



Enel Global Trading Challenge Università Roma La Sapienza

Roma, Università degli Studi di Roma «La Sapienza»

21/04/2023





Enel Group

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<https://www.youtube.com/watch?v=LUw4liBOzw0>

**we are one of the leading
global operators
in the electricity sector**

**Siamo uno degli operatori leader a livello mondiale
nel settore dell'elettricità**

Enel business

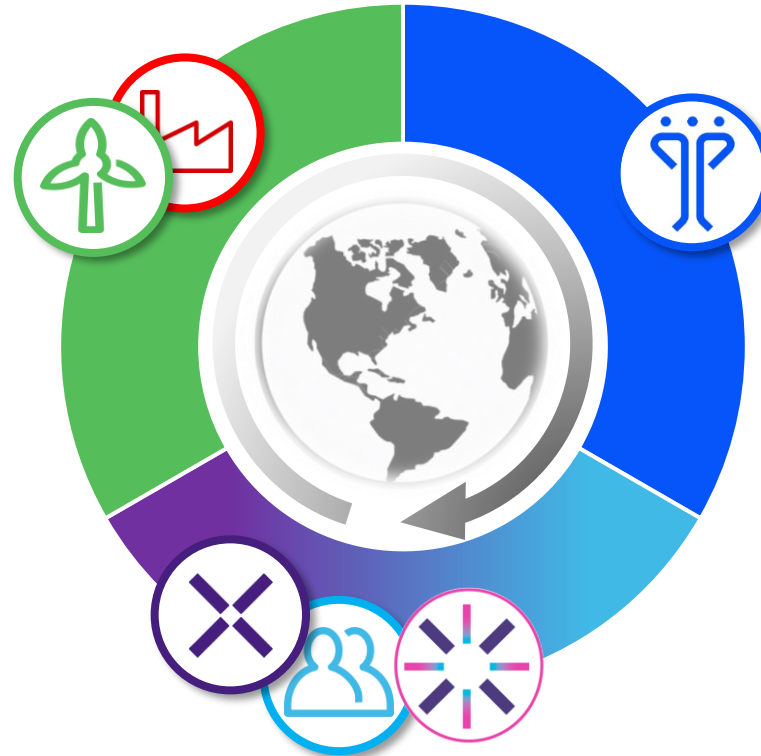


Enel Green Power & Thermal Generation

Accelerates a sustainable energy transition, increasing renewables capacity growth and decarbonizing our fleet

Enel X Global Retail

Optimizes integrated margin while managing energy offering, services and portfolio of solutions, as well as growing the customer base; innovates and develops all solutions fostering integrated solutions among business and country units



Enel Grids

Guarantees reliability and quality of service in the energy supply, through efficient, resilient and digital networks

Global Energy & Commodity Management

Optimizes the Group margin as a single portfolio, finding its best balance

Global e-Mobility

managed the e-Mobility solutions portfolio both in existing and new countries, innovates and develops e-Mobility solutions by managing the entire lifecycle

