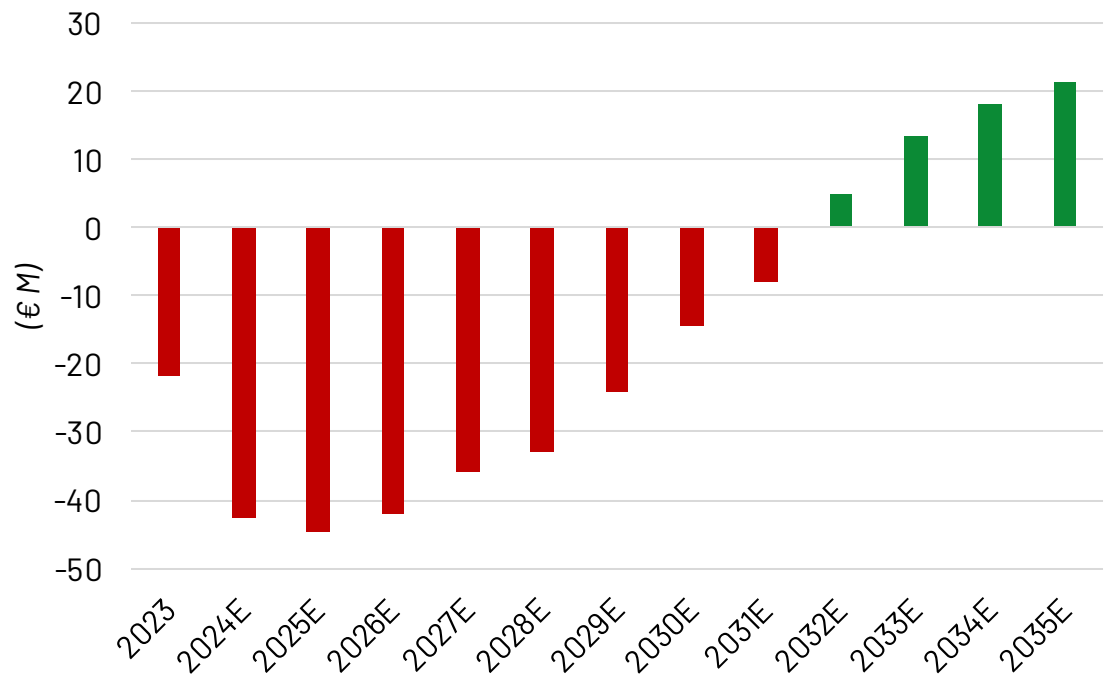


Source: Company data, FactSet, team estimates

SNAP BACK TO REALITY

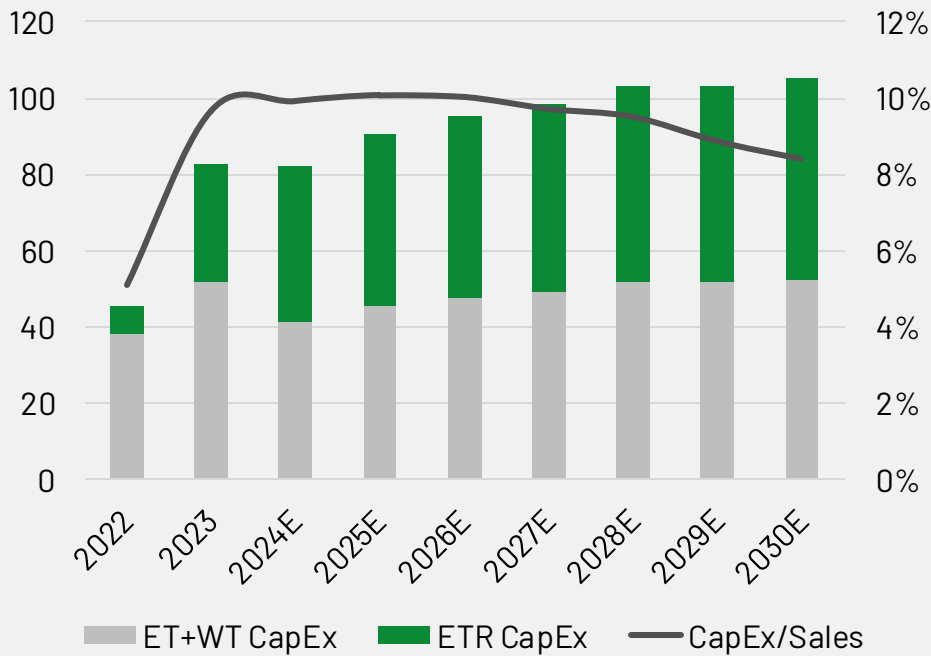
...landing low

FREE CASH FLOWS GENERATION



For the next eight years, the segment **Revenues will fall short of the planned investments**

CAPEX BREAKDOWN



290M Capex in 2024E-26E for **investment in production capacity** (~50% total CapEx), including the **Gigafactory** project



Potentially disruptive

Still too expensive to be profitable

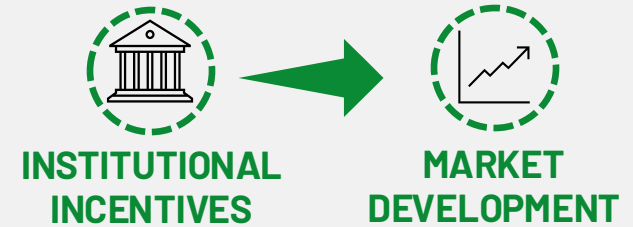
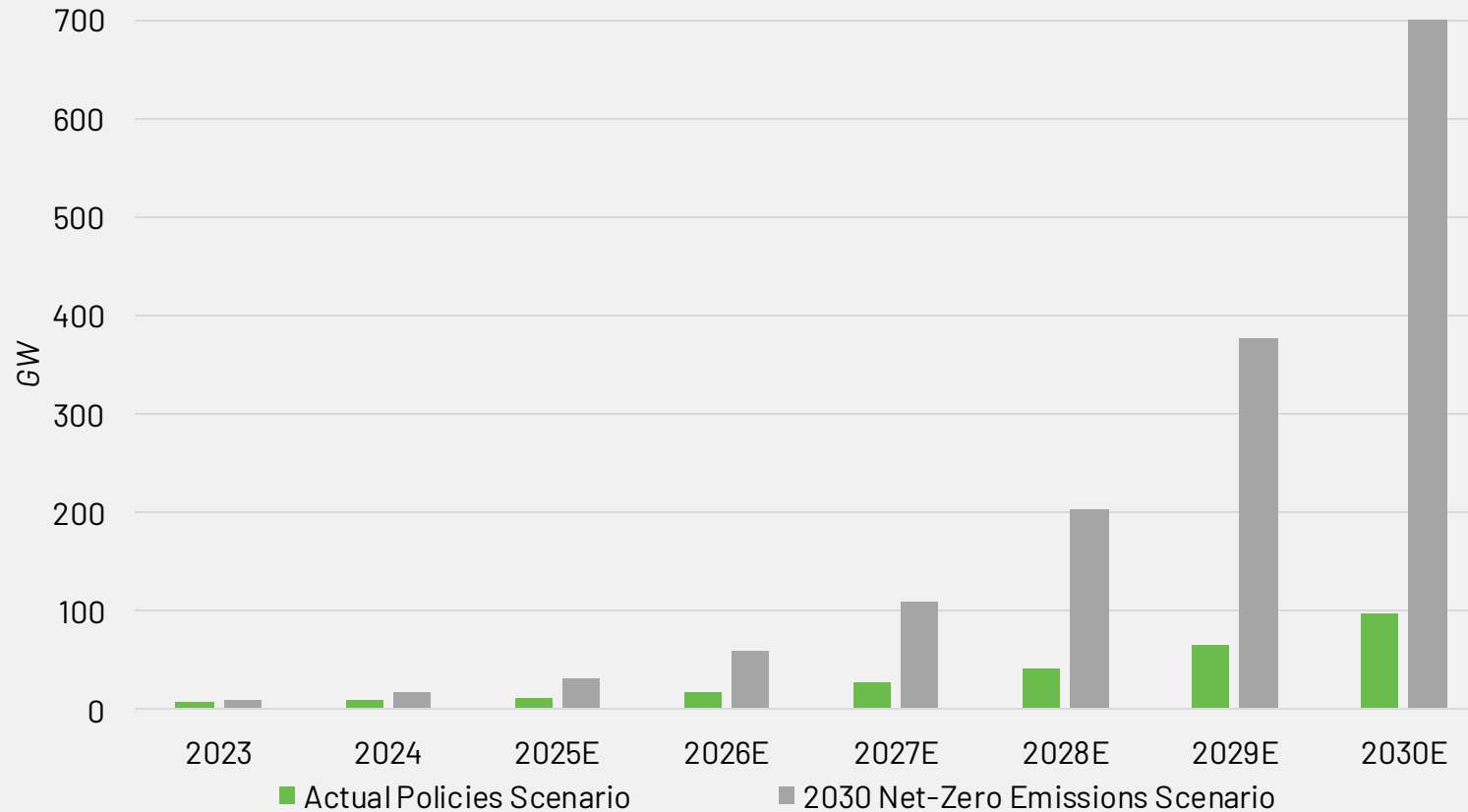


Source: Company data, FactSet, team estimates

HIGH CAPEX ARE A DEALBREAKER FOR INSTITUTIONS

The H2 bottleneck

GREEN HYDROGEN PRODUCTION CAPACITY



Institutional incentives are essential for the green hydrogen market development. Moreover, the **Actual Policies Scenario prevents Energy Transition to become a disruptive investment.**



Potentially disruptive

Still too expensive to be profitable



Source: Company data, International Energy Agency, team estimates

VALUATION



DE NORA'S GROWTH ESTIMATES

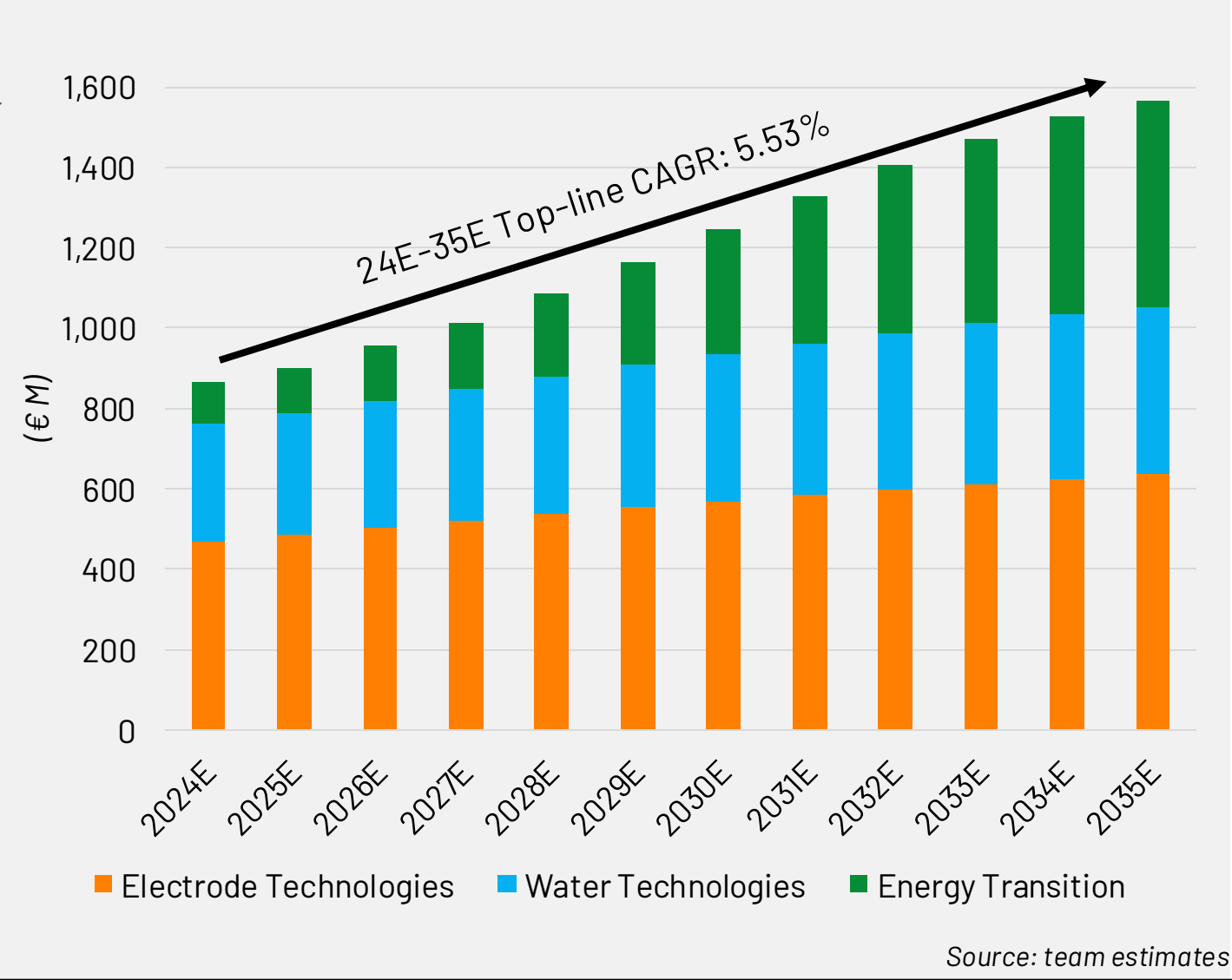
Going Top-Down for the Top-line

Future Revenues growth estimates for each segment of the Global Electrochemical Market

Industry
Proprietary
Model

De Nora's competitive positioning
in each business line

	CAGR 24E-35E
 Electrode	2.81%
 Water	3.26%
 Energy	15.55%
 Top-Line	5.53%



EBITDAm EVOLUTION

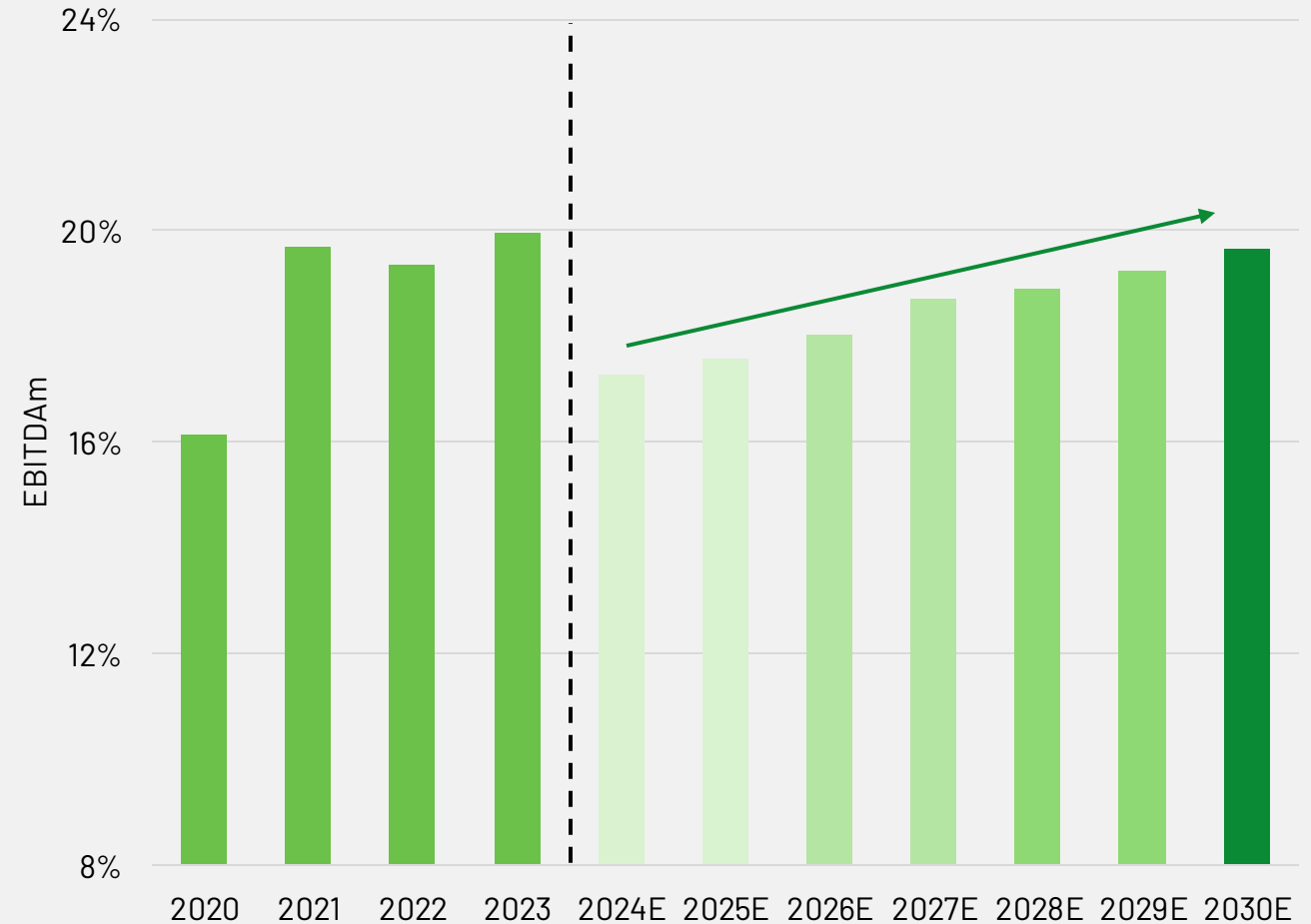
Stand-by, start again

1 **Peak in 2023** at 20% EBITDAm thanks to **post-pandemic rebound**

2 **Drop in 2024E** due to an **increase in fixed cost** for the Gigafactory, with a consequent **lower marginality in Energy Transition**

3 **Gradual recovery to pre 2023 levels:**

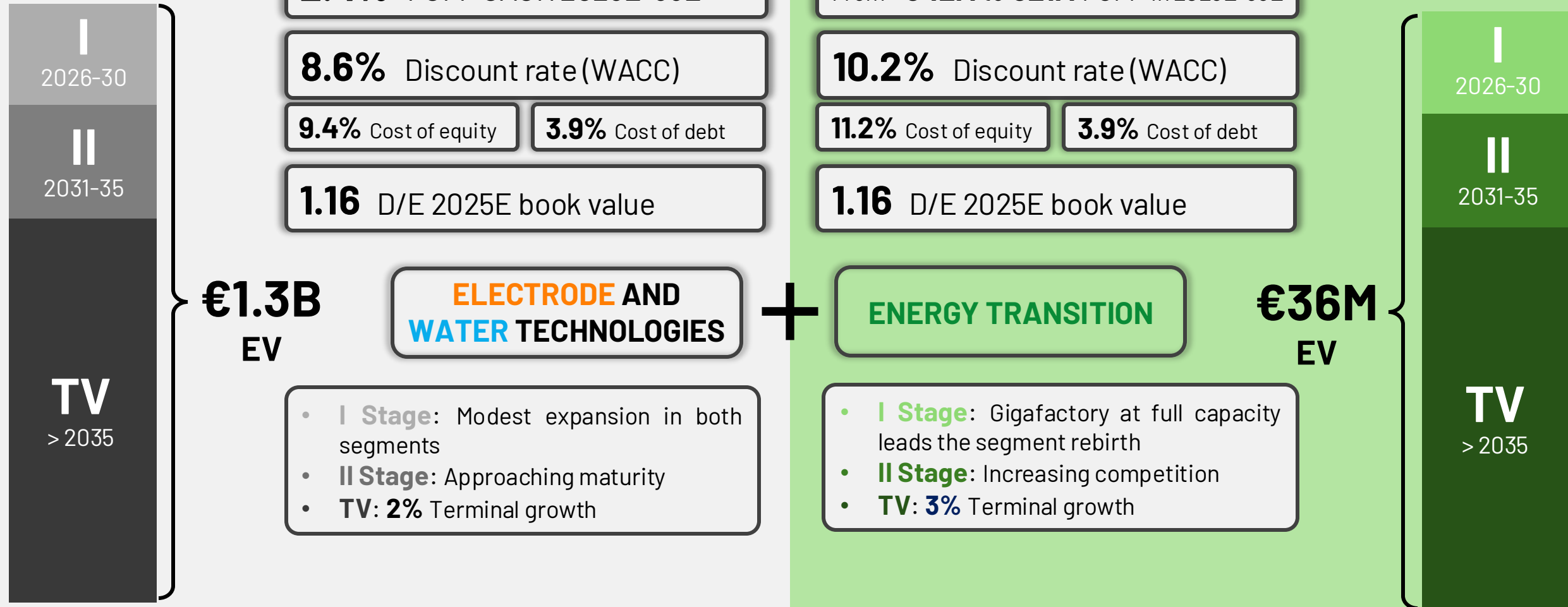
- Driven by **increasing positive** contribution of **Energy Transition**
- **Consolidation of leadership** in the other niches



Source: Company data, team estimates

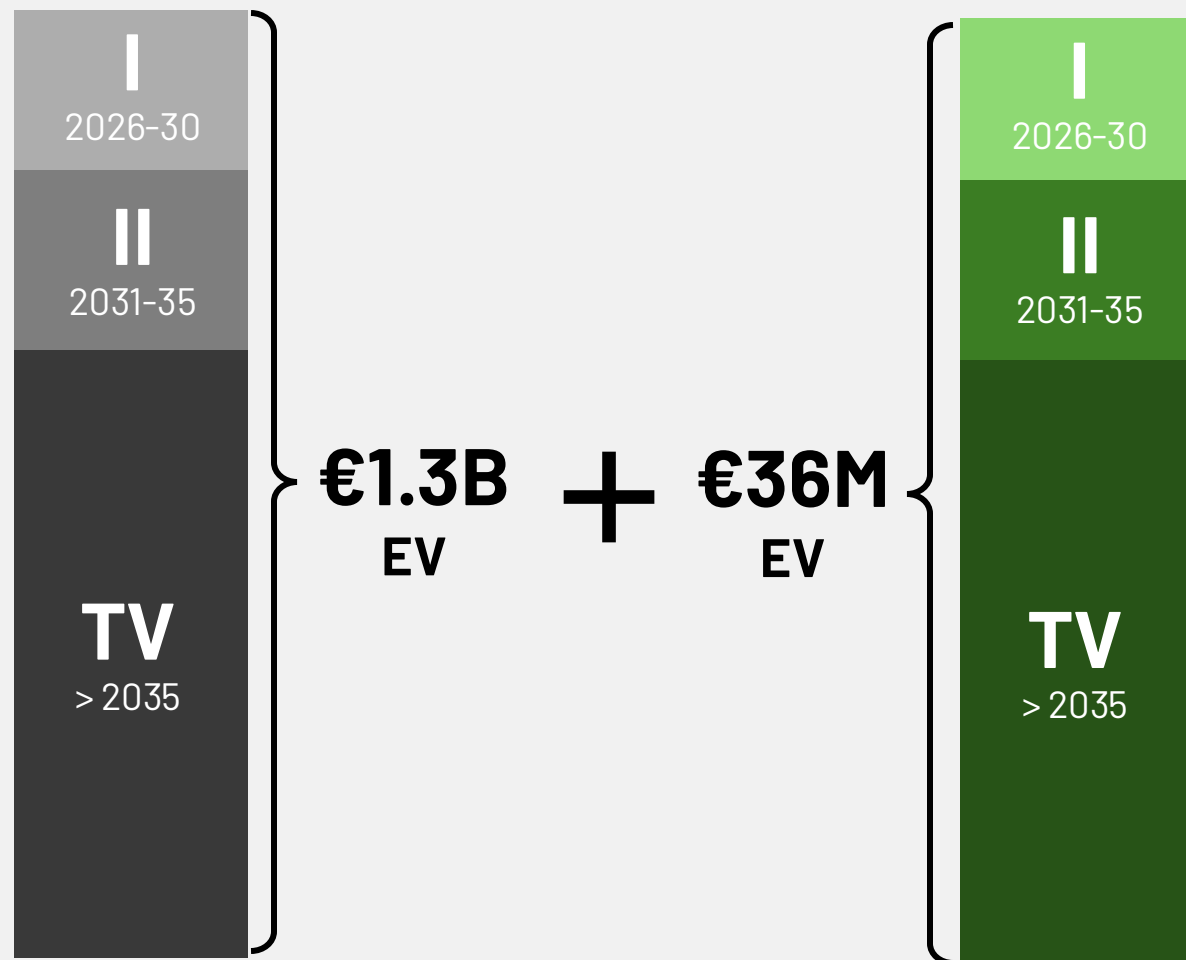
3-STAGES SUM-OF-THE-PARTS DCF MODEL

Two DCFs to value De Nora's unique segments



3-STAGES SUM-OF-THE-PARTS DCF MODEL

Two DCFs to value De Nora's unique segments



€7.00

TARGET PRICE

HOLD

0.72% Upside

€6.95

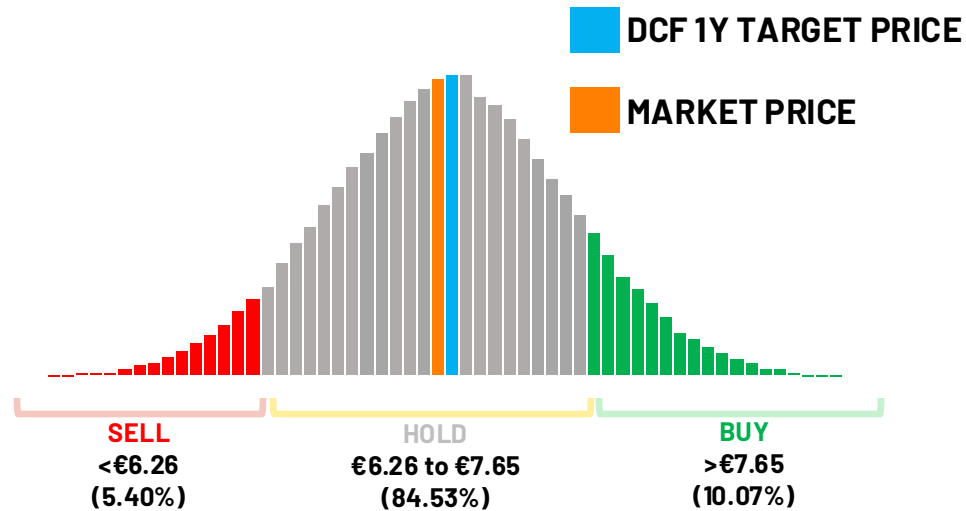
CLOSING PRICE

(06/02/2025)

ROBUSTNESS CHECKS

To reinforce the validity of our model

Monte Carlo simulation



Parameters stressed Revenues – Raw Materials – Personnel costs – CapEx

Number of trials 100,000

What-if scenario analysis



Operational
Hurdles

vs

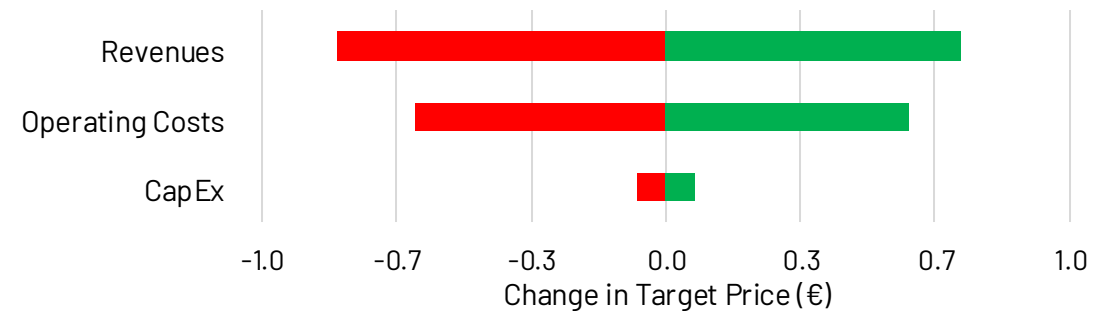
Hydrogen
Surge



Sensitivity analysis

Δ Terminal Growth Rate	Δ WACC							
	PRICE	-1.5%	-1.0%	-0.5%	0%	0.5%	1.0%	1.5%
	1.5%	10.8	9.7	8.8	8.0	7.4	6.8	6.5
	1.0%	10.0	9.1	8.3	7.6	7.0	6.5	6.3
	0.5%	9.4	8.6	7.9	7.3	6.8	6.3	5.9
	0%	8.9	8.2	7.5	7.0	6.5	6.1	5.7
	-0.5%	8.5	7.8	7.2	6.7	6.3	5.9	5.6
	-1.0%	8.1	7.5	7.0	6.5	6.1	5.7	5.4
	-1.5%	7.8	7.2	6.7	6.3	5.9	5.6	5.3

Tornado analysis

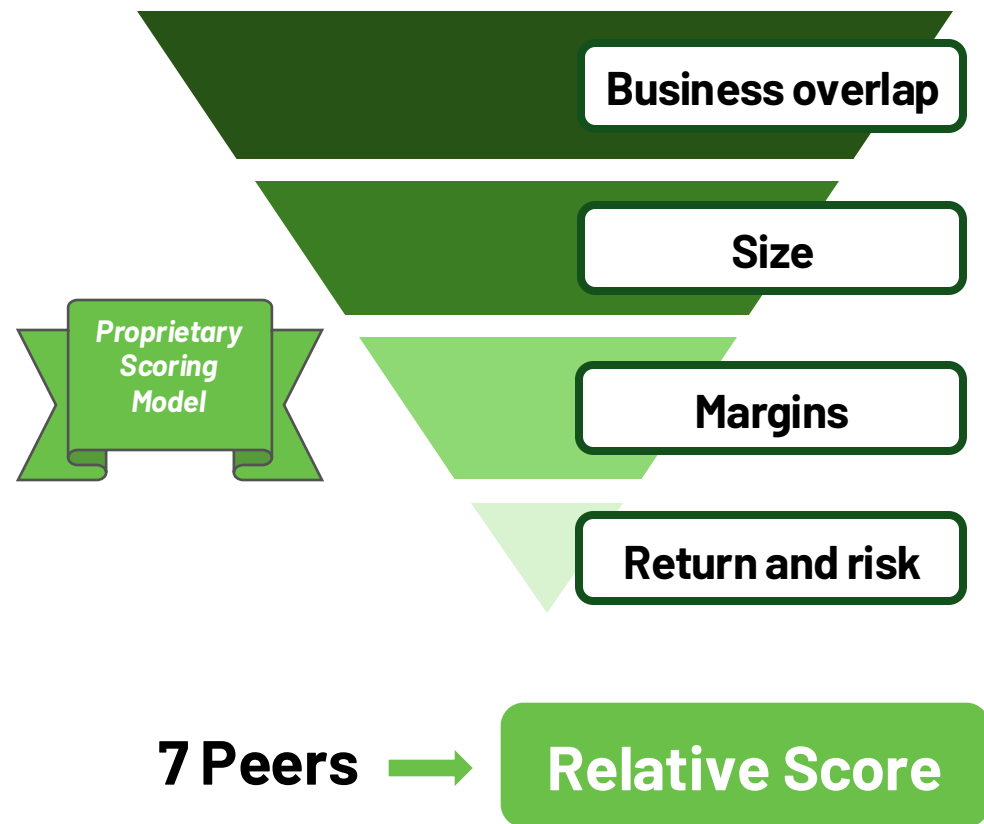


Source: team estimates

RELATIVE VALUATION

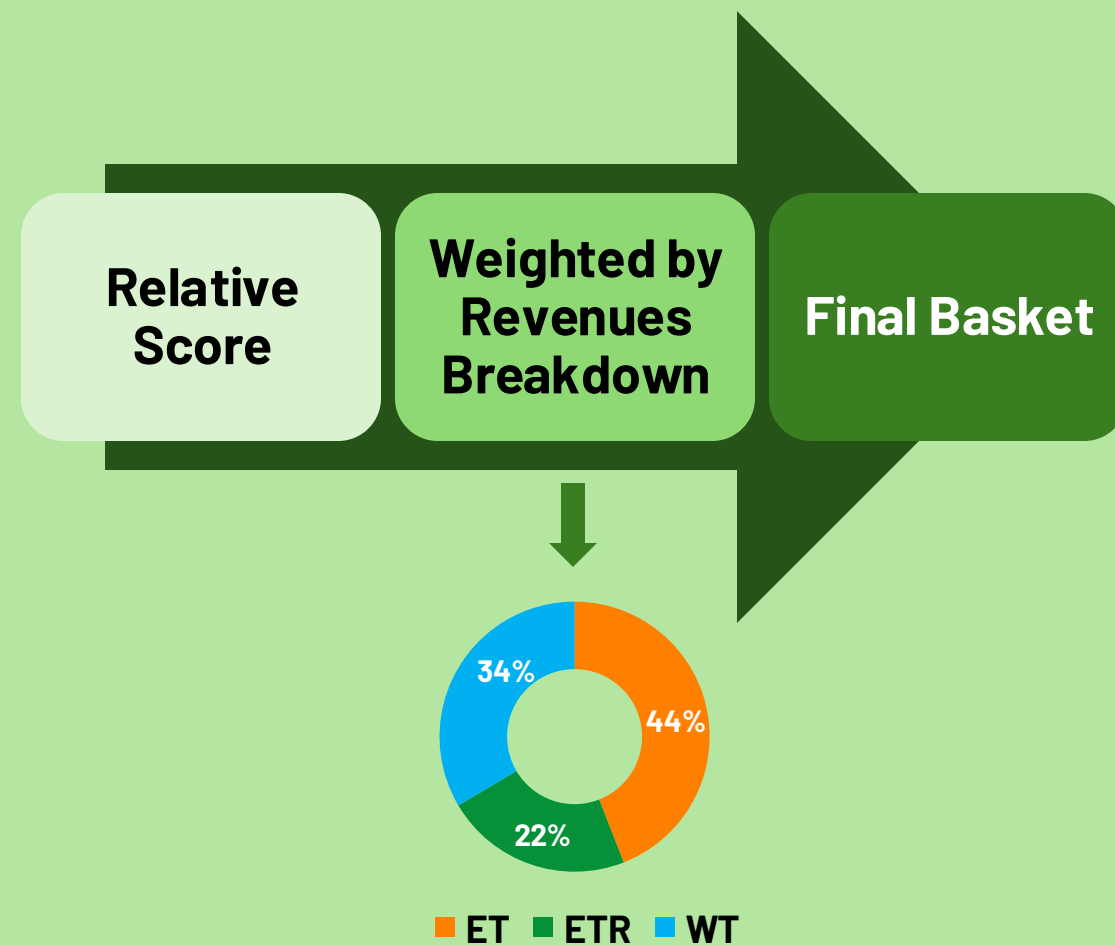
Our Proprietary Scoring Model to properly select peers

Peers' Selection Process



Source: team estimates

Weighting Process



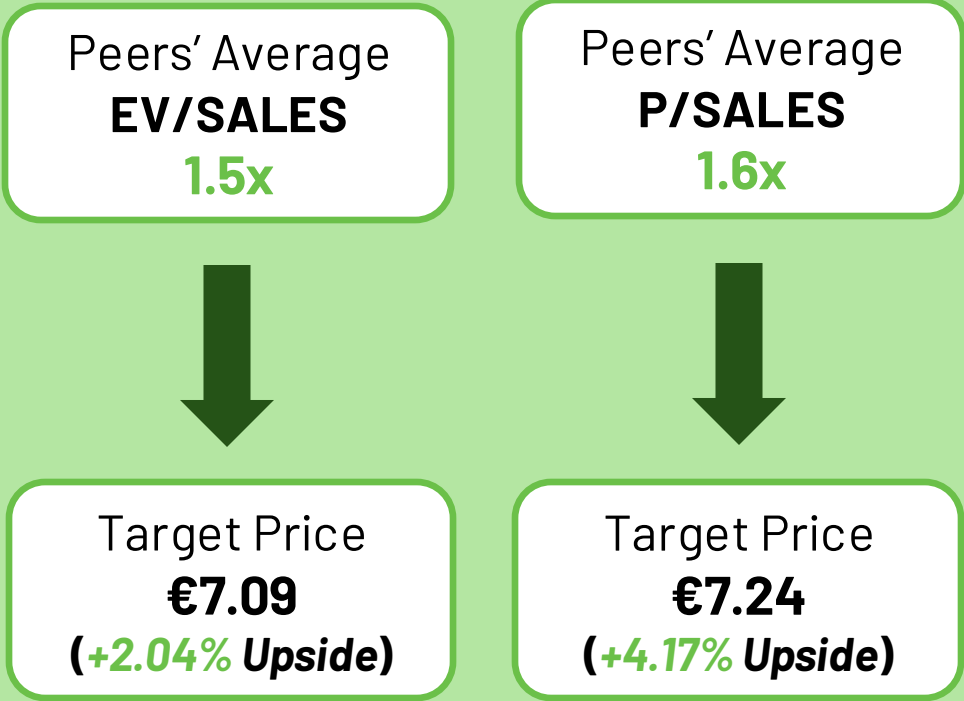
Source: team estimates

RELATIVE VALUATION

A sanity check to our DCF

	PEERS	1Y Forward EV/SALES	1Y Forward P/SALES
Electrode Technologies	AsahiKASEI  thyssenkrupp NUCERA	0.7x	1.0x
Water Technologies	VEOLIA xylem	2.5x	2.1x
Energy Transition	nel McPhy plug	1.6x	2.1x

Multiple Valuation



Source: FactSet, team estimates

RISK FACTORS IN OUR VALUATION

Investigating the Worst-Case Scenarios (WCS)

MARKET

- A. Interest rate risk
- B. Inflation risk on margins
- C. Macroeconomic conditions risk
- D. Supply-chain market breakdown risk
- E. Green hydrogen underdevelopment risk



OPERATIONAL

- F. Employee turnover risk
- G. Loss of key figure risk
- H. Client destocking risk
- I. Competition risk
- J. Technological risk



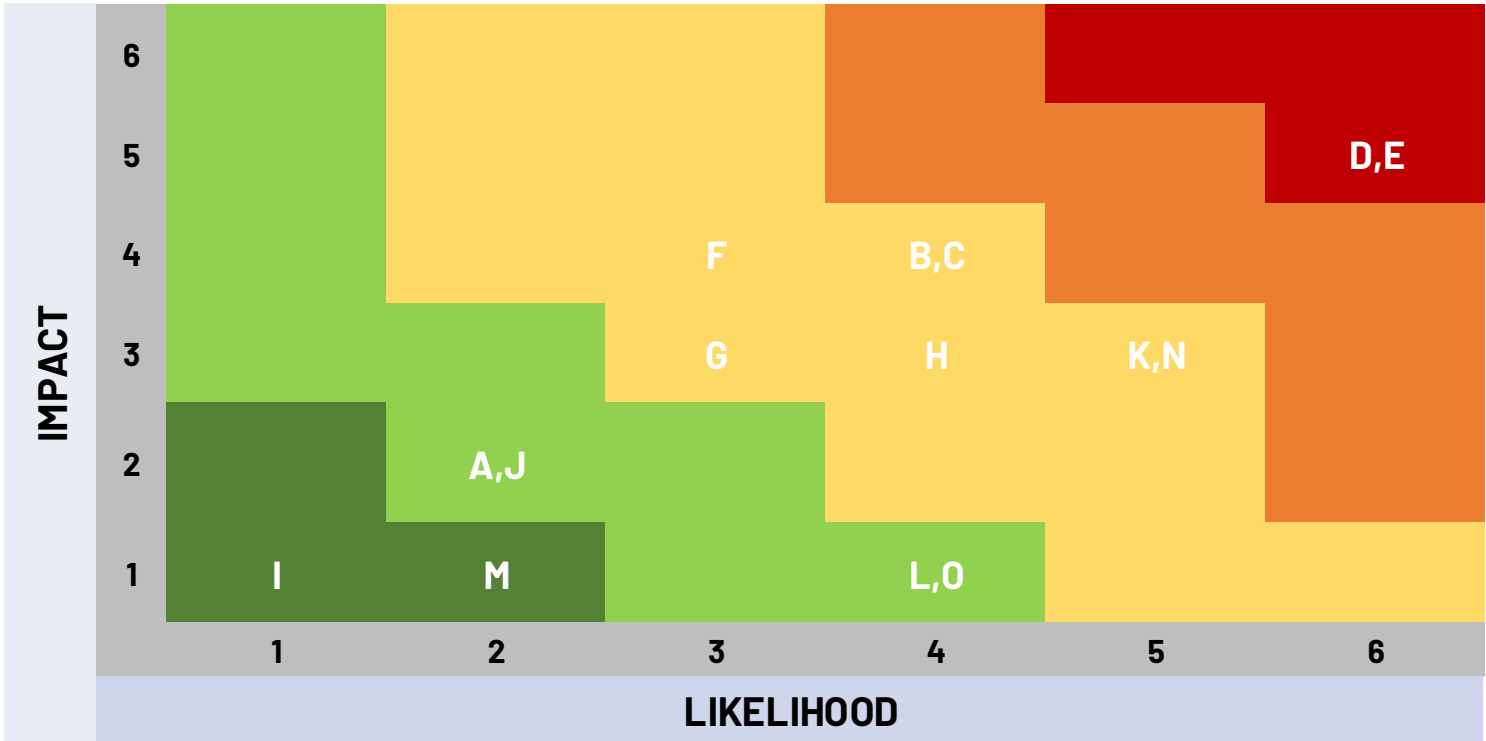
LEGAL

- K. Regulatory and legal risk
- L. Reputational risk

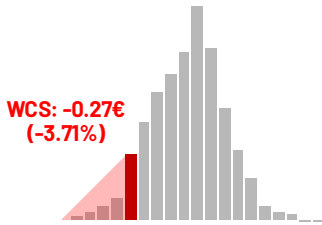


FINANCIAL

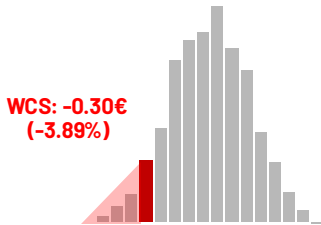
- M. Liquidity risk
- N. Exchange rate risk
- O. Credit risk



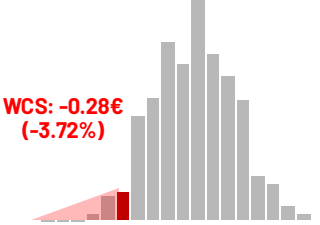
Macroeconomic Risk



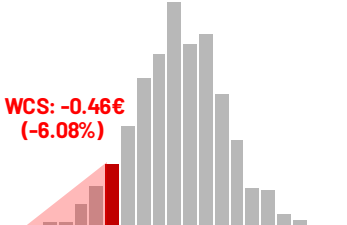
Employee Turnover



Inflation Risk



Supply Chain Breakdown



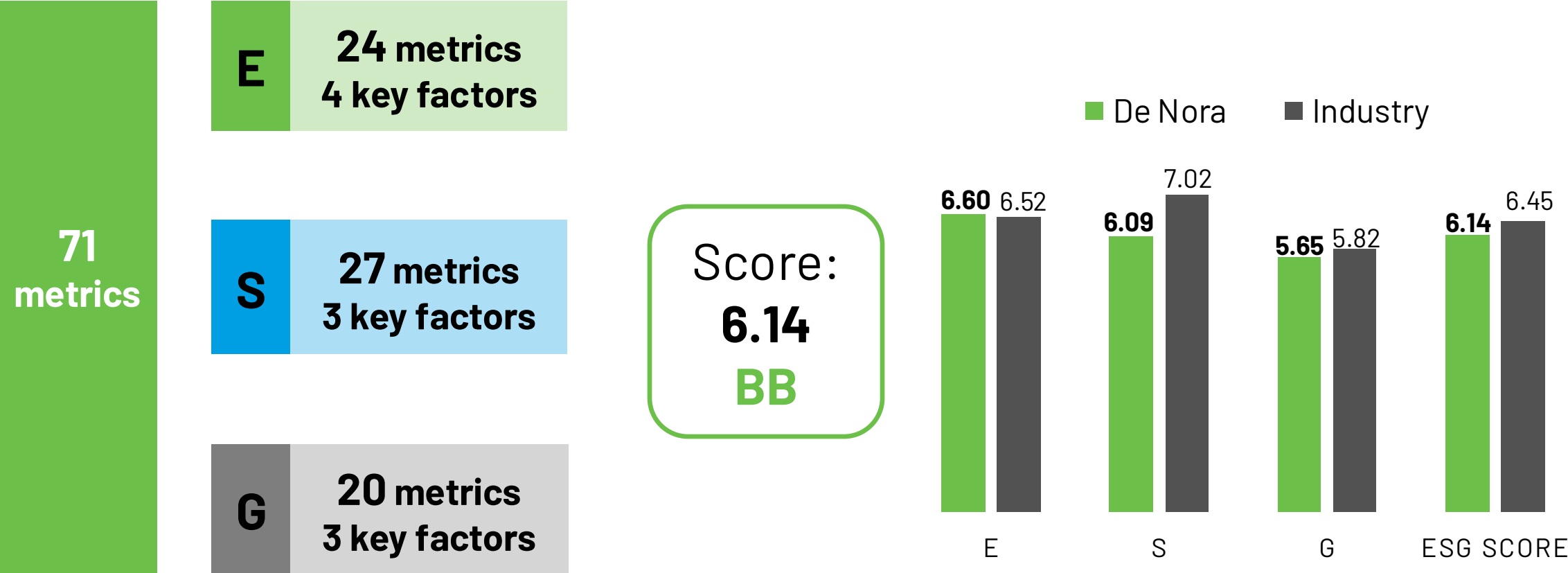
Source: team estimates

ESG



ESG COMPARATIVE ANALYSIS

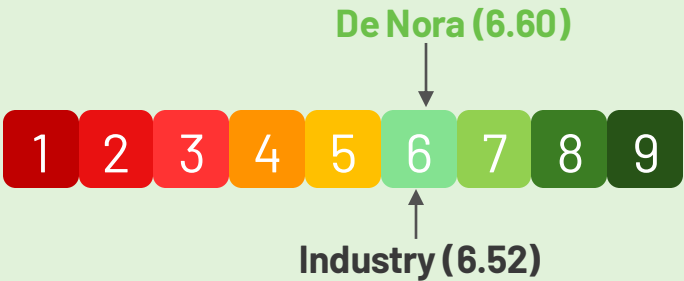
Our Proprietary Scoring Model unveils a BB rating



