

Business Plan

2025
2029

F2025: strong profitability and low leverage

2



Highlights

EBITDA (b€)

>1.53

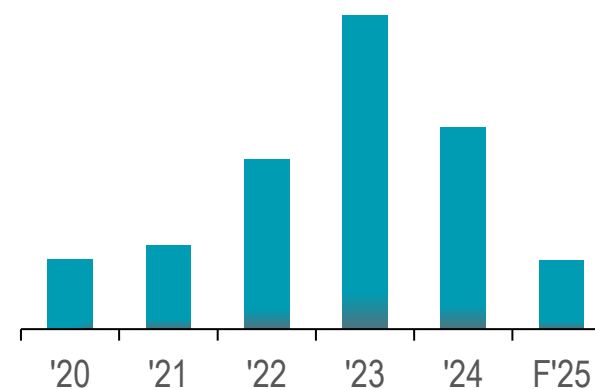
NET PROFIT (b€)

>0.46 (+4%)

NET DEBT / EBITDA

<2.6x

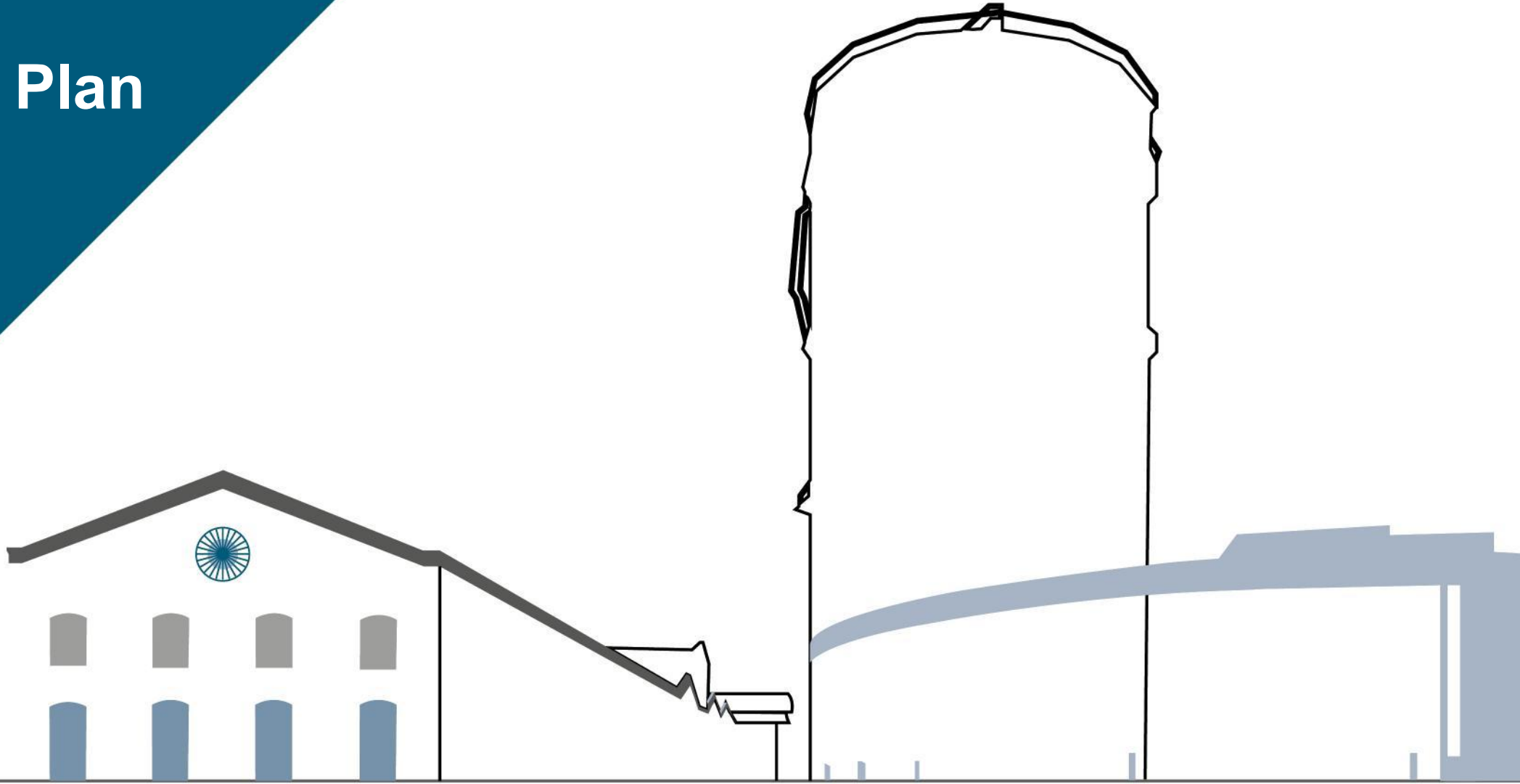
Temporary opportunity contribution (m€)



CUMULATED
EBITDA
>900 M€

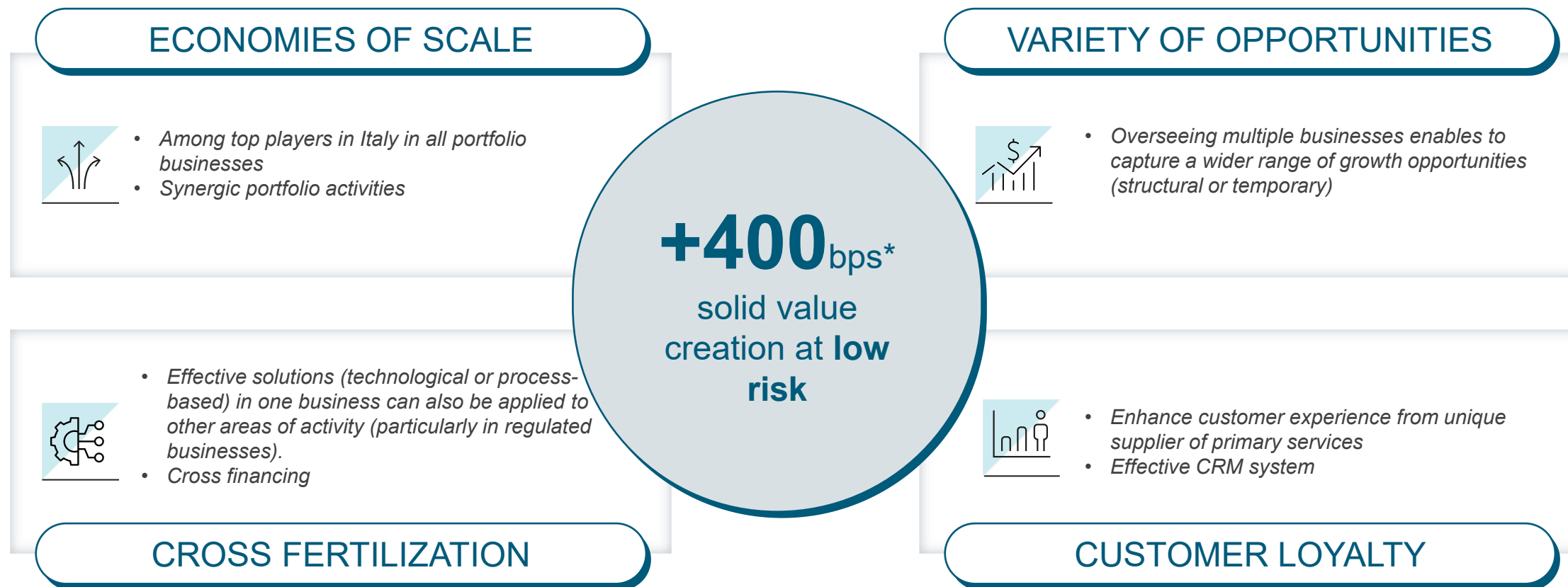
RESULTS FULLY OFFSET LOWER TEMPORARY OPPORTUNITIES

Business Plan



Multi-business model

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HERA'S DIVERSIFIED GROWTH POTENTIALS AT LOW RISK

* Spread ROI - Wacc

Business strategy

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Macro-trends

WATER



- Extreme weather events
- Increase std. in water regulation
- Italian infrastructural gap



Significant capex needs

ENERGY



Italian scenario by '40*

- Final energy consumption: -20%
- Increase in RES and green gas

	Cagr to '40	Incidence %
Electr.	+1.6%	36%
Gas	-0.4%	32%



Demand for energy efficiency, decarboniz. and infrastructural develop.

WASTE



- Italian infrastructural gap
- Circular economy EU directives



Opportunities to expand

Strategy

- Innovation & digitalization
- Increase water availability
- Leakage reduction

- Improve sewage and waste-water treatment
- Reuse
- Efficiency

Distribution

- Gas & D.H.: Capex plan for readiness and strengthen reliability
- Electricity: development of hosting capacity
- Efficiency gains on networks

Supply & Renewables

- Offers focus on decarbonization
- CRM and mkting supported by AI
- Develop RES for customers

INNOVATION AND AI DEVELOPMENT

- Expand plant capacity and intermediation activities
- Explore new circular economy potential
- Global Waste Management services

STRATEGY TO CREATE VALUE

* Source: Snam – Terna scenario to 2040

Strategic priorities

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Enhance Resilience



Keeping a balanced mix of core businesses, investing to strengthen competitive advantage and maintain a neutral position on all main macros

