

## Hera Group BoD approves results for 1Q 2025

*The consolidated quarterly report at 31 March shows improvement in the main operating and financial indicators. Growth in investments and the reduction of financial debt also continued.*

- **Revenues at 4,321.3 million euro (+28.3%)**
- **Ebitda at 418.0 million euro (+0.2%)**
- **Net profit for shareholders at 153.7 million euro (+7.4%)**
- **Gross operating investments at 191.6 million euro (+22.2%)**
- **Net financial debt improves to 3,896.9 million euro, with net debt/Ebitda at 2.45x**

Today, the Hera Group's Board of Directors, chaired by Executive Chairman Cristian Fabbri, unanimously approved the consolidated results at 31 March 2025.

The first quarter of 2025 closed with growth in operating results and investments, and a degree of financial solidity showing further improvement compared to the end of 2024. This good performance was driven by the Group's multi-business strategy, balanced between regulated and free-market activities, and its usual focus on sustainability.

### **Cristian Fabbri, Executive Chairman of the Hera Group:**

*"In the first quarter we achieved solid growth in our financial results, further strengthening of our capital position. Ebitda rose to 418 million euro, with a structural increase in margins in all business areas, which offset the end of the non-recurring items. Gross operating investments were fully self-funded, thanks to the increase in cash flows, and exceeded 190 million euro, up by more than 22%: capital expenditures to further improve the resilience of assets in the integrated water cycle grew by 57%, while those going to upgrade plant equipment in waste treatment increased by 40%. The value creation at the basis of our industrial strategy was also confirmed by the increase in return on invested capital, which rose to 10.3%."*

### **Orazio Iacono, CEO of the Hera Group:**

*"The results achieved by the Hera Group in the first quarter of 2025 confirm our ability to pursue our path of growth, even in a complex macroeconomic scenario, keeping our focus on resilience, sustainability and innovation and confirming the solidity of our business model. The good operating and financial performances led to an increase of 7.4% in net profit attributable to shareholders, which rose to 153.7 million euro at 31 March 2025. Our positive cash generation, was able to fully cover the increase in both working capital and capital expenditures and also contributed to further improving financial flexibility, bringing the net debt/Ebitda ratio to 2.45x, lower than the leverage at the end of 2024, representing a strength for pursuing future external growth opportunities."*

### **Revenues at over 4.3 billion**

In the first quarter of 2025, revenues amounted to 4,321.3 million euro, up 28.3% compared to 3,368.6 million euro in the same period of 2024, mainly due to higher energy commodity prices and an increased energy customer base (adding almost 1 million customers equal to +20%). Higher revenues were also seen in the waste management area, due, for example, to the growth of the industrial market, thanks to development in remediation activities, and in the public lighting business, due to the progress made in work done for the energy requalification of public lighting systems.

**Ebitda rises slightly to 418.0 million**

Ebitda at 31 March 2025 came up at 418.0 million euro, up slightly (+0.2%) from 417.1 million euro in the first quarter of 2024, confirming strong resilience against macro scenario turbulence. This result indicates that the solid structural growth achieved by all business areas was able to offset the end of the contribution related to temporary opportunities that arose in the same period in 2024.

**Ebit and pre-tax result increase**

Ebit at 31 March 2025 rose to 247.2 million euro, up slightly (+0.5%) from 245.9 million euro in the first quarter of 2024. Lower provisions in last resort markets offset higher depreciation related to development capital expenditures, which increased the value of the Group's assets particularly in regulated sectors and waste treatment, and the new customer acquisition activities in the energy sector. The pre-tax result was also up, amounting to 234.0 million euro (+9.9%) compared to 212.9 million euro at 31 March 2024, due in particular to greater efficiencies in financial management as a result of the optimisations undertaken during the previous year.

**Net profit for shareholders rises to 153.7 million**

The solid operating and financial performances allowed net profit to rise to 163.8 million euro (+6.8%), compared to 153.3 million euro at 31 March 2024. Net profit attributable to the Group's shareholders also rose to 153.7 million euro (+7.4%), compared to 143.1 million euro at 31 March 2024. These results confirm the value creation objectives set out in the Business plan.

**Gross operating capital expenditures increase, and Group financial solidity maintained**

The Group's operating capital expenditures, including capital grants, reached 191.6 million euro (+22.2%), compared to 156.8 million euro at 31 March 2024. This increase was mainly due to the water cycle and waste management areas.

