



MORE ESG

MORE CIRCULAR ECONOMY

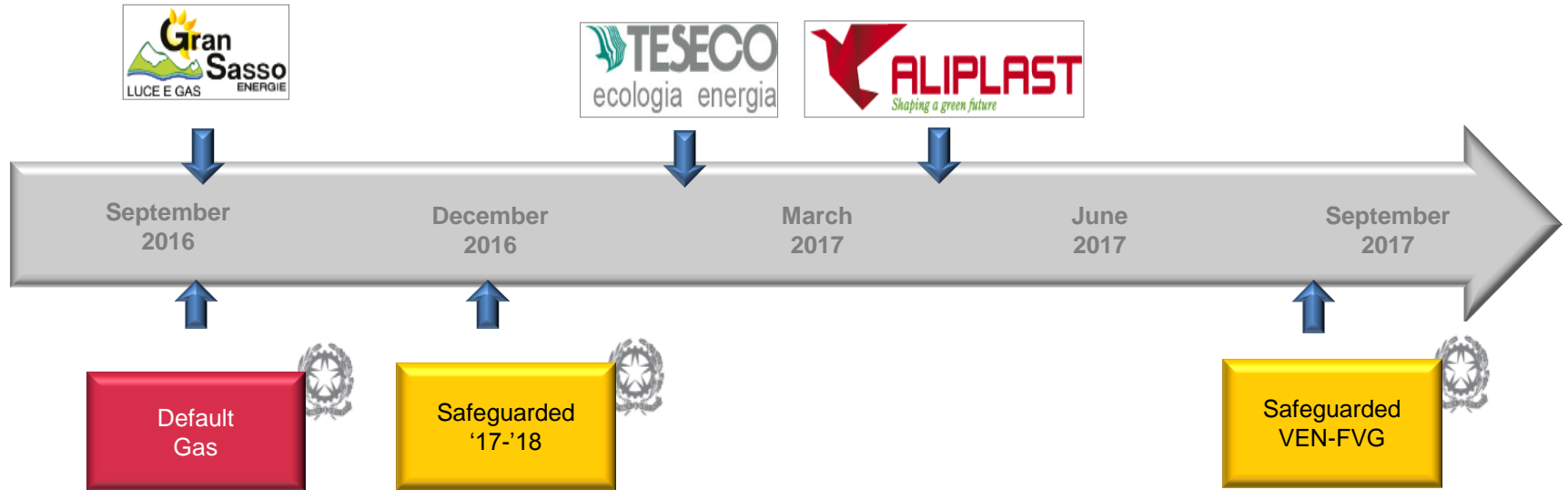
MORE INTEGRATED THINKING

GRUPPO  
**HERA**  
**FINANCIAL RESULTS AS AT**  
**30 SEPTEMBER 2017**

**75**  
YEARS

HAPPY BIRTHDAY HERA!

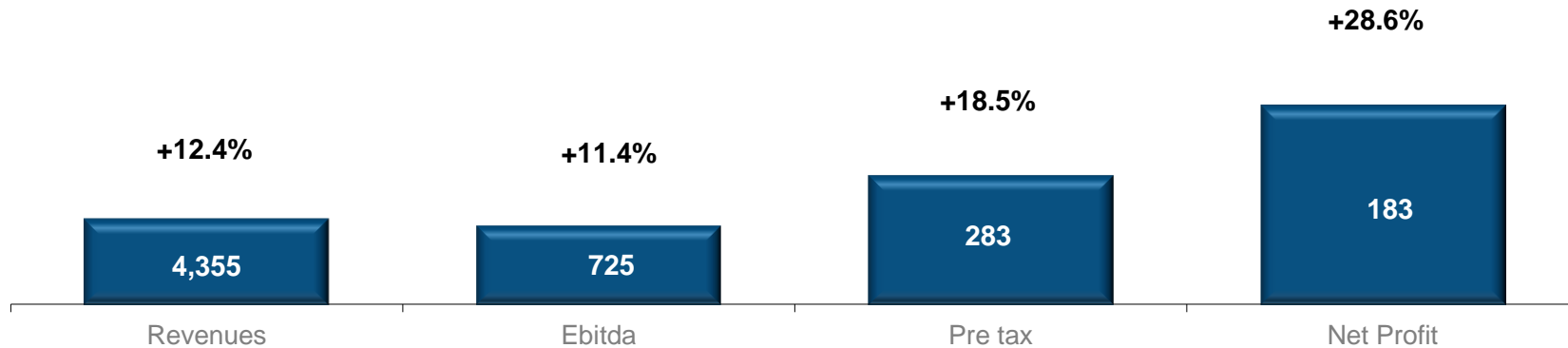
# The period main events underpinning results



