

CREDIT OPINION

13 May 2026

Update

Send Your Feedback

RATINGS

Hera S.p.A.

Domicile	Bologna, Italy
Long Term Rating	Baa1
Type	LT Issuer Rating - Dom Curr
Outlook	Stable

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Federica Carollo +39.02.9148.1999
AVP-Analyst
federica.carollo@moodys.com

Pietro Mase +39.02.9148.1986
Sr Ratings Associate
pietro.mase@moodys.com

Paul Marty +33.1.5330.3371
Associate Managing Director
paul.marty@moodys.com

Hera S.p.A.

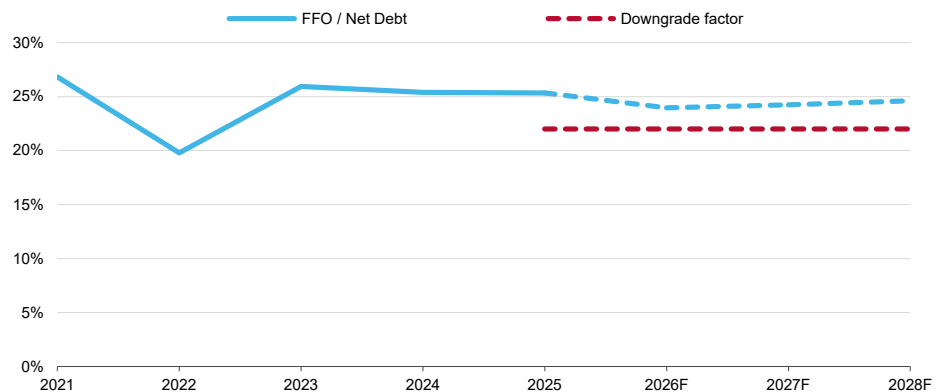
Update to credit analysis

Summary

The credit profile of [Hera S.p.A.](#) (Baa1 stable) is supported by the company's diversified business mix; its portfolio of low-risk domestic fully regulated activities (38% of EBITDA in 2025) with limited price and volume exposure, underpinned by supportive and transparent regulatory frameworks; the contribution from quasi-regulated activities (6% of EBITDA in 2025), which support cash flow stability; the company's strategy of growth through small and medium-sized acquisitions mainly funded through share exchanges; and its solid liquidity and financial profiles.

These positives are balanced by Hera's exposure to the macroeconomic cycle and competitive pressure through its electricity and gas supply businesses and waste treatment (around 56% of EBITDA in 2025); and the exposure, although limited, of Hera's power generation (less than 1% of EBITDA in 2025) and waste businesses to volatile power prices in Italy.

Exhibit 1
Hera's key credit metrics will remain solid in 2026-28



All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology.

Moody's forecasts are Moody's opinion and do not represent the views of the issuer.

Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Credit strengths

- » Diversified business mix including a portfolio of low-risk domestic regulated networks, with limited price and volume exposure
- » Contribution from quasi-regulated activities, which supports cash flow stability
- » Credit-friendly strategy of external growth based on small and medium-sized acquisitions funded through share exchanges
- » Solid financial and liquidity profiles

Credit challenges

- » Exposure of unregulated and waste businesses to the cyclical macroeconomic environment and volatile power prices
- » Potential increase in competitive pressure resulting from retail energy supply market liberalisation in Italy

Rating outlook

The stable outlook takes into consideration the company's solid operating performance and financial profile, and our expectation that it will maintain financial metrics consistent with the guidance for a Baa1 rating.

Factors that could lead to an upgrade

An upgrade of Hera's ratings would be conditional upon an upgrade of the Italian sovereign rating. Any potential upgrade would also be contingent upon Hera reporting funds from operations (FFO)/net debt in the high-20s in percentage terms, coupled with good liquidity.

Factors that could lead to a downgrade

Hera's ratings could be downgraded following a downgrade of the Italian sovereign rating; a weakening of its financial ratios, including FFO/net debt below the low-20s in percentage terms; or a deterioration in Hera's business risk profile as a result of its growth strategy, with no offsetting strengthening in its credit metrics.

Key indicators

Exhibit 2

Hera S.p.A.

(in € millions)	2021	2022	2023	2024	2025	2026F	2027F	2028F
(FFO + Interest Expense) / Interest Expense	13.0x	11.2x	8.7x	9.6x	8.6x	8.0x - 9.0x	8.0x - 9.0x	7.5x - 8.5x
FFO / Net Debt	26.8%	19.8%	25.9%	25.4%	25.3%	23.0% - 25.0%	23.0% - 25.0%	23.5% - 25.5%
RCF / Net Debt	21.1%	14.9%	20.1%	19.5%	18.9%	17.0% - 19.0%	17.5% - 19.5%	17.5% - 19.5%

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology.

Moody's forecasts are Moody's opinion and do not represent the views of the issuer.

