

*Investor
presentation*

Hera Group

Group strategic framework



Create “shared” value maintaining a resilient profile

Create Value



Accretive capital discipline

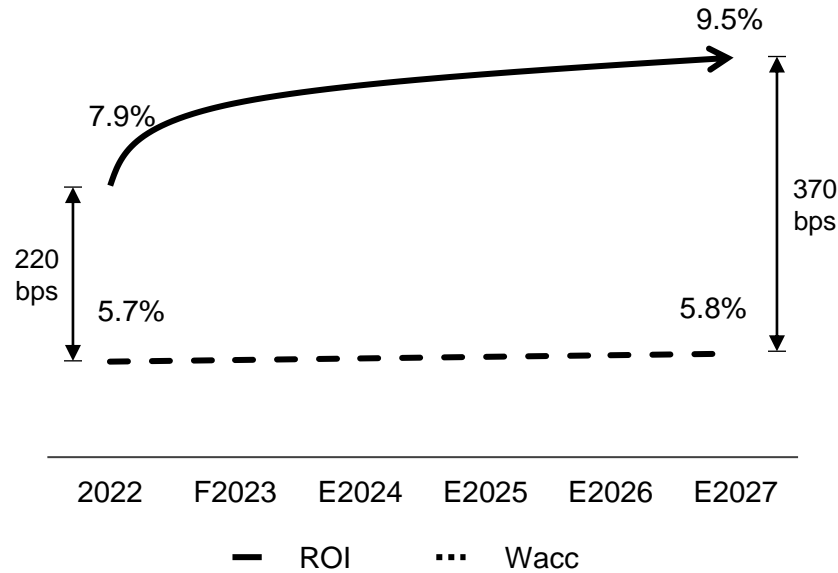
Market development

Efficiency gains

Enhance risk/return profile

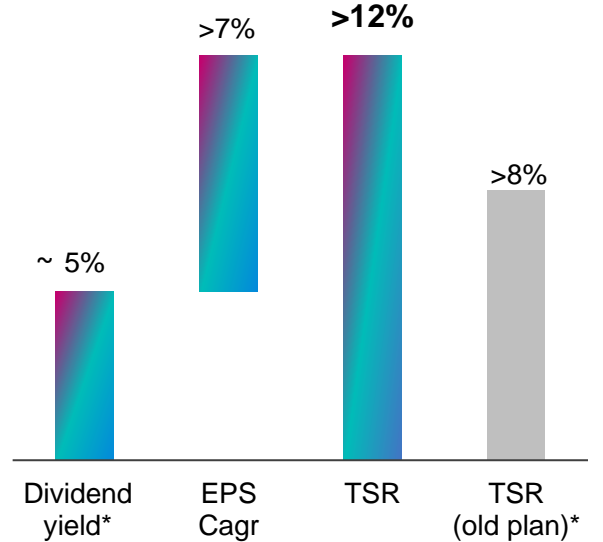
Value creation

(YE shareholders ROI % – YE sector WACC)



Yearly average TSR '23-'27

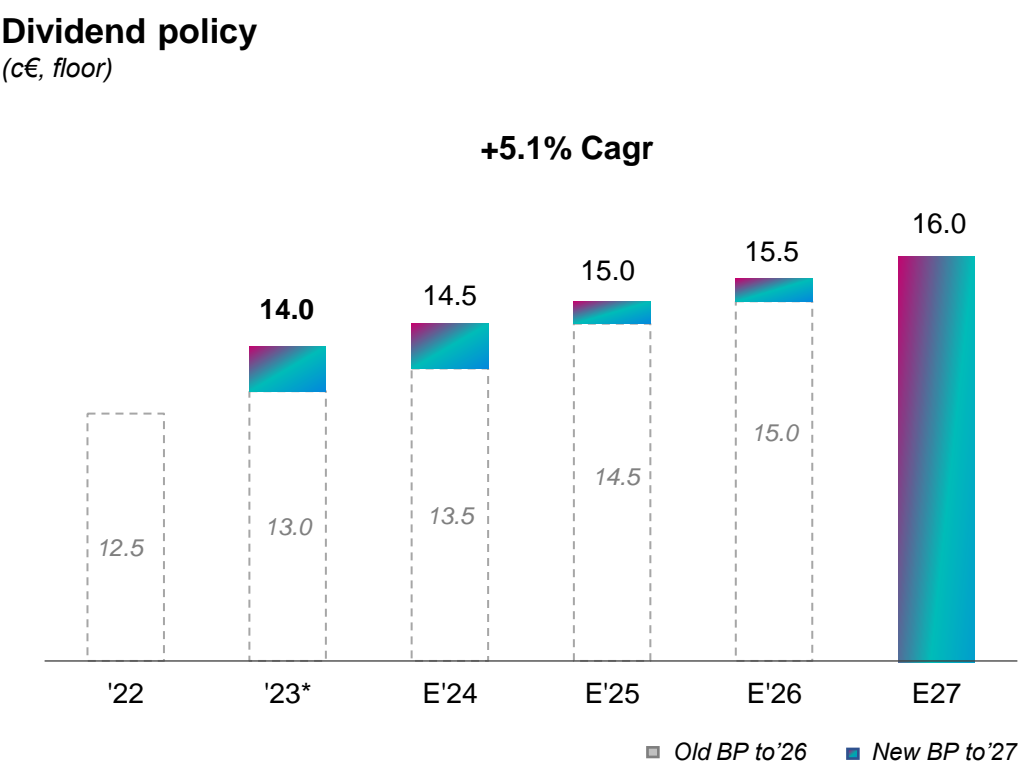
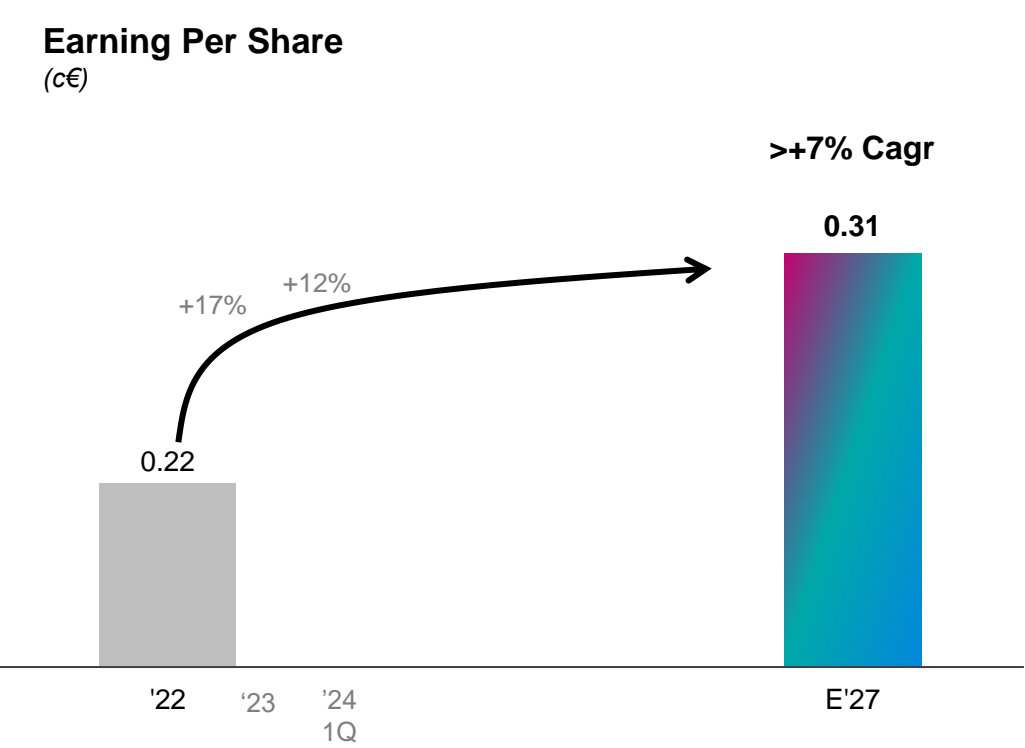
(%)



* Dividend yield calculated with year-end official share price

Double digit Total shareholders' return

Bottom line and shareholders' return



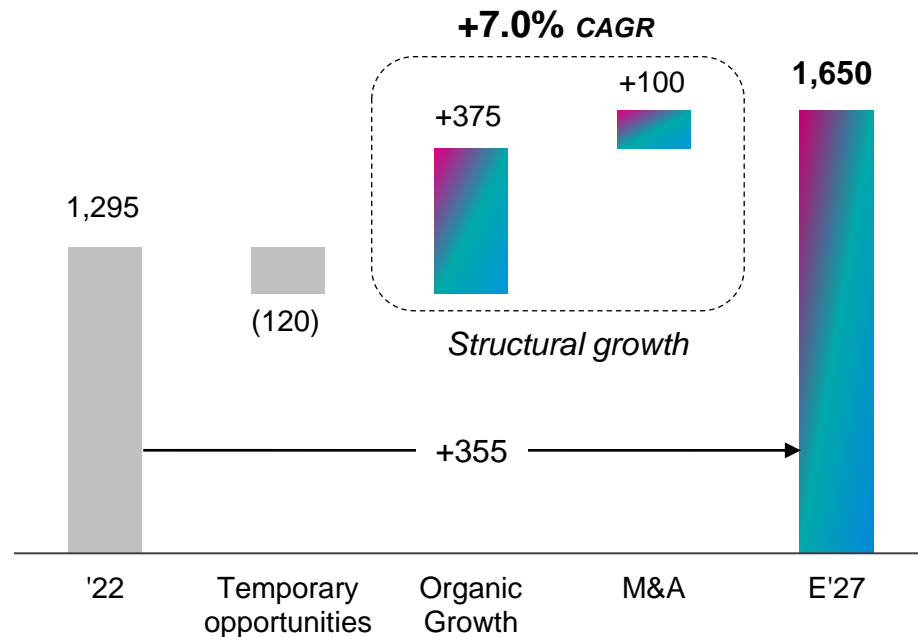
* Dividend payment on 24th June

Enhancing “upfront” EPS, dividends and **value creation**

Growth targets

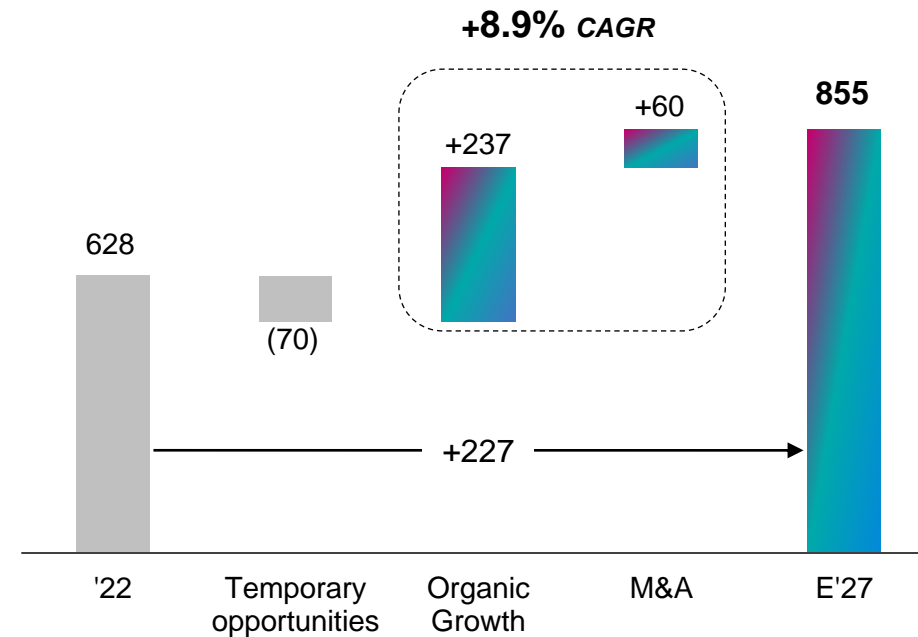
Ebitda growth drivers

(m€, Cagr adj.)



Ebit growth drivers

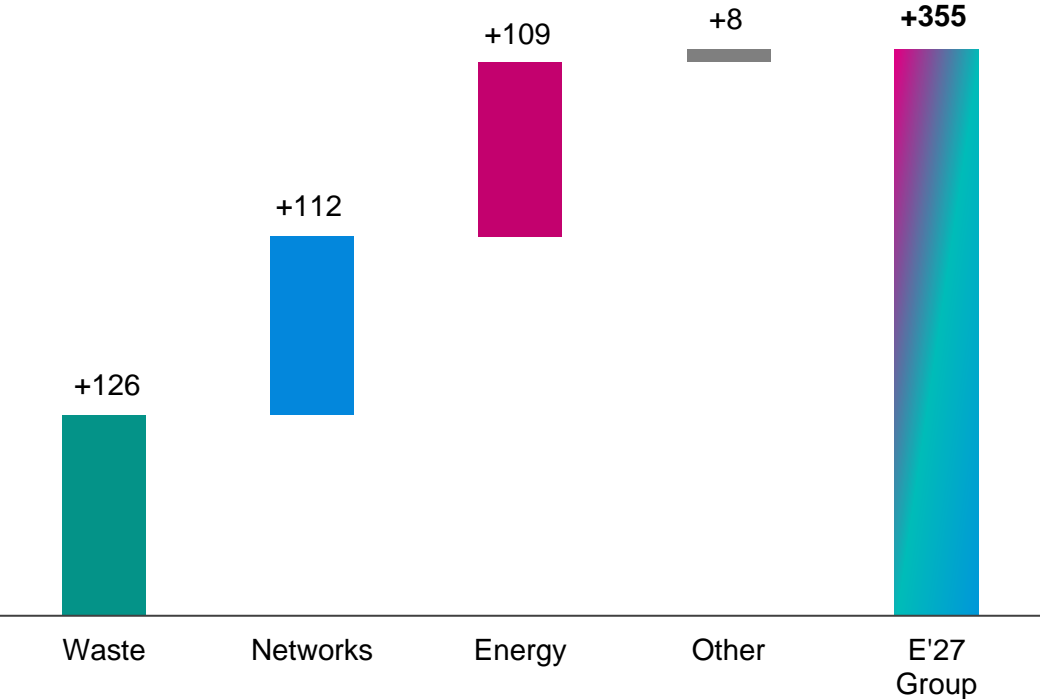
(m€, Cagr adj.)



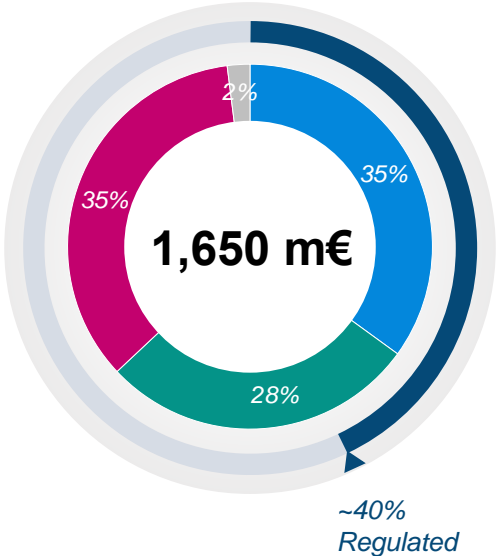
Stronger growth transferred down to Ebit

Ebitda growth and Capex by business

Ebitda growth by business
(m€)

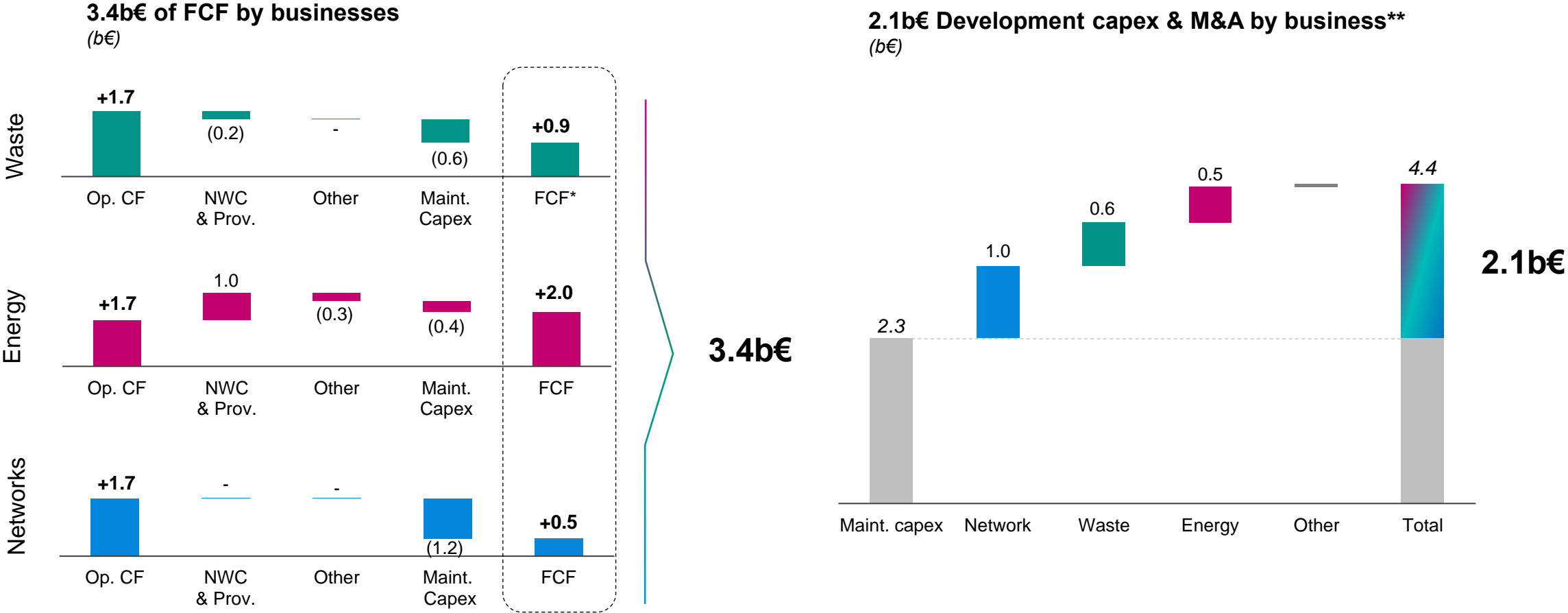


Balanced business mix
(%)



