

Rating object	Rating information	
ENEL S.p.A. Creditreform ID: 400980970 Incorporation: 1963 Based in: Rome, Italy (Main) Industry: Electricity and gas CEO: Francesco Starace <u>Rating objects:</u> Long-term Corporate Issuer Rating: ENEL S.p.A. Long-term Corporate Issuer Rating: ENEL Finance International N.V. Long-term Local Currency (LT LC) Senior Unsecured Issues	Corporate Issuer Rating:	Type:
	BBB+ / stable	Initial rating unsolicited
	LT Senior Unsecured Issues, LC:	Other:
	BBB+ / stable	n.r.
	Rating date: 06 June 2019	
	Monitoring until: withdrawal of the rating	
	Initial rating: www.creditreform-rating.de	
	Rating methodology: CRA "Corporate Ratings"	
	CRA "Non-Financial Corporate Issue Ratings"	
	CRA "Government-Related Companies"	
	CRA "Rating Criteria and Definitions"	
	Rating history: www.creditreform-rating.de	

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Summary

Company

ENEL S.p.A., its full name Ente nazionale per l'energia elettrica S.p.A., (hereafter "Enel" or "the Company" or "the Group"), headquartered in Rome, was founded in 1962 after the fusion of several smaller, regionally-operating companies. In 1999, following the liberalization of the electricity market in Italy, Enel was privatized.

Today Enel is an Italian multinational energy company that is active in the sectors of electricity generation and distribution, and in the distribution of natural gas. The Company has operations in 34 countries with 2.2 million kilometers of grid network across five continents and a managed capacity of almost 90 GW. Enel is currently with its approximately 69 thousands employees among the world's largest 100 industrial companies.

In 2018, the Company generated revenues of EUR 75,672 million (2017: EUR 74,639 million) and an EAT of EUR 6,350 million (2017: EUR 5,329 million).

The Italian State, through the Ministry of Economy and Finance, is the main shareholder, with 23.6% of the Company's share capital. In addition to private investor shareholdings of 18.8%, 57.6% belongs to institutional shareholders.

Using our Corporate Rating sub-methodology for 'state-affiliated companies', we conclude that Enel represents a strategically important shareholding for the State of Italy and, as such, falls into the category of a state-affiliated company.

Rating result

The current rating attests Enel S.p.A. a highly satisfactory level of creditworthiness, which represents a low-to-medium default risk.

The Company has a profile of essentially low economic and financial risk. The rating result is also based as well on the strong position of the Company in its relevant geographical markets, on its high level of diversification, and on its leading technological position. We have based the rating on our assessment that the Group is dependent on the Italian government as main shareholder and moderately dependent on the country's overall economic situation. The rating of Enel is constrained by the sovereign rating of the Italian Republic (CRA: BBB- / stable as of 31 August 2018). Hence, given the positive performance of Enel in the year 2018 we attest the Group a corporate rating two notches above the sovereign rating of the Italian Republic. Our future ratings of Enel could exceed the sovereign rating of Italy by up to three notches with a good economic development of Enel.

Outlook

The one-year outlook of the rating is stable. This outlook reflects our estimate that the Enel Group, based on the 2018 fiscal year and in comparison with the previous two years, should largely be able to achieve increases in yield and profitability an improved development of cash flows, and to achieve its strategic and business targets for the near future. This outlook is based on the assumption of a stable political framework in Europe and on the expectation that the market for raw materials will also remain largely stable. It is also based on our assumption that the shareholding and strategic interest on the part of the Italian government will remain unchanged, that CRA's sovereign rating of Italy will remain stable.

