

press release

Bologna, 13 May 2026

Hera Group's BoD approves results for the first quarter of 2026

The consolidated three-month report as at 31 March shows improved performance and an increase of over 24% in capital expenditures.

Economic and financial highlights

- Revenue at € 3,517.6 million
- EBITDA at € 418.9 million (+0.2%)
- Net profit attributable to shareholders: € 154.6 million (+0.6%)
- Capital expenditures of € 237.7 million (+24.1%)
- Net financial position at € 4,028.6 million, with net debt/EBITDA at 2.62x

The Hera Group's Board of Directors, chaired by Executive Chairman Cristian Fabbri, today approved the consolidated results as at 31 March 2026.

The results for the first quarter are set against a complex global macroeconomic backdrop, characterised by the further geopolitical tensions that began in February 2026 and the continued volatility of energy markets. However, Hera Group's quarterly performance showed to be resilient to the external environment, which closed with an overall improvement in gross business margins and financial results compared to the same period of the previous year, confirming the Group's ability to generate value on an ongoing basis.

This continuity and stability are also reflected in the company's governance, as evidenced by the reappointment, on 29 April, of the Executive Chairman and the Chief Executive Officer for a further three-year term, and are further demonstrated by the company's attractive dividend policy. Indeed, in June 2026, a dividend of 16 eurocents per share, gross of statutory withholding taxes, will be distributed, up 6.7% compared with the last dividend paid and higher than the forecast in the previous Business Plan, which was 15.5 eurocents.

More generally, the established strategy, based on a balance between regulated and free-market activities, business diversification, and the ability to seize opportunities arising from the external environment in a timely manner, remain the multi-utility's key assets for addressing the uncertainties and challenges anticipated for the remainder of 2026. Furthermore, they enable the Hera Group to continue to effectively pursue the industrial growth and sustainability targets set out in the five-year strategy document approved in January of this year.

With regard to sector consolidation activities, the Hera Group expanded its scope compared to the first quarter of 2025 and further strengthened its activities in the water and waste sectors through the acquisition of:

- 100% of Ambiente Energia, a Veneto-based company specialising in the treatment of industrial liquid waste, consolidated as of the second half of 2025;
- 100% of STA and the related stakes in the subsidiaries belonging to the Sostelia Group, a major privately owned Italian player in industrial and civil water treatment and technology;
- 52% of the share capital of Servizi Ecologici Ambientali (SEA), which operates a multifunctional special waste storage and treatment facility located in Camerata Picena (Ancona), in addition to the 31% already acquired by HASI in 2021, thereby increasing its overall stake to 83% of the share capital.

Cristian Fabbri, Executive Chairman of the Hera Group, stated:

“The positive results achieved in the first quarter, achieved in a complex external environment and without the contribution of certain temporary factors, confirm the resilience and effectiveness of our strategy and enable us to be on track with the targets of our Business Plan. As at 31 March 2026, EBITDA stood at € 418.9 million, highlighting a structural growth of 9% and enabling a further increase in Net profit. Capital expenditures, fully self-financed thanks to increased cash flows, reached almost € 240 million, an increase of over 24%. These results, together with the increased dividend we will distribute in June, and our numerous projects aligned with the UN Sustainable Development Goals, once again confirm our ongoing focus on creating value for all our stakeholders and our ability to combine business growth with sustainable development”.

Orazio Iacono, CEO of the Hera Group, stated:

“The results achieved by the Hera Group in the first quarter of 2026 and the strong financial performance have enabled us to continue our growth, with net profit attributable to shareholders rising to € 154.6 million. Our strong cash flow generation enabled us to finance the increase in capital expenditures and a significant portion of the € 142 million invested in M&A, which means we close the quarter with good financial flexibility, with a net debt/EBITDA ratio of 2.62x. This confirms our ability to continue our growth trend, also through acquisitions, with our most recent purchases of Sostelia and a further 52% stake in SEA: two transactions that represent new key additions to our water and waste value chains”.

Revenue of over 3.5 billion

As at 31 March 2026, revenue stood at € 3,517.6 million, down from € 4,321.3 million in the previous financial year, primarily due to lower average prices for energy commodities during the quarter, despite the increase in March, lower volumes of gas and electricity sold to end customers, mainly for the last-resort markets and Consip, and lower revenue from trading activities in both the gas and electricity businesses.

