



Perceived Risk Index[©] ***Sectors Analysis***

28/04/2023

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.

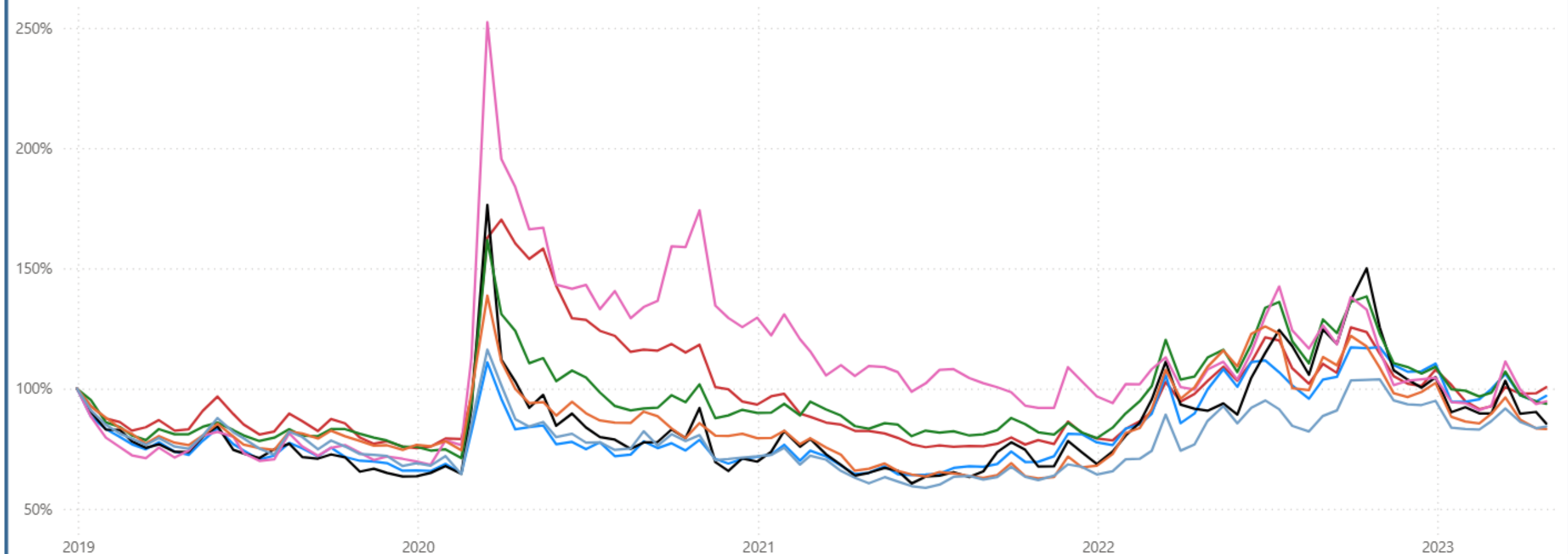
31/12/2018 is the starting point of the monitoring activity, with a baseline value of 100%, across six key sectors: Energy, Oil & Gas, Consumer Goods, Software, Technology, and Automotive.

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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

101%!

vs Base Date: 100%

(+0,62%)

Consumer Goods

97%✓

vs Base Date: 100%

(-3,04%)

Energy

94%✓

vs Base Date: 100%

(-6,27%)

Oil & Gas

95%✓

vs Base Date: 100%

(-5,31%)

Software

83%✓

vs Base Date: 100%

(-16,77%)

Technology

84%✓

vs Base Date: 100%

(-15,71%)