Source: Refinitiv, team estimates

ENVIRONMENTAL DIMENSION

A call to action for recycling

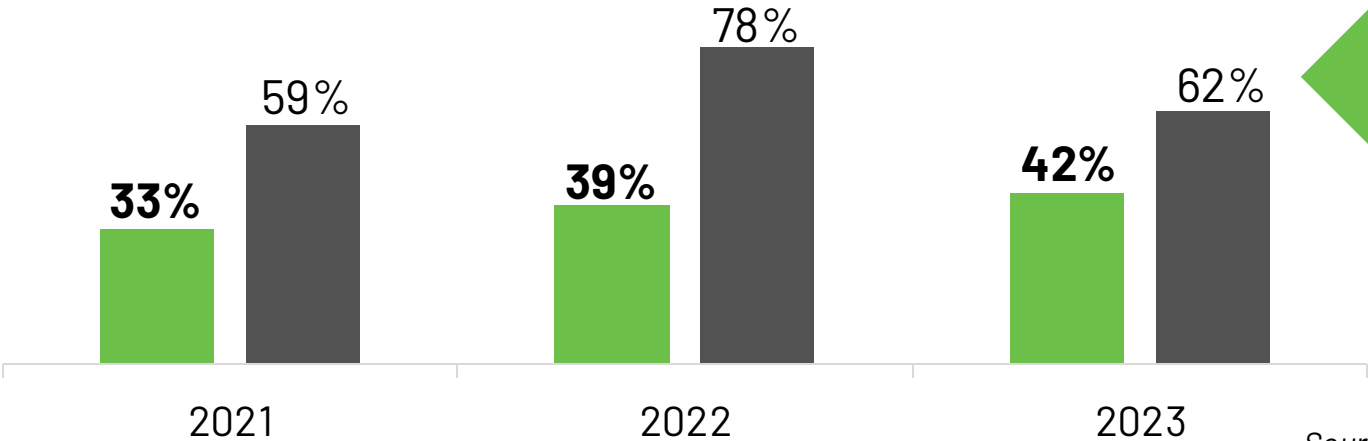
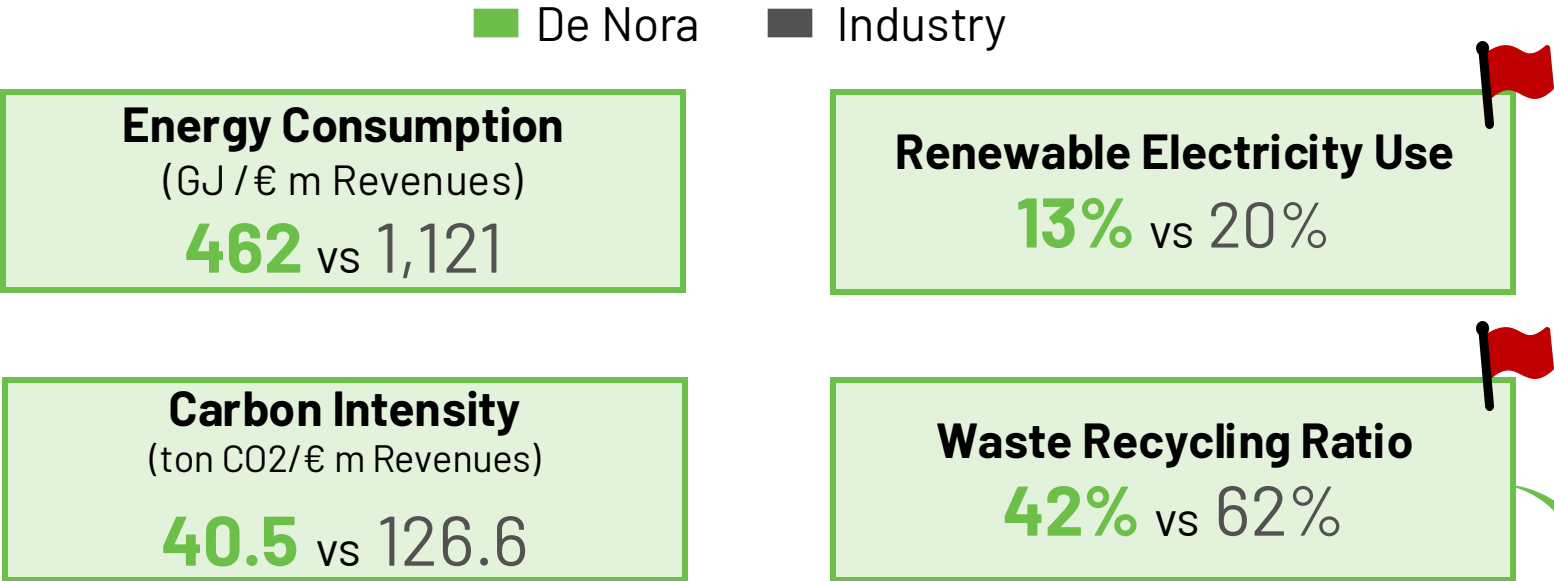


FEATURES

«Sustainable by DNA»

Lack of disclosure on divisions key metrics

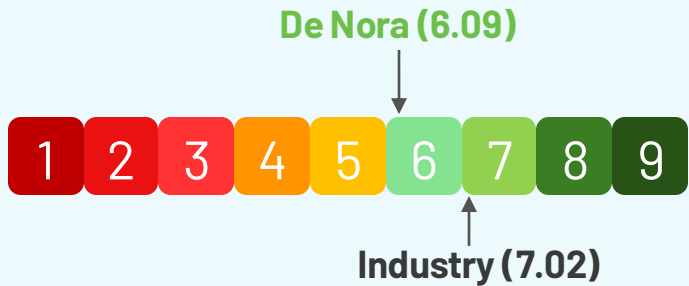
Plants transition to 100% renewable energy by 2030



Source: Refinitiv

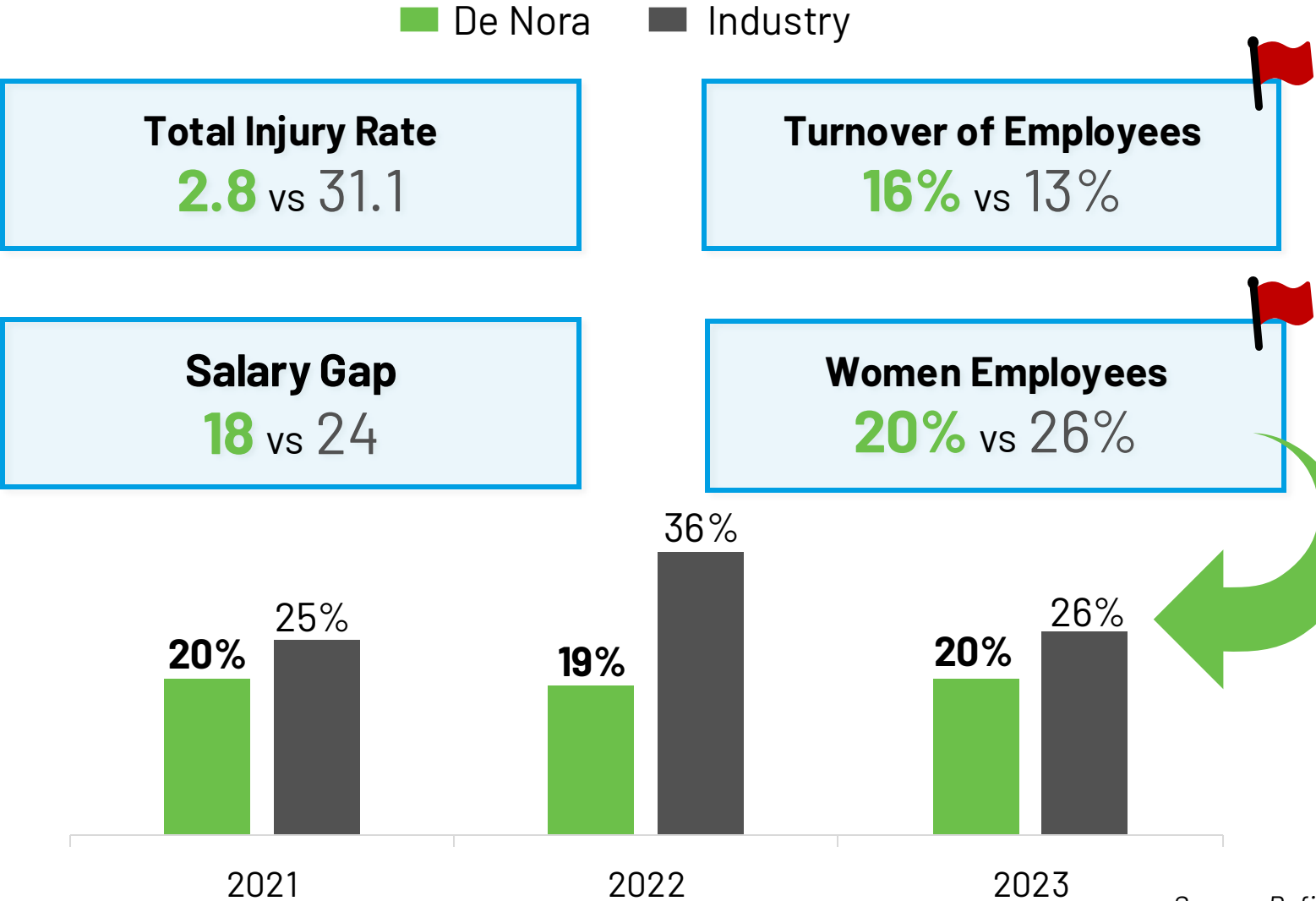
SOCIAL DIMENSION

Strengths and Gaps in Workforce



FEATURES

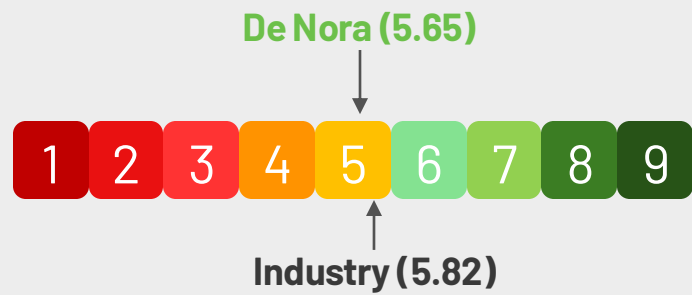
- Collaborations with high schools and Universities
- Local Communities Support
- Initiatives of Employee donations



Source: Refinitiv

GOVERNANCE DIMENSION

A family-run business



FEATURES

4 Committees

ESG-skilled board

Multiple Voting Rights System

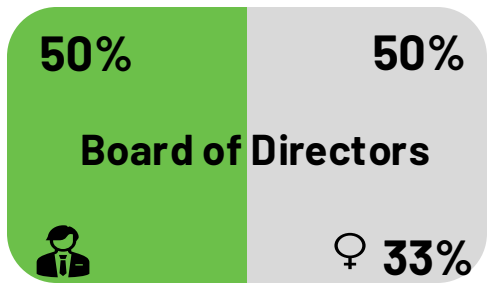
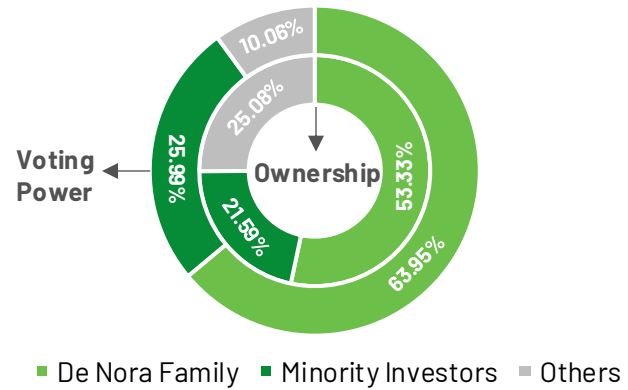
■ De Nora ■ Industry

Board Gender Diversity
33% vs 34%

Veto Power
YES vs 100%NO

Number of SDG
10 vs 8

Independent Board Members
50% vs 68%



■ Independent ■ Dependent
♀ % of Women ♂ Family Members

Source: Refinitiv

OUR INVESTMENT THESIS

Greatness is worth waiting

Industrie De Nora S.p.A. | Chemical, Plastic and Rubber Materials

CLOSING PRICE

€6.95

06/02/2025

HOLD

TARGET PRICE

€7.00

Upside 0.72%

1. Century-long leadership... ...in a mature market with modest growth opportunities

2. Dominant position in Swimming Pools... ...suboptimal in Disinfection & filtration

3. Disruptive H2 potential... ...still too expensive to be profitable



1. BUSINESS

- 1.1 Stock Price: Evolution, Relative Performance, Drops
- 1.2 Trading Summary: FY24
- 1.3 De Nora's History
- 1.4 Business Segmentation
- 1.5 Segments and Lines
- 1.6 Product Range: ET, WT, ETR
- 1.7 Business Model
- 1.8 Value Chain
- 1.9 Production Plants
- 1.10 Cost Structure: Raw Materials, Cost Management
- 1.11 Group Structure
- 1.12 Patents
- 1.13 M&A vs R&D
- 1.14 SWOT Analysis
- 1.15 Historical M&A
- 1.16 ETR Summary

2. INDUSTRY

- 2.1 Proprietary Model
- 2.2 Drivers: ET, WT, ETR
- 2.3 Competitive Arena
- 2.4 Competitive Positioning
- 2.5 EBITDAm Comparison: ETR
- 2.6 Guidance vs Team Assessment

2.7 Peers' Metrics Comparison

- 2.8 Porter's Five Forces
- 2.9 Pestel Analysis
- 2.10 Toll Manufacturing Agreement
- 2.11 H2 Electrolysis Technologies

3. FINANCIAL

- 3.1 Revenues: Geography, Segments, Lines
- 3.2 Cost Structure
- 3.3 EBITDA and EBITDAm
- 3.4 Dupont Analysis
- 3.5 ROE, ROS, ROIC
- 3.6 Liquidity Ratios
- 3.7 Net Working Capital
- 3.8 Cash Dynamics
- 3.9 Cash Flow Generation
- 3.10 Net Debt
- 3.11 FCFF Yield & Conversion
- 3.12 CapEx and CapEx/Sales
- 3.13 M&A Expenditure
- 3.14 De Nora vs Industry Growth
- 3.15 Balance Sheet
- 3.16 Income Statement
- 3.17 Team vs Consensus

4. VALUATION

- 4.1 DCF: Sum-of-the-parts
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- 4.4 Cost of Debt
- 4.5 Betas
- 4.6 Cost of Equity
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- 4.8 Robustness Checks
- 4.9 Bull Case
- 4.10 Bear Case
- 4.11 Multiple Valuation: Scoring Model, Peer's table, Basket, Output
- 4.12 Linear Regressions
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- 6.2 Environmental
- 6.3 Social
- 6.4 Governance
- 6.5 Board of Directors: Overview, Details, Remuneration
- 6.7 Shareholders' structure

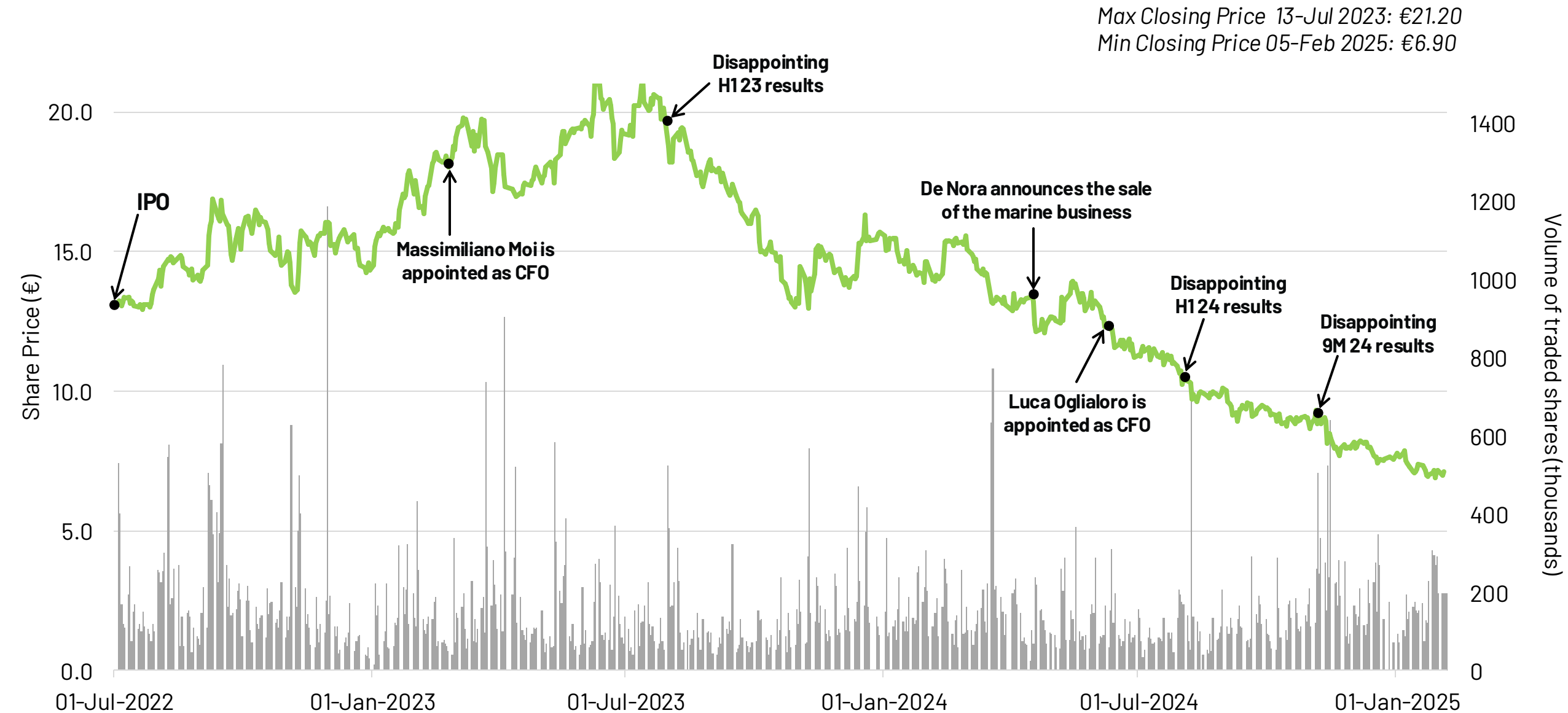
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- 7.2 First Pillar: Brief, Details
- 7.2 Second Pillar: Brief, Details
- 7.2 Third Pillar: Brief, Details
- 7.5 Valuation: DCF, Multiple
- 7.6 ESG: E, S, G
- 7.7 Investment Thesis



STOCK PRICE EVOLUTION

From the IPO to the present: tracing the stock's path



STOCK PRICE RELATIVE PERFORMANCE

De Nora vs. STOXX Europe 600 and FTSE MIB Indices



STOCK PRICE DROPS

Focus on the last year



-50.46% in the last year

Overall Decline. This period was marked by several key events that negatively affected investor confidence:

- 1** The company's persistent **failure to meet the announced guidance**, along with **disappointing H1 2024** and **9M 2024** financial results, has heightened concerns about the future of green hydrogen.
- 2** De Nora has **changed CFO two times in a year**, heightening investor uncertainty. Massimiliano Moi was appointed on 22 May 2023, and replaced by Luca Ogialoro on 29 May 2024.

DE NORA'S TRADING SUMMARY

Market Overview

As of 06/02/2025

FactSet

Borsa Italiana (Exchange)

Italy

**Milan Stock
Exchange**

**Chemical, Plastic and
Rubber Materials**

**Industrial Goods and
Services**

Market Data

**Market Cap:
€1.40B**

**Shares Outstanding:
201.69M**

**Free Float:
22.13%**

**Stock
performance**

1 Month: -10.61%

6 Months: -32.59%

1 Year: -50.46%

**Trading
information**

**Avg. Daily
volume: 200.14K**

**Daily standard
deviation: 2.30%**

Beta: 0.89

Source: Factset, team assessment

PRELIMINARY FY24 RESULTS

What's going on?

20/02/2025



Source: FactSet, Company data

On 18/02/24, De Nora published the **preliminary results** for the ending of **FY24**, with an **earnings surprise** compared to the guidance:

Revenues FY24:
€863M
(+0.8% YoY)



ET: €454M
(- 2.2% YoY)

WT: €304M
(+4.8% YoY)

ETR: 105M
(+2.9% YoY)

EBITDAm (adj.) FY24:
18.2%
(-1.8 p.p. YoY, +1.2 p.p. guidance)



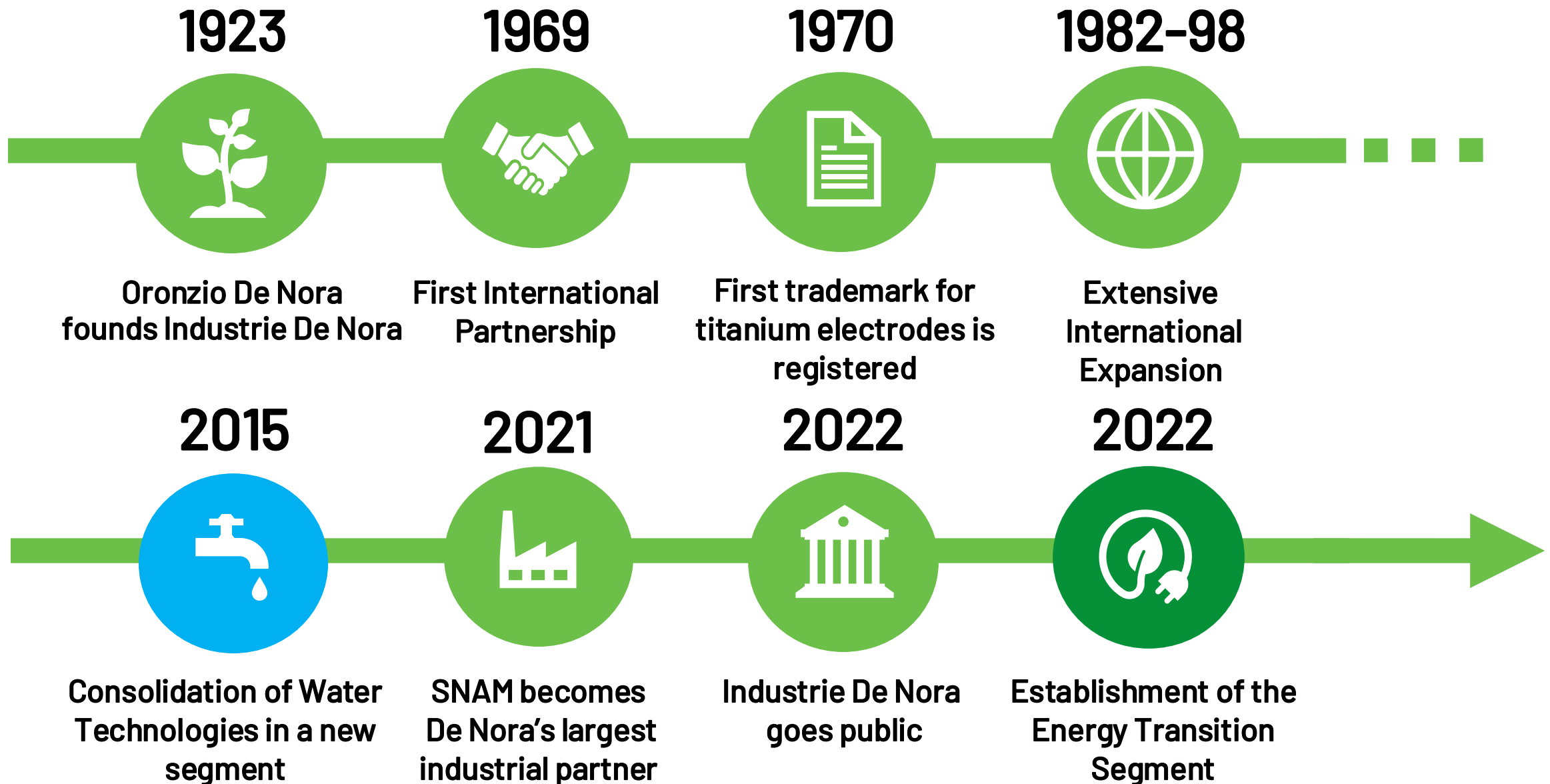
ET: 22.4%
(- 3.1 p.p. YoY)

WT: 16.5%
(+2.0 p.p YoY)

ETR: 5.3%
(-6.4 p.p YoY)

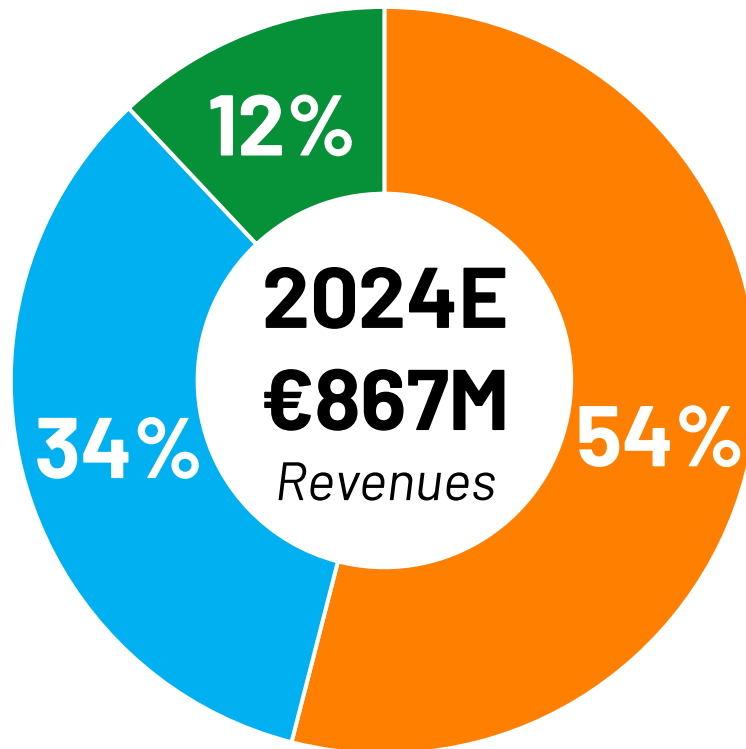
THE HISTORY OF DE NORA

Milestones at a glance



BUSINESS SEGMENTATION:

Three segments, one operational core



■ ET ■ WT ■ Etr

SEGMENTS

Electrode Technologies (ET)

It offers advanced electrode solutions for **various industrial applications**, including chlorine and caustic soda production, electronics, lithium battery production and non-ferrous metal refining.

Water Technologies (WT)

It provides water treatment solutions for **drinking and wastewater management**, with key applications in municipal, industrial and residential pools purification processes.

Energy Transition (ETR)

It supplies components for **green hydrogen production** primarily through alkaline water electrolysis (AWE). De Nora is also involved in fuel cell technology for energy conversion.

- In all segments, De Nora **leverages** its **expertise** in **electrode technology** as the foundation to deliver its solutions.
- While ET and WT are well-established and mature segments, **ETR** is an emerging segment with the highest growth potential.

BUSINESS SEGMENTS AND LINES IN 2024E



Chlor-alkali

Constructions
Pulp and Paper

37.22%



Swimming pools

Residential Pools

10.65%



Green Hydrogen

Hard-to-abate sectors

12.09%



Electronics

Printed Circuit Boards
(PCB)

9.24%



Electrochlorination

Municipal Drinking Water
Municipal Wastewater

10,77%



Disinfection & Filtration

Municipal Drinking Water
Municipal Wastewater

11.83%



Specialties & New Applications

Metal Electrowinning
Oil and Gas
Constructions

7.68%



PRODUCT RANGE AND MARKET SHARE

Electrode Technologies

Chlor-Alkali



DSA[®] Anodes for
Chlorine Evolution



Catalytic Coating

Industry Market Share

51%

Electronics



DT Plating Anodes



GreenChrome[™]

Industry Market Share

60%

Specialties & New Applications



Lida[®] MMO Anodes



Elgard[®] MMO Anodes

Industry Market Share

59%

PRODUCT RANGE AND MARKET SHARE

Water Technologies

Swimming Pools



DSA[®] Anodes for
Chlorine Evolution

Industry Market Share

80%

Electrochlorination



ClorTec[®]



MIOX[®]

Industry Market Share

37%

Disinfection & Filtration



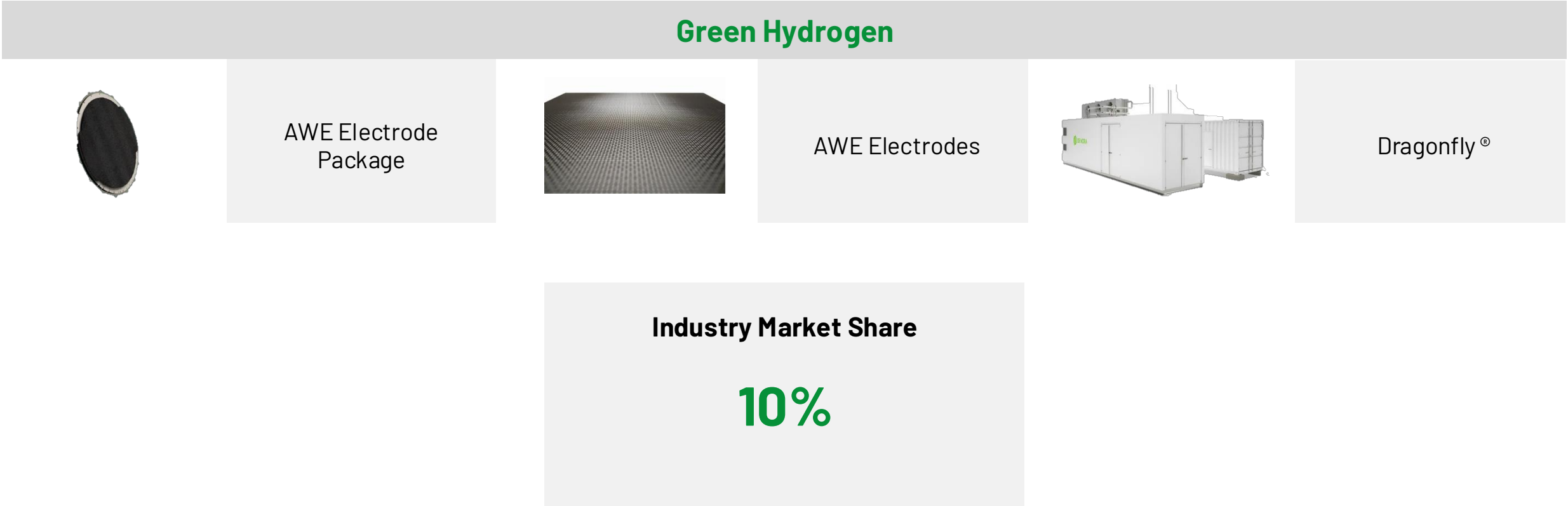
Capital Controls[®]



SORB[™] Contaminant
Removal (PFAS)

Industry Market Share

1%



DE NORA BUSINESS MODEL

Exploring how De Nora fosters growth

LEADERSHIP IN ELECTRODE TECHNOLOGIES

In the **mature** ET segment, characterized by **high entry barriers**, De Nora holds a **dominant position with > 50% market share** in **niche business lines** like chlor-alkali, electronics, and nickel & cobalt electrowinning.

HORIZONTAL EXPANSION

De Nora has **leveraged its expertise** in industrial electrochemical processes to successfully **diversify its activities** through horizontal expansion, targeting a **wide range of end-markets**

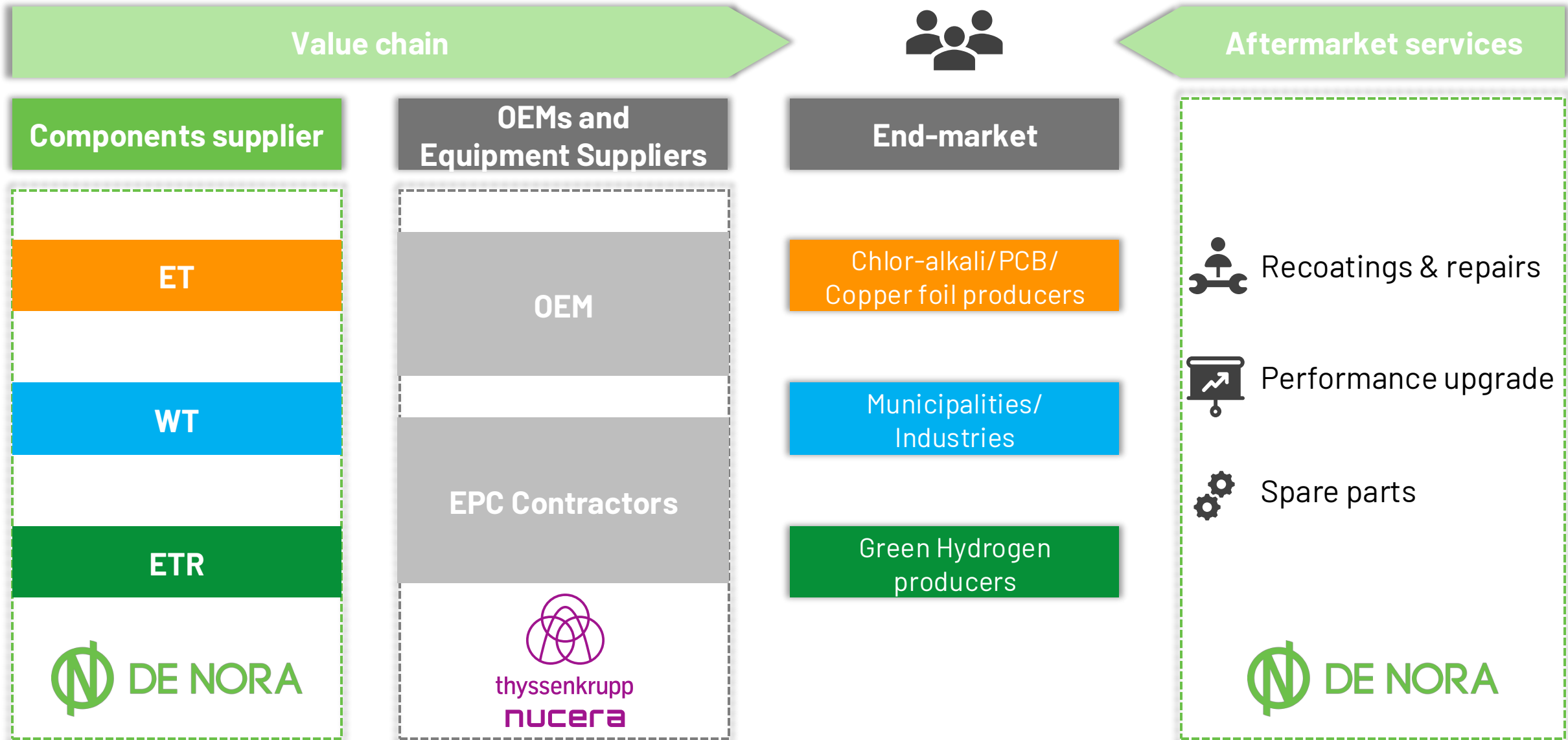
POST – SALES SERVICES

A critical component of De Nora's business model, they represents **32% of Total Revenues** in FY23.

These services generate **stable and predictable** revenue streams, fostering strong **long – term customer relationships**.

DE NORA VALUE CHAIN

Exploring how De Nora creates value across the supply chain



PRODUCTION PLANTS

The flexibility of De Nora's production line

PLANT	COUNTRY	BUSINESS SEGMENT			R&D LABORATORY
		ET	WT	ETR	
Ohio		✓	✓		✓
Philadelphia			✓		
Pittsburg			✓		
Houston			✓		
Albuquerque					✓
Texas			✓		
San Paolo		✓	✓		
Milan		✓	✓	✓	✓
Milan			✓		
Rodenbach		✓	✓	✓	
Goa		✓	✓		
Shangai/Suzhou		✓	✓		
Jinan		✓			
Fujisawa		✓			✓
Okayama		✓	✓		
Yokohama		✓			✓

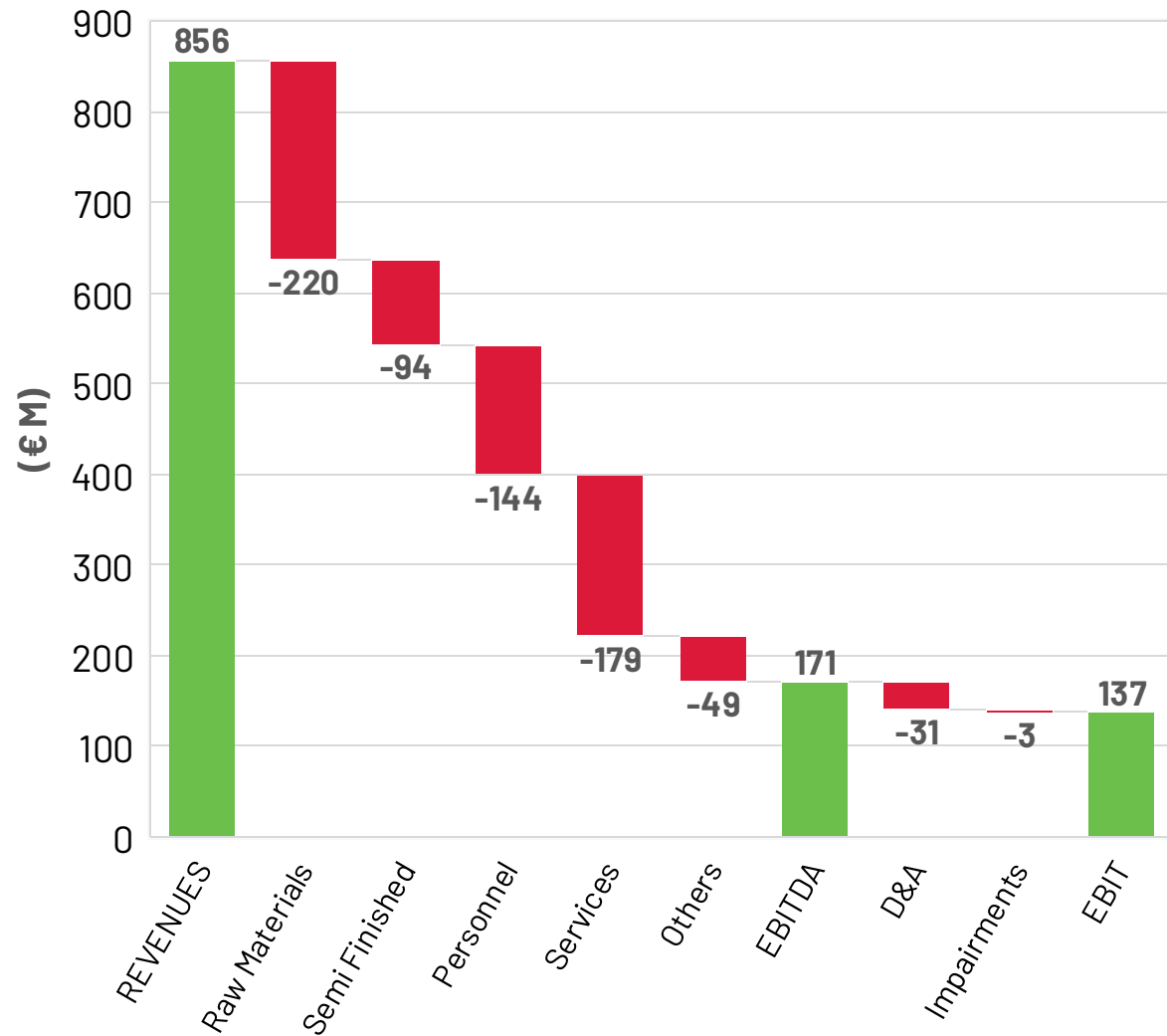
De Nora operates **15 production plants** across **EMEIA**, **AMS**, and **APAC**, ensuring a strong global presence.

This network **reduces exposure to trade tariffs** and **geopolitical uncertainties**, ensuring supply chain resilience.

COST STRUCTURE

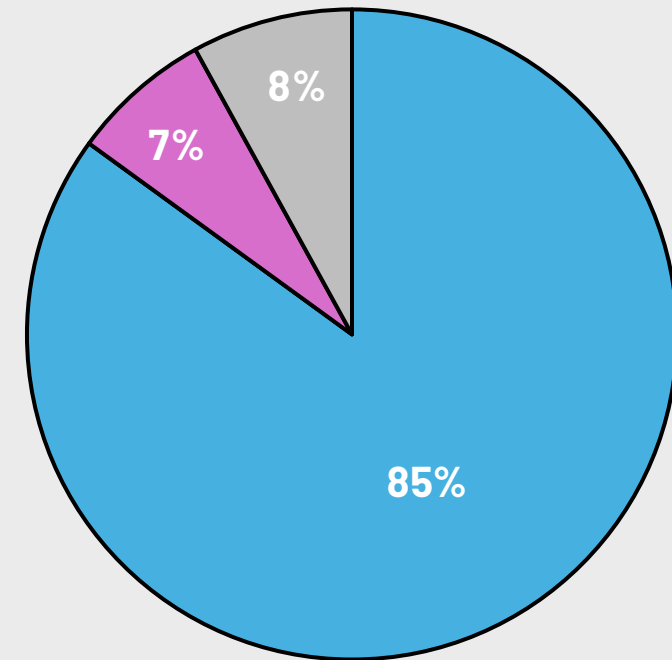
Raw materials play a crucial role

2023 EBIT BRIDGE



Source: Company data

RAW MATERIALS (25.6% of Revenues in 2023)



- Noble metals (iridium, ruthenium, platinum, palladium)
- Titanium and nickel
- Other raw materials

Source: Company data

STRATEGIC COST MANAGEMENT

How to enhance operational efficiency

PASS-THROUGH

De Nora applies a **pass-through mechanism** adjusting sales prices to reflect fluctuations in raw material costs.

By **indexing** a portion of its **contracts to commodity** prices, the Company ensures stable margins and financial resilience.

GLOCAL APPROACH

With a **presence in multiple key regions**, De Nora optimizes **local production** to reduce transportation costs and improve supply chain efficiency.

Its **centralized procurement** strategy enhances economies of scale, leveraging synergies across business segments.

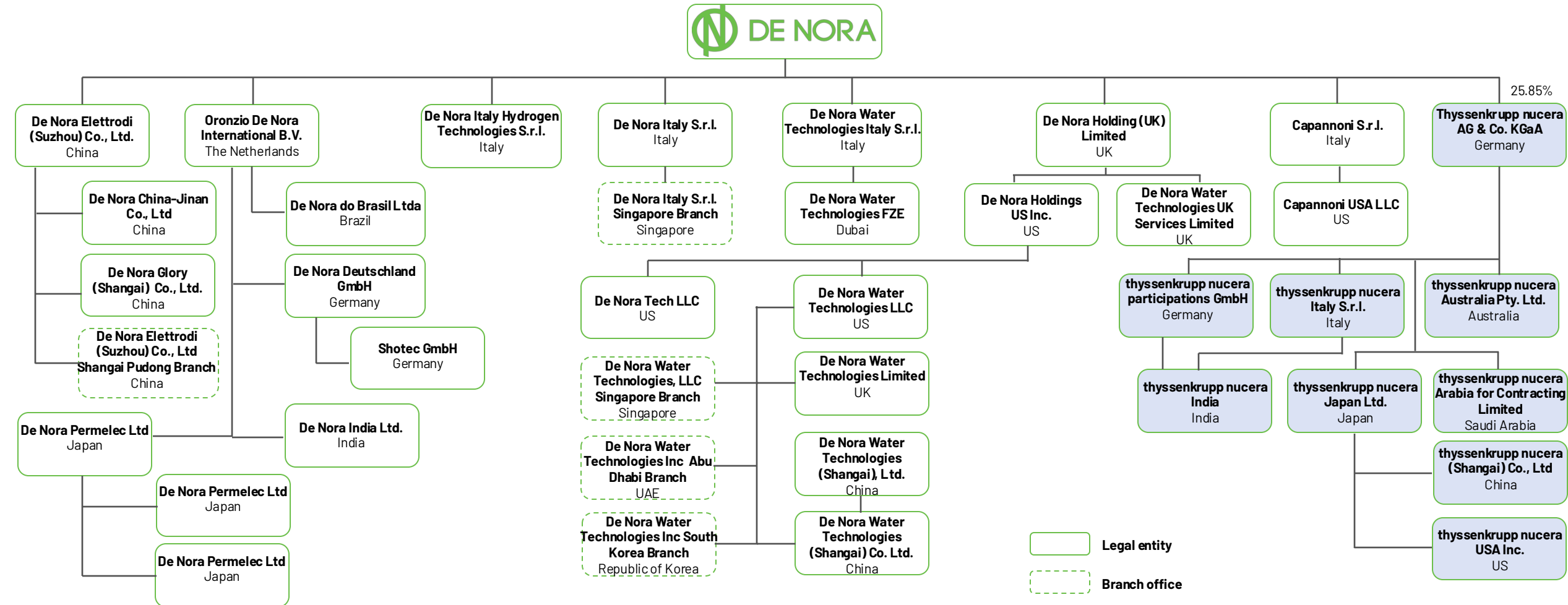
VALUE CHAIN POSITIONING

By operating **upstream** in the the **value chain**, De Nora maintains strong pricing power and cost control.

Its leading market position has enabled continuous EBITDA margin expansion, further supported by the **Toll Manufacturing Agreement (TMA)** with tk nucera.

POWERING THE COMPANY'S GLOBAL PRESENCE

Group structure: the subsidiaries framework



24 Companies



15 manufacturing plants



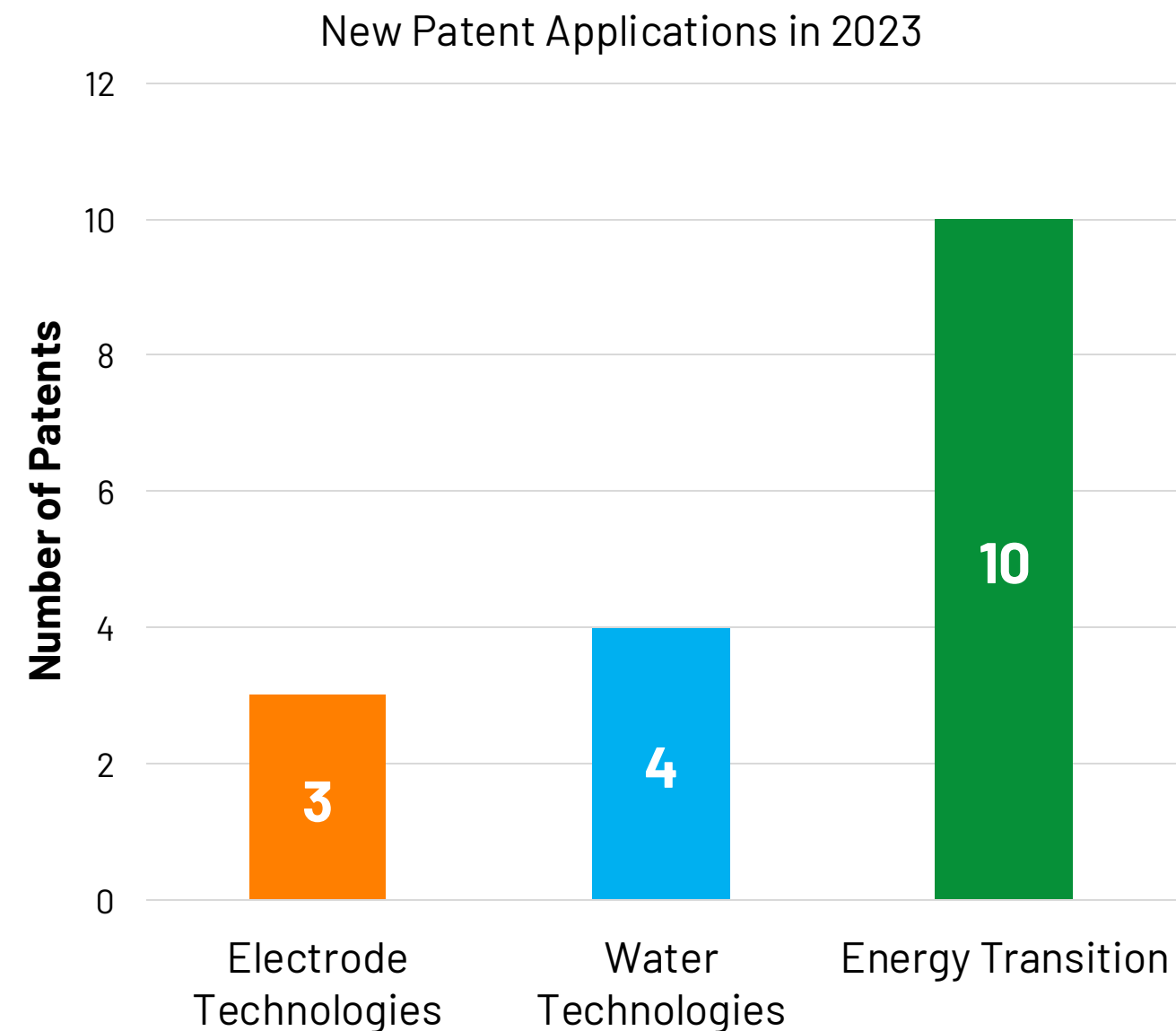
5 R&D centers



2000+ Employees

THE VALUE OF INTELLECTUAL PROPERTY

Patent activity reflecting investments in ETr



Source: Espacenet, team estimates

De Nora holds **the highest number of patents in electrolysis technologies**. The top position in the global patent rankings is held by De Nora (Italy), followed by De Nora Permelec (Japan), both part of the same group.

