



# ESG world Gold class\*

## Y2020 Financial results



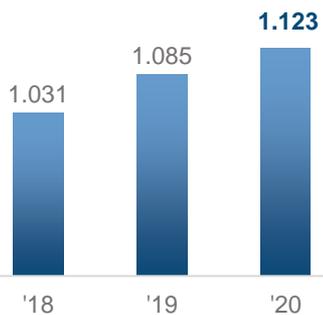
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\* According to the 2021 Yearbook of S&P Global

# At a glance

EBITDA  
(m€)



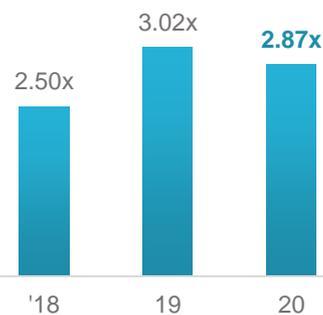
**+3.5%** '20 vs '19

EPS  
(c€)



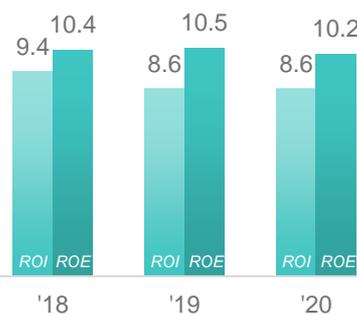
**+1.0%** '20 vs '19

NET DEBT / EBITDA  
(x)



**(4.8%)** '20 vs '19

ROI and ROE  
(%)



**Positive value creation**

## Rock solid results outperforming expectations

# 2020 focused on all usual value drivers

## EXTERNAL GROWTH



### MERGERS

**Est Energy** (12 months)  
**Pistoia Ambiente** (6 months)

### PARTNERSHIPS

**SNAM, Eni and NextChem**  
**MOU** signed to develop future  
business plan projects  
Extended network of partnership  
for **H2 development**

## EFFICIENCIES



### SCALE / DIGITALIZATION

Efficiencies and savings from  
innovation and widespread in-  
sourcing across business  
portfolio

### SYNERGIES

+9m€ mainly in EstEnergy  
thanks to the deployment of  
Group commercial strategies

## ORGANIC GROWTH



### 100% EXECUTED

>500m€ capex executed  
increasing organic RAB,  
customers increase, treatment  
plants and Energy service



