



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

# 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.

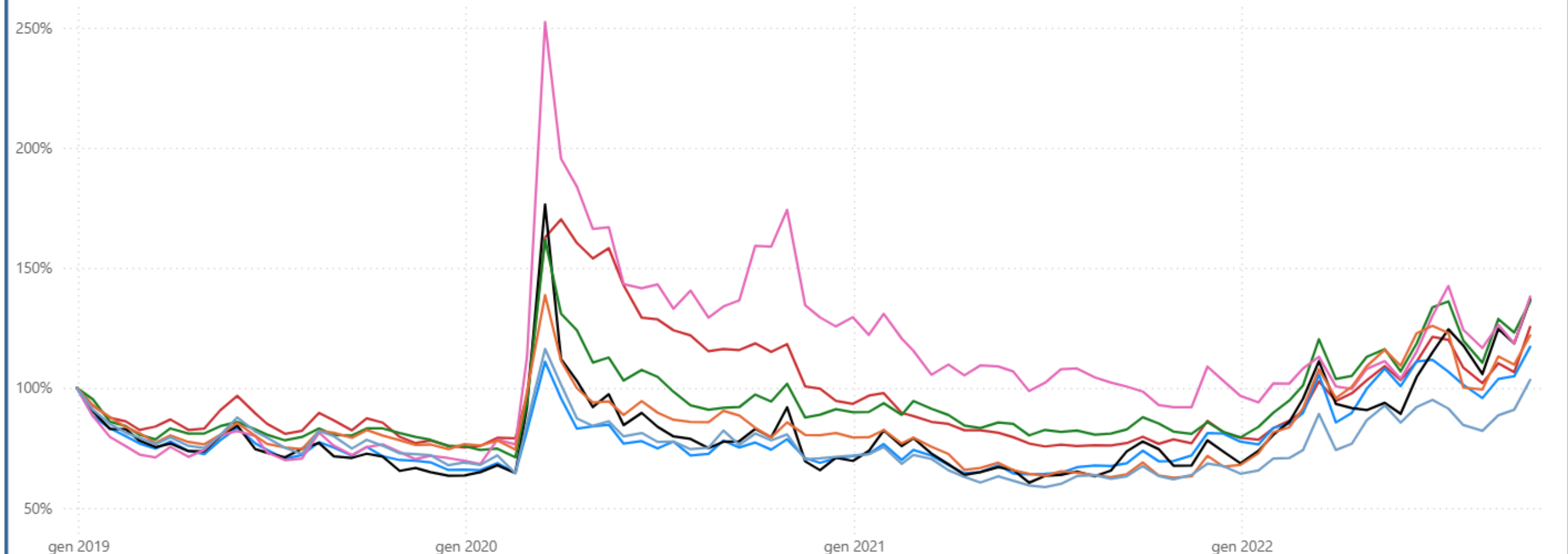
31/12/2018 is the starting point of the monitoring activity, with a baseline value of 100%, across six key sectors: Energy, Oil & Gas, Consumer Goods, Software, Technology, and Automotive.

Copyright ©2021 Enel S.p.A AFC Risk Control. All rights reserved

## PRI Perceived Risk Index©

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

Automotive Consumer Goods Enel Energy Oil&Gas Software Technology



**Automotive**

**125% !**

vs Base Date: 100%  
(+25,43%)

**Consumer Goods**

**117% !**

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

**Energy**

**136% !**

vs Base Date: 100%  
(+36,02%)

**Oil & Gas**

**138% !**

vs Base Date: 100%  
(+38,08%)

**Software**

**122% !**

vs Base Date: 100%  
(+21,92%)

**Technology**

**103% !**

vs Base Date: 100%  
(+3,36%)