Relevant rating factors

Excerpts from the key financial figures analysis 2018

- + Increased revenues
- + Solid cash flows from operating activities
- + adequate ratio of interest expenses to debt
- + adequate equity ratio
- High net total debt / EBITDA (adj.)-factor
- High short-term capital lock-up
- High capital lock-up period
- Lower asset coverage ratio

Table 1: Financials of Enel (Group) | Source: ENEL S.p.A. annual report 2018, standardized by CRA

ENEL S.p.A. Selected key figures of the financial statement analysis Basis: Annual accounts and report of 31.12. (IFRS, Group)	CRA standardized figures ¹	
	2017	2018
Sales (million EUR)	72,664	73,134
EBITDA (million EUR)	15,653	15,255
EBIT (million EUR)	9,792	9,900
EAT (million EUR)	5,329	6,350
EAT after transfer (million EUR)	3,779	4,789
Total assets (million EUR)	142,016	151,946
Equity ratio (%)	34,39	28,79
Capital lock-up period (days)	63,65	66,81
Short-term capital lock-up (%)	30,77	29,69
Net total debt / EBITDA adj. (factor)	5,62	6,32
Ratio of interest expenses to total debt (%)	2,58	2,30
Return on Investment (%)	5,27	5,65

Note:

General rating factors summarize the key issues that – according to the analysts as per the date of the rating – have a significant or long-term impact on the rating, positive (+) as well as negative (-).

General rating factors

- + Leader in the main areas of the energy transition
- + Largest electricity supplier in Italy with global presence
- + Lower sensitivity to economic cycles
- + Good access to financial markets
- + Generally stable, significant cash flows from operating activities
- + High entry barriers
- + Broadly- based and partly sustainable and innovative product portfolio
- High investments necessary to maintain the leading market position
- High concentration on the Italian and Iberian market
- Above-average country risk

¹ For analytical purposes, Creditreform Rating AG adjusted the original values in the financial statements in the context of its financial ratio analysis. For example, the analytical equity ratio, deferred tax assets, goodwill (entirely or partly), and the self-generated intangible assets are subtracted from the original equity. Deferred tax liabilities are added to the equity. With the calculation of Net total debt all balance sheet liabilities are taken into account. As a result, the key financial figures shown often deviate from the original values of the company.

Current rating factors are the key factors that have, in addition to the underlying rating factors, an impact on the current rating.

Prospective rating factors are factors and possible events that – according to the analysts as per the date of the rating – would most likely have a stabilizing or positive effect (+) and a weakening or negative effect (-) on future ratings, if they occurred. This is not a full list of possible future events with potential relevance for future ratings. Circumstances can arise that are not included in the list of prospective factors whose effects are impossible to assess at the time of the rating, either because these effects are uncertain or because the underlying events are deemed unlikely to occur.

Best-case scenario	BBB+
Worst case scenario:	BBB-

Please note:

The scenarios are based on the information available at the time of the rating. Within the forecast horizon, some circumstances could occur that would lead to a rating change out of the indicated range.

Current rating factors (rating 2019)

- + Improvement of the operational performance and net result
- + Growth in revenues particularly due to renewable energies
- + Stable development of main sources of revenue
- + Successful integration of Enel Distribuição São Paulo
- + Set financial goals were achieved
- + Future-oriented strategy

- Net financial debt increase and capex increase

Prospective rating factors

- + Capacity extension of renewable energies (further growth driver) with focus on markets with integrated presence and on developed countries
- + Operational efficiency due to digitalization
- + Growth due to asset development, customer and asset management
- + Improved financial indicators after completion of the investment plan 2019-2021
- + Increasing demand for renewable energies due to more environmental awareness
- + Simplification of the corporate structure
- + Further reduction in CO2 emissions

- Higher investments
- Deterioration of creditworthiness of main rating (Italy)
- Legislative changes which may adversely impact the economic and financial situation, or the ownership structure
- Insufficient action related to megatrends and environmental protection measures
- Higher competition in renewable energies and innovation of digital assets
- Deterioration of financial indicators due to stagnating economy and/or increased indebtedness
- Economic and geopolitical risks both in Europe as well as globally

Best-case scenario

In our best-case scenario for one year, we assume a stable rating of BBB+ based on our assessment that the business development is proceeding according to schedule and that balance sheet and P&L ratios show better development as in the 2018 fiscal year.

Worst-case scenario

In the worst-case scenario for one year, we assume a rating of BBB-, based on the assumption that there is a change, e.g. due to legislative changes, in our assessment of the ownership structure or prospective financial assistance. In addition, substantial political or geopolitical changes could result in a downgrade in the worst-case scenario. Moreover, delays in the context of the Group's strategy plan for 2019-2021 could entail a significant deterioration for the company. We currently view these scenarios as unlikely.

