

Hera Group: BoD approves results for 3Q 2025

The first nine months of the year closed with strong growth in revenue and investments, and with all key operating and financial indicators positive, in line with the first two quarters and the targets set out in the Business Plan. The 4.2% increase in net profit attributable to shareholders confirms not only the Group's solidity and the effectiveness of its multi-business industrial strategy, but above all its ability to combine internal business growth with a positive return on invested capital.

Operating and financial highlights

- Revenue rises to 9,365.6 million euro (+10.6%)
- EBITDA stable at 1,037.2 million euro
- Net profit for the period up to 324.6 million euro (+4%)
- Gross operating investments at 666.8 million euro (+18.8%)
- Net financial position at 4,147.2 million euro and net financial position/EBITDA ratio at 2.6x, an improvement compared to September 2024
- Return on invested capital increases, with ROI at 9.9%

Key industrial guidelines

- **Organic growth of the multi-business portfolio.** The strong performance of the water and waste sectors offsets the absence of the temporary opportunities seized in 2024 within the energy segment.
- **Expansion of the operational scope.** Strengthening continues through M&A and joint venture initiatives (Ambiente Energia, CircularYard) and through the full consolidation of subsidiaries EstEnergy, Hera Comm, and Aliplast via the acquisition of minority interests.
- **Value creation capacity.** Solid operating performance and efficient financial management support earnings growth and the profitability of invested capital.
- **Ample room for development.** Cash generation and financial flexibility provide the basis for new organic and external growth initiatives, consistent with the objectives of the Business Plan.

Today, the Hera Group's Board of Directors, chaired by Executive Chairman Cristian Fabbri, unanimously approved the consolidated quarterly report at 30 September 2025, which confirms a positive structural performance and strong growth in revenues and investments compared to the same period of the previous year. The Group's solid multi-business industrial model, balanced between regulated and free-market activities, along with its effective financial operations, allows it to continue to grow both internally and through acquisitions.

Cristian Fabbri, Executive Chairman of the Hera Group:

"Over the past nine months, leveraging cash generation and our strong financial flexibility, we have focused on the Group's structural growth: we have doubled our operating investments aimed at development, increasing investments by almost 20% in both regulated sectors and free-market businesses. We furthermore completed a number of M&A transactions and repurchased the minority stakes in EstEnergy, Aliplast and, at the beginning of October, Hera Comm, all of which are now 100% owned. These persistent growth drivers, combined with the strength of our multi-business portfolio, enabled us to offset the loss of certain temporary opportunities and resulted in an increase in return on equity, now close to 10%. These results demonstrate that we are fully on track to achieve the objectives set out in our Business Plan."

Orazio Iacono, CEO of the Hera Group:

“Strong operating performance and steps towards financial optimisation supported growth in net profit attributable to Shareholders, which rose by 4.2%. The macroeconomic scenario remains complex, but signs of stabilisation in the energy market, combined with our ability to generate cash flow and margins – with the net debt/EBITDA ratio at 2.6x – now allow us to pursue development opportunities with even greater momentum. One non-negotiable principle remains at the heart of our industrial strategy: sustainability must go hand in hand with competitiveness. All our investments in technologies and services aim to strengthen this connection, improving resilience, innovation and the quality of our offer. Only in this way can we reconcile the Net Zero 2050 target with the growth of local areas and the well-being of communities.”

Double-digit growth in revenue, at 9.4 billion euro

At 30 September 2025, the Hera Group's revenue amounted to nearly 9.4 billion euro (9,365.6 million euro), increasing by more than 894 million euro compared to the same period in 2024, up +10.6%, mainly linked to the increase in energy commodity prices and the higher value of gas and electricity volumes traded.

