

HERA GROUP | Analyst's comments on H1 2025 financial results

INSTITUTE	COMMENT	EN
BANCA AKROS	"EBITDA level slightly below consensus mainly due to electricity supply business performance. On the contrary the net profit was better than expected because of a much lower cost of debt. As regards the net debt, we highlight that the NWC generated cash for some EUR 40m in H1. For the full year 2025 the management said that the net debt was expected to be higher compared to the end of June. We fine-tuned our estimates (negligible impact on eps) and updated our SOTP to include a more conservative approach on the supply business. Target price at EUR 4.1/sh and recommendation on the stock confirmed."	
BANCA INTESA SANPAOLO	"EBITDA marginally missed our expectations in the quarter on lower energy supply margins, while Net Income met our estimates in the quarter, leading to 1H25 bottom-line results up 5% yoy. Net debt was marginally better than expected (2%) and improved both yoy and vs YE24 figures. Operating cash flow was strong in the semester, confirming solid cash generation profile from Hera. We view Hera's 1H2025 results consistent with our and consensus estimates for the year. Hera should also maintain high flexibility on the balance sheet. We confirm our neutral stance on Hera, as well as our estimates and TP."	
EQUITA SIM	"Quarterly results essentially stable for HERA, with good performance in the Waste and Water sectors and a reduction in debt. Results were broadly flat in 2Q25 (EBITDA -4% YoY and flat Net Profit), with a positive trend in Net Debt. We make no significant changes to our estimates, confirming our neutral view (HERA trades at 11.3x P/E and 6.2x EV/EBITDA on 2026 estimates, with a 4.2% yield and a Debt/EBITDA ratio of 2.7x)."	
INTERMONTE	"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. The stock does not look expensive (at 6.5x 2025E EV/EBITDA, a multiple broadly in line with the sector average). Target price at EUR 4.3/sh and recommendation on the stock confirmed."	
KEPLER CHEUVREUX	"HERA has ample room to re-leverage (c. EUR1bn) and a lot of mid-sized to large deals on the table: Unoenergy in energy retail supply, the Herambiente minority buyout, and gas distribution assets to be disposed of by Italgas, in addition to the usual bolt-on acquisitions. Furthermore, HERA could accelerate its capex in electricity distribution in order to secure the extension of the concession. We confirm our TP and Buy rating."	
MEDIOBANCA	"Hera reported a +5% EPS growth in 1H25, marginally ahead our +4% growth estimate. EBITDA is marginally below due to the electricity business performance. The lower provisioning, and lower financial expenses drove mid-single digit growth at bottom line. Net Debt is down by -4% at €3.9bn, including capex for c€414m. The company has indicated to be on track to deliver its Business Plan to '28. We confirm our TP and Outperform rating."	