

HERA GROUP | Analyst's comments on 9M 2024 financial results

INSTITUTE	COMMENT	EN
BANCA AKROS	"The results were good and better than expected. We fine-tuned our estimates to include the foregoing results (EPS up by ~1% on average in 2024-2027). Recommendation and target confirmed."	
BANCA INTESA SANPAOLO	"Overall, a solid set of results by Hera, which delivered above expectations. Given the positive financials' evolution to date, we see FY24 as highly visible with consensus possibly a little conservative. For this reason, given the soon-to-be presented BP (beginning 2025), which could act as catalyst, and due to its low sensitivity to energy scenario variations, we confirm our positive view on Hera, especially after the recent days' weak stock performance. We plan to fine-tune our estimates to factor into our model the stronger FY24 prospects, while awaiting the new plan update."	
EQUITA SIM	"Positive indications from Hera's results, with a strong increase in net profit thanks to organic growth and a significant reduction in financial expenses. We are raising our Net Income estimates by +5% to +6% for the period 2024-2027 and increasing the target price to €3.65 (EPS +4%), confirming our recommendation."	
INTERMONTE	"We continue to believe that the group is 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. OUTPERFORM confirmed."	
KEPLER CHEUVREUX	"Q3 results were positive and almost in line for both EBITDA and for net profit thanks to lower provisions for bad debts and financial charges. Net debt/EBITDA stood at 2.7x, which we deem a healthy level. ROI increased from 9% in 9M 2023 to 9.5% in 9M 2024 and ROE from 10.6% to 11.7%. As usual, management has not provided guidance for the current year. In our opinion, the Q3 release increased the visibility of our above-consensus estimates for 2024. We think the analysts' consensus needs to be revised upwards slightly. We confirm our Buy rating. The stock is trading at appealing multiples, lower than its historical average."	
MEDIOBANCA	"9M24 results were as solid as expected. The positive trends observed in 1H24 continued also in 3Q, with significant growth in the water & electricity business. The optimization of the financial structure drove a double-digit growth at bottom line. We highlight that Hera's BP to '27 targets a remarkable +7% EPS CAGR and we continue to believe that it has a solid business model, exposed to the circular economy thanks to its consolidated position in the waste and water segments. Furthermore, its Balance Sheet gives to Hera options to accelerate on external growth opportunities. The stock currently trades at attractive multiples. Our estimates to '27 remain broadly unchanged. Therefore, we maintain our TP and recommendation unchanged."	