

## Hera Group approves results for 1H 2025

*The consolidated half-year report at 30 June shows increased net profit and capital expenditures, in line with corporate strategies and the targets contained in the Business plan. In a phase of market normalisation, the Group's operating and financial solidity is confirmed.*

### Business and financial highlights

- Revenues at 6,786.2 million euro (+18.7%)
- Ebitda at 721.7 million euro (-1.5%)
- Net profit for Shareholders at 229.3 million euro (+5%)
- Gross operating investments at 414.0 million euro (+20.2%)
- Net financial debt at 3,927.1 million euro (-0.9% compared to December 2024), with Net debt / Ebitda at 2.49x (-7.5% compared to June 2024)
- Return on investment improves, with ROI rising to 10.3% and ROE to 11.5%

Today, the Hera Group's Board of Directors, chaired by Executive Chairman Cristian Fabbri, unanimously approved the consolidated results at 30 June 2025. The results for the first half of 2025 show a positive structural performance, with growth in net profit and capital expenditures 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 efficient financial management, allow Hera to continue along its path of growth, both internally and through acquisitions, increasing the value and resilience of its assets and contributing to the sustainable development of served areas and the creation of value for all stakeholders.

### **Cristian Fabbri, Executive Chairman of the Hera Group:**

*"In the first half of the year, we continued to increase our creation of value by leveraging the Group's industrial growth and financial solidity. Cash generation allowed us to finance investments coming to over 400 million euro, up 20%, with the greatest increases going towards plant development in the waste management area and water cycle resilience. The solidity of our balanced business portfolio is reflected in the rise of Return on Equity, which stands at 11.5%. These results show that we are on track with our Business plan."*

### **Orazio Iacono, CEO of the Hera Group:**

*"Good operating performance and financial optimisations supported a 5% increase in net profit attributable to shareholders, which reached 229.3 million euro. These results confirm our ability to continue our path of growth, even in a complex macroeconomic scenario, keeping our focus on resilience, sustainability and innovation. The positive cash generation contributed to a further reduction in net debt, bringing the net debt/Ebitda ratio to 2.49x, which gives us significant strength for targeting future growth opportunities."*

### **Revenues rise to 6.8 billion euro**

Revenues for the first half of the year amounted to 6,786.2 million euro, up sharply from the 5,716.5 million euro seen at 30 June 2024 (+18.7%), mainly due to higher energy commodity prices and the higher value of trading.

**Ebitda at 721.7 million euro**

The result was underpinned by a strong growth in all businesses (+7% increase), visible in a comparison on a like for like basis with first half 2024 Ebitda (733 million euro) excluding the temporary opportunities (mainly linked to last resort markets and the super ecobonus) amounting to approximately 56 million euro. First half 2025 adjusted growth is fully in line with Business plan targets.

**Net operating result stable and result before taxes increases**

Ebit for the first six months of 2025 amounted to 383.2 million euro, as against 385.1 million euro in the first half of 2024, as a result of lower provisions mainly related to last resort markets, which more than offset higher depreciation and amortisation for the substantial capital expenditures in development, especially in the regulated sectors.

The ongoing improvement in financial operations, down by about 23 million, was due to reduced interest rates and a rationalisation of the financial structure, also following the progressive and further normalisation of the energy market. The effective operational and financial management allowed the result before taxes to rise to 351.2 million euro (+6.6%), compared to 329.6 million euro at 30 June 2024.

**Net profit for Shareholders rises to 229.3 million**

Despite the increased tax rate, at 29% vs 28% in the first half of 2024, net profit at 30 June 2025 rose to 249.4 million euro, up (+5.1%) from 237.3 million euro in the same period of 2024. Similarly, net profit attributable to the Group's shareholders also rose, reaching 229.3 million euro (+5%), compared to 218.4 million euro at 30 June 2024. These results once again confirm the creation of value for all stakeholders, perfectly in line with the expectations of the Business plan.

**Operating investments up by 20.2% and Group solidity further strengthened**

Operating investments, including capital grants, amounted to 414.0 million euro (+20.2%) in the first half of 2025, as against 344.4 million euro at 30 June 2024. This increase was mainly due to the performance of water and waste sectors.

Net financial debt stood at 3,927.1 million euro, an improvement over both the 3,963.7 million euro at 31 December 2024 and the 4,063.5 million euro seen in the first half of 2024, thanks to the positive cash flow that fully covered increased capital expenditures and dividend payments. Therefore, the Group's financial solidity was confirmed once again, providing it with the necessary flexibility to continue to seize further growth opportunities, both organic and M&A. The net debt/Ebitda ratio also improved, dropping to 2.5x (-7.5% compared to June 2024), as did the indicators for return on investment, with ROI rising from 9.6% in the first half of 2024 to 10.3% and ROE going from 11.3% to 11.5%.