**Expanding all business under competition**

# Highlights on 9M '17 results

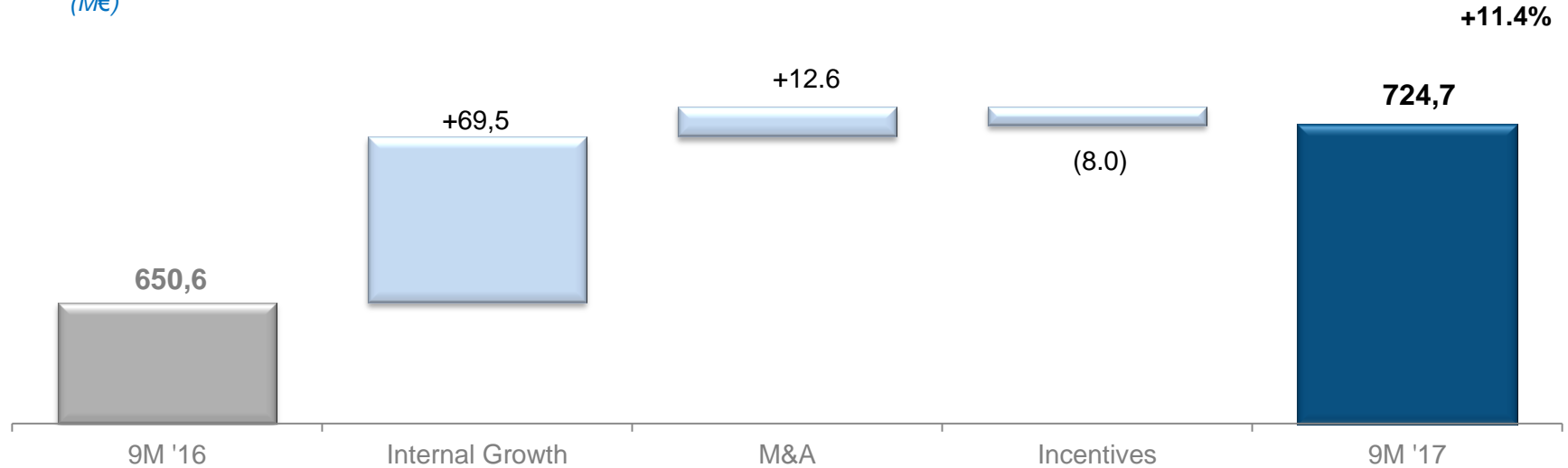
9M main growth rates  
(%, M€)



**A robust growth**

# 9M 2017 EBITDA growth drivers

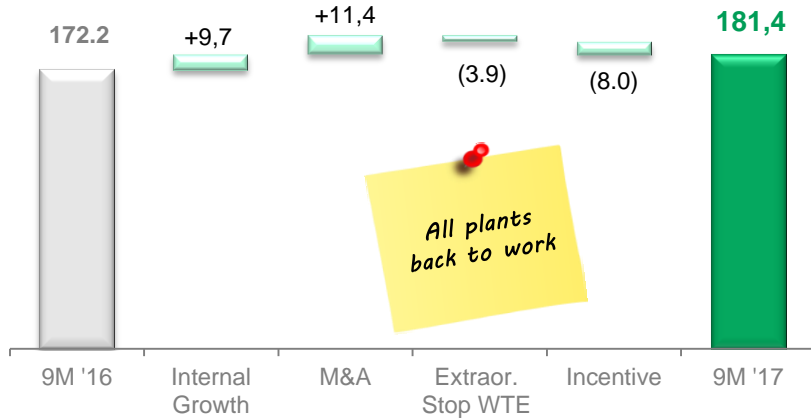
Ebitda growth drivers  
(M€)