Increasing 5Y Ebitda growth with a **balanced mix**

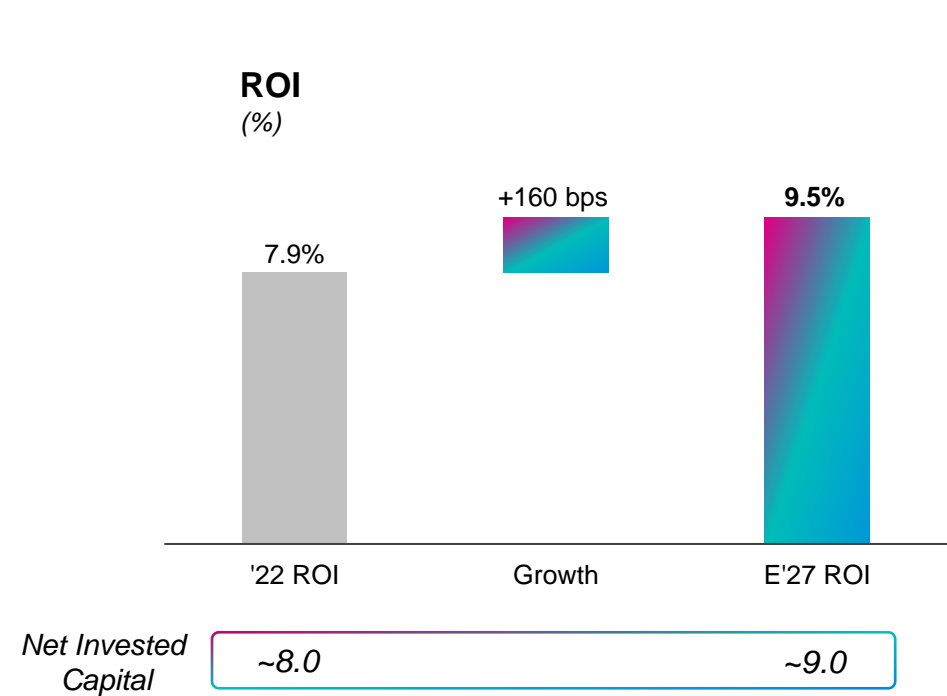
5Y Capex plan fully funded by cash flows of all businesses



Diversified and visible FCF will fully fund development capex and M&A

* Fully funds development capex, EV M&A and Minorities ** Development capex include M&A Equity investment (cash out)

Enhance value creation



ROI	2022	E2027	Risk
NETWORKS*	5.1%	6.2% ↗	Low
WASTE COLLECTION.*	5.6%	6.3% ↗	Low
WASTE TREATMENT	12.6%	13.1% ↗	Free competition
ENERGY	10.6%	18.2% ↗	Free competition
GROUP	7.9%	9.5% ↗	Conservative

* Regulated Wacc

Returns increase all across portfolio business

Be Sustainable

(Art. 4 Hera's bylaw)

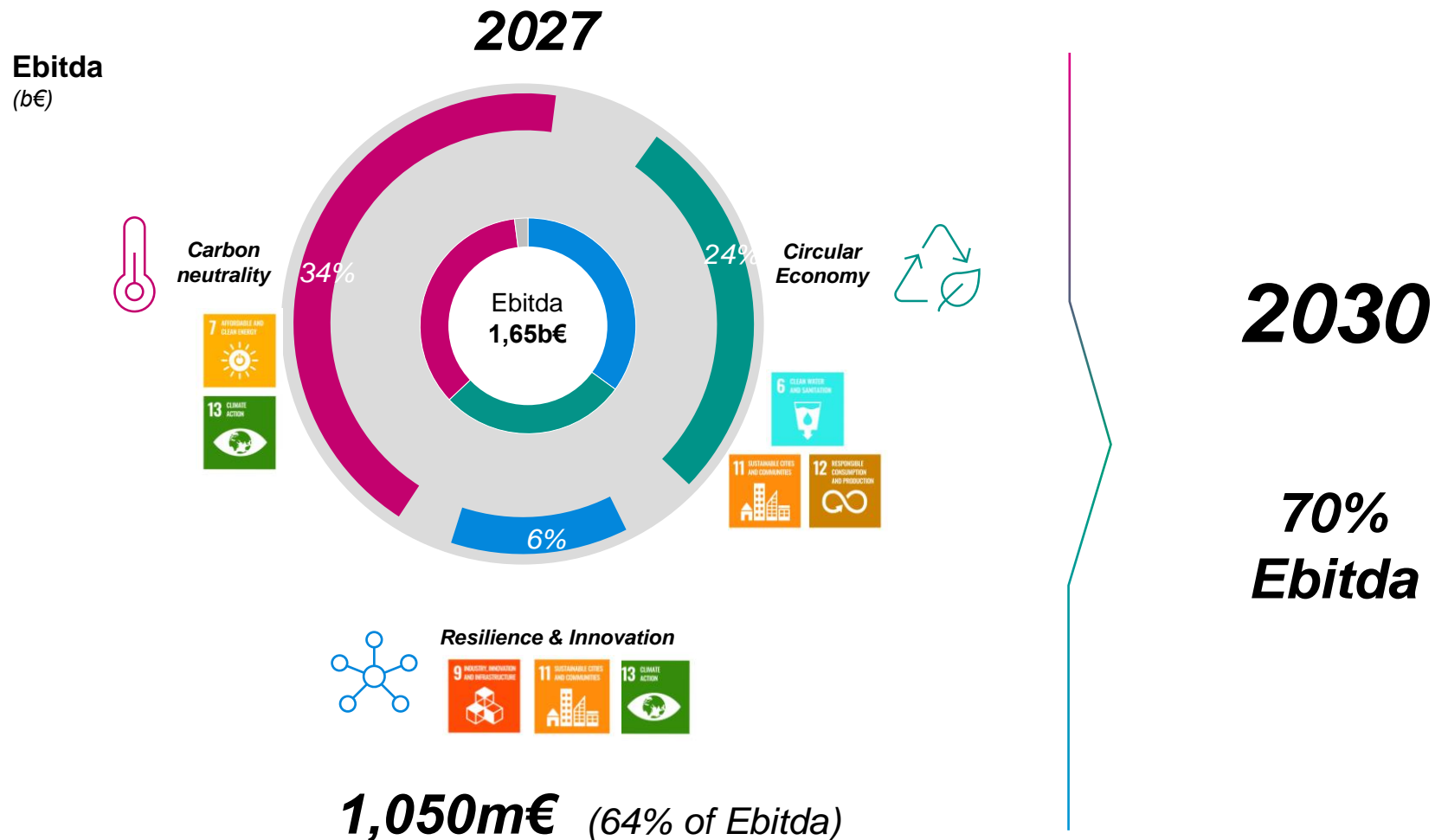
Sustainable approach to management across business portfolio.

Growth driven by sustainability

"CSV" Ebitda: breakdown by "Carbon Neutrality", "Circular Economy", and "Resilience & Innovation" is certified by external auditors



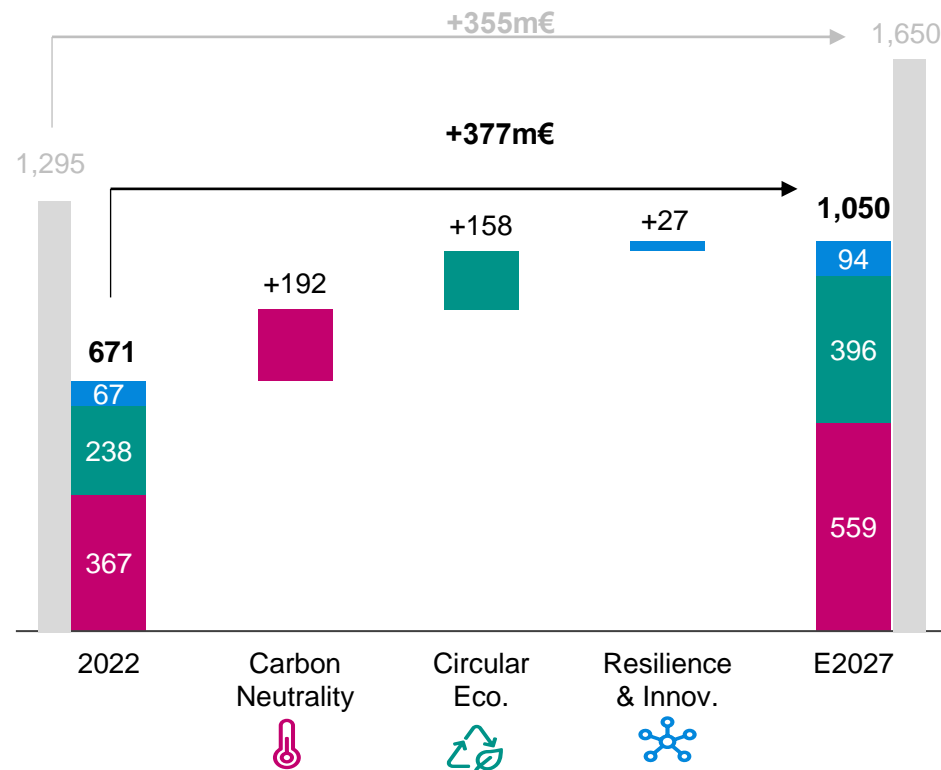
Sustainability will underpin 64% of Ebitda results



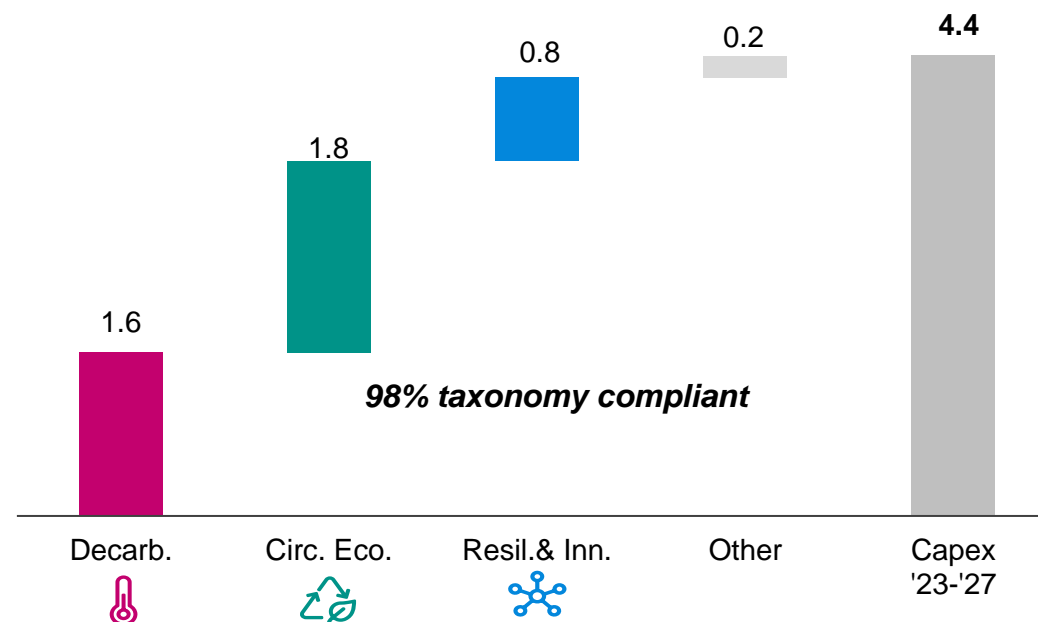
Sustainability: the real engine of Hera growth

Growth underpinned by a strong capex plan

Ebitda
(m€)



Capex plan '23-'27
(b€)

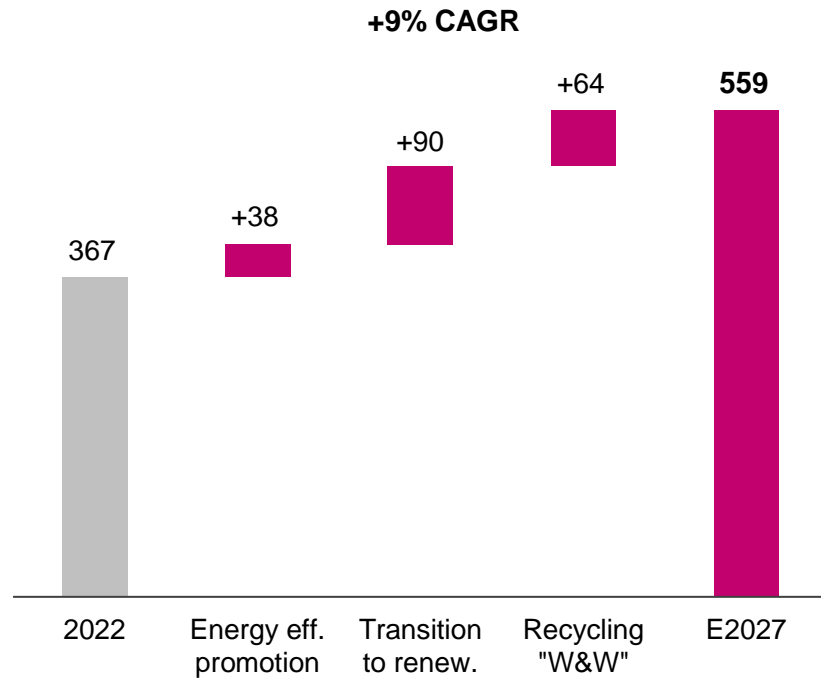


Large number of projects gives visibility to Hera growth







CO₂ neutrality: growth underpinned by a strong capex plan

Ebitda
(m€)

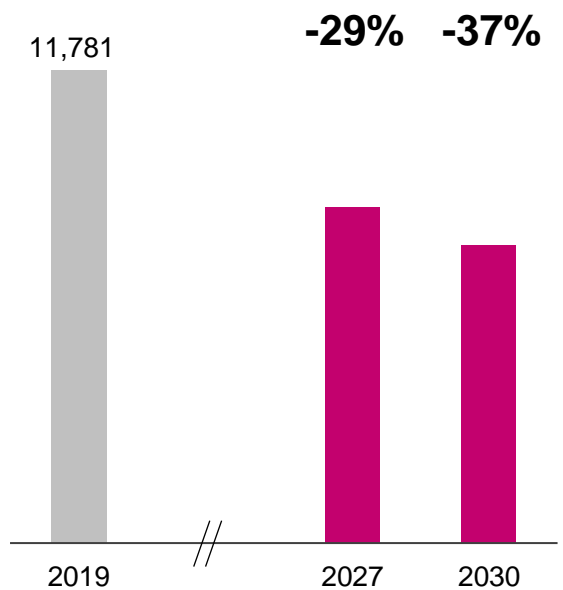


Main Targets

2022 E2027

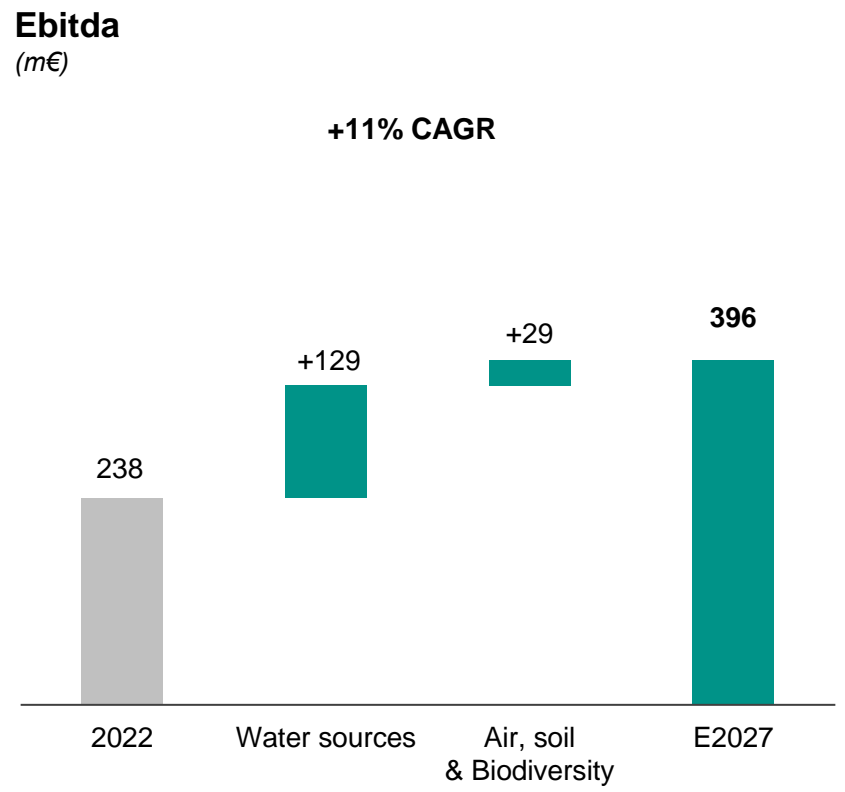
	Renewable electricity sold	41%	56%
	Biomethane from organic waste (mcm)	8	16
	Hydrogen production (tons/y)	-	770
	Clients with decarbonisation VAS contracts (%)	27%	35%