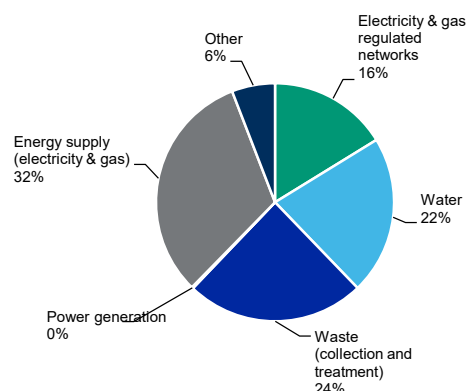
Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Profile

Hera S.p.A. is one of the largest multi-utilities in Italy. About 46% of the company's share capital is held by 110 municipalities, the largest of which is the City of Bologna (with a stake of around 8%). Hera has a strong territorial presence in the region of Emilia Romagna and more generally in the northeast of Italy. The company has a diversified and vertically integrated portfolio of public utility services, including regulated water and energy networks, waste collection and treatment, energy from waste generation, gas and electricity retail sales, as well as ancillary activities such as district heating and public lighting. In 2025, Hera reported consolidated revenue of €13.0 billion and EBITDA of €1.5 billion.

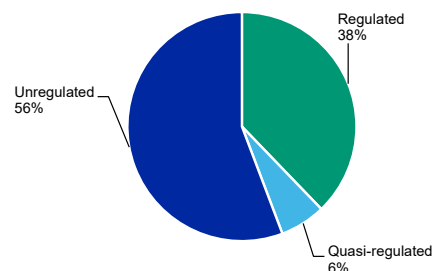
This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody.com> for the most updated credit rating action information and rating history.

Exhibit 3
Hera's EBITDA breakdown (2025)



Source: Company

Exhibit 4
Hera's EBITDA breakdown between regulated and unregulated activities (2025)



Regulated activities include integrated water services, and gas and electricity networks. Quasi-regulated covers public lighting, waste collection and district heating.

Source: Moody's

Detailed credit considerations

Increasingly established regulatory framework for integrated water activities supports earnings stability

Water distribution activities accounted for 22% of Hera's consolidated EBITDA in 2025. These activities benefit from a regulatory framework (Metodo Tariffario Idrico [MTI]) set by Autorità di Regolazione per Energia Reti e Ambiente (ARERA), which is similar to the well-established regulations that ARERA applies to Italy's electricity and gas networks (see below).

The regulatory framework for Italian integrated water service providers is stable and transparent, and continues to support the predictability of Hera's revenue and cash flow. The fourth regulatory period (MTI-4) for water distribution activities spans 2024-29, increasing the duration to six from four years. However, MTI-4 also includes a periodic review every two years to update the allowed return and revise allowances for noncontrollable costs incurred by operators. In line with previous regulatory periods, tariffs allow for the full recovery of efficient operating expenses and provide a return on the capital invested or regulated asset base (RAB). In December 2025, ARERA published resolution 582/2025/R/idr, which updates the water system tariff for 2026-27. The update confirms the general framework and methodology to calculate revenue, while setting the allowed return on the RAB for water networks at 6.08%, broadly in line with the previous 6.13%.

Separately¹, to improve the technical quality of the service provided and enhance the resilience of water systems, ARERA confirmed the incentives introduced in the previous regulatory period, extended to include further objectives and parameters, and introduced new incentives. These allocate bonuses or penalties to the water operators based on their ability to achieve specific and general standards. For Hera, the bonuses and penalties applicable based on the technical standards achieved corresponded to a €16 million bonus, for 2020-21 and to a €15 million bonus for 2022-23. Given Hera's track record of efficient management of operations and high technical quality standards, we expect the company to continue to benefit from these incentives.

Regulated energy networks also offer cash flow visibility in the context of a well-tested regulatory framework

Hera's electricity and gas distribution networks accounted for 16% of its consolidated EBITDA in 2025. Energy network activities benefit from a stable and transparent regulatory framework set by ARERA.

The fifth tariff cycle for gas distribution activities runs between 2020 and 2027, while the sixth regulatory period for electricity distribution networks covers 2024-27. The regulation for both gas and electricity grids ensures a good degree of cost recovery and adequate capital remuneration. Operating expenditure is subject to an efficiency parameter² (X-factor), and operators are incentivised to outperform regulatory efficiency assumptions because they can retain any additional efficiencies achieved.

Since January 2024, electricity distribution remuneration also reflects the new ROSS regulation (regulation for spending and service objectives) outlined in ARERA resolutions 163/2023 and 497/23³. The ROSS system introduced a total expenditure (totex) approach

for electricity grids, with the aim of improving investment decisions and overall system efficiency. Under the ROSS framework, instead of receiving incentives on costs and coverage of capital and operating spending, regulated activities are remunerated according to the benefits delivered to the Italian system, with greater leeway for regulated companies to deliver these benefits. In the first phase of the ROSS framework (ROSS-base), totex, equal to the sum of operating and capital spending, is split between fast money (recovered through tariffs within the year) and slow money (added to RAB), as defined by a capitalization rate based on the company's past and projected split between operating and capital spending. The X-factor defined by the regulator under the previous framework is substituted by operating efficiency incentives based on a sharing mechanism and defined on the basis of a regulatory menu chosen by the operator⁴. ARERA expects to move to the ROSS system for gas distribution activities as well.

