

HERA GROUP | Analyst's comments on FY 2024 financial results

INSTITUTE	COMMENT	EN
BANCA AKROS	"The company's results were good and above our estimates (2% and 3% respectively for Ebitda and Net profit) while the leverage was lower (2.5x net debt/Ebitda vs. 2.6x "reported" in the preliminary results). The company's leverage is sizeably lower than the Italian sector's average (~2.9x excluding fully regulated players). We revised upwards our 2025-2028 EPS estimates (up 3% on average) and, after the model roll-over, we increased our target price to € 4.2. Accumulate confirmed."	
BANCA INTESA SANPAOLO	"Hera's delivery in 2024 was solid, with operations coming in above the preliminary indications and marginally outpacing our consensus view in 4Q/FY. Results at the bottom-line level were aligned to our estimates on an adjusted basis, mainly due to higher provisions accounted in 4Q, which nonetheless decreased yoy. In view of 2024 results and following conference call messages, we think consensus in 2025 could move up at a low single digit."	
EQUITA SIM	"FY2024 results were slightly better than expectations and the preliminary figures announced at the end of January (along with the new 2024-2028 Business Plan), mainly driven by the gas business. The DPS was confirmed at 15 cents (yield <4%), in line with the Business Plan's guidance. The call's indications are broadly consistent with the company's statements during the presentation of the 2028 Plan. We confirm our recommendation and target price at €3.70."	
INTERMONTE	"Following 4Q24 results, we are raising our 2025-2026 Ebitda estimates by 1.5% on average and EPS by 3.5%. We continue to believe that the Group is very well placed to benefit from its leadership in the Waste business and further growth in its retail customer base. Moreover, Hera's financial flexibility (over 1.0 bn€) enables it to continue to seize growth opportunities in its core markets, which are still highly fragmented. We move our recommendation to neutral. Thanks to the change in estimates (including a lower Net debt) our target price moves from €4.00 to €4.20."	
KEPLER CHEUVREUX	"The full results for 2024 were positive, compared with the preliminary release in January. We highlight the strong FCF generation and the lower debt. As usual, management has not provided guidance for the current year. Executive Chairman said that 2025 had started well and the lower profitability of the Gradual Protection Service customers will be more than offset by growth in the other businesses. The stock is trading at appealing multiples (<7x EV/EBITDA 2025/26E and c. 12x P/E), given its high quality and low volatility in terms of EPS growth. We confirm our Buy rating and slightly increase our SOP-based target price from €4.30 to €4.40."	
MEDIOBANCA	"'24 numbers, +2% ahead our numbers and consensus, showed the solidity of Hera's business model, exposed to secular trends thanks to its leading position in Waste & Water segments. Reported Net Income included a capital gain of 48 m€ from the anticipated exercise of put option by Ascopiave on EstEnergy. Net Debt at 4.0 bn€ and corresponded to 2.5x Net Debt to EBITDA ratio, better than latest guidance of 2.6x, offers the company ample financial opportunities. We fine-tune our estimates to include the final '24 numbers, with a negligible c1% impact in our estimates. We maintain our € 4.50 target price and our Outperform recommendation unchanged."	