



Q1 2024 Financial Results

**Robust Profitability and Backlog growth in a
challenging scenario**

May 8th 2024

Q1 2024 RESULTS
WITH YOU TODAY



Paolo Dellachà
CEO



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CFO



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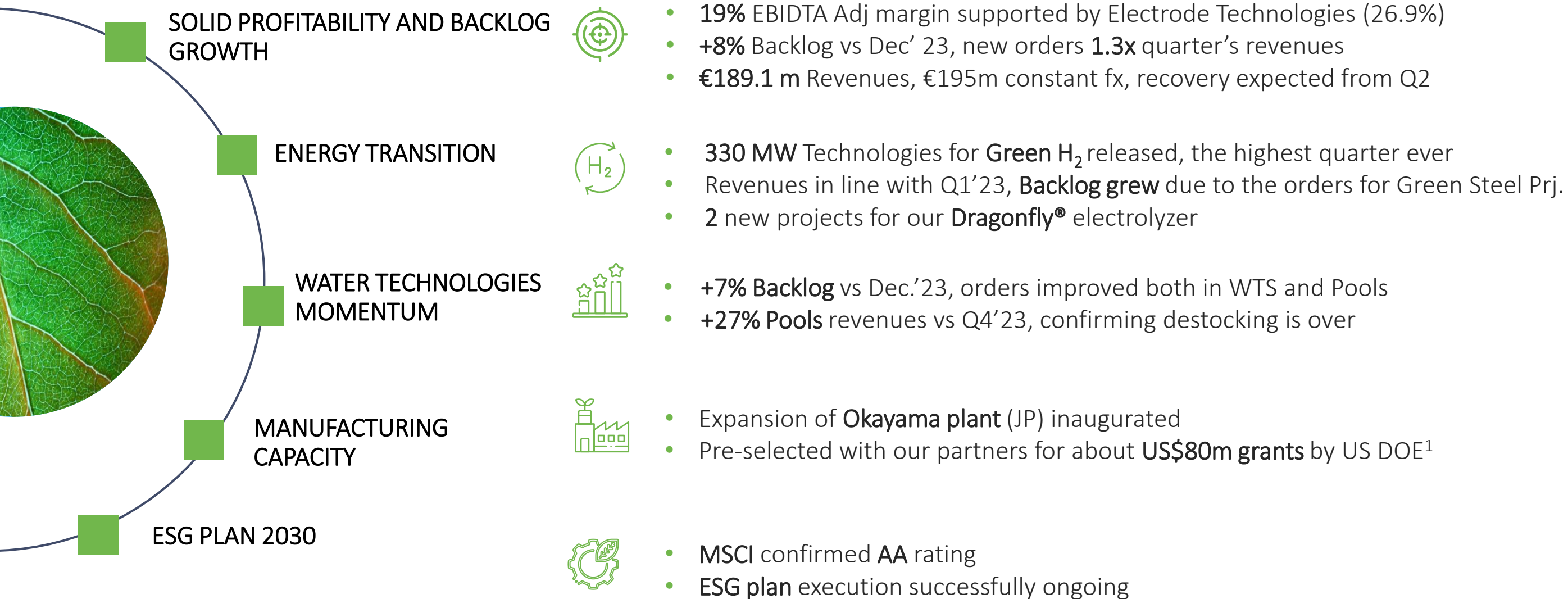




- ☐ Q1 2024 Key Achievements and Business Review
- ☒ Q1 2024 Results Review
- ☒ ESG Journey Updates
- ☒ Final Remarks
- ☒ Q&A Session



We continue to build up for growth and value creation



1. DOE: Department of Energy. Grant: US\$50 m for manufacturing expansion with nucera and about US\$ 30 m for Innovation activities aimed at reducing Green H₂ cost of production.

Robust profitability and Backlog growth to win in a challenging scenario

REVENUES

€189.1m

€216.9m Q1 2023

EBITDA ADJUSTED

€35.9m

19.0% Ebitda Adj margin

NET RESULT

€18.0m

9.5% on revenues

ENERGY TRANSITION

€26.6m

Revenues, in line with Q1 2023

330 MW Green H₂ Technologies delivered

BACKLOG

€661 m

+8% vs Dec.2023

o/w € 182m Energy Transition

NET CASH POSITION

€9.4m

€10.1m @ 31 March 2023



ELECTRODE TECHNOLOGIES BUSINESS

Strong profitability despite soft volumes, growth to recover in H2'24

Revenues reflect the production schedule in Chlor-alkali, expected to **accelerate from Q2**. Electronics performance is still weak, but expected to recover in the second half

Strong **26.9% EBITDA Adj. margin** (vs 25.9% in Q1 2023) with **after-market** services jumped at **49.5%** of revenues

New Orders: momentum in Chlor-alkali, mainly driven by technological upgrade and aftermarket contracts. Main markets US and Asia

Okayama's plant expansion in Japan inaugurated in March to serve international customers and the local market.



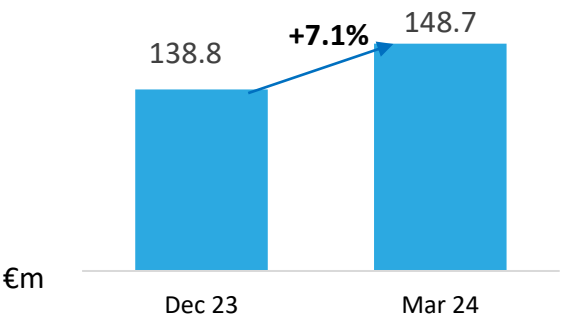
*Coating process
De Nora Deutschland*



WATER TECHNOLOGIES BUSINESS

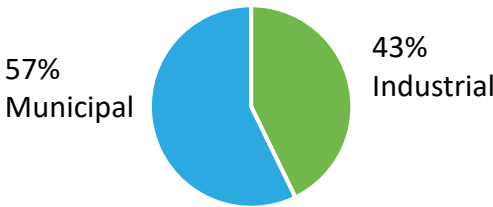
Increased orders pave the way for growth

Backlog €m



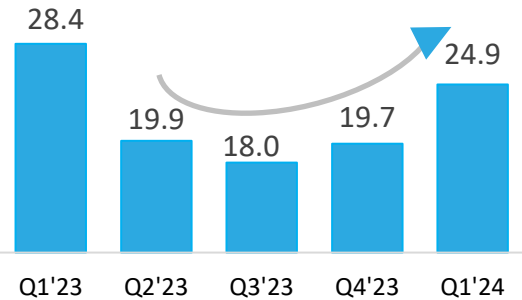
- **New Orders** ~€80m, growing YoY both in WTS and Pools
 - **+4%** WTS
 - **+16%** Pools

Q1'24 WTS Orders ~€55m



- **WTS¹**, positive momentum continues
- Revenues **+4.7** YoY

Pools Revenues €m



- **Pools**, destocking is over, **+27%** Revenues QoQ growth
- YoY decrease due to strong Q1'23



1. Water Technologies Systems



O.B. Curtis Water Treatment Plant

- Destination: Jackson, **Mississippi**
- Capacity : **190,000 m3** Drinkable Water per Day
- Population: **180.000+**
- De Nora's Technologies: 2 ClorTec 2400 –C Systems, to produce on-site **1,090 kg** of chlorine per day

Scope of the project

- To restore water treatment operations after the Peer River flooding
- The project led by JXN Water Inc. has received federal & state funding

Why De Nora

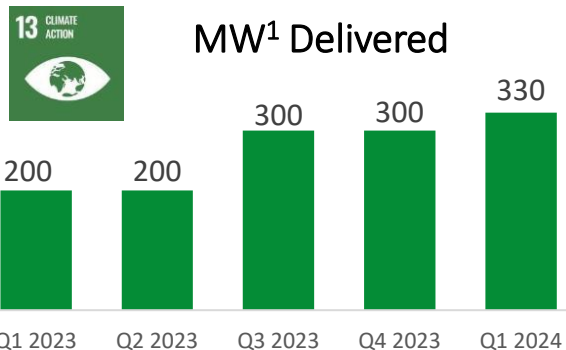
- Technological Leadership
- Strong execution based on solid track record in USA