**Shared-value Ebitda increases significantly, reaching 59% of total Ebitda**

In the first six months of the year, shared-value Ebitda, which refers to business activities that also meet the targets on the Global Agenda, reached 59% of total Ebitda, up 5 percentage points compared to the 2024 figure.

The Hera Group has continued its intense work to combine its growth strategies with the generation of value in the medium and long term. This is also confirmed by its place in the ranking of the ESG Identity Corporate Index 2025, awarded for the integration of ESG factors in its governance, by Hera's inclusion in the FTSE4Good Index Series for the sixth consecutive year, thanks to its active commitment to sustainable development, and by the most recent "Climate A list" award from the independent international organisation CDP, assigned to Hera for its fight against climate change and transparency in environmental reporting.

## Gas

Ebitda for the gas area, which includes natural gas distribution and sales, district heating and energy efficiency services, rose to 260.3 million euro in the first half of 2025, compared to 256.5 million euro at 30 June 2024 (+1.5%). Despite lower margins in last resort markets and energy efficiency activities, due to regulatory changes concerning renovations and the ecobonus, this positive result was achieved due to both higher regulated revenues from gas distribution and the optimisation of modulation costs in gas sales.

In the first half of 2025, gross capital expenditures made in the gas area rose to 83.8 million euro (+7.9%) and involved gas distribution networks and plants and the district heating service. The main interventions in district heating included the ongoing project to interconnect the Bologna city centre network with the waste-to-energy plant, as well as works for the construction of the hydrogen production plant in Trieste, while the Hydrogen Valley project in Modena also continued.

The number of gas customers stood at 2 million.

The gas area accounted for 36.1% of Group Ebitda.

## Electricity

Ebitda for the electricity area, which includes electricity generation, distribution and sales services as well as public lighting, amounted to 114.1 million euro highlighting a positive growth comparing with the data of first half 2024 of about 144.2 million euro, excluding the extraordinary, non-recurring contribution from the protected customer segment. In fact, a like-for-like comparison with 30 June 2024 shows a positive contribution coming from higher electricity distribution margins, and increased volumes sold to end customers, driven by commercial development especially in the free market.

The number of electricity customers increased by 44.4% compared to the first half of 2024, reaching 2.6 million, mainly due to the acquisition in July 2024 of the household customers covered by the Gradual Protection Service.

As regards public lighting, in the first half of the year 47,800 lighting points were acquired in 15 new municipalities, mainly in Emilia-Romagna, Triveneto, Tuscany, Lombardy, Umbria, and Liguria.

At 30 June 2025, gross capital expenditures were 9.3% lower than in the same period of 2024 and totalled 53.6 million euro, mainly focused on electricity distribution, to improve network resilience and increase distributable power.

The electricity area accounted for 15.8% of Group Ebitda.

## Water cycle

Ebitda for the integrated water cycle area, which includes aqueduct, purification and sewerage services, rose to 156.5 million euro, up 7.1% from the 146.2 million euro seen in the same period of 2024. This growth was mainly due to the significant capex plan, grounded in measures aimed at promoting and enhancing innovative interventions for the efficiency and resilience of the served areas. Precisely thanks to the efforts made over the last five years, ARERA's incentive mechanism for the integrated water service awarded the Hera Group 26 overall bonuses for the 2022-2023 two-year period thanks to the technical quality results achieved, and these bonuses will have a positive impact on Ebitda in the second half of the year. This recognition is particularly significant because it concerns all nine regional areas managed, from Trieste to Pesaro.

In the first half of 2025, capital expenditures in the integrated water cycle area, including capital grants, amounted to 154 million euro (96.1 million euro in aqueducts, 40.8 million euro in sewerage and 17 million euro in purification), up 43.1% compared to 107.6 million euro in the same period of 2024. These capital expenditures mainly made infrastructures increasingly efficient and resilient, thus mitigating the impacts of climate change.

More specifically, capital expenditures in the aqueduct were aimed at upgrading and renewing the distribution network; in the sewerage sector, in addition to maintenance works to upgrade the network in several localities served, note the beginning of construction of the south tanks in Rimini as part of the seawater protection plan (PSBO) and the construction of a first rain tank in the municipality of Cattolica; in the purification sector, note the upgrading and expansion of the Ravenna purification plant.

The integrated water cycle area accounted for 21.7% of Group Ebitda.