## COVID-19 SUPPORT



### STAKEHOLDERS

**Clients:** deferred instalments

**Suppliers:** *reverse factoring*

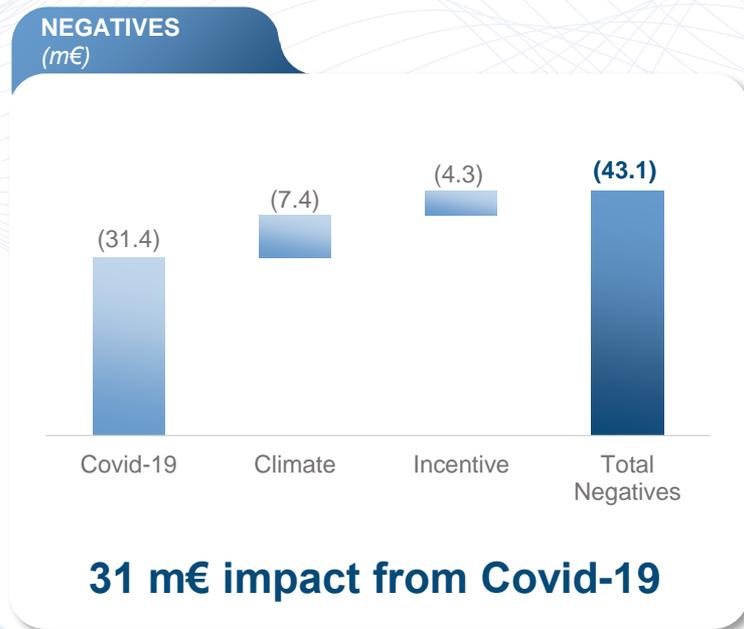
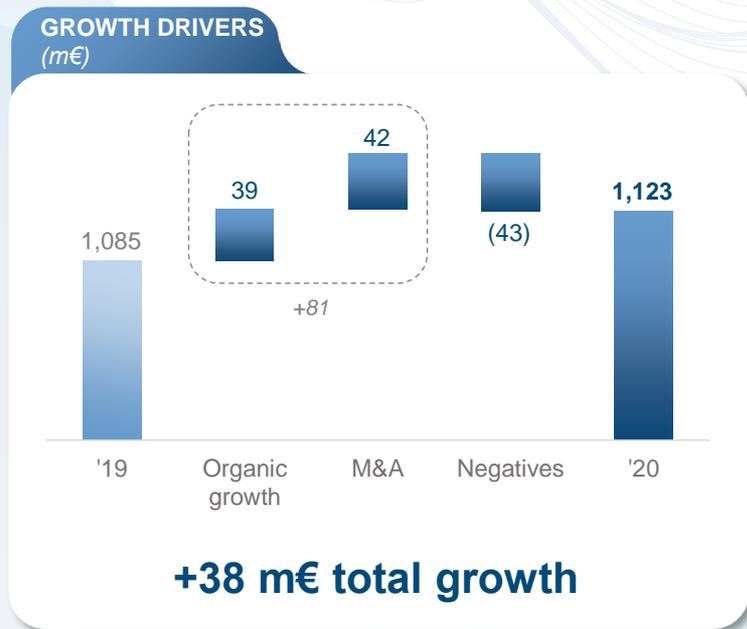
**Ref. Territories:** *Contribution to  
build up emergency hospitals*

**Employees:** *Remote working and  
Insurance cover against Covid. No  
temporary layoffs*

**Shareholders:** *delivered DPS as  
promised*

## Achievement only partially reflected in '20 results

# 2020 Ebitda by driver



**Balancing Organic Growth and M&A, fully offsetting Negatives**



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Gruppo Hera  
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# Business and financial results

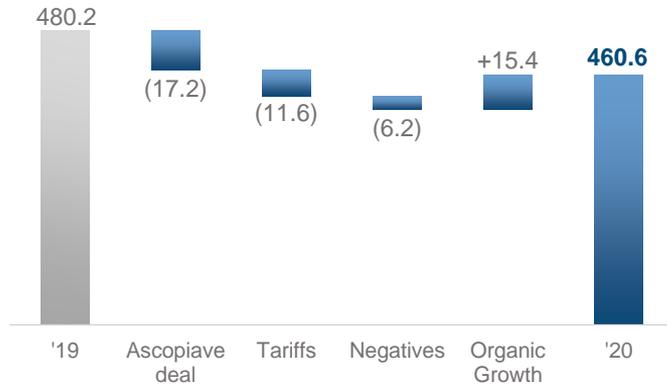


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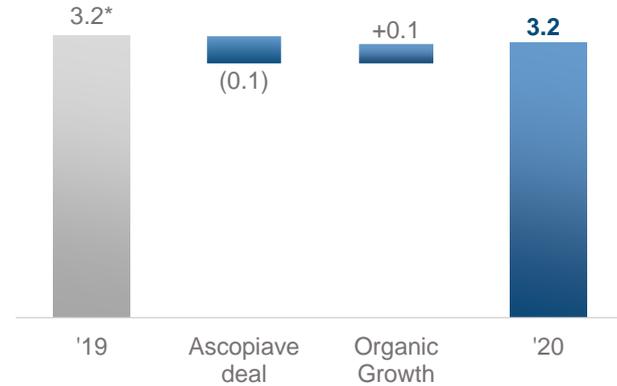
# Networks