Business development and outlook

The Company achieved positive results during the financial year 2018. Total sales increased by 0.7% to EUR 73,134 million (2017: EUR 72,664 million), EBT amounted to EUR 8,201 million (2017: EUR 7,211 million), and EAT increased to EUR 6,350 million (2017: EUR 5,329). Thus, Enel was able to significantly increase its annual result from the previous year by 19.16%.

The Enel Group's operating business comprises the two areas of electricity supply and gas supply. Its electricity grid operations were outsourced to the subsidiary Terna, founded in 1999, due to legislation prescribing a separation of the Group's supply and grid operations. In 2004, Terna was hived off from the Enel Group.

Today the Enel Group is organized into five divisions:

- **Global Generation:** Electricity generation.
- **Global Infrastructure & Networks:** Transport infrastructure and energy distribution.
- **Renewable Energy:** Covers the production of energy from renewable sources referring to Enel Green Power.
- **Global Trading:** Provides Enel Group companies, as well as third parties, with goods to be used in power plants and with optimization services for energy production and distribution.
- **Upstream Gas:** Making investments for the exploration, production, and development of infrastructure for transporting gas.

Table 2: The development of business of ENEL S.p.A.. Source: Consolidated annual reports 2015-2018

ENEL S.p.A.				
In million EUR	2015	2016	2017	2018
Sales	73,076	68,606	72,664	73,134
EBITDA	15,297	15,276	15,653	15,255
EBIT	7,685	8,921	9,792	9,900
EBT	5,281	5,780	7,211	8,201
EAT	3,372	3,787	5,329	6,350

Revenues have been on the increase over the last three years. Despite the EBITDA having dropped in 2018 by 2.5% year-on-year, EBT and EAT rose considerably – by 13.7% and 19.2% respectively – compared with 2017, as a result of disproportionately favorable cost effects.

Table 3: The development of the gross operating margin of the individual corporate divisions in 2018 | Source: Consolidated annual report 2018

ENEL S.p.A. according to individual corporate divisions in 2018					
In million EUR	End-user markets	Services	Generation and Trading	Infrastructure and Networks	Enel Green Power
2018	2,921	85	1,117	7,697	4,608
2017	2,440	52	1,963	7,378	4,047
Δ	481	33	-846	319	561

Regarding the table above Enel Green Power is the division with the strongest growth of the gross operating margin.

Table 4: Figures of current financial year | Source: Consolidated Q1 report

ENEL S.p.A. Q1 2019 figures versus Q1 2018 figures			
In million EUR	Q1 2018	Q1 2019	Δ (%)
Sales	18,946	20,891	10.3
EBITDA	4,037	4,548	12.7
EBIT	2,538	2,981	17.5
EBT	2,009	2,271	13.0
EAT	1,528	1,650	8.0

In the first quarter of 2019, all results improved year-on-year, thus continuing the Enel Group's favorable financial trajectory.

Considering the Enel's strong market position, we believe that the Company will meet its growth targets over the medium to long term. Most of the Group's revenues are derived from transparent and stable cash flows generated through solid business activities, based on its strategic plan 2019-2021. In addition, Enel benefits from easy access to the capital market.

Structural risk

Enel has a very large presence in Europe and operates along the entire energy chain, from generation to sale to end users in Italy, Spain, Slovakia and Romania. Enel produces in Russia, Greece and Bulgaria, and sells electricity and gas in many other countries on the continent from the Atlantic to the Baltic.

Enel is the largest electricity supplier in Italy and is also one of the largest energy companies in the Americas, with power generation plants of all types across 12 countries from Alberta in Canada to the Central Andes. The Company supplies energy to some of the largest cities in South America: Rio de Janeiro, Bogota, Buenos Aires, Santiago de Chile and Lima.

In general, the strategy for 2019-2021 is focused on growth in renewable energies, the development and automation of the distribution network, opportunities for electrification and focus on customers. In order to reach these goals, the following strategic and operational targets, among others, were specified:

- Industrial growth based on asset development, customers and asset management: An investment of EUR 27,5 billion is planned to reach an increase in ordinary EBITDA of EUR 3,2 billion.
- Decarbonization due to renewable energies: Through investing in mature markets and markets with an integrated presence of Enel, the Group expects a cumulative increase of EUR 1 billion between 2019 and 2021.
- Operational efficiency due to digitalization: the objective of EUR 1,2 billion for 2021 of cumulative benefits has been already confirmed.
- Simplification and optimization of its portfolio of subsidiaries: further investing in and integrating its subsidiaries, and rationalizing the portfolio of subsidiaries through asset rotation for less risk and more return.
- Shareholder remuneration: The shareholders will receive a 70% dividend payout of the net income in line with a guaranteed minimum dividend per share.

