

HERA GROUP | Analyst's comments on H1 2026 financial results

INSTITUTE	COMMENT	EN
BANCA AKROS	"Heras results were basically in line with our estimates at the EBITDA level while EBIT was better than expected due to normalised provisions, which offset higher depreciation and amortisation related to infrastructure growth. the company's results were sound and better than expected. We improved our estimates as we expect Hera's supply margins to benefit from the transfer of customers currently served under the Gradual Protection Service, scheduled for April 2027. We increase our TP from €4.30 to € 4.40 and we confirm our recommendation."	
BANCA INTESA SANPAOLO	"We look at the messages on value reserves - released along Hera 2Q/1H26 results - as positively and supportive for the company's mid-term earnings outlook, notably as regards STG customers, which could contain hidden value of over 120 M€ additional EBITDA on our calculations on annual basis, assuming the automatic removal of the discount and the application of free-market margins to around 700k customers. We are confirming our estimates on the stock as well as recommendation and target price."	
EQUITA SIM	"The half-year results provide positive indications, reporting figures in line with expectations for both net profit and net debt, with strong operating growth on a like-for-like basis and an encouraging outlook for the second half of 2026. On a reported basis, growth is more subdued due to the absence of non-recurring temporary opportunities that benefited 2025. Hera is trading at 11x P/E and 6x EV/EBITDA based on 2028 estimates, representing a 30% discount to its historical multiples, despite its improved risk profile, lower debt and the 8% CAGR in like-for-like earnings expected through 2028 in our estimates. Overall, we view these indications positively. We therefore confirm our estimates and valuation."	
INTERMONTE	"Hera reported EBITDA in line with expectations and both EBIT and adj. Net income above expectations. Hera's solid results show a continuation of the trend seen in 1Q26, with the Group able to recover all the temporary opportunities captured in 2025. We continue to believe that the group is very well placed to benefit from its leadership in the Waste business and further growth in its retail customer base. Moreover, Hera's financial flexibility enables it to continue to seize growth opportunities in its core markets, which are still highly fragmented. At 6.9x 2026E EV/EBITDA, the stock is trading broadly in line with the sector average. We confirm our recommendation and target price."	
KEPLER CHEUVREUX	"The Q2 release was in line with our estimates with reported EBITDA and Net Profit flat compared with our preview. According to the company, the adjusted EBITDA growth would have been c. 7% in H1, when excluding the "temporary opportunities" accounted for in H1 2025. HERA is a re-leverage story if and when the management pushes on acquisitions or higher organic growth. The granularity of the communication has improved with the H1 release. We like the growth visibility and the additional drivers of further acceleration of this growth, including the STG customer migration. Buy confirmed."	
MEDIOBANCA	"1H26 results aligned with expectations. The performance was driven by positive waste and supply activities, partially offset by negative networks. At bottom line, adjusted Net Income reflects lower provisions and the IRAP increase. We highlight that our numbers point to +7% EPS CAGR to '29, which suggests completion of current '29 BP one year in advance. And the leverage ratio at just 2.75x offers the company ample financial opportunities. The stock trades at c12x 1Y Forward P/E, which implies c1.1x for every 100bp of TSR, which compares with EU Utilities trading at 1.5x and US Utilities at 2.0x. We keep our estimates and €4.5/share TP unchanged. Outperform."	