In terms of content, **Electrode Technologies stands out as the most protected segment** (60%). It is followed by Energy Transition (27%) and Water technologies (13%).

2387 Active Patents

492 Pending Patents

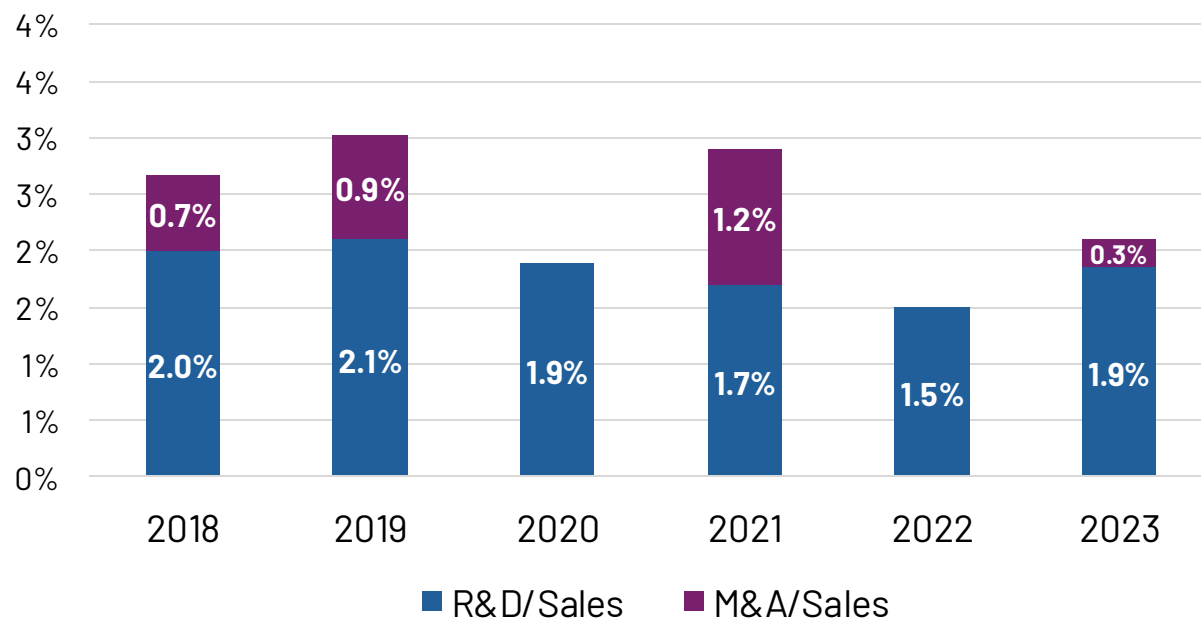
280 Patent Families

COMPARISON BETWEEN M&A AND R&D

A R&D focused business model

- De Nora pursues **small, targeted acquisitions** to **expand its product portfolio** and technology
- M&A activity** focuses on **entering adjacent markets** and strengthening market presence

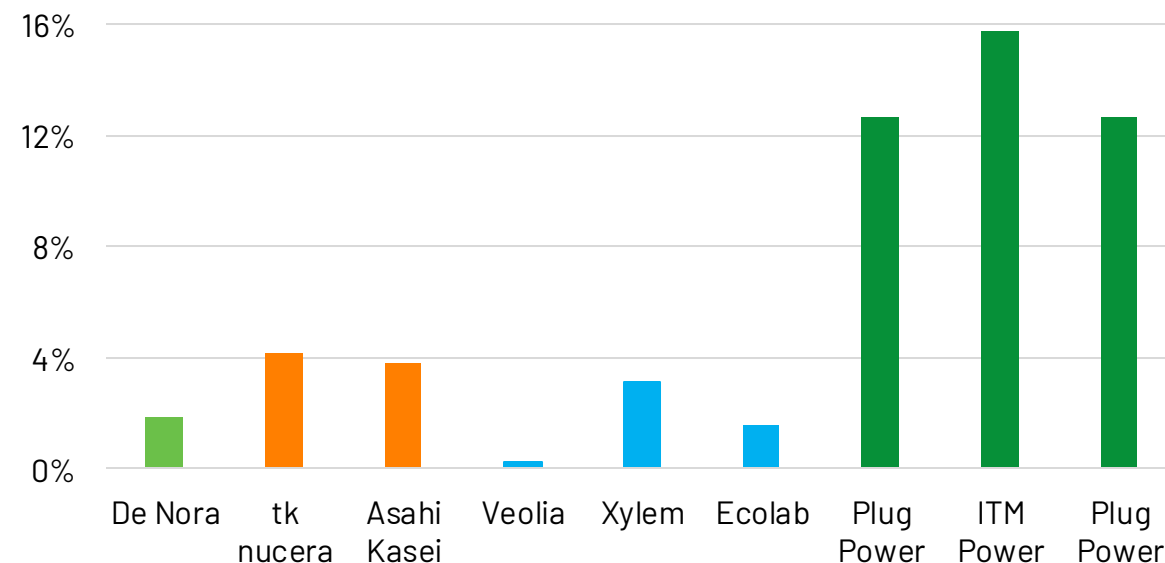
De Nora's M&A vs R&D Expenditure



Source: Company data, team estimates

- De Nora's positioning and focus on **incremental innovation** result in **lower R&D spending than peers**
- Gigafactory investments** are **classified as CapEx**, not R&D expenses, as they expand production

R&D/Sales comparison



Source: Company data, team estimates

Historical M&A

Acquiring new products or technical know-how

Recent M&A activity has focused on **small-scale transactions** aimed at acquiring **new products** or technical **know-how**. These strategic bolt-on acquisitions, though modest in size, are designed to **strengthen the company's portfolio** and enable entry into **adjacent end-market niches**.

ACQUIRED COMPANY	SEGMENT	ACQUISITION DATE	PLANTS LOCATION	AMOUNT (€ M)	STAKE (%)	ACQUISITION RATIONALE	
						PRODUCT PORTFOLIO EXPANSION	KNOW-HOW ACQUISITION
Water Star	Water Technologies	2018	US	3.10	100	✓	✓
MIOX Corporation	Water Technologies	2019	US	2.50	100	✓	✓
Neptune Enterprises	Water Technologies	2019	US	2.20	80	✓	
Calgon Carbon Corporation	Water Technologies	2021	US	3.79	100	✓	
ISIA S.p.A	Water Technologies	2021	IT	3.60	100		✓
Shotec GmbH	Electrode Technologies	2023	DE	2.12	100		✓

SWOT ANALYSIS

A balance of positive and negative

STRENGTHS



- Market leadership in Electrode Technologies
- Diversified end-markets
- Ability to pass raw material costs
- Post-sales services as a key revenue stream

WEAKNESSES



- Limited growth potential in mature markets
- Reliant on regulatory incentives (RED III, PNRR, IRA)
- Limited size compared to competitors in WT

OPPORTUNITIES



- Growth potential driven by green hydrogen
- Global expansion and growth in Middle-East
- Rising water treatment demand (US regulations)
- Enter new niches through M&A, particularly in WT

THREATS

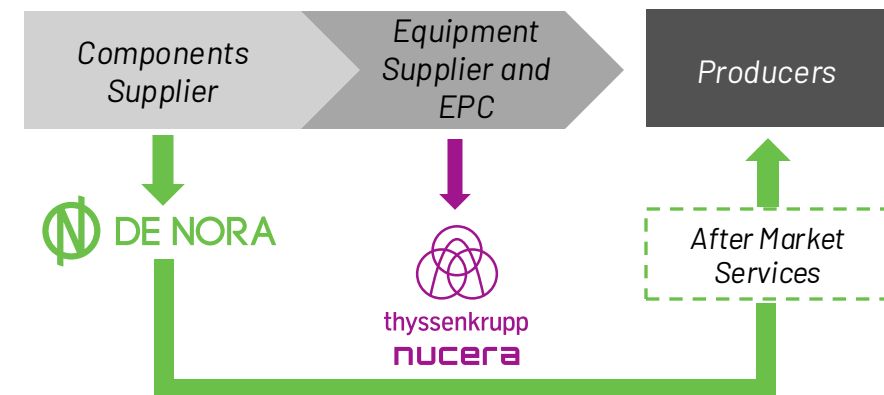


- Intensifying competition (emerging technologies and cheaper alternatives)
- Potential delays in subsidies
- Concentration of ET and ETR customers
- Execution risks linked to projects like Neom

ENERGY TRANSITION SUMMARY

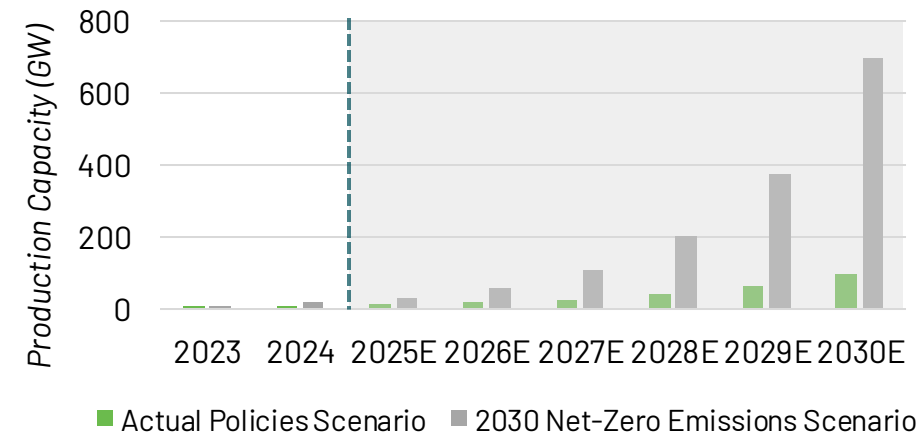
A long and winding journey

LIMITED CUSTOMER BASE



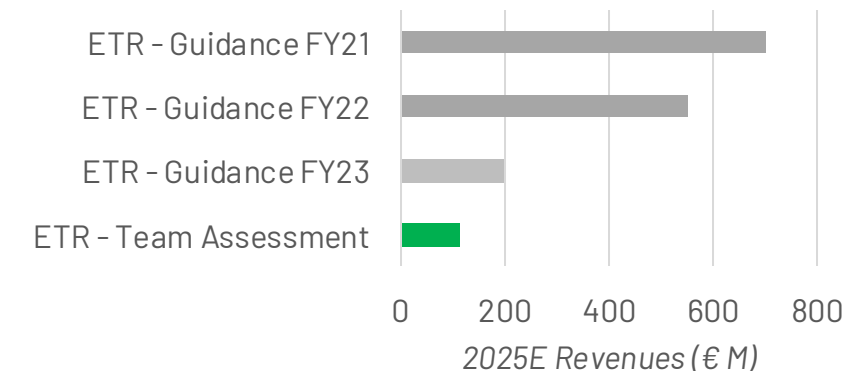
More than 90% of Energy Transition Revenues stem from the Joint Venture's Toll Manufacturing Agreement (TMA)

GREEN HYDROGEN MARKET DEVELOPMENT



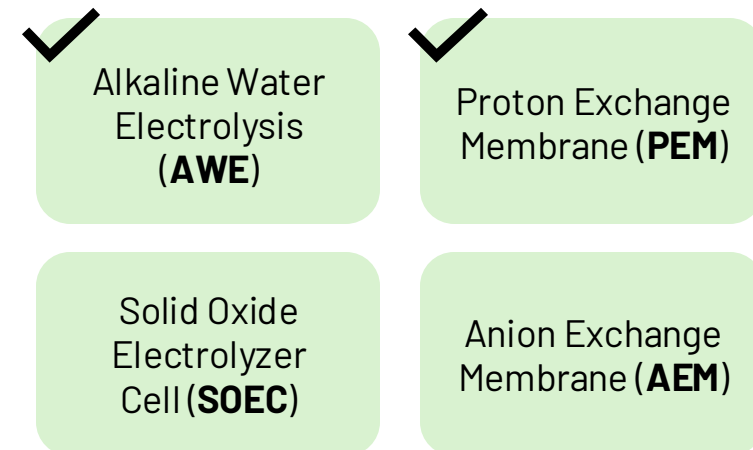
Actual policies scenario falls largely **behind** the **2030 Net Zero Emissions Scenario**

LOSS OF MANAGEMENT'S GUIDANCE CREDIBILITY



Over the past few years, De Nora has **consistently failed to align** its actual **performance with** the ambitious **guidance**, which was repeatedly revised downwards.

GREEN HYDROGEN PRODUCTION TECHNOLOGIES



As of today, **De Nora** can deploy both **AWE** and **PEM** technologies. In contrast, **thyssenkrupp nucera** is **expanding into SOEC**.

INDUSTRY PROPRIETARY MODEL

Our future projections

Market

Electrode Technologies
Market

Size (2023)

€869.87M

Water Technologies
Market

€9.15B

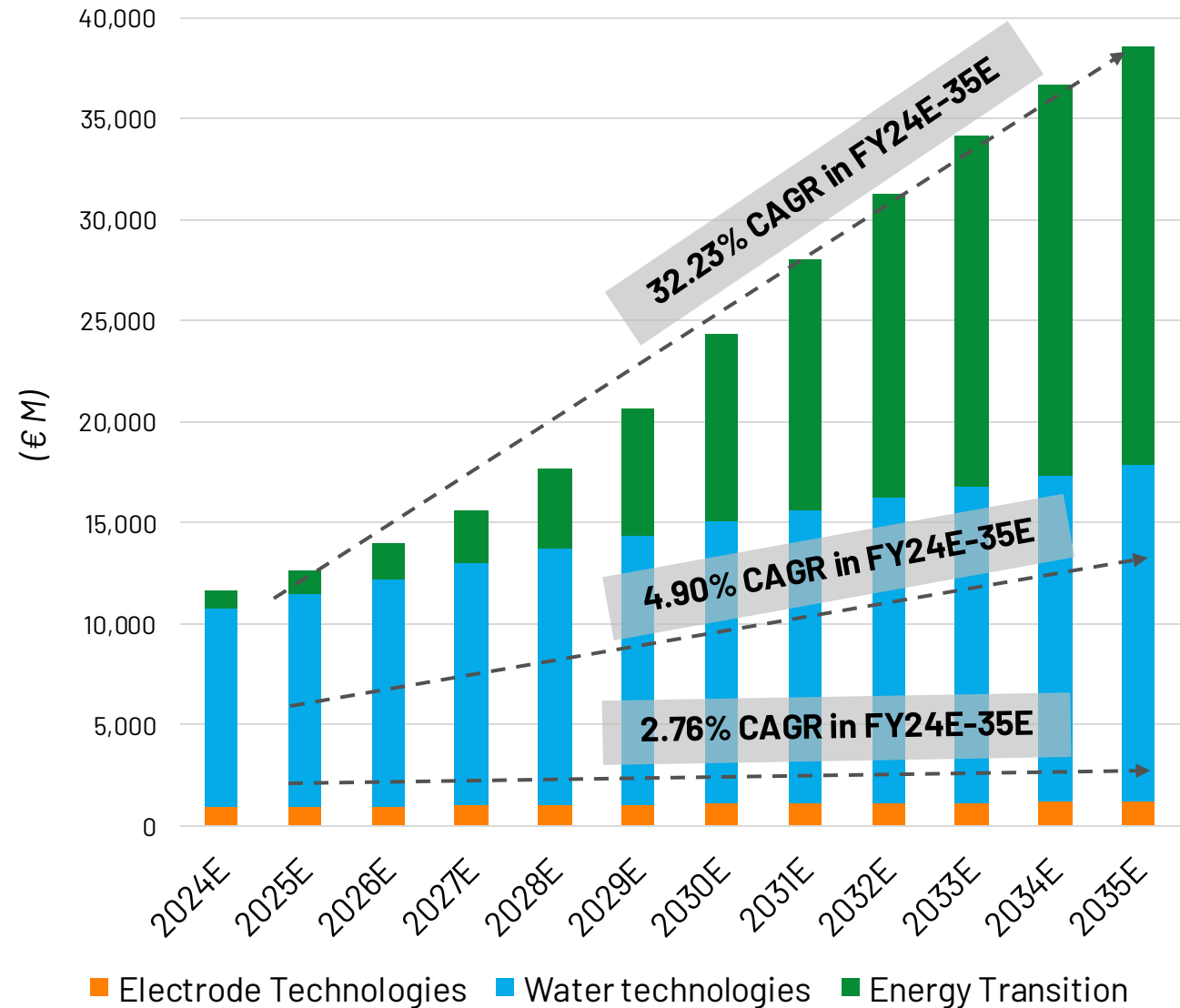
Energy Transition Market

€768M

To assess the growth profile of the Global Electrochemical Market, we create our **Industry Proprietary Model**



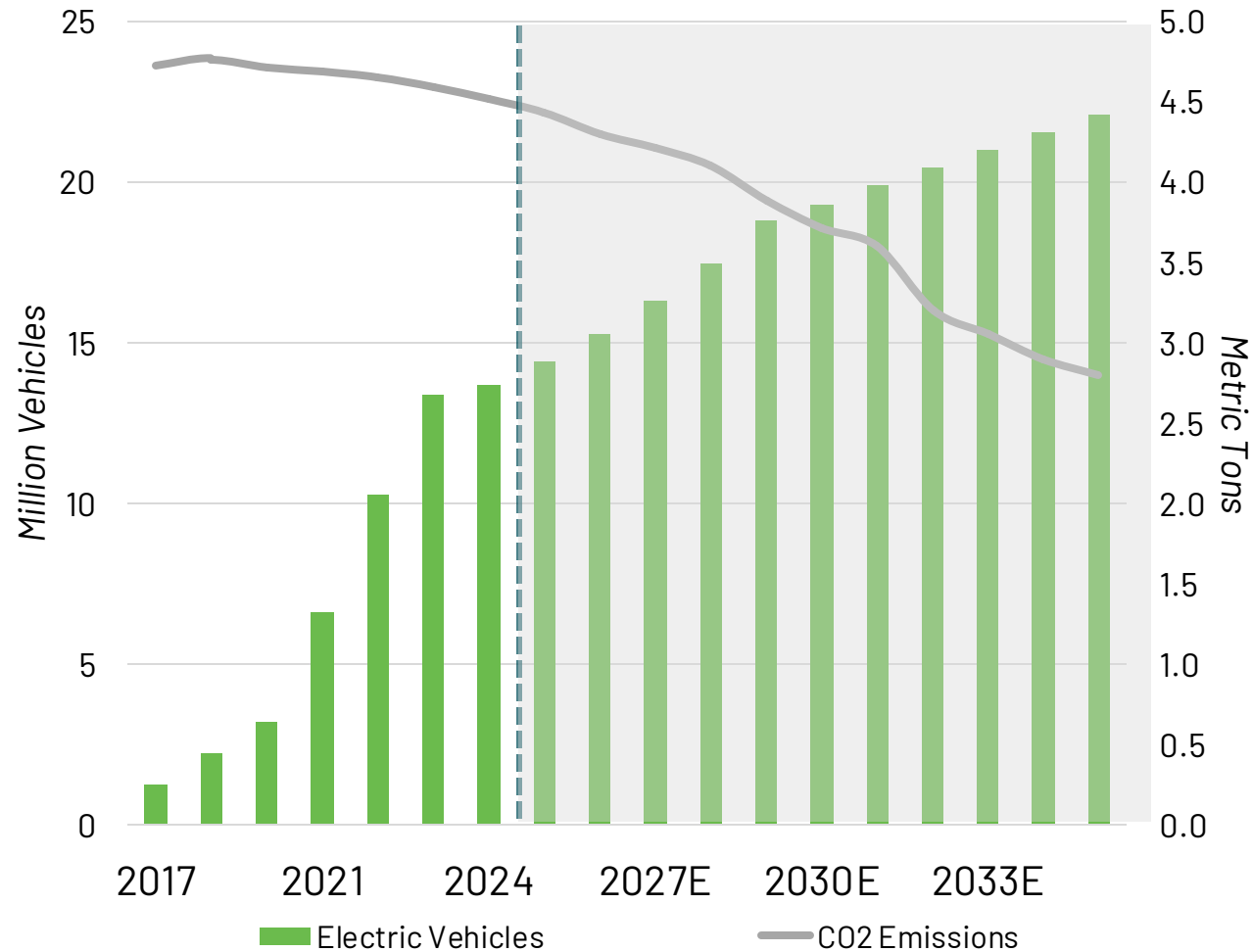
Starting from a set of drivers for each end-market, we assess the future performance



Source: team estimates

INDUSTRY DRIVERS...

Electrode Technologies



Source: Statista, World Bank, team estimates

...Electric vehicles and emissions

The need to **reduce carbon emissions** has accelerated **the growth of the electric vehicles (EV) Industry...**

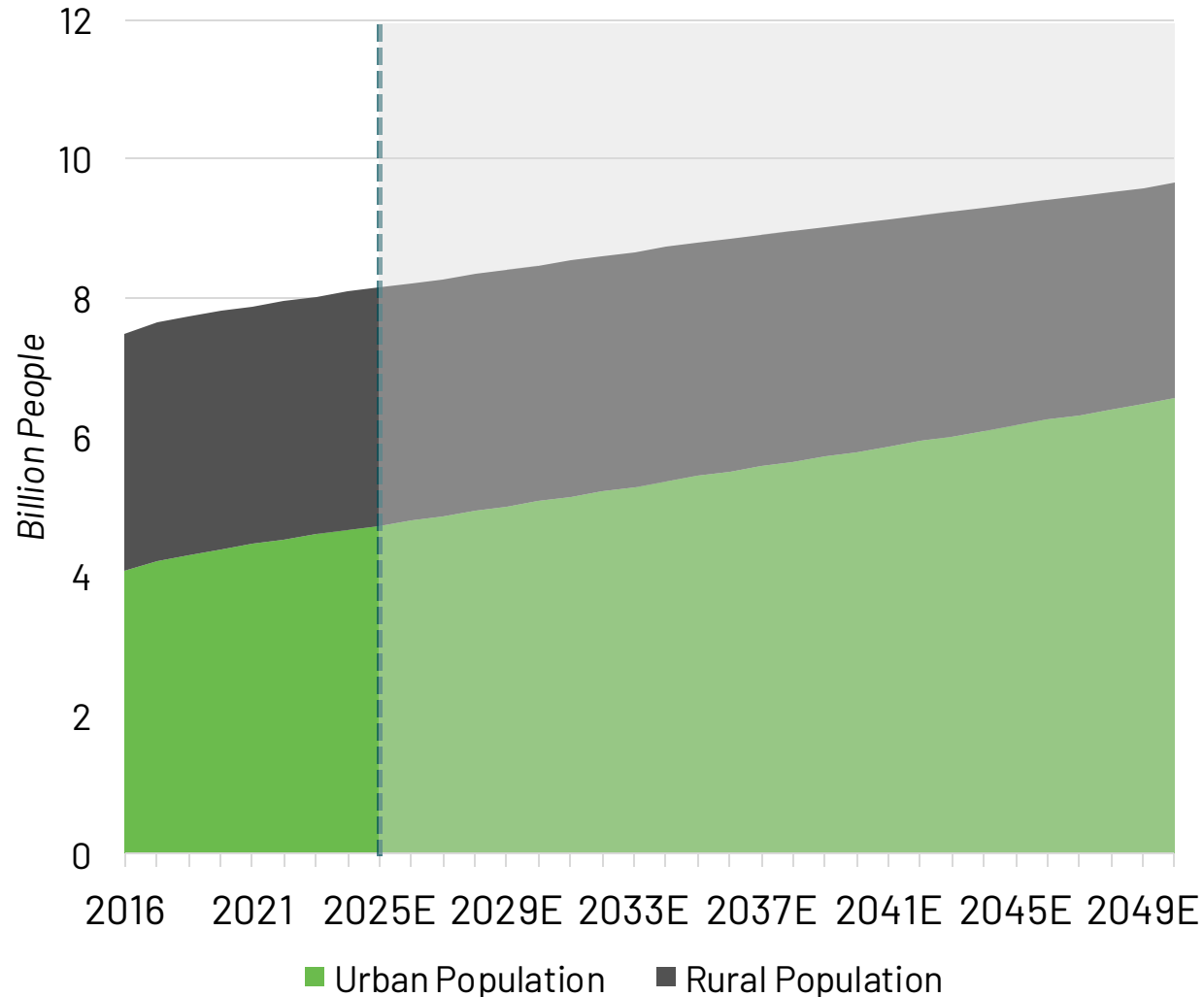
...which **relies on PCB** and **lithium-ion-batteries** (dependent on nickel and cobalt)



...the number of EVs is projected to **rise from 13.68 million in 2024 to 18.84 million in 2029**, reflecting a 6.6% CAGR

INDUSTRY DRIVERS...

Water Technologies



Source: United Nations, team estimates

...Population growth and urbanization

With the **global population** expected to reach **9.65 billions in 2050**

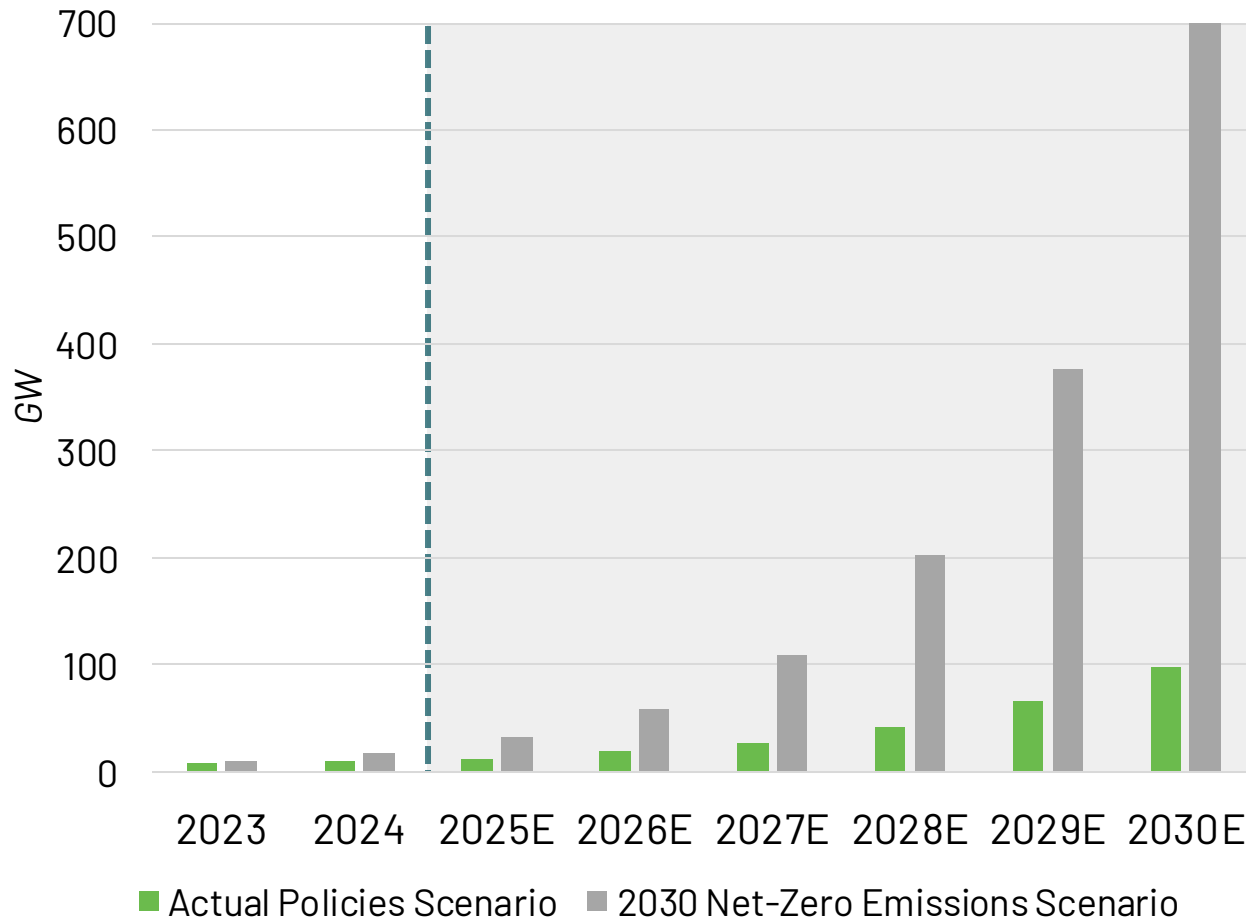
Urbanization is projected to grow to **68% by 2050**



The need for advanced filtration and disinfection systems is rising to meet the growing demand for safe and clean water.

INDUSTRY DRIVERS...

Energy Transition



Source: Statista, IEA, team estimates

...Green H2 production capacity

Green hydrogen is integral to achieving **global net-zero emissions**

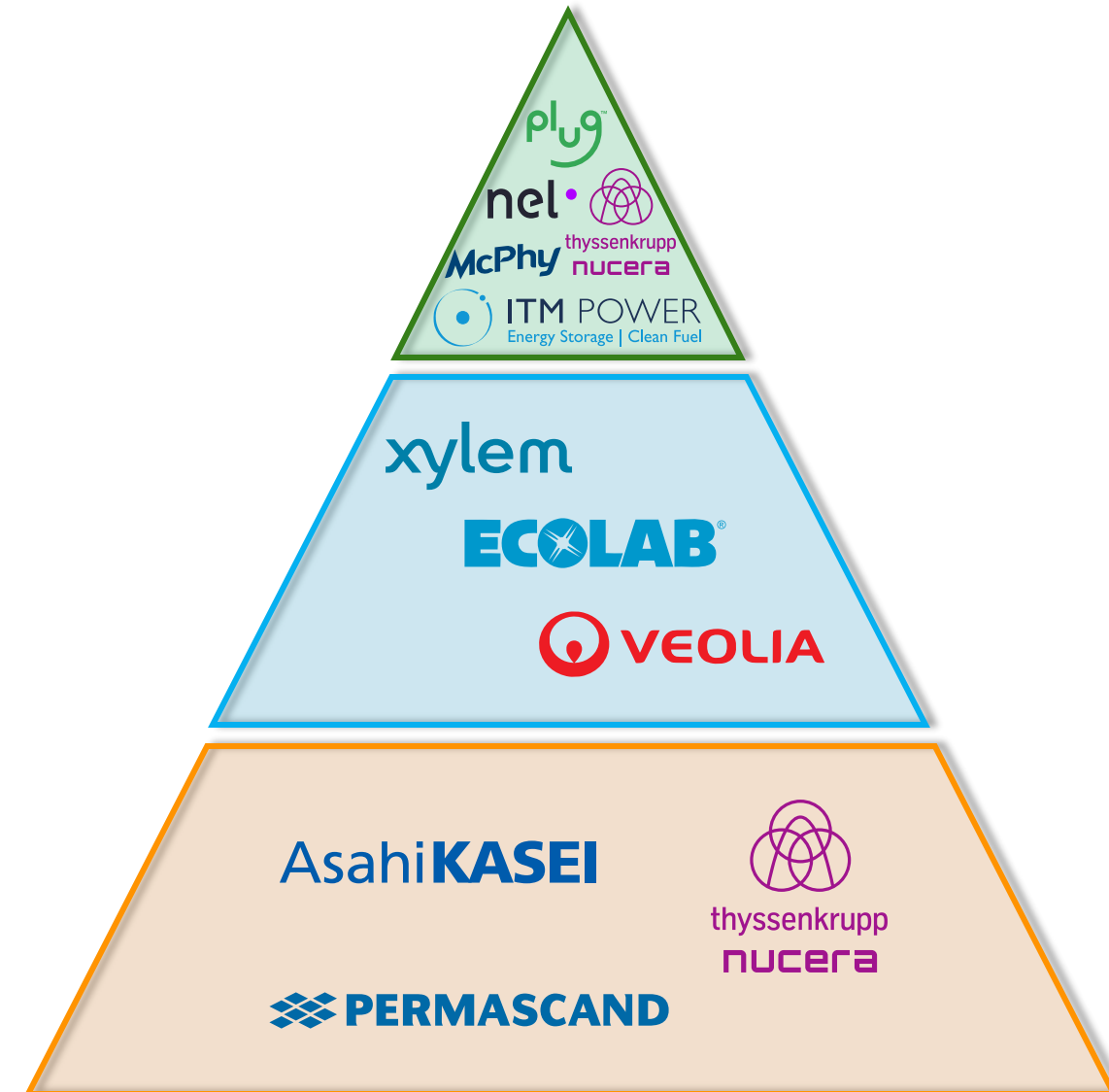
Under current stated policies, green hydrogen demand is **projected to grow and reach 100GW by 2030**



Representing a significant **tenfold increase from 10 GW in 2024** (with **AWE forecasted to lead the market** through 2030), still falls behind the 2030 Net Zero Emissions Scenario

COMPETITIVE ARENA

A real battlefield



ETR COMPANIES

Avg. MKT CAP €1.6B

The market is **fragmented** and **highly competitive**, with **relatively small players** heavily investing to capitalize on the future growth of green hydrogen.

WT COMPANIES

Avg. MKT CAP €42B

A **highly competitive** market with significantly **larger, vertically integrated players** than De Nora, especially after Xylem's 2023 acquisition of Evoqua.

ET COMPANIES

Avg. MKT CAP €3.5B

Few global, large players dominate the market with an **established presence** and expertise, offering a **broad portfolio** from chlor-alkali applications to electronics

THE COMPETITIVE POSITIONING

De Nora has a different positioning in the 3 segments

ELECTRODE TECHNOLOGIES

- **Dominant position** with >50% market share across all business lines.
- Growth limited by a **niche, mature market**
- **Superior electrodes** with **lower TCO**, but challenged by emerging, cheaper alternatives from China.

Performance compared to avg.



WATER TECHNOLOGIES

- **~80% market share** in the **swimming pools niche**
- Significant presence in Industrial Electrochlorination
- **Tough competition with industry giants in Disinfection & Filtration** limits cost advantages

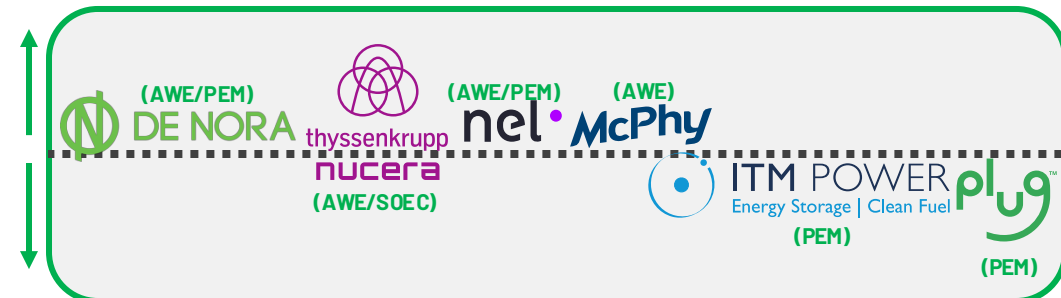
Performance compared to avg.



ENERGY TRANSITION

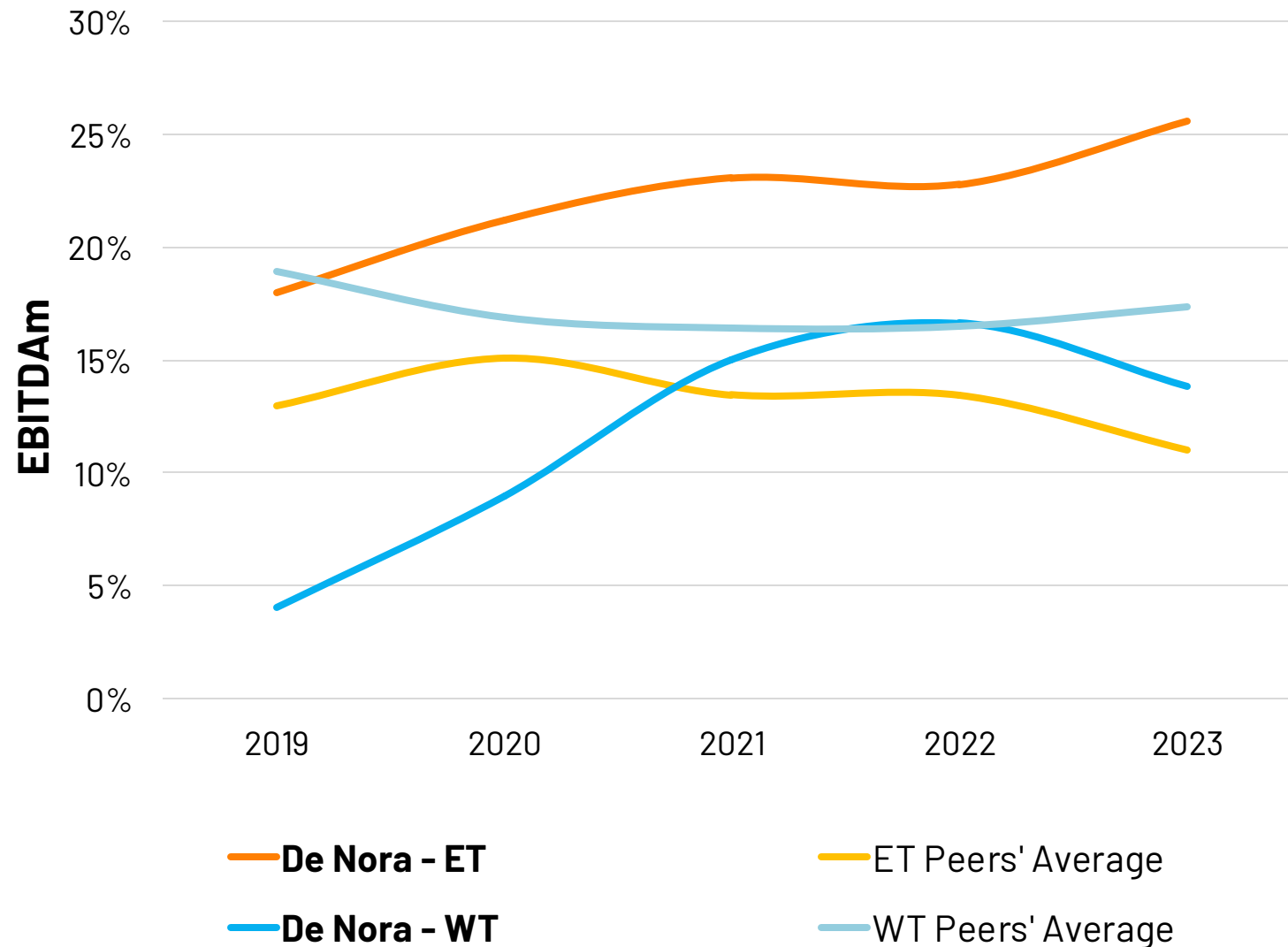
- Set to benefit from the hydrogen market growth, **though not well-positioned to fully capitalize** from it
- **AWE** set to be the **dominant standard by 2030**
- **Limited customer base**
- **No investments** yet in **SOEC** technology

Performance compared to avg.



COMPETITORS' PROFITABILITY COMPARISON

Outperforming ET peers but still below WT companies



Source: Factset, Team estimates

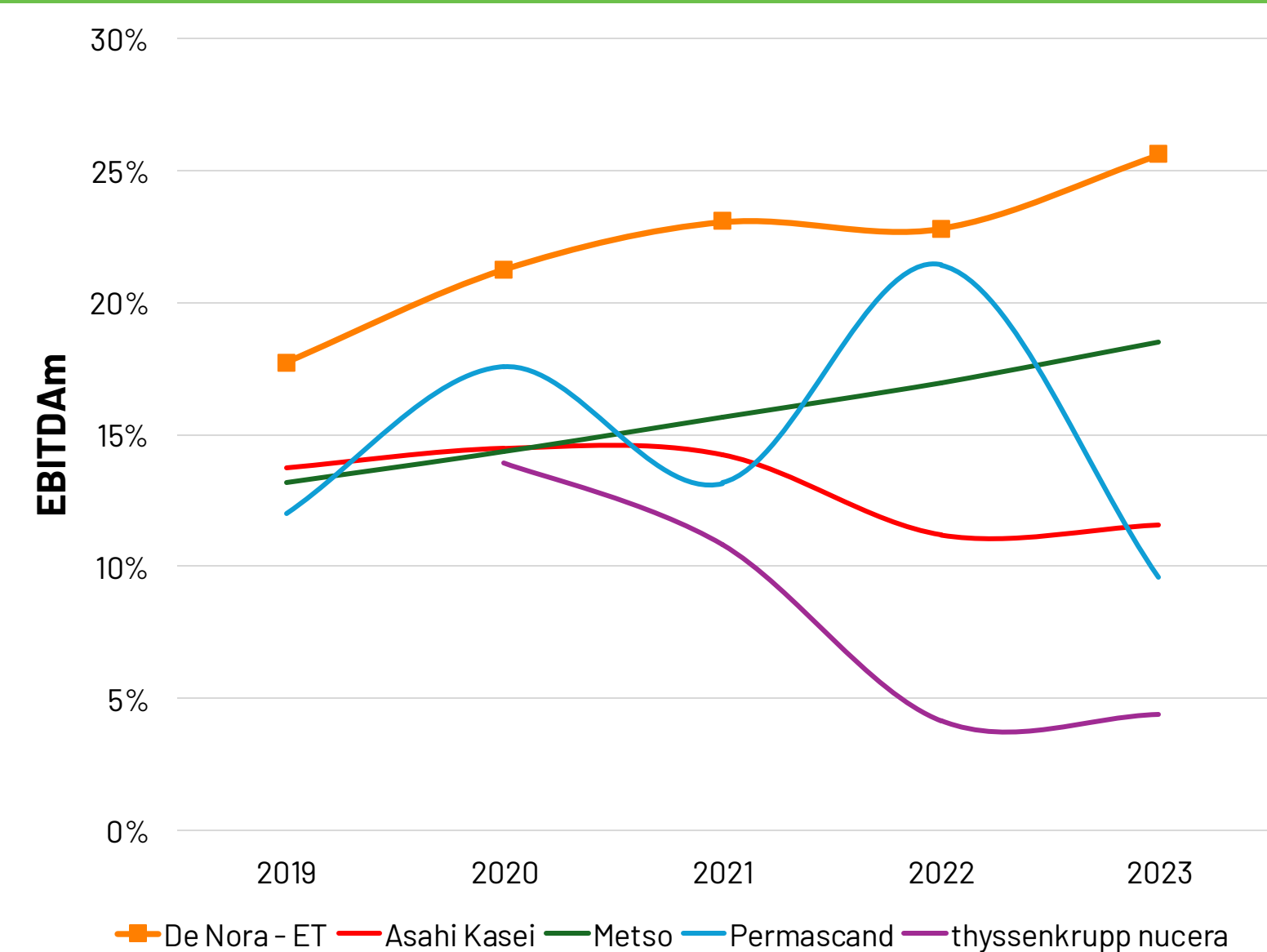
In terms of margins, **De Nora outperforms its peers in Electrode Technologies**, with a 25.62% EBITDAm in FY23 compared to the industry average of 11%.

However, in **Water Technologies**, its smaller scale limits profitability, resulting in a 13.83% EBITDAm in FY23, **below the peer average** of 17.33%



COMPETITORS' PROFITABILITY COMPARISON

Being the king in the anthill can pay...

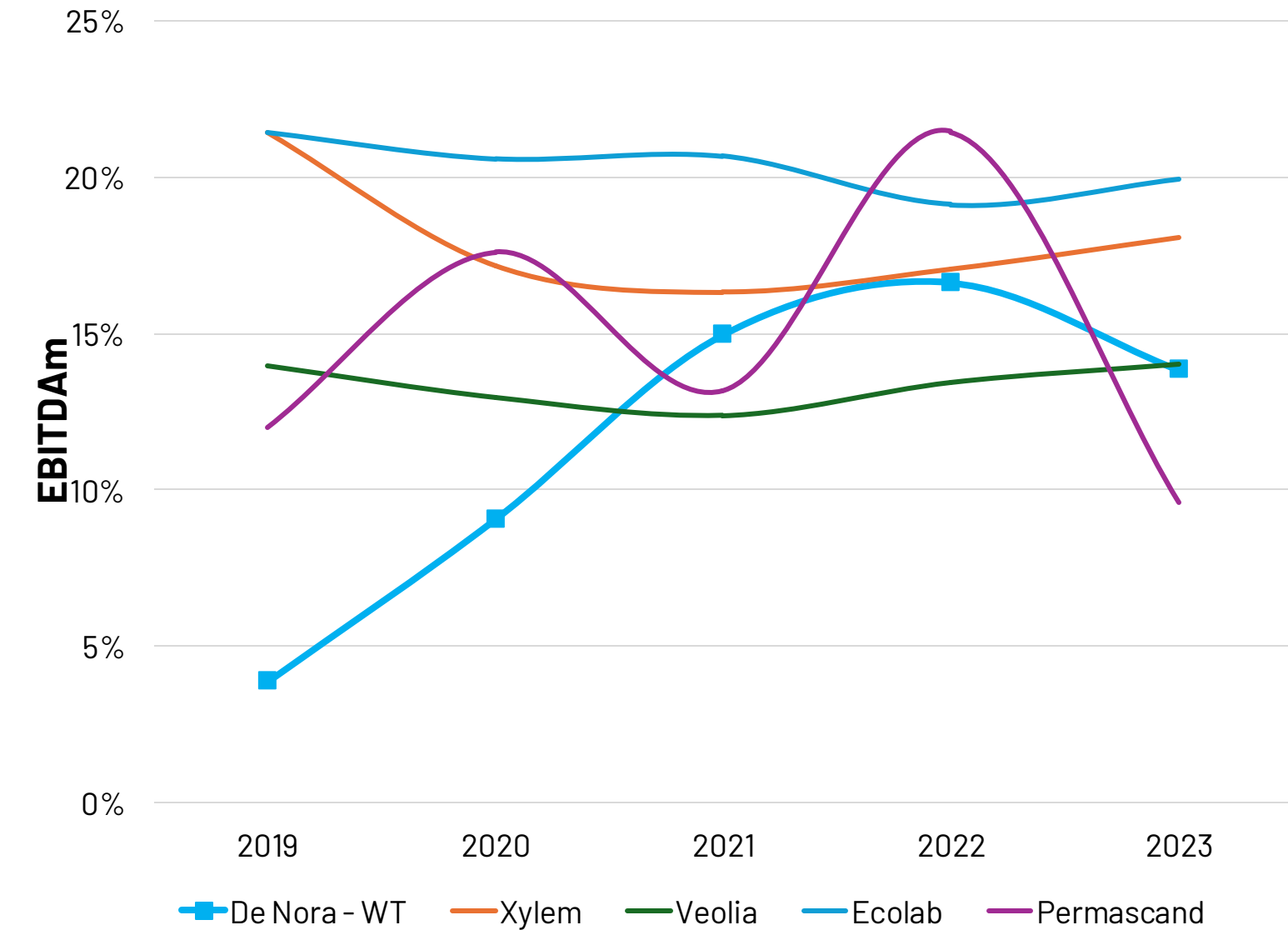


In terms of margins, **De Nora outperforms its peers in Electrode Technologies**, with a 25.62% EBITDAm in FY23 compared to the industry average of 11%.



