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IL LATO DELLA VITA DEL BUSINESS

ESG world leader Multi and Water Utility sector*

Business Plan to 2024

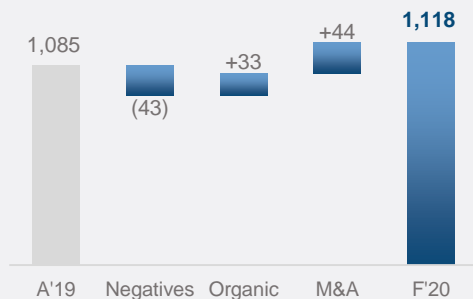


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* According to the 2020 review of S&P Global

Forecast 2020

EBITDA F'20 (b€)



Strong results in a difficult year

ACHIEVEMENTS '20

Efficiencies ✓
Sizable efficiencies achieved

Refinancing ✓
500 m€ bond emission with 0.25% fixed rate

M&A and partnerships ✓
EstEnergy integration
4.9% Ascopiave

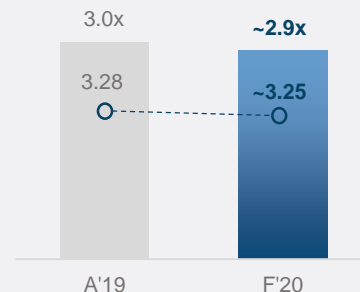
Partnership with leading companies



Tenders ✓

Waste collection in Modena and Bologna
Water in Rimini
Energy Last resort markets

NET DEBT, LEVERAGE and cost (b€, x)

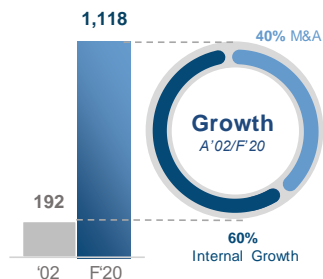


Stable debt & lower cost

'Resilient growth' equity story passed Covid-19 test

Hera distinctive GROWTH story (1)

1. Ebitda Growth (m€)

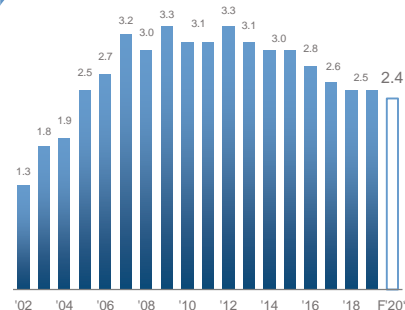


5.8x Ebitda Growth & Leading sector consolidation

2. Sustainability performance



3. DEBT / EBITDA (x)



Deleveraging in last 8 years

GROWTH was fast, sustainable and solid



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Business Plan to 2024



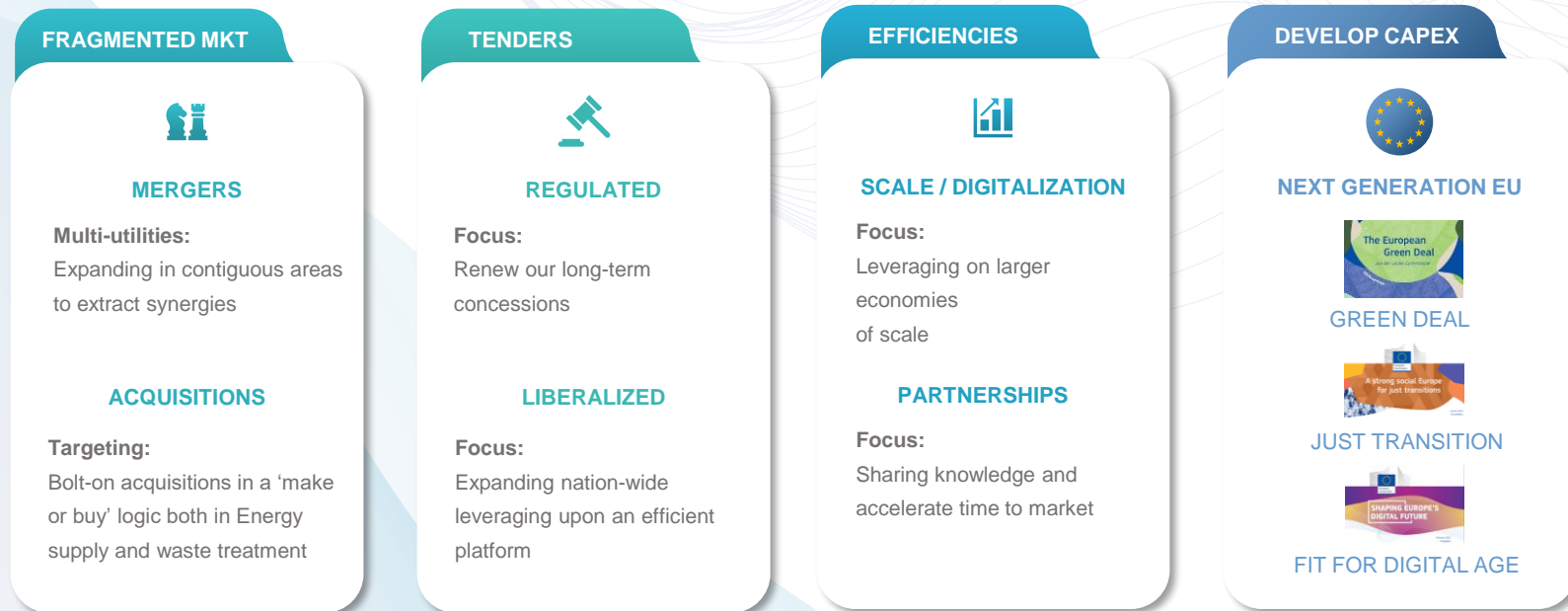
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The scenario & Tariffs shaped by sustainability issues