MARKET TRENDS DRIVING OUR STRATEGY

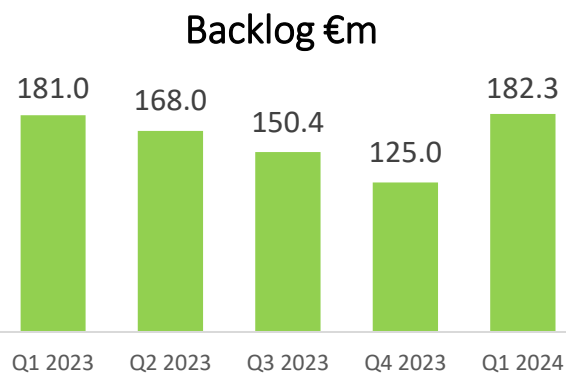
- Investments in municipal and energy sectors
- Demand for on-site electrochlorination technologies
- Focus on water-stressed areas (USA, China, Saudi)
- New PFAS Regulation and Public funding in AMS, EU

ENERGY TRANSITION BUSINESS

Investing in the future Growth



330 MW delivered in Q1'24, the highest quarter ever. €26.6 m revenues in line with Q1'23. Project execution follows customer planning

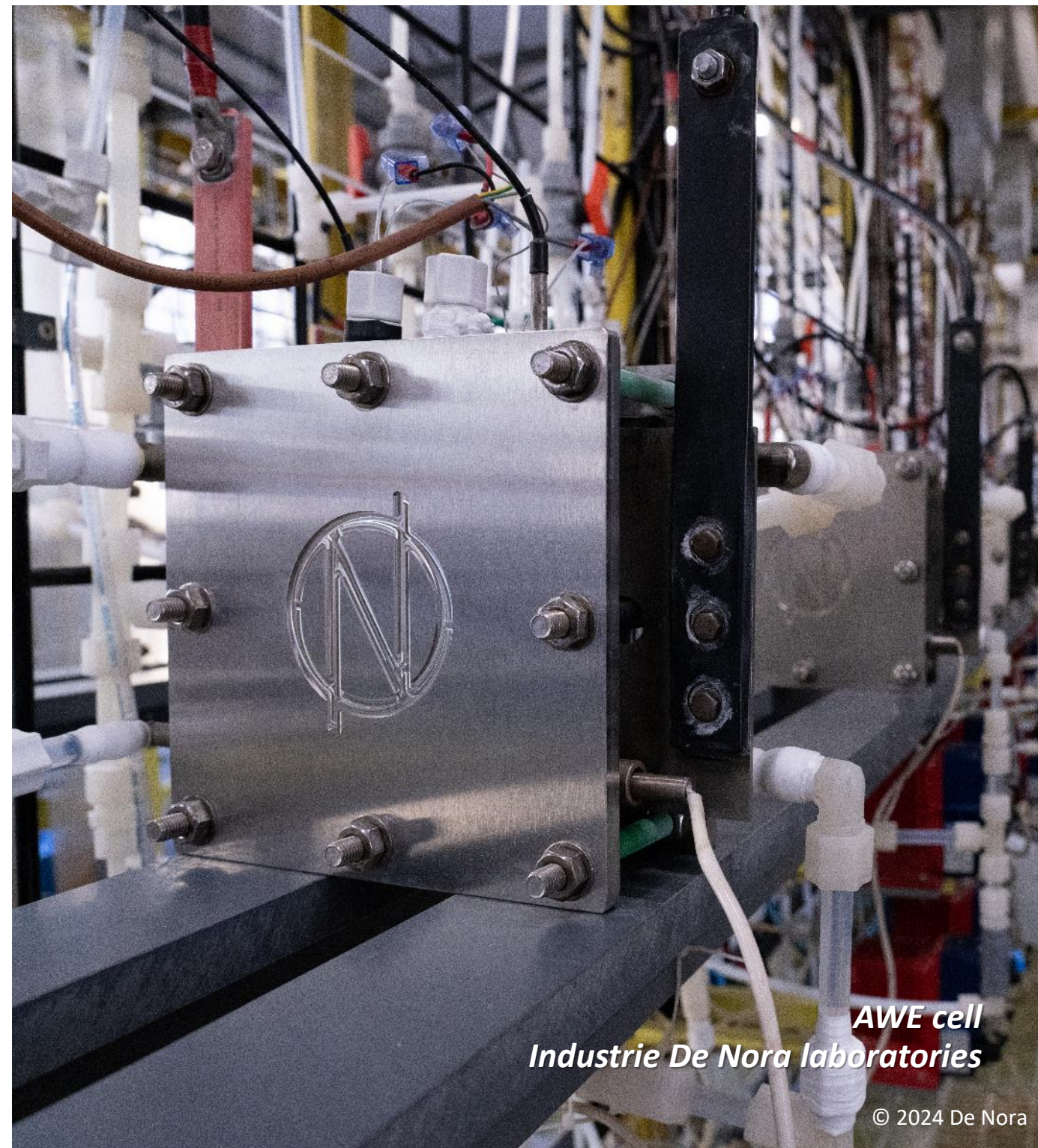


Solid Backlog at **1.9 GW** including new orders for the 700+ MW Green Steel project (Sweden)



We are investing in Green H₂ future growth:

- Gigafactory project in Italy
- R&D (11.2% of revenues)
- Dragonfly® electrolyzer
- Gigafactory in the US



AWE cell
Industrie De Nora laboratories

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Main Projects in Backlog

NEOM, Saudi Arabia,
Largest H₂ Project Globally
part of > 2 GW tot project
H₂ to Green Ammonia



Green Steel project, Sweden
the first large-scale green steel plant in the EU
700+ MW
H₂ to Steel – Hard to abate industry



Reservation Capacity in our pipeline (Hot Deals)



«Next Company» high
multi-hundred MW Green H₂
project in North America
HyTecHeat



NESTE 120 MW AWE
at Neste's Refinery in Finland
H₂ to Refinery Processes



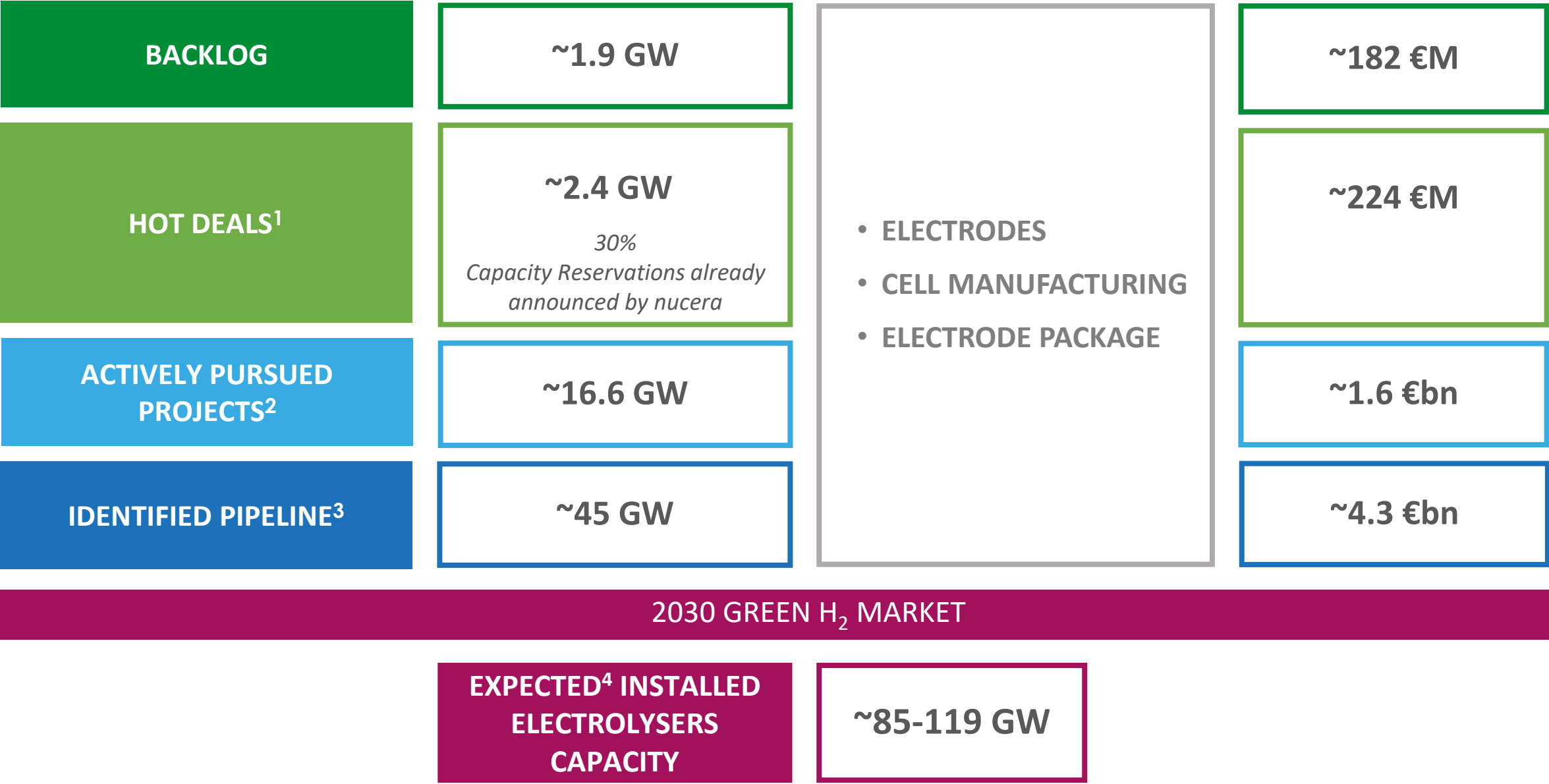
Dragonfly® electrolyzer- Projects

HyTecHeat
Eu Project with Snam e Tenova
1MW low carbon H₂ for steel production
Founded by EU "Horizon Europe"