CO₂ SBTi target 2030
(mton)



Today Hera has lowest emissions of the Italian industry

Circular Economy: A clear competitive advantage



Main Targets	2022	E2027
 Sorting urban waste collection	68%	78%
 Packaging recycling	66%	72%
 Plastic recycled by Aliplast (vs 2017)	+33%	+122%
 Water reuse	7%	14%



New plant for rigid plastic (HDPE and PP):
8 m€ Ebitda, 30 ktons



Plant expansion (PET and PE-LD):
6 m€ Ebitda, 25 ktons

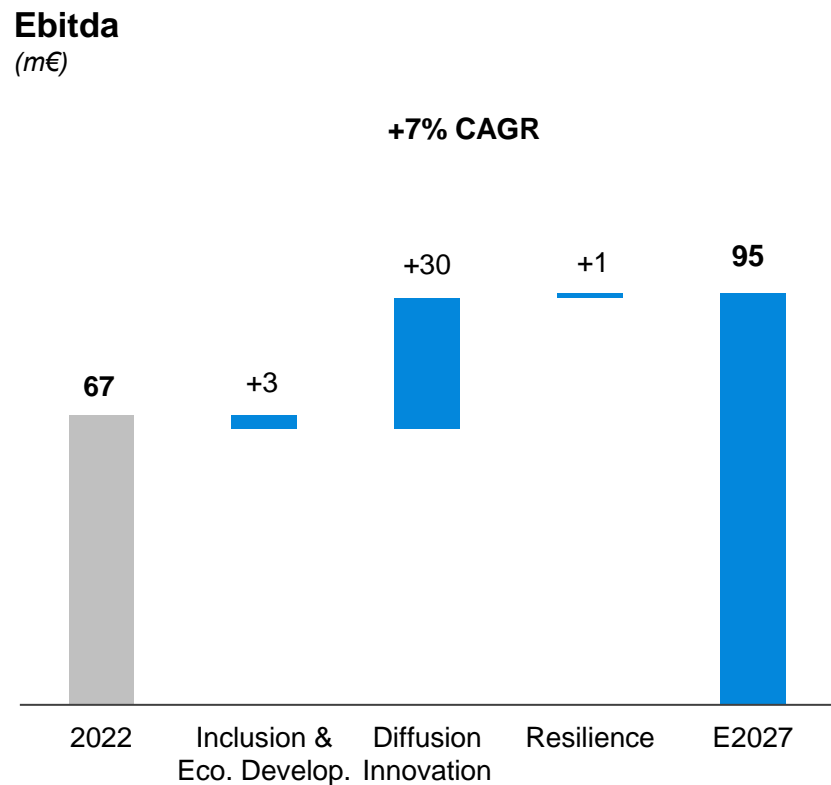


New plant for carbon fiber:
1 m€ Ebitda, 0.3 ktons





Double digit growth saving “blu gold”



Resilience and Innovation: Tackle with climate change impacts



Main Targets

	2022	E2027
 Predictive maintenance water (km)	13,925	29,700
 Sensors for monitoring landslide events (n.)	10	130
 Robotized Elect. secondary cabins (n.)	1,038	1,260
 Linear water losses (cm/km/day)	9.5**	8.9

**2021 figure



Emilia Romagna region experienced a dramatic flood in 2023 with total damages worth around 9 b€.

Hera guaranteed continuity of services for citizens and clients with only very limited damages to its infrastructures and no impact on results.

Top ranked in Italy even after the '23 flood stress testing

Enhance Resilience



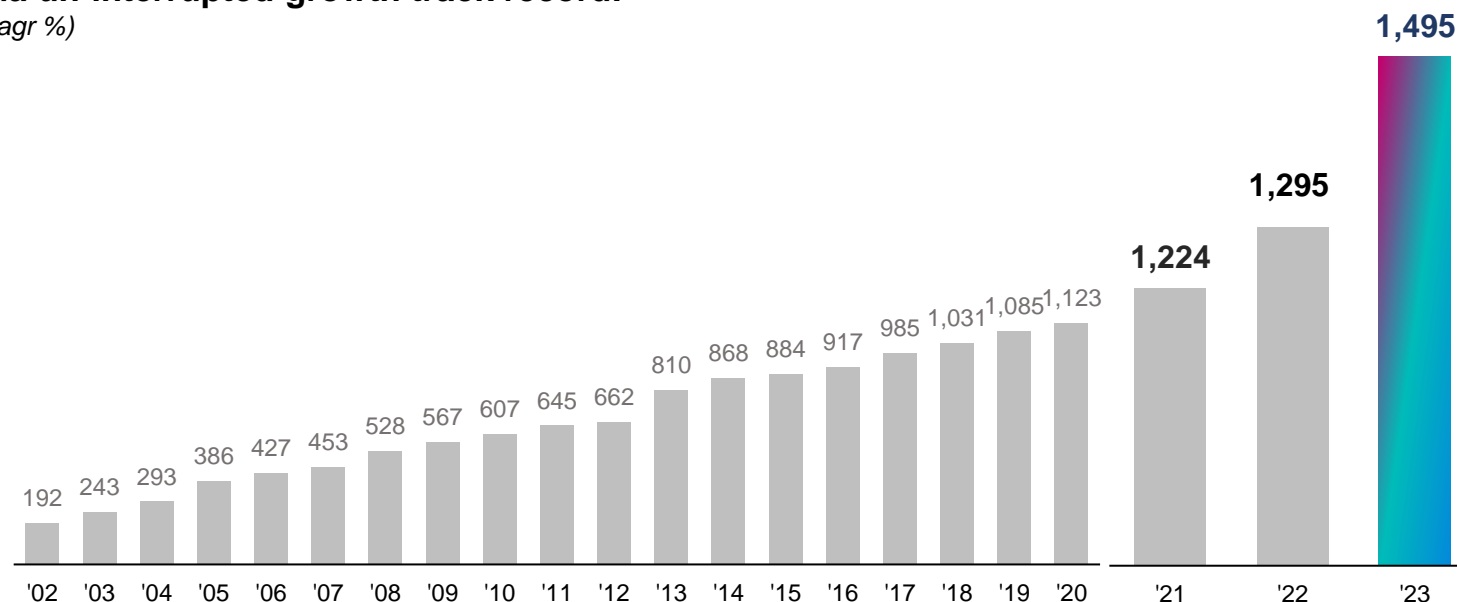
Multi-utility formula

Business policies to neutralize risks

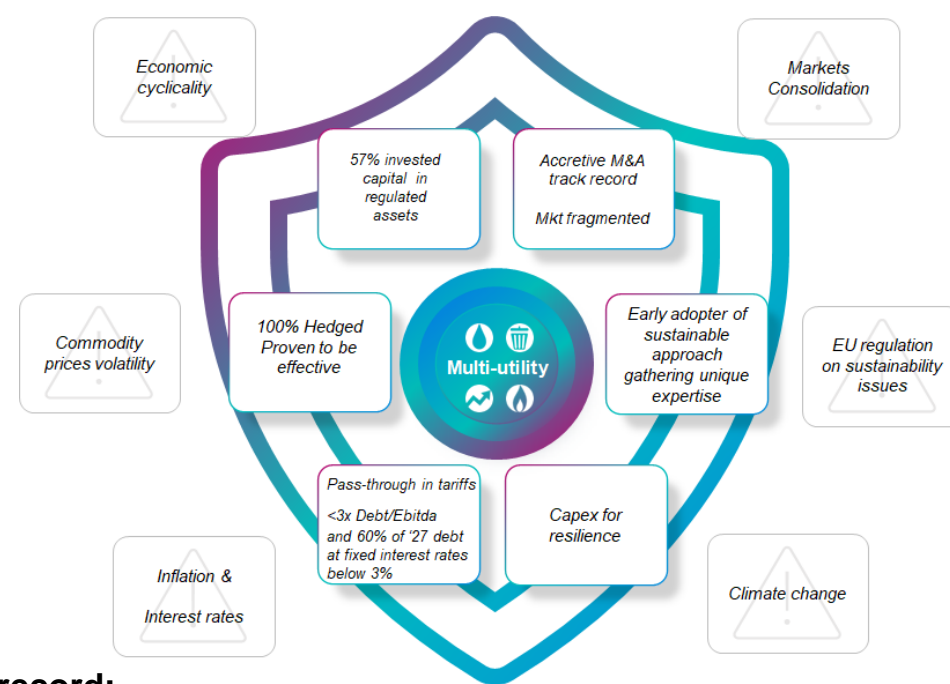
Maintain low financial leverage

Proven effectiveness by ever (22 years track record) increasing results

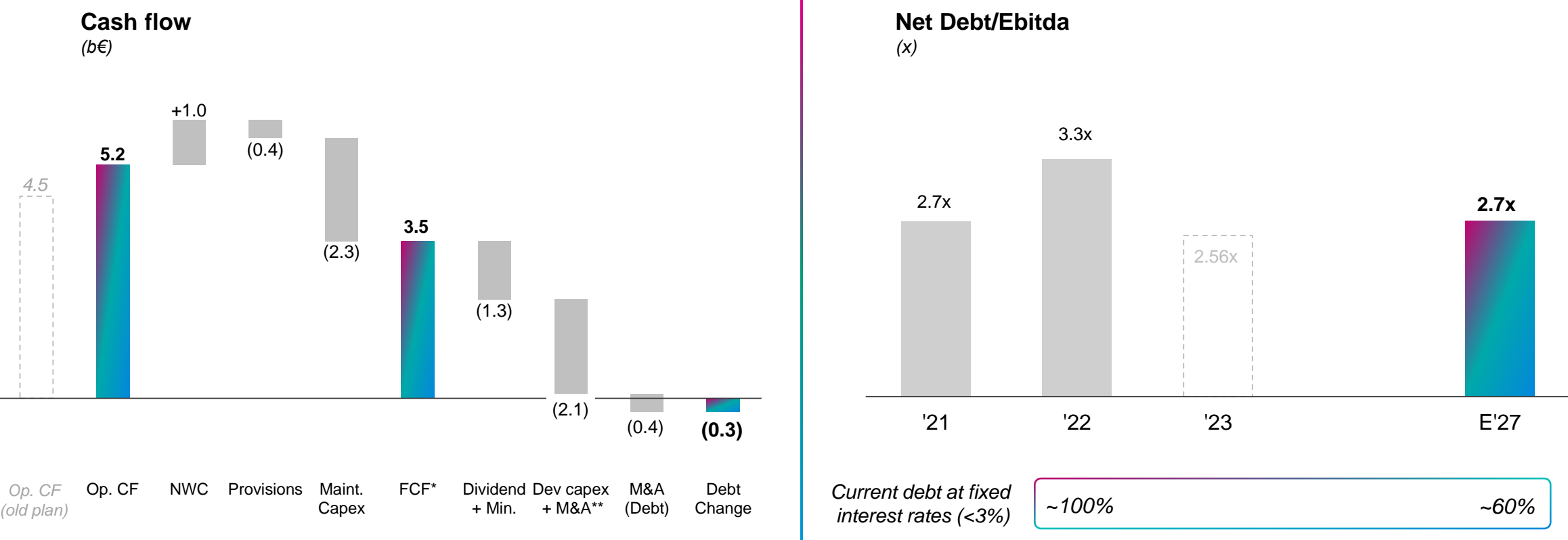
Ebitda un-interrupted growth track record:
(m€, cagr %)



**+10%
CAGR**




Cash flows E2023-E2027 and leverage



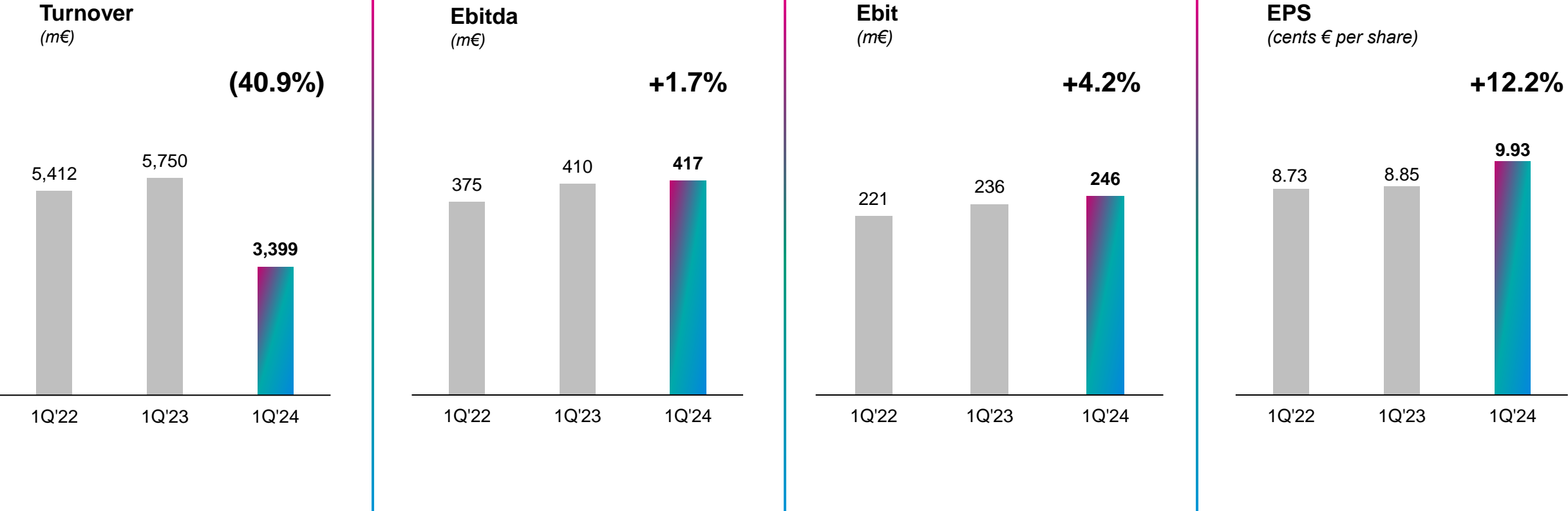
Strong cash generation and solid deleveraging

*Including also FCF of Other businesses
**Equity investments in M&A (cash out) of about 0.3b€

A man with a beard, wearing a tan long-sleeved shirt, is cooking in a kitchen. He is using a blue spatula to flip a piece of food in a black frying pan. A young boy with dark hair is standing next to him, looking at the food. The kitchen counter is cluttered with various items, including a white toaster, a bowl, and some papers. The background shows a window and some kitchen cabinets.

Latest Results 1Q'24

P&L: 1Q'24 at a glance

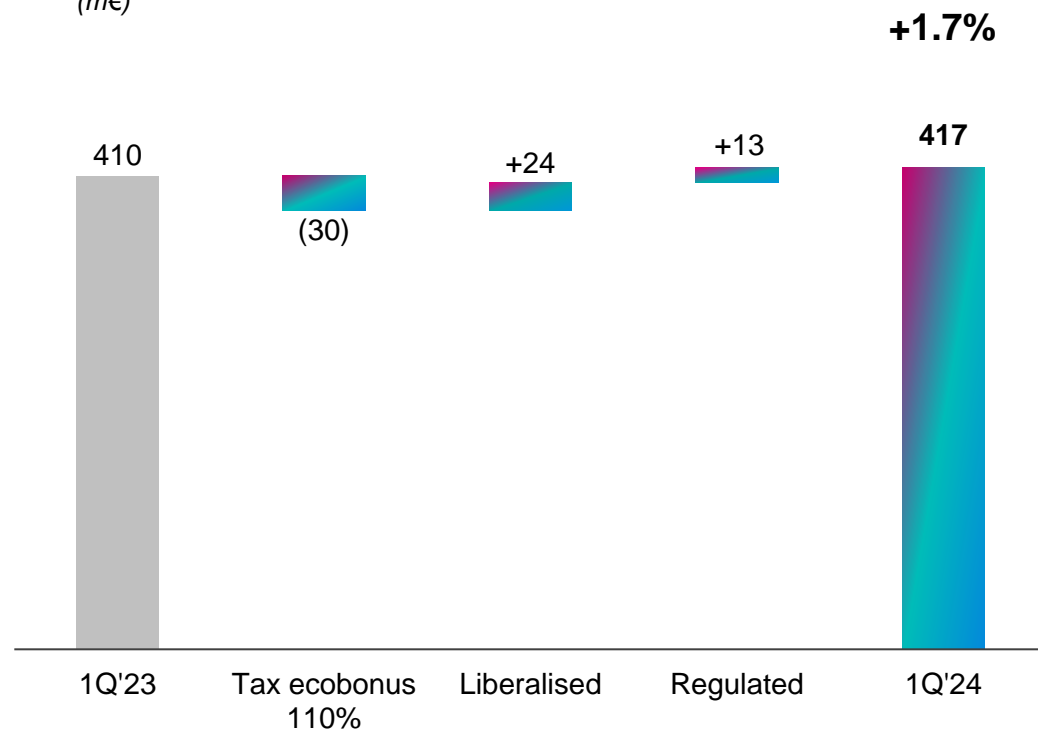


Energy prices **normalization** boost value creation

1Q '24: Structural drivers for a solid growth

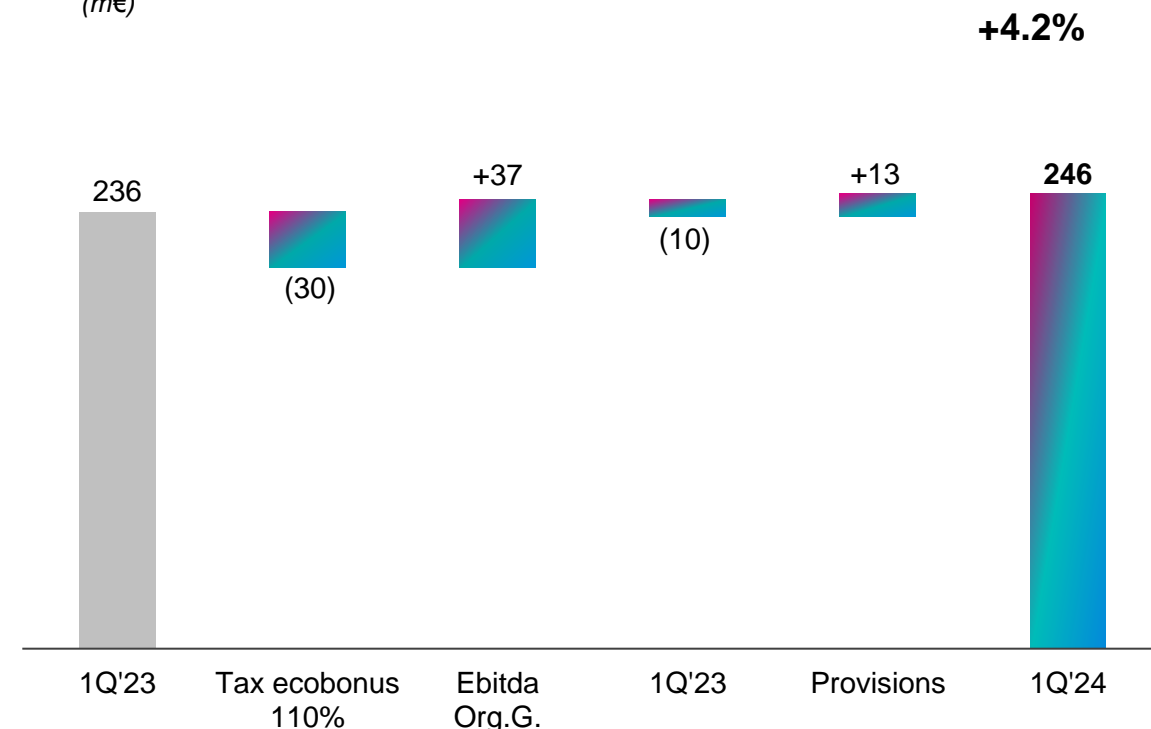
Ebitda growth drivers

(m€)



