



***Perceived Risk Index<sup>©</sup>***  
***Sectors Analysis***

29/07/2022

# Perceived Risk Index©

## Introduction

*PRI Perceived Risk Index©* is an innovative, forward-looking indicator developed by Enel SpA Risk Control Unit within AFC function that reflects corporate risk perceived by financial markets.

In an ever-evolving economic landscape, understanding how markets interpret risk is a key strategic lever for companies, investors, and stakeholders.

*PRI Perceived Risk Index©* is a forward-looking indicator since it considers three different variables with a prospective nature that reflects the premium at risk required by investors:

- **Inverse Stock Price:** the stock price reflects the level of investors' trust towards the company. Thus, the lower is the stock price, the higher is the perceived risk;
- **Option Implied Volatility (3 months):** gives the indication of the perceived risk of the underlying asset implied in listed option prices;
- **Credit Default Swap (5 years):** The CDS represents a credit risk premium and thus it has a direct relationship with the company perceived probability of default.

These above mentioned three variables are market data available on public sites.

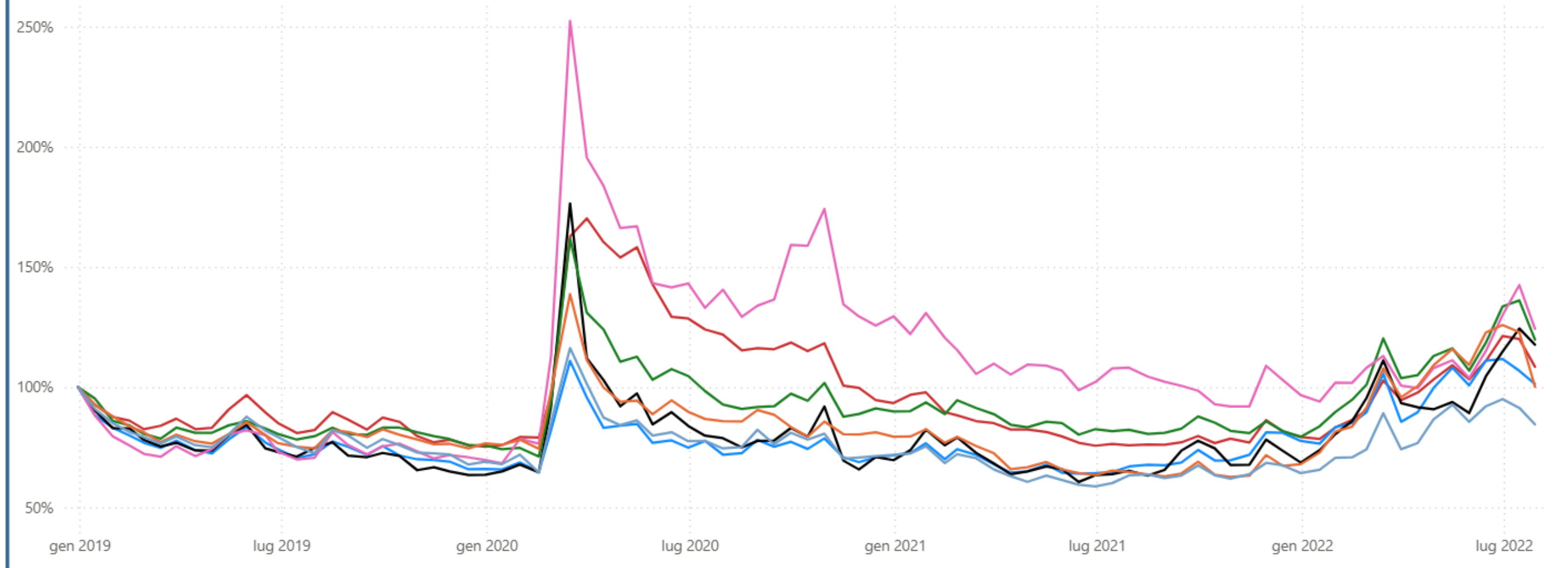
31/12/2018 is the starting point of the monitoring activity, with a baseline value of 100%, across six key sectors: Energy, Oil & Gas, Consumer Goods, Software, Technology, and Automotive.