In November 2024, ARERA decreased the allowed return on capital (weighted average cost of capital [WACC]) for energy distribution by 40 basis points (bps), to 5.6% from 6.0%, and for gas distribution by 60 bps, to 5.9% from 6.5%, effective from 1 January 2025 (see [Regulator decreases Italian gas and electricity networks' allowed returns](#), 5 December 2024). On 4 November 2025, ARERA confirmed the WACC level for 2026 because the update of the macroeconomic parameters led to a variation of less than the 30-bp trigger level. The WACC applicable in 2027 is set, but could be modified as a result of the trigger mechanism, based on the evolution of macroeconomic parameters in 2026.

Exhibit 5

Summary of regulatory frameworks applicable to Hera's energy and water distribution businesses

Regulatory body	Water distribution	Electricity distribution	Gas distribution
	ARERA	ARERA	ARERA
	Independent authority, 7-year mandate. 2/3 majority vote by Parliament required to appoint board members		
Start - End of regulatory period	MTI-4 2024-29 6-year period; with 2-years reviews	TIT-6 2024-27 ROSS 2024-31	RTDG-5 2020-27***
Tariff-setting framework	Price-cap with incentives	Totex	Cost-plus for capex. Price-cap for opex
Incentives	Incentives on quality of service provided (inc. environment sustainability)	Incentives on investments and quality of service provided	Incentives / penalties related to networks leakage
Volume exposure	No long term exposure given ex post volume correction	No long term exposure given ex post volume correction	No long term exposure given ex post volume correction
RAB calculation	Re-evalued historical cost: RAB adjusted for inflation annually	Re-evalued historical cost until totex introduction, then RAB increased by capitalisation rate x totex; annual inflation adjustment	Re-evalued historical cost: RAB adjusted for inflation annually
Allowed return on capital*	2024-25: 6.13% 2026-27: 6.08%	2025-27: 5.6%	2025-27: 5.9%
Time lag on investments/D&A	2 years (investments and D&A)	1 year on investments, 1 year on D&A (from 2025)	1 year
Total RAB (2024)	€1.94 billion	€0.45 billion	€1.18 billion

*Real pretax return for electricity and gas distribution. Water distribution's allowed return on capital is calculated as the sum of financial and fiscal remuneration, and includes a portion of tax components.

**Allowed return on investments developed from 2012 is increased by 100 bps.

***Originally running 2020-2025, and divided in two interim periods (2020-22 and 2023-25), subsequently extended to 2027.

Sources: Company, ARERA and Moody's Ratings

Hera strengthened its position in the energy supply segment, which exposes the company to price and volume risks

In 2025, 32% of Hera's consolidated EBITDA came from natural gas and electricity sales and trading. These activities have higher risk because they are exposed to volume and price fluctuations stemming from the cyclical macroeconomic environment and market competition.

In the gas segment, Hera has a significant presence, with around 2.6 billion cubic meters (bcm) of gas sold in 2025 (excluding Ascopiave) to retail, industrial and commercial customers and a total of 1.8 million clients served.

Hera has also a strong and growing presence in the electricity segment, with 16.3 terawatt hours (TWh) sold in 2025 to retail, industrial and commercial customers (2.5 million in total). While electricity supply activities remain smaller in size than those of gas supply, these activities represent a natural hedge against shifts in energy consumption.

Overall, Hera has grown to become the third-largest player in the Italian energy supply market, with 4.4 million customers as of December 2025. As a result of the electricity market liberalisation, Hera's customer base further expanded in July 2024, as ARERA awarded Hera roughly 1 million of customers that were previously in the enhanced protection market (EPM - Mercato di Maggior Tutela), based on a tender procedure. We expect these new additions to have a dilutive impact on margins until 2027 when these customers will switch to Hera's liberalised contracts. The liberalised business is exposed to volatile prices and volumes, mitigated by the very high share of variable price contracts. Hera continues to benefit from a resilient customer base, with the total unpaid ratio at around 1%.

Furthermore, around 3% of Hera's EBITDA in 2025 come from power generation activities and energy efficiency. The contribution of these activities is volatile but remains limited compared to the company's overall size.

Waste management is exposed to cyclical macroeconomic conditions, although the regulated nature of the domestic waste collection mitigates price risk

Hera's environmental activities (24% of consolidated EBITDA in 2025) are split between collection (4% of EBITDA), and treatment of urban and industrial volumes (20% of EBITDA). The company operates along the entire waste cycle with 94 plants used for municipal and special waste treatment, and plastic recycling.