CRAVE H₂
Crete-Aegean Hydrogen Valley (Crete)
4 MW - 500 tons/y of Green H₂
co-funded by the EU Commission and the Clean H₂ Partn.





1.Hot Deals: projects with high probability of award in the short term. 2.Actively pursued projects in which our partners, and especially those with whom we are closely cooperating, have been having active interactions 3.Identified pipeline: Projects with which our partners had first interactions. 4 Internal Analysis on multiple sources.

BOOSTING OUR DISTINCTIVE PRODUCTION CAPACITY

Focus on readiness and flexibility to market trends

AMS

- Automation and technology upgrades. Energy Innovation Center
- Awarded, with jv nucera ~US\$50m by DOE¹ for manufacturing expansion (green H₂)

EMEIA

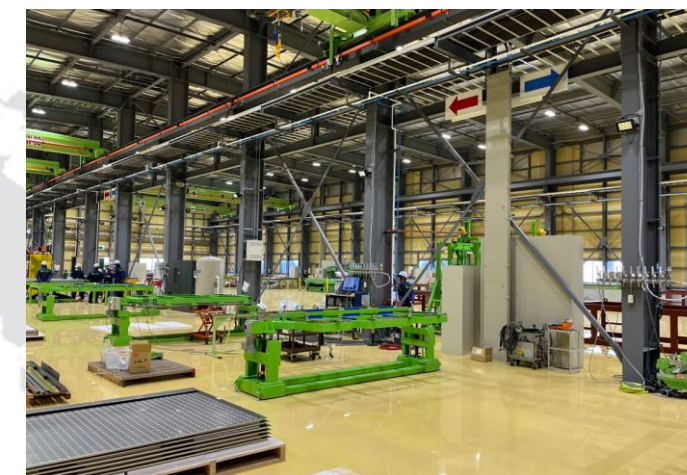
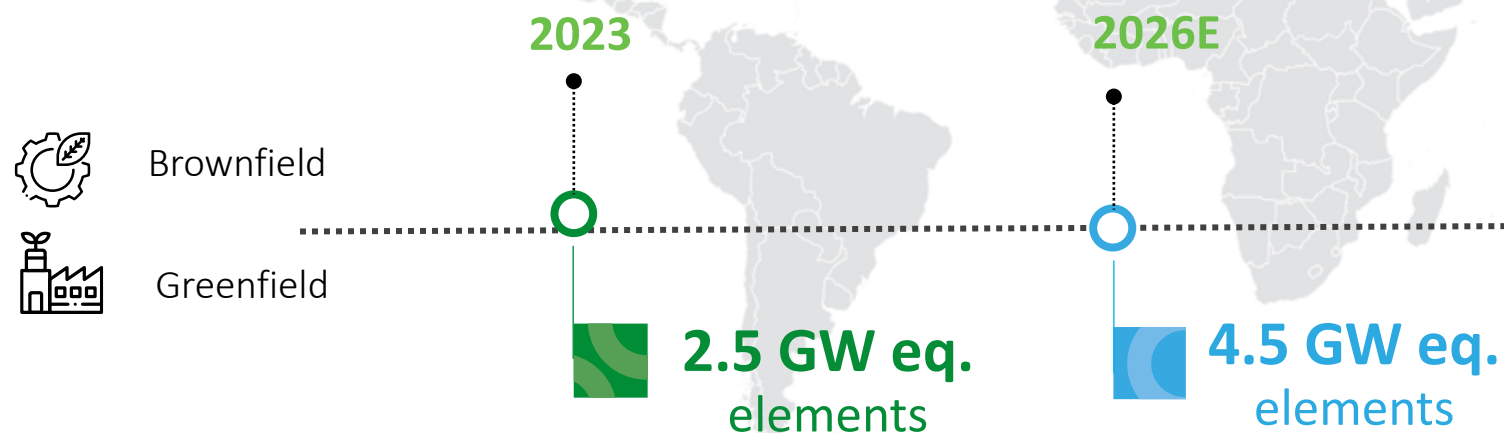
- Strengthen manufacturing set-up in Germany to enhance Energy Transition productivity
- Greenfield Gigafactory (Italy)

ASIA

- Synergic plan of expansion for China & Japan.
- Suzhou's expansion phase completed in '23
- Okayama expansion completed in March 2024

Okayama -Expansion

- Site expansion inaugurated in March
- It will produce Electrolizers for Chlor-alkali and AWE
- To serve international customers and the local market
- Synergies with Suzhou Plant that produces Coated Electrodes



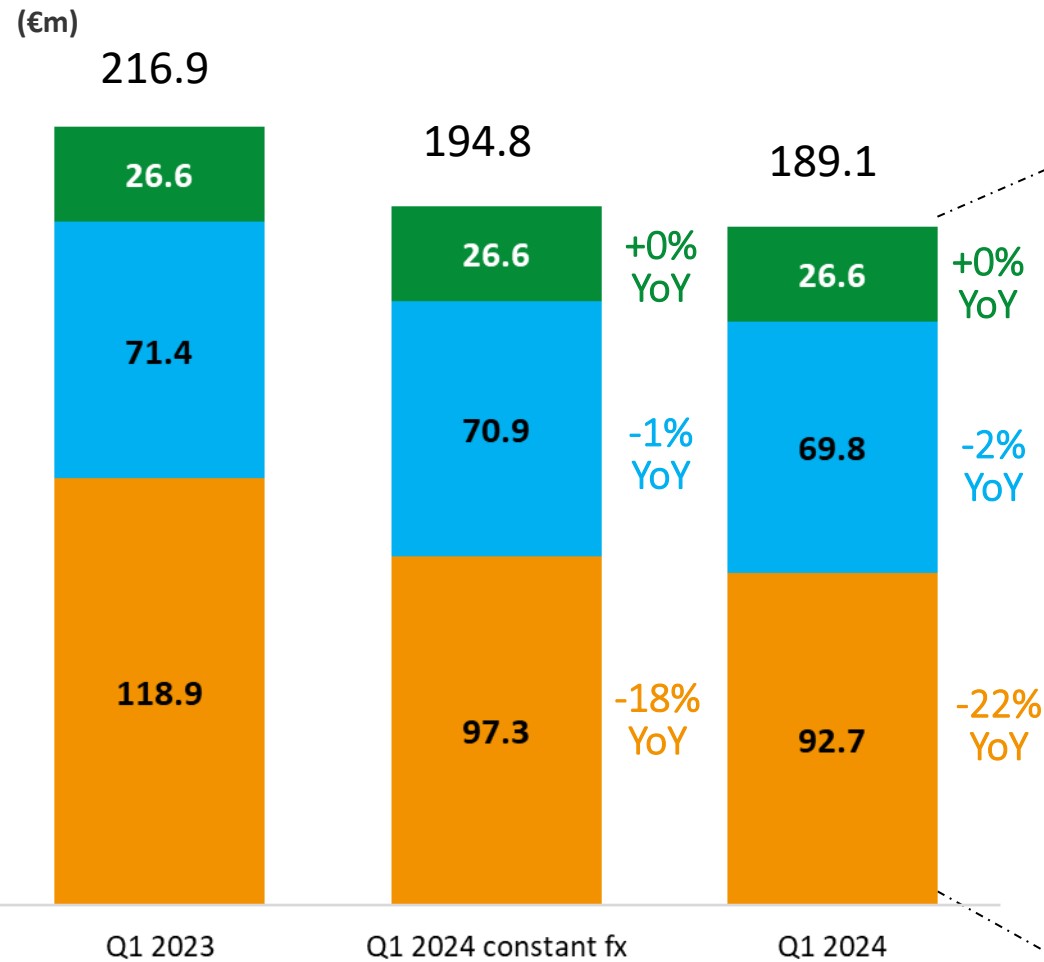


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- **Q1 2024 Results Review**
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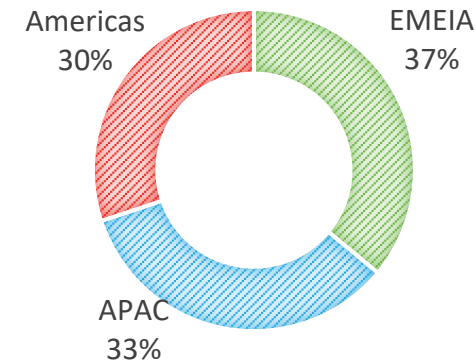