COMPETITORS' PROFITABILITY COMPARISON

...but being a prey in the ocean doesn't



However, in **Water Technologies**, its smaller scale limits profitability, resulting in a 13.83% EBITDAM in FY23, **below the peer average of 17.33%**

WT companies

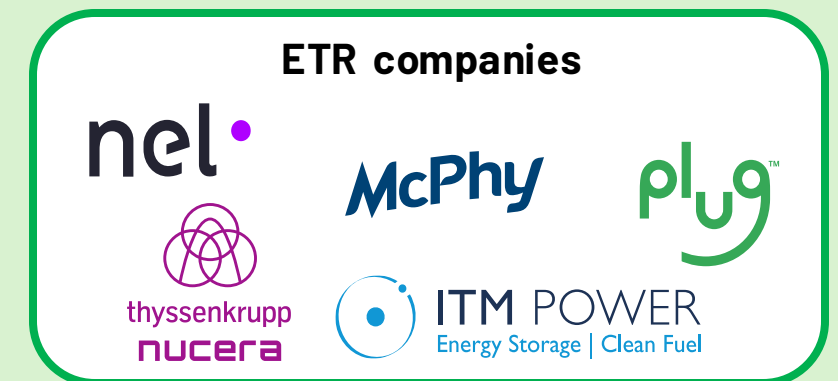


ENERGY TRANSITION PROFITABILITY COMPARISON

Mostly Negative Margins, But De Nora Briefly Stands Out

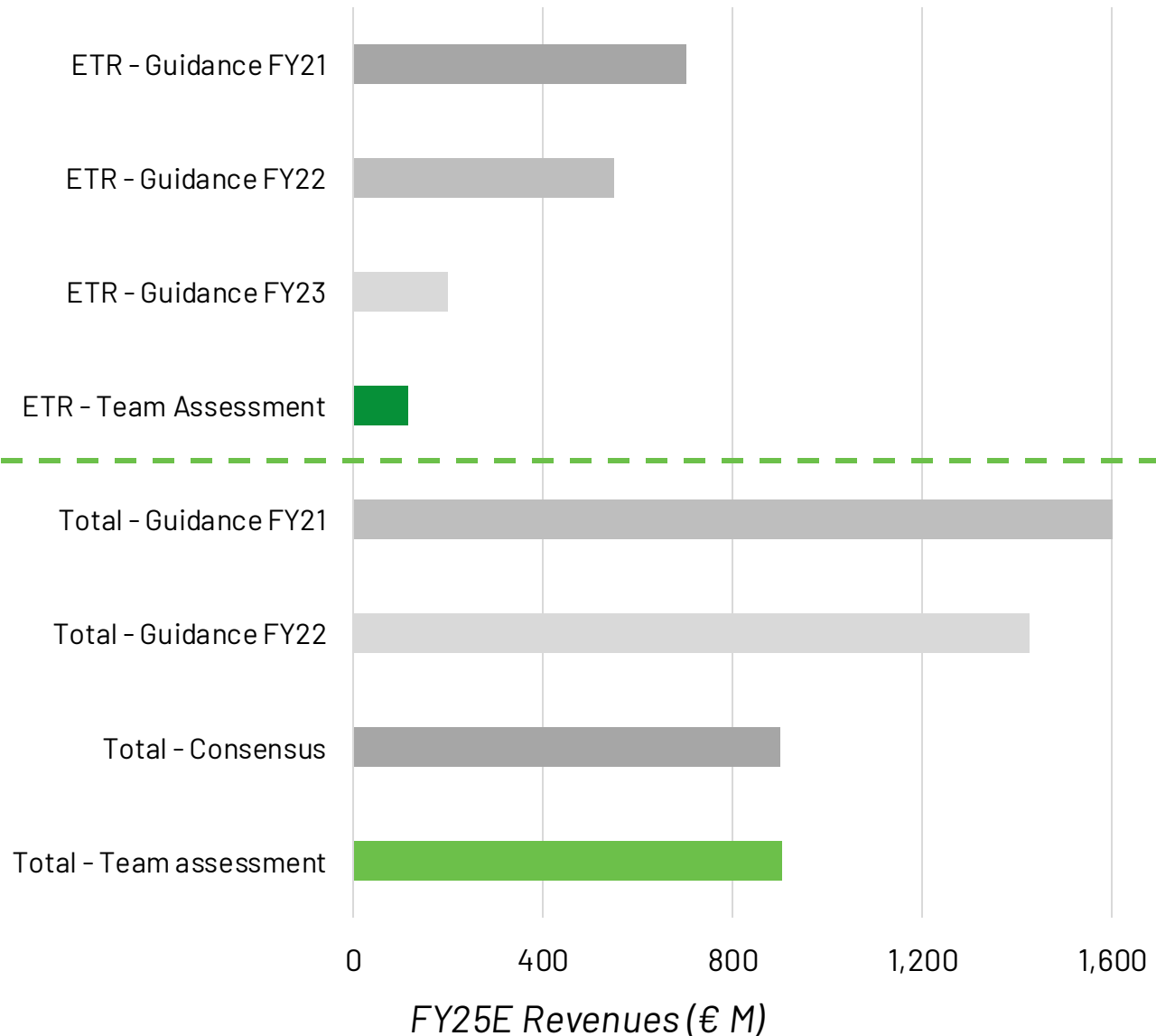
EBITDAm			
Company	FY22	FY23	FY24E
De Nora - ETR	2.83%	11.69%	5.32%
tk nucera	2.64%	3.78%	-1.97%
Nel Asa	-78.47%	-26.73%	-14.86%
McPhy	-205.59%	-273.23%	-526.79%
Plug Power	-63.87%	-124.48%	-105.57%
ITM Power	-710.71%	-1811.54%	-184.24%

In the Energy Transition segment, nearly all green hydrogen companies report **negative margins**, as the market is still in its early stages. However, De Nora posted positive EBITDAm in 2022 and 2023 but is expected to record slightly lower EBITDA margins in 2024.



DE NORA'S GUIDANCE VS TEAM ASSESSMENT:

A Credibility Gap



Source: Factset, Team estimates

Over the past few years, De Nora has consistently **failed** to align its forecasts with actual performance, raising serious **doubts about its credibility**:

- FY21 target: €1.5-1.7B total revenues by FY25 (€650-750M from Energy Transition)
- Revised in FY22: €1.35-1.5B total revenues by FY25 (€500-600M from Energy Transition)
- Further cut in FY23: Energy Transition CAGR of 40% (FY23-26E), €280M target by FY26E (confirmed in Q2_24)
- Q3_24: Company admits regulatory delays and market uncertainties are slowing order conversion.

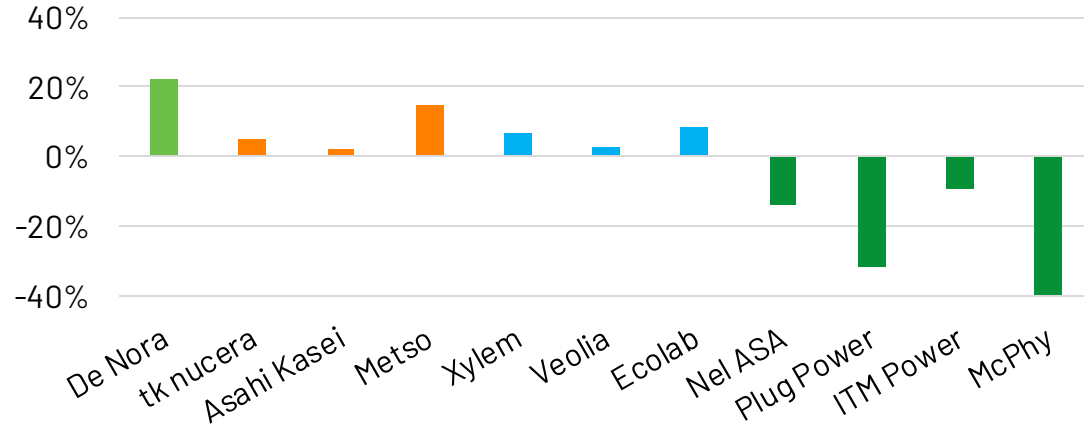
By the end of FY24E, actual figures paint a **different reality**:

- **Total expected Revenues stand at €867M**
- **Energy Transition Revenues** expected at just **€105M**, requiring a YoY growth of +376%/+471% to reach FY22 projections or a 63.3% CAGR (FY24E-26E) to meet even Q2_24 guidance

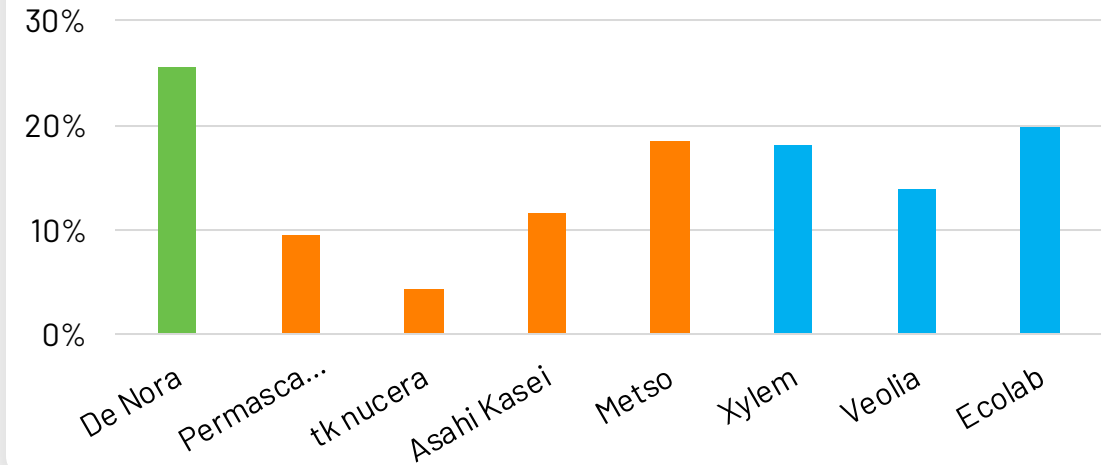
FINANCIAL METRICS COMPARISON

Clustering different peers

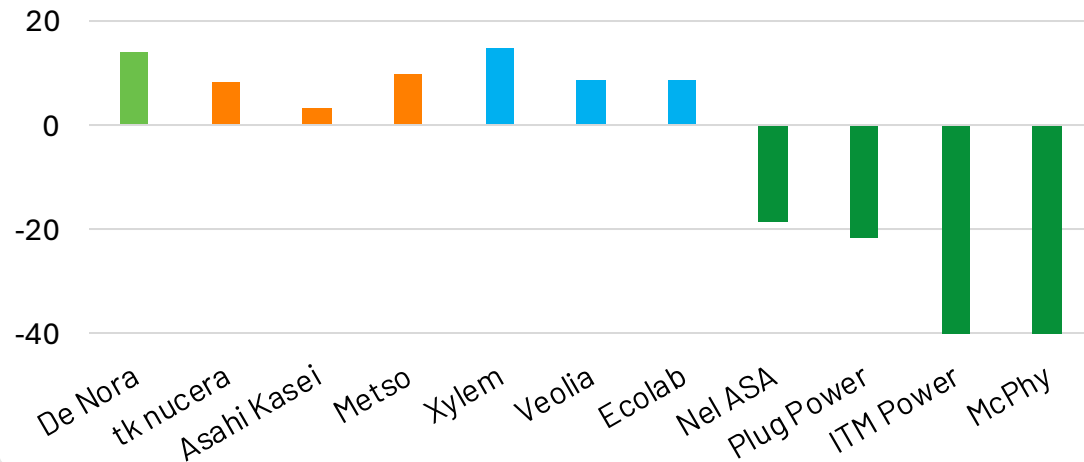
ROIC



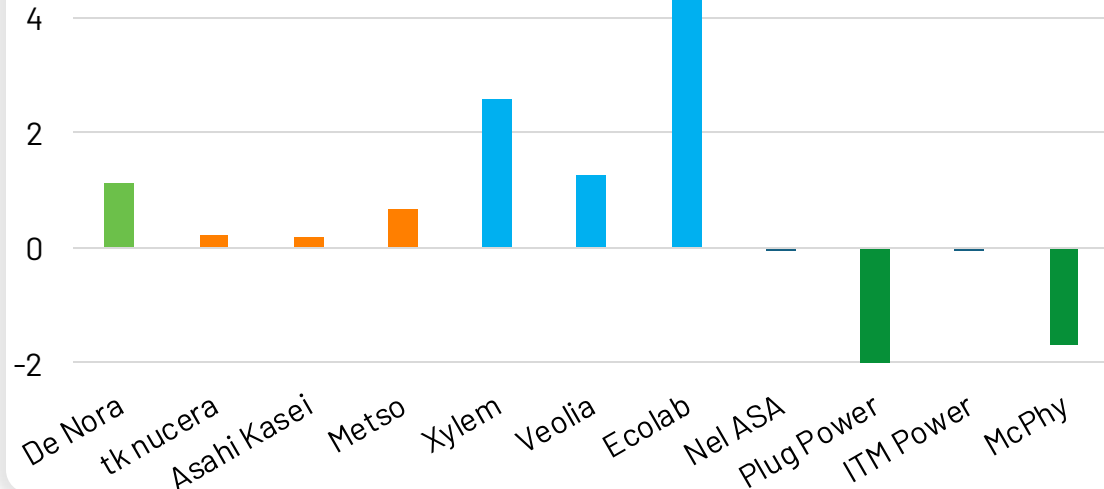
EBITDAm



Interest Coverage Ratio



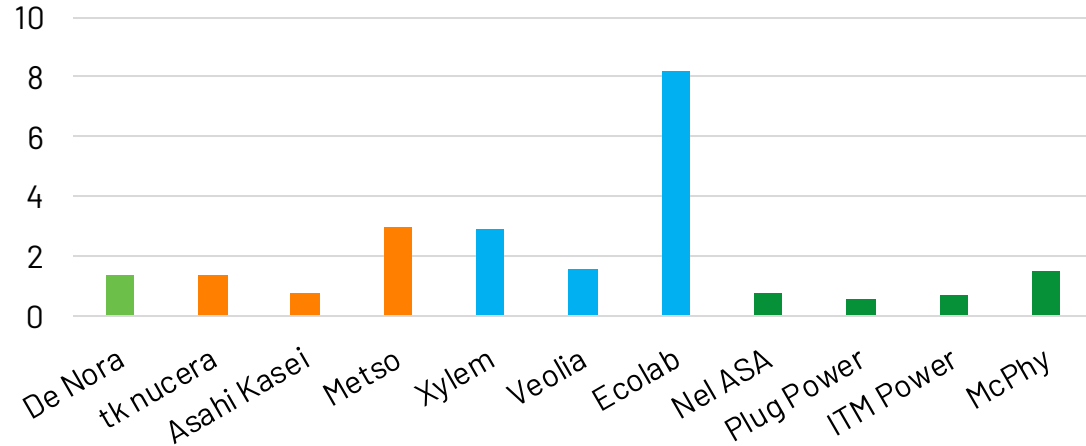
Earnings Per Share (€)



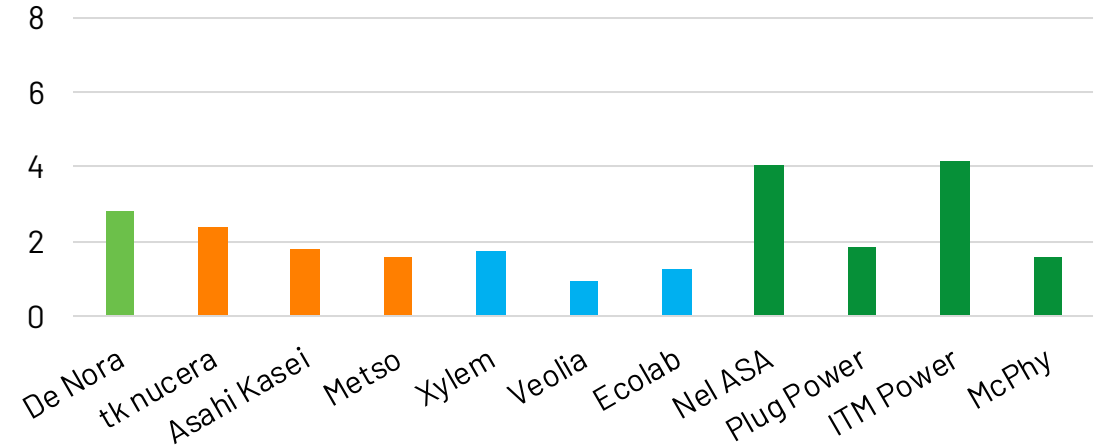
FINANCIAL METRICS COMPARISON

Clustering different peers

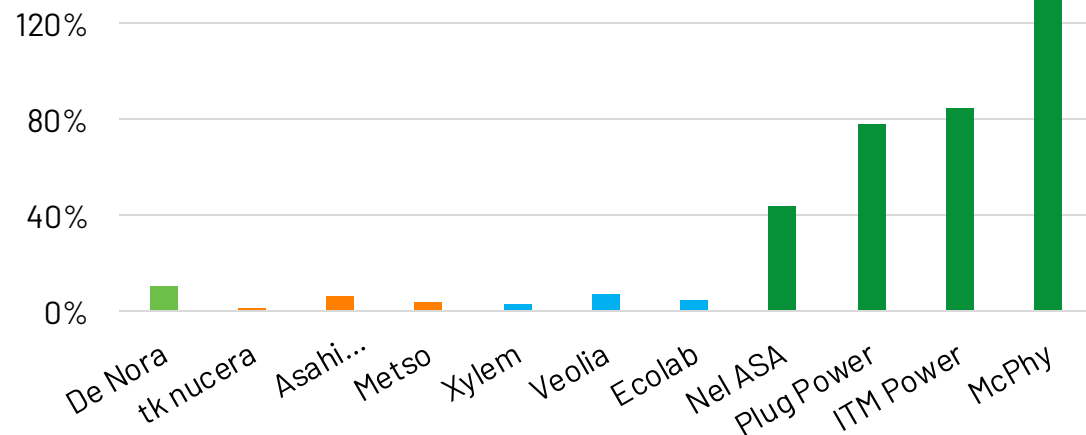
Price to Book



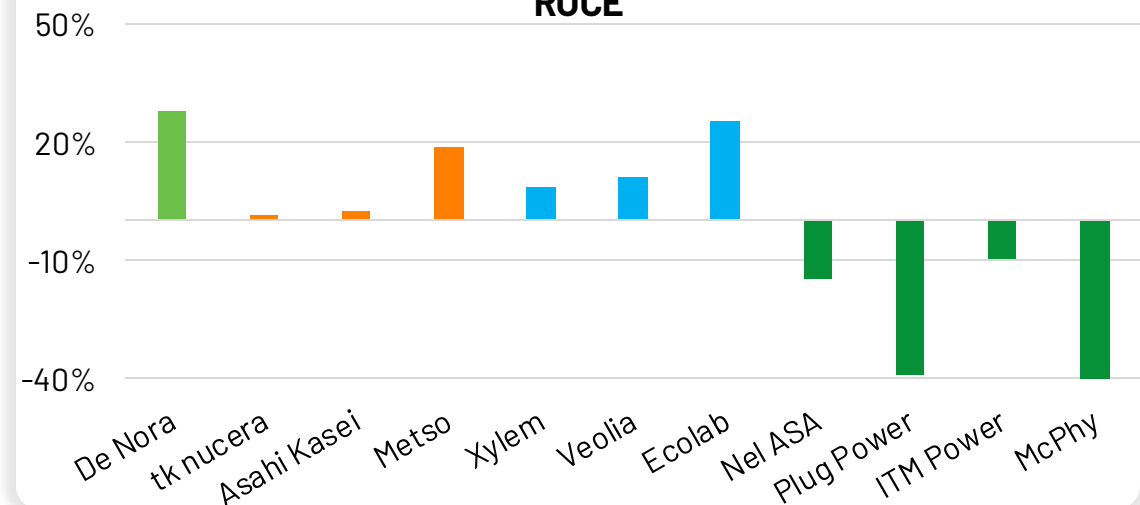
Current Ratio



Capex/Sales



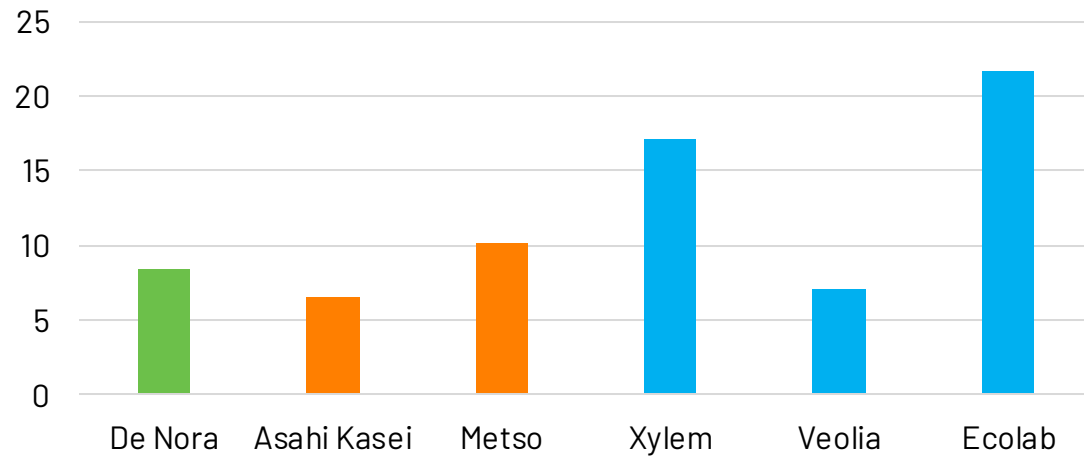
ROCE



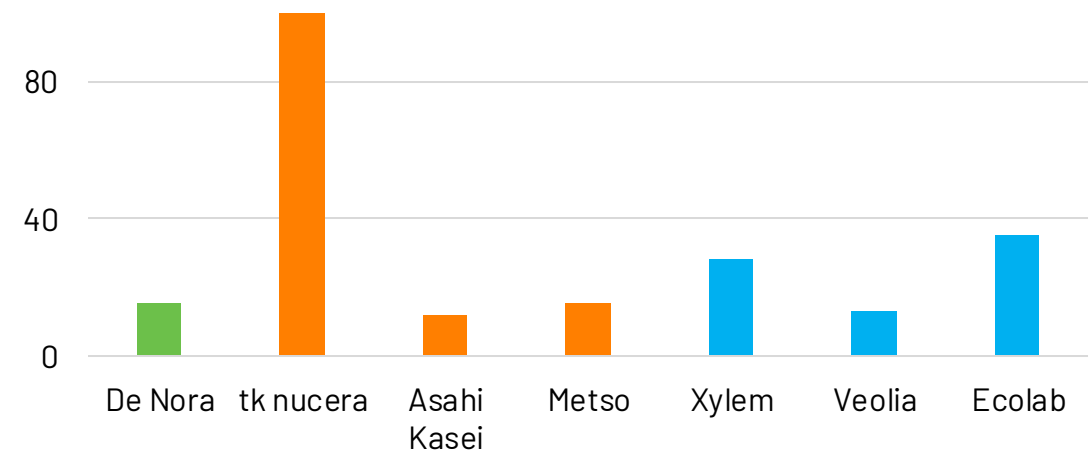
FINANCIAL METRICS COMPARISON

Clustering different peers

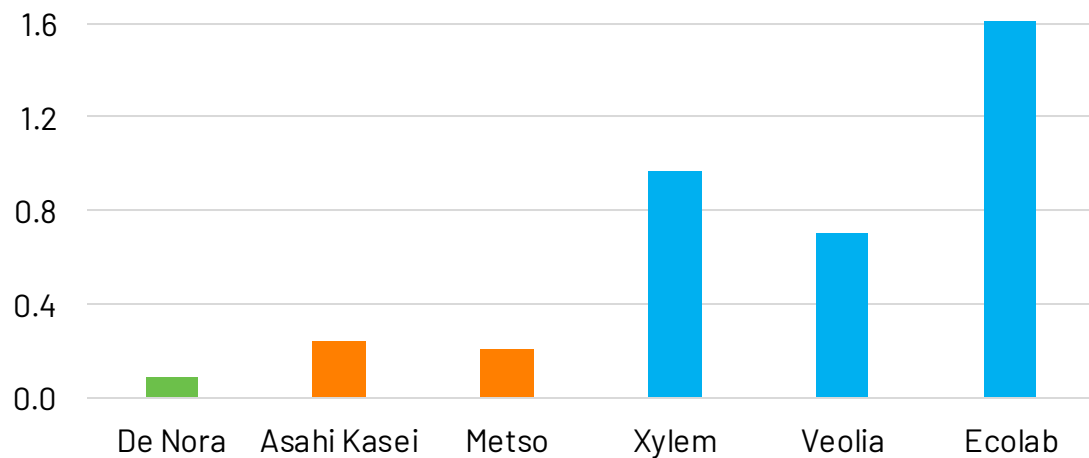
1Y Forward EV/EBITDA



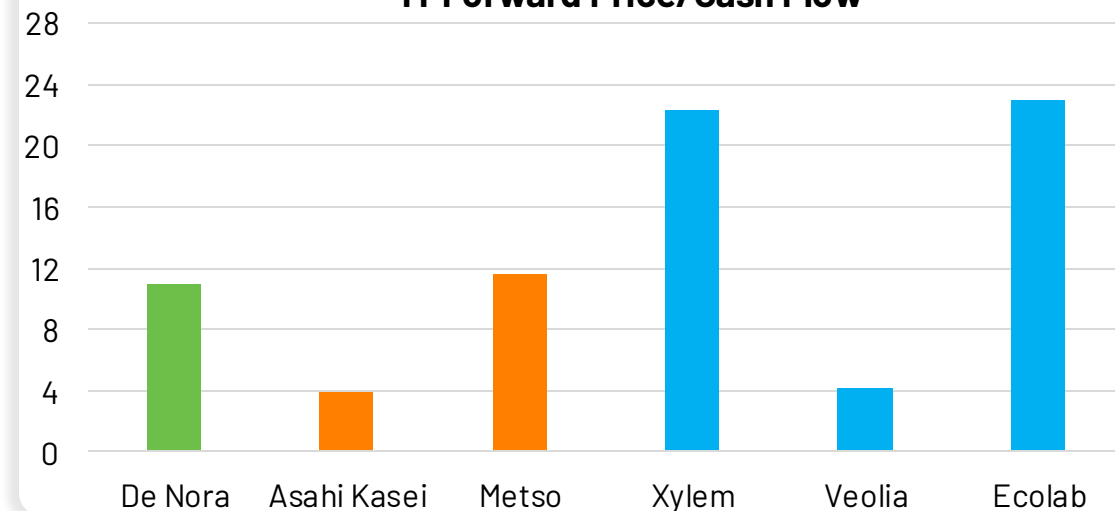
1Y Forward P/E



PEG



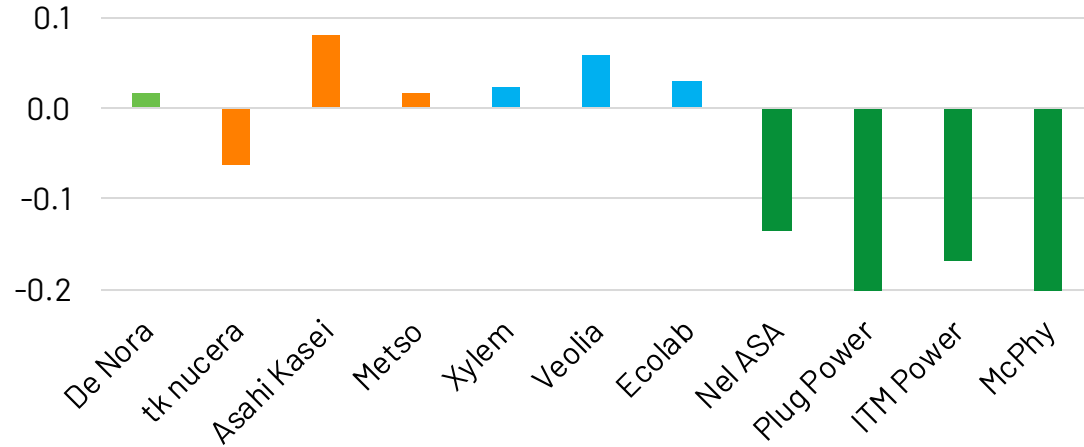
1Y Forward Price/Cash Flow



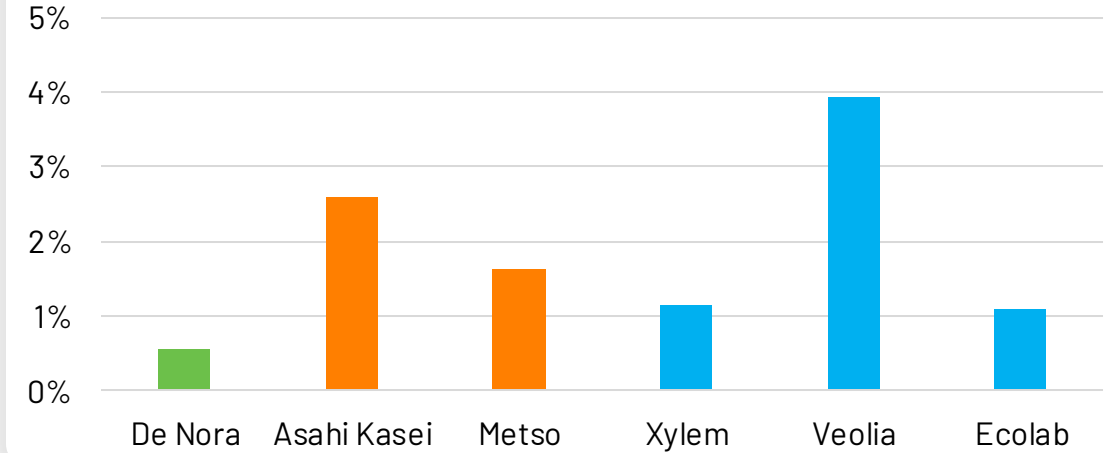
FINANCIAL METRICS COMPARISON

Clustering different peers

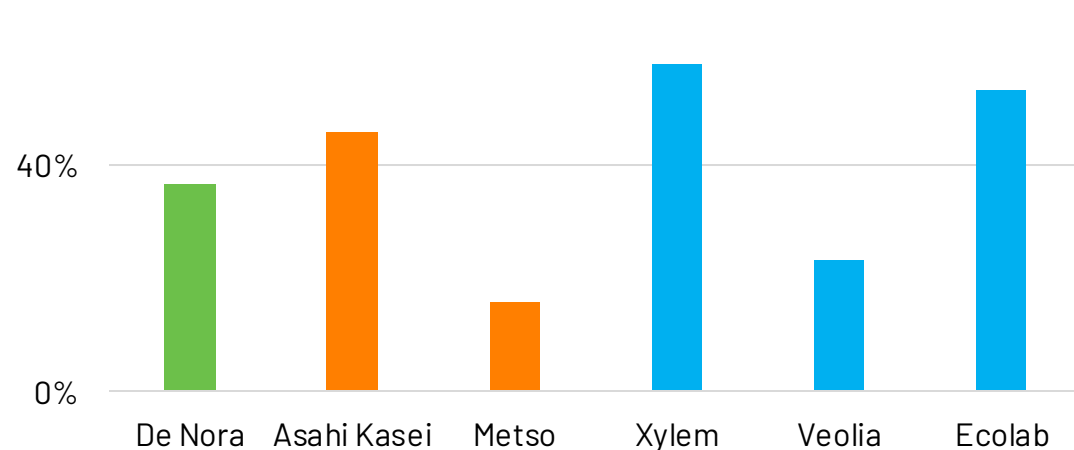
FCFF Yield



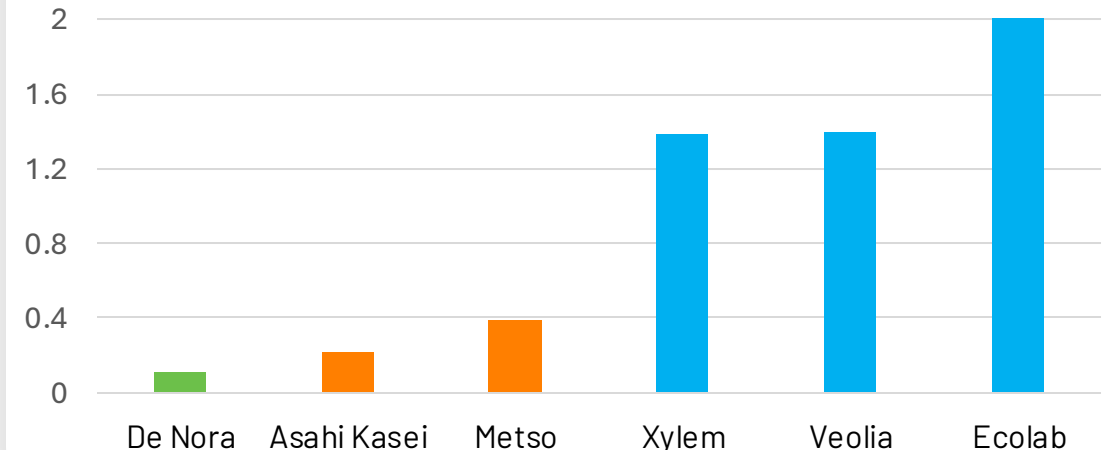
Dividend Yield



FCFF Conversion Rate



Dividend Per Share



PORTER'S FIVE FORCES ANALYSIS

Diving into the Market structure

3/5

THREAT OF SUBSTITUTES

The market faces competition from cost-focused producers. De Nora remains competitive offering high-performance solutions with lower TCO.

4/5

INTERNAL RIVALRY

- While leading in ET, De Nora competes with giant players in WT;
- Some players are actively working on alternative technologies in ETR.

THREAT OF NEW ENTRANTS

2/5

The Global Electrochemical Market is protected by **high barriers to entry**: patent, know how, advanced technology and high initial investment costs. Moreover, De Nora leverages on consolidated relationship with clients.

2/5

BARGAINING POWER OF SUPPLIERS

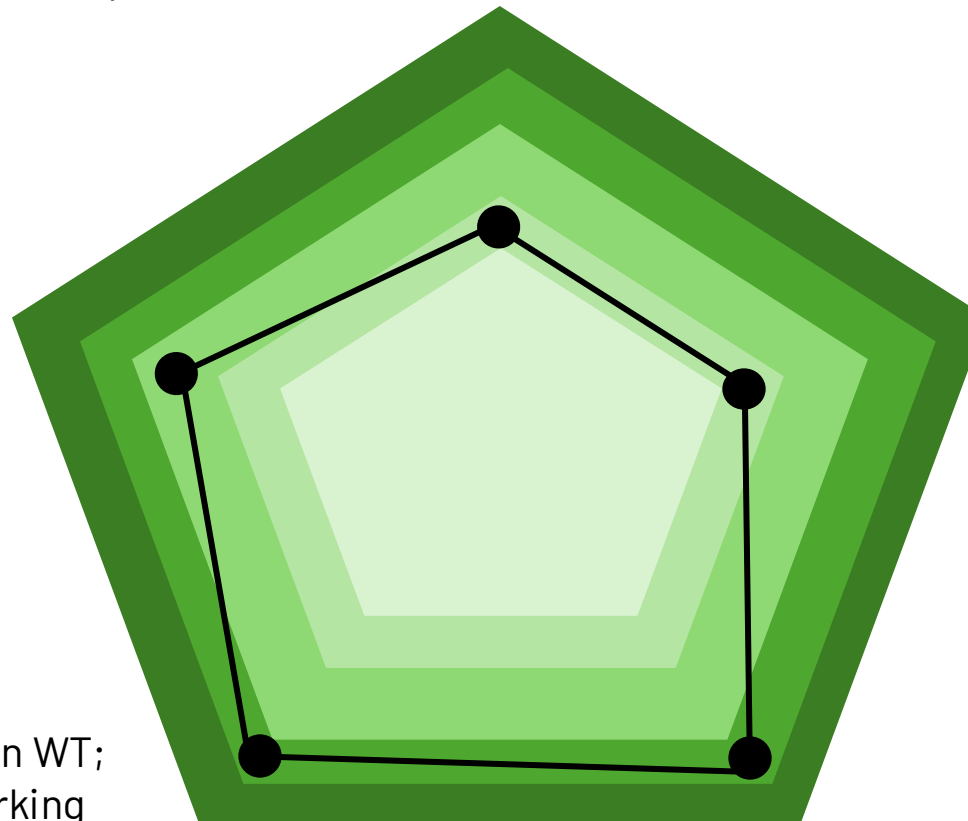
Concentration is low, as De Nora leverages its expertise in the early part of the value chain to minimize reliance on external suppliers, sourcing mainly raw materials.

4/5

BARGAINING POWER OF BUYERS

The customer base is :

- Moderately concentrated in ET and WT;
- Highly concentrated in ETR.



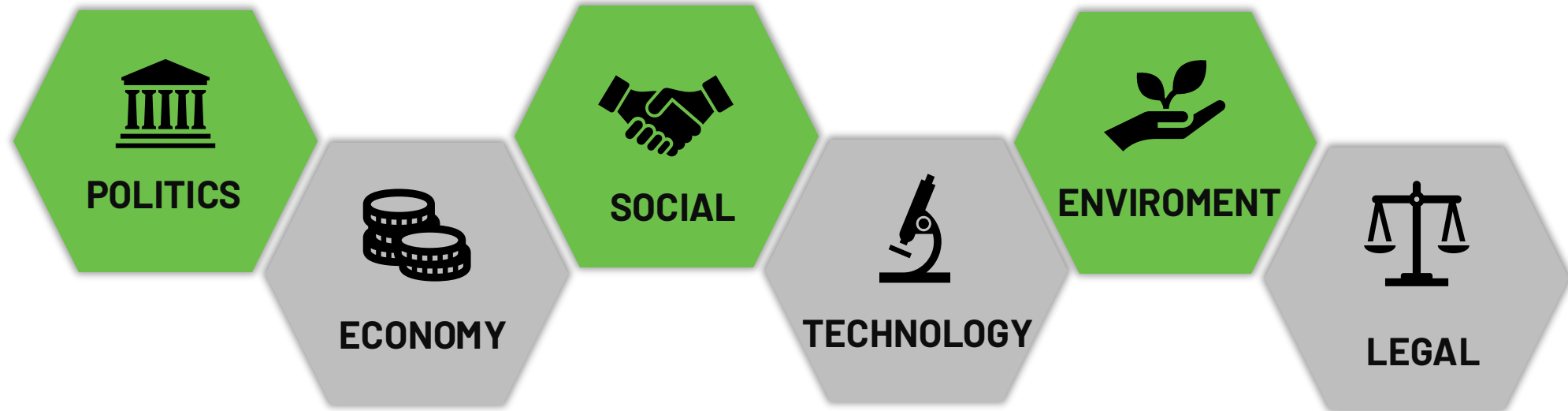
PESTEL ANALYSIS

Analyzing the business environment

- REGULATORY SUPPORT FOR GREEN HYDROGEN
- STRINGENT REGULATIONS IN WT

- AWARENESS OF SUSTAINABILITY
- ATTENTION TO WORKPLACE SAFETY

- CARBON NEUTRALITY GOALS
- WATER RESOURCE MANAGEMENT



- INFLATION
- ECONOMIC CYCLES
- CURRENCY DEVALUATION AND REVALUATION

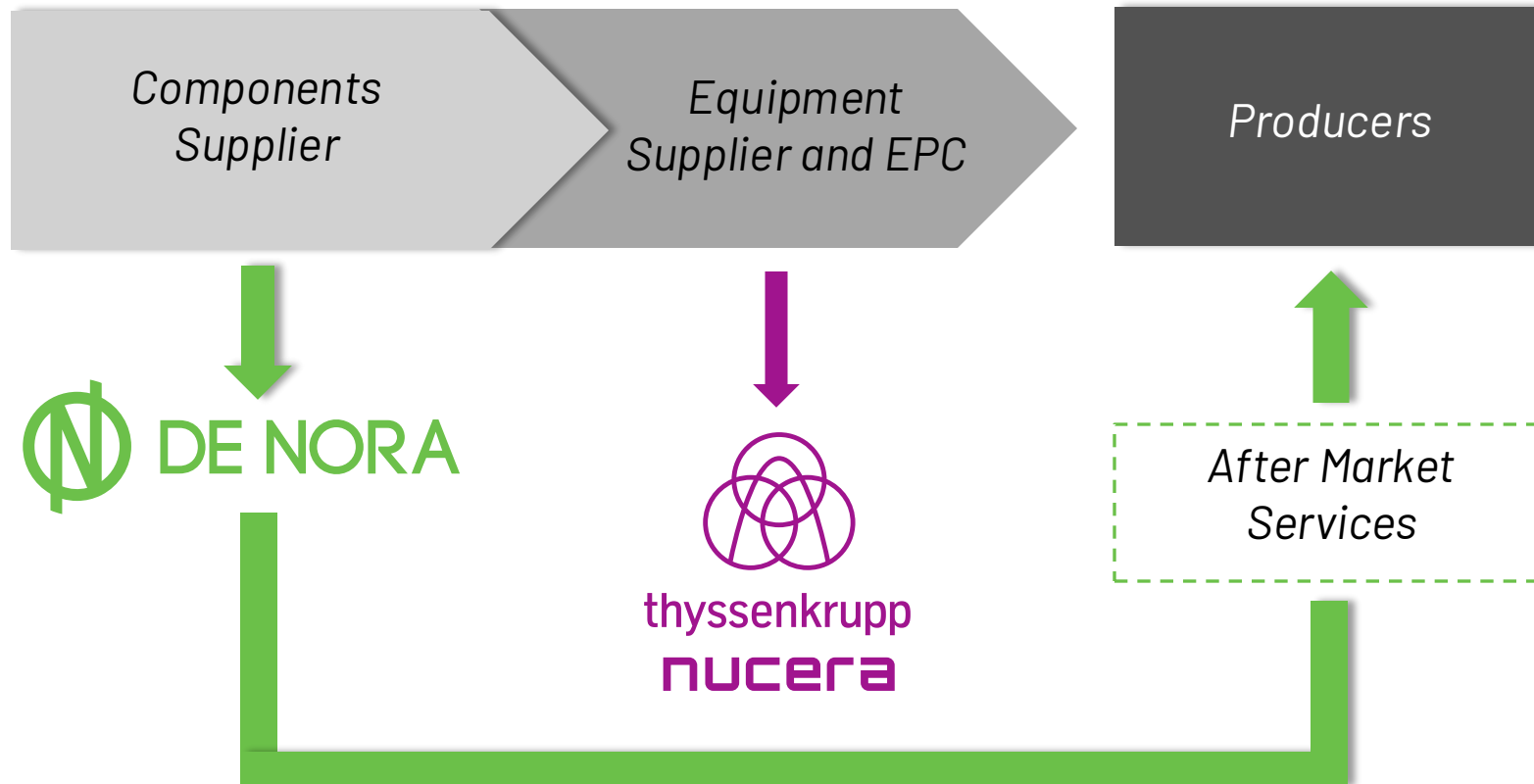
- ADVANCEMENTS IN ELECTROLYSIS EFFICIENCY
- LOW-COST ELECTRODE ALTERNATIVES

- PATENTS' PROTECTION
- IMPACT OF TARIFFS AND TRADE AGREEMENTS

TOLL MANUFACTURING AGREEMENT (TMA)

Shaping De Nora's Sales Strategy

Chlor-Alkali / Energy Transition



Source: Company data, team estimates

TMA lasts until **November 4, 2038**, with automatic five-year renewals

Tk nucera must purchase **electrodes and cells exclusively from De Nora** for a defined percentage of its annual demand

If **third-party products** are **more competitive**, tk nucera gives De Nora six months to match or **may source externally**.