CREATE VALUE



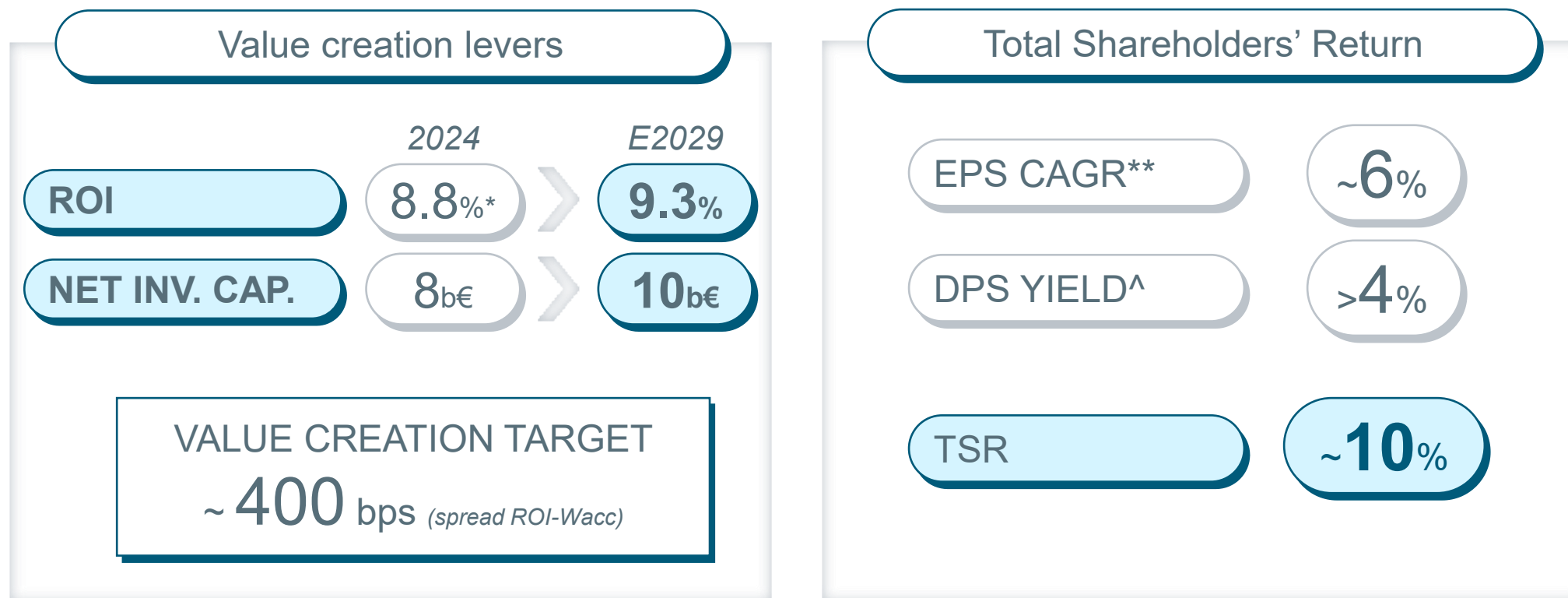
Strengthening return on invested capital with steady and visible returns for shareholders

Be Sustainable



Sustainability to address business opportunities to create value on long term visible trends in EU

PROVEN VALUE ACCRETIVE STRATEGY



FURTHER ENHANCING SHAREHOLDERS' RETURN

Enhance resilience

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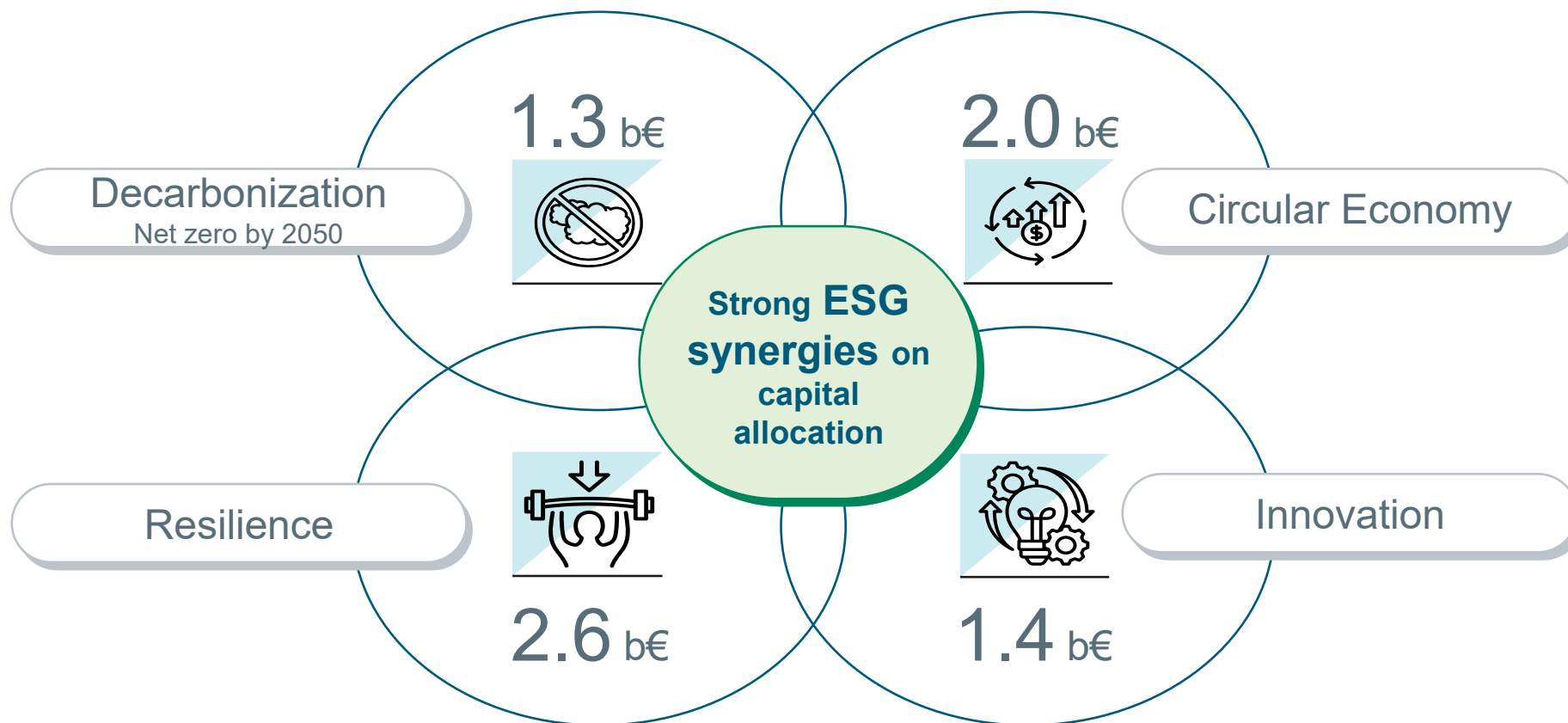


MAINTAINING A HEDGED PROFILE

Be Sustainable

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Capital Plan (b€)



SUSTAINABILITY TO CREATE VALUE

Capital allocation strategy

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PRIORITIES



DEVELOP CORE BUSINESSES

Rising investments needed in our core businesses promoting efficiency and increase overall return on invested capital



KEEP BALANCED PORTFOLIO

Targeting growth in all core activities also exploiting cross financing capabilities to maintain a balanced portfolio mix



MAINTAIN FINANCIAL FLEXIBILITY

Business Plan envisages a capex plan to fund structural growth (+39% vs last 5Y capex), leaving room to address further visible development opportunities

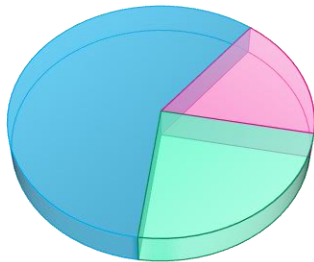
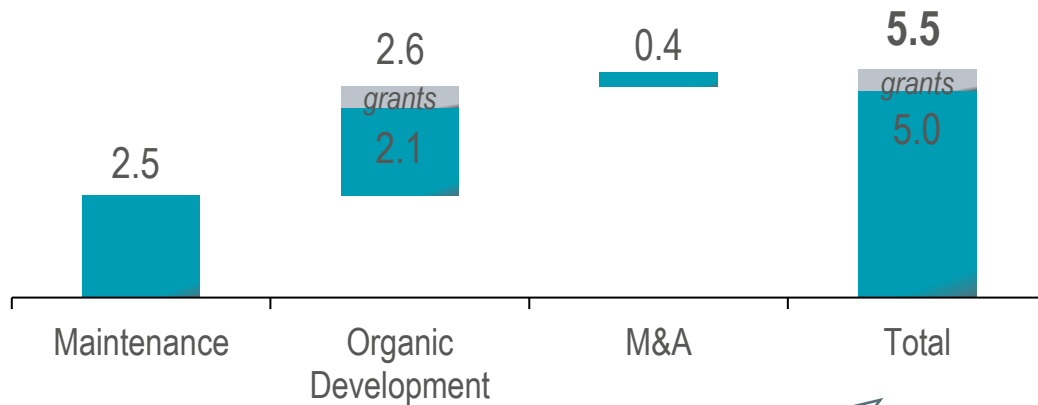
CAPITAL DISCIPLINE AND FOCUSED STRATEGY



Develop Core Businesses

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CAPEX PLAN (b€)



~60%
REGULATED
ASSET BASE

Return on Invested Capital (%)

	2024		E2029
NETWORKS	6.2%*	>	6.0%*
WASTE COLLECTION	6.3%*	>	5.9%*
WASTE TREATMENT	11.0%	>	13.6%
ENERGY SUPPLY	20%^	>	20%

* Regulated Wacc

^ Not including temporary opportunities

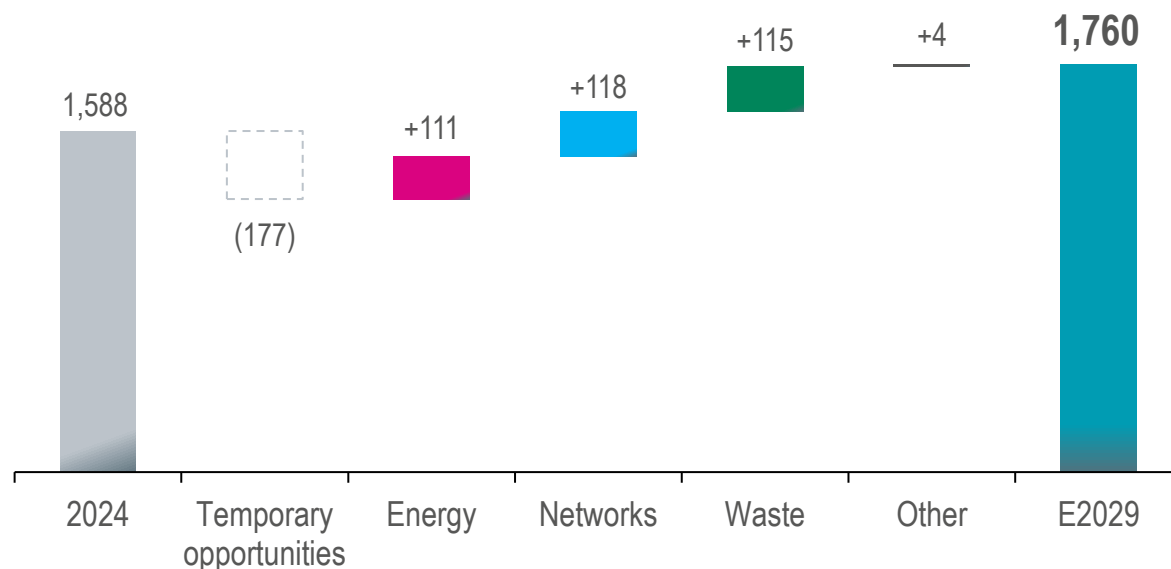
ENHANCING RETURNS CONFIRMING LOW RISK PROFILE