Q1 2024 REVENUES

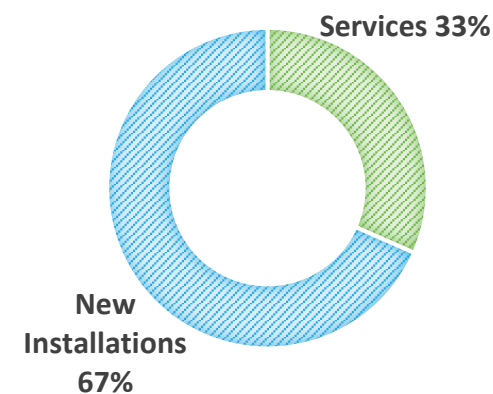
Revenues expected to accelerate in H2'24



Revenue By Geography



Revenue By Type



KEY HIGHLIGHTS

ELECTRODE TECHNOLOGIES

- Projects scheduling in chlor-alkali and Electronics normalization impacted results
- Revenues expected to recover from Q2'24, thanks the acceleration of membrane projects and Electronics recovery
- Aftermarket Revenues at **49.5%**

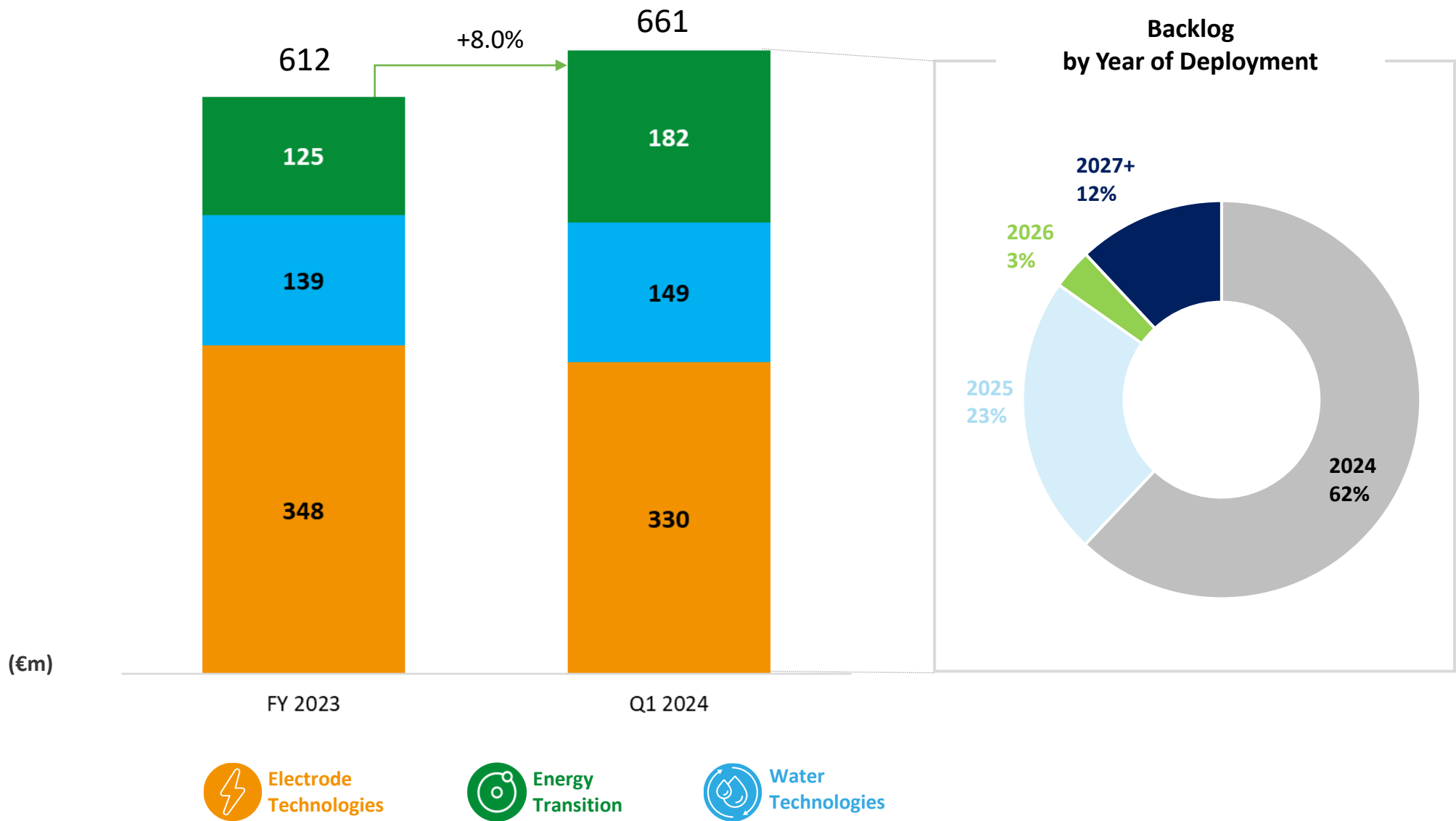
WATER TECHNOLOGIES

- **WTS¹** : **+4.7%** YoY, growth supported by solid backlog and new orders. Aftermarket **36.7%**
- **Pools**: **+27%** sequential growth QoQ, confirming that destocking is over. YoY growth expected from Q2 '24

ENERGY TRANSITION

- Revenues supported by **solid backlog**, Performance driven by **production plan** and projects mix.

Water Technologies and Energy Transition orders boosted the backlog



KEY HIGHLIGHTS

ELECTRODE TECHNOLOGIES

- Project execution partially compensated by orders mainly in ASIA and US. Order intake expected to improve in the next quarters

WATER TECHNOLOGIES

- Backlog grew thanks to new orders (~€80m) both in WTS (+4% YoY) and Pools (+16%), which more than off-set project executions

ENERGY TRANSITION

- Backlog grew mainly following the new 700+ MW orders signed in Feb. for the EU largest Green Steel project (Sweden)

Q1 2024 EBITDA ADJUSTED

Profitability in line with guidance, supported by core businesses

EBITDA Adj. Margin %

Adj. EBITDA

Total

21.5%

19.0%

Energy Transition

20.0%

-1.8%

Water Tech.