## GROWTH DRIVERS (m€)



**Solid organic growth**

## RAB (b€)



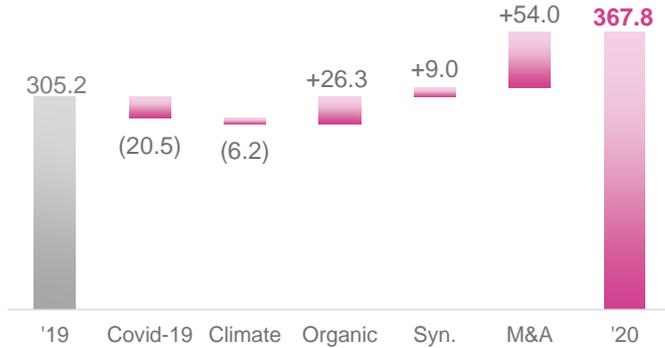
**Stable RAB despite Ascopiave swap**

**Rock solid assets value**

\*Including 0.2 b€ of District Heating Net Invested Capital

# Energy

## GROWTH DRIVERS (m€)



**Growing a scalable platform**

## CUSTOMERS (mln)

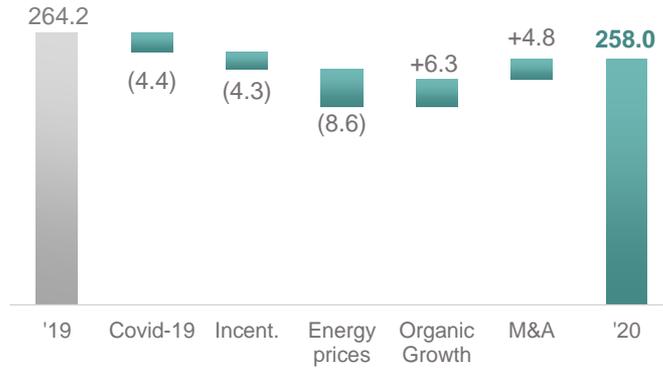


**+72k organic customers**

**Safe cash generating business**

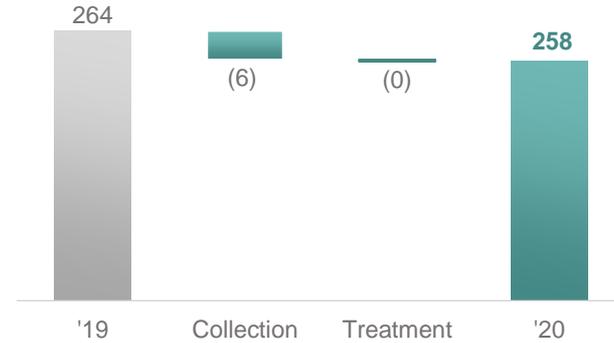
# Waste

## GROWTH DRIVERS (m€)



**Resilient results in all quarters**

## EBITDA by ACTIVITY (m€)

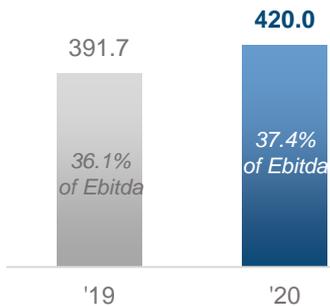


**Mkt structure underpinned treatment**

**Gaining momentum from economic recovery**

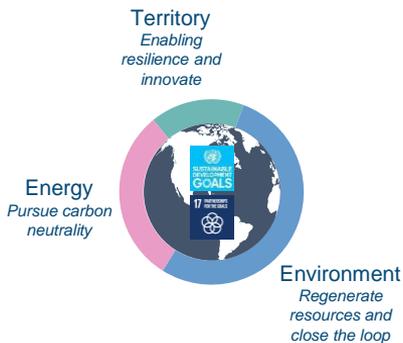
# Concretely working on SDGs

CSV  
(m€)