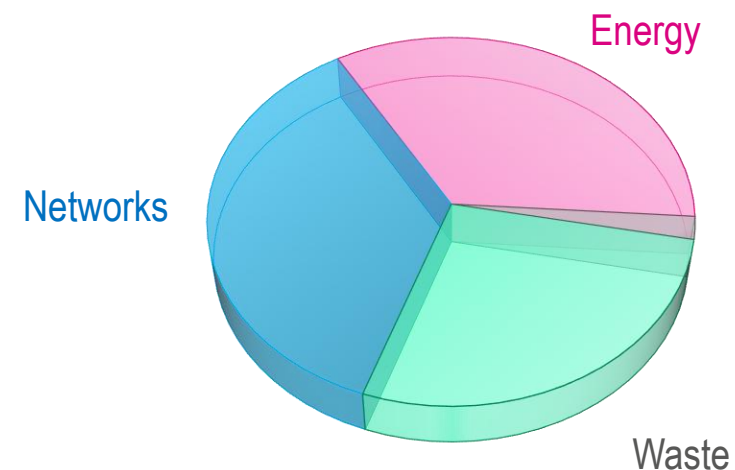
Keep Balanced Portfolio

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EBITDA GROWTH BY BUSINESS (m€)



Ebitda mix in E2029 (%)



GROWTH ACROSS PORTFOLIO BUSINESSES CONFIRM MIX

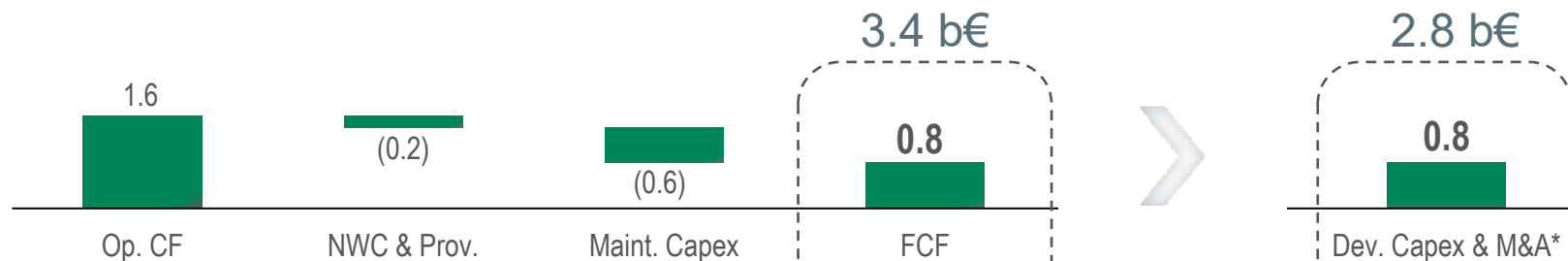


Keep Balanced Portfolio

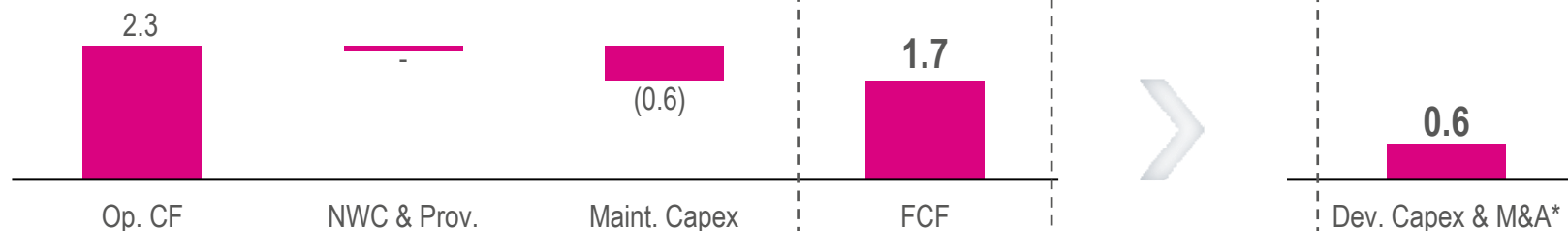
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FCF by BUSINESS (b€)

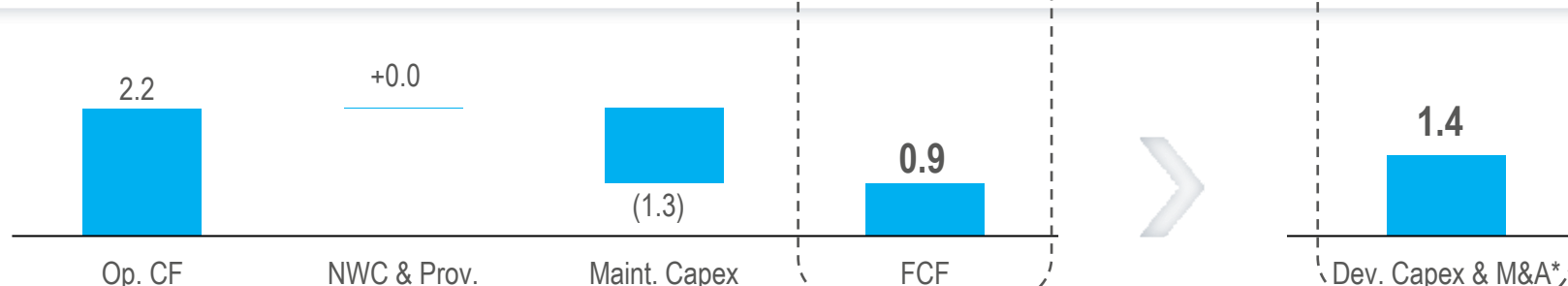
WASTE



ENERGY



NETWORKS



FCF allocation
(% of businesses FCF)

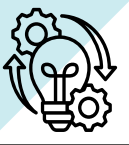
100%
REINVESTED

35% REINVESTED
35% IN NETWORKS
30% IN DIVIDENDS

160%
REINVESTED

FASTER NETWORKS DEVELOPMENT WITH FCF FROM ENERGY

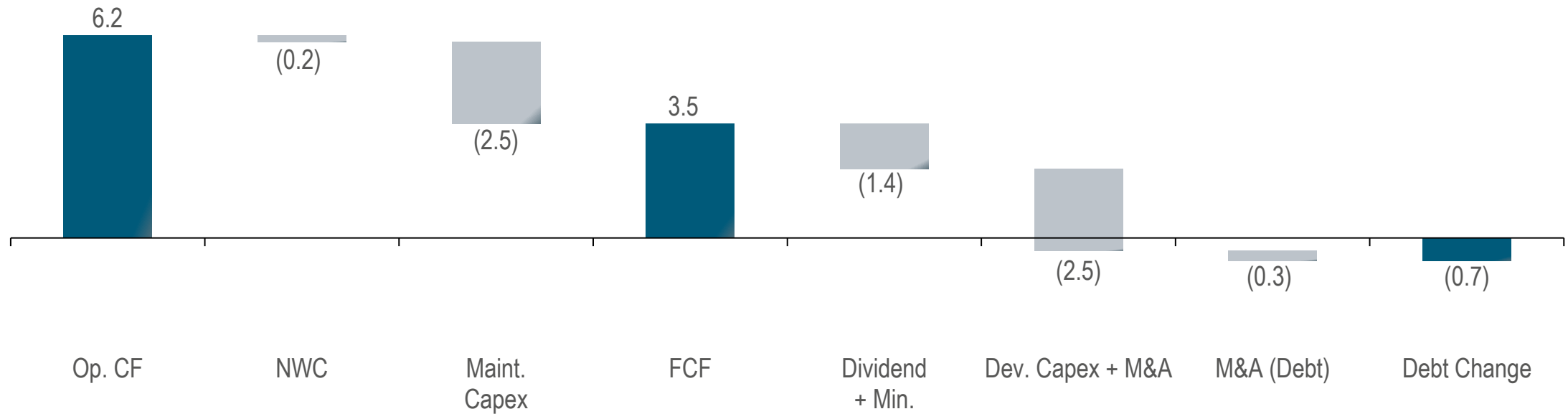
*Development capex and M&A include both equity investment and the related debt net of grants for a total value of 0.6b€



Financials

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Group Cash flows* (m€)



STRONG CASH GENERATION MAINTAINS SOLID FINANCIAL FLEXIBILITY

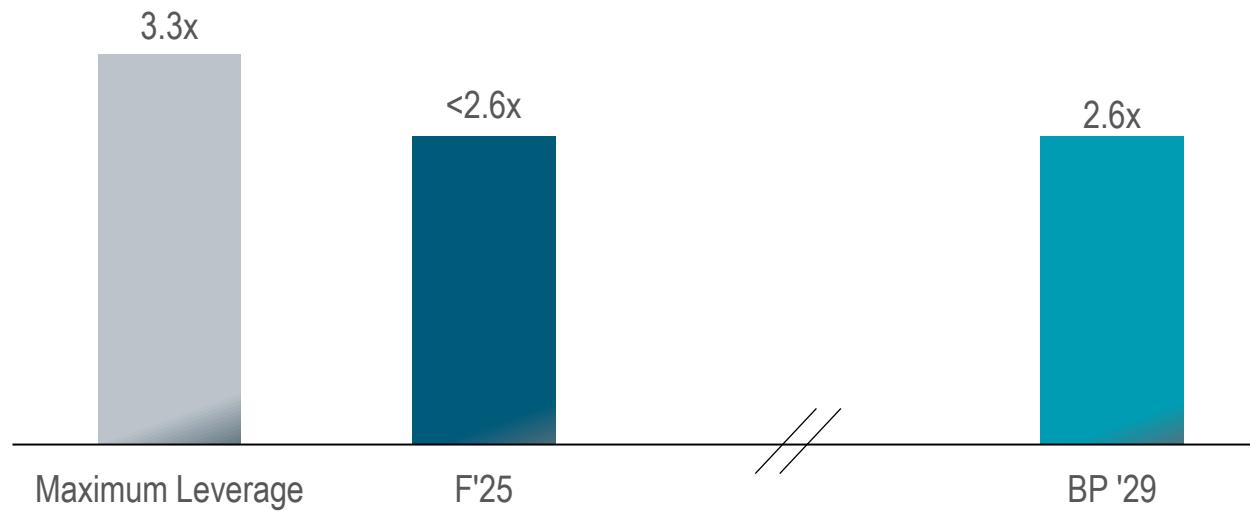
* including "Other business"