EBITDA, net operating profit and pre-tax profit all up

EBITDA rose to € 418.9 million, up 0.2% compared to the result as at 31 March 2025: the contributions of the electricity, water cycle, waste and other services areas were particularly positive. This performance is even more noteworthy when one considers that the first quarter of last year benefited from margins related to temporary opportunities amounting to approximately € 33 million and from one-off tariff adjustments totalling approximately € 13 million.

The EBIT margin amounted to € 248.8 million, up by 0.6% compared to the first quarter of 2025, while pre-tax profit amounted to € 234.5 million, up by 0.2%.

Net profit attributable to shareholders up to 154.6 million

Thanks to strong operating and financial performance, net profit rose to € 165.1 million (up 0.8%), compared with € 163.8 million as at 31 March 2025, despite the increase in the IRAP (regional business tax) rate for the energy sectors as a result of the ‘Bills Decree’. Net profit attributable to the Group’s shareholders increased by 0.6% to € 154.6 million, compared to € 153.7 million in Q1 2025.

Increased capital expenditures maintaining Group's financial strength

Capital expenditures reached € 237.7 million in the first quarter of 2026, an increase of 24.1% compared to the previous year, reflecting the Group's commitment to strengthening the resilience of the regulated assets under management and enhancing their technological capabilities, including in support of the green transition. Strong cash flow generation made it possible to finance a significant portion of the € 142 million invested in the quarter for M&A; indeed, net debt increased by only € 84.2 million, reaching € 4,028.6 million. The net

debt/EBITDA ratio in the first quarter of 2026 was 2.62x, maintaining substantially unchanged the multi-utility's financial strength and flexibility, which will enable it to continue seizing further growth opportunities, both organically and through M&A.

Gas

In the gas area – which covers services in natural gas distribution and sales, district heating and energy performance services – EBITDA for the first quarter amounted to € 170.5 million, compared with € 187.3 million as at 31 March 2025, mainly due to normalized margins in the last-resort markets and in regulated distribution revenue, which in the previous year benefited from extraordinary revenue recognition. Traditional sales markets, trading activities, district heating and energy efficiency activities all performed well.

Capital expenditures in the gas area amounted to € 48 million, up € 9.6 million compared with the previous year (up 25%), primarily due to the expansion of district heating operations.

The number of gas customers stood at 1.8 million.

The gas area contributed 40.7% of the Group's total EBITDA.

Electricity

EBITDA for the electricity area – which includes services in electricity distribution, sales and generation, as well as public lighting – rose to € 74.2 million, an increase of € 13.4 million compared with Q1 2025. This increase is attributable to sales activities, trading, value-added services, public lighting, and insurance payouts following a damage at the Imola cogeneration plant at the end of 2024. There was a slight decrease in electricity distribution, which in 2025 benefited from the recognition of inflation from previous years under Resolution 130/2025/R/com, which revised the criteria for the Regulation by Expenditure and Service Targets (ROSS) introduced by Resolution 497/2023/R/com.

In the electricity segment, capital expenditure amounted to € 32.1 million euro, an increase of € 5.7 million euro compared to the previous Q1 2025 (+21.6%). In the distribution sector, work mainly involved extraordinary maintenance and upgrading of regulated networks and plants in the Modena, Imola, Trieste and Gorizia areas, as well as the work to improve regulated asset base resilience.

With regard to public lighting, the management of approximately 26 thousand additional lighting points was acquired during the quarter. The percentage of lighting points using LED lamps also increased, exceeding 68% of the total, confirming the Group's ongoing focus on increasingly efficient and sustainable public lighting management.

As at 31 March 2026, the number of electricity customers stood at almost 2.5 million.

The electricity area contributed 17.7% of the Group's total EBITDA.

Water cycle

As at 31 March 2026, the EBITDA of the integrated water cycle area – which includes aqueduct, wastewater treatment and sewerage services – rose to € 74.6 million, up 4.9% compared with € 71.2 million in the first quarter of 2025, primarily due to higher regulated revenue as a result of tariff adjustments related to the recognition of RAB and inflation.