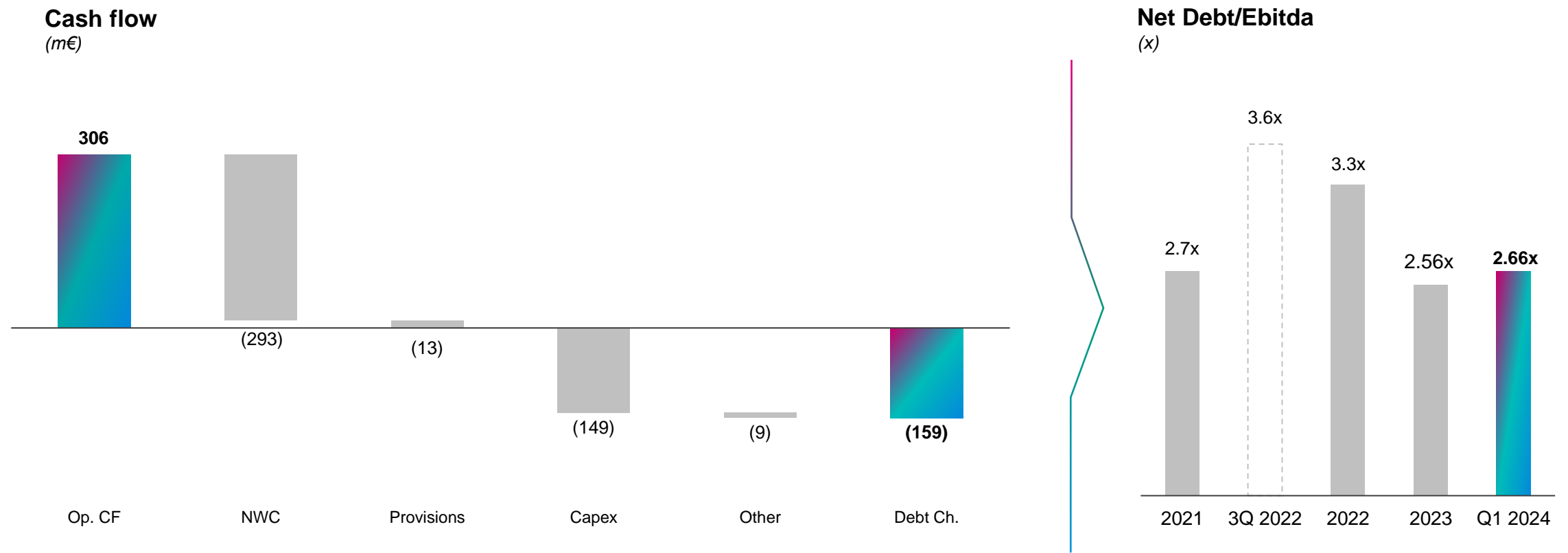
Ebit growth drivers

(m€)



Delivering a **solid operating performance**

1Q '24 Strong cash generation offset seasonal NWC fluctuation



Confirmed financial **flexibility**

A man with a beard, wearing a tan long-sleeved shirt, is leaning over a kitchen counter, pointing at something with his right hand. A young boy with dark hair is looking up at him. On the counter, there is a white toaster, a bowl, and some other kitchen items. The scene is dimly lit, with a warm, cozy atmosphere.

CLOSING REMARKS

Closing remarks

Strong growth to improve value creation for stakeholders at a low risk profile...

... leveraging on a strong sustainability profile



1,650 m€ Ebitda to 2027

+7% structural CAGR



Return on Invested Capital

Increase expected in all activities



2.7x E'27 Debt/Ebitda

Confirmed in 1Q '24



+7% EPS growth CAGR '22-'27

Vs ~3% of old plan



12% Avg '24-'27 **TSR**

DPS of 14c€ in June '24 (+12% incr.)



+17% EPS 2023

1Q '24 EPS +12.2%

Reliable commitments to all stakeholders

A man with a beard, wearing a tan long-sleeved shirt, is leaning over a kitchen counter, pointing at a small white packet. A young boy with dark hair is looking up at him. The counter is cluttered with various kitchen items, including a white toaster, a metal bowl, and a black frying pan. The scene is set in a bright, modern kitchen with light-colored wooden cabinets and a yellow countertop. The word "ANNEX" is overlaid in white, italicized capital letters on the left side of the image.

ANNEX

2023 ESG ratings: (1/4)

S&P Global

DOW JONES SUSTAINABILITY
WORLD INDEX e EUROPE INDEX

Global leader in
“Multi-utility & Water” sector



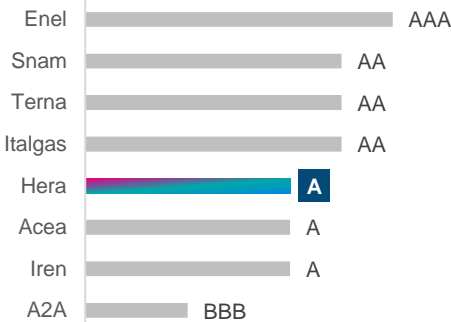
Forth year in a row

MSCI

MSCI
ESG RATINGS



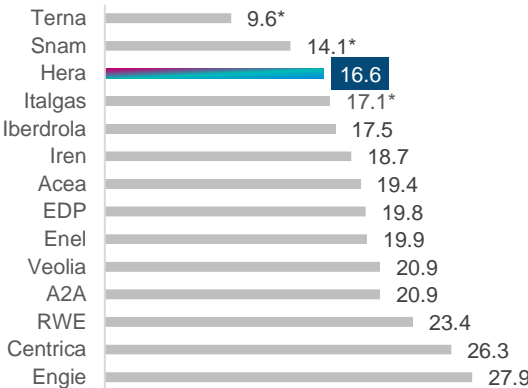
CCC B BB BBB **A** AA AAA



MORNINGSTAR SUSTAINALYTICS

Low Risk

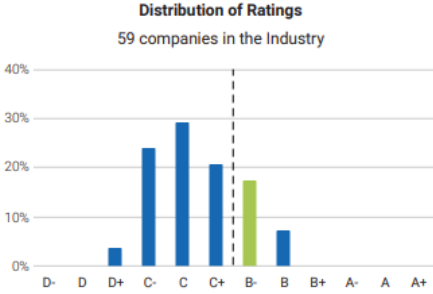
NEGL **LOW** MED HIGH SEVERE



* Regulated utilities

Hera top performer

2023 ESG ratings (2/4)



Governance 8

Environment 1

Social 1

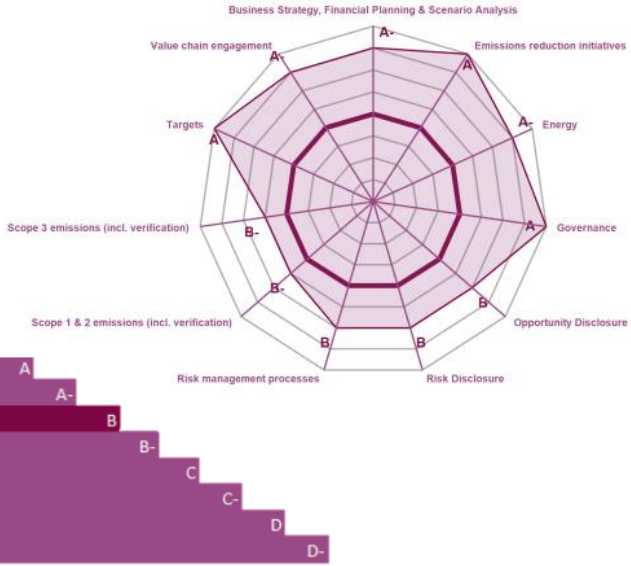
ISS ESG Corporate Rating B-

Top
Top



1° Multi-utility worldwide

	Rank	Company Name	HQ	Industry Group	Mkt. Cap (M)	ESG Score
1	1	Hera SpA	IT	Multiline Utilities	\$4,715	85.44
2	2	Mytilineos SA	GR	Multiline Utilities	\$5,691	85.10
3	3	Engie SA	FR	Multiline Utilities	\$42,539	79.43
4	4	Veolia Environnem...	FR	Multiline Utilities	\$22,553	73.27
5	5	E.ON SE	DE	Multiline Utilities	\$34,590	71.46
6	6	National Grid PLC	GB	Multiline Utilities	\$48,386	69.78
7	7	Acea SpA	IT	Multiline Utilities	\$2,883	65.18
8	8	China Everbright En...	HK	Multiline Utilities	\$1,989	63.22
9	9	Centrica PLC	GB	Multiline Utilities	\$10,537	62.69
10	10	RWE AG	DE	Multiline Utilities	\$32,187	59.96
11	11	Edison SpA	IT	Multiline Utilities	\$175	59.12
12	12	Uniper SE	DE	Multiline Utilities	\$34,230	56.77
13	13	Iren SpA	IT	Multiline Utilities	\$2,852	56.69
14	14	YTL Corporation Bhd	MY	Multiline Utilities	\$3,516	56.59
15	15	AGL Energy Ltd	AU	Multiline Utilities	\$4,098	49.06



Hera top performer

2023 ESG ratings (3/4)



Hera top performer also in Governance among Italian companies

ESG ratings (4/4)



Inclusion for 5 years in a row



MOODY'S | ESG Solutions



Rating: “Advanced”

Inclusion in:



FTSE MIB ESG INDEX

40 BEST AMONG 419 ITALIAN COMPANIES

Diversity & Inclusion

REFINITIV 
1° Multi-utility worldwide

Top 5 - Multiline Utilities	Rank	Overall D&I Score *
Hera SpA	1	79.25
Sempra	2	76.5
AGL Energy Ltd	3	73.75
Engie SA	4	71.25
Edison SpA	5	70.25



Inclusion
for 4 years
in a row

Hera top performer

A person wearing a blue shirt, black pants, and black gloves is kneeling on a roof, using a screwdriver to install a solar panel. The solar panel is dark blue with a grid pattern. The background shows a clear sky and some trees in the distance.

ENERGY SUPPLY

*Industrial strategy
& latest results*

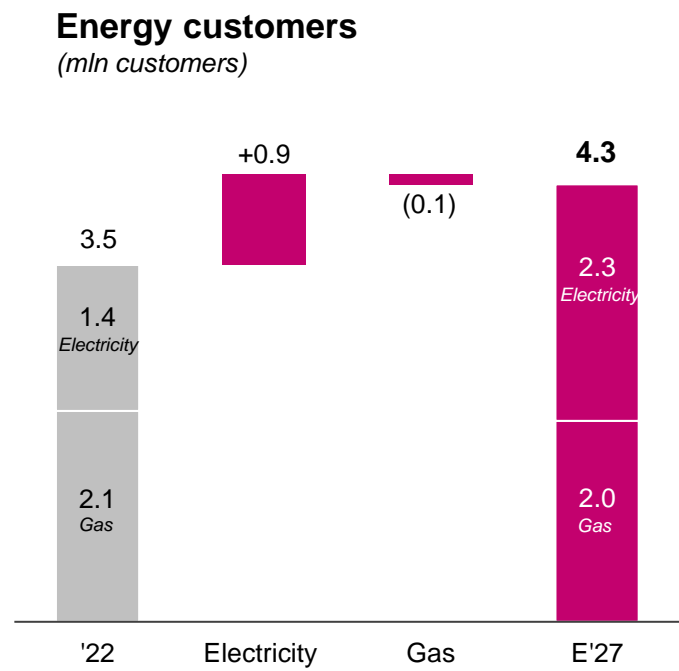
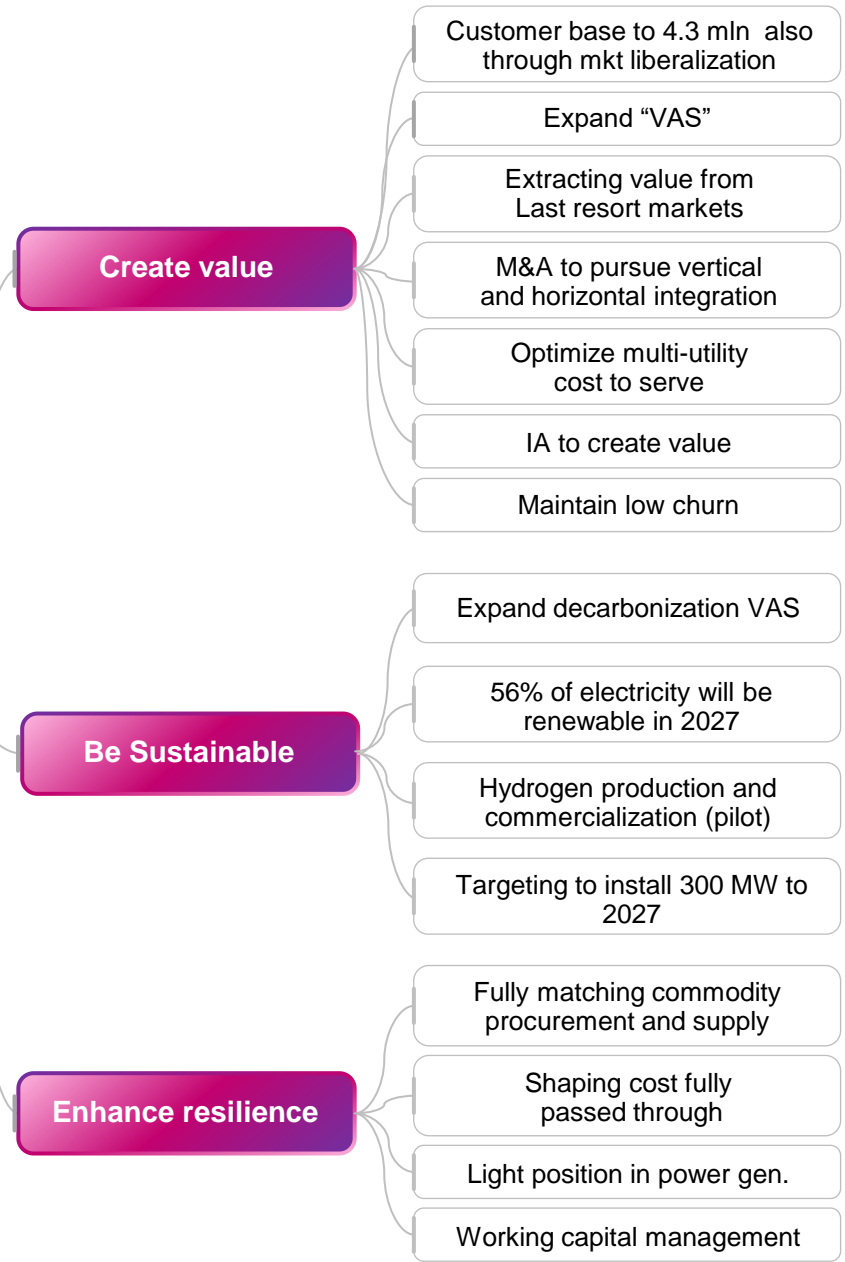
Energy supply strategic priorities

Expand customers

Develop VAS

Enabling decarb.