Financial leverage

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Net Debt / Ebitda (x)



Further opportunities

M&A at non-dilutive multiples

Core businesses

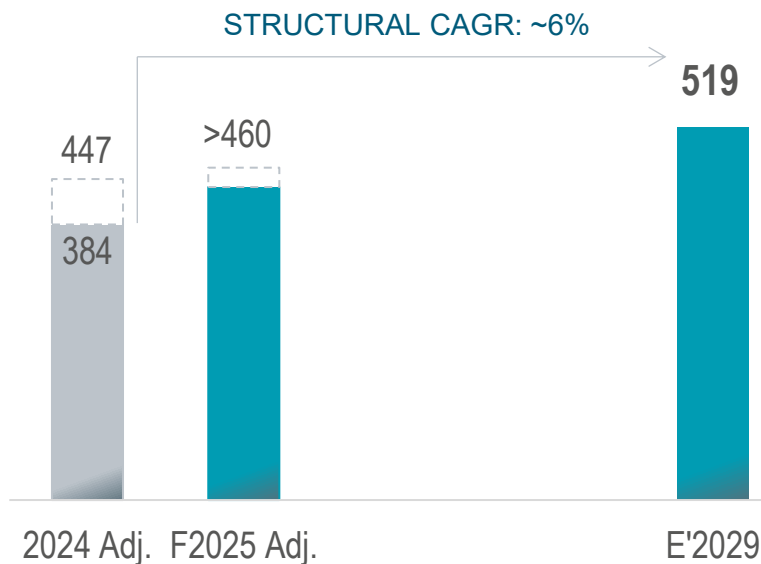
Further authorized plant dev.

ROOM FOR FURTHER GROWTH

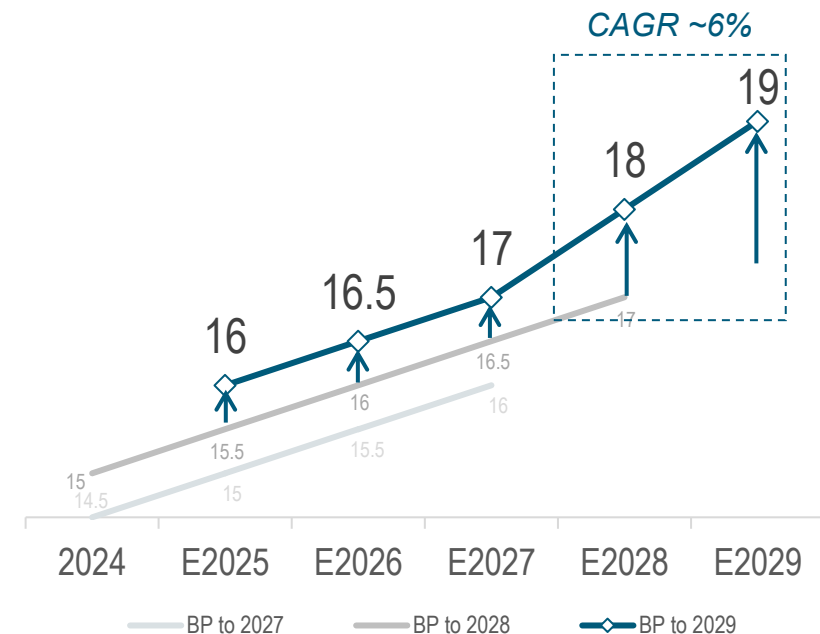
Shareholders' return

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Structural* Net profit (m€)



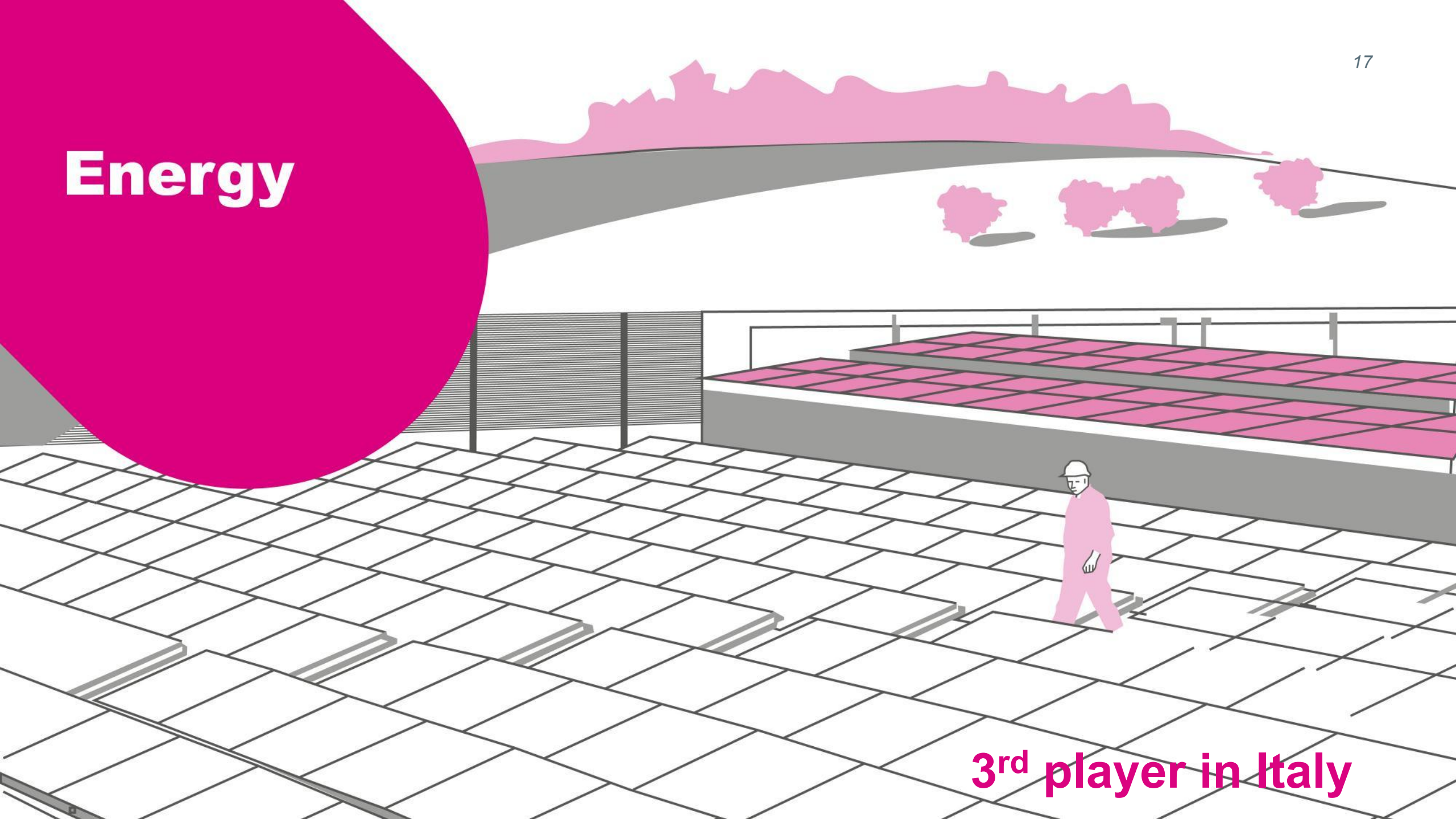
Dividend policy (c€)