Hera strategic framework perfectly goes in EU and UN directions

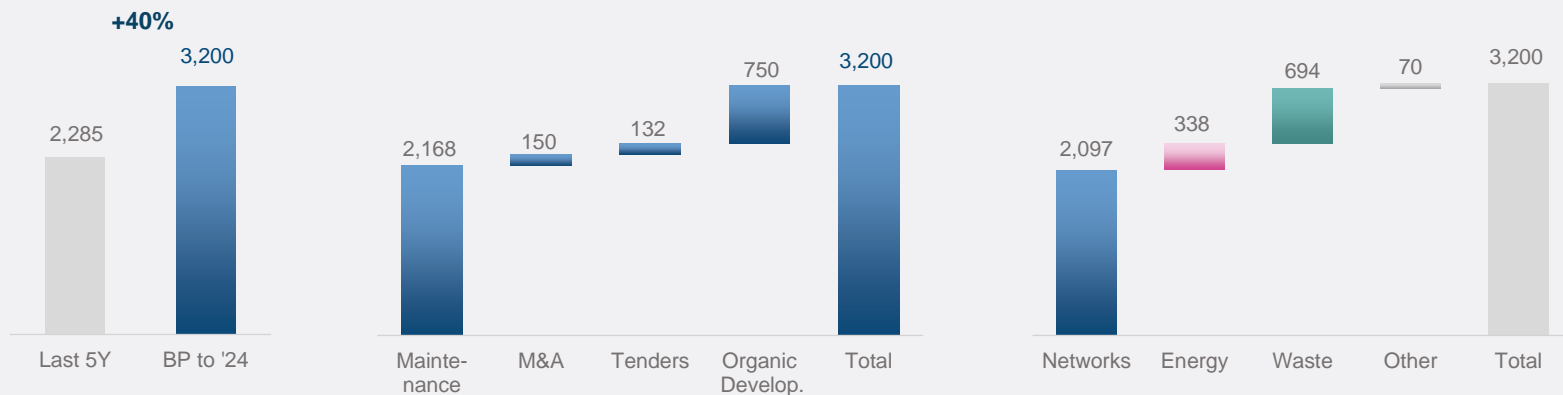
Scenario with a rich variety of “opportunity buffers”



Leveraging upon distinctive competitive advantages and expertise

Capex plan: 74% devoted to regulated assets

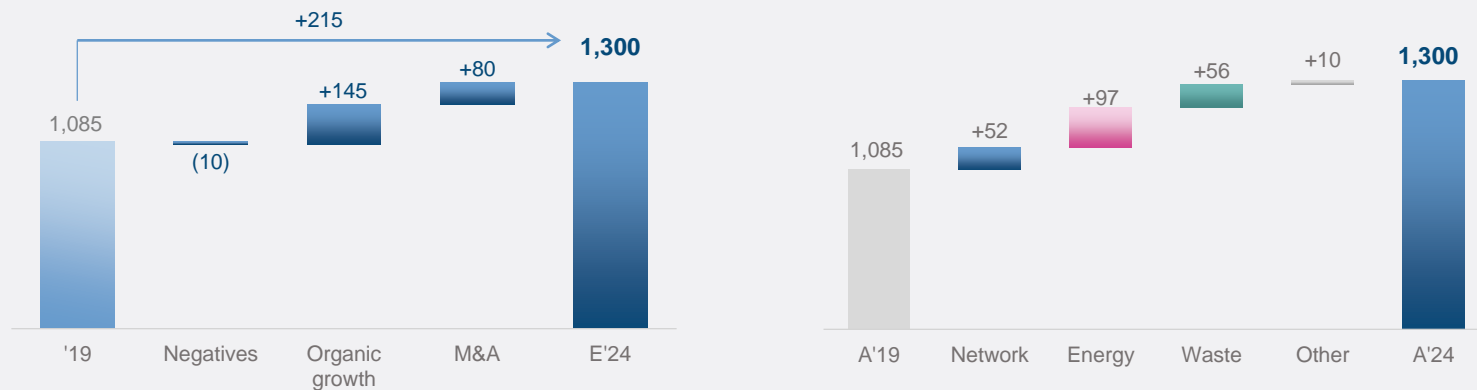
CAPEX BY DRIVER AND BY BUSINESS (m€)



Additional capex might be allocated to catch further opportunities

Ebitda to 2024: growing path confirmed

EBITDA GROWTH DRIVERS AND BY BUSINESS (m€)



Potential opportunities and the synergies from M&A go “On Top”