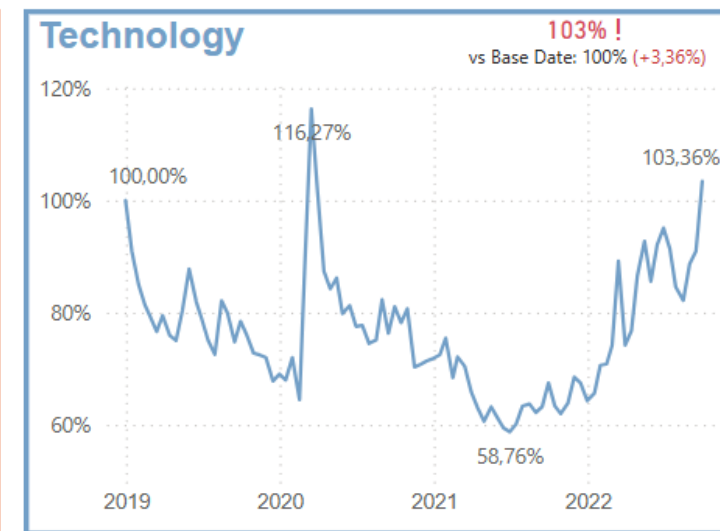
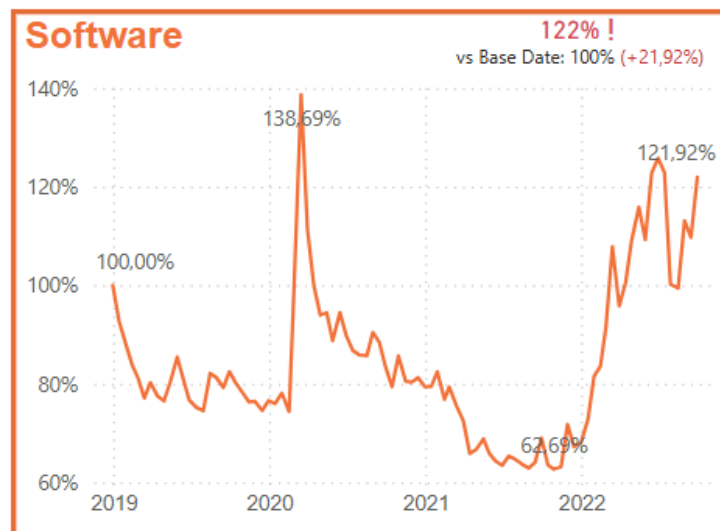
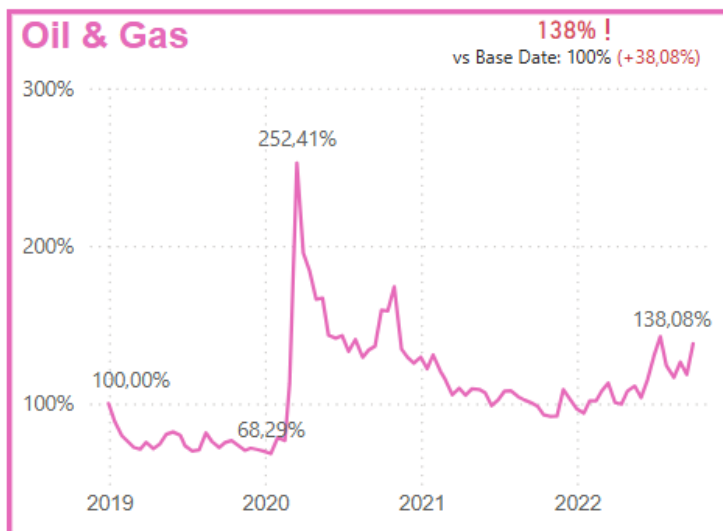
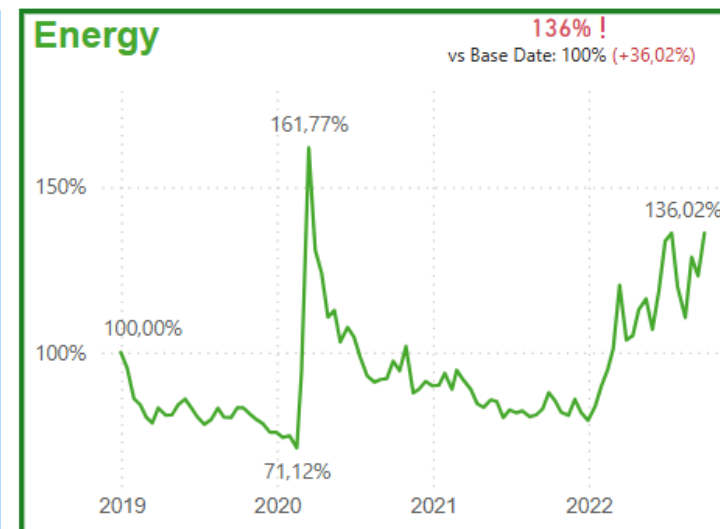
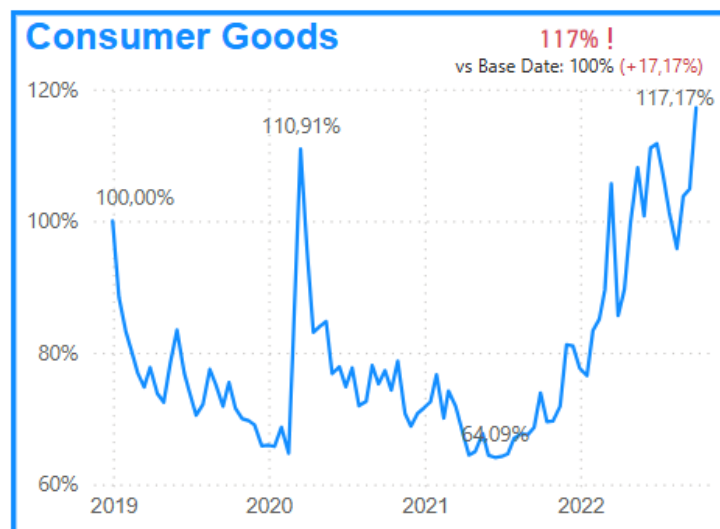
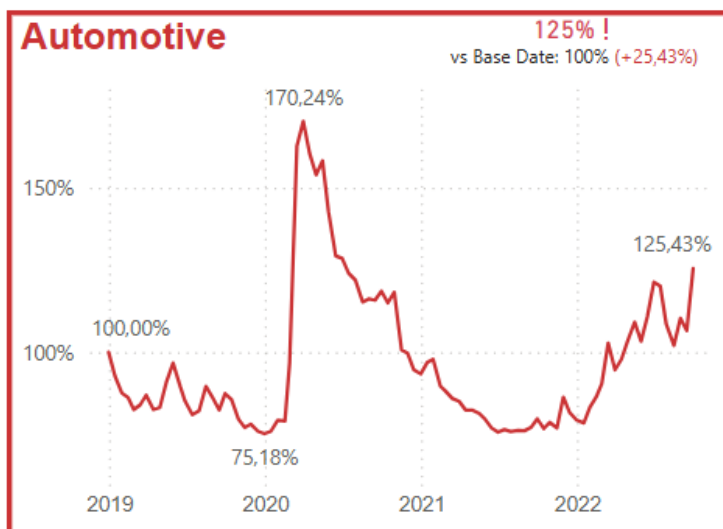
**Enel**

**137% !**

vs Base Date: 100%  
(+36,87%)

# Perceived Risk Index©

Measuring the risk as perceived by financial markets – by Sector @ 30 Sep 2022



# Perceived Risk Index©

## Comments

### Full month trend:

September was marked by a **volatile trend** in the PRI©, with a more favorable first half, followed by a sharp worsening in the second part of the month.

During the **first half of the month**, Enel's PRI© improved by 6p.p., allowing the company to climb back to **fourth position** in the ranking, supported by a decrease in its 5-year CDS (from 151 to 140). This positive shift in early September reflected a **momentary phase of reduced tension**, during which several peers also benefited from a slightly less stressed environment.

However, by the **end of the month**, the situation deteriorated rapidly: Enel dropped two positions, finishing in **sixth place** due to a sudden and steep worsening of its PRI© (+18 p.p. compared to the first half of September, reaching +137%). The main factors behind this reversal were an increase in the 5-year CDS (from 140 to 162) and a rise in implied volatility (from 31 to 36).

In the context of a broad-based sectoral deterioration, some players showed relatively stable performance. Others, by contrast, remained at the bottom of the ranking, still affected by unfavorable conditions.