UN-INTERRUPTED PROFIT INCREASE AND A FASTER DIVIDEND GROWTH

*Structural defer from reported figures for the Temporary Opportunities

Energy

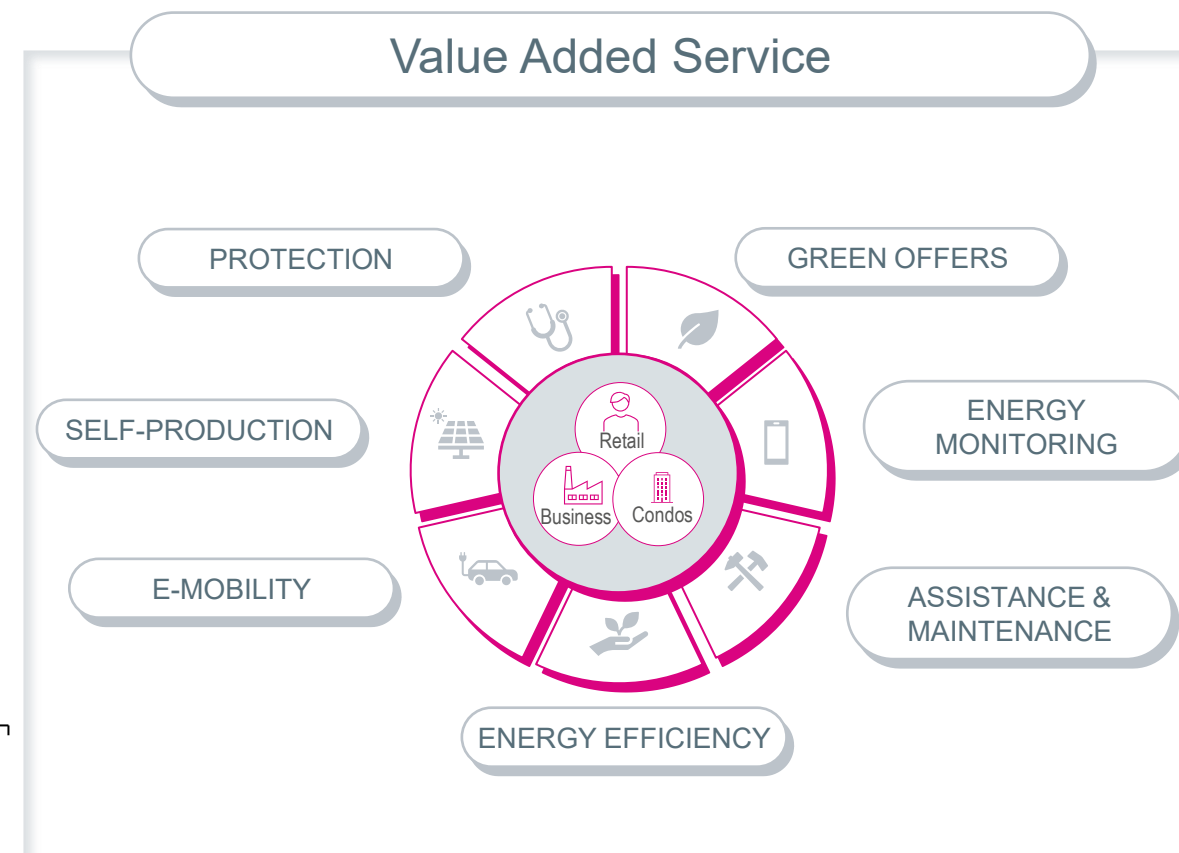
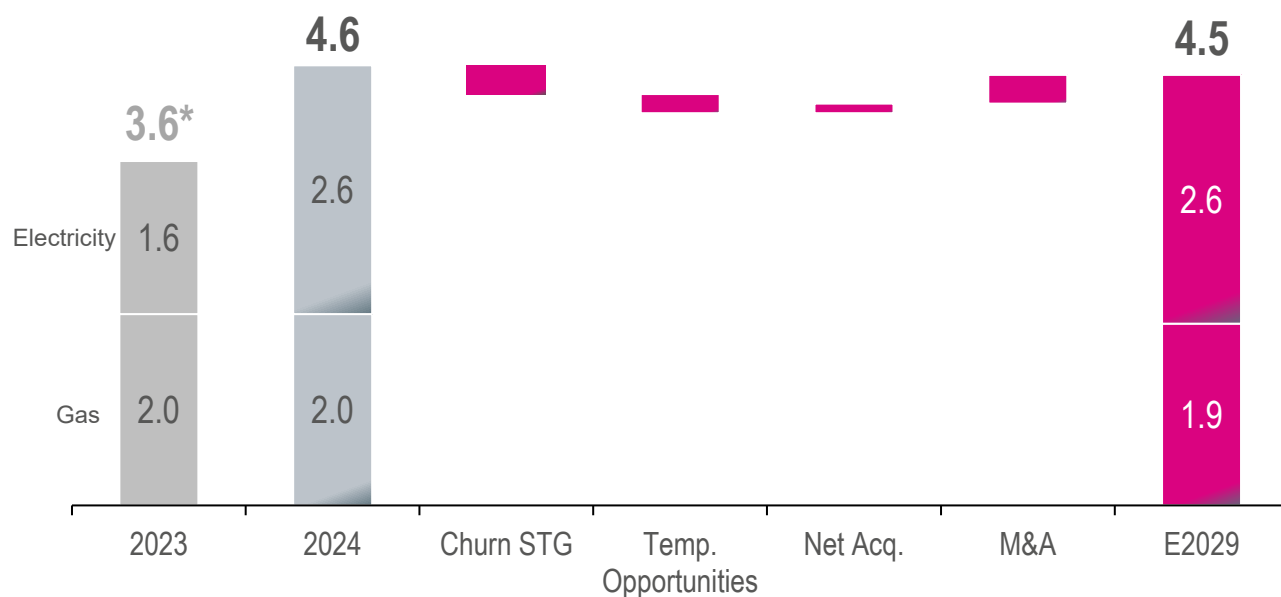


3rd player in Italy

Energy customer base

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Number of customers (mln)



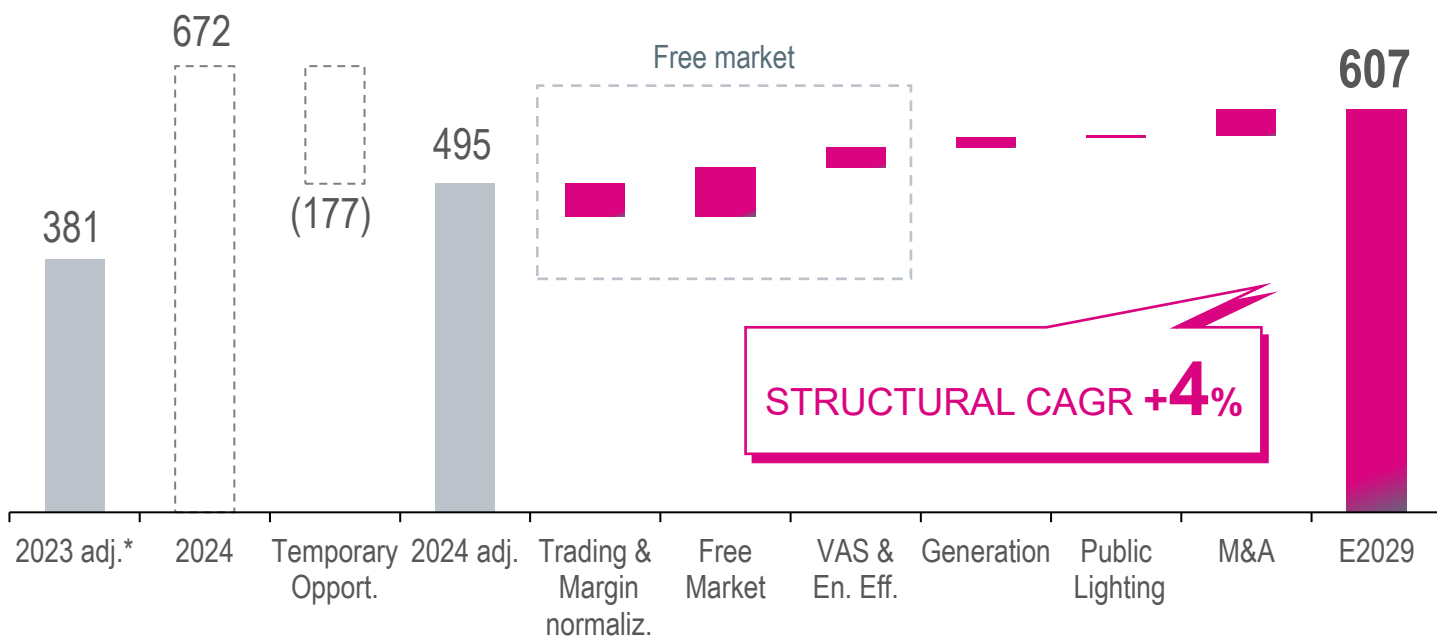
CONFIRMING TARGET ON OUR INTANGIBLE ASSET

**Not including temporary opportunities*

Energy growth targets

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Ebitda growth (m€, Cagr adj.)



Highlights

	2024	E2029
CLIENTS WITH VAS (%)	7%	17%
PV INSTALLED CAPACITY* (MW)	50	370
PUBLIC LIGHTING POINTS (k)	645	685

* Including PV sold to third parties

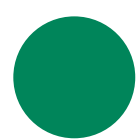
DIVERSIFIED DRIVERS UNDERPINNING PROFITABILITY

* Not including temporary opportunities (superecobonus and last resort markets)



Waste

Italian leader Waste treatment



Waste growth targets

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TREATMENT



Italian Leader ~10% mkt share

M&A upside



Ebitda: ~20 m€

More than 200 targets

Plant expansion



4L WTE Padua
WTE Montale &
Chemical-Physic.
expansion



SEA consolidation
TRS expansion
Ambiente Energia
acquisition

Partnerships



FINCANTIERI



CIRCULARYARD

RECYCLING



Italian Leader ~20% mkt share

Regulatory upside

PPWR confirms the SUP directive: adjustment of supply capacity to the potential growth in demand resulting from current regulatory developments

Plant/Product expansion



'26 Rigid plastics Modena
+32 ktons capacity



'27 and '29 PE-LD Novara
+11 ktons capacity



'26 PET close to Aliplast
HQ +13 ktons capacity



'25 Carbon Fibre Imola
+1 ktons capacity

SOIL REMEDIATION



Italian Leader ~10% mkt share

Market upside

13,000 sites mapped for remediation with an estimated cost of 5 billion euros over the next 10 years

Plant & Equipment expansion

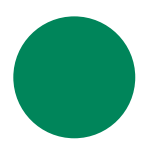


Gerotto EAR acquisition
strengthening the provision
of machines (robots) for
remote use