The total amount of net financial debt improved, reaching 3,896.9 million euro, down 67 million euro compared to the figure seen at 31 December 2024, thanks to the positive cash generation that was able to fully cover the increase in working capital and capital expenditures. The net debt/Ebitda ratio also improved compared to the end of 2024, standing at 2.45x in the first quarter of 2025. Financial solidity was reinforced with a flexibility that will allow the Group to continue to seize further growth opportunities, both organic and M&A, on top of those not included in the Business plan.

**Gas**

Ebitda for the gas area, which includes natural gas distribution and sales, district heating and energy efficiency services, showed an upward trend, reaching 187.3 million euro (+1.8%) compared to 184.0 million euro at 31 March 2024. This result was due to the positive performance of traditional sales markets, which more than offset the lower contribution coming from last resort markets, and regulated gas distribution revenues, impacted by the redetermination of tariffs for distribution and metering services for the period 2020-2025, the increased RAB for Group-owned assets and the effect of inflationary increases.

In the first quarter of 2025, gross investments in the gas area amounted to 38.4 million euro, relating to gas distribution networks and plants, the acquisition of new customers in sales, and district heating services. The main interventions in district heating include the CAAB Pilastro interconnection in Bologna and the works for the construction of the hydrogen production plant in Trieste, while at the same time the Hydrogen Valley project in Modena is ongoing.

The number of gas customers stood at 2 million.

The gas area accounted for 44.8% of Group Ebitda.

## Electricity

Ebitda for the electricity area, which includes services in electricity distribution, sales and generation, as well as public lighting, came to 60.8 million euro, as against 71.2 million euro in the same period of 2024. This result is the outcome of higher Ebitda in electricity distribution, following tariff updates and the development capital expenditures executed, as well as the end of some temporary opportunities related to the Safeguarded electricity service.

The number of electricity customers increased by 48.9% compared to the same period in 2024, exceeding 2.6 million, due to the acquisition in July 2024 of residential customers in the Gradual Protection Service, business development in the free market, and the increase in customers in the safeguarded market as a result of the new tender for the period 2025-2026, confirming the Group competitive capacity.

As regards public lighting, more than 42,000 lighting points were acquired in 19 new municipalities, mainly in Emilia-Romagna, Tuscany, Lombardy, Umbria, and Sardinia during the first quarter of 2025. The percentage of lighting points using LED bulbs also continued to grow, confirming the Group's constant focus on an increasingly efficient and sustainable management.

In the first quarter of 2025, the total gross capital expenditures made in this area amounted to 26.4 million euro, mainly in electricity distribution for the maintenance and upgrading of plants and distribution networks in the Modena, Imola, Trieste and Gorizia areas, and improvements in asset resilience.

The electricity area accounted for 14.5% of Group Ebitda.

## Water cycle

At 31 March 2025, Ebitda for the integrated water cycle area, which includes aqueduct, purification and sewerage services, rose to 71.2 million euro, up (+8.9%) from 65.4 million euro in the same period of 2024. This growth was mainly due to the higher investments made with measures aimed at promoting and enhancing interventions for the sustainability and resilience of the areas served.

In the first quarter of 2025, investments made in the water cycle area, including capital grants, rose by 27.5 million euro to 75.8 million euro (46.9 million in aqueducts, 20.7 million in sewerage and 8.2 million in purification), mainly aimed at upgrading infrastructures to make them even more efficient, to ensure service quality and continuity, improve resilience and thus mitigate the impacts of climate change.

Investments in the aqueduct were aimed at upgrading and renewing the distribution network; in the sewerage sector, in addition to maintenance work to upgrade the network in several of the areas served, construction began on the southern basins in Rimini as part of the seawater protection plan (PSBO); in the purification sector, note the upgrading and expansion of the Lugo and Ravenna purification plants.

The integrated water cycle area accounted for 17% of Group Ebitda.

## Waste

Ebitda for the waste management area, which includes services in waste collection, treatment and recovery, rose to 91.6 million euro (+2.2%), as against 89.6 million euro at 31 March 2024. This good performance was due to the diversification of both the offer and the customer base and the increase in volumes and services, in both the recovery and industrial markets, partially thanks to the acquisition of 70% of TRS Ecology, with a portfolio of over 2,700 customers, and the development of the remediation business through Group subsidiary ACR Reggiani. As of January 2025, Herambiente was also awarded the tender to manage the Montale (Pistoia) waste-to-energy plant. In the first quarter of 2025 as well, the Hera Group continued to pursue the main initiatives set out in the Business plan with a view to the circular economy, for example the inauguration in Imola (Bologna) of FIB3R, the first plant of its kind in Europe capable of regenerating carbon fibre on an industrial scale.