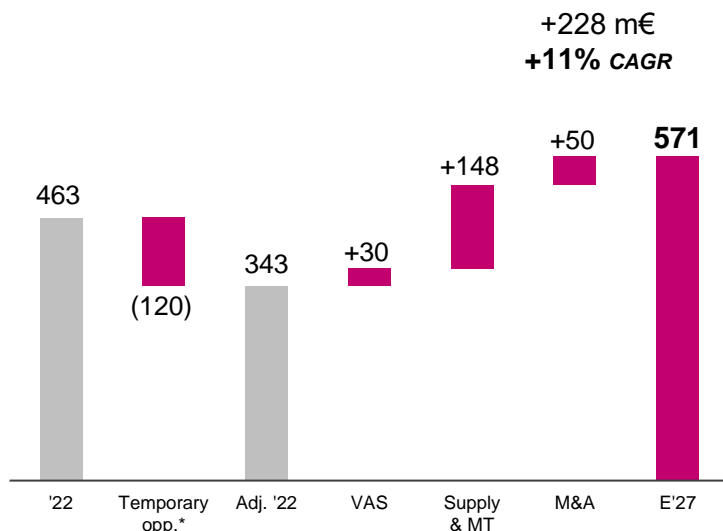
Hedging risks



Energy growth drivers

Ebitda growth drivers

(m€, Cagr adj.)

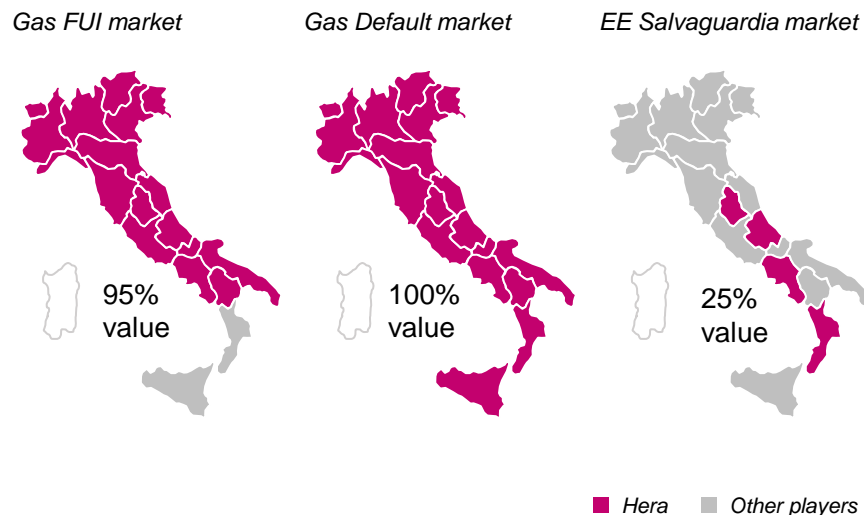


*Refer to (60%) to Energy efficiency services connected to tax bonus and (40%) related to temporary last resort market business

Expected a year-by-year positive Ebitda growth

Last resort customers till '24-'25

(Tenders are held every 2 years)



Leader in gas last resort market segment

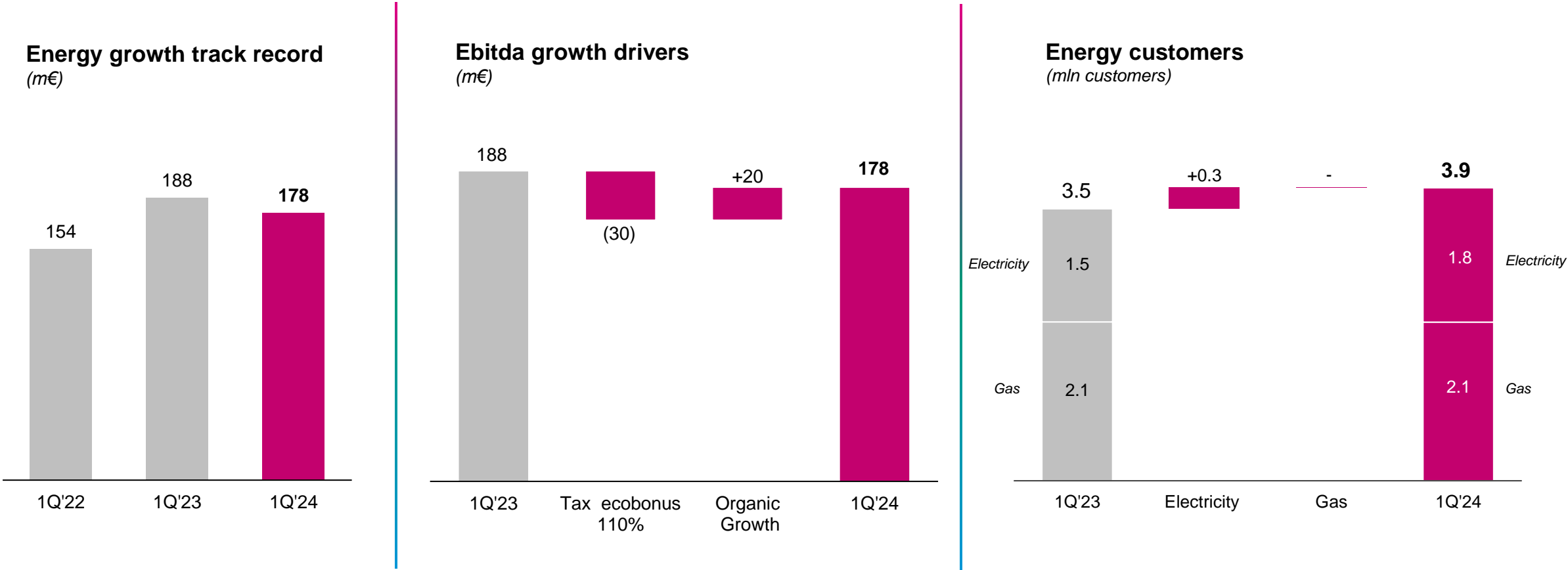
Permanent assignment MT customers

- +1.1 mln customers (with no future tenders) at **no investment upfront** (won 7/26 lots)
- Expected annual growth** more than compensate temporary and marginally MT lower margins
- Value creation granted by **IRR > 20%** (with conservative assumptions)
- Synergies on **cost to serve** thanks to strong focus on reference territory (overlap in customer base)
- Expected savings on **cost to acquire**, focus on switching from MT rather than acquire liberalized
- Leap in size to allow **economies of scale** (marketing costs)
- Increase loyalty** on existing "gas" customer base
- Cross selling** opportunities of gas supply and VAS contracts

Co-leading mkt liberalization to create value

Expansion in all market segments leveraging upon strong expertise

Latest results 1Q'24: Energy supply



Increased customer base and market normalization underpin resilient results



WASTE

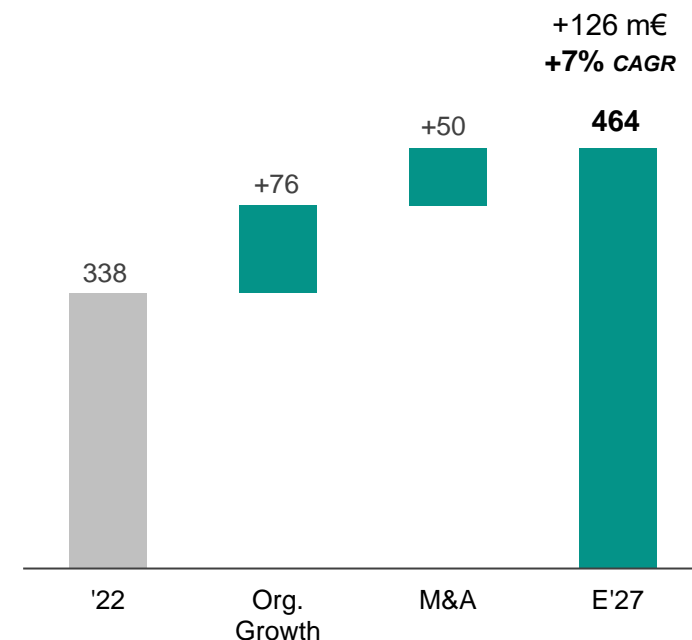
*Industrial strategy
& latest results*

Waste strategic priorities

Investing to **exploit market advantages and trends**, strengthening leadership



Ebitda growth drivers
(m€, Cagr)

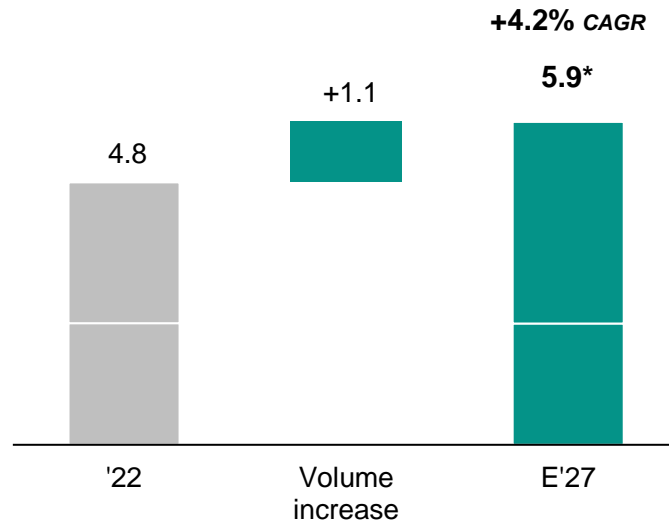


Waste further strengthen our leadership and the sustainable asset base

New plants & revamping



Volumes from 3rd customers (mtons)



Expected increase in soil remediation +45% Cagr, moving from 36 ktons to 225 ktons in 2027

Hera market position in Italy

National largest asset platform
~100 plants in 2023

Leader by waste volume treated
Targeting to reach 8.8m tons in 2027

9 Waste To Energy plants: ~20% mkt share
Revamping underway on Padua WTE

Hazardous Waste Management ~10% mkt share

Sales of regenerated PE, PET ~20% mkt share
Expected to expand capacity by +60% to 2027

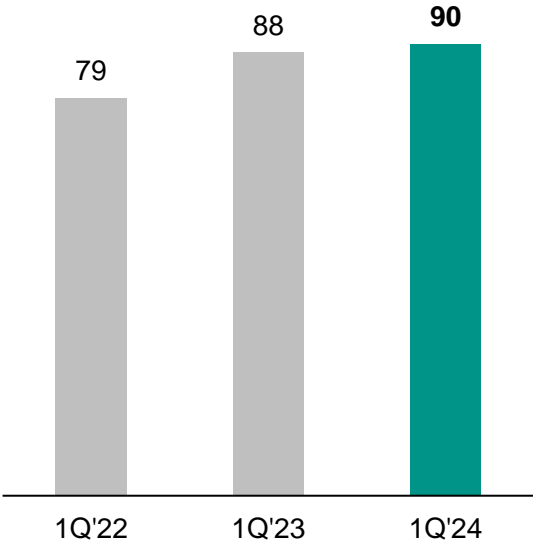
Leader in site remediation in Italy
Strengthened following ACR Reggiani merger

Increasing market share backed by plant development

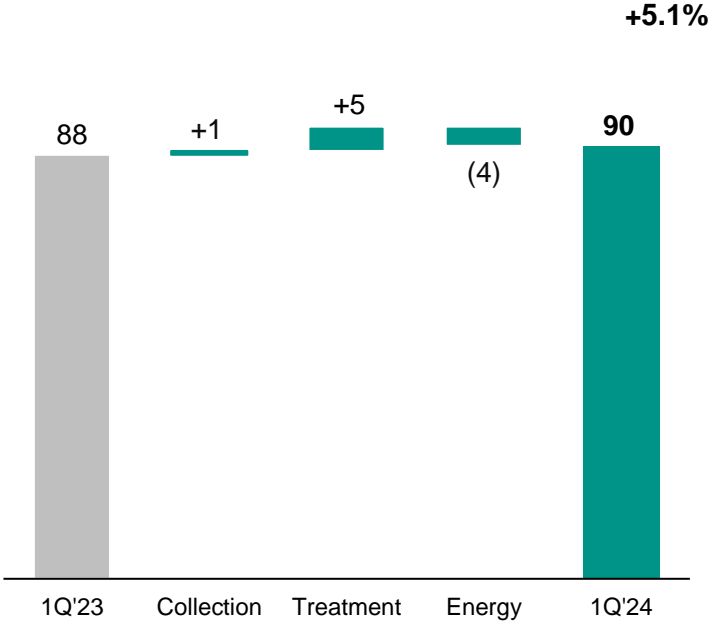
* Waste volume treated amount to 8.8m adding 2.9mton of by products

Latest results 1Q'24: Waste

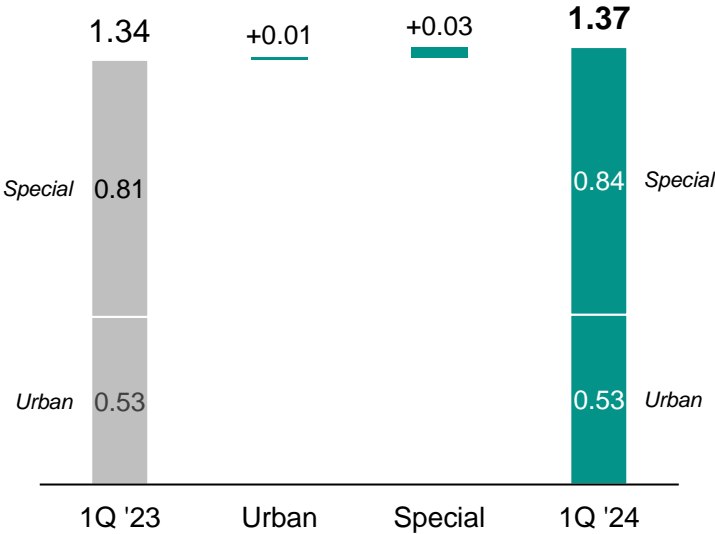
Waste growth track record
(m€)



Ebitda growth drivers
(m€, %)



Waste volumes
(mln tons)



Constantly growing at 360 degrees

A close-up photograph of a person's hands being washed under a stream of water from a public outdoor faucet. The water is splashing, creating a sense of motion and cleanliness. The background is a soft-focus green, suggesting an outdoor setting with foliage. The overall image has a slightly desaturated, naturalistic feel.

NETWORKS

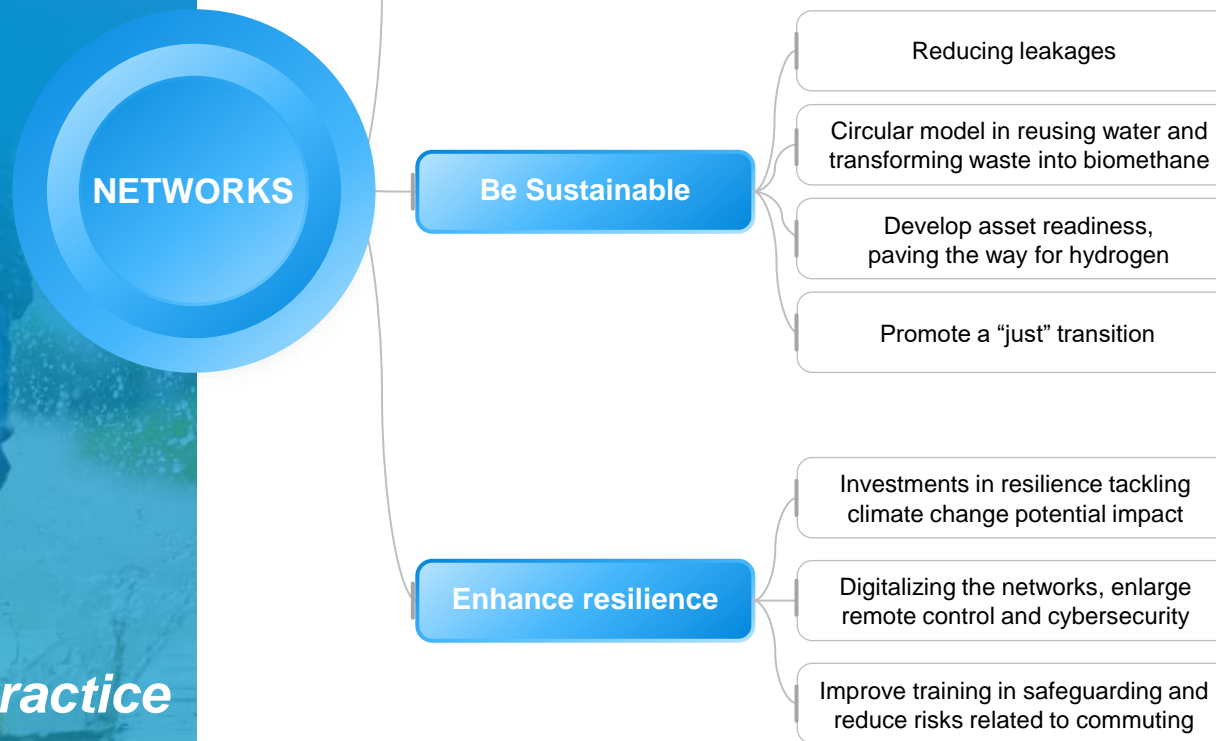
*Industrial strategy
& latest results*

Networks strategic priorities

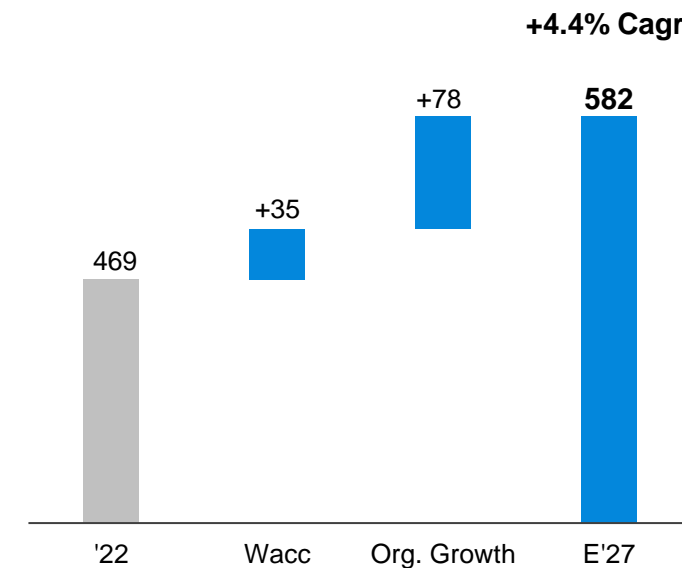
*Upfront, low
risk and
sustainable
value creation*