For 2019 in particular, the Group expects the following:

- Industrial growth due to an increase of global investments of 35% in comparison with 2018 due to renewable energy projects, mainly in North America, and further investments in grids, especially in Italy and South America.
- Benefits rise by more operational efficiency due to digitalization across all of its businesses, see above.
- Acceleration of Enel's activities in the electric mobility and demand response business.
- Simplifying the Group's portfolio for an optimized overall risk and return profile, see above.

Against the background of the projects and measures already initiated by Enel in order to meet its targets, we assume that these targets, although in part ambitious, should be attainable provided that the economic and geopolitical conditions in Europe, as well as in the regions outside of Europe where Enel has operations, remain stable.

The main shareholders of the publicly listed company is the Italian state, via the Ministry of Economy and Finance ("Ministero dell'Economia e delle Finanze") with a share of 23.6%. 56.7% of the shareholdings are held by institutional investors and 18.8% by private investors (worldwide). Enel's shares are listed on the New York Stock Exchange (NYSE) and the Milan Italian Stock Exchange Borsa Italiana.

The Company is managed by the Board of Directors (currently featuring 9 members) and the Board of Statutory Auditors (currently featuring 6 members). Of these, 3 are standing statutory auditors and 3 are alternate statutory auditors.

The company reports its financial statements in accordance with IFRS and employed 69.272 people at year end 2018.

Due to its national systemic importance and its relevance for the capital market, the Company has to comply with high legislative, regulative and corporate governance standards. We consider any risks related to individual countries to be mitigated by the well-diversified country portfolio and we do not see any core risks in connection with the Company's structure.

Business risk

The Enel Group has divided its operating business, consisting of electricity and gas supply, into Regions and countries as well as into several divisions.

The **Regions and Countries** are divided into six main categories:

- Italy,
- Iberia,
- Latin America,
- Europe and North Africa,
- North and Central America,
- Sub-Saharan Africa and Asia.

These six regional divisions are responsible for managing the relationships with institutional bodies and regulatory authorities, and for selling electricity and gas in each of the countries in which the Group is present, as well as providing staff and other service supports to the various divisions. Furthermore, they will continue to maintain a presence and integrate businesses at the local level, seeking to foster the development of all segments of the value chain. At the geographical level, the position of Country Manager is unified in the countries in which the Enel Group operates in both the conventional and renewable generation businesses.

The **Divisions** are as follows:

- Global Thermal Generation,
- Global Trading,
- Global Infrastructure & Networks,
- Renewable Energy,
- Enel X.

These divisions are responsible for managing and developing assets, and for optimizing performances and the return on capital employed in the various geographical areas in which the Enel operates. The divisions are also in charge of improving the efficiency of the processes they manage and sharing best practices at the global level. The Group benefits from a centralized industrial vision of projects in its various business lines. Each project is assessed not only based on its financial returns, but also in relation to the best technologies available at Group level.

In the year 2017, Enel founded a new Global Business Line, the Enel X, intended to foster greater customer focus and digitization as accelerators of value within the 2017-2019 Strategic Plan of the Company.

In addition to the categories of Regions and Countries and Divisions, Enel has established functional areas for the purpose of supporting the Enel Group's business operations. The two functional areas are:

- **Global service functions**, responsible for managing information and communication technology activities and procurement at Group level.
- **Holding company functions** - administration, finance and control, human resources and organization, communication, legal and corporate affairs, audit, European Union affairs, and innovation and sustainability, which are responsible for managing governance processes.

After having refocused and optimized its organizational structure in 2015, Enel recently adapted its business risks to meet current global challenges, which we view as favorable in this area for ensuring future sustainability. The Company should thus be able to respond appropriately to geopolitical and structural risks, as well as to increasing demands due to its business model, not least of all as a result of current issues related to the environment and climate change.