Enel's Leadership



Active in 5 continents

31 countries

World's largest player in renewables¹

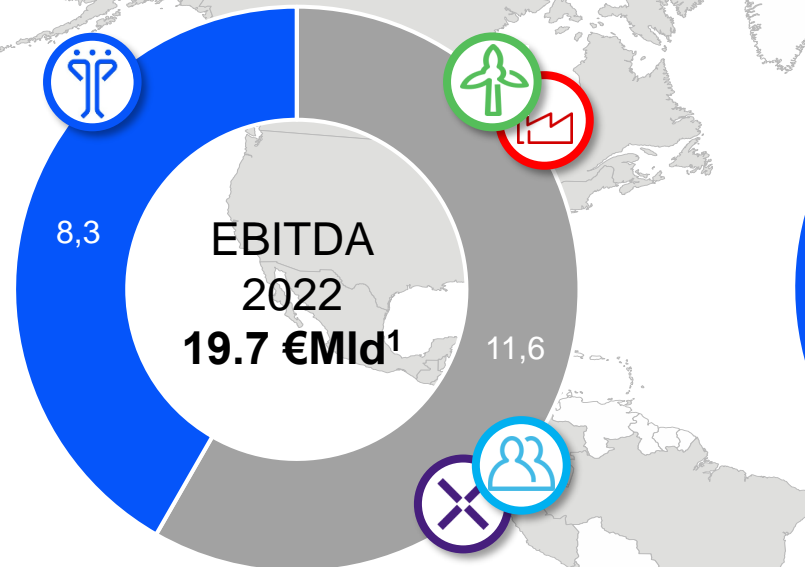
59 GW capacity

1st network operator²

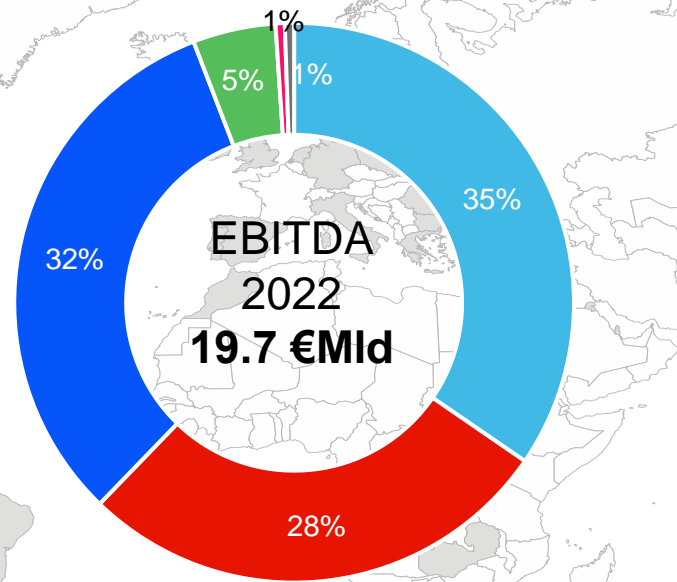
73 mln end users

Largest retail customer base worldwide³

67 mln customers



■ Integrated Business
■ Grids



■ Italy
■ Iberia
■ Latin America
■ North America
■ Rest of Europe
■ Africa, Asia & Oceania

Full year 2022 data

1. EBITDA breakdown does not include "Other" publicly owned operators
2. By number of end users. Public operators excluded
3. By installed capacity (includes managed capacity and BESS)
4. Including customers of free and regulated power and gas markets

Enel strategic actions



Pursue an integrated position across the value chain to serve our customers in their electrification journey

1

Balance customers' demand and supply to optimize the risk/return profile

2

Decarbonization to ensure competitiveness, sustainability and security

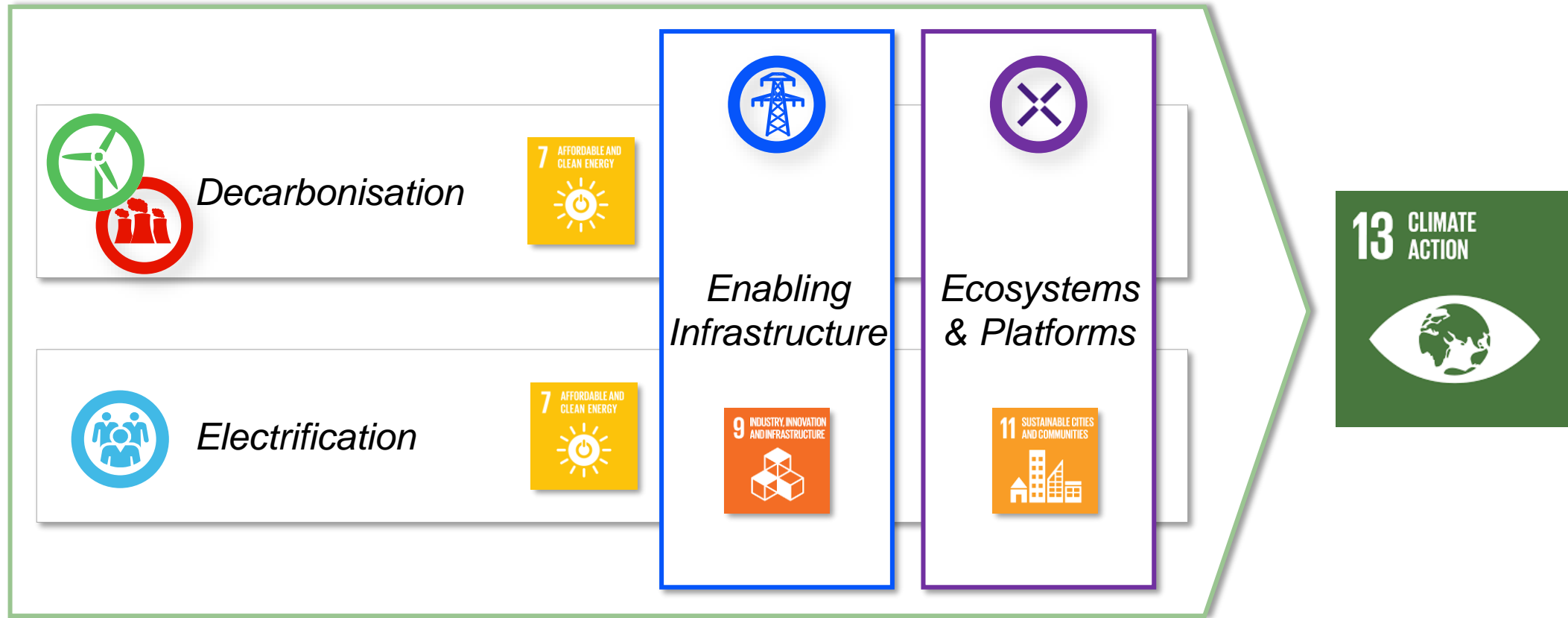
3

Reinforce, grow and digitize networks to enable the transition

4

Streamline our portfolio of businesses and geographies

Our strategy addresses dynamically the evolution of sector trends





Focus on Enel Global Energy and Commodity Management

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Global Energy and Commodity Management