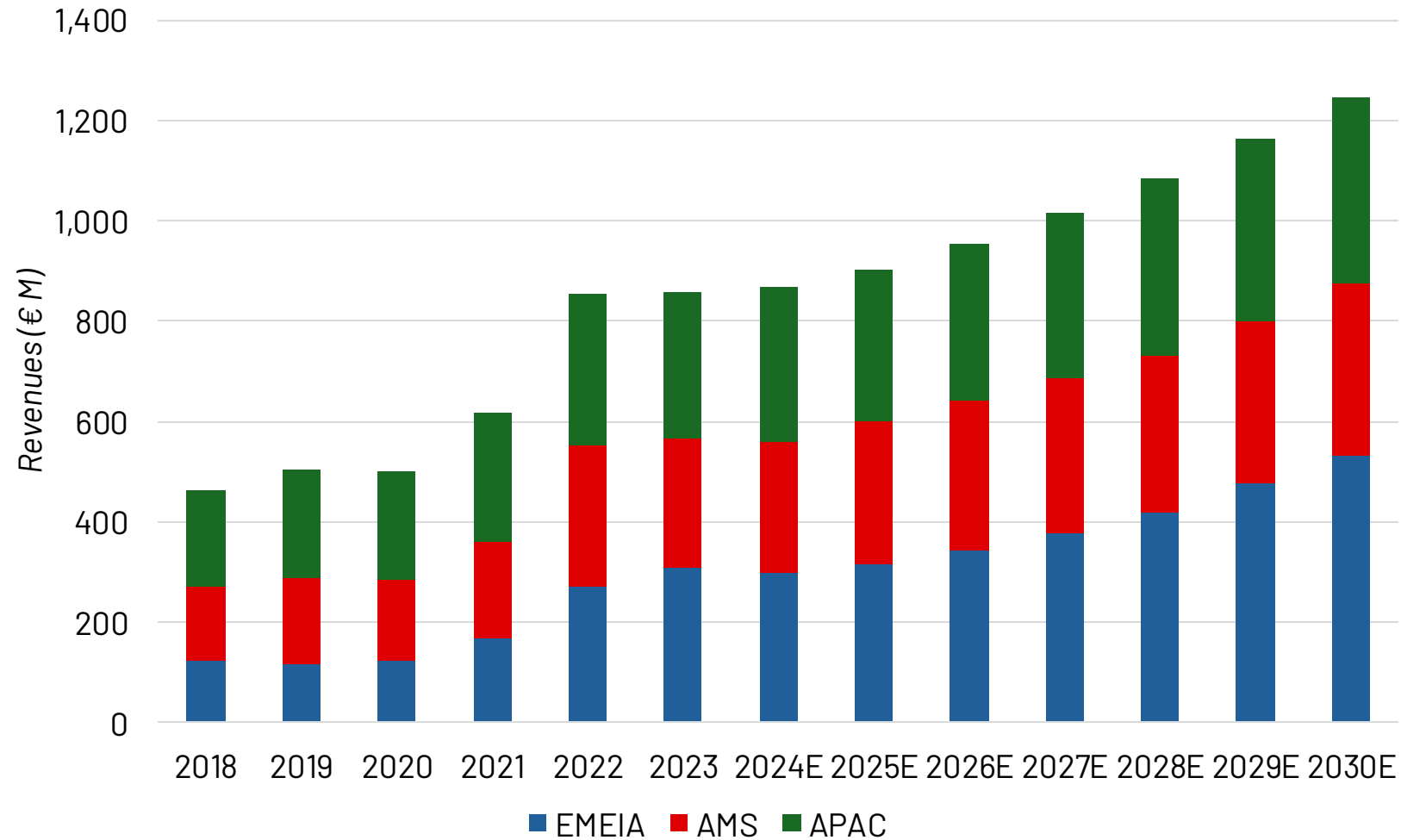
FOCUS ON ELECTROLYSIS TECHNOLOGIES

An in-depth look at the different solutions

<u>Technology</u>	AWE (Alkaline Water Electrolysis)	PEM (Proton Exchange Membrane)	SOEC (Solid Oxide Electrolyzer Cell)	AEM (Anion Exchange Membrane)
How	By using electricity	By using electricity	By using both electricity and heat , operating at 600-1000°C (others at 50-80°C)	By using electricity
Characteristics	Scalable, reliable and adaptable to various project sizes	Compact design but still too expensive	High efficiency, can use heat from industrial processes, requires less electricity	Lower costs compared to PEM
Current usage	Widely used, proven technology and projected to lead the market through 2030	Used in smaller-scale applications	Emerging technology , used in pilot projects for industrial applications	Emerging technology , mainly in research, not used yet

REVENUES BREAKDOWN BY GEOGRAPHY

Mapping the income sources for the future



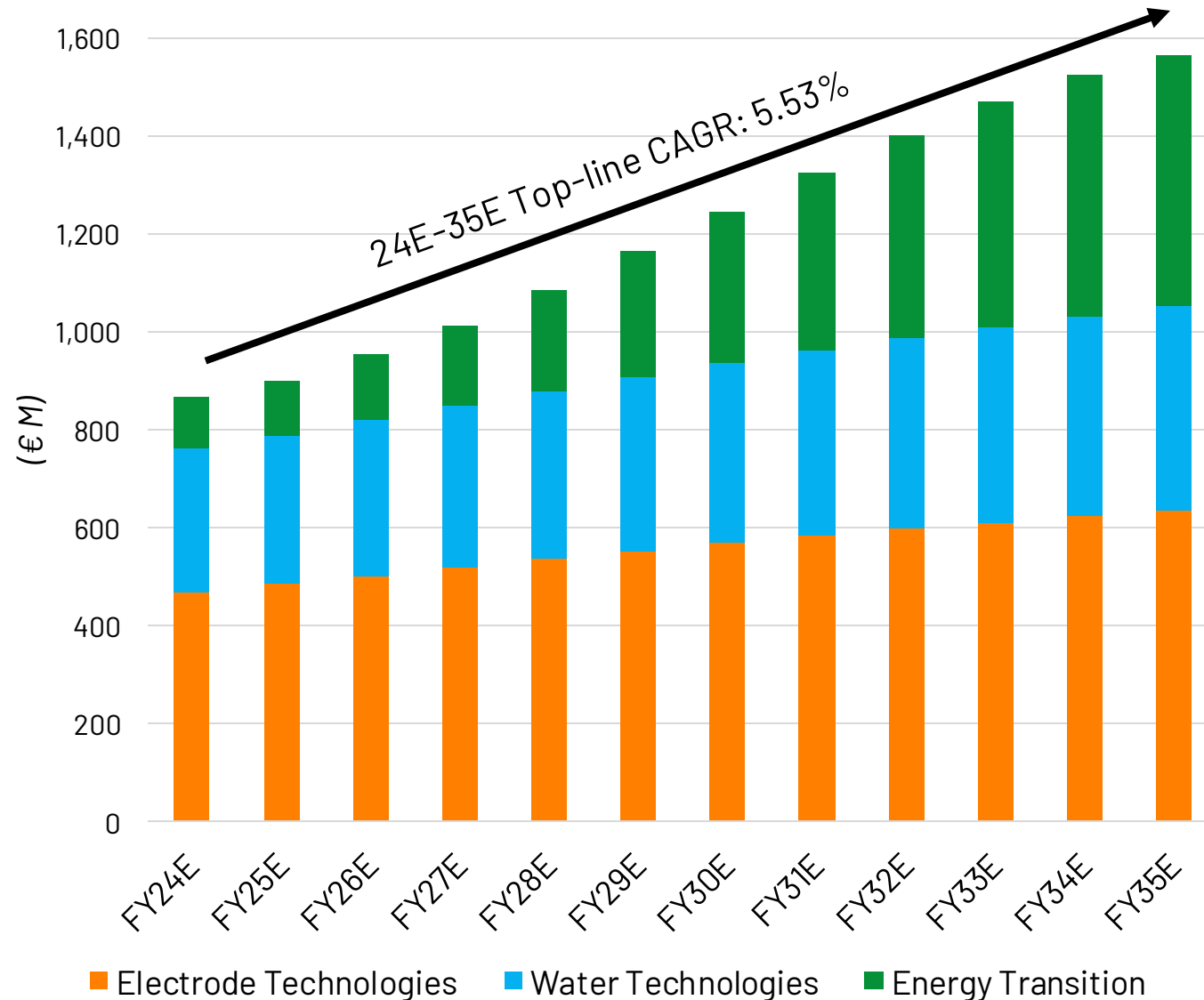
Until **2021**, the **largest share of Revenues** came from **APAC**, primarily driven by Electrode Technologies

In **2022**, sales in **EMEIA** increased by 65% YoY thanks to the joint venture with **thyssenkrupp nucera**

We forecast a **positive momentum** of Sales from **EMEIA**, with the **Gigafactory** reaching full capacity for electrodes and cells supply.

FUTURE REVENUES BY SEGMENTS

Recalibrating the segments' weights



	CAGR 24E-35E
 ET	2.81%
 WT	3.26%
 ETR	15.55%
 Top-line	5.53%

Highest contribution:
Electrode Technologies (ET)

Highest growth rate:
Energy Transition (ETR)

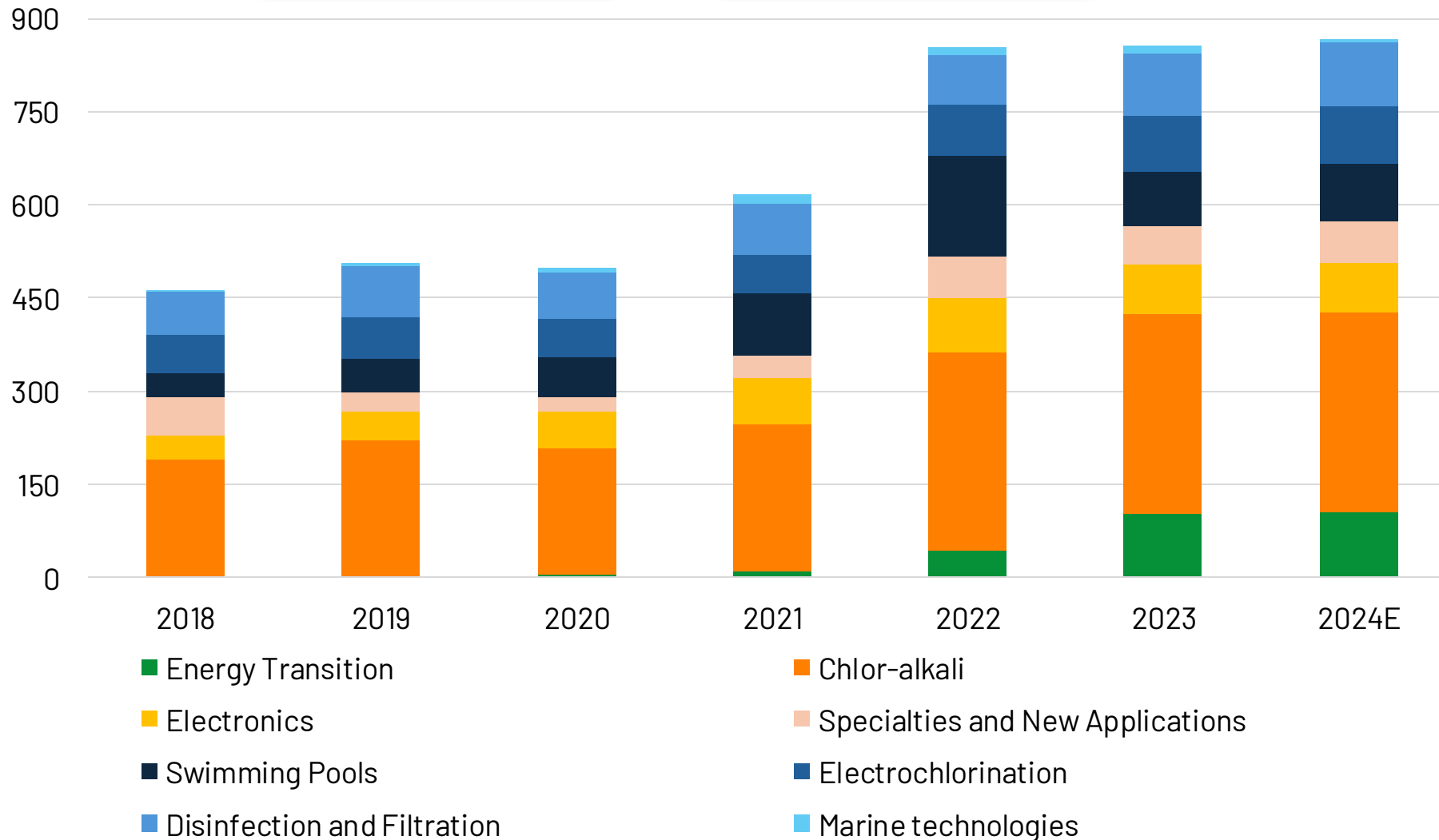
We foresee an **increasing impact** on the top-line growth of **Energy Transition**, yet **lower than the expected in 2022**.

REVENUES BY BUSINESS LINES

The Swimming Pools boost in 2022 and the ongoing Energy Transition expansion

2018-20 CAGR: 3.96%

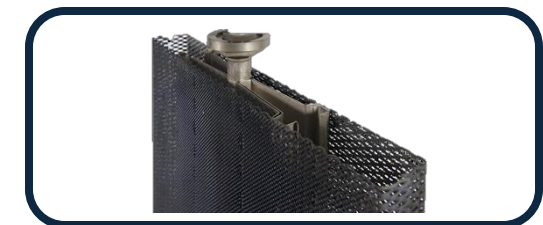
2020-23 CAGR: 19.69%



Highlights

In 2022 the Company experienced an outstanding **increase in Revenues** thanks to the **sale of DSA® Electrodes**

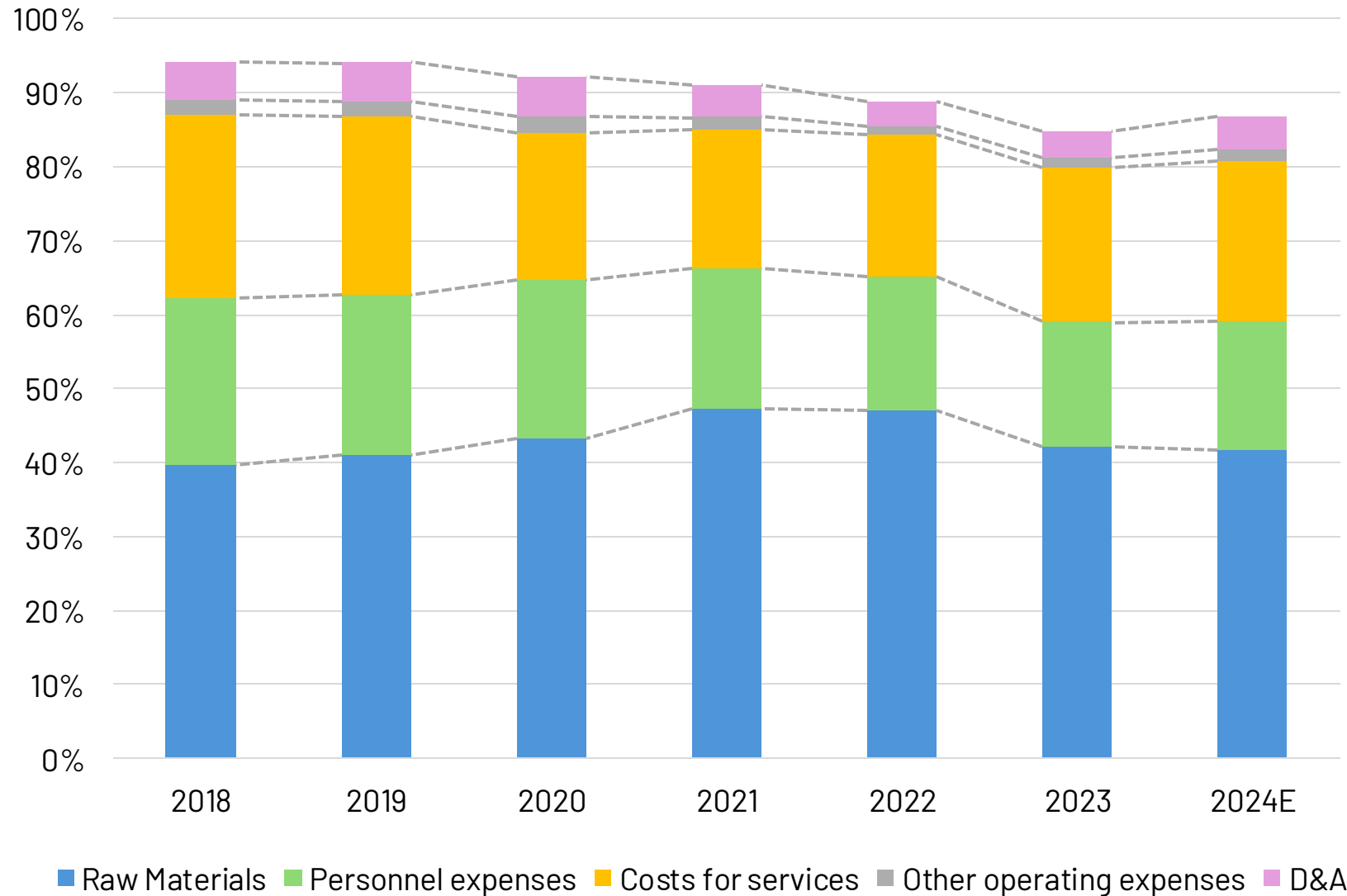
Swimming Pools experienced a remarkable +64.7% Revenues from FY21 to FY22



Source: Company data, team estimates

COST STRUCTURE ANALYSIS

Historical expenses as % of Sales

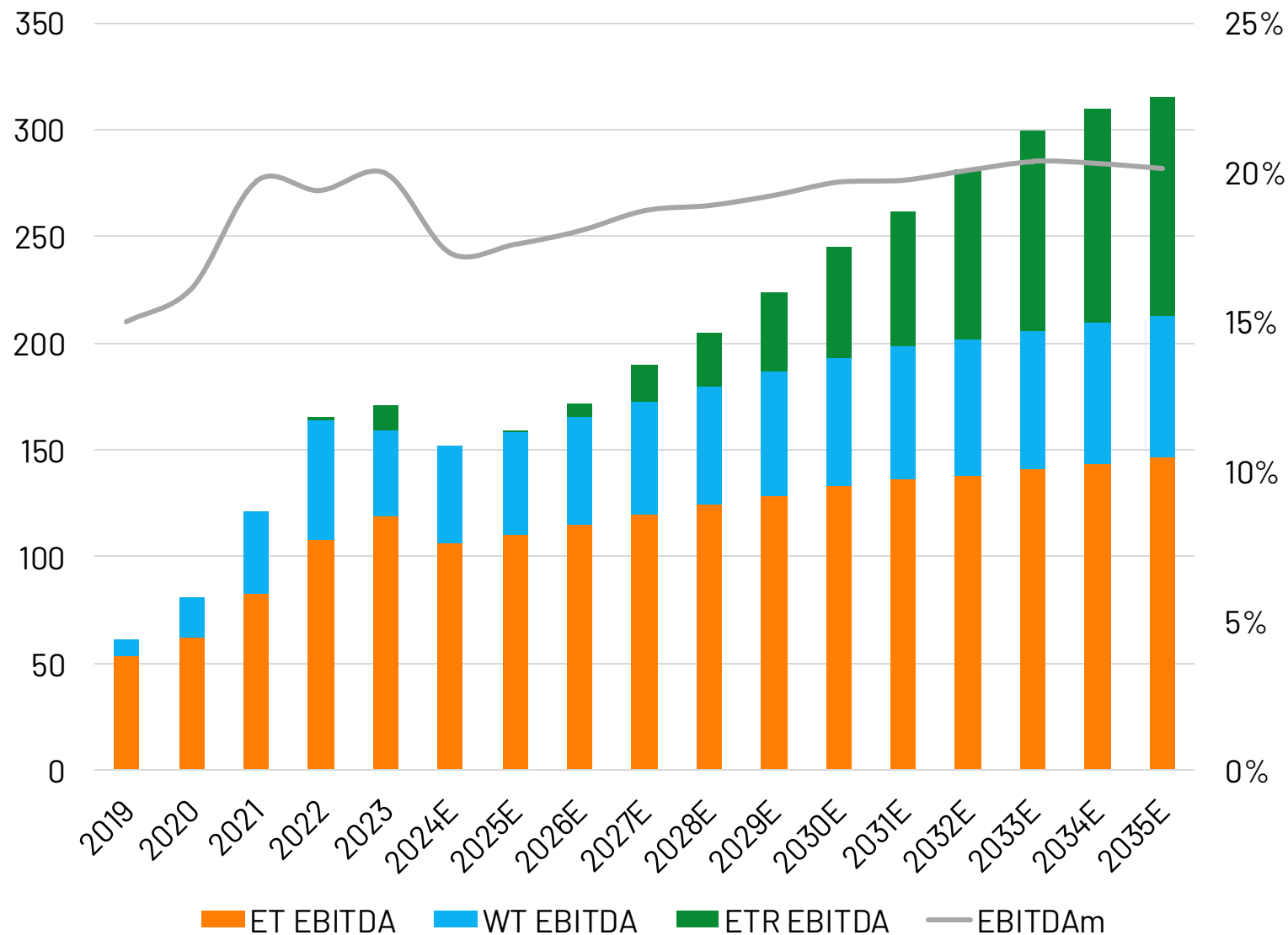


- In **2021 and 2022**, inflation caused a strong **increase in raw material costs** (36.31% CAGR in 2020-22).
- However, the **impact** of this increase **on profitability** has been completely **mitigated by the pass-through mechanism**, which has allowed the company to adjust sales prices to those of raw materials.
- As a result, **Raw materials** and **Personnel Expenses** maintained a **stable % of Sales** during the last few years.

Source: Company data, team estimates

EBITDA AND EBITDAm EVOLUTION

The impact of Green Hydrogen investments and the path to EBITDAm stabilization

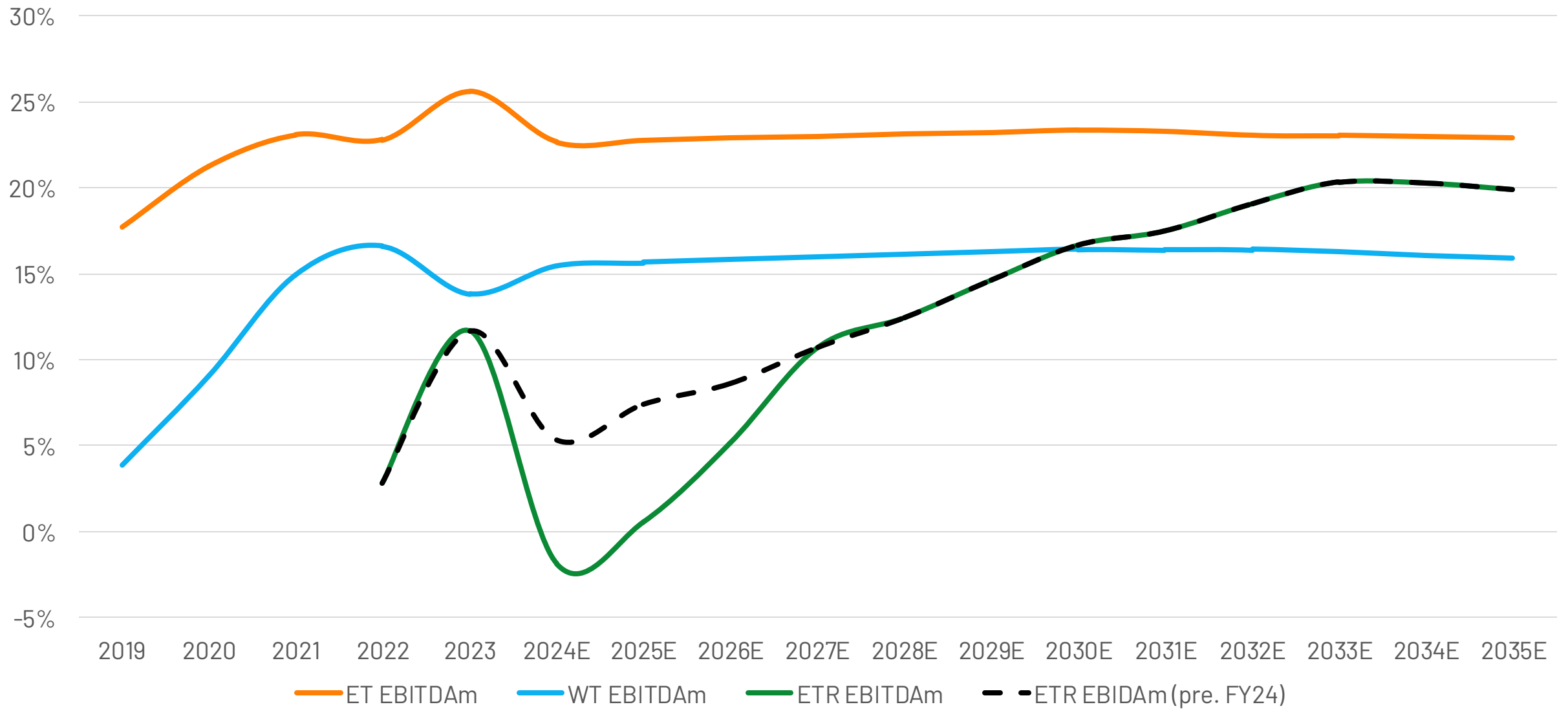


We expect a **decline in EBITDAm** in 2024E, primarily attributable to the **Energy Transition** segment's performance:

- 1** Costs related to the **development** of the **Italian Gigafactory**
- 2** The **early stage** of **production** capacity

We foresee a **gradual recovery**, with EBITDAm stabilizing around 20% driven by the increasing contribution to the top-line of the Energy Transition segment.

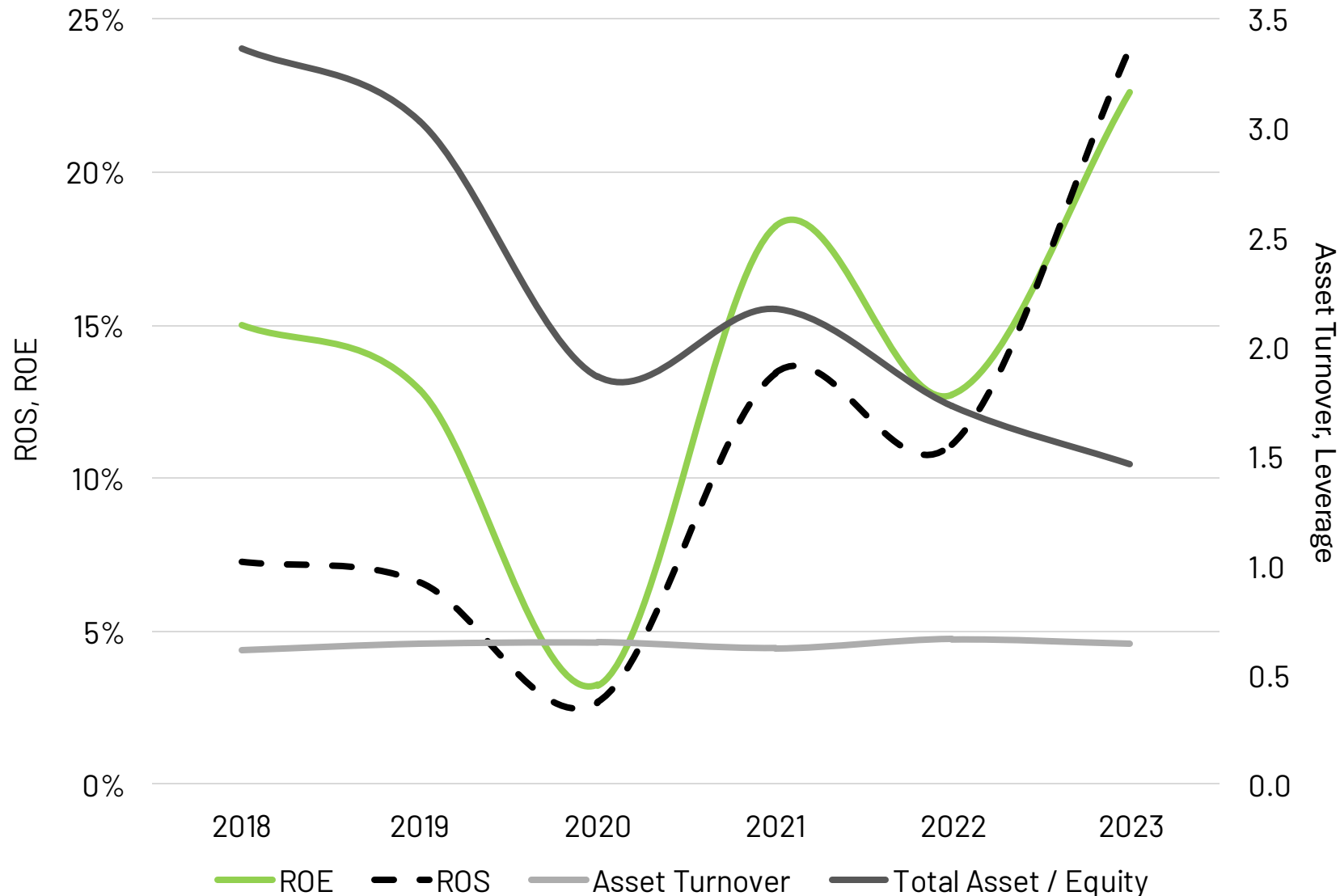
DISENTANGLING EBITDAm BY SEGMENT



Source: Company data, team estimates

PROFITABILITY INSIGHTS

The Dupont analysis

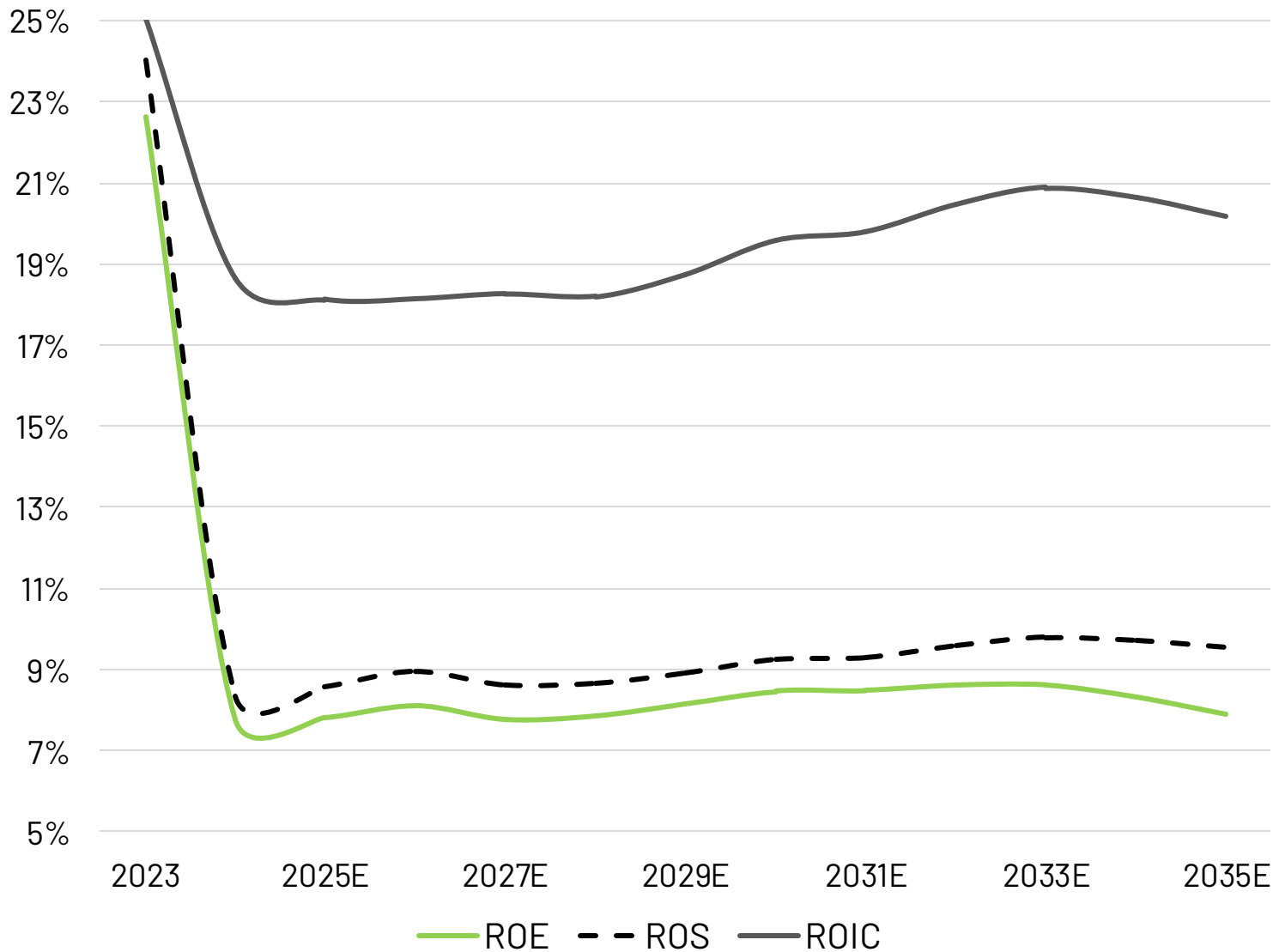


Source: Company data, team estimates

- The ratio **Total Assets/Equity halved in 2020** due to the cancellation and **conversion to Equity of a €140M Financial Liability** recorded against the Company's obligation to redeem Blackstone's class B shares.
- **ROE's peak in 2023** stems from the **sharp increase in ROS** due to the one-off **thyssenkrupp nucera IPO gains**.

PROFITABILITY INSIGHTS

The trajectory correction of ROE, ROS and ROIC

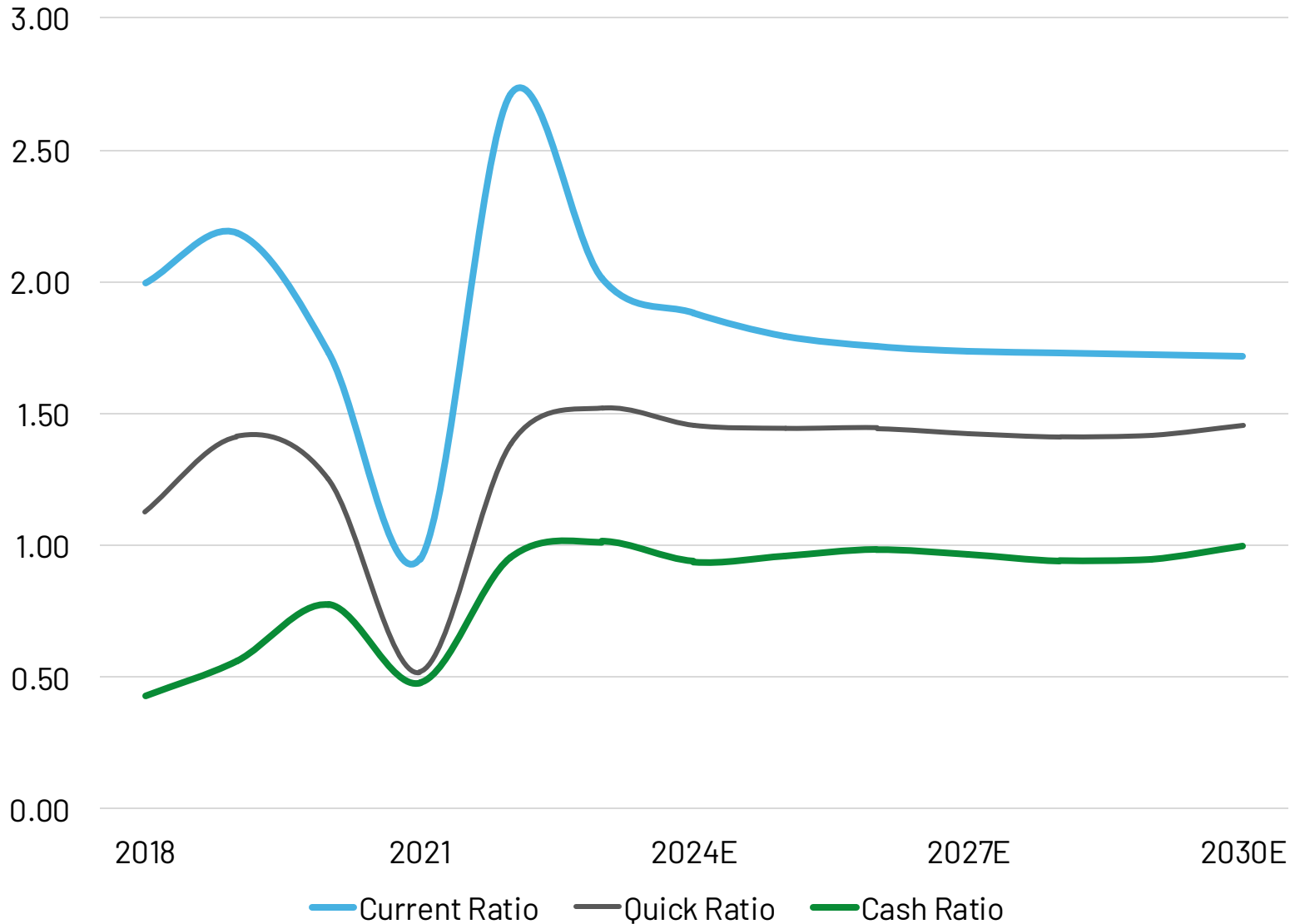


Source: Company data, team estimates

- According to our model, all **ratios are expected to decline sharply in 2024E** due to the inflated performance driven by the dilution gain and the exercise of the greenshoe option in 2023.
- However, ratios are expected to **slightly increase in following years years**, as the Gigacatory scales up its production

ASSESSING THE COMPANY'S LIQUIDITY

Current, Quick and Cash ratios

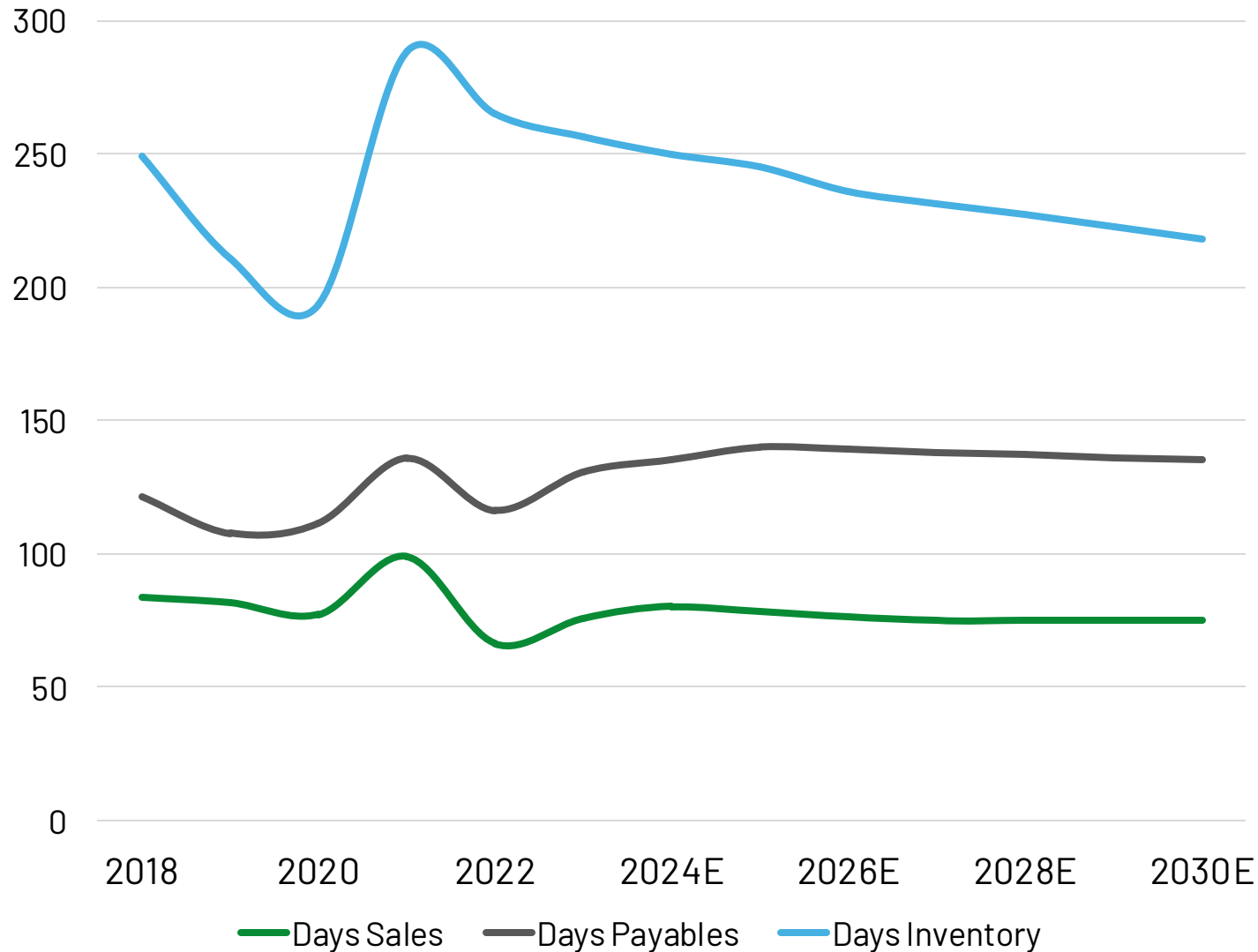


Source: Company data, team estimates

- The **huge drop** experienced by the Current and Quick ratios in 2021 is explained by the fact that over 90% of the **debt was due to mature in 2022**, thus becoming **Current Liabilities**.
- Subsequently, a **strong positive rebound** occurred in correspondence to the IPO, which led to an increase in cash in 2022.
- For the future, we expect the Company to maintain a **stable liquidity level**.

NET WORKING CAPITAL

Optimizing the NWC management

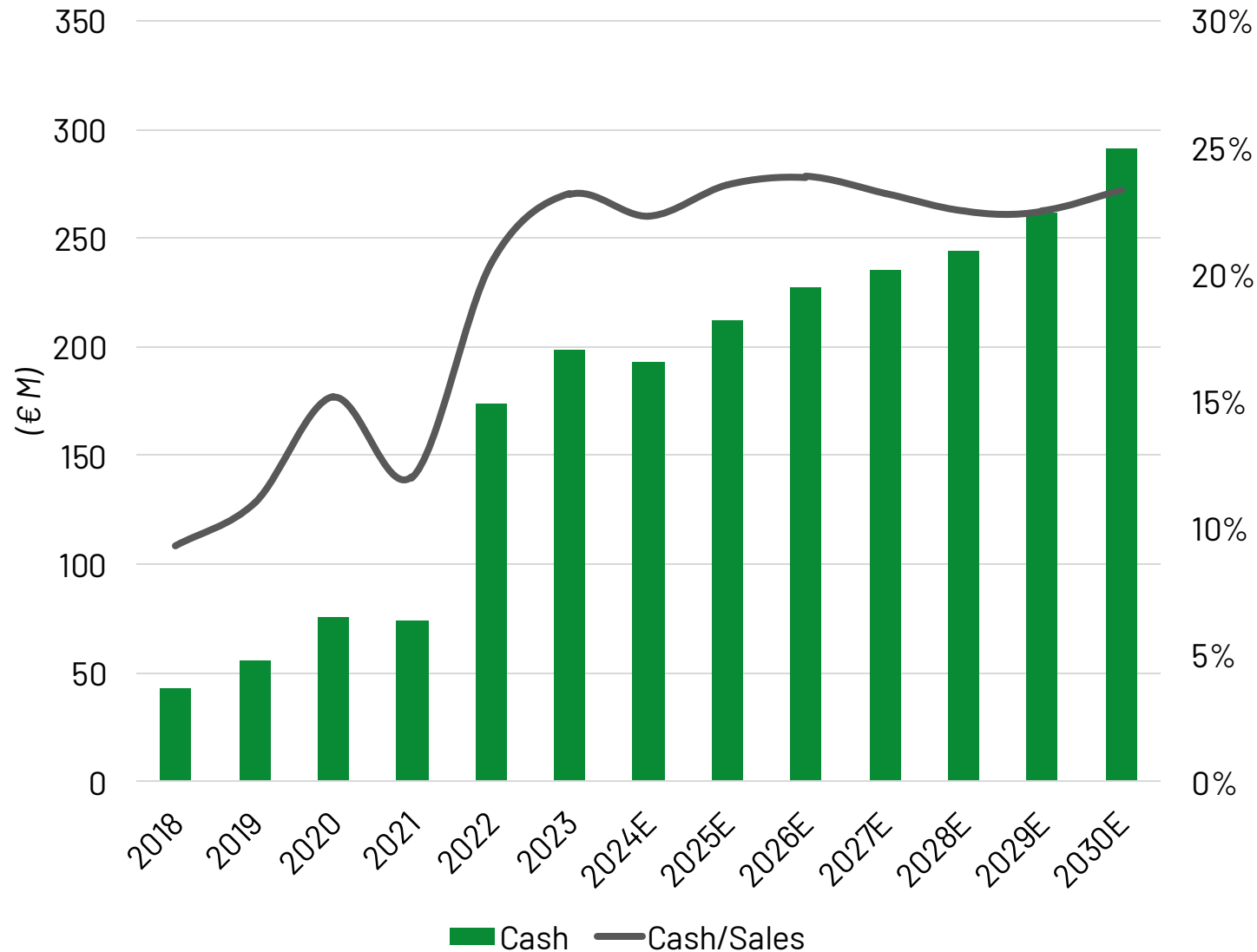


Source: Company data, team estimates

- In 2021 De Nora experienced a strong **increase in days inventory outstanding**.
- This has been due to an **inventory build-up**: De Nora purchased a massive amount of raw materials at inflated prices.
- By 2023 **inventory management improved** visibly and is expected to further improve in the next couple of years.

CASH DYNAMICS

A sustained cash accumulation



Source: Company data, team estimates

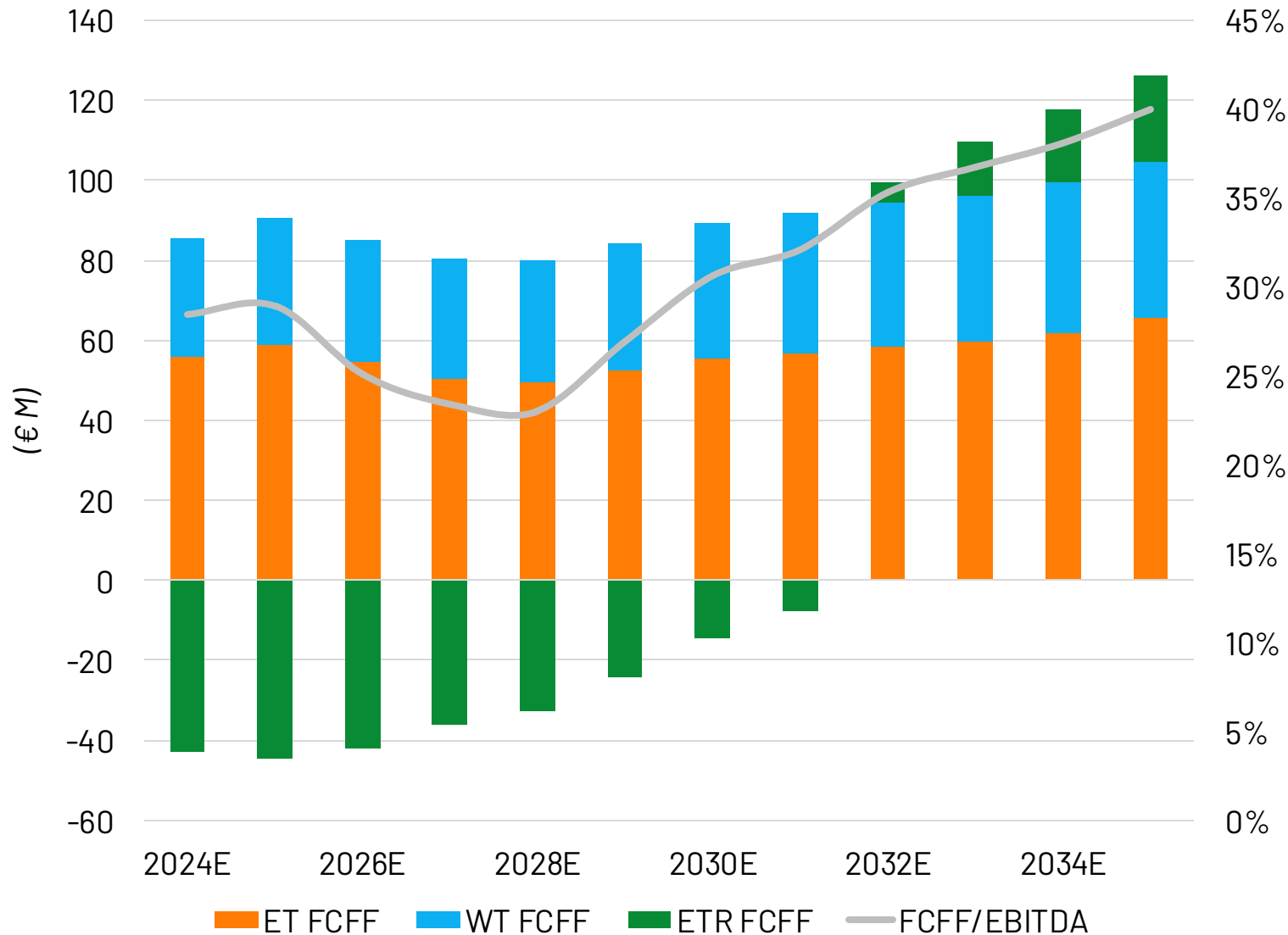
De Nora will experience a **stable cash generation from the traditional segments** in the coming years, slightly offset by the underperformance of the energy transition segment.

