

Article Title: Sector And Industry Variables | Criteria | Infrastructure | General: Project Finance Rating Methodology Data: Overview And Scope Here S&P; Global Ratings provides additional information on the variables it uses to apply the criteria "General Project Finance Rating Methodology" and "Sector-Specific Project Finance Rating Methodology," published on Dec. 14, 2022. This report is intended to be read in conjunction with those criteria. For a further explanation of sector and industry variables reports, please see the description at the end of this article. We will periodically update these sector and industry variables as market conditions warrant. Key Publication Information This article is related to "General Project Finance Rating Methodology" and "Sector-Specific Project Finance Rating Methodology," published on Dec. 14, 2022. We will typically update this publication at least annually to reflect the evolution of market conditions. Sector And Industry Variables When rating project finance transactions across asset types and geographies, we use variable inputs for: Interest rates and credit spreads, and Inflation rates. Interest rate and credit spreads typical assumptions If a project is exposed to floating interest rates (either through revenue, debt instruments, or if it faces refinancing risk), we develop a base case and a downside case interest rate forward curve (see table 1). Table 1 Interest Rate And Credit Spreads Assumptions

	BASE CASE (BPS)	DOWNSIDE CASE (BPS)
Risk-free rate	The relevant contractual floating local risk-free benchmark forward rate curve--such as central bank published rate or market standard base rate (or, if not available, based on our best judgment derived from historical data and peer comparisons)	Rate curve assumed 100 bps-300 bps above the base-case curve
'A' spread	200 or less	200-300
'BBB' spread	200-300	350-450
'BB' spread	300-450	500-700
'B' spread	400-600	700-900

bps--Basis points. Inflation rate typical assumptions If a project is exposed to inflation, we use the assumptions outlined in table 2. Table 2 Inflation Rate Assumptions

	BASE CASE	DOWNSIDE CASE
Developed markets	Based on historical data, S&P; Global Ratings economists' forecast, and market estimates 100 basis points above or below (whichever is more stressful)	base-case inflation in each of the first five years of the stress period
Emerging markets	Same At least 100 basis points above or below (whichever is more stressful)	base-case inflation in each of the first five years of the stress period, but can be raised to reflect historical inflation fluctuations during a down economic cycle

We may adjust the downside shock both in size and duration, particularly for markets that have exhibited high inflationary periods in the past, or for markets where we have less confidence in the forecasts. Related Criteria General Project Finance Rating Methodology, Dec. 14, 2022 Sector-Specific Project Finance Rating Methodology, Dec. 14, 2022 Related Research Evolution Of The Methodologies Framework: Introducing Sector And Industry Variables Reports, Oct. 1, 2021 This is a sector and industry variables report. A sector and industry variables report is a publicly available criteria-related publication that describes sector, industry, asset class, or regional variables that we expect to periodically update mainly to reflect our views on changing macroeconomic and market conditions. Sector and industry variables reports are not criteria because they do not establish a methodological framework for determining credit ratings.