EBITDA stable at 1,037 million euro

EBITDA for the first nine months of 2025 remained substantially stable with respect to the previous year, amounting to 1,037.2 million euro. Lower margins in the energy areas (–23.3 million euro) were offset by positive results in the water cycle and waste management services. The comparison with 2024 should however take into account the 85 million euro in extraordinary margins recorded that year, linked to temporary non-recurring opportunities (mainly last resort markets and eco-bonuses). Adjusted for these effects, EBITDA at 30 September 2025 shows structural growth coming to 9%, supported by contributions from all the Group's core businesses, exceeding the 7% average annual growth rate forecast in the Business Plan for the period to 2028.

Alongside internal growth, the Group expanded its industrial scope with the acquisition of Ambiente Energia and the establishment of CircularYard, a joint venture with Fincantieri with a 60% holding, further strengthening its presence in the special waste treatment and circular economy segments. The repurchase of minority shareholdings in Estenergy, Aliplast and Hera Comm also continued, which are now 100% owned. With regard to the project aimed at strengthening the industrial partnership with AIMAG, the agreement signed between the parties in January 2025 was not renewed, since not all the conditions set out in the agreement were met. AIMAG shareholders have confirmed their interest in continuing to evaluate the industrial prospects for strengthening the company.

Profit before income tax above 457 million euro

Ebit for the first nine months stood at 519.9 million euro, down slightly (-0.5%) compared to the same period in 2024, mainly due to the increase in depreciation and amortisation linked to new investments in regulated sectors and waste treatment, while provisions decreased thanks to the normalisation of the energy market. Effective operational and financial management, which saw a 27.5 million euro reduction in expenses thanks to a rationalisation of the debt structure and a reduction in IAS expenses, led to a profit before income tax of 457.2 million euro, up 5.5% compared to the 433.5 million euro seen at 30 September 2024.

Net Profit up 4%

Despite the increased tax rate, at 29% (vs 28% the previous year), net profit at 30 September 2025 reached 324.6 million euro, up 4% compared to 312.1 million euro in the same period of 2024. At the same time, net profit attributable to Group Shareholders also grew, reaching 294.7 million euro (+4.2% compared to 282.9 million euro at 30 September 2024).

Strong growth in operating investments and confirmation of the Group's financial solidity

At 30 September 2025, operating investments, including capital grants (34.2 million), amounted to 666.8 million euro, up by almost 106 million compared with the same period in 2024 (+18.8%). The areas that benefited most from development and regulatory compliance measures were the integrated water cycle (over 243 million euro in investments, 68 million euro more than the figure seen at 30 September 2024), the waste management area (almost 30 million euro more over one year) and the gas area (+11 million).

The Group's financial strength and sustainability are confirmed by the net financial position/EBITDA ratio, at 2.6x, which guarantees ample flexibility for future investments.

Net financial debt increased by 183.5 million euro in the first nine months of 2025, reaching 4,147.2 million euro, but improving compared to 30 September 2024. With net invested capital rising to 8.32 billion euro in the first nine months of 2025 and net equity at 4.18 billion euro, ROI reached 9.9% (compared to 9.5% one year earlier) and ROE stood at 11.5%.

Gas

EBITDA for the gas area, which includes natural gas distribution and sales, district heating and energy efficiency services, amounted to 299.6 million euro at 30 September 2025, down 2.9% compared to the 308.7 million euro seen in the same period of 2024. The 2024 results benefited from temporary opportunities mainly related to higher margins in last resort markets and energy efficiency activities. The increased contribution from distribution thanks to higher regulated revenues, supported by the increase in the Regulatory asset base (RAB) and inflation recovery, did not fully offset the lower contribution from temporary opportunities.

Gas revenue increased by 635.2 million euro compared to the previous year, driven by sales and trading activities, thanks to higher raw material prices and trading volumes, which more than offset the drop in the customer base's consumption. Regulated revenues grew by 20 million euro, while revenues from energy efficiency decreased by 61 million euro due to a reduction in activities benefitting from tax deductions.