Mission & Responsibility

Energy Management



Dispatching of production fleet

Optimize the physical management of the plants, exploiting from the market the maximum economic value



Physical sourcing of fuels

Manage physical needs, both minimizing costs and assuring the optimal availability to the plants



Hedging strategies

Reduce risks, maximize margins (checking strategies feasibility with all the involved stakeholders)



Access to all wholesale energy markets

Assure operational excellence in processing Group buy and sell needs, related to wholesale commodity markets



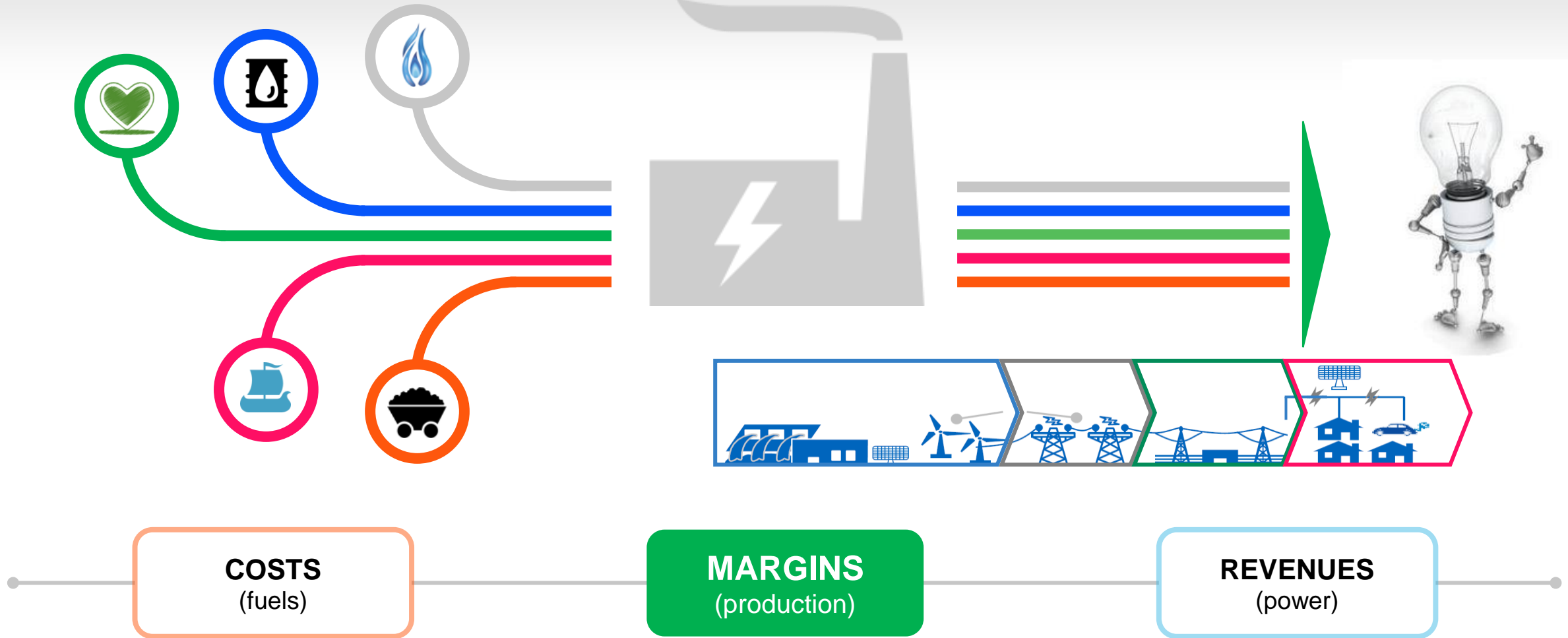
Trading

Extract maximum value from the volatility of forward markets

Global Wholesale & Trading

Maximize the gross energy margin of the whole Enel group and optimize the hedging strategy and the commodity risk exposure

Starting point: the merchant risk (1/2)



Starting point: the merchant risk (2/2)