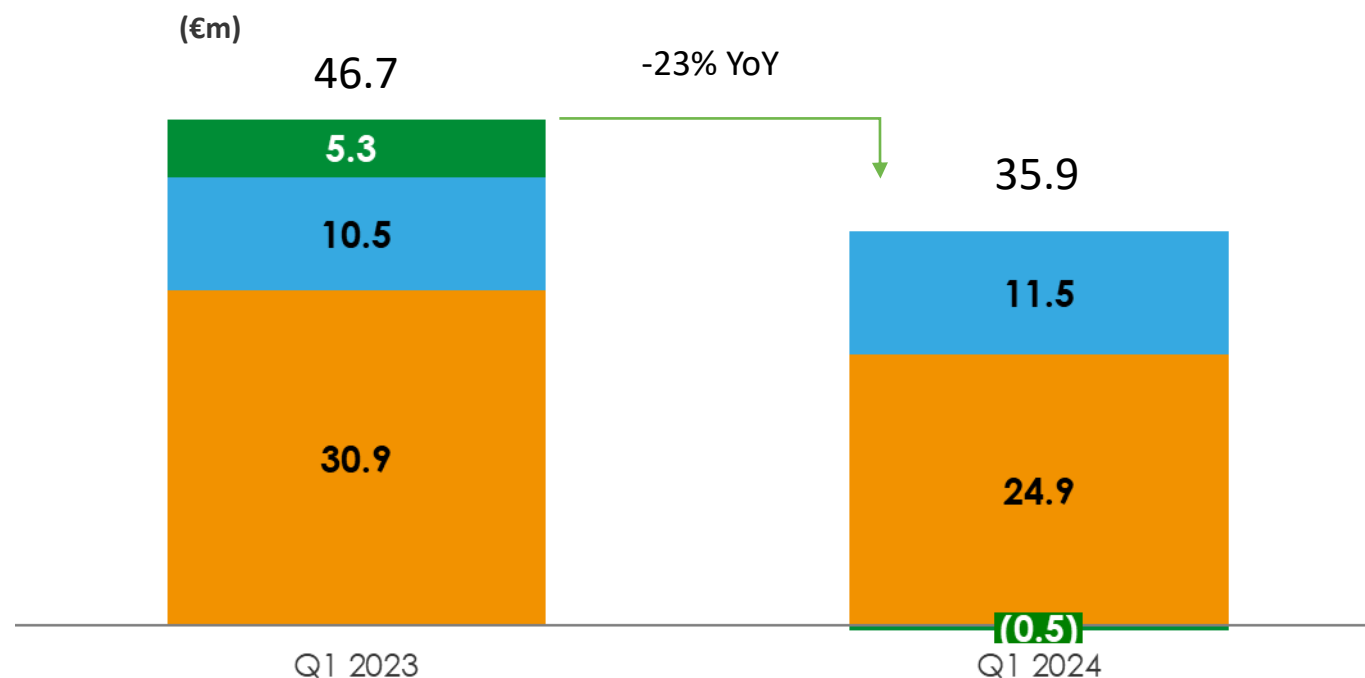
14.7%

16.4%

Electrode Tech

25.9%

26.9%



KEY HIGHLIGHTS

ELECTRODE TECHNOLOGIES

- Strong and improved profitability (~+100bps), despite revenue trend, mainly supported by production mix and solid aftermarket projects

WATER TECHNOLOGIES

- EBITDA adj +9% YoY
- Ebitda Adj margin grew by ~170 bps, thanks to better profitability both in WTS and Pools, due to indirect cost streamline, product mix and price improvements

ENERGY TRANSITION

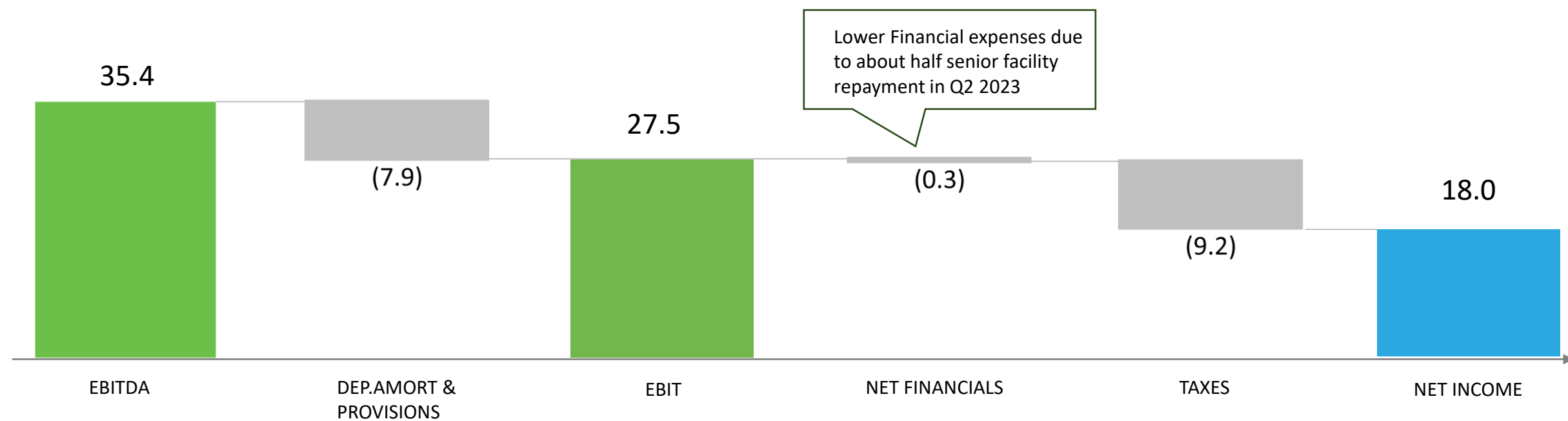
Negative Profitability reflects:

- the R&D costs at 11.2% of revenues (9.1% in Q1'23)
- the costs related to Gigafactory
- initial scale up costs and project mix