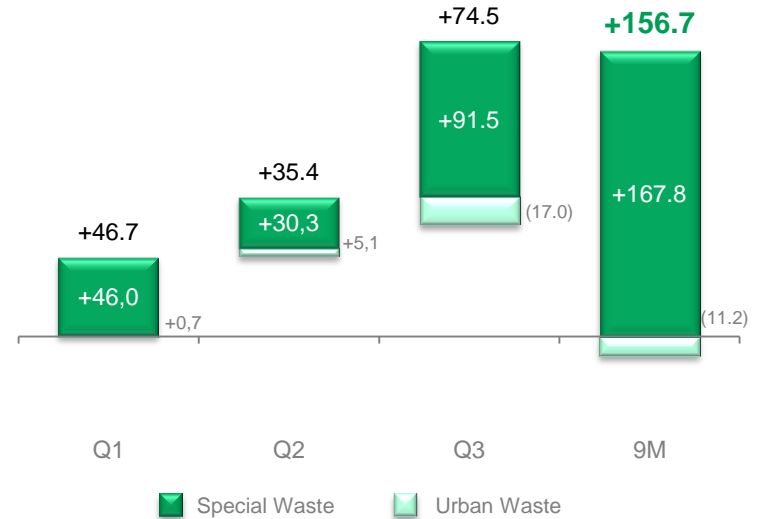
**Performance underpinned by growth in all businesses**

# WASTE: benefitting from positive market trends and M&A

**Ebitda growth drivers**  
(M€)



**Waste volumes growth from third parties**  
(kton)

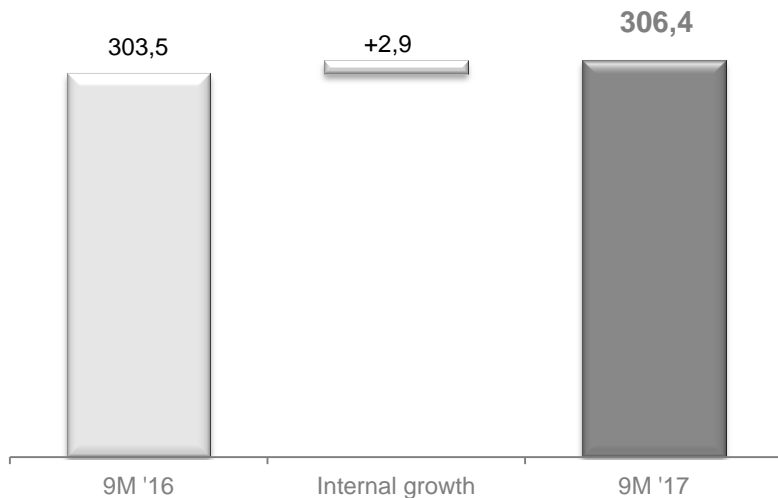


## Surfing the growing demand & prices

# NETWORKS: squeezing value from our RAB

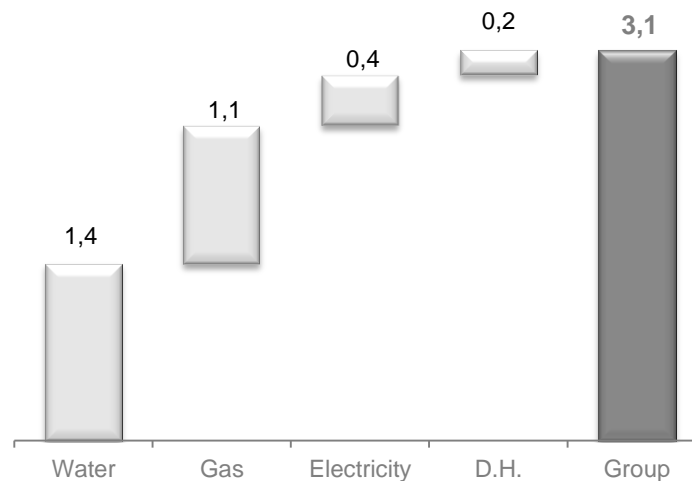
## Ebitda growth drivers

(M€)



## RAB breakdown

(B€)