Aiming at best practice

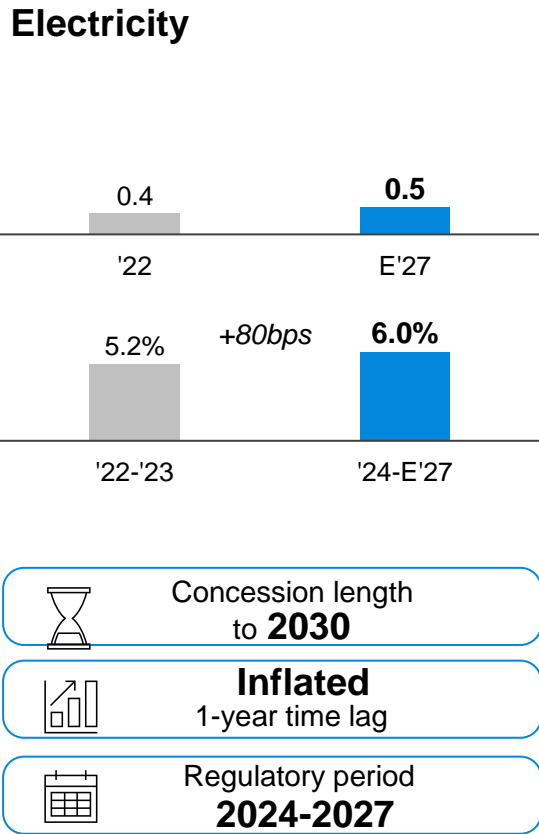
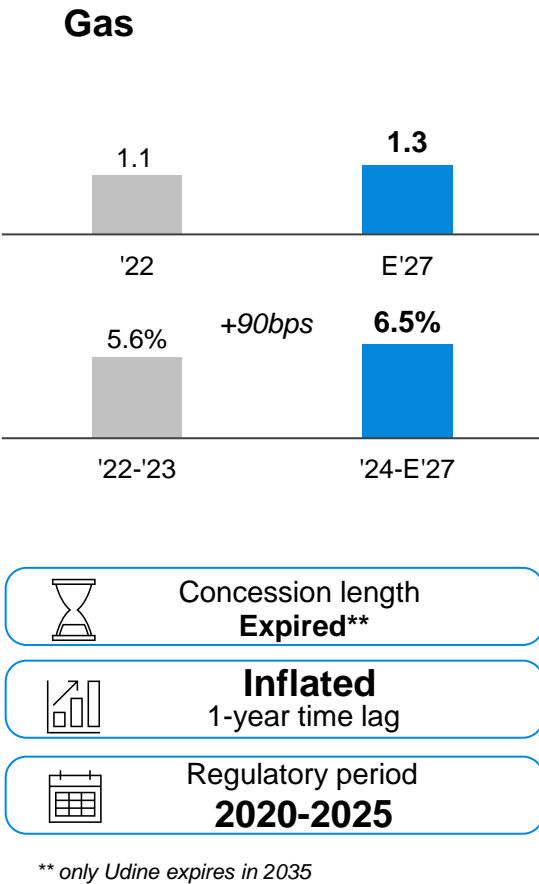
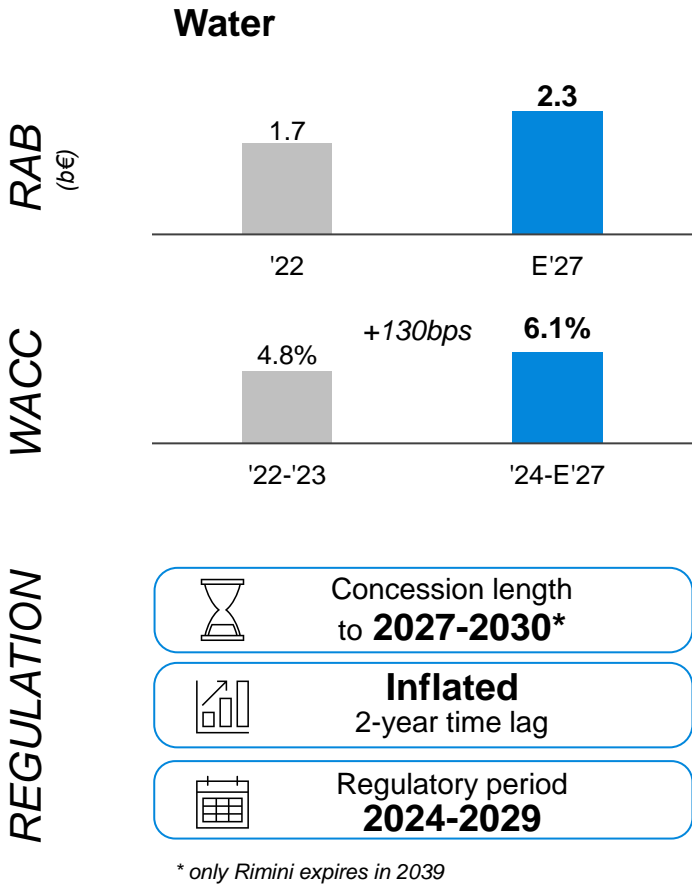
Hera Group /
Network strategy



Ebitda growth drivers
(m€)

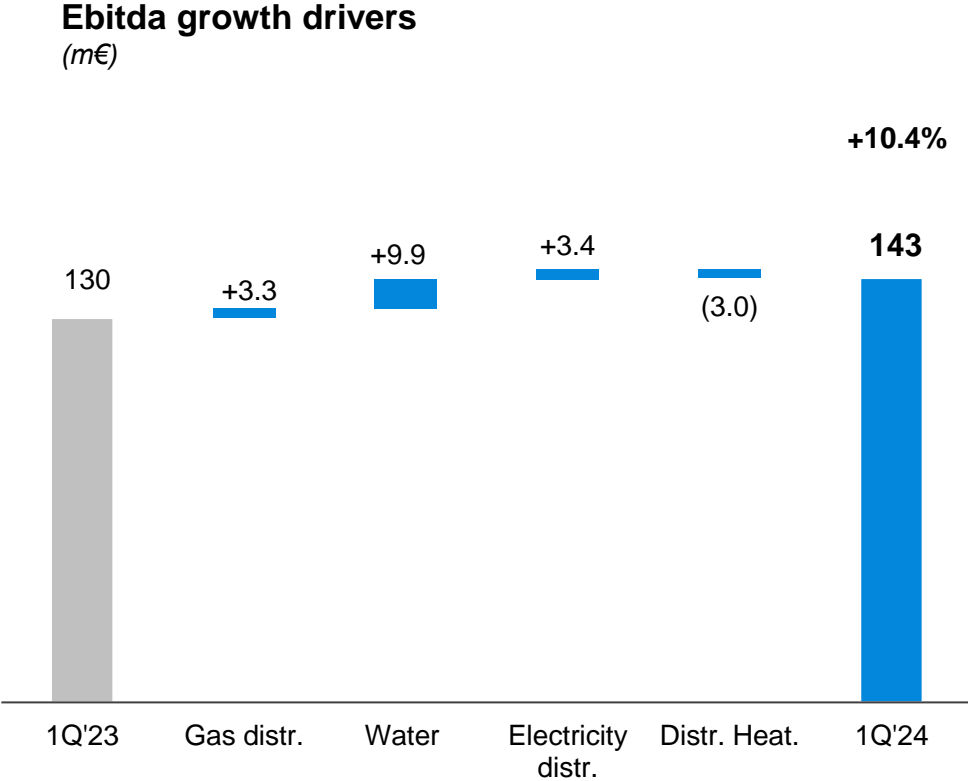
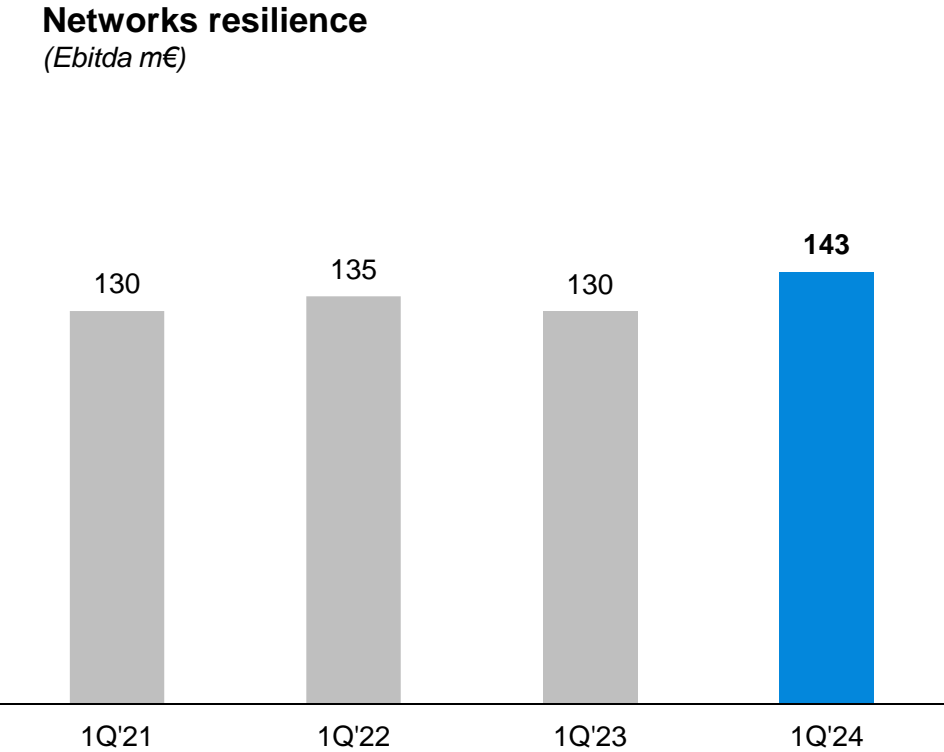


Networks key data



Visible and solid asset base

Latest results 1Q'24: Networks

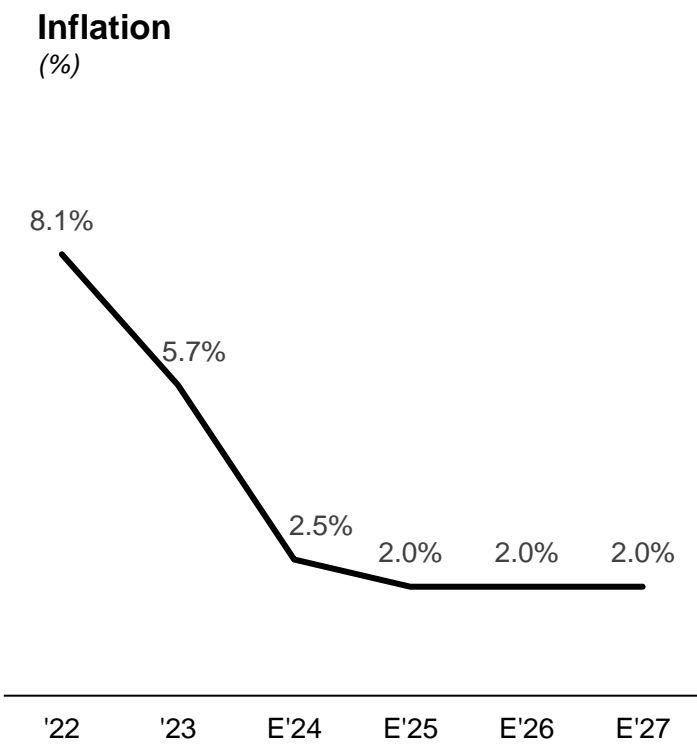
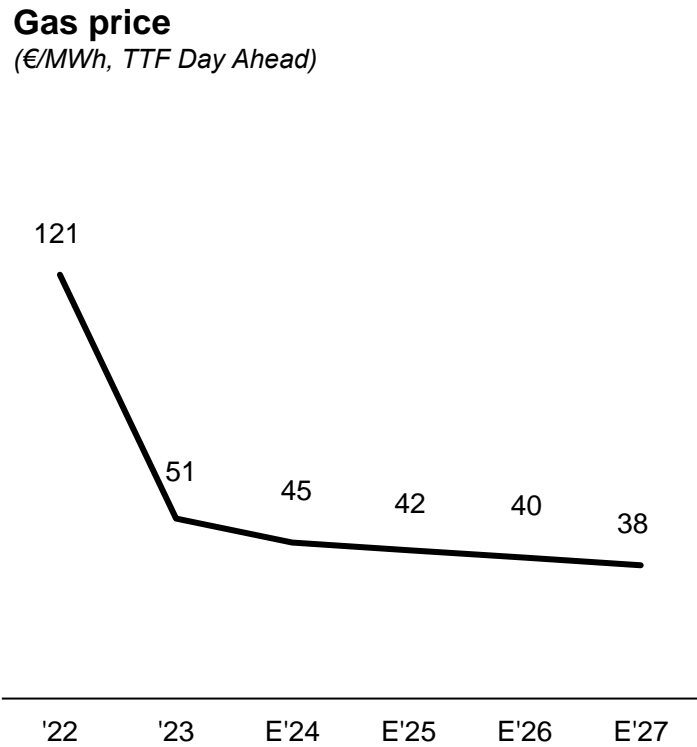
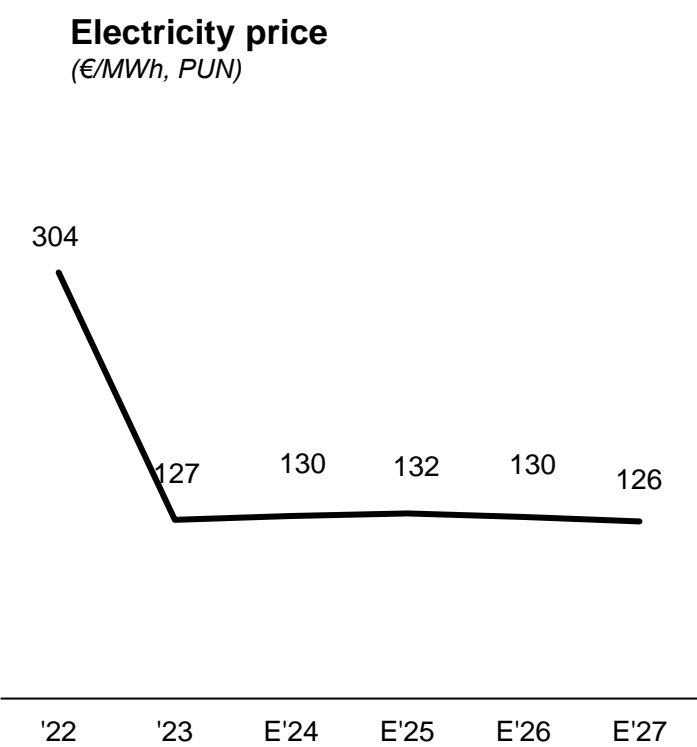


+110 bps of **regulated Wacc** and **inflation recognition**

New plan vs old plan

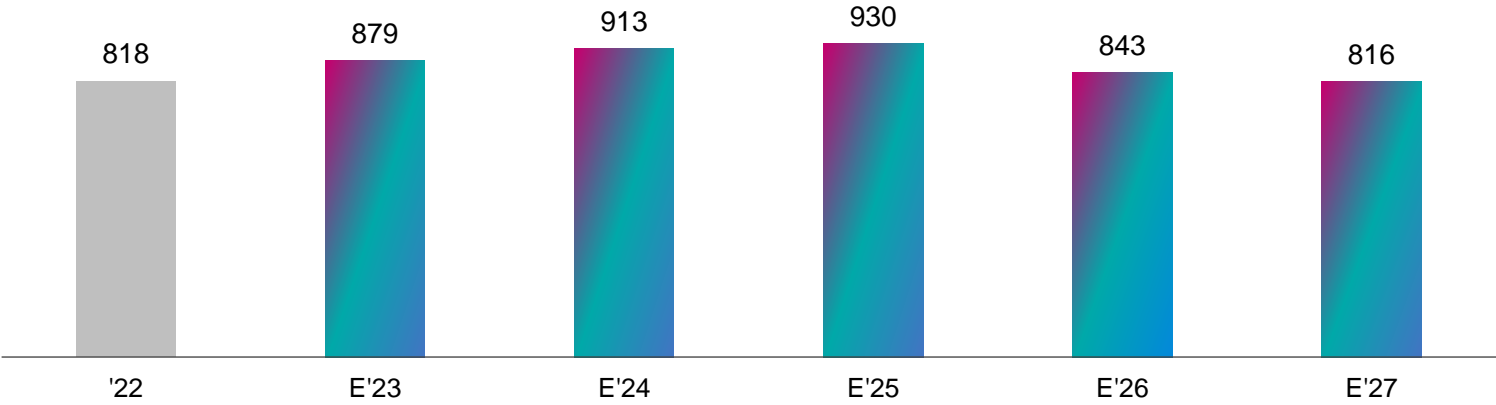
Figure	Old plan	New plan	
Structural Ebitda growth (m€)	+291	+475	↗
Structural Ebitda growth (% cagr)	+4.5%	+7.0%	↗
Structural Ebit growth (m€)	+183	+297	↗
Structural Ebit growth (% cagr)	+5.7%	+8.9%	↗
EPS growth (% cagr)	>+3%	>+7%	↗
2023 DPS growth (%)	+4.0%	+12.0%	↗
Development Capex plan (b€)	1.9	2.1	↗
Operating Cash flow (b€)	4.5	5.2	↗
Change in Net debt (b€)	+0.6	+0.3	↘
Net Debt / Ebitda (x)	2.8x	2.7x	↘