Financial risks

The Company is exposed to general financial risks such as currency exchange rate risks, counterparty credit risks, as well as liquidity, rating and debt covenant risks. As far as we can assess, the Group's prudent financial policy and well-developed financial risk management system enable an efficient identification and prevention of financial risks.

For the purposes of its financial ratio analysis, Creditreform Rating AG ("CRA") adjusted the original values in the financial statements. The following representations and calculations are based primarily on these adjustments.

The Company is highly capital intensive. Approximately 70% of the company's balance sheet total is tied up in long-term assets, reflecting the specific conditions of the business and emphasizing the importance and high levels of investments required for the development and maintenance of the infrastructure supporting the further development of the Company. Based on our structured balance sheet, the asset coverage ratio of 75.71% as of 31 December 2018 shows that the matching maturities are not given.

CRA calculated an adjusted equity for 2018 of EUR 43,738 million (2017: EUR 49,530 million), which accounts for 28.79% of the balance sheet total (2017: 34.39%). The equity decreased, however the equity-ratio is still solid. The dividends paid to Enel's shareholders for 2018 amounted to EUR 4,789 million (2017: EUR 3,779 million), due to the increase in operating income. The high capital intensity of the company is partly offset by the long-term character of most of its obligations. The long-term and medium-term liabilities accounted for 44.83% of the Group's total liabilities (EUR 68,122 million out of EUR 151,946 million) as of 31 December 2018. CRA's adjusted ratio of net total debt / EBITDA (adjusted) – 6.32 as of 31 December 2018 - is comparatively high in our view; thus, the Group's cash flows are solid.

Enel has financed itself – in addition to equity - mainly through long-term bond issues. These bonds have increased as of 31 December 2018 to up 24,384 EUR million (31 December 2017: EUR 21,717 million). Most of the bonds are part of the EMTN programme that last renewed in December 2018 (incl. the supplement of May 2019) with a maximum total amount of up to EUR 35 billion. The book value of other long-term borrowings, most of which are bank borrowings, amounted to approx. EUR 4,031 million as of 31 December 2018 (31 December 2017: EUR 3,596 million).

The Company has an adequate liquidity position, taking into consideration its reliable, highly predictable and stable cash flows, the fact that these cash flows are generated by a partly regulated business, its good liquidity reserves and its good access to financial markets. The volume of the reported operating cash flow was at EUR 11,075 million in 2018 (2017: EUR 10,125). At the end of 2018, the Company had cash and cash equivalents of EUR 6,630 million and undrawn credit lines (without commercial papers) of EUR 14,508 million.

We see no significant short- or medium-term financial risks for Enel, taking into consideration its adequate current cash position and liquidity reserves, its reliable cash flows, and its well-coordinated and - in our view - realistic investment plans. Based on the generated EBITDA, we consider the above planned investment sum to be financially sustainable in the long run. Furthermore, the Group has an adequate capital structure and disposes of diversified financing resources that should allow Enel to pursue its strategic plan. Further significant increases of net debt could, however, have a negative impact on the rating assessment. Risks could arise in connection with financial covenants and a deterioration of the Company's rating following the possible downgrade of the sovereign rating of the Italian Republic.

Issue rating

Further issuer ratings

In addition to the rating of ENEL S.p.A. , the following Issuer and its issues (see below), have been rated in this rating report.

- ENEL Finance International N.V.

ENEL S.p.A. is guarantor of the above listed group company and the issues that have been issued under the Euro Medium Term Note (EMTN) programme, with the last base prospectus of 17.12.2018 and with the last supplement of 09.05.2019.

ENEL Finance International N.V. is a direct 100% subsidiary of ENEL S.p.A. and consolidated into the group annual accounts. As a wholly-owned direct subsidiary and financing vehicle of ENEL S.p.A. the activities of ENEL Finance International N.V. are directly related to the financing needs of the Group, which in turn depend on the development of the operating business and the investments in the Group. Additionally, the business development of the ENEL Finance International N.V. depends on the ability of ENEL S.p.A. to service the payment obligations resulting out of the intercompany loans granted by the subsidiary to the parent company. Overall, the future development of ENEL Finance International N.V. will be determined by the business development, strategy and capital and investment needs of the parent company, taking into account its specific and general business risks. In this respect, we consider a consolidated view of the business development and the outlook for the rating assessment of ENEL Finance International N.V. as appropriate. Because of these economic, financial and liability relationships between the ENEL S.p.A. and ENEL Finance International N.V., we set the rating of ENEL Finance International N.V. equal to the rating of ENEL S.p.A. Therefore, the rating of ENEL Finance International N.V. is **BBB+ / stable**.