Business Targets to 2024

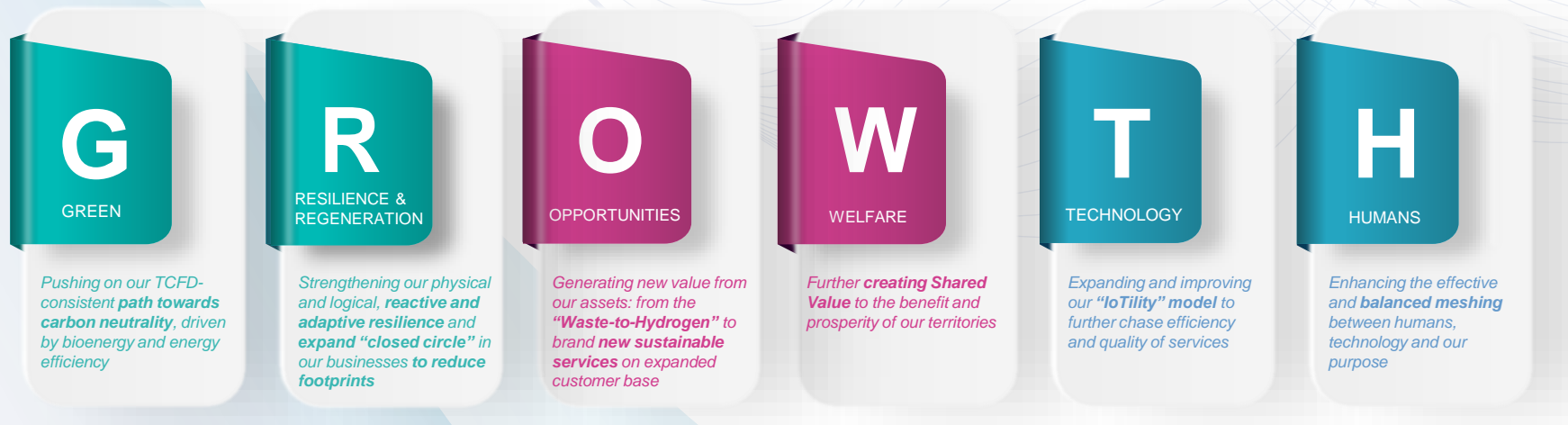


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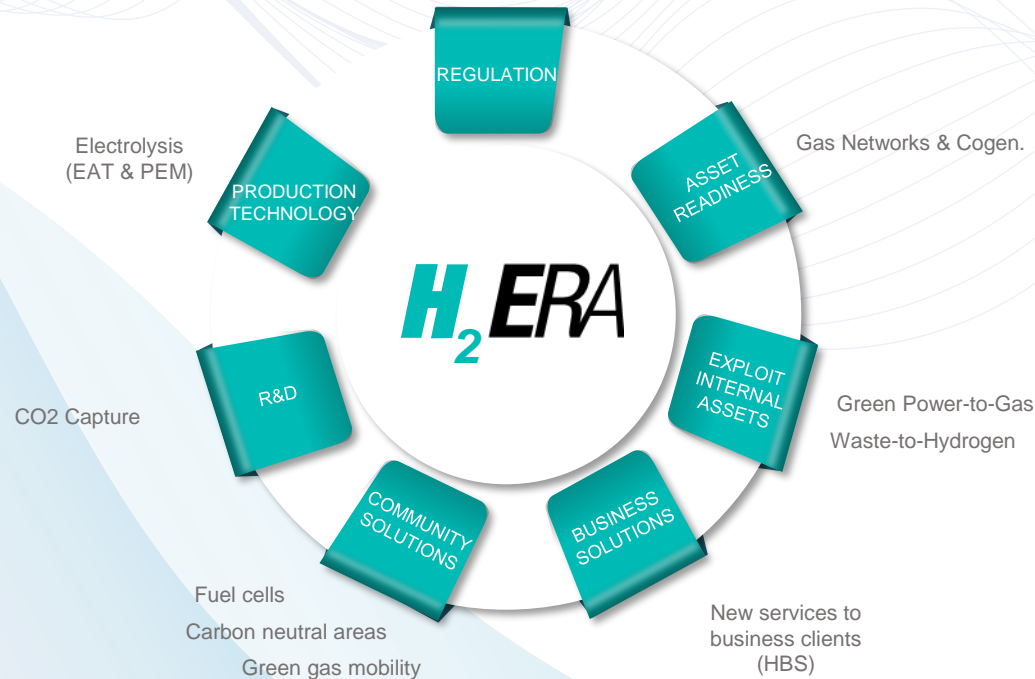
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Strategic framework: underpinning our GROWTH equity story



Deliver in our 'piece of planet' a concrete set of sustainable actions

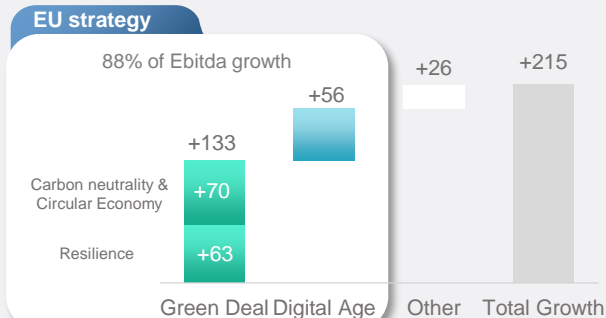
Hera Hydrogen opportunities: core areas under development



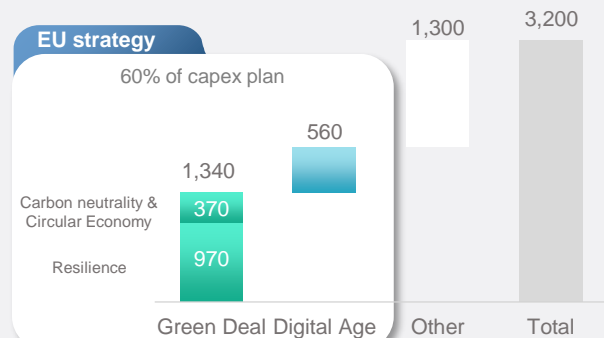
Taking advantage from our multi-utility asset base for green gas

Ebitda growth: 88% aligned to Next Generation EU

EBITDA GROWTH BY DRIVER (m€)



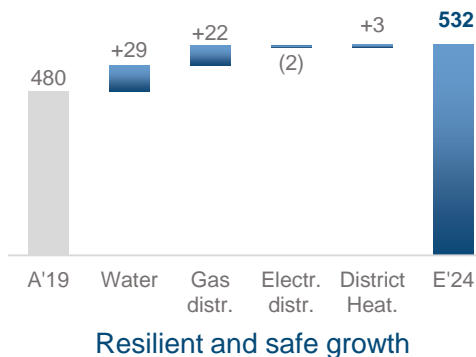
CAPEX ALIGNED WITH EU STRATEGY (m€)



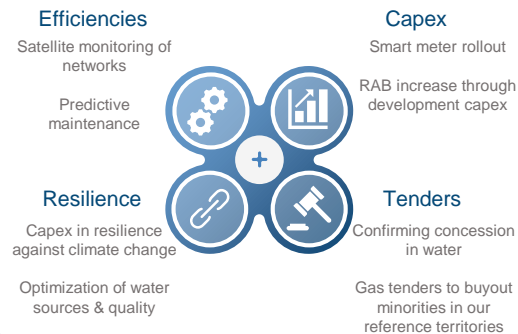
Growth underpinned by EU strategy

Networks

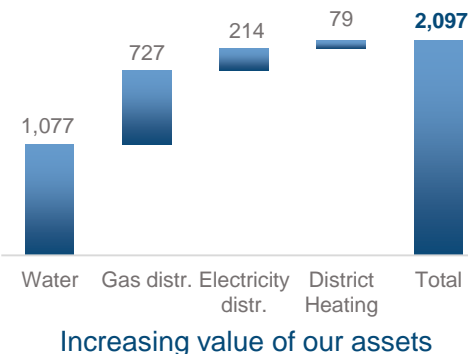
EBITDA TARGET (m€)



TRIGGERS



CAPEX PLAN (m€)



