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Oggetto : Snam: partnership with De Nora to strengthen its position in hydrogen technologies. 33% stake acquired from Blackstone

Testo del comunicato

Vedi allegato.



press release

SNAM: PARTNERSHIP WITH DE NORA TO STRENGTHEN ITS POSITION IN HYDROGEN TECHNOLOGIES 33% STAKE ACQUIRED FROM BLACKSTONE

Highlights

- **The partnership with De Nora allows Snam to increase its exposure to megatrends of the energy transition, in particular on technologies for the production of green hydrogen and water treatment**
- **De Nora is a global leader in alkaline electrodes, essential components for the production of alkaline water electrolyzers (AWE) and collaborates with fuel cell operators. The company also holds a 34% stake in ThyssenKrupp Uhde Chlorine Engineers (TKUCE), a joint venture with ThyssenKrupp, amongst the world leaders in AWE, involved in several large global hydrogen projects**
- **Snam will leverage technologies and know-how of which De Nora is one of the world leaders, enhancing its competitive edge in hydrogen projects. The companies will partner in order to cross sell their respective capabilities**
- **This acquisition anticipates a new investment platform on the energy transition, with a focus also on hydrogen, of which Snam would be the anchor investor to gain exposure to energy transition projects in a ring-fenced and disciplined manner. De Nora represents a potential seed asset for the platform**

San Donato Milanese (MI), 19 November 2020 - Snam has signed an agreement with funds managed by Blackstone Tactical Opportunities ("Blackstone") for the purchase of a strategic stake of approximately 33% in Industrie De Nora S.p.A. ("De Nora"), a global innovator in sustainable clean energy and water treatment technologies, based on a 100% enterprise value of approximately € 1.2 billion. The acquisition, whose completion is scheduled for the first quarter of 2021 after the relevant antitrust clearances, will be undertaken with own funds.

De Nora, an Italian company founded in 1923, offers sustainable solutions for various industrial processes and has significant growth prospects thanks to exposure to two megatrends in the energy transition, in particular the production of green hydrogen and water treatment. With regards to hydrogen, De Nora's strength stems from its world-leading position in the manufacture of electrodes for electrochemical industrial



applications. The company has a consolidated leadership in numerous sectors. In particular, in the recent past De Nora launched its latest generation of electrodes, essential components to substantially improve the performances and the economics of hydrogen produced using alkaline water electrolysis process.

Thanks to its technological leadership on electrodes, distinctive electrochemical competences and its consolidated supply chain, De Nora can benefit from the rapidly growing sector expectations and contribute to decarbonisation, while making hydrogen production through water electrolysis increasingly competitive in economic terms.

Synergic to its electrode business, De Nora holds a 34% stake in ThyssenKrupp Uhde Chlorine Engineers (TKUCE), amongst the world leaders in the development, assembly and installation of alkaline water electrolysis and chlorine and caustic soda production. TKUCE AWE technology is involved in several large global hydrogen projects.

De Nora also collaborates with operators in the fuel cell sector, in particular since 2016 with AFC Energy Plc, a British manufacturer specializing in alkaline fuel cells.

De Nora is also a global leader in technologies for the treatment (disinfection and filtration) of water and for cathodic protection, both of which are businesses with potential synergies with Snam: for the activities of Snam4Environment, active in biomethane and in environmental and water solutions, and for gas transport.

The acquisition allows Snam to enhance its technological positioning to be increasingly competitive in new projects for hydrogen development. Alkaline electrolyzers are complementary to membrane electrolyzers, the sector in which ITM Power, a company with which Snam has recently signed a partnership, specializes.

The deal also allows both companies to benefit from their respective positioning on the market: Snam will be able to leverage De Nora's commercial presence and know-how in the value chain; at the same time, Snam's position along the hydrogen value chain will be able to support De Nora's commercial development.

De Nora generates revenues of more than €500 million per year (60% in electrodes, 40% in water treatment), with an expected EBITDA of € 90 million in 2020 and an average growth (CAGR) of 8% over the past three years. The company is controlled by Federico De Nora.

Based on the agreements, which will be finalized upon completion of the operation, Snam will be able to appoint three directors of De Nora, and will be represented on the newly formed technical and strategic committees, with the possibility of seconding its staff to the company.



De Nora is ideally positioned to be an international, technology based listed company in the medium term and it represents a potential seed asset for a new investment platform on the energy transition. The objective of this new platform, which will be launched during 2021, is to respond to growing interest in clean energy and decarbonisation. The platform will focus on a limited number of mature companies at the forefront of energy innovation and exposed to the megatrends of energy transition and decarbonisation.