During the first quarter of 2026, capital expenditures in the regulated integrated water cycle area amounted to € 92.5 million, up 22% compared with the previous year, broken down as follows: 56.5 million in aqueducts, 26.7 million in sewerage and 9.3 million in wastewater treatment.

The integrated water cycle area contributed 17.8% of the Group's total EBITDA.

Waste



EBITDA for the waste management area – which includes waste collection, treatment and recovery services – increased to € 91.8 million, primarily due to the positive contribution from treatment and recovery activities, driven by the higher sales volumes at Aliplast, and the good performance of ACR, as well as the benefit of changes in the scope of consolidation of the Sostelia Group and SEA. These factors more than offset the decline in energy management, linked to the normalization of the commodity prices, and the lower volumes of waste delivered to some of the Group's landfill sites (Feronia, Asa and Cà Asprete). Regulated Urban hygiene activities also grew, in particular due to the recognition of inflation and the increased demand for supplementary services in the managed areas that were the subject of tenders in previous years.

The rate of sorted waste collection at 31 March 2026 rose to 76.8%, up 1.3 percentage points compared to 75.5% in the first quarter of 2025.

Capital expenditures in the waste management area amounted to € 46.5 million, up 46.7% compared with the previous year, and were mainly allocated to maintenance and the development of waste treatment and recovery plants, such as the construction of Line 4th at the Padua waste-to-energy plant.

The waste management area contributed 21.9% of the Group's total EBITDA.

The manager in charge of preparing the company's accounting documents, Massimo Vai, declares, pursuant to Article 154-bis, paragraph 2, of the Consolidated Finance Act, that the information contained in this press release corresponds to the documentary evidence, books and accounting records.

The statutory financial statements and the related documentation will be made available to the public within the time limits established by law at the Company's registered office, on the website https://eng.gruppohera.it/group_eng/, and through the authorised storage mechanism 1Info (www.1info.it).

Attached are the accounting statements, taken from the Interim Management Report as at 31 March 2026, which have not been audited.

STATEMENT OF PROFIT OR LOSS	MAR-26	WEIGHT %	MAR-25	WEIGHT %	ABS. CHANGE	ABS. %
Revenue	3,517.6		4,321.3		(803.7)	(18.6%)
Other income	46.6	1.3%	37.4	0.9%	9.2	24.6%
Raw and other materials	(1,982.6)	(56.4%)	(2,714.5)	(62.8%)	(731.9)	(27.0%)
Service costs	(987.5)	(28.1%)	(1,049.0)	(24.3%)	(61.5)	(5.9%)
Other operating expenses	(18.5)	(0.5%)	(20.2)	(0.5%)	(1.7)	(8.4%)
Personnel costs	(188.4)	(5.4%)	(179.6)	(4.2%)	8.8	4.9%
Capitalised costs	31.7	0.9%	22.6	0.5%	9.1	40.2%
EBITDA	418.9	11.9%	418.0	9.7%	0.9	0.2%
Depreciation, amortisation, provisions and impairment losses	(170.1)	(4.8%)	(170.8)	(4.0%)	(0.7)	(0.4%)
EBIT	248.8	7.1%	247.2	5.7%	1.6	0.6%
Net finance result	(19.1)	(0.5%)	(17.5)	(0.4%)	1.6	9.1%
Share of profits (losses) pertaining to joint ventures and associates	4.8	0.1%	4.3	0.1%	0.5	11.7%
Pre-tax profit or loss	234.5	6.7%	234.0	5.4%	0.5	0.2%
Income tax expense	(69.4)	(2.0%)	(70.2)	(1.6%)	(0.8)	(1.1%)
Profit (loss) for the period	165.1	4.7%	163.8	3.8%	1.3	0.8%
Attributable to:						
Owners of the parent	154.6	4.4%	153.7	3.6%	0.9	0.6%
Non-controlling interests	10.5	0.3%	10.1	0.2%	0.4	4.0%