Waste treatment activities expose the company to the cyclical macroeconomic environment and, to a lesser extent, volatile power prices in Italy through the electricity produced from its waste-to-energy (WTE) plants (around 0.9 TWh of electricity and 0.1 TWh of thermal energy generated in 2025). The company also relies on a solid urban waste collection base, which is a natural upstream contributor to waste treatment activities. This business is performed under concessions assigned by local authorities through tenders. Since the start of 2020, ARERA regulates waste collection activities, recognising regulatory operating expenses (with a two-year lag and applying an efficiency factor), and providing RAB remuneration based on the WACC. The mechanism aims to eliminate price exposure. However, the pricing impact of regulation is limited only to concessions awarded after ARERA's introduction of the concession scheme in December 2024⁵, concessions not awarded through tenders, or those that have expired. Since the start of the second regulatory period in 2022, the regulation has also applied to urban waste treatment, although it does not apply to non-integrated operators that manage nonessential treatment plants (impianti aggiuntivi).

ARERA's regulatory framework for waste activities enhances predictability

Waste collection activities have been regulated since 2019, when ARERA approved the first waste tariff method (MTR-1) for the period 2018-21⁶. The regulation implemented principles similar to those applied to more established regulated activities such as energy networks and water services. For the second regulatory period (MTR-2) covering 2022-25⁷, the regulator confirmed the general framework of MTR-1, extending its application to urban waste treatment plants. In August 2022⁸, ARERA set the RAB remuneration for 2022-23 at 5.6% for integrated waste management services and 6.0% for waste treatment activities. In January 2024⁹, ARERA increased the WACC applied for 2024-25 at 6.3% for waste collection and 6.6% for waste treatment services.

In August 2025, ARERA approved¹⁰ the framework for the third regulatory period (MTR-3) covering 2026-29. MTR-3 confirmed the general framework while introducing updates to improve service quality through incentives. The tariff system includes a RAB-based remuneration and the recognition of regulatory operating expense. Annual tariff increases are subject to a cap, which is a function of inflation, quality parameters and an efficiency factor. MTR-3 also promotes cost efficiency by improved benchmarking and efficiency sharing, and strengthens the regulation of access tariffs for urban waste treatment plants. ARERA set¹¹ the WACC applicable in 2026-27 at 6.1% for treatment and 5.9% for collection, declining by 50 and 40 bps respectively from 2025 values.

ARERA's actions to provide regulatory stability and promote efficiency in managing the waste cycle services are credit positive. The regulation increases the predictability of Hera's waste earnings by decreasing its exposure to price risk for part of the business.

The fragmented and structurally undersupplied waste treatment market in Italy underpins Hera's potential to strengthen its market leadership and gradually increase market share. This is largely driven by the expansion of proprietary treatment capacity through investments in plants, products and equipment, which enhances vertical integration and operational control. Over recent years, this organic development has been complemented by selective small and medium-sized acquisitions, supporting scale expansion and earnings growth in the waste segment.

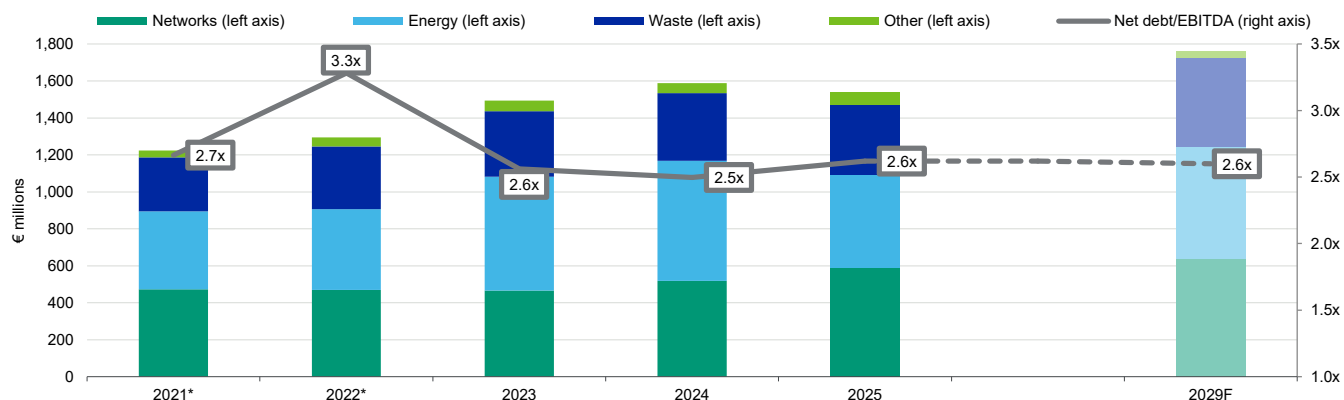
Hera's 2025-29 business plan leaves business risk broadly unchanged and supports financial flexibility

In January 2026, Hera updated its five-year (2025-29) business plan, targeting EBITDA of €1.8 billion by 2029, implying an increase of around 15% from 2025, underpinned by €5.1 billion of investments through 2029 (€500 million higher than the previous 2023-27 plan). Around 45% of the total planned investments are earmarked for maintenance, while the rest focuses on organic development, in large part directed towards regulated activities (50% of the development capex, excluding waste collection and district heating). The company also plans to invest around €400 million in M&A.