Business Plan main assumptions



Capex plan by year

Capex plan
(m€)

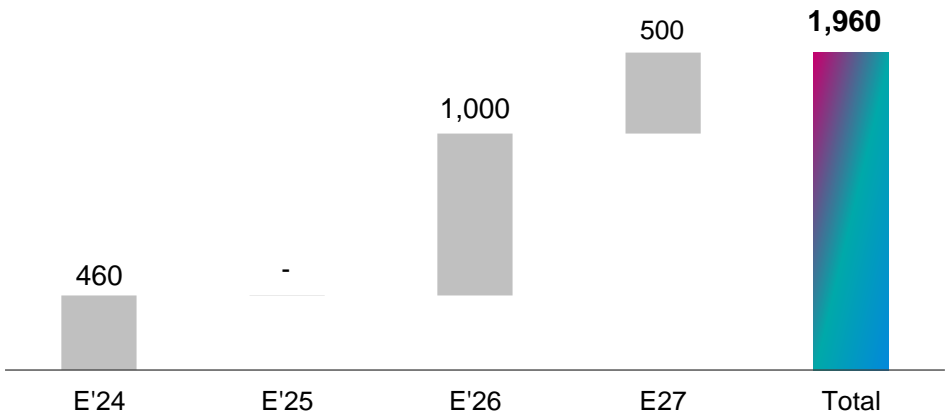


Financials

Cost of debt
(%)

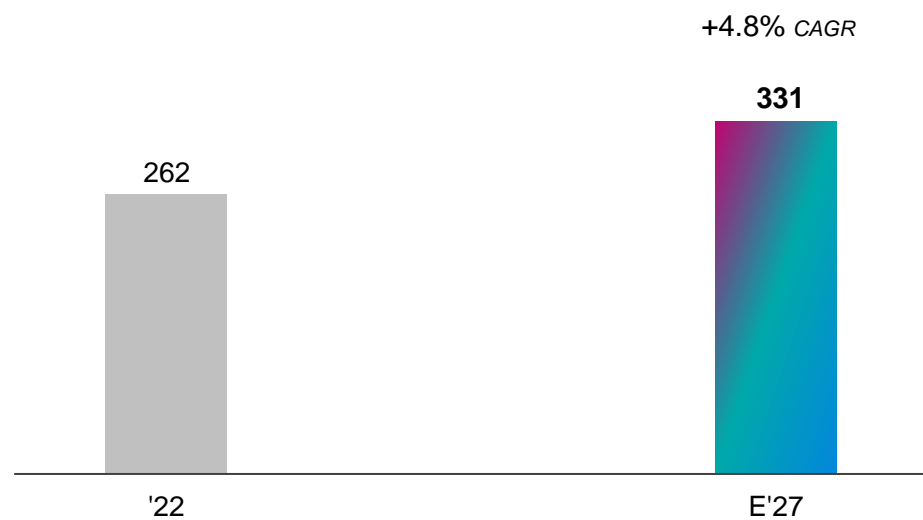


Refinancing needs
(m€)

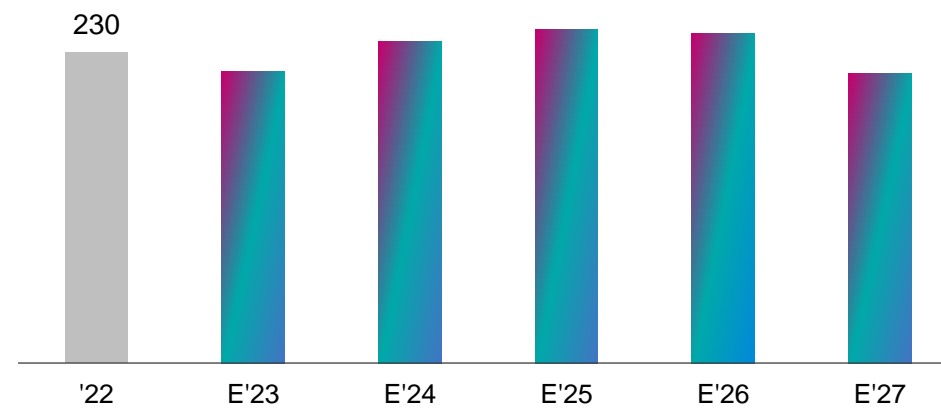


Water targets

Ebitda growth
(m€)

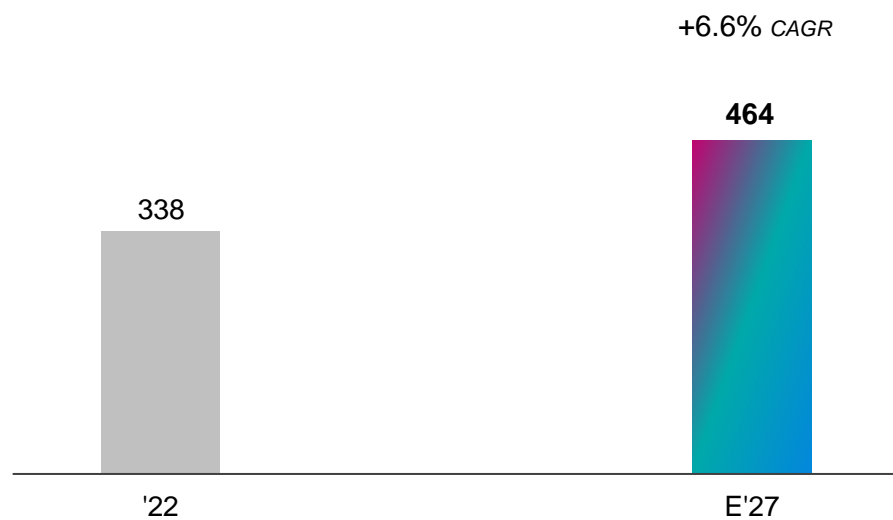


Capex: 1.2 b€
(m€)

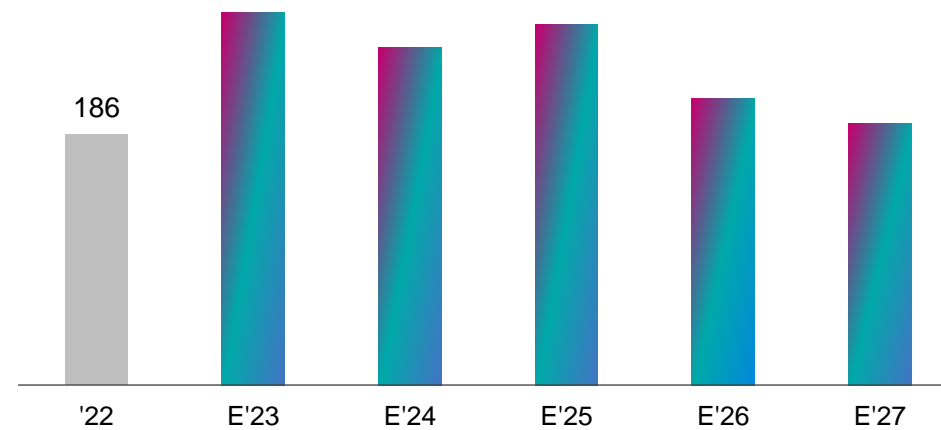


Waste targets

Ebitda growth
(m€)

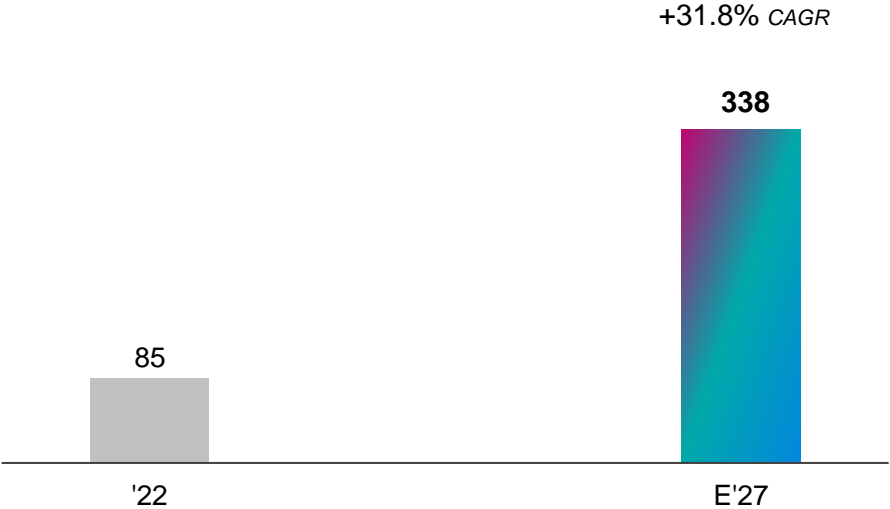


Capex: 1.2 b€
(m€)

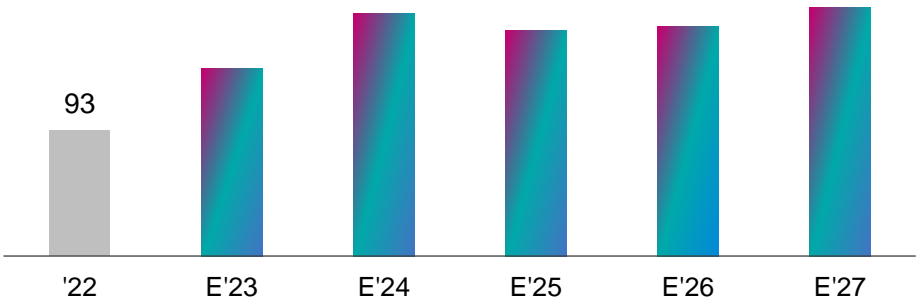


Electricity targets

Ebitda growth
(m€)

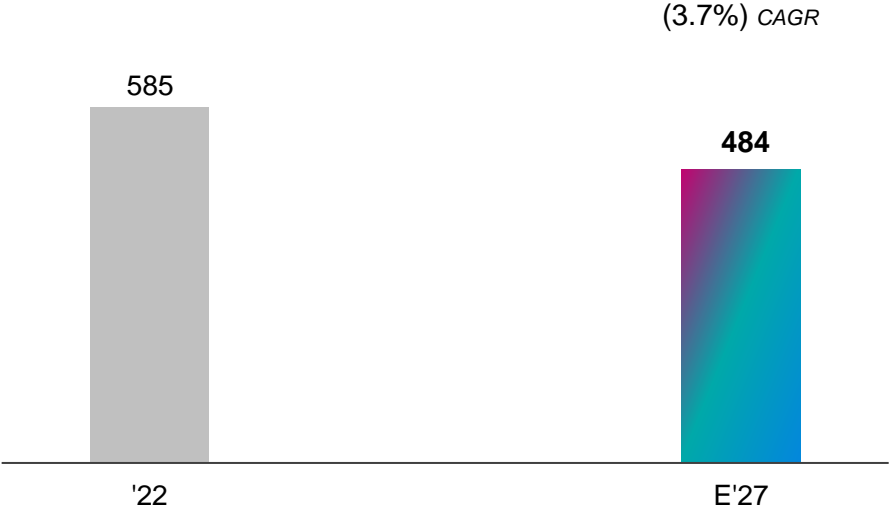


Capex: 0.8 b€
(m€)

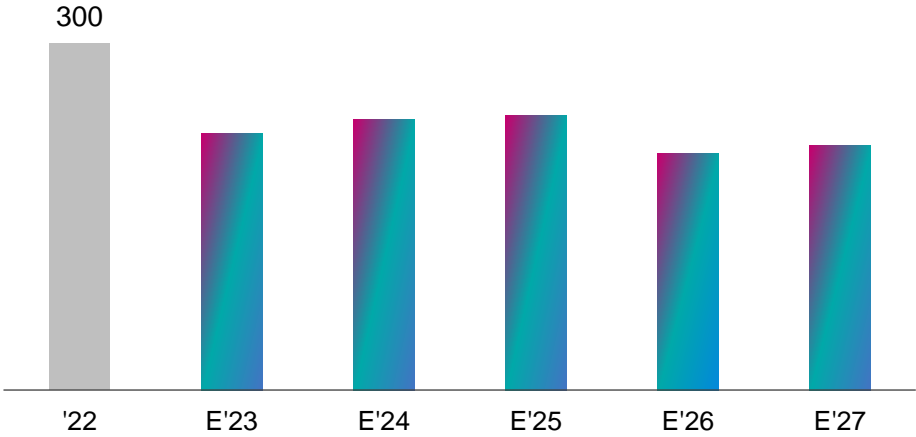


Gas targets

Ebitda growth
(m€)



Capex: 1.1 b€
(m€)



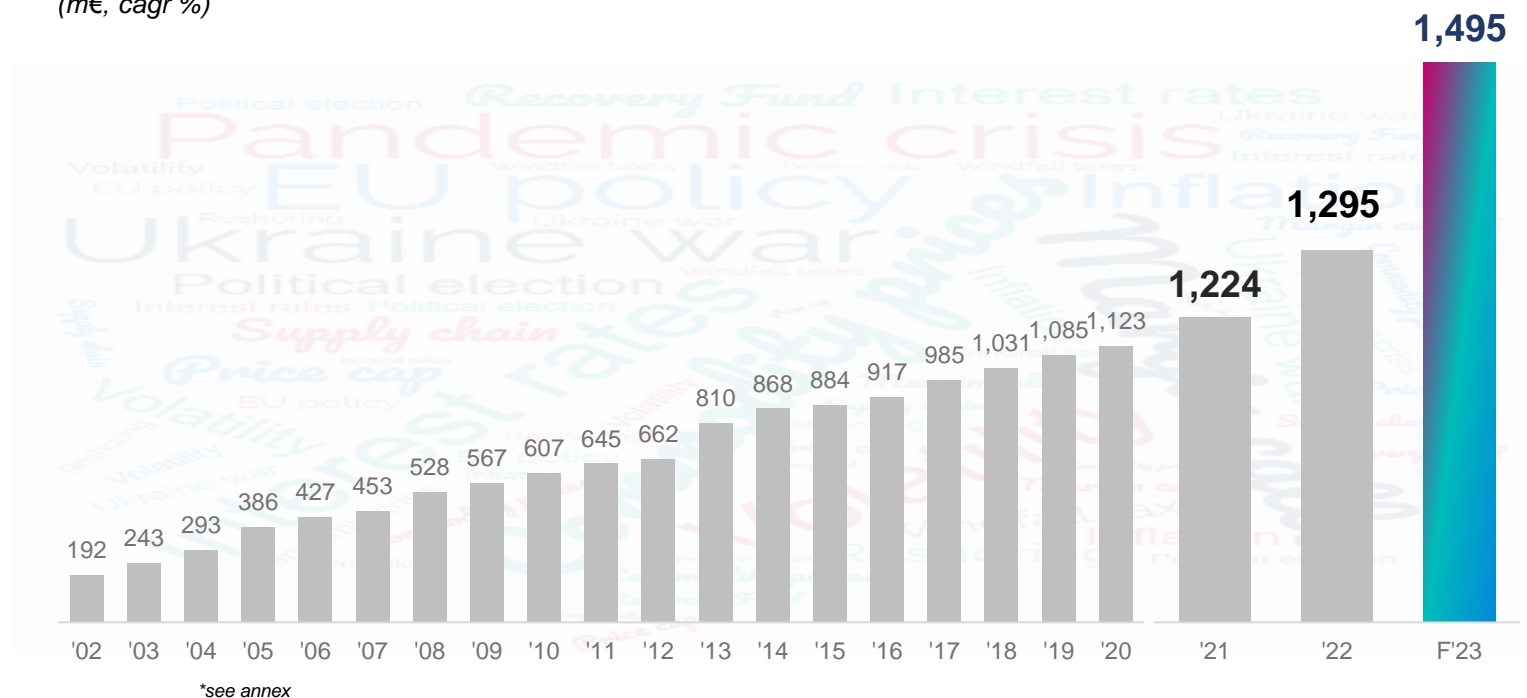
Hera's ID card

May, 2024

***Un-interrupted** growth since foundation*

Ebitda Growth track record: +10% Cagr

(m€, cagr %)