FOOTPRINTS TO '24

Reuse	Carbon neutrality	Water savings	Innovation
9%	(10%)	(17%)	88%
in 2024	vs 2018	vs 2017	in 2024
Reuse of wastewater for agriculture & biodiversity regeneration	Reduction heat produced by non ren. sources	Reduction of water intensity	Energy smart meters

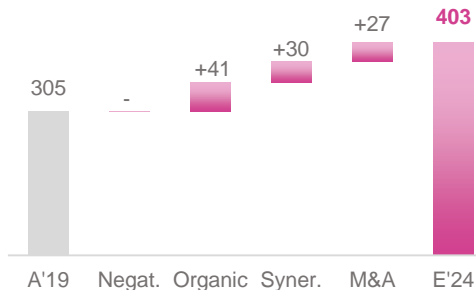
PROJECTS



Rock solid assets value

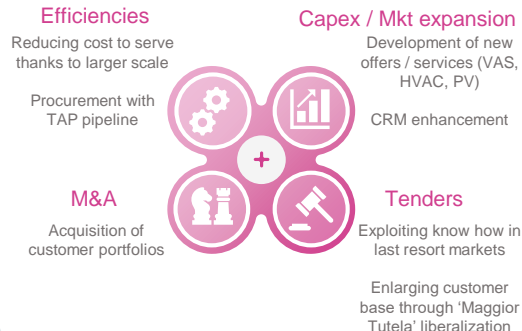
Energy

EBITDA TARGET (m€)

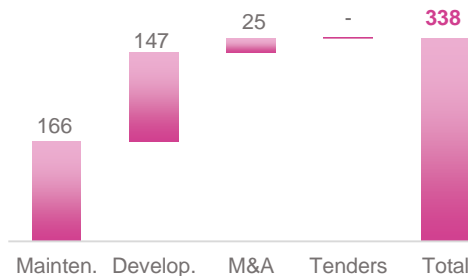


Exploiting the Ascopiave deal

TRIGGERS



CAPEX PLAN (m€)



Expanding customer base

FOOTPRINTS TO '24

Carbon neutrality	Carbon neutrality	Carbon neutrality	Carbon neutrality
(15.5%)	(7%)	17%	28%
vs 2019	vs 2013	in 2024	in 2024
Emissions under SBTi (well below 2°C) guidelines	Energy efficiency internal operations	Gas with CO2 compensation	Renewable electricity sold (100% retail)

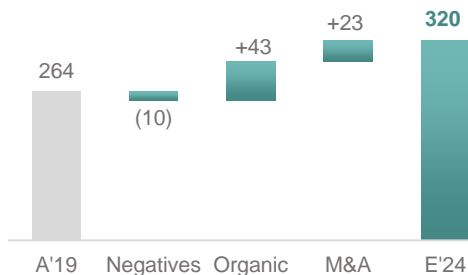
PROJECTS



Reaching 4 mln customers in 2024

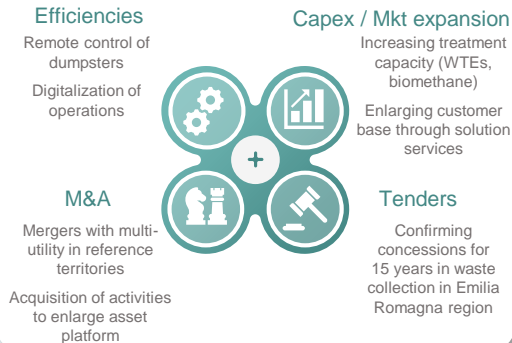
Waste

EBITDA TARGET (m€)

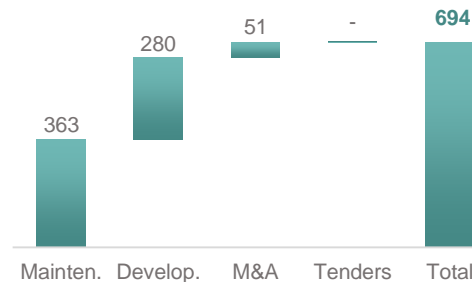


Growing circular

TRIGGERS

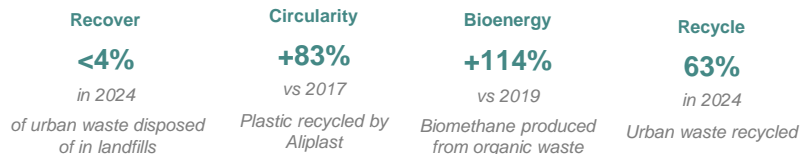


CAPEX PLAN (m€)



Enlarging circular platform

FOOTPRINTS TO '24



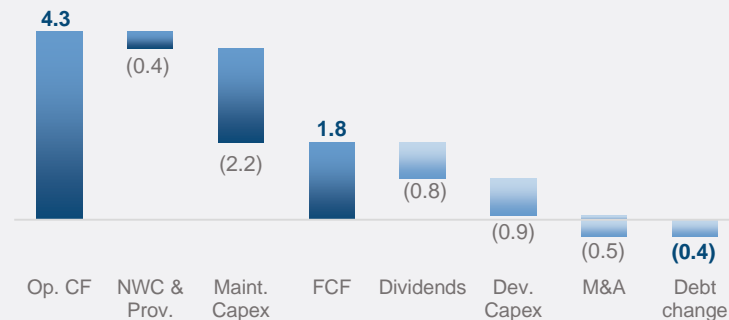
FOOTPRINTS TO '24



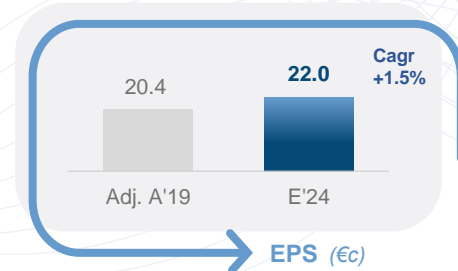
Scaling wider platform

Beyond Ebitda and Cash flow

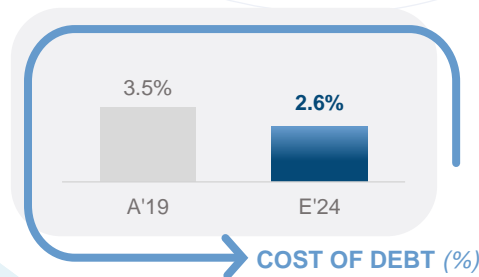
CASH FLOW & CAPITAL ALLOCATION (b€)