The key levers that management expects to help Hera achieve EBITDA of €1.8 billion by 2029 (versus €1.5 billion as of December 2025) are organic growth, efficiencies and positive dynamics in the waste treatment segment. Investment in energy and water networks will increase the total RAB by around 30% to approximately €4.7 billion by 2029, from around €3.6 billion in 2024. Furthermore, efficiencies could be achieved through predictive network maintenance, digitalisation of operations and a reduction in the cost to serve energy customers. Investments in capacity expansions, bolt-on acquisitions and Hera's leading position in recycling, treatment and soil remediation and treatment will drive an increase in EBITDA from waste activities at a structural CAGR of around 8% through 2029.

We expect the share of Hera's EBITDA generated from fully regulated activities to remain broadly stable over the plan horizon, with an average EBITDA contribution between 35% and 40% until 2029.

Exhibit 6

Hera's 2025-29 business plan: planned EBITDA growth and reported net debt/EBITDA evolution

The evolution of leverage is calculated as reported net debt/EBITDA including the put option related to the Ascopiave deal starting from 2021.

*2021 and 2022 EBITDA do not include adjustment for a temporary accounting difference in gas stock valuation.

Sources: Company and Moody's Ratings

Despite high capex, Hera targets net debt/EBITDA to remain broadly stable at around 2.6x by 2029, supported by strong operating cash flow generation and disciplined financial policy.

Stable credit metrics support the credit profile

In 2025, Hera reported an EBITDA of €1.5 billion, decreased by 3% compared to 2024, mainly because of the end of contribution of temporary opportunities in the last resort market, partially counterbalanced by the strong performance of networks and waste segments. In December 2025, company's reported leverage stood at 2.57x, broadly in line with that in December 2024.

Over 2026-28, we expect annual capital spending (net of grants) of around €1.0 billion, around 13% higher than the average €0.9 billion spent over 2023-25, to be financed by a combination of internally generated cash flow and external funding. We expect the company to maintain Moody's-adjusted FFO/net debt in the range of 23.0%-25.0% and RCF/net debt in the range of 17.0%-19.5% over 2026-28.

Consolidation strategy is creditor friendly

The high degree of voting rights fragmentation, resulting from Hera's ownership by more than 100 local municipalities, has historically prevented any major shareholder interference in the company's corporate strategy. This ownership structure has favoured the execution of a balanced financial policy over the years, based on growth through small and medium-sized acquisitions mainly financed through share exchanges and ensured the company's stable dividend policy. Hera's strategy of external growth has created a solid track record of synergy extraction from the acquired entities, which positions the company well to achieve additional synergies in future.

Hera is exposed to the sovereign and macroeconomic environment in Italy

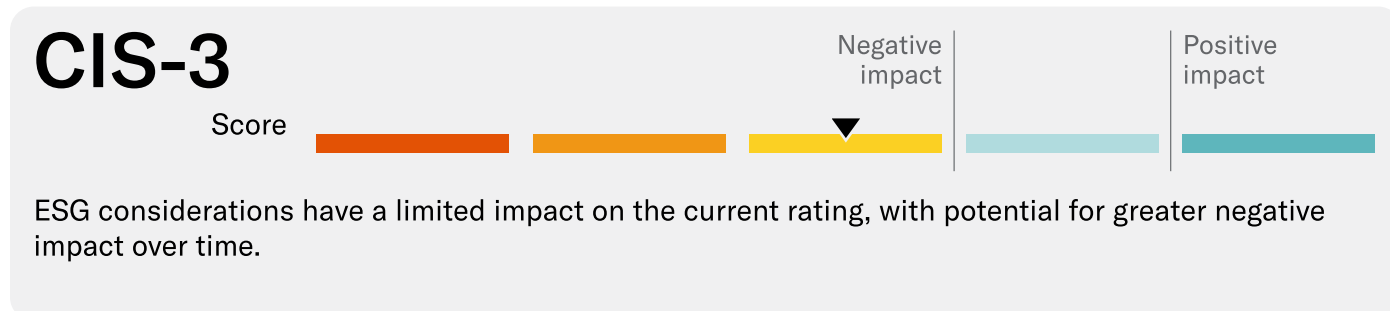
Hera's rating is positioned one notch above that of Italy because of the company's limited reliance on domestic funding sources, resilience to economic cycles and our expectation that government interference will not hurt Hera's cash flow significantly (see Assessing the Impact of Sovereign Credit Quality on Other Ratings).

ESG considerations

Hera S.p.A.'s ESG credit impact score is CIS-3

Exhibit 7

ESG credit impact score



Source: Moody's Ratings

Hera's **CIS-3** indicates that ESG considerations have a limited impact on the current credit rating with potential for greater negative impact over time. This primarily reflects moderately negative exposure to environmental and social risk and neutral-to-low governance risk.

Exhibit 8

ESG issuer profile scores



Source: Moody's Ratings

Environmental

Hera's environmental risk is **E-3**, reflecting the exposure of the company's distribution assets to physical climate risks (e.g. water stress). Carbon transition risk is low to neutral because of the low share of consolidated EBITDA from power generation activities. In addition, the group has neutral to low risk exposure from water management, waste & pollution and natural capital risks.