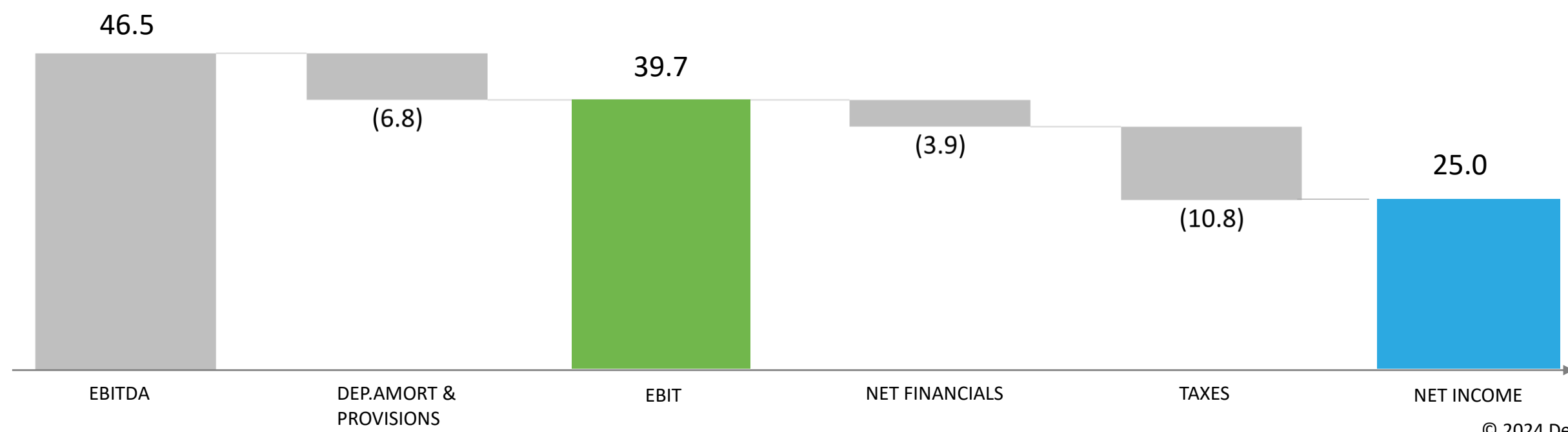


Q1 2024 RESULTS: FROM EBITDA TO NET INCOME

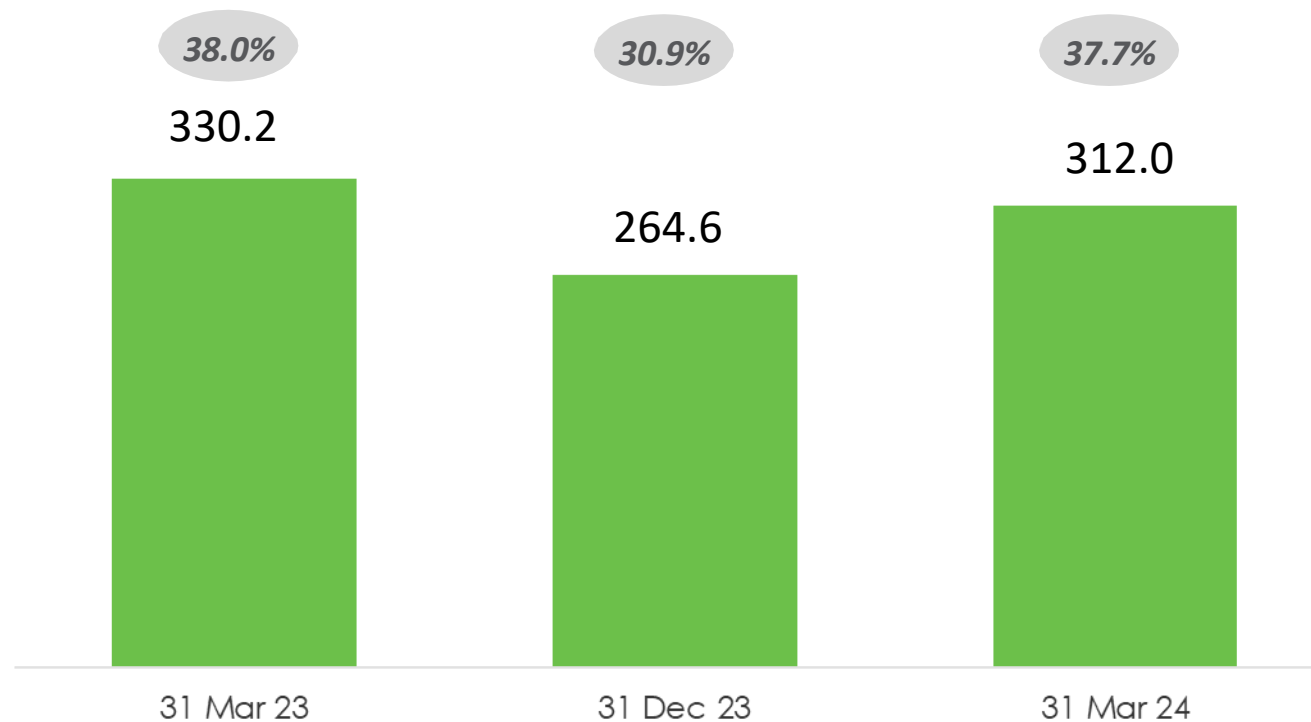
Q1
2024



Q1
2023



NWC % Sales



(€m)

	31 Mar 23	31 Dec 23	31 Mar 24
Inventories	293.8	257.1	271.8
Contract WIP	18.0	31.7	29.6
Trade Receivables	145.5	141.9	164.7
Trade Payables	(76.6)	(106.8)	(95.7)
Other current assets and liabilities	(50.5)	(59.4)	(58.3)
Net Working Capital	330.2	264.6	312.0

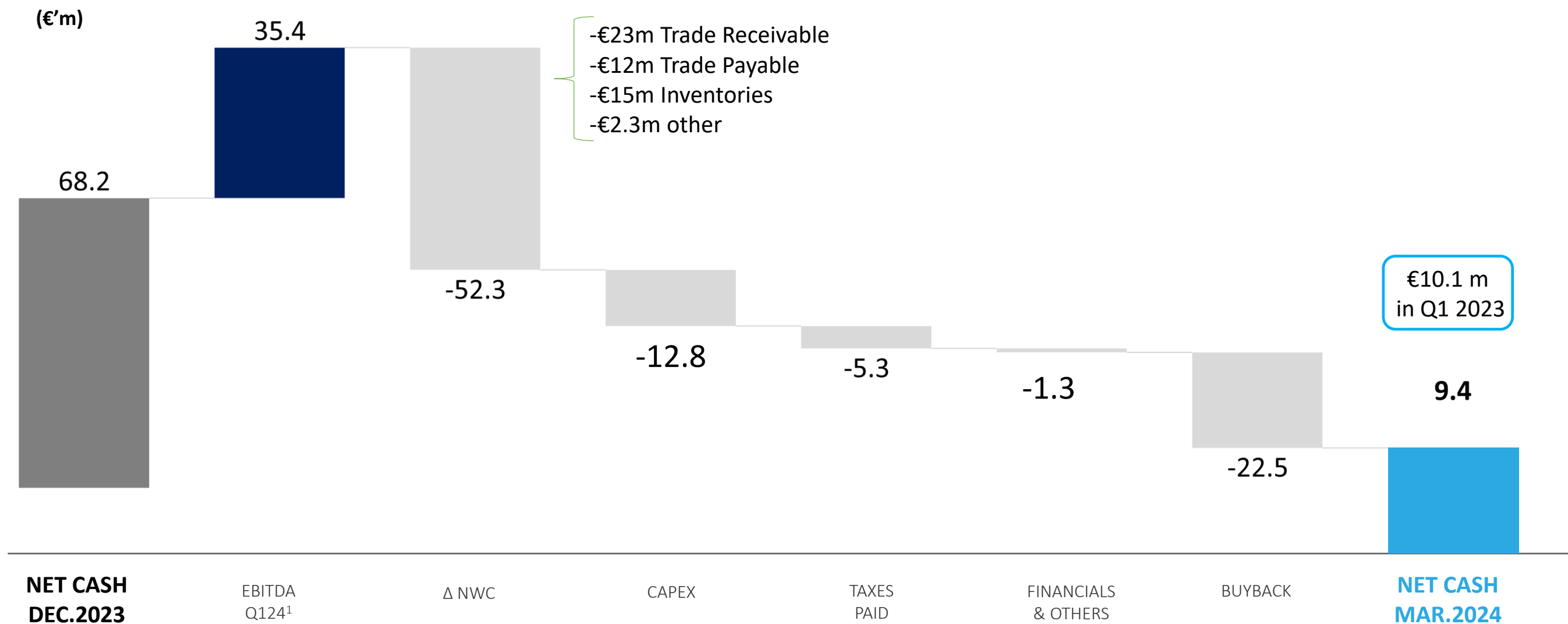
	Q1 2023	FY2023	Q1 2024
Inventories % of sales	33.8%	30.0%	32.8%
DSO	65	67	75
DPO	45	74	67

KEY HIGHLIGHTS

NWC incidence on revenues was in line with Q1'23, and increased vs Dec.2023 mainly due:

- To **seasonality effects** in trade payable and receivables

The **inventory ratio** increased vs Dec.23 to 32.8% (better than 33.8% in Q1'23), reflecting inventory build-up to **support 2024 backlog execution**.





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MAIN Q1 2024 ESG ACHIEVEMENTS

Executing our Sustainability Plan, underpinned by a solid governance








GREEN INNOVATION	CLIMATE ACTION & CIRCULAR ECONOMY	PEOPLE & LOCAL COMMUNITIES	GOVERNANCE ETHICS AND COMPLIANCE
<ul style="list-style-type: none">• Circular Design Guidance embedded in our R&D• LCA and Product Scorecard project ongoing• 75% R&D costs dedicated to Energy Transition	<ul style="list-style-type: none">• 3.1 GWh PV plants connected, in our Germany, Brazil, and Italy sites• 2 New ISO 14001 certifications in China and India• 14% Revenues in Green H₂ 24% Revenues in WTS1	<ul style="list-style-type: none">• Supply Chain Policy Adopted• Health Safety and Environmental Policy Adopted• Partnered with Valore D, networking and training on DE&I	<ul style="list-style-type: none">• 20% target ESG linked in CEO remuneration:<ul style="list-style-type: none">- Safety KPIs- Renewable Energy- DE&I policy Adoption• €0.123 per share dividend approved by Shareholders' Meeting

Leading External Recognition²



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FINAL REMARKS Q1 2024 RESULTS

We continue to build up for growth and value creation, despite a demanding scenario



Robust profitability, EBITDA adj margin plentifully in line with guidance, supported by Electrodes Technologies Business



Positive momentum in Water Technologies Business both WTS and Pools that are sequentially (QoQ) growing



Energy Transition, 330 MW delivered, the highest quarterly production level ever. Solid backlog and pipeline to grow