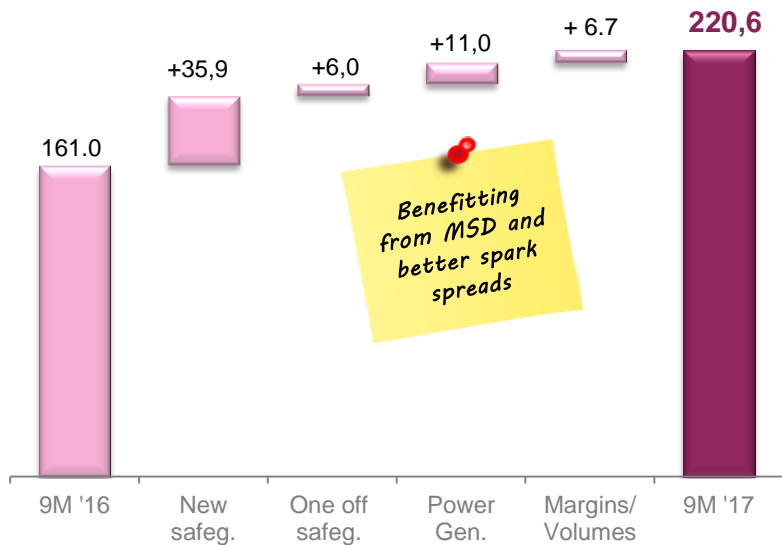


**Fine tuning activities and quality of regulated services**

# ENERGY: expansion in all activities

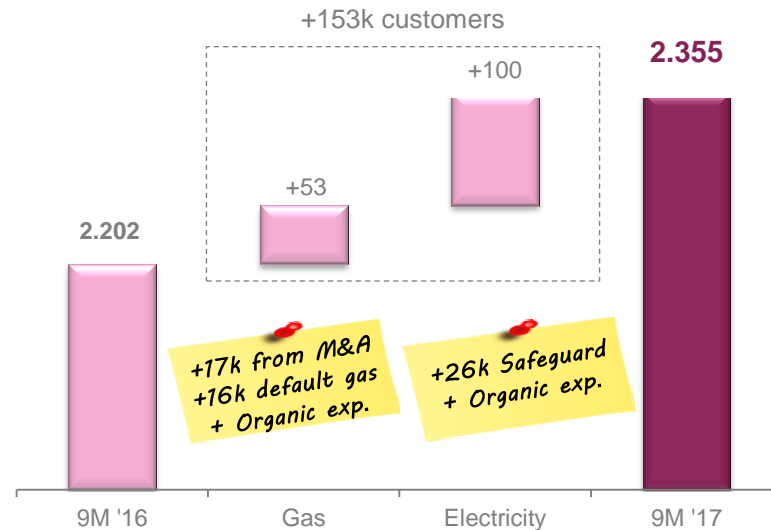
## Ebitda growth drivers

(M€)