Social

We assess Hera's social risk **E-3**, reflecting its exposure to the risk that public concern over environmental, social or affordability issues could lead to adverse regulatory or political intervention, similar to other regulated network operators. We view risks associated with health and safety, human capital and customer relationships as neutral to low.

Governance

Hera's governance risk is **G-2** because of the track record of sound financial and liquidity management as well as the consistent achievement of synergies from consolidation activities. In addition, the assessment reflects management credibility and low to neutral exposure to organization structure risks.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moody's.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

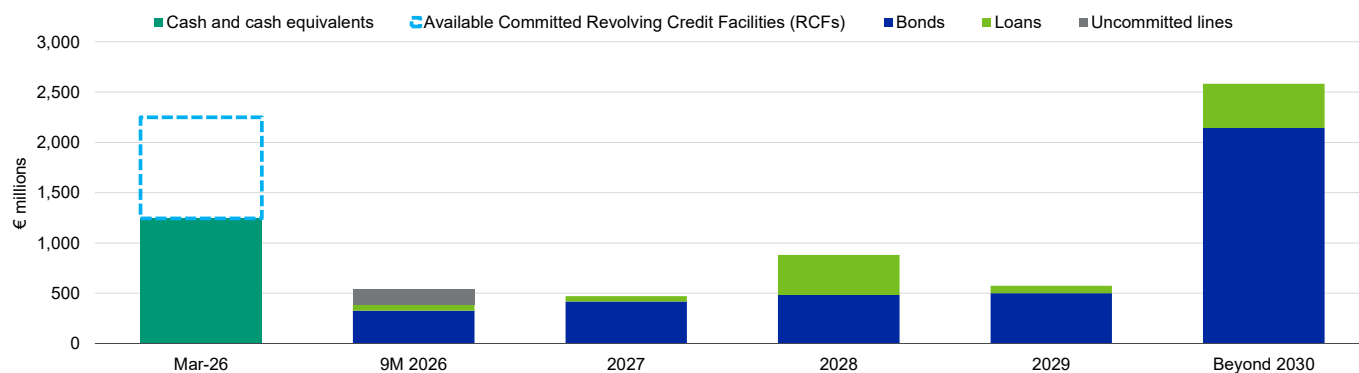
Liquidity analysis

As of March 2026, Hera had good liquidity, backed by around €1.2 billion of cash and cash equivalents and €1.0 billion of undrawn committed credit lines, most of which expire after 2026. These lines benefit from the absence of any financial covenant and material adverse change clauses. We expect Hera's cash, available committed lines and internal cash flow generation to be sufficient to cover its liquidity needs until year-end 2027 (including working capital, debt repayments, investments and dividends).

As of March 2026, Hera's reported gross financial debt was around €5.0 billion, with an average maturity of roughly 5.0 years.

Exhibit 9

Hera's reported debt maturity profile As of December 2025



Source: Company

Methodology and scorecard

When assessing Hera's Baseline Credit Assessment (BCA), we apply our Unregulated Utilities and Power Companies rating methodology.

Given its public shareholder base, Hera also falls within the scope of our Government-Related Issuers rating methodology. However, the rating does not incorporate currently any uplift from Hera's baa1 BCA, based on our assessment of low support and moderate dependence.

Exhibit 10

Hera S.p.A.

Unregulated Utilities and Power Companies Industry Scorecard [1][2]	Current Dec 2025		Moody's 12-18 Month Forward View [3]	
	Measure	Score	Measure	Score
Factor 1: Scale (10%)				
a) Total Assets (USD Billion)	16.6	Baa	16.0 - 18.0	Baa
Factor 2: Business Profile (35%)				
a) Market Diversification	Ba	Ba	Ba	Ba
b) Cash Flow Stability	A	A	A	A
Factor 3: Leverage And Coverage (40%)				
a) (FFO + Interest Expense) / Interest Expense	8.6x	A	8.0x - 9.0x	A
b) FFO / Net Debt	25.3%	Baa	23.0% - 25.0%	Baa
c) RCF / Net Debt	18.9%	Baa	17.0% - 19.5%	Baa
Factor 4: Financial Policy (15%)				
a) Financial Policy	Baa	Baa	Baa	Baa
Ratings				
Preliminary Outcome		Baa2		Baa2
Construction, Development and Capital Program Risk		0		0
a) Scorecard-Indicated Outcome		Baa2		Baa2
b) Actual Rating Assigned				Baa1
Government Related Issuers				
a) Baseline Credit Assessment		baa1		
b) Government Local Currency Rating		Baa2		
c) Default Dependence		Moderate		
d) Support		Low		
e) Actual Rating Assigned		Baa1		

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

[2] As of December 31, 2025

[3] This represents Moody's Forward View; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures

Source: Moody's Financial Metrics™; Moody's Projections

Appendix

Exhibit 11

Peer comparison

Hera S.p.A.