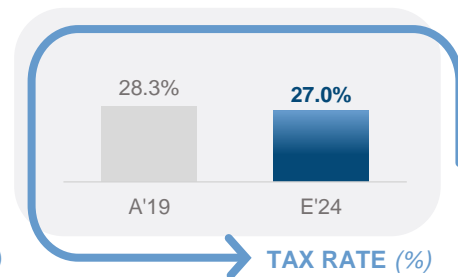
Net Debt/Ebitda down to 2.8x in 2024 (from 3.0x in 2019)



EPS (€c)



COST OF DEBT (%)

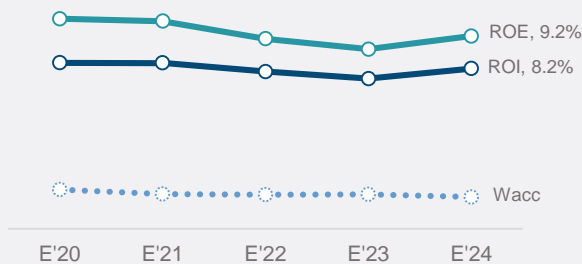


TAX RATE (%)

Visible cash generation reduces leverage

Value creation...

ECONOMIC VALUE CREATION (%)



Enhanced by low cost of capital

CREATION OF SHARED VALUE IN 2024 (m€)



...healthy returns, reduced risk, enhanced sharing

2030 targets

Carbon neutrality targets



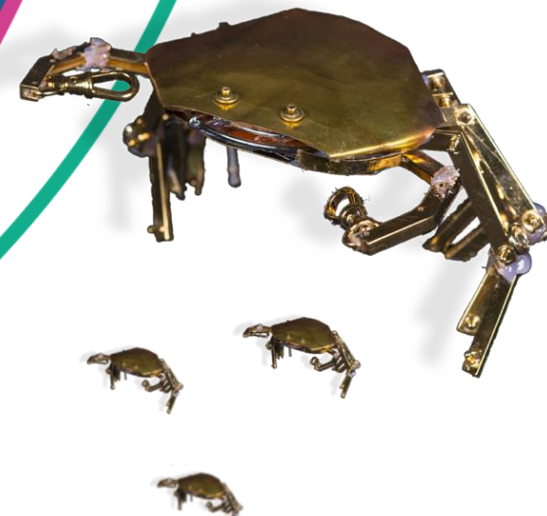
Circular economy targets

Ambitious contribution to EU and UN strategies



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Closing Remarks



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Closing remarks

VISIBLE PERSPECTIVES

UPSIDE FROM MACROTRENDS
& FIGHTING CLIMATE CHANGE

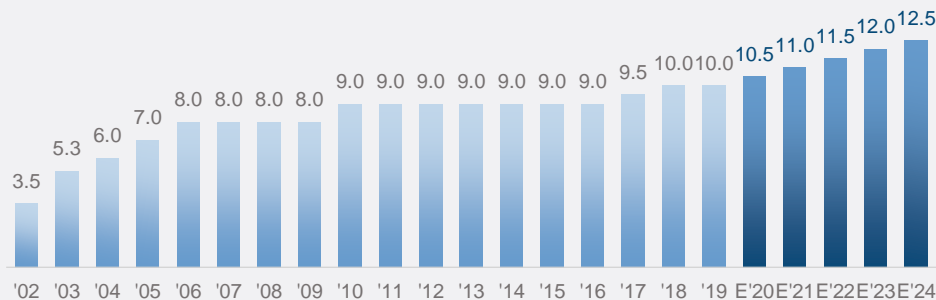
SYNERGIC PORTFOLIO

CROSS-BUSINESS PROJECTS
SCALABLE INNOVATION

ROOM FOR “ON TOP”

LOW LEVERAGE despite
INCREASING DPS POLICY

DIVIDEND POLICY (c€)



Keeping 'Aristocrats' status*

Remaining agile to take further upside potentials

* Hera is among the 40 European stocks (4 Italians) considered Aristocrats for having paid uninterruptedly a constant or growing dividend

Annex



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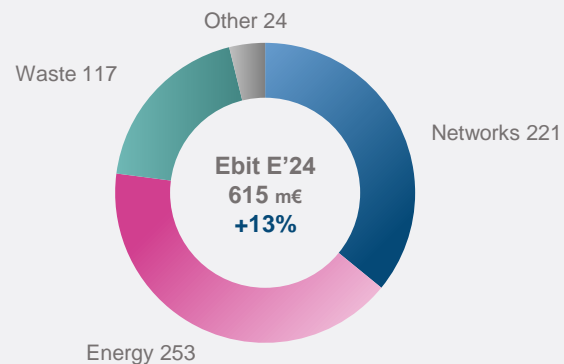
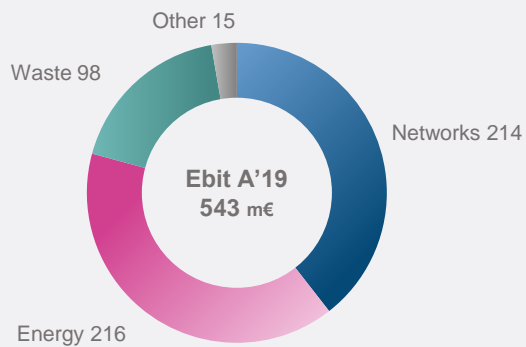
Business Plan main assumptions

Main assumptions

	A'18	A'19	E'24
Brent <i>(Dollar/Barrel)</i>	71.5	64.1	62.4
Exchange rate <i>€/€</i>	1.18	1.12	1.18
PUN <i>(€/MWh)</i>	61.3	52.3	60.4
Inflation <i>(%)</i>	1.1%	0.5%	1.5%
GRIN certificate (former Green Certificate) <i>(€/MWh)</i>	99.0	92.1	96.2
White certificates <i>(€/TEP)</i>	248.9	255.1	262.0
CO₂ certificates <i>(€/ton)</i>	24.6	24.8	62.4
Tax rate <i>(%)</i>	29.1%	28.3%	27.0%
Cost of Debt <i>(%)</i>	3.7%	3.5%	2.6%