Waste

Strong performance benefitting from market shortage

Networks

Reliable Authority and efficient infrastructures with solid returns

Energy

Strong supply and negligible power generation

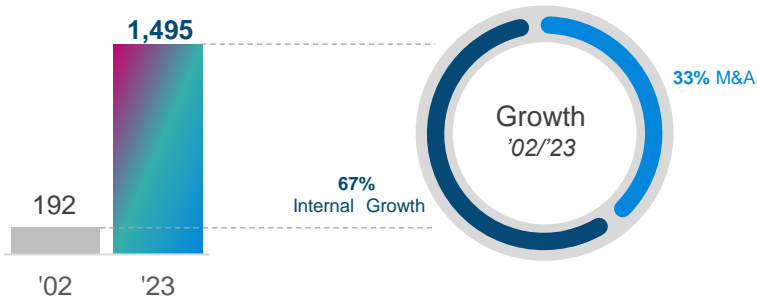
ROI & ROE

Focus on value creation

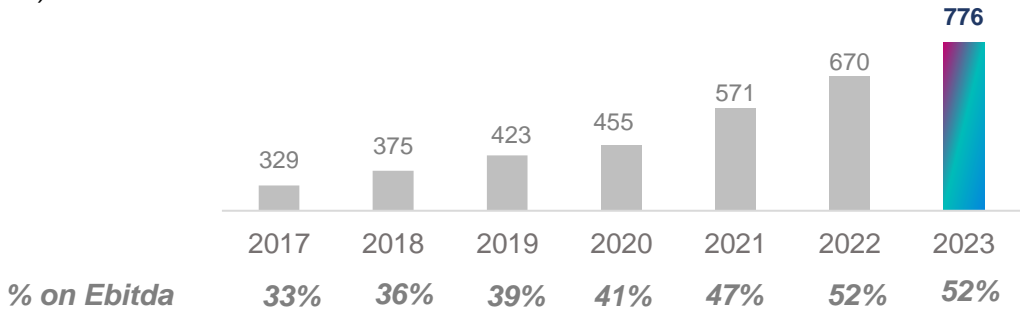
Strong and **Resilient** growth path

Hera's ID card

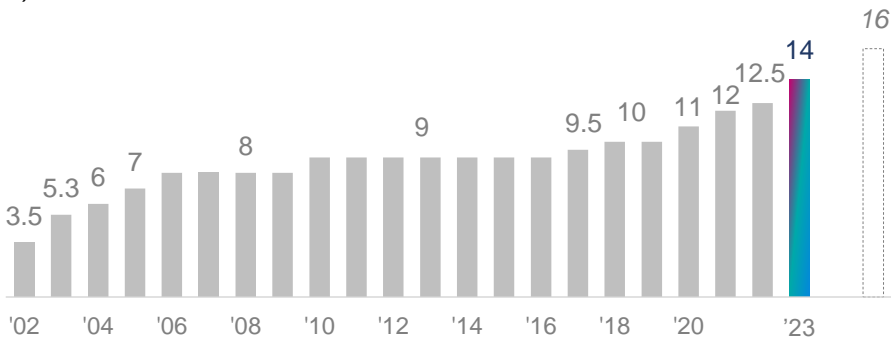
Ebitda growth drivers
(m€)



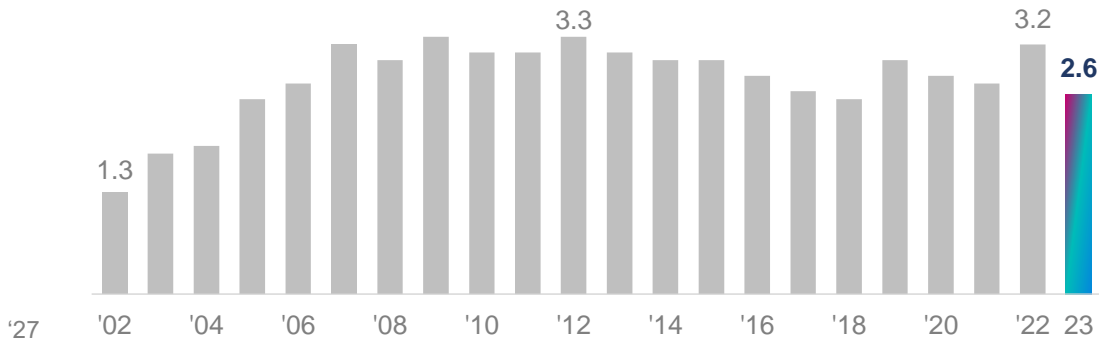
Ebitda Shared Value Creation
(m€)



Dividend Per Share
(c€)

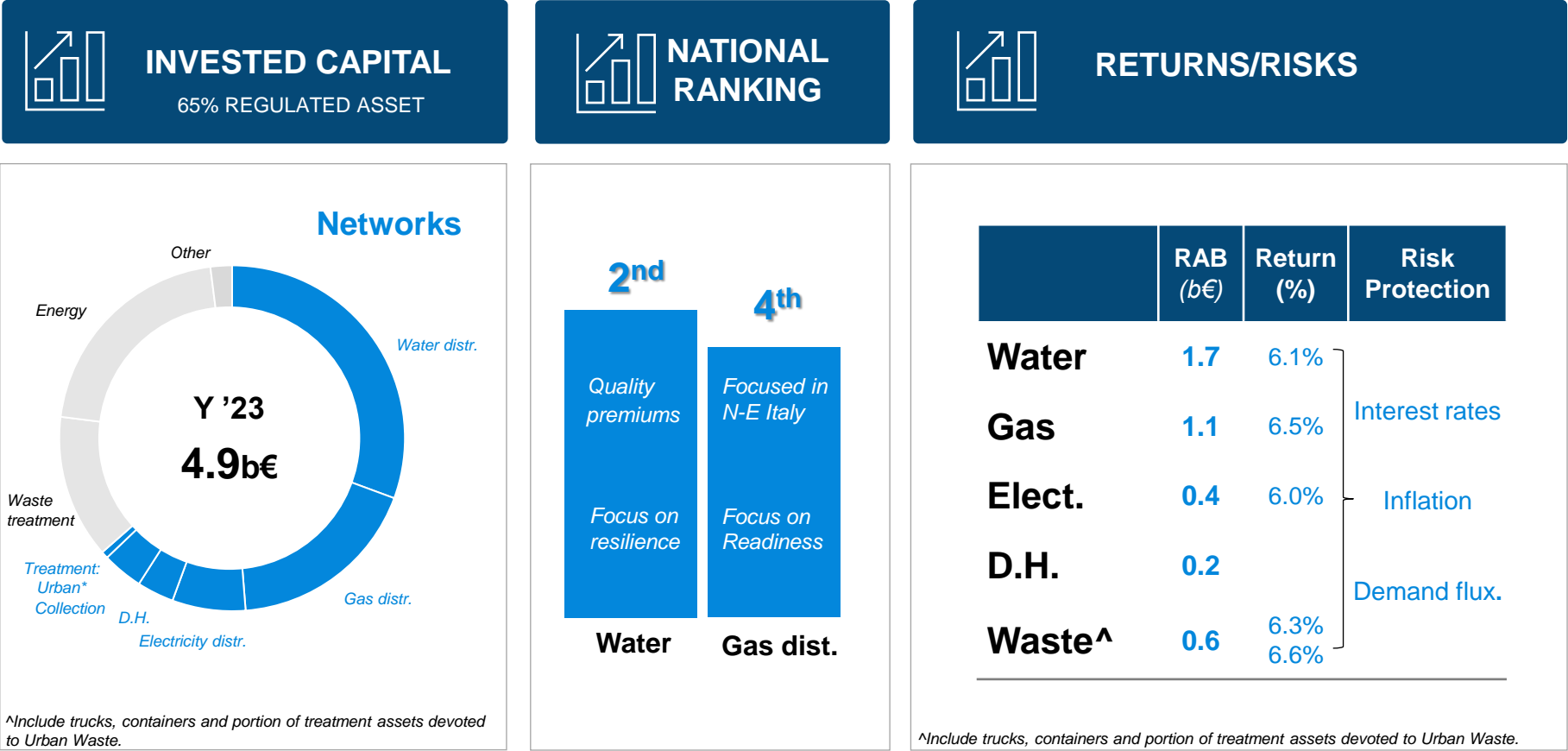


Net Debt/Ebitda
(x)



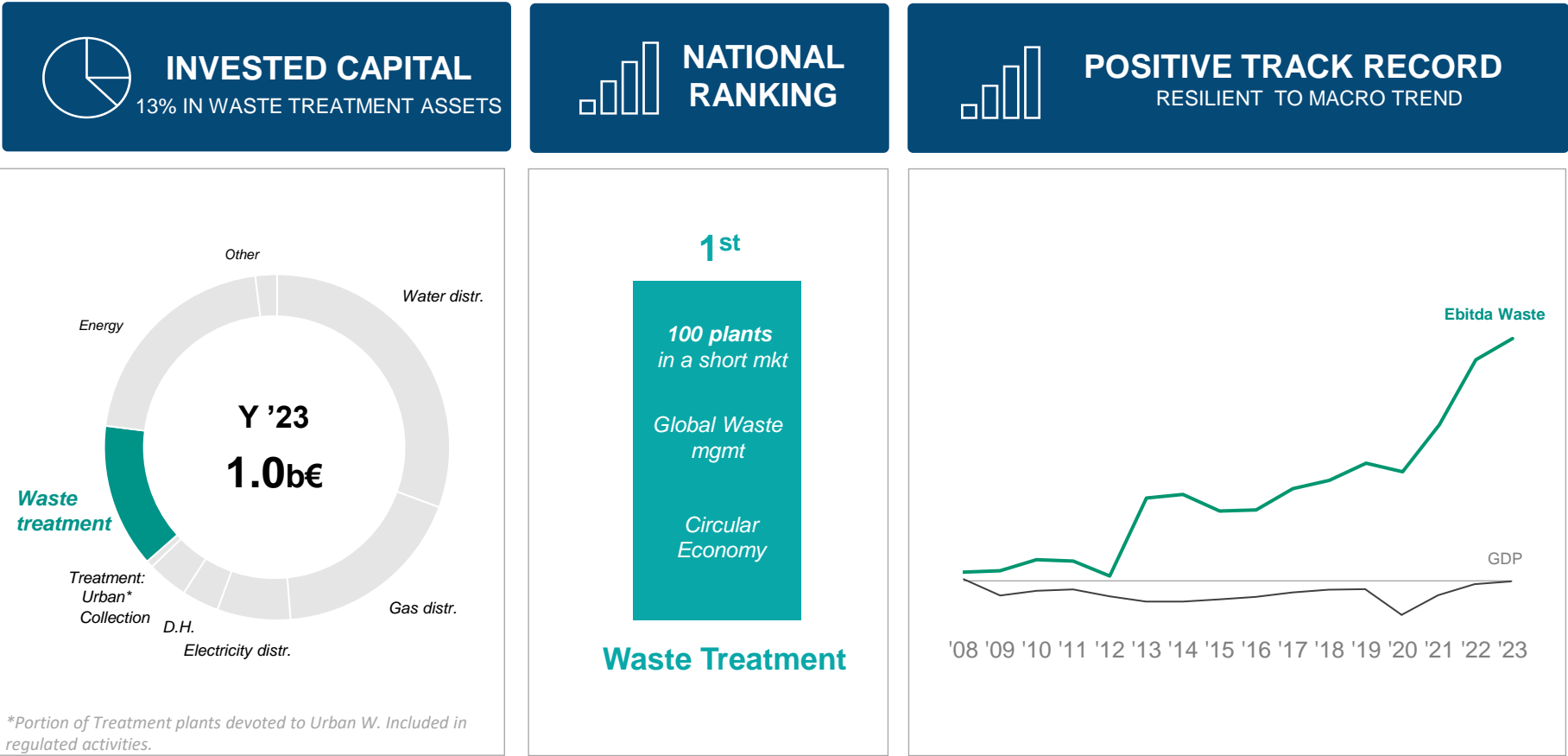
Sound and sustainable results underpin ever growing DPS

Hera's ID card: Networks



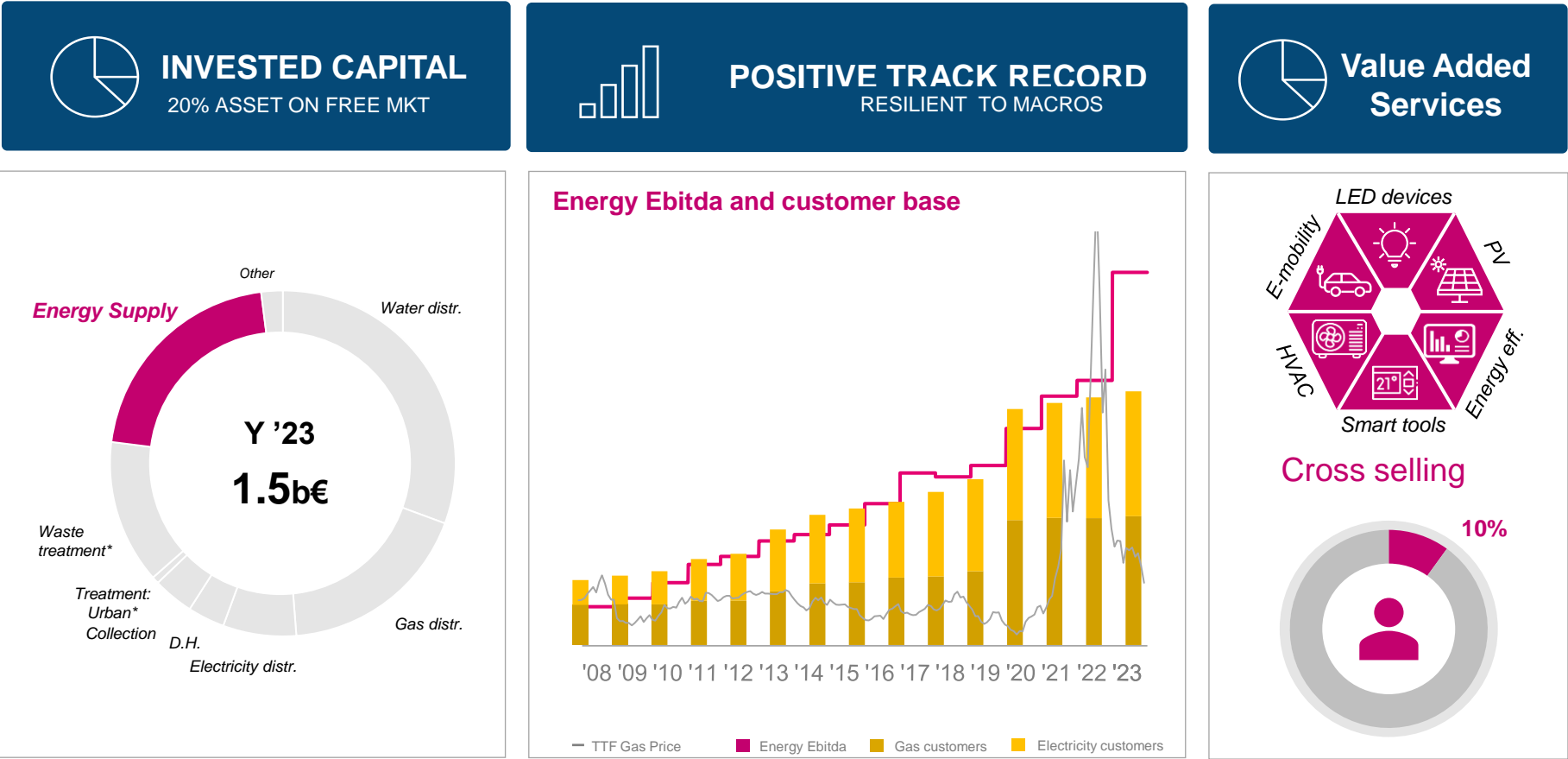
Top class infrastructures: high visibility on growing returns

Hera's ID card: Waste



Growth at increasing returns with negligible competition risk

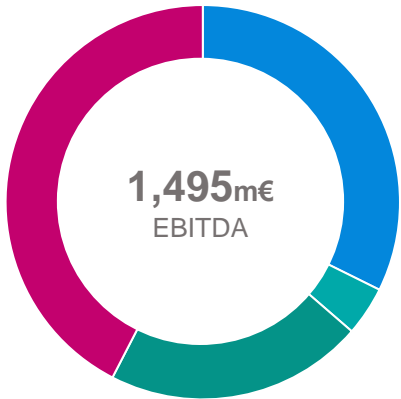
Hera's ID card: Energy



1.1 mln Maggior Tutela customers awarded

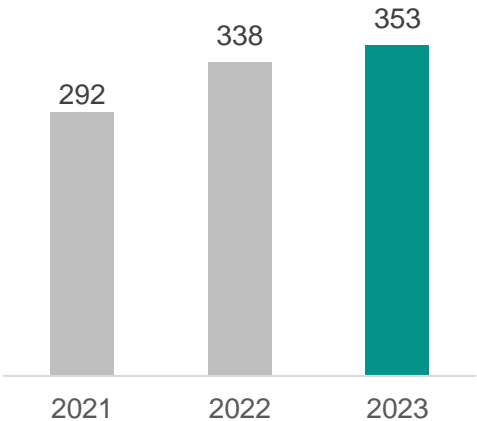
Balanced portfolio

2023 Portfolio

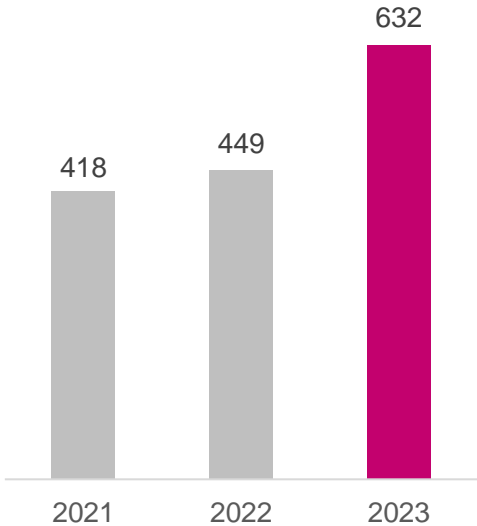


NETWORK WASTE TREATMENT WASTE COLLECTION ENERGY

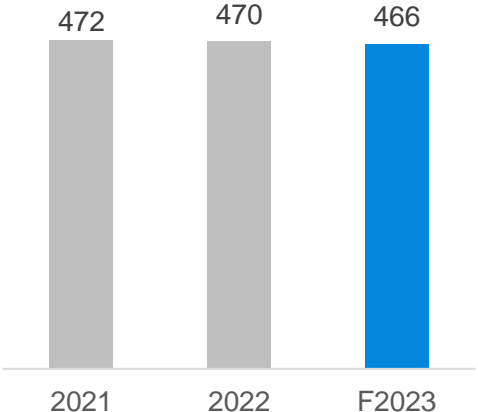
Waste
(m€)



Energy Supply
(m€)



Networks
(m€)



All business posting **good** results

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.