

HERA GROUP | Analyst's comments on 9M 2025 financial results

INSTITUTE	COMMENT	EN
BANCA AKROS	"The company's results were basically in line with our estimates. We fine-tuned our estimates with a negligible impact on EPS. Better margins in electricity supply business – we highlight that despite fierce competition and a decrease in the customer base in the electricity supply business the company recorded an improvement in EBITDA. This a promising performance given challenging competition in the Italian retail market."	
BANCA INTESA SANPAOLO	"We view Hera's 9M2025 results as broadly supportive for the stock, with earnings characterised by a transitory momentum on operations, but steady EPS delivery. Hera's 3Q2025 financials look consistent with our FY forecasts: we are comfortable with our assumptions and do not see any particular downside risks at this time, with EBITDA consensus sitting slightly above our expectations and net income aligned. We reiterate our view on the stock, viewing the forthcoming business plan update (likely beginning 2026) as a potential trigger."	
EQUITA SIM	"3Q25 results above expectations. Positive indications from the conference call. We raise the target price to €4.70 per share (+18%) and the recommendation to BUY (previously HOLD). Hera currently offers a 9% TSR over the next 3 years with a high degree of visibility, potential upside on future results, and a discount valuation compared to historical multiples. Given the gradual phase-out of last-resort businesses, we believe Hera's business profile is now more visible, with lower provisioning for related bad debts and greater visibility on EBITDA cash conversion."	
INTERMONTE	"In 3Q25, Hera's operating numbers were broadly in line with expectations. 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 7.0x 2026E EV/EBITDA the stock is trading broadly in line with the sector average. We confirm our neutral recommendation with target €4.50 (from €4.30)."	
KEPLER CHEUVREUX	"The Q3 release was definitely in line with our estimates. By business, as expected, there was a positive contribution from regulated networks, completely offset by a decline in energy supply. Net debt/EBITDA stood at 2.6x (vs. 2.7x in 9M24 and 2.5x in 2024), which we deem a healthy level, leaving room for re-leveraging. HERA has ample room to re-leverage, also considering acquisitions and has a lot of mid-sized to large deals on the table. The stock is trading at appealing multiples (7x EV/EBITDA 2026/27E and c. 12x P/E), given its high quality and low volatility in terms of EPS growth."	
MEDIOBANCA	"Hera reported in line with expectations with an overall flattish EBITDA, as the positive performance of regulated businesses is overall offset the negative marginality of regulated electricity clients and lower contribution from the safeguard market. Lower financial expenses and lower provisions drove +4% growth at bottom line. Net Debt / EBITDA of 2.6x, provides flexibility to explore new opportunities, or to face volatile market conditions. On this matter, the company sees significant investment opportunities in all businesses, both on organic and non-organic growth."	