Invested capital and sources of financing (mln€)	31-Mar-26	% inc.	31-Dec-25	% inc.	Change Abs.	% change
Net non-current position	9,233.9	107.3%	8,980.7	107.6%	253.2	2.8%
Net working capital	158.0	1.8%	143.7	1.7%	14.3	10.0%
Provisions	(786.6)	(9.1%)	(780.3)	(9.4%)	(6.3)	0.8%
Invested capital	8,605.3	100.0%	8,344.1	100.0%	261.2	3.1%
Equity	4,576.7	53.2%	4,399.7	52.7%	177.0	4.0%
Non-current net financial debt	4,413.9	51.3%	4,228.5	50.7%	185.4	4.4%
Net current financial debt	(385.3)	(4.5%)	(284.1)	(3.4%)	(101.2)	35.6%
Net financial position	4,028.6	46.8%	3,944.4	47.3%	84.2	2.1%
Total sources of financing	8,605.3	100.0%	8,344.1	100.0%	261.2	3.1%

IFRS Financial Statement

Statement of profit or loss

MNE	31-MAR-2026 (3 MONTHS)	31-MAR-2025 (3 MONTHS)
Revenue	3,517.6	4,321.3
Other income	46.6	37.4
Raw and other materials	(1,982.6)	(2,714.5)
Service costs	(987.5)	(1,049.0)
Personnel costs	(188.4)	(179.6)
Other operating expenses	(18.5)	(20.2)
Capitalised costs	31.7	22.6
Depreciation, amortisation, provisions and impairment losses	(170.1)	(170.8)
Operating profit	248.8	247.2
Finance income	31.2	41.6
Financial expense	(50.3)	(59.1)
Net finance result	(19.1)	(17.5)
Share of profits (losses) pertaining to joint ventures and associates	4.8	4.3
Pre-tax profit (loss)	234.5	234.0
Income tax expense	(69.4)	(70.2)
Profit (loss) for the period	165.1	163.8
Attributable to:		
Owners of the parent	154.6	153.7
Non-controlling interests	10.5	10.1
Earnings per share:		
Basic	0.105	0.106
Diluted	0.105	0.106

Balance sheet

MN€	31-Mar-26	31-Dec-25
ASSETS		
Non-current assets		
Property, plant and equipment	2,361.9	2,321.9
Rights of use	93.5	92.3
Intangible assets	5,312.6	5,240.6
Goodwill	1,098.3	950.0
Investments measured using the equity method	130.1	137.2
Other equity investments	56.8	54.0
Non-current financial assets	152.8	151.8
Deferred tax assets	339.7	340.1
Total non-current assets	9,545.7	9,287.9
Current assets		
Inventories	77.9	213.2
Trade and other receivables	3,008.4	2,605.9
Current financial assets	90.9	75.1
Current tax assets	16.7	56.2
Contract assets	146.9	89.5
Other current assets	695.9	778.5
Derivative instruments	511.6	178.5
Cash and cash equivalents	1,242.9	845.3
Total current assets	5,791.2	4,842.2
TOTAL ASSETS	15,336.9	14,130.1

MN€	31-Mar-26	31-Dec-25
EQUITY AND LIABILITIES		
Share capital and reserves		
Share capital	1,477.7	1,477.7
Reserves	2,617.9	2,139.4
Profit (loss) for the period	154.6	464.3
Equity attributable to owners of the parent	4,250.2	4,081.4
Non-controlling interests	326.5	318.3
Total equity	4,576.7	4,399.7
Non-current liabilities		
Non-current financial liabilities	4,504.1	4,317.9
Non-current lease liabilities	62.6	62.4
Employee benefits	76.1	74.3
Provisions	710.5	706.0
Deferred tax liabilities	159.0	155.4
Total non-current liabilities	5,512.3	5,316.0
Current liabilities		
Current financial liabilities	922.5	611.9
Current lease liabilities	26.0	24.4
Trade and other payables	1,845.5	1,839.9
Current tax liabilities	42.3	12.8
Contract liabilities	42.3	26.1
Other current liabilities	1,845.4	1,696.3
Derivative instruments	523.9	203.0
Total current liabilities	5,247.9	4,414.4
TOTAL LIABILITIES	10,760.2	9,730.4
TOTAL EQUITY AND LIABILITIES	15,336.9	14,130.1