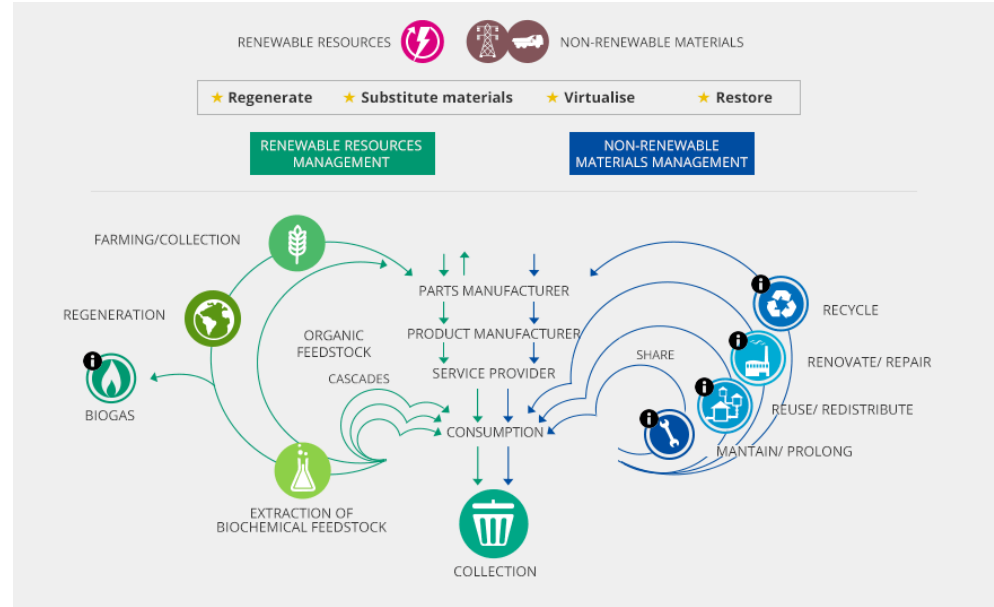
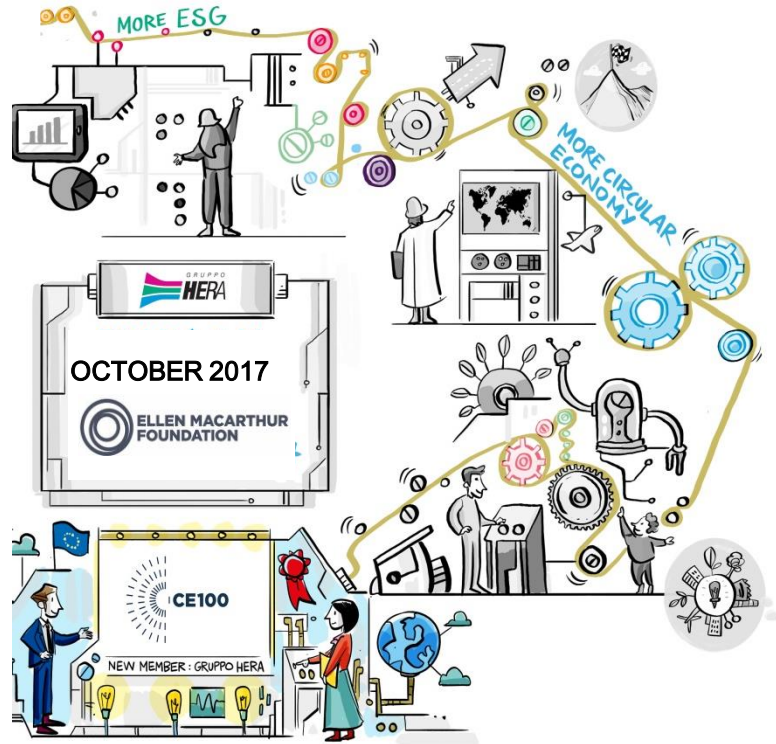
## Customer base growth

(K unit)



**Benefitting from external scenario discontinuities**

# Hera promotes Circular Economy with world-top-100



[http://eng.gruppohera.it/group/who\\_we\\_are/strategy/shared\\_value/hera\\_circular\\_economy/](http://eng.gruppohera.it/group/who_we_are/strategy/shared_value/hera_circular_economy/)

A programme of the Ellen MacArthur foundation

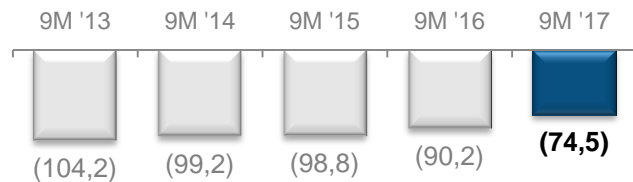


# Net profit & returns

## 9M Financial Inc./(Expenses)

(M€)

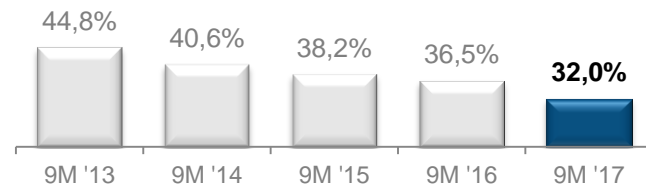
Cagr: (8.0%)



## 9M Tax rate

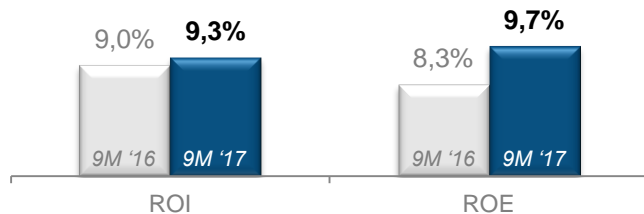
(%)

Cagr: (8.1%)



## 9M ROI & ROE

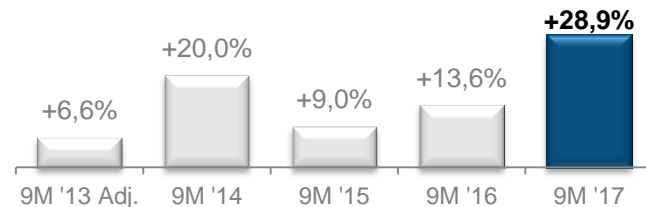
(%)