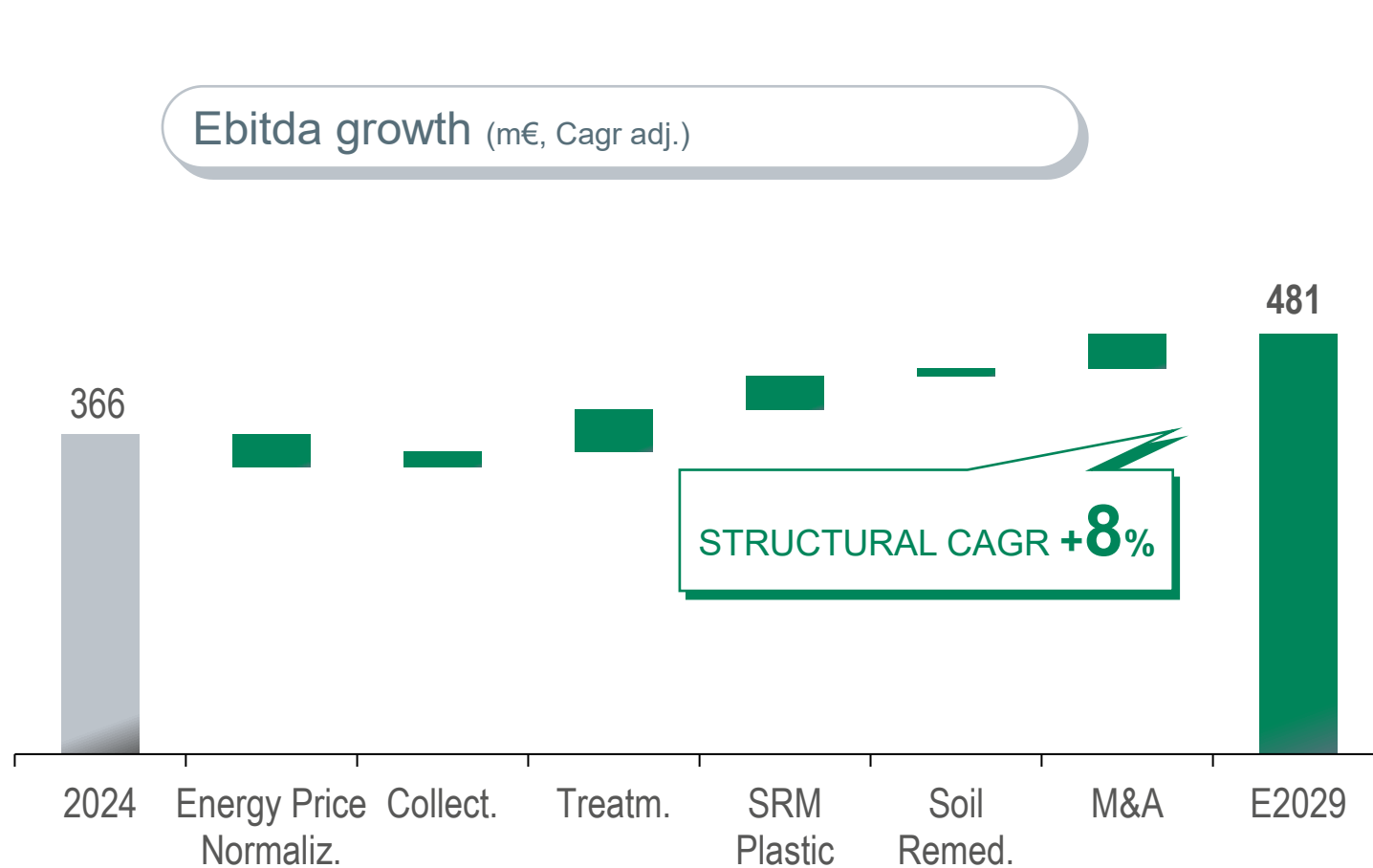


New soil washing plant

LEVERAGING ON MARKET LEADERSHIP TO INCREASE MARKET SHARE



Waste growth targets



Highlights		
	2024	E2029
URBAN WASTE VOLUMES (mtons)	2.3	2.1
SPECIAL WASTE VOLUMES (mtons)	3.3	4.6
RECYCLED PLASTIC (% vs 2017)	+41%	+145%
SOIL REMEDIATION VOLUMES (ktons)	309	435

DIVERSIFIED SET OF GROWTH LEVERS BOOSTS PROFITABILITY

A stylized line drawing of an industrial manufacturing environment. Two robotic arms are positioned over a large cylindrical component. Two workers in blue uniforms and white hard hats are present; one is kneeling and working on a component, while the other stands nearby. The scene is set on a factory floor with various pipes and structural elements.

Network

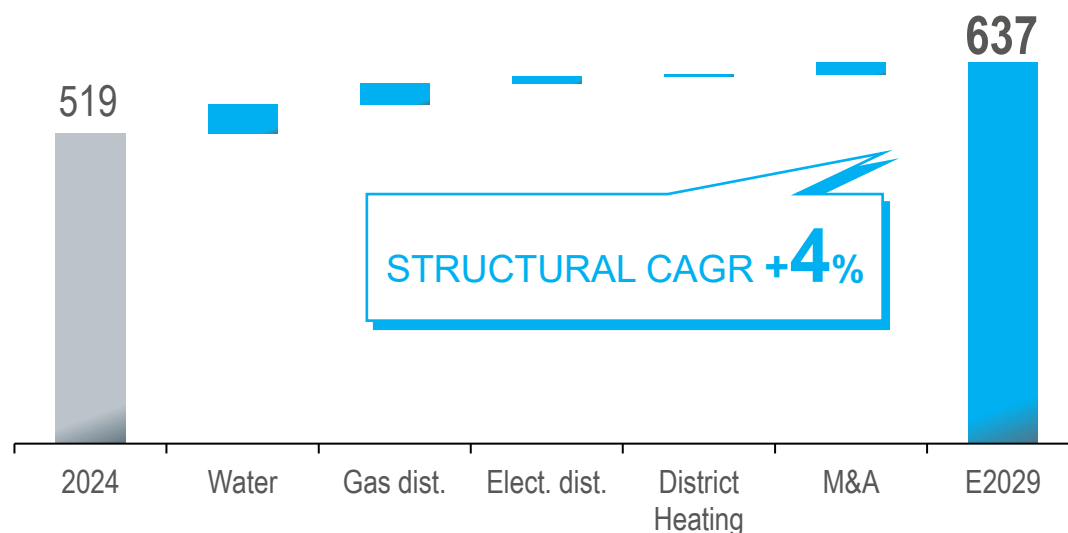
Among best in class



Networks growth targets

24

Ebitda growth (m€, Cagr adj.)



Highlights

	2024		E2029
WATER LOSSES	31%	>	28%
WATER REUSE	11.9%	>	14.5%
PREDICTIVE MAINTENANCE	85%	>	99%
H2 MIX	Ready		

DEVELOPMENT CAPEX UNDERPIN GROWTH IN ALL BUSINESSES

Water

RAB (b€)

1.9

2.6

'24

E'29

WACC (%)

6.1%

6.1%

6.1%

'24

'25

E'26

E'27

E'28

E'29

Gas distribution

RAB (b€)

1.2

1.5

'24

E'29

WACC (%)

6.5%

5.9%

5.9%

'24

'25

E'26

E'27

E'28

E'29

Electricity distribution

RAB (b€)

0.4

0.6

'24

E'29

WACC (%)