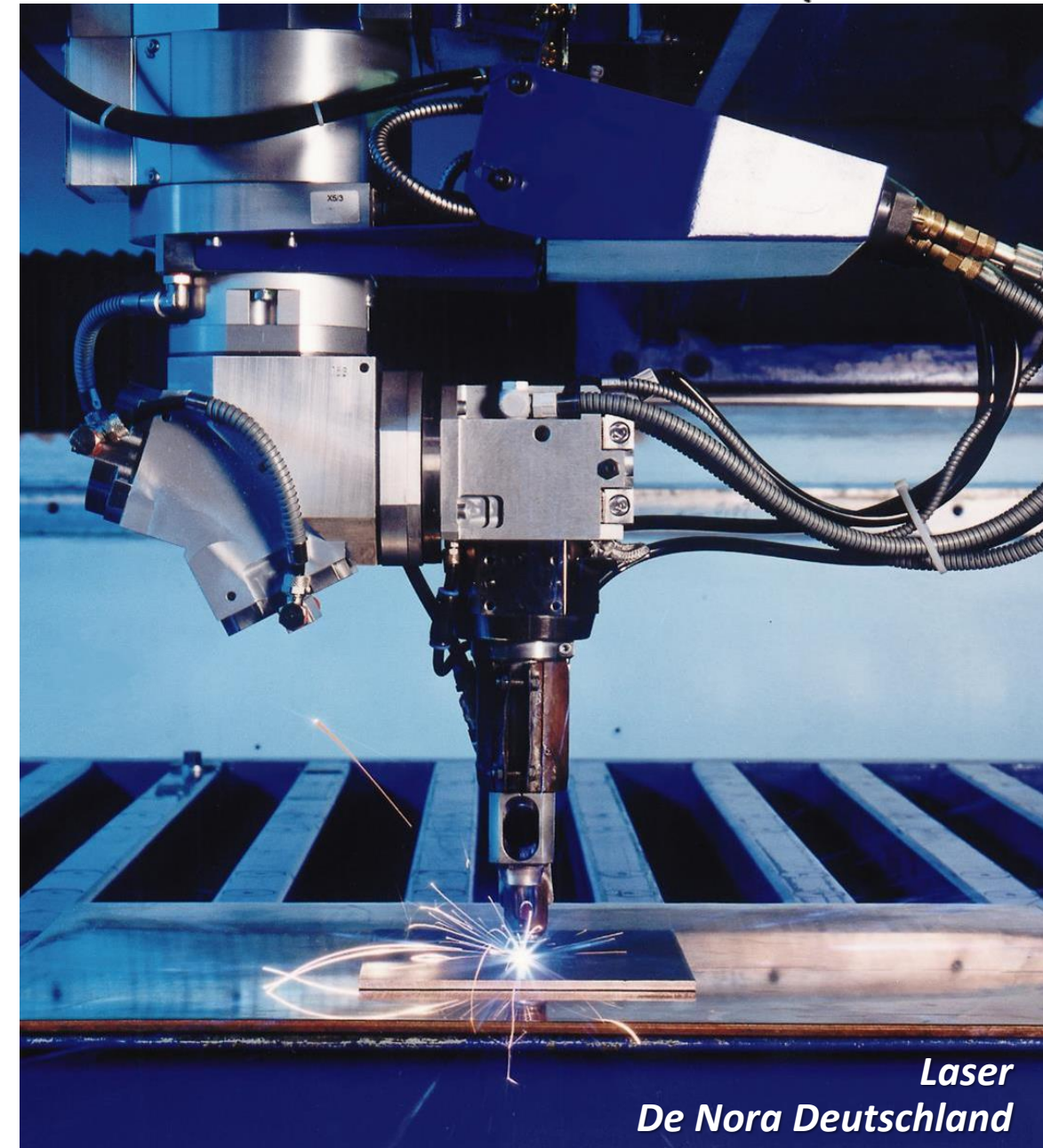
Manufacturing **capacity** expansion focused on **readiness** and **flexibility**: Okayama's plant expansion inaugurated



Sustainable by DNA: excellent external recognitions and ESG Plan execution



Revenue **growth** is expected to recover from the second quarter of the year, with profitability in line with the Business Plan.

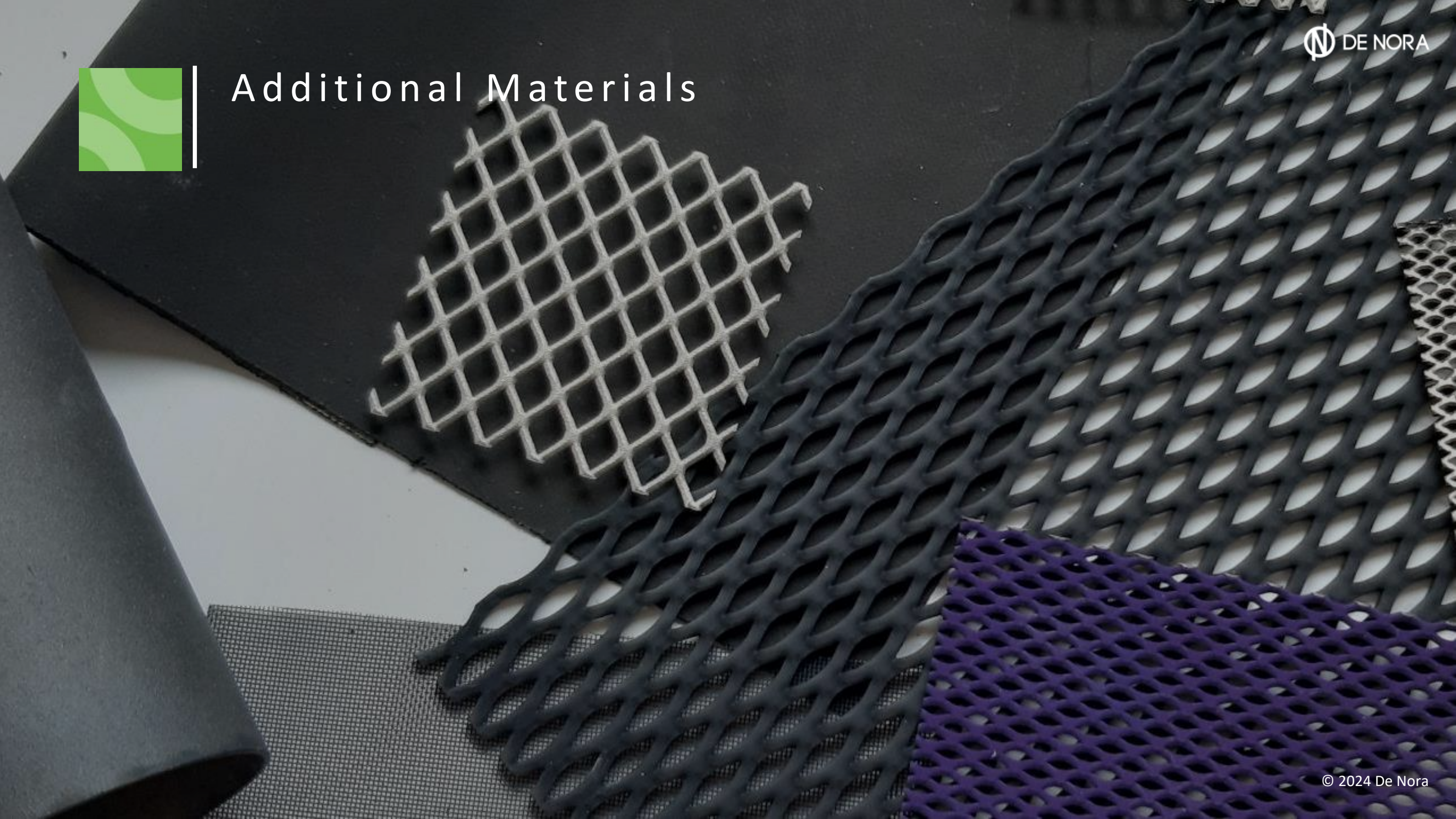


An abstract background with a monochromatic blue color scheme. It features a blurred silhouette of a person's head and shoulders in profile, facing right. Overlaid on the right side is a metallic chain with large, oval links. The overall effect is artistic and modern.

Q&A Session



Additional Materials



(€m)	Q1 2024	Q1 2023
Revenue	189.1	216.9
YoY Growth (%)	(12.8%)	8.4 %
Change in inventory of finished goods and work in progress	2.7	16.8
Other income	1.3	1.4
Costs for raw materials, consumables, supplies and goods	(75.4)	(107.3)
Personnel expenses	(37.8)	(36.2)
Costs for services	(42.8)	(42.7)
Other operating expenses	(1.7)	(2.4)
EBITDA	35.4	46.5
Margin (%)	19%	21%
Amortization and depreciation	(8.2)	(7.2)
Reinstatement (write down) of property, plant and equipment & intangible assets	-	-
Net provision for risk and charges	0.3	0.4
EBIT	27.5	39.7
Margin (%)	15%	18%
Share of profit of equity-accounted investees	-	-
Finance income	4.2	2.4
Finance expenses	(4.5)	(6.3)
Profit before tax	27.2	35.7
Income tax expense	(9.2)	(10.7)
Profit for the period	18.0	25.0