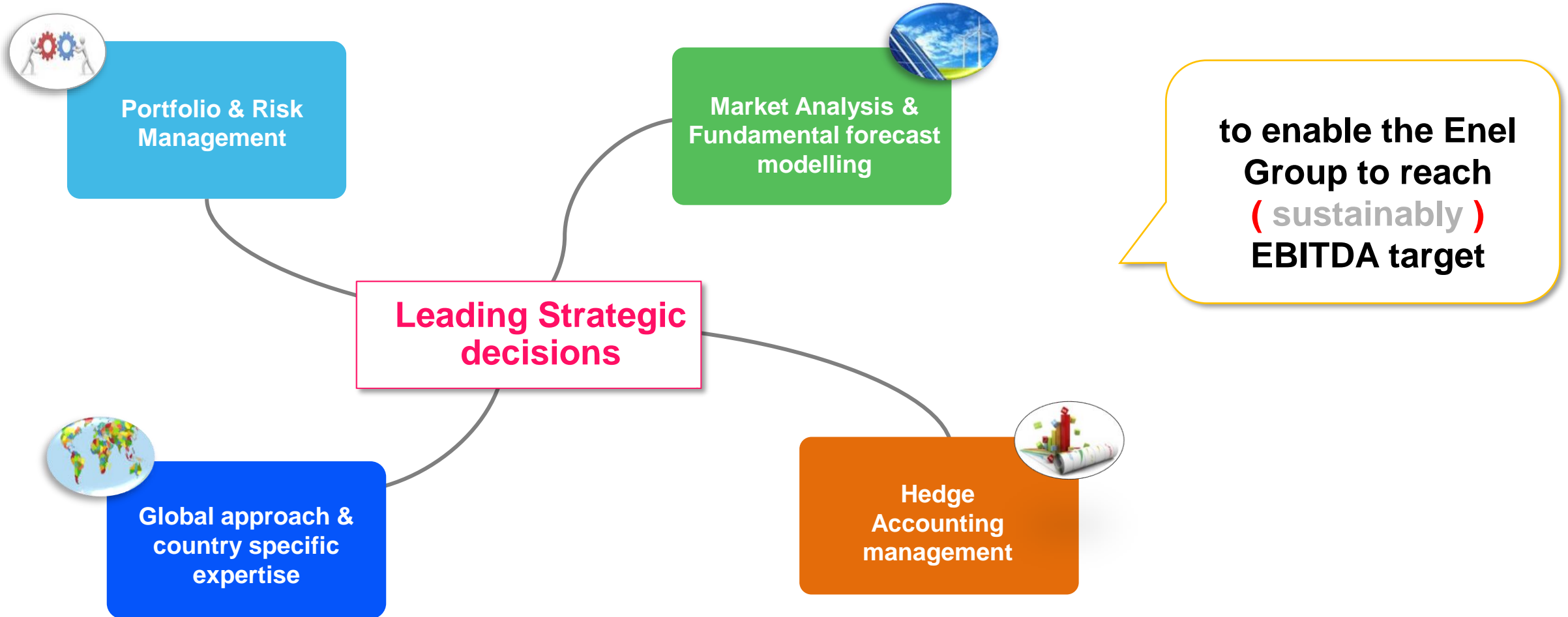


Global Portfolio & Risk Management

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Global Portfolio & Risk Management