Sorted waste collection at 31 March 2025 rose to 75.5%, up 1.4% compared to the same period in 2024.



In the first quarter of 2025, gross investments made in the waste management area increased to 31.7 million euro, up 40.3% year-on-year, mainly for the development, the optimisation and the upgrading of waste treatment plants.

The waste management area accounted for 21.9% of Group Ebitda.

*The manager responsible for drafting the company's accounting statements, Massimo Vai, declares, pursuant to article 154-bis paragraph 2 of the TUF, that the information contained in the present press release corresponds to the documentation available and to the account books and entries.*

*The quarterly report on operations and related materials will be available to the public pursuant to the terms established by law at the Company Headquarters, on the website [www.gruppohera.it](http://www.gruppohera.it) and on the authorised storage platform 1Info ([www.1info.it](http://www.1info.it)).*

*Unaudited extracts from the quarterly report on operations at 31 March 2025 are attached.*

Income statement (mn€)	Mar 25	% inc.	Mar 24	% inc.	Abs. change	% change
Revenues	4,321.3		3,368.6		+952.7	+28.3%
Other income	37.4	0.9%	30.4	0.9%	+7.0	+23.0%
Raw and other materials	(2,714.5)	(62.8%)	(1,841.1)	(54.7%)	+873.4	+47.4%
Service costs	(1,049.0)	(24.3%)	(965.9)	(28.7%)	+83.1	+8.6%
Other operating expenses	(20.2)	(0.5%)	(18.0)	(0.5%)	+2.2	+12.2%
Personnel costs	(179.6)	(4.2%)	(169.1)	(5.0%)	+10.5	+6.2%
Capitalised costs	22.6	0.5%	12.2	0.4%	+10.4	+85.6%
<b>Ebitda</b>	<b>418.0</b>	<b>9.7%</b>	<b>417.1</b>	<b>12.4%</b>	<b>+0.9</b>	<b>+0.2%</b>
Amortization, depreciation and provisions	(170.8)	(4.0%)	(171.2)	(5.1%)	(0.4)	(0.2%)
<b>Ebit</b>	<b>247.2</b>	<b>5.7%</b>	<b>245.9</b>	<b>7.3%</b>	<b>+1.3</b>	<b>+0.5%</b>
Financial operations	(17.5)	(0.4%)	(35.9)	(1.1%)	(18.4)	(51.3%)
Share of profits (losses) pertaining to joint ventures and associated companies	4.3	0.1%	2.9	0.1%	+1.4	+48.3%
<b>Pre-tax result</b>	<b>234.0</b>	<b>5.4%</b>	<b>212.9</b>	<b>6.3%</b>	<b>+21.1</b>	<b>+9.9%</b>
Taxes	(70.2)	(1.6%)	(59.6)	(1.8%)	+10.6	+17.8%
<b>Net profit for the period</b>	<b>163.8</b>	<b>3.8%</b>	<b>153.3</b>	<b>4.6%</b>	<b>+10.5</b>	<b>+6.8%</b>
Attributable to:						
<b>Parent company shareholders adjusted*</b>	<b>153.7</b>	<b>3.6%</b>	<b>143.1</b>	<b>4.2%</b>	<b>+10.6</b>	<b>+7.4%</b>
Minority shareholders	10.1	0.2%	10.2	0.3%	(0.1)	(1.0%)

Invested capital and sources of financing (mn€)	31 Mar 25	% inc.	31 Dec 24	% inc.	Abs. change	% change
Net non-current assets	8,564.2	105.8%	8,496.4	106.9%	67.8	+0.8%
Net working capital	301.5	3.7%	227.2	2.9%	74.3	+32.7%
(Provisions)	(769.3)	(9.5%)	(773.0)	(9.7%)	3.7	(0.5%)
<b>Net invested capital</b>	<b>8,096.4</b>	<b>100.0%</b>	<b>7,950.6</b>	<b>100.0%</b>	<b>145.8</b>	<b>+1.8%</b>
Equity	4,199.5	51.9%	3,986.9	50.1%	212.6	+5.3%
Long-term borrowings	4,559.0	56.3%	4,051.3	51.0%	507.7	+12.5%
Net current financial debt	(662.1)	(8.2%)	(87.6)	(1.1%)	(574.5)	+655.8%
Net debt	3,896.9	48.1%	3,963.7	49.9%	(66.8)	(1.7%)
<b>Total sources of financing</b>	<b>8,096.4</b>	<b>100.0%</b>	<b>7,950.6</b>	<b>100.0%</b>	<b>145.8</b>	<b>+1.8%</b>