**+7.2%** '20 vs '19

'20 CSV SPLIT  
(m€)



**297 m€ capex devoted to CSV**

ESG

**Ratings**

DJSI World and Europe Leader  
FTSE4GOODS  
REFINITIV DIVERSITY INDEX  
TOP Employer

**Criteria**

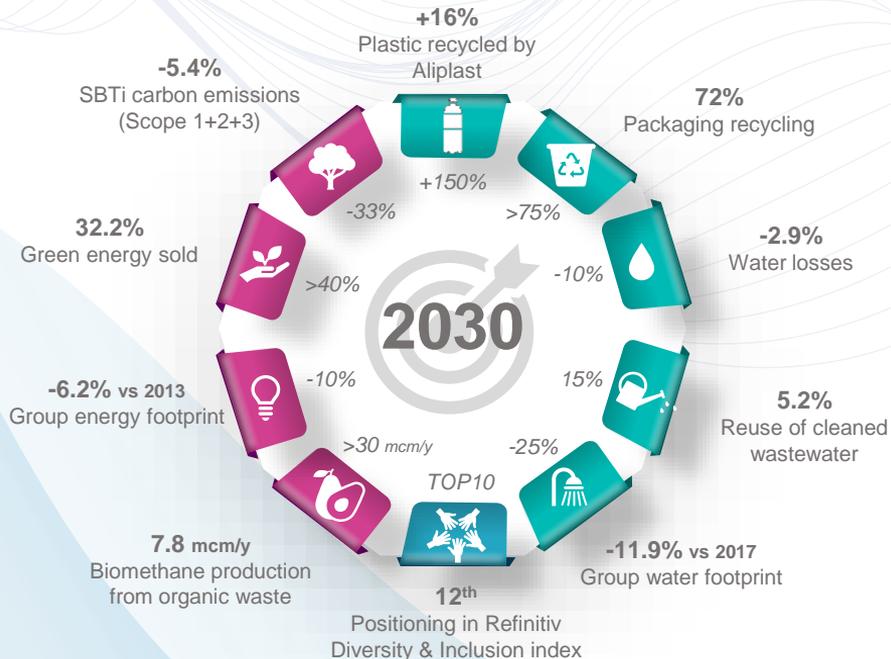
TCFD: transparent communication in Annual Financial and Sustainability reports  
SBTi: defined an action plan consistent with SBTi and submitted application

## ESG underpinned to growth and enhanced transparency

# Our path to 2030 targets: 2020 achievements

  
**Carbon neutrality targets**

  
**Circular economy targets**



**Ambitious contribution to EU and UN strategies**



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IL LATO DELLA VITALE DEL BUSINESS

Progetto  
Analisis  
Gruppo Hera

# Cash flow generation

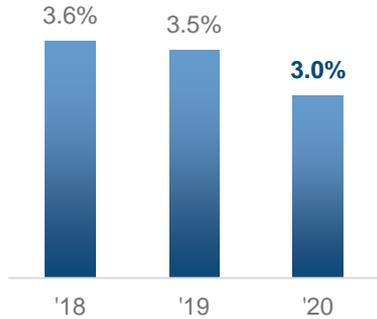


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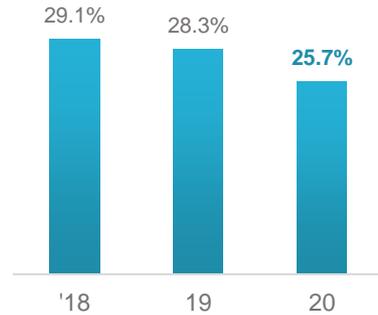
# Beyond Ebitda