## 9M 2017 EPS growth

(%)

Cagr: +15.2%

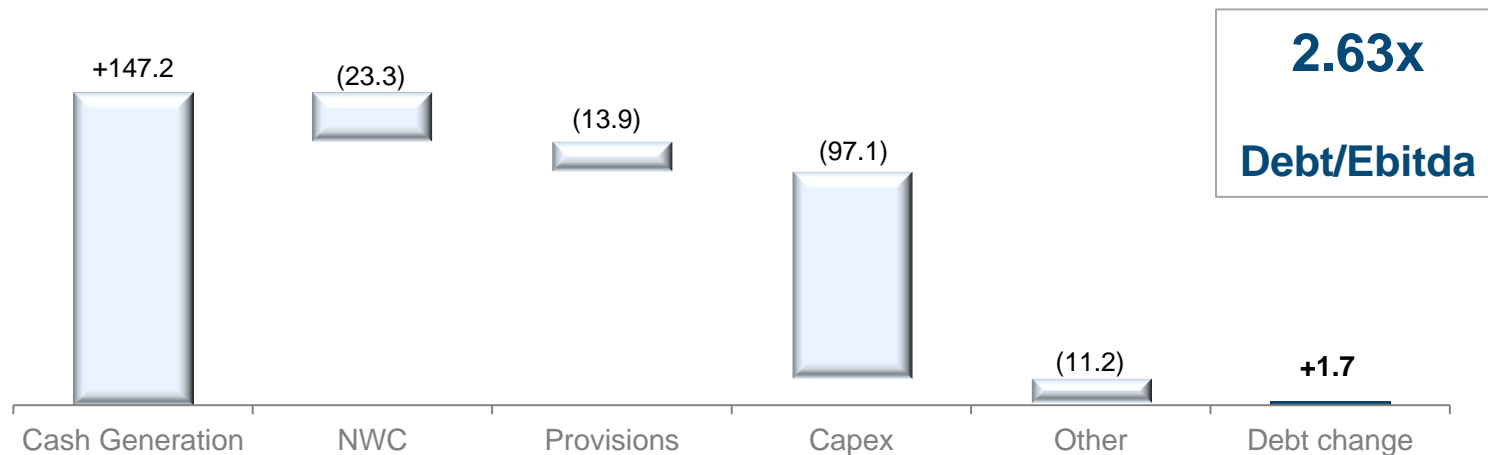


**Exploiting financial and tax optimisations**

# Q3 Cash flows

## Free cash flows Q3 2017

(M€, Debt/Ebitda rolling "x")



**Reached an unpaid ratio on retail customers below 1%**

# Closing remarks

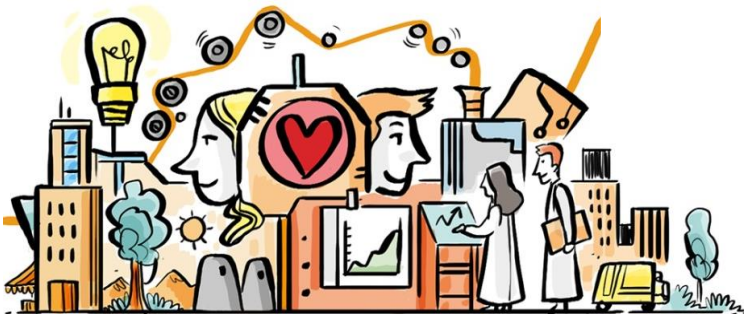
- Results reflect Group capability to seize M&A and business opportunities in all activities.
- These good results brought an advantage to face this challenging Quarter.
- Currently finalizing new 5 year business plan to be disclosed beginning next year.