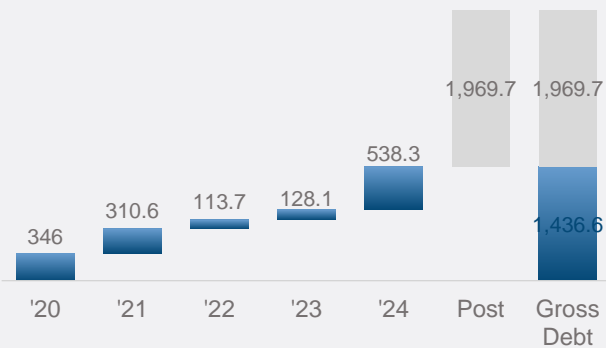
Consolidated Group Ebit target

EBIT BY STRATEGIC AREA (m€)

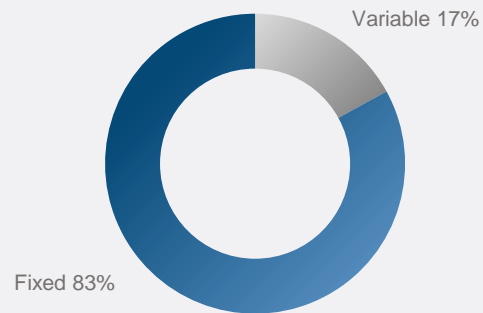


Financial debt

GROSS DEBT MATURITIES AS OF
30/09/2020* (%)



INTEREST RATE BREAKDOWN
IN 2024 (%)



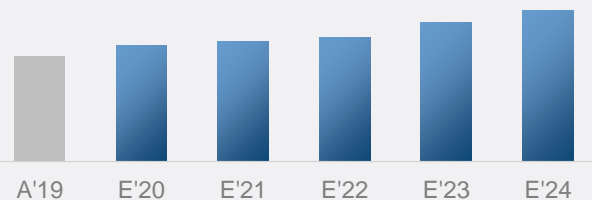
* Excluding short term credit facilities

Water business

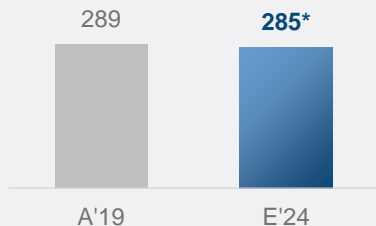
ECONOMICS (m€)

	A'19	E'24
EBITDA	265.3	294.1

CAPEX E'20-E'24 (m€)



VOLUMES SOLD (mmc)



RAB (b€)

	A'19	E'24*
RAB*	1,55	1,87

*Numbers exclude M&A

Waste business

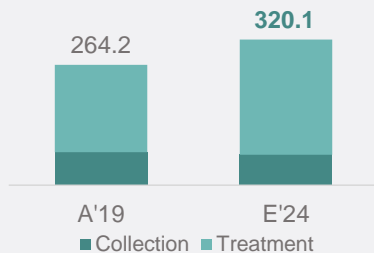
ECONOMICS (m€)

	A'19	E'24
EBITDA	264.2	320.1

CAPEX E'20-E'24 (m€)



EBITDA BREAKDOWN (m€)



VOLUMES TREATED (mtons)

	A'19	E'24*
Waste treated	7,175	8,165
<i>Urban</i>	<i>2,348</i>	<i>2,219</i>
<i>Special</i>	<i>2,211</i>	<i>2,971</i>
<i>by products</i>	<i>2,616</i>	<i>2,976</i>

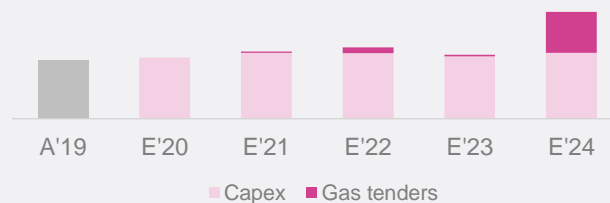
*Numbers exclude M&A

Gas business

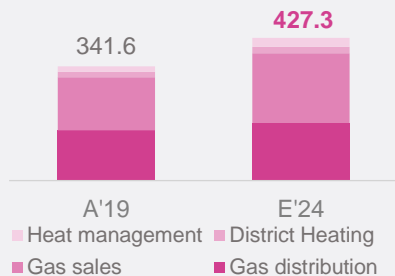
ECONOMICS (m€)

	A'19	E'24
EBITDA	341.6	427.3

CAPEX E'20-E'24 (m€)



EBITDA BREAKDOWN (m€)



HIGHLIGHTS

	A'19	E'24*
Volume Sales & Trading (Mcm)	9,851	6,210
RAB (B€)	1,10	1,25

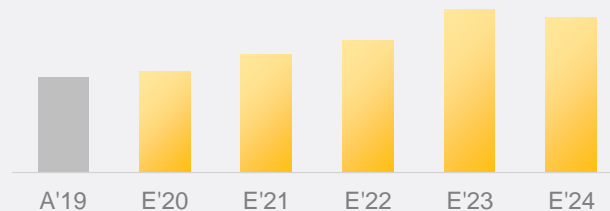
*Numbers exclude M&A and third parties RAB

Electricity business

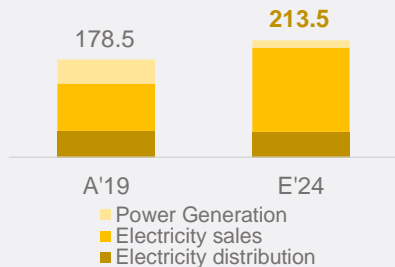
ECONOMICS (m€)

	A'19	E'24
EBITDA	178.5	213.5

CAPEX E'20-E'24 (m€)



EBITDA BREAKDOWN (m€)