## COST OF DEBT (%)



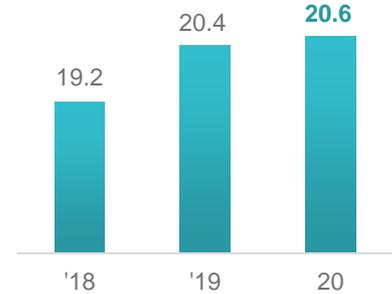
0.25% coupon last bond issued

## TAX RATE (%)



Exploiting all fiscal opportunities

## EPS (c€)

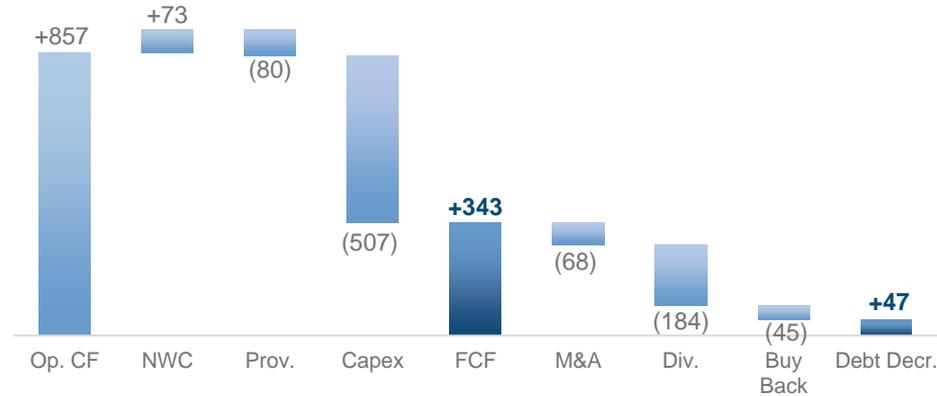


+1.0% '20 vs '19

Well performing on financial and tax management

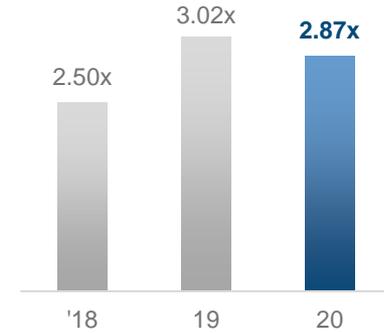
# Cash flow

## GROWTH DRIVERS (m€)



**FCF/Sh. increased to 23.5 c€ vs 16.5 in 2019**

## NET DEBT / EBITDA (x)



**(4.8%) '20 vs '19**

**Increased cash generation reduces leverage**



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# Closing Remarks

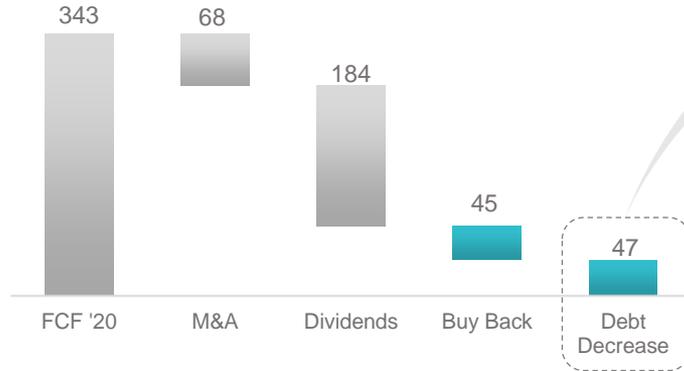


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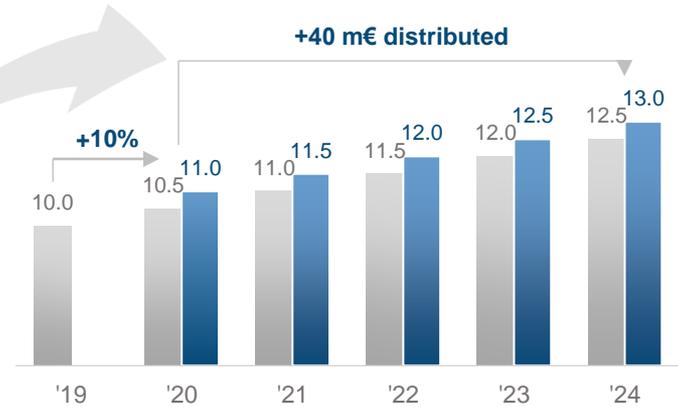
# Closing remarks