Enel

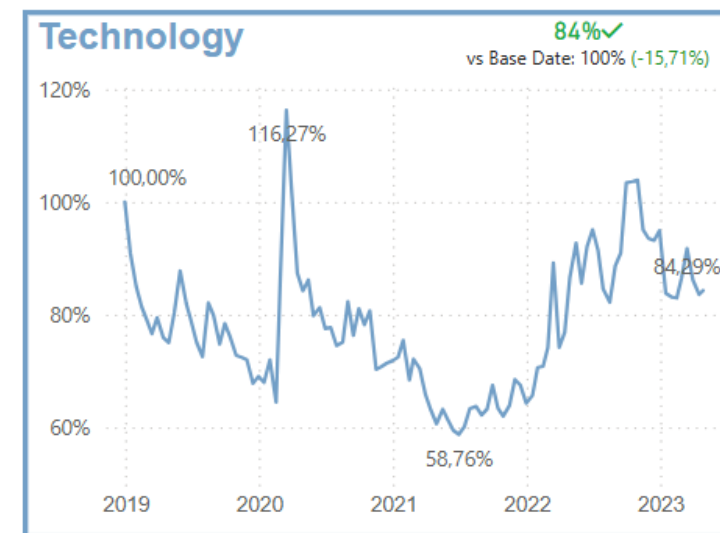
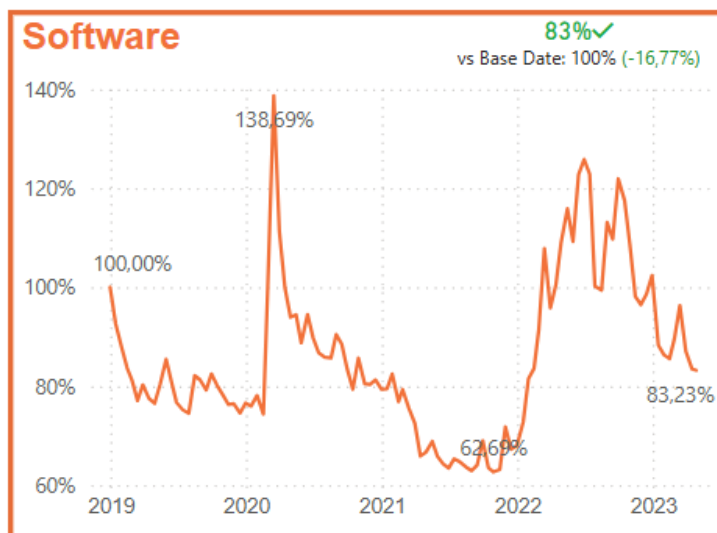
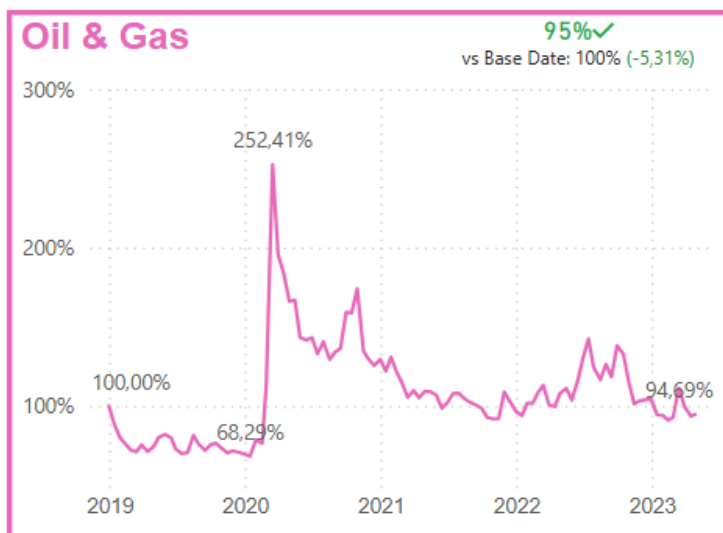
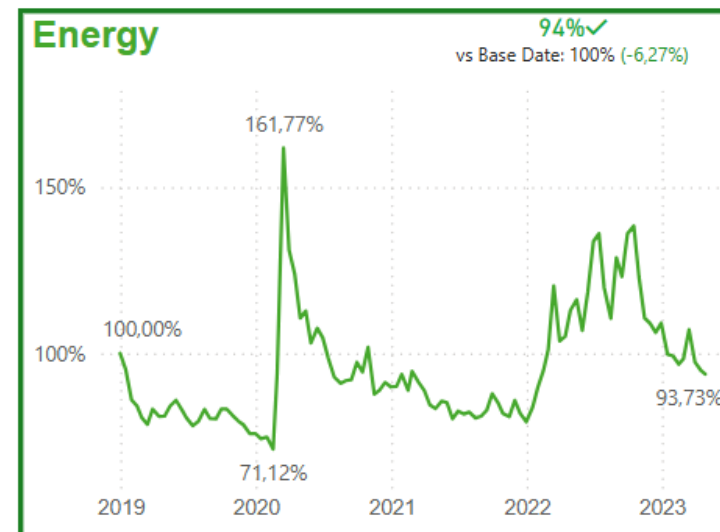
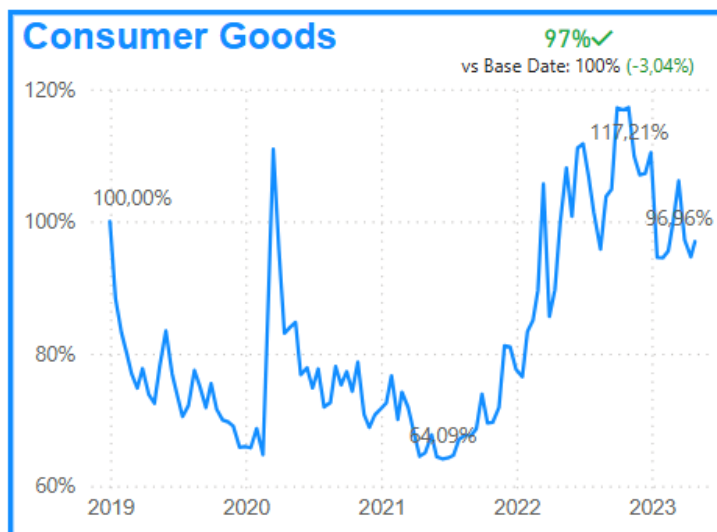
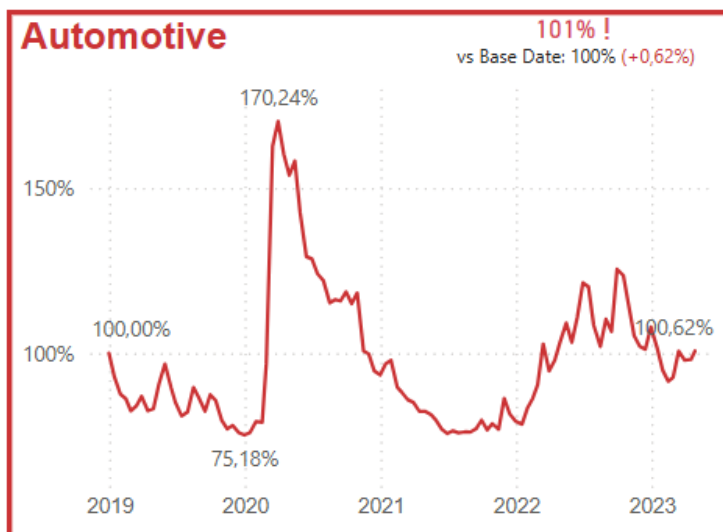
85%✓

vs Base Date: 100%

(-14,56%)

Perceived Risk Index©

Measuring the risk as perceived by financial markets – by Sector @ 28 Apr 2023



Perceived Risk Index©

Comments

Full month trend:

Following the high volatility observed in March, **April 2023 marked a phase of greater stability** for the PRI©, with a **generalized improvement** across the sector's peers. Enel's PRI© showed an overall positive trend throughout the month, initially driven by a decrease in the 5-year CDS.

In the **second half of April**, despite a slight uptick in CDS levels, the **increase in Enel's stock price** more than offset the impact, further contributing to the **improvement of the indicator**. The recovery was also supported by **quarterly results that exceeded expectations**, reinforcing **market confidence**.

As a result, **Enel confirmed its second-place position** in the peer ranking, behind the top performer.