6.0%

5.6%

5.6%

'24

'25

E'26

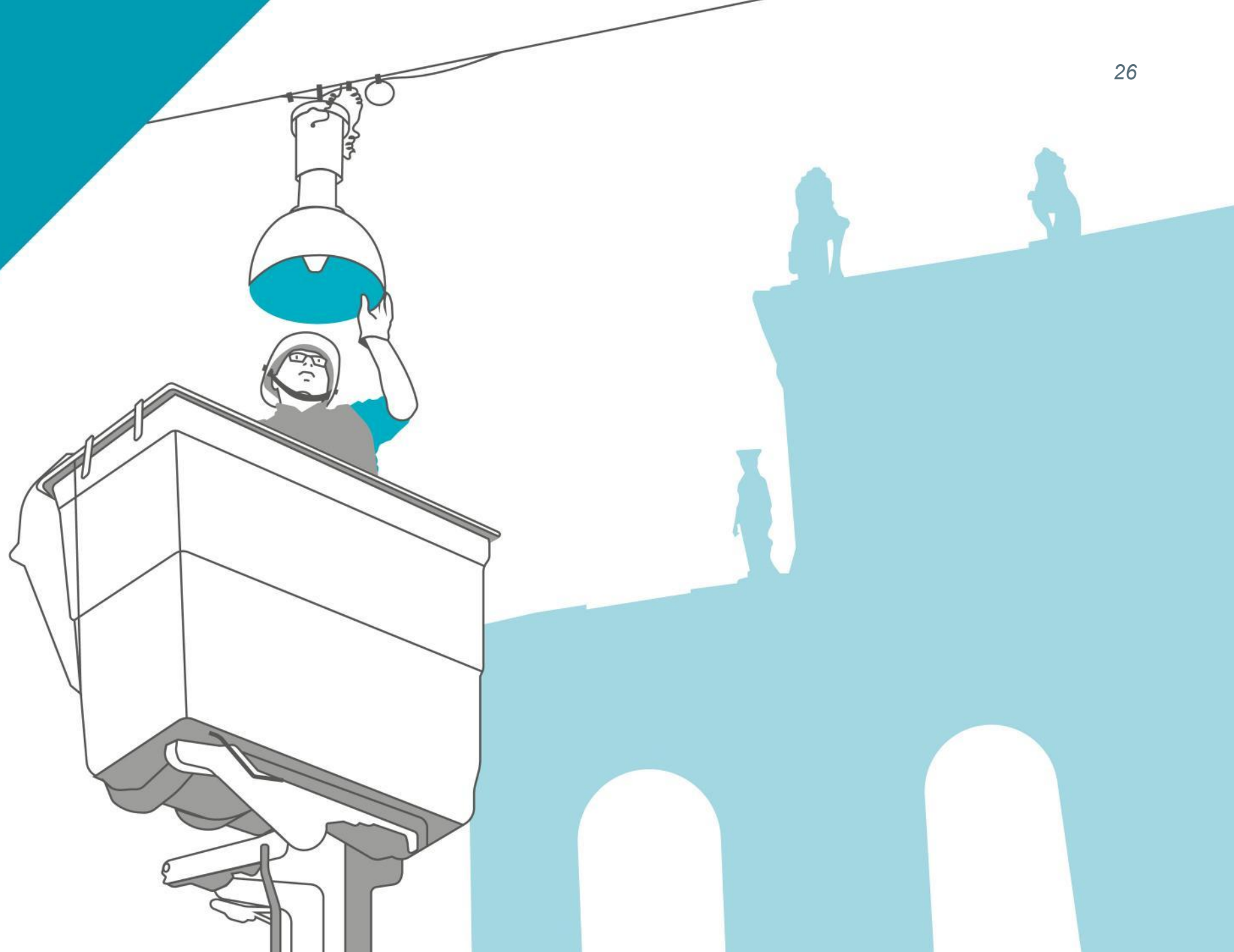
E'27

E'28

E'29

RESILIENT ASSET BASE INCREASE OF 30% TO 4.7 b€ WITH PROTECTED RETURNS

Closing Remarks



Closing remarks

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Solid F2025 results

Conservative E'29 Net Debt / Ebitda at 2.6x

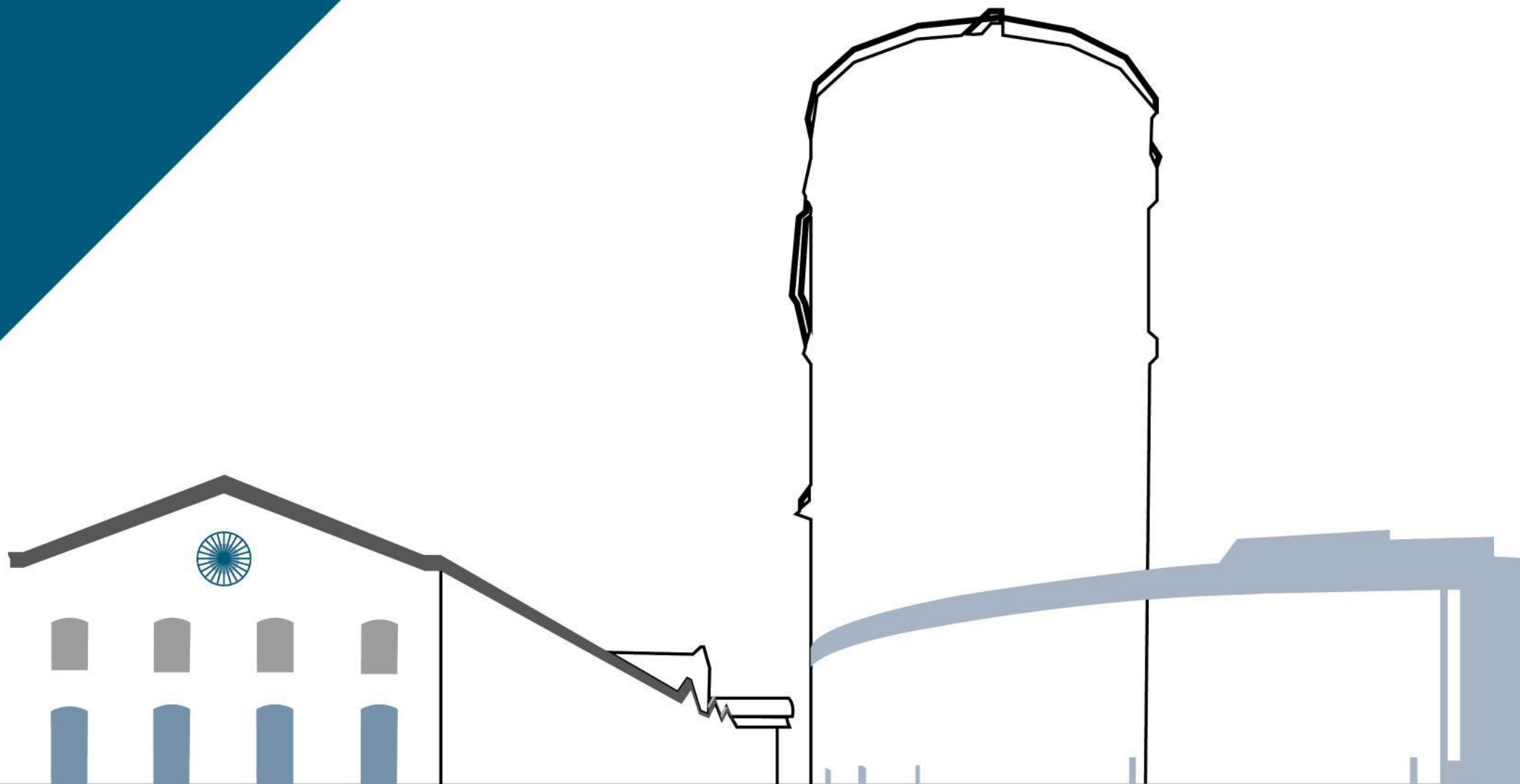
Confirmed double digit TSR

New Dividend policy

Room to fund further growth

TSR BP TARGET UNDERPINNED BY STRUCTURAL GROWTH ONLY

Annex



Business plan main assumptions

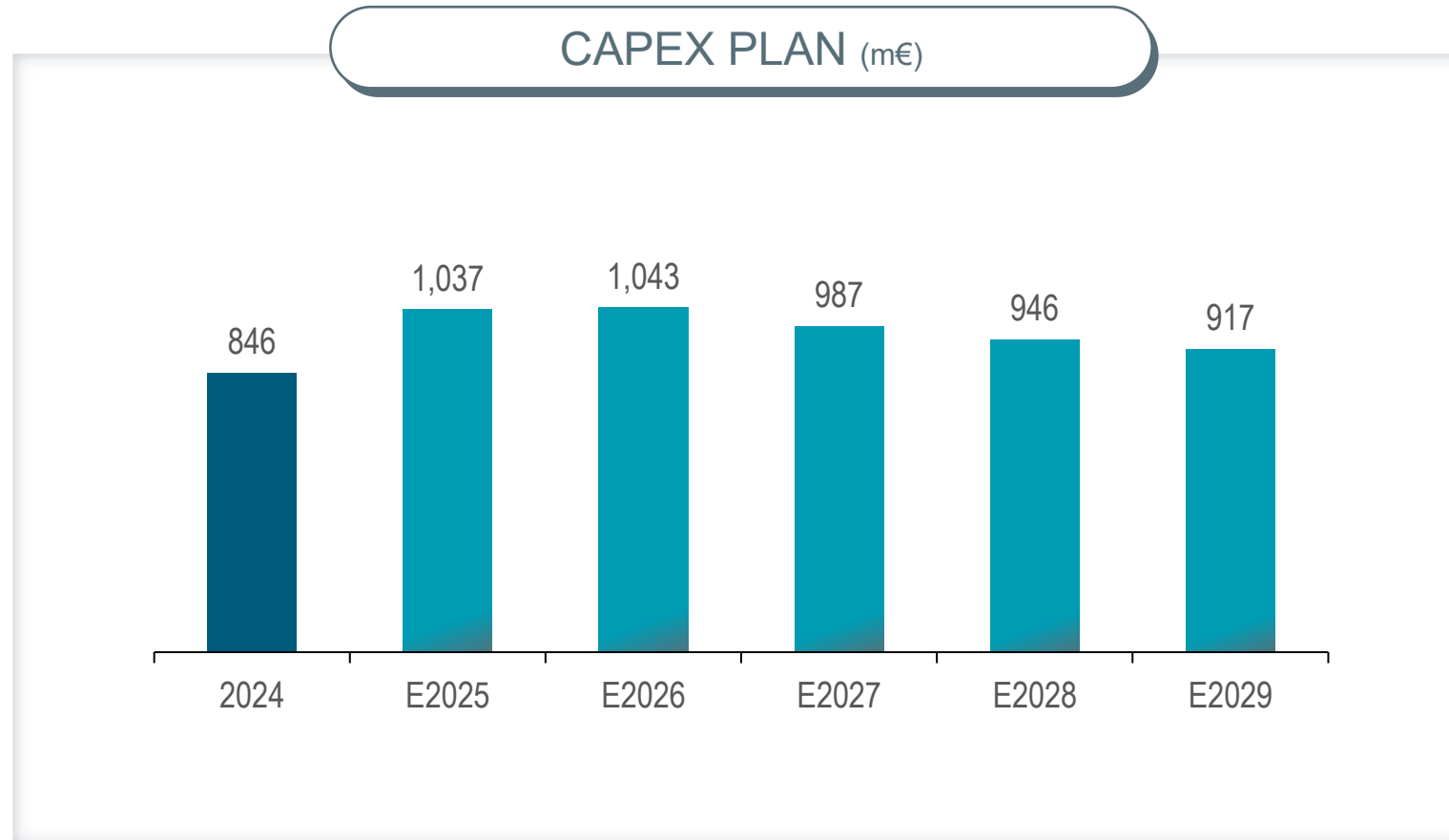
29

	2024	E2029
ELECTR. PRICE (€/MWh PUN)	108.5	93.0
GAS PRICE (€/MWh TTF)	28.0	26.3
OIL PRICE (\$/barrel)	79.9	71.0
INFLATION (%)	1.0%	2.0%
COST OF DEBT (%)	2.8%	3.2%
TAX RATE (%)	29.1%	29.5%

