

Hydrogen companies line up to float

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A series of hydrogen companies will launch initial public offerings this year as they seek to capitalise on growing investor interest in a market tipped to soar over the next 12 months.

Bloomberg New Energy Finance said at least four hydrogen companies had announced plans to go public this year through IPOs or special purpose acquisition companies, and more were expected to follow as the sector was set for strong growth.

An Italian manufacturer of electrolyser electrodes, Industrie De Nora SpA, Thyssenkrupp AG's hydrogen business, US synthetic fuel maker eCombustible Energy and Shanghai Hydrogen Propulsion Technology Co all announced plans in November to go public, and BNEF said it expected more.

"Other companies may follow, making 2022 the year of the hydrogen company IPO," Martin Tengler, a hydrogen analyst at BNEF, said.

Mr Tengler said he expected the public listings to stem from the strong financial

performance of many hydrogen companies, which have profited from soaring demand amid mounting pressure to reduce emissions.

Such is the demand, BNEF said it expected sales of hydrogen electrolysers to quadruple this year from last year, with Chinese buying underpinning much of the growth.

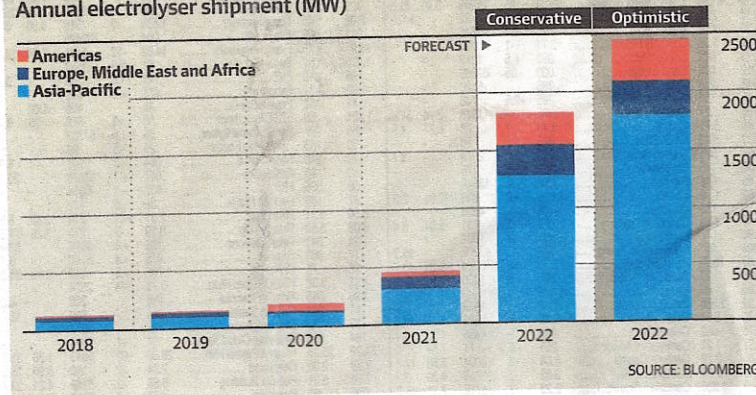
The Chinese demand for electrolysers – which are the units where electricity is used to split water into hydrogen and oxygen – will increase between 62 per cent and 65 per cent this year despite the country lacking an explicit national hydrogen strategy.

The US would be the second largest buyer of electrolysers, BNEF said, and the European Union was expected to report more muted growth for the units despite the region adopting aggressive targets for hydrogen production.

The US is poised for strong growth – led in large part by the likes of Plug Power for forklift and stationary power customers in New York, Georgia, Pennsylvania and California – and BNEF

Splitting water

Annual electrolyser shipment (MW)



said the world's biggest economy would have "a tidal wave" once it started allocating funding from the Infrastructure Investment and Jobs Act.

The signature legislation of US President Joe Biden includes \$US9.5 billion (\$13.2 billion) for hydrogen research, development and demonstration

between 2022 and 2026. Investment is expected to rise sharply next year, BNEF said.

Hydrogen is a key component of Australia's plan to achieve net zero emissions by 2050. Prime Minister Scott Morrison has pledged \$18 billion over the coming decade for a range of technologies to help reduce emissions,

including hydrogen, energy storage and carbon capture and storage.

About \$500 million of this will be spent on feasibility studies and the construction of hydrogen projects in seven hubs around the country, though several companies are pushing ahead with their own hydrogen plans.

Many states are advancing plans to expand the sector and a West Australian government report said it had identified seven onshore depleted gas and oil fields as good candidates for hydrogen storage projects.

FFI, the green energy arm of Andrew Forrest's iron ore giant, Fortescue Metals Group, will spend up to \$US600 million this financial year building an end-to-end supply chain for hydrogen and ammonia produced using only renewable energy.

Woodside said this week it had employed a US engineering company to begin scoping work on its proposed US hydrogen plant, as the oil and gas company explores new green investment to enhance its resilience to the global energy transition.