

Equities

Italy's De Nora sticks with IPO plan as hydrogen rush trumps trading volatility

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Italian electrochemistry group Industrie De Nora will push ahead with a Milan listing this month despite market turbulence as its performance exceeds “even the most optimistic forecast” amid a global rush into hydrogen-based power.

The initial public offering, which analysts said could value the family-owned company at €4bn-€5bn, comes as many businesses in Europe and the US postpone their IPO plans because of rising inflation, monetary policy shifts and the war in Ukraine.

“We can press ahead with our plans in spite of what is happening around us because the company is performing well and we have the highest order backlog in our history, which is a clear sign of our growth trajectory,” said Paolo Dellachà, De Nora’s chief executive.

De Nora, founded in Milan in 1923, is the world’s leading manufacturer of electrodes traditionally employed in chlorine-soda production that are now an important part of the technology used to produce green hydrogen.

The group reported revenues last year

of €616mn with a core profit of €127mn.

Hydrogen is set to play an important role in the push to decarbonise and wean European energy off its dependence on Russia. The European Commission has increased its renewable hydrogen targets fivefold by 2030.

Thierry Breton, EU commissioner for the internal market, and a group of chief executives including Dellachà, signed a joint declaration last month committing the industry to a 10-fold increase of its electrolyser manufacturing capacity by 2025.

“What is happening in Europe will



Chief executive Paolo Dellachà has asked for clear EU hydrogen targets

greatly support our growth but we need clear EU-wide targets and regulations; the continent can’t afford the same mistakes it made on solar energy and Brussels knows this,” said Dellachà.

Under the listing plan, at least 25 per cent of the company will be floated with the De Nora family and Italian energy infrastructure company Snam reducing their stakes.

Snam bought a 36 per cent stake of the company from Blackstone for a little more than €400mn in 2020, which valued the company at about €1.2bn. The De Nora brothers own the remaining 64 per cent.

The IPO’s prospectus and the price range will be published this week.

When the IPO was first announced, analysts said that De Nora’s equity value would be in the range of €4bn-€7bn, depending on the valuation of its hydrogen business.

But the expectation now is that the listing will be in the lower range because of market turbulence.

Nucera, another IPO candidate this year, is also working on the construction of the world’s largest green hydrogen plant in Saudi Arabia.

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