## **Waste management**

Ebitda for the waste management area, which includes waste collection, treatment and recovery services, rose to 175.4 million euro (+2.3%), as against the 171.5 million euro at 30 June 2024. The waste sector is experiencing continuous growth despite a complex macroeconomic scenario and a slowdown in industrial production. The performance seen is even more appreciable when compared with a like-to-like 2024 figure, normalised by the non-recurring contribution included in 2024 resulting from the 2023 fixing of the forward sale price of electricity generated by waste-to-energy plants, set at higher values than 2024 and 2025 market prices. Not including this component, the assets in the portfolio showed positive growth in the recovery market, the industry market, industrial site remediation and the integrated global service offer.

In the first half of 2025, the Hera Group continued its development driven by the industrial transition, sustainability and innovation, as shown by the fully operational FIB3R plant in Imola (Bologna), the first of its kind in Europe capable of regenerating carbon fibre composites on an industrial scale. Material recovery, production of green gases such as biomethane, and technological innovation in reclamation and industrial decommissioning services were all confirmed as strategic, leveraging in particular Group subsidiary ACR's market leadership and operating capacity. The most recent acquisitions have further increased the scope of activities in special waste treatment and plastic recycling. The latest is the acquisition of Ambiente Energia, which will be effective in the second half of 2025.

Sorted waste collection in the first half of 2025 rose to 75.3%, up 1 percentage point compared to the same period in 2024.

In the first half of 2025, gross capital expenditures in the waste management area rose to 72.7 million euro, up 32.7% compared to the previous year, mainly for optimisation and expansion of waste treatment plants and, in part, the collection area and equipment sector.

The waste management area accounted for 24.3% of Group Ebitda.

*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 half-year 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](https://www.gruppohera.it) and on the authorised storage platform 1Info ([www.1info.it](https://www.1info.it)). Unaudited extracts from the Half-Year Consolidated Financial Statements at 30 June 2025 are attached.*

Income statement (mn€)	Jun 25	% Inc.	Jun 24	% Inc.	Abs. change	% change
Revenues	6,786.2		5,716.5		+1,069.7	+18.7%
Other income	78.2	1.2%	68.2	1.2%	+10.0	+14.7%
Raw and other materials	(3,970.0)	(58.5)%	(2,973.2)	(52.0)%	+996.8	+33.5%
Service costs	(1,816.4)	(26.8)%	(1,727.6)	(30.2)%	+88.8	+5.1%
Other operating expenses	(42.9)	(0.6)%	(40.5)	(0.7)%	+2.4	+5.9%
Personnel costs	(360.8)	(5.3)%	(341.2)	(6.0)%	+19.6	+5.7%
Capitalised costs	47.4	0.7%	30.5	0.5%	+16.9	+55.4%
<b>Ebitda</b>	<b>721.7</b>	<b>10.6%</b>	<b>732.7</b>	<b>12.8%</b>	<b>(11.0)</b>	<b>(1.5)%</b>
Amortization, depreciation and provisions	(338.5)	(5.0)%	(347.6)	(6.1)%	(9.1)	(2.6)%
<b>Ebit</b>	<b>383.2</b>	<b>5.6%</b>	<b>385.1</b>	<b>6.7%</b>	<b>(1.9)</b>	<b>(0.5)%</b>
Financial operations	(39.2)	(0.6)%	(61.9)	(1.1)%	(22.7)	(36.7)%
Share of profits (losses) pertaining to joint ventures and associated companies	7.2	0.1%	6.4	0.1%	+0.8	+12.5%
<b>Result before taxes</b>	<b>351.2</b>	<b>5.2%</b>	<b>329.6</b>	<b>5.8%</b>	<b>+21.6</b>	<b>+6.6%</b>
Taxes	(101.8)	(1.5)%	(92.3)	(1.6)%	+9.5	+10.3%
<b>Net result</b>	<b>249.4</b>	<b>3.7%</b>	<b>237.3</b>	<b>4.2%</b>	<b>+12.1</b>	<b>+5.1%</b>
Attributable to:						
<b>Parent company shareholders</b>	<b>229.3</b>	<b>3.4%</b>	<b>218.4</b>	<b>3.8%</b>	<b>+10.9</b>	<b>+5.0%</b>
Minority shareholders	20.1	0.3%	18.9	0.3%	+1.2	+6.4%