## FREE CASH FLOW (m€)



**Counter-diluting M&A in BP to '24**

## DIVIDEND POLICY (c€)



**Dividend policy reviewed upward**

**Overperformance vs BP devoted to shareholders**

# Annex



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## Annex: P&L

|                                   | Y '19          | Y '20          |               |
|-----------------------------------|----------------|----------------|---------------|
| <b>REVENUES</b>                   | <b>7,443.6</b> | <b>7,546.8</b> | <b>+1.4%</b>  |
| <b>EBITDA</b>                     | <b>1,085.1</b> | <b>1,123.0</b> | <b>+3.5%</b>  |
| <i>Ebitda margin</i>              | <i>14.6%</i>   | <i>14.9%</i>   |               |
| Depreciation and provisions       | (542.6)        | (571.7)        |               |
| <b>EBIT</b>                       | <b>542.5</b>   | <b>551.3</b>   | <b>+1.6%</b>  |
| Financial costs                   | (91.6)         | (80.6)         |               |
| Figurative interests (IAS)        | (21.8)         | (44.3)         |               |
| Income from Associates & J.V.     | 13.4           | 8.2            |               |
| <b>PRETAX PROFIT</b>              | <b>442.5</b>   | <b>434.6</b>   | <b>(1.8%)</b> |
| Tax                               | (125.4)        | (111.8)        |               |
| <i>Tax rate</i>                   | <i>28.3%</i>   | <i>25.7%</i>   |               |
| Minorities                        | (16.3)         | (20.1)         |               |
| <b>NET PROFIT POST MINORITIES</b> | <b>300.8</b>   | <b>302.7</b>   | <b>+0.6%</b>  |
| Special items                     | 84.9           | 0.0            |               |
| <b>NET PROFIT REPORTED</b>        | <b>385.7</b>   | <b>302.7</b>   |               |

# Annex: Water and Waste

## WATER

| (m€)          | Y 2019       | Y 2020       | Ch.         |
|---------------|--------------|--------------|-------------|
| Revenues      | 911.9        | 883.6        | (28.3)      |
| <b>Ebitda</b> | <b>265.3</b> | <b>265.8</b> | <b>+0.5</b> |

| Data                  | Y 2019       | Y 2020       | Ch.          |
|-----------------------|--------------|--------------|--------------|
| <b>Aqueduct (mm3)</b> | <b>289.3</b> | <b>285.9</b> | <b>(3.5)</b> |
| Sewerage (mm3)        | 246.3        | 240.8        | (5.6)        |
| Purification (mm3)    | 241.0        | 236.7        | (4.3)        |

## WASTE

| (m€)          | Y 2019       | Y 2020       | Ch.          |
|---------------|--------------|--------------|--------------|
| Revenues      | 1,190.5      | 1,190.3      | (0.2)        |
| <b>Ebitda</b> | <b>264.2</b> | <b>258.0</b> | <b>(6.2)</b> |

| Data                            | Y 2019       | Y 2020         | Ch.            |
|---------------------------------|--------------|----------------|----------------|
| Urban W. Volumes (Kton)         | 2,348        | 2,219.1        | (128.7)        |
| Special W. Volumes (Kton)       | 2,211        | 2,187.6        | (23.5)         |
| <b>Waste from third parties</b> | <b>4,559</b> | <b>4,406.7</b> | <b>(152.3)</b> |
| Internal W. Volumes (Kton)      | 2,616        | 2,203.2        | (413.0)        |
| <b>Total Volumes Treated</b>    | <b>7,175</b> | <b>6,609.9</b> | <b>(565.3)</b> |