Net investments in the gas sector amounted to 133.5 million euro in the first nine months of the year, up 7.3 million euro to compared with 126.2 million euro in 2024. The most significant projects included the hydrogen production plant in Trieste, co-financed by the NRRP, the upgrading of district heating networks and plants, and the Hydrogen Valley construction sites in Modena. Total gas sales volumes grew by 13.9% (1,017.6 million cubic metres) as a result of increased trading activities, while volumes to end customers fell by 6.2%, reflecting the slight drop in the customer base and energy-saving behaviour.

The gas area accounted for 28.9% of Group EBITDA.

Electricity

EBITDA for the electricity area, which includes services in electricity generation, distribution and sales and public lighting, amounted to 186.5 million euro at 30 September 2025, down 7.1% compared with 200.7 million euro in the same period of 2024. However, the 2024 results benefited from temporary opportunities mainly related to higher margins in the Safeguarded service.

Revenue from the electricity area grew by 109.3 million euro (+3.2%) compared to the first nine months of 2024, mainly due to the higher average raw material prices and volumes sold. Increases occurred in both regulated revenues, supported by ARERA resolutions that reflect the growth of RAB and inflationary effects, and revenues from public lighting and value-added services, driven by energy redevelopment works and the expansion of the offer. The number of electricity customers fell by 4.5% year-on-year, largely owing to the reduction in Gradual protection service customers, but the number of users subscribing to value-added services increased by over 80,000 (+27.3% compared to 30 September 2024). Total energy sales volumes grew by 314 GWh (+2.6%).

Net investments in this area amounted to 76.2 million euro (7.9 million euro less than the first nine months of 2024) and mainly concerned distribution, non-recurring maintenance and network upgrades, with actions aimed at improving resilience and hosting capacity. In the public lighting sector, Hera acquired 45.8 thousand new lighting points in 16 municipalities, mainly in Triveneto, Emilia-Romagna, Lombardy, Tuscany and

Sardinia. The percentage of lighting points managed with LED technology reached 59.6%, up by more than 10 percentage points in one year.

The electricity area accounted for 18.0% of Group EBITDA.

Water cycle

The integrated water cycle area, which includes aqueduct, purification and sewerage services, grew significantly. EBITDA rose to 253.4 million euro, compared to 234.5 million euro in the same period of 2024, up 8.1% compared to 30 September 2025. This positive trend reflects the application of the new MTI-4 tariff method established by ARERA for the fourth regulatory period 2024-2029, which adjusted the energy component and strengthened the incentive mechanisms for technical and contractual quality. In 2025, the Hera Group also received 26 premiums from the Authority for the results achieved in the two-year period 2022-2023 in all nine territorial areas managed through Hera Spa, AcegasApsAmga and Marche Multiservizi, confirming its high-quality standard in this service.

Total revenue for the area grew by 119.8 million euro. The increase in operating costs, mainly linked to higher supply prices and energy costs, was offset by regulated revenues and bonuses, leading to an improvement in margins.

Gross of capital grants, investments in the integrated water cycle area reached €243.3 million in the first nine months of the year, with over 60% concentrated on aqueducts and the rest on sewerage and purification. Among the main projects in the water network (153 million euro) are the continuation of network and connection remediation works in compliance with ARERA Resolution 917/2017 on technical quality, the installation of smart meters financed through NRRP funds, and a strategic infrastructure project to strengthen the water supply system serving 13 municipalities in the Imola area, including the construction of the new Bubano water treatment plant; in sewerage (62.9 million euro), note the beginning of construction for the southern tanks of the Rimini Seawater Protection Plan (PSBO), and in purification (27.4 million euro) the technological and structural upgrading of the Ravenna treatment plant, also co-financed by the NRRP.

The integrated water cycle area accounted for 24.4% of Group EBITDA.