**Good Q3 results take aim on fixed targets**

# Q&A session

## Annex 9M 2017



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# Annex: P&L

## 9M Profit & Loss

(M€)

	9M '16	9M '17	
<b>REVENUES</b>	<b>3,875.4</b>	<b>4,355.1</b>	<b>+12.4%</b>
<b>EBITDA</b>	<b>650.6</b>	<b>724.7</b>	<b>+11.4%</b>
<i>Ebitda margin</i>	<i>16.8%</i>	<i>16.6%</i>	
Depreciation and provisions	(321.3)	(366.8)	
<b>EBIT</b>	<b>329.2</b>	<b>357.9</b>	<b>+8.7%</b>
Financial costs	(84.0)	(69.7)	
Figurative interests (IAS)	(14.2)	(14.0)	
Income from Associates & J.V.	8.0	9.2	
<b>PRETAX PROFIT</b>	<b>239.1</b>	<b>283.4</b>	<b>+18.5%</b>
Tax	(87.2)	(90.6)	
<i>Tax rate</i>	<i>36.5%</i>	<i>32.0%</i>	
Minorities	(9.6)	(9.9)	
<b>NET PROFIT POST MINORITIES</b>	<b>142.2</b>	<b>182.9</b>	<b>+28.6%</b>

# Annex: Waste



## Leveraging on market expansion

(m€)	Q1 2016	Q1 2017	Ch.	Q2 2016	Q2 2017	Ch.	Q3 2016	Q3 2017	Ch.	9M 2016	9M 2017	Ch.
Revenues	235.4	240.2	+4.8	256.0	306.2	+90.8	236.2	257.4	+21.1	727.6	803.7	+76.1
<b>Ebitda</b>	<b>62.4</b>	<b>64.0</b>	<b>+1.5</b>	<b>54.0</b>	<b>57.3</b>	<b>+2.4</b>	<b>55.8</b>	<b>60.1</b>	<b>+4.3</b>	<b>172.2</b>	<b>181.4</b>	<b>+9.1</b>
Data	Q1 2016	Q1 2017	Ch.	Q2 2016	Q2 2017	Ch.	Q3 2016	Q3 2017	Ch.	9M 2016	9M 2017	Ch.
Urban W. Volumes (Kton)	471.0	471.7	+0.7	536.6	541.7	+5.1	525.8	508.8	(16.9)	1,533.4	1,522.3	(11.2)
Special W. Volumes (Kton)	581.0	627.0	+46.0	597.1	627.4	+30.3	569.5	661.0	+91.5	1,747.6	1,915.4	+167.8
<b>Waste from third parties</b>	<b>1,052.0</b>	<b>1,098.7</b>	<b>+46.7</b>	<b>1,133.8</b>	<b>1,169.2</b>	<b>+35.4</b>	<b>1,095.2</b>	<b>1,169.8</b>	<b>+74.6</b>	<b>3,281.0</b>	<b>3,437.7</b>	<b>+156.7</b>
Internal W. Volumes (Kton)	625.7	588.3	(37.4)	650.6	714.7	+64.0	593.6	328.0	(265.6)	1,869.8	1,631.0	(238.9)
<b>Total Volumes Treated</b>	<b>1,677.7</b>	<b>1,687.0</b>	<b>+9.3</b>	<b>1,784.4</b>	<b>1,883.8</b>	<b>+99.4</b>	<b>1,688.8</b>	<b>1,497.8</b>	<b>(191.0)</b>	<b>5,150.9</b>	<b>5,068.6</b>	<b>(82.2)</b>

# Annex: Water



## Growing results in Water

(m€)	Q1 2016	Q1 2017	Ch.	Q2 2016	Q2 2017	Ch.	Q3 2016	Q3 2017	Ch.	9M 2016	9M 2017	Ch.
Revenues	179.4	201.8	+22.5	194.7	205.0	+10.2	220.3	219.9	(0.4)	594.4	626.7	+32.4
<b>Ebitda</b>	<b>49.8</b>	<b>53.3</b>	<b>+3.4</b>	<b>56.8</b>	<b>58.1</b>	<b>+1.0</b>	<b>67.1</b>	<b>66.9</b>	<b>(0.1)</b>	<b>173.7</b>	<b>178.3</b>	<b>+4.6</b>
Data	Q1 2016	Q1 2017	Ch.	Q2 2016	Q2 2017	Ch.	Q3 2016	Q3 2017	Ch.	9M 2016	9M 2017	Ch.
<b>Aqueduct (mm3)</b>	<b>69.8</b>	<b>71.1</b>	<b>+1.3</b>	<b>73.2</b>	<b>75.6</b>	<b>+2.4</b>	<b>85.1</b>	<b>86.6</b>	<b>+1.5</b>	<b>228.1</b>	<b>233.3</b>	<b>+5.2</b>
Sewerage (mm3)	57.3	54.8	(2.5)	60.8	67.0	+6.2	70.5	72.1	+1.6	188.6	193.9	+5.3
Purification (mm3)	56.8	54.6	(2.2)	60.3	66.1	+5.8	69.9	71.5	+1.5	187.0	192.1	+5.2