Such **cash accumulation** allows the Company to strategically allocate funds for:

- **Operating activities**
- **Dividend** payments
- Strategical **Acquisitions**

THE MAIN DRIVERS OF FCFF

Balancing Traditional Segments Strength with Energy Transition Investments



FCFF generation will be driven by:

Top-line fueled by high-margins in traditional segments: Electrode and Water Technologies

Tighter control on Working Capital, as the Company is still **reducing its Inventory** from the maximum level of 2021 (38% of Sales) and will keep a **lower amount** of products stock **for the future**

Initially offset by:

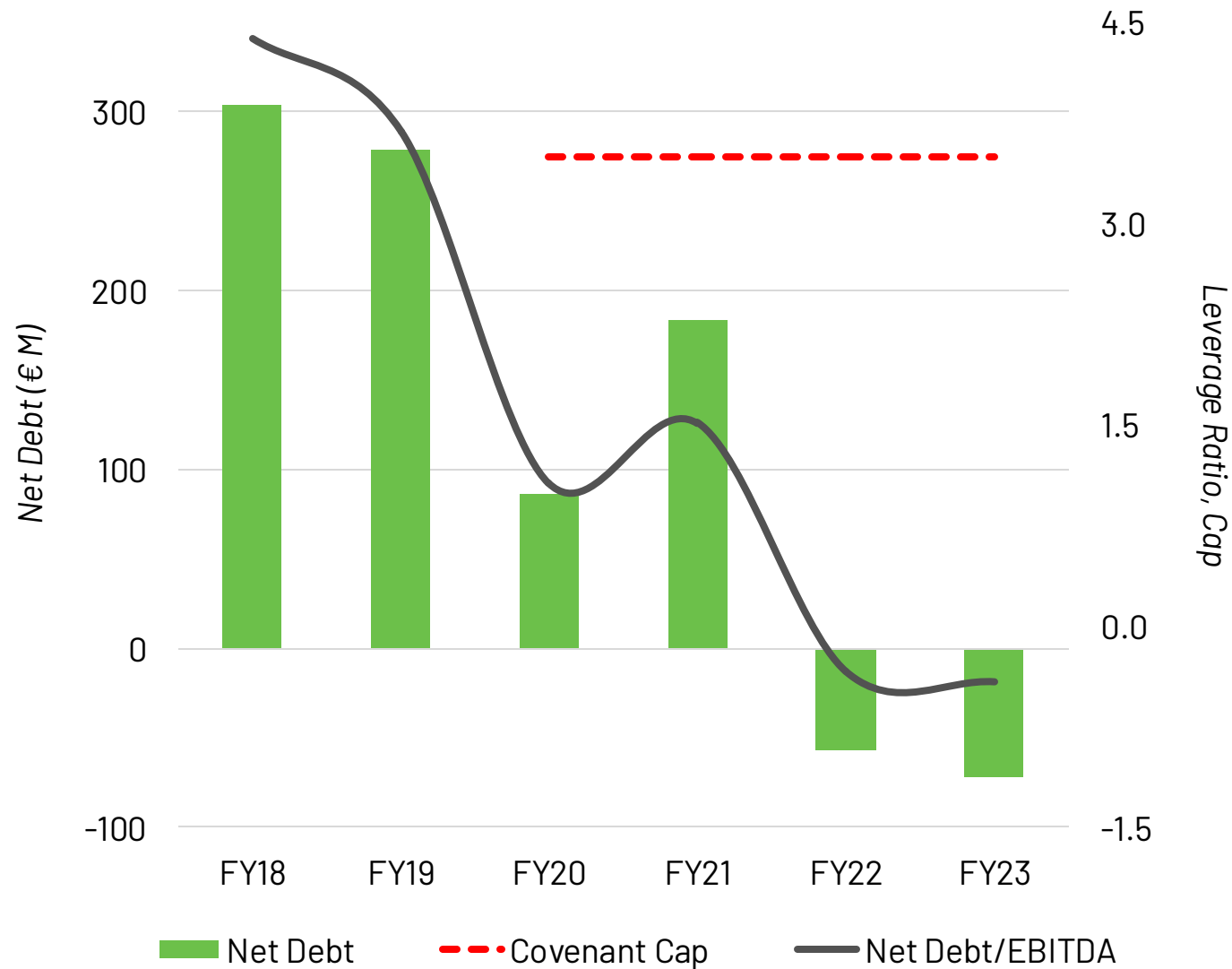
High CapEx in Energy Transition: Starting from the announced €290M investments in 2024-26 (50% of total CapEx)

Slower-than-anticipated Green Hydrogen growth

Source: team estimates

NET DEBT

From Deleveraging to Financial Flexibility



Source: Company data, team estimates

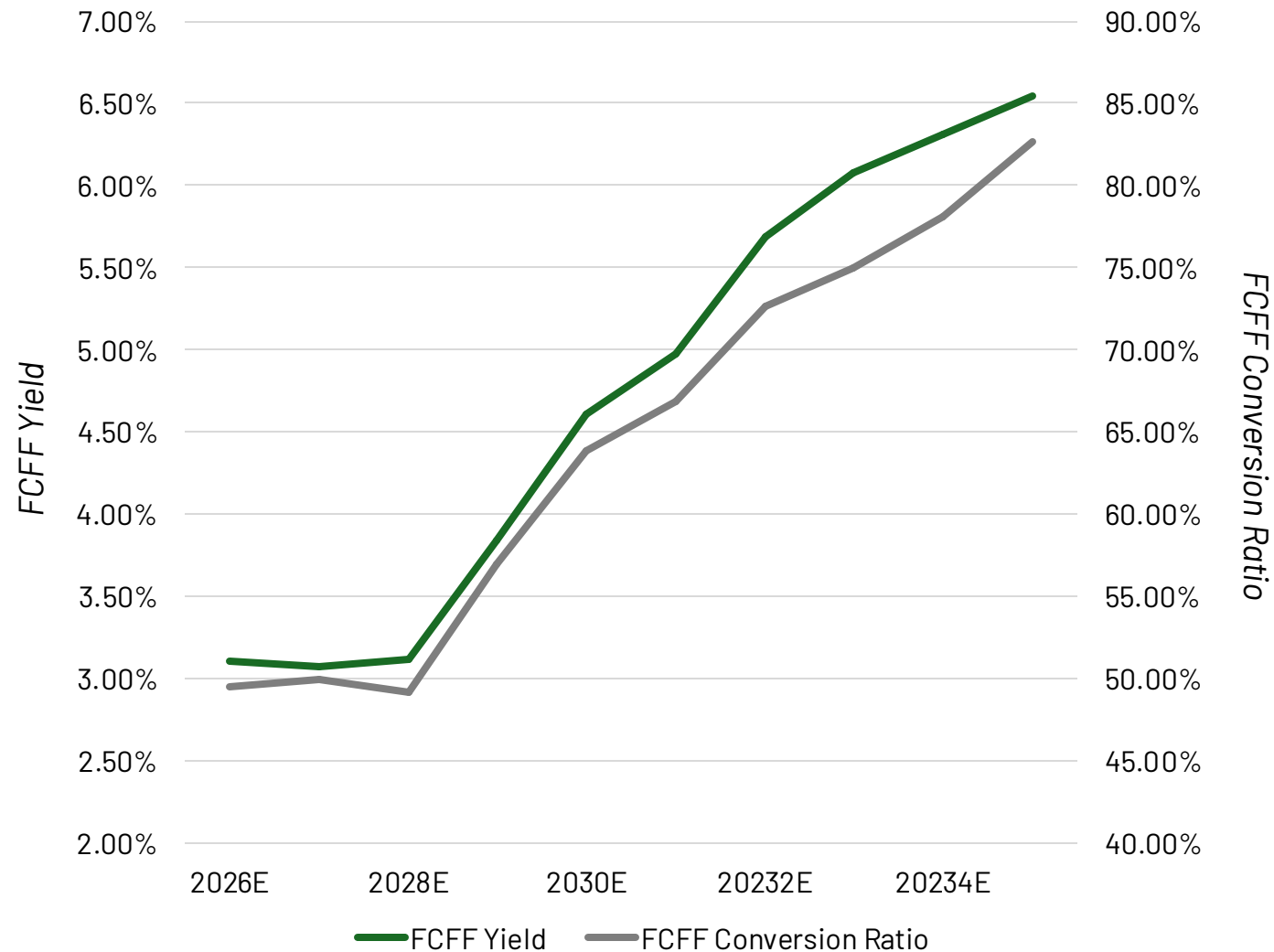
De Nora has significantly **reduced leverage**, with Net Debt/EBITDA improving from 4.38x in 2018 to -0.42x in FY23, and the D/E ratio dropping from 160% to 16% thanks to:

- **Conversion of a €140M financial liability into equity**, further strengthening its capital base.
- **Strategic debt refinancing** in 2022, replacing existing loans with €180M + \$90M credit lines capped by a leverage ratio

$$\frac{\text{Consolidated Net Debt}}{\text{Consolidated EBITDA}}$$

By 2024, De Nora **maintains strong financial flexibility**, standing far away from the 3.5X covenant cap thanks to a capital structure **primarily equity-based and less reliant on debt**.

FCFF YIELD & CONVERSION RATIO TRENDS

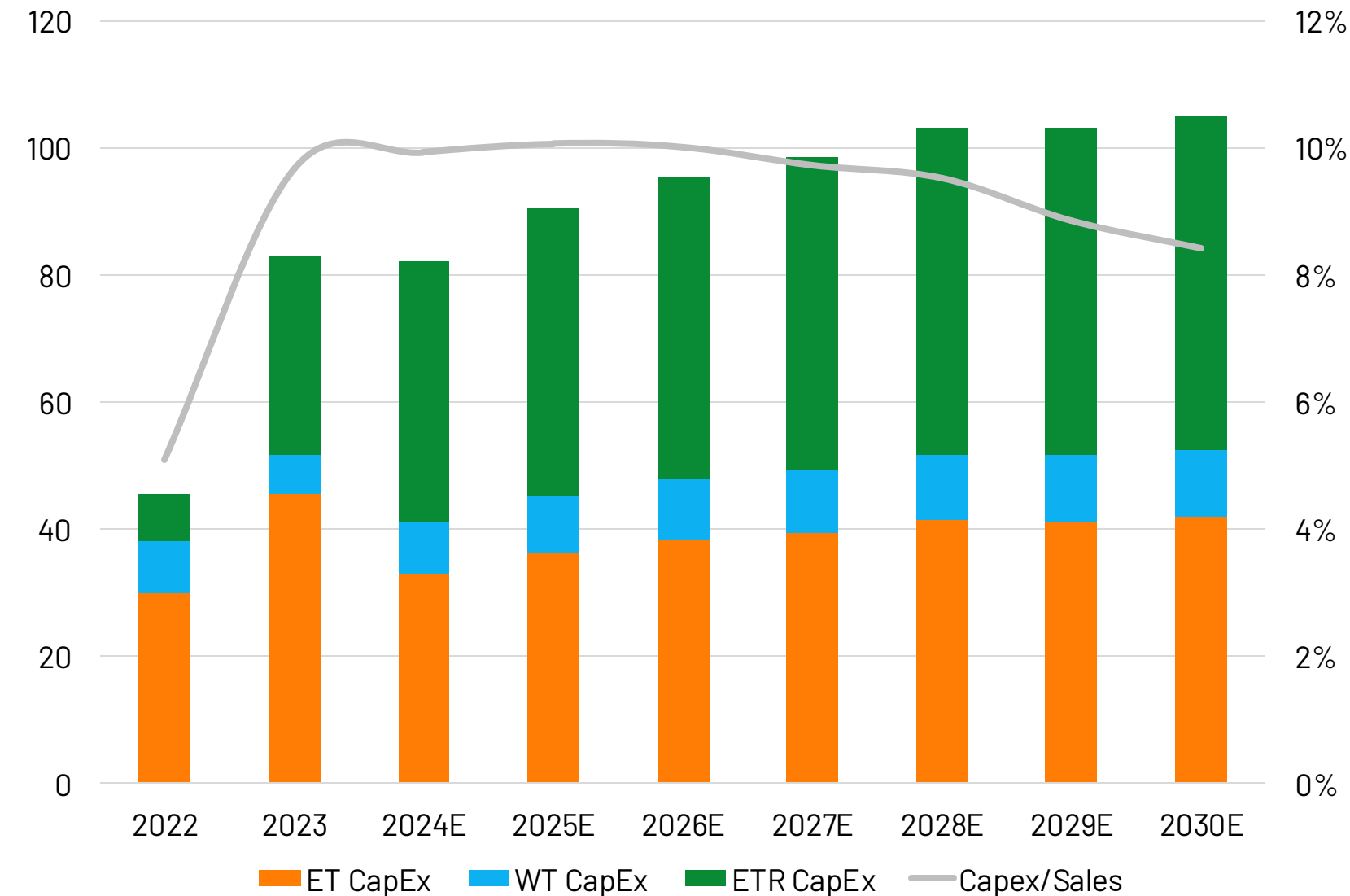


Source: team estimates

- There will be a steady **increase in FCFF Yield**, indicating improved financial efficiency and greater free cash flow generation relative to the company's value.
- Simultaneously, the **FCFF Conversion Ratio shows significant growth**, reflecting the company's enhanced ability to convert net profits into free cash flows.

CAPEX AND CAPEX/SALES EVOLUTION

Unfolding Energy Transition Investments



Source: team estimates

PAST EVOLUTION

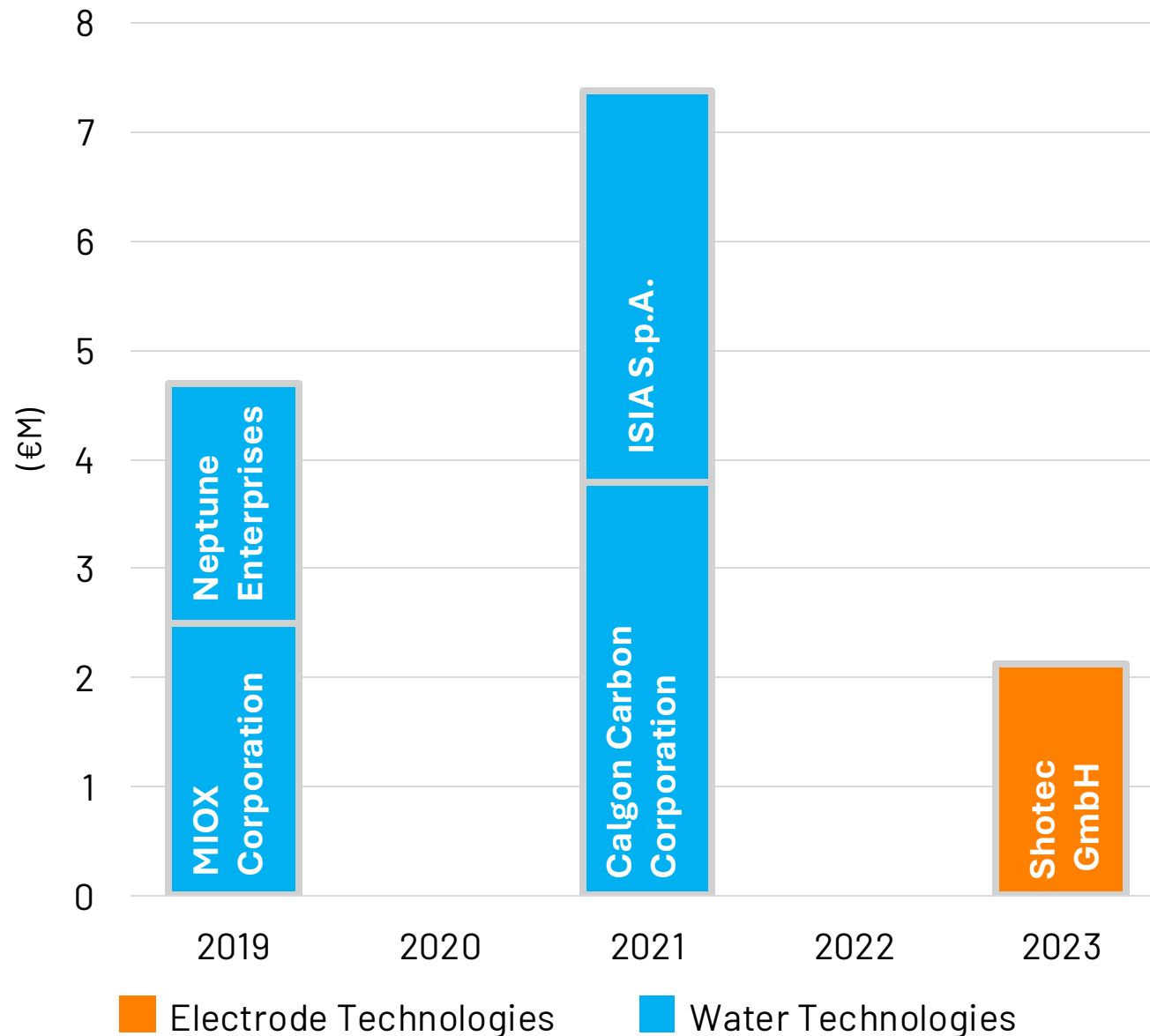
From 2022 to 2023, the **CapEx/Sales ratio nearly doubled**, driven by investments in plant and machinery for technological renewal and **capacity expansion** (including the key **Gigafactory** project)

FUTURE EVOLUTION

We expect the ratio to **remain stable at 10% in 2024E-26E**, supported by **€290M CapEx in planned investments** for the Gigafactory and global expansion. After this period, **CapEx intensity will gradually decline**.

HISTORICAL M&A EXPENDITURE

Small-Scale Acquisitions Enhancing the Product Portfolio



Source: team estimates

- **Small-Scale M&A:** Over the last 5 years, De Nora has focused on M&A activities valued around **€14M**, targeting the acquisition of new products or technical know-how
- **Strategic Bolt-Ons:** These acquisitions, **modest in size**, are designed to strengthen the company's **product portfolio** and enhance capabilities in key segments

De Nora vs INDUSTRY GROWTH



CAGR	24E-26E	27E-30E	31E-35E
Electrode Technologies	3.36%	3.00%	2.18%
<i>Chlor-alkali</i>	2.79%	2.38%	2.07%
<i>Electronics</i>	4.25%	4.63%	2.38%
<i>Specialties</i>	5.44%	4.30%	2.50%
Water Technologies	4.11%	3.62%	2.42%
<i>Swimming Pools</i>	6.12%	4.01%	2.50%
<i>Electrochlorination</i>	4.72%	3.55%	2.31%
<i>Disinfection and Filtration</i>	4.04%	3.30%	2.44%
Energy Transition	13.61%	23.61%	9.00%
Total De Nora	4.94%	7.14%	4.26%

Global Electrochemical Market



CAGR	24E-26E	27E-30E	31E-35E
Electrode Technologies	3.36%	3.00%	2.18%
<i>Chlor-alkali</i>	2.79%	2.38%	2.07%
<i>Electronics</i>	4.25%	4.63%	2.38%
<i>Specialties</i>	5.44%	4.30%	2.50%
Water Technologies	6.97%	5.24%	3.40%
<i>Swimming Pools</i>	6.12%	4.01%	2.50%
<i>Electrochlorination</i>	4.72%	3.55%	2.31%
<i>Disinfection and Filtration</i>	7.04%	5.30%	3.44%
Energy Transition	35.89%	52.08%	13.69%
Total Industry	9.37%	16.01%	8.28%

BALANCE SHEET

	€M	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2035E
Tangible assets		138	161	154	168	184	254	295	334	373	410	447	480	512	649
Intangible assets		74	72	69	70	65	51	55	62	69	76	83	89	95	115
Goodwill		63	67	62	63	67	65	64	64	64	64	64	64	64	64
Equity investments		135	126	112	122	123	232	241	251	266	282	302	324	347	436
Other non-current assets		35	44	46	45	30	30	33	35	37	39	41	44	47	59
Total non-current assets		444	469	443	467	468	632	688	745	808	871	937	1,002	1,065	1,323
Inventories		127	121	116	233	295	257	250	253	256	266	279	293	307	369
Trade and other receivables		107	114	107	169	156	180	193	195	201	211	226	243	260	326
Other current assets		32	27	29	43	193	64	57	59	63	67	71	77	82	103
Cash & cash equivalents		43	56	76	74	174	198	193	212	228	235	244	262	291	565
Total current assets		309	318	327	519	819	700	693	720	748	779	820	874	940	1,364
Total Assets		753	787	770	987	1,288	1,332	1,381	1,465	1,556	1,651	1,757	1,876	2,006	2,686
Total Equity		224	259	413	454	745	910	932	991	1,057	1,122	1,194	1,274	1,363	1,893
Non-current financial Liabilities		340	345	155	4	268	134	144	150	159	169	180	194	207	260
Other non-current Liabilities		56	63	57	60	37	39	39	41	44	46	50	53	57	72
Total non-current Liabilities		396	407	212	64	305	173	183	191	202	215	230	247	264	332
Trade and other payables		100	98	97	154	182	196	206	221	232	244	258	276	293	354
Financial liabilities		17	1	17	259	14	10	16	17	17	19	20	21	23	29
Other current Liabilities		16	21	31	56	42	43	44	45	48	51	55	59	63	79
Total current Liabilities		133	120	145	469	238	249	266	283	297	313	333	356	378	461
Total Equity & Liabilites		753	787	770	987	1,288	1,332	1,381	1,465	1,556	1,651	1,757	1,876	2,006	2,686

Source: Company data, team estimates

INCOME STATEMENT

	€M	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2035E
Electrode Technologies		291	299	290	358	473	464	469	485	502	519	536	553	568	636
Water Technologies		171	206	205	248	337	290	293	303	317	330	343	355	367	417
Energy Transition		-	-	4	9	43	102	105	114	135	165	205	257	311	514
Total Revenues		462	505	499	616	853	856	867	902	954	1,014	1,084	1,165	1,247	1,567
Raw Materials		(183)	(208)	(216)	(291)	(402)	(361)	(361)	(371)	(391)	(414)	(442)	(474)	(507)	(634)
Personnel expenses		(104)	(109)	(107)	(117)	(155)	(144)	(151)	(159)	(167)	(173)	(182)	(191)	(198)	(248)
Cost for services		(114)	(122)	(99)	(116)	(162)	(179)	(189)	(197)	(209)	(222)	(238)	(255)	(274)	(346)
Other operating (cost)/income		9	9	3	29	31	(1)	(16)	(16)	(16)	(16)	(18)	(20)	(23)	(25)
EBITDA		70	76	81	121	165	171	150	159	172	190	205	224	245	315
EBITDAm		15.1%	15.0%	16.1%	19.7%	19.4%	20.0%	17.3%	17.6%	18.0%	18.7%	18.9%	19.2%	19.7%	20.1%
D&A and other adjustments		(23)	(28)	(25)	(34)	(39)	(34)	(40)	(46)	(51)	(58)	(64)	(68)	(73)	(92)
EBIT		47	48	56	88	126	137	109	113	121	132	141	156	172	223
EBITm		10.2%	9.5%	11.1%	14.2%	14.8%	16.0%	12.6%	12.5%	12.7%	13.0%	13.0%	13.4%	13.8%	14.2%
Finance income		1	9	7	11	2	143	16	19	22	19	21	22	24	30
Finance expenses		(11)	(16)	(19)	(5)	(7)	(15)	(26)	(25)	(25)	(30)	(32)	(35)	(37)	(47)
Profit before tax		37	41	44	94	120	265	100	107	118	120	129	143	159	206
Income taxes		(11)	(12)	(11)	(27)	(31)	(34)	(26)	(28)	(31)	(31)	(34)	(37)	(41)	(54)
Net Income		26	29	33	66	90	231	74	79	87	89	96	106	118	153

Source: Company data, team estimates

TEAM ESTIMATES VS CONSENSUS

Our prudent approach is quite in line with consensus

As of 19/02/2025

		FY24E	FY25E	FY26E
Revenues	Team Est.	867	902	954
	Consensus	867	906	952
EBITDAm (reported)	Team Est.	17.3%	17.6%	18.0%
	Consensus	17.6%	17.9%	18.3%

For the near future we expect a **decrease in margins due to the Energy Transition performance with a gradual comeback to pre-FY24E.**

Our model anticipates Revenues to be broadly **in line with consensus** driven by growth opportunities despite a **challenging environment in certain business lines.**

Margins are expected to be slightly below consensus going forward, reflecting our **cautious view on raw material cost management.**

TWO DISCOUNTED CASH FLOW MODELS

3 Stages to Value the Company: A Sum of the Parts (SOTP) Approach

Electrode Technologies
Water Technologies

+

Energy Transition

€6.81

€0.19

STAGE 1

STAGE 2

STAGE 3

FY26E - FY30E

FY31E - FY35E

FY35E

CAGR 3.4%

CAGR 2.4%

LTG 2%

STAGE 1

STAGE 2

STAGE 3

FY26E - FY30E

FY31E - FY35E

> FY35E

CAGR 23.2%

CAGR 10.5%

LTG 3%

SUM OF THE PARTS (SOTP): TWO DCFS TO VALUE DE NORA

Reasons Behind Our Choice

DESCRIPTION:

We build a 3 stages **Sum-of-the-parts DCF model** to separately value the traditional segments (Electrode/Water Technologies) from Energy Transition, employing **two distinct time-varying WACC estimates**.

1 { **Electrode Technologies**

Water technologies

+

2 { **Energy Transition**

= **DE NORA**

WHY WE USE SOTP:

A Detailed Disclosure: The Company **provides** specific information about the marginality and profitability of each segment.

B Disentangling ETR: We choose to **separately analyze the Energy Transition segment** due its different business characteristics and degree of risk with respect to the traditional segments.

DISCOUNTED CASH FLOW METHOD

3 Stages to value the Company's Traditional Segments

Stage 1

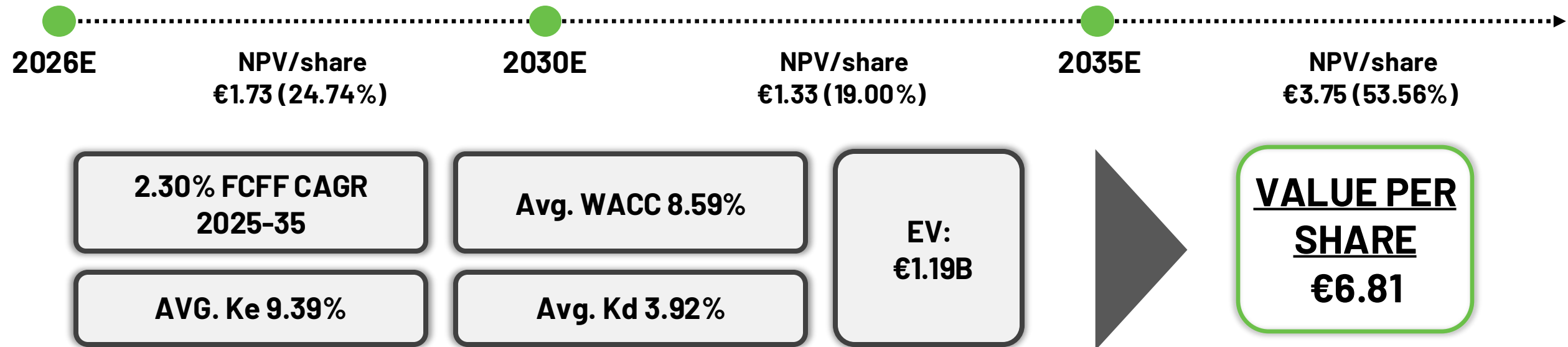
- Recovery in semiconductor demand fuels modest **Electrode Technologies** growth
- Moderate expansion in **Water Technologies**
- **Sales CAGR: 3.4%**

Stage 2

- Slower growth as market drivers slow down in **Electrode Technologies**
- Continued tapering due to competition and saturation in **Water Technologies**
- **Sales CAGR: 2.4%**

Stage 3 (Perpetuity)

- **Terminal growth of 2%** for **Electrode Technologies** and **Water Technologies** reflecting stable renewal cycles



DISCOUNTED CASH FLOW METHOD

3 Stages to value the Energy Transition Segment

Stage 1

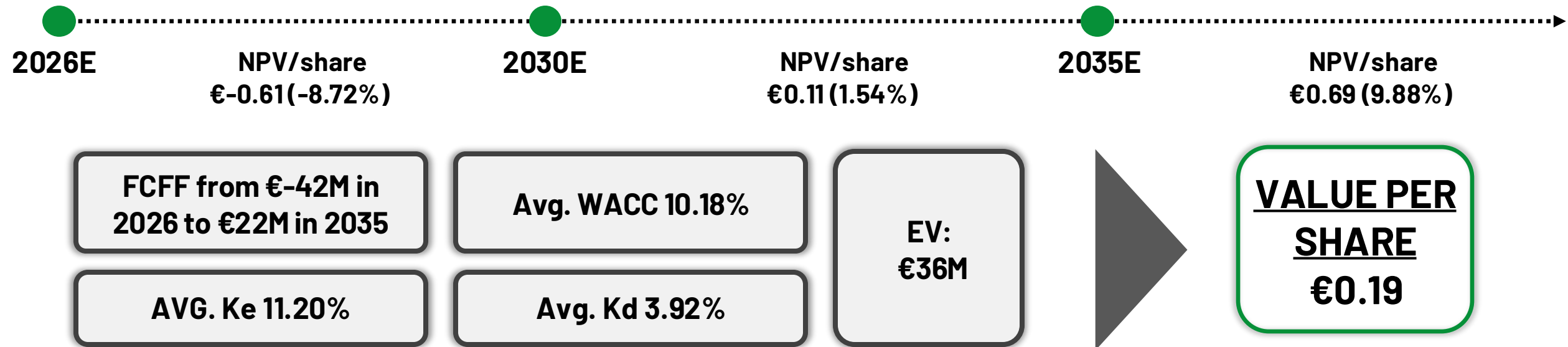
- **Energy Transition** is set to enter its most dynamic phase, fueled by the Gigafactory at full capacity and enhanced support for green hydrogen.
- **Sales CAGR: 23.19%**

Stage 2

- As competition in the green hydrogen market intensifies, **Energy Transition** faces a complex landscape, with De Nora navigating new technologies and evolving regulations
- **Sales CAGR: 10.52%**

Stage 3 (Perpetuity)

- **Terminal growth of 3%** for **Energy Transition** capturing long-term green hydrogen potential



DISENTANGLING OUR DCFs: TRADITIONAL SEGMENTS

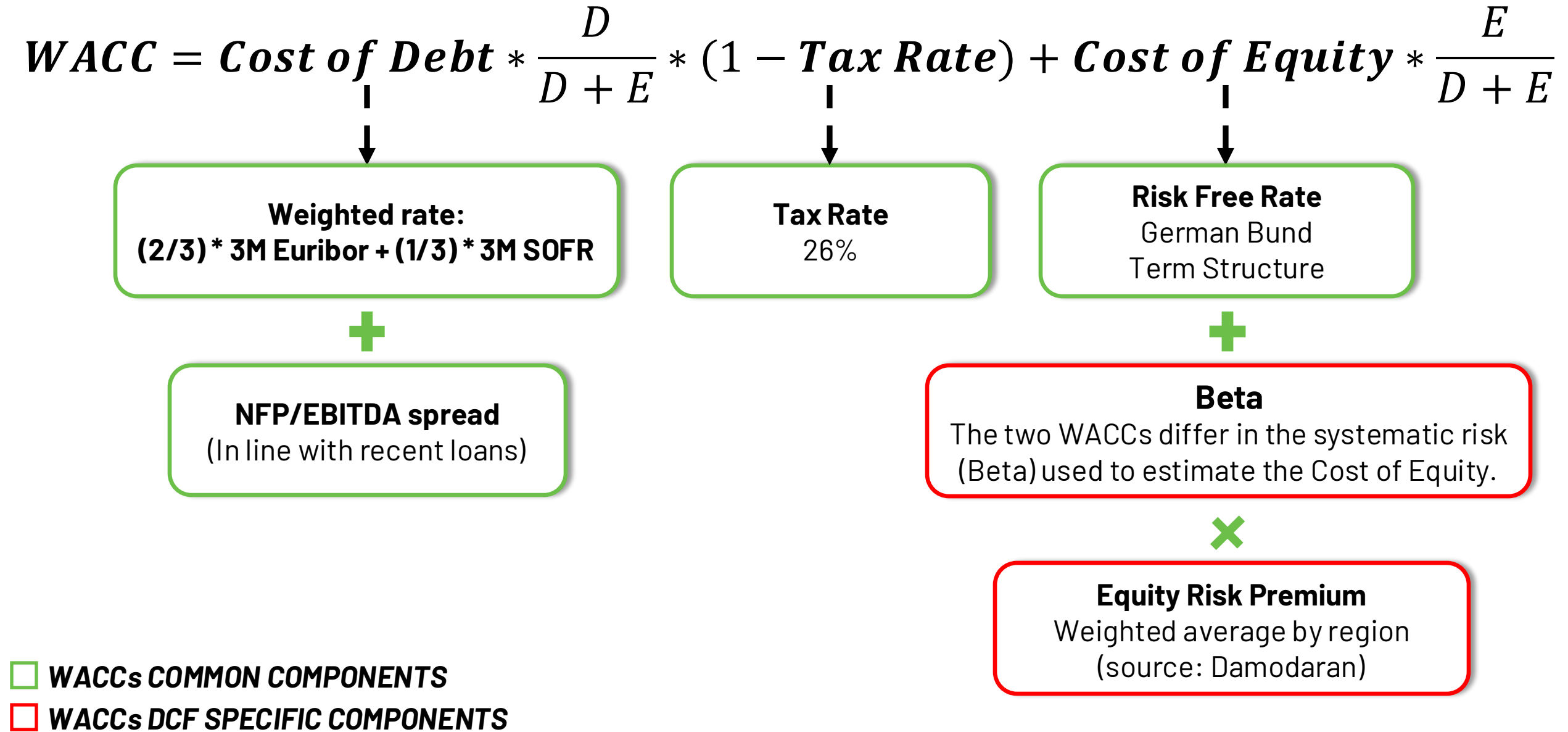
ET - WT	€M	2026E	2027E	2028E	2029E	2030E	2035E
Revenues		819	849	879	908	936	1,053
Operating Costs		703	730	756	779	800	902
EBIT		116	119	124	129	136	151
Taxes		30	31	32	34	35	39
NOPAT		86	88	92	96	101	112
D&A		47	49	52	53	53	58
Change in the WC		(1)	(8)	(12)	(13)	(12)	(8)
CapEx		(48)	(49)	(52)	(52)	(53)	(56)
Standard FCFO		85	80	80	84	89	105
Acquisitions		-	-	-	-	-	-
Standard FCFF		85	80	80	84	89	105
Present Value		79	68	62	61	59	46
Traditional Segments Value per share	€6.81						Terminal Value €3.75 (53.56%)

DISENTANGLING OUR DCFs: ENERGY TRANSITION

ETR	€M	2026E	2027E	2028E	2029E	2030E	2035E
Revenues		135	165	205	257	311	514
Operating Costs		130	153	187	231	275	441
EBIT		5	12	18	26	37	72
Taxes		1	3	5	7	10	19
NOPAT		4	9	13	19	27	54
D&A		2	5	7	11	14	28
Change in the WC		(0)	(1)	(3)	(4)	(4)	(4)
CapEx		(48)	(49)	(52)	(52)	(53)	(56)
Standard FCFO		(42)	(36)	(34)	(25)	(15)	22
Acquisitions		-	-	-	-	-	-
Standard FCFF		(42)	(36)	(34)	(25)	(15)	22
Present Value		(38)	(30)	(25)	(16)	(9)	8
Energy Transition Value per share	€0.19						Terminal Value €0.69 (9.88%)

WEIGHTED AVERAGE COST OF CAPITAL (WACC)

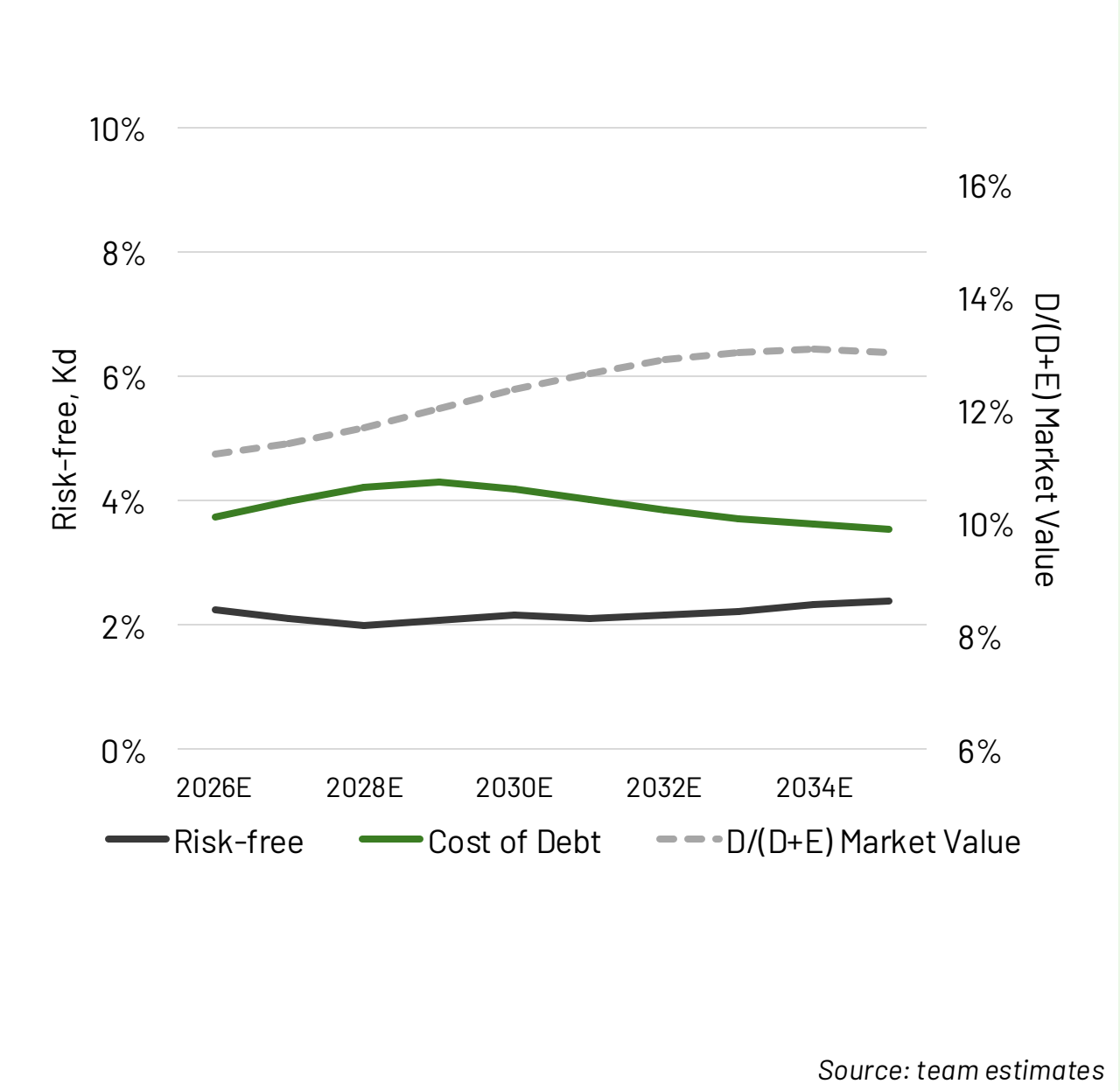
Each DCF employs its own dynamic WACC



TWO DYNAMIC WACCs

Common Components

Index

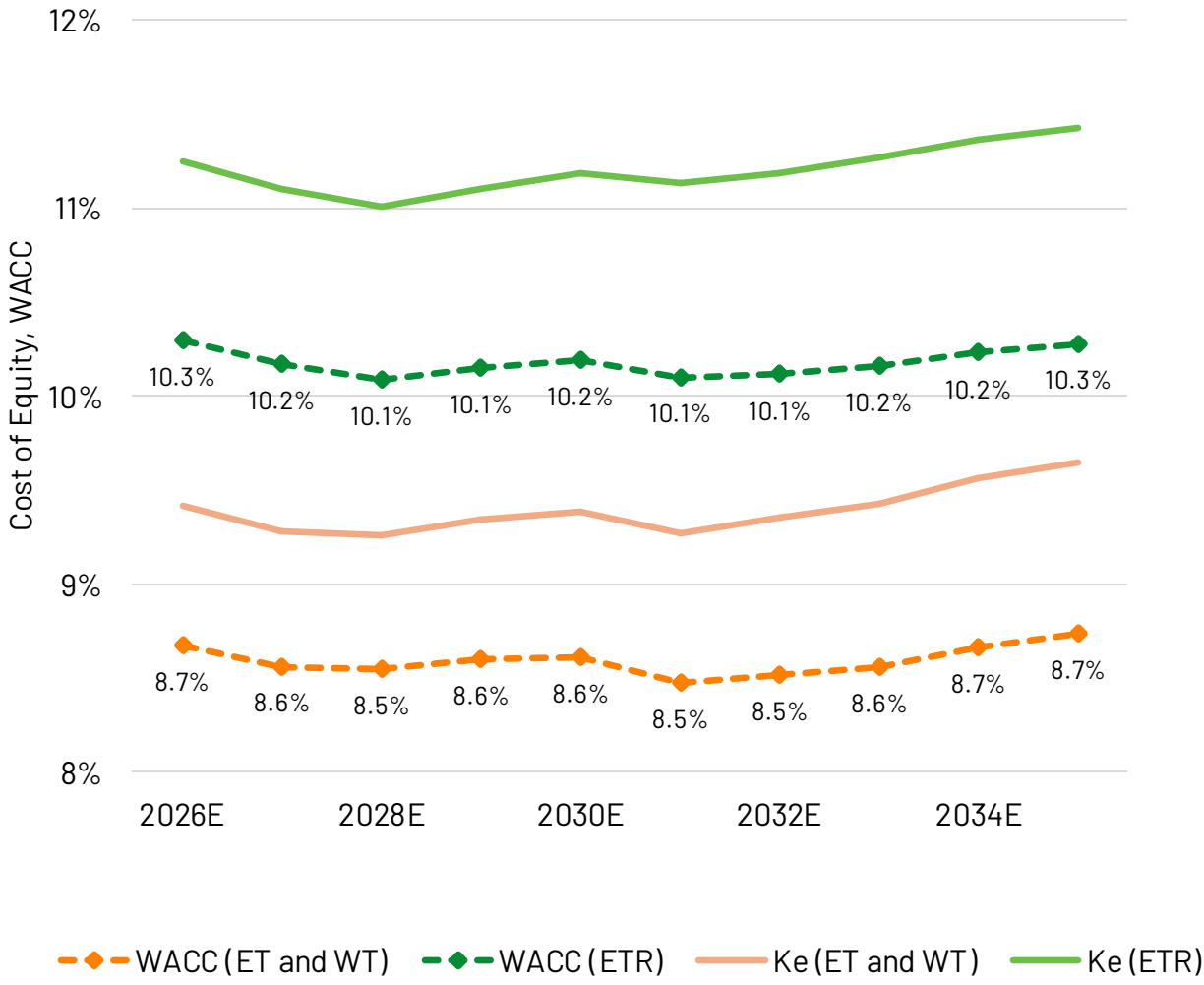


	2026E	2027E	2028E	2029E	2030E	2035E
Risk-free rate	2.2%	2.1%	2.0%	2.1%	2.2%	2.4%
Cost of Debt (Rd, Kd)	3.7%	4.0%	4.2%	4.3%	4.2%	3.5%
D/(D+E) Market Value	11.2%	11.4%	11.7%	12.1%	12.4%	13.0%
E/(D+E) Market Value	88.8%	88.6%	88.3%	87.9%	87.6%	87.0%

Source: team estimates

TWO DYNAMIC WACCs

DCF specific components



Source: team estimates

ELECTRODE TECHNOLOGIES – WATER TECHNOLOGIES

	2026E	2027E	2028E	2029E	2030E	2035E
Cost of Equity (Re, Ke)	9.4%	9.3%	9.3%	9.3%	9.4%	9.7%
Beta	1.16	1.16	1.16	1.16	1.16	1.16
Equity Risk Premium (ERP)	6.2%	6.2%	6.23%	6.3%	6.2%	6.3%
WACC	8.7%	8.6%	8.5%	8.6%	8.6%	8.7%

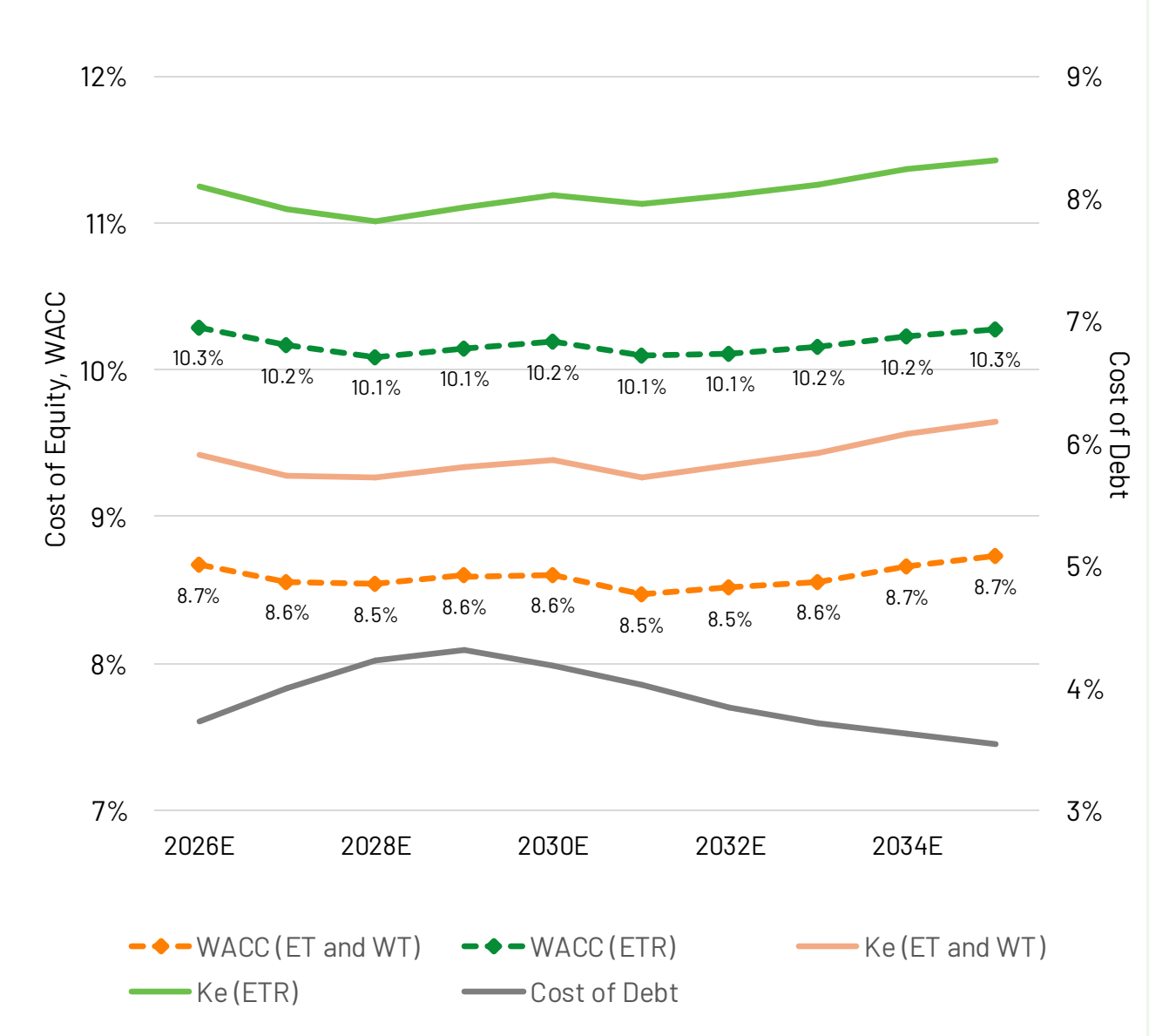
ENERGY TRANSITION

	2026E	2027E	2028E	2029E	2030E	2035E
Cost of Equity (Re, Ke)	11.3%	11.1%	11.0%	11.1%	11.2%	11.4%
Beta	1.69	1.69	1.69	1.69	1.69	1.69
Equity Risk Premium (ERP)	5.3%	5.3%	5.4%	5.4%	5.4%	5.4%
WACC	10.3%	10.2%	10.1%	10.2%	10.2%	10.3%

TWO DYNAMIC WACCs

A summary

Index



Source: team estimates

ELECTRODE TECHNOLOGIES – WATER TECHNOLOGIES

	2026E	2027E	2028E	2029E	2030E	2035E
Risk-free rate	2.2%	2.1%	2.0%	2.1%	2.2%	2.4%
Cost of Debt (Rd, Kd)	3.7%	4.0%	4.2%	4.3%	4.2%	3.5%
D/(D+E) Market Value	11.2%	11.4%	11.7%	12.1%	12.4%	13.0%
Cost of Equity (Re, Ke)	9.4%	9.3%	9.3%	9.3%	9.4%	9.7%
Beta	1.16	1.16	1.16	1.16	1.16	1.16
Equity Risk Premium (ERP)	6.2%	6.2%	6.23%	6.3%	6.2%	6.3%
WACC	8.7%	8.6%	8.5%	8.6%	8.6%	8.7%

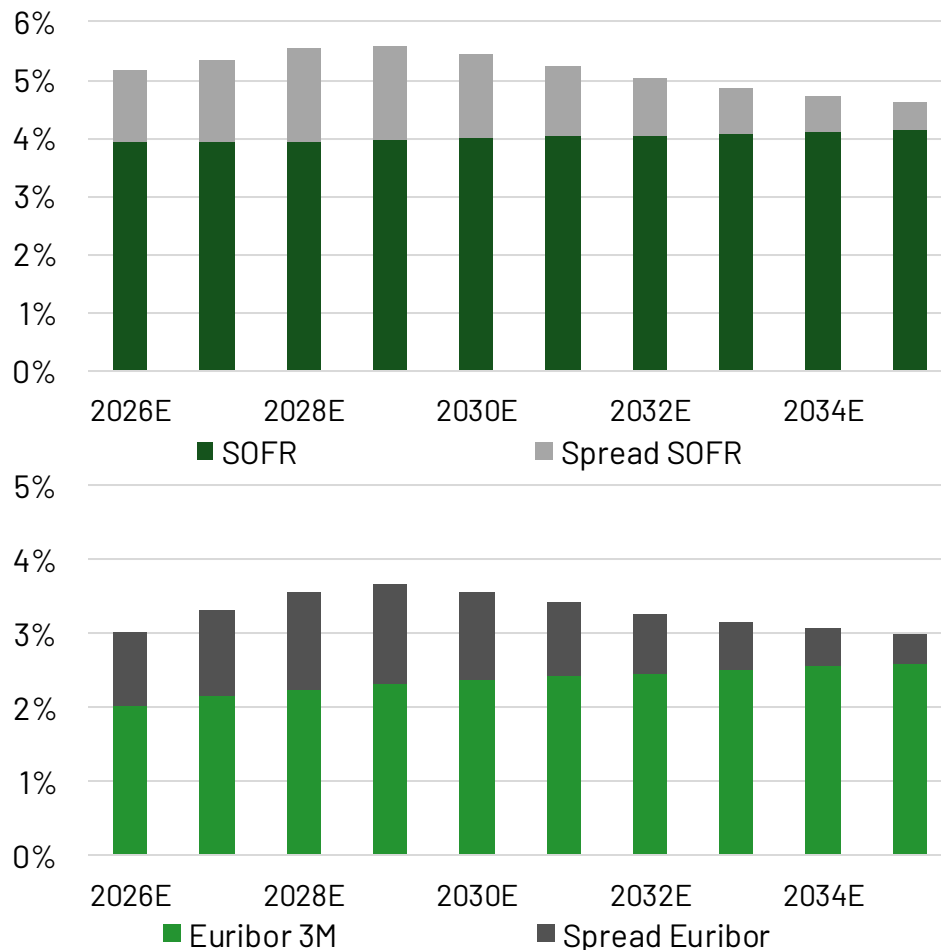
ENERGY TRANSITION

	2026E	2027E	2028E	2029E	2030E	2035E
Risk-free rate	2.2%	2.1%	2.0%	2.1%	2.2%	2.4%
Cost of Debt (Rd, Kd)	3.7%	4.0%	4.2%	4.3%	4.2%	3.5%
D/(D+E) Market Value	11.2%	11.4%	11.7%	12.1%	12.4%	13.0%
Cost of Equity (Re, Ke)	11.3%	11.1%	11.0%	11.1%	11.2%	11.4%
Beta	1.69	1.69	1.69	1.69	1.69	1.69
Equity Risk Premium (ERP)	5.3%	5.3%	5.4%	5.4%	5.4%	5.4%
WACC	10.3%	10.2%	10.1%	10.2%	10.2%	10.3%

COST OF DEBT

Our future projections based on financing conditions

The **Cost of Debt** is calculated as a weighted average of the 3-month Euribor and 3-month SOFR (with weights 2/3 and 1/3 respectively) with a spread applied to both rates. This spread varies in line with the Group's evolving leverage levels.