INVESTED CAPITAL AND SOURCES OF FINANCING (mn€)	Jun 25	% Inc.	Dec 24	% Inc.	Abs. change	% change
Net non-current assets	8,647.1	+107.8%	8,496.4	+106.9%	+150.7	+1.8%
Net working capital	142.7	+1.8%	227.2	+2.9%	(84.5)	(37.2)%
(Provisions)	(768.1)	(9.6)%	(773.0)	(9.7)%	+4.9	(0.6)%
<b>Net invested capital</b>	<b>8,021.7</b>	<b>+100.0%</b>	<b>7,950.6</b>	<b>+100.0%</b>	<b>+71.1</b>	<b>+0.9%</b>
Equity	4,094.6	+51.0%	3,986.9	+50.1%	+107.7	+2.7%
Long-term borrowings	4,543.1	+56.6%	4,051.3	+51.0%	+491.8	+12.1%
Net current financial debt	(616.0)	(7.7)%	(87.6)	(1.1)%	(528.4)	+603.2%
Net debt	3,927.1	+49.0%	3,963.7	+49.9%	(36.6)	(0.9)%
<b>Total sources of financing</b>	<b>8,021.7</b>	<b>+100.0%</b>	<b>7,950.6</b>	<b>+100.0%</b>	<b>+71.1</b>	<b>+0.9%</b>

# IFRS financial statements

## Income statement

MN€	1H 2025	1H 2024
Revenues	6,786.2	5,716.5
Other income	78.2	68.2
Raw and other materials	(3,970.0)	(2,973.2)
Service costs	(1,816.4)	(1,727.6)
Personnel costs	(360.8)	(341.2)
Other operating costs	(42.9)	(40.5)
Capitalized costs	47.4	30.5
Amortisation, depreciation and provisions	(338.5)	(347.6)
<b>Operating profit</b>	<b>383.2</b>	<b>385.1</b>
Financial income	76.3	79.2
Financial expenses	(115.5)	(141.1)
<b>Financial operations</b>	<b>(39.2)</b>	<b>(61.9)</b>
Share of profits (losses) pertaining to joint ventures and associated companies	7.2	6.4
<b>Earnings before taxes</b>	<b>351.2</b>	<b>329.6</b>
Taxes	(101.8)	(92.3)
<b>Net profit for the period</b>	<b>249.4</b>	<b>237.3</b>
<b>Attributed to:</b>		
Parent company shareholders	229.3	218.4
minority shareholders	20.1	18.9
<b>Earnings per share</b>		
Basic	0.157	0.152
Diluted	0.157	0.152

## Statement of financial position

MN€	30 JUN 25	31 DEC 24
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plants and equipment	2,184.7	2,160.7
Rights of use	89.0	84.2
Intangible assets	5,062.0	4,945.8
Goodwill	933.8	933.0
Shareholdings valued using the equity method	128.6	127.3
Other shareholdings	50.9	47.3
Non-current financial assets	160.7	158.0
Deferred tax assets	345.0	342.9
<b>Total non-current assets</b>	<b>8,954.7</b>	<b>8,799.2</b>
<b>Current assets</b>		
Inventories	179.3	168.1
Trade receivables	2,360.4	3,172.5
Current financial assets	158.8	23.1
Current tax assets	38.4	31.3
Current assets arising from contracts with customers	295.5	263.9
Other current assets	899.6	1,104.5
Derivative instruments	141.1	182.4
Cash and cash equivalents	1,289.9	1,315.6
<b>Total current assets</b>	<b>5,363.0</b>	<b>6,261.4</b>
<b>TOTAL ASSETS</b>	<b>14,317.7</b>	<b>15,060.6</b>

MN€	30 JUN 25	31 DEC 24
<b>NET EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
Share capital	1,466.4	1,440.8
Reserves	2,100.8	1,744.8
Profit (loss) for the period	229.3	494.5
<b>Group net equity</b>	<b>3,796.5</b>	<b>3,680.1</b>
Non-controlling interests	298.1	306.8
<b>Total net equity</b>	<b>4,094.6</b>	<b>3,986.9</b>
<b>Non-current liabilities</b>		
Non-current financial liabilities	4,645.0	4,154.6
Non-current lease liabilities	58.8	54.7
Employee benefits	72.1	79.9
Provisions	696.0	693.1
Deferred tax liabilities	146.9	144.8
<b>Total non-current liabilities</b>	<b>5,618.8</b>	<b>5,127.1</b>
<b>Current liabilities</b>		
Current financial liabilities	808.5	1,226.7
Current lease liabilities	24.2	24.4
Trade payables	1,698.2	2,723.9
Current tax liabilities	124.4	48.2
Current liabilities arising from contracts with customers	177.0	203.2
Other current liabilities	1,613.6	1,512.8
Derivative instruments	158.4	207.4
<b>Total current liabilities</b>	<b>4,604.3</b>	<b>5,946.6</b>
<b>TOTAL LIABILITIES</b>	<b>10,223.1</b>	<b>11,073.7</b>
<b>TOTAL NET EQUITY AND LIABILITIES</b>	<b>14,317.7</b>	<b>15,060.6</b>