Mission



Global Market Strategy

Market analysis



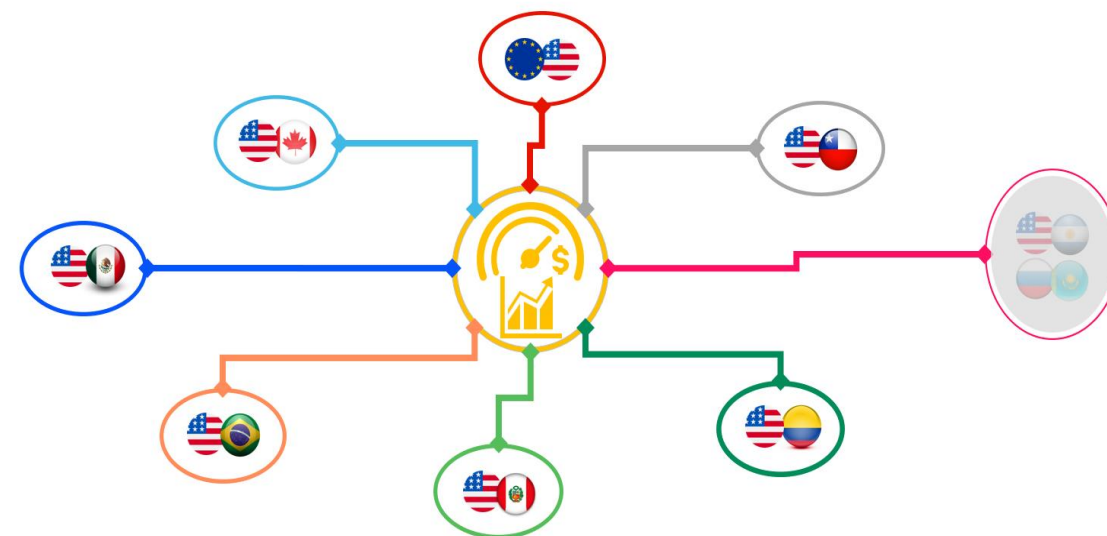
Market Analysis

Fundamental market model
News monitoring
Historical series

Global Commodities



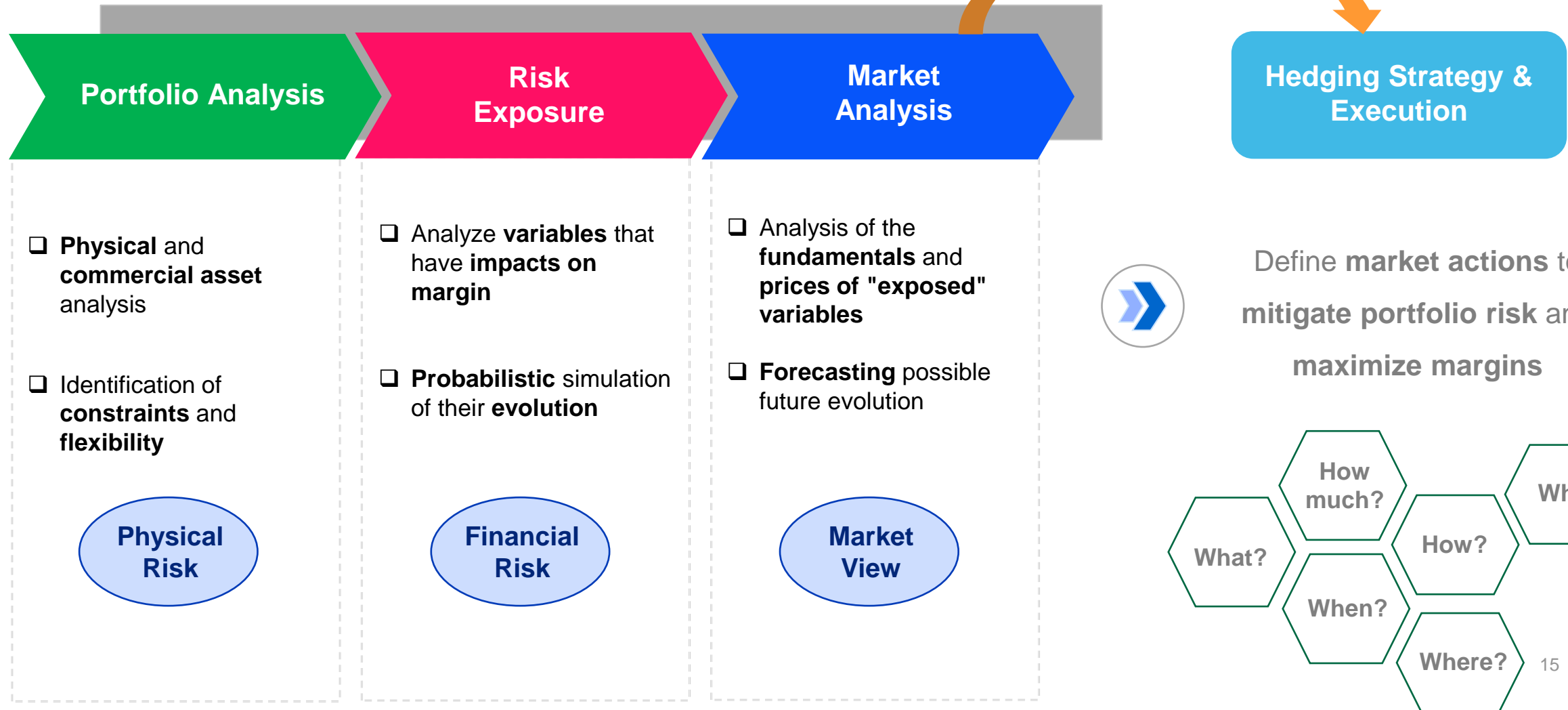
Forex



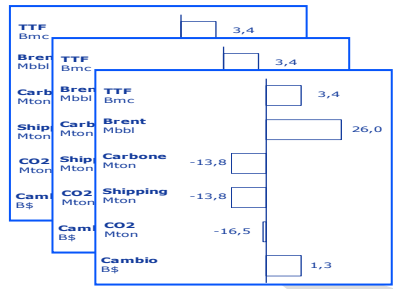
Energy Risk & Portfolio Management

Process

In line with Risk Limits



Trading portfolio Risk Management



Hedging requests



Opportunistic trading

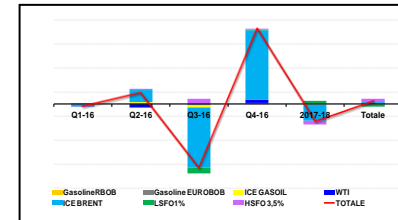
Derivatives products

- Coal
- Gas
- Power
- Oil
- Shipping
- CO2

Risk reduction

Execution

Risk reduction



The residual risk present in the trading portfolio is measured, analysed and monitored by GP&RM