(in € millions)	Hera S.p.A.			A2A S.p.A.			ACEA S.p.A.			LTM
	Baa1 Stable			Baa2 Stable			Baa1 Stable			
	FY Dec-23	FY Dec-24	FY Dec-25	FY Dec-23	FY Dec-24	FY Dec-25	FY Dec-23	FY Dec-24	FY Dec-25	
Revenue	15,331	12,890	12,812	14,492	12,570	13,739	4,410	4,050	4,076	
EBITDA	1,337	1,436	1,449	1,879	2,307	2,257	1,244	1,351	1,415	
Total Assets	15,080	15,061	14,130	18,798	19,983	21,380	11,787	12,226	12,482	
Total Debt	5,424	5,503	5,076	6,455	7,738	7,717	5,760	5,716	5,958	
Net Debt	4,091	4,187	4,231	5,016	6,527	5,854	5,400	5,202	5,625	
FFO / Net Debt	25.9%	25.3%	25.3%	28.6%	26.4%	28.8%	18.0%	20.2%	20.3%	
RCF / Net Debt	20.1%	19.4%	18.9%	22.5%	21.5%	22.8%	15.3%	17.4%	17.5%	
(FFO + Interest Expense) / Interest Expense	8.7x	9.3x	8.6x	8.1x	9.3x	8.5x	8.0x	8.2x	9.2x	
Debt / Book Capitalization	58.1%	57.1%	52.7%	57.3%	57.5%	55.7%	67.1%	66.5%	67.2%	

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months. Hera's and ACEA's figures and ratios do not include the adjustment related to the companies' securitisation of receivables, given the lack of publicly available data.

Source: Moody's Financial Metrics™

Exhibit 12

Moody's-adjusted net debt reconciliation

Hera S.p.A.

(in € millions)	2021	2022	2023	2024	2025
As reported debt	4,170.0	6,336.4	5,347.9	5,432.2	5,011.5
Pensions	93.7	79.4	75.8	70.3	64.8
Moody's-adjusted debt	4,263.7	6,415.8	5,423.7	5,502.5	5,076.3
Cash & Cash Equivalents	(885.6)	(1,942.4)	(1,332.8)	(1,315.6)	(845.3)
Moody's-adjusted net debt	3,378.1	4,473.4	4,090.9	4,186.9	4,231.0

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology.

All figures and ratios shown do not include the adjustment related to Hera's securitisation of receivables because the company does not disclose such amounts.

Source: Moody's Financial Metrics™

Exhibit 13

Moody's-adjusted funds from operations reconciliation

Hera S.p.A.

(in € millions)	2021	2022	2023	2024	2025
As reported funds from operations (FFO)	997.6	963.3	1,343.5	1,188.7	1,203.8
Alignment FFO	2.9	55.6	(124.2)	(5.5)	(32.3)
Non-Standard Adjustments	(94.4)	(133.9)	(158.0)	(122.9)	(99.4)
Moody's-adjusted funds from operations (FFO)	906.1	885.0	1,061.3	1,060.3	1,072.1

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology.

Source: Moody's Financial Metrics™

Exhibit 14

Overview of select historical Moody's-adjusted financial data

Hera S.p.A.

(in € millions)	2021	2022	2023	2024	2025
INCOME STATEMENT					
Revenue	10,555	20,082	15,331	12,890	12,812
EBITDA	970	991	1,337	1,436	1,449
EBIT	500	512	811	873	857
Interest Expense	75	87	138	127	142
Net income	347	268	454	502	468
BALANCE SHEET					
Net Property Plant and Equipment	2,041	2,067	2,148	2,243	2,413
Total Assets	14,032	17,119	15,080	15,061	14,130
Total Debt	4,264	6,416	5,424	5,503	5,076
Cash & Cash Equivalents	886	1,942	1,333	1,316	845
Net Debt	3,378	4,473	4,091	4,187	4,231
Total Liabilities	10,831	13,720	11,642	11,381	10,049
CASH FLOW					
Funds from Operations (FFO)	906	885	1,061	1,060	1,072
Cash Flow From Operations (CFO)	1,045	36	1,573	853	1,225
Dividends	193	220	239	249	274
Retained Cash Flow (RCF)	713	666	822	812	798
Capital Expenditures	(611)	(753)	(838)	(881)	(1,052)
Free Cash Flow (FCF)	241	(937)	495	(277)	(102)
INTEREST COVERAGE					
(FFO + Interest Expense) / Interest Expense	13.0x	11.2x	8.7x	9.3x	8.6x
LEVERAGE					
FFO / Net Debt	26.8%	19.8%	25.9%	25.3%	25.3%
RCF / Net Debt	21.1%	14.9%	20.1%	19.4%	18.9%
Debt / EBITDA	4.4x	6.5x	4.1x	3.8x	3.5x
Net Debt / EBITDA	3.5x	4.5x	3.1x	2.9x	2.9x

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology.

All figures and ratios shown do not include the adjustment related to Hera's securitisation of receivables because the company does not disclose such amounts.