Waste management

At 30 September 2025, EBITDA for the waste management area rose to 274.9 million euro, up 1.2% compared to 271.6 million euro in the same period of 2024. This growth involved all activities: treatment, recycling, remediation and environmental services, including collection. This positive result is all the more remarkable considering that the results for the same period during the previous year benefited from a non-recurring contribution linked to hedging contracts on electricity generation at particularly favourable conditions.

The results were particularly supported by changes in scope related to the expansion in recovery and industrial markets, thanks to the development of ACR's business, and the consolidation of recent acquisitions (TRS Ecology, integrated as of July 2024, and Ambiente Energia). In addition, in 2025, the Group launched CircularYard, a partnership with Fincantieri for the management of industrial waste in shipyards.

Overall, waste treated increased slightly due to plants operating at full capacity and plant expansion, with positive trends in the material recovery, waste-to-energy (Rimini and Modena) and special waste segments. Commercialized waste volumes increased slightly.

Net investments in the waste management sector amounted to 113.6 million euro, up 21.3 million compared to 2024, with growth in the sorting and recovery plant (+21.1 million), waste-to-energy (6.3 million) and collection area (+5.8 million) sectors. The Hera Group currently manages approximately 100 plants capable of treating all types of waste.

Sorted waste collection reached 75.1%, up 1.2 percentage points compared to 2024, thanks to new projects launched in the areas served.

The waste management area accounted for 26.5% of Group EBITDA, consolidating the Hera Group's leadership in the integrated waste management and material recovery sector.



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 financial statement 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 and on the authorised storage platform 1Info (www.1info.it).

Unaudited extracts from the Quarterly financial report at 30 September 2025 are attached.

Statement of profit and loss (mn€)	Sept 25	% Inc.	Sept 24	% Inc.	Abs. change	% change
Revenue	9,365.6		8,471.4		+894.2	+10.6%
Other income	109.7	1.2%	105.7	1.2%	+4.0	+3.8%
Raw and other materials	(5,266.0)	(56.2)%	(4,357.9)	(51.4)%	+908.1	+20.8%
Service costs	(2,657.1)	(28.4)%	(2,681.6)	(31.7)%	(24.5)	(0.9)%
Other operating expenses	(67.1)	(0.7)%	(63.6)	(0.8)%	+3.5	+5.5%
Personnel costs	(526.4)	(5.6)%	(494.1)	(5.8)%	+32.3	+6.5%
Capitalised costs	78.5	0.8%	57.7	0.7%	+20.8	+36.0%
EBITDA	1,037.2	11.1%	1,037.6	12.2%	(0.4)	0.0%
Depreciation, amortisation and impairment losses	(517.3)	(5.5)%	(515.1)	(6.1)%	+2.2	+0.4%
EBIT	519.9	5.6%	522.5	6.2%	(2.6)	(0.5)%
Net finance result	(71.4)	(0.8)%	(98.9)	(1.2)%	(27.5)	(27.8)%
Share of profits (losses) pertaining to joint ventures and associated companies	8.7	0.1%	9.9	0.1%	(1.2)	(12.1)%
Profit before income tax	457.2	4.9%	433.5	5.1%	+23.7	+5.5%
Taxes	(132.6)	(1.4)%	(121.4)	(1.4)%	+11.2	+9.2%
Net profit for the period	324.6	3.5%	312.1	3.7%	+12.5	+4.0%
Attributable to:						
Owners of the parent	294.7	3.1%	282.9	3.3%	+11.8	+4.2%
Non(controlling interests)	29.9	0.3%	29.2	0.3%	+0.7	+2.4%