Risk management

- Risk limit set & monitoring
- Profit & Loss analysis
- Position keeping
- Daily risk reporting
- Analysis of the trading strategies
- Market fundamentals and price drivers

Focus on Enel Global Wholesale & Trading

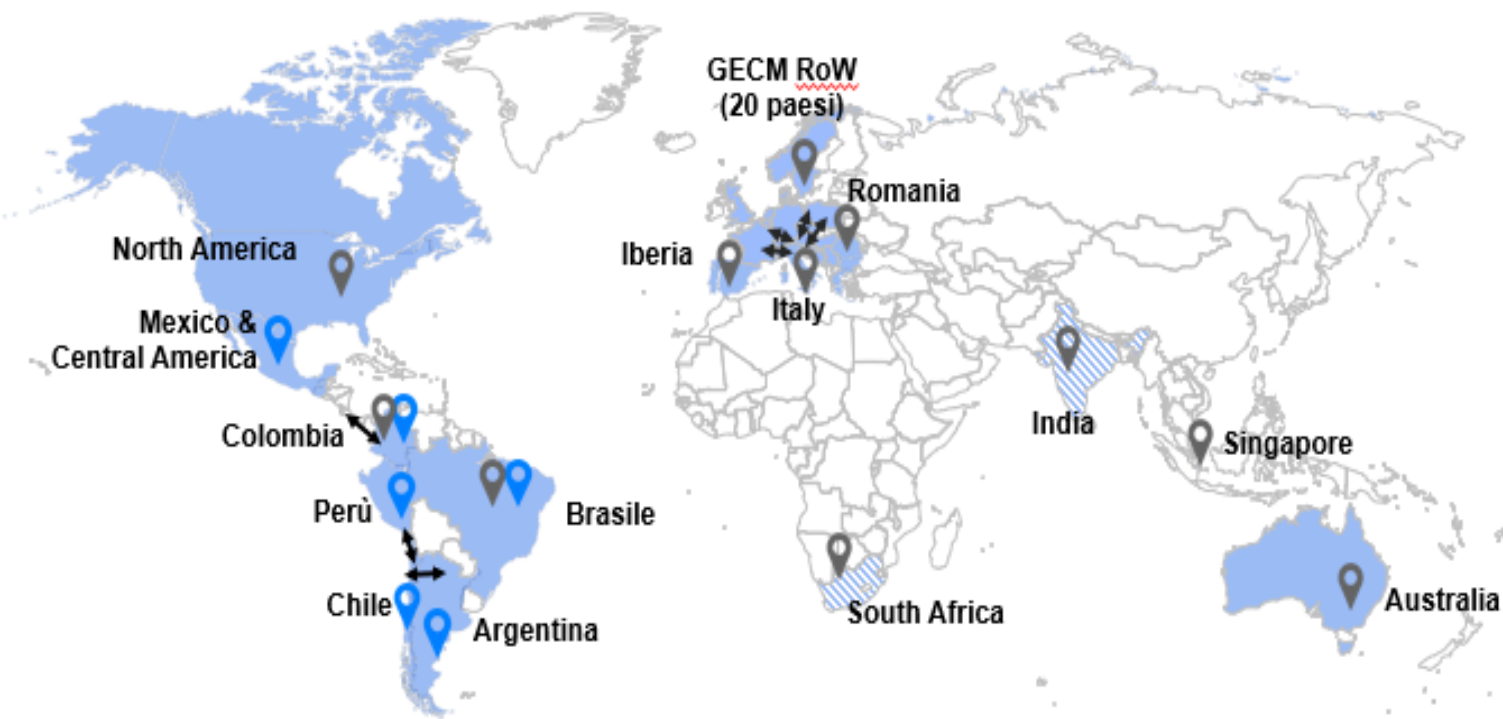
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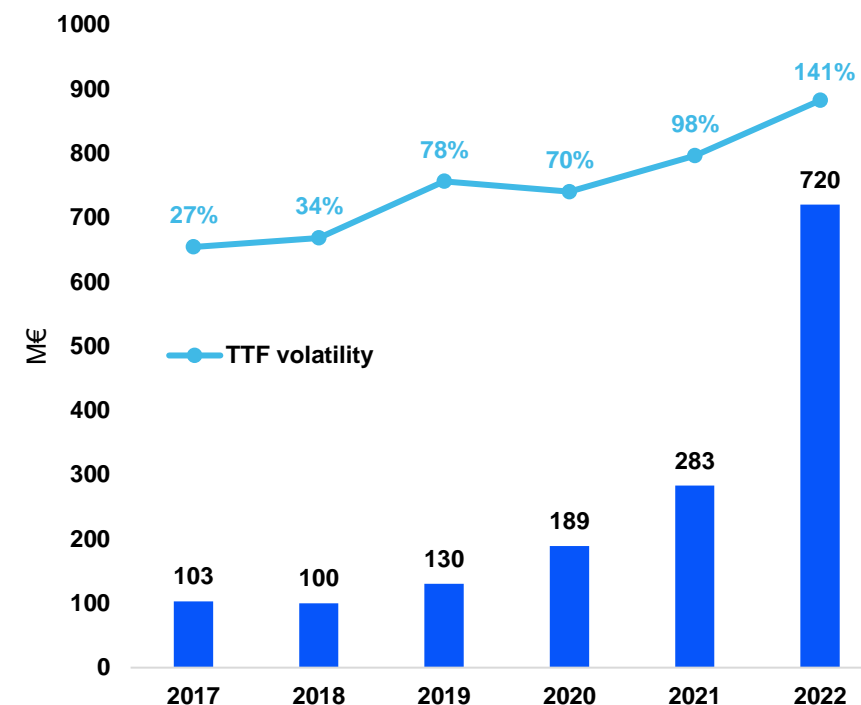
Global Wholesale & Trading