# Annex: Gas



## Default gas underpinned margins

(m€)	Q1 2016	Q1 2017	Ch.	Q2 2016	Q2 2017	Ch.	Q3 2016	Q3 2017	Ch.	9M 2016	9M 2017	Ch.
Revenues	561.0	650.4	+89.4	273.7	287.5	+28.1	231.4	346.8	+115.4	1,066.1	1,284.7	+218.6
<b>Ebitda</b>	<b>130.3</b>	<b>135.6</b>	<b>+5.4</b>	<b>35.0</b>	<b>36.2</b>	<b>+1.2</b>	<b>21.3</b>	<b>29.6</b>	<b>+8.3</b>	<b>186.5</b>	<b>201.4</b>	<b>+14.9</b>

Data	Q1 2016	Q1 2017	Ch.	Q2 2016	Q2 2017	Ch.	Q3 2016	Q3 2017	Ch.	9M 2016	9M 2017	Ch.
Volumes distrib. (mm3)	1,313.3	1,367.1	+53.8	361.6	368.2	+6.5	243.5	249.7	+6.2	1,918.4	1,985.0	+66.6
Volumes sold (mm3)	1,261.2	1,596.2	+335.0	701.8	661.6	(40.2)	563.4	995.3	+431.9	2,526.4	3,253.1	+726.7
<i>of which trading (mm3)</i>	<i>324.0</i>	<i>585.8</i>	<i>+261.8</i>	<i>416.2</i>	<i>383.1</i>	<i>(33.1)</i>	<i>361.2</i>	<i>780.4</i>	<i>+419.2</i>	<i>1,101.4</i>	<i>1,749.3</i>	<i>+647.9</i>
District Heating (GWht)	238.9	243.9	+5.0	44.6	47.7	+3.2	26.3	29.9	+3.6	309.8	321.6	+11.8
Final retail volumes (mm3)	937.2	1,010.4	+73.2	285.6	278.5	(7.1)	202.2	214.9	+12.7	1,425.0	1,503.8	+78.8
Clients ('000 unit)	1,327.1	1,383.2	+56.1	1,339.2	1,386.0	+46.8	1,338.4	1,390.9	+52.5	1,338.4	1,390.9	+52.5



# Annex: Electricity



## Safeguarded clients underpinned margins

(m€)	Q1 2016	Q1 2017	Ch.	Q2 2016	Q2 2017	Ch.	Q3 2016	Q3 2017	Ch.	9M 2016	9M 2017	Ch.
Revenues	359.8	634.1	+274.4	647.0	513.4	+186.8	545.5	627.6	+82.0	1,552.3	1,775.1	+222.8
<b>Ebitda</b>	<b>31.6</b>	<b>48.4</b>	<b>+16.8</b>	<b>41.5</b>	<b>43.1</b>	<b>+22.8</b>	<b>31.2</b>	<b>55.8</b>	<b>+24.7</b>	<b>104.3</b>	<b>147.4</b>	<b>+43.1</b>

Data	Q1 2016	Q1 2017	Ch.	Q2 2016	Q2 2017	Ch.	Q3 2016	Q3 2017	Ch.	9M 2016	9M 2017	Ch.
Volumes sold (GWh)	2,524.2	2,478.9	(45.3)	1,142.6	1,333.9	+191.3	3,566.9	3,927.8	+360.8	7,233.7	7,740.6	+506.8
<i>of which Salvaguardia (GWh)</i>	<i>656.5</i>	<i>507.1</i>	<i>(149.4)</i>	<i>520.3</i>	<i>486.0</i>	<i>(34.3)</i>	<i>520.5</i>	<i>745.6</i>	<i>+225.1</i>	<i>1,697.3</i>	<i>1,738.7</i>	<i>+41.4</i>
Volumes distrib. (GWh)	747.6	751.2	+3.6	699.4	716.5	+17.1	768.9	802.2	+33.3	2,215.9	2,269.9	+54.1
Clients ('000 unit)	862.6	911.3	+48.6	855.6	930.8	+75.2	8.2	33.3	+25.1	863.8	964.1	+100.3