Invested capital and sources of financing (mn€)	Sept 25	% Inc.	Dec 24	% Inc.	Abs. change	% change
Net non-current assets	8,788.6	105.6%	8,496.4	106.9%	+292.2	+3.4%
Net working capital	307.8	3.7%	227.2	2.9%	+80.6	+35.5%
(Provisions)	(771.9)	(9.3)%	(773.0)	(9.7)%	+1.1	(0.1)%
Net invested capital	8,324.5	100.0%	7,950.6	100.0%	+373.9	+4.7%
Equity	4,177.3	50.2%	3,986.9	50.1%	+190.4	+4.8%
Long-term borrowings	4,628.2	55.6%	4,051.3	51.0%	+576.9	+14.2%
Net current financial debt	(481.0)	(5.8)%	(87.6)	(1.1)%	(393.4)	+449.1%
Net financial position	4,147.2	49.8%	3,963.7	49.9%	+183.5	+4.6%
Total sources of financing	8,324.5	100.0%	7,950.6	100.0%	+373.9	+4.7%

IFRS financial statements

mn€	30 Sept 2025 (9 months)	30 Sept 2024 (9 months)
Revenue	9,365.6	8,471.4
Other income	109.7	105.7
Raw and other materials	(5,266.0)	(4,357.9)
Service costs	(2,657.1)	(2,681.6)
Personnel costs	(526.4)	(494.1)
Other operating costs	(67.1)	(63.6)
Capitalized costs	78.5	57.7
Depreciation, amortisation and impairment losses	(517.3)	(515.1)
Operating profit	519.9	522.5
Financial income	92.6	115.5
Financial costs	(164.0)	(214.4)
Net finance result	(71.4)	(98.9)
Share of profits (losses) pertaining to joint ventures and associated companies	8.7	9.9
Profit before income tax	457.2	433.5
Taxes	(132.6)	(121.4)
Profit for the period	324.6	312.1
Attributable to:		
Owners of the parent	294.7	282.9
non-controlling interests	29.9	29.2
Earnings per share		
Basic	0.201	0.196
Diluted	0.201	0.196

mn€	30 Sept 25	31 Dec 24
ASSETS		
Non-current assets		
Property, plant and equipment	2,237.0	2,160.7
Right-of-use assets	89.8	84.2
Intangible assets	5,142.2	4,945.8
Goodwill	942.3	933.0
Investments accounted for using the equity method	130.1	127.3
Other equity investments	50.6	47.3
Non-current financial assets	160.0	158.0
Deferred tax assets	348.5	342.9
Total non-current assets	9,100.5	8,799.2
Current assets		
Inventories	295.0	168.1
Trade and other receivables	2,303.0	3,172.5
Current financial assets	73.7	23.1
Current tax assets	88.7	31.3
Contract assets	303.4	263.9
Other current assets	849.5	1,104.5
Derivatives	181.8	182.4
Cash and cash equivalents	943.9	1,315.6
Total current assets	5,039.0	6,261.4
TOTAL ASSETS	14,139.5	15,060.6

mn€	30 Sept 25	31 Dec 24
EQUITY AND LIABILITIES		
Share capital and reserves		
Share capital	1,467.2	1,440.8
Reserves	2,106.1	1,744.8
Profit (loss) for the period	294.7	494.5
Equity attributable to owners of the parent	3,868.0	3,680.1
Non-controlling interests	309.3	306.8
Total equity	4,177.3	3,986.9
Non-current liabilities		
Non-current financial liabilities	4,726.2	4,154.6
Non-current lease liabilities	62.0	54.7
Employee benefits	71.9	79.9
Provisions	700.0	693.1
Deferred tax liabilities	151.9	144.8
Total non-current liabilities	5,712.0	5,127.1
Current liabilities		
Current financial liabilities	514.6	1,226.7
Current lease liabilities	22.0	24.4
Trade and other payables	1,656.0	2,723.9
Current tax liabilities	126.8	48.2
Current liabilities arising from contracts with customers	174.4	203.2
Other current liabilities	1,559.2	1,512.8
Derivative financial instruments	197.2	207.4
Total current liabilities	4,250.2	5,946.6
TOTAL LIABILITIES	9,962.2	11,073.7
TOTAL EQUITY AND LIABILITIES	14,139.5	15,060.6