Full geographical presence to cover integrated local portfolio needs



- **Markets covered by GWT**
- ▨ **Markets in setup**

Trading Margin



Daily VaR*** [M€]

2,8 3,0 4,0 4,3 9,3 16,1

A first introduction



what is our job?

basically Selling and Buying

sell&buy what?



our assets

110 people + a couple of PCs



yes, but why?

(to pocket M€ of P&L)
to enable the Group to reach
EBITDA target

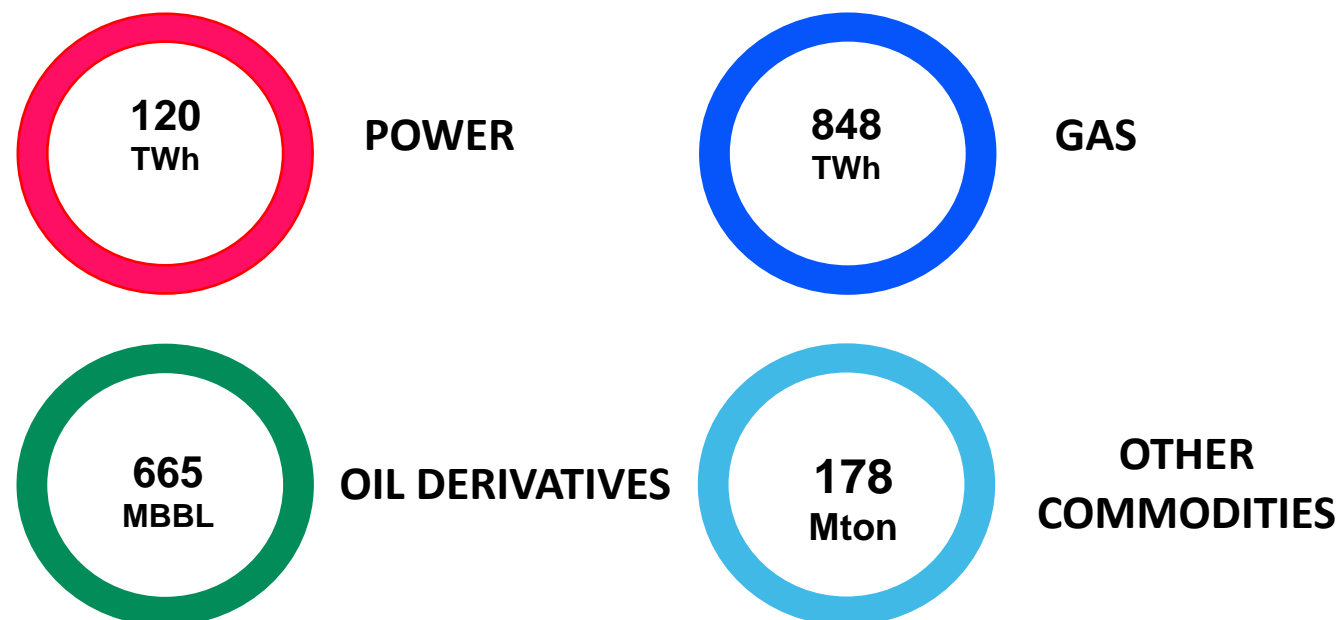
Global Wholesale & Trading

Volumes e Margins



Global Wholesale & Trading strong presence on all commodity markets. Increasing Margins in contrast with sector trend and driving growth mainly due to new projects/markets.