Source: Bloomberg, team estimates

FOUR COMPONENTS:



SOFR 3-month rate



Euribor 3-month rate



Spread on SOFR

The spread moves in a range between
Minimum of 50bps
Maximum of 160bps

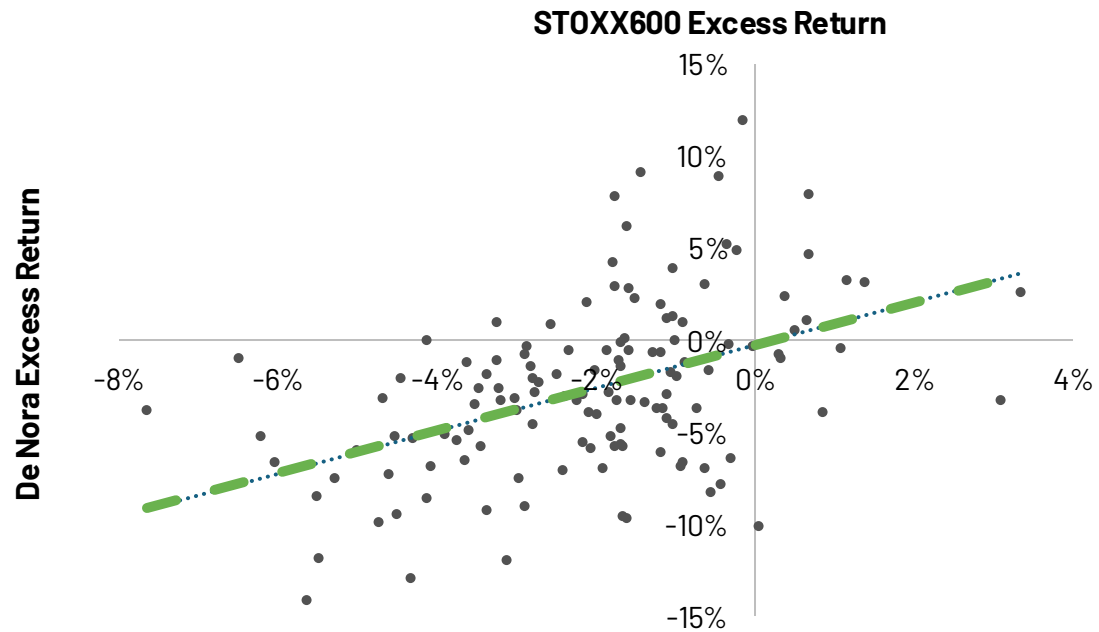


Spread on Euribor

The spread moves in a range between
Minimum of 41bps
Maximum of 134bps

TWO DYNAMIC WACCs, TWO DIFFERENT BETAS

ELECTRODE TECHNOLOGIES – WATER TECHNOLOGIES



3Y weekly Linear Regression
(since IPO Date) of De
Nora **excess returns** on
STOX600 Europe excess returns

Our Regression gives an
estimated Beta equal to **1.16**

ENERGY TRANSITION

	D/E	Tax rate	Unlevered Beta	Levered Beta
Ballard	1.8%	26.5%	1.54	1.56
Nel ASA	4.2%	22.0%	1.37	1.42
McPhy	5.6%	25.0%	1.08	1.13
Plug Power	33.4%	25.0%	1.55	1.94
ITM Power	4.7%	25.0%	1.53	1.58
thyssenkrupp nucera	1.3%	30.0%	1.43	1.45
De Nora (ETR)	11.82%	26.00%	1.55	1.69

To estimate the equity Beta for De Nora's Energy Transition segment, we analyze selected **green hydrogen comparables**, unlevering the Betas we obtain from their stock returns.

We select the highest unlevered Beta and re-lever it to match De Nora's capital structure, resulting in an estimated Beta equal to **1.69**

TWO DYNAMIC WACCs, TWO DIFFERENT COST OF EQUITY

Electrode Technologies and Water Technologies

CAPM

$$K_e = r_f + \beta * ERP$$

In our model, we constructed a **risk-free rate** using the **German Bund** term structure.

We obtain the Beta from a **3Y weekly** Linear Regression (since IPO Date) of De Nora **excess returns** on **STOXX600 Europe** excess returns

An **Equity Risk Premium** that changes over time according to De Nora's traditional segments geographical Revenues breakdown.

COST OF EQUITY		2026E	2027E	2028E	2029E	2030E	2035E
ERP	Damodaran (2024E)	6.19%	6.21%	6.27%	6.26%	6.23%	6.28%
Europe	5.3%	26.2%	26.2%	25.7%	25.8%	25.7%	26.7%
North America	4.1%	36.1%	35.8%	34.7%	34.9%	35.6%	33.8%
Asia	8.8%	37.7%	38.1%	39.6%	39.3%	38.7%	39.5%
Beta (vs. STOXX Europe 600)		1.16	1.16	1.16	1.16	1.16	1.16
COST OF EQUITY (K _e , Re)		9.42%	9.28%	9.26%	9.34%	9.39%	9.65%

TWO DYNAMIC WACCs, TWO DIFFERENT COST OF EQUITY

Energy Transition

CAPM

$$K_e = r_f + \beta * ERP$$

In our model, we constructed a **risk-free rate** using the **German Bund** term structure.

We obtain a Beta for De Nora's Energy Transition segment by analyzing **green hydrogen comparables** and selecting the highest unlevered Beta. This Beta is then relevered to align with De Nora's capital structure.

An **Equity Risk Premium** that changes over time according to De Nora's Energy Transition geographical revenue breakdown.

COST OF EQUITY		2026E	2027E	2028E	2029E	2030E	2035E
ERP	Damodaran (2024E)	5.34%	5.34%	5.35%	5.35%	5.35%	5.37%
Europe	5.3%	94.1%	94.0%	93.9%	93.8%	93.7%	93.2%
North America	4.1%	2.5%	2.5%	2.5%	2.5%	2.5%	2.6%
Asia	8.8%	3.4%	3.5%	3.6%	3.7%	3.8%	3.4%
Beta		1.69	1.69	1.69	1.69	1.69	1.69
COST OF EQUITY (K _e , R _e)		11.25%	11.10%	11.01%	11.10%	11.19%	11.43%

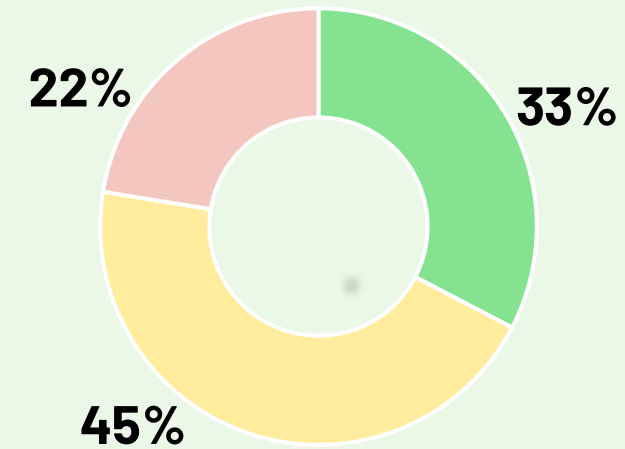
SENSITIVITY: WACC & TERMINAL GROWTH

To investigate changes in the discount factors

Δ TERMINAL GROWTH RATE	PRICE	Δ WACC						
		-1.5%	-1.0%	-0.5%	0%	0.5%	1.0%	1.5%
	1.5%	10.8	9.7	8.8	8.0	7.4	6.8	6.5
	1.0%	10.0	9.1	8.3	7.6	7.0	6.5	6.3
	0.5%	9.4	8.6	7.9	7.3	6.8	6.3	5.9
	0%	8.9	8.2	7.5	7.0	6.5	6.1	5.7
	-0.5%	8.5	7.8	7.2	6.7	6.3	5.9	5.6
	-1.0%	8.1	7.5	7.0	6.5	6.1	5.7	5.4
	-1.5%	7.8	7.2	6.7	6.3	5.9	5.6	5.3

Δ TERMINAL GROWTH RATE	RETURN	Δ WACC						
		-1.5%	-1.0%	-0.5%	0%	0.5%	1.0%	1.5%
	1.5%	55%	39%	26%	15%	6%	-2%	-6%
	1.0%	44%	31%	19%	10%	1%	-6%	-9%
	0.5%	36%	24%	14%	5%	-3%	-9%	-15%
	0%	28%	18%	9%	1%	-6%	-12%	-18%
	-0.5%	22%	12%	4%	-3%	-9%	-15%	-20%
	-1.0%	16%	8%	0%	-6%	-12%	-17%	-22%
	-1.5%	12%	4%	-3%	-9%	-15%	-19%	-24%

We perform a sensitivity analysis to highlight the impact that **perpetual WACC** and **long-run growth rate** have on the Target Price.



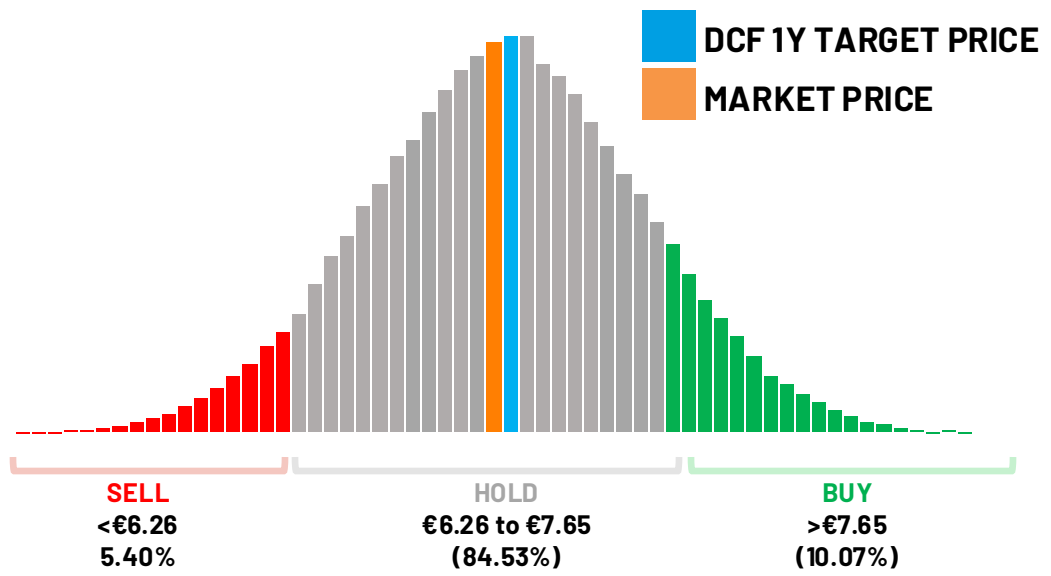
BUY HOLD SELL

The results highlight a **maximum drawdown of 24%** in case of large **adverse variations** in the parameters and **significant growth opportunities** in case of positive variations.

ROBUSTNESS CHECKS

To reinforce the validity of our model

Monte Carlo simulation



Parameters stressed Revenues – Raw Materials – Personnel costs – CapEx
Number of trials 100,000

What-if scenario analysis



Operational
Hurdles

vs

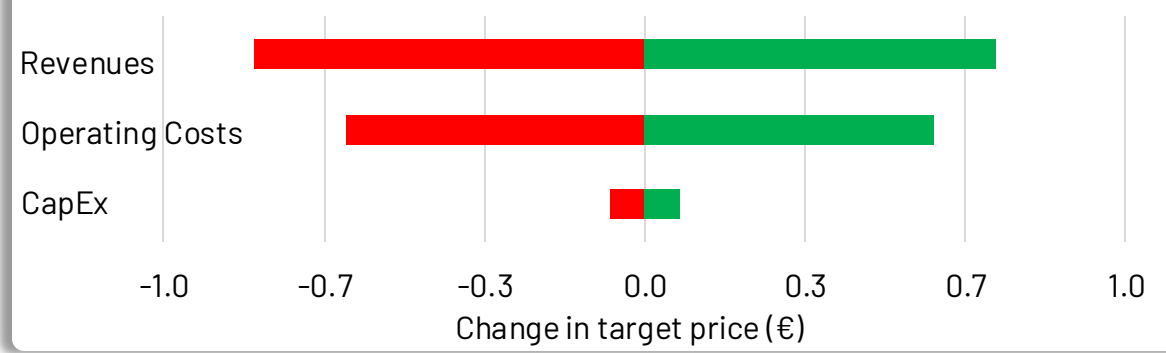
Hydrogen
Surge



Sensitivity analysis

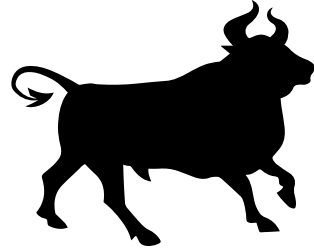
		Δ WACC						
Δ TERMINAL GROWTH RATE	PRICE	-1.5%	-1.0%	-0.5%	0%	0.5%	1.0%	1.5%
	1.5%	10.8	9.7	8.8	8.0	7.4	6.8	6.5
	1.0%	10.0	9.1	8.3	7.6	7.0	6.5	6.3
	0.5%	9.4	8.6	7.9	7.3	6.8	6.3	5.9
	0%	8.9	8.2	7.5	7.0	6.5	6.1	5.7
	-0.5%	8.5	7.8	7.2	6.7	6.3	5.9	5.6
	-1.0%	8.1	7.5	7.0	6.5	6.1	5.7	5.4
	-1.5%	7.8	7.2	6.7	6.3	5.9	5.6	5.3

Tornado analysis



WHAT IF SCENARIO: BULL CASE

De Nora's Triumph in Green Hydrogen



€12.25

+75%



1 Cohesive institutional efforts

+ €2.66

2 AWE Dominates the market

+ €1.33

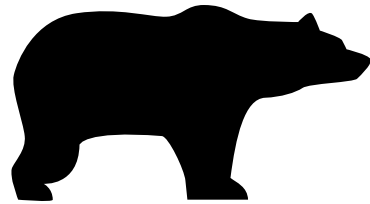
3 Expansion in APAC

+ €1.26

Source: team estimates

WHAT IF SCENARIO: BEAR CASE

De Nora's Downfall Amid Green Hydrogen Turbulence



€4.90

-30%



1

Uncertainties still kicking

- €0.57

2

SOEC takes the lead

- €0.71

3

Termination of the TMA

- €0.82

Source: team estimates

DE NORA'S MULTIPLES OVERVIEW

Past and future dynamics

As of 06/02/2025

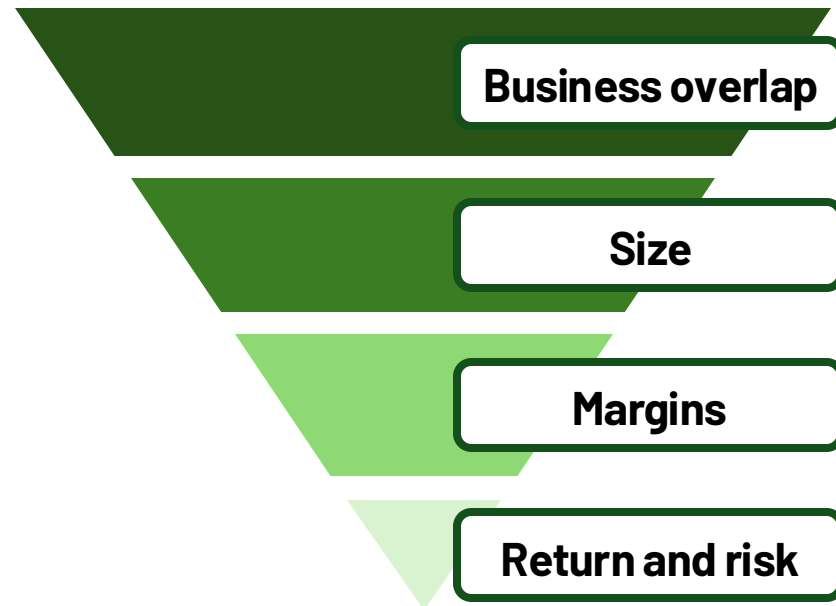
	2022	2023	2024	2025E	2026E
1Y Forward P/E	32.40	26.61	16.82	15.42	13.33
1Y Forward EV/EBITDA	13.25	16.14	10.18	8.35	7.73
1Y Forward EV/SALES	3.32	3.62	1.72	1.50	1.42
1Y Forward P/BV	3.00	3.51	1.65	1.42	1.34

PROPRIETARY SCORING MODEL

A multi-dimensional process



Peers' Selection Process



7 Peers → **Relative Score**

Scoring Mechanism

- 1** We start by identifying appropriate comparables across the three business segments: **Electrode Technologies**, **Water Technologies**, and **Energy Transition**.
- 2** Our Proprietary Scoring Model assigns a different score to each peer, resulting from a weighted average based on 3 dimensions:
 - **40% Business consistency**
 - **30% Size** (Market Capitalization and Revenues)
 - **30% Financial Metrics** (margins, returns, risk and leverage)
- 3** Each score reflects the **proximity to De Nora's values**: higher the score, higher the proximity. As a result, we identify **7 comparables** to De Nora

GENERAL		SIZE & GROWTH			MARGINS		RETURNS			RISK & LEVERAGE			CASH GENERATION			COMPARABLE	
Company Name	Country	Market Cap (€)	Revenue (€)	Revenue CAGR FY20-23	EBITDAm	EBITm	ROA	ROE	ROC	D/E	Net Debt to Total Capital	Beta	Price to Cash Flow	WC Turnover	Capex / Sales	SCORE	OUTCOME
De Nora	ITA	1.40B	0.86B	20%	20%	16%	10%	23%	13%	12%	-7%	1.2	53.4	1.9	10%		
ELECTRODE TECHNOLOGIES																	
Asahi Kasei	JP	8.81B	17.79B	3%	12%	5%	1%	3%	5%	53%	22%	0.7	5.2	3.8	6%	0.65	YES
thyssenkrupp nucera	DE	1.13B	0.66B	38%	4%	3%	3%	5%	4%	1%	-101%	1.5	-152.4	1.0	1%	0.70	YES
Metso Corporation	FI	7.74B	5.39B	18%	18%	15%	8%	22%	21%	59%	21%	1.5	25.1	3.8	3%	0.43	NO
WATER TECHNOLOGIES																	
Xylem Inc.	US	28.39B	6.81B	15%	18%	15%	5%	9%	8%	26%	13%	1.0	29.8	4.4	4%	0.66	YES
Ecolab Inc.	US	66.14B	14.17B	9%	20%	14%	6%	18%	13%	109%	47%	0.5	23.6	11.8	5%	0.45	NO
Veolia SA	FR	20.46B	45.35B	20%	14%	6%	1%	11%	7%	368%	57%	0.8	4.6	-20.8	7%	0.59	YES
ENERGY TRANSITION																	
NEL ASA	NO	0.33B	0.12B	45%	-12%	-32%	-11%	-15%	-9%	4%	-48%	1.4	-16.6	0.4	44%	0.56	YES
ITM	UK	0.26B	0.02B	57%	-192%	-228%	-7%	-10%	-13%	5%	-78%	1.6	-8.2	0.1	85%	0.37	NO
Plug Power Inc.	US	2.2B	0.82B	43%	-109%	-117%	-26%	-39%	-24%	33%	16%	1.9	-2.4	1.1	78%	0.57	YES
Ballard Power System	CA	0.46B	0.09B	1%	-146%	-158%	-13%	-14%	-15%	2%	-73%	1.6	-10.4	0.1	40%	0.43	NO
McPhy Energy Sa	FR	0.03B	0.02B	11%	-259%	-274%	-25%	-43%	-44%	6%	-62%	1.1	-1.3	0.6	131%	0.50	YES

FROM THE SCORE TO THE FINAL BASKET

Accounting for De Nora's Revenues breakdown

STEPS:

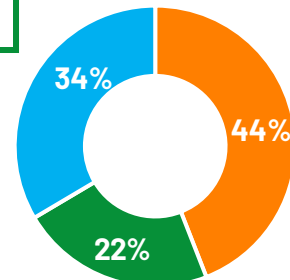
1 We start from the **score assigned to each peer** (see the Proprietary Scoring Model)

2 All comparables' scores belonging to the same segment are **transformed into a relative weight**

3 To obtain the final weights, each relative weight is rescaled according to De Nora's expected **Revenues breakdown**.

Proprietary
Scoring
Model

Company Name	SCORE (1)	RELATIVE WEIGHT (2)	FINAL WEIGHT (3)
Electrode Technologies			
Asahi Kasei	0.65	43.95%	19.37%
thyssenkrupp nucera	0.70	56.05%	24.70%
SUM		100%	44.07%
Water Technologies			
Xylem Inc.	0.66	56.73%	19.01%
Veolia SA	0.59	43.27%	14.50%
SUM		100%	33.51%
Energy Transition			
NEL ASA	0.56	35.73%	8.01%
Plug Power Inc.	0.57	37.87%	8.49%
McPhy Energy Sa	0.50	24.40%	5.92%
SUM		100%	22.42%



ET ETR WT

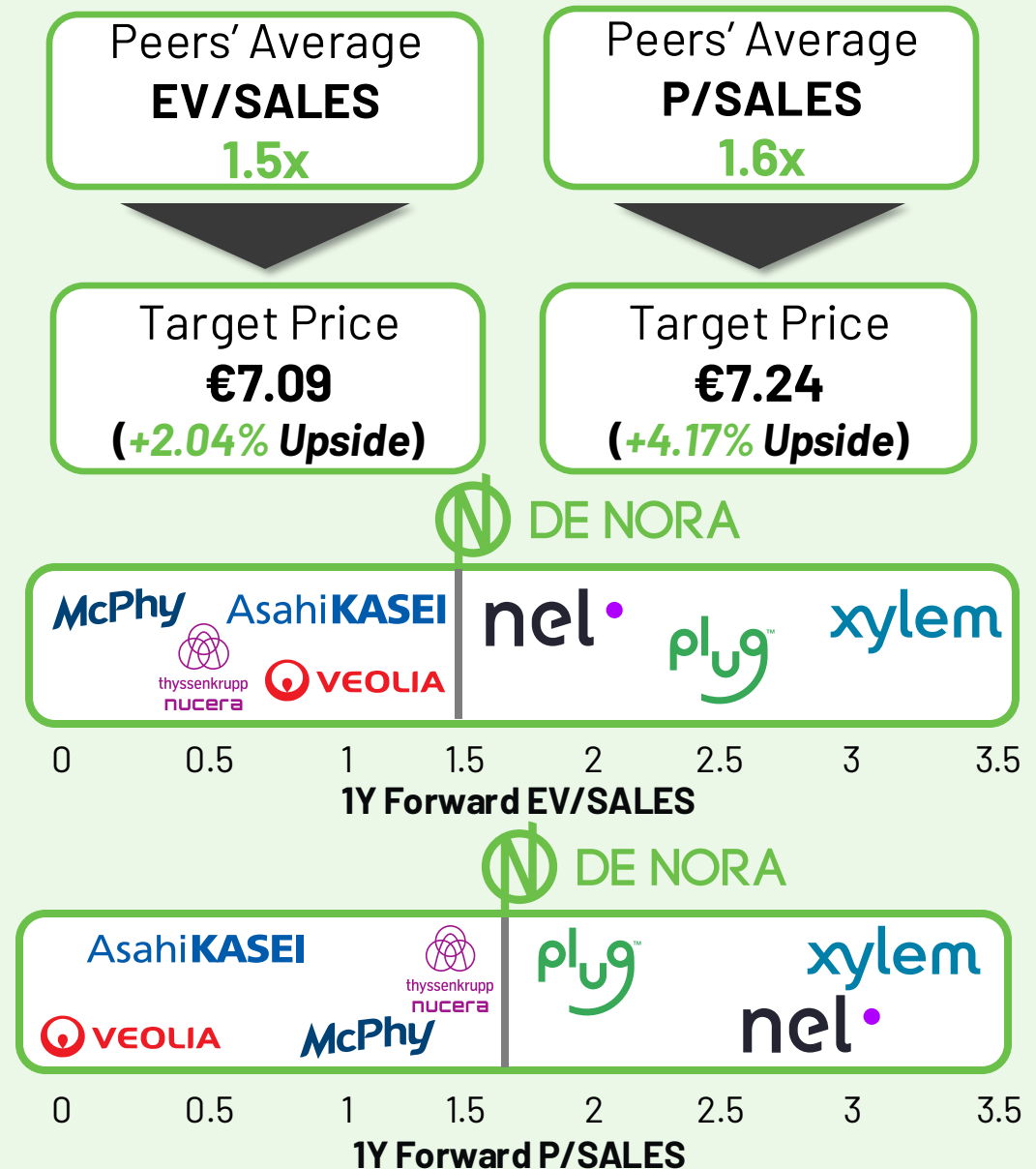
Source: team estimates

RELATIVE VALUATION

3 divisions in our model...

PEER GROUP		1Y Forward EV/SALES	1Y Forward P/SALES
Electrode Technologies	  	0.7x	1.0x
Water Technologies	 	2.5x	2.1x
Energy Transition	  	1.6x	2.1x

Source: FactSet, team estimates



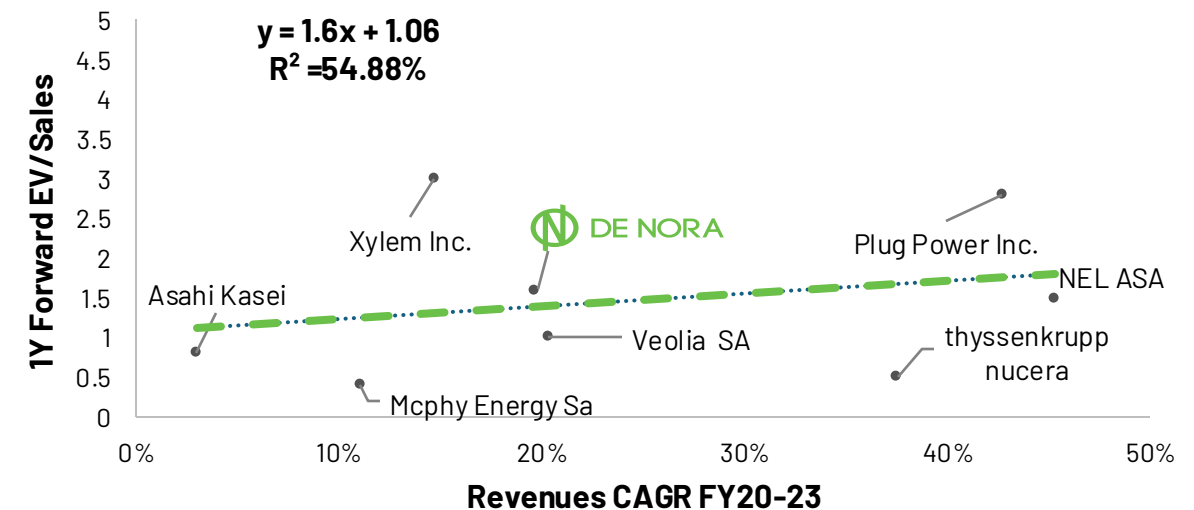
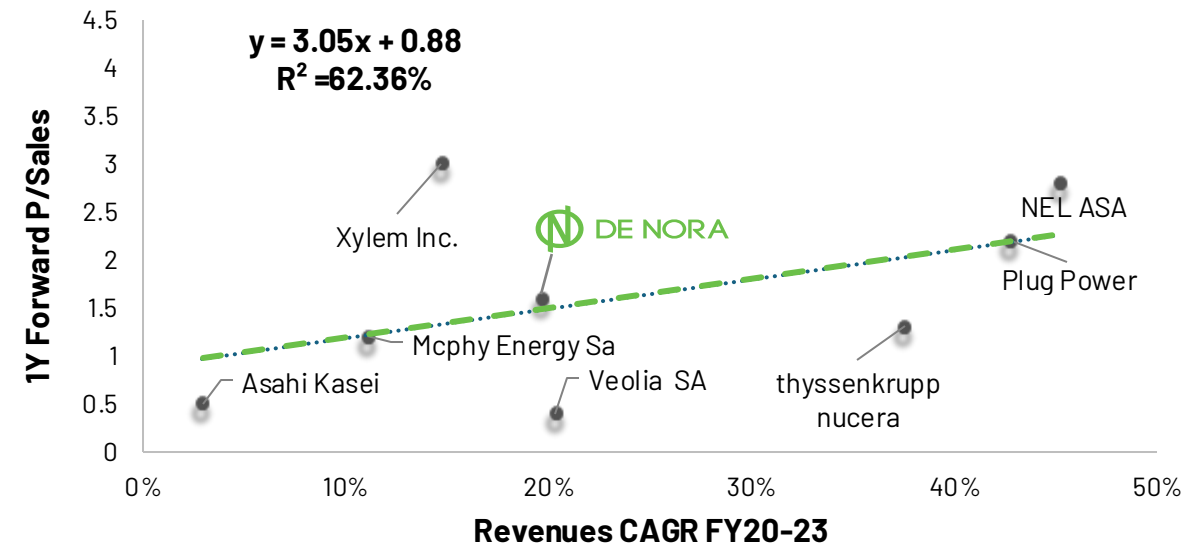
PREDICTIVE REGRESSIONS

As a further sanity check...

To assess the predictive goodness of our model, we regress the 1Y Forward **P/SALES** and **EV/SALES** on the peers' FY20-23 Revenues CAGR.

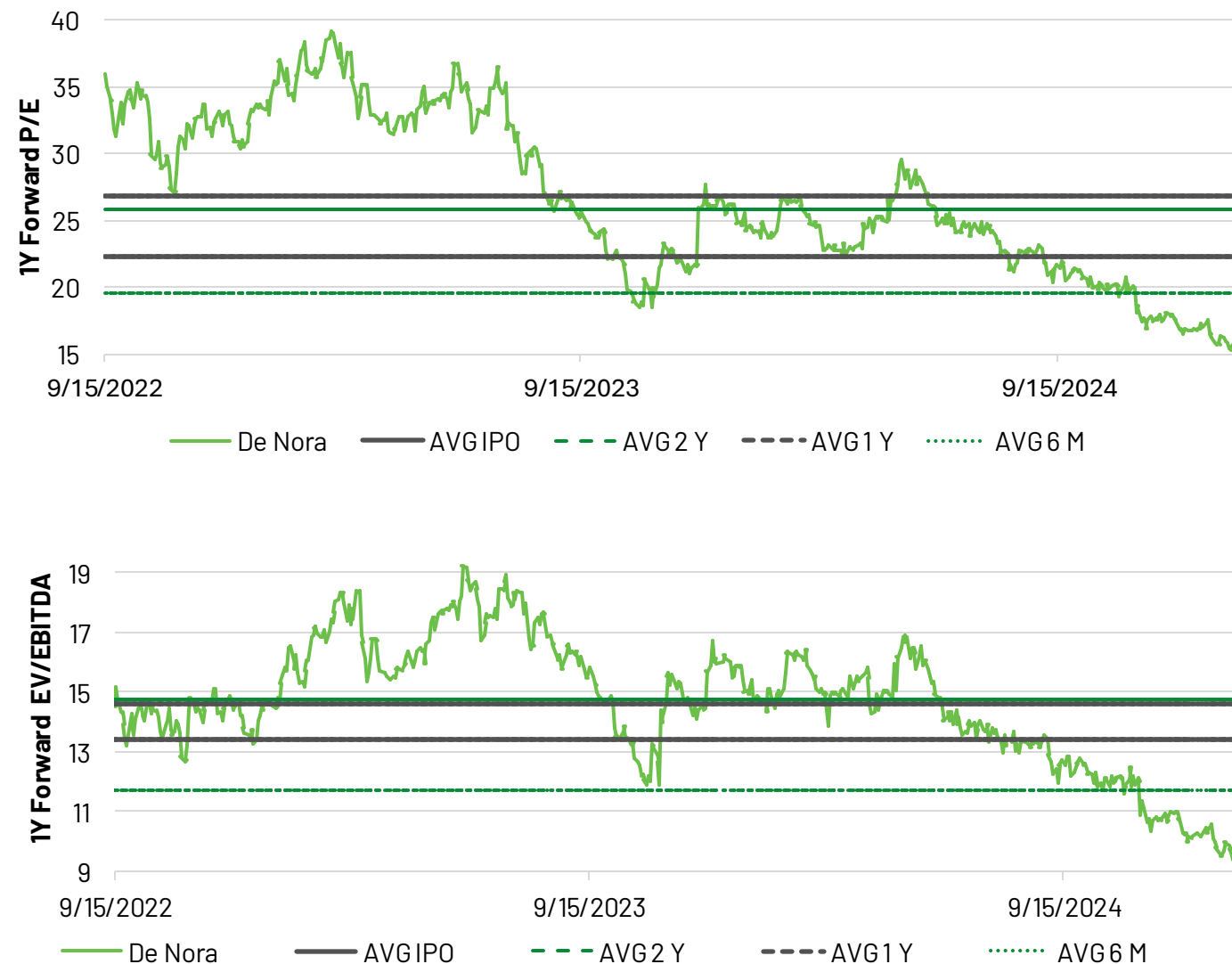
We find a **strong relationship** between the variables, with an R^2 coefficient of **62.36%** and **54.88%**, respectively.

Plugging De Nora's FY20-23 Revenues CAGR, **both regressions reinforce our HOLD recommendation (6.73€ and 6.54€)**



HISTORICAL MULTIPLE VALUATION

...Insights into De Nora's Record Lows



To have a deepen understanding of De Nora's multiple dynamics, we analyse the historical time series of two 1Y forward multiples: **EV/EBITDA** and **P/E**

Both multiples have reached **lows** due to structural changes, therefore caution is needed when using **historical multiples influenced by enthusiasm for green hydrogen**

Therefore, to determine the fair value more accurately, it is advisable to rely on more **recent multiples**, which better capture the **current market context**

BUYBACK PROGRAM

Motivations behind it

DATE	SHARES BOUGHT	% SHARE CAPITAL	PERIOD RETURN	Avg. % DNR TRADE VOLUMES
09/11/23 - 08/12/23	737,719	0.366%	-0.29%	25.75%
09/12/23 - 08/01/24	647,221	0.321%	9.78%	23.36%
09/01/24 - 08/02/24	685,017	0.340%	-8.78%	20.53%
09/02/24 - 08/03/24	343,791	0.170%	2.57%	12.75%
09/03/24 - 12/04/24	586,252	0.291%	-6.26%	16.29%
TOTAL	3,000,000	1.487%	-4.39%	19.64%

On 8 November 2023, De Nora announced the start of its **share buyback program**. By the end of the program on 12 April 2024, **the company had purchased ~1.5% of its share capital**, at a total cost of €43,410,213

The company justifies the buyback as follows:

- **Compensation:** Implementing remuneration policies through financial instruments
- **Strategic Projects:** Supporting extraordinary finance operations such as mergers and acquisitions

In addition to stated goals, we believe it aimed to **support the stock price** following disappointing Q3_23 financial results, which led to a **6.15% drop in share price on the same day** and further declined in the next days

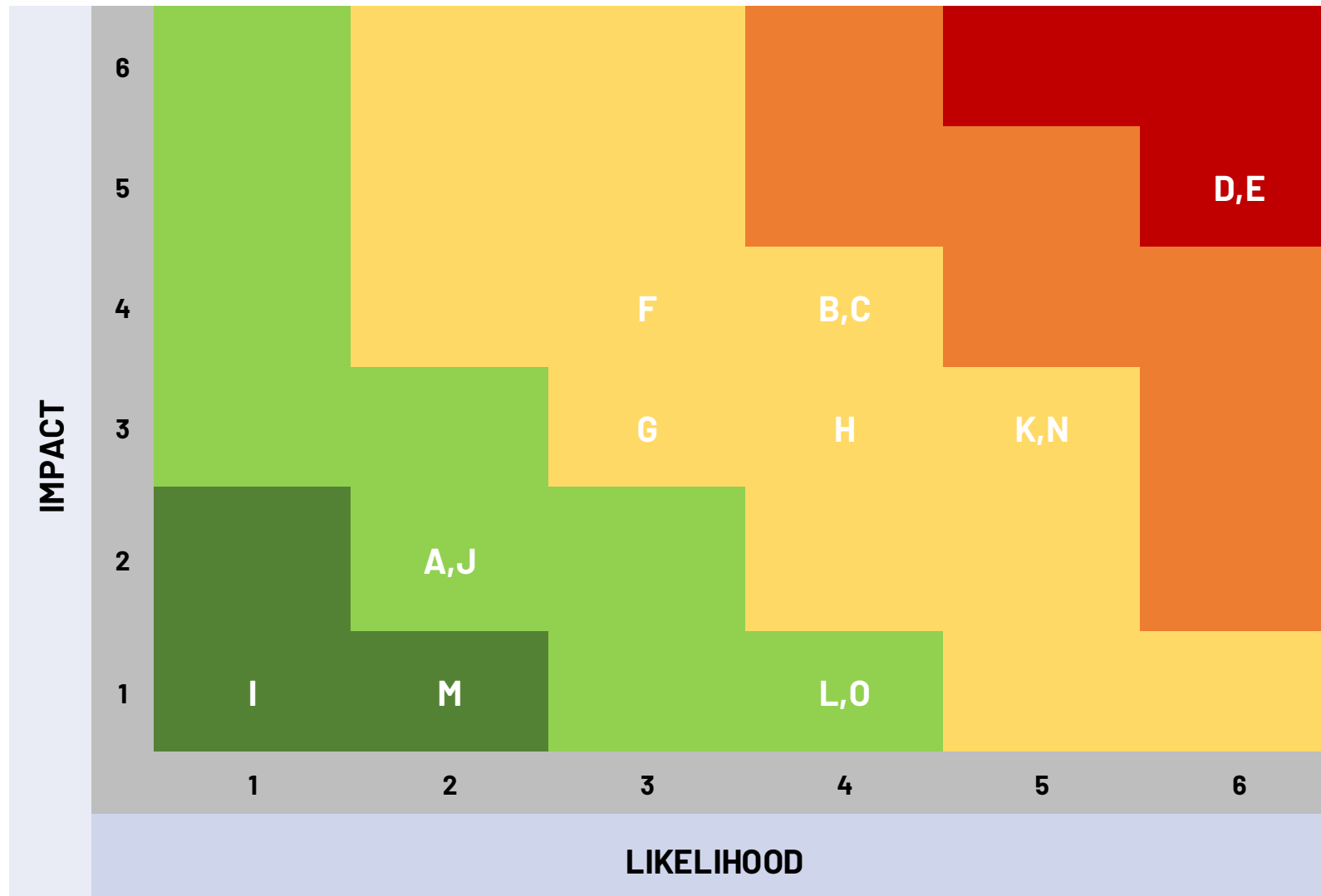
WEIGHTED AVERAGE COST OF CAPITAL (WACC)

Summary Statistics

	Avg	Min	Max	2026E	2035E
Risk-free rate	2.18%	2.00%	2.38%	2.25%	2.38%
Cost of Debt	3.92%	3.54%	4.30%	3.73%	3.54%
Cost of Equity (ET and WT)	9.39%	9.26%	9.65%	9.42%	9.65%
WACC (ET and WT)	8.59%	8.47%	8.73%	8.67%	8.73%
Cost of Equity (ETR)	11.20%	11.01%	11.43%	11.25%	11.43%
WACC (ETR)	10.18%	10.09%	10.29%	10.29%	10.28%

RISK FACTORS IN OUR VALUATION

A likelihood-impact matrix



MARKET

- A. Interest rate risk
- B. Inflation risk on margins
- C. Macroeconomic conditions risk
- D. Supply-chain market breakdown risk
- E. Green hydrogen underdevelopment risk



OPERATIONAL

- F. Employee turnover risk
- G. Loss of key figure risk
- H. Customer bargaining power risk
- I. Competition risk
- J. Technological risk



LEGAL

- K. Regulatory and legal risk
- L. Reputational risk



FINANCIAL

- M. Liquidity risk
- N. Exchange rate risk
- O. Credit risk

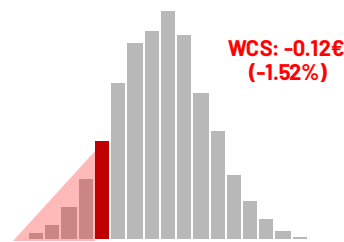
WORST-CASE SCENARIO

The impact on our target price

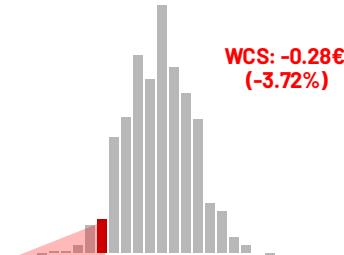
- Our analysis encompasses a wide set of variables, from market dynamics to regulatory shifts, ensuring the **understanding of the risks inherent in our investment thesis**
- We delve into the risk factors surrounding De Nora, assessing their **likelihood and impact** on the Company's core financial metrics and ultimate target price

The Worst-Case scenario (WCS) analysis allows to obtain the **impact that each key driver has on the target price**