Issue rating details

The rating objects of this issue rating are exclusively the long-term senior unsecured issues, denominated in euro, issued by ENEL S.p.A. and ENEL Finance International N.V., which are included in the list of ECB-eligible marketable assets. The ECB list of eligible marketable assets can be found on the website of the ECB.

The notes have been issued within the framework of the Euro Medium Term Note (EMTN) programme, of which the latest base prospectus dates from 17 December 2018. This EMTN pro-

programme amounts to EUR 35 billion. The notes under the EMTN programme are senior unsecured, and rank at least pari passu among themselves and with all other present and future unsecured obligations of the issuer. Additionally, the notes benefit from a negative pledge provision, a change of control clause and a cross default mechanism.

Corporate issue rating result

We have provided the debt securities issued by ENEL S.p.A. and ENEL Finance International N.V. with a rating of **BBB+**. The rating is based on the corporate rating of ENEL S.p.A. Other types of debt instruments or issues (denominated in other currencies of the issuers) have not been rated by Creditreform Rating AG. For a list of all currently valid ratings and additional information, please consult the website of Creditreform Rating AG.

The following tables provide an overview of the ratings issued by Creditreform Rating AG in this context, as well as the key features of the Euro Medium Term Note of 17.12.2018 considered here.

Overview

Table 5: Overview of CRA ratings | Source: CRA

Rating objects	Details	
	Date	Rating
ENEL S.p.A. (Issuer)	06 Juni 2019	BBB+ / stable
ENEL Finance International N.V. (Issuer)	06 June 2019	BBB+ / stable
Long-term Local Currency (LT LC) Senior Unsecured Issues	06 June 2019	BBB+ / stable
Other	--	n.r.

Table 6: Overview of 2018 Euro Medium Note programme Enel prospectus: 17.12.2018

Overview 2018 EMTN Programme			
Volume	EUR 35,000,000,000	Maturity	Depending on the respective bond
Issuer / Guarantor	Enel S.p.A. (Garantor) Enel Finance International N.V.	Coupon	Depending on the respective bond
Arrangers	Deutsche Bank J.P. Morgan	Currency	Depending on the respective bond
Credit enhancement	none	ISIN	Depending on the respective bond

All future LT LC senior unsecured Notes that will be issued by ENEL S.p.A. and that have similar conditions to the current EMTN programme, denominated in Euro and included in the list of ECB-eligible marketable assets will, until further notice, receive the same ratings as the current LT LC senior unsecured Notes issued under the EMTN programme. Notes issued under the programme in any currency other than euro, or other types of debt instruments, have not yet been rated by Creditreform Rating AG. For a list of all currently valid ratings and additional information, please consult the website of Creditreform Rating AG. For the time being, other emission classes or programmes (such as the Commercial Paper programme) and issues that do not denominate in euro will not be assessed. For a list of all currently valid ratings and additional information, please consult the website of Creditreform Rating AG.

Financial ratio analysis

Table 7: Financial key ratios | Source: ENEL S.p.A. consolidated annual report 2018, structured by CRA