MAINLY PASS THROUGH ITMES

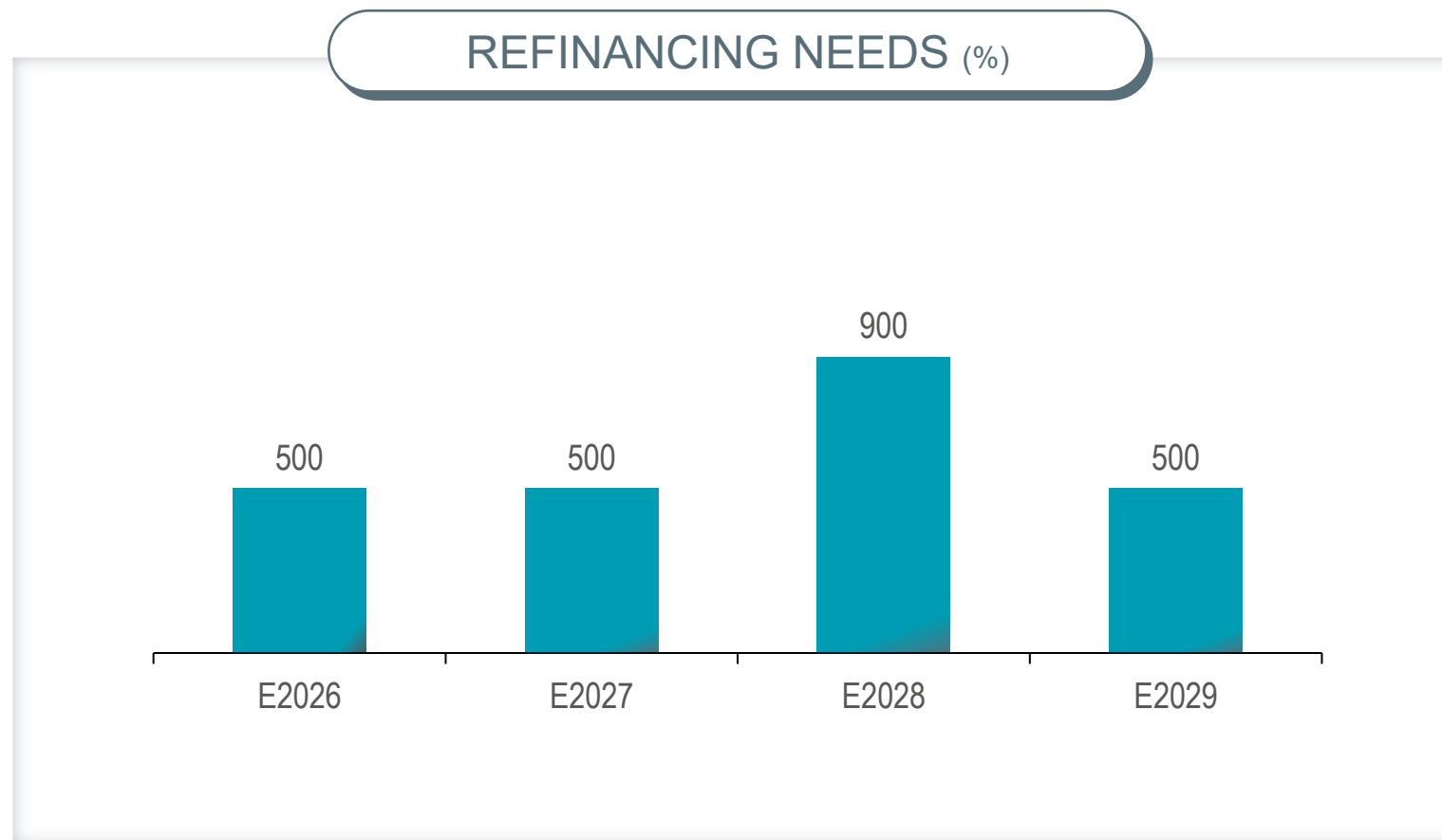
Capex plan by year

30



Refinancing needs

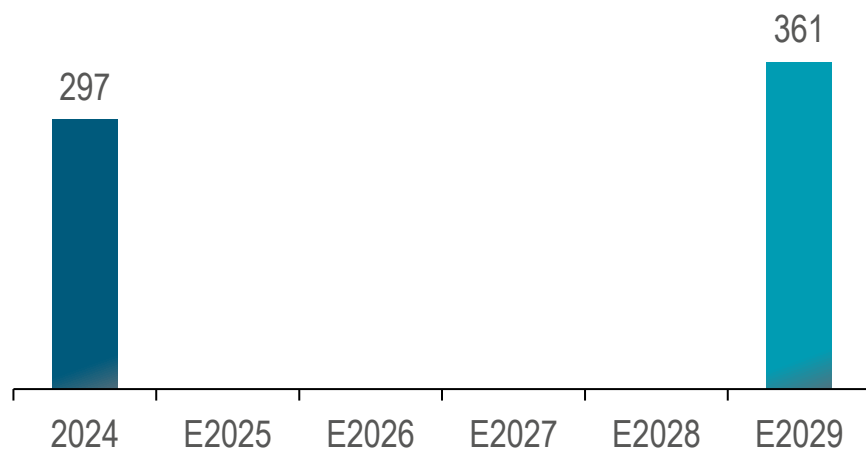
31



Water targets

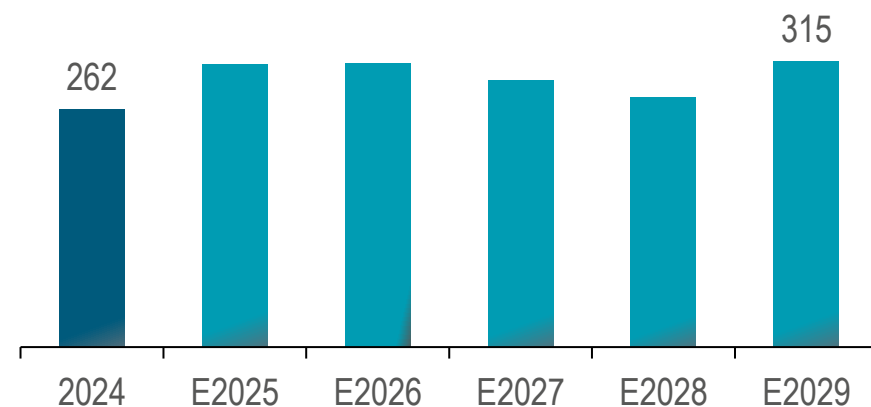
32

EBITDA GROWTH (m€)



STRUCTURAL CAGR **+4%**

CAPEX (m€)

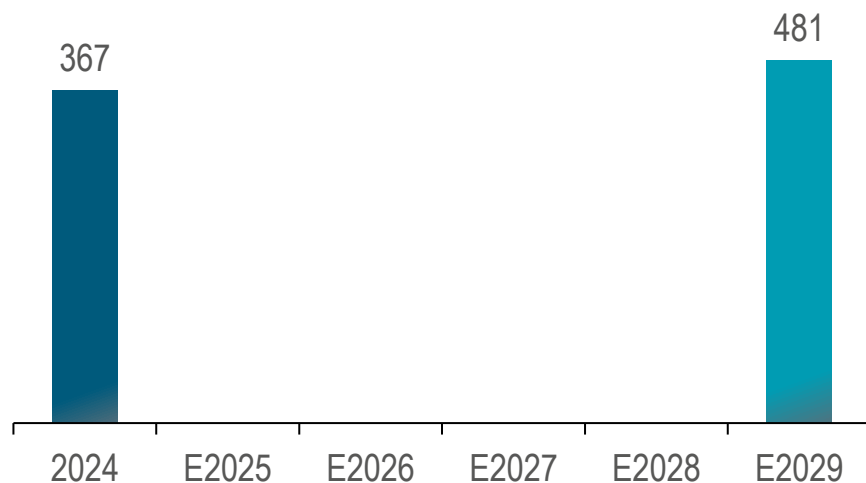


TOTAL CAPEX **1.5bn€**

Waste targets

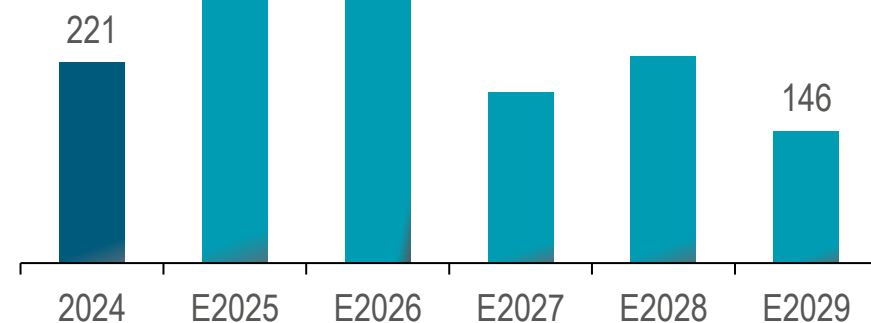
33

EBITDA GROWTH (m€)



STRUCTURAL CAGR **+8%**

CAPEX (m€)

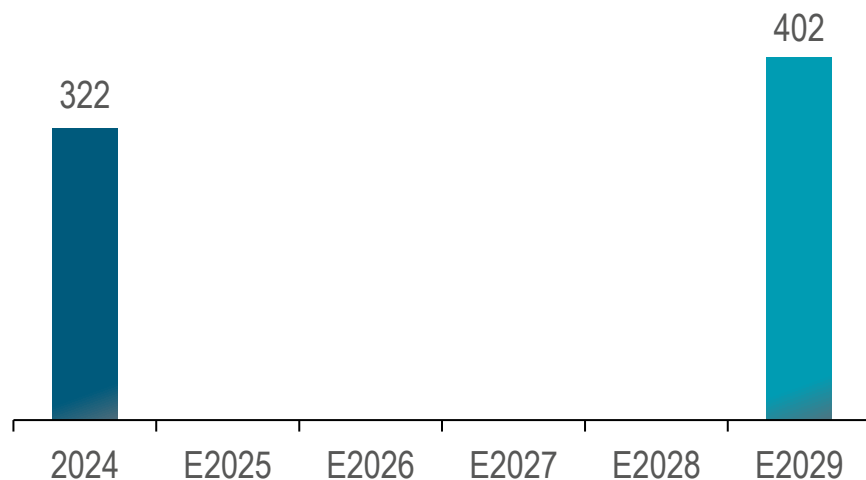


TOTAL CAPEX **1.2bn€**

Electricity targets

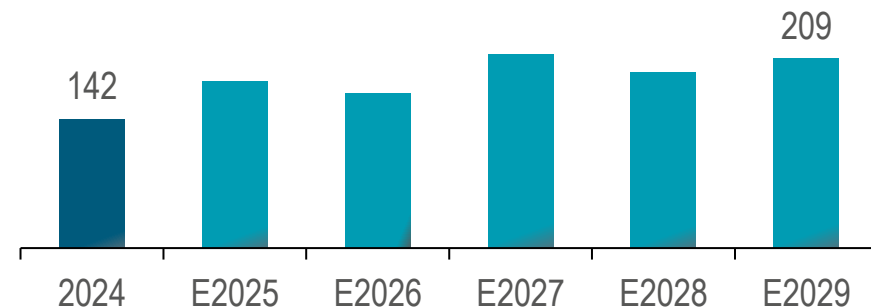
34

EBITDA GROWTH (m€)



STRUCTURAL CAGR **+11%**

CAPEX (m€)

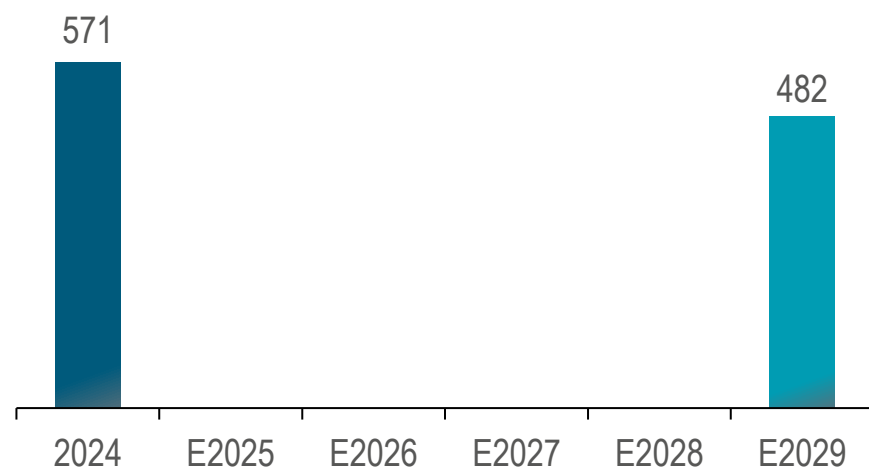


TOTAL CAPEX **1.0bn€**

Gas targets

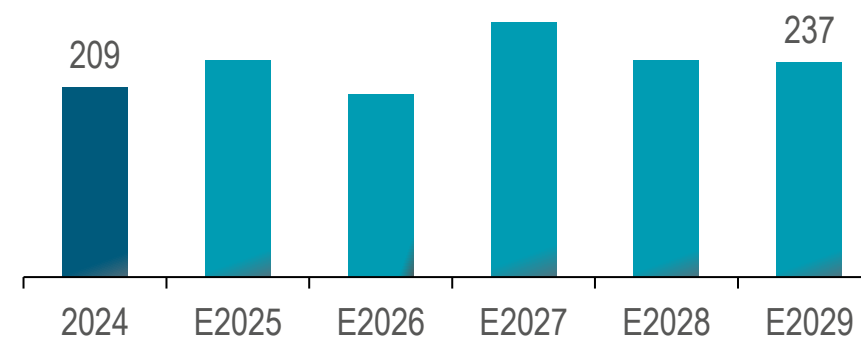
35

EBITDA GROWTH (m€)



STRUCTURAL CAGR **+0.4%**

CAPEX (m€)



TOTAL CAPEX **1.2bn€**

This presentation contains forward-looking statements regarding future events (which impact the Hera Group's future results) that are based on current expectations, estimates and opinions of management.

These forward-looking statements are subject to risks, uncertainties and events that are unpredictable and depend on circumstances that might change in future.

As a result, any expectation on Group results and estimates set out in this presentation may differ significantly depending on changes in the unpredictable circumstances on which they are based.

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