Volumes 2022



Intracompany volumes not included

Global Wholesale & Trading

Trading Platform



Power

	Italy Baseload*						Germany Baseload*						
	Qty	Bid	Ask	Qty	Last	Volume Change	Qty	Bid	Ask	Qty	Last	Volume Change	
Thu 17/02/22					190,50	800					72,00	4.859	-8,000
Fri 18/02/22	25	185,00	210,00	25			25	116,25	117,00	25	116,00	1.066	1,000
WkEnd 19-20	25	173,00	190,00	10	178,75	25 -4,250	25	45,00	47,00	5	45,25	2.277	-1,750
Wk08-22	25	182,00	190,50	25	190,50	85 0,500	25	122,55	123,50	25	122,50	2.809	-6,500
Wk09-22	5	183,25	201,00	25			5	138,25	140,50	5	139,50	740	-2,500
Mar-22	2*	189,20	191,50	5	191,00	311 1,000	3*	151,50	153,50	5	153,00	2.046	5,000
Apr-22	1	182,45	185,00	2	184,00	39 -1,600	1	160,50	161,50	1	160,45	467	4,950
Q222	1	178,75	180,20	1	178,00	127 -0,250	3	161,25	161,95	1	161,00	1.045	1,000
Q322	5	183,50	184,50	1	182,50	45 1,750	1	168,50	169,40	1	169,00	592	2,250
Q422	5	188,75	189,50	3	189,00	82 -2,750	1	180,00	181,00	1	180,00	1.641	-0,650
2023	1	144,80	145,30	1	144,80	48 -3,450	1	137,00	137,35	2	137,00	730	-0,500
2024	1	111,00	112,35	1	112,00	9 -2,850	1	103,75	103,90	1	104,00	182	-1,500
2025	1	95,75	100,50	5	98,50	7 -1,000	1	92,50	93,50	1	93,20	93	-0,300
2026	1	89,00	94,50	1	93,50	5 -1,950			91,00	3	90,50	2	-1,500
2027	1	85,00	98,50	1					90,50	2			
2028	1	85,00	100,00	1					92,00	1			

Gas

	PSV*						TTF Hi Cal 51.6*						
	Qty	Bid	Ask	Qty	Last	Volume Change	Qty	Bid	Ask	Qty	Last	Volume Change	
WD	3	73,500	74,000	114	74,000	2.235 -9,890	15	69,300	70,050	90	69,400	16.925	3,4250
DA	10	72,300	72,300	100	71,800	7.790 0,500	100	70,050	70,000	10	70,000	117.839	4,0500
Feb-22 BOM			72,945	10	71,500	175 0,500	30*	70,100	70,945	10	70,450	2.185	2,6000
Mar-22	15	72,230	72,475	5	71,775	565 1,450	15	70,555	70,700	5	70,695	51.707	2,195
Apr-22	10	71,505	71,850	5			15	69,755	69,900	5	69,945	28.595	2,550
Q222	10	70,900	71,053	10	69,600	20 1,650	10	69,475	69,453	10	68,945	3.305	2,420
Q322	10	70,425	70,620	5	69,775	30 -2,850	10	69,000	68,978	10	68,520	2.265	2,605
Q422	1	71,450	72,375	5			5	69,825	69,880	5	69,400	2.257	2,500
Sum 22	10	70,599	70,788	10	70,025	45 2,050	10	69,236	69,110	5	69,150	4.359	3,125
Win 22	5	71,325	71,550	5	70,425	50 1,450	10	69,439	69,400	5	69,395	2.887	2,395
2023	1	51,855	52,450	5	52,675	30	1	50,455	50,750	5	50,650	605	-0,050
2024	10	37,350	37,745	5			10	36,200	36,395	5	36,200	463	-0,800
2025							5	28,805	29,000	5	29,000	157	-0,500
2026							5	24,250	24,800	5	24,500	36	-0,300
2027							5	22,350	24,300	5			
2028							5	21,350					

Summing it all up



What we do

- Manage market access for the entire Enel Group
- Leverage on our competencies managing all energy markets(hedging strategies, investments, future scenarios)
- Develop private network interconnections

How we do it

- Excellence in the service offered to the Group (products/services, pricing, timeliness, ...)
- Focus on maximizing internal position netting

Why we do it

- The Group has a merchant risk: exposure to price risk
- Huge values managed: even small efficiencies have an important impact on overall margins
- Market access therefore needs strong and ongoing optimization: centralizing flows, operational excellence, ...

Thank you