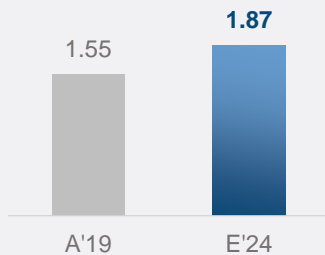


HIGHLIGHTS

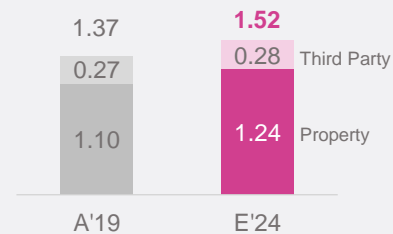
	A'19	E'24*
Volume Sold (TWh)	12.8	11.9
RAB (B€)	0.37	0.39

*Numbers exclude M&A

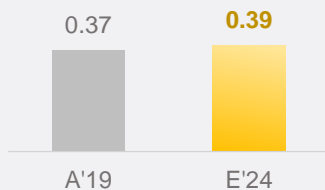
WATER (b€)



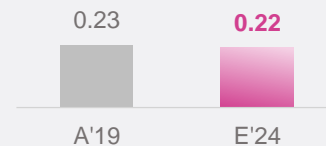
GAS DISTRIBUTION (b€)



ELECTRICITY DISTRIBUTION (b€)

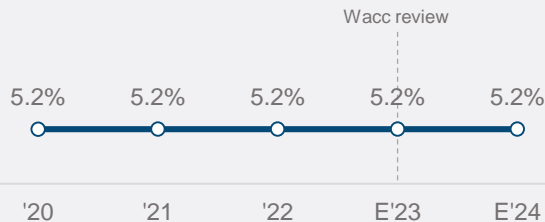


DISTRICT HEATING (b€)

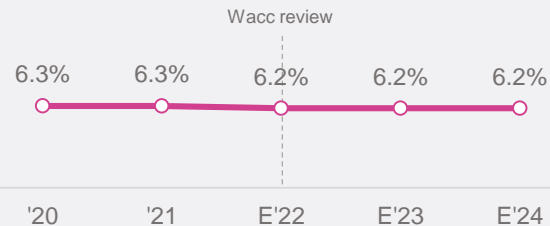


Regulated returns (WACC)

WATER (%)



GAS DISTRIBUTION (%)



ELECTRICITY DISTRIBUTION (%)

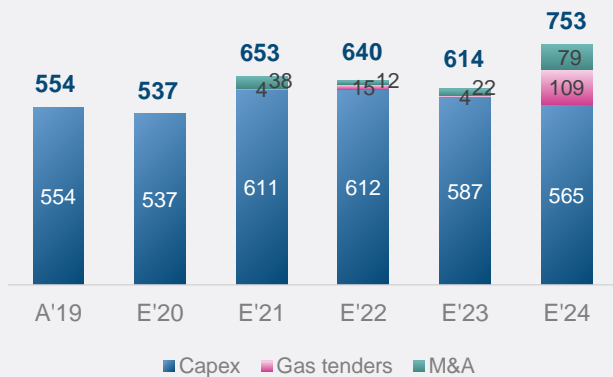


WASTE (%)

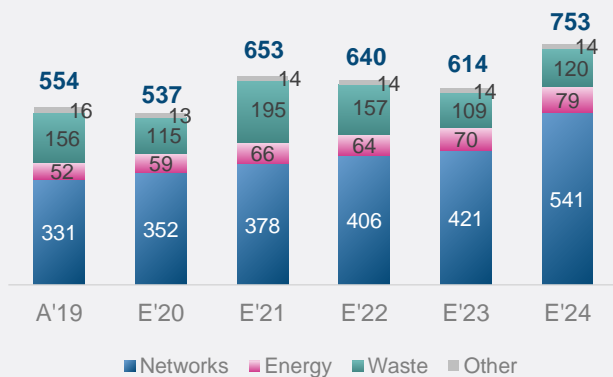


Capex plan

CAPEX PLAN BY DRIVER
(m€)



CAPEX PLAN BY BUSINESS
(m€)



CSV capex plan

Pursue the carbon neutrality 148 m€



Diffusion of renewable energy 64 m€
Promotion of energy efficiency 84 m€

Regenerate resources and innovate 660 m€



Sustainable management of water resource 412 m€
Transition to a circular economy 186 m€
Air and soil protection 62 m€



Enabling resilience and innovate 1,033 m€



Innovation and digitalization 514 m€

Resiliency and adaption 519 m€



1.84 b€ of investments contribute to SDGs

Waste sustainable targets

Targets	2019C	 2024	 2030
Reduce use of landfills for urban waste (% of urban waste disposed of in landfill)	3%	<4%	<2%
Increase packaging recycling (% of packaging recycled)	72%	75%	>75%
Increase WTE ashes recovery (% of ashes recovered)	80%	89%	>90%
Increase biomethane production (mcm/year)	7	15	>30
Increase recycling rate in urban waste (% of recycled urban waste)	56%	63%	67%
Increase plastic recycled by Aliplast (% of plastic recycled)	+22% vs 2017	+83% vs 2017	+150% vs 2017

 EU target
to 2035
65%

Energy sustainable targets

Targets

Reduce the Group's energy consumption

(% of energy savings from ISO 50001 interventions compared to 2013 consumption)

2019C

(5.1%)
vs 2013

 2024

(7%)
vs 2013

 2030

(10%)
vs 2013

Increase emission compensation for gas sold

(% on total gas sold)

3%

17%

>22%

Increase customers with electronic bills

(% of customers with electronic bills out of total customers)

30%

49%

66%

Increase contracts with energy efficiency services

(% on total contracts)

20%

40%

>45%

Increase Green offers contracts

(% on total contracts)

22%

28%

>33%

Networks sustainable targets

Targets

Reduce water network losses

(linear loss reduction rate compared to 2018)

2019C

(3%)
vs 2018

 2024

(4%)
vs 2018

 2030

(10%)
vs 2018

Reduce internal water consumption

(water consumption reduction rate compared to 2017)

(5%)
vs 2017

(17%)
vs 2017

(25%)
vs 2017

Reduce the domestic water demand

(average per capita consumption reduction rate compared to 2018)

(2%)
vs 2018

(7%)
vs 2018

(15%)
vs 2018

Minimize the disposal of sewage sludge in

landfills (% of sewage sludge disposed of in landfills out of total sludge)