€m	Q1'22	Q2'22	Q3'22	Q4'22	Q1 '23	Q2 '23	Q3 '23	Q4 '23	Q1 '24
REVENUES	200.1	210.4	206.1	236.2	216.9	203.5	209.4	226.7	189.1
Electrode Technologies	109.5	118.5	123.4	122.0	118.9	112.8	121.0	111.5	92.7
Energy Transition	4.5	2.4	7.2	28.6	26.6	20.7	21.3	33.6	26.6
Water Technologies	86.1	89.5	75.5	85.6	71.4	70.0	67.0	81.5	69.8
EBITDA Adj.	55.2	47.1	43.6	44.9	46.7	39.4	38.2	46.8	35.9
EBITDA Adj. Margin	27.6%	22.4%	21.2%	19.0%	21.5%	19.4%	18.2%	20.6%	19.0%
Electrode Technologies	31.8	30.2	32.0	25.4	30.9	29.5	29.3	27.9	24.9
<i>Ebitda Adj. Margin</i>	<i>27.9%</i>	<i>25.0%</i>	<i>25.9%</i>	<i>20.8%</i>	<i>26.0%</i>	<i>26.2%</i>	<i>24.2%</i>	<i>25.1%</i>	<i>26.9%</i>
Energy Transition	n.a.	n.a	(0.4)	6.2	5.3	0.7	1.5	4.6	(0.5)
<i>Ebitda Adj. Margin</i>	<i>n.a.</i>	<i>n.a</i>	<i>n.m.</i>	<i>21.7%</i>	<i>19.9%</i>	<i>3.5%</i>	<i>6.9%</i>	<i>13.7%</i>	<i>-1.8%</i>
Water Technologies	23.4	16.9	12.0	13.3	10.5	9.1	7.5	14.2	11.5
<i>Ebitda Adj. Margin</i>	<i>27.2%</i>	<i>18.9%</i>	<i>15.9%</i>	<i>15.5%</i>	<i>14.7%</i>	<i>13.1%</i>	<i>11.1%</i>	<i>17.5%</i>	<i>16.4%</i>

INCOME STATEMENT

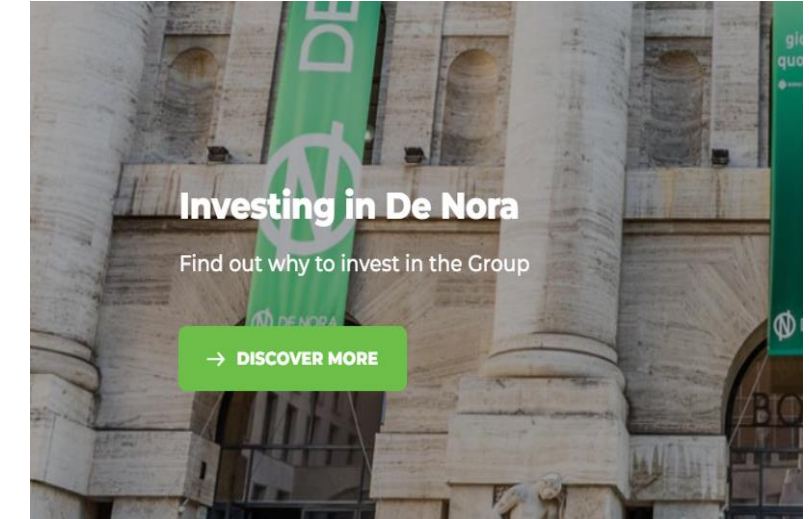
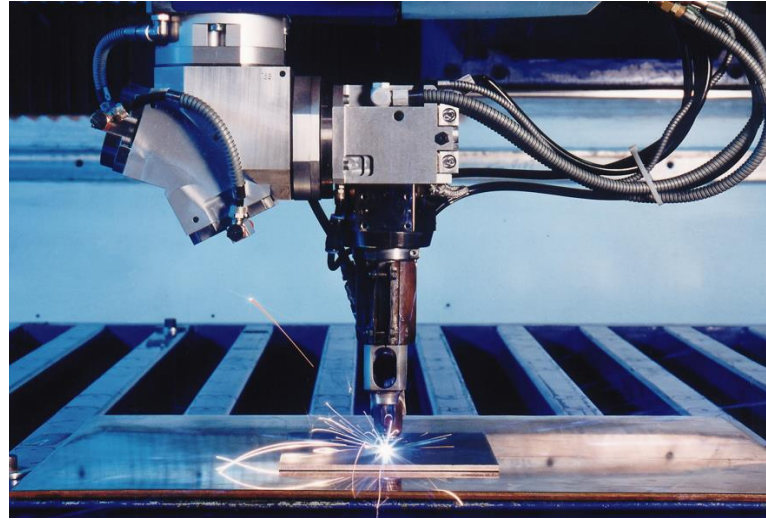
Focus on EBITDA Adjustments

(€m)	Q1 2023	Q1 2024
Sales	216.9	189.1
EBITDA	46.5	35.4
<i>Margin (%)</i>	21.4%	18.7%
Terminations costs (labor + legal expenses)	0.12	0.42
Costs relative to M&A, integration, and company reorganization	-	0.05
Costs relative to startup of De Nora Tech, LLC – US plant	0.01	-
Other non recurring costs	0.03	0.00
Adj. EBITDA	46.7	35.9
<i>Margin (%)</i>	21.5%	19.0%

(€m)	Q1 2024	FY 2023
Intangible assets	115.7	115.8
Property, plant and equipment	260.3	254.3
Equity-accounted investees	231.5	231.5
Fixed asset	607.5	601.6
Inventories	271.8	257.1
Contract work in progress, net of advances from customers	29.6	31.7
Trade receivables	164.7	141.9
Trade payables	(95.7)	(106.8)
Operating working capital	370.3	324.1
Other current assets and liabilities	(58.3)	(59.4)
Net working capital	312.0	264.6
Deferred tax assets	16.0	16.2
Other receivables and non-current financial assets	13.4	10.5
Employee benefits	(21.0)	(21.8)
Provisions for risks and charges	(18.2)	(18.0)
Deferred tax liabilities	(9.1)	(8.9)
Trade payables	(0.0)	(0.1)
Other payables	(2.3)	(2.2)
Other net non current asset and liabilities	(21.8)	(24.8)
Net invested capital	897.8	841.4
Net current Liquidity / (Financial Indebtedness)	144.8	201.9
Non-current Financial Indebtedness	(135.5)	(133.7)
Net Liquidity / (Financial Indebtedness) - ESMA	9.4	68.2
Fair value of financial instruments	(0.2)	0.5
Net Liquidity / (Financial Indebtedness) - De Nora	9.2	68.8
Total Equity	(906.9)	(910.2)
Total sources	(897.8)	(841.4)

CASH FLOW STATEMENT

(€m)	Q1 2024	Q1 2023
EBITDA	35,435	46,491
Losses on the sale of property, plant and equipment and intangible assets	(1)	172
Other non-monetary items	(407)	35
Cash flows generated by operating activities before changes in net working capital	35,027	46,698
Change in inventory	(14,594)	(2,270)
Change in trade receivables and construction contracts	(20,256)	(25,600)
Change in trade payables	(11,457)	(2,987)
Change in other receivables/payables	(5,889)	(27,676)
Cash flows generated by changes in net working capital	(52,195)	(58,532)
Cash flows generated by operating activities	(17,168)	(11,834)
Net Interest and Net other financial expense paid	(1,792)	(2,832)
Income taxes paid	(5,350)	(6,151)
Net cash flows generated by operating activities	(24,310)	(20,818)
Sales of property, plant and equipment and intangible assets	371	9
Investments in tangible and intangible assets	(11,513)	(19,680)
(Investments) Divestment in Associated companies	-	-
Acquisitions (net of cash acquired)	-	-
(Investments) Divestments in financial activities	2,062	110,058
Net cash flows used in investing activities	(9,081)	90,387
Share capital increase	500	900
Treasury Shares	(22,458)	
New loans/(Repayment) of loans	10,978	(133,861)
Increase (decrease) in other financial liabilities	(2)	(2)
(Increase) decrease in financial assets	-	-
Dividends paid	-	-
Net cash flows generated by financing activities	(10,982)	(132,963)
Net increase (decrease) in cash and cash equivalents	(44,372)	(63,394)
Opening cash and cash equivalents	198,491	174,129
Exchange rate gains/(losses)	(13)	(1,097)
Closing cash and cash equivalents	154,105	109,638



UPCOMING EVENTS

- May 15** UBS Pan EU Small and Mid-Cap Conference
- May 21** Unicredit - Italian Investment Conference
- May 30** Pan-European ESG Conference
- Jun. 5** Paris Roadshow - Mediobanca

FINANCIAL CALENDAR

- Jul. 30** H1 2024 Results
- Nov. 5** 9M 2024 Results

IR CONTACTS

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