## IFRS financial statements

### Income statement

mn€	31 Mar 2025 (3 months)	31 Mar 2024 (3 months)
Revenues	4,321.3	3,368.6
Other income	37.4	30.4
Raw and other materials	(2,714.5)	(1,841.1)
Service costs	(1,049.0)	(965.9)
Personnel costs	(179.6)	(169.1)
Other operating costs	(20.2)	(18.0)
Capitalized costs	22.6	12.2
Amortisation, depreciation and provisions	(170.8)	(171.2)
<b>Operating profit</b>	<b>247.2</b>	<b>245.9</b>
Financial income	41.6	37.8
Financial expenses	(59.1)	(73.7)
<b>Financial operations</b>	<b>(17.5)</b>	<b>(35.9)</b>
Share of profits (losses) pertaining to joint ventures and associated companies	4.3	2.9
<b>Earnings before taxes</b>	<b>234.0</b>	<b>212.9</b>
Taxes	(70.2)	(59.6)
<b>Net profit for the period</b>	<b>163.8</b>	<b>153.3</b>
<b>Attributed to:</b>		
Parent company shareholders	153.7	143.1
minority shareholders	10.1	10.2
<b>Earnings per share</b>		
Basic	0.106	0.099
Diluted	0.106	0.099

## Statement of financial position

mn€	31 Mar 25	31 Dec 24
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plants and equipment	2,169.8	2,160.7
Rights of use	83.3	84.2
Intangible assets	4,994.7	4,945.8
Goodwill	933.0	933.0
Shareholdings valued using the equity method	131.5	127.3
Other shareholdings	51.1	47.3
Non-current financial assets	161.5	158.0
Deferred tax assets	344.8	342.9
<b>Total non-current assets</b>	<b>8,869.7</b>	<b>8,799.2</b>
<b>Current assets</b>		
Inventories	79.8	168.1
Trade receivables	3,133.8	3,172.5
Current financial assets	72.0	23.1
Current tax assets	26.8	31.3
Current assets arising from contracts with customers	294.0	263.9
Other current assets	988.6	1,104.5
Derivative instruments	93.6	182.4
Cash and cash equivalents	1,855.4	1,315.6
<b>Total current assets</b>	<b>6,544.0</b>	<b>6,261.4</b>
<b>Assets held for sale</b>	-	-
<b>TOTAL ASSETS</b>	<b>15,413.7</b>	<b>15,060.6</b>

mn€	31 Mar 25	31 Dec 24
<b>NET EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
Share capital	1,452.2	1,440.8
Reserves	2,275.1	1,744.8
Profit (loss) for the period	153.7	494.5
<b>Group net equity</b>	<b>3,881.0</b>	<b>3,680.1</b>
Non-controlling interests	318.5	306.8
<b>Total net equity</b>	<b>4,199.5</b>	<b>3,986.9</b>
<b>Non-current liabilities</b>		
Non-current financial liabilities	4,667.2	4,154.6
Non-current lease liabilities	53.3	54.7
Employee benefits	77.9	79.9
Provisions	691.4	693.1
Deferred tax liabilities	144.0	144.8
<b>Total non-current liabilities</b>	<b>5,633.8</b>	<b>5,127.1</b>
<b>Current liabilities</b>		
Current financial liabilities	1,241.5	1,226.7
Current lease liabilities	23.8	24.4
Trade payables	2,168.8	2,723.9
Current tax liabilities	118.0	48.2
Current liabilities arising from contracts with customers	190.4	203.2
Other current liabilities	1,722.6	1,512.8
Derivative instruments	115.3	207.4
<b>Total current liabilities</b>	<b>5,580.4</b>	<b>5,946.6</b>
<b>TOTAL LIABILITIES</b>	<b>11,214.2</b>	<b>11,073.7</b>
<b>TOTAL NET EQUITY AND LIABILITIES</b>	<b>15,413.7</b>	<b>15,060.6</b>