6%

3%

0%

Increase the reuse of wastewater

(% reusable wastewater or total wastewater)

3%

9%

15%



Reduction of thermal energy produced from non-renewable sources (%)

(5%)
vs 2018

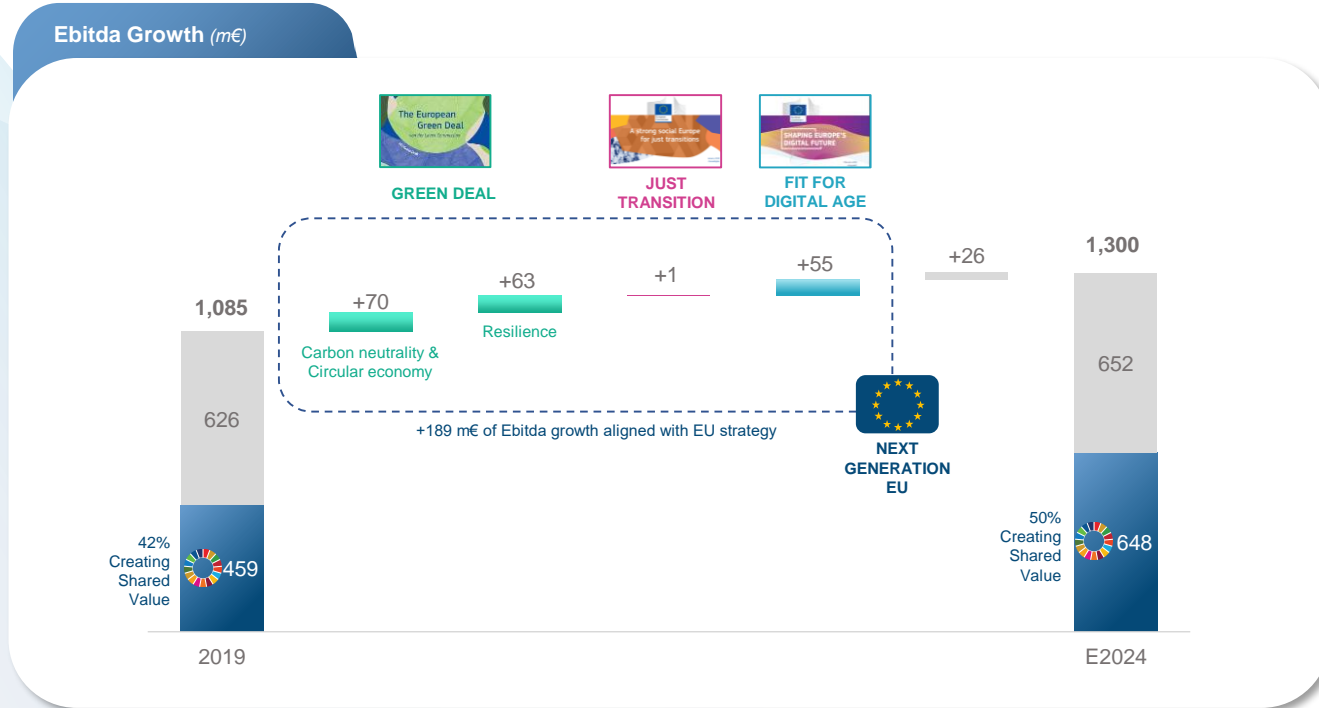
(10%)
vs 2018

(23%)
vs 2018

Employees sustainable targets

Targets	2019C	 2024	 2030
% of employees involved in smart working out of total employees	26%	50%	75%
% of employees with digital proficiency out of total employees	44%	60%	90%
Continuous learning: % of employees who offer at least one training course per year out of total employees	n.a.	25%	50%
Diversity & Inclusion: positioning in a significant global index of Diversity & Inclusion (today Refinitiv)	14 th	12 th	TOP10

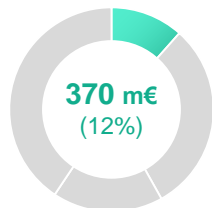
88% of Ebitda growth aligned with EU strategy



+42% CSV to 2024 (from 459 to 648 m€)

60% of Capex aligned with EU strategy

Carbon neutrality & Circular economy



Main capex:

- 92 m€** purification of waste water
- 78 m€** energy efficiency projects
- 52 m€** biomethane plants
- 44 m€** development of district heating
- 43 m€** production of recycled plastics

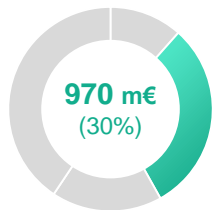
Digital age



Main capex:

- 157 m€** smart meters rollout in networks
- 154 m€** IT systems
- 44 m€** Nexmeters rollout
- 43 m€** TLC development
- 38 m€** smart dumpsters
- 7 m€** remote control development and cybersecurity

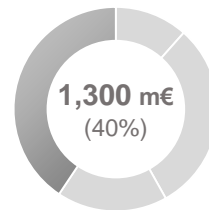
Resilience



Main capex:

- 556 m€** water networks resilience
- 186 m€** gas networks resilience
- 131 m€** waste resilience
- 60 m€** electricity networks resilience
- 24 m€** district heating and cogeneration resilience

Other investments



Main capex:

- 151 m€** M&A
- 132 m€** gas tenders
- 1,017 m€** other capex (mainly maintenance)

Disclaimer

This presentation contains forward-looking statements regarding future events (which impact the Hera Group's future results) that are based on current expectations, estimates and opinions of management.

These forward-looking statements are subject to risks, uncertainties and events that are unpredictable and depend on circumstances that might change in future.

As a result, any expectation on Group results and estimates set out in this presentation may differ significantly depending on changes in the unpredictable circumstances on which they are based.

Therefore, any forward-looking statement made by or on behalf of the Hera Group refer on the date they are made.

The Hera Group shall not undertake to update forward-looking statements to reflect any changes in the Group's expectations or in the events, conditions or circumstances on which any such statements are based.

Nevertheless, the Hera Group has a “profit warning policy”, in accordance with Italian laws, that shall notify the market (under “price-sensitive” communication rules) regarding any “sensible change” that might occur in Group expectations on future results.