Source: Moody's Financial Metrics™

Ratings

Exhibit 15

Category	Moody's Rating
HERA S.P.A.	
Outlook	Stable
Issuer Rating -Dom Curr	Baa1
Senior Unsecured -Dom Curr	Baa1

Source: Moody's Ratings

Moody's related publications

» [Regulator decreases Italian gas and electricity networks' allowed returns](#), December 2025

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

Endnotes

- [1](#) With resolution 637/2023/R/id of December 2023.
- [2](#) For gas distribution, this parameter is set at 2.74% until 2025, dropping to 0 in 2026-27. For electricity distribution, the X-factor ranges between 0 and 0.5%.
- [3](#) ARERA resolutions 163/2023 and 497/2023 outline the general principles applicable over 2024-31 for all affected infrastructure sectors, as well as the determinations to be applied during the first phase of ROSS.
- [4](#) From 2024, the X-factor equals to 0.5% under the high-potential incentive scheme and 0 under the low-potential incentive scheme; it was set at 1.3% for 2020-23.
- [5](#) Resolution 596/2024/R/rif.
- [6](#) With resolution 443/2019/R/rif of 31 October 2019.
- [7](#) Approved with resolution 363/2021/R/rif.
- [8](#) Resolution 68/2022/R/rif.
- [9](#) Resolution 7/2024/R/rif.
- [10](#) With resolution 397/2025/R/rif.
- [11](#) With resolution 480/2025/R/rif.

© 2026 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved. CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED OR OTHERWISE MADE AVAILABLE BY MOODY'S (COLLECTIVELY, "MATERIALS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S MATERIALS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S MATERIALS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT CONSTITUTE OR PROVIDE LEGAL, COMPLIANCE, INVESTMENT, FINANCIAL OR OTHER PROFESSIONAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES OR OTHERWISE MAKES AVAILABLE ITS MATERIALS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND MATERIALS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR MATERIALS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. FOR CLARITY, NO INFORMATION CONTAINED HEREIN MAY BE USED TO DEVELOP, IMPROVE, TRAIN OR RETRAIN ANY SOFTWARE PROGRAM OR DATABASE, INCLUDING, BUT NOT LIMITED TO, FOR ANY ARTIFICIAL INTELLIGENCE, MACHINE LEARNING OR NATURAL LANGUAGE PROCESSING SOFTWARE, ALGORITHM, METHODOLOGY AND/OR MODEL.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating or assessment is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the credit rating or assessment process or in preparing its Materials.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating or assessment assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it. MCO and all MCO entities that issue ratings under the "Moody's Ratings" brand name ("Moody's Ratings"), also maintain policies and procedures to address the independence of Moody's Ratings' credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service, Inc. and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at ir.moody.com under the heading "Investor Relations — Corporate Governance — Charter and Governance Documents - Director and Shareholder Affiliation Policy."

Moody's SF Japan K.K., Moody's Local AR Agente de Calificación de Riesgo S.A., Moody's Local BR Agência de Classificação de Risco LTDA, Moody's Local MX S.A. de C.V., I.C.V., Moody's Local PE Clasificadora de Riesgo S.A., Moody's Local PA Clasificadora de Riesgo S.A., Moody's Local CR Clasificadora de Riesgo S.A., Moody's Local ES S.A. de CV Clasificadora de Riesgo, Moody's Local RD Sociedad Clasificadora de Riesgo S.R.L. and Moody's Local GT S.A. (collectively, the "Moody's Non-NRSRO CRAs") are all indirectly wholly-owned credit rating agency subsidiaries of MCO. None of the Moody's Non-NRSRO CRAs is a Nationally Recognized Statistical Rating Organization.

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657 AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for India only: Moody's credit ratings, Assessments, other opinions and Materials are not intended to be and shall not be relied upon or used by any users located in India in relation to securities listed or proposed to be listed on Indian stock exchanges.

Additional terms with respect to Second Party Opinions and Net Zero Assessments (as defined in Moody's Ratings Rating Symbols and Definitions): Please note that neither a Second Party Opinion ("SPO") nor a Net Zero Assessment ("NZA") is a "credit rating". The issuance of SPOs and NZAs is not a regulated activity in many jurisdictions, including Singapore. EU: In the European Union, each of Moody's Deutschland GmbH and Moody's France SAS provide services as an external reviewer in accordance with the applicable requirements of the EU Green Bond Regulation. JAPAN: In Japan, development and provision of SPOs and NZAs fall under the category of "Ancillary Businesses", not "Credit Rating Business", and are not subject to the regulations applicable to "Credit Rating Business" under the Financial Instruments and Exchange Act of Japan and its relevant regulation. PRC: Any SPO: (1) does not constitute a PRC Green Bond Assessment as defined under any relevant PRC laws or regulations; (2) cannot be included in any registration statement, offering circular, prospectus or any other documents submitted to the PRC regulatory authorities or otherwise used to satisfy any PRC regulatory disclosure requirement; and (3) cannot be used

within the PRC for any regulatory purpose or for any other purpose which is not permitted under relevant PRC laws or regulations. For the purposes of this disclaimer, "PRC" refers to the mainland of the People's Republic of China, excluding Hong Kong, Macau and Taiwan.

REPORT NUMBER 1482657