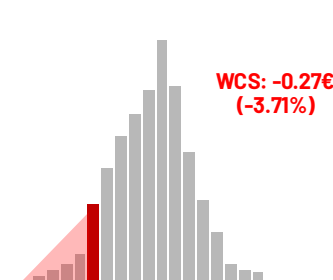
Interest Rate Risk



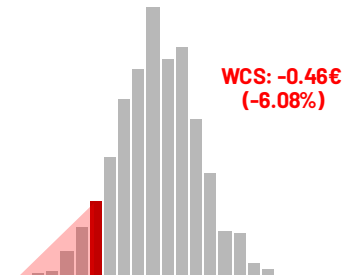
Inflation Risk on Margins



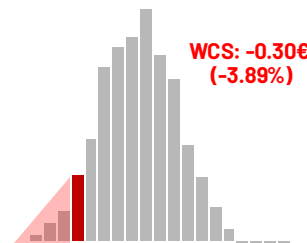
Macroeconomic Risk



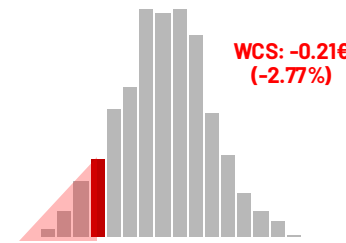
Supply-Chain Risk



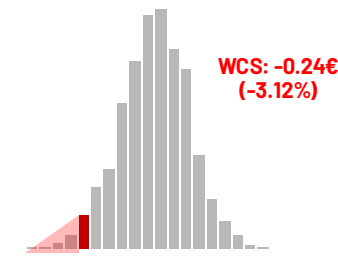
Employee Turnover Risk



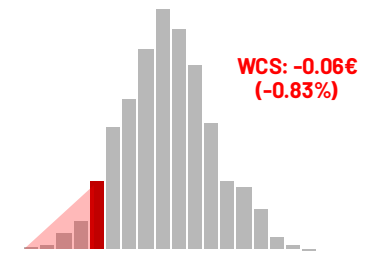
Customer Bargaining Power Risk



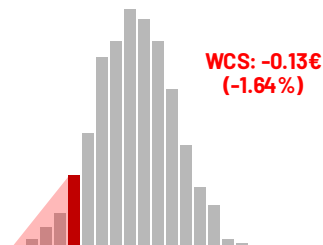
Competition Risk



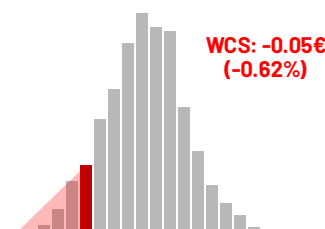
Loss of Key Figures



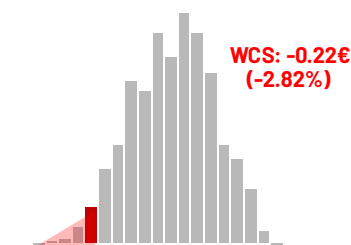
Technological Risk



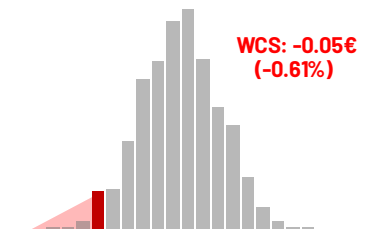
Liquidity Risk



Exchange Rate Risk



Credit Risk



MARKET RISKS 1

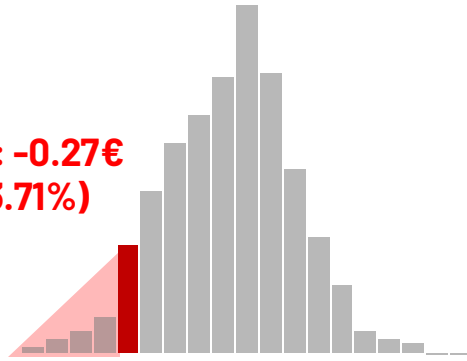
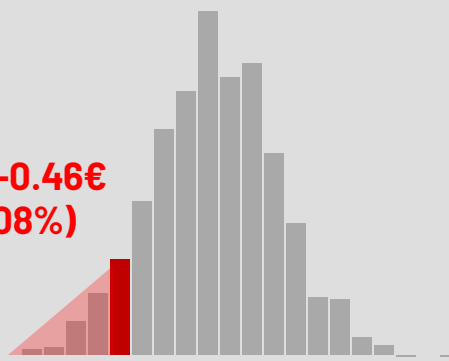
A WCS analysis on target price

RISK (LIKELIHOOD)	DESCRIPTION	MITIGATION	IMPACT
INTEREST RATE RISK (LOW)	De Nora's debt is exposed to interest rate risk, tied to 3M Euribor (EUR) and SOFR (USD) , with variable margins adjusting semi-annually based on leverage ratio, impacting financing costs as rates fluctuate.	The Company maintains low leverage, using its net cash as a buffer against rising costs while preserving flexibility for growth. It also employs interest rate swaps to mitigate interest rate fluctuations.	WCS: +150bps Euribor WCS: -0.12€ (-1.52%)
INFLATION RISK ON MARGINS (MEDIUM)	The Group faces risk from personnel expenses and raw materials , including titanium, platinum group metals, nickel and special steels. Volatility from export restrictions, conflicts and inflation may raise procurement costs, squeezing margins and affecting financial stability.	De Nora mitigates risk through Central and Global Procurement , optimizing resources to reduce costs and ensure supply continuity. Operating early in the value chain, it applies a pass-through mechanism to adjust sales prices for material cost increases, balancing cost recovery with large clients' demands through a strategic pricing approach.	WCS: -225bps EBITm WCS: -0.28€ (-3.72%)

Source: Team estimates

MARKET RISKS 2

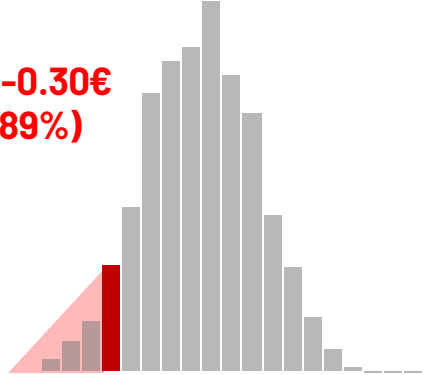
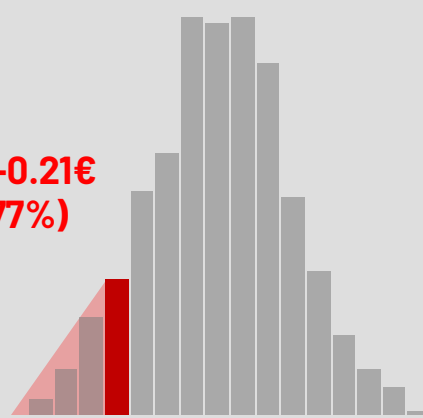
A WCS analysis on target price

RISK (LIKELIHOOD)	DESCRIPTION	MITIGATION	IMPACT
MACROECONOMIC RISK (MEDIUM)	The Group's performance is closely tied to global economic dynamics and the inherent cyclicity of its key markets, such as Europe, the United States, Latin America, China and Japan. Fluctuations in the business cycle , could directly affect demand for De Nora's products.	There is no direct hedge against this risk , especially in the Energy Transition division. However, management mitigates it by (i) diversifying its customer base geographically and (ii) shifting key customer relationships from transactional to strategic .	WCS: +125bps Cost of Debt  WCS: -0.27€ (-3.71%)
SUPPLY CHAIN MARKET BREAKDOWN RISK (HIGH)	Interruptions in the supply of essential components, such as titanium and nickel, could adversely affect De Nora's production . The absence of certified raw materials may require the approval of alternatives.	De Nora mitigates these risks through monitoring, audits, and centralized inventory management. Stability is ensured via supplier diversification, long-term contracts and minimum purchase agreements . It also reduces raw material dependency by negotiating with producers and promoting titanium scrap recovery and metal recycling, ensuring cost efficiency and supply continuity.	WCS: +150bps Raw Material purchase  WCS: -0.46€ (-6.08%)

Source: Team estimates

OPERATIONAL RISKS 1

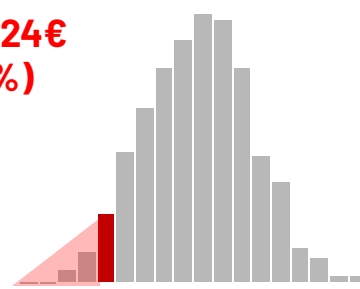
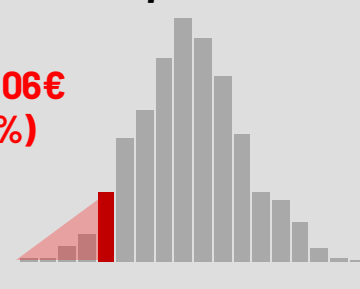
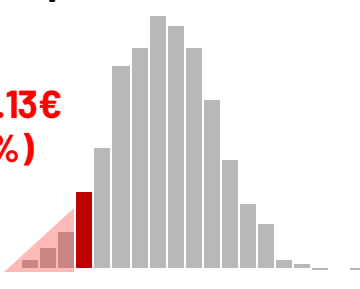
A WCS analysis on target price

RISK (LIKELIHOOD)	DESCRIPTION	MITIGATION	IMPACT
EMPLOYEE TURNOVER RISK (MEDIUM)	The inability to retain highly qualified personnel can be a significant challenge for the Company. Losing skilled and experienced employees can lead to disruptions in productivity , increased recruitment costs and loss of know-how .	To address this risk, De Nora implements performance-based compensation, training, and growth paths . It launched "InCLUDe" for executives to enhance emotional intelligence, crucial for retaining talent, reducing recruitment costs, and preserving expertise.	WCS: +125bps Personnel costs  WCS: -0.30€ (-3.89%)
CUSTOMER BARGAINING POWER RISK (MEDIUM)	De Nora operates in a sector with strong bargaining power from large players. High-volume buyers demand better pricing or terms, squeezing margins. Dependence on key clients increases vulnerability to order reductions or strategic shifts .	The Company mitigates risk by diversifying its customer portfolio , including medium and smaller operators to reduce reliance on major customers. It establishes long-term strategic partnerships to ensure pricing stability and protect margins.	WCS: -1.5% Revenues  WCS: -0.21€ (-2.77%)

Source: Team estimates

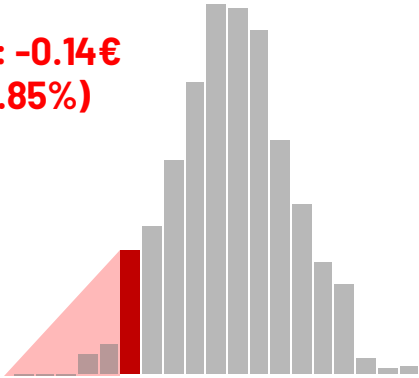
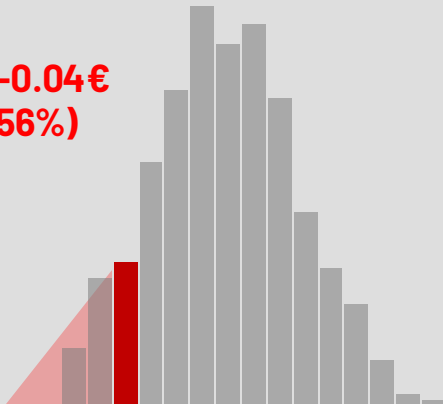
OPERATIONAL RISKS 2

A WCS analysis on target price

RISK (LIKELIHOOD)	DESCRIPTION	MITIGATION	IMPACT
COMPETITION RISK (MEDIUM)	Although the Company operates in niche markets with limited competitors, the risk of intensifying competition and the emergence of alternative technologies that could replace De Nora's solutions pose significant threats.	The Company safeguards competitiveness through know-how protection, patent filings, targeted acquisitions (e.g., Permelec FY15), R&D investments, and joint ventures , enhancing existing solutions rather than developing new technologies.	WCS: -1.50% Market Share WCS: -0.24€ (-3.12%) 
LOSS OF KEY FIGURES RISK (LOW)	De Nora's governance is family-driven, with 53.33% shares and 69.95% voting rights , ensuring strategy but centralizing decisions. Key departures risk weakening confidence, affecting long-term relationships.	The family's commitment makes withdrawal unlikely, while a non-executive Board with experts like Giorgio Metta ensures continuity. However, a formal succession plan is lacking , though reviews are ongoing with committee support.	WCS: +75bps WACC WCS: -0.06€ (-0.83%) 
TECHNOLOGICAL RISK (LOW)	Innovation is crucial in electrolysis-related sectors. Emerging technologies, like advanced electrode materials or alternative electrolytic processes, threaten De Nora's position. Without continuous innovation, the Group risks losing its competitive edge , with financial consequences.	To maintain a competitive edge, De Nora adopts an innovation-focused approach . Through partnerships (e.g., Asahi Kasei, Hydrolite), the Company develops new solutions, improves products, anticipates client needs, and aligns innovations to market demands. <i>Source: Team estimates</i>	WCS: -75bps Terminal Growth WCS: -0.13€ (-1.64%) 

LEGAL RISKS

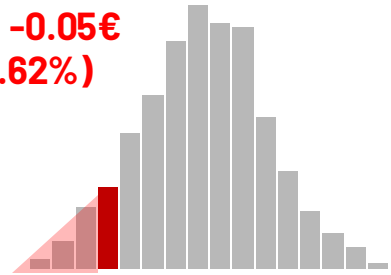
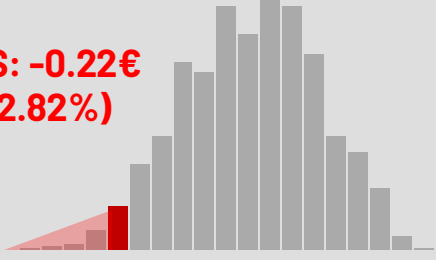
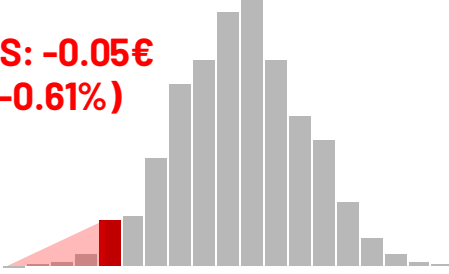
A WCS analysis on target price

RISK (LIKELIHOOD)	DESCRIPTION	MITIGATION	IMPACT
REGULATORY AND LEGAL RISK (HIGH)	Operating in 90+ countries, De Nora faces stringent regulations on safety, quality, exports, and environment, including green hydrogen. Regulatory changes may require adjustments, impacting compliance costs and operations, with delays hindering strategy.	The Company mitigates this risk through its Regulatory Affairs department, monitoring developments. The Group enforces compliance policies, ongoing training, specific export procedures and targeted collaborations to support the regulatory development of green hydrogen, ensuring alignment with evolving regulations.	WCS: -1% Revenues WCS: -0.14€ (-1.85%) 
REPUTATIONAL RISK (MEDIUM)	De Nora's reputation may suffer if product quality declines , leading customers to seek alternatives. Reputational damage could also arise from failing to implement its Sustainability Plan. Missing 2026 and 2030 targets may generate negative perceptions among clients, investors, and stakeholders, impacting the Company's image and strategy.	The Company maintains low product quality risk through consistent high standards and customer trust. Its Sustainability Plan risk is mitigated by a structured approach, regular progress monitoring and rigorous processes, ensuring alignment with ESG objectives and reinforcing market leadership.	WCS: +50bps WACC WCS: -0.04€ (-0.56%) 

Source: Team estimates

FINANCIAL RISKS

A WCS analysis on target price

RISK (LIKELIHOOD)	DESCRIPTION	MITIGATION	IMPACT
LIQUIDITY RISK (LOW)	If financial resources are insufficient to ensure current operations and meet obligations, De Nora may face difficulties in securing necessary funds , potentially incurring high costs or reputational impacts.	De Nora adopts a conservative financial strategy with centralized treasury, strong banking relationships, and coordinated financing, ensuring liquidity, stability, and flexibility for green hydrogen and electrode investments amid market volatility.	WCS: +125bps Cost of Debt WCS: -0.05€ (-0.62%) 
EXCHANGE RISK (HIGH)	De Nora operates internationally , facing exchange rate fluctuations impacting sales margins, trade payables, and receivables, with FY24 Euro appreciation causing a €13.5M Revenues loss.	The Company lacks a comprehensive derivative strategy but uses hedging for intra-group USD transactions. Centralized treasury and regional production mitigate currency risk, though expanded derivatives could enhance protection.	WCS: -1.5% FX Profits WCS: -0.22€ (-2.82%) 
CREDIT RISK (MEDIUM)	De Nora may incur financial losses if a client or financial counterparty fails to fulfil payment obligations. While the risk is contained, exposure to trade receivables remains significant , with 45% of receivables overdue by more than 60 days in FY23.	The Company monitors client and counterparty solvency , setting impairment provisions for trade receivable losses, focusing on overdue receivables with thorough recoverability assessments to ensure prudent credit risk management.	WCS: -10% Trade Receivables WCS: -0.05€ (-0.61%) 

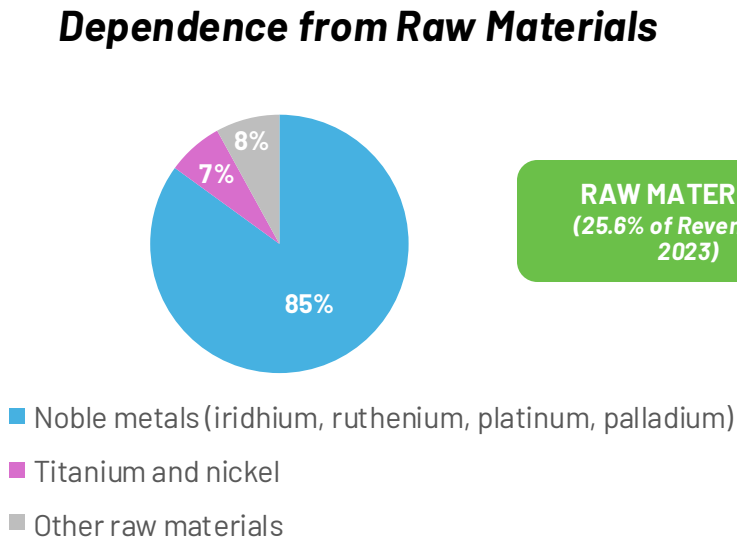
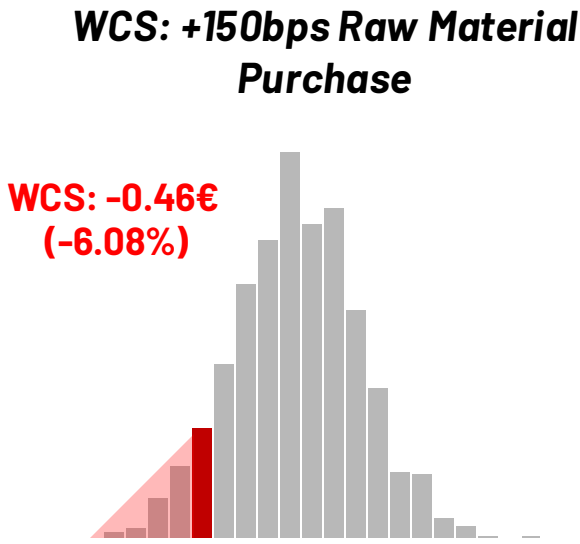
Source: Team estimates

SUPPLY CHAIN MARKET BREAKDOWN RISK

A WCS analysis on target price

Index

RISK (LIKELIHOOD)	DESCRIPTION	MITIGATION
SUPPLY CHAIN MARKET BREAKDOWN RISK (HIGH)	Interruptions in the supply of essential components, such as titanium and nickel, could adversely affect De Nora’s production . The absence of certified raw materials may require the approval of alternatives.	De Nora mitigates these risks through monitoring, audits, and centralized inventory management. Stability is ensured via supplier diversification, long-term contracts and minimum purchase agreements . It also reduces raw material dependency by negotiating with producers and promoting titanium scrap recovery and metal recycling, ensuring cost efficiency and supply continuity.



GREEN HYDROGEN MARKET UNDERDEVELOPMENT RISK

A WCS analysis on target price

RISK (LIKELIHOOD)	DESCRIPTION	MITIGATION
GREEN HYDROGEN UNDERDEVELOPMENT RISK (HIGH)	The green hydrogen market is in its early stages , depending on renewable expansion , infrastructure and policy support. Currently, only a small portion of hydrogen comes from electrolysis, with no guarantee of economic competitiveness. Competition from blue hydrogen and innovative electrolytic solutions poses risks to revenues and financial stability .	The invasion of Ukraine boosted European interest in green hydrogen for energy resilience and EU net-zero targets, but risks remain. Without a binding regulatory framework , market stability is uncertain. De Nora invests in technology and collaborates with public and private entities to promote policies supporting renewable expansion and infrastructure.

Green Hydrogen Collaborations

Asahi Kasei	Partnership for the development of small-scale green hydrogen production systems.
Crete-Aegean Hydrogen Valley	Project to create a hydrogen production hub on the island of Crete.
Duferco	Partnership for green hydrogen projects to decarbonize mobility, energy, and logistics in Italy.
HyTecHeat	Project aimed at low-carbon steel production.
X-SEED	Project to develop a supercritical electrolyzer for more efficient and cost-effective green hydrogen production.

Unfolding our H2 worst case scenario

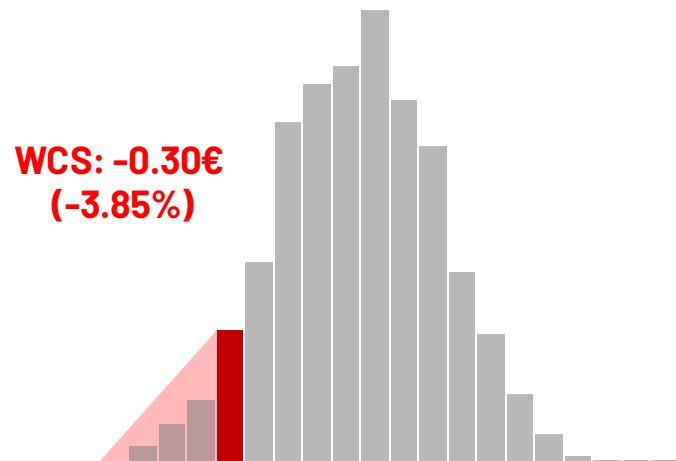


EMPLOYEE TURNOVER RISK

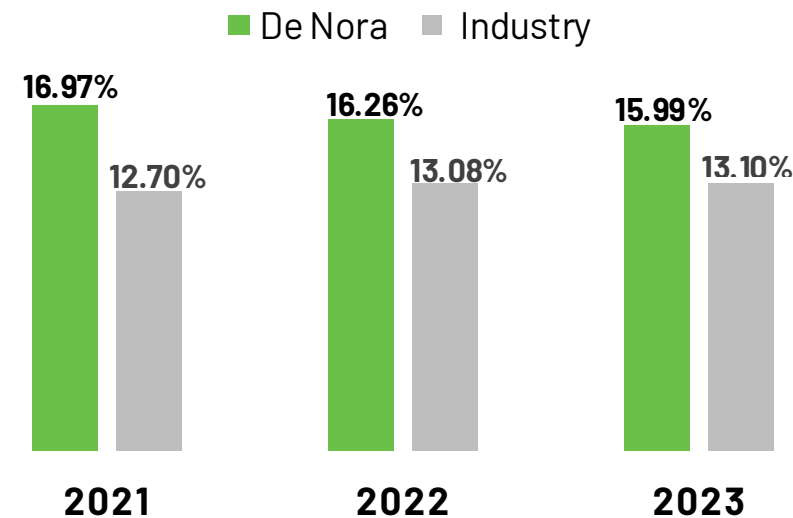
A WCS analysis on target price

RISK (LIKELIHOOD)	DESCRIPTION	MITIGATION
EMPLOYEE TURNOVER RISK (MEDIUM)	The inability to retain highly qualified personnel can be a significant challenge for the Company. Losing skilled and experienced employees can lead to disruptions in productivity , increased recruitment costs and loss of know-how .	To address this risk, De Nora implements performance-based compensation, training, and growth paths . It launched "InCLUDe" for executives to enhance emotional intelligence, crucial for retaining talent, reducing recruitment costs, and preserving expertise.

WCS: +125bps Personnel costs



Employee turnover rate



ENABLING MARKET LIQUIDITY

The role of a liquidity provider

De Nora's stock faces potential liquidity risks primarily because only about **25%** of the **ordinary shares are actively traded on the market**, while the majority remains with controlling shareholders through non-listed multiple-voting shares.

The **share buyback program**, initiated on November 8, 2023, with the goal of enhancing shareholder value, further reduces the number of shares available on the market, increasing liquidity risk.

At the end of the buyback on April 12, 2024, the Company had purchased **3 million of its own shares**, equivalent to **1.48% of the Company's share capital**.

DATE	SHARES BOUGHT	% SHARE CAPITAL	PERIOD RETURN
9/11/23 - 31/12/23	1,158,505	0.57%	11.99%
1/1/24 - 29/2/24	1,154,125	0.57%	0.00%
1/3/24 - 12/4/24	687,370	0.33%	-3.08%
TOTAL	3,000,000	1.48%	-4.39%

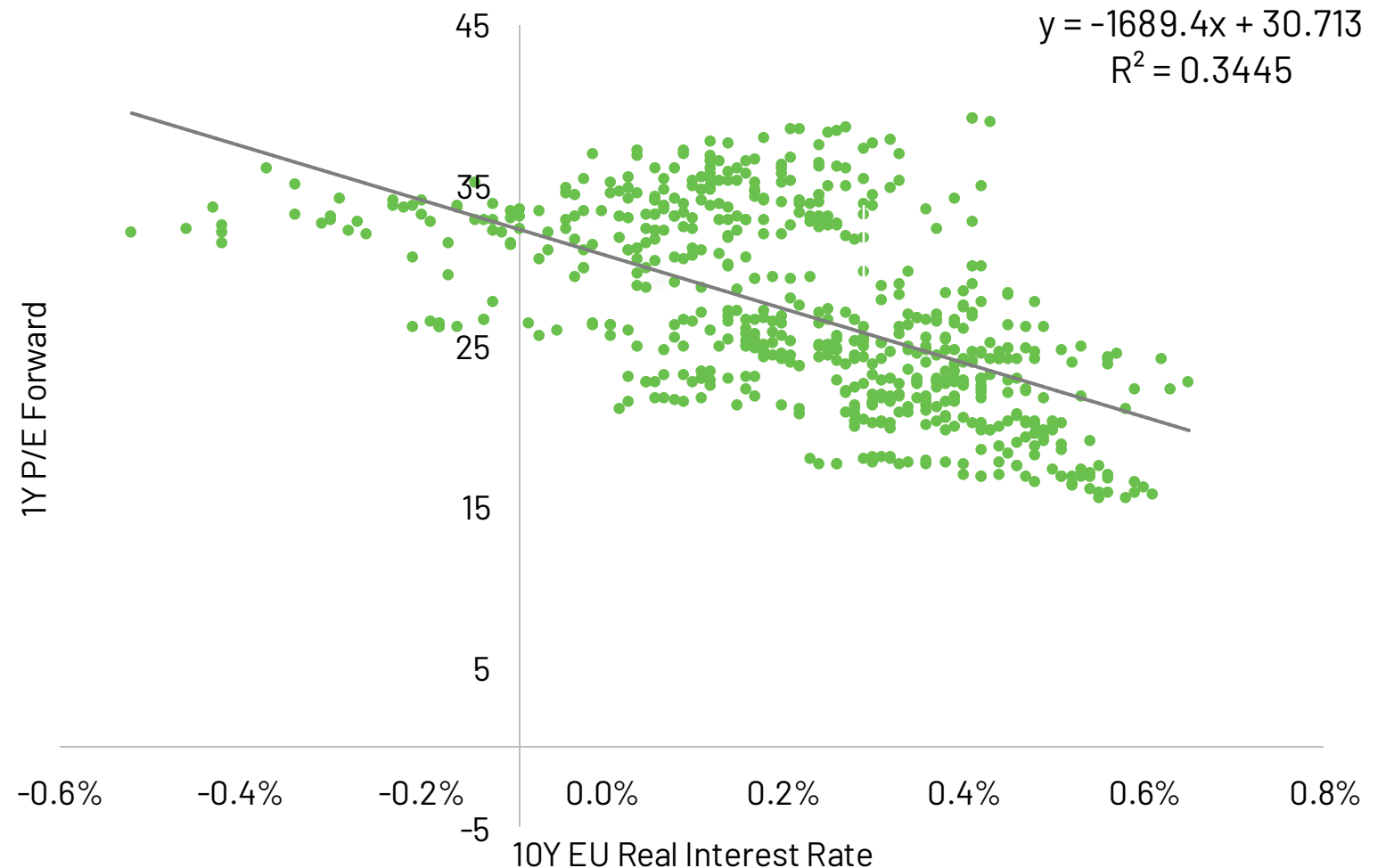
Source: Company data

REAL INTEREST RATE RISK

The historical impact on company price

A **change in Real Interest Rates** can **strongly affect De Nora's valuation** through a **reduction of the present value** of future expected cashflows and a higher WACC.

The regression on the right shows the **historical effect on De Nora's price of the change in Real Interest Rates**.



Our ESG proprietary framework

A bottom-up approach for a BB rating

To verify De Nora's declared commitment to ESG principles, we perform a comprehensive evaluation based on **71 key metrics** across three dimensions. Our methodology follows a **bottom-up approach**:

1. Each metric receives a grade that represents **De Nora's standing relative to industry peers**.
2. These individual grades are then combined using a **weighted average**, first at the bucket level and subsequently at the pillar level, ultimately determining **De Nora's final grade**.
3. The conversion from numerical scores to letters grade is derived from Refinitiv.

E 24 metrics
3 key factors

S 27 metrics
4 key factors

G 20 metrics
3 key factors

ENVIRONMENTAL

Resource Use
Emissions
Innovation

SOCIAL

Workforce
Human Rights
Community
Product Responsibility

GOVERNANCE

Board and Committees
Shareholders
CSR Strategy



Score
6.14

BB

Source: Refinitiv, team estimates

ESG Grade
Attribution

D

C

CC

CCC

B

BB

BBB

A

AA

AAA

[0 – 2.50]

[2.51 – 3.33]

[3.34 – 4.16]

[4.17 – 5.00]

[5.01 – 5.83]

[5.84 – 6.66]

[6.67 – 7.50]

[7.51 – 8.33]

[8.34 – 9.16]

[9.17 – 10]

ENVIRONMENTAL KEY METRICS – SCORE: 6.60

Source: Refinitiv, Team estimates

BUCKET (weight)	METRIC	De Nora	Previous	COMPETITORS Average [Min – Max]	Previous	SCORE	
						METRIC	BUCKET
RESOURCE USE (7.60%)	Resource Reduction Policy	T	Unchanged	100% T	Unchanged	6/10	6.21/10
	Policy Water Efficiency	T	Unchanged	17% F - 83% T	Unchanged	6.5/10	
	Policy Energy Efficiency	F	Unchanged	33% F - 67% T	Unchanged	4.5/10	
	Policy Sustainable Packaging	T	Unchanged	67% F - 33% T	Unchanged	7/10	
	Policy Environmental Supply Chain	T	Unchanged	100% T	Unchanged	6/10	
	Environment Management Team	F	Unchanged	17% F - 83% T	Unchanged	4/10	
	Environment Management Training	T	Unchanged	17% F - 83% T	Unchanged	6.5/10	
	Total Energy Use/Million in Revenue	468	462	\$1,121.72 [10.76 – 2,435.18]	\$1,147.05 [12.94 – 2,570.30]	8/10	
	Renewable Energy Use	T	Unchanged	100% T	Unchanged	6/10	
	Green Buildings	F	Unchanged	100% F	33% F - 67% T	6/10	
	Total Water Use / Million in Revenue	225.36	58.60	4,239.84 [40.34 – 11,932.39]	\$4,687.88 [39.31 – 13,197.48]	8/10	
	Environmental Supply Chain Management	T	Unchanged	100% T	Unchanged	6/10	
EMISSIONS (8.50%)	Policy Emissions	F	Unchanged	17% F -83% T	Unchanged	4/10	6.10/10
	Target Emissions	T	Unchanged	100% T	Unchanged	6/10	
	Total CO2 Emissions /Million in Revenue \$	\$40.50	\$39.33	\$126.59 [9.86 – 407.60]	\$147.66 [15.41 – 470.63]	8/10	
	Total Waste / Million in Revenue \$	\$7.61	\$6.37	\$47.30 [5.29 – 149.03]	\$40.86 [4.50 – 158.93]	8/10	
	Total Hazardous Waste / Million in Revenue \$	\$4.46	\$3.12	\$7.81 [0.02 – 27.89]	\$7.31 [0.02 – 26.71]	7/10	
	Waste Reduction Initiatives	T	Unchanged	17% F - 83% T	Unchanged	6.5/10	
	Waste Recycling Ratio	41.82%	38.56%	62.15% [22.39 – 99.14]	78.03% [37.54 – 99.69]	4/10	
	e-Waste Reduction	F	Unchanged	17% F- 83% T	Unchanged	5/10	
	ISO 14000 or EMS	ISO 14000	Unchanged	83% ISO14000 – 17% Both	Unchanged	6/10	
	Environmental Partnerships	T	Unchanged	33% F - 67% T	Unchanged	6.5/10	
INNOVATION (18.00%)	Environmental Products	T	Unchanged	100% T	Unchanged	6/10	7.00/10
	Animal Testing	F	Unchanged	67% F- 33% T	Unchanged	8/10	

SOCIAL KEY METRICS – SCORE: 6.09

Source: Refinitiv, Team estimates

BUCKET (weight)	METRIC	De Nora	Previous	COMPETITORS Average [Min – Max]	Previous	SCORE	
						METRIC	BUCKET
WORKFORCE (7.60%)	Health & Safety Policy	T	Unchanged	100% T	Unchanged	6/10	5.85/10
	Policy Employee Health & Safety	T	Unchanged	100% T	Unchanged	6/10	
	Policy Supply Chain Health & Safety	T	Unchanged	100% T	Unchanged	6/10	
	Health & Safety Training	T	Unchanged	100% T	Unchanged	6/10	
	Salary Gap	18	20	24 [5 - 36]	52.5 [4 - 131]	7/10	
	Net Employment Creation (%)	4.20%	12%	9.25% [-3.49 - 29.21]	28.32% [2.89 - 104.76]	4.5/10	
	Turnover of Employees (%)	15.99%	16.26%	13.10% [2.04 - 57.00]	13.08% [0.72 - 20.00]	5.5/10	
	Women Employees (%)	20%	19.40%	25.67% [22.40 - 29.10%]	35.89% [23.00 - 52.73]	5.5/10	
	Total Injury Rate	2.81	3.30	31.11 [2.70 - 105.85]	19.70 [3.20 - 66.04]	8/10	
	Average Training Hours	9	15	24.60 [16.71 - 29.00]	24.88 [14.00 - 38.40]	4/10	
HUMAN RIGHTS (11.40%)	Human Rights Policy	T	Unchanged	100% T	Unchanged	6/10	6.17/10
	Policy Freedom of Association	T	Unchanged	17% F - 83% T	Unchanged	6.5/10	
	Policy Child Labor	T	Unchanged	100% T	Unchanged	6/10	
	Policy Human Rights	T	Unchanged	100% T	Unchanged	6/10	
	Fundamental Human Rights ILO UN	T	Unchanged	17% F - 83% T	Unchanged	6.5/10	
	Human Rights Contractor	T	Unchanged	100% T	Unchanged	6/10	
COMMUNITY (9.50%)	Policy Fair Competition	T	Unchanged	17% F - 83% T	Unchanged	6.5/10	6.1/10
	Policy Bribery and Corruption	T	Unchanged	100% T	Unchanged	6/10	
	Policy Business Ethics	T	Unchanged	100% T	Unchanged	6/10	
	Improvement Tools Business Ethics	T	Unchanged	100% T	Unchanged	6/10	
	Whistleblower Protection	T	Unchanged	100% T	Unchanged	6/10	
PRODUCT RESPONSIBILITY (8.90%)	Policy Customer Health & Safety	T	Unchanged	17% F - 83% T	Unchanged	6.5/10	6.17/10
	Policy Data Privacy	T	Unchanged	100% T	Unchanged	6/10	
	Policy Cyber Security	T	Unchanged	100% T	Unchanged	6/10	
	ISO 9000	T	Unchanged	17% F - 83% T.	33% F- 67% T	6.5/10	
	Armaments	F	Unchanged	100% T	Unchanged	6/10	
	Oil and Gas Producer	F	Unchanged	100% T	Unchanged	6/10	

GOVERNANCE KEY METRICS – SCORE: 5.65

Source: Refinitiv, Team estimates

BUCKET (weight)	METRIC	De Nora	Previous	COMPETITORS Average [Min – Max]	Previous	SCORE	
						METRIC	BUCKET
BOARD AND COMMITTEES (19.00%)	Audit Board Committee	T	Unchanged	17% F - 83% T	Unchanged	6.5/10	5.96/10
	Compensation Board Committee	F	Unchanged	100% T	Unchanged	3.5/10	
	Policy Board Independence	T	Unchanged	33% F - 67% T	Unchanged	7/10	
	Policy Board Diversity	T	Unchanged	17% F - 83% T	Unchanged	6.5/10	
	Succession Plan	T	Unchanged	33% F - 67% T	Unchanged	7/10	
	Board Size	12	13	10.33 [7 - 14]	9.83 [6 - 13]	6/10	
	Board Background and Skills	T	Unchanged	100% T	Unchanged	6/10	
	Independent Board Members(%)	50.00%	46.67%	68.42% [30.00 - 100.00]	70.89% [36.36 - 100.00]	4/10	
	Board Gender Diversity (%)	33.30%	30.77%	33.69% [12.50 - 50.00]	34.74% [11.11 - 53.85]	6/10	
	CEO Chairman Duality	F	Unchanged	67% F - 33% T	Unchanged	6.5/10	
	CEO Board Member	T	Unchanged	100% T	Unchanged	6/10	
	Chairman is ex-CEO	F	Unchanged	67% F - 33% T	Unchanged	6.5/10	
SHAREHOLDERS (5.70%)	Shareholder Rights Policy	T	Unchanged	100% T	Unchanged	6/10	4.50/10
	Equal Shareholder Rights	F	Unchanged	17% F - 83% T	Unchanged	4/10	
	Veto Power or Golden Share	T	Unchanged	100% F	Unchanged	3.5/10	
CSR STRATEGY (3.80%)	CSR Sustainability Committee	T	Unchanged	100% T	Unchanged	6/10	5.80/10
	Global Compact Signatory	F	Unchanged	33% F - 67% T	Unchanged	4/10	
	ESG Reporting Scope (%)	100%	Unchanged	100% [100 - 100]	Unchanged	6/10	
	UNPRI Signatory	F	Unchanged	100% F	Unchanged	6/10	
	Number of SDG	10	Unchanged	8 [3 - 15]	7 [3 - 15]	7/10	

THE COMPANY'S LEADERSHIP

Board of Directors 1

Federico De Nora



Executive Chairman

CEO of De Nora in 2000

Grandson of founder
Oronzio

Paolo Dellachà



Chief Executive Officer

Over 25 years of experience

Graduated in Electronic and
Management Engineering

Stefano Venier



Non-Executive Director

CEO of Snam since April
2022

Ex director of Hera

Paola Bonardini



Non-Executive Director

Senior Vice President Plants
in Snam

Master in Management and
Economics of Energy

Mario Cesari



Non-Executive Director

Founder of Ischyra Europe
GmbH

Master in Industrial
Engineering

Michelangelo Mantero



Non-Executive Director

Ex Financial analyst at Merrill
Lynch

Founder of GenCap Advisory

THE COMPANY'S LEADERSHIP

Board of Directors 2

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Maria Giovanna Calloni



Independent Director

Ex Director in Equity
Capital Markets of Merrill
Lynch

Degree in Economics

Alessandro Garrone



Independent Director

Ex CEO of ERG SpA

Degree in Economics

Anna Chiara Svelto



Independent Director

Ex Chief General Counsel of
UBI Banca SpA

Degree in Law

Elisabetta Oliveri



Independent Director

Ex CEO of Sirti Group and
Autostrade per l'Italia

Degree in Electronic
Engineering

Giorgio Metta



Independent Director

Scientific Director at the
Italian Institute of
Technology

Phd from University of
Genova

Giovanni Toffoli

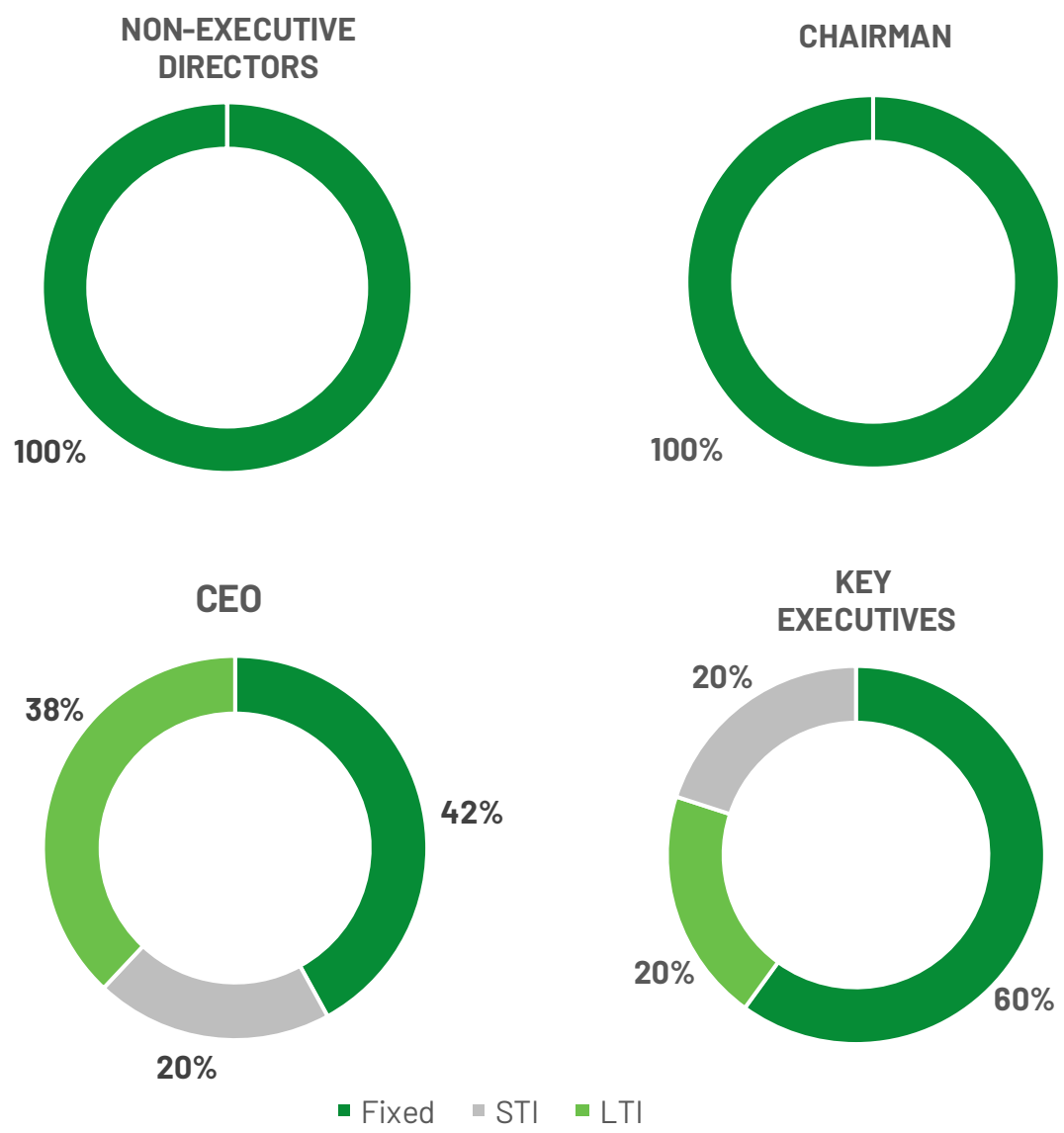


Independent Director

Chairman of Federchima
Assofertilizzanti since 2018

Degree in Economics

OFFICES	FULL NAME (year of birth)	COMMITTEES			
		APPOINTMENT & REMUNERATION	CONTROL, RISK & ESG	RELATED PARTIES	STRATEGIES
Executive Chairman <i>(since 2003)</i>	Federico De Nora (1969)				✓
Chief Executive Officer <i>(since 2009)</i>	Paolo Enrico Dellachà (1969)				✓
Non-Executive Director <i>(since 2022)</i>	Stefano Venier (1964)				✓
Non-Executive Director <i>(since 2023)</i>	Paola Bonardini (1974)		✓		✓
Non-Executive Director <i>(since 2012)</i>	Mario Cesari (1968)	✓			✓
Non-Executive Director <i>(since 2012)</i>	Michelangelo Mantero (1969)				
Independent Director <i>(since 2022)</i>	Maria Giovanna Calloni (1965)	✓		✓	
Independent Director <i>(since 2022)</i>	Alessandro Garrone (1964)				
Independent Director <i>(since 2023)</i>	Anna Chiara Svelto (1969)		✓	✓	
Independent Director <i>(since 2022)</i>	Elisabetta Olveri (1964)	✓		✓	
Independent Director <i>(since 2023)</i>	Giorgio Metta (1970)				
Independent Director <i>(since 2020)</i>	Giovanni Toffoli (1969)		✓		



Source: Refinitiv, FactSet

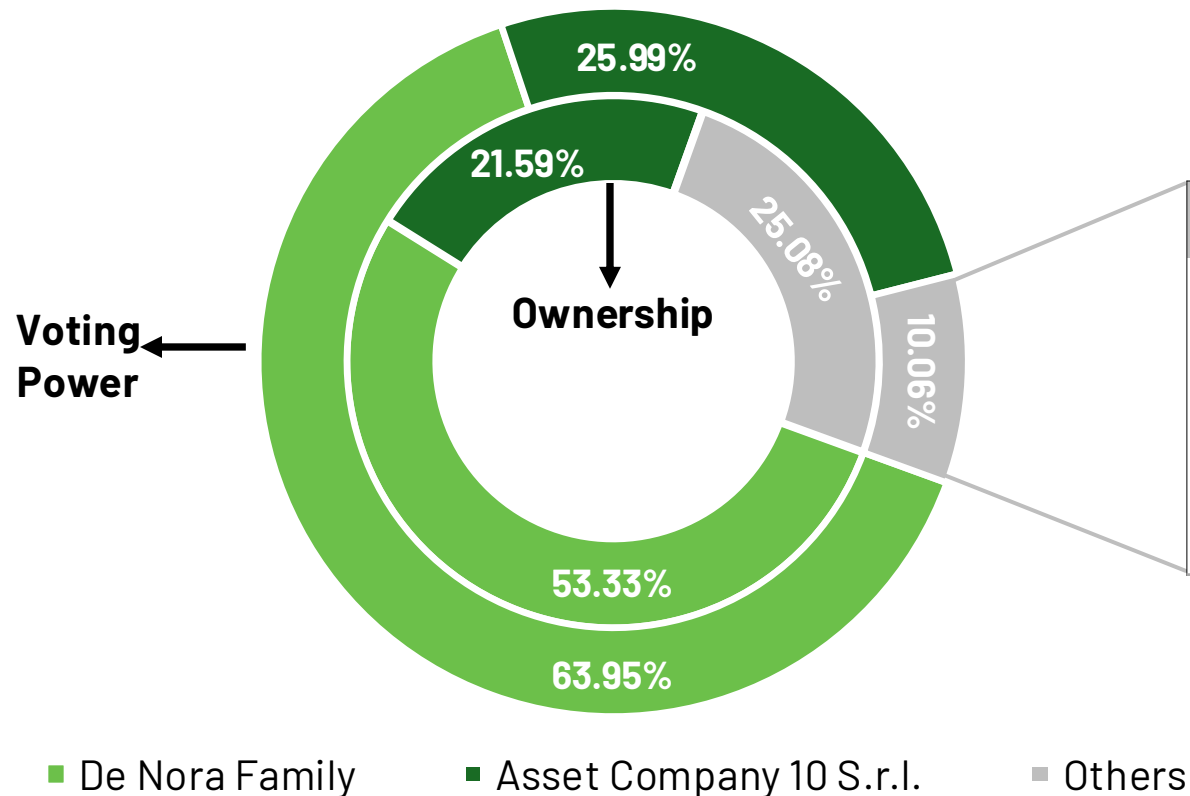
		CEO	Key Executive
Long term incentives (LTI)	Absolute TRS	20%	
	Relative TRS	20%	
	Delta Group EBIT	40%	
	ESG	20%	
Short term incentives (STI)	Group EBIT	50%	15% - 30%
	Financial Objective	30%	35% - 75%
	ESG Objective	20%	10%-20%
	Individual Targets	✗	✗

SHAREHOLDERS' STRUCTURE

Investors share

Total number of shares	201,685,174
Multiple-vote shares	150,481,195
Ordinary shares	51,203,979

Considering the total number of shares, **74.61% grant multiple votes while 25.39% are ordinary shares**. The **Multiple-vote shares**, owned by Federico De Nora, Federico De Nora SpA, Norfin SpA, and Asset Company 10 S.r.l., **are not admitted to trading on Euronext Milan** and are not counted as part of the free float



Other Investors	% Ownership	% Voting Power
Treasury shares	1.47%	0.59%
Management	1.48%	0.59%
Other institutional and retail investors	22.13%	8.88%