Asset structure	2015	2016	2017	2018
Fixed asset intensity (%)	65.20	70.18	69.88	69.38
Asset turnover	--	0.48	0.52	0.51
Asset coverage ratio (%)	81.26	78.49	80.91	75.71
Liquid funds to total assets (%)	7.19	5.78	4.92	4.41
Capital structure				
Equity ratio (%)	32.54	34.81	34.39	28.79
Short-term-debt ratio (%)	30.07	28.23	27.61	26.38
Long-term-debt ratio (%)	20.44	20.27	22.15	23.74
Capital lock-up period (in days)	58.81	67.51	63.65	66.81
Trade-accounts-payable ratio (%)	7.95	8.84	8.80	8.81
Short-term capital lock-up (%)	38.75	33.24	30.77	29.69
Gearing	1.85	1.71	1.76	2.32
Leverage	--	2.97	2.89	3.17
FinancialsStability				
Cash flow margin (%)	--	13.12	13.48	16.87
Cash flow ROI (%)	--	6.42	6.98	8.37
Total debt / EBITDA adj.	6.67	6.20	6.07	6.74
Net total debt / EBITDA adj.	5.96	5.65	5.62	6.32
ROCE (%)	8.47	9.58	10.48	11.58
Total debt repayment period	--	8.73	9.90	7.29
Profitability				
Gross profit margin (%)	28.07	30.38	28.20	28.44
EBIT interest coverage	2.72	3.33	4.01	3.98
EBITDA interest coverage	5.41	5.70	6.42	6.13
Ratio of personnel costs to total costs (%)	7.12	6.60	6.04	6.08
Ratio of material costs to total costs (%)	72.51	70.34	72.50	72.41
Cost income ratio (%)	91.89	89.73	89.44	89.97
Ratio of interest expenses to total debt (%)	2.83	2.86	2.58	2.30
Return on investment (%)	4.01	4.35	5.27	5.65
Return on equity (%)	--	7.72	10.71	13.62
Net profit margin (%)	4.52	5.39	7.15	8.42
Operating margin (%)	10.30	12.69	13.14	13.13
Liquidity				
Cash ratio (%)	23.90	20.47	17.66	16.54
Quick ratio (%)	94.94	83.65	88.31	88.42
Current ratio (%)	94.94	83.65	88.31	88.42

Appendix

Rating history

The rating history is available under:

<https://www.creditreform-rating.de/de/ratings/published-ratings/>

Table 8: Corporate issuer rating of Enel S.p.A.

Event	Rating date	Publication date	Monitoring period	Result
Initial rating	06 June 2019	www.creditreform-rating.de	Withdrawal of the rating	BBB+ / stable

Table 9: Corporate issuer rating of Enel Finance International N.V.

Event	Rating date	Publication date	Monitoring period	Result
Initial rating	06 June 2019	www.creditreform-rating.de	Withdrawal of the rating	BBB+ / stable

Table 10: Rating of LT LC senior unsecured issues of Enel S.p.A. / Enel Finance International N.V.

Event	Rating date	Publication date	Monitoring period	Result
Initial rating	06 June 2019	www.creditreform-rating.de	Withdrawal of the rating	BBB+ / stable

Regulatory requirements

The present rating² is an unsolicited rating. Creditreform Rating AG was not commissioned by the Issuer with the preparation of the rating. The present analysis was prepared on a voluntary basis.

The rating is based on the analysis of published information and on internal evaluation factors. The rating was conducted based on Creditreform Rating AG's "Corporate Ratings" methodology, the "Government-Related Companies" methodology and the "Non-Financial Corporate Issue Rating" methodology, as well as on the "Rating Criteria and Definitions".

The documents submitted and information gathered were sufficient to meet the requirements of Creditreform Rating AG's rating methodologies. A complete description of Creditreform Rating AG's rating methodologies and Creditreform Rating AG's basic document "Rating Criteria and Definitions" is published on the following internet page:

www.creditreform-rating.de/en/regulatory-requirements/

This rating was carried out by analysts Holger Becker (h.becker@creditreform-rating.de) and Christina Sauerwein (c.sauerwein@creditreform-rating.de), both located in Neuss, Germany. A management meeting did not take place.

The rating was presented to the rating committee on 06 June 2019. The company has previously received the rating result, along with the key reasons that led to the rating prior to publication and was given at least one full working day to appeal the rating committee's decision and to

² In these regulatory requirements the term "rating" is used in relation to all ratings issued by Creditreform Rating AG in connection to this report. This may concern several companies and their various issues.

provide additional information. The rating decision was not amended following this examination.

The rating will be monitored until Creditreform Rating AG removes the rating and sets it to non-rated (n.r.).

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1. Annual report
2. Website
3. Internet research

Corporate Issue rating:

1. Issuer corporate rating incl. information used for the Issuer corporate rating
2. Documents on issues / instruments

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