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# PRI Perceived Risk Index©

Measuring the risk as perceived by financial markets – Sectors & Enel

Automotive Consumer Goods Enel Energy Oil&Gas Software Technology



**Automotive**

**108% !**

vs Base Date: 100%  
(+8,47%)

**Consumer Goods**

**101% !**

vs Base Date: 100%  
(+1,34%)

**Energy**

**120% !**

vs Base Date: 100%  
(+19,78%)

**Oil & Gas**

**124% !**

vs Base Date: 100%  
(+24,27%)

**Software**

**100% !**

vs Base Date: 100%  
(+0,19%)

**Technology**

**85% ✓**

vs Base Date: 100%  
(-15,45%)

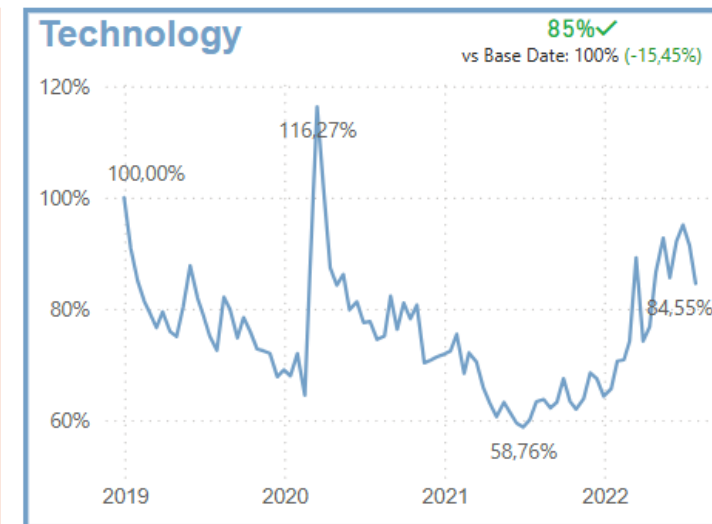
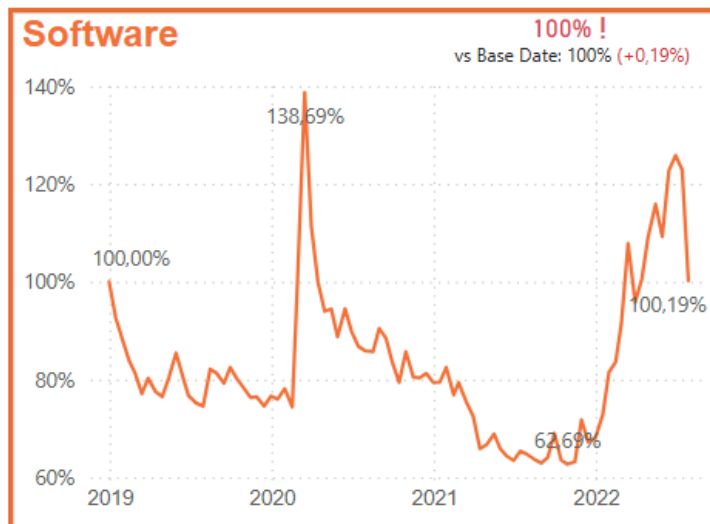
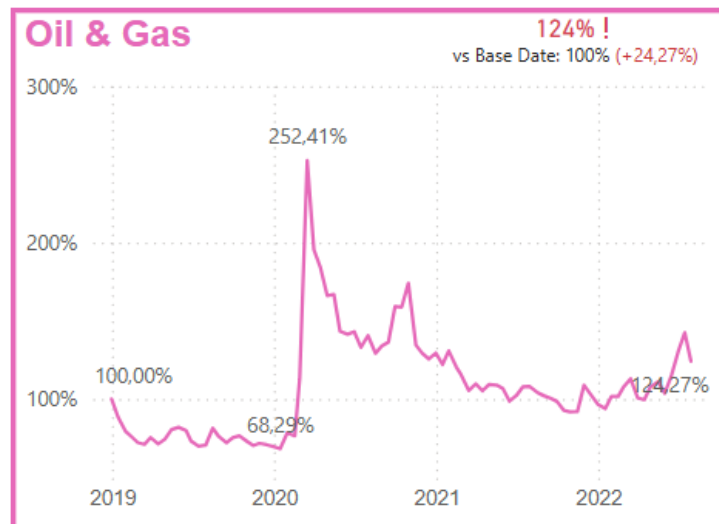
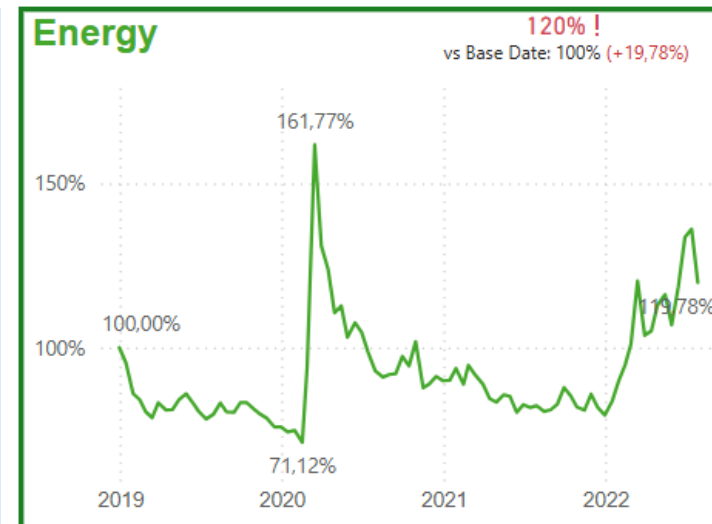
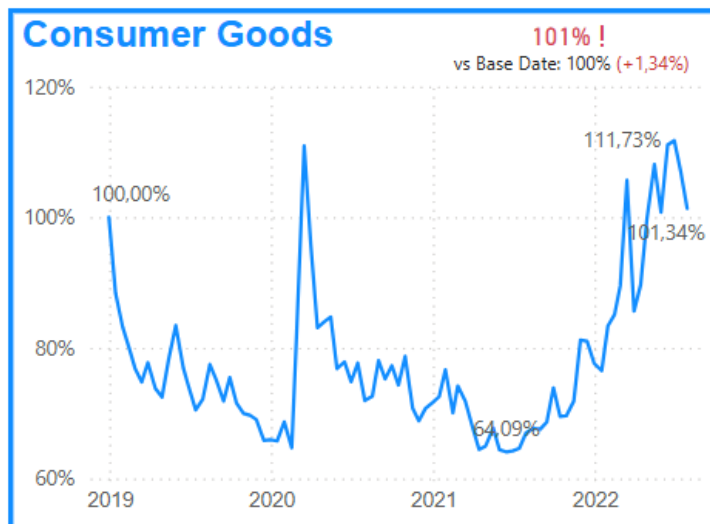
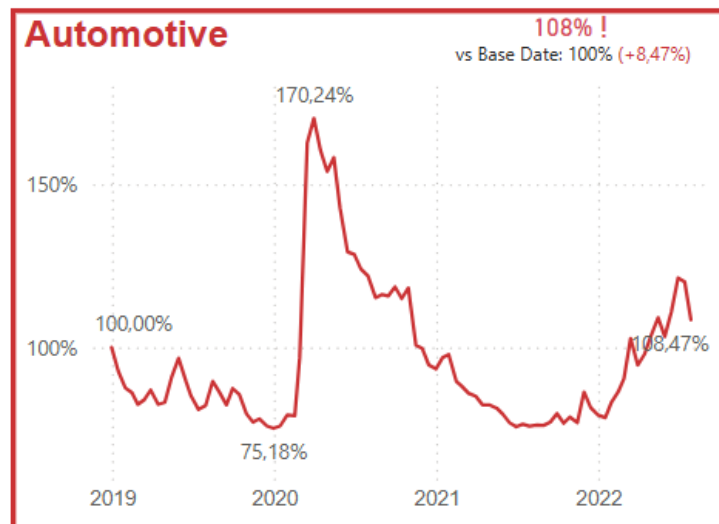
**Enel**