# Annex: Gas and Electricity

## GAS

| (m€)          | Y 2019       | Y 2020       | Ch.          |
|---------------|--------------|--------------|--------------|
| Revenues      | 2,971.9      | 3,361.3      | +389.4       |
| <b>Ebitda</b> | <b>341.6</b> | <b>374.4</b> | <b>+32.8</b> |

| Data                          | Y 2019         | Y 2020          | Ch.             |
|-------------------------------|----------------|-----------------|-----------------|
| Volumes distrib. (mm3)        | 2,982.9        | 2,585.3         | (397.6)         |
| Volumes sold (mm3)            | 9,850.7        | 13,246.1        | +3,395.4        |
| <i>of which trading (mm3)</i> | <i>7,547.4</i> | <i>10,148.1</i> | <i>+2,600.6</i> |
| District Heating (GWht)       | 487.8          | 460.4           | (27.4)          |
| Final retail volumes (mm3)    | 2,303.2        | 3,098.0         | +794.8          |
| Clients ('000 unit)           | 2,049.5        | 2,076.2         | +26.8           |

## ELECTRICITY

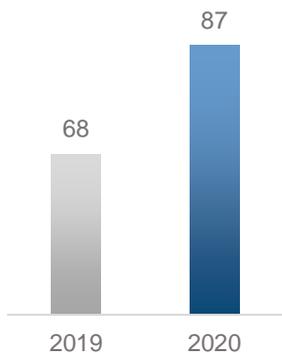
| (m€)          | Y 2019       | Y 2020       | Ch.         |
|---------------|--------------|--------------|-------------|
| Revenues      | 2,590.4      | 2,315.9      | (274.6)     |
| <b>Ebitda</b> | <b>178.5</b> | <b>188.2</b> | <b>+9.7</b> |

| Data                               | Y 2019         | Y 2020         | Ch.            |
|------------------------------------|----------------|----------------|----------------|
| Volumes sold (GWh)                 | 12,830.4       | 12,820.7       | (9.7)          |
| <i>of which Salvaguardia (GWh)</i> | <i>2,632.9</i> | <i>2,192.6</i> | <i>(440.3)</i> |
| Volumes distrib. (GWh)             | 3,051.7        | 2,752.3        | (299.5)        |
| Clients ('000 unit)                | 1,288.8        | 1,333.6        | +44.8          |

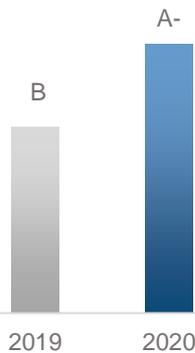
# ESG Rating improvements

**S&P Global**

1<sup>st</sup> Multi-utility in the world

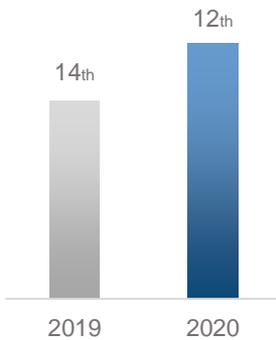


**CDP**

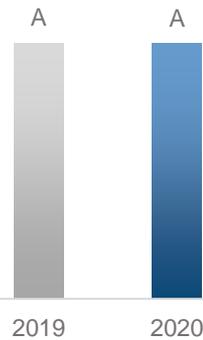


**REFINITIV**

1<sup>st</sup> Multi-utility in the world

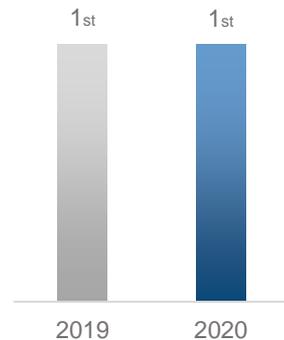


**MSCI**



**INTEGRATED GOVERNANCE INDEX**

1<sup>st</sup> for green financing



**Hera reports comply with**