Snam will be the anchor investor of the platform. Through this new initiative, Snam will enhance its exposure to companies and projects relevant to decarbonisation, with a limited and disciplined financial exposure. Snam is fully committed to its current risk profile and credit metrics while maintaining a strong focus on core business.

Snam CEO Marco Alverà commented: *“The strategic partnership with an Italian company of excellence, global innovator in sustainable technologies and with important prospects for hydrogen development, is a unique opportunity to strengthen Snam’s role in the energy transition. The partnership with De Nora will allow us to be a leader in the development of green hydrogen, which is becoming a key feature of the decarbonisation agenda in Italy, in Europe and in many countries around the world. Thanks to this transaction and the new energy innovation platform we will be able to increase our exposure to new green technologies while remaining focused on our core business and contributing to a net zero world.”*

Federico De Nora, Chairman of De Nora, said: *“The Blackstone team has demonstrated an excellent understanding of our business and the market, and they have helped us reshape our organisation to drive significant growth and be in the strong position we are today. We now look forward to working with Snam, our new minority shareholder, as we embark on the next phase in our company’s history. In Snam, we identified an industrial partner with significant operational synergies, who also share in our ongoing commitment to dedicate substantial resources in support of the global Energy Transition, for a less polluted world.”*

Paolo Dellachà, Chief Executive Officer of De Nora, commented: *“De Nora has further elevated itself into a leading position over the last three years across existing and new markets, particularly given the increasing demand worldwide for sustainable, environmentally friendly solutions. We are well positioned to support significant global shifts in investments addressing decarbonisation, thanks to a complete portfolio of high performing electrodes and solutions distributed through a valuable network of partnerships with key manufactures, and above all, thanks to the strength of our Joint Venture partnership with ThyssenKrupp Uhde Chlorine Engineers.”*



Andrea Valeri, Senior Managing Director and Chairman of Blackstone Italy, said: *“Our investment in De Nora builds on Blackstone’s successful history of supporting entrepreneurial family businesses to achieve their goals. We are proud to have helped take a leader in sustainable solutions into new arenas including the coming Energy Transition and Hydrogen Economy, whilst achieving worldwide recognition as the innovation partner of choice for next-generation environmental technologies. We wish the De Nora family, CEO Paolo Dellachà and the whole management team every success under their new partnership with Snam, as the Company embarks on its next phase of growth.”*

The transaction will be presented to the financial community today at 9 am GMT in a conference call that can be attended virtually through the website www.snam.it.

Snam

Snam is one of the world’s leading energy infrastructure operators and one of the largest Italian listed companies in terms of market capitalization. Through its international subsidiaries, it also operates in Albania, Austria, China, France, Greece, UAE and UK. The Company has the largest natural gas transmission network and storage capacity among European peers and is also one of the main operators in regasification. As part of a €6.5 billion plan to 2023, Snam invests €1.4 bn in the SnamTec project, focused on innovation and new energy transition businesses such as sustainable mobility, biomethane and energy efficiency. Snam also aims to enable and promote the development of hydrogen to foster decarbonisation in the energy sector and industries. Snam’s business model is based on sustainable growth, transparency, the promotion of talent and diversity and the social development of local areas through the initiatives of Fondazione Snam.

www.snam.it

De Nora

De Nora (www.denora.com) is a global supplier of innovative technologies and water treatment solutions and is recognised as a partner of choice for the most important industrial electrochemical processes. Driven by the philosophy of continual improvement, pursued since its foundation in 1923, De Nora develops and manufactures electrodes and electrochemical systems with high performance, and offers advanced disinfection and filtration technologies to solve problems related to public and industrial water treatment. De Nora is committed to the development of unconventional solutions to achieve the energy transition to decarbonisation, hydrogen economy and clean water for everyone. More than 1,600 people work together, with enthusiasm and experience, for a sustainable future.

Blackstone

Blackstone is one of the world’s leading investment firms. We seek to create positive economic impact and long-term value for our investors, the companies we invest in, and the communities in which we work. We do this by using extraordinary people and flexible capital to help companies solve problems. Our \$584 billion in assets under management include investment vehicles focused on private equity, real estate, public debt and equity, life sciences, growth equity, opportunistic, non-investment grade credit, real assets and secondary funds, all on a global basis. Further information is available at www.blackstone.com. Follow Blackstone on Twitter [@Blackstone](https://twitter.com/Blackstone).



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