**118% !**

vs Base Date: 100%  
(+17,70%)

# Perceived Risk Index©

Measuring the risk as perceived by financial markets – by Sector @ 29 Jul 2022



# Perceived Risk Index©

## Comments

### Full month trend:

July 2022 was marked by **high volatility** in the PRI©, with an initial worsening trend (+10 p.p. vs June 30<sup>th</sup>) followed by a partial recovery in the second half of the month (-7 p.p. vs July 15<sup>th</sup>).

In the **first half of July**, Enel's PRI© showed a **sharp increase**, signaling a deterioration in perceived risk; however, the company held its **fourth position** in the ranking, in the context of a generalized worsening across all peers.

**Macroeconomic pressures remained high**, with a significant impact from:

- a) Continued interest rate hikes by both the **ECB** and the **FED**
- b) The **euro/dollar exchange rate reaching parity**, which contributed to growing uncertainty in European markets

In the **second half of the month**, however, the picture **partially improved**: Enel's PRI© decreased (-7p.p.), supported in particular by an improvement in its 5-year CDS, which helped reduce its perceived risk. Despite this, Enel slipped to **fifth position** in the sector ranking, as other peers experienced more pronounced improvements in their risk profiles, partly driven by specific market developments. While some utilities maintained strong positions thanks to greater stability, others continued to face adverse conditions, resulting in weaker performance.